



Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

TRINIDAD AND TOBAGO

This report, prepared for the fourth Trade Policy Review of Trinidad and Tobago, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Trinidad and Tobago on its trade policies and practices.

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SUMMARY

1. Since its previous Trade Policy Review in 2012, the economy of Trinidad and Tobago has undergone three years of recession, due mainly to contractions in real economic activity in the energy sector (including oil and gas). During the period under review, real GDP growth averaged around -1% annually. Against this background, GDP per capita declined to around USD 16,000 in 2017, compared with around USD 19,000 in 2012. Government revenue, which is highly reliant on the petroleum sector, shrunk considerably, mirrored by an increase in the fiscal deficit and the net public sector debt. Nevertheless, during this period, unemployment remained relatively static, and inflation declined. The real effective exchange rate appreciated during the same period, due mainly to higher domestic prices compared with those in the country's main trading partners.

2. Trinidad and Tobago registered a current account surplus in 2017, at 7.4% of GDP, down from 12.9% in 2012. Mineral products (including fuels) remain the largest export category; their share declined over the review period, from 56% in 2012 to 45.5% in 2017. The United States is Trinidad and Tobago's top trading partner, for both imports and exports. Over the review period, investment inflows were volatile, with most foreign investment destined for the petroleum industries.

3. It was against this economic backdrop that Trinidad and Tobago embarked upon renewed efforts to diversify, and enhance the competitiveness of, its economy, as well as to take other necessary reforms. Its priorities are set out in various strategy documents. The main plan guiding Trinidad and Tobago's overall social and economic development is Vision 2030: the National Development Strategy of Trinidad and Tobago 2016-30. Additionally, Trinidad and Tobago released an Aid for Trade Strategy, as well as sector-specific policies to: develop e-commerce; create a modern special economic zones regime; encourage ICT development; reinvigorate the yachting industry; and build a more robust national quality system.

4. Trinidad and Tobago grants at least MFN treatment to all its WTO trading partners. Over the review period, it accepted the 2005 Protocol Amending the TRIPS Agreement and the 2014 Protocol concerning the Trade Facilitation Agreement. It was not involved in any dispute settlement cases as either complainant or respondent; it was involved in one new case as a third party. While several notifications were submitted to the WTO in various areas, some are not up-to-date, or are outstanding.

5. Trinidad and Tobago is a member of the Caribbean Community (CARICOM) and, as part of it, has regional trade agreements (RTAs) in force with the Dominican Republic, Colombia, Cuba and Costa Rica. It is also a signatory to the CARIFORUM-EU Economic Partnership Agreement which is being provisionally applied. Since 2012, a partial-scope trade agreement between Trinidad and Tobago and Panama entered into force. A similar agreement was signed with Guatemala.

6. Trinidad and Tobago's rules on FDI have not changed over the review period. No investor-state disputes were brought against Trinidad and Tobago. Efforts are being made by the Government to improve the country's business environment, which appears to be being held back by various factors, such as the workforce's skills, bureaucracy and corruption. Apparently, e-commerce, while growing, is still not widely used by retailers or at a business-to-business level; however, a concern about the impact of increased consumer purchases of goods online from abroad prompted the Government to introduce a 7% Online Purchase Tax (OPT) in 2016. According to the authorities, the OPT is intended to curb foreign exchange outflows and revenue leakage, and help local manufacturers and service companies compete with overseas retailers.

7. Changes to customs procedures over the review period included the mandatory submission of advance passenger and cargo information. The requirement to use customs brokers' services remains in place, and the electronic submission of customs declarations is now, in practice, mandatory. Additionally, in 2012, the Government launched its Single Electronic Window System (TTBizLink), which is envisaged to be fully implemented by 2021; it enables individuals and businesses to perform various operations online. The import- and export-related e-services now operational include import and export permit and licence applications, and applications for import duty concessions and origin certificates. These services have contributed to significant delivery-time improvements. This notwithstanding, port inefficiencies have so far prevented Trinidad and Tobago from improving its international rankings for trading across borders. A pilot "voluntary compliance

programme" was launched, which allows participants to print out their own cargo release orders. Around 30-35% of imports are physically inspected.

8. Trinidad and Tobago applies the CARICOM Common External Tariff (CET), with certain exceptions. The simple average applied MFN tariff in 2018 was 9.1%, which is considerably lower than the simple average bound tariff of 57%. The applied MFN rate exceeded the corresponding bound rate on 59 tariff lines in 2018, up from 50 in 2011; this increase is due to a change in the HS nomenclature. The authorities indicated that the broken bindings issue is being considered in the context of a CARICOM review of the CET and rules of origin. As per WTO sectoral definitions, average applied tariffs on agricultural products (17.9%) are higher than those on non-agricultural products (7.3%). During the review period, Trinidad and Tobago used flexibilities under the CET to make tariff adjustments. In 2013, it introduced new import surcharges on nine poultry products, in addition to those already in place. Over the review period, new taxes introduced on imports included the OPT and an environmental tax on tyre imports, introduced in December 2017.

9. A new anti-dumping investigation was launched in 2014 into the alleged dumping of aluminium extrusions originating from China; this resulted in the imposition of final duties in February 2016. No other investigations were initiated, no anti-dumping measures were being applied to any other products, and no countervailing duty investigations were taken during the review period. Trinidad and Tobago continues to have no safeguard legislation.

10. Trinidad and Tobago does not levy export taxes on any goods. There has been a considerable reduction in the cost and time taken to export, since the previous Review. The country continues to operate free-trade zones, with a view to generating employment, attracting investment, and accessing overseas markets. However, due to the poor performance of the zones and other shortcomings, consideration is being given to establishing a new special economic zones regime. The Government is the sole provider of export credit insurance through EXIMBANK. A new export facilitation agency (ExporTT) was set up in 2013 to provide services to exporters in the non-energy sector.

11. Trinidad and Tobago has an excise tax, which applies to domestically-produced goods only. New developments in the taxation area include: the reduction of VAT from 15% to 12.5%; the application of new import surcharges to nine poultry tariff headings in 2013; the establishment of a uniform royalty rate of 12.5%, applicable to oil, gas and condensates; the standardization of corporate tax to 30% for all companies (apart from commercial banks, which are subject to a rate of 35%); and the introduction of a 7% OPT and an environmental tax on tyre imports. The Government provides a myriad of incentives to businesses based in the country. In the 2018 Budget Statement, the Minister of Finance proposed to re-establish certain export allowances to manufacturers; this has not been implemented in practice. In 2018, the EXIMBANK launched the Forex Facility, with an initial capitalization of USD 100 million, to secure foreign exchange for exporters of manufactures.

12. There were no changes to Trinidad and Tobago's procedures for standard-setting; details of all voluntary standards and technical regulations are available online, and notifications to the WTO are up-to-date. During the review period, no specific trade concerns were raised in the WTO TBT Committee regarding Trinidad and Tobago's measures. A National Quality Policy and its implementation plan were issued in 2018 to help businesses better exploit commercial opportunities.

13. There were no changes to the laws governing Trinidad and Tobago's SPS regime, although legislative reforms, drawn upon CARICOM model laws, are being considered. No specific trade concerns were raised in the WTO SPS Committee over the review period, and no WTO notifications were made. The authorities stated that Trinidad and Tobago's SPS measures are based on international standards. A National Biosafety Policy was issued in 2014, the objective of which is to develop an appropriate and transparent administrative, regulatory and legislative framework to govern the development and use of modern biotechnology products, including living modified organisms and their intended use in food, feed and processing.

14. A Fair Trading Commission was established in 2014 to monitor and enforce provisions of the Fair Trading Act; the Commission has not yet been able to receive or investigate complaints, as the relevant provisions of the Act have not yet been proclaimed. A National Consumer Policy 2018-23 was approved by the Cabinet in 2018, and the Government is preparing a consumer protection bill.

Price controls remain in place for petroleum, the transmission and distribution of electricity, water and waste water rates, and public transport fares, while minimum guaranteed prices apply to rice and milk.

15. Trinidad and Tobago notified to the WTO in 2010 that the Cocoa and Coffee Industry Board (CCIB) was a state trading enterprise, which facilitated the purchase of cocoa from farmers and the sale thereof. In 2014, a new company replaced the CCIB, and the state trading arrangement under the CCIB was discontinued. It would appear that, after the restructuring of Petrotrin, a new entity – Paria Fuel – will be responsible for the importation of fuel. The State continues to maintain a significant economic presence, through fully or partially state-owned enterprises (SOEs), in the areas of energy, agriculture, manufacturing, and services. Many SOEs receive significant subsidies from the Government. The Government has been exploring PPP projects to revitalize the loss-making SOEs.

16. Trinidad and Tobago is neither a party to, nor an observer of, the Plurilateral Agreement on Government Procurement. Open tenders are advertised both locally and internationally; they are open to anyone, irrespective of nationality. Preferences are provided to SMEs. The public procurement system is undergoing a major overhaul, as a new Act is to repeal and replace the existing legislation.

17. There were no significant changes to Trinidad and Tobago's intellectual property rights (IPR) protection system since its previous Review. The only legislative change was the promulgation of the Trade Marks Act, 2015, which contains, *inter alia*, provisions on non-traditional marks. Compulsory licences are allowed under the Patents Act and the New Plant Varieties Act; there have been no applications of compulsory licences since the previous Review. Parallel imports are allowed under patent and trademark legislation, but not under copyright legislation. The first geographical indication was filed in 2017, concerning cocoa and cocoa products. IPR enforcement is the responsibility of the police and the Customs and Excise Division. The Intellectual Property Office (IPO) develops and administers IPR policy. It launched a public awareness and education campaign, Building Respect for IP, to reduce the demand for pirated and counterfeit products. It also organized IP Clinics to inform entrepreneurs and innovators of the various IP aspects of their businesses, as well as the next steps needed to acquire those rights and leverage them for improved competitiveness.

18. Agriculture constituted only 0.5% of GDP in 2017, but was an important component of trade, accounting for 10% of total merchandise exports and 13% of total merchandise imports in the same year. Government support includes minimum guaranteed prices, investment incentives and input subsidies, and low-interest loans. Trinidad and Tobago is a net fish importer: the fisheries sector is mainly artisanal. Dominated by marine fisheries, the fisheries sector accounted for a very tiny share of GDP and employment. At the border, the simple average MFN tariff rate on fish and fishery products (29.6% in 2018) is not only higher than that on non-agricultural tariff lines (7.3%), but is also higher than that on agricultural tariff lines (17.9%).

19. Manufacturing, comprising mainly petroleum and chemical production and food, beverages and tobacco production, accounted for less than one fifth of GDP. More incentives are being provided to the sector, in particular the Forex Facility, established to enable exporters of manufactured goods to obtain foreign exchange.

20. The oil and natural gas sector is the main pillar of Trinidad and Tobago's economy, but it suffered a dramatic decline over the review period, due to falling energy prices. Mining and quarrying accounted for 21.6% of GDP in 2012 and this fell to 9.7% in 2016, recovering slightly thereafter. In response to the crisis and other key challenges, particularly falling production, domestic supply shortages and external trends, government measures have included fiscal reforms and asset sales. The state-owned company Petrotrin was restructured, and its refining arm is being shut down. Renewed efforts are being made to enhance local content, participation and ownership in the energy sector. The State continues to have a full or partial equity stake in various energy companies. Electricity prices are regulated, and a petroleum subsidy remains in place to ensure low and stable consumer prices.

21. The services sector accounted for nearly 60% of GDP in 2017, up from 46% in 2010. In terms of export value, the main services subsectors are travel, transport, insurance and technical

trade-related and other business services. Trinidad and Tobago continues to have a deficit in services trade, and import values are double those of exports.

22. Despite the economic recession, the financial services sector remained stable. It accounts for about 8% of GDP and 10% of the work force. Banks are well-capitalized and profitable; both the return on equity and the return on assets went up during the review period, and the non-performing loan ratio declined. Commercial banks, operating a high interest rate spread, obtain profits mainly from interest margins. Liquid funds of commercial banks declined, but remained on a healthy level, probably caused by banks using liquid assets to meet large withdrawals from government-related entities. According to the Central Bank's Financial Stability Report, these withdrawals might be the consequence of the Government's fiscal consolidation efforts, and lower subsidies to some public bodies. More than a quarter of loans and investments from commercial banks go to the State or SOEs. The insurance sector remained resilient, despite large claims after the 2017 hurricane. A new Insurance Act, 2018 is to come into force once its implementing regulations are finalized.

23. Penetration rates for mobile and fixed telephony, as well as mobile and fixed Internet, have posted growth over the review period. While the sector is open to foreign investment, the State continues to have an indirect equity stake in one of the main operators providing both fixed and mobile telephony services. Mobile and fixed telecommunications rates are amongst the lowest in the Caribbean region. Since 2012, new pro-competitive regulations were issued to require accounting separation and number portability. Additionally, a universal service scheme was operationalized.

24. The legal and regulatory regimes for air and maritime transport did not change over the review period. As before, foreign investment opportunities are more restricted in the air transport sector than in maritime. Over the review period, the Port Authority of Trinidad and Tobago was restored to profitability after several years of operating at a loss; however, the Inter-Island Ferry Service that it runs still needs to be heavily subsidized. Trinidad and Tobago is looking to develop the segment of vessel repair and maintenance, through policy and infrastructure reforms; this would supplement the customs duty exemptions that are already available for the sector.

25. The tourism sector continues to be dominated by arrivals from North America and the Caribbean. Various incentives remain in place to support tourism projects and upgrade the tourism infrastructure; the only change to these was to circumscribe the types of vehicles that may be imported at preferential rates for use in the tourism transportation industry. In 2012, a new development fund was set up to assist operators on the island of Tobago to meet their loan repayments during periods of low occupancy.

1 ECONOMIC ENVIRONMENT

1.1 Main Features of the Economy

1.1. Since its previous Trade Policy Review in 2012, the economy of Trinidad and Tobago has undergone three years of recession, led mainly by contractions in real economic activity in the energy sector. The performance of the sector mainly reflected lower global crude oil prices from around 2014. Trinidad and Tobago also experienced energy supply shocks, which further exacerbated the effects of falling energy prices.¹ During the period under review, real GDP growth averaged around -1% annually (Table 1.1); the economy contracted in 2014, 2016 and 2017. Real GDP growth is forecast to be -0.7% in 2018. GDP per capita in US dollar terms declined to around USD 16,000 in 2017 compared with around USD 19,000 in 2012. Trade continues to play an important role in the economy, with total merchandise trade accounting for around 72% of GDP in 2017. The unemployment rate was 4.8% in 2017, compared with 4.9% in 2012 and 4.0% in 2016. In recent years, inflation has been declining.

Table 1.1 Main economic indicators, 2012-17

	2012	2013	2014	2015	2016	2017 ^a
GDP at purchaser price (current TTD million)	165,686	174,661	176,109	160,210	145,027	150,847
GDP at purchaser price (current USD million)	25,769	27,110	27,478	25,121	21,747	22,250
Real GDP growth (% based on constant 2012 prices)	1.3	2.0	-1.0	1.8	-6.5	-1.9
GDP per capita (current USD) - CALCULATED -	19,300	20,223	20,425	18,613	16,062	16,401
GDP by economic activity (as a share of current GDP at purchaser price)						
Agriculture, forestry and fishing	0.4	0.4	0.3	0.4	0.5	0.5
Mining and quarrying	21.6	23.1	21.5	13.7	9.7	12.6
Manufacturing	19.5	15.4	16.0	15.1	17.1	15.7
Food, beverages and tobacco products	3.2	3.3	3.4	4.8	5.1	4.8
Textiles, clothing, leather, wood, paper and printing	1.0	0.8	0.6	0.6	0.6	0.5
Petroleum and chemical products	14.0	9.8	10.6	8.4	10.0	8.9
Other manufactured products	1.4	1.6	1.5	1.3	1.5	1.4
Electricity and gas	3.2	3.4	3.5	2.3	1.0	1.7
Water supply and sewerage	1.3	1.3	1.2	1.4	1.5	1.6
Construction	5.3	5.4	5.5	6.1	6.4	5.9
Services	46.8	49.4	50.5	58.0	61.6	60.4
Trade and repairs	19.1	21.1	21.9	23.3	23.7	21.6
Transport and storage	3.3	3.2	2.9	3.3	3.8	3.9
Accommodation and food services	1.3	1.3	1.4	1.6	1.7	1.7
Information and communication	2.4	2.3	2.5	2.5	2.7	2.5
Financial and insurance activities	5.7	5.7	5.6	6.3	7.1	8.6
Real estate activities	1.8	1.7	1.7	1.9	2.2	2.1
Professional, scientific and technical services	1.5	1.7	1.7	1.9	2.1	2.1
Administrative and support services	1.9	2.5	2.2	3.7	4.1	4.2
Public administration	6.5	6.7	7.2	8.9	9.9	9.6
Education	2.2	2.2	2.1	3.1	2.8	2.6
Human health and social work	0.4	0.4	0.4	0.5	0.5	0.5
Arts, entertainment and recreation	0.2	0.3	0.3	0.3	0.3	0.2
Other service activities	0.4	0.4	0.4	0.5	0.6	0.6
Domestic services	0.1	0.1	0.1	0.2	0.2	0.2
Less FISIM ^b	-1.9	-1.9	-1.9	-2.1	-2.4	-2.7
GDP at basic prices ^c	96.1	96.5	96.7	95.1	95.5	95.8
Taxes less subsidies on products	3.9	3.5	3.3	4.9	4.5	4.2

¹ During the review period, the production of crude oil and condensate deteriorated on account of the natural decline in output from mature fields, the lack of additional output from new sources or recent discoveries, and the sector's ageing infrastructure. Natural gas production also declined during the review period (Table 4.11).

	2012	2013	2014	2015	2016	2017 ^a
GDP by economic activity (real growth rate based on constant 2012 prices)						
Agriculture, forestry and fishing	-0.1	-2.0	-9.9	25.1	-15.3	21.5
Mining and quarrying	-1.4	2.0	-0.9	-3.2	-13.2	0.9
Manufacturing	-0.8	0.9	-3.3	0.9	-3.4	-2.6
Food, beverages and tobacco products	6.0	-1.1	-2.8	2.6	9.7	-12.0
Textiles, clothing, leather, wood, paper and printing	-10.4	-3.1	-5.9	-9.6	-6.6	-1.6
Petroleum and chemical products	-4.7	1.6	-3.9	1.9	-4.5	-0.1
Other manufactured products	30.2	1.4	3.2	-6.6	-20.7	-4.3
Electricity and gas	-1.2	2.2	-3.6	1.8	-8.1	8.7
Water supply and sewerage	2.5	-3.3	-5.5	1.5	1.7	1.5
Construction	-2.0	7.7	1.3	-2.7	-4.2	-4.1
Services	3.2	4.7	0.3	2.2	-1.9	0.8
Trade and repairs	-0.7	0.5	0.3	3.6	-7.2	-11.3
Transport and storage	14.4	10.8	4.5	-4.5	-16.9	6.4
Accommodation and food services	-3.0	1.8	0.7	-1.2	-2.0	-1.3
Information and communication	14.4	2.1	1.0	2.4	-2.3	-1.6
Financial and insurance activities	3.0	2.1	0.2	3.4	2.4	0.9
Real estate activities	3.0	0.5	0.3	0.5	0.5	0.4
Professional, scientific and technical services	3.0	14.1	2.7	-14.3	-2.4	5.6
Administrative and support services	2.6	26.5	-12.4	36.5	-2.4	5.2
Public administration	1.0	1.2	3.7	1.4	2.1	0.6
Education	-0.6	2.2	2.4	2.1	2.7	2.5
Human health and social work	2.6	0.4	0.4	0.3	0.3	0.2
Arts, entertainment and recreation	-0.6	0.4	0.4	0.3	0.3	0.2
Other service activities	2.6	0.6	1.1	0.0	0.7	-1.4
Domestic services	2.6	1.3	1.3	1.2	1.2	1.1
Less FISIM ^b	-15.6	5.1	-0.6	3.2	1.3	-1.5
GDP at basic prices ^c	0.4	2.5	-0.7	0.9	-6.0	-1.8
Taxes less subsidies on products	18.0	-11.2	-8.8	29.2	-19.4	-2.4
Prices						
Index of retail price (January 2015=100)	87.0	91.6	96.8	101.3	104.4	106.4
Inflation (%)	9.3	5.2	5.7	4.7	3.1	1.9
Money supply (USD million)						
Narrow money (M1)	5,549	6,228	7,446	6,939	6,805	6,492
Broad money (M2)	11,015	11,957	13,594	13,465	13,291	12,797
Interest rates (%)						
Central Bank 3-month Treasury Bill (debt management)	0.4	0.1	0.1	1.0	1.1	1.2
Central Bank repo rate	2.8	2.8	3.3	4.8	4.8	4.8
Commercial banks 3-month deposits	0.2	0.4	0.4	0.4	0.4	0.4
Commercial banks 12-month deposits	0.7	0.8	0.8	0.8	0.8	0.8
Government bonds, 10-year yield (end of year) ^d	3.4	2.5	2.7	3.9	4.4	4.3
Employment^e						
Labour force ('000)	646.0	650.1	658.6	645.3	638.3	633.7
Unemployment rate (%)	4.9	3.7	3.3	3.4	4.0	4.8
<i>Memorandum items</i>						
Nominal exchange rate (TTD per USD, period average)	6.4	6.4	6.4	6.4	6.7	6.8
Real effective exchange rate (2005=100)	107.1	111.2	117.2	129.7	128.3	125.3
Terms of trade (1985=100, % change)	0.3	-0.2	0.6	4.8	0.5	-1.0
Crude oil price (USD/barrel)	105.0	104.1	96.2	50.8	42.8	52.8
Natural gas price (USD/MMBtu) ^f	10.4	10.5	10.7	6.8	5	5.1
Population ('000)	1,335	1,341	1,345	1,350	1,354	1,357

a Provisional data.

b Financial Intermediation Services Indirectly Measured.

- c The basic price is the amount receivable by the producer as output minus any tax payable, plus any subsidy receivable. It excludes any transport charges invoiced separately by the producer.
- d Yields from 2010 to 2013 are based on the CBTT Research GORTT Yield Curve. Yields from 2014 are from the Standardized TT Treasury Yield Curve.
- e Until 2017 3rd quarter.
- f Average of Henry Hub and Asian LNG prices.

Source: Central Bank of Trinidad and Tobago, IMF Country Report Nos. 17/352 and 18/285, IMF International Financial Statistics, and data provided by the authorities.

1.2. With limited reserves of hydrocarbons and a significant drop in government revenue from them, the authorities recognize that further reform is urgently needed to diversify the economy. Against this background, the authorities introduced "Vision 2030; The National Development Strategy of Trinidad and Tobago 2016-30", which aims, *inter alia*, at building globally competitive businesses (Section 2).

1.2 Recent Economic Developments

1.3. The Government has continued to be highly reliant on the energy sector for revenue. Trinidad and Tobago's government revenue has been declining since the fiscal year 2014/15, reflecting falling global oil prices from 2014. Total revenue as a proportion of GDP has been declining since 2015/16 to 25.1% in 2016/17 (based on Table 1.2).² Total expenditure as a proportion of GDP peaked in 2014/15 at 37.4% and dropped to 33.5% in 2016/17. The fiscal deficit as a proportion of GDP increased from 2.1% in 2011/12 to 8.4% in 2016/17, and the net public sector debt as a percentage of GDP increased to 62.1% in 2016/17 compared with 38.7% in 2011/12.

Table 1.2 Central government fiscal operations, 2012-17^a

(TTD million and %)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total revenue and grants	49,310	52,782	58,397	57,262	44,973	37,836
Current revenue	49,267	52,281	57,081	52,272	41,159	36,136
<i>of which: energy sector</i>	26,923	26,421	28,057	19,767	8,278	9,039
Tax revenue	43,569	44,642	47,287	42,298	29,733	27,825
Tax on income and profits	33,105	33,509	36,752	29,974	17,668	16,986
Companies	24,473	24,447	27,120	19,994	8,040	7,985
Oil	15,827	14,772	16,970	10,513	1,036	1,078
Other	8,646	9,675	10,151	9,481	7,003	6,907
Individuals	5,435	6,207	6,620	7,445	7,187	6,403
Withholding taxes	1,084	885	942	1,067	990	855
Health surcharge	187	218	210	264	226	202
Business levy	294	187	210	215	438	644
Unemployment fund	1,259	1,163	1,240	601	131	59
Green fund	347	370	381	346	612	791
Taxes on property	5	4	4	3	3	3
Taxes on goods and services	7,926	8,295	7,384	8,904	8,716	7,938
Taxes on international trade	2,319	2,588	2,862	3,014	3,016	2,583
Stamp duties	214	246	285	403	329	315
Non-tax revenue	5,698	7,639	9,794	9,974	11,426	8,311
Royalty on oil	2,449	2,380	2,399	1,101	520	1,050
Profits - state enterprises	1,347	1,978	5,357	6,232	5,153	3,134
Profits - national lottery	246	180	263	170	178	306
Production sharing	0	800	0	450	1,000	1,300
Equity profits - Central Bank	479	555	393	177	809	714
Interest income	60	38	32	40	41	27
Repayment of past lending	32	22	18	28	2,681	32

² Revenue as a proportion of GDP for a fiscal year is calculated by dividing the revenue for the fiscal year a/b by the GDP for the calendar year b, e.g. the revenue of 2016/17 is divided by the GDP of 2017. The same methodology applies for expenditure and fiscal balance.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Administrative fees and charges	419	523	804	636	503	642
Capital revenue	43	501	1,317	4,989	3,814	1,700
of which: grants	1	82	151	92	207	30
Total expenditure	52,839	57,962	62,839	59,971	52,945	50,479
Current expenditure	45,819	49,500	54,404	52,323	48,546	46,908
Wages and salaries	7,282	9,172	8,591	10,077	9,602	10,022
Goods and services	7,062	7,180	8,009	8,105	7,326	5,914
Interest payments	2,937	2,809	3,123	3,438	3,762	4,538
Domestic	2,548	2,437	2,662	2,916	3,200	3,621
External	389	371	461	523	563	917
Transfers and subsidies	28,538	30,340	34,664	30,702	27,856	26,435
Capital expenditure	7,020	8,462	8,453	7,649	4,398	3,572
Development programme (PSIP)	3,336	3,315	3,631	4,064	2,927	1,875
Infrastructure development fund	3,684	5,147	4,805	3,584	1,471	1,697
Acquisition of foreign fixed assets	0	0	18	0	0	0
Current account balance	3,447	2,780	2,677	-51	-7,388	-10,772
Overall balance	-3,529	-5,180	-4,442	-2,710	-7,972	-12,644
Financing requirements	4,530	5,180	4,442	2,710	7,972	12,644
External financing (net)	1,054	-155	3,312	-199	8,954	3,248
Domestic financing (net)	2,475	5,335	1,130	2,909	-982	9,396
<i>Memorandum items</i>						
Net public sector debt ^b	64135.5	65296.4	70280.9	76541.2	87508.2	93742.4
Central government debt	36546.2	37188.4	41498.8	44708.8	56248.3	64021.7
Central government debt service	3608.1	5092.4	5157.9	5648.5	4429	7448.3
Net public sector debt (% of GDP)	38.9	38.1	40.3	49.2	58.8	62.6
Central government debt (% of GDP)	22.2	21.7	23.8	28.7	37.8	42.8
Ratio of total public sector external debt to exports of goods and services (%)	11.9	9.8	14.3	19.7	37.8	33.7

a Fiscal year, from October to September of the following year.

b Treasury bills, treasury notes, treasury bonds and sterilized bonds issued for Open Market Operations (OMOs) are not included.

Source: Ministry of Finance, Review of the Economy 2017; and IMF Country Report No. 18/285, September 2018.

1.4. The Government has continued its fiscal consolidation efforts by increasing tax revenue through, for example, the reform of royalty³ and corporate tax⁴ structures, in addition to focusing on enhancing revenue collection through, for example, increased penalties for non-compliance. Measures to decrease expenditure include the reduction of transfers to loss-making public bodies and state-owned enterprises, and a fuel subsidies reduction (Sections 3.3.5 and 4.3). The authorities are planning to introduce a medium-term fiscal framework, and establish a revenue authority (Section 2) and a Tax Policy Unit within the Ministry of Finance.

1.5. The Central Bank's monetary policy has objectives to maintain: (1) a low and stable rate of inflation; (2) an orderly foreign exchange market; and (3) an adequate level of foreign exchange reserves.⁵ The main monetary policy instruments adopted by the Central Bank include Open Market Operations, and the use of the repo rate (policy rate) and statutory reserve requirements. In June 2018, the Central Bank increased its policy rate by 25 basis points to 5.00%, with a view to

³ Royalties were unified at 12.5% in October 2017 (Section 4.3).

⁴ The base corporate tax rate was raised to 30% in January 2018 (Section 3.3.1.1).

⁵ Central Bank online information. Viewed at: <https://www.central-bank.org.tt/core-functions/monetary-policy>.

supporting the economy under low inflation conditions and to reflecting higher international interest rates, particularly in the United States.

1.6. The Central Bank intervenes in the foreign exchange market to maintain stability. The IMF classified Trinidad and Tobago's exchange rate system as a "stabilized arrangement", resulting in the Trinidad and Tobago dollar being *de facto* pegged to the US dollar.⁶ During the period under review, the nominal exchange rate depreciated slightly, from TTD 6.4/USD in 2012 to TTD 6.8/USD in 2017. The real effective exchange rate appreciated during the same period, due mainly to higher domestic prices compared with those in the country's main trading partners. This appreciation implies that Trinidad and Tobago's exports have become less competitive.

1.7. Inflation, as measured by the retail price index (RPI), has recently been declining (1.9% in 2017 compared with 9.3% in 2012). The authorities state that primary contributors were a sharp reduction in food price inflation, which slowed to 2.9% in 2017 from 19.1% in 2012, and the ease in inflationary pressure in housing. The decline in headline inflation was also largely driven by the slowdown in food inflation, as core inflation remained relatively stable. The authorities consider that the weaker inflationary environment over 2017 underscores the challenging economic environment and weaker consumer demand in recent years.

1.8. Trinidad and Tobago's current account surplus decreased from USD 3.3 billion in 2012 to USD 1.6 billion in 2017 (7.4% of GDP), reflecting a narrowing of the gap between gross national savings and gross domestic investment (Table 1.3). During the review period, the current account surplus peaked at around 20% of GDP in 2013, before the global oil price started to decrease in 2014. During the review period, the country's trade surplus was at a peak in 2013 and declined subsequently until 2016; the surplus recovered in 2017 to around the level of 2015.

Table 1.3 Balance of payments, 2012-17^a

(USD million)

	2012	2013	2014	2015	2016	2017 ^b
Current account	3,324	5,410	4,003	1,853	-860	1,649
Goods and services, net	5,582	6,949	5,746	2,133	-614	1,430
Goods, net ^c	7,093	8,317	7,045	3,884	1,197	3,519
Exports	16,325	17,593	14,965	11,414	8,285	9,970
Energy	13,190	14,036	12,491	8,767	6,431	7,634
Non-energy	3,135	3,557	2,473	2,647	1,855	2,336
Imports ^d	9,232	9,276	7,919	7,529	7,089	6,452
Fuels ^e	2,958	3,628	2,068	1,456	1,542	1,618
Other	6,274	5,648	5,851	6,073	5,546	4,834
Services, net	-1,511	-1,368	-1,300	-1,751	-1,811	-2,089
Exports	1,395	1,283	1,459	1,192	1,028	1,102
Imports ^d	2,906	2,651	2,759	2,944	2,839	3,191
Primary income, net	-2,296	-1,567	-1,725	-242	-302	171
Primary income, receipts	500	387	344	538	546	533
Compensation of employees	0	1	9	3	1	0
Investment income	500	386	336	535	545	533
Primary income, payments	2,796	1,953	2,070	780	848	363
Compensation of employees	109	81	97	104	241	279
Investment income	2,688	1,872	1,972	676	607	84
Secondary income, net	39	28	-17	-38	56	49
Capital account	0	0	0	0	0	1
Financial account	4,109	12	-67	485	-1,304	575
Direct investment	2,094	1,192	-679	-48	106	550
Net acquisition of financial assets	189	63	-18	128	83	94
Net incurrence of liabilities	-1,904	-1,130	661	177	-24	-456
Portfolio investment	1,588	185	654	799	-1,403	384
Net acquisition of financial assets	1,131	617	746	672	-97	235
Net incurrence of liabilities	-457	431	92	-128	1,306	-149
Financial derivatives	-3	4	-3	-1	0	5
Net acquisition of financial assets	-2	4	-2	-2	0	4

⁶ IMF (2017), Report on Exchange Rate Arrangement.

	2012	2013	2014	2015	2016	2017 ^b
Net incurrence of liabilities	0	0	1	-1	0	0
Other investment	430	-1,370	-39	-264	-7	-364
Net acquisition of financial assets	-272	-1,427	255	-707	-115	184
Other equity	0	0	108	1	6	0
Currency and deposits	408	-1,220	60	-242	-229	247
Loans	-66	-207	26	-178	55	177
Trade credit and advances	-273	140	-139	-148	-59	-40
Other accounts receivable	-340	-140	199	-140	112	-200
Net incurrence of liabilities	-701	-57	294	-442	-107	548
Other equity	0	0	0	0	0	0
Currency and deposits	27	66	-8	74	-5	-68
Loans	-109	190	-132	-446	-89	455
Trade credit and advances	-374	-59	272	34	-11	210
Other accounts payable	-244	-259	198	-88	-11	-75
Special drawing rights	-2	5	-36	-16	9	26
Net errors and omissions	172	-4,593	-2,749	-2,932	-911	-2,171
Overall balance	-612	805	1,321	-1,564	-467	-1,096
<i>Memorandum items</i>						
Current account (% of GDP at purchaser prices)	12.9	20.0	14.6	7.4	-4.0	7.4
Overall balance (% of GDP at purchaser prices)	-2.4	3.0	4.8	-6.2	-2.1	-4.9
Gross official reserves ^f (USD million)	9,371	10,176	11,497	9,933	9,466	8,370
Import cover (months) ^f	10.6	12.2	12.9	11.2	10.5	9.7

a Totals may not add up due to rounding.

b Provisional data.

c Energy goods data for 2011-17 comprise estimates by the Central Bank.

d Imports are reported on a Free on Board (FOB) basis.

e Includes petroleum, petroleum products and related materials. This differs from previously published energy imports, which included imports of chemicals and related products. Energy exports include exports of petroleum, petroleum products and related materials, and petrochemicals.

f End of period.

Source: Central Bank.

1.9. The financial account fluctuated during the review period; compared with 2012, its surplus in 2017 decreased, from USD 4.1 billion in 2012 to USD 0.6 billion in 2017, although the account was historically negative due mainly to the net investment of residents in the rest of the world.⁷ The surplus declined mainly due to decreased direct investment and portfolio investment. In 2017, gross official reserves stood at USD 8.4 billion, which is equivalent to about 9.7 months of imports. Between 2011 and 2014, Trinidad and Tobago's reserves grew as the country benefited from rising energy prices. However, the subsequent significant fall in energy prices negatively affected foreign exchange inflows. In the authorities' view, the falling export earnings, coupled with a relatively inelastic import demand, resulted in declining reserves.

1.10. According to an IMF report, structural reforms are needed to enhance competitiveness and create an enabling environment for the non-energy sector; measures are being taken. These include state-owned enterprise reform, such as the restructuring of the state oil company Petrotrin (Section 4.3.1.2); a review of the rate determination mechanism for electricity and water (Section 4.3.1.4); and export-based diversification through the creation of, *inter alia*, new industrial parks and a new foreign exchange facility administered by the Export-Import Bank of Trinidad and Tobago (Section 3.2.5).⁸

1.11. The Government maintains the Heritage and Stabilisation Fund (HSF), which was created in 2007 under the Heritage and Stabilisation Act, No. 6 of 2007, to invest surplus petroleum revenues so that public expenditure could be maintained if prices of crude oil and gas fall.⁹ At

⁷ IMF Country Report No. 18/285.

⁸ IMF Country Report No. 18/285.

⁹ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

end-September 2018, the HSF had a net asset value of USD 5,763 million, up from USD 4,780 million at end-September 2012.

1.3 Developments in Trade and Investment

1.12. In 2017, the share of merchandise exports in GDP was around 45%, down from around 63% in 2012. The share of merchandise imports in GDP also declined during the review period, from around 36% in 2012 to around 29% in 2017. The services deficit increased from around 6% of GDP in 2012 to around 9.5% in 2017 (based on Table 1.4).

Table 1.4 Trade in services, 2012-17

(USD million)

	2012	2013	2014	2015	2016	2017 ^a
Exports						
Total services	1,395	1,283	1,459	1,192	1,028	1,102
Manufacturing services on physical inputs owned by others	0	0	1	0	0	0
Maintenance and repair services (n.e.s)	0	0	0	0	0	0
Transport	525	531	547	385	337	355
Sea	77	91	101	87	77	75
Air	448	440	447	298	260	279
Other	0	0	0	0	0	0
Travel	413	430	447	531	464	453
Business	48	47	41	46	37	38
Personal	365	383	406	485	426	416
Construction	1	0	0	0	2	1
Construction abroad	0	0	0	0	2	1
Domestic construction	1	0	0	0	0	0
Insurances and pension services	227	99	153	119	126	185
Direct insurance	227	99	153	119	126	185
Reinsurance	0	0	0	0	0	0
Financial services	4	0	0	0	1	1
Charges for use of intellectual property	0	0	1	1	2	2
Franchise and trademark licensing fees	0	0	1	1	1	1
Licences to reproduce and/or distribute audiovisual and related products	0	0	0	0	1	1
Telecommunications, computer and information services	9	1	11	16	12	14
Telecommunications services	8	0	10	13	12	11
Computer services	2	1	1	3	0	3
Other business services	213	215	294	128	72	77
Professional and management consulting services	3	2	5	6	6	9
Technical trade-related and other business services	210	213	288	122	66	69
Personal, cultural and recreational services	0	0	0	0	0	0
Government services n.e.s	2	5	6	11	13	14
Imports						
Total services	2,906	2,651	2,759	2,944	2,839	3,191
Manufacturing services on physical inputs owned by others	0	0	0	0	0	0
Maintenance and repair services (n.e.s)	0	0	0	0	0	0
Transport	679	763	735	729	633	630
Sea	653	720	645	631	551	546
Air	27	42	90	98	82	83
Other	0	0	0	0	0	0
Travel	196	89	124	207	187	97
Business	0	0	1	0	0	0
Personal	195	88	123	207	187	96
Construction	15	8	2	4	59	173
Construction abroad	0	0	0	0	2	2
Domestic construction	15	8	2	4	57	172
Insurance and pension services	559	260	277	326	339	350
Direct insurance	559	260	277	326	88	140
Reinsurance	0	0	0	0	251	210

	2012	2013	2014	2015	2016	2017 ^a
Financial services	42	39	47	42	49	52
Charges for use of intellectual property	54	61	70	75	54	54
Franchise and trademark licensing fees	54	61	70	75	43	45
Licences to reproduce and/or distribute computer software	0	0	0	0	2	1
Licences to reproduce and/or distribute audiovisual and related products	0	0	0	0	9	7
Telecommunications, computer and information services	149	50	49	67	45	46
Telecommunications services	127	21	18	20	14	14
Computer services	22	30	32	47	31	32
Other business services	1,057	1,290	1,393	1,445	1,428	1,749
Research and development services	84	25	4	3	3	3
Professional and management consulting services	47	30	33	71	44	45
Technical trade-related and other business services	925	1,235	1,355	1,371	1,381	1,701
Personal, cultural and recreational services	112	39	0	0	0	0
Government services n.e.s	44	53	62	48	44	39
Trade balance	-1,511	-1,368	-1,300	-1,751	-1,811	-2,089

a Provisional data.

Source: Central Bank.

1.3.1 Trends and patterns in merchandise and services trade

1.3.1.1 Composition of trade

1.13. Although mineral products (including fuels) remain the largest item in Trinidad and Tobago's exports, its share in total merchandise exports decreased over the review period. In 2017, mineral products accounted for 45.5% of merchandise exports, down from 56.0% in 2012, while the share of chemical products and base metals increased (Chart 1.1 and Table A1.1).

1.14. Between 2012 and 2017, the value of total imports decreased substantially; the authorities consider that possible reasons behind this decrease include: recession, government reduction in expenditure, and a decline in energy imports that were used as inputs into production for companies that closed operations. The share of mineral products in total merchandise imports declined between 2012 and 2017, from around 46% to 29%; the authorities consider that this decline was largely due to lower crude oil imports reflecting lower international energy prices. The share of prepared foodstuffs and beverages, live animals, chemical products, plastics, base metals, and machinery and electrical equipment rose, while the share of vehicles and transport equipment declined (Table A1.2).

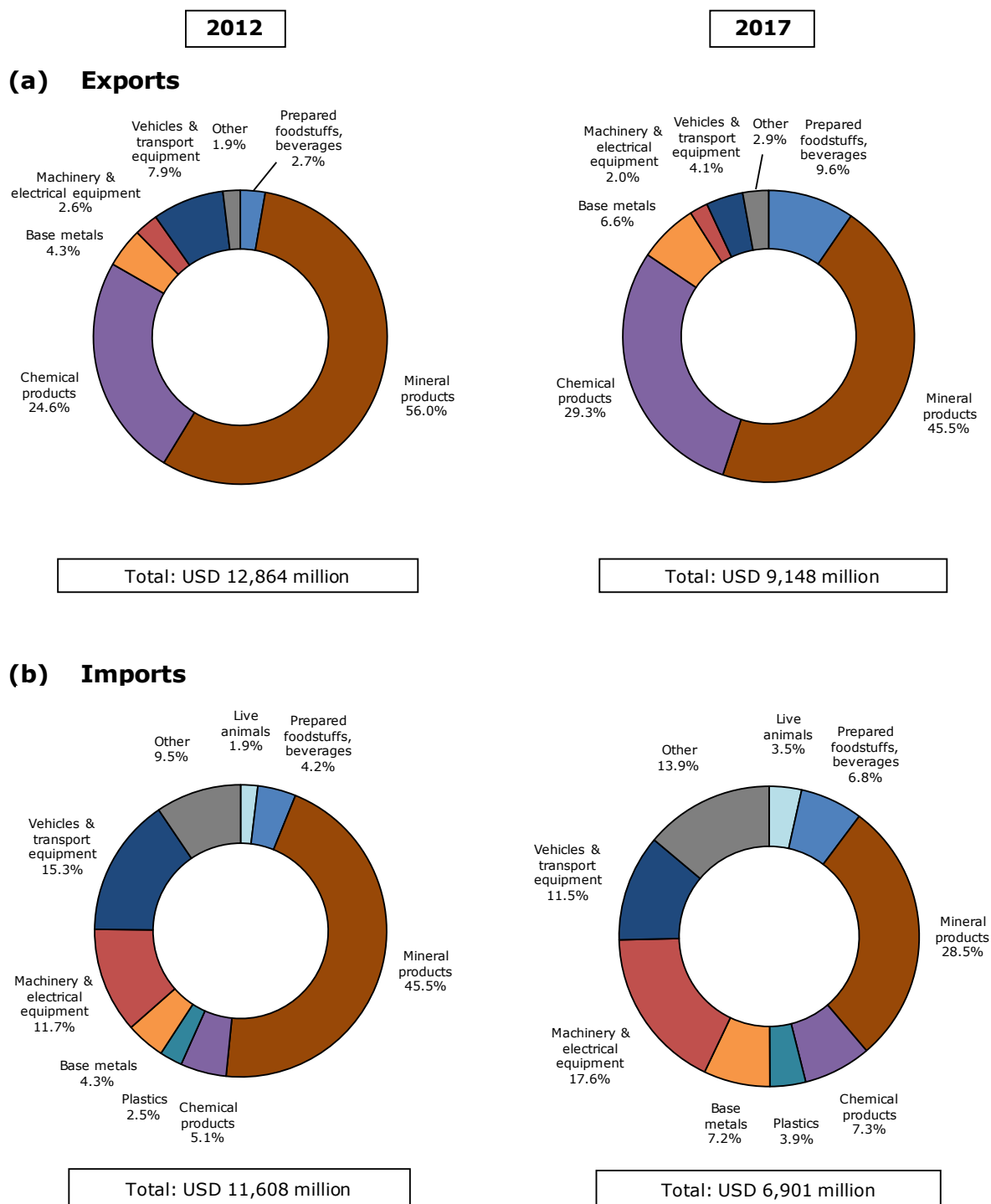
1.3.1.2 Direction of trade

1.15. Trinidad and Tobago's main export destination in 2017 continued to be the United States, followed by the other Americas and the EU-28. During the period under review, the share of the United States declined, while the share of the other Americas increased; the share of the Caribbean Community (CARICOM) increased from 13.5% in 2012 to 14.6% in 2017. The share of the EU-28 remained largely unchanged (Chart 1.2 and Table A1.3). The authorities state that the decline of the United States' share was due to a decline in energy commodity exports, in particular ammonia and liquefied natural gas (LNG).¹⁰

1.16. The United States remains Trinidad and Tobago's largest import supplier followed by the EU-28. During the review period, the share of Colombia declined while that of Brazil increased; the share of Asia increased significantly, while the share of CARICOM declined slightly (Table A1.4).

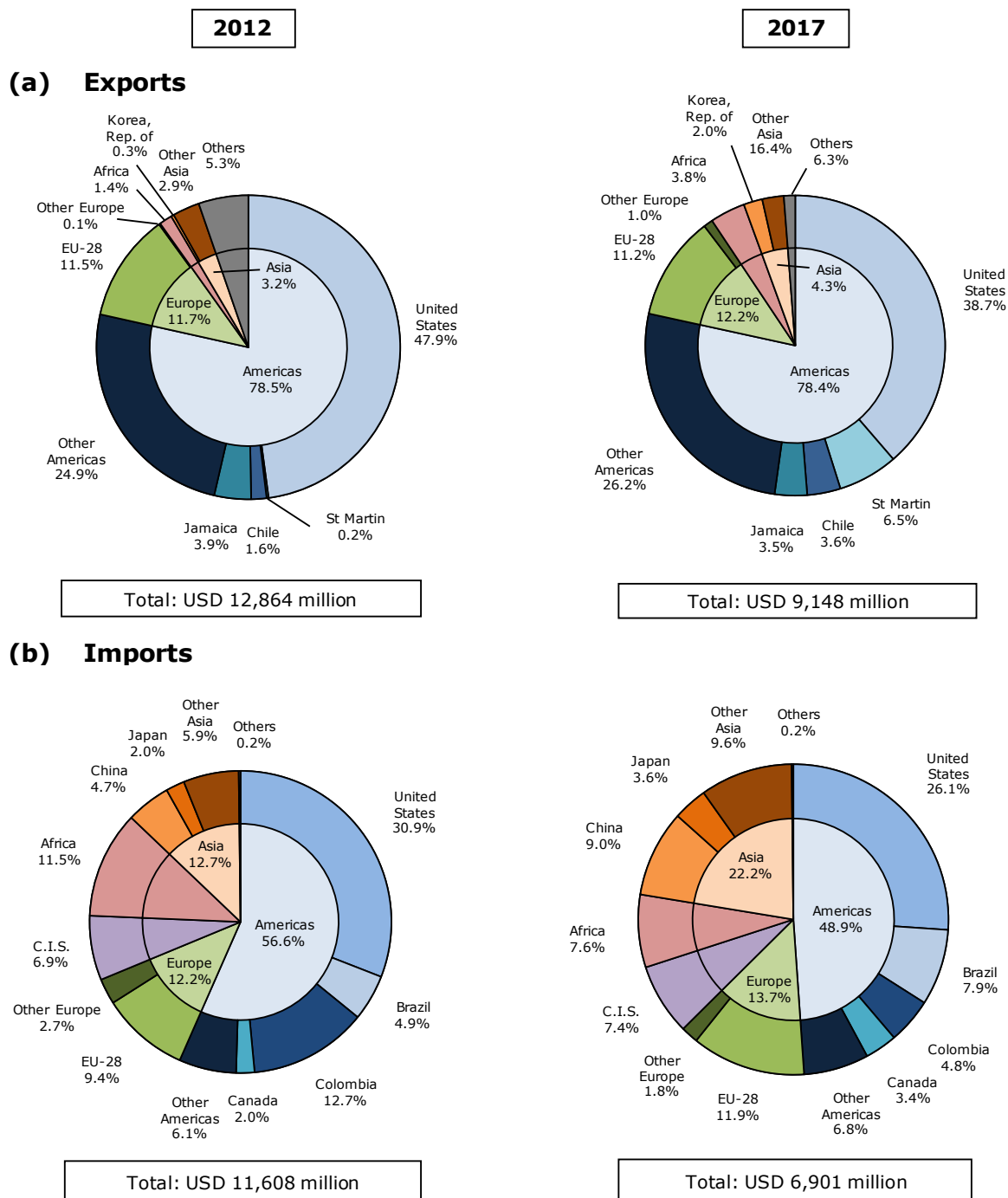
¹⁰ The value of ammonia exports to the United States declined to TTD 3.8 billion in 2017, down from TTD 10.3 billion in 2012. The authorities indicate that the decline partly reflects domestic plants' maintenance and outages in both the upstream and downstream sectors. The value of LNG exports to the United States declined to TTD 1.4 billion in 2017, down from TTD 1.8 billion in 2012. The volume of LNG exports to the United States also fell from 132 million MMBtu in 2012 to 77 million MMBtu in 2017.

Chart 1.1 Merchandise trade by main HS sections, 2012 and 2017



Source: WTO Secretariat calculations, based on data provided by the authorities.

Chart 1.2 Merchandise trade by main origin and destination, 2012 and 2017



C.I.S. Commonwealth of independent states.

Source: WTO Secretariat calculations, based on data provided by the authorities.

1.3.2 Trends and patterns in foreign direct investment

1.17. During the period under review, foreign direct investment (FDI) inflows have been volatile. They peaked at over USD 661 million in 2014, but have since been declining and were USD 456 million in 2017. The authorities indicate that the spike of FDI in 2014 reflects, *inter alia*,

increased equity transactions by companies in the energy sector.¹¹ Most foreign investment, positive or negative, took place in the petroleum industries during the review period (Table 1.5). The main investors in Trinidad and Tobago were the United States, the United Kingdom, Canada, and Barbados (Table 1.6).

Table 1.5 Direct investment flows, by sector, 2012-17

(USD million)

	2012	2013	2014	2015	2016	2017 ^a
Petroleum industries	-1,963	-1,095	300	68	-432	-567
Mining	0	0	0	0	0	0
Exploration and production	-1,594	-903	-710	165	-63	-498
Refineries	-170	-79	-165	-73	139	-47
Petrochemicals	-194	-129	1,183	-62	-534	-30
Service contractors	-3	1	-19	32	23	12
Marketing and distribution	-3	15	10	6	4	-4
Food, drink and tobacco	25	18	14	13	48	24
Chemicals and non-metallic minerals	-15	6	-11	26	4	40
Assembly type and related industries	0	-95	324	1	65	33
Distribution	30	4	21	35	88	-5
Other sectors ^b	19	32	13	35	203	19
Total	-1,904	-1,130	661	177	-24	-456

a Provisional data.

b Includes textiles, garments, footwear, headwear, printing, publishing and paper converters, wood and related products, miscellaneous manufacturing, electricity and water, construction, hotels and guest houses, transportation, communication and storage, finance, insurance, real estate and business services, educational and cultural community services, personal services, and other sectors.

Source: Central Bank.

Table 1.6 Direct investment flows, by country, 2012-17

(USD million)

	2012	2013	2014	2015	2016	2017 ^a
United States	-502	299	-447	379	408	-58
United Kingdom	48	-780	-501	-75	-36	-415
Canada	-1,178	48	-34	43	-387	-102
Barbados	..	..	..	..	-162	-46
The Netherlands	..	..	..	..	7	1
St. Lucia	..	..	..	..	40	9
Other ^b	-272	-697	1,643	-170	106	154
Total	-1,904	-1,130	661	177	-24	-456

.. Not available.

a Provisional data.

b Data for the period 2011-15 include Barbados, the Netherlands and St. Lucia.

Source: Central Bank.

¹¹ The authorities state that this occurred against the background of the awarding of blocks for both deep-water and onshore exploration, and the sale of shares by Methanol Holdings (Trinidad) Limited to a foreign-based company.

2 TRADE AND INVESTMENT REGIMES

2.1 General Framework

2.1. There have been no changes to Trinidad and Tobago's Constitution¹, the overall structure of the Government, or the process for enacting legislation since its previous Review (see Table A2.1).

2.2. The main strategy being implemented to guide Trinidad and Tobago's overall social and economic development is "Vision 2030: The National Development Strategy of Trinidad and Tobago 2016-30", which is being overseen and implemented by the Ministry of Planning and Development.² It comprises 56 national goals, which fall under five overarching themes: (a) putting people first; (b) delivering good governance and service excellence; (c) improving productivity through quality infrastructure and transportation; (d) building globally competitive businesses; and (e) placing the environment at the centre of social and economic development.³ This document was prepared against the backdrop of a significant decline in government revenue from petroleum (Section 1 and Section 4.3) which has made reform and economic diversification, already deemed necessary at the time of Trinidad and Tobago's previous Review⁴, more urgent.⁵ Among the main economic priorities identified in Vision 2030 are to: expand exports, increase foreign exchange earnings and employment; improve productivity; manage energy-related developments (Section 4.3); and ensure growth while protecting the environment. In terms of economic policy, emphasis is being placed on building high-quality infrastructure (including information and communication technologies (ICT) infrastructure) and transport systems; and helping businesses to be competitive, *inter alia* through sound macroeconomic management, creating a pro-competitive environment which encourages entrepreneurship and innovation, providing the right workforce training, and developing a more competitive tax system (Section 3.3.1.1) and investor-friendly climate. It is anticipated that further dialogue with stakeholders, within the Vision 2030 framework, will result in the development of more detailed sectoral and ministerial plans.⁶

2.3. A National Services Sector Policy is being drafted, and a multi-sectoral National Innovation Policy was completed in 2016 and awaits cabinet approval.

2.4. Other sector-specific strategies being implemented are the National Quality Policy 2018-30 (Section 3.3.2); the Special Economic Zones Policy (Section 3.2.4.2.); the National E-Commerce Strategy 2017-21 (see below); the National ICT Plan 2017-21 (Section 4.5.2); and the Yachting Policy (Section 4.5.3.1).

2.2 Trade Policy Formulation and Objectives

2.5. The Ministry of Trade and Industry (MTI) continues to be responsible for trade and investment policy formulation as well as implementation of trade policy.⁷ It negotiates and implements commitments under various trade, economic and investment agreements and has a role in fostering commercial relations with trading partners. Agencies under the MTI's responsibility with trade and investment-related responsibilities are: InvesTT (see below); the National Export Facilitation Organization of Trinidad and Tobago (exporTT); the Trinidad and Tobago Creative Industries

¹ The most recent Constitutional Amendment was in 2007 (Act 12 of 2007). The Constitution and its amendments were viewed at: <http://rgd.legalaffairs.gov.tt/Laws2/Constitution.pdf>. As at mid-2018, the Constitution (Amendment) (Tobago Self-Government) Bill was being considered by Parliament.

² Ministry of Planning and Development online information. Viewed at: <https://www.planning.gov.tt/content/vision-2030>.

³ These goals are to be implemented over three five-year planning periods. There are 24 short-term goals to be achieved over the period 2016-20, 16 over the medium term (2016-25), and 16 over the long term (2016-30).

⁴ As reported by the Government, various measures were being implemented at the time of Trinidad and Tobago's previous Review to move away from dependence on the oil and gas sector. WTO document WT/TPR/M/260/Add.1, 20 April 2012.

⁵ Budget Statement 2018. Viewed at: <http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

⁶ As at end-2018, Vision 2030 Action Lists relevant to ministries and departments had been prepared and disseminated by the Ministry of Planning and Development; with the support from development partners, the next step will be for sector plans to be developed.

⁷ Implementation of investment policies and incentives is the responsibility of the different line ministries.

Company Limited; the Trinidad and Tobago Bureau of Standards; Evolving TecKnologies and Enterprise Development Company Limited; the Trinidad and Tobago Free Zones Company Ltd.; National Flour Mills; and the Fair Trading Commission. Various other government bodies and institutions have trade and investment-related functions (Table 2.1). A bill to establish a revenue authority is being considered by Parliament; this would replace the Board of Inland Revenue and the Customs and Excise Division. Apparently, the existing regime is hampered by governance challenges, extensive non-compliance and weak organizational structures⁸, and restructuring would aim to enhance the transparency, effectiveness and efficiency of revenue collection.⁹

Table 2.1 Government bodies with trade and investment-related responsibilities

Institution	Responsibilities
MTI	Trade and investment policy formulation. Trade policy implementation
Ministry of Finance	Application of tariffs, taxation and fiscal incentives
Ministry of Agriculture, Land and Fisheries	Agricultural policy, and issuance of sanitary and phytosanitary permits
Ministry of Health	Monitoring of the importation of food, cosmetics and drugs
Ministry of Works and Transport	Port operations and port logistics
Ministry of Energy and Energy Industries	Administration, regulation and policy formulation in the hydrocarbons sector, including granting of concessions, licences and contracts

Source: National Aid for Trade Strategy 2016-19; WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

2.6. As noted in Trinidad and Tobago's previous Review, trade policy formulation in the country is a consultative process. The Minister of Trade and Industry is advised by a Standing Advisory Committee on Trade and Related Matters, which is largely comprised of representatives from the private sector. A Technical Coordinating Committee (TCC), headed by the Permanent Secretary of the MTI, assists in developing positions in trade negotiations. The TCC has six sub-committees on: market access and trade facilitation; agriculture; services; investment; trade-related issues; and legal and institutional issues.¹⁰ The various sub-committees include representatives from the public and private sectors, such as relevant ministries, agencies and organizations, such as the Trinidad and Tobago Manufacturer's Association.

2.7. There have been some changes to trade and investment-related laws over the review period. New legislation enacted includes: the Insurance Act, 2018; the Public Procurement and Disposal of Public Property Act, 2015 (as amended); and the Trade Marks Act, 2015. Amendments were made to the Finance Act in 2016; the Customs Act in 2013; and the Securities Act in 2012 (Table 2.2).

Table 2.2 Principal trade and investment-related laws, 2018

Area	Full title of legislation	Latest amendment(s)
Customs procedures	Customs Act (Chap. 78:01). Commenced 25 September 1939	Act No. 7 of 2016
	Customs Brokers and Custom Clerks Act (Chap. 78:03). Commenced 28 January 1971	Act No. 2 of 2005
E-Commerce	Electronic Transactions Act (Chap. 22:05). Assented to on 28 April 2011. Parts I, II, III, IV and VII only proclaimed.	n.a.
Investment	Foreign Investment Act (Chap. 70:07). Commenced 17 August 1990	Act No. 17 of 2007
	Registration of Local Agents of Foreign Governments of Foreign Enterprises Act (Chap. 19:08). Commenced 8 December 1980	n.a.

⁸ As noted by the authorities, a study on the country's revenue administration identified the following shortcomings: the operations of the IRD and the CED were hampered by human resource policies that could not be tailored to their specific needs within the broader framework of public service rules; the compensation scheme was inadequate to meet the needs of a highly specialized workforce; the departments did not have the financial autonomy or flexibility to manage financial requirements and expenditures; the full revenue collection potential of the country's tax and customs laws was not being realized; and complexity of the tax system had led to high levels of evasion and poor voluntary compliance.

⁹ Viewed at: http://www.news.gov.tt/content/establishment-trinidad-and-tobago-revenue-authority#.WytvIE_2TIU. The Bill was to be considered by a Joint Select Committee on 31 July 2018.

¹⁰ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

Area	Full title of legislation	Latest amendment(s)
Taxation and fiscal incentives	Income Tax Act (Chap. 75:01). Commenced 22 December 1938	Act No. 15 of 2017
	Income Tax (In Aid of Industry) Act (Chap. 85:04). Commenced 16 March 1950	Act No. 4 of 2014
	Corporation Tax Act (Chap. 75:02). Commenced 1 January 1966	Act No. 11 of 2018
	Excise General Provisions Act (Chap. 78:50). Commenced 1 January 1935	Act No. 4 of 2014
	Fiscal Incentives Act (Chap 85:01). Commenced 16 July 1979	Act No. 2 of 2012
	Miscellaneous Taxes Act (Chap. 77:01). Commenced 2 May 1963	Act No. 10 of 2016
	Provisional Collection of Taxes Act (Chap 74:01). Commenced 4 January 1963	Act No. 34 of 1977
	Value Added Tax Act (Chap 75:06). Commenced 19 September 1989	Act No. 22 of 1993
	Finance Act (Act No. 13 of 2010). Assented to on 19 December 2017	Act No. 15 of 2017
Contingency measures	Anti-dumping and Countervailing Duties Act (Chap. 78:05). Commenced 1 January 1996	n.a.
TBT	The Accreditation Council of Trinidad and Tobago Act (Chap. 39:06). Commenced 9 July 2004	Act No. 10 of 2008
	Metrology Act (Chap 82:06) Commenced 1 May 2015	n.a.
	Standards Act (Chap 82:03). Commenced 12 August 1997	n.a.
SPS	Control of Importation of Live Fish Act (Chap. 67:52). Commenced 23 November 1950	n.a.
	Exportation of Fruit Act (Chap. 63:53). Commenced 1 December 1931	Act No. 46 of 1979
	Food and Drug Act (Chap. 30:01). Commenced 1 January 1965	Act No. 6 of 2005
	Plant (Export Prohibition) Act (Chap. 63:54). Commenced 12 May 1938	n.a.
Free trade zones	Trinidad and Tobago Free Zones Act (Chap. 81:07). Commenced 28 July 1988	Act No. 13 of 2010
Competition Policy	Fair Trading Act. Assented to on 20 July 2006. Commenced 1 July 2014. Parts II, IV, V and VI proclaimed	n.a.
Government procurement	The Public Procurement and Disposal of Public Property Act (Act No. 1 of 2015)	Act No. 3 of 2017
Intellectual property rights	Trademarks Act. Act No. 8 of 2015. Assented to on 12 June 2015 but not yet proclaimed	n.a.
	The Patents and Designs Act (Chap. 82:83). Commenced 28 March 1900	Act No. 21 of 1996
	The Patents, Designs, Copyright and Trade Marks (Emergency) Act (Chap. 82:84) Commenced 3 September 1939	Ordinance No. 5 of 1947
	The Patents (Validation of International Applications filed under the Patent Cooperation Treaty) Act. Act No. 5 of 1999. Assented to on 16 March 1999 but not yet proclaimed	n.a.
	The Protection of New Plant Varieties Act (Chap. 82:75). Commenced 1 December 1997	Act No. 2 of 2001
	The Trade Marks Act. Act No. 8 of 2015. Assented to on 12 June 2015 but not yet proclaimed	n.a.
	Copyright Act (Chap. 82:80). Commenced 1 October 1997	Act No. 5 of 2008
	Industrial Designs Act (Chap. 82:77). Commenced 1 December 1997	Act No. 18 of 2000
	Layout-Designs (Topographies) of Integrated Circuits Act (Chap. 82:79). Commenced 1 December 1997	n.a.
	Intellectual Property (Miscellaneous Amendments) Act. Act No. 18 of 2000. Assented to on 15 June 2000 but not yet proclaimed	n.a.
Agriculture	The Sugar Industry Control Board (Repeal) (Validation) Act No. 12 of 2013	n.a.
Fisheries	Fisheries Act (Chap. 67:51). Commenced 11 December 1916	Act No. 23 of 1975
	Fishing Industry (Assistance) Act (Chap. 85:03). Commenced 2 April 1956	Ordinance No. 5 of 1958
Mining	Minerals Act. Act No. 61 of 2000 (Chap. 61:03). Commenced 6 November 2000	Act No. 4 of 2014

Area	Full title of legislation	Latest amendment(s)
Energy	Petroleum Act (Act No. 46 of 1969). Commenced 30 December 1969.	Act No. 4 of 2014
	Trinidad and Tobago Electricity Commission Act (Chap. 54:70). Commenced 1 January 1946	Act No. 6 of 2009
Financial services	Financial Institutions Act (Chap. 79:09). Commenced 11 August 1993	Act No. 15 of 2006
	The Financial Intelligence Unit of Trinidad and Tobago Act (Chap. 72:01). Commenced 9 February 2010	Act No. 15 of 2014
	The Insurance Act. Act No. 4 of 2018. Assented to on 4 June 2018 but not yet proclaimed	n.a.
	The Securities Act (Chap. 83:02). Commenced 31 December 2012	Act No. 9 of 2014
Telecommunications services	The Telecommunications Act (Chap. 47:31). Commenced 5 July 2001.	Act No. 17 of 2004
Broadcasting services	Cinematography Act (Chap. 20:10). Commenced 17 December 1936	Act No. 6 of 2014
Transport services	Shipping Act (Chap. 50:10). Commenced 3 December 1987	Act No. 3 of 2007
	The Pilotage Act (Chap. 51:02). Commenced 28 December 1939	Act No. 24 of 2006
	The Airports Authority of Trinidad and Tobago (Chap. 49:02). Commenced 4 February 1980	Act No. 4 of 2007
	The Civil Aviation Act (Chap. 49:03). Commenced 1 November 2001	Act No. 17 of 2003
Tourism services	Tourism and Industrial Development Company Vesting Act (Chap. 87:21). Commenced 1 May 1995.	n.a.
	Tourism Development Act (Chap 87:22). Commenced 16 October 2000	Act No. 16 of 2006
	The Tourism Development (Miscellaneous Provisions) Act (Act No. 50 of 2000). 28 September 2000	n.a.
Other	Regulated Industries Commission Act (Chap 54:73). Commenced 1 January 2000	Act No. 4 of 2001
	Trade Descriptions Act (Chap. 82:04). Commenced 28 October 1986	n.a.
	Trade Dispute and Protection of Property Act (Chap. 88.03). Commenced 11 March 1943.	n.a.
	Trade Ordinance (Act No. 19 of 1958). Commenced 1 January 1959	Act No. 23 of 1993

n.a. Not applicable.

Note: Once a Bill has been passed by both Houses, special "assent" copies are prepared for the signature of the President of the Republic. Once the President signs the Bill, it becomes an Act. If there is no commencement date, the date of assent is the date the Act becomes law. Otherwise the commencement provision specifies when the Act is to come into effect. This may be the date of assent by the President, a date to be fixed by proclamation, a nominated date, or some combination of these to provide for different sections or parts to come into effect at different times. Proclamation is a declaration of the date on which an Act or a Part of an Act comes into effect.

Source: Digital Legislative Library online information. Viewed at: <http://laws.gov.tt>; Parliament of Trinidad and Tobago online information. Viewed at: <http://www.ttparliament.org>; and information provided by the authorities.

2.8. Trinidad and Tobago's trade policy objectives over review period were set out in the MTI's Trade Policy and Strategy 2013-17.¹¹ These were to: (a) expand market access for Trinidad and Tobago's goods and services, regionally and globally; (b) safeguard sensitive productive sectors¹²; (c) increase production, competitiveness and export of high value-added goods and services,

¹¹ Viewed at: <http://docplayer.net/19210789-Trade-policy-and-strategy-trinidad-and-tobago-2013-2017.html>.

¹² The following subsectors/goods have been identified as sensitive: agro-processed products (e.g. poultry and poultry products; hams and sausages; milk and cream; pasta; chocolate; and juices, beverages and alcohol); shampoo and cosmetics; paints and varnishes; paper and paper products; contractual service suppliers and independent professionals for engineering, architectural, accounting and other services sectors; postal and audio-visual services; distribution services (i.e. wholesale trade services of agricultural raw materials and live animals; food, beverages and tobacco; and metal ores and metal in primary form); primary and secondary educational services (such as non-profit and public and privately-funded entities); banking and insurance services; energy services; and tourist guide services. Trade Policy and Strategy 2013-17. Viewed at: <http://docplayer.net/19210789-Trade-policy-and-strategy-trinidad-and-tobago-2013-2017.html>.

particularly in the non-energy sectors; (d) improve the business and trade-enabling environment; (e) strengthen the institutional framework for trade; (f) mobilize resources to finance the needs of the trade-related sectors; (g) mainstream trade policy into the wider macroeconomic and development policy-setting; and (h) engage in regional and hemispheric integration and cooperation. A new Trade Policy and Strategy for the period 2018-22 is being developed.

2.9. Trinidad and Tobago's National Aid for Trade Strategy was released in April 2017, and covers the period 2016-19. Its focus is to overcome impediments the country faces in exploiting global trading opportunities. Key challenges identified include: inadequate financing mechanisms; a lack of relevant market intelligence; insufficient skills in export management; congestion at ports; and the absence of payment mechanisms to facilitate e-commerce. The Strategy consists of three pillars with associated objectives and Aid for Trade (AFT) priorities (Table 2.3).¹³

Table 2.3 AFT framework, objectives and priorities, 2016-19

	Objectives	AFT priorities
Export diversification pillar	<ul style="list-style-type: none"> Expand "emerging" product lines; Develop new export products; Penetrate traditional and non-traditional markets. 	<ul style="list-style-type: none"> Build the productive capacity of sectors targeted for diversification; Establish facilities to produce "new" goods and services for export; Build capacity for gathering and disseminating market intelligence; Strengthen skills for trade negotiations.
Competitiveness pillar	<ul style="list-style-type: none"> Increase adherence to international quality standards; Provide increased access to finance; Upgrade the skills of new and existing exporters; Strengthen business support organizations; Develop and exploit national brands. 	<ul style="list-style-type: none"> Strengthen the national quality infrastructure; Improve quality management systems in SMEs; Establish a financing mechanism to assist exporters access global markets; Expand learning opportunities for businesses; Build the capacity of Building Support Organizations (BSOs) to better serve their members; Develop and exploit national brands.
Trade facilitation pillar	<ul style="list-style-type: none"> Increase the efficiency of maritime transport; Increase value-added services in the port environment; Utilize e-commerce opportunities. 	<ul style="list-style-type: none"> Implement the provisions of the WTO Trade Facilitation Agreement; Build the capacity of the proposed Maritime Authority; Expand/upgrade port facilities; Increase the use of ICT across industries.

Source: ECLAC online information. Viewed at: <http://caribbean.cepal.org/content/national-aid-trade-strategy-2016-2019>.

2.3 Trade Agreements and Arrangements

2.3.1 WTO

2.10. Trinidad and Tobago has been a Member of the WTO since 1 March 1995. It grants at least MFN treatment to all its trading partners. It is an observer to the Committee on Trade in Civil Aircraft. In September 2013, it accepted the 2005 Protocol Amending the TRIPS Agreement and, in July 2015, it accepted the 2014 Protocol concerning the Trade Facilitation Agreement. To be legally binding, WTO agreements must be incorporated into domestic law.

2.11. Over the review period, Trinidad and Tobago has been involved in no new WTO dispute settlement cases as complainant or respondent but has been involved in one new case as a third party.¹⁴ It has submitted notifications under various WTO agreements (Table 2.4). Certain

¹³ MTI online information. Viewed at: tradeind.gov.tt/wp-content/uploads/2017/04/4-26-17-Aid-for-Trade.pdf, and ECLAC online information. Viewed at: <http://caribbean.cepal.org/content/national-aid-trade-strategy-2016-2019>.

¹⁴ DS441: Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging. Viewed at: https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds441_e.htm. Details of Trinidad and Tobago's

notifications are not up-to-date or are outstanding, in the areas of: domestic support and export subsidies in agriculture; quantitative restrictions; customs valuation (relating to the Decision on Interest Charges (G/VAL/5, A.3) and the Decision on Carrier Media (G/VAL/5, A.4)); applied tariff for 2018; import data for 2016; subsidies; and state trading enterprises. CARICOM's RTAs with the Dominican Republic, Colombia, Cuba, and Costa Rica have not been notified to the WTO, nor has the RTA between Trinidad and Tobago and Panama (Section 2.3.2). Trinidad and Tobago has not made any notifications under GATS Article III:3 or GATS Article III:4.

Table 2.4 Trinidad and Tobago's notifications to the WTO, January 2012-July 2018

Agreement	Requirement	Symbol and date of latest notification
Agreement on Agriculture		
Articles 10 and 18.2	Export subsidy (ES:1)	G/AG/N/TTO/13, 12/08/2015
Article 18.2	Domestic support: total aggregate measure of support (DS:1)	G/AG/N/TTO/14, 13/08/2015
Agreement on Implementation of Article VI of the GATT 1994 (anti-dumping)		
Article 16.4	Anti-dumping actions (semi-annual) ^a	G/ADP/N/308/TTO, 31/01/2018 G/ADP/N/300/TTO, 31/01/2018 G/ADP/N/294/TTO, 28/03/2017 G/ADP/N/272/TTO, 25/10/2016 G/ADP/N/286/TTO, 12/10/2016 G/ADP/N/280/TTO, 26/04/2016 G/ADP/N/265/TTO, 27/04/2015
Agreement on Import Licensing Procedures		
Article 7.3 (4)	Replies to questionnaire on import licensing procedures	G/LIC/N/3/TTO/12, 23/10/2014 G/LIC/N/3/TTO/11, 20/01/2014 G/LIC/N/3/TTO/10, 14/09/2012
Articles 1.4(a) and 8.2(b)	Publication of import licensing procedures	G/LIC/N/1/TTO/3/Corr.1, 24/01/2014 G/LIC/N/1/TTO/3, 20/01/2014 G/LIC/N/1/TTO/2, 14/09/2012
Agreement on Subsidies and Countervailing Measures		
Article 25.11	Countervailing duty actions (semi-annual) ^a	G/SCM/N/328/Add.1, 20 April 2018 G/SCM/N/313/Add.1, 21 April 2017 G/SCM/N/305/Add.1, 21 October 2016 G/SCM/N/298/Add.1/Rev.1, 25 October 2016 G/SCM/N/298/Add.1, 22 April 2016 G/SCM/N/281/Add.1/Rev.1, 23 October 2015 G/SCM/N/267/Add.1/Rev.1, 17 October 2014 G/SCM/N/259/Add.1, 18 October 2013 G/SCM/N/250/Add.1/Rev.1, 22 October 2013 G/SCM/N/242/Add.1/Rev.1, 12 June 2013
Agreement on Technical Barriers to Trade		
Article 2.9	Technical regulations	G/TBT/N/TTO/118, 19/03/2018 G/TBT/N/TTO/117, 13/03/2018 G/TBT/N/TTO/116, 29/08/2018 G/TBT/N/TTO/115, 29/08/2018 G/TBT/N/TTO/114, 02/04/2015 G/TBT/N/TTO/113, 27/08/2014 G/TBT/N/TTO/112, 07/07/2014 G/TBT/N/TTO/111, 28/08/2013 G/TBT/N/TTO/110, 19/06/2013 G/TBT/N/TTO/109, 19/06/2013 G/TBT/N/TTO/108, 01/10/2012 G/TBT/N/TTO/107, 06/08/2012 G/TBT/N/TTO/106, 10/04/2012 G/TBT/N/TTO/105, 29/03/2012
Agreement on Trade Facilitation		
WT/L/911	Articles 15 - Notification of implementation of Category A Article 16 - Notification of definitive dates for implementation of Categories B and C	G/TFA/N/TTO, 27/11/2017
WT/L/911	Category A commitments	WT/PCTF/N/TTO/1, 15/06/2015

a Notifications are up to date in both of these areas. In some cases, the official documents have yet to be issued.

Source: WTO Secretariat.

participation in dispute settlement cases prior to this review period may be viewed at: https://www.wto.org/english/thewto_e/countries_e/trinidad_tobago_e.htm.

2.3.2 Regional and preferential agreements

2.3.2.1 Regional trade agreements

2.3.2.1.1 CARICOM

2.12. Trinidad and Tobago is one of the 15 member States of the Caribbean Community and Common Market (CARICOM).¹⁵ The Revised Treaty of Chaguaramas forms the legal basis for the CARICOM Single Market and Economy (CSME) which aims to integrate all CARICOM member States into a single economic entity (allowing for the free movement of people, capital, goods and services), and eventually a single economy (with harmonization of economic, investment, fiscal and monetary policies). The Revised Treaty was brought into domestic legislation in Trinidad and Tobago through the Caribbean Community Act, 2005, which provides for the implementation of the single market.¹⁶ Progress at the CARICOM level towards achieving the "single economy" component was scheduled for 2016 but was deferred, mainly due to pending administrative, fiscal and legal issues.¹⁷ In 2018, there were renewed efforts to fully implement the CSME, with a focus on advancing areas that were aimed to support a competitive single market, namely: an investment policy and investment code; an incentive regime; an integrated capital market; and securities legislation.¹⁸

2.13. As part of CARICOM, Trinidad and Tobago applies the Common External Tariff (CET). (see Section 3.1.3.5). In 2017, CARICOM partners accounted for 14.6% of Trinidad and Tobago's exports and 1.7% of its imports.

2.14. The CARICOM Office of Trade Negotiations coordinates and manages the region's trade negotiating resources, assists member States in preparing national positions, coordinates the formulation of unified strategies for the region, and undertakes and leads negotiations were appropriate.¹⁹

2.3.2.1.2 CARIFORUM-EU Economic Partnership Agreement (CARIFORUM-EU EPA)

2.15. An Economic Partnership Agreement (EPA) between CARICOM members and the Dominican Republic (CARIFORUM) and the European Union was signed in October 2008. It is being provisionally applied by all parties, except Haiti; it will enter into force once all parties have completed the ratification process.²⁰ The Agreement covers goods and services liberalization and, *inter alia*, has provisions on electronic commerce (see below); competition; public procurement; intellectual property rights; and environmental protection. All goods originating in CARIFORUM States may be imported duty free into the European Union, apart from products contained in Annex II of the Agreement (arms and ammunition). Imports from the European Union into CARIFORUM States are exempt from customs duties, except for products listed in Annex III. Annex III includes the transition period for goods liberalization for Trinidad and Tobago, which takes place in stages until 2033, at which point 87.9% of Trinidad and Tobago's tariff lines is to be duty free. At the end of the transition period, the MFN duty rate will apply to 780 tariff lines.²¹

¹⁵ CARICOM members are: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. The Bahamas is a member of the Community but not of the Common Market. CARICOM has five associate members: Anguilla, Bermuda, British Virgin Islands, Turks and Caicos, and the Cayman Islands. The Bahamas, Montserrat and Haiti are not participating in the Single Market Initiative, nor are the associate members.

¹⁶ The Revised Treaty was notified to the WTO Committee on Regional Trade Agreements (CRTA) in July 2003. WTO document WT/REG/155/1, 8 July 2003.

¹⁷ WTO document WT/TPR/S/359/Rev.1, 10 November 2017.

¹⁸ CARICOM online information. Viewed at: <https://caricom.org/media-center/communications/news-from-the-community/measures-to-fast-track-full-implementation-of-csme>.

¹⁹ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

²⁰ The authorities indicated that Trinidad and Tobago has not submitted the instrument of ratification, as some pending issues are still being discussed. However, enabling legislation has been assented to (Act No. 9 of 2013).

²¹ WTO document WT/REG/255/1, 31 May 2018.

2.16. Trinidad and Tobago's trade with the European Union accounted for 8.7% of its total exports and 8.7% of its total imports in 2017. Its main export markets, in order of importance, are: the Netherlands, Spain, Belgium, the United Kingdom and Germany.

2.17. In 2015, a five-year review of the EPA was undertaken by the parties; progress was reported in a number of areas including: implementation of tariff liberalization; notification of CARIFORUM other duties and charges subject to removal by 2018²²; cooperation on customs issues; a legislative gap analysis for EPA compliance in the services area; and progress in developing mutual recognition agreements (MRAs) in architecture and engineering services. According to the review, converting market access into a meaningful private sector market presence by CARIFORUM countries is a challenge, given the limited productive capacity and supply side constraints. The investment and trade in services provisions are reported not to have yielded benefits as originally envisaged, particularly with respect to CARIFORUM service suppliers taking advantage of the commitments on the temporary presence of natural persons for business purposes. Additionally, CARIFORUM countries have apparently not succeeded in diversifying exports as anticipated under the Agreement.²³ The EPA was considered by the WTO CRTA in September 2018.²⁴

2.3.2.1.3 CARICOM RTAs

2.18. CARICOM has RTAs (i.e. involving reciprocal trade liberalization) in force with the Dominican Republic, Colombia, Cuba, and Costa Rica (Table 2.5). While the CARICOM-Colombia Agreement on Trade, Economic and Technical Cooperation has not yet been enacted into domestic legislation in Trinidad and Tobago, interim measures were implemented in 1999 to give effect to the Agreement and the preferences contained therein. Negotiations for an RTA between Canada and CARICOM were suspended in 2015. CARICOM is assessing the feasibility of entering into trade agreements with the Central American Common Market, members of MERCOSUR, and other selected countries in South America.

Table 2.5 Summary features of CARICOM's RTAs in force, August 2018

CARICOM-Dominican Republic Free Trade Agreement	
Parties	CARICOM members and Dominican Republic
Date of signature/entry into force	22.08.1998/01.12.2001
End of transition period (goods liberalization) for Trinidad and Tobago	End of transition period: 2004. The liberalization schedules for this Agreement used a negative list approach. With full implementation, all tariff lines are duty-free, except for: 32 subheadings at the 6-digit level; 35 headings at the 4-digit level; and 1 chapter at the 2-digit level Certain agricultural products are subject to seasonal MFN duties but are duty-free for the rest of the year
Coverage	Liberalization of goods only. Built-in agenda to further develop the following areas: services, investment and government procurement
Trinidad and Tobago's merchandise trade with Dominican Republic (2017)	1.1% of total imports; 0.4% of total exports
WTO legal cover	Not applicable (not notified)
WTO consideration status	Not applicable (not notified)

Source: OAS Foreign Trade Information System online information. Viewed at: http://ctrc.sice.oas.org/TRADE/Ccdr/Ccdr_in.asp; and information provided by the authorities.

²² According to the authorities, Trinidad and Tobago notified that it had no such duties and charges.

²³ European Commission online information. Viewed at: http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154165.pdf.

²⁴ WTO RTA-IS database. Viewed at: <http://rtais.wto.org/UI/PublicShowMemberRTAIDCard.aspx?rtaid=605>.

CARICOM-Colombia Agreement on Trade, Economic and Technical Cooperation	
Parties	CARICOM members and Colombia
Date of signature/entry into force	24.07.1994 and Agreement further amended by way of a Protocol in 1998/ with preferences being applied by way of interim measures by way of June 1999
End of transition period (goods liberalization) for Trinidad and Tobago	End of transition period: 2002. Upon full implementation, 229 subheadings at the 6-digit level and 85 headings at the 4-digit level were duty-free
Coverage	Liberalization of goods only. Built-in agenda to further develop services
Trinidad and Tobago's merchandise trade with Colombia (2017)	4.8% of total imports; 1.6% of total exports
WTO legal cover	Not applicable (not notified)
WTO consideration status	Not applicable (not notified)

Source: OAS Foreign Trade Information System online information. Viewed at: <http://www.sice.oas.org/Trade/caricome.asp>; and information provided by the authorities.

CARICOM-Cuba Trade and Economic Agreement	
Parties	CARICOM members and Cuba
Date of signature/entry into force	05/07/2000/11/4/2006
End of transition period (goods liberalization) for Trinidad and Tobago	End of transition period: 2010. Upon full implementation, 303 subheadings at the 6-digit level and 94 headings at the 4-digit level were duty-free.
Coverage	Liberalization of goods only. Agreement also has provisions on areas such as: taxation, trade promotion and facilitation, services, tourism, investment, and intellectual property rights.
Trinidad and Tobago's merchandise trade with Cuba (2017)	0.0% of total imports; 0.1% of total exports.
WTO legal cover	Not applicable (not notified)
WTO consideration status	Not applicable (not notified)

Source: UNCTAD online information. Viewed at: <http://investmentpolicyhub.unctad.org/Download/TreatyFile/2498>; and information provided by the authorities.

CARICOM-Costa Rica Free Trade Agreement	
Parties	CARICOM members and Costa Rica
Date of signature/entry into force	09.03.2004/15.11.2005
End of transition period (goods liberalization) for Trinidad and Tobago	End of transition period: 2007. The liberalization schedules for this Agreement were presented utilizing a negative list approach. Upon full implementation, all tariff lines were duty-free, except for: 96 subheadings at the 6-digit level; and 37 headings at the 4-digit level. Certain agricultural products are subject to seasonal MFN duties but are duty-free for the rest of the year
Coverage	Liberalization of goods only. Negative list approach. Agreement also has provisions on areas such as: services, investment, competition policy, and government procurement
Trinidad and Tobago's merchandise trade with Costa Rica (2017)	0.7% of total imports; 0.1% of total exports
WTO legal cover	Not applicable (not notified)
WTO consideration status	Not applicable (not notified)

Source: OAS Foreign Trade Information System online information. Viewed at: http://www.sice.oas.org/agreements_e.asp; and information provided by the authorities.

2.3.2.2 Bilateral RTAs

2.19. Over the review period, a new partial-scope trade agreement covering merchandise trade entered into force between Trinidad and Tobago and Panama, and a partial-scope RTA with Guatemala was signed (Table 2.6). These agreements include provisions on future service trade

liberalization and trade facilitation. The agreement with Panama has not yet been notified to the WTO. A partial-scope agreement with El Salvador has been finalized but has not yet been signed, pending completion of the internal approval process. Negotiations are also underway for a trade agreement between Trinidad and Tobago and Chile.²⁵

Table 2.6 Bilateral RTAs signed by Trinidad and Tobago

Trinidad and Tobago-Panama Partial-Scope Trade Agreement	
Parties	Trinidad and Tobago and Panama
Date of signature/entry into force	October 2013/April 2016
Preferences granted by Trinidad and Tobago	258 tariff lines (HS 8-digit level, CET), including, <i>inter alia</i> , certain agricultural and processed agricultural products; fish; toiletry products; crockery and cutlery; wood and articles made of wood; garments; containers and tanks; and freezers and fridges. Most of these tariff lines are either duty-free on entry into force of the agreement or will become duty-free after a transition period of 10 years. The remainder were subject to tariff reductions of 50% upon entry into force of the agreement, or will be duty-free after a 5-year transition period. There are preferential tariffs for a few agricultural products on a seasonal basis (June-December).
Preferences granted by Panama	230 tariff lines (HS 8-digit level, Panama code), including, <i>inter alia</i> , certain processed agricultural products; oils; dyes; bags; plastic bottles; disposable crockery and cutlery; articles of clothing; paper and printed materials; wood and roofing tiles; and office machines. Around half of these tariff lines were duty-free upon entry into force of the agreement. The remainder were subject to tariff reductions of 50% or 25% upon entry into force of the agreement, or will be duty-free after a 10-year transition period.
Trinidad and Tobago's merchandise trade with Panama	0.3% of total imports; 0.7 % of total exports.

Trinidad and Tobago-Guatemala Partial-Scope Trade Agreement	
Parties	Trinidad and Tobago and Guatemala
Date of signature/entry into force	February 2015/not yet entered into force
Preferences granted by Trinidad and Tobago	143 tariff lines including, <i>inter alia</i> , certain agricultural products (beef, cheese, flowers and vegetables), agro-processed foods, and manufactured items (plastic sheets, clothing and apparel products, imitation jewelry, and freezers). Products are subject to staging categories: immediate 100% duty reduction; duty reduction phased over 5 years; duty reduction phased over 10 years; and seasonal duty-free access over the period July-December.
Preferences granted by Guatemala	146 tariff lines including, <i>inter alia</i> , certain agro-processed goods such as curry, chocolate, guava jams and jellies, and peanut butter, agricultural products, hydraulic fluids, toilet or facial stock, building bricks, tiles, and aluminum doors. Products are subject to staging categories: immediate 100% duty reduction; duty reduction phased over 5 years; duty reduction phased over 10 years; immediate 50% duty reduction; and immediate 20% duty reduction.
Trinidad and Tobago's merchandise trade with Guatemala	0.3% of total imports; 0.1% of total exports.

Source: MTI online information. Viewed at: <https://tradeind.gov.tt/issue-areas/trade-negotiations/>; Trinidad and Tobago-Panama Partial-Scope Trade Agreement. Viewed at: http://www.sice.oas.org/TPD/PAN_TTO/Index_e.asp; and information provided by the authorities.

2.3.2.3 Global System of Trade Preferences

2.20. Under the Global System of Trade Preferences (GSTP), Trinidad and Tobago grants tariff preferences for corn flour, newsprint, other printing paper in bulk, glassware except tumblers, and aluminum casks.²⁶

²⁵ National Aid for Trade Strategy 2016-19. Viewed at: <http://caribbean.cepal.org/content/national-aid-trade-strategy-2016-2019>.

²⁶ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

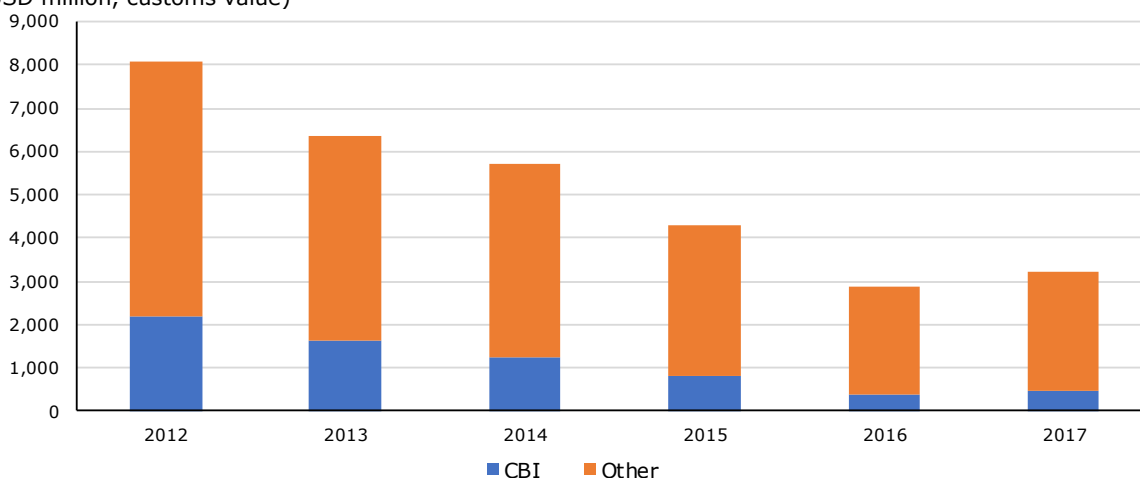
2.3.2.4 Preferential trade agreements

2.21. As noted in Trinidad and Tobago's previous Review, the CARICOM-Venezuela Trade and Investment Agreement is a one-way preferential agreement whereby most CARICOM exports to the Bolivarian Republic of Venezuela are granted preferential or duty-free access. This Agreement was signed in 1992 and entered into force in January 1993. Tariffs have been eliminated on 22% of products (mostly fresh produce, confectionary, cosmetics, jams and jellies, medicines, wooden furniture, horticultural products, spices, processed foods, and toilet preparations), while 67% of products benefit from tariff reductions. As a result, the Bolivarian Republic of Venezuela's average applied tariff on CARICOM imports is about one third lower than its MFN tariff. The signatories can apply measures to counter dumping and subsidies.²⁷

2.22. Trinidad and Tobago is eligible for duty-free access to the United States' market for most goods under the Caribbean Basin Initiative (CBI). Under this Initiative, it is a beneficiary of both preferences granted under the Caribbean Basin Recovery Act (CBERA) and enhanced benefits offered under the United States-Caribbean Basin Trade Partnership Act (CBTPA). There is no foreseen expiry date for the CBERA, and a waiver for the preferences granted under this Act was granted by the WTO in July 2015, for the period up to 31 December 2019.²⁸ The CBTPA is due to expire in September 2020. Over the period 2005-17, Trinidad and Tobago had consistently been the leading source of U.S. imports entering under CBI tariff preferences²⁹; these imports were dominated by petroleum, petroleum-related products and methanol.³⁰ However, the value of imports diminished significantly over the review period; the value of U.S. imports from Trinidad and Tobago under CBI provisions was nearly USD 2.2 billion in 2012, representing just over a quarter of total imports, and this fell to nearly USD 488 million in 2017 (just over 15% of total imports) (Chart 2.1).

Chart 2.1 US imports from Trinidad and Tobago, 2012-17

(USD million, customs value)



Source: WTO Secretariat based on data from the USITC Trade Dataweb.

2.23. Trinidad and Tobago is also eligible for preferential treatment to the Canadian market through the Caribbean-Canada Trade Agreement (CARIBCAN), a programme for trade, investment and industrial cooperation between Canada and the Commonwealth Caribbean countries, which extends one-way duty-free treatment to nearly all qualifying imports. Canada's request for the extension of the WTO waiver of its duty-free treatment for eligible economies under this programme until 31 December 2023 was granted in July 2015.³¹ In 2017, the total value of Canadian imports from

²⁷ WTO document WT/TPR/S/260/Rev.1, 2 May 2012. The text of the agreement was viewed at: <http://investmentpolicyhub.unctad.org/Download/TreatyFile/2421>.

²⁸ WTO document WT/L/950, 5 May 2015.

²⁹ In 2017, Jamaica overtook Trinidad and Tobago as the biggest recipient.

³⁰ USTR Eleventh Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act (December 2015). Viewed at: <https://ustr.gov/sites/default/files/2015-CBI-Report-Final.pdf>; and WTO document WT/L/1012, 12 July 2017.

³¹ WTO document WT/L/958, 30 July 2017.

Trinidad and Tobago was CAD 176 million; of this, 93.5% entered MFN duty-free and 2% duty-free under the CARIBCAN programme.³²

2.24. Trinidad and Tobago is also eligible for preferential market access under the GSP schemes of Australia, Belarus, Kazakhstan, New Zealand, the Russian Federation and Turkey.³³

2.3.3 Investment regime

2.25. As noted in Trinidad and Tobago's previous Review, foreign direct investment (FDI) is encouraged in all sectors, and there are no restrictions or disincentives to investment. InvestTT, a state-owned body falling under the MTI, is responsible for national investment promotion activities, and has been tasked with targeting investments in certain sectors, namely: agriculture and agro-processing, fishing and fish processing, maritime services, creative industries, and software development and manufacturing. It is the first point of access for foreign investors, and undertakes investor facilitation and aftercare, policy advocacy, and country branding and marketing.³⁴ As noted in Trinidad and Tobago's previous Review, the Government's investment promotion measures include partnering with the private sector to host events and organize trade missions. Under Trinidad and Tobago's Aid for Trade Strategy (see above), target sectors for investment are: clean technology, creative industries, agri-business, ICT, downstream energy, tourism, and maritime industries. All available investment incentives are listed on the Ministry of Finance website (Section 3.3.1).

2.26. Over the review period, there have been no changes to the main law governing foreign investment, the Foreign Investment Act (Table 2.2). Under the provisions of the Act, all investors from outside the CARICOM region are considered foreign investors. Foreign investors are permitted to own 100% of share capital in a private company; they need a licence to own more than 30% of the share capital in a public company. Foreigners require a licence to purchase more than one acre for residential purposes and five acres for industrial/trade purposes in Trinidad; the Ministry of Finance processes these licence applications. Since 2007, acquisition of land of any size in Tobago has required a licence from the Tobago House of Assembly.³⁵ There are no restrictions on long-term land leases (up to 199 years).

2.27. There is no FDI screening/approval process *per se*; however, governmental approval is required for projects whereby incentives are sought, and most investments (foreign and domestic) require government approval in some form (i.e. building approvals, company registration, work permit approvals, etc.). As part of its aim to enhance the domestic investment climate, the Government, through the MTI, created a new Investment Approval and Facilitation Framework in 2017, which is designed to reduce bureaucracy and red tape faced by current and potential investors. The key objectives of this Framework are to: (a) help investors comply with laws and/or regulations at the national level; (b) simplify the regulatory decision processes (registration, licensing, permitting, and land allocation) by increasing transparency, clarifying regulations and improving quality and speed of service; (c) provide pre-approval services to investors (market and business data, investment opportunities, etc.); and (d) facilitate post-approval services to investors (permits, approvals, import of equipment and raw materials, work permits, etc.). A component of the Framework is the Inter-Ministerial Committee, appointed by the Cabinet and chaired by the Minister of Trade and Industry. This Committee's short-term objectives are to review, approve and facilitate investments in the non-energy sector worth over USD 5 million. The Committee has set a temporary standard of a maximum of 60 days for approvals for simple projects (those not requiring environmental approvals) and 180 days for complex projects (those requiring environmental approvals). In the medium- long term, it will aim to rationalize current regulatory processes to meet international best practice.

2.28. Over the review period, new bilateral investment treaties (BITs) entered into force with Switzerland and Guatemala. No new double-taxation agreements (DTAs) were signed or entered

³² The data source is Statistics Canada, as set out in WTO document WT/L/1036, 4 July 2018.

³³ Information provided by the authorities.

³⁴ Draft InvestTT Strategic Plan 2017-20. Not available online.

³⁵ Guidelines and conditions for licence under the Foreign Investment Act, 1990. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2014/05/51.pdf>; MTI Investment Policy Statement. Viewed at: <https://tradeind.gov.tt/investment-policy-statement>; and Legal Notice No. 53 of 2007.

into force since 2012 (Box 2.1). The CARICOM-United States TIFA entered into force in 2013.³⁶ Over the review period, no investor-State disputes were brought against Trinidad and Tobago.

Box 2.1 Investment framework, as at January 2019

RTAs with investment provisions (date of entry into force)
CARICOM-Venezuela RTA (1993); CARICOM Single Market (2002); CARICOM-Dominican Republic RTA (2002); CARIFORUM-EC EPA (2009); and CARICOM-Costa Rica RTA (2011).
BITs in force (date of entry into force)
Canada (1996); China (2004); Cuba (2000); France (1996); Germany (2010); Guatemala (2016); Korea, Republic of (2003); Mexico (2007); Spain (2004); Switzerland (2012); United Kingdom (1993); and United States (1996).
DTAs in force (date of entry into force)
Brazil (2008); Canada (1996); CARICOM (1994); China (2005); Denmark (1971); France (1989); Germany (1977); India (1999); Italy (1974); Luxembourg (2003); Norway (1970); Spain (2009); Sweden (1984); Switzerland (1974); United Kingdom (1983); United States of America (1970); and Venezuela (1997).
Membership of investment-related intergovernmental agreements
Multilateral Investment Guarantee Agency (MIGA) Convention; International Centre for Settlement of Investment Disputes (ICSID) Convention; and New York Convention.

Source: UNCTAD Investment Policy Hub online information. Viewed at: <http://investmentpolicyhub.unctad.org/IIA/CountryBits/212#iiaInnerMenu>.

2.4 Business Environment

2.29. Trinidad and Tobago's rankings in performance indicators issued by external entities indicate that there remains scope to improve the climate for business and investment. It was ranked 83rd out of 137 economies in the World Economic Forum's (WEF) Global Competitiveness Report 2017-18, and 105th out of 190 economies in the World Bank's 2019 Doing Business Report.³⁷

2.30. Among the major concerns reported by the WEF are: a poor work ethic in the national labour force; inefficient government bureaucracy; corruption; and crime and theft. Trinidad and Tobago scored poorly in the World Bank's categories of "enforcing contracts", "paying taxes" and "registering property". Concerns have also been expressed by a major trading partner about foreign exchange shortages that delay payments to foreign firms; lack of transparency in public procurement; time-consuming resolution of legal conflicts; and shortages of skilled and unskilled labour.³⁸

2.31. Nevertheless, several positive aspects of the climate for business and investment have been highlighted; its stable and democratic political system; its educated workforce; its well-regulated, well-capitalized and profitable banking system and insurance industry; an established rule of law; an independent and substantively fair judicial system; high per-capita GDP; and the fact that public finances are bolstered by significant foreign reserves and a sovereign wealth fund.³⁹ Trinidad and Tobago scored well in the World Bank's Doing Business indicators for "getting electricity"; "protecting minority investors"; and "getting credit". Its highest rankings in the WEF's index relate to "higher education and training", "technological readiness" and "financial market development".

2.32. As reported by the Government, recent measures to improve the business environment have included improving customs procedures (Section 3.1.1); steps towards unveiling an automatic

³⁶ UNCTAD online information. Viewed at: <http://investmentpolicyhub.unctad.org/Download/TreatyFile/5107>.

³⁷ WEF. The Global Economic Competitiveness Report 2017-18. Viewed at: <https://www.weforum.org/reports/the-global-competitiveness-report-2017-2018>. World Bank Doing Business 2019: Training for Reform. Viewed at: http://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf.

³⁸ U.S. Department of State 2017 Investment Climate Statements. Viewed at: <https://www.state.gov/e/eb/rls/othr/ics/2017/wha/270100.htm>.

³⁹ U.S. Department of State 2017 Investment Climate Statements. Viewed at: <https://www.state.gov/e/eb/rls/othr/ics/2017/wha/270100.htm>.

system for the approval of construction permits⁴⁰; the launch of a new EximBank facility to provide foreign exchange to exporters (Sections 3.2, 3.3.1.2; and 4.4); the launch of an internal electronic system to manage visa waiver applications; and the acceptance of electronic payments at the Water and Sewerage Authority. A number of the procedures required for setting up a business can now be done online through the Government's single window system (TTBizLink), including: e-company registration (for which the standard processing time is 3 days); e-work permit (15 days); e-fiscal incentives (11 days); e-National Insurance Board registration (for new limited liability companies) (1 day); and e-company/partnership and value added tax (VAT) registration (companies and partnerships (1 day and 2 days, respectively)).⁴¹ The Government is also seeking to expand provision of loans and loan guarantees to businesses through state agencies, and is planning to establish a business development fund.⁴² Additionally, it has moved forward, or is planning to do so, on a comprehensive legislative agenda to curb corruption, including acts on asset forfeiture, whistle blower protection, and public procurement and disposal of public property, as well as laws to empower enforcement agencies such as the Police Complaints Authority.⁴³ Additionally, reforms have been undertaken, and are in the pipeline, to improve the criminal and civil justice systems.⁴⁴ Further reforms are considered necessary to improve the performance of Trinidad and Tobago's governing institutions and to devolve certain central government functions.⁴⁵ The Government is also undergoing a review of its legislative and institutional framework for trade and business in the country; apparently a gap analysis has been completed and the MTI is considering next steps.

2.4.1 E-Commerce

2.33. The Electronic Transactions Act, 2011 gives legal effect to electronic documents, electronic signatures and electronic transactions.⁴⁶ According to the authorities, e-commerce has grown but is still not widely used; in 2018, ten domestic retailers were offering e-commerce to the local population (up from five a few years ago). However, according to the authorities, even when e-commerce is available by local retailers, Trinidad and Tobago consumers generally prefer to shop online at U.S. stores for better quality, variety and price. The Government has estimated that domestic consumers spend around USD 500 million annually on U.S. purchases via e-commerce. According to the authorities, business-to-business e-commerce is very small. E-commerce services generally revolve around website development, but even so, payment usually takes place physically. An Online Purchase Tax was introduced in 2016 (Section 3.3.1.1).

2.34. The MTI's National E-Commerce Strategy for the period 2017-21 was issued in 2017. Its main goals are: a comprehensive and effective regulatory environment for e-commerce; the implementation of an Electronic Funds Transfer (EFT) Framework; increased private sector

⁴⁰ Budget Statement 2018. Viewed at: <http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

⁴¹ MTI Investment Policy Statement. Viewed at: <file:///C:/Users/Waters/AppData/Local/Microsoft/Windows/INetCache/IE/UVFFHTPF/INVESTMENT-POLICY-STATEMENT.pdf>.

⁴² Budget Statement 2018. Viewed at: <http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

⁴³ Ministry of Planning and Development online information. Viewed at: <https://tradeind.gov.tt/?attachment-id=4243>.

⁴⁴ As reported by the authorities, measures which took effect over the review period were: (a) the introduction of criminal procedure rules in 2016 to improve case scheduling and management; (b) improvements to plea bargaining legislation to encourage plea discussions and agreements and thus remove a large number of matters from the judicial system; (c) the introduction of judge-only trials in criminal matters at the high court to address *voir dire*s and juror intimidation which had lengthened the course of criminal trials; (d) improved access to bail for offenders to reduce the remand population, and to lessen the strain on resources and divert them to a better use within the judicial system; (e) the decriminalization of certain road traffic offences, so as to allow the judiciary to manage more serious matters; (f) the passage of legislation which allows the Chief Justice to create specialized courts, so as to ensure better efficiency and resource allocation; and (g) anti-gang legislation. Various other reforms to the justice system are in the pipeline.

⁴⁵ In the Government's Vision 2030 document, it is stated that "our constitution and governing institutions are in grave need of transformation as many exhibit poor service delivery and low productivity, coupled with the need for greater transparency and accountability in their operations". Strengthened oversight, accountability and autonomy of independent institutions is envisaged, as is public sector reform through performance management, modernized structures, strengthened coordination and capacity-building, and devolution of certain central government powers. Ministry of Planning and Development online information. Viewed at: <https://www.planning.gov.tt/content/vision-2030>.

⁴⁶ Electronic Transactions Act. Viewed at: <http://www.ttparliament.org/legislations/a2011-06.pdf>.

participation in e-commerce; increased consumer awareness and confidence in e-commerce; and enhanced ICT infrastructure for commercial activity throughout the country. It contains an implementation plan for each of these goals.⁴⁷

2.35. Trinidad and Tobago's National ICT Plan for the period 2017-21 (Section 4.5.3) contains the strategies that the government intends to implement in order to create the environment for an innovative, entrepreneurial and vibrant ICT sector. These include (a) advancing e-commerce; (b) diversifying the economy through ICT sector development; and (c) increasing digital content production.

2.36. The CARIFORUM-EU EPA (see above) provides for a dialogue between parties on regulatory issues raised by e-commerce. Under this Agreement, the parties agreed that the development of e-commerce must be compatible with high standards of data protection, and that deliveries by electronic means are to be considered as the provision of services and are not subject to customs duties.⁴⁸

⁴⁷ MTI National E-Commerce Strategy 2017-21. Viewed at: <https://tradeind.gov.tt/national-e-commerce-strategy-2017-2021>.

⁴⁸ CARIFORUM-EU EPA, Articles 119 and 120. Viewed at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22008A1030\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22008A1030(01)&from=EN).

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.1 Customs procedures, valuation, and requirements

3.1. The Customs Act and Customs Regulations set out the rules governing customs procedures in Trinidad and Tobago. The Act was amended twice over the review period, through Acts No. 6 of 2013 and No. 7 of 2016. The 2013 amendments, *inter alia*, require advance passenger and cargo information¹ to be sent to the Comptroller of Customs and Excise; this may be done electronically.² The 2016 amendments exempt new and used electric and hybrid vehicles from import duties, provided certain criteria are met, and reduced to zero import duties on compressed natural gas (CNG) systems and component parts.³ Customs procedures are administered by the Customs and Excise Division, which falls under the competence of the Ministry of Finance (MOF). Consideration is being given to establishing a revenue authority, which would replace both the Board of Inland Revenue and the Customs and Excise Division (Section 2.2).

3.2. Trinidad and Tobago ratified the WTO Trade Facilitation Agreement (TFA) in July 2015. It notified its Category A commitments under the TFA in 2015.⁴ In 2017 it notified its Category B and C commitments with indicative dates as well as its technical assistance requirements for Category C. In 2018 it provided its definitive dates for Categories B and C.⁵ As at December 2018, it had achieved a 21.4% rate of implementation of commitments (based on their notifications); this should increase to 70.6% by end-2027 with capacity building support.⁶

3.3. The requirement to hire a local customs broker for all imports over TTD 20,000 remains in place⁷, although this is not currently applied to imports purchased online.⁸ The authorities state that the Government has no plans to remove the requirement to use customs brokers.⁹ Electronic submission of documentation is, in practice, mandatory. Customs brokers fill out the required documentation (the e-C82 declaration and other required documents¹⁰) and upload it onto the Customs and Excise Border Control System (CBCS)/ASYCUDA online system; in doing so, they are responsible for self-assessing the duties and taxes payable. An Assessment Notice is then generated by the online system, which enables customs brokers to effect payment of import duties, other taxes, and user fees (user fees are TTD 40 for commercial, and TTD 10 for non-commercial

¹ Information requirements are set out in the Ninth Schedule to the Customs Act.

² The Customs (Amendment) Act No. 6 of 2013. Viewed at: <http://customs.gov.tt/content/CUSTOMS%20AMENDMENT%20ACT%206%202013.pdf>.

³ Used electric and hybrid vehicles must not be older than four years from the year of manufacture. The engine size of electric vehicles must not exceed 179 kW, and that of hybrid vehicles must not exceed 1999 cc. A copy of the 2016 amendments to the Act was not available online.

⁴ WTO document WT/PCTF/N/TTO/1, 15 June 2015. Category A commitments relate to: consultations (Article 2.2); specific disciplines on fees and charges (6.2); penalty disciplines (6.3); perishable goods (7.9); formalities (10.1); pre-shipment inspection (10.5); rejected goods (10.8); temporary admission of goods (10.9); and transit (11).

⁵ WTO document G/TFA/N/TTO/1, 27 November 2017; and WTO document G/TFA/N/TTO/2, 28 September 2018.

⁶ TFA Database online information. Viewed at: <https://www.tfadatabase.org/members/trinidad-and-tobago>.

⁷ These requirements are set out in the Customs Brokers and Custom Clerks Act (last amended in 2005) and the Customs Brokers and Customs Clerks Regulations. Viewed at:

<https://www.ttbizlink.gov.tt/tntcmn/faces/pnu/TariffLegislationDownloads.jsf>. Customs brokers must be licensed by the Customs Brokers' Board which involves, *inter alia*, an examination, payment of a bond and a requirement to be a resident of Trinidad and Tobago. The fees that customs brokers may levy are specified in the Customs Brokers and Custom Clerks Regulations.

⁸ Currently, couriers undertake customs clearance on behalf of persons who make purchases online from abroad. With the foreseen upgrade of the ASYCUDA system, customs clearance of these imported products will then be done by customs brokers.

⁹ In the context of this Review, the authorities indicated that, with the mandatory online submission of customs declarations, the role of customs brokers has become more important than before, due to their expertise in the harmonized system and in the processing and clearance of cargo, as well as their knowledge of customs laws and regulations.

¹⁰ Other required documents are: an invoice (CARICOM area or commercial), a copy of the airway bill or bill of lading, an import licence (if required), and a declaration on the e-C75 form (e-C76 forms are used when there is an ongoing demand-supply relationship between the importer and the supplier) signed by the importer.

declarations). Payments must either be made directly with the Customs Cashier, or drawn down from a lump-sum deposit. The Ministry of Trade and Industry (MTI) and MOF are developing an online payment system, which should be operational by June 2019. Once duties and taxes are paid, the CBCS sends a data-set to the Government's Single Electronic Window System (TTBizLink) (see below), so that any required additional endorsements may be made by relevant government agencies through this system and sent back to the CBCS. Importers may request an advance customs ruling; this is binding.

3.4. TTBizLink was first launched in 2012, and various functions have been added since. The project is in the final stage of implementation; the authorities expect it to be fully operational by 2021. It enables individuals and businesses to perform several operations online 24 hours a day, seven days a week. The import-related e-services that are now operational include: applications for import duty concessions, and import permit and licence applications with all relevant agencies (the Trade Licensing Unit of the MTI; the Trinidad and Tobago Bureau of Standards (TTBS); the Plant Quarantine Services of the Ministry of Agriculture, Land and Fisheries; and the Animal Health, and Chemistry, Food and Drugs Divisions of the Ministry of Health).

3.5. While TTBizLink calculates any associated fees, their payment may not currently be made online.¹¹ The time to obtain import/export permits has been reduced from four weeks to one day, and the time to obtain duty concessions has been reduced from six weeks to 12 days.¹²

3.6. In 2013, a Voluntary Compliance Programme was launched; it allows participating importers to print out their cargo release orders from the CBCS/ASYCUDA online system once duties and taxes have been paid. This Programme is in the pilot stage, involving a selected group of importers with a history of compliance. It is to be reviewed and, if the results are positive, the authorities aim to generalize it.

3.7. Around 30-35% of imports are physically inspected, compared to approximately 20-25% at the time of the previous Review; the authorities indicate that physical inspections are linked to risk management and national security. The selection of goods for inspection is related to the type and value of goods, goods with high duty rates, frequently misclassified tariff heading numbers, repeat offenders, and source country.

3.8. Where documentary submissions do not support physical examinations with regard to the quantity and description of the declared goods, Customs requires payment of additional duties.¹³ Depending on the level of discrepancies found, fines may also be payable. At the point of the physical examination of cargo, if an importer disagrees with Customs' decisions they may ask for an on-site administrative review. In the case of a continued disagreement, the importer has 90 days to appeal to the Classification Committee under the Comptroller of Customs and Excise; the time-frame for resolution of disputes at this level is 90 days. The authorities indicate that there have been problems meeting these deadlines due to staffing problems. In such cases, importers may opt to clear goods by paying a deposit, amounting to the disputed duties and taxes, into an escrow account. If the Classification Committee finds in favour of the importer, the deposit is refunded. The final avenue for appeal is the Tax Appeal Board; there is no set time-frame for dispute resolution at this level. The authorities indicate that most disputes relate to classification issues. Procedures are in place for post-clearance audit; these are linked with customs self-assessment.

3.9. Trinidad and Tobago continues to be ranked relatively poorly (in 130th place out of 190 economies) in the World Bank's 2019 Doing Business report for trading across borders. It indicates that the time taken to import is 44 hours and for border compliance is 78 hours. The cost of documentary compliance is estimated at USD 250, and that of border compliance is USD 635.¹⁴ As noted by the authorities, while there have been improvements in document controls through

¹¹ For example, the TTBS inspection fees may be paid using various methods (drawdown from a pre-paid TTBS account; direct payment at certain branches of specific banks; or payment by credit card at TTBS offices), and the Ministry of Health's import permit fees (TTD 10 per permit) must be paid directly at the District Revenue Office.

¹² Trinidad and Tobago Guardian article on the TTBizLink website. Viewed at: <https://www.ttbizlink.gov.tt/trade/tnt/cmn/pdf/Newspaper%20Clipping%20SEW.PDF>.

¹³ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

¹⁴ World Bank Doing Business 2019: Training for Reform. Viewed at: http://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf.

automation, challenges relating to physical inspection and the movement of cargo in ports remain. Steps being taken to address these bottlenecks include: the purchase of port scanners to speed up the inspection process; investment in a modern risk-management system; and the issuance of a tender for a port community system.

3.10. There have been no changes to customs valuation procedures over the review period. Customs value is based on the transaction value¹⁵; and in cases of reasonable doubt, the determination of customs value follows the methods and order defined in the Customs Valuation Agreement (CVA). Sales between related persons are subject to special customs valuation provisions.¹⁶ During the review period, Trinidad and Tobago did not invoke any of the provisions for special and differential treatment available for developing countries concerning delayed application of and reservations to the CVA. In case of doubt, suspected fraudulent invoices, or failure to present invoices, reference price lists or guidelines (which are unpublished) may be used to verify values.¹⁷ As indicated by the authorities at the time of the previous Review, a difference between the declared value of a shipment and the database value is not, by itself, a reason to reject the declared value.¹⁸

3.11. Trinidad and Tobago has notified the WTO that it does not have legislation on, nor does it carry out, preshipment inspections.¹⁹

3.1.2 Rules of origin

3.12. According to its notifications to the WTO, Trinidad and Tobago does not maintain any non-preferential rules of origin.²⁰

3.13. Preferential rules of origin are in place for imports from CARICOM members and from countries with which Trinidad and Tobago has regional trade agreements (RTAs). The main features of the CARICOM Rules of Origin are described in detail in the last Review.²¹ A review of these Rules (and the Common External Tariff (CET)) was launched in July 2017 to assess what revisions are necessary in light of advances in technology, and RTAs.²² The draft report has been issued and is being considered by CARICOM members.

3.14. Rules of origin under the EU-CARIFORUM EPA are set out in Protocol 1.²³ Products that must be wholly obtained to confer origin may incorporate non-originating materials if they do not exceed 15% of the *ex-works* price of the finished good. Working requirements to achieve origin status are listed in Annex II to Protocol I; they vary depending on the product. In some cases, the producer of the goods can choose between alternative working or processing requirements to qualify for originating status. Final substantive manufacturing operations must take place in a CARIFORUM or EU member State, and originating goods must be transported directly from the exporting to the importing country unless certain requirements are met.²⁴ CARIFORUM States are treated as one territory in determining origin. For goods considered as originating in both CARIFORUM and EU States, cumulative treatment is applied to inputs from Overseas Countries and Territories (OCTs) and other African, Caribbean and Pacific (ACP) States. However, for this to be operationalized, both EU member States and CARIFORUM States must establish and notify arrangements for

¹⁵ No data was available on the percentage of goods imports valued according to the transaction value.

¹⁶ For further details on customs valuation determination, see WTO document WT/TPR/S/260/Rev.1, 2 May 2012. Legislation on customs valuation was notified to the WTO Committee on Customs Valuation under Article 22.2 of the Agreement on Implementation of Article VII of the GATT 1994 (WTO document G/VAL/N/1/TTO/1, 12 November 1998). Trinidad and Tobago submitted its replies to the check-list of issues to the CVA Committee in 1998 (WTO document G/VAL/N/2/TTO/1, 12 November 1998).

¹⁷ WTO document WT/TPR/S/151/Rev.1, 12 October 2005.

¹⁸ WTO document WT/TPR/M/260/Add.1, 20 April 2012.

¹⁹ WTO document G/PSI/N/1/Add.8, 28 September 1999.

²⁰ WTO document G/RO/N/24, 15 January 1999.

²¹ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

²² As reported by the authorities, RTA rules of origin often give more favourable conditions for goods coming from third countries than regionally-produced goods.

²³ The text of both Protocol 1 and Annex II of the EU-CARIFORUM EPA was viewed at: http://trade.ec.europa.eu/doclib/docs/2008/february/tradoc_137971.pdf.

²⁴ The requirements to be met if goods are transported through a third country are: (a) the transport documents must show the final destination of the goods to be a CARIFORUM State or an EU Member State; (b) the goods concerned must remain under customs supervision in the country of transit; and (c) no interference with the goods is permitted during transit, beyond unloading and reloading, and what may be necessary to keep them in good condition.

administrative cooperation with these States; this has not yet been done. CARIFORUM States may also apply cumulative treatment to inputs from certain developing neighbouring countries (Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Venezuela). To benefit from these provisions, CARIFORUM States must send a request to the Special Committee on Customs Co-operation and Trade Facilitation, and have an arrangement for administrative cooperation in place with these States; this has not yet been done. The working/processing by CARIFORUM and EU States on materials from foreign States under cumulation provisions must go beyond the "insufficient working/processing" criteria listed in Article 8 to Protocol 1.²⁵

3.15. The only RTA that entered into force over the review period was a partial-scope agreement with Panama, with preferences granted by Trinidad and Tobago covering 258 tariff lines (Section 2). The rules of origin are contained in Annex C to the Agreement. Where goods are produced using non-originating materials, Appendix 1 to the Agreement sets out the requirements that must be met; generally, a change in tariff classification. Direct transportation is obligatory.²⁶

3.1.3 Tariffs

3.1.3.1 Structure

3.16. In 2018, the applied MFN tariff in Trinidad and Tobago varied between duty free and 67.5%. Nearly all tariffs are applied on an *ad valorem* basis, with 0.4% of all tariff lines subject to specific duties. The 2018 tariff, which is based on the HS2012 nomenclature, comprised 6,480 lines at the eight-digit level, up from 6,295 lines in 2011, which was based on the HS07 nomenclature. Overall, tariff protection is highest on products at the first stage of processing; it is lowest for semi-processed products, and increases for fully-processed products. Domestic tariff peaks affect 10.5% of all tariff lines, while international tariff peaks affect 29.5% of them. Overall standard deviation increased from 11.9% in 2011 to 13.1% in 2018 (Table 3.1).

Table 3.1 Structure of tariff schedule, 2004, 2011 and 2018

(%)

	2004	2011	2018
1. Total number of tariff lines	6,437	6,295	6,480
2. Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.4	0.4	0.4
3. Non- <i>ad valorem</i> with no <i>ad valorem</i> equivalents (AVEs) (% of all tariff lines)	0.4	0.4	0.4
4. Lines subject to tariff quotas (% of all tariff lines)	0.0	0.0	0.0
5. Duty-free tariff lines (% of all tariff lines)	45.4	61.4	60.7
6. Dutiable lines tariff average rate (%)	16.7	22.2	23.3
7. Simple average tariff (%)	9.1	8.5	9.1
8. WTO agriculture	17.1	17.5	17.9
9. WTO non-agriculture (incl. petroleum)	7.6	6.8	7.3
10. Agriculture, hunting, forestry and fishing (ISIC 1)	20.6	21.4	22.0
11. Mining and quarrying (ISIC 2)	3.2	2.4	2.5
12. Manufacturing (ISIC 3)	8.4	7.7	8.1
13. First stage of processing	15.3	16.3	17.8
14. Semi-processed products	2.1	1.6	2.0
15. Fully processed products	11.2	10.3	10.6
16. Domestic tariff peaks (% of all tariff lines) ^a	8.4	8.8	10.5
17. International tariff peaks (% of all tariff lines) ^b	28.2	28.0	29.5
18. Overall standard deviation	11.8	11.9	13.1
19. Bound tariff lines (% of all tariff lines)	100.0	100.0	100.0

a Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.

b International tariff peaks are defined as those exceeding 15%.

Source: WTO Secretariat calculations, based on data provided by the authorities.

²⁵ CARICOM "The Rules of Origin under the CARIFORUM-EU EPA". Viewed at: https://caricom.org/images/publications/11046/9586_pages_opt.pdf.

²⁶ Partial Scope Trade Agreement Between the Republic of Trinidad and Tobago and the Republic of Panama. Viewed at: http://www.sice.oas.org/TPD/PAN_TTO/Text_e.asp#P_II_A_VII.

3.1.3.2 Tariff bindings

3.17. Trinidad and Tobago has bound 100% of its tariff lines at the eight-digit level. All bindings are *ad valorem*. The overall average bound tariff is 57%; it is 90% for agricultural products (WTO definition) and 51% for non-agricultural products. Under its Uruguay Round commitments, Trinidad and Tobago bound all agricultural products at 100% except for seven items (some poultry products, fresh cabbage and lettuce, and roasted coffee beans), which were bound at rates of between 106% and 156%. Industrial products are mostly bound at 50%; table salt, Portland cement, certain cosmetics, garments, footwear, some household durables, and cars and spare parts are bound at 70%. Other duties and charges have been bound at 15% for all products.

3.18. The applied MFN rate exceeded the bound rate on 59 lines in 2018, up from 50 in 2011 (Table 3.2); this can be attributed to a change in HS nomenclature from HS07 to HS2012. At the time of its previous Review, Trinidad and Tobago explained that, in most cases, when the applied rate exceeds the bound rate, the tariffs for the products concerned were fixed with the adoption of the CET (see below).²⁷ The authorities state that the issue of broken bindings is being considered in the context of the CARICOM Rules of Origin and CET review (Sections 3.1.2 and 3.1.3.5).

Table 3.2 Items for which the applied MFN tariffs exceeds the final bound rate, 2018

HS code	MFN duty	Bound duty	Product description
01061110	40	15	Monkeys
01061190	40	15	Other primates
01061200	40	15	Whales, dolphins and porpoises (mammals of the order <i>cetacea</i>); manatees, etc.
01061300	40	15	Camels and other camelids (<i>camelidae</i>)
01061400	40	15	Rabbits and hares
01061910	40	15	Dogs
01061920	40	15	Cats
01061990	40	15	Other mammals
01062010	40	5	Turtles
01062090	40	15	Other reptiles
01063100	40	15	Birds of prey
01063200	40	15	<i>Psittaciformes</i> (including parrots, parakeets, macaws and cockatoos)
01063300	40	15	Ostriches; emus (<i>dromaius novaehollandiae</i>)
01063910	40	15	Pigeons
01063990	40	15	Live birds of a kind used as, or yielding or producing food for, human consumption
01064190	40	15	Worker honey bees
01064900	40	15	Other live insects
01069000	40	15	Other live animals, not elsewhere specified
06029010	15	0	Banana plants
06029020	15	0	Coconut plants
06029030	15	0	Cocoa plants
06029040	15	0	Citrus plants
07081000	40	0	Peas (<i>pisum sativum</i>)
07082010	40	0	String beans, fresh or chilled
07082020	40	0	Bora (<i>bodi</i>) bean (<i>vigna spp.</i>), fresh or chilled
07082030	40	0	Blackeye peas (<i>vigna unguiculata</i>), shelled or unshelled, fresh or chilled
07082090	40	0	Other beans, (<i>vigna spp</i> , <i>phaseolus spp</i>), fresh or chilled
07089010	40	0	Pigeon peas (<i>cajanus cajan</i>), shelled or unshelled, fresh or chilled
07089090	40	0	Other leguminous vegetables, shelled or unshelled, fresh or chilled
09041100	40	15	Pepper, neither crushed nor ground, dried by natural means
09041200	40	15	Pepper, treated, crushed/ground
09042120	40	15	Pimento (allspice), dried, neither crushed nor ground
09042220	40	15	Pimento (allspice), crushed or ground
25221000	10	0	Quicklime
25222000	10	0	Slaked lime
25223000	10	0	Hydraulic lime

²⁷ WTO document WT/TPR/M/260/Add.1, 20 April 2012.

HS code	MFN duty	Bound duty	Product description
36049090	20	15	Other signalling flares and other pyrotechnic articles
37025200	20	5	Other film, for colour photography (polychrome): of a width not exceeding 16 mm
37025300	20	5	Other film of width exceeding 16mm but less than or equal to 35mm, and of a length less than or equal to 30m, for slides
37025600	20	5	Other film for colour photography of a width exceeding 35mm
42010000	20	15	Saddlery and harnesses for any animal (incl. traces, leads, knee pads)
43031000	20	0	Articles of apparel and clothing accessories of furskin
43039090	20	0	Other articles of furskin
43040020	20	0	Articles of artificial fur
66011000	20	15	Garden or similar umbrellas
66019100	20	15	Umbrellas and sun umbrellas, having a telescopic shaft
66019900	20	15	Other umbrellas and sun umbrellas
66020000	20	15	Walking-sticks, seat-sticks, whips, riding-crops and the like
68021010	20	15	Tiles, cubes and similar articles enclosed in a square, side less than 7cm
68022310	20	15	Articles of granite
68022910	20	15	Articles of other monumental/building stone
68029110	20	15	Other articles of marble, travertine and alabaster
68029210	20	15	Articles of other calcareous stone
68029310	20	15	Other articles of granite
68029910	20	15	Articles of other stone
92021000	10	0	Other string musical instruments; played with a bow
92029000	10	0	Other string musical instruments
01023900	40	33.3	Other buffalo
01029000	40	25	Other live bovine animals

Source: WTO Secretariat, based on the Consolidated Tariff Schedule, and data provided by the authorities.

3.1.3.3 Applied tariff

3.19. Trinidad and Tobago applies the CARICOM CET with certain exceptions (Section 3.1.3.5). The average applied MFN tariff (excluding specific duties) in 2018 was 9.1%, up from 8.5% in 2011. According to the authorities, this change was due to tariff increases on some products. As per WTO sectoral definitions, average tariffs on agricultural products are higher than those on non-agricultural products. The average applied MFN tariff on agricultural products was 17.9% in 2018, while that on non-agricultural products was 7.3% (Table 3.3). The difference between average bound rates and the average applied MFN rates gives the authorities considerable scope to increase tariffs.²⁸

Table 3.3 Summary analysis of the MFN tariff, 2018

Description	MFN				Final bound average ^a (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	
Total	6,480	9.1	0 - 67.5	1.4	55.8
HS 01-24	1,317	21.4	0 - 65.7	0.8	78.4
HS 25-97	5,163	6.0	0 - 67.5	1.6	51.1
By WTO category					
WTO agriculture	1,118	17.9	0 - 65.7	1.0	86.3
- Animals and products thereof	177	24.0	0 - 40	0.7	75.7
- Dairy products	25	12.4	0 - 40	1.1	100.0
- Fruit, vegetables and plants	327	22.2	0 - 40	0.8	93.5
- Coffee and tea	29	15.7	0 - 40	1.0	80.7

²⁸ At the time of its previous Review, Trinidad and Tobago explained that, like other developing country WTO Members, it does not have many options to defend its domestic industry from damage due to imports, nor does it have the resources to provide many subsidies. Hence, the ability to increase the applied rate is the most easily implemented option to address any such concerns. It was further indicated that there were no plans to reduce the difference between applied and bound rates beyond what could be expected from the conclusion of the Doha Development Round. WTO document WT/TPR/M/260/Add.1, 20 April 2012.

	MFN				Final bound average ^a (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	
- Cereals and preparations	138	13.4	0 - 40	1.0	84.5
- Oil seeds, fats and oils and their products	109	13.3	0 - 40	1.4	85.8
- Sugars and confectionary	24	22.1	0 - 40	0.8	100.0
- Beverages, spirits and tobacco	119	25.0	0 - 65.7	0.7	100.0
- Cotton	6	0.0	0 - 0	n.a.	80.0
- Other agricultural products n.e.s.	164	7.0	0 - 40	2.0	80.1
WTO non-agriculture (incl. petroleum)	5,362	7.3	0 - 67.5	1.5	50.6
- WTO non-agriculture (excl. petroleum)	5,330	7.3	0 - 67.5	1.5	50.7
- - Fish and fishery products	277	29.6	0 - 40	0.5	50.4
- - Minerals and metals	1,108	4.4	0 - 30	1.9	45.9
- - Chemicals and photographic supplies	1,005	3.7	0 - 40	2.0	50.4
- - Wood, pulp, paper and furniture	331	7.7	0 - 20	1.1	51.5
- - Textiles	629	3.5	0 - 30	2.2	50.6
- - Clothing	281	19.8	0 - 20	0.1	70.0
- - Leather, rubber, footwear and travel goods	180	7.6	0 - 30	1.3	51.7
- - Non-electric machinery	592	2.6	0 - 30	2.7	50.1
- - Electric machinery	265	7.2	0 - 30	1.3	53.4
- - Transport equipment	187	8.2	0 - 67.5	1.8	52.9
- - Non-agriculture articles n.e.s.	475	11.2	0 - 40	0.9	49.0
- Petroleum	32	13.6	0 - 30	1.0	43.0
By ISIC sector^b					
Agriculture and fisheries	512	21.9	0 - 40	0.9	64.4
Mining	106	2.5	0 - 30	3.0	37.0
Manufacturing	5,861	8.1	0 - 67.5	1.4	55.5
By HS section					
01 Live animals and products	451	27.1	0 - 40	0.6	64.6
02 Vegetable products	433	18.7	0 - 40	1.0	81.8
03 Fats and oils	54	23.0	0 - 40	0.8	96.9
04 Prepared food, etc.	379	17.4	0 - 65.7	0.8	92.5
05 Minerals	191	5.1	0 - 30	1.9	40.6
06 Chemical and products	936	3.2	0 - 40	2.2	51.2
07 Plastics and rubber	244	6.1	0 - 30	1.4	52.1
08 Hides and skins	80	7.4	0 - 20	1.3	48.4
09 Wood and articles	133	8.9	0 - 20	0.9	45.6
10 Pulp, paper, etc.	167	4.6	0 - 20	1.8	52.1
11 Textile and articles	899	8.1	0 - 20	1.2	56.6
12 Footwear, headgear	59	14.8	0 - 20	0.5	58.5
13 Articles of stone	185	6.8	0 - 25	1.3	47.4
14 Precious stones, etc.	62	15.5	0 - 30	1.0	43.4
15 Base metals and products	708	3.5	0 - 20	2.0	48.3
16 Machinery	872	4.2	0 - 30	2.0	51.3
17 Transport equipment	198	7.9	0 - 67.5	1.8	52.8
18 Precision equipment	226	8.5	0 - 30	1.3	48.4
19 Arms and ammunition	22	20.9	0 - 30	0.5	42.2
20 Miscellaneous manufacturing	173	14.7	0 - 40	0.5	52.6
21 Works of art, etc.	8	20.0	20 - 20	0.0	50.0

	MFN				Final bound average ^a (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	
By stage of processing					
First stage of processing	936	17.8	0 - 40	1.1	59.3
Semi-processed products	1,880	2.0	0 - 40	3.2	50.3
Fully processed products	3,664	10.6	0 - 67.5	1.1	58.3

n.a. Not applicable.

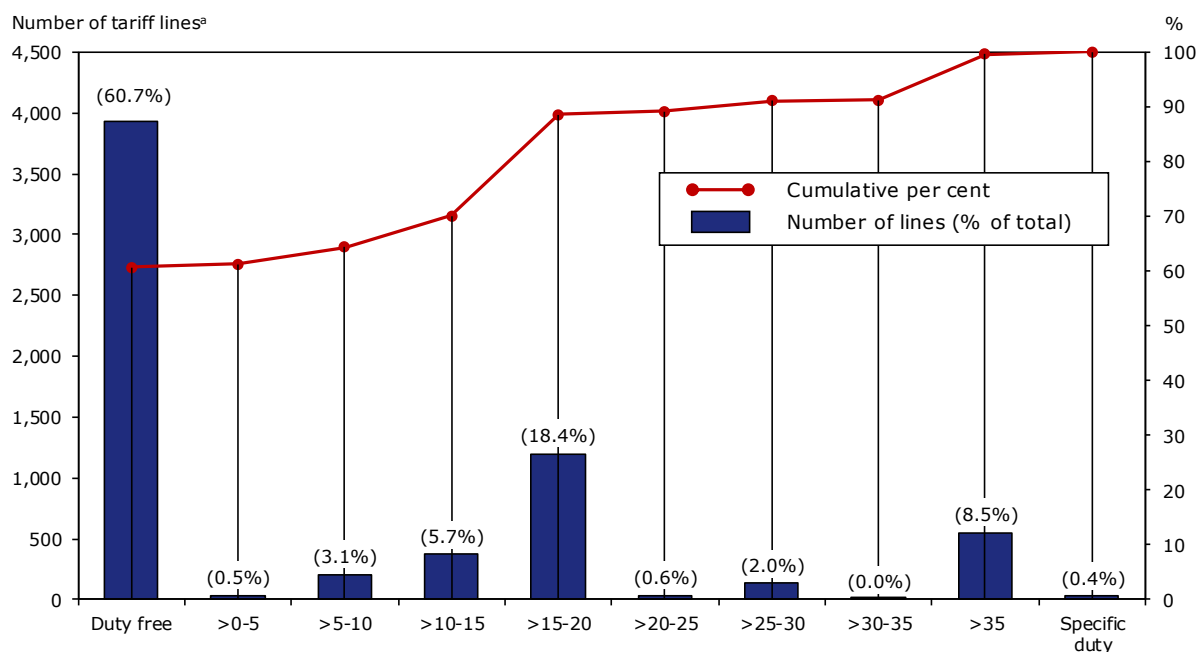
a Bound rates are provided, and applied rates are in the HS2012 nomenclature but they don't have the same number of lines; therefore, averages may not be comparable.

b ISIC (Rev.2) classification, excluding electricity (1 line).

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.20. Over 88% of applied tariff rates range from zero to 20%. Over 60% of tariff lines are duty free (Chart 3.1).

Chart 3.1 Frequency distribution of MFN tariff rates, 2018



a The total number of *ad valorem* lines is 6,454.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.21. Specific duties are applied on 26 tariff lines (mainly alcoholic beverages) (Table 3.4). These products are included in List C of the CARICOM CET exceptions (Section 3.1.3.5). It is possible that the application of specific duties could lead to the applied duty exceeding the bound rate. There were no figures to allow the estimation of *ad valorem* equivalents (AVEs) of the specific duties; as a consequence, all tariff statistics calculations exclude these 26 lines.

Table 3.4 Specific duties, 2018

HS heading	Product description	Specific duty (TTD)
22030010	Beer	10.54 per litre
22041000	Sparkling wine	105.46 per litre
22030020	Stout	13.19 per litre
22030090	Porter and ale	13.19 per litre
21039050	Aromatic bitters	2.42 per litre
22072010	Bio-ethanol, denatured, of any strength	2.91 per litre
22072090	Other ethyl alcohol and other spirits, denatured, of any strength	2.91 per litre
22071010	Bio-ethanol, undenatured, of an alcoholic strength by volume of 80% or more	31.42 per litre
22071090	Other undenatured ethyl alcohol of an alcoholic strength by volume of 80% or more	31.42 per litre
22089000	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80%	37.70 per litre
22060010	Shandy	52.73 per litre
22060090	Other fermented beverages	52.73 per litre
22042100	Wine of fresh grapes, grape must in containers holding 2 litres or less	58.31 per litre
22042990	Other wine of fresh grapes	58.31 per litre
22051000	Vermouth and other wines of fresh grapes in containers holding 2 litres or less	79.09 per litre
22059000	Vermouth and other wines of fresh grapes	79.09 per litre
22082010	Brandy, in bottles, of a strength not exceeding 46% volume	92.28 per litre
22082090	Other spirits obtained by distilling grape wine or grape marc	92.28 per litre
22083010	Whisky, in bottles, of a strength not exceeding 46% volume	92.28 per litre
22083090	Other	92.28 per litre
22084010	Tafia, in bottles, of a strength not exceeding 46% volume	92.28 per litre
22084090	Other tafia	92.28 per litre
22085010	Gin and geneva, in bottles, of a strength not exceeding 46% volume	92.28 per litre
22085090	Other gin and geneva	92.28 per litre
22086000	Vodka	92.28 per litre
22087000	Liqueurs and cordials	92.28 per litre

Source: Information provided by the authorities.

3.1.3.4 Import surcharges

3.22. Trinidad and Tobago's system of import surcharges was introduced in 1990, under the Miscellaneous Taxes Act, to provide temporary protection for locally-produced goods during the transition period to complete tariffication of the trade regime; it remained in place after the process was completed. The rates are applied in addition to other tariffs. While, at the time of its previous Review, Trinidad and Tobago indicated that it intended to abolish these surcharges in the near future²⁹, it proceeded to apply new import surcharges on nine poultry tariff headings from March 2013; based on recent import data, the main trading partners affected by these measures are Canada, the United Kingdom, and the United States. Trinidad and Tobago also continues to apply import surcharges, in place during the previous review period, on: fatty livers of geese, ducks and guinea fowl; beet sugar; other cane sugar, flavoured or coloured; and icing sugar (Table 3.5).

Table 3.5 Import surcharges 2012-18

(%)

HS heading	Description of goods	MFN	2012	2013	2014	2015	2016	2017	2018
0207.11.00	<i>Gallus domesticus</i> - not cut in pieces, fresh or chilled	40	0	15 ^a	15	15	15	15	15
0207.12.00	<i>Gallus domesticus</i> - not cut in pieces, frozen	40	0	15 ^a	15	15	15	15	15
0207.13.00	<i>Gallus domesticus</i> - cuts and offal, fresh or chilled	40	0	15 ^a	15	15	15	15	15
0207.14.00	<i>Gallus domesticus</i> - cuts and offal, frozen	40	0	15 ^a	15	15	15	15	15
0207.14.10	<i>Gallus domesticus</i> - backs and necks	40	0	15 ^a	15	15	15	15	15

²⁹ WTO document WT/TPR/M/260/Add.1, 20 April 2012.

HS heading	Description of goods	MFN	2012	2013	2014	2015	2016	2017	2018
0207.14.20	<i>Gallus domesticus</i> - wings	40	0	15 ^a	15	15	15	15	15
0207.14.30	<i>Gallus domesticus</i> - livers	40	0	15 ^a	15	15	15	15	15
0207.14.90	<i>Gallus domesticus</i> - other	40	0	15 ^a	15	15	15	15	15
1602.32.00	Of poultry of heading 01.05: of fowl of the species <i>Gallus domesticus</i>	20	0	15	15	15	15	15	15
0207.34.00 ^b	Fatty livers of geese or ducks	40	86	86	86	86	-	-	-
0207.43.00 ^b	Of ducks – fatty livers, fresh or chilled	40	-	-	-	-	86	86	86
0207.53.00 ^b	Of geese – fatty livers, fresh or chilled	40	-	-	-	-	86	86	86
Ex. 0207.60.00	Of guinea fowl – fatty livers, fresh or chilled	40	-	-	-	-	86	86	86
1701.12.00	Beet sugar	40	60	60	60	60	60	60	60
1701.91.00	Other cane sugar: containing added flavouring or colouring matter	40	60	60	60	60	60	60	60
1701.99.10	Icing sugar	25	75	60	60	60	60	60	60

a Effective March 2013.

b When Trinidad and Tobago began utilizing HS 2012, there was a subdivision of HS 0207.34 to provide separately for products of ducks, geese and guinea fowl which corresponded to HS 0207.43, 0207.53 and 0207.60.

Source: Information provided by the authorities.

3.1.3.5 CARICOM Common External Tariff

3.23. As a member of CARICOM, Trinidad and Tobago applies the CARICOM CET. National exceptions are detailed in Lists A and C.

3.24. Trinidad and Tobago has submitted a list of 93 tariff lines for List A, comprising agricultural products, petroleum products, lavatory sets, and household washing machines and dryers. All tariffs applied to items in List A are lower than or equal to the CET, and are subject to a maximum customs duty of 40%. Products included in this List are granted an indefinite suspension of the CET.

3.25. List C contains items for which minimum rates have been agreed but can be increased up to WTO bound levels by Members. There are 209 seven-digit HS tariff lines in Trinidad and Tobago's List C (including automobiles, some electrical appliances, precious metals, beer, wine and spirits). Amendments to tariff rates contained in List C may be done by interim order issued by the President under Section 7(1) of the Customs Act.

3.1.3.6 Tariff exemptions and suspensions

3.26. Trinidad and Tobago provides both general and sector-specific import incentives, as set out in the Fiscal Incentives Act, 1979; Section 56 of the Customs Act; the Free Zones Act, 1988 (Section 3.2); and the Tourism Development Act, 2000 (Section 4.5.5).

3.27. Under the Fiscal Incentives Act, approved enterprises may import plant, equipment, machinery, and raw materials and components free of customs duty, for specified end uses.³⁰

3.28. Section 56(1) of the Customs Act allows the House of Representatives, through resolution, to exempt from import duties goods contained in the List of Conditional Duty Exemptions, which is in the Third Schedule to the Customs Act.³¹ This flexibility was used several times over the review period, for various products (Box 3.1).

³⁰ Fiscal Incentives Act, Article 20. Viewed at: http://rqd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/85.01.pdf.

³¹ Customs Act (Chapter 78:01). Viewed at: <https://www.ttbizlink.gov.tt/trade/tnt/cmnpdf/Customs%20Act-78.01.pdf>.

Box 3.1 Products affected by CET (Variation of Duty) Orders 2012-18

Audio compact discs; medicaments; soybean oil; angles of non-alloy steel; furniture incorporating refrigerating/freezing equipment; meat of bovine animals, salted or in brine; meat of swine, salted or in brine; cheddar cheese; green tea; black tea; sunflower or safflower oil and fractions; canned corn beef; herring; sardines; tuna; mackerel; apple juice for infants; active yeasts; preparations for infants; table salt; urea; garden hoses; food packaging material; protective clothing from synthetic fibres; waterproof boots; chicken wire; water storage tanks; wheelbarrows and their parts; fish nets; frozen French fries; ear plugs/ear muffs; disposable respirators/oil sorbents; safety goggles; breathing appliances and gas masks; dried fish; virgin and refined olive oil; canola oil; vegetable fats and oils and fractions; pineapple juice for infants; milk and cream (powder, unsweetened, other); insect screen mesh; headgear with anti-mosquito veils; motorized mosquito traps; ultra violet or infra-red ray apparatus; tubular and metal needles; catheters; cannulae and aspirators; CCTV systems; refined sugar; shade netting; dried, salted pollock fillets; compact fluorescent lamps; sulphonic acid and linear alkylbenzene; mosquito nets; metal insect mesh screens; and chemical respirators.

Source: Information provided by the authorities.

3.1.3.7 Tariff preferences

3.29. Imports from CARICOM member States enter Trinidad and Tobago duty free provided they meet the rules of origin criteria. Lists of national exemptions to the duty-free rule are contained in Schedule I of the CARICOM Treaty. Trinidad and Tobago may impose import duties or quantitative restrictions on fresh milk and cream, evaporated and condensed milk, tyre repair materials, and rubber tyres from other CARICOM member States.

3.30. Tariff preferences are also granted to Trinidad and Tobago's trading partners with which it has RTAs in force (Section 2).

3.1.3.8 Tariff quotas

3.31. Although they may be imposed temporarily by the Minister of Finance, during the review period, Trinidad and Tobago did not use tariff quotas.

3.1.3.9 Online Purchase Tax (OPT)

3.32. In October 2016, Trinidad and Tobago introduced an Online Purchase Tax (OPT). The tax rate is 7% of the customs value (c.i.f.) and any other applicable taxes.³² It is applied to goods that meet all of the following criteria: (i) they have been purchased means of an electronic transaction; (ii) they have been imported into Trinidad and Tobago by air transportation, and consigned to a consumer; and (iii) they entered from a transit shed. The tax is not applicable to commercial/business purchases. It is intended to help manage the increase in foreign exchange outflows from online purchases, reduce revenue leakage, and assist local manufacturers and service companies in competing with overseas retailers.

3.1.3.10 Tobacco Tax

3.33. A Tobacco Tax continues to be levied on products of non-CARICOM market origin under the Miscellaneous Tax Act.³³ The rates were last changed in 2016 (Table 3.6).

³² MOF CED Notice to Importers No. 23 of 2016 (Amendment to the Miscellaneous Taxes Act, Chap. 77:01). Viewed at: www.customs.gov.tt.

³³ Miscellaneous Tax Act, Chapter 77:01 (Part V). Viewed at: https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/77.01.pdf.

Table 3.6 Tobacco Tax

Tariff heading No.	Description of goods	Rate of Tobacco Tax
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	
2402.10.00	Cigars, cheroots and cigarillos, containing tobacco	TTD 30.16 per kg
2402.20.00	Cigarettes containing tobacco	TTD 4.38 per pack of 20, and pro rata if not in packs
2402.90.00	Other	TTD 4.38 per pack of 20, and pro rata if not in packs
24.03	Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences	
	- Smoking tobacco, whether or not containing tobacco substitutes in any proportion	
2403.11.00	--Water pipe tobacco specified in Subheading Note 1 to Chapter 24 of the CET	TTD 57.25 per kg
2403.19.00	--Other	TTD 57.25 per kg

Source: MOF Customs and Excise Division (CED), Notice to Importers No. 23 of 2016. Viewed at: www.customs.gov.tt.

3.1.3.11 Environmental Tax on tyre imports

3.34. In December 2017, the Government introduced an environmental tax on imports of used tyres into Trinidad and Tobago; the rate applied is TTD 20 per tyre. The purpose of this tax is to cover the proper disposal of used tyres.³⁴

3.1.3.12 VAT and excise taxes

3.35. Details on these taxes are contained in Section 3.3.1.1.

3.1.4 Import prohibitions, restrictions and licensing

3.36. Under the Customs Act, the President may impose import prohibitions by executive order. Section 45 of the Act lists specific import prohibitions and restrictions; these have remained unchanged since the previous review (Box 3.2).³⁵ As indicated by the authorities then, the reasons for these prohibitions include moral issues, security, prevention of diseases, and curbing smuggling.³⁶ Additionally, imports of certain fish have been prohibited in accordance with international fisheries management regulations (Section 4.2.3).

3.37. Additionally, imports of methyl bromide are prohibited since the completion of a full phase-out in 2015.³⁷

³⁴ Finance Bill, 2017. Viewed at: <http://www.ttparliament.org/legislations/b2017h24-1rS.pdf>. The tax applies to the following HS tariff lines (4012.20.00 – used pneumatic tyres; 4012.20.10 – used pneumatic tyres for retreading and remoulding; and 4012.20.90 – other used pneumatic tyres).

³⁵ The Customs Act (Section 45). Viewed at: <https://www.ttbizlink.gov.tt/trade/tnt/cmn/pdf/Customs%20Act-78.01.pdf>.

³⁶ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

³⁷ WTO document WT/LIC/N/3/TTO/10, 14 September 2012.

Box 3.2 Import prohibitions and restrictions, 2018

Trade-marked goods, unless accompanied by a definite indication of the country in which the goods were made or produced; goods prohibited under the Animal Diseases and Importation Act; counterfeit coins and stamps; arms and ammunition; toy guns resembling firearms; indecent or obscene articles or matter; coin-operated mechanical games; camouflage material; rat poison containing arsenic; saccharin, except to licensed pharmacists and members of the Medical Board; brandy and rum not meeting alcoholic volume or packaging specifications (brandy must contain at least 40% alcohol by volume unless the importer can prove to Customs that the brandy is of at least 10 years maturity and is in securely sealed bottles, while rum must be imported in casks of 67.5 litres or in properly packed cases of stone or glass bottles of 4.5 litres each); spirits and wines in general not meeting packaging specifications; extracts, essences and other concentrations of tobacco, except under certain conditions; tobacco products in general, not meeting certain packaging conditions; unrefined sugar not manufactured in Trinidad and Tobago, except with permission from the President; and left-hand-drive vehicles, except those destined for specific uses.

Source: Customs Act (Section 45). Viewed at: <http://www.customs.gov.tt/content/Customs%20Act.pdf>.

3.38. Trinidad and Tobago's import licensing regime is largely regulated by the Imports and Exports Control Regulations 1941 (scheduled as part of the Trade Ordinance No. 19 of 1958). The licensing system is a statutory requirement as published in Legal Notice No. 69 of 1999. This was last updated by Legal Notice 290 of 2014, which amends the Import Negative List to include ozone-depleting substances (ODS) and mixtures containing ODS excluding asthma inhalers.³⁸ Table 3.7 reflects import licensing requirements up to 2014. Legal Notice No. 290 of 2014 can be found online.³⁹ No fees are levied for these licences. Import licensing requirements for fish and fish products are detailed in Section 4.2.3.

Table 3.7 Import licensing requirements, 2014

HS heading ^a	Licence type	Description of goods	Reason for licence
		Livestock	
0105	A	Live poultry	Sanitary
		Fish, crustaceans, molluscs	
0301, 0302, 0303	A	Fish, fresh (live or dead), chilled or frozen	Sanitary
0306.13, 0306.23	A	Shrimp (prawns), fresh (live or dead), chilled or frozen	Sanitary
0306.12, 0306.22	A	Lobster, fresh (live or dead), chilled or frozen	Sanitary
0306.14, 0306.24	A	Crabmeat, fresh, chilled or frozen	Sanitary
		Oils and fats	
0801	A/NA ^b	Coconut in all forms, except coconut oil	Trade agreements
ex 1522.00	A/NA ^b	Oilseed cake, meal and other vegetable oil residues	Trade agreements
1513.10	A/NA ^b	Copra	Trade agreements
1507, 1508	A/NA ^b	Oilseeds, beans, nuts, etc.	Trade agreements
ex 1501-1506	A/NA ^b	Animal oils, fats and greases, unrefined	Trade agreements
ex 1522.00	A/NA ^b	Fatty acids and solid residues from the treatment of oils and fats	Trade agreements
1507-1514	A/NA ^b	Vegetable fats	Trade agreements
		Motor vehicles	
ex 8702, ex 8703	NA	Left-hand-drive vehicles imported under Section 45(2)(4) of the Customs Act, Chapter 78:01, as amended	Public safety
ex 8702, ex 8703	NA	Used right-hand-drive vehicles	Public safety
ex 8705	NA	Used right-hand-drive garbage compactors exceeding 15 tonnes	Public safety
		Paper and paper production	
4813	NA	Paper for wrapping tobacco or cigarettes	National security

³⁸ Replies to questionnaire on import licensing procedures. WTO document G/LIC/N/3/TTO/11, 20 January 2014.

³⁹ Legal Notice 290 of 2014. Viewed at: <http://www.tlawcourts.org/index.php/component/attachments/download/3644>.

HS heading ^a	Licence type	Description of goods	Reason for licence
8900	NA	Miscellaneous manufactured products Ships and boats (under 250 tonnes)	National security
		Pesticides	
ex 2903.10	NA	Parathion, ethyl	Health, environment
ex 2907	NA	2,4,5-trichlorophenyl (s,4,5-T); dichlorodiphenyl-trichloroethane (DDT); chlordimeform	Health, environment
ex 2903.40	NA	Dibromochloropropane (DBCP); ethylene dibromide (EDB)	Health, environment
ex 2907.20	NA	Pentachlorophenol (PCP)	Health, environment
ex 29	NA	Lead arsenate	Health, environment
ex 29	NA	Thallium and its salts	Health, environment
ex 29	NA	Aldrin, dieldrin and endrin	Health, environment
		Equipment requiring the use of ozone-depleting substances	
8408, ex 8409, 8414.30	NA	Compressors and their parts	Montreal Protocol
ex 8418	NA	Used refrigerating equipment	Montreal Protocol
ex 84	NA	Dehumidifiers	Montreal Protocol
8415	NA	Air-conditioning machines and parts, auto air-conditioning units and their parts for new or used vehicles, mounted or not	Montreal Protocol
8418	NA	Refrigerators, freezers and other refrigerating/freezing equipment	Montreal Protocol
8403	NA	Heat pumps and their parts for domestic and commercial use	Montreal Protocol
ex 84	NA	Portable fire extinguishers and their parts	Montreal Protocol
2903.19, 2903.20-23, 2903.40, 45, 47 and 49	NA	Mixtures containing ODSs	Montreal Protocol

a In some cases, only part of a heading is covered by the licensing requirement.

b Automatic licensing for CARICOM-origin products; non-automatic licensing for products from other sources.

Note: A: automatic; NA: non-automatic.

Source: WTO documents WT/TPR/S/260/Rev.1, 2 May 2012; and G/LIC/N/3/TTO/11, 20 January 2014.

3.39. All persons, firms and institutions are eligible to apply for a licence. Licences must be applied for on-line through TTBizLink (Section 3.1.1) in advance of importation, and must have been picked up by the importer before the goods arrive in Trinidad and Tobago.

3.40. Both automatic and non-automatic licences are granted on an MFN basis, except for oils and fats. Automatic licensing is used for statistical purposes, while non-automatic licensing is used to administer import restrictions in place due to bilateral/regional trade agreements, or for environmental, national security, or health and safety reasons, and to comply with commitments under the Montreal Protocol on Substances that Deplete the Ozone Layer.

3.41. A phase-out of hydrochlorofluorocarbons (HCFCs) commenced in 2013, and is being implemented through an import-quota and licensing system.⁴⁰

3.42. Import licences continue to be required for used motor vehicles (for personal use). Conditions include that they must: be right-hand-drive vehicles; be less than four years old; have a petrol engine; and have ozone-friendly refrigerants in the air-conditioning system. For used vehicles for commercial purposes, a licence is issued after the need for such a vehicle has been verified.⁴¹

⁴⁰ WTO document G/LIC/N/3/TTO/11, 20 January 2014.

⁴¹ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

3.1.5 Anti-dumping, countervailing and safeguard measures

3.1.5.1 Anti-dumping and countervailing duties

3.43. During the period under review, no changes were made to the anti-dumping and countervailing duty legislation, which is the Anti-dumping and Countervailing Duties Act, 1992 (last amended in 1995) and the Anti-dumping and Countervailing Duties Regulations, 1996.⁴² The Act is administered by the Fair Trading Unit of the MTI. The authorities indicated that the legislative and regulatory framework for anti-dumping and countervailing actions is being reviewed by the MTI. While areas for legal reform have been identified (i.e. newcomer review, sunset and circumvention provisions), there is no timeframe for legislative amendments.

3.44. As reported in the previous Review, anti-dumping (AD) and countervailing (CV) investigations are conducted by the Anti-dumping Authority; they may be initiated on the Authority's own initiative, under the direction of the Minister of Trade and Industry, or in response to a complaint by a local producer/manufacturer. Procedures for undertaking investigations and imposing measures remain unchanged, and are described in the previous Review.⁴³

3.45. On 8 August 2014, the Anti-dumping Authority initiated an investigation into the alleged dumping of aluminium extrusions originating from China (aluminium bars, rods and profiles (HS codes 7604.10.00; 7604.21.00 and 7604.29.00) and aluminium tubes and pipes (7608.10.00 and 7608.20.00)).⁴⁴ A final determination (and an Order imposing duties) was made in February 2016. The Order has been in effect since 21 February 2016 and ceases on 20 February 2021. Final duties on exporters of aluminium bars, rods and profiles (7604.21.00 and 7604.29.00) were set at 6%, and on exporters of aluminium pipes and tubes (7608.10.00) at 9%.⁴⁵ Certain companies investigated were exempt from these measures.⁴⁶ No other AD investigations were initiated over the review period, and no AD measures were being applied to any other products.

3.46. Trinidad and Tobago did not conduct any CV duty investigations during the period under review. No CV duty measures are in force.

3.1.5.2 Safeguards

3.47. Trinidad and Tobago has no specific legislation dealing with safeguard measures, as notified to the WTO.⁴⁷ It has not reserved the right to use the special safeguard provisions of the WTO Agreement on Agriculture on any agricultural product. The authorities state that the MTI is reviewing its safeguards policy.

3.48. As reported in the previous Review, the application of safeguards within CARICOM countries is governed by Article 150 of the Revised Treaty of Chaguramas. This allows a CARICOM member to introduce quantitative or other authorized measures to safeguard its balance of payments, and to help a sector undergoing serious difficulties due to increased imports from other CARICOM members.⁴⁸ Trinidad and Tobago has not introduced any such safeguard measures over the review period.

⁴² Anti-dumping and Countervailing Duties Act (Chap. 78:05). Viewed at: <https://www.ttbizlink.gov.tt/tntcmn/faces/pnu/TariffLegislationDownloads.jsf>.

⁴³ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

⁴⁴ Legal Notice No. 262 dated 22 August, 2014.

⁴⁵ The Anti-dumping and Countervailing Duties (Anti-dumping Duty) Order. Viewed at: <http://www.ttlawcourts.org/index.php/component/attachments/download/4422>.

⁴⁶ For the following companies, AD duties were 0%: Guangdong Grand Shine Construction Material Co. Ltd; Guangdong Xinfeng Aluminium Factory Co. Limited; and Guangdong Xinhe Aluminium Co. Limited.

⁴⁷ WTO document G/SG/N/1/TTO/1, 4 October 1995.

⁴⁸ Clarifications on the procedural aspects of invoking safeguard measures were provided in Trinidad and Tobago's responses to written questions at the time of its previous Review. WTO document WT/TPR/M/260/Add.1, 20 April 2012.

3.2 Measures Directly Affecting Exports

3.2.1 Customs procedures and requirements

3.49. Customs requirements regarding exports from Trinidad and Tobago have not changed since the last Review. Exporters must complete a customs declaration form (e-C82); this must be done by a customs broker. User fees are the same as for import documentation (TTD 40 for commercial and TTD 10 for non-commercial declarations). Additionally, exporters must submit: an invoice showing the price paid locally; an export licence if required (Table 3.8); a certificate of origin for goods claiming preferential treatment under an FTA; and a bill of lading or airway bill. These documents must be submitted electronically through the CBCS/ASYCUDA system. As in the case of imports, this system connects to the TTBizLink platform, so that exporters may apply for licences and certificates of origin electronically from the requisite agencies. The National Export Facilitation Organization of Trinidad and Tobago (ExporTT) issues certificates of origin (COOs) for exports to FTA partners (including CARICOM); the standard fee is TTD 100 per certificate. The Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) issues COOs for exports if required by non-FTA partners; the fees are TTD 100 per certificate for non-members and TTD 75 per certificate for members. Currently, exporters must pick up their COOs from ExporTT or the TTCIC; however, future software upgrades will allow exporters to print them out themselves. The approved shipping documents are taken to the customs shipping officer at the port of loading, who clears the shipment for export.⁴⁹ COOs for cocoa exports are obtained from the Cocoa Development Company of Trinidad and Tobago (Section 4.1.3.1).

3.50. According to the World Bank's 2019 Doing Business report, the time to export was 32 hours for documentary compliance and 60 hours for border compliance, considerably less than the 14 days reported at the time of the previous Review. The cost to export was estimated at USD 749 (USD 250 for documentary compliance and USD 499 for border compliance)⁵⁰; again, this is lower than the estimated cost, of USD 843, reported in 2011.

3.2.2 Taxes, charges, and levies

3.51. Trinidad and Tobago does not levy export taxes on goods.

3.2.3 Export prohibitions, restrictions, and licensing

3.52. Under the Customs Act (Section 44), the President may prohibit the export of any goods through the issuance of an order. The following goods have been prohibited: (a) arms, ammunition and military and naval stores, except with the written permission of the Commissioner of Police; and (b) rum, other spirits, wines, tobacco, cigars, cigarillos and cigarettes, unless they meet the same conditions that are applied to imports of these items (Box 3.2). Export prohibitions also apply to certain fish and forestry products (Section 4.1.3.2 and Section 4.2.3).

3.53. Exports requiring a licence remain largely the same as at the time of the previous Review; the only changes have been to add waste and scrap of lead-acid batteries to the list in 2012, and various ODSs in 2014 (Table 3.8). Export licences may be obtained online through the TTBizLink online platform. Export licensing requirements on live fish, including export quotas, are detailed in Section 4.2.3.

⁴⁹ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

⁵⁰ World Bank Doing Business in 2019, Training for Reform. Viewed at: http://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf.

Table 3.8 Exports requiring a licence, 2018

Description of goods	Reason for licence
Coral and other aquatic life found in the county's marine environment, including turtles, turtle eggs, aquarium fish, fish, molluscs, lobster, shrimp, crabs and other aquatic invertebrates	Protection of local heritage
Works of art, artefacts, and archaeological findings	Protection of local heritage
Clays, crushed limestone, boulders, sand, gravel, plastering sand, porcellanite, argillite, oil sand	Protection of local heritage
All plant species, including tissue culture and other propagation material thereof, that are listed in the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)	Protection of local heritage
Embryos and artificial insemination material	Protection of local heritage
All animal species listed in the CITES, as well as all endangered species of Trinidad and Tobago, whether live specimens, their parts, or derivatives, whether mammal, bird, reptile, amphibian, fish or invertebrate	Protection of local heritage
Non-ferrous metal scrap and ores	Miscellaneous
Waste and scrap of lead-acid batteries, whether whole or crushed, used lead-acid batteries	Miscellaneous
Human organs	Public health
Various ODSs	Public health
Explosives, firearms, ammunition and ordnance	National security and foreign policy
All goods consigned to a country in which trade restrictions have been imposed as a matter of national policy	National security and foreign policy
Items which are subsidized, either directly or indirectly – rice, gasoline, kerosene, liquid petroleum gas ^a	Subsidized item
Re-export of electro-medical, medical or medical electronic equipment	Subsidized item
Re-export of duty-free capital goods, e.g. mining, construction and other industrial machinery	Subsidized item
Agricultural machinery, including imported fishing boats and their engines approved by the Ministry of Agriculture, Land and Fisheries to be used in the fishing industry	Subsidized item

a As noted in the previous Review, in practice, these items do not require a licence since they are no longer subsidized.

Source: Legal Notice No. 123 of 1998; Legal Notice No. 16 of 2012; Legal Notice No. 291 of 2014; and Legal Notice No. 130 of 2014.

3.2.4 Export support

3.2.4.1 Duty drawback

3.54. Duty drawback is available for certain imported inputs; it must be claimed within one year of export. Exporters are also eligible for a rebate, amounting to 1.5% of the value of export sales, which is valid for the reduction of duty payable on future imports.

3.2.4.2 Free-trade zones (FTZs)

3.55. The Free Zones Act Chap. 81:07 (last amended in 2010) governs FTZs in Trinidad and Tobago, and their activities and benefits (Box 3.3).⁵¹ In total, there are 16 enterprises operating within FTZs, with total employment of around 1,500 workers.

3.56. The Minister of Trade and Industry is responsible for designating free zones based on recommendations made by the Trinidad and Tobago Free Zones Company Ltd (TTFZ). The TTFZ regulates enterprises operating in FTZs. The goal of the FTZ regime when it was established was to attract export-orientated (non-energy) activities, which would not otherwise come to the country.⁵² As noted in the previous Review, the basic approval criteria for such enterprises are: the creation of jobs, access to overseas markets, new investment, and the development of skills.⁵³ Free-zone

⁵¹ Free Zones Act. Viewed at: <http://www.customs.gov.tt/customs-laws>.

⁵² MTI SEZ Policy. Viewed at www.tradeind.gov.tt/wp-content/uploads/2017/08/National_SEZ_Policy_TT.pdf.

⁵³ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

projects may be completely locally-owned, 100% foreign-owned, or take the form of joint ventures with local investors.

Box 3.3 FTZ operations, 2018

Number of FTZ companies:	16 enterprises (1 of which is an FTZ operator).
Total employment:	Around 1,500 workers.
Permitted activities:	Warehousing and storage; manufacturing operations; transshipment operations; loading and unloading; export and import; service operations including banking, insurance and professional services; packaging and shipping; assembling; processing, refining, purifying and mixing; and merchandising, including international trading of products.
Restricted activities:	Primary petroleum and natural gas projects. Free-zone enterprises may only sell up to 20% of goods in the customs territory of Trinidad and Tobago, and may not carry out other activities in the customs territory.
Benefits:	Tax exemptions granted indefinitely (on import duties, land and building taxes, business levy, corporation tax, income tax, withholding tax, VAT, work permit fees, and green levy fund). Import and export licensing requirements are waived.

Source: WTO document WT/TPR/S/260/Rev.1, 2 May 2012; MTI Special Economic Zones Policy. Viewed at: <https://tradeind.gov.tt/category/policies>; and information provided by the authorities.

3.57. The MTI has released a Special Economic Zones (SEZ) Policy, which delineates various concerns about the existing FTZ regime, including that: it is small; it lacks diversity; it has performed poorly; the policy framework is ineffective; the legal, regulatory and institutional frameworks are weak; and the incentives offered are very generous, are not time-bound, and are limited only to financial incentives which significantly undermine the country's revenue base. The Policy provides recommendations for developing a new and modern SEZ Regime, with a view to: expanding the country's revenue base; increasing and diversifying exports and investment; increasing and enhancing private-sector participation in the economy, *inter alia*, through SEZ development and operations; integrating SEZ enterprises with national developmental objectives to facilitate economic development across the country; and increasing compliance of SEZ operations with local, regional and international standards and laws. A new SEZ Act, which would replace the FTZ Act, is being drafted.

3.2.5 Export finance, insurance, and guarantees

3.58. The Government is the sole provider of export credit insurance through the state-owned Export Import Bank of Trinidad and Tobago Limited (EXIMBANK). EXIMBANK also functions as a confirming and acceptance house and a finance company, and is permitted to engage in financial services such as raw material financing and factoring and discounting (Table 3.9). Its main clients are small and medium-sized enterprises (SMEs) in the manufacturing sector. According to the authorities, loan interest rates are influenced by the client's risk profile, range from 8% to 11%, and remain competitive when compared to the prevailing market rate of high-risk portfolios. In 2018, EXIMBANK launched the Forex Facility to assist local manufacturers through foreign exchange allocations (Sections 3.3.1.2 and 4.4). EXIMBANK operated at a profit for all of the review period until 2017, when it made a loss. It was also projected to make a loss in 2018, due to increased provisioning, the implementation of new international accounting standards, and debt portfolio restructuring.

Table 3.9 Services provided by EXIMBANK, 2018

Service	Description
Export credit insurance	Insurance policies cover (a) commercial risks, including insolvency of the overseas buyer, and deliberate default by the overseas buyer on goods already accepted; and (b) political risks, including any risk occurring outside Trinidad and Tobago beyond the control of the exporter, including import controls in the importing country. Premium terms vary depending on the buyer, the payment terms, and the economic and political environment, and currently ranges between 1.6% and 3.5%. Coverage is 90% of the invoice value in both cases.
Raw material financing	Short-term loans/direct financing to assist companies in paying their inventory costs (raw materials, semi-finished or finished goods). EXIMBANK pays the supplier 100% of the invoice value of the goods. The company then repays EXIMBANK 100% of the invoice plus interest.

Service	Description
Factoring and discounting	Short-term financing to exporting manufacturers, distributors and service providers to bridge the gap between the settlement of production costs and the receipt of export sales payments. It takes the form of a short-term loan of between 85% and 95% of the invoice value of the export sales, which must be repaid from the assigned proceeds of the payments from EXIMBANK-approved buyers. The credit period generally ranges between 30 and 120 days.
Asset financing	Financing to manufacturers seeking to upgrade equipment to improve the quality of their export products, or for renovation of their premises. The duration of the credit facility usually ranges from one to five years.

Source: EXIMBANK online information. Viewed at: <http://www.eximbanktt.com/Products.html#Forex>.

3.2.6 Export promotion

3.59. ExporTT, which falls under the responsibility of the MTI, provides various services to exporters in the non-energy sector. It was established in 2013 as an export facilitation agency, replacing the Business Development Company (BDC), a business support agency. It has an Export Promotion Unit, whose activities include the organization of market survey missions and sector-specific trade missions. Through its Programme Financing Unit, it co-finances costs of certain export-related activities companies can incur when penetrating new, or expanding existing, markets; these include: trade show attendance and booth rental; shipping of samples; product testing; company and brand registration in overseas markets; international capacity-building workshop attendance; and translation fees. Other units provide market intelligence support; trade certifications (COOs); and training.⁵⁴

3.60. The National Agricultural Marketing and Development Corporation (NAMDEVCO) continues to help exporters of agricultural products to identify new market opportunities for agricultural and agri-industrial products.

3.3 Measures Affecting Production and Trade

3.3.1 Incentives

3.3.1.1 Taxation

3.61. Total tax revenue reached its peak in 2014, then declined to TTD 26.6 billion in 2017 (Table 3.10); the latter was equivalent to about 17% of GDP. The decline was mainly driven by a fall in corporate income tax (from TTD 27 billion in 2014 to TTD 8 billion in 2017) (Table 3.10; these figures were used as the basis for Chart 3.2). The authorities indicate that this is a result of low energy prices and the consequent decline in revenues from the supplemental petroleum tax (SPT), which is collected when the crude oil price exceeds USD 50 per barrel (Section 4.3.1.1, Box 4.1). Reduced production of energy products and accelerated tax write-offs for capital expenditure by energy companies also contributed to the reduced energy revenue. In 2017, about 60% of Trinidad and Tobago's tax revenue came from direct taxes, down from 76% in 2012. Customs and import duties accounted for 10% of the total tax revenue in 2017, up from about 5% in 2012.

Table 3.10 Tax structure, 2012-17

(TTD million)

	2012	2013	2014	2015	2016	2017
Total tax revenue	45,516	47,254	50,541	45,913	33,363	26,559
Taxes on income, profits and capital gains	31,499	31,976	35,131	29,028	16,391	16,035
- from individuals	5,649	6,458	6,859	7,752	7,596	6,303
- from corporations	24,767	24,633	27,330	20,209	7,809	7,985
- unallocable	1,084	885	942	1,067	986	..
Social security contributions (SSCs)	3,086	3,514	4,137	4,261	4,252	..
Taxes on property	472	635	742	303	541	..
Taxes on goods and services	10,245	10,883	10,246	11,918	11,843	6,613
Taxes on production, sale, transfer, etc.	9,663	10,273	9,614	11,271	11,163	..

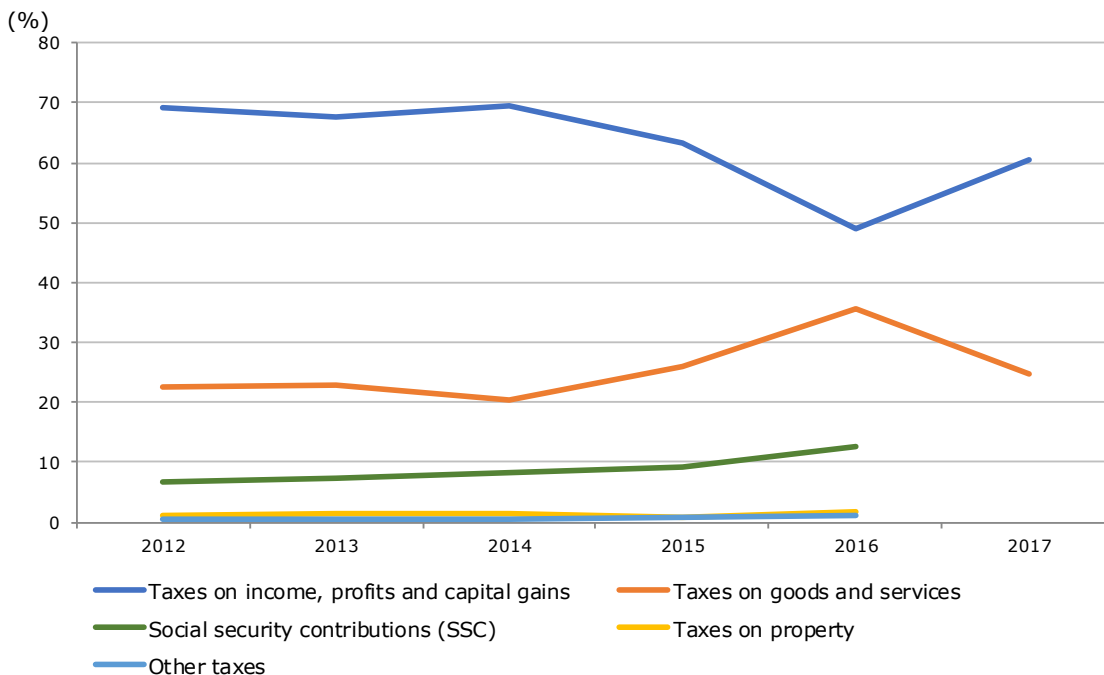
⁵⁴ ExporTT online information. Viewed at: <https://exporTT.co.tt/departments>.

	2012	2013	2014	2015	2016	2017
- VAT	6,337	6,657	5,745	7,223	7,016	5,050
Taxes on specific goods and services	3,326	3,616	3,869	4,048	4,147	..
- Excises	729	707	680	703	755	715
Rum and spirits	173	153	157	154	159	..
Alcohol and tobacco taxes	3	3	4	8	20	24
Beer duty	209	196	172	189	182	202
Oil (petrol)	99	103	94	88	144	102
Cigarettes	241	236	231	235	219	229
Malt beverages	3	17	23	29	30	33
Customs and import duties	2,319	2,588	2,861	3,014	3,003	2,684
Taxes on specific services	278	322	328	330	388	..
- Insurance premium tax	174	194	197	191	182	..
- Transaction tax on financial services	57	64	75	75	85	..
- Hotel room tax	46	50	56	64	54	..
- Betting and entertainment taxes	0	13	0	0	67	..
Taxes on use of goods and performance activities	582	610	632	647	681	..
Other taxes	214	246	285	403	336	..

.. Not available.

Source: OECD statistics. Viewed at: <https://stats.oecd.org/Index.aspx?DataSetCode=REVTTO>; and information provided by the authorities.

Chart 3.2 Tax structure, 2012-17



Source: WTO Secretariat, based on OECD statistics.

3.62. VAT is applied on both imported products and domestically produced ones; the rate was lowered from 15% to 12.5% in 2016. The authorities indicated that VAT does not apply to exports. Some products and services are zero-rated, while others are exempt from VAT. In 2016, the VAT Act (Amendment to Schedule 2) Order listed 43 products and services that are subject to zero-rated VAT. They include agricultural products; natural gas; crude oil; iron ore; steel band instruments; salted fish; solar water heaters; photovoltaic cells; wind turbines; equipment used in the energy sector; services, such as the repair of aeroplanes or ships used in international commercial services;

international freight and ancillary services; domestic travel; and prescribed services supplied by an approved enterprise under the Free Zones Act.⁵⁵

3.63. Schedule 1 of the VAT Act lists services that are exempt from VAT, such as: educational, medical, private transport, real estate, rental of residential property, hotel accommodation for more than 30 days, public postal services, betting, gambling and lotteries, most financial services, and services supplied by a person not resident in Trinidad and Tobago to an approved enterprise under the Free Zones Act.⁵⁶

3.64. Excise duties are applied to a number of domestically produced goods (Table 3.11).⁵⁷ In addition, the authorities indicate that edible oil (including deodorized edible oil) is subject to excise duty of TTD 0.15 per litre. As at the time of the previous Review, the rate applied to rum, liqueurs and cordials was less than half of that applied to some other distilled beverages (Section 4.1).

Table 3.11 Excise duties, 2018

HS number	Description	Excise duty	Applied MFN tariff
22029020	Malt beverages	TTD 0.26/l	20%
22030010	Beer	TTD 5.14/l	TTD 5.20/l
22030020	Stout	TTD 5.14/l	TTD 6.50/l
22030090	Other	TTD 5.14/l	TTD 6.50/l
22041000	Sparkling wine	TTD 35.2/l	TTD 52.00/l
22042100	Other wine; grape must with fermentation prevented or arrested by the addition of alcohol; in containers holding 2 litres or less	TTD 16.43/l	TTD 58.31/l
2207	Spirits for use in the manufacture of flavouring essences, extracts and concentrate	TTD 1.23/l	TTD 2.91/l, TTD 31.42/l.
2207	Spirits for use in the manufacture of cigarettes	TTD 0.05/l	
22082010	Brandy, in bottles, of a strength not exceeding 46% volume	TTD 168.10/l alc./vol.	TTD 45.50/l
22082090	Other	TTD 168.10/l alc./vol.	TTD 45.50/l
22083000	Whiskies:		
22083010	In bottles, of a strength not exceeding 46% volume	TTD 168.10/l alc./vol.	TTD 45.50/l
22083090	Other	TTD 168.10/l alc./vol.	TTD 45.50/l
22084000	Rum and other spirits obtained by distilling fermented sugar cane products		
22084010	In bottles, of a strength not exceeding 46% volume	TTD 79.25/l alc./vol.	TTD 45.50/l
22084090	Other	TTD 79.25/l alc./vol.	TTD 45.50/l
22085000	Gin and geneva:		
22085010	In bottles, of a strength not exceeding 46% volume	TTD 168.10/l alc./vol.	TTD 45.50/l
22085090	Other	TTD 168.10/l alc./vol.	TTD 45.50/l
22086000	Vodka	TTD 168.10/l alc./vol.	TTD 92.28/l
22087000	Liqueurs and cordials	TTD 79.25/l alc./vol.	TTD 52.00/l
22089000	Other	TTD 168.10/l alc./vol.	TTD 37.70/l
24021000	Cigars, cheroots, and cigarillos, containing tobacco	TTD 30.16/kg	65.7%
24022000	Cigarettes containing tobacco	TTD 4.38 per pack of 20 and so in proportion when not so packed	30%
24031000	Smoking tobacco, whether or not containing tobacco substitutes in any proportion		
24031100	Water pipe tobacco specified in Subheading Note 1 to Chapter 24	TTD 57.25/kg	65.7%
24031900	Other	TTD 57.25/kg	65.7%

⁵⁵ The VAT (Amendment to Schedule 2) Order, 2016.

⁵⁶ VAT Act. Viewed at: http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/75.06.pdf.

⁵⁷ Excise (General Provisions) Act. Viewed at: http://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/78.50.pdf.

HS number	Description	Excise duty	Applied MFN tariff
ex27101220	Premium gasoline (leaded)	TTD 0.99696/l	30%
ex27101220	Regular gasoline (leaded)	TTD 0.99696/l	30%
ex27101220	Unleaded premium gasoline 95 Ron	TTD 0.1/l	30%
ex27101220	Unleaded super gasoline 92 Ron	TTD 0.1/l	
ex27101220	Unleaded regular gasoline 83 Ron	TTD 0.1/l	
27101912	Domestic kerosene	TTD 0.05/l	0%
ex27101930	Diesel oil - auto	TTD 0.05/l	30%
ex27101940	Gas oils (marine diesel)	TTD 0.07/l	
ex27101950	Bunker C fuel oil (marine diesel)	TTD 0.07/l	
27101973	Lubricating oils	TTD 0.2/imperial gallon	30%
	Edible oils	TTD 0.15/l	..
	Deodorized edible oils	TTD 0.15/l	..

.. Not available.

Source: Excise (General Provisions) Act. Viewed at:
http://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/78.50.pdf.

3.65. New developments since 2012 in the area of taxation include:

- a. the reduction of VAT from 15% to 12.5% in 2016;
- b. the introduction of a 7% Online Purchase Tax in 2016 (Section 3.1.3.9);
- c. the establishment of a uniform royalty rate of 12.5%, applicable to oil, gas and condensates (Section 4.3);
- d. the standardization of corporate tax to 30% for all companies (apart from commercial banks, which are subject to a corporate tax rate of 35%) in 2018⁵⁸;
- e. the application of new import surcharges to nine poultry tariff headings in 2013 (Section 3.1.3.4); and
- f. the introduction of an environmental tax on imports of used tyres in December 2017 (Section 3.1.3.11).

3.66. In the budget statement for 2018, the Minister of Finance stated that the Government recognizes the "urgent need to identify new revenue streams"⁵⁹; the Government has introduced a number of fiscal reforms since then, with a view to ensuring fiscal sustainability. The energy tax reform programme proposes to make the supplemental petroleum tax (SPT) (Section 4.3.1.1) responsive not to price, but to underlying profitability, and to extend this Tax to gas. However, the reform has not yet been implemented. Another example is the property tax, which was waived from 2010-18; it is in the process of being rolled out in 2019.

3.3.1.2 Incentives

3.67. Trinidad and Tobago maintains a myriad of incentives, such as tax and duty deductions and exemptions, allowances, and production expenditure rebates.⁶⁰ Incentives are provided to various sectors, such as manufacturing, creative industries, sporting industries, tourism, agriculture, maritime transport, and energy (Table 3.12).

⁵⁸ Before 2018, companies with chargeable profits more than TTD 1 million annually paid a corporate tax at a rate of 30%, while other companies paid at a rate of 25%.

⁵⁹ Government of Trinidad and Tobago, 2018 Budget Statement. Viewed at:
<http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

⁶⁰ Ministry of Finance, Major Investment Incentives in Trinidad and Tobago. Viewed at:
<http://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>.

Table 3.12 Incentives, 2018

Sector, and incentive programmes	Act
Manufacturing	
Fiscal incentives	Fiscal Incentives Act, Chapter 85:01
Import duty concessions	Customs Act, Chapter 78:01
Approved small company status	Corporation Tax Act, Chapter 75:02
FTZs	Free Zones Act, Chapter 81:07
Allowances for the manufacturing sector	Income Tax (in Aid of Industry) Act, Chapter 85:04
Tax exemptions for the housing sector	Income Tax Act, Chapter 75:01, Section 45C(1)
Construction of multi-storey car parks and commercial buildings	Income Tax Act, Chapter 75:01, Section 45D(1) (a) and (b)
Creative sector	
Production expenditure rebate programme	
Tax deductions for sponsorship of audio, visual, and video productions	Corporate Tax Act, Chapter 75:02
Tax deductions for artistic works	Corporate Tax Act, Chapter 75:02
Tax deductions for production companies	Corporate Tax Act, Chapter 75:02
Customs duty exemptions	Customs Act, Chapter 78:01
Sporting sector	
Tax deductions for sponsorship of sporting activities or events or sportsmen	Corporate Tax Act, Chapter 75:02
Tourism	
Tax benefits	Tourism Development Act, Chapter 87:22
Customs and excise duty exemptions	
Tourism accommodation upgrade projects	
Agriculture and fisheries	
Tax rebates for agriculture vehicles, water, land, machinery and equipment, crops, and livestock, among others	
Tax incentives for the commercial fishing sector	VAT Act, Chapter 75:06, Section 45 (1)
Marine fisheries	
Aquaculture	
Maritime	
Import duty concessions	Customs Act, Chapter 78:01
Free zone status	Free Zones Act, Chapter 81:07
Across sectors	
Research and development facilities	
Co-financing	
Importation of goods for temporary use	Customs Act, Chapter 78:01
Trade finance for exporters	
Preshipment financing	
Post-shipment financing	
Demand loans	
Export credit insurance	
Allowances	
Promotional expenses allowance	
Capital expenses allowance	Income Tax Act, Chapter 75:01
Training allowance	Corporate Tax Act, Chapter 75:02
Energy sector	
Incentives in the upstream sector	Petroleum Taxes Act, Chapter 75:04, Income Tax (in Aid of Industry) Act, Chapter 85:04
Renewable energy incentives	VAT Act, Income Tax Act, Finance Act No.13 of 2010
Compressed natural gas (CNG) incentives for motor vehicles	Finance Act 4/2014, Motor Vehicle Tax Act, VAT Act, Corporation Tax Act

Source: MOF, Major Investment Incentives in Trinidad and Tobago. Viewed at: <http://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>.

3.68. Foreign and local investors are treated equally with respect to incentives, except that certain tourism incentives are reserved for Trinidad and Tobago and CARICOM nationals (Section 4.5.4).

Additionally, in the creative industries, the Production Expenditure Incentive Rebate Programme provides for the following cash refunds to producers on expenditure incurred while filming in Trinidad and Tobago:

- a. for nationals: a 35% rebate on expenditure of between TTD 100,000 and TTD 51.2 million;
- b. for non-nationals: a tiered system, from 12.5% to 35%, on an initial expenditure of USD 100,000 to USD 8 million; and
- c. an additional 20% cash rebate on expenditure incurred on the use of qualifying local labour.

3.69. In the 2018 budget, the Government introduced several new incentives⁶¹, and proposed to "re-establish" export allowances to manufacturers by allowing tax reductions for revenues generated from incremental exports to existing markets. The authorities state that this programme has not been implemented in practice.

3.70. In May 2018, EXIMBANK launched the Forex Facility, with an initial capitalization of USD 100 million, to secure foreign exchange for exporters of manufactures (Sections 3.2.5 and 4.4). To benefit from the Facility, applicants must be small or medium-sized manufacturers with annual sales of between TTD 50,000 and TTD 100 million, or with at least 30% of their business's production for export. This facility is not a loan; thus, repayment terms and collateral are not required. It is transaction-based: manufacturers exchange local currency for US dollars through this Facility, at an exchange rate determined by the MOF. Using the exchanged US dollars, the EXIMBANK purchases supplies from other jurisdictions on behalf of the manufacturer. All funds obtained from exporting through this Facility must be repatriated.⁶² As at 30 November 2018, the EXIMBANK had disbursed USD 4.6 million to 26 companies operating in the following sectors: food and beverages; stationery and office supplies; cosmetics and toiletries; plastics and packaging; fuels and oils; furniture and appliances; chemicals and non-metallic minerals; and building and construction materials.

3.71. Incentives for the tourism sector were also strengthened. From December 2017, the Government increased both expenditure reimbursement, and the maximum reimbursement limit, under the Trinidad and Tobago Tourism Accommodation Upgrade Project as well as increasing the interest subsidy and extending the loan term under the Loan Guarantee Programme (Section 4.5.4).

3.72. Despite numerous incentives to the agriculture sector (Table 3.12), the number of persons engaging in agriculture and agro-processing continues to decline (Section 4.1). Also, despite exemptions from customs duties on electric vehicles (with engine size of less than 179 kW) and hybrid vehicles (with engine size of less than 1999 cc) (Section 3.1) with the intention of increasing the supply of fuel efficient and clean energy vehicles, there was an unintended consequence, as individuals have taken advantage of the tax waivers on hybrids to import luxury vehicles. Against this background, in the 2018 Budget Statement, the Government decided to extend the tax waiver to CNG passenger vehicles with an engine size of less than 1599 cc.

3.3.2 Standards and other technical requirements

3.3.2.1 Standards

3.73. The Trinidad and Tobago Bureau of Standards (TTBS) remains the national standards body, the national quality certifying body, and the national laboratory accrediting body. Its remit covers conformity assessment, laboratory testing, inspection and monitoring, and metrology and calibration. The TTBS is the national enquiry point under the WTO Agreement on Technical Barriers to Trade (TBT Agreement) and has accepted the Code of Good Practice for the Preparation, Adoption and Application of Standards as contained in Annex 3 to the TBT Agreement. Its remit, to develop voluntary national standards and technical regulations (compulsory standards), is set out in the Standards Act (see below). Other government bodies with standard-setting responsibilities are: the Telecommunications Authority; the Chemistry, Food and Drugs Division within the Ministry of Health;

⁶¹ MOF, 2018 Budget Fiscal Measures. Viewed at: <https://www.finance.gov.tt/2018-budget-fiscal-measures/>.

⁶² EXIMBANK online information. Viewed at: <http://www.eximbanktt.com/index.html>.

the Occupational Health and Safety Authority; and the Environmental Management Authority within the Ministry of Planning and Development.

3.74. Trinidad and Tobago was not subject to any specific trade concerns (STCs) raised in the WTO TBT Committee over the review period. The country has raised two STCs.⁶³ It updated its notification on the implementation and administration of the TBT Agreement in 2015.⁶⁴

3.75. The TTBS is, *inter alia*, a member of the International Organization for Standardization (ISO) and the CARICOM Regional Organization for Standards and Quality (CROSQ).⁶⁵ Since 2012, memoranda of understanding (MOUs) have been signed with the International Safety Equipment Association (2012); the National Institute of Metrology, Standardization and Industrial Quality of Brazil (2012); the Caribbean Cooperation for Accreditation (2013); and Premier Quality Services Limited (PQSL) and the CSA Group (2014).⁶⁶

3.76. Over the review period, developments within the TTBS have been: the accreditation, in 2017, of its Implementation Division to ISO/IEC 17020:2012 (Conformity assessment – Requirements for the operation of various types of bodies performing inspection⁶⁷); and the launch, in 2014, of an automated information management system, which interoperates with TTBizLink in order to enable document processing and facilitate trade (Section 3.2.1).

3.77. The laws and regulations governing standards and metrology are: the Standards Act, Chap. 82:3; the Standards Regulations, Chap 82.3; the Metrology Act, Chap. 82.6 (proclaimed in May 2015); the Metrology Regulations, Chap. 82.6; the Metrology (Quantities of Goods) Regulations, Chap. 82:6; and the CROSQ Act of 2005. The scope of the Standards Act excludes food, drugs, cosmetics, toxic chemicals, pesticides, and telecommunications. According to the authorities, this Act is being reviewed.⁶⁸

3.78. In April 2018, the National Quality Policy 2018-30 and its accompanying implementation plan were issued; this represents a first step in developing a national quality system. The Policy was developed as a project under the National Aid for Trade Strategy, as aligned with Vision 2030 (Section 2). It is intended to help Trinidad and Tobago's business sector overcome difficulties in complying with quality requirements and trade rules, and thus exploit commercial opportunities, compete globally, and participate in international value chains. Among the stated weaknesses the Policy seeks to address are: a lack of demand at the domestic level for quality infrastructure and conformity assessment; an unsystematic adoption of good regulatory practices; a lack of enforcement of compulsory requirements in the regulation area; and capacity constraints including limited human resources and laboratory space and outdated laboratory equipment. The Policy envisages legislative and institutional reforms, and promotes greater and more organized multi-stakeholder involvement.⁶⁹

⁶³ One in 2003 and another in 2004, both concerning alcoholic beverage regulations from Brazil and Argentina, respectively. Viewed at: <http://tbtims.wto.org/en/SpecificTradeConcerns/View/101> and <http://tbtims.wto.org/en/SpecificTradeConcerns/View/106>.

⁶⁴ WTO document G/TBT/2/Add.47/Rev.1, 19 October 2015.

⁶⁵ Trinidad and Tobago is also: a corporate member of the American Association of Textile Chemists and Colorists; an enterprise member of the American Society for Quality; an associate member of the International Bureau of Weights and Measures; a member of the International Electrotechnical Commission country programme; a full member of the Inter-American Accreditation Cooperation; a full member of the National Conference of Weights and Measures; and a corresponding member of the International Organization of Legal Metrology.

⁶⁶ PQSL is a subsidiary of the TTBS which provides consultancy and training services. The CSA Group is a provider of standards development, testing and certification services. CSA Group online information. Viewed at: https://www.csagroup.org/news_or_press/trinidad-and-tobago-bureau-of-standards-mou/. The authorities indicated that all the MOUs that TTBS has entered into, except the one with PQSL, have no significant effect on trade and, hence, do not need to be notified to the WTO under Article 10.7. They mainly facilitate the use of international and foreign standards as the basis for the national standards development process. The MOU with PQSL facilitates activities to be undertaken in relation to its status as a subsidiary of the TTBS.

⁶⁷ ISO 17020:2012. Viewed at: <https://www.iso.org/standard/52994.html>.

⁶⁸ As noted by the authorities, some issues which need to be addressed in revised legislation include: coverage of exports; clarity in defining the role of the TTBS in implementing the provisions of the TBT Agreement; revised processes for the development of standards; new processes for the development of technical regulations and conformity assessment procedures; and improved requirements for appeals.

⁶⁹ National Quality Policy. Viewed at: <http://gottbs.com/nqp/#.XF1WCOQUMUK>.

3.79. According to the authorities, a proposal to establish a national committee on non-tariff barriers is being considered as a strategy, *inter alia*, to: further comply with the TBT Agreement; increase the transparency of regulations falling under the scope of the TBT Agreement; increase notifications; foster interagency cooperation; and assist with comments on notified regulations. It would also assist with the work plan of the regional committee on TBTs, and information management and enquiry points under the purview of the CROSQ.⁷⁰ Apparently, the proposal is expected to be forwarded to the MTI before the end of the current fiscal year.

3.80. A National Standardization Strategy is being prepared by the TTBS with a view to, *inter alia*, ensuring that standards (both new and existing) are based on a clear understanding of national priorities in various fields, and that TBTs are avoided and commitments under international agreements are met by using, wherever feasible and appropriate, relevant international standards as the basis for technical regulation, and following international best practice for standards development. The TTBS intends to validate this Strategy once stakeholder feedback has been obtained.

3.81. Based on TTBS procedures, standards and technical regulations may be developed locally or adapted from existing foreign standards and regulations. In the first instance, these are based on ISO and IEC standards, followed by those of major trading partners, mainly the United States and the United Kingdom. According to the authorities, the TTBS follows the guidelines specified in the ISO/IEC directives, which highlight the use of the performance principle in the drafting of standards.

3.82. The development of national standards by the TTBS is a three-stage process: a draft document is prepared by interested/responsible parties⁷¹; press advertisements are published in at least two daily newspapers (current practice is to advertise in the following three newspapers: the Trinidad Guardian, the Trinidad Express and the Trinidad and Tobago Newsday) to indicate that the draft standard is available for public comment. The draft is then circulated for public comment for a minimum of 30 days (if the standard is intended to be voluntary) or a minimum of 60 days (if the standard is intended to be compulsory). In addition, this notice of the availability of the draft standard for public comment is placed on the TTBS website and Facebook page. Where the draft standard is intended to be compulsory, the WTO is notified, giving a minimum of 60 days for review and comment unless in emergency situations. Finally, the comments are addressed by the relevant technical committee and the draft standard is updated to include the agreed changes. If the standard is intended to be compulsory, then the final standard is granted compulsory status by the MTI, based on the TTBS' recommendation. First, a notice of intention to declare the standard compulsory is published in the Trinidad and Tobago Gazette, and then a Compulsory Standards Order is published in the same. The final standard is published by the TTBS and made available for sale at its Standards Information Centre.

3.83. As specified in the Standards Act, technical regulations are adopted to protect the consumer or user against danger to health or safety; protect public or industrial health, welfare or safety; protect the environment; ensure acceptable quality in products, whether produced for domestic use or export; ensure acceptable quality in the case of a restriction in the choice of source of supply; require adequate information to be given to the consumer or user; and prevent fraud or misrepresentation arising from misleading advertising or labelling.

3.84. The TTBS accepts equivalent technical regulations from trading partners in the areas of electrical items (certification marks UL, CSA and NOM), cement and carbon steel (ASTM, EN and BS EN).

3.85. The website of the TTBS contains a Standards Database whereby the titles, a summary of the scope and the standards number of all standards and technical regulations may be viewed

⁷⁰ The CROSQ is a regional inter-governmental organization established in 2002 to facilitate the development of regional standards, promote the harmonization of metrology systems, and support the sustainable production and trade of goods and services in the CARICOM Single Market and Economy (CSME).

⁷¹ As clarified at the time of the previous Review, the procedure used to initiate the standards development process is as follows: the need for standards in a particular industry is solicited from industry stakeholders and government agencies on an annual basis. When a decision is made to proceed with the formulation of a standard, a Technical (Standards) Officer is assigned to the project. Preliminary (technical and market research) work is then undertaken and main stakeholders are identified. A cross-section of these stakeholders is selected and they are invited to participate in a Technical Specification Committee. WTO document WT/TPR/M/260/Add.1, 20 April 2012.

(<http://ttstandards.ttbs.org.tt>). Copies of national standards are available for sale at TTBS offices or may be purchased from this body. As at September 2018, Trinidad and Tobago had 355 standards in force, of which 269 were voluntary standards and 86 were technical regulations. The areas in which standards (both voluntary standards and technical regulations) are most numerous overall are: electrical products; technical drawings; textiles; mechanical equipment and packaging; construction products; and consumer products. Technical regulations are most numerous in the areas of electrical, construction and consumer products (Table 3.13).

Table 3.13 Standards in force, 2018

	Total standards	Technical regulations	Voluntary standards
Agriculture	13	1	12
Chemistry	14	6	8
Construction codes	6	0	6
Construction products	21	10	11
Consumer products	20	10	10
Electrical codes	3	0	3
Electrical products	50	40	10
Environment	18	1	17
Funeral homes	2	0	2
Generalities	16	0	16
Health and safety	17	1	16
Mechanical equipment and packaging	27	8	19
Metrology	2	0	2
Petroleum and energy	5	4	1
Quality	32	0	32
Renewable energy systems	4	1	3
Social responsibility	1	0	1
Societal security	2	0	2
Technical drawings	42	0	42
Telecommunications	6	1	5
Textiles	42	3	39
Tourism	12	0	12

Source: TTBS Standards Database. Viewed at: <http://ttstandards.ttbs.org.tt>.

3.86. During the period under review, 15 new technical regulations entered into force or were revised, for:

- a. electrical products - lead-acid starter batteries (2014); electric cables – thermosetting insulated, non-armoured cables with a voltage of 600/1000 V for fixed installations (2014); electric cables – PVC insulated and PVC sheathed cables for voltages up to and including 300/500 V for electric power and lighting (2014); requirements for labelling – Part 13: Labelling of Electrical Appliances (2016); electric cables – thermosetting insulated, armoured cables for voltages of 600/1000 V and 1990/3300 V (2012); self-ballasted lamps for general lighting services – safety requirements (2014); and moulded-case circuit breakers, moulded-case switches and circuit breaker enclosures (2012).
- b. consumer products - safety matches (2013);
- c. construction products - hollow clay blocks (2015), steel sheets – zinc and aluminium-zinc alloy coated – profiled for roofing and general purposes (2012); cold-formed steel framing members for structural applications (2012); and specifications for cement (2016);
- d. agriculture - requirements for labelling – Part 19: Labelling of Fertilizers (2012);
- e. mechanical equipment and packaging – requirements for labelling – Part 20: Labelling of Refrigerant Containers (2015); and
- f. renewable energy systems – thermal solar systems and components – solar collectors – Part 1: General Requirements (2012).

3.87. Over the period January 2012 to July 2018, 14 technical regulations were notified to the WTO (Table 2.4). No new notifications of conformity assessment procedures were made during the period.

3.88. Between January 2012 and September 2018, 20 new/revised standards developed by the CROSQ were approved by the CARICOM Council for Trade and Economic Development (COTED), and declared voluntary CARICOM regional standards by the CROSQ. As reported by the authorities at the time of the previous Review, when a CROSQ standard that falls within TTBS' ambit is implemented nationally, either as a voluntary or a compulsory standard, it must go through the national adoption process as described above.

3.89. Technical regulations and standards are normally subject to review every five years. Additionally, there is an annual workplan for each financial year, which also identifies the standards and technical regulations to be developed, reviewed, amended or eliminated.⁷²

3.90. Currently, no conformity assessment procedures have been developed independently of compulsory standards.⁷³ Trinidad and Tobago recognizes third-party assessments from accredited bodies. Supplier declarations are not accepted.⁷⁴

3.91. The TTBS provides testing services to the private and public sectors through its Laboratory Services Division, which consists of four laboratories. Testing services are provided for chemical products, fibre products, materials and electrical products.

3.92. Accreditation for testing and metrology laboratories is provided by the Trinidad and Tobago Laboratory Accreditation Services (TTLABS). Currently, TTLABS is part of the TTBS, but it is foreseen that it will become a separate entity, to avoid conflicts of interest. TTLABS is an associate member of the International Laboratory Accreditation Cooperation (ILAC) and, through that framework, accepts ILAC-accredited testing and certification worldwide.⁷⁵

3.93. The TTBS Certification Division has the capacity to certify products and tourism services against national, regional and international standards. It also engages in the certification of management systems regarding ISO 9001 Quality Assurance Standards and ISO 14001 (environmental management systems – requirements). It is currently completing the process to be accredited ISO 17021 (conformity assessment – requirements for bodies providing audit and certification of management systems).⁷⁶

3.94. Compulsory labelling requirements are in place for specific categories of goods, including: garments; fertilizers; electrical appliances; plywood panels; pre-packaged goods for retail sale; retail packages of cigarettes⁷⁷; general household and automotive cleaning chemicals; refrigerant containers; and footwear. There is also a technical regulation that provides general principles for the labelling of all goods, which are customarily labelled in the course of trade; it applies to all goods, whether new or used, and which are offered for wholesale or retail trade.

3.3.3 Sanitary and phytosanitary requirements

3.95. The Ministry of Agriculture, Land and Fisheries (MALF) and the Ministry of Health (MOH) have responsibility for regulating food importation. The MALF's Animal Health Sub-Division issues import permits for animals and processed meat products, and its Crop Protection Sub-Division, for plants and plant products. The Chemistry, Food and Drugs Division of the MOH regulates food importation, and manages the registration and regulation of pharmaceutical products, food additives, cosmetics, some chemicals and devices, and pesticides.

3.96. The MALF is the enquiry point under the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement), and the MTI is its national notification authority. Over the review period,

⁷² WTO document WT/TPR/M/260/Add.1, 20 April 2012.

⁷³ As reported by the authorities, the Standards Act has no provisions on the development of conformity assessment procedures.

⁷⁴ WTO document WT/TPR/M/260/Add.1, 20 April 2012.

⁷⁵ WTO document WT/TPR/M/260/Add.1, 20 April 2012.

⁷⁶ ISO 17021. Viewed at: <https://www.iso.org/standard/61651.html>.

⁷⁷ The authorities indicated that the compulsory labelling requirements for retail packages of cigarettes are soon to be withdrawn.

Trinidad and Tobago has not made any notifications to the WTO under the SPS Agreement. The authorities indicate that Trinidad and Tobago's SPS measures are based on international standards. They also state that Trinidad and Tobago needs technical assistance in order to fully understand, and comply with, its WTO notification obligations. No new STCs have been raised against Trinidad and Tobago in the SPS Committee since 2012. No agreements have been reached with other trading partners concerning SPS measures since 2012.

3.97. Trinidad and Tobago is a member of the World Organization for Animal Health (OIE) and Codex Alimentarius, and a contracting party to the International Plant Protection Convention (IPPC).

3.98. At the regional level, the Caribbean Agricultural Health and Food Safety Agency (CAHFSA) is charged with: establishing an effective regime of SPS measures in support of the Community Agriculture Policy goals; providing regional and national support to CARICOM in the establishment, management and operation of national agricultural health and food safety systems as they relate to the SPS measures of the SPS Agreement; and executing on behalf of countries such actions and activities that can be more effectively done through a regional mechanism. Over the review period, the CAHFSA has undertaken risk assessments on behalf of certain CARICOM countries seeking to export to other trading partners within the region. Additionally, at the regional level, model bills have been developed in the areas of animal health, plant health and food safety, as an outcome of the 10th European Development Fund Programme which commenced in 2013. Comments are being collected at the CARICOM level, and it is envisaged that CARICOM members will use these bills to adjust their national legislation in the different areas.

3.99. The Animals (Diseases and Importation) Act, 1954 (last amended in 1997), the Animals (Importation) Control Regulations (amended in 2014 and 2018) and other regulations and orders contain the conditions that must be met for importing animals and animal products into Trinidad and Tobago (Box 3.4). The authorities indicate that an Animal Health Bill is being drafted, which would replace the Animal (Diseases and Importation) Act.

Box 3.4 Import restrictions, requirements and procedures for animals and animal carcasses, 2018

Import permit required for all animals, animal carcasses, birds, reptiles and insects.

Origin restrictions apply to horses; cattle, pigs, sheep and goats, and poultry and poultry carcasses (except fully-cooked chicken) may only be imported directly from specific trading partners listed in schedules to the Animals (Importation) Control Regulations. Carcasses of cattle, pigs, sheep or goats may only be imported from trading partners listed in these respective schedules or from any other trading partners with which the Chief Technical Officer is satisfied that the import is unlikely to result in the introduction/spread of disease (Table A3.1). This restriction does not apply to commercially canned and fully processed meats, or imports made by, or on behalf of, the Government

Import prohibitions: monkeys; dung; carcasses of animals which have died or been slaughtered on board a vessel/aircraft; used or second-hand animal blankets, saddle cloths, felting pads, or similar.

Export certificates required from the origin of export (with waivers in certain circumstances).

Notification requirement: 48 hours prior to consignment arrival (live animals, table eggs and hatching eggs).

Inspection on arrival at designated ports of entry (these are the following ports: Port of Spain, San Fernando, Chaguaramas, Point Lisas and Scarborough, and the following airports: Piarco Airport and A.N.R. Robinson International Airport). Inspection charges are only paid by the consignee if the consignment is inspected outside of working hours.

Landing permit issued by inspector.

Quarantine requirements apply to horses and ruminant animals (on farm quarantine), with costs being borne by the consignee.

Source: Animals (Diseases and Importation) Act; Animals (Importation) Control Regulations; and information provided by the authorities.

3.100. As noted in the previous Review, risk assessments must be conducted to determine the feasibility of importing animal products into Trinidad and Tobago from new countries (those with which Trinidad and Tobago does not currently trade animal products). Since 2012, there have been two such requests: from Suriname to export duck meat to Trinidad and Tobago, and from Belize to export beef/live cattle to Trinidad and Tobago. The authorities indicate that the time taken to conduct

a risk assessment can vary from two months to a year. Import permits cost TTD 10. Veterinary export certificates are issued by the Government Veterinary Officer, with fees ranging from TTD 10 to TTD 50.

3.101. Rules governing the importation of plants (fruit, planting material, plant pests, pathogens, plant products, soil and vegetables) are contained in the Plant Protection Act, Chapter 63:56 (last amended in 2001) and the Plant Protection Regulations (last amended in 2004) (Box 3.5).⁷⁸ The authorities indicated that a plant health policy has been developed, with a view to revising the Plant Protection Act; a gap analysis is currently being undertaken. Risk analysis is undertaken by the MALF's Plant Risk Analysis Unit. Over the review period, to facilitate imports, a market access template was developed at the regional level for plants and plant products, which contains the kinds of information that may be required for plant risk analysis. The Plant Quarantine Service maintains a "plants import schedule", listing economic crops that may be imported and the conditions and restrictions applicable. Under the Act, the Minister responsible for agriculture may declare a disease to be a notifiable disease, or a pest to be a notifiable pest. Declarations made during the review period were for: *cylas formicarius* (sweet potato weevil) and *candidatus liberibacter asiaticus* (Huanglongbing or citrus greening). The Plant Quarantine Service issues phytosanitary certificates for exporters.

Box 3.5 Import restrictions, requirements and procedures for plants

Import permit required from the Plant Quarantine Service. The permit must be submitted four weeks in advance of arrival, and may only be issued to residents of Trinidad and Tobago.

Origin restrictions: the entry status of fruit and vegetables is determined according to the pests present in the exporting country. Entry requirements are based on a pest risk assessment.

Phytosanitary export certificates required from countries of export.

Inspection by Plant Quarantine Officer on arrival at designated ports of entry (these are the following ports: Port of Spain, Point Lisas and Scarborough, and the following airports: Piarco Airport and A.N.R. Robinson International Airport). Testing, if required. Inspections should be performed within 24 hours of articles' arrival or as soon after as practical. Importers pay inspection costs.

Source: Plant Protection Act; Plant Protection Regulations; and information provided by the authorities.

3.102. As noted in the previous Review, Trinidad and Tobago follows the International Standards for Phytosanitary Measures (ISPM) Nos. 2, 3, 11 and 21 in the conduct of pest risk analysis. In addition, a qualitative method is employed, based on the pest risk potential of the quarantine pest likely to follow the pathway. The ratings are categorized as either high, medium or low pest risk potential. Phytosanitary measures are included as entry conditions on the import permits issued.⁷⁹

3.103. The Food and Drugs Act, 1960 (last amended in 2005) and the Food and Drugs Regulations, 1964 (last amended in 1985), *inter alia*, contain certification and labelling requirements for food and drugs, as well as provisions on the inspection and testing of imports.⁸⁰ In 2018, the Cabinet approved a national food safety policy which, according to the authorities, will inform legislative reform in this area.⁸¹

3.104. Imports of fish and fishery products are regulated by the Fish and Fishery Products Regulations, which fall under the Food and Drugs Act.⁸² Importers of fish must have licences (Section 4.2). They must notify the Chemistry, Food and Drugs Division within the MOH of each import consignment (advance notification is not required). Labelling requirements apply. Inspection requirements apply to all imports of fish. The inspection service fee is TTD 300 if the imported fish is to be processed, otherwise it is TTD 1,000. The regulations allow for offshore inspection arrangements to be made with overseas governments/agencies/organizations. They also allow for

⁷⁸ Plant Protection Act and Plant Protection Regulations. Viewed at: http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/63.56.pdf.

⁷⁹ WTO document WT/TPR/M/260/Add.1, 20 April 2012.

⁸⁰ Food and Drugs Act and Food and Drugs Regulations. Viewed at: http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/30.01.pdf.

⁸¹ The food safety policy was not publicly available.

⁸² Fish and Fishery Products Regulations. Viewed at: <http://laws.gov.tt>.

foreign private or government laboratories to be approved to undertake grading, testing and analysis activities, although no such arrangements have been entered into.

3.105. Bees, bee products and supplies require an import permit from the Inspector of Apiaries. Quarantine requirements apply to queen bees.⁸³

3.106. Trinidad and Tobago adopted the Cartagena Protocol on Biosafety in 2000 and in this context approved a National Biosafety Policy in 2014. The objective of the Policy is to develop an appropriate and transparent administrative, regulatory and legislative framework to govern the safe development and use of modern biotechnology products, including living modified organisms and their intended use in food, feed and processing. In 2016, the Cabinet agreed that the national biosafety legislative framework be established in accordance with the Policy. Presently, the National Biosafety Co-ordinating Unit, within the Ministry of Legal Affairs, has responsibility for all matters relating to biosafety within the country.⁸⁴ Under the Policy, it is envisaged that the Unit's responsibilities will be transferred to a National Biosafety Committee. No living modified organisms are currently being grown in Trinidad and Tobago.⁸⁵ Information was not available regarding whether imports of such organisms are permitted.

3.3.4 Competition policy and price controls

3.3.4.1 Competition policy

3.107. The Fair Trading Act (FTA), which was enacted in 2006, remains the key legislation governing the competition regime in Trinidad and Tobago. Part II of the Act was proclaimed by the President in 2014, and Parts IV, V, and VI were proclaimed in 2007. The FTA addresses issues including: the abuse of monopoly power (dominant position is defined as controlling more than 40% of the market); anti-competitive mergers; and anti-competitive agreements. Specific anti-competitive practices that are prohibited under the FTA include resale price maintenance, price-fixing, collusion, cartels, and bid rigging. The FTA is of general application, although it does not apply to: the securities industry; telecoms; banking; intellectual property; or professional associations/collective bargaining situations.⁸⁶

3.108. The Fair Trading Commission, an independent statutory agency in charge of monitoring and enforcing the provisions of the FTA, was established in 2014. However, the authorities indicated that, as the parts of the Fair Trading Act dealing with receiving complaints and conducting investigations have not been proclaimed, the Commission has not been able to receive and investigate complaints, nor is it able to bring cases before the court. The FTA stipulates that the Commission may conduct investigations; it may initiate an investigation of suspected anti-competitive behaviour on its own initiative, or after having received a complaint from a business affected by such behaviour. The Commission may refer contraventions of the FTA to the High Court, where it will seek the appropriate remedy. Obstructing or impeding the activities of the Commission may result in fines and custodial sentences.

3.109. The CARICOM Competition Commission (CCC), established under the Revised Treaty of Chaguaramas, deals with cross-border competition issues. The CCC is in the process of completing an investigation into a complaint of alleged anti-competitive activity in the cement industry which is related to the cross-border supply of cement; it has also completed a regional market study of the beer industry.

3.3.4.2 Consumer protection

3.110. In March 2018, the Cabinet approved a National Consumer Policy 2018-23, prepared by the MTI.⁸⁷ The Policy intends to harmonize legislation related to consumer protection, which currently includes: the Consumer Protection and Safety Act; the Sale of Goods Act; the Hire Purchase Act;

⁸³ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

⁸⁴ Ministry of the Attorney General and Legal Affairs online information. Viewed at: <http://legalaffairs.gov.tt/Bio/Biosafety%20Brochure.pdf>.

⁸⁵ Ministry of the Attorney General and Legal Affairs online information. Viewed at: <http://legalaffairs.gov.tt/bio.html>.

⁸⁶ FTC online information. Viewed at: <http://tandftc.org/fair-trade-act-2/>.

⁸⁷ MTI online information. Viewed at: <https://tradeind.gov.tt/national-consumer-policy-tt/>.

the Standards Act, 1997; the Unfair Contract Terms Act; the Misrepresentation Act; and the Fair Trading Act, among others. The Government considers the current legislative framework does not adequately address several emerging issues on consumer protection, such as protection for services and digital content transactions, and that it did not keep pace with the CARICOM Model Bill on consumer protection.

3.111. At the regional level, Article 185 of the Revised Treaty of Chaguaramas requires that CARICOM members enact harmonized legislation to protect consumers. In 2015, a Consumer Protection Bill was submitted for adoption as the model bill for CARICOM member States.⁸⁸ Trinidad and Tobago intended to repeal the existing Consumer Protection and Safety Act, and replace it with a new Consumer Protection and Empowerment Act based mainly on the provisions contained in the CARICOM Model Bill. The coverage of the new Act is envisioned to extend beyond goods, to services and digital content transactions. It also intends to set up a quasi-judicial tribunal to settle consumer disputes involving a value up to TTD 300,000. The authorities state that the proposed consumer tribunal has not yet been established, as the legislative process to authorize it is still ongoing. Currently, the Chief Parliamentary Counsel is reviewing the Legislative Brief that was submitted by the MTI, and intends to use the Legislative Brief to draft the new consumer protection bill.

3.112. The new Act also aims to enhance the monitoring, investigating and enforcement powers of the Consumer Affairs Division (CAD) under the Ministry of Legal Affairs. The CAD is Trinidad and Tobago's consumer protection agency; it provides education and information, advisory, and dispute resolution services for goods and services that are advertised and purchased in the country.⁸⁹ Consumers can file their complaints with the CAD. Complaints deemed valid by the relevant authorities are recorded in a Complaints Database⁹⁰, where specific actions are taken. The Database information can be converted into reports, as needed, by the CAD, to monitor the types of products that are commonly complained about, the CAD's resolution rate, and the value of redress provided by the CAD.

3.113. Specific actions that may be taken by the CAD include: liaising with suppliers; desk research; collaborating with other agencies including the Bureau of Standards; visiting consumers; and preparing reports. Following these actions, consumers are provided with redress through: item replacement; cash refund; item repair; and the provision of credit notes. The value of redress provided by the CAD is approximately TTD 2 million annually. The authorities stated that no criminal cases have been brought under the relevant consumer protection legislation since 2012.

3.114. Some other institutions also cover consumer protection-related issues in various areas:

- a. the Telecommunications Authority of Trinidad and Tobago (TATT);
- b. the TTBS;
- c. the Chemistry, Food and Drugs Division (CFDD), which monitors all aspects of imported and manufactured food and drug items; and
- d. the Regulated Industries Commission (RIC), which ensures that good quality and efficient utility services are provided at fair and reasonable costs.

3.3.4.3 Price controls

3.115. Retail prices of petroleum fuels, kerosene, autodiesel and LPG are fixed by the Ministry of Energy and Energy Industries; this is linked to the provision at petroleum subsidies (Section 4.3.1.2).

3.116. Under the Ministry of Works and Transport, various agencies exercise some form of price controls on public transport fares; there are two primary forms of price control: a price ceiling and

⁸⁸ National Consumer Policy 2018-23.

⁸⁹ CCC online information. Viewed at: <http://www.caricomcompetitioncommission.com/en/consumers-trinidad-tobago>.

⁹⁰ The Database records: the demographic information of the consumer; the category of product/service; the way in which the complaint was resolved; and the value of redress to the consumer.

a price floor. The Public Transport Service Corporation (PTSC) may set fares for buses in accordance with the Public Transport Service Corporation Act. The Port Authority of Trinidad and Tobago (PATT) provides, *inter alia*, inter-island ferry services, which are heavily subsidized, as the cost of providing the service exceeds revenues earned (Section 4.5.3.1). The National Infrastructure Development Company (NIDCO) operates water taxi services at a fixed fare.

3.117. Price controls also apply to public utilities: the RIC is the body responsible for regulating the electricity, water, and waste-water sectors. Electricity transmission and distribution prices are determined by it. The RIC is currently conducting a price review of the sector (Section 4.3.1.4). Regarding water, the prevailing rates for the water and waste-water sector were established in 1993 by the former Public Utilities Commission (the predecessor of the RIC); the RIC is also reviewing prices for this sector.

3.118. The Minister of Energy and Energy Industries fixes the price of compressed natural gas at the pump (Section 4.3.1.3).

3.119. In addition, minimum guaranteed prices apply to some agricultural products, such as rice and milk (Section 4.1.3).

3.3.5 State trading, state-owned enterprises, and privatization

3.120. Trinidad and Tobago's most recent notification under Article XVII of the GATT was in 2010, when it notified to the WTO that the Cocoa and Coffee Industry Board (CCIB) was a state trading enterprise (STE).⁹¹ The CCIB was a government-sponsored and -financed organization established in 1961. Following the decision to liberalize the coffee market in 2009, the CCIB facilitated the purchase and sale of cocoa from farmers, with a view to "creating an orderly export market facility especially for small farmers". Until December 2013, the CCIB: issued permits to purchase cocoa; issued licences to export cocoa; determined the interim price of cocoa; graded and inspected cocoa for exports; and granted permits for the secondary processing of cocoa. In 2014, the Cocoa Development Company of Trinidad and Tobago (CDCTT) was incorporated as a wholly state-owned enterprise (SOE) responsible for the revitalization of the cocoa industry. The CDCTT replaced the CCIB from then, and the state trading arrangement under the CCIB was discontinued at the same time.

3.121. It would appear that after the restructuring of Petrotrin, a new entity, Paria Fuel, will be responsible for imports of fuel (Section 4.3.1.2).

3.122. The State continues to maintain a significant economic presence through fully or partially SOEs. In 2017, there were 55 state enterprises in Trinidad and Tobago: 43 were wholly-owned by the Government, 8 were majority-owned by it, and there were 4 in which the Government had a minority shareholding. These SOEs include some major players in various sectors such as gas and oil, banking and other financial services, manufacturing, transport and communication, tourism, agriculture, information technology, and the provision of social services.⁹² In 2017, the Government's equity holding in SOEs totalled TTD 13.9 billion, with a return on capital employed (ROCE) of 3.1%. SOEs in the financial services sector made profits, while those in the energy, services, manufacturing and agro-based industries, as well as in transport and communications, made a loss (Table 3.14). SOEs' performance deteriorated in recent years, but showed a trend to turn around from fiscal year 2016 to fiscal year 2017.

⁹¹ WTO document G/STR/N12/TTO, 20 August 2010.

⁹² Government of Trinidad and Tobago (2018), *State Enterprises Investment Programme 2019 – Turnaround*. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2018/10/State-Enterprises-Investment-Programme-2019.pdf>.

Table 3.14 Profits/(loss) by sector, 2014-17

Sector	Profit/(loss) after tax 2014 TTD million	Profit/(loss) after tax 2015 TTD million	Profit/(loss) after tax 2016 TTD million	Profit/(loss) after tax 2017 TTD million
Energy and energy-based	4,329.8	(173.2)	(4,297.9)	(1,254.3)
Financial services	1,279.3	1,449.3	994.0	1,151.8
Manufacturing and agro-based	206.1	126.2	(6.7)	(13.3)
Services	189.7	(67.6)	78.8	(23.9)
Transport and communications	(264.0)	(46.3)	(739.9)	(133.3)
Total	5,740.9	1,288.4	(3,971.7)	(273.1)

Source: Government of Trinidad and Tobago (2018), *State Enterprises Investment Programme 2019 - Turnaround*. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2018/10/State-Enterprises-Investment-Programme-2019.pdf>; and information provided by the authorities.

3.123. Some of these SOEs, although making a loss, are important foreign exchange earners (Table 3.15).

Table 3.15 Performance of some SOEs, 2017

Enterprise	Profit/(loss) before tax (TTD million)	Corporate tax (TTD million)	Foreign exchange (TTD million)
Petrotrin	(1,730.7)	463.5	15,608.3
National Gas Company (NGC)	2,251.7	1,262.5	7,552.9
National Enterprise Limited (NEL)	222.1	21.3	0.0
National Petroleum Marketing Company Limited (NPMC)	(6.6)	16.1	156.5

Source: Government of Trinidad and Tobago (2018), *State Enterprises Investment Programme 2019 - Turnaround*. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2018/10/State-Enterprises-Investment-Programme-2019.pdf>.

3.124. National Enterprise Limited (NEL), established in 1999, holds the Government's shares in some SOEs. The Government holds 66% of the shareholding of the NEL. Currently, the NEL holds shares in:

- a. National Flour Mills Limited (51%);
- b. Trinidad Nitrogen Company Limited (51%);
- c. Telecommunications Services of Trinidad and Tobago Limited (51%);
- d. NEL Power Holdings Limited (100%);
- e. NGC NGL Company Limited (20%); and
- f. NGC Trinidad and Tobago LNG Limited (37.84%).

3.125. The Government recognizes that its fiscal system is overrun with subsidies, many of which are unsustainable.⁹³ In 2017, the Water and Sewerage Authority (WASA), the Port Authority, Caribbean Airlines and the Public Transport Service Corporation (PTSC) received combined transfers of close to TTD 3 billion from the central Government⁹⁴: the Trinidad and Tobago Electricity

⁹³ Government of Trinidad and Tobago, Budget Statement 2018. Viewed at: <http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

⁹⁴ These are subsidies on water rates and transportation tariffs.

Commission (T&TEC) also received a subsidy of about TTD 750 million per year, by not paying the National Gas Company (NGC) for natural gas.⁹⁵

3.126. The Government has no privatization programmes *per se*, although initial public offerings (IPOs) were issued on various SOEs, primarily in the finance and energy sectors. The purchase of IPO shares was open to the public. During the period under review, divestment of shares happened in the form of IPOs and additional public offerings (APOs) of the First Citizens Bank Limited, and the NGC. In 2018, the National Investment Fund Holding Company Limited (NIF) was incorporated, to perform trustee functions for the National Investment Fund, which holds shares in the Republic Finance Holdings, West Indian Tobacco Company Limited, One Caribbean Media Limited, Angostura Holdings Limited, and Trinidad Generation Unlimited. In July 2018, the NIF offered units of bonds for sale to the public for an aggregate consideration of TTD 4 billion.

3.127. The Government has been exploring public-private partnerships (PPPs). A PPP Unit was established in 2011 under the Investments Division of the MOF. In collaboration with the Inter-American Development Bank (IDB), the PPP Unit developed a National PPP Policy, setting out the definition of PPPs, the process by which PPP projects are developed and implemented, and the institutional responsibilities of the PPP programme. The authorities state that the PPP Unit is partially in transition to the Office of the Procurement Regulator (OPR), in accordance with the Public Procurement and Disposal of Public Property Act, and the PPP Policy needs to be revised, as certain aspects are no longer applicable. The PPP Unit is currently focusing on the construction of a new terminal and associated works at the ANR Robinson International Airport, in conjunction with the executing agency (NIDCO).

3.3.6 Government procurement

3.128. Trinidad and Tobago is not a party to the WTO Plurilateral Agreement on Government Procurement (GPA). The authorities are not considering joining the GPA.

3.129. The public procurement regime is undergoing significant changes. The Public Procurement and Disposal of Public Property Act, 2015⁹⁶ (amended by the Public Procurement and Disposal of Public Property (Amendment) Act, 2016) is to repeal and replace the Central Tenders Board Act (Chapter 72:19). The Act will govern procurement by all state agencies using public money under a single regulatory framework. The Act was partially proclaimed by the President in 2015, to allow for the establishment of the OPR, including the appointment of members of the OPR, the definition of its functions, staffing, and the drafting of regulations.⁹⁷ The Act will also establish a Public Procurement Review Board as the body responsible for reviewing decisions made by the OPR.⁹⁸

3.130. Before the entry into force of the new Act and the establishment of the new Office, public procurement remains regulated by the Central Tenders Board (CTB) under the Central Tenders Board Ordinance (Act No. 22 of 1961). The CTB is responsible for procurement with respect to government ministries, but not SOEs.⁹⁹ It regulates procurement above a certain threshold. If the value of the acquisition is below this threshold, the tender committee/special ministerial committees within the client ministry or department may award the contract. Where the value is even lower, permanent secretaries and department heads may procure goods and services.

3.131. Open tenders are advertised both locally and internationally, and are also available for download on the CTB website (<http://www.finance.gov.tt>). They are open to anyone, irrespective of nationality. Preferences in public procurement are provided to SMEs: contracts with a value equal

⁹⁵ Government of Trinidad and Tobago, Budget Statement 2018. Viewed at: <http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

⁹⁶ Public Procurement and Disposal of Public Property Act, 2015. Viewed at: <https://www.finance.gov.tt/publications/legislation/>.

⁹⁷ MOF online information. Viewed at: <http://www.finance.gov.tt/wp-content/uploads/2017/01/Procurement-Practices-and-the-Public-Procurement-and-Disposal-of-Public-Property-Act.pdf>.

⁹⁸ Government of Trinidad and Tobago (2017), *Shaping a Brighter Future – A Blueprint for Transformation and Growth*. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2016/09/SEIP-2017-for-web.pdf>.

⁹⁹ CTB (2008), Information Booklet, page 14.

to, or less than, TTD 5 million are reserved for qualifying SMEs. The CTB may choose to use the selective tendering method for public procurement, subject to approval by the Minister of Finance.

3.132. The Central Audit Committee under the MOF monitors procurement by both statutory bodies and SOEs, which must submit to the Minister of Finance a list of all contracts awarded each month, the value of each contract, and tender rules and any amendments, for approval. Contractors may complain to the CTB or other procuring entity regarding decisions or treatment considered inconsistent with the CTB Ordinance, and may appeal to court.

3.3.7 Intellectual property rights

3.3.7.1 Overview

3.133. Trinidad and Tobago is a member of a number of WIPO-administered treaties (Table 3.16). The authorities stated that Trinidad and Tobago has fully TRIPS-compliant intellectual property laws.

Table 3.16 WIPO-administered treaties

WIPO-administered treaties	Date of entry into force for Trinidad and Tobago
Berne Convention for the Protection of Literary and Artistic Works	1988
Brussels Convention	1996
Budapest Treaty	1994
Locarno Agreement	1996
Nairobi Treaty ^a	Signed in 1981
Nice Agreement Concerning the Intellectual Classification of Goods and Services for the Purposes of the Registration of Marks	1996
Paris Convention for the Protection of Industrial Property	1964
Patent Cooperation Treaty	1994
Phonograms Convention	1988
Strasbourg Agreement	1996
Trademark Law Treaty	1998
UPOV Convention	1998
Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks	1996
Convention Establishing the World Intellectual Property Organization	1988
WIPO Copyright Treaty	2008
WIPO Performance and Phonograms Treaty	2008

a Trinidad and Tobago has not yet ratified the Nairobi Treaty. The authorities indicated that the IPO is to take the necessary steps to accede to this Treaty.

Source: WIPO online information. Viewed at: http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=174C.

3.134. Since the previous Review, the main change to Trinidad and Tobago's legislative framework on intellectual property right (IPR) protection has been the promulgation of a new Trademarks Act, 2015. The authorities indicated that the Act was passed in Parliament, and its Regulations are awaiting acceptance by negative resolution of Parliament; the Regulation is before the Chief Parliamentary Counsel, and is expected to be promulgated in the first quarter of 2019. The authorities stated that, once the Act comes into force, it will contain provisions on non-traditional marks such as sound and smell, and on the accession to the Madrid Protocol for the International Registration of Marks.

3.135. Trinidad and Tobago's main IP laws include:

- a. Copyright (Amendment) Act No. 5 (2008), and Copyright Act, Cap 82:80 (2008);
- b. Protection of New Plant Varieties Act, Cap.82:75 (2007);
- c. Industrial Designs Act, Cap. 82:77 (2007);

- d. Layout-Designs (Topographies) of Integrated Circuits Act, Cap.82:79 (2007);
- e. Patents, Designs, Copyright and Trade Marks (Emergency) Act, Cap.82:84 (2007);
- f. Patents and Designs Act, Cap.82:83 (2007);
- g. Intellectual Property (Miscellaneous Amendments) Act of 5 May 2000;
- h. Patents Act, 1996;
- i. Trade Marks (Amendment) Act, 1997 (Act No.31 of 1997), Trade Marks Act, 1997, Trade Marks (Amendment) Act, 1996 (Act No.25 of 1996), Trade Marks (Amendment) Act, 1994 (Act No.17 of 1994);
- j. Publications (Legal Deposit) Act, Cap.82:74 (1985); and
- k. Geographical Indications Act, 1996.¹⁰⁰

3.136. The Intellectual Property Act, 2000 contains provisions against unfair competition, as well as provisions addressing practices that mislead the public, discredit another enterprise, and disclose secret information.

3.137. The principal agency responsible for IPR policy development and administration remains the Intellectual Property Office of Trinidad and Tobago (IPO), a department within the Ministry of the Attorney General and Legal Affairs. It handles both industrial property and copyright protection.¹⁰¹

3.138. The Patents Act and Rules allow for compulsory licences. The authorities stated that there have been no applications for compulsory licences since the previous Review. Compulsory licences are also allowed under the New Plant Varieties Act; there have been no applications for compulsory licences under this Act.

3.139. Under the Patents Act, parallel imports are allowed. Parallel imports of copyrighted goods are not allowed. The system of international exhaustion of trademark rights allows parallel importations of branded goods.

3.3.7.2 Industrial property rights

3.140. For industrial property rights, the duration of protection remains the same as at the time of the previous Review:

- a. 20 years from the date of filing for patents, and 10 years from the date of filing for utility certificates;
- b. 10 years from the date of registration for trademarks, renewable indefinitely for 10-year periods;
- c. 15 or 18 years from the filing date of the application for new plant varieties, depending on the species;
- d. 5 years for industrial designs, renewable for two consecutive 5-year periods;
- e. 10 years for a layout-design of an integrated circuit, from the date of first commercial exploitation or, if not yet commercial, from the filing date; and
- f. regarding geographical indications (GIs), there is no set duration to their validity. GIs may be cancelled if the indication of the quality, reputation, or other characteristic of such products is missing or unsatisfactory. The connection between the protected reputation and the actual reputation must be consistent and maintained.

3.141. Patents are governed mainly under the Patents and Designs Act, 2007; the Patents Act, 1996; and the Intellectual Property (Miscellaneous Amendments) Act, 2000. The authorities

¹⁰⁰ WIPO online information. Viewed at: <http://www.wipo.int/wipolex/en/profile.jsp?code=TT>.

¹⁰¹ IPO online information. Viewed at: <http://www.ipo.gov.tt/>.

stated that it takes, on average, three to five years for patent applications to be searched and examined. There is no time limit for applicants to respond to office actions and to pay the search and examination fee, and applicants may delay paying the fee for up to ten years. In addition to the IPO, patent applications may be filed under the Patent Cooperation Treaty (PCT) (Table 3.17). There is an absolute novelty rule in Trinidad and Tobago.

Table 3.17 Patent applications and patents granted

	Patent applications			Patents granted		
	Resident	Non-resident	Abroad	Resident	Non-resident	Abroad
2012	2	213	8	2	55	10
2013	..	174	12	..	34	9
2014	4	184	7	..	39	10
2015	3	165	10	..	33	11
2016	3	133	16	1	59	4
2017	0	146	..	0	96	..
	International applications under the PCT			PCT national phase entry (direct, and via regional office)		
				Resident	Non-resident	Abroad
2012		1		..	208	5
2013		..		..	172	2
2014		1		..	180	2
2015		4		..	165	1
2016		38		..	133	9
2017		3		0	146	..

.. Not available.

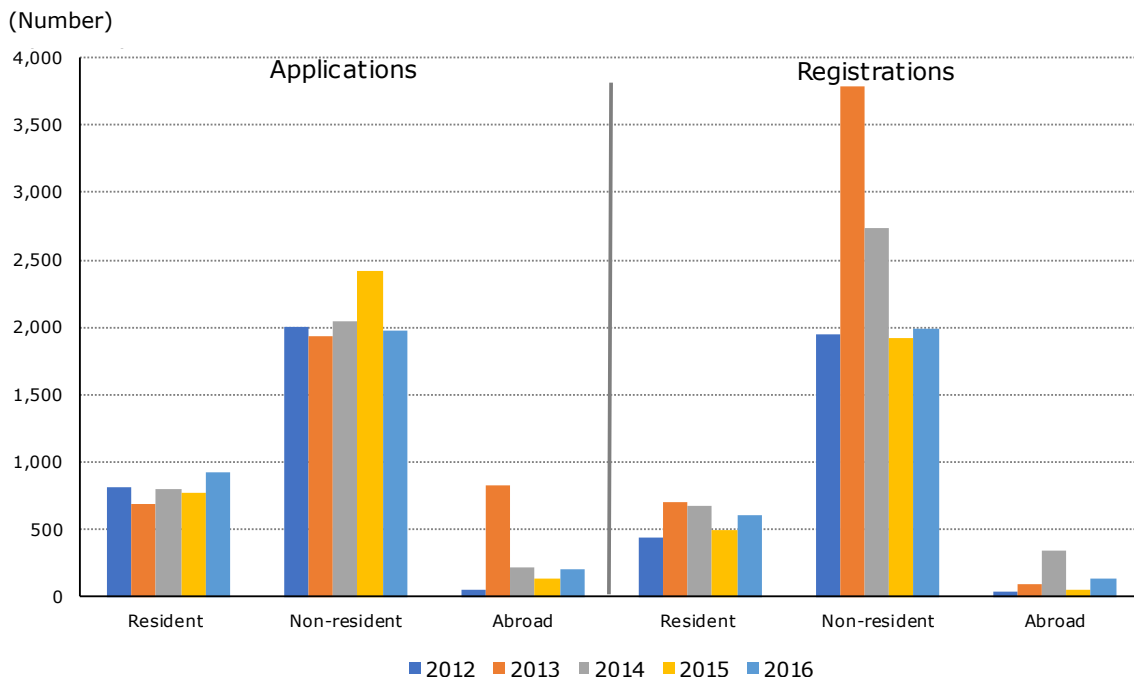
Note: A resident filing refers to an application filed in the country by a resident; whereas a non-resident filing refers to one filed by a foreign applicant. Abroad refers to an application filed by the country's resident at a foreign office.

Source: WIPO online information. Viewed at: http://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=TT.

3.142. It takes approximately 9 to 12 months for a trademark to be registered if there are no objections to the application. The numbers of applications and registrations made by non-residents outnumber those made by residents (Chart 3.3).¹⁰² The application process involves a search for prior rights, substantive examination, and the publication of the mark in a daily newspaper if it is accepted for registration. The public is given three months to submit any written objection opposing the registration of the mark. If a mark has not been used for five years, an interested party may apply to the IPO Controller or the Court for its removal from the Register.

¹⁰² IPO online information. Viewed at: <http://www.ipo.gov.tt/types-of-ip/trade-marks/>.

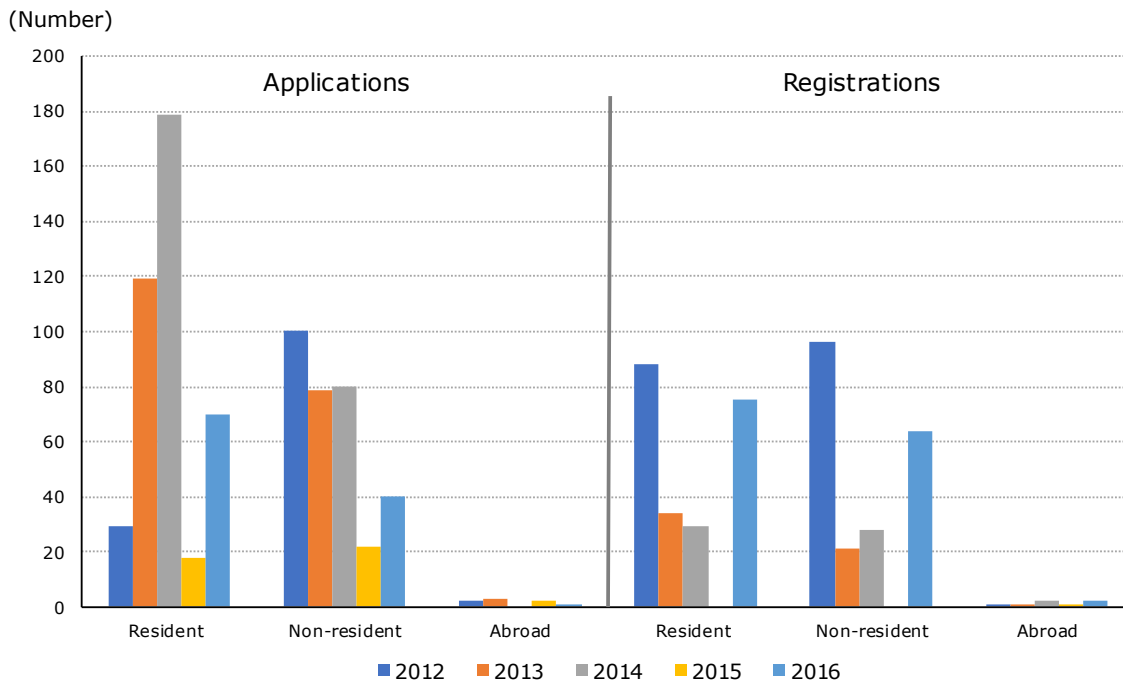
Chart 3.3 Trademarks applications and registrations, 2012-16



Source: WIPO online information. Viewed at: https://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=TT.

3.143. In Trinidad and Tobago, an industrial design is the ornamental aspect of a useful article; the ornamental aspect must not be dictated solely or essentially by technical or functional considerations. Industrial designs are regulated under the Industrial Designs Act, 2007. In general, applications and registrations by residents outnumber those by non-residents (Chart 3.4).

Chart 3.4 Number of industrial design applications and registrations, 2012-16



Source: WIPO online information. Viewed at: https://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=TT.

3.144. Trinidad and Tobago's legislation concerning trade secrets remains the same as described in its previous Review.¹⁰³ There is no process to register trade secrets. Businesses are advised to take precautionary steps regarding confidentiality of processes that are not easily reverse-engineered and are complex enough to merit being considered trade secrets. This involves management of those privy to the information or those who may have to come into contact with the processes. The IPO incorporates information on trade secrets in its sensitization efforts and public education programme for stakeholders.

3.145. In 2017, the first GI was filed in Trinidad and Tobago, concerning cocoa and cocoa products from the Montserrat Cocoa Farmers Cooperative of Gran Couva in Trinidad. The IPO is currently in the process of reviewing several other potential GIs, such as the Tableland pineapple and Moruga Hill rice.

3.146. No application has been filed yet under the Layout-Designs (Topographies) of Integrated Circuits Act. The authorities indicate that the IPO is working with the Caribbean Industrial Research Institute (CARIRI) to prepare a strategy to foster growth in this sector.

3.147. No new applications for plant breeders' rights have been filed since the previous Review under the Protection of New Plant Varieties Act. The authorities stated that areas actively discussed by the IPO with other agro-sector stakeholders include Tableland pineapple and Moruga Hill rice.

3.3.7.3 Copyright

3.148. Registration is not required for copyright to be protected in Trinidad and Tobago.

3.149. The Copyright Act protects copyright from infringement on the Internet. Trinidad and Tobago has adopted the Internet treaties: it is a member of the WIPO Copyright Treaty (WCT), and the WIPO Performance and Phonograms Treaty (WPPT).

3.150. Copyright protection continues to be for the life of the author plus 50 years. Collective works and audiovisual works are protected for 75 years from the date on which the work was first published, or 100 years from the making of the work, if the work was neither made available to the public nor published within 25 years of its creation.

3.3.7.4 Enforcement

3.151. Fines and penalties regarding IPR-infringing cases remain unchanged since 2012.¹⁰⁴ Domestically, IPR enforcement is mainly the responsibility of the Police, while at the border it is the responsibility of the Customs and Excise Division. At the border, seizures of goods suspected to be infringing IPRs must be initiated by the right holders and authorized licensees, rather than by the Customs *ex officio*.

3.152. IPR-related cases are handled by the civil courts, comprising the High Court of Justice and the Court of Appeal, with final appeal to the Judicial Committee of the Privy Council. The Magistrates Court deals with criminal acts of infringement. Information provided by the authorities suggest that 14 cases related to trademarks, 10 related to copyrights, and 2 related to patents have been dealt with by the courts.

3.153. The IPO is involved in the administration of the law; it provides training for enforcement officials. Through the newly-established IP Library (established in 2018) of Trinidad and Tobago, the IPO tracks and compiles IP matters. The authorities stated that there has been increased cooperation between the IPO and the enforcement agencies as well as the judiciary, regarding training for the Police, Customs, and the courts. The IPO has embarked on several initiatives aimed at increasing enforcement of IPRs:

- a. replacing piracy with partnership initiatives, such as communicating with stakeholders such as Netflix and Spotify to provide increased licensing opportunities;

¹⁰³ WTO document, WT/TPR/S/260/Rev.1, 2 May 2012.

¹⁰⁴ WTO document, WT/TPR/S/260/Rev.1, 2 May 2012.

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- b. cooperation with the United States Patent and Trademark Office (USPTO) IP Attaché, to organize workshops, and conduct training for Customs, Police and other enforcement agencies;
 - c. roundtable discussions with stakeholders such as the Bureau of Standards, Customs, the Police, and Crime Stoppers International;
 - d. meetings with regional corporations and municipal police to provide IP information; and
 - e. exploring strategies used by other jurisdictions to combat online privacy, and increase the responsibility of Internet service providers.

3.154. The authorities consider that IPRs underpin several knowledge-based industries that are vital to the country's economic prosperity. The Government has adopted several approaches to encourage the acquisition of IPRs. The IPO launched a public awareness and education campaign, Building Respect for IP, to reduce the demand for pirated and counterfeit products. It also organized IP Clinics to inform entrepreneurs and innovators of the various IP aspects of their businesses, as well as the next steps to take to acquire those rights and leverage them for improved competitiveness. In addition, the Research and Development Facility operated by ExporTT provides funding for the acquisition of new technology, and for the applications for industrial property rights. MOUs were also signed with: CARIRI and the University of Trinidad and Tobago, to provide IP information. The authorities stated that the Building Respect for IP initiative has been successful, as exemplified by the increase in requests for IP information, the increase in the number of trademark applications, the progress made in the filing of GIs, and the increase in the number of PCT applications.

3.155. On 6 December 2018, Trinidad and Tobago signed:

- a. an MOU with WIPO concerning the use of alternative dispute resolution (ADR) procedures for IP disputes; and
- b. a Cooperation Agreement with WIPO on the establishment of a National Intellectual Property Training Centre in the IPO.

3.156. In addition, the authorities indicated that the Cabinet approved the accession of Trinidad and Tobago to the following WIPO treaties and conventions:

- a. Singapore Treaty on the Law of Trademarks;
- b. Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations;
- c. Beijing Treaty on Audiovisual Performers;
- d. Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled; and
- e. Patent Law Treaty (PLT) and Madrid Protocol Concerning the International Registration of Marks.

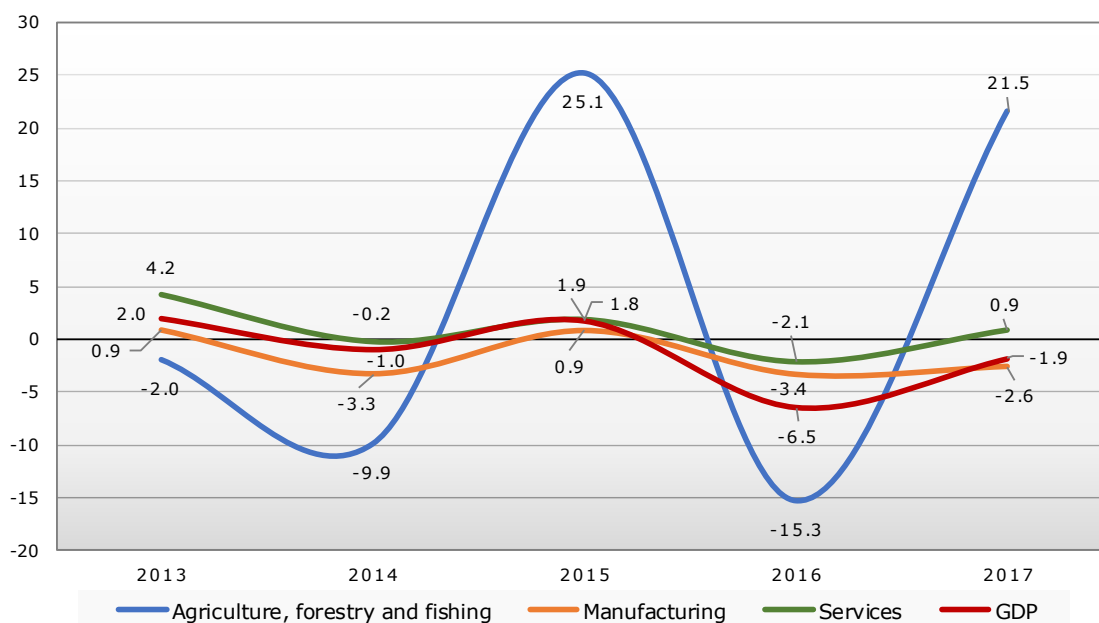
4 TRADE POLICIES BY SECTOR

4.1 Agriculture

4.1.1 Features

4.1. Agriculture in Trinidad and Tobago accounted for about 0.5% of GDP (forestry and fisheries included) (Table 1.1) and 3.4% of employment in 2017. Labour productivity remains relatively lower than other sectors. Growth rates of the agriculture, forestry and fisheries sector has been volatile. After contracting in 2013 and 2014, the sector registered a positive growth rate of 25.1% in 2015; the authorities attribute this growth to the implementation of the National Food Production Action Plan 2012-15, and the consequent increases in the production of a number of commodities. However, the sector declined again in 2016 (-15.3%), before another positive growth was observed in 2017 (21.5%) (Chart 4.1).

Chart 4.1 Real growth rates of the agriculture and other selected sectors, 2013-17



Source: Central Bank.

4.2. Trinidad and Tobago is a net food importer. In 2017, agriculture (WTO definition) accounted for about 10% of total merchandise exports and 18% of non-oil exports. It accounted for about 13.5% of total merchandise imports (Section 1).

4.3. Agricultural production is concentrated in a small number of products. In 2016, chicken meat accounted for around 30% of total production value, followed by fresh fruits (10%) and pig meat (5%) (based on Chart 4.2). Based on FAO data, there was no sugar cane production during the period under review.

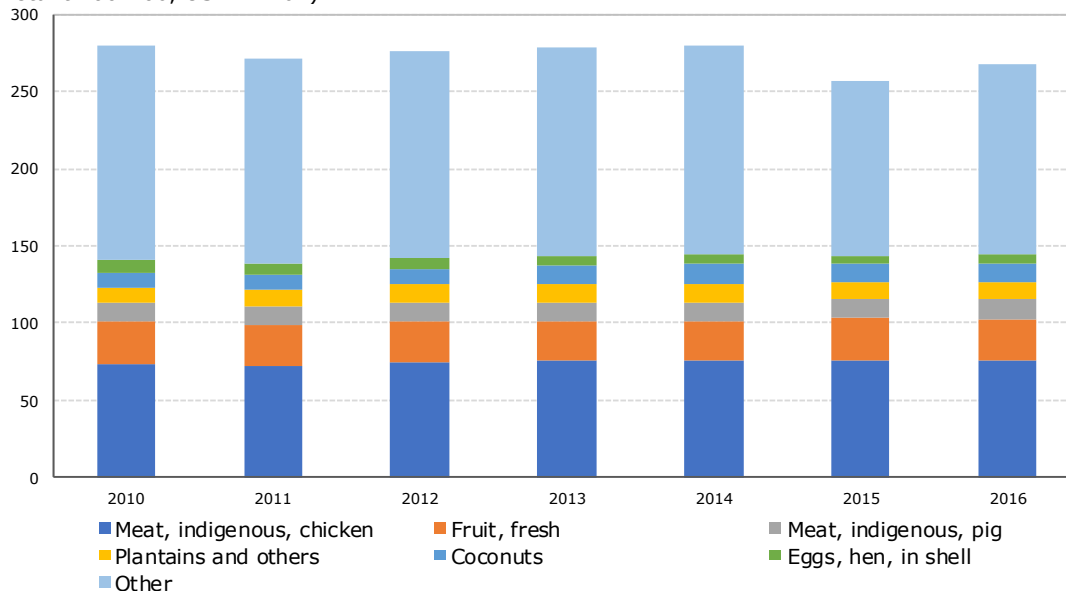
4.4. The Government has been prioritizing the development of agriculture to diversify the economy away from the dominance of oil and gas, and to increase food security. Constraints facing the agriculture sector include infrastructure weaknesses with regards to irrigation facilities, drainage systems, warehouse and other post-harvest facilities; insufficient access to financing¹; a small domestic market; the small size of farms; and uncertainty in the land tenure system. Only 11.8%

¹ IDB (2018), *Analysis of Agricultural Policies in Trinidad and Tobago*. Viewed at: <https://publications.iadb.org/bitstream/handle/11319/8881/Analysis-of-Agricultural-Policies-in-Trinidad-and-Tobago.pdf?sequence=1&isAllowed=y>.

of land area in Trinidad and Tobago is agricultural land.² About half of all agricultural land is owned by the State, while production is mainly on small family farms. Most holdings are smaller than 10 ha.

Chart 4.2 Agriculture gross production, 2010-16

(Constant 2004-06, USD million)



Source: FAOStat online database.

4.1.2 Trade

4.5. According to information provided by the Central Statistical Office, Trinidad and Tobago exports mainly processed agricultural products, such as cigarettes, waters, cereals, beer, rum, chocolate, and biscuits (Table 4.1). In 2017, the main export markets for agricultural products included: Jamaica, Guyana, Suriname, Barbados, the United States, Grenada, and St. Lucia.

4.6. Trinidad and Tobago imports most of its food for consumption; imported agricultural goods are broadly spread across various product groups (Table 4.2). Main imports include other wheat and meslin, food preparations, cheese, preparations used in animal feeding, maize, other chemically pure sucrose, milk and cream powder, and incubated fertilized fowl eggs.

Table 4.1 Top 10 exports of agricultural products, 2012-17

(TTD million)

HS code	Commodity description	2012	2013	2014	2015	2016	2017
2402.20.00	Cigarettes containing tobacco	373.1	326.0	286.0	302.1	271.4	240.5
2202.10.10	Aerated waters, sweetened/flavoured	270.8	264.2	257.3	282.5	210.3	199.9
2202.10.90	Other waters, incl. mineral, sweetened/flavoured	150.7	141.2	185.7	217.4	183.9	165.7
2208.90.10	Aromatic bitters, flavoured, agents for food	72.6	96.4	124.6	124.8	111.7	129.2
1904.10.00	Prepared foods obtained by the swelling or roasting of cereals or cereal products	71.0	75.1	65.4	68.7	76..5	88.0
2203.00.10	Beer from malt	98.7	87.3	94.5	72.4	77.0	70.2

² Geographic Information Systems (GIS) Unit, Ministry of Agriculture, Land and Fisheries (MALF).

HS code	Commodity description	2012	2013	2014	2015	2016	2017
2208.40.90	Other rum and other spirits of sugar cane	160.6	105.4	104.1	96.8	12.3	15.0
1806.31.00	Chocolate and other cocoa preparations (blocks), filled	63.2	64.2	60.8	60.5	65.0	95.0
1905.90.10	Biscuits, unsweetened	70.1	72.3	64.9	73.7	84.0	90.2
1905.31.00	Sweet biscuits	65.0	70.2	75.9	78.7	83.2	90.6
	Other agriculture exports	1,111.5	1,053.7	1,118.6	1,219.8	1,446.1	1,411.2
	Total agriculture exports	2,507.2	2,356.1	2,437.9	2,597.4	2,621.5	2,595.5

Source: Data provided by the authorities.

Table 4.2 Top 10 imports of agricultural products, 2012-17

(TTD million)

HS code	Commodity description	2012	2013	2014	2015	2016	2017
1001.99.00	Other wheat and meslin	296.2	284.1	288.9	222.2	182.1	192.7
2106.90.90	Other food preparations n.e.s.	150.1	176.0	172.4	185.3	198.2	365.0
0406.90.90	Other cheese	83.3	190.4	219.3	157.3	158.7	261.7
2309.90.90	Other prepared feeds for animals	177.7	220.6	162.3	167.7	148.9	228.1
1005.90.00	Maize (corn), other than seed	209.6	180.2	141.2	121.9	131.4	117.0
1701.99.90	Other chemically pure sucrose (solid)	131.6	118.2	95.6	90.5	95.1	158.1
2304.00.00	Oil-cake and other solid residues, of soya-bean oil	65.0	101.3	145.7	106.2	125.6	98.7
0407.11.20	Incubated fertilized fowl eggs, not for breeder flocks	97.9	50.7	109.4	117.6	110.3	119.3
0402.21.00	Other milk and cream, in powder (unsweetened)	66.8	89.4	94.6	121.2	120.4	125.2
0207.14.90	Other cuts/offal of fowl (frozen)	113.8	96.5	114.1	108.8	104.7	113.3
	Other agriculture imports	5,166.3	5,045.9	5,418.1	5,488.6	5,188.4	4,806.4
	Total agriculture imports	6,558.4	6,553.4	6,961.5	6,887.4	6,563.9	6,585.4

Source: Data provided by the authorities.

4.7. In 2017, the main sources for Trinidad and Tobago's agricultural imports were: the United States, New Zealand, Canada, the Netherlands, Brazil, Guyana, Costa Rica, the United Kingdom, Ireland, and China.

4.1.3 Agriculture policies

4.8. The Ministry of Agriculture, Land and Fisheries (MALF) is responsible for developing and implementing Trinidad and Tobago's agriculture policy. Measures adopted at the border include tariffs and surcharges; other measures adopted include minimum guaranteed prices, investment incentives and input subsidies, and low-interest loans. The MALF has also been making efforts to address the land tenure issue (see below).

4.1.3.1 Institutional arrangements and policy objectives

4.9. In addition to the MALF, the following organizations play an important role in implementing agricultural policy:

- a. Cocoa Development Company of Trinidad and Tobago (CDCTT), which replaced the Cocoa and Coffee Industry Board (CCIB) in 2014, is responsible for the issuance of: certificates of origin (COO) for cocoa exports to prove the cocoa was grown in Trinidad and Tobago; Certificates of Quality, which contain information related to cadmium, ochratoxin A, polycyclic aromatic hydrocarbons (PAHs) and pesticide residues; and CDCTTL Registered Certification Marks, which certify that the beans were grown under ISO requirements;
- b. the Agricultural Society of Trinidad and Tobago (ASTT), a national organization representing farmers, and a statutory body within the MALF;
- c. the National Agricultural Marketing and Development Corporation (NAMDEVCO), which provides marketing price information to farmers, as well as facilities and services to aid domestic trade and exports;
- d. the Agricultural Development Bank (ADB), which is a state-owned bank responsible for providing financial services to the agriculture sector;
- e. the Estate Management and Business Development Company (EMBD), which became part of the MALF in 2011, is responsible for the agricultural land that used to belong to Caroni; and
- f. Palo Seco Agricultural Enterprises Limited (100% owned by the Government), which became part of the MALF in 2017, is responsible for coordinating infrastructure development projects and providing estate maintenance and land management services.

4.10. Legislation related to the development of agriculture includes the Food and Drug Act (Chap. 30:01); the Exportation of Fruit Act (Chap. 63:53); the Plant (Export Prohibition) Act; the Animal (Diseases and Importation) Act (Chapter 67:02); the Plant Protection Act (Chapter 63:56); the Beekeeping and Bee Products Act (Chapter 67:53); the Conservation of Wildlife Act (Chapter 67:01); the Land Acquisition Act (Chapter 58:01); the National Agricultural Marketing Development Company Act (Chapter 63:05); the Regularisation of Tenure (State Lands) Act No. 20 of 1986; the State Lands Act (Chapter 57:01); and the Forest Act (Chapter 66:01). There have been no amendments to these Acts since 2012.³

4.11. The authorities stated that the overarching policy goal for the agriculture sector is to create a food secure nation. According to Vision 2030 (Section 2), modernization of agriculture is a crucial factor for the economy's international competitiveness. The Trade Policy and Strategy for Trinidad and Tobago 2013-17 identified the food and beverages subsector as having strong export potential. In addition, CARICOM ministers approved a Regional Food and Nutrition Security Policy (RFNSP) in 2010, and approved the Regional Food and Nutrition Security Action Plan 2012-26 in 2011. The RFNSP is viewed as a comprehensive and integrated framework for actions to achieve the objectives of adequate food availability, access, utilization, and stability throughout the region. It serves as one of the pillars for the Community Agriculture Policy. Both the RFNSP and the Action Plan mandate CARICOM members to formulate their national food and nutrition security policies and programmes within the general framework of the regional plan, and to improve access by the most vulnerable groups to sufficient, nutritious and safe food.

4.12. The Government developed its National Food Production Action Plan 2012-15, which identified five specific targets:

- a. reduce food importation;
- b. further reduce inflation, which was primarily driven by food prices;
- c. create sustainable, long-term productive employment;
- d. contribute to the diversification of the economy; and

³ The last amendment to the Food and Drugs Act was in 2005. The Exportation of Fruit Act, enacted in 1979, has never been amended. The Plant (Export Prohibition) Act, enacted in 1938, has never been amended.

e. increase the country's food security.

4.13. To achieve these goals, the Government intended to increase production of specific products within major food crops, and achieve greater self-sufficiency in these products. The Action Plan focused on six commodity groups: staples, vegetables, legumes and pulses, fruits, livestock, and aquaculture. Products identified for both domestic and export markets are: pumpkin, dasheen bush, okra, tomato, hot pepper, cucumber, cocoa, and honey. Research was conducted to promote high-yielding and pest-resistant varieties. The Government also aimed to identify and select appropriate machinery for increased mechanization in the production of certain crops, provided training on production technology for farmers, and encouraged the use of new technologies to improve productivity.

4.1.3.2 Border measures

4.14. The agriculture sector receives more trade protection than the rest of the economy. The tariff is the main trade policy tool in Trinidad and Tobago. In addition, some agricultural products are also subject to surcharges at the border (Section 3.1.3.4).

4.15. Trinidad and Tobago applies the CARICOM CET to all tariff lines, with the exception of 93 lines on List A. Most of the 93 lines are agricultural products. Tariffs applied on these lines are lower than or equal to the CET rates (Section 3.1.3.5). The simple average applied MFN tariff on agricultural imports fell from 20% in 2012 to 17.9% in 2018; however, this rate remains higher than for non-agricultural imports (7.3%) (Table 4.3).

Table 4.3 Border measures – tariffs

	No. of lines	No. of lines spec. duty	Average applied MFN rate (%)	Range (%)	Coeff. of variation	Bound average (%) ^a
WTO agriculture	1,118	26	17.9	0-5.7	1.0	86.3
- Animals and products thereof	177		24.0	0-40	0.7	75.7
- Dairy products	25		12.4	0-40	1.1	100.0
- Fruit, vegetables and plants	327		22.2	0-40	0.8	93.5
- Coffee and tea	29		15.7	0-40	1.0	80.7
- Cereals and preparations	138	1	13.4	0-40	1.0	84.5
- Oil seeds, fats and oils, and their products	109		13.3	0-40	1.4	85.8
- Sugars and confectionary	24		22.1	0-40	0.8	100.0
- Beverages, spirits and tobacco	119	25	25.0	0-65.7	0.7	100.0
- Cotton	6		0.0	0-0	0.0	80.0
- Other agricultural products n.e.s.	164		7.0	0-40	2.0	80.1
WTO non-agriculture (incl. petroleum)	5,362		7.3	0-5.7	1.5	50.6
- Fish and fishery products	277		29.6	0-40	0.5	50.4

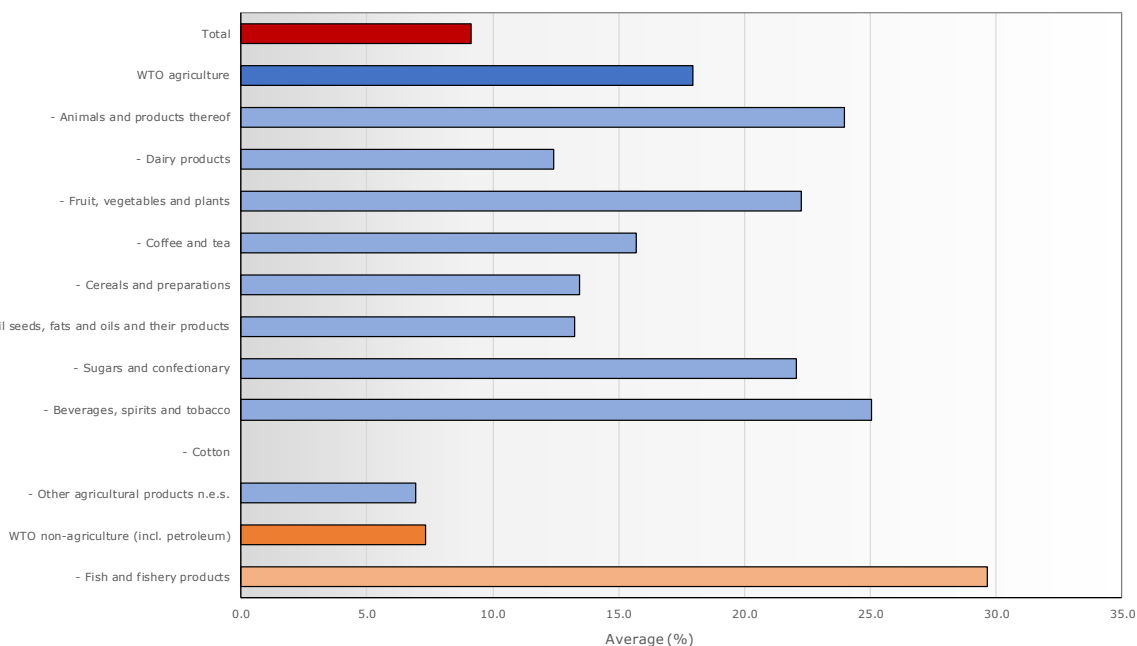
a Although applied MFN and bound tariffs are in the same nomenclature, they do not have the same number of lines, therefore tariff averages may not be comparable.

Source: WTO Secretariat, based on tariff information provided by the authorities.

4.16. Tariff rates range from zero to 65.7% for agricultural products; the highest tariff rates are on beverages, spirits and tobacco; followed by animals and products thereof; fruit, vegetables and plants; and sugars and confectionary (Chart 4.3).

4.17. Among the 1,118 agricultural tariff lines, 37.8% (423 lines) are duty free, less than the duty-free percentage of non-agricultural tariff lines (65.4%). 30.4% of tariff lines carry a duty rate of 40%, and 15.4% of tariff lines carry a duty rate of 20% (Chart 4.4). A total of 26 lines (2.3%) carry specific duties. They are beverages, spirits and tobacco products (25 lines), and cereals and preparations (1 line). The *ad-valorem* equivalents (AVEs) of these lines were not made available to the Secretariat.

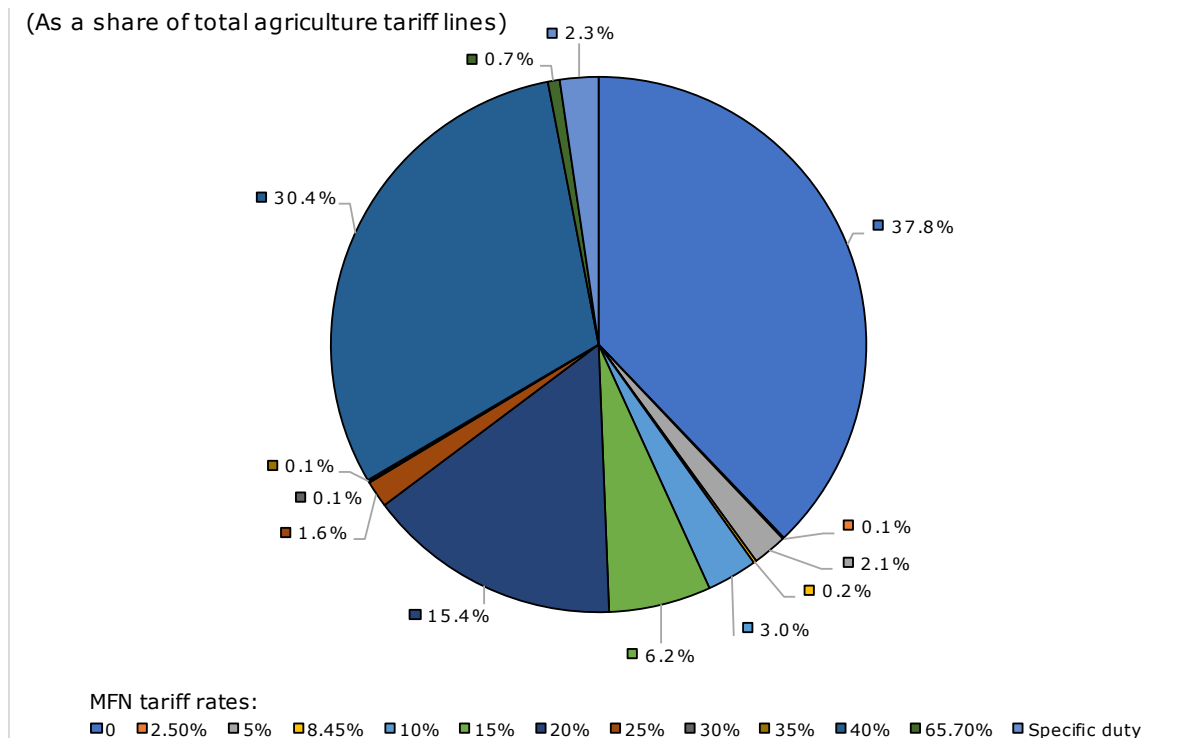
Chart 4.3 Average tariff rates of WTO agricultural groups, and fish and fishery products



Source: WTO Secretariat calculations, based on data provided by the authorities.

Chart 4.4 Frequency distribution of agriculture tariff rates, 2018

(As a share of total agriculture tariff lines)



Source: WTO Secretariat calculations, based on data provided by the authorities.

4.18. In addition to import tariffs, some agricultural commodities are subject to surcharges (Section 3.1.3.4). The authorities stated that the surcharges are considered as other duties and charges on imports, and are occasionally applied or removed as the need arises.

4.19. The Customs Act lists certain agricultural goods prohibited from importation, such as: brandy and rum not meeting alcoholic volume or packaging specifications; spirits and wines in general not

meeting packaging specifications; extracts, essences and other concentrations of tobacco, except under certain conditions; and unrefined sugar not manufactured in Trinidad and Tobago, except with permission from the President (Section 3.1.4). Import licensing requirements apply to some agricultural products including livestock, and oils and fats (Section 3.1.4).

4.20. The authorities stated that the exportation of teak timber and pine logs harvested from the forests located in state lands or forest reserves is prohibited.

4.21. Furthermore, excise duties are applied to a number of goods produced domestically (Section 3.3.1.1). Notably, the rate applied to rum is less than half of that applied to some other distilled beverages. Trinidad and Tobago is a net exporter of rum, although the share of these exports in total agricultural exports fell from 7.6% in 2012 to 1.6% in 2017, due to the fall in the export value of rum (Table 4.4). During the same period, the import value of rum remained relatively stable, accounting for less than 0.2% of total agricultural imports.

Table 4.4 Exports and imports of rum

(TTD million)

	2012	2013	2014	2015	2016	2017
Rum exports	190.4	133.3	129.1	123.4	81.5	40.8
Agriculture exports	2,507.2	2,356.1	2,437.9	2,597.4	2,621.5	2,595.5
Share of agriculture exports (%)	7.59	5.66	5.30	4.75	3.11	1.57
Rum imports	11.7	9.7	10.6	10.9	9.6	9.6
Agriculture imports	6,558.4	6,553.4	6,961.5	6,887.4	6,563.9	6,585.4
Share of agriculture imports (%)	0.18	0.15	0.15	0.16	0.15	0.15

Source: Data provided by the authorities.

4.1.3.3 Domestic support

4.22. Data provided by the authorities show that the percentage of agriculture-related allocation in the budget increased from 1.5% in 2012 to 2.1% in 2015, then declined to 1.3% in 2017 (Table 4.5).

Table 4.5 Agriculture budget allocations, actual agriculture expenditures, and national budget allocations, 2012-17

	2012	2013	2014	2015	2016	2017
Agriculture budget allocations (TTD million)	842.4	851.9	777.7	1360.2	1211.4	752
Actual agricultural expenditures (TTD million)	717.1	693.7	514.4	947.5	857.2	..
National budget allocations (TTD billion)	54.6	58.4	61.398	63.4	56.5	55.5
Percentage: agriculture budget allocation of national budget (%)	1.54	1.45	1.26	2.14	1.47	1.35

.. Not available.

Source: Data provided by the authorities.

4.23. A number of investment incentives have been provided to assist local farmers to overcome the major challenges in the agriculture sector (Table A4.1). Most incentives are a continuation of those under the Agriculture Incentive Programme (AIP), which was approved by Cabinet in 2011. They take the form of percentage rebates on the cost of purchasing inputs, investing in machinery, and improving irrigation systems and soil, as well as product-specific subsidies. The incentives cover the following areas:

- a. purchase by farmers and fishermen of vehicles, machinery, and equipment;
- b. adoption of good agricultural practices, and soil conservation methods;
- c. land preparation, by encouraging the clearing of unproductive land;
- d. encouraging the establishment or rehabilitation of crops such as citrus fruits, cocoa, coffee, coconuts, and rice;

- e. promoting the establishment and management of greenhouses and shade houses for the vegetable sector;
- f. assisting the reduction of pesticide residues in crops;
- g. encouraging the development of the livestock sector, including cattle, goats and sheep, pigs, poultry, and rabbits;
- h. post-harvest and marketing assistance, to increase the value of farmers' output;
- i. agro processing; and
- j. soil amelioration, for example by assisting fertilizer intake and efficiency, and reducing fertilizer costs.

4.24. The Government also continues to impose minimum guaranteed prices, which were set in the AIP and are not adjusted for season or year. Minimum guaranteed prices applicable in 2018 are listed in Table 4.6. The authorities stated that minimum prices have not, in practice, been applied to cocoa, coffee, or copra.⁴

Table 4.6 Minimum guaranteed prices, 2018

(TTD/kg)

Commodity	Price	Note
Cocoa	19.00	The authorities stated that, currently, cocoa farmers receive an average market price of between TTD 30 and 35 per kg for dry beans
Coffee	12.00	Central Statistical Office data shows that there has not been any commercial coffee production from the 2 nd quarter of 2016 to end-2017. However, minimal production continues in two main areas – Rio Claro and Gran Couva - where farmers receive, on average, TTD 7.50 per kg
Rice grade I	2.99	
Rice grade II	2.86	
Rice grade III	2.09	
Rice seed	2.99	
Milk	1.50	The price for milk on the market can be as high as TTD 3.85 per kg
Copra	5.00	

Source: MALF.

4.25. Price effects of these programmes vary by commodity. For example, some researchers found that cocoa prices were set according to international prices, and the effect of this minimum guaranteed price on cocoa producers was minimal. For rice, the National Flour Mills (51% owned by the State) receives all paddy rice from farmers, who are paid minimum guaranteed prices by the Government. The guaranteed prices, which were set considerably higher than international prices, resulted in a relatively high level of support to rice producers.⁵

4.26. The Agricultural Development Bank (ADB) specializes in providing low-interest loans to farmers: in 2018, instead of the market rates of 7.5%, it provided loans with an interest rate of between 3.5% and 5%.⁶ Annual lending by the ADB has been fluctuating, and reached TTD 120 million in 2017 (Chart 4.5).

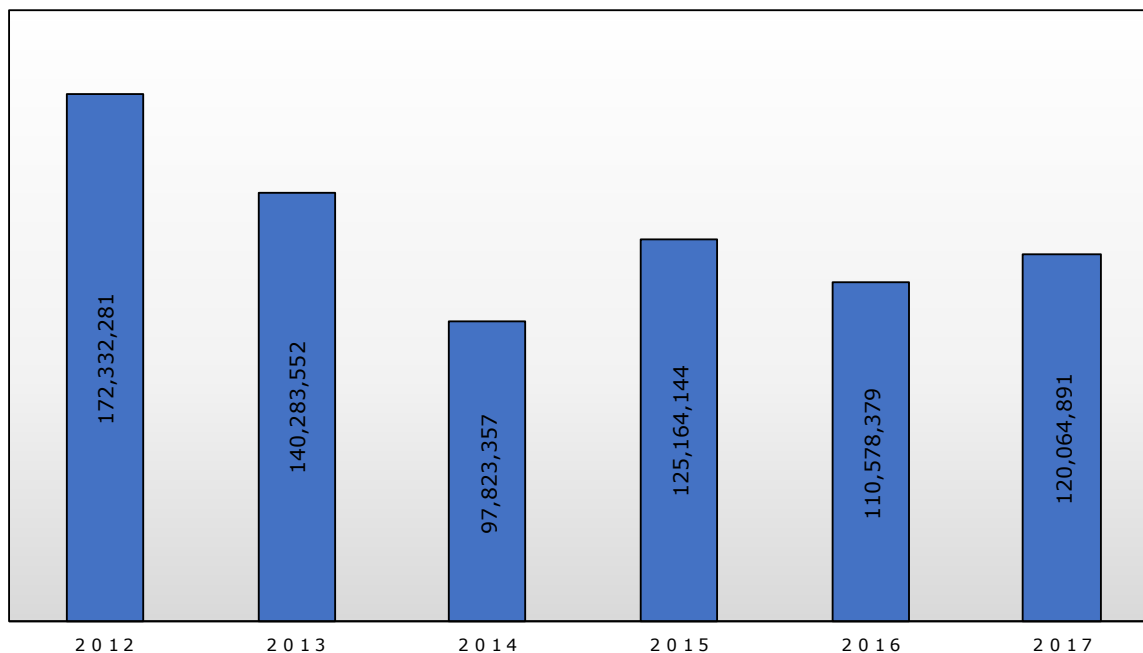
⁴ The authorities stated that no production figures were recorded for copra in 2017.

⁵ IDB (2018), *Analysis of Agricultural Policies in Trinidad and Tobago*. Viewed at: <https://publications.iadb.org/bitstream/handle/11319/8881/Analysis-of-Agricultural-Policies-in-Trinidad-and-Tobago.pdf?sequence=1&isAllowed=y>.

⁶ ADB online information. Viewed at: <http://www.adbtt.com/lending-rates/>.

Chart 4.5 Annual lending by the ADB, 2012-17^a

(TTD)



a Fiscal years.

Source: Data provided by the authorities.

4.27. Furthermore, the Government has been applying tax incentives to the agriculture sector. Since 1 January 2016, agricultural inputs (including approved vehicles, approved fishing vessels and equipment, and approved chemicals and pest control items) have been exempt from all duties and taxes. Also since 2016, the land and building tax rate for agriculture has been 1%, while for commercial and industrial properties it stands at 5% and 6%, respectively.

4.28. Trinidad and Tobago continues to use funds provided by the European Union to implement its National Adaptation Strategy, with a view to facilitating its sugar cane farmers in dealing with the loss of preferential access to EU markets. The Strategy contains infrastructure development, environmental programmes, and training programmes, to assist farmers in changing from sugar production to producing other crops or to non-agricultural activities. In 2014, the Cabinet agreed to a compensation package of TTD 130 million to former sugarcane farmers, in three tranches. In 2015, the first tranche of TTD 27 million was paid.⁷

4.29. Notwithstanding all the support measures, the number of persons engaging in agriculture and agro-processing continued to decline. The Government, thus, set up an agricultural financial support programme, with grants for new and existing farmers of up to TTD 100,000 per person. The 2018 budget allocated TTD 20 million to implement this programme.⁸ The authorities indicated that, in the first year, priority would be directed to, *inter alia*, the introduction of energy-saving and labour-saving technology and efficiency improvements; the acquisition of specialized equipment; and value-added initiatives, particularly those related to on-farm improvements to support the packaging of primary production. Priority is also given to: brand building; packaging; space expansion; research and product development; protection of intellectual property; and food safety compliance requirements.⁹

⁷ The Government decided to reduce the second and third tranches by 53%, and asked farmers to accept a one-off payment for the combined tranches.

⁸ MOF (2017), *Budget Statement 2018*, October.

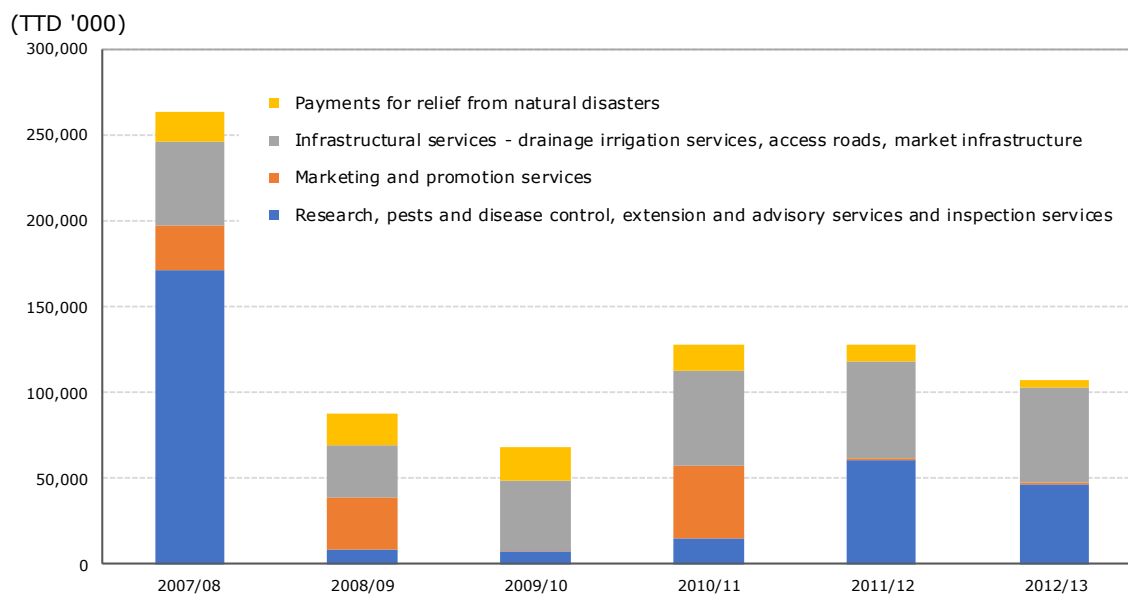
⁹ MALF. Viewed at: <https://agriculture.gov.tt/wp-content/uploads/2018/10/Agricultural-Finance-Support-Programme-Agro-Incentive-Governance-Framework-and-Form.pdf>.

4.1.3.4 Support levels

4.30. In 2015, Trinidad and Tobago notified to the WTO that, during the period 2008-13, it did not provide any export subsidies on agricultural products.¹⁰

4.31. Trinidad and Tobago made its most recent notification to the WTO on agriculture subsidies in 2015, covering the period from financial year (FY) 2007/08 to FY2012/13.¹¹ According to the notification, all support measures were in the Green Box category. Most were used for infrastructural services, i.e. expenditures on drainage irrigation services, access roads, market infrastructure; and on research, pest and disease control, extension and advisory services, and inspection services (Chart 4.6).

Chart 4.6 Agriculture subsidies, FY2007/08-2012/13



Source: WTO notifications.

4.32. The value of domestic support fell significantly, from TTD 263.7 million in FY2008, to TTD 107.1 million in FY2013. Domestic support as a percentage of agricultural GDP decreased from almost half (48.0%) in 2008 to 16.8% in 2013 (Table 4.7). In particular, expenditure on research, pest and disease control, extension and advisory services and inspection services fell considerably (Chart 4.6).

Table 4.7 Domestic support to agriculture, 2008–13

(TTD million, fiscal year, 1 October-30 September)

	2008	2009	2010	2011	2012	2013
Total domestic support	263.7	87.8	67.7	127.7	127.6	107.1
Agricultural GDP ^a	549.9	534.2	554.5	598.2	599.9	636.7
Domestic support as % of agricultural GDP	48.0	16.4	12.2	21.3	21.3	16.8

Source: Notification to the WTO Committee on Agriculture, and information provided by the authorities.

4.33. The Government considers that its support to the agricultural sector is in the Green Box, in accordance with the criteria set out in Annex 2 of the Agreement on Agriculture. Notably, according to the authorities:

- a. support is provided through a public funded government programme; and

¹⁰ WTO document, G/AG/N/TTO/13, 12 August 2015.

¹¹ WTO document, G/AG/N/TTO/14, 13 August 2015.

- b. support does not involve transfers from consumers and does not have the effect of providing price support to producers.¹²

4.1.3.5 Land policy

4.34. The authorities stated that, as a small island developing state (SIDS), land resources are both scarce and ecologically fragile.¹³ The State, which owns about half of all agricultural land in the country, does not engage in production: it rents land for agricultural activities. All lands available for lease are publicly advertised in daily newspapers, and interested parties are invited to submit applications. The State leases agricultural land under a Standard Agricultural Lease, which utilizes a lease rental structure based on parcel size and farming activity, with the intention of discouraging under-utilization or abandonment of state agricultural lands.¹⁴ Non-Trinidad and Tobago nationals may rent land, subject to the provisions of the Foreign Investment Act.¹⁵

4.35. Under a Head Lease from the Commissioner of State Lands, the Estate Management and Business Development Company Ltd (EMBD) has seven parcels of state land for sub-let to individuals and companies with the approval of the Cabinet. The EMBD is responsible for the agricultural land that used to belong to Caroni.

4.36. The Government recognized the challenges faced by farmers caused by insecurity of land tenure. To address the problem, three pieces of legislation were passed by Parliament in 2010: the Registration of Titles to Land Act, the Land Adjudication Act, and the Land Tribunal Act. In 2012, the authorities stated that "the necessary amendment Bills have been prepared and passed by the Legislative Review Committee, and the revised legislation is expected to be brought to Parliament at the earliest opportunity".¹⁶ In January 2011, a policy decision was taken to delink tenure from access to the incentive programme for qualified farmers (i.e. bona fide farmers that were already awaiting receipt of their lease documents from the office of the Commission of State Lands, and farmers cultivating for five years or more). In 2012, the Government also launched the Land Information System of Trinidad and Tobago (LISTT), which was subsequently replaced by a more comprehensive programme, the Spatial Information Management System (SIMS). SIMS has captured information on 80% of all state land parcels. In 2018, the MALF launched an Electronic Document Management System (EDMS) to digitize all of them.

4.37. The Government has been trying to increase the scale of farms, through the Commercial Large Farms Programme (CLFP). This Programme established large (100–300 acres) agricultural holdings in the form of public-private partnerships (PPPs). Land arrangements under the CLFP are subject to the same terms and conditions as the Standard Agricultural Lease. The CLFP currently targets the production of vegetables, rice, root crops, fruit and livestock under PPP arrangements. The Government does not make any financial contribution to the partnership under the CLFP. Instead, it provides land rights (mainly for the land previously used for sugarcane production) and the necessary infrastructure (access roads, electricity, and drainage), and NAMDEVCO purchases output from these farms. Currently, seven farms are operational and five are either non-operational or at a minimal level of operation.

4.2 Fisheries

4.2.1 Overview and trade performance

4.38. The authorities indicated that the fisheries sector accounts for a very small share of GDP and employment. Production volume remained relatively stable during the review years. According to the authorities, the ex-vessel value of the marine wild-caught landings from Trinidad's (excluding Tobago's) commercial fleet was estimated to be around TTD 200 million. The country's commercial

¹² WTO document, WT/TPR/M/260/Add.1, 20 April 2012.

¹³ WTO document, WT/TPR/M/260/Add.1, 20 April 2012.

¹⁴ A lease confers on the lessee a legal estate in land enforceable by law.

¹⁵ A non-Trinidad and Tobago national can acquire land of up to one acre for residential purposes and up to five acres for trade or business without obtaining a licence; if a licence is required, it is granted by the President, in accordance with the Act, and is subject to conditions established by the Ministry of the Attorney General and Legal Affairs. According to the authorities, the usual annual rental fee is 2% of the market value for an agricultural licence, 5% for a business/trade licence, and 3.5% for a residential licence.

¹⁶ WTO document, WT/TPR/M/260/Add.1, 20 April 2012.

fishing fleet is estimated to comprise more than 2,000 vessels and there are some 4,300 fishermen. The authorities estimate that at least 316 persons are involved in the fish post-harvest sector (for Trinidad alone), including vendors, wholesale truckers, seafood retailers, processors and exporters, and at least 514 persons (for Trinidad alone) are either hustlers at the fish landing sites, fishing boat and net builders/repairers, electricians, mechanics, welders, or others involved in refrigeration. Marine fisheries dominate the fisheries sector, while aquaculture makes a minor contribution (Table 4.8).

Table 4.8 Fisheries global production, 2010-16

(Tonnes)

	2010	2011	2012	2013	2014	2015	2016
Aquaculture^a	14	6	7	8	5	24	11
Miscellaneous freshwater fish	7	2	2	2	2	2	2
Tilapia and other cichlids	6	4	4	5	3	22	9
Freshwater crustaceans	1	0	0	0	0	0	0
Capture	13,930	13,115	12,063	13,138	13,201	13,266	13,027
Crabs, sea-spiders	112	51	0	50	50	50	50
Lobsters, spiny-rock lobsters	60	126	46	21	21	21	21
Shrimp, prawns	879	787	687	687	687	687	687
Herring, sardines, anchovies	5	16	1	1	1	1	1
Marine fish, not identified	6,180	6,214	5,873	6,078	6,091	6,067	6,070
Miscellaneous demersal fish	2,365	2,121	1,992	2,565	2,565	2,565	2,565
Miscellaneous pelagic fish	270	319	248	267	255	278	275
Sharks, rays, chimaeras	690	648	538	525	529	518	499
Tuna, bonitos, billfish	3,365	2,832	2,678	2,944	3,002	3,079	2,859
Squid, cuttlefish, octopuses	4	1	0	0	0	0	0
Total production	13,944	13,121	12,070	13,146	13,206	13,290	13,038

a Aquaculture specifically refers to output from aquaculture activities, which are designated for final harvest for consumption. Currently, harvest for ornamental purposes is not included.

Source: FAOStat.

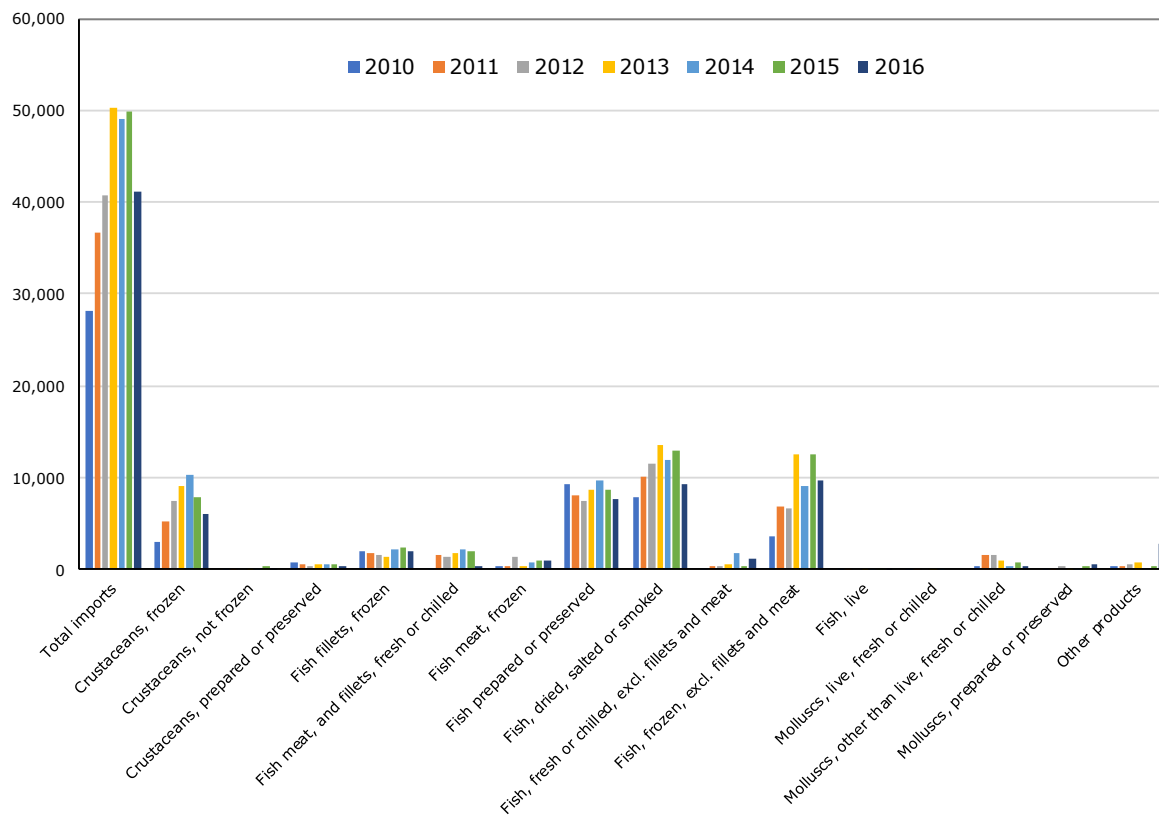
4.39. Trinidad and Tobago is a net fish importer, and the import value has been, in general, increasing during the review period. The import value of frozen fish (excluding fillets and meat) more than doubled, accounting for 23% of all fish imports in 2016. Other important fish imports are dried/salted/smoked fish (22% of all fish imports), and prepared or preserved fish (19%) (Chart 4.7).

4.40. The export value of fisheries products has been increasing significantly (Chart 4.8); the export value of fresh or chilled fish (excluding fillets and meat) rose sharply from USD 4.5 million in 2010, to USD 22.9 million in 2016. Its share in total fisheries exports also increased from 43% to 86% during the same period. The export of processed fish, on the contrary, has been contracting.

4.41. According to the authorities, the main sources of imports for fisheries products are the United States and Venezuela, and the main export markets for fisheries products are the United States, Canada, and CARICOM members.

Chart 4.7 Fisheries imports

(USD '000)



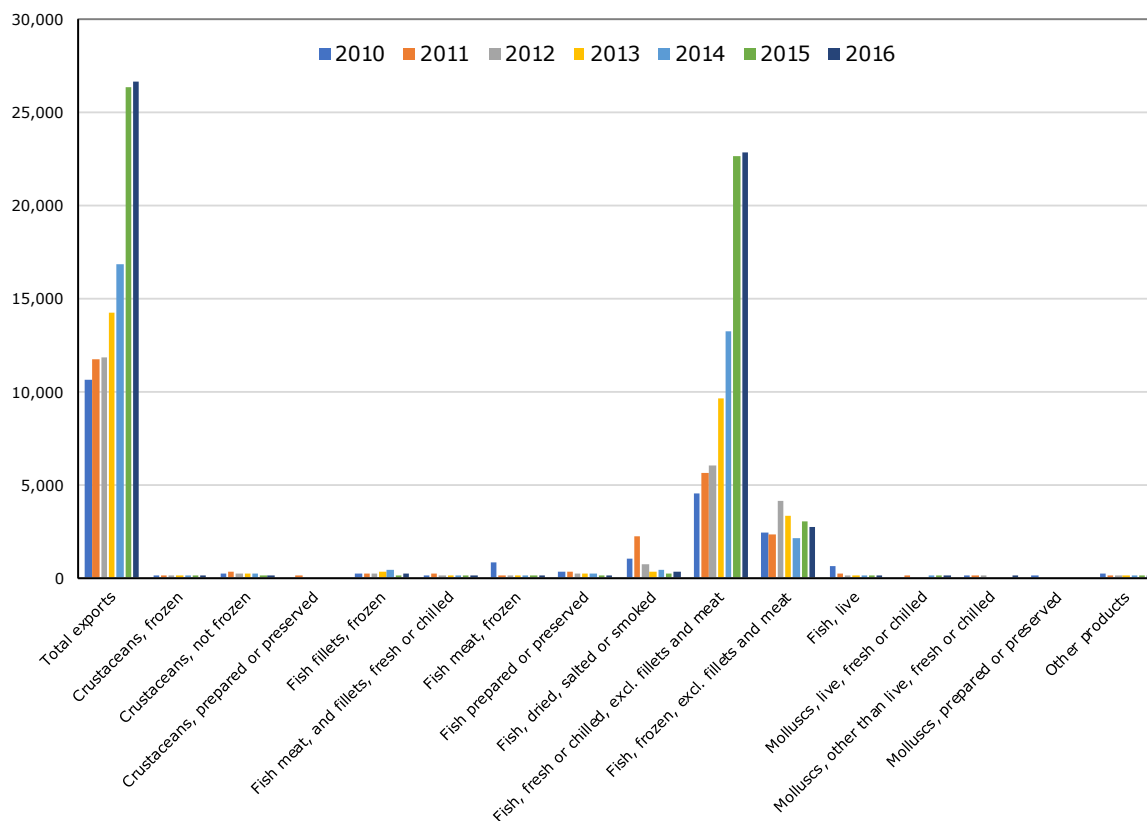
Source: FAOStat.

4.42. The marine fisheries sector in Trinidad and Tobago is mainly artisanal. The artisanal fleet accounts for about 96% of the total fleet, while semi-industrial and industrial vessels account for the rest. Artisanal vessels operate in inshore and coastal waters, and are engaged in fishing by using, *inter alia*, gillnets, fish traps, trolling, and manually operated demersal and pelagic longlines and trawls. The semi-industrial fleet operates in the offshore areas and in the Exclusive Economic Zone (EEZ), engaging primarily in mechanized pelagic and demersal longlining, gillnetting, and fish trapping. The size of the industrial fleet is restricted, and the time and area of operation are also regulated. Regarding the non-artisanal longliners, which target tuna, the Fisheries Division under the MALF authorizes (via the issuance of a licence) vessels to operate in the International Commission for the Conservation of Atlantic Tunas (ICCAT) Convention Area, in accordance with the ICCAT, which is an international body managing tuna in the Atlantic Ocean, to which Trinidad and Tobago has been a contracting party since 1999. No licence fees are required. Regarding non-artisanal and artisanal trawlers, only those in operation as at 1 September 2013, and inspected in the last quarter of 2013 by the Fisheries Division, are "recognized" participants in trawl fishery in Trinidad and Tobago. Since then, no other vessels have been approved by the Fisheries Division to undertake trawl fishery. Under trawl regulations, where and when trawlers are permitted to operate is specified.

4.43. Currently, there are no total allowable catch limits, except for species managed by the ICCAT (i.e. North Atlantic swordfish and blue and white marlin).

Chart 4.8 Fisheries exports

(USD '000)



Source: FAOStat.

4.2.2 Policies

4.44. The policy goal of the fisheries sector is to maintain the sustained development and management of its fisheries resources, and the protection of its ecosystems. To ensure this, Trinidad and Tobago ratified:

- a. the United Nations Convention on the Law of Sea;
- b. the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- c. the Rio Declaration;
- d. the ICCAT;
- e. the Convention on the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks;
- f. the Convention on Biological Diversity; and
- g. the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region.

4.45. The Agreement to Promote Compliance with International and Management Measures by Fishing Vessels in High Seas has not yet been ratified by Trinidad and Tobago. A proposal for signing was submitted to the Cabinet in August 2017, and is awaiting a decision.

4.46. The Fisheries Division aims to facilitate the development of the fisheries sector by: registering and issuing licenses; identifying and designating subsidies and tax exemptions; and providing

training and information services.¹⁷ Fishing vessels must be registered with the Fisheries Division in the Record of Trinidad and Tobago Fishing Vessels. They include vessels fishing commercially on the high seas, and vessels fishing commercially within the EEZ of Trinidad and Tobago. The Maritime Services Division of the Ministry of Works and Transport is the competent authority for the registration of vessels, including fishing vessels. Fish farmers engaging in aquaculture must also be registered.

4.47. Relevant legislation governing fisheries management in Trinidad and Tobago includes:

- a. the Fisheries Act (Chapter 67:51), amended most recently in 1975, applies to all rivers, tidal waters, and the 12-mile territorial sea, and empowers the minister in charge of fisheries to make regulations regarding fishing gear in terms of mesh size, species that may be caught and sold, fishing seasons, and fishing area;
- b. the Archipelagic Waters and Exclusive Economic Zone Act of 1986 provides for the declaration of archipelagic waters, territorial sea and the establishment of a 200-mile EEZ. It also provides for the conservation and management of the living resources within the EEZ, the determination of the total allowable catch (TAC) for each fishery in the EEZ, and the proportion to be harvested;
- c. the Fisheries (Control of Demersal (Bottom) Trawling Activities) (Amendment) Regulation, 1998 specifies the zoning regime for the trawl fleets operating in the designated locations;
- d. the Fisheries (Conservation of Marine Turtles) Regulation, 1994 specifies that semi-industrial and industrial trawl vessels are required to be equipped with turtle excluder devices; and
- e. the Fish and Fish Products Regulation 2003 of the Food and Drugs Act sets SPS standards in the fisheries sector (Section 3.3).

4.48. Other relevant legislation includes the Fishing Industry (Assistance) Act (Chap 85:03), most recently amended in 1958; and the Control of Importation of Live Fish Act (Chap. 67:52), 1950.

4.49. Currently, there is no legal requirement for the registration of fishers or the licensing of Trinidad and Tobago fishing vessels. The Archipelagic Waters and Exclusive Economic Zone Act stipulates, *inter alia*, the licensing of foreign fishing vessels to facilitate access to the fisheries resources within the waters under the jurisdiction of Trinidad and Tobago. Currently, no foreign fishing vessels are licensed to fish in Trinidad and Tobago's waters. The authorities indicated that a draft Fisheries Management Bill has been prepared and is currently being finalized; it is expected to replace the Fisheries Act, 1916, and makes provisions for, *inter alia*, the registration of fishers and the licensing of Trinidad and Tobago fishing vessels in accordance with international best fisheries management practice.

4.50. The Government has been trying to facilitate the development of the fisheries sector, through border protection and domestic support. The authorities stated that managing and maintaining the sustainability of the fisheries sector is complex; the main challenges facing the authorities include: outdated fisheries legislation and institutional structures for effective fisheries management and for compliance with international obligations; the lack of human and financial resources; the lack of capacity in fisheries monitoring, control, surveillance, and enforcement; the open access nature of fisheries; inadequate data and information for fisheries management decision-making; and inadequate collaboration and cooperation among a range of national regulatory agencies with a role in fisheries management. The authorities consider that the draft Fisheries Management Bill will enable Trinidad and Tobago to meet its international obligations and to manage fisheries in a manner that is in accordance with international best practices.

4.51. Between October 2016 and October 2018, several initiatives were embarked upon to address illegal, unreported and unregulated (IUU) fishing. These include: submitting draft updated fisheries management legislation in June 2018; and establishing a Cabinet-appointed committee to finalize

¹⁷ MALF online information. Viewed at: <https://agriculture.gov.tt/work-themes/fisheries-registration-licenses-transfers/>.

and initiate the implementation of an Action Plan to address IUU fishing in the ports and waters under the jurisdiction of Trinidad and Tobago. The MALF, through its Fisheries Division, regularly participates in meetings of the Western Central Atlantic Fishery Commission and the Caribbean Regional Fisheries Mechanism Regional Working Group on IUU Fishing. Trinidad and Tobago also participated in the FAO Regional Port State Measures (PSMA) and complementary international instruments and regional mechanisms with a view to preventing, deterring, and eliminating IUU fishing. In September 2018, a national workshop was held to identify current efforts, gaps and needs in relation to improved fisheries monitoring, control, surveillance and enforcement.

4.2.3 Border measures

4.52. The simple average MFN tariff rate on fish and fishery products was 29.6% in 2018, higher than both the average tariff on non-agricultural tariff lines (7.3%), and that on agricultural tariff lines (17.9%). Tariff rates range from zero to 40%, with 17% of fishery tariff lines duty free.

4.53. Import licences are required for: chilled/frozen seafood (with a weight of more than 10 kg) for commercial purposes; raw materials (fish and fish products) for processing; and ornamental fish used for personal purposes. Based on recommendations by the Fisheries Division, the MTI issues the import licences. Seafood up to 10kg, and fish used for scientific research require permission from the Fisheries Division. The authorities also indicated that, as at December 2017, fish from St. Vincent and the Grenadines were not allowed to be imported into Trinidad and Tobago.

4.54. Due to their threatened/overexploited status, and in accordance with international fisheries management recommendations/measures, importation of the following species is not approved: grouper (yellowfin grouper, Atlantic goliath grouper, and Nassau grouper), and shark (bigeye thresher shark, oceanic whitetip shark, hammerhead shark, and silky shark). For the same reason, exportation of the following species is not approved: queen conch; all marlin species; grouper (yellowfin grouper, Atlantic goliath grouper, and Nassau grouper); and shark (bigeye thresher shark, oceanic whitetip shark, hammerhead shark, and silky shark).

4.55. Export licences are required for: live ornamental and food fish; fish used for scientific research; and ornamental fish used for personal purposes. The MTI issues export licences based on recommendations by the Fisheries Division. The authorities stated that, as Trinidad and Tobago is a contracting party to the ICCAT, it has an annual 125-tonne export quota for swordfish. According to the authorities, the export of shrimp to the United State is not approved, since Trinidad and Tobago has not been certified by the U.S. Department of State as having a comparative sea turtle monitoring programme in shrimp trawl fishery.

4.2.4 Subsidies and exemptions

4.56. Incentives are given to support fishing operations consistent with the sustainable use of fisheries resources (Table 4.9).

Table 4.9 Major investment incentives to the fisheries sector

(% of cost and TTD)

Programme	Description
Tax incentives for the commercial fishing sector	A person importing any fishing boat, marine engine, fishing net, line or other capital equipment solely for the purpose of carrying out the business of commercial fishing may apply to the minister responsible for marine exploration for a waiver of the entry tax on the imported goods.
Programme	Rebate
Marine fisheries	
Gasoline	12 c/litre
Diesel	10 c/litre
Engine oil	75 c/litre
Replacement of pirogues	25% of cost up to a maximum of TTD 5,000
Used multipurpose vessel	10% of cost up to a maximum of TTD 50,000
New multipurpose vessel	20% of cost up to a maximum of TTD 100,000
Upgraded commercial vessel (HACCP)	25% of cost up to a maximum of TTD 10,000

Programme	Description
Approved packaging material (per year)	50% of cost up to a maximum of TTD 15,000
Approved post-harvest equipment	50% of cost up to a maximum of TTD 30,000
Aquaculture	
New ponds	25% of cost up to a maximum of TTD 25,000
Alternative culture system construction	25% of cost up to a maximum of TTD 25,000
Pond rehabilitation	100% of cost up to a maximum of TTD 7,000
Water pumps, hoses and accessories	50% of cost up to a maximum of TTD 20,000
Aeration equipment	50% of cost up to a maximum of TTD 10,000
PVC pipes, valves, fittings and accessories	25% of cost up to a maximum of TTD 10,000
Harvesting gear and equipment, etc.	25% of cost up to a maximum of TTD 10,000
New well, dam, reservoir, pond, etc. construction	25% of cost up to a maximum of TTD 25,000
Well and dam, etc. refurbishment	15% of cost up to a maximum of TTD 15,000

Source: MOF, *Major Investment Incentives in Trinidad and Tobago*. Viewed at: <http://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>.

4.3 Mining and Energy

4.57. The oil and gas sector, which has been the main pillar of Trinidad and Tobago's economy (Section 1), suffered a dramatic decline over the Review period, largely due to falling energy prices and supply shocks; this was followed by a mild recovery. In 2011, the sector accounted for 44.8% of GDP, but this plummeted to 18.8% by 2016. Likewise, its share in government revenue shrank from 57.6% to 14.6% over same period. Over the whole review period, oil and gas has remained an important export sector, although its share in total merchandise exports fell slightly from 82.9% in 2010 to 78.0% in 2016; this also indicates that the sector's decline was not accompanied by a diversification of the export basket (Table 4.10). The authorities indicated that the energy sector's contribution to employment is around 2.4%.

Table 4.10 Contribution of the energy sector to the economy, 2010-16

(%)

	2010	2011	2012	2013	2014	2015	2016
Share of GDP	40.0	44.8	41.4	37.2	34.2	24.8	18.8
Exploration and production	23.3	23.6	23.3	22.7	19.1	11.7	8.2
Refining	7.1	7.9	6.3	4.2	4.9	2.9	2.9
Petrochemicals	7.2	7.7	6.9	5	5.6	6.0	5.0
Other	4.4	5.5	4.9	5.3	4.6	4.3	2.8
Share of government revenue	51.8	57.6	54	50.4	48.2	32.6	14.6
Oil and gas exploration and production	43.2	33.5	32.1	28	29.1	18.4	2.3
Other taxes	8.5	24.1	21.9	22.4	19.1	14.2	12.3
Share of goods exports	82.9	84.3	80.8	79.8	83.5	78.6	78.0^a
Extracted	12.2	10.2	7.7	7.4	7.9	5.4	5.0 ^a
Refined	49.1	45.6	46.4	48.6	48.2	41.5	44.7 ^a
Processed	21.6	28.5	26.7	23.8	27.4	31.7	28.3 ^a

a Covers the period January–September 2016.

Note: Other taxes include: corporation tax, withholding tax, royalties, oil impost, unemployment levy, excise duties and receipts from signature bonuses for the award of product-sharing contracts.

Source: Information provided by the Central Bank, based on Annual Economic Surveys.

4.58. Over the period 2011-17, crude oil and natural gas production has been on a declining trend, with crude oil production only picking up slightly in 2017. Proved reserves of natural gas, and particularly crude oil, dropped significantly over the period. Utilization rates of natural gas for petrochemicals and electricity generation remained relatively static, while there was a big drop in the use of natural gas for liquefied natural gas (LNG) (Table 4.11).

Table 4.11 Petroleum and natural gas production and reserves, 2011-17

		2011	2012	2013	2014	2015	2016	2017
Exploration	Km	11	17	11	12	17	20	10
Crude oil^a								
Production	'000 bbl/day	92	82	81	81	79	71	72
Imports	'000 bbl/day	83	57	80	57	78	101	88
Exports	'000 bbl/day	39	31	34	33	31	28	27
Proved reserves	Billion bbl	830	830	830	830	728	243	243
Natural gas								
Production	Million m ³ /day	118	117	117	115	109	94	95
Utilization ^b	Million m ³ /day	109	108	109	107	101	88	90
Of which								
Petrochemicals	Million m ³ /day	33	32	31	31	32	29	30
Electricity generation	Million m ³ /day	9	9	9	9	8	8	7
LNG	Million m ³ /day	61	62	63	62	56	47	49
Proved reserves	Trillion m ³	365	361	337	317	317	292	261

a Also includes condensates.

b Utilization refers to gas sales.

Source: Information provided by the authorities.

4.59. In 2017, the main market for crude oil exports was Peru (86%), followed by the United States (14%). In the same year, the United States was the main destination (29%) for refined petroleum products, followed by St. Eustatius (9%) and other West Indian countries (particularly Guyana, Barbados, Jamaica and Puerto Rico). Chile was the most important destination for gas exports (25.2%), with the United States, Puerto Rico and the Dominican Republic as other significant destinations. Over 90% of gas exports were in the form of LNG.¹⁸

4.60. For non-associated natural gas, as at end-December 2017, the reserves-to-production ratio was 9.2 years. With respect to crude oil and condensate, in 2012, the most recent year an audit was conducted, the reserves-to-production ratio was 7.2 years.

4.3.1 Institutional, policy and legal framework

4.61. The Ministry of Energy and Energy Industries (MEEI) (previously the Ministry of Energy and Energy Affairs) is responsible for policy for the exploration and extraction of hydrocarbons and minerals, as well as for alternative energy.¹⁹

4.62. Various official documents set out the challenges facing the energy industry, and the policy actions that need to be taken to address them; these include: the MOF annual reviews of the economy; Vision 2030 (Section 2); the Gas Master Plan 2014-24²⁰; and the MEEI's 2015-20 Work Plan. In addition to reduced revenue, as mentioned above, major challenges include: the impact of emerging shale gas production in the United States, Trinidad and Tobago's key export partner²¹; the

¹⁸ UNSD Comtrade Database.

¹⁹ As noted in the previous Review, additional operational responsibilities include: issuing licences for exploration and production, and for production-sharing contracts between state-owned and private-sector companies; regulating and monitoring oil and mining companies' work programmes and equipment; regulation and monitoring, including licensing, of storage facilities, pipelines, and marketing of petroleum products and operations; regulating and monitoring leases and licences for mining; and assisting with the National Oil Spill Contingency Plan.

²⁰ Gas Master Plan 2014-24. Viewed at: http://www.energy.gov.tt/wp-content/uploads/2018/10/Trinidad-and-Tobago-Gas-Master-Plan_2014-2024.pdf.

²¹ MEEI online information. Viewed at: <http://www.energy.gov.tt/our-business/oil-and-gas-industry/>; and MOF Review of the Economy 2017. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2017/10/Review-of-the-Economy-2017-for-web.pdf>.

global trend towards encouraging alternative energy sources; a prolonged natural gas shortage on the domestic market²²; and lower domestic gas reserves and production.²³

4.63. The Government has, or intends to, address these challenges through: fiscal reform in order to boost government revenue (see below); sale of assets in Phoenix Park Gas Processors Limited (see below); diversification of production further down the gas value chain (by promoting local use of complex petrochemicals (e.g. melamine from the ammonia chain) to develop Trinidad and Tobago's manufacturing sector; determining policy on state participation in moving the downstream energy sector forward; mandating the National Gas Company (NGC) Group to pursue downstream project development; and reviewing the gas allocation strategy)²⁴; working with companies and trading partners to supply natural gas needed for the domestic market²⁵; and providing incentives to industry to maintain exploration activities, including new fields in deep water areas.²⁶ A target has been set to have 10% of electricity supply from renewable energy sources by 2021. In this regard, there are plans to develop and operationalize instruments to promote investment in renewable energy technologies, such as feed-in tariffs and incentives.²⁷

4.64. Renewed efforts are also being made to enhance local content, local participation and local ownership in the energy sector. The Permanent Local Content Committee (PLCC), which was first set up in 2004 and ceased operating in 2012²⁸, was reconstituted in 2016 and its work plan was approved by Cabinet.²⁹ The PLCC's primary mandate is to oversee and report on the implementation of the Local Content and Local Participation Policy Framework, 2004. Its major goals are: (a) increasing revenue to Trinidad and Tobago businesses, individuals and the State, through in-country activities, higher local inputs to the sector, and improved transparency on the tax liability of sector participants; (b) the transfer of know-how and technology to local companies and to other sectors to support economic diversification efforts, by focusing efforts on improving the capacity and quality of goods and services that are transferable from energy to other sectors; and (c) enhancing the export potential of local goods and services providers by increasing their quality, capacity, sustainability, and international visibility. Cabinet has approved various concrete measures to be undertaken.

4.65. The legal framework for the petroleum sector in Trinidad and Tobago is mainly covered by the Petroleum Act, 1969 (last amended in 2014) and subsidiary regulations which include the Petroleum Regulations, 1970 (last amended in 2018).³⁰ The 2014 amendments to the Petroleum Act

²² MOF *Review of the Economy 2017*. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2017/10/Review-of-the-Economy-2017-for-web.pdf>. As noted by the authorities, the natural gas shortage can be attributable to various factors, such as lower production in mature fields, no new gas finds coming on-stream to increase production, the transitioning from single pipelines to hub operations, and increased demand due to the debottlenecking of various consumer facilities.

²³ Ministry of Planning and Development online information. Viewed at: <https://www.planning.gov.tt/content/vision-2030>.

²⁴ Speech by the Minister of Energy and Energy Industries. Energy Chamber Annual Conference *Maximizing Value Through Collaboration*. 22 January 2017. MEEI 2015-20 Work Plan.

²⁵ According to the *Review of the Economy 2017*, negotiations are underway with Venezuela to supply natural gas; the Government has obtained a commitment from companies to invest in exploration and development programmes; and new discoveries are expected to boost domestic production. Viewed at: <https://www.finance.gov.tt/wp-content/uploads/2017/10/Review-of-the-Economy-2017-for-web.pdf>.

²⁶ *Budget Statement 2018*. Viewed at: <http://www.news.gov.tt/sites/default/files/BUDGET-STATEMENT-2018.pdf>.

²⁷ Ministry of Planning and Development online information. Viewed at: <http://www.planning.gov.tt/sites/default/files/Vision%202030-%20The%20National%20Development%20Strategy%20of%20Trinidad%20and%20Tobago%202016-2030.pdf>. The authorities indicated that a request for proposals has been issued to supply up to 130 MW of electricity generation from wind and/or solar photovoltaic to the national grid, on a build, own and operate basis.

²⁸ MEEI online information. Viewed at: http://www.energy.gov.tt/wp-content/uploads/2013/11/Local_Content_Policy_Framework.pdf.

²⁹ According to the authorities, the work plan is designed to assist the MEEI in managing its existing administrative framework and methodologies and/or improving them where they apply to local content and local participation. The PLCC uses the definition of local content as stated in the Public Procurement and Disposal of Public Property Act, 2015, namely: "the local value added to goods, works or services measured as the amount of money or percentage of each dollar of expenditure remaining in Trinidad and Tobago after the production of the good or the performance of the work or service".

³⁰ Petroleum Act and subsidiary regulations. Viewed at: http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/62.01.pdf.

increased the level of fines for offences under the Act. The 2018 amendments to the Petroleum Regulations extended the scope of royalty payments to contractors under production-sharing contracts (see below).³¹ The Petroleum Taxes Act, 1974 governs the application of the Petroleum Profits Tax (PPT) and the Supplemental Petroleum Tax (SPT) (see below).³²

4.66. The Petroleum Regulations require licences to be obtained from the MEEI before petroleum exploration or production may be undertaken. Requirements to obtain such a licence are the same for foreign investors (once they have set up a local subsidiary) as for local companies.

4.67. There are two frameworks for the production of crude oil and natural gas: the concessionary system and the production-sharing system. The principle of the concessionary licence system is that the State transfers its ownership of resources in the subsurface to a commercial entity, often a partnership of companies. The entity obtains exclusive rights to extract crude oil and natural gas in a defined area for a limited time. If more than one company is assigned a licence to an area, the Government provides a joint operating agreement which states each partner's equity share. The concessionary system is implemented through the use of exploration and production licences. The production-sharing system is implemented through the use of production-sharing contracts (PSCs). Under the PSCs, the Minister of Energy and Energy Industries pays taxes on behalf of the contractors. The State retains title to the petroleum, while the contractor carries all the risks and costs in return for a share of production. The proportion of production due to the State under a PSC is specified in the contract and can vary from year to year depending on the cost of production, output, prices and other factors.

4.3.1.1 Fiscal regime

4.68. The only change to tax rates applied to oil and gas companies over the review period was the establishment, in January 2018, of a uniform royalty rate of 12.5% of the value of crude produced and natural gas sold, for holders of exploration and production licences and PSCs. Prior to that, royalties were paid at rates stipulated in the holder's licence or contract (royalty rates were either stated on a per unit or an *ad valorem* basis). The purpose of this measure was to increase government revenue.³³

4.69. Other taxes applicable to the energy sector remain unchanged (Box 4.1). However, negotiations between energy companies and the Government are ongoing for a new oil and gas fiscal regime, with the intention of providing attractive terms for investment in the sector while securing appropriate payment to the Government.³⁴ In this regard, consideration is being given to reforming and extending the SPT, as well as reconciling and simplifying tax regimes applicable to exploration, production and production-sharing. Additionally, the MOF has reconstituted the Permanent Petroleum Pricing Committee and has prepared legislation to address concerns about transfer pricing, and thus reduce tax leakages arising from profits being moved to other jurisdictions. It also envisages appointing a Tax Review Committee to make recommendations on capital gains tax and the treatment of signature and production bonuses.³⁵

³¹ Legal Notice No. 163, amending Regulation 61 of the Petroleum Regulations.

³² Petroleum Taxes Act. Viewed at:

http://rqd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/75.04.pdf.

³³ Over the period under review, royalty revenues were as follows: TTD 2,604,019,984 in 2012; TTD 1,731,044,257 (2013); 2,389,053,359 (2014); 304,951,980 (2015); 404,502,880 (2016); 1,031,039,910 (2017); and 1,686,289,142 (2018 year-to-date).

³⁴ IMF Country Report No. 18/285. Viewed at: <http://www.sipotra.it/wp-content/uploads/2018/09/Country-Report-No.-18285-TRINIDAD-AND-TOBAGO.pdf>.

³⁵ Ernst and Young online information. Viewed at: <https://www.ey.com/Publication/vwLUAssets/ey-focus-on-the-trinidad-tobago-budget-2017/%24FILE/ey-focus-on-the-trinidad-tobago-budget-2017.pdf>; Speech by Minister of Energy and Energy Industries. Energy Chamber Annual Conference *Maximizing Value Through Collaboration*. 22 January 2017. MEEI 2015-20 Work Plan.

Box 4.1 Energy-related taxes, 2018

PPT. Levied at a rate of 50% (35% for deepwater production). Applies to all oil and gas producers and refinery operators, and is applied on net profits from operations. The net profit is derived by deducting from the gross income all operating expenses, capital allowances and other allowable deductions. Tax incentives apply (Table A4.2).

SPT. Imposed on income generated from crude oil production, net of royalties and over-riding royalties. It comes into effect when crude prices go over USD 50/bbl. Rates range from 0% to 65%, and increase as the price of crude oil increases. They also vary for marine and land/deepwater operations, and depend, for marine operations, on whether the contract or licence was agreed before or after 1 January 1988. Lower SPT rates apply to new field developments. Tax incentives apply (Table A4.2).

Royalty payments. 12.5% of the value of production. Applies to oil and gas companies, including contractors under PSCs.

Petroleum Production Levy. Applied to producers of crude oil generating more than 3,500 bbl/day, as the lower of 4% of income from crude oil, or their proportionate share of the subsidy. Serves as a partial contribution to the consumer fuel subsidy (see below).

Petroleum impost: Levied on all crude oil and natural gas won and saved by licensees under the Petroleum Regulations, at rates determined by the Minister of Energy and Energy Industries and issued in a Rating Order. The impost is calculated to cover the annual expenses of the MEEI.

Unemployment Levy. 5% of the taxable profits of petroleum companies.

Source: WTO Secretariat, based on information provided by the authorities.

4.70. Various incentives remain in place for companies operating in the upstream sector, and to encourage renewable energy and the use of compressed natural gas (CNG) vehicles (Table A4.2).

4.3.1.2 Petroleum

4.71. The state-owned Petroleum Company of Trinidad and Tobago (Petrotrin) is involved in exploration, production (both on-land and off-shore), refining, marketing and storage activities. Exploration and exploitation of oil is undertaken alone and through joint ventures. It has been the owner and operator of the country's only refinery. Due to the decline in oil prices, which fell significantly by 2015, lower refinery margins, decreasing production, and various structural and governance problems, Petrotrin's financial situation has rapidly deteriorated. At the time of the previous Review, Petrotrin was reported to have made a loss of TTD 167 million on total revenue of TTD 25,942 million (for the year ending 30 September 2010). As at end-September 2018, the company was TTD 10.8 billion in debt, and owed the Government over TTD 2 billion net in taxes and royalties. Following an announcement in August 2018, a process of restructuring the company was initiated; the focus is on exploration and production, and the refinery operations are being phased out. There is a new corporate structure, comprising a holding company, Trinidad Petroleum Holdings Limited, and four subsidiaries (Heritage Petroleum Company Limited, Paria Fuel Trading Company Limited, Guaracara Refining Company Limited, and Petrotrin). Exploration and production will be conducted through the Heritage Petroleum Company. Terminating operations will be undertaken by the Paria Fuel Trading Company. Guaracara Refining Company is the holder of the refinery operations assets. Petrotrin remains the manager of the non-core assets, and holds the debt of the previous enterprise. All oil produced is to be exported, and refined products will be imported. According to the authorities, Heritage Petroleum will be responsible for around 60% of domestic oil production, and Paria Fuel Trading will be responsible for imports of fuels.

4.72. The state-owned Lake Asphalt of Trinidad and Tobago (1978) Ltd. mines asphalt from Pitch Lake (a naturally-occurring surface deposit of asphalt located at La Brea). It processes and then sells asphalt and other asphalt-related products, domestically and internationally.³⁶ According to the authorities, the company operated at a profit during the period 2012-15, and at a loss in 2016 and 2017.

4.73. The state-owned National Petroleum Marketing Company Ltd (NP) is one of two companies licensed for the wholesale marketing of petroleum products in Trinidad and Tobago, and it owns the largest gas service station network in the country. The other licensed marketing company is the

³⁶ According to the authorities, Lake Asphalt has distributors in China, Germany, the United Kingdom, the United States, Nigeria, Japan, Ireland, and Brazil.

privately-owned United Independent Petroleum Marketing Company Ltd. (UNIPET). According to the authorities, NP currently has a 79% market share, and UNIPET, 21%. NP markets petroleum fuels, liquefied petroleum gas, CNG, and automotive speciality products that are delivered to the company by Petrotrin. The company also offers marine bunkering and aviation re-fuelling at its facility.

4.74. A petroleum subsidy and levy has been in place since the 1970s. According to the authorities, these subsidies were initially meant to cushion the burden of high oil prices on consumers; over time, they were seen as a means for the population to benefit from the country's resource wealth and ensure low and stable consumer prices. The subsidy is paid to the two petroleum marketing companies (UNIPET and NP), whenever the "reference price" (ex-refinery price + handling charges + excise duties + wholesale margin) exceeds the "controlled consumer price" (retail price set by the MEEI) for the five petroleum fuels, petrol, kerosene, auto diesel and LPG.³⁷ The wholesale margins and retail prices are fixed through the issuance of Gross Margin Orders under the Petroleum Production Levy and Subsidy Act. Since 2015, retail prices of petrol and diesel have been increased, as have gross margins for certain products.³⁸ The consumer subsidy is partly paid for by a levy on producers of crude oil (the Petroleum Production Levy – see Box 4.1) and the remainder is paid by the Government. Fluctuations in domestic production and changes in oil prices can have a significant impact on the size of the Government's contribution. Over the review period, subsidy claims ranged from TTD 0.61 billion to TTD 4.46 billion, with the Government responsible for paying between 65% and 86% of the subsidy (Table 4.12).

Table 4.12 Petroleum subsidy claims, levy payments, government liability, 2012-18

FY	Subsidy claims (TTD billion)	Levy payments (TTD billion)	Gov't. liability (TTD billion)	Gov't. share (%)
2012	4.46	0.66	3.80	85
2013	4.44	0.60	3.83	86
2014	4.13	0.62	3.51	85
2015	2.12	0.36	1.77	83
2016	0.61	0.21	0.40	66
2017	0.81	0.28	0.53	65
2018	1.06	0.32	0.74	69

Source: Data provided by the authorities.

4.3.1.3 Natural gas

4.75. Atlantic LNG, a largely privately-owned company, produces LNG and natural gas liquids from Trinidad and Tobago's natural gas fields. The liquefaction facility comprises four units (or trains) with a total capacity of 12 million tonnes per year of LNG and 30,000 bbl per day of natural gas liquids. Each unit/train is owned by a consortium of companies (Table 4.13).

4.76. The LNG produced is exported under contractual arrangements, and the natural gas liquids are delivered to Phoenix Park Gas Processors Limited (PPGPL) (see below) for further processing and subsequent sale under differing marketing arrangements. South America, North America and the Caribbean are the largest export destinations for LNG (Table 4.14).

³⁷ Online information. Viewed at: https://sta.uwi.edu/conferences/11/cote/documents/Day%201/Panel%204%20-%20Energy%20Challenges/What_to_do_with_the_Petroleum_Fuel_Subsidy_Kyren_Greigg.pdf.

³⁸ The retail price of Super 92 RON has been successively increased, from TTD 2.70/l to TTD 4.97/l, over the period October 2015-October 2018. The retail price of auto diesel was also successively increased, from TTD 1.50/l to TTD 3.41/l over the period October 2015 to October 2017. In October 2017, the gross margins for Premium Super and Regular Gasoline were increased from 14.5 cents to 19.5 cents, respectively, and the gross margins for domestic kerosene and diesel were increased from 9.5 cents to 14.5 cents, respectively.

Table 4.13 Atlantic LNG production and ownership structure, 2018

Train	Capacity	Shareholders
1	LNG: 3 million tonnes per year Natural gas liquids: 6,000 bbl/day	Shell – 46% BP – 34% NGC – 10% China Investment Corporation – 10%
2 and 3	LNG: 3.3 million tonnes per year (per train) Natural gas liquids: 5,000-6,000 bbl/day (per train)	Shell – 57.5% BP – 42.5%
4	LNG: 5.2 million tonnes per year Natural gas liquids: 12,000 bbl/day	Shell – 51.1% BP – 37.8% NGC – 11.1%

Source: Data provided by the MEEI.

Table 4.14 LNG exports, 2012-17

(%)

Region	2012	2013	2014	2015	2016	2017
South America	41.4	43.6	43.8	46.1	36.3	33.5
North America	22.9	14.9	13.3	19.7	17.1	18.7
Europe	13.1	15.1	15.3	9.1	7.7	8.9
Asia	10.5	9.6	8.4	4.5	7.6	9.1
Caribbean	10.0	14.4	12.7	13.5	16.7	17.7
Middle East	1.8	0	5.8	6.5	13.0	11.7

Source: Data provided by the MEEI.

4.77. The National Gas Company of Trinidad and Tobago (NGC) continues to have a *de facto* monopoly on the transmission and distribution of natural gas within Trinidad and Tobago. It owns, maintains and operates the country's gas transmission and distribution pipeline network, which supplies power generation firms, petrochemical plants and a wide range of light manufacturing and commercial enterprises. It continues to be profitable, recording a profit of over TTD 720 billion in 2016. The NGC's main wholly-owned subsidiaries are the National Energy Corporation of Trinidad and Tobago, which is, *inter alia*, involved in the development of energy-related infrastructure³⁹, and NGC CNG Company Ltd., which is mandated to accelerate and expand the use of CNG as a major alternative transportation fuel in the country.⁴⁰ The NGC has a 10% equity stake in Atlantic LNG.

4.78. NGC also has an equity stake in PPGPL through its subsidiary Trinidad and Tobago NGL Limited (TTNGL). Other shareholders are NGC NGL Company Limited⁴¹, and Pan West Engineers and Constructors LLC.⁴² TTNGL divested itself of 47.1% of its equity shares in PPGPL through two public offerings, in 2015 and 2017. Participation in the public offerings was restricted to residents of Trinidad and Tobago and certain registered entities. PPGPL undertakes natural gas processing, natural gas liquids (NGL) aggregation, fractioning, and marketing. The processed natural gas is delivered to downstream facilities where it is transferred either to power generators for electricity generation or to petrochemical plants for use as feedstock.

4.79. With respect to the petrochemicals sector, Trinidad and Tobago has 11 ammonia plants, 7 operating methanol plants, and facilities for urea and iron. Additionally, extracted NGLs are also fractionated into propane, butane and natural gasoline.

4.80. As noted in the previous Review, a variety of models are used to set natural gas prices. For LNG, prices are linked to those in major consuming markets internationally. For sales by NGC to petrochemicals and power companies, and to industry, producer prices are determined through negotiations with the producers with differential pricing depending on the end-use of the gas and

³⁹ The company also plays a part in the development and management of industrial estates, port and marine facilities and services in natural gas-based development.

⁴⁰ It is responsible for installing the network of CNG stations and implementing government incentives.

⁴¹ NGC NGL is owned by NGC (80% equity share) and NEL (20% equity share). NEL is owned by the Government of Trinidad and Tobago (66% equity share) and NGC (17% equity share).

⁴² Pan West Engineers and Constructors LLC was purchased by an investment consortium in 2014. One of the three investors is NEL.

the product being produced. For petrochemicals, NGC shares the market price risk by allowing the gas feedstock to fluctuate with the price of the commodity produced.⁴³ The price of CNG at the pump is set by the Minister of Energy and Energy Industries via the price of CNG Orders. The most recent Order was issued in 2014, fixing the price at 100 cents per litre of gasoline equivalent (lge).⁴⁴ The authorities reported that the intrinsic subsidy on CNG varies between 10 cents and 30 cents per lge, and calculated the total subsidy cost for the period 2010-18 as just over TTD 5 million.

4.3.1.4 Electricity

4.81. Almost all of the electricity on the islands of Trinidad and Tobago is generated from gas-fired power stations. The Trinidad and Tobago Electricity Commission (T&TEC) is responsible for the transmission, distribution and sale of electricity. Power producers sell electricity to T&TEC under long-term power sales agreements negotiated between the supplier and T&TEC, and must conform to RIC guidelines. There are six power stations in Trinidad and Tobago: three of these are fully state-owned, and the State has a majority share (51%) in a company (PowerGen) which operates two further power stations. One power station is entirely privately-owned.⁴⁵ There are no foreign equity restrictions on the ownership of power plants.

4.82. As at the time of the previous Review, electricity prices are determined by the RIC. Electricity prices have not changed since 2009, and vary depending on whether the consumer is a residential, commercial or industrial user: residential users pay between TTD 0.26 and TTD 0.37 per kWh; commercial users pay between TTD 0.415 and TTD 0.61 per kWh; and industrial users pay between TTD 0.145 and TTD 0.218 per kWh plus a monthly demand charge ranging from TTD 37 to TTD 50 per kVA.⁴⁶ As noted in Section 3.3.5, T&TEC receives a subsidy of around TTD 750 million per year, due to arrears to the NGC for natural gas. Given the fiscal drain this represents, it has been suggested that raising utility tariffs (including but not limited to electricity) should be guided by a rate-determination exercise.⁴⁷ This is being undertaken by the RIC in a three-phased approach; the first two phases have been completed (phase 1: framework and approach, and phase 2: review of the quality of service standards for the electricity transmission and distribution sector). The third phase is ongoing (phase 3: draft determination of rates and miscellaneous charges).

4.83. Since December 2016, to assist the poorest households, the Government subsidizes the first TTD 100 of electricity charges for persons whose monthly electricity bill is TTD 400 or less.⁴⁸

4.4 Manufacturing

4.84. Manufacturing accounted for 15.7% of GDP in 2017, and 11% of employment (when the petroleum and gas sector is included). The main subsectors include: petroleum and chemical products (about 9% of GDP); and food, beverages and tobacco products (about 5% of GDP) (Table 4.15). Growth rates in the sector have been volatile in recent years.

4.85. The main export products in 2017 were chemical products (29.3% of total merchandise exports), prepared foodstuffs (9.6%), and base metals (6.6%). In the same year, the main import items were machinery and electrical equipment (17.6% of total merchandise imports), other manufactured products (13.9%), vehicles and transport equipment (11.5%), chemical products (7.3%), and prepared foodstuffs and beverages (6.8%) (Chart 1.1). The authorities indicated that the main export markets include Jamaica and other CARICOM countries, and the United States.

⁴³ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

⁴⁴ Price of Compressed Natural Gas Order (LN294/2014).

⁴⁵ T&TEC owns the Scarborough Power Station (the only power station in Tobago) and the Cove Power Station. It has a 51% equity share in PowerGen, which operates two power stations at Penal and Point Lisas. The State now fully owns the Union Estate Power Station, having purchased 40% of its joint venture partner's shares in 2013. Trinity Power Limited is the only fully privately-owned power station. MEEI online information. Viewed at: <http://www.energy.gov.tt/resources/electric-power/>.

⁴⁶ TTEC online information. Viewed at: <https://ttec.co.tt/default/tariffs-2>.

⁴⁷ IMF Country Report No. 18/285. Viewed at: <http://www.sipotra.it/wp-content/uploads/2018/09/Country-Report-No.-18285-TRINIDAD-AND-TOBAGO.pdf>.

⁴⁸ Ernst and Young online information. Viewed at: <https://www.ey.com/Publication/vwLUAssets/ey-focus-on-the-trinidad-tobago-budget-2017/%24FILE/ey-focus-on-the-trinidad-tobago-budget-2017.pdf>.

Table 4.15 Main indicators of the manufacturing sector, 2012-17

	2012	2013	2014	2015	2016	2017 ^a
GDP by economic activity (as a share of current GDP at purchaser price)						
Manufacturing	19.5	15.4	16.0	15.1	17.1	15.7
Food, beverages and tobacco products	3.2	3.3	3.4	4.8	5.1	4.8
Textiles, clothing, leather, wood, paper and printing	1.0	0.8	0.6	0.6	0.6	0.5
Petroleum and chemical products	14.0	9.8	10.6	8.4	10	8.9
Other manufactured products	1.4	1.6	1.5	1.3	1.5	1.4
GDP by economic activity (real growth rate based on constant 2012 prices)						
Manufacturing	-0.8	0.9	-3.3	0.9	-3.4	-2.6
Food, beverages and tobacco products	6.0	-1.1	-2.8	2.6	9.7	12.0
Textiles, clothing, leather, wood, paper and printing	10.4	-3.1	-5.9	-9.6	-6.6	-1.6
Petroleum and chemical products	-4.7	1.6	-3.9	1.9	-4.5	-0.1
Other manufactured products	30.2	1.4	3.2	-6.6	-20.7	-4.3

a Provisional data.

Source: Central Bank; MOF; IMF Article IV consultation; IMF International Financial Statistics; and data provided by the authorities.

4.86. In 2017, Trinidad and Tobago's main import sources for manufactured products were the United States and China. The average applied MFN tariff on WTO non-agriculture products was 7.3% in 2018, up from 6.8% in 2011 (Table 3.1). In 2018, tariff rates ranged from zero to 67.5%; 3,508 lines were duty free, corresponding to 65.4% of all manufacture tariff lines or 54.1% of all tariff lines, and the highest tariff rate (67.5%) applied to two tariff lines: 87032490 (other motor cars, with cylinder capacity >3,499 cc), and 87033390 (taxis and other motor cars, diesel/semi-diesel, with cylinder capacity >3,499 cc).

4.87. Trinidad and Tobago applies no tariff quotas. Import and export prohibition and licensing requirements on manufacturing products are detailed in Section 3.1. In 2014, an anti-dumping investigation was initiated concerning the alleged dumping of aluminium extrusions originating from China (Section 3.1.5).

4.88. The Government provides incentives to the manufacturing sector (Table 4.16). In May 2018, the Forex Facility was launched, with an initial capitalization of USD 100 million, to secure foreign exchange for manufacturers who export (Sections 3.2.5 and 3.3.1.2). To benefit from it, applicants must be established or existing SME manufacturers under certain conditions. All funds obtained from exporting through the Facility must be repatriated.⁴⁹

4.89. The 2018 Budget Statement proposed more incentives to the manufacturing sector, notably the re-introduction of export allowances for manufacturers. The authorities indicated that this proposal has not been implemented. In addition, the 2018 Budget proposed to set up a garment production facility for the fashion industry as part of the incentives allocated to the creative sector. The authorities stated that access to incentives has not been easy, in practice.

Table 4.16 Investment incentives for the manufacturing sector

Sector and incentive programmes	Description
Fiscal incentives	Exemption from customs duties for the construction of an approved project; Exemption from VAT;
Fiscal Incentives Act, Chapter 85:01	Exemption from income tax on dividends or other distributions, other than interest, out-of-profits or gains derived from the manufacturing of the approved product during the tax holiday period
Import duty concessions	Exemption from customs duties on raw materials, machinery and equipment and, in some cases, packaging materials, based upon the provisions of the Third Schedule of the Customs Act, Chapter 78:01 (as amended)
Approved small company status	Approved small company status is a designation granted to a limited liability company, allowing it to benefit from tax relief for a period of five years
Free Trade Zones	Free zone activities (Section 3.2). Sales to the customs territory are treated as extra-regional imports

⁴⁹ EXIMBANK online information. Viewed at: <http://www.eximbanktt.com/index.html>.

Sector and incentive programmes	Description
Allowances to the manufacturing sector	Where a person carrying on a trade incurs capital expenditure on the provision of machinery or plant for the purposes of that trade, there shall be made to him, for the year of assessment in the basis period for which the expenditure is incurred, an allowance equal to 90% of the expenditure incurred in the provision of machinery and plant for the purposes of that trade

Source: MOF, *Major Investment Incentives in Trinidad and Tobago*. Viewed at: <http://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>.

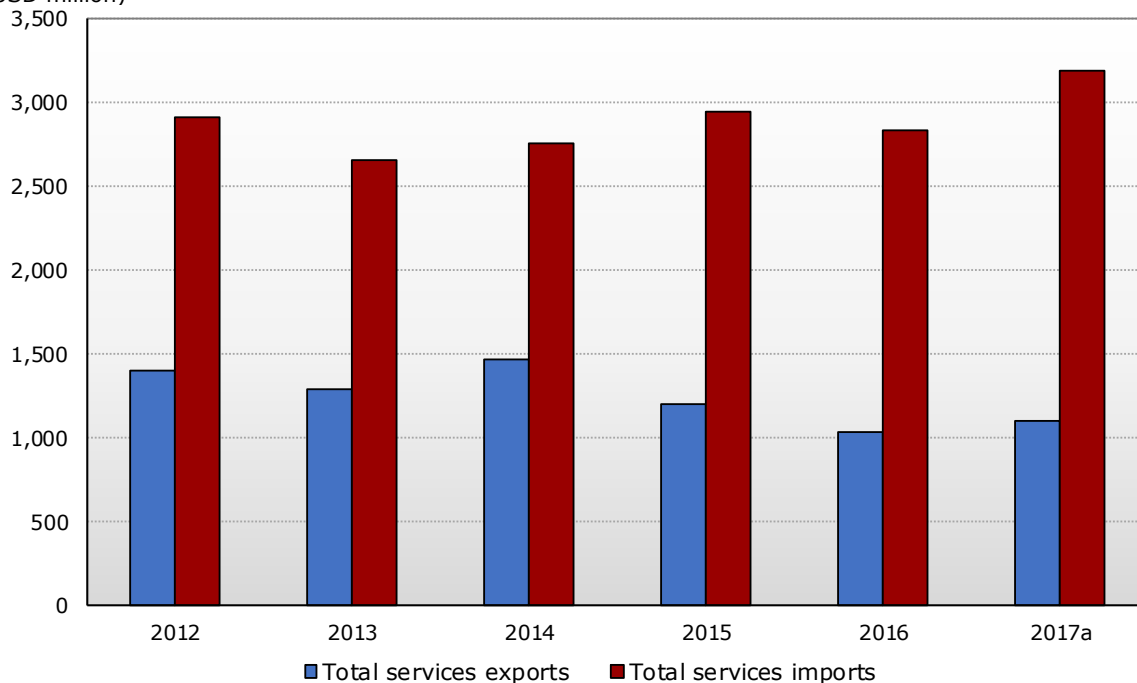
4.5 Services

4.90. The services sector accounted for 59.6% of GDP in 2017⁵⁰, up from 46% in 2010, and employs nearly 70% of the total workforce in the economy (2010 figures). Trinidad and Tobago has a trade deficit in services; during the period under review, the export value was less than half of the import value (Chart 4.9). In terms of export value, the main services subsectors were: travel (in particular personal travel), transport (in particular air transport), insurance, and technical trade-related and other business services (Table 1.4). In terms of import value, the main services subsectors were: technical trade-related and other business services, transport (in particular sea transport), and insurance (in particular reinsurance).

4.91. Trinidad and Tobago made sector-specific GATS commitments with respect to 8 of the 12 sectors, as per the WTO classification in the Uruguay Round. Most commitments are specific to certain subsectors. Trinidad and Tobago listed exemptions to MFN treatment under maritime transport for cargo reservations under the UN Code of Conduct on Liner Conferences, and for all sectors for bilateral investment promotion and protection treaties, for an unlimited period.⁵¹ Trinidad and Tobago did not make any notifications under GATS Articles III:3 or III:4 (Section 2.3.1).

Chart 4.9 Total services exports and imports, 2012-17

(USD million)



a Provisional data.

Source: Central Bank.

⁵⁰ This share excludes electricity, gas, water, and construction services.

⁵¹ WTO document GATS/SC/86, 15 April 1994.

4.5.1 Financial services

4.92. The financial services sector remains stable despite recessions in the past few years. Banks are well-capitalized and profitable, and credit quality remains relatively high. The non-performing loan (NPL) ratio, one of the lowest in the region, has been declining since 2011. However, according to the IMF report, late-2017 and early-2018 data indicate some weakening in asset quality, with the NPL ratio rising for real estate and credit cards, and with a discernible increase in the overall level of past-due loans for 30-89 days.⁵² The insurance sector has remained resilient despite large claims from the 2017 hurricanes in the region (Section 4.5.1.2).

4.93. The financial services sector contributed approximately 7.7% of GDP in 2017 (Table 1.1), and accounted for 10% of the work force.⁵³ It comprises commercial banks, non-bank financial institutions, insurance companies, the Trinidad and Tobago Stock Exchange, the Unit Trust Corporation, the Home Mortgage Bank, and the Deposit Insurance Corporation (Table 4.17). According to the Central Bank Annual Report, the asset base⁵⁴ of the financial system showed little growth in 2017, ending at just over TTD 300 billion. The banking, insurance and pension sectors accounted for about 80% of financial system assets, while seven institutions collectively accounted for about half of the assets (four banks, two large insurers, and the Unit Trust Corporation).⁵⁵

Table 4.17 The financial system, June 2018

	Number of institutions (branches ^a)	Total assets (TTD mn.)
Central Bank	1	66,249
Commercial banks	8 (122)	136,695
Finance companies and merchant banks	10 (46)	6,837
Trust and mortgage finance companies	6 (6)	1,734
Thrift institutions (building societies)	2 (2)	136
Development banks	2 (10)	4,931
Unit Trust Corporation	1 (19) ^b	21,424
Credit unions	129 ^c	13,703 ^c
National Insurance Board	1 (15) ^d	27,994
Insurance companies ^e	34	49,385
Deposit Insurance Corporation	1	3,253
Home Mortgage Bank	1 (2)	2,834
Venture capital companies	..	..
Trinidad and Tobago Stock Exchange	1	80 ^f
EXIMBANK	1	495

.. Not available.

a Number of branches as at November 2018.

b Includes nine investment centres and ten authorized agents.

c As at 2015.

d Includes one collection centre.

e Refers to all insurance companies (active and inactive) - life, non-life and composite.

f As at 2017.

Source: Central Bank.

4.5.1.1 Banking

4.94. The banking sector includes both the licensed commercial banks and non-bank financial institutions, both of which are regulated by the Central Bank in accordance with the Financial

⁵² IMF (2018), *2018 Article IV Consultation – Trinidad and Tobago*. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2018/09/25/Trinidad-and-Tobago-2018-Article-IV-Consultation-Press-Release-and-Staff-Report-46267>.

⁵³ InvestTT online information. Viewed at: <http://www.investt.co.tt/industries-and-opportunities/financial-services/>.

⁵⁴ This includes the assets of the Colonial Life Insurance Company Limited (CLICO) and the British American Insurance Company (Trinidad) Limited (BAT), but excludes Central Bank assets.

⁵⁵ Central Bank (2018), *Annual Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/CBTT%202017%20Annual%20Report_final.pdf. The four banks are: the Republic Bank, the First Citizens Bank, the Scotia Bank Trinidad and Tobago, and the RBC Royal Bank (Trinidad and Tobago) Limited. The two insurance companies are: Guardian Life, and Sagicor.

Institutions Act (FIA), 2008. Foreign financial institutions are allowed to conduct business in the country through licensed subsidiaries.⁵⁶ To obtain a licence, a foreign financial institution must, *inter alia*, appoint a resident of Trinidad and Tobago as its principal representative, and be subject to regulation and supervision in its home jurisdiction that is satisfactory to the Central Bank of Trinidad and Tobago. The foreign financial institution must maintain similar capital adequacy requirements as a licensed domestic financial institution, or a larger amount that the Central Bank may specify.

4.95. In 2018, there were eight commercial banks, of which two were local, and the rest were foreign invested. As at September 2018, the two local banks had a market share of 55.5%, compared with 52.3% in 2011. In 2018, commercial banks had TTD 139 billion in assets, which was about 90% of GDP.

4.96. The banking sector has remained relatively stable, with high capital buffers and improved credit quality of loan portfolios. Profitability, as measured by return on equity (ROE), went up from 15.8% in 2013 to 19.0% in 2017, while return on assets went up from 2.5% to 2.9% during the same period (Table 4.18).⁵⁷ Commercial banks' profits came mainly from interest margins, while the non-bank sector derives a large share of profits from fees instead of interest income, as it engages in trustee business, asset management, and merchant banking. From 2012 to 2017, the interest rate spread (i.e. the spread between average lending and deposit rates) fell slightly from 8.2% to 7.6%.⁵⁸

Table 4.18 Banking sector financial soundness indicators, 2013-17

(%)

	2013	2014	2015	2016	2017
Capital adequacy					
Regulatory capital-to-risk-weighted assets	25.0	24.6	24.1	23.8	23.4
Regulatory Tier I capital-to-risk-weighted assets	23.7	24.3	25.0	23.0	23.1
Regulatory capital-to-total assets	13.3	12.5	12.6	12.5	12.9
Net open position in foreign exchange-to-capital	13.9	6.6	9.7	13.8	16.9
Asset quality					
NPLs-to-gross loans	4.3	4.4	3.7	3.2	3.0
NPLs (net of provisions)-to-capital	7.0	7.3	6.3	6.3	5.9
Earnings and profitability					
Return on assets	2.5	2.0	2.9	2.9	2.9
Return on equity	15.8	12.9	18.2	19.9	19.0
Interest margin-to-gross income	58.9	55.7	57.8	62.0	64.8
Non-interest income-to-gross income	41.1	44.3	42.2	38.0	35.2
Non-interest expenses-to-gross income	62.3	67.6	61.8	60.0	58.2
Liquidity					
Liquid assets-to-total assets	26.8	25.0	23.1	21.8	19.7
Liquid assets-to-total short-term liabilities	35.7	32.5	30.6	27.8	25.3
Customer deposits-to-total (non-interbank) loans	178.3	174.3	159.8	164.6	154.7
Foreign currency liabilities-to-total liabilities	26.0	23.8	25.4	26	26.4

Source: Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

4.97. Gross assets of the banking sector declined by 1.5% in 2017.⁵⁹ Liquid funds remained at healthy levels, although the ratio of liquid assets to total assets fell from 26.8% in 2013 to 19.7% in 2017. According to the Central Bank, this is probably due to banks using liquid assets to meet large withdrawals from government-related entities. The Central Bank's Financial Stability Report indicated that these withdrawals might be the consequence of the Government's fiscal consolidation

⁵⁶ The authorities stated that, in practice, the Central Bank prefers foreign financial institutions to conduct business through licensed subsidiaries than branches. In practice, foreign bank branches are not allowed to conduct business in the country.

⁵⁷ Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

⁵⁸ IMF (2018), *2018 Article IV Consultation – Trinidad and Tobago*, Table 5.

⁵⁹ Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

efforts and, hence, the lower subventions to certain public bodies.⁶⁰ The asset composition of the banking sector has recently remained relatively unchanged, with loans and investment accounting for 48% and 24% of total banking sector assets, respectively.⁶¹ More than a quarter (27%) of total loans and investments in 2017 were to the Government and state-owned entities.

4.98. Commercial banks remain well-capitalized: the regulatory capital-to-risk-weighted assets ratio (CAR) under Basel I has remained above 23% (against a prudential requirement of 8%), and the regulatory Tier 1 capital-to-risk-weighted assets ratio has also remained over 23% (against a prudential requirement of 4%). Currently, the Central Bank is preparing the implementation of the Basel II standards to improve the risk sensitivity of capital requirements. In this regard, the it conducted a second quantitative impact study in 2017 to determine the impact of the new rules on individual banks, and on the banking system as a whole. The results showed that all licensees met the proposed minimum capital requirements, as the banking sector CARs exceeded 20% on average. Phase 2 of the Basel II implementation is to commence in early 2019.

4.99. The Central Bank has the sole right to issue notes and coins in Trinidad and Tobago, and such notes and coins are legal tender in the country. It has not issued any digital currency. According to its Financial Stability Report, the Central Bank has adopted an accommodative stance on digital currencies, and does not prohibit cryptocurrencies. The Central Bank's 2016-20 Strategic Plan contains strategic objectives, such as the development of an e-money policy, a virtual currency policy, and a Payment System Act. Financial institutions (licensees and insurers) must obtain approval from the Central Bank before launching any new or materially different product or service. The Central Bank advises financial institutions to exercise robust due diligence to protect customer information, ensure adequate cybersecurity, and mitigate money laundering/terrorism financing risks. It also participates actively in regional committees, such as the Caribbean Fintech Working Group, and the Centre for Latin American Monetary Studies Fintech Forum, to develop the regulatory framework on digital currencies.⁶²

4.5.1.2 Insurance

4.100. In 2017, there were 34 companies providing insurance services in Trinidad and Tobago, of which 31 were active; of these, 7 provided life insurance business exclusively, 17 provided general insurance exclusively, and 7 provided composite (both life and general) insurance. Four of the insurance companies were foreign invested. The insurance sector has remained resilient despite large claims from the 2017 hurricanes.⁶³

4.101. The life insurance sector, which accounted for 81% of the industry's assets, continued its positive trend (Table 4.19). The assets of life insurance firms reached TTD 25.6 billion in December 2017, up from TTD 15 billion in 2010. Two regional players collectively represent 60.7% of the sector's assets and 64.9% of the annual premium income. Gross annual premium income has been growing steadily, from TTD 3.5 billion at end-2013 to TTD 4.5 billion at end-2017. Profitability, as measured by ROE, reached 13.8% in 2017, while the investment yield continued to recover.

4.102. The non-life insurance sector was affected negatively by the catastrophic hurricane in the Caribbean region in 2017, with the loss ratio rising from 45.0% in 2013 to 55.0% in 2017, and the ROE declining from 20.0% to 3.6% during the same period. Reinsurance protected the sector against further decline. Liquidity in the sector remained solid despite increased claims. Total assets of non-life insurance firms went up from TTD 4.0 billion in 2010 to TTD 6.2 billion in 2017, although the increase in 2017 was transient as the assets were temporarily inflated by funds advanced from reinsurers for payments of claims caused by the hurricane.⁶⁴ Annual gross premium income declined from TTD 3.9 billion in 2015 to TTD 3.5 billion in 2017. In terms of annual gross premiums, one third

⁶⁰ Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

⁶¹ Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

⁶² Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

⁶³ IMF (2018), *2018 Article IV Consultation – Trinidad and Tobago*.

⁶⁴ Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

of the market was controlled by one institution.⁶⁵ Among the insurance business activities, motor and property insurance accounted for 39.5% and 43.1% of gross premiums written, respectively.

Table 4.19 Life and non-life insurance sectors' financial soundness indicators, 2013-17

(%)

	2013	2014	2015	2016	2017
Life insurance sector					
Capital adequacy					
Capital-to-total assets	21.2	21.3	20.7	20.3	21.5
Capital-to-technical reserves	28.6	29.5	28.6	27.7	29.8
Asset quality					
(Real estate + unquoted equities + debtors)-to-total assets	10.5	7.4	7.8	8.0	8.6
Earnings and profitability					
Expense ratio	35.1	33.6	33.1	28.9	31.0
Investment yield = investment income-to-investment assets	5.1	4.8	4.5	4.7	4.7
ROE	15.1	10.6	11.3	15.4	13.8
Liquidity					
Liquid assets-to-current liabilities	32.6	34.2	37.7	27.4	25.0
Non-life insurance sector					
Asset quality					
(Real estate + unquoted equities + debtors)-to-total assets	13.5	13.8	16.4	17.9	18.5
Debtors-to-(gross premiums + reinsurance recoveries)	11.2	11.0	14.1	16.0	11.4
Reinsurance and actuarial issues					
Risk retention ratio: net premiums written-to-total gross premiums	43.0	42.5	43.0	45.8	45.2
Net technical reserves-to-average of net claims paid in the last three years	168.3	171.1	176.1	168.2	161.2
Earnings and profitability					
Combined ratio					
Expense ratio: expense-to-net premiums	51.1	51.4	52.2	55.5	57.6
Loss ratio: net claims-to-net earned premiums	45.3	44.3	48.6	47.2	55.1
Investment income-to-net premium	10.3	5.8	5.8	6.1	6.7
ROE = pre-tax profits-to-shareholders' funds	20.0	14.2	10.1	12.7	3.6
Return on assets	8.9	6.4	4.8	5.8	1.6
Liquidity					
Liquid assets-to-current liabilities	60.5	61.2	58.9	49.3	48.8

Source: Central Bank (2018), *Financial Stability Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

4.103. The insurance sector is regulated by the Central Bank in accordance with the Insurance Act, 1980. A new Insurance Act was passed in the Lower House in February 2018 and in the Senate in May 2018, and was assented to in June 2018. Once the accompanying regulations are finalized, the Insurance Act, 2018 is to come into force on a date to be proclaimed by the President.

4.104. This Act will give the Central Bank the power to more effectively supervise and regulate the sector, and protect the interests of policy holders. Compared to the 1980 Act, the new Act includes provisions to promote financial soundness by requiring adequate capital buffers to cater for unanticipated losses; current legislation requires TTD 3 million in capital, irrespective of business size. The new Act requires both long-term and general insurers to hold a minimum stated capital of TTD 15 million. Companies that are registered to conduct both long-term and general insurance business at the commencement of the Act will be required to hold a minimum stated capital of TTD 22.5 million. Furthermore, the new Act requires all insurers to hold adequate capital in accordance with the Act and the regulations thereunder, i.e. a minimum net Tier 1 ratio of 105% and a regulatory capital ratio of 150%.

4.105. The 2018 Act will also address risks posed by financial or mixed conglomerates, and harmonize with the Financial Institutions Act by:

⁶⁵ Central Bank (2018), *Financial Stability Report 2017*, pg. 22. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/FSR_2017_Final.pdf.

- a. requiring the Central Bank to approve significant shareholders, controlling shareholders, and acquirers, on "fit and proper" grounds;⁶⁶
- b. requiring mixed/complex groups to establish a financial holding company (FHC) to separate financial entities from non-financial entities, and to protect insurers from group risk and contagion;
- c. placing limits on related party transactions;
- d. requiring that transfers and amalgamations of insurance business, mergers and acquisitions be first approved by the Central Bank;
- e. overseeing external subsidiaries; and
- f. providing for adequate capital at the level of financial holding companies in addition to that of the insurance subsidiary.

4.106. All insurance companies must maintain a statutory fund, with assets equivalent to their Trinidad and Tobago policyholders' liabilities and reserves. Investments in Trinidad and Tobago assets must be at least 80% of their Trinidad and Tobago dollar liabilities. For purposes of investment of assets in the statutory fund, assets originating in CARICOM countries are treated as assets in Trinidad and Tobago. Life and automobile insurers are required to have statutory funds to support policyholders' liability. All foreign firms providing life insurance, all non-life insurers whether foreign or domestic, and the association of underwriters must maintain statutory deposits. Domestic firms providing life insurance are not required to maintain statutory deposits. All insurers are required to have adequate reinsurance. Insurance products of all insurers must be approved by the regulator.

4.107. If approved by the Central Bank, cross-ownership of financial institutions is permitted. A financial entity (such as a bank, a non-bank or insurance company) or a significant/controlling shareholder of a financial entity may become an "acquirer" of a licensee with the permission of the Central Bank or the Minister of Finance, as applicable. If a bank/non-bank seeks to acquire 10% or more of the shares of an insurance company registered under the Insurance Act, it must first seek the approval of the Central Bank. However, it cannot acquire any part/share of an insurance company if the:

- a. aggregate value of all the bank/non-bank's shareholding is greater than 100% of its capital base; or
- b. shareholding is greater than 25% of the bank/non-bank's capital base.

4.108. Foreign firms may conduct insurance business in Trinidad and Tobago if they are locally incorporated or appoint a local resident as their principal representative. This requirement does not apply to companies from other CARICOM countries. Foreign firms are required to deposit TTD 250,000 with the Central Bank to be able to carry out long-term insurance business in the country. Local residents may purchase insurance products abroad, and there is no restriction on foreign firms advertising insurance products to residents in Trinidad and Tobago.

4.109. Following the collapse of the CL Financial Group and its subsidiaries, CLICO and BAT in 2009⁶⁷, a resolution plan was announced in 2015. The plan involved phased payments to CLICO's policyholders and creditors from the monetization of CLICO's assets. In 2016, special directions were issued to facilitate an earlier settlement of liabilities to unconnected "third party" short-term investment product holders and mutual fund holders, including the Government. In May 2017, CLICO

⁶⁶ "Fit and proper" grounds include: in the case of an individual, criteria in respect of good character and probity, competence, soundness of judgement for fulfilling the responsibilities of that position, diligence, and whether the interests of policyholders or potential policyholders of the registrant or financial holding company are, or are likely to be, threatened in any way by the individual holding that position; and, in the case of a company, whether the company is guilty of an offence, the company's financial resources, and whether the company has conducted its business in a prudent manner. Viewed at:

<http://www.ttparliament.org/legislations/a2018-04g.pdf>. The Central Bank may also issue Guidelines under the Insurance Act, 2018 concerning fitness and propriety.

⁶⁷ WTO document, WT/TPR/S/260/Rev.1.

and the Government agreed the transfer of CLICO's 100% shareholdings in Occidental Investments Limited (OIL) and Oceanic Properties Limited (OPL) to the state enterprise, Golden Grove–Buccoo Limited, on the basis of an independent valuation, and thus reducing CLICO's liability to the Government.⁶⁸

4.5.1.3 Securities

4.110. When measured by overall market capitalization and levels of trading activity, the securities market in Trinidad and Tobago remains one of the largest in the region. The securities market comprises three major product types: equities, collective investment schemes (CISs), and fixed income instruments. The equity market has been growing, with 39 companies listed on its Stock Exchange in 2017 (up from 32 in 2010). The total value of these securities, as measured by market capitalization, reached TTD 129 billion by end-2017, much higher than the TTD 77.8 billion in 2010.

4.111. The sector's regulator, the Trinidad and Tobago Securities and Exchange Commission (TTSEC), was originally established in 1997 pursuant to the Securities Industry Act, 1995 (SIA). The SIA was repealed and replaced by the Securities Act, 2012 (SA 2012) on 31 December 2012. Securities that are distributed in Trinidad and Tobago, as well as the companies that issue those securities, are required to be registered (unless exempted from registration under the SA 2012) with the TTSEC. In addition, certain securities market actors, such as issuers, broker-dealers, investment advisers, underwriters, registered representatives and self-regulatory organizations, are required to be registered with the TTSEC.

4.112. The TTSEC is an independent regulatory body. It has the power to, *inter alia*:

- a. formulate principles for the guidance of the securities industry;
- b. make recommendations to the Minister of Finance to create by-laws for the local securities industry;
- c. review and approve change of control transactions (such as take-overs, mergers, and amalgamations);
- d. conduct inspections of market participants; and
- e. take enforcement action where there is non-compliance with the securities legislation/regulations.

4.113. To foster the growth and development of the securities market, the TTSEC has been making efforts to develop and revise (through the Minister of Finance) the legislation and regulations related to the securities market. In 2018, the TTSEC amended its Repurchase Agreement Guidelines and its Anti-Money Laundering/Combating the Financing of Terrorism Guidelines. It is currently working on amending and/or developing:

- a. the Market Conduct Guidelines;
- b. the Collective Investment Scheme By-Laws;
- c. the Take-Over By-Laws;
- d. the Shelf Registration Policies and Guidelines;
- e. the De-registration Guidelines; and
- f. the FINTECH Agenda.

⁶⁸ Central Bank, 2018, *Annual Report 2017*. Viewed at: https://www.central-bank.org.tt/sites/default/files/reports/CBTT%202017%20Annual%20Report_final.pdf.

4.5.2 Telecommunications and broadcasting

4.5.2.1 Structure

4.114. The revenues collected from the telecommunications and broadcasting sectors contributed 3.4% to GDP in 2017. The sector comprises mobile telephony, fixed-line telephony, Internet, and broadcasting.⁶⁹ The Government has an indirect equity stake in a major telecommunications operator, the Telecommunications Services of Trinidad and Tobago Limited (TSTT), as it is the majority stakeholder of National Enterprises Limited which owns 51% of TSTT. The Government also fully owns the following broadcasting operators: Caribbean New Media Group Limited (which operates three radio stations and one television station); Parliament of the Republic of Trinidad and Tobago (which operates one radio station and one television station); and Government Information Services Limited (which operates one television station). Ownership changes over the review period included: (a) the acquisition of the Columbus International Inc. telecommunications company by Cable and Wireless Communications, PLC (CW) in 2015⁷⁰; (b) the acquisition by One Caribbean Media (a free-to-air broadcasting company) of GreenDot Limited (an Internet and subscription TV company) in 2016; and (c) the acquisition in 2017 by TSTT of Massey Communications Limited (now branded as Amplia Communications), which provides fixed line, Internet and subscription TV services.

4.5.2.2 Mobile telephony

4.115. Mobile telephony is one of the telecommunications sector's main segments, accounting for 30.2% of the sector's revenue in 2017. Mobile telephone subscriptions increased from 2 million in 2010 (a penetration rate of over 143%), to 2.03 million in 2017 (a penetration rate of 150%). The sector continues to comprise two operators: TSTT and Digicel Trinidad Limited. Data on the market share of these operators was not available. In 2017, Trinidad and Tobago was ranked 8th in the America's region for mobile cellular prices, based on the International Telecommunication Union's (ITU) mobile cellular price basket (calculations based on percentage of GNI per capita), and had the second lowest mobile cellular prices in the Caribbean.⁷¹

4.5.2.3 Fixed-line telephony

4.116. The fixed-voice market accounted for 13.4% of the sector's revenue in 2017. The number of subscribers was 318,800 (a penetration rate of 23.5%) in 2017, up from 293,000 in 2010 (a penetration rate of 22%). There were six service providers in the fixed-line market at end-2017: TSTT (the incumbent), Columbus Communications Trinidad Limited, Lisa Communications Limited, Digicel (Trinidad and Tobago) Limited, Prism Services (Trinidad) Limited, and Amplia Communications Limited. Market share data was not available. Since 2012, there have been three new entrants to the fixed-line market. As explained by the authorities, the relatively high number of fixed-line operators and the dynamism of this subsector are related to the bundling together of concessions for Internet and voice services. In 2010, TSTT was designated as a dominant player in this market segment. Additionally, there are six active operators in the international switched telecommunications market (five of which offered networks and services, and one of which offered networks only); this market generated 6.2% of total telecommunications revenues. A price floor for income international termination rates implemented in 2010 was amended in 2013 with revised pricing rules. In 2017, Trinidad and Tobago was ranked 5th in the Americas region by the ITU for fixed-voice prices, and had the second lowest such prices in the Caribbean.

4.5.2.4 Internet

4.117. Internet services accounted for 30.4% of the sector's total revenues in 2017; it has become the top revenue-earner in the industry, overtaking mobile telephony. At end-2017, fixed Internet penetration reached 24.2% (compared with 17.4% in 2013), while mobile Internet penetration

⁶⁹ Almost all data in the subsections on the structure of the telecommunications sector have been taken from the TATT Annual Market Report 2017. Viewed at: <https://tatt.org.tt/ReportsStatistics.aspx>.

⁷⁰ As a condition to obtaining approval for this acquisition, CW was required to divest itself of its 49% equity interest in TSTT; however, no company has purchased this equity share yet. Online information. Viewed at: <http://www.guardian.co.tt/business/cable-and-wireless-completes-acquisition-columbus-6.2.362543.c957eee5e2>.

⁷¹ ITU ICT Price Basket. Viewed at: <https://www.itu.int/net4/ITU-D/ipb/#ipbrank-tab>.

reached 52% in 2017 (compared to 33.9% in 2013). There were 11 active fixed-line Internet service providers, and both mobile operators provide mobile Internet access.

4.5.2.5 Broadcasting

4.118. The broadcasting sector is made up of: pay television, free-to-air radio and television, and television broadcasting services via cable. Pay TV accounted for 13.5% of the telecommunication sector's revenues in 2017; free-to-air TV, 1.5%; and free-to-air radio, 2.9%. The subscription TV market is the main driver in the broadcasting segment, with 13 service providers in operation. The number of pay TV subscriptions increased from 209,300 in 2013 to 246,800 in 2017. This translates to a household penetration rate of just over 18%. At end-2017, there were 37 providers of free-to-air radio, and 6 providers of free-to-air TV. Additionally, 9 concessionaires provided TV broadcasting via cable.

4.5.2.6 Policy, legislative and regulatory framework

4.119. The policy direction for the telecommunications sector is contained in the draft National ICT Plan 2017-21, approved in August 2018. Its vision is to see empowered people, competitive businesses and transformational government through ICT and, at the same time, to support Vision 2030 (Section 2). The five strategic thrusts of the Plan are: (a) improving connectivity (advancing the deployment of the ICT infrastructure to support securely connected people, businesses and government); (b) increasing human capacity (enhancing digital literacy and developing skills to enable productivity and innovation); (c) enhancing public service delivery (ensuring the use of ICT to transform the delivery of public goods and services, and achieve institutional strength and capacity); (d) fostering economic development (creating an environment for eBusiness and ICT sector advancement); and (e) advancing environment and societal benefits (managing the use of ICT to minimize environmental impact and to tackle the most pressing social challenges facing the country). The Plan lists several targets to be achieved by 2021, which relate to increasing ICT's share in GDP; achieving higher levels of broadband access and employment creation; attaining higher rankings in regional and international indicators; and improving eGovernment services.⁷² As noted by the authorities, implementation will be in stages. For the 2018-19 period, initiatives to be advanced include: completion of the National ICT Implementation Plan 2018-22; upgrading of the Government Backbone Infrastructure (GovNeTT NG); advancement of cloud computing with a "cloud policy" expected to be taken to Cabinet for approval in early 2019; development of ICT standards; increased connectivity through the expansion of the TT WiFi initiative; and development of a government online payment solution.

4.120. The main law governing the telecommunications sector is the Telecommunications Act, 2001, amended in 2004.⁷³ The Act, and certain regulations⁷⁴, are undergoing amendments to be in compliance with its commitments under the CARIFORUM-EU Economic Partnership Agreement (Section 2) as well as to give Telecommunications Authority of Trinidad and Tobago (TATT) greater regulatory powers, including in the area of competition. The TATT continues to administer the Act, and is the regulatory authority for the sector.⁷⁵ Under the Act, operation of a public telecommunications or broadcasting service requires a concession from the TATT, while the use of spectrum requires a licence. No distinction is made between foreign and domestically-owned service providers when granting concessions and licences.

4.121. Since 2012, new regulations have been issued in the areas of universal service and accounting separation. Mandatory number portability was also introduced.

⁷² Fastforward II: Trinidad and Tobago's draft National ICT Plan 2017-21. Viewed at: <http://www.news.gov.tt/sites/default/files/Draft%20NICT%20Plan%202017-2021.pdf>.

⁷³ Telecommunications Act, as amended. Viewed at: <https://tatt.org.tt/Portals/0/ConsultativeDocuments/Telecommunications%20Act.pdf>.

⁷⁴ The Telecommunications Fees Methodology and the Authorization Framework for the Telecommunications and Broadcasting Sectors of Trinidad and Tobago are being revised. TATT online information. Viewed at: https://tatt.org.tt/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=1103&PortalId=0&TabId=222.

⁷⁵ The TATT's responsibilities are delineated in the Secretariat Report of the previous Review. WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

4.122. With respect to universal service, the TATT's mandate to develop a universal service requirement is contained in the Telecommunications Act (Section 28). To fulfil this mandate, the TATT published a Universal Service Framework in 2012 as a consultative document to inform the development of regulations in this area.⁷⁶ The Universal Service Regulations were subsequently issued in 2015.⁷⁷ Under the Regulations, the TATT is responsible for administering a Universal Service Fund (USF), which is financed through contributions based on operators' gross annual revenues, at a rate of 0.5% for domestic telecommunications services or operation of domestic telecommunications network facilities, and at a rate of 1% for international telecommunications services or operation of international telecommunications network facilities. Disbursement of the Fund is made to "mandatory" and "contractual" universal service initiatives, which are selected and monitored by the newly-established Universal Service Committee. Revisions to these Regulations are being undertaken. The TATT is currently pursuing three universal service initiatives to be funded through the USF: the National "Free" WiFi Initiative; the provision of assistive devices for persons with disabilities initiative; and infrastructure rollout initiatives within communities of Trinidad and Tobago

4.123. In 2015, the TATT issued the Telecommunications (Accounting Separation) Regulations which require that concessionaires providing two or more services submit to the TATT separate accounts at the end of each financial year.⁷⁸ The purpose of this measure is to ensure that there are no anti-competitive cross-subsidies between the services provided by the concessionaire, and that anti-competitive pricing is not taking place.⁷⁹

4.124. Mandatory number portability was set for launch in late 2016 by the TATT.⁸⁰ While mobile number portability has been successfully undertaken by operators, fixed number portability continues to be held up, due to challenges with the dominant operator.

4.125. There have been no changes to rules on interconnection since 2012, which are contained in the Telecommunications (Interconnection) Regulations; these are described in detail in the previous Review. Revisions to the Regulations are pending finalization. The TATT is required to publish providers' interconnection agreements, although commercially sensitive information is excluded.⁸¹ Over the review period, there have been two interconnection disputes.

4.126. The Telecommunications (Access to Facilities) Regulations, 2006, as amended in 2009, concern concessionaires' rights to each other's networks on a non-discriminatory basis. They remained unchanged over the review period; however, proposed revisions are being finalized.⁸²

4.127. The Telecommunications Tender Rules, 2004 detail the bidding procedures for licences for frequency and spectrum bands. These are described in the previous Review.

4.128. With respect to other regulatory developments, Telecommunications (Consumer) (Quality of Service) Regulations and Telecommunications (Submission of Information) Regulations have been drafted.

4.129. The TATT is mandated to set, review and approve prices in cases where, *inter alia*, there is only one service provider, or if a provider has a dominant market position, or if the operator of a public telecommunication service cross-subsidizes another telecommunication service, or if the TATT detects anti-competitive behaviour. The TATT's 2009 Price Regulation Framework remains in place; it defines relevant telecommunications markets, the methodology for assessing whether there is

⁷⁶ *Universal Service Framework*. Viewed at: <https://tatt.org.tt/Portals/0/ConsultativeDocuments/Universality%20Framework/Universal%20Service%20Framework%20June%202012.pdf>.

⁷⁷ Legal Notice No. 63 of 2015, *The Telecommunications (Universal Service) Regulations, 2015*. Viewed at: <https://tatt.org.tt/UniversalService.aspx>.

⁷⁸ Legal Notice 64 of 2015, *The Telecommunications (Accounting Separation) Regulations, 2015*.

⁷⁹ TATT. *Accounting Separation Guidelines for the Telecommunications Sector*. Viewed at: <https://tatt.org.tt/Portals/0/Documents/Accounting%20separation%20guidelines%20February%202012.pdf>.

⁸⁰ TATT Final Determination #2016:01 for the Implementation of Number Portability in Trinidad and Tobago pursuant to Section 25(2)(j) of the Telecommunications Act.

⁸¹ Interconnection agreements in force are available on the TATT website. Viewed at <https://tatt.org.tt/Announcements.aspx> (announcement dated 15 February 2017).

⁸² *Draft Telecommunications (Access to Facilities) Regulations*. Viewed at: <https://tatt.org.tt/ConsultativeDocs/TableofConsultativeDocuments.aspx>.

dominance or exclusivity of supply within those markets, and the imposition of price regulation if so justified. The Framework also details the different forms of price regulation and notification of price changes, the prevention of unfair cross-subsidies, anti-competitive pricing, and the treatment of new service offerings.

4.5.3 Transport

4.130. In 2017, the transport and storage sector accounted for 4.8% of GDP (up from 3.7% in 2012). With respect to policy directions for the transport sector, Vision 2030 (Section 2) contains, as a key theme, "Improving Productivity through Quality Infrastructure and Transportation". Its goals are to have a safe and operationally efficient transport system, and an inter-connected, well maintained transport infrastructure. It, *inter alia*, envisages the development of a National Transportation Plan, improvement of public transport service management systems, including through the use of advanced transport IT applications; improved Port Authority efficiency; modernized and expanded port and airport infrastructure; and enhanced transport services within Trinidad and Tobago.⁸³

4.5.3.1 Maritime transport

4.5.3.1.1 Shipping

4.131. The main law governing shipping is the Shipping Act (Chap. 50:10), last amended in 2007. Amendments to the Shipping Act have been drafted. While the sector continues to be regulated by the Maritime Services Division of the Ministry of Works and Transport, consideration is being given to establishing a Maritime Authority as a statutory body with greater autonomy; it is expected that this would increase the efficiency and effectiveness of the sector's operations and functions.⁸⁴ A Standing Committee for the Development of the Maritime Sector was established in 2016, and is charged with overseeing the sector's development; it comprises representatives from government ministries and key industry players. So far, its recommendations have led to more simplified documentary requirements and an increase in the allowable stay of foreign yachts, in order to attract more yachts to the island. The Marine Industry Development Committee no longer exists.

4.132. The condition for ships to be locally-registered remain unchanged; ships must be owned by nationals of Trinidad and Tobago or other CARICOM member States, or by foreigners engaged in bareboat charters or in joint venture shipping arrangements with Trinidad and Tobago nationals. Trinidad and Tobago does not have a national shipping line.

4.133. The authorities estimated that around 90% of maritime cabotage is conducted by the private sector. In order for a foreign vessel to perform cabotage services, a droghers certificate must be obtained to confirm the safety of the vessel; this is presented to the Customs and Excise Division which has the authority to issue the required licence to navigate. According to the authorities, maritime cabotage provided by state-owned bodies includes the transport by some energy sector bodies, as well as the operation of the Inter-Island Ferry Service between Trinidad and Tobago. The latter is operated by the Trinidad and Tobago Inter Island Transportation Company Limited (TTIT), a strategic business unit of the state-owned Port Authority of Trinidad and Tobago (PATT) (see below). The Inter-Island Ferry Service is the only ferry service operating between the two islands; it has been running at a loss for several years, and has been heavily subsidized. In 2018, its revenue was just over TTD 52.5 million, and expenditure just over TTD 329.8 billion. Over the review period, there was a significant decrease in passenger movements by maritime transport within the country; from 1,023,961 in 2012 to 505,254 in 2017. Data was not available on the size of the cabotage market for transportation of merchandise goods.

4.134. The cruise industry is regulated by the PATT. This has been a growth industry, with an increase in cruise passenger arrivals from 17,745 in 2012 to 32,159 in 2017.

⁸³ Vision 2030. Viewed at: <https://www.planning.gov.tt/sites/default/files/Vision%202030-%20The%20National%20Development%20Strategy%20of%20Trinidad%20and%20Tobago%202016-2030.pdf>.

⁸⁴ Government online information. Viewed at: <http://www.news.gov.tt/content/ministry-works-and-transport-establish-maritime-authority#.W-6hB-QUmUk>.

4.135. In 2017, the MTI released a Yachting Policy, as part of efforts to develop the maritime services sector, increase employment, and generate foreign exchange earnings. This was developed against the background of a fluctuating downward trend in the yachting industry, attributed by the authorities to: global factors such as declining economies; the construction of better infrastructure in other parts of the Caribbean; and Trinidad and Tobago's onerous immigration and customs procedures. The Policy notes Trinidad and Tobago's strategic geographic location below the hurricane belt, giving it an advantage in the provision of storage and yacht repair and maintenance services. The Policy contains various recommendations in the areas of product development; changes to the legal and regulatory framework; and human resource and environmental and social development.⁸⁵ According to the authorities, an implementation plan is being executed.

4.136. With respect to incentives available to the maritime sector, locally registered firms engaged in ship building and ship repair may import machinery, equipment and materials duty free. Firms in the sector may also benefit from free zone status (Section 3.2.4.2); currently, one transshipment firm is operating under this regime. As indicated by the authorities, the cruise and yachting industries may qualify as a "tourism project" and be eligible for benefits under the Tourism Development Act (Section 4.5.4).

4.137. Trinidad and Tobago does not maintain an open maritime registry. It is a member of the International Maritime Organization (IMO) and has ratified several of its conventions. It is also a signatory to the United Nations Code of Conduct on Liner Conferences Convention. It has not entered into any new maritime-related conventions or treaties since 2012.

4.5.3.1.2 Ports

4.138. There have been no changes to the legislation governing ports in Trinidad and Tobago since 2012: the Harbours Act and the Port Authority Act.

4.139. The Customs and Excise Division of the MOF has responsibility for overseeing the establishment of new ports. Transportation policy and formulation is the responsibility of the Ministry of Works and Transport. Trinidad and Tobago has three major seas ports: Port of Port of Spain and Point Lisas Port in Trinidad, and Port of Scarborough in Tobago (see below). There are 27 other port facilities, which are overseen by the PATT. According to the authorities, foreign investment in ports is not restricted, as long as the normal permissions have been obtained. A cooperation agreement was signed between Trinidad and Tobago and a Chinese company in 2018 to create a drydocking facility at La Brea; it will provide inspection, ship repairs and maintenance for vessels crossing the West Atlantic.⁸⁶ Additionally, a proposal has been made to build a port at Toco in the north-east of the country, with supporting road infrastructure, which would support cabotage services between Trinidad and Tobago.

4.140. The port of Port of Spain is the country's largest port, and handles all major dry cargoes, container and general cargo, and break bulk cargo. In 2018, it handled 267,752 TEUs, down from 381,232 TEUs in 2013. Around 33% of containerized and 27% of non-containerized cargo arriving at this Port is transhipped. In 2018, it recorded 20.5 container moves per hour.

4.141. Point Lisas Port is a multi-purpose port. It has specialized installations for loading industrial cargo, and infrastructure for the handling of containers and general cargo. Over the period 2012-18, it handled an average of around 186,000 TEUs of containerized cargo per year, and an average of 304,503 tonnes of general cargo. In 2018, it recorded 26 container moves per hour.

4.142. Scarborough Port is mainly used for inter-island passenger and cargo transport, and international cruise ships. Cargo handled at this port averaged just over 4,000 TEUs per year over the period 2014-18.

4.143. The Port of Spain and the Port of Scarborough are managed by the PATT, a statutory body under the responsibility of the Ministry of Works and Transport. A unit within the PATT, the Port of Spain Infrastructure Company (POSINCO), acts as landowner and lease operator of the PATT. Another unit, the Port of Port of Spain (PPOS) manages container and cargo-handling operations.

⁸⁵ MTI Yachting Policy. Viewed at: <https://tradeind.gov.tt/yachting-policy-trinidad-tobago>.

⁸⁶ Trinidad and Tobago Guardian online information. *La Brea docking facility creating 5,000 jobs*, 7 September 2018. Viewed at: www.guardian.co.tt.

The PATT had operated at a loss for several years until 2018 when it posted a profit; the Government has been providing funding for the repayment of loans as well as certain projects.⁸⁷ Apparently, measures taken to restore the PATT to profitability included a reduction in overtime expenditure, and increased revenue through a growth in market share. Point Lisas Port is managed by the Point Lisas Port Development Company (PLIPDECO); it is a public company which is 51% owned by the Government, and 49% owned by private shareholders.⁸⁸ It operated at a profit over the review period. Trinidad and Tobago has no restrictions on foreign suppliers of auxiliary port services; however, information was not available on whether foreign suppliers are present in the market, in practice.

4.144. Apparently, there have been some efficiency gains through: the purchase of new container scanning equipment; the upgrade of customs software to ASYCUDA World; the 2013 amendments to the Customs Act requiring the provision of advance cargo information, thus enabling advance import document processing and risk assessment (Section 3.1.1); a change in the terminal operating system software at Port of Spain and Point Lisas; and the implementation of a new vessel traffic management system at Point Lisas. Additionally, in 2016, a new e-maritime function went live on TTBizLink, which allows for the e-processing of vessel arrivals and departures at the major ports. However, vessel and cargo management challenges at the Port of Port of Spain still persist, and include: channel restrictions which limit the size of vessels that can be accommodated at ports; lack of funds for the upgrade/replacement of poor/deteriorating infrastructure; administrative challenges generated by stakeholders and customs, resulting in congestion due to excessive dwell time of cargo; lack of equipment to deal with certain types of cargo; and unproductive working practices built into industrial agreements.⁸⁹

4.5.3.2 Air transport

4.145. Policy formulation and implementation for the airline sector is the responsibility of the Ministry of Works and Transport. The Trinidad and Tobago Civil Aviation Authority (TTCAA) is the regulator for the industry. The Civil Aviation Act, last amended in 2003, and the Airports Authority Act, last amended in 2007, are the main laws governing the sector.

4.146. Under the Civil Aviation Act, the TTCAA is, *inter alia*, responsible for: regulating civil aviation operations in the territory, as well as the operation of maintenance organizations in respect of aircraft on the Trinidad and Tobago register; issuing, renewing and amending civil aviation licences and collecting the respective fees; and providing a system of air traffic services. The Authority is also responsible for aviation safety and security, and for maintaining a national aircraft register. Under the Civil Aviation (Tenders Committee) Rules, 2004, TTCAA contracts cannot be awarded to non-residents, foreign companies or partnerships without prior written approval from the Minister. As noted in the previous Review, apparently this is for monitoring purposes.⁹⁰

4.147. In 2017, there were 1,938,204 international passenger movements to and from Trinidad and Tobago by air transport, and 958,836 domestic passenger movements. In the same year, just over 10.5 million kg of exports merchandise goods were transported through this mode, and just over 14.5 million kg of imports.

4.148. There are four nationally-registered air operators; Caribbean Airlines, which is also the national carrier which provides international passenger and cargo services to destinations in the Caribbean and North and South America, and three helicopter operators. Information was not available regarding the Government's equity stake in these operators. It appears that Caribbean Airlines reaches a government subsidy (Section 3.3.5).

4.149. Under the CARICOM Multilateral Air Services Agreement, CARICOM-designated air carriers can offer all types of air services within CARICOM. The Agreement also establishes guidelines on competition, fares and security. Trinidad has 20 bilateral air services agreements (ASAs), the most

⁸⁷ [As reported by the authorities, the PATT posted a loss of over TTD 12.7 million in 2017, followed by a profit of just over TTD 8.7 million in 2018.](#)

⁸⁸ PLIPDECO online information. Viewed at: <http://www.plipdeco.com/main/index.php?page=corporate-overview>.

⁸⁹ Joint Select Committee inquiry into the administration and operations of the PATT. Viewed at: <http://www.ttparliament.org/reports/p10-s5-J-20150313-JSC2-r19-PATT.pdf>.

⁹⁰ WTO document WT/TPR/S/260/Rev.1, 2 May 2012.

liberal of which are those with Canada and the United States. Since 2012, a new ASA entered into force with India, and a revised ASA entered into force with Canada. Additionally, Trinidad and Tobago has MOUs with a number of countries. Non-CARICOM airlines are subject to cabotage restrictions for both cargo and passenger transportation.

4.150. There are two international airports, the Piarco International Airport in Trinidad and the ANR Robinson International Airport in Tobago. In 2018, there were 15 international airlines operating out of Piarco and 5 operating out of ANR Robinson.⁹¹ Both airports are owned and managed by the government-controlled Airports Authority of Trinidad and Tobago. As noted in the previous Review, airports may only be built and owned by the Government and operated by the Airports Authority. The latter issues tenders for ground handling and auxiliary services locally, regionally and internationally; there are foreign providers present in the market. Construction of a new terminal and associated works is foreseen at ANR Robinson International Airport (Section 3.3.5).

4.151. A departure tax of TTD 100 is levied on all persons over five years old departing from Trinidad and Tobago's airports to a foreign country.

4.5.4 Tourism

4.152. In 2017, the tourism sector accounted for 2.8% of GDP, and for 3.7% of total employment. However, the indirect contribution of tourism to the economy is estimated at 7.7% of GDP. In 2017, there were 394,650 visitor arrivals; the largest source market was the United States, which accounted for 43% of arrivals, followed by: the Caribbean (19.8%); Canada (13.3%); and the United Kingdom (8%). The main purpose for tourist arrivals was to visit friends and family; thereafter, reasons included leisure/beach vacations, and for business/attending conventions.⁹²

4.153. There have been no changes, since 2012, to the law governing the tourism sector, the Tourism Development Act (Chap. 87:22). The Ministry of Tourism remains responsible for tourist policy formulation. The Tourism, Culture and Transportation Division of the Tobago House of Assembly is charged with establishing, standardizing and sustaining the island's tourism product.

4.154. In 2017, the Tourism Development Company was dissolved, and two new bodies were established: (a) the Tourism Trinidad Destination Management Company Limited (Tourism Trinidad Limited), whose mandate is to develop and market Trinidad's tourism offerings; and (b) the Tobago Marketing and Product Development Company (Tobago Tourism Agency), which is responsible for developing and marketing Tobago's tourism offerings as well as undertaking product development and research. It is foreseen that a Trinidad and Tobago Regulatory and Licensing Authority (TTRLA) will be established to develop and enforce regulations, standards and quality control; generate tax revenues; and provide guidelines on training and skills development.

4.155. Trinidad and Tobago's 2010 National Tourism Policy (NTP), in place at the time of the previous Review, remains the key document guiding the development of the sector.⁹³ However, this will be revised in 2019 to reflect changes in the global environment impacting the local tourism sector, such as the use of social media and new information technology platforms, as well as to align it with Vision 2030 (Section 2) and the United Nations Sustainable Development Goals 2030. It is envisaged that the revised NTP will be followed by the development of a comprehensive Tourism Master Plan in 2020, which will guide the sustainable growth and development of the tourism sector until 2030.⁹⁴

4.156. In 2016, a Standing Committee for the Strategic and Sustainable Development of Tourism in Trinidad was established, which, following research and consultations with stakeholders, issued a Tourism Road Map, 2016-20 for Trinidad, which offers guidance in developing plans for marketing and product development, and frames strategies and programmes for the sustainable development of the tourism sector. It suggests that Trinidad's unique selling point should be business tourism

⁹¹ Airports Authority online information. Viewed at: http://www.tntairports.com/NEW/the_airports.html#international.

⁹² Information provided by the authorities.

⁹³ National Tourism Policy. Viewed at: https://www.ema.co.tt/images/Files/policies/tourism_policy.pdf.

⁹⁴ As reported by the authorities, a consultant will be engaged to develop the Tourism Master Plan; and, in preparation, the Ministry of Tourism has completed consultations on various sub-policies (on ecotourism, sport tourism and community-based tourism) which will be used as inputs into the Plan's development.

with a focus on the meetings, incentives, conferences and exhibitions (MICE) industry, with supporting niches being event tourism and eco-tourism.

4.157. According to the authorities, to address challenges facing the tourism sector, there is a need for: increased investment, improved infrastructure, increased destination promotion, more airlift; better linkages with other sectors, improved safety and security; and greater buy-in from the public regarding the sector's potential.

4.158. The only tax applicable directly to the tourism sector is the Room Tax, which is applied at the rate of 10% of the proceeds of letting the room. Over the period 2012-16, annual income generated from this Tax has ranged from just over TTD 46 million to just over TTD 64 million.

4.159. Incentives for investment in the tourism sector are covered under the Tourism Development Act, 2000, as amended in 2006. Under the Act, incentives for approved tourism projects include a seven-year tax exemption for the gains or profits from an approved tourism project, and a tax exemption for gains or profits derived from the initial sale of a villa or condominium or a site that is part of an integrated resort development which is an approved tourism project. Any dividends from an approved tourism project made to non-residents are exempt from tax. Additionally, approved tourism projects may also be granted accelerated depreciation on equipment and capital allowances on approved capital expenditure. Importers of vehicles to be used in the tourism transportation industry are eligible to apply for a preferential customs duty rate of 10%, with 0% motor vehicle tax. As from 2018, a maximum engine size has been stipulated.

4.160. Imports of building materials and articles of tourism equipment used in a tourism project are granted customs and excise duty exemptions; for purchases made locally, companies are permitted duty drawbacks for building materials and articles of "tourism equipment" that were not already duty free (the VAT is still payable). To be eligible for the incentives, any accommodation project must have a minimum of ten guestrooms; approval depends on the amount of capital invested, the financial risk assumed, the contribution made or likely to be made to the sustainable development of the tourism industry, and the achievement of national tourism objectives.

4.161. The following tourism incentives are reserved solely for Trinidad and Tobago and CARICOM nationals: accommodation facilities with fewer than 21 rooms, transport services, ground tour operations or destination management companies, and dive operations.⁹⁵ Foreigners are eligible to apply for all other fiscal incentives.

4.162. Over the period 2012-17, revenue foregone from these incentives has ranged from TTD 5.8 million to TTD 26.0 million (Table 4.20). According to the authorities, there are plans to review the suite of incentives offered in the tourism sector, to see what adjustments can be made to provide the most favourable conditions for investment. This is in light of the Government's commitment to diversify the economy and boost revenue from tourism, particularly in the wake of shocks to the energy sector (Sections 1 and 4.3).

Table 4.20 Revenue foregone from tourism-related fiscal incentives, 2012-17

(TTD million)

	2012	2013	2014	2015	2016	2017
Tourism vehicle projects	2.8	2.0	2.7	5.1	2.6	0.9
Tourism accommodation projects	2.7	14.8	9.3	0.5	3.7	4.7
Tourism ancillary projects	0.3	0.3	1.8	20.4	2.6	14.3
Total revenue foregone	5.8	17.1	13.8	26.0	8.9	19.9

Source: Information provided by the Investments Facilitation and Monitoring Unit, Ministry of Tourism.

4.163. Since FY2009/10, reimbursable grants for certain upgrade works to accommodation facilities have been available through the Trinidad and Tobago Tourism Accommodation Upgrade Project; this initiative is scheduled to run until September 2020. Since December 2017, when thresholds were increased for the period 2018-20, it involves the reimbursement of up to 40%-50% of capital spent

⁹⁵ Tourism Development Act, Section 9.

on upgrades per room, up to a limit of TTD 150,000 per room, for properties of one to five rooms, and TTD 1.5 million for properties with six to 150 rooms.⁹⁶

4.164. Additionally, in 2012, a Government Loan Guarantee Programme (GLG) was implemented, with a view to supporting PPPs with internationally-branded hotels, to expand the quality of the room stock in Trinidad and Tobago.⁹⁷ This involved the establishment of the Tobago Tourism Development Fund as a corporate body and fully state-owned enterprise, administered by EXIMBANK. It had an initial capital injection of TTD 60 million in 2012-13, with no further capital contributions thereafter. The Fund provides resources for (a) debt restructuring for tourism and tourism-related business; and (b) the upgrade and maintenance of hotels with less than 50 rooms, and ancillary businesses. The Fund issues letters of undertaking to the four financial institutions, who set their own interest rates for borrowers. The letters of undertaking are up to a maximum of TTD 10 million for each borrower, with up to 50% of the outstanding principal and interest balance on existing loan facilities and 100% of new loan facilities. Effective December 2017, the Government approved an interest rate subsidy of 5% (up from 2%), and extended the loan term from 7 to 15 years.

⁹⁶ Trinidad and Tobago Tourism Accommodation Upgrade Project online information. Viewed at: <http://www.tourism.gov.tt/Resources/Incentives/Tourism-Accommodation-Upgrade-Project-TAUP>. Information updated by the authorities due to threshold changes implemented in December 2017.

⁹⁷ As noted by the authorities, the Fund was established to assist the affected tourism industry of Tobago, where poor occupancy rates, coupled with the global economic downturn, made loan financing for tourism or tourism-related projects much more difficult. Property owners/operators were facing severe challenges in meeting their loan service payments.

5 APPENDIX TABLES

Table A1.1 Merchandise exports by HS sections and main chapters, 2012-17

(USD million and %)

Description	2012	2013	2014	2015	2016	2017
Total exports	12,864	18,661	14,520	10,748	7,633	9,148
	(% of total exports)					
1 - Live animals; animal products	0.2	0.1	0.1	0.2	0.3	0.3
03. Fish and crustaceans, molluscs and other aquatic invertebrates	0.1	0.1	0.1	0.1	0.2	0.2
2 - Vegetable products	0.1	0.1	0.1	0.2	0.3	0.2
3 - Animal or vegetable fats and oils; prepared edible fats	0.1	0.1	0.1	0.1	0.1	0.1
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	2.7	1.8	2.3	3.3	4.5	9.6
22. Beverages, spirits and vinegar	1.1	0.7	1.0	1.4	1.5	7.1
19. Preparations of cereals, flour, starch or milk	0.5	0.4	0.5	0.7	1.0	0.9
21. Miscellaneous edible preparations	0.2	0.1	0.2	0.2	0.6	0.5
24. Tobacco and manufactured tobacco substitutes	0.5	0.3	0.3	0.4	0.5	0.4
20. Preparations of vegetables, fruit, nuts or other parts of plants	0.3	0.2	0.2	0.3	0.4	0.3
5 - Mineral products	56.0	61.3	56.8	47.2	36.4	45.5
27. Mineral fuels, mineral oils and products of their distillation	51.1	59.6	55.7	44.4	33.2	45.1
25. Salt; sulphur; earths and stone; plastering materials, lime and cement	0.2	0.1	0.7	0.3	0.3	0.3
26. Ores, slag and ash	4.7	1.6	0.4	2.6	2.9	0.1
6 - Products of the chemical or allied industries	24.6	21.4	27.2	31.6	42.3	29.3
29. Organic chemicals	7.3	6.0	11.0	11.0	8.9	13.7
28. Inorganic chemicals; organic or inorganic compounds of precious metals	14.0	13.8	12.7	15.3	22.1	11.1
31. Fertilizers	2.6	1.3	3.1	4.6	10.4	3.8
7 - Plastics and articles thereof; rubber and articles thereof	0.3	0.3	0.3	0.4	0.6	0.5
39. Plastics and articles thereof	0.3	0.3	0.3	0.4	0.6	0.5
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.0	0.0	0.0	0.0	0.0	0.0
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	0.0	0.0	0.0	0.0	0.1	0.0
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	0.6	0.4	0.5	0.6	1.3	0.8
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	0.5	0.4	0.4	0.6	1.2	0.7
49. Printed books, newspapers, pictures and other products of the printing industry	0.1	0.1	0.1	0.1	0.1	0.1
11 - Textiles and textile articles	0.1	0.1	0.1	0.1	0.1	0.1
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.0	0.0	0.0	0.0	0.0	0.0
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	0.1	0.1	0.1	0.1	0.2	0.2
70. Glass and glassware	0.1	0.1	0.1	0.1	0.2	0.1
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	0.0	0.0	0.0	0.1	0.0	0.0
15 - Base metals and articles of base metal	4.3	9.6	8.2	5.9	4.4	6.6
72. Iron and steel	3.9	9.3	7.9	5.4	3.8	6.2
73. Articles of iron or steel	0.3	0.2	0.2	0.4	0.4	0.2
82. Tools, implements, cutlery, spoons and forks, of base metal	0.0	0.0	0.0	0.0	0.1	0.1
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	2.6	0.9	1.0	1.4	2.4	2.0
84. Nuclear reactors, boilers, machinery and mechanical appliances	2.3	0.7	0.8	1.1	2.1	1.7
85. Electrical machinery and equipment; sound recorders and reproducers	0.3	0.2	0.2	0.2	0.3	0.3
17 - Vehicles, aircraft, vessels and associated transport equipment	7.9	3.7	2.5	8.3	6.5	4.1
89. Ships, boats and floating structures	7.2	3.3	2.2	6.5	5.5	3.3
88. Aircraft, spacecraft, and parts thereof	0.6	0.4	0.3	1.7	0.8	0.6

Description	2012	2013	2014	2015	2016	2017
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	0.2	0.0	0.4	0.2	0.3	0.3
90. Optical, photographic, cinematographic, measuring, precision, medical or surgical instruments and apparatus	0.1	0.0	0.4	0.2	0.3	0.3
19 - Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	0.2	0.1	0.1	0.2	0.2	0.2
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.1	0.1	0.0	0.0

Source: WTO Secretariat estimates, based on data provided by the authorities.

Table A1.2 Merchandise imports by HS sections and main HS chapters, 2012–17

(USD million and %)

Description	2012	2013	2014	2015	2016	2017
Total	11,608	12,590	11,251	9,243	8,052	6,901
	(% of total imports)					
1 - Live animals; animal products	1.9	2.0	2.4	2.7	2.7	3.5
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	0.9	1.0	1.2	1.3	1.3	1.8
02. Meat and edible meat offal	0.7	0.7	0.8	1.0	1.0	1.3
03. Fish and crustaceans, molluscs and other aquatic invertebrates	0.2	0.3	0.3	0.4	0.3	0.4
2 - Vegetable products	2.1	1.9	2.1	2.4	2.6	3.0
10. Cereals	0.9	0.8	0.8	0.8	0.9	1.0
07. Edible vegetables and certain roots and tubers	0.4	0.4	0.5	0.6	0.7	0.8
08. Edible fruit and nuts; peel of citrus fruit or melons	0.3	0.3	0.3	0.4	0.4	0.5
11. Products of the milling industry; malt; starches; inulin; wheat gluten	0.2	0.2	0.2	0.2	0.2	0.3
3 - Animal or vegetable fats and oils; prepared edible fats	0.6	0.5	0.5	0.6	0.6	0.8
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	4.2	4.1	4.7	6.0	6.3	6.8
21. Miscellaneous edible preparations	0.7	0.7	0.8	1.0	1.1	1.2
22. Beverages, spirits and vinegar	0.7	0.7	0.9	1.2	1.1	1.1
20. Preparations of vegetables, fruit, nuts or other parts of plants	0.6	0.6	0.7	0.8	0.9	1.0
19. Preparations of cereals, flour, starch or milk	0.5	0.5	0.7	0.8	0.9	1.0
5 - Mineral products	45.5	54.0	47.2	31.6	28.4	28.5
27. Mineral fuels, mineral oils and products of their distillation	41.8	51.0	43.4	28.5	25.4	23.7
26. Ores, slag and ash	3.3	2.7	3.4	2.7	2.7	4.5
6 - Products of the chemical or allied industries	5.1	4.5	4.9	6.1	6.7	7.3
30. Pharmaceutical products	1.2	1.2	1.3	1.6	1.7	2.1
38. Miscellaneous chemical products	1.7	1.2	1.2	1.5	1.8	1.7
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	0.6	0.6	0.7	0.9	1.0	1.1
7 - Plastics and articles thereof; rubber and articles thereof	2.5	2.5	2.8	3.4	3.5	3.9
39. Plastics and articles thereof	1.9	1.8	2.2	2.7	2.8	3.1
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.1	0.1	0.1	0.1	0.1	0.1
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	0.5	0.5	0.6	0.7	0.6	0.7
44. Wood and articles of wood; wood charcoal	0.5	0.5	0.6	0.7	0.6	0.7
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	1.8	1.6	1.8	2.0	1.9	2.1
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	1.2	1.2	1.3	1.5	1.4	1.5
11 - Textiles and textile articles	0.9	0.9	1.0	1.4	1.4	1.5
62. Articles of apparel and clothing accessories, not knitted or crocheted	0.2	0.2	0.3	0.4	0.4	0.4
63. Other made up textile articles	0.2	0.2	0.2	0.3	0.3	0.3
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.3	0.3	0.3	0.4	0.4	0.4
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	0.7	0.7	0.8	1.0	1.0	0.9
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	0.1	0.1	0.1	0.1	0.1	0.1
15 - Base metals and articles of base metal	4.3	4.5	5.6	6.8	6.0	7.2
73. Articles of iron or steel	2.0	2.2	2.8	3.3	3.1	3.7
72. Iron and steel	1.1	1.2	1.6	1.8	1.5	1.9
76. Aluminium and articles thereof	0.4	0.3	0.4	0.5	0.5	0.5
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	11.7	11.7	12.6	18.7	17.7	17.6
84. Nuclear reactors, boilers, machinery and mechanical appliances	8.2	8.7	8.8	12.5	13.1	12.3
85. Electrical machinery and equipment; sound recorders and reproducers	3.4	3.1	3.9	6.2	4.7	5.2
17 - Vehicles, aircraft, vessels and associated transport equipment	15.3	7.4	9.8	12.3	16.1	11.5

Description	2012	2013	2014	2015	2016	2017
87. Vehicles other than railway or tramway rolling-stock, parts and accessories	4.0	4.6	5.6	7.1	6.5	6.9
89. Ships, boats and floating structures	9.8	2.3	3.1	3.6	8.7	3.3
88. Aircraft, spacecraft, and parts thereof	1.5	0.4	0.9	1.5	0.8	1.2
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	1.2	1.1	1.2	1.8	1.5	1.6
90. Optical, photographic, cinematographic, measuring, precision, medical or surgical instruments and apparatus	1.2	1.1	1.2	1.8	1.5	1.6
19 - Arms and ammunition	0.0	0.0	0.0	0.1	0.0	0.0
20 - Miscellaneous manufactured articles	1.1	1.5	1.2	1.7	2.2	2.5
94. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	0.8	1.2	0.8	1.1	1.4	1.5
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	0.1	0.1	0.1	0.1	0.1

Source: WTO Secretariat estimates, based on data provided by the authorities.

Table A1.3 Merchandise exports by trading partner, 2012-17

(USD million and %)

Description	2012	2013	2014	2015	2016	2017
Total exports	12,864	18,661	14,520	10,748	7,633	9,148
	(% of exports)					
Americas	78.5	84.3	82.6	80.0	77.2	78.4
United States	47.9	41.8	45.0	41.7	41.5	38.7
Other America	30.6	42.5	37.5	38.3	35.6	39.7
Saint Martin	0.2	0.5	0.3	0.2	0.1	6.5
Chile	1.6	2.2	3.0	3.6	5.7	3.6
Jamaica	3.9	4.5	3.9	3.0	3.0	3.5
Guyana	1.8	1.9	2.3	2.1	2.4	3.4
Barbados	2.4	3.1	2.5	1.8	1.5	2.3
Brazil	1.9	3.7	4.8	2.3	4.7	2.0
Netherlands Antilles	0.2	0.7	0.8	0.0	0.2	1.7
Colombia	1.9	5.1	3.0	4.0	2.2	1.6
Suriname	2.3	2.1	1.2	1.4	1.1	1.5
Argentina	4.9	4.1	3.4	6.7	2.8	1.3
Mexico	0.9	0.4	1.4	1.1	1.3	1.1
Canada	0.7	1.0	1.0	1.1	0.8	1.1
Dominican Republic	1.1	1.6	1.3	1.4	1.1	1.1
Europe	11.7	11.3	11.0	13.9	11.7	12.2
EU-28	11.5	10.9	9.5	11.2	11.3	11.2
Netherlands	4.0	3.6	2.2	1.6	3.2	2.5
Spain	2.2	3.0	3.7	2.9	0.7	1.8
France	0.9	0.6	0.7	1.9	1.5	1.7
Belgium	0.3	0.6	0.7	1.3	1.3	1.5
United Kingdom	2.2	2.3	1.3	1.9	1.4	1.3
EFTA	0.1	0.4	1.3	2.4	0.3	0.6
Switzerland	0.1	0.4	0.1	0.6	0.2	0.3
Norway	0.0	0.0	1.2	1.8	0.0	0.3
Other Europe	0.0	0.0	0.3	0.3	0.1	0.4
Commonwealth of independent states (CIS)	0.0	0.0	0.0	0.0	0.0	0.0
Africa	1.4	1.7	2.6	1.4	1.4	3.8
Morocco	0.0	0.0	0.2	0.2	0.4	1.4
Senegal	0.0	0.0	0.0	0.3	0.4	0.8
Liberia	0.8	1.0	0.6	0.3	0.2	0.5
Togo	0.0	0.0	0.1	0.2	0.0	0.4
Ghana	0.0	0.1	0.2	0.2	0.0	0.2
Middle East	4.2	0.2	0.9	0.6	1.7	0.7
Israel	2.8	0.0	0.0	0.0	0.0	0.3
United Arab Emirates	1.4	0.1	0.8	0.4	0.9	0.2
Jordan	0.0	0.0	0.0	0.0	0.8	0.1
Asia	3.2	1.9	2.3	3.5	7.8	4.3
China	0.1	0.1	0.4	0.9	0.7	1.3
Japan	0.1	0.2	0.7	0.2	0.2	0.0
Other Asia	2.9	1.6	1.1	2.4	6.9	3.0
Korea, Republic of	0.3	0.4	0.3	1.2	1.3	2.0
Chinese Taipei	0.0	0.1	0.1	0.2	0.4	0.4
Singapore	0.0	0.7	0.4	0.4	3.9	0.2
Hong Kong, China	0.0	0.1	0.1	0.1	0.1	0.2
India	0.1	0.0	0.0	0.1	0.8	0.1
Australia	0.0	0.0	0.0	0.0	0.0	0.1
Other	1.1	0.6	0.7	0.6	0.2	0.5
<i>Memorandum:</i>						
CARICOM	13.5	16.6	13.7	11.1	11.5	14.6

Source: WTO Secretariat estimates, based on data provided by the authorities.

Table A1.4 Merchandise imports by trading partner, 2012-17

(USD million and %)

Description	2012	2013	2014	2015	2016	2017
Total imports	11,608	12,590	11,251	9,243	8,052	6,901
	(% of imports)					
Americas	56.6	51.5	44.6	49.0	45.5	48.9
United States	30.9	21.8	21.8	32.1	31.5	26.1
Other America	25.7	29.7	22.8	16.9	14.0	22.8
Brazil	4.9	3.1	5.1	3.3	4.6	7.9
Colombia	12.7	19.8	9.9	5.3	1.2	4.8
Canada	2.0	1.8	2.1	2.4	2.4	3.4
Mexico	1.3	1.2	1.1	1.5	1.7	2.0
Costa Rica	0.4	0.4	0.4	0.6	0.6	0.7
Barbados	0.8	0.7	0.8	0.4	0.4	0.5
Guyana	0.5	0.3	0.3	0.4	0.4	0.5
Dominican Republic	0.3	0.3	0.4	0.4	0.3	0.4
Guatemala	0.3	0.3	0.2	0.3	0.3	0.3
Chile	0.2	0.2	0.2	0.2	0.3	0.3
Jamaica	0.1	0.1	0.2	0.2	0.2	0.3
Panama	1.0	0.1	0.2	0.3	0.3	0.3
Peru	0.1	0.1	0.2	0.2	0.2	0.2
Argentina	0.2	0.1	0.1	0.1	0.1	0.2
Uruguay	0.1	0.1	0.1	0.1	0.2	0.2
Europe	12.2	9.8	11.4	16.5	17.3	13.7
EU-28	9.4	9.2	10.5	10.5	14.0	11.9
Germany	1.6	1.6	1.9	2.2	2.2	2.5
United Kingdom	1.8	2.4	2.7	2.8	2.6	2.3
Italy	1.3	1.4	0.8	1.7	1.5	2.1
France	1.3	1.1	0.5	0.7	0.8	1.0
Netherlands	1.5	0.4	0.5	0.8	1.9	0.8
EFTA	2.4	0.3	0.4	5.6	2.9	0.9
Norway	2.3	0.0	0.2	4.9	2.7	0.6
Other Europe	0.3	0.4	0.5	0.5	0.5	0.9
Turkey	0.3	0.4	0.5	0.5	0.5	0.9
Commonwealth of independent states (CIS)	6.9	11.0	9.8	5.0	11.7	7.4
Russian Federation	6.9	11.0	9.8	4.9	11.7	7.4
Africa	11.5	15.8	20.6	12.5	8.6	7.6
Gabon	10.6	15.2	20.0	12.2	8.3	5.8
Libya	0.0	0.0	0.0	0.0	0.0	0.5
Democratic Republic of the Congo	0.0	0.0	0.0	0.0	0.0	0.5
Congo	0.0	0.0	0.0	0.0	0.0	0.5
Middle East	0.2	0.2	0.1	0.4	0.2	0.2
United Arab Emirates	0.0	0.1	0.1	0.1	0.1	0.1
Israel	0.1	0.1	0.0	0.3	0.1	0.0
Asia	12.7	11.8	13.4	16.6	16.7	22.2
China	4.7	4.4	5.6	7.1	7.4	9.0
Japan	2.0	2.2	2.3	2.9	2.5	3.6
Other Asia	5.9	5.1	5.5	6.6	6.9	9.6
Singapore	0.1	0.1	0.1	0.2	0.1	1.9
Korea, Republic of	0.9	0.9	1.1	1.3	1.4	1.9
Thailand	0.9	1.0	1.5	1.8	1.7	1.6
India	2.4	1.5	0.9	1.2	1.0	1.4
New Zealand	0.4	0.4	0.4	0.4	0.5	0.7
Malaysia	0.3	0.3	0.3	0.4	0.9	0.4
Chinese Taipei	0.4	0.3	0.3	0.4	0.3	0.4

Description	2012	2013	2014	2015	2016	2017
Other	0.0	0.0	0.0	0.0	0.0	0.0
<i>Memorandum:</i>						
CARICOM	1.9	1.5	1.7	1.7	1.5	1.7

Source: WTO Secretariat estimates, based on data provided by the authorities.

Table A2.1 General constitutional and legal framework

Constitution	The Constitution of the Republic of Trinidad and Tobago Act (Act 4 of 1976), last amended in 2007.
Executive branch of the Government	Executive authority lies with the President who is Head of State, but is exercised by the Prime Minister and the Cabinet. The President is elected for a five-year term by the Electoral College (Senate and House of Representatives).
Legislative branch	The bicameral Parliament consists of the Senate and the House of Representatives. The Senate (31 members) is appointed for a five-year term by the President. The House of Representatives (41 members) is elected by popular vote, for a five-year term.
Judicial branch	The judiciary is independent and is headed by a Chief Justice. It comprises a Supreme Court (made up of a High Court and an Appeals Court) and district courts (Magistracy). There is also an Industrial Court; and a Tax Appeals Board.
Legislative process	Bills must be passed by both the House of Representatives and the Senate, and assented to by the President, to become law. Once assented to, bills are published as Acts of Parliament in the Trinidad and Tobago Gazette (http://www.news.gov.tt). International treaties and agreements must be incorporated into domestic law before they become legally binding in Trinidad and Tobago.

Source: WTO document WT/TPR/S/260/Rev.1, 2 May 2012; and the Constitution of the Republic of Trinidad and Tobago Act. Viewed at: http://rqd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/1.01.pdf.

Table A3.1 Origin restrictions under the Animals (Importation) Control Regulations

Horses	Argentina, Australia, Canada, Commonwealth Caribbean Territories, France, Germany, United Kingdom, Martinique, New Zealand, Northern Ireland, Puerto Rico, Republic of Ireland, United States of America.
Cattle, sheep, goats	Anguilla, Antigua, Barbados, Canada, United Kingdom, Grenada, Jamaica, Northern Ireland, Republic of Ireland, St. Kitts and Nevis, St. Lucia, St. Vincent, United States of America.
Pigs	Anguilla, Antigua, Barbados, Canada, United Kingdom, Grenada, Jamaica, Northern Ireland, Republic of Ireland, St. Kitts and Nevis, St. Lucia, St. Vincent, United States of America.
Poultry and poultry carcasses	Anguilla, Antigua, Australia, Barbados, Belize, Canada, Denmark, Dominica, France, United Kingdom, Grenada, Guyana, Israel, Jamaica, Montserrat, Netherlands, New Zealand, Northern Ireland, St. Kitts and Nevis, St. Lucia, St. Vincent, Sweden, United Kingdom, United States of America.
Carcasses of cattle, pigs, sheep and goats	Argentina, Australia, Belgium, Brazil, Canada, Chile, Commonwealth Caribbean Territories, Costa Rica, Croatia, Czech Republic, Denmark, Finland, France, Germany, United Kingdom, Honduras, Hungary, Iceland, Italy, Japan, Mexico, Netherlands, New Zealand, Nicaragua, Northern Ireland, Poland, Republic of Ireland, Romania, San Marino, Spain, Sweden, United Kingdom, United States of America, Uruguay.
Beef	Belize, Costa Rica, Nicaragua, Panama, Uruguay.
Fodder and litter	Australia, Canada, United Kingdom, Republic of Ireland, United States of America.

Source: Animals (Importation) Control Regulations, Schedules Three to Nine.

Table A4.1 Major investment incentives to the agriculture sector

(% of cost and TTD)

Programme	% of cost	Maximum
Vehicles		
New wheel tractor	20	50,000
Used/refurbished wheel tractor	20	25,000
New 4wd pickup/light goods vehicle or panel van	20	40,000
Used 4wd pickup/light goods vehicle or panel van	20	30,000
New 2wd pickup/light goods vehicle or panel van	20	25,000
Used 2wd pickup/light goods vehicle or panel van	20	20,000
New truck (max 5 tonnes)	20	60,000
Used truck (max 5 tonnes)	20	40,000
Combine harvester	20	200,000
All-terrain vehicle	25	10,000
Insulation for pickup/light goods vehicle	25	6,000
Insulation and refrigeration of light goods vehicle	25	20,000
Insulation and refrigeration of trucks	25	30,000
Water for agriculture		
Cost to build pond	75	24,000
Cost of establishing ponds, wells and dams	25	30,000
Water pump 1.5 h.p. and over	50	20,000
Cost of irrigation equipment/watering systems	50	40,000
Land preparation/improvement		
Ploughing/rotovating/banking per ha	25	500
Cost of clearing new lands per ha	25	2,000
Machinery and equipment		
Trailers	50	4,000
All machinery and equipment	50	50,000
Soil amelioration		
Agriculture limestone per ha	50	1,500
Soil conservation (establishment)		
Contour drains per 30 m	100	150
Storm drains per 30 m	100	175
Contour banking and contour ridging per ha	100	1,000
Contour barriers per 30 m	100	75
Terrace outlets per 30 m	100	120
Check dams	50	200
Protected agriculture systems		
Fully enclosed shade houses per m ²	50	250
Partially-enclosed shade houses per m ²	50	100
Security		
Security systems	50	30,000
Fencing farmland and pastures	50	25,000
Waste management		
Cost of establishment of biodigesters	100	10,000
Integrated pest management		
Environmentally-friendly chemicals	50	3,000
Approved materials including bio-agents	50	3,000
Post-harvest and marketing		
Post-harvest facilities establishment	40	10,000
Packaging material	50	4,000
Post-harvest equipment	50	30,000
New chill facility	30	30,000
Upgrade of HACCP facilities	40	40,000
Agro-processing		
Agro-processing facilities refurbishment	50	20,000
Agro-processing facilities establishment	50	50,000
Packaging material cost per year	50	15,000
HACCP upgrade	40	40,000

Programme	% of cost	Maximum
New farmers (youth in agriculture)		
Start-up costs	50	30,000
Product-specific support		
Crops		
Citrus establishment per ha	100	6,000
Citrus rehabilitation per ha	100	4,000
Cocoa/coffee establishment per ha	100	6,000
Cocoa/coffee rehabilitation per ha	100	4,000
Cocoa fermentaries establishment	10	10,000
Coconut establishment per ha	100	6,000
Coconut rehabilitation per ha	100	4,000
Livestock		
Cattle/buffalo		
Pasture/fodder bank establishment	50	6,000
Housing, infrastructure and waste disposal	50	30,000
Milking system and/or bulk tank cooler	50	50,000
Goats and sheep		
Pasture/fodder bank establishment	50	6,000
Housing infrastructure and waste disposal	50	30,000
Imported semen and embryos per year	50	20,000
Imported breeding stock per animal	100	2,500
Pigs		
Housing, infrastructure and waste disposal	50	30,000
Imported stock per animal	100	2,500
Poultry		
Housing and infrastructure	30	75,000
Rabbits		
Rabbitry establishment and construction	50	15,000
Slaughtering facility establishment and operation	50	24,000

Source: MOF, *Major Investment Incentives in Trinidad and Tobago*. Viewed at: <http://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>.

Table A4.2 Energy sector tax incentives, 2018

Incentive (applicable tax)	Description	Act
INCENTIVES IN THE UPSTREAM SECTOR		
Exploration allowance (PPT)	Year 1 – 100% (no uplifts allowed for deep water or deep horizon)	Petroleum Taxes Act
Deepwater (PPT)	1. Exploration: (a) capitalized as 140% of expense (capital expenditure incurred in respect of drilling of exploration wells in deep horizon are granted capital allowances on the exploration expenditure calculated by reference to 140% of such expenditure, subject to certain conditions) (NB Cannot qualify for 100% write-off in year 1) (b) PPT Tax rate reduced to 35% 2. PPT Rate: water depth reduced to 400m (for tax purposes).	Petroleum Taxes Act
Exploration Incentive (Deep Horizon) (PPT)	Capitalized as 140% of expense. Conditions apply: Land True Vertical Depth (TVD) >8,000ft. Marine TVD >12,000 ft. (NB: Cannot qualify for 100% write-off in year 1).	Petroleum Taxes Act
Workovers/Qualifying side-tracks (PPT)	Intangible: 100% Tangible: 100% (an allowance of 100% of the total costs of workovers and qualifying side-tracks in the year incurred).	Petroleum Taxes Act
Heavy oil allowance (PPT)	Year 1 – 60%; Years 2-6 – 18% (Results in uplift of 50%) 100% in year hole plugged and abandoned. Applicable to all dry holes.	Petroleum Taxes Act
Plant and Machinery (Tangible)	Initial allowance – 50% of development costs. Year 2 – 30% Year 3 – 20%.	Income Tax (in Aid of Industry) Act
Mines, oil wells, etc. (Intangible)	Initial allowance – 50% of development costs. Year 2 – 30% Year 3 – 20%.	Income Tax (in Aid of Industry) Act
Sustainability Incentive (SPT)	20% discount on rate of SPT applicable to mature marine and small marine oilfields.	Petroleum Taxes Act
Investment Tax Credit (SPT)	Allows companies to claim 20% of the expenditure on development activity for mature fields and enhanced oil recovery projects as credit against their SPT liability.	Petroleum Taxes Act
New Field Development (SPT)	A special SPT rate of 25% was approved for new field developments at prices above USD 50/bbl up to USD 90/bbl. Thereafter, for prices above USD 90/bbl and up to USD 200/bbl, the SPT formula as currently exists applies.	Petroleum Taxes Act
RENEWABLE ENERGY INCENTIVES		
Import duty exemptions (customs duties)	Import duty exemptions are granted for "machinery, equipment materials and parts for the manufacture or assembly or solar water heaters".	Finance Act 2010
Zero-rated VAT (VAT)	Zero-rated VAT granted for complete solar water heaters, solar PV systems and wind turbines.	Value Added Tax Act
Tax credit for solar water heaters (income tax)	Tax credit for solar water heaters. Individuals purchasing solar water heating equipment for household use, are entitled to a tax credit of 25% of the cost of the solar water heating equipment, up to a maximum of TTD 10,000 (maximum tax credit of TTD 2,500).	Income Tax Act
150% wear and tear allowance (tax allowances)	150% wear and tear allowance of the expenditure incurred on: (a) the acquisition of plant, machinery, parts and materials for use in the manufacture of solar water heaters; or (b) the acquisition of: wind turbines and supporting equipment; solar PV systems and supporting equipment; or solar water heaters.	Finance Act

Incentive (applicable tax)	Description	Act
Customs and Excise Duty Exemptions (customs and excise duties)	Several items are allowed for importation free of customs and excise duties, as long as they are not manufactured in the desired quantities and quality in Trinidad and Tobago. The list of items includes environmentally-friendly and/or energy-saving devices such as solar panels, and heating equipment.	Trinidad and Tobago Tourism Act
CNG INCENTIVES FOR MOTOR VEHICLES		
Fiscal incentives for import of CNG vehicles (customs duties, MVT and VAT)	<ol style="list-style-type: none"> 1. Motor Vehicle Tax (MVT) and VAT removed on imported new and used (less than 4 years old) Original Equipment Manufacturer (OEM) natural gas vehicles. 2. Removal of customs duty on components for the retrofit of vehicles to use CNG 3. Removal of customs duty and VAT on CNG systems. 	Motor Vehicle Tax Act and Value Added Tax Act
Fiscal incentives for conversion to CNG vehicles (corporation tax)	<ol style="list-style-type: none"> 1. For individuals – 25% tax credit for conversion cost, up to a limit of TTD 2,500 per vehicle. 2. For businesses – capital uplift of 130% for wear and tear allowance. 3. For installers – capital uplift of 130% for wear and tear allowance on the cost of the plant, machinery and equipment needed to provide CNG installations. 	Corporation Tax Act
Fiscal incentives for electric and hybrid electric vehicles (MVT, VAT and customs duty)	<p>MVT, VAT and customs duty removed on imported and used (less than 4 years old) electric vehicles.</p> <p>MVT, VAT and customs duty removed on imported and used (less than 2 years old) hybrid vehicles.</p>	Motor Vehicle Tax Act Value Added Tax Act

Source: MOF online information. Viewed at: <http://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>.