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*for a sustainable future*

## OCCASION

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Government is the design and mobilisation of resources to accelerate industrial export growth in conformity with national goals.

As a means of achieving these aims, and taking advantage of the plans for reconstruction of the Piarco International Airport, the Government has decided to establish an export oriented industrial free airport zone at Piarco. With this in mind, two major steps were taken by Government.

- (1) An Export Promotions Division was established in 1969.
- (2) A feasibility study was undertaken to examine and evaluate the possibility of establishing an Industrial Free Zone at Piarco International Airport.

#### EXPORT PROMOTIONS DIVISION

This Division is under the control of the Ministry of Industry and Commerce and is presently staffed by three members comprising:

- (a) An Export Promotions Officer
- (b) Assistant Export Promotions Officer, and
- (c) A Research Officer.

The main duties of this Division are to promote the country's products abroad by floating trade exhibitions, making contacts with businessmen who are interested in the country's products and following up these contacts with the local manufacturers concerned. The objectives of this Division are to increase the country's exports by finding permanent outlets abroad.

#### FISCAL INCENTIVES

Several incentives are offered. Under the Aid to Pioneer Industries Ordinance, concessions are granted to any eligible investor by way of the following incentives:

MEASURES FOR DEVELOPMENT OF EXPORT-ORIENTED INDUSTRIES  
AND PRESENT SITUATIONS AND PLANS FOR ESTABLISHMENT OF  
INDUSTRIAL FREE ZONES

Trinidad and Tobago is presently implementing its five year development plan, covering the period 1969 - 1973. According to this Plan, the Government has designated three central tasks involved in restructuring the economy.

ECONOMIC RECONSTRUCTION

These central tasks are:

- (i) Diversification of the country's structure of production/industry.
- (ii) Achievement of full employment.
- (iii) Improving the economy's self-dependency through increase of exports.

In the Caribbean, as in Trinidad and Tobago, there is an urgent need to expand the volume of exports and increase the share of manufactured products in the Gross National Products of the countries. The main tool which has been used in Trinidad and Tobago for achieving industrial development has been "import substitution". Regretfully, however, we have reached the end of the line as far as import substitution is concerned. In the past, official programmes to stimulate exports had frequently suffered from a lack of clear objectives, imperfect co-ordination among official agencies, inadequate support from the entrepreneurial sector, the absence of an "export consciousness". Consequently, export results were frequently sporadic and temporary rather than persistent and cumulative. Hence the main task facing our

- (a) duty-free imports for a five-year period;
- (b) income tax holiday for a five-year period;
- (c) special depreciation allowances;
- (d) setting off of losses against subsequent profits;
- (e) possible extension of Pioneer Status benefit; and
- (f) in the case of petrochemical industries, special concessions under certain conditions;

#### EXPORT ALLOWANCE

Apart from these incentives, there is an export allowance aimed at encouraging individual manufacturers through income tax relief to keep increasing the level of their exports. This export allowance is made available to companies which have made export sales during the three years immediately preceding the year of income or during the year of income. The allowance is given as a credit against the chargeable profits of the company for the year of income. Any excess of the allowance over the tax chargeable can be carried forward for a period not exceeding five years to be off-set against the tax chargeable in any of those years of income. This incentive, however, is not extensively used. Only five firms presently enjoy the benefits derived from this incentive.

#### PRIME MINISTER'S EXPORT PERFORMANCE ALLOWANCE

This award was started in 1968 and is awarded annually. It is awarded to the firm or institution which has shown the most significant success in its attempt to increase its export performance. The winner is awarded an insignia which it can use for a period of (3) three years on all its documents e.g. labels, badges, signs and letter-heads etc.

### PROGRAMME OF EXPORT PROMOTIONS DIVISION

The Export Promotions Division has made several proposals to Government in order to increase the exports of the country, the most significant of which is the Export Credit Insurance. According to this, Government will set up or designate an organisation which will be responsible for paying the exporters the value of their exports upon surrender of the valid documents. The organisation will then collect from the overseas importer the value of the exports. If this proposal is accepted, this service will be performed for a small percentage fee. The organisation will perform this service to assist the small exporter who has been plagued by the unwillingness of the importers to pay for their imports.

The Export Promotions Division and Government have taken part in several trade exhibitions and fairs. Two such fairs were held in 1969, one each in Surinam and Berlin. In 1970 there was one in Stockholm and in 1971 there was one each in Surinam, Jamaica and Curacao. These fairs and trade exhibitions frequently result in an increase in trade with the countries which attended these fairs and exhibitions. Recently a Garment Exhibition was held in Trinidad and Tobago. Those who accepted the invitations came from Puerto Rico, Martinique, Curacao and Virgin Islands. It is hoped that the necessary follow-up action will be taken to ensure positive results in exports.

### PIARCO INTERNATIONAL AIRPORT

Within the long range development programme of the Government, the expansion and rebuilding of the present Piarco International Airport has been decided. Accordingly, a number of studies were made, and the airport construction plans have been prepared. In one of the feasibility studies, a bonded industrial area was recommended to be erected within the new International Airport. The pre-feasibility report on the viability of such a project proved positive, and accordingly, the Government has decided to proceed

With its plans to create such an Industrial Free Zone at the new airport. The Government has applied to the Regional Representative of UNDP for technical assistance on the establishment of free zones. In this respect two experts are to be sent to Trinidad and Tobago to offer technical assistance. One will be a Civil Engineer (Industrial Free Zone Expert) and the other will be an Industrial Economist (Industrial Free Zone Expert). The two experts are scheduled to arrive in Trinidad shortly to carry out further studies.