



Government of the Republic of Trinidad and Tobago

Ministry of Finance

**Speech – Launch Event of the Initial Public Offering (IPO)**  
**of Eric Solis Marketing Limited (SOLIS)**

Opening Remarks

Presented by the Honourable Brian Manning,  
Minister in the Ministry of Finance

Monday 15<sup>th</sup> July 2024

Good afternoon, it is indeed a great pleasure to provide the opening remarks for the Launch of the Initial Public Offering of Eric Solis Marketing Limited, better known as "SOLIS".

## **Overview**

Ladies and Gentlemen, the Government continues to recognize the important role that Small and Medium Enterprises (SMEs) play in promoting economic growth and development.

The Government also recognizes the importance of Small and Medium Enterprises because they drive innovation and form an integral part of the innovation ecosystem. SMEs are more agile than larger enterprises, which allows them to respond quickly to changes in the market which is an imperative for a resilient economy.

SMEs also discover and open new markets through creativity and dynamism. They are an important bridge between micro-enterprise and industrial-scale business. In short, SMEs are the engines of our economy.

Statistical data from the CARICOM Secretariat, shows that SMEs contribute approximately 40% of the Caribbean Region's Gross Domestic Product

(GDP)<sup>1</sup>. To this extent, the Revised Treaty of Chaguaramas which established the Caribbean Community including the CARICOM Single Market and Economy has been focusing on the establishment of an environment which supports the development and viability of SMEs.

Statistical data has also revealed that the micro, small and medium enterprises (MSMEs) in Trinidad and Tobago accounted for 95 percent of registered businesses in 2018, operating in various sectors of the economy with significant activity in the services sector. Also, according to a research paper by the Central Bank of Trinidad and Tobago, the number of MSMEs over the last ten years may have ballooned with the presence of digital transformation<sup>2</sup>.

Although there is growth within the MSME sector, this sector has inherently retained challenges, a major hurdle being the financing gap which is the difference between the amount of funding an MSME requires to fulfill business objectives and the amount of the funding it can obtain from traditional sources of finance.

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<sup>1</sup> The Role of SMEs in the Caribbean - [https://eulacfoundation.org/system/files/The%20Role%20of%20SMEs%20in%20the%20Caribbean\\_CaribbeanExpo rt.pdf](https://eulacfoundation.org/system/files/The%20Role%20of%20SMEs%20in%20the%20Caribbean_CaribbeanExpo rt.pdf) – Date accessed August 18, 2022.

<sup>2</sup> Kateri Duke: Alternative Financing of MSMEs in Trinidad and Tobago: Expanding Financial Intermediation to Support Economic Diversification - Research Department, CBTT

## **SME Market**

Currently there are two companies listed on the TTSE SME market one being CinemaONE Limited<sup>3</sup> listed on November 21, 2018 and Endeavour Holdings Limited<sup>4</sup> listed on December 12, 2019. Market Capitalization value of the SME Market was approximately TT\$600 million as at June 2024.

Similar to the Jamaica Stock Exchange, eligibility to list on the TTSE SME market depends on several conditions, while approval is solely at the discretion of the TTSE. The company must be incorporated with limited liability in Trinidad and Tobago or in any other CARICOM nation, while the TTSE considers the nature of the business, its financial performance, regulatory history, past governance activities, and historical records.

In recognition of the need to bolster the TTSE SME Market, certain incentives have been approved by the Government of Trinidad and Tobago largely in the form of tax incentives that became applicable in January 2022. These are:

1. A full tax holiday for the first five years (exemption from the payment of Corporation tax, Business Levy and Green Fund Levy);

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<sup>3</sup> CinemaONE-Prospectus - <http://cinemaonett.com/wp-content/uploads/2018/09/CinemaONE-Prospectus.pdf> - Date accessed August 18, 2022.

<sup>4</sup> Endeavour Holdings Limited - Initial Public Offering Prospectus - <https://wiseequities.com/pdf/files/announcements/Endeavour%20Holdings%20Limited%20-%20Initial%20Public%20Offering%20Prospectus%20dated%20September%2030th,%202019.pdf> – Date accessed August 18, 2022

2. A fifty percent (50%) reduction in taxes for the second five-year period (Corporation Tax, Business Levy and Green Fund Levy).

Complementary to the tax incentives and to ease the operational burden of listing, in October 2023 the Government of Trinidad and Tobago in collaboration with the Central Bank of Trinidad and Tobago and the Trinidad and Tobago Stock Exchange also designed a Mentorship Programme to provide the necessary support to the SMEs, to close certain identified gaps including that of insufficient documentation, as well as, the strengthening the areas of adherence to and compliance with corporate governance standards.

This comprehensive programme offers an experienced and highly qualified cadre of industry professionals who would strategically develop the competencies of each SME, by providing direct mentoring and contributing to the companies' growth, innovation and overall strategy.

The SME Mentorship Programme also demonstrates the willingness of the TTSE to invest the time and resources necessary to assist companies to operate in an efficient manner on the stock market.

## **SME Market Place**

Furthermore, with the operationalization of the SME Mentorship Programme, the aim of the Government is to integrate the other support services provided to SMEs by Government agencies in an effort to promote a stable and accessible environment for the growth of SMEs.

To this end, a single entry portal – SME Market Place was developed and is available on the website of the Ministry of Finance. The website provides access to information on the SME Market and the procedure for listing on the Stock Exchange. The website also provides information on the SME Mentorship Programme inclusive of the application process and the necessary criteria to become a Mentor. Access to support services offered by other government agencies is also available.

## **Agreement between TTSE and TTChamber**

Subsequent to the implementation of these initiatives, a cooperative agreement was signed between the Stock Exchange and the TT Chamber in which parties committed to the nurturing of capital raising opportunities for SMEs with a view to expanding their businesses and the consequent listing on the TTSE SME Market. It is anticipated that this collaboration will allow for greater access to the capital markets and simultaneously contribute to the economic wealth and development of our country.

The Government has also taken note that in January this year the Trinidad and Tobago Stock Exchange (TTSE) announced that it is targeting the listing of 20 SMEs (small and medium-sized enterprises) on the local stock market by the end of 2024.

The crystallization of these listings will certainly facilitate the widening and deepening of the domestic stock market and provide added bonuses to GDP, employment and revenue.

### **Other SME Initiatives**

Ladies and Gentlemen, over the years, the Government continues to support SMEs and remains focused on lowering and eliminating barriers faced by these enterprises.

Access to finance has been increased through:

- several facilities pioneered by the National Entrepreneurial Development Company Limited (NEDCO) and;
- Government funding in the amount of \$500 million in partnership with the commercial banks. The new Long-Term Loan Guarantee Scheme is an initiative which guarantees up to 80 percent of the value of the loans with a term of up to 10 years, inclusive of a 2-year moratorium on repayments. The facility focuses on enterprises in the non-energy

sector and is indeed an important avenue for SME financing by Government.

Other support to small and medium enterprises is also provided by the Ministry of Trade and Industry through a number of facilities:

- *Gateway to Trade Programme* - in collaboration with the Trinidad and Tobago Coalition of Services Industries, targeting 4 service sectors: business and professional services; information and communication technology; energy services and tourism;
- *the Export Booster Initiative* - in collaboration with the Trinidad and Tobago Manufacturers Association with the aim of enhancing market access for small and medium enterprises; and
- *the Grant Fund Facility* administered by ExpOrTT.

In fact, Ladies and Gentlemen, between September 2023 and March 2024, \$6 million has been paid out to 65 small and medium-sized enterprises (SMEs) in the non-energy sector and the Grant distribution demonstrates the Government's support and commitment to economic expansion and advances the country's diversification agenda. The Government understands



the financing challenges of SMEs, and it is for this reason, we have introduced various incentives to support such businesses<sup>5</sup>.

Through these facilities, individuals and businesses can access funding to transform, reposition and expand their operations.

### **SOLIS IPO**

Ladies and gentlemen, given the incentives provided by the Government to facilitate the growth of the SME Market, it is certainly inspiring that the Trinidad and Tobago Securities and Exchange Commission (TTSEC) has approved the application for the registration of Eric Solis Marketing Limited (SOLIS) as a reporting issuer, thereby allowing for the distribution of 2,750,000 shares in the Company's Initial Public Offering.

SOLIS, a privately owned company operating in Trinidad and Tobago for over 50 years , specializing in the sale and servicing of multi-function copy and print devices, is well known in the corporate and commercial market for its exclusive distribution of the Konica Minolta brand, as well as joint distribution of Lexmark, HP and Brother machines.

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<sup>5</sup><https://www.guardian.co.tt/business/6m-in-sme-grants-since-september-6.2.1959713.36c53ed9b0>

Definitively, the launch of the IPO is a commendable achievement for SOLIS and a testament to their strategic vision and unwavering commitment to quality.

In light of this, investors in this venture can anticipate steady dividends, further development of business operations at SOLIS and expansion through the use of new technologies.

It is our hope that this IPO will serve as a catalyst, encouraging other SMEs to view equity financing as a viable option in their journey towards the growth and development of their businesses thereby leading to the overall development of the SME Market under the Trinidad and Tobago Stock Exchange.

In closing, I wish to congratulate SOLIS on their achievements thus far and wish them every success with the IPO.

Ladies and gentlemen, I thank you.