

**Trinidad and Tobago Chamber of Industry and Commerce:  
Propelling SMEs for Success in 2025  
Tuesday 11<sup>th</sup> February, 2025**

---

**Salutations**

- Ms. Kiran Maharaj, President of the Trinidad and Tobago Chamber of Industry and Commerce
- Mr. Bernardo Requena Blanco, CAF Development Bank of Latin America and the Caribbean
- Mr. John Tang Nian, Chairman, EXIMBANK
- Mr. Shaun Rampersad, CEO, Ramps Logistics
- Members of the Board of Directors of the Trinidad and Tobago Chamber of Industry and Commerce
- Distinguished Representatives of our Corporate Sponsors: CAF Development Bank of Latin America and the Caribbean, EXIMBANK, Office Authority of Trinidad and Tobago, Eric Solis Marketing Ltd, Unit Trust Corporation and Caribbean Lifestyle Communications
- Representatives of other Business Service Organisation
- Our esteemed panellists and moderators joining us throughout the day
- Sponsors, stakeholders, SMEs, and all our valued attendees
- Distinguished Ladies and Gentlemen
- Members of the Media

## Introduction

Good morning,

I wish to thank the organizers for the opportunity to recognize a very significant group, which over the years has established itself and become a major contributor to this country's economy.

As we are all aware, Small and Medium Enterprises (SMEs) are critical to the development of Trinidad and Tobago. At present, there are approximately **20,000–25,000 SMEs**, representing roughly **95%** of the registered businesses in the country, and they employ nearly **200,000** persons in the workforce. They also contribute significantly to employment and innovation in Trinidad and Tobago and span various sectors, including manufacturing, retail, agriculture, technology, renewable energy, and creative industries. SMEs are the cornerstone of the Government's diversification and sustainable development plans.

We can also attest that the COVID-19 pandemic was a defining moment for economies worldwide, exposing vulnerabilities and reshaping the way nations approached economic resilience. Over the past five years, SMEs have left an indelible mark on the global and local economic landscapes, emerging as critical drivers of recovery and growth.

During the pandemic, SMEs demonstrated remarkable adaptability, with many pivoting toward digital platforms, e-commerce, and innovative business models to survive and thrive. For instance, the sales and profit margins for many local "brick-and-mortar" businesses grew during the lockdown period as a result of their move to online and social media platforms. These platforms have now developed into sustainable business segments for many SMEs.

In the Caribbean region, SMEs have played and continue to play a pivotal role in stabilizing economies disrupted by the pandemic. For example, in tourism-dependent countries such as Jamaica and Barbados, SMEs in the hospitality and creative sectors adapted to offer virtual experiences and local tourism packages, which helped sustain economic activity during lockdowns. SMEs are equipped with a degree of flexibility and agile responsiveness, which sets them apart. In Jamaica alone, SMEs contribute over 40% of the country's GDP, highlighting their critical role in that economy. In Trinidad, SMEs are equally significant, accounting for approximately **30%** of the GDP. These enterprises have been instrumental in addressing the gaps in supply chains, fostering innovation, and creating employment opportunities in the face of unprecedented challenges.

I wish to commend the Trinidad and Tobago Chamber of Commerce, as well as our strategic allies, CAF and EXIMBANK, for their collaboration in hosting this two-day dialogue, which is essential for unlocking the full potential of SMEs as catalysts for sustainable development.

### **Sustainable Financing Opportunities for SMEs**

Access to finance is a major growth inhibitor of SMEs. According to a study conducted by the Central Bank of Trinidad and Tobago in 2023, the most pervasive constraints on the development of SMEs in Trinidad and Tobago include: (i) the lack of access to financing and (ii) the cost of financing. The Small and Medium-Sized Enterprise financing gap, calculated as the difference between the amount requested and the amount received by SMEs, was determined in that study to be approximately **\$15 million**, on average. This differential underscores the importance of bridging this funding gap through initiatives such as **the Catalytic Fund**.

The Government thus deemed it prudent to create and foster an enabling environment that provides a range of financing options that would provide SMEs with an optimal and customized financing mix that tailors to their realities and various business cycle stages. Through

strategic collaborations with our partners, I am pleased to advise that we are creating an SME ecosystem involving:

1. The **forex window at EXIMBANK** continues to support SMEs, particularly those in the non-energy sector, in realizing their full export potential. In fact, I am told that 80% of companies assisted with forex by the EximBank are SMEs
2. **CAF's enabling agenda** has mobilized funding in Latin America and the Caribbean to power SME resilience and growth; and
3. Through a **Memorandum of Understanding** between the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) and the Trinidad and Tobago Stock Exchange (TTSE), the Chamber continues to assist SME capacity-building efforts in meeting the listing requirements for the Equity Market, again reinforcing a comprehensive national framework that supports SMEs in Trinidad and Tobago.

The Government's commitment to SME growth and development has remained steady. In the last three (3) national budgets, the Government expanded and continued to expand the number of supportive facilities available, such as:

1. A **long-term loan guarantee facility, namely the \$500-Mn Loan by Loan Guarantee Scheme**, with very favourable repayment

terms to select financial institutions for non-energy SMEs. This loan guarantee scheme is already heavily subscribed with over \$150 million in loan guarantees.

2. The provision of various types of **grant funding that supports SMEs** based on the unique characteristics of their operations;
3. **Tax concessions and incentives**, all designed to create jobs, encourage training, and promote growth; and
4. Acceleration of cash payments for **VAT refunds**. To date, over 6,000 VAT refunds in various amounts up to \$250,000, costing over \$500 million have already been issued to SMEs. Payments of over 80,000 individual tax refunds up to \$25,000 are also being processed as I speak
5. As you may all be aware, on January 31, 2025, the **Tax and NIS Amnesties** were extended to March 31, 2025. This measure was introduced to allow SMEs that are not up-to-date with their tax and National Insurance payments to continue doing business with Ministries, Statutory Authorities, and State Enterprises. This would also permit SMEs sufficient time to address outstanding tax and National Insurance obligations while playing the vital role of employing people, contributing to the gross domestic product and sustaining economic growth.

The policy measures that I mentioned previously, supported by strategic interventions and partnerships with the private sector, have allowed for improved market efficiencies, which include a number of benefits such as (i) adequate capitalization, (ii) lower borrowing costs, (iii) greater innovation, and (iv) a safety net that encourages calculated risk-taking for SMEs.

### **The Catalytic Fund**

In this context, the current launch of the Catalytic Fund is a timely and strategic intervention. The Fund was developed to bolster the SME sector with the goal of establishing EXIMBANK as the leading SME financial partner in Trinidad and Tobago. **The Catalytic Fund** was uniquely formulated to offer CAF-subsidized pricing to reduce the financing costs for SMEs, allowing for lower collateral requirements and providing localized tools and support designed specifically for Trinidad and Tobago's business environment.

This partnership between CAF and the EXIMBANK is aligned with CAF's mission to build resilient, innovative, and sustainable economies across Latin America and the Caribbean through agile and flexible financing options. CAF, in its continued role as a key development partner to Trinidad and Tobago, executed an Investment Loan with this Government for **US\$35,000,000.00** in October 2024 to strengthen the

EXIMBANK's services to cater to a broader range of clients, particularly SMEs. This loan also improves the Bank's debt profile and contributes to strengthening its institutional capacities through the adoption of best practices of environmental, social, and governance (ESG) criteria.

The Fund addresses the critical challenges faced by SMEs, such as access to growth capital, operational inefficiencies, and limited technological resources. Given that the financial solutions currently available to SMEs to combat these issues can be rigid in terms of their eligibility criteria and are at times not market-focused, thereby lacking consideration of the financial, administrative, and reporting limitations of SMEs, **the Catalytic Fund is at the forefront of EXIMBANK's SME solution, which aims to transform these challenges into opportunities, enabling SMEs in Trinidad and Tobago to benefit in many ways.** These include:

1. **Tailored Loan Products** aimed at addressing the diverse financial needs of borrowers through a sector and risk-based focus.
2. **Financial Guarantees** – for loans offered to SMEs by partnering Development Finance Institutions (DFIs) and Microfinance Institutions (MFIs) that enable greater risk appetite and increased lending capacity;



3. **Reduced Cost of Lending** – as the provision of this funding will decrease EXIMBANK's cost of capital, the benefits of such will be subsequently passed on to SMEs in the form of reduced interest rates and flexible terms thereby reducing their overall cost of borrowing; and
4. **Advisory Services** – The EXIMBANK will provide linkages that will aid SME-specific challenges and support growth initiatives, such as the subsidization of accounting services in the preparation of financial records, strategic and export planning services, and the planning and implementation of sustainable development goals as it relates to ESG objectives.

As such, more than **one hundred (100)** SMEs in Trinidad and Tobago are expected to receive a significant boost in financing to grow their operations and expand into new markets. The Catalytic Fund will increase access to credit and innovative financial solutions for SMEs across focused sectors, including creative industries, ICT, agriculture, and renewable energy.

With access to this type and scale of financing, businesses can now seek to invest in plant upgrades, digital transformation, and technology deployment as well as product quality improvements that will position them for export growth and long-term sustainability.

Building an economy that is adaptable to changes in the world requires lowering reliance on any one sector. Towards this end, and in promoting our diversification thrust, the Government will therefore actively monitor the Catalytic Fund to ensure that the foreign exchange granted to SMEs is put to productive use. The intention is to equip SMEs with the necessary tools for modernization, which will enhance their ability to penetrate new markets, diversify the country's export base, and bolster foreign exchange earnings.

Competitiveness and export expansion are closely linked to each other. By implementing targeted programs to strengthen the operational and strategic capabilities of SMEs, the Fund will enable them to scale up sustainably and compete effectively. These developments will strengthen the local economy by driving export growth and ensuring SMEs' long-term sustainability. Additionally, the Fund will bring improvements to the capital market, as strong governance, stability, and growth potential naturally attract investors.

## **Diversification and Growth Potential –Creative and Agricultural Sectors**

I am aware that two important sectors will be discussed over the next two days: **the creative and agricultural sectors**. Both sectors have

a limited number of players relative to other sectors, such as trade and repairs, accommodation, food service activities, and construction, but they play a critical role in achieving and supporting our economic diversification goals. The Catalytic Fund can benefit SMEs in these sectors of the economy, thereby accelerating the expansion and diversification of the non-energy sectors within Trinidad and Tobago.

Trinidad and Tobago's National Development Strategy identifies **Creative Industries** as key drivers of economic transformation. Our rich cultural heritage provides an infinite, boundless, and diverse source of inspiration for the creatives. In August 2024, the Ministry of Trade and Industry established the **Trinidad and Tobago Trade and Investment Promotion Agency Limited**. The functions of CreativeTT, ExporTT, and InvesTT, and the export and investment promotion services of the Trinidad and Tobago Coalition of Services Industries are now amalgamated into a single entity. This new unified agency represents a significant step forward in transforming and enhancing the competitiveness of Trinidad and Tobago's trade and business environments.

The Government is also ensuring the further development and sustainability of the creative economy with the rollout of its **E-commerce Strategy for 2024-2029**. Encouraging innovation, entrepreneurship, and

diversification within this sector will undoubtedly enhance productivity levels and contribute significantly to the growth and development of Trinidad and Tobago. We support the digitalization of all SMEs and encourage those in the creative sector to incorporate technology into their business so that they can take advantage of the following measures:

- Exemptions of import duties on computers, laptops, and tablets
- Exemptions of customs duties on computer peripherals
- Tax credits for registered payment service providers and electronic money issuers for expenditure incurred in the acquisition of equipment, intellectual property related to software outsourcing and creation, product development, web development, security and maintenance, hosting, regulatory costs, and bank settlement fees, up to a maximum of \$50,000.00. This incentive was introduced to encourage the growth of online financial transactions and development of a digital economy.

To facilitate further growth in the creative sector, this Government has introduced other targeted policies, and a range of investment incentives namely:

- **The Production Expenditure Rebate Programme** offers a cash refund to any national or international producer on expenditure incurred while filming in Trinidad and Tobago.

- For nationals: 35% rebate on expenditure between TT\$100,000 to TT\$51,200,000.
- For non-nationals: Tiered system of 12.5% to 35% rebate on initial expenditure of US\$100,000 to US\$8,000,000.
- An additional 20% cash rebate on expenditure incurred on the use of qualifying local labor.
- **Tax Deduction for the Sponsorship of Audio, Visual, and Video Productions**, which allows companies to claim a 150% tax allowance for actual expenditure up to TT\$12-Mn. for projects that promote local culture, entertainment, and education.
- **Tax Allowances for Creative Sector Sponsorship**, which provides tax allowances relating to the sponsorship of arts and culture, sporting activities or events, audio, visual, or video productions, production companies, and the fashion industry up to **TT\$12-Mn.**
- **Duty Free Concessions.** Enterprises engaged in the film industry are allowed duty-free concessions on machinery, equipment, and materials to produce motion pictures.
- **Remission of VAT and Duty on temporary importation of film production equipment.** Film producers who temporarily import film equipment into Trinidad and Tobago for production purposes are required to post a Customs Bond, which is refunded when the equipment leaves the country.

- **The Research and Development Fund offers phased funding of up to TT\$750,000** to support innovation and commercialization in the sector.
- **The Grant Fund Facility provides up to TT\$250,000** for SMEs in the creative industries to finance **50%** of their acquisition costs, to acquire new machinery, equipment, and technology.

These are just some of the various initiatives designed to stimulate creative entrepreneurship, enhance the global competitiveness of local talent, and position Trinidad and Tobago as a leading hub for cultural and entertainment services in the Caribbean.

As it relates to the agricultural sector, agri-SMEs are expected to play a vital role by reducing the food import bill, which is currently estimated to be **over TT\$7 billion**. This Government remains committed to ensuring that this sector remains **tax-free** and will continue its implementation of policies and programmes to increase productivity and address any growth-inhibiting factors, including the impacts of adverse weather, insufficient funding opportunities, and low farmer participation levels.

The Government, through initiatives such as the **Grant Fund Facility (GFF)**, has also supported existing Agri-SMEs that are engaged in import substitution or export-oriented activities. This grant provides

funding to finance **50 per cent** of the cost of acquisition of new capital requirements, amounting to up to **\$250,000**.

Given that Environmental, Social and Governance considerations impact business decisions today, I wish to reiterate that the **Catalytic Fund** is geared towards projects that contribute to **Sustainable Development Goals**. To this end, investment opportunities in the agricultural sector that contribute to these goals remain large, as these are aligned with the Government's plan for Agricultural Investment. The Government has established a **Green Manufacturing Initiative** to fund or improve green manufacturing practices.

To support the preservation of the Agriculture Sectors, this Government is investing in its young people to ensure they are well equipped for the existing opportunities in agri-entrepreneurship. Through its **Youth Agricultural Homestead Programme (YAHP)** and **Agro-Incentive Grant**, we have provided young persons with the requisite tools to create future opportunities for Agro-Entrepreneurship.

## **Conclusion**

The Government recognizes the importance of SMEs in promoting economic growth, innovation, and job creation in Trinidad and Tobago. One of the key priorities of the Government is to promote and support SME expansion through the promotion of an ecosystem that fosters an

environment that enables growth in the sector. With that, we are committed to creating an environment in which SMEs are encouraged to grow and enter new markets through supportive measures, such as **the Catalytic Fund**. Through our partnership with CAF, this Fund will provide a boost in the financing available to SMEs in various sectors of the economy, including but not limited to the creative and agricultural sectors, and will aid in addressing the critical challenges faced by SMEs. This Government thus remains steadfast in supporting SMEs and will continue to take action to promote the growth and development of SMEs in all spheres.

I thank you.

**End**