



Trinidad and Tobago Trade Sector Assessment

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Submitted by
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Glossary and Interviewee Lists

GLOSSARY OF ACRONYMS

ASYCUDA- Automated System for Customs Data
BDC- Business Development Company
CARIBCAN- Canada/CARICOM Trade and Economic Agreement
CARICOM – Caribbean Community
CBERA- Caribbean Basin Economic Recovery Act
CBPTA - United States-Caribbean Basin Trade Partnership Act
CET rate- common external tariff
CROSQ- Caribbean Regional Organization for Standards and Quality
CPO-Chief Parliamentary Counsel
CSME- Single Market and Economy program
CSO-Central Statistical Office
CTP -Caribbean Trade Preference
EMA- Environmental Management Authority
EXCICO- Export Credit Insurance Company The Ministry of Trade and Industry, created
FTAA-Free Trade Agreement of the Americas
F& DD- Food and Drug Division
GAM-Genetically Altered Materials
GATT-General Agreement on Trade and Tariffs
GOTT-Government of Trinidad and Tobago
MTI-Ministry of Trade and Industry
NAFTA-North American Free Trade Agreement
PAHO-Pan American Health Organization
RNM- Regional Negotiating Machinery
TIDCO-Tourism and Industrial Development Company Limited
SCTRA -Standing Committee on Trade and Related Agreements
SPS- Sanitary and Phyto-sanitary
T&T - Trinidad and Tobago
TCC- Technical Coordinating Committee
TFC- Trade Facilitation Committee MFN rate
TNU -Trade Negotiating Unit
IT- Information Technology
TTBS- Trinidad and Tobago Bureau of Standards
TTMA- Trinidad and Tobago Manufacturers’ Association
WTO- World Trade Organization

DONORS INTERVIEWED

Donors interviewed by the assessment team included the following:

CIDA: The Canadian development agency office for trade matter is located in Barbados. CIDA's concentration on trade capacity building is regional in focus, not on Trinidad and Tobago per se. CIDA provides institutional support for the RNM and supports the OECS in its efforts to assist the sub-region develop its own trade policy strategy, policy coherence and issues such as services. These projects total some \$5.5 million.

DFID: The British development agency, also based in Barbados, support regional trade organizations including CARICOM and the RNM rather than bilateral initiatives in Trinidad and Tobago. DFID's recently concluded a two-year phase one project supporting RNM capacity building including an outreach/communications program on trade policy and negotiations to various stakeholders. FID plans to continue longer-term support to the RNM based on the latter's new strategic plan and likely directed at continues outreach and technical training.

EU: The European Union is active in this hemisphere on trade issues including trade capacity building as an outgrowth to the Lome and Cotonou Agreements and its EPA (Economic Partnership Agreement) program. The EU has not supported trade programs per se in Trinidad and Tobago with the exception of small projects to (2) assist exporters and provide management assistance to medium size enterprises and (2) assist, thought a small business development project, small companies in developing business plans and services. In the past, the EU had a program with the SBDO and tourism but these activities have ended.

ECLAC: ECLAC is developing two trade database programs for eventual regional use by governments.

USAID: The U.S.'s development agency cannot support direct assistance program for Trinidad and Tobago because it does not qualify economically for such assistance. USAID however has supported the RNM's institutional strengthening and currently has a small program to support harmonization of telecommunication regulations in the E. Caribbean. USAID plans to expand its regional program currently based in Jamaica and is considering financing of a large trade/competitiveness project for the Caribbean that could theoretically include Trinidad and Tobago as a regional partner. USAID has recently pronounced trade and trade capacity building as a top priority in Latin American and the Caribbean.

OAS: The OAS has supported trade capacity building in Latin America with program in three countries. Trinidad and Tobago was included in an OAS trade negotiating skill project carried out at Georgetown University that involved 68 Trinidad and Tobago employees. The OAS has a project facility whereby countries can propose project proposals for a maximum ceiling of \$500,000, in principle including technical trade skill building or other programs that could support Trinidad and Tobago's institutional development in trade.

LIST OF PERSONS INTERVIEWED

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Executive Summary

TRINIDAD and TOBAGO TRADE ASSESSMENT

I. EXECUTIVE SUMMARY

This institutional assessment of Trinidad and Tobago's trade capacity addresses two main tasks:

- A diagnostic of Trinidad and Tobago's institutional capability in trade policy related issues; and
- Recommendations for a Plan of Activities to improve this capacity

A. CONTEXT

Trinidad and Tobago's recent economic performance has been characterized by improvements in its diversification process, yet some key characteristics of its economic and trade structures have remained relatively static. Among these, dependence upon petroleum and gas production and exports is the most important. The necessity of diversification of exports and of attraction of foreign investment to non-petroleum production is therefore of utmost importance to sustainable growth in the coming years¹.

Within this context, the trade policy objectives can be stated as follows:

- Diversify exports, especially the export structure (non-oil manufacturing sector, agriculture and agribusiness and services) and market destinations
- Promote foreign investments, mostly in non-oil sectors

Trade policy objectives have shifted away from inward-looking and protected practices of the past to those characteristics of a more liberal and open economic regime. A trade reform program was adopted for the period 1997-2001, though Trinidad and Tobago is now reformulating it to improve its institutional capacity to meet the challenges of the international environment. Accordingly, and since export and investment promotion are objectives directly related to promoting the competitiveness of non-oil, agriculture, agribusiness and services sectors, and promoting small business development within these sectors, trade policy formulation is closely associated with development policy. Therefore, Trinidad and Tobago's trade policy is a key issue and top priority to the country's economic policy.

B. RECOMMENDATIONS

Trinidad and Tobago's trade negotiation operations need a major productivity boost and increased analytical underpinning. We recommend a program that should achieve those immediate ends and also produce a permanent improvement in negotiation capacity and strategic positioning in the medium term. Other program elements support this goal. Our

¹ A detailed survey of Trinidad and Tobago's economic performance has been undertaken in the country profile prepared by a prior IDB mission and will not be repeated here.

recommendations are prioritized with paramount emphasis placed on strengthening the trade negotiation capacity of the Ministry of Trade and Industry and other trade-related agencies.

Accordingly, our recommended first priority is the rapid development and implementation of a reorganization plan for the trade negotiation functions of the MTI and related agencies. While overall trade policy generally appears to be moving in the right direction, its implementation through the various trade negotiation processes, bilateral, sub-regional, and multilateral, has strained the capacities of the present small complement of involved officials. The MTI needs both additional substantive expertise and increased negotiation capacity.

A second and equally important priority is the immediate expansion and augmentation of Trinidad and Tobago's negotiation capabilities by the addition of a group of external experts to work alongside the MTI trade policy and negotiating officials to boost the near-term capacity to develop well-founded trade negotiating positions. A third priority is to boost capacity to participate more pro-actively in the rapidly broadening range of international trade negotiations.

A fourth and closely related priority is short-term training, aimed principally at trade negotiation capacity building. The initial short-term training program would seek to broaden and expand the numbers of the present small group of Trinidad and Tobago's public and private sector professionals who are capable of participation in the specialized trade negotiation processes now proliferating. Specialized short term training opportunities for trade negotiators and backstop personnel would be a secondary priority in the training area.

A fifth priority is research: we recommend a series of studies be supported that would produce results important to trade policy formation and implementation.

The sixth priority is information technology (IT). We do not recommend a specific program in this area until a major and separate IT needs assessment can be completed by a team of appropriate IT experts who would look at the hardware, software, and network needs specific to the management of trade policy, trade negotiations, and export-import statistics. Current needs identified in this report are difficult to prioritize and cost out without a global approach. The costs of haphazard and unconnected response to IT would consume a major portion of the loan funds without guaranteeing a universal solution.]

B.1. Priority One – Reorganization of MTI Management of Trade Negotiations

The primary near term program goal (Year One) should be to regularize, systematize and provide immediate expanded technical and expert support for the ongoing Trinidad and Tobago participation in all pending international trade negotiations.

To achieve this goal, we suggest the components below:

B.1.1 New Trade Negotiations Unit

The design and implementation of the new Trade Negotiation Unit (TNU) in the MTI is a priority. To be of use in the upcoming press of trade negotiations, the timing for design, interagency review, and all needed approvals of the TNU should be not more than four months. Initial program activities should center on this goal.

The TNU should have a well staffed Research and Monitoring function. MTI needs substantial, additional human and financial resources. The TNU also needs flexibility to have both permanent and temporary contract staff to adjust to trade negotiation needs.

We recommend therefore an adequate portion of program resources be utilized for contracting an external advisory group (or groups) of experts to assist the MTI to design and operationalize the TNU.

B.1.2 Reorganization of the Technical Coordinating Committee (TCC)

The present Technical Coordinating Committee (TCC) should be reorganized and formalized by Cabinet Regulation as a Trinidad and Tobago government body specifically charged with developing and monitoring Trinidad and Tobago's trade negotiation policies and strategies.

The TNU should be charged with the ongoing administrative management of the TCC process, while the TCC should report its recommendations directly to the Permanent Secretary, whom should chair the TCC on behalf of the Minister of Trade and Industry.

The list of the trade related agencies that should be part of the TCC's new structure should be reviewed, adding at a minimum, Eximbank, Ministry of Environment, Central Tenders Board and Chief Parliamentary Office representatives.

The conduct of trade negotiations and the TCC intra-governmental coordination process must be clearly separated from the MTI's consultation mechanisms with the private sector. Effective involvement of the private sector in trade negotiations issues should be pursued via the present SCTRA, and by invitation of appropriate private sector representatives to participate in TCC meetings.

The TCC should have more formalized procedures. TCC meetings should produce a written report with recommended negotiation positions and observations of the member agencies on Trinidad and Tobago's progress in current negotiations.

The new TCC procedures should require that MTI acknowledge and accept or reject the collective advice of the interagency process with regular reports or briefings given the TCC by MTI to enhance feedback and communication.

B.2. Priority Two – Immediate Negotiation Assistance - A Trade Experts Group attached to MTI

As establishment of the TNU and the reorganization of the TCC will require from several months to nearly a year to accomplish, Trinidad and Tobago needs to act to meet its immediate needs. Therefore, a separate team of external experienced international trade negotiators should be brought in and constituted as a **Temporary Trade Advisory Group (TTAG)** to serve as resource persons and technical advisors to augment and expand the MTI's ability to analyze negotiating issues and prepare appropriate negotiating positions.

The TTAG would also assist the MTI implement the TNU and develop a more systematic and disciplined interagency consulting process to replace the current Technical Coordinating Committee (TCC).

B.3. Priority Three – Expansion and Upgrade of MTI Trade Policy and Negotiating Professional Staff

This element consists of MTI trade staff expansion, including their deployment and in service training. The present small group of trade at the MTI is comparatively proficient at managing the current trade agenda, but it is losing ground and there is a general feeling that the agenda is expanding faster than MTI can adapt with its current human and financial resources.

The inevitable conclusion of our review is that a significant and early expansion of MTI staff is urgently needed to cover trade policy formulation, trade negotiations and trade agreements implementation and monitoring. Therefore, apart from funding recommended to help establish the TNU, and for the external assistance group to determine the optimum TNU structure, the Ministry of Trade and Industry itself should be directly allotted sufficient resources for the immediate hiring of sufficient additional professional staff. An added complement of 20 professional positions is recommended. All new personnel would be brought on initially as contract hires and the MTI would seek to make the positions permanent within three years.

Within this program element we recommend the inclusion of targeted in-service training for MTI trade staff. This is to upgrade technical knowledge, analytical skills and negotiation capacity of MTI and some participants from other relevant T&T trade related agencies. As soon as the new professionals are brought into MTI, a regular schedule of training should be established, and the training should be considered a part of their job performance requirements.

B.4. Priority Four – Training for Negotiators and Technical Support Personnel

B.4.1 Specialized Areas Related to the Negotiation Agenda

Most areas of trade negotiations have been the subject of training workshops by the RNM, WTO, INTAL/WTO, Georgetown University/OAS Trade Unit, and the Commonwealth Secretariat. New ones such as environment, the trade-debt-finance nexus, trade and labor standards, etc. are being addressed with plans to do more as indicated in the RNM and WTO work plans. The ACP project will also soon add more support in this area. Trinidad and Tobago's immediate needs can be satisfied from these sources.

A portion of training funds should be reserved for sending a limited number of appropriate Trinidad and Tobago officials to these events

B.4.2 Negotiation Capacity Building

Capacity building in trade negotiations should receive heavy emphasis, especially in impact analysis, negotiation skills and practice, knowledge management for trade negotiators, database management, statistical analysis, IT and trade diplomacy.

B.4.3 Language Training for Trade Negotiators and Export Promoters

Language training is needed as Trinidad and Tobago focuses on expansion of trade with Latin America. Immersion programs work but to build real language capability among trade negotiators requires a more long-term systematic response. One approach could be to make Spanish or Portuguese ability a pre-requisite for new hires at MTI. Another approach that the program could consider would be to develop a program via the University of the West Indies at St. Augustine with partner trade institutions from the different language countries, learning the language while observing the trade policy functions.

B.5. Priority Five - Research Support

A great many potentially high return research projects should be undertaken budget permitting. Our recommendations include:

- A Technical Study on Services – to complete an inventory of all services now being offered by Trinidad and Tobago enterprises and individuals and a determination of expansion prospects via sales or delivery abroad.
- Small Energy Service Sector – to assist a number of smaller companies in this field already beginning to sell their services abroad. A study of the export potential here should be undertaken, and ways to augment this should be determined.
- Trade Capacity Training Inventory - to determine the number of persons in and out of government working in trade-related activity and their level of formal education and preparation for their current tasks and their need for further training. No such data now exist and would be essential to a long-term training plan design.
- Technical Studies on Current Preferential Benefit Programs – to review current preferences (CBI, ACP, GSP, CARICOM etc.) to determine their present importance, potential effects of their likely disappearance as the trade liberalization process continues and policy options for Trinidad and Tobago.
- A systematic study of IT needs specific to the conduct and management of trade policy throughout the Trinidad and Tobago government is urgently needed. While it is clear that there are general deficiencies and partial plans for responding, there is no study that seeks to establish the precise needs of each trade related agency, harmonize them and prioritize the response.

As with all recommendations, the final decision remains with the Trinidad and Tobago government as to how to invest and prioritize the resources of this program. Nevertheless, if resources are limited, we believe that the first and second priorities should be funded adequately before devoting funds to studies that, while important and even urgent, depend on a well-functioning trade policy and negotiation process for the fulfillment of their conclusions.

B.6. Priority Six - Information Technology

Needs in this area are quite overwhelming. In the body of the report we provide an agency-by-agency review of the principal findings. There are literally dozens of relatively obvious and urgent IT projects, programs and systems that could be undertaken to respond to the present regrettable situation. We make recommendations for several technical assistance activities,

related principally to the design of eventual solutions, but we reiterate our general recommendation that no major investments should be made without a prior comprehensive trade related IT assessment.

Recommended are: 1) Technical study on IT infrastructure and resources; 2) Technical assistance for the design of an integrated trade information system; 3). Technical assistance for the adoption of the Harmonized System; 4) Technical assistance to construct a dynamic statistical trade database; and 5) IT Training Programs.

Institutional Diagnostic

II. INSTITUTIONAL DIAGNOSTIC

This section of the report details the results of the institutional diagnostic.

A. INTERNATIONAL TRADE AGREEMENTS AND OBLIGATIONS

Trinidad and Tobago subscribes² to the following international trade agreements: CARICOM Treaty of Chaguaramas (1973); the Cotonou Agreement with the European Union (2000); United States-Caribbean Basin Trade Partnership Act (CBTPA) (2000);³ the CARICOM/Venezuela Trade and Investment Agreement (1992); the Canada/CARICOM Trade and Economic Agreement (CARIBCAN) (1986); the CARICOM/Colombia Trade and Economic Agreement (1994)⁴, the Agreement Establishing the Free Trade Area Between the Caribbean Community and the Dominican Republic (1998)⁵; CARICOM/CUBA Trade and Economic Cooperation Agreement (2000); and Trinidad and Tobago/Venezuela Partial Scope Agreement (1990).

Trinidad and Tobago is currently engaged in negotiations in the World Trade Organization (WTO) (Built-in agenda/Doha round), CARICOM (implementation of the CARICOM Single Market and Economy project) and the Free Trade Agreement of the Americas (FTAA). Preparations are underway for the start of further negotiations between CARICOM/Dominican Republic (second phase-Services, Government Procurement), and for the post-Cotonou ACP/EU launch of negotiations in September 2002.

Trinidad and Tobago recently negotiated a Partial Scope Agreement with Brazil and a Free Trade Agreement with Costa Rica. Both agreements remain to be adopted by CARICOM. Trinidad and Tobago also held negotiations with Mexico regarding a Free Trade Agreement and is now committed to trade negotiations between CARICOM and Canada, and CARICOM and Venezuela, as well as a second phase of talks between CARICOM and Cuba.

Other possible negotiations could involve CARICOM/Central America, CARICOM/Andean Group and a new WTO Millennium Round. The recently proposed ACS Caribbean Trade Preference (CTP) or possibly revived G3 (Mexico, Venezuela and Colombia) talks with the Caribbean Basin countries could also be on the future trade agenda.

Non-reciprocity is a major feature of the current agreements with the more developed countries. Many of these agreements are limited by time-bound waivers in the WTO and scheduled to be superseded by reciprocal trade agreements now in various stages of negotiation.

Reciprocity issues in trade talks represent a challenge in terms of technical preparation and negotiation expertise.

² The dates indicate when the Agreements were signed or declared.

³ CBTPA amended the Caribbean Basin Economic Recovery Act (CBERA), which was enacted on August 5, 1983.

⁴ This agreement came into force in 1994. CARICOM MDCs (more developed countries) agreed to offer reciprocity to Colombia from the beginning of 1998.

⁵ A first draft was signed 22 August 1998. The CARICOM/DR Trade Agreement entered into force from Dec. 2001 between CARICOM (Trinidad and Tobago, Jamaica and the OECS) and the Dominican Republic.

The WTO negotiations are wide-ranging in scope. They set the operational framework for WTO-Plus negotiations in the FTAA, Post-Cotonou and other free trade regional forums. In general, they cover agriculture, services, import licensing procedures, tariffs and non-tariff measures, pre-shipment inspection, regional trade agreements, rules of origin, subsidies and countervailing measures, safeguards, sanitary and phyto-sanitary measures, state trading, technical barriers to trade, textiles and clothing, trade-related investment measures and trade-related aspects of intellectual property rights.

At the Doha ministerial meeting in November 2001, the built-in agenda (agriculture, services) was widened to include issues relating to special and differential treatment for the small economies of developing countries such as Trinidad and Tobago. These negotiations should be concluded by January 2005.

At the next WTO ministerial session in 2003, the trade agenda could be further broadened to include investment, transparency in government procurement, and competition policy. FTAA and ACP/EU negotiations, which will expand on these WTO agreements, are scheduled for completion by the end of 2004 and 2007 respectively. New issues relating to trade and the environment and labor standards may be included.

Involvement in international trade negotiations is also accompanied by the need to meet implementation obligations and commitments under existing agreements. The Treaty of Chaguaramas and its recent modifications through the CARICOM Single Market and Economy program (CSME) is imposing requirements for the harmonization of legislation. The CSME program covers the adoption and implementation of nine Protocols amending the Treaty of Chaguaramas. The CSME program seeks to remove the remaining restrictions on services, goods, labor and capital.

The WTO Marrakech Agreement has also imposed obligations on Trinidad and Tobago regarding changes in domestic legislation, commitments on notification and administrative adjustments. The WTO schedule for implementing commitments will span three more years until 2005.

WTO notification requirements cover the following areas:

- Agreement on the Implementation of Article VI of the GATT 1994 (Anti-Dumping)
- Agreement on Agriculture
- Understanding on the Balance-of-Payments Provisions of the GATT 1994
- General Agreement on Trade in Services
- Agreement on Import Licensing Procedures
- Tariffs and Non-Tariff Measures
- Agreement on Pre-shipment Inspection
- Regional Trade Agreements
- Agreement on Rules of Origin

- Agreement on Subsidies and Countervailing Measures
- Agreement on Safeguards
- Agreement on the Application of Sanitary and Phyto-sanitary Measures
- Article XVII of GATT 1994 and the WTO Understanding on the Interpretation of Article XVII (State Trading Enterprises)
- Agreement on Technical Barriers to Trade
- Agreement on Textiles and Clothing
- The Trade Policy Review Mechanism
- Agreement on Trade-Related Investment Measures
- Agreement on Trade-Related Aspects of Intellectual Property Rights
- Agreement on the Implementation of Article VII of the GATT 1994 (Customs Valuation)

Trinidad and Tobago is working to meet its notification requirements. Prior to December 2001, notifications were complete in “Pre-Inspection Shipment” and “Technical Barriers to Trade”. The areas that present particular difficulty are domestic support and export subsidies in agriculture, subsidies and countervailing duties, import licensing, quantitative restrictions and state trading. (For more detail see Annex 2.) The administrative and legislative requirements of the WTO are being addressed, as the time frame for compliance decreases⁶.

B. CONTEXT OF TRADE POLICY

In the context of globalization, trade policy has become an increasingly complex issue. Trade policy formulation and implementation are increasingly interrelated both domestically and internationally. The international framework is the result of a set of international trade rules arising from World Trade Organization (WTO) and regional trade agreements that establish the universe of trade regulations and commitments to which countries must adhere in order to effectively compete in foreign markets.

Key elements for growth in world trade are progressively more sophisticated policy instruments, compliance with international rules and regulations, domestic implementation of trade arrangements, assimilation of new tradable sectors (such as services) and issues (such as government procurement, intellectual property rights, investment, competition policy), trade policy design, and adaptation of institutions responsible for trade policy formulation and articulation.

The achievement of international levels of competitiveness is but one necessary condition for growth in world trade.

Trinidad and Tobago faces important challenges for the future. Trinidad and Tobago takes part in trade negotiations on several external fronts that subdivide themselves into two groups: (1) those

⁶ Assistance is also being provided under an IDB/CARICOM Project to meet WTO commitments.

that take place through the Caribbean Community and the Regional Negotiating Machinery (RNM); and (2) those in which the country participates individually.

The first requires negotiating expertise as Trinidad and Tobago assumes a leadership role in this group and therefore needs to establish consensus about common positions⁷ in the sub-regional block. Bilateral negotiations require competent and knowledgeable professionals as well as technical resources to adequately address the various issues on the negotiation agenda. Effective implementation requires coordination and effective communication with the private sector to optimize the full benefits of trade liberalization and integration.

Trinidad and Tobago's international trade strategy is directed at the negotiation of free trade agreements based on the concept of reciprocity of concessions (allowing exceptions to protect sensitive sectors from foreign competition). Increasing market access opportunities in areas covered by these arrangements will foster foreign investment in export-oriented productions.

The achievement of Trinidad and Tobago's trade policy objectives (diversify exports and promote foreign investment) is increasingly interrelated to how successful the government is in formulating international and regional trade negotiation strategies. The Trinidad and Tobago government must be convinced that increased trade integration--which requires negotiation skills and compliance--results in gains in trade liberalization and growth among the non-oil sectors.

Government systems and organizational rules for each country determine different models of trade policy formulation. Some of the issues that must be studied to access institutional capabilities in the trade arena include: the role and hierarchy of policy institutions within the government; the institutional capabilities to formulate this policy; technical capacity to formulate trade strategy and policy; trade policy decision-making and coordination with other governmental departments or agencies, and methods of interaction and coordination with civil society.

The institutional framework requires an organizational structure capable of implementing its trade policy formulation and international trade negotiation responsibilities, advancing the decision-making process and utilizing mechanisms of coordination and consultation with civil society.

This report will begin with a descriptive analysis of Trinidad and Tobago's trade policy institutional structure. This is the process by which trade policy is formulated and coordinated with other trade related government agencies. The structure, role and functions of trade and investment promotion agencies, will be analyzed in detail. The information was collected from interviews and focus group meetings. Next, the coordination mechanisms within the government and with the private sector will be analyzed. A third section will focus on trade-related institutions and trade policy formulation and articulation. Finally, the recommendations and a suggested plan of the activities to be developed under the IDB facility loan will be presented.

⁷ CARICOM "is the rule", as asserted by a Foreign Affairs Ministry representative, even if obligations within the regional block relate only to Common External Tariff, and as yet as the Caribbean Single Market Economy (CSME) has not been fully built.

C. INSTITUTIONAL STRUCTURE OF TRADE POLICY ADMINISTRATION

The Ministry of Trade and Industry (MTI) formulates trade policy strategy and objectives in consultation with the private sector. The Cabinet also formulates trade policy strategy and objectives. International treaties have no legal effect until they are incorporated into domestic law. Therefore, commercial agreements involving more than concessions on tariff preferences (like WTO - Marrakech Agreement or other regional trade agreements) must be individually ratified by parliament and sometimes require specific new laws or modifications to domestic legislation. There is no direct participation by representatives of Parliament in the trade policy formulation or in the trade negotiation processes. Parliament plays a role only when it has to vote on specific laws or amendments to existing laws as required by certain commercial agreements.

Trade policy formulation requires three steps to be taken into consideration: (1) the negotiation and underwriting of trade agreements; (2) the incorporation of specific provisions to domestic legislation; and (3) and the implementation of these provisions once the law has been passed. Institutions must exist that are capable of administering the new trade regulations.

The *Ministry of Trade and Industry (MTI)* is the executive branch representative of the government primarily responsible for the formulation and administration of trade policy. It is also responsible for bilateral, regional and multilateral negotiations⁸. Trade policy matters under its jurisdiction, either directly or indirectly, are:

- Formulation of trade policies
- Administration of antidumping and countervailing duties
- Administration of competition policy⁹
- Bilateral investment treaties
- Coordination of trade in services¹⁰
- Negotiation of trade agreements
- Exports and investment promotion
- Tourism and Industrial Development Company Limited (TIDCO)
- Eximbank
- Business Development Company (BDC)¹¹

⁸ A merger of the Ministries of Trade and Foreign Affairs occurred in a prior government in order to manage trade and trade negotiations issues through the creation of an International/Hemispheric and Regional Trade Unit. However, this structure did not endure, the above-described model ultimately retained for the formulation and execution of trade policy as well as for the trade negotiation processes. Nevertheless, as it is pointed out later in this section, the Ministry of Foreign Affairs retains an important charge for some trade negotiation issues, as it is responsible for CARICOM and Caribbean Affairs.

⁹ Additional information is required on this topic.

¹⁰ Idem note N° 3.

¹¹ Formerly Small Business Development Company (SBDC).

The organizational structure supporting trade policy formulation, execution and evaluation, and trade negotiations is composed of the Ministries of Agriculture, Finance and Foreign Affairs, the Central Tenders Board, the Bureau of Standards, and the Food and Drug Division of the Ministry of Health. Also included are the export and investment promotion agencies--TIDCO and BDC-- and the Chief Parliamentary Counsel, charged with drafting legislation and reporting to the Attorney General's office.

A Technical Coordinating Committee (TCC) has been recently created, under the umbrella of MTI, to advise government and the ministry responsible for international trade negotiation issues, and to coordinate policies and positions with other trade-related government ministries and agencies. More recently, sub-committees have been established under the TCC, whose committees will discuss and formulate positions for presentation to the TCC. The private sector participates in this process through a mix of private sector interest groups, mostly from the non-oil sector and negotiated through the Standing Committee on Trade and Related Agreements (SCTRA), which participates in the TCC.

D. TRADE AND INVESTMENT PROMOTION AGENCIES

D.1. Tourism and Industrial Development Company Limited (TIDCO)

The Tourism and Industrial Development Company Limited (TIDCO) was first established in 1993 and expanded in 1995 by Act of Parliament to encompass three functions seen as key to implementing Trinidad and Tobago's goal of "building Trinidad and Tobago as the world's premier destination to invest, conduct business and visit", i.e. the promotion of tourism, exports and investments.

A twelve member Board of Directors reportedly chosen "on merit" and with representatives from both the public and private sectors oversees TIDCO which is a semi-autonomous organization whose President reports to the Minister of Trade and Industry.

TIDCO is subject to some civil service regulations but, according to its President, has the authority to pay salaries greater than civil service ones in order to compete with the private sector for skilled local professionals, though it is not clear if this option is currently being exercised. The President has authority to "hire and fire" though he has only recently been named to the position and is currently involved in a wholesale review of TIDCO's operations, structure, results and overall mission, including personnel issues.

TIDCO's own literature describes its dedication to continuous institutional improvement and following of "best practices" in its operations.

One of TIDCO's attributes as a semi-autonomous organization is its capacity to procure goods and services outside normal government procurement channels. Therefore, for reasons of government expediency, use has been made of TIDCO resulting activities not directly related to its mandate; e.g. the Miss Universe pageant and road construction among others. While there are diverging views of the impact such activities have had on TIDCO, most interviewees agree that such diversions were at best an unwelcome and unneeded distraction for TIDCO.

The addition of tourism promotion to TIDCO—where some 52 of TIDCO’s total staff of 137 are employed—was based upon a tourism master plan completed in 1995. This “niche marketing” strategy was designed as a “differentiated” tourism strategy (apparently meaning in contrast to other more mass-marketed tourism strategies pursued by other Caribbean nations) focused on a multi-pronged approach related to the environment, culture, sport, yachting and cruises, diving and promoting the country as a wedding destination.

This strategy itself represented a significant change in Trinidad and Tobago’s approach to tourism in general: one early post-independence Prime Minister rejected tourism as a goal of Trinidad and Tobago’s early economic strategy, apparently spurning it as demeaning while choosing to concentrate instead on industrial development.

TIDCO reports its tourism marketing and promotion activities to be highly private sector driven and carried out with the participation and consensus of its private sector stakeholders. The current tourism strategy has as its written goal to market Trinidad and Tobago and make it the “number one sought after Caribbean destination over the next five years in its target market over the next five years”.

TIDCO’s export promotion function is designed to promote the overall competitiveness of Trinidad and Tobago companies by activities that facilitate and promote market access and penetration. Their vision is to make the country “the hemispheric hub for trade and regional access”.

TIDCO export promotion activities, contained along with investment promotion with its Trade, Industry and Investment Division, are designed to utilize a variety of mechanisms:

- Provision of market information
- Market studies
- Trade Missions (3 in 2002)
- Trade Point (an UNCTAD trade data base)
- Advisory services
- Incentives
- Multimedia presentations
- Collateral materials
- Market research
- Award program

Export activities, cutting across a number of local companies and industries, are supported to a certain degree by market research information as well as information on international standards for local producers but TIDCO’s overall research capacity, quality and standards training and information provided on current trade agreements is weak. TIDCO has assigned 25 employees to the division dealing with export promotion. The Vice-President position heading this division continues to be vacant.

It is clear that despite the fact that TIDCO-supported export promotion programs are being carried out with the active participation and support of the private sector, export promotion activities are severely limited by resource and personnel constraints as staff becomes further ineffective and dissipated in the face of too many potential activities and responsibilities.

Under current circumstances, export promotion efforts are spread too thin and their overall effectiveness is undermined.

It seems evident as well that export programs are insufficiently supported by research, information, results tracking and other support functions, resulting in an unfocussed and overly “ad hoc” program. TIDCO personnel openly discuss these issues and TIDCO management tells us that plans are underway to address many of them. The new TIDCO President seems to understand the problems and challenges on export promotion and promises changes within six months that will address many of them, including specifically, reforms related to information technology, research, analysis and results tracking.

TIDCO’s investment promotion strategy was developed in 2001 to “make Trinidad and Tobago a premier destination for investment”. The supporting study behind the investment strategy identified six primary investment sectors on which to focus:

- Information technology
- Plastics
- Tourism
- Food and leisure
- Downstream petroleum products
- Pharmaceuticals
- Agribusiness

TIDCO believes its investment promotion mission is facilitated by Trinidad and Tobago’s attributes as a small, pro-business, English-speaking county that can offer good infrastructure, tax incentives, and a good quality of life.

TIDCO has pursued increased investment through a variety of mechanisms: trade missions, attendance at trade fairs, short-term overseas marketing efforts via contracted consulting firms, use of Trinidad and Tobago diplomatic personnel abroad to promote the country as an investment destination, facilitation of investor visits to the country, facilitation of investor establishment once a pro-investment decision has been made and so forth

However, the effectiveness of investment promotion is constrained by many factors, including resource limitations—both human and material—and strategic constraints. Tax incentives, for instance, listed on the TIDCO website, do not appear to be complete or wholly attractive. There are no VAT-related tax incentives and specific tax incentive legislation is lacking. (Note: Much of the information on TIDCO’s website is described by in general by TIDCO employees as out of date and in need of updating.)

There is no “one stop” operation within TIDCO or other government entity to ease the business registration and entry process into the country despite TIDCO’s recognition of the successful application of such a facility in other countries’ (Singapore, Costa Rica, etc.) investment promotion offices that follow “best practices”. Company registration in Trinidad and Tobago still takes weeks, not days, and the absence of a functioning “one-stop” disadvantages the effectiveness of its overall investment promotion efforts, however politically difficult its establishment may be.

There are apparently few if any specially trained “world class” investment promotion specialists and few highly honed investor friendly promotion services either in Trinidad and Tobago or outside it suited to dealing with high-level, sophisticated corporate investors. Such specialized information, facilitation and other “best practice” services serves to create a comfort-zone necessary for outside investors to differentiate Trinidad and Tobago from a host of other potentially appealing investor destinations who aggressively market their own attributes.

There are no overseas promotion offices for Trinidad and Tobago located in strategically important cities overseas that can effectively promote the country to potential investors, particularly targeted investors versus more general target of opportunity investors. Diplomatic and consular personnel, however motivated, have too many other duties and distractions and lack the specific skills training to be the most effective promoters, especially given aggressive global competition for foreign direct investment.

Only 12 of TIDCO’s total 155 employees work on investment promotion programs which by definition relegates it to a place of lesser importance on TIDCO’s priority list. There is the same inadequate priority placed on research or sector analysis, results tracking (there seems to be little or reliable no record of foreign direct investment achieved over any period of time), use of information technology, language skills, optimally productive links to economic sectors such as energy and agriculture and so forth.

The new TIDCO President is aware of the challenges facing his organization and is promising reforms through a current “rebranding” or reengineering exercise. Among those reforms promised—including enhanced use of research, information technology, monitoring, filling of key personnel vacancies and training programs. TIDCO is also developing a new institutional structure that will integrate its activities with the former Small Business Development Association, now renamed the Business Development Company, and with export enhancement and promotion responsibilities of its own (discussed below).

However, the current picture of investment promotion with TIDCO is of an unfocused and overly ad hoc operation, not willing nor able to pursue “best practices” despite their awareness of them, and lacking well-paid, fully qualified personnel and up-to-date information systems. Such a situation could reflect a lack of attention and support to TIDCO from Trinidad and Tobago’s political leadership. With leadership, resources and the consideration of outside technical assistance on the application of export/investment best practices, TIDCO that could transform impressive rhetoric and plans into a similar level of demonstrable results. Recommendations for TIDCO appear below and a litany of “lessons learned” on investment/export promotion appears in Annex 2, that TIDCO and Trinidad & Tobago would be well served to consider.

D.2. Eximbank

Eximbank is a state owned company, whose main objective is to provide financial assistance to Trinidad and Tobago exporters. Absorbing the existing Export Credit Insurance Company (EXCICO) created Eximbank¹². However, despite plans to the contrary and a supporting Cabinet decision, Eximbank has never been capitalized through an infusion of government funds; rather its capital is instead derived from commercial banks. According to Eximbank management¹³, this delay demonstrates a lack of political will by Trinidad & Tobago political leadership to support state-financed export financing.

Regardless of this impediment, Eximbank has succeeded in developing an important amount of financial assistance for exporters, estimated at about TT800 million with only TT2 million capital. Eximbank's commercial bank funding was obtained with the collateral guarantee of government's yet-to-be-realized funding contribution.

Eximbank currently assesses political and commercial risks and provides pre-shipment financing (for exporters, purchases of raw materials and other working capital against confirmed export orders) as well as post-shipment financing, both at competitive market interest rates. In addition, it provides information to exporters, primarily through guidelines to potential buyers.

Eximbank has recently begun a program of assistance to exporters to Latin American markets – the aim is to diversify export destinations -- consisting of providing specific market entry and requirements analysis and information.

Eximbank has a staff of about 30 persons and is directed by a Board of Directors of 7 persons appointed by the Ministry of Trade and Industry. There is private sector representation on the Board of Directors whose current president is a business representative on the TTMA.

The agency works in direct contact with actual and potential export companies, from its own mailing database. It has access to IT resources and Internet access but does not possess an internal integrated network, nor is connected to other related agencies or the MTI. An enhanced IT project is now in progress, including development of a website.

Eximbank does not coordinate its activities with TIDCO.

D.3. Business Development Company (BDC), formerly the Small Business Development Association (SBDA)

Development of small and medium enterprises is one of the major objectives of trade and industrial policy. The Business Development Company (BDC) is a government agency formed by a May 2, 2002 Cabinet resolution to replace the former Small Business Development Association. The new organization, under the supervision of the Ministry of Trade and Industry, was reformulated to provide assistance to the small and medium enterprise¹⁴ sector away from the micro-enterprise sector that was one of the foci of the former SBDA. Under the current

¹² Established in 1973 to provide insurance facilities for exporters covering the risks of credit.

¹³ Roger L. L. Mike was one of the persons interviewed.

reformulation of the BDC responsibilities, micro-enterprise related work reverts to a new and separate organization, the National Entrepreneurship Development Company.

The BDA mandate is to assist local entrepreneurs cope with challenges and pursue opportunities stemming from trade liberalization; i.e. to become more sustainable and competitive in the international marketplace. The assistance has reached about 5,000 clients to date through the provision of technical and financial services. About 80% of these were micro enterprises of which about 20% were exporters. SBDA's work (now BDC) has been guided by a 1999 strategic plan with four main components:

- Management and Employee Training -- upgrading of skills of managers and other employees in leadership, technology, etc.
- Technical assistance to companies-- in attaining international "best practices" to increase competitiveness
- Financial support – a loan guarantee program implemented through a subsidiary company and commercial banks, for lease financing for plants, machinery and equipment
- Export Development and Trade Promotion - assistance to exporters to develop the supply of competitive products, through trade shows, trade promotion, missions, research, etc.

Target sectors for past SBDA assistance have included non-petroleum goods and services, particularly leisure/marina, plastics, packaging, wood (furniture), metal manufacturing, entertainment (music), handicrafts and IT.

The strategy focuses on firms of 6-50 employees with a capital of \$T&T250,000 to 5,000,000 and with annual sales of \$T&T250,000 to 10,000,000.

The agency sees itself as complementary to TIDCO areas of activity, with the understanding that BDC devotes its efforts at more small enterprise environment, while TIDCO normally addresses a more global view and normally, therefore, larger enterprises and more macro promotion policies.

BDC leadership is very aware of the challenges presented by CARICOM and FTAA negotiations and their potential impact on the small and medium enterprise sector. It sees its role, in part, as communicating and increasing awareness to its clients of the implications trade negotiations are having and will have on its constituencies' ability to survive and prosper under altered business circumstances.

An example is informing clients of the implications of the demise of the WTO multi-fiber agreement where local textile manufacturers will compete more directly with low-cost Asian manufacturers, the message being "adapt, change, compete or perish". Such assistance is reportedly offered in conjunction with a network of 35 Trinidad and Tobago industries loosely tied to the TTMA, TIDCO and the Ministry of Trade and Industry.

BDC does not directly participate in the Technical Coordinating Committee (TCC)¹⁵ but apparently is able to make inputs to it, particularly as relates to special and preferential treatment for small and medium size companies.

BDC provides help to private sector enterprises through its “full stop” mechanism, meaning that in theory companies can obtain all the answers they need about where to go and how to get through the Trinidad and Tobago bureaucracy for company registration, licenses and so forth (not a “one stop” for registration and licensing; rather one place to obtain information on how to pursue this process). Information obtained during this assessment, however, indicates that this mechanism is not very effective in practice.

BDC has also close ties and communication with the private sector chambers, mainly the TTMA and the American Chamber of Commerce.

E. TRADE RELATED GOVERNMENT MINISTRIES AND AGENCIES

E.1. Ministry of Trade and Industry (MTI)

The organizational structure of the Ministry of Trade and Industry (MTI) has been recently reorganized under the “Regional Trade” and “International Hemispheric” divisions; and from a practical perspective it is too early to judge its success. While there are no definitive opinions on how best to organize such an institution—for example consistent with CARICOM or FTAA negotiating groups--another alternative would be to reorganize functionally.

The Trade Unit within the Ministry of Trade and Industry is currently divided into four geographical divisions: ACP-EU, WTO, FTAA and CARICOM/CSME and subject areas such as services. About six FTAA negotiating areas are currently handled by MTI: market access, services, competition policy, investment, subsidies, anti-dumping and countervailing duties and dispute settlement. The other FTAA negotiating groups are under the responsibility of other government agencies, e.g., intellectual property rights. While this system of organization is only three months old, there are already problems, e.g. regarding CARICOM and overlapping responsibilities of involved institutions in international negotiations.

Reorganizing staff previously comfortable with subject areas into geographic divisions is a challenging undertaking. Since there is no assigned backup on functions, there is a tendency for one person to continue working as in the past rather than shifting to the exclusive geographic focus.

Another problem mentioned concerns personnel of a particular area being split across ministries and departments. In market access, the Ministry of Agriculture and Customs, Trinidad and Tobago Bureau of Standards (TTBS) and private sector associations like the TTMA, are also involved in follow-up to trade liberalization issues related to agriculture, technical barriers to

¹⁵ According to the officer interviewed, BDC has access to the TCC through its membership on a Foreign Affairs committee (since a Foreign Affairs representative sits on the TCC). However, such a committee is non-existent, as confirmed in the Ministry.

trade and rules of origin and customs procedures. In services the same situation exists between the Ministry of Finance and Chamber of Commerce with overlapping interests.

Personnel dedicated to the Trade Unit are limited¹⁶ (there is only one person following-up “Market access” FTAA Negotiating Group). Under civil service regulations as stated by the Chief Personnel Officer, the MTI has a staff of 169 persons in the following categories:

- 46 Professional
- 15 Technical
- 56 Clerical
- 5 Administrative
- 30 Secretarial
- 17 Support

The lack of emphasis on research and planning as well as the absence of information on markets are significant ministry weaknesses. At present, no department is specifically dedicated to gathering and processing intelligence or trade information for providing early warnings on key trade issues, trade developments and trends. Nor are people involved in research, monitoring, and evaluation of information to support the formulation of trade negotiating strategies and policies. In today’s global economy, it is absolutely necessary that these functions be performed.

MTI underscored the need for a trade information system, a trade negotiation unit (TNU), dedicated technical training and studies.

International trade negotiations are currently the responsibility of the Sub Committee for External Negotiations, which depends on the Technical Coordinating Committee, and are not functioning well. A Trade Negotiating Unit (TNU) is being proposed by MTI to serve as a negotiating team and provide input to the TCC. This unit would intend to complement, not replace, the TCC functions.

According to some, TNU could be organized on a temporary basis, so as to limit the use of resources; yet this does not recognize the fact that trade negotiations is a continuous undertaking. Nevertheless, additional professional staff on a temporary contract basis is a necessity. Revisiting whether a trade research unit¹⁷ should be part of the TNU or a separate unit is a subject for further consideration. One plausible view is that those involved in the negotiations should also be involved in research with a consortium of consultants available to assist the unit, funding permitting¹⁸.

¹⁶ The main areas where staff is needed are trade, legal and anti-dumping.

¹⁷ There was a Research Unit before the merger with the Ministry of Foreign Affairs took place. It was discontinued and the staff sent to other Departments.

¹⁸ MTI complained of the lack of specialized staff and ability to cover the wide range of simultaneous trade negotiation meetings. There is no estimate of the size of staff needed to cover the entire gamut of trade negotiations but this was needed.

The lack of information technology (IT) resources and development is an issue of utmost importance. It is critical that more priority be attached to upgrading the IT environment with equipment and skilled personnel. While better than most ministries, weaknesses in MTI exist in website development, networking, and e-government strategies regarding statistics, current data, feedback, leadership and resources. For example, customs trade data and trade statistics are not yet harmonized vis-à-vis IT. As well, there is no central depository for trade information. This is a serious problem and adversely affects decision-making and implementation.

MTI has only three professionals in the IT field, all with at least a Masters Degree and varied academic backgrounds, including law. Some of the other IT staff started in clerical positions and were eventually converted through aptitude or interest into IT personnel. The IT division has the capability to engage in e-commerce and maintain the software for an intra-net but needs to improve its web programming skills so as to develop on-line capabilities and operating system skills.

In the IT area, three projects are now ready for implementation. The first one is called Enterprisenet.tt--an initiative between the Ministry of Trade and Industry and TIDCO to assist small and medium enterprises have a presence on the Internet and to interface with buyers and sellers worldwide. The website will provide information on the status and/or links to WTO and FTAA negotiations; however the project is currently on hold due to funding constraints.

The second project intends to develop a MTI website conceptualized as a business-to-government and government-to-government resource. A project official wants the website to contain up-to-the-minute content and incorporate creative ways utilize message boards and other interactive technology. Otherwise it will duplicate the information-style website TIDCO already hosts. Maintaining such a site will require a constant source of current information and effective dissemination techniques that could prove problematic. Funding constraints must be reconciled for this website development to continue. If funding could be secured, a fully functional website could be operating in three to six months, rather than six months to a year. Other institutional weaknesses need to be addressed concerning collaboration in areas such as e-commerce legislation, government on-line services, and government website policy.

The third project is the E-Government program. This project intends to lay the structure for an effective communication and infrastructure network that will provide basic email and Internet connectivity to every ministry within two years. Five ministries are being piloted with others to follow depending on initial success. An inventory of the various ministries will begin in late August 2002, to determine how best to proceed.

The Trinidad & Tobago seems committed to improving the IT capabilities of the ministries, but there is concern that some of the “marginal” ministries and/or trade related agencies (such as Agriculture and the Chief Parliamentary Counsel) might not fully benefit from this program because they are already so technologically marginalized.

Upgrading the technical skills of the staff is needed. The Trinidad & Tobago requires ministries and departments to include training plans and programs in their strategic planning framework, yet critical training for those staff in MTI/trade policy formulation roles is seriously lacking. Staff members with minimum entry level university degrees in business or economics do not

possess skills in research, report writing, analysis of trade issues or technical knowledge of pertinent issues. According to MTI officials, collaboration between the Ministry and the University of the West Indies, Saint Augustine—where many new Trinidad & Tobago’s employees originate--could be closer in terms of curricula and technical training to better align these institutions in terms of trade and industrial development objectives of Trinidad & Tobago. While some training has received donor financing, funding for training continues to be a critical restraint.

The MTI has identified the following as priority areas for training: negotiating skills, analysis of trade statistics, trade issues and trade agreements, foreign languages (French, Spanish, Japanese), trade law and dispute settlement, investment promotion, export marketing, and information technology. The first three areas are considered critical.

Impact assessments are needed too—to understand the effect of trade agreements and commitments on the domestic economy.

E.1.1 Recommendation:

In accordance with the findings above and the prior reviews by IDB staff, the strengthening of MTI must be the primary focus of the overall program. We recommend that the highest priority activities center on the MTI. These are: 1) support for a major expansion of the MTI’s trade group and 2) support for the reorganization of the MTI management of the trade policy and negotiation processes, including the establishment of a new Trade Negotiating Unit (TNU) and the restructuring of the interagency Trade Coordination Committee (TCC); 3) incorporation of a Temporary Trade Advisory Group of external advisors. These recommendations are elaborated upon below.

E.2. Ministry of Agriculture

The Ministry of Agriculture has a trade team and a sanitary and phyto-sanitary team (SPS issues are a sub-group of WTO agreements) with four staff members, two of them new. Few trade meetings are attended and supporting infrastructure is entirely inadequate.

A Ministerial Committee for Agriculture Trade that includes private sector participation (concerned with all parts of agriculture sector impacting on trade such as fish, animal health and forests) functions under the responsibility of the ministry to discuss trade negotiation issues and makes recommendations to MTI. This Committee was created by 1998 but does not function as originally intended.

An Agriculture Trade Monitoring Unit was established, but it doesn’t function as intended either, mainly due to turmoil caused by political changes. The Trade Monitoring Unit was related to a 1986 loan from the IDB now coming to an end. Some databases were developed but much more needs to be done including tracking of WTO issues and obligations, etc.

The Ministry of Agriculture attends and participates in the TCC and tries to attend WTO and FTAA meetings when they can afford to go, but resources are again clearly a constraint. There are not enough qualified personnel to cover the FTAA and WTO meetings.

Increased private sector participation is also a pressing need. Recently there have been more demands from the private sector for more information about important decisions in FTAA and WTO affecting the Trinidad and Tobago agriculture sector for example in the poultry sector, in market access or special and differential treatment. The ministry is unprepared to handle these trade-related issues, particularly regarding tariff rates but, on the other hand, claims that the private sector is not particularly cooperative with information or other feed-back when asked to provide it by the Ministry.

The division of planning handles research—a needed commodity for domestic support and market access. No work is currently being done on the impact of policies of other countries on Trinidad and Tobago agriculture. A recent example is the introduction of new US subsidies where no significant research work has been conducted to date.

The information technology (IT) environment is grim: there is no website, no network, and only one computer has Internet access. While some IT technical assistance has been provided in the past, little has been accomplished and no significant progress achieved. The Ministry is hiring a consultant to prepare an IT strategic plan for the ministry—a task that be carried out in coordination with the national e-commerce and e-government programs to ensure continuity and uniformity.

Training is required in order to help comply with the WTO, trade negotiations preparation, pre and post negotiations (implementation), monitoring of agreements, trade policy analysis, and impact analysis¹⁹ (that include simulation and scenario planning). Training is also needed to improve negotiating skills, language abilities, subject expertise, knowledge concerning subsidies, politics of domestic support and the address the enquiry point under SPS.

In order to be competitive, Trinidad & Tobago must develop the technical capacity to conduct research and gather data for technical decision-making for example in the poultry sector. The same is the case regarding research on livestock issues and other commodities. The division also needs the capacity to access implications on rural development, rural livelihood and food security.

E.2.1 Recommendation:

A separate program to revitalize this Ministry's international divisions should be contemplated. The ability to participate proactively in the determination and management of food security policy for T&T, including the development of informed negotiating positions in international trade negotiations is very rudimentary at present. At a minimum, a functioning international agricultural trade unit should be re-established.

E.3. Ministry of Finance and Central Bank

The Ministry of Finance (MF) has certain trade responsibilities in the supervision of Customs (tariffs administration, origin rules, customs procedures, etc.). The Ministry of Finance

¹⁹ They marked the necessity to have not only impact analysis studies but also sustained models to assure the possibility to feed their future needs.

participates in the Technical Coordinating Committee (TCC) through Customs as well as Central Bank representatives. The Ministry of Finance is part of all trade negotiations.

Central Bank representatives see their role in trade policy as supportive but without direct intervention. The role of the Central Bank is to keep the monetary situation stable to attract investors and support competitiveness; to serve a regulatory function. The Central Bank does not have a direct role in trade policy design, formulation or articulation.

Occasionally, the Central Bank does provide opinions on FTAA and WTO negotiations, particularly in the area of financial services, as well as in CARICOM. The Central Bank monitored the general competitiveness of the economy and provided some information on trade flows that was used in the negotiation process. The Ministry chaired the FTAA Investment Committee but this involvement had little long-term impact on the work of the Central Bank. The Central Bank depends on the Ministry of Trade and Industry to seek them out for advice on trade policy formulation rather than working proactively.

The Bank produces research on demand in response to specific requirements rather than proactively.

Central Bank representatives participate in TCC, but do not consider their institution as a full participating member nor do they have an interest. The Central Bank only disseminates information about monetary and financial regulations, neither a direct concern on issues like services negotiations. The Central Bank has little interest in offering financial services and relies on other data services and the Central Statistical Office (CSO) for information. The Central Bank's involvement in services data was mainly from a balance of payments perspective.

The Ministry of Finance should be the leader in financial services policy formulation. The Central Bank would normally follow the MF but there is a lack of leadership in trade policy formulation in services. This is as an important issue. Focusing on goods with no attention to the formulation of trade policy is not working. Accordingly, MTI is suggesting more formal links between the Central Bank and the Ministry of Finance as well as efforts to increase awareness of the FTAA, WTO, NAFTA, EU, MERCOSUR, and other regional arrangements.

Training should be focused on specific trade issues, such as rules of origin, custom regulations and anti-dumping remedies, foreign languages, and other technical aspects of trade. It is critical that the staff understand the monetary impact of bilateral / multilateral trade agreements that deal with tariffs²⁰.

No sector research is being done by the Central Bank. The Central Bank is not included in the official distribution of Trade Agreements from the MTI. It would however get information on any actual or potential change in tariffs from the MF, which would be incorporated, in monetary policy planning for the next year.

²⁰ In the context of liberalization and regional trade agreements, it was stated that the impact of tariffs on monetary policy programming had become less important since the tariffs are low.

E.3.1 Recommendation:

The Ministry of Finance and the Central Bank should be asked to perform studies on the short, medium and long-term financial implications of current trade negotiations. These should be an important element of trade policy formulation by the MTI.

E.4. Ministry of Foreign Affairs

The Ministry of Foreign Affairs (FA) presented a proposed organizational chart showing two Departments directly involved with trade issues and trade negotiations. Reporting to the Permanent Secretary, these areas are: CARICOM and Caribbean Affairs and International Trade and Economic Relations.

The Ministry of Foreign Affairs has a direct concern with trade issues through its overseas Missions. These generally do export and investment promotion activities, usually on an ad hoc basis with little planning and/or coordination with the Ministry of Trade and Industry or with trade and investment promotion agencies such as TIDCO. Overseas permanent missions are appointed in Geneva and Brussels and represent Trinidad & Tobago before multilateral and regional trade organizations, WTO and European Community, and in Washington.

In trade negotiations, Foreign Affairs is always present with a representative as part of Trinidad & Tobago negotiating delegations, but this is not a defined or organic role within the trade-related institutional framework. A FA representative is also part of TCC.

From an institutional point of view, the responsibility of Foreign Affairs over CARICOM and Caribbean Affairs appears to overlap with those of the MTI. Other than their participation in TCC, there is not an institutionalized channel of communication between both ministries about trade negotiating issues regarding CARICOM and the other negotiating fronts. This adversely affects the ability to successfully coordinate strategies, policies and specific actions.

Foreign Affairs knows that training is needed, especially on trade issues, negotiation skills, and the interpretation of trade agreements. Foreign Affairs representatives emphasized that both short and medium term training programs are needed. The Ministry of Foreign Affairs does not have adequate IT resources. Nevertheless, it is the only ministry and/or government trade-related agency interviewed is aware of the existence of the e-government program²¹.

E.4.1 Recommendations:

1) The Ministry of Foreign Affairs and the Ministry of Trade and Industry should negotiate a regularized consultation arrangement on matters where their authority and competence overlap. The two Ministers might sign an interagency agreement to establish a quarterly MTI-MFA high level (permanent secretary and top staffs) meeting to review progress and prospects for all outstanding trade initiatives and ongoing negotiations. This would be apart from the revamped TCC process, and is an essentially costless way to assure the regularized consultation now lacking. 2) The MFA trade related personnel should be included in the recommended training programs that MTI would manage.

²¹ Foreign Affairs is one of the pilot ministries included in this program.

E.5. Customs and Excise Division

With trade liberalization, the role of Customs is being transformed away from duty collection to compliance with trading rules. The Customs Division is involved in both trade policy as well as negotiation issues. A Customs representative participates in TCC and the division as well as in other trade negotiation forums. Customs is the “front line of compliance” on trade agreements (intellectual property rights, trademarks, prohibited goods, enforcement, interdiction, contraband, etc.). The enforcement division is currently being strengthened with surveillance stations and radar systems.

Adoption of the WTO system of customs valuation--substituting the BDV (Brussels Definition of Value) system that was designed to protect small states—introduced a major change in monitoring the valuation of goods. The transaction value of the goods is accepted as the rule and, even if neither minimum import prices or reference values are in use, the Valuation Branch of the Customs Office scrutinizes the values of certain imports. Courses are carried out every year on valuation issues.

The Customs Office has a role as a technical advisor in trade negotiations, particularly in the follow-up of customs procedures and rules of origin in FTAA negotiations (market access negotiating group). Customs officials clearly understand their role in this regard and seem to execute it well. The Research Division of Customs looks at trade agreements and monitors them for their usefulness.

The primary and most urgent problem within Customs is the adoption of the Harmonized System. Customs officials opine that further delays implementing this system could have a serious impact on foreign trade. The Ministry needs to adopt the HS system to be able to carry out electronic licensing, a function that may require training. There is a further need to harmonize codes with other agencies to facilitate electronic data interchange²².

There is also a need to facilitate the input of trade registration data into ASYCUDA²³. Currently, emphasis is placed on document flows and electronic clearance; agencies bypassed in this process tend to complain. ASYCUDA Version 2 is now being utilized and the department is moving to a more advanced version. A website and links to CSO, Brussels, US and Canada are now being developed to enhance the electronic flow of information. Since traders are the main clients, a trade policy for controlled easy access is needed. The current ASYCUDA system does not deal with shortages--the Central Statistical Office will get data only from what is declared. Import packages that contain several individual items pose problems in the current system.

Government Departments need to be more e-conscious and link into customs data.

²² World Bank and IMF get data from this HS system. Tariffs are based on the HS system and amendments made by logging into the WTO in Brussels and downloading the new information. The procedure of harmonizing codes takes place with CARICOM to ensure equivalences.

²³ ASYCUDA: Automated System for Customs Data.

Joint intelligence groups with the army, coast guard and police have also been established to fight contraband. The Ministry of Finance has a program with the IDB to do risk management and express clearances.

A fully integrated tariff system is now being prepared in which such information as the CET rate, MFN rate, taxes, tariff rates and origin rules in bilateral agreements will be available on a website.

Institutionally, reviving the Trade Facilitation Committee (TFC) would help coordination of customs activities and reforms. The TFC depends on the MTI with the participation of all the government agencies responsible for regulated activities, such as intellectual property rights, health, food, Bureau of Standards, etc. Customs coordination with other trade agencies is a key issue and technical assistance in this area is needed.

Training and technical assistance on adoption and implementation of the Harmonized System was also related as a priority: a training plan needs to be developed and implemented. Customs has its own training school and can offer some training in the HS system²⁴.

The TTMA uses the Direct Trader system to lodge its declarations. The documentation has been reduced for a better electronic flow. Suppliers can also send e-mail and the address of packages. Declarations can now be lodged as soon as the goods leave the port. This allows the goods to clear the port within the allotted ten days. There is also a working agreement with the Chamber of Commerce.

E.5.1 Recommendations:

The Government is seeking funding for the major pending and proposed Customs and Excise projects (AYSCUDA upgrade) from the Multilateral Investment Fund (MIF). The other activities suggested here to improve Customs and Excise coordination with MTI should be made part of that assistance package.

E.6. Central Statistical Office

The mission of the Central Statistical Office (CSO) is to generate trade statistics for the government and others. The copy of the customs warrant is the original source of data and is collected by the CSO office in the Customs Department.

The CSO depends on the Customs Office for timely data. Problems often occur because of delays in receiving data from outlying areas and because customs brokers delay the entry of customs data—a fact that affects the validity and timeliness of trade data. At present the delay is about four months but definitive data for 2001 is pending. CSO does not make estimates.

CSO customers are the Central Bank, the MTI, other government departments and agencies, international agencies, Foreign Affairs, the private sector, and embassies who subscribe to their informational bulletin. Communication is difficult because there is no integrated IT system

²⁴ UNCTAD does ASYCUDA training.

among government agencies and no inter-office network internal to CSO. There are plans for a website which will provide some on-line statistical trade data, but there is no current timeline for this project. CSO representatives are not aware of the e-government initiative.

CSO has little confidence in ASYCUDA²⁵ and hopes for a more flexible version apparently being developed as part of a regional project.

The Central Bank, not CSO, is responsible for providing balance of payments data. National accounts statistics are registered and reported by the CSO. There is no special division or department to process the information, so the IT office receives and processes the data. The information can be presented under various formats.

The Central Statistical Office is not providing any data for a FTAA (hemispheric) database. Furthermore, the CSO is not involved in supplying trade data needed by government offices. While aware of the importance of trade statistics, the CSO lacks an understanding of the trade issues and trade negotiations and focuses more on compliance requirements.

At a regional level, CARICOM CSO's meet once a year to discuss technical topics. Unfortunately, there is no system in place to share regional trade data.

Training needs for the CSO include end use of trade statistics, broad economic classifications, trade measures and indices.

E.7. Chief Parliamentary Counsel

The Chief Parliamentary Counsel (CPC) reports to the Attorney General and is responsible for drafting primary (the bill) and subsidiary legislation (the orders, regulations, by-laws, etc). The CPC looks after statutory legislation, attends Parliament to advise the minister, interprets trade-related legislation, and drafts amendments. A CPC representative also attends trade-related negotiation meetings of CARICOM²⁶. Because it is responsible to Parliament for drafting bills and receives instructions from the Cabinet, the CPC plays a key technical role in the legislation process. Its tasks are of utmost importance for the implementation and compliance of trade agreements.

CPC also repairs conflicts in legislation for trade agreements that concern issues such as anti-dumping, free trade zones and the common external tariff. Within the Single Market and Economy Program (CSME), roughly 40% of subsidiary legislation deals with trade law while 60% to 70% is primary trade legislation.

CPC staff members do individual research since there is no research division. To turn a trade agreement into law, the complete agreement or parts of the agreement can be adopted into law. The proper ministry has to highlight all the areas where the agreement impacts on existing legislation while MTI suggests amendments if necessary. According to the Constitution, later

²⁵ Because ASYCUDA does not present all data required (for instance, CSO cannot register data on freight and insurance because often brokers do not fill in these columns of the form).

²⁶ There has been only one meeting--a result of a regional (CARICOM) initiative.

law takes precedence over former law; therefore, there is no inconsistency if some amendments are omitted.

To draft a bill, MTI presents a policy document explaining the agreement. Some comparison with other countries is made and the first draft is sent to the Ministry for comment. Once amended, the legislation goes to a Cabinet Sub-Committee and then to the Finance and General Purposes Committee. The “Leader of Government Business” in the Parliament is then asked to introduce it.

The CPC has a staff of six senior and six junior officers. They are all lawyers--some have specific training in international law--but most are not specifically trained but have rather acquired their specialized skills on the job. No one has been sent for training in drafting legislation for CARICOM matters and WTO and FTAA. Training is needed on international negotiations and trade issues and on Internet basics. CPC sees no need for specialization in view of the growing importance of trade law.

A flexible staff is needed that can be trained if sufficient resources can be made available.

IT resources are the major shortage in this area. There are not sufficient computers for staff and the CPC has not had Internet access for almost a year. IT facilities and Internet access are crucial for trade related legislation drafting and research.

The CPC is not formally part of the TCC, yet bill preparation is not done in a vacuum. Information is gathered from technical sources and consultations undertaken. Since CPC cannot engage directly with stakeholders, the MTI provides stakeholder feedback. When the draft legislation is published, comments from the public may be received. Unfortunately, the private bar in trade law does not lobby for this sort of legislation. The bar is not active and does not normally comment on CSME draft legislation.

Regular CPC participation in TCC as well as in trade negotiation meetings is important because it facilitates analysis and comprehension of legal effects and allows a better understanding of the legal implications of trade agreements. The CPC has expressed an interest in participating more fully.

E.7.1 Recommendation:

Either CPC or MTI must establish a dedicated group of trade law specialists. The present haphazard use of the handful of overburdened CPC legal generalists to advise on legal issues and draft implementing legislation after the fact of a negotiation is both inefficient and dangerous. There appears to be little attention to issues of actual and potential trade dispute settlement, a rapidly growing element of trade agreement implementation as T&T enters new bilateral agreements and seeks to access markets in Latin America. The present confused legal situation surrounding Trinidadian antidumping law and practice in the light of overlapping WTO and CARICOM overlapping obligations and procedures is one example of a trade related legal morass that needs to be reviewed and remedied. The lack of a dedicated group of trained international trade law specialists is a significant weakness that requires early attention. Since CPC does not appear to consider the issue important, we recommend that a unit to deal with

these issues be set up in the MTI. The Ministry should consider using two or three of the 20 new hire slots that we suggest under the Priority Three Component to address this issue. Coordination with CPC and the Attorney General would be very important. Resources should be provided to the CPC for computer acquisition and permanent Internet access so that essential legal research can be performed.

E.8. CARIRI

The Caribbean Industrial Research Institute (CARIRI) focuses on laboratory testing, research and development on materials, food processing, environment, information services, quality management and calibration. Under the World Bank Industrial Restructuring loan, CARIRI received new equipment and resources that enabled the attainment of ISO certification in Trinidad and Tobago and accreditation in the United Kingdom. CARIRI is the only laboratory outside the UK to receive such accreditation in the last four years. CARIRI, in partnership with a Singapore institution, has trained 27 staff members.

ISO certification is now moving from 900 to 17025 to include some new areas. The ISO system, generated by the European Union, in some cases serves as a tariff barrier. The US has devised the Hazard Analysis and Critical Control Points (HACCP) testing process system that, like ISO, tends to miss the importance of quality systems and management.

CARIRI has a staff of 125 professionals and 25 technicians. It was intended that the University of the West Indies would generate research and CARIRI would implement the results. However, the University did not produce such research which caused CARIRI to look to the private sector and internet to fill the void. The culture of CARIRI should evolve over time to become more business oriented.

Unfortunately, CARIRI is mired down and encumbered by the inefficiencies of government bureaucracy. On an average, six months are dedicated to the budget process and then more time awaiting allocations from government. Such delays do not lend themselves to efficient business decisions.

Emphasis is being placed on changing the corporate culture at CARIRI to promote the delivery of quality service. CARIRI is 55% self-sufficient and as such is the only public institute recuperating such a large portion of its costs.

Special attention is also being paid to delivery and confidentiality in providing services important to the private sector. CARIRI provides services to others in the region and is involved in many Caribbean countries, especially those with no laboratory facilities. CARIRI participates in the Caribbean Technology Services (CTS) programs where some training is available for small enterprises in areas such as labeling, packaging and so forth.

Many large companies are dependent on CARIRI for product testing. CARIRI covers both manufacturing and services and is a center for testing under the Basle Convention on Hazardous Materials. The absence of infrastructure in many Caribbean islands tends to make CARIRI a hub for HACCP and ISO. It also facilitates the imposition of non-tariff barriers in these islands since the policymaker is not under pressure to produce a test.

The trade infrastructure to support imports and exports could be better organized. One suggestion made to the team was that perhaps a single entity could be established that integrated TTBS, CARIRI, and the Food and Drugs (F & D) division. F & D could be merged with TTBS to do policing work and their labs integrated into those of CARIRI. Such a re-organization might better serve Trinidad and Tobago and the region, allowing for increased certifications.

CARIRI's export certification function needs a better system to audit methods. The section is small in export quality management systems, which is essential in building competitiveness. In the non-oil sector not much of this type of development is occurring. A better approach is needed towards integrating tourism, manufacturing and services. CARIRI believes that it can be the backbone to this integrated development. A present in certification, CARIRI provides a letter which is then taken to TTBS and Food and Drugs to obtain a certificate. A case in point is imported chemicals where CARIRI does the test and provides a letter necessary for certification in the first round—a process that could be replicated for non-chemicals. Monitoring could also be an additional function not currently being performed.

More priority should also be given to residual pesticides. The Report of the Environmental Management Authority (EMA) suggests that the laboratory system for pesticides should be strengthened.

In preparation for the FTAA, small laboratories need to be set up in the Organization of Eastern Caribbean States (OECS) countries in order to enhance trade with these small nations. Sub-Centers for HACCP need also be created and ISO needs strengthening. A Sector Research Fund of roughly \$TT 5 million is needed to improve output in this area with additional human resources also added. These changes will strengthen CARIRI and allow it to increase its customer base and serve larger companies.

TIDCO and CARIRI play mutually supportive roles in many areas. For example, CARIRI should be involved in the standards established for tourist facilities. Instead, CAREC (Caribbean Research and Epidemiology Center) was asked to do this. TIDCO needs to get services in HACCP, which CARIRI can provide. CARIRI is prepared to play such a coordinating role and should have the opportunity to do so.

The relationship between TIDCO and CARIRI should be reinforced.

E.9. Trinidad & Tobago Bureau of Standards (TTBS)

The core function of Trinidad & Tobago Bureau of Standards (TTBS) is to develop minimum requirement standards according to the Standards Act of 1977. There are two kinds of standards: one is voluntary and is written and adopted by the board of TTBS and then declared; the second is compulsory and is declared by the Minister upon the recommendation of the Board of TTBS. TTBS is also involved in testing of chemicals, materials, fiber and metrology-temperature and pressure for calibration purposes, which it performs in its installed laboratories.

TTBS gathers information on standards from its information center and provides certification for manufacturers against standards, as well as inspection against compulsory standards. Cases in point are bulbs and tires.

At present, 60-65% of the TTBS budget comes from fees for services. TTBS would like to do accreditation but does not have the capacity to do so. A Brazilian institute explored the possibility of an alliance with the TTBS but the project never got off the ground.

The IDB has tried recently to restart the accreditation activities by training auditors and developing policies for accreditation. Accreditation requires mutually recognized labs that service the trade of a particular product.

TTBS is involved in trade negotiations that concern standards. It could benefit from the same training programs offered by MTI, its line Ministry, in negotiation skills, language, and database development for exporters and importers. It currently has many problems with information on importers and needs to be in a better position to analyze trading patterns. Even with new legislation that provides TTBS access to all the documents submitted to Customs, goods such as garments are slipping through. Training is also needed in business negotiation, auditing, ISO 9000 certification and quality control.

TTBS needs more investment support for its testing labs. TTBS is now outgrowing its physical space and decisions need to be taken to address this problem.

In developed countries it is a normal practice to move away from compulsory standards and allow compliance to be taken up by other agencies. For instance the vehicle licensing authority is often responsible for car importation compliance. In developing countries like Trinidad and Tobago, it is difficult to move away from compulsory standards. A significant amount of regulation and infrastructure would first be required.

Under the FTAA, standards must be published internationally and they can be challenged for non-tariff protection purposes. Trinidad and Tobago needs to learn more about standards in other countries that might be applicable at home. There are some specific packaging issues important to know.

In collaboration with TIDCO, TTBS is involved in developing and auditing standards in the hospitality industry. As a result, TTBS is connected to the Caribbean tourism project CAREC is implementing and that focuses on water treatment, pesticide control, etc in hotel industry infrastructure.

TTBS is aware that more needs to be accomplished as regarding the ISO Report and Workshop on Biodiversity and Sustainable Tourism. TIDCO has also been calling for standards in restaurants and there is now the need for a coordinated set of standards in tourism.

The Food and Drugs Division is a regulatory agency and does not recognize itself as a standards institution. Hopefully standards may improve through the establishment of a regional body, the Caribbean Regional Organization for Standards and Quality (CROSQ), which is seeking to harmonize standards.

Coordination with Customs does present some problems since TTBS is seen as a policing body. More computerized data is needed from the Central Statistical Office and the Licensing Division of MTI to achieve an integrated system of information.

TTBS follows the COPA group that writes standards for Latin American countries. It needs to gather more information on these standards in Latin America in the context of the FTAA and develop the language capability to better understand and make use of these standards.

More attention also needs to be paid to instrument metrology. TTBS participates in metrology bodies regionally and internationally. In the Caribbean and Latin American Metrology Association, information is exchanged on metrology issues; TTBS needs to participate more in these exchanges. Additionally, a public awareness program in metrology is needed where standards are explained. A Metrology Bill has been before Parliament for 18 years thus necessitating TTBS to still operates under old legislation. Also at present, there is no assurance that measuring instruments are credible and anyone can set up a metrology lab.

CAREC is involved in accreditation of labs and TTBS needs to work with CAREC especially regarding medical laboratories.

E.10. Food and Drug Division (Ministry of Health)

The Food & Drug Division (F & DD) reports to the Ministry of Health and is responsible for oversight on food and drug (including pharmaceuticals) products. The Food and Drug Act created legislation governing local and imported health items and this in turn is regulated by F & DD. For imported products, a Certificate of Registration of Origin is required for an import license.

Fifty percent of food goods are imported while local production is high in the drug sector.

For the food sector, the authorization process requires pre-inscription for services and products. An inscription number identifies firms and products have an approval number. In drug sector, firms also pre-authorize for which they have to comply to Good Manufacturing Practices according to the 1975 World Health Organization (WHO) Recommendations, currently known as GMP-WHO'75.

Businesses are also required to submit to regular inspection procedures to assure “good manufacturing practices” compliance. Approval for products takes around four months but the goal is to move towards automation in approval procedures. It should be noted that there is no linkage between the pharmaceutical products sanitary inscription requirements and the patent procedures approval. Regulations are not harmonized within CARICOM. The Fand DD has no knowledge or access to the different harmonization processes for food and drug regulations. The Pan American Health Organization (PAHO) usually handles those regionally and the World Health Organization (WHO) handles the international side. Neither organization has knowledge of the published guidelines or the progress made by the International Harmonization Conference²⁷.

F&DD has no resources to attend international conferences, health forums, or to participate in local or international continuous training/education programs. This is a sensitive subject at F&DD since training and technological updating is critical for maintaining performance.

²⁷ Formal established Pharmaceutical Regulation Harmonization Process carried on by USA, EU and Japan Health Authorities and their corresponding private industrial sector, with WHO delegates as observers.

With an organization of eighty employees, including ten professionals and 40 technicians, the F&DD runs laboratories to test the quality of the products. These analysis are made both for the public and private sector and, in the case of the pharmaceutical industry, even conduct clinical trial research is conducted. Their contact with the private sector is occasional, mainly related to the controls and services they perform or provide, and there is no policy for a systematic communication process between the official and private sectors.

F&DD lacks IT resources with no electronic submissions nor data bases record for their products evaluation and related activities surveillance. The existing software is inappropriate, there are insufficient computers, there is no local network and Internet access is available in only one computer. (Note: this deficiency causes intellectual isolation and the impossibility of follow-up on international food and drug surveillance communications).

F&DD has no activities connected with trade matters or international trade agreements. According to the representatives interviewed, F&DD is eager to have more involvement with international trade issues related with their area of activities, closer contact with the trade related sectors, more participation and higher involvement in regional or international harmonization processes as well as the possibility of a systematic attendance to specific technical diffusion information conferences.

Communication with the MTI is scarce and there is no knowledge or involvement on trade related matters.

E.11. Ministry of Environment

The Wildlife and Forestry Division of the Ministry of Environment is the most trade relevant part of this ministry, through its follow-up responsibilities on three existing protocols: the Endangered Species Protocol (requires a permit for import and export); the Biosafety protocol; and the Basel Convention²⁸. Among these, the second relates to trade in Genetically Altered Materials, which in Trinidad and Tobago is an import issue in that it is a currently controversial topic between the European Community (which claims GMO labeling) and the United States. The point is part of a convention on bio-diversity whose compliance is monitored in the Trinidad & Tobago through the Environmental Management Authority (EMA), part of the Ministry of Public Utilities and Environment.

The Ministry of Environment is not part of the TCC. They are not involved in other trade issues nor invited, nor opinions solicited from them²⁹.

In terms of IT resources, the situation is similar to other trade related agencies consulted. There is no networking or sufficient Internet access. The Ministry has an IT strategy with plans for a complete internal system that would ensure internal connectivity, email, Internet, etc; however,

²⁸ Related to transport of hazardous waste and involving a control function. At the regional level, CARIRI is the Caribbean Center for Basel Convention.

²⁹ In spite of the fact that Environment issues are part of the TCC plan of action recently proposed by MTI and that the Bio-safety Convention has trade implications, officials interviewed are unaware of the status of talks on this subject within CARICOM.

there is no awareness of the Trinidad & Tobago e-government initiative. As in other agencies, their projects and output are limited by financial resources constraints.

E.12. Central Tenders Board

The Central Tender Board (CTB) has 15 contract officials, none of them specialized in trade operating under authority of the National Ordinance on Government Procurement. It is not the only T&T office doing procurement (TIDCO was mentioned as another), but it is the most important. The CTB provides government procurement services for all government departments and agencies in Trinidad and Tobago. They have a register of providers with no preference given to local providers versus foreigner ones with few exceptions.

The CTB has no knowledge about or concern for trade negotiation issues and no awareness of the impact of future trade scenarios on its own activities. They recognize that human resources must be better prepared to face the challenge presented by increased trade and trade agreements.

According to Central Tenders Board officials interviewed, CTB is the most important office charged with government procurement. Nevertheless, though the CTB follows the FTAA negotiations and a representative attends the Government Procurement Negotiation Group, the CTB is not heavily involved in this function. This is because, first, budget resources available for government purchases or public investment provided by private suppliers is not significant. Second, Trinidad & Tobago has not adhered to the WTO Agreement on Government Procurement. Third, the National Ordinance on Government Procurement, the legal framework that governs CTB activities, does not confer preference to domestic suppliers versus foreigners with only few exceptions. The conclusion is that even if CTB officers declared their interest in gaining greater awareness about international trade issues, they do not consider such information crucial for their function.

F. COORDINATION MECHANISMS AND PARTICIPATION OF PRIVATE SECTOR

F.1. Technical Coordinating Committee (TCC)

TCC was established under the chairmanship and coordination of MTI. Its main function and mission is to advise Government, MTI and negotiating teams on strategies and negotiating positions to be adopted in international trade negotiations, as well as implementation and review of trade and investment agreements.

TCC was created by Cabinet Minute N° 103 of January 15, 1998 and meets at least once a month. It has not been used for bilateral negotiations that are addressed by a separate (informal) structure, even though it consists of the same representatives as the TCC. The function includes both pre-negotiation and negotiation phases.

The following ministries / agencies / representatives are part of the TCC:

- Ministry of Finance
- Ministry of Agriculture
- Ministry of Planning and Development

- Ministry of Foreign Affairs
- Ministry of Legal Affairs (Consumer Affairs Division)
- Customs and Excise Division
- TIDCO
- BDC³⁰
- SCTRA
- Trinidad & Tobago Manufacturers Association
- National Trade Union Center
- Caribbean Association for Feminist Research and Action (CAFRA)
- Employers Consultative Association
- Trinidad & Tobago Free Zones Company Ltd.

The TCC is responsible of designing the trade negotiation strategy for the country and coordinating its implementation. Thus the TCC has the mandate to negotiate international agreements at the multilateral and hemispheric levels, particularly within the WTO, FTAA and COTONOU agreements and with the charge for understanding the positive and negative implications of these agreements on the domestic economy³¹.

In pursuing these objectives, MTI officials charged with representing the Trinidad & Tobago before FTAA Negotiating Groups - and who are developing specialized skills and experience in each one of the thematic areas - are now in the process of preparing analytical papers to be submitted and debated at the TCC level. Position papers related to each negotiating area should be the result of these discussions that should subsequently be submitted to the MTI for final signature.

Regarding the coordination and participation of private sector, relevant negotiating texts and documents are currently distributed by MTI through the TCC. Some official documents are not widely disseminated, depending on the subject matter. Furthermore, a quarterly and yearly report is made by MTI on Trinidad and Tobago trade statistics; and additionally the Central Statistical Office prepares a monthly trade bulletin which is distributed to all governmental agencies and the private sector upon demand.³² However, information on trade statistics and other trade data, critical for pre-negotiation and negotiations, is not made available in a timely manner.

³⁰ According to information provided by MTI. The BDC representative interviewed us he had input to the TCC but was not formally part of it.

³¹ According to the document provided by MFI, its original mandate is to undertake the “preparation of comprehensive negotiating brief in the particular subjects/areas/disciplines incorporating strategies and positions of Trinidad and Tobago and taking into considering the country’s economic capability and the benefits to be derived from prospective trading partners”.

³² As it was already pointed out. Refer to CSO description above.

The private sector representatives of the TCC can gather this information from TCC and then disseminate it among its members³³, as MTI does not circulate information outside the TCC. This restriction is sometimes due to the need to protect the country's bargaining position or to not encourage false or unrealistic expectations from civil society. Another issue raised from meetings with TCC official representatives relates to the extent in which information must be disseminated to the public, as it may seem to some to be obtuse and complicated material difficult for the average person to understand, particularly the implications of complex trade policies and negotiation.

It is important to help develop a public awareness and understanding of the impact and outcomes of trade negotiations, mainly on businesses and every day business activity.

Finally, a recommendation was made for the creation of an "Online Forum" to apprise the civil society and the general public on the scope of the FTAA integration process, its benefits and costs, its opportunities and threats, as well as the adjustments that the society should make in order to face a more trade liberalized and globalized region and world. This forum is intended to be located on the MTI website, with two main objectives: to channel private sector issues into the negotiating process and to encourage the participation of the weakest sectors of the economy such as trade unions, consumer groups, non for profit associations, etc. to have a more accurate appreciation and understanding of trade issues.

An action plan, recently approved by Cabinet, has been established to prepare national negotiating positions and to ensure its consideration and incorporation into CARICOM's regional strategy. This plan is organized through a subdivision of trade negotiating issues in thematic areas, comprising the following: market access, agriculture, investment, services, government procurement, intellectual property rights, subsidies, dumping and countervailing measures, competition policy, dispute settlement, labor and environmental issues, and e-commerce. The objective is to have a defined position for each one of these topics within the context of FTAA and LOMÉ negotiations.

The following requirements have been stated in order to reach these objectives:

- The operational implementation of the TCC and its sub committees with a view towards the preparation of negotiation briefs for trade negotiations
- A more frequent sequence of meetings of the TCC and of sub committees in order to provide guidance on reports and recommendations from the latter as well as to have an adequate feedback one from the others
- The appointment by MTI of national negotiating teams in the various external negotiating fronts
- The incorporation of new personnel devoted to these areas, with a training program to improve their expertise and skills in each of the specialized areas

³³ However, as marked below, there is no systematic and well-established/well-functioning mechanism for the private sector to disseminate this information among its members, nor there is an effective feedback link back from the private sector.

- The strengthening and improvement of contacts, links and networking with civil society and other local and foreign trade-related organizations

F.2. Standing Committee on Trade and Related Agreements (SCTRA)

The Standing Committee on Trade and Related Agreements (SCTRA), a private sector body comprising manufacturing, services and agricultural representatives of the private sector, is managed by the Trinidad and Tobago Manufacturers' Association (TTMA) and advises the Minister of Trade on trade issues and trade negotiations. SCTRA is part of the TCC. All major entrepreneurial organizations are represented in the SCTRA: Trinidad & Tobago Manufacturers Association, Chamber of Commerce, American Chamber of Commerce and Contractors Association, even if not all of them are equally committed to the negotiation process.

According to the opinion of private representatives of the SCTRA, the traditional position taken in the past in CARICOM countries was that these countries are small economies and that "special and preferential treatment" was the normal expected view that gave at least the rationale for "wobble room" in negotiations. Then with the advent of FTAA the view became that they would just be "rolled" on trade by the big powers. The perception has recently changed, to the extent that now the private sector, or parts of it, think that it should and will participate in trade negotiations to get the best possible and see what advantages can be gained. Some opinions are that the proximity of tariff liberalization negotiations in the FTAA is the specific reason of this perceived shift by private sector interests.

Nevertheless, this shift has not yet induced a change in a real involvement or a more effective participation by the private sector. The main reason for this weak reaction mentioned in interviews and focus groups was the lack of financial resources in the form of financial or tax incentives for participation in trade negotiations provided to them by Trinidad & Tobago. Since participation has a cost and the private sector has not the resources to adequately cope on its own, the view was that some allowances for this should be made. Some progress have been made, however, by the American Chamber of Commerce, which set up a technical team with one permanent staff to prepare studies and positions on the services sector. In addition, SCRA will accept the recent offer from MTI to preside working sub committees on market access and services within the TCC.

No real technical evaluation or analysis capability is present neither in SCTRA nor in its member associations. This situation seems to be aggravated by the fact that they are not well served by the CSO in terms of trade statistics and data.

In terms of the monitoring of trade negotiations and particularly of FTAA, the private sector seems only interested in following up on market access, agriculture and more recently services negotiating groups. They do not follow-up and analyze negotiations in the other FTAA negotiating groups nor of the specific issues in market access and agriculture (i.e., rules of origin, technical barriers). Even if they recognize the importance of doing so, they have not done it up to now while pointing to inefficiencies on the part of the of the TCC.

FTAA negotiations, as well as WTO and other external fronts, are not monitored nor analyzed in an integrated way related to specific private sector interests. No reference is made to other issues

stemming from future trade negotiations, such as the risk of erosion of relative preferences as an effect of hemispheric trade liberalization.

Private sector communication with chambers and associations members is apparently good but only in one direction, since feedback is insufficient. Information and documents received from the government through the TCC - even if they are not received on a timely basis - are usually circulated among chambers and association members, but with a paucity of time or resources - financial, human and technical - to have an interactive exchange of ideas on issues.

SCTRA seems to be the most important source of trade negotiating initiatives. However, as indicated previously, this body is not supported by an efficient structure and organization. As there is not a defined rule by which information is exchanged with chambers and associations members and there is a lack of capacity among many institutions to continue participation in SCTRA's work³⁴. Therefore, it is currently impossible to determine and evaluate how this committee works, how it is convoked, how initiatives are promoted and so forth.

A strong emphasis was put by private sector representatives on the differences between trade negotiations in goods (about which experience has been accumulated) and in services (about which, on the contrary, there is no experience and no awareness of its importance). However, this emphasis perhaps results more from the make-up of associations in the SCTRA than from a rational and founded analysis of its economic importance.

The private sector is varied in composition in terms of size, nationality, services vs. goods, geographical region, etc. Efforts have been made to bring together a broad umbrella coalition group of services and to set up an international trade unit. According to some opinions expressed by the private sector, such a joint approach could be the best way to present positions to Trinidad & Tobago. Most private sectors people agree with the idea of a dedicated trade staff function to deal with trade negotiation issues in more detail.

G. CONCLUSIONS ON INSTITUTIONAL ASSESSMENT

Various operational and policy constraints to Trinidad and Tobago attaining trade-related institutional effectiveness were pointed out during team's interviews and focus groups meetings. The following were stated as the most important: lack of investment in human capital development; low compensation package for public officials; lack of resources - human as well as financial - to implement policies; lack of specific staff skills; inadequate IT resources and training; insufficient public awareness - public and private sector; an education system not conducive to the business climate; emphasis and dominance on energy sector issues; lack of local private sector investment in high technology firms in the non-energy sectors; insufficient investment from stakeholders in the financial sector (i.e. commercial banks); risk averse behavior from private sector and entrepreneurs; and limited entrepreneurial spirit.

³⁴ In general, there is only one person from each organization who follows its work, and that person sometimes failing to disseminate the pertinent information. Furthermore, many of these institutions lack the capacity to participate and are unaware of the consequences of non-participation.

The trade policy formulation process, even given MTI's centralized trade policy role and a coordinating process with other government agencies and the private sector, is an informal one. There is no clear and acknowledged hierarchy and function of the TCC and there are no written procedures.

Furthermore, the lack of effective coordination on trade policy issues reveals that there is not an explicit and acknowledged endorsement of the relationship between the international and national trade policy agendas. Examples are the different or overlapping objectives found in trade promotion agencies like TIDCO, Eximbank and BDC; the lack of a trade policy and trade negotiation strategy; and weak attention to the CARICOM issues when related to other trade negotiation.

There are different perceptions among Trinidad & Tobago's officials regarding where trade policy formulation originates. Some say that trade policy and trade negotiations are motivated by the private sector which seeks market access with services and negotiations with third partners like free trade agreements with Costa Rica and Dominican Republic. Other officials see a combination of private sector initiative and trade policy objectives pursued by the government, such as the Trinidad & Tobago's internal objective to expand Trinidad and Tobago's market base. A third group emphasizes the partial failure of public consultation mechanisms and the lack of feedback from private sector representatives when it is necessary to receive responses on negotiating positions to be undertaken by the government.

The general opinion within the private sector coincides absolutely with the above descriptions: development strategy is not clearly defined. Trade strategy should be part of development strategy and does not seem to be so. There is no strategic planning function in the government. Ministries responsible for trade policy are not sensitized to the importance and impact of trade negotiations on business and on the economy. They see the TCC as only an information forum: even when their positions are received, they never receive feedback from the government nor have the occasion to discuss their positions in detail. Notices arrive late for meetings and information is not well distributed. There are IT gaps too that, if removed and combined with better staff work, could improve the work of the committee.

The government was commended for welcoming private sector participation in the TCC. However, the private sector claims insufficient "intermediation" between its participation in TCC and Trinidad & Tobago's positions that are finally settled on with CARICOM and the RNM. Furthermore, the private sector asserts that government representatives do not attend all negotiation sessions of the FTAA negotiating groups and, while private sector representatives may be there, they have no authority to represent Trinidad and Tobago. Very few, including in the TCC, have the "big picture" of the nine standing/negotiating groups and there is, significantly, little of no discussion of substance on developing negotiating positions. Afterwards, there is no feedback to the private sector that would permit informed communications back to the TCC. It is no wonder Trinidad & Tobago's position ends up not reflecting private sector views. There is a perception that little discussion of substance occurs to develop strategic positions that reflect the views of the private sector.

Few understand the complexities and macro-economic and micro-economic impact of the issues before the 9-standing/negotiating groups.

A modern trade negotiation system is characterized by negotiations in several geographical areas, involvement in permanent consultations with other ministries and departments, and an ever-expanding number of stakeholders. To succeed, mechanisms must be in place to collect, analyze, design, and disseminate trade information. Managing this process is a challenge that cannot be handled by occasional monthly preparatory meetings. Interactive, intensive dialogue sessions have to be followed by rapid dissemination of information and constant communication with stakeholders. A system has to be designed that will allow information to be better stored and made accessible anywhere. Dialogues have to be properly recorded and data made available on a timely basis. Consultative networks must function adequately with methodologies adopted to determine economic impact. With current technology, this is not beyond the capacity of MTI and its related ministries. The IT Unit in MTI must be brought into this vision and given the tools to develop. To build a Trade Negotiating Unit, management skills and research methodologies supported by appropriate software must be made available.

G.1. Organizational problems and weaknesses:

MTI has underscored the need for a TNU. Currently it acts as the frontline Ministry in trade policy formulation and execution as well as trade negotiations. It works with other ministries such as the Ministry of Agriculture, Ministry of Finance, Attorney General Office, TTBS and CTB to cover the trade negotiating areas. In building trade policy and trade negotiation capacity, it is not clear how much coordination MTI can accomplish and what scope of work MTI, as a frontline Ministry, can or should handle. In view of the growing importance of trade-related matters, line ministries or departments are playing an even stronger role today and this can create coordination problems. Areas such as intellectual property, technical barriers to trade, SPS, standards, trade and the environment, trade and labor standards are handled by specialized ministries or departments. These ministries or departments have few skills to conduct research and are ill equipped to provide expert advice. The MTI coordinating role must be expanded, even if other ministries, departments, and agencies cannot fully appreciate the complexity of issues outside of their purview.

The overlapping of trade policy functions is confusing. MTI claims to have the exclusive responsibility for trade policy formulation and negotiation but the Foreign Affairs Ministry has established a division in its organizational structure that is responsible for CARICOM affairs. Agriculture representatives recognize that their Ministry is responsible for domestic agriculture policy and for providing MTI with information regarding international issues, yet they also realize that in some circumstances, the Ministry of Agriculture takes the lead in external forums. In FTAA negotiations a country will participate with others to present a unified position, as with CARICOM. These allegiances split into representatives on behalf of the country and others representing the CARICOM Secretariat or even Regional Negotiating Machinery (RNM). CARICOM coordination of trade negotiation positions is ineffective. It is not enough to meet the day before the multilateral (hemispheric) meetings to get a common position. It can be concluded that a well-established and/or formal mechanism for coordination and information dissemination cannot be found. Perhaps the inability of TCC to perform has created the overlapping of trade policy functions.

G.2. Coordination issues (within government):

The TCC is a misnomer. It really does coordination of reporting of the respective units, departments and ministries involved in trade negotiations. Technical discussions are few and far between. To some extent the absence of technical debate is related to the lack of vibrancy from the private sector and civil society, which does not bring the expertise for technical discussion with the government. They do no research and have no professional experts with technical skills to follow trade negotiations on a permanent basis. The Chamber has now created a small unit of two persons in services but that is a limited effort. The TTMA, which is assigned market access, has only one dedicated person who covers everything. This deficit of expertise is not offset by the use of call-down experts from outside on a regular basis. As a result there is a great reliance on the RNM and CARICOM to do studies and provide expertise. The RNM Working Group Meetings are really the occasion when some technical discussion takes place but Trinidad and Tobago cannot fully benefit, as it does not come fully equipped to participate. At present, MTI is making an effort to set up under the TCC working groups in market access, services and other areas. This could provide an opportunity to have more technical discussion locally if the right persons are drawn in, the private sector becomes more responsive, and resources are made available for technicians to do research and prepare proper position papers. However, even if preparations for negotiations have been promoted by regular meetings with government ministries, other trade-related agencies and with private sector representatives within the TCC, there is not a formalized feedback mechanism to disseminate the appropriate information and receive back opinions and positions about negotiating issues under analysis. Furthermore, the MTI negotiating structure - comprising the TCC and the Sub Committee for External Negotiations - has not functioned efficiently as originally intended.

Understanding of the obligations arising from bilateral, regional and multilateral trade agreements is necessary, yet understanding how they impact on the domestic economy is critical.

The overlapping of trade policy functions and the coordination issues as discussed above reveal that there is not a well-established institution capable of managing the international and domestic trade policy formulation process.

In this context, MTI believes the TCC should be re-engineered so its main objectives are the following:

- TCC should be given a clear mandate regarding its role in research, monitoring, and directing trade policy, as was originally intended
- Ensure that the opinions and positions of civil society are adequately incorporated to the negotiating position
- Coordinate and review the work of the sub committees
- Promote discussion of negotiating strategic issues, as well as preparation of the analytical papers presented by sub committees
- Disseminate appropriate and timely information to private sector and other stakeholders

G.3. Coordination and consultation mechanisms with private sector:

The Standing Committee on Trade and Related Agreements (SCTRA) is mainly involved in the form of negotiations. It serves to let members know what negotiations are scheduled and what transpired since the last negotiating session. No technical discussions take place. SCTRA needs better technical preparation if it is to engage the government in a more structured and fruitful dialogue. SCTRA was originally set up by the Government to promote consultation and this function has continued in a small way. SCTRA needs to see that limited participation of civil society, trade unions and several sections of the private sector that does not facilitate the proper formulation and execution of trade policy. How to increase involvement is a challenge which deserving attention. Government does have a role in education and public awareness.

The trade-related IT functions must be enhanced. It is critical that MTI collaborates with the harmonization of the systems of Customs and Excise Office, the Inland Revenue, and Central Statistical Office. Such cooperation requires strong leadership at the highest levels of government and a clear mandate. Infrastructure and procedures need to be redeveloped, staff needs to be trained and data needs to be converted in order to provide adequate and timely trade statistics.

The Customs and Excise Office, the Central Statistical Office, and the Inland Revenue Office need to be given some level of priority in the e-government program. The Central Statistical Office and Customs are two of the most crucial ministries in need of modern technology. Collaboration from the data collection points needs to be enhanced to include data on services with enforcement by customs. This will allow CSO to track and disseminate data in a more timely and accurate manner and therefore better support the negotiation efforts. There also needs to be in place a backup system to protect against the loss of critical data.

The culture of making decisions without using relevant statistics also needs to change. Currently, decisions are made in an ad hoc fashion rather than in a strategic manner. To this end, the timely availability of statistics will be a first step followed by training of personnel in the use of the statistics. That way the data gathered becomes relevant and useful. General data needs to be made available to other ministry and Trinidadian personnel to enhance their ability to do strategic planning, perhaps via a website.

Recommendations and Plan of Activities

III. RECOMMENDATIONS AND PLAN OF ACTIVITIES

The foregoing sections identified a range of possible areas that are recommended for attention. This section offers a selection among all of these based on our best judgment in light of limited resources. Detailed programs are suggested in the separate annex volume.

This recommended program focuses on the same general areas tentatively identified by the Ministry of Trade and the previous IDB program identification teams. However, the consultant team has arrived at an order of suggested program priorities that would place paramount emphasis upon the strengthening of the trade negotiation capacity of the MTI and other related agencies. The findings of the Assessment convince us that the Trinidad & Tobago trade negotiation operations need a major productivity boost and increased analytical underpinning in the near term. We recommend a program that should achieve those immediate ends and also produce a permanent improvement in negotiation capacity and strategic positioning in the medium term. Most of the program elements would be designed to support that overarching goal.

The country's present trade policy is well articulated and complex, seeking to capitalize on developing bilateral trade opportunities in the Western Hemisphere while remaining the single most important member of CARICOM and advancing in ACP and WTO contexts, as well. In the past several years, Trinidad & Tobago has tended to strike out in new directions, but with inadequate attention to full compliance with the nation's previously contracted World Trade Organization obligations. While the overall policy generally appears to be moving in the right direction, its implementation through the various trade negotiation processes, bilateral, sub regional, and multilateral has clearly strained the capacities of the present small complement of involved officials. The MTI needs both additional substantive expertise and increased negotiation capacity. Accordingly, our recommended first priority is the rapid development and implementation of a reorganization plan for the trade negotiation functions of the MTI and related agencies.

A second and related priority is short-term training, aimed principally at trade negotiation capacity building. The initial short-term training program would seek to broaden and expand the numbers of the present small group of Trinidad & Tobago public and private sector professionals who are knowledgeable in and capable of participation in the myriad of specialized trade negotiation processes now proliferating. Specialized short term training opportunities for trade negotiators and backstop personnel would be a secondary priority in the training area, at least at the outset, as will be explained below.

The primary near term program goal (Year One) should be to regularize, systematize and provide immediate expanded technical and expert support for the ongoing Trinidad & Tobago participation in all pending international trade negotiations.

To achieve this goal, these components are suggested:

A. PRIORITY ONE – REORGANIZATION OF MTI MANAGEMENT OF TRADE NEGOTIATIONS (\$ 500,000)

A.1. New Trade Negotiations Unit

The earliest possible **design and implementation of the new Trade Negotiation Unit (TNU)** in the Trade Ministry is seen as a high priority by virtually all interlocutors. In our view, to be of use in the upcoming press of trade negotiations, the timing for design, interagency review, and all needed approvals of the TNU should be **not more than four months**. Most of the initial program activities should center on this goal.

In addition to the conduct of trade negotiations, the TNU should also have a well staffed Research and Monitoring function. The TNU is being proposed as a solution to optimize resources that MTI does not presently have. But in fact, to function effectively in coordination, research, technical advice and negotiation, MTI needs substantial additional human and financial resources. Reorganization alone will not be sufficient, but it will begin to resolve the lack of an efficient process to produce negotiating positions and strategies. The TNU would need to have the flexibility to have both permanent and temporary contract staff, so that it could adjust to the range and pace of trade negotiations.

To accomplish this task, which should be seen as the centerpiece of the program, an adequate portion of the program resources should be dedicated to the early contracting of an **external advisory group (or groups) of experts to assist the MTI to design and make operational the TNU**. Ideally, the group should be initially prepared to post several qualified experts to Port of Spain (POS) on extended duty of 6 to 8 months. The group should include at least two Caribbean trade experts and two experienced trade negotiators to be resident in POS and should be able to draw upon other appropriate experts for shorter-term assignments.

A.2. Reorganization of the Technical Coordinating Committee (TCC)

The establishment of the new TNU should be accompanied by a reorganization and formalization of the present Technical Coordinating Committee (TCC) as a Trinidad & Tobago government body specifically charged by Cabinet Regulation with developing and monitoring Trinidad & Tobago trade negotiation policies and strategies. While the TNU could be charged with the ongoing administrative management of the TCC process, the TCC should report its recommendations directly to the Permanent Secretary, whom it is recommended should chair the TCC on behalf of the Minister of Trade and Industry.

The list of the trade related agencies that should be part of TCC's new structure should be reviewed, adding at a minimum, Eximbank, BCD, Ministry of Environment, Central Tenders Board and Chief Parliamentary Office representatives.

Assuming that the present centralized organizational structure will be maintained, the strengthening of the Technical Coordination Committee mechanism is an early priority to be undertaken under the loan facility program. We note that the TCC has a mandate to develop trade-negotiating positions – not overall trade policy, which perforce remains a primary responsibility of the MTI. Nevertheless, the TCC must be reinforced in its composition and functions, restructured under a new Cabinet Decision, upgraded in hierarchy and effectively

transformed into an efficient mechanism for discussion, monitoring and formulation of Trinidad & Tobago official trade negotiation strategies and positions.

Nevertheless, the conduct of trade negotiations and the TCC intra-governmental coordination process must be more clearly separated from the MTI's consultation mechanisms with the private sector. The latter mechanisms must also be reviewed to broaden the reach of the consultative process. Effective involvement of the private sector in trade negotiations issues should be pursued via the present SCTRA, and by invitation of appropriate private sector representatives to participate on an ad hoc basis in TCC subcommittee meetings. Attention should be paid to achievement of more involvement by small and medium sized businesses with export potential.

The TCC should not merely meet regularly, but should have more formalized procedures. It is important that the TCC meeting should always produce a written report with recommended negotiation positions and observations of the member agencies on Trinidad & Tobago progress in current negotiations. The most often cited present failing of the TCC is the uncertain fate of its recommendations within MTI or their effects on the actual Trinidad & Tobago positions taken at the negotiation table. The new TCC procedures should require that MTI acknowledge and accept or reject the collective advice of the interagency process, and that regular reports or briefings be given the TCC by MTI to enhance the utility of the mechanism for information and communication.

B. PRIORITY TWO – IMMEDIATE NEGOTIATION ASSISTANCE - A TRADE EXPERTS GROUP ATTACHED TO MTI (\$1,500,000.)

The establishment of the TNU and the reorganization of the TCC will require at least several months if not the better part of one year to accomplish. As well, MTI's recruitment and hiring of additional qualified trade specialists and new negotiators will take time, and, once in place, they will need to gain working knowledge and experience before they can become fully effective. In the meantime, given the loaded trade negotiation calendar, Trinidad & Tobago needs a near-term upgrade of its trade negotiation capabilities. This cannot wait for the hoped for effectiveness of the TNU/TCC reorganization to kick in.

Therefore, it is recommended that to meet immediate needs, a second, separate team of external experienced international trade negotiators should be brought in and constituted as a **Temporary Trade Advisory Group (TTAG)**. These trade professionals would immediately begin to work alongside MTI officers and serve as resource persons, technical advisors, and "coaches" to quickly augment and expand the MTI's ability to analyze negotiating issues, effectively weigh alternatives, consider effects on all negotiating fronts, and prepare appropriate negotiating positions. A three year commitment by at least two resident consultants, whether local hire or external, is desirable.

Again, this second team of TTAG consultants would not wait until the new TNU were up and running, but would start as soon as possible to contribute additional capacity to MTI's present group and process. This should produce early gains and better levels of preparation and briefing of Trinidad & Tobago negotiators for the plethora of meetings planned over the next year. Later, as the work of reorganization of MTI's trade negotiation processes phases in, the TTAG would

also be able to assist the MTI to implement the TNU and also develop a much more systematic and disciplined interagency consulting process to replace the current Technical Coordinating Committee (TCC).

An intended result of the foregoing two external resource groups (which could eventually be merged and phased out as MTI's own installed capacity builds up over the program life) will be to markedly increase Trinidad & Tobago's negotiating capacity in the near term while helping to put in place the required medium term structural changes, reformed processes, and additional resources to guarantee and solidify the evolution of the Trinidad & Tobago negotiation capacity into a first quality operation.

This same group could also become involved in the definition of overall Trinidad & Tobago trade policy by MTI, if requested to participate in the Ministry's deliberations, but we emphasize that the redefining and updating of the overarching policies is a function that should be kept separate from the more urgent operational need for a wider cadre of well prepared and expertly advised negotiators. Again, it is our sense that the overall policy directions of Trinidad & Tobago in trade issues are essentially correct. While they do need to be better communicated and better consulted with the affected private sector and civil society groups, that is a subject that can be dealt with in the structuring of the revised subcommittee configuration structure.

C. PRIORITY THREE – EXPANSION AND UPGRADE OF MTI TRADE POLICY AND NEGOTIATING PROFESSIONAL STAFF (\$ 2,200,000.)

C.1. MTI Trade Staff Expansion (\$ 1,800,000.)

While the small group of trade experienced and subject matter expert personnel on board at the MTI is well-acquainted with the trade agenda and comparatively proficient at its management, all interviewed felt the staff was insufficient to handle the tasks of the current trade management agenda, especially in the light of the huge and continuing expansion of trade negotiation processes. There is a general feeling that the agenda is expanding faster than MTI can adapt to meet the new challenges with the current human and financial resources available to it. In the crucial FTAA negotiating process, T&T is seen to be covering most key areas in a minimally adequate fashion, albeit with negotiating positions that are not always defined by an adequate vetting process with other T&T stakeholders. Nevertheless, T&T is increasingly unable to participate actively in the broadening range of ongoing negotiations on many subjects of actual and potential importance to the nation's trade interests.

In this context, there is a danger that the agreements ultimately included in an eventual FTAA will not have been sufficiently consulted with affected sectors prior to the country having to ratify its adherence. There is also the added and permanent complication of the CARICOM consultative process and the sometimes-doubtful notion that the positions put forward in the FTAA are perforce CARICOM consensus positions. The constant need to attend to a CARICOM process that is increasingly difficult for Trinidad to collaborate with productively is another drain on current staff. As well, the current MTI professional staff is insufficient to consistently monitor and proactively assure national compliance with T&T's WTO obligations, allowing the MTI to exert active leadership with the rest of the government to fulfill WTO commitments. Of course, the new round of WTO negotiations itself presents another set of complicated discussions

to confront with MTI's limited resources. Similarly, the range of new bilateral agreements negotiated and under negotiation burdens the present staff.

Among CARICOM countries, Trinidad & Tobago has been the most active in attending FTAA negotiating committee meetings since 1998, often carrying the additional representation for CARICOM. But increasingly during the last few years, T&T national interests and trade policy have taken a more autonomous direction, with several bilateral Free Trade Agreements concluded outside the CARICOM group. The most promising appear to be the T&T/Dominican Republic FTA and the T&T/Costa Rica FTA. The country is seeking establishment and expansion of further trade relations with Latin America, and the management of these new ties is one of the principal areas that require additional specialized staff.

Another new and growing arena of negotiation is the recently opened ACP – EU discussions by which the European Union is actively seeking to substitute new forms of reciprocal trade agreements with the ACP group of developing countries that would replace the unilateral EU Cotonou preferences by 2005. While the ACP-EU negotiations are not currently as important to T&T as the FTAA talks, due to the lower T&T-EU trade volumes, these negotiations are nevertheless sufficiently different from the FTAA as to require MTI to develop a different set of analytic and negotiating skills and additional analytical capacity.

The inevitable conclusion is that a significant and early expansion of MTI staff is urgently needed to cover trade policy formulation, trade negotiations and trade agreements implementation and monitoring. Therefore, apart from funding for the recommended process to establish the TNU, and the costs of the external assistance group to determine the optimum TNU structure, the Ministry of Trade and Industry itself should be directly allotted sufficient resources for the immediate hiring of sufficient additional professional staff. While MTI was unable to give an exact figure for the number of additional professionals needed to cover the full range of pending trade negotiations, ideally, the MTI should strive to double the number of active negotiators within one year and to hire backup staffers to support those negotiators. A minimum of 20 new professionals should be recruited and hired. New personnel should be hired both by substantive and geographical expertise. All new personnel would be brought on initially as contract hires and the MTI would seek to make the positions permanent within three years. The working assumption for cost estimates is an average salary and benefits package for a MTI professional of US \$ 30,000.

C.2. Targeted training for MTI Trade Staff (\$ 400,000)

The goal here is to upgrade the technical knowledge base, the analytical skills and the negotiation capacity of the human resources in MTI (and some participants from other relevant T&T agencies - Ministry of Agriculture, Chief Parliamentary Counsel, Ministry of Foreign Affairs). As soon as the new professionals are brought into MTI, a regular schedule of training should be established, and the training should be considered a part of their job performance requirements.

For this new core staff, the preferred method should be training conducted in-country containing both technical and practical elements. Training should be obligatory for all trade professionals with 3-5 day workshops and seminars the preferred method. Generally, no matter what the

specific subject matter, all officers should attend whether or not their own work touches the area under study. The consistent use of this method, incorporating training closely into the normal work pattern of the group over a two-year period, should assure a broader and deeper shared knowledge among the MTI staff. This should also produce a more confident and better prepared trade group overall, with a shared concept and an integrated vision of trade policy, which in turn should improve the trade management performance of the government of Trinidad and Tobago.

This recommended MTI internal training program should be maintained for two years at a cost of US \$200,000 yearly. This figure would cover approximate costs of external trainers for approximately 10 to 15 specialized workshops per year. The particular subject matter will depend on the mix of professionals hired and the detailed training needs assessment and analysis we recommend be performed. However, emphasis on market access issues, services trade issues, dispute resolution, and impact analysis methodology should be an essential part of the basic MTI training program.

D. PRIORITY FOUR – TRAINING FOR NEGOTIATORS AND TECHNICAL SUPPORT PERSONNEL (\$1,950,000)

D.1. Specialized Areas Related to the Negotiation Agenda (\$200,000)

This program would be designed and conducted separately from the intensive program to be incorporated into the MTI trade group expansion and the establishment of the TNU recommended above, and would be aimed at all of the trade-related government agencies, the private sector, and academia. Most, if not all, of the existing areas of trade negotiations have been the subject of training workshops by the Caribbean Regional Negotiating Machinery (RNM), WTO, INTAL/WTO, Georgetown University/OAS Trade Unit, and the Commonwealth Secretariat. Even the new ones such as environment, the trade-debt-finance nexus, trade and labor standards, etc. are being tackled by these agencies and there are plans to do more as indicated in the RNM and WTO work plans. The ACP project will soon add more support in this area. Most of the persons trained in these areas are senior persons who go to develop their knowledge base. These are specialized areas and entail no more than a handful of persons. The needs of Trinidad & Tobago in this area can be satisfied from these sources in the near future. We recommend reserving a portion of the training funds for sending a limited number of appropriate Trinidad & Tobago persons to these events as they come up. Emphasis might be on assuring that back up capability is developed so that each substantive technical area is familiar to more than one trade official or negotiator. To meet this need, up to 30 such training spots per year should be budgeted.

D.2. Negotiation Capacity Building (\$1,500,000)

For the reasons already stated, capacity-building in trade negotiations should receive heavy emphasis in the program, especially in carefully selected areas such as impact analysis, negotiation skills and practice, knowledge management for trade negotiators, database management, statistical analysis, IT and trade diplomacy. There is a wide range of persons in government, the private sector and civil society who can meaningfully benefit from such training. It is suggested that 3 to 5 workshops per program year of several days duration in these and other appropriate areas be should be arranged. For each area covered, two workshops could be provided over a two or three year period, with the second designed to impart advanced

knowledge and information and build upon the first experience. Between 10 and 15 workshops per year should be funded.

D.3. Language Training for Trade Negotiators and Export Promoters (\$250,000)

This is a specifically expressed and recognized need for language training, particularly as Trinidad & Tobago's focuses more strongly on expansion of trade with Latin America. There are many ways to study languages and it is possible that some officers and negotiators would benefit from immersion programs of the type offered in Guatemala and elsewhere. However, to build real language capability among Trinidad & Tobago trade negotiators requires a more long-term systematic response.

One immediate approach that we suggest would be to make Spanish or Portuguese ability a pre-requisite for all new hires at MTI. It is our understanding that the Trinidad & Tobago Foreign Ministry does have such a requirement. Another approach that the program could consider would be to develop a program via the University of the West Indies at St. Augustine with partner institutions from the different language cultures. Such a program could develop personnel exchanges allowing MTI trainees to spend time in the counterpart ministry or agency in the Latin American country learning the language and observing the trade policy functions. The UWI is already working on such a general plan of exchange, not specific to the above needs. It is recommended that the trade sector support program seek to design and support a special component along the lines suggested above. Language training should receive support in the form of design of long term programs that would be available to Trinidad & Tobago officials and who would be required to become proficient in Spanish or Portuguese. French would be a desirable third language, but proficiency in the first two should be required of every Trinidad & Tobago negotiator by a certain date.

E. PRIORITY FIVE - RESEARCH SUPPORT (\$ 1,000,000)

It is plain that there are many areas that could benefit from investment in studies and other research. Whether the program supports a centralized research office in MTI or provides a funding source for appropriate research projects by other agencies, private sector associations, or universities, there are a great many potentially high return research projects that should be undertaken. Below we cite several examples:

- A Technical Study on Services - There is an effort by the private sector that is just beginning. Any such study or follow up should complete an inventory of all services now being offered by Trinidad & Tobago enterprises and individuals and a determination of expansion prospects via sales or delivery abroad.
- Small Energy Service Sector - There are apparently a number of smaller companies in this field that are already beginning to sell their services abroad. A study of the export potential here should be undertaken, and ways to augment this should be determined.
- Trade Capacity Training Inventory - A survey should be done to determine the number of persons in and out of government working in trade-related activity and their level of formal education and preparation for their current tasks and their need for further

training. No such data now exists and would be essential to a long-term training plan design.

- Technical Studies on Current Preferential Benefit Programs – Current preferences (CBI, ACP, GSP, CARICOM etc.) need to be looked at to determine: a) their present importance to Trinidad & Tobago trade area by area, b) the potential effects of their likely disappearance as the trade liberalization process continues, and c) appropriate policy options for Trinidad & Tobago.
- A systematic study of IT needs specific to the conduct and management of trade policy throughout the Trinidad & Tobago government is urgently needed. While it is clear that there are general deficiencies and partial plans for responding, there is no study that seeks to establish the precise needs of each trade related agency, harmonize them and prioritize the response.

If these studies alone are adequately conducted, they will absorb as much as 20% of anticipated program resources. As with all recommendations, the final decision remains with the Trinidad & Tobago government as to how to invest and prioritize the resources of this program. Nevertheless, if resources are limited, we believe that the first and second priorities should be funded adequately before devoting funds to studies that, while obviously important and even urgent, depend on a well-functioning trade policy and negotiation process for the fulfillment of their conclusions.

F. PRIORITY SIX - INFORMATION TECHNOLOGY (\$ 2,000,000.)

F.1. Ministry of Trade and Industry (MTI)

The lack of emphasis on research and planning as well as the absence of information on markets are significant ministry weaknesses. At present, no department is specifically dedicated to gathering and processing intelligence or trade information for providing early warnings on key trade issues, trade developments and trends. Nor are people involved in research, monitoring, and evaluation of information to support the formulation of trade negotiating strategies and policies. In today's global economy, it is absolutely necessary that these functions be performed.

Additionally, MTI underscored the need for a trade information system, a trade negotiation unit (TNU), dedicated technical training and studies.

The lack of information technology (IT) resources and development is an issue of utmost importance. It is critical that more priority be attached to upgrading the IT environment with equipment and skilled personnel. While better than most ministries, weaknesses in MTI exist in website development, networking, and e-government strategies regarding statistics, current data, feedback, leadership and resources. For example, customs trade data and trade statistics are not yet harmonized vis-à-vis IT. As well, there is no central depository for trade information. This is a serious problem and adversely affects decision-making and implementation.

MTI has only three professionals in the IT field, all with at least a Masters Degree and varied academic backgrounds, including law. Some of the other IT staff started in clerical positions and were eventually converted through aptitude or interest into IT personnel. The IT division has the capability to engage in e-commerce and maintain the software for an intra-net but needs to

improve its web programming skills so as to develop on-line capabilities and operating system skills.

In the IT area, three projects are now ready for implementation. The first one is called Enterprisenet.tt--an initiative between the Ministry of Trade and Industry and TIDCO to assist small and medium enterprises have a presence on the Internet and to interface with buyers and sellers worldwide. The website will provide information on the status and/or links to WTO and FTAA negotiations; however the project is currently on hold due to funding constraints.

The second project intends to develop a MTI website conceptualized as a business-to-government and government-to-government resource. A project official wants the website to contain up-to-the-minute content and incorporate creative ways utilize message boards and other interactive technology. Otherwise it will duplicate the information-style website TIDCO already hosts. Maintaining such a site will require a constant source of current information and effective dissemination techniques that could prove problematic. Funding constraints must be reconciled for this website development to continue. If funding could be secured, a fully functional website could be operating in three to six months, rather than six months to a year.

Other institutional weaknesses need to be addressed concerning collaboration in areas such as e-commerce legislation, government on-line services, and government website policy.

The third project is the E-Government program. This project intends to lay the structure for an effective communication and infrastructure network that will provide basic email and Internet connectivity to every ministry within two years. Five ministries are being piloted with others to follow depending on initial success. An inventory of the various ministries will begin in late August 2002, to determine how best to proceed.

Trinidad & Tobago seems committed to improving the IT capabilities of the ministries, but there is concern that some of the “marginal” ministries and/or trade related agencies (such as Agriculture and the Chief Parliamentary Counsel) might not fully benefit from this program because they are already so technologically marginalized.

The MTI has identified the following as priority areas for training: negotiating skills, analysis of trade statistics, trade issues and trade agreements, foreign languages (French, Spanish, Japanese), trade law and dispute settlement, investment promotion, export marketing, and information technology. The first three areas are considered critical.

F.2. Ministry of Agriculture

The information technology (IT) environment is grim: there is no website, no network, and only one computer has Internet access. While some IT technical assistance has been provided in the past, little has been accomplished and no significant progress achieved. The Ministry is hiring a consultant to prepare an IT strategic plan for the ministry—a task that be carried out in coordination with the national e-commerce and e-government programs to ensure continuity and uniformity.

F.3. Ministry of Foreign Affairs

The Ministry of Foreign Affairs does not have adequate IT resources. Nevertheless, it is the only ministry and/or government trade-related agency interviewed is aware of the existence of the e-government program.

F.4. Customs and Excise Division

The primary and most urgent problem within Customs is the adoption of the Harmonized System. Customs officials opine that further delays implementing this system could have a serious impact on foreign trade. The Ministry needs to adopt the HS system to be able to carry out electronic licensing, a function that may require training. There is a further need to harmonize codes with other agencies to facilitate electronic data interchange .

There is also a need to facilitate the input of trade registration data into ASYCUDA . Currently, emphasis is placed on document flows and electronic clearance; agencies bypassed in this process tend to complain. ASYCUDA Version 2 is now being utilized and the department is moving to a more advanced version. A website and links to CSO, Brussels, US and Canada are now being developed to enhance the electronic flow of information. Since traders are the main clients, a trade policy for controlled easy access is needed.

A fully integrated tariff system is now being prepared in which such information as the CET rate, MFN rate, taxes, tariff rates and origin rules in bilateral agreements will be available on a website.

Government Departments need to be more e-conscious and link into customs data. The current ASYCUDA system does not deal with shortages--the Central Statistical Office will get data only from what is declared. Import packages that contain several individual items pose problems in the current system.

Training and technical assistance on adoption and implementation of the Harmonized System was also related as a priority: a training plan needs to be developed and implemented. Customs has its own training school and can offer some training in the HS system.

F.5. Central Statistical Office

Communication is difficult because there is no integrated IT system among government agencies and no inter-office network internal to CSO. There are plans for a website which will provide some on-line statistical trade data, but there is no current timeline for this project. CSO representatives are not aware of the e-government initiative.

National accounts statistics are registered and reported by the CSO. There is no special division or department to process the information, so the IT office receives and processes the data. The information can be presented under various formats.

Training needs for the CSO include end use of trade statistics, broad economic classifications, trade measures and indices.

F.6. Chief Parliamentary Counsel

Training is needed on international negotiations and trade issues and on Internet basics. IT resources are the major shortage in this area. There are not sufficient computers for staff and the CPC has not had Internet access for almost a year. IT facilities and Internet access are crucial for trade related legislation drafting and research.

F.7. Food and Drug Division (Ministry of Health)

F&DD lacks IT resources with no electronic submissions nor data bases record for their products evaluation and related activities surveillance. The existing software is inappropriate, there are insufficient computers, there is no local network and Internet access is available in only one computer. (Note: this deficiency causes intellectual isolation and the impossibility of follow-up on international food and drug surveillance communications).

F.8. Ministry of Environment

In terms of IT resources, the situation is similar to other trade related agencies consulted. Neither networking nor sufficient Internet access is currently available. The Ministry has an IT strategy with plans for a complete internal system that would ensure internal connectivity, email, Internet, etc; however, there is no awareness of the Trinidad & Tobago e-government initiative. As in other agencies, their projects and output are limited by financial resources constraints.

F.9. TCC

Finally, a recommendation was made for the creation of an “Online Forum” to apprise the civil society and the general public on the scope of the FTAA integration process, its benefits and costs, its opportunities and threats, as well as the adjustments that the society should make in order to face a more trade liberalized and globalized region and world. This forum is intended to be located on the MTI website, with two main objectives: to channel private sector issues into the negotiating process and to encourage the participation of the weakest sectors of the economy such as trade unions, consumer groups, non for profit associations, etc. to have a more accurate appreciation and understanding of trade issues.

G. CONCLUSIONS

Various operational and policy constraints to Trinidad and Tobago attaining trade-related institutional effectiveness were pointed out during team’s interviews and focus groups meetings. The following were stated as the most important: lack of investment in human capital development; low compensation package for public officials; lack of resources - human as well as financial - to implement policies; lack of specific staff skills; inadequate IT resources and training; insufficient public awareness - public and private sector; an education system not conducive to the business climate; emphasis and dominance on energy sector issues; lack of local private sector investment in high technology firms in the non-energy sectors; insufficient investment from stakeholders in the financial sector (i.e. commercial banks); risk averse behavior from private sector and entrepreneurs; and limited entrepreneurial spirit.

A modern trade negotiation system is characterized by negotiations in several geographical areas, involvement in permanent consultations with other ministries and departments, and an

ever-expanding number of stakeholders. To succeed, mechanisms must be in place to collect, analyze, design, and disseminate trade information. Managing this process is a challenge that cannot be handled by occasional monthly preparatory meetings. Interactive, intensive dialogue sessions have to be followed by rapid dissemination of information and constant communication with stakeholders. A system has to be designed that will allow information to be better stored and made accessible anywhere. Dialogues have to be properly recorded and data made available on a timely basis. Consultative networks must function adequately with methodologies adopted to determine economic impact. With current technology, this is not beyond the capacity of MTI and its related ministries. The IT Unit in MTI must be brought into this vision and given the tools to develop. To build a Trade Negotiating Unit, management skills and research methodologies supported by appropriate software must be made available.

Coordination and consultation mechanisms with private sector: The trade-related IT functions must be enhanced. It is critical that MTI collaborates with the harmonization of the systems of Customs and Excise Office, the Inland Revenue, and Central Statistical Office. Such cooperation requires strong leadership at the highest levels of government and a clear mandate. Infrastructure and procedures need to be redeveloped, staff needs to be trained and data needs to be converted in order to provide adequate and timely trade statistics.

The Customs and Excise Office, the Central Statistical Office, and the Inland Revenue Office need to be given some level of priority in the e-government program. The Central Statistical Office and Customs are two of the most crucial ministries in need of modern technology. Collaboration from the data collection points needs to be enhanced to include data on services with enforcement by customs. This will allow CSO to track and disseminate data in a more timely and accurate manner and therefore better support the negotiation efforts. There also needs to be in place a backup system to protect against the loss of critical data.

The culture of making decisions without using relevant statistics also needs to change. Currently, decisions are made in an ad hoc fashion rather than in a strategic manner. To this end, the timely availability of statistics will be a first step followed by training of personnel in the use of the statistics. That way the data gathered becomes relevant and useful. General data needs to be made available to other ministry and Trinidadian personnel to enhance their ability to do strategic planning, perhaps via a website.

IT weaknesses can be classified under three main categories:

- Inadequate availability and management of trade related information.
- Insufficient IT resources (namely: hardware and integrated network software, as well as human resources technically well-trained to manage them).
- Lack of coordination of IT programming within the different trade related areas of the government.

Trade related information (i.e.: trade databases and statistic analysis, sectoral trade statistics, availability and dissemination of trade documents, communication and coordination of trade related areas within the government) is either deficient or nonexistent. Even if there are good intentions and political will to improve this area, it is evident that the building up of at least a

global trade database and the capability of trade analysis is a primary condition to formulate trade policy and to conduct trade negotiations. Other important issues, like the need of completing the Harmonized System (HS) conversion of trade statistics and the building up of an integrated network linking Customs, Central Statistical Office and the Ministry of Trade and Industry, must also be emphasized.

Lack of hardware and software was also an issue pointed out by all the interviewees, with the only exception of the Ministry of Trade - where the lack of initiative in this area from the top was identified as the first deficiency, followed by lack of hardware, internet inaccessibility, lack of e-mail connections and the like.

Third, even if three IT programs are at present being developed, none of them seem to have been conceived to solve the real problems within trade related areas.

The first program (Enterprisenet.tt) is intended to assist small and medium enterprises have a presence on the Internet and attain sellers and buyers worldwide. As it was described in the interviews held with MTI, this is a trade promotion project (joint initiative between MTI and TIDCO) and should not be eligible per se for any activity within this loan facility. Nevertheless, as this project consists of a website that is planning to include information on international trade and trade negotiations via links to related sites, there is a need to adequately coordinate activities recommended for the loan facility and order to avoid overlapping with the Enterprisenet.tt project. More specifically, this project should abandon the idea of including trade information, substituting this part of the project for an adequate and on-line link with the trade information unit.

The second project is a MTI website conceptualized as a business-to-government and government-to-government resource. To this respect, it must be pointed out that the project partially overlaps with the first one and does not adequately address the trade information issue.

The third program (E-Government) is oriented only to integrating government email and internet connectivity within two years.

None of the above programs deal with the lack of trade information resources and its appropriate dissemination to all government trade related areas and eventually the private sector.