Regional heads of state will gather in Trinidad and Tobago’s capital Port of Spain for the 7th annual Greater Caribbean Business Forum on 26th-27th September to discuss deeper regional reintegration, and Kenneth Valley, Minister of Trade and Industry has promised a warm welcome.

Seen by many as a beacon for the region, Trinidad and Tobago is the Caribbean’s top oil and gas producer and as such, the most industrialized of the Caribbean countries. The energy sector currently makes up 72% of the country’s exports—it is the number one supplier to the U.S.—and is the mainstay of Trinidad and Tobago’s economy, contributing 34.1% to the GDP.

Under President George Maxwell Richards’ Vision 2020 mandate, the government is committed to achieving developed country status by 2020 and is focusing on ICT, financial services, tourism, and value addition in manufacturing and energy sectors to make this happen.

Ian Welch, president of the Trinidad and Tobago Chamber of Industry and Commerce notes that local companies are now realizing the importance of diversifying, adding that, in terms of red tape “Trinidad and Tobago has become much easier in the last three years. It is like a beacon in the Caribbean. There is political stability and repatriation of funds; two things investors typically worry about.”

There is also much being done to develop expertise within the services sector and, more importantly, keep it there. Thackwray Driver of the South Trinidad Chamber of Industry and Commerce in the country’s second city San Fernando, says: “Trying to build companies to export services is a tough task, but we already have some competing head-to-head with the multinationals, like Neal and Massy and Tucker Energy Services.”

Trinidad and Tobago’s substantial hydrocarbon resources and natural gas reserves (a proven 17.3 trillion cubic feet and rising) means there are plenty of investment opportunities to be had. However, the country is now taking its energy production downstream, focusing on aluminium, steel and plastics, and gas-based industries.

In agriculture too, the focus is very much on value addition. Minister of Agriculture, Land and Marine Resources, Jarrette Narine says: “We have about 77,000 acres of land since we restructured the sugar cane industry, and about a third of that is already occupied. As of now, all we downstream is rum, but we are beginning to look at ethanol because it is an excellent alternative to energy.”

Kenneth Valley adds: “While we still have energy, we will use it for all that it is worth. We are using funding from the oil sector to build sustainability in the non-oil sector, but that is a medium- to long-term assignment.”

The organization charged with bringing about the country’s shift to a sustainable economy is Evolving TecKnologies and Enterprise Development Company Limited or “e TecK.” It describes itself as a “special purpose” state enterprise, whose chief role is to transform the industrial landscape in the non-energy sector. E TecK’s chairman...
Professor Emeritus Kenneth Julien takes up the story. He says: “We have all the elements here for a thriving manufacturing sector, including competitively priced energy, well-educated and trained human resources, first world infrastructure and acceptable health care facilities. We need to attract foreign companies to partner with locals and accelerate the development of the non-energy sector.”

Meanwhile, Prof. Julien and his team at e TecK are highly committed to producing a new generation of homegrown, business savvy Trinidadians. Wearing his other hat, as chairman of the Board of Governors at the newly formed University of Trinidad and Tobago (UTT), Prof. Julien says: “UTT was created to provide quality human resources with the education training and skill to support and expand in the fastest growing sectors of the economy. We needed to have a structure geared towards equipping students with specialized skills, with exposure to research and development. We facilitate extensive interaction between the students and the business sector, so that they graduate with a distinctive knowledge base.” UTT’s degree programs include ICT, Industrial Innovation Entrepreneurship and Manufacturing Management (IIEM), Processing and Utilities, Energy and Maritime Management.

‘Righting the future’
e TecK also has the broader remit of promoting investment and country branding. Although there are already around 500 tenants renting space within the islands’ 19 industrial parks, the enterprise is working hard to facilitate improvements to the investment infrastructure, starting with ICT, and is currently planning four new parks in Trinidad and one in Tobago.

The Tamana InTech Park is e TecK’s flagship model, described as “an important milestone in actively directing research, production and education to the country’s economy, and a building block in the overall endeavor of ‘righting the future.’” As Khalid Hassanali, president of e-TecK, explains: “Tamana was set up for two purposes: to provide state-of-the-art telecommunications infrastructure for all the companies that require it, and to be a research and development facility as part of the UTT’s main campus, which will be based here.”

He adds: “Investors will have access to a well-educated, English-speaking resource pool, sustainable physical infrastructure, access to both North and South American markets, the financial and institutional support of the government and the synergies inherent in a clustering environment.”

The company has already established four successful subsidiaries and affiliates in active production for medical transcriptions and software development in the health care industry, through joint ventures in the U.S. and Hong Kong. The potential for business process outsourcing and R&D is so large in Trinidad and Tobago, Hassanali believes the country could become a technological hub for the region in the future. He says: “We have funding from a vibrant energy sector, which puts us at an advantage over our neighbors.”

While e TecK is busy “righting the future” with manufacturing and knowledge-based concerns, the National Energy Corporation of Trinidad and Tobago Ltd. (NEC) is working to promote value-addition in new and established energy-based industries. The corporation has its core in petrochemicals and steel products, which was valued at approximately US$3 billion last year, and is the largest exporter of ammonia and methanol in the world.

It also owns and operates Point Lisas Channel and Harbor, which handled over 1,600 tankers last year. President Prakash Saith says: “We are continually constructing and managing specialized pier and harbor facilities as new plants come on stream. Based on plants now under construction, NEC will handle 20 million tons of petrochemical and steel products valued at US$5 billion in 2007, from over 2,000 tankers per year.” NEC has attracted 20 petrochemical and steel plants over the last 20 years, but things are moving very quickly now. Five new
projects have already been approved for this year and 6 for 2007. These amount to a total of around US$12 billion worth of investment and will create around 29,000 jobs during the construction period, according to Saith. A number of others are being negotiated. Five new ports and four new industrial estates are being built to cope with demand.

Demand for reliable support services is also at a premium. Cargo Consolidators Agency Ltd. has been serving the energy and manufacturing sectors since 1976. Thirty years on, it has developed into a full service, freight forwarding, logistics company, with three strategic locations near Trinidad’s major production and industrial areas and the sea and airports. Ronald Patience, MD says: “We have agent offices in all the major cities of the world that guarantee our global efficiency.”

Capital Signal Company Ltd. is a local player making a difference in the marine construction, geoscience and marine support industries. Its current mission is to grow at around 25% per year, between now and 2011, which will be reached by exploiting new business and markets locally, regionally and internationally.

Since its inception in 1992, Capital Signal has successfully completed more than 200 projects, including over 70 geoscience projects in Trinidad, Venezuela and Mexico, and more than 40 marine construction and maintenance operations, both locally and internationally. Sean Herrera, CEO, says: “We are committed to continuous improvement as regards health, safety and environmental preservation. Operationally, we offer several advantages to our customers, such as having vast local experience and the fact that we own and operate our own port and marine services allowing us to react quickly and mobilize at very short notice. This will continue to be a major facet of our aggressive growth targets.”

A financial hub
The government is also hoping to establish the country as a world-class financial services center over the next year or two.

One name well-known throughout the Caribbean that will be lending its substantial expertise is Sagicor Life Inc. Formed from the demutualized Barbados Mutual Life Assurance Society in 2002, Sagicor offers a diverse range of products, including individual and group life insurance, health insurance and fund management, and is present in 22 countries.

Last year, Sagicor recorded its highest profit ever, with net income for the year equivalent to US$98.5 million—up 175% on the previous year. This exceptional result was due to a series of acquisitions, the most lucrative being Laurel Life Insurance Company, a wholly owned subsidiary of American Founders Life Insurance Company.

This acquisition brought the group’s assets up to US$3 billion, and a foot inside the door of one of the world’s most coveted markets.

Ken Marshall, executive vice president and general manager of Sagicor (Trinidad and Tobago) says: “We are predominantly a Caribbean-based entity, with a small representation in Latin America. The U.S. is such a big market, any growth in that region will contribute largely to our growth.”

The corporation has a 60% share of the Trinidad and Tobago market, offering a one-stop shop for a range of financial products, and is looking to use this base to expand south. Marshall says: “With its booming,
buoyant economy, we see Trinidad at the forefront of all movements south. We are actively exploring joint ventures or allegiances with companies that are established there.

A regional model for managing waste

With a precious eco-system and a thriving energy sector, environmental management is an important concern for Trinidad and Tobago. Add to that a growing population, increased real estate development and more industry on the horizon, the rate of waste generation could rival that of an industrialized nation. As Penelope Beckles, Minister of Public Utilities and the Environment notes: “The importance of an effective solid waste management system cannot be over-emphasized.”

Enter Solid Waste Management Company Ltd. (SWMCOL), a hugely successful state enterprise which is fast realizing its mission to become a premier environmental services company for the Caribbean region. Amongst a pile of new initiatives is a re-branding to simply “SWMCOL”, because, as Ray Brathwaite, executive chairman explains: “We deal with many different areas of waste, such as biochemical, hazardous and liquid, as well as solid.”

Also underway is a Community-based Environmental Protection and Enhancement Program (CEPEP), which is focusing on cleaning and beautifying the islands, environmental business start-ups and job creation. The CEPEP model has proved so successful, it is now being adopted by other Caribbean countries. Grenada, for example, which was devastated by hurricanes last year, was loaned 100 of SWMCOL’s

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Assuring a high value future

Local spirits and financial companies are carving out worldwide niches.

In the new, high value focused, economic powerhouse of Trinidad and Tobago, the C.L. Financial Group of companies stands out as a leading light for others to learn from. Under visionary executive chairman Lawrence Duprey, the group has built up a solid base from which to grow on a global scale, resting on four major pillars: real estate, energy, financial services and spirits. The group, with an asset base now in excess of US$10 billion, has been expanding rapidly outside of its Trinidad and Tobago base into the U.S., Europe and the Far East. The C.L. Financial Group has emerged as a distinguished investment holding corporation, certainly one of the largest conglomerates in the Caribbean region, implementing wealth creation strategies and encompassing over 70 companies in a diversified range of businesses in over 30 countries.

C.L. Financial Ltd. has an impressive real estate portfolio spanning from Trinidad and Tobago to the Southern Caribbean to Southern Florida in the United States that includes shopping malls as well as residential and commercial developments. In the energy sector, it owns Clico Energy, one of the country’s most enterprising companies, and Methanol Holdings (Trinidad) Ltd., which has become one of the world’s largest methanol exporters.

In financial services, the C.L. Financial Group maintains a stronghold within the Caribbean in its traditional life and general insurance business through its flagship company, Colonial Life Insurance Company (Clico). Caribbean Money Market Brokers Ltd. (CMMB), Clico Investment Bank Ltd. and Republic Bank Ltd., one of the largest commercial banks in the Caribbean, are some of the major subsidiaries within the Financial services sub group.

CMMB started as a joint venture between C.L. Financial and Jamaica Money Market Brokers Ltd. in 1999, with the aim of creating a secondary market for fixed income securities in the Caribbean. The company has been growing at a fast rate and now manages assets of more than US$1.3 billion as at 31 March 2006. Ram Ramesh, CEO and MD of CMMB, says: “Our main products are the fixed income paper and the trading bond portfolio.

CMMB’s mission is to “create, develop, educate and nurture the capital markets of the Caribbean,” and Ram has high hopes for Trinidad and Tobago to develop as a fully-fledged financial center. He says: “Apart from Barbados, and to a limited extent São Paulo, there are no other financial centers in the Caribbean. Our location between the two large markets of North America and Latin America gives us a huge advantage. Companies are now coming to Trinidad and Tobago to raise capital for their activities.”

Ramesh cites a quick technology adaptation rate and stable telecommunications system as two advantages Trinidad and Tobago has over other emerging markets. He says: “We also have an extremely stable banking system, which has had no major crisis. The Central Bank has always been very progressive in developing key capital markets, such as the stock exchange. It helps that the government can use the revenues it gets from our oil and gas sectors for the benefit of the wider population.”

The last major sector within the Duprey empire is Spirits. After acquiring Angostura Holdings Ltd. in 1997, Duprey quickly initiated a transformation given his global ambitions for the Angostura brand. The vision is clear within Angostura and the rest of the spirits group to build a global drinks company, represented by strong brands, marketed in every country around the globe. Over the past five years, the group has gone on to acquire many brands and international distribution networks, in its bid to develop a globally recognized spirits group.

At its core is Angostura aromatic bitters, the flagship product, which is being used as a platform from which to expand. Michael Carballo, Angostura’s executive director and secretary says: “We want to be in the top 10 spirits companies within three to four years.”

It is certainly feasible. One of the company’s trademark products is its 1919 premium brand of rum and its rum sales are soaring across the globe. Carballo says: “Rum has been receiving a lot of attention, particularly at the premium end of the segment. All the major spirits groups are placing emphasis on the premium side of the business and we believe that this is going to excite the entire category of rums. We want to create a luxury product and we want people to be proud to drink our rums. Our advantage lies in the fact we are new and fresh.”

Last year, Angostura’s turnover grew by 18%, as a result of a rise in exports of its branded cased products. Carballo says: “We have 95% of the local market, and currently export around 60-70% of what we produce. We are a Trinidadian company, but we are global in our outlook and focus. With our portfolio of brands, we have the potential to break into international markets very quickly.”

International acquisitions include the prestigious Hine Cognac, Burn Stewart Scotch Distillers in Scotland who produce Scottish leader and Bunnahabhain Single Malts, Belvedere S.A., an Eastern European producer of a range of quality Vodka brands including Sobieski, and Marie Brizard, the latest acquisition completed in July 2006 through Belvedere. Marie Brizard is famous for its range of liqueurs and cordials as well as its William Peel Scotch Brand that currently holds the No.1 position in the Scotch Category in France.

“It’s exciting times for the group as we seek to build value in our brands across the globe, especially in the markets of the U.S., Europe the Far East and also global duty-free. We have recently opened our Far East marketing center operations in Hong Kong, where we expect to solidify and expand at a faster rate in the region,” says Carballo.
Success...

The Angostura Group of Companies is a globally competitive drinks group with a strong portfolio of award-winning drink brands currently being marketed around the world. Our quality Angostura® aromatic bitters, for example, has delighted discerning palates around the world for decades. Now, as part of the CL Financial Group and CL Worldbrands, we are showcasing our fine rums including Angostura 1919, alongside other high profile and quality brands such as Marie Brizard, Hine, Sobieski, and Scottish Leader. We are convinced that our continued investment in our brands secures their long-term development and further success.

...do you know how good it tastes