

Investment Series 2009

Trinidad and Tobago

Party Central



This year, Trinidad and Tobago will play host at one time or another to over 60 heads of state from around the world, as well as thousands of businessmen. Their presence will be a potent symbol of the country's emerging role as a political, economic, and industrial powerhouse in the Caribbean.



INTERNATIONAL INVESTMENT GUIDE

Hosting the World

Thanks to its natural beauty, resources, and enterprising people, the country is making a growing contribution to the economic prosperity of the Caribbean.



On April 17, the heads of state from 34 countries including the U.S., Canada, Mexico, and Brazil will congregate in Trinidad and Tobago's capital Port of Spain for the Fifth Summit of the Americas. Given the current economic climate, the chosen themes of Human Prosperity, Energy Security, and Environmental Sustainability could not be more appropriate.

Nor could the choice of venue. Trinidad and Tobago is rapidly emerging as a key player in the region, and as the host country it has been instrumental in setting the agenda for the summit. As a consequence, the arrival of this stellar cast of politicians to Port of Spain will not only bring the media spotlight to bear on Trinidad and Tobago's outstanding natural beauty, but also on its growing contribution to the economic prosperity of the Caribbean region.

The country's Prime Minister, Patrick Manning, has been actively promoting Trinidad and Tobago as a summit and exhibition venue for some time, and he makes no apologies. "These events are integral to our strategy of positioning Trinidad and Tobago as a financial and conference center that will, in turn, spawn economic opportunities for a wide range of goods and services," he explained to his House of Representatives in January.

He used "events" in the plural with good reason, for Trinidad and Tobago will play host to two additional important gatherings this year—the biennial Commonwealth Heads of Government Meeting (CHOGM) and the Caribbean's biggest business-to-business trade show, the Trade & Investment Convention (TIC), which is held annually in the town of Macoya. November's CHOGM will bring together

the heads of the 53 member states of the Commonwealth, while the TIC will give the 260 or so manufacturers, suppliers, and distributors who exhibit there the opportunity to network with each other and the many thousands more who will attend the show.

Realistic Ambitions

This is all a far cry from the image of Trinidad and Tobago as a stereotypically Caribbean laid-back tourists' paradise. Although famous for its pre-Lent Carnival calypso, soca, limbo, and steelpan, it increasingly stands apart from its island neighbors in terms of both economic reality and ambition.

Unlike most of the English-speaking Caribbean, its economy has for a long time been primarily reliant on oil rather than tourism or agriculture. Energy remains key to its prosperity, although since the late-1980s successive governments have



Left: Port of Spain is filled with beautiful buildings—such as the Ministry of Foreign Affairs—that reflect the city's colonial past. Right: President Manning, shown here with Brazil's President Luiz Lula da Silva, will play host to the world's most influential leaders this year.

welcomed private investors willing to develop its offshore natural gas fields. As a result, gas has long since overtaken oil as Trinidad and Tobago's most profitable natural resource. In 2007 the country was producing 120,000 barrels of oil each day but six times as much energy (barrel of oil equivalent) from gas.

Trinidad and Tobago has consequently become the biggest supplier of liquefied natural gas to the U.S. as well as the world's top exporter of both methanol and ammonia. As a result, investment has been pouring into the country as it experiences its 17th successive year of GDP growth.

The emphasis on gas is also a means to a longer-term end, as Senator Conrad Enill, the country's Minister of Energy and Energy Industries, explains: "We have decided to focus on gas because of the new industries it creates for us. We are in the process of building a steel complex [funded by the Indian Essar Group] and an aluminum smelter, and we have recently finalized an agreement to develop a plant for the plastics industry," he continues. "Once all of this is completed, we will be a state with significant upstream and downstream activity. By using our resources

in this way we can create an entire chain of industrial activity."

The country's ambitions do not end there. Last year, the government announced it was going ahead with its plans to establish the Trinidad and Tobago International Financial Center (TTIFC), "To take advantage of the growing dynamism and strength of our domestic financial center."

Gas and oil are not the only natural resources with which the islands are blessed. Although not to every tourist's taste, the sight of the world's most consistent and highest-quality asphalt—oozing up from a black vein in the earth's crust to form Trinidad's Lake Asphalt—is not an experience that is forgotten in a hurry.

The lake's bitumen has been a key ingredient of global urban and industrial developments for more than a century, in everything from the wall coating on Chile's copper mines to the paving on the roads between China's airport and Olympic Village. It is also processed for use by the domestic energy sector and variously as a semi-sealant, black paint, pipe, and metal guard.

Lake Asphalt of Trinidad and Tobago (1978) Limited, the state-run enterprise responsible for this natural resource, is currently developing more cost-efficient versions of the original product. "We have two new products coming on to the market," explains General Manager Wayne Wood. "The first is what we called pelletized bitumen, which is a major advance for our industry as it allows us to transport asphalt at room temperature in pellet form. This means it can easily be packed in bags and then put in barrels without the traditional costs of heated transport." The second product is TLA Warm-mix (TLAX), which has been designed to allow the blending and laying of bitumen at around 200° rather than 300°.

With an estimated reservoir of 10 million metric tons yet to be drawn on, we will all be walking or driving on a piece of Lake Asphalt for quite some time to come.

Environmental Concerns

The government is acutely aware that the pace of industrial development must not be at the expense of the country's environment, and as early as 1980 it

SWMCOL

Your Partner in Defense of the Environment

The Trinidad and Tobago Solid Waste Management Company Limited has won the Gold International Green Apple Award in recognition of their environmental project – Community-based Environmental Protection and Enhancement Programme (CEPEP)

#34 Independence Square Port-of-Spain, Trinidad W.I.
Phone: (868) 625-6678/80

www.swmcol.co.tt



Despite the global downturn, Trinidad and Tobago's vast natural energy supplies mean the country's economy remains buoyant and acts as a safe harbor for investors in the region.

established the Trinidad and Tobago Solid Waste Management Company (later rebranded as SWMCOL) to steer its waste management policy. In 2002 SWMCOL's mandate was broadened to encompass its own brainchild, the Community-based Environment Protection and Enhancement Program (CPEP).

"CPEP was built on three specific platforms—the preservation and enhancement of the environment, job creation, and new business start-ups," says

SWMCOL chairman Ray Braithwaite, "and we have worked to ensure that progress has been simultaneous on all three. The platforms are inextricably linked. Contractors pitching for work were set up as independent business start-ups with SWMCOL operating as a business incubator, and the businesses that were granted licenses were then required to hire labor from within the community where they were operating," he continues. The result has been the creation

of some 42,000 jobs, many of them for unemployed men, single mothers, and their dependants.

The fruits of their labors are evident to anyone walking through the pristine parks and streets, and will no doubt impress the likes of Barack Obama when he comes visiting later in the year.

SWMCOL is also an unlikely export success story. When Hurricane Ivan struck the region in 2004, the company's reputation was such that it was brought in to advise neighboring Grenada on how to manage its relief effort and clean-up.

The government is acutely aware that the pace of industrial development must not be at the expense of the country's environment.

If there is a single characteristic that all Trinidad and Tobago's politicians have in common it is optimism, which is perhaps surprising in the current circumstances. But it is a realistic optimism, as the Central Bank's governor Ewart Williams articulated recently: "Calling to mind the old adage that 'behind every dark cloud there is a silver lining,' we should keep reminding ourselves that even if the crisis is prolonged it will eventually come to an end," he told a Chamber of Commerce meeting in January. "What is perhaps most important in all of this is that we should be preparing ourselves for the new opportunities that must arise once the situation stabilizes." When they do, it's likely that Trinidad and Tobago will be in pole position. ●

we're PAVING the way

AROUND the WORLD

LAKE ASPHALT OF TRINIDAD & TOBAGO (1978) LTD. CONTINUES TO SUPPLY NATIONS ACROSS THE GLOBE WITH RAW MATERIALS THAT HAVE BUILT THE MOST ENDURING ROADS AND HIGHWAY NETWORKS IN THE WORLD. As a company in transformation and aggressively pursuing its growth targets, we have expanded our markets to China, Africa, North America, Europe and the Asian Subcontinent.

From road paving to foundation strengthening, our company has become a leading international supplier of raw materials which include:

- ▶ Trinidad Lake Asphalt (TLA)
- ▶ TLA Pellets
- ▶ Asphalt Cement (Ac)
- ▶ Refinery Bitumen
- ▶ Bitumen Emulsions

When it comes to creating strong foundations that keep the world connected, WE PAVE THE WAY!

Bitumen

Lake Asphalt of Trinidad and Tobago (1978) Limited
 Head Office: Brighton, La Brea, Trinidad & Tobago, WI.
 P: 868 648 7572 + 8521 F: 868 648 743
 www.lakeasphalt.com