

## Foreign Investment in Trinidad and Tobago

Trinidad and Tobago is fast becoming one of the most receptive locations for investment in the English-speaking Caribbean. Canada, in particular, has developed strong investment ties with Trinidad and Tobago with the signing of a double taxation treaty and a foreign investment protection agreement in September of 1995. The government, motivated by the need to stimulate economic growth, has adopted a favourable stance toward overseas investment. It actively encourages foreign investment in its drive to diversify the economy away from its reliance on the petroleum sector. With the exception of publicly listed companies, 100 percent foreign ownership is now permissible. The government's policy of divestment and fiscal restraint has opened the door for private sector involvement in organizations formerly under government control. As a result, the government has introduced many different investment incentives that seek to draw foreign investment into the country.

When reviewing an application for investment incentives, the government is interested in factors such as the environmental impact of the project, proposed value of the investment, employment potential of the project, net foreign exchange cash flow, local value added, potential export sales, value of imports of raw materials, and potential income from taxes and duties. Canadian companies wishing to apply for a specific investment incentive should keep these factors in mind when developing a proposal.

### **Investment Incentives**

Many different investment incentives and opportunities have been designed to attract foreign investment into Trinidad and Tobago. The government has identified the agriculture, tourism, and export manufacturing sectors as priority areas for investment and development, and, along with the energy sector, wishes to develop these areas into the cornerstones of the economy. Investment incentives are coordinated through the Tourism and Industrial Development Division, and can assist investors who wish to apply for approval for investment incentives.

#### *Import Duty Concessions*

The Customs Act allows for import duty concessions to be granted to approved organizations for approved industrial projects. These concessions are usually granted to manufacturing companies who provide increased employment and value-added local materials in the production process. Applications are made to the Ministry of Trade and Industry through the Tourism and Industrial Development Corporation (TIDCO).

#### *Fiscal Incentives Act*

This Act allows for the granting of tax holidays to eligible enterprises for a period of up to ten years for the manufacture of approved products. These enterprises can qualify under different classifications, including: