

government's strategy to combat inflation is maintaining a strong exchange rate. The TT dollar is forecast to depreciate to just over the TT\$6.00 = US\$1.00 mark by the end of 1996.

The oil and petrochemical sectors are expected to expand after years of decline, on the heels of Amoco's discovery of new oil and natural gas deposits off the southeast coast of Trinidad. The discovery is the first in nearly two years. In the non-oil sector, business opportunities are rapidly opening up. Declining interest rates in the third quarter of 1995, coupled with high levels of foreign investment, helped to boost manufacturing output. Numerous tax holidays and incentives have been introduced for small business development and investment in certain priority sectors such as tourism, agriculture and export manufacturing. The Government of Trinidad and Tobago is privatising many state-owned businesses, with approximately 20 entities due to be divested over the next few years. For Canadian companies, these investment incentives, coupled with a double taxation treaty and foreign investment protection agreement signed in September 1995, results in a favourable location for Canadian investment.

New investment opportunities are matched by the potential for new trade. Trade barriers are being rapidly dismantled, and the highest tariff on imported goods will be reduced to 20% by the end of 1998, compared with 100% in the past. Stamp duties and import surcharges were removed in 1995, with the exception of agricultural produce, and general customs tariffs have been reduced by an additional 5% in adherence to Caricom policy. This liberalization of trade policy provides excellent trade opportunities for Canadian companies wishing to do business with Trinidad and Tobago. Exports continue to grow under the government's new open policies. In 1994, exports (excluding oil) amounted to US\$1.87b, and increased 28% to US\$2.4b in 1995. Exports from Trinidad and Tobago can be divided into four main categories: energy-based products such as oil, methanol, urea, etc.; traditional agricultural products such as sugar and cocoa; non-traditional agricultural products like shrimp, vegetables, fruit, and cut flowers; and manufactured goods such as alcoholic beverages and food stuffs. Imports also rose over that period, totalling US\$1.02b in 1994, and increased more than 47% to US\$1.5b in 1995. Major imports into Trinidad include industrial machinery and equipment, metal ore and scrap, electrical machinery, and paper products. Appendix A and B provide a detailed list of Trinidad's top twenty exports and imports in 1995.

Major Sectors

Energy

Part of the government's strategy of sustainable economic growth will be to focus on further development of the energy sector. The effects of trade policy reform resulted in greater private sector participation and increased activity. Trinidad and Tobago's energy sector comprise the petroleum industry, the natural gas industry, and the petrochemicals industry. The government will be emphasizing continued efforts in attracting foreign investment and expanding the market opportunities related to energy products. Leading the way are international firms such as Amoco, Enron, Exxon, Total, Chevron, Unocal, and British Gas.