Executive Summary

Trinidad and Tobago (TT) is a high-income developed country with a GDP per capita of over US $20,000 and an annual GDP of $24 billion. Within the English-speaking Caribbean Community (CARICOM) group, it has the largest economy, and it is the third most populous country with a population of approximately 1.3 million. The Central Bank of Trinidad and Tobago and the International Monetary Fund predict 2.5 percent gross domestic product growth for TT in 2014. This follows growth of 1.5 percent in 2013, a year marked by several planned maintenance shutdowns in the energy sector.

Energy exploration and production drive the TT economy. In 2012, the energy sector accounted for approximately 40 percent of the country’s GDP and 80 percent of its export earnings. TT is the world’s largest exporter of ammonia and methanol, and one of the largest exporters of liquefied natural gas (LNG). Besides the energy sector, the biggest economic contributors are the manufacturing and services sectors. The official unemployment rate is between 5-6 percent; but this understates real unemployment due to extensive government make-work programs.

Government policies seek to encourage diversification away from dependence on the oil and gas sector and to stimulate those non-energy sectors with the greatest potential for growth. Targeted sectors include tourism, information and communications technology, creative industries, maritime industries, manufacturing, and agriculture.

Trinidad and Tobago has a favorable and open investment climate and most investment barriers have been eliminated. TT has a stable democratic political system and an educated English-speaking workforce. The commercial banking system is stable, well-capitalized and profitable, as is the insurance industry. Rule of law and respect for contracts are established in business practices.

While TT has reasonably well-developed infrastructure and efficient government services, the pace of reform in many areas has been slow. Legislation on a government procurement policy has been in process for ten years. Trinidad and Tobago has an independent judicial system that is competent, procedurally and substantively fair, and reliable. It is, however, backlogged and over-encumbered, which can make the resolution of legal conflicts time-consuming. The decision-making process for tenders and the subsequent awarding of contracts can at times turn opaque without warning, despite best efforts by the proposing company to fulfill all compliance requests. While the overall investment climate remains strong, a few foreign investors report encountering problems when their company’s interests run contrary to those of competing State-owned enterprises.

Crime, particularly violent crime, continues to be a deterrent to the establishment of new businesses and international investment. Successive governments have unveiled strategies to curb the high crime rates and reduce violent crime, but the implementation and sustainability of these efforts are lacking.
Despite these shortcomings, the government’s planning and development policy focuses on the promotion of an environment for growth and competitiveness on a foundation of macroeconomic stability. As stated in the Ministry of Trade, Industry, and Investment’s new advertising campaign, they are “Moving from Red Tape to the Red Carpet” to attract investors to Trinidad and Tobago.

1. Openness To, and Restrictions Upon, Foreign Investment

**Attitude Toward FDI**
The Government of Trinidad & Tobago (GOTT) actively encourages foreign direct investment and traditionally welcomes U.S. investors. Generally speaking, there are no restrictions or disincentives to investment. Foreign ownership of companies is permitted and welcomed under the Foreign Investment Act. The myriad U.S. companies operating in Trinidad and Tobago (TT) span many economic sectors including banking, aviation, energy, and manufacturing. TT also has a number of U.S.-based retail food franchises.

**Other Investment Policy Reviews**
In March 2012 the World Trade Organization conducted an Investment Policy Review for Trinidad and Tobago. Full text of the report can be found here: http://www.wto.org/english/tratop_e/tpr_e/s260_e.zip

**Laws/Regulations of FDI**
TT’s judicial system typically upholds the sanctity of contracts and generally provides a level playing field for foreign investors involved in court matters. However, due to the backlog of cases, there can be major process delays. As a result, it is imperative that foreign investors sign enforceable contracts and use local attorneys. The Bilateral Investment Treaty (BIT) between the United States and TT requires that the treatment of foreign investments is no less favorable than that accorded to domestic investments (“national treatment”).

**Industrial Strategy**
TT has established programs to attract investment to key sectors. The GOTT seeks to diversify the economy and investment beyond the energy sector. They have targeted the following sectors: Information and Communication, Agribusiness, Environmental Technologies, Energy, Travel (tourism), Entertainment, Marine Technology, and light Manufacturing. To learn more, please visit InvesTT, the nation’s investment promotion agency: www.investtt.co.tt

**Limits on Foreign Control**
The Foreign Investment Act of 1990 limits foreign equity participation in local companies to the extent that a foreign investor is permitted to own 100 percent of the share capital in a private company, but a license is required to own more than 30 percent of the share capital of a public company. The Foreign Investment Act also limits foreign ownership of land to one acre for residential purposes and five acres for trade purposes without a license. In the past, the government generally has freely granted waivers on corporate equity and land ownership restrictions. License applications are subject to review and approval/denial by the Ministry of Finance (in Trinidad) or Tobago House of Assembly (in Tobago).
Privatization Program
TT is increasing the number of Public-Private Partnerships as a model for privatizing key sectors, aiming to ensure control while opening economic growth opportunities. The government has encouraged foreign investment in several state enterprises. In nearly every case, foreign investors have purchased large minority holdings in privatized firms through various arrangements.

Screening of FDI
In general, the GOTT will only involve itself in foreign investments when the investor is seeking government incentives or concessions, the investor wishes to lease land in one of the government-owned industrial parks, or a planned activity requires a license, such as mining or drilling. Nationals and non-nationals are generally treated equally with respect to obtaining licenses. Bureaucratic delays in approval of investment packages for investors are common. These generally are the result of negotiations for a memorandum of understanding or framework agreement and incentives or, in the case of petrochemical investors, negotiations for favorable natural gas prices. Environmental approval for large industrial projects is governed by the Environmental Management Authority through the issuance of a Certificate of Environmental Clearance.

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<td><a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a></td>
</tr>
</tbody>
</table>

2. Conversion and Transfer Policies

Foreign Exchange
There are no exchange controls on foreign currency and securities. The repatriation of capital, dividends, interest and other distributions and gains on investment may be freely transacted
without limits. The average period for remitting all kinds of investment returns is twenty-four hours.

From time to time there are reports on delays in access to foreign exchange through the banking system. These vary from bank to bank and branch to branch. For very large amounts of foreign currency, there are queue systems in place at the individual banks depending on available currency on a particular day.

TT does not engage in currency manipulation. The Trinidad and Tobago dollar (TTD) has a lightly-managed exchange rate regime.

TT’s financial system is well-organized and regulated. The Central Bank of Trinidad and Tobago determines monetary policy. The Bank regulates operations of the commercial banks and other financial institutions. The Automated Banking Machine (ABM) banking system offers access to advance cash withdrawals for VISA, MasterCard, and VISA Plus. Internet banking is available at all commercial banks. The regulated financial institutions consist of eight commercial banks, 17 non-bank financial institutions, and three financial holding companies. TT is a member of the International Monetary Fund, the World Bank, the Inter-American Development Bank, and subscribes to the General Agreement on Tariffs and Trade.

Trinidad and Tobago is a member of the Caribbean Financial Action Task Force (CFATF). TT is a country of concern for money laundering and financial crimes.

There is no requirement for withholding on interest paid to resident individuals with respect to loans secured by bonds or other similar investment instruments. When the individual is a non-resident, the withholding tax is 20 percent, except in cases where treaty relief is available. (The double taxation treaty between the United States and Trinidad and Tobago does not provide for such relief.)

**Remittance Policies**

Where the remittance is in the form of dividends paid to a U.S. individual, the tax rate is 15 percent of the gross dividend. In the case of a U.S. company owning more than 10 percent of the voting control of a TT company, the rate is 10 percent of the gross dividend. For dividends paid to a U.S. company with less than 10 percent ownership, the tax rate is 15 percent. In the case of a U.S. resident company having a branch or permanent establishment in TT, branch profit tax would be applicable on a deemed remittance made by the branch. The rate of branch profit tax is 10 percent, levied on the after-tax profits of the branch, minus any reinvestment of such profits (other than in the replacement of fixed assets).

3. **Expropriation and Compensation**

No expropriation actions have been taken since the 1980s. All prior expropriations were compensated to the satisfaction of the parties involved. There is no indication of policy shifts that might lead to expropriation in the future.

4. **Dispute Settlement**
Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts
Trinidad and Tobago has an independent judicial system that is competent, procedurally and substantively fair, and reliable. It is, however, backlogged and over-encumbered which can make the resolution of legal conflicts time-consuming. Civil cases (for matters involving sums in excess of US $2,500) are heard through the High Court of Justice (trial court level), which can grant equitable relief, such as acclamation injunctions and public law remedies. Decisions may be appealed to the TT Court of Appeal. The United Kingdom Privy Council Judicial Committee remains the final court of appeal for TT. Criminal acts are first heard by the Magistrates’ Court and may also be appealed as high as the Privy Council. At present, there is no reciprocal enforcement of judgments obtained in the United States. These judgments do, however, form the basis of a debt on which the court can rule summarily. The only grounds on which a foreign judgment can be impeached are when: (a) it was obtained by fraud, (b) its recognition or enforcement would be contrary to public policy, or (c) it was obtained in proceedings contrary to natural justice.

Bankruptcy
According to the Bankruptcy Act of 1916 and the Bankruptcy and Insolvency Act of 2007, creditors may at any time file a bankruptcy petition in court against an individual or for the closure of a business on the grounds of the debtor’s inability to pay its debts. Favorable court judgments can take the form of charges to the debtor’s real estate, personal goods, or wages, or can prevent the debtor from fleeing the jurisdiction, or dissipating his/her assets. If it is proved to the satisfaction of the court that the debtor cannot pay its debts, the Companies Act provides for the appointment of a receiver/manager who takes over from the company’s board of directors with the objective of managing the business to a state of solvency. TT is ranked 114 out of 189 countries for the ease of resolving insolvency in the World Bank’s Ease of Doing Business index.

International Arbitration
The Bilateral Investment Treaty between the United States and Trinidad and Tobago allows for alternative dispute resolution measures, including binding arbitration.

ICSID Convention and New York Convention
TT is a member of the International Center for the Settlement of Investment Disputes (ICSID), which facilitates conciliation and arbitration of investment disputes between contracting states and nationals of contracting states. TT has also ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which facilitates the registration and enforcement of foreign arbitral awards between contracting states. TT courts can refer parties to mediation. A Mediation Board was created in 2004 with responsibility for certifying mediators and accrediting training programs.

Investment Disputes
Investment disputes are not common in Trinidad and Tobago. Post is aware of one investment dispute involving a U.S. company in the last ten years.

Duration of Dispute Resolution
In the past, local courts took months if not years to arrive at a resolution of investment and commercial disputes. In 2010, through a joint initiative with the Judiciary, the Dispute Resolution Centre became an innovator of Court-Annexed Mediation, which was spearheaded by the country’s Chief Justice. The Dispute Resolution Centre administers disputes with claims ranging from several thousand to many millions of dollars. The Centre has mediated the following types of disputes: contract, corporate, commercial, banking, construction, manufacturing, personal injury, sports, libel/defamation, land and estate, intellectual property, industrial relations, employment, and debt recovery.

5. Performance Requirements and Investment Incentives

WTO/TRIMS
All of Trinidad and Tobago’s laws and regulations abide by the WTO’s Trade-Related Investment Measures (TRIMS).

Investment Incentives
The Government of Trinidad and Tobago encourages foreign direct investment in almost all sectors, with specific focus on the non-energy targeted sectors. Foreign and local investors are generally treated equally with respect to incentives. TT offers incentives in the manufacturing sector, to include exemption from customs duties, as well as value added tax and income tax on dividends, and tax credits. In the Creative Industries, TT offers cash rebates to encourage local service and supply sourcing.

Research and Development
Grant funding is available to non-energy manufacturing and service businesses for research and development initiatives. Tax credits are also offered for investments in registered venture capital companies.

Performance Requirements
There are no performance requirements for investors written into law, but the GOTT strongly encourages, through negotiable incentives, projects that generate employment and foreign exchange; provide training and/or technology transfer; boost exports or reduce imports; have local content; and generally contribute to the welfare of the country. Foreign investment is, however, screened for potential environmental impact. The government encourages joint ventures between foreign and local corporations. Corporate partners in a joint venture are governed by a joint-venture partnership agreement.

Foreigners entering TT to engage in legitimate trade or occupation may do so without a work permit for a single period not to exceed thirty days within a twelve consecutive month period. To engage in legitimate work for any period in excess of thirty days, a work permit must be obtained from the Ministry of National Security through the proposed employer. This system has created logistical challenges for companies involved in large industrial and energy projects that frequently need technicians for periods longer than thirty days. There are no formal restrictions on the numbers and/or duration of employment of foreign managers brought in to supervise foreign investment projects, an issue that is specifically addressed in the Bilateral Investment Treaty between the United States and TT. Several foreign firms have alleged,
however, that there are inconsistencies in the issuance of long-term work permits. These generally fall into two categories: (1) a permit is not granted to an official of a company that is competing with a local firm, or (2) the authorities threaten not to renew a permit because a foreign firm has not done enough to train and promote a TT national into the position. Some executives of smaller companies have found that their work permits are only approved if they form joint ventures with local firms or set up formal training programs.

6. Right to Private Ownership and Establishment

Private foreign and domestic entities have the right to establish and own business enterprises and engage in remunerative activity. Under the Companies Ordinance and the Foreign Investment Act, a foreign investor may purchase shares in a local corporation, incorporate or set up a branch office in TT, or form a joint venture or partnership with a local entity. Businesses may be freely purchased or disposed of. Private enterprises and public enterprises are treated equally with respect to access to markets, credit, and other business operations. The Companies Act, based on the Canadian Corporations Act, came into force in 1997, and was updated in the Companies (Amendment) Act, 1999.

7. Protection of Property Rights

Real Property
Property rights are protected under the constitution and common-law practice. Secured interests in property are recognized and enforced; however, TT has a dual system of land titles, the old Common Law title system, and the registered land title system governed by the Real Property Act of 1946. Approximately 75%-80% of land in TT remains under the more complicated Common Law System, which is not a reliable system for recording such secured interests. Trinidad and Tobago ranks 178 out of 189 countries in the World Bank’s rankings for ease of registering property.

Intellectual Property Rights
The Government of Trinidad and Tobago provides adequate and effective protection of intellectual property rights, as well as fair and equitable market access to U.S. persons that rely on intellectual property rights. At times, however, the protection of intellectual property rights in Trinidad and Tobago can seem ineffective, particularly should disputes over infringements go to court, as the backlogged and encumbered judicial system does not support the timely resolution of legal conflicts.

The Government of Trinidad and Tobago is engaged and supportive of intellectual property rights issues internationally. The Republic of Trinidad and Tobago became a member of the World Trade Organization in 1995. It is also a member of the World Intellectual Property Organization (WIPO) and a signatory to several international agreements on intellectual property rights. Trinidad and Tobago drafted its IPR laws in consideration of the standards of the Trade Related aspects of Intellectual Property Rights (TRIPS), and Trinidad and Tobago is TRIPS Plus compliant. TT has specific legislation that protects trademarks, patents, industrial designs, trade secrets and unfair competition, geographical indications, layout designs of integrated circuits, plant varieties, and copyrights.
The Office of the United States Trade Representative placed Trinidad and Tobago on the country Watch List in its 2013 Special 301 Report on intellectual property rights. The inclusion in the Special 301 report is largely due to on-going litigation between the Copyright Music Organization of Trinidad and Tobago (COTT) who filed a lawsuit against the main cable provider for not properly paying royalties for music rights on both television and audio channels. In 2011, the Trinidad and Tobago High Court issued a judgment in favor of COTT. This process is still ongoing between the court and COTT.

**Resources for Rights Holders**

The contact at U.S. Embassy Port of Spain for IP issues is:
Jake Stevens  
Economic Officer  
868-822-5986  
StevensJD1@state.gov

The TT legal authority for IP issues is:
Intellectual Property Office  
Ministry of Legal Affairs  
http://www.ipo.gov.tt/  
868-625-1907; 868-627-0706  
info@ipo.gov.tt

Public list of local lawyers:  

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at http://www.wipo.int/directory/en/.

**8. Transparency of the Regulatory System**

The Companies Ordinance and the Foreign Investment Act, in general, govern foreign investments. Under the Act, an investment proposal can only be denied if it is illegal, contrary to public morals, or environmentally unsound. Government inaction on a proposal, however, may have the same effect as outright denial. Foreign investors have complained about a lack of transparency and delays in the investment approval process. Complaints focus on a perceived lack of delineation of authority for final investment approvals among the various ministries and agencies that may be involved in a project. Some prospective investors have abandoned their efforts in TT as a result of long delays.

Certificate of Environmental Clearance rules adopted in 2001 have helped to clear up uncertainty over environmental impact assessments by placing the environmental approval authority for most projects under the jurisdiction of the Environmental Management Authority (EMA). The EMA has legal recourse against persons or companies it believes are in violation of any environmental requirements.
Legal, regulatory and accounting systems are consistent with international norms. Proposed laws and regulations are published in draft form for public comment, and the government solicits private sector and business community comments on proposed legislation. The government and private sector do not seek to restrict foreign participation in industry standards-setting organizations.

9. Efficient Capital Markets and Portfolio Investment

In general, the government welcomes foreign portfolio investment and has an established regulatory framework to encourage and facilitate portfolio investment. Trinidad and Tobago has well-developed capital markets. A full range of credit instruments is available to the private sector, including a small but well-developed stock market. There are no restrictions on borrowing by foreign investors. Local credit is expensive by U.S. standards due to high commercial bank reserve requirements. Loans in foreign currency are much cheaper, and businesses can negotiate for low rates.

Money and Banking System

The estimated total assets of the TT’s four largest banks are approximately US$24 billion, and the banking system is sound. There are no restrictions on a foreigner’s ability to establish a bank account.

The legal, regulatory, and accounting systems governing credit markets are, on the whole, effective and transparent, although there has been some public discussion of the need to tighten regulations in the insurance industry. In 2012, the GOTT passed an amended Securities Act that seeks to provide protection to investors from unfair, improper, or fraudulent practices, to foster fair and efficient capital markets, to engender confidence in the capital market in TT, to reduce systemic risk, and to co-operate with other jurisdictions in the development of fair and efficient capital markets.

Both chambers of TT’s Parliament passed the Financial Institutions Act in 2008, which replaced the Financial Institutions Act of 1993. The new Act modernizes regulation of banks, insurance companies, and other financial institutions, and provides penalties up to US$800,000 and five years in jail for operating without a license from the Central Bank. Directors and officers of a company violating the Act can be held liable.

With the Fair Trading Act of 2006, TT adopted antitrust legislation that regulates mergers, anti-competitive agreements, and monopolies, and provides for the establishment of a Fair Trade Commission. Under the Act, merging enterprises are required to apply to the Commission for permission to merge if their assets exceed TT$50 million (approximately US$8 million). The Act requires the Commission to make a determination within one month. As of early 2014, however, the government has not launched the Commission and has not implemented the regulations.
The TT stock exchange operates a takeover and merger code for companies listed on the local stock exchange. The government has established a Securities and Exchange Commission for the purpose of supervising and regulating the securities market and market actors. Foreign investors must obtain a license from the Ministry of Finance before they can legally acquire more than 30 percent of a publicly held company.

Cross-shareholding arrangements that would inhibit foreign investment through mergers and acquisitions are uncommon outside the financial services sector. The banking system is generally considered sound. There are no laws authorizing firms to adopt articles of incorporation that limit or prohibit foreign investment, participation, or control.

10. Competition from State-Owned Enterprises

State-Owned Enterprises (SOEs) are active in most sectors and industries in Trinidad and Tobago. Per the Constitution, “an enterprise shall be taken to be controlled by the State if: the Government exercises or is entitled to exercise control directly or indirectly over the affairs of the enterprise; the Government is entitled to appoint a majority of directors of the board of directors of the enterprise; or the Government holds at least 50 per cent of the ordinary share capital of the enterprise.” A complete list of State enterprises can be found here: http://www.finance.gov.tt/content/state-enterprise-company-portfolio.pdf

The Investments Division of the Ministry of Finance is responsible for conducting management and performance audits of State Enterprises, which includes 42 wholly-owned companies, five majority-owned companies, five minority-owned (i.e. less than fifty percent holdings), and 32 companies held indirectly as subsidiaries of wholly-owned companies.

The Investments Division also has the responsibility to appoint directors to the Board of Directors for State Enterprises. The division submits the annual audited accounts of State Enterprises to the Public Accounts Committee, and the audited annual reports are available to the public. State-owned companies are required to disclose the financial interests and decision-making processes of their executives. SOEs are often informally or explicitly obligated to consult with government officials before making major business decisions.

SOEs frequently undertake commercial activities as well as their public function mandates. Some prominent SOEs include the Urban Development Company of Trinidad and Tobago (UDECOTT) and the National Infrastructure Development Company (NIDCO), both of which are responsible for large-scale construction projects. In the energy sector, Trinidad and Tobago has three fully state-owned companies, the Petroleum Company of Trinidad and Tobago, the National Gas Company, and the National Petroleum Marketing Company; it also holds an interest in several joint ventures. Nevertheless, foreign companies continue to dominate natural gas exploration and production.

Sovereign Wealth Funds

TT established the Heritage and Stabilization Fund in 2007 as the country’s sole sovereign wealth fund. Its stated purpose is to save and invest surplus petroleum revenues (in excess of 10% of estimated revenues) to sustain public expenditure capacity during periods of revenue downturn.
The Fund’s day-to-day operations are managed by the Central Bank and governed by a five-member Board, including one representative from the Central Bank and one from the Ministry of Finance. The 2007 legislation mandates that the Fund be maintained in U.S. dollars and prohibits domestic investment or petroleum–related investments.

11. Corporate Social Responsibility

There is broad awareness of corporate social responsibility principles among large and mid-size businesses in TT, with a growing level of awareness among consumers as companies develop CSR efforts in various local communities. TT is not an adherent to the OECD Guidelines for Multinational Enterprises. Foreign and mid- to large-sized local enterprises tend to follow generally accepted CSR principles. CSR is increasingly emphasized by influential local business organizations, including the American Chamber of Commerce, Trinidad and Tobago Chamber of Industry and Commerce, and the Energy Chamber. The UNDP is working on a joint project with the Ministry of Trade and Industry to create a nationwide CSR policy for Trinidad and Tobago.

12. Political Violence

There have been no serious incidents of political violence since an unsuccessful coup attempt in 1990. While non-violent demonstrations occur on occasion, widespread civil disorder is not typical.

13. Corruption

Corruption has traditionally appeared to be moderate and has not seriously undermined government or business operations. TT has a number of laws, regulations, and penalties designed to combat corruption and fraud, though few public officials are ever prosecuted. The local press actively reports on allegations of waste, fraud, or abuse of public resources.

With economic activity and growth on the rise, TT's active press, trade associations, and business community have increasingly reported allegations of corruption involving government contracts. As elsewhere, competing businesspersons may seek to influence decisions in their favor through personal connections. In recent years, the government has established a number of commissions of inquiry into inappropriate conduct in public contracting.

UN Anticorruption Convention, OECD Convention on Combating Bribery

Trinidad and Tobago has signed and ratified the UN Anticorruption Convention, and also the Inter-American Convention Against Corruption. TT is not party to the OECD Convention on Combating Bribery. In 2000, the government established an Integrity Commission to make new provisions for the prevention of corruption of persons in public life by providing for public disclosure of assets and to promote the integrity of public officials and institutions. The Integrity Commission annually lists in the newspapers public officials who fail to publicly list their assets, as is required by the Integrity in Public Life Act. Prosecution of those officials who refuse to comply, however, has been very limited. The Integrity Commission has seen a great deal of
turnover in its leadership positions recently, and questions are regularly raised by the media and public about its effectiveness as an organization.

TT has well-established procurement processes and a number of U.S. companies have secured government service contracts in recent years. Government ministries and special purpose public companies have, on occasion, manipulated or bypassed established procurement procedures to favor specific vendors, raising questions about the government’s commitment to transparency. The government is not a party to the WTO Government Procurement Agreement. U.S. firms have identified corruption as an obstacle to FDI, specifically in government procurement.

**Resources to report corruption:**
The Integrity Commission
P.O. Box 1253, Port of Spain
3rd & 4th floors, UTC Financial Centre
82 Independence Square, Port of Spain
registrar@integritycommission.org.tt
868-623-8305

Trinidad and Tobago Transparency Institute (local chapter of Transparency International)
Unit 4-12, Building 7
Fernandes Industrial Centre, Laventille
admin@transparency.org.tt
868-626-5756

**14. Bilateral Investment Agreements**

A Bilateral Investment Treaty between the United States and Trinidad and Tobago came into force in 1996. There is no bilateral taxation treaty.

TT also has bilateral investment agreements with Canada, China, France, the United Kingdom, Germany, Korea, Spain, Mexico, and India.

**15. OPIC and Other Investment Insurance Programs**

The Overseas Private Investment Corporation (OPIC), the Export-Import Bank of the United States, and the Multilateral Investment Guarantee Agency extend services to projects in TT. Trinidad and Tobago is one of three target markets for the AIC Financial Group’s AIC Caribbean Fund. TT is also among 22 countries in the Caribbean and Central America eligible for a US$200 million OPIC loan facility administered through Citigroup. Since 2008, both OPIC and the EXIM have considered or provided financing for projects in TT, including a chemical plant and the acquisition of military helicopters.

**16. Labor**
Statistics, as of March 2014, put the unemployment rate at 3.7 percent for the most recent quarter, although some believe the actual rate is higher; the rate is artificially low due to State make-work programs that absorb excess labor. The labor market offers a high proportion of skilled and experienced workers, and the educational level of the population is among the highest in the developing world, though there is a gap between official literacy statistics and functional literacy.

The labor movement is strong in Trinidad and Tobago. Labor relations are governed by the Industrial Relations Act (IRA), which provides for dispute resolution through an industrial court in instances where the issue cannot be resolved at the collective bargaining table or through conciliation efforts by the Ministry of Labor.

The law provides for the right of most workers, including those in state-owned enterprises, to form and join independent unions of their choosing without prior authorization. Employees listed in essential services, such as hospital, fire, and communication services do not have the right to strike, and walkouts can bring punishment of up to 18 months in prison. These employees negotiate with the government’s chief personnel officer to resolve labor disputes. The law stipulates that only strikes over unresolved interest disputes may take place and that authorities may prohibit strikes at the request of one party if not called by a majority union.

The law also provides for mandatory recognition of a trade union when it represents 51 percent or more of the workers in a specified bargaining unit. The law allows unions to participate in collective bargaining and mandates reinstatement of workers illegally dismissed for union activities. The government enforces labor laws effectively, including with effective remedies and penalties. Worker organizations are independent of government and political parties.

The law sets the minimum age for employment in public and private industries at 16. Children ages 14 to 16 may work in activities in which only family members are employed or that the Ministry of Education has approved as vocational or technical training. The law prohibits children under age 18 from working between the hours of 10 p.m. and 5 a.m., except in a family enterprise or within other limited exceptions.

The national minimum wage was TT$12.50 ($2.00) per hour. The law establishes a 40-hour workweek, a daily period for lunch or rest, and premium pay for overtime. The law does not prohibit excessive or compulsory overtime. The law provides for paid leave, with the amount of leave varying according to length of service.

The law sets occupational health and safety standards, which the Occupational Safety and Health Agency (OSHA) enforced. The government’s occupational health and safety regulations apply to all workers, regardless of citizenship. Local labor laws generally protected foreign laborers brought into the country, a stipulation usually contained in their labor contract.

17. Foreign Trade Zones/Free Ports
The Free Zones Act of 1988 (last amended in 1997) established the Trinidad & Tobago Free Zones Company (TTFZ) to promote export development and encourage both foreign and local investment projects in a relatively bureaucracy-free, duty-free and tax-free environment. There are currently 15 approved enterprises located in eight Free Zones. The majority are located within a multiple-user site in D'Abadie, Trinidad, but any suitable area in TT can be designated as a Free Zone by the Minister of Trade and Industry.

Free Zone enterprises may be established in any part of the country. They are exempt from: customs duties on capital goods, parts and raw materials for use in the construction and equipping of premises and in connection with the approved activity; import and export licensing requirements; land and building taxes; work permit fees; foreign currency and property ownership restrictions; capital gains and taxes; withholding taxes on distribution of profits and corporation taxes or levies on sales or profits; VAT on goods supplied to a Free Zone; and, duty on vehicles for use only within the Free Zone.

A corporation tax exemption for entities that qualify for free zone status is also in force. Application to carry out an approved activity in an existing free zone area is made on specified forms to the TTFZ. Approval is granted by order of the TTFZ.

If the project requires designation of a new free zone area, a separate application form for designation is made to the TTFZ, which recommends designation to the Minister of Trade and Industry. Designation is effected by order of the Minister. Applications for work permit waivers are recommended by the TTFZ through the work permit secretariat of the Ministry of National Security. Free Zone activities that qualify for approval include manufacturing for export, international trading in products, services for export, and development and management of free zones. Activities that may be carried on in a Free Zone but do not qualify as approved activities include exploration and production activities involving petroleum, natural gas or petrochemicals.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

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<th>TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy</th>
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</tr>
<tr>
<td>Host Country Statistical source: Central Bank of TT <a href="http://www.central-bank.org.tt/sites/default/files/Balance%20of%20Payment%20Report%202011.pdf">http://www.central-bank.org.tt/sites/default/files/Balance%20of%20Payment%20Report%202011.pdf</a></td>
</tr>
<tr>
<td>U.S. FDI in partner country (Millions U.S. Dollars, stock positions)</td>
</tr>
<tr>
<td>Host country’s FDI in the United States (Millions U.S. Dollars, stock positions)</td>
</tr>
<tr>
<td>Total inbound stock of FDI as % host GDP</td>
</tr>
</tbody>
</table>
* Provide sources of host country statistical data used.

**TABLE 3: Sources and Destination of FDI**

Direct Investment from/in Counterpart Economy Data

<table>
<thead>
<tr>
<th>From Top Five Sources/To Top Five Destinations (US Dollars, Millions)</th>
<th>Inward Direct Investment</th>
<th>Outward Direct Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Inward</td>
<td>13,920</td>
<td>100%</td>
</tr>
<tr>
<td>United States</td>
<td>8,706</td>
<td>63%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3,271</td>
<td>23%</td>
</tr>
<tr>
<td>Canada</td>
<td>897</td>
<td>6%</td>
</tr>
<tr>
<td>Italy</td>
<td>810</td>
<td>6%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>529</td>
<td>4%</td>
</tr>
</tbody>
</table>

"0" reflects amounts rounded to +/- USD 500,000.

Source: [http://cdis.imf.org](http://cdis.imf.org)

**TABLE 4: Sources of Portfolio Investment**

Portfolio Investment Assets

<table>
<thead>
<tr>
<th>Top Five Partners (Millions, US Dollars)</th>
<th>Total</th>
<th>Equity Securities</th>
<th>Total Debt Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,958</td>
<td>100%</td>
<td>All Countries</td>
</tr>
<tr>
<td>United States</td>
<td>1,160</td>
<td>59%</td>
<td>Barbados</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>156</td>
<td>8%</td>
<td>Aruba</td>
</tr>
<tr>
<td>Japan</td>
<td>154</td>
<td>8%</td>
<td>Curacao &amp; St Maarten</td>
</tr>
<tr>
<td>Germany</td>
<td>124</td>
<td>6%</td>
<td>United States</td>
</tr>
<tr>
<td>Denmark</td>
<td>76</td>
<td>4%</td>
<td>South Africa</td>
</tr>
</tbody>
</table>


**19. Contact Point at Post for Public Inquiries**

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