



Municipality of Diego Martin

**Local Area Economic Profile
(Final Report)**

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Submitted to:

Permanent Secretary
Ministry of Rural Development and Local Government
Kent House, Maraval, Trinidad and Tobago

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Acronyms and Abbreviations

APS	-	Adult Population Survey
AMCHAM	-	American Chamber of Commerce
BDC	-	Business Development Company
CAPA	-	Crime and Problem Analysis Unit
CARILED	-	Caribbean Local Economic Development Project
CARIRI	-	Caribbean Industrial Research Institute
CBIs	-	Community-based incubators
CBOs	-	Community Based Organisations
CBTT	-	Central Bank of Trinidad and Tobago
CDF	-	Community Development Fund
CED	-	Centre for Enterprise Development
CEO	-	Chief Executive Officer
COSTAATT	-	College of Science, Technology and Applied Arts of Trinidad and Tobago
CSO	-	Central Statistical Office
CSEC	-	Caribbean Examinations Council
CYEN	-	Caribbean Youth Environment Network
DOMA	-	Downtown Owners and Merchants Association
DMRC	-	Diego Martin Regional Corporation
ECA	-	Employers' Consultative Association of Trinidad and Tobago
EDB	-	Economic Development Board of Trinidad and Tobago
EDD	-	Enterprise Development Division
EIF	-	Enterprise Investment Fund
ETIIC	-	Entrepreneurial Training Institute and Incubation Centre
GCE	-	General Certificate of Education
GEM	-	Global Entrepreneurial Monitoring
GORTT	-	Government of the Republic of Trinidad and Tobago
GSB	-	Graduate School of Business

HDC	-	Housing Development Corporation
i2i	-	Innovations and Inventions
IBIS	-	National Integrated Business Incubation System
ICT	-	Information and Communications Technology
IT	-	Information Technology
IDB	-	Inter-American Development Bank
IFF	-	Innovation Financing Facility
INHDI	-	Inequality-adjusted National Human Development Index
IT	-	Information Technology
LAEP	-	Local Area Economic Profile
LARPDU	-	Local Area and Regional Planning and Development Unit
LED	-	Local Economic Development
LEDO(s)	-	Local Economic Development Officer(s)
LEDU(s)	-	Local Economic Development Unit(s)
MCD	-	Ministry of Community Development, Culture and the Arts
MDP	-	Municipal Development Plan
MEL	-	Micro Enterprise Loan
MIC	-	Metal Industries Company
MLG	-	Ministry of Rural Development and Local Government
MOLSED	-	Ministry of Labour and Small Enterprise Development
MOU	-	Memorandum of Understanding
MSE(s)	-	Micro and Small Enterprise(s)
MSM	-	Micro, Small and Medium
MSME(s)	-	Micro, Small and Medium Enterprise(s)
MTI	-	Ministry of Trade and Industry
MuST	-	Multi Sector Skills Training
NEDCO	-	National Entrepreneurship Development Company Limited
NGO(s)	-	Non-Government Organisation(s)
NHDI	-	National Human Development Index
NSDS	-	National Spatial Development Strategy
PPP	-	Public Private Partnership
RDF	-	Research and Development Fund
SAC	-	Stakeholder Advisory Council
SEBA	-	Small Enterprising Business Association
TCPD	-	Town and Country Planning Division
TEA	-	Total Early Stage Entrepreneurial Activity
THA	-	Tobago House of Assembly
TT	-	Trinidad and Tobago

TTD	-	Trinidad and Tobago Dollars
TTCIC	-	Trinidad and Tobago Chamber of Industry and Commerce
TTMF	-	Trinidad and Tobago Manufacturers Association
TVET	-	Technical Vocational Education and Training
UK	-	United Kingdom
USD	-	United States Dollars
UNDP	-	United Nations Development Programme
USA	-	United States of America
UTT	-	University of Trinidad and Tobago
UWI	-	The University of the West Indies
YBI	-	Youth Business International
YBTT	-	Youth Business Trinidad and Tobago

Chapter 1

Introduction

The Local Area Economic Profile (LAEP) for the Municipality of Diego Martin¹ was developed with a view to build on the existing Municipal Development Plan and to introduce the Diego Municipal Corporation² to the Local Economic Development (LED) approach. The LED approach was introduced to Trinidad and Tobago by the Federation of Canadian Municipalities through its Caribbean Local Economic Development (CARILED) programme in collaboration with the Caribbean Forum of Local Government Ministers, the Caribbean Association of Local Government Authorities and the Commonwealth Local Government Forum.

The LED approach aims not only to *enhance the economic capacity of a local area for the purpose of improving living conditions but also strives to develop a business-friendly environment in which micro-, small- and medium-sized enterprises (MSMEs) could prosper*. This approach has been advocated by the Local Area and Regional Planning and Development Unit (LARPDU) since it creates a framework through which local government, the not-for-profit sectors, the private sector and the local community could work together to improve the local economy. It also provides opportunities for enhancing local competitiveness and encouraging a growth that is sustainable and inclusive.³

The preparation of the LAEP for the Diego Martin Municipality is the step leading to the development of the Arima LED Strategy and the implementation of activities geared towards sustainable local economic development. The profile is meant to provide a baseline of local conditions and an understanding of the external and national context for economic development of the area and its people.

The profile for the Municipality of Diego Martin was developed with the aid of quantitative and qualitative methodologies utilised in the LED approach, which captured information from a range of stakeholders in the Municipality. The methodologies consisted of the following:

- A review of secondary data for the Municipality including its Municipal Development Plan, the Municipal Investment Plan and the National Medium Term Policy Framework 2011-2014;

¹ Borough of Arima refers to the geographic area (whose boundaries are applied under Section 4 of the Municipal Corporation Act (Act No. 21 of 1990).

² Arima Borough Corporation means the body corporate constituted by the Mayor, Aldermen, Councilors and electors of Borough of Arima to which the Municipal Corporation Act (Act No. 21 of 1990) applies.

³ <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTLED/0,,menuPK:341145~pagePK:149018~piPK:149093~theSitePK:341139,00.html>

- Capacity Workshops to train and sensitise the Local Economic Development Officer (LEDO) about the approach to preparing a LAEP;
- The conduct of a survey of MSMEs (120 enterprises);
- The conduct of discussions with the Chairman and the Municipal Council to glean useful insights into opportunities for LED within the communities of the Municipality of Diego Martin;
- The conduct of focus group discussions with micro, small and medium entrepreneurs;
- The conduct of interviews with the State Agencies, Private Sector Agencies and NGOs;
- An analysis of collected data including identification of strengths, weaknesses, opportunities and threats to overall socioeconomic development and MSME development in the Municipality; and
- Preparation of a local economic profile for the Municipality of Diego Martin.

1.1 Limitations of the Study

The political climate due mainly to the upcoming General Election limited the conduct of the study particularly with respect to interaction with stakeholders and the conduct of the survey.

1.2 Content of the Diego Martin Local Area Economic Profile

The Report consists of the following chapters:

1. Chapter One: Introduction
2. Chapter Two: Area Information and Demographics
3. Chapter Three: Municipal Natural Resources
4. Chapter Four: Physical and Social Assets
5. Chapter Five: The Area Economy
6. Chapter Six: Profiling MSME Sector of the Municipality of Diego Martin
7. Chapter Seven: Local Governance in the Municipality of Diego Martin
8. Chapter Eight: Conclusion and Recommendations

Chapter 2

Area Information and Demography

2.1 Location

The Diego Martin Regional Corporation is situated in the north west of the island of Trinidad and includes the Chaguaramas peninsula in the west and intensely urbanised valleys of the Northern Range leading into the Capital City of Port of Spain. The municipality is an administrative district that encompasses a land area of 125sq. km. The Diego Martin Regional Corporation shares its eastern boundary with the Port of Spain City Corporation and the San Juan-Laventille Regional Corporation. Diego Martin's settlement structure is characterised by a series of densely settled north-south valleys located north of the City of Port of Spain and west of the San Juan- Laventille Regional Corporation; hillside development on the western periphery of the City of Port of Spain; coastal settlements along its southern edge and low density rural settlement on the north coast.

The Chaguaramas Peninsula, known worldwide for its natural beauty, dominates the western portion of the Municipality. The Diego Martin Valley extends for approximately eight kilometres. It is comprised of a number of settlement areas and these include River Estate, Green Hill, Richplain, Diamond Vale, Blue Range, Sierra Leone, La Puerta and Four Roads. Petit Valley extends from the Four Roads area, northeast through the hills of the Northern Range. The Western Main Road provides access to the valley and further west to Carenage and the Morne Coco Road forms a link with Maraval to the east via Petit Valley and Saddle Road. The southern end of the Diego Martin Valley that opens to the coast includes the communities of Powder Magazine, Victoria Gardens and Westmoorings. A series of settlements along the lower foothills of the Northern Range and along the narrow coastal plain to Chaguaramas include Goodwood Park/ Newbury Hill, Shorelands, Bayshore, Glencoe, La Horquette Valley, Point Cumana, L'Anse Mitan, Sea View Gardens and Carenage.

The Municipality is divided along political (electoral) boundaries into eight Electoral Districts, namely 1) Chaguaramas/Pt. Cumana; 2) Morne Coco/Alyce Glen; 3) Belle Vue/Boissiere No. 1; 4) Petit Valley/Cocorite; 5) Moka/Boissiere No. 2; 6) St. Lucien/Cameron Hill; 7) Bagatelle/Blue Basin; 8) Diamond Vale; 9) Covigne/Richplain; and 10) Glencoe/Goodwood/La Puerta.

2.2 Geography

Diego Martin is a region of mostly forested hillsides and valleys with flatlands on the south shore and on the floodplains of the Diego Martin, Maraval and Cuesta Rivers. There are concentrations of urban areas along the shore – Cocorite, Westmoorings, Glencoe, Carenage and Chaguaramas, and in the three widest valleys Maraval, Diego Martin and Petit Valley. There are three roads to the north shore: Tucker Valley Road, North Post Road and Saddle Road/North Coast Road.

The dominant geological features in the Municipality of Diego Martin are the Northern Range and the associated rivers and watersheds emptying into the Gulf of Paria in the South and Caribbean Sea to the North. The hills of the Diego Martin/Carenage area are predominantly limestone. The floor of the Diego Martin valley is composed largely of North West Peninsula gravels. These are important water bearing aquifers.

Trinidad has two easily distinguishable seasons; a dry and wet season. Because the climate of Trinidad does not vary much spatially, the municipality of Diego Martin also has a tropical climate with two distinct seasons due to its proximity to the equator. The dry season, the period from January to May, is characterised by a tropical maritime climate with moderate to strong low-level winds, warm days, cool nights and showers due to daytime convection. A modified moist equatorial climate characterized by low wind speeds, hot humid days and nights, a marked increase in rainfall which results mostly from migrating and latitudinal shifting equatorial weather systems, symbolizes the wet season during June to December. Trinidad's geographical location puts it on the southern periphery of the North Atlantic hurricane basin.

Although the wet season is generally warmer than the dry season, Trinidad and Tobago's daily temperature cycle is more pronounced than its seasonal cycle. The long term mean (1971 - 2000) annual maximum and minimum temperatures are 31.3 °C and 22.7 °C respectively with a mean daily temperature of 26.5 °C. Trinidad's rainfall pattern displays a distinct bi-modal behaviour with June and November rainfall season maxima. Trinidad's primary rainfall mode occurs in June.

2.3 Population and Demography

2.3.1 Population and Household Size

According to the 2011 Population and Housing Census, the population of Diego Martin stood at 102,957 persons, representing some 7.8 percent of the national population of 1,328,019 persons. Between 2000 and 2011 Diego Martin, similarly to the cities of San Fernando and Port of Spain, showed a population decrease of 2.6 percent. The population of Diego Martin is almost equally distributed in terms of gender, with a female population of 52,239 (50.7%) and a male population of 50,718 (49.3%).

The 2011 census revealed that an average of 3.2 persons lived in the 32,404 recorded private households in Diego Martin. This showed a decline in the size of the average household since the 2000 Census of 3.5 persons, down from 3.5 persons per household (Table 2.1). However, the number of households increased by 10.4 percent, which was less than the growth in the number of households observed in Trinidad (16.1%).

Table 2.1: Changes in Non-institutional Population and Household Characteristics in Trinidad and Tobago and Diego Martin, 2000-2011

Country/Region	Non-Institutional Population		Number of Occupied Private Households		Average Household Size		Average Annual Rate of Growth in Population	Average Annual Rate of Growth In Households
	2011	2000	2011	2000	2011	2000	2000-2011	2000-2011
Trinidad and Tobago	1,322,546	1,250,652	401,382	343,180	3.3	3.6	0.5%	1.5%
Trinidad	1,261,812	1,197,426	381,257	328,000	3.3	3.7	0.5%	1.4%
Diego Martin	102,340	103,930	32,404	29,352	3.2	3.5	-0.1%	0.9%

Source: CSO 2011 Population and Housing Census

2.3.2 Population Density

In 2011, the Municipality of Diego Martin was the fifth most densely populated area of Trinidad and Tobago with a density of 817 persons per square kilometre. The region's population density is higher than the national average of 259 person per square kilometre and is due to 7.8% of the national population existing in a land area that occupies 2.5% of the total land area of Trinidad and Tobago. As its population dipped slightly, the population density of the region decreased correspondingly from 839 persons per square kilometre in 2000. From 2000 to 2011, Diego Martin maintained its population density position relative to the other municipalities.

Table 2.2: Population Density of Diego Martin, 2000 and 2011

Year	Density (Per Sq. km)	Population
1990	728	91,778
2000	839	105,720
2011	817	102,957

2.3.3 Age Profile and Dependency

Figure 2.1 shows the municipality's age and sex pyramids for 2000 and 2011, reflecting the changing structure of the population over time. The 2011 pyramids for both the male and female population show growth in the youngest age group (0-4 years). A similar widening of the older age groups is also noted and reflects an aging population.

The population of Diego Martin is relatively young, with roughly half of the population (50.7%) under 35 years of whom 21.3 percent is between 0 and 15 years. The age group between 10 and 19 years, the majority of whom make up the secondary school age population, accounts for 13.7 percent of the municipality's population. Persons, 65 years and older, made up 12.3 percent of the total population (Figure 2.2).

The population of dependent groups (all persons aged 0-14 years and 65+ years) decreased from 33.6 percent of the total population in 2000 to 32.2 percent in 2011. Conversely, the working-age population (persons between 15 and 64 years) increased from 66.4 percent in 2000 to 67.7 percent in 2011.

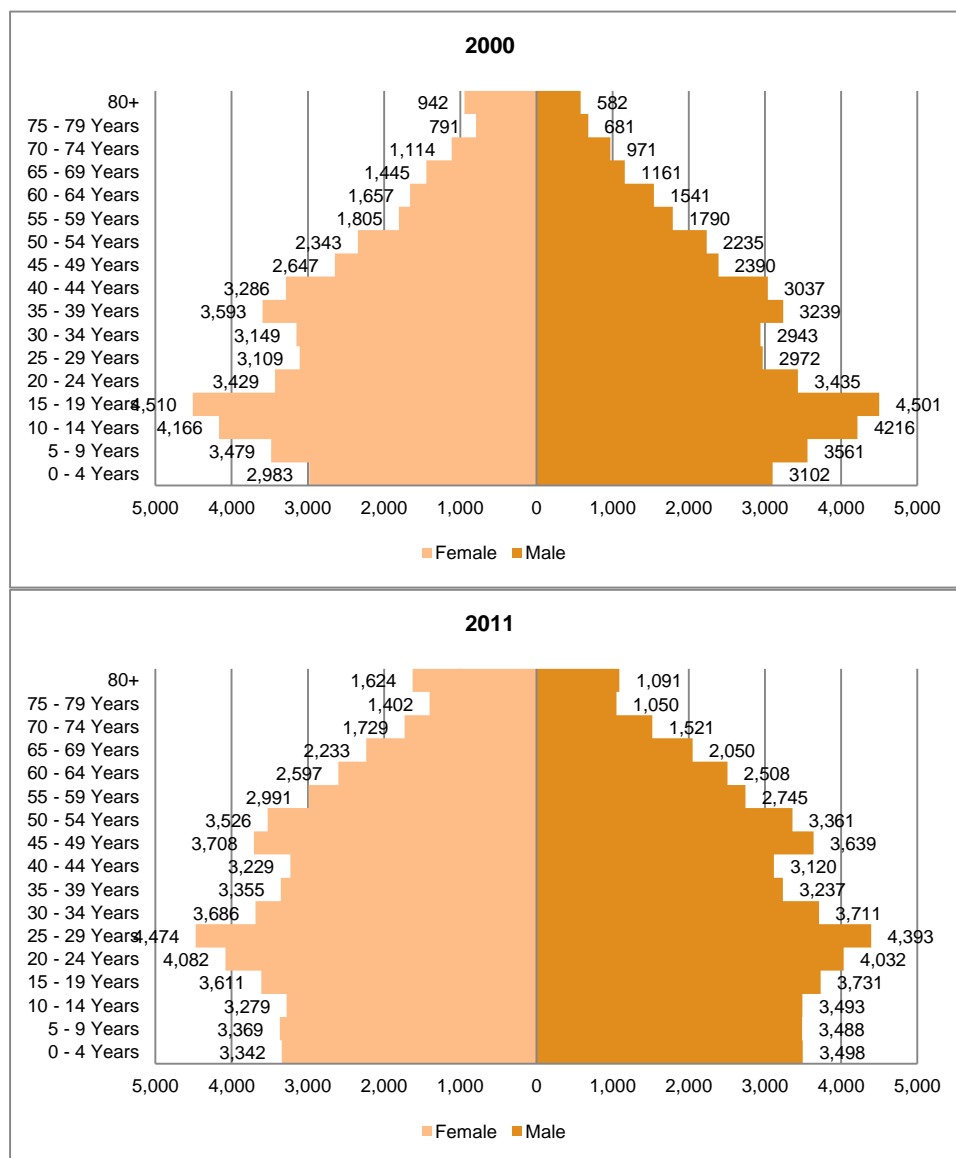


Figure 2.2: Age/Sex Composition of the Population of Diego Martin, 2000, 2011

The age dependency ratio (the ratio of the population between 0 and 14 years and 65+ years to the working- age population, between 15 and 65 years) for Diego Martin in 2011 stood at 47.6 percent; above the national ratio of 41.9 percent and this was due primarily to the increased aging population. This ratio for Diego Martin represents an improvement compared to the 2000 figure of 50.2 percent. The child dependency ratio in 2011 was estimated at 29.4 percent, and elderly dependency at 18.2 percent.

2.3.4 Ethnicity

Trinidad and Tobago as a country is a plural society and as such, the Diego Martin's population has a diverse ethnic composition (Table 2.3). Africans, with 43 percent of the total population, are the predominant ethnic group, followed by the 'Mixed-Other' group which made up 27 percent and 'Mixed – African/ East Indian', which account for 8.6 percent (Figure 2.3).

Table 2.3: Percentage Distribution of Total Population of Diego Martin by Ethnic Group, 2011

Ethnic Group	Percentage
African	43.0
Caucasian	4.3
Chinese	1.0
East Indian	9.3
Indigenous	0.1
Mixed - African/ East Indian	8.6
Mixed - Other	27.0
Portuguese	0.4
Syrian/ Lebanese	0.6
Other Ethnic group	0.6
Not stated	5.2

Source: CSO 2011 Population and Housing Census

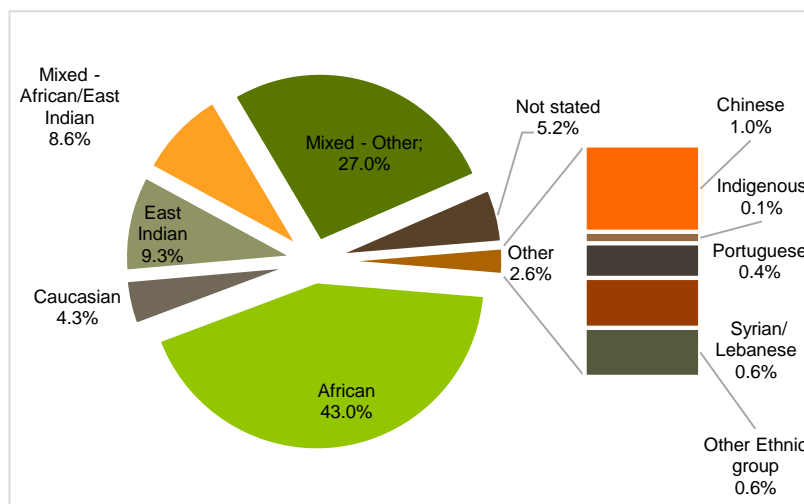


Figure 2.3: Ethnic Composition of Diego Martin's Population

2.3.5 Religious Affiliation

In 2011, Roman Catholic was the largest single religious grouping in Diego Martin (44.8% of the population), followed by Pentecostal/Evangelical/Full Gospel (9.7%), Anglican (8.5%) and Baptist-Spiritual Shouter (4.7%). Interestingly, the groupings 'Other' and 'Not Stated' constituted a significant proportion of the population. Table 2.4 gives a distribution of the population by religious affiliations based on the 2011 Population and Housing Census, while Figure 2.4 shows the distribution of the population for the religious groupings.

Table 2.4: Percentage Distribution of Diego Martin's Total Population by Religious Affiliation, 2011

Religious Group	Percent
Anglican	8.5%
Baptist-Spiritual Shouter	4.7%
Baptist-Other	0.3%
Hinduism	1.8%
Islam	2.3%
Jehovah's Witness	2.2%
Methodist	0.6%
Moravian	0.1%
Orisha	1.3%
Pentecostal/ Evangelical / Full Gospel	9.7%
Presbyterian/ Congregational	0.5%
Rastafarian	0.5%
Roman Catholic	44.8%
Seventh Day Adventist	3.6%
Other	5.5%
None	3.2%
Not Stated	10.3%

Source: CSO 2011 Population and Housing Census

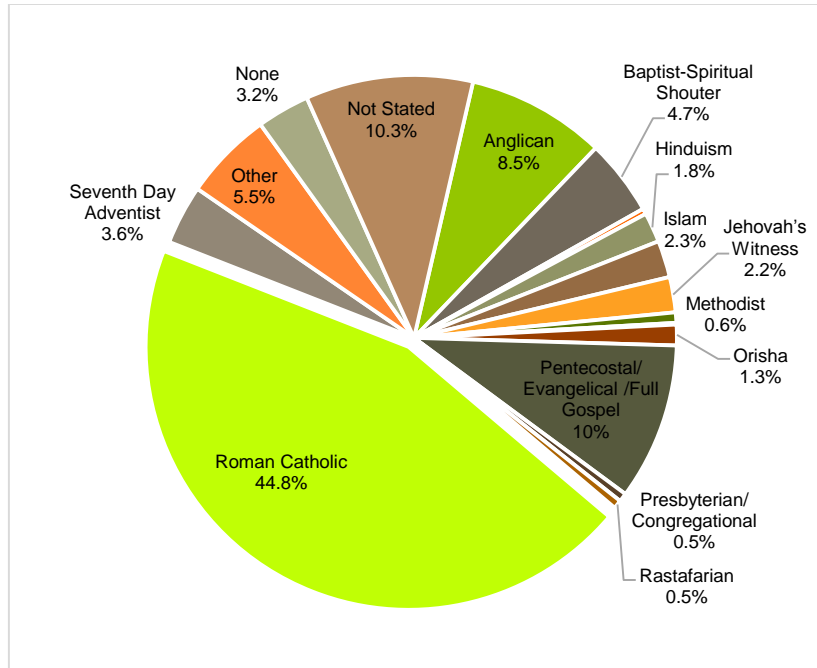


Figure 2.4: Religious Affiliations Diego Martin, 2011

2.4 Educational Attainment

According to the 2011 Census, 24.1 percent of Diego Martin's population had attained primary-level education which is lower than the national figure of 29.8 percent (Figure 2.5). Forty five percent of population of Diego Martin had attained secondary and post-secondary, making it 1.4 percent higher than observed with the national population. Tertiary non-university level educational attainment stood at 7.0 percent and 12.3 percent for those who attained tertiary university-level education. Females outnumbered males at every highest educational attainment level except primary school. Table 2.5 shows the educational attainment of the Diego Martin population by age group.

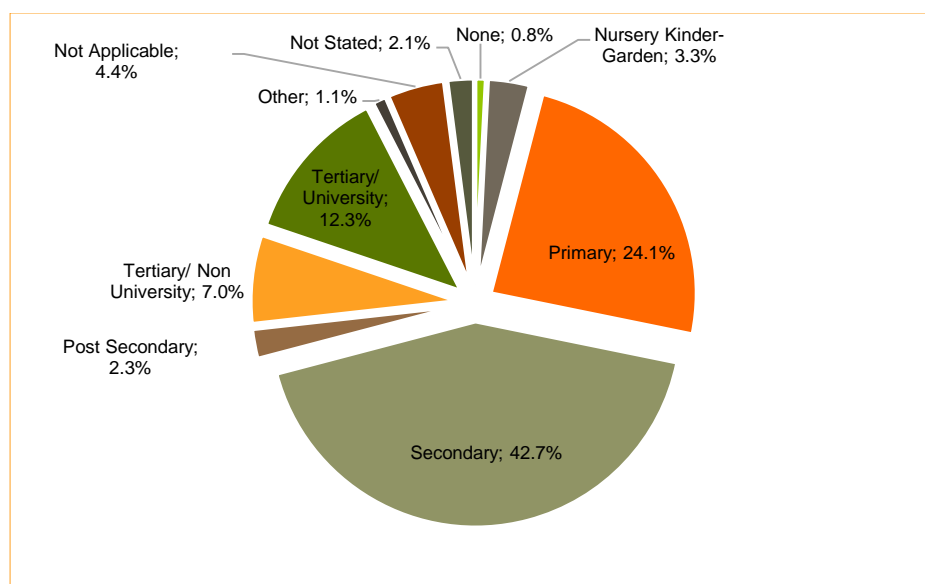


Figure 2.5: Non-Institutional Population of Diego Martin by Educational Attainment
Source: CSO Population and Housing Census, 2011

Table 2.5: Non-Institutional Population of Diego Martin by Age Group and Educational Attainment

Age	Total	None	Nursery/ Kindergarten	Primary	Secondary	Post- Secondary	Tertiary/ Non University	Tertiary/ University	Other	Not Applicable	Not Stated
Diego Martin	102,340	817	3,339	24,704	43,707	2,372	7,127	12,548	1,086	4,541	2,098
0 – 4	6,835	-	2,257	36	-	-	-	-	-	4,541	-
5 - 9	6,839	141	801	5,836	-	-	-	-	-	-	60
10 - 14	6,752	71	222	3,530	2,880	-	-	-	-	-	49
15 - 19	7,295	40	10	404	5,696	321	346	343	75	-	59
20 - 24	8,087	23	6	239	4,780	294	972	1,539	122	-	113
25 – 29	8,834	35	3	570	5,013	266	1,017	1,656	154	-	118
30 – 34	7,361	19	2	478	4,274	211	800	1,324	97	-	155
35 - 39	6,542	36	5	372	3,708	196	673	1,301	98	-	154
40 - 44	6,292	39	2	612	3,311	191	649	1,217	79	-	191
45 - 49	7,282	64	7	1,490	3,488	187	566	1,171	114	-	196
50 - 54	6,847	55	1	2,123	2,570	157	512	1,124	100	-	205
55 - 59	5,710	44	3	1,904	2,101	157	419	824	60	-	196
60 - 64	5,086	48	7	1,761	1,894	118	352	698	61	-	147
65 - 69	4,255	57	3	1,588	1,434	97	322	550	63	-	141
70 - 74	3,235	38	2	1,401	1,017	76	201	381	24	-	94
75 -79	2,430	41	2	1,073	776	39	149	240	23	-	87
80+	2,659	67	3	1,284	763	63	149	180	17	-	133

Source: CSO Population and Housing Census, 2011

A look at the highest qualification attained by Diego Martin's population showed that some 42.1 percent of those 15 years or older had no qualifications. This group would also include some persons who may not have written examinations to receive certification. Table 2.6 shows that 3.2 percent indicated that their highest qualification attained was school leaving certificate, with another 2.5 percent reporting

that they attained Caribbean Secondary Education Certificate (CSEC) Basic as their highest qualification.

Almost one fifth of the population (19.7%) attained General Certificate of Education (GCE) Ordinary ('O') level/CSEC General or Caribbean Advanced Proficiency Examinations (CAPE)/GCE 'A' Levels as their highest educational qualification, while 7.6 percent were granted Diplomas, Associate Degrees or Equivalent Certification. Another 7.5 percent would have achieved, either a Bachelor's degree, Postgraduate Diploma/Professional Qualification or a Master's degree. Some 0.3 percent of the population 15 years and older earned doctorate degrees. More women attained Bachelors but more men attained Masters and professional certification than their female counterparts. This can be seen in Table 2.6.

Table 2.6: Non-Institutional Population of Diego Martin by Age Group and Highest Educational Attainment

	Diego Martin		Female Population		Male Population	
	No of Persons	Percentage of Population	No of Persons	Percentage of Population	No of Persons	Percentage of Population
Total	102,340	100.0	52,127	100.0	50,212	100.0
None	43,040	42.1	20,514	39.4	22,526	44.9
School Leaving Certification	3,325	3.2	1,776	3.4	1,549	3.1
CSEC Basic	2,521	2.5	1,235	2.4	1,286	2.6
GCE 'O'/ CSEC Gen/SC ⁴	17,951	17.5	10,222	19.6	7,728	15.4
GCE "A"/ CAPE/ HSC ⁵	2,223	2.2	1,318	2.5	905	1.8
Diploma or Equivalent Certificate of Achievement	5,592	5.5	3,142	6.0	2,450	4.9
Associate Degree Higher Diploma	2,147	2.1	1,261	2.4	886	1.8
Bachelor Degree	4,811	4.7	2,572	4.9	2,239	4.5
Master Degree	1,890	1.8	941	1.8	948	1.9
Post Graduate Diploma/ Professional Qualification	1,020	1.0	478	0.9	542	1.1
Doctorate	306	0.3	120	0.2	187	0.4
Other	724	0.7	357	0.7	367	0.7
Not Stated	16,791	16.4	8,190	15.7	8,600	17.1

Source: CSO Population and Housing Census, 2011

About 55 percent of persons in the age groups 20-24 years to 40-44 years had qualifications of CSEC/GCE 'O' levels and above. About 58 percent of the population in the 20-24 age grouping had obtained CSEC/GCE "O" level passes, demonstrating higher levels of educational qualification compared to the older age groups. Further, as much as 30 percent of the population within the age group of 15-19 years to the 54-59 years reported that they did not have any certification, thereby placing them in a "low skill trap" where they are not likely to participate in certification programmes on their own unless motivated to do so.

2.5 Living Conditions in Diego Martin

The United Nations Development Programme (UNDP)/CSO Trinidad and Tobago Human Development Atlas notes, "Giving people the choice to enjoy a long and healthy life; being educated; having access to resources that enable one to live in dignity; and being able to participate in decisions

⁴ School Certificate

⁵ Higher Secondary Certificate

that affect one's community are core capacities for human development.” The National Human Development Index (NHDl), developed by CSO is based on Human Development Index (HDI) developed by UNDP and measures the level of human development of Trinidad and Tobago and its sub-regions, using three basic dimensions of human development – a long and healthy life, knowledge, and a decent standard of living. Figure 2.6 shows the NHDl for the various regions within the country. Diego Martin was ranked among the highest with an NHDl at 0.734. Measurement of the Inequality-adjusted NHDl (INHDI)⁶ ranked Diego Martin as the third highest in the country with respect to human development with a value of 0.652 (Figure 2.7). With regard to the dimensions of health, education and income for the INHDI, Diego Martin was ranked also among the highest.

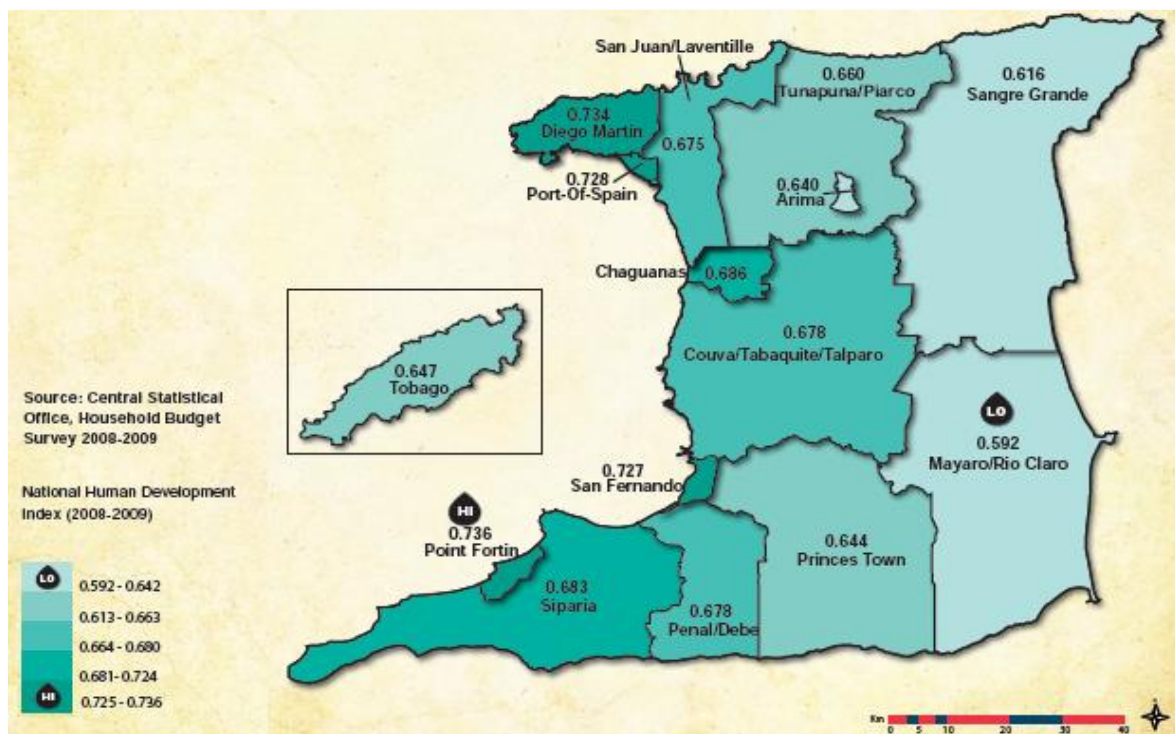


Figure 2.6: National Human development Index 2008/2009 by Administrative Regions
Source: *Trinidad and Tobago Human Development Profile, 2012*

⁶ *Trinidad and Tobago Human Development Profile, 2012*. Web site source: http://www.planning.gov.tt/sites/default/files/content/mediacentre/documents/Human_Development_Atlas.pdf.

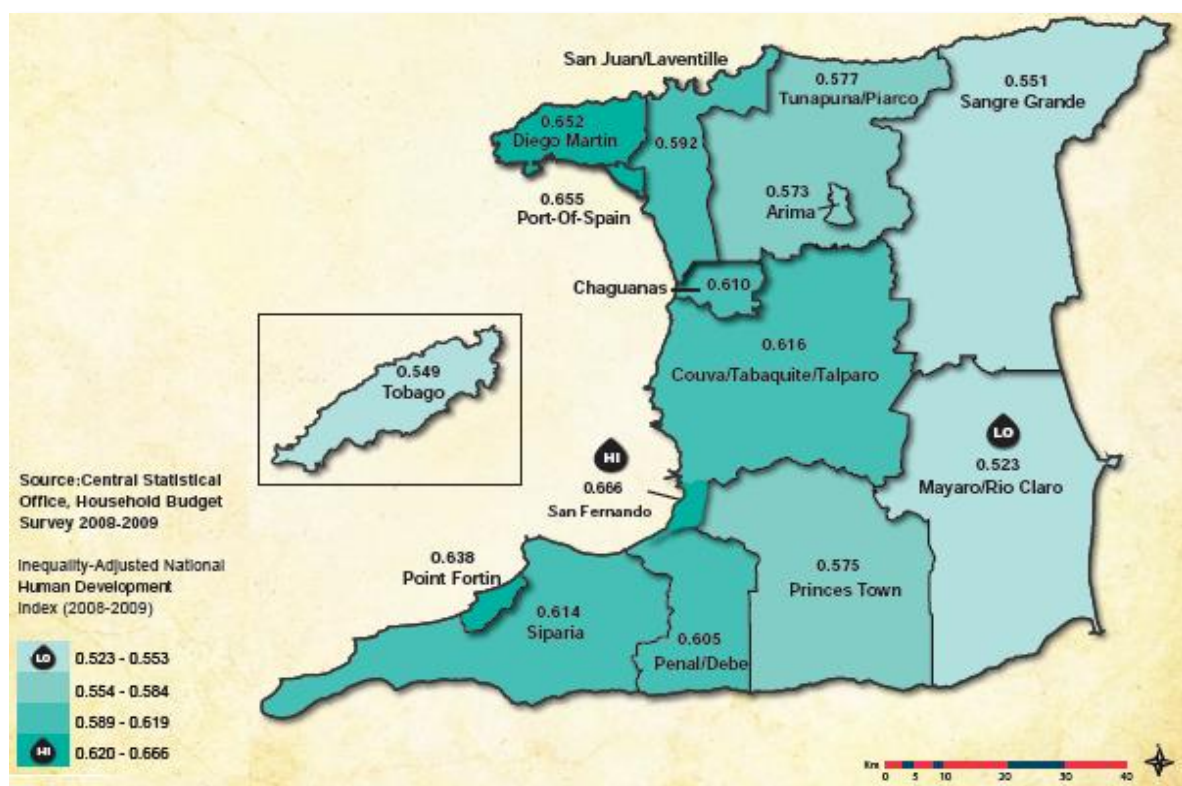


Figure 2.7: Inequality-adjusted National Human development Index 2008/2009 by Administrative Regions
Source: *Trinidad and Tobago Human Development Profile, 2012*

Table 2.7 presents statistics highlighting living conditions in Diego Martin taken from the Trinidad and Tobago Human Development Atlas. The Atlas provided information on the NHDHI and its dimension indicators, which were disaggregated at the sub-regional level to compare levels and disparities among different sub-populations within the country. Data from the Atlas highlight the following:

- Diego Martin had the third highest household income per capita per annum.
- Diego Martin, with an education attainment rate of 100 percent for both females and males between the ages of 6 and 16 years, was among the top three regions with the highest education attainment rate. Similarly, the region had one of the highest educational attainment rate (72.3%) for persons above 17 years and older who have attained secondary level education and higher.
- Diego Martin scored slightly lower than average in the gender inequality index indicating that gender inequalities was slightly lower in Diego Martin compared to other regions in the country.
- Diego Martin had a low Multidimensional Poverty Index (MPI), indicating a lower incidence and intensity of poverty compared to those areas with higher indices.
- The region's rate of adolescent births (44.2%) was comparable to the national average (44.9%).
- Diego Martin had the fourth highest female labour force participation rate in the country (53.4%).

- Diego Martin recorded a high life expectancy, higher than the national average of 73.2 years for both sexes; 70.2 years for males; and 76.5 years for females. Diego Martin also has a low incidence of chronic diseases of 19.7 percent.
- Consumption of iodized salt was high in Diego Martin, indicating that children from the island were at low risk of iodine deficiency disorder, which in turn can decrease susceptibility to miscarriages and still births.

Table 2.7: Various Statistics on Living Conditions in Diego Martin

Indicators	Value	Rank and Rating out of the Country's 15 Administrative Regions
Total population, 2011	102,957	12 th (high)
National human development index, 2010	0.734	14 th (high)
Population having chronic illnesses ⁷ , 2008/2009 (%)	19.7	2 nd (low)
Primary and secondary educational attainment rate ⁸ , 2008/2009 (%)	100 ⁹	1 st (high)
Secondary and higher educational attainment rate ages 17 and above, 2008/2009 (%)	72.3	12 th (low-medium)
Household income per capita (TTD/USD)	33,082/ 7,176	13 th (high)
Inequality-adjusted national human development index, 2010	0.652	13 th (high)
Gender inequality index, 2010	0.332	6 th (low-medium)
Adolescent fertility rate ¹⁰ , 2010	44.2	8 th (medium-high)
Multidimensional poverty index (MPI), 2006	0.013	3 rd (low)
Intensity of multidimensional poverty, 2006 (%)	26.2	8 th (medium-high)
Incidence of multidimensional poverty, 2006 (%)	4.9	3 rd (low)
Life expectancy at birth, 2010 (years)	74.1	7 th (low-medium)
Households in which a child died, 2006 (%)	4.6	11 th (medium-high)
Population without electricity, 2006 (%)	1.7	6 th (low-medium)
Population access to without clean drinking water, 2006 (%)	7.3	13 th (high)
Population access to without improved sanitation ¹¹ , 2006 (%)	9.1	3 rd (high)
Population not consuming iodised salt (%)	58.2	2 nd (low)
Labour force population – male (%)	71.1	12 th (low-medium)
Labour force population – female (%)	53.4	4 th (medium-high)

Source: Trinidad and Tobago Human Development Profile, 2012

⁷ The chronic illnesses include: Heart Disease, Cancer, HIV/AIDS, Lupus, Kidney Disease, Sickle Cell Anemia, Lung Disease, Epilepsy, Neurological Disorder, and Clinical Mental Disease.

⁸ Primary and secondary educational attainment rate refers to the percentage of children between ages 6-16 who have attained primary or secondary school level of education.

⁹ 100% school attainment rate for both females and males

¹⁰ Number of birth among women 15-19 years per 1,000 women (CSO: Population, Social and Vital Statistics Division 2010)

¹¹ Population without Access to improved Sanitation Facilities (2006) Population without access to improved sanitation facilities refers to the proportion of the population with sanitation facilities that are not improved or sanitation facilities which are improved but shared with other house-holds (the toilet is shared) (Ministry of the People and Social Development, Multiple Indicator Cluster Survey III, 2006). Improved sanitation facilities for excreta disposal are the followings: flush or pour-flush to a piped sewer system, septic tank, or latrine; ventilated improved pit (VIP) latrine and pit latrine with slab.

2.6 Crime

The Human Development Atlas acknowledges that “*Crime and Violence continues to be one of the most critical areas that need to be addressed in the context of national development. Economic growth and meaningful democracy will not be possible unless crime and violence is brought under control and all citizens can feel safe and secure.*”

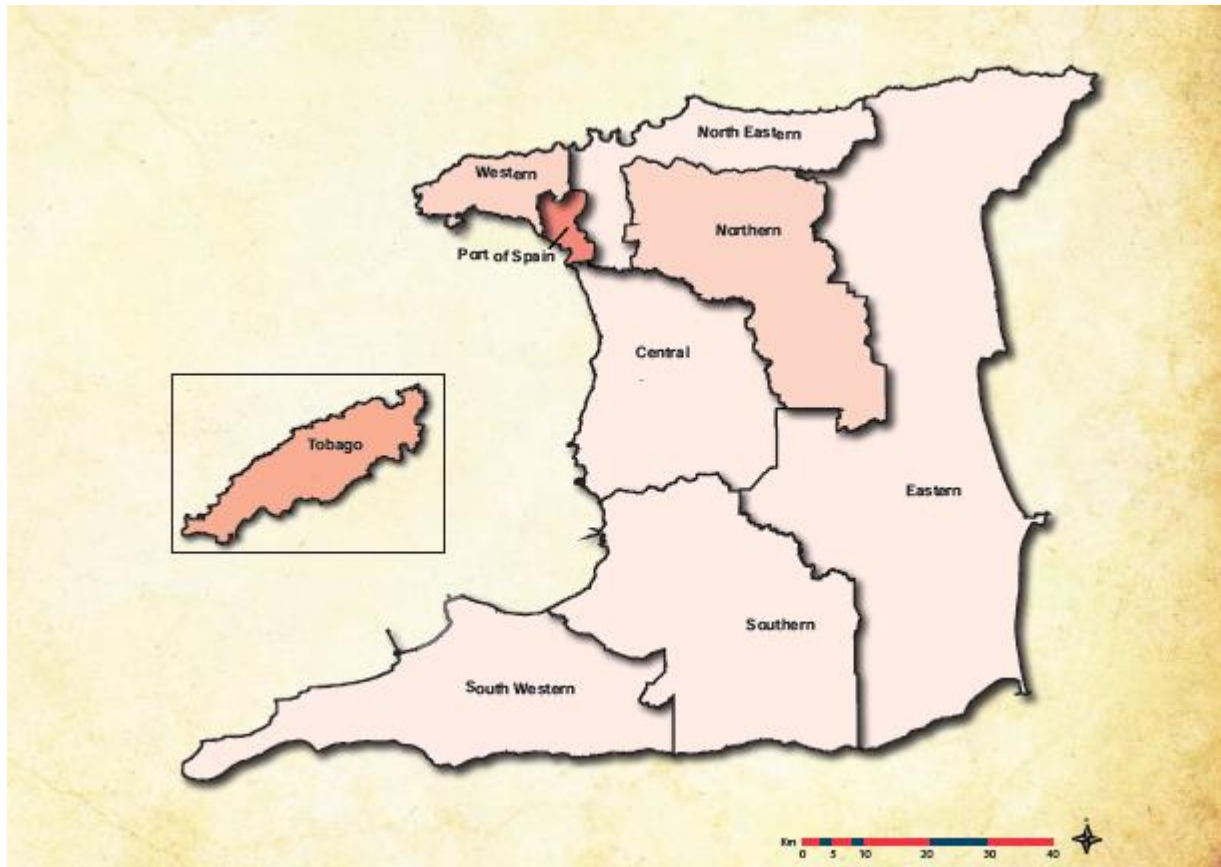


Figure 2.8: Police Divisions of Trinidad and Tobago
Source: *Trinidad and Tobago Human Development Profile, 2012*

Diego Martin is policed by the Western Police Division of Trinidad and Tobago. The 2010 Citizen Security Survey showed that in The Western Police Division, compared to all other areas, had the highest percentage of victims of crime (52.1%) within the last 10 years and persons reporting that crime was a problem in their community (64.8%). Fourteen percent of The Western Police Division's respondents indicated that there was a gang in their neighbourhood. Residents in The Western Police Division also did not feel safe and this was reflected in the survey, by no respondent stating that they felt secure. More than one 70 percent of respondents felt fearful in the last year about the possibility of becoming a victim of crime (73.2%) and did not have much confidence in the police services for effectively controlling the crime problem in the country (52.1%).

According to statistics on crime and violence in the various police divisions compiled by the Crime and Problem Analysis Unit (CAPA) of the Trinidad and Tobago Police Service, The Western Police Division had the third highest level of reported serious crime per 100,000 persons in the country. It was less

than half the number reported in Port of Spain Division, which had the highest reported level of serious crime (4,801 reports).

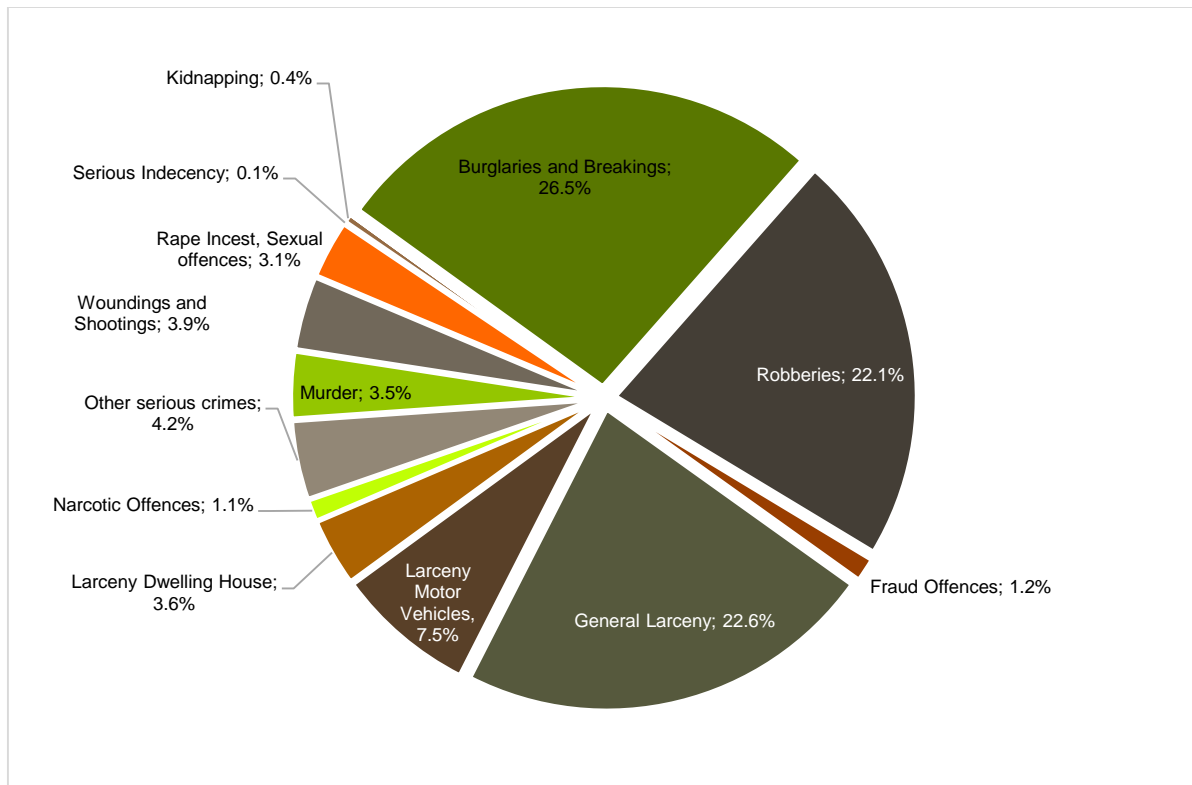


Figure 2.9: Share of Serious Crimes by the Type of Crime in Western Police Division, 2010
Source: Trinidad and Tobago Human Development Profile, 2012

The serious crimes of major concern in The Western Police Division included burglaries and break-ins, general larceny and robberies, with 522.1, 445 and 435.4 reported cases per 100,000 persons, respectively. With one of the highest number of reported cases, it would also be important to pay particular attention to murder (69.8 reported cases), larceny motor vehicles (146.9 reported cases) and wounding and shootings (77.2 reported cases).

Chapter 3

Diego Martin's Natural Resources

The Diego Martin region is a sizeable natural environment characterised by a series of densely settled north-south valleys located north of the City of Port of Spain and west of the San Juan/Laventille region; hillside development on the western periphery of the City of Port of Spain; coastal settlements along its southern edge and low density rural settlement on the north coast. The Chaguaramas Peninsula, known worldwide for its natural beauty, dominates the western portion of the region.¹²

Diego Martin and the offshore islands, the north-west region of Trinidad, constitute one of the most ecologically sensitive areas in the country. The National Spatial Development Strategy (NSDS) acknowledges this and proposes that “the environmental significance of this area should be recognised in plans for its future development, exploring opportunities to protect and conserve the natural environment, whilst allowing the area to meet its potential as a key site for eco-tourism, agriculture, and maritime industries (leisure and commerce).”

Traditionally, the Chaguaramas shoreline has been a favourite recreational area with families travelling from various regions throughout Trinidad to enjoy bathing, fishing, and other such activities. The recent boardwalk development and enhancement of Macqueripe Bay, the golf course, local hiking opportunities and locally-grown produce for sale, all provide an excellent basis for strengthening the eco-tourism and recreation potential of the area. However, well-balanced, environmentally sensitive development to further establish the area as a premier eco-tourism and eco-business destination is supported¹³.

3.1 Land Use and Resources

Diego Martin is mostly forested hillsides and valleys with the only flat land on the south shore and on the floodplains of the Diego Martin, Maraval, and Cuesta Rivers¹⁴. The inland landscape is dominated by the Northern Range slopes, valleys, and tropical mountain forest cover. Fertile agricultural lands lie along the Tucker Valley and popular beaches can be found on the northern and southern coasts of the region¹⁵.

¹² *Diego Martin Municipal Investment Plan, MLG 2012.*

¹³ *National Spatial Development Strategy, MPSD 2013.*

¹⁴ *Diego Martin Regional Development Plan, MLG 2010.*

¹⁵ *National Spatial Development Strategy, MPSD 2013.*

Informal settlements and illegal squatting have exacerbated the impact of hillside development within the region and resulted in marked increases in flooding events and land slippage, more so in the recent past. The area provides a vibrant environment for a wide range of business and industrial activities, from dockyard services and other maritime-related industries to small high-tech enterprises. With several education campuses (UTT; Trinidad and Tobago Hospitality and Tourism Institute; Caribbean Fisheries Training and Development Institute) located here, there are opportunities to develop the synergies between entrepreneurial businesses, eco-business and research/training providers of potentially international significance in an attractive environment close to Port of Spain¹⁶. Additionally, the unique physical and built environments of the offshore islands provide opportunities for development of tourism and recreational niches.

3.2 Coastal and Marine Resources

The Diego Martin/Carenage hills are predominantly limestone with the floor of the Diego Martin valley composed largely of North West Peninsula gravels. These important water-bearing aquifers are the main source of potable water in the region. However, poor waste management, unauthorised development, and run-off from inland degrade the region's water quality¹⁷.

The pattern of currents in the Gulf of Paria also results in sewage, solid waste and chemical pollutants collecting from sources along other parts of the west coast. Despite water quality issues, the sheltered nature of the waters along the southern coast makes these areas popular recreation destinations. Local marinas are well utilised, accommodating both domestic and internationally owned yachts. Given its location outside of the main hurricane belt, Trinidad's west coast is an attractive location to harbour vessels and Chaguaramas has the potential to develop this opportunity further¹⁸.

According to the NSDS's Core Strategy and Regional Guidance document, what is called for in the region is "...making prudent use of natural resources to deliver economic diversification... In this context, the [region] has a wealth of largely untapped natural resource-based development opportunities, particularly in the tourism and eco-tourism, agriculture, maritime and eco-business related sectors."

¹⁶ *Ibid.*

¹⁷ *Diego Martin Regional Development Plan, MLG 2010.*

¹⁸ *National Spatial Development Strategy, MPSD 2013.*

Chapter 4

Diego Martin's Physical and Local Assets

4.1 Physical Infrastructure

4.1.1 Commercial Districts

There are five major commercial nodes in the municipality. The West Mall is the largest and attracts clientele from much of the North West of Trinidad, in addition to residents from the municipality. There are also the Glencoe, the Starlite, Alyce Glen, and the Diego Martin Consumers Cooperative Society shopping areas in the western area of the municipality, along with a number of business places strung out along the Diego Martin Main Road, the Morne Coco Road and in Carenage. In the eastern section of the municipality, there are the Ellerslie Plaza in Boissiere and the Shoppes of Maraval on the Saddle Road. There are much smaller business areas in Maraval, and in the various communities catering to local clients. There are also areas of informal vending activity especially of produce along some of the main thoroughfare.

4.1.2 Industrial Estate

The Diamond Vale Industrial Park is the major industrial site in the municipality. It is comprised of 21 hectares, and there are 26 factory buildings. Activities include fabrication of hazardous, toxic and flammable materials, manufacture of cotton products, ceramic, sanitary ware, crockery, pharmaceutical items, electric filaments, garments, food products, polyethylene, wood and paper products.

4.1.3 Dockyard/Marina

A deep-water and sheltered harbour at Chaguaramas has long been established as a ship-repair yard. The anchorage depth is 15.2m and cargo pier depth 7.6m. Because Trinidad has been just outside the path of hurricanes, at the end of the island chain in the Eastern Caribbean, Chaguaramas is a favourite location for the dry-docking and storage of yachts in the Caribbean. There is also a marina which hosts a large number of yachting enthusiasts on the final port of call to the south eastern Caribbean on voyages from the USA, and the North Atlantic.

4.1.4 Transportation (Land)

The municipality is serviced by a number of arterial roads that link it to the two neighbouring municipalities of the City of Port-of-Spain and the San Juan Laventille Municipality to the east. The

Diego Martin High Way and the Diego Martin Main Road traverse much of the Diego Martin Valley, with connections to the various communities in the centre and the north of the Municipality – St. Lucien Road, Petit Valley Main Road, Majuba Cross Road, Ravine Road, and Ravine Road. The Western Main Road extends from Tragarete Road and merges with Wrightson Road before creating an exit to the Diego Martin Highway as it extends through Carenage and eventually to Chaguaramas, which is beyond the municipality of Diego Martin and is under the control of the Chaguaramas Development Authority.

The Morne Coco Road links the north of the Municipality to the Saddle Road which skirts that east of the municipality having provided an exit out of Port-of-Spain into the communities of the east of the Municipality of Fairways, La Seiva, and Maraval proper, High density of living accommodation with the majority of residents employed outside of the municipality, has contributed to traffic congestion in most of the municipality.

4.1.5 Water Supply Distribution

Water supply in Diego Martin is good, except in some of the housing areas on hill slopes. Water extraction is based on ground water sources from wells in the area.

4.1.6 Wastewater and Solid Waste Management

While large sections of the municipality are sewerred, but there are squatter settlements and informal housing which lack water closets linked to sewer lines. Untreated sewage is discharged into the Diego Martin River and thence to the Gulf of Paria. There is also illegal dumping of waste, and indifferent servicing of skips which creates unhealthy conditions in some areas of the municipality.

4.1.7 Drainage

There are areas of the municipality that are prone to flooding and development practices have contributed to large flood flows that challenge the existing discharge capacity.

4.1.8 Electricity and Communications Technology

The population of the municipality enjoys universal access to electricity. The area is relatively well supplied with telecommunications services. The wide adoption of cell phones has democratised telecommunications services and rendered landlines marginal in the provision of access. Underground cabling exists but the bulk of the infrastructure is based on above ground wires and poles along streets. Internet penetration continues expanding and is not yet universal.

4.2 Social/Cultural Infrastructure

4.2.1 Dwelling/Building Stock

There have been a number of housing programmes over the years. While there has been a substantial amount of low-cost single-family units that have been built over the years, the municipality has attracted a large number of middle and high-end developments in recent years and is the location of some of the most elite districts in the country, including the town house and high-rise apartment sites.

Because of this, the municipality has become an area of high density, in terms of housing accommodation.

4.3 Social Facilities

4.3.1 Health

The North West Regional Health Authority provides primary and secondary health care for the municipality. Within the municipality are located four health centres, providing primary health care and secondary services are available at the Port-of-Spain General, and St. Ann's Hospital. The residents of the municipality would rely on the public and private secondary care facilities that exist in Port-of-Spain which are within easy reach of most areas of the municipality.

4.3.2 Education

Public facilities for the provision of Primary and Secondary Education are available in the municipality; however, many residents send their children to schools outside of the municipality, especially at the secondary level.

4.3.3 Social Services and Community Development

There are many community centres, churches and other places of worship, Pan Yards and Mas Camps. There is the Waterwheel museum in the municipality.

4.3.4 Recreation and Sports

Sporting facilities and recreation spaces in the populated area of the municipality are limited. There is a facility for swimming, and a number of small parks for basketball, football and netball, but many residents do journey to neighbouring Port-of-Spain for outdoor sporting activity and recreation. However, in the Chaguaramas Peninsula, the natural environment offers possibilities for recreation for individuals and families – sea bathing, fishing, golf, hiking and riding.

4.4 Disaster Management

As part of its remit, the regional corporation is charged with the responsibility of the development of a disaster management system for the municipality guided by the National Disaster Management Policy and the Ministry of Rural Development and Local Government Disaster Management Policy.

Chapter 5

The Municipal Economy

This section of the document elaborates on key components of the economy of the Municipality of Diego Martin. The first subsection provides the general review of the economic performance of Trinidad and Tobago, and outlines the context, while other subsections highlight the economic drivers in the municipality and the issues faced in their performance and operations.

5.1 Gross Domestic Product of Trinidad and Tobago

The economy of Trinidad and Tobago witnessed reduced growth over the period January to September 2014 of 0.7 percent, which followed on a period of sustained expansion of 2.1 percent in the fourth quarter of 2013 - see Table 5.1 below. An unanticipated decline in the performance of the energy sector during the first two quarters of 2014 was the largest factor contributing to the sluggish growth observed. Nevertheless, this was largely offset by continued growth in the non-energy sector for the same period. Increased production in petrochemicals and natural gas in the third quarter resulted in an expansion of the energy sector of 2.8 percent subsequent to the previous two quarters of decline. This third quarter expansion could be attributed to growth of 3.6 percent observed in natural gas production when compared with the same period in 2013 when large-scale maintenance activity occasioned a reduction of 4.6 percent.

The momentum in fourth quarter non-energy sector growth in 2013 of 1.9 percent was sustained into the first three quarters of 2014 where an average growth rate of 2.2 percent was observed. The continued growth resulted largely due to strong activity in the finance, distribution and construction sectors. Substantial increases in local cement sales precipitated average growth rate of 3.1 percent observed in the construction sector over the first three quarters of 2014.

Robust activity in the construction sector was reflective of numerous continuing large-scale public sector developments including but not limited to the Port at Point Galeota, the National Aquatic Centre, the Children's Hospital, and the Point Fortin Highway. Greater production of materials required for construction as well as cement caused the growth observed in manufacturing sector growth of 1.2 percent. New car sales drove the growth observed in the distribution sector while resilient activity in commercial banking stimulated financial sector growth of 3.2 percent. At the national level, agriculture grew on average by 3.5 percent for the first 3 quarters of 2014.

The third quarter of also 2014 witnessed increased inflationary pressures following comparative calm over the three preceding quarters. Inflationary pressures were propelled largely by prices of food and greater spending by consumers as demonstrated by precipitous growth in new car sales, robust growth in consumer lending and notable increases in government spending. Headline inflation by the third quarter of 2014 increased from 3.4 percent for the first two quarters to roughly 8 percent by the end of the third quarter of 2014.

Food price inflation for the third quarter rose to 18.2 percent up from an average of 4.4 percent over the preceding two quarters of 2014. Increases in the prices of vegetables, fruit and other food products were the primary contributing factors. Furthermore, the most recent official estimates on the labour force have indicated that unemployment is at a historic low of 3.1 percent for the first quarter of 2014. Robust labour force participation and increasing job creation have resulted in the improvement in the unemployment rate when compared to the rate of 3.7 percent observed in 2013. Increases in employment were most notable among personal services, social services and community services. To a lesser extent, increased labour force participation was observed in the agriculture, water and electricity and manufacturing sectors.

Table 5.1: Trinidad and Tobago Selected Economic Indicators

	2009	2010	2011	2012	2013	Jan-Sep-14
Real GDP Growth (%) (2000 = 100) ¹⁹	-3.4	-0.3	-1.2	0.3	2.1	0.7
Energy Sector	1.3	1.8	-3.7	-1.9	0.2	-1.5
Non-Energy Sector	-6.6	-1.8	0.6	1.8	3.5	2.2
Agriculture	-0.7	-15.7	1.2	-2.4	0.3	3.5
Manufacturing	-6.6	0.8	1.7	-1.3	2.6	1.2
Construction	-2.5	-5.8	-2.4	-0.9	3	3.1
Financial Services	-1.8	2.5	0.9	2.5	4.8	3.2
Inflation Rate (%) ²⁰						
(period average)	7	10.5	5.1	9.3	5.2	4.6
(end of period)	1.3	13.4	5.3	7.2	5.6	7.8
Unemployment Rate (%) ²¹	5.3	5.9	4.9	5	3.7	3.1 ²²

Sources: Central Bank of Trinidad and Tobago; Central Statistical Office and Ministry of Finance

5.2 The Area Economy

5.2.1 Key Economic Drivers (Activities)

Within Diego Martin, there existed a wide assortment of business enterprises in 2008, which is the last update of published data in this form (Table 5.2). Consistent with that which is observed nationally, enterprises in the municipality were concentrated largely in the retail and distribution sector (49.5%) and personal services (13.6%) sectors. Size based differences were observed among prevalent enterprises in the municipality. While retail and distribution businesses were indeed the most prevalent in the municipality, enterprises in the Finance, Insurance, Real Estate And Business Services (23.3%)

¹⁹ Growth rates are derived from the Central Bank's Quarterly Index of Gross Domestic Product

²⁰ Changes in the Index of Retail Prices (RPI), January 2003 = 100

²¹ This represents the average of the four quarters

²² For the period January – March

and Transportation, Communication and Storage (20.93%) which accounted for the largest proportion of enterprises employing 50 or more persons.

Table 5.2: Distribution of Registered Businesses by Sector and Size

Sector	Size of Business				Branch	Total
	Micro (1 to 5)	Small (6 to 25)	Medium (26 to 50)	Large (50 and Over)		
	%					
Assembly Type and Related Industries	2.62	4.6	5.8	4.7	0.0	3.1
Chemicals and Non-Metallic Minerals	0.3	0.3	1.9	0.0	0.0	0.4
Construction	4.9	8.7	25.0	7.0	0.0	6.3
Distribution	54.9	41.2	21.2	14.0	57.1	49.5
Educational and Cultural Community Services	1.7	2.2	5.8	4.7	0.0	2.0
Finance, Insurance, Real Estate and Business Services	12.0	13.3	9.6	23.3	19.0	12.9
Food Processors and Drink	0.7	3.1	1.9	4.7	1.6	1.7
Hotels and Guest Houses	0.6	0.9	5.8	2.3	0.0	0.9
Miscellaneous Manufacturing	0.4	2.8	1.9	4.7	0.0	1.1
Personal Services	15.8	10.2	9.6	4.7	7.9	13.6
Petroleum And Other Mining Industries	0.6	3.4	0.0	2.3	1.6	1.3
Printing, Publishing and Paper Converters	0.5	1.9	1.9	2.3	1.6	1.0
Textiles, Garments, Footwear, Headwear	0.5	0.9	0.0	4.7	0.0	0.7
Transportation, Communication and Storage	3.9	4.3	9.6	20.9	9.5	4.9
Wood and Related Products	0.4	2.2	0.0	0.0	1.6	0.8
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Statistical Office Business Register 2008

Of the businesses formally registered in Trinidad and Tobago, those operating in the Diego Martin accounted for 8.13 percent (Table 5.3). Enterprises were concentrated largely in the Diego Martin Proper (15%), but were also located in West Moorings (12%), Petit Valley (10%), Maraval Proper (9%), and Chaguaramas (9%) (Figure 5.1).

Table 5.3: Businesses in Operation by Municipality

Municipality	Proportion (%)
Arima	3.7
Chaguanas	5.8
Couva/Tabaquite/Talparo	11.4
Diego Martin	8.1
Mayaro/Rio Claro	2.4
Penal/Debe	5.6
Point Fortin	1.6
Port of Spain	19.4
Princes Town	4.3
San Fernando	7.5
San Juan/Laventille	10.8
Sangre Grande	3.4
Siparia	4.2
Tunapuna/Piarco	11.7
Total	100.0

Source: Central Statistical Office Business Register 2008

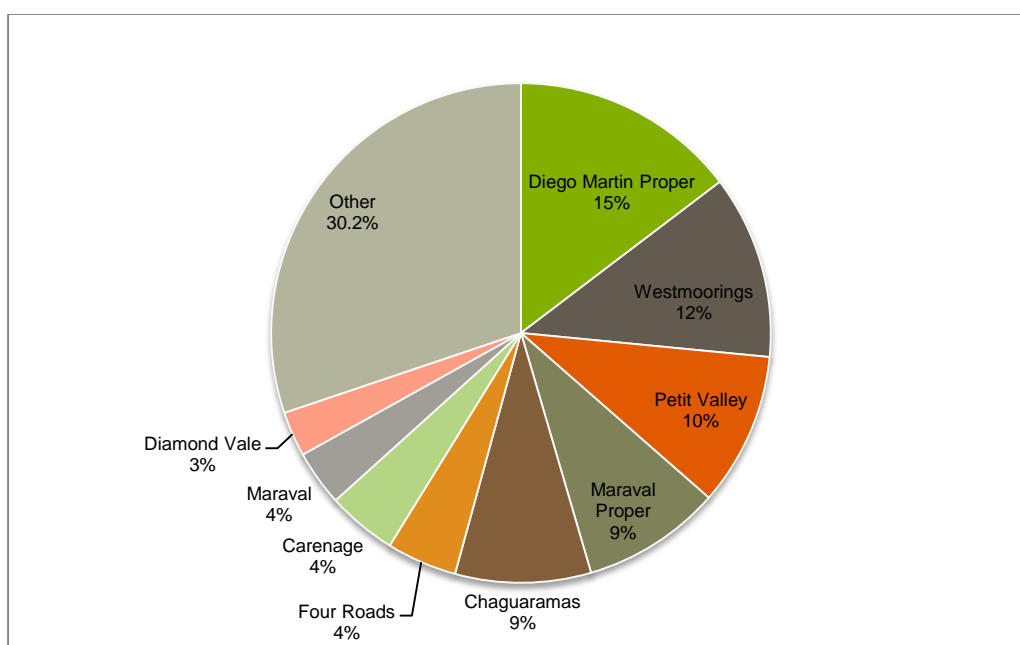


Figure 5.1: Registered Business by Community

Source: Central Statistical Office Central Statistical Office Business Register 2008

5.2.2 Employment and Unemployment Trends

Figure below illustrates the breakdown of employed household heads by employment category. The majority of household heads (44%) were employed in private enterprises, while 25 percent of household heads worked as own account workers. Interestingly, as much as 11 percent of household heads were employed with some Central or Local Government Agency, while 11 percent were employed with State Owned Enterprises.

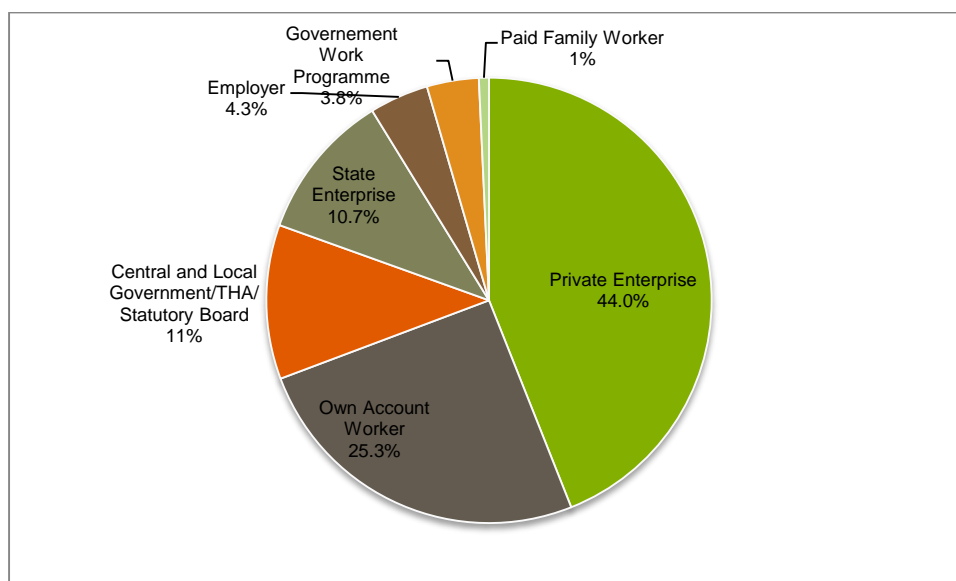


Figure 5.2: Distribution of Household Heads by Category of Worker
Source: Central Statistical Office Continuous Sample Survey of the Population 2014

5.2.3 Occupational Groups

The majority of household heads were employed in service and sales positions, and comprised 21.6 percent of the active labour force (Figure 5.1). Technicians and associate professionals (15.1%), Craft and related trades workers (14.2%), Service and Sales Workers (13.9%), Professionals (11.4%), and Managers (10.9%). Only a minority of household heads were employed as Plant or machine Operators (7.0%), clerical support workers (5.1%) or skilled agricultural workers (0.8%).

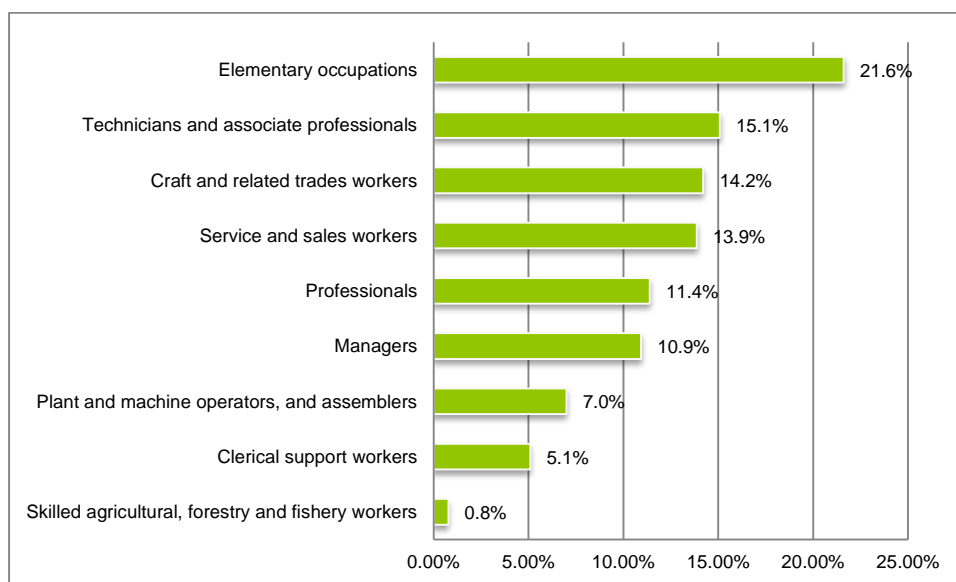


Figure 5.1: Distribution of Household Heads by Main Occupational Group
Source: Central Statistical Office Continuous Sample Survey of the Population 2014

5.2.4 Income

Figure 5.4 below illustrates the income earned by household heads from their main job. As much as 51.1 percent of household heads in the municipality reported a gross monthly income from their main job of TT\$ 5,000 or less. Just over 30 percent of household heads earned monthly income in the TT\$ 5,001 to TT\$ 10,000 range. Almost one fifth of household heads in Diego Martin (18.11%) generated monthly income over TT\$ 10,000 from their primary job.

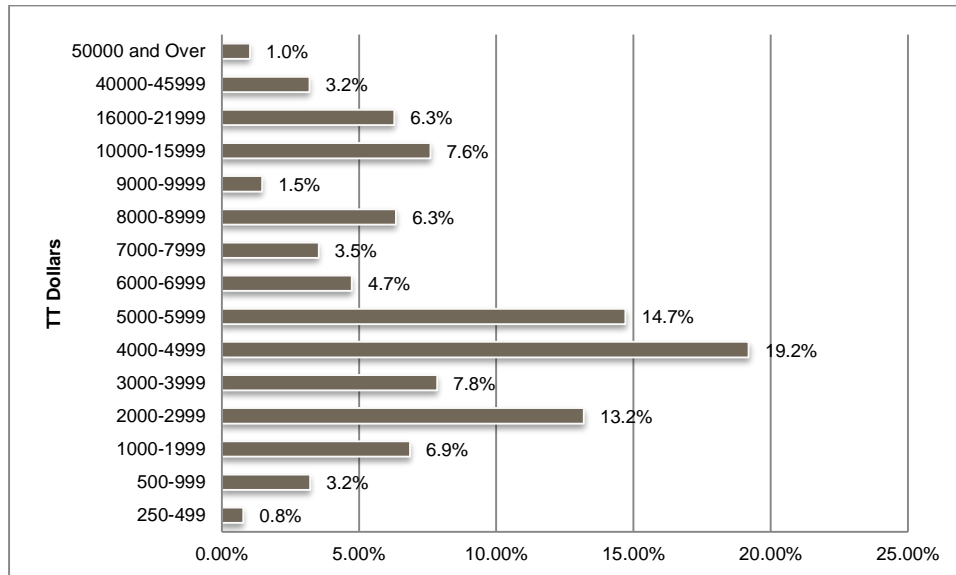


Figure 5.4: Distribution of Household Heads by Gross Monthly Income from Main Job
Source: Central Statistical Office Continuous Sample Survey of the Population 2014

Chapter 6

Profiling Diego Martin's MSME Sector

6.1 Introduction

The development of a vibrant and competitive MSME sector can serve as a key source of innovation, diversification, productivity and economic growth in Trinidad and Tobago including in the Borough of Arima. MSMEs tend to mobilise creative energies and identify opportunities that exist, but which may be ignored by larger enterprises. They can pinpoint and create possibilities for pushing outward the production frontier of an economy. The flexibility and resilience of MSMEs in the face of major changes also allow them to adapt more quickly to emerging trends. The Central Bank of Trinidad and Tobago in 2008/2009 undertook a comprehensive study of the small and medium sized business in the country, the results of which were presented in the report entitled, *“Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities - The Structure, Performance and Networks of SMEs in Trinidad and Tobago.”*

Internationally, there is considerable variation about what constitutes a micro, small or medium-sized (MSME) enterprise. There are various definitions in the literature which tend to be largely dependent on the purpose of the study being undertaken at the time, or the use to which the results are to be put by the particular author(s) or organisations. At the time of the study sponsored by the Central Bank, there was no national definition on MSMEs. The study acknowledged that businesses tend to be lumped either into one grouping called the “SME Sector” or further broken down into the subcategories of “micro, small and medium-sized” enterprises.

The report revealed that the definition then in use by the Central Bank of Trinidad and Tobago (CBTT), the former Business Development Company (BDC) and the Ministry of Labour and Small Enterprise Development (MOLSED) was based on the Report of the Cabinet-appointed Task Force on Small and Medium Enterprise Development (June 1995) and this considered three factors: number of employees, assets and sales (Table 6.1). Because of the limited information available for SMEs on sales or assets, the Central Bank's study employed the approach of using “at least” the number of employees as a guide for placing a firm into one category or another.

Table 6.1: Domestic Definition of Micro, Small and Medium-sized Enterprises

Size	No. of Employees	TT\$ Assets (Excluding Land and Buildings)	TT\$ Sales
Micro	1 – 5	< \$250,000	< \$250,000
Small	6 – 25	> \$250,000 - <\$1,500,000	> \$250,000 - <\$5,000,000
Medium	26 – 50	> \$1,500,000 - <\$5,000,000	> \$5,000,000 - <\$10,000,000

Source: *The Ministry of Labour and Small Enterprise Development* quoted in the *Report of the Cabinet Appointed Task Force on Small and Medium Enterprise Development (June 1995)* as quoted in the report: *Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities – The Structure, Performance and Networks of SMEs in Trinidad and Tobago*

According to the CBTT report, which is based on the CSO's Business Register, there was a 29.0 percent increase in MSMEs in Diego Martin for the period 2001 to 2007 (Figure 6.1). In 2007, 86 percent of the businesses were categorised as micro (mini-micro) category (Figures 6.2 and 6.3). It was reported that many of the smaller MSMEs operated in the informal sector.²³

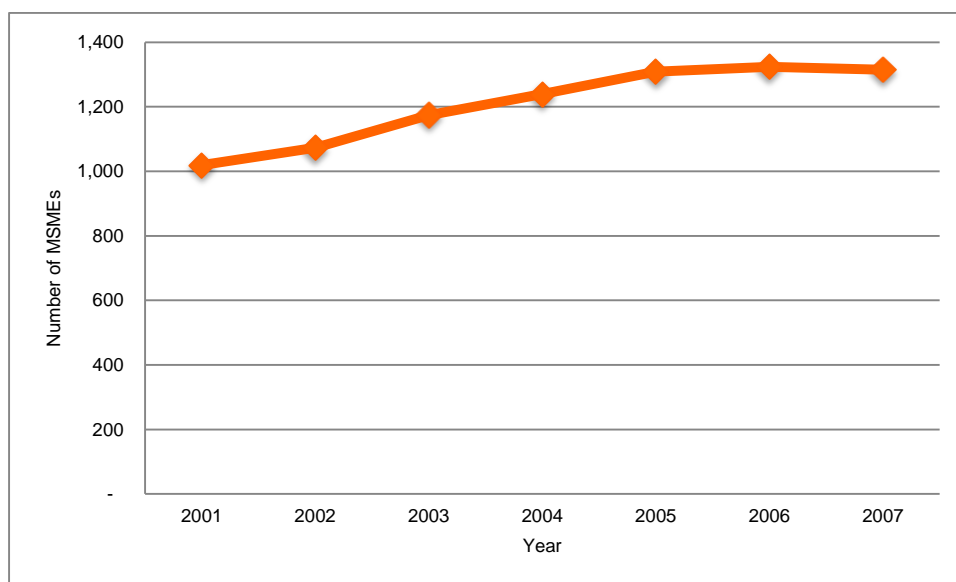


Figure 6.1: Changes in the Number of MSMEs, 2001 to 2007

Source: *CSO Business Register* as quoted in the *Central Bank of Trinidad and Tobago Report: Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities – The Structure, Performance and Networks of SMEs in Trinidad and Tobago*

²³ As quoted in the CBTT SME Report. The 1995 National Baseline Survey defines an informal business as "a small firm with less than five workers (no more than 2 of whom are regular employees), which does not have any license, permit or certification to operate" (EIM, 1996 p. 89).

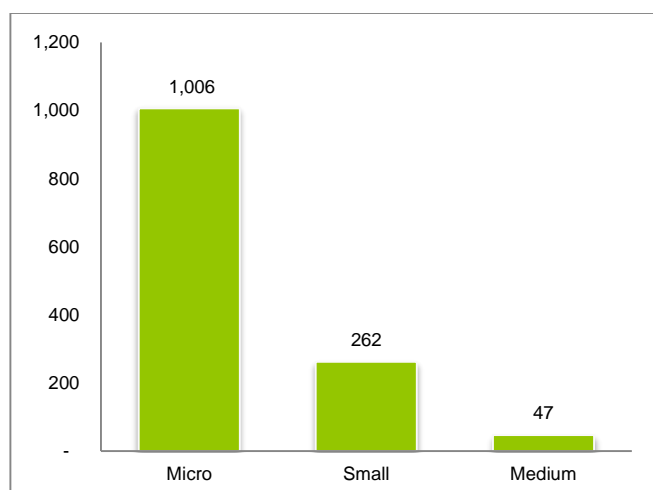


Figure 6.2: Distribution of MSMEs by Firm Size, 2007

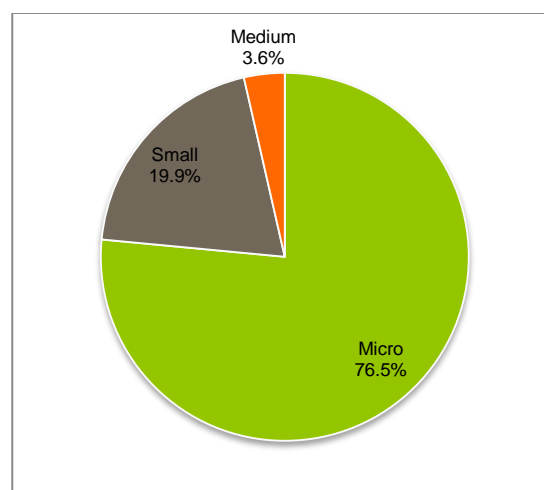


Figure 6.3: Proportion of MSMEs by Size of Enterprise

Source: Central Bank of Trinidad and Tobago, *Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities – The Structure, Performance and Networks of SMEs in Trinidad and Tobago*

6.2 Legislative, Policy and Institutional Framework for MSME Development

6.2.1 Legislative and Policy Framework

The draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago places and defines small enterprises as three categories – mini-micro, micro and small businesses. Mini-micro enterprises as defined are the self-employed (owner/manager) with assets of up to TTD 100,000 and an annual turnover of up to TTD 250,000. A micro enterprise is one with five or less persons, an asset base of TTD 100,001 to TTD 500,000, and annual sales of up to TTD 2.0M. Small enterprises are ones with up to 25-employees, assets of TTD 0.5 to TTD 5.0M, and annual turnover of up to TTD 10.0M (Table 6.2). It was clear from this study that this definition was not widely used and no clear policy was in place to treat with MSMEs based on the different size categories.

Table 6.2: Criteria Used to Define Mini-Micro, Micro and Small-sized Businesses

Size of Enterprise ²⁴	Number of Employees	Asset Value (TT\$) ²⁵	Turnover per annum (TT\$)
Mini-micro	≤1 including owner/manager	Up to \$100,000	Up to \$250,000
Micro	≤5 including owner/manager	\$100,001 - \$500,000	Up to \$2,000,000
Small	≤25 including owner/manager	\$500,001 - \$5,000,000	Up to \$10,000,000

Source: Ministry of Labour and Small Enterprise Development, Enterprise Development Division, 2013. Draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago 2013-2016, September, 2013.

The Policy provides directives for the registration of MSEs with the MOLSED; mechanisms for financing; and incentive regimes to encourage entrepreneurship and innovation. It also focuses on certain types of business development and support services such as mechanisms that promote the registration of support services; public-private partnerships²⁶; the establishment of standards; the

²⁴ MSEs must meet at least two of the stated criteria and must also meet the owner-manager criterion.

²⁵ Asset values exclude land and buildings.

²⁶ Public-private partnerships are typically medium to long term arrangements between the public and private sectors whereby some of the service obligations of the public sector are provided by the private sector, with clear agreement on shared objectives

adoption and development of information and communications technology (ICT) and other technologies/methods; incorporation of entrepreneurship into curricula of formal education institutions; and establishment of mentorship networks and the creation of green enterprises. Critical to these initiatives is having the necessary development of the physical infrastructure to support growth of the sector.

The Policy also recognises that MSEs and cooperatives can play a major role in social empowerment, poverty alleviation, and social transformation. To this end, one of the directives of the Policy is in the area of Social Empowerment and Inclusion which places emphasis on the participation of women, youth and the disabled in MSE development. The Policy calls for the creation of women's business mentoring networks and partnering of MOLSED with 'groups that address the particular needs of women entrepreneurs.' Such networks are seen as a means of 'measuring the performance of women entrepreneurs and provide a platform for the discussion on the trends, prospects and challenges encountered by women entrepreneurs in the business environment.' Moreover furthering youth enterprise development includes actions such as mainstreaming of youth in the IBIS (National Integrated Business Incubator System), FairShare, and other existing youth enterprise development programmes and collaborating with existing youth business stimulation programmes such as Youth Business Trinidad and Tobago (YBTT).

Given Trinidad and Tobago's drive toward a more sustainable economy, the MOLSED has developed the Green Enterprise Development Policy for Micro and Small Enterprises and Cooperatives. One of the strategies recognises and focuses on measures that would create green MSEs to facilitate and assist greening of specific industries, namely Agriculture, Construction, Creative Industries and Fashion, Energy, Tourism and Waste management. One of the key mechanisms proposed in the policy is the establishment of an Enterprise Investment Fund (EIF) managed by the MOLSED.

There is no small business legislation in Trinidad and Tobago. Instead, MSEs are expected to register under the Companies Act (Act No. 35 of 1995) and are subjected to its stipulations with regard to corporate governance and management. However, the MSEs sector by definition is comprised of smaller businesses which are more likely to be unincorporated and have a "weak system of accounting" or an "absence of accounts". Indeed, informal sector enterprises (which are a part of the MSE sector) where most women-owned businesses operate are characterised as small scale in terms of employment, non-registration of enterprises and non-registration of employees.²⁷

6.2.2 Institutions and Public Programmes

There is a wide range of State agencies and private sector and non-government organisations which provide products and services geared to the provision of credit and grant funding products for MSME development and expansion; technical and business training, financial literacy training, mentoring, infrastructural development, information technology (IT), operational support, financing, and

for delivery of public infrastructure and/ or public services. Source: The World Bank Group/Public-Private Partnership in Infrastructure Resource Centre, undated. <http://ppp.worldbank.org/public-private-partnership/overview/what-are-public-private-partnerships>.

²⁷ *Non-registration of unincorporated enterprises refers to absence of registration under commercial, tax or social security laws, professional groups' regulatory acts or similar laws or regulations established by national legislative bodies.*

networking to facilitate access to local and foreign market. While, there are agencies and programmes that focus on MSEs, there are other projects and programmes with a broader prospective and apply to the wider business community in facilitating entrepreneurial development.

6.2.2.1 The Ministry of Labour and Small Enterprise Development

The MOLSED oversees the development of the MSE sector through the Enterprise Development Division (EDD). It is the line Ministry for the National Entrepreneurship Development Company Limited (NEDCO), which is the main agency for offering training, loans and other business support for MSEs. Over the past year, through the EDD, the MOLSED has implemented MSE development programmes and established policies to support the sector.

6.2.2.1 Ministry of Trade and Industry

The Ministry of Trade and Industry (MTI) is leading the drive to position Trinidad and Tobago as a manufacturing base, and the business, trade, and financial hub of the Americas, particularly through driving the non-energy sectors of the economy. The Ministry focuses on medium and large business development. The Ministry fulfils this role through the Business Development Directorate aimed at developing and growing business in Trinidad and Tobago. The Directorate, which comprises three Units, is responsible for:

- Addressing issues that would make the business environment more facilitating and transparent in the development of the sectors – Creative Industry, Food and Beverage, Maritime, Printing and Packaging and Yachting – which targeted by Government in the diversification of the national economy (the Business Support and Facilitation Unit);
- Managing stakeholder relationships and strengthening links with State Agencies which fall under the purview of the Ministry (the Alliances Unit); and
- Issuing licences to the public on items remaining on the import negative list and export negative list and for implementing import duty concessions through Minister's licences' as well as overseeing suspension of the Common External Tariff and the Safeguard mechanism under the CARICOM arrangement (the Trade Licence Unit).

6.2.2.3 expor-TT Ltd, Ministry of Trade and Industry

exporTT Ltd. is the trade policy implementation agency of the MTI. The company was designated by the Cabinet of the Republic of Trinidad and Tobago to be the sole National Export Facilitation Organisation of Trinidad and Tobago. Its vision is to be the driving force for the development of an internationally competitive and vibrant export sector, which contributes significantly to economic diversification in Trinidad and Tobago. Through its programmes and activities the agency aims to generate export growth and diversification in the goods and services sectors, to increase the international competitiveness of local exporters; to develop new exporters across the various sectors of interest; and to expand to new markets, based on market research.

6.2.2.4 The National Entrepreneurship Development Company Limited

The National Entrepreneurship Development Company Limited (NEDCO) was established in 2002 to assist small and micro businesses with regard to the accessing of loans for business start-up and expansion purposes. Skills, training and financial support for entrepreneurs are also offered along with business advisory services and information in areas such as Marketing, Financial Management, Business Planning and Records Management. NEDCO implements the National Integrated Business Incubation System (IBIS) on behalf of the MOLSED.

There is a NEDCO office located in the Municipality. Under its loan portfolio, NEDCO assists a wide range of businesses and offers loan entry ceiling up to \$250,000 for first-time borrowers, and up to a \$500,000 for second-time borrowers. However, the loan facility does not make funds available for primary agriculture, bars, professional services or casinos. NEDCO funding is specifically designed to assist those who face difficulty in accessing fund from commercial banks or other commercial lending agencies, and as such, its loan facility is characterised by simple procedures and minimal collateral requirements.

6.2.2.5 Entrepreneurial Training Institute and Incubation Centre, NEDCO

The Entrepreneurial Training Institute and Incubation Centre (ETIIC) is an institution under NEDCO, which provides entrepreneurial training, basic support, mentoring, and marketing and distribution support to MSEs. The institute also offers start-up business support, onsite IT, administrative and business services as well as office, computer labs and virtual office services. In addition, users can avail themselves of the reference library services, which have publications covering a range of MSE development and entrepreneurship topics.

6.2.2.6 Micro-Enterprise Loan Facility, Ministry of Social Development and Family Services

The client can also seek the services of the Micro Enterprise Loan (MEL) Facility for accessing business grants and loans for business starts and expansion. The MEL Facility is a community empowerment and poverty reduction initiative, which equips Community-based Organisations (CBOs) to engage actively in promoting sustainable livelihoods among the poor through the provision of micro loans and support to micro entrepreneurs. A grant is given to CBOs to on-lend to individuals in their communities. The individuals start new or expand existing micro enterprises and repay the loans at a minimal interest rate.

This programme aims to contribute to the reduction of poverty by facilitating the creation of sustainable livelihoods; empower CBOs to discharge micro credit services; and support and promote entrepreneurship at the community level. This programme is aimed at persons in receipt of public assistance; persons earning at subsistence level or at the minimum wage; or unemployed persons who live under impoverished conditions. MEL provides borrowers with community based business loan services; business training for all interested persons and after-loan services and business support.

6.2.2.7 National Integrated Business Incubation System

Launched in October 2011, the IBIS developed by the MOLSED aims to provide a unique mix of support mechanisms that assist the growth and success of new and existing MSEs including technical and business training, mentoring, infrastructural development, information technology (IT), operational support, financing, and networking to facilitate access to local and foreign market. IBIS incubators may be community-based or commercial. Community-based incubators (CBIs) operate in communities or regions to address poverty, unemployment and other social concerns. Commercial business incubators focus upon high-value and/or high volume businesses with export potential. Seven CBIs have been launched so far out of the 18 incubators planned for the country. Moreover, the Programme partners with academic and research institutions to develop innovation policies to proactively attract entrepreneurs to translate their business ideas into reality. A number of business related entities have

signed memorandum of understanding (MOUs) with the IBIS programme including the Arthur Lok Jack Graduate School of Business, the University of Trinidad and Tobago (UTT) and YTEPP.

6.2.2.8 Enterprise Investment Fund

The recently established EIF is a project-based mechanism which aims to provide a strengthened support system for the MSE sector by providing funding to entrepreneurship-support programmes developed by the private sector, academic institutions and other NGOs so that they can utilise their expertise to play a greater role in MSE development.

6.2.2.9 Community Development Fund, Ministry of Community Development, Culture and the Arts

The Community Development Fund (CDF) is a funding source operating out of the Ministry of Community Development, Culture and the Arts (MCD). The CDF, founded in 1996 by the GORTT under a loan agreement with the Inter-American Development Bank (IDB), operates as a basket of grant funding products meant for various forms of poverty alleviation and for promoting community self-sufficiency. Two products provide funding for projects of three to 18 months' duration while another seeks partnership with private sector sponsors. Community business projects are also considered in the CDF model. Moreover, the model contains a business and social enterprise mentorship element which has been able to attract a small pool of approximately 20 mentors.

6.2.2.10 Green Fund, Ministry of Planning and Development

The Green Fund is the National Environmental Fund of Trinidad and Tobago, established under the Finance Act 2000 through the Miscellaneous Taxes Act. The purpose of the fund is to provide financial assistance to community groups and organizations to undertake activities and projects related to reforestation, remediation, environmental education and public awareness of environmental issues and conservation of the environment. The Green Fund is capitalised through the Green Fund Levy, which is a tax of 0.01 per cent on the gross sales or receipts of companies carrying out business in Trinidad and Tobago. The Green Fund Levy is payable quarterly in each year of income. As at September 30, 2011 the Green Fund stood at \$2.60 billion.

6.2.2.11 Innovation Fund, Ministry of Planning and Development

The GORTT has identified a need to provide financial support to entrepreneurs with original business ideas with the potential to deliver new or improved products and services and address social needs. To this end, the Government has established the Innovation Financing Facility (IFF) to support investments in projects that have the potential to transform research into economic value. As part of this initiative, the "Call for Innovations and Inventions" (or i2i) was launched in 2012 as a competition for innovators and inventors in key economic growth sectors.

6.2.2.12 Research and Development Fund (RDF), ExpOrTT and Ministry of Trade and Industry

The Research and Development Fund (RDF), managed by ExpOrTT, is designed to provide support for research, development and technological innovation at all stages of company development. The Facility is geared towards enabling companies to progress from undertaking an initial research project to high level innovation and Research and Development activity. It serves to encourage the development of an innovative business culture among local businesses with the aim of increasing the rate of new product development. As the RDF falls under the purview of the MTI, there is no specific emphasis on micro and small businesses.

6.2.2.13 FairShare Programme

The FairShare Programme, launched in January 2011 by the MOLSED, is a set-aside programme that enables SMEs to access opportunities to do work with the Government for contracts valued up to TTD 1.0M to SMEs. Simultaneously, the FairShare Programme provides some training to MSEs to improve business management, use of technology and understanding of legal obligations. FairShare utilises an online platform where Government Ministries post opportunities and where MSEs search for and bid on those opportunities. However, SMEs can only register with the FairShare programme for a maximum of six years. The objective of the FairShare Programme is to create independent and strong MSEs by allowing them to participate in Government spending over a fixed period of time during which time they should have increased their capacity, skill, product quality and other capabilities. Additionally, the FairShare programme:

- Is an incentive for formalisation because it is only open to registered MSEs, compliant with state regulations;
- Compiles an online registry of micro and small businesses categorised by economic sector;
- Creates a real-time, online listing of all Ministry contracts worth up to a maximum of \$1M;
- Provides automated notification of opportunities to SMEs for the purpose of bidding
- Provides a space for SMEs to market their products and services through online profiles; and
- Offers training to SMEs in procurement, business management and other important areas of relevance to improve their ability to win contracts.

6.2.2.14 Economic Development Board of Trinidad and Tobago, Ministry of Planning and Development

Established in 2011 and guided by the National Medium Term Policy Framework (MTPF) 2011-2014, the Economic Development Board of Trinidad and Tobago (EDB) is charged with the responsibility of developing business clusters and the development of five economic spaces in Trinidad and Tobago with the aim of achieving economic viability and sustainability in the long term. These clusters focus on financial services, tourism, food sustainability, downstream energy, creative industries, the maritime and information and communications technology (ICT). It is envisaged that the development of policy and legislation can occur to structure areas of growth around these identified clusters. The EDB has also identified five specific economic spaces for kindling economic and social transformation which are referred to as Growth Poles. The five growth Poles are North East Tobago, South Western Peninsula, East Port of Spain, North Coast and Central Trinidad. Concentrating on developing clusters in these areas would lead to rapid growth and development throughout the country. Growth poles would be the centres of industry investment as well as enhance job creation opportunities in surrounding communities.

6.2.2.15 Entrepreneurial Training Institutions

Nowadays, having post-secondary and tertiary education is considered essential to improve entrepreneurship, employability and livelihood opportunities. Many post-secondary and tertiary institutions such as The University of the West Indies (UWI), the University of Trinidad and Tobago (UTT), Arthur Lok Jack GSB, UWI-ROYTEC, YTEPP, NEDCO ETIIC, COSTAATT, etc. all offer various education and training business programmes provide entrepreneurship education, which focuses mainly on business development, which generally consists of technical, financial literacy and skills training.

Over the last decade, the Government as well as the private sector and NGO providers have established a variety of informal and formal technical-vocational education and training (TVET) programmes aimed at increasing the capacity of the citizenry. The Ministry of Education is the main Government agency with responsibility for TVET and this responsibility is executed mainly through YTEPP Limited and Metal Industries Company (MIC) Limited. These programmes also offer some literacy and life skills training.

Multi Sector Skills Training (MuST) Programme offered by MTEST is a specialised craft training Programme designed to develop a cadre of skilled, competent, certified workers in priority sectors of the economy. The Programme, which uses a “work and learn” model, offers onsite and offsite work-based Level 1 (six months) and Level 2 (nine months) training in occupational skills, life skills and functional literacy and numeracy. The programme, which targets 17 to 50 year old citizens, provides a “second chance” to persons who “missed out” on educational and training earlier in their lives.

6.2.2.16 Private Sector and Non-governmental Agencies

Employers' Consultative Association

This agency seeks to quality representation for employers and to ensure the strength and success of the Employer Community, which will auger well for the socio-economic well-being of Trinidad and Tobago. The Employers' Consultative Association of Trinidad and Tobago (ECA) was formed with 21 firms in 1960 primarily to assist and support Employers in industrial relations matters and to give them an association that would speak on their behalf on matters of similar interest. Since then, the ECA has built a strong reputation for handling all issues concerning Employers in Trinidad and Tobago. Today, the ECA is still a not-for-profit enterprise whose membership grows yearly and includes companies that belong to a variety of sectors.

Trinidad and Tobago Manufacturers Association

The Trinidad and Tobago Manufacturers Association (TTMF) acts as a representative of the manufacturing sector in dealing with local and foreign governments and in the monitoring of legislation affecting manufacturers. Members are provided with information on all local, regional and international trade related matters of relevance and they act as a liaison between the membership and the Government, specifically the MTI. Members are encouraged to maintain and adhere to the required standards and grades of quality in all manufactured goods and services.

Organisations of Industry and Commerce

There little information on the business organisations that attract and support the membership of MSMEs, particularly the micro mini and micro business operators. There are several references to the Small Enterprising Business Association (SEBA) and the governance role it performs in Trinidad and Tobago on behalf of the MSE sector. However, the study was unable to determine the extent of its influence and the specific role it plays in the MSME sector.

There is the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) whose main goal is to build a strong and sustainable national economy. The TTCIC has various categories of membership ranging from Bronze which is characterised by companies that earn gross sales of less than TT\$3.0 million to the Diamond category with TT\$100.0 million and more. Members of the TTCIC must be

incorporated companies within Trinidad and Tobago and this eliminates from its membership the small companies that are known to operate in the informal sector.

The Chamber provides a range of services to its members and to a limited extent to the general-public including the publication of various monthly Trade Bulletins and Advisories and the signing and issuing of Certificates of Origin. The Chamber lobbies on behalf of the private sector as it speaks out on critical public issues and seeks the interests of the private sector by offering suggestions for policy reformation and advice to Government on pertinent issues facing the economy and private sector. In addition, the Chamber conducts business related seminars and workshops. The Dispute and Resolution Centre was developed initially by the TTCIC. However, it is now a completely autonomous and neutral organisation, administered by its own Board of Directors providing mediation and conflict resolution services including the conduct of dispute resolution training programmes.

The American Chamber of Commerce (AMCHAM) Trinidad and Tobago is another business organisation, which promotes free and fair trade and investment within the Americas and the Caribbean. Because of its focus, it attracts larger export oriented companies and has a membership of 300 members. The AMCHAM Trinidad and Tobago provides a number of services for its members, which specifically focus on areas such as: enhancement of competitiveness, generation of new business and market access for services/goods, influence on policies and legislation, transfer of knowledge and contribution to sustainable development. There is a strong networking link between local and international member companies, especially with the US Embassy, AACCLA and COCUSA which gives members access to compete in the local and overseas markets.

Youth Business Trinidad and Tobago

YBTT was established in 2000 and is an accredited member of Youth Business International (YBI), an international network of youth business programmes. The focus of the NGO is to provide young persons with opportunities for turning innovative ideas into viable business ventures. YBTT, with the assistance of the local business community and international donor agencies, provides access to loans, entrepreneurial training and business mentorship and has provided support for 63 entrepreneurs in 2014 and approximately 500 since its establishment.

Startup Weekend

Startup Weekend is a global grassroots movement of active and empowered entrepreneurs who are learning the basics of founding startups and launching successful ventures. It is the world's largest community of impassioned entrepreneurs, with events held in over 100 countries and 600 cities worldwide. Trinidad and Tobago has held its annual Startup Weekend for the last three years. The forum facilitates people coming together for weekend-long workshops to pitch ideas, form teams, and start companies. The 2015 event was sponsored by the IDB – through its Demand Solution Model²⁸, the Council for Competitiveness and Innovation, and the Guardian Group. The forum also helps to promote and highlight the role of innovation in enterprise development. However, there is limited information on the number of businesses established because of these events.

²⁸ The IDB -- through the Demand Solutions Model -- is seeking to foster a culture of innovation in Latin America and the Caribbean that will encourage new approaches towards addressing development challenges, while generating an active dialogue on innovation, creativity, and calculated risk-taking. The IDB's Demand Solutions Model is based on "Open Innovation" and relies on using internal and external paths and ideas to develop new solutions.

Credit Unions and Commercial Banks

Credit unions and commercial banks provide loans, credit and advice to individual MSME operators who qualify for their facilities.

6.3 Entrepreneurial Development in Trinidad and Tobago

The Annual Global Entrepreneurial Monitoring (GEM) Report for Trinidad and Tobago provides information on the perception of the adult general population versus feedback from support agencies on issues relating to entrepreneurial development in the country.

According to the GEM report for Trinidad and Tobago, *the entrepreneurship process begins before the creation of a business. An individual must recognise an opportunity, assemble the necessary resources and have positive beliefs about their capability to take advantage of the opportunity and the likely success of the business.* Societal attitudes towards entrepreneurship are considered important such that *negative societal attitudes towards entrepreneurship can result in barriers to entrepreneurial activity especially during the early stages of entrepreneurship in the areas of social support, financial and business assistance for entrepreneurs.* The Trinidad and Tobago 2014 GEM report indicated that the percentage of adults in Trinidad and Tobago who reported being aware of good opportunities for starting a business in their immediate environment for the upcoming six months was 58 to 59 percent over the period 2012 to 2014.²⁹ The country ranked fifth highest in Latin America and the Caribbean and 13th highest out of the 68 economies for which such data were available.

In addition, perception about ability to operate a business was rated extremely high, while people's fear of failure was at low level when compared with other countries. Data have shown that the percentage of adults in Trinidad and Tobago who believe that they are capable of operating a business was 75 to 76 percent over the period 2012 to 2014. The country was rated among the lowest countries with regard to adult's perception of Fear of Failure as a deterrent to starting a new business. Trinidad and Tobago was ranked among the highest countries in the world on the desirability of entrepreneurship as a career choice (78-80% of the survey respondents for the period 2012-2014).

Despite this positive perspective of the adult population, the 2014 rate of Total Early Stage Entrepreneurial Activity (TEA)³⁰ for Trinidad and Tobago was 14.6 percent, compared to 19.5 percent in 2013 because of a decline in nascent entrepreneurial activity (from 11.4% in 2013 to 8.5% in 2014) and a decline in new business ownership (from 8.5% to 7.4%). The results were explained somewhat by the downward trend in the unemployment rate which fell from 5.0 percent to 3.6 percent over the period 2012 to 2014. This suggests a link between employment/unemployment and entrepreneurial development and despite the results of the APS, people resort to entrepreneurial activities when employment opportunities decline. However, the Trinidad and Tobago TEA rate continues to comprise

²⁹ Based on results of the GEM Adult Population Survey (APS).

³⁰ Quoting the Trinidad and Tobago GEM report: In the GEM model, the rate of TEA is a combination of 1) the rate of nascent entrepreneurial activity (entrepreneurs in the process of setting up new businesses), and 2) the rate of new business ownership. In the GEM model a new business is one that is up to three and a half years old.

the highest ratio of opportunity driven activity and the proportion of TEA that is necessity-driven continues to be among the lowest in Latin America and the Caribbean.³¹

The survey of personnel of key business support agencies provided expert opinion that can be compared with the results from the survey of the adult population. Table 6.3 provides their average rating on key areas, which characterise the entrepreneurial environment in Trinidad and Tobago.

Table 6.3: Ratings for the Main Indicators for Entrepreneurship Framework Conditions

Indicator	Rating (1 in 5 rating)
Finance	2.7
National Policy: General Policy	1.8
National Policy: Regulation	2.4
Government Programmes	2.9
Primary and Secondary Education	1.4
Tertiary Education	3.4
R&D Transfer	2.5
Commercial Infrastructure	3.0
Internal Market Dynamics	2.1
Internal Market Openness	2.4
Physical Infrastructure	3.8
Cultural and Social Norms	2.9

6.4 The Diego Martin MSME Sector (MSMEs Survey, 2015)

The MSME Survey for Diego Martin was conducted over the period between April and May 2015 among 120 randomly selected MSMEs operating within the Municipality. The definitions used to categorise the size of the MSMEs were based on the draft Trinidad and Tobago MSE Policy. In conducting the survey, equal numbers of micro-mini, micro and small entrepreneurs were interviewed. The results of this survey are presented in the following categories:

- General Characteristics;
- Size of Enterprise;
- Legal Status;
- Primary Business Activities;
- Employment;
- Markets and Annual Sales;
- Financing and Investment;
- Use of Internet;
- Technical Support;
- Key Issues Faced MSMEs; and
- Impediments to MSME Development.

³¹ The GEM Report differentiates between people who are pushed into entrepreneurial activity because of unemployment (Necessity-Driven entrepreneurship) and those who enter entrepreneurship by the prospect of opportunity (opportunity driven entrepreneurship).

6.4.1 General Characteristics

Fifty-one female operators and 69 male operators participated in the Municipal MSME survey. The majority of MSME operators were between the age of 35 and 55 years (49.2%), followed by operators who were 55 years or older. Less than 10 percent of the operators were 35 years old or younger (Figure 6.4 and Table 6.4).

Female business operators were younger than their male counterparts with 60.8 percent of female respondents between the age 30 and 55 years, while 50.7 percent of male operators were 55 years or older. The results suggested a changing age profile, with more women entering the sector. The small-sized businesses were operated by older persons (Table 6.5).

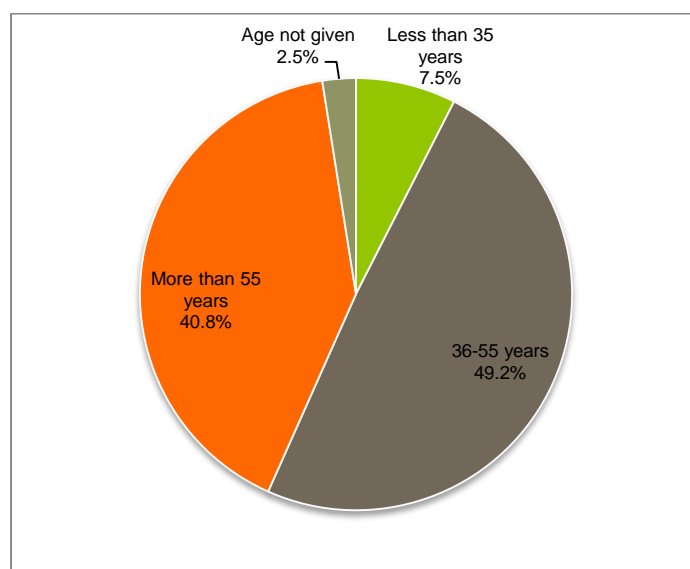


Figure 6.4: Age Breakdown of the Arima MSME Operators

Table 6.4: Age Breakdown of Operators by Sex

Sex	35 Years or Less	36-55 years	More than 55 years	Age not given	Total
			%		
Female	11.8	60.8	27.5	0.0	100.0
Male	4.3	40.6	50.7	4.3	100.0
Both Sexes	7.5	49.2	40.8	2.5	100.0

Table 6.5: Age Breakdown of Operators by Size of Enterprise

Size of Enterprise	Age Last Birthday				Total
	Less than 35 years	36-55 years	More than 55 years	Age not given	
	%				
Micro Mini	12.5	57.5	30.0	0.0	100.0
Micro	10.0	52.5	35.0	2.5	100.0
Small	0.0	37.5	57.5	5.0	100.0
Total	7.5	49.2	40.8	2.5	100.0

Globally, there are reportedly more male entrepreneurs compared to female entrepreneurs. However, this gap is narrowing, with female entrepreneurship becoming increasingly important for economic growth and poverty alleviation. The trend is similar for Trinidad and Tobago. The Total TEA rate, which is the percentage of adults (including employed people) who are operating or in the process of starting a new business, for Trinidad and Tobago show that more men were reported to be involved than women in early stage entrepreneurship during 2013 to 2010. Compared to their male counterparts women became business owners at an older age, and in many cases, it was usually an action of last resort.

6.4.2 Size of Enterprise

Figure 6.5 shows the size breakdown of MSMEs in Diego Martin by sex of the operators. More female operators can be found in the micro-mini to mini size enterprise category (52.9%), while the majority of men operated mini and small sized businesses (34.8% and 46.4%, respectively).

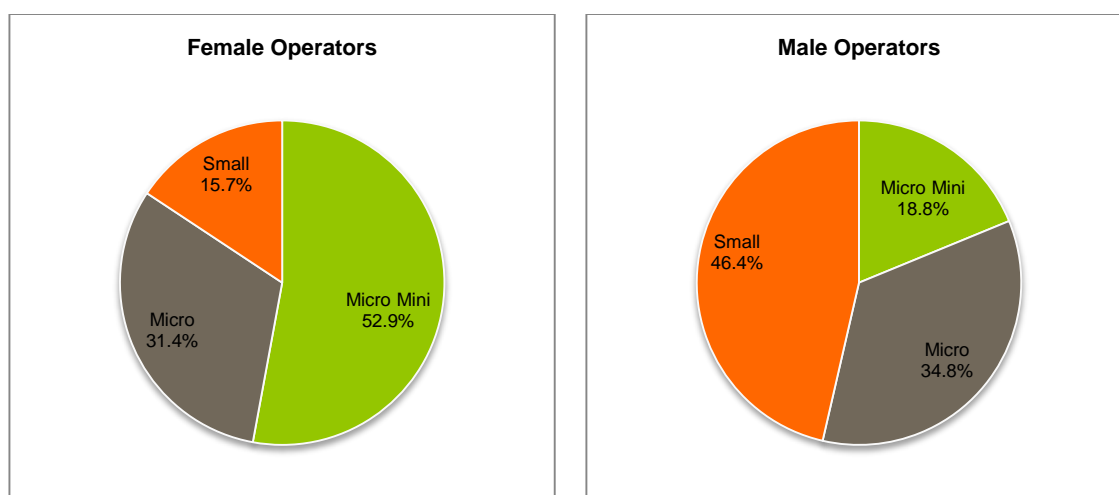


Figure 6.5: Size Breakdown of MSMEs by Sex of the Operators

The MSME community in Diego Martin is made up of primarily of business operators of Mixed (43.5%), African (33.0%) and East Indian (20.9%) descent (Figure 6.6). Compared to the general population in the municipality, there were more operators of East Indian descent and less business operators of African descent (Figure 6.7).

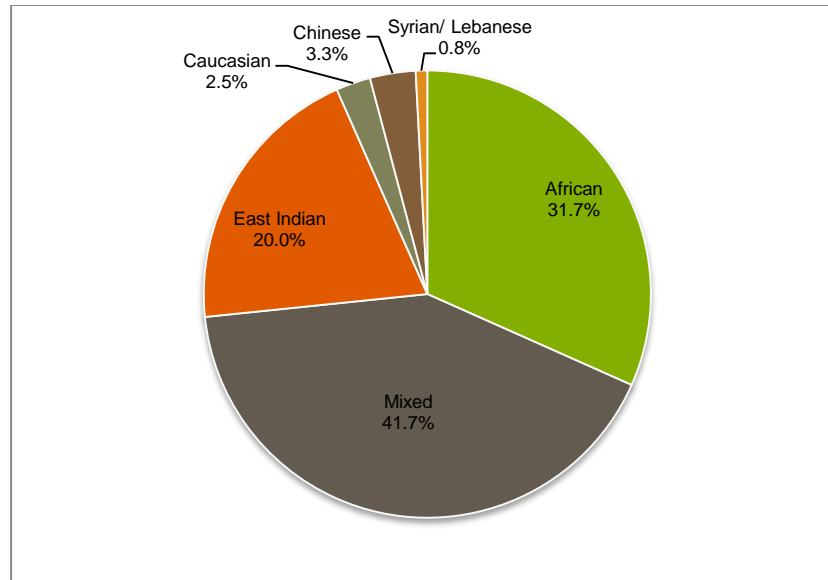


Figure 6.6: Ethnic Breakdown of MSME Operators

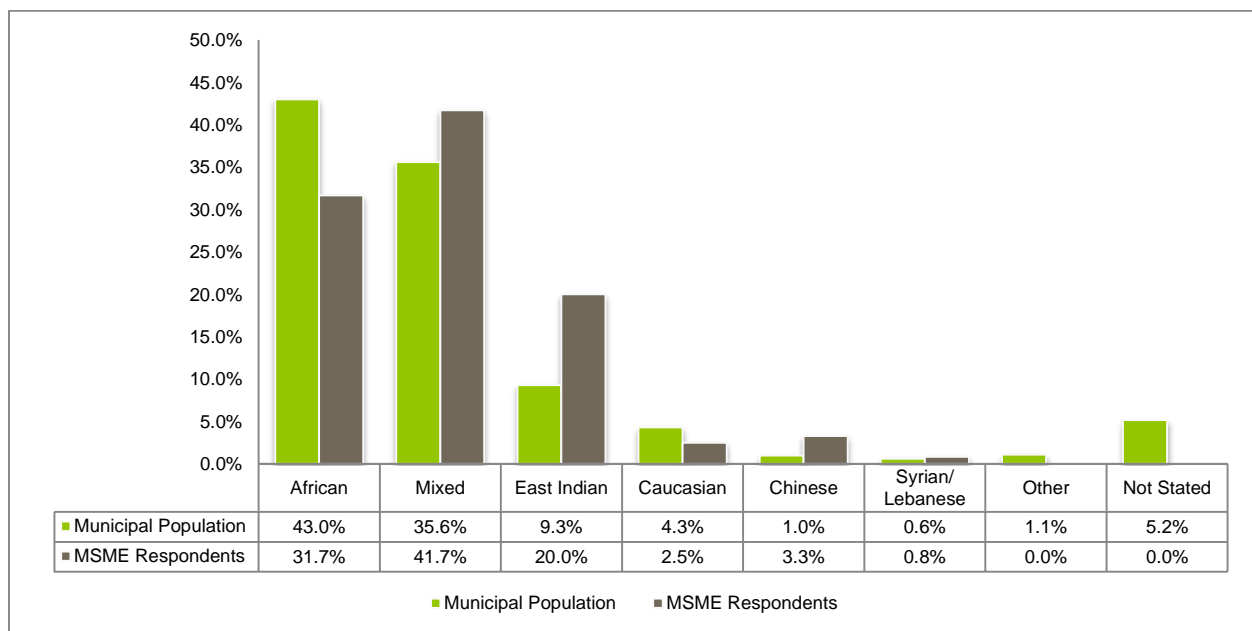


Figure 6.7: Ethnic Composition of MSME Operators Compared to the National Population

6.4.3 Legal Status

The survey showed that 74.2 percent of businesses had been in existence for more than 10 years (Figure 6.8), compared to 24.2 percent of all surveyed that were in the early stages of operation (were established less than five years). More women operated established businesses compared to their male counterparts (Table 6.6). The proportion of businesses in operation decreased with increased size of the enterprise (Table 6.7). While the opposite is true for those than are in business for more than 10 years; that is the proportion of businesses increased with increased size of the enterprise.

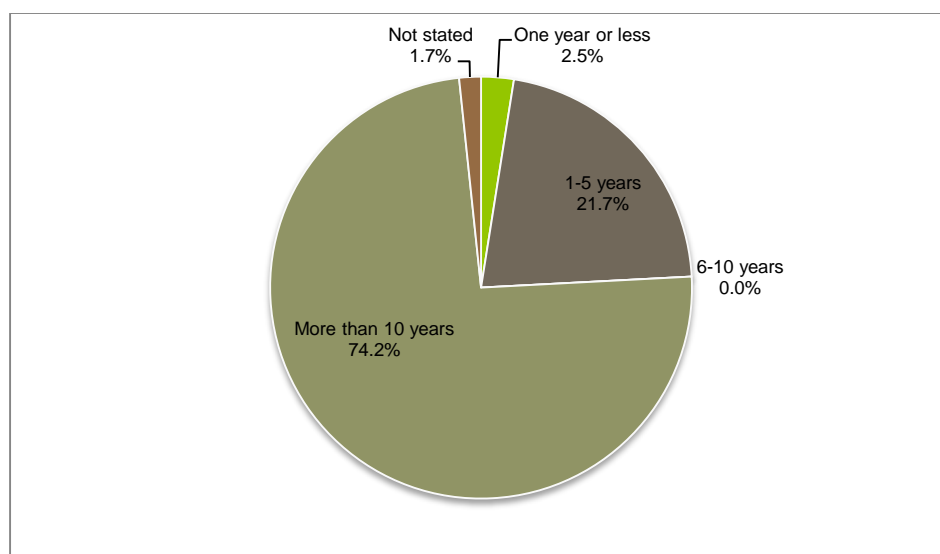


Figure 6.8: Length of Time in Operation

Table 6.6: Length of Time in Business by Sex

Sex	Length of Time in Business					Total
	One year or less	1-5 years	6-10 years	More than 10 years	Not stated	
	%					
Male	3.9	31.4	0.0	64.7	0.0	100.0
Female	1.4	14.5	0.0	81.2	2.9	100.0
Total	2.5	21.7	0.0	74.2	1.7	100.0

Table 6.7: Length of Time in Business by Size of Enterprise

Size of Enterprise	Length of Time in Business					Total
	One year or less	1-5 years	6-10 years	More than 10 years	Not stated	
	%					
Micro Mini	5.0	27.5	0.0	67.5	0.0	100.0
Micro	2.5	25.0	0.0	72.5	0.0	100.0
Small	0.0	12.5	0.0	82.5	5.0	100.0
Total	2.5	21.7	0.0	74.2	1.7	100.0

The GORTT encourages the registration of MSMEs and this affords them the opportunity to benefit from the many State programmes currently in place. Non-registration or unincorporated enterprises refers to the absence of registration under commercial, tax or social security laws, professional groups' regulatory acts or similar laws or regulations established by national legislative framework. Some 56.7 percent of all businesses were registered. Only 12.5 percent of micro mini-sized enterprises were registered and therefore the majority of these businesses operated in the informal sector. As the size of the enterprises increased so too did the proportion of businesses that were registered. Almost all the small-sized businesses were registered (95.0%) (Figure 6.9 and Table 6.8).

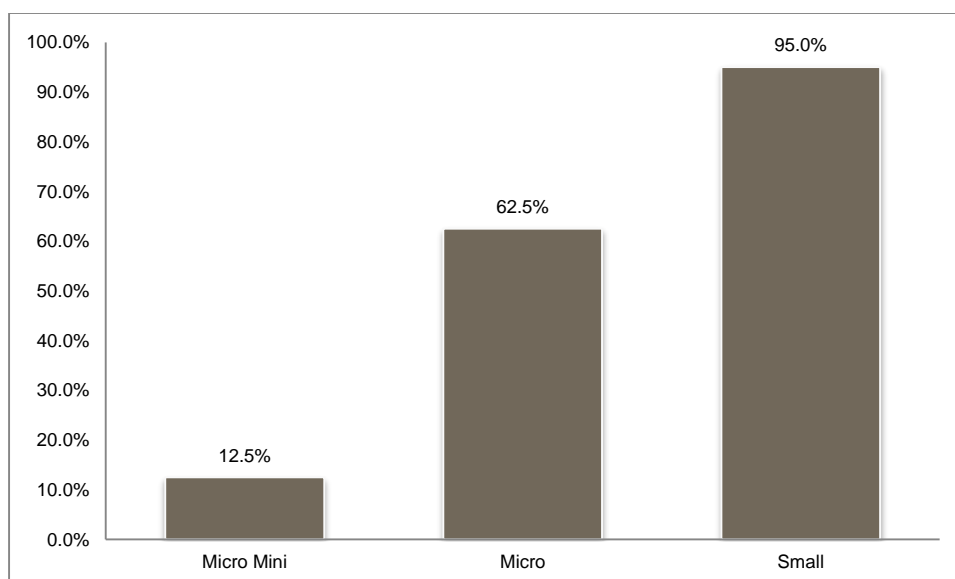


Figure 6.9: Proportion of Registered MSME Businesses by Size of Enterprise

Table 6.8: Registration Status of Enterprises by Size of Enterprise

Size of Enterprise	Is Business Registered			Total
	Yes	No	Not stated	
	%			
Micro Mini	12.5	87.5	0.0	100.0
Micro	62.5	37.5	0.0	100.0
Small	95.0	0.0	5.0	100.0
Total	56.7	41.7	1.7	100.0

The data support the findings of the 2007/2008 Central Bank Study on the MSME sector which noted that the informal sector enterprises are characterised by their small size (in this case their mini micro size) in terms of employment, non-registration of enterprises and non-registration of employees, which was said to be substantial.

Figure 6.10 and Table 6.9 show the registration status of the enterprise based on the length of time that the enterprises were in operation. The older the business, the greater the chance of the enterprise being registered.

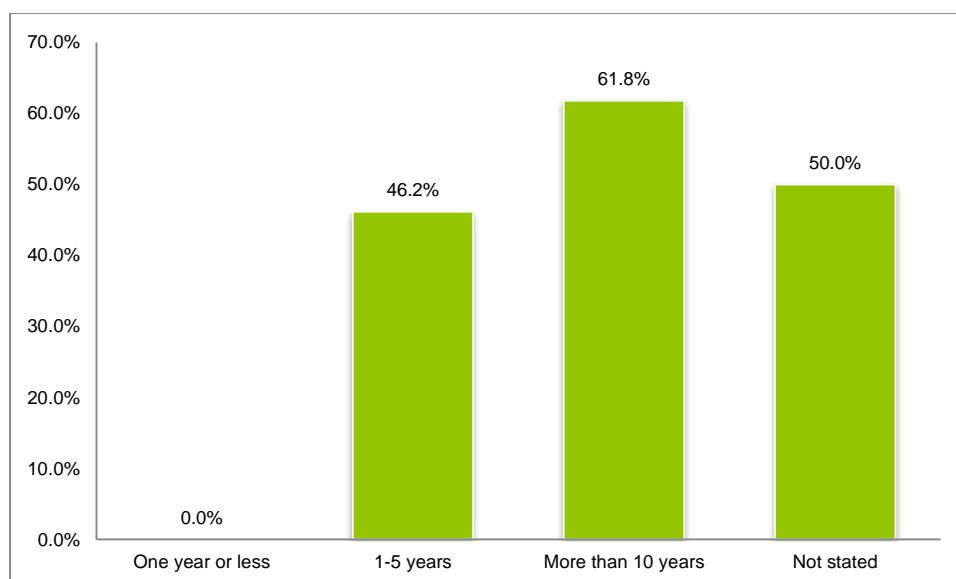


Figure 6.10: Proportion of Registered MSME Businesses by Length of Time in Operation

Table 6.9: Length of Time in Operation by Registration Status of the Enterprise

Length of Time in Operation	Is Business Registered			Total
	Yes	No	Not stated	
	%			
One year or less	0.0	100.0	0.0	100.0
1-5 years	46.2	50.0	3.8	100.0
More than 10 years	61.8	38.2	0.0	100.0
Not stated	50.0	0.0	50.0	100.0
Total	56.7	41.7	1.7	

The survey has revealed the following patterns with regards to legal status of MSMEs in Diego Martin Municipality (Tables 6.10 and 6.11):

- There was dominance of sole proprietary enterprises in the MSME sector with more than three quarter of all businesses in this category (78.3%). However, the proportion of this type of legal entity varied depending on the size of enterprise. More micro mini enterprises were operated as sole proprietors and proportion of businesses in this category decreased as the size of the enterprise increased.
- One fifth of all businesses operated as partnerships or limited liability company. More businesses operated as partnerships and limited liability companies with increased size of enterprise. Thirty percent of small enterprises operate as partnerships and 7.5 percent as limited liability companies.
- There did not appear to be any gender difference with regard to legal status of enterprises.

Table 6.10: Legal Status of MSMEs by Sex of Operator

Sex	Legal Status of Business				Total
	Sole Proprietor	Partnership	Limited Liability Company	Not stated	
	%				
Female	84.3	13.7	0.0	2.0	100.0
Male	73.9	20.3	4.3	1.4	100.0
Both Sexes	78.3	17.5	2.5	1.7	100.0

Table 6.11: Legal Status of MSMEs by Size of Enterprise

Size of Enterprise	Legal Status of Business				Total
	Sole Proprietor	Partnership	Limited Liability Company	Not stated	
	%				
Micro Mini	97.5	0.0	0.0	2.5	100.0
Micro	77.5	22.5	0.0	0.0	100.0
Small	60.0	30.0	7.5	2.5	100.0
Total	78.3	17.5	2.5	1.7	100.0

6.4.4 Primary Business Activities

The 2007/2008 Central Bank study on MSMEs showed that MSMEs were operating mainly in the distribution, construction and finance, insurance and real estate business services sectors, with the largest number of firms in Distribution. In the case of Diego Martin, the survey showed that Non-retail Services (42.5%) were the primary MSME business activity in the municipality, followed by Retail and Distribution (33.3%), and Food and Beverage (16.7%) (Figure 6.11).

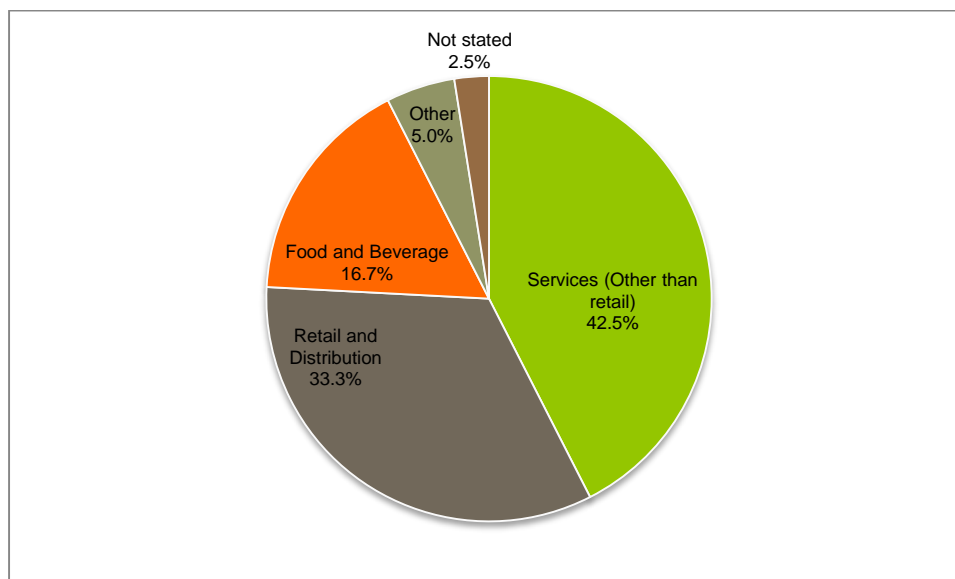


Figure 6.11: Distribution of MSMEs by Primary Business Activity

The Trinidad and Tobago Central Bank 2009 Study on small and medium enterprises (SMEs) highlighted the women business owners usually were usually engaged in business activities that were more compatible with their domestic and reproductive roles. Consequently, they choose businesses that are close to home, which allow them to satisfy the competing demand on their time to do housework and childcare.³² The survey results support this general observation. The findings showed higher proportion of female-owned businesses in the traditional Food and Beverage sector (21.6%) compared to the male-owned businesses (13.3%). The proportion of primary business activity by sex of respondents is presented in Table 6.12.

Table 6.12: Primary Business Activity of MSMEs by Sex of Operators

Primary Business Activity or Sector	Female	Male	Both Sexes
	%		
Services (Other than retail)	45.1	40.6	42.5
Retail and Distribution	27.5	37.7	33.3
Food and Beverage	21.6	13.0	16.7
Primary agriculture	0.0	1.4	.8
ICT	0.0	1.4	.8
Craft	0.0	1.4	.8
Cottage/Light industry	2.0	0.0	.8
Other	2.0	1.4	1.7
Not stated	2.0	2.9	2.5
Total	100.0	100.0	100.0

The three primary activities remained the same regardless of the size of the enterprise (Figure 6.12).

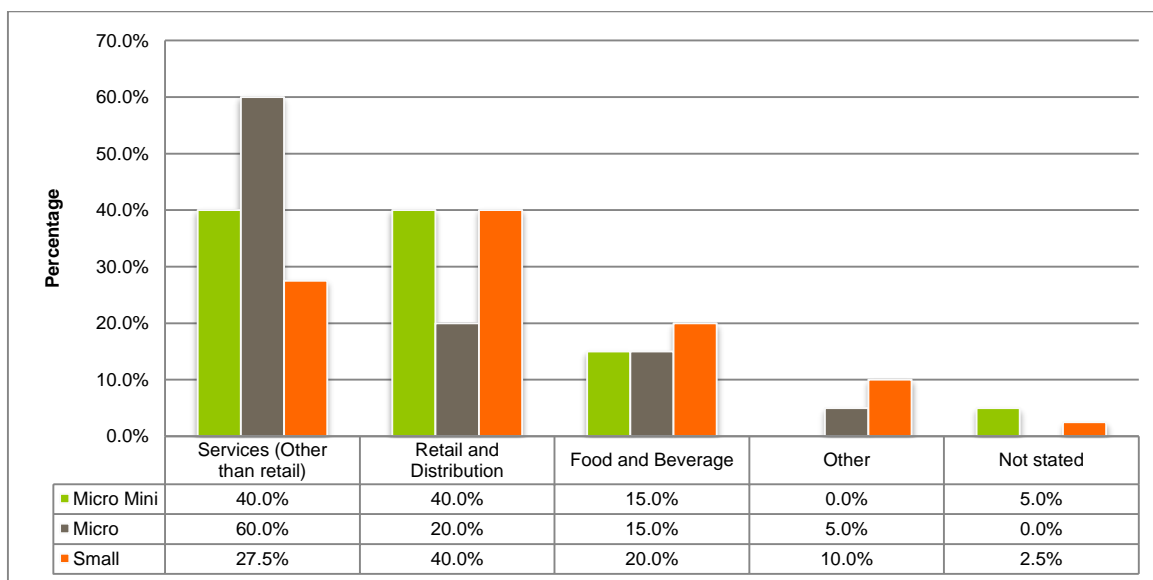


Figure 6.12: Key Business Activities for MSMEs in Diego Martin by Size of Enterprise

³² Central Bank, 2009. *Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities - The Structure, Performance and Networks of SMEs in Trinidad and Tobago*. Prepared by Kairi Consultants Limited on behalf of the Central Bank.

6.4.5 Employment

Table 6.13 shows the average number of persons employed in MSMEs in the municipality based on the size of the enterprise. It was noted that there was no appreciable difference in the number of women employed by MSMEs compared to men. The average number of persons employed increased with the size of the enterprise, with small-sized businesses employing three non-family workers on average. Family labour remained a key source of labour for micro mini and micro enterprises.

Table 6.13: Employment in MSMEs by Size of Enterprise

	Size of Enterprise			
	Micro Mini	Micro	Small	Total
	Mean			
No. Female Family Members Employed	.77	.73	.88	.79
No. Male Family Members Employed	.43	.70	1.48	.91
No. Female Non-family Members Employed	0.00	.80	2.13	1.11
No. Male Non-family Members Employed	0.00	.65	2.80	1.31

For most workers, secondary education was their highest educational attainment. However, the highest educational attainment level of workers increased with the size of the enterprise (Table 6.14). The larger businesses (micro and small enterprises) employed more persons with tertiary level education.

Table 6.14: Educational Level of MSME Employees by Size of Enterprise

Size of Enterprise	Highest Level Education Attained by Employees Generally						Total
	Primary	Post Primary	Secondary	Tertiary (non-university)	Tertiary (university)	Not stated	
	%						
Micro Mini	15.0	2.5	35.0	10.0	0.0	37.5	100.0
Micro	0.0	0.0	77.5	12.5	7.5	2.5	100.0
Small	0.0	0.0	67.5	20.0	10.0	2.5	100.0
Total	5.0	.8	60.0	14.2	5.8	14.2	100.0

6.4.6 Markets and Annual Sales

Some 68.3% of the MSMEs produced goods and services for their local communities (Figure 6.13). Only a small percentage operated at a national scale (6.7%). The micro-mini enterprises almost exclusively produced for their local communities, while the markets for micro and small enterprises were more diverse (Table 6.15). The markets for male-owned businesses are more diverse compared with businesses owned by women (Table 6.16).

Less than five percent of the respondents exported their products and services. However, there was some interest in exporting, particularly among micro and small enterprise operators.

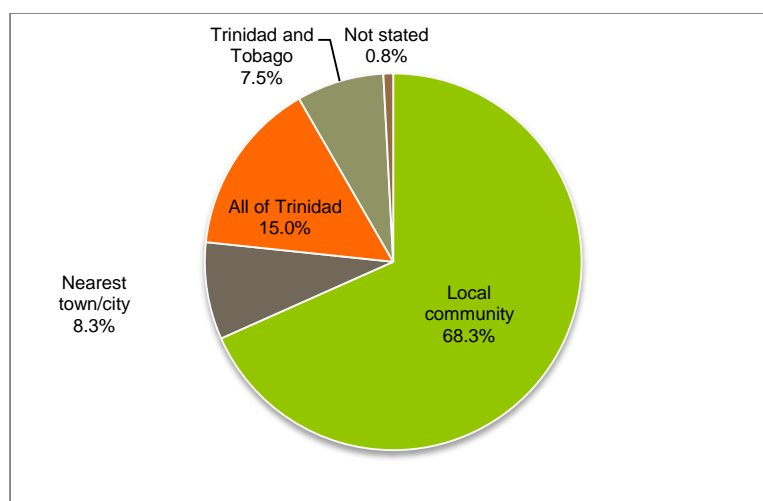


Figure 6.13: Primary Markets for Goods and Services Produced by MSMEs

Table 6.15: Primary Markets for Goods and Services by Sex of Enterprise Operator

Sex	Primary Market					Total
	Local community	Nearest town/city	All of Trinidad	Trinidad and Tobago	Not stated	
	%					
Female	80.4	9.8	5.9	3.9	0.0	100.0
Male	59.4	7.2	21.7	10.1	1.4	100.0
Both Sexes	68.3	8.3	15.0	7.5	.8	100.0

Table 6.16: Primary Markets for Goods and Services by Size of Enterprise

Size of Enterprise	Primary Market					Total
	Local community	Nearest town/city	All of Trinidad	Trinidad and Tobago	Not stated	
	%					
Micro Mini	97.5	0.0	2.5	0.0	0.0	100.0
Micro	80.0	7.5	7.5	5.0	0.0	100.0
Small	27.5	17.5	35.0	17.5	2.5	100.0
Total	68.3	8.3	15.0	7.5	.8	100.0

Some 45.8 percent of the total MSMEs surveyed recorded annual sales of less than TT\$100,000 (Figure 6.14). On average, female-owned businesses made considerably less than their male-owned businesses (Table 6.17). Some 70.6 percent of female operated businesses earned under TT\$100,000 compared with 27.5 percent of male operated businesses earning similar annual amounts. On the other hand, as much as 21.7 percent of male operated businesses earned between TT\$500,001 and TT\$5 million, while only 3.9 percent of female-operated businesses made comparable revenues. It would be important to conduct additional research to determine why women-owned businesses earned far less than male-owned enterprises. Research in the United States has shown that along with the industry, size of business and length of time in business, the entrepreneur's goal for growth of his/her business are important factors to predict business growth. In her Wall Street Journal article Hadary (2010) noted that the differences between women and men entrepreneurs begin with their own reasons for starting a business. She observed that men tend to start businesses to be the "boss," and their aim is for their businesses to grow as big as possible. Women, however, start

businesses to be personally challenged and to integrate work and family, and they want to stay at a size where they personally can oversee all aspects of the business.³³

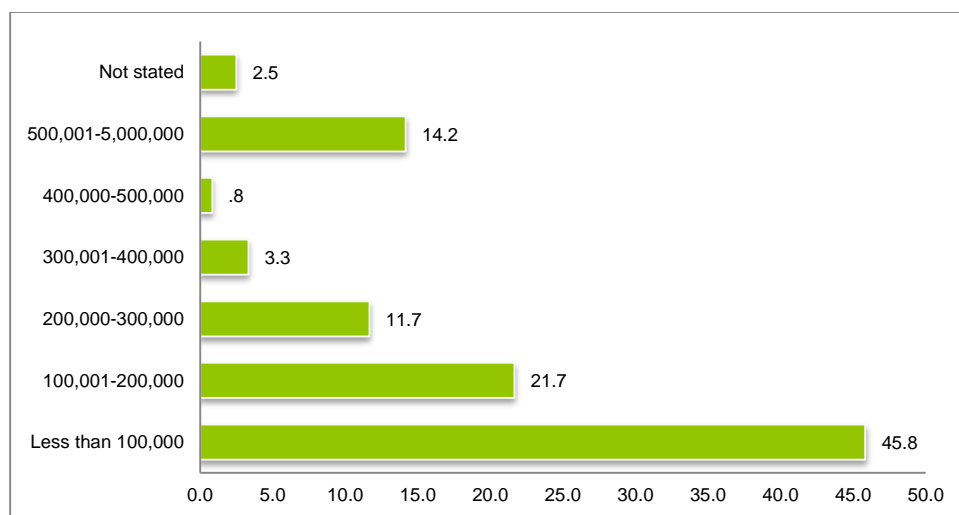


Figure 6.14: Average Annual Sales (in TT\$) for MSMEs in Diego Martin

Table 6.17: Average Annual Sales by Sex of Enterprise Operator

Average Annual Sales of Business	Sex of Operator		
	Female	Male	Both Sexes
	%		
Less than 100,000	70.6	27.5	45.8
100,001-200,000	15.7	26.1	21.7
200,000-300,000	7.8	14.5	11.7
300,001-400,000	0.0	5.8	3.3
400,000-500,000	0.0	1.4	.8
500,001-5,000,000	3.9	21.7	14.2
Not Stated	2.0	2.9	2.5
Total	100.0	100.0	100.0

As expected, revenue increased with increased size of the enterprise. As much as 42.5 percent of the small businesses made between TT\$500,001 and TT\$5 million.

Table 6.18: Average Annual Sales by Size of Enterprise

Average Annual Sales of Business	Size of Enterprise			
	Micro Mini	Micro	Small	Total
	%			
Less than 100,000	97.5	37.5	2.5	45.8
100,001-200,000	2.5	45.0	17.5	21.7
200,000-300,000	0.0	12.5	22.5	11.7
300,001-400,000	0.0	0.0	10.0	3.3
400,000-500,000	0.0	0.0	2.5	.8
500,001-5,000,000	0.0	0.0	42.5	14.2
Not stated	0.0	5.0	2.5	2.5
Total	100.0	100.0	100.0	100.0

³³ Hadary, Sharon, G, 2010. *Why Are Women-Owned Firms Smaller Than Men-Owned Ones?* *The Wall Street Journal*. Website source: <http://www.wsj.com/articles/SB10001424052748704688604575125543191609632>.

6.4.7 Financing and Investment

MSMEs require financing for start-up and expansion. While there are several avenues for entrepreneurs to obtain the finances needed to realise their business objectives, the survey indicated most business enterprises obtained financing from commercial banks (74.2%) or are self-financed or received funding from their families (56.7%) (Figure 6.15). Credit unions were the third main source of funding (13.3%).

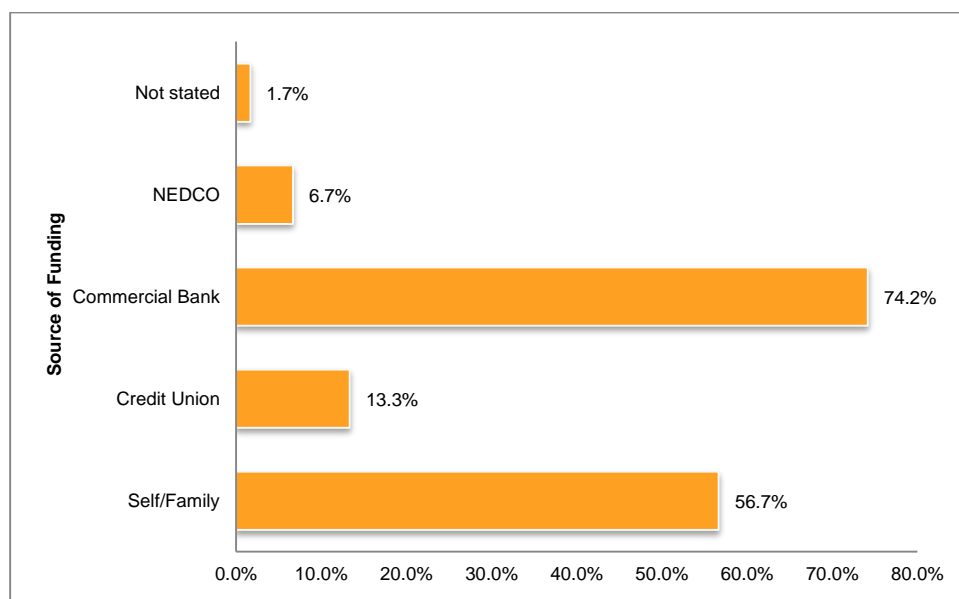


Figure 6.15: Distribution of Financing Received by MSMEs

Both women and women business operators received similar financing from commercial banks. However, more women use their personal finances or the resources of their family as a source of funds Table 6.18.

Interviews with officers from business support agencies have shown that women's business choices tended to be in activities that require less experience and require lower start-up capital. This was supported by the observation that women usually borrow smaller amounts than men do, and while in some businesses the husbands/male partners represented the “public face” of their businesses, it was the women who were the actual “business operators.”

Table 6.19: Key Suppliers of Financing to MSMEs by Sex of Enterprise Operator

Source of Funds	Sex of Operator		
	Female	Male	Both Sexes
	%		
Self/Family	76.5	42.0	56.7
Credit Union	7.8	17.4	13.3
Commercial Bank	70.6	76.8	74.2
NEDCO	3.9	8.7	6.7
Not stated	2.0	1.4	1.7
Total	100.0	100.0	100.0

The micro mini businesses rely more heavily on personal/family funds to invest in their businesses compared with micro and small sized businesses. The financing from commercial banks was increasing important as the size of enterprise increased. Forty five percent of micro mini businesses obtained financing from commercial banks while as much as 97.5 percent of small businesses received financing from this source (Table 6.19).

Table 6.20: Key Suppliers of Financing to MSMEs by Size of Enterprise

Source of Funds	Size of Enterprise			Total
	Micro Mini	Micro	Small	
	%			
Self/Family	87.5	60.0	22.5	56.7
Credit Union	12.5	12.5	15.0	13.3
Commercial Bank	45.0	80.0	97.5	74.2
NEDCO	0.0	5.0	15.0	6.7
Not stated	2.5	0.0	2.5	1.7
Total	100	100	100	100

Figure 6.16 showed the investments in assets made by business operators. Some 78.3 percent of the respondents invested less than TT\$250,000 in their businesses. There tended to be more capital investments made in men-operated businesses (Table 6.20).

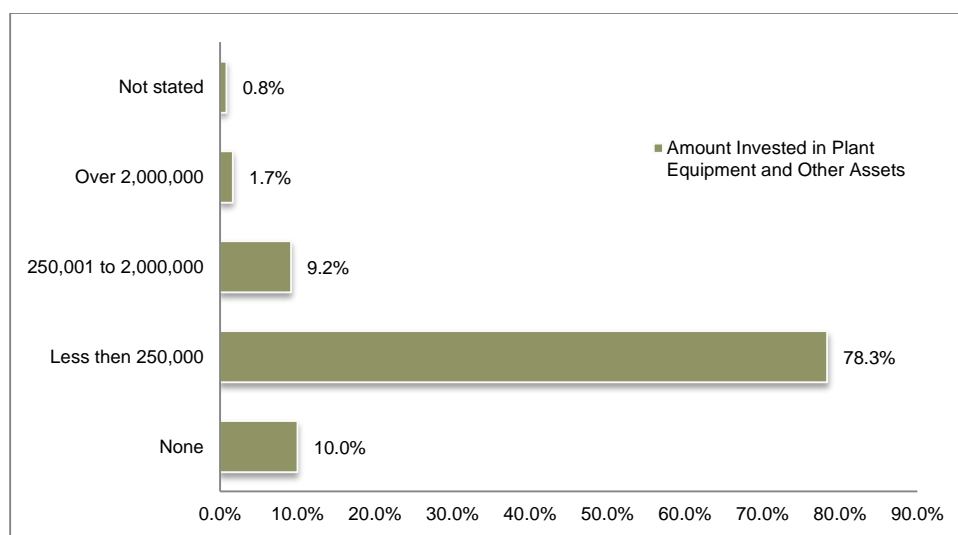


Figure 6.16: Capital Investment in Business Enterprise

Table 6.21: Capital Investment by Sex of Enterprise Operator

Amount Invested in Plant Equipment and Other Assets	Sex of Operator		
	Female	Male	Both Sexes
	%		
None	19.6	2.9	10.0
Less than 250,000	76.5	79.7	78.3
250,001 to 2,000,000	2.0	14.5	9.2
Over 2,000,000	2.0	1.4	1.7
Not stated	0.0	1.4	0.8
Total	100.0	100.0	100.0

The amount invested in the business increased with increased size of business (Table 6.21). Interestingly 25.0 percent of the owners of micro mini enterprises did not make any capital investment in their businesses. On the other hand, 27.5 percent of operators invested between TTS250,001 and 2,000,000

Table 6.22: Capital Investment by Size of Enterprise

Amount Invested in Plant Equipment and Other Assets	Size of Enterprise			
	Micro Mini	Micro	Small	Total
	%			
None	25.0	5.0	0.0	10.0
Less than 250,000	75.0	92.5	67.5	78.3
250,001 to 2,000,000	0.0	0.0	27.5	9.2
Over 2,000,000	0.0	0.0	5.0	1.7
Not stated	0.0	2.5	0.0	.8
Total	100.0	100.0	100.0	100.0

6.4.8 Use of Internet

World Bank statistics showed an internet user³⁴ rate of 65.1 percent for Trinidad and Tobago in 2014 (Table 6.22). The survey revealed that 35.8 percent of MSMEs in Diego Martin access and use the internet. This figure is very low and reflects the need for increased training about the importance and use of the internet in business. There was no appreciable difference in use of the internet between female and male operators. However, increased use was noted with increased size of business (Figure 6.17).

Business owners tended to use the internet to send and receive emails; to access market information and product information, to a lesser extent for the purchasing of stocks.

Table 6.23: Internet Users (per 100 people) in Trinidad and Tobago, 2010-2014

	Internet Users (per 100 people)				
	2010	2011	2012	2013	2014
Trinidad and Tobago	48.5	55.2	59.5	63.8	65.1

Source: World Bank IBRD-IDA: <http://data.worldbank.org/indicator/IT.NET.USER.P2>

³⁴ Internet users are people with access to the worldwide network

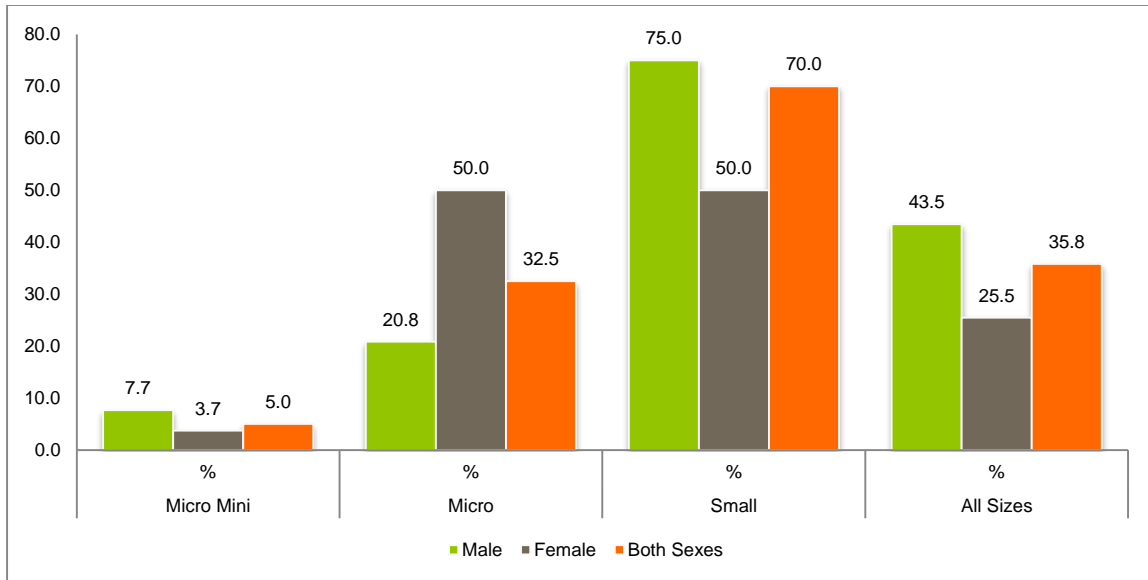


Figure 6.17: Routine Use of the Internet by Sex of Enterprise Operator and Size of Enterprise

6.4.9 Technical Support

Technical assistance and training to MSMEs were obtained from a number of sources. However, the three top sources for MSMEs in Diego Martin were from technical and vocational institutes (23.3%), Other Government Sources (11.7%) and the University (7.5%). The data showed that 45.8 percent of all responses indicated that the operators did not receive any technical assistance or training (Figure 6.18). More women business operators (58.8%) did not receive technical assistance and support compared with men business operators (36.2%). More business operators received technical support and training as the size of enterprise increased. As much as 77.5 percent of the businessmen and women who operated micro mini business did not receive technical support and training (Table 6.23).

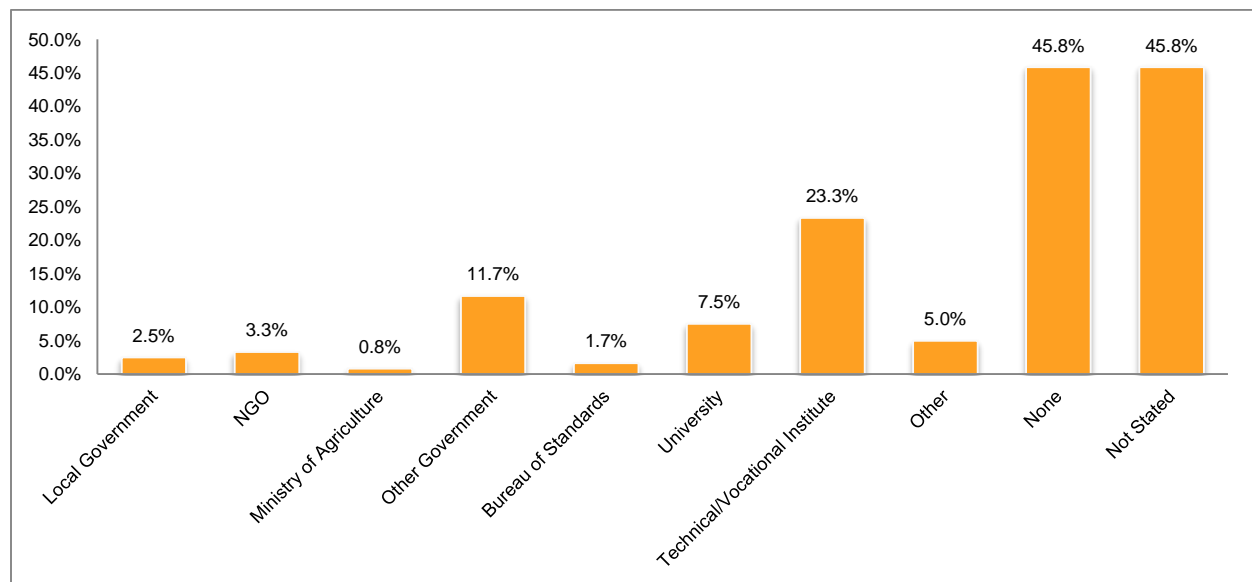


Figure 6.18: Key Sources of Technical Support for MSMEs

Table 6.24: Key Sources of Technical Support by Size of Enterprise

Sources of Technical Assistance and Training	Size of Enterprise			Total
	Micro Mini	Micro	Small	
	%			
Local Government	0.0	2.5	5.0	2.5
NGO	2.5	2.5	5.0	3.3
Ministry of Agriculture	0.0	2.5	0.0	.8
Other Government	10.0	10.0	15.0	11.7
Bureau of Standards	0.0	5.0	0.0	1.7
University	0.0	7.5	15.0	7.5
Technical/Vocational Institute	10.0	15.0	45.0	23.3
Other	0.0	10.0	5.0	5.0
None	77.5	47.5	12.5	45.8
Not Stated	75.0	50.0	12.5	45.8
Total	100.0	100.0	100.0	100.0

Table 6.25: Key Sources of Technical Support by Sex of Enterprise Operator

Technical Assistance/ Training	Sex		
	Female	Male	Both Sexes
	%		
University	1.3	2.2	1.7
Technical/Vocational Institute	16.0	17.8	16.7
None	44.0	33.3	40.0
Not Stated	84.0	82.2	83.3
Total	100.0	100.0	100.0

Technical assistance and training to MSMEs cover a number of areas (Figure 6.16). The five top areas that MSMEs had received support were Business Plan Preparation (20.8%); Skills Training (18.3%), Management Training (15.0%); Market Access (10.8%) and Bookkeeping (8.3%). Other technical support and training received included Market Information, Quality Management, Product Development, ICT Training and Mentoring.

Mentoring is known to play a significant role in the success of start-ups and scaling-up existing enterprises. However, less than one percent of business operators indicated that they received such support.

6.4.10 Key Issues Faced by MSMEs

When MSME respondents were asked to rate the issues they faced (Figure 6.16), the following were noted:

- Crime, Energy Cost, Business Support Services, Access to credit and Raw Materials were the most challenging issues faced MSMEs in Diego Martin. For micro mini business owners (46.2%) access to credit is a greater issue compared with those who own micro and small businesses (33.3% and 15.6%, respectively); Bureaucracy was a bigger challenge for small-sized businesses; and
- Bureaucracy and Family Support were the least challenging issues. However, in Diego Martin there is reduced dependence on family for labour.

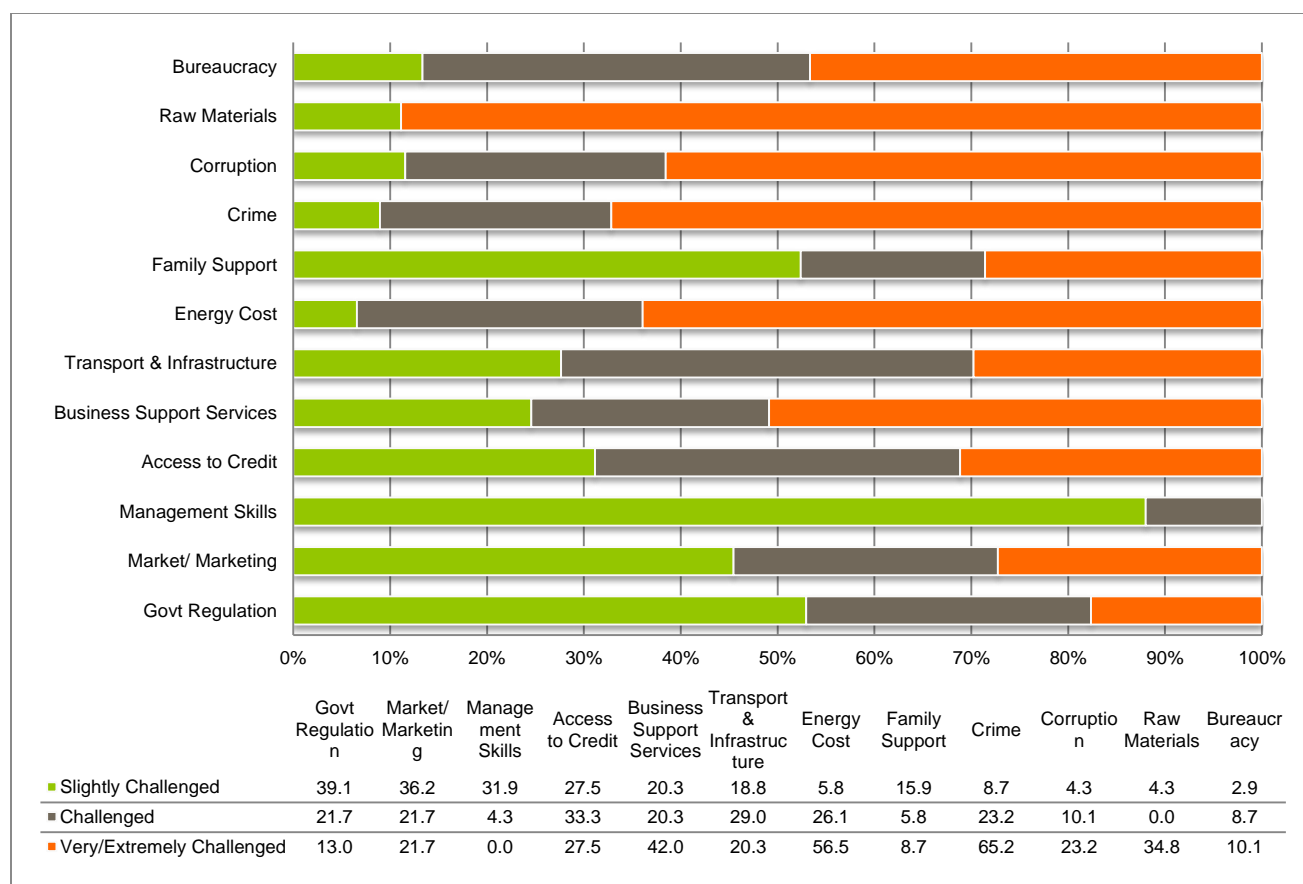


Figure 6.17: Issues Rating of Key Issues to MSME Development in Diego Martin

Respondents listed the Environment, Licences and Taxes as the three most critical regulations and procedures that impede business development.

6.6 Challenges and Opportunities Facing MSMEs

Time did not allow for the mobilisation of representatives of MSMEs in the area for a focus group discussion as was done in other municipalities. However, there is little to suggest that the general findings in other municipalities did not extend to the Diego Martin Municipality. There was a general consensus from elsewhere that:

- Access to finance is one of the most significant challenges facing MSMEs;
- Complex procedures and restrictive collateral requirements elevated transactions costs in accessing finance;
- MSMEs relied on the personal savings of owners, and advances from family members and friends to establish businesses;
- Notwithstanding FairShare, Government policies favoured large firms as opposed to MSMEs;
- There was need for greater collaboration among public agencies, and NEDCO could be better resourced given that it was involved in the provision of both finance and technical assistance;
- A Municipal Corporation should develop working relationships with the likes of YTEPP Ltd, UWI, UTT, Lok Jack Graduate School of Business and with local groups (the Chamber of

Commerce, Churches, community organisations, etc.) in developing programmes aimed specially at fostering local entrepreneurial development;

- Access to reliable labour is a challenge;
- The educational system did not encourage creativity and entrepreneurship and there was a high dropout rate for many of the vocational programmes;
- Entrepreneurship education needed to include personal development and new entrepreneurs needed to have support and extension services in the early stages of development of a business, including preparation of business plans and access to information on markets; and
- The national infrastructure was generally good enough for the establishment and growth of business.

Chapter 7

Local Governance in Diego Martin

7.1 The Prevailing Local Government System

Local government is single-tiered system in both Trinidad and Tobago, with Trinidad divided into 14 municipalities governed city/borough or regional corporations. The Municipal Corporations Act and the Tobago House of Assembly (THA) Act comprise the principal legislation governing the country's local government system. Unlike the THA, the Municipal Corporations in Trinidad is not enshrined in the Constitution in Trinidad and Tobago. However, the Municipal Corporations Act No. 21 of 1990 provided for the establishment and operation of the Municipal Corporations. Over the years, the Act has been amended several times, the last amendment being in 2013. This Act, which granted corporate municipal status to all Local Government bodies in Trinidad, and as amended in 1992 (the Municipal Corporations (Amendment) Act No. 8 of 1992), provided for the two City Corporations, three Borough Corporations and nine Municipal Corporations. Each Municipal Corporation is accountable to the Ministry of Local Government which provides oversight and policy directives.

Under Section 269 of the Municipal Corporations Act 1990, the Minister of Local Government can give general or specific directions to Municipal Councils in relation to government policy on any matter. The Minister can also promote effective and equitable partnership between Central and Local Government in the development of socioeconomic growth, balanced sustainable development and social welfare; and acts as adjudicator in cases of disputes between Municipal Corporations.

Like the other 13 Municipal Councils in Trinidad, the Act gives powers to the Diego Martin Municipal Council, which acts through the Chief Executive Officer (CEO), Senior Officers and Staff of the Regional Corporation. The Municipal Council, which comprises 10 councillors and four aldermen, is responsible for a range of key functions within its municipal jurisdiction, from the development and maintenance of selected roads, bridges, footways, drains, public buildings and structures, the maintenance of markets, slaughterhouses, pastures, commons, recreation grounds or public cemeteries and recreational grounds; the distribution of truck-borne water; solid waste collection; public health, to municipal policing.

The Ministry's key functions as it relates to the Corporations include the oversight of finances from Central Government; monitoring and evaluation, adjudication; technical services in regards to engineering and project management; drafting legislation that impacts on local government; and developing policy directives. Each year, the Corporation prepares and submits capital expenditure estimates and an income and expenditure budget to the Ministry of Local Government and the Ministry of Finance for approval.

7.2 Local Government Reform

The Government of the Republic Trinidad and Tobago (GORTT) has promoted in recent years, the idea of devolution through the development of growth poles and the alignment between national priorities and regional priorities within the 14 local government jurisdictions and the House of Assembly in Tobago, as well as with the 585 communities identified throughout Trinidad and Tobago. In its Medium Term Framework, the Government pledged to transform “Local Government Services through the devolution of authority from Ministries to ensure increased efficiency.”³⁵

The mission of the 2009 Local Government Reform programme was to facilitate the transformation and modernisation of local communities by empowering citizens to participate in the decision making process. To achieve the mission, six key focal areas were identified: Municipal Management, Economic Development, Social Services, and Environmental Management and Resilient Communities.

The reformation process called for a number of measures to be implemented including:

- 1) A new Local Government Legislation that would introduce an Executive Council System and mechanisms for greater citizen engagement and participation in the decision making process;
- 2) The rationalisation of Local Government and Central Administrative boundaries through the reduction of the number of Local Government Bodies, physical alterations to exiting boundaries and the creation of Central Administrative Districts;
- 3) Corporate restructuring of the ministry of local government and municipal corporations; Human resource development and institutional restructuring;
- 4) Introduction of local area regional planning and development;
- 5) Improvements in the information communication technology and communications; improved waste resource management, and disaster preparedness and management;
- 6) Strengthening of municipal/community policing system; and
- 7) Development and establishment of standards and monitoring and evaluation mechanisms.

The draft White Paper on Local Government Transformation and Modernisation, prepared in 2013, identified a number of critical issues and recommendations, similar to the earlier 2009 white paper, to transform and modernise the Local Government system. The new Local Government system to be established must exhibit the core features:

- It must be people focussed aimed at addressing the needs and aspirations of communities and ensuring their involvement in policy development, decision making and operations of their Municipal Corporation.
- Good Governance systems and structures must be established that would promote accountability, transparency, responsiveness, equity and value for money expended.
- Increased use of Information Communication Technology that would allow residents to access information and services online.

³⁵ Ministry of Planning and the Economy, 2011, *Medium-Term Policy Framework 2011-2014*, Government of Trinidad and Tobago, pg. 19.

- Participatory planning and development must be institutionalised in order to pursue development in accordance with the views, aspirations and support of communities.
- Emphasis to be placed on municipal policing security and the development of community capacity for peace, social cohesion and civil existence.
- Modern organisational and structures, systems, mechanisms and business processes to be instituted to improve managerial efficiency and effectiveness.³⁶

In moving forward toward this new local government system, a number of strengths in the current system have been identified that can be built upon to create better system that improves delivery, accessibility and sustainability of public goods and services to burgesses. However, several weaknesses must be addressed to achieve this new local government system (Box 7.1).

Box 7.1: Strengths and Weaknesses in the Current Local Government System

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> □ Local infrastructure and services have been developed over the years and communities have been involved in a number of projects; □ Communities have a contact or point person (Councillors and Chairmen) to whom they can voice their concerns; □ It brings government closer to the people; □ Some burdens and responsibilities have been lifted from Central Government, the responsibility for managing affairs and development have been placed at the local level; □ Citizens have gained greater access to public goods and services; and □ Some level of employment relief has been created at the community level. 	<ul style="list-style-type: none"> □ The legislative framework is inflexible and not adaptable to change; □ Strict bureaucratic structure; no political and administrative authority given to local authorities; □ duplication of services; □ Lack of funding for State mandates and regulations; □ Inadequate human resource, accounting, auditing, fleet, asset, project and performance management systems; □ Non-existent quality control measures; □ Lack of cohesion, planning and economic development at the local level; □ Conflicting goals between national and local needs for budgeting; □ Lack of Information Communication Technology platform which hinders effective instantaneous communication; □ Community participation and involvement are limited; □ No sustainability in the delivery and access to public goods and services at the local level; □ Officials tend to be part-time and turn over quickly, usually due to a lack of incentives to remain; □ Inadequate training; □ Lack of vision and strategic thinking by councils; □ Lack of passion by Councillors in fulfilling their mandates; □ Very slow rates of implementation; □ Non-existence of LED programmes to facilitate self-sufficiency; □ Constant conflict and lack of trust between Council and Administrative Staff; and □ Inertia in dealing with customer complaints.

Source: Ministry of Local Government, 2013. Draft White Paper on Local Government Transformation and Modernisation

7.3 Local Economic Development and Local Government

Local Economic Development is one of the most recent efforts to enhance the developmental role of Local Governments. It is a critical avenue for empowering local authorities to implement projects aimed at poverty reduction and increasing individual and household incomes. It provides opportunities for local governments, the private sector, civil society and communities to establish partnerships to

³⁶ Ministry of Local Government, 2013. Draft White Paper on Local Government Transformation and Modernisation; 89pp.

mobilise and manage locally and externally accessible resources to stimulate the municipal economy. LED recognises the competitive advantage of a given area and in this case, Sangre Grande.

The 2013 White Paper promotes the LED as a means to facilitate and stimulate economic development at the community, sub-regional and municipal levels geared at employment generation, self-employment and MSME creation and the coordination of sectoral development. The recommendation is for the establishment of Local Economic Development Units (LEDU) within each Municipal Corporation, led by an Economist. A Municipal Stakeholder Advisory Council (SAC) is proposed also to guide the work of the Unit. The Municipal Corporation is expected to prepare and implement a three-year Strategic Plan and Action Plan aimed stimulating LED in the municipality. The Paper also proposes the establishment of a LED fund to facilitate public private partnership (PPP) ventures.

Local economic development in Diego Martin is closely linked to the proposals and strategies made in its Municipal Development Plan (MDP). This plan, prepared in 2010 represents the expressed views of burgesses. An investment plan was prepared in 2011/2012 as a means of implementation of its MDP. Municipal Councils were expected to choose one or two projects from the MDP and an investment plan prepared. This investment plan was expected to be revised and updated annually and financing sought for proposed development projects through the annual budget and other means.

The Municipal Council identified two main projects for financing under the Municipal Investment Programme. The first, the Water Management and Flood Erosion Control Systems Project was aimed at tackling the serious drainage, flooding and land slippage problems faced annually in the Municipality. The Project consisted of the two major components, namely:

- Community-based Storm Water Management Education Programme – geared at educating residents on methods to improve drainage around their homes.
- Quarry Street Retention Pond and Silt Trap Demonstration Project – which involved the design and development of a water retention pond or silt trap at Quarry Street.

The second project was the *Local Economic Development- Blue Basin Waterwheel Development Market Place Project*, which involved the development of a commercial node around the fledging market in the Blue Basin/Waterwheel area. It was envisaged that the market would build on the existing farmers' market in the area and would allow for entrepreneurs to market dry goods, craft items and indigenous products.

These projects have not been completed. In addition, there has not been a review or updating of the MDP and the investment plan thus far since their initial development.

7.4 Caribbean Local Economic Development Programme

CARILED has been inspired by the experience of the Federation of Canadian Municipalities. The Federation is the “national voice” representing the vast majority of the municipal population of Canada. The membership includes Canada’s largest cities, small urban and rural communities and 19 municipal associations and has been functioning since 1901.³⁷ The Federation is thus steeped in the philosophy of federalism and in the advocacy of deep involvement of people in the planning and premised on a participatory process involving communities, civil society organisations and the private sector in partnership with local governance authorities or local government.

CARILED Initiatives in the Caribbean have involved:

1. Helping communities establish and manage committees of government, private-sector and community representatives to lead local economic development.
2. Increasing the capacity of local governments (and decentralised agencies of central governments) to facilitate private-sector growth in a sustainable and equitable manner.
3. Strengthening the ability of local government officials to engage civil society in local economic development planning and implementation.
4. Collaborating with business support organisations and educational institutions to provide training to micro, small- and medium-sized enterprises.
5. Funding pilot LED projects with the potential to show how local governments, the private sector and communities can work together to create jobs, increase micro-, small- and medium-sized enterprise revenues, and bring economic and social benefits to communities
6. Working with national governments, local government associations and regional organisations to replicate good practices and successful LED models, and institute policy reforms to support LED.

The partnerships provide for the harnessing of local resources, encouragement of investment and the stimulation of local commercial activities including the involvement of micro, small and medium-sized enterprises. The experience is that local commercial activities contribute to job creation, business development and improved quality of life for citizens.³⁸

Adoption of CARILED represents signalling of decentralisation and further devolution in economic planning and more particularly in implementation in the Trinidad and Tobago context, will require further changes in the existing legislation in the Act establishing the Municipal Council and Regional Authorities.

³⁷ <http://www.fcm.ca/home.htm>

³⁸ <http://cariled.org/about-led/definitions/>

Chapter 8

Recommendations for Local Economic Development

8.1 Strategic Sectors

Focused investment around the Spatial Plan for the Municipality of Diego Martin and the Medium Term Framework of the country can provide opportunities for economic development of the area, beyond what has been achieved to date. A high percentage of the labour force of the area is engaged in work outside of the municipality, which is, to a major extent, the dormitory for much of the working-age population employed in pursuits outside of the area.

The Medium Term Framework and comparable policy approaches of the political administrations over the years, support the goal of economic diversification and the principle of social equity across the various groups that comprise the society. More recently, participatory modes with devolution and decentralisation of decision-making have been enunciated by the national government, with commitments to an expanded role for the Councils of Municipal Corporations in respect of the development of economy of their respective municipalities.

There are possibilities to be realised through initiative of the Council of the Municipal Corporation working closely with the key agencies of the National Government like the Tourism Development Company, with specialised institutions like the Institute of Marine Affairs, and CARIRI, researchers in the Tertiary Education system locally and with the NGOs and CBOs and the Private Sector in the Municipality, all with the objective of expanding the production frontier of the municipality. Some of the other important agencies might include:

- Ministry of Labour, Small and Micro Enterprise Development – NEDCO, ETIIC, IBIS, Fair Share, and EIF programmes;
- Ministry of Trade, Investment and Industry – ExportTT, RDF;
- Ministry of the People and Social Development – MEL;
- Ministry of Community Development – CDF;
- Ministry of the Environment and Water Resources – Green Fund;
- Ministry of Planning and Sustainable Development – Innovation Fund;
- Arthur Lok Jack Graduate School of Business;
- CARIRI;
- UTT, MIC, MuST; and
- YTEPP

A critical component in the development of business and enterprise in the Municipality will involve the training and extension services that are needed by new entrepreneurs and especially by those who come from a non-business culture, and may have major educational deficiencies. It is critical that the Municipal Corporation adopt a developmental role as part of its remit. Some of the specific activities about which there is convergence between the National Medium Term Framework and the Spatial Plan for the Municipality are identified in what follows.

8.1.1 Professional Services

The municipality is well placed to attract firms engaged in the supply of professional services which are based in Port-of-Spain, to locate in the municipality. The Council might consider as well provision of support for establishment of small firms of young professional groups in the area. The Municipality is blessed with some of the best trained and educated personnel in the country having residence in the area. The Spatial Plan might be adapted to recognise this reality by identifying areas within the Municipality where office complexes might be established, notwithstanding the fact that providers of professional services will in future operate together in a virtual world, and may not require much by way of bricks and mortar. However, the Municipality might encourage such businesses to have a registered office within the area identifiable with a physical space.

8.1.2 Agriculture and Food

The municipality was once a major source of agricultural output. However, the allocation of Chaguaramas for the development of a military base, resulted in the expansion of settlement in Carenage, and then with the rapid urbanisation and commercial development of Port-of-Spain following political independence, Diego Martin became the target for expansion of housing for the over-spill of the growing metropolis. There was rapid alienation of land from agriculture to housing development, including elite housing. The result is that the remaining agriculture is confined to River Estate and to Paramin, which a century ago, was under cocoa but now specialises in herbs and seasonings, in addition to other agriculture,

There is potential in the municipality for expansion in these communities of niche agriculture – seasonings, herbs, speciality cocoa, for the domestic market and even external markets. There is also the possibility for a smaller scale processing industry involving special chocolate and coffee products and other niche supplies like honey and supplies from floriculture that reflect the unique micro-climate of the municipality.

There will be need for targeted support for small farmers by way of technical and extension services in seed selection, planting material, post-harvest technology, and marketing. The establishment of small scale and medium scale agro-processing operations in the municipality will be the natural link in the development of a value chain to up-market consumers in Trinidad and in respect of some products, consumers in the rest of the world. The Municipal Corporation will need to enlist the services of CARIRI to ensure that the processing of niche agricultural supplies in small-scale operations observe the appropriate standards, thereby guaranteeing widening of markets.

8.1.3 Eco/Tourism

There are a number of opportunities that will arise from the promotion of the tourism sector in the municipality as part of the diversification thrust on which the country is embarked. Besides being host to places of interest, which figure prominently in the eco-tourism amenities of the country – Waterwheel Heritage Site, North Post and Chaguaramas which is being developed as a recreation peninsula – the Municipality borders with the San Juan Laventille Municipality where are located two of the better beaches in Trinidad, namely Maracas Bay and Las Cuevas Bay.

In Chaguramas, there is access to the Five Islands by boat and to the beaches on those islands, and sport fishing as well as on land – golf, hiking, and riding. The harbour hosts a marina which can accommodate yachting enthusiasts as guests of the country. A visitor in accommodation in the municipality will have relatively easy access to different visitor experiences and substantial choice from what is on offer within the Diego Martin Municipality and the neighbouring municipalities.

There are incentives that have been provided by the Government for the establishment of both small and medium to large guest facilities – from guesthouses and hotels of less than 50 rooms to larger operations of over 50 rooms. The Council can avail itself of the opportunity of supporting a presence in this growth industry being promoted by the national Government. With appropriate complementary investment, it can stimulate the industry within the municipality with all the attendant offshoots to the industry with a number of income earning opportunities that will arise. In addition to accommodation, there are prospects for restaurants, tour guiding, and entertainment.

8.1.4 Cultural Expression

The municipality has an interesting history that is reflected in the various cultural influences of the people who were brought or settled in this part of Trinidad. In the locality of Paramin, the impact of French settlers and Venezuela peones is evident in the Creche and Parang celebrated at the time of Christmas. The wider municipality contributes to and participates in the mainstream festival and religious culture. Besides the Parang, there are calypso, steelband, soca and chutney in terms of music, Hosein, Phagwa, Divali and the Christian religious observances.

8.1.5 Commerce and Distribution

Commerce and distribution will expand with any heightening of economic activity in the communities of the municipality. These are sectors which, because of relative ease of entry, attract considerable numbers of micro entrepreneurs: e.g., green vegetable marketing. The Corporation will need to exercise care in the promotion of entry of micro and small businesses especially along the Diego Martin Main Road. The allocation of licences to operate can be the mechanism to prevent oversupply in the respective communities of the municipality.

Support for the development and expansion of commercial and distributional activities will require interventions on the part of agencies involved in the provision of credit and training in entrepreneurship, micro and small business development, but will need to be tempered with constant review of levels of involvement to protect the municipality and some of the potential entrepreneurs from losses because of oversupply in sectors that might appear to be easy in terms of market entry.

8.1.6 Energy Related

The Energy Sector is highly capital-intensive and is not a generator of much employment. However, given the importance of the sector to the economy of Trinidad and Tobago, and given that the few jobs created by the sector are high end, no group of citizens should be excluded from training for involvement in the sector, even if this might mean some degree of physical relocation to some other part of the country. Training and participation in the sector might eventually lead to the establishment of MSMEs that might engage in contracting and smaller scale operations whose services are accessed by energy companies from time to time.

There is the other side of the energy equation represented in the alternative energy industry – solar and wind are being encouraged. Servicing and maintenance will follow naturally from any development of infrastructure in this burgeoning subsector: residents of the municipality will need to be trained and resourced such that the services of MSMEs that may be complementary to the alternative sector, can be supplied by residents of the Municipality who may seek to engage in the supporting businesses.

8.2 Proposed Projects and Implementation Plan

Local government reform will require Municipal Corporations to play a greater and more proactive role in securing better economic and social outcomes within the municipalities. Leading and supporting LED in the municipalities provides a strategic opportunity for Local Governments to influence socioeconomic development within its jurisdiction. Preparation of the Diego Martin LAEP is a first step in directing investment for the business and community development in the Municipality. Further work is now needed to build support structures that would foster LED that would lead to entrepreneurship and job creation. As part of new thrust, the Diego Martin Regional Corporation and its partners would also need to identify and implement sectoral projects that would result in sustainable local economic growth and support the expansion of Diego Martin's MSME sector.

8.2.1 Establishing Economic and Business Support Structures in the Diego Martin Regional Corporation

The following programmes are recommended to provide the support mechanisms within the Corporation to promote sustainable LED:

1. **Establishing a Diego Martin Local Economic Development Group** – This Group, which should operate under the auspices of the Diego Martin Regional Corporation, is geared at providing a municipal platform to facilitate and support targeted local economic activities. The following key functions of the Group should be as follows:
 - a. To listen and interact with local and external stakeholders;
 - b. To identify and tackle the challenges to local business and economic development;
 - c. To recommend new initiatives and investments (to be implemented by the Municipal Corporation, Central Government Agencies and others) that would improve the local business environment, foster innovation and strengthen the municipal economy;
 - d. To monitor the progress of existing LED programmes and to provide on their implementation; and

- e. To provide guidance on the use of Corporation's resources to achieve the objectives of Municipal LED.

The Group should meet regularly (monthly or at least quarterly) and should comprise of:

- Councillors/Aldermen;
- Representatives of the private sector (inclusive of a MSME representative) and the NGO and community sector;
- Knowledge and research institutions; and
- Public MSME support providers, such as NEDCO, the Cooperative Division, etc.

2. **Strengthening the capacity of the Diego Martin Regional Corporation to facilitate local business and economic development** - The goal here is to build technical capacity within the Corporation that would allow the Corporation to effectively lead the drive in achieving sustainable LED in the Municipality.

This calls for the establishment of the LED Unit (LEDU) which would be lead by a LEDO and assisted by two Assistant LEDOs. These officers should be seen as the nucleus of industrial, commercial and business development within the municipality. The LEDO should be charged with the following responsibilities:

- To facilitate LED planning in order to identify and establish business and development economic opportunities;
- To collaborate with stakeholders inside and outside of the City of Port-of-Spain in engaging in scenario planning and identifying possibilities for local resource use and mobilisation that might otherwise remain untapped. The LEDO should be instrumental in organising and recording discussions between the Municipal Council and MSME and institutional stakeholders within their jurisdiction.
- Work with local businesses, organisations, schools, and communities in supporting and promoting LED and individual, school and community-led entrepreneurship;
- Identify opportunities that will allow the Corporation and its stakeholders to develop the local MSME sector, programmes and projects;
- Identify and secure funding for MSME and LED initiatives;
- Assist local organisations, communities, businesses and individuals to develop project proposals and business plans for financing; and
- Assist with communities and businesses to establish business groups and other support networks, including working closely with stakeholders in the informal economy in and around main commercial districts.

3. **Preparing a comprehensive local economic development strategy and action plan** – One of the efforts in supporting municipal LED, is the formulation of an LED strategy and action plan for the municipality. The preparation of this strategy should be the responsibility of the LEDO. This strategy and action plan should be tailored to the needs of the Municipality and provide a comprehensive agenda for LED including the identification of potential areas where the Corporation and its partners can focus investment, additional actions to create enabling mechanisms which support the work of local organisations, businesses, communities and individuals within Diego Martin. The strategy should also identify and contain concrete

proposals for creating and expanding economic and business opportunity in Diego Martin's key strategic sectors identified earlier in this chapter.

The strategy should also provide the necessary baseline information to be used for monitoring and evaluation and strategic LED decision-making.

4. **Developing a database of municipal entrepreneurs (of all sizes)** – This should be developed based on the sector within which these business establishments operate. This will serve well not only in terms of the conduct of research activities but will also be required for collaborative and promotional partnership activities. The Corporation should actively encourage informal MSME business owners to register with the Corporation to ensure that all can access benefits from future business programming. The LEDO should be charged with the responsibility for developing and regularly updating of the databases, and maintaining contact with the local MSM businesses.
5. **Establishing Strategic Partnerships with the San Juan/Laventille Regional Corporation and Port-of-Spain City Corporation** – The 2010 Municipal development planning process led to the Diego Martin Municipality being strategically linked to the Municipality of San Juan/Laventille and the City of Port-of-Spain. In addition, the three municipalities share a number of common biophysical and socioeconomic characteristics and conditions. Therefore, it would be worthwhile for these Local Governments to explore economic partnership that could lead to increased access to new resources and more efficient use of resources.
6. **Establishing a Municipal Business Support Programme for MSMEs** – The success of this programme depends heavily on the commitment and cooperation between the Corporation and the national business support service providers. The approach here is not to duplicate the work of the MSME support agencies, but rather to bridge the current gap in services identified during the study. The goal is to provide a one-stop-shop platform within the Corporation.

The model for service provisioning should facilitate clients having easy access to the various services provided by agencies.³⁹ The Corporation should work closely with providers to create a system where clients can easily access information on the full range of business support services available and are connected seamlessly to the services they need. Moreover, the Programme should also provide support to the sectoral projects implemented by the Corporation.

Therefore, the Corporation should approach and work with service providers to seek their assistance in establishing this one-stop-shop mechanism. For example, the platform can be:

- The main source for accessing information on business support services offered by the various providers. In addition, several Municipal Corporations should collaborate in developing an app that would provide information and facilitate clients' more ready access to services.

³⁹ Finance and markets, entrepreneurial skill development, training (soft and technical skills), and mentoring and coaching, etc.

- Locate suitable space for the conduct of specific business training programmes as identified in the LAEP study that would facilitate the increase use of ICT and the Internet in business and to foster personal development of entrepreneurs. The objective here should be to address the entrepreneurial characteristics and functional competencies of participants through effective training programmes.
- Provide access to business advisory and mentoring services through the establishment of municipal business support networks, business associations and business support cooperatives. A lack of business mentorship and business advisory programmes was highlighted by MSMEs as a major barrier to the survival of businesses.
- Facilitate business cluster development and establishment industry and marketing cooperatives as vehicles for achieving critical mass in specific sectors.
- Offer business Incubator support services - the MOLSED and NEDCO should use the Municipal Programme to expand the reach of the IBIS, ETIIC and Women in Business programmes.

Special attention must be paid to the findings of the study with regards to the challenges faced by women and youth in setting up and operating their own business. The object would be to put mechanisms in place that would eliminate any barriers to women's and youth's entrepreneurship.

The programme will have to audit itself regular and to monitor its impact to determine its attractiveness, relevance and accessibility to its target clients.

8.2.2 Recommended Sectoral Initiative

The recommendation here is to identify the local sectoral initiatives for the Municipality during the LED strategic planning phase. The following are suggested:

- 1) The Corporation should **identify and work individuals employed in the Corporation's employment relief programmes** who sees self-employment and business development as viable personal option. Through the Municipal Business Support Programme for MSMEs, develop a programme which supports the efforts of these individuals to positive self actualisation. Once the interest of individuals is sparked it would be important to connect them to services that will help them to develop their entrepreneurial skills. As a result the programme should provide group and individual counselling, individualised entrepreneurial and competency training, mentoring and start-up support.
- 2) **Expanding entrepreneurial opportunities for TVET qualified individuals** – The approach here should be to develop an inclusive model for the programme that encourages the participation of local residents including the poor, women and youths. Port-of-Spain residents participate in TVET programmes (in hospitality, masonry, carpentry, plumbing, welding and industrial craft) offered in Port-of-Spain and elsewhere. This provides an opportunity for the Corporation to collaborate and work with TVET agencies (MuST, YTEPP, MIC, etc.), NEDCO (through its ETIIC and Women in Business programme), private sector, civil society, and others in identifying interested qualified individuals, who are about to graduate or have recently graduated, to participate in an entrepreneurial programme.

It is recommended that such a programme, which could span a 12-month to 15 month period, should provide qualified individuals the opportunity for personnel growth, business training, financing and targeted business support and resources for start-up and pre-start-up businesses. The objective at the end of this business training and start-up period is to graduate both the skilled business operators and their individual businesses. Follow-up mentorship and other support should be provided through the Port-of-Spain Business Support Programme. There should also be special windows to support women and men setting up non-traditional and innovative businesses.

8.2.3 Diego Martin LED Implementation Plan

Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
Establishment of a Diego Martin Local Economic Development Group	<ul style="list-style-type: none"> • Develop scope, responsibility, function and reporting procedures of the Group. • Identify the prospective agencies/ individuals to comprise the Group. • Prepare and issue invitations to prospective Group members/ agencies. • Hold inaugural meeting and orientation session. • Hold regular/monthly meetings. • Monitor and provide advice on on-going LED programmes and projects 	Diego Martin Regional Corporation (DMRC)	<ul style="list-style-type: none"> ○ Ministry of Agriculture ○ Ministry of Tourism ○ Economic Development Board ○ NEDCO ○ TTInvest, ○ ExportTT Cooperative Division ○ Ministry of Local Government ○ Local NGO/CBO representative ○ CARILED Project ○ UTT ○ Chambers of Commerce 	4 months to establishment and ongoing	Representatives who are decision makers in their organisations	1
Strengthening the capacity of the Diego Martin Regional Corporation to facilitate local business and economic development	<ul style="list-style-type: none"> • Recruit the LEDO • Establish a Chairman's Advisory Subcommittee to oversee the establishment of the LEDU, comprised of two other Councillors, and the CEO with the LEDO as Secretary. • Prepare requisite documentation for establishing the LEDU - rationale for its establishment, resources requirement (staffing, furniture, equipment, software, training, etc.); and estimated cost. • Obtain the necessary approvals for establishment of the Unit. • Recruit additional staff and procure the necessary resources • Officially establish the LEDU. 	DMRC	<ul style="list-style-type: none"> ○ Ministry of Local Government ○ Ministry of Public Administration ○ CARILED Project 	12 Months	<p>Ministry of Public Administration and Consulting Services to assist the Council in developing a business oriented focus to support the emergence of businesses in the area.</p> <p>Provision for appointment of a LEDO, two Assistant LEDOs and supporting staff – Statistical Assistant and Clerk/Typist</p>	1

8.2.3 Diego Martin LED Implementation Plan

Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
Preparing a comprehensive strategy and action plan for the Municipality of Diego Martin	<ul style="list-style-type: none"> • Hold Port-of-Spain LED workshop on way forward and the LED and MSME creation. • Hold consultations with specific industry stakeholders to elaborate strategies and actions agreed on at the workshop • Prepare a local economic development strategy and action plan in collaboration with relevant stakeholders. This plan should include cost estimates, funding sources and mechanism for continuous monitoring and evaluation. 	DMRC-LEDU DMRC Local Economic Development Group	<ul style="list-style-type: none"> ○ Chambers of Commerce ○ Local business owners ○ Local communities 	6 months	Consultancy – Diego Martin LED Strategy and Action Plan	
Establishing a Diego Martin Business Establishments Database	<ul style="list-style-type: none"> • Hold discussion with the CSO, NEDCO and other relevant agencies on the establishment of the database. • Identify resource requirement for database. • Acquire software and other support tools. • Determine the type of information to be recorded in the database - business owner name and contact details for communications, gender of owner; type of business; years in operation; size of business/number of employees, etc. • Advertise and encourage business owners to register with the Corporation. • Undertake initiatives to actively register businesses. • Develop a profile of local businesses by sector which can 	DMRC LEDU/LEDO	<ul style="list-style-type: none"> ○ CSO ○ Chambers of Commerce ○ NEDCO ○ Ministry of Labour and Small Enterprise Development 	3 months to establish database and ongoing	Computer Spreadsheet or database software Clerk Campaign to encourage business registration	1

8.2.3 Diego Martin LED Implementation Plan						
Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
	help understand local business owners' needs. • Update profiles regularly based on additional information received.					
Establishing Strategic partnership with the San Juan/Laventille Regional Corporation and Port-of-Spain City Corporation	• Hold discussions with Chairmen and CEOs of San Juan/Laventille Regional Corporation and Port-of-Spain City Corporation • Identify and reach agreement on areas for collaboration and support and resource requirements • Undertake agreed joint activities • Monitor and evaluate partnerships biyearly	Port-of-Spain City Corporation San Juan/Laventille Regional Corporation Port-of-Spain City Corporation		6 months and ongoing	Chairmen and CEOs of the Corporations Meeting place	1
Establishing a Municipal Business Support Programme for MSMEs	• Hold meetings with key business support service providers to discuss service provisioning and areas of collaboration between ABC and service providers. • Reach agreement on the POSCC one-stop service model for MSMEs to be used. • Develop MSME services app to provide information on service provisioning and places to existing and potential MSME clients. • Launch Port-of-Spain MSME Support Programme.	POSCC-LEDU	○ Chambers of Commerce ○ Established local businesses ○ NEDCO ○ Ministry of Labour and Small Enterprise Development including the Cooperative Division ○ Ministry with responsibility for development of medium-sized enterprises ○ Local Banks ○ ADB ○ IOB	9 months to establish and on-going	Cooperation of central government, NGO and private sector service providers For development of the app - Graphic designer Copy writer Software developer Service provision – brochures, factsheet and information on product and services for small businesses	1

8.3 Conclusion

Decentralised Governance: The adoption of the CARILED Model involves a widening and deepening of decentralisation and devolution in the governance structure of the country. The Municipal Corporations are at the epicentre of this process. The authorities and the elected representatives of residents in municipalities have to embrace responsibilities that will extend to the economic development within the municipalities.

Business Facilitation: There is evidence that the country does not lack agencies that are formally entrusted with the responsibility for the facilitation of business and enterprise and for the provision of such supports as credit supply and training. However, their reach into communities is limited and constrained. In the context of the CARILED Model, the authorities in Municipal Corporations will have the responsibility for coordinating and enlisting the services of these agencies, and parlaying their support for residents in municipalities as they seek to create productive activity within the economic space of the municipality and/or establish enterprise that operate in the adjoining or other municipalities where there might be a demand for their services.

Competitiveness: The municipality has a widely dispersed population base. Economic production except in respect of commerce and distribution at the local level has to be set in the context of the demand and supply for goods and services in the nation at large and even in the wider context of regional and international demand.

In other words, entrepreneurs even in micro-enterprises in Montevideo or Matura are players on the world stage. Dressed or processed fruit and vegetables from River Estate and Paramin in the municipality, on entering the market place in an upscale supermarket in Westmoorings or Maraval are in competition for shelf space with fresh supplies from Florida or Idaho.

Structuring Economic Equity: Social processes in the municipality as in the country at large often create conditions for differential and segmented participation of the various groups in the area of business and enterprise. On the grounds of social equity, there will be need to ensure that state involvement in the provision of support for business and enterprise does not contribute with public funding, to the creation of structural barriers and marginalisation of non-traditional participants in business and enterprise and reinforcement of imbalances whether of ethnicity or gender.

Information, Training and Educational Upgrading: The Census Data and the survey data collected in the course of this exercise establish the human capital challenge in the country. While residents in the Municipality are generally better off than in most other communities in terms of educational attainment, they are still below par when compared with countries that are in the forefront in the application of knowledge and information in the development of industry, and enterprise, for example South Korea and Singapore.

There is need to institutionalise a support system that would allow large numbers of the residents across the length and breadth of the municipality, to embrace technology and access information, and,

most importantly, initiate themselves on the path of lifelong education and upgrading such that they can correct for previous marginalisation in the education system.

The measures and initiatives that might be undertaken by the Municipality in association with the UTT or the Distance Education Programme of UWI or through COSTATT, would allow many with low level educational attainment to raise their profile. A Municipal Council committed to the task of developing the MSMEs of the municipality can contribute to the economic expansion within the municipality itself as a vibrant economic space in Trinidad for the export of services, thereby allowing the citizenry to enjoy a higher quality of life on the basis of the rich endowments of nature in applying their skills, knowledge and enterprise.

