



# **AMCHAM T&T's 2021 BUDGET RECOMMENDATIONS**

**VS**

# **NATIONAL BUDGET 2021 MEASURES**

Each year, AMCHAM T&T submits budget and policy recommendations to the Ministry of Finance for consideration for the National Budget. The submission is compilation of the recommendations put forward by you, our members, and the policy positions that we believe will contribute to the recovery and stabilization of the economy, as well as making Trinidad and Tobago a more attractive destination for investment.

We are happy to report that our recommendations have not fallen on deaf ears and our advocacy has been effective. A number of our recommendations to enhance the efficiency and efficacy of the Government and improve the ease of doing business in Trinidad and Tobago have been incorporated into the 2021 National Budget.



AMCHAM T&T 2021 Budget Recommendations	2021 National Budget Measures Announced
<b>EASE OF DOING BUSINESS</b>	
<p>Revamp the venture capital regime.</p>	<p>A tax allowance will be provided to businesses which invest in tech start-up and new tech business. The allowance is set at 150 percent with a cap of \$3 million. Effective January 1, 2021.</p> <p>A tax allowance will be provided to businesses which engage in technology solutions and digitalization. The allowance is set at 150 percent with a cap of \$3 million. Effective January 1, 2021.</p>
<p>Improve the effectiveness and efficiency of Tax administration.</p> <p>Widen the Tax Net</p>	<p>In preparing for its eventual conversion to the Trinidad and Tobago Revenue Authority, the Inland Revenue Division is already building institutional capacity in several areas, including integrity of the taxpayer database, risk management, voluntary compliance, timely filing of tax declarations, effective tax dispute resolution and effective revenue management</p>
<p>Timely settlement of VAT Refunds.</p>	<p>The VAT refund system will be made more efficient with the aim of improving cashflow for businesses, thereby significantly easing their financial and economic burden.</p>



<p>Fully automate the Customs' process and functionally integrate with TTBizLink and revamp Customs hours and redesign locations to increase the efficiency at the Piarco International Airport firstly, and then the Sea Ports.</p>	<p>The ease of doing business will continue to improve as we build on the existing framework of competitive indicators. The Single Electronic Window is already improving performance in the processing of imports and exports; an Electronic Funds Transfer Window is being put in place to allow all payments to Government such as taxes and custom duties to be made by electronic means; e-Government is ensuring that all government services, where practicable are automated;</p>
<p>Encourage the establishment of Export Tax Free Zones to encourage investment in trade and cargo logistics without the legacy inefficiency of customs.</p>	<p>We intend to improve the current free zone regime into a new and modern Special Economic Zones framework, building on our experience with free zone arrangements. Under this new regime:</p> <ul style="list-style-type: none"> <li>• our economic-free zone regime will be modernized;</li> <li>• the economic and social impact of economic zones will be increased;</li> <li>• the international appeal of our economic zone regime will be enhanced;</li> <li>• and existing and advanced new mechanisms will be improved, and procedures put in place to develop and to manage economic zones in an effective manner.</li> </ul>
<p><b>DIGITAL TRANSFORMATION</b></p>	
	<p>In the context of the utilization of digital access tools, including government services, by the national economy, ease of access to digital commerce will be provided through a range of digital cultural shift activities and a national digital database. We will facilitate the implementation of several major projects: • student broadband availability; • digital procurement solutions; • digital</p>



	mobile money solutions; • free public Wi-Fi; • nationwide 4G and 5G network; • development of a national digital database; and • delivery of a wide range of government services.
	A systematic upgrade and enhancement of the ICT systems in the education sector. Implementation of the ICT Teacher Professional Development Programme to ensure that teachers are adequately equipped for the new ICT education environment. Upgrading of UTT campuses to provide state of the art facilities for creating a new cadre of employees for the digital workplace.
Create and implement an ICT skills development and education policy which enables global ICT competitiveness in select sub-sectors.	Established an overarching ICT policy; we have expanded infrastructure to support ICT in schools, inclusive of the provision of laptops and other technology devices and we are restructuring the curriculum for effective ICT integration as well as training teachers.
Enable e-payments for government services and other transactions such as payment of customs duties, service fees, traffic tickets etc.	An Electronic Funds Transfer Window is being put in place to allow all payments to Government such as taxes and custom duties to be made by electronic means; e-Government is ensuring that all government services, where practicable are automated;
Extend the Star.tt Community-based ICT Access Centres program to improve the availability of internet access throughout the country, and provision of free Wi-Fi in public spaces and rural areas	Provision of MiFi devices to 45,000 students who do not have internet access in their homes or surrounding areas. This programme will come into effect in the first quarter of calendar 2021.
	Supporting the Broad Digital Strategy by expanding existing Wi-Fi hotspots and establishing internet cafes in all areas of the country

	and will specifically target students in all remote areas. This measure will come into effect in fiscal 2021.
Remove VAT from personal computers and other technology products for the purpose of teleworking and remote learning in the short-term.	Removal of all taxes on computers, laptops and tablets on September 5, 2020, in time for the re-opening of all schools and educational institutions. All taxes on Mobile and Digital Equipment, Mobile Phones, Software, Computer Accessories and Peripherals will be removed. Effective Jan 1, 2021
Address the gaps in ICT availability, affordability and adoption for a large cross section in society, through public and private sector policies and initiatives.	We have provided the sum of \$50 million in this year's budgetary allocation for the acquisition of computers for needy students.
<b>ENERGY SECTOR POLICY</b>	
The Government should incentivize investment in the energy sector as a driver of economic growth.	A review of the Petroleum Taxes Act with a view to simplifying the existing oil and gas fiscal regime and making it more competitive to investors.
An Energy Efficiency and Renewable Energy Policy/ Initiative should be developed and implemented.	Implementation of renewable energy electric power in accordance with our commitments under the Paris Accord. The government will also pursue development opportunities by introducing green petrochemicals through the substitution of hydrogen from the natural gas reform process and also utilise steam which is currently wasted from an existing power station to run a new turbine to produce electricity.
Review the Retail Fuel Margins	Targeted for January 2021, the fixed retail margins for all liquid petroleum products will be removed. Petroleum retailers and dealers will not be allowed to fix their own margins.

<p>Petroleum Act will need to be updated to reflect the policy decisions to support any of the changes that have been proposed.</p>	<p>A review of the Petroleum Taxes Act with a view to simplifying the existing oil and gas fiscal regime and making it more competitive to investors.</p> <p>Increase the threshold for the imposition of the Supplementary Petroleum Tax (SPT) for small onshore oil producers to \$75 per barrel, up from \$50 per barrel, for fiscal 2021 and fiscal 2022, in the first instance, subject to a review in 2022. This measure will take effect from January 1, 2021.</p>
<p><b>DIVERSIFICATION – Agriculture</b></p>	
<p>Adopt a food production strategy, that is holistic – one that considers the value chain, from primary production to end-user consumption.</p>	<p>The linkages along the food value and distribution chains will be strengthened by making locally produced foods more attractive within the country. This will be accomplished by: (i) providing training and technical support to ensure that producers maintain international quality standards; (ii) emphasizing the link between local and agricultural production and the health of the population; (iii) guaranteeing state agricultural purchasing and distribution of local content to supplement state-funded initiatives such as the School Feeding Programme, public hospitals and the protective services; (iv) increasing the use of digital technology to foster agricultural marketing and distribution by increasing public education campaigns; and (v) influencing the food service industry to provide meals which cater to local tastes.</p>
<p>Develop a Business Facilitation Ecosystem in the Agricultural Sector.</p>	<p>Deepening integration with the private sector by connecting micro and big businesses to create a strong agribusiness ecosystem.</p>



<p>Strengthen good stewardship practices in resource management and utilization and the simultaneous preservation of biodiversity.</p>	<p>Education and training on sustainable agricultural practices is being accelerated; the use of water saving devices is being encouraged</p>
<p>Create an appropriate and enabling investment environment to stimulate private sector interests.</p>	<p>Creation of more Public Private Partnership arrangements for agri-businesses.</p>
<p>Make available the full complement of physical, institutional and related technical support infrastructure including science and technology back stopping, food quality and assurance as well as support for best agricultural practices.</p>	<p>Establishment of a Centre of Excellence in Agriculture and Bio-Technology using the existing human resources and infrastructure at the Ministry of Agriculture, Land and Fisheries, the University of Trinidad and Tobago, CARIRI and other agencies of the state.</p>
<p>Provide land through special leasing agreements to encourage farming activity. This would require review of the land use policies.</p>	<p>Land issues will be addressed with a view to accelerating land tenure and access to idle state lands.</p>
<p>Provide education, training and sensitization programs, to not only encourage farming activity, but for the development of value-added products, both for local consumption and for exportation.</p>	<p>Education and training on sustainable agricultural practices is being accelerated; the use of water saving devices is being encouraged; stronger buyer-supplier relationships are being promoted</p>
	<p>The Government will invest in productivity-oriented research and technology and strengthen the linkages between industry and agriculture to build sustainable food systems by: targeting the production of products which can derive higher value-added benefits through the manufacturing sector such as agro-processing, nutraceuticals, cosmetics, pharmaceuticals, textiles, paper, packaging, adhesive industries among others; and utilizing final products from farming and fishing to expand the experience in the tourism industry</p>



## NATIONAL SECURITY

Implement recommendations for Prison Reform.

Improvement of the prison facilities and introduction of new programmes to improve literacy, training, education of incarcerated individuals.