

INVESTMENT OPPORTUNITIES

TRINIDAD & TOBAGO

- 1. Derivative Melamine Manufacturing Opportunities**
- 2. Establishment of a first class hotel and resort facility at Rocky Point, Tobago**
- 3. Establishment of the PET Plastic Waste Management Facility**

Derivative Melamine Manufacturing Opportunities

Description of Energy Sector

The energy sector is the mainstay of the economy of Trinidad and Tobago. The contribution to GDP by the energy sector is approximately 35%. Trinidad and Tobago is currently the largest global exporter of methanol and ammonia from a single site, as well as the sixth largest exporter of liquefied natural gas (LNG) in the world.

Relevance

However, in order to create a sustainable economy, it is important to leverage the strengths of the energy sector to drive development in other areas of the economy, such as the manufacturing sector, thus deepening the natural gas value chain.

Possible Location

The Union Industrial Estate has been prepared and is available for industrial and manufacturing activities. However, depending on the nature of investment, there are other areas in the country that can accommodate economic activity.

Total Investment Required

It is estimated that a melamine moulding compound facility may require approximately US\$10million (subject to detailed feasibility study)

Detailed Description of Project

The National Energy Corporation of Trinidad and Tobago Limited (NEC) is a state-owned Organization and a wholly-owned subsidiary of the National Gas Company of Trinidad and Tobago Limited (NGC). NEC was incorporated in 1979 to monetize the country's natural resources and develop and manage industrial marine infrastructure. As a result, NEC was involved in the construction and operation of the early petrochemical plants at the Point Lisas Industrial Estate. Today, NEC's mandate encompasses the conceptualization, promotion, development and facilitation of new gas-based energy and downstream energy industries in Trinidad and Tobago.

In May 2010, Methanol Holdings Trinidad Limited (MHTL) began producing melamine from its 60,000 tpy production facility, which forms part of its AUM I Complex. The production of this commodity, downstream of ammonia, provides an opportunity to leverage the strengths of the energy sector in order to develop linkages with the manufacturing sector. As such, the Government of the Republic of Trinidad and Tobago (GORTT) initiated the development of melamine manufacturing profiles, which could be used as a tool by manufacturers and potential investors in developing business opportunities and further adding value to the country's natural gas resource.

NEC has been charged with developing derivative melamine manufacturing opportunities for Trinidad and Tobago. In June 2011, NEC in collaboration with the Ministry of Energy and Energy Affairs launched a publication titled 'Profiles for Derivative Melamine Manufacturing Opportunities' (attached) which focused on six (6) products, namely:

- Melamine moulding compounds (MMC)
- Dinnerware
- Adhesives
- Coatings
- Laminates
- Plasticizers

This initiative will create investment opportunities for both local and foreign investors, as well as address the overall objective of creating more value from the country's natural gas resource.

3. Competitive Advantages

Trinidad and Tobago can offer a competitive environment for investors for the production of melamine derivatives. These can include favourable rates for power, natural gas, water, labour, land, as well as access to port facilities and good logistical arrangements for raw material and finished products.

4. Incentives

Investors would receive concessions from import duty on raw materials, plant and equipment along with other incentives.

5. Type of Investment Required/Desired Participation

Trinidad and Tobago would welcome a partnership arrangement between local and foreign companies. However, foreign companies can enjoy full ownership and operation of their assets if so desired.

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Establishment of a first class hotel and resort facility at Rocky Point, Tobago

1. Overview

Tobago lies south of the hurricane belt, just off the coast of South America and 21 miles (33km) northeast of Trinidad. Unlike Trinidad's highly industrialized economy, Tobago relies heavily on the service sector. Tourism, agriculture and fishing are Tobago's major revenue earners. The lands known as Rocky Point in Tobago consist of two contiguous parcels of land, one being 13 acres and the other 15 acres. The two parcels of land are subject to covenants from the owners of the property which states that the 15-acre parcel must only be used to develop a first class hotel facility and the 13-acre parcel must be used for a resort facility on condominium lines or such type of first class development. All standard approvals for development of this scale and nature would apply.

The Project:

Development of a first class hotel and first class resort facility on prime lands in Tobago on a Design, Build, Own, Operate and possibly Transfer basis.

Location: Rocky Point, Tobago.

Strategic relevance: To develop the tourism industry of Tobago by enhancing the product offering and increasing the stock of quality rooms on the island.

Total Estimated Investment Required: US\$124 Million

2. Detailed Description of Project

This project is at the initial stage of development, with the proper vesting of the title in investTT being already in progress. investTT is responsible for developing the site and would be issuing a detailed request for proposal to invite investors to submit concepts for a hotel and resort development that best suits the area, adds to the stock of high quality rooms on the island and offers a unique experience to visitors on the island. The proposed lands are situated on the Western side of Grafton Road, immediately South of Pleasant Prospect, and are within an area known as Mt. Irvine Estate. The lands sit right at the sea and a public beach is located at the southern border of the land.

3. Competitive Advantages

The strengths of Tobago's product lies in its ability to attract and satisfy the customer:

- Being the oldest forest reserve in the Western hemisphere gives it the feel of paradise
- Its topography combines the best that South America (lush rainforests and wide variety of plant and animal life) with the best of the Caribbean (sun, sand and superior dive sites)
- The rich culture of Tobago, steeped in West African tradition combined with the ethnic diversity of its sister isle Trinidad, creates in Tobago a haven of exotic, flavourful cuisine
- Solid road networks and infrastructure, ICT communications
- One of the most superior diving locations in the region.
- International airlift serviced by four (4) airlines.
- Political stability

4. Incentives

- Tax exemption on profits not exceeding seven 7 years,
- Tax exemption on profits from the initial sale of villas, condominiums and sites thereof within an Integrated Resort Development,
- An accelerated depreciation of depreciable equipment owned by the owner or operator and used in an approved product,
- A capital allowance in respect of approved capital expenditure incurred by the owner or operator in the creation of a new tourism project or expansion of an existing tourism project,

- A carry-over of losses from a tax exemption period arising out of the operation or renting of an approved tourism project,
- Tax exemption on the dividend received by a non-resident shareholder if the recipient is not liable to tax on the dividend in his country of residence.
- Owner or operator of a vehicle imported for use in an approved tourism project shall be exempt from the payment of motor vehicles tax

5. Type of Investment Required/Desired Participation

Equity Investor or Joint venture partner - the ideal investor must be able to access financing independently. Interested investors are advised that a Request for Proposal process would be utilised to select the investor for this project.

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Establishment of the PET Plastic Waste Management Facility

1. Overview

The clean technology value chain consists of renewable energy, electronics of which solar panels is a major component, industrial recycling (plastics, rubber, water and wastewater treatment) and manufacturing of engines and turbines. The environmental and facilities services industry is comprised of companies engaged in waste management, facilities management and pollution control services. In Trinidad and Tobago, the clean technology sector can be considered to be in an embryonic stage. The current focus is mainly on renewable energy generation and energy efficiency, but in the area of waste management there currently exist a number of small plastic recycling operations that collect post-consumer bottles and ship overseas for processing.

The Project:

PET Plastic Waste Management Facility that utilize post-consumer bottle-feed stock to produce clean flakes, fibre and packaging products.

Location: Tamana InTech Park, Wallerfield (East Trinidad)

Strategic relevance: To promote all the initiatives for proper disposal and recycling of plastics to preserve the environment.

Total Estimated Investment Required: US\$ 1 – 1.5 Million

2. Detailed Description of Project

The proposed project would allow vertical integration with existing operators and would enable the local processing and manufacture of higher value added plastic packaging products for use in local industry and for export. The proposed site for the project is at TamanaIntech Park, the

country's newest science and industrial park that is already zones for a project of this nature. Some of the applications for recycled PET include:

- Primary packaging by retailers and branded manufacturers for bottles and trays.
- Manufacture of construction products such as damp proof membrane, drainage pipes, ducting and flooring.
- To manufacture new PET bottles and containers.

3. Competitive Advantages

Trinidad and Tobago offers significant advantages for the establishment of a PET Plastic Waste Management Facility, which includes:

1. One of the world's lowest energy rates
2. A large pool of environmental engineers, managers, technicians and other specialists from the energy/petrochemical sectors.
3. Geographic located at the heart of the Americas, ideal for exports
4. English Speaking population with a 98% literacy rate
5. Two world class tertiary level institutions providing training for locals in environmental sector
6. Pre-existing downstream clients for the product.
7. Attractive regime of fiscal and non-fiscal incentives for FDI
8. Trade agreements with EU, Colombia, Costa Rica, Cuba, Dominican Republic and Venezuela

4. Incentives

The fiscal and other incentives applicable for the project include:

- a) Exemption from customs duties on the construction
- b) Exemption from Value Added Tax; and
- c) Exemption from income tax on dividends or other distribution, other than interest, out of profits or gains

d) Duty free treatment on their raw materials, machinery and equipment

5. Type of Investment Required/Desired Participation

Equity Investor or Joint venture partner - the ideal investor must be able to access financing independently.

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