EU Brings Funding to ACP Creative Businesses

The EU will provide financial assistance to link creative businesses in Africa, the Caribbean and Pacific (ACP) countries over the next three years (2014-2017). The Culture Works Connections project aims to build stronger, more sustainable creative businesses that are able to access world markets and develop collaborations. The project also aims to provide good accessible information (through a searchable database) for the global cultural sector. The programme is being led by Visiting Arts, based in the United Kingdom, and its ACP partners are the Ministry of Arts and Multiculturalism (Trinidad and Tobago), The Africa Centre (South Africa) and the Pacific Arts and Culture Foundation (Fiji).

The National Carnival Commission's Strategy and Business Development Unit participated in the first needs analysis survey for the Culture Works Connections project. Preliminary results from Trinidad show a significant demand for an online resource to facilitate international networking. Currently, international collaborations are mostly one-off events. Seventy-five percent (75%) of the respondents indicated that funding was their biggest obstacle to international projects.

Source: www.vistingarts.org.uk

Global Economic Outlook 2015

The International Monetary Fund has predicted (October 2014) that the average price of oil for 2015 would be below the average price of 2014. Concern about oil prices deepened in November 2014 with oil price below US$80 per barrel after a high of US$104 three years ago. Growth in the global economy in the first half of 2014 was less than expected, and economic and geopolitical instability led to a downward revision of economic growth to 3.8% for 2015 – still better than the 3.3% growth rate predicted for 2014. Investments have been suppressed despite high equity price and low volatility.

Risks have increased since April 2014, and if the political situation in the Middle East and beyond worsens, oil prices may increase; a positive for some economies (e.g. Trinidad & Tobago), but can hamper economic recovery in others. Uncertainty depresses consumer confidence and as a result, spending is decreased. Macro-economic policies must be implemented in individual countries to stimulate growth and minimise risks in 2015.

Source: International Monetary Fund. 2014. World Economic Outlook 2015: Legacies, Clouds, Uncertainties. Washington (October)

Despite Global Challenges The Americas Lead 2014 Tourism Growth

Tourism demand proved to be strong in the first eight months of 2014 despite sluggish economic recovery and geopolitical instability. The Americas, comprising the Caribbean, North America, Central and South America experienced an 8% growth, Asia and the Pacific region 5%, Europe 4%, Africa 3%, and the Middle East an estimated 3% (limited data available). However, based on the United Nations World Tourism (UNWTO) Confidence Index, the last quarter of 2014 may experience a weaker demand for travel due to geopolitical instability and health risk presented by Ebola. Taleb Rifai, UNWTO Secretary General, has recommended that there should be no general ban on international travel or trade. He stressed "... we have to be aware that misperception about the outbreak is affecting the whole of Africa. On the upside, and according to information gathered from our African Member States and key tour operators and associations in major source markets, there are no significant cancellations to report, despite a certain slowdown in bookings."

The reality is that despite Africa being a huge continent, many travellers are staying away, especially from West Africa. Senegal and Gambia have experienced a decline in tourist arrivals despite the majority of the continent (apart from three countries) being declared Ebola-free by the World Health Organization.
The Caribbean region must guard against an incident in one country in the Caribbean resulting in the entire region being, negatively labelled, similar to what is happening in Africa. International visitors sometimes do not have a good sense of the region's geography and as such, prevention, information, and response strategies must be at the core of readiness and recovery should an event occur in the Caribbean.

Source: ww.unwto.org

**Latin America and Caribbean to Benefit from US Growth**

The Latin America and Caribbean (LAC) region saw an increase in GDP of 2.3% in Q1 and Q2 of 2014 when compared to the same period in 2013. Overall job creation in LAC remains weak but unemployment figures continue to decline. According to the Economic Commission for Latin America and the Caribbean (ECLAC), early 2014 brought a slow-down in job creation, services, and commerce. As of June LAC’s GDP growth projections for 2014 had been revised downward by ECLAC from 2.7% to 2.2%. Economic growth in the US, UK, and some Eurozone economies will benefit Mexico and other Central American economies in the trade in goods, whilst the Caribbean economies can expect a boost in tourist arrivals. Projected growth rates for 2014 are expected to average 4.4% in Central America, Haiti and the Dominican Republic, 1.8% in South America and 2% in the Caribbean. Geopolitical instability remains a concern, and could dampen economic growth in LAC, as well as in other regions.

**TRENDS IN T&T CARNIVAL VISITOR ARRIVALS**

While some boast of a growing Carnival event year after year, an analysis of the trends in tourism arrivals over the 10-year period 2003-2012, paints a different picture. Trinidad and Tobago's Central Statistical Office (CSO) defines the "Carnival period" as a 19-day period, ending on Carnival Tuesday. Data is currently only available up to 2012. Over the 10-year period, there was a peak in arrivals in 2006 of 42,868 visitors. Since then, every other year has demonstrated a pattern of decrease followed by increase from 2007-2012, but none of the increases surpasses the recorded peak in arrivals of 2006. There was 5.1% increase in 2012 over the Carnival period of 2011 from 36,280 to 38,252 visitors. The destination has not been able to sustain successive years of increases since the growth period of 2003-2006. Strategic interventions to boost arrivals in the future must be informed by an in-depth analysis of past promotional mechanisms employed, our cultural tourism product offerings, the economic climate in the Diaspora, and the socio-economic environment in Trinidad and Tobago, to determine why there has not been a sustained increase in visitor arrivals since the Carnival period of 2006.

**SME Toolkit Latin America & Caribbean**

A technical assistance program of the International Finance Corporation’s (IFC) Latin America and Caribbean Department. This project offers free information on business management and training for small and medium businesses in the areas of accounting and finance, strategic planning, human resources, advertising, marketing and sales, operations, and information technology. Get sample business plans, learn how to create income statements and much more...

Source: Central Statistical Office, CSO
T&T 89th in 2014-2015 Global Competitiveness Index

The World Economic Forum (WEF) 2014 – 2015 Global Competitiveness Index ranks Trinidad and Tobago 89th out of 144 countries; an improvement from the 92nd position of the previous year. WEF defines competitiveness as “the set of institutions, policies, and factors that determine the level of productivity of a country”. Productivity determines the prosperity of a country and the rate of return on investments, which ultimately drives economic growth. WEF has categorised Trinidad and Tobago's development as innovation driven. The most problematic areas for doing business in Trinidad and Tobago are bureaucracy, corruption and poor work ethic. The top three most competitive nations in the world are: 1. Switzerland 2. Singapore 3. United States.

Trinidad & Tobago: Most Problematic Factors For Doing Business

- Government instability/coups
- Inflation
- Tax rates
- Restrictive labour regulations
- Inadequate supply of infrastructure
- Access to financing
- Poor work ethic in national labour force
- Inefficient government bureaucracy


T&T Business Confidence – Cautiously Optimistic... but Oil Prices Decline

The Business Confidence Report conducted by the Central Bank of Trinidad and Tobago, and the Arthur Lok Jack Graduate School of Business in June 2014, while optimistic, saw an overall decline in the Business Confidence Index from +37 in Q1 to +32 in Q2 of 2014. Eleven sectors were surveyed: Maritime Services, Agriculture, NGO, Government, IT Sales/Services, Personal Services, Food Processors, Hotels/Guest Houses, Textiles/Garments/Footwear, Chemicals/Non-Metallic minerals, Transport/Storage/Communication. The creative economy was partially represented by the Textiles/Garments sub-sector. There is no real sense of what is expected in terms of sales for Carnival 2015 in the various sub-sectors in terms of mas (costumes), fetes, shows and other ancillary services. Poor public awareness about Ebola could dampen international arrivals in particular, but so far, Carnival 2015 in Trinidad and Tobago is happening (February 16th and 17th). The National Carnival Commission has already commenced preparatory infrastructural works at the Queen's Park Savannah, and other players are well advanced in their preparations. New music has already been released and a number of Carnival mas band launches held.

While some expect an increase in business activity in the last quarter of the year due to the Christmas season and the heightened activity in construction and multimedia sector for pre-election projects, the Government's projected revenue is under threat due to falling oil prices. The Trinidad and Tobago 2014/2015 budget was based on US$80 per barrel but West Texas Intermediate (WTI) crude dipped to a three-year low on November 4th 2014, at US$75.84 a barrel. The practice of fracking in the US has been blamed for the glut, along with reduced demand in China and the Eurozone due to slowing economic growth. On the consumer side, while there may be benefits of reduced prices for some goods e.g. airline tickets, consumers will be cautious about how they spend discretionary income during times of socio-economic uncertainty. On the Government side, it could mean a cutting back on spending. Trinidad and Tobago's economy is driven by oil and gas, so the price of gas will have to be monitored to determine if it offsets the falling oil prices.
T&T Economic Indicators at a Glance

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<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Jun 2014</th>
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<tr>
<td>Real GDP (y-o-y % change)</td>
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<td>0.3</td>
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<tr>
<td>Headline inflation (% average)</td>
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<td>9.3</td>
<td>5.2</td>
<td>4.2**</td>
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<tr>
<td>Core inflation (% average)</td>
<td>1.7</td>
<td>2.5</td>
<td>2.4</td>
<td>2.3 **</td>
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<td>Unemployment (% average)</td>
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<td>5.0</td>
<td>3.7</td>
<td>n.a.</td>
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<td>Central Gov't Fiscal Balance (% GDP)</td>
<td>-0.8</td>
<td>-1.4</td>
<td>-2.6</td>
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<td>Public Sector Debt</td>
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<td>42.0</td>
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<td>Net Official Reserves (US$ Million)</td>
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<td>9,200.7</td>
<td>9,987.0</td>
<td>10,384.0</td>
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<tr>
<td>Net Official Reserves (in months of prospective imports)</td>
<td>13.5</td>
<td>10.4</td>
<td>12.0</td>
<td>12.1</td>
</tr>
</tbody>
</table>

Source: Central Bank of Trinidad and Tobago
Notes: Fiscal year runs from October-September
* Year-on-Year Change for Q1 2014
** As at August 2014

NCC Conducts Business Capacity Needs Assessment for Carnival Stakeholders

The National Carnival Commission (NCC) has embarked on a training needs assessment survey with key Carnival stakeholders involved in mas, music, handicraft, and food and beverage. The purpose of the survey is to identify and prioritise training for the various Carnival sub-sectors. The survey period runs from November – December 2014, with analysis being completed by the end of January 2015. It is anticipated that business development training will be rolled out in the first quarter of 2015.