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TRINIDAD AND TOBAGO

MARITIME & LOGISTICS

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MARITIME AND LOGISTICS

Trinidad and Tobago (T&T) has historically been an important center for maritime activities since the twin islands were a British colony.

OVERVIEW

The country has a strategic geographical advantage in the region, calm sheltered waters and a long history in the Energy sector.

The Maritime and Logistics sector includes important economic sub-sectors:

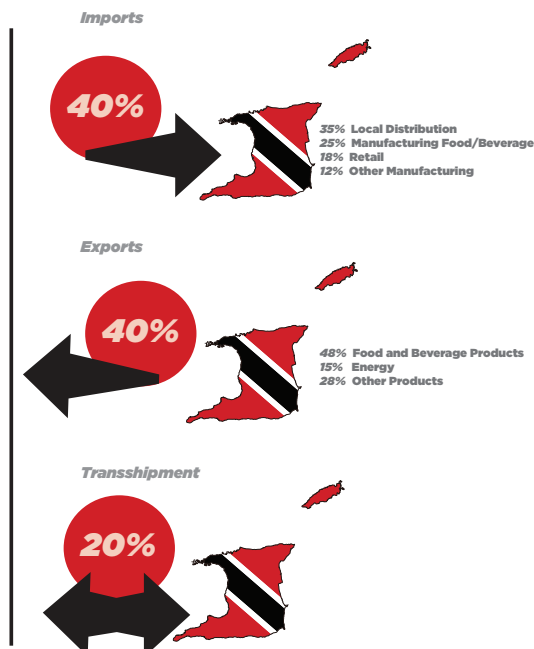
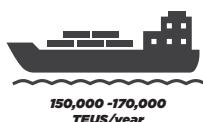
- Maritime and Port (including bunkering, maritime transport and offshore transshipment, port operations and development, cold stacking, ship building, repair, dry docking)
- Fisheries
- Warehousing and Distribution
- Tourism (tourism, yachting, historic wrecks and underwater cultural heritage).

T&T's ocean-based economy (blue economy) was estimated to be worth US\$22.5 billion or 81% of the country's total GDP in 2015.* As the largest economy in CARICOM, the country dominates regional trade amounting to about 70% of intra-CARICOM exports for a significant period of time (IADB, 2020).

Shipping is an important part of the country's logistics ecosystem, with the two islands located less than 2,200 km from the Panama Canal.¹

Two main ports in Trinidad and Tobago provide container trade:

<https://manufacturingglobal.com/procurement-and-supply-chain/mfg-examines-trinidad-and-tobagos-logistics-landscape>



The Port of Port of Spain and the Port of Point Lisas. Both ports offer domestic and transshipment trade, with Point Lisas dominating domestic trade. Port of Point Lisas specialises in this type of trade and primarily serves shipping lines connecting with the United States. Meanwhile, the Port of Port of Spain serves larger carriers for both domestic trades and regional transshipment.

Approximately 600,000 20-foot equivalent units (TEUs) of cargo is transported between T&T's two main ports per year. Port of Spain covers around 142 ha, with 61 ha dedicated specifically to cargo operations, and has a capacity of 700,000 TEUs. The average proportion of domestic to transshipment business in Trinidad is 60% to 40% respectively.

EXPORTS

In 2019, Trinidad and Tobago exported a total of **\$9.51B**.

- Top Export: Petroleum Gas (\$3.21B).
- Other exports: Acyclic Alcohols (\$1.39B), Crude Petroleum (\$1.14B), Ammonia (\$1B), and Iron Reductions (\$546M)
- Top Destination: United States (\$3.14B)
- Other destinations: Guyana (\$864M), Spain (\$615M), China (\$601M), and Netherlands (\$316M).

IMPORTS

In 2019 Trinidad and Tobago imported **\$6.53B**.

- Top Import: Refined Petroleum (\$1.03B)
- Other imports: Excavation Machinery (\$375M), Shipping containers (\$316M), Iron Ore (\$278M), and Cars (\$269M)
- Top Origin: United States (\$2.6B)
- Other origins: Guyana (\$1.23B), China (\$362M), Netherlands (\$249M), and Brazil (\$219M).

*represents last known figures.

¹ National Maritime Policy and Strategy Source

WHY INVEST IN MARITIME AND LOGISTICS?

Trinidad and Tobago is the ideal geographic location to conduct maritime and third-party logistics operations. The country's strategic location below the hurricane belt, coupled with its large naturally sheltered deep and calm harbour in the Gulf of Paria, allows for minimal downtime and continuous business operations. This provides the perfect environment to operate Transshipment, Dry docking and Distribution activities.

The geographical location at the southernmost end of the Caribbean islands positions it as a launchpad to the Caribbean Community (CARICOM) and North America, and provides direct access to distribution markets in South, Central and North America.

Its robust port infrastructure, commercial space availability, growing trade links with CARICOM neighbours and healthy export base makes it one of the most attractive

environments in the Caribbean for efficient and cost-effective commercial activities, with ready access to international markets.

Support for the sectors via the specialised ecosystem generated by the country's thriving energy sector and highly educated diverse work force, has fuelled the demand for opportunities in Ship Repair and Dry Docking, Transshipment, Cold Stacking, and Third-Party Logistics.

INVESTMENT OPPORTUNITIES

MARITIME

Ship Repair & Dry-docking Services

There are several ship repair facilities located in Trinidad including one dry dock facility with a lifting capacity of 23,000 metric tonnes (MT) and an overall length of 230 metres. Opportunities exist for investors to engage in joint ventures to expand existing facilities or for greenfield investment to develop new facilities to cater for the increasing demand in the region.

Offshore Transshipment

Opportunities exist in designated maritime zones in the Gulf of Paria for the establishment of offshore transshipment operations – bulk commodities and energy-related products. Investors will benefit from Trinidad and Tobago's proximity to source markets in South America, a well-developed maritime infrastructure as well as industry support mechanisms.

Lay-up of Vessels

T&T's naturally sheltered, deep harbour in the Gulf of Paria makes it a preferred location for the storage of ships. This will be particularly useful to oil and gas services companies during periods of a business slowdown. There are

designated maritime zones for lay-ups which attract competitive fee structures:

- **Cold lay-up** - suitable for vessels up to five years out of service. In this lay-up condition, vessel crewing is in line with emergency requirements to deal with fire, flooding, mooring and security watch.
- **Warm lay-up** - suitable for vessels up to 12 months out of service. In this condition, vessel crewing is reduced to below the trading limit and in agreement with the Flag State, Classification Society, insurers and local authorities.

LOGISTICS

Offshore Project Management and Supply Chain Solutions

Trinidad and Tobago is positioned to be a regional logistics hub in the Energy sector, particularly for the movement of equipment between Trinidad, Guyana and Suriname. Businesses therefore have the opportunity to establish companies which provide logistical services that support offshore vessels, rigs, and projects in the Energy and Transport Industries.

Third Party Logistics Hub

The positioning of Trinidad and Tobago as a third-party logistics hub gives distributors the opportunity to establish their headquarters as a base to serve local and regional markets.

Warehousing and Distribution

Businesses have the opportunity to set up warehousing and distribution centers in Trinidad and Tobago to provide integrated inbound logistics solutions to local and regional markets.

Air Cargo Hub

Available land at the Piarco International Airport (PIA) Estate provides a lucrative opportunity for companies requiring the logistical advantage of having a facility at the aerodrome in areas such as: cargo handling, warehousing, terminal activities, distribution and administration, and large flagship establishments.

Air Cargo Facilities

Land lots are available at the northern zone of the PIA Estate which present greenfield investment potential for companies engaged in Air Cargo, Cargo Handling and Logistics and Warehousing services.

Similarly, 13 acres located at the Southern Zone of the PIA Estate are earmarked for development of cargo. Approximately eight acres of these lands are available for leasing.

These lands in addition to 6.35 acres at the north-western zone offer the opportunity for new cargo facilities including truck access and built-in

roadways, licensed cargo handling operators at airport estate and 24-hours Customs facility.

Cargo/Courier Airlines

Approximately 8 hectares of leasable land in the south-eastern zone of the PIA Estate are allocated for general aviation services. The

opportunity exists for cargo/courier airlines to establish their base at the aerodrome, with onsite access to supply chain networks, thus enabling faster regional and international market access for Trinidad and Tobago's export products.

Click here for further details on the Piarco International Airport Estate. 

COMPETITIVE ADVANTAGES

- Developed maritime infrastructure as well as industry support mechanisms.
- Trinidad and Tobago is one of the top 3 countries for connectivity in the CARICOM after Bahamas and Jamaica. It is currently a sub-regional hub.
- The twin island sports the second most developed road network in the Caribbean and is recognised as the third-best for port capacity in the English-speaking Caribbean.
- The Gulf of Paria is a large naturally sheltered deep and calm harbour which is ideal for bunkering, coldstacking, transshipment and ship-to-ship transfers.
- Proximity to the Panama Canal and a strategic location at the meeting points of shipping lanes between North, Central, South America and the Caribbean provides a natural geographic advantage to meet new demand from the shipping industry.
- Trinidad and Tobago has the lowest downtime impact of the hurricane season in the Caribbean.
- A specialised workforce offers well-established maritime service providers and technical-level training options at maritime training facilities.
- Access to affordable marine fuels.
- Trinidad and Tobago has one of the lowest electricity rates in the world.
- As a CARICOM member, this will offer regional market access to 7.4M via bilateral trade agreements and provide businesses with access to an additional international export market of around 930.6 million consumers.
- The Piarco International Airport Estate will be the first aeropark in the Caribbean when fully subscribed.
- The Piarco International Airport is ranked Best Airport in the Caribbean by the Skytrax World Airport Awards for 2020 - 2022.

Sources: Inside Trinidad and Tobago's Logistics Landscape (manufacturingglobal.com)

Source: Ministry of Trade and Industry; Draft National Maritime Policy and Strategy; June 1st, 2021

INCENTIVES

MARITIME

Import Duty Concessions

Locally registered firms engaged in ship building and ship repair are allowed duty free treatment on their machinery, equipment and materials for use in the boat and ship building and repairs industry.

Value Added Tax Exemption

Repair services for ships involved in commercial maritime are exempt from VAT under the provisions of the Value Added Tax Act.

Training Allowance

Companies are allowed expenses reasonably incurred in the training and retraining of employees up to 150% of such expenditure under Section 10E of the Corporation Tax Act, Chapter 75:02.

Yachting Allowances

Under the Corporate Tax Act, any company which promotes or sponsors yachting will be allowed an allowance equal to 150% of the actual expenditure incurred in respect of such promotion or sponsorship, up to a maximum of \$450,000.