

ABSTRACT

From about the late 1940s, Commonwealth Caribbean countries began turning to industrialisation in the hope of finding the solutions to many of their economic and social problems, especially chronic unemployment. The essence of the policy adopted and pursued has been the inducing of foreign metropolitan business, mainly through fiscal incentives, to set up branches in the region. As a result of this policy, many new industries have emerged and there has been considerable industrial expansion. Yet, by and large, the problems have remained, and, in some cases, have even deteriorated.

This study relates to the Assembly-type and Metal Industries in the Trinidad and Tobago economy. In the new Trinidad and Tobago System of National Accounts, these industries are grouped together to form a sub-sector of the manufacturing sector on the grounds that the productive operations in all these industries are of a "screw-driver" or "finishing-touch" nature.

The main purpose of this study is, on the basis of empirical data, to examine the performance of these industries and the impact which they had on the economy during the period 1966 to 1970. It is also hoped that the study would throw some light on the virtual failure of the policy of "industrialisation by invitation" to produce the anticipated results. The period covered by the study was determined by the availability of data.

The study has three parts. Part I is divided into two main sections. Section A is an elaboration of industrialisation policy in the wider Commonwealth Caribbean context. Much of this section is devoted to a discussion of the Lewis "Industrialisation by invitation" strategy and the Brewster-Thomas functional and sectoral integration strategy. In Section B, the focus is on the Trinidad and Tobago economy. Here policy is viewed in greater detail. This section also includes a sketch of the performance of the manufacturing sector in the economy, based on the available

data.

In Part II, the empirical data in respect of the Assembly-type and Metal industries in the Trinidad and Tobago economy are presented and discussed. The main areas considered are contribution to gross domestic product, employment, capital formation, imports, exports and import substitution, foreign exchange and rates of return. The last section of this Part highlights aspects of the performance of the pioneer firms in these industries. Most of the concepts and categories used in the presentation and discussion of the data were taken from the new Trinidad and Tobago System of National Accounts.

In Part III, a brief overall evaluation of the performance of the industries based on the empirical findings and simple statistical analysis of the data, is attempted. The study ends with a few general comments on industrial policy in Trinidad and Tobago and in the Commonwealth Caribbean as a whole.