

ABSTRACT

Trinidad and Tobago entered the international steel arena with the establishment of the Iron and Steel Company of Trinidad and Tobago Limited (ISCOTT). This was a bold step in the ongoing quest for industrialisation. The Company's export orientation was seen as a means of redressing the country's dependence on the oil sector for foreign exchange.

The Company's operations began in 1980 but hopes for early success quickly vanished. Technical problems prevented a rapid build up of production and further, securing markets proved to be problematic. This was to be expected.

The downturn in the world economy since the mid 1970's had a profound impact on the international steel industry. Low capacity utilisation, declining investment, price wars, closures and trade restrictions were characteristic features of the industry in the developed economies where ISCOTT sought to market its products.

Several factors are responsible for the company's limited success. These include bad planning, a faulty marketing strategy, inappropriate management and an erroneous indus-



trial strategy which approaches participating in the international market from a supply led rather than a demand centered approach.

With the present uncertainty over future economic growth, falling steel demand and increasing competition in steel markets from both new producers and substitute materials, Trinidad and Tobago's thrust into the international steel market seems ill fated. This is especially so given the emphasis on exporting just one or two basic products.

A careful reassessment of the future of the steel industry in the country is clearly mandatory. ISCOTT's technical, management and marketing problems need to be urgently addressed. There is also need to identify new possibilities for the steel industry over the long run, to plan the development more precisely and to recognise how the steel industry could be integrated into the mainstream economy.