

## ABSTRACT

This study is essentially a review of the Trinidad and Tobago manufacturing sector over the period 1966 to 1985. Based on its findings, the implications to several areas of the sector will be presented.

Manufacturing was a core element of the industrialization programme and was supposed to have contributed towards the structural transformation of the country away from petroleum and sugar. Transformation would presumably have been attained by economic diversification and increased domestic resource utilization. Manufacturing was therefore defined so as to exclude or at least reduce the influence of these traditional sectors.

Economic diversification was determined by focussing on the sector's contributions to gross domestic product, exports and employment. Generally, these contributions remained less significant than those of the traditional sectors, and, therefore, it is apparent that the objective of economic diversification was not achieved.

Domestic resource utilization was considered by examining both the relative shares of local and imported inputs and the substitution elasticities between these inputs. Generally, the high share of the imported inputs in total inputs and the bias towards the use of these inputs by manufacturers make it difficult to say that the objective was achieved.

It appears, therefore, that the structural transformation that was expected from the manufacturing sector was not attained.

These results seem to indicate adverse consequences given the sector's continued use of domestic resources, its costs, and its exports, especially when taken in light of the stabilization measures in the early 1980's. Manufacturing policy would then have to address its relatively high foreign exchange usage while simultaneously stimulating the employment of domestic resources.

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