



CENTRAL BANK OF
TRINIDAD & TOBAGO

2011 ANNUAL ECONOMIC SURVEY



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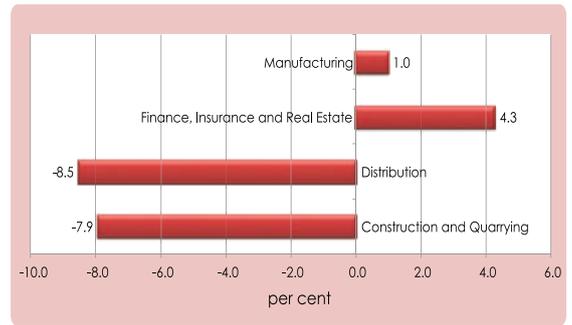


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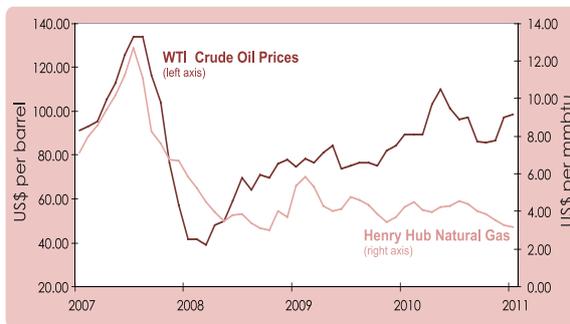


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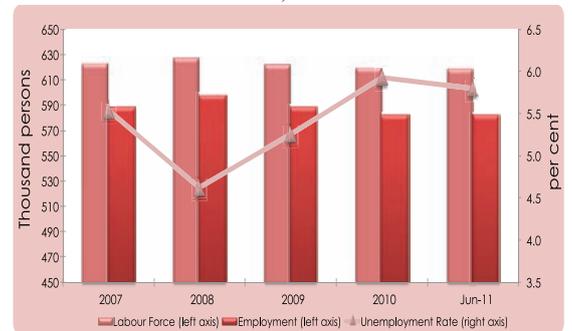


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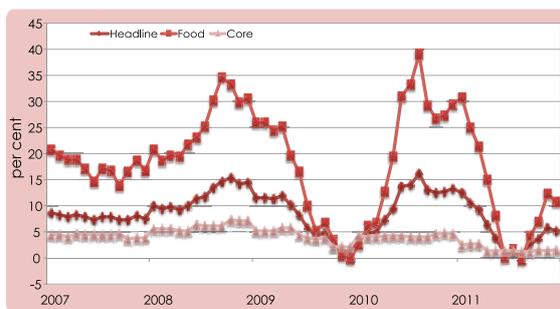


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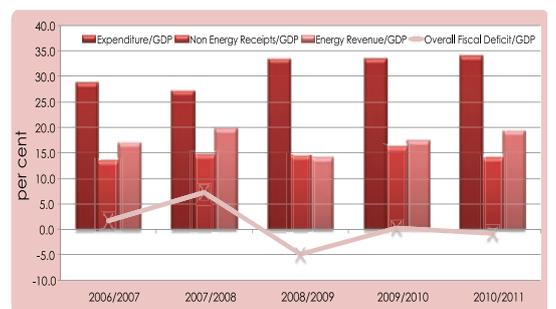


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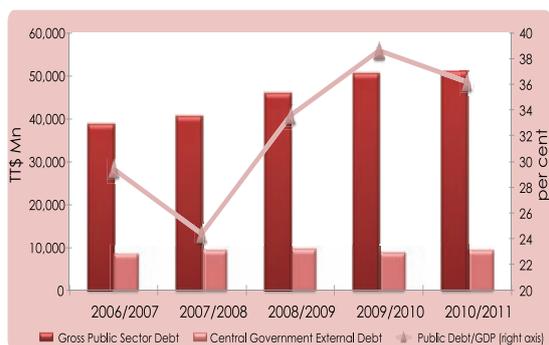
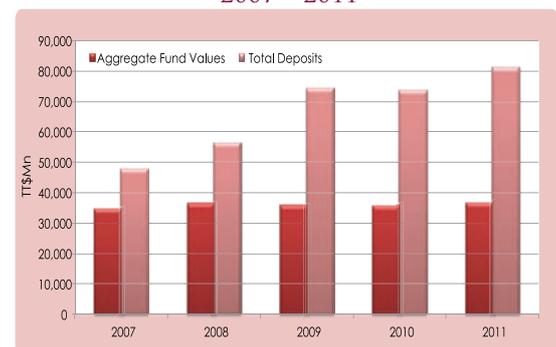


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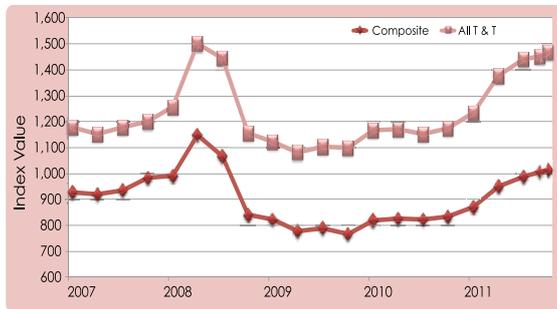


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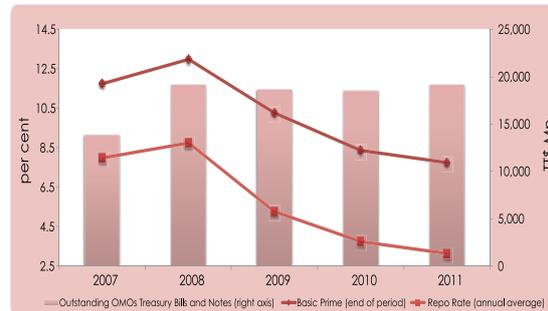


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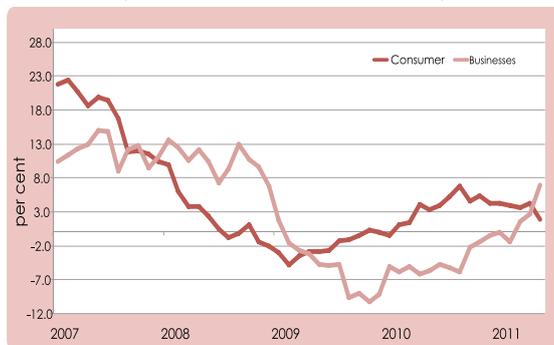


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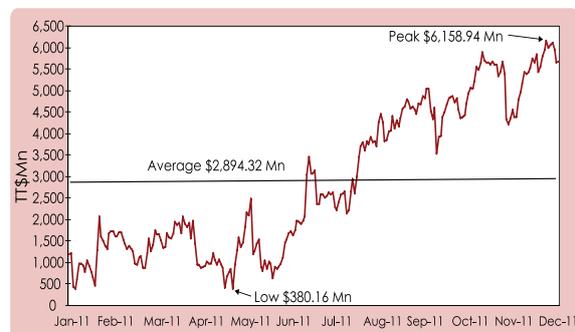


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STANDARD AND POOR'S CREDIT RATING FOR
SELECTED CARIBBEAN COUNTRIES, 2007 – 2011

End of Period	2007	2008	2009	2010	2011
Jamaica	B	B	CCC	B-	B-
Barbados	BBB+	BBB+	BBB	BBB-	BBB-
Trinidad and Tobago	A-	A	A	A	A

TABLE II
TRINIDAD AND TOBAGO SUMMARY
BALANCE OF PAYMENTS, 2007 – 2011
(US\$ MILLION)

	2007	2008	2009	2010	2011*
Current Account Balance	5,359	8,493	1,594	4,137	2,048
Trade Balance	5,721	9,064	2,202	4,701	2,272
Exports	13,391	18,686	9,175	11,204	6,519
Energy	11,650	16,482	7,839	9,280	5,398
Imports	7,670	9,622	6,973	6,504	4,247
Services (Net)	546	610	382	488	173
Income (Net)	-969	-1,228	-1,017	-1,080	-425
Transfers (Net)	60	47	27	29	28
Capital Account Balance	-3,818	-5,788	-2,306	-3,719	-1,380
Overall Balance	1,541	2,706	-713	418	668
(in per cent of GDP)					
Exports	61.6	66.7	46.5	53.5	58
Imports	35.3	34.3	35.3	31.1	37.8
Current Account Balance	24.7	30.3	8.1	19.8	18.2
Capital Account Balance	-17.6	-20.7	-11.7	-17.8	-12.3
Overall Balance	7.1	9.7	-3.6	2	5.9

* Data for the period January - June 2011.

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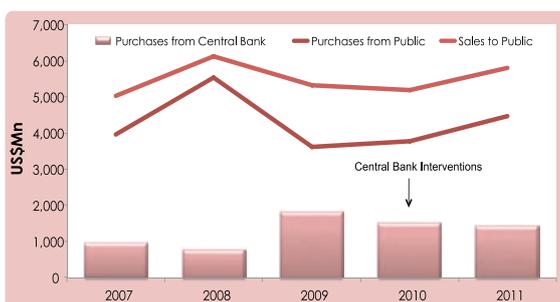


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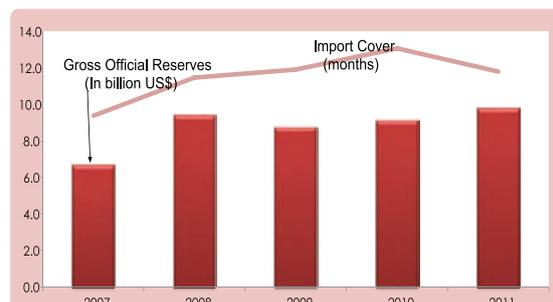


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Nov 2011:	Two commercial banks' deposits, of \$1 billion each, in interest bearing accounts at the Central Bank were combined and rolled over for one year.
Dec 2011:	The commercial banks' deposit of \$1.5 billion in an interest bearing account at the Central Bank was rolled over for another year.

Changes To The Central Bank Policy Rate	
Jan 2011:	'Repo' rate reduced to 3.50 per cent.
Feb 2011:	'Repo' rate reduced to 3.25 per cent.
Mar 2011:	'Repo' rate maintained at 3.25 per cent.
Apr 2011:	'Repo' rate maintained at 3.25 per cent.
May 2011:	'Repo' rate maintained at 3.25 per cent.
Jun 2011:	'Repo' rate maintained at 3.25 per cent.
Jul 2011:	'Repo' rate reduced to 3.00 per cent.
Aug 2011:	'Repo' rate maintained at 3.00 per cent.
Sep 2011:	'Repo' rate maintained at 3.00 per cent.
Oct 2011:	'Repo' rate maintained at 3.00 per cent.
Nov 2011:	'Repo' rate maintained at 3.00 per cent.
Dec 2011:	'Repo' rate maintained at 3.00 per cent.



CHAPTER ONE

OVERVIEW OF 2011 AND OUTLOOK FOR 2012

OVERVIEW OF 2011 AND OUTLOOK FOR 2012

OVERVIEW OF ECONOMIC DEVELOPMENTS IN 2011

In 2011, the nascent recovery in the international economy was hindered by the deepening of the European sovereign debt crisis and the slow growth of the US economy. The crisis has threatened the European integration movement and countries such as Greece, Spain and Italy have agreed to austerity measures to significantly alter their fiscal situations and lower their debt burdens. However, scepticism remained about their willingness or ability to undertake the fundamental reforms required. In the US the slow recovery in economic growth has been accompanied by a high (though gradually lowering) unemployment rate. In light of these developments, international agencies such as the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD) reduced their forecasts of global economic growth rate for 2011.

Though developing nations such as Brazil, Russia, China and India continued to experience positive economic growth in 2011, they nonetheless began to slow when compared to previous years. Lower growth rates were accompanied by rising inflation, causing some concern for the monetary authorities. Inflationary pressures were largely driven by the rising cost of energy, and food prices, which for most of the year were higher than in 2010. Given the Caribbean's economic ties to both the US and the EU, not surprisingly, low growth rates were recorded in these economies. However, two bright spots in the Caribbean were Guyana and Suriname, who were able to leverage rising international gold prices, and increased demand for agricultural products to propel their economies forward.

The Trinidad and Tobago economy is estimated to have contracted slightly in 2011. Real Gross Domestic Product (GDP) is provisionally estimated to have fallen by 1.4 per cent in 2011, following declines of 0.02 per cent and 3.3 per cent in the previous two years. Both the energy and non-energy sectors declined. The less-than stellar performance of the energy sector resulted from a combination of factors including lower domestic crude production from the mature oil fields and the stoppage of production of methanol and natural gas due to maintenance and improvement activities. The lower energy sector production occurred at a time of rising international prices for energy products. Economic activity in Trinidad and Tobago was also impacted by the slowdown in the international environment as many of the country's main markets were affected. On the domestic front, lower than anticipated government expenditure in the first half of the year, as well as the imposition of a State of Emergency in the latter part of 2011 also negatively impacted sectors such as construction, manufacturing and distribution.

The contraction of the Trinidad and Tobago economy did not support an improvement in the labour market, and job losses during the year, were accompanied by reduced working hours for some sectors due to the curfew. Additionally the industrial climate remained difficult as ongoing wage negotiations in various sectors including the public service, and the petroleum and electricity sectors escalated into strikes and other protests. However, there was some resolution as the Public Services Association, the Trinidad and Tobago Civil Aviation Authority, Regional Health Authority (RHA) and the Port

Authority of Trinidad and Tobago wage negotiations were successfully concluded. According to the latest data, Trinidad and Tobago's unemployment rate in the second quarter of 2011 was 5.8 per cent. Retrenchment notices received by the Ministry of Labour and Small and Micro Enterprise Development suggest that the unemployment rate at the end of 2011 might have been higher than the figure recorded in second quarter of 2011.

Unlike in 2010 when inflation accelerated as the year progressed, the inflation rate in 2011 fell from double digits in January (12.5 per cent) to an historic low in August (0.6 per cent) before rebounding somewhat by the end of the year to 5.3 per cent. The decline in the inflation rate can be attributed, in the first instance, to the base effect of the high prices that occurred in 2010 due to supply shocks, and second, to the positive impact of favourable weather on domestic food production. As is common, the movements in the overall Retail Price Index (RPI) were largely driven by movements in food prices as core inflation remained relatively sticky. The slow movement of the core price index can be related to the relatively stagnant consumer demand evident throughout the year.

Over the past few years Trinidad and Tobago recorded a deficit in its national budget, and this trend was continued in the 2011/2012 National Budget presented in September 2011 as the government sought to provide an impetus for economic expansion. The budget anticipates a deficit of \$7,642.4 million, with expected revenue and expenditure of \$46,959.9 million and \$54,602.3 million respectively. Some key initiatives of the budget included an increase in the minimum pension benefit payable under the National Insurance Act from \$2,000 to \$3,000 per month, an increase in the New Home Purchase Subsidy up to a maximum of \$50,000 for homes costing up to \$200,000 in Trinidad and \$220,000 in Tobago, VAT exemptions for offshore drilling rigs, drill ships and other vessels associated with offshore activity, and the introduction of tax allowances to encourage the increased use of alternative energy sources. A review of the state of the government finances in FY 2010/2011,

shows that as in FY 2009/2010, elevated revenue due to higher international commodity prices combined with a lower-than-budgeted expenditure resulted in a better than anticipated fiscal position. The anticipated fiscal deficit in FY 2010/2011 was \$7,032.2 million while the final reported figure was \$1,039.2 million. This budget deficit was financed from the Central Government's deposits at the Central Bank, and thus did not increase the country's debt obligations.

Unlike many developed and developing countries, Trinidad and Tobago has managed over the years to maintain a low public debt to GDP ratio, which in FY 2010/2011 was 36.2 per cent. During the financial year given that the statutory limits for domestic borrowing were reached in FY 2009/2010 there was little activity domestically. However, the country's international debt obligations increased as the Government received several loans from the Inter-American Development Bank to pursue initiatives in areas such as the development of a settlement operation to deal with squatter upgrading and home improvement, and the modernization of the public capital expenditure management programme. Even with this increased borrowing the external debt to GDP ratio remained low, falling to 6.5 per cent.

The Central Bank maintained an accommodative monetary policy stance during 2011 in an effort to stimulate growth in the domestic economy. The lowering of the repo rate on three occasions and the continued high excess liquidity resulted in a reduction of the commercial banks' lending rate and rates in the government securities market. While consumer lending continued to grow during the year, business credit continued to decline. Meanwhile, movements in the monetary aggregates indicated that both individuals and businesses prefer to hold highly liquid assets as the low deposit interest rates offered by the financial institutions made less liquid deposits less attractive.

As in previous years Trinidad and Tobago recorded a surplus in its transactions with the rest of the world. Latest available data for the first half of 2011 reveal that

the country's Balance of Payments recorded a surplus of US\$667.7 million. As has been the case for many years the surplus was largely due to the country's export of energy products. While the overall net trade remained relatively stable when compared to the same period in 2010, exports of both energy and non-energy goods increased over the period. The positive developments on the international energy markets and in some CARICOM member states proved beneficial to Trinidad and Tobago exporters.

ECONOMIC OUTLOOK FOR 2012

The prospects for the global economy remain uncertain at this time. While in the last quarter of 2011 there were some positive signals from the US economy, possible election-related political developments and the high debt can lead to a worsening of the economic situation. As the European governments and the European Central Bank implement policies and provide support to the weaker Euro-area countries, the sovereign debt crisis will continue to cast a shadow over the global economy. Meanwhile the implementation of policies to ensure that similar debt difficulties are averted in other nations have become important.

In the advanced economies inflation is likely to remain low, though this may be threatened by rising energy prices. Unfortunately unemployment levels in these nations are also anticipated to remain high.

Emerging market economies will continue to be the fulcrum of global economic growth, but there are concerns about contagion from the ongoing EU crisis. Further high inflation rates in these economies continue to be of concern to the monetary authorities. The pessimistic outlook for 2012 has been reflected in the

downward revision of global growth projections by organizations such as the IMF and the World Bank. The US and India have also lowered their expectations of their own growth in 2012.

Despite the gloomy international scenario Trinidad and Tobago is expected to return to positive growth of 1.5 per cent in 2012¹. This comes as the Government has embarked on a number of initiatives to increase investment in the economy and address the unemployment rate particularly among the youth. The energy sector is expected to recover in 2012 as oil and gas production should return to 2010 levels and an anticipated increase in global energy prices could lead to higher revenue. The non-energy sector is also forecasted to grow in 2012. The continued implementation and expansion of government projects such as the construction of the Point Fortin highway, and the refurbishment of public sector housing are likely to provide some further impetus to the construction sector. Additionally, improvements in other Caribbean economies can lead to an increase in non-energy exports to these markets, and further the diversification of exports to non-traditional markets may also prove beneficial.

¹ See Table III Summary Economic Indicators in the Central Bank of Trinidad and Tobago Economic Bulletin, January 2012.

TABLE 1
TRINIDAD AND TOBAGO: SELECTED ECONOMIC INDICATORS, 2007 – 2011

ITEM	ANNUAL PERCENTAGE CHANGES				
	2007	2008 ^r	2009 ^r	2010 ^r	2011 ^e
Real GDP Growth (2000=100)	4.8	2.7	-3.3	0.0	-1.4
Energy Sector	1.7	-0.3	2.5	2.0	0.0
Non-energy Sector	7.6	4.9	-6.7	-3.8	-1.0
Agriculture	21.8	7.6	-32.4	60.2	-4.1
Manufacturing	16.3	4.1	1.4	1.6	1.0
Construction	7.1	4.5	-7.1	-28.4	-7.9
Financial Services	10.4	3.1	-4.5	8.1	4.3
Inflation Rate (%) ¹					
(period average)	7.9	12.0	7.2	10.5	5.2
(end of period)	7.6	14.5	1.3	13.4	5.3
Unemployment Rate (%) ²	5.5	4.6	5.3	5.9	5.8*
(IN PER CENT OF GDP)					
Overall Central Government Operations Surplus(+)/Deficit(-)	1.7	7.3	-4.9	0.1	-0.7
Balance of Payments Current Account Balance Surplus(+)/Deficit(-)	24.7	30.3	8.1	19.8	18.2*
Public Sector Debt, (end of fiscal year) ³	29.4	24.4	33.5	38.6	36.2
Central Government External Debt, (end of fiscal year)	6.6	5.6	7.1	6.7	6.5
Memorandum Items:					
Central Government External Debt in US\$M (end of fiscal year)	1,374.5	1,518.1	1,422.0	1,561.4	1,638.5
Debt Service Ratio (%) ⁴	1.1	0.9	4.4	1.0	1.2
W.T.I. (US\$/barrel, annual average)	72.3	99.6	61.7	79.4	95.1
Gross Official Reserves (US\$M) (net of HSF)	6,673.5	9,380.3	8,651.6	9,070.0	9,822.7

SOURCES: Central Bank of Trinidad and Tobago, Central Statistical Office of Trinidad and Tobago and Ministry of Finance.

1 Changes in the Index of Retail Prices (RPI), January 2003 = 100.

2 This represents the average of the four quarters.

3 Includes the external and internal debt of the Central Government as well as contingent liabilities and excludes Treasury Bills and notes for Open Market Operations (OMOs).

4 This is defined as the ratio of external public sector debt service to exports of goods and non-factor services.

* For the first two quarters of 2011.

^r revised.

^e estimate.

TABLE 2
ECONOMIC CONTRIBUTION OF THE ENERGY SECTOR, 2007 – 2011
/ PER CENT /

	2007	2008 ^r	2009 ^r	2010 ^r	2011 ^e
Share of GDP					
Energy Sector	45.0	50.8	37.1	43.9	45.3
Exploration and Production	24.1	29.5	18.7	20.6	19.2
Refining (including LNG)	7.5	7.4	7.0	6.8	7.6
Petrochemicals	7.0	6.8	5.8	10.7	12.7
Other ¹	6.4	7.1	5.5	5.8	5.7
Share of Government Revenues					
Energy Sector ²	55.5	57.1	49.5	51.8	57.5
Oil and Gas Exploration and Production ³	45.9	49.0	40.3	43.2	47.5
Other Taxes ⁴	9.7	8.1	9.2	8.5	10.0
Share of Merchandise Export Receipts					
Energy Sector	87.0	88.2	85.4	82.8	82.3*
Extracted ⁵	11.3	14.0	12.9	21.1	11.5
Refined ⁶	54.9	56.0	62.9	61.5	61.4
Processed ⁷	20.7	18.2	9.6	21.4	21.4
Share of Total Employment	3.7	3.4	3.3	3.2	3.0*
Memorandum Items:					
Crude Oil and Condensate Production (millions of barrels)	43.8	41.8	39.1	38.9	30.9**
Natural Gas Production (millions of barrels of oil equivalent)	283.6	280.7	290.0	299.4	263.2**

SOURCES: Central Bank of Trinidad and Tobago, Central Statistical Office of Trinidad and Tobago, Ministry of Finance and Ministry of Energy and Energy Affairs.

1 Includes Service Contractors, Distribution and Asphalt Production.

2 Numbers may not add due to rounding.

3 Includes refining and gas processing, petrochemicals and service contractors.

4 Other taxes include: Withholding tax, royalties, oil impost, unemployment levy, excise duties and receipts from signature bonuses for the award of production sharing contracts.

5 Exports refer only to crude oil.

6 This includes refined petroleum, liquefied natural gas and natural gas liquids.

7 This refers to all other energy related exports e.g. petrochemicals.

* For the period January – June 2011.

** For the period January – November 2011.

r revised.

e estimate.



CHAPTER TWO

NATIONAL ACCOUNTS

NATIONAL ACCOUNTS

GROSS DOMESTIC PRODUCT

In 2011, the Trinidad and Tobago economy recorded its third successive annual contraction. Even with interest rates at historic lows, investor confidence faltered, with local businesses adopting a cautious approach to increasing their capital stock. Consumer confidence also suffered as job and income security became a more pressing issue for many households. Initial projections indicated that GDP was expected to fall by approximately 1.4 per cent for the year, with the energy sector registering close to zero growth and the non-energy sector declining by 1.0 per cent (Table 1).

Based on more recent data, however, the energy sector growth projection could likely be revised downward. The significant slippage in this sector stemmed largely from disruptions in oil and gas production at British Petroleum Trinidad and Tobago (BPTT) on account of ongoing safety upgrades and maintenance at the company's production facilities. Production of crude oil and natural gas fell by 6.9 per cent and 4.3 per cent respectively in the period January to November 2011, relative to the same period in 2010. The decline in natural gas production was a significant factor in reduced production of petrochemicals, along with routine shutdowns of the Yara and Tringen 1 ammonia plants during the year. Fertilizer production for the first 11 months of 2011 was 8.8 per cent lower than in the corresponding period of 2010. On the other hand, refining activity grew by 4.2 per cent, largely due to a pickup in petroleum refining, facilitated by a rise in imported crude.

The latest data for the non-energy sector indicate that several large sectors continued to decline in 2011 (Appendix 2, Table A.1). Activity in the Construction sector remained subdued as the government delayed the start of major planned construction projects. However, available indicators point to a small improvement in the Construction sector during the third quarter. The period January to September 2011 saw year-on-year declines in local sales of cement (5.1 per cent) and retail sales of hardware and construction materials (5.5 per cent). In line with the prevailing trend, it was projected that this sector would decline 7.9 per cent in 2011. The Distribution sector was projected to fall by 8.5 per cent for the year as a consequence of the subdued economic landscape as well as the possible effect of the state of emergency and curfew. On the other hand, the Manufacturing sector was projected to grow by 1.0 per cent, driven primarily by increased production in the Food, Beverage and Tobacco sub-sector. Manufacturers used approximately 68.8 per cent of capacity in the third quarter of the year, compared to 65.5 per cent in September 2010 (Figure 1). The small increase in capacity utilization was associated with increased production in the Food, Chemicals and Assembly sub-sectors. The Transport, Storage and Telecommunications sector was projected to grow by 4.3 per cent for 2011 and the Finance sector by 2.7 per cent driven primarily by activity within the Commercial Banking sub-sector.

FIGURE 1
CAPACITY UTILIZATION RATE IN THE MANUFACTURING SECTOR



SOURCE: Central Bank of Trinidad and Tobago.



CHAPTER THREE

DOMESTIC PRODUCTION

DOMESTIC PRODUCTION

AGRICULTURE²

Preliminary estimates from the Central Statistical Office (CSO) suggest that output from the agriculture sector declined by 4.1 per cent for 2011; this follows an increase of 60.2 per cent for the year prior. However, present data capture mechanisms used by the CSO may not encapsulate some of the recent developments within the sector, for this reason, other data sources are used to augment reporting on the sector.

Data from the National Agricultural Marketing and Development Corporation (NAMDEVCO) showed mixed activity within the sector (Table 3). In 2011 when compared to 2010, there was increased availability of locally grown commodities such as dasheen (168.8 per cent), rolled callaloo bush (65.2 per cent), pineapple (37.1 per cent) and cabbage (14.9 per cent). However, for the same period, there were reduced quantities of other local produce such as cucumber (23.7 per cent), tomato (16.7 per cent), watermelon (4.1 per cent), and sweet potatoes (3.6 per cent).

In 2011, there were positive institutional developments within the agricultural sector. Apart from the increased allocation in the budget for fiscal year 2011/2012

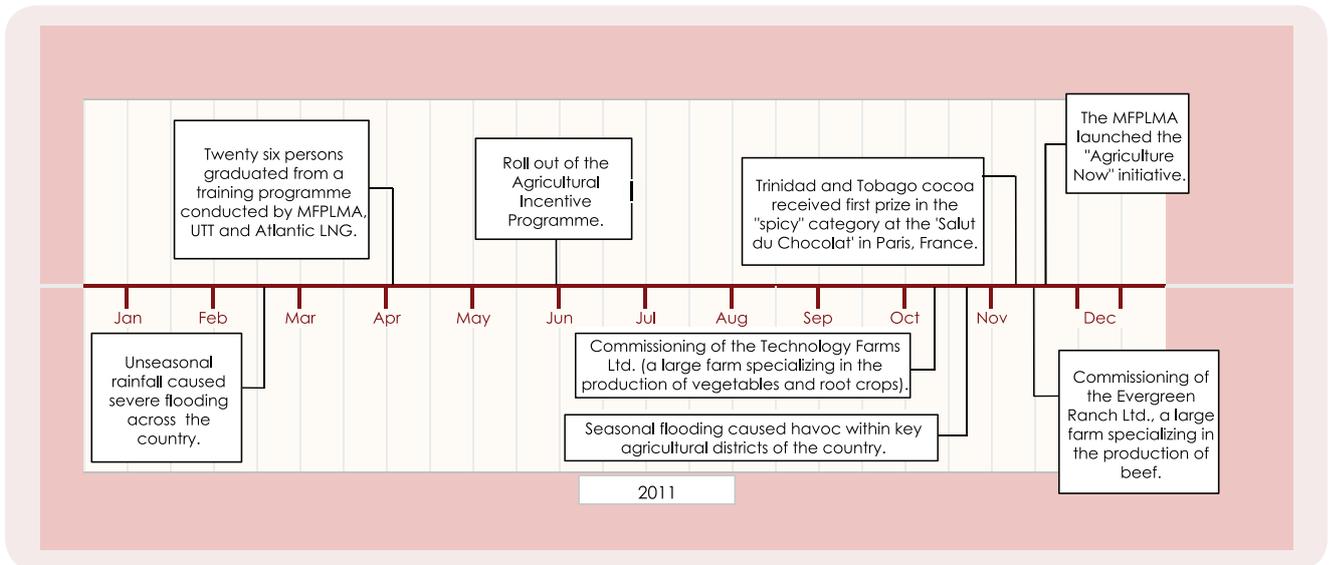
(approximately TT\$2 billion), there were increased awards of leases and promised improvements within some of the current systems inclusive of the “mega-farm” projects and the infrastructure in and around major farming areas. Further, various investments were made in the sector, including the “Agriculture Now” project, an agricultural programme for Unemployment Relief Programme (URP) workers (Box 1). In addition, the sector benefited from a reduction of the loan rates by the Agriculture Development Bank. The lower cost of accessing funds should have resulted in new investments and expansion projects in the sector.

However, the positive developments in the sector were offset by recurrent problems within the farming community. Praedial larceny, flooding and short-term disruptions at the Point Lisas desalination plant not only hindered production activities, but also affected food processing operations. In addition, persistent calls for a National Land Use Policy became even more vocal following the bulldozing of cultivated lands in certain areas of the country and the subsequent relocation of the farmers.

² See Appendix Table A.5 for accompanying data.

BOX I

KEY DEVELOPMENTS: AGRICULTURE SECTOR 2011



SOURCE: Central Bank of Trinidad and Tobago.

MFPLMA - Ministry of Food, Production, Land and Marine Affairs.

UTT - The University of Trinidad and Tobago.

TABLE 3
SELECTED COMMODITIES AVAILABLE AT THE NORTHERN WHOLESALE MARKET

Commodity	Local		Per cent Change
	2010	2011	
Root Crops			
Sweet Potato (kg)	1,137,130	1,096,089	-3.6
Cassava (kg)	618,734	658,221	6.4
Dasheen (kg)	152,656	410,312	168.8
Eddoes (kg)	89,504	84,674	-5.4
Leafy Vegetables			
Cabbage (Local Green) (kg)	684,297	786,571	14.9
Callaloo Bush (Roll) (Bundle)	123,905	204,735	65.2
Vegetables			
Tomato(kg)	1,722,510	1,434,516	-16.7
Cucumber(kg)	1,534,081	1,431,843	-23.7
Sweet Pepper(kg)	448,212	480,954	7.3
Christophene(kg)	232,935	343,316	47.4
Fruits			
Watermelon(kg)	760,968	729,665	-4.1
Pineapple(kg)	444,979	609,849	37.1
Imports			
Root Crops			
Dasheen(kg)	672,892	821,534	22.1
Eddoes(kg)	494,433	692,691	40.1
Sweet Potato(kg)	181,956	405,736	123.0
Leafy Vegetables			
Cabbage (Green, Imported, kg)	608,867	558,217	-8.3
Vegetables			
Tomato(kg)	173,099	190,691	10.2
Sweet Pepper(kg)	15,411	8,827	42.7

SOURCE: National Agricultural Marketing and Development Corporation.

PETROLEUM³

Exploration Activity

Petroleum exploration (as measured by total depth drilled) increased significantly in 2011 led by an uptick in activity at onshore fields. Total depth drilled amounted to 104.6 thousand meters for the first eleven months of 2011 compared to 56.4 thousand meters for all of 2010, as several operators intensified their drilling programmes during the year (Figure 2). There was also exploratory drilling during the year by BHP Billiton, Parex Resources, Trinmar and SOOGL Antilles Trinidad Limited⁴.

The Government awarded two deepwater blocks in July 2011 arising from the 2010 Deepwater Bid Round. BPTT was awarded two deepwater exploration blocks – block 23(a) and TTDA14. The Government also started discussions with a BHP Billiton/Repsol

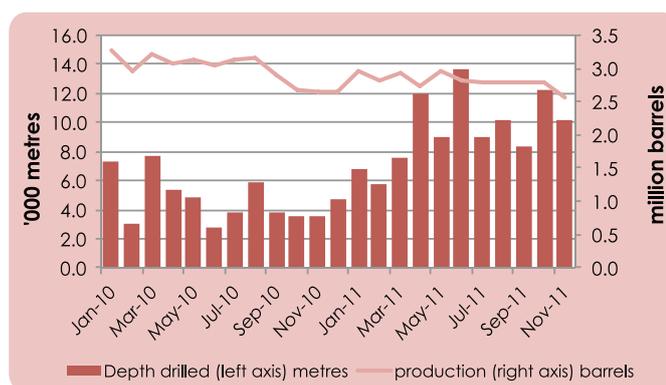
consortium aimed at attaining a mutually acceptable proposal for block 23(b). The consortium had previously bid unsuccessfully for the acreage.

Production and Exports

Production curtailments, primarily at BPTT, coupled with the natural decline of the mature fields resulted in another year of declining crude production⁵. Crude output during the first eleven months of 2011 averaged 92,613 barrels per day (bpd) compared with 99,443 bpd during the same period in 2010 (Box 2). BPTT has stated that the curtailments were due to maintenance shutdowns related to the age of the equipment as well as the tightening of technical standards after the oil spill in the Gulf of Mexico in 2010. Crude exports also suffered during the period, declining 14.9 per cent year-on-year to a total of 13.0 million barrels in the period January to November 2011.

FIGURE 2

CRUDE PRODUCTION AND TOTAL DEPTH DRILLED



SOURCE: Ministry of Energy and Energy Affairs.

³ See Appendix Table A.8 for accompanying data.

⁴ SOOGL Antilles Trinidad Limited (Sinopec Offshore Oil and Gas Limited) purchased Talisman's local assets in 2009. The company, which is based in China, currently holds a 25 per cent interest in the Angostura development area of block 2(c), a 36 per cent interest in the block 2(c) Howler assessment area, a 26 per cent interest in the Greater Ruby-Delaware appraisal area of block 3(a) and a 40 per cent interest in the exploration area of block 3(a).

⁵ See Box 2 for a synopsis of the energy sector in 2011.

Refining

Steady demand for Petrotrin's refined products drove refinery throughput and crude imports in 2011. Refinery throughput during the first eleven months of the year averaged 138,272 thousand barrels per day (46.2 million barrels), an increase of 10.2 per cent over the same period in 2010. Given falling production, it was necessary to increase crude imports in order to maintain refinery operations. Imports over the period were up 22.2 per cent from the previous year.

NATURAL GAS

Production and Utilization

The natural gas industry was significantly restrained by protracted maintenance and safety-upgrade activity by BPTT following the Deep Water Horizon oil spill in April 2010. Natural gas output from BPTT for the first eleven months of 2011 declined 10.8 per cent compared to output in the corresponding period of 2010 (Box 2). The commencement of production from BHP Billiton's Angostura Project in May 2011 did little to counter the resulting natural gas shortage. Industry output declined 4.3 per cent year-on-year over the period, interrupting the input flow to several downstream industries. The gas utilization rate for the downstream industry declined 4.1 per cent year-on-year to 3.8 billion cubic feet per day (Box 2).

The country's gas reserves continued to decline in 2010. The 2010 Ryder Scott Natural Gas Audit⁶ revealed a decline in proven reserves to 13.46 trillion cubic feet in 2010 from 14.42 trillion cubic feet in 2009. At current production rates, this represents nine years of production. Total natural gas reserves, which include proven, possible and probable reserves, are estimated at 27 trillion cubic feet. Trinidad and Tobago's gas reserves have been in steady decline since 2002, when the total stood at 35 trillion cubic feet.

Liquefied Natural Gas (LNG)

LNG production fell 7.7 per cent year-on-year during January to November 2011 relative to the same period in 2010. A total of 29.0 million cubic meters of LNG was produced during the period as natural gas curtailments limited activity.

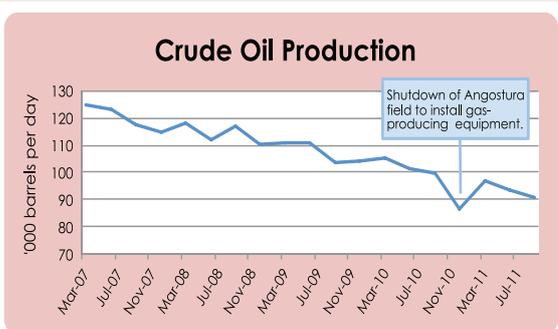
Natural Gas Liquids (NGLs)

The NGLs industry contracted in 2011 – the first decline since 2007. Limitations on natural gas availability resulted in a 5.7 per cent fall in production to 14.8 million barrels in the period January to November 2011 from 15.7 million barrels in the corresponding period of 2010. Exports of the product recorded a decline of 6.8 per cent to 14.4 million barrels in the 2011 period.

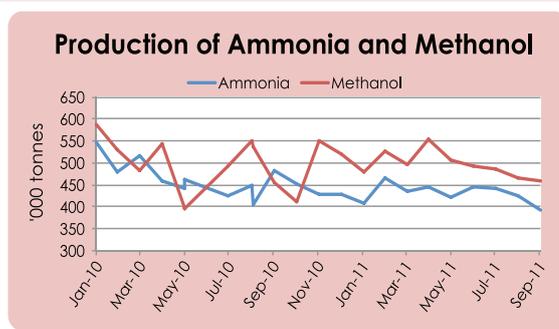
⁶ See http://www.energy.gov.tt/content/Natural_Gas_Reserves_Audit_as_of_December_31st_2010.pdf.

BOX 2

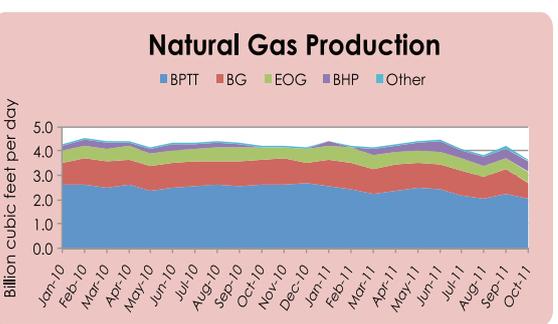
THE DOMESTIC ENERGY SECTOR IN 2011



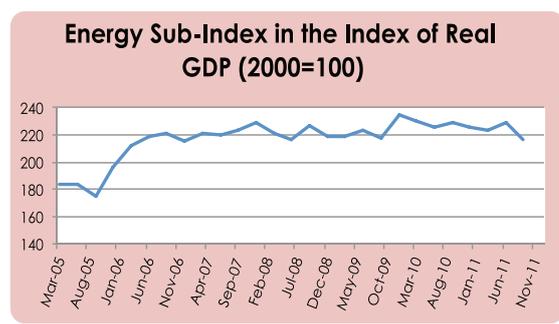
Crude oil production has been on a continued decline over the last several years...



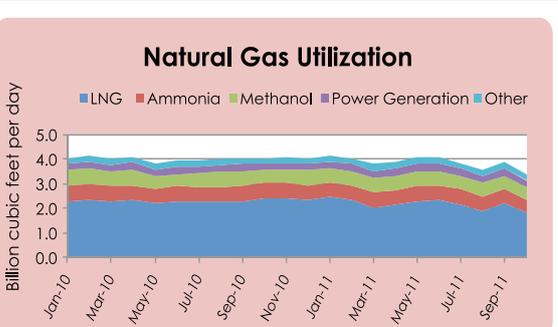
For example, petrochemical output has been negatively affected...



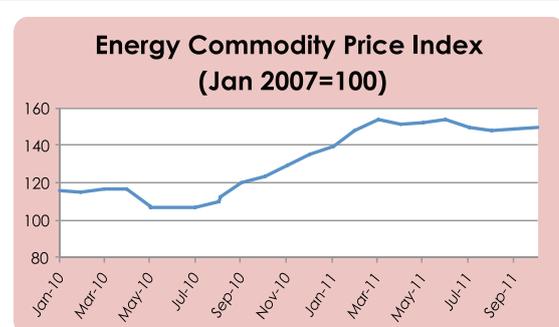
2011 was plagued with shortages in the availability of natural gas...



As a result, the energy industry has not been as robust as in previous years...



Natural gas shortages have adversely affected downstream industries...



The decline in the energy sector has occurred at a time of rising energy prices.

PETROCHEMICALS

Methanol

Methanol output in 2011 was affected by a lengthy plant outage for maintenance. The Methanex plant was taken offline in February 2011 due to mechanical problems. This rendered the plant dormant for close to a month, resulting in the loss of roughly 70,000 tonnes of potential output. Nonetheless, methanol production during the first eleven months of 2011 at 5,463 thousand tonnes was relatively unchanged from the comparative period in 2010, since a major outage at the Atlas methanol plant in 2010 had depressed output in that year as well.

Nitrogenous Fertilizers

Fertilizer production declined some 8.8 per cent year-on-year in the first eleven months of 2011, due to several factors. In May 2010, MHTL's AUM1 Complex began using roughly 50,000 tonnes of ammonia per month in the synthesis of melamine. The ammonia used in this process is excluded from final output of ammonia since it is considered intermediate production. Secondly, as noted above, the natural gas downstream sector was plagued by natural gas shortages in 2011 arising in the main from production shortfalls at BPTT. This significantly curtailed ammonia production across a number of producers. In addition, the Yara ammonia plant was taken offline in April 2011 for maintenance. These factors resulted in reduced fertilizer production

of 5.3 million tonnes for January to November 2011, down from 5.8 million tonnes in the same period of 2010. In similar fashion, fertilizer exports fell to 4.8 million tonnes in the first eleven months of 2011 from 5.5 million tonnes in the corresponding period of 2010.

Iron and Steel

Available data for the local iron and steel industry suggest improved activity in 2011. During January to September 2011, billet production increased by 3.2 per cent while wire rod production expanded by 19.1 per cent. Direct Reduced Iron (DRI) production remained relatively unchanged from levels in 2010. In late 2011 however, ArcelorMittal Point Lisas Limited temporarily sent home 30 workers, citing reduced demand for its DRI. The company indicated that it expected to resume normal operating rates in January 2012.

Energy Commodity Price Index (ECPI)

Given the developments in the international energy markets, it is not surprising that the ECPI grew in 2011, averaging 147.5, up from 114.9 in 2010 (Box 2). Though natural gas prices remained relatively stable, crude, crude-derivative and fertilizer prices trended upward in 2011 due to turmoil in the Middle East and North Africa region early in the year, concerns over sovereign debt in the Euro zone, and limited supply of some fertilizer products.



CHAPTER FOUR

LABOUR MARKET

LABOUR MARKET

EMPLOYMENT

According to the latest official data available from the CSO, the unemployment rate for the second quarter of 2011⁷ stood at 5.8 per cent compared to 4.8 per cent for the analogous period in 2010 (Table 4). For the second quarter of 2011, the female population had an unemployment rate of 7.2 per cent, which was higher than the male population's rate of 4.8 per cent. The labour force increased on a year-on-year basis from 608,400 persons in the second quarter of 2010 to 617,800 persons a year after. An increase within the non-institutional population 15 years and older accounted for 5,500 of the additional persons within the labour force. The remaining 3,900 persons are persons who may be returning to the labour force following non-participation. The participation rate was 61.6 per cent in the second quarter of 2011 higher than the equivalent period a year prior (61.0 per cent).

While the employment situation has shown some signs of improvements, there are some concerns. For one, compared to the last quarter of 2010, the labour force decreased from 632,100 persons to 617,800 in the second quarter of 2011. This had the positive impact of reducing the unemployment rate to 5.8 per cent compared to 6.3 per cent, but it also masked a decrease in the number of persons with jobs from 592,200 to 581,900.

Further concerns would have been raised due to the 1,238 retrenchment notices filed with the Ministry of Labour and Small and Micro Enterprise Development for the year ended December 2011, which was 10.6 per cent higher than the 1,119 notices filed for the corresponding period a year prior. In 2011, the majority of these notices were filed within the food processing (30.3 per cent), distribution (21 per cent) and finance, insurance, real estate and business (12.8 per cent) sectors. The notices from the food processing industry included those resulting from the closure of a

seafood processing company, which accounted for 355 notices or roughly 30 per cent of all notices over 2011.

The labour market witnessed some turbulence in 2011, due in large part to a series of protracted wage negotiations between the Government and the majority of trade unions. While some of the negotiations have been settled, others have been carried over to 2012. Some protests associated with the negotiations negatively impacted the business and national community in particular, the strike actions of the port workers and Public Transportation Service Corporation (PTSC).

PRODUCTIVITY AND WAGES

Productivity

The Index of Productivity (measured by the Index of Domestic Production divided by the Index of Man Hours Worked) showed that productivity within all industries (exclusive of energy) increased by 14.0 per cent in the first three quarters of 2011, compared to the corresponding period of 2010 (Table 6). With the energy sector included, however, productivity increased only 8.3 per cent on average over the same period. The decline in energy-sector productivity was closely linked to reduced economic activity in that sector. During the period under review, the energy sector recorded declines within the Index of Domestic Production for exploration and production of oil and natural gas (5.6 per cent), natural gas refining (3.6 per cent) and petrochemicals (4.2 per cent). Offsetting this decline were increases within the wood products (33.4 per cent) and food processors (17.9 per cent). Wood products benefited from heightened demand during the course of the year due to the school repair programme and housing refurbishment.

⁷ Official data on unemployment is only available for the second quarter of 2011. Data for the first quarter is not available due to the census taking place during that period.

Wages

Data on wage agreements⁸ registered in 2010 by the Industrial Court of Trinidad and Tobago showed that the median yearly wage increase was 5.2 per cent, up from 5.1 per cent in 2009 (Table 7). Meanwhile, the average of cumulative wage increases covering a three-year period decreased to 17.3 per cent in 2010 compared with 19.1 per cent for those agreements registered

in 2009. Some of the larger three-year settlements occurred in the government (34.8 per cent), energy (28.0 per cent) and wood and related products (27.0 per cent). Meanwhile smaller wage increases were recorded within the distribution sector (4.0 per cent) (Table 8).

TABLE 4
LABOUR FORCE STATISTICS, 2008 – JUNE 2011
/ THOUSANDS /

	2008	2009	2010	Jun '10	Jun '11
Population (Mid Year) Estimates	1,308.6	1,310.1	1,317.7	1,317.7	1,325.4
Non-Institutional Population					
15 years and over	987.0	991.1	996.9	997.1	1,002.6
Labour Force	626.7	620.9	619.0	608.4	617.8
Persons with jobs	597.7	588.3	582.3	578.9	581.9
Persons without jobs	29.0	32.6	36.7	29.5	35.9
Participation Rate (%)	63.4	62.6	62.1	61.0	61.6
Unemployment Rate (%)	4.6	5.3	5.9	4.8	5.8

SOURCE: Central Statistical Office of Trinidad and Tobago.

⁸ The International Standard Classification of the Central Statistical Office of Trinidad and Tobago was used to classify the companies by industries.

TABLE 5
THE SECTORAL DISTRIBUTION OF EMPLOYMENT, 2009 – JUNE 2011
/ THOUSANDS /

	Employment							
	2009		2010		June '10		June '11	
	(000)	%	(000)	%	(000)	%	(000)	%
Agriculture	22.9	3.9	21.0	3.6	18.4	3.2	20.5	3.5
Petroleum & Gas (including Mining & Quarrying)	20.4	3.5	19.2	3.3	19.7	3.4	18.6	3.2
Manufacturing	51.9	8.8	51.4	8.8	51.0	8.8	46.1	7.9
Construction (including Electricity & Water)	113.4	19.3	98.6	16.9	96.3	16.6	92.8	16.0
Transport, Storage & Communications	39.6	6.7	38.8	6.7	38.2	6.6	42.0	7.2
Other Services	338.7	57.6	349.4	60.0	354.9	61.3	360.2	61.9
<i>Of which:</i>								
<i>Wholesale & Retail</i>	107.1	18.2	109.7	18.8	115.1	19.9	107.2	18.4
<i>Community, Social & Personal Services</i>	182.5	31.0	189.4	32.5	190.1	32.8	200.1	34.4
<i>Finance, Insurance & Real Estate</i>	49.1	8.3	50.3	8.6	49.7	8.6	52.9	9.1
Not Classified	1.3	0.2	0.6	0.1	0.4	0.1	1.5	0.3
Total Employment¹	588.2	100.0	582.3	100.0	578.9	100.0	581.7	100.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Numbers may not sum due to approximation.

TABLE 6
INDUSTRIAL INDICES
CHANGES IN KEY ECONOMIC INDICATORS
/ PER CENT CHANGE OVER YEAR-EARLIER PERIOD /

	Exploration & Production of Oil & Natural Gas		Assembly-Type & Related Industries		All Industries (Excluding Energy)		All Industries	
	Jan-Sept '10	Jan-Sept '11	Jan-Sept '10	Jan-Sept '11	Jan-Sept '10	Jan-Sept '11	Jan-Sept '10	Jan-Sept '11
Productivity ¹	-11.4	-9.2	35.6	3.6	16.1	14.0	3.9	8.3
Production ²	-1.2	-5.6	32.2	18.0	17.0	9.5	9.9	4.9
Hours Worked ³	11.5	3.9	-1.9	13.0	0.9	-4.0	5.9	-3.2
Nominal Earnings ⁴	31.9	-20.9	28.0	8.5	8.8	-3.3	5.7	-0.7
Real Earnings ⁵	20.4	-24.9	16.4	3.3	-0.8	-8.1	2.5	-12.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Index of Productivity.

2 Index of Domestic Production.

3 Index of Hours Worked.

4 Index of Average Weekly Earnings.

5 The Index of Average Weekly Earnings is adjusted by the impact of inflation over the period.

The Index of Average Weekly Earnings (AWE) produced by the CSO showed a decline of 0.7 per cent for the first nine months of 2011 compared to the equivalent period in 2010 (Table 6). The fall in the AWE was driven by declines in the petrochemical (58.6 per cent), exploration and production of oil and natural gas (20.9 per cent) and printing, publishing and paper converters (10.9 per cent) indices. The petrochemicals and energy sector declined throughout the year, possibly due to the negative impacts of plant shutdowns and falling levels of production. These decreases exceeded the increased weekly earnings within the wood and related products sub-index (10.0 per cent) and assembly type and related products (8.5 per cent). The rise in demand within the wood products sector may have driven increased usage of labour hours and manpower, thus leading to growth within the wood products sub-index.

Real earnings for all industries fell by 12.0 per cent during the period January-September 2011 compared to the similar period a year earlier (Table 6). Removing the effects of the energy sector, real earnings still showed a decline, albeit at a lesser rate of 8.1 per cent. The real earnings within production of oil and gas fell by 24.9 per cent adding to the already large decline of 60.8 per cent within the petrochemicals industry. Declines were also registered in the non-energy sectors - printing and paper products (15.3 per cent) and food processing (7.4 per cent). The industries that saw some increased real earnings were wood and related products (4.9 per cent) and assembly-type and related industries (3.3 per cent). With a lower average rate of inflation in 2011 than in previous years, the main impetus behind these declines would have been the falling weekly earnings throughout various sectors. It is worthy to take note that the sectors that showed increases witnessed increased demand throughout the course of the year.

TABLE 7

SUMMARY OF INDUSTRIAL AGREEMENTS REGISTERED IN 2010

Period of Agreement	Number of Agreements	Median Yearly Wage Increase (%)	Range of Average Yearly Increases (%)
2003-2005	2	3.50	4.50-8.50
2003-2006	1	3.50	4.50-8.50
2004-2007	1	4.00	0.00-4.00
2005-2007	8	5.00	2.50-24.50
2005-2008	4	5.00	4.40-6.75
2006-2008	9	5.50	4.00-7.53
2006-2009	9	5.50	4.23-7.53
2007-2009	5	5.00	1.50-7.75
2007-2010	9	6.00	1.50-7.75
2008-2010	5	5.00	4.14-14.00
2008-2011	15	5.00	3.66-8.00
2009-2011	4	5.00	4.33-7.38
2009-2012	8	5.00	4.14-7.75
2010-2012	2	5.50	3.66-7.00
2010-2013	2	7.50	5.00-13.00

SOURCE: Industrial Court of Trinidad and Tobago.

TABLE 8
AGREEMENTS REGISTERED IN 2010 BY SECTOR

Sector	Duration of Agreements	No. of Agreements	Range of Average Yearly Increases (%)	Total Average Yearly Increases
Energy	2005-2008	1	4.40-6.00	14.9
	2008-2011	1	7.00-8.00	16.0
	2006-2009	1	4.40-7.10	18.5
	2007-2010	3	4.40-7.10	22.1
	2010-2013	1	8.00-10.00	28.0
Government	2005-2007	4	2.50-24.50	34.8
Construction	2008-2011	1	4.33-8.00	17.7
	2009-2011	2	4.33-5.33	14.7
Assembly type and Related Industries	2010-2013	1	5.00-13.00	23.0
Printing, Publishing and Paper Convertors	2008-2010	1	5.00	15.0
	2009-2012	1	5.00	15.0
Wood and Related Products Industry	2008-2010	1	6.00-14.00	27.0
Chemical and Metallic Minerals Industry	2006-2008	1	5.40-6.00	16.9
	2007-2009	1	4.13-5.50	16.9
	2008-2011	2	3.66-5.50	15.0
	2006-2009	2	5.40-6.00	15.0
	2007-2010	1	4.13-5.50	13.3
	2010-2012	1	3.66-5.00	13.7
Food and Beverage Processors	2006-2008	1	5.00-6.00	16.0
	2008-2011	1	5.00-7.38	18.4
	2009-2012	2	4.67-7.38	17.0
	2009-2011	1	4.67-7.38	17.0
Miscellaneous Manufacturing	2005-2008	2	5.17-6.75	17.4
	2006-2008	3	5.17-6.75	18.8
	2007-2009	1	4.14-6.88	16.2
	2008-2010	1	4.14-6.88	16.7
	2008-2011	3	4.14-6.88	16.7
	2009-2012	2	4.14-5.67	14.8
Distribution	2006-2008	2	4.00-6.00	4.0
	2008-2010	1	4.33-5.40	14.7
	2008-2011	2	4.33-5.40	16.1
	2004-2007	1	0.00-4.00	14.5
	2007-2010	2	5.40-6.00	14.5
Finance, Insurance & Business Services	2006-2008	2	4.23-7.53	18.3
	2007-2009	2	5.08-7.53	18.3
	2008-2010	1	4.75-7.53	15.8
	2008-2011	4	4.75-7.53	18.0
	2009-2012	2	4.67-5.08	18.0
	2003-2005	2	4.50-8.50	18.8
	2003-2006	1	4.50-8.50	18.8
	2005-2007	3	4.23-6.20	17.4
	2006-2009	6	4.23-7.53	17.4
	2007-2010	2	5.08-7.53	14.5
	2009-2011	1	4.67-5.08	14.5
Education and Cultural Services	2005-2007	1	3.00-16.00	22.5
Utility	2005-2008	1	5.00	15.0
Personal Services	2007-2009	1	1.50-7.75	14.9
	2008-2011	1	5.66-7.75	14.9
	2009-2012	1	5.50-7.75	19.4
	2007-2010	1	1.50-7.75	19.3
	2010-2012	1	5.50-7.00	18.5

SOURCE: Industrial Court of Trinidad and Tobago.



CHAPTER FIVE

PRICES

PRICES

CONSUMER PRICES

Inflationary pressures eased in 2011 compared to 2010 as the prices of agricultural commodities both internationally and domestically did not rise at the rates seen in previous years. Indeed favourable domestic weather conditions and increased harvests internationally were instrumental in the gradual reduction in food inflation. Additionally, consumers maintained a more selective approach to spending in 2011, due largely to prolonged wage negotiations and uncertainty about the global economy. In response businesses intensified competition for the consumer dollar, especially through advertised sales. Despite these efforts, however, retail sales slumped during the Christmas season, placing an additional damper on inflationary pressures.

In December 2011, the inflation rate stood at 5.3 (year-on-year), a significant decline from the double-digit figures recorded in December 2010 (13.4 per cent). This however masks some of the fluctuations in the inflation rate during the year. After starting the year at 12.5 per cent in January, the inflation rate continued to decline for much of the year. In August 2011 the rate of headline inflation fell to a low of 0.6 per cent – the lowest rate recorded since October 1969. Thereafter, the rate increased by an average of 4.9 per cent for the fourth quarter of 2011. This was driven by the rising rate of food inflation, which grew from 6.9 per cent in October to 10.9 per cent in December 2011 mainly because of disruptions in local supply due to the flooding of certain agricultural districts but also due to the lagged effects of international commodity price increases earlier in the year.

While food inflation continued to be the main determinant of the overall inflation rate, the core inflation rate remained low throughout the year, falling from 2.6 per cent (year-on-year) in January 2011

to 1.5 per cent (year-on-year) in December 2011 (Chart 5). Movements in the core inflation rate were influenced primarily by subdued consumer demand.

WHOLESALE PRICES

The Producer Price Index showed an increase over the year 2011 compared to 2010. The average rate of increase for 2011 was 2.8 per cent for all industries. Increases in the cost of raw materials in the tobacco sub-sector and increased demand for products within the wood products sub-sector caused upward movement of the Producer Prices Index. Drinks and tobacco increased by an average of 7.5 per cent when compared to 2010 due to increased prices within the alcoholic beverages (9.7 per cent) and tobacco (8.4 per cent) industries. The wood products registered its increase because of a 5.2 per cent rise in furniture and 3.3 per cent growth within the sawmill sub-index. The increased expenditure to refurbish schools and various housing units across the country led to rising demand for furniture, and consequently to some price increases.

PRICES OF BUILDING MATERIALS

There appears to have been some level of increased activity within the housing sector in 2011 as compared to 2010. Apart from the construction of new units, repairs and maintenance activities seemed to also have been undertaken. The moderate rise in government construction, for example the Point Fortin highway and other infrastructural developments within road networks, also played a part in this increase. The Index of Building Material Prices increased by an

average 4.0 per cent for 2011 compared to 0.3 per cent for the equivalent period a year prior (Table 9). The largest factor in this change was the 15.0 per cent average increase within the sub-section plumbing and plumbing fixtures in 2011 compared to 0.9 per cent for the previous year. In addition, other major changes

included walls and roof (4.2 per cent from -1.9 per cent) and site preparation, structure and concrete frame (3.2 per cent from -1.8 per cent). The only sub-sector which recorded slower growth between the reporting periods was electrical installation and fixtures (falling from 15.8 per cent in 2010 to 6.0 per cent in 2011).

TABLE 9
INDEX OF RETAIL PRICES OF BUILDING MATERIALS (1996 = 100)
AND PERCENTAGE CHANGES

Date		All Sections		
		Index	Quarterly %	Year-on-Year %
2008	I	185.90	0.9	4.3
	II	193.20	3.9	6.6
	III	200.55	3.8	9.8
	IV	204.25	1.8	10.8
Annual Average		195.98	2.6	7.9
2009	I	205.60	0.7	10.6
	II	198.46	-3.5	2.7
	III	196.05	-1.2	-2.2
	IV	192.11	-2.0	-5.9
Annual Average		198.06	-1.5	1.3
2010	I	194.06	1.0	-5.6
	II	198.05	2.1	-0.2
	III	200.15	1.1	2.1
	IV	201.26	0.6	4.8
Annual Average		198.38	1.2	0.3
2011	I	204.11	1.4	5.2
	II	204.59	0.2	3.3
	III	206.62	1.0	3.2
	IV	209.90	1.6	4.3
Annual Average		206.31	1.1	4.0

SOURCE: Central Statistical Office of Trinidad and Tobago.



CHAPTER SIX

FISCAL OPERATIONS

FISCAL OPERATIONS

CENTRAL GOVERNMENT OPERATIONS

Latest data for the period October 2010 to September 2011 (FY 2010/2011) showed that the fiscal accounts recorded a deficit of \$1,039.2 million or 0.7 per cent of GDP (Table 10). This outturn was much lower than expected and was cushioned by the positive response to the tax amnesty⁹ and buoyant energy revenue collections. On the expenditure side, a delayed pick-up in the pace of government spending caused total expenditure to be lower than budget estimates. The overall stance of fiscal policy during the period was expansionary compared with the previous fiscal year.

Total revenue for FY 2010/2011 amounted to \$46,972.4 million. This was 13.8 per cent above the budgeted amount (\$41,263 million) and 7.1 per cent higher than the corresponding period in FY 2009/2010. The gains in revenue were largely attributable to receipts from higher crude oil and natural gas prices and tax amnesty collections from energy sector companies. The crude oil price averaged US\$92.82 per barrel, West Texas Intermediate (WTI) which was above the budgeted level (US\$65 per barrel, WTI) and able to more than offset the persistent decline in crude oil production levels. Natural gas prices were also above the budgeted level of US\$2.75 per million cubic feet (mmcf) as there was a noticeable switch in the supply of natural gas to Asian and North European markets which attracted higher prices than the benchmark Henry Hub (HH). The improvement in energy collections facilitated a higher than expected transfer into the Heritage and Stabilization Fund (HSF) of \$2,890 million (Table 11).

Collections from the non-energy sector however, remained sluggish in spite of the boost provided by the tax amnesty. The relatively weak contributions from non-energy revenue continued to be linked to the delayed recovery in the non-energy sector and its negative effects on VAT and other collections. Additionally, net Value Added Tax (VAT) receipts¹⁰ were further constrained by a sharp rise in the payment of outstanding VAT refunds from previous years. During the period October 2010 to September 2011 the Ministry of Finance paid approximately \$5 billion in VAT refunds which significantly reduced the backlog from earlier years.

Total expenditure in fiscal year 2010/2011 was 9.9 per cent higher than in the previous fiscal year. The increase in expenditure was reflected in most of the major categories of spending and particularly in transfers and subsidies and capital expenditure. The rise in transfers and subsidies was due to an increase in the Senior Citizens Grant, which rose to a maximum of \$3,000 per month¹¹ and payments made to CLICO (\$734 million) and Hindu Credit Union (HCU) policyholders (\$100 million). Additionally, the upward trajectory of crude oil prices above the budgeted level resulted in an increased transfer to the Petroleum Subsidy. Meanwhile, revised estimates from the Ministry of Finance point towards a lower rate of capital project execution than initially expected. This resulted in capital expenditure falling short of the budgeted amount.

9 The Ministry of Finance calculated that the tax amnesty brought in revenue of approximately \$2 billion.

10 Net VAT collections are calculated as the sum of domestic VAT receipts and VAT receipts from imports less VAT refunds.

11 The Senior Citizens Grant was increased to \$3,000 per month with effect from September 1, 2010.

TABLE 10

SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2008/2009 – 2011/2012
/ TT\$MILLION /

	Fiscal Years			
	2008/2009	2009/2010 ^r	2010/2011	2011/2012 ^b
Current Revenue	38,993.5	43,632.0	46,669.0	46,943.0
Current Expenditure	37,316.9	37,275.7	41,417.2	47,020.4
Current Surplus (+)/Deficit (-)	1,676.6	6,356.3	5,251.8	-77.4
Capital Receipts	51.3	230.9	303.4	16.9
Capital Expenditure and Net Lending	8,413.9	6,399.2	6,594.4	7,581.9
Overall Surplus (+)/Deficit (-)	-6,686.0	188.0	-1,039.2	-7,642.4
Financing	6,686.0	-188.0	1,039.2	7,642.4
External (Net)	-1,416.0	393.5	132.8	2847.1
Domestic (Net)	8,102.0	-581.5	906.4	4,795.3
SURPLUS (+) / DEFICIT (-) as a PER CENT OF FISCAL YEAR GDP (CURRENT MARKET PRICES)				
Current Surplus (+)/Deficit (-)	1.2	4.9	3.7	-0.1
Overall Surplus (+)/Deficit (-)	-4.9	0.1	-0.7	-5.0

SOURCE: Ministry of Finance.

r revised.

b budgeted.

The fiscal year represents the period October to September.

TABLE 11

SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2007/2008 – 2011/2012
/ TT\$ MILLIONS /

	2007/2008	2008/2009	2009/2010 ^r	2010/2011	2011/2012 ^b
Revenue	56,847.8	39,044.8	43,862.9	46,972.4	46,959.9
Energy	32,444.3	19,317.8	22,700.6	27,005.1	n.a
Non-energy	24,403.5	19,727.0	21,162.3	19,967.3	n.a
Expenditure	44,715.1	45,730.8	43,674.9	48,011.6	54,602.3
Current	35,030.6	37,316.9	37,275.7	41,417.2	47,020.4
Wages and salaries	6,946.9	6,620.3	6,711.0	7,204.9	8,481.9
Goods and services	5,002.3	6,023.0	6,441.2	6,496.4	9,091.5
Interest payments	2,967.3	3,499.9	3,290.3	2,685.4	4,128.9
Transfers & Subsidies	20,114.1	21,173.7	20,833.2	25,030.5	25,318.1
Capital expenditure & net lending	9,684.5	8,413.9	6,399.2	6,594.4	7,581.9
Overall non-energy balance	-20,311.6	-26,003.8	-22,512.6	-28,044.3	n.a.
Overall balance	12,132.7	-6,686.0	188.0	-1,039.2	-7,642.4
Total financing (net)	-12,132.7	6,686.0	-188.0	1,039.2	7,642.4
Net Foreign financing	-54.5	-1,416.0	393.5	132.8	2,847.1
Net Domestic financing	-12,078.2	8,102.0	-581.5	906.4	4,795.3
Of which:					
transfers to Heritage & Stabilization Fund	-6,587.8	0.0	-3,026.5	-2,890.0	0.0
(PER CENT OF FISCAL YEAR GDP)					
Revenue	34.3	28.5	33.5	33.3	30.9
Energy	19.6	14.1	17.4	19.1	n.a.
Non-energy	14.7	14.4	16.2	14.1	n.a.
Expenditure	27.0	33.4	33.4	34.0	35.9
Current	21.1	27.2	28.5	29.3	30.9
Wages and salaries	4.2	4.8	5.1	5.1	5.6
Goods and services	3.0	4.4	4.9	4.6	6.0
Interest payments	1.8	2.6	2.5	1.9	2.7
Transfers & Subsidies	12.1	15.4	15.9	17.7	16.6
Capital expenditure & net lending	5.8	6.1	4.9	4.7	5.0
Overall non-energy balance	-12.3	-19.0	-17.2	-19.9	n.a.
Overall balance	7.3	-4.9	0.1	-0.7	-5.0
Total financing	-7.3	4.9	-0.1	0.7	5.0
Foreign financing	0.0	-1.0	0.3	0.1	1.9
Domestic financing	-7.3	5.9	-0.4	0.6	3.1
Of which:					
transfers to Heritage & Stabilization Fund	-4.0	0.0	-2.3	-2.0	0.0

SOURCES: Ministry of Finance and the Central Bank of Trinidad and Tobago.

^r revised.^b Budgeted data based on an oil price of US\$75 per barrel and natural gas price of US\$2.75.

TABLE 12
ENERGY-BASED GOVERNMENT REVENUES, 2007/2008 – 2010/2011
/ PER CENT OF GOVERNMENT REVENUE /

	2007/2008	2008/2009	2009/2010^r	2010/2011
Energy Sector	57.1	49.5	51.8	57.5
Corporation Tax	45.6	33.2	33.6	33.9
Royalties	3.2	4.5	4.3	5.2
Unemployment levy	3.5	2.1	2.3	2.5
Withholding tax	1.2	2.3	1.5	1.9
Excise duty	0.1	0.3	0.2	0.2
Other Companies	3.4	7.1	9.6	13.6
Oil Impost ¹	0.1	0.1	0.2	0.2
(PER CENT OF FISCAL YEAR GDP)				
Energy Sector	19.6	14.1	17.4	19.1
Corporation Tax	15.6	9.5	11.3	11.3
Royalties	1.1	1.3	1.5	1.7
Unemployment levy	1.2	0.6	0.8	0.8
Withholding tax	0.4	0.6	0.5	0.6
Excise duty	0.0	0.1	0.1	0.1
Other Companies	1.2	2.0	3.2	4.5
Oil Impost ¹	0.0	0.0	0.1	0.1

SOURCES: Ministry of Finance and Central Bank of Trinidad and Tobago.

¹ Oil Impost refers to a tax on petroleum producing companies to cover the administration expense of the Ministry of Energy and Energy Affairs.

^r revised.

TABLE 13
CENTRAL GOVERNMENT FISCAL OPERATIONS 2008/2009 – 2010/2011
/ PER CENT OF FISCAL YEAR GDP /

	2008/2009	2009/2010 ^r	2010/2011
Total Revenue	28.5	33.5	33.3
<i>of which</i>			
Energy Sector	14.1	17.4	19.1
Non-Energy Sector	14.4	16.2	14.1
Total Expenditure	33.4	33.4	34.0
Current Expenditure	27.2	28.5	29.3
Capital Expenditure	6.1	4.9	4.7
Overall Surplus/Deficit	-4.9	0.1	-0.7
Non-energy Deficit	-19.0	-17.2	-19.9

SOURCE: Ministry of Finance.

^r revised.

TABLE 14
CENTRAL GOVERNMENT RECURRENT EXPENDITURE:
A FUNCTIONAL CLASSIFICATION¹, 2006/2007 – 2010/2011
/ TT\$ MILLION /

	2006/2007	2007/2008	2008/2009	2009/2010^r	2010/2011^p
Economic Services	3,361.6	5,029.4	3,840.7	3,040.3	3,285.8
Energy	1,168.9	2,388.5	1,148.9	1,038.1	1,281.5
Agriculture, Land and Marine Resources	465.2	573.9	589.4	546.7	595.1
Transport	1,727.5	2,067.0	2,102.4	1,455.5	1,409.2
Social Services	8,944.5	10,774.8	11,265.5	11,797.2	14,758.7
Education ²	4,133.8	5,071.3	4,881.5	5,331.7	5,785.3
Health	2,394.2	2,747.2	2,979.8	3,268.4	3,612.3
Housing	164.5	282.6	311.2	194.8	919.3
Small and Micro-Enterprise Development	119.6	108.5	122.4	134.3	167.2
Social Services ³	2,132.4	2,565.2	2,970.6	2,868.0	4,274.6
Public Services	3,021.2	3,683.9	3,796.6	3,950.6	2,585.3
National Security	3,021.2	3,683.9	3,796.6	3,950.6	2,585.3
Other ⁴	14,884.3	27,875.1	17,926.2	19,556.0	22,975.8
Total Recurrent Expenditure	30,211.6	47,363.2	36,829.0	38,344.1	43,605.6

SOURCE: Ministry of Finance.

1 Classified according to recurrent expenditure allocated to the respective ministry head.

2 Includes Ministries of Education and Science, Technology and Tertiary Education.

3 Includes Ministries of Community Development and Culture and Gender Affairs, Social Development and Sport and Youth Affairs.

4 Includes Office of the President, Auditor General, Judiciary, Industrial Court, Parliament, Service Commissions, Statutory Authorities, Elections and Boundaries Commission, Tax Appeal Board, Registration, Recognition and Certification Board, Public Service Appeal Board, Office of the Prime Minister, Tobago House of Assembly, Central Administrative Services, Tobago and all other Ministries. Other excludes Charges on Account of the Public Debt.

r revised.

p provisional.

PUBLIC SECTOR DEBT

The deficit recorded in fiscal year 2010/2011 did not result in a significant increase in the stock of public debt due to the central government drawing down on its balances to finance the deficit. Preliminary data from the Ministry of Finance showed an increase in public debt outstanding (\$0.6 billion) during the fiscal year which was attributable to new external borrowings by the central government and an increase in contingent liabilities (Table 15). At the end of September 2011 the debt to GDP ratio stood at 36.2 per cent¹².

The central government did not borrow on the domestic capital market during fiscal year 2010/2011. Due to the large borrowings in the previous fiscal year, the outstanding balance on bonds and notes - the largest component of domestic debt - was close to the statutory limit of \$20 billion¹³. As a result, government's planned domestic borrowings for fiscal 2010/2011 did not materialize. However, in September 2011, three of the government's statutory borrowing limits were increased following parliamentary approval. The limit on bonds and notes increased to \$30 billion¹⁴. The lack of borrowing coupled with contractual repayments (Appendix Table A.19 (B)) resulted in bonds and notes outstanding declining to \$17.6 billion at the end of fiscal 2010/2011 (Table 15).

New loans contracted with the Inter-American Development Bank (IADB) resulted in an increase in central government external debt outstanding. In May 2010, the IADB, which is the country's largest external creditor, approved a new country strategy for Trinidad

and Tobago¹⁵. In the new strategy, the IADB will be providing US\$1.3 billion over the next five years to help finance a wide range of programmes planned by the government. Of this amount, US\$100 million was received as a one-off disbursement in December 2010 to fund a Capital Expenditure Management Programme. A US\$40 million loan was also contracted to support a Neighborhood Upgrading Programme, however, there were no disbursements from this loan during the fiscal year. The IADB also made available US\$21.4 million through existing loan agreements while the World Bank (IBRD) provided US\$1.3 million towards the HIV/AIDS Prevention Programme. Commercial creditors, most notably Lloyds Bank of London and BNP Paribas provided US\$51.5 million during the fiscal year, the bulk of which went for the purchase of helicopters for national security purposes. This brought total disbursements during the period under review to US\$175.2 million resulting in a US\$77.1 million increase in external debt outstanding. At the end of September 2011 the debt stock stood at US\$1,638.5 million or 6.5 per cent of GDP (Appendix Table A.19 (A)).

There was also an increase in external debt service as the government began repaying two loans contracted during the period 2006 to 2008¹⁶. As a result, principal repayments were higher (reaching US\$98.1 million), when compared to the previous fiscal year (Appendix Table A.19 (A)). Despite the increase in debt service, the external debt remained manageable as evidenced by the low debt service ratio (1.2 per cent)¹⁷. The debt profile remained relatively the same as in the previous

12 Public sector debt comprises central government domestic and external debt plus contingent liabilities. The debt expressed as a per cent of GDP excludes Treasury Bills and Treasury Notes issued for Open Market Operations (OMOs) and Debt Management Bills.

13 The central government raised a total of \$7,924.4 million on the domestic market during fiscal 2008/2009 and 2009/2010. These borrowings carried the outstanding balance to \$18.2 billion, \$1.8 billion short of the statutory limit.

14 See Box 3 Changes in the Salutory Limits for Borrowing by the Government of Trinidad and Tobago in the Central Bank's Monetary Policy Report, November 2011 for details on the new statutory limits.

15 The new country strategy will be in effect from November 2011 to December 2015 and will provide both technical and financial support in the following areas: (i) financial sector regulation and supervision; (ii) public sector management; (iii) education; (iv) social protection; (v) climate change; (vi) energy; (vii) water and sanitation; and (viii) transport.

16 These loans were contracted with the Australia and New Zealand Banking Group Limited and the Export Import Bank of China for the purchase of six fast patrol vessels and the construction of two performing arts centers, respectively. The Loans were valued at AUD 75.4 million (US\$67.6 million) and RMB 812 million (US\$103.4 million), respectively.

17 The debt service ratio is computed by dividing total external debt service (interest plus principal) by the exports of goods and non-factor services.

fiscal year but could change over the medium-term on account of the new IADB financing. At the end of September 2011 the outstanding debt was mostly US dollar-denominated and owed to commercial creditors (Figure 3). Over the medium-term, multilateral debt is expected to account for the largest share of total external debt owing to increased funding from the IADB. The average remaining maturity on the outstanding debt is 7 years but this is also likely to increase given the concessional nature of multilateral financing.

New borrowings by the Water and Sewage Authority (WASA) and the National Insurance Property

Development Company (NIPDEC) resulted in an increase in contingent liabilities outstanding. During the fiscal year, both WASA and NIPDEC contracted bonds valued at \$1,350 million and \$750 million, respectively, resulting in contingent liabilities increasing from \$22.6 billion to \$23.3 billion (Table 15). The limit on state enterprise borrowing was also increased from \$9 billion to \$25 billion which will facilitate the conversion of additional letters of comfort as well as planned borrowings in the medium-term.

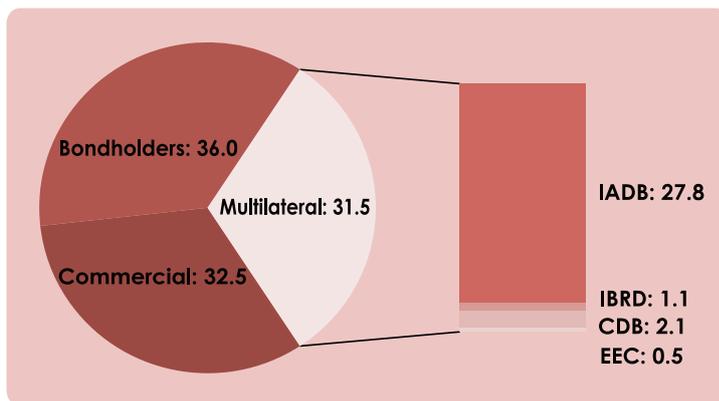
TABLE 15
TOTAL PUBLIC DEBT, SEPTEMBER 2007 – SEPTEMBER 2011
/ TT\$ MILLION /

End of Period	Sep-07	Sep-08	Sep-09	Sep-10	Sep-11
Total Public Debt	50,093	60,413	65,980	70,473	71,034
Central Government Domestic	24,789	33,799	35,010	39,183	38,444
Bonds/Notes	11,825	12,620	13,883	18,239	17,575
BOLTs and Leases	775	723	671	612	540
Treasury Bills	9,286	14,200	14,200	14,200	14,200
Treasury Notes	1,611	5,000	5,000	5,000	5,000
Debt Management Bills	800	800	800	800	800
Other ¹	492	456	456	332	330
Central Government External	8,639	9,290	9,729	8,729	9,240
Contingent Liabilities	16,666	17,324	21,241	22,561	23,350
Government Guaranteed	11,164	12,276	12,954	14,332	16,897
Letters of Comfort	5,502	5,048	8,287	8,229	6,453
(PER CENT OF FISCAL YEAR GDP)					
Total Public Debt	38.0	36.5	48.1	53.9	50.3
Total Public Debt (excluding OMOs)	29.2	24.4	33.5	38.6	36.2
Central Government Domestic Debt (excluding OMOs)	9.6	8.1	10.6	14.4	12.8
Central Government External Debt	6.6	5.6	7.1	6.7	6.5
Contingent Liabilities	12.7	10.5	15.5	17.2	16.5
MEMO:					
Nominal GDP (Fiscal Year)	131,703	165,704	137,091	130,810	141,151

SOURCES: Ministry of Finance and the Central Bank of Trinidad and Tobago.

¹ Comprises the outstanding balances of public sector arrears, tax-free saving bonds & fixed interest rate bonds.

FIGURE 3
COMPOSITION OF CENTRAL GOVERNMENT EXTERNAL DEBT
OUTSTANDING AS AT SEPTEMBER 2011
/ PER CENT /



SOURCE: Central Bank of Trinidad and Tobago.
IADB - Inter-American Development Bank.
IBRD - International Bank for Reconstruction and Development.
CDB - Caribbean Development Bank.
EEC - European Economic Community.



CHAPTER SEVEN

MONETARY AND FINANCIAL DEVELOPMENTS

MONETARY AND FINANCIAL DEVELOPMENTS

MONETARY DEVELOPMENTS¹⁸

With underlying inflationary pressures well contained, the Central Bank maintained an accommodative monetary policy stance during 2011 in an effort to stimulate growth in the domestic economy. The Bank lowered the repo rate on three occasions, in January and February and again in July by 25 basis points each time to a historical low of 3.00 per cent. For most of 2011, the banking system was characterized by a low interest rate environment and excessively high liquidity levels.

Repo rate reductions and high levels of excess liquidity in the financial system had a dampening effect on domestic interest rates. In response to the repo rate cuts commercial banks made several reductions in their prime lending rates. Over the course of the year, the median prime lending rate for the commercial banking system fell by 63 basis points to reach 7.75 per cent by December 2011. Likewise, rates on both new and existing loans were lowered, as evidenced by the weighted average rates on new loans which lost 158 basis points from January to reach 9.06 per cent in November 2011 while the weighted average loan rate on all outstanding loans declined by 61 basis points in the year to 8.88 per cent in September 2011. The large commercial bank excess reserves resulted in the weighted average deposit rate declining by 7 basis points in 2011 to close the third quarter at 0.65 per cent. Given the sharper decline in the lending rate, the interest rate spread narrowed to 8.23 per cent in September 2011 from 9.09 per cent in December 2010.

Private sector credit improved throughout the year although not at a robust enough pace to underpin a strong economic recovery. Faced with an increase in non-performing loans, particularly in the high-end real

estate mortgage category, lending to the private sector by the consolidated financial system expanded by a mere 2.5 per cent in the eleven months to November 2011. While lending by commercial banks continued to pick up – since December 2010 – and reached 5.3 per cent in November 2011, lending by the non-bank financial institutions continued to contract. This has been primarily due to a shrinkage in their loan portfolio as these institutions faced more intense competition from commercial banks. In November 2011, private sector credit granted by the non-banks sub-sector recorded a fall-off of 13.6 per cent.

Consumer lending strengthened during 2011 following some tentative signs of recovery at the end of 2010. The latest available data to November 2011 show that on a year-on-year basis, consumer lending grew by 4.7 per cent compared with growth of 1.5 per cent in the corresponding period of 2010. This was largely on account of an increase in bank credit for the purpose of debt consolidation and refinancing as customers took advantage of the lower lending rates. However, credit extended for the purchase of motor vehicles, which is the largest category of consumer lending (approximately 20.0 per cent), and for home improvement and renovation continued to decline.

On the other hand, business credit which had declined for most of 2011 recorded some growth by November, of 2.7 per cent year-on-year. Non-bank financial institutions, which had been experiencing a contraction in their balance sheets, saw a more severe decline in business sector lending during the year by 19.7 per cent (year-on-year) as at November 2011 compared with a decline of 14.7 per cent one year ago. Credit extended

¹⁸ For a discussion of key institutional and regulatory developments in the financial system in 2011 see the Central Bank of Trinidad and Tobago, Financial Stability Reports, June 2011 and January 2012.

by the commercial banks to businesses declined on average by 2.9 per cent in the first four months of 2011 before recovering thereafter and growing in the next seven months at an average rate of 4.2 per cent. The most recent data to November 2011 show that banks' business credit grew by 6.8 per cent up from 5.8 per cent in the previous month and -4.2 per cent one year earlier. This turnaround was mainly attributed to the Manufacturing sector, particularly the printing and publishing, food, drink and tobacco and chemicals and non-metallic minerals industries. Loans to the Agriculture sector also increased while other major categories such as Distribution, Finance, Insurance and Real Estate and Other Services continued to decline.

The combined effect of lower mortgage rates and focused marketing by the commercial banks fuelled growth in real estate mortgage lending. Real estate mortgage loans to commercial and residential customers increased during the year, peaking at 10.2 per cent (year-on-year) in May 2011 before tapering off to 9.1 per cent in November 2011.

At the beginning of the year, liquidity conditions were generally in check but as the pace of government spending gathered momentum, substantial net fiscal injections gave rise to an unprecedented build up of commercial banks excess reserves which peaked at a daily average of \$5.7 billion by December 2011. Through the combined use of open market operations

and the sale of foreign exchange to authorised dealers, the Central Bank was able to withdraw \$10,009.1 million from the system. Furthermore, commercial banks' interest-bearing deposits held at the Central Bank for liquidity management purposes were rolled over. In November 2011, two commercial banks' deposits of \$1 billion each, were combined and rolled over for one year. In December 2011, the commercial banks' deposit of \$1.5 billion was also rolled over for another year. The Bank's liquidity management efforts were also assisted by the issue of a \$1.5 billion central government bond in November which helped to withdraw, albeit temporarily, some of the excess liquidity from the system.

The expansion in liquidity levels was also reflected in the monetary aggregates. After slowing towards the end of 2010, growth in the money supply accelerated in the first quarter of 2011 before levelling off in the remaining months of the year. Most notable was the expansion in the narrow measure of the money supply, (M1-A¹⁹), which grew by 16.3 per cent in November 2011 (year-on-year) outstripping growth in the broader measure, (M2²⁰), which expanded by 9 per cent. The faster increase in M1-A reflected the preference of economic agents for the shorter term, more liquid demand deposits than longer term time deposits. Notably demand deposits held by the businesses expanded sharply, growing by 12.3 per cent in the year to November 2011 compared with 6.3 per cent in December 2010 and 5.5 per cent in November 2010.

19 M-1A is defined as currency in active circulation plus demand deposits.

20 M2 is defined as M-1A plus savings deposits and time deposits.

TABLE 16
FACTORS INFLUENCING CHANGES IN THE MONEY SUPPLY, 2007 – SEPTEMBER 2011
/ TT\$ MILLION /

	2007	2008	2009	2010	Sep 2011 ^P
Net Domestic Budget Deficit	-3,031	-513	-12,577	10,719	-850
Increase in Credit to the Private Sector	6,302	5,469	-1,859	-1,312	1,049
Bal. of Payments Deficit of Private Sector	10,658	8,353	-33,952	14,288	-8,083
Changes in Net Unclassified Assets	11,837	8,251	-8,160	7,555	-1,682
Central Bank	9,996	6,267	3,486	4,075	106
Commercial Banks	1,841	1,984	-11,646	3,480	-1,788
Change in Money Supply (M-2)	4,450	4,854	11,380	2,674	6,600
Change in Money Supply (M-1A)	1,614	1,531	6,482	2,123	2,186
Change in Quasi-Money	2,836	3,323	4,870	551	4,414
MEMO ITEMS					
Money Supply (M-2) Annual Growth (%)	13.3	17.2	17.6	17.9	7.6
Total Composition (%)	100.0	100.0	100.0	100.0	100.0
Money	37.3	37.2	39.5	42.1	44.7
Quasi-Money	62.7	62.5	60.5	57.9	55.3

SOURCE: Central Bank of Trinidad and Tobago.
p. provisional.



CHAPTER EIGHT

CAPITAL MARKETS

CAPITAL MARKETS

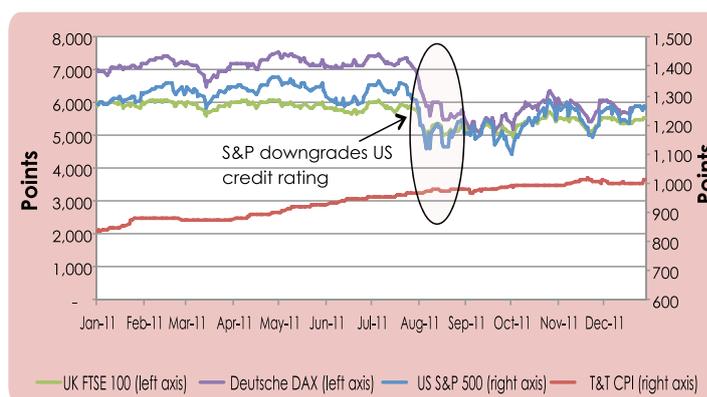
STOCK MARKET

International financial markets faced several challenging events during the course of 2011. The political impasse in the US over the sustainability of the country's debt levels and the downgrade of its sovereign credit rating by Standard & Poor's which soon followed, riled US and global equity markets. Over in Europe, with the UK economy on the wane and the sovereign debt crises facing several Euro zone member countries, stock prices throughout the region declined. By the end of the year the US Dow Jones Industrial Average was the only main market to post a gain (5.5 per cent), as the UK's FTSE 100 fell by 5.6 per cent, while Germany's DAX index lost 14.7 per cent and the US S&P was flat (Figure 4). Meanwhile, after suffering from one of the worst natural disasters in recent years, Japan's NIKKEI 225 index also fell by 17.3 per cent in 2011.

Despite stronger economic performance relative to the G7 countries, the major stock market indices in the emerging BRIC nations²¹ did not fare better than their developed market counterparts. A combination of tighter monetary and fiscal policies to curb inflationary pressures in these countries as well as a 'flight to safety' towards US fixed income securities saw a steep plunge in BRIC equities. In Asia, China's Hang Seng and India's Sensex indices tumbled by 20.0 per cent and 24.6 per cent, respectively in 2011. Meanwhile, Brazil's BOVESPA index fell by 18.1 per cent and Russia's MICEX index declined 16.9 per cent in 2011. Notably in the Caribbean region, however, with signs of improving economic activity, the Jamaican JSE Market Index was up 11.8 per cent and the Barbados BCSD Index gained 7.6 per cent - reversing two consecutive years of losses.

FIGURE 4

INTERNATIONAL AND DOMESTIC STOCK MARKET ACTIVITY



SOURCES: Bloomberg and the Trinidad and Tobago Stock Exchange.

21 The BRIC nations are Brazil, Russia, India and China.

Like the other regional countries, the Trinidad and Tobago stock market performed well notwithstanding sluggish economic activity. In 2011, the Composite Price Index was up 21.2 per cent – the best performance since 2004 – compared with an increase of 9.2 per cent in 2010 and a decline of 9.2 per cent in 2009 (Table 17). Similarly, the All Trinidad and Tobago and Cross Listed Indices gained 24.8 per cent and 13.8 per cent, respectively during the year. Given the robust performance as well as some additional stock registrations, market capitalization rose to \$94.5 billion at the end of 2011 from \$77.8 billion at the end of 2010. As a measure of volatility, the standard deviation of daily returns on the CPI measured 3.7 per cent (annualized) in 2011, slightly lower than 4.1 per cent in 2010. Volatility on the domestic exchange was also low when compared with other international indices, such as the S&P 500 (20.9 per cent), FTSE 100 (21.2 per cent), DAX (28.5 per cent) and NIKKEI 225 (23.4 per cent).

The Non-bank (30.9 per cent), Trading (30.7 per cent) and Banking (21.6 per cent) sub-indices were buoyed by the announcements of solid earnings results of listed companies within these sectors in 2011. The star performer in the Non-bank sub-index was Jamaica Money Markey Brokers Limited (JMMB), producing capital gains of 223 per cent in the year. This sharp increase was triggered by the release of financial results for the first six months of its financial year, which showed net profits growing by 200.2 per cent. Other top performers within this sub-index were National Enterprises Limited (45.9 per cent) and Scotia Investments Jamaica Limited (42 per cent). The Trading sub-index was propelled by Prestige Holdings Limited and Agostini's Limited, whose share prices rose by 63.9 per cent and 42.9 per cent, respectively. Further, with National Commercial Bank of Jamaica (NCBJ) Limited, Scotiabank Limited and Republic Bank Limited all recording strong growth in profits, their stock prices rose by 47.9 per cent, 38.6 per cent and 26.5 per cent, respectively.

Trading activity was largely influenced by a few large but one-off transactions. On August 5 2011, NCB Capital Markets (NCBCM) Limited, a subsidiary of NCBJ Limited, purchased roughly 429 million shares or a 29 per cent stake in Jamaica Money Market Brokers Limited (JMMB). There were also large transactions involving Angostura Holdings Limited and NCBJ Limited shares in September. In 2011, a total of 564.1 million shares were traded, up from 77.6 million shares in 2010. Trading was heavily concentrated in Jamaican headquartered companies, as JMMB Limited, NCBJ Limited and Capital & Credit Financial Group Limited collectively accounted for over 90 per cent of total shares traded in 2011.

In August 2011, the Trinidad and Tobago Stock Exchange (TTSE) launched the US Dollar Securities Market in an effort to increase the mix of investments available to local investors. It is the intention of the TTSE to develop USD Equity, USD Bond and USD Mutual Fund markets that will 'mirror' the respective TT Dollar markets. In other developments, following the amalgamation of Barbados Shipping and Trading (BST) Limited and BS&T Holdings Limited, which made the former a 100 per cent subsidiary of Neal and Massey Holdings Limited, trading of BST Limited was suspended from the Trinidad and Tobago Stock Market effective December 14, 2011. However, trading in the future may be boosted by new listings on the domestic stock market. In particular, the Government has announced plans of an initial public offering (IPO) for First Citizens Bank Limited. Also, as part of its package to CLICO policyholders, the Government may create and list a new holding company (NEL 2).

BOND MARKET

As the domestic economy faced another challenging year, provisional data for 2011 suggest that despite yields at record lows, there was only a marginal increase in primary bond market activity. In 2011, there were twenty primary issues, raising approximately \$7.2 billion compared with nineteen bond issues in 2010 raising \$7.1 billion. Once again, the public sector was the major borrower accounting for \$5.3 billion or 74 per cent of total primary market issues.

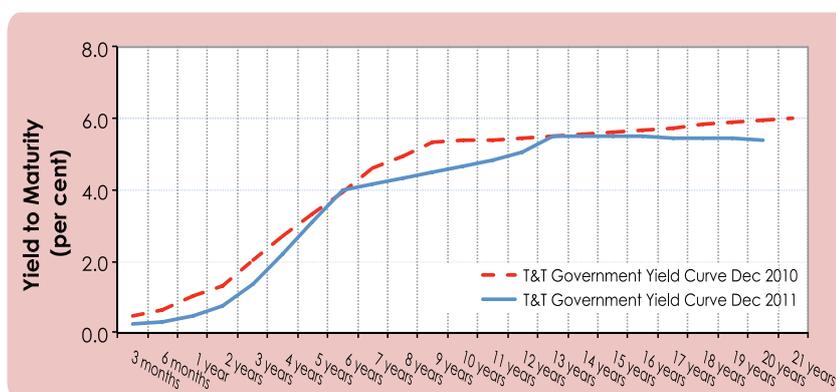
There was a resurgence of US dollar issues in 2011 as opposed to no such issues recorded in 2010. Of the twenty bonds, six were US dollar issues, raising in total US\$238 million or approximately TT\$1.5 billion (Table 18). In terms of private sector US dollar borrowing, Ansa Merchant Bank raised US\$50 million in three tranches and Fatum Holdings N.V. also issued a US\$50 million 5 year floating rate bond. Meanwhile, a regional sovereign returned to the local capital market, with the Government of St. Lucia issuing a US\$50 million, 10 year, fixed rate 7.5 per cent coupon bond (amortizing).

Trading on the secondary government bond market fell significantly in 2011. Bonds with a cumulative face value of \$176.9 million were traded in 2011

compared with \$1,737.6 million in 2010. Given the high demand for fixed income treasury securities, bonds continued to trade at a premium. In 2011, the average traded price of a government bond was \$1,097.89 per \$1,000 face value compared with \$1,058.34 per \$1,000 face value in 2010.

With treasury bonds continuing to be issued and traded at a premium, yields throughout most of the Central Government yield curve have fallen in 2011 (Figure 5). The mass accumulation of financial system liquidity towards the end of 2011 pushed short-term yields lower and by so doing dragged rates over the shorter spectrum of the curve down. The three and six month treasury yields fell to 0.28 per cent and 0.32 per cent, respectively in December 2011 from 0.46 per cent and 0.65 per cent, respectively in December 2010. However, secondary trading to November 2011 saw yields at the 6 year and 13 year tenors hold relatively firm, at around 4 per cent and 5.5 per cent, respectively when compared with the end of 2010. Meanwhile, Central Government's \$1.5 billion, 20 year bond issue in November 2011 attracted a yield of 5.4 per cent, resulting in a slight inversion in the curve and compares with a yield estimate of 5.94 per cent in December 2010.

FIGURE 5
TRINIDAD AND TOBAGO CENTRAL GOVERNMENT YIELD CURVES



SOURCE: Central Bank of Trinidad and Tobago.

MUTUAL FUNDS²²

A combination of high domestic financial system liquidity, low deposit rates in the banking system and a buoyant domestic stock market helped the mutual fund industry to expand in 2011. During the year, mutual funds under management rose by 3.1 per cent compared with a small increase of 0.4 per cent in 2010 (Figure 6). In 2011, the industry benefited from net sales of \$723.6 million compared with net redemptions of \$359.7 million in the previous year. At the end of 2011, aggregate funds under management stood at \$36,750.9 million up from \$35,649 million at the end of 2010 (Table 19).

Equity funds under management rebounded strongly in 2011, while the growth in income funds also picked-up when compared with a year earlier. With the Composite Price Index (CPI) on domestic stock market up by 21.2 per cent in 2011, equity mutual funds benefited from both net sales and capital gains. In 2011, equity funds under management rose by 9.5 per cent compared with a 2.1 per cent decline in 2010. In the year, equity funds attracted net sales of 90.4 million compared with net redemptions of \$108.1 million in 2010. Income funds under management,

which at the end of 2011 accounted for roughly 88 per cent of total funds under management, rose by 2.2 per cent to \$32,419.1 million in 2011. This represented a faster rate of increase when compared with the modest growth of 0.8 per cent in 2010.

In terms of currency composition, US dollar denominated mutual funds continued to contract in 2011. Within the year, events in the international financial markets, such as the downgrade of the US's credit ratings by Standard & Poor's and the Fed's "Operation Twist" may have impacted on investors' confidence in US dollar funds. As a result, US dollar funds experienced net redemptions of \$226.7 million, contracting by 3.2 per cent in 2011 – the third consecutive year of decline. On the other hand, with the sharp build-up in liquidity in the domestic financial system towards the end of the year, TT dollar funds grew by 4.9 per cent in 2011 compared with 0.9 per cent in 2010. In 2011, TT dollar funds attracted net sales of \$950.3 million as investors looked for alternative investments to traditional commercial bank deposits, where interest rates had fallen to record lows.

FIGURE 6
MUTUAL FUNDS UNDER MANAGEMENT, 2007-2011



SOURCE: Central Bank of Trinidad and Tobago.

²² Aggregate funds under management refer to mutual fund information collected by the Central Bank of Trinidad and Tobago, including funds managed by the Trinidad and Tobago Unit Trust Corporation, Roytrin, Republic Bank Limited and First Citizens Bank Limited.

TABLE 17
STOCK MARKET INDICES,
MARCH 2006 – DECEMBER 2011

	Index Values		Quarterly Change (%)		Year-on-Year Change (%)	
	Composite	All T&T	Composite	All T&T	Composite	All T&T
Mar-06	958.6	1,170.4	-10.2	-11.5	-16.5	-18.3
Jun-06	920.3	1,168.4	-4.0	-0.2	-21.4	-21.1
Sep-06	868.8	1,090.3	-5.6	-6.7	-19.8	-19.0
Dec-06	969.2	1,205.7	11.6	10.6	-9.2	-8.9
Mar-07	929.1	1,178.2	-4.1	-2.3	-3.1	0.7
Jun-07	918.8	1,152.4	-1.1	-2.2	-0.2	-1.4
Sep-07	936.6	1,179.6	1.9	2.4	7.8	8.2
Dec-07	982.0	1,200.7	4.9	1.8	1.3	-0.4
Mar-08	992.9	1,256.6	1.1	4.7	6.9	6.7
Jun-08	1,150.2	1,502.1	15.8	19.5	25.2	30.3
Sep-08	1,065.6	1,444.1	-7.4	-3.9	13.8	22.4
Dec-08	842.9	1,154.8	-20.9	-20.0	-14.2	-3.8
Mar-09	821.8	1,121.9	-2.5	-2.8	-17.2	-10.7
Jun-09	779.6	1,080.9	-5.1	-3.7	-32.2	-28.0
Sep-09	787.5	1,105.0	1.0	2.2	-26.1	-23.5
Dec-09	765.3	1,099.2	-2.8	0.5	-9.2	-4.8
Mar-10	817.7	1,165.5	6.9	6.0	-0.5	3.9
Jun-10	827.2	1,172.2	1.2	0.6	6.1	8.4
Sep-10	821.7	1,151.9	-0.7	-1.7	4.3	4.2
Dec-10	835.6	1,175.7	1.7	2.1	9.2	7.0
Mar-11	872.1	1,234.7	4.4	5.0	6.6	5.9
June-11	950.1	1,376.1	8.9	11.5	14.9	17.4
Sep-11	989.3	1,441.2	4.1	4.7	20.4	25.1
Dec-11	1,012.9	1,467.0	2.4	1.8	21.2	24.8

SOURCE: Central Bank of Trinidad and Tobago.

TABLE 18

PRIMARY BOND MARKET ISSUES, JANUARY – DECEMBER 2011^P

Period Issued -2011	Borrower	Face Value (TT\$Mn)	Period To Maturity	Interest Rate Per Annum	Placement Type
January	Guardian Holdings Limited	900.0	12 yrs.	Fixed Rate 7.98 %	Private
March	Water and Sewerage Authority (WASA)	1,335.9	20 yrs.	Fixed Rate 6.95%	Private
May	National Insurance Property Development Company Limited (NIPDEC)	750.0	19 yrs.	Fixed Rate 6.55%	Public
	Home Mortgage Bank – Series 1	40.6	5.3 yrs.	Fixed Rate 5.00%	Private
	Home Mortgage Bank – Series 2	33.7	5.3 yrs.	Step up, 1-3 yrs. @4.75%; 4-5 yrs. @5.25%	Private
	Home Mortgage Bank – Series 3	27.5	8.1 yrs.	Step up, 1-4 yrs. @5%;	Private
	Home Mortgage Bank – Series 4	83.2	13 yrs.	5-8 yrs. @5.75% Fixed Rate 6.25 %	Private
June	Fatum Holdings N.V.	US\$50.0	5 yrs.	Floating Rate: LIBOR + 480 bps	Private
July	Ansa Merchant Bank Limited – Tranche 1	US\$25.0	3 yrs.	Fixed Rate 3.50%	Private
	Ansa Merchant Bank Limited – Tranche 2	US\$10.0	5 yrs.	Fixed Rate 5.00%	Private
	Ansa Merchant Bank Limited – Tranche 3	US\$15.0	7 yrs.	Fixed Rate 5.50%	Private
August	Urban Development Corporation of Trinidad and Tobago Limited (Udecott)	US\$88.0	10 yrs.	Fixed Rate 5.67%	Private
September	Telecommunications Service of Trinidad and Tobago*	270.0	6 yrs.	Fixed Rate 3.85%	Private
October	National Insurance Property Development Company Limited (NIPDEC)	500	15 yrs.	Fixed Rate 6.05%	Public
November	Central Government of Trinidad and Tobago	1,500.0	20 yrs.	Fixed Rate 6.00%	Public
	Government of St. Lucia	US\$50.0	10 yrs.	Fixed Rate 7.50%	Private
December	Home Mortgage Bank	32.9	10 yrs.	Fixed Rate 4.30%	Private
	Home Mortgage Bank	47.0	5 yrs.	Fixed Rate 3.60%	Private
	Home Mortgage Bank	92.5	10 yrs.	Fixed Rate 5.60%	Private
	Home Mortgage Bank	27.6	15 yrs.	Fixed Rate 6.10%	Private

SOURCES: Central Bank of Trinidad and Tobago and the Securities and Exchange Commission.

P preliminary.

* This security was registered with the Securities and Exchange Commission in September 2011.

TABLE 19
TRINIDAD AND TOBAGO MUTUAL FUNDS, UNDER MANAGEMENT BY TYPE OF FUND¹,
MARCH 2006 – DECEMBER 2011

	Funds Under Management (TT\$ Million)			Quarterly Percentage Change (%)			Year-on-Year Percentage Change (%)		
	Aggregate Fund Value	Income Funds	Equity	Aggregate Fund Value	Income Funds	Equity	Aggregate Fund Value	Income Funds	Equity
Mar-06	31,477.52	25,742.18	5,735.34	0.6	2.8	-8.6	11.9	19.9	-14.1
Jun-06	31,071.82	25,498.85	5,572.97	-1.3	-0.9	-2.8	4.2	11.1	-18.8
Sep-06	31,039.68	25,627.01	5,412.67	-0.1	0.5	-2.9	-0.2	4.4	-17.4
Dec-06	31,834.88	26,145.44	5,689.44	2.6	2	5.1	1.7	4.5	-9.3
Mar-07	32,172.25	26,441.20	5,731.05	1.1	1.1	0.7	2.2	2.7	-0.1
Jun-07	31,893.44	26,397.62	5,495.82	-0.9	-0.2	-4.1	2.6	3.5	-1.4
Sep-07	33,284.84	27,556.99	5,727.85	4.4	4.4	4.2	7.2	7.5	5.8
Dec-07	34,545.56	28,794.65	5,750.91	3.8	4.5	0.4	8.5	10.1	1.1
Mar-08	34,940.23	29,121.13	5,502.45	1.1	1.1	-4.3	8.6	10.1	-4.0
Jun-08	36,806.96	30,717.73	5,733.47	5.3	5.5	4.2	15.4	16.4	4.3
Sep-08	36,627.16	31,373.90	4,941.86	-0.5	2.1	-13.8	10	13.9	-13.7
Dec-08	36,154.62	31,528.35	4,315.63	-1.3	0.5	-12.7	4.7	9.5	-25.0
Mar-09	36,465.79	32,173.01	3,991.58	0.9	2	-7.5	4.4	10.5	-27.5
Jun-09	39,266.87	35,105.26	3,854.08	7.7	9.1	-3.4	6.7	14.3	-32.8
Sep-09	40,768.86	36,754.70	3,685.34	3.8	4.7	-4.4	11.3	17.2	-25.4
Dec-09	35,510.14	31,480.57	3,663.70	-12.9	-14.3	-0.6	-1.8	-0.2	-15.1
Mar-10	36,312.71	32,290.12	3,633.87	2.3	2.6	-0.8	-0.4	0.4	-9.0
Jun-10	36,812.39	32,745.57	3,677.50	1.4	1.4	1.2	-6.3	-6.7	-4.6
Sep-10	36,556.18	32,612.89	3,625.60	-0.7	-0.4	-1.4	-10.3	-11.3	-1.6
Dec-10	35,648.97	31,728.88	3,585.09	-2.5	-2.7	-1.1	0.4	0.8	-2.1
Mar-11	35,524.84	31,406.65	3,750.08	-0.3	-1	4.6	-2.2	-2.7	3.2
Jun-11	36,285.99	31,988.14	3,909.93	2.1	1.9	4.3	-1.4	-2.3	6.3
Sep-11	36,146.02	31,914.39	3,851.86	-0.4	-0.2	-1.5	-1.1	-2.1	6.2
Dec-11	36,750.93	32,419.08	3,926.34	1.7	1.6	1.9	3.1	2.2	9.5

SOURCE: Central Bank of Trinidad and Tobago.

¹ Aggregate funds under management refer to all funds collected by the Central Bank of Trinidad and Tobago, including funds managed by the Trinidad and Tobago Unit Trust Corporation, Roytrin, Republic Bank Limited and First Citizens Bank Limited.



CHAPTER NINE

INTERNATIONAL TRADE AND PAYMENTS

INTERNATIONAL TRADE AND PAYMENTS

BALANCE OF PAYMENTS

(Data in this section are in US dollars unless otherwise indicated)

Data for the first six months of 2011 revealed that the balance of payments of Trinidad and Tobago recorded a surplus of \$667.7 million, an improvement from the surplus of \$459.3 million for the corresponding period of 2010 (Table 20). Data for the first half of the year indicate an overall current account surplus of \$2.0 billion, a small increase from the \$1.9 billion recorded in the corresponding period of 2010. Meanwhile, the capital account deficit was approximately \$1.4 billion.

The surplus on the current account reflected buoyant energy exports which underpinned a net merchandise trade position of \$2.3 billion. During the first half of 2011 total merchandise exports increased by 18.6 per cent compared with January – June 2010. Energy exports amounted to \$5.4 billion, \$763.0 million more than the corresponding period a year earlier, driven in large part by the strength in crude oil prices (Appendix Table A.37). Non-energy exports increased by \$259.2 million to \$1,121.4 million, in large measure due to a rise in exports to CARICOM. Non-energy exports to CARICOM²³ increased by 49.0 per cent during the first half of 2011 relative to the similar period of 2010. This was largely the result of increased exports of food and manufactured goods. Meanwhile, total merchandise imports during the first half of the year increased by \$1,031.4 million to total \$4.2 billion as energy imports reached \$2.2 billion (see earlier discussion in Chapter Three – Refining) and non-energy imports increased to \$2.1 billion, in light of higher imports of food and capital equipment (Appendix Table A.39).

The surplus on the current account was partly offset by a deficit of \$1,380.4 million on the capital account for the first half of 2011. Net inflows of foreign direct investment amounted to \$287 million in the reporting period of 2011 (Appendix Table 36.A), lower than the \$295.7 million recorded in the corresponding period one year ago. Meanwhile, the net foreign position of commercial banks was \$236.4 million, a decrease compared to the build-up of \$402.7 million in net foreign assets in the corresponding period one year ago. This was due mainly due to a decline in assets held abroad particularly in liquid funds and accounts receivable.

Principal repayments on central government external debt rose to \$49.4 million for the first six months of 2011, compared to \$29.8 million in corresponding period of 2010. These included loan payments made to Lloyds Bank of London for offshore patrol vessels. Total debt service amounted to \$91.8 million, compared with debt service of \$60.9 million during the period January to June 2010.

Trinidad and Tobago's gross official reserves amounted to \$9,822.7 million at the end of December 2011, compared with \$9,070.0 million in December 2010. This represents 11.9 months of prospective imports of goods and non-factor services. It also suggests that the external accounts registered an overall surplus of \$752.7 million in 2011.

²³ Non-energy exports to CARICOM as a share of total non-energy exports increased slightly to 19.7 per cent in the first half of 2011, from 17.5 per cent for the corresponding period of 2010.

TABLE 20

SUMMARY BALANCE OF PAYMENTS, 2008 – JUNE 2011
/US\$ MILLION/

	2008 ^r	2009 ^r	2010 ^r	Jan-Jun 2010 ^r	Jan-Jun 2011 ^p
Current Account	8,493.0	1,593.7	4,137.4	1,922.8	2,048.1
Merchandise	9,064.4	2,202.1	4,700.5	2,281.4	2,272.2
Services	609.7	381.7	487.6	233.0	173.0
Income	-1,228.0	-1,017.1	-1,079.5	-600.3	-424.9
Transfers	46.9	27.0	28.8	8.7	27.8
Capital Account	-5,787.5	-2,306.3	-3,719.0	-1,463.5	-1,380.4
Official	-992.8	270.0	-530.5	-667.8	-10.2
State Enterprises	-10.7	-10.7	-10.5	-5.0	-5.0
Private Sector ¹	-4,267.2	-2,807.3	-3,383.7	-596.5	-1,196.5
Errors and Omissions	-516.8	241.7	205.7	-194.2	-168.7
Overall Surplus / Deficit	2,705.5	-712.6	418.4	459.3	667.7
Change in Reserves (Increase (-) / decrease (+))	-2,705.5	712.6	-418.4	-459.3	-667.7
Memo Items:					
Non-energy Exports	2,204.0	1,335.8	1,924.0	862.2	1,121.4
Energy Exports	16,482.4	7,839.4	9,280.1	4,634.5	5,397.5
Gross Official Reserves (end of period)	9,380.3	8,651.6	9,070.0	9,110.9	9,737.7
Import Cover (months of prospective imports)	11.5	11.9	13.1	13.1	11.6

SOURCES: Central Statistical Office of Trinidad and Tobago and the Central Bank of Trinidad and Tobago.

1 Private sector includes the flows from the foreign direct investment, portfolio investment, commercial banks net foreign position, regional bond issues as well as the private capital flows.

r revised.

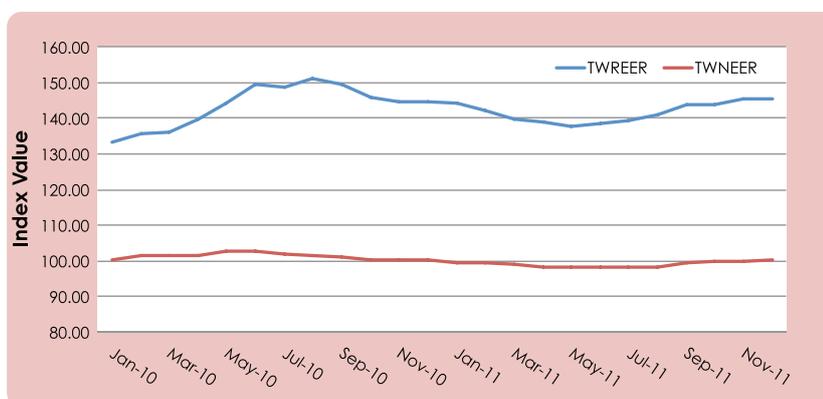
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EFFECTIVE EXCHANGE RATES AND TERMS OF TRADE

In 2011, the trade-weighted real effective exchange rate (TWREER) remained virtually unchanged, appreciating by less than 1.0 per cent (0.60 per cent) (Figure 7). Movements in the TWREER can be decomposed into two effects, an exchange rate effect which is measured by the trade-weighted nominal exchange rate (TWNEER) and an inflation effect which is measured by the effective inflation rate (EIR). Therefore, the stability in the TWREER was reflective of the relative lack of movement in both the trade-weighted nominal effective

exchange rate (TWNEER) as well as the effective inflation rate (EIR). The TWNEER depreciated by 0.10 per cent while the EIR (which measures domestic inflation rates relative to those of the country's major trading partners) increased by 0.70 per cent. The slight appreciation in the Trinidad and Tobago dollar in real effective terms was influenced by the strengthening of the US dollar against only a few other major currencies, including the Canadian dollar (1.5 per cent) and the British pound (0.1 per cent).

FIGURE 7
TRADE WEIGHTED REAL AND NOMINAL EFFECTIVE EXCHANGE RATE INDICES
(2000=100)



SOURCE: Central Bank of Trinidad and Tobago.

Apart from movements in exchange rates and consumer prices, institutional factors also influence a country's level of competitiveness. The World Economic Forum publishes the Global Competitiveness Report annually, which ranks countries based on their level of competitiveness using a Global Competitiveness Index (Table 21). The Index is based on twelve pillars, which are broadly categorized into three themes: basic requirements; efficiency enhancers; and innovation and sophistication factors. In the latest Global Competitiveness Report 2011-2012, Trinidad and Tobago's ranking improved, moving to 81 (out of 142 countries), from 84 (out of 139 countries) in the 2010-2011 Report. However, while Trinidad and Tobago's competitiveness increased relative to other countries by looking at the overall score received, it is apparent that the country remained at the same point as it had been in the previous year. Thus in line with the results from the TWREER it is apparent that there was no real change in the competitiveness of the country.

Latest data available for the second quarter of 2011 show an improvement in the terms of trade for Trinidad and Tobago (Figure 8). Between the second quarter of 2010 and the second quarter of 2011, the country's terms of trade improved by 1.5 per cent, as the prices of the country's merchandise exports rose faster than the prices of its imports. This positive movement in the price of the country's exports was experienced in all sectors except Machinery and Transport Equipment. In the case of the energy sector further evidence of the rise in the prices received by the country is found in the Energy Commodity Price Index (ECPI). This index, which is a summary measure of the price movements of Trinidad and Tobago's top ten energy-based commodity exports, increased by 42.2 per cent (year-on-year) in June 2011 (Box 2).

TABLE 21

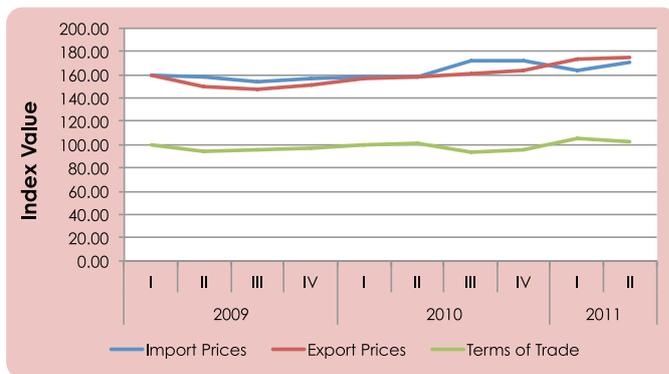
GLOBAL COMPETITIVENESS INDEX, 2011 – 2012

Sub-index/ Pillar	Rank*	Score
Basic Requirements	58	4.7
1. Institutions	82	3.7
2. Infrastructure	53	4.4
3. Macroeconomic environment	57	4.9
4. Health and primary education	60	5.8
Efficiency Enhancers	79	3.9
5. Higher education and training	64	4.2
6. Goods market efficiency	104	3.9
7. Labour market efficiency	87	4.1
8. Financial market and development	49	4.4
9. Technological readiness	52	4.0
10. Market size	111	2.7
Innovation and sophistication factors	76	3.4
11. Business sophistication	67	3.9
12. Innovation	86	3.0
Overall Rank and Score: 2011-2012 (out of 142)	81	4.0
Overall Rank and Score: 2010-2011 (out of 139)	84	4.0
Overall Rank and Score: 2009-2010 (out of 133)	86	3.9

SOURCE: Global Competitiveness Report, 2011-2012, World Economic Forum.

* Trinidad and Tobago compared to all 142 countries in the Report.

FIGURE 8
EXPORT AND IMPORT PRICE INDICES, 2009 – JUNE 2011



SOURCES: Central Statistical Office of Trinidad and Tobago and Central Bank of Trinidad and Tobago.

INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

(In this section \$ refers to US dollars unless otherwise stated)

INTERNATIONAL ECONOMIC DEVELOPMENTS

In 2011 the global economy slowed considerably as macroeconomic and fiscal strains, particularly in the US and Euro area, eroded investor confidence and engendered greater financial volatility. In the fourth quarter of 2011, the US economy expanded by 2.8 per cent (quarter-on-quarter), which was faster than the previous three quarters. Elsewhere in the developed world, the situation was not as positive. The UK and Euro area economies contracted in the fourth quarter of 2011 by 0.2 and 0.3 per cent respectively (Table 22). In Japan slowing global trade, a strong currency and disruptions from severe floods in Thailand which hurt production resulted in a fourth quarter contraction of 0.6 per cent.

Mounting concerns over debt sustainability issues in the Euro area and doubts about the adoption of a credible debt reduction plan have jeopardized the sovereign ratings of the US and European countries (Box 3). Further, sovereign credit risks in the Euro area have spilled over to banking systems, driving credit and market risks. In the face of heightened uncertainty, the International Monetary Fund (IMF) lowered its projections for global growth in 2012 to 3.3 per cent²⁴, down from a previous projection of 4.0 per cent. The Organization for Economic Co-operation and Development (OECD) also lowered its 2012 global growth projection to 3.4 per cent from a previous forecast of 4.6 per cent²⁵. The World Bank has also lowered its projections for global growth in 2012 from 3.6 per cent to 2.5 per cent²⁶.

With low employment gains, unemployment rates remained high in the developed world (Table 23). On account of gains in service-providing industries, the US unemployment rate declined to 8.5 per cent in December 2011, just outside the 9.0 per cent to 9.2 per cent range held through April to October 2011. Despite this decline, unemployment levels in the US remains stubbornly high. With the crisis deepening in the Euro area, the prospects for an improvement in the labour markets in advanced economies appear to be low.

In an attempt to steer their fiscal positions to a more sustainable path, several European governments including the UK, Greece, Spain and Italy have proposed austerity measures. Some of the proposed measures include: (1) reductions in social entitlements such as social security and pensions; (2) increasing the statutory retirement age; (3) cuts to public sector salaries and (4) an increase in several taxes. In response to these measures, many European countries experienced numerous public sector strikes and demonstrations, particularly in Greece.

While the pace of growth in emerging markets slowed, it remains higher than their developed counterparts. On the back of investment growth, real GDP in China increased by 8.9 per cent (year-on-year) in the fourth quarter, slightly lower than the 9.1 per cent in the previous quarter. Fuelled largely by private

24 IMF, World Economic Outlook Update, January 2012.

25 OECD, Economic Outlook, November 2011.

26 World Bank, Global Economic Prospects 2012.

consumption, India also reported robust growth of 6.9 per cent in the third quarter of 2011 when compared to the corresponding period one year ago.

While social unrest impacted growth in some countries in the Middle East and North Africa (MENA) region, buoyant oil prices pushed up growth in the region's

top exporters. In particular, the IMF expects that in 2012, the economies of Saudi Arabia and Qatar will expand by 3.6 per cent and 6.0 per cent respectively²⁷. In the coming months, the MENA region will face geopolitical challenges including restoring economic and social stability as well as restoring its fiscal balance sheets.

TABLE 22

ADVANCED ECONOMIES:
REAL GDP GROWTH, 2010 – 2011
/ QUARTER-ON-QUARTER PER CENT CHANGE /

Country	2010				2011			
	I	II	III	IV	I	II	III	IV
United States	3.9	3.8	2.5	2.3	0.4	1.3	1.8	2.8
United Kingdom	0.2	1.1	0.7	-0.5	0.4	0.0	0.6	-0.2
Euro area	0.4	0.9	0.4	0.3	0.8	0.2	0.1	-0.3
Japan	1.6	1.1	0.5	0.0	-1.8	-0.4	1.7	-0.6

SOURCE: Bloomberg.

TABLE 23

ADVANCED ECONOMIES:
UNEMPLOYMENT RATE¹: 2009 – 2011
/ PER CENT /

Country	2009	2010	2011
United States	9.9	9.4	8.5
United Kingdom	7.8	7.9	8.4
Euro area	10.1	10.0	10.4
Japan	5.2	4.9	4.6

SOURCE: Bloomberg.
1 End of Period.

²⁷ IMF, World Economic Outlook, September 2011.

REGIONAL ECONOMIC DEVELOPMENTS

In 2011 Caribbean economies continued to struggle to achieve pre-crisis growth levels, but showed some progress compared to 2010 (Table 24). According to the Caribbean Centre for Money and Finance (CCMF), the average real economic growth for the region for the first half of 2011 was 1.7 per cent, an improvement from the 0.2 per cent recorded for the corresponding period in 2010. Based on IMF estimates²⁸ most economies in the region will post higher growth rates in 2011 than in the previous two years. The IMF has projected that the Caribbean region will grow by 3.3 per cent in 2011, a similar rate of expansion as in 2009.

In general, price levels in the Caribbean remained high due to hikes in international prices, especially for fuel. For the 12 months to October 2011, consumer prices in the Bahamas increased by 3.2 per cent, reflecting elevated energy costs. In Barbados, year-on-year inflation in October measured 11.3 per cent, driven mainly by a 22.8 per cent (year-on-year) increase in the fuel and light sub-index, and an 11.4 per cent (year-on-year) increase in the food sub-index. Increases in the prices for housing, water, electricity, gas and other fuels, as well food and non-alcoholic beverages drove

Jamaica's inflation rate throughout the year. Jamaica recorded an inflation rate of 6.0 per cent (year-on-year) in December 2011. Meanwhile, Guyana's annual headline inflation rate to June 2011 measured 5.5 per cent, with food inflation measuring 7.2 per cent.

In 2011 unemployment rates remained relatively elevated. Even though Bahamas' unemployment rate in May 2011 declined slightly to 13.7 per cent, down from 14.2 per cent in May 2009 the rate was still above the average unemployment rate recorded over the period 2006-2008 (8.1 per cent). Meanwhile, Barbados' unemployment rate for the first three quarters of 2011 averaged 11.5 per cent, compared to the 10.8 per cent in the corresponding period of 2010. Sluggish economic growth made it difficult for the private sector to maintain staff levels. Jamaica's unemployment rate also remained in double digits at 12.8 per cent in October 2011 compared with 12.0 per cent in October 2010.

The main tourism destinations in CARICOM namely Barbados and Jamaica experienced increased tourist arrivals in 2011 when compared to 2010. In the case

TABLE 24

CARIBBEAN ECONOMIES: REAL GDP GROWTH, 2007 – 2011
/ PER CENT /

Country	2007	2008	2009	2010	2011 ^e
The Bahamas	1.4	-1.3	-5.4	0.9	2.0
Barbados	3.8	-0.1	-3.8	0.2	1.0
Belize	1.2	3.7	1.4	2.8	2.5
Eastern Caribbean	5.4	2.8	-5.7	-2.2	0.4
Guyana	7.0	2.0	3.3	4.4	5.1
Jamaica	1.4	-0.8	-3.1	-1.4	1.5
Suriname	4.6	4.1	3.5	4.5	4.0

SOURCES: Regional Statistical Institutes, regional Central Banks and IMF (for 2011 estimates).
e estimate.

28 IMF, *Regional Economic Outlook*, October 2011.

of Barbados there was a 7 per cent increase in the January to November period, with a surprising rise of 16 per cent coming from other CARICOM countries. Jamaica recorded an increase of 3 per cent in the January to July period, with a rise of 21 per cent in visitor arrivals from Canada offsetting the 5 per cent decline in European visitors. Notably, including cruise ship arrivals, Jamaica's tourist arrivals increased by 6 per cent in the first seven months of 2011, this comes as the country opened its Falmouth pier in February 2011. Despite the higher visitor arrival numbers, according to the Caribbean Tourism Organization tourism expenditure decreased in light of cost cutting measures taken by tourists.

The regional tourism industry will face challenges in 2012. For example in early December 2011, the UK government announced that it had decided not to change their Air Passenger Duty (APD) banding structure, and to further increase the APD by 8.0 per cent in April 2012. Due to the sharp rise in the APD in the recent past, British Airways (BA) and Virgin Atlantic plan to reduce flights to the Caribbean in 2012. BA now plans to reduce capacity to the Caribbean by approximately 6.0 per cent in 2012.

Remittance flows to the region, even though still below pre-crisis (2008) trend levels, have been steadily improving. Remittance inflows are of major importance to Caribbean economies such as Jamaica and the Dominican Republic as a source of foreign exchange. Jamaica's remittance inflows for the first ten months of 2011 totalled US\$1,668.6 million, a 7.1 per cent increase relative to the corresponding period of the previous year. In the Dominican Republic, workers' remittances totalled US\$1,539.4 million over the first half of 2011, an increase of 7.0 per cent year-on-year.

Some countries in the region are making strong efforts to reduce their dependence on fossil fuels and increase the use of renewable energy sources instead. For instance, Barbados aims to reduce its electricity consumption by 19 per cent by 2029. In February 2011, the IADB and Barbados signed two loan agreements totalling US\$40 million to support the

island's initiatives for increasing the use of sustainable energy. Additionally, in November 2011, the IADB approved another loan (US\$70 million) to further assist the government in its drive to diversify its energy matrix. In October 2011, the Dominican Republic inaugurated its first large-scale wind power project. The facility has 19 wind towers and will contribute 33 megawatts (mw) to the national electricity network. This new project is expected to save the country approximately 200,000 barrels of oil per year. Jamaica's Wigton Windfarm produced enough energy during the first five months of fiscal year 2011/2012 (April-August) to save the country an estimated J\$229 million (US\$2.7 million) in oil imports. Meanwhile, the government of Dominica signed an EC\$17 million (US\$6.29 million) deal with the Iceland Drilling Company Limited to develop geothermal energy. The long-term aim of the deal is to construct a 120-megawatt power plant that would export electricity via submarine cable to the neighbouring countries of Guadeloupe and Martinique.

Over the last six years, China-Caribbean cooperation has expanded quickly, with bi-lateral trade increasing by an annual average of 24.0 per cent, reaching US\$7.2 billion in 2010. The Chinese government, during the third *China-Caribbean Economic and Trade Cooperation Forum* (held in September), pledged US\$1 billion in preferential loans to support economic development in the region (Box 3). The Chinese government also plans to make available US\$1 billion for special business loans to finance infrastructure projects (to be facilitated by the China Development Bank). The Chinese government also pledged US\$1 million to the Caribbean Development Fund. Several inter-governmental cooperation agreements were signed between China and individual Caribbean countries in 2011.

Throughout 2011 in addition to funding received from the IADB, Caribbean countries continued to receive support from the IMF (Table 25). The countries which received funding included St. Lucia (US\$8.2 million in January); St. Vincent and the Grenadines (US\$3.3 million in February and US\$2.0 million in July); and St. Kitts-Nevis (US\$84.5 million in July). This funding was

primarily aimed at providing support for the economic fallout from the global financial crisis, and to aid in the reconstruction activities necessary due to the impact of adverse weather conditions.

Given the openness of Caribbean economies, economic prospects for growth depend heavily on

developments in the global economy. The IMF has forecasted in the *Regional Economic Outlook, October 2011* that regional growth will further improve in 2012, increasing by 4.3 per cent. Growth in the region is expected to be led by Haiti (7.5 per cent), Guyana (6.0 per cent) and Suriname (5.0 per cent).

TABLE 25

FINANCIAL ASSISTANCE FROM INTERNATIONAL LENDING AGENCIES, 2009 – 2011
/ US \$MILLION /

Country	Institution	Date of Arrangement	Amount	Purpose
Antigua and Barbuda	IMF	June 08, 2010	\$117.8	• To restore fiscal and debt sustainability.
Belize	IMF	February 20, 2009	\$6.9	• Natural Disaster Assistance for storm damage and flooding.
Dominica	IMF	February 06, 2009	\$8.4	• Natural Disaster Assistance for damage caused by Hurricane Dean. ESF ¹ increased by \$5.1 million in July 2009.
Dominican Republic	IMF	November 09, 2009	\$1,700.0	• To mitigate the effects of the global economic slowdown.
Grenada	IMF	June 04, 2009	\$6.8	• ECF ² increased to cope with global economic slowdown.
	IMF	April 02, 2010	\$13.3	• ECF to cushion the effects of the global economic slowdown.
Haiti	IMF	January 27, 2010	\$102.0	• ECF augmented to cope with earthquake
	WB	January 13, 2010	\$100.0	• Emergency Financing.
	IMF	July 21, 2010	\$268.0	• Full cancellation of outstanding liabilities to the Fund (SDR 178 million).
	IMF	July 21, 2010	\$60.0	• Additional funding under the ECF to help boost international reserves.
	WB	August 05, 2010	\$30.0	• Emergency Financing.
	IADB	2010	\$176.0	• Disbursements went towards several sectors (water and sanitation, education and agriculture) including US\$50 million for budget support.
Jamaica	IMF	February 04, 2010	\$1,270.0	• 27-month loan Stand-By Arrangement to combat the global financial crisis.
	IADB	August 13, 2010	\$20.0	• To strengthen fiscal policy.
	IADB	December 15, 2010	\$200.0	• Fiscal policy reform.
St. Kitts and Nevis	IMF	May 19, 2009	\$3.4	• Natural Disaster Assistance for damage caused by Hurricane Omar.
	IMF	July 28, 2011	\$84.5	• Stand-By Arrangement to support the country's economic programme including fiscal adjustment measures and debt restructuring.
St. Lucia	IMF	July 27, 2009	\$10.7	• To mitigate the effects of the global economic slowdown.
	IMF	January 12, 2011	\$8.2	• To cope with the economic consequences of Hurricane Tomas.
St. Vincent and the Grenadines	IMF	May 31, 2009	\$5.7	• To mitigate the effects of the global economic slowdown.
	IMF	February 28, 2011	\$3.3	• To cope with the economic consequences of Hurricane Tomas, given under the RCF ³ .
	IMF	July 25, 2011	\$2.0	• To meet urgent balance of payment needs following destruction by adverse weather conditions in April 2011 provided under the RCF ³ .
Suriname	IADB	November 24, 2010	\$0.3	• Natural Disasters Prevention Relief.

SOURCES: International Monetary Fund, Inter-American Development Bank, and the World Bank.

1 The Exogenous Shock Facility (ESF) provides policy support and financial assistance to low-income countries facing exogenous shocks.

2 The Extended Credit Facility (ECF) is a 3-year arrangement for lower income countries. It was formerly known as the Poverty Reduction Growth Facility.

3 RCF provides rapid financial assistance for low-income countries with an urgent balance of payments need, and does not require any programme-based conditionality or review.

BOX 3 KEY INTERNATIONAL AND REGIONAL DEVELOPMENTS IN 2011

JANUARY	<ul style="list-style-type: none">• Fitch Ratings joined Moody's Investors Service and Standard & Poor's (S&P) in downgrading Greece's credit rating. Fitch's downgrade to BB+ cited Greece's heavy debt burden as well as its economic and fiscal performance.• The Revised Treaty of Basseterre Establishing the Organization of Eastern Caribbean States Economic Union came into force on January 21.
FEBRUARY	<ul style="list-style-type: none">• Guyana's National Assembly passed the Customs Duty (Amendment) Order 2011, making Guyana the first country in CARICOM to take the necessary legislative steps to implement the Economic Partnership Agreement (EPA) with the European Union (EU).
MARCH	<ul style="list-style-type: none">• In Libya, foreign oil companies began to shut down production and evacuate staff in response to the unrest.• A massive earthquake, at a magnitude of 9.0 on the Richter scale, struck northeast Japan.• Portugal's Prime Minister Jose Socrates submitted his resignation after losing a key parliamentary vote on a package of austerity measures.
APRIL	<ul style="list-style-type: none">• The European Central Bank raised interest rates for the first time in nearly three years.• S&P assigned a "negative" outlook to US government debt stating that there is a one-in-three chance that the debt will be downgraded within two years.• On April 28, the Jamaican government announced its plan to seek a 24-month extension on the current Stand-By Arrangement (SBA) with the International Monetary Fund (IMF). The US\$1.27 billion SBA was signed in February 2010 between the Jamaican government and the IMF and is scheduled to end in May 2012.
MAY	<ul style="list-style-type: none">• S&P cut the Greek government's long-term credit rating to B from BB-.• Guyana and Venezuela finalised the details of a third contract for the supply of rice and paddy to the latter worth approximately US\$48 million.
JUNE	<ul style="list-style-type: none">• Euro area finance ministers formally approved a €78 billion (US\$116 billion), three-year rescue package for Portugal.• Following the conclusion of the mission by the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) to Greece, a statement by the IMF indicated that staff-level agreement was reached with the Greek authorities on a set of economic and financial policies needed to meet program objectives.

BOX 3 (CONTINUED)
KEY INTERNATIONAL AND REGIONAL DEVELOPMENTS IN 2011

JULY

- People's Bank of China and the European Central Bank raised their benchmark interest rates.
- S&P placed the US government's AAA-rating on a negative watch, given the continued failure to form a bi-partisan agreement to raise the debt ceiling and small but increasing risk of a technical default.
- Moody's and S&P cut Greece's credit rating into deeper junk territory.
- On July 22, the Eastern Caribbean Central Bank (ECCB) took over the Antigua and Barbuda Investment Bank (AIB) after the bank failed to meet statutory and other obligations.

AUGUST

- The EU and the Institute of International Finance (IIF) announced details of various proposals for a second assistance program for Greece and to address the Euro area debt crisis.
- Following weeks of intense bi-partisan debate, US President Barack Obama signed legislation that raised the debt ceiling and cut spending by trillions of dollars over a decade.
- S&P downgraded the US sovereign's rating from AAA to AA+ (negative outlook).

SEPTEMBER

- Talks between Greece and the IMF/ EU over the disbursement of new bailout funds for Greece were suspended due to disagreements on how to reduce the country's budget deficit.
- Trinidad and Tobago approached Venezuela to resume negotiations on the sharing of deposits of oil and gas that straddle their maritime border. The discussions concern an estimated 15 trillion cubic feet of gas in the 16 kilometres of water that lie between the two countries.
- The Chinese government, during the third China-Caribbean Economic and Trade Cooperation Forum, pledged US\$1 billion in preferential loans to support economic development in the Caribbean region.

OCTOBER

- As talks eventually resumed, EU leaders agreed to disburse the sixth tranche of funds to Greece by November 2011, pending approval by the IMF.
- Jamaica's Chamber of Commerce, Trinidad and Tobago's Manufacturers' Association, the Trinidad and Tobago Chamber of Industry and Commerce, and the Bermudez Group Limited signed an MOU for the establishment of a trade-facilitation office in Trinidad.
- On October 17, Antigua and Barbuda became the first nation to ratify the Revised Treaty of Basseterre.
- Guyana signed a fourth contract with Venezuela for the supply of 127,000 tonnes of rice to Caracas. This represented almost half of Venezuela's rice imports.

NOVEMBER

- The reigning Prime Ministers of Greece and Italy resigned and were replaced by, Lucas Papademos and Mario Monti respectively.
- After the failure of the US Congressional Super-committee to reach an agreement on reducing the federal government deficit, Fitch Ratings revised its stable outlook on the US AAA-rating to negative.

DECEMBER

- EU leaders announced a pact on fiscal reform. The main elements of the agreement were: a new "fiscal compact"; the enforcement of the rules governing the Excessive Deficit Procedure for Member States and the commencement of the European Stability Mechanism from July 2012.
- On December 03, the Community of Latin American and Caribbean States (CELAC) signed the Caracas Declaration forming a new regional bloc. CELAC includes every country in the region except the US and Canada.



APPENDIX ONE

INTERNATIONAL COMMODITY MARKETS

INTERNATIONAL ENERGY COMMODITIES²⁹

PETROLEUM

Prices in the international crude oil market continued to recover in 2011. The price of West Texas Intermediate (WTI) crude oil settled at an average of \$95.14 per barrel in 2011, up 19.7 per cent from 2010. The increase was mostly engendered by turmoil in the Middle East and North Africa region early in the year, which also saw crude output from Libya grinding to a halt. At that time, Saudi Arabia had pledged to increase its production to compensate for the shortage, but was unable to fully meet the additional requirement. Libya, which normally produces 1.9 million barrels per day, resumed production during the second half of the year and progressively ramped up its rates to about 840,000 barrels per day in November 2011. This contributed to slightly lower prices in the second half of 2011. Other factors contributing to lower prices were the Standard and Poors' downgrade of the US credit rating in August 2011 and concerns over the sovereign debt crisis in the Euro zone. Prices turned upward late in 2011 on the back of geopolitical tensions including concerns over unrest in Egypt and the imposition of new sanctions by the United States on Iran over the latter's controversial nuclear program.

NATURAL GAS

The natural gas market remained subdued in 2011 as abundant supplies continued to place downward pressure on prices. The price at the Henry Hub averaged US\$4.00 per million British thermal units (mmbtu) in 2011, slightly down from US\$4.39 per mmbtu in 2010. A major earthquake and tsunami in Japan early in 2011 damaged a nuclear power facility

and brought the inherent risks of nuclear power generation to the fore. As a result, a number of countries operating nuclear power plants and some with plans of developing such decided to opt for gas-fired power plants. Both China and Japan significantly increased natural gas imports in 2011 and reported major cuts in power generated from nuclear reactors. However, this failed to bring about any increase in prices. In the US, a record quantity of gas in storage (3.852 trillion cubic feet in November 2011), a weak economic outlook and continued production from shale deposits more than offset any upward price pressures that may have resulted from the hottest weather on record in some areas.

METHANOL

The methanol industry improved significantly in 2011. Higher crude prices and political issues in Libya shored up the methanol price early in the year. Subsequently, production issues in Trinidad and Tobago, Chile, Europe and the Middle East kept prices relatively buoyant during the period. The methanol price (fob Rotterdam) averaged US\$429.96 per tonne during 2011, up from US\$338.32 per tonne during 2010.

NITROGENOUS FERTILIZERS

The nitrogenous fertilizer market in 2011 was driven by growing demand and a series of constraints on supply. Ammonia prices (fob Caribbean) jumped 47.3 per cent to an annual average of US\$534.19 per tonne

²⁹ Prices in this section are quoted in US dollars unless otherwise stated. See Table A for monthly data.

while the price of urea (fob Caribbean) surged 39.9 per cent to an average of US\$435.75 per tonne in 2011. High import demand gave underlying strength to the market in the first half of the year. Additionally, export supply from Trinidad and Tobago was curtailed due to a local gas shortage, while Libyan plants remained closed for most of 2011. Prices in the western hemisphere grew weaker in June 2011, but high oil prices drove gas costs and placed a floor on prices in Europe. Prices resumed an upward trend by August, driven mainly by supply shortfalls from key exporters including Australia, Indonesia, Russia, Ukraine and Algeria. In addition, plant outages generated additional import demand in some regions. Markets grew weaker by the end of the year with reduced demand in several areas.

IRON AND STEEL

Iron and steel markets displayed increased activity in 2011. Billet and wire rod prices rose in 2011 by 19.9 per cent and 15.4 per cent, respectively, compared to 2010. The average billet price (for Latin America) was US\$648.76 per tonne during 2011 while the price of wire rods averaged US\$710.13 per tonne. A weaker tone prevailed in the iron and steel market following the Japanese earthquake and political instability in the Middle East. By mid-year however, upward momentum returned as prices were driven by increasing raw material costs and, to a lesser extent, strengthening demand. Markets grew weaker by the fourth quarter as higher prices began to push buyers out of the market.

TABLE A
MONTHLY PRICES OF SELECTED EXPORT COMMODITIES, 2010 – 2011

	US\$/bbl ¹	US\$/mmbtu ²	US\$/tonne				
	Crude Oil (WTI ³)	Natural Gas (Henry Hub)	Ammonia (fob Caribbean)	Urea (fob Caribbean)	Methanol (fob Rotterdam)	Billets (fob Latin America)	Wire Rods (fob Latin America)
Jan-10	78.36	5.82	268.13	328.50	340.00	425.00	511.25
Feb-10	76.41	5.32	338.13	333.00	321.00	490.00	527.50
Mar-10	81.25	4.29	402.13	323.00	322.00	532.00	591.50
Apr-10	84.48	4.04	373.00	293.20	336.00	618.75	602.50
May-10	73.73	4.14	348.25	246.50	316.00	595.00	705.00
Jun-10	75.35	4.80	321.25	245.00	298.00	570.00	705.00
Jul-10	76.35	4.63	310.00	265.00	323.00	555.00	705.00
Aug-10	76.60	4.32	345.00	285.00	339.00	537.50	683.75
Sep-10	75.29	3.89	385.00	325.00	328.00	535.00	620.00
Oct-10	81.90	3.43	421.25	343.00	387.80	530.00	567.50
Nov-10	84.24	3.71	425.00	373.25	378.00	536.30	573.80
Dec-10	89.15	4.25	415.00	376.50	371.00	570.00	593.33
Annual Average	79.43	4.39	362.68	311.41	338.32	541.21	615.51
Jan-11	89.41	4.49	435.00	384.63	426.50	612.50	640.00
Feb-11	89.53	4.09	475.00	388.50	433.50	637.50	695.00
Mar-11	102.92	3.97	507.00	371.40	441.00	645.00	682.00
Apr-11	109.96	4.24	515.00	355.50	441.00	633.75	686.25
May-11	101.28	4.31	522.50	378.50	433.00	630.63	720.00
Jun-11	96.25	4.54	524.00	446.00	441.00	657.00	720.00
Jul-11	97.31	4.42	521.88	473.38	413.00	690.00	740.00
Aug-11	86.32	4.05	526.25	510.00	424.00	693.75	746.25
Sep-11	86.58	3.89	556.25	509.00	405.00	705.00	765.00
Oct-11	86.41	3.56	623.13	499.38	440.50	655.00	750.00
Nov-11	97.12	3.26	651.25	491.25	436.50	615.00	698.75
Dec-11	98.56	3.16	553.00	421.50	424.50	610.00	678.33
Annual Average	95.14	4.00	534.19	435.75	429.96	648.76	710.13

SOURCES: Bloomberg, Green Markets, Fertilizer Week, European Chemical News, Monthly Methanol Newsletter (TECNON), and Metal Bulletin.

All prices are monthly averages of published quotations and not necessarily realized prices.

1 US dollars per barrel.

2 US dollars per million British thermal units.

3 West Texas Intermediate.

INTERNATIONAL AGRICULTURAL COMMODITIES

PRICES

International food commodity prices showed a decline of 5.5 per cent at the end of 2011 (Table B). On a month-on-month basis the FAO Food Price index declined by 2.4 per cent in December 2011, continuing the pattern of falling prices for the second half of 2011. The year-on-year decrease was largely driven by declines in the prices of sugar (17.9 per cent), oils (14.0 per cent) and cereals (8.4 per cent). The only index to record an increase was that of meat (8.0 per cent). The falling prices reflected increased production of the agricultural commodities coupled with a slowing demand. Notably the FAO Food Price Index increased sharply (year-on-year) within the first half of 2011, peaking in February of 2011.

The cereals market, specifically wheat, endured a volatile year in 2011. Flooding in Australia and continuation of an export ban by Russia inhibited supply in the first half of 2011, while demand rose

due to increased utilization for wheat as a food source and input into animal feeds. The second half of 2011 saw an easing of some of these strains with the lifting of export bans by Russia and India allowing for increased supply on the global markets. Further, better weather conditions in a large portion of the major wheat producing countries, such as Australia and Argentina, provide an optimistic outlook for 2012.

Data from the IMF's Index of Market Prices for Non-Fuel and Fuel Commodities showed a 9.6 per cent increase in cereal prices for the year ended November 2011. This rise was driven by the wheat (2.5 per cent), maize (15.1 per cent) and rice (12.1 per cent) sub-indices. For the same period, the meat index rose by 18.3 per cent due to increases within the beef and poultry sub-indices of 19.3 per cent and 4.4 per cent, respectively.

TABLE B
MONTHLY FOOD PRICE INDICES (2002 – 2004=100)

Date	Food Price Index	Meat Price Index	Dairy Price Index	Cereals Price Index	Oils Price Index	Sugar Price Index
Dec-10	223.3	166.1	208.4	237.8	264.5	398.4
Jan-11	231.3	166.8	221.3	244.8	279.4	420.2
Feb-11	237.9	170.5	230.0	258.6	281.1	418.2
Mar-11	232.0	174.5	234.4	251.2	261.7	372.3
Apr-11	234.9	180.4	228.7	265.4	260.9	345.7
May-11	231.6	180.0	231.1	261.3	260.9	312.2
Jun-11	233.4	178.1	231.6	259.0	259.0	357.7
Jul-11	231.2	176.5	227.8	247.2	252.9	400.4
Aug-11	230.6	178.6	220.6	252.4	245.3	393.7
Sep-11	225.1	177.3	214.7	244.3	239.4	379.0
Oct-11	215.8	176.1	203.5	231.3	224.3	361.2
Nov-11	216.1	180.1	201.0	228.8	234.8	339.9
Dec-11	211.0	179.3	201.7	217.8	227.5	326.9

SOURCE: Food and Agriculture Organisation.



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ECONOMIC STATISTICS

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r - revised

n.a. - not available

p - provisional

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TABLE A.1

GROSS DOMESTIC PRODUCT AT CONSTANT (2000) PRICES
BY SECTOR OF ORIGIN, 2007 – 2011¹
/ PER CENT /

SECTOR	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^P
Agriculture	21.8	7.6	-32.4	60.2	-4.1
Petroleum	1.7	-0.3	2.5	2.0	0.0
Manufacturing	16.3	4.1	1.4	1.6	1.0
Electricity and Water	6.5	3.0	0.3	0.1	-2.6
Construction	7.1	4.5	-7.1	-28.4	-7.9
Transport, Storage and Communication	6.0	8.4	-1.5	-1.3	2.7
Distribution	3.3	9.8	-21.2	-11.6	-8.5
Finance, Insurance and Real Estate	10.4	3.1	-4.5	8.1	4.3
Government	3.2	1.7	-1.7	-2.3	-1.5
Other Services ²	2.8	-4.6	3.9	1.2	-1.6
FISIM ³	18.5	-2.9	0.2	-7.5	-1.5
Value Added Tax	7.3	-2.7	-6.6	26.0	-18.0
TOTAL	4.8	2.7	-3.3	0.0	-1.4

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 In 2004 the GDP was rebased to a base year of 2000 = 100 from 1985 = 100 and the statistical methodology amended.

2 Includes Hotels and Guest Houses, Education and Community Services and Personal Services.

3 Financial Intermediation Services Indirectly Measured.

TABLE A.2

GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES
BY SECTOR OF ORIGIN, 2007 – 2011
/ TT\$MILLION /

SECTOR	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^p
Agriculture	509.0	640.7	739.3	869.3	926.5
Petroleum	61,634.1	89,100.3	46,091.8	58,374.7	65,130.5
Manufacturing	7,216.8	7,042.6	5,991.5	5,657.1	6,572.7
Electricity and Water	1,534.4	1,526.3	1,777.9	1,809.7	1,851.9
Construction	11,309.8	14,476.5	13,726.5	9,410.5	8,814.0
Transport, Storage and Communication	7,641.8	6,983.4	7,217.3	7,104.6	7,452.9
Distribution	16,925.1	21,140.0	17,934.9	17,942.1	17,845.2
Finance, Insurance and Real Estate	15,561.8	15,681.3	14,453.8	14,812.5	15,904.1
Government	9,038.3	12,495.1	11,163.5	11,201.0	13,194.3
Other Services ¹	4,923.9	5,358.7	5,574.7	5,788.5	6,065.6
FISIM ²	-4,677.8	-5,090.7	-5,459.6	-5,812.5	-5,721.8
PLUS: Value Added Tax	5,335.3	5,933.0	5,147.2	5,803.1	5,844.7
GROSS DOMESTIC PRODUCT AT MARKET PRICES	136,952.5	175,287.2	124,358.8	132,960.6	143,880.7

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Includes Hotels and Guest Houses, Education and Community Services and Personal Services.

2 Financial Intermediation Services Indirectly Measured.

TABLE A.3

ANNUAL CHANGES IN G.D.P. AT CURRENT MARKET PRICES
BY SECTOR OF ORIGIN, 2007 – 2011
/ PER CENT /

SECTOR	2007'	2008'	2009'	2010'	2011 ^P
Agriculture	-22.6	25.9	15.4	17.6	6.6
Petroleum	13.1	44.6	-48.3	26.6	11.6
Manufacturing	12.0	-2.4	-14.9	-5.6	16.2
Electricity and Water	56.3	-0.5	16.5	1.8	2.3
Construction	31.9	28.0	-5.2	-31.4	-6.3
Transport, Storage and Communication	82.5	-8.6	3.3	-1.6	4.9
Distribution	12.2	24.9	-15.2	0.0	-0.5
Finance, Insurance and Real Estate	16.6	0.8	-7.8	2.5	7.4
Government	29.3	38.2	-10.7	0.3	17.8
Other Services ¹	9.4	8.8	4.0	3.8	4.8
FISIM ²	-27.9	-8.8	-7.2	-6.5	1.6
PLUS: Value Added Tax	23.4	11.2	-13.2	12.7	0.7
TOTAL	18.1	28.0	-29.1	6.9	8.2

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Includes Hotels and Guest Houses, Education and Community Services and Personal Services.

2 Financial Intermediation Services Indirectly Measured.

TABLE A.4
SECTORAL COMPOSITION OF G.D.P.
AT CURRENT MARKET PRICES, 2007 – 2011
/ PER CENT /

SECTOR	2007^r	2008^r	2009^r	2010^r	2011^p
Agriculture	0.4	0.4	0.6	0.7	0.6
Petroleum	45.0	50.8	37.1	43.9	45.3
Manufacturing	5.3	4.0	4.8	4.3	4.6
Electricity and Water	1.1	0.9	1.4	1.4	1.3
Construction	8.3	8.3	11.0	7.1	6.1
Transport, Storage and Communication	5.6	4.0	5.8	5.3	5.2
Distribution	12.4	12.1	14.4	13.5	12.4
Finance, Insurance and Real Estate	11.4	8.9	11.6	11.1	11.1
Government	6.6	7.1	9.0	8.4	9.2
Other Services ¹	3.6	3.1	4.5	4.4	4.2
FISIM ²	-3.4	-2.9	-4.4	-4.4	-4.0
PLUS: Value Added Tax	3.9	3.4	4.1	4.4	4.1
TOTAL	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.2.

1 Includes Hotels and Guest Houses, Education and Community Services and Personal Services.

2 Financial Intermediation Services Indirectly Measured.

TABLE A.5
MAJOR AGRICULTURAL COMMODITIES, 2007 – 2011

PRODUCTS	2007	2008	2009	2010	Jan-Jun	
					2010	2011
SUGAR						
Production of raw sugar (000 tonnes)	25	0	0	0	0	0
Production of refined sugar (000 tonnes)	41	38	32	0	0	0
Sales (000 tonnes)						
Exports	25	0	0	0	0	0
Local	39	40	31	0	0	0
COCOA (000 kgs)						
Production	598	575	517	509	446	175
Exports	710	545	467	560	296	226
Local Sales	939	103	73	21	10	15
COFFEE (000 kgs)						
Production	237	167	19	19	18	0
Exports	23	26	32	27	16	22
Local Sales	169	158	1	1	0	11
CITRUS (000 kgs)						
Production	758	1,933	2,107	286	286	71
Exports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: Central Statistical Office of Trinidad and Tobago.

TABLE A.6

PRODUCTION OF SELECTED FOOD CROPS, 2007 – 2011
/ 000 KGS /

CROP	2007	2008	2009	2010	Jan-Jun	
					2010	2011
Tomato	3,465	1,815	1,861	2,142	1,105	605
Cabbage	937	970	533	291	198	281
Cucumber	2,176	1,557	1,363	1,291	643	540
Dasheen	2,643	2,694	3,185	2,279	1,219	883
Rice	3,465	1,815	1,861	2,142	1,105	605
Pigeon Peas	2,856	1,775	911	533	370	227
Pumpkin	2,226	3,328	3,312	1,773	632	247
Melongene	2,856	1,775	911	533	370	227

SOURCE: Central Statistical Office of Trinidad and Tobago.

TABLE A.7
LOCAL PRODUCTION AND IMPORTS OF SELECTED
MEAT AND DAIRY PRODUCTS, 2007 – 2011

PRODUCTS	2007	2008	2009	2010	Jan-Jun	
					2010	2011
Total Meat Supply (000 kgs) (excluding poultry)	17,569	26,572	15,775	11,562	7,795	1,604
Production	4,420	3,726	4,062	3,507	1,648	1,604
Imports	13,149	22,845	11,713	8,055	6,147	n.a.
Beef and Veal (000 kgs)	4,439	5,119	4,891	3,473	2,648	177
Production	420	236	337	346	211	177
Imports	4,019	4,883	4,554	3,127	2,437	n.a.
Pork (000 kgs)	8,234	7,941	8,268	6,154	3,379	1,351
Production	3,866	3,408	3,429	2,852	1,295	1,351
Imports	4,368	4,533	4,839	3,302	2,084	n.a.
Mutton (000 kgs)	4,896	13,512	2,616	1,935	1,768	76
Production	134	83	296	309	142	76
Imports	4,762	13,429	2,320	1,626	1,626	n.a.
Broilers (000 birds): Production	32,652	33,140	35,499	35,664	16,835	16,617
Table Eggs (000 doz): Production	6,962	7,032	11,069	8,081	4,066	3,767
Milk (000 litres): Production	6,034	5,152	4,830	4,316	2,310	1,998

SOURCE: Central Statistical Office of Trinidad and Tobago.

TABLE A.8

PRODUCTION AND UTILIZATION OF CRUDE OIL AND
RELATED PRODUCTS AND PETROCHEMICALS, 2007 – 2011

COMMODITY GROUP	2007	2008	2009	2010	Jan-Nov	
					2010	2011
Crude Oil						
Exploration (meters)						
Depth Drilled	177,870	151,630	44,383	56,446	51,693	104,589
of which: Exploration	54,255	32,263	5,896	5,822	5,822	10,219
Production (000 barrels)						
Crude Oil and Condensates	43,807	41,826	39,119	35,855	33,206	30,917
of which: Condensates						
Daily Average (b/d)	121,265	114,279	107,183	98,276	99,443	92,613
Imports (000 barrels)						
Crude Oil Imports	33,344	32,546	34,632	24,944	23,084	28,215
of which: u.p.a.	369	264	n.a.	n.a.	n.a.	n.a.
Refining (000 barrels)						
Refinery Throughput	56,132	54,877	55,416	46,167	41,832	46,191
Refinery Output	54,862	53,358	54,005	44,089	39,820	44,494
Capacity Utilization (%) ¹	93	91	92	77	70	84
Exports (000 barrels)						
Crude Oil Exports	21,734	19,749	19,610	16,584	15,255	12,980
Petroleum Products	47,906	45,766	45,866	35,030	32,005	36,995
Natural Gas (Mn cubic feet/day)						
Production	4,083	4,049	4,183	4,319	4,333	4,149
Utilization ²	3,752	3,710	3,835	4,005	4,002	3,839
of which: Petrochemicals	1,098	1,047	1,140	1,190	1,188	1,171
Electricity Generation	278	266	272	293	293	304
LNG	2,157	2,196	2,268	2,316	2,313	2,149
Natural Gas Liquids (000 barrels)						
Production	11,936	13,947	15,899	17,223	15,705	14,813
Exports	11,913	13,915	15,153	16,902	15,491	14,442
Local Sales	88	85	98	n.a.	n.a.	n.a.
Closing Stock	303	368	448	n.a.	n.a.	n.a.
Fertilizers (000 tonnes)						
Production	5,904	5,614	6,167	6,262	5,768	5,262
Exports	5,590	5,107	5,590	5,931	5,474	4,816
Local Sales	8	7	8	8	7	6
Stock Change	321	406	581	326	287	440
Methanol (000 tonnes)						
Production	5,936	5,699	6,120	5,932	5,383	5,463
Exports	5,860	5,513	6,168	5,978	5,459	5,319
Local Sales	16	19	19	n.a.	n.a.	n.a.
Stock Change	-166	-261	-85	n.a.	n.a.	n.a.

SOURCES: Ministry of Energy and the Central Bank of Trinidad and Tobago.

1 Refinery capacity is estimated at 165,000 barrels per day.

2 Utilization refers to gas sales and does not include natural gas used in own consumption.

TABLE A.9

PRODUCTION OF IRON AND STEEL PRODUCTS AND CEMENT, 2007 – 2011

COMMODITY	2007	2008	2009	2010	Jan-Sept	
					2010	2011
STEEL PRODUCTS (000 TONNES)						
(i) Direct Reduced Iron						
Production	2,062.8	1,601.0	1,181.7	1,751.8	1,406.0	1,409.1
Exports	1,300.1	1,086.9	656.1	1,002.6	786.5	824.1
Local Sales	0.0	0.0	0.0	0.0	0.0	0.0
Own Consumption	721.4	498.1	428.6	603.0	487.3	469.2
(ii) Billets						
Production	694.6	489.6	417.0	571.6	452.9	467.4
Exports	0.0	0.0	39.5	150.6	126.1	94.0
Local Sales	142.4	193.1	132.3	38.5	27.1	29.8
Own Consumption	544.8	289.0	251.6	382.5	284.9	336.4
(iii) Wire Rods						
Production	510.3	272.0	238.3	361.2	268.7	319.9
Exports	441.8	260.2	194.4	316.5	226.5	272.3
Local Sales	51.9	50.9	38.4	33.6	28.1	24.8
Own Consumption	1.6	0.1	0.5	0.4	0.4	0.5
CEMENT (000 TONNES)						
Production	901.8	957.6	869.9	790.9	593.5	599.5
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Local Sales	673.1	668.1	634.2	548.4	422.0	400.7
Exports	229.6	261.6	273.3	245.0	178.1	198.3

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.10

INDEX OF DOMESTIC PRODUCTION (1995=100), 2007 – 2011¹

INDUSTRY	WEIGHT	2007	2008	2009	2010	Jan-Sept	
						2010	2011
Food Processing	58	396.2	481.8	488.0	512.1	490.1	560.1
Drink and Tobacco	63	755.6	849.0	948.2	1,116.3	1,088.0	1,111.9
Textiles, Garments and Footwear	6	1,853.2	2,291.6	2,354.8	2,425.4	2,418.3	2,467.4
Printing, Publishing and Paper Converters	27	379.8	372.1	331.2	299.7	299.1	293.8
Wood and Related Products	7	774.0	937.7	1,018.0	979.5	903.6	1,142.0
Chemicals and Non-Metallic Minerals	43	375.8	348.1	345.1	349.5	346.2	324.9
Assembly-Type and Related Industries	61	675.2	666.4	1,133.7	1,439.6	1,442.5	1,702.3
Miscellaneous Manufacturing Industries	10	158.5	159.2	186.4	194.9	196.4	188.6
Electricity	40	137.4	138.0	143.4	147.1	146.7	149.9
Water	6	150.9	155.7	157.2	147.2	143.9	168.6
Sugar	-1	36.5	29.4	24.6	0.0	0.0	0.0
All Industry Index (excluding petrochem., oil & natural gas, explor., product. & refining)	320	502.8	541.3	651.7	753.9	742.7	813.0
Explor., & product. of oil, natural gas, etc.	445	149.9	147.4	149.2	143.6	146.9	138.7
Petrochemicals	182	235.2	221.0	238.8	255.2	253.2	242.6
Oil & natural gas refining	53	432.6	581.0	599.5	553.3	544.8	573.0
All Industry Index (including petrochem., oil & natural gas, explor., product. & refining)	1000	289.3	309.7	350.0	381.0	378.1	396.5

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Indices are computed as averages of the quarters for each period.

TABLE A.11
ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND
HOURS WORKED (ALL EMPLOYEES), 2009 – 2011¹
/ PER CENT /

INDUSTRY	INDEX OF DOMESTIC PRODUCTION ² (1995=100)				INDEX OF HOURS WORKED ² (1995=100)			
	2009	2010	Jan - Sept		2009	2010	Jan - Sept	
			2010	2011			2010	2011
Food Processing	1.3	4.9	1.3	14.1	5.3	3.2	5.1	0.2
Drink and Tobacco	11.7	17.7	18.7	2.2	-5.9	4.5	4.8	3.4
Textiles, Garments and Footwear	2.8	23.4	23.7	2.0	-6.0	-15.0	-18.4	-2.4
Printing, Publishing and Paper Converters	-11.0	-9.5	-10.1	-1.8	0.1	-1.5	1.7	-12.8
Wood and Related Products	8.6	-3.8	-12.6	26.4	-9.9	-5.5	-6.3	-1.6
Chemicals and Non-Metallic Minerals	-0.9	1.3	2.7	-6.2	-4.6	-7.3	-9.3	-8.7
Assembly-Type and Related Industries	70.1	27.0	32.2	18.0	5.6	0.1	-2.0	13.0
Miscellaneous Manufacturing Industries	17.1	4.5	10.3	-4.0	-4.2	1.1	3.2	-7.8
Electricity	3.9	2.6	7.3	2.2	8.6	-24.8	-14.1	-17.1
Water	0.9	-6.3	-8.3	17.2	18.2	12.8	31.1	-19.7
Sugar	-16.4	n.a.	n.a.	n.a.	-14.3	n.a.	n.a.	n.a.
All Industry Index (excluding petrochem., oil, natural gas, explor., product. & refining etc.)	20.4	15.7	17.0	9.5	1.3	-1.3	0.9	-4.0
Explor. & product of oil, natural gas, etc.	1.2	-3.7	-1.2	-5.6	-9.3	10.7	11.5	3.9
Petrochemicals	8.0	6.9	6.4	-4.2	5.0	3.4	4.2	-7.0
Oil & natural gas refining	3.2	-7.7	-8.1	5.2	-4.6	-2.7	-2.5	0.1
All Industry Index (including petrochem., oil & natural gas, explor., product. & refining etc.)	13.0	8.9	9.9	4.9	0.1	4.1	5.9	-3.2

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Indices are computed as quarterly averages for the period.

2 Percentage changes over the corresponding period.

TABLE A.12

ANNUAL CHANGES IN THE INDICES OF AVERAGE
WEEKLY EARNINGS AND EMPLOYMENT
(ALL EMPLOYEES), 2009 – 2011¹
/ PER CENT /

INDUSTRY	AVERAGE WEEKLY EARNINGS ² (1995=100)				EMPLOYMENT ² (1995=100)			
	2009	2010	Jan - Sept		2009	2010	Jan - Sept	
			2010	2011			2010	2011
Food Processing	1.9	23.8	36.6	-2.3	-2.3	-5.6	-7.1	-0.9
Drink and Tobacco	-0.4	6.8	6.1	5.5	12.7	2.1	1.7	1.4
Textiles, Garments and Footwear	11.5	2.6	-0.2	5.8	-3.9	-0.4	-0.9	-0.3
Printing, Publishing and Paper Converters	13.4	18.0	21.1	-10.9	-3.8	2.8	3.0	7.2
Wood and Related Products	38.5	41.9	43.1	10.0	-13.4	-15.0	-17.3	3.7
Chemicals and Non-Metallic Minerals	-2.9	-9.7	-11.3	5.2	4.7	-6.6	-6.9	-3.7
Assembly-Type and Related Industries	17.6	26.0	28.0	8.5	-2.4	3.7	2.6	-8.9
Miscellaneous Manufacturing Industries	20.9	4.2	5.1	-4.8	3.9	-5.4	-4.9	-1.1
Electricity	-7.2	4.5	13.5	-21.2	-0.4	-8.0	-6.6	-10.2
Water	-1.8	-1.5	-3.4	-3.3	6.5	13.1	17.7	-0.1
Sugar	83.7	n.d.	n.d.	n.d.	-18.6	n.d.	n.d.	n.d.
All Industry Index (excluding petrochem., oil, natural gas, explor., product. & refining etc.)	1.9	6.4	8.8	-3.3	0.2	-2.4	-2.6	-1.6

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Indices are computed as averages of the quarters for each period.

2 Percentage changes over the corresponding period.

TABLE A.13
ANNUAL CHANGES IN THE INDICES OF REAL EARNINGS AND
OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2009 – 2011¹
/ PER CENT /

INDUSTRY	REAL EARNINGS ² (1995=100)				INDEX OF OUTPUT PER MAN HOUR WORKED ² (1995=100)			
	2009	2010	Jan-Sept		2009	2010	Jan-Sept	
			2010	2011			2010	2011
Food Processing	-4.9	12.4	25.0	-7.4	-3.8	1.7	-3.6	13.9
Drink and Tobacco	-6.9	-3.4	-3.2	0.1	18.7	12.7	13.2	-1.1
Textiles, Garments and Footwear	1.4	-6.0	-3.9	-2.4	10.8	44.6	48.8	4.3
Printing, Publishing and Paper Converters	5.8	6.6	10.3	-15.3	-11.1	-8.2	-11.5	12.6
Wood and Related Products	29.3	28.1	30.1	5.0	20.4	1.8	-6.7	28.6
Chemical and Non-Metallic Minerals	-9.2	-18.4	-19.1	0.0	3.9	9.2	13.0	2.9
Assembly-Type and Related Industries	9.9	13.8	16.4	3.3	61.1	26.9	35.6	3.6
Miscellaneous Manufacturing Industries	12.7	-5.5	-4.0	-9.7	22.2	3.4	7.3	4.2
Electricity	-13.5	-5.3	3.4	-25.1	-4.3	36.5	25.5	22.8
Water	-8.3	-10.8	-11.8	-8.2	-14.6	-16.9	-29.0	47.1
Sugar	72.7	n.d.	n.d.	n.d.	-2.4	n.d.	n.d.	n.d.
All Industry Index (excluding petrochem., oil, natural gas, explor., product. & refining)	-4.9	-3.7	-0.8	-8.1	18.8	17.2	16.1	14.0
Explor., & product. of oil, natural gas, etc.	23.3	19.7	20.4	-24.9	11.6	-13.0	-11.4	-9.2
Petrochemicals	53.9	-8.5	-6.1	-60.8	3.0	3.4	2.2	3.1
Oil & natural gas refining	-1.1	-2.7	-1.6	-1.5	8.2	-5.2	-5.7	5.8
All Industry Index (including petrochem., oil & natural gas, explor., product. & refining)	1.4	0.3	2.5	-12.0	12.9	4.6	3.9	8.3

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Indices are computed as quarterly averages for each period.

2 Percentage changes over the corresponding period.

TABLE A.14

INDEX OF RETAIL PRICES FOR MAJOR EXPENDITURE CATEGORIES, 2008 – 2011
/ JANUARY 2003=100 /

SECTIONS	WEIGHTS	2008	2009	2010	2011	2011			
						I	II	III	IV
All Items	1000	147.9	158.2	174.9	183.8	180.9	180.3	185.1	188.9
Inflation Rate (%)¹		12.0	7.2	10.5	5.2	10.9	3.7	1.5	4.9
(i) Food	180	274.1	308.7	377.1	416.2	403.5	398.5	422.9	440.0
		25.9	13.6	22.0	11.4	25.7	7.8	1.9	10.0
(ii) Clothing	53	95.8	95.3	94.6	95.0	94.0	94.0	95.8	96.0
		2.7	-0.5	-1.0	0.6	-1.1	-1.0	-2.2	2.3
(iii) Transport	167	117.8	125.5	139.8	140.7	140.4	140.4	141.3	141.3
		3.0	6.5	11.4	0.8	1.9	0.0	0.6	0.6
(iv) Housing	262	119.8	125.2	125.6	127.1	126.5	126.6	126.9	129.1
		5.5	4.5	0.3	1.3	0.7	1.0	1.2	2.5
(v) Others ²	338	125.4	129.6	135.1	139.0	138.1	138.9	139.2	139.6
		8.6	3.3	5.0	2.7	5.1	2.6	1.7	1.3
Per Cent Contribution To Change In Index									
(i) Food	180	66.2	-5.1	77.2	83.2	140.8	72.3	93.1	69.1
(ii) Clothing	53	1.3	-11.8	-1.2	5.8	-7.7	-0.5	2.2	-2.6
(iii) Transportation	167	3.8	43.8	12.9	1.7	0.0	0.0	2.2	0.0
(iv) Housing	262	8.3	14.3	0.2	6.0	-23.8	2.4	1.2	26.4
(v) Others	338	9.5	25.1	5.8	2.6	-9.3	25.8	1.4	7.1
Memorandum:									
Core ³		123.1	125.8	130.5	132.7	132.0	132.4	132.9	133.7
(per cent change)		6.2	4.2	4.3	1.7	2.7	1.3	1.3	1.5

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Annual figures represent the percentage change over the average for the previous year; quarterly figures represent the percentage change from the corresponding quarter of the previous year.

2 Includes Hotels, Cafés and Restaurants (30), Alcohol, Beverages and tobacco (25), Furnishings, Household Equipment and Routine Maintenance (54), Health (51), Recreation and Culture (85), Education (16), Communication (41) and Miscellaneous goods and services (36). Figures in parentheses in this footnote are section weights.

3 The component of measured inflation that has no medium to long term - run impact on real output in trinidad and Tobago, this measure excludes food prices.

TABLE A.15
INDEX OF PRODUCERS' PRICES, 2007 – 2011¹
/ OCT. 1978=100 /

INDUSTRY	WEIGHTS	2007	2008	2009	2010	2011
Food Processing	191	506.4 (7.0)	608.5 (20.2)	637.7 (4.8)	661.7 (3.8)	678.7 (2.6)
Drink and Tobacco	121	720.6 (14.9)	841.1 (16.7)	935.7 (11.3)	1,011.8 (8.1)	1,087.3 (7.5)
Textiles, Garments and Footwear	101	298.4 (0.1)	298.4 (0.0)	298.4 (0.0)	298.4 (0.0)	299.8 (0.5)
Printing, Publishing & Paper Converters	93	333.1 (1.2)	337.1 (1.2)	361.2 (7.1)	384.6 (6.5)	388.3 (1.0)
Wood & Related Products	89	322.3 (4.3)	331.3 (2.8)	333.4 (0.6)	333.4 (0.0)	345.6 (3.6)
Chemicals and Non-Metallic Minerals	148	522.7 (9.0)	573.9 (9.8)	585.1 (1.9)	562.6 (-3.8)	563.1 (0.1)
Assembly-Type and Related Industries	257	335.1 (3.0)	338.0 (0.9)	337.4 (-0.2)	340.8 (1.0)	343.1 (0.7)
All Industry	1000	437.2 (6.9)	480.8 (10.0)	501.8 (4.4)	515.2 (2.7)	529.9 (2.8)

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ The figures in parentheses represent the percentage change over the average for the previous year.

TABLE A.16

CENTRAL GOVERNMENT FISCAL OPERATIONS, 2007 – 2011¹
/ TT\$MILLION /

EXPENDITURE	FISCAL YEARS ²				
	2007	2008	2009	2010 ^c	2011 ^a
Current Revenue	40,034.8	56,810.2	38,993.5	43,632.0	46,669.0
Current Expenditure ³	29,984.0	35,030.6	37,316.9	37,275.7	41,417.2
Current Account Surplus(+)/Deficit(-)	10,050.8	21,779.6	1,676.6	6,356.3	5,251.8
Capital Revenue	29.6	37.6	51.3	230.9	303.4
Capital Expenditure and Net lending ⁴	7,781.9	9,684.5	8,413.9	6,399.2	6,594.4
Overall Surplus(+)/Deficit(-)	2,298.5	12,132.7	-6,686.0	188.0	-1,039.2
Total Financing (net)	-2,298.5	-12,132.7	6,686.0	-188.0	1,039.2
External Financing (Net)	688.3	-54.5	-1,416.0	393.5	132.8
Net External Borrowing	688.3	-54.5	-1,416.0	393.5	132.8
Disbursements	1,944.7	1,201.9	444.0	840.6	763.0
Repayments ⁵	1,256.4	1,256.4	1,860.0	447.1	630.2
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Domestic Financing (Net)	-2,986.8	-12,078.2	8,102.0	-581.5	906.4
Treasury Bills(Net)	0.0	0.0	0.0	0.0	0.0
Bonds(Net)	1,281.4	267.0	-121.4	-824.4	-964.8
Disbursements ⁶	2,403.6	1,200.0	2,148.1	301.3	401.7
Repayments	1,122.2	933.0	2,269.5	1,125.7	1,366.5
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net) ⁷	-4,268.2	-12,345.2	8,223.4	242.9	1,871.2
Memo Items					
Primary Balance ⁸	4,996.6	15,100.0	-3,186.1	3,478.3	1,646.2
Surplus(+)/Deficit(-) as a Percentage of GDP (current market prices)					
Current Account Surplus(+)/Deficit(-)	7.6	13.1	1.2	4.9	3.7
Overall Surplus(+)/Deficit(-)	1.7	7.3	-4.9	0.1	-0.7
Primary Surplus(+)/Deficit(-)	3.8	9.1	-2.3	2.7	1.2

SOURCES: Ministry of Finance: Review of Fiscal Measures, various years. Review of the Economy, 2011.
Central Bank of Trinidad and Tobago: Monthly Statistical Digest, various issues.

- 1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund.
- 2 Represents the period October 1st - September 30th.
- 3 Includes an adjustment for transfers to the Heritage and Stabilization Fund and funds expended from the Infrastructure Development Fund.
- 4 Includes an adjustment for Repayment of Past Lending and acquisition of physical capital assets.
- 5 During the third quarter of the fiscal year 2009, there was a repayment to Credit Suisse First Boston of US\$230 million.
- 6 There were three Central government bond issues in fiscal year 2009 for the following amounts: \$1,500 million; \$280 million and \$368.5 million.
- 7 Includes errors and omissions, advances from the Central Bank and drawdowns from the treasury deposit accounts. Negative numbers represent an increase in deposits at the Central Bank.
- 8 The primary balance, also known as the non-interest balance, is equal to the overall balance exclusive of interest payments.

TABLE A.17

CENTRAL GOVERNMENT REVENUE, 2007 – 2011¹
/ TT\$MILLION /

REVENUE	FISCAL YEARS ²				
	2007	2008	2009	2010 ¹	2011 ^P
A. Oil Sector	20,079.2	30,512.7	15,457.3	18,478.2	20,630.3
Corporation ³	16,206.2	25,922.8	11,880.9	14,734.4	15,928.8
Withholding Tax	928.7	665.4	859.1	660.4	898.1
Royalties	1,681.0	1,823.4	1,741.7	1,898.9	2,422.7
Oil impost	63.9	65.6	80.5	90.5	99.1
Unemployment levy	1,111.0	1,970.0	801.2	989.0	1,184.9
Excise duties	88.4	65.5	93.9	105.0	96.7
B. Non Oil Sector	19,955.6	26,297.5	23,536.2	25,153.8	26,038.7
Taxes on Income	8,888.1	13,051.3	10,476.3	12,103.8	15,082.9
Companies	4,796.9	7,644.1	5,170.1	6,629.5	8,998.9
Individuals	3,239.2	4,291.1	4,267.0	4,467.4	4,995.3
Unemployment Levy	0.1	0.1	0.0	0.0	0.0
Health Surcharge	170.2	195.7	186.0	184.8	216.3
Other	681.7	920.3	853.3	822.1	872.4
Taxes on Property	83.7	83.8	71.4	22.1	10.5
Lands and Buildings Taxes	83.7	83.8	71.4	22.1	10.5
Taxes on Goods and Services	6,288.5	8,024.2	6,525.2	7,503.4	6,304.3
Purchase Tax	0.1	0.1	0.0	0.1	0.1
Excise Duties	525.2	584.9	533.1	600.2	604.9
Motor Vehicles	338.5	369.5	327.4	375.5	401.2
Value Added Tax	4,829.0	6,389.1	5,147.3	6,032.3	4,774.8
Other	595.7	680.6	517.5	495.3	523.3
Taxes on International Trade	2,006.5	2,171.9	1,828.5	1,905.5	2,056.8
Import Duties	2,004.4	2,166.7	1,828.2	1,904.7	2,056.8
Other	2.1	5.2	0.4	0.8	0.0
Non-Tax Revenue	2,688.8	2,966.3	4,634.7	3,619.0	2,584.2
National Lottery	75.5	175.3	200.0	205.0	215.0
Interest	283.4	171.5	149.6	128.1	16.2
Central Bank	749.7	1,655.3	1,080.6	920.1	478.6
Other	1,580.2	964.2	3,204.5	2,365.8	1,874.4
TOTAL CURRENT REVENUE	40,034.8	56,810.2	38,993.5	43,632.0	46,669.0
Capital Revenue	29.6	37.6	51.3	230.9	303.4
TOTAL REVENUE	40,064.4	56,847.8	39,044.8	43,862.9	46,972.4

SOURCE: Ministry of Finance: Review of Fiscal Measures and Estimates of Revenue, various issues.

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund.

2 Represents the period October 1st - September 30th.

3 Includes receipts from signature bonuses and for the award of production sharing contracts.

TABLE A.18

CENTRAL GOVERNMENT EXPENDITURE, 2007 – 2011¹
/ TT\$MILLION /

EXPENDITURE	FISCAL YEARS ²				
	2007	2008	2009	2010 ^o	2011 ^P
Current Expenditure	29,984.0	35,030.6	37,316.9	37,275.7	41,417.2
Wages and Salaries	6,221.3	6,946.9	6,620.3	6,711.0	7,204.9
Goods and Services	4,283.8	5,002.3	6,023.0	6,441.2	6,496.4
Interest	2,698.1	2,967.3	3,499.9	3,290.3	2,685.4
External	604.1	637.7	544.6	444.2	379.5
Domestic	2,094.0	2,329.6	2,955.3	2,846.1	2,305.9
Transfers and Subsidies	16,780.8	20,114.1	21,173.7	20,833.2	25,030.5
<i>of which:</i>					
Loans & Grants to Statutory					
Boards and State Enterprises	4,014.7	4,245.0	3,595.1	3,638.4	3,813.5
Households	4,956.5	6,908.3	6,413.4	6,617.2	8,128.4
Capital Expenditure and Net-Lending³	7,781.9	9,684.5	8,413.9	6,399.2	6,594.4
TOTAL EXPENDITURE	37,765.9	44,715.1	45,730.8	43,674.9	48,011.6
(in % of GDP at current market prices)	28.7	27.0	33.4	33.4	34.0
Memo Items (% of Expenditure)					
Current Expenditure	79.4	78.3	81.6	85.3	86.3
Capital Expenditure and Net-Lending	20.6	21.7	18.4	14.7	13.7
Total Expenditure	100.0	100.0	100.0	100.0	100.0

SOURCE: Ministry of Finance: Review of Fiscal Measures, various issues.

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund.

2 Represents the period October 1st - September 30th.

3 See footnote 4 on Table A.16.

TABLE A.19 (A)

CENTRAL GOVERNMENT EXTERNAL DEBT, 2007 – 2011
/ US\$MILLION /

SECTOR	2006/07	2007/08	2008/09	2009/10	2010/11
CENTRAL GOVERNMENT					
Receipts	296.9	207.8	246.1	207.6	175.1
Amortization	215.6	64.2	342.2	68.2	98.1
Balance Outstanding (end of period)	1,374.5	1,518.1	1,422.0	1,561.4	1,638.4
Interest	77.5	111.9	114.7	61.6	61.1

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.19 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2007 – 2011
/ TT\$MILLION /

	2006/07	2007/08	2008/09	2009/10	2010/11
DEBT MANAGEMENT BILLS					
Issue	2,550.0	2,550.0	2,550.0	2,550.0	2,550.0
Redemption	2,550.0	2,550.0	2,550.0	2,550.0	2,550.0
Outstanding	800.0	800.0	800.0	800.0	800.0
OTHER SECURITIES					
Issue	2,391.3	1,200.0	2,830.5	5,093.9	0.0
Redemption	303.7	388.2	247.5	600.3	285.7

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.20 (A)

COMMERCIAL BANKS*: SELECTED DATA, 2007 – 2011
/ TT\$MILLION /

	END OF PERIOD				NOVEMBER	
	2007	2008	2009	2010	2010	2011
A. Outstanding						
1. Aggregate Deposits (adj.)	46,050.6	54,832.3	72,597.9	70,901.6	70,134.3	75,413.3
Demand Deposits (adj.) ¹	11,939.3	13,219.8	19,286.2	21,040.7	20,131.8	23,618.8
Time Deposits (adj.) ²	9,186.1	11,680.2	12,681.5	10,981.4	11,375.1	10,216.7
Savings Deposits (adj.) ³	13,001.7	13,830.6	17,702.6	19,953.4	19,857.5	22,077.8
Foreign Currency Deposits (adj.) ⁴	11,923.5	16,101.8	22,927.6	18,926.4	18,770.0	19,500.0
2. Gross Bank Credit⁵	37,378.6	42,820.0	43,852.1	44,299.3	44,050.5	46,281.0
<i>of which:</i>						
Business Purposes	17,619.7	20,655.0	19,628.2	19,184.7	19,596.2	20,818.0
Corporate	16,332.6	19,198.4	18,262.8	17,979.0	18,137.3	19,518.0
Non-Corporate	1,286.5	1,456.2	1,365.4	1,205.6	1,458.9	1,300.0
3. Investments	13,163.2	13,262.9	21,487.9	23,397.9	23,918.0	23,094.4
Government Securities	3,607.2	4,033.3	8,805.5	11,997.1	11,722.4	10,383.2
Other Investments ⁶	9,556.0	9,229.6	12,682.4	11,400.8	12,195.6	12,711.3
<i>of which:</i>						
Interest-bearing Special Deposit Facility ⁷	1,500.0	1,500.0	3,500.0	4,500.0	4,500.0	4,500.0
B. Annual Change						
1. Aggregate Deposits (adj.)	5,352.7	8,781.8	17,765.5	-1,722.9	2,397.1	5,279.0
Demand Deposits (adj.)	1,085.8	1,280.4	6,066.5	1,730.3	941.2	3,487.0
Time Deposits (adj.)	1,370.9	2,494.1	1,001.3	-1,700.1	-396.6	-1,158.4
Savings Deposits (adj.)	1,478.0	828.9	3,872.0	2,250.7	3,979.0	2,220.3
Foreign Currency Deposits (adj.)	1,418.0	4,178.3	6,825.8	-4,003.8	2,126.6	730.1
2. Gross Bank Credit	6,040.9	5,442.9	1,032.3	447.2	1,217.7	2,230.1
<i>of which:</i>						
Business Purposes	2,869.4	3,036.0	-1,026.4	-443.5	-488.7	1,221.6
Corporate	2,990.2	2,865.8	-935.6	-293.7	-483.4	1,380.7
Non-Corporate	-15.7	169.7	-90.7	-159.8	-5.3	-158.9
3. Investments	1,495.1	99.7	8,225.0	1,909.9	5,450.0	823.5
Government Securities	280.7	426.1	4,772.2	2,595.3	4,626.7	-1,339.2
Other Investments	1,214.4	-326.4	3,452.8	-685.3	823.3	515.7
<i>of which:</i>						
Interest-Bearing Special Deposit Facility	0.0	0.0	2,000.0	1,000.0	1,000.0	0.0

SOURCE: Central Bank of Trinidad and Tobago.

- 1 Total demand deposits *minus* non-residents' and Central Government's demand deposits, cash items in process of collection on other banks, and branch clearings, plus cashiers and branch clearings.
 - 2 Total time deposits *minus* Central Government's deposits and deposits of non-residents.
 - 3 Total savings deposits *minus* Central Government's deposits and deposits of non-residents.
 - 4 Total demand, savings and time deposits in foreign currency *minus* those of non-residents.
 - 5 Total loans *excluding* loans to non-residents and central government.
 - 6 Interest-bearing deposits at the Central Bank, other local and foreign securities, and equity in subsidiaries and affiliates.
 - 7 In December 2005, the interest rate paid on special deposits was reduced to zero and the commercial banks were required to place in aggregate a total of TT\$1.0 billion in a special interest-bearing deposit account at the Central Bank for a minimum of one year. In June 2006, an additional TT\$500 million was placed by the commercial banks into the account. In November 2009, an additional TT\$2.0 billion was placed by the commercial banks into the account. In November 2010, an additional TT\$1.0 billion was placed by the commercial banks into the account.
- * During 2007 the number of commercial banks increased from 6 to 8, as FirstCaribbean International Bank (Trinidad and Tobago) Limited and Bank of Baroda were granted licenses to conduct business of a financial nature with effect from May 28 and October 3, 2007, respectively.

TABLE A.20 (B)
SUMMARY ACCOUNTS OF THE MONETARY SYSTEM, 2007 – 2011
/ TT\$MILLION /

	END OF PERIOD				NOVEMBER	
	2007 ¹	2008 ¹	2009 ¹	2010	2010	2011
Net Foreign Assets¹	48,331	67,688	65,784	65,637	61,915	69,258
Monetary Authorities	41,797	58,511	52,226	55,127	52,818	57,969
Commercial Banks ²	6,534	9,177	13,559	10,511	9,096	11,289
Net Domestic Assets	236	-11,045	5,174	6,416	10,284	7,337
Net claims on public sector	-23,519	-34,835	-17,660	-10,900	-11,393	-15,264
Central Government (net)	-20,748	-30,524	-14,336	-10,765	-11,311	-12,976
Treasury bills	2,320	2,144	4,957	7,245	7,552	7,289
Other government securities	1,478	1,900	3,869	4,273	4,246	3,186
Other credit (net)	-24,546	-34,567	-23,162	-22,283	-23,109	-23,451
Local government (net)	-318	-334	-382	-456	-290	-322
Statutory bodies (net)	-298	-555	-656	-839	-1,340	-4,478
Public enterprises (net)	-2,155	-3,422	-2,286	1,160	1,548	2,513
Official capital and surplus	-3,009	-3,298	-3,537	-7,191	-6,866	-7,964
Credit to Other Financial Institutions (net)	-3,369	-4,167	-7,370	-9,611	-9,096	-8,481
Credit to private sector	35,574	40,452	38,689	38,887	38,776	40,828
Interbank float	-72	-69	462	525	735	741
Other assets (net)	-5,369	-9,129	-5,411	-5,293	-1,872	-2,524
Liabilities to Private Sector (M3)	48,567	56,643	70,958	72,054	72,199	76,595
Money and quasi-money	37,021	43,108	55,573	56,526	56,405	60,802
Money	13,805	16,156	19,189	19,539	19,376	21,132
Currency in circulation	3,183	3,434	3,850	4,242	4,078	4,538
Demand deposits	10,622	12,722	15,339	15,297	15,298	16,594
Quasi-Money	23,216	26,952	36,384	36,987	37,029	39,670
Time deposits	6,360	7,901	10,695	9,760	9,935	9,621
Savings deposits	16,856	19,051	25,689	27,227	27,094	30,049
Securitized Instruments	1,680	1,180	1,167	87	32	87
Private capital and surplus	9,867	12,355	14,219	15,440	15,762	15,707
	Changes as a per cent of beginning-of-period M3					
Net Foreign Assets	-1.3	39.9	-3.4	-0.2	-4.5	10.2
Net Domestic Assets	11.3	-23.2	28.6	1.8	13.6	-4.1
Net Claims on Public Sector	8.8	-23.3	30.3	9.5	12.1	-5.4
Of which: Central Government	10.7	-20.1	28.6	5.0	8.2	-2.3
Credit to private sector	14.4	10.0	-3.1	0.3	0.0	2.8
Other assets (net)	-7.4	-7.7	6.6	0.2	5.6	-0.9
Liabilities to private sector (M3)	9.9	16.6	25.3	1.5	9.1	6.1
Memorandum items:						
Net Domestic Assets	236	-11,045	5,174	6,416	10,284	7,337
Net claims on public sector	-23,519	-34,835	-17,660	-10,900	-11,393	-15,264
Central Government	-20,748	-30,524	-14,336	-10,765	-11,311	-12,976
Credit to the private sector	21.7	13.7	-4.4	0.5	0.0	5.3
(12-month increase in per cent)						
M3 Velocity	2.8	3.1	1.8	1.8	1.8	1.9

SOURCE: Central Bank of Trinidad and Tobago.

1 Effective March 15th, 2007, the Heritage and Stabilization Fund (HSF) was no longer included as part of the Central Bank's assets.

2 With effect from June 2007, the data include two new commercial banks, FirstCaribbean International Bank and Bank of Baroda.

TABLE A.21
LIQUIDITY POSITION OF COMMERCIAL BANKS, 2009:IV – 2011:III
/ TT\$MILLION /

	END OF PERIOD							
	2009	2010				2011		
	IV	I	II	III	IV	I	II	III
Legal Reserves Position								
Required Reserves ¹	9,003.4	9,370.6	9,474.7	9,668.8	9,943.6	9,953.2	10,051.7	10,431.9
Cash Reserves	11,058.5	11,180.0	12,848.1	12,645.8	11,681.0	11,880.2	13,507.1	15,037.3
Excess (+) or Shortage (-)	2,055.1	1,809.4	3,373.4	2,977.0	1,737.4	1,927.0	3,455.4	4,605.4
Average Excess (+) or Shortage (-) ²	2,570.0	1,805.1	2,922.4	3,109.5	1,909.7	1,643.9	1,561.4	4,551.4
Liquid Assets								
Cash Reserves	11,058.5	11,180.0	12,848.1	12,645.8	11,681.0	11,880.2	13,507.1	14,961.7
Total Deposits at Central Bank	11,058.5	11,180.0	12,848.1	12,645.8	11,681.0	11,880.2	13,507.1	15,037.3
Local Cash in Hand	1,004.0	783.9	777.6	798.0	800.0	822.6	848.0	685.7
Treasury Bills	1,001.2	1,035.5	854.7	1,037.9	1,055.6	109.1	186.6	459.3
TOTAL LIQUID ASSETS	13,063.7	12,999.4	14,480.4	14,481.7	13,536.6	12,811.9	14,541.6	16,182.3
Total Deposit Liabilities (adj.)	47,386.5	49,318.8	49,867.1	50,888.2	52,334.7	52,385.3	52,903.5	54,904.7
As a Percentage of Total Deposit Liabilities (adj.)								
Legal Reserves Position								
Required Reserves	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Actual Reserves	23.3	22.7	25.8	24.9	22.3	22.7	25.5	27.4
Excess (+) or Shortage (-)	4.3	3.7	6.8	5.9	3.3	3.7	6.5	8.4
Average Excess (+) or Shortage (-)	5.4	3.7	5.9	6.1	3.6	3.1	3.0	8.3
Liquid Assets								
Cash Reserves	23.3	22.7	25.8	24.9	22.3	22.7	25.5	27.4
Total Deposits at Central Bank	23.3	22.7	25.8	24.9	22.3	22.7	25.5	27.3
Local Cash in Hand	2.1	1.6	1.6	1.6	1.5	1.6	1.6	1.2
Treasury Bills	2.1	2.1	1.7	2.0	2.0	0.2	0.4	0.8
TOTAL LIQUID ASSETS	27.6	26.4	29.0	28.5	25.8	24.5	27.5	29.5

SOURCE: Central Bank of Trinidad and Tobago.

1 Required reserves comprise the statutory cash reserves requirement which was reduced from 14 per cent in 2003 to 11 per cent effective September 15, 2004. In February 2008, the rate was increased to 13 per cent, with further increases in July 2008, to 15 per cent and then in October 2008, to 17 per cent. Additionally, a secondary reserve requirement of 2 per cent was introduced on a temporary basis, effective October 4, 2006.

2 Represents the excess/shortage as an average through the quarter.

TABLE A.22

COMMERCIAL BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2007 – 2011
/ TT\$MILLION /

SECTORS	END OF PERIOD				SEPTEMBER	
	2007	2008	2009	2010	2010	2011
Central & Local Government	1.2	1.3	1.2	3.6	0.2	0.2
Agriculture	84.0	141.0	125.3	96.9	104.6	179.0
Petroleum	1,126.0	1,495.9	1,430.8	1,448.1	1,573.7	2,133.7
Manufacturing	2,463.5	3,318.1	3,249.7	3,151.5	2,779.4	3,265.5
Construction	2,433.4	3,067.2	4,672.6	5,333.7	5,520.2	5,216.0
Distributive Trades	2,743.7	3,427.1	2,657.0	2,413.8	2,405.0	2,305.9
Hotels and Guest Houses	478.4	737.3	1,153.7	922.2	898.9	763.6
Transport, Storage and Communication	1,111.8	1,258.1	1,011.1	906.3	783.8	750.5
Finance, Insurance and Real Estate	8,979.1	8,999.0	8,503.3	7,370.9	8,335.9	8,509.1
Education, Cultural and Community Services	108.2	96.9	98.9	92.0	83.7	186.6
Personal Services	402.9	577.3	517.6	408.8	466.9	423.0
Electricity and Water	1,464.2	1,348.7	1,577.0	1,344.0	1,352.7	1,170.3
Consumers	12,240.0	12,947.3	11,410.3	11,937.0	11,106.1	11,562.0
TOTAL (excluding Real Estate Mortgage Loans)	33,636.8	37,415.4	36,408.5	35,428.8	35,411.1	36,465.5
Real Estate Mortgage Loans & Lease Financing	6,774.0	8,288.5	10,100.4	10,896.5	10,585.0	11,664.8
TOTAL LOANS	40,410.8	45,703.9	46,508.9	46,325.3	45,996.1	48,130.3

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.23

COMMERCIAL BANKS:
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2007 – 2011¹
 / PER CENT /

SECTORS	END OF PERIOD				SEPTEMBER	
	2007	2008	2009	2010	2010	2011
Central & Local Government	0.0	0.0	0.0	0.0	0.0	0.0
Agriculture	0.2	0.3	0.3	0.2	0.2	0.4
Petroleum	2.8	3.3	3.1	3.1	3.4	4.4
Manufacturing	6.0	7.3	7.0	6.8	6.0	6.8
Construction	6.0	6.8	10.1	11.5	12.0	10.8
Distributive Trades	6.8	7.6	5.7	5.2	5.2	4.8
Hotels and Guest Houses	1.2	1.6	2.5	2.0	2.0	1.6
Transport, Storage and Communication	2.8	2.8	2.2	2.0	1.7	1.6
Finance, Insurance and Real Estate	22.2	19.7	18.3	15.9	18.1	17.7
Education, Cultural and Community Services	0.3	0.2	0.2	0.2	0.2	0.4
Personal Services	1.0	1.3	1.1	0.9	1.0	0.9
Electricity and Water	3.6	3.0	3.4	2.9	2.9	2.4
Consumers	30.3	28.3	24.5	25.8	24.1	24.0
TOTAL (excluding Real Estate Mortgage Loans)	83.2	81.8	78.3	76.5	77.0	75.8
Real Estate Mortgage Loans and Lease Financing	16.8	18.1	21.7	23.5	23.0	24.2
TOTAL LOANS	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.22.

1 Figures may not sum to 100 due to rounding.

TABLE A.24

COMMERCIAL BANKS - INTEREST RATES, 2009 – 2011¹
/ PER CENT /

INTEREST RATES		2009	2010	2010			2011		
				I	II	III	I	II	III
A. Loan Rates (Market)									
(i) Term	Range	3.50-25.00	3.00-24.00	4.40-24.00	4.80-23.80	3.00-23.30	4.25-22.81	4.25-22.81	3.83-22.81
	Median	12.07	9.50	9.50	9.50	9.50	8.31	8.00	8.00
(ii) Demand	Range	4.50-25.20	2.00-25.16	3.00-24.00	4.50-23.40	2.00-23.30	3.20-22.75	4.25-20.50	4.00-20.50
	Median	12.25	9.50	9.50	9.50	9.50	8.25	8.00	8.00
(iii) Overdraft	Range	9.00-33.90	6.00-34.50	10.00-34.50	6.00-34.30	6.00-28.00	3.20-22.75	4.25-20.50	4.00-20.50
	Median	12.19	9.50	9.50	9.50	9.50	8.25	8.00	8.00
(iv) Basic Prime Rate	Range	9.90-13.25	8.25-11.25	9.50-11.25	9.50-10.50	9.00-10.50	7.75-10.25	7.75-8.75	7.50-8.75
	Median	12.13	9.50	9.63	9.50	9.50	8.25	8.00	8.00
(v) Real Estate Mortgage	Range	3.75-25.00	3.25-23.00	3.30-23.00	4.30-20.00	4.30-22.00	4.25-22.00	4.25-20.50	4.50-20.50
	Median	11.63	9.50	9.50	9.50	9.50	8.00	8.00	8.00
B. Deposit Rates (Announced)									
(i) Ordinary Savings	Range	0.25-6.10	0.10-3.00	0.10-3.00	0.10-2.00	0.10-2.00	0.05-1.75	0.05-1.75	0.05-1.75
	Median	1.25	0.38	0.40	0.30	0.30	0.30	0.30	0.20
(ii) Special Savings	Range	0.25-3.25	0.05-1.65	0.10-1.70	0.10-2.80	0.00-2.80	0.05-1.75	0.05-1.75	0.05-8.00
	Median	1.74	0.37	0.70	0.40	0.70	0.30	0.30	0.20
(iii) 3-Month Time	Range	0.10-6.75	0.20-4.20	0.20-4.00	0.20-4.20	0.20-4.00	0.10-3.95	0.05-3.95	0.05-3.95
	Median	2.23	0.70	0.80	0.70	0.60	0.50	0.50	0.29
(iv) 6-Month Time	Range	0.65-4.15	0.10-1.70	0.20-1.70	0.20-1.60	0.20-1.60	0.10-1.00	0.10-1.00	0.10-1.00
	Median	1.75	0.80	1.00	0.90	0.70	0.71	0.68	0.68
(v) 1-Year Time	Range	0.65-8.50	0.10-8.38	0.20-8.40	0.20-6.00	0.20-5.80	0.10-7.00	0.10-7.00	0.10-7.00
	Median	3.25	1.65	1.80	1.80	1.50	1.33	1.33	1.85

SOURCE: Central Bank of Trinidad and Tobago.

¹ Annual data represent the rates for the twelve (12) months of the year and quarterly data represent the rates for the three (3) months of the quarter.

TABLE A.25

MONEY SUPPLY, 2007 – 2011
/ TT\$MILLION /

	END OF PERIOD				NOVEMBER	
	2007	2008 ^r	2009 ^r	2010	2010 ^r	2011
A. Narrow Money Supply (M-1A)	15,122.1	16,659.7	23,160.3	25,283.1	24,209.9	28,156.9
Currency in Active Circulation	3,182.8	3,433.7	3,850.0	4,242.4	4,078.1	4,538.1
Demand Deposits (adj.)	11,939.3	13,226.0	19,310.3	21,040.7	20,131.8	23,618.8
B. Factors Affecting Changes in Money Supply						
1. Net Bank Credit to Central Government	-22,293.3	-31,889.8	-16,060.0	-14,173.2	-13,439.6	-14,604.7
(a) Central Bank	-25,128.0	-35,240.2	-24,003.9	-23,870.2	-24,097.9	-23,949.1
(b) Commercial Banks	2,834.7	3,350.4	7,943.9	9,696.9	10,658.1	9,344.4
2. Bank Credit	42,458.1	48,144.3	49,079.0	48,133.9	48,137.4	49,594.6
(a) Public Sector ¹	4,822.9	5,040.5	7,834.4	8,200.7	8,052.3	8,144.2
(b) Private Sector ²	37,635.2	43,103.8	41,244.6	39,933.1	40,085.1	41,450.3
3. External Assets (net)	49,988.9	66,714.1	65,823.4	68,963.9	64,684.6	74,315.2
4. Quasi-Money³	-22,187.8	-25,510.8	-30,384.1	-30,934.6	-31,232.6	-32,294.5
5. Foreign Currency Deposits (Adj)	-11,923.5	-16,112.7	-22,930.1	-18,926.3	-18,770.0	-19,500.0
6. NFIs Foreign Currency Deposit (Adj)⁴	-3,516.9	-3,428.9	-154.7	-790.5	-868.7	-469.9
7. Other Items (Net)	-20,920.4	-24,696.4	-22,373.4	-27,780.5	-25,170.0	-29,353.7
C. Broad Money Supply (M-2)	37,309.9	42,170.5	53,544.4	56,217.7	55,442.5	60,451.4
D. Broad Money Supply (M-2*)⁵	49,233.3	58,283.2	76,474.5	75,144.0	74,212.4	79,951.4
Memo:⁶						
Money Supply M-3	40,034.3	45,766.5	54,493.6	57,396.8	56,598.9	61,716.1
Money Supply M-3*	55,463.4	65,308.0	77,578.3	77,113.6	76,237.6	81,686.0

SOURCE: Central Bank of Trinidad and Tobago.

1 Includes Central Bank's and commercial banks' loans and holdings of public sector securities.

2 Includes commercial banks' loans and holdings of private sector securities.

3 Excludes foreign currency deposits of residents which are shown separately below.

4 Effective January 30 2009, the Central Bank assumed control of Clico Investment Bank under Section 44(d) of the Central Bank Act. As a consequence, data reported from 2009 does not include balances for Clico Investment Bank.

5 Includes foreign currency deposits of residents.

6 In addition to M-2, M-3 includes the time deposits of non-bank financial institutions (NFIs), while in addition to M-2*, M-3* includes foreign currency deposits of residents at NFIs.

TABLE A.26
CHANGES IN MONEY SUPPLY, 2007 – 2011¹
/ TT\$MILLION /

	2007	2008	2009	2010	NOVEMBER	
					2010 ^r	2011
A. Narrow Money Supply (M-1A)	1,614.2	1,357.6	6,500.6	2,122.8	1,244.4	3,947.0
	(12.0)	(10.2)	(39.0)	(9.2)	(5.4)	(16.3)
Currency in Active Circulation	528.4	250.9	416.3	392.4	303.1	460.0
	(19.9)	(7.9)	(12.1)	10.2	(8.0)	(11.3)
Demand Deposits (adj.)	1,085.8	1,286.7	6,084.4	1,730.4	941.2	3,487.0
	(10.0)	(10.8)	(46.0)	(9.0)	(4.9)	(17.3)
B. Factors Affecting Changes in Money Supply						
1. Net Bank Credit to Government	4,575.3	-9,596.5	15,829.8	1,886.8	5,372.2	-1,165.2
	(-17.0)	(43.0)	(-49.6)	(-11.7)	(-28.6)	(8.7)
(a) Central Bank	4,368.0	-10,112.2	11,236.3	133.7	770.2	148.8
	(-14.8)	(40.2)	(-31.9)	(-0.6)	(-3.1)	(-0.6)
(b) Commercial Banks	207.3	515.7	4,593.5	1,753.0	4,601.9	-1,313.9
	(7.9)	(18.2)	(137.1)	(22.1)	(76.0)	(-12.3)
2. Bank Credit	7,841.1	5,686.2	934.7	-945.1	246.9	1,457.2
	(22.7)	(13.4)	(1.9)	(-1.9)	(0.5)	(3.0)
(a) Public Sector ²	1,539.6	217.6	2,793.9	366.4	709.4	92.0
	(46.9)	(4.5)	(55.4)	(4.7)	(9.7)	(1.1)
(b) Private Sector ³	6,301.5	5,468.6	-1,859.2	-1,311.5	-462.4	1,365.2
	(20.1)	(14.5)	(-4.3)	(-3.2)	(-1.1)	(3.4)
3. External Assest (net)	1,100.6	16,725.2	-896.2	3,135.0	-206.4	9,630.1
	(2.3)	(33.5)	(-1.3)	(4.8)	(-0.3)	(14.9)
4. Quasi-Money⁴	-2,835.7	-3,323.1	-4,873.3	-550.5	-3,582.5	-1,061.9
	(14.7)	(14.9)	(19.1)	(1.8)	(13.0)	(3.4)
5. Foreign Currency Deposits (adj.)	-1,418.0	-4,189.2	-6,817.5	4,003.8	2,126.6	-730.1
	(13.5)	(35.1)	(42.3)	(-17.5)	(-10.2)	(3.9)
6. NFIs Foreign Currency Deposits (adj)⁵	167.9	83.1	3,274.2	-635.8	-672.6	398.9
	(-4.6)	(-2.5)	(-95.5)	(411.1)	(342.8)	(-45.9)
7. Other Items (net)	-7,649.1	-3,776.0	2,323.0	-5,407.1	-2,712.2	-4,183.7
Increase (-), Decrease (+)	(57.6)	(18.0)	(-9.4)	(24.2)	(12.1)	(16.6)
C. Broad Money Supply (M-2)	4,450.0	4,860.7	11,373.9	2,673.3	4,826.8	5,008.9
	(13.5)	(13.0)	(27.0)	(5.0)	(9.5)	(9.0)
D. Broad Money Supply (M-2*)⁶	5,867.9	9,049.8	18,191.3	-1,330.5	2,700.2	5,738.9
	(13.5)	(18.4)	(31.2)	(-1.7)	(3.8)	(7.7)
Memo:⁷						
Money Supply M-3	4,764.9	5,732.2	8,727.1	2,903.3	5,053.4	5,117.2
	(13.5)	(14.3)	(19.1)	(5.3)	(9.8)	(9.0)
Money Supply M-3*	6,004.1	9,844.6	12,270.4	-464.7	3,599.3	5,448.4
	(12.1)	(17.8)	(18.8)	(-0.6)	(5.0)	(7.1)

SOURCE: Table A.25.

1 Figures in parentheses represents percentage change over the corresponding period.

2 Includes Central Bank's and commercial banks' loans and holdings of public sector securities.

3 Includes commercial banks' loans to the private sector and holdings of private sector securities.

4 See footnote (3) of Table A.25.

5 See Note (4) of Table A.25.

6 See Note (5) of Table A.25.

7 See Note (6) of Table A.25.

TABLE A.27

FINANCE COMPANIES AND MERCHANT BANKS:
SUMMARY OF ASSETS AND LIABILITIES, 2007 – 2011
/ TT\$THOUSAND /

END OF PERIOD	EXTERNAL ASSETS (NET)	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT		
				INVESTMENTS	LOANS	TOTAL
	(1)	(2)	(3)	(4)	(5)	(6)
2007	226,827	1,241,694	-231,093	11,013,963	3,705,175	14,719,138
2008	273,024	316,716	-59,083	8,795,586	4,282,206	13,077,792
2009 ¹	83,105	196,695	155,613	2,365,754	2,125,951	4,491,705
2010	50,066	191,845	107,742	2,168,106	2,226,652	4,394,758
2010						
I	48,341	194,683	92,518	2,320,786	2,263,682	4,584,468
II	242,745	218,943	121,625	2,122,160	2,221,603	4,343,763
III	71,260	159,689	208,159	2,218,920	2,351,594	4,570,514
IV	50,066	191,845	107,742	2,168,106	2,226,652	4,394,758
2011						
I	142,044	214,623	-131,055	2,522,885	2,241,410	4,764,295
II	153,077	257,495	287,830	2,086,122	2,213,791	4,299,913
III	125,560	230,942	293,815	1,922,435	2,218,222	4,140,657
END OF PERIOD	TOTAL ASSETS/ LIABILITIES	DEPOSITS	BORROWINGS ²	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
2007	15,956,566	6,127,168	3,578,508	109,694	2,504,816	3,636,380
2008	13,608,449	6,983,290	3,953,998	123,021	2,427,788	120,352
2009	4,927,136	860,437	927,922	38,010	1,685,350	1,415,417
2010	4,744,411	1,760,271	965,370	54,781	1,771,459	192,530
2010						
I	4,920,010	1,131,181	915,978	33,979	1,807,020	1,031,852
II	4,927,076	1,305,419	802,608	35,073	1,737,484	1,046,492
III	5,009,622	1,665,548	963,219	37,720	1,781,013	562,122
IV	4,744,411	1,760,271	965,370	54,781	1,771,459	192,530
2011						
I	4,989,907	1,772,779	936,284	48,442	1,878,895	353,507
II	4,998,315	1,724,822	903,186	45,178	1,939,243	385,886
III	4,790,974	1,361,802	1,192,259	50,536	1,938,253	248,124

SOURCE: Central Bank of Trinidad and Tobago.

1 See footnote 4 of table A.25.

2 Borrowings from all sources other than commercial banks. Borrowings from commercial banks are reflected in column 3.

TABLE A.28

FINANCE COMPANIES AND MERCHANT BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2007 - 2011
/ TT\$MILLION /

SECTORS	END OF PERIOD				SEPTEMBER	
	2007'	2008'	2009'	2010	2010'	2011
Public Sector	0.0	0.0	3.1	2.3	2.5	2.3
Private Sector	3,408.2	3,996.4	1,844.2	1,935.5	2,060.8	2,006.0
Agriculture	23.5	24.5	24.0	21.3	23.4	19.6
Petroleum	148.0	144.9	5.8	5.6	6.0	2.4
Manufacturing	394.8	392.7	152.5	143.3	139.1	109.0
Construction	266.8	309.4	143.6	151.8	267.7	164.9
Distributive Trades	108.6	119.1	99.5	81.7	90.2	87.1
Hotels and Guest Houses	159.9	177.1	125.0	322.2	321.5	329.1
Transport, Storage and Communication	187.7	121.3	130.9	111.1	122.0	171.2
Finance, Insurance, Real Estate and Business Services	1,349.9	1,823.2	410.9	333.3	329.6	314.9
Education, Cultural and Community Services	1.6	2.7	1.4	2.5	2.3	2.0
Personal Services	11.6	16.3	35.2	38.6	36.2	39.4
Consumers	751.6	865.2	712.3	724.1	722.8	766.4
TOTAL (excluding Real Estate Mortgage Loans & Leases)	3,408.2	3,996.4	1,844.2	1,937.8	2,063.3	2,008.3
Real Estate Mortgage Loans	50.2	25.0	15.5	16.0	11.2	11.0
Leases	198.5	207.5	170.4	158.1	159.4	162.2
TOTAL LOANS	3,656.9	4,228.9	2,029.7	2,111.9	2,233.9	2,181.5

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.29

FINANCE COMPANIES AND MERCHANT BANKS:
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2007 - 2011
 / PER CENT /

SECTORS	END OF PERIOD				SEPTEMBER	
	2007 ^r	2008 ^r	2009 ^r	2010	2010 ^r	2011
Public Sector	0.0	0.0	0.2	0.1	0.1	0.1
Private Sector	93.2	94.5	90.9	91.6	92.3	92.0
Agriculture	0.6	0.6	1.2	1.0	1.0	0.9
Petroleum	4.0	3.4	0.3	0.3	0.3	0.1
Manufacturing	10.8	9.3	7.5	6.8	6.2	5.0
Construction	7.3	7.3	7.0	7.2	11.9	8.0
Distributive Trades	3.0	2.8	4.9	3.9	4.0	4.0
Hotels and Guest Houses	4.4	4.2	6.2	15.3	14.4	15.0
Transport, Storage and Communication	5.2	2.9	6.4	5.3	5.5	7.8
Finance, Insurance, Real Estate and Business Services	36.9	43.1	20.2	15.8	14.8	14.4
Education, Cultural and Community Services	0.0	0.0	0.1	0.1	0.1	0.1
Personal Services	0.3	0.0	1.7	1.8	1.6	1.8
Consumers	20.6	20.5	35.0	34.3	32.4	35.1
TOTAL (excluding Real Estate Mortgage Loans & Leases)	93.2	94.5	90.9	91.8	92.4	92.1
Real Estate Mortgage Loans	1.4	0.6	0.8	0.8	0.5	0.5
Leases	5.4	5.0	8.4	7.5	7.1	7.4
TOTAL LOANS	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.28.

TABLE A.30

TRUST AND MORTGAGE FINANCE COMPANIES:
SUMMARY OF ASSETS AND LIABILITIES, 2007 – 2011
/ TT\$THOUSAND /

END OF PERIOD	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT			TOTAL ASSETS/ LIABILITIES
			INVESTMENTS	LOANS	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
2007	123,153	2,110,159	3,421,831	2,472,043	5,893,874	8,127,186
2008	106,560	1,516,008	3,450,452	1,781,808	5,232,260	6,854,828
2009	184,235	1,525,726	2,178,181	2,739,600	4,917,781	6,627,742
2010	105,644	111,764	1,894,686	2,497,511	4,392,197	4,609,605
2010						
I	196,511	943,293	2,319,912	2,701,353	5,021,265	6,161,069
II	157,964	1,037,342	2,018,439	2,547,838	4,566,277	5,761,583
III	109,416	638,441	1,957,228	2,643,707	4,600,935	5,348,792
IV	105,644	111,764	1,894,686	2,497,511	4,392,197	4,609,605
2011						
I	127,608	746,251	1,609,573	2,150,258	3,759,831	4,633,690
II	98,310	872,195	1,628,656	2,015,682	3,644,338	4,614,843
III	98,803	1,048,351	1,798,424	1,417,742	3,216,166	4,363,320
END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)	
	(7)	(8)	(9)	(10)	(11)	
2007	334,510	647,293	62,726	2,190,686	4,891,971	
2008	261,328	677,460	10,180	1,966,189	3,939,671	
2009	311,096	3,215,021	28,879	2,131,003	941,743	
2010	252,411	3,002,347	27,975	1,992,164	-665,232	
2010						
I	311,644	4,439,727	89,404	2,158,245	-837,951	
II	312,387	3,831,213	168,269	2,144,414	-694,700	
III	315,367	3,498,077	276,058	1,887,108	-627,818	
IV	252,411	3,002,347	27,975	1,992,164	-665,232	
2011						
I	267,063	2,050,092	29,955	2,011,461	275,119	
II	248,053	2,009,569	29,395	2,010,050	317,776	
III	235,933	1,935,260	30,070	1,981,475	180,582	

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.31

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2007 – 2011
/ TT\$THOUSAND /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS				TOTAL ASSETS/ LIABILITIES	CAPITAL AND RESERVES	OTHER ITEMS (NET)
		DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2007	0	-3,437	-449,401	2,503,951	2,051,113	2,051,113	498,235	1,552,878
2008	0	-178,127	-884,462	3,422,483	2,359,894	2,359,894	733,808	1,626,086
2009	0	-157,469	-133,739	3,079,119	1,583,911	1,583,911	830,329	753,582
2010	0	-133,094	-1,322,600	3,336,970	1,881,276	1,881,276	974,428	906,848
2010								
I	0	-147,667	-1,316,924	3,236,127	1,771,536	1,771,536	884,589	886,947
II	0	-154,716	-1,314,108	3,265,054	1,796,230	1,796,230	891,512	904,718
III	0	-143,413	-1,297,358	3,262,475	1,821,704	1,821,704	885,776	935,928
IV	0	-133,094	-1,322,600	3,336,970	1,881,276	1,881,276	975,520	906,848
2011								
I	0	-130,675	-1,300,636	3,373,714	1,942,403	1,942,403	987,373	955,030
II	0	-127,984	-1,291,551	3,391,446	1,971,911	1,971,911	967,371	1,004,540
III	0	-69,103	-1,266,289	3,404,101	2,068,709	2,068,709	974,799	1,093,910

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.32

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2007 – 2011
/ TT\$THOUSAND /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC CREDIT				TOTAL ASSETS/ LIABILITIES	DEPOSITS			SHARES	OTHER ITEMS (NET)
		NET DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL		TIME	SAVINGS	TOTAL		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2007	0	9,526	6,413	47,181	63,120	63,120	8,545	7,114	15,659	6,539	40,922
2008	0	9,104	6,413	49,086	64,603	64,603	8,921	5,643	14,564	6,901	43,138
2009 ^r	0	14,230	8,606	47,755	70,591	70,591	14,204	7,182	21,386	5,433	43,772
2010	0	14,051	9,673	48,343	72,067	72,067	12,935	7,570	20,505	6,868	44,694
2010^r											
I	0	12,209	9,509	48,851	70,569	70,569	13,888	7,282	21,170	5,663	43,736
II	0	12,818	10,274	48,416	71,508	71,508	13,867	7,343	21,210	5,931	44,367
III	0	14,030	10,200	47,441	71,671	71,671	13,867	6,994	20,861	6,329	44,481
IV	0	14,051	9,673	48,343	72,067	72,067	12,935	7,570	20,505	6,868	44,694
2011											
I	0	14,468	9,567	50,661	74,696	74,696	14,020	8,597	22,617	7,122	44,957
II ^p	0	12,358	11,328	51,257	74,943	74,943	13,627	8,430	22,057	7,433	45,453
III ^p	0	11,577	10,322	53,649	75,548	75,548	13,087	8,454	21,541	7,658	46,349

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.33

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2009 – 2011¹
/ PER CENT /

INTEREST RATES	2009	2010	2010			2011		
			I	II	III	I	II	III
1. Thrift Institutions								
(a) Savings Deposits								
Range	3.00 - 3.00	1.00 - 3.00	2.00 - 3.00	2.00 - 3.00	1.00 - 3.00	0.75 - 1.00	0.75 - 1.00	0.75 - 1.00
Median	3.00	1.50	2.50	2.50	1.50	0.88	0.88	0.88
(b) Time Deposits								
(i) 1 - 3 years								
Range	3.75 - 7.00	1.50 - 6.00	3.00 - 7.00	3.00 - 7.00	1.50 - 6.00	1.50 - 6.00	1.50 - 6.00	1.50 - 4.00
Median	4.00	3.75	3.75	3.75	3.75	1.50	1.50	1.50
(c) Mortgage Loans (Residential)								
Range	8.00 - 11.00	8.00 - 11.00	8.00 - 11.00	8.00 - 11.00	8.00 - 11.00	7.00 - 11.00	7.00 - 11.00	7.00 - 11.00
Median	9.00	9.00	9.00	9.00	9.00	8.50	8.50	8.50
2. Trust & Mortgage Finance Companies								
(a) Time Deposits								
(i) 1 - 3 years								
Range	1.49 - 7.00	0.20 - 7.00	1.49 - 7.00	1.49 - 7.00	0.24 - 7.00	0.20 - 6.25	0.05 - 6.25	0.05 - 6.25
Median	3.05	2.13	2.13	2.13	2.13	3.20	3.15	3.15
(ii) Over 3 years								
Range	1.98 - 6.00	0.25 - 6.00	1.99 - 6.00	1.99 - 6.00	0.25 - 6.00	0.20 - 6.00	0.20 - 6.00	0.20 - 6.00
Median	2.25	3.00	3.50	3.50	3.00	3.00	3.00	3.00
(b) Mortgage Loans								
(i) Residential								
Range	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00
Median	11.88	11.93	11.93	11.93	11.93	11.93	11.93	11.93
(ii) Commercial								
Range	6.00 - 14.00	6.00 - 13.75	6.00 - 13.75	6.00 - 13.75	6.00 - 13.75	6.00 - 13.75	6.00 - 13.00	6.00 - 13.00
Median	10.00	11.63	11.63	11.63	11.63	11.63	9.96	10.38
3. Finance Companies and Merchant Banks								
(a) Time Deposits								
(i) 1 - 3 years								
Range	2.00 - 8.50	1.75 - 8.50	1.75 - 8.50	1.75 - 8.50	1.75 - 8.50	1.75 - 8.50	1.50 - 8.50	1.50 - 8.50
Median	3.85	3.25	4.31	3.25	3.25	3.25	3.25	3.38
(b) Installment Loans								
Range	7.40 - 56.45	5.95 - 57.20	6.50 - 56.86	5.95 - 57.19	6.00 - 57.20	6.00 - 56.85	6.00 - 55.79	6.00 - 56.50
Median	10.75	10.00	10.75	9.98	10.00	10.00	10.00	10.00

SOURCE: Central Bank of Trinidad and Tobago.

¹ Annual and quarterly data represent the rates for the twelve (12) months of the year and the three (3) months of the quarter, respectively.

TABLE A.34
MONEY AND CAPITAL MARKET ACTIVITY, 2008 – 2011¹

END OF PERIOD	NEW ISSUES (\$MN)			SECONDARY MARKET TURNOVER ²						
	GOVERNMENT SECURITIES	TREASURY BILLS	OTHER ⁴	GOVERNMENT SECURITIES ³		TREASURY BILLS		PUBLIC COMPANY SHARES		
				FACE VALUE (\$MN)	NO. OF TRANSACTIONS	FACE VALUE (\$MN)	NO. OF TRANSACTIONS	MARKET VALUE (\$MN)	NO. OF TRANSACTIONS	VOLUME OF SHARES TRADED (MN)
2008	1,200.0	0.0	5,189.8	347.4	46	1,949.4	593	2,191.1	24,304	134.9
I	0.0	0.0	2,067.6	7.6	4	421.8	116	353.4	4,097	27.2
II	0.0	0.0	542.8	24.9	5	853.9	192	756.7	10,844	48.4
III	1,200.0	0.0	2,079.4	126.7	20	302.9	125	534.9	5,217	31.2
IV	0.0	0.0	500.0	188.2	17	370.8	160	546.1	4,146	28.1
2009	2,784.6	0.0	4,700.9	698.9	88	1,378.3	562	1,474.2	9,884	76.9
I	0.0	0.0	687.0	38.0	9	1.2	29	381.7	2,916	17.4
II	2,148.5	0.0	623.5	83.2	18	260.3	80	540.8	2,359	18.6
III	368.6	0.0	1,989.3	227.5	33	61.7	19	331.1	2,192	21.9
IV	231.5	0.0	1,401.1	350.2	28	1,055.1	443	220.6	2,417	19.0
2010	4,494.0	0.0	2,604.4	1,737.6	137	480.9	61	864.5	8,496	77.6
I	3,700.0	0.0	500.0	779.7	11	3.2	9	239.0	2,478	25.6
II	794.0	0.0	582.6	468.6	46	7.3	5	215.8	2,073	21.1
III	0.0	0.0	1,171.8	382.6	36	136.8	9	138.8	1,740	18.0
IV	0.0	0.0	350.0	106.7	44	333.6	38	271.0	2,205	12.9
2011										
I	0.0	0.0	2,235.9	82.8	17	115.2	49	190.8	2,269	14.6
II	0.0	0.0	1,256.0	3.2	6	240.7	41	272.1	2,506	31.1
III	0.0	0.0	882.8	31.8	7	738.2	130	411.1	2,519	504.0
IV ^P	1,500.0	0.0	2,589.9	59.1	16	266.2	43	155.0	1,906	14.3

SOURCES: Central Bank of Trinidad and Tobago and the Stock Exchange of Trinidad and Tobago.

1 Totals may not sum due to rounding.

2 Data refer to the double transactions of buying and selling.

3 Trading in Government Securities and Treasury Bills was conducted under the aegis of the Investment Division, Central Bank of Trinidad and Tobago. From 1993 trading in government securities has been conducted by the Stock Exchange of Trinidad and Tobago.

4 Data include new issues by state corporations and other private organizations.

TABLE A.35

SELECTED INTEREST RATES, 2009 – 2011¹
/ PER CENT PER ANNUM /

	2009	2010	2010			2011		
			I	II	III	I	II	III
A. Central Bank								
(i) Bank Rate	7.25	5.75	7.00	7.00	6.25	5.25	5.25	5.00
(ii) Special Deposits Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Repo Rate ²	5.25	3.75	5.00	5.00	4.25	3.25	3.25	3.00
(iv) Reverse Repo Rate ²	4.75	3.25	4.50	4.50	3.75	2.75	2.75	2.50
B. Government								
(i) Treasury Bills	1.36	0.38	1.28	1.00	0.34	0.40	0.97	0.25
C. Commercial Banks - Local Currency								
(i) Weighted Average Rate on Loans	11.81	9.93	11.01	10.58	10.28	9.49	9.36	8.88
(ii) Weighted Average Rate on Deposits	2.03	0.85	1.12	1.04	0.97	0.72	0.68	0.65
(iii) Interest Spread (i - ii)	9.77	9.08	9.89	9.53	9.31	8.77	8.68	8.23
D. Non-Bank Financial Institutions³								
(i) Weighted Average Rate on Loans	9.92	9.49	9.82	9.91	9.41	9.48	9.85	9.87
(ii) Weighted Average Rate on Deposits	6.48	3.32	5.04	4.22	3.48	3.05	2.67	2.87
(iii) Interest Spread (i - ii)	3.44	6.17	4.78	5.69	5.93	6.43	7.18	7.00

SOURCE: Central Bank of Trinidad and Tobago.

- Annual data refer to the average of the quarterly averages for the respective years, except for the Bank Rate, Repo Rate and Reverse Repo Rate which reflect the end of quarter/year position.
- In May 2002, the Central Bank introduced a system of announced overnight repurchase or 'repo' rates for short-term government paper. The repo rate is the Bank's key policy interest rate and applies to collateralized overnight financing provided to commercial banks. The reverse repo rate is paid on occasions that the Central Bank offers to take overnight funds from commercial banks and is set as the repo rate less 50 basis points.
- Includes Finance Houses and Trust and Mortgage Finance Companies and represents rates for licensed institutions only.

TABLE A.36 (A)

BALANCE OF PAYMENTS, 2008 – 2011
/ US\$MILLION /

ITEM	2008'	2009'	2010	Jan-Jun	
				2010'	2011 ^p
(1) Merchandise (Net)	9,064.4	2,202.1	4,700.5	2,281.4	2,272.2
Exports	18,686.4	9,175.2	11,204.1	5,496.7	6,518.9
Imports	9,622.0	6,973.1	6,503.6	3,215.3	4,246.7
(2) Services (Net)	609.7	381.7	487.6	233.0	173.0
Transportation	89.3	85.3	99.8	54.4	49.8
Travel	321.6	261.4	379.0	168.6	71.6
Communication	24.4	18.2	18.3	-2.0	30.5
Insurance	217.9	83.3	64.4	38.5	28.2
Other Government	-36.4	-42.1	-12.7	-6.7	-21.3
Other Services	-7.1	-24.4	-61.2	-19.8	14.2
(3) Income	-1,228.0	-1,017.1	-1,079.5	-600.3	-424.9
Investment Income	-1,228.0	-1,017.1	-1,079.5	-600.3	-424.9
(4) Unrequited Transfers (Net)	46.9	27.0	28.8	8.7	27.8
(5) Current Account (1+2+3+4)	8,493.0	1,593.7	4,137.4	1,922.8	2,048.1
(6) Net Capital Movement (Net)	-5,270.7	-2,548.0	-3,924.7	-1,269.3	-1,211.7
Portfolio Investment	-86.5	-62.9	-67.3	-23.5	-16.3
Direct Investment	2,100.8	709.1	549.4	295.7	287.0
Regional bond issues	-81.8	-120.0	0.0	0.0	-50.0
Other Private ¹	-5,847.1	-2,658.3	-4,359.1	-1,271.4	-1,180.8
Commercial Banks	-352.6	-675.2	493.3	402.7	-236.4
Official Borrowing	114.7	-50.3	178.8	41.5	-10.2
Official Loans	0.0	0.0	0.0	0.0	0.0
Heritage & Stabilization Fund	-1,107.5	-101.1	-709.3	-709.3	0.0
State Enterprises ²	-10.7	-10.7	-10.5	-5.0	-5.0
Other Assets	0.0	421.4	0.0	0.0	0.0
(7) Net Errors & Omissions	-516.8	241.7	205.7	-194.2	-168.7
(8) Overall Surplus or Deficit³	2,705.5	-712.6	418.4	459.3	667.7
(9) Official Financing	-2,705.5	712.6	-418.4	-459.3	-667.7
Government	0.0	0.0	0.0	0.0	0.0
Central Bank (Net) ⁴	-2,705.5	712.6	-418.4	-459.3	-667.7
(10) Exceptional Financing	0.0	0.0	0.0	0.0	0.0
Of which:					
Debt Rescheduling	0.0	0.0	0.0	0.0	0.0
Memoranda Items					
Current Account/GDP (per cent)	30.3	8.1	19.8	18.4	18.2
Gross Official Reserves (US\$Mn)	9,380.3	8,651.6	9,070.0	9,110.9	9,737.7
Import Cover	11.5	11.9	13.1	13.1	11.8
Debt Service Ratio	0.9	4.4	1.0	1.0	0.9

SOURCE: Central Bank of Trinidad and Tobago.

1 Represents estimated short-term foreign capital.

2 Changes in Foreign Currency Balances of those Enterprises are included here.

3 Balances in the Heritage and Stabilization Fund are no longer included in Central Bank's assets (see Act No.6 of 2007). The Balance of Payments tables reflect this.

4 Includes Central Bank holdings, IMF Reserve Tranche and SDR holdings, and use of Fund (IMF) Credit.

TABLE A.36 (B)

SUMMARY BALANCE OF PAYMENTS, 2008 – 2011¹
/ US\$MILLION /

ITEM	2008 ^r	2009 ^r	2010	Jan - Jun	
				2010 ^r	2011 ^p
Current Account Balance	8,493	1,594	4,137	1,923	2,048
Trade Balance	9,064	2,202	4,701	2,282	2,272
Exports	18,686	9,175	11,204	5,497	6,519
Petroleum crude and refined	7,211	3,114	4,820	2,938	2,175
Gas	5,864	3,845	2,069	1,059	1,826
Petrochemicals	3,407	880	2,392	638	1,397
Other	2,204	1,336	1,924	862	1,121
Imports	9,622	6,973	6,504	3,215	4,247
Fuel imports	4,130	2,843	2,665	1,354	2,152
Capital	2,322	1,924	1,686	829	1,035
Other	3,170	2,206	2,153	1,032	1,060
Services and transfer (net)	-571	-608	-563	-359	-224
Nonfactor services (net)	610	382	488	233	173
Factor income (net)	-1,228	-1,017	-1,080	-600	-425
Current transfers (net)	47	27	29	9	28
Capital and Financial Account (net)	-5,788	-2,306	-3,719	-1,464	-1,380
Official, medium and long-term (net)	-993	-151	-531	-668	-10
Disbursements	181	290	250	71	39
Amortizations	-66	-340	-72	-30	-49
Heritage and Stabilization Fund	-1,108	-101	-709	-709	0
Direct Investment (net)	2,101	709	549	296	287
Inward	2,801	709	549	296	293
Outward	700	0	0	0	6
Commercial banks (net)	-353	-675	493	403	-236
Regional Bond Issues	-82	-120	0	0	-50
Other private sector capital (net)	-6,462	-2,068	-4,231	-1,495	-1,371
Of which: net errors and omissions	-517	242	206	-194	-169
Overall balance	2,706	-713	418	459	668
Change in gross official reserves (increase-/decrease+)	-2,706	713	-418	-459	-668
	In per cent of GDP, unless otherwise specified				
Memorandum items:					
Current Account	30.3	8.1	19.8	18.4	18.2
Exports	66.7	46.5	53.5	52.5	58.0
Imports	34.3	35.3	31.1	30.7	37.8
Gross international reserves (millions of US\$, end of period)	11,583.8	11,390.9	11,258.6	11,533.3	12,060.6

SOURCES: Central Bank of Trinidad and Tobago and the Central Statistical Office of Trinidad and Tobago.

¹ Figures may not sum due to rounding.

TABLE A.37

VALUE OF EXPORTS¹ AND IMPORTS BY SECTIONS OF THE S.I.T.C. (R2), 2009 – 2011
/ TT\$MILLION /

SECTION	2009		2010		Jan-Jun			
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	2010		2011	
					EXPORTS	IMPORTS	EXPORTS	IMPORTS
Total²	57,708.0	43,935.7	71,126.5	41,283.0	34,876.8	20,401.1	41,720.3	27,180.0
0. Food and Live Animals	965.0	3,806.1	927.7	3,968.0	406.2	1,937.3	586.1	2,127.9
1. Beverages and Tobacco	881.2	340.2	739.7	348.0	306.6	163.0	622.0	142.0
2. Crude Materials Except Fuels	1,750.7	1,353.3	3,668.4	2,084.9	1,755.7	1,029.5	2,281.4	1,282.3
3. Mineral Fuel Lubricants	43,744.8	14,481.4	43,725.6	13,755.4	25,359.0	7,036.1	25,600.0	12,173.9
4. Animal and Vegetable Oils and Fats	16.2	207.3	12.1	230.6	6.1	103.0	7.9	142.2
5. Chemicals	5,542.3	3,442.5	15,187.1	3,158.1	4,047.1	1,553.5	8,943.3	1,597.5
6. Manufactured Goods	2,702.2	5,744.7	4,195.6	4,739.4	2,100.0	2,272.0	2,922.0	2,167.7
7. Machinery & Transport Equipment	1,661.0	12,119.5	2,259.0	10,704.6	754.2	5,260.2	560.3	6,625.5
8. Misc. Manufactured Articles	441.8	2,383.5	408.1	2,261.9	140.6	1,030.2	195.6	909.0
9. Misc. Transactions and Commodities	2.7	57.1	3.2	32.1	1.3	16.3	1.7	12.0
Memorandum Item:								
Ships' Stores/Bunkers	342.1	n.a.	758.6	n.a.	560.5	n.a.	259.3	n.a.

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Domestic Exports consist of the exports of all goods grown, produced, extracted or manufactured in the (trader) country leaving the country (through Customs) for a foreign destination.

2 Unadjusted for Balance of Payments.

TABLE A.38

EXPORTS BY ECONOMIC FUNCTION, 2007 – 2011
/ TT\$MILLION /

COMMODITY GROUPS	2007	2008	2009 ^r	2010	Jan-Jun	
					2010 ^r	2011
1. Consumer Goods	2,800.2	5,341.0	2,454.7	2,225.9	932.0	1,472.1
Non-durables	2,394.6	2,463.8	2,067.0	1,871.8	811.3	1,314.2
Food	1,192.6	1,187.6	942.2	904.5	395.9	584.2
Other	1,202.0	1,276.2	1,124.8	967.3	415.4	730.0
Durables	405.6	413.4	387.7	354.1	120.7	157.9
2. Raw Materials and Inter. Goods	79,165.2	108,724.8	53,216.9	66,281.3	33,056.9	39,274.1
Fuels	55,757.0	81,800.8	43,744.8	43,725.6	25,359.0	25,600.0
Construction Materials	3,347.8	4,327.4	2,020.7	3,605.0	1,857.7	2,382.2
Chemicals	17,407.3	21,315.4	5,542.3	15,187.1	4,047.1	8,943.3
Other Raw Materials	2,653.1	1,281.2	1,909.1	3,763.6	1,793.1	2,348.5
3. Capital Goods	1,513.4	1,967.8	1,441.5	2,088.7	678.2	453.1
Transport Equipment	356.7	698.5	916.1	1,697.5	536.5	193.7
Other Machinery and Equipment	1,156.7	1,269.3	525.4	391.2	141.7	259.4
4. Other Commodities	905.0	874.0	594.9	530.6	209.7	521.1
5. Total Exports¹ (1+2+3+4)	84,383.8	116,907.6	57,708.0	71,126.5	34,876.8	41,720.3

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Unadjusted for Balance of Payments.

TABLE A.39

IMPORTS BY ECONOMIC FUNCTION, 2007 – 2011
/ TT\$MILLION /

COMMODITY GROUPS	2007	2008 ^r	2009 ^r	2010	Jan-Jun	
					2010 ^r	2011
1. Consumer Goods	8,171.6	9,497.5	8,101.3	8,314.2	3,944.4	4,012.1
Non-durables	4,757.2	5,765.9	5,453.6	5,563.4	2,664.4	2,869.7
Food	3,170.6	3,864.7	3,505.2	3,711.7	1,784.5	1,978.0
Other	1,586.6	1,901.3	1,948.4	1,851.8	879.9	891.7
Durables	3,414.4	3,731.6	2,647.7	2,750.8	1,280.0	1,142.4
C.K.D. Passenger Cars	-	-	-	-	-	-
Non-C.K.D. Passenger Cars	1,362.7	1,444.5	769.3	974.5	470.0	439.2
Other	2,051.7	2,287.1	1,878.3	1,776.3	810.0	703.2
2. Raw Materials and Inter. Goods	24,755.9	31,620.7	20,715.2	19,745.8	10,087.4	15,442.5
Fuels	16,187.6	21,118.8	14,481.4	13,755.3	7,036.1	12,173.9
Construction Materials	2,420.4	3,099.5	2,272.4	1,549.9	683.5	590.8
Other Raw Materials	6,147.9	7,402.4	3,961.4	4,440.6	2,367.8	2,677.8
3. Capital Goods	9,221.7	11,108.1	9,735.7	7,968.7	3,575.6	5,338.2
Transport Equipment	2,064.2	1,773.3	1,668.1	2,716.0	1,230.8	3,408.5
Oil and Mining Machinery	903.7	831.8	480.1	432.2	76.1	65.4
Other Machinery and Equipment	6,253.8	8,503.0	7,587.5	4,820.5	2,268.7	1,864.3
4. Other Commodities	6,180.3	7,971.6	5,383.5	5,254.3	2,793.7	2,387.2
5. Total Imports¹ (1+2+3+4)	48,329.5	60,197.9	43,935.7	41,283.0	20,401.1	27,180.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Unadjusted for Balance of Payments.

TABLE A.40

DIRECTION OF TRADE – EXPORTS, 2008 – 2011
/ TT\$MILLION /

COUNTRY	2008		2009		2010		Jan-Jun			
	\$Mn	%	\$Mn	%	\$Mn	%	2010 ^r		2011	
							\$Mn	%	\$Mn	%
United States	51,832.7	45.1	30,639.6	53.4	33,351.0	47.4	15,968.5	46.5	17,381.2	41.9
United Kingdom	2,093.0	1.8	2,344.5	4.1	1,417.1	2.0	1,000.0	2.9	1,325.1	3.2
Japan	817.0	0.7	40.5	0.1	1.3	0.0	0.7	0.0	111.5	0.3
Other European Union Countries	13,271.8	11.5	5,570.9	9.7	4,176.7	5.9	1,895.5	5.5	6,221.2	15.0
Canada	1,205.0	1.0	418.9	0.7	1,203.6	1.7	577.9	1.7	732.5	1.8
CARICOM	20,896.9	18.2	8,898.3	15.5	13,023.4	18.5	6,788.4	19.8	1,618.3	3.9
<i>of which:</i>										
<i>Jamaica</i>	7,811.1	6.8	2,993.5	5.2	4,520.5	6.4	2,215.5	6.5	406.9	1.0
<i>Guyana</i>	1,940.4	1.7	1,026.9	1.8	1,669.0	2.4	899.3	2.6	310.9	0.8
<i>Barbados</i>	3,385.1	2.9	1,706.7	3.0	2,362.3	0.6	1,305.7	3.8	222.5	0.5
Puerto Rico and U.S. Virgin Islands	2,009.0	1.7	736.0	1.3	593.9	0.8	337.0	1.0	623.2	1.5
Central and South America ¹	10,216.8	18.9	3,398.9	5.9	7,955.2	11.3	3,374.5	9.8	5,041.4	12.2
European Free Trade Association	136.7	0.1	20.3	0.0	475.5	0.7	299.3	0.9	38.6	0.1
Other	12,614.5	11.0	5,298.0	9.2	8,169.6	11.6	4,074.5	11.9	8,368.0	20.2
TOTAL²	115,093.4	100.0	57,365.9	100.0	70,367.9	100.0	34,316.3	100.0	41,461.0	100.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Excludes Guyana, French Guiana, Suriname and Belize.

2 Excluding ships' stores/bunkers.

TABLE A.41
DIRECTION OF TRADE – IMPORTS, 2008 – 2011
/ TT\$MILLION /

COUNTRY	2008		2009		2010		Jan-Jun			
							2010		2011	
	\$Mn	%	\$Mn	%	\$Mn	%	\$Mn	%	\$Mn	%
United States	14,299.5	23.7	13,531.6	30.8	11,426.6	27.7	5,501.8	27.0	5,898.8	21.7
United Kingdom	1,368.7	2.3	1,210.4	2.8	872.9	2.1	402.7	2.0	329.1	1.2
Japan	2,023.5	3.4	888.3	2.0	1,030.5	2.5	490.4	2.4	454.6	1.7
Other European Union Countries	6,603.3	11.0	3,794.1	8.6	2,857.7	6.9	1,414.0	6.9	1,285.0	4.7
Canada	1,636.1	2.7	941.6	2.1	1,172.9	2.8	473.4	2.3	622.2	2.3
CARICOM	772.0	1.3	700.0	1.6	793.2	1.9	346.2	1.7	286.7	1.1
of which:										
Jamaica	100.3	0.2	139.3	0.3	69.0	0.2	36.9	0.2	43.8	0.2
Guyana	197.9	0.3	163.1	0.4	160.6	0.4	78.5	0.4	85.0	0.3
Barbados	228.1	0.4	190.0	0.4	242.5	0.6	113.1	0.6	46.4	0.2
Central and South America¹	15,719.6	26.1	8,756.7	19.9	8,570.0	20.8	4,890.3	24.0	6,778.1	24.9
of which:										
Brazil	7,073.5	11.8	2,221.2	5.1	2,973.9	7.2	1,714.2	8.4	1,811.2	6.7
Venezuela	1,445.5	2.4	412.1	0.9	78.9	0.2	43.1	0.2	44.1	0.2
European Free Trade Association	228.8	0.4	181.0	0.4	190.7	0.5	131.1	0.6	155.1	0.6
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	17,546.3	29.1	13,932.0	31.7	14,368.5	34.8	6,751.2	33.1	11,370.4	41.8
TOTAL²	60,197.8	100.0	43,935.7	100.0	41,283.0	100.0	20,401.1	100.0	27,180.0	100.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Excludes Guyana, French Guiana, Suriname and Belize.

2 Unadjusted for balance of payments purposes.

TABLE A.42

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES
FOR SELECTED CURRENCIES 2007 – 2011¹

PERIOD	UNITED STATES DOLLAR		CANADIAN DOLLAR		UK POUND STERLING		JAPANESE YEN		EURO	
	BUYING	SELLING	BUYING	SELLING	BUYING	SELLING	BUYING	SELLING	BUYING	SELLING
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2007	6.2735	6.3282	5.7744	6.0402	12.2988	12.8852	0.0531	0.0538	8.4361	8.7990
2008	6.2234	6.2891	5.7929	6.0553	11.2925	11.8596	0.0621	0.0609	8.9735	9.3961
2009	6.2735	6.3259	5.4486	5.6911	9.6108	10.0982	0.0670	0.0679	8.5703	8.9866
2010	6.3203	6.3757	6.0640	6.3055	9.6020	10.0445	0.0722	0.0729	8.2477	8.5850
2011	6.3729	6.4261	6.3605	6.6262	9.9974	10.4562	0.0800	0.0807	8.6736	9.0375
2011										
January	6.3693	6.4291	6.3119	6.5836	9.8508	10.2960	0.0771	0.0778	8.3152	8.6816
February	6.3577	6.4192	6.3438	6.6357	10.0430	10.4867	0.0770	0.0777	8.5182	8.8882
March	6.3735	6.4232	6.4286	6.6949	10.0856	10.5384	0.0782	0.0788	8.7013	9.1024
I	6.3668	6.4238	6.3614	6.6380	9.9931	10.4404	0.0774	0.0781	8.5116	8.8907
April	6.3822	6.4242	6.5586	6.8309	10.1758	10.6486	0.0766	0.0772	8.9761	9.3755
May	6.3775	6.4250	6.5120	6.7725	10.2127	10.6683	0.0786	0.0792	8.9537	9.3393
June	6.3845	6.4293	6.4381	6.6877	10.1061	10.6002	0.0793	0.0799	8.9671	9.3524
II	6.3814	6.4262	6.5029	6.7637	10.1649	10.6390	0.0782	0.0788	8.9657	9.3557
July	6.3775	6.4298	6.5871	6.8486	10.0885	10.5042	0.0805	0.0811	8.8987	9.2815
August	6.3653	6.4268	6.4147	6.6586	10.1945	10.6593	0.0827	0.0836	8.9333	9.2991
September	6.3699	6.4264	6.2923	6.5477	9.8579	10.3132	0.0829	0.0837	8.6065	8.9354
III	6.3709	6.4277	6.4314	6.6849	10.0470	10.4922	0.0820	0.0828	8.8128	9.1720
October	6.3643	6.4226	6.1532	6.4514	9.8008	10.2473	0.0830	0.0837	8.5195	8.8688
November	6.3709	6.4263	6.1464	6.4130	9.8352	10.3188	0.0822	0.0829	8.4745	8.8057
December	6.3835	6.4306	6.1554	6.4069	9.7322	10.2086	0.0820	0.0826	8.2376	8.5423
IV	6.3729	6.4265	6.1517	6.4238	9.7894	10.2582	0.0824	0.0831	8.4105	8.7390

SOURCE: Central Bank of Trinidad and Tobago.

¹ Monthly rates are an average of daily rates.

TABLE A.43
TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 2007 – 2011
/ US\$MILLION /

END OF PERIOD	CENTRAL BANK					CENTRAL GOVERNMENT	NET OFFICIAL RESERVES (5+6)
	FOREIGN ASSETS*	of which		FOREIGN LIABILITIES	NET INTERNATIONAL RESERVES (1-4)		
		IMF RESERVE TRANCHE POSITION	SDR HOLDINGS				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2007	6,673.4	0.0	0.9	14.8	6,658.6	0.1	6,658.7
2008	9,380.2	0.0	1.1	16.1	9,364.1	0.1	9,364.2
2009	8,651.5	0.0	421.4	0.0	8,651.5	0.1	8,651.6
2010	9,069.8	0.0	424.3	0.0	9,069.8	0.2	9,070.0
2010							
I	8,788.3	0.0	418.3	0.0	8,788.3	0.1	8,788.4
II	9,110.8	0.0	405.9	0.0	9,110.8	0.1	9,110.9
III	9,086.3	0.0	429.4	0.0	9,086.3	0.1	9,086.4
IV	9,069.8	0.0	424.3	0.0	9,069.8	0.2	9,070.0
2011							
I	9,143.3	0.0	436.9	0.0	9,143.3	0.2	9,143.5
II	9,737.5	0.0	436.6	0.0	9,737.5	0.2	9,737.7
III	9,929.0	0.0	433.2	0.0	9,929.0	0.2	9,929.3
IV	9,822.4	0.0	423.2	0.0	9,822.4	0.3	9,822.7
END OF PERIOD	COMMERCIAL BANKS			GROSS FOREIGN ASSETS (1+6+8)	TOTAL FOREIGN LIABILITIES (4+9)	NET FOREIGN RESERVES (11-12)	
	FOREIGN ASSETS	FOREIGN LIABILITIES	NET FOREIGN POSITION (8-9)				
	(8)	(9)	(10)	(11)	(12)	(13)	
2007	1,959.7	855.2	1,104.4	8,633.2	870.0	7,763.2	
2008	2,203.5	744.6	1,458.9	11,583.8	760.7	10,823.1	
2009	2,739.3	606.6	2,132.7	11,390.9	606.6	10,784.3	
2010	2,188.6	549.2	1,639.4	11,258.7	549.2	10,709.5	
2010							
I	2,594.8	521.9	2,072.9	11,383.2	521.9	10,861.3	
II	2,422.4	692.3	1,730.0	11,533.3	692.3	10,841.0	
III	1,929.1	591.4	1,337.7	11,015.5	591.4	10,424.1	
IV	2,188.6	549.2	1,639.4	11,258.7	549.2	10,709.6	
2011							
I	2,071.5	414.2	1,657.3	11,215.0	414.2	10,800.8	
II	2,322.7	446.9	1,875.8	12,060.6	446.9	11,613.6	
III	2,463.8	504.7	1,959.1	11,809.8	504.7	11,305.1	

SOURCE: Central Bank of Trinidad and Tobago.

* On March 15, 2007, the Heritage and Stabilization Fund Act (Act No. 6 of 2007) was assented to by the President. The fund will now be managed by an independent Board of Directors and as a result, will no longer be included in the Central Bank's assets. For consistency, annual allocations to the HSF since its inception in 2000 are also excluded from Central Bank foreign assets.

TABLE A.44

SUMMARY ACCOUNTS OF THE CENTRAL BANK, 2007 – 2011
/ TT\$MILLION /

	END OF PERIOD				NOVEMBER	
	2007 ^r	2008 ^r	2009 ^r	2010	2010	2011
Net Foreign Assets¹	41,797	58,511	52,226	55,127	52,818	57,969
Net International Reserves	42,024	58,740	55,001	57,834	55,542	60,953
Assets	42,118	58,841	55,001	57,834	55,542	60,953
Liabilities	93	101	0	0	0	0
Other Foreign Assets	-227	-229	-2,775	-2,707	-2,724	-2,984
Other External Assets	282	261	409	386	372	354
Medium and Long-Term Foreign Liabilities	-66	-62	-62	-51	-54	-48
SDR Allocation	-442	-428	-3,122	-3,042	-3,042	-3,290
Net Domestic Assets	-31,142	-43,008	-32,408	-33,285	-31,642	-32,115
Net credit to the public sector	-24,983	-35,260	-23,922	-23,894	-24,388	-24,545
Central Government (net)	-25,128	-35,240	-24,004	-23,870	-24,098	-24,399
Treasury bills	173	0	0	97	55	72
Other Government securities	18	10	20	20	20	20
Loans to Government	0	0	1,422	0	0	0
Use of reserves(-addition)	-25,319	-35,250	-25,447	-23,987	-24,173	-24,491
Rest of Public Sector	145	-20	82	-24	-291	-146
of which: Public enterprises	0	0	0	0	0	0
Net claims on financial institutions	0	0	191	0	0	0
Other items (net)	-6,159	-7,748	-8,677	-9,391	-7,254	-7,570
Reserve Money	10,656	15,503	19,818	21,842	21,176	25,855
Currency in circulation	4,205	4,486	4,856	5,301	4,923	5,403
Deposits of commercial banks	6,087	10,605	14,559	16,181	15,887	20,120
Deposits of non-bank financial institutions	364	412	403	360	367	332
Changes as a per cent of beginning-of-period reserve money						
Net Foreign Assets	10.6	156.9	-40.5	14.6	-2.1	24.3
Net Domestic Assets	0.0	-111.4	68.4	-4.4	9.8	-2.2
Of which: Central Government	45.3	-94.9	72.5	0.7	3.9	-1.4
Reserve Money	10.6	45.5	27.8	10.2	7.6	22.1
Memorandum Item:						
Government Blocked Account	15,533	21,259	22,835	22,949	23,589	23,762

SOURCE: Central Bank of Trinidad and Tobago.

1 Excludes the Heritage and Stabilization Fund.

JANUARY

- 1 Ansa Merchant Bank, a subsidiary of Ansa McAl Group of Companies, launched its TT\$ and US\$ income funds. When coupled with the Euro\$ income fund, they create the Ansa Trilogy of Income Funds. These funds have no entry and exit fees, quarterly income can be reinvested or withdrawn, and investors can access daily liquidity. They require a minimum investment of \$25,000 (TT\$ income fund) \$3,000 (US\$ income fund) and \$5,000 (Euro income fund) dollars.
- 5 Dr. Anslem London, the Secretary of Finance for the Tobago House of Assembly (THA) announced that it had established a Venture Capital Company. The company has a start up capital of \$25 million, and the THA is seeking private investors to raise the THA Capital Equity Fund to a ceiling of \$100 million. The company's primary function is to diversify Tobago's economy away from the over-dependence on tourism by mobilizing participation in the Cove Eco-Industrial and Business Park and other business ventures, while maintaining the environment.
- 17 Caribbean Information and Credit Rating Services (CariCRIS), a regional credit rating agency was chosen by the Bankers Association of Trinidad and Tobago (BATT) to run a pilot project with 25 selected Small and Medium Enterprises (SMEs) to launch SME ratings in the Trinidad and Tobago market. The project is funded by the Multilateral Investment Fund/IADB and BATT. A different framework than that used for larger corporations will be used to assess risk parameters such as: industry risk, business risk, management risk, financial risk, environmental and social risk. This will allow banks to assess and provide appropriately priced financing thus facilitating SMEs' growth and expansion.

FEBRUARY

- 8 The Neighbourhood Upgrading Programme (NUP) will be funded through a loan from the Inter American Development Bank (IADB). It will cost US\$50 million, with the Government of Trinidad and Tobago contributing US\$10 million and the IADB loan providing the remaining US\$40 million. The programme is geared towards improving living conditions for lower and middle income home owners by regularizing tenure and conditions in squatter settlements, improving housing conditions, and providing social amenities and critical infrastructure such as roads and electricity.
- 10 An Act to amend the Financial Intelligence Unit of Trinidad and Tobago Act, 2009 was assented to on this date. The Act may be cited as the Financial Intelligence Unit of Trinidad and Tobago (Amendment) Act, 2010. (Act No. 3 of 2011)
- 11 First Citizens (St. Lucia) Limited, a subsidiary of First Citizens Bank Limited, issued and sold a 4.903 per cent Note due in 2016, worth US\$175 million to J. P. Morgan. The proceeds of the sale will be used for general corporate purposes and to repay outstanding debt securities issued and sold by the Bank in 2004.
- 15 Primera Energy Resources made the first onshore light oil discover in fifty years in the Cory Moruga block. The Snowcap 1 explorer well initially tested rates of 1,450 barrels of oil per day and natural gas at rates up to 6.2mm cubic feet per day.
- 16 The Central Bank of Trinidad and Tobago launched its redesigned website on this date. The site was redesigned to make it more user-friendly and make information more readily accessible. It includes:

video of the Governor's speeches, more images of the bank and its management team. Users can subscribe to the site to receive automatic updates when the site is updated.

- 17 The Minister of Science, Technology and Tertiary Education, the Honourable Fazal Karim announced that Government Assistance to Tertiary Education (GATE) will expand to include technical and vocational programmes to equip the labour force with the required skills to improve the nation's competitiveness.
- 28 Citibank (Trinidad and Tobago) acted as sole arranger for a \$1 billion corporate bond issued by Guardian Holdings Limited (GHL). The proceeds of this bond will be used by GHL to optimize its capital structure by re-profiling existing debt.

MARCH

- 1 The Proceeds of Crime (Prescribed Sum) Order, 2011 was made by the Minister of National Security under section 38 (12) of the Proceeds of Crime Act, Chap. 11:27. Under this order, the prescribed sum under section 38(12) is twenty thousand dollars, and the Proceeds of Crime (Prescribed Sum) Order, 2010 was revoked. (Legal Notice No. 38 of 2011)

The Community-based Environmental Protection and Enhancement Programme (CEPEP) and the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT), signed a memorandum of understanding to form a partnership to provide academic support for CEPEP employees. The employees will be eligible to enroll in COSTAATT's Compensatory Programme for Academic Support Services to further develop their

occupational and academic skills, to become more marketable.

- 22 The European Union (EU) provided the Government of Trinidad and Tobago with a grant of 24.15m Euros (TT\$210 million) from the European Development Fund. The European Development Fund is an instrument used by the EU for providing developmental aid to countries that meet qualifying criteria. This financing will go towards the development and improvement of non-University tertiary education and the restructuring of the sugar industry. The relevant ministries will receive their funding via the Ministry of Finance's Consolidated Fund.
- 28 The Water and Sewage Authority (WASA) issued a twenty year bond with a zero-coupon rate worth \$1.3 billion. The Government of Trinidad and Tobago guaranteed the bond, and Citicorp Merchant Bank Limited underwrote its proceeds. The proceeds will be used to fund the WASA component of the One Year Action Agenda of the Ministry of Public Utilities, which includes infrastructural development of water projects.

National Gas Company (NGC) was granted leave by Justice Peter Rajkumar to withdraw from a \$1.1 billion lawsuit against CLICO Investment Bank (CIB), the Central Bank of Trinidad and Tobago and First Citizens Bank. The suit sought to recover a monetary sum and determine the nature of the financial product called an Investment Note Certificate (INC), which had been issued by CIB.

APRIL

- 14 The acting Minister of Finance, the Honourable Vasant Bharath announced that the Government

guaranteed a \$230 million loan at 5.25 per cent interest over a five year period to the Urban Development Company of Trinidad and Tobago (UDECOTT) from First Citizens Bank Limited, to pay the debts owed by UDECOTT to contractors.

MAY

- 3 National Insurance Property Development Company Ltd (NIPDEC) issued a nineteen year TT\$750 million bond with a 6.55 per cent fixed rate due in 2030. The bonds were pursuant to a Trust Deed made with First Citizens Trustee Services Limited and NIPDEC. The proceeds will be used to finance the Programme for the Upgrade of Road Efficiency (P.U.R.E).

JUNE

- 6 An amendment to the Trinidad and Tobago Stock Exchange (TTSE) Rule 227, which had been approved by the Trinidad and Tobago Securities and Exchange Commission came into effect from this date. This amendment allows the TTSE to adopt a new method of determining the closing price of stock listed on the first and second tier and mutual fund markets. The new method uses the volume weighted average price (VWAP), which divides the total value by the quantity, thus providing a more accurate review of the day's trading by disregarding the extremities of small trades at high or low prices. This amendment aligns the TTSE with the practices of the Barbados and Jamaican Stock Exchange and international standards.

RBTT Bank was rebranded as RBC Royal Bank (Trinidad and Tobago) Limited effective from this

date. The event is the culmination of the takeover of RBTT Financial Holdings by Royal Bank of Canada in June 2008.

- 7 The Central Bank of Trinidad and Tobago (CBTT) and Colonial Life Insurance Company (Trinidad) Limited (CLICO) filed civil proceedings against Lawrence Duprey, Andre Monteil, CL Financial Limited, Dalco Capital Management Ltd and Stone Street Capital Ltd arising from the failure of CLICO. The proceedings are based upon claims which include: allegations of mismanagement of CLICO and misapplication and misappropriation of its income and assets to the detriment of its policyholders and mutual fund investors. CBTT and CLICO are seeking damages, equitable compensation and declarations related to certain agreements and property of CLICO. The proceedings are based upon the forensic investigation of Robert Lindquist and the global professional services firm, KPMG, which was commissioned by the Central Bank into the affairs of CLICO.
- 9 An Act to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the Financial year ending 30th September 2011, was assented to on this date. The Act may be cited as the Finance (Supplementary Appropriation) Act, 2011. (Act No. 15 of 2011)
- 24 It was reported that Niko Resources Limited pleaded guilty in an Alberta Court of Queen's Bench to bribing a Bangladesh Energy official with a car and travel costs. The plea agreement binds them to be placed under Court supervision for three years, and a fine of CAN \$9.5 million. Niko Resources Ltd is a large oil and gas exploration partner operating in Trinidad and Tobago.

JULY

- 3 AIC Securities Ltd (AICL), a stock brokerage firm, and Maritime Life (Caribbean) Ltd, a life insurance company announced the formation of a strategic alliance between the two companies. They merged the marketing and distribution of their products and services, in an effort to provide increased benefits to their clients. Through the alliance, both companies will be able to offer cross-functional services to their clients such as AICL's equities trading, mutual funds and access to Maritime's suite of insurance products.
- 6 The University of the West Indies, Cave Hill Campus and BioJet International, a leading international supply chain integrator for renewable (bio) jet fuel and related co-products, announced the formation of a research and commercial partnership. The relationship between the entities will allow BioJet International to fund the University's research into the use of more affordable and environmentally friendly biofuels and renewable energy technology. The partnership will create the University of the West Indies/BioJet International Biofuel Research Institute. The agreement includes the equitable sharing of intellectual property for research into microalgae for the production of biofuels and derivatives.
- 11 Several counter-claims filed by CLICO Investment Bank against Mr. Andre Monteil and Mr. Richard Trotman were struck out by High Court Judge Andre desVignes. CIB was ordered to pay the legal costs incurred by the defendants.
- 12 Mr. Marlon Holder, the Managing Director of CL Financial Group announced the sale of the Primera Group to Touchstone Exploration Inc, a Calgary based oil company. The group was sold for US\$50.7 million (\$326 million), net of liabilities. A total of \$23.3 million of the purchase price was

being financed by take-back notes due two years from closing with a coupon rate of 8 per cent per annum, and secured exclusively against the Primera Group assets to be acquired. The Primera Group owns equity interest in three privately owned Trinidad based companies engaged in oil exploration, development and production of oil and gas resources in Trinidad and Tobago. The Primera Group has holdings in sixteen oil and gas properties located in the Southern Sedimentary and Columbus basins. CL Financial intends to use the money generated from the sale of this asset to settle note holders of Lascelles DeMercado.

- 25 The Minister of Energy and Energy Affairs, announced the award of two deep water blocks, Block 23 (a) and TTDA 14 to BpTT. The Blocks are located off the east coast of Trinidad. The president of BpTT noted that the exploration would allow nationals to gain experience and build new skills and capabilities in deep water exploration.

AUGUST

- 12 The Financial Institutions Order, 2011 was made by the Minister of Finance under section 122 (7) of the Financial Institutions Act, 2008. Under this order, the Central Bank of Trinidad and Tobago must give a form of notice pursuant to section 122 of the Act, when an offender violates the Financial Institutions Act, 2008. (Legal Notice No. 161 of 2011)
- 26 The Trinidad and Tobago Stock Exchange launched a US Dollar securities market on this date. The market will cater to the needs of investors who are interested in investing US dollar denominated securities to diversify their stock portfolio. The market trades in US dollar equity, debt and mutual fund markets.

SEPTEMBER

- 10 Under section 3(1) of the External Loans Act, Chap. 71:05, a Resolution was passed in the House of Representatives and Senate whereby, the Minister of Finance is authorized to borrow money externally, in sums not exceeding the equivalent of six thousand million Trinidad and Tobago dollars in any foreign currency on the Government's behalf. (Legal Notice No. 187 of 2011)

Under section 3(1) of the Development Loans Act, Chap. 71:04, a Resolution was passed in the House of Representatives and Senate whereby the Government is authorized to borrow money externally or internally in a further sum or in further sums not exceeding the aggregate ten thousand million dollars in the currency of Trinidad and Tobago. (Legal Notice No. 188 of 2011)

- 14 The Central Bank of Trinidad and Tobago launched the Residential Real Estate Mortgage Market Guideline, after consultations with the Bankers Association of Trinidad and Tobago (BATT). This guideline was created to assist consumers with residential mortgages to better comprehend the terms and conditions of their mortgage contracts. It specifies a minimum set of information that licensed mortgage providers must provide to consumers on the terms and conditions of their contracts. It introduced a new reference rate, the residential Mortgage Market Reference Rate (MMMR). The rate will be computed by the Central Bank based on information provided by licensed mortgage brokers, and yields on applicable treasury bonds. It is the interest rate benchmark against which mortgages are to be priced and re-priced.

The Emergency Powers (Curfew) (Amendment) (No. 2) Order, 2011 was made by the Commissioner of Police under regulation 4 of the Emergency Powers Regulations. Under this regulation, 5 additional

schedules were added, thus increasing the number of areas under curfew, during the state of emergency. (Legal Notice No. 185 of 2011)

- 20 An Act to provide for the purchase by the Government of certain rights belonging to holders of Short-Term Investment Products with Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited; to empower the Minister of Finance to make payments and issue bonds for the purchase of those rights; to validate funding provided by Government to Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited was assented to on this date. This Act may be cited as the Purchase of Certain Rights and Validations Act, 2011 (Act No. 17 of 2011).

An Act to amend the Central Bank Act, Chap. 79:02 was assented to on this date. This Act may be cited as the Central Bank (Amendment) Act, 2011 (Act No. 18 of 2011).

OCTOBER

- 17 High Court Judge Ronnie Boodoosingh granted CLICO Investment Bank's (CIB) petition to wind-up and appointed the Deposit Insurance Corporation (DIC) as liquidator in the matter.

Justice Devindra Rampersad refused ten Colonial Life Insurance Company (Trinidad) Limited (CLICO) policyholders' petition to wind-up the company. The policyholders, sought to recover their investments with CLICO. Their action was based on an interpretation of section 76, of the Insurance Act, Chap 84:01. Justice Rampersad was not of the

view that leave should be granted to any other person or entity, other than the Central Bank of Trinidad and Tobago to have CLICO wound up.

24 Anthony Maharaj, a former CL Financial executive was sued by the Government appointed caretaker of the failed conglomerate CL Financial Group, over an unpaid loan of \$3,441,937. The proceeds of the loan were used to acquire a block of 70,009 shares, in the group's media unit, CL Communications Ltd. The lawsuit seeks to recoup the damages from the alleged unpaid debt, interest and legal costs among other things. Mr. Maharaj at the time of the acquisition was the managing director of CL Communications, and reneged on an April 17, 2007 promissory note to CL Financial, which promised to pay for the shares.

25 The National Insurance Property Development Company Limited (NIPDEC) issued a fifteen year TT\$500 million bond with a fixed coupon rate of 6.05 per cent. The proceeds will be used to finance the Programme for the Upgrade of Road Efficiency (P.U.R.E).

An Act to provide for the service of Trinidad and Tobago for the Financial Year ending 30th September 2012 was assented to on this date. This Act may be cited as the Appropriation (Financial Year 2012) Act, 2011 (Act No. 19 of 2011).

26 An official of the Government controlled conglomerate CL Financial Limited confirmed the sale of Seagram distillery in Lawrenceburg Indiana to MGP Ingredients Inc, a company based in Atchison, Kansas, for US\$29 million (TT\$186

million). The deal includes the distillery's assets, bulk storage facilities, blending operations and a tank farm. MGP Ingredients will pay cash equal to the current assets minus current liabilities of the distillery's assets.

31 CLICO (Bahamas Ltd) enforced a guarantee made to it by CL Financial Limited, by serving a claim against the company for \$365 million. The claim was served by the liquidator Mr. Craig Gomez. CLICO (Bahamas Ltd) will use the money received to pay policyholders and creditors at the Bahamas branch.

NOVEMBER

7 The Emergency Powers (Curfew) (Revocation) Order, 2011 was made by the Commissioner of Police under regulation 4 of the Emergency Powers Regulations. Under this order, the Emergency Powers (Curfew) Order, 2011 was revoked. (Legal Notice No. 218 of 2011)

8 The Minister of Foreign Affairs and Communications, the Honourable Surujrattan Rambachan and the Ambassador of Switzerland to Trinidad and Tobago signed a visa accord agreement. The agreement grants mutual visa exemption for holders of diplomatic, office or service passports on behalf of their respective countries.

9 BPTT paid TT\$1 billion or US\$159,723,071 in back taxes to the Trinidad and Tobago Board of Inland Revenue (BIR) on this date. The payment is a result of negotiations between the BIR and BpTT to

settle and commence outstanding corporate tax payments for the 2001 – 2006 periods.

- 10 The purchase of the American Life and General Insurance Company (ALGICO) by Pan American Life Insurance Company (Palig) from MetLife, an American life insurer, was announced, pending approval from the Central Bank of Trinidad and Tobago. The sale includes ALGICO in Trinidad and Tobago, Barbados, Panama, Costa Rica and the majority of the Leeward and Windward Islands.
- 22 The Government of the Republic of Trinidad and Tobago issued a TT\$1,000 million, or such greater amount as can the Government may determine, subject to a maximum of TT\$1,500 million fixed rate bond. The twenty year bond, carries a coupon rate of 6.00 per cent per annum, and was issued under the authority of the Development Loans Act Chap. 71:04. The proceeds will be used to finance government payouts to CLICO policyholders.

DECEMBER

- 1 The Central Bank of Trinidad and Tobago introduced the Mortgage Market Reference Rate (MMMR) for December, 2011 at 3.5 per cent. It will be applicable to all new residential mortgages granted between December 1, 2011 and February 28, 2012. The MMMR will be published on a quarterly basis on the first business day in the months of March, June, September and December.
- 6 The Inter-American Development Bank (IDB) approved a US\$130 million (TT\$836 million) loan

to the Trinidad and Tobago Government. The loan will be managed by the Ministry of Finance. US\$80 million (TT\$514 million) will be used to incorporate climate change measures into national policies and institutions. The other US\$50m (TT\$322 million) will be used to strengthen the financial sector supervisory and regulatory framework. The twenty year loan carries a four and five year grace period respectively, at a variable interest rate based on LIBOR.

- 9 Trinidad and Tobago hosted the 4th CARICOM–Cuba Summit at the National Academy of the Performing Arts (NAPA) on this date. The Summit was attended by twelve of the fourteen CARICOM Heads of State, and the Cuban President Raul Castro. The Summit was intended to further enhance co-operation between Cuba and the CARICOM countries.
- 16 China Investment Corporate (CIC) reportedly signed an agreement with GDF Suez of France to purchase their shares in Atlantic LNG. The agreement allows CIC to take over GDF Suez’s 10 per cent shares in Atlantic LNG Train 1. Atlantic LNG supplies gas to the United States and other countries and has four trains producing some 100,000 cubic meters of liquidified natural gas per day.

NOTES



2011 ANNUAL ECONOMIC SURVEY