



CENTRAL BANK OF  
TRINIDAD & TOBAGO

2017 ANNUAL ECONOMIC SURVEY



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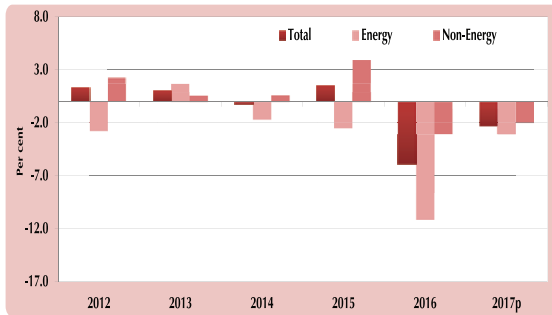
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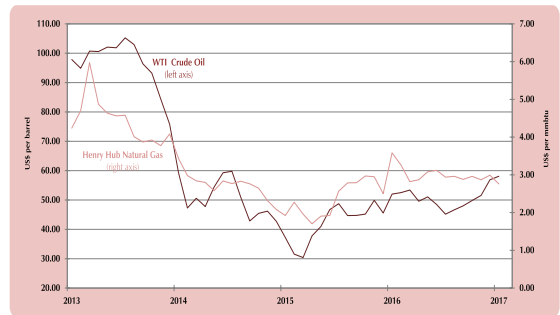
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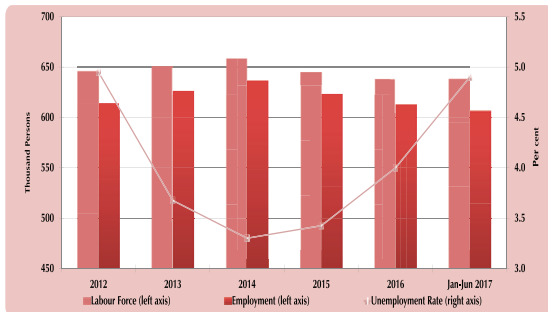
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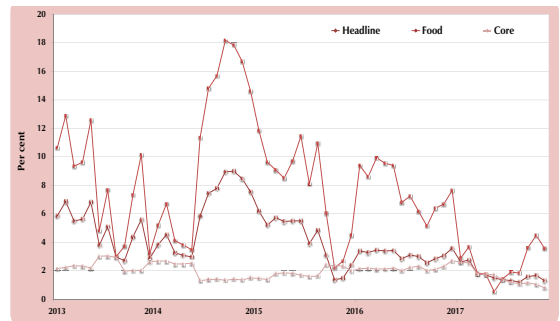
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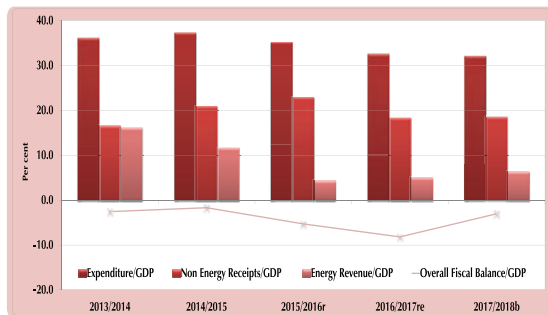
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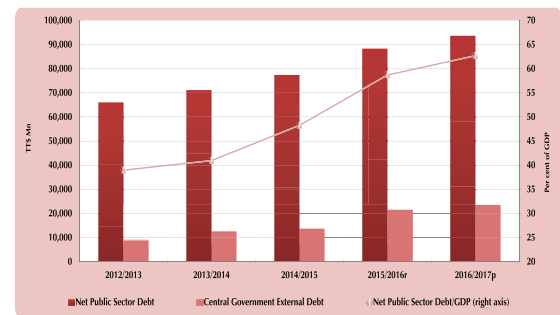
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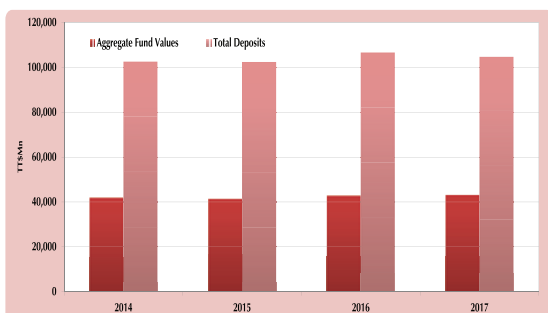
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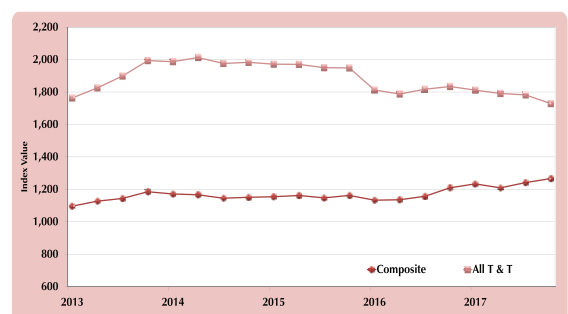
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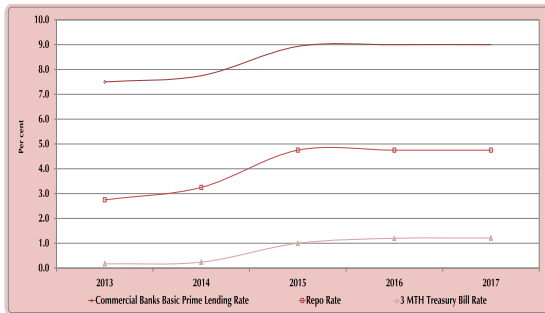
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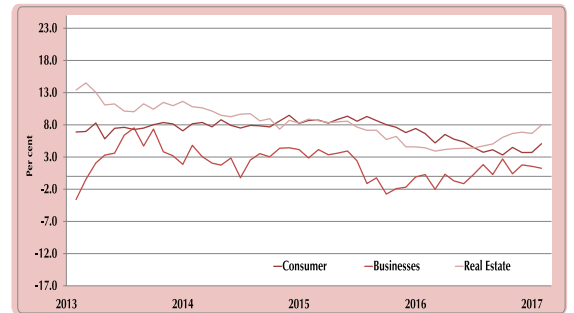
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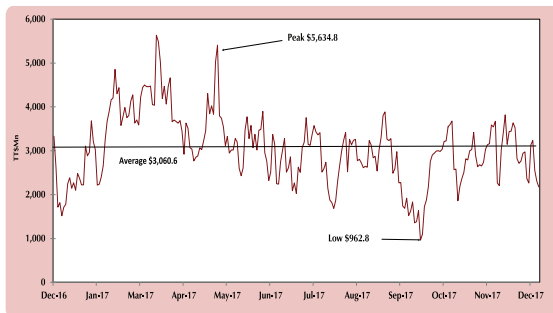
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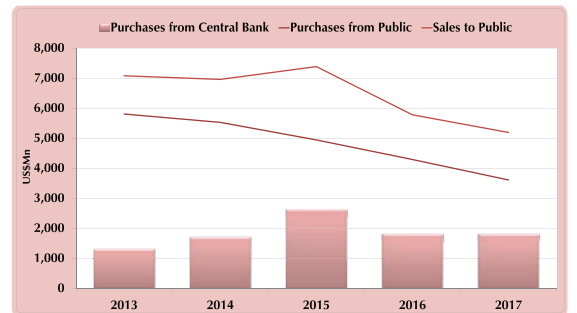
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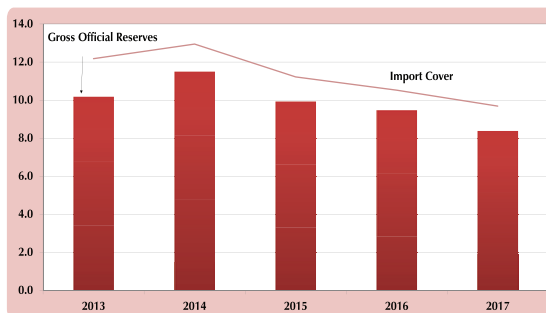
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**Jan 2017:** 'Repo' rate maintained at 4.75 per cent.

**Mar 2017:** 'Repo' rate maintained at 4.75 per cent.

**May 2017:** 'Repo' rate maintained at 4.75 per cent.

**Jul 2017:** 'Repo' rate maintained at 4.75 per cent.

**Sep 2017:** 'Repo' rate maintained at 4.75 per cent.

**Nov 2017:** 'Repo' rate maintained at 4.75 per cent.





## CHAPTER ONE

# OVERVIEW OF 2017 AND OUTLOOK FOR 2018

# OVERVIEW OF 2017 AND OUTLOOK OR 2018

## OVERVIEW OF ECONOMIC DEVELOPMENTS IN 2017

**Global economic activity gained momentum in 2017 aided by a rebound in investment and trade, rising consumer and business confidence, favourable financing conditions and strengthened commodity prices.** Energy commodity prices saw significant improvements in 2017, led by the increase in oil prices, as the Organization of Petroleum Exporting Countries (OPEC) maintained its crude oil production cuts throughout the year. Steady growth among advanced and emerging market and developing economies (EMDEs) provided a solid base for the strong global economic performance of 2017.

**Heightened consumer and business spending in the United States (US) fueled accelerated economic expansion.** This, coupled with strong labour market conditions underpinned a decision by the US Federal Reserve to raise interest rates on three separate occasions while reducing its holdings of treasury and agency securities. Higher business spending also supported economic growth in Japan and the Euro area where growth was at its fastest in over a decade. In contrast, the United Kingdom (UK) suffered from uncertainty created by Brexit; economic growth was at its slowest since 2012, primarily on account of a slowdown in domestic demand. Emerging markets of China, Russia and Brazil were aided by strong exports and improvements in commodity prices. Monetary policy in these economies remained accommodative over the year. The Latin American and Caribbean region (LAC) slowly recovered amid robust global growth and the increase in commodity prices. However, some Caribbean territories were adversely affected by a series of destructive hurricanes.

**Despite contracting in 2017, the Trinidad and Tobago economy showed promising signs during the year.** Real GDP as measured by the Central Statistical Office (CSO) is estimated to have declined 2.3 per cent in comparison to the 6.0 per cent decline in 2016. The Central Bank's Quarterly Index of Economic Activity (QIEA) showed that the energy sector returned to growth in 2017, improving 1.1 per cent from 2016 levels. Energy sector activity was buoyed by the Juniper project, which was commissioned in the third quarter of the year. Natural gas production rose by 2.5 per cent, which created a steadier flow of gas to midstream and downstream companies, thereby facilitating improvements in production of NGLs (8.0 per cent), LNG (2.8 per cent) and petrochemicals (4.5 per cent). The QIEA also showed that non-energy activity declined 3.6 per cent in 2017, with most major sub-sectors recording slower declines when compared to the previous year.

**Conditions in the labour market worsened in 2017.** Latest data from the CSO indicated that the unemployment rate increased to 4.9 per cent in the first half of 2017, up from 4.1 per cent in the corresponding period in 2016. In addition, productivity declined marginally when compared to the previous year. The Index of Productivity excluding the energy sector fell 7.3 per cent. The decline was much less severe when the energy sector was included—3.0 per cent. Productivity was positively impacted by the natural gas refining industry given added natural gas production from the newly commissioned Juniper platform.

**Domestic inflation declined further in 2017.** Headline inflation averaged 1.9 per cent in 2017 (the lowest level on record), from 3.1 per cent in 2016. The slowdown in the pace of general price increases was mainly

on account of subdued growth in food inflation where a base effect caused by the reintroduction of VAT on zero rated items in February 2016 was nullified by February 2017. Core inflation remained contained in 2017, despite some increase in the health and alcohol and tobacco sub-indices. The transportation sub-index also saw some upward pressure near the end of the year in response to adjustments to the fuel subsidy.

**Central Government accounts weakened in fiscal year (FY) 2016/17.** The Government's fiscal position deteriorated, largely due to a substantial falloff in non-energy revenue. The overall deficit rose to \$12.6 billion (8.5 per cent of GDP) from \$8.0 billion the previous year. Non-energy revenues fell 17.9 per cent mainly on account of lower non-tax revenue and capital revenues. Expenditure was also lower as cuts were made to spending on goods and services as well as transfers and subsidies.

**Over 2017, the Central Bank of Trinidad and Tobago maintained a neutral monetary policy stance holding the key policy rate, the 'repo' rate, at 4.75 per cent.** While the slow economic conditions suggested that the Bank should reduce interest rates in support of economic recovery, the Bank also considered that further narrowing of the TT/US interest rate differential could encourage capital outflows and increase pressures in the foreign exchange market. As a result, the Bank held the rate at 4.75 per cent at six successive meetings of the Monetary Policy Committee.

**Gross official reserves amounted to \$8,369.8 million at the end of December 2017, equivalent to 9.7 months of prospective import cover.** Although this represents a falloff from the levels seen the previous year, the level of official reserves remains adequate according to international benchmarks. The external accounts recorded a deficit of \$959.2 million, over the first nine months of 2017 compared to the small surplus seen in the corresponding period the previous year.

## OUTLOOK FOR 2018

**The global upswing in economic activity is anticipated to strengthen in 2018.** In January 2018, the IMF revised its growth forecast to 3.9 per cent for 2018, an upward revision of 0.2 per cent from its October 2017 forecast. Growth in advanced economies is projected to expand at 2.3 per cent in 2018, supported by an acceleration in the US economy following the tax cuts early in 2018 and strong growth in the Euro area and Japan on account of higher domestic and external demand. However, the pace of economic activity is anticipated to slow in the UK owing to ongoing uncertainty as the UK negotiates its exit from the European Union. In EMDEs, growth is expected to remain strong in 2018. Meanwhile firming commodity prices, along with still favourable financing conditions are expected to bolster activity in commodity exporting countries. Regionally, growth is expected to be supported by the improved global economic environment. Likewise, tourism-dependent countries, which were harshly affected by the recent string of hurricanes, will likely see slow recovery in 2018.

**Prospects for local economy in 2018 appear positive, as energy projects which came on stream in 2017 will bolster activity in the energy sector.** The resultant increase in energy production, coupled with a relatively firm pricing environment, should support energy export revenues as well as the government's tax take from the industry. Labour market conditions will continue to be challenged in the short-term, but could improve in the medium-term as gains in the energy sector spread to the wider economy. While imported inflation may have some effect on local prices in the short to medium term, inflationary pressures should remain on the weaker side in 2018. The gradual improvement in the economy, led by the energy sector, could provide a valuable opportunity for Trinidad and Tobago to advance longer-term structural reforms to improve national productivity and competitiveness.



## CHAPTER TWO

# NATIONAL ACCOUNTS

## NATIONAL ACCOUNTS

**The Trinidad and Tobago economy declined in 2017, but showed positive signs in the second half of the year (year-on-year).** Real Gross Domestic Product (GDP) as measured by the Central Statistical Office (CSO), declined by 2.3 per cent<sup>1</sup> during 2017 (**Table 1**). This compares with a decline in real output of 6.0 per cent in 2016. The Central Bank's Index of Real Quarterly Economic Activity (QIEA) (2010=100) estimates that output in the energy sector rose by 1.1 per cent (year-on-year) in 2017 while the decline in the non-energy sector (3.6 per cent) continued, though less severe than in 2016.

**Energy output returned to growth during 2017, albeit marginal, as new projects came on stream.** Natural gas production increased by 2.5 per cent largely boosted by bpTT's Juniper and Trinidad On-shore Compression (TROC) projects, both of which began production during 2017. Crude oil output also recorded a slight uptick (0.9 per cent). Depth drilled improved (11.4 per cent) as EOG Resources continued work on the Sercan field, while bpTT drilled its Savannah and Macadamia wells. The increased availability of natural gas helped to boost activity in the midstream and downstream industries in the second half of 2017. Production of natural gas liquids increased by 8.0 per cent for the year as a whole while LNG output increased by 2.8 per cent. Total petrochemicals improved (4.5 per cent) with growth in output of both ammonia (2.5 per cent) and methanol (9.5 per cent). However, rig days fell (5.1 per cent) largely on account of reduced rig activity at BHP Billiton in 2017, while refinery throughput was down 12.1 per cent given several interruptions at the Petrotrin refinery during the

year. These included industrial action in January, an oil spill from a ruptured fuel storage tank<sup>2</sup> in April and a precautionary halt of production during the passage of Storm Bret in June.

**Though the non-energy sector continued to contract in 2017 according to the Central Bank's QIEA, the rate of decline abated.** Indicators used by the Central Bank suggest that the construction sector declined 5.5 per cent (year-on-year) in 2017, a less severe contraction when compared to the 19.6 per cent fall in 2016. In terms of the relevant indicators, local sales of cement fell by 5.5 per cent while sales of mined aggregates contracted more significantly (33.8 per cent). The manufacturing sector recorded a smaller decline in real economic activity in 2017 (3.9 per cent) when compared to the 7.1 per cent contraction recorded one year prior. Capacity utilization in the manufacturing sector declined slightly from the year earlier, averaging 68.9 per cent in 2017 compared with 69.2 per cent in 2016 (**Table 2**). Activity within the finance, insurance and real estate sub-sector declined marginally, by 0.7 per cent. Slower activity among the banks, non-financial institutions and the finance houses contributed most to this downturn. Meanwhile, the distribution and transport sectors recorded more severe contractions during 2017 compared with 2016. The distribution sector is estimated to have contracted by 6.5 per cent compared to a decline of 5.1 per cent the year earlier. The contraction in the distribution sector was evidenced by the Index of Retail Sales (RSI)<sup>3</sup> (an indicator used for the distribution sector in Central Bank's QIEA) which fell by 4.9 per cent during 2017 with significant declines in several components includ-

1 The CSO conducted a simple rebasing exercise of its GDP estimate for Trinidad and Tobago and the reference base year was updated from 2000 to 2012. Additionally, Trinidad and Tobago's GDP is now classified according to the International Standard Industrial Classification of all Economic Activities, Revision 4 (ISIC. Rev 4) and as such is no longer presented at the sectoral levels of Petroleum and Non-Petroleum. Under ISIC. Rev 4, the largest industrial groupings in terms of contribution to real GDP are Mining and Quarrying (19.1 per cent); Manufacturing (18.3 per cent); Trade and Repairs (15.6 per cent); and Financial and Insurance Activities (10.1 per cent).

2 On April 23, 2017 a fuel storage tank ruptured at Petrotrin's Pointe-a-Pierre tank farm, spilling over 20,000 gallons (equivalent to 300 barrels) of oil into the Guaracara River and the Gulf of Paria.

ing construction materials and hardware, household appliances, furniture and other furnishings and motor vehicle and parts. Activity in the transport sector in 2017 slowed by 1.6 per cent compared with a decline

of 1.2 per cent in 2016 owing to lower levels of activity in the ports, post office, airlines and taxis and car rentals sub-sectors.

TABLE 1

## TRINIDAD AND TOBAGO SELECTED INDICATORS, 2013-2017

	2013	2014	2015	2016 <sup>p</sup>	2017 <sup>p</sup>
Real GDP Growth (2000 = 100) <sup>1</sup>	1.0	-0.3	1.5	-6.0	-2.3
Energy Sector	1.7	-1.7	-2.5	-11.1	-3.1
Non-Energy Sector	0.6	0.6	3.9	-3.1	-2.0
Agriculture	-2.1	-3.2	20.7	-15.1	-2.8
Manufacturing	-8.0	-0.5	1.9	-7.4	-9.4
Construction	7.5	2.0	-1.6	-5.2	-4.8
Financial and Insurance Activities	11.6	9.3	10.8	7.6	4.0
Inflation Rate (%) <sup>2</sup>					
(period average)	5.2	5.7	4.7	3.1	1.9
(end of period)	5.6	8.5	1.5	3.1	1.3
Unemployment Rate (%) <sup>3</sup>	3.7	3.3	3.4	4.0	4.9*
Overall Central Government Operations					
Surplus(+)/Deficit(-), (end of fiscal year)	-2.9	-2.6	-1.7	-5.3	-8.5
Balance of Payments Current Account Balance	20.3	14.7	4.6	-11.7	-3.8**
Surplus(+)/Deficit(-)					
Public Sector Debt, (end of fiscal year) <sup>4</sup>	39.0	41.0	48.2	58.7	62.8
Central Government External Debt, (end of fiscal year)	5.4	7.3	8.6	14.2	15.7
<b>MEMORANDUM ITEMS:</b>					
Central Government External Debt in US\$M (end of fiscal year)	1,481.8	2,071.1	2,170.8	3,147.0	3,468.9
Debt Service Ratio (%) <sup>5</sup>	1.0	1.0	1.2	1.9	2.0
W.T.I. (US\$/barrel, annual average)	97.9	93.1	48.7	43.2	50.9
Net Official Reserves (US\$M) <sup>6</sup>	10,175.9	11,497.1	9,933.0	9,465.8	8,369.8

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

1 Real GDP growth rates are sourced from the Central Statistical Office.

2 Changes in the Index of Retail Prices (RPI), January 2015 = 100.

3 This represents the average of the four quarters.

4 Includes the external and internal debt of the Central Government, as well as contingent liabilities and excludes Treasury Bills, OMO Bills and Notes, Treasury Bonds and Liquidity Bonds.

5 This is defined as the ratio of external Central Government debt service to exports of goods and non-factor services.

6 International reserves have been revised to include Trinidad and Tobago's reserve position in the IMF. International reserves are defined as external assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitudes of such imbalances through intervention in exchange markets and for other purposes. Typically, they include securities, gold, IMF special drawing rights (SDRs), a country's holding of foreign currency and deposits, reserve position in the IMF, and other claims (Balance of Payments Manual 6th Edition Paragraph 6.64).

\* January-June 2017.

\*\* January-September 2017.

p Provisional.

3 The Index of Retail Sales is a quarterly measure of the value of goods sold by retailers based on a sampling of retail stores of different types and sizes. It is an important indicator of movements in retail trade and provides a useful tool to monitor the volume of retail sales when deflated by the Retail Price Index.

TABLE 2

MANUFACTURING SECTOR  
CAPACITY UTILIZATION RATE

	2011	2012	2013	2014	2015	2016	JAN-SEP 2017 <sup>P</sup>
Manufacturing	68.4	65.0	66.2	70.8	69.0	69.3	67.5
Food, Drink & Tobacco	72.2	70.6	72.2	79.1	77.3	74.0	69.4
Chemicals and Non-Metallic Minerals	65.3	57.0	63.2	67.3	65.7	59.6	62.1
Assembly Type and Related Industries	60.0	55.5	54.8	49.6	43.9	63.2	62.0

Source: Central Bank of Trinidad and Tobago.

**Preliminary data for the fourth quarter of 2017 indicate contractions in key non-energy sectors, albeit lower than declines in the corresponding period of 2016.** Local sales of cement, an indicator of economic activity in the construction sector, declined on a year-on-year basis by 6.9 per cent, while new motor vehicles sales which is used as an indicator of

economic activity in the distribution sector declined by 6.9 per cent (year-on-year) in the fourth quarter of 2017. The falloff in new motor vehicle sales mainly reflected lower sales of private motor vehicles (11.3 per cent) but sales of commercial vehicles were 2.7 per cent higher (year-on-year) during the fourth quarter of 2017.



## CHAPTER THREE

# LABOUR MARKET



# LABOUR MARKET

## UNEMPLOYMENT

**Latest data from the CSO indicate worsening conditions in the labour market during the first half of 2017.** The average unemployment rate increased to 4.9 per cent over the first two quarters of 2017 from 4.1 per cent during the same period in 2016 (Table 3). The increase in the unemployment rate was largely owing to higher levels of unemployment in several sectors, in particular, the construction sector (which lost, on average, 8.3 thousand jobs) on account of a slowdown of activity in the sector. Weakness in other sectors also led to job losses — the energy sector (4.7 thousand jobs), manufacturing sector (3.0 thousand jobs), and the transport, storage and communication sector (2.1 thousand jobs). The highest rates of unemployment during the first six months of 2017 were observed in the construction (9.6 per cent) and energy (8.8 per cent) industries (Table 4). On the other hand, employment rose in the services sector by over 8.0 thousand jobs primarily owing to job gains in the wholesale and retail sub-sector. The agriculture sector also gained an additional 3.3 thousand jobs.

**Summing across all sectors, an average of 8.1 thousand persons lost their jobs over the first two quarters of 2017 (year-on-year).** Of this number, 5.3 thousand persons continued to actively seek employment while 2.8 thousand persons left the labour force. Data for the first half of 2017 showed that the labour force contracted, averaging 638,600 persons from an

average of 641,400 persons in the corresponding period of 2016. The contraction in the labour force led to a fall in the labour force participation rate to 59.7 per cent during the first two quarters of 2017 from an average of 60.1 per cent in the same period of 2016.

**Unemployment among the youth population continued to be high during the first half of 2017.** The unemployment rates among the 15-19, 20-24, and 25-29 age groupings averaged 16.1 per cent, 10.0 per cent, and 8.2 per cent, respectively, during the first two quarters of 2017. This compares to an average unemployment rate of 3.0 per cent for all other age categories.

**Retrenchment notices<sup>4</sup> filed with the Ministry of Labour and Small Enterprise Development indicate that during 2017, the number of retrenched workers decreased by 15.9 per cent when compared to the same period of 2016.** Retrenchments occurred within a number of sectors including petroleum and gas (285 persons), manufacturing (257 persons), and finance, insurance, real estate and business services (214 persons) sectors.

4 This indicator for job separation is limited insofar as it only includes registered retrenchment notices, and does not capture other forms of job separation, especially the non-renewal of contracts of temporary or short-term workers. Retrenchment refers to the termination of employment of a worker at the initiative of an employer for the reason of redundancy according to the Retrenchment and Severance Benefits Act (No. 32 of 1985). The act states that, “where an employer proposes to terminate the services of five or more workers for the reason of redundancy he shall give formal notice of termination in writing to each involved worker, to the recognised majority union and to the Minister of Labour”. As such, if fewer than five employees are retrenched, employers are not obligated to report to the Ministry.

**TABLE 3**  
LABOUR STATISTICS, 2012-2017  
/THOUSANDS<sup>1</sup>/

	2012	2013	2014	2015	2016	Jan-Jun 2016	Jan-Jun 2017
<b>NON-INSTITUTIONAL POPULATION</b>							
- 15 years and over	1,044.1	1,059.6	1,063.4	1,065.1	1,068.5	1,067.7	1,070.7
Labour Force	646.0	650.2	658.6	645.3	638.3	641.4	638.6
Persons with jobs	614.0	626.3	636.9	623.3	613.1	615.1	607.0
Persons without jobs	32.0	23.9	21.8	22.0	25.3	26.3	31.6
Participation Rate (%)	61.9	61.4	62.3	60.6	59.7	60.1	59.7
Male	72.2	71.6	72.2	71.2	69.5	70.0	68.7
Female	51.7	51.2	50.2	50.0	50.1	50.2	50.7
Unemployment Rate (%)	5.0	3.7	3.3	3.4	4.0	4.1	4.9
Male	4.1	3.0	2.8	2.9	3.9	3.9	4.5
Female	6.2	4.6	4.0	4.2	4.0	4.4	5.7

Source: The Central Statistical Office.

<sup>1</sup> Numbers may not sum due to rounding.

**TABLE 4**  
THE SECTORAL DISTRIBUTION OF EMPLOYMENT<sup>1</sup>, 2014-2017

	2012		2013		2014		2015		2016		Jan - Jun 2016		Jan - Jun 2017	
	(000 s) <sup>1</sup>	%	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%
Agriculture	22.9	3.7	22.0	3.5	22.9	3.6	21.3	3.4	19.8	3.2	20.6	3.3	23.9	3.9
Petroleum & Gas	20.1	3.3	20.6	3.3	21.3	3.3	20.5	3.3	18.4	3.0	19.3	3.1	14.6	2.4
Manufacturing (including Mining & Quarrying)	51.0	8.3	51.1	8.2	50.5	7.9	51.2	8.2	48.3	7.9	49.2	8.0	49.5	8.2
Construction (including Electricity & Water)	103.6	16.9	107.3	17.1	106.2	16.7	101.8	16.3	100.7	16.4	98.0	15.9	89.7	14.8
Transport, Storage & Communications	43	7.0	46.0	7.4	43.925	6.9	44.3	7.1	44.5	7.3	44.7	7.3	42.6	7.0
Other Services	373.4	60.8	379.2	60.5	392.1	61.6	384.2	61.6	381.5	62.2	383.7	62.4	387.0	63.8
Of which:														
Wholesale & Retail	111.8	18.2	114.2	18.2	117.3	18.4	117.2	18.8	112.2	18.3	110.6	18.0	119.2	19.6
Community, Social & Personal Services	204.4	33.3	205.3	32.8	213.6	33.5	206.8	33.2	209.5	34.2	212.8	34.6	210.2	34.6
Finance, Insurance & Real Estate	55.7	9.1	56.3	9.0	57.2	9.0	57.9	9.3	58.2	9.5	59.1	9.6	56.6	9.3
Not Classified	1.6	0.3	3.4	0.5	4.0	0.6	2.3	0.4	1.6	0.3	1.2	0.2	1.1	0.2
<b>TOTAL EMPLOYMENT</b>	<b>614.0</b>	<b>100.0</b>	<b>626.3</b>	<b>100.0</b>	<b>636.8</b>	<b>100.0</b>	<b>623.2</b>	<b>100.0</b>	<b>613.2</b>	<b>100.0</b>	<b>615.1</b>	<b>100.0</b>	<b>607.0</b>	<b>100.0</b>

Source: Central Statistical Office.

<sup>1</sup> Numbers may not sum due to rounding.

## LABOUR PRODUCTIVITY<sup>5</sup>

**During 2017, labour productivity continued to decline, albeit at a slower pace than in the previous year.** The Index of Productivity, excluding the energy sector, declined by 7.3 per cent in 2017 following a decline of 13.4 per cent during 2016. With the energy sector included, the fall in productivity was less sharp—3.0 per cent—over the period January to December 2017 compared to 7.3 per cent in 2016. In the non-energy sector, the largest declines in productivity were recorded in the water (21.7 per cent), food processing (13.1 per cent), and drink and tobacco (8.8 per cent) industries. In the energy sector, there were productivity gains in the natural gas refining industry (7.4 per cent) as the Juniper platform came on stream during the third quarter of 2017. Meanwhile, productivity in the oil refining industry declined 7.7 per cent on the back of a 7.3 per cent contraction in production (see Chapter 2 - National Accounts). Overall, the decline in labour productivity (including the energy and non-energy sectors) was driven by a fall in domestic production (4.6 per cent) which outstripped the fall in the number of hours worked (1.8 per cent).

## WAGE AGREEMENTS

**Median wage increases slowed further in 2017 compared to the previous two years.** Based on collective agreements registered with the Industrial Court of Trinidad and Tobago, the median wage increase in 2017 was 3.00 per cent, down from median wage increases of 4.25 per cent and 4.00 per cent in 2015 and 2016, respectively (Table 5). Meanwhile, average weekly earnings registered a small increase in

2017. The Index of Average Weekly Earnings<sup>6</sup> (AWEs) increased 1.0 per cent (year-on-year) during 2017.

## INDUSTRIAL RELATIONS

**The industrial relations climate in 2017 was relatively unsettled compared with previous years.**

Economic difficulties and the need to streamline organisations led some public and private enterprises to announce intended job cuts, which prompted industrial action (mostly, protests and picketing) by trade unions. Industrial action also surfaced following the reading of the budget in September 2017: the Joint Trade Union Movement (JTUM) protested some measures announced, including the increase in fuel prices, while the Public Services Association (PSA) advised employees of the Board of Inland Revenue and the Customs and Excise Division to stay away from work for two days in protest of the Government's intention to introduce the Trinidad and Tobago Revenue Authority Bill. During the year, three trade union bodies—JTUM, the Federation of Independent Trade Unions and Non-Governmental Organisations (FITUN) and the National Trade Union Centre of Trinidad and Tobago (NATUC)<sup>7</sup> temporarily withdrew from the National Tripartite Advisory Committee (NTAC) over the Government's decision to dissolve the Tourism Development Company. They subsequently re-joined the forum on September 13, 2017 following the Government's commitment to cease retrenchments until December 31, 2017.

<sup>5</sup> Labour productivity is calculated for the manufacturing, energy, electricity, and water sectors and is measured by the Index of Productivity which is calculated as the ratio of the Index of Domestic Production to the Index of Hours Worked.

<sup>6</sup> The Index of Average Weekly Earnings is compiled by the Central Statistical Office and is calculated as the total amount of earnings paid to employees divided by the number of employees.

<sup>7</sup> The National Tripartite Advisory Council (NTAC) was launched in March 2016. The Council is chaired by the Minister of Planning and Development, and includes representatives from other ministries, business, and trade union leaders. NTAC was established to provide multi-sectorial advice to the Government, identify and review sustainable national development goals, and develop a national campaign on productivity.

TABLE 5

## WAGE INCREASES FOR 2017

SECTOR	NO. OF AGREEMENTS ANALYSED	DURATION OF AGREEMENTS	WAGE INCREASE FOR 2017	RANGE OF YEARLY INCREASES	AVERAGE YEARLY INCREASE	MEDIAN WAGE INCREASE FOR AGREEMENTS ANALYSED
Finance, Insurance, Real Estate and Business Services	3	2016-2018	3.00			3.0
		2016-2019	3.00	3.00-4.00	3.11	
		2017-2019	3.00			
Food Processors and Drinks	1	2014-2017	4.00	4.00-5.00	4.67	
Personal Services	1	2014-2017	3.00	2.00-4.00	3.00	
Construction	1	2015-2017	6.00	1.00-6.00	3.00	
Distribution	3	2015-2018	4.00			3.0
		2016-2019	3.00	3.00-5.00	3.22	
		2017-2019	5.00			
Chemicals and Non-Metallic Minerals	3	2014-2017	2.00			3.0
		2015-2017	2.00	2.00-4.00	3.00	
		2016-2018	3.00			
Petroleum and Other Mining Industries	2	2015-2017	7.00	0.00-7.00	3.50	
		2015-2018	0.00			

Source: The Industrial Court of Trinidad and Tobago.



## CHAPTER FOUR

### PRICES

# PRICES

## INFLATION

**Inflation eased considerably in 2017.** Headline inflation averaged 1.9 per cent—the lowest annual rate on record—which represented significant slowdowns from the rates of 3.1 per cent in 2016 and 4.7 per cent in 2015. The lower headline inflation rate came about as both the food and core components of the inflation rate decelerated. The food component slowed to 3.0 per cent (from 7.5 per cent in 2016) as the base effect of VAT measures implemented in early 2016 was cancelled out twelve months later while the core inflation component measured 1.7 per cent (down from 2.2 per cent in 2016) partly reflecting ongoing subdued domestic demand.

**Food inflation remained contained throughout the year.** Prices slowed in most categories of food inflation, partly related to the expiration of a base effect created when VAT was reintroduced on a number of zero-rated items in February 2016. Categories with slower inflation rates in 2017 included: breads and cereals (1.4 per cent from 6.5 per cent); non-alcoholic beverages (1.6 per cent from 12.7 per cent); oils and fats (5.0 per cent from 7.7 per cent); meat (1.2 per cent from 7.5 per cent). Despite supply disruptions associated with Tropical Storm Bret and flooding in late October the vegetables (3.2 per cent from 10.8 per cent) and fruits (6.5 per cent from 7.5 per cent) sub-indices grew moderately in 2017. Higher international prices of dairy products continued to pass through to the milk, cheese and eggs sub-index in 2017 (4.6 per cent from -1.2 per cent).

**Core inflationary pressures also remained contained in 2017 despite increases in some sub-indices (Table 6).** Faster price increases were recorded in the health sub-index (14.5 per cent from 6.5 per cent) which was negatively impacted by higher prices for

spectacles, dental services and prescription medication. Fiscal measures geared at alcohol and tobacco implemented in October 2016 pushed the price of alcoholic beverages and tobacco higher in 2017 (5.2 per cent from 1.6 per cent). Prices related to passenger travel by road accelerated toward the end of 2017 owing to the reduction of the fuel subsidies in the 2017/18 Budget. Despite this, the increase in the overall transport sub-index was modest in 2017 (1.2 per cent from 3.2 per cent).

## PRODUCERS' PRICES

**In 2017, producer price inflation edged up, but remained generally low and helped to support low inflation at the retail level.** The Producer's Price Index (PPI) rose by 1.9 per cent in 2017 compared to 1.2 per cent in 2016 and 2.4 per cent in 2015. Growth in the drink and tobacco sub-index (6.8 per cent compared with 3.2 per cent in 2016) put upward pressure on the PPI in 2017. The chemicals and non-metallic products sub-index (-2.2 per cent from 0.9 per cent) registered declines while the assembly type and related industries sub-index registered a marginal increase (0.2 per cent from -0.03 per cent from) in 2017.

## BUILDING MATERIALS PRICES

**The general slowdown in the construction sector throughout 2016 extended into 2017, and continued to underpin a falloff in building material prices.** The Index of Retail Prices of Building Materials (BMI) declined by 0.4 per cent in 2017 compared to a drop of 0.3 per cent one year earlier. The decline was attributed to falls in the site preparation, structure and concrete frame (-4.0 per cent from -2.6 per cent) and finishing, joinery units and painting and external works (-5.0 per cent from -1.2 per cent) sub-indices. On the other hand, the plumbing and plumbing fixtures

(3.2 per cent from 4.5 per cent) along with walls and roof (1.7 per cent from 0.1 per cent respectively) sub-indices registered higher prices.

## INTERNATIONAL FOOD PRICES

**After contracting for five consecutive years, international food prices accelerated in 2017 on account of supply shortages.** The Food and Agriculture

Organization's (FAO) Food Price Index registered an increase of 8.4 per cent in 2017 compared to a decline of 1.0 per cent in 2016. With the exception of the sugar price index, all other sub-indices rose. The dairy price index saw a marked increase (33.9 per cent from -2.4 per cent) while the meat (9.1 per cent from -6.7 per cent), cereals (3.0 per cent from -9.4 per cent) and oil (3.8 per cent from 12.1 per cent) price indices registered more subdued increases in 2017.

**TABLE 6**

ANNUAL AVERAGE MOVEMENT OF SELECTED CATEGORIES  
DOMESTIC RETAIL PRICE INDEX, 2015 - 2017  
/PERCENTAGE CHANGE/

CROP	2015	2016	2017
<b>HEADLINE INFLATION</b>	4.7	3.1	1.9
<b>FOOD INFLATION</b>	8.7	7.5	3.0
Fish	6.1	4.6	3.2
Food Products NEC	18.0	14.9	5.4
Meat	16.9	7.5	1.2
Milk, Cheese & Eggs	1.3	-1.2	4.6
Vegetables	7.1	10.8	3.2
Bread and Cereals	1.9	6.5	1.4
Sugar, Jam, Confectionery, etc.	-0.2	3.0	5.5
Non-Alcoholic Beverages	2.6	12.7	1.6
Oils and Fats	0.3	7.7	5.0
Fruits	2.5	7.5	6.5
<b>CORE INFLATION</b>	1.9	2.2	1.7
COMMUNICATION	-0.8	6.6	2.1
EDUCATION	8.0	0.6	0.0
MISCELLANEOUS GOODS AND OTHER SERVICES	4.6	2.4	1.7
HOTELS, CAFES & RESTAURANTS	2.4	4.6	3.6
HEALTH	1.0	6.5	14.5
TRANSPORT	1.0	3.2	1.2
RECREATION & CULTURE	3.2	2.9	0.8
ALCOHOLIC BEVERAGES & TOBACCO	3.3	1.6	5.2
CLOTHING AND FOOTWEAR	4.5	3.6	0.1
Housing, Water, Electricity, Gas & Other Fuels	0.9	-0.3	0.1
Furnishings, Household Equipment and Routine Maintenance	1.2	1.5	1.8

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



## CHAPTER FIVE

# FISCAL OPERATIONS



## FISCAL OPERATIONS

**The Central Government accounts weakened in FY 2016/17.** Revised estimates from the Ministry of Finance (MoF) show that the fiscal position deteriorated with the overall deficit rising to \$12.6 billion (8.5 per cent of GDP) from \$8.0 billion (5.3 per cent of GDP) in FY 2015/16 (**Table 7**). A substantial fall in non-energy revenues, particularly non-tax revenue, as well as lower than anticipated capital revenues provided the basis for the higher deficit. As a result, the non-energy fiscal deficit increased to \$20.4 billion (8.5 per cent of GDP) at the end of FY 2016/17, from \$14.6 billion in FY 2015/16.

**Central Government revenue fell by approximately \$7.2 billion to \$37.8 billion in FY 2016/17 when compared to a year earlier.** The sizable fall in non-energy receipts precipitated the decline in total revenue as energy receipts increased by 17.3 per cent to \$7.8 billion, largely on account of higher energy commodity prices<sup>8</sup>. Non-energy revenue fell by 17.9 per cent to \$28.3 billion largely because of lower non-tax and capital revenues (**Table 8**). Non-tax receipts were lower in FY 2016/17 due to reduced profits from non-financial enterprises and equity profits from the Central Bank. Similarly, capital revenue fell off from the previous year when government collected extraordinary revenues from the sale of CL Financial assets. Lower VAT collections and revenue from taxes on international trade also contributed to the lower revenue outturn in FY 2016/17.

**Central Government total expenditure amounted to \$50.5 billion in FY 2016/17, compared with \$53.0 billion in FY 2015/16.** The fall in aggregate expendi-

ture was largely because of lower spending on goods and services and transfers and subsidies. Expenditure on goods and services fell mainly due to administrative delays in receiving invoices and in processing payments. Meanwhile, the decline in transfers and subsidies was primarily due to the falloff in transfers to households, particularly the petroleum subsidy, pensions and gratuities and lower subventions to Statutory Boards and similar bodies. In contrast, expenditure on interest payments and wages and salaries increased by 20.6 per cent and 4.4 per cent respectively, on account of higher foreign and domestic debt and payment of arrears for revised salaries and cost of living allowances (COLA) to public officers. Meanwhile, smaller outlays on the capital programme were largely due to administrative delays and variations in scope of work for some projects.

**Central Government has taken steps towards fiscal adjustment.** In both the FY 2016/17 and FY 2017/18 budget statements, the government outlined several measures to address the fiscal imbalances. These measures included efforts to strengthen the Public Financial Management System<sup>9</sup>, the introduction of property, excise and gaming taxes, royalties on natural gas production and the gradual removal of the fuel subsidy. The national budget for FY2017/18 also outlined processes to improve revenue collection, streamline expenditure and achieve full cost recovery pricing to significantly reduce transfers to public utilities<sup>10</sup>.

<sup>8</sup> See International Commodity Markets Section.

<sup>9</sup> On December 14, 2016, the Minister of Planning and Development signed an agreement for a \$US40.0 million loan with the Inter-American Development Bank (IDB) for a project entitled 'Support to Strengthen Trinidad and Tobago's Public Financial Management System'. The general objective of the Project is to improve the efficiency and effectiveness of Trinidad and Tobago's Public Financial Management to allocate public resources for public service delivery through modernization of the financial framework and information management.

<sup>10</sup> The Regulated Industries Commission is expected to conduct a rate determination exercise for water and electricity which is anticipated to be completed in 2018. Central Government has also engaged the World Bank to conduct a Public Expenditure Review, which will aim to identify cost-savings in health, education, and social services.

**TABLE 7**  
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2013/2014-2017/2018  
/TT\$ MILLION/

	FISCAL YEARS				
	2013/2014	2014/2015	2015/2016 <sup>r</sup>	2016/2017 <sup>re</sup>	2017/2018 <sup>b</sup>
Current Revenue	57,062.2	52,244.6	41,158.9	36,135.5	39,321.8
Current Expenditure	54,385.7	52,322.9	48,546.4	46,907.7	45,378.5
<b>CURRENT SURPLUS (+)/DEFICIT (-)</b>	<b>2,676.5</b>	<b>-78.3</b>	<b>-7,387.6</b>	<b>-10,772.2</b>	<b>-6,056.7</b>
Capital Receipts	1,316.5	4,989.2	3,813.7	1,700.2	6,420.0
Capital Expenditure and Net Lending <sup>1</sup>	8,434.8	7,620.8	4,398.3	3,571.5	5,123.0
<b>OVERALL SURPLUS (+)/DEFICIT (-)</b>	<b>-4,442.2</b>	<b>-2,709.9</b>	<b>-7,972.1</b>	<b>-12,643.5</b>	<b>-4,759.7</b>
Financing	4,442.2	2,709.9	7,972.1	12,643.5	4,759.7
External (Net)	3,312.4	-199.2	8,954.0	3,247.5	3,690.5
Domestic (Net)	1,129.8	2,909.1	-981.9	9,396.0	1,069.2
	<b>SURPLUS (+) / DEFICIT (-) AS A PER CENT OF FISCAL YEAR GDP (CURRENT MARKET PRICES)</b>				
Current Surplus (+)/Deficit (-)	1.5	-0.05	-4.9	-7.2	-3.9
Overall Surplus (+)/Deficit (-)	-2.6	-1.7	-5.3	-8.5	-3.1

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

1 Includes an adjustment for Repayment of Past Lending for the fiscal years 2013, 2014 and 2015.

r Revised.

re Revised Estimates.

b Budgeted.

TABLE 8

## SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2013/2014-2017/2018

/TT\$ MILLION/

FISCAL YEARS					
	2013/2014	2014/2015	2015/2016 <sup>r</sup>	2016/2017 <sup>re</sup>	2017/2018 <sup>b</sup>
<b>REVENUE</b>	<b>58,378.4</b>	<b>57,233.8</b>	<b>44,972.6</b>	<b>37,835.7</b>	<b>45,741.8</b>
Current	57,062.2	52,244.6	41,158.9	36,135.5	39,321.8
Energy	28,111.3	18,660.9	6,644.4	7,791.0	10,127.2
Non-Energy	28,950.6	33,583.7	34,514.5	28,344.5	29,194.6
Capital	1,316.5	4,989.2	3,813.7	1,700.2	6,420.0
<b>EXPENDITURE</b>	<b>62,820.5</b>	<b>59,943.7</b>	<b>52,944.7</b>	<b>50,479.2</b>	<b>50,501.5</b>
Current	54,385.7	52,322.9	48,546.4	46,907.7	45,378.5
Wages and salaries	8,590.8	10,077.1	9,601.9	10,021.5	9,346.5
Goods and services	8,008.8	8,105.4	7,326.1	5,914.2	6,628.8
Interest payments	3,122.6	3,438.4	3,762.4	4,537.5	3,572.7
Transfers & Subsidies <sup>1</sup>	34,663.5	30,702.0	27,856.1	26,434.5	25,830.5
Capital expenditure & net lending <sup>2</sup>	8,434.8	7,620.8	4,398.3	3,571.5	5,123.0
<b>OVERALL NON-ENERGY BALANCE</b>	<b>-32,553.4</b>	<b>-21,370.8</b>	<b>-14,616.5</b>	<b>-20,434.5</b>	<b>-14,886.9</b>
<b>OVERALL BALANCE</b>	<b>-4,442.2</b>	<b>-2,709.9</b>	<b>-7,972.1</b>	<b>-12,643.5</b>	<b>-4,759.7</b>
<b>TOTAL FINANCING (NET)</b>	<b>4,442.2</b>	<b>2,709.9</b>	<b>7,972.1</b>	<b>12,643.5</b>	<b>4,759.7</b>
Net Foreign financing	3,312.4	-199.2	8,954.0	3,247.5	3,690.5
Net Domestic financing	1,129.8	2,909.1	-981.9	9,396.0	1,069.2
<i>Of which: Transfers to Heritage &amp; Stabilization Fund</i>	0.0	0.0	-2,498.4	-1,712.2	0.0
	<b>(PER CENT OF GDP)</b>				
<b>REVENUE</b>	<b>33.6</b>	<b>35.7</b>	<b>29.9</b>	<b>25.3</b>	<b>29.3</b>
Current	32.9	32.6	27.4	24.2	25.2
Energy	16.2	11.6	4.4	5.2	6.5
Non-Energy	16.7	21.0	22.9	19.0	18.7
Capital	0.8	3.1	2.5	1.1	4.1
<b>EXPENDITURE</b>	<b>36.2</b>	<b>37.4</b>	<b>35.2</b>	<b>33.8</b>	<b>32.4</b>
Current	31.3	32.6	32.3	31.4	29.1
Wages and salaries	4.9	6.3	6.4	6.7	6.0
Goods and services	4.6	5.1	4.9	4.0	4.2
Interest payments	1.8	2.1	2.5	3.0	2.3
Transfers & subsidies	20.0	19.2	18.5	17.7	16.6
Capital expenditure & net lending	4.9	4.8	2.9	2.4	3.3
<b>OVERALL NON-ENERGY BALANCE<sup>3</sup></b>	<b>-18.8</b>	<b>-13.3</b>	<b>-9.7</b>	<b>-13.7</b>	<b>-9.5</b>
<b>OVERALL BALANCE</b>	<b>-2.6</b>	<b>-1.7</b>	<b>-5.3</b>	<b>-8.5</b>	<b>-3.1</b>
<b>TOTAL FINANCING</b>	<b>2.6</b>	<b>1.7</b>	<b>5.3</b>	<b>8.5</b>	<b>3.1</b>
Foreign financing	1.9	-0.1	6.0	2.2	2.4
Domestic financing	0.7	1.8	-0.7	6.3	0.7
<i>Of which: Transfers to Heritage &amp; Stabilization Fund</i>	0.0	0.0	-1.7	-1.1	0.0

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

1 Adjusted for transfers to the Infrastructure Development Fund, Government Assisted Tertiary Education Fund and CARICOM Petroleum Fund.

2 Includes an adjustment for Repayment of Past Lending for fiscal years 2013, 2014 and 2015.

r Revised.

re Revised Estimates.

b Budgeted.

**TABLE 9**  
ENERGY-BASED GOVERNMENT REVENUES, 2011/2012-2016/2017  
/PER CENT OF GOVERNMENT REVENUE/

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016 <sup>r</sup>	2016/2017 <sup>re</sup>
	(Per cent of GDP)					
<b>ENERGY SECTOR</b>	<b>16.2</b>	<b>15.7</b>	<b>16.2</b>	<b>11.6</b>	<b>4.4</b>	<b>5.3</b>
Petroleum Profit Tax (PPT)	1.9	6.3	6.9	3.4	0.6	0.4
Supplemental Petroleum Tax (SPT)	0.1	2.4	2.9	3.2	0.1	0.3
Corporation tax	3.7	3.9	3.8	3.1	1.9	2.3
Royalties	1.5	1.4	1.4	0.7	0.3	0.7
Unemployment Levy	0.8	0.7	0.7	0.4	0.1	0.0
Withholding Tax	0.5	0.4	0.4	0.5	0.5	0.3
Exercise Duty	0.1	0.1	0.1	0.1	0.1	0.1
Oil Impost <sup>1</sup>	0.1	0.1	0.1	0.1	0.1	0.1
Signature Bonus	0.0	0.0	0.0	0.0	0.0	0.0
Production Sharing Contracts	0.0	0.5	0.0	0.3	0.7	0.9
Surplus Income - Sale of Pet. Products	0.0	0.0	0.0	0.0	0.1	0.0

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

- 1 Oil Impost refers to a tax on petroleum producing companies to cover the administration expenses of the Ministry of Energy and Energy Affairs.  
r Revised.  
re Revised Estimates.

**TABLE 10**  
CENTRAL GOVERNMENT RECURRENT EXPENDITURE<sup>1</sup>:  
A FUNCTIONAL CLASSIFICATION, 2013/2014 - 2017/2018  
/TT\$ MILLION/

	FISCAL YEARS				
	2013/2014	2014/2015	2015/2016 <sup>r</sup>	2016/2017 <sup>re</sup>	2017/2018 <sup>b</sup>
<b>ECONOMIC SERVICES</b>	<b>8,792.9</b>	<b>6,407.2</b>	<b>3,939.4</b>	<b>3,499.9</b>	<b>2,985.8</b>
Energy	7,115.1	4,712.9	1,006.0	623.1	109.0
Agriculture, Land and Marine Resources <sup>2</sup>	699.6	626.9	794.3	725.9	725.9
Transport	978.2	1,067.4	2,139.1	2,150.9	2,150.9
<b>SOCIAL SERVICES</b>	<b>16,147.6</b>	<b>18,110.5</b>	<b>17,406.5</b>	<b>16,816.6</b>	<b>17,076.4</b>
Education <sup>3</sup>	6,478.8	7,249.7	5,903.0	4,943.5	5,151.8
Health	4,183.8	4,321.0	4,564.1	5,167.1	5,105.5
Housing	1,571.4	1,917.3	1,011.7	1,307.9	1,409.0
Small and Micro-Enterprise Development	162.6	165.4	502.1	364.6	357.9
Social Services <sup>4</sup>	3,751.0	4,457.1	5,425.6	5,033.5	5,052.2
<b>PUBLIC SERVICES</b>	<b>2,393.1</b>	<b>2,515.7</b>	<b>3,938.8</b>	<b>3,647.8</b>	<b>3,381.1</b>
National Security	2,393.1	2,515.7	3,938.8	3,647.8	3,381.1
<b>OTHER<sup>5</sup></b>	<b>29,340.1</b>	<b>25,539.0</b>	<b>28,362.0</b>	<b>29,759.4</b>	<b>29,064.0</b>
<b>TOTAL RECURRENT EXPENDITURE<sup>6</sup></b>	<b>56,673.7</b>	<b>52,572.4</b>	<b>53,646.7</b>	<b>53,723.7</b>	<b>52,507.3</b>

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

- 1 Classified according to recurrent expenditure allocated to the respective ministry head.  
2 Includes Ministry of Community Development, Culture and the Arts, and Ministry of Social Development and Family Services.  
3 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.  
4 Represents Recurrent Expenditure from the Consolidated Fund only.  
5 Includes Office of the President, Auditor General, Judiciary, Industrial Court, Parliament, Service Commissions, Statutory Authorities, Elections & 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.  
re Revised Estimates.  
b Budgeted.

## PUBLIC SECTOR DEBT

**Central Government increased its borrowing in FY 2016/17.** For the period under review Government borrowed funds for budgetary operations, as well as, to refinance maturing obligations. Total public sector debt (**Table 11**) amounted to \$121.3 billion (81.1 per cent of GDP) in September 2017, marginally higher than the \$119.7 billion (79.6 per cent of GDP) in September 2016. Net of open market operations (OMOs), public sector debt increased to \$93.6 billion (62.7 per cent of GDP) from \$88.3 billion (58.7 per cent of GDP).

**Central Government domestic debt (excluding OMOs) was recorded at \$40.8 billion (27.3 per cent of GDP) in September 2017, compared with \$35.7 billion recorded one year before.** Under the Development Loans Act<sup>11</sup>, Central Government borrowed \$8.2 billion from the domestic capital market, partly to refinance maturing obligations. These borrowings included three bonds totaling \$4.2 billion underwritten by First Citizens Bank Limited, two bonds amounting to \$2.0 billion contracted from Republic Bank Limited, and two bonds issued through the Central Bank's e-auction system totaling \$2.0 billion. Principal repayments for bonds and loans amounted to \$3.7 billion over the 12-month period, while \$476.4 million was allocated for the repayment of maturing CLICO zero-coupon bonds in November 2016.

**Contingent liabilities trended downward over the period, reaching \$29.3 billion (19.6 per cent of GDP), as amortisation on existing debt exceeded new borrowings (Table 12).** New state enterprise borrowing included a \$90.0 million loan by the

Urban Development Corporation of Trinidad and Tobago (UDECOTT) for the completion of the Brian Lara Cricket Stadium and a \$56.0 million loan by the National Insurance Property Development Company Limited (NIPDEC) for works at the Office of the Prime Minister. In addition, a number of maturing loans were refinanced. These included loans of \$286.6 million by the Educational Facilities Company Limited (EFCL); \$301.7 million by the Housing Development Corporation (HDC) and \$227.1 million by UDECOTT<sup>12</sup>.

**External debt increased by US\$321.9 million to US\$3,471.2 million at the end of the FY 2016/17<sup>13</sup>.**

Over the period, Central Government contracted a US\$300.0 million, 15-year loan from the Corporación Andina de Fomento (CAF) of Latin America<sup>14</sup>. Additionally, during the 12-month period under review, the Inter-American Development Bank (IDB) disbursed US\$82.2 million of which US\$60.9 million was under the Multiphase Wastewater Rehabilitation Program, US\$13.7 million under the Neighbourhood Upgrading Programme and US\$4.5 million under the Water and Sewerage Authority (WASA) Modernisation and Wastewater Infrastructure Programme. Total external debt service payments amounted to US\$214.9 million, of which US\$80.4 million was earmarked for capital repayment. Nearly half of the total allocated to principal repayment was geared towards the multilateral creditor, the IDB (US\$39.7 million). Meanwhile, a significant portion of interest payments was paid to external bondholders (US\$106.0 million).

11 The Development Loans Act, which authorizes the Government to borrow money for the general development of Trinidad and Tobago, currently has a limit of \$45.0 billion. As at September 2017, balances outstanding under the said Act stood at \$35.4 billion.

12 The new loans that were contracted for refinancing purposes are to be repaid in the medium and long terms, with HDC to be repaid in seven years (2024), UDECOTT in eight years (2025) and EFCL in 11 years (2028).

13 Similar to the Development Loans Act, the External Loans Act authorizes the Government to borrow money for the general development of Trinidad and Tobago and currently has a limit of \$30.0 billion (Trinidad and Tobago dollars). As at September 2017, balances outstanding under the said Act stood at \$18.7 billion.

14 Created in 1970, CAF is a development bank owned by 19 countries, of which Trinidad and Tobago is a member. It promotes a sustainable development model through credit operations and support in the technical and financial structuring of projects in the public and private sectors of Latin America.

TABLE 11

TOTAL PUBLIC DEBT OUTSTANDING, SEP 2013 - SEP 2017  
/TT\$ MILLION/

END OF PERIOD	FISCAL YEARS				
	Sep-2013	Sep-2014	Sep-2015 <sup>r</sup>	Sep-2016 <sup>r</sup>	Sep-2017 <sup>r</sup>
<b>TOTAL GROSS PUBLIC DEBT</b>	<b>90,929.3</b>	<b>97,180.3</b>	<b>115,976.0</b>	<b>119,709.4</b>	<b>121,258.5</b>
<b>TOTAL NET PUBLIC DEBT<sup>1</sup></b>	<b>66,096.1</b>	<b>71,081.0</b>	<b>77,341.0</b>	<b>88,308.4</b>	<b>93,647.0</b>
<b>CENTRAL GOVERNMENT DOMESTIC</b>	<b>53,623.1</b>	<b>55,743.5</b>	<b>70,384.0</b>	<b>67,086.7</b>	<b>68,448.9</b>
General Development Bonds	8,146.2	9,386.5	12,099.0	16,694.8	21,293.3
CLICO and HCU Bonds	19,438.0	19,127.9	18,595.7	17,987.7	17,463.3
BOLTS and Leases	395.0	319.1	243.7	186.4	159.3
Debt Management Bills	800.0	800.0	800.0	800.0	1,905.0
Open Market Operations					
Treasury Bills	14,200.0	15,108.0	25,038.2	19,788.9	18,599.2
Treasury Notes	5,000.0	5,892.0	9,197.5	9,052.8	6,453.0
Treasury Bonds	1,559.3	2,559.3	2,559.3	2,559.3	2,559.3
Liquidity Absorption Bonds	4,073.9	2,540.0	1,840.0	0.0	0.0
Other Debt Liabilities <sup>2</sup>	10.7	10.7	10.6	16.8	16.5
<b>CENTRAL GOVERNMENT EXTERNAL</b>	<b>9,198.4</b>	<b>12,654.6</b>	<b>13,759.6</b>	<b>21,362.3</b>	<b>23,522.7</b>
<b>CONTINGENT LIABILITIES</b>	<b>28,107.8</b>	<b>28,782.2</b>	<b>31,832.4</b>	<b>31,260.4</b>	<b>29,286.9</b>
Government Guaranteed	17,622.7	18,431.7	20,192.3	19,872.1	14,461.3
Letters of Guarantee	10,485.1	10,350.5	11,640.1	11,388.3	14,825.6
	(PER CENT OF GDP)				
Total Gross Public debt	53.6	56.0	72.3	79.6	81.1
Total Net Public Debt <sup>2</sup>	39.0	41.0	48.2	58.7	62.7
Central Government Domestic Debt <sup>1</sup>	17.0	17.1	19.8	23.7	27.3
Central Government External Debt	5.4	7.3	8.6	14.2	15.7
Contingent Liabilities	16.6	16.6	19.9	20.8	19.6
<b>MEMORANDUM ITEM:</b>					
Nominal Fiscal Year GDP	169,612.4	173,553.7	160,300.0	150,464.9	149,449.8

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

1 Excludes debt issued for sterilization purposes (Open Market Operations).

2 Comprises the outstanding balances of public sector emolument bonds, tax-free saving bonds &amp; Central Bank fixed interest rate bonds.

r Revised.

TABLE 12

PUBLIC SECTOR BORROWINGS UNDERTAKEN IN FY2017  
/TT\$MILLION/

DATE	BORROWER	"AMOUNT (\$Mn)"	TYPE OF FINANCING	PURPOSE OF FINANCING	BORROWING ACT UTILIZED
25-Nov-16	UDECOTT	TT90.0	Domestic	Brian Lara Cricket Stadium	Guarantee of Loans Companies Act
14-Dec-16	Central Government	US\$40.0	External	Public Financial Management System	IADB Act
19-DEC-16	Central Government	TT1,000.0	Domestic	Budget Support	Development Loans Act
8-Feb-17	UDECOTT	TT227.1	Domestic	Refinancing	Guarantee of Loans Companies Act
14-FEB-17	Central Government	TT1,000.0	DOMESTIC	BUDGET SUPPORT	DEVELOPMENT LOANS ACT
22-FEB-17	NIPDEC	TT56.0	Domestic	P.U.R.E.	Guarantee of Loans Companies Act
24-FEB-17	EFCL	TT286.6	Domestic	Refinancing	Guarantee of Loans Companies Act
16-MAR-17	Central Government	TT1,500	Domestic	Budget Support	Development Loans Act
8-MAY-17	HDC	TT301.7	Domestic	Refinancing	Guarantee of Loans Statutory Act
2-Jun-17	Central Government	TT1,000.0	Domestic	Budget Support	Development Loans Act
23-JUN-17	PETROTRIN	US\$50.0	Domestic	Working Capital	Guarantee of Loans Companies Act
28-Jun-17	Central Government	TT1,200.0	Domestic	Budget Support	Development Loans Act
21-Jul-17	Central Government	US\$300.0	External	Budget Support	CAF Act
8-AUG-17	PETROTRIN	US\$50.0	Domestic	Working Capital	Guarantee of Loans Companies Act
11-SEP-17	PETROTRIN	US\$55.0	External	Refinancing	Guarantee of Loans Companies Act
14-SEP-17	Central Government	TT1,000.0	Domestic	Budget Support	Development Loans Act
17-Aug-17	UDECOTT	US\$41.5	Domestic	Pt. Fortin Hospital	Guarantee of Loans Companies Act
18-SEP-17	Central Government	TT1,500.0	Domestic	Budget Support	Development Loans Act

## IMPACT OF FY2017 BORROWINGS ON BORROWING LIMITS

BORROWING ACT	BORROWING LIMIT (TT\$Mn)	"OUTSTANDING DEBT FY2016 (TT\$Mn)"	OUTSTANDING DEBT FY2017 (TT\$Mn)	"REMAINING HEADROOM AS AT SEP-17 (TT\$Mn)"
Development Loans Act	45,000.0	30,888.6	35,487.1	9,512.9
External Loans Act	30,000.0	16,842.3	16,646.3	13,353.7
Guarantee of Loans (Companies) Act	45,000.0	19,871.9	18,537.5	26,462.5
Guarantee of Loans (Statutory Authorities) Act	No Limit	11,388.1	10,749.4	Unlimited
IADB Act	No LIMIT	4,236.4	4,550.9	UNLIMITED
IBRD Act	No LIMIT	28.6	14.4	UNLIMITED
CDB Act	No Limit	255.0	288.5	Unlimited
CAF Act	No Limit	0.0	2,022.6	Unlimited
Treasury Bills Act	30,000.0	11,612.0	18,599.2	11,400.8
Treasury Notes Act	15,000.0	9,052.8	6,453.0	8,547.0
Treasury Bonds Act	No Limit	2,559.2	2,559.2	Unlimited
Purchase of Certain Rights and Validation Act (CLICO) <sup>1</sup>	10,700.0	3,488.8	2,979.2	-
Purchase of Certain Rights and Validation Act (HCU) <sup>2</sup>	400.0	305.1	290.2	-

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

1 An ACT established for the issuance of zero-coupon bonds to Colonial Life Insurance Company Limited (Trinidad) Limited (CLICO) policyholders.

2 An ACT established for the issuance of zero-coupon bonds to depositors of the Hindu Credit Union (HCU).



## CHAPTER SIX

# MONETARY AND FINANCIAL DEVELOPMENTS



# MONETARY AND FINANCIAL DEVELOPMENTS

## MONETARY POLICY

**The Central Bank of Trinidad and Tobago maintained a neutral monetary policy stance in 2017.**

The Bank's Monetary Policy Committee faced two main considerations in their deliberations during the year. While the slow economic conditions suggested that the Bank should reduce interest rates to support faster economic activity, the Bank was also aware that further narrowing of the TT/US interest rate differential could accelerate capital outflows and increase pressures in the foreign exchange market. As a result, the Bank held the rate at 4.75 per cent at six successive meetings of the Monetary Policy Committee.

**The domestic banking system was characterized by lower levels of liquidity in 2017.** Commercial banks' holdings of reserves at the Central Bank in excess of the statutory requirements decreased to a monthly average of \$3.1 billion in 2017 from \$4.0 billion in 2016. Net domestic fiscal injections<sup>15</sup>—the main driver of liquidity—amounted to \$5,507 million, approximately 33.6 per cent lower than in 2016. This was the lowest level of fiscal injections since 2004. Given lower liquidity levels, the Bank allowed net maturities of \$7.1 billion in open market instruments to return to the system in order to facilitate Government's borrowing without affecting liquidity available for other transactions in the financial system. This, therefore, mitigated any potential short-term pressures on interest rates arising from insufficient liquidity in the financial system. Meanwhile, although not a liquidity absorption tool, Central Bank sales of foreign exchange to authorized dealers indirectly removed \$12,143 million from the system in 2017, 1.8 per cent more than in 2016.

Lower average excess liquidity in 2017 resulted in an increase in interbank borrowing, with daily average interbank activity reaching \$79.1 million. This compares with interbank activity in 2016 at a daily average level of \$22.6 million. Along with higher interbank activity, commercial banks also used the Central Bank's repurchase facility more frequently, given the lower liquidity. The repurchase facility was accessed on eight trading days in 2017, for a sum of \$913.7 million, compared with one trading day in 2016 for \$89.6 million.

**The TT-US short term differential moved into negative territory over the course of 2017.** Domestically, the 91-day Treasury bill rate remained essentially unchanged at 1.21 per cent during the year, while the 365-day Treasury bill rate declined by 9 basis points to reach 2.72 per cent by the end of 2017. However, an improving US economy resulted in increases in the corresponding short-term rates in the US. This meant that the TT-US 91-day Treasury rate differential moved into negative territory, from 69 basis points at the end of 2016 to negative 18 basis points by the end of 2017.

**Concomitant with the unchanged Repo rate, the median prime lending rate remained at 9.00 per cent since January 2016.** However, the commercial banks' weighted average lending rate rose by 12 basis points between December 2016 and September 2017 to reach 8.24 per cent. Meanwhile, the weighted average deposit rate gained 1 basis point over the same period to reach 0.61 per cent. The weighted average interest rate on outstanding mortgage loans decreased to 6.29 per cent by September 2017, a 12 basis point decline since December 2016. This was mainly due to growth in the value of outstanding mortgages in lower-tenor interest rate bands over the

<sup>15</sup> Net domestic fiscal injections refer to the Central Government's excess of domestic expenditure relative to domestic revenue.

year. Despite increased interbank activity throughout 2017, the interbank borrowing rate decreased to 0.50 per cent in 2017 from 0.56 per cent in 2016. This came about as interbank activity was more consistent in 2017, whereas rates in early 2016 carried some overhang from a particularly steep spike in interbank activity observed in the latter part of 2015.

**Following lackluster growth in 2016, private sector credit by the consolidated financial system picked up modestly in 2017.** Growth in private sector credit granted by the consolidated system rose to 4.6 per cent in 2017, slightly higher than the 3.3 per cent growth in 2016. This growth came purely from the commercial banks, which accounted for 91.5 per cent of private sector credit. Meanwhile, private sector credit from the non-banking sector again contracted but at a slower rate than in the previous year.

**Credit to businesses picked up moderately in the twelve months to December 2017 after registering meagre increases in 2016.** Business lending grew by 1.3 per cent in 2017 compared with growth of 0.3 per cent year-on-year in 2016. Sectoral business lending to December 2017 reflected depressed activity in the construction sector, as lending to construction companies declined 3.7 per cent<sup>16</sup>. Loans to the manufacturing sector retreated by 7.4 per cent while growth in lending to the other services (8.2 per cent) and finance, insurance and real estate sectors (2.1 per cent)<sup>17</sup> was moderate.

**Consumer credit extended by both banks and non-banks slowed in 2017.** Consolidated consumer lending grew by 5.1 per cent in 2017 compared with 6.6 per cent in 2016. A disaggregation of consumer credit data showed lending to consumers was subdued for motor vehicles (3.0 per cent) and home improvement and renovation (1.8 per cent). Lending for debt consolidation (16.0 per cent), which typically allows

consumers to benefit from lower interest payments, remained robust. The growth of credit card balances (6.1 per cent) slowed considerably.

Real estate lending grew by 8.0 per cent in 2017 compared to 4.4 per cent in 2016. Real estate lending was shored up by bank lending which grew by 8.1 per cent, in contrast to lending by non-banks which declined by 18.0 per cent. Real estate lending to consumers and businesses picked up toward the end of 2017, growing by 6.9 per cent up from 4.4 per cent and 10.3 per cent from 4.6 per cent respectively. By the end of 2017, residential real estate lending for existing houses (9.1 per cent), new houses (7.5 per cent) and renovation (4.6 per cent) showed accelerated growth.

**In an environment of contracting foreign currency supplies from public sources, both foreign currency loans and deposits contracted.** Foreign currency loans contracted in 2017, for the second consecutive year, by 5.7 per cent compared with an average decline of 3.5 per cent in 2016. After expanding in 2016, foreign currency deposits declined toward the end of 2017. They contracted by 1.9 per cent in 2017 compared to growth of 8.8 per cent in December 2016, mainly linked to smaller deposits by businesses (3.9 per cent).

**The main monetary aggregates declined in 2017.** The depressed economic environment has resulted in a fall in the demand for money. M1-A, the aggregation of currency in active circulation and demand deposits, declined 1.9 per cent on average in 2017. The broad measure of money supply (M-2), which includes M1-A plus savings and time deposits, also declined on average in 2017 by 1.4 per cent. A fall in the demand for money is evidenced by declines in savings (-0.2 per cent) and time deposits (-4.3 per cent), respectively.

<sup>16</sup> Figure represents an adjustment following a reclassification of loans from construction lending to real estate.

<sup>17</sup> See footnote 16.

## FOREIGN EXCHANGE MARKET

**Authorized dealers' purchases of foreign exchange from the public declined, to US\$3,607 million, representing a decrease of 15.9 per cent from 2016.**

Purchases from the energy sector accounted for 65.1 per cent of all purchases from the public in 2017. Meanwhile, authorized dealers sold US\$5,190 million in foreign exchange to the public over 2017, a decline of 10.2 per cent relative to 2016. Of total sales involving transactions over US\$20,000 the Retail and Distribution sector was the main consumer, accounting for 30.8 per cent of the total. Credit cards absorbed

29.8 per cent, manufacturing accounted for 10.8 per cent and the automobile companies absorbed 7.4 per cent of sales. Overall, the net sales gap increased to US\$1,583 million in 2017 from US\$1,488 million in 2016. The Central Bank supported the market with sales of US\$1,834 million to authorized dealers, a slight increase over the US\$1,812 million sold in the previous year. In December 2017, the monthly weighted average selling rate stood at TT\$6.7817 per US dollar, a slight depreciation from TT\$6.7802 per US dollar in December 2016.



## CHAPTER SEVEN

# CAPITAL MARKETS

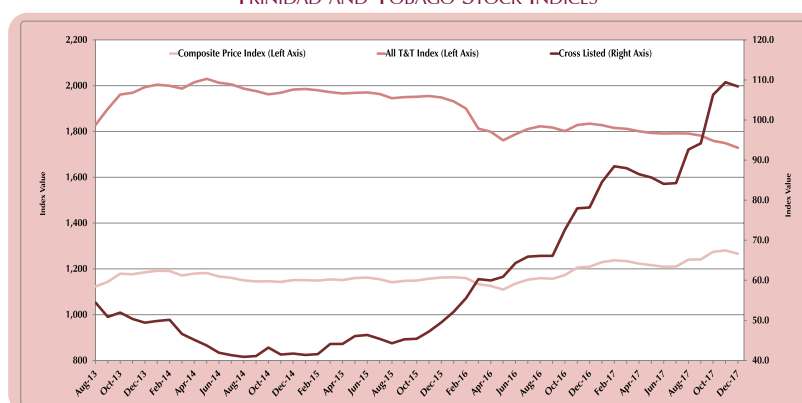
# CAPITAL MARKETS

## STOCK MARKET

During 2017, the domestic stock market was again largely supported by the continued strong performance of the Cross Listed Index (CLI) (Figure 1). The major Composite Price Index (CPI) expanded by 4.7 per cent, resulting in total stock market capitalization ending December 2017 at \$123.9 billion. In comparison, the CPI improved by 4.1 per cent during

2016. The CLI, reflecting the strong performance of regionally listed firms, advanced by 38.6 per cent over 2017 (after posting growth of 57.9 per cent in 2016) and continued to be the main driver of the CPI. On the other hand, performance of the All T&T Index (ATI), which represents only locally-domiciled firms, echoed the continued weak conditions in the domestic economy. Over the year the ATI fell by 5.8 per cent after a 5.9 per cent decline in 2016.

FIGURE 1  
TRINIDAD AND TOBAGO STOCK INDICES



Source: Trinidad and Tobago Stock Exchange.

Despite weakness exhibited by the ATI, most of the sub-indices on the local stock exchange displayed positive movements over the 2017. Supported by improvements in the share price of TTNGL, the Energy sub-index performed robustly, gaining 26.2 per cent over the period (Figure 3). This was followed by the Banking sub-index which grew by 12.9 per cent, assisted by a 109.0 per cent jump in the share price of the Cross Listed NCB Financial Group Limited. The sizable growth of NCB Financial Group Limited was attributed to notable net profits over the nine-month period ending September 2017, in addition to a partnership, acquisition, and potential take-over of

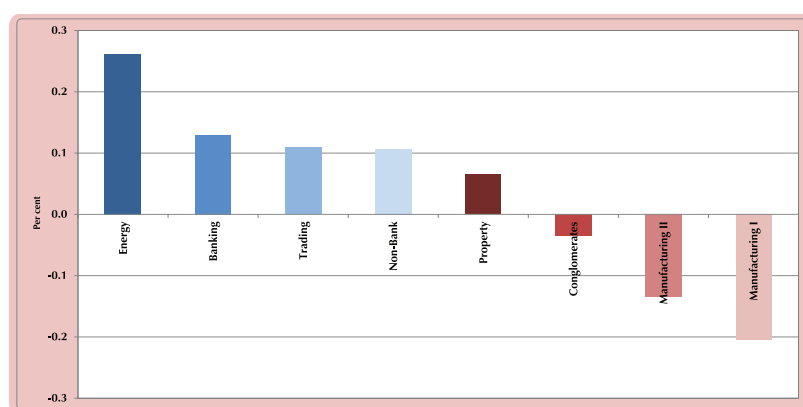
Mundo Finance, Clarien Group Limited, and Guardian Holdings Limited respectively. Other sub-indices to register positive growth were Trading (10.9 per cent), Non-Bank Finance (10.7 per cent), and Property (6.5 per cent). Conversely, reflecting the downturn in conditions in the local manufacturing and other non-energy economic sectors (Figure 2), the Conglomerates sub-index slipped by 3.5 per cent, while the Manufacturing II and Manufacturing I sub-indices recorded declines of 13.5 per cent and 20.5 per cent respectively. It should be noted that four of the five worst performing stocks were from the Manufacturing I sub-index.

While the volume of securities traded on the domestic exchange during 2017 was lower than that in 2016, the value traded was higher. A total of 84.5 million shares were exchanged at a value of roughly \$1,024.7 million during 2017. Conversely, in

2016, 91.1 million shares were exchanged at a value of \$951.8 million. The Bank and Non-Bank Finance sub-sectors accounted for 59.3 per cent of the volume traded, and 48.0 per cent of the value traded in 2017.

FIGURE 2

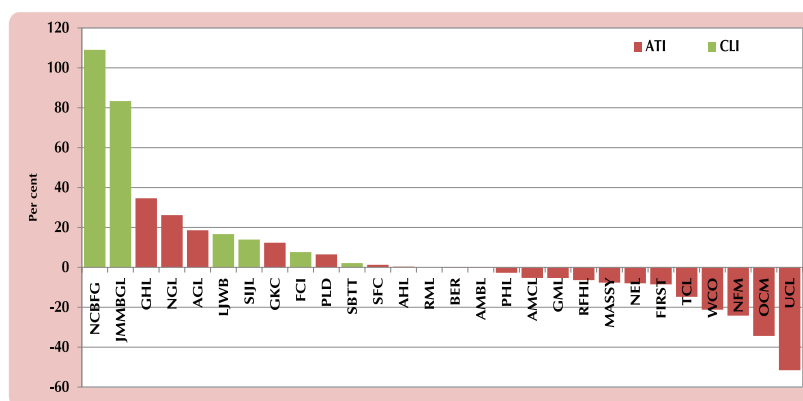
TRINIDAD AND TOBAGO CENTRAL GOVERNMENT BOND INDICES



Source: Trinidad and Tobago Stock Exchange.

FIGURE 3

TRINIDAD AND TOBAGO CENTRAL GOVERNMENT BOND INDICES



Source: Trinidad and Tobago Stock Exchange.

## PRIMARY DEBT MARKET

Provisional data suggest that activity on the primary debt market during 2017 was significantly greater than in 2016 (Table 13 and Figure 4). Over the year there were 18 primary issues at a value of approximately TT\$12,811.7 million compared to 13

primary issues at a value of roughly TT\$7,547.9 million in 2016. The Central Government continued to be the major borrower during the year, issuing nine bonds for budgetary support, one via public auction and eight via private placements, totaling TT\$9,875.6 million. In comparison, the Central Government issued three bonds at TT\$4,162.9 million during 2016.

State Enterprise activity in the domestic debt market remained relatively similar to that of the previous year. In 2017, State Enterprises financed TT\$2,301.4 million via five issues compared to TT\$2,132.4 million via five issues in 2016. The Home Mortgage Bank (HMB) also raised TT\$350.0 million in the domestic market in 2017, compared to TT\$75.6 million in the

previous year. Unlike the public sector, however, the private sector activity in the domestic debt market in 2017 was substantially lower. Over the year, the private sector financed TT\$284.7 million through two placements, compared to TT\$1,177.0 million via three placements in 2016.

TABLE 13

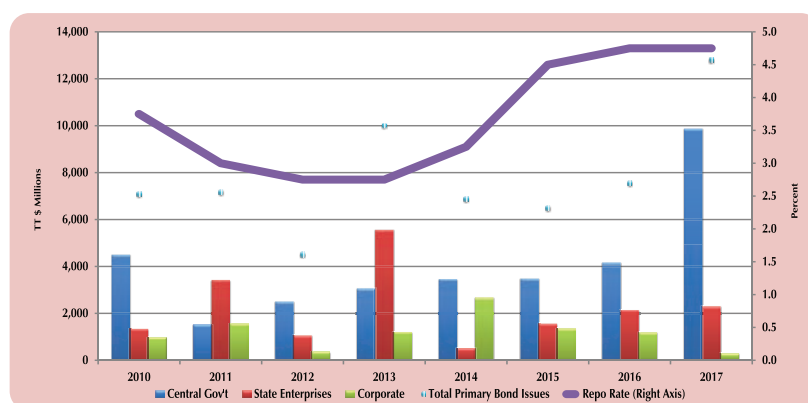
PRIMARY BOND MARKET  
JANUARY - DECEMBER 2015<sup>P</sup>

PERIOD ISSUED	BORROWER	FACE VALUE (TT\$Mn)	PERIOD TO MATURITY	COUPON RATE PER ANNUM	PLACEMENT TYPE
February	Urban Development Corporation of Trinidad and Tobago Limited (UDECOTT)	39.7	9.5 years	Amortizing 5.0%	Private
March	Central Government of Trinidad and Tobago	1,000.0	8.0 years	Fixed Rate 4.10%	Public Auction
	Central Government of Trinidad and Tobago	1,500.0	0.5 years	Fixed Rate 1.70%	Private
	Telecommunications Services of Trinidad & Tobago Limited (TSTT)				
	Tranche 1	1,000.0	12.0 years	Fixed Rate 6.01%	Private
	Tranche 2	500.0	5.0 years	Fixed Rate 5.51%	Private
	HADCO	15.0	10.0 years	Fixed Rate 4.62%	Private
April	Trinidad and Tobago Mortgage Finance Company Limited (TTMF)	60.0	1.0 year	Fixed Rate 2.90%	Private
	ANSA Coatings International - Tranche 1	202.2 (US\$30.0 M)	7.0 years	Fixed Rate 4.62% Amortizing	Private
May	Housing Development Corporation (HDC)	301.7	7.0 years	Fixed Rate 4.15% Amortizing	Private
June	ANSA Coatings International - Tranche 2	67.5 (US\$10.0 M)	7.0 years	Fixed Rate 4.62% Amortizing	Private
	Central Government of Trinidad and Tobago	1,200.0	0.5 year	Fixed Rate 1.90%	Private
	Central Government of Trinidad and Tobago	1,000.0	15 years	Fixed Rate 4.25%	Private
July	Home Mortgage Bank (HMB)				
	Tranche 1	75.0	0.5 year	Fixed Rate 3.00%	Private
September	Tranche 2	75.0	1.0 year	Fixed Rate 3.97%	Private
	Trinidad and Tobago Mortgage Finance Company Limited (TTMF) (TR1)	300.0	1.0 year	Fixed Rate 4.07%	Private
	Central Government of Trinidad and Tobago	1,000.0	12.0 years	Fixed Rate 3.85%	Private
October	Central Government of Trinidad and Tobago	1,500.0	5.0 years	Fixed Rate 4.15%	Private
	Home Mortgage Bank (HMB)				
	Tranche 1	66.8	5.0 years	Floating Rate 3.50%	Private
	Tranche 2	133.3	5.0 years	Floating Rate 4.72%	Private
November	Central Government of Trinidad and Tobago	1,000.0	13.0 years	Fixed Rate 4.15% Amortizing	Private
	Central Government of Trinidad and Tobago	1,000.0	14.0 years	Fixed Rate 4.65% Amortizing	Private
December	Trinidad and Tobago Mortgage Finance Company Limited (TTMF) (TR2)	100.0	1.0 year	Fixed Rate 4.07%	Private
	Central Government of Trinidad and Tobago	675.6 (US\$100.0 M)	3.0 yrs	Fixed Rate: 3.10%	Private

Sources: Central Bank of Trinidad and Tobago.

<sup>P</sup> Provisional.

**FIGURE 4**  
PRIMARY DEBT SECURITY ACTIVITY



Source: Central Bank of Trinidad and Tobago.  
Data for 2017 are provisional.

## CENTRAL GOVERNMENT BOND MARKET

**Trading activity on the secondary government bond market weakened during 2017.** Over the year, 114 trades occurred at a face value of roughly \$986.1 million. Comparatively, during 2016, the exchange witnessed 155 trades at a face value of \$1,722.3 million.

## CENTRAL GOVERNMENT YIELD CURVE<sup>18</sup>

**The Central Government yield curve exhibited a downward and flattening trend over 2017 (Figure 5).** Over the year, the short-term 3-month rate inched up marginally, by 1 basis point to 1.21 per cent while the 1-year rate fell by 9 basis points to 2.72 per cent by June 2017, where it remained for the balance of the year. On the longer end, the 10-year rate dipped by 2 basis points to end 2017 at 4.34 per cent, while the 15-year rate fell by 6 basis points to 5.05 per cent. In terms of the Central Government bond index, reflecting the downward movement in the central government yield curve, the Price Index increased by 0.6 per cent, while the Total Return Index improved by 7.0 per cent (Figure 6).

## MUTUAL FUNDS INDUSTRY

**During 2017, growth in the local mutual funds industry improved marginally.** Aggregate funds under management<sup>19</sup> grew by 0.6 per cent to TT\$43.2 billion compared to an increase of 3.7 per cent in the same period one year earlier (Figure 7). Income funds, which represent the largest share of the industry, slipped by 0.2 per cent to \$34.7 billion over the year compared to a 3.0 per cent gain in 2016. Following a 5.4 per cent contraction in 2016, equity funds under management grew by 2.9 per cent to \$5.9 billion during 2017, reflecting the improvement in the domestic stock exchange. Furthermore, funds classified as other, such as money market and high yield funds, expanded by 6.3 per cent to \$2.6 billion over the year. In terms of currency profile, TT dollar funds grew by 0.6 per cent to \$34.2 billion while foreign currency funds gained 0.7 per cent to just under the TT equivalent of \$9.0 billion in 2017. In comparison, during 2016, TT dollar and foreign currency funds grew by 2.4 per cent and 8.8 per cent respectively.

**Over the year, the industry witnessed net sales of \$109.4 million, which comprised of total sales**

<sup>18</sup> The TT Treasury Yield curve was launched in September 2014 by the Central Bank. The curve is based on data from Domestic Market Operations, contributor market reads, and the Stock Exchange Secondary Government bond market. The curve is intended for use as a benchmark for government securities.

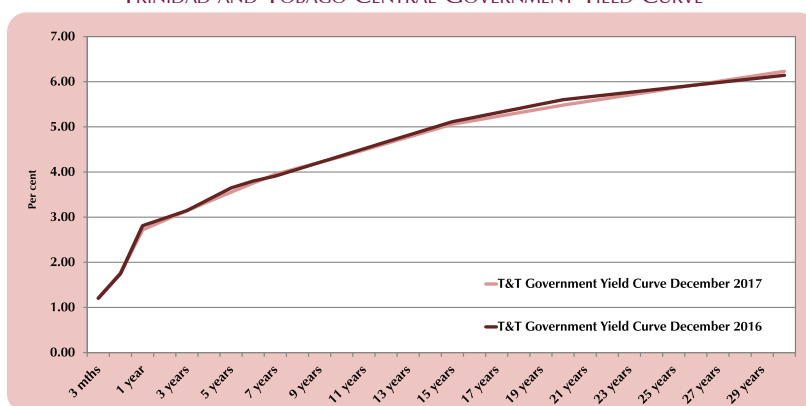
<sup>19</sup> Aggregate funds under management refer to mutual fund information collected by the Central Bank of Trinidad and Tobago, including funds managed by the Trinidad and Tobago Unit Trust Corporation, Royal Bank Trinidad and Tobago, Republic Bank Limited and First Citizens Bank Limited.



of \$14,351.9 million and total redemptions of \$14,242.5 million. In comparison, over the previous year, the industry experienced net sales of \$396.4 million. Over the year, equity funds experienced the largest net sales subscriptions at \$141.3 million while funds classified as other received \$109.7 million in

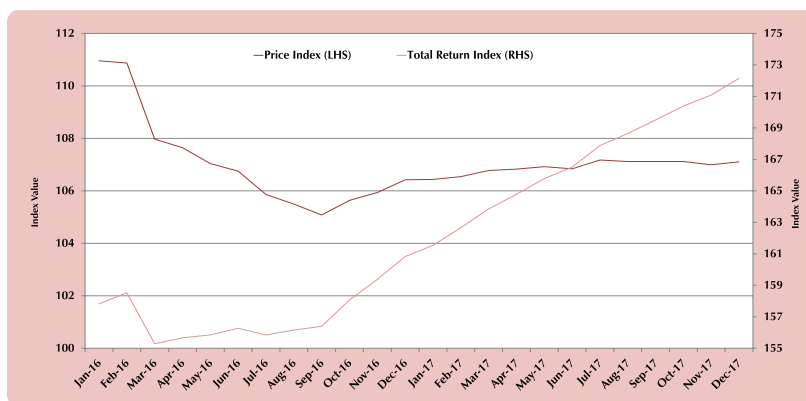
net sales. On the other hand, income funds experienced \$141.5 million in net redemptions. In terms of currency, TT dollar funds posted \$206.6 million in net sales. However, foreign currency funds witnessed \$97.1 million in net redemptions in 2017, as opposed to \$95.4 million in net sales in the previous year.

**FIGURE 5**  
TRINIDAD AND TOBAGO CENTRAL GOVERNMENT YIELD CURVE



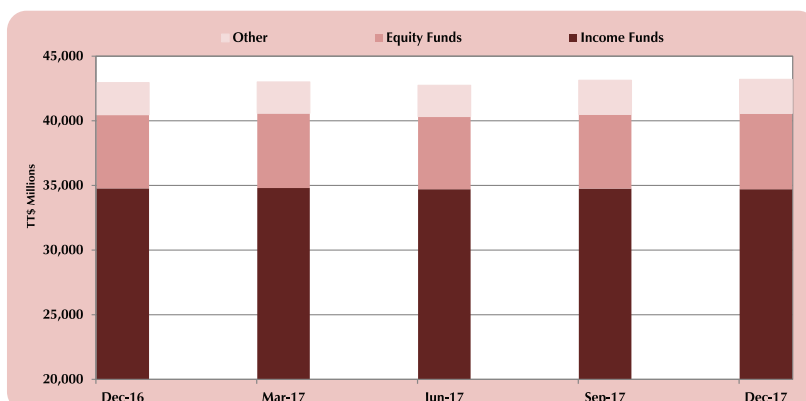
Source: Central Bank of Trinidad and Tobago.

**FIGURE 6**  
TRINIDAD AND TOBAGO CENTRAL GOVERNMENT BOND INDICES



Source: Central Bank of Trinidad and Tobago.

**FIGURE 7**  
MUTUAL FUNDS - AGGREGATE FUND VALUES



Source: Central Bank of Trinidad and Tobago.



## CHAPTER EIGHT

# INTERNATIONAL TRADE AND PAYMENTS

# INTERNATIONAL TRADE AND PAYMENTS<sup>20</sup>

(DATA IN THIS SECTION ARE IN US DOLLARS UNLESS OTHERWISE STATED)

## BALANCE OF PAYMENTS

**Data for the first nine months of 2017 revealed that the external accounts of Trinidad and Tobago recorded a deficit of \$959.2 million (5.8 per cent of GDP).** This represented deterioration from the surplus of \$75.8 million (0.4 per cent of GDP) for the corresponding period of 2016 (Table 14A). Though a current account deficit was recorded for the year to September, it was substantially lower than in the corresponding period of 2016, reflecting the improved performance of the energy sector. Meanwhile, the financial account revealed lower net inflows as domestic investors continued to diversify their portfolio assets through investments in international financial instruments. At the end of September 2017, Trinidad and Tobago's gross official reserves amounted to \$8,506.6 million, equivalent to 9.8 months of prospective imports of goods and non-factor services.

**The reduced deficit on the external current account reflected buoyant activity in energy exports which underpinned a net Goods trading position of \$423.5 million.** During the first nine months of 2017, total exports<sup>21</sup> increased by 20.0 per cent compared with the similar period a year earlier. Energy exports are estimated to have climbed to \$5,595.3 million, \$948.2 million more than the corresponding period of 2016, driven in large part by the strength in crude oil and natural gas prices<sup>22</sup>. Non-energy exports are estimated to have increased by \$267.4 million or 20.0 per cent, to \$1,578.2 million. Meanwhile, total estimated imports were slightly lower (0.4 per cent) as capital imports continued to wane, perhaps influenced by an observed decline in new developmental activity

in the energy sector and a slowdown in the pace of government's infrastructural projects. However, other imports, which include consumer goods imports, rose 39.0 per cent over the months of January to September 2017 compared to the similar period of 2016.

**The deficit on the services account increased by just over 18.0 per cent for the first nine months of 2017, in contrast to the similar period of 2016.** The primary component contributing to the overall services account performance was the deficit in other business services which outweighed the surplus recorded on the travel sub-account. Over the reference period, technical and trade-related business services experienced a larger deficit as the domestic economy increased its imports of these services. Meanwhile, visitors to Trinidad and Tobago increased their expenditure by approximately 4.2 per cent while locals reduced their overseas travel spending by over 50 per cent. Additionally, the transport sub-account recorded an increase in domestic earnings due to higher air passenger fares. Over the first nine months of 2017, the primary income account recorded a deficit in contrast to the previous period's surplus, owing to higher earnings being repatriated by foreign-owned energy companies. The improved surplus registered on the primary income account was primarily reflective of a reduction in private out-bound transfers.

**The current account deficit was only partially offset by net inflows on the financial account.** Over the nine month period of January to September 2017, the financial account registered a net inflow of \$69.0 million, lower than the \$1,580.4 million recorded in the corresponding period of 2016. Over this review

20 The Balance of Payments and International Investment Position of Trinidad and Tobago are now published according to the Balance of Payments and International Investment Manual, Sixth Edition (BPM6) (See Box 3 of the Economic Bulletin, March 2017).

21 Exports data for 2011-2017 are based on estimates by the Central Bank of Trinidad and Tobago using data from direct sources and other statistical methods. For a Technical Note on estimated trade data, refer to Box 3 of the Economic Bulletin, March 2017.

22 See International Commodity Markets Section.

period direct investment in Trinidad and Tobago increased by \$134.1 million due mainly to inflows from inter-company loans and to a lesser extent, the takeover of Trinidad Cement Ltd. by a non-resident enterprise. Direct investment abroad, primarily in the form of reinvested earnings also grew by \$63.2 million over the first nine months of 2017. The primary recipient of direct investment over the first nine months of 2017 was the energy sector, which was followed by the financial sector. Domestic portfolio investors continued to diversify their portfolio assets through increased holdings of foreign equity instruments while commercial banks augmented their portfolio holdings through debt securities. However, portfolio liabilities recorded a decline as foreign investors lowered their holdings of debt securities in Trinidad and Tobago. The Other Investment category recorded a reduced

net inflow as the private sector continued to spread its risk through increased acquisitions of foreign assets, together with an increase in foreign holdings of domestic instruments. Growth in currency and deposits primarily contributed to the uptick in other investment assets while increases in loans, and trade credits and advances held domestically by foreign investors led to the rise in other investment liabilities.

**Trinidad and Tobago's gross official reserves amounted to \$8,369.8 million at the end of December 2017, \$1,096.0 million lower than the level at the end of 2016.** However, gross official reserves remained adequate by international benchmarks and were equivalent to 9.7 months of prospective imports of goods and non-factor services.

TABLE 14A

TRINIDAD AND TOBAGO: SUMMARY BALANCE OF PAYMENTS, 2011-2017  
/ US\$MILLION/

	2011	2012	2013	2014	2015	2016 <sup>p</sup>	Jan-Sep 2016 <sup>p</sup>	Jan-Sep 2017 <sup>p</sup>
<b>Current Account</b>	<b>4,290.2</b>	<b>3,380.5</b>	<b>5,410.3</b>	<b>4,009.4</b>	<b>1,129.1</b>	<b>-2,611.8</b>	<b>-1,579.2</b>	<b>-625.3</b>
<b>Goods and Services</b>	<b>7,143.2</b>	<b>5,581.8</b>	<b>6,949.0</b>	<b>5,752.0</b>	<b>1,409.3</b>	<b>-2,361.7</b>	<b>-1,728.6</b>	<b>-653.0</b>
Goods, net*	7,879.5	6,440.1	7,596.8	6,406.3	2,529.0	-1,128.7	-818.1	423.5
Exports	17,041.3	16,324.7	17,593.1	14,964.5	11,130.5	8,244.7	5,957.8	7,173.5
Energy	14,694.9	13,189.9	14,036.3	12,491.5	8,767.3	6,430.8	4,647.1	5,595.3
Non-energy	2,346.4	3,134.8	3,556.7	2,473.0	2,363.2	1,813.8	1,310.7	1,578.2
Imports	9,161.8	9,884.5	9,996.2	8,558.2	8,601.5	9,373.3	6,776.0	6,750.0
Energy	3,981.9	3,829.8	4,508.6	2,867.7	2,428.4	3,507.6	2,476.8	2,531.9
Non-energy	5,179.9	6,054.8	5,487.7	5,690.5	6,173.1	5,865.7	4,299.2	4,218.0
Services, net	-736.3	-858.3	-647.8	-654.3	-1,119.7	-1,233.0	-910.5	-1,076.5
Primary income, net	-2,876.1	-2,239.9	-1,566.8	-1,725.2	-242.1	-306.1	98.9	-34.0
Secondary income, net	23.0	38.6	28.1	-17.4	-38.1	55.9	50.4	61.7
<b>Capital Account</b>	<b>0.1</b>	<b>-06</b>	<b>1.0</b>	<b>0.3</b>	<b>0.5</b>	<b>2.8</b>	<b>-0.2</b>	<b>0.0</b>
<b>Financial Account</b>	<b>1,109.4</b>	<b>4,108.6</b>	<b>-30.8</b>	<b>124.5</b>	<b>472.9</b>	<b>-1,800.8</b>	<b>-1,580.4</b>	<b>-69.0</b>
<b>Direct investment</b>	<b>26.2</b>	<b>2,093.8</b>	<b>1,192.5</b>	<b>-679.2</b>	<b>-65.6</b>	<b>-176.8</b>	<b>-212.8</b>	<b>-70.9</b>
Net acquisition of financial assets	67.2	189.4	62.5	-17.7	128.3	-193.3	-219.0	63.2
Net incurrence of liabilities	41.0	-1,904.3	-1,130.0	661.5	193.9	-16.5	-6.2	134.1
<b>Portfolio investment</b>	<b>1,165.5</b>	<b>1,587.9</b>	<b>142.6</b>	<b>846.0</b>	<b>803.9</b>	<b>-1,574.3</b>	<b>-1,108.0</b>	<b>164.1</b>
Net acquisition of financial assets	1,090.9	1,130.8	574.1	739.1	677.0	-101.0	-201.3	125.7
Net incurrence of liabilities	-74.5	-457.1	431.5	-107.0	-126.8	1,473.3	906.7	-38.3
<b>Financial derivatives</b>	<b>-1.9</b>	<b>-2.6</b>	<b>4.2</b>	<b>-3.2</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>
Net acquisition of financial assets	-1.9	-2.3	3.9	-1.8	-1.9	0.0	-0.4	1.8
Net incurrence of liabilities	0.0	0.2	-0.2	1.3	-0.9	0.0	-0.4	0.5
<b>Other investment</b>	<b>-80.3</b>	<b>429.5</b>	<b>-1,370.0</b>	<b>-39.2</b>	<b>-264.4</b>	<b>-49.7</b>	<b>-259.6</b>	<b>-163.4</b>
Net acquisition of financial assets	88.5	-271.9	-1,426.9	254.6	-706.8	-142.2	-71.9	451.6
Net incurrence of liabilities	168.8	-701.4	-56.9	293.8	-442.5	-92.5	187.7	615.1
<b>Net errors and omissions</b>	<b>-2,379.3</b>	<b>116.6</b>	<b>-4,636.9</b>	<b>-2,564.0</b>	<b>-2,220.8</b>	<b>341.0</b>	<b>74.9</b>	<b>-402.9</b>
<b>Overall Balance</b>	<b>801.6</b>	<b>-612.2</b>	<b>805.2</b>	<b>1,321.3</b>	<b>-1,564.2</b>	<b>-467.2</b>	<b>75.8</b>	<b>-959.2</b>
Per Cent of GDP								
<b>Current Account</b>	16.8	13.1	20.3	14.7	4.6	-11.7	-9.4	-3.8
Goods, net	30.9	25.0	28.5	23.5	10.3	-5.0	-4.8	2.5
Exports	66.9	63.5	65.9	54.8	45.4	36.8	35.3	43.1
Imports	36.0	38.4	37.5	31.3	35.1	41.8	40.1	40.6
Services, net	-2.9	-3.3	-2.4	-2.4	-4.6	-5.5	-5.4	-6.5
Primary income, net	-11.3	-8.7	-5.9	-6.3	-1.0	-1.4	0.6	-0.2
<b>Overall balance</b>	3.1	-2.4	3.0	4.8	-6.4	-2.1	0.4	-5.8
<b>Memorandum Item:</b>								
Gross Official Reserves**	9,982.8	9,370.7	10,175.9	11,497.1	9,933.0	9,465.8	10,008.8	8,506.6
Import Cover (months)**	13.7	10.6	12.2	12.9	11.2	10.5	11.2	9.8

Source: Central Bank of Trinidad and Tobago.

Note: This table is an analytical presentation of the Balance of Payments and is presented in the accordance with the IMF's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6). Refer to Box 3 of the Economic Bulletin, March 2017 for a Technical Note on the Transition to BPM6.

P Provisional.

\* Energy goods data for 2011-2017 comprise estimates by the Central Bank of Trinidad and Tobago.

\*\* End of Period.

## INTERNATIONAL INVESTMENT POSITION

At the end of September 2017, Trinidad and Tobago's net international investment position totaled \$4,275.4 million (Table 14B), a fall of \$880.1 million since the beginning of the year. The lower net international investment position is representative of a decline in international assets coupled with an increase in international liabilities.

**International assets decreased by 0.5 per cent to \$23,583.8 million primarily due to a reduction in reserve asset holdings.** Despite marginally higher foreign exchange receipts from the energy sector, conditions within the domestic foreign exchange market remained tight, which led to increased interventions by the Central Bank<sup>23</sup>. Consequently, the level of Trinidad and Tobago's net official reserves declined when compared to December 31, 2016. However,

increases in direct investment, portfolio investment and other investment assets partly offset the overall decline in the stock of international investment assets.

**Meanwhile, Trinidad and Tobago's international liabilities reversed its usual downward trend.** The country's international liabilities increased by \$766.4 million to \$19,308.3 million by September 30th 2017, primarily on account of higher other investment liabilities. The increase in other investment liabilities is attributable to higher loans, and trade credits and advances due to non-residents. Moreover, lower negative reinvestment of earnings in the energy sector provided a fillip to overall international liabilities. Over the review period, non-resident portfolio investors reduced their holdings of domestic debt securities, resulting in lower international investment liabilities. However, this reduction was outweighed by the increase in the other investment liabilities category.

TABLE 14B

TRINIDAD AND TOBAGO: INTERNATIONAL INVESTMENT POSITION (END OF PERIOD), 2011-2017  
/ US\$MILLION/

	2011	2012	2013	2014	2015	2016 <sup>P</sup>	Sep - 2017 <sup>P</sup>
<b>Net International Investment Position</b>	<b>-33.9</b>	<b>3,586.7</b>	<b>4,775.1</b>	<b>6,823.5</b>	<b>6,247.1</b>	<b>5,155.6</b>	<b>4,275.4</b>
<b>Assets</b>	<b>22,083.3</b>	<b>22,697.4</b>	<b>23,751.9</b>	<b>26,006.3</b>	<b>24,837.6</b>	<b>23,697.5</b>	<b>23,583.8</b>
Direct investment	426.7	555.2	616.2	599.5	785.0	462.8	483.1
Portfolio investment	5,124.3	6,290.6	7,834.6	8,611.2	9,519.7	9,335.4	9,747.4
Financial derivatives	2.3	0.0	3.9	2.1	0.2	0.2	1.8
Other investment	6,547.2	6,480.9	5,121.2	5,296.3	4,599.7	4,433.3	4,844.8
Reserve assets	9,982.8	9,370.7	10,175.9	11,497.1	9,933.0	9,465.8	8,506.6
<b>Liabilities</b>	<b>22,117.2</b>	<b>19,110.7</b>	<b>18,976.8</b>	<b>19,182.8</b>	<b>18,590.5</b>	<b>18,541.9</b>	<b>19,308.3</b>
<b>Direct investment</b>	<b>12,816.4</b>	<b>11,015.0</b>	<b>10,448.2</b>	<b>10,415.1</b>	<b>10,084.6</b>	<b>8,919.8</b>	<b>9,157.0</b>
PORTFOLIO INVESTMENT	2,987.3	2,673.8	3,086.5	2,992.9	2,885.9	4,339.3	4,303.3
FINANCIAL DERIVATIVES	0.0	0.0	0.0	0.0	0.6	1.9	1.6
<b>Other investment</b>	<b>6,313.5</b>	<b>5,421.9</b>	<b>5,442.1</b>	<b>5,774.7</b>	<b>5,619.5</b>	<b>5,280.9</b>	<b>5,846.4</b>

Source: Central Bank of Trinidad and Tobago.

P Provisional.

23 See Chapter 6.

## COMPETITIVENESS

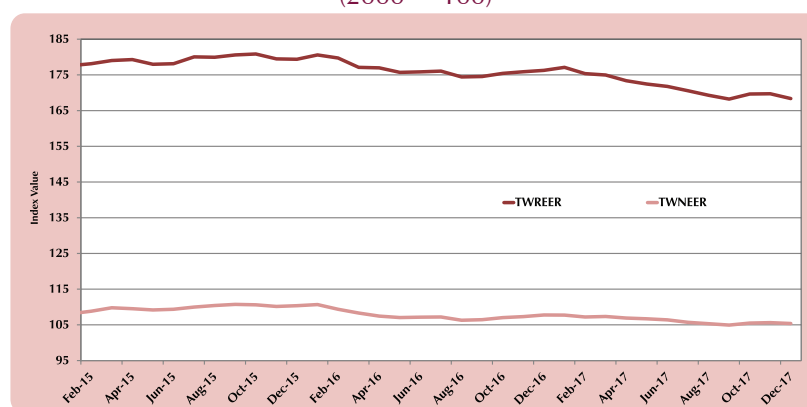
**Trinidad and Tobago's international price competitiveness, as measured by the trade weighted real effective exchange rate (TWREER)<sup>24</sup>, improved by 2.7 per cent in 2017.** This increase in competitiveness was due to a depreciation of the domestic currency, which outweighed the increase in domestic prices when compared to Trinidad and Tobago's major trading partners. Domestic inflation increased by 1.9 per cent (year-on-year) in the twelve month period, higher than the average inflation rate of 0.2 per cent for Trinidad and Tobago's major trading partners. Meanwhile, the Trinidad and Tobago dollar depreciated marginally by 1.7 per cent (year-on-year) compared with the average appreciation of 0.1 per cent in the exchange rates of the major import and export markets. The depreciation in the Trinidad and Tobago dollar in real effective terms would have contributed to the country's exports being more competitive on the international market (Figure 8).

**Apart from movements in the exchange rate and consumer prices, institutional factors can also reflect a country's degree of competitiveness.** Ac-

ording to the Global Competitiveness Report (GCR)<sup>25</sup> 2017-2018, Trinidad and Tobago's competitiveness ranking improved. Trinidad and Tobago is now ranked at number 83 out of 137 countries, one of the better rankings in recent years (Table 15). This compares to a rank of 94 out of 138 countries in the previous year's report. This was brought about by an increase in Trinidad and Tobago's overall competitiveness score to 4.1 out of 7.0 in 2017-2018, following a position of 3.9 one year earlier.

**The improvement in ranking is attributable to two main factors. Firstly, Trinidad and Tobago's GDP per capita declined over the review period when compared to the previous year and as a result the domestic economy is classified as an efficiency-driven economy<sup>26</sup>.** Secondly, Trinidad and Tobago's competitiveness also improved owing to an increase in enrollment of tertiary education. Additionally, the domestic economy experienced the most significant improvement in the sub-index of Efficiency Enhancers, which focuses on aspects of market efficiency, financial market development, technological advancement, and education and training.

**FIGURE 8**  
TRADE WEIGHTED REAL AND NOMINAL EFFECTIVE EXCHANGE RATE INDICES  
(2000 = 100)



Source: Central Bank of Trinidad and Tobago.

24 The TWREER reflects the weighted average of a country's currency relative to a basket of other major currencies, also known as the trade weighted-nominal effective exchange rate (TWNEER), and adjusted for the effects of inflation.

25 The Global Competitiveness Report, produced annually by the World Economic Forum, uses a Global Competitiveness Index (GCI) to rank countries based on their level of competitiveness. The index is based on twelve pillars which are broadly categorized into three themes: basic requirements, efficiency enhancers, and innovation and sophistication factors.

26 The Global Competitiveness Index contains three stages of country development based on GDP per capita; Factor-driven stage (Less than US\$2,000), Efficiency-driven stage (US\$3,000-US\$8,999), and Innovation-driven stage (More than US\$17,000).

TABLE 15

GLOBAL COMPETITIVENESS INDEX, 2017 - 2018

SUB-INDEX/PILLAR	RANK*	SCORE
<b>Basic Requirements</b>	<b>83</b>	<b>4.4</b>
1. Institutions	97	3.5
2. Infrastructure	59	4.3
3. Macroeconomic environment	112	3.8
4. Health and primary education	60	5.9
<b>Efficiency Enhancers</b>	<b>63</b>	<b>4.2</b>
5. Higher education and training	33	5.1
6. Goods market efficiency	95	4.1
7. Labour market efficiency	85	4.0
8. Financial market and development	51	4.2
9. Technological readiness	49	4.9
10. Market size	94	3.2
<b>Innovation and sophistication factors</b>	<b>80</b>	<b>3.5</b>
11. Business sophistication	65	4.1
12. Innovation	102	3.0
Overall Rank and Score: 2017-2018 (out of 137)	83	4.1
Overall Rank and Score: 2016-2017 (out of 138)	94	3.9
Overall Rank and Score: 2015-2016 (out of 140)	89	3.9
Overall Rank and Score: 2014-2015 (out of 144)	89	4.0

Source: World Economic Forum, Global Competitiveness Report, 2017-2018.

\* Trinidad and Tobago compared to all 137 countries in the Report.





## CHAPTER NINE

# INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

## INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

### INTERNATIONAL ECONOMIC DEVELOPMENTS

**The global economy gained further momentum in 2017, aided by a rebound in investment and trade, rising consumer and business confidence, favourable financing conditions along with firming commodity prices.** The International Monetary Fund (IMF) in its January 2018 World Economic Outlook (WEO) update estimated global growth of 3.7 per cent in 2017 up from 3.2 per cent one year earlier. Meanwhile monetary policy remained broadly accommodative, although a few central banks in advanced economies (AEs) have begun to normalize their unconventional monetary policies. Inflationary pressures were contained in 2017 while unemployment rates fell to record lows in AEs.

### ADVANCED ECONOMIES

**Driven by strong consumer and business spending, the US economy expanded by 2.3 per cent (year-on-year) in 2017, an acceleration from the 1.5 per cent recorded in 2016 (Table 16).** Against the backdrop of strong labour market conditions and solid economic growth, the US Federal Reserve continued to normalize monetary policy in 2017, raising interest rates on three separate occasions by a cumulative 0.75 per cent to 1.25-1.50 per cent in December 2017 and reducing its holdings of treasury and agency securities beginning in October 2017. Nevertheless, inflation has remained below the Personal Consumption Expenditure (PCE) target rate of 2.0 per cent, reaching 1.7 per cent by the end of 2017.

**In contrast, the uncertainty that surrounds Brexit continued to weigh on the UK's economy.** The pace of economic activity slowed to 1.7 per cent in 2017, the lowest since 2012 primarily due to the slowdown

in domestic demand. Meanwhile, in line with market expectations, the Bank of England (BoE) increased its official policy rate by 0.25 per cent to 0.50 per cent in November 2017. This was the first increase in a decade as inflation soared to 3.1 per cent in November 2017, reflective of the effects of import prices following the depreciation of the sterling. Despite the slowdown in economic activity, the unemployment rate fell to a forty-two year low of 4.3 per cent in July 2017 where it remained through to November 2017. The BoE suggested that this low level of unemployment is due to the strength in companies' labour demand growth and a desire to hold on to existing workers, especially in light of subdued wage pressures.

**The Euro area continued on its robust growth momentum in 2017 as real GDP expanded by 2.4 per cent.** This was the fastest rate of growth since 2007 and was driven by private consumption, investment and exports. The European Central Bank (ECB) continued its accommodative monetary policy stance and left its key interest rate unchanged throughout 2017 at 0.0 per cent. The ECB indicated that ample monetary stimulus is needed to build inflationary pressures and move headline inflation closer to the target of 2.0 per cent. Labour market conditions strengthened as the unemployment rate fell to 8.7 per cent in December 2017, the lowest jobless rate since 2009.

**The Japanese economy grew by 1.8 per cent (year-on-year) in 2017, underpinned by strong exports and increased business spending.** The Bank of Japan (BOJ) continued its Quantitative and Qualitative Monetary Easing (QQE) framework aimed at achieving a price stability target of 2.0 per cent. Despite keeping its key interest rate negative (-0.1 per cent), inflation remained well below the BOJ's target. Meanwhile, unemployment measured 2.8 per cent in December 2017.

TABLE 16

ADVANCED ECONOMIES – REAL GDP GROWTH, 2012 - 2019  
/PER CENT/

COUNTRY	2012	2013	2014	2015	2016	2017 <sup>e</sup>	2018 <sup>f</sup>	2019 <sup>f</sup>
United States	2.2	1.7	2.6	2.9	1.5	2.3	2.7	2.5
United Kingdom	1.3	1.9	3.1	2.2	1.9	1.7	1.5	1.5
Euro Area	-0.9	-0.2	1.3	2.0	1.8	2.4	2.2	2.0
Japan	1.5	2.0	0.3	1.1	0.9	1.8	1.2	0.9

Sources: International Monetary Fund World Economic Outlook (October 2017 and January 2018).

e Estimate.

f Forecast.

## EMERGING MARKET AND DEVELOPING ECONOMIES

**India's growth momentum slowed in 2017 as consumption and investment were negatively impacted by the currency withdrawal initiative which occurred in November 2016 as well as the introduction of the Goods and Services Tax in July 2017 (Table 17).** Real GDP grew by 6.7 per cent (year-on-year) in 2017. The Reserve Bank of India (RBI) shifted to a neutral monetary policy stance in February 2017, which is consistent with the objective of achieving a medium-term target for consumer price index (CPI) inflation of 4.0 per cent within a band of +/- 2.0 per cent, while supporting growth. The RBI reduced its interest rate in August 2017 against the backdrop of muted inflationary pressures.

**China's growth remained firm in 2017 on account of continued fiscal support, supply side-reforms and a stronger than expected recovery in exports.** The Chinese economy grew by 6.8 per cent in 2017

up from 6.7 per cent in 2016. The People's Bank of China continued its neutral policy stance and kept its key policy rate unchanged at 4.35 per cent in 2017. Consumer prices decelerated to 1.8 per cent by December 2017 from 2.5 per cent in January 2017.

**The Russian and Brazilian economies continued to improve in 2017.** Real GDP expanded in Russia and Brazil by 1.8 per cent and 1.1 per cent respectively, in 2017. Economic activity in Russia and Brazil were bolstered by higher commodity prices and a recovery in domestic demand attributable to easing financial conditions. Meanwhile, with inflation under control, the central banks of Russia<sup>27</sup> and Brazil<sup>28</sup> continued to cut their key interest rates. The Central Bank of Russia reduced its benchmark interest rate cumulatively by 2.25 per cent to 7.75 per cent in December 2017 while the Central Bank of Brazil reduced the SELIC to 7.00 per cent in December 2017 from 13.00 per cent in January 2017.

27 Central Bank of Russia's inflation target is set at 4.0 per cent.

28 The Central Bank of Brazil set an inflation target within a band 4.5 per cent +/- 1.5 per cent.

TABLE 17

EMERGING ECONOMIES – REAL GDP GROWTH, 2012 - 2019  
/PER CENT/

COUNTRY	2012	2013	2014	2015	2016	2017 <sup>e</sup>	2018 <sup>f</sup>	2019 <sup>f</sup>
China	7.9	7.8	7.3	6.9	6.7	6.8	6.6	6.4
India	5.5	6.4	7.5	8.0	7.1	6.7	7.4	7.8
Russia	3.7	1.8	0.7	-2.8	-0.2	1.8	1.7	1.5
Brazil	1.9	3.0	0.5	-3.8	-3.5	1.1	1.9	2.1

Sources: International Monetary Fund World Economic Outlook (October 2017 and January 2018)

f Forecast.  
e Estimate.

## REGIONAL ECONOMIC DEVELOPMENTS

**Economic growth in the Latin American and Caribbean (LAC) region slowly recovered amidst the increased momentum in global growth and the modest increases in commodity prices in 2017.** According to the IMF's January 2018 WEO update, real GDP growth for the LAC region expanded by 1.3 per cent in 2017 following a contraction of 0.7 per cent in 2016 despite the mixed economic outturns across individual countries. Whilst Venezuela's economic activity contracted due to economic and political instability, the upturn in private consumption and exports contributed to positive growth rates in other Latin American economies. Meanwhile, in the Caribbean, real GDP growth for the Eastern Caribbean countries was weaker than anticipated, due to the adverse effects of hurricanes in September 2017<sup>29</sup>. Economic recovery in the region is anticipated to strengthen by 1.9 per cent in 2018, supported by increased economic growth in the US following the recent tax reform and increased commodity prices.

### Economic activity in Barbados eased to 1.0 per cent

**in 2017 from 1.6 per cent in 2016, primarily on account of increased fiscal consolidation efforts, the slowdown in tourism activity in the second half of 2017 and delayed implementation of foreign-funded investment projects.** The tightened fiscal policies by the government through increases in the National Social Responsibility Levy (NSRL)<sup>30</sup> and excise taxes in July 2017 were the main contributors to increased inflation rates. The 12-month average inflation rate increased to 4.0 per cent in September 2017 from 1.5 per cent over a similar period one year earlier. The Central Bank of Barbados also tightened its monetary policy in 2017 in an effort to reduce the high excess liquidity in the system. The external position deteriorated by the end of 2017 despite a marginal improvement in the current account deficit. In December 2017, international reserves registered BDS\$ 410.0 million (US\$205.0 million) equivalent to 6.6 weeks of import cover, down from BDS\$ 683.6 million (US\$ 341.8 million) or 10.5 weeks of import cover at the end of 2016. Guyana's economy grew 3.5 per cent in 2017 after growth of 3.3 per cent in 2016. This was reflective of favorable performances in key sectors (agriculture, manufacturing, services and mining) and positive senti-

29 Preliminary data by the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) estimated the damage and loss from the hurricanes Irma and Maria in September 2017, the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC) made several payouts to adversely affected governments under their tropical cyclone insurance policies; Antigua and Barbuda (US\$ 6.8 million); Anguilla (US\$ 6.5million); Dominica (US\$19.0 million); St. Kitts and Nevis (US\$ 2.3 million); Turks and Caicos Islands (US\$ 13.6 million).

30 The National Social Responsibility Levy (NSRL) is a tax imposed on goods imported into Barbados and on domestically manufactured goods first introduced in September 2016 aimed to finance the burgeoning cost of health care on the island and to assist with maintaining a clean environment. The NSRL increased to 10.0 per cent in 2017 from 2.0 per cent in 2016.

ment ahead of the expected start of oil production in 2020. Despite a reduction in Value Added Taxes (VAT) to 14.0 per cent from 16.0 per cent in February 2017, Guyana's inflation rate increased marginally to 1.5 per cent (year-on-year) in December 2017 from 1.4 per cent in December 2016. The increase was attributed to the government's simultaneous implementation of a 14.0 per cent VAT on utilities. Meanwhile, monetary policy remained accommodative as a means of supporting the domestic economy. Although Guyana's current account moved from a positive position in 2016 to negative in 2017 given increased importation of intermediate and consumption goods, the stock of net international reserves remained relatively stable over 2017 at approximately US\$585.0 million.

**The Jamaican economy grew 1.7 per cent in 2017, up from 1.3 per cent in 2016.** The government's strong commitment to fiscal consolidation under the three-year Stand-By Arrangement (SBA) with the IMF supported the Bank of Jamaica's (BoJ) accommodative monetary policy stance in 2017. In July 2017, the BoJ changed its key monetary policy instrument to the overnight policy interest rate from the 30-day certificate of deposit in order to strengthen the relationship between the policy rate and market interest rates. Despite the acceleration in Jamaica's inflation rate, resulting from tighter fiscal policy measures such as the increase in the motor vehicles licenses and fees and Special Consumption Tax (SCT) levied on fuel, tobacco and alcohol, the inflation rate remained anchored within its inflation target range of 4.0-6.0 per cent in 2017. Jamaica's unemployment rate improved to 10.4 per cent in October 2017, down from 12.7 per cent at the beginning of the year.

**Real GDP growth in Suriname contracted by 1.2 per cent in 2017, compared to a larger contraction of 10.5 per cent one year earlier (Table 18).** According

to the IMF Regional Economic Outlook October 2017, Suriname's economy is projected to emerge from its recession and return to positive economic growth in 2018. The inflation rate decelerated to 9.2 per cent (year-on-year) in December 2017 from 52.4 per cent (year-on-year) in December 2016. The economy's external position improved by end-2017 with a reversal in the current account balance to a surplus of 9.4 per cent of GDP from a deficit of 2.8 per cent of GDP in 2016. This is reflective of reduced import demand on account of currency depreciation<sup>31</sup>. The country's net international reserves also improved 11.4 per cent to US\$ 424.4 million at the end of 2017.

**Despite the ongoing economic and political turbulence in Venezuela, the government reaffirmed its commitment to maintaining the PetroCaribe agreement in 2017.** However, toward the end of the third quarter of 2017, the Government of Belize suspended its purchase of oil under the PetroCaribe programme owing to inconsistent supply of oil products. The financial instability of the Venezuelan state oil company, *Petróleos de Venezuela, S.A. (PDVSA)* worsened in 2017 as tensions between the US and Venezuela rose with President Trump's imposition of financial sanctions on PDVSA, increasing the possibility of a debt default. The sanctions prohibit US financial institutions from providing new financing to Venezuela or to PDVSA, as well as restrict PDVSA's US subsidiary Citgo from sending dividends to Venezuela. The cash-strapped company's inability to refinance its heavy debt burden has prompted the company to invoke a 30-day grace period on four bonds in November 2017 as they struggled to make timely interest payments. Notwithstanding PDVSA's cash flow problems, Venezuela forgave Dominica's outstanding US\$ 100.0 million PetroCaribe debt in November 2017 in the wake of Hurricane Maria.

31 Suriname's exchange rate depreciated by 8.67 per cent to SRD 7.49 per USD in 2017 from SRD 6.89 per USD in 2016.

TABLE 18

## REAL GDP GROWTH - SELECTED LAC, 2012 - 2019

/PER CENT/

COUNTRY	2012	2013	2014	2015	2016 <sup>e</sup>	2017	2018 <sup>f</sup>	2019 <sup>f</sup>
The Bahamas	3.1	0.0	-0.5	-1.7	-0.3	1.8	2.5	2.2
Barbados	0.3	-0.1	0.1	0.9	1.6	0.9	0.5	0.8
Belize	3.7	0.7	4.1	2.9	-0.8	2.5	2.3	1.7
Chile	5.3	4.0	1.9	2.3	1.6	1.4	2.5	2.7
Colombia	4.0	4.9	4.4	3.1	2.0	1.7	2.8	3.6
Eastern Caribbean Currency Union	0.4	1.7	3.1	2.8	2.6	2.6	2.8	n.a
Guyana	4.8	5.2	3.8	3.1	3.3	3.5	3.6	3.7
Haiti	2.9	4.2	2.8	1.2	1.4	1.0	3.0	3.0
Jamaica	-0.5	0.2	0.5	0.9	1.3	1.7	2.3	2.7
Mexico	4.0	1.4	2.3	2.7	2.3	2.1	1.9	2.3
Suriname	2.7	2.9	0.4	-2.7	-10.5	-1.2	1.2	1.9

Sources: International Monetary Fund, World Economic Outlook Database (October 2017) and Regional Economic Outlook, Western Hemisphere (October 2017)

e Estimate.

f Forecast.

TABLE 19

## EXTERNAL CURRENT ACCOUNT TO GDP - SELECTED LAC, 2012 - 2017

/PER CENT/

COUNTRY	2012	2013	2014	2015	2016	2017
The Bahamas	-17.1	-16.9	-21.9	-13.6	-12.9	-17.8
Barbados	-9.0	-8.9	-9.9	-6.5	-4.6	-3.3
Belize	-1.2	-4.6	-7.5	-9.9	-9.4	-8.0
Guyana	-11.6	-13.3	-9.6	-5.7	0.4	-2.0
Haiti	-5.7	-6.6	-8.5	-3.1	-0.9	-1.1
Jamaica	-11.1	-9.2	-7.5	-3.2	-2.2	-2.7
St. Kitts and Nevis	-7.6	-11.1	-4.9	-9.7	-11.4	-12.8
St. Lucia	-12.2	-9.8	3.3	6.8	-1.9	-0.5
St. Vincent and the Grenadines	-27.6	-30.9	-25.7	-14.9	-15.8	-14.7
Suriname	3.3	-3.8	-7.9	-16.4	-2.8	9.4

Sources: International Monetary Fund, World Economic Outlook Database (October 2017).



## CHAPTER TEN

# INTERNATIONAL COMMODITY MARKETS

## INTERNATIONAL COMMODITY MARKETS

**Sizable increases in natural gas, crude oil and methanol prices drove Trinidad and Tobago's Energy Commodity Price Index (ECPI)<sup>32</sup> (January 2007=100) in 2017.** Moreover, all ten commodities included in the index recorded growth in 2017. Overall, the index increased to an average of 83.5 in 2017 from 67.8 in 2016.

**Global natural gas markets were characterized by strong demand in 2017, led in the main by China.**

In 2017 China overtook South Korea to become the second largest LNG importer. China's LNG imports increased 46 per cent in 2017 to reach 5 billion cubic feet per day (bcf/d), spurred in part by environmental policies designed to reduce air pollution. Given this increase in demand, global natural gas prices have moved up considerably in 2017. Henry Hub natural gas prices averaged US\$3.0 per mmbtu in 2017, up 18.9 per cent from the price in 2016.

**Restricted crude oil output by some of the world's major players helped to drive crude oil prices in 2017.** A production cut agreement between OPEC

and several non-OPEC countries in late 2016 resulted in a narrowing of global crude oil inventories and exerted upward pressure on crude oil markets in 2017. During the year, the average WTI crude oil price increased 17.9 per cent to US\$50.9 per barrel while the BRENT price jumped 23.0 per cent to US\$54.9 per barrel. Growth in these benchmark crudes also facilitated growth in several crude oil products included in the ECPI such as gas oil, motor gasoline and jet fuel.

**Strong demand, especially from China, drove methanol prices in 2017.**

Chinese methanol demand was grounded in healthy prices for methanol derivative products such as ethylene and propylene, as producers took advantage of the increased profitability in these industries. In addition, methanol prices were also supported by supply restrictions in Trinidad and Tobago during the year. These together saw the methanol price increase 46.7 per cent in 2017 to an average of US\$399.1 per tonne.

<sup>32</sup> The Energy Commodity Price Index (ECPI) is a summary measure of the price movements of Trinidad and Tobago's top ten energy-based commodity exports. Developed in a collaborative effort between the Energy Chamber and the Central Bank, the series is based on export values in 2007 and complements other available price indicators, including of individual commodities and sectoral export price indices prepared by the Central Statistical Office. For further details on the computation of the Energy Commodity Prices Index (ECPI), see Finch, K. and Cox, D. 2010. The Energy Commodity Price Index. *Central Bank of Trinidad and Tobago, Economic Bulletin, Volume XII No. 2. pp.84.*





## APPENDIX ONE

# ECONOMIC STATISTICS

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## TABLES A.1 - A.36

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p - provisional

r - revised

re - revised estimates

n.a. - not available

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TABLE A.1

REAL GDP GROWTH<sup>1</sup>  
BY SECTOR OF ORIGIN, 2013-2017  
/PER CENT/

Sector	2013	2014	2015	2016	2017 <sup>p</sup>
Agriculture, forestry and fishing	-2.1	-3.2	20.7	-15.1	-2.8
Mining and quarrying	2.0	-0.9	-3.2	-13.2	-2.2
Manufacturing	1.5	-2.6	-1.9	-5.5	-3.2
Electricity, gas, steam and air conditioning supply	1.0	-2.1	-4.4	-12.1	-4.2
Water supply; sewerage, waste management and remediation activities	-3.2	-5.3	1.4	1.6	1.5
Construction	7.5	2.0	-1.6	-5.2	-4.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	-8.0	-0.5	1.9	-7.4	-9.4
Transportation and storage	6.6	3.7	-1.7	-3.9	7.0
Accommodation and food service activities	1.8	0.7	1.1	-2.2	-3.2
Information and communication	2.1	1.0	2.6	-0.2	-2.9
Financial and insurance activities	11.6	9.3	10.8	7.6	4.0
Real estate activities	0.5	0.3	0.5	0.5	0.4
Professional, scientific and technical activities	14.1	2.7	-14.3	-2.6	22.2
Administrative and support service activities	26.6	-12.4	36.4	-2.6	-2.3
Public administration and defence; compulsory social security	1.2	3.7	1.3	1.1	0.8
Education	2.0	2.0	1.9	4.9	3.1
Human health and social work activities	0.4	0.4	0.3	0.3	0.3
Arts, entertainment and recreation	0.4	0.3	0.3	0.3	0.3
Other service activities	0.6	1.1	0.0	0.7	-1.4
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	1.4	1.3	1.2	1.3	1.2
FISIM <sup>2</sup>	5.0	-0.6	2.2	0.3	-1.5
GDP at Basic Prices	1.5	0.1	0.6	-5.4	-2.1
Taxes less subsidies on products	-11.1	-8.8	28.0	-20.2	-10.0
<b>GDP at Purchasers Prices/Market Prices</b>	<b>1.0</b>	<b>-0.3</b>	<b>1.5</b>	<b>-6.0</b>	<b>-2.3</b>

Source: Central Statistical Office.

- 1 In 2017, the CSO changed the base year to 2012 and the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4).
- 2 Financial Intermediation Services Indirectly Measured.

TABLE A.2

GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES<sup>1</sup>  
BY SECTOR OF ORIGIN, 2013-2017

SECTOR	2013	2014	2015	2016	2017 <sup>P</sup>
Agriculture, forestry and fishing	637	608	695	740	715
Mining and quarrying	39,208	37,873	20,985	13,389	16,053
Manufacturing	26,799	28,507	22,620	25,359	26,900
Electricity, gas, steam and air conditioning supply	5,161	4,809	2,408	2,094	2,664
Water supply; sewerage, waste management and remediation activities	1,639	1,877	1,707	2,501	2,691
Construction	9,344	9,778	9,919	9,354	8,942
Wholesale and retail trade; repair of motor vehicles and motorcycles	35,198	37,287	36,712	34,433	29,043
Transportation and storage	6,157	5,734	6,044	6,858	7,219
Accommodation and food service activities	2,102	2,080	2,045	2,080	2,078
Information and communication	4,041	4,429	4,371	4,713	4,801
Financial and insurance activities	10,523	10,490	10,387	10,984	11,701
Real estate activities	3,039	3,048	3,084	3,130	3,176
Professional, scientific and technical activities	2,897	3,040	3,072	3,024	3,740
Administrative and support service activities	4,338	3,898	6,072	5,978	5,910
Public administration and defence; compulsory social security	11,691	12,609	14,162	14,421	15,049
Education	3,687	3,629	4,494	4,140	4,183
Human health and social work activities	541	539	547	549	553
Arts, entertainment and recreation	468	494	559	523	431
Other service activities	717	748	828	942	1,066
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	312	331	377	430	333
FISIM <sup>2</sup>	-3,361	-3,359	-3,344	-3,381	-3,536
GDP at Basic Prices	165,134	168,448	147,744	142,259	143,711
Taxes less subsidies on products	6,100	5,879	7,880	6,486	5,973
<b>GDP at Purchasers Prices/Market Prices</b>	<b>171,235</b>	<b>174,327</b>	<b>155,625</b>	<b>148,745</b>	<b>149,685</b>

Source: Central Statistical Office.

- 1 In 2017, the CSO changed the base year to 2012 and the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC, Rev 4).
- 2 Financial Intermediation Services Indirectly Measured.

TABLE A.3

SECTORAL COMPOSITION OF G.D.P.<sup>1</sup>  
AT CURRENT MARKET PRICES, 2013-2017  
/PER CENT/

SECTOR	2013	2014	2015	2016	2017 <sup>P</sup>
Agriculture, forestry and fishing	0.4	0.3	0.4	0.5	0.5
Mining and quarrying	22.9	21.7	13.5	9.0	10.7
Manufacturing	15.7	16.4	14.5	17.0	18.0
Electricity, gas, steam and air conditioning supply	3.0	2.8	1.5	1.4	1.8
Water supply; sewerage, waste management and remediation activities	1.0	1.1	1.1	1.7	1.8
Construction	5.5	5.6	6.4	6.3	6.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	20.6	21.4	23.6	23.1	19.4
Transportation and storage	3.6	3.3	3.9	4.6	4.8
Accommodation and food service activities	1.2	1.2	1.3	1.4	1.4
Information and communication	2.4	2.5	2.8	3.2	3.2
Financial and insurance activities	6.1	6.0	6.7	7.4	7.8
Real estate activities	1.8	1.7	2.0	2.1	2.1
Professional, scientific and technical activities	1.7	1.7	2.0	2.0	2.5
Administrative and support service activities	2.5	2.2	3.9	4.0	3.9
Public administration and defence; compulsory social security	6.8	7.2	9.1	9.7	10.1
Education	2.2	2.1	2.9	2.8	2.8
Human health and social work activities	0.3	0.3	0.4	0.4	0.4
Arts, entertainment and recreation	0.3	0.3	0.4	0.4	0.3
Other service activities	0.4	0.4	0.5	0.6	0.7
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	0.2	0.2	0.2	0.3	0.2

Source: Central Statistical Office.

1 In 2017, the CSO changed the base year to 2012 and the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC, Rev 4).

TABLE A.4  
MAJOR AGRICULTURAL COMMODITIES, 2013-2017

PRODUCTS	2013	2014	2015	2016	2017
<b>VEGETABLES (000 kgs)</b>					
Tomato	1,501	1,416	2,698	2,223	1,982*
Cabbage	336	344	594	434	407*
Cucumber	1,217	1,185	1,173	1,102	505*
Dasheen	3,427	4,060	1,917	2,396	2,236*
Rice	2,859	2,914	2,721	1,823	1,619
Pigeon Peas	770	2,057	1,687	858	2,022*
Pumpkin	2,751	2,130	3,279	3,032	1,296*
Melongene	1,113	1,165	906	1,713	772*
<b>MEAT SUPPLY (000 kgs)</b>					
<b>Beef and Veal</b>					
Production	308	326	287	285	189**
Imports	n.a	n.a	n.a	n.a	n.a
<b>Pork</b>					
Production	2,666	2,619	1,778	1,910	1,370**
Imports	n.a	n.a	n.a	n.a	n.a
<b>Mutton</b>					
Production	197	74	77	60	83***
Imports	n.a	n.a	n.a	n.a	n.a
<b>Broilers (000 birds): Production</b>	26,392	33,750	32,161	31,708	16,272***
<b>Table Eggs (000 doz): Production</b>	5,361	5,583	4,800	5,384	3,028***
<b>Milk (000 litres): Production</b>	4,127	3,942	3,731	2,324	982***
<b>COCOA (000 kgs)</b>					
Production	294	328	169 ^	n.a	n.a
Exports	n.a	n.a	n.a	n.a	n.a
Local Sales	n.a	n.a	n.a	n.a	n.a
<b>COFFEE (000 kgs)</b>					
Production	1	2	0	n.a	n.a
Exports	n.a	n.a	n.a	n.a	n.a
Local Sales	n.a	n.a	n.a	n.a	n.a
<b>CITRUS (000 kgs)</b>					
Production	n.a.	n.a	n.a	n.a	n.a
Exports	n.a.	n.a	n.a	n.a	n.a

Source: Central Statistical Office.

^ Data for the period January to March 2015.

\* Data for the period January to August 2017.

\*\* Data for the period January to September 2017.

\*\*\* Data for the period January to June 2017.

TABLE A.5

PRODUCTION AND UTILIZATION OF CRUDE OIL AND  
RELATED PRODUCTS AND PETROCHEMICALS, 2013-2017

COMMODITY GROUP	2013	2014	2015	2016	2017
<b>CRUDE OIL</b>					
<b>Exploration (meters)</b>					
Depth Drilled	108,400	110,711	147,076	108,886	121,396
<b>Production (000 barrels)</b>					
Crude Oil and Condensates	29,617	29,659	28,710	26,164	26,216
<i>Of which: Condensates</i>	4,882	5,357	5,051	4,171	4,604
Daily Average (b/d)	81,140	81,251	78,697	71,504	71,853
<b>Imports (000 barrels)</b>					
Crude Oil Imports	29,092	20,694	28,622	37,014	32,240
<i>Of which: u.p.a.</i>	238	211	125	0	0
<b>Refining (000 barrels)</b>					
Refinery Throughput	48,178	38,212	45,766	54,257	47,720
Refinery Output	46,737	36,780	44,213	52,717	46,344
Capacity Utilization (%) <sup>1</sup>	79	62	75	88	78
<b>Exports (000 barrels)</b>					
Crude Oil Exports	12,469	11,900	11,319	10,292	9,972
Petroleum Products	37,176	29,084	34,204	44,207	36,958
<b>Natural Gas (Mn cubic feet/day)</b>					
Production	4,144	4,069	3,833	3,327	3,366
Utilization <sup>2</sup>	3,854	3,787	3,578	3,104	3,172
<i>Of which: Petrochemicals</i>	1,111	1,098	1,114	1,022	1,048
<i>Electricity Generation</i>	304	301	295	271	252
<i>LNG</i>	2,214	2,178	1,967	1,650	1,722
<b>Natural Gas Liquids (000 barrels)</b>					
Production	12,573	11,992	10,993	9,214	9,806
Exports	12,724	10,805	10,182	7,996	8,541
Local Sales	443	763	937	1,085	1,152
Stock Change	-594	423	-126	133	113
<b>Fertilizers (000 tonnes)</b>					
Production	5,129	5,172	5,453	5,422	5,173*
Exports	4,704	4,769	4,946	5,150	4,723*
Local Sales	5	4	5	6	5*
Stock Change	421	399	501	266	446*
<b>Methanol (000 tonnes)</b>					
Production	5,633	5,481	5,516	4,655	4,975
Exports	5,714	5,525	5,479	4,637	4,962
Local Sales	7	6	6	7	6**
Stock Change	-88	-50	31	11	-86**

Sources: Ministry of Energy and Energy Industries and the Central Bank of Trinidad and Tobago.

<sup>1</sup> Refinery capacity is estimated at 168,000 barrels per day.<sup>2</sup> Utilization refers to gas sales and does not include natural gas used in own consumption.

\* For the period January to November 2017.

\*\* For the period January to October 2017.



TABLE A.6

## PRODUCTION OF IRON AND STEEL PRODUCTS AND CEMENT, 2013-2017

PRODUCTS	2013	2014	2015	2016	2017
<b>STEEL PRODUCTS (000 TONNES)</b>					
(i) Direct Reduced Iron					
Production	1,749.7	1,633.0	901.1	0.0	0.0
Exports	1,054.2	1,064.8	656.4	0.0	0.0
Local Sales	0.0	0.0	0.0	0.0	0.0
Own Consumption	788.4	519.0	260.5	0.0	0.0
(ii) Billets					
Production	615.8	483.3	266.5	0.0	0.0
Exports	230.5	151.2	120.0	0.0	0.0
Local Sales	40.7	45.2	22.7	0.0	0.0
Own Consumption	309.9	312.4	124.9	0.0	0.0
(iii) Wire Rods					
Production	296.7	300.0	129.5	0.0	0.0
Exports	278.3	289.2	130.1	0.0	0.0
Local Sales	24.9	25.8	11.5	0.0	0.0
Own Consumption	2.2	1.3	4.2	0.0	0.0
<b>CEMENT (000 TONNES)</b>					
Production	801.6	836.5	840.1	721.2	670.0
Local Sales <sup>1</sup>	618.2	666.0	656.0	526.2	497.3
Exports	196.2	170.1	185.9	192.7	219.2

Source: Central Bank of Trinidad and Tobago.

1 Represents local sales of domestically produced cement.

TABLE A.7

## PRICES OF SELECTED EXPORT COMMODITIES, 2013-2017

SECTOR	2013	2014	2015	2016	2017
Crude Oil (WTI <sup>1</sup> ; US\$/bbl <sup>2</sup> )	97.9	93.1	48.7	43.2	50.9
Crude Oil (Brent; US\$/bbl <sup>2</sup> )	109.1	99.6	52.9	44.6	54.9
Natural Gas (Henry Hub; US\$/mmbtu <sup>3</sup> )	3.7	4.4	2.6	2.5	3.0
Ammonia (FOB Caribbean; US\$/tonne)	506.3	505.6	413.1	235.1	236.6
Urea (FOB Caribbean; US\$/tonne)	347.3	360.3	282.2	206.8	214.9
Methanol (FOB Rotterdam; US\$/tonne)	517.3	513.5	381.9	272.1	399.1
Billets (FOB Latin America; US\$/tonne)	517.5	492.6	351.5	323.7	430.9
Wire Rods (FOB Latin America; US\$/tonne)	596.4	583.6	416.0	373.0	485.9

Sources: Bloomberg; Green Markets; Fertilizer Week; European Chemical News; Monthly Methanol Newsletter (TECNON); Metal Bulletin; Platts.

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

- 1 West Texas Intermediate.
- 2 US dollars per barrel.
- 3 US dollars per million British thermal units.

TABLE A.8

INDEX OF DOMESTIC PRODUCTION (1995=100), 2013-2017<sup>1</sup>

PRODUCTS	WEIGHT	2013	2014	2015	2016	Jan-Sep 2017
Food Processing	58	409.0	368.5	446.1	541.8	452.7
Drink and Tobacco	63	1,136.8	1,083.9	1,091.2	1,031.0	930.7
Textiles, Garments and Footwear	6	1,859.0	1,682.2	1,473.9	1,294.3	1,320.7
Printing, Publishing and Paper Converters	27	327.3	324.8	297.0	294.0	269.0
Wood and Related Products	7	973.6	932.4	906.4	837.9	733.9
Chemicals and Non-Metallic Minerals	43	342.2	328.7	310.7	295.4	307.8
Assembly-Type and Related Industries	61	1,469.7	1,345.6	856.3	261.2	245.2
Miscellaneous Manufacturing Industries	10	201.4	197.9	194.8	191.0	185.0
Electricity	40	131.0	122.9	115.7	90.3	80.2
Water	6	156.5	162.1	167.1	151.6	118.8
<b>All Industry Index</b> (excluding petrochem, oil & natural gas, explor., product. & refining)	320	733.9	685.2	597.2	478.4	435.1
Explor., & product. of oil, natural gas, etc.	445	127.5	126.9	121.4	108.7	109.3
Petrochemicals	182	211.0	211.3	224.4	219.4	234.8
Oil & natural gas refining	53	601.1	500.7	666.5	764.4	720.4
<b>All Industry Index</b> (including petrochem, oil & natural gas, explor., product. & refining)	1,000	362.0	340.8	321.4	282.0	268.9

Source: Central Statistical Office.

<sup>1</sup> Indices are computed as averages of the quarters for each period.

TABLE A.9

ANNUAL CHANGES IN THE INDICES OF PRODUCTION  
AND HOURS WORKED (ALL EMPLOYEES), 2015-2017<sup>1</sup>  
/PER CENT/

INDUSTRY	DOMESTIC PRODUCTION <sup>2</sup> (1995=100)			INDEX OF HOURS WORKED <sup>2</sup> (1995=100)		
	2015	2016	Jan-Sep 2017	2015	2016	Jan-Sep 2017
Food Processing	21.1	21.5	-11.6	-1.4	-4.8	-3.8
Drink and Tobacco	0.7	-5.5	-11.4	-6.0	-9.0	-1.0
Textiles, Garments and Footwear	-12.4	-12.2	2.2	2.8	-1.4	-1.2
Printing, Publishing and Paper Converters	-8.5	-1.0	-7.7	1.0	-1.0	-0.7
Wood and Related Products	-2.8	-7.6	-10.8	-5.7	-10.2	0.0
Chemicals and Non-Metallic Minerals	-5.5	-4.9	2.4	-5.9	-6.4	-0.3
Assembly-Type and Related Industries	-36.4	-69.5	-5.7	-7.5	-21.5	-1.9
Miscellaneous Manufacturing Industries	-1.5	-2.0	-3.2	-9.0	-7.8	-7.7
Electricity	-5.8	-21.9	-12.3	-6.0	-16.8	-2.9
Water	3.1	-9.2	-20.0	0.6	-0.7	0.0
<b>All Industry Index</b>						
(excluding petrochem, oil, natural gas, explor., product. & refining etc.)	-12.8	-19.9	-8.8	-3.5	-7.1	-1.9
Explor. & product of oil, natural gas, etc.	-4.3	-10.4	-0.1	-8.5	-10.7	-10.8
Petrochemicals	6.2	-2.3	2.2	1.5	-6.3	-6.2
Oil & natural gas refining	33.1	14.7	-6.9	-5.8	2.0	0.1
<b>All Industry Index</b>						
(including petrochem, oil & natural gas, explor., product. & refining etc.)	-5.7	-12.3	-5.5	-4.0	-5.0	-1.8

Source: Central Statistical Office.

- 1 Indices are computed as quarterly averages for the period.
- 2 Percentage changes over the corresponding period.

**TABLE A.10**  
 ANNUAL CHANGES IN THE INDICES OF AVERAGE WEEKLY  
 EARNINGS AND EMPLOYMENT (ALL EMPLOYEES), 2015-2017<sup>1</sup>  
 /PER CENT/

INDUSTRY	AVERAGE WEEKLY EARNINGS <sup>2</sup> (1995=100)			EMPLOYMENT <sup>2</sup> (1995=100)		
	2015	2016	Jan-Sep 2017	2015	2016	Jan-Sep 2017
Food Processing	9.5	0.0	0.7	1.3	-0.7	0.0
Drink and Tobacco	5.0	0.7	-4.1	-5.2	-2.7	3.2
Textiles, Garments and Footwear	10.1	10.9	-1.2	3.2	-1.6	-1.8
Printing, Publishing and Paper Converters	-1.2	4.3	1.9	-1.6	-2.3	-2.4
Wood and Related Products	5.5	-5.4	-0.8	-2.5	-3.8	1.6
Chemicals and Non-Metallic Minerals	4.4	-1.8	-2.2	-5.0	-4.7	-0.2
Assembly-Type and Related Industries	4.9	-29.2	4.5	-3.6	-33.0	-3.2
Miscellaneous Manufacturing Industries	2.4	2.4	-0.1	-4.8	-1.9	-3.8
Electricity	2.3	25.7	-0.9	-6.2	-17.7	-9.3
Water	28.7	1.0	-3.3	-2.1	27.6	24.8
<b>All Industry Index</b> (excluding petrochem., oil, natural gas, explor. product. & refining etc.)	11.8	0.7	-1.3	-2.2	-3.9	2.9

Source: Central Statistical Office.

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

2 Percentage changes over the corresponding period.

TABLE A.11

ANNUAL CHANGES IN THE INDICES OF REAL EARNINGS AND  
OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2015-2017<sup>1</sup>  
/PER CENT/

INDUSTRY	REAL EARNINGS <sup>2</sup> (1995=100)			INDEX OF OUTPUT PER MAN HOUR WORKED <sup>2</sup> (1995=100)		
	2015	2016	Jan-Sep 2017	2015	2016	Jan-Sep 2017
Food Processing	4.7	-3.0	0.7	22.7	27.9	-13.1
Drink and Tobacco	0.4	-2.2	-9.9	7.4	3.6	-8.8
Textiles, Garments and Footwear	0.8	4.2	-5.7	-15.0	-10.9	3.2
Printing, Publishing and Paper Converters	-5.6	1.2	1.6	-9.5	0.0	-7.8
Wood and Related Products	0.8	-8.2	-3.3	3.3	2.7	-12.2
Chemical and Non-Metallic Minerals	-0.3	-4.7	-4.0	0.3	1.6	4.6
Assembly-Type and Related Industries	0.4	-31.4	7.3	-30.7	-61.3	-4.5
Miscellaneous Manufacturing Industries	-2.0	-0.6	0.1	8.2	6.3	5.0
Electricity	-2.3	21.9	7.1	0.0	-6.3	-6.7
Water	22.7	-1.9	-5.4	2.4	-8.6	-21.7
<b>All Industry Index</b> (excluding petrochem, oil, natural gas, explor., product. & refining)	6.7	-2.3	-0.6	-9.8	-13.7	-7.3
Explor., & product. of oil, natural gas, etc.	-7.8	-6.0	-0.7	5.4	-0.1	13.1
Petrochemicals	6.3	-8.7	7.7	3.7	4.3	14.1
Oil & natural gas refining	-3.7	-8.4	-2.5	41.2	12.9	-6.2
<b>All Industry Index</b> (including petrochem, oil & natural gas, explor., product. & refining)	2.3	-4.7	-0.9	-1.8	-7.5	-3.0

Source: Central Statistical Office.

1 Indices are computed as quarterly averages for each period.

2 Percentage changes over the corresponding period.

TABLE A.12

INDEX OF RETAIL PRICES FOR MAJOR EXPENDITURE CATEGORIES, 2013-2017  
/ JANUARY 2015=100 /

SECTIONS	WEIGHTS	2013	2014	2015	2016	2017	2017			
							I	II	III	IV
<b>Inflation Rate (%)<sup>1</sup></b>										
All Sections	1000	5.2	5.7	4.7	3.1	1.9	3.0	1.7	1.3	1.5
Food	173	8.7	10.0	8.6	7.5	2.9	4.7	1.4	1.7	3.9
Core <sup>2</sup>	827	2.4	2.0	1.8	2.2	1.6	2.6	1.8	1.2	1.0
<b>Retail Price Index</b>										
All Sections	1000	91.6	96.8	101.3	104.3	106.4	106.1	106.0	106.2	107.1
Food	173	85.6	94.2	102.3	109.7	113.1	112.6	111.0	113.0	115.7
Core	827	97.3	99.2	101.1	103.1	104.9	104.8	105.0	104.8	105.2
<b>Per cent Contribution To Change In Index</b>										
Food	173	40.9	49.3	47.4	42.3	28.3	28.3	14.9	24.1	46.3
Core	827	59.1	50.7	52.6	57.7	71.7	71.7	85.1	75.9	53.7

Source: Central Statistical Office.

- 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 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.13

INDEX OF PRODUCERS' PRICES, 2013-2017  
/ OCT. 1978=100 /

SECTIONS	WEIGHTS	2013	2014	2015	2016	2017
Food Processing	191	708.8	710.2	713.0	716.5	721.2
		<b>0.8</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>
Drink and Tobacco	121	1,238.5	1,323.5	1,422.2	1,467.6	1,567.3
		<b>5.0</b>	<b>6.9</b>	<b>7.5</b>	<b>3.2</b>	<b>6.8</b>
Textiles, Garments and Footwear	101	303.5	303.5	303.5	303.5	303.5
		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Printing, Publishing & Paper Converters	93	391.7	392.3	391.5	390.3	390.8
		<b>0.6</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>0.1</b>
Wood & Related Products	89	347.9	348.1	348.1	348.1	348.3
		<b>-0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Chemicals and Non-Metallic Minerals	148	609.3	614.3	624.4	630.1	616.1
		<b>2.8</b>	<b>0.8</b>	<b>1.6</b>	<b>0.9</b>	<b>-2.2</b>
Assembly-Type and Related Industries	257	345.8	345.6	345.1	345.0	345.7
		<b>-0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.2</b>
All Industry	1,000	562.3	573.6	587.5	594.3	605.4
		<b>1.9</b>	<b>2.0</b>	<b>2.4</b>	<b>1.2</b>	<b>1.9</b>

Source: Central Statistical Office.



**TABLE A.14**  
CENTRAL GOVERNMENT FISCAL OPERATIONS, 2013-2017<sup>1</sup>  
/TT\$MILLION/

EXPENDITURE	2013	2014	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>e</sup>
Current Revenue	52,258.7	57,062.2	52,244.6	41,158.9	36,135.5
Current Expenditure <sup>2</sup>	49,228.7	54,385.7	52,322.9	48,546.4	46,907.7
Current Account Surplus(+)/Deficit(-)	3,030.0	2,676.5	-78.3	-7,387.6	-10,772.2
Capital Revenue	501.4	1,316.5	4,989.2	3,813.7	1,700.2
Capital Expenditure and Net lending <sup>3</sup>	8,439.8	8,434.8	7,620.8	4,398.3	3,571.5
<b>Overall Surplus(+)/Deficit(-)</b>	<b>-4,908.4</b>	<b>-4,442.2</b>	<b>-2,709.9</b>	<b>-7,972.1</b>	<b>-12,643.5</b>
<b>Total Financing (net)</b>	<b>4,908.4</b>	<b>4,442.2</b>	<b>2,709.9</b>	<b>7,972.1</b>	<b>12,643.5</b>
<b>External Financing (Net)</b>	<b>-155.1</b>	<b>3,312.4</b>	<b>-199.2</b>	<b>8,954.0</b>	<b>3,247.5</b>
Net External Borrowing	-155.1	3,312.4	-199.2	6,455.6	1,535.3
Disbursements	440.7	3,835.0	344.4	6,982.7	2,113.00
Repayments	595.8	522.6	543.6	527.1	577.70
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Transfers from HSF (Withdrawals)	0.0	0.0	0.0	2,498.4	1,712.2
<b>Domestic Financing (Net)</b>	<b>5,063.5</b>	<b>1,129.8</b>	<b>2,909.1</b>	<b>-981.9</b>	<b>9,396.0</b>
Treasury Bills (Net)	0.0	0.0	0.0	0.0	0.0
Bonds (Net)	-306.8	175.9	1,074.7	4,016.0	3,059.3
Disbursements	1,579.0	1,783.4	3,757.2	6,623.2	8,191.8
Repayments	1,885.8	1,607.5	2,682.5	2,607.2	5,132.5
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net) <sup>4</sup>	5,370.3	953.9	1,834.4	-4,997.9	6,336.7
<b>MEMO ITEMS</b>					
Primary Balance <sup>5</sup>	-2,099.7	-1,319.6	728.5	-4,209.7	-8,106.0
<b>Surplus(+)/Deficit(-) as a Percentage of GDP (current market prices)</b>					
Current Account Surplus(+)/Deficit(-)	1.8	1.5	0.0	-4.9	-7.2
Overall Surplus(+)/Deficit(-)	-2.9	-2.6	-1.7	-5.3	-8.5
Primary Surplus(+)/Deficit(-)	-1.2	-0.8	0.5	-2.8	-5.4

Sources: Ministry of Finance: Review of Fiscal Measures, various years. Review of the Economy, 2017 and the Central Bank of Trinidad and Tobago.

- 1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st - September 30th).
- 2 Includes an adjustment for transfers to the Heritage and Stabilization Fund and funds expended from the Infrastructure Development Fund.
- 3 Includes an adjustment for Repayment of Past Lending in the years prior to 2016.
- 4 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.
- 5 The primary balance, also known as the non-interest balance, is equal to the overall balance exclusive of interest payments.

TABLE A.15

CENTRAL GOVERNMENT REVENUE, 2013-2017<sup>1</sup>  
/TT\$MILLION/

EXPENDITURE	2013	2014	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>re</sup>
<b>A. Oil Sector</b>	<b>19,987.0</b>	<b>21,528.2</b>	<b>13,696.4</b>	<b>3,805.5</b>	<b>4,387.5</b>
Corporation <sup>2</sup>	15,573.3	16,969.5	10,974.3	2,144.2	2,438.1
Withholding Tax	663.6	706.1	800.1	742.5	600.1
Royalties	2,379.6	2,399.2	1,100.7	520.2	1,049.6
Oil impost	105.3	119.7	132.5	136.2	139.2
Unemployment levy	1,162.6	1,240.2	600.9	130.5	58.8
Excise duties	102.6	93.5	87.9	131.9	101.6
<b>B. Non-Oil Sector</b>	<b>32,271.6</b>	<b>35,534.0</b>	<b>38,548.2</b>	<b>37,353.4</b>	<b>31,748.0</b>
<b>Taxes on Income</b>	<b>16,910.9</b>	<b>17,836.4</b>	<b>18,060.6</b>	<b>15,759.0</b>	<b>15,248.8</b>
Companies	9,675.1	10,150.5	9,481.2	7,003.1	6,907.1
Individuals	6,207.4	6,619.9	7,445.3	7,186.5	6,403.3
Unemployment Levy	0.0	0.0	0.0	0.0	0.0
Health Surcharge	218.0	209.6	264.0	225.8	201.5
Other	810.5	856.4	870.0	1,343.6	1,736.9
<b>Taxes on Property</b>	<b>4.2</b>	<b>3.5</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>
Lands and Buildings Taxes	4.2	3.5	3.3	3.2	3.1
<b>Taxes on Goods and Services</b>	<b>8,192.6</b>	<b>7,575.9</b>	<b>8,815.8</b>	<b>8,912.6</b>	<b>8,151.0</b>
Purchase Tax	0.2	0.2	0.1	0.1	0.8
Excise Duties	601.2	582.2	606.8	579.5	590.3
Motor Vehicles	551.5	569.4	575.5	569.0	415.0
Value Added Tax	6,657.4	5,744.8	7,223.3	7,004.7	6,400.0
Other	382.3	679.3	410.2	759.3	744.9
<b>Taxes on International Trade</b>	<b>2,587.7</b>	<b>2,861.5</b>	<b>3,014.2</b>	<b>3,016.3</b>	<b>2,582.9</b>
Import Duties	2,577.5	2,861.0	3,013.7	3,016.0	2,582.4
Other	10.2	0.4	0.5	0.0	0.5
<b>Non-Tax Revenue</b>	<b>4,330.4</b>	<b>7,256.5</b>	<b>8,251.6</b>	<b>9,661.8</b>	<b>5,762.1</b>
National Lottery	179.7	262.9	169.7	177.8	306.0
Interest	37.6	18.7	40.0	41.4	22.0
Central Bank	565.8	404.2	190.5	809.0	731.6
Other	3,547.3	6,570.7	7,851.4	8,633.6	4,702.5
<b>TOTAL CURRENT REVENUE</b>	<b>52,258.7</b>	<b>57,062.2</b>	<b>52,244.6</b>	<b>41,158.9</b>	<b>36,135.5</b>
Capital Revenue	501.4	1,316.5	4,989.2	3,813.7	1,700.2
<b>TOTAL REVENUE</b>	<b>52,760.1</b>	<b>58,378.4</b>	<b>57,233.8</b>	<b>44,972.6</b>	<b>37,835.7</b>

Sources: Ministry of Finance: Review of Fiscal Measures and Estimates of Revenue, various issues and the Central Bank of Trinidad and Tobago.

- 1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st - September 30th).
- 2 Includes receipts from Supplemental Petroleum Tax (SPT), Petroleum Profit Tax (PPT), signature bonuses, surplus sale of petroleum products and for the award of Production Sharing Contracts (PSC).
- 3 Includes withholding tax from the non-oil sector, insurance surrender tax, business levy, income tax surcharge and Green Fund receipts.

TABLE A.16

CENTRAL GOVERNMENT EXPENDITURE, 2013-2017<sup>1</sup>  
/TT\$MILLION/

EXPENDITURE	2013	2014	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>re</sup>
<b>Current Expenditure</b>	<b>49,228.7</b>	<b>54,385.7</b>	<b>52,322.9</b>	<b>48,546.4</b>	<b>46,907.7</b>
Wages and Salaries	9,171.5	8,590.8	10,077.1	9,601.9	10,021.5
Goods and Services	7,180.0	8,008.8	8,105.4	7,326.1	5,914.2
Interest	2,808.7	3,122.6	3,438.4	3,762.4	4,537.5
External	371.4	460.7	522.9	562.6	916.9
Domestic	2,437.4	2,661.9	2,915.6	3,199.8	3,620.6
Transfers and Subsidies	30,068.4	34,663.5	30,701.9	27,856.1	26,434.5
<i>Of which:</i>					
<i>Statutory Boards and State Enterprises</i>	9,399.5	10,290.5	9,903.6	9,356.5	8,927.6
Households	11,706.5	14,094.9	12,668.9	10,169.8	9,273.5
<b>Capital Expenditure and Net-Lending<sup>2</sup></b>	<b>8,439.8</b>	<b>8,434.8</b>	<b>7,620.8</b>	<b>4,398.3</b>	<b>3,571.5</b>
<b>TOTAL EXPENDITURE</b>	<b>57,668.5</b>	<b>62,820.5</b>	<b>59,943.7</b>	<b>52,944.7</b>	<b>50,479.2</b>
<b>(in % of GDP at current market prices)</b>	<b>34.0</b>	<b>36.2</b>	<b>37.4</b>	<b>35.2</b>	<b>33.8</b>
<b>Memo Items (% of Expenditure)</b>					
Current Expenditure	85.4	86.6	87.3	91.7	92.9
Capital Expenditure and Net-Lending	14.6	13.4	12.7	8.3	7.1

Sources: Ministry of Finance: Review of Fiscal Measures, various issues and the Central Bank of Trinidad and Tobago.

- 1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st-September 30th).
- 2 See footnote 3 on Table A.14.

TABLE A.17 (A)

CENTRAL GOVERNMENT EXTERNAL DEBT, 2013-2017<sup>1</sup>  
/US\$MILLION/

SECTOR	2013	2014	2015	2016	2017
<b>CENTRAL GOVERNMENT</b>					
Receipts	135.5	672.1	185.0	1,053.8	402.0
Amortization	127.3	81.7	85.3	76.5	80.5
Interest	59.8	94.2	83.4	100.1	134.5
Balance Outstanding (end of period)	1,481.8	2,071.1	2,171.8	3,149.3	3,471.2
Balance Outstanding/GDP (%)	5.4	7.3	8.6	14.2	15.7
External Debt Service/Exports (%)	1.0	1.0	1.2	1.8	2.0

Source: Central Bank of Trinidad and Tobago.

<sup>1</sup> Data are in Fiscal Years (October-September).

TABLE A.17 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2013-2017<sup>1</sup>  
/TT\$MILLION/

SECTOR	2013	2014	2015	2016	2017
<b>BONDS &amp; NOTES</b>					
Issue	6,600.0	1,787.6	3,776.7	4,732.0	8,251.1
Redemption	692.6	1,753.2	2,230.2	1,940.4	3,674.3
Outstanding	26,413.9	26,456.1	28,132.8	30,888.6	35,387.1
<b>CLICO AND HCU ZERO-COUPON BONDS</b>					
Issue	1,080.4	0.7	336.6	11.8	3.9
Redemption <sup>2</sup>	4,126.8	646.6	533.0	619.8	528.2
Outstanding	5,244.2	4,598.3	4,401.9	3,793.9	3,269.5
<b>BOLTS &amp; LEASES</b>					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	76.1	68.4	75.3	57.3	27.0
Outstanding	395.0	319.1	243.8	186.3	159.3
<b>OTHER<sup>3</sup></b>					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	0.0	0.0	0.0	0.0	0.0
Outstanding	10.7	10.7	10.7	16.9	16.8
<b>DEBT MANAGEMENT BILLS</b>					
Issue	2,550.0	2,550.0	2,550.0	2,550.0	4,235.0
Redemption	2,550.0	2,550.0	2,550.0	2,550.0	3,130.0
Outstanding	800.0	800.0	800.0	800.0	1,905.0
Total Internal Debt Outstanding	28,789.9	29,644.2	31,749.2	35,685.7	40,837.4
Internal Debt Outstanding/GDP (%)	17.0	17.1	19.8	23.7	27.3
Internal Debt Service/Revenues (%)	9.9	7.9	11.7	14.2	20.0

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

<sup>1</sup> Data is in Fiscal Years (October - September) and excludes all securities issued for sterilization purposes (OMO Bills, Treasury notes, Treasury Bonds and other liquidity absorption bonds).<sup>2</sup> Includes the exchange of bonds for shares in the CLICO Investment Fund (CIF).<sup>3</sup> Comprises tax-free saving bonds, central bank fixed interest rate bonds and public sector emolument bonds.

**TABLE A.18 (A)**  
**COMMERCIAL BANKS: SELECTED DATA, 2013-2017**  
 /TT\$MILLION/

	END OF PERIOD				
	2013	2014	2015	2016	2017
<b>A. OUTSTANDING</b>					
<b>1. Aggregate Deposits (adj.)</b>	<b>92,603.5</b>	<b>101,195.0</b>	<b>100,470.5</b>	<b>104,655.9</b>	<b>102,636.6</b>
Demand Deposits (adj.) <sup>1</sup>	34,073.6	40,824.1	36,604.2	37,537.2	35,908.7
Time Deposits (adj.) <sup>2</sup>	9,473.2	9,509.7	9,729.6	10,622.2	10,163.5
Savings Deposits (adj.) <sup>3</sup>	27,437.8	29,899.5	31,886.9	32,630.2	32,578.3
Foreign Currency Deposits (adj.) <sup>4</sup>	21,618.9	20,961.8	22,249.7	23,866.3	23,986.1
<b>2. Gross Bank Credit<sup>5</sup></b>	<b>50,032.0</b>	<b>55,924.6</b>	<b>61,089.6</b>	<b>62,489.3</b>	<b>64,974.0</b>
<i>Of which:</i>					
<i>Business Purposes</i>	21,128.9	22,399.3	23,498.4	24,168.8	25,151.0
<i>Corporate</i>	19,798.0	21,108.5	22,012.9	22,547.8	23,497.3
<i>Non-Corporate</i>	1,330.9	1,290.7	1,485.6	1,621.0	1,653.7
<b>3. Investments</b>	<b>34,377.5</b>	<b>36,698.5</b>	<b>32,792.9</b>	<b>36,020.2</b>	<b>33,337.5</b>
Government Securities	14,675.8	17,363.9	14,830.9	19,819.2	17,706.9
Other Investments <sup>6</sup>	19,701.6	19,334.6	17,962.0	16,201.0	15,630.6
<i>Of which:</i>					
<i>Interest-bearing Special Deposit Facility<sup>7</sup></i>	5,990.0	6,000.0	2,500.0	1,500.0	0.0
<b>B. ANNUAL CHANGE</b>					
<b>1. Aggregate Deposits (adj.)</b>	<b>3,719.8</b>	<b>8,591.6</b>	<b>-724.5</b>	<b>4,185.4</b>	<b>-2,019.3</b>
Demand Deposits (adj.)	3,788.2	6,750.5	-4,219.9	933.0	-1,628.5
Time Deposits (adj.)	-918.7	36.5	220.0	892.6	-458.7
Savings Deposits (adj.)	2,689.4	2,461.7	1,987.4	743.3	-51.9
Foreign Currency Deposits (adj.)	-1,839.1	-657.1	1,287.9	1,616.6	119.8
<b>2. Gross Bank Credit</b>	<b>2,291.6</b>	<b>5,892.6</b>	<b>5,165.0</b>	<b>1,399.7</b>	<b>2,484.7</b>
<i>Of which:</i>					
<i>Business Purposes</i>	102.0	1,270.4	1,099.2	670.4	982.8
<i>Corporate</i>	128.9	1,310.5	904.3	534.9	950.2
<i>Non-Corporate</i>	-26.9	-40.2	194.8	135.5	32.6
<b>3. Investments</b>	<b>-125.8</b>	<b>2,321.0</b>	<b>-3,905.6</b>	<b>3,227.3</b>	<b>-2,682.7</b>
Government Securities	-613.5	2,688.0	-2,532.9	4,988.3	-2,112.4
Other Investments	487.7	-367.0	-1,372.7	-1,761.0	-570.3
<i>Of which:</i>					
<i>Interest-Bearing Special Deposit Facility</i>	0.0	10.0	-3,500.0	-1,000.0	-1,500.0

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 Deposits were placed by the commercial banks between 2005 and 2012 including TT \$1 billion in December 2005, TT \$500 million placed in June 2006, TT \$2.0 billion placed in November 2009, TT \$1.0 billion placed in November 2010 and TT \$1.5 billion placed in March 2012. Two special deposit facilities for TT \$2.0 billion and TT \$1.5 billion and one for TT \$1.0 billion were allowed to mature in 2015 and 2016, respectively.

TABLE A.18 (B)

SUMMARY ACCOUNTS OF THE MONETARY SYSTEM, 2013-2017  
/TT\$MILLION/

	END OF PERIOD				
	2013	2014	2015	2016	2017
<b>Net Foreign Assets</b>	<b>77,146</b>	<b>84,264</b>	<b>77,927</b>	<b>78,948</b>	<b>71,792</b>
Monetary Authorities	62,058	69,784	60,603	60,467	53,004
Commercial Banks	15,088	14,480	17,324	18,480	18,787
<b>Net Domestic Assets</b>	<b>17,232</b>	<b>18,800</b>	<b>28,657</b>	<b>31,290</b>	<b>38,195</b>
Net claims on public sector	-10,325	-11,648	-6,784	-1,381	2,102
Central Government (net)	-4,823	-8,813	-8,087	-2,000	941
Treasury bills	10,011	9,567	8,089	11,617	9,294
Other government securities	7,055	10,234	8,892	11,512	8,611
Other credit (net)	-20,624	-28,164	-24,596	-24,495	-16,563
Local government (net)	-1,073	-1,091	-1,060	-1,084	-1,308
Statutory bodies (net)	-4,042	-3,970	-1,456	-1,951	-1,401
Public enterprises (net)	-388	2,226	3,820	3,654	3,870
Official capital and surplus	-7,680	-6,736	-7,170	-11,471	-9,184
Credit to Other Financial Institutions (net)	-9,238	-10,206	-9,843	-10,154	-10,219
Credit to private sector	45,043	48,311	51,246	53,331	56,047
Interbank float	1,069	450	547	568	783
Other assets (net)	-1,636	-1,371	661	397	-1,334
<b>Liabilities to Private Sector (M3)</b>	<b>94,378</b>	<b>103,064</b>	<b>106,584</b>	<b>110,238</b>	<b>109,986</b>
Money and quasi-money	75,695	84,301	86,722	90,654	90,074
Money	28,940	35,808	35,336	36,727	37,280
Currency in circulation	6,050	6,895	7,650	7,847	8,104
Demand deposits	22,890	28,913	27,687	28,881	29,176
Quasi-Money	46,755	48,493	51,385	53,927	52,795
Time deposits	10,083	8,941	8,550	9,079	8,817
Savings deposits	36,672	39,552	42,835	44,847	43,977
Securitized Instruments	22	9	15	813	788
Private capital and surplus	18,662	18,753	19,847	18,771	19,125
	<b>Changes as a per cent of beginning-of-period M3</b>				
<b>Net Foreign Assets (Query below)</b>	<b>5.3</b>	<b>7.5</b>	<b>-6.1</b>	<b>1.0</b>	<b>-6.5</b>
Net Domestic Assets	2.6	1.7	9.6	2.5	6.3
Net Claims on Public Sector	-6.1	-1.4	4.7	5.1	3.2
<i>Of which: Central Government</i>	-4.4	-4.2	0.7	5.7	2.7
Credit to private sector	2.3	3.5	2.8	2.0	2.5
Other assets (net)	2.0	0.3	2.0	-0.2	-1.6
<b>Liabilities to Private Sector (M3)</b>	<b>7.9</b>	<b>9.2</b>	<b>3.4</b>	<b>3.4</b>	<b>-0.2</b>
<b>Memorandum Items:</b>					
Net Domestic Assets	17,232	18,800	28,657	31,290	38,195
Net claims on public sector	-10,325	-11,648	-6,784	-1,381	2,102
Central Government	-4,823	-8,813	-8,087	-2,000	941
Credit to the private sector	45,043	48,311	51,246	53,331	56,047
(12-month increase in per cent) M3 Velocity	1.8	1.6	1.4	1.3	0.0

Source: Central Bank of Trinidad and Tobago.

**TABLE A.19**  
LIQUIDITY POSITION OF COMMERCIAL BANKS, 2016-2017  
/TT\$MILLION/

	2016				2017			
	I	II	III	IV	I	II	III	IV
<b>Legal Reserves Position</b>								
Required Reserves <sup>1</sup>	15,183.4	15,534.8	15,126.4	15,455.9	15,044.7	15,112.4	14,898.0	14,913.0
Cash Reserves	18,622.4	20,106.3	17,984.3	17,394.0	18,709.6	17,200.1	16,428.0	17,176.7
Excess (+) or Shortage (-)	3,827.0	4,582.2	4,132.1	3,959.8	3,538.6	3,360.1	3,137.2	3,060.6
Average Excess(+) or Shortage(-) <sup>2</sup>	3,823.0	5,318.1	3,274.7	3,465.2	3,543.4	3,172.5	2,701.1	2,833.0
<b>Liquid Assets</b>								
Total Deposits at Central Bank	18,622.4	20,106.3	17,984.3	17,394.0	18,709.6	17,200.1	16,428.0	17,176.7
Local Cash in Hand	1,171.3	1,072.6	1,004.8	1,512.4	981.7	1,108.4	1,074.0	1,305.8
Treasury Bills	330.1	212.0	43.0	70.0	139.0	799.1	939.1	565.6
<b>TOTAL LIQUID ASSETS</b>	<b>20,123.8</b>	<b>21,391.0</b>	<b>19,032.1</b>	<b>18,976.4</b>	<b>19,830.2</b>	<b>19,107.5</b>	<b>18,441.1</b>	<b>19,048.1</b>
<b>Total Deposit Liabilities (adj.)</b>	<b>79,912.4</b>	<b>81,762.3</b>	<b>79,612.4</b>	<b>81,346.7</b>	<b>79,182.4</b>	<b>79,538.8</b>	<b>78,410.5</b>	<b>78,489.4</b>
	As at Percentage of Total Deposit Liabilities (Adj.)							
<b>Legal Reserves Position</b>								
Required Reserves	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Actual Reserves	23.3	24.6	22.6	21.4	23.6	21.6	21.0	21.9
Cash Reserves	23.3	24.6	22.6	21.4	23.6	21.6	21.0	21.9
Excess (+) or Shortage (-)	4.3	5.6	3.6	2.4	4.6	2.6	2.0	2.9
Average Excess(+) or Shortage(-)	4.8	6.5	4.1	4.3	4.5	4.0	3.4	3.6
<b>Liquid Assets</b>								
Total Deposits at Central Bank	23.3	24.6	22.6	21.4	23.6	21.6	21.0	21.9
Local Cash in Hand	1.5	1.3	1.3	1.9	1.2	1.4	1.4	1.7
Treasury Bills	0.4	0.3	0.1	0.1	0.2	1.0	1.2	0.7
<b>TOTAL LIQUID ASSETS</b>	<b>25.2</b>	<b>26.2</b>	<b>23.9</b>	<b>23.3</b>	<b>25.0</b>	<b>24.0</b>	<b>23.5</b>	<b>24.3</b>

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.20

COMMERCIAL BANKS:  
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2013-2017  
/TT\$ MILLION/

SECTORS	END OF PERIOD				
	2013	2014	2015	2016	2017
Central & Local Government	77.5	240.3	375.0	215.8	376.6
Agriculture	91.1	65.8	73.3	83.1	151.1
Petroleum	1,567.9	1,649.9	1,694.8	2,362.5	2,132.6
Manufacturing	3,352.6	3,115.5	3,873.2	4,255.9	3,911.2
Construction	3,853.3	5,389.8	5,472.4	3,884.6	2,868.9
Distributive Trades	3,103.9	3,602.2	3,754.6	3,684.9	3,843.5
Hotels and Guest Houses	1,152.2	906.1	731.1	815.2	1,033.0
Transport, Storage and Communication	2,039.6	1,582.9	1,914.4	1,693.8	1,821.0
Finance, Insurance and Real Estate	6,793.2	8,570.5	8,079.2	9,066.0	10,457.6
Education, Cultural and Community Services	172.4	304.7	199.7	118.0	126.9
Personal Services	538.0	760.4	536.8	569.2	652.1
Electricity and Water	1,581.8	1,663.8	3,487.9	2,971.0	3,111.0
Consumers	13,447.0	14,413.1	15,544.9	16,488.2	17,318.6
<b>TOTAL (excluding Real Estate Mortgage Loans)</b>	<b>37,770.6</b>	<b>42,265.2</b>	<b>45,737.4</b>	<b>46,208.3</b>	<b>47,804.1</b>
Real Estate Mortgage Loans & Lease Financing	14,382.3	15,997.4	17,378.7	18,215.4	19,681.7
<b>TOTAL LOANS</b>	<b>52,152.9</b>	<b>58,262.5</b>	<b>63,116.1</b>	<b>64,423.7</b>	<b>67,485.8</b>

Source: Central Bank of Trinidad and Tobago.



**TABLE A.21**

COMMERCIAL BANKS:  
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES, 2013-2017<sup>1</sup>  
 /PER CENT/

SECTORS	END OF PERIOD				
	2013	2014	2015	2016	2017
Central Government	0.1	0.4	0.6	0.3	0.6
Agriculture	0.2	0.1	0.1	0.1	0.2
Petroleum	3.0	2.8	2.7	3.7	3.2
Manufacturing	6.4	5.3	6.1	6.6	5.8
Construction	7.4	9.3	8.7	6.0	4.3
Distributive Trades	6.0	6.2	5.9	5.7	5.7
Hotels and Guest Houses	2.2	1.6	1.2	1.3	1.5
Transport, Storage and Communication	3.9	2.7	3.0	2.6	2.7
Finance, Insurance and Real Estate	13.0	14.7	12.8	14.1	15.5
Education, Cultural and Community Services	0.3	0.5	0.3	0.2	0.2
Personal Services	1.0	1.3	0.9	0.9	1.0
Electricity and Water	3.0	2.9	5.5	4.6	4.6
Consumers	25.8	24.7	24.6	25.6	25.7
<b>TOTAL (excluding Real Estate Mortgage Loans)</b>	<b>72.4</b>	<b>72.5</b>	<b>72.5</b>	<b>71.7</b>	<b>70.8</b>
Real Estate Mortgage Loans and Lease Financing	27.6	27.5	27.5	28.3	29.2
<b>TOTAL LOANS</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Table A.20.

1 Figures may not sum to 100 due to rounding.

TABLE A.22

COMMERCIAL BANKS - INTEREST RATES, 2015-2017<sup>1</sup>  
/PER CENTRAL/

SECTIONS		2015	2016	2017	2017			
					I	II	III	IV
<b>A. LOAN RATES (MARKET)</b>								
(i) Installment	Range	0.73-19.50	0.73-19.50	0.73-19.50	0.73-19.50	0.73-19.50	0.73-19.50	0.73-19.50
	Median	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(ii) Demand	Range	0.20-15.50	0.20-15.50	0.20-15.50	0.20-15.50	0.20-15.50	0.20-15.50	0.20-15.50
	Median	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(iii) Overdraft	Range	4.00-27.75	4.00-27.75	4.00-27.75	4.00-27.75	4.00-27.75	4.00-27.75	4.00-27.75
	Median	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(iv) Basic Prime Rate	Range	8.25-9.25	8.75-9.50	8.75-9.50	8.75-9.50	8.75-9.50	8.75-9.50	8.75-9.50
	Median	8.75	9.00	9.00	9.00	9.00	9.00	9.00
(v) Real Estate Mortgage	Range	3.00-16.43	3.00-16.43	3.00-16.43	3.00-16.43	3.00-16.43	3.00-16.43	3.00-16.43
	Median	7.50	7.50	7.50	7.50	7.50	7.50	7.50
<b>B. DEPOSIT RATES (Announced)</b>								
(i) Ordinary Savings	Range	0.03-1.00	0.03-1.00	0.03-1.00	0.03-1.00	0.03-1.00	0.03-1.00	0.03-1.00
	Median	0.20	0.20	0.20	0.20	0.20	0.20	0.20
(ii) Special Savings	Range	0.03-2.00	0.03-2.00	0.03-2.00	0.03-2.00	0.03-2.00	0.03-2.00	0.03-2.00
	Median	0.41	0.20	0.20	0.20	0.20	0.20	0.20
(iii) 3-Months Time	Range	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95
	Median	0.38	0.38	0.38	0.38	0.38	0.38	0.38
(iv) 3-6 Months Time	Range	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00
	Median	0.45	0.45	0.45	0.45	0.45	0.45	0.45
(iv) 6-Months Time	Range	0.05-0.75	0.05-0.75	0.05-0.75	0.05-0.75	0.05-0.75	0.05-0.75	0.05-0.75
	Median	0.50	0.50	0.50	0.50	0.50	0.50	0.50
(v) 1-Year Time	Range	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00	0.05-3.00
	Median	0.78	0.78	0.78	0.78	0.78	0.78	0.78

Source: Central Bank of Trinidad and Tobago.

<sup>1</sup> 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.23**  
MONEY SUPPLY, 2013-2017  
/PER CENT/

SECTORS	END OF PERIOD				
	2013	2014	2015	2016	2017
<b>A. Narrow Money Supply (M-1A)</b>	<b>40,123.6</b>	<b>47,719.2</b>	<b>44,254.0</b>	<b>45,383.8</b>	<b>44,012.7</b>
Currency in Active Circulation	6,050.0	6,895.1	7,649.8	7,846.6	8,104.1
Demand Deposits (adj.)	34,073.6	40,824.1	36,604.2	37,537.2	35,908.7
<b>B. Factors Affecting Changes in Money Supply</b>					
<b>1. Net Bank Credit to Central Government</b>	<b>-33,300.7</b>	<b>-41,426.8</b>	<b>-41,801.6</b>	<b>-31,113.8</b>	<b>-27,879.9</b>
(a) Central Bank	-47,371.3	-58,583.6	-56,726.4	-50,680.5	-45,444.5
(b) Commercial Banks	14,070.6	17,156.8	14,924.7	19,566.7	17,564.5
<b>2. Bank Credit</b>	<b>53,823.4</b>	<b>59,161.9</b>	<b>64,112.0</b>	<b>65,950.0</b>	<b>68,158.9</b>
(a) Public Sector <sup>1</sup>	7,968.1	10,013.9	11,633.8	11,760.6	11,213.7
(b) Private Sector <sup>2</sup>	45,855.2	49,148.0	52,478.2	54,189.4	56,945.1
<b>3. External Assets (net)</b>	<b>88,168.8</b>	<b>92,020.9</b>	<b>85,203.3</b>	<b>87,670.2</b>	<b>83,927.8</b>
<b>4. Quasi-Money<sup>3</sup></b>	<b>-36,911.0</b>	<b>-39,409.2</b>	<b>-41,616.6</b>	<b>-43,252.4</b>	<b>-42,741.8</b>
<b>5. Foreign Currency Deposits (Adj)</b>	<b>-21,618.9</b>	<b>-20,961.8</b>	<b>-22,249.7</b>	<b>-23,866.3</b>	<b>-23,986.1</b>
<b>6. NFIs Foreign Currency Deposit (Adj)</b>	<b>-592.5</b>	<b>-719.7</b>	<b>-593.6</b>	<b>-988.2</b>	<b>-398.5</b>
<b>7. Other Items (Net)</b>	<b>-10,038.0</b>	<b>-1,665.9</b>	<b>606.6</b>	<b>-10,004.0</b>	<b>-13,466.0</b>
<b>C. Broad Money Supply (M-2)</b>	<b>77,034.6</b>	<b>87,128.3</b>	<b>85,870.5</b>	<b>88,636.2</b>	<b>86,754.6</b>
<b>D. Broad Money Supply (M-2*)<sup>4</sup></b>	<b>98,653.5</b>	<b>108,090.1</b>	<b>108,120.3</b>	<b>112,502.5</b>	<b>110,740.7</b>
<b>Memo:<sup>5</sup></b>					
Money Supply M-3	78,643.3	89,087.8	87,533.9	90,531.8	88,337.0
Money Supply M-3*	100,854.7	110,769.3	110,367.2	115,386.3	112,721.5

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 Includes foreign currency deposits of residents.

5 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.24**  
**FINANCE COMPANIES AND MERCHANT BANKS:**  
**SUMMARY OF ASSETS AND LIABILITIES, 2013-2017**  
 /TT\$THOUSAND/

END OF PERIOD	EXTERNAL ASSETS (NET)	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT		
				INVESTMENTS	LOANS (GROSS)	TOTAL
	(1)	(2)	(3)	(4)	(5)	(6)
2013	193,022	228,936	120,104	1,570,710	2,891,728	4,462,438
2014	218,859	264,872	-69,952	1,902,531	3,236,512	5,139,043
2015	76,683	188,729	184,067	1,713,337	3,730,753	5,444,090
2016	80,678	276,354	390,714	1,814,241	3,766,180	5,580,421
2017	83,722	225,706	506,360	2,087,386	3,404,797	5,492,183
<b>2016</b>						
I	91,726	199,240	380,730	1,898,989	3,777,599	5,676,588
II	62,839	205,561	294,987	1,944,726	3,875,690	5,820,416
III	71,288	230,582	317,873	1,899,666	3,740,616	5,640,282
IV	80,678	276,354	390,714	1,814,241	3,766,180	5,580,421
<b>2017</b>						
I	107,734	286,090	504,888	1,846,817	3,778,949	5,625,766
II	133,693	276,435	288,034	1,832,593	3,556,294	5,388,887
III	116,281	238,421	348,341	1,845,950	3,572,189	5,418,139
IV	83,722	225,706	506,360	2,087,386	3,404,797	5,492,183
END OF PERIOD	TOTAL ASSETS/ LIABILITIES	DEPOSITS	BORROWINGS <sup>1</sup>	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
2013	4,918,902	1,722,906	923,662	80,118	2,205,246	67,121
2014	5,465,199	2,036,845	1,014,793	82,190	2,343,654	69,939
2015	5,811,335	1,954,822	1,172,798	82,236	2,510,545	173,308
2016	6,236,147	2,066,349	1,263,158	92,021	2,734,604	172,178
2017	6,207,311	2,062,452	1,182,483	100,659	2,987,187	-22,194
<b>2016</b>						
I	6,249,212	2,204,771	1,206,249	99,070	2,616,405	221,929
II	6,283,383	2,384,439	1,226,102	100,420	2,581,840	91,462
III	6,158,086	2,197,974	1,197,300	101,940	2,656,539	106,417
IV	6,236,147	2,066,349	1,263,158	92,021	2,734,604	172,178
<b>2017</b>						
I	6,427,805	2,226,190	1,271,963	96,672	2,703,585	226,210
II	5,921,511	2,002,342	1,169,969	104,681	2,744,237	5,104
III	6,011,065	2,018,575	1,170,745	110,116	2,802,716	19,174
IV	6,207,311	2,062,452	1,182,483	100,659	2,987,187	-22,194

Source: Central Bank of Trinidad and Tobago.

1 Borrowings from all sources other than commercial banks. Borrowings from commercial banks are reflected in Column 3.

**TABLE A.25**  
 FINANCE COMPANIES AND MERCHANT BANKS:  
 DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2013-2017  
 /TT\$MILLION/

SECTORS	END OF PERIOD				
	2013	2014	2015	2016	2017
<b>Public Sector</b>	<b>0.3</b>	<b>0.3</b>	<b>583.6</b>	<b>25.3</b>	<b>101.1</b>
<b>Private Sector</b>	<b>2,648.4</b>	<b>2,617.5</b>	<b>2,710.5</b>	<b>3,317.5</b>	<b>2,933.1</b>
Agriculture	18.5	27.6	38.5	29.5	28.3
Petroleum	36.6	30.8	33.2	9.9	6.9
Manufacturing	131.2	80.0	236.5	83.6	92.9
Construction	521.1	524.5	213.4	165.7	231.9
Distributive Trades	86.0	59.9	65.8	96.6	95.5
Hotels and Guest Houses	102.6	99.0	58.2	50.7	34.9
Transport, Storage and Communication	187.8	178.5	156.6	137.6	121.7
Finance, Insurance, Real Estate and Services	343.1	359.7	386.4	1,019.8	532.4
Education, Cultural and Community Services	1.7	0.7	1.0	0.6	0.8
Personal Services	176.0	36.7	104.0	146.4	142.1
Consumers	1,043.8	1,220.1	1,416.8	1,577.1	1,645.9
<b>TOTAL (excluding Real Estate Mortgage Loans &amp; Leases)</b>	<b>2,648.7</b>	<b>2,617.8</b>	<b>3,294.1</b>	<b>3,342.7</b>	<b>3,034.2</b>
Real Estate Mortgage Loans	10.6	10.3	54.3	68.0	59.3
Leases	229.5	273.7	272.0	277.4	258.1
<b>TOTAL LOANS</b>	<b>2,888.7</b>	<b>2,901.8</b>	<b>3,620.4</b>	<b>3,688.2</b>	<b>3,351.5</b>

Source: Central Bank of Trinidad and Tobago.

TABLE A.26

FINANCE COMPANIES AND MERCHANT BANKS:  
PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2013-2017  
/ PER CENT/

SECTORS	END OF PERIOD				
	2013	2014	2015	2016	2017
<b>Public Sector</b>	<b>0.0</b>	<b>0.0</b>	<b>16.1</b>	<b>0.7</b>	<b>3.0</b>
<b>Private Sector</b>	<b>91.7</b>	<b>90.2</b>	<b>74.9</b>	<b>89.9</b>	<b>87.5</b>
Agriculture	0.6	1.0	1.1	0.8	0.8
Petroleum	1.3	1.1	0.9	0.3	0.2
Manufacturing	4.5	2.8	6.5	2.3	2.8
Construction	18.0	18.1	5.9	4.5	6.9
Distributive Trades	3.0	2.1	1.8	2.6	2.8
Hotels and Guest Houses	3.6	3.4	1.6	1.4	1.0
Transport, Storage and Communication	6.5	6.2	4.3	3.7	3.6
Finance, Insurance, Real Estate and Business Services	11.9	12.4	10.7	27.7	15.9
Education, Cultural and Community Services	0.1	0.0	0.0	0.0	0.0
Personal Services	6.1	1.3	2.9	4.0	4.2
Consumers	36.1	42.0	39.1	42.8	49.1
<b>TOTAL (Excluding Real Estate Mortgage Loans &amp; Leases)</b>	<b>91.7</b>	<b>90.2</b>	<b>91.0</b>	<b>90.6</b>	<b>90.5</b>
Real Estate Mortgage Loans	0.4	0.4	1.5	1.8	1.8
Leases	7.9	9.4	7.5	7.5	7.7
<b>TOTAL LOANS</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Table A.25.

TABLE A.27

TRUST AND MORTGAGE FINANCE COMPANIES:  
SUMMARY OF ASSETS AND LIABILITIES, 2013-2017  
/TT\$THOUSAND/

END OF PERIOD	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT			TOTAL ASSETS/ LIABILITIES
			INVESTMENTS	LOANS (GROSS)	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
2013	46,311	971,921	1,306,953	778,625	3,020,395	3,066,706
2014	73,317	1,362,981	897,765	742,791	2,934,882	3,008,199
2015	47,189	551,123	806,536	703,288	1,979,636	2,026,825
2016	255,733	657,197	1,139,612	422,433	2,204,502	2,460,235
2017	161,894	558,807	636,423	239,338	1,422,836	1,584,730
<b>2016</b>						
I	42,102	570,777	514,261	647,450	1,651,897	1,693,999
II	334,606	506,401	585,879	454,290	1,531,221	1,865,827
III	298,295	584,062	824,030	444,926	1,837,826	2,136,121
IV	255,733	657,197	1,139,612	422,433	2,204,502	2,460,235
<b>2017</b>						
I	356,786	574,438	1,085,827	409,893	2,056,119	2,412,905
II	222,316	516,857	1,207,483	387,472	2,097,277	2,319,593
III	265,231	562,805	596,598	252,044	1,397,174	1,662,405
IV	161,894	558,807	636,423	239,338	1,422,836	1,584,730
END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)	
	(7)	(8)	(9)	(10)	(11)	
2013	584,638	25,587	52,618	1,837,549	616,843	
2014	726,587	8,152	82,224	1,880,985	378,905	
2015	752,036	3,800	93,589	1,576,856	-318,143	
2016	1,191,457	-68	14,740	1,325,305	-56,460	
2017	314,528	-68	11,732	1,470,817	-200,553	
<b>2016</b>						
I	469,383	734	93,750	1,280,267	-69,544	
II	593,293	533	15,349	1,336,600	-64,600	
III	794,809	-67	15,192	1,359,653	-18,274	
IV	1,191,457	-68	14,740	1,325,305	-56,460	
<b>2017</b>						
I	1,168,747	-67	14,039	1,297,419	-53,195	
II	992,600	-67	14,535	1,332,571	-5,510	
III	385,025	-68	14,274	1,384,905	-107,457	
IV	314,528	-68	11,732	1,470,817	-200,553	

Source: Central Bank of Trinidad and Tobago.

TABLE A.28

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2013-2017  
/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)
2013	0	-694,624	-1,295,408	3,899,548	1,909,516	1,909,516	1,316,873	592,643
2014	0	-624,889	-893,298	3,788,102	2,269,915	2,269,915	1,351,880	918,035
2015	0	-530,729	-1,127,282	3,902,469	2,244,458	2,244,458	1,479,274	765,184
2016	0	-452,576	-1,452,997	4,175,081	2,269,508	2,269,508	1,576,492	693,016
2017								
<b>2016</b>								
I	0	-524,136	-1,156,428	3,946,920	2,266,356	2,266,356	1,499,156	767,200
II	0	-503,352	-1,309,419	4,019,873	2,207,102	2,207,102	1,488,221	718,881
III	0	-429,756	-1,415,278	4,154,029	2,308,995	2,308,995	1,536,123	772,872
IV	0	-452,576	-1,452,997	4,175,081	2,269,508	2,269,508	1,576,492	693,016
<b>2017</b>								
I	0	-441,355	-1,421,197	4,234,443	2,371,891	2,371,891	1,607,292	764,599
II	0	-473,343	-1,398,570	4,248,230	2,376,317	2,376,317	1,570,003	806,314
III	0	-470,766	-627,913	4,327,907	3,229,228	3,229,228	1,586,759	1,642,470
IV								

Source: Central Bank of Trinidad and Tobago.



TABLE A.29

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2013-2017  
/TT\$THOUSAND/

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS				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)
2013	0	6,349	8,055	67,545	81,948	81,948	11,656	7,743	19,398	11,155	51,394
2014	0	11,175	5,809	68,457	85,441	85,441	11,422	7,268	18,690	13,389	53,362
2015	0	14,858	7,367	76,040	98,265	98,265	18,995	7,594	26,589	15,987	55,689
2016	0	7,554	9,934	85,684	103,172	103,172	19,894	8,005	27,899	18,422	56,851
2017	0	4,602	9,575	94,369	108,546	108,546	21,207	8,307	29,514	20,712	58,320
<b>2016</b>											
I	0	11,265	8,346	80,147	99,758	99,758	19,065	7,745	26,810	16,491	56,457
II	0	10,062	10,089	81,977	102,128	102,128	20,187	7,741	27,928	17,230	56,970
III	0	10,648	10,146	83,193	103,987	103,987	19,871	7,923	27,794	17,594	58,599
IV	0	7,554	9,934	85,684	103,172	103,172	19,894	8,005	27,899	18,422	56,851
<b>2017</b>											
I	0	6,775	9,941	87,490	104,206	104,206	19,834	8,681	28,515	18,499	57,192
II	0	6,892	9,788	90,622	107,302	107,302	20,904	8,792	29,696	19,419	58,187
III	0	4,268	9,826	94,769	108,863	108,863	21,198	8,663	29,861	19,824	59,178
IV	0	4,602	9,575	94,369	108,546	108,546	21,207	8,307	29,514	20,712	58,320

Source: Central Bank of Trinidad and Tobago.

TABLE A.30

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2015-2017<sup>1</sup>  
/PER CENT/

INTEREST RATES	2015	2016	2017	2017			
				I	II	III	IV
<b>1. Thrift Institutions</b>							
(a) Savings Deposits							
Range	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50
Median	0.50	0.50	0.50	0.50	0.50	0.50	0.50
(b) Time Deposits							
(i) 1 - 3 years							
Range	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75
Median	2.13	2.13	2.13	2.13	2.13	2.13	2.13
(c) Mortgage Loans (Residential)							
Range	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00
Median	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<b>2. Trust &amp; Mortgage Finance Companies</b>							
(a) Time Deposits							
(i) 1 - 3 years							
Range	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00
Median	3.25	3.25	3.25	3.25	3.25	3.25	3.25
(ii) Over 3 years							
Range	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00
Median	3.50	3.50	3.50	3.50	3.50	3.50	3.50
(b) Mortgage Loans							
(i) Residential							
Range	6.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00
Median	14.00	14.00	14.00	14.00	14.00	14.00	14.00
<b>3. Finance Companies and Merchant Banks</b>							
(a) Time Deposits							
(i) 1 - 3 years							
Range	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50
Median	3.25	3.25	3.25	3.25	3.25	3.25	3.25
(b) Installment Loans							
Range	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41
Median	11.00	11.00	11.00	11.00	11.00	11.00	11.00

Source: Central Bank of Trinidad and Tobago.

<sup>1</sup> 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.31

MONEY AND CAPITAL MARKET ACTIVITY, 2013-2017<sup>1</sup>

END OF PERIOD	NEW ISSUES (\$MN)			SECONDARY MARKET TURNOVER <sup>2</sup>						
	GOVERNMENT SECURITIES	TREASURY BILLS	OTHER <sup>4</sup>	GOVERNMENT SECURITIES <sup>3</sup>		TREASURY BILLS		PUBLIC COMPANY SHARES		
				FACE VALUE (\$MN)	NO. OF TRANS-ACTIONS	FACE VALUE (\$MN)	NO. OF TRANS-ACTIONS	MARKET VALUE (\$MN)	NO. OF TRANS-ACTIONS	VOLUME OF SHARES TRADED (\$MN)
<b>2013</b>	<b>3,059.3</b>	<b>0.0</b>	<b>6,942.4</b>	<b>1,548.8</b>	<b>175</b>	<b>61.9</b>	<b>22</b>	<b>1,105.2</b>	<b>11,595</b>	<b>98</b>
I	0.0	0.0	800.0	573.7	44	49.8	11	247.7	2,257	17
II	1,000.0	0.0	140.0	107.5	38	0.2	3	240.2	2,682	24
III	2,059.3	0.0	0.0	696.5	72	11.9	8	342.9	3,549	33
IV	0.0	0.0	6,002.4	171.0	21	0.0	0	274.4	3,107	24
<b>2014</b>	<b>3,451.8</b>	<b>0.0</b>	<b>3,180.0</b>	<b>909.0</b>	<b>150</b>	<b>177.2</b>	<b>24</b>	<b>1,115.7</b>	<b>11,643</b>	<b>91</b>
I	0.0	0.0	0.0	108.3	23	121.0	8	327.9	3,134	36
II	1,335.8	0.0	0.0	44.5	2	0.1	6	265.1	3,032	14
III	1,451.8	0.0	1,700.0	302.0	48	20.1	2	234.3	2,867	18
IV	1,000.0	0.0	1,480.0	454.1	77	36.1	8	288.4	2,610	24
<b>2015</b>	<b>3,674.1</b>	<b>0.0</b>	<b>116.1</b>	<b>71.6</b>	<b>31</b>	<b>575.8</b>	<b>39</b>	<b>1,152.9</b>	<b>11,009</b>	<b>78</b>
I	500.0	0.0	0.0	23.9	8	79.7	5	214.7	2,925	17
II	475.3	0.0	0.0	20.0	3	65.2	11	244.1	2,420	20
III	1,198.8	0.0	0.0	5.9	12	192.5	11	199.7	2,101	14
IV	1,500.0	0.0	116.1	21.8	8	238.4	12	494.5	3,563	27
<b>2016</b>	<b>4,162.9</b>	<b>0.0</b>	<b>1,206.1</b>	<b>1,722.3</b>	<b>155</b>	<b>650.8</b>	<b>61</b>	<b>951.8</b>	<b>10,519</b>	<b>92</b>
I	0.0	0.0	0.0	275.9	23	212.2	19	234.4	2,873	28
II	3,162.9	0.0	1,206.1	740.5	74	127.8	11	292.1	2,838	30
III	0.0	0.0	0.0	502.9	40	237.9	16	197.5	2,531	14
IV	1,000.0	0.0	0.0	203.1	18	72.9	15	227.8	2,277	20
<b>2017</b>	<b>9,875.0</b>	<b>1,105.0</b>	<b>0.0</b>	<b>986.1</b>	<b>114</b>	<b>778.5</b>	<b>79</b>	<b>1,024.7</b>	<b>11,221</b>	<b>85</b>
I	2,500.0	0.0	0.0	358.5	46	226.1	29	184.2	2,855	20
II	2,200.0	1,105.0	0.0	97.7	17	126.6	15	273.4	2,684	23
III	2,500.0	0.0	0.0	43.6	11	21.0	8	283.1	2,758	19
IV	2,675.0	0.0	0.0	486.3	40	404.7	27	284.0	2,924	24

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

1 Totals may not add 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.32

SELECTED INTEREST RATES, 2015-2017<sup>1</sup>  
/PER CENT PER ANNUM/

	2015	2016	2017	2017			
				I	II	III	IV
<b>A. Central Bank</b>							
(i) Bank Rate	6.75	6.75	6.75	6.75	6.75	6.75	6.75
(ii) Special Deposits Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Repo Rate <sup>2</sup>	4.75	4.75	4.75	4.75	4.75	4.75	4.75
(iv) Reverse Repo Rate <sup>2</sup>	4.25	4.25	4.25	4.25	4.25	4.25	4.25
(v) Mortgage Market Reference Rate (MMRR) <sup>3</sup>	2.75	3.00	3.00	3.00	3.00	3.00	3.00
<b>B. Government</b>							
(i) Treasury Bills	1.00	1.20	1.21	1.19	1.20	1.20	1.21
<b>C. Commercial Banks - Local Currency</b>							
(i) Weighted Average Rate on Loans	7.60	8.05	8.23	8.25	8.24	8.24	8.20
(ii) Weighted Average Rate on Deposits	0.55	0.59	0.61	0.60	0.60	0.61	0.62
(iii) Interest Spread (i - ii)	7.05	7.46	7.63	7.65	7.64	7.62	7.58
<b>D. Non-Bank Financial Institutions<sup>4</sup> - Local Currency</b>							
(i) Weighted Average Rate on Loans	8.70	8.98	9.66	9.20	9.77	9.82	9.85
(ii) Weighted Average Rate on Deposits	1.75	2.42	2.52	2.54	2.60	2.63	2.30
(iii) Interest Spread (i - ii)	6.95	6.57	7.14	6.67	7.17	7.19	7.55

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, the Reverse Repo Rate and the Treasury Bill 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.
- The Mortgage Market Reference Rate (MMRR) was introduced by the Central Bank on 1 December 2011, and represents a reference mortgage rate against which residential mortgages can be priced and re-priced.
- Includes Finance Houses and Trust and Mortgage Finance Companies and represents rates for licensed institutions only.

TABLE A.33 (A)

BALANCE OF PAYMENTS, STANDARD PRESENTATION, 2013-2017<sup>1,2</sup>  
/US\$MILLION/

	2013	2014	2015	2016 <sup>p</sup>	Jan-Sep 2016 <sup>p</sup>	Jan-Sep 2017 <sup>p</sup>
<b>Current Account</b>	<b>5,410.3</b>	<b>4,009.4</b>	<b>1,129.1</b>	<b>-2,611.8</b>	<b>-1,579.2</b>	<b>-625.3</b>
Goods and Services	6,949.0	5,752.0	1,409.3	-2,361.7	-1,728.6	-653.0
Goods, net*	7,596.8	6,406.3	2,529.0	-1,128.7	-818.1	423.5
Exports	17,593.1	14,964.5	11,130.5	8,244.7	5,957.8	7,173.5
Petroleum Crude and Refined	5,152.1	3,848.6	2,538.1	2,560.4	1,781.8	1,962.6
Gas	4,673.9	4,532.7	2,692.4	1,709.3	1,179.8	1,619.5
Petrochemicals	4,210.4	4,110.2	3,536.9	2,161.1	1,685.5	2,013.2
Other	3,556.7	2,473.0	2,363.2	1,813.8	1,310.7	1,578.2
Imports	9,996.2	8,558.2	8,601.5	9,373.3	6,776.0	6,750.0
Fuel	4,508.6	2,867.7	2,428.4	3,507.6	2,476.8	2,531.9
Capital	2,420.0	2,534.6	2,920.1	2,806.7	2,200.1	1,293.4
Other	3,067.7	3,155.9	3,253.0	3,059.2	2,099.3	2,924.7
Services, net	-647.8	-654.3	-1,119.7	-1,233.0	-910.5	-1,076.5
Transport	488.7	457.8	287.4	255.1	191.9	204.6
Travel	341.6	322.9	324.1	286.5	205.1	302.4
Telecommunications, computer, and information services	-49.4	-38.2	-51.3	-32.7	-26.4	-21.9
Insurance and pension services	-161.3	-123.9	-206.7	-209.4	-133.8	-92.6
Other Services <sup>3</sup>	-1,267.4	-1,273.0	-1,473.3	-1,532.5	-1,147.3	-1,469.0
Primary income, net	-1,566.8	-1,725.2	-242.1	-306.1	98.9	-34.0
Secondary income, net	28.1	-17.4	-38.1	55.9	50.4	61.7
<b>Capital Account</b>	<b>1.0</b>	<b>0.3</b>	<b>0.5</b>	<b>2.8</b>	<b>-0.2</b>	<b>0.0</b>
<b>Financial Account</b>	<b>-30.8</b>	<b>124.5</b>	<b>472.9</b>	<b>-1,800.8</b>	<b>-1,580.4</b>	<b>-69.0</b>
Direct investment	1,192.5	-679.2	-65.6	-176.8	-212.8	-70.9
Net acquisition of financial assets	62.5	-17.7	128.3	-193.3	-219.0	63.2
Net incurrence of liabilities	-1,130.0	661.5	193.9	-16.5	-6.2	134.1
Portfolio investment	142.6	846.0	803.9	-1,574.3	-1,108.0	164.1
Net acquisition of financial assets	574.1	739.1	677.0	-101.0	-201.3	125.7
Net incurrence of liabilities	431.5	-107.0	-126.8	1,473.3	906.7	-38.3
Financial derivatives	4.2	-3.2	-1.0	0.0	0.0	1.2
Net acquisition of financial assets	3.9	-1.8	-1.9	0.0	-0.4	1.8
Net incurrence of liabilities	-0.2	1.3	-0.9	0.0	-0.4	0.5
Other investment	-1,370.0	-39.2	-264.4	-49.7	-259.6	-163.4
Net acquisition of financial assets	-1,426.9	254.6	-706.8	-142.2	-71.9	451.6
Net incurrence of liabilities	-56.9	293.8	-442.5	-92.5	187.7	615.1
Net errors and omissions	-4,636.9	-2,564.0	-2,220.8	341.0	74.9	-402.9
<b>Overall Balance</b>	<b>805.2</b>	<b>1,321.3</b>	<b>-1,564.2</b>	<b>-467.2</b>	<b>75.8</b>	<b>-959.2</b>
<b>Memorandum Items</b>						
Current Account/GDP (per cent)	20.3	14.7	4.6	-11.7	-9.4	-3.8
Gross Official Reserves (US\$m) <sup>**</sup>	10,175.9	11,497.1	9,933.0	9,465.8	10,008.8	8,506.6
Import Cover (months) <sup>**</sup>	12.2	12.9	11.2	10.5	11.2	9.8
Debt Service Ratio <sup>**</sup>	1.1	1.0	1.4	1.9	2.0	2.2
Net International Investment Position (US\$m) <sup>**</sup>	4,775.1	6,823.5	6,247.1	5,155.6	6,108.9	4,275.4

Source: Central Bank of Trinidad and Tobago.

1 Totals may not sum due to rounding.

2 This table is a standard presentation of the balance of payments in the accordance with the IMF's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).. An analytical presentation of the balance of payments is also constructed. Refer to Box 3 of the Economic Bulletin, March 2017 for a Technical Note on the Transition to BPM6.

3 Other Services consists of manufacturing services on physical inputs owned by others, maintenance and repair services n.i.e., construction, financial services, charges for the use of intellectual property n.i.e., other business services and government goods and services n.i.e.

\* Energy goods data for 2011-2017 comprise estimates by the Central Bank of Trinidad and Tobago.

<sup>\*\*</sup> End of Period.

**TABLE A.33 (B)**DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY SECTOR)  
/US\$MILLION/

	2013	2014	2015	2016 <sup>P</sup>	Jan-Sep 2016 <sup>P</sup>	Jan-Sep 2017 <sup>P</sup>
Petroleum Industries	-1,095.4	299.8	67.5	-424.4	-294.4	16.1
Mining	0.0	0.0	0.0	0.0	0.0	0.0
Exploration and Production	-902.7	-709.8	164.6	-56.0	-35.8	-52.9
Refineries	-79.4	-164.6	-73.4	138.7	98.9	4.2
Petrochemicals	-129.2	1,183.1	-62.2	-534.0	-371.2	58.6
Service Contractors	1.1	-19.2	32.4	23.3	10.8	8.9
Marketing and Distribution	14.7	10.4	6.1	3.6	2.9	-2.7
Food, Drink and Tobacco	18.1	13.7	13.0	47.6	41.2	10.3
Chemicals and Non-Metallic Minerals	6.4	-10.7	25.8	4.0	1.1	61.5
Assembly Type and Related Industries	-95.1	324.4	1.3	65.2	6.5	23.2
Distribution	3.8	21.2	34.6	87.4	58.2	-12.0
All Other Sectors <sup>1</sup>	32.2	13.0	51.7	203.8	181.2	35.0
<b>TOTAL</b>	<b>-1,130.0</b>	<b>661.5</b>	<b>193.9</b>	<b>-16.5</b>	<b>-6.2</b>	<b>134.1</b>

Source: Central Bank of Trinidad and Tobago.

- 1 "All Other Sectors" include Textiles, Garments, Footwear, Headwear, Printing, Publishing and Paper Converters, Wood and Related Products, Miscellaneous Manufacturing, Electricity and Water, Construction, Hotels and Guest Houses, Transportation, Communication and Storage, Finance, Insurance, Real Estate and Business Services, Educational and Cultural Community Services, Personal Services and Other sectors.

**TABLE A.33 (C)**DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY COUNTRY)  
/US\$MILLION/

	2013	2014	2015	2016 <sup>P</sup>	Jan-Sep 2016 <sup>P</sup>	Jan-Sep 2017 <sup>P</sup>
U.S.A.	250.4	-382.0	357.4	309.4	470.6	409.1
U.K.	-779.6	-500.8	-75.2	-35.5	-166.4	-350.2
Canada	47.7	-33.8	43.2	-387.1	-361.2	-77.8
Japan <sup>c</sup>	-	-	-	-	-	-
India <sup>c</sup>	-	-	-	-	-	-
Other	-648.5	1,578.1	-131.4	96.7	50.8	153.0
<b>TOTAL</b>	<b>-1,130.0</b>	<b>661.5</b>	<b>193.9</b>	<b>-16.5</b>	<b>-6.2</b>	<b>134.1</b>

Source: Central Bank of Trinidad and Tobago.

c Confidential.

TABLE A.34

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES FOR SELECTED CURRENCIES, 2013-2017<sup>1</sup>

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)
2013	6.3885	6.4426	6.1134	6.4166	9.7838	10.2313	0.0656	0.0662	8.2916	8.6617
2014	6.3613	6.4086	5.6779	5.9750	10.2525	10.7882	0.0602	0.0607	8.2714	8.6831
2015	6.3298	6.3776	4.8932	5.1793	9.5120	10.0569	0.0522	0.0546	6.9171	7.3032
2016	6.6152	6.6715	4.9425	5.2478	8.8462	9.4051	0.0632	0.0642	7.2682	7.6602
2017	6.7283	6.7795	5.1182	5.4517	8.6071	9.1537	0.0599	0.0628	7.5373	8.0093
<b>2017</b>										
January	6.7248	6.7776	5.0373	5.3238	8.2301	8.6977	0.0585	0.0615	7.0618	7.4657
February	6.7311	6.7782	5.0715	5.3740	8.3308	8.8475	0.0593	0.0623	7.0778	7.4979
March	6.7183	6.7754	4.9492	5.2856	8.2207	8.7425	0.0593	0.0624	7.1072	7.5530
<b>I</b>	<b>6.7243</b>	<b>6.7770</b>	<b>5.0156</b>	<b>5.3249</b>	<b>8.2564</b>	<b>8.7581</b>	<b>0.0591</b>	<b>0.0620</b>	<b>7.0829</b>	<b>7.5067</b>
April	6.7253	6.7801	4.9384	5.2622	8.4424	8.9326	0.0609	0.0638	7.1554	7.5712
May	6.7249	6.7802	4.8675	5.1878	8.6584	9.1377	0.0599	0.0628	7.3796	7.8197
June	6.7275	6.7772	4.9909	5.3184	8.6069	9.0876	0.0606	0.0633	7.5077	7.9718
<b>II</b>	<b>6.7258</b>	<b>6.7792</b>	<b>4.9278</b>	<b>5.2514</b>	<b>8.5754</b>	<b>9.0585</b>	<b>0.0604</b>	<b>0.0633</b>	<b>7.3498</b>	<b>7.7898</b>
July	6.7279	6.7792	5.2085	5.5373	8.6996	9.2078	0.0597	0.0624	7.6730	8.1770
August	6.7236	6.7820	5.2604	5.5972	8.6405	9.2451	0.0612	0.0640	7.8817	8.3032
September	6.7321	6.7803	5.4079	5.7546	8.8916	9.4281	0.0607	0.0636	7.9758	8.4471
<b>III</b>	<b>6.7278</b>	<b>6.7805</b>	<b>5.2904</b>	<b>5.6277</b>	<b>8.7415</b>	<b>9.2915</b>	<b>0.0605</b>	<b>0.0633</b>	<b>7.8414</b>	<b>8.3069</b>
October	6.7332	6.7824	5.2776	5.6303	8.8072	9.4304	0.0594	0.0623	7.8339	8.3578
November	6.7295	6.7800	5.1950	5.5751	8.8101	9.4732	0.0596	0.0626	7.8433	8.3756
December	6.7441	6.7817	5.2101	5.5652	8.9450	9.6040	0.0595	0.0626	7.9100	8.5310
<b>IV</b>	<b>6.7353</b>	<b>6.7813</b>	<b>5.2268</b>	<b>5.5901</b>	<b>8.8512</b>	<b>9.4999</b>	<b>0.0595</b>	<b>0.0625</b>	<b>7.8610</b>	<b>8.4182</b>

Source: Central Bank of Trinidad and Tobago.

<sup>1</sup> Monthly rates are an average of daily rates.

TABLE A.35

TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 2013-2017  
/US\$MILLION/

END OF PERIOD	CENTRAL BANK					CENTRAL GOVERNMENT	NET OFFICIAL RESERVES (5+6)
	FOREIGN ASSETS <sup>1</sup>	Of which		FOREIGN LIABILITIES	NET INTERNATIONAL RESERVES (1+4)		
		IMF RESERVE TRANCHE POSITION	SDR HOLDINGS				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013	10,175.9	188.9	423.8	0.0	10,175.9	0.0	10,175.9
2014	11,496.9	180.6	403.9	0.0	11,496.9	0.2	11,497.1
2015	9,932.4	145.0	387.7	0.0	9,932.4	0.6	9,933.0
2016	9,462.9	131.6	325.6	0.0	9,462.9	2.9	9,465.8
2017	8,366.2	97.1	344.9	0.0	8,366.2	3.6	8,369.8
<b>2016</b>							
I	9,570.4	194.7	341.3	0.0	9,570.4	0.6	9,571.0
II	9,565.1	190.5	338.9	0.0	9,565.1	0.6	9,565.7
III	10,008.2	187.5	338.1	0.0	10,008.2	0.6	10,008.8
IV	9,462.9	131.6	325.6	0.0	9,462.9	2.9	9,465.8
<b>2017</b>							
I	9,102.6	116.1	332.7	0.0	9,102.6	2.8	9,105.4
II	8,733.1	119.3	344.0	0.0	8,733.1	2.8	8,735.9
III	8,503.0	117.6	342.3	0.0	8,503.0	3.6	8,506.6
IV	8,366.2	97.1	344.9	0.0	8,366.2	3.6	8,369.8
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)	
2013	3,014.3	745.2	2,269.1	13,190.1	745.2	12,444.9	
2014	3,066.7	790.6	2,276.1	14,563.8	790.6	13,773.2	
2015	3,508.9	811.5	2,697.4	13,441.8	811.5	12,630.4	
2016	3,343.8	605.5	2,738.2	12,809.6	605.5	12,204.0	
2017	3,332.5	559.2	2,773.3	11,702.3	559.2	11,143.1	
<b>2016</b>							
I	3,260.6	704.7	2,555.9	12,831.6	704.7	12,126.9	
II	3,083.0	519.0	2,564.1	12,648.7	519.0	12,129.8	
III	3,118.8	581.7	2,537.1	13,127.6	581.7	12,545.9	
IV	3,343.8	605.5	2,738.2	12,809.6	605.5	12,204.0	
<b>2017</b>							
I	3,401.4	567.6	2,833.8	12,506.8	567.6	11,939.2	
II	3,345.7	539.2	2,806.6	12,081.7	539.2	11,542.5	
III	3,523.8	582.8	2,941.0	12,030.4	582.8	11,447.6	
IV	3,332.5	559.2	2,773.3	11,702.3	559.2	11,143.1	

Source: Central Bank of Trinidad and Tobago.

- 1 International reserves have been revised to include Trinidad and Tobago's reserve position in the IMF. International reserves are defined as external assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitudes of such imbalances through intervention in exchange markets and for other purposes. Typically, they include securities, gold, IMF special drawing rights (SDRs), a country's holding of foreign currency and deposits, reserve position in the IMF, and other claims (Balance of Payments Manual 6th Edition Paragraph 6.64).



TABLE A.36

SUMMARY ACCOUNTS OF THE CENTRAL BANK, 2013-2017  
/TT\$MILLION/

ITEM	2013	2014	2015	2016	2017
<b>Net Foreign Assets</b>	<b>62,058.4</b>	<b>69,783.8</b>	<b>60,602.5</b>	<b>60,467.2</b>	<b>53,004.5</b>
Net International Reserves	65,517.4	73,103.3	63,761.9	63,836.6	56,578.6
Assets	65,517.4	73,103.3	63,761.9	63,836.6	56,578.6
Liabilities	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	-3,459.0	-3,319.5	-3,159.3	-3,369.4	-3,574.2
Other External Assets	3.5	6.0	10.3	24.8	39.1
Medium and Long-Term Foreign Liabilities	-301.3	-231.6	-303.4	-425.4	-554.0
SDR Allocation	-3,161.2	-3,094.0	-2,866.2	-2,968.7	-3,059.3
<b>Net Domestic Assets</b>	<b>-28,197.3</b>	<b>-34,213.6</b>	<b>-29,103.9</b>	<b>-31,704.9</b>	<b>-26,170.6</b>
Net credit to the public sector	-18,928.5	-26,007.4	-23,053.2	-21,604.3	-16,660.7
Central Government (net)	-18,893.2	-25,970.2	-23,011.6	-21,566.4	-16,623.3
Treasury bills	0.0	0.0	43.1	167.1	0.0
Other Government securities	2,390.2	2,437.8	2,107.9	3,142.7	198.1
Loans to Government	35,122.0	40,004.3	46,677.6	36,458.6	46,976.7
Use of reserves(-addition)	-56,405.4	-68,412.3	-71,840.1	-61,334.8	-63,798.1
Rest of Public Sector	-35.2	-37.2	-41.6	-37.9	-37.4
<i>of which: Public enterprises</i>	0.0	0.0	0.0	0.0	0.0
Net claims on financial institutions	0.0	0.0	0.0	0.0	0.0
Other items (net)	-9,268.8	-8,206.3	-6,050.7	-10,100.6	-9,509.9
<b>Reserve Money</b>	<b>33,861.1</b>	<b>35,570.2</b>	<b>31,498.6</b>	<b>28,762.3</b>	<b>26,833.9</b>
Currency in circulation	7,422.1	8,350.9	9,092.4	9,365.5	9,420.9
Deposits of commercial banks	26,094.8	26,832.0	22,023.1	18,772.7	17,092.3
Deposits of non-bank financial institutions	344.2	387.3	383.1	624.0	320.6
	<b>Changes as a Per Cent of Beginning-of-Period Reserve Money</b>				
<b>Net Foreign Assets</b>	<b>19.2</b>	<b>22.8</b>	<b>-25.8</b>	<b>-0.4</b>	<b>-25.9</b>
<b>Net Domestic Assets</b>	<b>-2.9</b>	<b>-17.8</b>	<b>14.4</b>	<b>-8.3</b>	<b>19.2</b>
<i>Of which: Central Government</i>	<i>-10.6</i>	<i>-20.9</i>	<i>8.3</i>	<i>4.6</i>	<i>17.2</i>
<b>Reserve Money</b>	<b>16.3</b>	<b>5.0</b>	<b>-11.4</b>	<b>-8.7</b>	<b>-6.7</b>
<b>Memorandum Item:</b>					
Government Blocked Account	24,765.3	34,947.9	32,217.5	31,343.6	24,303.7

Source: Central Bank of Trinidad and Tobago.



## NOTES

# NOTES





2017 ANNUAL ECONOMIC SURVEY