



CENTRAL BANK OF  
TRINIDAD & TOBAGO

## 2018 ANNUAL ECONOMIC SURVEY



Central Bank of Trinidad and Tobago  
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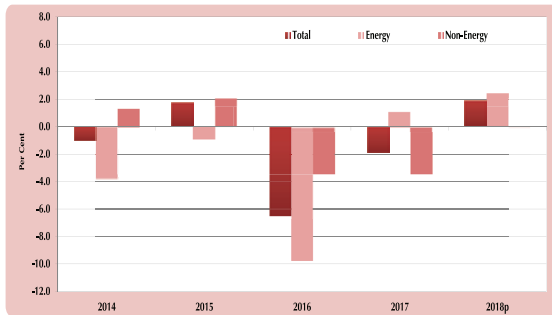
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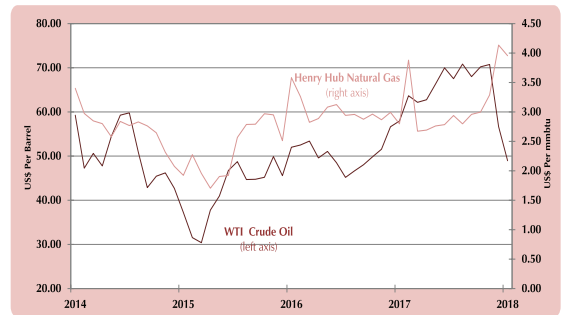
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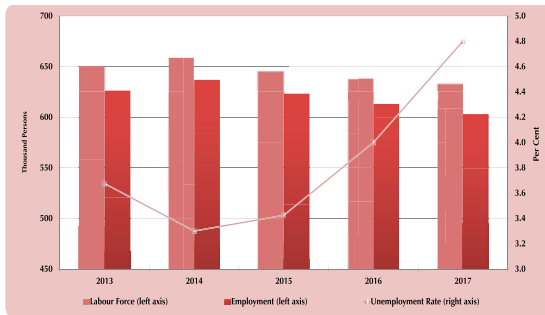
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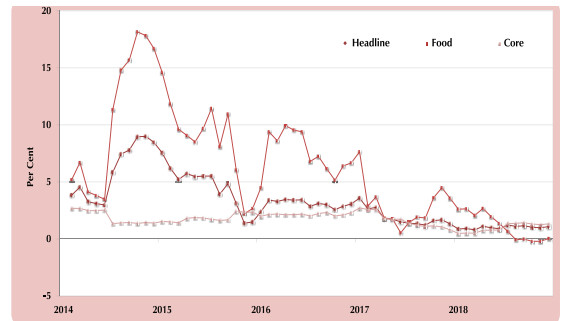
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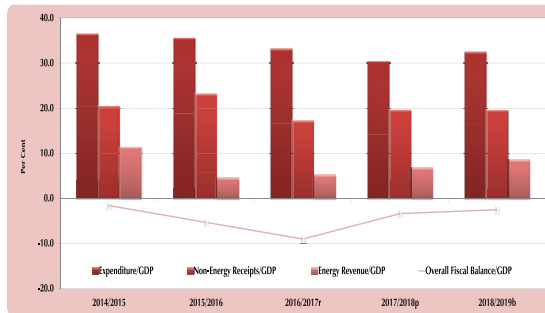
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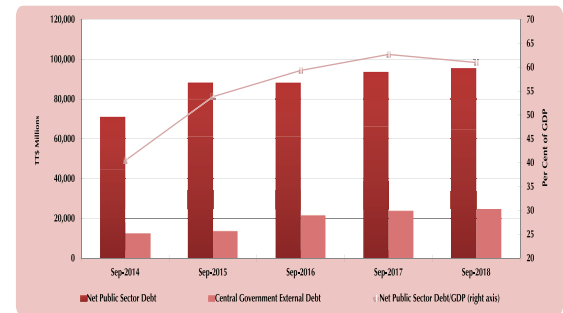
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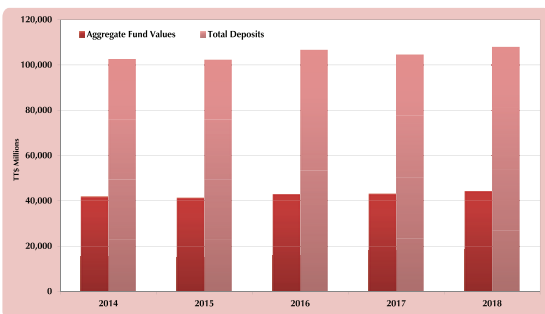
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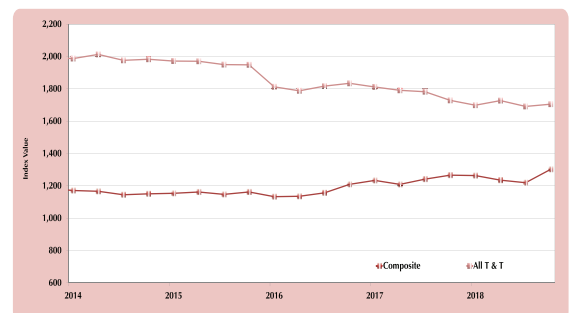
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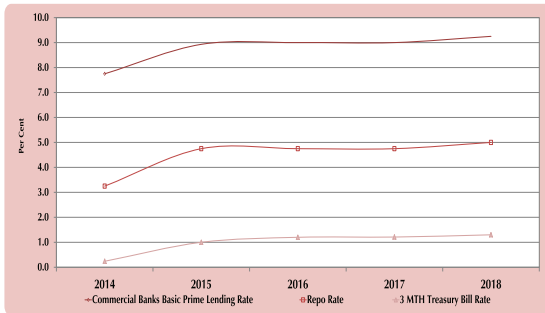
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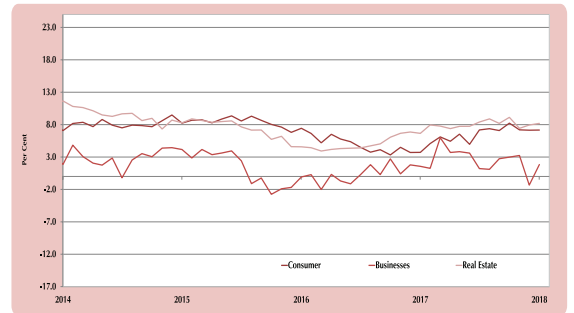
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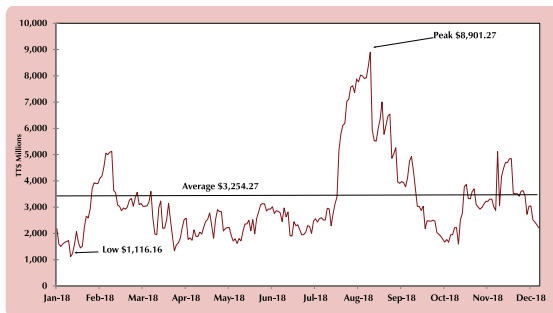
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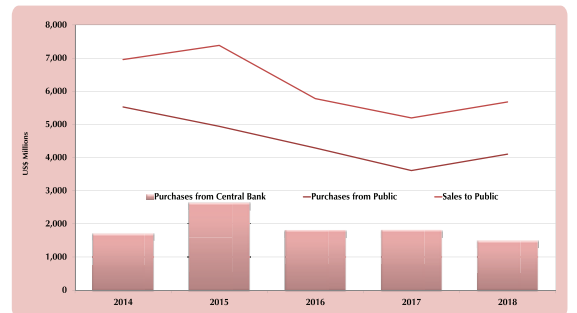
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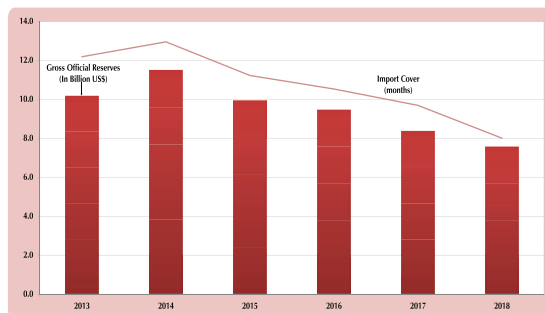
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LIQUIDITY MANAGEMENT MEASURES	CHANGES TO THE CENTRAL BANK POLICY RATE
<b>Mar 2017:</b> \$1.5 billion 1-year special deposit matured and was not rolled over.	<b>Jan 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Mar 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>May 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Jul 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Sep 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Nov 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Dec 2017:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Jan 2018:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Mar 2018:</b> 'Repo' rate maintained at 4.75 per cent.
	<b>Jun 2018:</b> 'Repo' rate maintained at 5.00 per cent.
	<b>Sep 2018:</b> 'Repo' rate maintained at 5.00 per cent.
<b>Aug 2018:</b> The secondary reserve requirement was discontinued.	<b>Dec 2018:</b> 'Repo' rate maintained at 5.00 per cent.





## CHAPTER ONE

# OVERVIEW OF 2018 AND OUTLOOK FOR 2019

# OVERVIEW OF 2018 AND OUTLOOK OR 2019

## OVERVIEW OF ECONOMIC DEVELOPMENTS IN 2018

### *Global economic growth slowed in 2018...*

The global economy performed worse than expected in 2018, because of slower growth in international trade and investments, intensified trade tensions between the United States (US) and China, prolonged Brexit uncertainty and tightened financial conditions. Meanwhile, energy prices strengthened in the second half of 2018, partly owing to fears of global supply shortfalls ahead of the imposition of US sanctions on Iranian output announced to come into effect in November 2018.

Among the Advanced Economies (AEs), real GDP growth decelerated with the exception of the US. A slowdown in business investment dampened economic growth in the UK, while slowing net exports and softer external demand contributed to the decline in real output in the Euro area. Further, temporary disruptions caused by bad weather and natural disasters led to the economic slowdown in Japan in 2018. Amidst strong economic gains in the US, the Federal Reserve increased its target range for its benchmark rate (the Federal funds rate) on four occasions by December 2018. The gradual reversal from unconventional monetary policy in the US, coupled with pressures on the external account, posed challenges for the Emerging Market and Developing Economies (EMDEs) in 2018. Rising inflationary pressures as a result of exchange rate pass through from depreciated currencies led to restrictive monetary policy in some EMDEs. Growth in these economies moderated in 2018 due to the weaker than expected recovery in commodity export markets and in domestic demand.

Economic performance was mixed in the Latin American and Caribbean (LAC) region. Growth was stymied by lower private investment arising from uncertainty as the North America Free Trade Agreement (NAFTA) was being renegotiated, the currency crisis in Argentina, the May/June trucker's strike in Brazil and worsening sociopolitical

conditions in Venezuela. In the Caribbean real output expanded in Jamaica, Guyana and the Eastern Caribbean Currency Union (ECCU) but fell off in Barbados. In October 2018, the International Monetary Fund (IMF) approved a US\$290.0 million Extended Fund Facility (EFF) in support of the Barbados Economic Recovery and Transformation (BERT) Plan. The BERT is aimed at restoring growth and fiscal sustainability.

### *But the domestic economy improved on the strength of the energy sector...*

According to initial projections from the Central Statistical Office (CSO), real GDP grew by 1.9 per cent in 2018 after declining by 1.9 per cent in 2017 (**Table 1**). The energy sector grew by 2.4 per cent while the non-energy sector remained flat. The Central Bank's Quarterly Index of Economic Activity (QIEA) shows that energy output was boosted by higher natural gas production (6.5 per cent) owing to new output from the Juniper gas project. Crude oil production, however, declined by 11.6 per cent given continued challenges in maintaining crude output from mature acreage. On the whole, refinery throughput fell by 9.3 per cent, with a sharp decline being observed following the closure of the Petrotrin refinery in November 2018. Moreover, the output of petrochemicals slipped given stoppages for maintenance at various plants across the industry. Outside of energy, several of the non-energy sectors including construction and distribution remained weak over the period.

### *Inflation remained generally low while unemployment conditions deteriorated...*

Headline inflation averaged 1.0 per cent in 2018, down from 1.9 per cent in 2017. Core inflation measured 1.0 per cent while food inflation was marginally higher at 1.1 per cent. Food prices were relatively well contained in 2018, aided by lower international food prices. According to latest available data from the CSO, the unemployment rate increased to 4.8 per cent in 2017 from 4.0 per

cent in 2016. In the absence of official unemployment statistics for 2018, retrenchment notices, a supplementary indicator of job separation, suggest an increase in job losses in 2018, particularly in the petroleum and gas and transport, storage and communication services sub-sectors.

### *Central Government's fiscal position strengthened...*

Higher energy and non-energy receipts and lower expenditure resulted in a decline in the fiscal deficit in 2018. In FY2017/18, Central Government's total revenue increased by roughly \$6.0 billion, while expenditure fell by \$2.1 billion. This resulted in the fiscal accounts recording an overall deficit of \$5.4 billion (3.4 per cent of GDP) in FY2017/18 compared with a deficit of \$13.5 billion (9.1 per cent of GDP) one year earlier.

### *As monetary policy tightened...*

The Repo rate ended the year at 5.00 per cent in 2018 after the Central Bank increased it by 25 basis points in June 2018. In light of low inflation and a still recovering economy the Bank decided to hold the Repo rate steady at its monetary policy meetings in September and December 2018. Additionally, in August 2018 the Bank removed the Secondary Reserve Requirement, which was set at 2.0 per cent of commercial banks' prescribed liabilities. This was in keeping with the Bank's aim to move away from direct tools of monetary policy towards more market-based measures. Though net domestic fiscal injections increased markedly in 2018, active liquidity management by the Bank ensured that excess liquidity remained well contained. The Central Bank continued to support the foreign exchange market by conducting periodic foreign currency interventions. While commercial bank interest rates declined slightly, private sector credit expanded throughout the year supported mainly by growth in consumer and real estate lending. Meanwhile, growing at an average rate of 2.6 per cent, lending to businesses was subdued during the year.

## OUTLOOK

### *Globally, macroeconomic vulnerabilities may intensify...*

Global economic growth is anticipated to lose further momentum in 2019. The IMF in its April 2019 World Economic Outlook (WEO) projects growth for 2019 at 3.3 per cent, down from the estimated 3.6 per cent in 2018. Meanwhile, the LAC region is projected to grow by 1.4 per cent in 2019, somewhat above the 1.0 per cent growth rate of 2018.

### *While domestically, the strength of the natural gas industry continues to lead the growth recovery...*

The domestic economy is expected to receive a boost in 2019 from the startup of the Angelin platform during the first quarter. This is projected to drive growth in natural gas-based industries such as LNG and petrochemicals. Moreover, the non-energy sector could rebound on account of spillovers from the energy sector. Positive non-energy sector performance could ameliorate labour market conditions as job losses may be contained. Additionally, while domestic inflationary pressures are expected to remain low in 2019, the forecasted harsh dry season could lead to a rise in the cost of local food produce.

### *Downside risks remain for the energy sector over the medium term...*

Crude supply restrictions are expected to add upward momentum to crude prices in 2019. A 1.2 million b/d cut to global output by the OPEC/non-OPEC consortium over the first half of the year, coupled with US sanctions on the purchase of Iranian and Venezuelan crude have already translated into higher prices<sup>1</sup>. Meanwhile, improvements in the non-energy sector may depend, inter alia, on stimulus from the government primarily through the implementation of the public sector investment programme.

1 On January 28 2019, the US imposed sanctions on Venezuela's oil industry. These sanctions aim to freeze the sale of some 0.5 million barrels of oil per day to US oil companies, while US refiners are no longer allowed to pay for shipments of oil directly to the state-owned Petróleos de Venezuela (PDVSA). Payments are instead held in escrow accounts in the US. The US is one of Venezuela's primary oil markets.

**TABLE 1**  
TRINIDAD AND TOBAGO SELECTED INDICATORS, 2014-2018

	2014	2015	2016	2017	2018
Real GDP Growth (2012 = 100) <sup>1</sup>	-1.0	1.8	-6.5	-1.9	1.9
Energy Sector	-3.8	-0.9	-9.8	1.1	2.4
Non-Energy Sector	1.3	2.1	-3.5	-3.5	0.0
Agriculture, Forestry and Fishing	-9.9	25.1	-15.3	21.5	-15.6
Trade and Repairs	0.3	3.6	-7.2	-11.3	-1.2
Construction	1.3	-2.7	-4.2	-4.1	-3.3
Financial and Insurance Activities	0.2	3.4	2.4	0.9	1.1
Inflation Rate (%) <sup>2</sup>					
(period average)	5.7	4.7	3.1	1.9	1.0
(end of period)	8.5	1.5	3.1	1.3	1.1
Unemployment Rate (%) <sup>3</sup>	3.3	3.4	4.0	4.8	n.a.
	<b>PER CENT OF GDP</b>				
Overall Central Government Operations					
Surplus(+)/Deficit(-), (end of fiscal year)	-2.5	-1.7	-5.4	-9.1	-3.4
Public Sector Debt, (end of fiscal year) <sup>4</sup>	40.4	53.8	59.3	62.7	61.0
Central Government External Debt, (end of fiscal year)	7.2	8.4	14.4	15.7	15.8
Balance of Payments Current Account Balance	14.5	7.4	-3.9	4.9	4.6*
Surplus(+)/Deficit(-)					
<b>MEMORANDUM ITEMS:</b>					
Central Government External Debt in US\$M (end of fiscal year)	2,072.1	2,171.8	3,149.3	3,471.2	3,629.3
Debt Service Ratio (%) <sup>5</sup>	1.0	1.2	1.8	2.1	2.0
W.T.I. (US\$/barrel, annual average)	93.1	48.7	43.2	50.9	64.8
Net Official Reserves (US\$M) <sup>6</sup>	11,497.1	9,933.0	9,465.8	8,369.8	7,575.0

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 but 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-September 2018.



## CHAPTER TWO

# NATIONAL ACCOUNTS

## NATIONAL ACCOUNTS

**The Central Statistical Office (CSO) estimated that the domestic economy recorded positive growth in 2018<sup>2</sup>.** According to CSO's projections published in the 2018 Review of the Economy, real Gross Domestic Product (GDP) increased by 1.9 per cent in 2018 on account of an expansion in the energy sector (2.4 per cent) and a flat performance in the non-energy sector (0.0 per cent). The improvement followed two successive years of negative economic growth: real GDP declined by 1.9 per cent in 2017 and by 6.5 per cent in 2016.

**Indicators of economic activity monitored by the Central Bank<sup>3</sup> (See Box 1) also suggest an uptick in the energy sector during 2018.** Exploration and production activity in the upstream subsector was boosted by higher natural gas output, which was largely facilitated by the Juniper platform. However, crude oil production, rig days and depth drilled continued to decline. The performance of the midstream sub-sector was mixed. Liquefied Natural Gas (LNG) production was strong (13.5 per cent), reflective of a recovery from the maintenance programme at Atlantic LNG Train 4 one year earlier. In contrast, the production of natural gas liquids (NGL's) fell by 11.3 per cent as yields are being affected by the extraction of increasingly dry natural gas. Meanwhile, refinery throughput declined, partly due to the closure of Petrotrin's refinery operations. The downstream petro-

chemical sub-sector also declined as lower ammonia (3.8 per cent) output outstripped the increase in the output of urea. Fertilizer output was adversely affected by the increased downtime at two ammonia plants—CNC and Tringen II. Methanol output dipped because of maintenance activity at the M5000 facility in October 2018.

**Non-energy sector indicators monitored by the Central Bank suggest a flat performance for 2018.** Economic activity in the construction sector remained muted as reflected by industry data, which show that during the year local sales of cement declined by 2.7 per cent. The performance of the finance, insurance, real estate and other business services sector was held back by less buoyant activity in the commercial bank sub-industry. Meanwhile, lower domestic demand affected activity in the manufacturing sector. Manufacturers continued to operate with considerable spare capacity, producing at 66.4 per cent of their capability over 2018, which was the lowest level since 2014 (Table 2). The food, drink and tobacco sub-sector saw a particularly sharp falloff in capacity usage in 2018. Within the transport, storage and communications sector, preliminary data show increased activity at the ports and in the local passenger road transport sub-industry, but slowdowns in the airline transport and telecommunications sub-industries.

**TABLE 2**  
MANUFACTURING SECTOR CAPACITY UTILISATION RATE, 2012-2018

	2012	2013	2014	2015	2016	2017	JAN TO SEP 2018
Manufacturing	65.0	66.2	70.8	69.0	69.3	69.0	66.2
Food, Drink & Tobacco	70.6	72.2	79.1	77.3	74.0	73.5	68.1
Chemicals and Non-Metallic Minerals	57.0	63.2	67.3	65.7	59.6	60.5	60.0
Assembly Type and Related Industries	55.5	54.8	49.6	43.9	63.2	62.8	60.5

Source: Central Bank of Trinidad and Tobago

2 The CSO currently publishes GDP statistics in accordance with the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC Rev 4). Under ISIC Rev 4, the largest industries, measured as a per cent of GDP, are Trade and Repairs (20.5 per cent), Manufacturing (15.9 per cent) and Mining and Quarrying (15.5 per cent). Prior to 2017, GDP statistics were compiled in accordance with the Trinidad and Tobago System of National Accounts (TTSNA) industry classification.

3 This refers to the Quarterly Index of Real Economic Activity (QIEA).

### Box 1: QUARTLY INDEX OF REAL ECONOMIC ACTIVITY (QIEA)

#### INTRODUCTION

The Quarterly Index of Real Economic Activity is a base-weighted Laspeyres quantity index, defined as a weighted arithmetic average of quantity relatives with weights reflective of the base year (2010) value added. The Index is based on indicators of production or economic activity and, in the absence of official quarterly data from the Central Statistical Office (CSO)<sup>1</sup>, is used to estimate shorter term changes in economic activity, which is essential in the conduct of monetary policy.

The Index originated as the Quarterly Index of Gross Domestic Product (QGDP Index), and was introduced in 1987 by the Central Bank of Trinidad and Tobago (the Bank). In February 2017, the QGDP Index was renamed the Quarterly Index of Real Economic Activity (QIEA Index).

#### REASON FOR CHANGE IN NAME OF INDEX

The purpose of the name change was to ensure greater precision in the use of the index and will more clearly identify the Index as an indicator of quarterly movements in economic activity, rather than an estimate of quarterly real GDP growth. Furthermore, the new name was intended to eliminate the uncertainty that has at times arisen within the general public regarding whether the Index constitutes an official measure of quarterly GDP growth. Official measurement of GDP falls under the purview of the CSO.

#### METHODOLOGY

The QIEA Index is disaggregated into several sectors: energy, agriculture, manufacturing, construction, distribution, water and electricity, transport, finance, government, hotels and guest houses, personal services and education. The sectors are further broken down into sub-sectors. For each sub-sector, suitable indicators of economic activity are selected and Laspeyres indices are computed for all indicators. The sectoral sub-indices are then weighed to derive the sectoral indices which are further weighted<sup>2</sup> (based on the contribution to GDP in 2010) to produce the overall Index.

#### DIFFERENCE OF QIEA FROM CSO'S GDP MEASURE

The primary difference between the Bank's Index of Economic Activity and GDP compiled by the CSO is as follows: while the Bank produces an Index based on indicators of economic activity, the CSO produces detailed data on both nominal and real GDP measures on an annual basis using the value added method (gross output minus intermediate consumption). Another difference is that the Index of Economic Activity does not cover all sub-industries measured by the CSO. For example, within the Finance Insurance, Real Estate and All Other Business Services sector (under the former Trinidad System of National Accounts classification), the Bank does not measure Other Business Services in its methodology. Differences also surround the CSO's rebasing of its GDP to a 2012 base year and change in classification structure from the Trinidad and Tobago System of National Accounts (TTSNA) to the International Standard Industrial Classification, Revision 4 (ISIC Rev.4) in 2017. The Bank is also working towards rebasing the QIEA and aligning its classification to the ISIC Rev.4 classification. **Table 1** outlines the sub-sectors and their corresponding indicators used in the compilation of the QIEA Index.

1 The CSO is the official source of National Accounts Statistics. These statistics are compiled on an annual basis and published in the Review of the Economy. The CSO is working towards the production of quarterly GDP statistics.

2 Weights measure the sectors' contribution to GDP. Weights will not sum to 1000 since the overall weight includes the weight for Financial Intermediation Services Indirectly Measured (FISIM).

**Box 1: CONT'D**  
**QUARTERLY INDEX OF REAL ECONOMIC ACTIVITY (QIEA)**

**TABLE 1**  
**SECTORS AND INDICATORS**

SECTORS	WEIGHTS PER 1000	INDICATORS
Energy	414.6	Output of crude oil, natural gas production and utilisation, LNG output, refinery throughput, output of Natural Gas Liquids, Rig Months and petrochemicals.
Construction	69.3	Local sales of cement, mined aggregates, sales of readymix concrete, hardware and construction materials, numbers employed in construction.
Water and Electricity	13.3	Water production and electricity generation.
Distribution	183.5	Deflated Retail Sales Index.
Finance	109.1	Deflated values of loans, deposits, investments, and fundraising instruments for both commercial banks and NFIs, and Central Bank employment.
Banks, NFIs and Central Bank	65.5	
Real Estate	9.4	
Insurance	15.5	Deflated gross premiums of insurance companies.
Other	11.7	Number of account holders for the mutual funds industry, volume of shares traded on the stock exchange and numbers employed at DIC.
Transport	60.3	Volume of mails and parcels handled by TTPOST.
Post Office	13.2	
Airlines	14.1	Passenger arrivals and departures for all airlines.
Port	3.4	Number of containers handled by the Port of Port-of-Spain and Port of Point Lisas.
Telecommunications	22.4	Call minutes (mobile, fixed and international markets) for all service providers, internet subscriptions and pay television subscriptions.
Taxis, car rentals and Trucks	19.4	Number of trucks, hired cars and rental cars insured - quarterly insurance survey.
Government	76.8	Numbers employed.
Education	27.8	Student enrollment statistics.
Manufacturing	67.9	Output of surveyed manufacturing firms.
Agriculture	4.1	Agriculture output from NAMDEVCO and CSO.
Personal Services	11.8	Numbers employed.
Hotels & Guest Houses	4.3	Number of rooms sold.





## CHAPTER THREE

# LABOUR MARKET

# LABOUR MARKET

## UNEMPLOYMENT

**Latest official labour market statistics from the Central Statistical Office (CSO) indicate that unemployment rose in 2017.** The unemployment rate increased to 4.8 per cent in 2017 from 4.0 per cent in 2016 (Table 3). The number of persons with jobs fell by 9.9 thousand persons in 2017, with 5.3 thousand of these persons continuing to actively seek employment (“unemployed” persons). However, 4.6 thousand persons left the labour force, contributing to a labour force participation rate<sup>4</sup> of 59.2 per cent in 2017 compared with 59.7 per cent in 2016. Both male and female labour force participation has been declining since 2014 but the falloff has been greater for males.

**Most of the job losses during 2017 occurred in the construction sector (including water and electricity service companies), where there were 12.0 thousand**

**fewer persons employed.** Job losses also occurred in the energy (3.9 thousand jobs), community, social and personal services (2.7 thousand jobs), and transport, storage and communications (1.9 thousand jobs) sectors (Table 4). On the other hand, employment grew in the wholesale and retail trade (6.8 thousand jobs) and agriculture (2.5 thousand jobs) sectors.

**Data released by the Ministry of Labour and Small Enterprise Development showed that during 2018, the number of retrenched workers<sup>5</sup> rose by over 40.0 per cent to 1,623 persons.** Most of these retrenchments occurred in the transport, storage and communication (626); finance, insurance, real estate and business services (295); energy (including production, refining, and service contractors) (258); and manufacturing (171) industries. Added to this were job cuts by Petrotrin of approximately 5,000 workers (3,500 permanent workers and 1,500 temporary workers).

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

	2012	2013	2014	2015	2016	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	1,071.2
Labour Force	646.0	650.2	658.6	645.3	638.3	633.7
Persons with jobs	614.0	626.3	636.9	623.3	613.1	603.1
Persons without jobs	32.0	23.9	21.8	22.0	25.3	30.6
Participation Rate (%)	61.9	61.4	62.3	60.6	59.7	59.2
Male	72.2	71.6	72.2	71.2	69.5	68.9
Female	51.7	51.2	50.2	50.0	50.1	49.5
Unemployment Rate (%)	5.0	3.7	3.3	3.4	4.0	4.8
Male	4.1	3.0	2.8	2.9	3.9	4.3
Female	6.2	4.6	4.0	4.2	4.0	5.7

Source: The Central Statistical Office

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

<sup>4</sup> The CSO defines the labour force participation rate as the proportion of the non-institutional population that is economically active (i.e., the proportion of the working age population (15 years and older) that is either employed or actively seeking employment).

<sup>5</sup> 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 terminated, employers are not obligated to report to the Ministry. This indicator for job separation is therefore 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. Furthermore, reports of job losses at establishments cannot be equated with an equal rise in the unemployment rate. Data on the labour market are not collected from firms and other establishments but from households via the conduct of the Continuous Sample Survey of Population (CSSP). Moreover, persons who have been retrenched or who have lost their jobs otherwise (expired contract, retired, etc.) and have not sought re-employment during the reference period are not classified as unemployed.

**TABLE 4**  
THE SECTORAL DISTRIBUTION OF EMPLOYMENT<sup>1</sup>, 2016-2017

	2016		2017	
	(000 s)	%	(000 s)	%
Agriculture	19.8	3.2	22.3	3.7
Petroleum & Gas	18.4	3.0	14.5	2.4
Manufacturing (including Mining & Quarrying)	48.3	7.9	48.9	8.1
Construction (including Electricity & Water)	100.7	16.4	88.6	14.7
Transport, Storage & Communications	44.5	7.3	42.6	7.1
Other Services	381.5	62.2	386.1	64.0
Of which:				
Wholesale & Retail	112.2	18.3	119.0	19.7
Community, Social & Personal Services	209.5	34.2	206.8	34.3
Finance, Insurance & Real Estate	58.2	9.5	58.3	9.7
Not Classified	1.6	0.3	2.0	0.3
<b>TOTAL EMPLOYMENT</b>	<b>613.2</b>	<b>100.0</b>	<b>603.1</b>	<b>100.0</b>

Source: Central Statistical Office

1 Numbers may not sum due to rounding.

## LABOUR PRODUCTIVITY<sup>6</sup>

### During 2018, labour productivity improved, reflecting higher production levels and fewer hours worked in both the energy and non-energy sectors.

On the whole, the Index of Productivity increased by 7.4 per cent over the year. With the energy sector excluded, the increase in productivity was higher—13.7 per cent—as the decline in oil and natural gas refining (9.6 per cent) pulled down the overall Productivity Index. The overall Index of Domestic Production increased by 4.0 per cent, while the Index of Hours Worked fell by 3.1 per cent. In the non-energy sector, the largest increase in productivity was recorded in the drink and tobacco industry (26.3 per cent) mainly due to higher alcoholic beverage production over the period. Productivity increases also occurred in the food processing (16.4 per cent); miscellaneous manufacturing, which include the production of leather, ceramic products, jewellery, and other products (7.6 per cent); and chemicals (4.1 per cent) industries.

## WAGES

**In an environment of low inflation, wage growth remained moderate during 2018.** On the basis of Collective Agreements registered at the Industrial Court, the median wage increase measured 3.0 per cent, un-

changed from 2017 (Table 5). Wage growth slowed in the distribution, petroleum, construction and food processing industries but accelerated in the finance and chemicals sectors. Wage increases for 2018 ranged between 2.0 and 7.0 per cent compared with 0.0 to 7.0 per cent in 2017. Wage growth was lowest in the transportation, chemicals, petroleum, manufacturing and food processing industries where pay increases averaged 2.0 per cent in 2018.

**Meanwhile, the Index of Average Weekly Earnings (AWE) rose by 5.9 per cent during 2018, compared with an increase of 1.0 per cent in 2017.** The most substantial increase occurred in the energy industry in oil refining, which jumped by 17.5 per cent during 2018. However, in the non-energy sector, earnings rose by 0.7 per cent over the period as declining wages in the clothing, electricity, and food processing industries weighed down wage growth in the assembly, printing, wood, and miscellaneous manufacturing sub-sectors.

## INDUSTRIAL RELATIONS

**In 2018, public and private companies continued to streamline their business operations leading to workforce reductions in some instances.** As a result, there were episodes of industrial action by workers and their representative trade unions. Most notably, during

6 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.

2018, the Government announced plans to close the state-owned oil refinery, Petrotrin, and restructure its Exploration and Production (E&P) section. This triggered protest action by the Oilfield Workers Trade Union (OWTU) and several other trade unions and civil society organisations. Additionally, the Telecommunications Services of Trinidad and Tobago (TSTT) made several positions redundant (for example, payroll clerk, accounts

clerk, billing attendant, customer service representative, labourer, and others) to facilitate the company's "digital transformation" strategy. In response to the company's decision, the workers representative union, the Communications Workers Union (CWU), attempted to prevent impending retrenchments at TSTT by filing an injunction with the Industrial Court. However, in November 2018, TSTT issued letters of redundancy to over 500 workers.

**TABLE 5**  
WAGE INCREASES FOR 2017

SECTOR	NO. OF AGREEMENTS ANALYSED	DURATION OF AGREEMENTS	RANGE OF YEARLY INCREASES FOR 2018	AVERAGE WAGE INCREASE FOR 2016	MEDIAN WAGE INCREASE FOR AGREEMENTS ANALYSED
Finance, Insurance, Real Estate and Business Services	7	2016-2019	3.00-7.00	3.71	
Distribution	6	2015-2020	3.00-4.00	3.50	
Printing, Publishing and Paper Converters	1	2017-2019	2.50	2.50	
Transportation, Communication and Storage	2	2015-2019	2.00-3.00	2.50	
Chemicals and Non-Metallic Minerals	2	2016-2018	2.00-3.00	2.50	
Chemicals and Non-Metallic Minerals	2	2016-2018	2.00-3.00	2.50	3.0
Petroleum and Other Mining Industries	1	2016-2019	2.00	2.00	
Manufacturing	4	2016-2020	2.00-5.00	3.75	
Personal Services	1	2015-2018	3.00	3.00	
Construction	2	2015-2020	3.00-4.00	3.50	
Food Processors and Drinks	2	2016-2019	2.00-3.00	2.50	

Source: Industrial Court of Trinidad and Tobago



## CHAPTER FOUR

### PRICES

# PRICES

## INFLATION

**Inflation remained low and stable throughout 2018, influenced by monetary policy, low demand and falling international food prices (Table 6).** Headline inflation averaged 1.0 per cent in 2018 compared to 1.9 per cent a year earlier and displayed little variability during the year, moving from 0.9 per cent in January to 1.1 per cent by the end of 2018.

**Core inflation averaged 1.0 per cent in 2018.** Core inflation moved from 0.5 per cent in January 2018 to 1.3 per cent in December 2018, largely impacted by relatively stronger price movements in the transportation and housing sub-indices. The transportation sub-index rose in the fourth quarter of 2018, influenced by higher fuel prices announced in the National Budget on October 1, 2018. Meanwhile, an increase in the cost of home ownership underpinned the upward momentum in the housing sub-index. Conversely, these increases were moderated by declines in the clothing and footwear sub-category.

**Food inflation was relatively well contained in 2018, averaging 1.1 per cent.** This compares with food inflation of 2.9 per cent in 2017. The downward momentum quickened during the second half of the year with strong declines in vegetable prices in August (-3.8 per cent); prices of Food Products N.E.C.<sup>7</sup> in September (-9.7 per cent); and meat prices in December (-6.1 per cent). Food prices were also tempered by falling international food prices. In 2018 the UN Food and Agriculture Organisation food price index edged down by 2.5 per cent.

## PRODUCERS' PRICES

Producer price inflation declined in 2018, supporting the low inflationary conditions at the retail level. The Producer Prices Index (PPI) declined 0.3 per cent in 2018 following increases of 1.9 per cent in 2017 and 1.2 per cent in 2016. The decline in the PPI was driven mainly by a 5.5 per cent decline in the chemicals and non-metallic products sub-index, which saw notable declines in the price of cement (-15.1 per cent) and Readymix concrete (-10.1 per cent). Elsewhere in the index, the printing, publishing and paper converters sub-index registered a 2.3 per cent increase as paper converters prices increased 5.2 per cent. All other sub-indices registered marginal price increases with the exception of textiles garments and footwear, which remained unchanged from 2017 levels.

## BUILDING MATERIALS PRICES

**Building material prices garnered strength in 2018. The Index of Retail Prices of Building Materials (BMI) registered growth of 4.5 per cent during the year.** This follows declines of 0.4 per cent in 2017 and 0.3 per cent in 2016. All sub-indices of the BMI registered an increase from 2017 levels, with the largest surge seen in the electrical installation and fixtures sub-index (6.4 per cent), followed by the wall and roof sub-index (6.3 per cent). The increases in the BMI coincided with the faster price increases seen in the housing sub-index of the retail prices index (RPI), suggesting that there was some pass-through to consumers.

<sup>7</sup> Not Elsewhere Classified.

**TABLE 6**  
ANNUAL AVERAGE MOVEMENT OF SELECTED CATEGORIES OF THE  
DOMESTIC RETAIL PRICE INDEX, 2015 - 2018  
/PER CENT CHANGE/

CROP	2015	2016	2017	2018
<b>HEADLINE INFLATION</b>	4.7	3.1	1.9	1.0
<b>FOOD INFLATION</b>	8.6	7.5	2.9	1.1
Fish	6.1	4.6	3.2	2.6
Food Products NEC	18.0	14.9	5.4	-2.3
Meat	16.9	7.5	1.2	-0.8
Milk, Cheese and Eggs	1.3	-1.2	4.6	5.0
Vegetables	7.1	10.8	3.2	0.8
Bread and Cereals	1.9	6.5	1.4	0.7
Sugar, Jam, Confectionery, etc.	-0.2	3.0	5.5	1.3
Non-Alcoholic Beverages	2.6	12.7	1.6	1.3
Oils and Fats	0.3	7.7	5.0	3.6
Fruits	2.5	7.5	6.5	3.5
<b>CORE INFLATION</b>	1.8	2.2	1.6	1.0
Communication	-0.8	6.6	2.1	-1.3
Education	8.0	0.6	0.0	0.0
Miscellaneous Goods and Other Services	4.6	2.4	1.7	0.6
Hotels, Cafes and Restaurants	2.4	4.6	3.6	2.6
Health	1.0	6.5	14.5	1.6
Transport	1.0	3.2	1.2	1.9
Recreation and Culture	3.2	2.9	0.8	0.8
Alcoholic Beverages & Tobacco	3.3	1.6	5.2	-0.1
Clothing and Footwear	4.5	3.6	0.1	-4.5
Housing, Water, Electricity, Gas and Other Fuels	0.9	-0.3	0.1	2.4
Furnishings, Household Equipment and Routine Maintenance	1.2	1.5	1.8	-0.5

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



## CHAPTER FIVE

# FISCAL OPERATIONS



## FISCAL OPERATIONS

### **The Central Government's fiscal consolidation efforts resulted in a lower deficit in fiscal year (FY) 2017/18.**

Provisional data from the Ministry of Finance (MoF) show that the fiscal accounts recorded an overall deficit of \$5.4 billion (3.4 per cent of GDP) in FY2017/18 compared to \$13.5 billion (9.1 per cent of GDP) in the previous year (Table 7). The lower deficit was reflective of an increase in revenue—which was partly due to the proceeds from the National Investment Fund (NIF)<sup>8</sup>—and a decline in expenditure, and was financed by domestic and external borrowings. Higher non-energy revenues resulted in the non-energy fiscal deficit narrowing to \$16.0 billion (10.2 per cent of GDP) at the end of FY2017/18, from \$21.3 billion (14.3 per cent of GDP) in FY2016/17.

### **Central Government total revenue amounted to \$42.2 billion in FY2017/18, roughly \$6.0 billion higher than the previous fiscal year.**

The simultaneous increase in energy and non-energy receipts accounted for the rise in revenue. Energy revenue increased by 17.7 per cent to \$10.7 billion because of higher natural gas output and crude oil prices<sup>9</sup>. Non-energy receipts rose by 19.1 per cent to \$30.7 billion (Table 8), largely owing to higher revenue from taxes on goods and services and non-tax revenue. However, these increases were offset by lower collections on international trade and capital revenue. Capital revenue declined by 36.0 per cent due to the reclassification of the proceeds from the NIF bond under non-tax revenue<sup>10</sup>.

### **Central Government total expenditure amounted to \$47.6 billion in FY2017/18, compared with \$49.7 billion in FY2016/17.**

The fall in aggregate expenditure largely reflected streamlining of expenditure in most categories, but in particular wages and salaries and transfers and subsidies. The decline in expenditure on wages and salaries was primarily as a result of lower payments of arrears for revised salaries and cost of living allowances (COLA) to public officers. Meanwhile, the decline in transfers and subsidies was as a result of a fall-off in transfers to household, led by cuts in the petroleum subsidy. Similarly, the smaller outlays on the capital programme were largely due to administrative delays in the implementation of projects, variations in the scope of work for some projects and delays in the processing of claims for payment.

### **Central Government has taken steps to improve revenue collection and streamline expenditure given still weak energy commodity prices.**

In FY2017/18, steps towards fiscal adjustments have been apparent. These included efforts to strengthen tax administration<sup>11</sup>, the introduction of standardized royalty rates on natural gas production<sup>12</sup> and the gradual removal of the fuel subsidy.

8 The National Investment Fund Holding Company Limited (NIFHCL) is a special purpose investment company created by the Government of the Republic of Trinidad and Tobago (GORTT) to monetize assets from CLICO and CLICO Investment Bank (CIB) in liquidation as well as an appropriate shareholding of Trinidad Generation Unlimited (TGU).

9 Natural gas production averaged 3,589.8 million cubic square feet per day (mmscf/d) in FY2017/18 compared with 3,312.2 mmscf/d in FY2016/17. Meanwhile, crude oil West Texas Intermediate (WTI) prices averaged US\$63.97 per barrel in FY2017/18 compared with US\$49.35 per barrel in FY2015/16.

10 Subsequent to the non-materialisation of revenue from the projected sale of CLICO assets by March 2018, assets from CLICO and Trinidad Generation Unlimited were transferred to Property Income to be remitted under the NIF for public offering. This transfer of assets and change in the revenue earning mechanism required an amendment to the reporting profile of projected earnings.

11 An assessment of the system of tax administration of the Republic of Trinidad and Tobago was undertaken during the period September 20–October 3, 2017 using the IMF's Tax Administration Diagnostic Assessment Tool (TADAT). TADAT provides an assessment baseline of tax administration performance that can be used to determine reform priorities, and, with subsequent repeat assessments, highlight reform achievements.

12 On December 1, 2017, royalty rates for both crude oil and natural gas were standardised at 12.5 per cent. Previously, crude oil royalty rates ranged between 10.0 per cent and 15.0 per cent while natural gas was taxed at \$0.015 per mmscf. The royalty will be calculated on the fair market values of oil and gas.

**TABLE 7**  
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2014/2015-2018/2019  
/TT\$ MILLION/

	FISCAL YEARS				
	2014/2015	2015/2016	2016/2017 <sup>r</sup>	2017/2018 <sup>p</sup>	2018/2019 <sup>b</sup>
Current Revenue	52,244.6	41,158.9	34,870.1	41,411.0	44,715.1
Current Expenditure	52,322.9	48,546.4	46,263.5	44,197.3	46,576.3
<b>CURRENT SURPLUS (+)/DEFICIT (-)</b>	<b>-78.3</b>	<b>-7,387.6</b>	<b>-11,393.4</b>	<b>-2,786.3</b>	<b>-1,861.2</b>
Capital Receipts	4,989.2	3,813.7	1,310.5	838.6	3,009.1
Capital Expenditure and Net Lending <sup>1</sup>	7,620.8	4,398.3	3,448.5	3,403.9	5,200.0
<b>OVERALL SURPLUS (+)/DEFICIT (-)</b>	<b>-2,709.9</b>	<b>-7,972.1</b>	<b>-13,531.4</b>	<b>-5,351.6</b>	<b>-4,052.1</b>
Financing	2,709.9	7,972.1	13,531.4	5,351.6	4,052.1
External (Net)	-199.2	8,954.0	3,266.7	660.5	225.7
Domestic (Net)	2,909.1	-981.9	10,264.7	4,691.1	3,826.4
	<b>SURPLUS (+) / DEFICIT (-) AS A PER CENT OF FISCAL YEAR GDP</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 fiscal years FY2014/2015.

r Revised.

b Budgeted.

p Provisional.

**TABLE 8**  
SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2014/2015-2018/2019  
/TT\$ MILLIONS/

FISCAL YEARS					
	2014/2015	2015/2016	2016/2017 <sup>r</sup>	2017/2018 <sup>p</sup>	2018/2019 <sup>b</sup>
<b>REVENUE</b>	<b>57,233.8</b>	<b>44,972.6</b>	<b>36,180.6</b>	<b>42,249.6</b>	<b>47,724.2</b>
Current	52,244.6	41,158.9	34,870.1	41,411.0	44,715.1
Energy <sup>*</sup>	18,660.9	6,644.4	7,759.5	10,694.6	13,641.0
Non-Energy <sup>*</sup>	33,583.7	34,514.5	27,110.6	30,716.3	31,074.0
Capital	4,989.2	3,813.7	1,310.5	838.6	3,009.1
<b>EXPENDITURE</b>	<b>59,943.7</b>	<b>52,944.7</b>	<b>49,712.0</b>	<b>47,601.2</b>	<b>51,776.3</b>
Current	52,322.9	48,546.4	46,263.5	44,197.3	46,576.3
Wages and salaries	10,077.1	9,601.9	9,937.8	9,097.1	9,328.3
Goods and services	8,105.4	7,326.1	5,827.2	6,088.1	7,000.1
Interest payments	3,438.4	3,762.4	4,468.4	3,813.3	3,687.2
Transfers & Subsidies <sup>1</sup>	30,702.0	27,856.1	26,030.1	25,198.8	26,560.7
Capital expenditure & net lending <sup>2</sup>	7,620.8	4,398.3	3,448.5	3,403.9	5,200.0
<b>OVERALL NON-ENERGY BALANCE<sup>3</sup></b>	<b>-21,370.8</b>	<b>-14,616.5</b>	<b>-21,290.9</b>	<b>-16,046.3</b>	<b>-17,693.2</b>
<b>OVERALL BALANCE</b>	<b>-2,709.9</b>	<b>-7,972.1</b>	<b>-13,531.4</b>	<b>-5,351.7</b>	<b>-4,052.1</b>
<b>TOTAL FINANCING (NET)</b>	<b>2,709.9</b>	<b>7,972.1</b>	<b>13,531.4</b>	<b>5,351.6</b>	<b>4,052.1</b>
Net Foreign financing	-199.2	8,954.0	3,266.7	660.5	225.7
Net Domestic financing	2,909.1	-981.9	10,264.7	4,691.1	3,826.4
<i>Of which: Transfers to Heritage &amp; Stabilization Fund</i>	0.0	-2,498.4	-1,712.2	0.0	0.0
	<b>PER CENT OF GDP</b>				
<b>REVENUE</b>	<b>34.9</b>	<b>30.2</b>	<b>24.2</b>	<b>27.0</b>	<b>30.0</b>
Current	31.8	27.7	23.3	26.4	28.1
Energy	11.4	4.5	5.1	6.8	8.6
Non-Energy	20.5	23.2	18.0	19.6	19.5
Capital	3.0	2.6	0.9	0.5	1.9
<b>EXPENDITURE</b>	<b>36.5</b>	<b>35.6</b>	<b>33.3</b>	<b>30.4</b>	<b>32.6</b>
Current	31.9	32.6	31.0	28.2	29.3
Wages and salaries	6.1	6.5	6.7	5.8	5.9
Goods and services	4.9	4.9	3.9	3.9	4.4
Interest payments	2.1	2.5	3.0	2.4	2.3
Transfers & subsidies	18.7	18.7	17.4	16.1	16.7
Capital expenditure & net lending	4.6	3.0	2.3	2.2	3.3
<b>OVERALL NON-ENERGY BALANCE</b>	<b>-13.0</b>	<b>-9.8</b>	<b>-14.3</b>	<b>-10.2</b>	<b>-10.8</b>
<b>OVERALL BALANCE</b>	<b>-1.7</b>	<b>-5.4</b>	<b>-9.1</b>	<b>-3.4</b>	<b>-2.5</b>
<b>TOTAL FINANCING (NET)</b>	<b>1.7</b>	<b>5.4</b>	<b>9.1</b>	<b>3.4</b>	<b>2.5</b>
Net Foreign financing	-0.1	6.0	2.2	0.4	0.1
Net Domestic financing	1.8	-0.7	6.9	3.0	2.4
<i>Of which: Transfers to Heritage &amp; Stabilization Fund</i>	0.0	-1.7	-1.1	0.0	0.0
<b>MEMOORANDUM ITEMS:</b>					
Primary Fiscal Balance (TT\$m) <sup>4</sup>	728.5	-4,209.7	-9,063.0	-1,538.4	-364.9
Cyclically Adjusted Balance (TT\$m) <sup>5</sup>	-3,025.9	-6,368.4	-11,281.7	-2,826.3	n.a.
Structural Fiscal Balance (TT\$m) <sup>6</sup>	-2,960.1	-878.8	-186.2	598.5	n.a.

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

- Adjusted for transfers to the Infrastructure Development Fund, Government Assisted Tertiary Education Fund and CARICOM Petroleum Fund.
  - Includes an adjustment for Repayment of Past Lending for FY2014/2015.
  - The non-energy balance is computed as the sum of non-energy revenue and capital revenue less total expenditure.
  - The primary balance is a measure of the fiscal balance net of interest payments which are a result of past borrowings. It can be used to assess the government's ability to meet its non-interest expenditures out of its revenue receipts.
  - The cyclically adjusted balance provides an estimate of the fiscal position net of cyclical effects by adjusting revenue and expenditure for business cycle effects. (See Box 2).
  - The structural fiscal balance is an estimate of the fiscal position after excluding the effects of the business cycle and fluctuations in commodity prices, as well as one-off factors that temporarily affect revenue and expenditure. (See Box 2)
- \* The energy and non-energy breakdowns are based on the Central Bank's computations. Energy revenues comprise oil revenues plus revenues from Petrochemical companies. Data for FY2018/2019 is an estimate.
- r Revised.  
p Provisional.  
b Budgeted.

## Box 2: THE CYCLICALLY ADJUSTED AND STRUCTURAL FISCAL BALANCES

### RATIONALE

Traditionally, fiscal balances such as the overall balance, primary balance and the non-energy balance have been used to analyse the Central Government fiscal operations in Trinidad and Tobago. While these indicators provide meaningful analysis of the general trends and policy stance, they contain inherent shortcomings. For instance, these indicators do not adjust for the effect of business cycle fluctuations and other large one-off factors on revenue and expenditure, thereby measuring items not solely driven by Government operations. In Trinidad and Tobago, fiscal aggregates are significantly impacted by fluctuations in economic activity and in energy commodity prices. For countries with these characteristics, the IMF<sup>1</sup> recommends the adjustment of fiscal aggregates when computing fiscal balances and to this end has developed the cyclical adjusted balance (CAB) and the structural fiscal balance (SFB). These indicators provide an enhanced assessment of the Government's underlying fiscal position which in turn can facilitate fiscal sustainability analysis and guide medium-term policy formulation. Further, they can provide a better gauge of whether fiscal policy decisions are adding to or subtracting from aggregate demand pressures in the economy by correcting for the effects of the business and commodity price cycles<sup>4</sup>.

### THE CYCLICALLY ADJUSTED BALANCE (CAB)<sup>3</sup>

The CAB is an estimate of the overall balance after adjusting for cyclical effects. Revenue and expenditure items are adjusted for business cycle effects, that is, temporary effects associated with the deviation of actual from potential output (output gap). For example, during an economic boom fiscal revenues are boosted, leading to a stronger fiscal balance which may encourage the Government to increase its level of spending. However, the increase in revenue is only transitory and will diminish once the business cycle changes. Once revenue falls, the Government could find itself having to support a level of spending that is in excess of its revenues. Eliminating the cyclical element can address this. Estimating the CAB can indicate whether revenue collected by Government operations can support expenditure solely associated with its operations.

### THE STRUCTURAL FISCAL BALANCE (SFB)

For energy exporting countries like Trinidad and Tobago, movements in such prices can have a significant impact on revenues and on the Government's fiscal position. Adjusting for the effects of the domestic business cycle does not guarantee adjustments for the commodity price cycle as energy commodity prices are driven primarily by external factors. Therefore, an improvement in the CAB could convey a misleading impression that the positive performance was due to a significant fiscal "effort" and that it is permanent. The SFB not only corrects for business cycle effects but also fluctuations in commodity prices. In the case of Trinidad and Tobago, revenues are adjusted for fluctuations in energy prices using the Energy Commodity Price Index (ECPI)<sup>4</sup>. In addition, the SFB permanently removes one-off factors influencing revenue and expenditure. Table 1.0 below provides some examples of one-off revenue and expenditure items.

- 1 For further details on the CAB and SFB, see Bornhorst et al. 2011. When and How to Adjust Beyond the Business Cycle? A Guide to Structural Fiscal Balances. Fiscal Affairs Department, International Monetary Fund.
- 2 The fiscal impulse measures the change in the discretionary policy of the government on aggregate demand. Discretionary policy involves changes in the tax rates, coverage, exemptions or deductions which can add to or subtract from aggregate demand pressures in a given year.
- 3 These balances are computed using the methodology outlined in the Central Bank Working Paper entitled "Measuring the cyclically adjusted and structural balances in Trinidad and Tobago" published in April 2013.
- 4 The ECPI is a summary measure of the price movements of Trinidad and Tobago's top ten energy-based commodity exports. 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.

BOX 2: CONT'D  
THE CYCLICALLY ADJUSTED AND STRUCTURAL FISCAL BALANCES

TABLE 1  
ONE-OFF REVENUE AND EXPENDITURE ITEMS

ONE-OFF REVENUE	ONE-OFF EXPENDITURE
Tax Amnesty 2008/2009	Interest payments on bailout-related debt (CLICO & HCU)
Tax Amnesty 2010/2011	Capital transfers to TGU
Tax Amnesty 2014/2015	Payment of salary arrears
BPTT payment of outstanding arrears	Payment of arrears to contractors
National Gas Co. prepayment of dividends	Loans extended to other Governments
First Citizens IPO	
Sale of CLICO assets	
Refunds from termination of OPV contract	
Phoenix Gas Processors IPO	
TTNGL Limited IPO	
TGU repayment of past lending	
Sale of Assets (ETECK)	
Proceeds from issuance of NIF bonds	

Source: Author's Construction

**TABLE 9**  
**ENERGY-BASED GOVERNMENT REVENUES, 2013/2014-2017/2018**  
 /PER CENT OF GOVERNMENT REVENUE/

	FISCAL YEARS				
	2013/2014	2014/2015	2015/2016	2016/2017 <sup>r</sup>	2017/2018 <sup>p</sup>
<b>ENERGY SECTOR</b>	<b>48.2</b>	<b>32.6</b>	<b>14.8</b>	<b>21.4</b>	<b>25.3</b>
Petroleum Profit Tax (PPT)	20.5	9.4	2.0	1.7	2.6
Supplemental Petroleum Tax (SPT)	8.5	9.0	0.3	1.4	2.4
Corporation Tax	11.3	8.7	6.3	9.6	11.3
Royalties	4.1	1.9	1.2	2.6	4.8
Unemployment Levy	2.1	1.0	0.3	0.3	0.3
Withholding Tax	1.2	1.4	1.7	1.4	1.2
Exercise Duty	0.2	0.2	0.3	0.3	0.2
Oil Impost <sup>1</sup>	0.2	0.2	0.3	0.4	0.2
Signature Bonus	0.0	0.0	0.0	0.0	0.0
Production Sharing Contracts	0.0	0.8	2.2	3.6	2.4
Surplus Income - Sale of Pet. Products	0.0	0.0	0.2	0.2	0.1
	<b>PER CENT OF GDP</b>				
<b>ENERGY SECTOR</b>	<b>16.0</b>	<b>11.4</b>	<b>4.5</b>	<b>5.2</b>	<b>6.8</b>
Petroleum Profit Tax (PPT)	6.8	3.3	0.6	0.4	0.7
Supplemental Petroleum Tax (SPT)	2.8	3.1	0.1	0.3	0.6
Corporation Tax	3.7	3.0	1.9	2.3	3.0
Royalties	<b>1.4</b>	<b>0.7</b>	<b>0.3</b>	<b>0.6</b>	<b>1.3</b>
Unemployment Levy	0.7	0.4	0.1	0.1	0.1
Withholding Tax	0.4	0.5	0.5	0.3	0.3
Exercise Duty	0.1	0.1	0.1	0.1	0.1
Oil Impost <sup>1</sup>	0.1	0.1	0.1	0.1	0.0
Signature Bonus	0.0	0.0	0.0	0.0	0.0
Production Sharing Contracts	0.0	0.3	0.7	0.9	0.6
Surplus Income - Sale of Pet. Products	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>

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.

p Provisional.

**TABLE 10**  
**CENTRAL GOVERNMENT RECURRENT EXPENDITURE<sup>1</sup>:**  
**A FUNCTIONAL CLASSIFICATION, 2014/2015 - 2018/2019**  
**/TT\$ MILLIONS/**

	FISCAL YEARS				
	2014/2015	2015/2016 <sup>r</sup>	2016/2017 <sup>r</sup>	2017/2018 <sup>re</sup>	2018/2019 <sup>b</sup>
<b>ECONOMIC SERVICES</b>	<b>6,407.2</b>	<b>3,939.4</b>	<b>3,329.1</b>	<b>2,769.7</b>	<b>3,518.0</b>
Energy	4,712.9	1,006.0	466.6	88.2	520.4
Agriculture, Land and Marine Resources	626.9	794.3	727.5	709.6	707.0
Transport	1,067.4	2,139.1	2,135.0	1,971.9	2,290.6
<b>SOCIAL SERVICES</b>	<b>18,110.5</b>	<b>17,406.5</b>	<b>17,075.1</b>	<b>17,190.2</b>	<b>17,381.4</b>
Education <sup>2</sup>	7,249.7	5,903.0	5,008.3	5,160.2	5,330.3
Health	4,321.0	4,564.1	5,053.4	5,049.3	4,740.5
Housing	1,917.3	1,011.7	1,307.5	1,397.2	1,375.4
Small and Micro-Enterprise Development	165.4	502.1	356.3	345.1	360.0
Social Services <sup>3</sup>	4,457.1	5,425.6	5,349.6	5,238.4	5,575.2
<b>PUBLIC SERVICES</b>	<b>2,515.7</b>	<b>3,938.8</b>	<b>3,620.1</b>	<b>3,381.1</b>	<b>3,550.0</b>
National Security	2,515.7	3,938.8	3,620.1	3,381.1	3,550.0
<b>OTHER<sup>4</sup></b>	<b>25,539.0</b>	<b>28,362.0</b>	<b>28,912.0</b>	<b>29,284.9</b>	<b>28,731.1</b>
<b>TOTAL RECURRENT EXPENDITURE<sup>5</sup></b>	<b>52,572.4</b>	<b>53,646.7</b>	<b>52,936.3</b>	<b>52,625.9</b>	<b>53,180.5</b>

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

1 Classified according to recurrent expenditure allocated to the respective Ministries.

2 Includes Ministry of Education, Ministry of Tertiary Education and Skills Training, Ministry of Science and Technology.

3 Includes Ministry of Community Development, Culture and the Arts and Ministry of Social Development and Family Services.

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

5 Represents Recurrent Expenditure from the Consolidated Fund only.

r Revised.

re Revised Estimates.

b Budgeted.

**PUBLIC SECTOR DEBT**

**Total public sector debt outstanding at the end of September 2018 amounted to \$119.1 billion, 1.8 per cent lower compared to September 2017 (Table 11).**

Net public sector debt, which excludes debt issued for sterilisation purposes, increased to \$95.5 billion. During the fiscal year, the Central Government borrowed both domestically and externally for budgetary support and to refinance existing obligations.

**Central Government reduced its domestic borrowing in FY 2017/18.** Domestic debt excluding sterilised liabilities<sup>13</sup> increased to \$42.3 billion in September 2018 from \$40.8 billion in September 2017. Under the Development Loans Act, Central Government borrowed \$6.3 billion in FY2017/18 compared with \$8.3 billion in FY2016/17 (Table 12). These borrowings were done through private placements and included bonds underwritten by First Citizens Bank totalling \$4.6 billion, ANSA Merchant Bank, \$1.2 billion and Republic Bank Limited amounting to \$500.0 million. Principal repayments for bonds and loans amounted to \$4.4 billion, while \$471.4 million was allocated for the repayment of CLICO zero coupon bonds and \$18.7 million for HCU zero coupon bonds.

**External Debt increased to US\$3,629.3 million at the end of September 2018, from US\$3,471.2 million in September 2017 (Appendix Table A.17A).** Central Government accessed the Corporación Andina de Fomento (CAF) for US\$300.0 million during the pe-

riod, of which US\$180.0 million was disbursed during FY2017/18. Additionally, the Inter-American Development Bank (IDB) disbursed US\$59.2 million, of which US\$55.0 million was geared towards the Multiphase Wastewater Rehabilitation Programme, while the Export Import (EXIM) Bank of China disbursed US\$21.5 million for the acquisition of a multi-purpose patrol vessel. Total external debt service payments amounted to US\$225.6 million of which US\$102.6 million was geared towards principal repayments. More than half of the principal repayment (\$54.1 million) was used to repay the multilateral creditor, IDB.

**Contingent liabilities fell by \$780.8 million to \$28.5 billion, as repayments of past lending by state enterprises outstripped new borrowings.** New borrowings for the 12 months to September 2018 by State-owned Enterprises included a National Insurance Property Development Company (NIPDEC) \$405.0 million loan facility to fund the Programme of Works of the Programme for Upgrading Road Efficiency (PURE) and loans contracted by Petrotrin totalling US\$230.0 million issued for working capital and trade financing purposes. Meanwhile, the Urban Development Corporation of Trinidad and Tobago (UDECOTT) and Caribbean Airlines Limited (CAL) refinanced maturing obligations over the period - \$496.0 million and US\$25.0 million respectively (Table 12).

8 Central Government Domestic Debt less Treasury Bonds, Treasury Notes and Treasury Bills issued for Open Market Operations (OMOs).



**TABLE 11**  
TOTAL PUBLIC DEBT OUTSTANDING, SEPTEMBER 2014 - SEPTEMBER 2018  
/TT\$Millions/

	Sep-2014	Sep-2015	Sep-2016	Sep-2017	Sep-2018 <sup>p</sup>
<b>TOTAL GROSS PUBLIC DEBT</b>	<b>97,180.3</b>	<b>127,031.2</b>	<b>119,709.7</b>	<b>121,258.4</b>	<b>119,125.7</b>
<b>TOTAL NET PUBLIC DEBT<sup>1</sup></b>	<b>71,081.0</b>	<b>88,396.2</b>	<b>88,308.7</b>	<b>93,646.9</b>	<b>95,508.0</b>
<b>CENTRAL GOVERNMENT DOMESTIC</b>	<b>55,743.5</b>	<b>70,384.0</b>	<b>67,086.7</b>	<b>68,448.9</b>	<b>65,945.3</b>
General Development Bonds	9,386.5	12,099.0	16,694.8	21,293.3	23,313.8
CLICO and HCU Bonds	19,127.9	18,595.7	17,987.7	17,463.3	16,961.7
BOLTS and Leases	319.1	243.7	186.4	159.3	130.6
Debt Management Bills	800.0	800.0	800.0	1,905.0	1,905.0
Open Market Operations					
Treasury Bills	15,108.0	25,038.2	19,788.9	18,599.2	18,273.4
Treasury Notes	5,892.0	9,197.5	9,052.8	6,453.0	2,785.0
Treasury Bonds	2,559.3	2,559.3	2,559.3	2,559.3	2,559.3
Liquidity Absorption Bonds	2,540.0	1,840.0	0.0	0.0	0.0
Other Debt Liabilities <sup>2</sup>	10.7	10.6	16.8	16.5	16.5
<b>CENTRAL GOVERNMENT EXTERNAL</b>	<b>12,654.6</b>	<b>13,759.6</b>	<b>21,362.3</b>	<b>23,522.7</b>	<b>24,674.3</b>
<b>CONTINGENT LIABILITIES</b>	<b>28,782.2</b>	<b>42,887.6</b>	<b>31,260.7</b>	<b>29,286.8</b>	<b>28,506.1</b>
State Owned Enterprises	18,431.7	31,247.5	19,872.4	18,537.4	18,395.8
Statutory Authorities	10,350.5	11,640.1	11,388.3	10,749.4	10,110.3
	<b>PER CENT OF GDP</b>				
Total Gross Public debt	55.3	77.4	80.4	81.2	76.1
Total Net Public Debt	40.4	53.8	59.3	62.7	61.0
Central Government Domestic Debt <sup>1</sup>	16.9	20.5	24.0	27.3	27.0
Central Government External Debt	7.2	8.4	14.4	15.7	15.8
Contingent Liabilities	16.4	26.1	21.0	19.6	18.2

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

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

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

p Provisional.

**TABLE 12**  
PUBLIC SECTOR BORROWINGS UNDERTAKEN IN FY2017/2018  
/TT\$MILLIONS/

DATE	BORROWER	AMOUNT (\$Mn)	TYPE OF FINANCING	PURPOSE OF FINANCING	BORROWING ACT UTILISED
26-Oct-17	CAL	US 25.0	Domestic	Debt Refinancing	Guarantee of Loans Companies Act
27-Oct-17	Central Government	CNY 145.4	External	Purchase of Chinese Long Range Military Vessel	External Loans Act
27-Oct-17	Central Government	TT1,000	Domestic	Budget Support	Development Loans Act
27-Oct-17	PETROTRIN	US 25.0	Domestic	Working Capital and Trade Financing	Guarantee of Loans Companies Act
20-Nov-17	TT Eximbank	US 20.0	External	To fund loan portfolio growth related to trade finances	Guarantee of Loans Companies Act
28-Nov-17	Central Government	TT1,000	Domestic	Budget Support	Development Loans Act
13-Dec-17	Central Government	US 100	Domestic	Budget Support	Development Loans Act
4-Jan-18	Central Government	TT 1,200.0	Domestic	Debt Refinancing	Development Loans Act
23-Mar-18	PETROTRIN	US 50.0	Domestic	Working Capital	Guarantee of Loans Companies Act
26-Mar-18	Central Government	TT 1,200.0	Domestic	Debt Refinancing	Development Loans Act
23-Apr-18	Central Government	US 300.0*	External	Budget Support	External Loans Act
8-May-18	WASA	TT 508.7	Domestic	Settle outstanding obligations	Guarantee of Loans Statutory Act
15-May-18	NIPDEC	TT 405.0	Domestic	P.U.R.E.	Guarantee of Loans Companies Act
21-May-18	T&TEC	TT 1,612.6	Domestic	Debt Refinancing	Guarantee of Loans Statutory Act
13-Jun-18	Central Government	TT 500.0	Domestic	Budget Support	Development Loans Act
2-Jun-18	UDECOTT	TT 199.6	Domestic	Arima Hospital	Guarantee of Loans Companies Act
22-Jun-18	Central Government	TT 250.0	Domestic	Debt Refinancing	Development Loans Act
21-Aug-18	UDECOTT	US 35.7	Domestic	Debt Refinancing	Guarantee of Loans Companies Act
18-Oct-18	UDECOTT	US 99.0	Domestic	Arima Hospital	Guarantee of Loans Companies Act
20-Jun-18	Central Government	EUR 81.4	External	Point Fortin Hospital	External Loans Act
29-Jun-18	UDECOTT	TT 47.3	Domestic	Refurbishment of President's House	Guarantee of Loans Companies Act
10-Jul-18	PETROTRIN	US 50.0	Domestic	Working Capital	Guarantee of Loans Companies Act
23-Jul-18	UDECOTT	TT 87.8	Domestic	Retrofit of Cabildo Chambers	Guarantee of Loans Companies Act
8-Aug-18	PETROTRIN	US 50.0	Domestic	Working Capital	Guarantee of Loans Companies Act
23-Aug-18	ETECK	TT 87.7	Domestic	Completion of Tamana In-Teck Park	Guarantee of Loans Companies Act
18-Sep-18	UDECOTT	TT 496.0	Domestic	Debt Refinancing	Guarantee of Loans Companies Act
28-Aug-18	PSAEL	TT 29.3	Domestic	Payment of a Judgement Debt	Guarantee of Loans Companies Act
27-Sep-18	PETROTRIN	US 55.0	Domestic	Working Capital	Guarantee of Loans Companies Act
28-Sep-18	Central Government	TT 250.0	Domestic	Budget Support	Development Loans Act
28-Sep-18	Central Government	TT 200.0	Domestic	Budget Support	Development Loans Act

## IMPACT OF FY2017/2018 BORROWINGS ON BORROWING LIMITS

BORROWING ACT	BORROWING LIMIT (TT\$m)	OUTSTANDING DEBT FY2017 (TT\$m)	OUTSTANDING DEBT FY2018 (TT\$m)	REMAINING HEADROOM AS AT SEP-18 (TT\$m)
Development Loans Act	45,000.0	35,487.1	37,507.6	7,492.4
External Loans Act	30,000.0	16,646.3	16,609.2	13,390.8
Guarantee of Loans (Companies) Act	45,000.0	18,537.5	18,395.8	26,604.2
Guarantee of Loans (Statutory Authorities) Act	No Limit	10,749.4	10,110.3	Unlimited
IADB Act	No Limit	4,550.9	4,580.5	Unlimited
IBRD Act	No Limit	14.4	0.0	Unlimited
CDB Act	No Limit	288.5	243.5	Unlimited
CAF Act	No Limit	2,022.6	3,241.1	-
Treasury Bills Act	30,000.0	20,504.2	20,178.4	9,821.6
Treasury Notes Act	15,000.0	6,453.0	2,785.0	12,215.0
Treasury Bonds Act	No Limit	2,559.2	2,559.3	Unlimited
Purchase of Certain Rights and Validation Act (CLICO) <sup>1</sup>	10,700.0	2,979.2	2,494.7	-
Purchase of Certain Rights and Validation Act (HCU) <sup>2</sup>	400.0	290.2	273.2	-

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

\* Of this amount, only US\$180 million was disbursed in FY2017/2018.

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 Monetary Policy Committee (MPC) of the Central Bank raised its policy rate, the Repo rate, by 25 basis points in June 2018 to 5.00 per cent and kept it at that level for the rest of the year.** The increase in June was the first since December 2015. In raising the Repo in June, the MPC identified the main reasons as the strong upward trajectory of external interest rates, particularly in the US, and the still-nascent nature of the rebounds in the energy sector and private sector credit in early 2018. In keeping the rate steady for the rest of 2018, the MPC considered that inflation had been low and under control, the signs of economic strengthening had yet to become robust and that in the US markets were expecting the Fed to slow its pace of interest rate increases. During the year, the Central Bank managed liquidity to meet the liquidity needs of market participants while maintaining an environment consistent with low inflation.

**Liquidity levels in the domestic banking system increased slightly during 2018 as commercial banks' holdings of excess reserves averaged \$3.3 billion monthly compared with \$3.1 billion in 2017.** In managing liquidity during the year, the Central Bank had to contend with a sizeable rise in Net domestic fiscal injections—the main driver of liquidity—which amounted to \$11,119.0 million, approximately double the size of the injection in 2017. Over the year, the Bank withdrew a net of \$951.1 million via its open market operations (OMOs) but on various occasions, allowed net maturities of OMO securities to facilitate transactions by the public and private sector. Most notably, in July and August 2018 the Bank allowed \$5.3 billion in OMO maturities to return to the system to facilitate the issuance and settlement of the NIF shares. Further, in August the Bank abolished the Secondary Reserve Requirement, which released \$1,570.6 million into the financial system. Subsequently, however, much of the addition to liquidity during the period was reversed by net OMO withdrawals of \$5.1

billion over September to December 2018. Meanwhile, although not a liquidity absorption tool, Central Bank sales of foreign exchange to authorised dealers indirectly removed \$10,035.0 million from the system in 2018, 17.4 per cent less than in 2017. Despite the increase in average liquidity in 2018, borrowing on the interbank market rose to average \$114.5 million daily compared with \$74.7 million daily in 2017, mainly owing to the special circumstances of a minority of institutions. The repurchase facility was accessed on two trading days in 2018 for a sum of \$1,883.4 million.

**The TT-US short term differential remained negative over the course of 2018.** More intense liquidity management by the Central Bank in 2018 saw the yield on the 91-day Treasury bill rate rise by 9 basis points to 1.30 per cent, and that on the 365-day Treasury bill rate increase by 3 basis points to reach 2.75 per cent by the end of 2018. However, an improving US economy and tightening Fed policy saw yields on similar tenors in the US rising much faster than they did locally leading to a further reduction of the TT-US differentials. The TT-US 91-day Treasury rate differential thus moved from 18 basis points below parity at the end of 2017 to 115 basis points below parity by the end of 2018.

**A competitive domestic financial environment led to declining commercial banking interest rates and rising deposit rates in 2018 and a narrowing of the interest rate spread.** The banking environment therefore improved for both borrowers and depositors, but more so for borrowers as lending rates fell much more steeply than deposit rates rose. Lenders would also have benefited from marketing promotions and lending innovations of some banks during the year. In 2018 the commercial banks' weighted average lending rate decreased by 19 basis points while the weighted average deposit rate gained just 3 basis points. The commercial banking spread thus fell 22 basis points over 2018 to reach 7.36 per cent in December. Interest rates on outstanding

mortgage loans fell particularly sharply: the weighted average interest rate on outstanding mortgage loans fell 16 basis points during the year. On the whole, the interbank rate averaged 0.50 per cent in 2018, which is similar to 2017. Commercial banks generally continue to avail of adequate levels of liquidity which obviates any need for regular and sizeable recourse to the interbank market and explains the stickiness of the interbank rate. Influenced by the increase in the Repo rate in June, the median prime lending rate increased by 25 basis points to 9.25 per cent in September 2018, where it remained until the end of the year.

**Private sector credit granted to the consolidated financial system continued to grow.** Overall, credit to the consolidated system expanded at an average rate of 5.7 per cent over 2018 compared to 3.1 per cent over 2017 and 4.8 per cent in 2016. Notably, lending by non-banks turned positive in February 2018 after declining since September 2017.

**During the year, lending to businesses was subdued.**

On a year-on-year basis, lending to businesses remained weak, growing at an average rate of 3.2 per cent between January and September before turning negative in October (-1.3 per cent). However, business lending reverted to growth in the last two months of 2018. A sectoral breakdown of business lending to December 2018 revealed that growth in lending to other services expanded by 18.9 per cent, boosted in particular by personal services and transport, storage and communication sub-categories, while lending to the finance, insurance and real estate sector also increased, by 8.1 per cent. Meanwhile loans to the manufacturing sector declined (10.9 per cent) on account of lower lending to firms involved in manufacturing of chemical and non-metallic minerals.

**Consumer credit extended by banks and non-banks rose in 2018 but much of the new credit was for debt consolidation and refinancing.** Lending for debt consolidation and refinancing grew by 18.4 per cent and 11.4 per cent, respectively; the buoyancy in these categories suggests that some consumers might increas-

ingly be seeking relief from debt stress because of personal financial challenges. Credit card lending grew in December 2018 by 7.6 per cent while lending for the purchase of motor vehicles moderated (0.6 per cent) due to a decline in lending for the purchase of new vehicles. On the whole, credit to consumers grew by 6.0 per cent in December 2018, which represented some improvement from growth of 5.1 per cent in December 2017.

**Real estate mortgage lending continued its upward trajectory throughout 2018.**

Real estate lending grew by 6.6 per cent in December 2018, compared with 8.0 per cent growth at the end 2017. Of this growth, real estate mortgage loans by banks expanded by 6.7 per cent, while lending by non-banks (which accounts for less than 1.0 per cent of overall real estate mortgage loans) contracted by 17.2 per cent. Meanwhile, data to December 2018 show that commercial real estate mortgage lending expanded by 10.3 per cent while growth in residential real estate mortgage lending slowed to 4.8 per cent from 6.9 per cent in December 2017. Private residential real estate mortgages grew more slowly in December 2018 compared to December 2017. Lending for both new and existing houses slowed while borrowing for renovations declined. Lending for the purchase of land was the only consumer residential mortgage category to accelerate between December 2017 and December 2018. Considering the non-performing loan portfolio, real estate non-performing loans continues to account for the larger share of total non-performing loans.

**Both foreign currency loans and deposits fluctuated throughout 2018.**

Foreign currency loans contracted by 9.4 per cent in December 2018 from growth of 4.2 per cent in December 2017. Foreign currency loans to businesses, which accounts for approximately 95.0 per cent of total private sector foreign currency loans, declined by 18.7 per cent at the end of December 2018, compared to growth of 2.8 per cent in December 2017. Conversely, foreign currency deposits expanded by 3.8 per cent in December 2018, after declines of 1.9 per cent at the end of 2017. Foreign currency deposits by both consumers and businesses were weak early in 2018. However, deposits by businesses reversed trend

in September 2018, and recorded growth of 8.8 per cent by the end of the year. Foreign currency deposits by consumers declined consistently throughout 2018 and fell by 1.2 per cent in December 2018.

#### FOREIGN EXCHANGE MARKET

**Though improved energy sector performance increased foreign exchange inflows, the market for foreign exchange remained tight throughout 2018.**

Both authorised dealers' purchases from the public (13.7 per cent) and their sales to the public (9.3 per cent) increased. Purchases of foreign exchange from the public by authorised dealers reached US\$4,101.4 million. Approximately 66.6 per cent of purchases originated

from the energy sector, which remains the main source of supply to the market. Sales of foreign exchange to the public by authorised dealers amounted to US\$5,677.1 million in 2018. The Retail and Distribution sector absorbed the largest share of all sales (31.8 per cent). Credit Cards (26.9 per cent), Manufacturing (10.9 per cent), and Automobile Companies (6.5 per cent) made up the bulk of the remainder of foreign exchange sales. Central Bank's support to the market amounted to US\$1,501.0 million. The weighted average TTD/USD selling rate depreciated slightly from TT\$6.7817 per US Dollar in December 2017 to TT\$6.7861 per US Dollar in December 2018.



## CHAPTER SEVEN

# CAPITAL MARKETS

# CAPITAL MARKETS

## STOCK MARKET

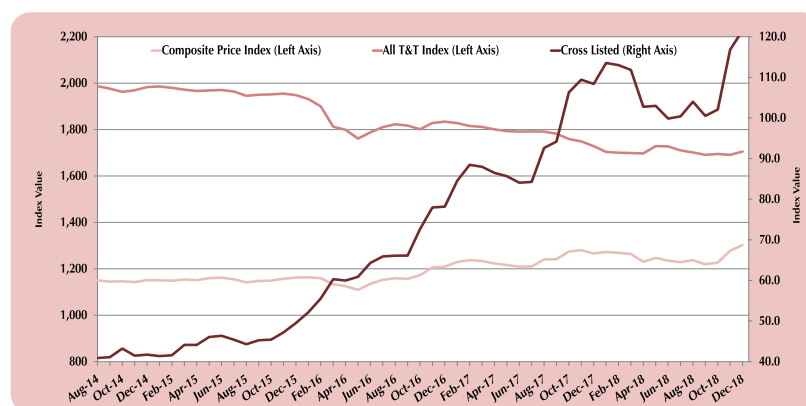
**The domestic stock market improved in 2018 (Figure 1).** The major Composite Price Index (CPI) expanded by 2.9 per cent, resulting in total stock market capitalization ending December 2018 2.3 per cent higher at \$126.7 billion. The CPI was buoyed by the Cross Listed Index (CLI), which advanced by 12.2 per cent, reflecting robust performances by most of the regionally listed firms. Conversely, the All T&T Index (ATI), which represents only locally domiciled firms, declined by 1.4 per cent over 2018. The market performance in 2018 followed a similar trend as in 2017 when the CPI improved by 4.7 per cent, boosted by a 38.6 per cent jump in the CLI, while the ATI was eroded by 5.8 per cent.

**Despite the positive movement in the CPI, most of the sub-indices on the local stock exchange displayed negative movements over 2018 (Figures 2 and 3).** The sub-indices which registered positive growth were Banking (9.9 per cent) and Energy (9.8 per cent). The Banking sub-index was supported by a 36.0 per cent jump in the share price of the cross listed National Commercial Bank Financial Group Limited (NCBFG). NCBFG’s perfor-

mance was related to a stronger financial position. The Energy sub-index was supported by the strong financial performance of TTNGL which witnessed an increase in revenue from higher Mont Belvieu product prices, an increase in after tax profit, and higher earnings per share. The sub-indices to register declines were: Trade (-1.3 per cent), Non-Bank Finance (-2.5 per cent), Manufacturing I (-5.1 per cent), Property (-6.1 per cent), Conglomerates (-8.6 per cent), and Manufacturing II (-24.5 per cent). Two local firms experienced substantial declines. Trinidad Cement Limited (-27.2 per cent) experienced a fall in revenue and profit as a result of scheduled maintenance and upgrades, in addition, to the settlement of a retroactive wage payment commitment. Meanwhile, Prestige Holdings Limited plunged by 31.5 per cent, citing difficult economic conditions and higher operating costs.

A notable development was the initial public offering (IPO) of Cinema One Limited (CINE1) in November 2018. CINE1 was the first company to be listed on the Small and Medium Enterprise (SME) market of the stock exchange. The IPO successfully sold just over 1.4 million shares at TT\$10 per share, representing a 17.8 per cent ownership in the company.

FIGURE 1  
TRINIDAD AND TOBAGO STOCK PRICE INDICES



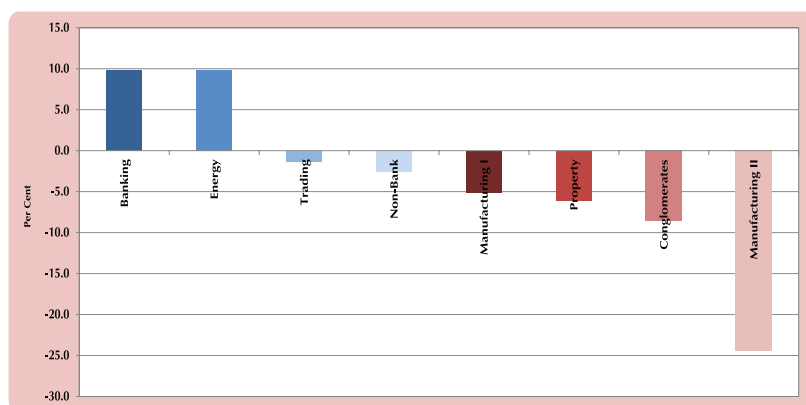
Source: Trinidad and Tobago Stock Exchange



While the volume of securities traded on the domestic exchange during 2018 was lower, the value traded was higher. A total of 72.3 million shares were exchanged at a value of roughly \$1,148.4 million during 2018. Conversely, in 2017, 84.5 million shares were exchanged

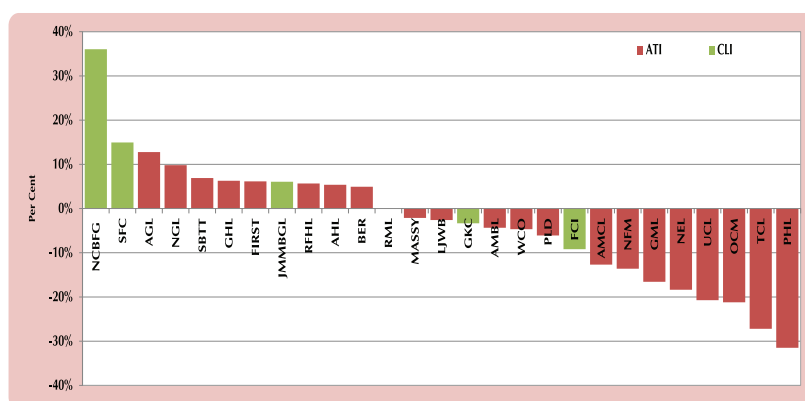
at a value of \$1,024.7 million. In 2018, the Bank and Non-Bank Finance sub-sectors accounted for 52.4 per cent of the volume (37.8 million shares), and 49.0 per cent of the value (\$562.4 million) traded.

**FIGURE 2**  
TRINIDAD AND TOBAGO STOCK MARKET SUB-INDICES, 2018



Source: Trinidad and Tobago Stock Exchange

**FIGURE 3**  
TRINIDAD AND TOBAGO INDIVIDUAL STOCK INDICES, 2018



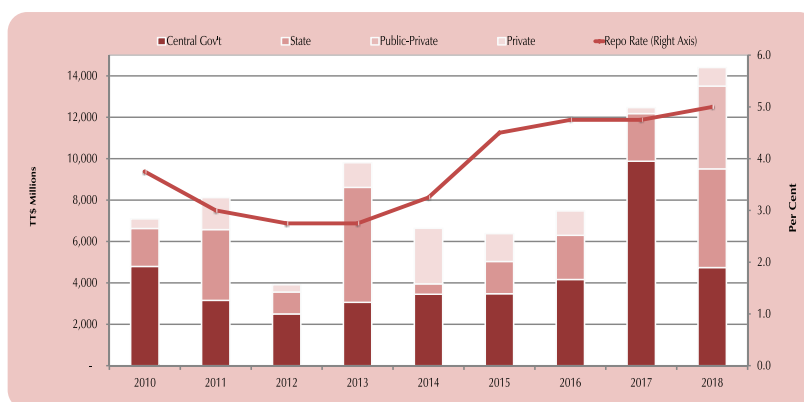
Source: Trinidad and Tobago Stock Exchange

**PRIMARY DEBT MARKET**

Provisional data suggest that activity on the primary debt market increased during 2018 (Figure 4 and Table 13). The market observed 23 primary issues at a value of approximately \$14.8 billion in 2018, compared to 18 primary issues at a value of roughly \$12.8 billion in 2017. The Central Government continued to be a major borrower issuing eight bonds at \$4.7 billion for repayment of existing bonds, budgetary support, and financing closing costs related to Petrotrin. Similarly, five state enterprises influenced market activity by issuing seven bonds at \$4.8 billion in 2018. The government was also able to monetise \$4.0 billion in debt owed

by Colonial Life Company (Trinidad) Limited (CLICO) and CLICO Investment Bank (CIB), by auctioning three bonds through the National Investment Fund Holding Company Limited (NIFHCL). Participation by the private sector was subdued compared to the public sector. Over the year, three bonds financed \$891.2 million for two local firms, and one CARICOM firm. In comparison, during 2017 the Central Government borrowed just over \$9.8 billion via nine bonds; state enterprises financed roughly \$2.3 billion via five issues; and the private sector raised just under \$285.0 million through two bonds.

**FIGURE 4**  
ANNUAL PRIMARY DEBT SECURITY ACTIVITY, (2010-2018)<sup>p,1,2</sup>



Source: Central Bank of Trinidad and Tobago

p Provisional.

1 Includes debt securities issued in domestic market by local and CARICOM institutions.

2 Excludes bonds issued by local institutional market.

**TABLE 13**  
PRIMARY DEBT SECURITY ACTIVITY - 2018<sup>P</sup>

PERIOD ISSUED	BORROWER	FACE VALUE (TT\$Mn)	PERIOD TO MATURITY	COUPON RATE PER ANNUM	PLACEMENT TYPE
Jan-18	Home Mortgage Bank (HMB) Series 1	99.0	5.0 YEARS	Floating rate 3.50%	PRIVATE
	Series 2	101.0	5.0 YEARS	Floating rate 4.72%	PRIVATE
	First Citizens Bank	612.2 (US\$90.4 Mn)	4.0 YEARS	Fixed rate 4.25%	PRIVATE
Mar-18	Central Government of Trinidad and Tobago Tranche 1	800.0	7.0 years	Fixed rate 4.15%	Public
	Tranche 2	400.0	15.0 YEARS	FIXED RATE 5.15%	PUBLIC
Apr-18	First Citizens Bank	860.8	4.0 years	Fixed rate 4.50%	Private
May-18	Portland (Barbados) Limited Tranche 1	87.7 (US\$13.0 Mn)	2.0 years	Fixed rate 7.50%	Private
	Tranche 2	13.5 (US\$2.0 Mn)	1.0 years	Fixed rate 7.50%	Private
	HADCO Tranche 1	260.0	10.0 years	Fixed rate 6.25%, then reset; Amortized	Private
	National Insurance Property Development Company Limited(NIPDEC)	405.0	14.0 years	Fixed rate 4.65%; Amortised	Private
Jun-18	Trinidad and Tobago Electricity Commission (T&TEC) Series 1	812.6	8.0 years	Fixed rate 4.34%	Private
	Series 2	800.0	14.0 years	Fixed rate 5.39%	Private
	Central Government of Trinidad and Tobago	500.0	3.0 years	Floating rate 2.65%	Private
Jul-18	Central Government of Trinidad and Tobago	250.0	12.0 years	Fixed rate 4.60%	Private
	FirstCaribbean International Bank (Trinidad & Tobago) Limited Series 1	325.0	3.0 years	Floating rate 3.35%, reset annually based on OMO + 70bps	Private
Aug-18	Series 2	175.0	6.0 years	Fixed rate 5.75%	Private
	National Investment Fund Holding Company Limited (NIFHCL) Bond 1	1,200.0	5.0 years	Fixed rate 4.50%	Public
Sep-18	Bond 2	1,600.0	12.0 years	Fixed rate 5.70%	Public
	Bond 3	1,200.0	20.0 years	Fixed rate 6.60%	PUBLIC
	Urban Development Corporation of Trinidad and Tobago	496.0	10.0 years	Fixed rate 5.375%	Private
Oct-18	Central Government of Trinidad and Tobago	200.0	11.0 years	Fixed rate 4.75%	Private
	Central Government of Trinidad and Tobago	250.0	11.0 years	Fixed rate 4.75%	Private
Nov-18	Urban Development Corporation of Trinidad and Tobago	380.81 (US\$56.4 Mn)	10.0 years	Fixed rate 5.30%	Private
	Central Government of Trinidad and Tobago HADCO Tranche 2	640.0	15.0 years	Fixed rate 5.45%	Private
Dec-18	Home Mortgage Bank (HMB) Series 1	30.0	9.5 years	Fixed rate 6.25%, then reset	Private
	Series 2	134.0	7.0 years	Fixed rate 4.75%	Private
	Central Government of Trinidad and Tobago	43.5	7.0 years	Fixed rate 4.65%	Private
	Central Government of Trinidad and Tobago	500.0	3.0 years	Fixed rate 3.40%	Private
	Central Government of Trinidad and Tobago	1,200.0	1.0 year	Fixed rate 3.05%	Private
	Trinidad and Tobago Mortgage Finance Company Limited (TTFM) (TR2)	100.0	1.0 year	Fixed Rate 4.07%	Private
	Trinidad and Tobago Mortgage Finance Co. Ltd. (TTMF)	400.0	5.0 years	Fixed rate 4.70%	Private

Source: Central Bank of Trinidad and Tobago

<sup>P</sup> Provisional.

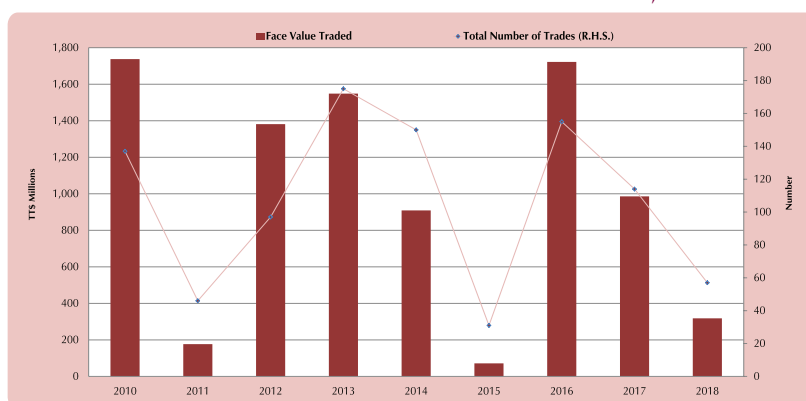
**CENTRAL GOVERNMENT SECONDARY BOND MARKET, YIELD CURVE<sup>14</sup>, AND BOND INDEX**

Trading activity on the secondary government bond market continued to weaken during 2018 (Figure 5). During the year, 57 trades occurred at a face value of roughly \$318.1 million, compared to 114 trades at \$986.1 million in 2017. The fall in trading activity could be as a result of all Central Government bonds being issued as private placements over the year.

**The repo rate increase in June 2018, and the subse-**

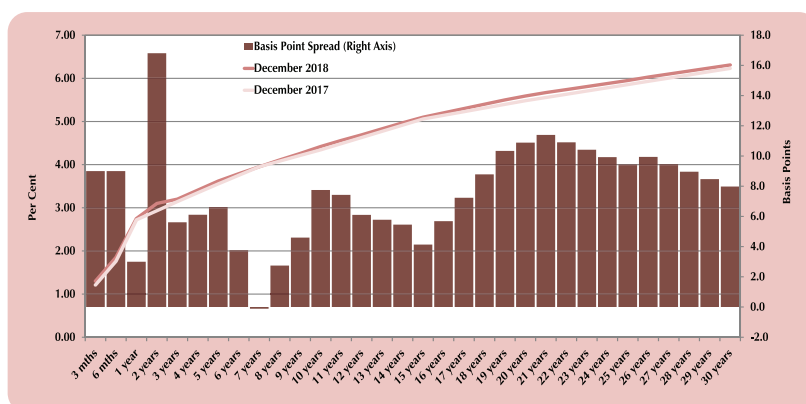
quent increase in Treasury rates during the fourth quarter of 2018, resulted in the Central Government yield curve shifting upward over 2018 (Figure 6). Over the year, the short-term 3-month rate increased by 9 basis points to 1.30 per cent and the 1-year rate inched up by 3 basis points to 2.75 per cent. On the longer end, the 10-year rate jumped by 8 basis points to 4.42 per cent, while the 15-year rate gained 4 basis points to 5.10 per cent. In terms of the Central Government Bond Index, the Price Index increased marginally by 0.2 per cent, while the Total Return Index improved by 6.6 per cent (Figure 7).

**FIGURE 5**  
ANNUAL SECONDARY GOVERNMENT DEBT SECURITY ACTIVITY, 2010-2018



Source: Central Bank of Trinidad and Tobago

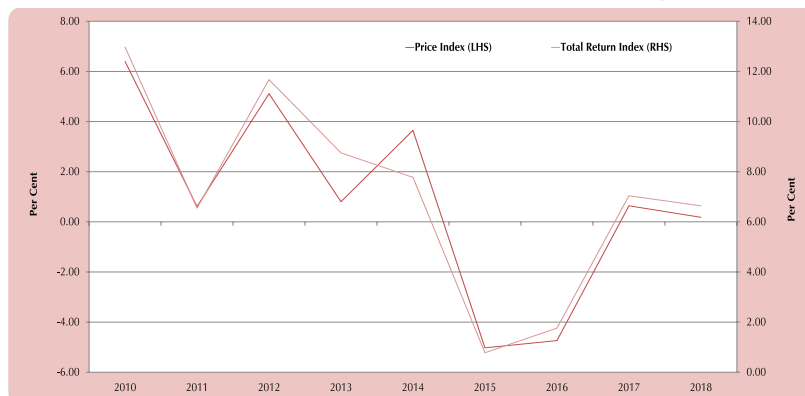
**FIGURE 6**  
TRINIDAD AND TOBAGO CENTRAL GOVERNMENT YIELD CURVE



Source: Central Bank of Trinidad and Tobago

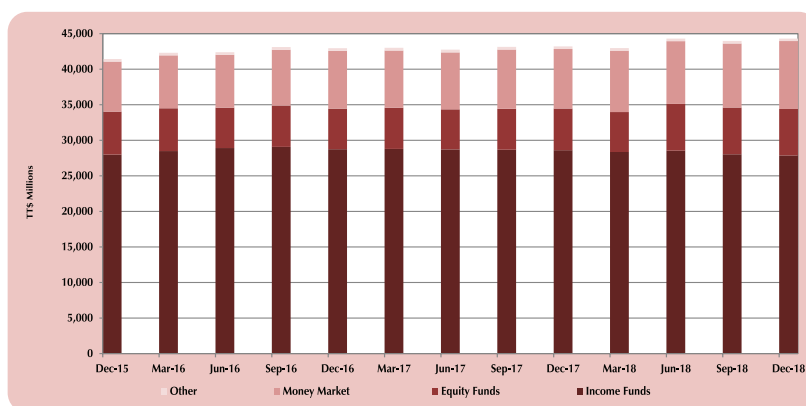
14 The TT Treasury Yield curve was launched in September 2014 by the Central Bank. The curve is based on data from Reserves and Domestic Market Management, contributor market reads, and the Stock Exchange Secondary Government bond market. The curve is intended for use as a benchmark for government securities.

**FIGURE 7**  
TRINIDAD AND TOBAGO CENTRAL GOVERNMENT BOND INDICES, 2010-2018



Source: Central Bank of Trinidad and Tobago

**FIGURE 8**  
MUTUAL FUNDS - AGGREGATE FUND VALUES



Source: Central Bank of Trinidad and Tobago

### MUTUAL FUNDS INDUSTRY

Aggregate funds under management increased by 2.5 per cent to just over \$44.3 billion during 2018 (Figure 8)<sup>15,16</sup>. The growth of the industry was driven by an 11.3 per cent increase in Equity funds to \$6,532.0 million, and a 14.1 per cent increase in Money Market funds to \$9,548.8 million. On the other hand, Income funds and funds classified as ‘Other’<sup>17</sup> fell by 2.6 per cent to \$27,873.8 million and 4.8 per cent to \$349.9 million, respectively. In terms of currency profile, TT dollar funds expanded by 4.1 per cent to \$35,603.5 million, while foreign currency funds declined by 3.4 per cent to a TT dollar equivalent of \$8,674.1 million.

### The improvement in aggregate funds under manage-

ment appears to be largely driven by a substantial jump in net sales over 2018. Overall, the industry witnessed \$18,274.1 million in sales and \$16,566.3 million in redemptions, resulting in net sales of \$1,707.8 million. In comparison, during 2017 the industry observed just \$109.4 million in net sales. During 2018 the industry sales position was driven by net sales in Money Market funds (\$963.3 million), Equity funds (\$421.7 million) and Income funds (\$336.4 million). Conversely, funds classified as ‘Other’ experienced \$13.6 million in net redemptions. In terms of currency profile, the increase in net sales was primarily due to TT dollar funds comprised \$959.6 million in TT dollar funds, which registered \$1,713.2 million in net sales, compared to foreign currency funds which recorded a TT dollar equivalent of \$5.4 million in net redemptions.

15 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.

16 In September 2018, a re-classification of the fund types was conducted to more accurately represent industry characteristics.

17 Funds classified as ‘Other’ represent high yield funds and retirement funds.



## CHAPTER EIGHT

# INTERNATIONAL TRADE AND PAYMENTS

# INTERNATIONAL TRADE AND PAYMENTS

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

## BALANCE OF PAYMENTS

**Trinidad and Tobago's external accounts recorded a deficit of \$904.5 million (5.1 per cent of GDP) during the first nine months of 2018<sup>18</sup>.** Despite the increase in energy export earnings, the current account surplus narrowed during the period January to September 2018 compared to the similar period in 2017 (Table 14A). Meanwhile, the financial account recorded a net outflow, primarily reflective of transactions in portfolio and direct investment. At the end of September 2018, gross official reserves amounted to \$7,465.3 million or 8.1 months of prospective imports of goods and services.

**The estimated surplus on the current account reflected buoyant activity within the energy sector, which underpinned the net goods trading position of \$2,604.6 million.** Total exports rose by 12.9 per cent year-on-year to \$7,878.1 million, indicative of gains across energy commodities. During the first nine months of 2018, energy exports earnings<sup>19</sup> were estimated to have climbed by 23.2 per cent year-on-year, and were boosted by growth in exports of crude oil and refined products, LNG, natural gas liquids and petrochemicals. On the non-energy side, reductions in the categories of beverages and tobacco and food and live animals contributed to the decline in non-energy exports. At the same time, total imports rose by an estimated 17.2 per cent, led by higher crude oil shipments for refining. Moreover, the gains in machinery and transport equipment, chemicals, manufactured goods, as well as food and live animals supported imports over the reference period.

**Meanwhile, the deficit on the services account narrowed to \$1,201.0 million in the first nine months of 2018, owing to the improvement in other business services.** Over the period, other business services recorded a smaller deficit as domestic residents reduced their imports of technical and trade-related business

services, in particular engineering services. However, in line with the slowdown in global economic activity, the travel account recorded a smaller surplus as visitors to Trinidad and Tobago reduced their expenditure by 3.9 per cent while locals lowered their overseas travel spending by 0.3 per cent. The primary income account recorded a deficit in contrast to a surplus registered in the previous year, reflective of higher dividend payments and reinvested earnings by foreign-owned energy companies. The secondary income account registered a larger surplus mainly on account of lower private out-bound transfers.

**Financial flows recorded a net outflow of \$589.0 million over the first nine months of 2018, largely reflecting movement in direct and portfolio investment.** More specifically, direct investment recorded a net outflow of \$443.1 million. Direct investment abroad registered growth due to an increase in inter-company lending and higher reinvested earnings. Direct investment liabilities (direct investment in Trinidad and Tobago by foreign investors) recorded a decline on account of repayments on inter-company borrowing and to a lesser extent equity transactions. These transactions primarily occurred within the energy sector. Movement in portfolio investment resulted in a net outflow of \$562.5 million which was primarily characterized by an increase in portfolio assets. This was largely driven by investments in long-term debt securities by the Heritage and Stabilisation Fund (HSF) and short-term debt securities by commercial banks. In contrast, portfolio liabilities recorded a decrease as residents made payments on debt securities owed to non-residents. Over the review period, other investment liabilities recorded an increase that was mainly characterized by higher accounts payable, loans, trade credits and currency and deposits. Meanwhile, drawdowns on currency and deposits held abroad primarily contributed to the decline in other investment assets.

18 The IMF's Caribbean Regional Technical Assistance Centre conducted four External Sector Statistics Technical Assistance Missions over the period 2015-2018. This resulted in the migration of these statistics to the latest international statistical standard, as well as significant improvements to the data, including the introduction of new data sources, expansion of the survey frame, stronger consistency checks and revision of trade data. A fifth mission in 2019, mainly focusing on the current account, is expected to bring further improvements.

19 In the first nine months of 2018, crude oil prices as reflected in the West Texas Intermediate (WTI) market increased to \$66.8 per barrel from \$44.9 per barrel over the similar period of 2017, while natural gas prices as measured by the Henry Hub benchmark averaged \$2.9 per million British Thermal Units (mmbtu), marginally down from an average price of \$3.0 per mmbtu.

**Trinidad and Tobago's gross official reserves amounted to \$7,575.0 million at the end of 2018; \$794.8 million lower than the level recorded at the end of 2017 and reflecting an overall deficit on the external**

**accounts.** This represents 8.0 months of prospective imports of goods and services, compared to the import cover of 9.7 months at the end of 2017<sup>20</sup>.

**TABLE 14A**  
TRINIDAD AND TOBAGO: SUMMARY BALANCE OF PAYMENTS, 2012-2018  
/ US\$MILLIONS/

	2012 <sup>r</sup>	2013 <sup>r</sup>	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	Jan-Sep 2017 <sup>r</sup>	Jan-Sep 2018 <sup>r</sup>
<b>CURRENT ACCOUNT</b>	<b>3,324.3</b>	<b>5,410.3</b>	<b>4,005.2</b>	<b>1,855.6</b>	<b>-858.3</b>	<b>1,089.2</b>	<b>977.5</b>	<b>817.8</b>
<b>Goods and Services</b>	<b>5,581.8</b>	<b>6,949.0</b>	<b>5,745.6</b>	<b>2,133.4</b>	<b>-614.7</b>	<b>870.1</b>	<b>841.4</b>	<b>1,403.7</b>
Goods, net*	7,092.7	8,317.1	7,045.2	3,884.5	1,196.6	2,959.7	2,477.2	2,604.6
Exports**	16,324.7	17,593.1	14,964.5	11,413.9	8,285.4	9,411.4	6,977.0	7,878.1
Energy	13,189.9	14,036.3	12,491.5	8,767.3	6,430.8	7,634.5	5,613.2	6,915.5
Non-energy	3,134.8	3,556.7	2,473.0	2,646.7	1,854.5	1,777.0	1,363.8	962.6
Imports**	9,231.9	9,276.0	7,919.3	7,529.5	7,088.7	6,451.7	4,499.8	5,273.4
Fuels***	2,957.7	3,627.8	2,068.3	1,456.4	1,542.3	1,617.7	1,102.1	1,556.5
Other	6,274.3	5,648.2	5,851.0	6,073.1	5,546.4	4,834.0	3,397.7	3,716.9
Services, net	-1,510.9	-1,368.1	-1,299.6	-1,751.1	-1,811.3	-2,089.7	-1,635.8	-1,201.0
<b>Primary income, net</b>	<b>-2,296.1</b>	<b>-1,566.8</b>	<b>-1,723.0</b>	<b>-239.6</b>	<b>-300.1</b>	<b>170.5</b>	<b>100.2</b>	<b>-635.9</b>
<b>Secondary income, net</b>	<b>38.6</b>	<b>28.1</b>	<b>-17.4</b>	<b>-38.1</b>	<b>56.4</b>	<b>48.6</b>	<b>35.8</b>	<b>50.1</b>
<b>CAPITAL ACCOUNT</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>1.2</b>	<b>1.0</b>	<b>1.2</b>
<b>FINANCIAL ACCOUNT</b>	<b>4,108.6</b>	<b>12.1</b>	<b>-67.4</b>	<b>485.4</b>	<b>-1,283.4</b>	<b>543.2</b>	<b>-14.8</b>	<b>589.0</b>
<b>Direct investment</b>	<b>2,093.8</b>	<b>1,192.5</b>	<b>-679.1</b>	<b>-48.5</b>	<b>106.2</b>	<b>550.9</b>	<b>-137.2</b>	<b>443.1</b>
Net acquisition of financial assets	189.4	62.5	-17.7	128.3	82.6	94.1	63.6	116.0
Net incurrence of liabilities	-1,904.3	-1,130.0	661.4	176.8	-23.6	-456.9	200.7	-327.1
<b>Portfolio investment</b>	<b>1,587.9</b>	<b>185.5</b>	<b>654.1</b>	<b>799.3</b>	<b>-1,402.8</b>	<b>373.1</b>	<b>139.1</b>	<b>562.5</b>
Net acquisition of financial assets	1,130.8	616.9	746.4	671.7	-97.1	224.1	100.5	518.6
Net incurrence of liabilities	-457.1	431.5	92.3	-127.6	1,305.7	-148.9	-38.7	-43.9
<b>Financial derivatives</b>	<b>-2.6</b>	<b>4.2</b>	<b>-3.2</b>	<b>-1.0</b>	<b>0.0</b>	<b>4.7</b>	<b>1.2</b>	<b>5.3</b>
Net acquisition of financial assets	-2.3	3.9	-1.8	-1.9	0.0	4.4	1.8	5.7
Net incurrence of liabilities	0.2	-0.2	1.3	-0.9	0.0	-0.3	0.5	0.4
<b>Other investment****</b>	<b>429.5</b>	<b>-1,370.0</b>	<b>-39.2</b>	<b>-264.4</b>	<b>13.3</b>	<b>-385.5</b>	<b>-18.0</b>	<b>-422.1</b>
Net acquisition of financial assets	-271.9	-1,426.9	254.6	-706.8	-93.8	163.0	574.4	-80.4
Net incurrence of liabilities	-701.4	-56.9	293.8	-442.5	-107.1	548.5	592.4	341.7
<b>Net errors and omissions</b>	<b>172.1</b>	<b>-4,593.0</b>	<b>-2,751.4</b>	<b>-2,934.4</b>	<b>-892.5</b>	<b>-1,643.2</b>	<b>-1,952.4</b>	<b>-1,134.5</b>
<b>OVERALL BALANCE</b>	<b>-612.2</b>	<b>805.2</b>	<b>1,321.3</b>	<b>-1,564.2</b>	<b>-467.2</b>	<b>-1,096.0</b>	<b>-959.2</b>	<b>-904.5</b>
Per Cent of GDP								
<b>Current Account</b>	12.8	19.9	14.5	7.4	-3.9	4.9	5.8	4.6
Goods, net	27.4	30.5	25.5	15.4	5.5	13.3	14.8	14.8
Exports	63.1	64.6	54.3	45.3	38.0	42.1	41.6	44.8
Imports	35.7	34.1	28.7	29.9	32.5	28.9	26.9	30.0
Services, net	-5.8	-5.0	-4.7	-6.9	-8.3	-9.4	-9.8	-6.8
Primary income, net	-8.9	-5.8	-6.2	-1.0	-1.4	<b>0.8</b>	<b>0.6</b>	<b>-3.6</b>
<b>Overall balance</b>	<b>-2.4</b>	<b>3.0</b>	<b>4.8</b>	<b>-6.2</b>	<b>-2.1</b>	<b>-4.9</b>	<b>-5.7</b>	<b>-5.1</b>
<b>MEMORANDUM ITEMS:</b>								
Gross Official Reserves ^	9,370.7	10,175.9	11,497.1	9,933.0	9,465.8	8,369.8	8,506.6	7,465.3
Import Cover (months) ^	10.6	12.2	12.9	11.2	10.5	9.7	9.8	8.1

Source: Central Bank of Trinidad and Tobago

Note: This table is an analytical presentation of the Balance of Payments and is presented in 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.

The following financial account movements are represented with a negative sign:

- A decrease in assets (inflow)
- A decrease in liabilities (outflow)
- A net inflow in net balances

The following financial account movements are represented with a positive sign:

- An increase in assets (outflow)
- An increase in liabilities (inflow)
- A net outflow in net balances

\* Energy goods data for 2011-2018 comprise estimates by the Central Bank of Trinidad and Tobago.

\*\* Exports and imports are reported on a FOB (Free on Board) basis.

\*\*\* Includes petroleum, petroleum products and related materials. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.

\*\*\*\* Other investment comprise currency and deposits, loans, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

^ End of Period.

r Revised.

P Provisional.



**INTERNATIONAL INVESTMENT POSITION**

The net international investment position was estimated at \$4,105.1 million at the end of September 2018. This reflects a decline of \$627.9 million from the position recorded at the end of 2017. In particular it represents a decline in the stock of international financial assets of \$617.8 million coupled with an increase in international financial liabilities of \$10.0 million (Table 14B).

The reduction in the stock of assets was primarily influenced by a decrease in reserve assets over the review period. This change in reserve assets primarily

stemmed from a reduction in the value of debt securities. Moreover, other investment assets also registered a decline mainly on account of drawdowns on currency and deposits held abroad. Notwithstanding the overall decline, direct and portfolio investment assets registered increases during the review period. Movement in international investment liabilities occurred in the context of higher accounts payable, trade credits, loans and currency and deposits owed to non-residents (other investment liabilities). Partially offsetting the overall increase in investment liabilities, were declines in direct and portfolio investment liabilities.

**TABLE 14B**  
TRINIDAD AND TOBAGO: INTERNATIONAL INVESTMENT POSITION (END OF PERIOD), 2012-2018  
/ US\$Millions/

	2012 <sup>r</sup>	2013 <sup>r</sup>	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>p</sup>	Sep 2018 <sup>p</sup>
<b>NET INTERNATIONAL INVESTMENT POSITION</b>	<b>3,617.4</b>	<b>4,853.3</b>	<b>6,720.3</b>	<b>6,129.5</b>	<b>5,018.9</b>	<b>4,733.0</b>	<b>4,105.1</b>
<b>ASSETS</b>	<b>22,697.4</b>	<b>23,794.7</b>	<b>26,057.0</b>	<b>24,882.6</b>	<b>24,423.4</b>	<b>24,130.6</b>	<b>23,512.7</b>
Direct investment	555.2	616.2	599.5	785.0	752.3	788.3	846.8
Portfolio investment	6,290.6	7,877.4	8,661.9	9,564.7	9,382.6	10,007.1	10,306.0
Financial derivatives	0.0	3.9	2.1	0.2	0.2	4.4	10.2
Other investment*	6,480.9	5,121.2	5,296.3	4,599.7	4,822.5	4,961.0	4,884.4
Reserve assets	9,370.7	10,175.9	11,497.1	9,933.0	9,465.8	8,369.8	7,465.3
<b>LIABILITIES</b>	<b>19,080.0</b>	<b>18,941.4</b>	<b>19,336.7</b>	<b>18,753.1</b>	<b>19,404.6</b>	<b>19,397.6</b>	<b>19,407.6</b>
<b>Direct investment</b>	10,984.3	10,412.8	10,367.8	10,048.6	9,545.2	9,082.9	8,814.5
PORTFOLIO INVESTMENT	2,673.8	3,086.5	3,194.2	3,084.5	4,291.6	4,132.4	4,091.5
FINANCIAL DERIVATIVES	0.0	0.0	0.0	0.6	1.9	1.6	1.6
<b>Other investment</b>	5,421.9	5,442.1	5,774.7	5,619.5	5,565.8	6,180.6	6,499.9

Source: Central Bank of Trinidad and Tobago

r Revised.

P Provisional.

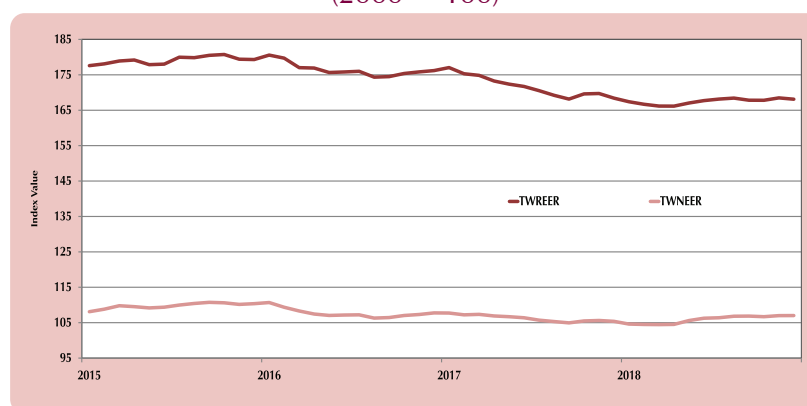
\* Other investment comprise currency and deposits, loans, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

## COMPETITIVENESS

Trinidad and Tobago's international price competitiveness, as measured by the trade weighted real effective exchange rate (TWREER)<sup>21</sup>, improved by 2.4 per cent in 2018. Movement in the TWREER was primarily influenced by lower domestic inflation relative to that of Trinidad and Tobago's major trading partners. The trade weighted nominal effective exchange rate (TWNEER), fell by 0.3 per cent while the Effective Inflation Rate (EIR), which measures domestic inflation rates relative to those of the country's major trading partners, declined by 2.1 per cent. More specifically, the slight depreciation in Trinidad and Tobago's currency in real effective terms was influenced by the steady reduction in domestic price increases relative to price increases in Trinidad and Tobago's major trading partners. In 2018, the domestic economy's inflation rate averaged 1.0 per cent, which was lower than the weighted average inflation rate of the country's major trading partners (3.2 per cent). Overall, the combination of the depreciation in the TWNEER and lower domestic inflation rate would have contributed to Trinidad and Tobago's exports being more competitive on the international market (Figure 9).

Together with movements in exchange rates and price levels, institutional factors also play a role in determining a country's degree of competitiveness. The World Economic Forum publishes the Global Competitiveness Report annually, and in its 2018 Report countries' competitiveness levels are now being ranked by the Global Competitiveness Index 4.0 (Table 15), which has been adjusted to integrate the Fourth Industrial Revolution<sup>22</sup> into the definition of competitiveness. The new Index is based on twelve pillars, which are broadly categorized into four themes: Enabling Environment, Markets, Human Capital and Innovation Ecosystem. In the latest Global Competitiveness Report 2018, Trinidad and Tobago's ranking declined, moving to 78 (out of 140 countries), from 76 (out of 135 countries) in the 2017 Report. Despite the downward movement in ranking, Trinidad and Tobago's overall score relative to other countries improved by 0.1 to 57.9 (out of 100). Thus, keeping in line with the TWREER, there was a marginal improvement in the country's level of competitiveness.

**FIGURE 9**  
TRADE WEIGHTED REAL AND NOMINAL EFFECTIVE EXCHANGE RATES  
(2000 = 100)



Source: Central Bank of Trinidad and Tobago

21 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.

22 Following the Third Industrial Revolution which introduced the concept of digitization, the Fourth Industrial Revolution is transforming societies' everyday engagement of technology. According to the World Economic Forum, it is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.

**TABLE 15**  
**GLOBAL COMPETITIVENESS INDEX, 2018**

SUB-INDEX/PILLAR	RANK*	SCORE**
<b>ENABLING ENVIRONMENT COMPONENT</b>	<b>62.2</b>	<b>71</b>
1. Institutions	49.7	92
2. Infrastructure	58.0	97
3. ICT Adoption	53.3	72
4. Macroeconomic Stability	87.8	54
<b>HUMAN CAPITAL COMPONENT</b>	<b>66.3</b>	<b>86</b>
5. Health	<b>73.5</b>	<b>90</b>
6. Skills	<b>62.6</b>	<b>68</b>
<b>MARKETS COMPONENT</b>	<b>54.8</b>	<b>83</b>
7. Product Market	52.4	98
8. Labour Market	60.2	59
9. Financial System	66.8	42
10. Market Size	40.0	105
<b>INNOVATION ECOSYSTEM COMPONENT</b>	<b>45.2</b>	<b>85</b>
11. Business sophistication	56.8	78
12. Innovation Capability	33.5	81
Overall Rank and Score: 2018 (out of 140)	57.9	78
Overall Rank and Score: 2017-2018 (out of 135)***	57.8	76
Overall Rank and Score: 2016-2017 (out of 138)	3.9	94
Overall Rank and Score: 2015-2016 (out of 140)	3.9	89
Overall Rank and Score: 2014-2015 (out of 144)	4.0	89

Source: World Economic Forum, Global Competitiveness Report, 2018

Note: In 2018, a new Global Competitiveness Index (GCI) 4.0 methodology was introduced. The new methodology organises the factors that define a country's productivity into twelve pillars. While maintaining the objective of the previous methodology, the new index reevaluated the determinants of productivity and its measurement, introducing 64 new indicators and retaining 34 of the 98 indicators from the prior model.

\* Scores are on a 0 to 100 scale, where 100 represents the optimal situation or 'frontier'.

\*\* Trinidad and Tobago compared to all 140 countries in the Report.

\*\*\* Rank and score for 2017 were recalculated by the World Economic Forum using the GCI 4.0 methodology.



## CHAPTER NINE

# INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

## INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

### INTERNATIONAL ECONOMIC DEVELOPMENTS

**Global economic growth lost momentum in 2018 reflecting the slower pace of international trade and investments, intensified US-China trade tensions, prolonged Brexit uncertainty and tightened financial conditions.** World output was weaker than expected, slowing to 3.6 per cent in 2018 compared to 3.8 per cent one year earlier, according to the IMF's April 2019 World Economic Outlook (WEO). A main contributor to the drag on economic growth in 2018 was the US imposition of trade tariffs against a few of its trading partners, particularly China, and resulting retaliatory actions. Meanwhile, monetary policy normalization continued in Advanced Economies (AEs) while central banks in Emerging Market and Developing Economies (EMDE), such as Turkey and Argentina, tightened policy rates to confront currency and inflation pressures. Oil price volatility heightened in the second half of 2018, with sharp falls toward the end of the year, mainly due to oversupply which emanated from shale oil production in the US and increased supply by the Organization of the Petroleum Exporting Countries (OPEC) and Russia. EMDEs also experienced sporadic episodes of capital outflows, reflecting increased risk aversion by investors and renewed attention to external vulnerabilities.

**Real GDP growth was mixed among the AEs in 2018 while inflation rates hovered around the central banks 2.0 per cent target rate (Table 16).** Despite increases in consumer spending, a slowdown in business investment in the UK dampened economic growth as a result of the unpredictability surrounding Brexit negotiations. Although the reduced pace of economic growth led to downward trend in the inflation rates throughout 2018, inflation remained above the Bank of England's 2.0 per cent inflation target. Meanwhile, slowing net exports, reflecting the appreciation of the euro, and softer external demand were responsible for the notable decline in

economic performance in the Euro Area. Consequently, inflation in the Euro Area remained below but close to 2.0 per cent for most of 2018. The Japanese economy also experienced slow economic growth in the latter half of 2018 stemming from bad weather and natural disasters. In addition, the Bank of Japan kept interest rates unchanged in 2018, despite having below target inflation rates. Conversely, bolstered by fiscal stimulus (in the form of tax cuts and higher public spending) and increased domestic consumption, US economic activity remained resilient throughout 2018. The US Federal Reserve (the Fed) achieved its target increase of 2.0 per cent in the core personal consumption price index (PCEPI) in March, May, June, July, September and December 2018. Job gains remained strong in the US, with an improvement in the unemployment rate to 3.9 per cent at the end of 2018 compared to 4.1 per cent at the beginning of the year. Unemployment rates also improved in the other major AEs despite the deceleration of economic growth during 2018.

**The gradual tightening of interest rates in the US posed challenges to the EMDEs.** The Fed remained committed to monetary policy normalisation in 2018 through four rate hikes (totalling 100 basis points) of the federal funds rate to reach 2.5 per cent in December 2018. Simultaneously, the Fed continued to allow maturing treasuries and mortgage backed securities to roll off its balance sheet, reducing its total asset size to US\$4.1 trillion at the end of December 2018 compared to US\$4.4 trillion at the end of December 2017. However, going forward the Fed is likely to carry a balance sheet that is larger than the historical trend. This coupled with the increased US long-term yields, which reflected rising inflation expectations and the anticipated interest rate hikes by the Fed, contributed to bouts of global stock market volatility, higher borrowing costs, and capital outflows in EMDEs during 2018.

**TABLE 16**  
ADVANCED ECONOMIES – REAL GDP GROWTH, 2012 - 2020  
/PER CENT/

COUNTRY	2012 <sup>r</sup>	2013 <sup>r</sup>	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>e</sup>	2019 <sup>f</sup>	2020 <sup>f</sup>
United States	2.2	1.8	2.5	2.9	1.6	2.2	2.9	2.3	1.9
United Kingdom	1.4	2.0	2.9	2.3	1.8	1.8	1.4	1.2	1.4
Euro Area	-0.9	-0.2	1.4	2.1	2.0	2.4	1.8	1.3	1.5
Japan	1.5	2.0	0.4	1.2	0.6	1.9	0.8	1.0	0.5

Source: International Monetary Fund World Economic Outlook (April 2019)

r Revised.  
e Estimate.  
f Forecast.

Despite the pickup of economic growth in some of the major EMDEs, aggregate output slowed, highlighting the disparity in country-specific factors. Based on the IMF estimates, economic growth for the EMDEs moderated to 4.5 per cent, 0.3 per cent lower than 2017. Strong domestic demand contributed to the expansion of India's economic activity while trade tensions and tightened regulation of the property sector restrained China's economic activity to its lowest level of real GDP growth since the global financial crisis (**Table 17**). Meanwhile, Russia's economic growth was supported by private consumption and exports, however, policy uncertainty, end of year oil price declines and renewed currency pressures contributed to a lackluster performance. Although Brazil's economic outturn improved for 2018, it was weaker than expected due to the production disruptions from the May/June trucker's strike. The expansion of economic activity in Russia and Brazil supported lower unemployment rates in these countries. Concurrently, inflation rates in Brazil and India were within their inflation target ranges during 2018, but remained below their respective targets for Russia and China<sup>23</sup>.

## REGIONAL ECONOMIC DEVELOPMENTS

**Economic performance in the Latin American and Caribbean (LAC) region remained subdued.** Economic recovery was undermined by lower private investment relating to uncertainty surrounding the renegotiations of the North America Free Trade Agreement (NAFTA), a currency crisis in Argentina, the May/June trucker's strike

in Brazil and the worsening sociopolitical conditions in Venezuela. Real GDP growth in the LAC region decelerated to 1.0 per cent in 2018 from 1.2 per cent one year earlier (IMF April 2019 WEO). Economic activity in the LAC region was supported by lowered monetary policy rates in Chile, Colombia and Peru during 2018. However, the Bank of Mexico increased its benchmark interest rate to its highest in a decade to restore investor confidence. Despite the depreciation of some currencies in the region in 2018, inflation rose only modestly, particularly in Chile, Colombia and Peru, reflecting the slow exchange rate pass through to consumer prices.

**Economic performance varied in the Caribbean during 2018 (Table 18).** Jamaica's economic growth improved in 2018, with historically low unemployment rates, low inflation, decelerating public debt and increases in international reserves. Meanwhile, Guyana's economic growth was mainly driven by the agricultural and services sectors. Following the 2017 hurricanes, economic activity strengthened in most member countries of the Eastern Caribbean Currency Union (ECCU) as the tourism industry improved in 2018. Real GDP growth in Barbados contracted as moderate gains in tourism were outweighed by the fall-off in manufacturing and other services. The IMF is providing assistance to Barbados through a 48-month Extended Fund Facility (EFF), with access of SDR 208.0 million (US\$290.0 million). An initial tranche of approximately US\$49.0 million was provided on October 1, 2018. The Government of Barbados has also developed an Economic Recovery and

23 Central Bank inflation target rate or ranges: Brazil (3.0-6.0 per cent), Russia (4.0 per cent), India (2.0-6.0 per cent) and China (3.0 per cent).

Transformation (BERT) Plan. The main focus of BERT is fiscal consolidation through a review of tax policies, reforms of state-owned enterprises; other elements of the plan include debt restructuring, structural reform and institutional independence of the Central Bank. Caribbean countries also faced other macroeconomic challenges regarding negative external current account balances (Table 19), high unemployment, high levels of sovereign indebtedness and fiscal deficits.

**Monetary policy remained unchanged in the ECCU and was loosened in Jamaica and Barbados.** The Eastern Caribbean Central Bank kept the minimum savings rate and deposit rate steady at 2.0 per cent and 6.5 per cent

respectively in 2018. Over the course of 2018, the Bank of Jamaica (BoJ) lowered its benchmark interest rate – the overnight deposit rate – five times to 1.75 per cent in December 2018 from 3.25 per cent in December 2017 to keep inflation from breaching the lower bound of its inflation target<sup>24</sup>. In an effort to strengthen the BoJ operational autonomy, proposals for legislative reform to the BoJ Act were submitted to the Parliament in October 2018. Meanwhile, improvements in Barbados public accounts allowed the Central Bank of Barbados to honour its commitment of reducing its securities reserve ratio for commercial banks. The ratio was lowered from 20.0 per cent to 17.5 per cent in November 2018.

**TABLE 17**  
EMERGING ECONOMIES – REAL GDP GROWTH, 2012 - 2020  
/PER CENT/

COUNTRY	2012 <sup>r</sup>	2013 <sup>r</sup>	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>e</sup>	2019 <sup>f</sup>	2020 <sup>f</sup>
China	7.9	7.8	7.3	6.9	6.7	6.8	6.6	6.3	6.1
India*	5.5	6.4	7.4	8.0	8.2	7.2	7.1	7.3	7.5
Russia	3.7	1.8	0.7	-2.5	0.3	1.6	2.3	1.6	1.7
Brazil	1.9	3.0	0.5	-3.5	-3.3	1.1	1.1	2.1	2.5

Source: International Monetary Fund World Economic Outlook (April 2019)

\* Data are presented on a fiscal year basis.

r Revised.

f Forecast.

e Estimate.

24 The Bank of Jamaica reduced its key policy rate in January, February, May, June and December 2018.

**TABLE 18**  
REAL GDP GROWTH - SELECTED LAC, 2012 - 2020  
/PER CENT/

COUNTRY	2012 <sup>r</sup>	2013	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>e</sup>	2019 <sup>f</sup>	2020 <sup>f</sup>
Argentina	-1.0	2.4	-2.5	2.7	-2.1	2.7	-2.5	-1.2	2.2
The Bahamas	3.1	-0.4	-0.1	1.0	-1.7	1.4	2.3	2.1	1.6
Barbados	-0.1	-1.4	-0.2	2.2	2.3	-0.2	-0.5	-0.1	0.6
BELIZE	2.9	0.9	3.7	3.4	-0.6	1.4	3.0	2.5	2.1
CHILE	5.3	4.0	1.8	2.3	1.7	1.3	4.0	3.4	3.2
COLOMBIA	3.9	4.6	4.7	3.0	2.1	1.4	2.7	3.5	3.6
Eastern Caribbean Currency Union	0.4	1.7	3.1	2.8	2.6	2.6	2.8	3.8	n.a.
GUYANA	5.0	5.0	3.9	3.1	3.4	2.1	3.4	3.8	29.6
HAITI	2.9	4.2	2.8	1.2	1.5	1.2	1.5	1.5	1.5
JAMAICA	-0.5	0.2	0.6	0.9	1.5	0.7	1.4	1.7	1.9
MEXICO	3.6	1.4	2.8	3.3	2.9	2.1	2.0	1.6	1.9
Suriname	2.7	2.9	0.3	-3.4	-5.6	1.7	2.0	2.2	2.5

Sources: International Monetary Fund, World Economic Outlook Database (April 2019) and Regional Economic Outlook, Western Hemisphere (October 2018)

r Revised.  
e Estimate.  
f Forecast.

**TABLE 19**  
EXTERNAL CURRENT ACCOUNT TO GDP - SELECTED LAC, 2012 - 2020  
/PER CENT/

COUNTRY	2012 <sup>r</sup>	2013 <sup>r</sup>	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>e</sup>	2019 <sup>f</sup>	2020 <sup>f</sup>
Argentina	-0.4	-2.1	-1.6	-2.7	-2.7	-4.9	-5.4	-2.0	-2.5
The Bahamas	-14.0	-14.1	-17.3	-12.0	-10.6	-16.3	-15.5	-11.3	-8.8
Barbados	-8.5	-8.4	-9.2	-6.1	-4.3	-3.8	-2.4	-1.2	-1.3
Belize	-1.2	-4.5	-7.9	-9.8	-9.0	-7.0	-5.9	-5.7	-5.4
Guyana	-11.3	-13.3	-9.5	-5.1	0.4	-6.7	-7.1	-5.8	8.6
Haiti	-5.7	-6.6	-8.5	-3.1	-1.0	-3.7	-4.1	-3.9	-2.2
Jamaica	-11.1	-9.2	-7.5	-3.1	-1.4	-2.6	-2.8	-2.3	-2.2
St. Kitts and Nevis	n.a.	n.a.	-0.7	-10.3	-12.6	-8.7	-0.8	-5.4	-9.5
St. Lucia	n.a.	n.a.	0.8	4.2	-3.4	-2.6	-1.2	-2.5	-0.4
St. Vincent and the Grenadines	n.a.	n.a.	-25.8	-14.5	-15.2	-17.2	-15.8	-14.4	-13.5
Suriname	3.3	-3.8	-7.9	-16.4	-5.4	-0.1	-2.9	-3.8	-3.2

Source: International Monetary Fund, World Economic Outlook Database (April 2019)

r Revised.  
e Estimate.  
f Forecast.





## INTERNATIONAL COMMODITY MARKETS

**Energy commodity prices incurred sizable increases in 2018 evidenced by an 18.6 per cent increase in the Energy Commodity Price Index (ECPI)<sup>25</sup>.** The surge was led by strong crude oil and natural gas prices, though all other commodities in the index increased.

Crude oil prices grew 27.3 per cent in 2018. West Texas Intermediate (WTI) prices averaged US\$64.8 per barrel in 2018 compared to US\$50.9 per barrel in 2017. Prices trended upward throughout most of 2018 with WTI prices peaking at US\$70.8 per barrel in October while international benchmark Brent crude oil prices exceeded US\$80.0 per barrel in the same month. Strength in prices during the year stemmed from fears of crude shortages from November, when US sanctions on Iranian production were set to take effect. However prices dipped thereafter, as Iran's largest crude customers were afforded waivers on the imposed sanctions, which allowed them to continue to purchase the country's crude oil.

**Natural gas markets were characterized by strong demand in 2018.** Prices also benefitted from the knock on effects of strong crude oil prices. The average US Henry Hub price increased 6.4 per cent year-on-year to US\$3.2 per mmbtu in 2018. Prices were particularly strong in the second half of the year as a warmer-than-usual autumn in the US increased the demand for power for air-conditioning. Prices peaked in the final quarter of 2018 with the onset of winter conditions, which drove natural gas demand for heating.

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<sup>25</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 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

**c** - Confidential

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TABLE A.1  
REAL GDP GROWTH<sup>1</sup>  
BY SECTOR OF ORIGIN, 2014-2018  
/ PER CENT /

SECTOR	2014	2015	2016	2017	2018 <sup>P</sup>
Agriculture, Forestry and Fishing	-9.9	25.1	-15.3	21.5	-15.6
Mining and Quarrying	-0.9	-3.2	-13.2	0.9	-1.8
Manufacturing	-3.3	0.9	-3.4	-2.6	7.3
Electricity, Gas, Steam and Air Conditioning Supply	-3.6	1.8	-8.1	8.7	0.6
Water Supply; Sewerage, Waste Management and Remediation Activities	-5.5	1.5	1.7	1.5	3.1
Construction	1.3	-2.7	-4.2	-4.1	-3.3
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	0.3	3.6	-7.2	-11.3	-1.2
Transportation and Storage	4.5	-4.5	-16.9	6.4	1.1
Accommodation and Food Service Activities	0.7	-1.2	-2.0	-1.3	-0.7
Information and Communication	1.0	2.4	-2.3	-1.6	1.1
Financial and Insurance Activities	0.2	3.4	2.4	0.9	1.1
Real Estate Activities	0.3	0.5	0.5	0.4	0.5
Professional, Scientific and Technical Activities	2.7	-14.3	-2.4	5.6	2.1
Administrative and Support Service Activities	-12.4	36.5	-2.4	5.2	1.8
Public Administration and Defence; Compulsory Social Security	3.7	1.4	2.1	0.6	-0.6
Education	2.4	2.1	2.7	2.5	2.5
Human Health and Social Work Activities	0.4	0.3	0.3	0.2	0.2
Arts, Entertainment and Recreation	0.4	0.3	0.3	0.2	0.2
Other Service Activities	1.1	0.0	0.7	-1.4	-0.1
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	1.3	1.2	1.2	1.1	1.1
FISIM <sup>2</sup>	-0.6	3.2	1.3	-1.5	2.9
GDP At Basic Prices	-0.7	0.9	-6.0	-1.8	0.8
Taxes Less Subsidies on Products	-8.8	29.2	-19.4	-2.4	30.7
<b>GDP At Purchasers Prices/Market Prices</b>	<b>-1.0</b>	<b>1.8</b>	<b>-6.5</b>	<b>-1.9</b>	<b>1.9</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, 2014-2018  
 / TT\$ MILLIONS /

SECTOR	2014	2015	2016	2017	2018 <sup>P</sup>
Agriculture, Forestry and Fishing	608	705	707	689	738
Mining and Quarrying	37,873	21,984	14,037	19,010	24,491
Manufacturing	28,237	24,228	24,865	23,643	25,210
Electricity, Gas, Steam and Air Conditioning Supply	6,156	3,740	1,501	2,632	3,297
Water Supply; Sewerage, Waste Management and Remediation Activities	2,099	2,297	2,211	2,453	2,437
Construction	9,724	9,748	9,282	8,907	8,856
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	38,515	37,374	34,412	32,656	32,448
Transportation and Storage	5,075	5,259	5,485	5,858	6,012
Accommodation and Food Service Activities	2,500	2,507	2,485	2,536	2,640
Information and Communication	4,429	4,053	3,941	3,814	4,114
Financial and Insurance Activities	9,912	10,048	10,263	12,922	11,906
Real Estate Activities	3,048	3,084	3,130	3,184	3,224
Professional, Scientific and Technical Activities	3,040	3,070	3,021	3,221	3,323
Administrative and Support Service Activities	3,898	5,987	5,895	6,270	6,448
Public Administration and Defence; Compulsory Social Security	12,609	14,228	14,326	14,489	13,952
Education	3,691	4,999	4,111	3,965	4,178
Human Health and Social Work Activities	695	777	741	742	743
Arts, Entertainment and Recreation	494	497	435	244	273
Other Service Activities	745	815	822	873	905
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	240	273	301	337	374
FISIM <sup>2</sup>	-3,359	-3,344	-3,430	-3,998	-4,165
GDP At Basic Prices	170,230	152,330	138,541	144,447	151,404
Taxes Less Subsidies on Products	5,879	7,880	6,486	6,400	7,100
<b>GDP At Purchasers Prices/Market Prices</b>	<b>176,109</b>	<b>160,210</b>	<b>145,027</b>	<b>150,847</b>	<b>158,505</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, 2014-2018  
 / PER CENT /

SECTOR	2014	2015	2016	2017	2018 <sup>P</sup>
Agriculture, Forestry and Fishing	0.3	0.4	0.5	0.5	0.5
Mining and Quarrying	21.5	13.7	9.7	12.6	15.5
Manufacturing	16.0	15.1	17.1	15.7	15.9
Electricity, Gas, Steam and Air Conditioning Supply	3.5	2.3	1.0	1.7	2.1
Water Supply; Sewerage, Waste Management and Remediation Activities	1.2	1.4	1.5	1.6	1.5
Construction	5.5	6.1	6.4	5.9	5.6
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	21.9	23.3	23.7	21.6	20.5
Transportation and Storage	2.9	3.3	3.8	3.9	3.8
Accommodation and Food Service Activities	1.4	1.6	1.7	1.7	1.7
Information and Communication	2.5	2.5	2.7	2.5	2.6
Financial and Insurance Activities	5.6	6.3	7.1	8.6	7.5
Real Estate Activities	1.7	1.9	2.2	2.1	2.0
Professional, Scientific and Technical Activities	1.7	1.9	2.1	2.1	2.1
Administrative and Support Service Activities	2.2	3.7	4.1	4.2	4.1
Public Administration and Defence; Compulsory Social Security	7.2	8.9	9.9	9.6	8.8
Education	2.1	3.1	2.8	2.6	2.6
Human Health and Social Work Activities	0.4	0.5	0.5	0.5	0.5
Arts, Entertainment and Recreation	0.3	0.3	0.3	0.2	0.2
Other Service Activities	0.4	0.5	0.6	0.6	0.6
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	0.1	0.2	0.2	0.2	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	2,645
Cabbage	336	344	594	434	435
Cucumber	1,217	1,185	1,173	1,102	804
Dasheen	3,427	4,060	1,917	2,396	3,224
Rice	2,859	2,914	2,721	1,823	1,619
Pigeon Peas	770	2,057	1,687	858	2,043
Pumpkin	2,751	2,130	3,279	3,032	1,884
Melongene	1,113	1,165	906	1,713	913
<b>MEAT SUPPLY (000 kgs)</b>					
<b>Beef and Veal</b>					
Production	308	326	287	285	226
Imports	n.a	n.a	n.a	n.a	n.a
<b>Pork</b>					
Production	2,666	2,619	1,778	1,910	2,178
Imports	n.a	n.a	n.a	n.a	n.a
<b>Mutton</b>					
Production	197	74	77	60	70
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	33,227
<b>Table Eggs (000 doz): Production</b>	5,361	5,583	4,800	5,384	7,438
<b>Milk (000 litres): Production</b>	4,127	3,942	3,731	2,324	2,428
<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.

TABLE A.5

## PRODUCTION AND UTILISATION OF CRUDE OIL AND RELATED PRODUCTS AND PETROCHEMICALS, 2014-2018

COMMODITY GROUP	2014	2015	2016	2017	2018
<b>CRUDE OIL</b>					
<b>Exploration (meters)</b>					
Depth Drilled	110,590	147,076	108,886	121,396	110,182
<b>Production (000 barrels)</b>					
Crude Oil and Condensates	29,661	28,710	26,164	26,216	21,420
<i>Of which: Condensates</i>	5,357	5,051	4,171	4,604	3,338
Daily Average (b/d)	81,255	78,697	71,504	71,853	63,533
<b>Imports (000 barrels)</b>					
Crude Oil Imports	20,694	28,622	37,014	32,240	22,886
<i>Of which: u.p.a.</i>	211	125	0	0	0
<b>Refining (000 barrels)</b>					
Refinery Throughput	38,212	45,766	54,257	47,720	36,000
Refinery Output	36,780	44,213	52,717	46,763	35,631
Capacity Utilisation (%) <sup>1</sup>	62	75	88	78	59
<b>Exports (000 barrels)</b>					
Crude Oil Exports	11,900	11,319	10,292	9,972	8,047
Petroleum Products	29,084	34,204	44,207	36,958	29,039
<b>Natural Gas (Mn cubic feet/day)</b>					
Production	4,071	3,833	3,327	3,366	3,585
Utilisation <sup>2</sup>	3,789	3,578	3,104	3,172	3,378
<i>Of which: Petrochemicals</i>	1,098	1,114	1,022	1,048	1,061
<i>Electricity Generation</i>	301	295	271	252	242
<i>LNG</i>	2,178	1,967	1,650	1,722	1,921
<b>Natural Gas Liquids (000 barrels)</b>					
Production	11,992	10,993	9,214	9,806	8,695
Exports	11,022	10,182	7,996	8,541	7,668
Local Sales	763	937	1,085	1,152	1,037*
Stock Change	206	-126	133	113	330*
<b>Fertilisers (000 tonnes)</b>					
Production	5,169	5,453	5,522	5,595	5,431
Exports	4,769	4,946	5,228	5,141	4,924
Local Sales	5	5	6	5	5
Stock Change	395	501	289	449	501
<b>Methanol (000 tonnes)</b>					
Production	5,481	5,516	4,655	4,975	5,081
Exports	5,525	5,479	4,637	4,962	5,010
Local Sales	6	6	7	7	6**
Stock Change	-50	31	11	7	-88**

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> Utilisation refers to gas sales and does not include natural gas used in own consumption.

\* For the period January to September 2018.

\*\* For the period January to October 2018.

TABLE A.6

PRODUCTION OF IRON AND STEEL PRODUCTS AND CEMENT, 2014-2018

PRODUCTS	2014	2015	2016	2017	2018
<b>STEEL PRODUCTS (000 TONNES)</b>					
(i) Direct Reduced Iron					
Production	1,633.0	901.1	0.0	0.0	0.0
Exports	1,064.8	656.4	0.0	0.0	0.0
Local Sales	0.0	0.0	0.0	0.0	0.0
Own Consumption	519.0	260.5	0.0	0.0	0.0
(ii) Billets					
Production	483.3	266.5	0.0	0.0	0.0
Exports	151.2	120.0	0.0	0.0	0.0
Local Sales	45.2	22.7	0.0	0.0	0.0
Own Consumption	312.4	124.9	0.0	0.0	0.0
(iii) Wire Rods					
Production	300.0	129.5	0.0	0.0	0.0
Exports	289.2	130.1	0.0	0.0	0.0
Local Sales	25.8	11.5	0.0	0.0	0.0
Own Consumption	1.3	4.2	0.0	0.0	0.0
<b>CEMENT (000 TONNES)</b>					
Production	836.5	840.1	721.2	670.0	662.6
Local Sales	666.0	656.0	526.2	497.3	483.8
Exports	170.1	185.9	192.7	219.2	270.9

Source: Central Bank of Trinidad and Tobago

TABLE A.7

## PRICES OF SELECTED EXPORT COMMODITIES, 2014-2018

SECTOR	2014	2015	2016	2017	2018
Crude Oil (WTI <sup>1</sup> ; US\$/bbl <sup>2</sup> )	93.1	48.7	43.2	50.9	64.8
Crude Oil (Brent; US\$/bbl <sup>2</sup> )	99.6	52.9	44.6	54.9	72.9
Natural Gas (Henry Hub; US\$/mmbtu <sup>3</sup> )	4.4	2.6	2.5	3.0	3.2
Ammonia (FOB Caribbean; US\$/tonne)	505.6	413.1	235.1	236.6	268.3
Urea (FOB Caribbean; US\$/tonne)	360.3	282.2	206.8	214.9	245.4
Methanol (FOB Rotterdam; US\$/tonne)	513.5	381.9	272.1	399.1	474.2
Billets (FOB Latin America; US\$/tonne)	492.6	351.5	323.7	430.9	501.6
Wire Rods (FOB Latin America; US\$/tonne)	583.6	416.0	373.0	485.9	580.7

Source: Bloomberg; Green Markets; Fertiliser Week; European Chemical News; Monthly Methanol Newsletter (TEC-NON); 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, 2014-2018  
/ 1995=100 /

PRODUCTS	WEIGHT	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>p</sup>
Food Processing	58	732.1	833.5	1,072.6	1,230.1	1,444.5
Drink and Tobacco	63	1,083.9	1,091.2	1,031.0	929.6	1,148.1
Textiles, Garments and Footwear	6	1,682.2	1,473.9	1,294.3	1,320.7	1,333.8
Printing, Publishing and Paper Converters	27	334.2	305.8	302.1	276.2	229.7
Wood and Related Products	7	933.6	907.6	839.0	735.0	685.0
Chemicals and Non-Metallic Minerals	43	325.2	305.6	291.8	307.6	320.0
Assembly-Type and Related Industries	61	1,319.2	840.3	259.8	244.8	232.2
Miscellaneous Manufacturing Industries	10	199.1	193.5	186.9	178.8	175.3
Electricity	40	122.9	115.7	90.3	80.2	71.4
Water	6	162.1	167.1	151.6	118.8	109.6
<b>All Industry Index</b>						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	320	746.5	664.5	574.5	576.3	651.4
Explor., and Product. of Oil, Natural Gas, etc.	445	136.3	130.4	116.7	117.2	112.6
Petrochemicals	182	211.9	225.0	219.8	223.6	219.7
Oil and Natural Gas Refining	53	601.3	812.5	939.2	883.3	728.3
<b>All Industry Index</b>						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	1,000	370.1	354.8	325.7	324.2	337.3

Source: Central Statistical Office

TABLE A.9

ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND  
HOURS WORKED (ALL EMPLOYEES), 2016-2018<sup>1</sup>

/ PER CENT /

INDUSTRY	DOMESTIC PRODUCTION (1995=100)			INDEX OF HOURS WORKED (1995=100)		
	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>p</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>p</sup>
Food Processing	28.7	14.7	17.4	-4.8	-3.8	0.6
Drink and Tobacco	-5.5	-9.8	23.5	-9.0	-2.8	-2.3
Textiles, Garments and Footwear	-12.2	2.0	1.0	-1.4	-1.2	-0.5
Printing, Publishing and Paper Converters	-1.2	-8.6	-16.8	-1.0	-0.7	1.4
Wood and Related Products	-7.5	-12.4	-6.8	-10.2	0.0	4.4
Chemicals and Non-Metallic Minerals	-4.5	5.4	4.1	-6.4	0.6	-0.1
Assembly-Type and Related Industries	-69.1	-5.8	-5.1	-21.5	-1.9	-2.0
Miscellaneous Manufacturing Industries	-3.4	-4.3	-2.0	-7.8	-7.7	-8.9
Electricity	-21.9	-11.2	-10.9	-16.8	-2.9	-9.0
Water	-9.2	-21.6	-7.8	-0.7	0.0	0.1
<b>All Industry Index</b>						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-13.5	0.3	13.0	-7.1	-2.0	-0.6
Explor., and Product. of Oil, Natural Gas, etc.	-10.4	0.4	-3.9	-10.7	-10.8	-5.3
Petrochemicals	-2.3	1.7	-1.7	-6.3	-6.2	-2.8
Oil and Natural Gas Refining	15.6	-6.0	-17.5	2.0	0.1	-9.7
<b>All Industry Index</b>						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-8.2	-0.5	4.0	-5.0	-1.8	-3.1

Source: Central Statistical Office

1 Percentage changes over the corresponding period.

**TABLE A.10**  
**ANNUAL CHANGES IN THE INDICES OF AVERAGE**  
**WEEKLY EARNINGS AND EMPLOYMENT**  
**(ALL EMPLOYEES), 2016-2018<sup>1</sup>**  
 / PER CENT /

INDUSTRY	AVERAGE WEEKLY EARNINGS (1995=100)			EMPLOYMENT (1995=100)		
	2016	2017	2018 <sup>p</sup>	2016	2017	2018 <sup>p</sup>
Food Processing	0.0	2.6	-1.3	-0.7	0.0	0.5
Drink and Tobacco	0.7	-7.5	3.7	-2.7	1.8	-0.2
Textiles, Garments and Footwear	10.9	-4.1	-4.1	-1.6	-1.8	-1.4
Printing, Publishing and Paper Converters	4.3	3.5	5.3	-2.3	-2.4	-2.2
Wood and Related Products	-5.4	-1.4	3.2	-3.8	1.6	5.6
Chemicals and Non-Metallic Minerals	-1.8	-2.1	1.3	-4.7	-0.2	-0.1
Assembly-Type and Related Industries	-29.2	9.3	13.1	-33.0	-3.2	0.1
Miscellaneous Manufacturing Industries	2.4	2.0	4.8	-1.9	-3.8	-7.2
Electricity	25.7	9.2	-5.7	-17.7	-9.3	-1.5
Water	1.0	-3.5	0.6	27.6	24.8	2.9
<b>All Industry Index</b>						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining, etc)	0.7	1.4	0.7	-3.9	2.8	0.2
Explor., and Product. of Oil, Natural Gas, etc.	-3.1	1.2	-8.5	-3.9	-26.2	2.8
Petrochemicals	-5.9	9.9	7.0	-4.8	-3.6	-0.8
Oil and Natural Gas Refining	-5.6	-0.7	17.5	-5.9	-0.2	-7.9
<b>All Industry Index</b>						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-1.8	1.0	5.9	-4.3	0.0	-1.3

Source: Central Statistical Office

1 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), 2016-2018<sup>1</sup>  
/ PER CENT /

INDUSTRY	REAL EARNINGS (1995=100)			INDEX OF OUTPUT PER MAN HOUR WORKED (1995=100)		
	2016	2017	2018 <sup>p</sup>	2016 <sup>r</sup>	2017 <sup>r</sup>	2018 <sup>p</sup>
Food Processing	-3.0	0.7	-2.3	35.6	19.3	16.4
Drink and Tobacco	-2.2	-9.2	2.6	3.6	-7.3	26.3
Textiles, Garments and Footwear	4.2	-5.7	-5.0	-10.9	3.2	1.5
Printing, Publishing and Paper Converters	1.2	1.6	4.2	-0.2	-7.9	-17.9
Wood and Related Products	-8.2	-3.3	2.2	2.7	-12.2	-10.7
Chemical and Non-Metallic Minerals	-4.7	-3.9	0.2	2.1	4.9	4.1
Assembly-Type and Related Industries	-31.4	7.3	11.9	-60.8	-4.2	-3.3
Miscellaneous Manufacturing Industries	-0.6	0.1	3.7	4.7	3.7	7.6
Electricity	21.9	7.1	-6.6	-6.3	-6.7	-3.2
Water	-1.9	-5.4	-0.4	-8.6	-21.7	-7.8
<b>All Industry Index</b>						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-2.3	-0.5	-0.3	-6.9	2.4	13.6
Explor., and Product. of Oil, Natural Gas, etc.	-6.0	-0.7	-9.5	-0.1	13.0	1.2
Petrochemicals	-8.7	7.7	5.9	4.3	8.4	1.1
Oil and Natural Gas Refining	-8.4	-2.5	16.3	13.8	-6.4	-9.6
<b>All Industry Index</b>						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-4.7	-0.8	4.8	-3.3	1.4	7.4

Source: Central Statistical Office

1 Percentage changes over the corresponding period.



TABLE A.12

INDEX OF RETAIL PRICES FOR MAJOR EXPENDITURE CATEGORIES, 2014-2018  
/ JANUARY 2015=100 /

SECTIONS	WEIGHTS	2014	2015	2016	2017	2018	2018			
							I	II	III	IV
<b>Inflation Rate (%)<sup>1</sup></b>										
All Sections	1,000	5.7	4.7	3.1	1.9	1.0	0.9	1.0	1.2	1.0
Food	173	10.0	8.6	7.5	2.9	1.1	2.4	2.0	0.2	-0.1
Core <sup>2</sup>	827	2.0	1.8	2.2	1.6	1.0	0.5	0.8	1.4	1.3
<b>Retail Price Index</b>										
All Sections	1,000	96.8	101.3	104.3	106.4	107.4	107.0	107.1	107.4	108.2
Food	173	94.2	102.3	109.7	113.1	114.4	115.4	113.3	113.2	115.6
Core	827	99.2	101.1	103.1	104.9	106.0	105.3	105.8	106.2	106.6
<b>Per cent Contribution To Change In Index</b>										
Food	173	49.3	47.4	42.3	28.3	20.3	28.3	14.9	24.1	46.3
Core	827	50.7	52.6	57.7	71.7	79.7	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, 2014-2018  
/ OCT. 1978=100 /

SECTIONS	WEIGHTS	2014	2015	2016	2017	2018
Food Processing	191	710.2	713.0	716.5	721.2	725.1
		<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>	<b>0.5</b>
Drink and Tobacco	121	1,323.5	1,422.2	1,467.6	1,567.3	1,575.3
		<b>6.9</b>	<b>7.5</b>	<b>3.2</b>	<b>6.8</b>	<b>0.5</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 and Paper Converters	93	392.3	391.5	390.3	390.8	400.0
		<b>0.1</b>	<b>-0.2</b>	<b>-0.3</b>	<b>0.1</b>	<b>2.3</b>
Wood and Related Products	89	348.1	348.1	348.1	348.3	348.3
		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Chemicals and Non-Metallic Minerals	148	614.3	624.4	630.1	617.4	583.3
		<b>0.8</b>	<b>1.6</b>	<b>0.9</b>	<b>-2.0</b>	<b>-5.5</b>
Assembly-Type and Related Industries	257	345.6	345.1	345.0	346.1	348.2
		<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>0.6</b>
All Industry	1,000	573.6	587.5	594.3	605.7	603.8
		<b>2.0</b>	<b>2.4</b>	<b>1.2</b>	<b>1.9</b>	<b>-0.3</b>

Source: Central Statistical Office

**TABLE A.14**  
CENTRAL GOVERNMENT FISCAL OPERATIONS, 2014-2018<sup>1</sup>  
/ TT\$ MILLIONS /

EXPENDITURE	2014	2015	2016	2017 <sup>r</sup>	2018 <sup>p</sup>
Current Revenue	57,062.2	52,244.6	41,158.9	34,870.1	41,411.0
Current Expenditure <sup>2</sup>	54,385.7	52,322.9	48,546.4	46,263.5	44,197.3
Current Account Surplus(+)/Deficit(-)	2,676.5	-78.3	-7,387.6	-11,393.4	-2,786.3
Capital Revenue	1,316.5	4,989.2	3,813.7	1,310.5	838.6
Capital Expenditure and Net lending <sup>3</sup>	8,434.8	7,620.8	4,398.3	3,448.5	3,403.9
<b>Overall Surplus(+)/Deficit(-)</b>	<b>-4,442.2</b>	<b>-2,709.9</b>	<b>-7,972.1</b>	<b>-13,531.4</b>	<b>-5,351.6</b>
<b>Total Financing (net)</b>	<b>4,442.2</b>	<b>2,709.9</b>	<b>7,972.1</b>	<b>13,531.4</b>	<b>5,351.6</b>
<b>External Financing (Net)</b>	<b>3,312.4</b>	<b>-199.2</b>	<b>8,954.0</b>	<b>3,266.7</b>	<b>660.5</b>
Net External Borrowing	3,312.4	-199.2	6,455.6	1,554.5	660.5
Disbursements	3,835.0	344.4	6,982.7	2,099.8	1,356.4
Repayments	522.6	543.6	527.1	545.3	695.9
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Transfers from HSF (Withdrawals)	0.0	0.0	2,498.4	1,712.2	0.0
<b>Domestic Financing (Net)</b>	<b>1,129.8</b>	<b>2,909.1</b>	<b>-981.9</b>	<b>10,264.7</b>	<b>4,691.1</b>
Debt Management Treasury Bills (Net)	0.0	0.0	0.0	0.0	0.0
Bonds(Net)	175.9	1,074.7	4,016.0	3,165.6	1,784.4
Disbursements	1,783.4	3,757.2	6,623.2	8,191.8	6,267.6
Repayments	1,607.5	2,682.5	2,607.2	5,026.2	4,483.2
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net) <sup>4</sup>	953.9	1,834.4	-4,997.9	7,099.1	2,906.7
<b>Memo Items:</b>					
Primary Balance <sup>5</sup>	-1,319.6	728.5	-4,209.7	-9,063.0	-1,538.3
<b>Surplus(+)/Deficit(-) as a Percentage of GDP (current market prices)</b>					
Current Account Surplus(+)/Deficit(-)	1.5	0.0	-5.0	-7.6	-1.8
Overall Surplus(+)/Deficit(-)	-2.5	-1.7	-5.4	-9.1	-3.4
Primary Surplus(+)/Deficit(-)	-0.8	0.4	-2.8	-6.1	-1.0

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 Stabilisation 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, 2014-2018<sup>1</sup>  
/ TT\$ MILLIONS /

EXPENDITURE	2014	2015	2016	2017 <sup>r</sup>	2018 <sup>p</sup>
<b>A. Oil Sector</b>	<b>21,528.2</b>	<b>13,696.4</b>	<b>3,805.5</b>	<b>4,268.9</b>	<b>5,939.2</b>
Corporation <sup>2</sup>	16,969.5	10,974.3	2,144.2	2,477.2	3,124.2
Withholding Tax	706.1	800.1	742.5	513.0	495.7
Royalties	2,399.2	1,100.7	520.2	938.9	2,023.7
Oil Impost	119.7	132.5	136.2	139.5	75.5
Unemployment Levy	1,240.2	600.9	130.5	98.6	121.9
Excise Duties	93.5	87.9	131.9	101.7	98.2
<b>B. Non Oil Sector</b>	<b>35,534.0</b>	<b>38,548.2</b>	<b>37,353.4</b>	<b>30,601.2</b>	<b>35,471.7</b>
<b>Taxes on Income</b>	<b>17,836.4</b>	<b>18,060.6</b>	<b>15,759.0</b>	<b>15,209.0</b>	<b>17,418.9</b>
Companies	10,150.5	9,481.2	7,003.1	6,919.2	8,819.9
Individuals	6,619.9	7,445.3	7,186.5	6,303.3	6,596.1
Unemployment Levy	0.0	0.0	0.0	0.0	0.0
Health Surcharge	209.6	264.0	225.8	218.0	183.6
Other <sup>3</sup>	856.4	870.0	1,343.6	1,768.5	1,819.3
<b>Taxes on Property</b>	<b>3.5</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>3.8</b>
Lands and Buildings Taxes	3.5	3.3	3.2	3.0	3.8
<b>Taxes on Goods and Services</b>	<b>7,575.9</b>	<b>8,815.8</b>	<b>8,912.6</b>	<b>6,830.1</b>	<b>8,776.6</b>
Purchase Tax	0.2	0.1	0.1	1.0	0.1
Excise Duties	582.2	606.8	579.5	613.8	654.5
Motor Vehicles	569.4	575.5	569.0	415.2	333.0
Value Added Tax	5,744.8	7,223.3	7,004.7	5,050.4	6,948.2
Other	679.3	410.2	759.3	749.7	1,199.4
<b>Taxes on International Trade</b>	<b>2,861.5</b>	<b>3,014.2</b>	<b>3,016.3</b>	<b>2,684.8</b>	<b>2,546.9</b>
Import Duties	2,861.0	3,013.7	3,016.0	2,683.8	2,546.6
Other	0.4	0.5	0.0	1.0	0.3
<b>Non-Tax Revenue</b>	<b>7,256.5</b>	<b>8,251.6</b>	<b>9,661.8</b>	<b>5,874.3</b>	<b>6,725.5</b>
National Lottery	262.9	169.7	177.8	335.9	213.6
Interest	18.7	40.0	41.4	34.0	17.8
Central Bank	404.2	190.5	809.0	714.0	4,048.6
Other	6,570.7	7,851.4	8,633.6	4,790.4	2,445.5
<b>TOTAL CURRENT REVENUE</b>	<b>57,062.2</b>	<b>52,244.6</b>	<b>41,158.9</b>	<b>34,870.1</b>	<b>41,411.0</b>
Capital Revenue	1,316.5	4,989.2	3,813.7	1,310.5	838.6
<b>TOTAL REVENUE</b>	<b>58,378.4</b>	<b>57,233.8</b>	<b>44,972.6</b>	<b>36,180.6</b>	<b>42,249.6</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, 2014-2018<sup>1</sup>  
/ TT\$ MILLIONS /

EXPENDITURE	2014	2015	2016	2017 <sup>r</sup>	2018 <sup>p</sup>
<b>Current Expenditure</b>	<b>54,385.7</b>	<b>52,322.9</b>	<b>48,546.4</b>	<b>46,263.5</b>	<b>44,197.3</b>
Wages and Salaries	8,590.8	10,077.1	9,601.9	9,937.8	9,097.1
Goods and Services	8,008.8	8,105.4	7,326.1	5,827.2	6,088.1
Interest	3,122.6	3,438.4	3,762.4	4,468.4	3,813.3
External	460.7	522.9	562.6	894.4	991.2
Domestic	2,661.9	2,915.6	3,199.8	3,574.0	2,822.1
Transfers and Subsidies	34,663.5	30,701.9	27,856.1	26,030.1	25,198.8
<i>Of which:</i>					
<i>Statutory Boards and State Enterprises</i>	10,290.5	9,903.6	9,356.5	8,769.0	8,502.1
<i>Households</i>	14,094.9	12,668.9	10,169.8	9,026.3	8,741.6
<b>Capital Expenditure and Net-Lending<sup>2</sup></b>	<b>8,434.8</b>	<b>7,620.8</b>	<b>4,398.3</b>	<b>3,448.5</b>	<b>3,403.9</b>
<b>TOTAL EXPENDITURE</b>	<b>62,820.5</b>	<b>59,943.7</b>	<b>52,944.7</b>	<b>49,712.0</b>	<b>47,601.2</b>
<b>(in % of GDP at current market prices)</b>					
<b>Memo Items (% of Expenditure):</b>					
Current Expenditure	86.6	87.3	91.7	93.1	92.8
Capital Expenditure and Net-Lending	13.4	12.7	8.3	6.9	7.2

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, 2014-2018<sup>1</sup>  
/ US\$ MILLIONS /

SECTOR	2014	2015	2016	2017	2018 <sup>P</sup>
<b>CENTRAL GOVERNMENT</b>					
Receipts	672.1	185.0	1,053.8	402.0	260.7
Amortisation	81.7	85.3	76.5	80.5	102.6
Interest	94.2	83.4	100.1	134.5	123.0
Balance Outstanding (end of period)	2,072.1	2,171.8	3,149.3	3,471.2	3,629.3
Balance Outstanding/GDP (%)	7.2	8.4	14.4	15.7	15.8
External Debt Service/Exports (%)	1.0	1.2	1.9	2.1	2.0

Source: Central Bank of Trinidad and Tobago

1 Data are in Fiscal Years (October - September).

TABLE A.17 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2014-2018<sup>1</sup>  
/ TT\$ MILLIONS /

SECTOR	2014	2015	2016	2017 <sup>t</sup>	2018 <sup>P</sup>
<b>BONDS &amp; NOTES</b>					
Issue	1,787.6	3,776.7	4,732.0	8,251.1	6,275.0
Redemption	1,753.2	2,230.2	1,940.4	3,674.3	4,424.4
Outstanding	26,456.1	28,132.8	30,888.6	35,487.1	37,507.6
<b>CLICO AND HCU ZERO-COUPON BONDS</b>					
Issue	0.7	336.6	11.8	3.9	1.7
Redemption <sup>2</sup>	646.6	533.0	619.8	528.2	503.2
Outstanding	4,598.3	4,401.9	3,793.9	3,269.5	2,767.9
<b>BOLTS AND LEASES</b>					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	68.4	75.3	57.3	27.0	28.7
Outstanding	319.1	243.8	186.3	159.3	130.6
<b>OTHER<sup>3</sup></b>					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	0.0	0.0	0.0	0.4	0.0
Outstanding	10.7	10.7	16.9	16.5	16.5
<b>DEBT MANAGEMENT BILLS</b>					
Issue	2,550.0	2,550.0	2,550.0	4,235.0	3,470.0
Redemption	2,550.0	2,550.0	2,550.0	3,130.0	3,470.0
Outstanding	800.0	800.0	800.0	1,905.0	1,905.0
Total Internal Debt Outstanding	29,644.2	31,749.0	35,685.7	40,837.4	42,327.6
Internal Debt Outstanding/GDP (%)	16.9	19.3	24.0	27.3	27.0
Internal Debt Service/Revenues (%)	8.1	12.0	14.5	20.2	15.7

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

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

TABLE A.18 (A)  
COMMERCIAL BANKS: SELECTED DATA, 2014-2018  
/ TT\$ MILLIONS /

	END OF PERIOD				
	2014	2015	2016	2017	2018
<b>A. OUTSTANDING</b>					
<b>1. Aggregate Deposits (adj.)</b>	<b>101,195.0</b>	<b>100,470.5</b>	<b>104,655.9</b>	<b>102,636.6</b>	<b>105,901.1</b>
Demand Deposits (adj.) <sup>1</sup>	40,824.1	36,604.2	37,537.2	35,908.7	37,035.6
Time Deposits (adj.) <sup>2</sup>	9,509.7	9,729.6	10,622.2	10,163.5	10,231.1
Savings Deposits (adj.) <sup>3</sup>	29,899.5	31,886.9	32,630.2	32,578.3	34,218.0
Foreign Currency Deposits (adj.) <sup>4</sup>	20,961.8	22,249.7	23,866.3	23,986.1	24,416.5
<b>2. Gross Bank Credit<sup>5</sup></b>	<b>55,924.6</b>	<b>61,089.6</b>	<b>62,489.3</b>	<b>64,974.0</b>	<b>67,159.9</b>
<i>Of which:</i>					
<i>Business Purposes</i>	22,399.3	23,498.4	24,168.2	25,151.0	26,220.1
<i>Corporate</i>	21,108.5	22,012.9	22,547.1	23,497.3	24,390.7
<i>Non-Corporate</i>	1,290.7	1,485.6	1,621.0	1,653.7	1,829.4
<b>3. Investments</b>	<b>36,698.5</b>	<b>32,792.9</b>	<b>36,020.2</b>	<b>33,337.5</b>	<b>34,450.7</b>
Government Securities	17,363.9	14,830.9	19,819.2	17,706.9	18,446.6
Other Investments <sup>6</sup>	19,334.6	17,962.0	16,201.0	15,630.6	16,004.1
<i>Of which:</i>					
<i>Interest-bearing Special Deposit Facility<sup>7</sup></i>	6,000.0	2,500.0	1,500.0	0.0	0.0
<b>B. ANNUAL CHANGE</b>					
<b>1. Aggregate Deposits (adj.)</b>	<b>8,591.6</b>	<b>-724.5</b>	<b>4,185.4</b>	<b>-2,019.3</b>	<b>3,264.5</b>
Demand Deposits (adj.)	6,750.5	-4,219.9	933.0	-1,628.5	1,126.9
Time Deposits (adj.)	36.5	220.0	892.6	-458.7	67.5
Savings Deposits (adj.)	2,461.7	1,987.4	743.3	-51.9	1,639.7
Foreign Currency Deposits (adj.)	-657.1	1,287.9	1,616.6	119.8	430.4
<b>2. Gross Bank Credit</b>	<b>5,892.6</b>	<b>5,165.0</b>	<b>1,399.7</b>	<b>2,484.7</b>	<b>2,186.0</b>
<i>Of which:</i>					
<i>Business Purposes</i>	1,270.4	1,099.2	669.8	982.8	1,069.1
<i>Corporate</i>	1,310.5	904.3	534.3	950.2	893.4
<i>Non-Corporate</i>	-40.2	194.8	135.5	32.6	175.7
<b>3. Investments</b>	<b>2,321.0</b>	<b>-3,905.6</b>	<b>3,227.3</b>	<b>-2,682.7</b>	<b>1,113.2</b>
Government Securities	2,688.0	-2,532.9	4,988.3	-2,112.4	739.7
Other Investments	-367.0	-1,372.7	-1,761.0	-570.3	373.5
<i>Of which:</i>					
<i>Interest-Bearing Special Deposit Facility</i>	10.0	-3,500.0	-1,000.0	-1,500.0	0.0

Source: Central Bank of Trinidad and Tobago

- 1 Total demand deposits minus non-residents' and Central Government's demand deposits, cash items in process of collection on other banks, and branch clearings, plus cashiers and branch clearings.
- 2 Total time deposits minus Central Government's deposits and deposits of non-residents.
- 3 Total savings deposits minus Central Government's deposits and deposits of non-residents.
- 4 Total demand, savings and time deposits in foreign currency minus those of non-residents.
- 5 Total loans excluding loans to non-residents and central government.
- 6 Interest-bearing deposits at the Central Bank, other local and foreign securities, and equity in subsidiaries and affiliates.
- 7 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, 2014-2018  
/ TT\$ MILLIONS /

	END OF PERIOD				
	2014	2015	2016	2017	2018
<b>Net Foreign Assets</b>	<b>84,264</b>	<b>77,927</b>	<b>78,948</b>	<b>71,792</b>	<b>66,647</b>
Monetary Authorities	69,784	60,603	60,467	53,004	47,816
Commercial Banks	14,480	17,324	18,480	18,787	18,832
<b>Net Domestic Assets</b>	<b>18,800</b>	<b>28,657</b>	<b>31,290</b>	<b>38,267<sup>r</sup></b>	<b>43,971</b>
Net Claims on Public Sector	-11,648	-6,784	-1,381	2,098	4,888
Central Government (net)	-8,813	-8,087	-2,000	937	2,786
Treasury Bills	9,567	8,089	11,617	9,294	11,298
Other Government Securities	10,234	8,892	11,512	8,611	7,347
Other Credit (net)	-28,164	-24,596	-24,495	-16,566	-14,516
Local Government (net)	-1,091	-1,060	-1,084	-1,308	-617
Statutory Bodies (net)	-3,970	-1,456	-1,951	-1,401	-2,363
Public Enterprises (net)	2,226	3,820	3,654	3,870	5,083
Official Capital and Surplus	-6,736	-7,170	-11,471	-9,184	-7,823
Credit to Other Financial Institutions (net)	-10,206	-9,843	-10,154	-10,219	-10,880
Credit to Private Sector	48,311	51,246	53,331	56,047	58,326
Interbank Float	450	547	568	923 <sup>r</sup>	597
Other Assets (net)	-1,371	661	397	-1,398 <sup>r</sup>	-1,137
<b>Liabilities to Private Sector (M3)</b>	<b>103,064</b>	<b>106,584</b>	<b>110,238</b>	<b>110,059<sup>r</sup></b>	<b>110,618</b>
Money and Quasi-Money	84,301	86,722	90,654	90,074	92,094
Money	35,808	35,336	36,727	37,280	37,870
Currency in Circulation	6,895	7,650	7,847	8,104	7,941
Demand Deposits	28,913	27,687	28,881	29,176	29,929
Quasi-Money	48,493	51,385	53,927	52,795	54,223
Time Deposits	8,941	8,550	9,079	8,817	7,743
Savings Deposits	39,552	42,835	44,847	43,977	46,480
Securitised Instruments	9	15	813	788	312
Private Capital and Surplus	18,753	19,847	18,771	19,197 <sup>r</sup>	18,212
	<b>Changes as a per cent of beginning-of-period M3</b>				
<b>Net Foreign Assets</b>	<b>7.5</b>	<b>-6.1</b>	<b>1.0</b>	<b>-6.5</b>	<b>-4.7</b>
Net Domestic Assets	1.7	9.6	2.5	6.3	5.2
Net Claims on Public Sector	-1.4	4.7	5.1	3.2	2.5
<i>Of which: Central Government</i>	-4.2	0.7	5.7	2.7	1.7
Credit to Private Sector	3.5	2.8	2.0	2.5	2.1
Other Assets (net)	0.3	2.0	-0.2	-1.6	0.2
<b>Liabilities to private sector (M3)</b>	<b>9.2</b>	<b>3.4</b>	<b>3.4</b>	<b>-0.2</b>	<b>0.5</b>
<b>Memorandum items:</b>					
Net Domestic Assets	18,800	28,657	31,290	38,267 <sup>r</sup>	43,971
Net Claims on Public Sector	-11,648	-6,784	-1,381	2,098 <sup>r</sup>	4,888
Central Government	-8,813	-8,087	-2,000	937 <sup>r</sup>	2,786
Credit to the Private Sector	48,311	51,246	53,331	56,047	58,326
(12-month increase in per cent) M3 Velocity	1.7 <sup>r</sup>	1.5 <sup>r</sup>	1.3	1.4 <sup>r</sup>	1.4

Source: Central Bank of Trinidad and Tobago



**TABLE A.19**  
LIQUIDITY POSITION OF COMMERCIAL BANKS, 2017-2018  
/ TT\$ MILLIONS /

	2017				2018			
	I	II	III	IV	I	II	III	IV
<b>Legal Reserves Position</b>								
Required Reserves <sup>1</sup>	15,044.7	15,112.4	14,898.0	14,913.0	15,044.4	14,991.2	13,400.6	13,751.9
Cash Reserves	18,583.3	18,472.5	18,035.2	17,973.6	17,883.2	17,590.8	16,741.8	17,006.1
Excess (+) or Shortage (-)	3,538.6	3,360.1	3,137.2	3,060.6	2,838.8	2,599.6	3,341.3	3,254.3
Average Excess(+) or Shortage(-) <sup>2</sup>	3,543.4	3,172.5	2,701.1	2,833.0	2,889.8	2,365.4	4,832.0	3,041.2
<b>Liquid Assets</b>								
Total Deposits at Central Bank	18,583.3	18,472.5	18,035.2	17,973.6	17,883.2	17,590.8	16,741.8	17,006.1
Local Cash in Hand	981.7	1,108.4	1,074.0	1,305.8	1,053.3	993.3	1,025.5	1,440.2
Treasury Bills	139.0	799.1	939.1	565.6	806.4	509.0	490.0	302.9
<b>Total Liquid Assets</b>	<b>19,704.0</b>	<b>20,379.9</b>	<b>20,048.3</b>	<b>19,845.0</b>	<b>19,742.9</b>	<b>19,093.1</b>	<b>18,257.3</b>	<b>18,749.3</b>
<b>Total Deposit Liabilities (adj.)</b>	<b>79,182.4</b>	<b>79,538.8</b>	<b>78,410.5</b>	<b>78,489.4</b>	<b>79,180.9</b>	<b>78,901.2</b>	<b>78,827.0</b>	<b>80,893.4</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	17.0	17.0
Actual Reserves	23.5	23.2	23.0	22.9	22.6	22.3	21.2	21.0
Cash Reserves	23.5	23.2	23.0	22.9	22.6	22.3	21.2	21.0
Excess (+) or Shortage (-)	4.5	4.2	4.0	3.9	3.6	3.3	4.2	4.0
Average Excess(+) or Shortage(-)	4.5	4.0	3.4	3.6	3.6	3.0	6.1	3.8
<b>Liquid Assets</b>								
Total Deposits at Central Bank	23.5	23.2	23.0	22.9	22.6	22.3	21.2	21.0
Local Cash in Hand	1.2	1.4	1.4	1.7	1.3	1.3	1.3	1.8
Treasury Bills	0.2	1.0	1.2	0.7	1.0	0.6	0.6	0.4
<b>TOTAL LIQUID ASSETS</b>	<b>24.9</b>	<b>25.6</b>	<b>25.6</b>	<b>25.3</b>	<b>24.9</b>	<b>24.2</b>	<b>23.2</b>	<b>23.2</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 04, 2006. The secondary reserve requirement on commercial banks' prescribed liabilities was discontinued with effect from August 02, 2018.

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

TABLE A.20

COMMERCIAL BANKS:  
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2014-2018  
/ TT\$ MILLIONS /

SECTORS	END OF PERIOD				
	2014	2015	2016	2017	2018
Central and Local Government	240.3	375.0	215.8	376.6	632.2
Agriculture	65.8	73.3	83.1	151.1	201.2
Petroleum	1,649.9	1,694.8	2,362.5	2,132.6	3,578.9
Manufacturing	3,115.5	3,873.2	4,255.9	3,911.2	3,495.2
Construction	5,389.8	5,472.4	3,884.6	2,868.9	3,069.1
Distributive Trades	3,602.2	3,754.6	3,684.9	3,843.5	3,876.6
Hotels and Guest Houses	906.1	731.1	815.2	1,033.0	904.6
Transport, Storage and Communication	1,582.9	1,914.4	1,693.8	1,821.0	2,135.0
Finance, Insurance and Real Estate	8,570.5	8,079.2	9,066.0	10,457.6	10,638.0
Education, Cultural and Community Services	304.7	199.7	118.0	126.9	227.9
Personal Services	760.4	536.8	569.2	652.1	912.7
Electricity and Water	1,663.8	3,487.9	2,971.0	3,111.0	1,439.3
Consumers	14,413.1	15,544.9	16,488.2	17,318.6	18,349.0
<b>TOTAL (Excluding Real Estate Mortgage Loans)</b>	<b>42,265.2</b>	<b>45,737.4</b>	<b>46,208.3</b>	<b>47,804.1</b>	<b>49,459.8</b>
Real Estate Mortgage Loans and Lease Financing	15,997.4	17,378.7	18,215.4	19,681.7	21,019.0
<b>TOTAL LOANS</b>	<b>58,262.5</b>	<b>63,116.1</b>	<b>64,423.7</b>	<b>67,485.8</b>	<b>70,478.8</b>

Source: Central Bank of Trinidad and Tobago

TABLE A.21

COMMERCIAL BANKS:  
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2014-2018<sup>1</sup>  
 / PER CENT /

SECTORS	END OF PERIOD				
	2014	2015	2016	2017	2018
Central Government	0.4	0.6	0.3	0.6	0.9
Agriculture	0.1	0.1	0.1	0.2	0.3
Petroleum	2.8	2.7	3.7	3.2	5.1
Manufacturing	5.3	6.1	6.6	5.8	5.0
Construction	9.3	8.7	6.0	4.3	4.4
Distributive Trades	6.2	5.9	5.7	5.7	5.5
Hotels and Guest Houses	1.6	1.2	1.3	1.5	1.3
Transport, Storage and Communication	2.7	3.0	2.6	2.7	3.0
Finance, Insurance and Real Estate	14.7	12.8	14.1	15.5	15.1
Education, Cultural and Community Services	0.5	0.3	0.2	0.2	0.3
Personal Services	1.3	0.9	0.9	1.0	1.3
Electricity and Water	2.9	5.5	4.6	4.6	2.0
Consumers	24.7	24.6	25.6	25.7	26.0
<b>TOTAL (Excluding Real Estate Mortgage Loans)</b>	<b>72.5</b>	<b>72.5</b>	<b>71.7</b>	<b>70.8</b>	<b>70.2</b>
Real Estate Mortgage Loans and Lease Financing	27.5	27.5	28.3	29.2	29.8
<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, 2016-2018<sup>1</sup>**  
 / PER CENT /

SECTIONS		2016	2017	2018	2018			
					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	8.75-9.50	8.75-9.50	8.75-9.75	8.75-9.50	8.75-9.50	8.75-9.75	8.75-9.75
	Median	9.00	9.00	9.25	9.00	9.00	9.13	9.25
(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	0.20	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

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

TABLE A.23

MONEY SUPPLY, 2014-2018  
/ TT\$ MILLIONS /

SECTORS	END OF PERIOD				
	2014	2015	2016	2017	2018
<b>A. Narrow Money Supply (M-1A)</b>	<b>47,719.2</b>	<b>44,254.0</b>	<b>45,383.8</b>	<b>44,012.7</b>	<b>44,976.8</b>
Currency in Active Circulation	6,895.1	7,649.8	7,846.6	8,104.1	7,941.2
Demand Deposits (adj.)	40,824.1	36,604.2	37,537.2	35,908.7	37,035.6
<b>B. Factors Affecting Changes in Money Supply</b>					
<b>1. Net Bank Credit to Central Government</b>	<b>-41,426.8</b>	<b>-41,801.6</b>	<b>-31,113.8</b>	<b>-27,879.9</b>	<b>-26,287.5</b>
(a) Central Bank	-58,583.6	-56,726.4	-50,680.5	-45,444.5	-44,276.0
(b) Commercial Banks	17,156.8	14,924.7	19,566.7	17,564.5	17,988.5
<b>2. Bank Credit</b>	<b>59,161.9</b>	<b>64,112.0</b>	<b>65,950.0</b>	<b>68,158.9</b>	<b>71,180.2</b>
(a) Public Sector <sup>1</sup>	10,013.9	11,633.8	11,760.6	11,213.7	10,892.6
(b) Private Sector <sup>2</sup>	49,148.0	52,478.2	54,189.4	56,945.1	60,287.6
<b>3. External Assets (net)</b>	<b>92,020.9</b>	<b>85,203.3</b>	<b>87,670.2</b>	<b>83,927.8</b>	<b>82,920.6</b>
<b>4. Quasi-Money<sup>3</sup></b>	<b>-39,409.2</b>	<b>-41,616.6</b>	<b>-43,252.4</b>	<b>-42,741.8</b>	<b>-44,449.0</b>
<b>5. Foreign Currency Deposits (Adj.)</b>	<b>-20,961.8</b>	<b>-22,249.7</b>	<b>-23,866.3</b>	<b>-23,986.1</b>	<b>-24,416.5</b>
<b>6. NFIs Foreign Currency Deposit (Adj.)</b>	<b>-719.7</b>	<b>-593.6</b>	<b>-988.2</b>	<b>-398.5</b>	<b>-906.0</b>
<b>7. Other Items (Net)</b>	<b>-1,665.9</b>	<b>606.6</b>	<b>-10,004.0</b>	<b>-13,466.0</b>	<b>-13,970.8</b>
<b>C. Broad Money Supply (M-2)</b>	<b>87,128.3</b>	<b>85,870.5</b>	<b>88,636.2</b>	<b>86,754.6</b>	<b>89,425.8</b>
<b>D. Broad Money Supply (M-2*)<sup>4</sup></b>	<b>108,090.1</b>	<b>108,120.3</b>	<b>112,502.5</b>	<b>110,740.7</b>	<b>113,842.4</b>
<b>Memorandum Items:<sup>5</sup></b>					
Money Supply M-3	89,087.8	87,533.9	90,531.8	88,337.0	90,886.5
Money Supply M-3*	110,769.3	110,367.2	115,386.3	112,721.5	116,209.0

Source: Central Bank of Trinidad and Tobago

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

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

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

4 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, 2014-2018  
/ TT\$ THOUSANDS /

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)
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
2018	119,506	219,656	728,218	2,337,738	3,688,482	6,026,220
<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
<b>2018</b>						
I	70,365	223,144	547,724	2,222,632	3,412,840	5,635,472
II	65,235	235,781	425,881	2,310,859	3,486,544	5,797,403
III	95,018	258,965	636,782	2,400,521	3,600,524	6,001,045
IV	119,506	219,656	728,218	2,337,738	3,688,482	6,026,220
END OF PERIOD	TOTAL ASSETS/ LIABILITIES	DEPOSITS	BORROWINGS <sup>1</sup>	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
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
2018	6,943,833	2,731,783	1,036,372	149,767	3,328,274	-134,374
<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
<b>2018</b>						
I	6,319,088	2,175,526	1,183,749	157,614	2,947,878	14,555
II	6,356,838	2,282,676	1,176,767	167,463	2,970,834	-70,821
III	6,819,734	2,656,469	1,027,358	172,075	3,048,539	99,005
IV	6,943,833	2,731,783	1,036,372	149,767	3,328,274	-134,374

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, 2014-2018  
/ TT\$ MILLIONS /

SECTORS	END OF PERIOD				
	2014	2015	2016	2017	2018
<b>Public Sector</b>	<b>356.0</b>	<b>583.6</b>	<b>25.3</b>	<b>101.1</b>	<b>200.3</b>
<b>Private Sector</b>	<b>2,261.8</b>	<b>2,710.5</b>	<b>2,812.6</b>	<b>2,933.1</b>	<b>3,046.9</b>
Agriculture	27.6	38.5	29.5	28.3	33.9
Petroleum	30.8	33.2	9.9	6.9	6.6
Manufacturing	80.0	236.5	83.6	92.9	77.0
Construction	306.2	213.4	165.7	231.9	135.7
Distributive Trades	59.9	65.8	96.6	95.5	105.5
Hotels and Guest Houses	99.0	58.2	50.7	34.9	56.0
Transport, Storage and Communication	178.5	156.6	169.0	121.7	118.4
Finance, Insurance, Real Estate and Services	222.3	386.4	513.6	532.4	626.3
Education, Cultural and Community Services	0.7	1.0	0.6	0.8	0.4
Personal Services	36.7	104.0	116.4	142.1	157.5
Consumers	1,220.1	1,416.8	1,577.1	1,645.9	1,729.5
<b>TOTAL (Excluding Real Estate Mortgage Loans and Leases)</b>	<b>2,617.8</b>	<b>3,294.1</b>	<b>2,837.9</b>	<b>3,034.2</b>	<b>3,247.3</b>
Real Estate Mortgage Loans	10.3	54.3	68.0	59.3	56.0
Leases	273.7	272.0	277.4	258.1	222.9
<b>TOTAL LOANS</b>	<b>2,901.8</b>	<b>3,620.4</b>	<b>3,183.3</b>	<b>3,351.5</b>	<b>3,526.2</b>

Source: Central Bank of Trinidad and Tobago

TABLE A.26

FINANCE COMPANIES AND MERCHANT BANKS:  
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2014-2018  
 / PER CENT /

SECTORS	END OF PERIOD				
	2014	2015	2016	2017	2018
<b>Public Sector</b>	<b>12.3</b>	<b>16.1</b>	<b>0.8</b>	<b>3.0</b>	<b>5.7</b>
<b>Private Sector</b>	<b>77.9</b>	<b>74.9</b>	<b>88.4</b>	<b>87.5</b>	<b>86.4</b>
Agriculture	1.0	1.1	0.9	0.8	1.0
Petroleum	1.1	0.9	0.3	0.2	0.2
Manufacturing	2.8	6.5	2.6	2.8	2.2
Construction	10.6	5.9	5.2	6.9	3.8
Distributive Trades	2.1	1.8	3.0	2.8	3.0
Hotels and Guest Houses	3.4	1.6	1.6	1.0	1.6
Transport, Storage and Communication	6.2	4.3	5.3	3.6	3.4
Finance, Insurance, Real Estate and Business Services	7.7	10.7	16.1	15.9	17.8
Education, Cultural and Community Services	0.0	0.0	0.0	0.0	0.0
Personal Services	1.3	2.9	3.7	4.2	4.5
Consumers	42.0	39.1	49.5	49.1	49.0
<b>TOTAL (Excluding Real Estate Mortgage Loans and Leases)</b>	<b>90.2</b>	<b>91.0</b>	<b>89.1</b>	<b>90.5</b>	<b>92.1</b>
Real Estate Mortgage Loans	0.4	1.5	2.1	1.8	1.6
Leases	9.4	7.5	8.7	7.7	6.3
<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, 2014-2018  
/ TT\$ THOUSANDS /

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)
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
2018	14,485	588,444	459,127	201,710	1,237,244	1,251,729
<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
<b>2018</b>						
I	163,690	648,449	647,123	227,105	1,509,741	1,673,431
II	187,780	520,802	454,240	214,629	1,176,136	1,363,916
III	14,770	822,085	448,743	195,515	1,453,477	1,468,247
IV	14,485	588,444	459,127	201,710	1,237,244	1,251,729
END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)	
	(7)	(8)	(9)	(10)	(11)	
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	314,533	-68	11,732	1,470,817	-200,553	
2018	110,976	-68	12,037	1,288,915	-148,093	
<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	314,533	-68	11,732	1,470,817	-200,553	
<b>2018</b>						
I	355,628	-68	12,936	1,457,671	-139,798	
II	276,555	-68	13,535	1,280,294	-192,865	
III	107,789	-68	12,866	1,276,073	84,453	
IV	110,976	-68	12,037	1,288,915	-148,093	

Source: Central Bank of Trinidad and Tobago

TABLE A.28

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2014-2018  
/ TT\$ THOUSANDS /

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	0	-37,464	-617,652	4,338,312	3,683,196	3,683,196	1,608,305	2,074,891
<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	0	-37,464	-617,652	4,338,312	3,683,196	3,683,196	1,608,305	2,074,891
<b>2018</b>								
I	0	-348,620	-582,853	4,246,103	3,314,629	3,314,629	1,637,866	1,676,763
II	0	-352,549	-572,314	4,364,971	3,440,108	3,440,108	1,626,728	1,813,380
III	0	-306,363	-537,514	3,895,389	3,051,512	3,051,512	1,645,197	1,406,315
IV	0	-699,915	-399,200	4,024,546	2,925,432	2,925,432	1,692,917	1,232,515

Source: Central Bank of Trinidad and Tobago

TABLE A.29

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2014-2018  
/ TT\$ THOUSANDS /

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)
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
2018	0	1,610	9,745	106,897	118,252	118,252	25,840	9,398	35,238	21,946	61,068
<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
<b>2018</b>											
I	0	9,172	9,562	93,443	112,177	112,177	23,506	9,128	32,634	21,309	58,234
II	0	9,993	9,850	97,538	117,381	117,381	24,600	10,919	35,519	21,064	60,798
III	0	4,330	9,944	102,363	116,637	116,637	25,440	9,299	34,739	21,247	60,651
IV	0	1,610	9,745	106,897	118,252	118,252	25,840	9,398	35,238	21,946	61,068

Source: Central Bank of Trinidad and Tobago

TABLE A.30

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2016-2018<sup>1</sup>  
/ PER CENT /

INTEREST RATES	2016	2017	2018	2018			
				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 and 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, 2014-2018<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>2014</b>	<b>3,787.6</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>9,875.6</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	2,675.6	0.0	0.0	486.3	40	404.7	27	284.0	2,924	24
<b>2018</b>	<b>4,740.0</b>	<b>0.0</b>	<b>0.0</b>	<b>318.1</b>	<b>57</b>	<b>148.9</b>	<b>17</b>	<b>1,148.4</b>	<b>11,721</b>	<b>72</b>
I	1,200.0	0.0	0.0	123.3	12	22.9	3	230.0	2,979	16
II	750.0	0.0	0.0	0.7	3	25.2	1	271.2	2,740	17
III	450.0	0.0	0.0	182.8	30	68.9	6	302.9	2,769	18
IV	2,340.0	0.0	0.0	11.2	12	31.9	7	344.3	3,233	21

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 organisations.

TABLE A.32

SELECTED INTEREST RATES, 2016-2018<sup>1</sup>  
/ PER CENT PER ANNUM /

	2016	2017	2018	2018			
				I	II	III	IV
<b>A. Central Bank</b>							
(i) Bank Rate	6.75	6.75	7.00	6.75	7.00	7.00	7.00
(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	5.00	4.75	5.00	5.00	5.00
(iv) Reverse Repo Rate <sup>2</sup>	4.25	4.25	4.50	4.25	4.50	4.50	4.50
(v) Mortgage Market Reference Rate (MMRR) <sup>3</sup>	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>B. Government</b>							
(i) Treasury Bills	1.20	1.21	1.30	1.20	1.20	1.30	1.30
<b>C. Commercial Banks - Local Currency</b>							
(i) Weighted Average Rate on Loans	8.05	8.23	8.10	8.15	8.13	8.11	8.01
(ii) Weighted Average Rate on Deposits	0.59	0.61	0.64	0.64	0.64	0.64	0.65
(iii) Interest Spread (i - ii)	7.46	7.63	7.46	7.51	7.50	7.47	7.36
<b>D. Non-Bank Financial Institutions<sup>4</sup> - Local Currency</b>							
(i) Weighted Average Rate on Loans	8.98	9.66	9.76	9.84	10.00	9.61	9.60
(ii) Weighted Average Rate on Deposits	2.42	2.52	2.66	2.58	2.59	2.71	2.77
(iii) Interest Spread (i - ii)	6.56	7.14	7.10	7.26	7.41	6.90	6.83

Source: Central Bank of Trinidad and Tobago

- 1 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.
- 2 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 collateralised 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.
- 3 The Mortgage Market Reference Rate (MMRR) was introduced by the Central Bank on 01 December 2011, and represents a reference mortgage rate against which residential mortgages can be priced and re-priced.
- 4 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 2013-2018<sup>1,2</sup>

/ US\$ MILLIONS /

	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017	Jan-Sep 2017 <sup>r</sup>	Jan-Sep 2018 <sup>p</sup>
<b>Current Account</b>	<b>4,005.2</b>	<b>1,855.6</b>	<b>-858.3</b>	<b>1,089.2</b>	<b>977.5</b>	<b>817.8</b>
Goods and Services	5,745.6	2,133.4	-614.7	870.1	841.4	1,403.7
Goods, net*	7,045.2	3,884.5	1,196.6	2,959.7	2,477.2	2,604.6
Exports**	14,964.5	11,413.9	8,285.4	9,411.4	6,977.0	7,878.1
Petroleum Crude and Refined	3,848.6	2,538.1	2,560.4	2,693.4	1,962.6	2,574.3
Gas	4,532.7	2,692.4	1,709.3	2,215.0	1,631.4	2,084.9
Petrochemicals	4,110.2	3,536.9	2,161.1	2,726.1	2,019.2	2,256.3
Other	2,473.0	2,646.6	1,854.5	1,776.9	1,363.8	962.6
Imports**	7,919.3	7,529.5	7,088.7	6,451.7	4,499.8	5,273.4
Fuel***	2,068.3	1,456.4	1,542.3	1,617.7	1,102.1	1,556.5
Capital	2,321.8	2,637.9	2,518.3	1,841.1	1,215.5	1,413.5
Other	3,529.2	3,435.1	3,028.1	2,992.9	2,182.2	2,303.4
Services, net	-1,299.6	-1,751.1	-1,811.3	-2,089.7	-1,635.8	-1,201.0
Transport	-187.5	-343.9	-295.8	-275.1	-175.9	-327.6
Travel	322.9	324.1	276.1	356.7	278.3	264.9
Telecommunications, Computer, and Information Services	-38.2	-51.3	-32.8	-31.5	-23.6	-19.5
Insurance and Pension Services	-123.9	-206.7	-213.5	-165.7	-97.6	-150.6
Other Services****	-1,273.0	-1,473.3	-1,545.3	-1,974.1	-1,617.0	-968.3
Primary Income, net	-1,723.0	-239.6	-300.1	170.5	100.2	-635.9
Secondary Income, net	-17.4	-38.1	56.4	48.6	35.8	50.1
<b>Capital Account</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>1.2</b>	<b>1.0</b>	<b>1.2</b>
<b>Financial Account</b>	<b>-67.4</b>	<b>485.4</b>	<b>-1,283.4</b>	<b>543.2</b>	<b>-14.8</b>	<b>589.0</b>
Direct Investment	-679.1	-48.5	106.2	550.9	-137.2	443.1
Net Acquisition of Financial Assets	-17.7	128.3	82.6	94.1	63.6	116.0
Net Incurrence of Liabilities	661.4	176.8	-23.6	-456.9	200.7	-327.1
Portfolio Investment	654.1	799.3	-1,402.8	373.1	139.1	562.5
Net Acquisition of Financial Assets	746.4	671.7	-97.1	224.1	100.5	518.6
Net Incurrence of Liabilities	92.3	-127.6	1,305.7	-148.9	-38.7	-43.9
Financial Derivatives	-3.2	-1.0	0.0	4.7	1.2	5.3
Net Acquisition of Financial Assets	-1.8	-1.9	0.0	4.4	1.8	5.7
Net Incurrence of Liabilities	1.3	-0.9	0.0	-0.3	0.5	0.4
Other Investment ^	-39.2	-264.4	13.3	-385.5	-18.0	-422.1
Net Acquisition of Financial Assets	254.6	-706.8	-93.8	163.0	574.4	-80.4
Net Incurrence of Liabilities	293.8	-442.5	-107.1	548.5	592.4	341.7
Net Errors and Omissions	-2,751.4	-2,934.4	-892.5	-1,643.2	-1,952.4	-1,134.5
<b>Overall Balance</b>	<b>1,321.3</b>	<b>-1,564.2</b>	<b>-467.2</b>	<b>-1,096.0</b>	<b>-959.2</b>	<b>-904.5</b>
<b>Memorandum Items</b>						
Current Account/GDP (per cent)	14.5	7.4	-3.9	4.9	5.8	4.6
Gross Official Reserves (US\$Mn) ^ ^	11,497.1	9,933.0	9,465.8	8,369.8	8,506.6	7,465.3
Import Cover (months) ^ ^	12.9	11.2	10.5	9.7	9.8	8.1
Debt Service Ratio	1.0	1.3	1.9	2.0	2.2	2.2
Net International Investment Position (US\$Mn) ^ ^	6,720.3	6,129.5	5,018.9	4,733.0	4,084.7	4,105.1

Source: Central Bank of Trinidad and Tobago

1 Totals may not sum due to rounding.

2 This table is an analytical presentation of the Balance of Payments and is presented in 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.

The following financial account movements are represented with a negative sign:

- A decrease in assets (inflow)
- A decrease in liabilities (outflow)
- A net inflow in net balances

The following financial account movements are represented with a positive sign:

- An increase in assets (outflow)
- An increase in liabilities (inflow)
- A net outflow in net balances

\* Energy goods data for 2011-2018 comprise estimates by the Central Bank of Trinidad and Tobago.

\*\* Exports and imports are reported on a FOB (Free on Board) basis.

\*\*\* Includes petroleum, petroleum products and related materials. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.

\*\*\*\* 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.

^ Other investment comprise currency and deposits, loans, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

^ ^ End of Period.

TABLE A.33 (B)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY SECTOR)  
/ US\$ MILLIONS /

	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017	Jan-Sep 2017 <sup>r</sup>	Jan-Sep 2018 <sup>p</sup>
Petroleum Industries	299.8	67.5	-431.9	-566.7	96.8	-361.1
Mining	0.0	0.0	0.0	0.0	0.0	0.0
Exploration and Production	-709.8	164.6	-63.5	-498.4	27.9	-405.7
Refineries	-164.6	-73.4	138.7	-46.5	4.2	12.1
Petrochemicals	1,183.1	-62.2	-534.0	-30.4	58.6	0.5
Service Contractors	-19.2	32.4	23.3	12.5	8.9	32.0
Marketing and Distribution	10.4	6.1	3.6	-3.8	-2.7	0.1
Food, Drink and Tobacco	13.7	13.0	47.6	23.6	12.4	-7.4
Chemicals and Non-Metallic Minerals	-10.7	25.8	4.0	40.2	61.5	-1.8
Assembly Type and Related Industries	324.4	1.3	65.2	32.5	23.2	36.2
Distribution	21.2	34.6	88.2	-4.8	-8.6	5.5
All Other Sectors <sup>1</sup>	12.9	34.7	203.3	18.3	15.3	1.5
<b>TOTAL</b>	<b>661.4</b>	<b>176.8</b>	<b>-23.6</b>	<b>-456.9</b>	<b>200.7</b>	<b>-327.1</b>

Source: Central Bank of Trinidad and Tobago

Note: A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign.

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\$ MILLIONS /

	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017	Jan-Sep 2017 <sup>r</sup>	Jan-Sep 2018 <sup>p</sup>
U.S.A.	-446.5	378.7	408.4	-57.6	347.0	-262.7
U.K.	-500.8	-75.2	-35.5	-414.6	-282.5	-103.5
Canada	-33.8	43.2	-387.1	-102.2	-78.4	-24.9
Barbados	-	-	-162.3	-46.4	59.3	151.0
Netherlands	-	-	6.7	1.0	2.0	-1.3
St. Lucia	-	-	40.1	9.3	21.0	26.0
Other*	1,642.5	-169.8	106.2	153.6	132.4	-111.8
<b>TOTAL</b>	<b>661.4</b>	<b>176.8</b>	<b>-23.6</b>	<b>-456.9</b>	<b>200.7</b>	<b>-327.1</b>

Source: Central Bank of Trinidad and Tobago

\* Data for the period 2013-2015 include Barbados, Netherlands and St. Lucia.



TABLE A.34

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES  
FOR SELECTED CURRENCIES 2014-2018<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)
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
2018	6.7321	6.7813	5.1438	5.4918	8.9231	9.5572	0.0609	0.0642	7.9261	8.4500
<b>2018</b>										
January	6.7309	6.7832	5.3251	5.7046	9.2447	9.8993	0.0606	0.0638	8.1962	8.7154
February	6.7248	6.7771	5.2943	5.6587	9.3250	10.0031	0.0623	0.0655	8.2635	8.8216
March	6.7370	6.7820	5.1614	5.4999	9.3309	9.9782	0.0632	0.0668	8.2251	8.8247
<b>I</b>	<b>6.7312</b>	<b>6.7810</b>	<b>5.2596</b>	<b>5.6206</b>	<b>9.2980</b>	<b>9.9571</b>	<b>0.0620</b>	<b>0.0653</b>	<b>8.2260</b>	<b>8.7844</b>
April	6.7304	6.7787	5.2233	5.5755	9.3812	10.0546	0.0625	0.0657	8.2202	8.8158
May	6.7275	6.7785	5.1781	5.5401	9.0483	9.6615	0.0612	0.0646	7.9464	8.4926
June	6.7418	6.7832	5.0906	5.4312	8.8844	9.5933	0.0612	0.0643	7.8592	8.3555
<b>II</b>	<b>6.7330</b>	<b>6.7801</b>	<b>5.1655</b>	<b>5.5174</b>	<b>9.1073</b>	<b>9.7709</b>	<b>0.0616</b>	<b>0.0649</b>	<b>8.0100</b>	<b>8.5569</b>
July	6.7308	6.7806	5.0745	5.4126	8.8049	9.4082	0.0603	0.0636	7.8400	8.3319
August	6.7294	6.7813	5.1082	5.4598	8.5906	9.2354	0.0604	0.0637	7.7585	8.2332
September	6.7240	6.7819	5.1061	5.4792	8.7347	9.3134	0.0601	0.0637	7.8000	8.3044
<b>III</b>	<b>6.7282</b>	<b>6.7812</b>	<b>5.0956</b>	<b>5.4490</b>	<b>8.7108</b>	<b>9.3206</b>	<b>0.0603</b>	<b>0.0637</b>	<b>7.8001</b>	<b>8.2900</b>
October	6.7290	6.7818	5.1295	5.4620	8.6944	9.2933	0.0595	0.0630	7.7487	8.2231
November	6.7312	6.7813	5.0438	5.3833	8.6016	9.2000	0.0593	0.0628	7.6667	8.1568
December	6.7492	6.7861	4.9883	5.2938	8.4625	9.0852	0.0599	0.0631	7.6110	8.1595
<b>IV</b>	<b>6.7358</b>	<b>6.7829</b>	<b>5.0583</b>	<b>5.3850</b>	<b>8.5935</b>	<b>9.1994</b>	<b>0.0596</b>	<b>0.0630</b>	<b>7.6798</b>	<b>8.1818</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, 2014-2018  
/ US\$ MILLIONS /

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)
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
2018	7,571.4	117.1	336.5	0.0	7,571.4	3.6	7,575.0
<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
<b>2018</b>							
I	7,984.3	99.2	352.0	0.0	7,984.3	3.6	7,987.9
II	7,812.7	96.0	340.5	0.0	7,812.7	3.6	7,816.3
III	7,461.7	95.2	337.7	0.0	7,461.7	3.6	7,465.3
IV	7,571.4	117.1	336.5	0.0	7,571.4	3.6	7,575.0
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)
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	
2018	3,420.4	647.2	2,773.2	10,995.4	647.2	10,348.3	
<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	
<b>2018</b>							
I	3,424.2	613.2	2,810.9	11,412.0	613.2	10,798.8	
II	3,513.5	595.2	2,918.3	11,329.8	595.2	10,734.6	
III	3,306.1	572.6	2,733.5	10,771.4	572.6	10,198.8	
IV	3,420.4	647.2	2,773.2	10,995.4	647.2	10,348.3	

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, 2014-2018  
/ TT\$ MILLIONS /

ITEM	2014	2015	2016	2017	2018
<b>Net Foreign Assets</b>	<b>69,783.8</b>	<b>60,602.5</b>	<b>60,467.2</b>	<b>53,004.5</b>	<b>47,815.6</b>
Net International Reserves	73,103.3	63,761.9	63,836.6	56,578.6	51,338.2
Assets	73,103.3	63,761.9	63,836.6	56,578.6	51,338.2
Liabilities	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	-3,319.5	-3,159.3	-3,369.4	-3,574.2	-3,522.7
Other External Assets	6.0	10.3	24.8	39.1	56.7
Medium and Long-Term Foreign Liabilities	-231.6	-303.4	-425.4	-554.0	-575.3
SDR Allocation	-3,094.0	-2,866.2	-2,968.7	-3,059.3	-3,004.0
<b>Net Domestic Assets</b>	<b>-34,213.6</b>	<b>-29,103.9</b>	<b>-31,704.9</b>	<b>-26,170.6</b>	<b>-22,279.7</b>
Net Credit to the Public Sector	-26,007.4	-23,053.2	-21,604.3	-16,664.5 <sup>r</sup>	-15,247.5
Central Government (net)	-25,970.2	-23,011.6	-21,566.4	-16,627.2 <sup>r</sup>	-15,202.9
Treasury Bills	0.0	43.1	167.1	0.0	0.0
Other Government Securities	2,437.8	2,107.9	3,142.7	198.1	198.1
Loans to Government	40,004.3	46,677.6	36,458.6	46,976.7	51,970.3
Use of Reserves (-addition)	-68,412.3	-71,840.1	-61,334.8	-63,802.0 <sup>r</sup>	-67,371.2
Rest of Public Sector	-37.2	-41.6	-37.9	-37.4	-44.7
<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)	-8,206.3	-6,050.7	-10,100.6	-9,506.0 <sup>r</sup>	-7,032.1
<b>Reserve Money</b>	<b>35,570.2</b>	<b>31,498.6</b>	<b>28,762.3</b>	<b>26,833.9</b>	<b>25,535.9</b>
Currency in Circulation	8,350.9	9,092.4	9,365.5	9,420.9	9,386.9
Deposits of Commercial Banks	26,832.0	22,023.1	18,772.7	17,092.3	15,965.7
Deposits of Non-Bank Financial Institutions	387.3	383.1	624.0	320.6	183.3
	<b>Changes as a Per Cent of Beginning-of-Period Reserve Money</b>				
<b>Net Foreign Assets</b>	<b>22.8</b>	<b>-25.8</b>	<b>-0.4</b>	<b>-25.9</b>	<b>-19.3</b>
<b>Net Domestic Assets</b>	<b>-17.8</b>	<b>14.4</b>	<b>-8.3</b>	<b>19.2</b>	<b>14.5</b>
<i>Of which: Central Government</i>	-20.9	8.3	4.6	17.2	5.3
<b>Reserve Money</b>	<b>5.0</b>	<b>-11.4</b>	<b>-8.7</b>	<b>-6.7</b>	<b>-4.8</b>
<b>Memorandum Item:</b>					
Government Blocked Account	34,947.9	32,217.5	31,343.6	24,303.7	24,958.6

Source: Central Bank of Trinidad and Tobago



# CALENDAR OF KEY ECONOMIC EVENTS

# CALENDAR OF KEY ECONOMIC EVENTS

## JANUARY - DECEMBER, 2018

### JANUARY

- 1 The Government of the Republic of Trinidad and Tobago (GORTT) announced an across-the-board 12.5 per cent royalty tax on the production of crude oil, condensate, and natural gas as part of the country's 2017/18 National Budget. This action came into effect on January 1, 2018 and affected mainly BP Trinidad and Tobago. The tax did not impact Royal Dutch Shell PLC, EOG Resources Inc. or BHP Billiton as these companies operate under production-sharing contracts in which the GORTT takes a share of the oil and gas in return for settling the taxes owed by the companies.

### MARCH

- 1 The Mortgage Market Reference Rate was maintained at 3.00 per cent.
- 8 Live Music District (LMD), an initiative announced by the Minister of Finance in the 2017/18 Budget was launched in the pilot district of Port-of-Spain. It is being implemented by the Trinidad and Tobago Creative Industries Company Limited through its agency MusicTT, and is expected to increase exposure of the many talented local artists in Trinidad and Tobago, and to generate revenue and employment from economic activity within Port-of-Spain.
- 12 The Central Bank of Trinidad and Tobago through the Office of the Financial Ombudsman launched a National Financial Education Committee in order to increase the level of financial literacy in the country. The Committee signed a Memorandum of Understanding and is expected to meet quarterly to discuss projects to achieve its objective of increased financial literacy. It includes the Association of Trinidad and Tobago Insurance Companies, the Bankers' Association of Trinidad and Tobago, The

Tobago House of Assembly, the Stock Exchange of Trinidad and Tobago, the Securities Exchange Commission among others.

- 29 The Central Bank of Trinidad and Tobago maintained the Repo rate at 4.75 per cent.

### APRIL

- 6 The National Gas Company (NGC) finalised a commercial agreement with the Global Petroleum Group (GPG) operating in Grenada. The relationship between the two companies is the result of the Energy Sector Development Framework Agreement signed between the Government of the Republic of Trinidad & Tobago and the Government of Grenada. The NGC will seek to assist GPG in developing Grenada's natural gas-based energy sector and at the same time secure new sources of gas supply for NGC.
- 23 Finance Minister Colm Imbert signed a Policy-Based Loan Agreement in the sum of US\$300.0 million with the Corporación Andina De Fomento (CAF) Development Bank. The loan will be used for the implementation of the programme to support Government's Medium-term Fiscal Consolidation Strategy—Phase II, to boost potential growth and reduce the economy's vulnerability to external fluctuations and volatility of external terms of trade.
- 27 International credit rating agency Standard & Poor's downgraded Trinidad and Tobago's outlook from stable to negative, but affirmed the country's BBB+/A-2 long and short foreign and local currency sovereign credit ratings, as well as the "A" transfer and convertibility assessment on the country.

**MAY**

- 3 Republic Financial Holdings Limited announced that a total of 42,475,362 of its shares worth \$4.4 billion were transferred from Clico Investment Bank Limited (in compulsory liquidation) (CIB-ICL) to the Government of Trinidad and Tobago and several of its state enterprises.
  - 4 The Export and Import Bank of Trinidad and Tobago (Eximbank) Forex Facility was launched. The facility will fund the operations and import requirements of local manufacturers and exporters. To qualify, at least 30.0 per cent of a business production must be for export and companies must agree to repatriate a suitable amount of their foreign exchange earnings.
  - 13 The NGC signed a Technical Services Agreement (TSA) with Mozambique's state-owned petroleum company, Empresa Nacional de HidroCarbonetos, eight months after a Memorandum of Understanding had been signed in September 2017. The agreement is expected to provide NGC with a new revenue stream through monetization of the company's intellectual expertise and experience.
  - 15 Shell Trinidad announced "first gas" from its Starfish Infill Drilling programme in the East Coast Marine Area (ECMA), three years after a previous unsuccessful startup. Gas from this field will supply both the liquefied natural gas (LNG) and petrochemical markets in Trinidad as part of a larger ECMA strategy to deliver seven commercial gas wells in 2018 and up to 250.0 million standard cubic feet of gas per day (mmscf/d) to the local market.
- privately administered pension fund plans and for other related purposes, was assented on this date. (Act No.4 of 2018)
- 8 An Act to amend the Property Tax Act, Chap. 76:04 was assented to on this date. This Act may be cited as the Property (Amendment) Act, 2018. (Act No.6 of 2018)
  - 18 A Memorandum of Understanding was signed between Beijing Construction Engineering Group (BCEG) and the Evolving Technologies and Enterprise Development Company Limited (eTeck) for the development of the Phoenix Park Industrial Estate which is expected to cost US\$104.0 million. The park will be established on 133 acres of land and feature high-tech industries in the fields of ICT, biomedical engineering and new materials technology. Financing of the project will be done via a concessional loan from China.
  - 29 The Central Bank of Trinidad and Tobago increased the Repo rate by 25 basis points to 5.00 per cent.

**JULY****JUNE**

- 1 The Mortgage Market Reference Rate was maintained at 3.00 per cent.
  - 4 An Act to repeal and replace the Insurance Act, Chap. 84:01; to reform the law relating to insurance companies; to regulate insurance businesses and
- 3 All one cent coins issued by the Central Bank of Trinidad and Tobago ceased to be legal tender for cash payments. (Legal Notice No. 35 of 2018).
  - 5 Trinidad and Tobago Housing Development Corporation (HDC) entered into its second public-private partnership (PPP) to provide housing for families on its database. This contract with Mootilal Ramhit and Sons Contracting Ltd is expected to yield 201 two-and-three bedroom single-family, townhouse and duplex units in Chin Chin, Cunupia.
  - 16 Republic Bank of Trinidad and Tobago increased its Prime Lending Rate to 9.75 per cent up from 9.5 per cent effective this date.
  - 18 BHP Billiton announced the discovery of new gas

in its Victoria-1 well off the East coast of Trinidad. Victoria-1 is one of three wells planned as part of the company's phase 2 drilling campaign in TT. Drilling started in June 2018, and includes TTDAA 5 (Victoria-1 and Concepcion-1) with co-venturer, Shell and TTDAA 14 (Bongos-1) with co-venturer, bpTT. Victoria is the second gas discovery for BHP in as many years, following Le Clerc in 2016, and has been estimated to hold four to five trillion cubic feet of gas.

### AUGUST

- 2 BP Trinidad and Tobago announced the arrival of its Angelin platform in T&T. The Angelin facility will be located 60 kilometres off the south east coast of Trinidad in water-depth of approximately 65 metres. The development will include four wells and will have a production capacity of approximately 600.0 mmscf/d. Gas from Angelin will flow to the Serrette platform via a new 21 kilometre pipeline. First gas is expected in the first quarter of 2019.
- 13 RBC Royal Bank of Canada increased its Prime Lending Rate from 9.0 per cent per annum to 9.25 per cent per annum.
- 20 Shell TT announced the discovery of gas from its first well in its Dolphin Extension Campaign. Dolphin, located in the East Coast Marine Area is one of the oldest producing fields in TT. This new development, aimed at extending the life of the field, will have three production wells when completed.
- 29 The National Gas Company of Trinidad and Tobago signed a Gas Sales Agreement with DeNovo Energy Limited for the sale of natural gas to NGC from DeNovo's Iguana field in Block 1(a) (offshore Trinidad's west coast). The agreement was signed in anticipation of DeNovo's delivery of natural gas later this year from the Iguana field, which is the first natural gas development in the Gulf of Paria. DeNovo is the first local upstream company to operate an offshore gas field.

### SEPTEMBER

- 4 National Investment Fund (NIF) Bonds were listed and traded on the Trinidad and Tobago Stock Exchange's Corporate Bond Market. The NIFHCL is a company created by the Government of the Republic of Trinidad and Tobago (GORTT) to hold assets. These assets were received by the GORTT as proceeds from the shareholding of certain assets of Colonial Life Company Limited (CLICO) and CLICO Investment Bank, as well as an appropriate shareholding of Trinidad Generation Unlimited owned by GORTT. The NIF bonds pay 4.5 per cent per year over five years, 5.7 per cent per year over 12 years and 6.6 per cent per year over 20 years. The offering opened on July 12, 2018 and closed on August 12, 2018 and was oversubscribed by \$3.3 billion or 82.0 per cent. Interest for all denominations will be paid semi-annually on February 9, and August 9 for the duration of each bond period. The total value of the entire NIF offer is \$4.0 billion.
- 18 The Mortgage Market Reference Rate was maintained at 3.00 per cent.
- 19 Trinidad and Tobago and Guyana signed a Memorandum of Understanding that will see the two parties collaborate on energy industry development. The two countries are expected to co-operate on energy exploration and production; exchange knowledge and information regarding regulatory issues, resource management and technology; promote technical training and capacity building; develop health, safety and environment and local content policies; jointly develop projects and more.
- 28 The Central Bank of Trinidad and Tobago maintained the Repo rate at 5.00 per cent.

**OCTOBER**

- 26 The Appropriation (Financial Year 2019) Act, 2018 (Act No.16 of 2018) was assented to on this date. This Act serves to authorise Central Government expenditure from the Consolidated Fund for the service of Trinidad and Tobago for the financial year ending on September 30, 2019.

**NOVEMBER**

- 30 State-owned petroleum company, Petrotrin, shut down operations on this date. Prime Minister Dr. Keith Rowley stated that the company was overburdened with debt as its net debt position at the end of 2015 amounted to \$11.4 billion. All 3500 permanent employees of the Petrotrin were laid off. Petrotrin will remain as an entity to deal with legacy matters and all the new companies will be under the umbrella of one company known as Trinidad Petroleum Holdings Ltd. Three new companies were created as part of the company's restructuring, including Guaracara Refining Company (all refinery assets to be transferred to this entity), Heritage Petroleum Company Ltd (to handle exploration and production) and Paria Fuel Trading (trading and marketing).

**DECEMBER**

- 13 The Government of the Republic of Trinidad and Tobago increased its shareholding in the Corporación Andina de Fomento (CAF) by US\$190.0 million (13,381 shares) when it signed the Agreement for the Common Capital Shares at the 164th Board of Directors Meeting of CAF in Uruguay. To date Trinidad and Tobago has invested US\$519.0 million in CAF.
- 14 An agreement was signed between the Government of Trinidad and Tobago and British Petroleum Trinidad and Tobago (BpTT) to extend the South East Galeota Exploration & Production license, as well as to begin the offshore investments of the Cassia Compression Project and the Matapal Gas Project. The energy company will invest some US\$1.8 billion in these new projects. This agreement concluded the first phase of Trinidad and Tobago's negotiations with BpTT for future gas production and projects in Trinidad and Tobago.
- 28 The Central Bank of Trinidad and Tobago maintained the Repo rate at 5.00 per cent.





## NOTES

# NOTES





2018 ANNUAL ECONOMIC SURVEY