



CENTRAL BANK OF
TRINIDAD & TOBAGO

2020 ANNUAL ECONOMIC SURVEY



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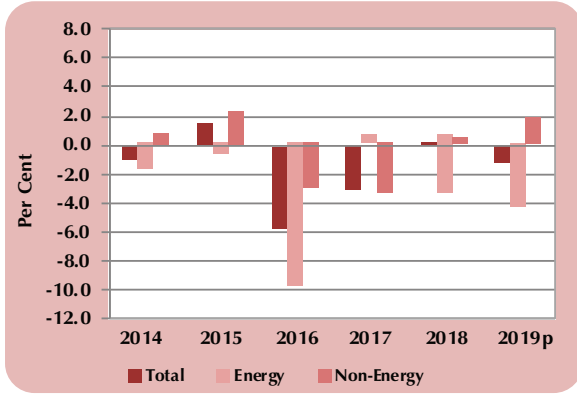
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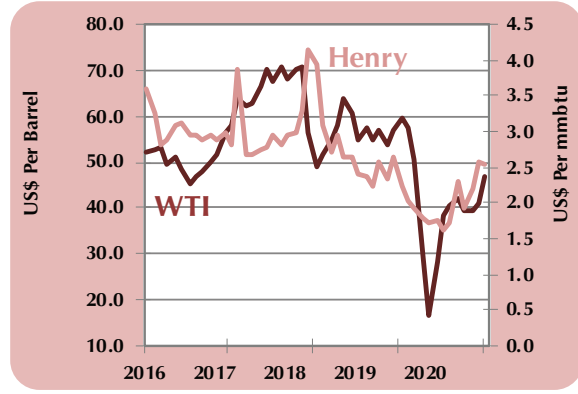
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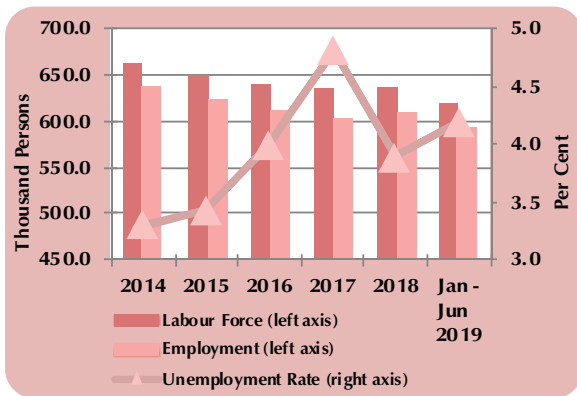
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p Provisional.

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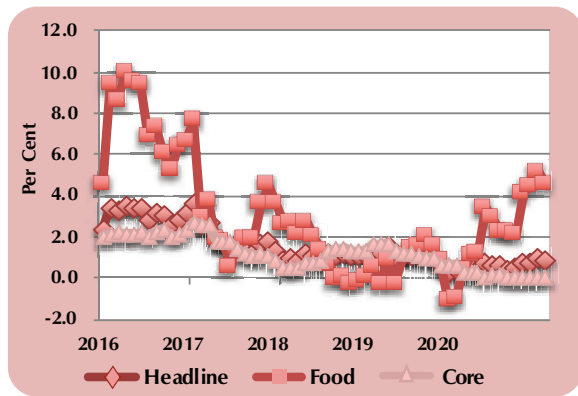
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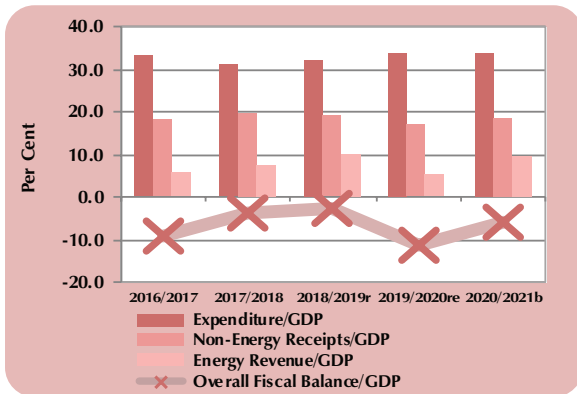
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p Provisional.

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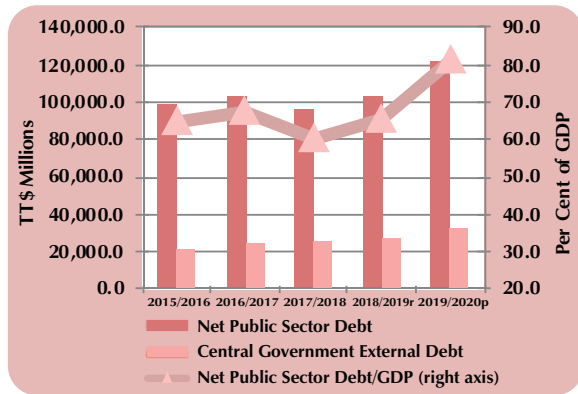
Source: Central Statistical Office

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Source: Ministry of Finance
r Revised.
re Revised estimates.
b Budgeted

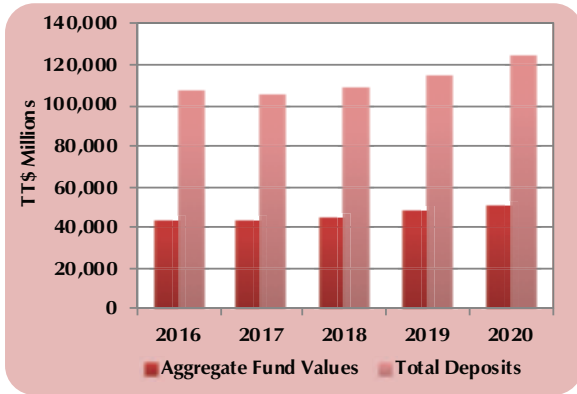
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r Revised.
p Provisional.

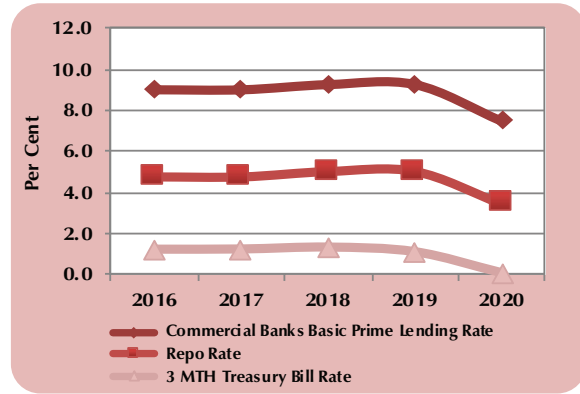
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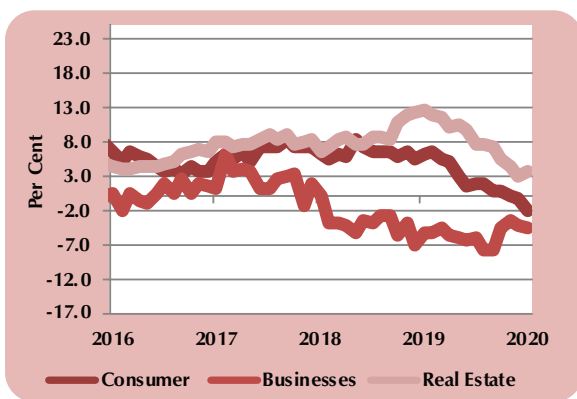
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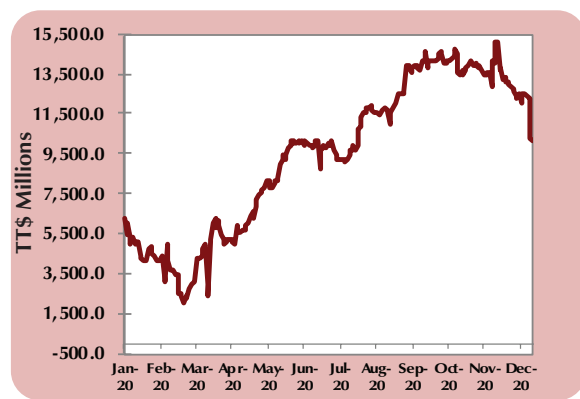
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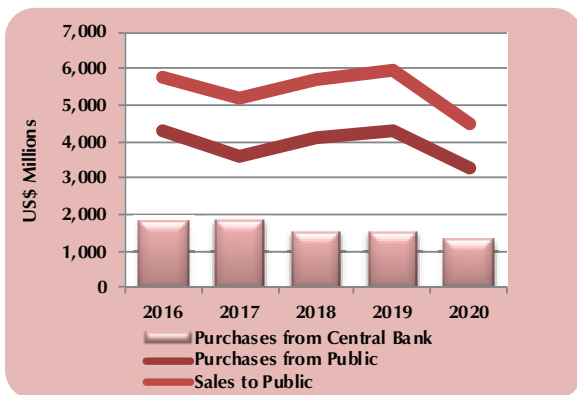
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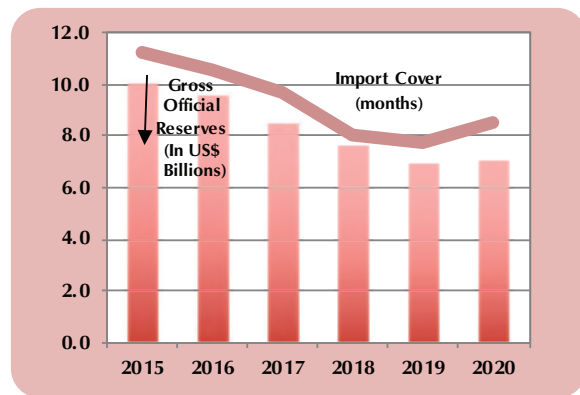
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Source: Central Bank of Trinidad and Tobago

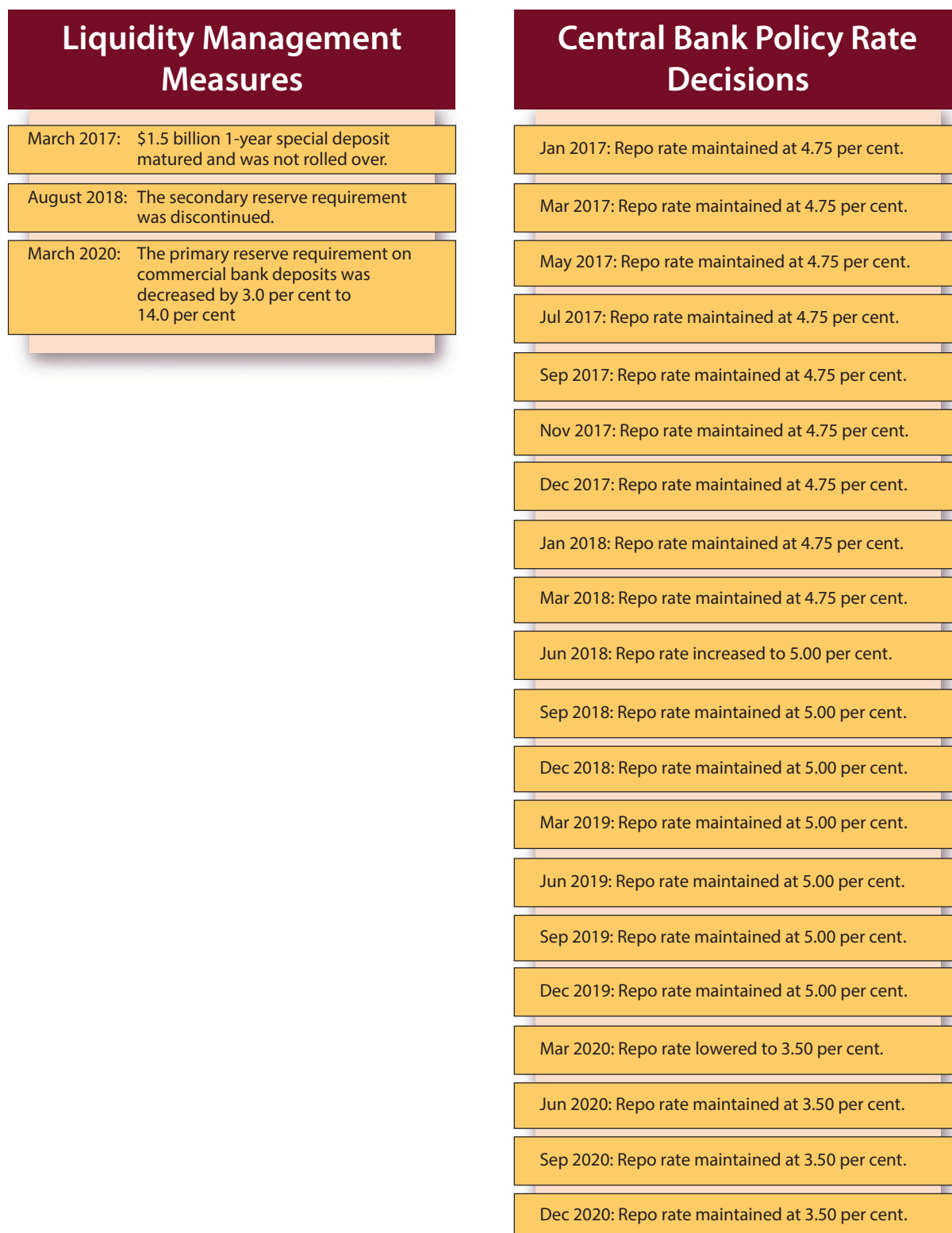
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2017-2020



CHAPTER ONE – OVERVIEW OF ECONOMIC CONDITIONS

ECONOMIC DEVELOPMENTS IN 2020

The novel coronavirus (COVID-19) created unparalleled shocks globally in 2020. The virus upended economic and social progress, infecting approximately 80.0 million people and killing just under two million during the year¹. To contain the spread of the virus, countries implemented strict lockdown measures such as nationwide closures of non-essential businesses (bars, restaurants, theatres, etc.) schools and public services. The intensity of these efforts, coupled with border restrictions, slowed domestic and external demand. Capital flow reversals and depressed commodity prices further exacerbated the global economic fallout, particularly for emerging market economies. However, swift policy actions by fiscal and monetary authorities reduced some contagion effects and protected more economically vulnerable households and businesses. Moreover, multilateral co-operation and the channeling of aid from advanced economies helped reduce pressure on health systems in poorer countries.

No region avoided the unprecedented challenges of the pandemic. The International Monetary Fund (IMF), in its January 2021 World Economic Outlook (WEO) Update, estimates the global economy contracted by 3.5 per cent in 2020 following an expansion of 2.9 per cent in 2019. In the United States (US), economic activity contracted by 3.4 per cent, while the United Kingdom (UK) experienced a more severe economic downturn of 10.0 per cent. Elsewhere, real output within the Euro area contracted by 7.2 per cent in 2020 with the Japanese economy recording its first contraction (5.1 per cent) in almost a decade. Among Emerging Market Developing Economies (EMDEs), economic growth in India, Brazil and Russia all declined over the year as consumption and investment activity decreased, coupled with depressed international commodity prices. However, real GDP growth in China averaged 2.3 per cent due in part to an earlier than expected resumption in the manufacturing sector as well as an increase in external demand for medical supplies. Meanwhile, growth in the Latin America and Caribbean (LAC) region was stymied by international border controls, a collapse of tourism activity as well as lower commodity prices.

The pandemic also caused significant disruptions in the Trinidad and Tobago economy, particularly within an already stressed energy sector. Preliminary indications suggest that, following a contraction in real economic activity in 2019, output declined sharply in 2020, as reduced global demand for energy products combined with domestic production challenges impeded the local energy sector. Additionally, public health restrictions to slow the spread of the virus suppressed non-energy sector activity. Ahead of the release of official data from the Central Statistical Office, the Central Bank's Quarterly Index of Real Economic Activity (QIEA)² (2012=100) suggests that domestic economic activity declined by 7.9 per cent during 2020. Based on the QIEA, energy sector activity fell by 13.8 per cent, while non-energy sector activity contracted by 4.2 per cent.

Restrictions on business activity contributed to considerable "slack" in the domestic labour market and kept inflation subdued in 2020. Labour force adjustments resulted in retrenchments, temporary layoffs or reductions in working hours. Labour market slack was also reflected in fewer man-hours worked³ during the first three quarters of 2020. Amidst muted economic activity, the Central Statistical Office's Index of Retail Prices shows that headline inflation slowed to an average of 0.6 per cent in 2020, down from 1.0 per cent in 2019. While core inflation slowed to average 0.1 per cent during the calendar year 2020, food inflation accelerated mainly as a result of supply challenges associated with COVID-19 conditions.

Lower revenue collections and higher expenditure due to costs associated with the pandemic resulted in a larger fiscal deficit for FY2019/20 when compared to the year earlier. Revised estimates from the Ministry of Finance showed a deficit of \$16.8 billion (11.2 per cent of GDP) for FY2019/20. Total revenue reached \$34.1 billion for FY2019/20, while aggregate expenditure amounted to \$50.8 billion. Over the 12 months to September 2020, the Central Government financed the deficit through domestic and external borrowings, and drawdowns from the Heritage and Stabilisation Fund (HSF). Public sector debt outstanding (excluding debt issued for sterilisation purposes) amounted to \$121.3 billion (80.9 per cent of GDP) at the end of FY2019/20.

¹ World Health Organization (WHO) Weekly Epidemiological Report on COVID-19.

² The Central Bank of Trinidad and Tobago compiles a quarterly index of real economic activity (QIEA) on the basis of industries and establishments that have been classified according to the International Standard Industrial Classification of All Economic Activities, revision 4 (ISIC Rev 4).

³ 'Man-hours worked' refers to changes in the Index of Hours Worked produced by the Central Statistical Office and is based on data for the manufacturing, energy, electricity, and water sectors.

For most of 2020, monetary policy mainly focused on managing the fallout from COVID-19. On March 17, 2020, five days after the first case of the virus was reported in the country, the Bank lowered the Repo rate by 150 basis points to 3.50 per cent and the primary reserve requirement on commercial bank deposits by 300 basis points to 14.0 per cent. These monetary measures eased credit market conditions by increasing banking sector liquidity levels and reducing lending rates in the latter half of 2020. However, the favourable conditions did little to boost the demand for credit, as the major categories of credit – business, consumer and real-estate – either declined or slowed. Weaker demand conditions due to restrictions on commerce and mobility, coupled with the uncertainty surrounding the economic recovery from COVID-19, dampened the demand for credit in 2020.

Trinidad and Tobago's international trade was also negatively affected by COVID-19, due to global trade disruptions as well as domestic containment measures. The current account surplus narrowed during the first nine months of 2020 as the fall-off in export earnings overshadowed the reduction in imports. The sharp deterioration in the trade balance was primarily attributed to the decline in energy exports. At the end of December 2020, Trinidad and Tobago's gross official reserves stood at US\$6,953.8 million (8.5 months of import cover), an improvement of US\$24.8 million from the level recorded at the end of 2019. Draw-downs from the Heritage and Stabilisation Fund (HSF), and external borrowings, helped to boost the reserves level in 2020.

TABLE 1
TRINIDAD AND TOBAGO SELECTED ECONOMIC INDICATORS

	2016	2017	2018	2019	2020
Real GDP Growth (%) (2000 = 100) ¹	-5.6	-3.0	0.1	-1.2	n.a.
Energy Sector	-9.7	0.5	-3.5	-4.5	n.a.
Non-Energy Sector	-3.0	-3.4	0.4	1.7	n.a.
Agriculture, Forestry and Fishing	-7.3	7.9	-9.6	-3.3	n.a.
Trade and Repairs	-6.9	-10.5	-2.0	2.4	n.a.
Construction	-4.2	-3.8	-0.1	-5.4	n.a.
Financial and Insurance Activities	2.5	4.6	0.0	3.9	n.a.
Inflation Rate (%) ²					
(period average)	3.1	1.9	1.0	1.0	0.6
(end of period)	3.1	1.3	1.0	0.4	0.8
Unemployment Rate (%) ³	4.0	4.8	3.9	4.2*	n.a.
(Per Cent of GDP)					
Overall Central Government Operations Surplus (+)/Deficit (-), (end of fiscal year)	-5.3	-9.0	-3.6	-2.6 ^r	-11.2 ^{re}
Public Sector Debt, (end of fiscal year) ⁴	64.5	67.7	60.4	65.5 ^r	80.9 ^p
Central Government External Debt, (end of fiscal year)	14.1	15.6	15.6	16.7 ^r	21.1 ^p
Balance of Payments Current Account Balance Surplus (+)/Deficit (-)	-3.5	6.3	6.8	4.6	2.3**
Memorandum Items:					
Central Government External Debt in US\$M (end of fiscal year)	3,214.4	3,535.8	3,695.8	3,939.4	4,707.3
Debt Service Ratio (fiscal year; %) ⁵	1.8	2.1	2.2	2.9	9.7
W.T.I. (US\$/barrel, annual average)	43.2	50.9	64.8	57.0	39.3
Henry Hub (US\$/mmbtu, annual average)	2.5	3.0	3.2	2.6	2.0
Net Official Reserves (US\$ Mn) ⁶	9,465.8	8,369.8	7,575.0	6,929.0	6,953.8

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

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

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

3 This represents the average of two 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).

* For the first two quarters of 2019.

** For the period January to September 2020.

n.a. Not Available.

r Revised.

re Revised estimates.

p Provisional.

OUTLOOK FOR 2021

Despite the uncertainty surrounding this evolving health crisis, the IMF, in its January 2021 WEO Update, was more optimistic than its previously revised projections. The Fund anticipates a partial recovery in 2021, with global growth rebounding to 5.5 per cent. Global energy commodity prices are also expected to recover in 2021 from the lows experienced in 2020. The initial shock to commodity markets from the pandemic has since dissipated and energy markets should strengthen going forward as fuel consumption rebounds, particularly in light of the uncharacteristically cold weather in southern parts of the US. However, despite recent vaccine approvals, new variants of the virus and the unequitable access to vaccines are creating greater uncertainty regarding the future path of global economic growth.

The domestic economy is slowly starting to recover from COVID-19. As the economy emerges from public health restrictions and persons become more accustomed with health protocols, the non-energy sector is expected to show signs of improvement. However, activities in industries such as entertainment, recreation and tourism may take longer to recover. As part of its fiscal commitment for FY2020/21, the Government of Trinidad and Tobago will continue to fund existing support measures to mitigate the financial challenges of those affected by the economic fall-out related to COVID-19. The health sector will also require additional resources in order to administer the vaccines, first to essential workers and then the general public. Business activity is likely to improve over the medium term as the vaccination process quickens and lockdown measures are lifted.

CHAPTER TWO – DOMESTIC ECONOMIC ACTIVITY⁴

QUARTERLY INDEX OF REAL ECONOMIC ACTIVITY

The measures implemented to contain the spread of COVID-19 negatively impacted the domestic economy in 2020. Gross Domestic Product (GDP) data for 2020 is not yet available from the Central Statistical Office (CSO). However, preliminary indicators monitored by the Central Bank suggest that economic activity in 2020 was significantly reduced when compared to the previous year. The Central Bank's Quarterly Index of Real Economic Activity (QIEA)⁵ showed that economic activity declined by 7.9 per cent in 2020 (Table 2). Economic activity in the energy sector was lower by 13.8 per cent while activity in the non-energy sector was down 4.2 per cent.

The energy sector saw widespread contractions in 2020. Weaker global demand for energy products and an associated reduction in local production rates, coupled with continued maintenance activity, resulted in lower domestic output of energy-related products. Some production facilities were also taken offline⁶ due to the weak market conditions which prevailed. Production of natural gas fell by 15.2 per cent during the year, with all major producers recording reduced volumes. Lower natural gas output, together with a 3.8 per cent decline in crude oil production to an average of 56,480 barrels per day (b/d), resulted in a 12.4 per cent fall in the Mining and Quarrying sub-sector of the QIEA. In the midstream, liquefied natural gas (LNG) and natural gas liquids (NGLs) production declined 17.6 per cent and 16.0 per cent, respectively. Further downstream, the closure of several petrochemical plants in 2020, due in part to the COVID-19 pandemic and its effect on commodity markets, led to a decline of 14.6 per cent in petrochemical

production. Methanol production, which fell by 24.9 per cent during the period, was adversely affected by the suspension of operations at the Proman TTMC II (M3) facility, the Caribbean Methanol Company plant, as well as the temporary closure of the Atlas methanol plant for planned maintenance. Similarly, fertiliser production contracted by 5.0 per cent, due in part to the closure of the Yara facility along with two of four ammonia plants at Nutrien during the year.

Available indicators monitored by the Central Bank suggest that economic activity in the non-energy sector was impacted by public health restrictions implemented to slow the spread of the COVID-19 virus. The Central Bank's QIEA estimates that economic activity in the construction sector declined by 2.9 per cent in 2020 as several construction projects were temporarily halted due to COVID-19 stay-at-home measures. Border restrictions, implemented for most of 2020, affected activity within the transportation sub-industry, particularly air passenger transport. As a result, preliminary Central Bank estimates reveal that activity within the Transportation and Storage sector contracted by 30.6 per cent during the year. The closure of several petrochemical companies resulted in a substantial decline in activity in the Electricity and Gas sector (10.6 per cent), particularly in the second quarter of 2020. Economic activity in the Manufacturing (excluding Refining and Petrochemicals) sector is estimated to have declined only marginally (0.8 per cent), partly because it was supported by activity in the food manufacturing sub-sector (the largest sub-component of non-energy-related manufacturing) and was considered an essential service and therefore, not subject to the public health restrictions during the lockdown.

⁴ In the FY2020/21 Budget Statement, domestic real GDP was projected to contract by 6.8 per cent in 2020 (See <https://www.finance.gov.tt/wp-content/uploads/2020/10/Budget-Statement-2021-1.pdf>, page 10). Current estimates from the CSO indicate that the domestic economy declined by 1.2 per cent in 2019 following marginal growth of 0.1 per cent in 2018.

⁵ The Bank compiles a Quarterly Index of Real Economic Activity (QIEA) to gauge short-term economic activity. The industry classification conforms to the International Standard Industrial Classification Revision 4 (ISIC Rev.4). The CSO is the source of GDP data in Trinidad and Tobago. The QIEA differs from the CSO's measure of GDP in terms of methodologies and coverage. The QIEA is based on production indicators, excludes price effects and does not comprehensively cover all sub-industries measured by the CSO. In 2019, the QIEA was rebased from a 2010 to 2012 base year and the classification system was migrated from the Trinidad and Tobago System of National Accounts to the International Standard Industrial Classification, Revision 4. Under this classification, the output of crude oil and natural gas are included in Mining and Quarrying, the production of LNG, NGLs and petrochemicals are included in Manufacturing, and the retail sale of automotive fuels is included in Wholesale and Retail Trade. For comparison purposes, the sectoral breakdown of real economic activity into Energy and Non-energy, presented previously is maintained.

⁶ Plants that were closed during 2020 include; Yara Trinidad Limited, PCS 02 Ammonia Plant, PCS 03 Ammonia Plant, Trinidad and Tobago Methanol Company Plant I (TTMC I) and the Titan Methanol Plant.

Manufacturers continued to operate with considerable spare capacity⁷, producing at only 61.9 per cent of their full output in 2020 (Table 3). Economic activity in the financial industry, another essential service, continued to expand during the year buoyed by higher demand for financial services. The Financial and Insurance Activities sector grew 5.7 per cent in 2020 alongside growth of 2.7 per cent in the Real Estate Activities sector.

On the other hand, preliminary QIEA estimates of economic activity in the Wholesale and Retail Trade

(excluding Energy) sector reveal a decline of 7.2 per cent. The Central Statistical Office's Index of Retail Sales (RSI) for 2020 shows significant contractions in the sale of textiles and wearing apparel (28.9 per cent), motor vehicles and parts (21.2 per cent), petrol stations (16.4 per cent), construction material and hardware (7.5 per cent), and household appliances, furniture and other furnishings (7.4 per cent), which outweigh robust sales of dry goods (6.1 per cent) and supermarket and grocery items (6.4 per cent).

TABLE 2
QUARTERLY INDEX OF REAL ECONOMIC ACTIVITY (2012=100)
/PER CENT CHANGE/

	2016	2017	2018	2019	2020 ^P
Total QIEA	-8.6	-2.8	-1.1	-1.5	-7.9
Energy	-10.4	0.6	-1.2	-3.6	-13.8
Non-Energy	-7.5	-4.9	-1.1	-0.1	-4.2
Construction	-19.8	-5.5	-2.7	0.6	-2.9
Wholesale and Retail Trade (Exc. Energy)	-8.2	-10.2	-0.1	1.4	-7.2
Manufacturing (Exc. Refining and Petrochemical)	-15.6	-1.7	-2.5	-0.2	-0.8
Financial and Insurance Activities	2.3	-0.5	-0.7	3.6	5.7

Source: Central Bank of Trinidad and Tobago
p Provisional

TABLE 3
MANUFACTURING SECTOR CAPACITY UTILISATION RATE

	2016	2017	2018	2019	2020
Manufacturing	68.1	68.2	64.6	64.4	61.9
Food, Beverages and Tobacco Products	74.0	73.5	69.3	69.8	69.0
Textiles, Clothing, Leather, Wood, Paper and Printing	64.9	62.5	59.8	59.5	55.0
Chemical Products	59.5	63.2	58.8	57.3	55.1
Other Manufactured Products	65.0	66.1	64.8	64.5	58.6

Source: Central Bank of Trinidad and Tobago

⁷ Capacity utilisation measures the proportion of potential economic output that is actually realised. In percentage terms, the capacity utilisation rate provides insight into the overall 'slack' in an economy or a firm at a given point in time. For more details on how the Bank measures capacity utilisation, see "Measuring Capacity Utilisation in the Manufacturing Sector of Trinidad and Tobago" in the Economic Bulletin July 2010, Vol XII No.2, p.77. Available at: <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/economic-bulletin-july-2010-article-iiia.pdf>.

CHAPTER THREE – LABOUR MARKET

UNEMPLOYMENT

Official unemployment statistics from the Central Statistical Office (CSO) is available up to the second quarter of 2019 (Tables 4 and 5).

Supplemental data for 2020 suggest increased joblessness and labour market slack⁸ as a result of the pandemic. Businesses adjusted to the economic fallout of the virus by employing a variety of strategies. Some managed their wage bill through temporary layoffs, reduced working hours and/or salary cuts. In other cases, headcount was decreased via retrenchments. Data on retrenchment notices⁹ filed at the Ministry of Labour showed that 2,744 persons were retrenched during 2020, much higher than the 1,528 persons retrenched during the previous year. In 2020, most of the retrenchments occurred in the finance, insurance, and real estate and other business services (879 persons), manufacturing (562 persons), and distribution, restaurants and hotels (527 persons) industries. Another supplemental indicator monitored by the Central Bank, the number of job advertisements published in the print media¹⁰ (an indicator of labour demand), declined by 41.0 per cent during 2020. Labour market slack was also evident by fewer man-hours worked¹¹ during the first three quarters of 2020. The Index of Hours Worked, inclusive of both the energy and non-energy sectors, declined by 2.5 per cent year-over-year over the period¹².

Containment measures implemented to slow the spread of the virus created unparalleled labour

market disruptions across industries. From the onset of the first confirmed positive case of COVID-19 on March 12, 2020, the Government quickly implemented measures to curb the spread of the virus¹³. Some of these measures included the closure of the country's borders, restrictions on travel to Tobago, time restrictions on essential business activity and the shutdown of non-essential businesses, ceased in-house dining at bars and restaurants, the closure of places of leisure (beaches, waterparks, casinos and cinemas), the closure of all institutions of learning, only essential public and private sector employees were required to be in office, and reduced public transportation capacity. The energy, manufacturing, construction, transportation and other business services (hospitality, entertainment, and tourism) sectors were hardest hit by these public health restrictions.

Several support measures were implemented by the Government to assist businesses and individuals affected by the COVID-19 pandemic. These included: Salary Relief Grants; Income Support Grants; Food Card support; Fuel Support Grant (for maxi-taxi owners); and expedited payment of individual income tax refunds (of \$20,000 or less), corporate tax refunds, and VAT refunds; among others. The Government also implemented "COVID-19 pandemic leave", formally known as Authorized Absence from Duty with Full Pay, which is applicable to select categories of employees in the Public Service¹⁴.

⁸ The amount of 'slack' in the economy is a measure of the quantity of unemployed resources. It represents the quantity of labour and capital that could be employed productively, but instead, remains idle.

⁹ 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 the Minister of Labour". 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 households via 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.

¹⁰ This indicator is constructed by the Central Bank using the number of employment vacancies (both in the main pages and the classifieds) advertised in the Daily Express, Newsday and Guardian newspapers.

¹¹ 'Man-hours worked' refers to changes in the Index of Hours Worked produced by the Central Statistical Office and is based on data for the manufacturing, energy, electricity and water sectors.

¹² The Index of Man Hours Worked predominantly covers the manufacturing sector (including energy, electricity, and water sectors) and may not capture hours worked via Work from Home arrangements instituted by several employers.

¹³ See the July 2020 and January 2021 editions of the Economic Bulletin for the timeline of the progressive 'Stay-at-Home' public health orders that were implemented. Available at: https://www.central-bank.org.tt/sites/default/files/reports/economic-bulletin-july-2020_0.pdf (see pp. 16) and <https://www.central-bank.org.tt/sites/default/files/latest-news/economic-bulletin-january-2021.pdf> (see pp. 25).

¹⁴ For further details on the "pandemic leave" see National Policy Guidelines on Preparing Workplaces in Trinidad and Tobago for COVID-19 (July 2020), pp.17. Available at: <http://www.news.gov.tt/sites/default/files/NATIONAL%20POLICY%20GUIDELINES%20ON%20PREPARING%20WORKPLACES%20IN%20TRINIDAD%20AND%20TOBAGO%20FOR%20COVID.pdf>.

TABLE 4
LABOUR STATISTICS, 2015 – JUNE 2019
/THOUSANDS¹

	2015	2016	2017	2018	Jan to Jun 2018	Jan to Jun 2019
Non-Institutional Population	1,065.1	1,068.5	1,071.2	1,072.4	1,071.6	1,074.9
- 15 years and over						
Labour Force	645.3	638.3	633.7	633.9	629.3	617.5
Persons with Jobs	623.3	613.1	603.1	609.1	605.2	591.6
Persons without Jobs	22.0	25.3	30.6	24.9	24.1	25.9
Participation Rate (%)	60.6	59.7	59.2	58.7	58.7	57.5
Male	71.2	69.5	68.9	68.2	68.1	66.4
Female	50.0	50.1	49.5	49.3	49.4	48.6
Unemployment Rate (%)	3.4	4.0	4.8	3.9	3.8	4.2
Male	2.9	3.9	4.2	3.2	3.3	3.8
Female	4.2	4.0	5.6	4.9	4.5	4.8

Source: Central Statistical Office

¹ Numbers may not sum due to rounding

TABLE 5
THE SECTORAL DISTRIBUTION OF EMPLOYMENT¹

	2016		2017		2018		Jan to Jun 2018		Jan to Jun 2019	
	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%
Agriculture	19.8	3.2	22.3	23.1	19.8	3.8	23.4	3.9	20.7	3.5
Petroleum and Gas	18.4	3.0	14.5	13.7	18.4	2.2	14.4	2.4	8.9	1.5
Manufacturing (including Mining and Quarrying)	48.3	7.9	48.9	48.2	48.3	7.9	47.4	7.8	45.5	7.7
Construction (including Electricity and Water)	100.7	16.4	88.6	88.7	100.7	14.6	89.3	14.7	85.0	14.4
Transport, Storage and Communications	44.5	7.3	42.6	38.6	44.5	6.3	38.5	6.4	39.4	6.7
Other Services	381.5	62.2	386.1	396.7	381.5	65.1	392.3	64.8	392.2	66.3
Of which:										
Wholesale and Retail	112.2	18.3	119.0	121.7	112.2	20.0	119.6	19.8	111.7	18.9
Community, Social and Personal Services	209.5	34.2	206.8	207.2	209.5	34.0	208.6	34.5	209.0	35.3
Finance, Insurance and Real Estate	58.2	9.5	58.3	64.1	58.2	10.5	60.6	10.0	67.9	11.5
Not Classified	1.6	0.3	2.0	3.7	1.6	0.6	3.6	0.6	3.6	0.6
Total Employment	613.2	100.0	603.1	609.0	613.2	100.0	605.1	100.0	591.6	100.0

Source: Central Statistical Office

¹ Numbers may not sum due to rounding.

LABOUR PRODUCTIVITY¹⁵

During 2020, labour productivity in the non-energy sector improved by 8.5 per cent, reflecting higher production levels alongside fewer man-hours worked (Appendix Table A.11). Domestic production in the non-energy sector increased by 7.5 per cent in 2020, while the Index of Hours Worked fell by 2.3 per cent (Appendix Tables A.8 and A.9). The largest increases in domestic production occurred in the food processing (28.0 per cent) and assembly-type and related products (23.9 per cent) industries. These increases were tempered by lower production in the drink and tobacco (19.8 per cent), printing and publishing (11.1 per cent), and electricity generation (4.0 per cent) industries.

Conversely, productivity in the energy sector declined, driven mainly by a drop in domestic production in both the upstream and downstream industries. During 2020, the Index of Domestic Production fell by 11.1 per cent, 16.2 per cent, and 8.5 per cent in the petrochemicals, natural gas refining, and exploration and production of oil and natural gas industries, respectively (Appendix Table A.9). Meanwhile, man-hours worked in the petrochemicals and exploration and production of oil and natural gas industries fell by 4.9 per cent and 4.7 per cent, respectively. Man-hours worked

remained the same, at the previous year's level, in the natural gas refining sector (Appendix Table A.9).

SECTORAL WAGES

Wage growth moderated in 2020. Collective agreements registered with the Industrial Court showed that the median wage increase measured 2.8 per cent in 2020, down from 3.0 per cent recorded in each of the previous three years (2017-2019) (Table 6). Wage increases for 2020 ranged between 1.0 and 6.0 per cent compared with a range of 0.0 to 5.0 per cent in 2019. The wholesale and retail trade sector received the highest average wage increase of 3.5 per cent, while wages within the manufacturing sector registered the smallest average increase of 1.5 per cent.

The Index of Average Weekly Earnings (AWE)¹⁶ showed that there was a modest increase in nominal wages. In the non-energy sector, the AWE Index increased by 3.5 per cent during 2020. However, when the energy sector is included, the AWE Index increased by 3.0 per cent during the year. Average energy sector wages were significantly affected by a 9.2 per cent decline in wages in the exploration and production of oil and natural gas sector (Appendix Table A.10).

TABLE 6
WAGE INCREASES FOR 2020

Sector	No. of Agreements Analysed	Duration of Agreements	Range of Yearly Increases for 2020	Average Wage Increase for 2020	Median Wage Increase for Agreements Analysed
Financial and Insurance Activities	3	2017-2022	1.0-3.0	2.8	2.8
Wholesale and Retail Trade	4	2018-2022	2.0-6.0	3.5	
Transportation and Storage	1	2018-2020	2.0-2.0	2.0	
Information and Communication	1	2018-2020	2.0-3.0	2.0	
Manufacturing	1	2017-2020	1.5-2.0	1.5	
Other Services	2	2017-2020	2.0-3.0	2.5	

Source: Central Statistical Office

¹ Numbers may not sum due to rounding

¹⁵ Labour productivity is measured by the Central Statistical Office and is based on data for the manufacturing, energy, electricity and water industries. The Index of Productivity is calculated as the ratio of the Index of Domestic Production to the Index of Hours Worked.

¹⁶ The Index of Average Weekly Earnings, computed by the Central Statistical Office, is based on surveyed companies' employment and wage bill. The average of weekly earnings is calculated as the earnings (total amount paid to employees) divided by the number of employees.

CHAPTER FOUR – PRICES

INFLATION

The slow-down in economic activity due to COVID-19 containment measures helped to keep inflationary pressures low throughout 2020.

Headline inflation slowed to an average of 0.6 per cent in 2020, down from 1.0 per cent in 2019 (Table 7). Core inflation was relatively muted, while food inflation accelerated through the year.

Core inflation averaged 0.1 per cent in 2020, compared to 1.1 per cent in 2019.

Subdued core inflation reflected reduced consumption as economic activity contracted. Slow-downs were recorded in several sub-indices, notably the Health; Transport; and Recreation and Culture sub-indices. The Health sub-index slowed to 2.7 per cent in 2020, compared to 5.5 per cent in 2019, driven by slowdowns in the prices of prescription medication, contraceptives and spectacles. Transport prices declined (-1.0 per cent) in 2020, following an increase of 1.4 per cent in 2019. The decline in prices came on account of a decline in the price of new motor vehicles and the stability of fuel prices following price increases one year prior. Meanwhile, a decline in the price of sound equipment and carnival costumes aided a 0.5 per cent price decline in the Recreation sub-index. Elsewhere, faster price increases were noted in the Furnishing, Household Equipment and Routine Maintenance sub-index (0.7 per cent) as carpet and ready-made household textile prices accelerated.

Food inflation averaged 2.8 per cent in 2020 compared to 0.6 per cent in 2019.

Food inflation was predominantly driven by increased international food prices¹⁷ and supply disruptions brought about by lockdown measures associated with the COVID-19 pandemic. Accelerated prices were noted in several sub-indices. Notable among these were the Meat, Fish, Vegetables, and Oils and Fats sub-indices. Meat price increases averaged 3.5 per cent in 2020, compared to 0.8 per cent the previous year, as poultry prices were affected by increased local demand in light of a decline in imports brought about by the pandemic. Fish price increases averaged 6.0 per cent in 2020 compared to 0.3 per cent in 2019. Growth in fish prices was notable in the post-Lenten season, supported by increased cost of fuel¹⁸ and adverse weather conditions which negatively affected supply. Vegetable prices accelerated 4.3 per cent in 2020 (compared to 1.1 per cent in 2019), as unfavourable weather conditions caused disruptions in supply. Aided by higher international prices for vegetable oils, the Oils and Fats sub-index grew 2.4 per cent in 2020 (compared to 0.2 per cent in 2019).

¹⁷ Data from the United Nations Food and Agriculture Organisation (FAO) food price index showed that international dairy and edible oil prices peaked in December 2020.

¹⁸ With the closure of the PETROTRIN Refinery in 2018, fishermen had to switch to super gasoline to fuel their boats, which is more expensive than the regular gasoline that was previously used.

TABLE 7
ANNUAL AVERAGE MOVEMENT OF SELECTED CATEGORIES OF THE DOMESTIC RETAIL PRICE INDEX
/PER CENT CHANGE/

	2016	2017	2018	2019	2020
Headline Inflation	3.1	1.9	1.0	1.0	0.6
Food Inflation	7.5	2.9	1.1	0.6	2.8
Fish	4.6	3.2	2.6	0.3	6.0
Food Products NEC	14.9	5.4	-2.3	4.4	4.2
Meat	7.4	1.2	-0.8	0.8	3.5
Milk, Cheese and Eggs	-1.2	4.6	5.0	0.0	2.0
Vegetables	10.8	3.2	0.8	1.1	4.3
Bread and Cereals	6.5	1.4	0.7	-0.5	1.1
Sugar, Jam, Confectionery, etc.	3.0	5.5	1.3	-1.6	1.2
Non-Alcoholic Beverages	12.7	1.6	1.3	1.1	1.6
Oils and Fats	7.7	5.0	3.6	0.2	2.4
Fruits	7.5	6.5	3.5	-1.8	1.3
Core Inflation	2.1	1.6	1.0	1.1	0.1
Communication	6.6	2.1	-1.3	0.3	-0.1
Education	0.6	0.0	0.0	0.0	0.0
Miscellaneous Goods and Other Services	2.4	1.7	0.6	2.7	1.0
Hotels, Cafes and Restaurants	4.6	3.6	2.6	2.0	1.8
Health	6.5	14.5	1.6	5.5	2.7
Transport	3.1	1.2	1.9	1.4	-1.0
Recreation and Culture	2.9	0.7	0.8	0.3	-0.5
Alcoholic Beverages and Tobacco	1.6	5.2	-0.1	1.9	2.4
Clothing and Footwear	3.7	0.1	-4.5	-2.6	-3.8
Housing, Water, Electricity, Gas and Other Fuels	-0.3	0.0	2.4	1.0	0.5
Furnishings, Household Equipment and Routine Maintenance	1.5	1.8	-0.5	-0.1	0.7

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

PRODUCERS' PRICES

The **Producer Prices Index (PPI)** grew by an average of **1.8 per cent in 2020, compared to 0.6 per cent in 2019**. The uptick in the PPI was mainly driven by price increases in the Drink and Tobacco sub-index, which measured 5.9 per cent, and was due to a 20.2 per cent increase in the price of alcoholic beverages given higher import prices. Marginal price increases were noted in the Food Processing and the Assembly-Type and Related Industries sub-indices. The Textiles, Garments and Footwear sub-index remained unchanged, while all other sub-indices recorded marginal price declines.

BUILDING MATERIAL PRICES

Building material prices accelerated in 2020. The Index of Retail Prices of Building Materials increased by 2.6 per cent in 2020, up from 1.0 per cent in 2019. Notable increases were recorded in the Walls and Roof (5.1 per cent), Plumbing and Plumbing Fixtures (3.5 per cent), Finishing, Joinery Units and Painting and External Works (2.5 per cent), and Electrical Installation and Fixtures (1.3 per cent) sub-indices. The remaining sub-indices recorded price declines; the Site Preparation, Structure and Concrete Frame sub-index fell by 0.7 per cent while the Windows, Doors and Balustrading sub-index decreased by 1.2 per cent.

CHAPTER FIVE – FISCAL OPERATIONS

FISCAL OPERATIONS

The Central Government fiscal accounts registered an overall deficit in fiscal year (FY) 2019/20 (October 2019 – September 2020).

According to data provided by the Ministry of Finance, the fiscal accounts recorded a deficit of \$16.8 billion (11.2 per cent of GDP) in FY2019/20 compared with a deficit of \$4.0 billion (2.6 per cent of GDP) in the corresponding period one year earlier (Tables 8 and 9). The higher deficit was primarily due to lower revenues and higher expenditure due to the COVID-19 pandemic and was financed from a combination of external and domestic borrowings, as well as a withdrawal from the Heritage and Stabilisation Fund (HSF)¹⁹. The non-energy fiscal deficit also expanded over the period reaching \$24.6 billion (16.4 per cent of GDP)²⁰ at the end of FY2019/20 from \$19.9 billion one year earlier.

Central Government total revenue collections declined by 27.1 per cent to roughly \$34.1 billion over the 12 months to September 2020.

The reduction in earnings was reflective of a simultaneous fall-off in both energy and non-energy receipts. Energy revenue fell by 50.5 per cent to \$7.9 billion owing to lower energy commodity prices²¹ and production²². Meanwhile, non-energy receipts decreased to \$25.5 billion from \$29.9 billion as collections from taxes on income and profits, and international trade declined. Capital revenue was also reduced by \$266.4 million to reach \$713.4 million over the period due to lower proceeds from the sale of assets when compared to the similar period one year ago.

Aggregate expenditure edged up marginally reaching \$50.8 billion at the end of FY2019/20.

Greater spending on transfers and subsidies and the capital programme precipitated the increase in overall expenditure. Notably, larger outlays on the Senior Citizens Grant, Disability Grant, Social Assistance, Food Price Support Programme and

Salary Relief Grant in response to the COVID-19 pandemic were responsible for the increase in transfers and subsidies. According to the 2021 Budget Statement, 81,179 Salary Relief and Income Support Grants were paid to 33,813 individuals who had lost their jobs or had their incomes reduced due to the COVID-19 restrictions²³. The Salary Relief Grants, of up to \$1,500 per month for three months in the first instance, were to mitigate the financial challenges experienced by persons who had either been retrenched, terminated or experienced reduced income as a result of COVID-19²⁴. Meanwhile, capital expenditure reached \$4.1 billion for the period ending September 2020 compared to \$3.8 billion for the period ending September 2019.

Budget estimates for FY2020/21 show a smaller deficit of \$8.2 billion or 5.6 per cent of GDP.

This compares with a deficit of \$16.8 billion or 11.2 per cent of GDP for FY2019/20²⁵. Total revenue is expected to amount to \$41.4 billion, with \$13.4 billion to be collected from the energy sector and \$27.1 billion from the non-energy sector. Meanwhile, capital revenue is estimated at \$905.1 million. Aggregate expenditure is projected to reach \$49.6 billion at the end of FY2020/21, reflecting lower spending when compared to FY2019/20 due to the COVID-19 pandemic.

¹⁹ The Central Government amended the HSF Act to allow for withdrawals of funds not exceeding US\$1.5 billion or TT\$10.0 billion at any time during the fiscal year where: a disaster area is declared under the Disaster Measures Act; a dangerous infectious disease is declared under the Public Health Ordinance; or there is, or is likely to be, a precipitous decline in budgeted revenues which are based on the production or price of crude oil or natural gas.

²⁰ For energy-based economies, the non-energy fiscal deficit-to GDP ratio is a relatively more reliable indicator of the policy stance of the government than other measures such as the overall primary balance-to-GDP ratio which can be a potentially misleading indicator of the fiscal stance.

²¹ See Chapter Ten: International Commodity markets.

²² See Chapter Two: Domestic Economic Activity.

²³ See <https://www.finance.gov.tt/wp-content/uploads/2020/10/Budget-Statement-2021-1.pdf>, pp.7.

²⁴ To be eligible for the Salary Relief Grant, persons must have no other source of income and the loss of employment or income must have occurred no earlier than March 19, 2020 (Ministry of Finance, April 6, 2020).

²⁵ The FY2020/21 Budget was presented in Parliament on October 5, 2020 by the Minister of Finance. The Budget is predicated on an estimated oil price of US\$45.00 a barrel and a gas price of US\$3.00 per mmbtu.

TABLE 8
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2016/17 - 2020/21
/TT\$ MILLIONS/

	2016/17	2017/18	2018/19 ^r	2019/20 ^{re}	2020/21 ^b
Current Revenue	34,870.1	42,331.9	45,768.8	33,346.3	40,459.0
Current Expenditure	46,263.5	45,374.4	46,986.8	46,754.2	45,463.3
Current Surplus (+)/ Deficit (-)	-11,393.4	-3,042.5	-1,218.0	-13,407.9	-5,004.3
Capital Receipts	1,310.5	837.8	979.8	713.4	905.1
Capital Expenditure and Net Lending	3,448.5	3,492.1	3,790.7	4,077.5	4,110.0
Overall Surplus (+)/ Deficit (-)	-13,531.4	-5,696.8	-4,028.9	-16,772.0	-8,209.2
Financing	13,531.4	5,696.8	4,028.9	16,772.0	8,209.2
External (Net)	3,266.7	1,239.4	1,094.0	10,834.3	-11.6
Domestic (Net)	10,264.7	4,457.4	2,934.9	5,937.7	8,220.8
(Per Cent of GDP)					
Current Surplus (+)/ Deficit (-)	-7.5	-1.9	-0.8	-8.9	-3.4
Overall Surplus (+)/ Deficit (-)	-9.0	-3.6	-2.6	-11.2	-5.6

Source: Ministry of Finance

r Revised.

re Revised estimates.

b Budgeted.

TABLE 9
SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2016/17 - 2020/21
/TT\$ MILLIONS/

	2016/17	2017/18	2018/19 ^r	2019/20 ^{re}	2020/21 ^b
Revenue	36,180.6	43,169.7	46,748.6	34,059.7	41,364.1
Current	34,870.1	42,331.9	45,768.8	33,346.3	40,459.0
Energy*	7,759.5	11,031.3	15,874.3	7,852.5	13,393.6
Non-Energy*	27,110.6	31,300.6	29,894.5	25,493.8	27,065.4
Capital	1,310.5	837.8	979.8	713.4	905.1
Expenditure	49,712.0	48,866.5	50,777.5	50,831.7	49,573.3
Current	46,263.5	45,374.4	46,986.8	46,754.2	45,463.3
Wages and Salaries	9,937.8	9,094.4	9,137.2	8,983.8	8,881.5
Goods and Services	5,827.2	6,102.1	6,426.4	5,459.6	5,497.1
Interest Payments	4,468.4	4,786.8	5,045.5	4,988.9	4,615.1
Transfers and Subsidies ¹	26,030.1	25,391.1	26,377.7	27,321.9	26,469.6
Capital Expenditure and Net Lending	3,448.5	3,492.1	3,790.7	4,077.5	4,110.0
Overall Non-Energy Balance	-21,290.9	-16,728.1	-19,903.2	-24,624.5	-21,602.8
Overall Balance	-13,531.4	-5,696.8	-4,028.9	-16,772.0	-8,209.2
Total Financing (Net)	13,531.4	5,696.8	4,028.9	16,772.0	8,209.2
Net Foreign Financing	3,266.7	1,239.4	1,094.0	10,834.3	-11.6
Net Domestic Financing	10,264.7	4,457.4	2,934.9	5,937.7	8,220.8
Of Which: Transfers to Heritage and Stabilisation Fund	-1,712.2	0.0	0.0	-6,635.0	0.0
(Per Cent of GDP)					
Revenue	23.9	27.3	31.2	22.7	27.6
Current	23.1	26.8	29.0	22.2	27.0
Energy	5.1	7.0	10.1	5.2	8.9
Non-Energy	17.9	19.8	19.0	17.0	18.0
Capital	0.9	0.5	0.6	0.5	0.6
Expenditure	32.9	30.9	32.2	33.9	33.0
Current	30.6	28.7	29.8	31.2	30.3
Wages and Salaries	6.6	5.7	5.8	6.0	5.9
Goods and Services	3.9	3.9	4.1	3.6	3.7
Interest Payments	3.0	3.0	3.2	3.3	3.1
Transfers and Subsidies	17.2	16.1	16.7	18.2	17.6
Capital Expenditure and Net Lending	2.3	2.2	2.4	2.7	2.7
Overall Non-Energy Balance²	-14.1	-10.6	-12.6	-16.4	-14.4
Overall Balance	-9.0	-3.6	-2.6	-11.2	-5.6
Total Financing (Net)	9.0	3.6	2.6	11.2	5.6
Net Foreign Financing	2.2	0.8	0.7	7.2	0.0
Net Domestic Financing	6.8	2.8	1.9	4.0	5.6
Of which: Transfers to Heritage and Stabilisation Fund	-1.1	0.0	0.0	-4.4	0.0
Memo:					
Primary Fiscal Balance (TT\$m)	-9,063.0	-910.0	1,016.6	-11,783.1	-3,594.1
Cyclically Adjusted Balance (TT\$m) ³	-11,544.6	-3,964.4	-2,191.6	-13,907.4	n.a.
Structural Fiscal Balance (TT\$m) ⁴	-109.1	126.3	-614.4	n.a.	n.a.

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

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

2 Computed as the sum of non-energy revenue and capital revenue less total expenditure.

3 The cyclically adjusted balance provides an estimate of the fiscal position net of cyclical effects by adjusting revenue and expenditure for business cycle effects.

4 The structurally 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.

* Energy and non-energy revenues for FY2020/21 have been estimated by the Central Bank.

r Revised.

p Revised estimates.

b Budgeted.

n.a. Not available.

TABLE 10
ENERGY-BASED GOVERNMENT REVENUES, 2015/16 - 2019/20
/PER CENT OF GOVERNMENT REVENUE/

	2015/16	2016/17	2017/18	2018/19 ^r	2019/20 ^{re}
Energy Sector	14.8	21.4	25.6	34.0	23.1
Petroleum Profit Tax (PPT)	2.0	1.7	2.5	5.3	3.8
Supplemental Petroleum Tax (SPT)	0.3	1.4	2.3	2.7	1.2
Corporation tax	6.3	9.6	11.0	9.2	5.5
Royalties	1.2	2.6	5.3	8.8	8.3
Unemployment Levy	0.3	0.3	0.4	1.5	0.6
Withholding Tax	1.7	1.4	1.1	2.0	2.2
Exercise Duty	0.3	0.3	0.2	0.0	0.0
Oil Impost ¹	0.3	0.4	0.3	0.2	0.2
Signature Bonus	0.0	0.0	0.0	0.0	0.0
Production Sharing Contracts	2.2	3.6	2.3	0.0	0.0
Extraordinary Revenue from Oil and Gas Companies	0.0	0.0	0.0	4.0	0.3
Surplus Income - Sale of Pet. Products	0.2	0.2	0.1	0.2	0.9
(Per Cent of GDP)					
Energy Sector	4.4	5.1	7.0	10.1	5.2
Petroleum Profit Tax (PPT)	0.6	0.4	0.7	1.6	0.9
Supplemental Petroleum Tax (SPT)	0.1	0.3	0.6	0.8	0.3
Corporation tax	1.9	2.3	3.0	2.7	1.2
Royalties	0.3	0.6	1.4	2.6	1.9
Unemployment Levy	0.1	0.1	0.1	0.5	0.1
Withholding Tax	0.5	0.3	0.3	0.6	0.5
Exercise Duty	0.1	0.1	0.1	0.0	0.0
Oil Impost ¹	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	0.7	0.9	0.6	0.0	0.0
Extraordinary Revenue from Oil and Gas Companies	0.0	0.0	0.0	1.2	0.1
Surplus Income - Sale of Pet. Products	0.1	0.0	0.0	0.0	0.2

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

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

r Revised.

re Revised estimates.

TABLE 11
CENTRAL GOVERNMENT RECURRENT EXPENDITURE¹:
A FUNCTIONAL CLASSIFICATION, 2016/17 - 2020/21
/TT\$ MILLIONS/

	2016/17	2017/18	2018/19 ^r	2019/20 ^{re}	2020/21 ^b
Economic Services	3,329.1	2,961.9	2,981.2	3,359.1	3,476.2
Energy	466.6	85.4	320.4	602.1	642.0
Agriculture, Land and Marine Resources	727.5	726.1	648.7	568.6	646.1
Works and Transport	2,135.0	2,150.4	2,012.1	2,188.4	2,188.1
Social Services	20,186.5	19,961.1	19,792.0	19,522.7	18,103.5
Education	5,008.3	5,297.4	5,211.1	5,069.6	4,769.0
Health	5,053.4	4,727.6	4,617.2	4,655.8	4,871.0
Housing	1,307.5	1,410.2	1,346.0	702.4	748.5
Small Enterprise Development	356.3	332.9	370.3	442.6	417.9
Public Utilities	2,832.0	2,932.1	2,592.4	2,611.5	1,887.9
Social Services ²	5,629.0	5,260.9	5,655.0	6,040.8	5,409.2
Public Services	6,182.0	5,128.3	5,263.8	4,998.8	4,736.3
National Security	6,182.0	5,128.3	5,263.8	4,998.8	4,736.3
Other³	23,238.7	24,508.3	24,934.7	27,564.6	28,250.7
Total Recurrent Expenditure⁴	52,936.3	52,559.6	52,971.7	55,445.2	54,566.7

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

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

2 Includes Ministry of Sport and Community Development, Ministry of Tourism, Culture and the Arts, Ministry of Social Development and Family Services and Ministry of Youth Development and National Services.

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

4 Represents Recurrent Expenditure from the Consolidated Fund only.

r Revised.

re Revised estimates.

b Budgeted.

PUBLIC SECTOR DEBT

Gross public sector debt outstanding as at the end of September 2020 amounted to \$133.4 billion, compared to \$121.0 billion recorded at end-September 2019 (Table 12). Net public sector debt, which excludes debt issued for sterilisation purposes, increased by 17.5 per cent to \$121.3 billion (80.9 per cent of GDP). During 2020, the public sector depended heavily on domestic and external sources of funds for budgetary support and refinancing.

The domestic financial market continued to play an important role in financing the Central Government fiscal deficit during FY2019/20. Central Government domestic debt, excluding sterilised securities, increased to \$56.5 billion in September 2020 from \$47.0 billion in September 2019. Under the Development Loans Act, Central Government borrowed \$8.8 billion for budgetary support and refinancing, a \$2.5 billion increase over FY2018/19²⁶. In addition, a total of \$3.0 billion in Value Added Tax bonds were issued in 2020 under the Miscellaneous Provisions (Heritage and

²⁶ Debt outstanding under the Development Loans Act amounted to \$45.5 billion as at September 2020. The Act currently sets a borrowing limit of \$55.0 billion (Table 13B).

Stabilisation Fund, Government Savings Bonds and Value Added Tax) Act²⁷, while an additional \$2.8 billion in debt management bills were raised under the Treasury Bills Act (Table 12). Regarding principal repayments, roughly \$4.1 billion was allocated for bonds and loans raised under the Development Loans Act, while \$470.4 million and \$18.6 million were allocated for the repayment of CLICO and HCU zero coupon bonds respectively.

Central Government external debt amounted to US\$4,707.3 million (21.1 per cent of GDP) at the end of September 2020 (See Appendix 17A and Table 12). Borrowing from external creditors amounted to US\$1,269.1 million over the reporting period. Of this total, US\$500.0 million was issued on the external capital markets, and part of the proceeds (US\$250.0 million) was used to repay an existing bond that matured in June 2020. In addition, US\$400.0 million was received from the Corporación Andina de Fomento (CAF), with US\$100.0 million specifically earmarked for COVID-19 support. Similarly, of the US\$127.6 million disbursed by the Inter-American Development Bank, US\$100.0 million was allocated for COVID relief efforts. External debt service payments amounted to US\$673.4 million, of which US\$505.6 million was geared towards principal repayments.

Over the 12 months to September 2020, contingent liabilities increased by \$3.3 billion to \$33.2 billion (22.1 per cent of GDP). New borrowings for FY2019/20 by Statutory Bodies and State-owned Enterprises included debt issued by the National Insurance Property Development Company (NIPDEC), the Water and Sewerage Authority and the Urban Development Corporation of Trinidad and Tobago (UDECO) amounting to \$1.2 billion, \$1.0 billion and \$691.8 million, respectively, to finance various projects and to settle operational expenses. In addition, several companies, namely the Petroleum Company of Trinidad and Tobago (PETROTRIN)²⁸, the Housing Development Corporation (HDC) and the Export-Import Bank of Trinidad and Tobago (EXIMTT) refinanced existing debt, amounting to \$1,183.5 million, \$650.0 million and \$135.2 million, respectively, during FY2019/20 (Table 13A).

²⁷ The Miscellaneous Provisions (Heritage and Stabilisation Fund, Government Savings Bonds and Value Added Tax) Act allows for the issuance of bonds not exceeding \$6.0 billion for the purposes of meeting any liability to refund any tax. Businesses are allowed to cash in the bonds at commercial banks for the exact amount or hold the bonds for 3 years at a yield of 3.3 per cent, with dividends to be paid semi-annually.

²⁸ The Petroleum Company of Trinidad and Tobago (PETROTRIN) was shut down in November 2018 and a new company was created, Trinidad Petroleum Holdings Limited. Trinidad Petroleum has four subsidiaries, one of which holds the legacy assets and debts of PETROTRIN.

TABLE 12
TOTAL PUBLIC DEBT OUTSTANDING, SEPTEMBER 2016 - SEPTEMBER 2020
/TT\$ MILLIONS/

	Sep-16	Sep-17	Sep-18	Sep-19 ^r	Sep-20 ^p
Total Gross Public Debt	129,314.2	129,923.4	118,911.7	121,021.1	133,385.6
Total Net Public Debt¹	97,913.2	102,311.9	95,544.0	103,218.3	121,315.3
Central Government Domestic	67,086.7	68,448.9	65,695.5	64,779.2	68,560.5
General Development Bonds	16,694.8	21,293.3	23,313.8	27,059.2	31,295.2
CLICO and HCU Bonds	17,987.7	17,463.3	16,961.7	16,455.1	15,963.7
VAT Bonds ²	0.0	0.0	0.0	0.0	3,000.0
BOLTS and Leases	186.3	159.3	130.6	105.4	78.6
Debt Management Bills	800.0	1,905.0	1,905.0	3,340.0	6,136.0
Open Market Operations					
Treasury Bills	19,788.9	18,599.2	18,273.4	14,061.5	8,479.0
Treasury Notes	9,052.8	6,453.0	2,785.0	1,432.0	2,132.0
Treasury Bonds	2,559.3	2,559.3	2,309.3	2,309.3	1,459.3
Liquidity Absorption Bonds	0.0	0.0	0.0	0.0	0.0
Other Debt Liabilities ³	16.9	16.5	16.7	16.7	16.7
Central Government External	21,362.3	23,522.7	24,710.1	26,343.8	31,598.6
Contingent Liabilities	40,865.2	37,951.8	28,506.1	29,898.1	33,226.5
State Owned Enterprises	29,476.9	27,202.4	18,395.8	20,418.8	22,745.7
Statutory Authorities	11,388.3	10,749.4	10,110.3	9,479.3	10,480.8
(Per Cent of GDP)⁴					
Total Gross Public Debt	85.2	86.0	75.2	76.8	88.9
Total Net Public Debt ¹	64.5	67.7	60.4	65.5	80.9
Central Government Domestic Debt ¹	23.5	27.0	26.8	29.8	37.7
Central Government External Debt	14.1	15.6	15.6	16.7	21.1
Contingent Liabilities	26.9	25.1	18.0	19.0	22.1

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

- 1 Excludes debt issued for sterilisation purposes (Open Market Operations).
 - 2 Refers to bonds issued by the Government under the Value Added Tax Act for the settlement of VAT refunds owed to businesses in Trinidad and Tobago.
 - 3 Comprises the outstanding balances of public sector emolument bonds, tax-free saving bonds & Central Bank fixed interest rate bonds.
 - 4 Debt ratios prior to FY2019 are based on Nominal GDP sourced from the Central Statistical Office while debt ratios for FY2020 are based on the Ministry of Finance nominal GDP estimate associated with the FY2021 Budget.
- r Revised.
p Provisional.

TABLE 13A
PUBLIC SECTOR BORROWINGS UNDERTAKEN IN FY2019/20
/TT\$ MILLIONS/

Date	Borrower	Amount (\$Mn)	Type of Financing	Purpose of Financing	Borrowing Act Utilised
01-Oct-19	NIPDEC	500.0	Domestic	Financing for P.U.R.E.	Guarantee of Loans (Companies Act)
30-Oct-19	Central Government	500.0	Domestic	Budget Support	Development Loans Act
05-Nov-19	UDeCOTT	500.0	Domestic	Payment of Financial Obligations	Guarantee of Loans (Companies Act)
05-Nov-19	RDC	100.0	Domestic	General Corporate Expenses	Guarantee of Loans (Companies Act)
12-Nov-19	Central Government	105.0	Domestic	Budget Support	Treasury Bills Act
13-Nov-19	PETROTRIN	677.3 (US\$100.0)	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
15-Nov-19	Central Government	394.5 (US\$58.4)	External	Acquisition of Incat Ferry to Service to Inter-Island Sea Bridge	External Loans Act
15-Nov-19	Central Government	386.4 US\$57.2	External	Acquisition of Austal Ferry to Service to Inter-Island Sea Bridge	External Loans Act
15-Nov-19	EXIMTT	67.6 (US\$10.0)	External	Debt Refinancing	Guarantee of Loans (Companies Act)
15-Nov-19	EXIMTT	67.6 (US\$10.0)	External	Debt Refinancing	Guarantee of Loans (Companies Act)
15-Nov-19	EXIMTT	67.6 (US\$10.0)	External	Trade Support	Guarantee of Loans (Companies Act)
22-Nov-19	PETROTRIN	168.9 (US\$25.0)	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
26-Nov-19	Central Government	1600.0	Domestic	Budget Support	Development Loans Act
02-Dec-19	Central Government	1200.0	Domestic	Debt Repayment	Development Loans Act
04-Dec-19	Central Government	515.0	Domestic	Budget Support	Treasury Bills Act
06-Dec-19	Central Government	515.0	Domestic	Budget Support	Treasury Bills Act
12-Dec-19	NMTS	400.0	Domestic	Operating Expenses	Guarantee of Loans (Companies Act)
12-Dec-19	Central Government	400.0	Domestic	Debt Repayment	Development Loans Act
16-Dec-19	Central Government	712.9 (RMB 688.3)	External	Phoenix Park Industrial Park Project of Trinidad and Tobago	External Loans Act
17-Dec-19	WASA	33.7 (US\$5.0)	Domestic	Payments to DESALCOTT	Guarantee of Loans (Statutory Authorities Act)
10-Jan-20	NIDCO	110.0	Domestic	Payment to Property Owners in Relation to ANR Robinson Airport	Guarantee of Loans (Companies Act)
15-Jan-20	NIDCO	75.0	Domestic	Construction of San Fernando Magistrate Court	Guarantee of Loans (Companies Act)
15-Jan-20	WASA	675.9 (US\$100.0)	Domestic	Settlement of Outstanding Obligations to DESALCOTT	Guarantee of Loans (Statutory Authorities Act)
20-Jan-20	NIDCO	300.0	Domestic	Payment to Property Owners in Relation to ANR Robinson Airport	Guarantee of Loans (Companies Act)

TABLE 13A continued
PUBLIC SECTOR BORROWINGS UNDERTAKEN IN FY2019/20
/TT\$ MILLIONS/

Date	Borrower	Amount (\$Mn)	Type of Financing	Purpose of Financing	Borrowing Act Utilised
18-Feb-20	Central Government	880.0	Domestic	Budget Support	Treasury Bills Act
20-Feb-20	Central Government	200.0	Domestic	Budget Support	Treasury Bills Act
27-Feb-20	Central Government	277.0	Domestic	Budget Support	Treasury Bills Act
06-Mar-20	Central Government	204.0	Domestic	Budget Support	Treasury Bills Act
16-Mar-20	Central Government	1500.0	Domestic	Budget Support	Development Loans Act
21-Mar-20	UDeCOTT	83.7 (US\$12.4)	Domestic	Redevelopment of POS General Hospital	Guarantee of Loans (Companies Act)
21-Mar-20	UDeCOTT	70.4	Domestic	Redevelopment of POS General Hospital	Guarantee of Loans (Companies Act)
31-Mar-20	Central Government	750.0	Domestic	Budget Support	Development Loans Act
01-Apr-20	NIPDEC	671.3	Domestic	Procurement and Storage of Pharmaceutical Products	Guarantee of Loans (Companies Act)
09-Apr-20	Central Government	618.1 (US\$91.5)	External	Acquisition of Two (2) Cape Class Patrol Boats	External Loans Act
15-Apr-20	Central Government	800.3 (EUR 106.1)	External	Construction of the New Sangre Grande Hospital	External Loans Act
20-Apr-20	UDeCOTT	37.7	Domestic	"Outfitting of International Waterfront Complex to Accommodate Civil Court"	Guarantee of Loans (Companies Act)
24-Apr-20	Central Government	693.2 (US\$102.4)	Domestic	Repayment of External Bond (JPY 11 Billion 3,75% Notes)	Development Loans Act
30-Apr-20	PETROTRIN	168.1 (US\$25.0)	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
05-May-20	Central Government	1,338.6 (US\$200.0)	External	Development of Air and Sea Transport and Tourism Infrastructure	CAF Act
11-May-20	Central Government	1700.0	Domestic	Debt Refinancing	Development Loans Act
15-May-20	Central Government	1000.0	Domestic	Settlement of VAT Refunds	VAT Act
19-May-20	HDC	650.0	Domestic	Debt Repayment	Guarantee of Loans (Statutory Authorities Act)
29-May-20	Central Government	100.0	Domestic	Budget Financing	Treasury Bills Act
03-Jun-20	NMTS	300.0	Domestic	Operating Expenses	Guarantee of Loans (Companies Act)
22-Jun-20	Central Government	3,382.3 (US\$500.0)	External	Budget Financing	External Loans Act
24-Jun-20	CAL	444.4 (US\$65.6)	Domestic	Fund Working Capital Due to COVID-19 Pandemic	Guarantee of Loans (Companies Act)
25-Jun-20	Central Government	677.5 (US\$100.0)	External	"Financial Support for Economic Impact and Fiscal Pressures Related to COVID-19"	CAF Act
26-Jun-20	Central Government	268.9	Domestic	SME Loan Guarantee Programme (COVID-19 Support)	Development Loans Act
29-Jun-20	Central Government	600.0	Domestic	Debt Refinancing	Development Loans Act

TABLE 13A continued
PUBLIC SECTOR BORROWINGS UNDERTAKEN IN FY2019/20
/TT\$ MILLIONS/

Date	Borrower	Amount (\$Mn)	Type of Financing	Purpose of Financing	Borrowing Act Utilised
03-Jul-20	WASA	125.0	Domestic	Meet Liabilities and Commitments	Guarantee of Loans (Statutory Authorities Act)
15-Jul-20	Central Government	2000.0	Domestic	Settlement of VAT Refunds	VAT Act
16-Jul-20	NMTS	200.0	Domestic	Obligations to Contractors and School Repairs	Guarantee of Loans (Companies Act)
31-Jul-20	NCC	100.0	Domestic	Support to Creative Industry and Settlement to Trade Creditors	Guarantee of Loans (Companies Act)
03-Aug-20	Central Government	674.1 (US\$100.0)	External	"Programme to Strengthen Fiscal Policy and Management in Response to COVID-19"	IADB Act
03-Aug-20	EMBD	90.0	Domestic	Settlement of Judgement Debt	Guarantee of Loans (Companies Act)
03-Aug-20	WASA	192.2	Domestic	Operating Expenses	Guarantee of Loans (Statutory Authorities Act)
11-Aug-20	PETROTRIN	169.2 (US\$25.0)	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
14-Aug-20	EMBD	124.7	Domestic	Settlement of Judgement Debt	Guarantee of Loans (Companies Act)
21-Nov-20	NMTS	400.0	Domestic	Construction and Outfitting of Primary Schools	Guarantee of Loans (Companies Act)
24-Aug-20	Central Government	338.5 (US\$50.0)	External	COVID-19 Health Support	CAF Act

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

TABLE 13B
IMPACT OF FY2019/20 BORROWINGS ON BORROWING LIMITS

Borrowing Act	Borrowing Limit (TT\$Mn)	Outstanding Debt FY2019 (TT\$Mn)	Outstanding Debt FY2020 (TT\$Mn)	Remaining Headroom as at 30-Sep20 (TT\$Mn)
Development Loans Act	55,000.0	41,253.0	45,489.0	9,511.0
External Loans Act	30,000.0	16,874.1	19,133.6	10,866.4
Guarantee of Loans (Companies) Act	45,000.0	20,418.8	22,745.7	22,254.3
Guarantee of Loans (Statutory Authorities) Act	No Limit	9,479.3	10,480.8	No Limit
IADB Act	No Limit	4,625.3	5,153.6	No Limit
IBRD Act	No Limit	0.0	0.0	No Limit
CDB Act	No Limit	206.3	173.1	No Limit
CAF Act	No Limit	4,638.1	7,138.3	No Limit
Treasury Bills Act	30,000.0	17,401.5	16,115.0	13,885.0
Treasury Notes Act	15,000.0	1,432.0	2,132.0	12,868.0
Treasury Bonds Act	No Limit	2,309.3	1,459.3	No Limit
Purchase of Certain Rights and Validation Act (CLICO)	10,700.0	2,006.5	1,533.8	None*
Purchase of Certain Rights and Validation Act (HCU)	400.0	254.8	236.2	None*
VAT Act	6,000.0	0.0	3,000.0	3,000.0

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

* Debt incurred under this Act represents one-off financing made by the Central Government towards CLICO and HCU policyholders.

CHAPTER SIX – MONETARY AND FINANCIAL DEVELOPMENTS

MONETARY POLICY

In 2020, monetary policy was largely focused on supporting the economy through the economic fall-out from the COVID-19 pandemic. As the effects of the pandemic unfolded domestically, the MPC responded accordingly. In an emergency meeting on March 17, 2020, the MPC lowered the Repo rate by 150 basis points to 3.50 per cent and the primary reserve requirement on commercial bank deposits by 300 basis points to 14.0 per cent. These actions led to an increase in the amount of liquidity in the system and facilitated lower interest rates. Consistent with the MPC stance, the Bank allowed maturing open market operations (OMOs) to add to the system liquidity from March to September.

Commensurate with the actions taken by the Central Bank to buffer the economic impact of the COVID-19 pandemic, liquidity levels in the domestic banking system increased significantly during 2020. Commercial banks' holdings of excess reserves rose to a monthly average of \$9,335.8 million from \$4,005.6 million in 2019. Net domestic fiscal injections (NDFIs), usually considered the main driver of liquidity, amounted to a net injection of \$10,933.9 million in 2020, an increase over the \$3,363.3 million in injections over 2019. In addition, although not a liquidity absorption tool, Central Bank sales of foreign exchange to authorised dealers indirectly removed \$8,641.9 million from the system in 2020. Meanwhile, injections of OMOs fell to \$2,535.0 million during 2020, compared to \$11,181.4 million in 2019, on account of significant net OMO withdrawals (\$5,774.0 million) in January and February. However, since the onset of the COVID-19 pandemic in March 2020, net injections of \$8,309.0 million have been allowed. Overall, the significantly higher level of excess liquidity brought down activity on the interbank market. Interbank activity averaged \$13.7 million daily in 2020, compared with a daily average of \$108.0 million in 2019. The repurchase facility was not accessed over 2020.

The TT-US short term interest rate differential improved over 2020. The TT 91-day OMO Treasury Bill rate decreased by 100 basis points during 2020, settling at 0.08 per cent as at the end of December 2020, following the elevated level of liquidity provision to the banking system to address

the fallout from the pandemic. Uncertainty in the global economy related to COVID-19, and a highly accommodative policy response by the US Federal Reserve, resulted in decreased yields on US short-term instruments. The yield on the US 91-day short-term benchmark lost 146 basis points during the year to reach 0.09 per cent by the end of December. As a result, the TT-US 91-day differential improved to -1 basis points in December 2020 compared with -47 basis points in December 2019.

The commercial banks' weighted average lending rate (WALR) reached 7.29 per cent in December 2020, 43 basis points lower than in December 2019. The decline in the WALR reflected competition among commercial banks for loan business and the effect of an increase in system liquidity. The weighted average deposit rate decreased by 7 basis points to 0.60 per cent over the same period. As a result, the banking interest rate spread decreased by 37 basis points over the period December 2019 to December 2020, to reach 6.68 per cent. Similarly, the weighted average interest rate on outstanding mortgage loans decreased to 5.56 per cent by December 2020, reflecting a 28 basis point decline since December 2019. The median prime lending rate of commercial banks remained fixed at 7.50 per cent since March 2020, when it declined from 9.25 per cent in February, after the measures to address COVID-19 were implemented.

Private sector credit granted by the consolidated system declined by 0.9 per cent in December 2020 compared to growth of 4.6 per cent one year earlier. While real estate lending remained positive throughout 2020, weak business and consumer lending dragged overall credit growth downwards.

Business lending declined by 5.2 per cent by December 2020. This compounded the downward trend of decline in consolidated business lending which has occurred since January 2019. Disaggregated data showed an increase of 2.0 per cent year-on-year in lending to the Finance, Insurance and Real Estate sector by September 2020, due in part to large increases in lending to Life and Non-Life Insurance in December 2020. On the other hand, declines in lending to the Distribution sector which commenced in March 2020 continued on account of the COVID-19 pandemic (5.0 per cent in December 2020).

Consumer credit declined in December after remaining positive up until September 2020.

Lending to consumers declined by 2.3 per cent in December 2020, much lower than the 6.1 per cent growth recorded a year prior. Lending for debt consolidation and refinancing continued to drive consumer credit, registering year-on-year expansions of 2.9 per cent and 6.7 per cent, respectively, by December 2020. Motor vehicle loans, another major lending category, declined by December 2020 (0.6 per cent) compared to 2.5 per cent in December 2019. Further disaggregation of this category showed lending for used cars was healthy but decelerated over the year, reaching 7.4 per cent in December 2020 compared to 15.5 per cent one year earlier, while loans for new motor vehicles were lethargic, declining by 2.0 per cent. Meanwhile, credit card loans declined by 2.5 per cent in December 2020.

Real estate mortgage lending grew in 2020, albeit at a slower pace when compared to 2019.

Real estate mortgage lending grew by 4.2 per cent in December 2020 compared to 12.5 per cent one year earlier. Residential real estate mortgages for existing homes grew 6.2 per cent, while loans for new houses and renovation expanded by 5.4 per cent and 1.1 per cent, respectively in December 2020. On the other hand, lending for the purchase of land declined by 1.6 per cent in December 2020.

Data to December 2020 indicated that currency in active circulation was boosted due to the base effect of the demonetisation of the TT\$100 cotton note, registering growth of 53.0 per cent year-on-year. On the other hand, there was a significant increase in demand deposits (17.1 per cent year-on-year) which remained positive since December 2019. M1-A increased by 21.1 per cent year-on-year as demand deposits increased. Growth in M2 was also significant in December 2020 (10.9 per cent year-on-year) and can be attributed to a 5.2 per cent expansion in saving deposits.

FOREIGN EXCHANGE MARKET

The market for foreign exchange remained tight throughout 2020. Declines were recorded in both authorised dealers' purchases from the public (23.0 per cent) and their sales to the public (24.2 per cent). Purchases of foreign exchange from the public by authorised dealers over US\$20,000 reached US\$3,298.2 million in 2020. Approximately 62.0 per cent of purchases originated from the energy sector, which remains the main source of supply to the market. However, declining energy sector performance over 2020 resulted in a 30.1 per cent decrease in inflows relative to 2019.

Sales of foreign exchange to the public by authorised dealers over US\$20,000 amounted to US\$4,501.1 million in 2020.

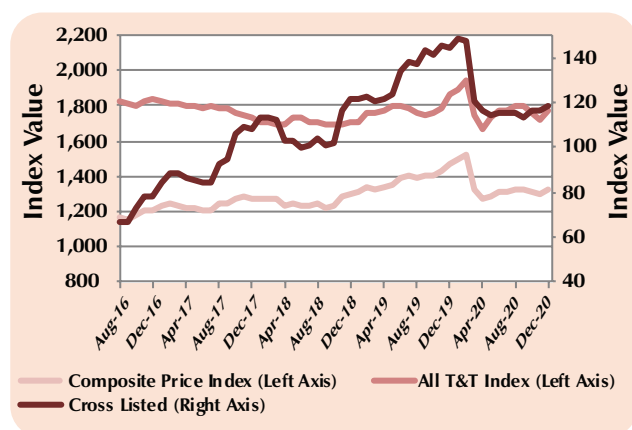
While credit cards absorbed the largest share of all sales (31.0 per cent), retail and distribution (26.0 per cent), energy companies (9.7 per cent), manufacturing (9.3 per cent), and automobile companies (6.2 per cent) made up the bulk of the remainder of foreign exchange sales, by authorised dealers to the public over US\$20,000. The Central Bank's support to the market amounted to US\$1,292.2 million in 2020, almost proportional to the net sales gap of \$1,206.0 million realised in 2019. The weighted average TTD/USD selling rate appreciated slightly from TT\$6.7791/US\$1 in December 2019 to TT\$6.7819/US\$1 in December 2020.

CHAPTER SEVEN – CAPITAL MARKETS

STOCK MARKET

Following a positive performance in 2019, the domestic stock market exhibited a substantial decline in 2020, largely stemming from the COVID-19 shock (Figure 1). In March 2020, as the potential for the virus to significantly disrupt domestic economic conditions became evident, a significant sell-off of stock occurred as investors attempted to reduce their equity exposure. This market shock resulted in the major Composite Price Index (CPI) declining by 16.5 per cent, representing a fall in stock market capitalisation of \$24.4 billion to \$123.8 billion over the two-month period ending April 2020. Over the remainder of the year, the market observed some recovery. However, overall, for the year 2020, the CPI declined by 9.9 per cent, driven by declines in both the All T&T Index (ATI) (-5.2 per cent) and the Cross Listed Index (CLI) (-18.4 per cent). The market capitalisation of the Trinidad and Tobago Stock Market fell by 9.8 per cent over 2020 and ended the year at \$129.4 billion. A similar large decline was observed in the regional stock markets as the Jamaican stock index (JSE) and the Barbados stock exchange (BSE) fell by 22.4 per cent and 17.8 per cent, respectively.

FIGURE 1
TRINIDAD AND TOBAGO
STOCK INDEX RETURNS



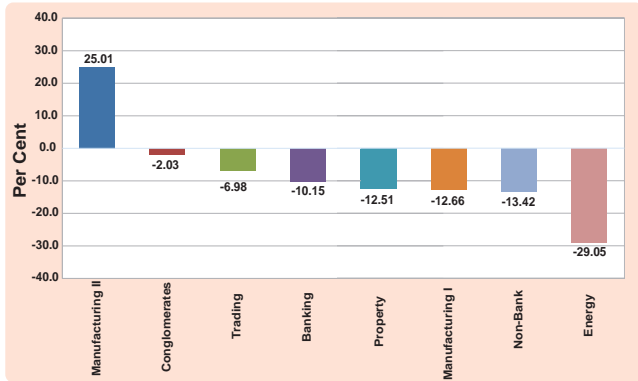
Source: Trinidad and Tobago Stock Exchange

Mirroring the deterioration in market conditions, most sub-indices declined over 2020 (Figures 2 and 3). The only sub-index to record positive movements was Manufacturing II (25.0 per cent) as Trinidad Cement Limited (TCL) experienced

improved sales largely from Jamaica and Barbados, in addition to benefiting from a reduction in financial expenses due to lower debt levels and the cessation of operations from a less financially viable subsidiary. All other sub-indices recorded declines over the year: Conglomerates (-2.0 per cent), Trading (-7.0 per cent), Banking (-10.1 per cent), Property (-12.5 per cent), Manufacturing I (-12.7 per cent), Non-Banking Finance (-13.4 per cent) and Energy (-29.0 per cent). In particular, the decline in the Energy sub-index was a result of a fall in the stock price of Trinidad and Tobago NGL Limited (TTNGL), triggered by the adverse effects of the pandemic on the Mont Belvieu commodity price and production disruptions which affected feedstock supplies to Phoenix Park Gas Processors Limited. In terms of the top performing stock, National Flour Mills (NFM) expanded by 59.3 per cent, driven by higher sales and gross profits, in addition to a decline in operational costs. Despite the strong performance of the NFM stock price, the Manufacturing I sub-index declined over the year. This was primarily due to Guardian Media Limited (-54.4 per cent) and One Caribbean Media (-43.1 per cent) which was impacted by business closures and reduced advertising expenditure by local businesses as a result of the pandemic.

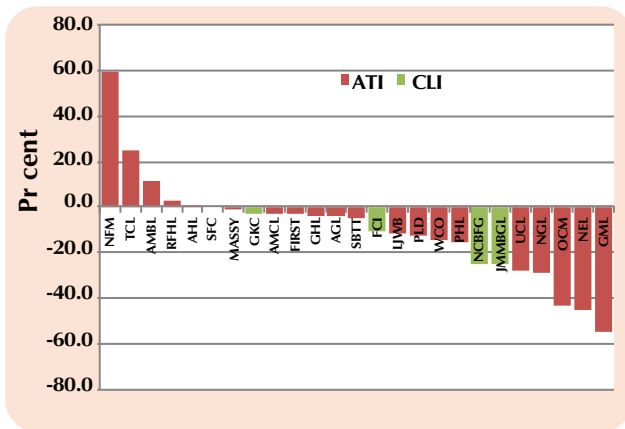
Despite the volatility observed in early 2020, trading activity remained relatively subdued over the year. During 2020, the market observed 61.25 million shares being exchanged at a value of \$1,042.9 million. In comparison, trading volume over the same period in 2019 was 76.9 million shares at a total value of \$1,102.3 million. In 2020, the market trading volume was dominated by the Non-Banking Finance sub-index, which accounted for 33.0 per cent (20.2 million shares) of the total share traded. However, trading value was commanded by the Banking sub-index at 46.1 per cent or \$480.4 million.

FIGURE 2
TRINIDAD AND TOBAGO
STOCK MARKET SUB-INDEX RETURNS
DECEMBER 2019 TO DECEMBER 2020



Source: Trinidad and Tobago Stock Exchange

FIGURE 3
TRINIDAD AND TOBAGO INDIVIDUAL
STOCK RETURNS
DECEMBER 2019 TO DECEMBER 2020

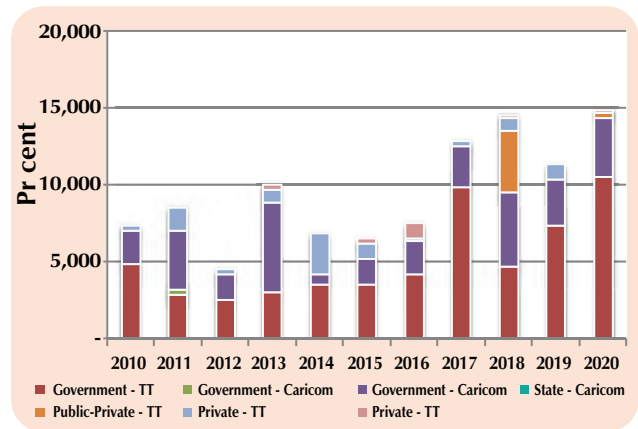


Source: Trinidad and Tobago Stock Exchange

PRIMARY DEBT MARKET

Provisional information suggests that activity on the primary debt market in 2020 was higher when compared to 2019 (Figure 4 and Table 14). Over the year, the market issued 22 bonds at a face value of \$14,828.0 million. The Central Government was the primary borrower, issuing nine securities at \$10,512.0 million for the purpose of budgetary support, the settlement of VAT refunds, loan guarantee support for **Small and Medium Enterprises** (SME), and the refinancing of maturing issues. State Enterprises issued 10 bonds over the year, raising \$3,850.9 million, while two private sector entities, one domestic and one regional, borrowed \$185.0 million. Additionally, another private sector entity raised \$280.0 million for the purpose of a public-private contractual agreement for construction of the Ministry of Health’s headquarters in Port-of-Spain. In comparison, private placements in 2019 totaled 17, with a face value of \$11,300.7 million.

FIGURE 4
ANNUAL PRIMARY DEBT SECURITY ACTIVITY
(2010 - 2020^p)



Source: Central Bank of Trinidad and Tobago
p Provisional.

TABLE 14
PRIMARY DEBT SECURITY ACTIVITY
JANUARY - DECEMBER 2020^p

Period Issued	Borrower	Face Value (TT\$ Mn)	Period to Maturity	Coupon Rate Per Annum	Placement Type
Jan-20	Trinidad Commercial Development Company Limited	30.00	5.0 years	Fixed rate 5.75%	Private
Feb-20	Water and Sewerage Authority of Trinidad and Tobago (WASA)	675.4 (US\$100.0Mn)	14.0 years	Fixed rate 5.60%	Private
	First Citizens Investment Services Limited (FCIS)	200.00	3.0 years	Fixed rate 3.30%	Private
	Telecommunication Services of Trinidad and Tobago Limited (TSTT) (TR1)	59.28	0.9 years	Fixed rate 5.213%	Private
Mar-20	Telecommunication Services of Trinidad and Tobago Limited (TSTT) (TR2)	40.716	0.8 years	Fixed rate 5.213%	Private
	Central Government of Trinidad and Tobago	1,500.00	20.0 years	Fixed rate 5.74%	Private
	First Citizens Bank	623.4 (US\$92.36Mn)	5.0 years	Fixed rate 4.25%	Private
	Central Government of Trinidad and Tobago	750.00	3.0 years	Fixed rate 3.30%	Private
Apr-20	Central Government of Trinidad and Tobago	693.1 (US\$102.39Mn)	3.0 years	Fixed rate 6.30%	Private
May-20	Portland (Barbados) Ltd	155.0 (US\$23.0Mn)	2.0 years	Fixed rate 7.50%	Private
	Central Government of Trinidad and Tobago (Tranche A)	1,300.00	1.0 year	Fixed rate 2.50%	Private
	Central Government of Trinidad and Tobago (Tranche B)	400.00	15.0 years	Fixed rate 5.65%	Private
	Central Government of Trinidad and Tobago (VAT Bond - Tranche A)	1,000.00	3.0 years	Fixed rate 3.30%	Private
	Trinidad and Tobago Housing Development Corporation (HDC)	650.00	10.0 years	Variable rate; 5.832%	Private

TABLE 14 continued
PRIMARY DEBT SECURITY ACTIVITY
JANUARY - DECEMBER 2020^P

Period Issued	Borrower	Face Value (TT\$ Mn)	Period to Maturity	Coupon Rate Per Annum	Placement Type
Jun-20	National Maintenance Training and Security Company Limited (NMTSC)	300.00	9.0 years	Fixed rate 5.20%	Private
	Central Government of Trinidad and Tobago	268.88	5.0 years	Fixed rate 3.85%	Private
	Central Government of Trinidad and Tobago	600.00	12.0 years	Fixed rate 5.50%	Private
Jul-20	Central Government of Trinidad and Tobago (VAT Bond - Tranche B)	2000	3.0 years	Fixed rate 3.30%	Private
Sep-20	First Citizens Investment Services Limited (FCIS)	169.07 (US\$25.0Mn)	1.0 year	Fixed rate 2.15%	Private
Oct-20	Central Government of Trinidad and Tobago	1,000.00	16.0 years	Fixed rate 5.65%	Private
	Water and Sewerage Authority of Trinidad and Tobago (WASA) - Tranche 1	200.00	8.0 years	Fixed rate 5.00%	Private
	Water and Sewerage Authority of Trinidad and Tobago (WASA) - Tranche 2	220.00	21.0 years	Fixed rate 7.50%	Private
	The Urban Development Corporation of Trinidad and Tobago (UDECOTT)	213.00	2.0 years	Fixed rate 3.31%	Private
Nov-20	Asclepius Holdings Limited Central Government of Trinidad and Tobago	280.00	17.08 years	Fixed rate 7.325%	Private
	Central Government of Trinidad and Tobago	1,000.00	20.0 years	Fixed rate 5.45%	Private
	Trinidad and Tobago Mortgage Finance Company Limited (TTFM) (TR1)				
	Trinidad and Tobago Mortgage Finance Company Limited (TTFM) (TR2)				
	Trinidad and Tobago Mortgage Finance Company Limited (TTFM) (TR3)				

TABLE 14 continued
 PRIMARY DEBT SECURITY ACTIVITY
 JANUARY - DECEMBER 2020^p

Period Issued	Borrower	Face Value (TT\$ Mn)	Period to Maturity	Coupon Rate Per Annum	Placement Type
Dec-20	Central Government of Trinidad and Tobago	1,200.0	25.0 years	Fixed rate 6.60%	Private
	Central Government of Trinidad and Tobago	676.8 (US\$100.0Mn)	4.0 years	Fixed rate 3.75%	Private

Source: Central Bank of Trinidad and Tobago
 p Provisional.

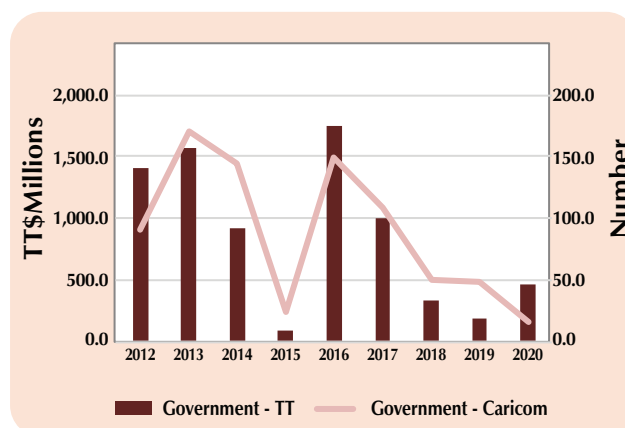
CENTRAL GOVERNMENT SECONDARY BOND MARKET, YIELD CURVE²⁹ AND BOND INDEX

Despite recording fewer trades, activity on the secondary Government bond market during 2020 was stronger in terms of face value (Figure 5). Following somewhat muted activity during the first half of the year (a total of three trades), activity on the secondary Government bond market picked up substantially over the second half of 2020. Overall, the market recorded 22 trades with a total face value traded of \$448.7 million. In comparison, during 2019, market trades totaled 55 and the face value traded was \$182.0 million.

Conversely, activity on the secondary corporate bond market³⁰ during 2020 was higher in terms of trades, but lower in face value traded. Over the year, the secondary corporate bond market recorded 131 trades at a total face value of \$14.8 million. In comparison, during 2019, the market observed 118 trades at a total face value of \$21.98 million.

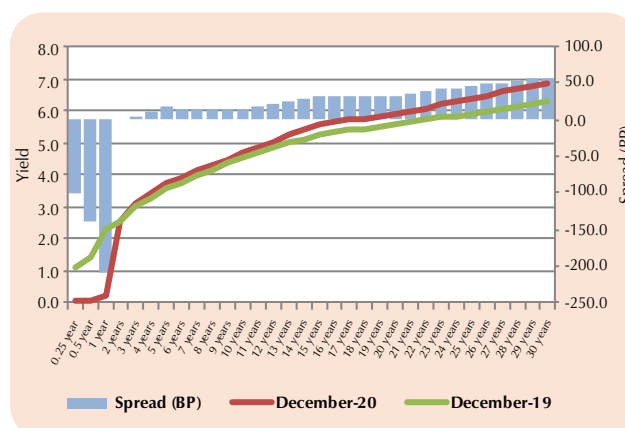
The Government sector yield curve generally exhibited a steepening trend over 2020 (Figure 6). Over the year, the short term 3-month rate declined by 100 basis points to 0.08 per cent, the 6-month rate fell by 137 basis points to 0.10 per cent, and the 1-year rate plummeted by 207 basis points to 0.22 per cent. The declining trend in short-term rates was due to the elevated excess liquidity conditions which gave rise to substantial demand for Treasury securities, placing downward pressures on short-term Treasury rates. Conversely, the longer-term rates on the curve trended up over the period. The benchmark 10-year rate increased by 14 basis points to 4.68 per cent, while the 15-year rate jumped by 32 basis points to 5.59 per cent in 2020. The increase in medium- to long-term yields suggests that despite the elevated liquidity conditions and an accommodative monetary policy position, investors are placing higher risk and term premiums on long-term government securities due to the government's increasing financing requirements. This was reflected in the Central Government bond price index which declined by 1.5 per cent over the year. The lower bond prices would also cause bond holders and portfolio managers to rebalance portfolios, reflected in the pick-up in secondary market activity over the second half of 2020.

FIGURE 5
ANNUAL SECONDARY GOVERNMENT DEBT SECURITY ACTIVITY



Source: Central Bank of Trinidad and Tobago

FIGURE 6
TRINIDAD AND TOBAGO GOVERNMENT YIELD CURVE



Source: Central Bank of Trinidad and Tobago

²⁹ The TT Treasury Yield curve was launched in September 2014 by the Central Bank. The curve is based on data from the Reserves and Domestic Market Management Department, contributor market reads, and the Stock Exchange Secondary Government bond market. The curve is intended for use as a benchmark for government securities.

³⁰ The secondary corporate bond market records the trading activity of the three bonds issued by the National Investment Fund Holding Company Limited (NIFHCL), which were listed in September 2018.

MUTUAL FUNDS INDUSTRY

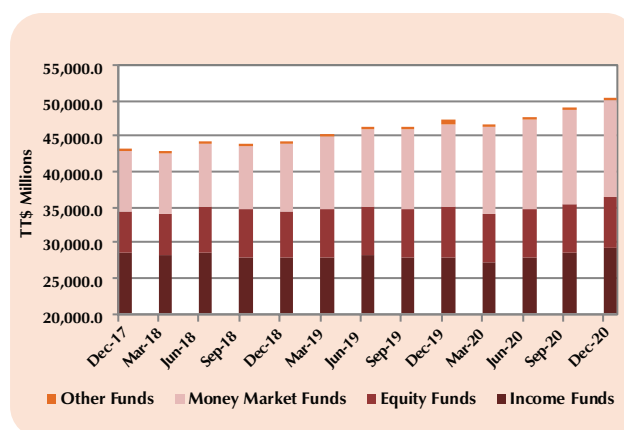
Despite the volatility in the local and international capital markets during the first quarter of the year, the domestic mutual fund industry grew in 2020 (Figure 7). Aggregate funds under management³¹ improved by 7.1 per cent to \$50,488.8 million in 2020, compared to a 6.6 per cent increase in 2019. The growth of the industry was supported primarily by a 16.1 per cent growth in Money Market funds to end the period at \$13,655.4 million. Similarly, Income funds, the largest component, grew by 3.9 per cent to \$29,064.7 million, while Equity funds increased by 4.8 per cent to \$7,354.1 million. Finally, funds classified as ‘Other’³² registered a 5.9 per cent increase to \$414.6 million.

In terms of different types of fund pricing, the fixed Net Asset Value (NAV) funds increased by 9.5 per cent to \$36,762.6 million, while floating NAV funds gained just 1.2 per cent to \$13,726.2 million. The jump in fixed NAV funds is reflective of increased investor demand for principal investment guarantees. Additionally, in terms of currency composition, TT dollar denominated mutual funds observed an 8.2 per cent growth to \$41,373.4 million while foreign currency denominated funds gained 2.3 per cent to \$9,115.4 million.

The recovery and growth of the mutual funds industry was supported by net sales of \$2,555.8 million, comprising \$16,471.6 million in sales and \$13,915.8 million in redemptions. In comparison, over 2019 net sales amounted to \$1,348.4 million. During 2020, net sales were observed in all fund types: Money Market funds (\$1,856.4 million), Income funds (\$527.6 million), Equity funds (\$157.7 million) and “Other” funds (\$14.0 million). Furthermore, echoing the drive towards liquidity and price stability, fixed NAV funds observed \$2,991.8 million in net sales, while floating NAV funds witnessed \$436.1 million in net redemptions.

Collective Investment Scheme (CIS) data published by the Trinidad and Tobago Securities and Exchange Commission (TTSEC)³³ suggests that during 2020, the total value of Assets Under Management (AUM) for all registered funds recorded a 12.9 per cent growth to \$59,586.4 million. The industry growth was supported by net sales of \$2,891.9 million over the year, encompassing \$20,176.8 million in sales, and \$17,284.8 million in redemptions.

FIGURE 7
MUTUAL FUNDS – AGGREGATE FUND VALUE



Sources: Central Bank of Trinidad and Tobago and Trinidad and Tobago Securities and Exchange

³¹ 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 of Trinidad and Tobago, Republic Bank Limited and First Citizens Bank Limited.

³² Other funds represent high yield funds and special purpose funds.

³³ CIS data from the TTSEC captures 69 registered funds from 15 issuers.

CHAPTER EIGHT – INTERNATIONAL TRADE AND PAYMENTS

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

BALANCE OF PAYMENTS

Trinidad and Tobago's external accounts recorded an overall surplus of \$377.5 million (2.3 per cent of GDP) during the first nine months of 2020, a reversal from the deficit of \$676.1 million (3.9 per cent of GDP) over the same period in 2019 (Table 15A and Appendix Table A.33 (A)). At the end of September 2020, Trinidad and Tobago's stock of gross official reserves amounted to \$7,306.4 million, equivalent to 8.7 months of prospective imports of goods and services. The current account surplus narrowed during the January to September 2020 period mainly due to a fall-off in export earnings, particularly energy exports. Meanwhile, the financial account recorded a net inflow, primarily on account of transactions in the other and portfolio investment categories.

The COVID-19 pandemic and ensuing domestic containment measures hampered Trinidad and Tobago's international trade during 2020. The narrowed current account surplus during the first nine months of 2020 was underpinned by a sharp decline in exports, which overshadowed the reduction in imports. Export earnings were estimated to have deteriorated by more than one-third of its value (36.1 per cent) over the period, primarily due to a fall-off in energy exports. Year-on-year declines were reported across all energy commodities over the first nine months of 2020, of which the largest were: methanol (50.0 per cent), liquefied natural gas (48.6 per cent) and crude oil (39.8 per cent). The loss of receipts from energy exports corresponded to suppressed international energy prices³⁴ and reduced domestic energy production volumes³⁵. On the non-energy side, reductions in the categories of manufactured goods, machinery and transport equipment, and beverages and tobacco contributed to the decline in non-energy exports. Moreover, the downturn in overall export performance primarily reflected the adverse effects of COVID-19 on global market conditions, coupled with weakened domestic production as businesses adhered to lockdown measures

implemented by the Government during the second quarter of 2020. Meanwhile, imports contracted by an estimated 21.7 per cent year-on-year over the first nine months of 2020, largely on account of decreased domestic demand for non-energy products, particularly for capital goods and inedible crude materials, as the uncertainty surrounding the pandemic dampened investment and consumer activities. This was further compounded by lower demand for fuel by the domestic economy over the reference period.

The deficit on the services account narrowed to \$725.0 million (4.4 per cent of GDP) in the first nine months of 2020, compared to \$808.5 million (4.6 per cent of GDP) in the same period one year earlier. This improved outturn was underpinned by a smaller deficit on the Other Business Services sub-account as residents reduced imports of technical, trade-related and other business services. Meanwhile, the Transport Services sub-account also recorded a smaller deficit during the first nine months of 2020 reflecting a decline in the demand for foreign goods by residents that required sea and air transport. Although the Travel Services account recorded a surplus, it narrowed by more than half (58.1 per cent) over the reference period, when compared to the same period in 2019. This deterioration on the Travel account was a direct result of the fall-off in visitor arrivals and its associated expenditure, following the closure of the nation's borders in March 2020. In terms of the primary income account, lower repatriations of earnings abroad by foreign-owned energy companies were mainly responsible for the account moving to a surplus from a deficit in the previous year. Meanwhile, the secondary income account recorded a larger surplus mainly on account of a reduction in private transfers abroad owing to the downturn in domestic economic activity.

The financial account recorded a net inflow of \$157.4 million in the first nine months of 2020, a reversal from a net outflow of \$817.8 million registered over the same period one year earlier.

³⁴ Over the period January to September 2020. West Texas Intermediate crude oil fell to an average of US\$38.23 per barrel from an average of US\$57.04 per barrel when compared to the same period in 2019. Meanwhile, Henry Hub natural gas price declined to an average of US\$1.86 per mmbtu over the first nine months of 2020 from an average of US\$2.62 per mmbtu over the same period in 2019.

³⁵ Domestic energy sector activity declined as a result of the closure and suspension of several petrochemical plants. See Chapter Two - Domestic Economic Activity.

This outturn largely reflected movements in other and portfolio investment categories. More specifically, the increase in other³⁶ investment liabilities was driven by loans incurred by the Central Government as well as higher currency and deposit liabilities owed by residents. In particular, the rise in Central Government external borrowings was partly due to support measures aimed at mitigating the impact of COVID-19 on the domestic economy. At the same time, the decline in other investment assets was mainly attributable to a fall in trade credits and other accounts owed by non-residents. However, this decline was partially offset by increases in currency and deposits, and loan assets held abroad.

Financial flows in the portfolio investment account recorded a net inflow of \$243.6 million, primarily reflective of a fall in portfolio assets. Over the period under review, the reduction in portfolio assets stemmed from equity transactions as well as a decline in long-term debt securities (bonds and notes) held by domestic financial institutions. Meanwhile, the rise in portfolio liabilities was a result of an increase in long-term debt securities owed by the Central Government.

During the nine-month period January to September 2020, movements in direct investment assets and liabilities resulted in a net outflow of \$458.3 million. The decline recorded in direct investment liabilities (direct investment in Trinidad and Tobago by foreign investors) was due to negative reinvestment of earnings³⁷. These transactions occurred primarily within the energy sector. Meanwhile, direct investment assets increased owing to equity transactions by domestic financial institutions.

Trinidad and Tobago's gross official reserves amounted to \$6,953.8 million at the end of December 2020, \$24.8 million higher than the level recorded at the end of 2019. The improvement in the level of reserves was mainly attributable to inflows associated with drawdowns from the Heritage and Stabilisation Fund (HSF) and proceeds from Central Government external borrowings, which were measures taken to mitigate against the negative impacts of the COVID-19 pandemic on the domestic economy. More importantly, Trinidad and Tobago's gross official reserves remained above the traditional measures of adequacy over the course of 2020³⁸.

³⁶ Other investment comprises currency and deposits, loans, insurance, pension and standardised guarantee schemes, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

³⁷ Reinvested earnings may be negative due to losses by direct investment enterprises or if dividends payable in a period are larger than net earnings in that period.

³⁸ The traditional measures of reserve adequacy and its related benchmarks are: import cover (3.0 months); reserves to broad money (20.0 per cent); reserves to short-term external debt (1:1 ratio).

TABLE 15A
TRINIDAD AND TOBAGO: SUMMARY BALANCE OF PAYMENTS
/US\$MILLIONS/

	2016 ^r	2017 ^r	2018 ^p	2019 ^p	Jan-Sep 2019 ^p	Jan-Sep 2020 ^p
Current Account	-779.5	1,409.1	1,612.6	1,056.0	999.4	372.7
Goods and Services	-361.2	1,080.8	2,412.8	1,641.9	1,381.5	23.1
Goods, net*	1,415.7	3,193.0	4,124.2	2,730.6	2,190.0	748.1
Exports**	8,504.4	9,644.7	10,755.6	8,764.3	6,716.1	4,293.6
Energy	6,649.9	7,867.7	9,089.9	6,973.6	5,360.9	3,227.8
Non-Energy	1,854.5	1,777.0	1,665.7	1,790.7	1,355.2	1,065.8
Imports**	7,088.7	6,451.7	6,631.4	6,033.7	4,526.2	3,545.5
Fuels***	1,542.3	1,617.7	1,755.3	1,222.1	914.4	520.0
Other	5,546.4	4,834.0	4,876.1	4,811.7	3,611.8	3,025.5
Services, net	-1,776.9	-2,112.2	-1,711.3	-1,088.6	-808.5	-725.0
Primary Income, net	-428.2	48.9	-700.5	-607.8	-409.2	312.3
Secondary Income, net	10.0	279.5	-99.8	21.8	27.2	37.3
Capital Account	0.2	1.2	2.4	10.3	10.2	6.2
Financial Account	-1,386.8	449.6	174.6	574.7	817.8	-157.4
Direct Investment	-1.7	458.8	765.2	-69.8	-49.4	458.3
Net Acquisition of Financial Assets	-25.3	-12.0	65.0	114.2	92.8	129.5
Net Incurrence of Liabilities	-23.6	-470.9	-700.2	184.0	142.2	-328.9
Portfolio Investment	-1,402.8	373.1	418.1	1,453.9	1,381.1	-243.6
Net Acquisition of Financial Assets	-97.1	224.1	350.4	1,245.4	877.1	-141.9
Net Incurrence of Liabilities	1,305.7	-148.9	-67.7	-208.5	-504.0	101.6
Financial Derivatives	0.0	4.7	5.3	-0.2	-1.3	-8.7
Net Acquisition of Financial Assets	0.0	4.4	5.2	-0.4	-0.4	-8.9
Net Incurrence of Liabilities	0.0	-0.3	-0.2	-0.2	0.9	-0.2
Other Investment****	17.8	-386.9	-1,014.0	-809.1	-512.6	-363.4
Net Acquisition of Financial Assets	-93.8	163.1	-309.9	329.1	737.3	-169.1
Net Incurrence of Liabilities	-111.6	550.1	704.1	1,138.2	1,249.9	194.3
Net Errors and Omissions	-1,074.7	-2,056.7	-2,235.0	-1,137.7	-868.0	-158.7
Overall Balance	-467.2	-1,096.0	-794.7	-646.1	-676.1	377.5
(Per Cent of GDP)						
Current Account	-3.5	6.3	6.8	4.6	5.7	2.3
Goods, net	6.3	14.2	17.4	11.8	12.6	4.6
Exports	37.8	42.9	45.3	37.8	38.6	26.2
Imports	31.5	28.7	27.9	26.0	26.0	21.6
Services, net	-7.9	-9.4	-7.2	-4.7	-4.6	-4.4
Primary Income, net	-1.9	0.2	-3.0	-2.6	-2.4	1.9
Overall Balance	-2.1	-4.9	-3.3	-2.8	-3.9	2.3
Memorandum Items						
Gross Official Reserves ^	9,465.8	8,369.8	7,575.0	6,929.0	6,898.9	7,306.4
Import Cover (months) ^	10.5	9.7	8.0	7.7	7.7	8.7

Source: Central Bank of Trinidad and Tobago

TABLE 15A continued
 TRINIDAD AND TOBAGO: SUMMARY BALANCE OF PAYMENTS
 /US\$MILLIONS/

Notes:

1. Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for the first three quarters of 2020. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.
2. GDP prior to 2020 are sourced from the CSO and that for 2020 are Ministry of Finance estimates sourced from 2020/21 original budget.
3. 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 comprise estimates by the Central Bank of Trinidad and Tobago.

** Exports and imports are reported on a FOB (Free on Board) basis. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.

*** Includes petroleum, petroleum products and related materials.

**** Other investment comprises currency and deposits, loans, insurance, pension, and standardised guarantee schemes, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

^ End of Period.

r Revised.

p Provisional.

INTERNATIONAL INVESTMENT POSITION

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

The net international investment position (NIIP) was estimated at \$3,652.8 million as at the end of September 2020, a decline of \$561.9 million from the end of 2019 (Table 15B). The reduction was mainly driven by the decline in external assets coupled with an increase in external liabilities.

At the end of September 2020, the stock of external assets deteriorated by \$548.4 million to \$23,760.8 million, driven by declines in portfolio and other investment. More specifically, the fall-off in portfolio assets reflected reduced domestic holdings of foreign debt securities as well as equity securities primarily by domestic financial institutions. Concurrently, reductions in trade credits and other accounts owed by non-residents were largely responsible for the decline in other investment. However, reserve assets increased during the nine-month period, supported by inflows from Central Government external borrowings and drawdowns from the HSF.

On the other hand, Trinidad and Tobago's stock of external liabilities increased by \$13.5 million to \$20,107.9 million primarily due to other and portfolio investment. The expansion in the stock of other investment liabilities was on account of a rise in currency and deposits and other accounts owed to non-residents. Meanwhile, the increase in portfolio investment liabilities stemmed from an increase in debt securities owed by the Central Government to non-resident entities.

TABLE 15B
TRINIDAD AND TOBAGO: INTERNATIONAL INVESTMENT POSITION
(AT END OF PERIOD)
/US\$MILLIONS/

	2016 ^r	2017 ^r	2018 ^p	2019 ^p	Sep 2020 ^p
Net International Investment Position	4,967.1	4,658.7	3,685.3	4,214.7	3,652.8
Assets	24,481.6	24,171.9	22,853.8	24,309.1	23,760.8
Direct Investment	810.5	829.6	913.1	1,361.3	1,678.4
Portfolio Investment	9,382.6	10,007.1	9,692.0	11,075.1	9,990.3
Financial Derivatives	0.2	4.4	10.1	9.0	0.3
Other Investment*	4,822.5	4,961.0	4,663.5	4,934.9	4,785.2
Reserve Assets	9,465.8	8,369.8	7,575.0	6,929.0	7,306.4
Liabilities	19,514.5	19,513.2	19,168.4	20,094.4	20,107.9
Direct Investment	9,545.2	9,082.9	8,452.4	8,455.3	8,162.9
Portfolio Investment	4,291.6	4,132.4	4,064.1	3,861.0	3,983.1
Financial Derivatives	1.5	1.2	0.7	0.3	0.3
Other Investment*	5,676.2	6,296.6	6,651.1	7,777.8	7,961.6

Source: Central Bank of Trinidad and Tobago

Note: Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for the first three quarters of 2020. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.

* Other investment comprises currency and deposits, loans, insurance, pension, and standardised guarantee schemes, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

^r Revised.

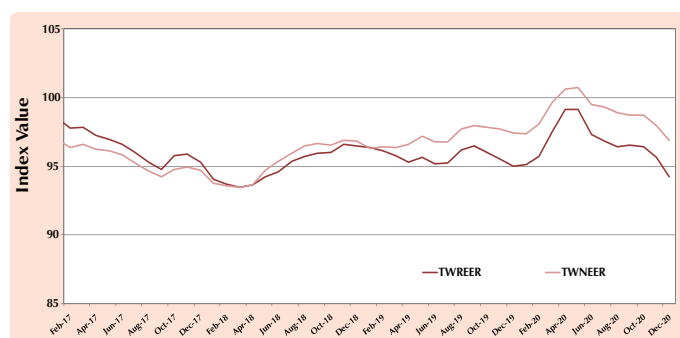
^p Provisional.

EFFECTIVE EXCHANGE RATES³⁹

Trinidad and Tobago's international price competitiveness, as measured by the trade weighted real effective exchange rate (TWREER), weakened by 1.0 per cent over 2020 (Figure 8).

Movement in the TWREER was mainly influenced by the exchange rate effect, which outweighed the inflation effect, when compared to the country's major trading partners. In particular, the loss of price competitiveness was reflective of the faster pace of depreciation of the currencies of Trinidad and Tobago's major trading partners, relative to the general stability of the domestic exchange rate over the 12 months to December 2020. However, this downturn was partially offset by lower domestic prices when compared to the country's major trading partners over the same period. Overall, this implies that Trinidad and Tobago's exports were more expensive in external markets.

FIGURE 8
TRADE WEIGHED REAL AND NOMINAL
EFFECTIVE EXCHANGE RATES
(2015=100)



Source: Central Bank of Trinidad and Tobago

³⁹ The Effective Exchange Rate Indices were rebased to 2015 from 2000 to reflect changes in trading patterns and partners between Trinidad and Tobago and the rest of the world. For further details on this exercise, please refer to the January 2020 Economic Bulletin.

CHAPTER NINE – INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

INTERNATIONAL ECONOMIC DEVELOPMENTS

In 2020, the emergence of COVID-19 created unprecedented shocks throughout the global economy⁴⁰ (See Box 1). The virus, which produced a localised disruption in China during early 2020, rapidly spread throughout the world triggering a pandemic and a major shock to economic and financial systems. To limit its spread, countries were forced to implement strict measures such as border and business closures. Swift policy actions by fiscal and monetary authorities reduced some contagion effects and protected the more economically vulnerable households and businesses.

Despite aggressive containment measures, the virus continued to evolve creating uncertainty regarding the future direction for economic growth. In light of this development, the IMF, in its January 2021 WEO Update, estimated that the global economy contracted by 3.5 per cent in 2020. However, a solid recovery of 5.5 per cent is anticipated for world growth in 2021. These forecasts represent an improved outlook when compared to the IMF's October 2020 WEO and hinges on the continued efficacy of economic and financial support policies, together with the expectations that the access to and distribution of vaccines will quickly return global economic activity to pre-pandemic levels.

ADVANCED ECONOMIES

Advanced economies registered weak growth in 2020 amid the economic fall-out associated with the COVID-19 pandemic. Over 2020, economic activity in the United States (US) contracted by 3.4 per cent year-on-year (Table 16), ending 10 consecutive years of positive economic growth. Public health measures implemented to limit the

spread of the virus, such as state-wide lockdowns, reductions in air and sea travel, and closure of schools and businesses, weighed heavily on economic activity. Consumer spending, a key metric of economic activity in the US, was thwarted by weak labour market conditions amid rising unemployment rates and low wage growth. In particular, unemployment rates in the US averaged 8.1 per cent in 2020, more than double the rate of 3.7 per cent recorded in the previous year. Inflation, as measured by the Core Personal Consumption Expenditure (PCE) price index, remained below the US Federal Reserve (the Fed) 2.0 per cent target rate. Due to the economic downturn, the Fed announced its commitment towards supportive monetary policy to achieve maximum employment, while also temporarily moving towards a flexible average inflation target of 2.0 per cent⁴¹. In March 2020, the Fed lowered its federal funds target range by 150 basis points to 0.00 to 0.25 per cent and maintained this range throughout the year. Additionally, the Fed implemented several policy initiatives to limit the economic fall-out stemming from the pandemic, including an economic stimulus package that provided US\$2.3 trillion in loans⁴² to specific states, households and businesses, as well as buying back Treasury and government-guaranteed mortgage-backed securities⁴³ (Quantitative Easing). Meanwhile, following the conclusion of the US 2020 Presidential Elections, Joseph Biden of the Democratic Party was declared the winner by a margin of 306 to 232⁴⁴ electoral votes.

The United Kingdom (UK) experienced a more severe economic contraction in 2020 than during the 2008/09 global financial crisis. In 2020, the UK economy shrank by 10.0 per cent, compared to growth of 1.4 per cent in the previous year (Table 16). This lackluster performance was evidenced by weak household consumption and declines in fixed and public investment. Reflective of subdued

⁴⁰ According to the WHO Weekly Epidemiological Report on COVID-19, as of December 27, 2020, there have been a cumulative 79.2 million cases and 1.7 million deaths world-wide, with the United States (328,014 deaths), Brazil (190,488 deaths) and India (147,622 deaths) representing the three leading countries in the number of deaths.

⁴¹ The Federal Open Market Committee (FOMC) seeks to achieve maximum employment and a 2.0 per cent inflation rate over the longer-run. With inflation persistently below this longer-run goal, the FOMC will aim to achieve inflation moderately above 2.0 per cent for some time so that inflation averages 2.0 per cent over time and longer-term inflation expectations remain well anchored at 2.0 per cent.

⁴² The Fed's injection of US\$2.3 trillion comprises: offerings of \$500.0 billion in loans to states and municipalities through the purchase of municipal bonds and the expansion of existing corporate lending program (the Term Asset-Backed Securities Lending Facility) to include more classes of low-rates and riskier debt; purchases of up to \$600.0 billion in loans through the Main Street program; financing of small banks through the Paycheck Protection Program of \$349 billion; the expansion of three existing credit facilities aimed at credit to households and businesses of \$850.0 billion.

⁴³ By the end of December 2020, the Fed's portfolio of securities held outright grew to US\$6.7 trillion from US\$3.9 trillion in mid-March 2020.

⁴⁴ At least 270 of 538 Electoral College votes are required to win the US Presidency.

economic activity, inflationary pressures remained well below the 2.0 per cent target over the year. Meanwhile, in line with market expectations, the Bank of England (BoE) lowered its official policy rate to 0.1 per cent in March 2020, its lowest ever level, where it remained through to December 2020. This was the first rate reduction since August 2018, as the BoE maintained its commitment towards aiding the economy in bridging the financial implications of the virus. Furthermore, the quantitative easing programme was increased by £450.0 billion since March 2020, which brought the stock of assets held in the Asset Purchase Facility to £895.0 billion (approximately US\$1,181.4 billion) at the end of 2020. In other developments, on December 24, 2020, following approximately five years of negotiations, the UK and the European Union (EU) reached a post-Brexit trade agreement which outlines the new social and economic partnership between both parties. Final details of the trade deal were concluded after nine rounds of negotiations in 2020, which centered on: trade in goods and services; transport; security and law enforcement; energy and civil nuclear cooperation; governance; and future participation in EU programmes.

Economic activity in the Euro Area deteriorated amid ongoing constraints to household consumption and investment activity. Real GDP within the trading bloc contracted by 7.2 per cent year-on-year in 2020 (Table 16), with two of the largest member economies, Germany and France, recording steep declines of 5.4 per cent and 9.0 per cent, respectively. Meanwhile, weak price pressures in particular sectors, such as energy and services, manifested in a period of deflation⁴⁵ which contributed towards an overall subdued inflation outcome over 2020 for the Euro Area. The European Central Bank (ECB) kept its benchmark interest rate on the main refinancing operations unchanged at 0.0 per cent throughout 2020 and expects interest

rates to remain at present levels until inflation converges sufficiently close to the 2.0 per cent target. Furthermore, the ECB introduced a temporary asset purchase programme, the Pandemic Emergency Purchase Programme, which has an overall budget of €1,850.0 billion (around US\$2,242.2 billion), to help bolster the economic recovery. Together with monetary policy initiatives, the EU's total pandemic recovery package-fund is estimated at €2,364.3 billion (around US\$2,870.5 billion) which will provide financial relief to the more economically vulnerable member states, while also supporting a sustainable transition out of the crisis for the EU.

Similar to other advanced economies, the Japanese economy recorded its first contraction in almost a decade, in 2020 (Table 16). Lower private consumption and capital expenditure were primarily responsible for the deterioration in economic growth. Meanwhile, inflationary pressures remained subdued as weak consumer spending placed a drag on prices. The Bank of Japan (BOJ) highlighted that economic activity and prices are anticipated to remain subdued for a prolonged period and reiterated its approach to the Quantitative and Qualitative Monetary Easing (QQE) programme with the aim of supporting the economy and achieving the price stability target of 2.0 per cent. To support this policy, the BOJ maintained its key short-term interest rate at -0.1 per cent throughout 2020 and indicated that it would double its capacity to purchase Exchange Traded Funds (ETF) and Japan Real Estate Investment Funds (J-REITs), with an annual upper limit of ¥12.0 trillion (around US\$114.6 billion) and ¥180.0 billion (around US\$1,720.0 million), respectively. On the political front, in September 2020, Yoshihide Suga became Japan's new Prime Minister, replacing Shinzo Abe who resigned due to health concerns, in late August 2020.

TABLE 16
ADVANCED ECONOMIES: REAL GDP GROWTH
/PER CENT/

	2016 ^r	2017 ^r	2018 ^r	2019 ^r	2020 ^r	2021 ^e	2022 ^f
United States	1.7	2.3	3.0	2.2	-3.4	5.1	2.5
United Kingdom	1.9	1.9	1.3	1.4	-10.0	4.5	5.0
Euro Area	1.9	2.6	1.8	1.3	-7.2	4.2	3.6
Japan	0.5	2.2	0.3	0.3	-5.1	3.1	2.4

Source: International Monetary Fund, World Economic Outlook Database (October 2020) and Update (January 2021)

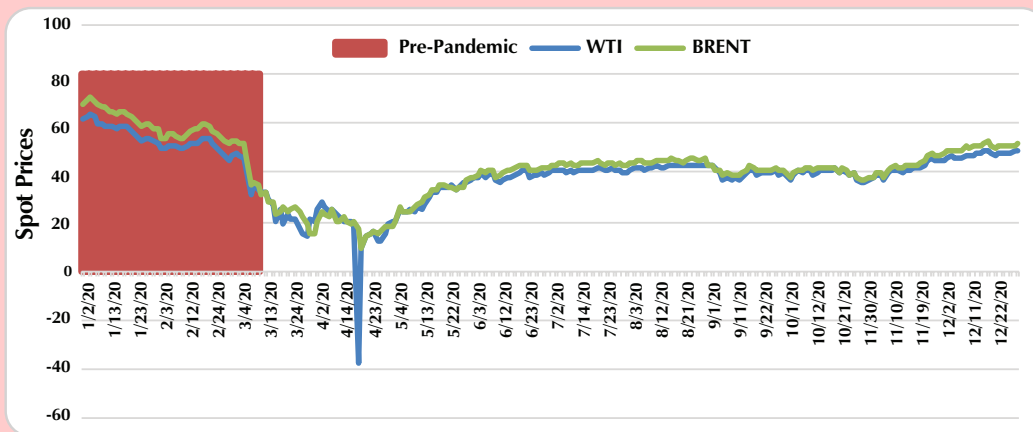
r Revised.
e Estimate.
f Forecast.

⁴⁵ The Euro Area recorded five consecutive months of deflation from August to December 2020, averaging 0.3 per cent year-on-year.

**BOX 1:
THE IMPACT OF THE COVID-19 PANDEMIC
ON OIL PRICES & STOCK MARKETS**

This box discusses the unprecedented impact of the COVID-19 pandemic on global oil prices and United States (US) stock markets. During the first few months of 2020, the shock of the pandemic resulted in substantial negative effects on the international energy industry. Strict lockdown measures undertaken by many governments to address the pandemic resulted in a reduction in international trade and travel, which led to a slow-down in demand for oil and other energy-related commodities. This came at a time when the world economy was already faced with slow growth and weak demand, compounded by a price war between Saudi Arabia and Russia which stemmed from a disagreement on the terms of a deal surrounding a cut in crude oil supply. As prices were already declining pre-pandemic (**Chart 1**), the onset of the pandemic was an additional adverse shock to prices.

**CHART 1
DAILY CRUDE OIL SPOT PRICES 2020**



Source: US Energy Information Administration (EIA)

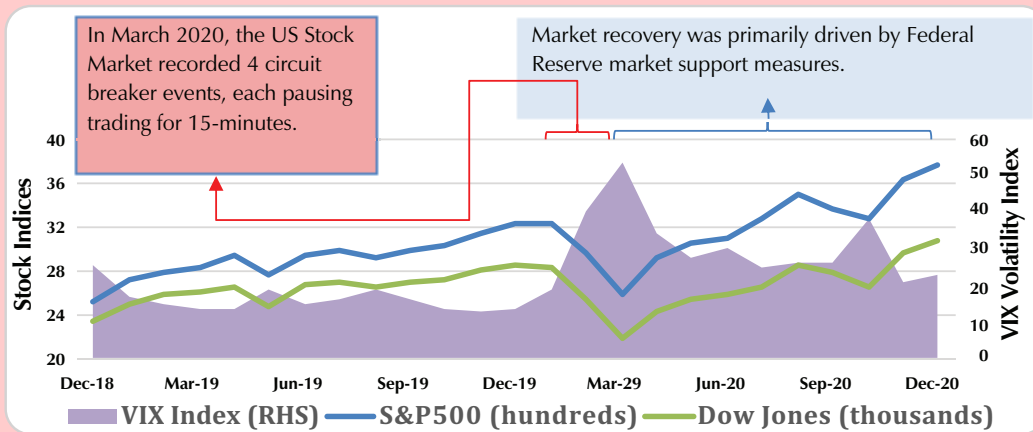
With a slow-down in demand for energy products in several key markets, coupled with storage capacity constraints, fears arose that oil storage in the US was running out. These fears resulted in crude oil West Texas Intermediate (WTI) spot (and futures) prices turning negative on April 20, 2020. Border closures persisted throughout the majority of 2020 and thus, facilitated a general low-energy-price environment as transportation fuel demand plummeted. Prices did, however, show some signs of resurgence toward the tail-end of 2020 amid the development of COVID-19 vaccines and the settlement on production quotas among OPEC and its non-OPEC partners (together known as OPEC+).

The economic impact of the pandemic placed significant pressures on global financial markets, resulting in “heightened market risk aversion in ways not seen since the global financial crisis” (OECD 2020). In 2019, prior to the onset of the pandemic, the major US stock market indices, the S&P500 and Dow Jones Industrial Average (DJIA), recorded notable growth, expanding by 28.9 per cent and 22.3 per cent, respectively (Chart 2). However, in early 2020, as cases of the coronavirus began to rise globally, financial market stability transitioned into panic. Following a relatively flat performance in January 2020, the S&P500 and DJIA recorded substantial declines in February and March 2020 (-19.9 per cent and -22.4 per cent, respectively). The sizeable declines and increases in the implied volatilities on equity options resulted in the Chicago Board

BOX 1 continued
THE IMPACT OF THE COVID-19 PANDEMIC
ON OIL PRICES & STOCK MARKETS

Options Exchange (CBOE) VIX volatility index¹ spiking to crisis levels. During the same two-month period, the VIX index recorded a daily average of 40.1 and peaked at 82.7 on March 16, 2020. In comparison, the last time the VIX index reached these high levels was during the 2007-08 global financial crisis. Reflective of the fear and volatility in the markets, the S&P500 and DJIA began to experience major sell-offs, resulting in four occurrences² of Level-1 “circuit-breaker”³ events in March 2020 (Funakoshi and Hartman 2020), where trading activity was suspended for 15 minutes as a result of the indices declining by more than 7.0 per cent during the trading day. An analysis of the market’s activity during the early months of the pandemic by Cox et al. (2020) revealed that the increase in volatility was due mainly to large fluctuations in risk aversion and market sentiment of investors.

CHART 2
US STOCK MARKET PERFORMANCE AND VIX VOLATILITY INDEX



Source: Bloomberg

Following the fear-driven instability during the first quarter of 2020, the US stock market rebounded notably over the remainder of 2020. Apart from a few instances of declines amid renewed concerns about the spreading of the coronavirus, as well as pre-election jitters, the S&P500 and DJIA increased by 45.3 per cent and 39.6 per cent, respectively, over the nine-month period ending December 2020. Furthermore, the market’s main fear gauge (VIX) fell from the year’s high 82.69 in March 2020 to 22.75 at the end of December 2020. This rally on Wall Street was driven primarily by near-zero Fed-fund interest rates and quantitative easing, which supplied the market with unprecedented liquidity. In early March 2020, the Fed reduced its Federal Funds rate by 1.5 percentage points to the range of 0.0 per cent to 0.25 per cent, thereby lowering the cost of borrowing. Additionally, the Fed engaged in quantitative easing by purchasing massive amounts of securities from financial markets and provided support lending through a variety of credit facilities. Furthermore, the Fed offered forward guidance by stating their commitment to keep rates low until the labour market and inflation reach target levels. Despite the weak macroeconomic conditions in the US, these historic actions enacted by the Fed fueled the resurgence in the US stock market over the remainder of 2020. Additionally, optimism about the future state of the economy as coronavirus vaccines become available would have also supported market recovery.

BOX 1 continued
THE IMPACT OF THE COVID-19 PANDEMIC
ON OIL PRICES & STOCK MARKETS

Notes

^[1] The VIX volatility index is a benchmark index used to measure the markets expectation of future volatility. The index is based on option trading of the S&P500 Index and is considered a main gauge of US equity market volatility. A level above 20 is considered to be high volatility.

^[2] The circuit-breaker events occurred on March 9th, 12th, 16th and 18th, 2020.

^[3] A “circuit-breaker” event represents price change limits on the S&P500 which results in a pausing of market-wide trading. Circuit breakers are triggered at three levels, representing a 7%, 13%, and 20% decline based on the previous trading day’s reference price.

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EMERGING MARKETS AND DEVELOPING ECONOMIES (EMDES)

After years of resilient growth, the COVID-19 pandemic has negatively impacted economic activity in EMDEs. Based on the IMF's January 2021 WEO Update, growth within the EMDEs was estimated to have contracted by 2.4 per cent in 2020, compared to a positive performance of 3.6 per cent in 2019. Growth in India contracted by 7.1 per cent (year-on-year) over 2020⁴⁶, as a result of sharp declines in consumption and investment activity. In Brazil, growth fell by 4.5 per cent in 2020, driven by disruptions in trade and depressed consumer demand within the services sector. Real GDP also contracted in Russia due to declining international commodity prices. Elsewhere, a resumption in the manufacturing sector as well as an increase in external demand for medical supplies contributed, in part, to the economic growth in China of 2.3 per cent for the year 2020 (Table 17).

Monetary policy responses among the EMDEs remained supportive in order to stimulate an economic recovery and address inflationary concerns. In 2020, movement in consumer prices

remained below target⁴⁷ for China, Brazil and Russia as these economies experienced waning consumer demand during the pandemic. However, inflation was recorded above target in India reflecting higher food prices amid the festival season. Throughout 2020, the People's Bank of China (PBoC) kept its one-year and five-year Loan Prime Rates (LPR) unchanged at 3.85 per cent and 4.65 per cent, respectively. Furthermore, in an effort to increase economic output, the PBoC injected liquidity into the financial system via open market operations. The Reserve Bank of India (RBI) reduced its key policy rate by a cumulative 115 basis points to 4.0 per cent at the end of 2020 in an effort to shore up economic growth, while ensuring that inflation remained within the target range. Following four rate cuts, Russia's main interest rate, the benchmark one-week repo, ended 2020 at 4.25 per cent from 6.25 per cent at the start of the year. The Central Bank of the Russian Federation (CRBF) indicated that further rate reductions were likely, in order to ensure that inflation converges to its target. Meanwhile, the Central Bank of Brazil lowered its overnight interbank interest rate by 250 basis points to a historic low of 2.0 per cent in 2020.

TABLE 17
EMERGING ECONOMIES: REAL GDP GROWTH
/PER CENT/

	2016 ^r	2017 ^r	2018 ^r	2019 ^e	2020 ^e	2021 ^f	2022 ^f
China	6.8	6.9	6.8	6.0	2.3	8.1	5.6
India*	8.3	7.0	6.1	4.2	-8.0	11.5	6.8
Russia	0.2	1.8	2.5	1.3	-3.6	3.0	3.9
Brazil	-3.3	1.3	1.3	1.4	-4.5	3.6	2.6

Source: International Monetary Fund, World Economic Outlook Database (October 2020) and Update (January 2021)

* Data are presented on a fiscal year basis.

^r Revised.

^e Estimate.

^f Forecast.

⁴⁶ Based on the calendar year (January to December 2020).

⁴⁷ Central Bank inflation target rates and ranges for selected emerging market and developing economies: China (3.0 per cent); Brazil (4.0 +/- 1.5 per cent); India (4.0 +/- 2.0 per cent); and Russia (4.0 per cent).

REGIONAL ECONOMIC DEVELOPMENTS

Economic growth in the LAC region was in line with the performances of the world economies. The slowdown in global and domestic activity, compounded by depressed international commodity prices, constrained real GDP growth within the region. According to the IMF's January 2021 WEO Update, growth in the LAC region is estimated to have contracted by 7.4 per cent in 2020, from a modest expansion of 0.2 per cent in 2019. The region is expected to experience a slow pace of economic growth as some countries faced difficulty in controlling the pandemic, which stalled the reopening of economies. In light of economic conditions, and supported by well-contained inflation rates⁴⁸, several central banks lowered their monetary policy rates during 2020, namely, Mexico, Chile, Colombia and Peru. among the EMDEs remained supportive in order to stimulate an economic recovery and address inflationary concerns. In 2020, movement in consumer prices

In the Caribbean, both tourism-dependent and commodity-based countries experienced disruptions to domestic activity during 2020. International border controls along with broader concerns regarding contagion via travel dampened tourism activity, while lower commodity prices weighed on export earnings of commodity exporters. In Jamaica, real GDP contracted by 8.6 per cent over January to December 2020 (**Table 18**), mainly on account of declines in the productive and services sectors: manufacturing; mining and

quarrying; hotels and restaurants; and transport, storage and communication. Notwithstanding subdued economic activity, Jamaica's inflation rate remained within the Bank of Jamaica's (BoJ) target range of 4.0 to 6.0 per cent over 2020, while the stock of international reserves recorded a minor decline over the year to December 2020. Similarly, the Barbados economy experienced a steep year-on-year contraction of 11.6 per cent over the twelve months of 2020, largely due to stalled tourism activity. However, international reserves reported an increase which was boosted by borrowings from multilateral organisations.

In other developments, despite the economic challenges posed by the health crisis, Guyana's growing energy sector continued to represent a bright spot for the country. Over the year, Exxon Mobil announced the discoveries of three new offshore oil fields⁴⁹ in the Starbroek Block, bringing the gross recoverable reserve in this block to more than an estimated nine billion oil equivalent barrels.

In terms of monetary policy, Jamaica held its key rate steady in 2020 while Barbados lowered its discount rate. Throughout 2020, the Bank of Jamaica (BoJ) maintained its benchmark interest rate at 0.5 per cent with the aim of ensuring price stability within the target range. Meanwhile, the Central Bank of Barbados (CBB) adjusted its monetary policy stance by reducing the discount rate, the rate at which the CBB provides overnight lending to banks and deposit-taking non-banks, by 5.0 per cent to 2.0 per cent. This action was taken to provide a more supportive lending environment by financial institutions to economically impacted households and businesses affected by Covid-19.

⁴⁸ Central Bank inflation target ranges for selected economies in the Latin American region: Mexico (3.0 +/- 1.0 per cent); Colombia (3.0 +/- 1.0 per cent); Chile (3.0 per cent +/- 1.0 per cent); and Peru (2.0 +/- 1.0 per cent).

⁴⁹ In 2020, the following oil wells were discovered at the Starbroek Block: in January 2020 the Uaru oil well marked Exxon Mobil's 16th discovery, and in September 2020 the Yellowtail-2 and Redtail discoveries marked the 17th and 18th oil well findings, respectively.

TABLE 18
SELECTED LAC: REAL GDP GROWTH
/PER CENT/

Country	2016 ^r	2017 ^r	2018 ^r	2019 ^e	2020 ^e	2021 ^f	2022 ^f
Argentina	-2.1	2.8	-2.6	-2.1	-10.4	4.5	2.7
The Bahamas	1.4	3.1	3.0	1.2	-14.8	4.6	5.5
Barbados	2.5	0.5	-0.6	-0.1	-11.6	7.4	3.9
Belize	0.1	1.9	2.1	-2.0	-16.0	8.0	5.0
Chile	1.7	1.2	4.0	1.1	-6.0	4.5	3.2
Colombia	2.1	1.4	2.5	3.3	-8.2	4.0	3.7
Eastern Caribbean Currency Union	3.0	1.2	3.8	2.8	-15.1	5.8	n.a.
Guyana	3.8	3.7	4.4	5.4	26.2	8.1	29.5
Haiti	1.5	1.2	1.5	-1.2	-4.0	1.2	1.0
Jamaica	1.5	0.7	1.9	0.9	-8.6	3.6	3.8
Mexico	2.6	2.1	2.2	-0.1	-8.5	4.3	2.5
Suriname	-5.6	1.8	2.6	0.3	-13.1	1.5	2.0

Source: International Monetary Fund, World Economic Outlook Database (October 2020), Update (January 2021) and Regional Economic Outlook, Western Hemisphere (October 2020)

r Revised.

e Estimate.

f Forecast.

CHAPTER TEN – INTERNATIONAL COMMODITY MARKETS

ENERGY COMMODITY PRICE INDEX

The Energy Commodity Price Index (ECPI)⁵⁰ fell to an average of 61.4 in 2020 representing an overall decline of 26.2 per cent, as prices of all commodities captured in the index declined. The ongoing pandemic was the main driving force behind sharp fall-offs in crude oil and natural gas prices, which in turn were transmitted further downstream to other commodities.

Crude oil prices fell 31.1 per cent year-on-year in 2020, driven predominantly by geopolitical tensions and adverse demand shocks due to COVID-19. West Texas Intermediate Prices averaged US\$39.31 per barrel in 2020 compared to US\$57.01 per barrel the previous year. Brent prices, meanwhile, averaged US\$41.75 per barrel in 2020 compared to US\$64.36 per barrel in 2019. The market for crude oil, at the commencement of 2020, was characterised by excess supply and low demand as global growth slowed. Prices were further suppressed by a price war between OPEC and non-OPEC countries in the first quarter of the year. Additionally, the closure of borders in key markets, with the onset of the Covid-19 pandemic, exerted further downward pressure on crude oil prices over the remainder of 2020. This, in part, contributed to negative oil prices on the futures market near the end of April 2020.⁵¹ The decline in crude oil prices passed through to other commodities captured within the index, notably jet fuel (-41.4 per cent), gas oil (-36.4 per cent) and motor gasoline (-33.8 per cent).

Natural gas prices declined (-21.7 per cent) in 2020 on account of increased shale gas supply and a downturn in demand in light of the pandemic. Natural gas prices averaged US\$2.21 per million British Thermal Units (mmbtu) over the course of the year, compared with US\$2.40 per mmbtu in 2019. Lower natural gas prices aided the decline in other downstream commodities such as natural gasoline (-30.4 per cent), methanol (-18.8 per cent), propane (-14.5 per cent), urea (-12.0 per cent) and ammonia (-9.0 per cent).

INTERNATIONAL FOOD PRICES

International food prices, as measured by the Food and Agriculture Organization of the United Nations (UNFAO), increased 3.1 per cent in 2020. This compares to a decline of -0.8 per cent in 2019. The turnaround in prices was driven by an increase in the Vegetable Oil price index which rose 19.4 per cent in 2020, compared to a decline of -5.1 per cent in 2019. The Cereals price index increased 6.6 per cent in 2020 after a recorded decline of -4.2 per cent in 2019. The Sugar price index slowed to 1.2 per cent in 2020, while price declines were noted in the Meat (-4.4 per cent) and Dairy (-1.0 per cent) price indices.

⁵⁰ The 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.

⁵¹ On April 20, 2020, West Texas Intermediate (WTI) futures prices for delivery in May 2020 turned negative as fears arose that oil storage space in the US was running out.



APPENDIX ONE

**ECONOMIC
STATISTICS**
TABLES A.1 - A.36

TABLES A.1 - A.36

A.1	Real GDP Growth by Sector of Origin
A.2	Gross Domestic Product at Current Market Prices by Sector of Origin
A.3	Sectoral Composition of G.D.P. at Current Market Prices
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p - Provisional

r - Revised

re - Revised Estimates

n.a - Not Available

c - Confidential

n/a - Not Applicable

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TABLE A.1

REAL GDP GROWTH¹
BY SECTOR OF ORIGIN, 2015-2019
/ PER CENT /

SECTOR	2015	2016	2017	2018	2019 ^P
Agriculture, Forestry and Fishing	35.9	-7.3	7.9	-9.6	-3.3
Mining and Quarrying	-3.2	-12.9	-0.3	-4.5	-3.1
Manufacturing	2.2	-2.2	-1.8	0.2	-2.9
Electricity, Gas, Steam and Air Conditioning Supply	1.8	-8.1	8.6	1.4	2.5
Water Supply; Sewerage, Waste Management and Remediation Activities	1.5	1.7	-1.5	1.9	2.1
Construction	-2.7	-4.2	-3.8	-0.1	-5.4
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	5.4	-6.9	-10.5	-2.0	2.4
Transportation and Storage	-4.5	-17.6	2.0	4.0	-2.3
Accommodation and Food Service Activities	-1.5	-2.0	-1.3	-2.2	-0.7
Information and Communication	2.4	-2.1	-1.6	0.1	-0.1
Financial and Insurance Activities	3.4	2.5	4.6	0.0	3.9
Real Estate Activities	0.5	0.5	0.5	0.5	0.5
Professional, Scientific and Technical Activities	-14.3	-2.4	3.6	11.1	-4.4
Administrative and Support Service Activities	4.0	1.8	0.0	0.0	0.1
Public Administration and Defence; Compulsory Social Security	1.4	2.1	0.6	-1.2	4.3
Education	2.1	-1.1	0.3	-0.2	0.7
Human Health and Social Work Activities	0.3	0.3	0.2	0.2	0.3
Arts, Entertainment and Recreation	0.3	0.3	0.2	0.3	0.2
Other Service Activities	0.0	0.8	0.2	0.4	1.2
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	1.2	1.2	1.1	1.1	1.2
FISIM ²	3.2	1.3	-1.5	2.1	18.8
GDP At Basic Prices	0.9	-5.6	-2.0	-1.1	-0.9
Taxes Less Subsidies on Products	18.4	-5.0	-28.7	42.0	-9.3
GDP At Purchasers Prices/Market Prices	1.5	-5.6	-3.0	0.1	-1.2

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).

2 Financial Intermediation Services Indirectly Measured.

TABLE A.2

GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES¹
 BY SECTOR OF ORIGIN, 2015-2019
 / TT\$ MILLIONS /

SECTOR	2015	2016	2017	2018	2019 ^P
Agriculture, Forestry and Fishing	1,678.1	1,678.6	1,881.4	1,666.4	1,608.3
Mining and Quarrying	21,984.3	14,578.4	18,682.7	21,496.5	20,189.6
Manufacturing	24,523.0	28,130.2	28,121.4	30,842.0	29,086.4
Electricity, Gas, Steam and Air Conditioning Supply	3,740.1	1,501.4	2,632.4	3,445.9	3,144.4
Water Supply; Sewerage, Waste Management and Remediation Activities	2,296.6	2,405.4	2,066.0	2,010.5	1,936.3
Construction	9,747.8	9,281.5	8,929.7	9,182.7	8,755.9
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	37,374.0	34,886.6	33,386.9	32,986.5	33,150.0
Transportation and Storage	5,259.0	5,388.4	5,573.6	5,873.7	5,786.2
Accommodation and Food Service Activities	2,506.8	2,484.7	2,536.4	2,536.8	2,563.6
Information and Communication	4,052.7	3,920.5	3,720.7	3,633.5	3,691.0
Financial and Insurance Activities	10,048.1	10,046.8	11,815.4	11,855.4	12,291.4
Real Estate Activities	3,084.4	3,129.9	3,185.4	3,232.6	3,298.9
Professional, Scientific and Technical Activities	3,070.4	3,020.6	3,161.2	3,541.3	3,411.2
Administrative and Support Service Activities	4,344.8	4,551.2	4,595.4	4,635.6	4,675.2
Public Administration and Defence; Compulsory Social Security	14,228.2	14,326.2	14,273.2	14,094.9	14,707.6
Education	4,998.6	4,099.6	3,823.5	3,818.8	3,845.0
Human Health and Social Work Activities	777.4	741.4	780.3	777.2	891.2
Arts, Entertainment and Recreation	496.7	435.4	420.5	425.2	427.3
Other Service Activities	815.3	827.7	836.0	847.0	865.3
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	273.2	284.2	287.4	290.7	294.3
FISIM ²	-3,343.6	-3,429.6	-3,998.3	-4,106.3	-4,368.4
GDP At Basic Prices	151,955.9	142,289.0	146,711.2	153,087.0	150,250.7
Taxes Less Subsidies on Products	7,223.3	7,004.7	5,050.4	7,244.8	6,505.3
GDP At Purchasers Prices/Market Prices	159,179.1	149,293.7	151,761.6	160,331.7	156,756.0

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.¹
AT CURRENT MARKET PRICES, 2015-2019
/ PER CENT /

SECTOR	2015	2016	2017	2018	2019 ^P
Agriculture, Forestry and Fishing	1.1	1.1	1.2	1.0	1.0
Mining and Quarrying	13.8	9.8	12.3	13.4	12.9
Manufacturing	15.4	18.8	18.5	19.2	18.6
Electricity, Gas, Steam and Air Conditioning Supply	2.3	1.0	1.7	2.1	2.0
Water Supply; Sewerage, Waste Management and Remediation Activities	1.4	1.6	1.4	1.3	1.2
Construction	6.1	6.2	5.9	5.7	5.6
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	23.5	23.4	22.0	20.6	21.1
Transportation and Storage	3.3	3.6	3.7	3.7	3.7
Accommodation and Food Service Activities	1.6	1.7	1.7	1.6	1.6
Information and Communication	2.5	2.6	2.5	2.3	2.4
Financial and Insurance Activities	6.3	6.7	7.8	7.4	7.8
Real Estate Activities	1.9	2.1	2.1	2.0	2.1
Professional, Scientific and Technical Activities	1.9	2.0	2.1	2.2	2.2
Administrative and Support Service Activities	2.7	3.0	3.0	2.9	3.0
Public Administration and Defence; Compulsory Social Security	8.9	9.6	9.4	8.8	9.4
Education	3.1	2.7	2.5	2.4	2.5
Human Health and Social Work Activities	0.5	0.5	0.5	0.5	0.6
Arts, Entertainment and Recreation	0.3	0.3	0.3	0.3	0.3
Other Service Activities	0.5	0.6	0.6	0.5	0.6
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	0.2	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, 2015-2019

PRODUCT	2015	2016	2017	2018	2019
VEGETABLES (000 kgs)					
Tomato	2,698	2,223	2,645	1,678	1,700
Cabbage	594	434	435	755	365
Cucumber	1,173	1,102	804	741	973
Dasheen	1,917	2,396	3,224	2,511	2,097
Rice	2,721	1,823	1,619	585	536
Pigeon Peas	1,687	858	2,043	2,601	1,223
Pumpkin	3,279	3,032	1,884	4,533	2,410
Melongene	906	1,713	913	488	1,467
MEAT SUPPLY (000 kgs)					
Beef and Veal					
Production	287	285	226	97	159
Imports	n.a.	n.a.	n.a.	n.a.	n.a.
Pork					
Production	1,778	1,994	2,178	2,278	2,036
Imports	n.a.	n.a.	n.a.	n.a.	n.a.
Mutton					
Production	77	60	156	49	33*
Imports	n.a.	n.a.	n.a.	n.a.	n.a.
Broilers (000 birds): Production	32,161	31,708	33,267	31,889	33,651
Table Eggs (000 doz): Production	4,800	5,384	6,910	7,496	7,924
Milk (000 litres): Production	3,731	2,324	2,428	3,456	2,934
COCOA (000 kgs)					
Production	169*	n.a.	n.a.	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.
COFFEE (000 kgs)					
Production	0	n.a.	n.a.	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.
CITRUS (000 kgs)					
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 September 2019.

TABLE A.5

PRODUCTION AND UTILISATION OF CRUDE OIL AND RELATED PRODUCTS AND PETROCHEMICALS, 2016-2020

COMMODITY GROUP	2016	2017	2018	2019	2020
CRUDE OIL					
Exploration (meters)					
Depth Drilled	108,886	121,396	110,182	91,883	55,826
Production (000 barrels)					
Crude Oil and Condensates	26,164	26,216	23,176	21,481	20,669
<i>Of which: Condensates</i>	4,171	4,604	3,338	3,279	3,086
Daily Average (b/d)	71,504	71,853	63,533	58,863	56,481
Imports (000 barrels)					
Crude Oil Imports	37,014	32,240	22,886	0	0
<i>Of which: u.p.a.</i>	0	0	0	0	0
Refining (000 barrels)¹					
Refinery Throughput	54,257	47,720	36,000	0	0
Refinery Output	52,717	46,763	35,631	0	0
Capacity Utilisation (%)	88	78	59	n/a	n/a
Exports (000 barrels)					
Crude Oil Exports	10,292	9,972	8,047	21,972	20,316
Petroleum Products	44,207	36,958	29,039	6,727	6,414
Natural Gas (Mn cubic feet/day)					
Production	3,327	3,366	3,585	3,588	3,044
Utilisation ²	3,104	3,172	3,378	3,439	2,925
<i>Of which: Petrochemicals</i>	1,022	1,048	1,061	1,124	965
<i>Electricity Generation</i>	271	252	242	254	237
<i>LNG</i>	1,650	1,722	1,921	1,972	1,645
Natural Gas Liquids (000 barrels)					
Production	9,214	9,806	8,695	8,530	7,165
Exports	7,996	8,541	7,668	8,119	6,453
Local Sales	1,085	1,152	1,308	876	866
Stock Change	133	113	-280	-465	-154
Fertilisers (000 tonnes)					
Production	5,522	5,595	5,431	6,104	5,799
Exports	5,228	5,141	4,924	5,206	4,640
Local Sales	6	5	5	4	2
Stock Change	289	449	501	894	1,157
Methanol (000 tonnes)					
Production	4,655	4,975	5,081	5,672	4,259
Exports	4,637	4,962	5,010	5,722	4,358
Local Sales	7	7	7	7	10
Stock Change	11	7	64	-58	-109

SOURCES: Ministry of Energy and Energy Industries and Central Bank of Trinidad and Tobago

- 1 Petrotrin's Refinery was closed in November 2018. Therefore, refinery capacity (estimated at 168,000 barrels per day prior to its closure) and capacity utilisation are not applicable from 2019.
- 2 Utilisation refers to gas sales and does not include natural gas used in own consumption.

TABLE A.6

PRODUCTION OF IRON AND STEEL PRODUCTS AND CEMENT, 2016-2020

PRODUCT	2016	2017	2018	2019	2020
STEEL PRODUCTS (000 TONNES)					
(i) Direct Reduced Iron					
Production	0.0	0.0	0.0	0.0	0.0
Exports	0.0	0.0	0.0	0.0	0.0
Local Sales	0.0	0.0	0.0	0.0	0.0
Own Consumption	0.0	0.0	0.0	0.0	0.0
(ii) Billets					
Production	0.0	0.0	0.0	0.0	0.0
Exports	0.0	0.0	0.0	0.0	0.0
Local Sales	0.0	0.0	0.0	0.0	0.0
Own Consumption	0.0	0.0	0.0	0.0	0.0
(iii) Wire Rods					
Production	0.0	0.0	0.0	0.0	0.0
Exports	0.0	0.0	0.0	0.0	0.0
Local Sales	0.0	0.0	0.0	0.0	0.0
Own Consumption	0.0	0.0	0.0	0.0	0.0
CEMENT (000 TONNES)					
Production	721.2	670.0	662.6	678.3	631.9
Local Sales	526.2	497.3	483.8	486.7	472.7
Exports	192.7	219.2	270.9	309.5	303.9

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.7

PRICES OF SELECTED EXPORT COMMODITIES, 2016-2020

SECTOR	2016	2017	2018	2019	2020
Crude Oil (WTI ¹ ; US\$/bb ²)	43.2	50.9	64.8	57.0	39.3
Crude Oil (Brent; US\$/bb ²)	44.6	54.9	71.6	64.2	42.5
Natural Gas (Henry Hub; US\$/mmbtu ³)	2.5	3.0	3.2	2.6	2.0
Ammonia (FOB Caribbean; US\$/tonne)	235.1	236.6	268.3	206.1	187.6
Urea (FOB Caribbean; US\$/tonne)	206.8	214.9	245.4	249.1	219.3
Methanol (FOB Rotterdam; US\$/tonne)	272.1	399.1	474.2	363.0	294.8
Billets (FOB Latin America; US\$/tonne)	323.7	430.9	500.0	426.7	390.5
Wire Rods (FOB Latin America; US\$/tonne)	373.0	485.9	579.8	532.9	498.1

SOURCE: Bloomberg; Green Markets; Fertiliser Week; European Chemical News; Monthly Methanol Newsletter (TECNON); Metal Bulletin; Platts

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

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

TABLE A.8

INDEX OF DOMESTIC PRODUCTION, 2016-2020
/ 1995=100 /

PRODUCT	WEIGHT	2016	2017	2018	2019	2020
Food Processing	58	1,072.6	1,230.1	1,445.2	1,871.9	2,396.4
Drink and Tobacco	63	1,031.0	929.6	1,121.4	1,270.9	1,019.8
Textiles, Garments and Footwear	6	1,294.3	1,320.7	1,333.8	1,360.3	1,378.5
Printing, Publishing and Paper Converters	27	302.1	276.2	229.7	205.9	183.1
Wood and Related Products	7	839.0	735.0	685.0	669.9	670.9
Chemicals and Non-Metallic Minerals	43	291.8	307.6	320.3	331.2	338.9
Assembly-Type and Related Industries	61	259.8	244.8	231.9	258.6	320.4
Miscellaneous Manufacturing Industries	10	186.9	178.8	175.3	173.2	169.7
Electricity	40	90.3	80.2	71.4	70.5	67.6
Water	6	151.6	118.8	112.7	108.8	112.8
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	320	574.5	576.3	646.3	757.7	814.3
Explor., and Product. of Oil, Natural Gas, etc.	445	116.7	117.2	112.6	108.1	98.9
Petrochemicals	182	219.8	223.6	219.7	225.4	200.5
Oil and Natural Gas Refining ¹	53	939.2	883.3	731.9	206.4	173.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	1,000	325.7	324.2	335.8	335.6	344.4

SOURCE: Central Statistical Office

1 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.9

ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND
HOURS WORKED (ALL EMPLOYEES), 2018-2020¹
/ PER CENT /

INDUSTRY	DOMESTIC PRODUCTION (1995=100)			INDEX OF HOURS WORKED (1995=100)		
	2018	2019	2020	2018	2019	2020
Food Processing	17.5	29.5	28.0	0.4	1.3	2.0
Drink and Tobacco	20.6	13.3	-19.8	-2.3	-16.2	-15.8
Textiles, Garments and Footwear	1.0	2.0	1.3	-0.5	0.5	0.6
Printing, Publishing and Paper Converters	-16.8	-10.4	-11.1	1.4	0.8	2.5
Wood and Related Products	-6.8	-2.2	0.2	4.4	5.3	-3.1
Chemicals and Non-Metallic Minerals	4.2	3.4	2.3	-4.0	-18.1	-0.5
Assembly-Type and Related Industries	-5.2	11.5	23.9	-2.0	0.8	-9.2
Miscellaneous Manufacturing Industries	-2.0	-1.2	-2.0	-8.8	-6.5	-0.7
Electricity	-10.9	-1.4	-4.0	-9.0	-9.3	0.1
Water	-5.2	-3.5	3.7	-0.5	-1.8	-2.2
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	12.2	17.2	7.5	-1.2	-4.2	-2.3
Explor., and Product. of Oil, Natural Gas, etc.	-3.9	-4.0	-8.5	-5.3	-5.0	-4.7
Petrochemicals	-1.7	2.6	-11.1	-2.8	-4.6	-4.9
Oil and Natural Gas Refining ²	-17.1	-1.6	-16.2	-16.7	0.0	0.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	3.6	-0.1	2.6	-5.3	-25.0	-2.5

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

2 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.10
ANNUAL CHANGES IN THE INDICES OF AVERAGE
WEEKLY EARNINGS AND EMPLOYMENT
(ALL EMPLOYEES), 2018-2020¹
/ PER CENT /

INDUSTRY	AVERAGE WEEKLY EARNINGS (1995=100)			EMPLOYMENT (1995=100)		
	2018	2019	2020	2018	2019	2020
Food Processing	-1.3	-1.1	2.2	0.2	2.4	0.8
Drink and Tobacco	3.7	9.3	-1.4	-0.2	-5.8	-6.0
Textiles, Garments and Footwear	-4.1	-5.0	-3.6	-1.4	-0.5	0.0
Printing, Publishing and Paper Converters	5.3	7.1	10.9	-2.2	-1.8	-1.7
Wood and Related Products	3.2	-17.7	-17.0	5.6	8.1	5.9
Chemicals and Non-Metallic Minerals	0.7	3.7	3.3	0.0	-1.8	-4.4
Assembly-Type and Related Industries	13.0	8.3	5.7	0.1	-0.8	-8.6
Miscellaneous Manufacturing Industries	4.7	-1.8	3.1	-7.2	-6.0	-4.1
Electricity	-5.7	-4.9	3.8	-1.5	-7.3	-1.6
Water	0.7	2.7	4.7	1.9	-1.8	-1.9
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining, etc)	0.7	1.3	3.5	-0.1	-0.9	-2.3
Explor., and Product. of Oil, Natural Gas, etc.	-8.5	-8.9	-9.2	2.8	3.2	3.6
Petrochemicals	7.0	1.5	5.8	-0.8	-1.9	-2.8
Oil and Natural Gas Refining ²	28.6	0.0	0.0	-4.3	0.0	0.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	9.4	-36.6	3.0	-0.7	-18.5	-1.8

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

2 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.11

ANNUAL CHANGES IN THE INDICES OF REAL EARNINGS AND
OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2018-2020¹
/ PER CENT /

INDUSTRY	REAL EARNINGS (1995=100)			INDEX OF OUTPUT PER MAN HOUR WORKED (1995=100)		
	2018	2019	2020	2018	2019	2020
Food Processing	-2.3	-2.0	1.5	16.6	28.1	25.3
Drink and Tobacco	2.6	8.2	-2.0	23.5	35.3	-4.9
Textiles, Garments and Footwear	-5.0	-5.9	-4.2	1.5	1.5	0.8
Printing, Publishing and Paper Converters	4.2	6.0	10.3	-17.9	-11.1	-13.2
Wood and Related Products	2.2	-18.6	-17.5	-10.7	-7.1	3.1
Chemical and Non-Metallic Minerals	-0.3	2.7	2.7	8.8	25.8	9.8
Assembly-Type and Related Industries	11.9	7.2	5.1	-3.4	10.9	4.4
Miscellaneous Manufacturing Industries	3.7	-2.8	2.5	7.5	5.6	-1.3
Electricity	-6.6	-5.8	3.2	-3.2	7.9	-4.2
Water	-0.3	1.7	4.1	-4.6	-1.7	6.1
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-0.3	0.3	2.9	13.4	22.4	8.5
Explor., and Product. of Oil, Natural Gas, etc.	-9.5	-9.8	-9.7	1.2	1.1	-4.1
Petrochemicals	5.9	0.4	5.2	1.1	7.5	-6.5
Oil and Natural Gas Refining ²	27.2	n.a.	n.a.	-5.1	-1.6	-16.1
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	8.3	-37.2	2.4	9.4	3.4	4.1

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

2 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.12
INDEX OF RETAIL PRICES FOR MAJOR EXPENDITURE CATEGORIES, 2016-2020
/ JANUARY 2015=100 /

SECTION	WEIGHTS	2016	2017	2018	2019	2020	2020			
							I	II	III	IV
Inflation Rate (%)¹										
All Sections	1,000	3.1	1.9	1.0	1.0	0.6	0.4	0.6	0.5	0.8
Food	173	7.5	2.9	1.1	0.6	2.8	0.9	2.8	2.8	4.7
Core ²	827	2.1	1.6	1.0	1.1	0.1	0.2	0.1	0.0	0.0
Retail Price Index										
All Sections	1,000	104.4	106.4	107.4	108.5	109.2	108.9	109.0	109.2	109.5
Food	173	109.9	113.1	114.4	115.0	118.2	116.8	117.3	118.4	120.4
Core	827	103.2	104.9	106.0	107.2	107.3	107.3	107.2	107.3	107.3
Per cent Contribution To Change In Index										
Food	173	42.4	28.3	20.4	10.3	86.0	45.0	82.7	97.0	99.0
Core	827	57.6	71.7	79.6	89.7	14.0	55.0	17.3	3.0	1.0

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, 2016-2020
/ OCT. 1978=100 /

SECTION	WEIGHTS	2016	2017	2018	2019	2020
Food Processing	191	716.5	721.2	725.1	726.9	727.5
		0.5	0.7	0.5	0.2	0.1
Drink and Tobacco	121	1,467.6	1,567.3	1,575.3	1,600.8	1,695.0
		3.2	6.8	0.5	1.6	5.9
Textiles, Garments and Footwear	101	303.5	303.5	303.5	303.5	303.5
		0.0	0.0	0.0	0.0	0.0
Printing, Publishing and Paper Converters	93	390.3	390.8	400.0	401.7	399.3
		-0.3	0.1	2.3	0.4	-0.6
Wood and Related Products	89	348.1	348.3	348.3	348.3	348.3
		0.0	0.0	0.0	0.0	0.0
Chemicals and Non-Metallic Minerals	148	630.1	617.4	583.3	582.2	577.1
		0.9	-2.0	-5.5	-0.2	-0.9
Assembly-Type and Related Industries	257	345.0	346.1	348.2	348.5	349.0
		0.0	0.3	0.6	0.1	0.2
All Industry	1,000	594.3	605.7	603.8	607.3	617.9
		1.2	1.9	-0.3	0.6	1.8

SOURCE: Central Statistical Office

TABLE A.14
CENTRAL GOVERNMENT FISCAL OPERATIONS, 2016-2020¹
/ TT\$ MILLIONS /

EXPENDITURE	2016	2017	2018	2019 ^r	2020 ^e
Current Revenue	41,158.9	34,870.1	42,331.9	45,768.8	33,346.3
Current Expenditure ²	48,546.4	46,263.5	45,374.4	46,986.8	46,754.2
Current Account Surplus(+)/Deficit(-)	-7,387.6	-11,393.4	-3,042.5	-1,218.0	-13,407.9
Capital Revenue	3,813.7	1,310.5	837.8	979.8	713.4
Capital Expenditure and Net lending ³	4,398.3	3,448.5	3,492.1	3,790.7	4,077.5
Overall Surplus(+)/Deficit(-)	-7,972.1	-13,531.4	-5,696.8	-4,028.9	-16,772.0
Total Financing (net)	7,972.1	13,531.4	5,696.8	4,028.9	16,772.0
External Financing (Net)	8,954.0	3,266.7	1,239.4	1,094.0	10,834.3
Net External Borrowing	6,455.6	1,554.5	1,239.4	1,094.0	4,199.3
Disbursements	6,982.7	2,099.8	1,935.3	1,951.0	7,688.9
Repayments	527.1	545.3	695.9	857.0	3,489.6
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Transfers from HSF (Withdrawals)	2,498.4	1,712.2	0.0	0.0	6,635.0
Domestic Financing (Net)	-981.9	10,264.7	4,457.4	2,934.9	5,937.7
Debt Management Treasury Bills (Net)	0.0	1,105.0	0.0	1,435.0	2,796.0
Bonds(Net)	4,016.0	3,165.6	1,165.9	3,240.9	2,966.5
Disbursements	6,623.2	8,191.8	6,349.1	6,405.5	8,796.7
Repayments	2,607.2	5,026.2	5,183.2	3,164.6	5,830.2
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net) ⁴	-4,997.9	5,994.1	3,291.5	-1,741.0	175.2
Memo Items:					
Primary Balance ⁵	-4,209.7	-9,063.0	-910.0	1,016.6	-11,783.1
Surplus(+)/Deficit(-) as a Percentage of GDP (current market prices)					
Current Account Surplus(+)/Deficit(-)	-4.9	-7.5	-1.9	-0.8	-8.9
Overall Surplus(+)/Deficit(-)	-5.3	-9.0	-3.6	-2.6	-11.2
Primary Surplus(+)/Deficit(-)	-2.8	-6.0	-0.6	0.6	-7.9

SOURCES: Ministry of Finance 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, 2016-2020¹
/ TT\$ MILLIONS /

EXPENDITURE	2016	2017	2018	2019 ^r	2020 ^e
A. Oil Sector	3,805.5	4,268.6	6,276.0	11,577.4	5,979.6
Corporation ²	2,144.2	2,477.2	3,126.2	5,717.8	2,146.9
Withholding Tax	742.5	512.7	495.7	927.3	735.0
Royalties	520.2	938.9	2,288.2	4,091.1	2,812.6
Oil Impost	136.2	139.5	114.3	100.1	69.0
Unemployment Levy	130.5	98.6	153.3	717.9	210.0
Excise Duties	131.9	101.7	98.2	23.2	6.1
B. Non Oil Sector	37,353.4	30,601.5	36,055.9	34,191.4	27,366.7
Taxes on Income	15,759.0	15,209.3	17,482.0	17,902.3	13,103.9
Companies	7,003.1	6,919.2	8,858.4	8,693.7	5,370.0
Individuals	7,186.5	6,303.3	6,598.7	6,915.2	6,030.0
Unemployment Levy	0.0	0.0	0.0	0.0	0.0
Health Surcharge	225.8	218.0	183.6	190.6	168.0
Other ³	1,343.6	1,768.8	1,841.4	2,102.8	1,535.9
Taxes on Property	3.2	3.0	3.9	46.9	46.9
Lands and Buildings Taxes	3.2	3.0	3.9	46.9	46.9
Taxes on Goods and Services	8,913.0	6,830.2	9,084.9	7,662.9	8,276.2
Purchase Tax	0.1	1.0	0.0	0.0	0.0
Excise Duties	579.5	613.8	660.9	627.6	635.9
Motor Vehicles	569.0	415.1	333.7	291.0	214.1
Value Added Tax	7,004.7	5,050.4	7,244.8	5,847.5	6,700.0
Other	759.7	749.9	845.5	896.8	726.2
Taxes on International Trade	3,016.3	2,684.8	2,732.5	2,672.3	2,280.2
Import Duties	3,016.0	2,683.8	2,732.1	2,671.9	2,279.8
Other	0.4	1.0	0.4	0.4	0.4
Non-Tax Revenue	9,661.8	5,874.2	6,752.5	5,904.3	3,704.8
National Lottery	177.8	335.9	213.6	272.2	115.0
Interest	41.4	34.0	28.5	25.3	7.4
Central Bank	809.0	714.0	1,046.6	1,471.9	1,884.0
Other	8,633.6	4,790.3	5,463.8	4,134.9	1,698.4
TOTAL CURRENT REVENUE	41,158.9	34,870.1	42,331.8	45,768.8	33,346.3
Capital Revenue	3,813.7	1,310.5	837.8	979.8	713.4
TOTAL REVENUE	44,972.6	36,180.6	43,169.6	46,748.6	34,059.7

SOURCES: Ministry of Finance and 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, extraordinary revenue from oil and gas companies 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, 2016-2020¹
/ TT\$ MILLIONS /

EXPENDITURE	2016	2017	2018	2019 ^r	2020 ^{re}
Current Expenditure	48,546.4	46,263.5	45,374.4	46,986.8	46,754.2
Wages and Salaries	9,601.9	9,937.8	9,094.4	9,137.2	8,983.8
Goods and Services	7,326.1	5,827.2	6,102.1	6,426.4	5,459.6
Interest	3,762.4	4,468.4	4,786.8	5,045.5	4,988.9
External	562.6	894.4	991.2	1,126.5	1,156.9
Domestic	3,199.8	3,574.0	3,795.6	3,919.0	3,832.0
Transfers and Subsidies	27,856.1	26,030.1	25,391.1	26,377.7	27,321.9
<i>Of which:</i>					
<i>Statutory Boards and State Enterprises</i>	9,356.5	8,769.0	8,699.1	9,465.8	8,551.4
<i>Households</i>	10,169.8	9,026.3	8,741.0	9,396.9	10,246.4
Capital Expenditure and Net-Lending²	4,398.3	3,448.5	3,492.1	3,790.7	4,077.5
TOTAL EXPENDITURE	52,944.7	49,712.0	48,866.5	50,777.5	50,831.7
(in % of GDP at current market prices)	34.9	32.9	30.9	32.2	33.9
Memo Items (% of Expenditure):					
Current Expenditure	91.7	93.1	92.9	92.5	92.0
Capital Expenditure and Net-Lending	8.3	6.9	7.1	7.5	8.0

SOURCES: Ministry of Finance and 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, 2016-2020¹
/ US\$ MILLIONS /

SECTOR	2016	2017	2018	2019 ^e	2020 ^p
CENTRAL GOVERNMENT					
Receipts	1,056.4	401.7	263.2	365.4	1,269.1
Amortisation	78.5	80.5	103.1	125.3	505.6
Interest	100.1	134.5	147.4	167.1	167.8
Balance Outstanding (end of period)	3,214.4	3,535.8	3,695.8	3,939.4	4,707.3
Balance Outstanding/GDP (%)	14.1	15.6	15.6	16.7	21.1
External Debt Service/Exports (%)	1.8	2.1	2.2	2.9	9.7

SOURCE: Central Bank of Trinidad and Tobago

1 Data are in Fiscal Years (October 1st -September 30th).

TABLE A.17 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2016-2020¹
/ TT\$ MILLIONS /

SECTOR	2016	2017	2018	2019 ^e	2020 ^p
BONDS & NOTES					
Issue	4,732.0	8,251.1	6,275.0	6,325.4	11,805.5
Redemption	1,940.4	3,674.3	4,424.4	2,331.3	4,103.2
Outstanding	30,888.6	35,487.1	37,507.6	41,253.0	48,489.0
CLICO AND HCU ZERO-COUPON BONDS					
Issue	11.8	3.9	1.7	0.3	0.0
Redemption ²	619.8	528.2	503.2	507.0	491.4
Outstanding	3,793.9	3,269.5	2,767.9	2,261.3	1,769.9
BOLTS AND LEASES					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	57.3	27.0	28.7	25.2	26.8
Outstanding	186.3	159.3	130.6	105.4	78.6
OTHER³					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	0.0	0.2	0.0	0.0	0.0
Outstanding	16.9	16.7	16.7	16.7	16.7
DEBT MANAGEMENT BILLS					
Issue	2,550.0	4,110.0	3,875.0	4,140.0	6,762.0
Redemption	2,550.0	3,005.0	3,875.0	2,705.0	3,966.0
Outstanding	800.0	1,905.0	1,905.0	3,340.0	6,136.0
Total Internal Debt Outstanding	35,685.7	40,837.4	42,327.8	46,976.4	56,490.2
Internal Debt Outstanding/GDP (%)	23.5	27.0	26.8	29.8	37.7
Internal Debt Service/Revenues (%)	14.5	20.2	15.4	9.9	21.0

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

- 1 Data is in Fiscal Years (October 1st -September 30th) 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, 2016-2020
/ TT\$ MILLIONS /

ITEM	END OF PERIOD				
	2016	2017	2018	2019	2020 ^P
A. OUTSTANDING					
1. Aggregate Deposits (adj.)	104,655.9	102,636.6	105,901.1	108,916.5	116,724.9
Demand Deposits (adj.) ¹	37,537.2	35,908.7	37,035.6	38,254.4	44,786.6
Time Deposits (adj.) ²	10,622.2	10,163.5	10,231.1	11,470.9	10,341.6
Savings Deposits (adj.) ³	32,630.2	32,578.3	34,218.0	34,967.6	36,783.6
Foreign Currency Deposits (adj.) ⁴	23,866.3	23,986.1	24,416.5	24,223.6	24,813.1
2. Gross Bank Credit⁵	62,489.3	64,974.0	67,159.9	71,151.3	69,973.2
<i>Of which:</i>					
<i>Business Purposes</i>	24,168.2	25,151.0	25,820.1 ^r	25,739.1	25,244.2
<i>Corporate</i>	22,547.1	23,497.3	23,990.7 ^r	23,992.7	23,560.8
<i>Non-Corporate</i>	1,621.0	1,653.7	1,829.4	1,746.3	1,683.4
3. Investments	36,020.2	33,337.5	34,450.7	31,112.7	36,365.4
Government Securities	19,819.2	17,706.9	18,446.6	14,491.0	19,364.3
Other Investments ⁶	16,201.0	15,630.6	16,004.1	16,621.7	17,001.1
<i>Of which:</i>					
<i>Interest-bearing Special Deposit Facility⁷</i>	1,500.0	0.0	0.0	0.0	0.0
B. ANNUAL CHANGE					
1. Aggregate Deposits (adj.)	4,185.4	-2,019.3	3,264.5	3,015.4	7,808.4
Demand Deposits (adj.)	933.0	-1,628.5	1,126.9	1,218.8	6,532.2
Time Deposits (adj.)	892.6	-458.7	67.5	1,239.8	-1,129.3
Savings Deposits (adj.)	743.3	-51.9	1,639.7	749.7	1,815.9
Foreign Currency Deposits (adj.)	1,616.6	119.8	430.4	-193.0	589.5
2. Gross Bank Credit	1,399.7	2,484.7	2,186.0	3,991.4	-1,178.1
<i>Of which:</i>					
<i>Business Purposes</i>	669.8	982.8	669.1 ^r	-81.1	-494.9
<i>Corporate</i>	534.3	950.2	493.4 ^r	2.0	-431.9
<i>Non-Corporate</i>	135.5	32.6	175.7	-83.0	-62.9
3. Investments	3,227.3	-2,682.7	1,113.2	-3,338.0	5,252.7
Government Securities	4,988.3	-2,112.4	739.7	-3,955.6	4,873.3
Other Investments	-1,761.0	-570.3	373.5	617.7	379.4
<i>Of which:</i>					
<i>Interest-Bearing Special Deposit Facility</i>	-1,000.0	-1,500.0	0.0	0.0	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, 2016-2020
/ TT\$ MILLIONS /

ITEM	END OF PERIOD				
	2016	2017	2018	2019	2020
Net Foreign Assets	78,948	71,792	66,647	61,639	66,256
Monetary Authorities	60,467	53,004	47,816	43,422	45,440
Commercial Banks	18,480	18,787	18,832	18,217	20,816
Net Domestic Assets	31,290	38,267	43,971	48,535	52,442
Net Claims on Public Sector	-1,454 ^f	1,960 ^f	4,721 ^f	8,173 ^f	13,959
Central Government (net)	-2,073 ^f	799 ^f	2,619 ^f	8,767 ^f	16,025
Treasury Bills	11,617	9,294	11,298	7,373	9,680
Other Government Securities	11,512	8,611	7,347	7,281	7,662
Other Credit (net)	-24,568 ^f	-16,705 ^f	-14,683 ^f	-4,660 ^f	-188
Local Government (net)	-1,084	-1,308	-617	-550	-466
Statutory Bodies (net)	-1,951	-1,401	-2,363	-3,166	-4,089
Public Enterprises (net)	3,654	3,870	5,083	3,123	2,488
Official Capital and Surplus	-11,471	-9,184	-7,823	-7,456	-8,668
Credit to Other Financial Institutions (net)	-10,154	-10,219	-10,880	-11,480	-12,280
Credit to Private Sector	53,331	56,047	58,326	60,938	60,305
Interbank Float	568	923	597	3,523	4,961
Other Assets (net)	470 ^f	-1,259 ^f	-970 ^f	-5,162 ^f	-5,834
Liabilities to Private Sector (M3)	110,238	110,059	110,618	110,174	118,698
Money and Quasi-Money	90,654	90,074	92,094	90,477	97,341
Money	36,727	37,280	37,870	36,714	41,964
Currency in Circulation	7,847	8,104	7,941	4,783	6,565
Demand Deposits	28,881	29,176	29,929	31,931	35,399
Quasi-Money	53,927	52,795	54,223	53,763	55,377
Time Deposits	9,079	8,817	7,743	8,211	7,828
Savings Deposits	44,847	43,977	46,480	45,552	47,549
Securitised Instruments	813	788	312	177	600
Private Capital and Surplus	18,771	19,197	18,212	19,520	20,756
	Changes as a per cent of beginning-of-period M3				
Net Foreign Assets	1.0	-6.5	-4.7	-4.5	4.2
Net Domestic Assets	2.5	6.3	5.2	4.1	3.5
Net Claims on Public Sector	5.0	3.1	2.5	3.1	5.3
<i>Of which: Central Government</i>	5.6	2.6	1.7	5.6	6.6
Credit to Private Sector	2.0	2.5	2.1	2.4	-0.6
Other Assets (net)	-0.2	-1.6	0.3	-3.8	-0.6
Liabilities to private sector (M3)	3.4	-0.2	0.5	-0.4	7.7
Memorandum items:					
Net Domestic Assets	31,290	38,267	43,971	48,535	52,442
Net Claims on Public Sector	-1,454 ^f	1,960 ^f	4,721 ^f	8,173 ^f	13,959
Central Government	-2,073 ^f	799 ^f	2,619 ^f	8,767 ^f	16,025
Credit to the Private Sector	53,331	56,047	58,326	60,305 ^f	60,305
(12-month increase in per cent) M3 Velocity	1.3	1.4	1.4	1.4	1.3

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.19
LIQUIDITY POSITION OF COMMERCIAL BANKS, 2019-2020
/ TT\$ MILLIONS /

ITEM	2019				2020			
	I	II	III	IV	I	II	III	IV ^P
Legal Reserves Position								
Required Reserves ¹	13,698.7 ^r	13,759.7 ^r	13,749.4 ^r	14,391.5 ^r	12,312.1	12,606.6	12,947.0	13,303.4
Cash Reserves	15,760.1 ^r	17,614.7 ^r	18,561.6 ^r	20,862.0 ^r	17,508.6	22,353.3	27,597.4	23,448.4
Excess (+) or Shortage (-) ²	2,061.4 ^r	3,855.1 ^r	4,812.2 ^r	6,470.6 ^r	5,196.5	9,746.7	14,650.4	10,145.0
Average Excess(+) or Shortage(-) ³	2,619.5	3,717.3	4,458.9	5,226.4	4,262.1	8,023.9	11,558.5	13,598.1
Liquid Assets								
Total Deposits at Central Bank	15,760.1 ^r	17,614.7 ^r	18,561.6 ^r	20,862.0 ^r	17,508.6	22,353.3	27,597.4	23,448.4
Local Cash in Hand	1,171.6	1,073.8	1,100.3	3,990.1 ^r	1,632.5	1,210.2	1,266.5	1,662.0
Treasury Bills	366.4	1,338.2	1,858.1	2,486.4	3,834.2	4,221.2	4,542.8	4,489.5
Total Liquid Assets	17,298.1^r	20,026.7^r	21,520.0^r	27,338.5^r	22,975.3	27,784.7	33,406.7	29,599.9
Total Deposit Liabilities (adj.)	80,580.7	80,939.2	80,878.8	84,655.6	87,943.4	90,047.3	92,478.8	95,024.2
	As at Percentage of Total Deposit Liabilities (Adj.)							
Legal Reserves Position								
Required Reserves	17.0 ^r	17.0 ^r	17.0 ^r	17.0 ^r	14.0	14.0	14.0	14.0
Actual Reserves	19.6 ^r	21.8 ^r	22.9 ^r	24.6 ^r	19.9	24.8	29.8	24.7
Cash Reserves	19.6 ^r	21.8 ^r	22.9 ^r	24.6 ^r	19.9	24.8	29.8	24.7
Excess (+) or Shortage (-)	2.6 ^r	4.8 ^r	5.9 ^r	7.6 ^r	5.9	10.8	15.8	10.7
Average Excess(+) or Shortage(-)	3.3	4.6	5.5	6.2	4.8	8.9	12.5	14.3
Liquid Assets								
Total Deposits at Central Bank	19.6 ^r	21.8 ^r	22.9 ^r	24.6 ^r	19.9	24.8	29.8	24.7
Local Cash in Hand	1.5	1.3	1.4	4.7 ^r	1.9	1.3	1.4	1.7
Treasury Bills	0.5	1.7	2.3	2.9	4.4	4.7	4.9	4.7
TOTAL LIQUID ASSETS	21.5^r	24.7^r	26.6^r	32.3^r	26.1	30.9	36.1	31.1

SOURCE: Central Bank of Trinidad and Tobago

- 1 Required reserves comprise the statutory cash reserves requirement which was reduced from 17 per cent to 14 per cent on March 17, 2020. A secondary reserve requirement of 2 per cent which was introduced, on a temporary basis, on October 4, 2006 was suspended effective August 2, 2018.
- 2 Represents the excess/shortage as at the end of the quarter.
- 3 Represents the excess/shortage as an average through the quarter.

TABLE A.20

COMMERCIAL BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2016-2020
/ TT\$ MILLIONS /

SECTOR	END OF PERIOD				
	2016	2017	2018	2019	2020 ^P
Central and Local Government	215.8	376.6	632.2	556.5	610.0
Agriculture	83.1	151.1	201.2	200.5	160.6
Petroleum	2,362.5	2,132.6	3,578.9	3,726.5	3,116.3
Manufacturing	4,255.9	3,911.2	3,495.2	3,857.7	3,876.8
Construction	4,185.5 ^r	3,103.0 ^r	2,836.6 ^r	1,882.5 ^r	2,595.5
Distributive Trades	3,684.9	3,843.5	3,876.6	4,068.3	3,838.8
Hotels and Guest Houses	815.2	1,033.0	904.6	1,649.5	1,668.5
Transport, Storage and Communication	1,693.8	1,821.0	2,135.0	1,578.8	1,311.2
Finance, Insurance and Real Estate	8,765.1 ^r	10,223.5 ^r	10,870.5 ^r	12,091.5 ^r	11,801.9
Education, Cultural and Community Services	118.0	126.9	227.9	317.6	312.5
Personal Services	569.2	652.1	912.7	1,351.1	1,227.8
Electricity and Water	2,971.0	3,111.0	1,439.3	1,491.6	1,264.9
Consumers	16,488.2	17,318.6	18,349.0	19,388.1	18,830.0
TOTAL (Excluding Real Estate Mortgage Loans)	46,208.3	47,804.1	49,459.8	52,160.2	50,614.8
Real Estate Mortgage Loans and Lease Financing	18,215.4	19,681.7	21,019.0	23,683.0	24,699.9
TOTAL LOANS	64,423.7	67,485.8	70,478.8	75,843.2	75,314.7

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.21

COMMERCIAL BANKS:
PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2016-2020¹
/ PER CENT /

SECTOR	END OF PERIOD				
	2016	2017	2018	2019	2020 ^P
Central Government	0.3	0.6	0.9	0.7	0.8
Agriculture	0.1	0.2	0.3	0.3	0.2
Petroleum	3.7	3.2	5.1	4.9	4.1
Manufacturing	6.6	5.8	5.0	5.1	5.1
Construction	6.5 ^r	4.6 ^r	4.0 ^r	2.5 ^r	3.4
Distributive Trades	5.7	5.7	5.5	5.4	5.1
Hotels and Guest Houses	1.3	1.5	1.3	2.2	2.2
Transport, Storage and Communication	2.6	2.7	3.0	2.1	1.7
Finance, Insurance and Real Estate	13.6 ^r	15.1 ^r	15.4 ^r	15.9 ^r	15.7
Education, Cultural and Community Services	0.2	0.2	0.3	0.4	0.4
Personal Services	0.9	1.0	1.3	1.8	1.6
Electricity and Water	4.6	4.6	2.0	2.0	1.7
Consumers	25.6	25.7	26.0	25.6	25.0
TOTAL (Excluding Real Estate Mortgage Loans)	71.7	70.8	70.2	68.8	67.2
Real Estate Mortgage Loans and Lease Financing	28.3	29.2	29.8	31.2	32.8
TOTAL LOANS	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.20

¹ Figures may not sum to 100 due to rounding.

TABLE A.22
COMMERCIAL BANKS: INTEREST RATES, 2018-2020¹
/ PER CENT /

SECTION		2018	2019	2020 ^P	2020 ^P			
					I	II	III	IV
A. LOAN RATES (MARKET)								
(i) Installment	Range	0.73-19.50	0.73-19.50	3.00-29.00	3.00-20.75	3.00-20.75	3.00-20.75	3.00-29.00
	Median	7.50	7.50	6.76	8.93	6.75	6.68	6.63
(ii) Demand	Range	0.20-15.50	0.20-15.50	0.00-20.00	1.50-15.25	2.00-20.00	0.00-17.25	2.00-17.25
	Median	7.50	7.50	7.50	9.25	7.50	7.50	7.50
(iii) Overdraft	Range	4.00-27.75	4.00-27.75	0.85-29.00	0.85-29.00	0.85-29.00	0.85-29.00	3.01-29.00
	Median	7.50	7.50	7.56	9.25	7.63	7.50	7.50
(iv) Basic Prime Rate	Range	8.75-9.75	8.85-9.75	7.25-9.75	7.25-9.75	7.25-7.80	7.25-7.80	7.25-7.80
	Median	9.25	9.25	7.50	9.25	7.50	7.50	7.50
(v) Real Estate Mortgage	Range	3.00-16.43	3.00-16.43	3.00-17.25	3.00-17.25	3.00-14.00	3.00-14.00	3.00-14.00
	Median	7.50	7.50	6.69	7.88	6.50	6.50	7.25
B. DEPOSIT RATES (Announced)								
(i) Ordinary Savings	Range	0.03-1.00	0.03-1.00	0.00-1.10	0.00-0.40	0.00-1.10	0.00-1.10	0.00-1.10
	Median	0.20	0.20	0.09	0.11	0.11	0.11	0.06
(ii) Special Savings	Range	0.03-2.00	0.03-2.00	0.00-2.00	0.00-2.00	0.00-2.00	0.00-2.00	0.00-0.20
	Median	0.20	0.20	0.31	0.33	0.33	0.33	0.05
(iii) 3-Months Time	Range	0.05-3.95	0.05-3.95	0.00-0.65	0.00-0.65	0.00-0.65	0.00-0.65	0.00-0.65
	Median	0.38	0.38	0.33	0.30	0.30	0.30	0.31
(iv) 3-6 Months Time	Range	0.05-3.00	0.05-3.00	0.00-0.80	0.00-0.80	0.00-0.80	0.00-0.80	0.00-0.75
	Median	0.45	0.45	0.42	0.40	0.40	0.40	0.34
(iv) 6-Months Time	Range	0.05-0.75	0.05-0.75	0.00-0.80	0.25-0.80	0.25-0.80	0.25-0.80	0.04-0.60
	Median	0.50	0.50	0.42	0.43	0.43	0.43	0.21
(v) 1-Year Time	Range	0.05-3.00	0.05-3.00	0.00-1.50	0.00-1.50	0.00-1.50	0.00-1.50	0.00-1.30
	Median	0.78	0.78	0.73	0.81	0.81	0.81	0.66

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, 2016-2020
/ TT\$ MILLIONS /

SECTOR	END OF PERIOD				
	2016	2017	2018	2019	2020 ^P
A. Narrow Money Supply (M-1A)	45,383.8	44,012.7	44,976.8	43,036.7	52,104.7
Currency in Active Circulation	7,846.6	8,104.1	7,941.2	4,782.3	7,318.1
Demand Deposits (adj.)	37,537.2	35,908.7	37,035.6	38,254.4	44,786.6
B. Factors Affecting Changes in Money Supply					
1. Net Bank Credit to Central Government	-31,113.8	-27,879.9	-26,287.5	-20,149.8	-22,243.8
(a) Central Bank	-50,680.5	-45,444.5	-44,276.0	-34,138.5	-41,119.6
(b) Commercial Banks	19,566.7	17,564.5	17,988.5	13,988.7	18,875.8
2. Bank Credit	65,950.0	68,158.9	71,180.2	75,037.5	73,132.3
(a) Public Sector ¹	11,760.6	11,213.7	11,292.6	12,586.5	11,507.3
(b) Private Sector ²	54,189.4	56,945.1	59,887.6	62,451.0	61,625.0
3. External Assets (net)	87,670.2	83,921.9	82,920.6	48,574.4^r	50,196.1
4. Quasi-Money³	-43,252.4	-42,741.8	-44,449.0	-46,438.5	-47,125.2
5. Foreign Currency Deposits (Adj.)	-23,866.3	-23,986.1	-24,416.5	-24,223.6	-24,813.1
6. NFIs Foreign Currency Deposit (Adj.)	-988.2	-398.5	-906.0	-656.0	-676.8
7. Other Items (Net)	-10,004.0	-13,460.1	-13,970.8	10,236.6^r	22,958.4
C. Broad Money Supply (M-2)	88,636.2	86,754.6	89,425.8	89,475.2	99,229.8
D. Broad Money Supply (M-2*)⁴	112,502.5	110,740.7	113,842.4	113,698.8	124,043.0
Memorandum Items:⁵					
Money Supply M-3	90,531.8	88,337.0	90,886.5	91,251.8	101,133.2
Money Supply M-3*	115,386.3	112,721.5	116,209.0	116,131.0	126,622.9

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, 2016-2020
/ 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)
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
2019	71,691	228,411	758,891	3,052,717	3,522,071	6,574,788
2020 ^P	141,350	181,123	1,140,032	2,604,531	3,565,264	6,169,795
2019						
I	63,756	187,021	622,607	2,460,079	3,621,226	6,081,305
II	87,123	198,195	741,854	2,626,520	3,648,102	6,274,622
III	94,476	207,586	517,470	3,010,930	3,907,363	6,918,293
IV	71,691	228,411	758,891	3,052,717	3,522,071	6,574,788
2020						
I	69,004	195,061	853,087	2,901,550	3,526,936	6,428,486
II	42,803	201,486	1,010,059	2,710,632	3,668,876	6,379,508
III	141,382	185,338	788,863	2,608,034	3,799,246	6,407,280
IV ^P	141,350	181,123	1,140,032	2,604,531	3,565,264	6,169,795
END OF PERIOD	TOTAL ASSETS/ LIABILITIES	DEPOSITS	BORROWINGS ¹	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
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
2019	7,478,021	2,843,156	1,028,815	155,762	3,633,872	-13,352
2020 ^P	7,450,320	2,520,957	1,022,874	181,985	3,922,229	-5,973
2019						
I	6,808,809	2,528,556	1,033,593	145,884	3,332,359	-74,369
II	7,165,890 ^r	2,846,148	1,014,458	135,902 ^r	3,316,484	15,813 ^r
III	7,551,390	3,223,364	1,015,967	186,434	3,330,316	-9,357
IV	7,478,021	2,843,156	1,028,815	155,762	3,633,872	-13,352
2020						
I	7,381,718	2,633,039	1,045,213	163,921	3,703,849	8,522
II	7,443,100	2,650,955	1,033,277	190,753	3,783,803	-14,682
III	7,314,741	2,586,442	1,034,170	208,125	3,756,413	-55,039
IV ^P	7,450,320	2,520,957	1,022,874	181,985	3,922,229	-5,973

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, 2016-2020
/ TT\$ MILLIONS /

SECTOR	END OF PERIOD				
	2016	2017	2018	2019	2020 ^P
Public Sector	25.3	101.1	230.3^r	70.1	198.8
Private Sector	2,812.6	2,933.1	3,046.9	3,132.3	3,076.7
Agriculture	29.5	28.3	33.9	31.6	37.0
Petroleum	9.9	6.9	6.6	7.5	9.9
Manufacturing	83.6	92.9	77.0	57.3	62.0
Construction	165.7	231.9	135.7	142.7	188.7
Distributive Trades	96.6	95.5	105.5	112.8	131.5
Hotels and Guest Houses	50.7	34.9	56.0	44.4	44.7
Transport, Storage and Communication	169.0	121.7	118.4	115.8	126.4
Finance, Insurance, Real Estate and Services	513.6	532.4	626.3	472.4	464.5
Education, Cultural and Community Services	0.6	0.8	0.4	0.3	0.1
Personal Services	116.4	142.1	157.5	333.6	147.7
Consumers	1,577.1	1,645.9	1,729.5	1,813.9	1,864.1
TOTAL (Excluding Real Estate Mortgage Loans and Leases)	2,837.9	3,034.2	3,277.3^r	3,202.4	3,275.5
Real Estate Mortgage Loans	68.0	59.3	56.0	59.0	75.5
Leases	277.4	258.1	222.9	222.6	195.3
TOTAL LOANS	3,183.3	3,351.5	3,556.2^r	3,484.1	3,546.3

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.26

FINANCE COMPANIES AND MERCHANT BANKS:
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2016-2020
 / PER CENT /

SECTOR	END OF PERIOD				
	2016	2017	2018	2019	2020 ^P
Public Sector	0.8	3.0	6.5^r	2.0	5.6
Private Sector	88.4	87.5	85.7^r	89.9	86.8
Agriculture	0.9	0.8	1.0	0.9	1.0
Petroleum	0.3	0.2	0.2	0.2	0.3
Manufacturing	2.6	2.8	2.2	1.6	1.7
Construction	5.2	6.9	3.8	4.1	5.3
Distributive Trades	3.0	2.8	3.0	3.2	3.7
Hotels and Guest Houses	1.6	1.0	1.6	1.3	1.3
Transport, Storage and Communication	5.3	3.6	3.3 ^r	3.3	3.6
Finance, Insurance, Real Estate and Business Services	16.1	15.9	17.6 ^r	13.6	13.1
Education, Cultural and Community Services	0.0	0.0	0.0	0.0	0.0
Personal Services	3.7	4.2	4.4 ^r	9.6	4.2
Consumers	49.5	49.1	48.6 ^r	52.1	52.6
TOTAL (Excluding Real Estate Mortgage Loans and Leases)	89.1	90.5	92.2^r	91.9	92.4
Real Estate Mortgage Loans	2.1	1.8	1.6	1.7	2.1
Leases	8.7	7.7	6.3	6.4	5.5
TOTAL LOANS	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.25

TABLE A.27

TRUST AND MORTGAGE FINANCE COMPANIES:
SUMMARY OF ASSETS AND LIABILITIES, 2016-2020
/ 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)
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
2019	45,067	576,103	461,475	393,295	1,413,320	1,458,387
2020 ^P	85,987	746,908	517,952	498,365	1,739,812	1,825,799
2019						
I	15,393	408,497	584,930	199,983	1,180,565	1,195,958
II	13,079	773,200	366,095	205,663	1,329,776	1,342,855
III	75,504	649,213	541,125	231,959	1,406,166	1,481,670
IV	45,067	576,103	461,475	393,295	1,413,320	1,458,387
2020						
I	21,333	375,332	498,748	583,260	1,436,889	1,458,222
II	31,575	476,558	502,624	539,016	1,493,326	1,524,901
III	42,495	602,806	519,184	589,834	1,683,894	1,726,389
IV ^P	85,987	746,908	517,952	498,365	1,739,812	1,825,799
END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)	
	(7)	(8)	(9)	(10)	(11)	
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	
2019	207,477	-68	17,553	1,421,192	-156,581	
2020 ^P	390,866	39,932	24,392	1,437,309	-3,088	
2019						
I	136,437	-68	12,845	1,257,656	-188,232	
II	151,042	-68	15,182	1,372,923	-175,079	
III	173,851 ^r	-68	16,131	1,397,737	-81,952 ^r	
IV	207,477	-68	17,553	1,421,192	-156,581	
2020						
I	222,950	129,932	20,451	1,384,748	-136,331	
II	309,395	36,933	24,872	1,400,226	-184,474	
III	384,460	-68	27,930	1,419,243	-77,058	
IV ^P	390,866	39,932	24,392	1,437,309	-3,088	

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.28

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2016-2020
/ 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)
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
2018	0	-699,915	-399,200	4,024,546	2,925,432	2,925,432	1,692,917	1,232,515
2019	0	-143,717	-10,000	4,342,300	4,188,583	4,188,583	1,759,748	2,428,834
2020	0	-138,581	0	4,483,608	4,345,027	4,345,027	1,774,604	2,570,423
2016								
I	0	-524,136	-1,156,428	3,946,920	2,266,356	2,266,356	1,499,156	767,200
II	0	-503,352	-1,309,419	4,019,873	2,207,102	2,207,102	1,488,221	718,881
III	0	-429,756	-1,415,278	4,154,029	2,308,995	2,308,995	1,536,123	772,872
IV	0	-452,576	-1,452,997	4,175,081	2,269,508	2,269,508	1,576,492	693,016
2017								
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
2018								
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
2019								
I	0	-816,230	-376,200	4,124,249	2,931,819	2,931,819	1,721,236	1,210,583
II	0	-145,909	-20,000	4,256,996	4,091,087	4,091,087	1,697,435	2,393,652
III	0	-146,051	-10,000	4,120,033	3,963,982	3,963,982	1,728,300	2,235,682
IV	0	-143,717	-10,000	4,342,300	4,188,583	4,188,583	1,759,748	2,428,834
2020								
I	0	-146,645	-10,000	4,263,857	4,107,212	4,107,212	1,780,532	2,326,680
II	0	-143,643	-10,000	4,216,267	4,062,624	4,062,624	1,774,830	2,287,794
III	0	-142,110	0	4,291,584	4,149,473	4,149,473	1,745,061	2,404,411
IV	0	-138,581	0	4,483,608	4,345,027	4,345,027	1,774,604	2,570,423

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.29

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2016-2020
/ 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)
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
2019	0	401	5,880	120,107	126,388	126,388	32,679	8,548	41,227	23,768	61,393
2020	0	2,733	6,820	114,065	123,618	123,618	29,920	8,339	38,259	22,011	63,349
2016											
I	0	11,265	8,346	80,147	99,758	99,758	19,065	7,745	26,810	16,491	56,457
II	0	10,062	10,089	81,977	102,128	102,128	20,187	7,741	27,928	17,230	56,970
III	0	10,648	10,146	83,193	103,987	103,987	19,871	7,923	27,794	17,594	58,599
IV	0	7,554	9,934	85,684	103,172	103,172	19,894	8,005	27,899	18,422	56,851
2017											
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
2018											
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
2019											
I	0	243	7,309	111,364	118,916	118,916	26,696	8,911	35,607	22,161	61,148
II	0	-3,065	9,130	113,233	119,298	119,298	26,318	8,999	35,317	22,980	61,001
III	0	-2,270	6,553	114,641	118,924	118,924	26,206	8,521	34,727	23,015	61,182
IV	0	401	5,880	120,107	126,388	126,388	32,679	8,548	41,227	23,768	61,393
2020											
I	0	300	5,992	120,919	127,211	127,211	30,406	8,096	38,502	23,977	64,732
II	0	3,737	5,992	117,233	126,962	126,962	29,798	8,030	37,828	24,513	64,622
III	0	3,858	7,992	116,271	128,121	128,121	29,777	7,761	37,538	24,743	65,839
IV	0	2,733	6,820	114,065	123,618	123,618	29,920	8,339	38,259	22,011	63,349

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.30

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2018-2020¹
/ PER CENT /

INTEREST RATES	2018	2019	2020 ^P	2020 ^P			
				I	II	III	IV
1. Thrift Institutions							
(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
2. Trust and Mortgage Finance Companies							
(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	12.00-16.00	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
3. Finance Companies and Merchant Banks							
(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

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

TABLE A.31
MONEY AND CAPITAL MARKET ACTIVITY, 2016-2020¹

END OF PERIOD	NEW ISSUES (\$MN)			SECONDARY MARKET TURNOVER ²						
	GOVERNMENT SECURITIES	TREASURY BILLS	OTHER ⁴	GOVERNMENT SECURITIES ³		TREASURY BILLS		PUBLIC COMPANY SHARES		
				FACE VALUE (\$MN)	NO. OF TRANS-ACTIONS	FACE VALUE (\$MN)	NO. OF TRANS-ACTIONS	MARKET VALUE (\$MN)	NO. OF TRANS-ACTIONS	VOLUME OF SHARES TRADED (\$MN)
2016	4,162.9	0.0	2,383.8	1,722.3	155	650.8	61	951.8	10,519	92.0
I	0.0	0.0	97.7	275.9	23	212.2	19	234.4	2,873	28.5
II	3,162.9	0.0	1,630.8	740.5	74	127.8	11	292.1	2,838	29.9
III	0.0	0.0	536.2	502.9	40	237.9	16	197.5	2,531	14.0
IV	1,000.0	0.0	119.0	203.1	18	72.9	15	227.8	2,277	19.6
2017	9,875.0	1,105.0	2,936.1	986.1	114	778.5	79	1,024.7	11,221	84.5
I	2,500.0	0.0	1,614.7	358.5	46	226.1	29	184.2	2,855	19.5
II	2,200.0	1,105.0	571.3	97.7	17	126.6	15	273.4	2,684	22.8
III	2,500.0	0.0	450.0	43.6	11	21.0	8	283.1	2,758	18.8
IV	2,675.0	0.0	300.0	486.3	40	404.7	27	284.0	2,924	23.5
2018	4,740.0	0.0	5,554.0	318.1	57	148.9	17	1,148.4	11,721	72.3
I	1,200.0	0.0	812.2	123.3	12	22.9	3	230.0	2,979	16.4
II	750.0	0.0	3,138.3	0.7	3	25.2	1	271.2	2,740	17.3
III	450.0	0.0	996.0	182.8	30	68.9	6	302.9	2,769	17.8
IV	2,340.0	0.0	607.5	11.2	12	31.9	7	344.3	3,233	20.8
2019	7,285.4	2,570.0	4,715.7	182.0	55	461.4	57	1,102.3	12,054	76.9
I	642.4	0.0	200.0	57.8	20	193.8	23	287.4	2,848	18.0
II	2,500.0	815.0	1,015.7	31.6	12	205.6	31	250.8	3,114	16.3
III	843.0	620.0	375.0	79.0	7	37.5	2	264.0	3,161	23.6
IV	3,300.0	1,135.0	3,125.0	13.6	16	24.6	1	300.2	2,931	19.0
2020	12,538.7	1,661.0	6,698.7	448.7	22	218.4	21	1,042.9	11,668	61.3
I	2,250.0	1,561.0	1,615.2	2.0	1	126.3	15	422.9	3,804	23.7
II	4,255.5	100.0	2,471.5	0.9	2	91.9	5	238.6	2,736	15.5
III	2,000.0	0.0	1,000.0	416.7	10	0.0	0	187.3	2,457	10.7
IV	4,033.2	0.0	1,612.0	29.1	9	0.2	1	194.1	2,671	11.3

SOURCES: Central Bank of Trinidad and Tobago and 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 domestic bonds issued by public entities which have been guaranteed by the Government of Trinidad and Tobago.

TABLE A.32

SELECTED INTEREST RATES, 2018-2020¹
/ PER CENT PER ANNUM /

INTEREST RATES	2018	2019	2020 ^P	2020			
				I	II	III	IV ^P
A. Central Bank							
(i) Bank Rate	7.00	7.00	5.50	5.50	5.50	5.50	5.50
(ii) Special Deposits Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Repo Rate ²	5.00	5.00	3.50	3.50	3.50	3.50	3.50
(iv) Reverse Repo Rate ²	4.50	4.50	3.00	3.00	3.00	3.00	3.00
(v) Mortgage Market Reference Rate (MMRR) ³	3.00	3.00	3.00	3.00	3.00	3.00	3.00
B. Government							
(i) Treasury Bills	1.30	1.08	0.08	0.96	0.96	0.96	0.08
C. Commercial Banks - Local Currency							
(i) Weighted Average Rate on Loans	8.10	7.81	7.40	7.52	7.40	7.39	7.29
(ii) Weighted Average Rate on Deposits	0.64	0.66	0.63	0.68	0.64	0.62	0.60
(iii) Interest Spread (i - ii)	7.46	7.15	6.77	6.84	6.76	6.78	6.68
D. Non-Bank Financial Institutions⁴ - Local Currency							
(i) Weighted Average Rate on Loans	9.76	10.53	10.65	10.68	10.55	10.51	10.85
(ii) Weighted Average Rate on Deposits	2.67	2.85	2.80	2.97	2.83	2.66	2.75
(iii) Interest Spread (i - ii)	7.10	7.69	7.85	7.72	7.72	7.85	8.09

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 December 01, 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 2016-2020^{1,2,3}
/ US\$ MILLIONS /

ITEM	2016 ^r	2017 ^r	2018 ^p	2019 ^p	Jan-Sep 2019 ^p	Jan-Sep 2020 ^p
Current Account	-779.5	1,409.1	1,612.6	1,056.0	999.4	372.7
Goods and Services	-361.2	1,080.8	2,412.8	1,641.9	1,381.5	23.1
Goods, net*	1,415.7	3,193.0	4,124.2	2,730.6	2,190.0	748.1
Exports**	8,504.4	9,644.7	10,755.6	8,764.3	6,716.1	4,293.6
Petroleum Crude and Refined	2,560.4	2,693.4	2,933.9	2,016.2	1,492.1	955.1
Gas	1,728.4	2,249.3	2,899.4	2,350.0	1,813.3	945.1
Petrochemicals	2,361.1	2,925.0	3,256.6	2,607.4	2,055.6	1,327.6
Other	1,854.5	1,777.0	1,665.7	1,790.7	1,355.2	1,065.8
Imports**	7,088.7	6,451.7	6,631.4	6,033.7	4,526.2	3,545.5
Fuel***	1,542.3	1,617.7	1,755.3	1,222.1	914.4	520.0
Capital	1,949.2	1,368.9	1,408.4	1,244.7	961.6	798.7
Other	3,597.2	3,465.1	3,467.7	3,566.9	2,650.2	2,226.8
Services, net	-1,776.9	-2,112.2	-1,711.3	-1,088.6	-808.5	-725.0
Transport	-295.8	-275.1	-432.7	-423.2	-322.2	-246.4
Travel	276.1	356.7	331.5	350.7	273.1	114.5
Telecommunications, Computer, and Information Services	-32.8	-33.1	-35.8	-31.8	-24.1	-18.4
Insurance and Pension Services	-179.2	-187.6	-180.7	-154.1	-119.9	-162.3
Other Services [^]	-1,545.2	-1,973.1	-1,393.7	-830.3	-615.4	-412.4
Primary Income, net	-428.2	48.9	-700.5	-607.8	-409.2	312.3
Secondary Income, net	10.0	279.5	-99.8	21.8	27.2	37.3
Capital Account	0.2	1.2	2.4	10.3	10.2	6.2
Financial Account	-1,386.8	449.6	174.6	574.7	817.8	-157.4
Direct Investment	-1.7	458.8	765.2	-69.8	-49.4	458.3
Net Acquisition of Financial Assets	-25.3	-12.0	65.0	114.2	92.8	129.5
Net Incurrence of Liabilities	-23.6	-470.9	-700.2	184.0	142.2	-328.9
Portfolio Investment	-1,402.8	373.1	418.1	1,453.9	1,381.1	-243.6
Net Acquisition of Financial Assets	-97.1	224.1	350.4	1,245.4	877.1	-141.9
Net Incurrence of Liabilities	1,305.7	-148.9	-67.7	-208.5	-504.0	101.6
Financial Derivatives	0.0	4.7	5.3	-0.2	-1.3	-8.7
Net Acquisition of Financial Assets	0.0	4.4	5.2	-0.4	-0.4	-8.9
Net Incurrence of Liabilities	0.0	-0.3	-0.2	-0.2	0.9	-0.2
Other Investment ^{^^}	17.8	-386.9	-1,014.0	-809.1	-512.6	-363.4
Net Acquisition of Financial Assets	-93.8	163.1	-309.9	329.1	737.3	-169.1
Net Incurrence of Liabilities	-111.6	550.1	704.1	1,138.2	1,249.9	194.3
Net Errors and Omissions	-1,074.7	-2,056.7	-2,235.0	-1,137.7	-868.0	-158.7
Overall Balance	-467.2	-1,096.0	-794.7	-646.1	-676.1	377.5
Memorandum Items						
Current Account/GDP (per cent)	-3.5	6.3	6.8	4.6	5.7	2.3
Gross Official Reserves (US\$m) ^{^^^}	9,465.8	8,369.8	7,575.0	6,929.0	6,898.9	7,306.4
Import Cover (months) ^{^^^}	10.5	9.7	8.0	7.7	7.7	8.7
Debt Service Ratio	1.9	2.1	2.2	3.0	3.3	13.3
Net International Investment Position (US\$m) ^{^^^}	4,967.1	4,658.7	3,685.3	4,214.7	4,558.6	3,652.8

SOURCE: Central Bank of Trinidad and Tobago

NOTES:

- 1 Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for the first three quarters of 2020. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.
 - 2 GDP prior to 2020 are sourced from the CSO and that for 2020 are Ministry of Finance estimates sourced from 2020/21 original budget.
 - 3 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 comprise estimates by the Central Bank of Trinidad and Tobago.
- ** Exports and imports are reported on a FOB (Free on Board) basis. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.
- *** Includes petroleum, petroleum products and related materials.
- ^ 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, insurance, pension, and standardised guarantee schemes, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).
- ^^^ End of Period.

TABLE A.33 (B.1)

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

ITEM	2016	2017 ^r	2018 ^p	2019 ^p	Jan-Sep 2018 ^p	Jan-Sep 2019 ^p
Petroleum Industries	-431.9	-566.7	-716.4	-231.1	-519.2	-189.8
Petroleum Industries	75.2	-544.9	-366.9	18.8	-549.2	-15.4
Mining, Exploration and Production and Refineries	-534.0	-30.4	-384.1	-261.4	0.5	-170.1
Petrochemicals	26.9	8.7	34.5	11.5	29.5	-4.4
Food, Drink and Tobacco	47.6	23.6	-7.4	4.7	-7.4	-4.5
Chemicals and Non-Metallic Minerals	4.0	26.1	-7.8	-2.7	-1.8	-4.2
Assembly Type and Related Industries	65.2	32.5	28.9	-4.8	36.2	6.4
Distribution	88.2	-4.8	23.7	12.4	15.0	3.1
All Other Sectors ¹	203.3	18.3	-21.1	405.5	-14.5	331.2
TOTAL	-23.6	-470.9	-700.2	184.0	-491.6	142.2
Memorandum Items:						
Energy Sector	-431.9	-566.7	-716.4	-231.1	-519.2	-189.8
Non-Energy Sector	408.3	95.8	16.2	415.1	27.6	332.0

SOURCE: Central Bank of Trinidad and Tobago

NOTE: This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). 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 (B.2)

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

ITEM	Jan-Sep 2020 ^p
Mining and Quarrying	-73.1
Manufacturing	-132.5
Wholesale and Retail Trade	0.0
Financial and insurance activities	-84.0
Other Sectors	-39.2
TOTAL	-328.9
Memorandum Items:	
Energy Sector	-215.9
Non-Energy Sector	-113.0

SOURCE: Central Bank of Trinidad and Tobago

NOTES:

- This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign.
- Effective 2020 data, the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4).
- "Other Sectors" include Agriculture, forestry and fishing, Electric power generation, transmission and distribution, Construction, Transportation and storage, Manufacture of gas; distribution of gaseous fuels through mains, Steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities, Accommodation and food service activities, Information and communication, Real estate activities, Professional, scientific and technical activities, Administrative and support service activities, Public administration and defence; compulsory social security, Education, Human health and social work activities, Arts, entertainment and recreation and Other service activities.
- Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for the first three quarters of 2020. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.

TABLE A.33 (C)

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

ITEM	2016	2017 ^r	2018 ^p	2019 ^p	Jan-Sep 2019 ^p	Jan-Sep 2020 ^p
U.S.A.	408.4	-57.6	-116.7	-206.1	-369.3	71.7
U.K.	-35.5	-414.6	-281.8	314.5	268.5	-40.9
Canada	-387.1	-102.2	0.6	58.3	44.1	-14.1
Barbados	-162.3	-46.4	-259.1	-173.3	-23.8	-292.6
Netherlands	6.7	1.0	-3.2	2.9	-0.9	0.4
St. Lucia	40.1	9.3	17.2	58.7	48.4	-9.4
Other	106.2	139.6	-57.2	129.0	175.3	-43.9
TOTAL	-23.6	-470.9	-700.2	184.0	142.2	-328.9

SOURCE: Central Bank of Trinidad and Tobago

NOTE: This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign. Data are presented in accordance with the International Monetary Fund's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6) which prescribes that geographical distribution of direct investment is based on the immediate investing country.

TABLE A.34

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES
FOR SELECTED CURRENCIES 2016-2020¹

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)
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
2019	6.7306	6.7800	5.0538	5.3813	8.5342	9.1294	0.0617	0.0653	7.5445	8.0224
2020	6.7204	6.7803	5.0261	5.3627	8.6183	9.2182	0.0630	0.0666	7.7617	8.2307
2020										
January	6.7297	6.7797	5.1249	5.4573	8.7147	9.3480	0.0615	0.0653	7.4434	7.9413
February	6.7172	6.7869	5.0793	5.3784	8.7088	9.2624	0.0610	0.0645	7.3433	7.8099
March	6.7268	6.7788	4.8307	5.1676	8.3144	8.8980	0.0625	0.0665	7.6013	7.9357
I	6.7250	6.7815	5.0102	5.3343	8.5751	9.1678	0.0617	0.0655	7.4682	7.9006
April	6.7200	6.7731	4.7918	5.0972	8.3581	8.9215	0.0625	0.0651	7.4759	7.7776
May	6.7196	6.7773	4.8257	5.1417	8.2661	8.8500	0.0626	0.0662	7.4091	7.8249
June	6.7277	6.7827	4.9546	5.3011	8.3810	9.0273	0.0625	0.0665	7.7073	8.1184
II	6.7224	6.7777	4.8574	5.1800	8.3350	8.9330	0.0625	0.0660	7.5307	7.9070
July	6.7189	6.7788	4.9853	5.3005	8.4753	9.0800	0.0629	0.0666	7.7525	8.2731
August	6.7135	6.7815	5.0733	5.4559	8.8162	9.4569	0.0633	0.0667	8.0949	8.5633
September	6.7100	6.7826	5.1014	5.4634	8.7481	9.3062	0.0635	0.0672	7.9541	8.4774
III	6.7143	6.7809	5.0509	5.4025	8.6714	9.2720	0.0632	0.0668	7.9256	8.4308
October	6.7147	6.7802	5.1021	5.4375	8.7166	9.3254	0.0638	0.0677	8.0152	8.4981
November	6.7197	6.7807	5.1537	5.4983	8.8611	9.4294	0.0647	0.0681	7.9890	8.5756
December	6.7258	6.7819	5.2599	5.6197	9.0260	9.6705	0.0648	0.0687	8.2579	8.8505
IV	6.7201	6.7809	5.1722	5.5188	8.8680	9.4758	0.0644	0.0682	8.0889	8.6424

SOURCE: Central Bank of Trinidad and Tobago

¹ Monthly and quarterly rates are an average of daily rates.

TABLE A.35

TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 2016-2020¹
/ US\$ MILLIONS /

END OF PERIOD	CENTRAL BANK					CENTRAL GOVERNMENT	NET OFFICIAL RESERVES (5+6)
	FOREIGN ASSETS ¹	Of which		FOREIGN LIABILITIES	NET INTERNATIONAL RESERVES (1+4)		
		IMF RESERVE TRANCHE POSITION	SDR HOLDINGS				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
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
2019	6,924.7	131.7	334.4	0.0	6,924.7	4.3	6,929.0
2020	6,949.1	161.6	348.6	0.0	6,949.1	4.7	6,953.8
2019							
I	7,346.9	116.9	335.8	0.0	7,346.9	3.6	7,350.5
II	6,990.0	117.1	336.3	0.0	6,990.0	3.6	6,993.6
III	6,894.7	129.8	329.7	0.0	6,894.7	4.2	6,898.9
IV	6,924.7	131.7	334.4	0.0	6,924.7	4.3	6,929.0
2020							
I	6,621.0	130.0	330.3	0.0	6,621.0	4.5	6,625.5
II	7,308.7	151.6	333.0	0.0	7,308.7	4.6	7,313.3
III	7,301.8	155.1	340.7	0.0	7,301.8	4.6	7,306.4
IV	6,949.1	161.6	348.6	0.0	6,949.1	4.7	6,953.8
END OF PERIOD	COMMERCIAL BANKS			GROSS FOREIGN ASSETS (1+6+8)	TOTAL FOREIGN LIABILITIES (4+9)	NET FOREIGN RESERVES (11-12)	
	FOREIGN ASSETS	FOREIGN LIABILITIES	NET FOREIGN POSITION (8-9)				
	(8)	(9)	(10)	(11)	(12)	(13)	
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	
2019	3,608.8	918.6	2,690.2	10,537.8	918.6	9,619.2	
2020	3,894.5	724.0	3,170.4	10,848.2	724.0	10,124.2	
2019							
I	3,308.4	695.3	2,613.1	10,658.9	695.3	9,963.6	
II	3,521.0	754.3	2,766.7	10,514.5	754.3	9,760.3	
III	3,803.8	863.0	2,940.8	10,702.8	863.0	9,839.7	
IV	3,608.9	918.6	2,690.3	10,537.9	918.6	9,619.3	
2020							
I	3,787.6	746.2	3,041.4	10,413.1	746.2	9,666.9	
II	3,827.4	761.4	3,066.0	11,140.7	761.4	10,379.3	
III	3,894.5	724.0	3,170.4	11,200.9	724.0	10,476.9	
IV	3,894.5	724.0	3,170.4	10,848.2	724.0	10,124.2	

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, 2016-2020
/ TT\$ MILLIONS /

ITEM	2016	2017	2018	2019	2020
Net Foreign Assets	60,467	53,004	47,816	43,422	45,440
Net International Reserves	63,837	56,579	51,338	46,671	46,984
Assets	63,837	56,579	51,338	46,671	46,984
Liabilities	0	0	0	0	0
Other Foreign Assets	-3,369	-3,574	-3,523	-3,249	-3,295
Other External Assets	25	39	57	32	2
Medium and Long-Term Foreign Liabilities	-425	-554	-575	-287	-158
SDR Allocation	-2,969	-3,059	-3,004	-2,993	-3,139
Net Domestic Assets	-31,705	-26,171	-22,280	-13,491	-11,571
Net Credit to the Public Sector	-21,604 ^r	-16,803 ^r	-15,415 ^r	-5,274 ^r	-2,348
Central Government (net)	-21,566 ^r	-16,765 ^r	-15,370 ^r	-5,222 ^r	-2,304
Treasury Bills	167	0	0	0	0
Other Government Securities	3,143	198	198	163	114
Loans to Government	36,459	46,977	51,970	42,301	45,101
Use of Reserves (-addition)	-61,335 ^r	-63,940 ^r	-67,538 ^r	-47,685 ^r	-47,519
Rest of Public Sector	-38	-37	-45	-52	-45
<i>of which: Public Enterprises</i>	0	0	0	0	0
Net Claims on Financial Institutions	0	0	0	0	0
Other Items (net)	-10,101 ^r	-9,368 ^r	-6,865 ^r	-8,217 ^r	-9,223
Reserve Money	28,762	26,834	25,536	29,931	32,117
Currency in Circulation	9,366	9,421	9,387	8,799	8,412
Deposits of Commercial Banks	18,773	17,092	15,966	20,862	23,448
Deposits of Non-Bank Financial Institutions	624	321	183	270	257
	Changes as a Per Cent of Beginning-of-Period Reserve Money				
Net Foreign Assets	0	-26	-19	-17	1
Net Domestic Assets	-8	19	14	34	6
<i>Of which: Central Government</i>	4	17	5	40	10
Reserve Money	-9	-7	-5	17	7
Memorandum Item:					
Government Blocked Account	31,344	24,304	24,959	14,757	11,460

SOURCE: Central Bank of Trinidad and Tobago



APPENDIX TWO

FEATURE ARTICLE MODELLING THE IMPORT DEMAND FUNCTION: THE CASE OF TRINIDAD AND TOBAGO

FEATURE ARTICLE:
MODELLING THE IMPORT DEMAND FUNCTION:
THE CASE OF TRINIDAD AND TOBAGO

by Lauren Sonnylal, Ashley Bobb and Kester Thompson¹

Merchandise imports as a per cent of Gross Domestic Product (GDP) have more than doubled to 27.7 per cent in 2019 from 11.4 per cent in 1980, primarily reflective of Trinidad and Tobago's dependence on foreign products for intermediate and final consumption. This increase in demand for externally produced goods coupled with the limited supply of foreign exchange within the domestic market have prompted the need to better understand import demand patterns and the influencing factors of consumers. The article seeks to determine the long- and short-run dynamics for three import demand functions: total imports, food imports and manufacturing imports in Trinidad and Tobago using annual data between 1980 to 2019. The results of our model revealed that both in the long- and short-run, real income has a significant and positive impact on import demand. The results hold for all three import demand functions. Based on the findings, there exists a long-run trade-off between economic growth and balance of payments improvements, that is, continuous economic and import growth are likely to have a negative impact on the balance of payments in the long-run. Therefore, policies should be geared towards managing the level and composition of imports.

INTRODUCTION

The import demand function is a widely researched area in the literature. Empirical studies have embarked on using the traditional version of the import demand function which posits that real income and relative prices are primary determinants of a country's imports. It is hypothesised that growth in domestic income would result in an increase in imports for both consumption and investment goods, which denotes a positive relationship. In contrast, the effect of the relative price on the demand for imports is expected to be negative, as consumers substitute imports for domestic products when the price of imports increases (Arize and Osang, 2007)². Over time, Alam and Ahmed, 2010 and Butts and Mitchell, 2012³ have extended the works on this topic by including other macroeconomic variables, such as the real effective exchange rate, foreign exchange

reserves and exports as a capacity to import. In the literature, a depreciation in the exchange rate was revealed to have an adverse effect on import growth, such that imports become more expensive, while increased foreign reserves displayed a positive relationship with import demand. Studies have also explored the use of expenditure components rather than aggregate income (Narayan and Narayan, 2005)⁴, while others focused on the disaggregated, as well as the production differentiation approach (Mogotsi and Maripe 2014; Ghodsi, Grubler, and Stehrer 2016)⁵.

Since the Global Financial Crisis, domestic economic activity has slowed and net official reserves have trended downwards from 2015. Notwithstanding this weaker economic outturn, imports have remained relatively high, suggesting a downward stickiness in the demand for foreign produced goods. Against this backdrop, this study employs variables, namely, real income, terms of trade (relative price indices between the United States and Trinidad and Tobago)⁶, exchange rate, net official reserves and import capacity, to investigate the determinants of Trinidad and Tobago's import demand function from 1980 to 2019. This article contributes to the vast literature on this topic by incorporating the impact of external policy variables on a developing country's import demand function, particularly for Trinidad and Tobago.

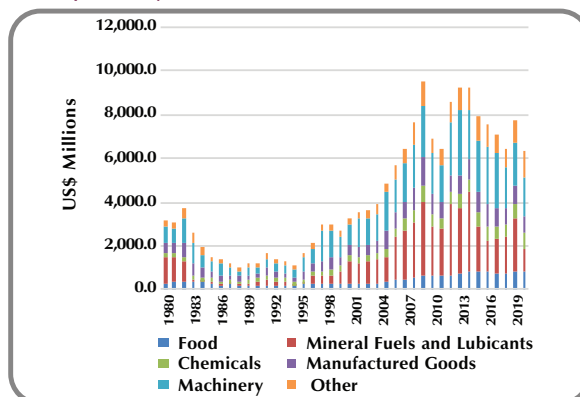
Trinidad and Tobago's merchandise imports have risen substantially over the last four decades, increasing almost two-fold to US\$6,325.0 million in 2019 from US\$3,193.7 million in 1980, primarily reflective of activity within the energy sector. In particular, the movement in imports of mineral fuels and lubricants (SITC 3) explains a significant percentage of this outturn. Within this category, imports reached US\$3,322.8 million in 2008 when West Texas Intermediate (WTI) crude oil prices surged to an average US\$99.6 per barrel and the volume of crude oil imports amounted to 32.5 million barrels. Over the period 1980 to 2018, imports of energy products including crude oil, averaged approximately one fifth (21.1 per cent) of total imports (**Chart 1**). However, the closure of

a state-owned oil refinery in October 2018, which resulted in the decline of energy-related imports by more than half of its value by 2019, caused a structural shift in the composition of Trinidad and Tobago's imports.

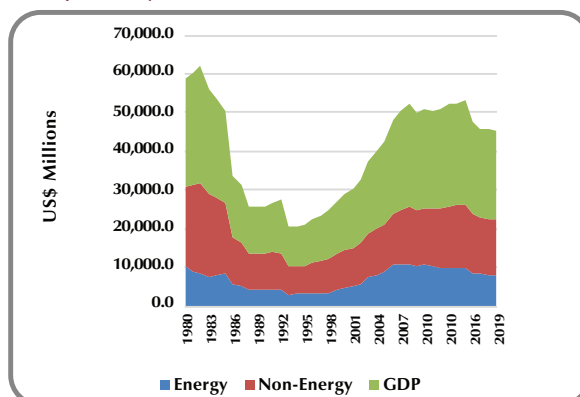
Notwithstanding the fall-off of imported crude oil for refining purposes, total imports remained relatively high. Factors contributing to the downward stickiness of imports include the nature of imports, wage growth and the characteristics of domestic economic activity. In 2019, capital goods, which is also driven by the energy sector, accounted for 28.5 per cent of total imports while the manufacturing sector contributed to just under 13.0 per cent of total imports. The level of manufacturing goods imports is attributable to the sector's reliance on imports of raw materials and other essential inputs in the production process. Trends in the current account balance and net official reserves exhibited similar patterns to global energy commodity markets over the reference period. Elevated energy prices boosted energy exports, resulting in the current account recording consecutive surpluses from 1999 to 2015. However, depressed commodity prices in 2016 contributed to a deficit of US\$779.5 million. Similarly, net official reserves increased to US\$6,929.0 million at the end of 2019, up from US\$2,667.7 million at the end of 1980. Over the review period, headline inflation was mainly driven by food inflation. Of note, food inflation soared to 25.6 per cent in 2008, pushing headline inflation to 12.0 per cent. However, core inflation - which excludes the volatile food component - exhibited a more stable trend over the reference period. Meanwhile, the Central Bank of Trinidad and Tobago adopted a flexible exchange rate regime in 1993, which has generally exhibited a stable trend from 1994 to 2019.

CHART 1:
SELECTED ECONOMIC INDICATORS

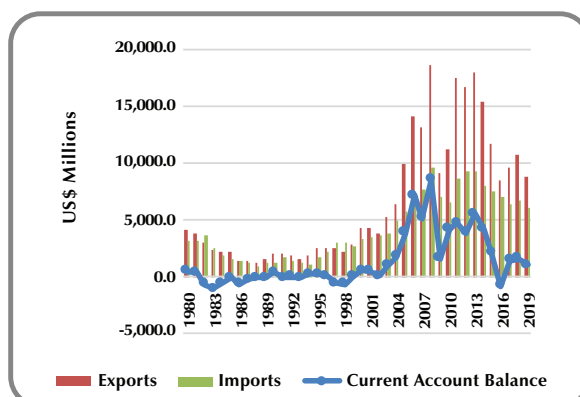
Imports by Classification from 1980 to 2019



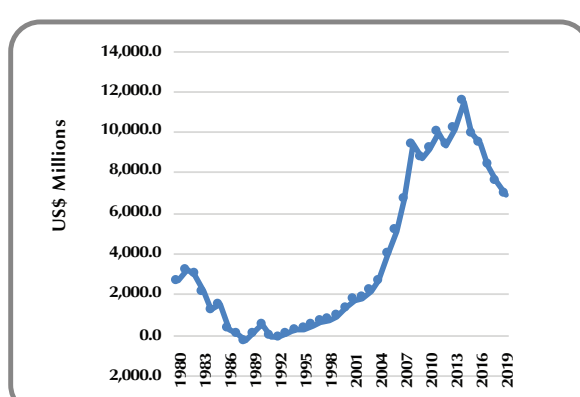
Imports by Classification from 1980 to 2019



Current Account Balance from 1980 to 2019



Net Official Reserves from 1980 to 2019



DATA AND METHODOLOGY

Three iterations of the Import Demand Function were estimated for Trinidad and Tobago – total imports, food imports and manufacturing imports, using the macroeconomic variables of: Real Gross Domestic Product (RGDP) as a proxy for real income, TT-US bi-lateral exchange rate (XR), net official reserves (NOR), import capacity (IC)-which is a ratio of exports to imports, terms of trade (TOT) – given by the ratio of the US consumer price index and TT retail price index, to determine the import demand (MD) for Trinidad and Tobago over the period 1980 to 2019. A log-linear specification was used to infer elasticities on estimated coefficients. The general import demand function used in the investigation for Trinidad and Tobago is written as:

$$\text{LN_MD} = f(\text{LN_RGDP}, \text{LN_XR}, \text{LN_NOR}, \text{LN_IC}, \text{LN_TOT}) \quad (1)$$

Since the analysis seeks to ascertain the dynamics in an import demand function for Trinidad and Tobago, a Vector Autoregression (VAR) was the choice of model. Two of the three iterations of the import demand functions – total imports and manufacturing imports, were found to have long-run co-movements among its variables and as such a Vector Error Correction Model (VECM) was appropriate. The import demand functions estimated by the VECM – total and manufacturing – exhibited negative and statistically significant error correction terms (ECT) of 0.56 and 0.82, respectively. The ECT is the speed of adjustment, which indicates that the short-run dynamics of the variables converge to its long-run equilibrium relatively quickly as 56.0 per cent and 82.0 per cent of the deviations in the short-run are corrected each year. Meanwhile, the VAR model for the food import demand suggests only short-run dynamics exist among the variables. Based on economic theory and empirical studies, it was hypothesised that real income, net official reserves and import capacity would yield a positive and significant effect on import demand, while the foreign exchange rate and relative prices would yield a negative and significant effect on import demand.

RESULTS AND ANALYSIS

Analysis of the Impulse Response Functions (IRFs) were carried out to determine the reaction of import demand in the three systems to innovations of the explanatory variables. The responses were further characterised by timeframe, that is, the short-run dynamics (defined here as three years) and the long-run dynamics (beyond three years). Notably, there is a negligible response in total, manufacturing, and food imports demanded from shocks to the explanatory variables in the first year. This implies that consumer demand for these commodities is not immediately influenced by changes in the explanatory variables. However, as time elapses, the relationships become more pronounced, reflecting the law of demand, which posits that over an extended period of time, consumers can alter their preferences, thus changing their demand patterns.

In the short-run, the factors having the strongest influence on total import demand, food and manufacturing imports were real income, import capacity and net official reserves. Various pieces of literature have hypothesised a linear positive relationship between income level and import demand, that is, an increase in disposable income results in an increase in the demand for imports. The IRF shows that a one standard deviation shock to the growth of real income has a positive effect on import demand in the first year and the response trends upward to the third year, with an average increase of 0.1 percentage points over the short-run.

The nexus between an economy's level of exports and imports can be captured by the proportion of exports that is required to facilitate the purchase of a single unit of imports. Further, a positive correlation is expected between import capacity and the demand for imports. For Trinidad and Tobago, import capacity exhibits an overall positive, albeit weak, relationship with total, food and manufacturing import demand, as there is only a 0.01 percentage point increase in import demand over the short-run.

Butts and Mitchell (2012) highlighted the accumulation of net official reserves as a fundamental pillar in the macroeconomic toolkit of developing economies, as well as the economic role it plays in encouraging import demand. As expected, a positive shock to NOR resulted in upward movement to both total and manufacturing import demand. Meanwhile, a weak positive relationship between NOR and food imports was detected.

Transitioning into the long-run, the main factors influencing import demand were movements in real domestic income, import capacity and net official reserves. Following the trend over the short-run, income growth continued to be an influencing factor in determining an individual's import demand patterns. Over the period 1980 to 2019, Trinidad and Tobago's ratio of import demand to real income suggests an average real income elasticity of 1.5, thus indicating that a 1.0 per cent growth in real income brought about a more than proportional increase in import demand. Meanwhile, the ratio of food and manufacturing import demand to income measured elasticities of 0.6 and 1.2, respectively. Notably, the positive relationship can be attributed to the inclusion of capital goods imports. As an economy grows, further imports of intermediate goods are necessary to facilitate the development process and therefore more of these products would be demanded.

Consistent with economic theory and the short-run results, the income capacity was found to have a positive relationship with import demand in the long-run for each iteration. Research on developing and oil-exporting economies have shown that an economy's value of import demand depends on its level of export earnings and there also exists a positive correlation between both variables (Butts and Mitchell, 2012). An analysis of Trinidad and Tobago's trade data supports this argument, which can be observed in the trend of both variables over time.

In terms of net official reserves, long-run results are consistent with the observations

made during the short-run. Moreover, growth in an economy's stock of foreign exchange reserves is anticipated to result in increased import demand. This relationship is noted over the long-run for total and manufacturing import demand. On average, a one standard deviation shock to net official reserves resulted in an increase of 0.04 per cent in total import demand, while imports of manufactured products grew by 0.08 per cent.

Over recent times, Trinidad and Tobago's flexible exchange rate system has been categorised by the International Monetary Fund (IMF) as a stabilised arrangement due to the influence of interventions in the domestic foreign exchange market. Furthermore, movement in the exchange rate has been signalled as a measure to reduce significant outflows from the stock of foreign currency reserves. A depreciation of the domestic currency vis-à-vis the US dollar, makes foreign goods relatively more expensive for domestic consumers, resulting in a decline in imports. However, results for Trinidad and Tobago are contrary to the conventional relationship, where in all cases a positive shock to the exchange rate resulted in growth, albeit minor, in import demand. For example, over the last ten years (2010-2019), Trinidad and Tobago's import bill has grown by 3.0 per cent despite a 6.0 per cent depreciation of the domestic exchange rate. This unique relationship can be further explained by the components of Trinidad and Tobago's import bill, which included imports of crude oil for refining purposes coupled with the consumption of capital goods which are necessary inputs in the production process.

To further investigate the dynamic interactions among the variables in the model, analysis of the variance decomposition was carried out. Total import demand was more influential in relation to other variables in the first year of the forecast, as approximately 78.0 per cent of its variance was explained by its own shock while the other variables explained the remaining 22.0 per cent. Overall, real income, net official reserves and import capacity are the most influential factors in the model. Concerning

imports of food, the variance decomposition suggests that food imports itself represented the predominant source of variation within the model, which creates an unconventional situation in supporting the reduction of the food import bill. Similarly, variance in manufacturing imports primarily responded to its own innovations in the first year. However, by the end of the forecast period, real income accounted for the largest portion of movement in the dependent variable.

CONCLUSION AND RECOMMENDATIONS

The purpose of this article was to examine the dynamic nature of import demand in Trinidad and Tobago while establishing its long- and short-run relationships with specific explanatory variables. This study tested the hypothesis that import demand and real income, relative prices, net official reserves, exchange rate and exports as a capacity to import have a static long-run relationship using cointegration, vector autoregressive and error correction methodologies. In the case of Trinidad and Tobago analysing these relationships are important for policy formulation.

The study concludes that domestic income has a significant influence on the short- and long-run import demand for food, manufacturing and overall goods. This suggests the existence of a possible long-run trade-off between economic growth and balance of payments improvements. In addition, the insensitivity of imports to movements in the exchange rate points to the potential ineffectiveness of exchange rate policy, as any further exchange rate depreciation will not have the desired impact of curbing import demand.

Against the backdrop of a declining stock of foreign exchange reserves and pressures to depreciate the domestic currency, recommendations to curb import demand over the long-run include; cautious monitoring when designing trade policy packages, optimisation and calibration of the economy's imports, that

is the import scale should be skewed towards imports of strategic products that are necessary for Trinidad and Tobago's economic growth and are unavailable in the domestic market, and development of domestic agriculture to ensure self-sufficiency in this sector. Meanwhile, encouraging export promotion over the long-run can help to facilitate the growth of foreign exchange earnings, which can be narrowly streamed towards the purchase of key intermediate inputs in the production process. In terms of the short-run, the implementation of import restrictions for particular commodities can reduce the size of the import bill while also creating an additional quantitative monitor on the volume of import flows.

NOTES

- 1 The authors are economists in the Research Department at the Central Bank of Trinidad and Tobago. The views expressed here are those of the authors and not necessarily those of the Central Bank of Trinidad and Tobago. Please send comments to: Isonnylal@central-bank.org.tt and/or abobb@central-bank.org.tt, kthompson@central-bank.org.tt.
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- 6 The US remains Trinidad and Tobago's main trading partner. In 2019, the US accounted for 41.8 per cent of total imports.
- 7 The Import Demand Functions were disaggregated into Standard International Trade Classification (SITC) 1-digit categories- Total Imports (SITC 0-9), Food imports (SITC 0) and Manufacturing imports (SITC 6).
- 8 All the logged variables were found to be stationary after first differencing I (1) with the exception of import capacity which was I (0). The optimal lag length, using the Akaike criterion (AIC), revealed one lag for all three equations. The Johansen cointegration technique indicated the null hypothesis of no cointegration was rejected at the 5 per cent level for the total imports and manufacturing imports. The stability of the three models were confirmed via robustness checks; inverse AR roots, heteroskedasticity test and serial correlation LM tests.
- 9 The US dollar is a vehicle currency and it is the most frequently used trading currency for Trinidad and Tobago.
- 10 This is a useful statistical tool in determining how much variability in a dependent variable is lagged by its own variance, while also providing information on which independent variables are most influential in explaining the composition of the dependent variable over time.



APPENDIX THREE

CALENDAR OF KEY ECONOMIC EVENTS JANUARY - DECEMBER 2020

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY TO DECEMBER 2020

ENERGY SECTOR

- 01 February Phoenix Park Gas Processors Limited (PPGPL) acquired the natural gas liquids marketing assets of Twin Eagle Liquids Marketing LLC, through its wholly owned US subsidiary, Phoenix Park Energy Marketing LLC. Twin Eagle Liquids Marketing LLC is a Houston, Texas, US-based company, engaged in the business of marketing, trading and transporting natural gas liquids in Canada, US and Mexico.
- 03 February The Prime Minister of Trinidad and Tobago announced that the Memorandum of Understanding between Trinidad and Tobago and Venezuela to jointly exploit 10.0 trillion cubic feet of natural gas in the Loran-Manatee field, has been rescinded, with both countries opting instead to develop it independently. US sanctions on the Bolivarian Republic have led to the agreement being terminated.
- 05 February The Ministry of Energy and Energy Industries announced their receipt of a bonus US\$80.0 million on signing new Production Sharing Contracts (PSCs) with Shell TT. The agreement covers Shell's production-sharing contracts for its East Coast Marine Area (ECMA) comprising Block 5a, Block 6, Block E and Block 5c and North Coast Marine Area (NCMA) 2, in addition to its Colibri project comprising NCMA 4 and Block 22. Shell TT is projected to spend in excess of US\$1.0 billion in development works over the period 2019-2021.
- 06 February Touchstone Exploration confirmed its Cascadura-1TST1 well in Ortoire is a significant gas discovery. Average flowback rate during test periods were 5,180.0 barrels of oil equivalent per day (boe/d), including 26.9 million cubic feet per day of natural gas and 694.0 barrels per day of natural gas liquids. Touchstone has an 80.0 per cent working interest in Cascadura, while Heritage Petroleum holds 20.0 per cent in this joint project.
- 11 February Shell TT has announced a Final Investment Decision (FID) on the development of Block 5C (Barracuda) in the ECMA. Barracuda is a Greenfield gas development. Gas from Barracuda is expected in 2021 and will supply both the domestic gas and export markets.
- 17 February The Government of both Trinidad and Tobago and Barbados signed a unitisation agreement that would allow both countries to carry out seismic exploration at each other's border, and jointly operate a producing reservoir of oil and/or gas if found on the border of the two states.
- 16 March Shell TT announced a FID approving its Colibri project off the Northeast coast of Trinidad. The two blocks – Block 22 and NCMA-4 – are held in partnership with the Heritage Petroleum Company Ltd. Colibri is expected to add a total of 43,100.0 barrels of oil-equivalent per day or 250.0 million standard cubic feet of gas production per day. The Shell-operated Colibri development is co-owned with Heritage, which has a working interest of 10.0 per cent and 20.0 per cent respectively, in Block 22 and NCMA-4.

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY TO DECEMBER 2020

ENERGY SECTOR continued

- 04 May** Touchstone Exploration announced it signed a framework agreement for the sale of natural gas and gas liquids produced from the Ortoire block, onshore Trinidad. The agreement is signed with the National Gas Company of Trinidad and Tobago (NGC) and Heritage Petroleum Company Ltd. (Heritage Petroleum). Heritage Petroleum and Touchstone are joint venture partners in the Ortoire Onshore Block and have made gas discoveries in two wells: Coho and Cascadura. The agreement aids in fostering a strategic partnership, assisting the development, sale and purchase of natural gas and natural gas liquids produced from the Ortoire Block.
- 21 July** The NGC and BHP Petroleum (Trinidad) have completed negotiations of a Gas Sales Agreement for the Ruby Field. The Ruby field is located in Block 3(a), off the East coast of Trinidad, and is expected to be commissioned in the fourth quarter of 2021.
- 09 September** Energy giant BP Trinidad and Tobago (bpTT) was granted a 10-year extension on 92 of its exploration and production licences in the Columbus Basin. The Minister of Energy, Franklin Khan, announced the Licence Extension Agreement between the Government of Trinidad and Tobago and bpTT and its co-licencees including EOG Resources, Perenco, the NGC and Heritage Petroleum. The licence extensions are for the Teak, Samaan and Poui Exploration and Production licences as well as the East Mayaro Exploration and Production Licence. This extension is expected to yield US\$250.0 million in income to the State over the next four years.
- 28 September** Caribbean Gas Chemical Limited (CGCL) loaded its first cargo of methanol (13,000 metric tons) as it began export of the commodity. This follows the mechanical completion of its Methanol and Di-Methyl Ether (DME) Facility at Union Industrial Estate (UIE), La Brea, on June 27, 2020. CGCL is a joint venture consortium comprising Mitsubishi Gas Chemical Company Inc., Mitsubishi Corporation, Mitsubishi Heavy Industries, Engineering Ltd., NGC and Massy Holdings Ltd.
- 14 October** Touchstone Exploration Inc. announced a significant natural gas discovery at the Chinook-1 exploration well on the Ortoire exploration block. At a depth of 10,039.0 feet, Chinook-1 is one of the deepest wells drilled onshore Trinidad in almost a decade. Wireline logs indicate significant natural gas pay, totaling approximately 589.0 net feet in three unique thrust sheets in the Herrera sands. Additional natural gas pay of approximately 20.0 net feet was encountered in the shallower Cruse formation.

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY TO DECEMBER 2020

ENERGY SECTOR continued

- 18 December** The NGC signed a natural gas supply agreement with Primera Oil and Gas Limited, a subsidiary of Canadian energy exploration company Touchstone Exploration. Primera, acting on behalf of its joint venture partner Heritage Petroleum, will supply gas from the Coho-1 field in the Ortoire Block. Touchstone has an 80.0 per cent working interest operator while Heritage Petroleum has a 20.0 per cent working interest.

FINANCIAL LEGISLATION

- 29 January** An Act to vary the appropriation of the sum the issue of which was authorised by the Appropriation (Financial Year 2019) Act, 2018 and varied by the Finance (Supplementary Appropriation) (Financial Year 2019) Act, 2019, was assented on this date. This Act may be cited as the Finance (Variation of Appropriation) (Financial Year 2019) Act, 2020. (Act No. 2 of 2020)
- 18 February** An Act to amend the Insurance Act, 2018, was assented on this date. This Act may be cited as the Insurance (Amendment) Act, 2020. (Act No. 3 of 2020)
- 26 March** An Act to amend the Heritage and Stabilisation Fund Act, Chap. 70:09, the Government Savings Bonds Act, Chap. 71:41 and the Value Added Tax Act, Chap. 75:06 was assented to on this date. This Act may be cited as the Miscellaneous Provisions (Heritage and Stabilisation Fund, Government Savings Bonds and Value Added Tax) Act, 2020. (Act No. 9 of 2020)
- 28 October** An Act to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2021 was assented on this date. This Act may be cited as the Appropriation (Financial Year 2021) Act, 2020. (Act No. 24 of 2020)
- 18 December** An Act to amend the Mutual Legal Assistance in Criminal Matters Act, Chap. 11:24, the Proceeds of Crime Act, Chap. 11:27, the Anti-Terrorism Act, Chap. 12:07, the Interception of Communications Act, Chap. 15:08, Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:01, the Income Tax Act, Chap. 75:01, the Central Bank Act, Chap. 79:02, the Financial Institutions Act, Chap. 79:09, the Companies Act, Chap. 81:01, the Securities Act, Chap. 83:02, and the Non-Profit Organisations Act, No. 7 of 2019, was assented on this date. This Act may be cited as the Miscellaneous Provisions (FATF Compliance) Act, 2020. (Act No. 25 of 2020)

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY TO DECEMBER 2020

CENTRAL BANKING

01 March	The Mortgage Market Reference Rate as of March 1, 2020 remained unchanged at 3.00 per cent.
17 March	The Central Bank of Trinidad and Tobago lowered the Repo rate by 150 basis points to 3.50 per cent and reduced the primary reserve requirement on commercial bank deposits by 300 basis points 14.0 per cent.
01 June	The Mortgage Market Reference Rate as of June 1, 2020 remained unchanged at 3.00 per cent.
26 June	The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.
01 September	The Mortgage Market Reference Rate as of September 1, 2020 remained unchanged at 3.00 per cent.
25 September	The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.
01 December	The Mortgage Market Reference Rate as of December 1, 2020 remained unchanged at 3.00 per cent.
30 December	The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.

FINANCIAL SECTOR

8 January	The World's fourth largest insurance brokerage firm, Arthur J Gallagher and Company, acquired a 60.0 per cent stake in Trinidad-based Caribbean insurance broker, Risk Management Services Limited (RMS). Risk Management Services provides property/casualty and employee benefits products and services to enterprises in the manufacturing, oil and energy, and service industries.
26 March	Standard and Poor's Global Ratings (S&P) lowered Trinidad and Tobago's sovereign credit rating and its short-term foreign and local currency sovereign credit ratings to BBB- and A-3, respectively, from BBB and A-2. S&P stated that Trinidad and Tobago's economic outlook is stable.
22 May	Global rating agency, Moody's, confirmed Trinidad and Tobago's Ba1 credit rating in the midst of the COVID-19 pandemic, unchanged from its last assessment in 2017. However, Moody's changed the country's outlook to negative.

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY TO DECEMBER 2020

FINANCIAL SECTOR *continued*

- 31 May** Republic Financial Holdings Limited (RFHL) acquired Scotiabank's operations in the British Virgin Islands. This followed approvals from the Central Bank of Trinidad and Tobago, and The Financial Services Commission of the British Virgin Islands, as well as the execution of the General Banking Licence in the British Virgin Islands.
- 02 July** Scotiabank Trinidad and Tobago Ltd. (Scotiabank) announced the cancellation of their distribution deal with Sagicor Financial Corporation Ltd. Both companies have mutually agreed to discontinue the 20-year distribution agreement for insurance products and solutions in Trinidad and Tobago.
- 02 November** General Accident Insurance Company (Trinidad and Tobago) Ltd. (GenAc TT) officially launched its rebranded operations in Trinidad and Tobago, following the acquisition of local insurance company Motor One Insurance (Motor One) in 2019. GenAc Jamaica Ltd. purchased a majority stake in Motor One in October 2019. GenAc TT is bolstered through its parent company GenAc Jamaica Ltd., which is a member of the Musson Group, and owns 65.0 per cent of GenAc TT. Motor One had over 20,000 direct motor insurance policies and a large branch network.

GOVERNMENT TRANSACTIONS

- 05 March** The Ministry of Finance received US\$495,000 (TT\$3.37M) via a grant provided by the Corporación Andina de Fomento (CAF) – Development Bank of Latin America. Minister of Finance, Mr. Colm Imbert, and Director Representative of CAF, Mr. Gianpiero Leoncini, signed the Non-Reimbursable Technical Cooperation agreement. The grant money goes towards the creation of a Flood Management Master Plan to address the nation's recurrent challenges with drainage and flooding.
- 22 June** The Ministry of Finance achieved a successful US\$500.0 million Republic of Trinidad and Tobago International Bond Issue. The 10-year bond offer was launched by Credit Suisse with an initial interest rate of 4.50 per cent.
- 17 August** The Government of Trinidad and Tobago signed two loan agreements for a combined total of US\$150.0 million with the Inter-American Development Bank (IDB) to improve housing conditions, invest in urban transformation and respond to the impact of COVID-19. The first loan of US\$50.0 million will support the enhancement of living conditions for low-income households and investments in urban spaces as part of a strategy to foster more sustainable development. The second loan, valued at US\$100.0 million, is a policy-based loan titled Programme to Strengthen Fiscal Policy and Management in Response to the Health and Economic Crisis Caused by COVID-19 in Trinidad and Tobago.

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY TO DECEMBER 2020

GOVERNMENT TRANSACTIONS continued

- 10 September The Government of Trinidad and Tobago announced its newest state company, with its acquisition of CL Marine Ltd. and its subsidiaries, a commercial dry-docking facility, located in the western coast of Chaguaramas. The company has been renamed National Marine and Maintenance Services Company Ltd. This acquisition is part of the Government's diversification thrust, of which ship building and ship repairs is a targeted area. An interim board of directors was appointed.



2020 ANNUAL ECONOMIC SURVEY