



CENTRAL BANK OF
TRINIDAD & TOBAGO

2012 ANNUAL ECONOMIC SURVEY



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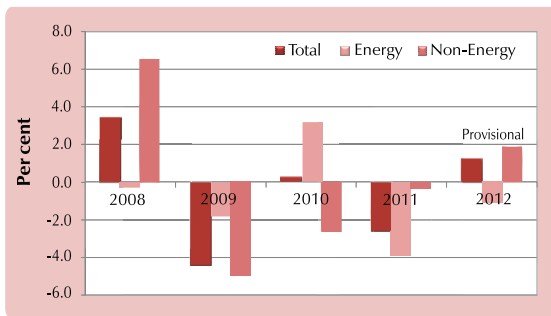


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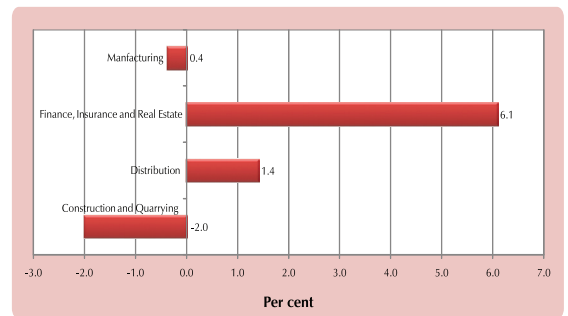


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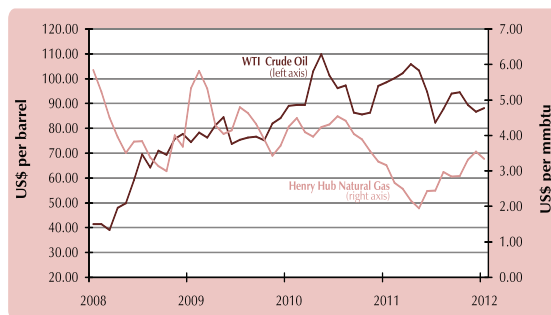


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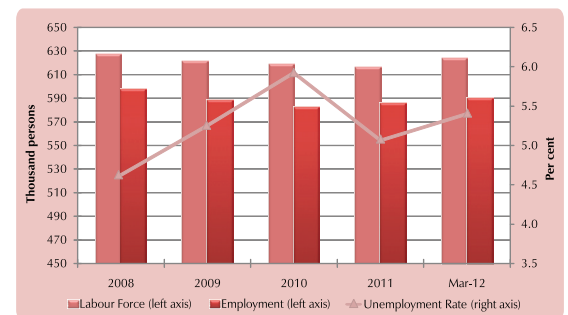


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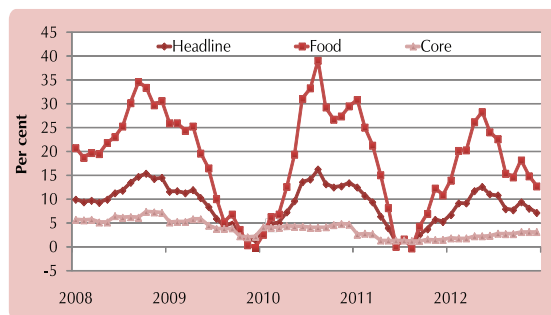


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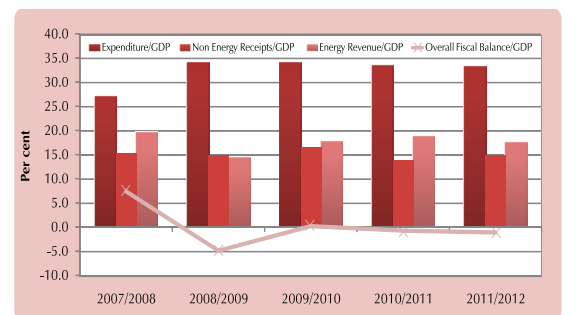


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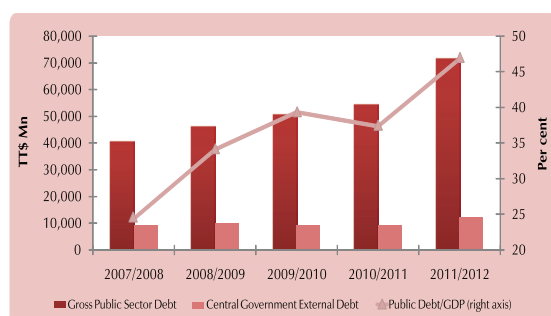
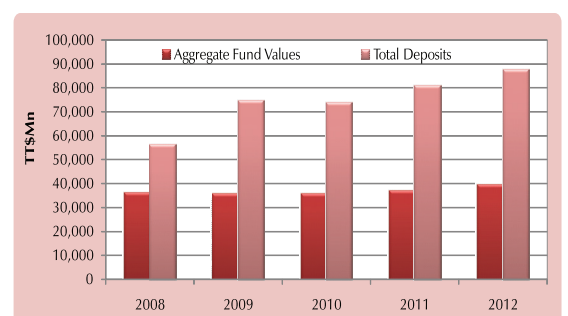


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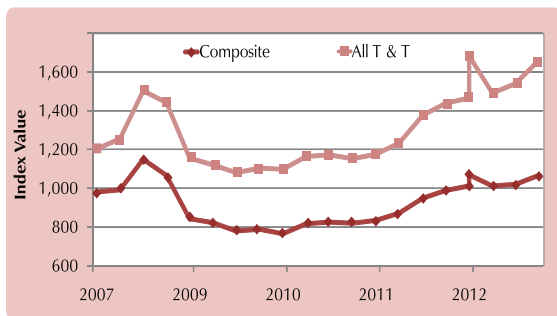


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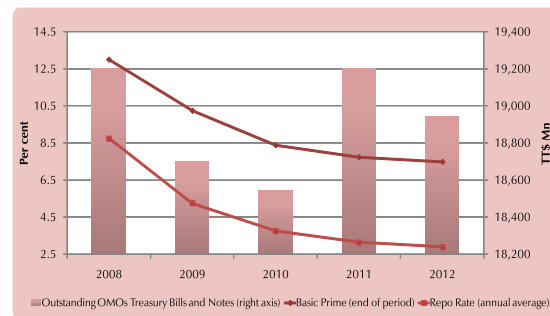


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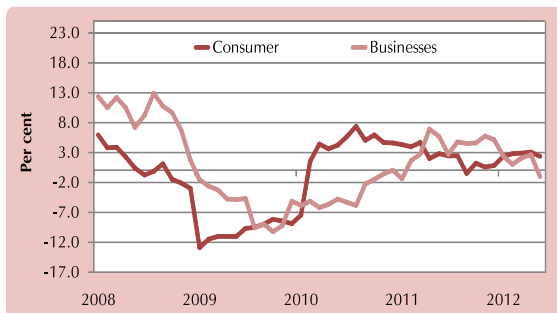


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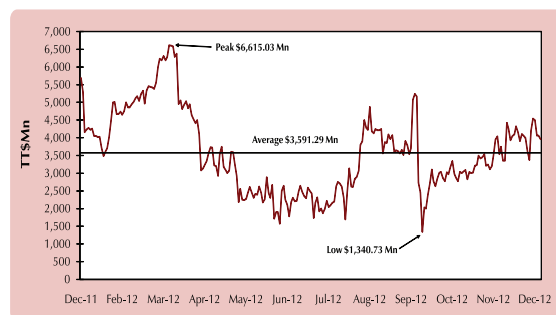


TABLE I
STANDARD AND POOR'S CREDIT RATING FOR
SELECTED CARIBBEAN COUNTRIES, 2008 – 2012

End of Period	2008	2009	2010	2011	2012
Jamaica	B	CCC	B-	B-	B-
Barbados	BBB+	BBB	BBB-	BBB-	BB+
Trinidad and Tobago	A	A	A	A	A

TABLE II
TRINIDAD AND TOBAGO SUMMARY
BALANCE OF PAYMENTS, 2008 – 2012
(US\$MILLION)

	2008 ^r	2009 ^r	2010 ^r	2011	2012 ^p
Current Account Balance	8,499	1,634	4,172	2,899	1,322
Trade Balance	9,070	2,242	4,735	5,433	3,918
Exports	18,647	9,221	11,239	14,944	12,983
Energy	16,773	7,940	9,435	12,710	10,569
Imports	9,577	6,979	6,504	9,511	9,065
Services (Net)	610	382	488	506	539
Income (Net)	-1,228	-1,017	-1,080	-3,074	-3,251
Transfers (Net)	47	27	29	33	116
Capital Account Balance	-5,794	-2,347	-3,754	-2,146	-1,944
Overall Balance	2,705	-713	418	753	-622
(IN PER CENT OF GDP)					
Exports	66.6	47.9	54.3	63.6	54.1
Imports	34.2	36.3	31.4	40.5	37.8
Current Account Balance	30.3	8.5	20.2	12.3	5.5
Capital Account Balance	-20.7	-12.2	-18.1	-9.1	-8.1
Overall Balance	9.7	-3.7	2.0	3.2	-2.6

P Provisional.

CHART 13
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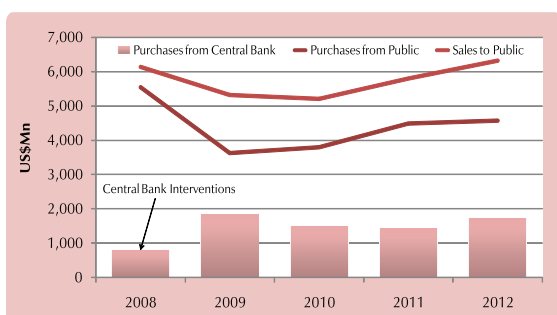


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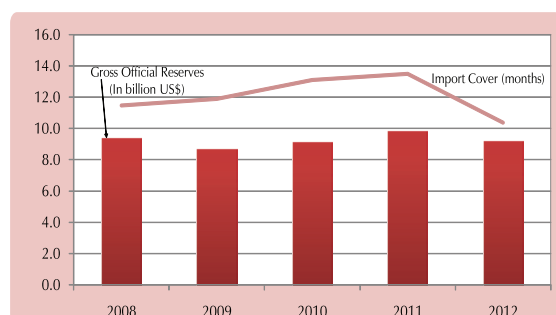
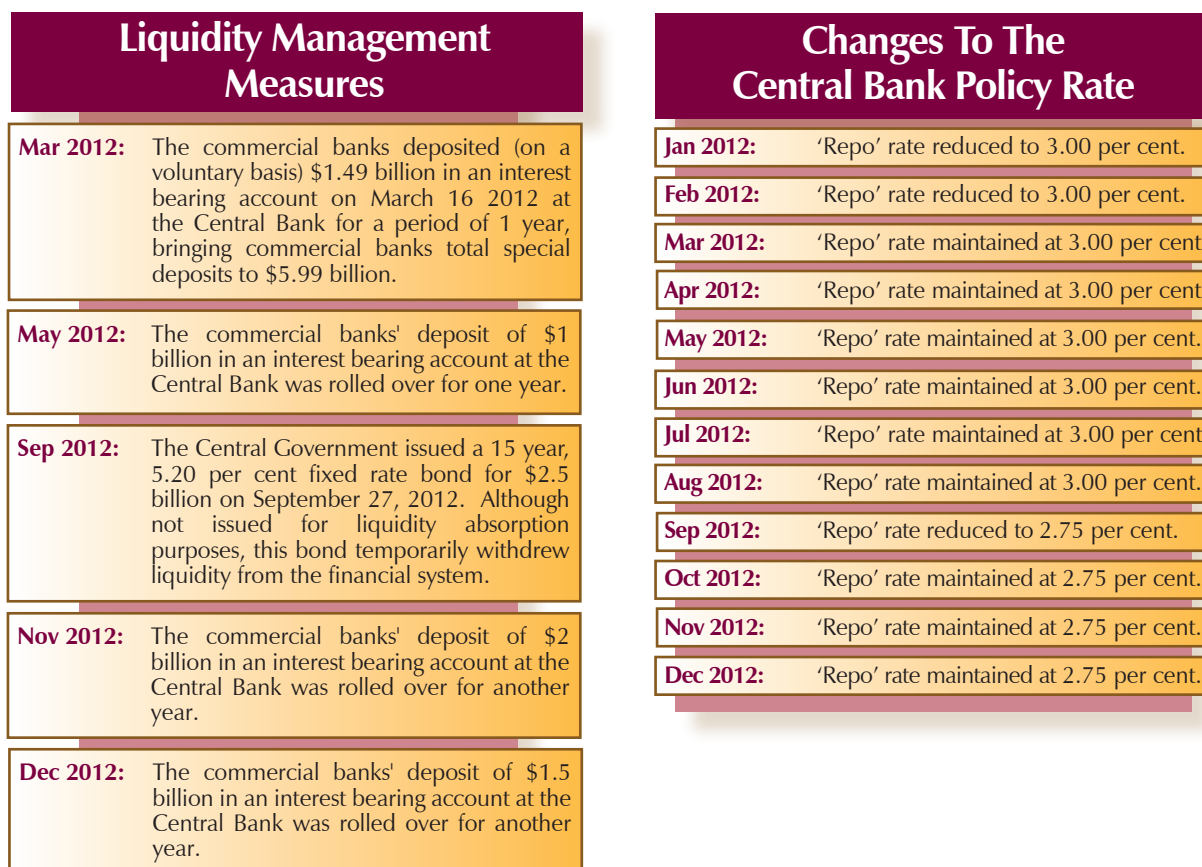


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CHAPTER ONE

OVERVIEW OF 2012 AND OUTLOOK FOR 2013

OVERVIEW OF 2012 AND OUTLOOK FOR 2013

OVERVIEW OF ECONOMIC DEVELOPMENTS IN 2012

The global economic recovery has been weighed down by the persistent sovereign debt crisis in Europe. In 2012, growth remained sluggish in advanced economies and was particularly slow in the US and UK. Meanwhile, spillovers from the sovereign debt crisis, weak external demand; and domestic policies to curb inflation and the rise of asset bubbles led to a slowing of growth in some emerging market economies. In light of these developments, the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD) reduced their forecasts of global economic growth for 2012. Meanwhile, Caribbean economies, with the exception of Suriname and Guyana, continued to struggle amid the slow global economic recovery. In these countries unemployment remained relatively elevated but inflation decelerated from 2011 levels given the slow pace of economic growth.

The domestic economy remained subdued in 2012 despite an improvement in the non-energy sector. While initial projections from the Central Statistical Office (CSO) suggested economic growth of 1.2 per cent for 2012, recent estimates from the Central Bank showed that overall growth for 2012 was considerably lower than initially projected (0.2 per cent) mainly due to a larger-than-expected decline in the energy sector. Prolonged maintenance operations by companies in the energy sector led to lower output of crude oil and natural gas which also affected refining activity and production of petrochemicals. On the other hand, there were signs of positive growth in the non-energy sector, particularly in the finance and distribution sectors.

The latest employment data from the Central Statistical Office indicate an unemployment rate of 4.9 per cent for the second quarter of 2012 compared to 5.8 per cent in the second quarter of 2011. The drop in the unemployment rate was associated with lower unemployment rates in some industries; construction, wholesale and retail trade industries. Though official data are not available beyond the second quarter, data on retrenchment notices suggest that employment conditions may have since improved.

Inflation averaged 9.3 per cent in 2012, up from 5.3 per cent in 2011. After reaching double digits around the middle of the year, inflation retreated to more moderate levels in the latter part of the year. The rise in inflation in 2012 was largely associated with high food price inflation as adverse weather conditions reduced domestic agriculture production. Core inflation also increased and exceeded 3 per cent in October for the first time since December 2010 due to the partial removal of the subsidy from premium gasoline.

The central government continues to conduct expansionary fiscal policy aimed at stimulating domestic economic activity. Latest data from the Ministry of Finance and the Economy indicate that the fiscal accounts recorded a deficit of \$1,781.4 million during the Fiscal Year (FY) 2011-2012, equivalent to 1.2 per cent of Gross Domestic Product (GDP). While this deficit was larger than the \$1,101.9 million incurred in the previous year, it is well below the budgeted of \$7,642.4 million. Notwithstanding a fall in energy receipts total revenue grew to \$48,917.6 million, while central government

spending increased by 4.3 per cent, mainly driven by recurrent spending. Expenditure on the capital programme gained momentum during the period and reached \$6,827.6 million. Also, \$1,332.1 million was transferred to the Heritage and Stabilization Fund (HSF).

The budget for fiscal year 2012-2013 outlined by the Government also envisages substantial fiscal stimulus for the economy. The budget is expected to realize a deficit of \$7,669.3 million or 4.6 per cent of GDP. Total revenue is anticipated to rise to \$50,736.2 million while expenditure is estimated to increase to \$58,405.5 million. It is expected that growth will be boosted through the implementation of major infrastructural projects under the Public Sector Investment Programme (PSIP) and through the Public-Private-Partnership (PPPs) initiative.

Public sector debt increased to 46.6¹ per cent of GDP in FY2012 mainly due to borrowings for financing payments to CLICO depositors. The central government borrowed in total \$14.4 billion to finance two cash payments and issued zero coupon bonds to pay CLICO policy holders. Also, central government external debt rose on account of new external loans contracted from the Inter-American Development Bank (IADB) to fund several projects including the Social Safety Net Reform, Climate Change, Sustainable Energy, Financial Sector Reform and Waste Water Management. Despite the increase in both domestic and public debt, total public debt remains within manageable levels.

The Central Bank's monetary policy stance remained accommodative during 2012 to support a sustained recovery of the domestic economy but the Bank was also concerned about the high levels of excess liquidity in the system. To provide a needed boost to economic activity, the Bank reduced the repo rate to 2.75 per cent in September 2012 from 3.00 per cent where it was maintained since August 2011. The lowering of the repo rate led to a concomitant reduction in banks' prime lending rates, but interest rates were also influenced downwards by the high levels of excess liquidity and the pedestrian pace of credit growth.

In the absence of complete data, the movement in gross official reserves indicates that for 2012, the balance of payments recorded a deficit (US\$ 622.1 million), a sizeable decline from the surplus (US\$ 752.6 million) recorded in 2011. The current account surplus was also smaller, reflecting lower energy and non-energy exports. The decline in energy exports was driven in large part by lower natural gas prices and export volumes. Total imports also fell due to lower energy and non-energy imports. Meanwhile, the capital and financial account remained in deficit.

ECONOMIC OUTLOOK

The deepening of the sovereign debt crisis has further undermined prospects of a sustained global economic recovery. Overall, growth in advanced economies continues to be sluggish. Despite faster growth in the US in the third quarter of 2012 and the country's aversion of the 'fiscal cliff', challenges still remain in the form of high debt and the impending increase of the debt ceiling. Growth in emerging market economies would continue to be the pivot of global economic growth but spillovers from the sovereign debt crisis are likely to contain the growth momentum in these economies. The less favorable outlook for 2013 is reflected in the downward revision of global growth by the International Monetary Fund (IMF)².

Despite the gloomy outlook for the world economy, domestic economic activity is expected to strengthen in 2013. The Trinidad and Tobago economy is expected to grow by 2.5 per cent in 2013, not taking into account downside risks. Inflation is likely to average around 5.8 per cent barring weather-related setbacks and unemployment is likely to average in the region of 5 per cent.

Following two consecutive years of contraction, the energy sector is likely to register growth in 2013. This is predicated on fewer stoppages for maintenance by

1 Excludes securities issued for Open Market Operations (OMO).

2 See Chapter 10.

energy sector firms early in 2013 and the consequent revival of natural gas production. While the aging of oil fields continue to constrain oil production, production from Petrotrin's Jubilee field and expected activity from the company's newly signed licenses for Trinmar and the North Marine Block should help contain the decline in crude oil production. Exploration activity should intensify as companies continue their search for oil and gas deposits. To the extent that these assumptions materialize, the energy sector can record growth in the region of 1.8 per cent. The non-energy sector is anticipated to grow by around 2.8 per cent, influenced in particular by improvements in construction, but this hinges heavily on

Government's ability to accelerate the implementation of major public sector projects. The distribution and finance sectors are expected to continue growing at a moderate pace.

Several downside risks can hamper the growth projections for 2013. First, the deepening of the debt crisis in Europe could dampen local business and investor sentiment include the deepening of the debt crisis in Europe, slow implementation of the Public Sector Investment Programme (PSIP) and continued rigorous maintenance program at crude oil and natural gas producing facilities.

TABLE 1
TRINIDAD AND TOBAGO SELECTED ECONOMIC INDICATORS, 2008-2012

ITEM	ANNUAL PERCENTAGE CHANGES				
	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^e
Real GDP Growth (2000 = 100)	3.4	-4.4	0.2	-2.6	1.2
Energy Sector	-0.3	-1.8	3.2	-3.9	-1.0
Non-energy Sector	6.5	-4.9	-2.6	-0.5	1.9
Agriculture	7.6	-32.4	76.8	-0.1	-4.9
Manufacturing	4.1	1.9	1.2	-1.1	-0.4
Construction	4.5	-7.1	-28.4	-8.8	-2.0
Financial Services	3.1	-4.5	8.1	-0.6	6.1
Inflation Rate (%) ¹					
(period average)	12.0	7.2	10.5	5.2	9.3
(end of period)	14.5	1.3	13.4	5.3	7.2
Unemployment Rate (%) ²	4.6	5.3	5.9	4.9	4.9*
(PER CENT OF GDP)					
Overall Central Government Operations Surplus(+)/Deficit(-)	7.3	-5.0	0.1	-0.8	-1.2
Balance of Payments Current Account Balance Surplus(+)/Deficit(-)	30.3	8.5	20.2	12.3	5.5
Public Sector Debt, (end of fiscal year) ³	24.4	34.1	39.4	37.4	46.9
Central Government External Debt, (end of fiscal year)	5.6	7.2	6.9	6.5	8.1
Memorandum Items:					
Central Government External Debt in US\$M (end of fiscal year)	1,518.1	1,422.0	1,561.4	1,638.5	1,858.8
Debt Service Ratio (%) ⁴	0.9	4.4	1.0	1.2	1.0
W.T.I. (US\$/barrel, annual average)	99.6	61.8	79.4	95.1	94.1
Gross Official Reserves (US\$M) (net of HSF) ⁵	9,380.3	8,651.6	9,070.0	9,822.7	9,200.7

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

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

2 This represents the average of the four quarters.

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

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

5 Balances in the Heritage and Stabilization Fund (HSF) are no longer in the assets of the Central Bank (see Act No. 6 of 2007).

* For the second quarter of 2012.

r revised.

e estimate.

TABLE 2
ECONOMIC CONTRIBUTION OF THE ENERGY SECTOR, 2008-2012
/PER CENT/

ITEM	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^p
Share of GDP					
Energy Sector	50.8	34.6	42.7	46.8	43.7
Exploration and Production	29.5	18.8	21.9	23.9	22.6
Refining (including LNG)	7.4	4.4	7.6	9.0	7.5
Petrochemicals	6.8	6.8	8.9	9.5	8.7
Other ¹	7.1	4.6	4.3	4.3	4.9
Share of Government Revenue (Fiscal Years)					
Energy Sector ²	57.1	49.5	51.8	57.6	54.3
Oil and Gas Exploration and Production ³	49.0	40.3	43.2	47.5	44.8
Other Taxes ⁴	8.1	9.2	8.5	10.0	9.5
Share of Merchandise Exports Receipts					
Energy Sector	89.9	86.1	84.0	85.0	81.4
Extracted ⁵	11.1	12.0	12.2	10.2	8.0
Refined ⁶	70.1	76.6	62.4	56.6	64.0
Processed ⁷	18.3	9.5	21.6	28.5	17.4
Share of Total Employment					
	3.4	3.3	3.2	3.2	3.5*
Memorandum Items:					
Crude Oil and Condensate Production (millions of barrels)	41.8	39.1	35.8	33.5	29.9
Natural Gas Production (millions of barrels of oil equivalent)	280.7	290.0	300.1	287.6	286.7

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

1 Includes Service Contractors, Distribution and Asphalt Production.

2 Numbers may not add due to rounding.

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

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

5 Exports refer only to crude oil.

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

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

* For the first two quarters of 2012.

r Revised.

p Provisional.



CHAPTER TWO

NATIONAL ACCOUNTS

NATIONAL ACCOUNTS

GROSS DOMESTIC PRODUCT

Following a contraction of 2.6 per cent in 2011, domestic economic activity remained sluggish in 2012, with initial projections from the Central Statistical Office (CSO)³ indicating that the economy grew by 1.2 per cent (Table 3). However, the final official estimates are likely to be lower as in the energy sector production stoppages for maintenance operations extended further into the year than first envisaged, leading to a larger-than-expected decline in energy sector output. On the other hand, the non-energy sector grew moderately. Accordingly, preliminary estimates from the Central Bank's Quarterly GDP Index indicate that the domestic economy grew by a mere 0.2 per cent in 2012.

Initial CSO estimates suggest that the energy sector contracted for the second successive year in 2012 (1 per cent). However, these estimates are likely to be revised downward due to the greater than expected impact of maintenance activities in 2012⁴. The fall in the energy sector was largely associated with production stoppages at BPTT, BGTT and some downstream energy companies for security upgrades and plant maintenance. In 2012, crude oil production fell by 10.8 per cent while natural gas production was down by 0.3 per cent. The shortfall in natural gas production affected both refining activity and the output of petrochemicals: output of natural gas liquids and petrochemicals fell by 19.7 per cent and

4.2 per cent, respectively. Petroleum refining was also curtailed due to upgrade works on refining facilities at the Petrotrin refinery⁵, and this affected the outturn of several products at the refinery. During 2012, refinery throughput fell by 22.0 per cent.

Furthermore, initial projections by the CSO indicate growth of 1.9 per cent for the non-energy sector in 2012, which was driven mainly by the Distribution (1.4 per cent), and the Finance, Insurance and Real Estate (6.1 per cent) sectors. In 2012, available indicators point to an improvement in the Distribution sector: retail sales grew by 6.1 per cent while new motor vehicle sales jumped by 14.6 per cent. The Finance, Insurance and Real Estate sector remained resilient with growth emanating mainly from the commercial banks sub-industry. However, industrial actions at Trinidad Cement Limited (TCL) in the first half of the year affected activity in other parts of the non-energy economy particularly the Manufacturing and Construction sectors. The strike led to lower production and sales of cement, as well as a fall off in the production of mined aggregates and other items used in construction. By the third quarter, however, cement production had returned to normal and construction activity began to pick up. Capacity utilization in the manufacturing sector remained low, suggesting a continued weakness in the sector (Figure 1).

³ CSO's projections were prepared in September 2012. These are expected to be revised in 2013 based on complete data for 2012.

⁴ According to Central Bank's QGDP Index, the energy sector declined in the order of 1.9 per cent in 2012.

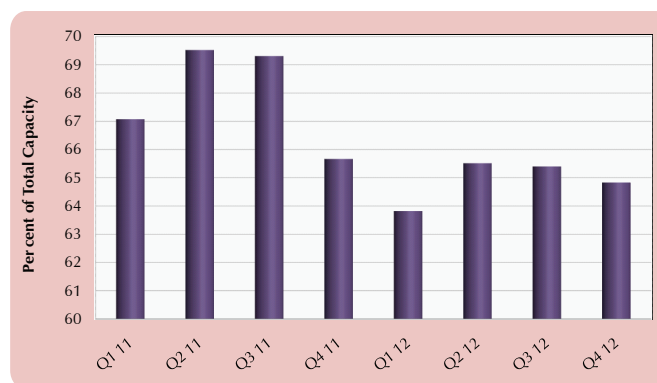
⁵ Refining outturn was restricted by upgrade works on the Fluidised Catalytic Unit (FCCU) as part of the Gasoline Optimization Program (GOP) at Petrotrin.

TABLE 3
GROSS DOMESTIC PRODUCT AT CONSTANT 2000 PRICES
/PER CENT/

	2011	2012 ^P
Total	-2.6	1.2
Energy	-3.9	-1.0
Petrochemicals	-4.7	-0.8
Other Petroleum	-3.8	-1.1
Non-Energy	-0.5	1.9
<i>Of which:</i>		
<i>Construction</i>	-8.8	-2.0
<i>Manufacturing</i>	-1.1	-0.4
<i>Distribution</i>	4.7	1.4
<i>Agriculture</i>	-0.1	-4.9
Transport, Storage and Communication	-1.0	-1.4
Finance, Insurance and Real Estate	-0.6	6.1

SOURCE: Central Statistical Office of Trinidad and Tobago.

FIGURE 1
CAPACITY UTILIZATION RATE
IN THE MANUFACTURING SECTOR



SOURCE: Central Bank of Trinidad and Tobago.



CHAPTER THREE

DOMESTIC PRODUCTION

DOMESTIC PRODUCTION

Various programmes (Box 1) were implemented to revive the agriculture sector in 2012 but adverse weather conditions negatively affected the planting and gestation periods of selected commodities, notably root crops. For the first three quarters 2012, there were declines

(year-on-year) in the production of watermelon (54.2 per cent), cassava (40.9 per cent) and sweet potato (33.7 per cent). On the other hand, the production of eddoes (62.8 per cent), cucumber (27.4 per cent) and dasheen (12.6 per cent) increased over the same period (Table 4).

TABLE 4
PRODUCTION OF SELECTED COMMODITIES (TRINIDAD ONLY)

Commodity	Jan-Sep 2012	Jan-Sep 2011	Year-on-year Per cent Change
LOCAL			
Root Crops			
Sweet Potato (kg)	642.4	968.8	-33.7
Cassava (kg)	1,348.4	2,280.7	-40.9
Dasheen (kg)	2,142.4	1,902.9	12.6
Eddoes (kg)	1,440.0	884.6	62.8
Vegetables			
Dasheen Bush	156.9	289.5	-45.8
Tomato(kg)	1,222.7	1,267.9	-3.6
Cucumber(kg)	1,031.9	810.2	27.4
Sweet Pepper(kg)	183.8	396.8	-53.7
Fruits			
Watermelon(kg)	372.9	814.0	-54.2

SOURCE: The Central Statistical Office of Trinidad and Tobago.

In addition, the availability of commodities at the Norris Deonarine Northern Wholesale Market (NDNWM) showed similar trends (Table 5). The availability of most

commodities in 2012 fell when compared to 2011, particularly eddoes (51.5 per cent), pineapple (33.9 per cent) and cassava (46 per cent).

TABLE 5
SELECTED COMMODITY VOLUMES AT THE
NORRIS DEONARINE NORTHERN WHOLESALE MARKET

Commodity	LOCAL		
	2012	2011	Per cent Change
Root Crops			
Sweet Potato (kg)	978,165	1,096,089	(10.8)
Cassava (kg)	355,474	658,221	(46.0)
Dasheen (kg)	328,831	410,312	(19.9)
Eddoes (kg)	41,082	84,674	(51.5)
Vegetables			
Cabbage (Local Green) (kg)	677,918	786,571	(13.8)
Tomato (kg)	1,444,909	1,434,516	0.7
Cucumber (kg)	1,127,071	1,170,870	(3.7)
Sweet Pepper (kg)	447,748	480,954	(6.9)
Christophene (kg)	253,137	343,316	(26.3)
Fruits			
Watermelon (kg)	696,380	729,665	(4.6)
Pineapple (kg)	403,130	609,849	(33.9)
IMPORTS			
Root Crops			
Dasheen (kg)	794,806	821,534	(3.3)
Eddoes (kg)	601,226	692,691	(13.2)
Sweet Potato (kg)	531,716	405,736	31.0
Vegetables			
Cabbage (Green, Imported, kg)	578,930	558,217	3.7
Tomato (kg)	203,986	190,691	7.0
Sweet Pepper (kg)	3,039	8,827	(65.6)

SOURCE: National Marketing Development Company Limited.

BOX I

NATIONAL FOOD PRODUCTION ACTION PLAN 2012-2015

On March 12, 2012, the MFPLMA¹ launched the National Food Production Action Plan for the period 2012-2015. This plan is expected to help improve the country's food security. The comprehensive plan has four main objectives:

1. Reduce the country's food import bill.
2. Reduce the overall rate of inflation by curbing the rate of food inflation (the main driver of headline inflation).
3. Create sustainable long-term and productive employment.
4. Help diversify the economy.

The plan focuses on six food groups deemed critical for food security (Table A). In recent times, the MFPLMA has focused on creating jobs and providing training opportunities through programmes such as the "Agriculture Now" project. In addition, the sector also benefits from various incentives such as subsidized loans from the Agricultural Development Bank (ADB).

TABLE A
PRIORITY ITEMS ON THE NATIONAL FOOD PRODUCTION ACTION PLAN

Commodity Food Group	Commodity	Current Consumption (Tonnes)	Current Production (Tonnes)
Staples	Rice	33,636	2,273
	Sweet Potato	7,000	3,150
	Cassava	4,500	5,454
	Breadfruit ¹	10	10
Vegetables	Tomatoes	2,600	2,150
	Hot Peppers	423	710
	Cucumber	1,050	1,320
	Pumpkin	485	1,790
	Melongene	436	540
	Ochro	921	940
	Dasheen Bush	328	340
	Onion ²	-	-
Fruits	Banana (Sucrier)	5	5
	Citrus	32,271	1,537
	Mangoes	50	50
	Pineapple	462	462
	Pawpaw	1,716	1,716
Aquaculture	Tilapia	112	22
Livestock	Sheep and Goat	3,369	355
	Dairy Goat	-	20
	Dairy Cattle ³	75,864	4,300
Pulses	Pigeon Peas	802	130
	Bodi	928	970

SOURCE: National Action Plan, Ministry of Food Production, Land and Marine Affairs, 2012.

¹ Backyard gardening.

² In March 2012, the Ministry harvested the first commercial batch of onions from a pilot project in Tucker Valley.

³ Most significant impact from livestock will be from 2016.

PETROLEUM⁶

Exploration Activity

In 2012 some of the major energy companies intensified oil and gas exploration. Average rig days increased 27.1 per cent to 232 days during 2012 compared to 2011. In addition, upstream operators drilled a total depth of 116,179 meters during the same period, of which 22,930 meters represented exploratory drilling.

Production and Exports

As in 2011, plant stoppages for maintenance activities, and aging oil fields resulted in declining oil production. In addition, the refinery output from Petrotrin did not meet expectations. Crude oil was produced at an average rate of 81,710 barrels per day during 2012, down from 91,974 barrels per day during 2011. This sharp decline was partly due to maintenance activity at both BPTT and BGTT during September and October 2012, when average oil production fell to 78,413 barrels per day. Crude oil exports also suffered during 2012, falling by 27.4 per cent.

Refining

Crude refining activity contracted in 2012 due to downtime at several plants at the Pointe-a-Pierre refinery and industrial unrest in the second half of the year. The Fluidized Catalytic Cracking Unit (FCCU) was out of commission for most of 2012, thereby restricting output of several commodities such as motor gasoline and liquefied petroleum gas (LPG). In addition, turnaround works on the 8CDU Train beginning in late October affected the no. 8 Crude Distillation Unit (8CDU), the Isomerisation Unit (ISOM), the Continuous Catalytic Regeneration Unit (CCR) and the LPG Unit. Meanwhile, industrial action at the refinery during September and October 2012 resulted in several days being lost. As a result, the production of refined crude declined by 22 per cent year-on-year during 2012. Lower refining

activity also led to lower imports of crude for use in the refining process.

NATURAL GAS

Production and Utilization

Natural gas production declined in 2012 as safety operations which limited output in 2011 continued into 2012. Production rates appeared to have recovered at the beginning of the third quarter, but coordinated maintenance work throughout the energy sector in September/October 2012 lowered hopes of a sustained recovery. Natural gas utilization rates were similarly affected by safety operations and coordinated maintenance.

Trinidad and Tobago's natural gas reserves have continued to decline and the 2011 Ryder Scott Natural Gas Audit revealed that the country's proven reserves stood at 13.28 tcf in 2011, down from 13.46 tcf in 2010. At current production rates, this represents roughly nine years of production. The report estimates total 3p reserves which include proven, probable and possible reserves at 25.48 tcf, a fall of 5.6 per cent from 2010. Trinidad and Tobago's gas reserves have declined steadily since 2002, when the total stood at 35 tcf.

Liquefied Natural Gas (LNG)

LNG production in 2012 was slightly higher than in 2011. Total production for 2012 amounted to 32.3 thousand cubic meters, 1.3 per cent above production during 2011.

Natural Gas Liquids (NGLs)

The production of NGLs fell sharply in 2012 on account of reduced natural gas availability as well as the production of progressively drier natural gas⁷. Production and exports of NGLs fell by 19.7 per cent and 26.4 per cent, respectively, in 2012 when compared to 2011.

⁶ CSO's projections were prepared in September 2012. These are expected to be revised in 2013 based on complete data for 2012.

⁷ Natural gas is considered 'dry' when it is almost pure methane, having had most of the other commonly associated hydrocarbons removed. The 'drier' the natural gas, the smaller the amount of liquids (NGLs) which can be obtained per unit of natural gas.

PETROCHEMICALS

Methanol

Methanol output in 2012 was affected by several plant outages for maintenance. During 2012, there were significant outages at some of the country's larger plants including Atlas in January/February and M5000 in April/May. Both these plants were also down in September/October 2012, along with the smaller Trinidad and Tobago Methanol Company (TTMC) plant, as part of a coordinated maintenance effort throughout the local energy industry. Accordingly, methanol output declined by 7 per cent (year-on-year) during 2012.

Nitrogenous Fertilizers

The fertilizer industry suffered a reduction in natural gas supply throughout 2012. This resulted from reduced availability of natural gas due to the safety upgrade programme by the country's largest natural gas producer. This situation was exacerbated in September/October 2012, when two large gas producers carried out maintenance operations. As a result, several fertilizer producers also sought to coordinate downtime at their

facilities along with that of the gas producers. This led to a 4.6 per cent drop in fertilizer output during 2012 compared with 2011.

IRON AND STEEL

Iron and steel output was also affected by maintenance activity in 2012. While several short-lived outages occurred throughout the year, a major outage at the DRI plant during September 2012 significantly reduced output in that period. Consequently, total output at the Arcelor Mittal production facility declined by 1.3 per cent in 2012 compared with 2011.

ENERGY COMMODITY PRICE INDEX (ECPI)

The ECPI declined by 6.5 per cent in 2012 compared to 2011, dragged down by significant weakness in the US natural gas market. The Henry Hub natural gas price, accounting for 40 per cent of the movement in the ECPI, fell by over 30 per cent in 2012 as abundant natural gas supplies globally depressed prices.



CHAPTER FOUR

LABOUR MARKET

LABOUR MARKET

UNEMPLOYMENT

According to the latest data from the CSO, the unemployment rate declined to 4.9 per cent in the second quarter of 2012 from 5.8 per cent in the second quarter of 2011 (Table 6). This reflected lower unemployment rates in some industries. The unemployment rate in the construction sector fell to 8.7 per cent (still the highest unemployment rate among all industries), down from 14.3 per cent in the second quarter of 2011. This may have been related to a pick-up in construction activities. Similarly, the wholesale and retail trade industries experienced a reduction in its

unemployment rate to 4.7 per cent compared to 6.4 in the second quarter of 2012.

RETRENCHMENT NOTICES

Retrenchment notices filed with the Ministry of Labour and Small and Micro Enterprise Development (MLSMED) declined (35.5 per cent) during 2012 compared to 2011. The distribution sector accounted for 37.0 per cent of the notices filed while 16.0 per cent came from the Petroleum sector and 11.3 per cent from the Finance, Banking and Real estate sector.

TABLE 6
LABOUR FORCE STATISTICS, 2009-2012
/ THOUSANDS /

	2009	2010	2011	Jun '11	Jun '12
Non-Institutional Population					
15 years and over	991.1	996.9	1005.7	1,002.6	1,014.6
Labour Force	620.9	619.0	616.4	617.8	627.3
Persons with jobs	588.3	582.3	585.3	581.9	596.8
Persons without jobs	32.6	36.7	31.1	35.9	30.5
Participation Rate (%)	62.6	62.1	61.3	61.6	61.8
Unemployment Rate (%)	5.3	5.9	4.9 ¹	5.8	4.9

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 As announced by the CSO. <http://www.news.gov.tt/index.php?news=11490>.

TABLE 7
THE SECTORAL DISTRIBUTION OF EMPLOYMENT, 2010-2012
/THOUSANDS/

	Employment							
	2010		2011		Jun'11		Jun'12	
	(000)	%	(000)	%	(000)	%	(000)	%
Agriculture	21.5	3.7	21.7	3.7	20.5	3.5	19.5	3.3
Petroleum & Gas	18.6	3.2	18.8	3.2	17.6	3.0	20.0	3.4
Manufacturing (including Mining & Quarrying)	52.1	9.0	50.2	8.6	47.1	8.1	47.2	7.9
Construction (including Electricity & Water)	100.6	17.3	97.7	16.7	92.8	16.0	100.6	16.9
Transport, Storage & Communications	37.9	6.5	40.8	7.0	42.0	7.2	44.1	7.4
Other Services	350.0	60.1	354.1	60.5	360.2	61.9	365.4	61.2
<i>Of which:</i>								
<i>Wholesale & Retail</i>	<i>107.6</i>	<i>18.5</i>	<i>105.0</i>	<i>17.9</i>	<i>107.2</i>	<i>18.4</i>	<i>107.9</i>	<i>18.1</i>
<i>Community, Social & Personal Services</i>	<i>192.4</i>	<i>33.1</i>	<i>193.8</i>	<i>33.1</i>	<i>200.1</i>	<i>34.4</i>	<i>202.5</i>	<i>33.9</i>
<i>Finance, Insurance & Real Estate</i>	<i>50.1</i>	<i>8.6</i>	<i>55.3</i>	<i>9.4</i>	<i>52.9</i>	<i>9.1</i>	<i>52.6</i>	<i>8.8</i>
Not Classified	1.4	0.2	2.0	0.3	1.5	0.3	2.4	0.4
Total Employment ¹	582.1	100.0	585.3	100.0	581.9	100.0	596.8	100.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

1 Numbers may not sum to approximation.

PRODUCTIVITY

For 2012, the Index of Productivity (as measured by the Index of Domestic Production over the Index of Hours Worked) declined by 4.9 per cent due to lower production, primarily within the energy sector. Maintenance activities by major producers accounted for the decline in the energy sector. Within the energy sector, productivity in oil and natural gas refining (27.9 per cent) and exploration and production (18.9 per cent) sectors fell sharply. Meanwhile, productivity in the manufacturing sector was mixed. Productivity in the textiles, garments and footwear industry declined by 4.8 per cent, while productivity increased in other industries such as chemicals (12.9 per cent), miscellaneous manufacturing (14.5 per cent) and assembly products (6.1 per cent).

WAGES

Data on wage agreements registered in 2011 by the Industrial Court of Trinidad and Tobago showed a median yearly wage increase of 5.0 per cent. This represents a decline from the 5.2 per cent registered for 2010. Additionally, the average of cumulative wage increases, covering a three year period, filed in 2011 was 17.9 per cent, a slight increase from the 17.3 per cent recorded for 2010. Some of the larger three-year settlements occurred within the distribution (41.5 per cent), publishing and paper products (25 per cent) and finance, insurance, real estate and business services (22 per cent) sectors. These agreements were for the 2008-2011, 2007-2009 and 2005-2007 periods, respectively.

The Index of Average Weekly Earnings (produced by the CSO) increased by 3.2 per cent in 2012 compared to a decline of 5.9 per cent in 2011. Some of the sectors showing increases included electricity (22.1 per cent), textiles, garments and footwear (9.9 per cent) and drink and tobacco (9.8 per cent). However, this was partially offset by declines in the petrochemicals (15.9 per cent) and assembly type (12.9 per cent) industries.

The Index of Real Earnings for 2012 fell by 5.6 per cent compared to a 10.5 per cent drop in 2011. Reduced

real earnings in the energy and non-energy industries contributed to the reduction in the overall index. Within the energy sector, the real earnings fell in the petrochemicals (22.9 per cent) and exploration of oil and gas (8.5 per cent) sub-industries. Likewise, decreased real earnings in the assembly type and related products (20.2) and food processing (17.1 per cent) sub-industries accounted for the drop in real earnings in the non-energy industry (Table 8).

TABLE 8
THE MANUFACTURING SECTOR
CHANGES IN KEY ECONOMIC INDICATORS
/PER CENT CHANGE OVER YEAR-EARLIER PERIOD/

	Exploration & Production Of Oil & Natural Gas		Assembly-Type & Related Industries		All Industries (Excluding Energy)		All Industries	
	2011	2012	2011	2012	2011	2012	2011	2012
Productivity ¹	-11.5	-18.9	3.6	6.1	8.5	-1.0	3.3	-4.9
Production ²	-5.0	-5.9	13.0	-5.9	4.9	-3.0	1.3	-5.0
Hours Worked ³	7.4	-16.0	9.1	-11.3	-3.4	-2.0	-2.0	-0.2
Nominal Earnings ⁴	-22.0	0.2	5.4	-12.9	-1.9	1.3	-5.9	3.2
Real Earnings ⁵	-25.8	-8.5	0.5	-20.2	-6.7	-7.3	-10.5	-5.6

SOURCE: Central Statistical Office of Trinidad and Tobago.

- 1 Index of Productivity.
- 2 Index of Domestic Production.
- 3 Index of Hours Worked.
- 4 Index of Average Weekly Earnings.
- 5 The Index of Average Weekly Earnings adjusted for the impact of inflation.

TABLE 9
SUMMARY OF INDUSTRIAL AGREEMENTS REGISTERED IN 2011

Period of Agreement	Number of Agreements	Median Yearly Wage Increase (%)	Range Of Average Yearly Increases (%)
2005-2007	2	5.00	3.50-13.50
2005-2007	1	3.00	3.00-9.00
2005-2008	1	5.00	1.00-7.00
2005-2008	1	5.00	5.00-5.00
2006-2008	4	3.75	3.25-10.85
2007-2009	1	3.00	3.00-3.00
2007-2009	1	7.00	2.70-9.00
2007-2009	1	5.00	5.00-10.00
2007-2009	1	5.00	5.00-10.00
2007-2010	4	5.00	5.00-6.00
2008-2011	2	7.50	6.00-28.00
2008-2011	1	6.00	5.00-7.00
2008-2011	1	7.00	7.00-7.00
2008-2011	1	5.00	5.00-7.00
2008-2010	2	3.50	3.00-5.50
2009-2011	3	3.66	3.00-6.00
2009-2011	5	4.80	3.60-6.58
2009-2011	1	5.00	2.50-6.50
2009-2012	1	6.50	6.00-7.00
2009-2012	1	4.00	4.00-5.00
2010-2012	1	5.00	4.00-5.00
2010-2013	2	4.00	4.00-4.50
2010-2013	3	6.00	6.00-18.00
2011-2013	2	5.00	2.50-6.00

SOURCE: Industrial Court of Trinidad and Tobago.

TABLE 10
AGREEMENTS REGISTERED BY SECTOR IN 2011

Sector	Duration of Agreements	No. of Agreements	Range of Average Yearly Increases (%)
Assembly type and related	2009-2012	1	6.00-7.00
Construction	2007-2009	1	3.00-3.00
Distribution	2008-2011	2	6.00-28.00
Finance	2005-2007	2	3.50-13.50
Finance	2005-2008	1	1.00-7.00
Finance	2006-2008	4	3.25-10.85
Finance	2007-2009	1	2.70-9.00
Finance	2008-2011	1	5.00-7.00
Finance	2009-2011	3	3.00-6.00
Finance	2010-2013	2	4.00-4.50
Hotel and Guesthouses	2008-2011	1	5.00-7.00
Manufacturing	2007-2009	1	5.00-10.00
Manufacturing	2007-2010	4	5.00-6.00
Manufacturing	2008-2011	1	7.00-7.00
Manufacturing	2008-2010	2	3.00-5.50
Manufacturing	2009-2011	5	3.60-6.58
Manufacturing	2010-2012	1	4.00-5.00
Manufacturing	2011-2013	2	2.50-6.00
Personal	2009-2012	1	4.00-5.00
Petroleum	2010-2013	3	6.00-18.00
Printing	2007-2009	1	5.00-10.00
Printing	2009-2011	1	2.50-6.50
Transportation, Storage and Communication	2005-2007	1	3.00-9.00
Transportation, Storage and Communication	2005-2008	1	5.00-5.00

SOURCE: Industrial Court of Trinidad and Tobago.



CHAPTER FIVE

PRICES

PRICES

INFLATION

Inflation trended upwards for the first half of 2012 but subsided towards the end of the year. For the whole year 2012 headline inflation averaged 9.3 per cent compared to 5.2 per cent in 2011. After exceeding 10 per cent from April to July, the inflation rate decelerated in latter part of 2012, eventually reaching 7.2 per cent in December 2012. Rising grain prices internationally due to drought in parts of the US as well as restrictions on exports of certain cereals by Russia threatened to push inflation upwards during the year. However, the eventual impacts of these locally appeared minimal.

Food inflation declined throughout the second half of the year, with the exception of October. After peaking at 28.3 per cent in May 2012, food inflation declined, reaching the lowest rate for the year (12.7 per cent) in December. The impact of the removal of VAT on non-luxury food items and non-alcoholic beverages helped further reduce the rate of food inflation in the final month of the year. The rate of inflation for fruits and vegetables ended 2012 at -2.8 per cent and 26.8 per cent, respectively.

Core inflation averaged 2.5 per cent over 2012 compared to 1.7 per cent in 2011. In October, core inflation increased to 3.1 per cent, the highest rate since December 2010. The main impetus for the end of year

increase in the rate of core inflation was the impact of the subsidy removal on premium gasoline.

PRODUCER PRICES

The producer price index showed an increase of 4.2 per cent in 2012 compared to 2011. Local and international shocks affected prices throughout the course of the year. The industrial action at the Trinidad Cement Limited (TCL) resulted in an increase in cement prices, while a drought across the United States of America affected certain key agricultural commodities. Producer prices of drinks and tobacco (8.4 per cent), chemicals and non-metallic minerals (5.2 per cent) and food processing (3.6 per cent) increased in 2012 relative to 2011.

INDEX OF BUILDING MATERIAL PRICES

Higher cement prices due to industrial action at TCL contributed to an increase in the Index of Building Material Prices (4.7 per cent) with major increases occurring in the Walls and Roof (5.6 per cent) and Site preparation and Concrete Frame (8.1 per cent) sub-indices. The other sub-indices increased at a slower pace; Electrical Installation and Fixtures (1.8 per cent) and Plumbing and Plumbing Fixtures (2.9 per cent).

TABLE 11
INDEX OF RETAIL PRICES OF BUILDING MATERIALS (1996 = 100)
AND PERCENTAGE CHANGES

Date		ALL SECTIONS		
		Index	Qtrly %	Y-o-Y %
2009	I	205.60	0.7	10.6
	II	198.46	-3.5	2.7
	III	196.05	-1.2	-2.2
	IV	192.11	-2.0	-5.9
Annual Average		198.06	-1.5	1.1
2010	I	194.06	1.0	-5.6
	II	198.05	2.1	-0.2
	III	200.15	1.1	2.1
	IV	201.26	0.6	4.8
Annual Average		198.38	1.2	0.2
2011	I	204.11	1.4	5.2
	II	204.59	0.2	3.3
	III	206.62	1.0	3.2
	IV	209.90	2.6	4.3
Annual Average		206.31	1.3	4.0
2012	I	212.85	1.4	4.3
	II	219.84	3.3	7.5
	III	220.14	0.1	6.5
	IV	211.51	-3.9	0.8
Annual Average		212.85	0.2	4.7

SOURCE: Central Statistical Office of Trinidad and Tobago.



CHAPTER SIX

FISCAL OPERATIONS

FISCAL OPERATIONS

In an effort to stimulate economic activity, the central government pursued an expansionary fiscal policy and recorded a deficit of \$1,781.4 million⁸ or 1.2 per cent of GDP during the period October 2011 to September 2012 (Fiscal Year (FY) 2012). This was higher than the deficit of \$1,101.9 (0.8 per cent of GDP) in FY2011 and was mainly due to lower receipts from the energy sector, and higher central government spending. During FY2012, \$1,332.1 million was transferred to the Heritage and Stabilization Fund (HSF)⁹ as oil and gas prices were higher than initially budgeted.

On the revenue side, notwithstanding the decline in energy revenue, total revenue grew to \$48,917.6 million largely due to the upturn in Value Added Tax (VAT) receipts. The reduction in energy revenue (2.3 per cent) resulted from lower crude oil and natural gas production, the effects of which more than offset the boost from higher prices over the period. Crude oil prices averaged US\$95.61 per barrel (WTI), during the FY2012, up from an average of US\$92.92 per barrel in the same period one year earlier. At the same time, non-energy collections climbed by 10.9 per cent as VAT receipts rose to \$6,340.7 million as a result of increases

in imports and higher domestic retail sales. Increases in non-energy revenue also came from higher individual tax collection, following the completion of several wage negotiation and payment of arrears, increases in international trade and greater profits from state enterprise.

Total expenditure rose by 4.3 per cent in FY2012 when compared with the previous year reflecting higher recurrent spending. Recurrent expenditure was driven by spending on goods and services, transfers and subsidies and wages and salaries. There was increased spending on goods and services due to higher rent and lease payments and higher spending on contract employment. Transfers and subsidies also grew, by 6.9 per cent on account of transfers to statutory boards and similar bodies as well as payments to the Petroleum Subsidy in the amount of \$1,498.9 million for FY2012, compared with \$1,178.0 million for FY2011. Wages and salaries also rose in line with the settlement of several wage negotiations. On the other hand, although the pace of capital spending increased during the latter half of FY2012, capital expenditure for the year fell by 1.8 per cent to \$6,827.6 million.

8 The overall fiscal balance reported by the Ministry of Finance (MOF) and the Central Bank of Trinidad and Tobago (CBTT) differs on account of the treatment of transfers to the Heritage and Stabilization (HSF). While the MOF records transfers to the HSF as part of total expenditure the CBTT treats it as a movement of funds between government accounts. As a result CBTT total expenditure is lower and the overall balance is consequently higher when compared with the Ministry of Finance. For fiscal year 2011/2012 the overall balance as stated by the MOF was a deficit of \$3,113.5 million inclusive of transfers to the HSF of \$1,332.1 million. However, CBTT recorded a much lower deficit of \$1,781.4 million as the HSF balance was excluded from expenditure.

9 The law states that at least 60 per cent of the excess between actual and budgeted energy revenues must be placed in the HSF.

TABLE 12
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2008/2009 - 2011/2012
/TT\$ MILLION/

	FISCAL YEARS			
	2008/2009	2009/2010 ^r	2010/2011	2011/2012 ^p
Current Revenue	38,993.5	43,632.0	47,213.4	48,875.7
Current Expenditure	37,316.9	37,275.7	41,649.9	43,871.4
Current Surplus (+)/Deficit (-)	1,676.6	6,356.3	5,563.5	5,004.3
Capital Receipts	51.3	230.9	287.0	41.9
Capital Expenditure and Net Lending	8,413.9	6,399.2	6,952.6	6,827.6
Overall Surplus (+)/Deficit (-)	-6,686.0	188.0	-1,101.9	-1,781.4
Financing	6,686.0	-188.0	1,101.9	1,781.4
External (Net)	-1,416.0	393.5	545.2	812.0
Domestic (Net)	8,102.0	-581.5	556.7	969.3
	SURPLUS (+) / DEFICIT (-) as a PER CENT OF FISCAL YEAR GDP (CURRENT MARKET PRICES)			
Current Surplus (+)/Deficit (-)	1.2	4.9	3.8	3.3
Overall Surplus (+)/Deficit (-)	-5.0	0.1	-0.8	-1.2

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

p Provisional.

TABLE 13
SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2008/2009 - 2012/2013
/TT\$ MILLION/

	2008/2009	2009/2010	2010/2011	2011/2012 ^p	2012/2013 ^b
Revenue	39,044.8	43,862.9	47,500.6	48,917.6	50,736.2
Energy	19,317.8	22,700.6	27,340.9	26,553.9	26,866.0
Non-energy	19,727.0	21,162.3	20,159.7	22,363.7	23,870.2
Expenditure	45,730.8	43,674.9	48,602.4	50,699.0	58,405.5
Current	37,316.9	37,275.7	41,649.9	43,871.4	50,905.5
Wages and salaries	6,620.3	6,711.0	7,179.7	7,332.6	8,635.7
Goods and services	6,023.0	6,441.2	6,504.3	7,021.1	9,443.6
Interest payments	3,499.9	3,290.3	2,866.4	2,675.7	3,811.7
Transfers & Subsidies	21,173.7	20,833.2	25,099.5	26,842.0	29,014.5
Capital expenditure & net lending	8,413.9	6,399.2	6,952.6	6,827.6	7,500.0
Overall Non-Energy Balance	-26,003.8	-22,512.6	-28,442.7	-28,335.3	-34,535.3
Overall Balance	-6,686.0	188.0	-1,101.9	-1,781.4	-7,669.3
Total Financing (net)	6,686.0	-188.0	1,101.9	1,781.4	7,669.3
Net Foreign financing	-1,416.0	393.5	545.2	812.0	2,604.5
Net Domestic financing	8,102.0	-581.5	556.7	969.4	5,064.8
<i>Of which: Transfers to Heritage & Stabilization Fund</i>	0.0	-3,026.5	-2,890.0	-1,332.1	0.0
	(PER CENT OF GDP)				
Revenue	29.0	34.1	32.6	32.0	30.4
Energy	14.3	17.6	18.8	17.4	16.1
Non-energy	14.6	16.4	13.8	14.6	14.3
Expenditure	33.9	33.9	33.4	33.2	35.0
Current	27.7	28.9	28.6	28.7	30.5
Wages and salaries	4.9	5.2	4.9	4.8	5.2
Goods and services	4.5	5.0	4.5	4.6	5.7
Interest payments	2.6	2.6	2.0	1.8	2.3
Transfers & subsidies	15.7	16.2	17.2	17.6	17.4
Capital expenditure & net lending	6.2	5.0	4.8	4.5	4.5
Overall Non-Energy Balance	-19.3	-17.5	-19.5	-18.5	-20.7
Overall Balance	-5.0	0.1	-0.8	-1.2	-4.6
Total Financing	5.0	-0.1	0.8	1.2	4.6
Foreign financing	-1.1	0.3	0.4	0.5	1.6
Domestic financing	6.0	-0.5	0.4	0.6	3.0
<i>Of which: Transfers to Heritage & Stabilization Fund</i>	0.0	-2.3	-2.0	-0.9	0.0

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

p - Provisional.

b - Budgeted data based on an oil price of US\$75 per barrel, WTI and Natural Gas price of US\$2.75.

TABLE 14
ENERGY-BASED GOVERNMENT REVENUES, 2008/2009 - 2011/2012
/PER CENT OF GOVERNMENT REVENUE/

	2008/2009	2009/2010	2010/2011	2011/2012 ^p
Energy Sector	49.5	51.8	57.6	54.3
Corporation Tax	33.2	33.6	34.1	32.4
Royalties	4.5	4.3	5.1	5.0
Unemployment levy	2.1	2.3	2.6	2.4
Withholding tax	2.3	1.5	1.9	1.7
Excise duty	0.3	0.2	0.2	0.2
Other Companies	7.1	9.6	13.4	12.4
Oil Impost	0.1	0.2	0.2	0.2
	(PER CENT OF GDP)			
Energy Sector	14.3	17.6	18.8	17.4
Corporation Tax	9.6	11.4	11.1	10.4
Royalties	1.3	1.5	1.7	1.6
Unemployment levy	0.6	0.8	0.9	0.8
Withholding tax	0.7	0.5	0.6	0.5
Excise duty	0.1	0.1	0.1	0.1
Other Companies	2.0	3.3	4.4	4.0
Oil Impost	0.0	0.1	0.1	0.1

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

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

TABLE 15
CENTRAL GOVERNMENT FISCAL OPERATIONS, 2008/2009 - 2011/2012
/IN PER CENT OF GDP/

	2009/2010	2010/2011	2011/2012 ^p
Total Revenue	34.1	32.6	32.0
<i>Of which:</i>			
Energy Sector	17.6	18.8	17.4
Non-Energy Sector	16.4	13.8	14.6
Total Expenditure	33.9	33.4	33.2
Current Expenditure	28.9	28.6	28.7
Capital Expenditure	5.0	4.8	4.5
Overall Surplus/Deficit	0.1	-0.8	-1.2
Non-Energy Deficit	-17.5	-19.5	-18.5

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

p Provisional.

TABLE 16
CENTRAL GOVERNMENT RECURRENT EXPENDITURE:
A FUNCTIONAL CLASSIFICATION¹ 2007/2008-2011/2012
/TT\$ MILLION/

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012 ^r
Economic Services	5,029.4	3,840.7	3,040.3	5,073.7	4,853.2
Energy	2,388.5	1,148.9	1,038.1	1,265.1	1,650.0
Agriculture, Land and Marine Resources	573.9	589.4	546.7	647.6	777.2
Transport	2,067.0	2,102.4	1,455.5	3,161.0	2,426.0
Social Services	10,774.8	11,265.5	11,797.2	14,522.3	14,899.6
Education ²	5,071.3	4,881.5	5,331.7	5,661.7	5,829.4
Health	2,747.2	2,979.8	3,268.4	3,554.9	3,629.1
Housing	282.6	311.2	194.8	919.5	1,117.8
Small and Micro-Enterprise Development	108.5	122.4	134.3	148.1	164.7
Social Services ³	2,565.2	2,970.6	2,868.0	4,238.1	4,158.6
Public Services	3,683.9	3,796.6	3,950.6	2,418.2	2,842.3
National Security	3,683.9	3,796.6	3,950.6	2,418.2	2,842.3
Other⁴	27,875.1	17,926.2	19,556.0	23,311.1	23,649.2
Total Recurrent Expenditure	47,363.2	36,829.0	38,344.1	45,325.3	46,244.3

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

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

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

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

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

5 The change in government in the month of June 2010 was accompanied by a major re-organisation and the introduction of new government ministries. Among these changes include: The Ministry of Agriculture, Land and Marine Resources was renamed the Ministry of Food Production, Land and Marine Affairs. The Ministry of Housing was renamed the Ministry of Housing and the Environment and the Ministry of Social Development was renamed the Ministry of the People and Social Development. Several new ministries were introduced including: The Ministry of Justice, the Ministry of Tobago Development, the Ministry of Planning, Economic and Social Restructuring and Gender Affairs, the Ministry of Community Development and the Ministry of Arts and Multiculturalism.

r Revised.

PUBLIC SECTOR DEBT¹⁰

Provisional data from the Ministry of Finance and the Economy showed a significant increase in total public debt outstanding during the FY2012 mainly on account of financing related to CLICO payments. During the fiscal year, the stock of public debt increased by \$16.9 billion to \$91.3 billion at end-September 2012. Excluding securities issued for Open Market Operations (OMOs), the debt to GDP ratio increased from 36.2 per cent in FY2011 to 46.6 per cent in FY2012 (Table 17). The large increase in the debt was mainly a result of increased Government financing for CLICO. During the fiscal year, Government's support to CLICO amounted to \$14.4 billion bringing the total cost of the CLICO bailout as at end-September 2012 to \$19.8 billion.

The Central Government resumed borrowing on the domestic capital market in FY2012 after being absent from the market in the previous year. The Government borrowed \$4 billion through two separate bond issues value of \$1.5 billion and \$2.5 billion, to finance cash payments to CLICO policy holders. The Government also issued zero-coupon bonds to CLICO policy holders amounting to \$10.4 billion. As a result, the Central Government domestic debt outstanding increased from \$39.8 billion to \$53.5 billion. At the end of FY2012, the domestic portfolio comprised mostly medium to long-term bonds (61.9 per cent) and Treasury bills and notes issued for OMOs (35.4 per cent).

During the FY2012, new external loans were contracted with the Inter-American Development Bank (IADB) resulting in a sharp increase in the Central Government external debt outstanding. External disbursements amounted to US\$332.6 million compared to US\$175.2 million in the previous fiscal year. Higher disbursements reflected new loans from the IADB which were

earmarked for specific projects¹¹. These loans constitute part of a US\$1.6 billion package to be provided by the IADB over 2011-2016. In addition, commercial creditors disbursed US\$66.2 million towards ongoing projects carrying the external debt outstanding from US\$1,638.5 million (6.3 per cent of GDP) to US\$1,858.8 million (8.1 per cent of GDP) at the end of FY2012 (Table A.19A). As at end-September 2012, about 63 per cent of the debt stock was denominated in US currency while the remaining 37 per cent was distributed among pound sterling, Yen, Yuan, AUD and the Euro. The majority of the debt was owed to commercial creditors (62.3 per cent) while multilateral creditors accounted for 37.7 per cent.

Central Government debt service payments were 8.6 higher in FY2012 due to an increase in external debt repayments. Total debt service amounted to \$973 million, 8.6 per cent higher than in the previous year (Tables A.19A and A.19B). External debt service amounted to US\$172.1 million the bulk of which represented principal repayments on multilateral loans. The external debt service ratio is estimated to have increased marginally to 1.2 per cent from 1.1 per cent in the previous fiscal year.

Contingent liabilities increased slightly during FY2012 on account of new borrowings by state enterprises. During the fiscal year, the National Insurance Property Development Company (NIPDEC) issued bonds valued at \$839 million on the domestic capital market to finance its Programme for the Upgrade of Road Efficiency (P.U.R.E.). The Government also issued new Letters of Guarantee valued at \$1 billion to various state bodies and state enterprises. However, the impact of these new issues on the stock of debt was tempered on account of large principal repayments made on debt previously contracted by UDECOTT.

¹⁰ Public Sector Debt comprises Central Government domestic and external debt outstanding and contingent liabilities outstanding.

¹¹ Five (5) loans were contracted in December 2011 to finance the following programmes: Social Safety Net Reform (US\$45 million); Climate Change (US\$80 million); Sustainable Energy (US\$60 million); Financial Sector Reform (US\$50 million) and Waste Water Rehabilitation (US\$50 million). The latter was partially disbursed.

TABLE 17
TOTAL PUBLIC DEBT, SEPTEMBER 2008 – SEPTEMBER 2012
/TT\$ MILLION/

End of Period	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12 ^P
Total Public Debt	60,412	65,980	70,680	74,428	91,328
Central Government Domestic	33,799	35,011	39,182	39,817	53,453
Bonds/Notes	12,620	13,883	18,239	18,942	33,096
<i>Of which: CLICO</i>	0	1,900	5,394	5,394	19,794
Bolts and Leases	723	671	612	545	536
Treasury Bills	14,200	14,200	14,200	14,200	13,930
Treasury Notes	5,000	5,000	5,000	5,000	5,000
Debt Management Bills	800	800	800	800	800
Other ¹	456	456	332	330	91
Central Government External	9,290	9,729	8,936	9,463	12,424
Contingent Liabilities	17,324	21,240	22,561	25,149	25,451
Government Guaranteed	12,276	12,954	14,332	19,023	18,609
Letters of Guarantee	5,048	8,287	8,229	6,126	6,842
(PER CENT OF GDP)					
Total Public Debt	34.5	54.4	53.8	49.5	59.5
Total Public Debt (excluding OMOs)	23.1	37.9	38.6	36.2	46.6
Central Government Domestic Debt (excluding OMOs)	7.9	12.4	14.6	13.2	22.0
Central Government External Debt	5.3	8.0	6.8	6.3	8.1
Contingent Liabilities	9.9	17.5	17.2	16.7	16.6
MEMO:					
Nominal GDP ²	175,287	121,281	131,289	150,373	153,588

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

p Provisional.

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

2 Sourced from the "Review of the Economy."



CHAPTER SEVEN

MONETARY AND FINANCIAL DEVELOPMENTS

MONETARY AND FINANCIAL DEVELOPMENTS

During 2012, the Central Bank of Trinidad and Tobago continued to balance the adoption of an accommodative monetary policy stance to support domestic economic recovery with the objective of keeping inflation under control. The high level of excess liquidity in the financial system was also a major concern for the Bank during the year while credit growth remained muted in the sluggish economic environment.

In September, 2012, the Central Bank reduced its policy rate, the 'Repo' rate, to 2.75 per cent from 3.00 per cent where it had been since July 2011. With domestic inflationary pressures easing after May 2012, the Bank took the opportunity to reduce the repo rate to provide a further fillip to economic growth. Following the lowering of the 'Repo' rate, the median prime lending rate of the commercial banks declined by 25 basis points to 7.50 per cent by December 2012.

High excess liquidity prevailed in the financial system in 2012 as commercial banks faced limited investment opportunities and lethargic credit demand. The main source of system liquidity, government's net spending, helped push up commercial banks' excess reserves at the Central Bank and, in March 2012, excess reserves peaked at a daily average of \$5,609.9 million from \$4,269.5 million in January 2012. In response, the Central Bank asked commercial banks to voluntarily place \$1.5 billion on a special interest-bearing deposit at the Bank for one year. Subsequently, excess liquidity fell to its lowest daily average for the year - \$2,176.2 million by June 2012. However, continued high government net spending and the maturing of an earlier liquidity absorption bond saw commercial banks' excess liquidity recovering to average \$3,850.3 million by September. Two government bond auctions one in September and another in October helped to temporarily reduce overall liquidity. Further, the Bank rolled over \$3.5 billion of commercial banks' special

deposits in the last two months of the year, and foreign exchange sales removed \$11,106.3 million.

Because of the persistently high liquidity levels commercial banks did not borrow on the repo market. However, in June 2012 when liquidity approached its lowest levels, an average of \$85.7 million was accessed on the interbank market. There were limited transactions in July, September and December 2012.

The buoyant liquidity conditions, poor credit appetite and the cut in the repo rate suppressed short-term interest rates. The weighted average lending rate on all outstanding loans lost 47 basis points, falling to 8.75 per cent in December 2012 from 9.16 per cent in December 2011 while the weighted average rate on new loans also declined for most of the year. Deposit rates also edged down to 0.57 per cent in December 2012 from 0.61 per cent in December 2011. The differential between commercial banks' loan and deposit rates narrowed during the year, to 8.18 per cent in December 2012 from 8.55 per cent in December 2011.

Given the weak performance of the domestic economy, private sector credit by the consolidated financial system grew slowly throughout 2012, and on a year-on-year basis, increased by 2 per cent in December 2012. Lending by the commercial banks increased by 3.9 per cent in December 2012 compared with 6.5 per cent in December 2011. In December 2012, lending by the NFIs to the private sector contracted by 11.2 per cent.

Among the major types of lending, consumer credit growth remained weak increasing by 2.3 per cent, up slightly from 2 per cent seen at the end of 2011. Following a poor performance in 2011, credit to businesses showed signs of recovery in the first half of 2012 but then lost momentum, falling by 1.1 per cent on a year-on-year basis in December 2012. Real estate

mortgage lending was the only category to record strong growth, of 11.7 per cent in December 2012, up from 7.9 per cent in December 2011.

The increase in liquidity was reflected in the monetary aggregates which grew strongly in 2012. The pace of

growth in the narrow measure of the money supply (M-1A) has been more pronounced than that of the broader measure (M-2). On a year-on-year basis, M-1A was up by 14.4 per cent while M-2 grew 10.6 per cent in December 2012.



CHAPTER EIGHT

CAPITAL MARKETS

CAPITAL MARKETS

The sovereign debt crisis in Europe, slowing growth in China and the threat of the fiscal cliff in the United States created some volatility in international stock markets. However, despite these developments most major global stock indices ended 2012 in positive territory. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 Index advanced by 7.3 per cent and 13.4 per cent, respectively. In Europe, the United Kingdom's FTSE 100 recovered from its bearish performance in 2011 and posted an increase of 5.8 per cent at end of December 2012. In Japan, after plunging in the aftermath of the earthquake and nuclear disaster in 2011, the Nikkei 225 Index rose by 22.9 per cent in December 2012.

Similarly, equity markets in the BRIC¹² nations performed well in 2012. In Asia both India's Sensex and China's Hang Seng indices recorded strong gains, increasing by 25.7 per cent and 22.9 per cent, respectively in 2012. Elsewhere, Brazil's BOVESPA Index and Russia's MICEX Index were up by 7.4 per cent and 5.4 per cent, respectively, representing a turnaround from the declines posted in 2011.

In the Caribbean, tepid economic conditions negatively impacted the Jamaican and Barbadian stock exchanges as both equity markets declined from one year earlier. By the end of 2012, the Jamaican Stock Exchange (JSE) market index had declined by 3.4 per cent from the end of 2011, while the Barbados Stock Exchange (BCSD) Index had fallen by 5.6 per cent.

Domestically, after climbing by 21.2 per cent in 2011, the stock market weakened in 2012 in line with the sluggish economic environment. In the first half of the year, the Composite Price Index (CPI) increased by less than 1 per cent. However, favourable financial results posted by some companies along with improving economic conditions in the third quarter helped the

market regain some momentum in the latter half of the year. By the end of the 2012, the CPI was up 5.1 per cent from the end of 2011. During the year there was a significant divergence in the performance of companies domiciled in Trinidad and Tobago compared with those domiciled in other countries in the region. Thus, the All Trinidad and Tobago Index (ATI) - which measures price movements for companies listed only on the Trinidad and Tobago Stock Exchange - increased by 15.5 per cent in 2012, whereas the Cross Listed Index - which comprises mainly regional companies - declined by 19.5 per cent. Given the rise in the CPI, market capitalization grew by 3.0 per cent to \$97.4 billion at the end of December 2012.

Among the better performing sub-indices were the Manufacturing I and Trading sectors, both of which generated double digit gains in 2012. By the end of December 2012, the Manufacturing I sub index had risen by 30.1 per cent from the end of 2011, while the Trading sub-index increased by 14.6 per cent. Unilever Caribbean Limited emerged as the top performer within the Manufacturing I sub index, with the company's share price rising by 44.6 per cent during the period. Leading the Trading sub-index was Prestige Holding Limited, whose share price gained 32.4 per cent in 2012. The Manufacturing II and Property sub-indices were the only sub-indices to end the year lower. At the end of December 2012 the Property sub-index declined by 21.9 per cent from the end of 2011, while the Manufacturing II sub-index fell by 19.3 per cent. Trading activity in the domestic stock market remained relatively low. During 2012 a total of 50.6 million shares were traded with a combined market value of \$746.6 million, compared with 564.1 million shares traded in 2011. Trading was heavily concentrated in the Non-Banking sub sector and accounted for 36.8 per cent of the total shares traded in 2012.

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

BOND MARKET

Despite the pick-up in the latter part of the year, provisional data suggest that the primary bond market was less active in 2012 than in the previous year. In 2012, there were thirteen primary issues, collectively raising approximately \$4.5 billion compared with twenty bond issues in 2011 raising \$7.2 billion (Table 18). The public sector was again the main borrower on the market, accounting for eleven of the thirteen primary issues in 2012. However, with high levels of liquidity in the financial system and low interest rates, there was no evidence of public sector borrowing 'crowding out' private sector investment. The lack of private sector issues may suggest that business firms are still cautious about undertaking new investments in the current economic climate.

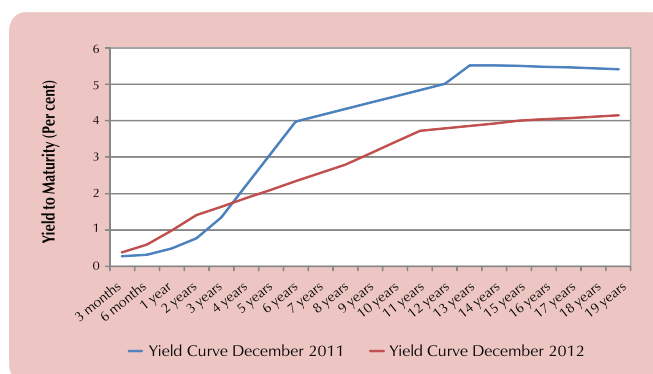
The funding capacity in the financial system was further evidenced by the heavy over subscription of the bonds auctioned by the Central Bank. NIPDEC's \$339 million, 13-year 5.15 per cent fixed rate bond attracted bids of \$2.1 billion, while Central Government's \$2.5 billion and UDECOTT's \$213 million bond issues had bid-to-cover ratios in excess of 2.0, indicating high demand. Given the low interest rate environment, borrowers sought to 'lock-in' relatively low borrowing cost by issuing bonds at the intermediate to long-term tenors. In 2012, the median tenor of the bonds issued was 10

years. Most bonds carried fixed rate coupons. However, HMB's \$250 million and \$352 million 10-year bonds issued in October and December, respectively carried floating coupons indexed to the 90 day treasury bill.

In contrast to developments on the primary market, activity picked up on the Trinidad and Tobago Stock Exchange's secondary Central Government bond market in 2012. In 2012, Central Government bonds with a combined face value of \$1,381.5 million were traded compared with \$176.9 million in 2011. The number of transactions also rose, with 97 trades occurring in 2012 compared with 46 trades in 2011. Most of the trading (\$1,133.6 million in combined face value) occurred in the second and fourth quarters of 2012, as financial institutions sought to rebalance their portfolios.

During 2012, short and long term yields trended in different directions, resulting in a slight flattening of the Central Government yield curve (Figure 2). The heavy demand for the Central Government bond issue in September saw the benchmark 15 year yield drop approximately 150 basis points to 4 per cent from the end of 2011. Meanwhile, on the shorter end of the yield curve, the 91 day treasury bill rate rose to 0.39 per cent in December from 0.28 per cent at the end of 2011, while the 1 year yield rose to 0.99 per cent from 0.49 per cent over the same period.

FIGURE 2
CENTRAL GOVERNMENT OF TRINIDAD AND TOBAGO YIELD CURVE



SOURCE: Central Bank of Trinidad and Tobago.

TABLE 18
PRIMARY BOND MARKET
JANUARY - DECEMBER 2012^P

	Borrower	Face Value (\$Mn)	Period To Maturity	Coupon Rate Per Annum	Placement Type
January	Agostini's Limited	50.0	10 yrs.	Fixed Rate 8.00%	Private
July	Trinidad and Tobago Mortgage Finance Company Limited:				Private
	Series A	108.0	5 yrs	Fixed Rate 3.75%	
	Series B	51.8	7 yrs	Fixed Rate 4.00%	
	Series C	90.3	10 yrs	Fixed Rate 4.95%	
August	National Insurance Property Development Company Limited (NIPDEC)	339.0	13 yrs.	Fixed Rate 5.15%	Public
September	Central Government of Trinidad and Tobago	2,500.0	15 yrs.	Fixed Rate 5.20%	Public
October	Home Mortgage Bank	50.1	10 yrs.	1.85% Floating Rate (Indexed to 90 day T-bill rate)	Private
		199.9	10 yrs.	2.25% Floating Rate (Indexed to 90 day T-bill rate)	
	Urban Development Company of Trinidad and Tobago (UDECOTT)	213.0	8 yrs.	Fixed Rate 3.35%	Public
November	RBC Royal Bank (Trinidad and Tobago) Limited	300.0	15 yrs.	Fixed Rate 4.75% (Callable after 10 years)	Private
December	Home Mortgage Bank	106.9	10 yrs.	1.85% Floating Rate (Indexed to 90 day T-bill rate)	Private
		245.5	10 yrs.	2.25% Floating Rate (Indexed to 90 day T-bill rate)	

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

^P Preliminary.

MUTUAL FUNDS^{13,14}

Following a modest increase in 2011, the mutual fund industry experienced relatively robust growth in 2012. Aggregate mutual funds under management rose by 8.0 per cent in 2012, compared with 3.2 per cent in 2011. During the year, the industry attracted net sales of \$2,030.3 million, compared with \$729.5 million in the previous year. At the end of December 2012, mutual funds under management stood at \$39.7 billion. There were three new mutual funds introduced by fund providers who reported to the Central Bank in the third quarter. However, of these funds had limited impact on overall industry growth as they collectively amounted to \$55.4 million at the end of the year.

Both equity and income funds under management performed well, but the former continued to grow at a faster pace than the latter. Despite the domestic stock market not being as buoyant as in 2011, equity funds continued to attract investors. At the end of 2012, equity funds under management were up 13.4 per cent, attracting net sales of \$284.3 million to reach roughly \$4.5 billion. Meanwhile, income funds under management attracted net sales of \$1.6 billion in 2012. Income funds, which have similar characteristics to traditional bank deposits such as easy withdrawals and deposits as well as in most instances a fixed net asset value; tend to offer investors a higher rate of return than

commercial bank deposits. The rate of return earned by TT dollar income funds averaged 1.2 per cent, while commercial banks' weighted average deposit rate averaged 0.57 per cent over the first three quarters of 2012. At the end of 2012, income funds under management stood at \$34.7 billion, 7.0 per cent higher than at the end of 2011.

Foreign currency mutual funds also grew strongly, rising by 12.0 per cent in 2012, in sharp contrast to a 3.0 per cent decline in 2011. Meanwhile, TT dollar funds increased by 6.9 per cent compared with 5.0 per cent one year ago.

As mentioned earlier, three new mutual funds were introduced during the third quarter by mutual fund providers who report to the Central Bank. Of these three funds, two were US dollar denominated – one being a fixed income fund and the other a money market fund. The third fund introduced was a TT dollar denominated money market fund. Unlike fixed income funds, which invest primarily in longer term instruments such as bonds and other structured products, money market funds typically invest in short-term securities such as treasury bills, commercial paper, short-term repos and fixed deposits. The introduction of these new funds offers investors additional opportunities which should be a positive development for the domestic investment landscape.

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

14 Mutual Fund information for 2011 was revised to reflect the addition of two new mutual funds in the Central Bank of Trinidad and Tobago's database.



CHAPTER NINE

INTERNATIONAL TRADE AND PAYMENTS

INTERNATIONAL TRADE AND PAYMENTS

BALANCE OF PAYMENTS

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

The movement in international reserves suggests that for 2012, the external accounts registered an overall deficit of \$622.1 million, compared to a surplus of \$752.6 million in 2011 (Table 19). At the end of December 2012, the level of gross official reserves amounted to \$9.2 billion or 10.4 months¹⁵ of prospective imports of goods and non-factor services. In 2012, the current account is estimated to have recorded a surplus of \$1.3 billion, \$1.6 billion less than the surplus recorded in the previous year (\$2.9 billion). Meanwhile, the capital and financial account remained in deficit.

The smaller surplus on the current account mainly reflected a smaller trade surplus compared to the previous year. The estimated merchandise trade balance in 2012¹⁶ was much smaller (\$3.9 billion) compared to the trade balance in 2011 (\$5.4 billion). This was the result of both lower exports and imports, but more so that the reduction in exports (13.1 per cent) outstripped the reduction in imports (4.7 per cent). Meanwhile, the deficit on the investment income account moved from \$3.1 billion in 2011 to \$3.3 billion in 2012 and was mostly due to higher reinvested earnings by foreign owned companies. Net current transfers amounted to \$116.1 million in 2012, up from \$33.1 million in the previous year and stemmed mainly from an increase in the number of firms surveyed to capture data on private sector unrequited transfers.

In 2012, the merchandise trade surplus was \$1.5 billion lower than the surplus recorded in the year prior. Based on comparative mirror trade data, both energy exports

as well as energy imports were lower in 2012 compared to a year earlier. Total energy exports declined in 2012 despite the 3.4 per cent increase in the volume of liquefied natural gas (LNG) exports. The fall was mainly driven by the reduction in crude oil exports (in barrels), which contracted by almost 28.0 per cent, as well as the slightly lower price of West Texas Intermediate (WTI), which averaged \$94.13 per barrel in 2012 compared to the average price of \$95.05 per barrel in 2011. Crude refining activity also contracted in 2012 (22.0 per cent) due to downtime at several plants at the Pointe-a-Pierre refinery and industrial action in the second half of the year. This led to an estimated reduction in energy imports to \$3.9 billion in 2012 from \$4.3 billion in 2011.

In 2012, the capital and financial account recorded a deficit of \$1.9 billion. Net foreign direct investment inflows rose to \$1.2 billion, reflecting greater reinvestments¹⁷ by foreign-owned energy companies. During 2012, net foreign direct investments were directed mainly to the energy sector and sourced primarily from North America. Portfolio investment recorded a net outflow of US\$357.9 million, significantly larger than the net outflow of \$84.7 million in the previous year and was mainly due to larger transactions by foreign-owned energy companies.

Commercial banks increased their holdings of foreign assets by augmenting their holdings of US treasury bills as well as equity investments in non-resident institutions. According to preliminary estimates, some net outflows of other private sector capital originated from loans (\$918.3 million) and transactions involving currency and deposits (\$376.7million).

¹⁵ Starting with 2012, the methodology for compiling import cover was revised to use prospective imports calculated for 12 months ahead of the current time period. Historically, import cover was calculated using the prospective imports for the entire year following the current time period.

¹⁶ Actual data from the Central Statistical Office on merchandise trade are up to February 2012. Data for the rest of 2012 represent Central Bank estimates based on comparative mirror trade data with the rest of the world, and supplemental data on activity in the energy sector.

¹⁷ For a broader discussion on reinvested earnings see Taylor, Troy, Reshma Mahabir, Vishana Jagessar and Joseph Cotton. 2013. "Examining Reinvestment in Trinidad and Tobago." Central Bank of Trinidad and Tobago Working Papers—[W/P 10/2013 January 2013](#).

The public sector account reflects the international transactions of the Government of Trinidad and Tobago in the form of foreign investments of the Heritage and Stabilization Fund (HSF) and official borrowing of the Central Government. The deficit on this sub-account moved from US\$295.4 million in 2011 to \$627.3

million primarily reflecting lower net loan proceeds, as well as greater investments abroad from the HSF.

Gross official reserves declined by \$14.8 million during the first three months of 2013 to \$9.2 billion, or 10.3 months of prospective imports of goods and non-factor services.

TABLE 19
TRINIDAD AND TOBAGO : SUMMARY BALANCE OF PAYMENTS
/US \$MILLION/

	2009 ^r	2010 ^r	2011	2012 ^p
Current Account	1,632.8	4,172.3	2,898.5	1,322.2
Trade Balance	2,241.2	4,735.4	5,433.0	3,918.4
Services (Net)	381.7	487.6	506.3	538.6
Income (Net)	-1,017.1	-1,079.5	-3,073.9	-3,250.9
Transfers (Net)	27.0	28.8	33.1	116.1
Capital and Financial Account	-2,345.4	-3,753.9	-2,145.9	-1,944.3
Private Sector	-2,622.8	-3,213.0	-1,850.5	-1,317.0
Direct Investment	709.1	549.4	770.6	1,195.0
Portfolio Investment	-62.9	-67.3	-84.7	-357.9
Commercial Banks	-701.7	493.9	-309.8	-669.7
Other Private Sector Capital*	-2,567.3	-4,189.0	-2,226.6	-1,484.4
Public Sector**	277.4	-540.9	-295.4	-627.3
Overall Balance	-712.6	418.4	752.6	-622.1
	(PER CENT OF GDP)			
Current Account	8.5	20.2	12.3	5.5
Trade Balance	11.6	22.9	23.1	16.3
Services (Net)	2.0	2.4	2.2	2.2
Income (Net)	-5.3	-5.2	-13.1	-13.6
Transfers (Net)	0.1	0.1	0.1	0.5
Capital and Financial Account	-12.2	-18.2	-9.1	-8.1
Private Sector	-13.6	-15.5	-7.9	-5.5
Direct Investment	3.7	2.7	3.3	5.0
Portfolio Investment	-0.3	-0.3	-0.4	-1.5
Commercial Banks	-3.6	2.4	-1.3	-2.8
Other Private Sector Capital*	-13.3	-20.3	-9.5	-6.2
Public Sector**	1.4	-2.6	-1.3	-2.6
Overall Balance	-3.7	2.0	3.2	-2.6
Memorandum Items				
Non-Energy exports	1,281.6	1,803.7	2,234.2	2,414.1
Energy exports	7,939.8	9,435.2	12,709.7	10,569.3
Gross Official Reserves***	8,651.6	9,070.0	9,822.7	9,200.7
Import Cover (months)	11.9	13.1	13.5	10.4

SOURCE: Central Bank of Trinidad and Tobago.

* Includes Errors and Omissions.

** Includes Official Borrowing, State Enterprises, Heritage and Stabilization Fund, Other Assets and Other Liabilities.

*** End of Period.

^r Revised.

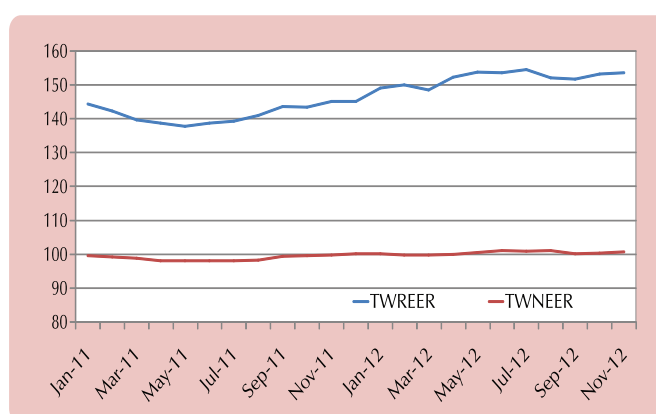
^p Provisional. Central Bank estimates for 2012 are based on comparative mirror trade data with the rest of the world, and supplemental data on Act.

EFFECTIVE EXCHANGE RATES

In the 12 months to December 2012, the trade-weighted real effective exchange rate appreciated by 3.8 per cent. The trade-weighted real effective exchange rate (TWREER) reflects the trade weighted (nominal) exchange rate (TWNEER) adjusted for inflation (Figure 3). The TWNEER appreciated by just 0.1 per cent while the weighted inflation differential (which refers to domestic inflation rates relative to those of our major trading partners) increased by 3.7 per cent. The main

contributory factor to the appreciation in real effective terms of the Trinidad and Tobago dollar was the rise in domestic inflation compared to price increases in the country's major trading partners. Domestic inflation averaged 9.3 per cent over the 12-month review period, significantly higher than the weighted average inflation rate (5.3 per cent) for the country's major trading partners. The increase in the TWREER suggested that Trinidad and Tobago may have become less competitive relative to its major trading partners.

FIGURE 3
TRADE WEIGHTED REAL AND NOMINAL
EFFECTIVE EXCHANGE RATE INDICES
(2000 = 100)



SOURCE: Central Bank of Trinidad and Tobago.

A country's level of competitiveness is also affected by institutional factors, which play an important part in the Global Competitiveness Index (GCI) compiled annually by the World Economic Forum. The index is based on twelve pillars which are broadly categorized into three themes: basic requirements, efficiency enhancers, and

innovation and sophistication factors. In the latest Global Competitiveness Report 2012-2013, Trinidad and Tobago fell three places to 84 (out of 144 countries), from 81 (out of 142 countries) in the 2011-2012 GCI. However, the country's overall score remained unchanged at 4.0 out of 7.0 (Table 20).

TABLE 20
GLOBAL COMPETITIVENESS INDEX, 2012-2013

Sub-Index/ Pillar	Rank*	Score
Basic Requirements	41	5.0
1. Institutions	91	3.6
2. Infrastructure	55	4.3
3. Macroeconomic environment	19	6.1
4. Health and primary education	55	5.9
Efficiency Enhancers	83	3.9
5. Higher education and training	71	4.2
6. Goods market efficiency	106	3.9
7. Labour market efficiency	110	4.0
8. Financial market and development	60	4.2
9. Technological readiness	60	4.1
10. Market size	107	2.8
Innovation and Sophistication Factors	89	3.3
11. Business sophistication	84	3.8
12. Innovation	104	2.9
Overall Rank and Score: 2012-2013 (out of 144)	84	4.0
Overall Rank and Score: 2011-2012 (out of 142)	81	4.0
Overall Rank and Score: 2010-2011 (out of 139)	84	4.0

SOURCE: Global Competitiveness Report, 2012-2013, World Economic Forum.

* Trinidad and Tobago compared to all 144 countries in the Report.



CHAPTER TEN

INTERNATIONAL AND
REGIONAL ECONOMIC
DEVELOPMENTS

INTERNATIONAL AND REGIONAL ECONOMIC DEVELOPMENTS

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

In 2012, the sovereign debt crisis in Europe weighed heavily on the global economic recovery. Despite measures by the European Central Bank (ECB) early in the year which temporarily eased financial pressures, the crisis spread beyond Greece and Ireland to Spain and Cyprus, further escalating financial volatility and undermining investor confidence. In response, the European authorities announced a plan aimed at moving closer to a banking and fiscal union in Europe. They also agreed that the European Financial Stability Facility (EFSF) /European Stability Mechanism (ESM) could be used to directly recapitalize troubled banks. As economic conditions worsened in Greece, authorities announced in November 2012, a restructured programme aimed at providing debt relief¹⁸ to the country. Further, in a fundamental step towards closer integration, leaders of the European Union agreed to establish a single supervisory mechanism for the Euro Area.

Growth continues to be sluggish in advanced economies. The US economy expanded at an annualized rate of 2.5 per cent (0.6 per cent quarter-on-quarter) in the first quarter of 2013 mainly due to higher consumer spending and private inventory investment. Likewise, the United Kingdom (UK) and Japan posted growth, of 0.3 per cent (quarter-on-quarter) and 0.9 per cent, respectively in the first quarter of 2013 (Table 21). The Euro Area economy declined by 0.2 per cent in the first quarter, the sixth consecutive contraction.

Spillovers from the sovereign debt crisis and domestic factors accounted for slower economic growth in emerging markets. Weak external demand and the lagged effect of monetary policy tightening proved to be challenging. The economy of India grew by 4.5 per

cent (year-on-year) in the fourth quarter of 2012, lower than the 5.3 per cent recorded in the previous quarter and well below the average of the past decade. In the fourth quarter of 2012, China's economy expanded by 7.9 per cent (year-on-year), the first rise in the growth rate since the fourth quarter of 2010. However, the country's growth rate of 7.8 per cent for all of 2012 is its slowest rate of growth in thirteen years.

Unconventional monetary policy measures continue to be at the heart of the policy response in advanced economies, while central banks in emerging markets and developing countries have either cut policy rates or postponed interest rate hikes. In December 2012, the US Federal Reserve announced its intention to purchase longer-term Treasury securities after its program to extend the average maturity of its holdings of Treasury securities is completed at the end of the year. In addition, the ECB created the Outright Monetary Transactions Programme which would allow for the potentially unlimited buying of short-maturity government bonds (1-3 years), once a country commits to an EFSF/ESM program.

The resolution of the sovereign debt crisis hinges heavily on strong and timely policy action. While the policy statements by the European authorities in June 2012 and November 2012 helped contain near-term risks, implementation risks remain significant. To begin, countries may avoid official financial support from the EFSF/ESM programmes owing to the stigma that it carries. Further, austerity, which in some countries has become politically and socially untenable, may be eschewed. Finally, plans to establish political union may be thwarted by the lack of agreement on the key elements for achieving this.

¹⁸ Several steps were agreed to by the Eurogroup in November 2012 including: (i) lowering the interest rate on the bilateral loans by 100 basis points; (ii) extending the maturity of bilateral and European Financial Stability Facility (EFSF) loans by 10 years and (iii) launching of a plan for the buyback of Greek sovereign debt.

With the European crisis deepening and growth slowing in emerging markets, the International Monetary Fund (IMF) has reduced its 2013 growth forecast¹⁹. For

2013, the IMF now expects global growth to reach 3.3 per cent down from the previous estimate of 3.5 per cent.

TABLE 21
ADVANCED ECONOMIES- QUARTERLY GDP GROWTH
/QUARTERLY PER CENT CHANGE/

Country	2011				2012				2013
	I	II	III	IV	I	II	III	IV	I
United States	0.0	0.6	0.3	1.0	0.5	0.3	1.0	0.1	0.6
United Kingdom	0.5	0.1	0.6	-0.1	-0.1	-0.4	0.9	-0.3	0.3
Euro area	0.6	0.2	0.1	-0.3	-0.1	-0.2	-0.1	-0.6	-0.2
Japan	-1.9	-1.0	2.7	0.2	1.3	-0.2	-0.9	0.3	0.9

SOURCE: Bloomberg.

REGIONAL ECONOMIC DEVELOPMENTS

In 2012, Caribbean economies continued to struggle in light of a slow global recovery (Table 22). Based on IMF projections, the Caribbean region is likely to grow by

2.4 per cent in 2012, a slightly slower rate of expansion than was recorded in 2011 (2.7 per cent).

TABLE 22
REAL GDP GROWTH – SELECTED CARIBBEAN COUNTRIES
/YEAR-ON-YEAR PERCENTAGE CHANGE/

Country	2008	2009	2010	2011	2012 ^e
The Bahamas	-2.3	-4.9	0.2	1.6	2.5
Barbados	0.3	-4.1	0.2	0.6	0.0
Belize	3.8	0.0	2.7	1.9	5.3
Eastern Caribbean*	2.8	-5.2	-2.6	-0.4	-0.1
Guyana	2.0	3.3	4.4	5.4	3.3
Haiti	0.8	2.9	-5.4	5.6	2.8
Jamaica	-0.8	-3.1	-1.4	1.5	0.1
Suriname	4.1	3.0	4.1	4.7	4.5
The Caribbean	3.7	0.4	3.3	2.7	2.4

SOURCE: International Monetary Fund, *World Economic Outlook*, October 2012.

^e Estimate.

* Regional Authority.

In 2012 unemployment rates in the region remained relatively elevated. The Bahamas' unemployment rate in 2012 remained high, measuring 14.0 per cent. During 2012, Barbados' unemployment rate inched up to 11.6 per cent (up from 11.3 per cent in 2011) due to layoffs in the tourism industry and the closure of Redjet Airlines. Meanwhile, Jamaica's unemployment rate remained in double digits at 13.7 per cent in October 2012 compared with 12.8 per cent in October 2011.

Overall, in 2012, price levels in the Caribbean moderated from levels in 2011. For the 12 months to October 2012, consumer prices in the Bahamas increased by 1.8 per cent, compared to 3.2 per cent for the corresponding period in 2011. In Barbados, inflation in December slowed to 2.4 per cent (year-on-year) on account of slower price increases for food (5.4 per cent) and lower energy prices (4.5 per cent). Meanwhile, Jamaica recorded an inflation rate of 8.0 per cent (year-on-year) in December 2012, up from 6.0 per cent posted in December 2011. In Jamaica, for the 12 months to December 2012, increases in the prices for food and non-alcoholic beverages (14.3 per cent) outstripped price increases for Electricity, Gas and Other Fuels (6.6 per cent). However, in Guyana price increases remained contained and the annual headline inflation rate to December 2012 measured 3.5 per cent.

High fuel prices have continued to undermine the recovery of the travel and cruise ship industries in the

Caribbean region, as well as intra-regional travel. In response to higher taxes on air travel to the region from the UK, as well as to offset higher fuel costs, airlines have raised ticket prices and introduced new fees in order to pass rising costs on to passengers. Cruise lines on the other hand, have slowed down their sailing speeds – to use less fuel- and minimized the use of airline seats in their own travel packages.

CARICOM HUMAN DEVELOPMENT INDEX

In 2012 the United Nations Development Programme (UNDP) published for the first time an aggregated CARICOM Human Development Index²⁰ (HDI). The Index covered all CARICOM countries for which data were available (Table 23). The 2011 estimated CARICOM HDI of 0.564, is considerably lower than the 2011 Latin America and the Caribbean (LAC) HDI of 0.731, and the Small Island Developing States (SIDS) HDI of 0.640. Since the HDI is a population-weighted index, the low value of the CARICOM HDI may be explained by the impact of Haiti, given the large proportion of CARICOM population accounted for by Haiti (nearly 60 per cent in 2011). If the CARICOM HDI is estimated without including Haiti, the value shifts upwards to 0.724 – closer to the LAC HDI and higher than the SIDS HDI.

20 The Human Development Index (HDI) is a summary measure for assessing long-term progress in three basic dimensions of human development: (i) a long and healthy life; (ii) access to knowledge; and (iii) a decent standard of living. The HDI sets a minimum and a maximum for each criterion which is expressed as a value between 0 and 1.

TABLE 23
CARICOM HUMAN DEVELOPMENT INDICES, 2011

	Human Development Index (HDI)	HDI Rank ^a	
	Value 2011	Rank 2011	Change 2010-2011 ^b
Very High Human Development			
Barbados	0.793	47	0
High Human Development			
Antigua and Barbuda	0.764	60	+1
Trinidad and Tobago	0.760	62	+1
Grenada	0.748	67	0
Medium Human Development			
St. Kitts and Nevis	0.735	72	0
Jamaica	0.727	79	-1
Dominica	0.724	81	-1
St. Lucia	0.723	82	0
St. Vincent and the Grenadines	0.717	85	-1
Belize	0.699	93	-1
Suriname	0.680	104	0
Guyana	0.633	117	+2
Haiti	0.454	158	+1

SOURCE: Human Development Report 2011: Sustainability and Equity: A Better Future for All.

a Rank is based on 187 countries for which the 2011 HDI is calculated.

b Positive/Negative signs indicate upward or downward movements in the country's ranking over 2010-2011 using consistent data and methodology; a zero indicates no change.

TABLE 24

FINANCIAL ASSISTANCE FROM INTERNATIONAL AND REGIONAL LENDING AGENCIES, 2009-2012
/US\$ MILLION/

Country	Institution	Date of Arrangement	Amount	Purpose
Antigua and Barbuda	IMF	June 08, 2010	\$117.8	<ul style="list-style-type: none"> To restore fiscal and debt sustainability.
Belize	IMF	February 20, 2009	\$6.9	<ul style="list-style-type: none"> Natural Disaster Assistance for storm damage and flooding. Country Assistance Programme (CAP) to support the SMEs and "green" initiatives by the private sector.
	CDF	February 21, 2011	\$3.5	
Dominica	IMF	February 06, 2009	\$8.4	<ul style="list-style-type: none"> Natural Disaster Assistance for damage caused by Hurricane Dean. ESF¹ increased by \$5.1 million in July 2009. Country Assistance Programme (CAP) to support the agriculture sector.
	CDF	October 2012	\$7.3	
Dominican Republic	IMF	November 09, 2009	\$1,700.0	<ul style="list-style-type: none"> To mitigate the effects of the global economic slowdown.
Grenada	IMF	June 04, 2009	\$6.8	<ul style="list-style-type: none"> ECF² increased to cope with global economic slowdown. ECF to cushion the effects of the global economic slowdown.
	IMF	April 02, 2010	\$13.3	
Guyana	CDF	October 2012	\$7.3	<ul style="list-style-type: none"> Country Assistance Programme (CAP) to support the agriculture sector.
Haiti	IMF	January 27, 2010	\$102.0	<ul style="list-style-type: none"> ECF augmented to cope with earthquake Emergency Financing. Full cancellation of outstanding liabilities to the Fund (SDR 178 million). Additional funding under the ECF to help boost international reserves. Emergency Financing. Disbursements went towards several sectors (water and sanitation, education and agriculture) including US\$50 million for budget support.
	WB	January 13, 2010	\$100.0	
	IMF	July 21, 2010	\$268.0	
	IMF	July 21, 2010	\$60.0	
	WB	August 05, 2010	\$30.0	
	IDB	2010	\$176.0	
Jamaica	IMF	February 04, 2010	\$1,270.0	<ul style="list-style-type: none"> 27-month loan Stand-By Arrangement to combat the global financial crisis. To strengthen fiscal policy. Fiscal policy reform.
	IDB	August 13, 2010	\$20.0	
	IDB	December 15, 2010	\$200.0	
St. Kitts-Nevis	IMF	May 19, 2009	\$3.4	<ul style="list-style-type: none"> Natural Disaster Assistance for damage caused by Hurricane Omar. Stand-By Arrangement to support the country's economic programme including fiscal adjustment measures and debt restructuring.
	IMF	July 28, 2011	\$84.5	
St. Lucia	IMF	July 27, 2009	\$10.7	<ul style="list-style-type: none"> To mitigate the effects of the global economic slowdown. To cope with the economic consequences of Hurricane Tomas. Country Assistance Programme (CAP) to support SMEs and the agriculture sector.
	IMF	January 12, 2011	\$8.2	
	CDF	July 02, 2011	\$6.1	
St. Vincent and the Grenadines	IMF	May 31, 2009	\$5.7	<ul style="list-style-type: none"> To mitigate the effects of the global economic slowdown. To cope with the economic consequences of Hurricane Tomas, given under the RCF³. To meet urgent balance of payment needs following destruction by adverse weather conditions in April 2011 provided under the RCF³. Country Assistance Programme (CAP) to assist with the construction of the new Argyle International Airport. Supplemental loan to an existing Country Assistance Programme (CAP).
	IMF	February 28, 2011	\$3.3	
	IMF	July 25, 2011	\$2.0	
	CDF	May 24, 2011	\$1.6	
	CDF	October 2012	\$3.2	
Suriname	IDB	November 24, 2010	\$0.3	<ul style="list-style-type: none"> Natural Disasters Prevention Relief.

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

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

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

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



CHAPTER ELEVEN

INTERNATIONAL COMMODITY MARKETS

INTERNATIONAL ENERGY COMMODITIES

PETROLEUM

Though crude oil markets were fairly volatile in 2012, average prices were relatively unchanged from 2011. Crude markets garnered strength early in the year as the US and the EU agreed on sanctions against Iran for its controversial nuclear program. Iran threatened to block the Strait of Hormuz in retaliation, further driving crude oil prices in the process. By the second quarter of the year however, concern over Euro zone debt and a slowdown of the Chinese economy offset tensions surrounding sanctions on Iran. In July, however, as sanctions against Iran became effective, crude markets strengthened. In the months that followed, output from Iran progressively declined, but rising output from OPEC's second largest producer, Iraq, effectively replaced this lost output. By late October, heightened global oil stocks added a weaker sentiment to the market and prices fell off during the fourth quarter.

NATURAL GAS

Though other regional markets remained vibrant in 2012, the US natural gas market grew progressively weaker. The Henry Hub natural gas price in the US fell to an average of \$2.75 per mmbtu during 2012 from \$4.00 per mmbtu in 2011. In March 2012, US natural gas storage was some 800 billion cubic feet above the 5-year average and by the end of October 2012, gas inventories reached an all-time high of 3.929 trillion cubic feet. On the other hand, markets in Europe and Asia remained buoyant during 2012. These markets recorded prices in the vicinity of \$9 per mmbtu and \$15 per mmbtu respectively throughout the year.

METHANOL

Global methanol markets remained relatively stable during 2012. Intermittent cutbacks in supply which inundated methanol markets during the year had little effect on methanol prices. A major supply cutback from the Caribbean during September was replaced by the start up of a 750,000 tonne per annum plant in the US after being idled for seven years. The producer decided to restart the plant given a low and stable natural gas price.

NITROGENOUS FERTILIZERS

Fertilizer markets were strong in 2012, driven by cutbacks in supply. After a seasonal downturn during the first quarter of the year, ammonia prices moved rapidly upwards as extensive cutbacks from Russia and Ukraine brought about tighter supply. In addition, supply issues in several areas including Qatar, Saudi Arabia and Southeast Asia during April helped to drive prices in the second quarter of the year. By mid-year, news of extensive supply cutbacks from Trinidad and Tobago in September drove demand for replacement ammonia in the US. As the end of the year approached, a seasonal downturn saw a weaker tone in the market.

IRON AND STEEL

Iron and steel markets were relatively stable at the start of 2012, but grew weaker during the third quarter of the year. Increasing raw material costs and strengthening demand kept prices buoyant early in the year. However, a summer slowdown saw markets growing relatively weaker. General economic weakness across continental Europe put downward pressure on markets in the second half of the year.

INTERNATIONAL AGRICULTURAL COMMODITIES

Prices of international agriculture commodities declined in 2012 when compared to 2011. The Food and Agriculture Organisation's (FAO) Food Price Index (Table 25) in 2012 declined by 7.0 per cent following a substantial increase (23.0 per cent) in 2011. Within the Food Price Index, several sub-indices declined including Sugar Price (17.1 per cent), Dairy Price (14.5 per cent), Oils (10.7), Cereals Price (2.4 per cent) and Meat Price (1.1 per cent).

However, volatility is a main issue affecting prices of agriculture commodities. Food prices remain highly responsive to shocks such as the weather and rising prices of inputs. In addition, the growing population

continues to generate increased demand which is not always matched by an increase in supply. For example, the cereals index decreased in the first half of 2012 by 12.8 per cent (year-on-year) due to expectations of above average production in Argentina, Brazil and the United States. However, dry weather conditions and drought across the United States pushed the Cereals Index upwards (8.8 per cent) in the latter half of the year. Fears of export bans by Russia and Ukraine also fuelled increased values of the Cereals Index. However, these market concerns faded but tight supplies led to continued increases in the Cereals Index for the second half of 2012 (year-on-year).

TABLE 25
FOOD PRICE INDEX

Date	Food Price Index	Food Price Index (y-o-y Per cent change)	Meat Price Index	Dairy Price Index	Cereals Price Index	Oils Price Index	Sugar Price Index
Jun-11	233.4	38.8	178.1	231.6	259.0	259.0	357.7
Jul-11	231.2	33.9	176.5	227.8	247.2	252.9	400.4
Aug-11	230.6	26.0	178.6	220.6	252.4	245.3	393.7
Sep-11	225.1	15.9	177.3	214.7	244.3	239.4	379.0
Oct-11	215.8	5.3	176.1	203.5	231.3	224.3	361.2
Nov-11	216.4	1.7	181.1	201.0	228.8	234.8	339.9
Dec-11	210.8	(5.6)	178.8	201.7	217.6	227.5	326.9
Jan-12	212.8	(8.0)	174.2	206.8	222.7	233.7	334.3
Feb-12	215.6	(9.4)	178.1	202.0	226.3	238.7	342.3
Mar-12	216.0	(6.9)	178.0	197.0	227.8	244.9	341.9
Apr-12	213.0	(9.3)	179.6	185.6	223.3	251.0	324.0
May-12	204.7	(11.6)	175.0	176.1	221.3	233.8	294.6
Jun-12	200.4	(14.1)	169.5	173.4	222.1	220.7	290.4
Jul-12	212.9	(7.9)	166.8	172.9	260.2	226.1	324.3
Aug-12	212.5	(7.8)	170.5	175.6	259.9	226.0	296.2
Sep-12	215.7	(4.2)	174.9	187.7	262.6	224.7	283.7
Oct-12	214.4	(0.7)	177.0	194.0	259.5	206.4	288.2
Nov-12	211.7	(2.2)	177.0	195.0	255.6	200.4	274.5
Dec-12	209.3	(0.7)	175.6	196.8	249.6	196.5	273.8

SOURCE: Food and Agriculture Organization.



APPENDIX ONE

ECONOMIC STATISTICS

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TABLES A.1 - A.44

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r - revised

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TABLE A.1
GROSS DOMESTIC PRODUCT AT CONSTANT (2000) PRICES
BY SECTOR OF ORIGIN, 2008 - 2012¹
 /PER CENT/

SECTOR	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^p
Agriculture	7.6	-32.4	76.8	-0.1	-4.9
Petroleum	-0.3	-1.8	3.2	-3.9	-1.0
Manufacturing	4.1	1.9	1.2	-1.1	-0.4
Electricity and Water	3.0	0.3	0.1	6.4	4.5
Construction	4.5	-7.1	-28.4	-8.8	-2.0
Transport, Storage and Communication	8.5	-0.5	2.5	-1.0	1.4
Distribution	17.6	-20.4	-9.7	-4.7	1.4
Finance, Insurance and Real Estate	3.1	-4.5	8.1	-0.6	6.1
Government	1.7	19.1	1.2	-0.7	1.0
Other Services ²	-4.6	5.6	1.5	-1.5	0.0
FISIM ³	-2.9	0.2	-7.5	-1.5	3.0
Value Added Tax	-9.3	-18.6	5.8	-21.3	23.1
TOTAL	3.4	-4.4	0.2	-2.6	1.2

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

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

³ Financial Intermediation Services Indirectly Measured.

TABLE A.2

GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES
BY SECTOR OF ORIGIN, 2008 - 2012
/ TT\$MILLION /

SECTOR	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^p
Agriculture	640.7	721.8	816.0	902.8	888.0
Petroleum	89,100.3	41,965.5	56,015.3	70,313.7	67,105.4
Manufacturing	7,042.6	6,973.9	7,024.2	8,661.8	9,260.3
Electricity and Water	1,526.3	1,777.9	1,809.7	2,000.1	1,930.2
Construction	14,476.5	13,726.5	9,410.5	8,772.3	7,642.7
Transport, Storage and Communication	6,983.4	7,194.6	6,903.1	7,193.4	8,235.2
Distribution	21,140.0	17,934.9	17,942.1	19,449.2	21,180.2
Finance, Insurance and Real Estate	15,681.3	14,453.8	14,812.5	16,710.2	16,936.3
Government	12,495.1	11,167.9	10,423.9	11,219.8	13,302.8
Other Services ¹	7,683.3	7,695.7	7,840.2	9,564.6	0.0
FISIM ²	-5,090.7	-5,459.6	-5,812.5	-5,721.8	-5950.6
PLUS: Value Added Tax	5,933.0	5,147.3	6,032.3	4,917.0	6,497.6
GROSS DOMESTIC PRODUCT AT MARKET PRICES	175,287.2	121,281.3	131,289.4	150,373.2	153,587.7

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

² Financial Intermediation Services Indirectly Measured.

TABLE A.3

ANNUAL CHANGES IN G.D.P. AT CURRENT MARKET PRICES
BY SECTOR OF ORIGIN, 2008 - 2012
/ PER CENT /

SECTOR	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^p
Agriculture	25.9	12.7	13.1	10.6	-1.6
Petroleum	44.6	-52.9	33.5	25.5	-4.6
Manufacturing	-2.4	-1.0	0.7	23.3	6.9
Electricity and Water	-0.5	16.5	1.8	10.5	-3.5
Construction	28.0	-5.2	-31.4	-6.8	-12.9
Transport, Storage and Communication	-8.6	3.0	-4.1	4.2	14.5
Distribution	24.9	-15.2	0.0	8.4	8.9
Finance, Insurance and Real Estate	0.8	-7.8	2.5	12.8	1.4
Government	38.2	-10.6	6.7	7.6	18.6
Other Services ¹	-0.6	0.2	1.9	22.0	-100.0
FISIM ²	-8.8	-7.2	-6.5	1.6	-4.0
PLUS: Value Added Tax	11.2	-13.2	17.2	-18.5	32.1
TOTAL	28.0	-30.8	8.3	14.5	2.1

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

² Financial Intermediation Services Indirectly Measured.

TABLE A.4
SECTORAL COMPOSITION OF G.D.P.
AT CURRENT MARKET PRICES, 2008 - 2012
/ PER CENT /

SECTOR	2008^r	2009^r	2010^r	2011	2012^p
Agriculture	0.4	0.6	0.6	0.6	0.6
Petroleum	50.8	34.6	42.7	46.8	43.7
Manufacturing	4.0	5.8	5.4	5.8	6.0
Electricity and Water	0.9	1.5	1.4	1.3	1.3
Construction	8.3	11.3	7.2	5.8	5.0
Transport, Storage and Communication	4.0	5.9	5.3	4.8	5.4
Distribution	12.1	14.8	13.7	12.9	13.8
Finance, Insurance and Real Estate	8.9	11.9	11.3	11.1	11.0
Government	7.1	9.2	7.9	7.5	8.7
Other Services ¹	4.4	6.3	6.0	6.4	0.0
FISIM ²	-2.9	-4.5	-4.4	-3.8	-3.9
PLUS: Value Added Tax	3.4	4.2	4.6	3.3	4.2
TOTAL	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.2.

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

² Financial Intermediation Services Indirectly Measured.

TABLE A.5
MAJOR AGRICULTURAL COMMODITIES, 2008 - 2012

PRODUCTS	2008	2009	2010	2011	2012
SUGAR					
Production of raw sugar (000 tonnes)	0	0	0	0	0
Production of refined sugar (000 tonnes)	38	32	0	0	0
Sales (000 tonnes)					
Exports	0	0	0	0	0
Local	40	31	0	0	0
COCOA (000 kgs)					
Production	575	517	515	339	438
Exports	545	467	883	469	293
Local Sales	103	73	23	38	25
COFFEE (000 kgs)					
Production	167	19	13	1	7
Exports	26	32	1	10	0
Local Sales	158	1	1	13	6
CITRUS (000 kgs)					
Production	1,933	2,107	286	n.a	n.a
Exports	n.a.	n.a.	n.a.	n.a	n.a

SOURCE: Central Statistical Office of Trinidad and Tobago.

TABLE A.6

PRODUCTION OF SELECTED FOOD CROPS, 2008 - 2012 (TRINIDAD ONLY)
/ 000 KGS /

CROP	2008	2009	2010	2011	Jan-Sep	
					2011	2012
Tomato	1,815	1,861	2,144	1,510	1,268	1,223
Cabbage	970	533	291	787	524	1,011
Cucumber	1,557	1,363	1,291	1,193	810	1,032
Dasheen	2,694	3,185	2,279	2,741	1,903	2,142
Rice	1,815	1,861	2,259	1,510	1,268	1,223
Pigeon Peas	1,775	911	121	2,033	1,052	677
Pumpkin	3,328	3,312	1,773	4,818	3,036	946
Melongene	1,775	911	533	1,577	1,052	677

SOURCE: Central Statistical Office of Trinidad and Tobago.

TABLE A.7
LOCAL PRODUCTION AND IMPORTS OF SELECTED
MEAT AND DAIRY PRODUCTS, 2008 - 2012

PRODUCTS	2008	2009	2010	2011	Jan-Jun	
					2011	2012
Total Meat Supply (000 kgs) (excluding poultry)	26,572	15,775	11,562	19,370	10,505	n.a
Production	3,726	4,062	4,014	3,915	1,816	1,788
Imports	22,845	11,713	8,055	15,455	8,689	n.a
Beef and Veal (000 kgs)	5,119	4,891	3,473	-5,513	2,785	n.a
Production	236	337	364	405	221	134
Imports	4,883	4,554	3,127	5,108	2,564	n.a
Pork (000 kgs)	7,941	8,268	6,154	-8,286	3,723	n.a
Production	3,408	3,429	3,341	3,335	1,551	1,632
Imports	4,533	4,839	3,302	4,951	2,172	n.a
Mutton (000 kgs)	13,512	2,616	1,935	5,571	3,997	n.a
Production	83	296	309	175	44	22
Imports	13,429	2,320	1,626	5,396	3,953	n.a
Broilers (000 birds): Production	33,140	35,499	35,664	34,220	16,500	16,087
Table Eggs (000 doz): Production	7,032	9,547	8,081	5,498	2,668	2,960
Milk (000 litres): Production	5,152	4,830	4,286	5,621	2,881	1,636

SOURCE:: Central Statistical Office of Trinidad and Tobago.

TABLE A.8

PRODUCTION AND UTILIZATION OF CRUDE OIL AND
RELATED PRODUCTS AND PETROCHEMICALS, 2008 - 2012

COMMODITY GROUP	2008	2009	2010	2011	2012
Crude Oil					
Exploration (meters)					
Depth Drilled	151,630	44,383	56,446	112,909	116,179
of which: Exploration	32,263	5,896	5,822	12,245	18,265
Production (000 barrels)					
Crude Oil and Condensates	41,826	39,119	35,855	33,550	29,915
of which: Condensates					
Daily Average (b/d)	114,279	107,183	98,276	91,919	81,710
Imports (000 barrels)					
Crude Oil Imports	32,546	34,632	24,944	30,331	20,952
of which: u.p.a.	264	n.a.	n.a.	n.a.	n.a.
Refining (000 barrels)					
Refinery Throughput	54,877	55,416	46,167	50,098	39,060
Refinery Output	53,358	54,005	44,089	48,227	37,292
Capacity Utilization (%) ¹	91	92	77	83	64.6
Exports (000 barrels)					
Crude Oil Exports	19,749	19,610	16,584	14,461	10,478
Petroleum Products	45,766	45,866	35,030	41,218	32,445
Natural Gas (Mn cubic feet/day)					
Production	4,049	4,183	4,319	4,149	4,122
Utilization ²	3,710	3,835	4,005	3,843	3,823
of which: Petrochemicals	1,047	1,140	1,190	1,163	1,114
Electricity Generation	266	272	293	304	304
LNG	2,196	2,268	2,316	2,160	2,175
Natural Gas Liquids (000 barrels)					
Production	13,947	15,899	17,223	16,043	12,890
Exports	13,915	15,153	16,902	14,720	11,537
Local Sales	85	98	143	440	n.a.
Closing Stock	368	448	177	-68	n.a.
Fertilizers (000 tonnes)					
Production	5,614	6,167	6,262	5,715	5,453
Exports	5,107	5,590	5,931	5,273	4,992
Local Sales	7	8	8	7	n.a.
Stock Change	406	581	326	435	n.a.
Methanol (000 tonnes)					
Production	5,699	6,120	5,932	5,904	5,491
Exports	5,513	6,168	5,978	5,793	5,549
Local Sales	19	19	n.a.	9	n.a.
Stock Change	-261	-85	n.a.	102	n.a.

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

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

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

TABLE A.9

PRODUCTION OF IRON AND STEEL PRODUCTS AND CEMENT, 2008 - 2012

COMMODITY	2008	2009	2010	2011	2012
STEEL PRODUCTS (000 TONNES)					
(i) Direct Reduced Iron					
Production	1,601.0	1,181.7	1,751.8	1,705.6	1,684.3
Exports	1,086.9	656.1	1,002.6	1,037.5	1,018.2
Local Sales	0.0	0.0	0.0	0.0	0.0
Own Consumption	498.1	428.6	603.0	616.6	614.4
(ii) Billets					
Production	489.6	417.0	571.6	603.4	623.8
Exports	0.0	39.5	150.6	102.5	172.3
Local Sales	193.1	132.3	38.5	39.4	37.6
Own Consumption	289.0	251.6	382.5	463.9	416.4
(iii) Wire Rods					
Production	272.0	238.3	361.2	427.2	393.8
Exports	260.2	194.4	316.5	356.3	372.1
Local Sales	50.9	38.4	33.6	30.2	25.6
Own Consumption	0.1	0.5	0.4	1.0	4.0
CEMENT (000 TONNES)					
Production	957.6	869.9	790.9	827.3	654.1
Imports	0.0	0.0	0.0	0.0	0.0
Local Sales	668.1	634.2	548.4	535.2	509.9
Exports	261.6	273.3	245.0	292.2	185.3

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.10

INDEX OF DOMESTIC PRODUCTION (1995=100), 2008 - 2012¹

INDUSTRY	WEIGHT	2008	2009	2010	2011	2012 ^P
Food Processing	58	481.8	488.0	512.1	493.3	514.5
Drink and Tobacco	63	849.0	948.2	1,116.3	1,131.5	1,138.4
Textiles, Garments and Footwear	6	1,913.8	1,966.2	2,425.4	2,400.3	2,051.9
Printing, Publishing and Paper Converters	27	372.1	331.2	299.6	294.0	289.5
Wood and Related Products	7	937.7	1,018.0	979.5	1,1329.0	1,046.0
Chemicals and Non-Metallic Minerals	43	348.1	345.1	349.5	343.4	343.4
Assembly-Type and Related Industries	61	666.3	1,133.7	1,439.6	1,626.6	1,531.0
Miscellaneous Manufacturing Industries	10	159.2	186.4	194.9	187.4	192.3
Electricity	40	138.0	143.4	147.1	144.5	129.1
Water	6	155.7	157.2	147.2	160.7	161.8
Sugar	-1	29.4	24.6	0.0	0.0	0.0
All Industry Index (excluding petrochem, oil & natural gas, explor., product. & refining)	320	541.3	651.7	753.9	790.6	766.9
Explor., & product. of oil, natural gas, etc.	445	147.4	149.2	143.6	136.4	128.4
Petrochemicals	182	221.0	238.8	255.2	234.1	226.5
Oil & natural gas refining	53	581.0	599.5	553.3	555.5	424.8
All Industry Index (including petrochem, oil & natural gas, explor., product. & refining)	1000	309.7	350.0	381.0	385.8	366.4

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

TABLE A.11
ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND
HOURS WORKED (ALL EMPLOYEES), 2010 - 2012¹
/ PER CENT /

INDUSTRY	INDEX OF DOMESTIC PRODUCTION ² (1995=100)			INDEX OF HOURS WORKED ² (1995=100)		
	2010	2011	2012	2010	2011	2012
Food Processing	4.9	-3.7	4.3	3.2	-0.1	2.2
Drink and Tobacco	17.7	1.4	0.6	4.5	1.9	3.9
Textiles, Garments and Footwear	23.4	-1.1	-14.5	-15.0	-2.9	10.7
Printing, Publishing and Paper Converters	-9.5	-1.5	1.9	-1.5	-9.6	3.0
Wood and Related Products	-3.8	15.7	7.7	-5.5	-0.5	5.2
Chemicals and Non-Metallic Minerals	1.3	-1.7	-0.0	-7.3	-9.6	11.4
Assembly-Type and Related Industries	27.0	13.0	-5.9	0.1	9.1	-11.3
Miscellaneous Manufacturing Industries	4.5	-3.8	2.6	1.1	-10.0	10.4
Electricity	2.6	-1.8	10.6	-24.8	-14.8	13.7
Water	-6.3	9.2	0.7	12.8	-11.5	26.2
Sugar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
All Industry Index (excluding petrochem, oil, natural gas, explor., product. & refining etc.)	15.7	4.9	3.0	-1.3	-3.4	2.0
Explor. & product of oil, natural gas, etc.	-3.7	-5.0	5.9	10.7	7.4	16.0
Petrochemicals	6.9	-8.3	-3.3	3.4	-6.7	-3.3
Oil & natural gas refining	-7.7	0.3	-23.5	-2.7	3.6	6.0
All Industry Index (including petrochem, oil & natural gas, explor., product. & refining etc.)	8.9	1.3	-5.0	4.1	-2.0	-0.2

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Indices are computed as quarterly averages for the period.

² Percentage changes over the corresponding period.

TABLE A.12
ANNUAL CHANGES IN THE INDICES OF AVERAGE
WEEKLY EARNINGS AND EMPLOYMENT
(ALL EMPLOYEES), 2010 - 2012¹
/ PER CENT /

INDUSTRY	AVERAGE WEEKLY EARNINGS ² (1995=100)			EMPLOYMENT ² (1995=100)		
	2010	2011	2012	2010	2011	2012
Food Processing	23.7	-1.8	9.4	-5.6	-2.1	-0.2
Drink and Tobacco	6.8	6.9	9.8	2.1	-0.8	-5.8
Textiles, Garments and Footwear	2.6	6.4	9.9	-0.4	-0.8	0.7
Printing, Publishing and Paper Converters	-17.9	-11.7	-1.3	2.8	7.1	3.9
Wood and Related Products	41.9	1.5	3.9	-15.0	3.8	1.1
Chemicals and Non-Metallic Minerals	-9.7	5.6	3.2	-6.6	-4.0	5.2
Assembly-Type and Related Industries	26.0	5.4	12.9	3.7	-4.0	4.2
Miscellaneous Manufacturing Industries	4.2	-1.1	22.1	-5.4	-1.5	18.5
Electricity	4.5	-14.1	22.1	-8.0	-9.4	-0.8
Water	-1.5	-2.2	-0.2	13.1	-0.2	0.1
All Industry Index (excluding petrochem., oil, natural gas, explor., product. & refining etc.)	6.4	-1.9	1.3	-2.4	-1.2	-2.4

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

² Percentage changes over the corresponding period.

TABLE A.13
ANNUAL CHANGES IN THE INDICES OF REAL EARNINGS AND
OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2010 – 2012¹
/ PER CENT /

INDUSTRY	REAL EARNINGS ² (1995=100)			INDEX OF OUTPUT PER MAN HOUR WORKED ² (1995=100)		
	2010	2011	2012	2010	2011	2012
Food Processing	12.4	-6.8	17.1	1.7	-3.6	6.6
Drink and Tobacco	-3.4	1.6	30.6	12.7	-0.5	4.7
Textiles, Garments and Footwear	-6.0	-1.6	-3.0	44.6	1.7	-4.8
Printing, Publishing and Paper Converters	6.6	-15.9	-9.7	-8.2	8.9	1.2
Wood and Related Products	28.1	-3.0	-5.0	1.8	16.3	-2.6
Chemical and Non-Metallic Minerals	-18.4	0.4	-5.5	9.2	8.7	12.9
Assembly-Type and Related Industries	13.8	0.5	-20.2	26.9	3.6	6.1
Miscellaneous Manufacturing Industries	-5.5	-6.1	12.5	3.4	6.9	14.5
Electricity	-5.3	-18.5	11.7	36.5	15.2	-21.4
Water	-10.8	-7.0	8.7	-16.9	23.4	-20.2
All Industry Index (excluding petrochem, oil, natural gas, explor., product. & refining)	-3.7	-6.7	-7.3	17.2	8.5	-1.0
Explor., & product. of oil, natural gas, etc.	19.6	-25.8	-8.5	-13.0	-11.5	-18.9
Petrochemicals	-8.5	-59.7	-22.9	3.4	-1.7	0.0
Oil & natural gas refining	-2.7	0.9	-0.4	-5.2	-3.1	27.9
All Industry Index (including petrochem, oil & natural gas, explor., product. & refining)	0.3	-10.5	-5.6	4.6	3.3	-4.9

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Indices are computed as quarterly averages for each period.

² Percentage changes over the corresponding period.

TABLE A.14

INDEX OF RETAIL PRICES FOR MAJOR EXPENDITURE CATEGORIES, 2009-2012
/ JANUARY 2003=100 /

SECTIONS	WEIGHTS	2009	2010	2011	2012	2012			
						I	II	III	IV
All Items	1000	158.2	174.9	183.8	200.8	196.0	201.5	201.4	204.9
Inflation Rate (%)¹		7.2	10.5	5.2	9.3	8.3	11.8	8.8	8.5
(i) Food	180	308.7	377.1	416.3	495.8	476.4	502.8	496.6	507.0
		13.6	22.0	11.3	19.1	18.1	26.2	17.5	15.2
(ii) Clothing	53	95.3	94.4	95.0	97.7	96.8	96.5	98.5	99.2
		-0.5	-1.0	0.6	2.9	3.0	2.7	2.8	3.3
(iii) Transport	167	125.5	139.8	140.8	143.4	141.3	143.4	144.4	146.4
		6.5	11.4	0.7	1.8	0.6	2.1	2.2	3.8
(iv) Housing	262	125.2	125.6	127.3	130.3	129.9	129.9	130.3	131.0
		4.5	0.3	1.3	2.4	2.7	2.6	2.7	1.5
(v) Others ²	338	129.6	135.4	139.0	142.5	73.8	74.9	75.9	76.6
		3.3	4.5	2.6	2.6	1.2	1.9	3.2	3.9
Per cent Contribution To Change In Index³									
(i) Food	180	-5.1	77.2	82.5	75.4	92.3	81.1	33.6	15.8
(ii) Clothing	53	-11.8	-1.2	4.6	3.9	0.9	-0.4	8.9	-0.4
(iii) Transportation	167	43.8	12.9	1.7	6.8	0.0	7.7	0.0	39.9
(iv) Housing	262	14.3	0.2	5.9	2.5	3.3	0.1	7.3	14.6
(v) Others	338	25.0	5.8	3.2	7.2	3.5	11.4	50.3	30.1
Memorandum:									
Core		125.8	130.5	132.7	135.4	134.4	135.4	136.5	137.9
(per cent change)		4.2	4.3	1.7	2.0	0.5	0.7	0.9	1.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

² Includes Hotels, Cafes and Restaurants (30), Alcohol, Beverages and tobacco (25), Furnishings, Household Equipment and Routine Maintenance (54), Health 5 (51), Recreation and Culture (85), Education (16), Communication (41) and Miscellaneous goods and services (36). Figures in parentheses in this footnote are section weights.

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

TABLE A.15
INDEX OF PRODUCERS' PRICES, 2008 - 2012¹
/ OCT. 1978=100 /

INDUSTRY	WEIGHTS	2008	2009	2010	2011	2012
Food Processing	191	608.5 (20.2)	637.7 (4.8)	661.7 (3.8)	678.7 (2.6)	703.1 (3.6)
Drink and Tobacco	121	841.1 (16.7)	935.7 (11.3)	1,011.8 (8.1)	1,087.3 (7.5)	1,179.2 (8.4)
Textiles, Garments and Footwear	101	298.4 (0.0)	298.4 (0.0)	298.4 (0.0)	299.8 (0.5)	303.5 (1.2)
Printing, Publishing & Paper Converters	93	337.1 (1.2)	361.2 (7.1)	384.6 (6.5)	388.3 (1.0)	389.2 (0.2)
Wood & Related Products	89	331.3 (2.8)	333.4 (0.6)	333.4 (0.0)	345.6 (3.6)	350.2 (1.3)
Chemicals and Non-Metallic Minerals	148	573.9 (9.8)	585.1 (1.9)	562.6 (-3.8)	563.1 (0.1)	592.5 (5.2)
Assembly-Type and Related Industries	257	338.0 (0.9)	337.4 (-0.2)	340.8 (1.0)	343.1 (0.7)	346.9 (1.1)
All Industry	1000	480.8 (10.0)	501.8 (4.4)	515.2 (2.7)	529.9 (2.8)	551.8 (4.1)

SOURCE: Central Statistical Office of Trinidad and Tobago.

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

TABLE A.16

CENTRAL GOVERNMENT FISCAL OPERATIONS, 2008 - 2012¹
/ TT\$MILLION /

EXPENDITURE	FISCAL YEARS ²				
	2008	2009	2010	2011	2012 ^P
Current Revenue	56,810.2	38,993.5	43,632.0	47,213.6	48,875.7
Current Expenditure ³	35,030.6	37,316.9	37,275.7	41,649.9	43,871.4
Current Account Surplus(+)/Deficit(-)	21,779.6	1,676.6	6,356.3	5,563.7	5,004.3
Capital Revenue	37.6	51.3	230.9	287.0	41.9
Capital Expenditure and Net lending ⁴	9,684.5	8,413.9	6,399.2	6,952.6	6,827.6
Overall Surplus(+)/Deficit(-)	12,132.7	-6,686.0	188.0	-1,101.9	-1,781.4
Total Financing (net)	-12,132.7	6,686.0	-188.0	1,101.9	1,781.4
External Financing (Net)	-54.5	-1,416.0	393.5	545.2	812.0
Net External Borrowing	-54.5	-1,416.0	393.5	545.2	812.0
Disbursements	1,201.9	444.0	840.6	1,175.3	1,521.9
Repayments ⁵	1,256.4	1,860.0	447.1	630.1	709.9
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Domestic Financing (Net)	-12,078.2	8,102.0	-581.5	556.7	969.3
Treasury Bills(Net)	0.0	0.0	0.0	0.0	0.0
Bonds(Net)	267.0	-121.4	-824.4	-917.8	1,713.1
Disbursements ⁶	1,200.0	2,148.1	301.3	446.6	2,835.6
Repayments	933.0	2,269.5	1,125.7	1,364.4	1,122.5
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net) ⁷	-12,345.2	8,223.4	242.9	1,474.5	-743.8
Memo Items					
Primary Balance ⁸	15,100.0	-3,186.1	3,478.3	1,764.6	894.3
Surplus(+)/Deficit(-) as a Percentage of GDP (current market prices)					
Current Account Surplus(+)/Deficit(-)	13.1	1.2	4.9	3.8	3.3
Overall Surplus(+)/Deficit(-)	7.3	-5.0	0.1	-0.8	-1.2
Primary Surplus(+)/Deficit(-)	9.1	-2.4	2.7	1.2	0.6

SOURCES: Ministry of Finance: Review of Fiscal Measures, various years. Review of the Economy, 2012.
Central Bank of Trinidad and Tobago: Monthly Statistical Digest, various issues.

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

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

³ Includes an adjustment for transfers to the Heritage and Stabilization Fund and funds expended from the Infrastructure Development Fund

⁴ Includes an adjustment for Repayment of Past Lending and acquisition of physical capital assets.

⁵ During the third quarter of 2009 there was a repayment to Credit Suisse First Boston of US\$230 million.

⁶ There were three Central government bond issues in fiscal year 2009 for the following amounts: \$1,500 million; \$280 million and \$368.5 million.

⁷ Includes errors and omissions, advances from the Central Bank and drawdowns from the treasury deposit accounts. Negative numbers represent an increase in deposits at the Central Bank.

⁸ The primary balance, also known as the non-interest balance, is equal to the overall balance exclusive of interest payments.

TABLE A.17
CENTRAL GOVERNMENT REVENUE, 2007 – 2011¹
/ TT\$MILLION /

REVENUE	FISCAL YEARS ²				
	2008	2009	2010	2011	2012 ^P
A. Oil Sector	30,512.7	15,457.3	18,478.2	20,966.1	20,488.8
Corporation ³	25,922.8	11,880.9	14,734.4	16,193.8	15,847.3
Withholding Tax	665.4	859.1	660.4	898.0	812.6
Royalties	1,823.4	1,741.7	1,898.9	2,415.2	2,448.5
Oil impost	65.6	80.5	90.5	117.9	95.6
Unemployment levy	1,970.0	801.2	989.0	1,240.2	1,194.4
Excise duties	65.5	93.9	105.0	101.0	90.4
B. Non Oil Sector	26,297.5	23,536.2	25,153.8	26,247.5	28,386.9
Taxes on Income	13,051.3	10,476.3	12,103.8	15,105.6	15,166.5
Companies	7,644.1	5,170.1	6,629.5	9,033.6	8,576.9
Individuals	4,291.1	4,267.0	4,467.4	4,960.8	5,492.2
Unemployment Levy	0.1	0.0	0.0	0.0	0.0
Health Surcharge	195.7	186.0	184.8	216.0	187.3
Other	920.3	853.3	822.1	895.2	910.1
Taxes on Property	83.8	71.4	22.1	10.7	4.6
Lands and Buildings Taxes	83.8	71.4	22.1	10.7	4.6
Taxes on Goods and Services	8,024.2	6,525.2	7,503.4	6,471.4	7,975.0
Purchase Tax	0.1	0.0	0.1	0.1	0.1
Excise Duties	584.9	533.1	600.2	604.4	626.6
Motor Vehicles	369.5	327.4	375.5	428.6	454.0
Value Added Tax	6,389.1	5,147.3	6,032.3	4,917.0	6,340.7
Other	680.6	517.5	495.3	521.3	553.6
Taxes on International Trade	2,171.9	1,828.5	1,905.5	2,167.8	2,224.8
Import Duties	2,166.7	1,828.2	1,904.7	2,167.8	2,224.8
Other	5.2	0.4	0.8	0.0	0.0
Non-Tax Revenue	2,966.3	4,634.7	3,619.0	2,492.0	3,016.0
National Lottery	175.3	200.0	205.0	215.0	245.8
Interest	171.5	149.6	128.1	50.0	21.3
Central Bank	1,655.3	1,080.6	920.1	478.6	478.8
Other	964.2	3,204.5	2,365.8	1,748.4	2,270.1
TOTAL CURRENT REVENUE	56,810.2	38,993.5	43,632.0	47,213.6	48,875.7
Capital Revenue	37.6	51.3	230.9	287.0	41.9
TOTAL REVENUE	56,847.8	39,044.8	43,862.9	47,500.6	48,917.6

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

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

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

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

TABLE A.18

CENTRAL GOVERNMENT EXPENDITURE, 2008 - 2012¹
/ TT\$MILLION /

EXPENDITURE	FISCAL YEARS ²				
	2008	2009	2010	2011	2012 ^P
Current Expenditure	35,030.6	37,316.9	37,275.7	41,649.9	43,871.4
Wages and Salaries	6,946.9	6,620.3	6,711.0	7,179.7	7,332.6
Goods and Services	5,002.3	6,023.0	6,441.2	6,504.3	7,021.1
Interest	2,967.3	3,499.9	3,290.3	2,866.4	2,675.7
External	637.7	544.6	444.2	379.5	389.7
Domestic	2,329.6	2,955.3	2,846.1	2,486.9	2,286.0
Transfers and Subsidies	20,114.1	21,173.7	20,833.2	25,099.5	26,842.0
<i>of which:</i>					
Loans & Grants to Statutory Boards and State Enterprises	4,245.0	3,595.1	3,638.4	5,674.8	4,618.8
Households	6,908.3	6,413.4	6,617.2	8,128.3	8,677.8
Capital Expenditure and Net-Lending³	9,684.5	8,413.9	6,399.2	6,952.6	6,827.6
TOTAL EXPENDITURE	44,715.1	45,730.8	43,674.9	48,602.4	50,699.0
(in % of GDP at current market prices)	27.0	33.4	33.4	33.4	33.2
Memo Items (% of Expenditure)					
Current Expenditure	78.3	81.6	85.3	85.7	86.5
Capital Expenditure and Net-Lending	21.7	18.4	14.7	14.3	13.5
Total Expenditure	100.0	100.0	100.0	100.0	100.0

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

¹ Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund.² Represents the period October 1st - September 30th.³ See footnote 4 on Table A.16.

TABLE A.19 (A)

CENTRAL GOVERNMENT EXTERNAL DEBT, 2008 - 2012
/ US\$MILLION /

SECTOR	2007/08	2008/09	2009/10	2010/11	2011/12
CENTRAL GOVERNMENT					
Receipts	207.8	246.1	207.6	175.1	332.6
Amortization	64.2	342.2	68.2	98.1	110.7
Balance Outstanding (end of period)	1,518.1	1,422.0	1,561.4	1,638.4	1,858.8
Interest	111.9	114.7	61.6	61.1	61.4

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.19 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2008 - 2012
/ TT\$MILLION /

	2007/08	2008/09	2009/10	2010/11	2011/12
DEBT MANAGEMENT BILLS					
Issue	2,550.0	2,550.0	2,550.0	2,550.0	2,550.0
Redemption	2,550.0	2,550.0	2,550.0	2,550.0	2,550.0
Outstanding	800.0	800.0	800.0	800.0	800.0
OTHER SECURITIES					
Issue	1,200.0	2,830.5	5,093.9	0.0	4,000.0
Redemption	388.2	247.5	600.3	285.7	261.7

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.20 (A)

COMMERCIAL BANKS*: SELECTED DATA, 2008 - 2012
/ TT\$MILLION /

	END OF PERIOD				
	2008	2009	2010	2011	2012
A. Outstanding					
1. Aggregate Deposits (adj.)	54,832.3	72,597.9	70,901.6	78,829.0	88,883.7
Demand Deposits (adj.) ¹	13,219.8	19,286.2	21,040.7	26,495.0	30,285.4
Time Deposits (adj.) ²	11,680.2	12,681.5	10,981.4	10,356.0	10,391.9
Savings Deposits (adj.) ³	13,830.6	17,702.6	19,953.4	22,468.0	24,748.5
Foreign Currency Deposits (adj.) ⁴	16,101.8	22,927.6	18,926.4	19,510.0	23,458.0
2. Gross Bank Credit⁵	42,820.0	43,852.1	44,299.3	45,980.0	47,740.4
<i>of which:</i>					
Business Purposes	20,655.0	19,628.2	19,184.7	20,930.0	21,026.9
Corporate	19,198.4	18,262.8	17,979.0	19,633.0	19,669.1
Non-Corporate	1,456.2	1,365.4	1,205.6	1,297.0	1,357.8
3. Investments	13,262.9	21,487.9	23,397.9	23,641.0	34,503.4
Government Securities	4,033.3	8,805.5	11,400.8	10,544.0	15,289.4
Other Investments ⁶	9,229.6	12,682.4	11,997.1	13,097.0	19,214.0
<i>of which:</i>					
Interest-bearing Special Deposit Facility ⁷	1,500.0	3,500.0	4,500.0	4,500.0	5,990.0
B. Annual Change					
1. Aggregate Deposits (adj.)	8,781.8	17,765.5	-1,722.9	7,928.0	10,054.3
Demand Deposits (adj.)	1,280.4	6,066.5	1,730.3	5,454.0	3,790.5
Time Deposits (adj.)	2,494.1	1,001.3	-1,700.1	-625.0	35.9
Savings Deposits (adj.)	828.9	3,872.0	2,250.7	2,515.0	2,280.1
Foreign Currency Deposits (adj.)	4,178.3	6,825.8	-4,003.8	584.0	3,947.9
2. Gross Bank Credit	5,442.9	1,032.3	447.2	1,681.0	1,760.0
<i>of which:</i>					
Business Purposes	3,036.0	-1,026.4	-443.5	1,745.0	96.9
Corporate	2,865.8	-935.6	-293.7	1,654.0	36.0
Non-Corporate	169.7	-90.7	-159.8	91.0	61.0
3. Investments	99.7	8,225.0	1,909.9	243.0	10,862.4
Government Securities	426.1	4,772.2	2,595.3	-857.0	4,745.0
Other Investments	-326.4	3,452.8	-685.3	1,100.0	6,117.0
<i>of which:</i>					
Interest-Bearing Special Deposit Facility	0.0	2,000.0	1,000.0	0.0	1,490.0

SOURCE: Central Bank of Trinidad and Tobago.

¹ Total demand deposits *minus* non-residents' and Central Government's demand deposits, cash items in process of collection on other banks, and branch clearings, plus cashiers and branch clearings.

² Total time deposits *minus* Central Government's deposits and deposits of non-residents.

³ Total savings deposits *minus* Central Government's deposits and deposits of non-residents.

⁴ Total demand, savings and time deposits in foreign currency *minus* those of non-residents.

⁵ Total loans *excluding* loans to non-residents and central government.

⁶ Interest-bearing deposits at the Central Bank, other local and foreign securities, and equity in subsidiaries and affiliates.

⁷ In December 2005, the interest rate paid on special deposits was reduced to zero and the commercial banks were required to place in aggregate a total of TT\$1.0 billion in a special interest-bearing deposit account at the Central Bank for a minimum of one year. Additional deposits were placed by the commercial banks between 2006 and 2012 including 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\$1.49 billion placed in March 2012..

* During 2007 the number of commercial banks increased from 6 to 8, as FirstCaribbean International Bank (Trinidad and Tobago) Limited and Bank of Baroda were granted licenses to conduct business of a financial nature with effect from May 28 and October 3, 2007, respectively.

TABLE A.20 (B)

SUMMARY ACCOUNTS OF THE MONETARY SYSTEM, 2008 - 2012
/ TT\$MILLION /

	END OF PERIOD				
	2008'	2009'	2010'	2011	2012
Net Foreign Assets¹	67,688	65,784	65,637	73,666	71,785
Monetary Authorities	58,511	52,226	55,127	60,026	55,783
Commercial Banks ²	9,177	13,559	10,511	13,640	16,002
Net Domestic Assets	-11,045	5,174	7,474	5,159	15,375
Net claims on public sector	-34,835	-17,660	-10,900	-18,508	-17,478
Central Government (net)	-30,524	-14,336	-10,765	-13,591	-13,000
Treasury bills	2,144	4,957	7,245	7,328	10,385
Other government securities	1,900	3,869	4,273	3,237	4,924
Other credit (net)	-34,567	-23,162	-22,283	-24,155	-28,310
Local government (net)	-334	-382	-456	-694	-727.2
Statutory bodies (net)	-555	-656	-839	-5,180	-3,986
Public enterprises (net)	-3,422	-2,286	1,160	956	234.9
Official capital and surplus	-3,298	-3,537	-6,437	-7,757	-7,400
Credit to Other Financial Institutions (net)	-4,167	-7,370	-9,611	-10,025	-12,905
Credit to private sector	40,452	38,689	38,887	41,402	43,010
Interbank float	-69	462	525	351	453.5
Other assets (net)	-9,129	-5,411	-4,989	-303	9,694.4
Liabilities to Private Sector (M3)	56,643	70,958	73,112	78,825	87,160
Money and quasi-money	43,108	55,573	57,584	62,645	69,190
Money	16,156	19,189	20,598	22,310	25,820
Currency in circulation	3,434	3,850	5,301	5,939	5,395
Demand deposits	12,722	15,339	15,297	16,371	20,424
Quasi-Money	26,952	36,384	36,987	40,336	43,370
Time deposits	7,901	10,695	9,760	9,811	10,045
Savings deposits	19,051	25,689	27,227	30,524	33,325
Securitized Instruments	1,180	1,167	87	73	23
Private capital and surplus	12,355	14,219	15,440	16,106	17,946
	Changes as a per cent of beginning-of-period M3				
Net Foreign Assets	39.9	-3.4	-0.2	11.0	-2.4
Net Domestic Assets	-23.2	28.6	1.8	-3.2	13.0
Net Claims on Public Sector	-23.3	30.3	9.5	-10.4	1.3
Of which: Central Government	-20.1	28.6	5.0	-3.9	0.7
Credit to private sector	10.0	-3.1	0.3	3.4	2.0
Other assets (net)	-7.7	6.6	0.2	6.4	12.7
Liabilities to private sector (M3)	16.6	25.3	1.5	7.8	10.6
Memorandum items:					
Net Domestic Assets	-11,045	5,174	6,416	5,159	15,375
Net claims on public sector	-34,835	-17,660	-10,900	-18,508	-17,478
Central Government	-30,524	-14,336	-10,765	13,591	-13,000
Credit to the private sector	13.7	-4.4	0.5	6.5	3.9
(12-month increase in per cent)					1.8
M3 Velocity	3.1	1.8	1.8	1.9	

SOURCE: Central Bank of Trinidad and Tobago.

¹ Effective March 15th, 2007, the Heritage and Stabilization Fund (HSF) was no longer included as part of the Central Bank's assets.² With effect from June 2007, the data include two new commercial banks, FirstCaribbean International Bank and Bank of Baroda.

TABLE A.21

LIQUIDITY POSITION OF COMMERCIAL BANKS, 2011- 2012
/ TT\$MILLION /

	END OF PERIOD							
	2011				2012			
	I	II	III	IV	I	II	III	IV
Legal Reserves Position								
Required Reserves ¹	9,953.2	10,051.7	10,431.9	10,893.9	11,183.9	11,307.9	11,658.7	12,189.3
Cash Reserves	11,880.2	13,507.1	15,037.3	16,577.9	15,596.5	13,894.0	14,116.6	16,155.0
Excess (+) or Shortage (-)	1,927.0	3,455.4	4,605.4	5,684.0	4,412.6	2,586.1	2,457.9	3,965.7
Average Excess(+) or Shortage(-) ²	1,643.9	1,561.4	4,551.4	5,573.8	5,628.8	2,155.7	3,865.0	4,001.7
Liquid Assets								
Cash Reserves	11,880.2	13,507.1	15,037.3	16,577.9	15,596.5	13,894.0	14,116.6	16,155.0
Total Deposits at Central Bank	11,880.2	13,507.1	15,037.3	16,577.9	15,596.5	13,894.0	14,116.6	16,155.0
Local Cash in Hand	822.6	848.0	685.7	1,245.4	799.8	738.8	860.8	1,246.2
Treasury Bills	109.1	186.6	459.3	451.8	605.5	134.5	265.5	287.9
TOTAL LIQUID ASSETS	12,811.9	14,541.6	16,182.3	18,275.1	17,001.8	14,767.3	15,242.9	17,689.1
Total Deposit Liabilities (adj.)	52,385.3	52,903.5	54,904.7	57,336.5	58,862.4	59,515.3	61,361.8	64,154.1
As a Percentage of Total Deposit Liabilities (adj.)								
Legal Reserves Position								
Required Reserves	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Actual Reserves	22.7	25.5	27.4	28.9	26.5	23.3	23.0	25.2
Excess (+) or Shortage (-)	3.7	6.5	8.4	9.9	7.5	4.3	4.0	6.2
Average Excess(+) or Shortage(-)	3.1	3.0	8.3	9.7	9.6	3.6	6.3	6.2
Liquid Assets								
Cash Reserves	22.7	25.5	27.4	28.9	26.5	23.3	23.0	25.2
Total Deposits at Central Bank	22.7	25.5	27.3	28.9	26.5	23.3	23.0	25.2
Local Cash in Hand	1.6	1.6	1.2	2.2	1.4	1.2	1.4	1.9
Treasury Bills	0.2	0.4	0.8	0.8	1.0	0.2	0.4	0.4
TOTAL LIQUID ASSETS	24.5	27.5	29.5	31.9	28.9	24.7	24.8	27.5

SOURCE: Central Bank of Trinidad and Tobago.

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

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

TABLE A.22

COMMERCIAL BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2008 - 2012
/ TT\$MILLION /

SECTORS	END OF PERIOD				
	2008	2009	2010	2011	2012
Central & Local Government	1.3	1.2	3.6	0.1	59.6
Agriculture	141.0	125.3	96.9	95.4	90.8
Petroleum	1,495.9	1,430.8	1,448.1	1,316.6	1,492.1
Manufacturing	3,318.1	3,249.7	3,151.5	3,402.5	3,623.2
Construction	3,067.2	4,672.6	5,333.7	5,236.6	4,503.2
Distributive Trades	3,427.1	2,657.0	2,413.8	2,385.6	2,444.3
Hotels and Guest Houses	737.3	1,153.7	922.2	781.2	801.7
Transport, Storage and Communication	1,258.1	1,011.1	906.3	986.4	1,551.8
Finance, Insurance and Real Estate	8,999.0	8,503.3	7,370.9	7,998.4	7,879.5
Education, Cultural and Community Services	96.9	98.9	92.0	206.6	164.2
Personal Services	577.3	517.6	408.8	394.4	387.0
Electricity and Water	1,348.7	1,577.0	1,344.0	1,222.0	1,378.3
Consumers	12,947.3	11,410.3	11,937.0	12,152.9	12,393.8
TOTAL (excluding Real Estate Mortgage Loans)	37,415.4	36,408.5	35,428.8	36,178.6	36,769.7
Real Estate Mortgage Loans & Lease Financing	8,288.5	10,100.4	10,896.5	11,908.4	13,263.3
TOTAL LOANS	45,703.9	46,508.9	46,325.3	48,087.0	50,033.0

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.23

COMMERCIAL BANKS:
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2008-2012¹
 / PER CENT /

SECTORS	END OF PERIOD				
	2008	2009	2010	2011	2012
Central Government	0.0	0.0	0.0	0.0	0.1
Agriculture	0.3	0.3	0.2	0.2	0.2
Petroleum	3.3	3.1	3.1	2.7	3.0
Manufacturing	7.3	7.0	6.8	7.1	7.2
Construction	6.8	10.1	11.5	10.9	9.0
Distributive Trades	7.6	5.7	5.2	5.0	4.9
Hotels and Guest Houses	1.6	2.5	2.0	1.6	1.6
Transport, Storage and Communication	2.8	2.2	2.0	2.1	3.1
Finance, Insurance and Real Estate	19.7	18.3	15.9	16.6	15.7
Education, Cultural and Community Services	0.2	0.2	0.2	0.4	0.3
Personal Services	1.3	1.1	0.9	0.8	0.8
Electricity and Water	3.0	3.4	2.9	2.5	2.8
Consumers	28.3	24.5	25.8	25.3	24.8
TOTAL (excluding Real Estate Mortgage Loans)	81.8	78.3	76.5	75.2	73.5
Real Estate Mortgage Loans and Lease Financing	18.1	21.7	23.5	24.8	26.5
TOTAL LOANS	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.22.

¹ Figures may not sum to 100 due to rounding.

TABLE A.24
COMMERCIAL BANKS - INTEREST RATES, 2010 - 2012¹
/ PER CENT /

INTEREST RATES		2010	2011	2011		2012			
				III	IV	I	II	III	IV
A. Loan Rates (Market)									
(i) Installment	Range	3.00-24.00	3.83-22.81	3.83-22.81	3.83-22.81	3.83-22.81	3.83-21.50	3.83-21.50	3.83-21.50
	Median	9.50	8.00	8.00	7.75	7.75	7.75	7.75	7.63
(ii) Demand	Range	2.00-25.16	3.20-20.50	4.00-20.50	4.00-20.50	4.00-21.50	3.00-19.50	2.04-25.00	1.95-18.80
	Median	9.50	8.00	8.00	7.75	7.75	7.75	7.75	7.50
(iii) Overdraft	Range	6.00-34.50	3.00-45.75	4.00-20.50	7.00-45.75	8.00-28.00	5.00-28.00	7.00-27.75	8.00-27.75
	Median	9.50	8.00	8.00	7.75	7.75	7.75	7.75	7.50
(iv) Basic Prime Rate	Range	8.25-11.25	7.50-10.25	7.50-8.75	7.50-8.75	7.50-8.75	7.50-8.75	7.50-8.75	7.50-8.75
	Median	9.50	8.00	8.00	7.75	7.75	7.75	7.75	7.63
(v) Real Estate Mortgage	Range	3.25-23.00	4.25-22.00	4.50-20.50	4.50-19.50	4.50-16.50	4.50-18.50	4.50-18.50	2.00-18.50
	Median	9.50	8.00	8.00	7.75	7.75	7.75	7.75	7.50
B. Deposit Rates (Announced)									
(i) Ordinary Savings	Range	0.10-3.00	0.05-1.75	0.05-1.75	0.05-1.75	0.05-1.75	0.05-1.00	0.05-1.00	0.03-1.00
	Median	0.38	0.25	0.20	0.20	0.20	0.20	0.20	0.20
(ii) Special Savings	Range	0.05-1.65	0.05-1.75	0.05-8.00	0.05-1.75	0.05-1.75	0.05-1.00	0.05-1.00	0.05-1.00
	Median	0.37	0.25	0.20	0.20	0.20	0.23	0.23	0.20
(iii) 3-Months Time	Range	0.20-4.20	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95
	Median	0.70	0.50	0.29	0.23	0.23	0.23	0.23	0.23
(iv) 3-6 Months Time	Range	0.20-4.20	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95	0.05-3.95
	Median	0.70	0.50	0.29	0.79	0.23	0.23	0.23	0.43
(iv) 6-Months Time	Range	0.10-1.70	0.05-1.00	0.10-1.00	0.10-1.00	0.05-1.00	0.05-0.95	0.05-0.95	0.05-0.95
	Median	0.90	0.80	0.68	0.68	0.64	0.53	0.49	0.49
(v) 1-Year Time	Range	0.10-8.38	0.05-7.00	0.10-7.00	0.05-6.00	0.05-6.00	0.05-5.00	0.05-5.00	0.05-5.00
	Median	1.65	1.43	1.85	1.51	1.58	0.71	0.71	0.71

SOURCE: Central Bank of Trinidad and Tobago.

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

TABLE A.25
MONEY SUPPLY, 2008 - 2012
 / TT\$MILLION /

	END OF PERIOD				
	2008	2009 ¹	2010 ¹	2011	2012
A. Narrow Money Supply (M-1A)	16,659.7	23,160.3	25,283.1	31,184.8	35,680.9
Currency in Active Circulation	3,433.7	3,850.0	4,242.4	4,689.4	5,395.5
Demand Deposits (adj.)	13,226.0	19,310.3	21,040.7	26,494.9	30,285.4
B. Factors Affecting Changes in Money Supply					
1. Net Bank Credit to Central Government	-31,889.8	-16,060.0	-14,173.2	-15,665.6	-14,080.6
(a) Central Bank	-35,240.2	-24,003.9	-23,870.2	-25,145.9	-28,889.5
(b) Commercial Banks	3,350.4	7,943.9	9,696.9	9,480.3	14,808.9
2. Bank Credit	48,144.3	49,079.0	48,133.9	49,301.1	51,703.0
(a) Public Sector ¹	5,040.5	7,834.4	8,200.7	7,325.6	7,494.2
(b) Private Sector ²	43,103.8	41,244.6	39,933.1	41,975.5	44,208.8
3. External Assets (net)	65,416.5¹	94,457.4¹	67,807.6	74,494.2	74,298.9
4. Quasi-Money³	-25,510.8	-30,384.1	-30,934.6	-32,824.4	-35,140.3
5. Foreign Currency Deposits (Adj)	-16,112.7	-22,930.1	-18,926.3	-19,510.1	-23,458.0
6. NFIs Foreign Currency Deposit (Adj)⁴	-3,428.9	-154.7	-790.5	-459.7	-322.6
7. Other Items (Net)	-24,696.4	-22,373.4	-26,624.2	24,610.4	-17,642.1
C. Broad Money Supply (M-2)	42,170.5	53,544.4	56,217.7	64,009.2	70,821.2
D. Broad Money Supply (M-2*)⁵	58,283.2	76,474.5	75,144.0	83,519.3	94,279.2
Memo:⁶					
Money Supply M-3	45,766.5	54,493.6	57,396.8	65,302.6	72,121.1
Money Supply M-3*	65,308.0	77,578.3	77,113.6	85,272.4	95,901.7

SOURCE: Central Bank of Trinidad and Tobago.

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

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

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

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

⁵ Includes foreign currency deposits of residents.

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

TABLE A.26
CHANGES IN MONEY SUPPLY, 2009- 2012¹
/ TT\$MILLION /

	2008 ^r	2009	2010	2011	2012
A. Narrow Money Supply (M-1A)	1,537.6	6,500.6	2,122.8	5,901.8	4,496.0
	(10.2)	(322.8)	(-67.3)	(178.0)	(-23.8)
Currency in Active Circulation	250.9	416.3	392.4	447.6	705.6
	(-52.5)	(65.9)	(-5.7)	(14.1)	(57.6)
Demand Deposits (adj.)	1,286.7	6,084.4	1,730.4	5,454.2	3,790.5
	(18.5)	(372.9)	(-71.6)	(215.2)	(-30.5)
B. Factors Affecting Changes in Money Supply					
1. Net Bank Credit to Government	-9,596.5	15,829.8	1,886.8	-1,492.4	1,585.0
	(-309.7)	(-265.0)	(-88.1)	(-179.1)	(-206.2)
a) Central Bank	-10,112.2	11,236.3	133.7	-1,275.8	(-3,743.6)
	(-331.5)	(-211.1)	(-98.8)	(-1,054.0)	(193.4)
(b) Commercial Banks	515.7	4,593.5	1,753.0	-216.6	5,328.6
	(148.8)	(790.7)	(-61.8)	(-112.4)	(-2,560.0)
2. Bank Credit	5,686.2	934.7	-945.1	1,167.3	2,401.9
	(-27.5)	(-83.6)	(-201.1)	(-223.5)	(105.8)
(a) Public Sector ²	217.6	2,793.9	366.4	-875.1	168.6
	(-85.9)	(1,183.7)	(-86.9)	(-338.9)	(-119.3)
(b) Private Sector ³	5,468.6	-1,859.2	-1,311.5	2,042.4	2,233.3
	(-13.2)	(-134.0)	(-29.5)	(-255.7)	(9.3)
3. External Assets (net)	16,280.1	-739.5	3,130.6	6,686.6	-195.3
	(1,612.7)	(73.1)	(-191.8)	(-125.1)	(-102.9)
4. Quasi-Money⁴	-3,323.1	-4,873.3	-550.5	-1,889.7	-2,316.0
	(17.2)	(46.7)	(-88.7)	(243.3)	(22.6)
5. Foreign Currency Deposits (adj.)	-4,189.2	-6,817.5	4,003.8	-583.8	-3,947.9
	(195.4)	(62.7)	(-158.7)	(-114.6)	(576.3)
6. NFIs Foreign Currency Deposits (adj)⁵	88.1	3,274.2	-635.8	330.7	137.1
	(-47.5)	(3,618.2)	(-119.4)	(-152.0)	(-58.6)
7. Other Items (net)	3,819.9	2,166.3	-5,407.1	2,013.8	6,968.4
Increase (-), Decrease (+)	(-49.3)	(622.9)	(-188.3)	(91.7)	(246.0)
C. Broad Money Supply (M-2)	4,860.7	11,373.9	2,673.3	7,791.5	6,812.0
	(9.2)	(134.0)	(-76.5)	(191.5)	(-12.6)
D. Broad Money Supply (M-2*)⁶	9,049.8	18,191.3	-1,330.5	8,375.3	10,759.9
	(54.2)	(101.0)	(-107.3)	(-729.5)	(28.5)
Memo:⁷					
Money Supply M-3	5,732.2	8,727.1	2,903.3	7,905.8	6,818.5
	(20.3)	(52.3)	(-66.7)	(172.3)	(-13.8)
Money Supply M-3*	9,844.6	12,270.4	-464.7	8,158.8	10,629.3
	(64.0)	(24.6)	(-103.8)	(-1,855.6)	(30.3)

SOURCE: Table A.25.

¹ Figures in parentheses represents percentage change over the corresponding period.² Includes Central Bank's and commercial banks' loans and holdings of public sector securities.³ Includes commercial banks' loans to the private sector and holdings of private sector securities.⁴ See footnote (3) of Table A.25.⁵ See Note (4) of Table A.25.⁶ See Note (5) of Table A.25.⁷ See Note (6) of Table A.25.

TABLE A.27

FINANCE COMPANIES AND MERCHANT BANKS:
SUMMARY OF ASSETS AND LIABILITIES, 2009 - 2012
/ TT\$THOUSAND /

END OF PERIOD	EXTERNAL ASSETS (NET)	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT		
				INVESTMENTS	LOANS (GROSS)	TOTAL
	(1)	(2)	(3)	(4)	(5)	(6)
2009 ¹	83,105	196,695	155,613	2,365,754	2,125,951	4,491,705
2010	50,066	191,845	107,742	2,168,106	2,226,652	4,394,758
2011	141,789	282,661	327,728	2,010,462	2,317,512	4,327,974
2012	126,963	174,319	12,581	1,937,413	2,477,224	4,414,637
2011						
I	142,044	214,623	-131,055	2,522,885	2,241,410	4,764,295
II	153,077	257,495	287,830	2,086,122	2,213,791	4,299,913
III	125,560	230,942	293,815	1,922,435	2,218,222	4,140,657
IV	141,789	282,661	327,728	2,010,462	2,317,512	4,327,974
2012						
I	34,146	164,036	394,687	1,899,321	2,378,950	4,278,271
II	121,694	171,952	262,873	1,831,656	2,340,088	4,171,744
III	53,833	183,824	-479,932	2,678,539	2,386,977	5,065,516
IV	126,963	174,319	12,581	1,937,413	2,477,224	4,414,637
END OF PERIOD	TOTAL ASSETS/ LIABILITIES	DEPOSITS	BORROWINGS ²	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
2009	4,927,118	860,437	927,922	38,010	1,685,350	1,415,417
2010	4,744,411	1,760,271	965,370	54,781	1,771,459	192,530
2011	5,080,152	1,600,001	1,142,601	84,959	2,038,994	213,597
2012	4,728,500	1,469,450	846,601	79,074	2,155,234	178,141
2011						
I	4,989,907	1,772,779	936,284	48,442	1,878,895	353,507
II	4,998,315	1,724,825	903,186	45,178	1,939,243	385,886
III	4,790,974	1,361,801	1,192,259	50,536	1,938,253	248,124
IV	5,080,152	1,600,001	1,142,601	84,959	2,038,994	213,597
2012						
I	4,871,140	1,607,594	1,090,540	84,408	1,984,308	104,290
II	4,728,263	1,500,847	1,002,995	83,382	2,029,320	111,719
III	4,823,241	1,456,874	1,011,421	81,218	2,093,969	179,759
IV	4,728,500	1,469,450	846,601	79,074	2,155,234	178,141

SOURCE: Central Bank of Trinidad and Tobago.

¹ See footnote 4 of table A.25.

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

TABLE A.28

FINANCE COMPANIES AND MERCHANT BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2008- 2012
/ TT\$MILLION /

SECTORS	END OF PERIOD				
	2008'	2009'	2010'	2011	2012
Public Sector	0.0	3.1	2.3	0.5	0.4
Private Sector	3,996.4	1,844.2	1,935.5	1,865.0	2,066.7
Agriculture	24.5	24.0	21.3	18.8	18.1
Petroleum	144.9	5.8	5.6	2.1	39.2
Manufacturing	392.7	152.5	143.3	155.1	141.4
Construction	309.4	143.6	151.8	167.6	260.2
Distributive Trades	119.1	99.5	81.7	77.5	72.8
Hotels and Guest Houses	177.1	125.0	322.2	334.0	107.6
Transport, Storage and Communication	121.3	130.9	111.1	116.9	162.5
Finance, Insurance, Real Estate and Services	1,823.2	410.9	333.3	313.6	296.8
Education, Cultural and Community Services	2.7	1.4	2.5	1.7	43.0
Personal Services	16.3	35.2	38.6	40.3	260.4
Consumers	865.2	712.3	724.1	637.3	664.7
TOTAL (excluding Real Estate Mortgage Loans & Leases)	3,996.4	1,844.2	1,937.8	1,865.5	2,067.1
Real Estate Mortgage Loans	25.0	15.5	16.0	14.0	12.1
Leases	207.5	170.4	158.1	146.5	192.9
TOTAL LOANS	4,228.9	2,029.7	2,111.9	2,026.0	2,272.1

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.29

FINANCE COMPANIES AND MERCHANT BANKS:
 PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2008-2012
 / PER CENT /

SECTORS	END OF PERIOD				
	2008'	2009'	2010'	2011	2012
Public Sector	0.0	0.2	0.1	0.0	0.0
Private Sector	94.5	90.9	91.6	92.1	91.0
Agriculture	0.6	1.2	1.0	0.9	0.8
Petroleum	3.4	0.3	0.3	0.1	1.7
Manufacturing	9.3	7.5	6.8	7.7	6.2
Construction	7.3	7.0	7.2	8.3	11.5
Distributive Trades	2.8	4.9	3.9	3.8	3.2
Hotels and Guest Houses	4.2	6.2	15.3	16.5	4.7
Transport, Storage and Communication	2.9	6.4	5.3	5.8	7.2
Finance, Insurance, Real Estate and Business Services	43.1	20.2	15.8	15.5	13.1
Education, Cultural and Community Services	0.1	0.1	0.1	0.1	1.9
Personal Services	0.4	1.7	1.8	2.0	11.5
Consumers	20.5	35.0	34.3	31.6	29.2
TOTAL (excluding Real Estate Mortgage Loans & Leases)	94.5	90.9	91.8	92.1	91.0
Real Estate Mortgage Loans	0.6	0.8	0.8	0.7	0.5
Leases	4.9	8.4	7.5	7.2	5.9
TOTAL LOANS	100.0	100.0	100.0	100.0	100.0

SOURCE: Table A.28.

TABLE A.30

TRUST AND MORTGAGE FINANCE COMPANIES:
SUMMARY OF ASSETS AND LIABILITIES, 2009- 2012
/ TT\$THOUSAND /

END OF PERIOD	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT			TOTAL ASSETS/ LIABILITIES
			INVESTMENTS	LOANS	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
2009	184,235	1,525,726	2,178,181	2,739,600	4,917,781	6,627,742
2010	105,644	111,764	1,894,686	2,497,511	4,392,197	4,609,605
2011	92,131	623,420	1,676,812	1,347,543	3,024,355	3,739,906
2012	47,875	838,705	1,003,830	1,125,639	2,129,469	3,016,049
2011						
I	127,608	746,251	1,609,573	2,150,258	3,759,831	4,633,690
II	98,310	872,195	1,628,656	2,015,682	3,644,338	4,614,843
III	98,803	1,048,351	1,798,424	1,417,742	3,216,166	4,363,320
IV	92,131	623,420	1,676,812	1,347,543	3,024,355	3,739,906
2012						
I	61,537	576,763	1,506,658	1,180,480	2,687,138	3,325,438
II	39,823	591,379	1,398,505	1,166,093	2,564,598	3,195,800
III	51,060	707,494	1,058,395	1,216,758	2,275,153	3,033,707
IV	47,875	838,705	1,003,830	1,125,639	2,129,469	3,016,049
END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)	
	(7)	(8)	(9)	(10)	(11)	
2009	311,096	3,215,021	28,879	2,131,003	941,743	
2010	252,411	3,002,347	27,975	1,992,164	-665,292	
2011	215,455	1,496,821	29,055	1,772,197	226,378	
2012	246,307	87,706	69,075	1,663,981	948,980	
2011						
I	267,063	2,050,092	29,955	2,011,461	275,119	
II	248,053	2,009,569	29,395	2,010,050	317,776	
III	235,933	1,935,260	30,070	1,981,475	180,582	
IV	215,455	1,496,821	29,055	1,772,197	226,378	
2012						
I	198,944	436,964	54,924	1,704,006	930,600	
II	235,920	427,972	52,758	1,721,518	757,632	
III	228,391	98,506	77,086	1,753,840	875,884	
IV	246,307	87,706	69,075	1,663,981	948,980	

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.31

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2008 - 2012
/ TT\$THOUSAND /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS				TOTAL ASSETS/ LIABILITIES	CAPITAL AND RESERVES	OTHER ITEMS (NET)
		DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2008	0	-178,127	-884,462	3,422,483	2,359,894	2,359,894	733,808	1,626,086
2009	0	-157,469	-133,739	3,079,119	1,583,911	1,583,911	830,329	753,582
2010	0	-133,094	-1,322,600	3,336,970	1,881,276	1,881,276	974,428	906,848
2011	0	-157,073	-1,263,574	3,619,795	2,199,148	2,199,148	1,022,817	1,176,331
2011								
I	0	-130,675	-1,300,636	3,373,714	1,942,403	1,942,403	987,373	955,030
II	0	-127,984	-1,291,551	3,391,446	1,971,911	1,971,911	967,371	1,004,540
III	0	-69,103	-1,266,289	3,404,101	2,068,709	2,068,709	974,799	1,093,910
IV	0	-157,073	1,263,574	3,619,795	2,199,148	2,199,148	1,022,817	1,176,331
2012								
I	0	-146,057	-1,262,297	3,714,827	2,306,491	2,306,491	1,110,536	1,195,955
II	0	-116,685	-1,235,901	3,757,286	2,404,700	2,404,700	1,126,619	1,278,081
III	0	-94,430	-1,216,449	3,743,190	2,432,311	2,432,311	1,117,708	1,314,603
IV	0	-91,206	-1,206,513	3,756,093	2,458,374	2,458,374	1,134,987	1,323,387

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.32

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2008 - 2012
/ TT\$THOUSAND /

	EXTERNAL ASSETS (NET)	NET DOMESTIC CREDIT				TOTAL ASSETS/ LIABILITIES	DEPOSITS			SHARES	OTHER ITEMS (NET)
		NET DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL		TIME	SAVINGS	TOTAL		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2008	0	9,104	6,413	49,086	64,603	64,603	8,921	5,643	14,564	6,901	43,138
2009 ^r	0	14,230	8,606	47,755	70,591	70,591	14,204	7,182	21,386	5,433	43,772
2010	0	14,051	9,673	48,343	72,067	72,067	12,935	7,570	20,505	6,868	44,694
2011	0	10,079	10,182	54,575	74,831	74,831	13,125	7,384	20,509	8,178	46,144
2011^r											
I	0	14,468	9,567	50,661	74,696	74,696	14,020	8,597	22,617	7,122	44,957
II	0	12,358	11,328	51,257	74,943	74,943	13,627	8,430	22,057	7,433	45,453
III	0	11,577	10,322	53,649	75,548	75,548	13,087	8,454	21,541	7,658	46,349
IV	0	10,079	10,182	54,575	74,831	74,831	13,125	7,384	20,509	8,178	46,144
2012											
I	0	8,304	10,162	57,796	76,262	76,262	12,893	7,282	20,175	8,221	47,866
II	0	10,182	9,889	59,708	79,779	79,779	13,279	7,596	20,875	8,499	50,405
III	0	9,861	8,872	60,648	79,381	79,381	13,099	7,850	20,949	8,703	49,729
IV	0	9,678	8,622	61,268	79,568	79,568	13,310	7,688	20,998	9,233	49,337

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.33

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2010 - 2012¹
/ PER CENT /

INTEREST RATES	2010	2011	2011		2012				
			III	IV ^P	I	II	III	IV ^P	
1. Thrift Institutions									
(a) Savings Deposits									
Range	1.00 - 3.00	0.75-1.00	0.75 - 1.00	0.75 - 1.00	0.75 - 1.00	0.75 - 1.00	0.75 - 1.00	0.50 -0.75	
Median	1.50	0.88	0.88	0.88	0.88	0.88	0.88	0.63	
(b) Time Deposits									
(i) 1 - 3 years									
Range	1.50 - 6.00	1.50-6.00	1.50 - 4.00	1.50 - 4.00	1.50 - 4.00	1.50 - 4.00	1.50 - 4.00	1.50 - 3.75	
Median	3.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
(c) Mortgage Loans (Residential)									
Range	8.00 - 11.00	7.00-11.00	7.00 - 11.00	7.00 - 9.00	7.00 - 11.00	7.00 - 11.00	7.00 - 11.00	7.00 - 9.00	
Median	9.00	8.50	8.50	8.00	8.50	8.50	8.50	8.50	
2. Trust & Mortgage Finance Companies									
(a) Time Deposits									
(i) 1 - 3 years									
Range	0.20 - 7.00	0.05-7.00	0.05 - 6.25	0.05-6.25	0.05 - 6.25	0.05 - 6.25	0.05 - 6.25	2.15-6.00	
Median	2.13	3.18	3.15	3.18	3.18	3.18	3.18	3.20	
(ii) Over 3 years									
Range	0.25 - 6.00	0.20-9.00	0.20 - 6.00	0.20-9.00	0.20 - 6.00	0.20 - 6.00	0.20 - 6.00	0.01-6.00	
Median	3.00	3.05	3.00	3.05	3.00	3.05	3.05	3.00	
(b) Mortgage Loans									
(i) Residential									
Range	6.00 - 16.00	6.00-16.00	6.00 - 16.00	6.00-16.00	6.00 - 16.00	6.00 - 16.00	6.00 - 16.00	6.00-16.00	
Median	11.93	11.93	11.93	9.50	11.25	11.63	12.63	11.50	
(ii) Commercial									
Range	6.00 - 13.75	6.00-13.75	6.00 - 13.00	6.00-13.00	6.00 - 13.00	6.00 - 13.00	6.00 - 13.00	6.00-13.00	
Median	11.63	10.38	10.38	10.38	9.50	9.50	9.50	9.50	
3. Finance Companies and Merchant Banks									
(a) Time Deposits									
(i) 1 - 3 years									
Range	1.75 - 8.50	1.50-8.50	1.50 - 8.50	1.50-8.50	1.50 - 8.50	1.50 - 8.50	1.50 - 8.50	1.50-8.50	
Median	3.25	4.78	3.38	4.78	4.78	4.78	4.78	4.78	
(b) Installment Loans									
Range	5.95 - 57.20	6.00-56.85	6.00 - 56.50	6.00-56.69	6.00 - 57.59	6.00 - 56.39	6.00 - 56.19	6.00-50.38	
Median	10.00	12.66	13.34	13.34	13.34	13.34	13.34	13.17	

SOURCE: Central Bank of Trinidad and Tobago.

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

TABLE A.34
MONEY AND CAPITAL MARKET ACTIVITY, 2009 - 2012¹

END OF PERIOD	NEW ISSUES (\$MN)			SECONDARY MARKET TURNOVER ²						
	GOVERNMENT SECURITIES	TREASURY BILLS	OTHER ⁴	GOVERNMENT SECURITIES ³		TREASURY BILLS		PUBLIC COMPANY SHARES		
				FACE VALUE (\$MN)	NO. OF TRANSACTIONS	FACE VALUE (\$MN)	NO. OF TRANSACTIONS	MARKET VALUE (\$MN)	NO. OF TRANSACTIONS	VOLUME OF SHARES TRADED (MN)
2009	2,784.6	0.0	4,700.9	698.9	88	1,378.3	562	1,474.2	9,884	76.9
I	0.0	0.0	687.0	38.0	9	1.2	29	381.7	2,916	17.4
II	2,148.5	0.0	623.5	83.2	18	260.3	80	540.8	2,359	18.6
III	368.6	0.0	1,989.3	227.5	33	61.7	19	331.1	2,192	21.9
IV	231.5	0.0	1,401.1	350.2	28	1,055.1	443	220.6	2,417	19.0
2010	4,494.0	0.0	2,604.4	1,737.7	137	139.7 ^r	61	864.5	8,496	77.6
I	3,700.0	0.0	500.0	779.7	11	0.2 ^r	9	239.0	2,478	25.6
II	794.0	0.0	582.6	468.7	46	0.3 ^r	5	215.8	2,073	21.1
III	0.0	0.0	1,171.8	382.6	36	64.5 ^r	9	138.8	1,740	18.0
IV	0.0	0.0	350.0	106.7	44	74.7 ^r	38	271.0	2,205	12.9
2011	1,500.0	0.0	5,664.6	176.9	46	1,360.3	263	1,029.0	9,200	564.1
I	0.0	0.0	2,235.9	82.8	17	115.2	49	190.8	2,269	14.6
II	0.0	0.0	1,256.0	3.2	6	240.7	41	272.1	2,506	31.1
III	0.0	0.0	882.8	31.8	7	738.2	130	411.1	2,519	504.0
IV	1,500.0	0.0	1,289.9 ^r	59.1	16	266.2	43	155.0	1,906	14.4
2012	2,500.0	0.0	1,758.7	1,381.5	97	98.9	36	746.6	8,778	50.7
I	0.0	0.0	50.0	196.7	7	59.2	8	171.3	2,076	13.9
II	0.0	0.0	0.0	540.1	45	39.0	14	165.5	2,273	13.1
III	2,500.0	0.0	593.3	51.2	16	0.7	11	240.7	2,570	12.5
IV	0.0	0.0	1,115.4	593.5	29	0.0	3	169.2	1,859	11.1

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

¹ Totals may not add due to rounding.

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

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

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

TABLE A.35

SELECTED INTEREST RATES, 2011 - 2012¹
/ PER CENT PER ANNUM /

	2011	2012	2011		2012			
			III	IV	I	II	III	IV
A. Central Bank								
(i) Bank Rate	5.00	4.75	5.00	5.00	5.00	5.00	4.75	4.75
(ii) Special Deposits Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Repo Rate ²	3.00	2.75	3.00	3.00	3.00	3.00	2.75	2.75
(iv) Reverse Repo Rate ²	2.50	2.25	2.50	2.50	2.50	2.50	2.25	2.25
(v) Mortgage Market Reference Rate (MMRR) ³	3.50	2.50	n.a	3.50	3.25	3.25	3.00	2.50
B. Government								
(i) Treasury Bills	0.28	0.09	0.25	0.28	0.09	0.10	0.09	0.09
C. Commercial Banks - Local Currency								
(i) Weighted Average Rate on Loans	8.55	8.8575	9.19	9.16	9.04	8.92	8.72	8.75
(ii) Weighted Average Rate on Deposits	0.67	0.5775	0.65	0.61	0.59	0.58	0.57	0.57
(iii) Interest Spread (i - ii)	7.89	8.28	8.54	8.55	8.45	8.34	8.15	8.18
D. Non-Bank Financial Institutions⁴								
(i) Weighted Average Rate on Loans	9.72	9.62	9.87	9.69	9.70	9.73	9.53	9.53
(ii) Weighted Average Rate on Deposits	2.79	2.25	2.87	2.55	2.37	2.35	2.18	2.09
(iii) Interest Spread (i - ii)	6.94	7.38	7.00	7.14	7.33	7.38	7.35	7.44

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 and Reverse Repo 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 collateralized overnight financing provided to commercial banks. The reverse repo rate is paid on occasions that the Central Bank offers to take overnight funds from commercial banks and is set as the repo rate less 50 basis points.

³ The Mortgage Market Reference Rate (MMRR) was introduced by the Central Bank on 1 December 2011, and represents a benchmark mortgage rate against which all residential mortgages are to be priced. This benchmark rate is applicable to financial institutions licensed under the FIA 2008 that grant residential real estate mortgages.

⁴ Includes Finance Houses and Trust and Mortgage Finance Companies and represents rates for licensed institutions only.

TABLE A.36 (A)

BALANCE OF PAYMENTS, 2009 - 2012
/ US\$MILLION /

ITEM	2009 ^r	2010 ^r	2011	2012 ^p
(1) Merchandise (Net)	2,241.2	4,735.4	5,433.0	3,918.4
Exports	9,221.4	11,238.9	14,943.9	12,983.4
Imports	6,980.2	6,503.5	9,510.9	9,065.0
(2) Services (Net)	381.7	487.6	506.3	538.6
Transportation	85.3	99.8	124.9	489.9
Travel	261.4	379.0	321.7	361.6
Communication	18.2	18.3	-127.9	119.5
Insurance	83.3	64.4	-142.8	-314.5
Other Government	-42.1	-12.7	-27.0	-48.2
Other Services	-24.4	-61.2	357.4	169.3
(3) Income	-1,017.1	-1,079.5	-3,073.9	-3,250.9
Investment Income	-1,017.1	-1,079.5	-3,073.9	-3,250.9
(4) Unrequited Transfers (Net)	27.0	28.8	33.1	116.1
(5) Current Account (1+2+3+4)	1,632.8	4,172.3	2,898.5	1,322.2
(6) Net Capital Movement (Net)	-2,436.4	-4,012.9	-772.7	1,607.9
Direct Investment	709.1	549.4	770.6	1,195.0
Portfolio Investment	-62.9	-67.3	-84.7	-357.9
Commercial Banks	-701.7	493.9	-309.8	-669.7
Other Investment ¹	-2,658.3	-4,448.0	-853.4	-1,148.0
Official Borrowing	-50.3	178.8	204.8	-28.4
Official Loans	0.0	0.0	0.0	0.0
State Enterprises Borrowing ²	-10.7	-10.5	-11.2	-11.2
Heritage & Stabilization Fund	-83.0	-709.2	-489.2	-587.7
Other Assets	0.0	0.0	0.0	0.0
Other Liabilities	421.4	0.0	0.0	0.0
(7) Net Errors & Omissions	91.0	259.0	-1,373.2	-336.4
(8) Overall Surplus or Deficit³	-712.6	418.4	752.6	-622.1
(9) Official Financing	712.6	-418.4	-752.6	622.1
Government	0.0	0.0	0.0	0.0
Central Bank (Net) ⁴	712.6	-418.4	-752.6	622.1
(10) Exceptional Financing	0.0	0.0	0.0	0.0
Of which:				
Debt Rescheduling	0.0	0.0	0.0	0.0
Memoranda Items				
Current Account/GDP (per cent)	8.5	20.2	12.3	5.5
Gross Official Reserves (US\$Mn)	8,651.6	9,070.0	9,822.7	9,200.7
Import Cover	11.9	13.1	13.5	10.4
Debt Service Ratio	4.4	1.0	0.9	0.9

SOURCE: Central Bank of Trinidad and Tobago.

¹ Represents estimated short-term foreign capital.² Changes in Foreign Currency Balances of those Enterprises are included here.³ Balances in the Heritage and Stabilization Fund are no longer included in Central Bank's assets (see Act No.6 of 2007). The Balance of Payments tables reflect this.⁴ Includes Central Bank holdings, IMF Reserve Tranche and SDR holdings, and use of Fund (IMF) Credit.^p Provisional. Central Bank estimates for the period March to December, 2012 are based on comparative mirror trade data with the rest of the world and supplemental data on activity in the energy sector.

TABLE A.36 (B)

SUMMARY BALANCE OF PAYMENTS, 2009 - 2012¹
/ US\$MILLION /

ITEM	2009 ^r	2010 ^r	2011	2012 ^p
Current Account Balance	1,633	4,172	2,899	1,322
Trade Balance	2,241	4,735	5,433	3,918
Exports	9,221	11,239	14,944	12,983
Petroleum crude and refined	3,155	4,940	5,208	4,804
Gas	3,905	2,069	3,247	3,506
Petrochemicals	880	2,427	4,255	2,260
Other	1,282	1,804	2,234	2,414
Imports	6,980	6,504	9,511	9,065
Fuel imports	2,854	2,664	4,309	3,942
Capital	1,933	1,686	2,647	2,448
Other	2,193	2,153	2,555	2,675
Services and transfer (net)	-608	-563	-2,535	-2,596
Nonfactor services (net)	382	488	506	539
Factor income (net)	-1,017	-1,080	-3,074	-3,251
Current transfers (net)	27	29	33	116
Capital and Financial Account (net)	-2,345	-3,755	-2,146	-1,944
Private Sector	-2,623	-3,214	-1,851	-1,317
Direct Investment (net)	709	549	771	1,195
Inward	709	549	1,831	2,527
Outward	0	0	1,060	1,332
Portfolio Investment	-63	-67	-85	-358
Commercial banks (net)	-702	494	-310	670
Other private sector capital (net)	-2,567	-4,190	-2,227	-1,484
Of which: net errors and omissions	91	259	-1,373	-336
Public Sector	277	-541	-295	-627
Official Borrowing	-50	179	205	-28
Disbursements	290	250	311	86
Amortizations	-340	-72	-106	-115
Official Loans	0	0	0	0
State Enterprises Borrowing	-11	-11	-11	11
Heritage and Stabilization Fund	-83	-709	-489	-588
Other Assets	0	0	0	0
Other Liabilities	421	0	0	0
Overall balance	-713	418	753	-622
Memorandum items:	In per cent of GDP, unless otherwise specified			
Current Account	8.5	20.2	12.3	5.5
Exports	47.9	54.3	63.6	54.1
Imports	36.3	31.4	40.5	37.8
Gross international reserves (millions of US\$, end of period)	11,391	11,259	12,314	12,251

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

¹ Figures may not sum due to rounding.^p Provisional. Central Bank estimates for 2012 are based on comparative mirror trade data with the rest of the world and supplemental data on activity in the energy sector.

TABLE A.37

VALUE OF EXPORTS' AND IMPORTS BY SECTIONS OF THE S.I.T.C. (R2), 2009-2011
(TT\$MILLION)

SECTION	2009		2010		2011	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Total²	58,092.0	43,973.3	71,344.7	41,283.4	95,633.9	60,864.9
0. Food and Live Animals	965.0	3,813.7	927.7	3,968.0	1,232.4	4,719.4
1. Beverages and Tobacco	881.2	340.3	739.7	348.0	1,258.4	414.4
2. Crude Materials Except Fuels	1,750.8	1,353.3	3,668.4	2,084.4	4,475.7	3,187.0
3. Mineral Fuel Lubricants	44,128.5	14,482.5	43,725.7	13,755.4	53,387.4	23,641.0
4. Animal and Vegetable Oils and Fats	16.2	207.4	12.1	230.6	16.3	343.8
5. Chemicals	5,542.3	3,444.3	15,405.1	3,157.9	27,230.5	3,930.9
6. Manufactured Goods	2,702.2	5,749.4	4,195.6	4,740.1	6,288.1	5,119.1
7. Machinery & Transport Equipment	1,661.1	12,139.5	2,259.0	10,705.1	1,280.1	16,942.3
8. Misc. Manufactured Articles	441.9	2,385.8	408.1	2,261.5	457.6	2,524.6
9. Misc. Transactions and Commodities	2.7	57.1	3.3	32.1	7.4	42.4
Memorandum Item:						
Ships' Stores/Bunkers	347.8	n.a.	763.8	n.a.	718.1	n.a.

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Domestic Exports consist of the exports of all goods grown, produced, extracted or manufactured in the (trader) country.² Unadjusted for Balance of Payments.

TABLE A.38

EXPORTS BY ECONOMIC FUNCTION, 2008 - 2011
/ TT\$MILLION /

COMMODITY GROUPS	2008	2009	2010	2011
1. Consumer Goods	2,880.6	2,458.4	2,227.2	3,086.2
Non-durables	2,463.8	2,067.1	1,871.9	2,703.9
Food	1,187.4	942.2	904.6	1,227.1
Other	1,276.4	1,124.9	967.3	1,476.8
Durables	416.8	391.3	355.3	382.3
2. Raw Materials and Inter. Goods	110,952.0	53,608.7	66,439.5	90,564.2
Fuels	81,746.4	44,128.5	43,725.7	53,387.4
Construction Materials	4,327.4	2,020.7	3,605.0	5,319.5
Chemicals	21,368.4	5,542.3	15,405.2	27,230.5
Other Raw Materials	3,509.8	1,917.2	3,703.5	4,626.8
3. Capital Goods	1,967.6	1,442.3	2,088.8	1,034.7
Transport Equipment	698.5	916.9	1,697.5	437.8
Other Machinery and Equipment	1,269.1	525.4	391.2	596.9
4. Other Commodities	861.7	582.2	589.4	948.7
5. Total Exports¹ (1+2+3+4)	116,661.9	58,091.6	71,344.9	95,633.8

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Unadjusted for Balance of Payments.

TABLE A.39
IMPORTS BY ECONOMIC FUNCTION, 2008 - 2011
/ TT\$MILLION /

COMMODITY GROUPS	2008	2009	2010	2011
1. Consumer Goods	9,494.3	8,111.2	8,302.5	9,642.0
Non-durables	5,762.5	5,461.9	5,459.7	6,576.5
Food	3,864.7	3,512.7	3,711.7	4,388.6
Other	1,897.8	1,949.2	1,748.0	2,187.9
Durables	3,731.8	2,649.3	2,842.8	3,065.5
C.K.D. Passenger Cars	0.0	0.0	0.0	0.0
Non-C.K.D. Passenger Cars	1,444.5	769.3	974.5	1,075.3
Other	2,287.3	1,880.0	1,868.3	1,990.2
2. Raw Materials and Inter. Goods	31,343.2	20,719.7	19,745.4	31,296.6
Fuels	20,897.7	14,481.9	13,755.4	23,641.0
Construction Materials	3,099.3	2,274.9	1,550.0	1,490.0
Other Raw Materials	7,346.2	3,962.9	4,440.0	6,165.6
3. Capital Goods	11,105.3	9,984.4	7,967.8	14,275.9
Transport Equipment	1,773.3	1,900.0	2,716.0	8,317.1
Oil and Mining Machinery	831.8	480.1	432.2	567.3
Other Machinery and Equipment	8,500.2	7,604.3	4,819.6	5,391.5
4. Other Commodities	7,971.3	5,156.8	5,267.7	5,650.4
5. Total Imports¹ (1+2+3+4)	59,914.1	43,972.1	41,283.4	60,864.9

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Unadjusted for Balance of Payments.

TABLE A.40

DIRECTION OF TRADE – EXPORTS, 2009 - 2011
/ TT\$MILLION /

COUNTRY	2009		2010		2011	
	\$Mn	%	\$Mn	%	\$Mn	%
United States	30,732.3	52.9	33,517.5	47.0	45,695.0	47.8
United Kingdom	2,562.1	4.4	1,417.7	2.0	2,238.0	2.3
Japan	40.5	0.1	1.3	-	113.0	0.1
Other European Union Countries	5,570.9	9.6	4,179.0	5.8	11,351.4	12.0
Canada	418.8	0.7	1,203.6	1.7	1,366.7	1.4
CARICOM	9,141.4	15.7	13,238.6	18.6	13,442.5	14.1
<i>Of which:</i>						
Jamaica	3,012.2	5.2	4,536.6	6.4	4,007.8	4.2
Guyana	1,074.3	1.8	1,712.9	2.4	1,843.0	2.0
Barbados	1,739.9	3.0	2,381.7	3.3	2,498.7	2.6
Puerto Rico and U.S. Virgin Islands	736.1	1.3	593.9	0.8	1,063.8	1.1
Central and South America ¹	3,472.9	6.0	8,003.7	11.2	11,412.8	11.9
European Free Trade Association	20.3	-	475.5	0.7	39.8	-
Other	5,396.7	9.3	8,713.9	12.2	8,910.8	9.3
TOTAL²	58,092.0	100.0	71,344.7	100.0	95,633.8	100.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Excludes Guyana, French Guiana, Suriname and Belize.

TABLE A.41

DIRECTION OF TRADE – IMPORTS, 2009- 2011
/ TT\$MILLION /

COUNTRY	2009		2010		2011	
	\$Mn	%	\$Mn	%	\$Mn	%
United States	13557.9	30.8	11,426.5	27.7	16,196.1	26.6
United Kingdom	1,211.0	2.8	872.9	2.1	916.6	1.5
Japan	887.4	2.0	1,030.5	2.5	1,070.8	1.8
Other European Union Countries	3,786.8	8.6	2,854.6	6.9	3,404.3	5.6
Canada	941.7	2.1	1,172.9	2.8	2,061.2	3.4
CARICOM	700.0	1.6	793.2	1.9	1,545.8	2.5
<i>Of which:</i>						
Jamaica	139.2	0.3	69.0	0.2	109.1	0.2
Guyana	163.1	0.4	160.6	0.4	198.1	0.3
Barbados	190.0	0.4	242.5	0.6	326.6	0.5
Central and South America¹	8,758.7	20.0	8,570.2	20.8	12,826.3	21.1
<i>Of which:</i>						
Brazil	2,221.2	5.0	2,973.9	7.2	3,910.0	6.4
Venezuela	412.5	0.9	78.9	0.2	71.8	0.1
European Free Trade Association	181.0	0.4	190.7	0.5	233.1	0.4
Indonesia	50.4	0.1	65.3	0.2	56.6	0.1
Other	13,898.4	31.6	14,307.2	34.6	22,554.1	37.0
<i>Of which:</i>						
Russia	3,436.7	7.8	1,400.7	3.4	5,129.3	8.4
China	2,231.6	5.1	2,379.5	5.8	2,832.5	4.7
Thailand	458.1	1.0	585.3	1.4	621.8	1.0
TOTAL²	43,973.3	100.0	41,284.0	100.0	60,864.9	100.0

SOURCE: Central Statistical Office of Trinidad and Tobago.

¹ Excludes Guyana, French Guiana, Suriname and Belize.² Unadjusted for Balance of Payments purposes.

TABLE A.42

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES
FOR SELECTED CURRENCIES 2009 - 2012¹

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)
2009	6.2735	6.3259	5.4486	5.6911	9.6108	10.0982	0.0670	0.0679	8.5703	8.9866
2010	6.3203	6.3757	6.0640	6.3055	9.6020	10.0445	0.0722	0.0729	8.2477	8.5850
2011	6.3729	6.4261	6.3605	6.6262	9.9974	10.4562	0.0800	0.0807	8.6736	9.0375
2012	6.3716	6.4349	6.2971	6.5787	9.8819	10.3595	0.0799	0.0807	8.0181	8.3414
2012										
January	6.3668	6.4274	6.2094	6.4886	9.6521	10.1446	0.0828	0.0835	8.0472	8.3626
February	6.3602	6.4286	6.3006	6.5574	9.8246	10.3357	0.0811	0.0820	8.2602	8.5807
March	6.3817	6.4319	6.3349	6.6083	9.8476	10.3563	0.0774	0.0780	8.2065	8.5419
I	6.3699	6.4293	6.2810	6.5512	9.7731	10.2770	0.0804	0.0811	8.1684	8.9923
April	6.3694	6.4324	6.3282	6.6200	9.9446	10.4641	0.0783	0.0793	8.2007	8.5252
May	6.3703	6.4318	6.2470	6.5040	9.9208	10.4017	0.0799	0.0807	7.9780	8.3131
June	6.3744	6.4343	6.1156	6.3832	9.6902	10.1816	0.0804	0.0811	7.8177	8.1065
II	6.3713	6.4328	6.2311	6.5025	9.8569	10.3518	0.0796	0.0804	7.8169	8.1178
July	6.3825	6.4460	6.2160	6.5019	9.7271	10.2074	0.0808	0.0816	7.7233	7.9925
August	6.3531	6.4406	6.3387	6.6313	9.8250	10.2587	0.0807	0.0818	7.7390	8.0496
September	6.3795	6.4370	6.4332	6.6986	10.0458	10.5050	0.0516	0.0822	8.0032	8.3311
III	6.3722	6.4414	6.3236	6.6052	9.8590	10.3179	0.0810	0.0819	7.8169	8.1178
October	6.3662	6.4333	6.3677	6.6851	10.0445	10.4563	0.0806	0.0815	8.0914	8.4049
November	6.3619	6.4355	6.3146	6.6015	9.9785	10.4356	0.0785	0.0793	8.0028	8.3701
December	6.3939	6.4403	6.3690	6.6693	10.0769	10.5789	0.0764	0.0770	8.1636	8.5365
IV	6.3731	6.4361	6.3504	6.6525	10.0323	10.4865	0.0786	0.0794	8.0824	8.4320

SOURCE: Central Bank of Trinidad and Tobago.

¹ Monthly rates are an average of daily rates.

TABLE A.43

TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 2008 - 2012
/ US\$MILLION /

END OF PERIOD	CENTRAL BANK					CENTRAL GOVERNMENT	NET OFFICIAL RESERVES (5+6)
	FOREIGN ASSETS*	of which		FOREIGN LIABILITIES	NET INTERNATIONAL RESERVES (1-4)		
		IMF RESERVE TRANCHE POSITION	SDR HOLDINGS				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2008	9,380.2	0.0	1.1	16.1	9,364.1	0.1	9,364.2
2009	8,651.5	0.0	421.4	0.0	8,651.5	0.1	8,651.6
2010	9,069.8	0.0	424.3	0.0	9,069.8	0.2	9,070.0
2011	9,822.4	0.0	423.2	0.0	9,822.4	0.3	9,822.7
2012	9,200.3	0.0	423.6	0.0	9,200.3	0.4	9,200.7
2011							
I	9,143.3	0.0	436.9	0.0	9,143.3	0.2	9,143.5
II	9,737.5	0.0	436.6	0.0	9,737.5	0.2	9,737.7
III	9,345.9	0.0	433.2	0.0	9,345.9	0.2	9,346.1
IV	9,822.4	0.0	423.2	0.0	9,822.4	0.3	9,822.7
2012							
I	9,884.6	0.0	425.5	0.0	9,884.6	0.3	9,884.9
II	9,734.5	0.0	417.2	0.0	9,734.5	0.3	9,734.8
III	9,335.4	0.0	416.7	0.0	9,335.4	0.3	9,335.7
IV	9,200.3	0.0	423.6	0.0	9,200.3	0.4	9,200.7
END OF PERIOD	COMMERCIAL BANKS			GROSS FOREIGN ASSETS (1+6+8)	TOTAL FOREIGN LIABILITIES* (4+9)	NET FOREIGN RESERVES* (11-12)	
	FOREIGN ASSETS	FOREIGN LIABILITIES*	NET FOREIGN POSITION* (8-9)				
							(8)
2008	2,203.5	953.3	1,250.2	11,583.8	969.4	10,614.5	
2009	2,739.3	787.3	1,952.0	11,390.9	787.3	10,603.6	
2010	2,188.6	730.6	1,458.1	11,258.7	730.6	10,528.1	
2011	2,490.9	723.0	1,767.8	12,313.6	723.0	11,590.5	
2011							
I	2,071.5	663.0	1,408.4	11,215.0	663.0	10,551.9	
II	2,322.7	695.0	1,627.7	12,060.6	695.0	11,365.4	
III	2,463.8	751.7	1,712.0	11,809.8	751.7	11,058.1	
IV	2,490.9	723.0	1,767.8	12,313.6	723.0	11,590.5	
2012							
I	2,521.7	684.0	1,837.7	12,406.6	684.0	11,722.5	
II	2,556.9	717.8	1,839.1	12,291.7	717.8	11,573.9	
III	2,646.9	607.4	2,039.5	11,982.6	607.4	11,375.2	
IV	3,050.8	614.2	2,436.6	12,251.4	614.2	11,637.3	

SOURCE: Central Bank of Trinidad and Tobago.

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

TABLE A.44

SUMMARY ACCOUNTS OF THE CENTRAL BANK, 2008 - 2012
/ TT\$MILLION /

	END OF PERIOD				
	2008 ^r	2009 ^r	2010 ^r	2011	2012
Net Foreign Assets¹	58,511	52,226	55,127	60,026.0	55,783.3
Net International Reserves	58,740	55,001	57,834	62,932.0	58,711.0
Assets	58,841	55,001	57,834	62,932.0	58,711.0
Liabilities	101	0	0	0.0	0.0
Other Foreign Assets	-229	-2,775	-2,707	-2,907.0	-2,927.7
Other External Assets	261	409	386.0	352.2	262.6
Medium and Long-Term Foreign Liabilities	-62	-62	-51.0	-50.0	-75.0
SDR Allocation	-428	-3,122	-3,042	-3,209.0	-3,115.3
Net Domestic Assets	-43,008	-32,408	-33,285	-32,659.0	29,951.5
Net credit to the public sector	-35,260	-23,922	-23,894	-25,862.0	-29,420.5
Central Government (net)	-35,240	-24,004	-23,870	-25,199.0	-28,889.5
Treasury bills	0	0	97.0	0.0	0.0
Other Government securities	10	20	20.0	20.0	19.9
Loans to Government	0	1,422	0.0	0.0	0.0
Use of reserves(-addition)	-35,250	-25,447	-23,987.0	-25,219.0	-28,909.0
Rest of Public Sector	-20	82	-24.0	-663.0	-531.0
<i>of which: Public enterprises</i>	0	0	0.0	0.0	0.0
Net claims on financial institutions	0	191	0.0	0.0	0.0
Other items (net)	-7,748	-8,677	-9,391	-6,797.0	-531.0
Reserve Money	15,503	19,818	21,842	27,367.0	29,110.0
Currency in circulation	4,486	4,856	5,301	5,939.0	6,648.3
Deposits of commercial banks	10,605	14,559	16,181.0	21,078.0	22,145.0
Deposits of non-bank financial institutions	412	403	360.0	350.0	317.0
Changes as a per cent of beginning-of-period reserve money					
Net Foreign Assets	156.9	-40.5	14.6	22.4	-15.5
Net Domestic Assets	-111.4	68.4	-4.4	2.9	-9.9
Of which: Central Government	-94.9	72.5	0.7	-6.1	-13.0
Reserve Money	45.5	27.8	10.2	25.3	6.4
Memorandum Item:					
Government Blocked Account	21,259	22,835	22,949	23,769.6	22,922.7

SOURCE: Central Bank of Trinidad and Tobago.

¹ Excludes the Heritage and Stabilization Fund.



APPENDIX TWO

CALENDAR OF KEY
ECONOMIC EVENTS
JANUARY - DECEMBER, 2012

JANUARY

- 17 The Central Bank (Deposit Insurance) Order, 2012 was made by the Minister of Finance under section 44N (2) of the Central Bank Act, Chap. 79:02. Under this order, the deposit insurance coverage limit was increased to one hundred and twenty-five thousand dollars from seventy-five thousand dollars. (Legal Notice No. 10 of 2012)
- 19 The University of Trinidad and Tobago signed a Memorandum of Understanding with Pandit Deedayal Petroleum University, a Petroleum University in India. The agreement allows both institutions to facilitate faculty and student exchanges, joint research projects and other areas of collaboration.

A Memorandum of Understanding for energy sector co-operation between Tanzania and Trinidad and Tobago was signed. The National Gas Company of Trinidad and Tobago (NGC), National Energy Corporation of Trinidad and Tobago (NEC) and the Tanzania Petroleum Development Company agreed to assist with the development of commercially viable natural gas projects, gas policy development, the establishment of logistical ports, harbours and industrial estates and national skills development, in relation to the oil and gas industry.

- 25 An Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2011) Act, 2012 was assented to on this date. The Act may be cited as the Finance (Supplementation and Variation of Appropriation) (Financial Year 2011) Act, 2012. (Act No. 1 of 2012)

FEBRUARY

- 2 The Government of the Republic of Trinidad and Tobago and the Ministry of Public Administration and Statistics Sweden signed an agreement whereby Statistics Swedish will provide human resource and

technical expertise to assist with transforming the Trinidad and Tobago Central Statistical Office (CSO), and provide support to CSO to perform a study on the supply and demand for statistics locally and internationally. The funding for this transformation project will be provided by the Inter-American Development Bank.

- 23 Severstal, a Russian steel producer, through its North American subsidiary signed a Memorandum of Understanding with Metaldom of the Dominican Republic, the National Gas Company of Trinidad and Tobago, the National Energy Corporation of Trinidad and Tobago Limited, and Neal and Massy Holdings Limited to investigate establishing an iron and steel facility at Union Industrial Estate in La Brea. Once built, the iron plant will produce 1.5 million tonnes a year. Severstal plans to invest US\$600 million (TT\$3.84 billion), in Trinidad and Tobago.
- 29 An Act to provide for the variation of certain duties and taxes, the introduction of other provisions of a fiscal nature and related matters, was assented to on this date. The Act may be cited as the Finance Act, 2012. (Act No. 2 of 2012)

MARCH

- 1 Central Bank of Trinidad and Tobago Mortgage Market Reference Rate for March 2012 fell 0.25 per cent from 3.50 to 3.25 per cent.
- 12 A Memorandum of Understanding was signed between Trinidad and Tobago and Panama. The agreement is intended to improve co-operation in energy and trade between the countries. Petroleum, its bi-products and other manufactured goods will be exported at preferential tariff arrangements to Panama.
- 13 Bayfield Energy Holdings plc, an English company discovered oil and gas at its Galeota Licence EG8 exploration well. The well has the potential to

produce over 1,000 barrels of light oil per day. Bayfield collaborates with Petrotrin to operate the well, with Bayfield having a 65 per cent and Petrotrin having a 35 per cent stake.

APRIL

- 16 Biz Booster, the first Caribbean commercial business incubator was launched at the Arthur Lok Jack Graduate School, University of the West Indies. It will promote the growth and development of businesses, while supporting entrepreneurs. The graduate school collaborated with InvestTT, Microsoft Trinidad and Tobago, National Entrepreneurship Development Company Limited, Icehouse Enterprise Hub, First Citizens and Samdor Service Limited to create this programme.

MAY

- 17 The Minister of Food Production, the Honourable Vasant Bharath announced the ministry will spend \$52.9 million to either refurbish, rehabilitate and or construct twelve fishing depots throughout the country. They will include jetties and other facilities, and is meant to increase the fish stock in Trinidad and Tobago.
- 22 The Energy Institute of Trinidad and Tobago (EITT), a training school, was launched on this date. EITT is an arm of the University of Trinidad and Tobago. It is expected to offer graduate and post-graduate training in land based oil drilling, deep water marine drilling and well reactivation and energy recovery.

JUNE

- 8 An Act to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending 30th September 2012

of the sum of the issue of which was authorized by the Appropriation (Financial Year 2012) Act, 2011, was assented to on this date. The Act may be cited as the Finance (Supplementary Appropriation) (Financial Year 2012) Act, 2012. (Act No. 9 of 2012).

CL Financial shareholders on this date agreed to extend the Shareholder Agreement with the Government of Trinidad and Tobago for another six months. The agreement was part of the Government's bailout plan for CL Financial Holdings Group, executed in 2009.

- 12 Atlantic LNG, the University of the West Indies, Point Fortin Borough Corporation and the Inter-American Development Bank worked in partnership to create the Local Economic Development (LED) initiative. It is intended to promote economic growth and development and improve social conditions in the south-west region of Trinidad and Tobago.

JULY

- 9 The Trinidad and Tobago Research and Education Network (TTRENT), a national research and education network (NREN) that connects post-secondary, tertiary level research institutions and agencies was launched. The network is a collaboration between the University of the West Indies, the University of Trinidad and Tobago, the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) and the Ministry of Tertiary Education and Skills Training. Together these institutions will allow students and researchers to engage with international and regional e-learning content.
- 10 It was reported that the National Gas Company of Trinidad and Tobago (NGC) signed an agreement to supply 100m cubic feet of natural gas per day to Methanol Holdings Trinidad Ltd. (MHTL) AUM II (ammonia-urea-melamine) complex. The complex is due to begin construction in early 2013, at an estimated cost of US\$2 billion.

- 13 It was reported that the Trintes field, located in the Galeota Block off the south-east coast of Trinidad was brought into production by Bayfield Energy Holdings, an English oil exploration company. Discovered in 1963, the field started production nine years later, and currently produces over 2,300 barrels of oil per day (bopd).
- 17 Mr. Jwala Rambarran assumed the position of Governor of the Central Bank of Trinidad and Tobago.

AUGUST

- 2 Pan-American Life Insurance Group (PALIG) acquired the American Life Insurance Company of Trinidad and Tobago (ALGICO) in Trinidad and Tobago, and the regional subsidiaries of ALGICO's parent company ALICO in the Cayman Islands, Costa Rica, Panama, and St. Lucia. With the acquisition of these companies PALIG would obtain approximately US\$675m in assets, encompassing 15 countries in Central America and the Caribbean.
- 17 The National Insurance Property Development Company Limited (NIPDEC) issued a TT\$339 million bond with a 5.15 per cent per annum fixed rate due in 2025. The proceeds of this issue will provide for the implementation of Phase II of the Motor Vehicle Authority of Trinidad and Tobago Project.
- 24 An Act to amend the Financial Intelligence Unit of Trinidad and Tobago Act, 2009 and the Anti-Terrorism Act, Chap 12:07 was assented on this date. The Act may be cited as the Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism) Act, 2012. (Act No. 14 of 2012)

Oldendorff Carriers Trinidad Ltd, a German transshipment company signed a US\$45 million foreign direct investment contract with the Ministry

of Trade, Industry and Investment and Trinidad & Tobago Free Zone Company Ltd. Trinidad and Tobago will be used as a transshipment port for the company's cargo of iron and steel, which is being shipped from Brazil to China.

SEPTEMBER

- 25 The Government of Trinidad and Tobago issued a TT\$2,000million 15 year bond with a 5.20 per cent per annum coupon rate due in 2027. The bonds were issued under the authority of the Development Loans Act Chap. 71:04 of the Revised (1980) Laws of Trinidad and Tobago. The proceeds of this issue will be used to settle outstanding Government liabilities.
- 27 The United States signed an agreement to provide the Government of Trinidad and Tobago with US\$1.2 million for its security assistance programmes aimed at strengthening Trinidad and Tobago's capacity to increase citizen security, juvenile justice, youth development, counter narcotics, military and police professionalization, drug demand reduction and financial crimes investigation.

OCTOBER

- 1 The Price of Petroleum Products (Amendment) Order, 2012 was made by the Minister of Energy and Energy Affairs under Section 31 of the Petroleum Act. Under this order, the price of Petroleum Products Order in the First Schedule was amended. (Legal Notice No. 354 of 2012)
- 19 An Act to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September 2013 was assented to on this date. The Act may be cited as the Appropriation (Financial Year 2013) Act, 2012. (Act No. 16 of 2012)

The Provisional Collection of Taxes Order (2012), as amended by the Provisional Collection of Taxes (Amendment) Order 2012, was confirmed. (Legal Notice No. 363 of 2012)

The Financial Action Task Force (FATF) removed Trinidad and Tobago from a list of countries with strategic Anti-Money laundering and Combating Financing of Terrorism (CFT) deficiencies. The FATF promotes the implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing and other threats to the international financial system.

- 29 The Urban Development Corporation of Trinidad and Tobago Limited (UDECOTT) issued 8-Year bonds valued at TT\$213 million with a 3.35 per cent per annum fixed rate due in 2020. The proceeds of this issue will be applied by UDECOTT to pay the outstanding balance on two bonds financed by the Home Mortgage Bank.

NOVEMBER

- 1 The CLICO Investment Fund (CIF) was launched on this date. The CIF is an initiative of the Government of Trinidad and Tobago to partially settle the amount owed to holders of CLICO'S short-term investment products such as the Executive Flexible Premium Annuities and CORE mutual funds. The fund comprises 40,072.299 Republic Bank Ltd (RBL) shares having a nominal value of \$4,397,133,269.27, at current market prices. These shares represent 25 percent of the total issued share capital of RBL and are being held in trust solely for the benefit of subscribing unit holders of the CIF. The shares were transferred from CLICO to the Government of Trinidad and Tobago who is the fund sponsor, and subsequently to the fund trustee, CLICO Trust Corporation Limited.

- 6 Hafeez Karamath Engineering Services Ltd (HKESL) purchased General Electric's remaining shares in the Desalination Company of Trinidad and Tobago (DESALCOTT) for US\$52 million. With the purchase of the remaining 40% of the shares HKESL became sole owner of DESALCOTT. DESALCOTT began producing water for domestic and industrial use in March 2002. It produces 32 million of water a day, of which 19 – 21 million gallons go to Point Lisas Industrial Estate.
- 19 Bp Trinidad and Tobago (BpTT) announced the discovery of 1 trillion cubic feet (tcf) of gas, in its Savonette gas field. This discovery doubles the estimated gas in the Savonette gas field to 2 trillion cubic feet (tcf). This represents the largest gas discovery for BpTT since 2005 and represents positive news for Trinidad and Tobago's energy sector.

DECEMBER

- 3 The Central Bank of Trinidad and Tobago Mortgage Market Reference Rate for December 2012 fell to 2.50 per cent from 3.00 in the previous quarter.

The Prime Minister of Trinidad and Tobago, Kamla Persad-Bissessar announced that the International Court of Arbitration of the International Chamber of Commerce found that World GTL of St. Lucia Limited and World GTL Inc (WGTL) (together WGTL), had breached its obligation under a Guarantee Contribution Agreement between Petrotrin and WGTL. The company was ordered to transfer 9,398,211 common shares of WGTL Trinidad to Petrotrin, to pay the majority of Petrotrin's legal fees and expenses in the amount of US\$2,334,220.21 (about TT\$13 million) and to transfer additional shares of WGTL Trinidad to Petrotrin as compensation for accrued interest.

- 4 Scotiabank Trinidad and Tobago became the first bank in Trinidad and Tobago to offer gold bullion certificates as an investment option. The certificates can be purchased through the bank's precious metals division, ScotiaMocatta. A minimum order of ten ounces (10 oz) of 99.999 per cent purity gold, at an estimated cost of TT\$1000,000, at current world market prices, must be placed to receive a gold certificate. The US\$ gold certificates are backed by the assets of Scotiabank's parent bank, the Bank of Nova Scotia.
- 24 An Act to provide protection to investors from unfair, improper or fraudulent practices; foster fair and efficient securities markets and confidence in the securities industry in Trinidad and Tobago; to reduce systemic risk, to repeal and replace the Securities Industry Act, Chap. 83:02 and for other related matters was assented to on this date. The Act may be cited as the Securities Act, 2012. (Act No. 17 of 2012)



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