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Central Bank of Trinidad and Tobago

Annual Economic Survey 2023

Review of Economic and Financial Developments

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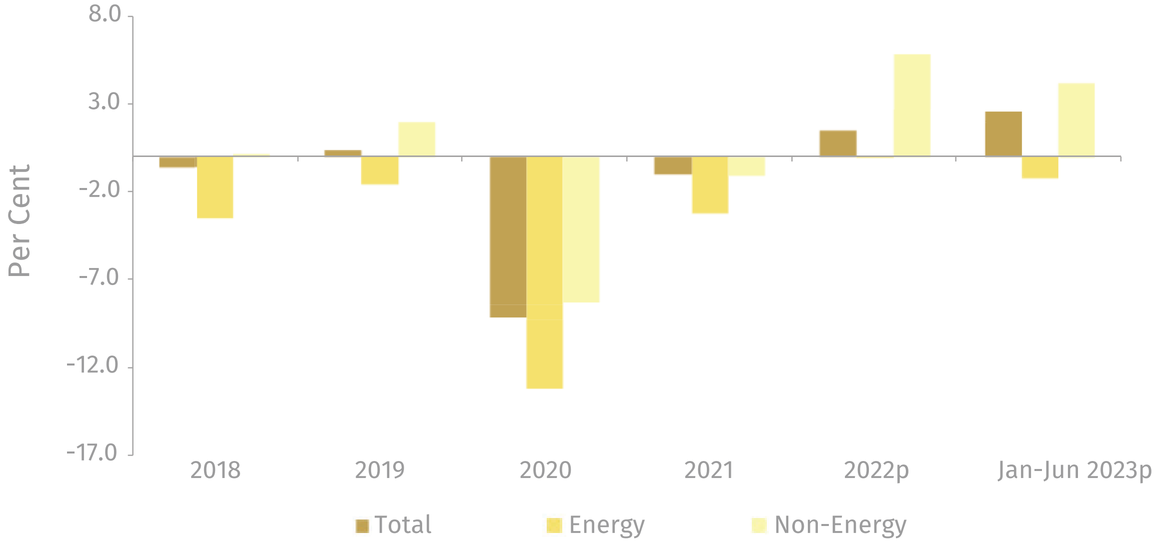
CHARTS ON SELECTED ECONOMIC INDICATORS

CHART 1

REAL GDP GROWTH, 2018 - JUNE 2023[P]

(Per Cent Change)



Source: Central Statistical Office; Annual data are compiled at Purchaser Prices, Quarterly data at Producer Prices

p Provisional.

CHART 2

CRUDE OIL AND NATURAL GAS PRICES,
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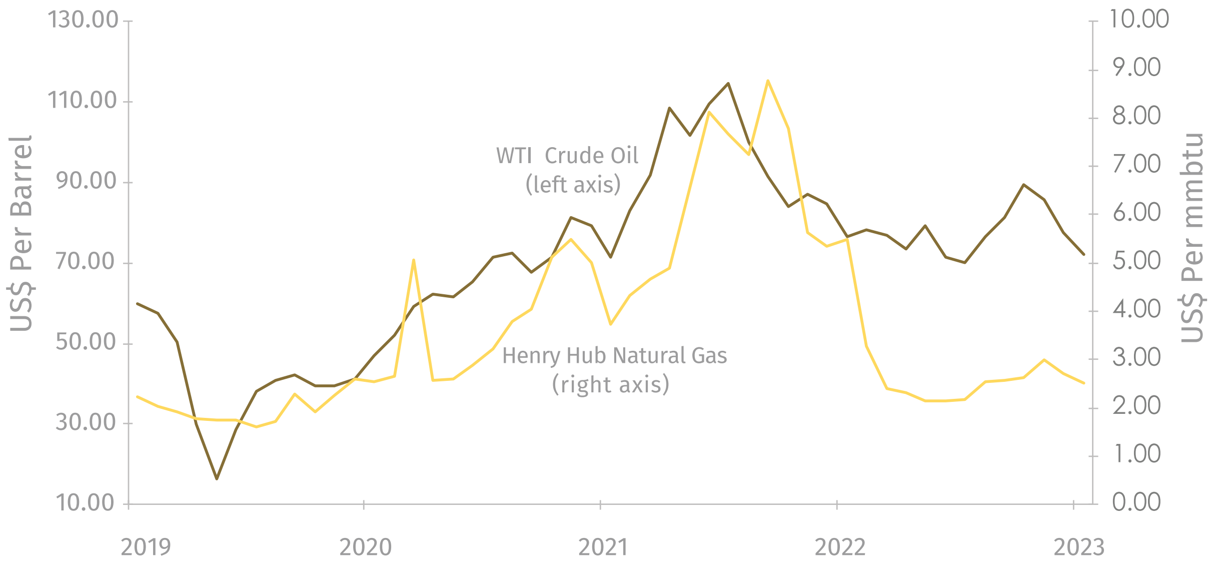

Source: Bloomberg

CHARTS ON SELECTED ECONOMIC INDICATORS (CONTINUED)

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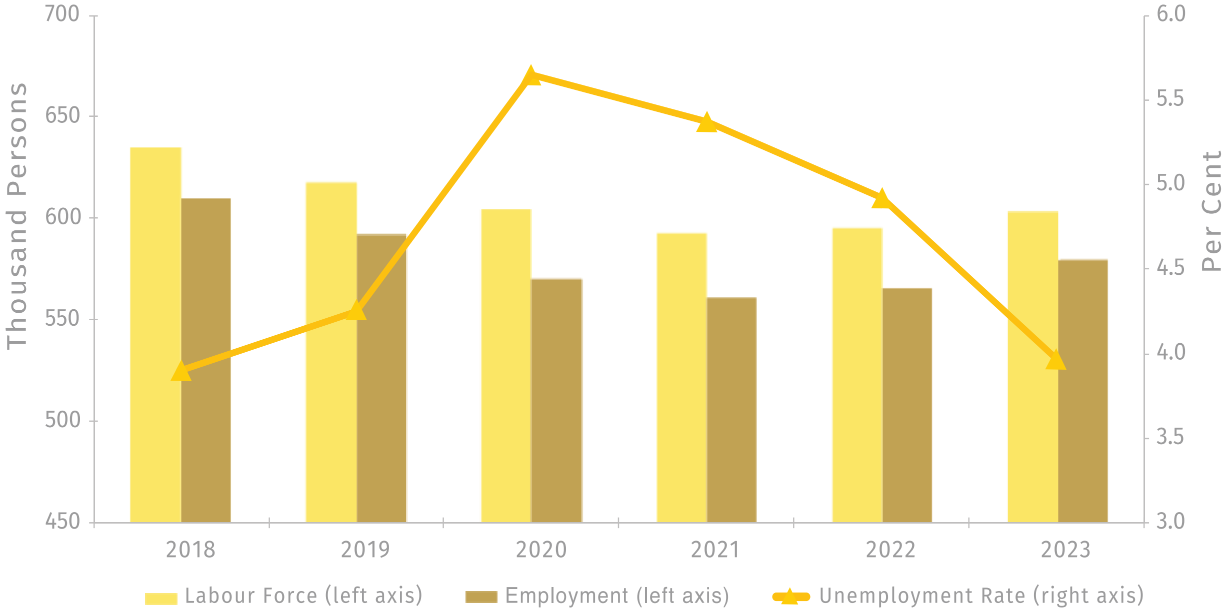

Source: Central Statistical Office

CHART 4
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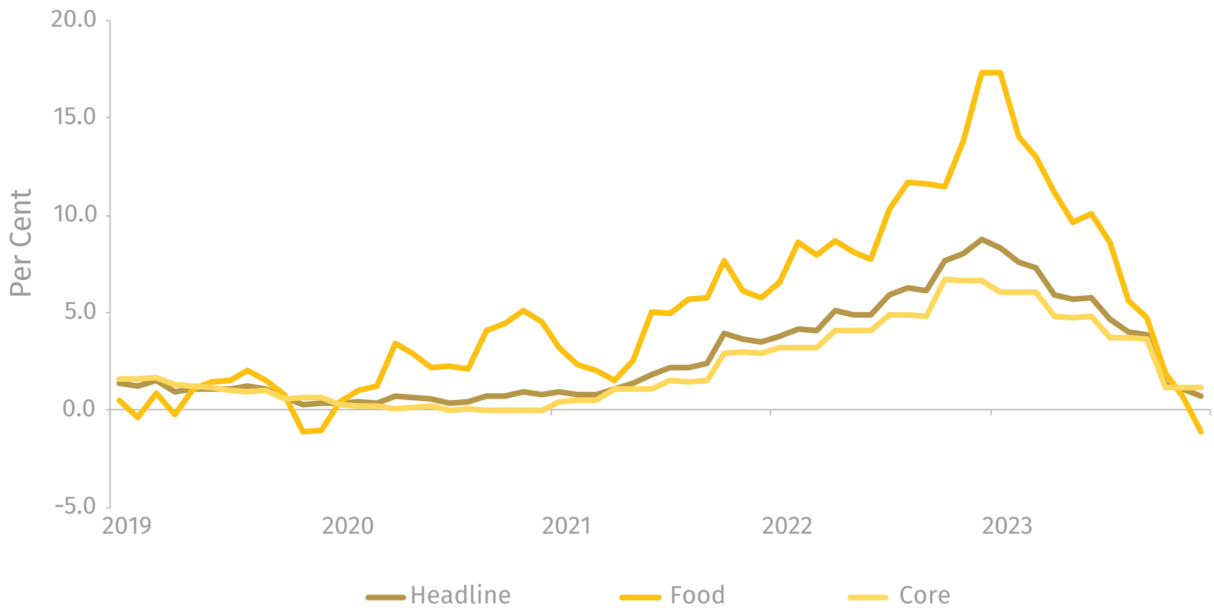

Source: Central Statistical Office

1 Effective January 2024, the Central Statistical Office (CSO) renamed the Index of Retail Prices (RPI) to the Consumer Price Index (CPI) in an effort to maintain consistency with international terminology.

CHARTS ON SELECTED ECONOMIC INDICATORS (CONTINUED)

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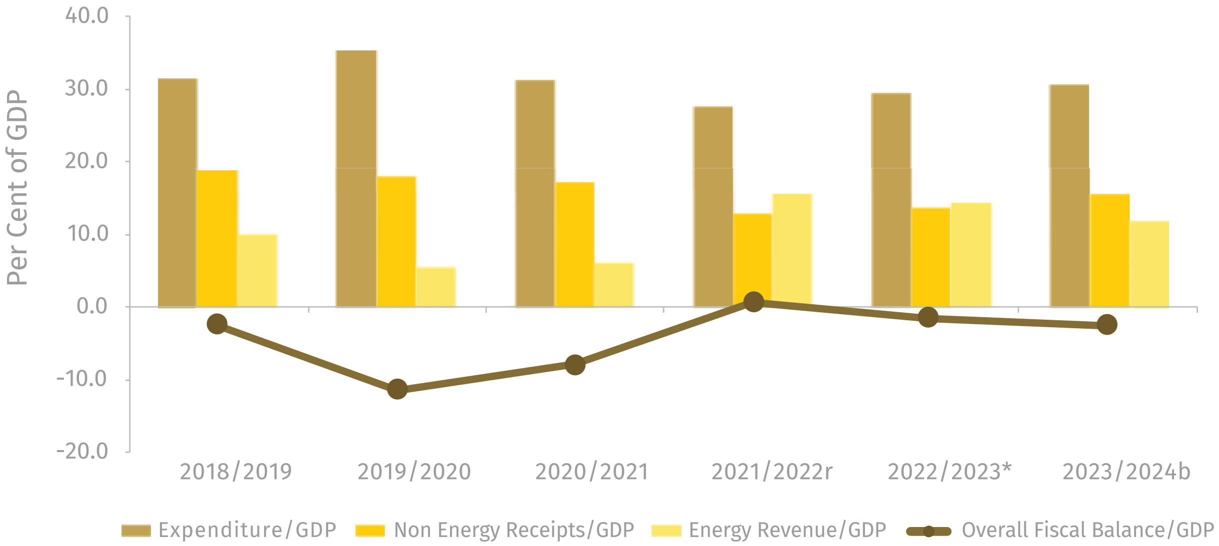

Source: Ministry of Finance

1 GDP data used for ratios to GDP prior to FY2023 are sourced from the CSO; data for FY2023 are Central Bank estimates while data for FY2024 are based on budgeted estimates from the Ministry of Finance.

r Revised.

* The ratio for FY2023 is based on the actual outturn.

b Budgeted.

CHART 6
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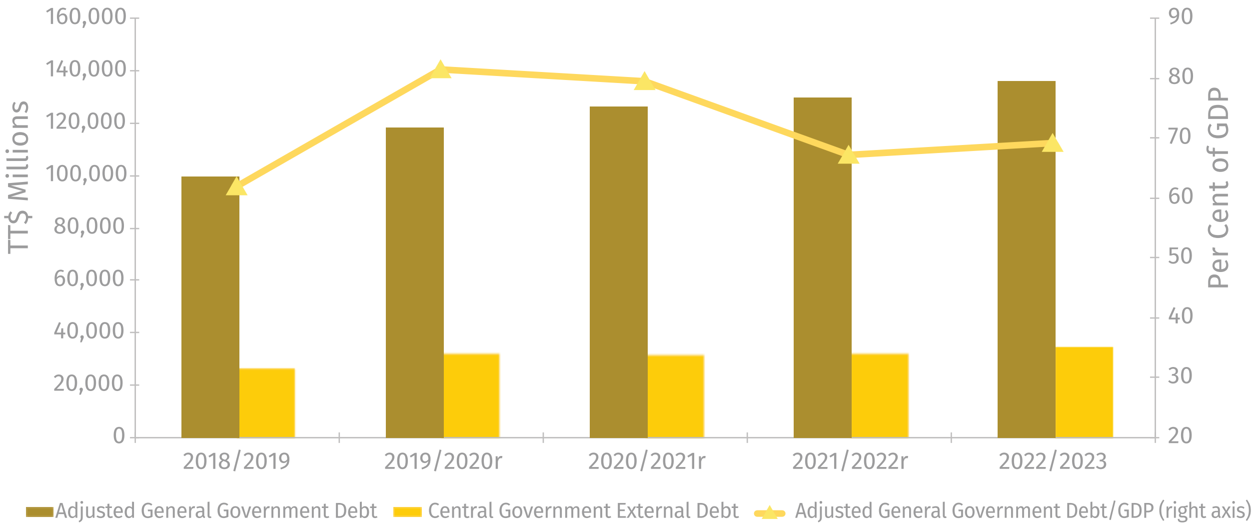


Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

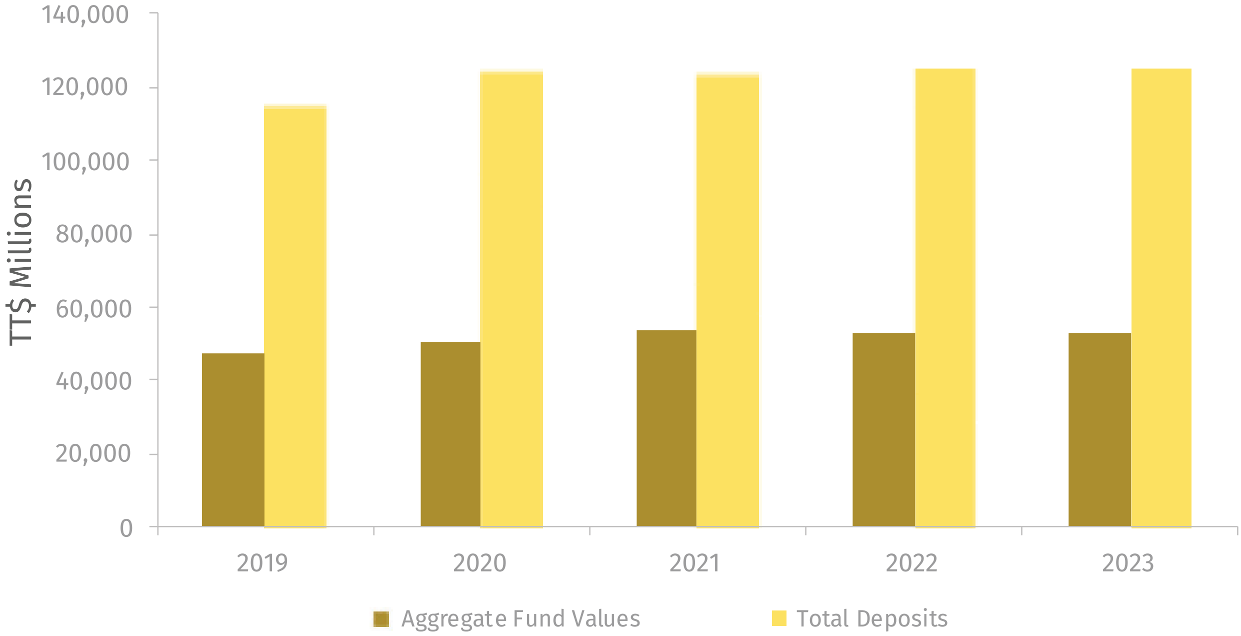
NOTE: Adjusted General Government debt excludes all sterilised debt (OMO Bills, Treasury Notes and Treasury Bonds).

r Revised.

CHARTS ON SELECTED ECONOMIC INDICATORS (CONTINUED)

CHART 7

AGGREGATE MUTUAL FUND VALUES AND COMMERCIAL BANKS' DEPOSITS, 2019-2023



Source: Central Bank of Trinidad and Tobago

CHART 8

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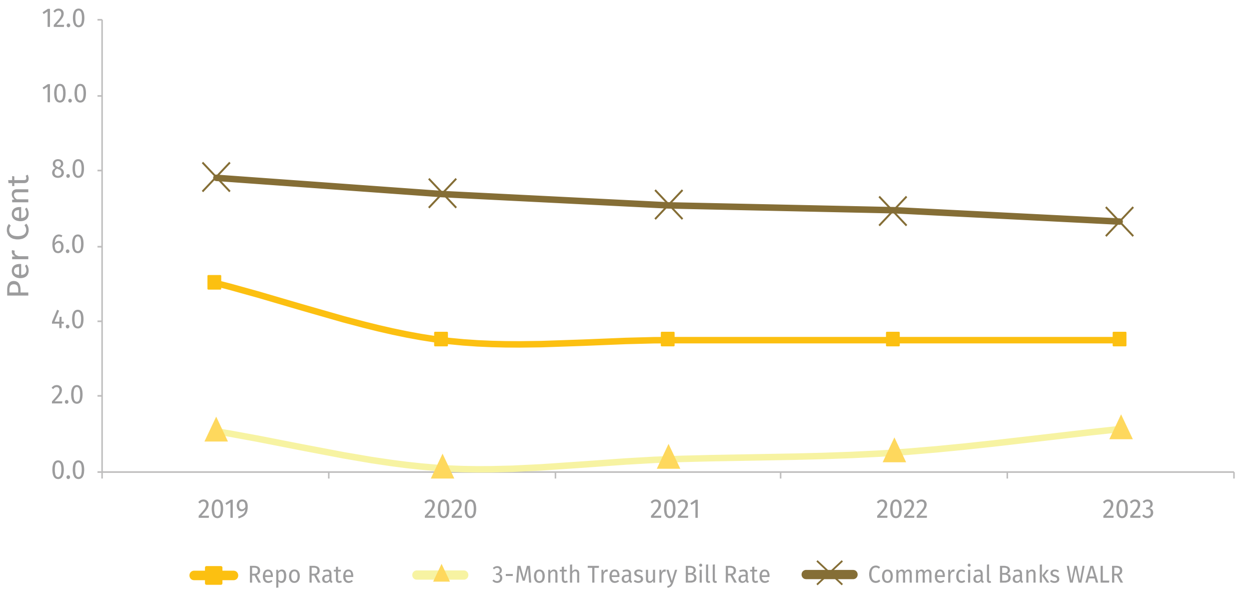

Source: Central Bank of Trinidad and Tobago

CHARTS ON SELECTED ECONOMIC INDICATORS (CONTINUED)

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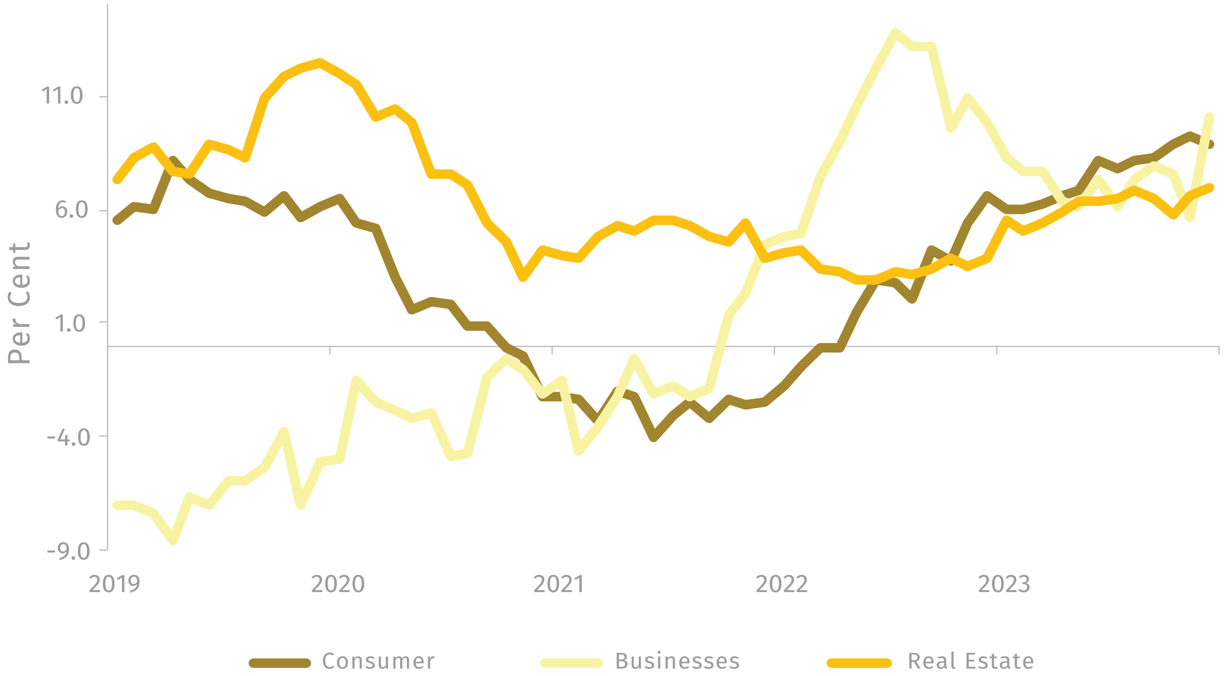

Source: Central Bank of Trinidad and Tobago

CHART 10
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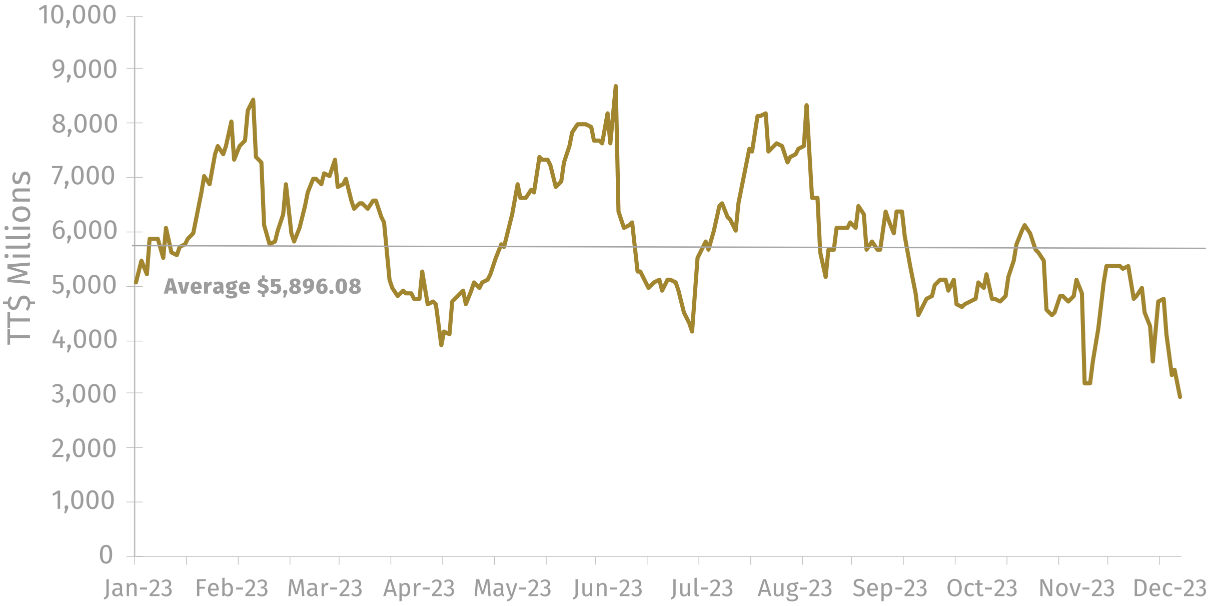

Source: Central Bank of Trinidad and Tobago

CHARTS ON SELECTED ECONOMIC INDICATORS (CONTINUED)

CHART 11
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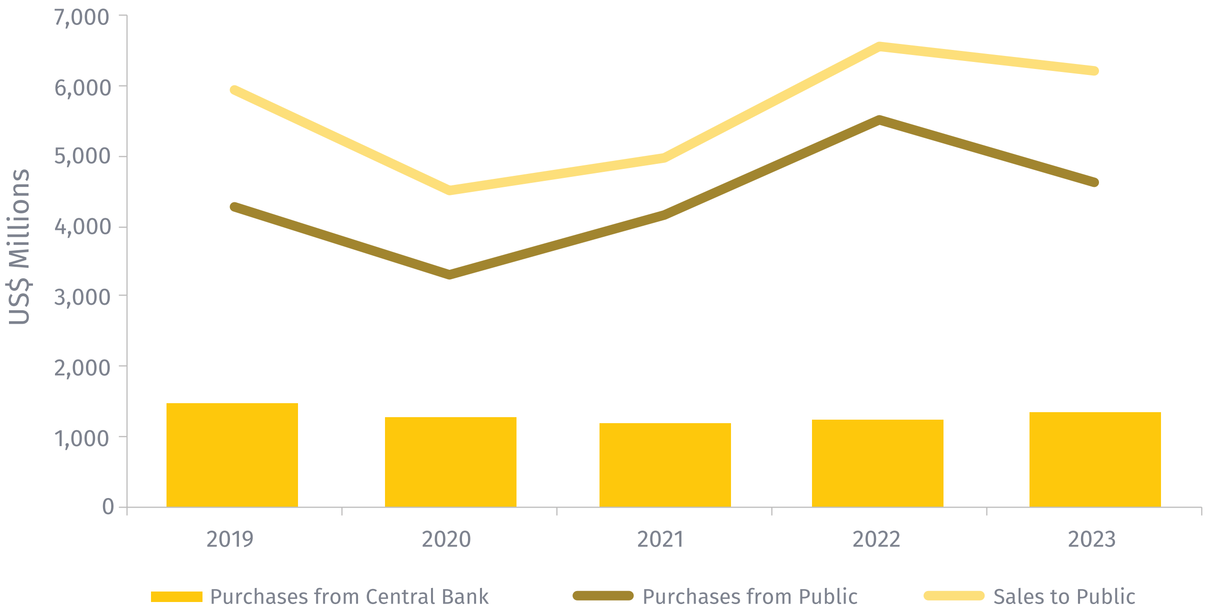
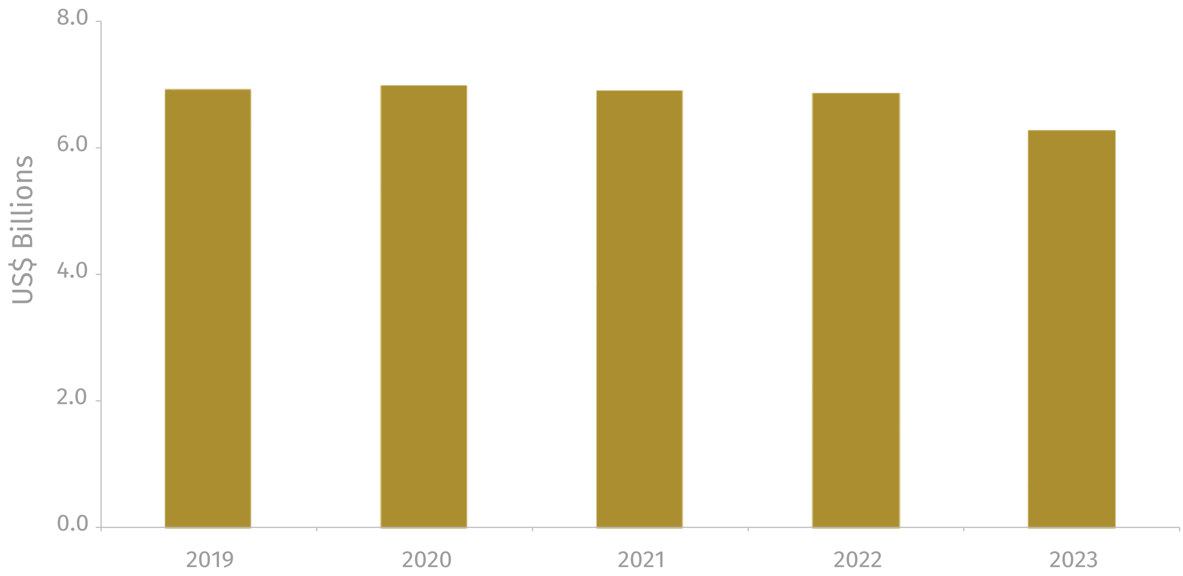


Source: Central Bank of Trinidad and Tobago

CHART 12
GROSS OFFICIAL RESERVES, 2019-2023



Source: Central Bank of Trinidad and Tobago

CHARTS ON SELECTED ECONOMIC INDICATORS (CONTINUED)

CHART 13
MONETARY POLICY ACTIONS,
2013-2023

Central Bank Policy Rate Decisions

1. **Repo rate maintained at 2.75 per cent** — DECEMBER 2013
2. **Repo rate increased to 3.00 per cent** — SEPTEMBER 2014
3. **Repo rate increased to 3.25 per cent** — DECEMBER 2014
4. **Repo rate increased to 3.50 per cent** — JANUARY 2015
5. **Repo rate increased to 3.75 per cent** — MARCH 2015
6. **Repo rate increased to 4.00 per cent** — JUNE 2015
7. **Repo rate increased to 4.25 per cent** — JULY 2015
8. **Repo rate increased to 4.50 per cent** — SEPTEMBER 2015
9. **Repo rate increased to 4.75 per cent** — DECEMBER 2014
10. **Repo rate increased to 5.00 per cent** — JUNE 2018
11. **Repo rate decreased to 3.50 per cent** — MARCH 2020
12. **Repo rate maintained at 3.50 per cent** — DECEMBER 2023

Liquidity Management Measures

December 2013
The primary reserve requirement on commercial bank deposits maintained at 17.00 per cent.

August 2018
The secondary reserve requirement (previously 2.00 per cent) was discontinued.

March 2020
The primary reserve requirement on commercial bank deposits was decreased by 3.00 per cent to 14.00 per cent.

December 2023
The primary reserve requirement on commercial bank deposits maintained at 14.00 per cent.

Source: Central Bank of Trinidad and Tobago

CHAPTER 1

Overview of Economic Conditions

ECONOMIC DEVELOPMENTS IN 2023

Global economic growth remained resilient during 2023 amid geopolitical conflicts, monetary policy tightening and elevated inflation rates. However, economic outcomes diverged across countries, with the Euro area and the United Kingdom (UK) losing momentum while growth proved more resilient than anticipated in the United States (US). Against this background, the International Monetary Fund (IMF), in its April 2024 World Economic Outlook (WEO), estimated the world economy expanded by 3.2 per cent in 2023, following growth of 3.5 per cent in the previous year. Meanwhile, inflation decelerated during the year, reflecting lower energy and food prices together with the cooling effects of monetary policy tightening on demand. With inflationary pressures easing in 2023 and inflation expectations remaining anchored, Advanced Economies (AEs) central banks (the US Federal Reserve, European Central Bank and Bank of England) paused interest rate hikes while some Emerging Market and Developing Economies (EMDEs) central banks (the People's Bank of China and Central Bank of Brazil) reduced their main policy rates. Despite the slowdown in consumer prices, inflation remained above some central banks' target ranges. The IMF estimated global inflation decelerated to 6.8 per cent in 2023 from 8.7 per cent in 2022.

In 2023, the pace of global economic activity was held back by the pronounced slowdown in AEs. Economic growth in AEs moved from 2.6 per cent in 2022 to 1.6 per cent in 2023, suppressed by high interest rates in response to still elevated inflation. The weaker growth performance was particularly reflected in the Euro area and the UK, with each economy recording 0.4 per cent and 0.1 per cent growth in 2023, down from 3.4 per cent and 4.3 per cent, respectively, in 2022. In contrast, real GDP growth accelerated in the US to 2.5 per cent in 2023 from 1.9 per cent the previous year, driven by consumer spending and expansionary fiscal policy. Growth remained solid among EMDEs, registering an outturn of 4.3 per cent, as some economies experienced strong consumption and investment activity. The economic performance of the EMDEs was supported by the pickup in China's growth to 5.2 per cent in 2023 from 3.0 per cent in 2022, following the removal of its zero-COVID policy restrictions and the injection of fiscal and monetary stimulus measures. Meanwhile, the economic recovery in the Latin American and Caribbean region continued, albeit slower, attributable to still elevated international energy commodity prices, strong consumption and investment activity, and growth among major trading partners.

Buoyed by the strong performance of the non-energy sector, domestic economic activity continued to display signs of recovery over the course of 2023. Data from the Central Statistical Office (CSO) indicated that Trinidad and Tobago's real GDP expanded by 2.5 per cent (year-on-year) in the first half of 2023, driven mainly by growth in the non-energy sector (4.2 per cent), which overshadowed the contraction in energy sector output (-1.3 per cent). The positive performance of the non-energy sector was attributed to growth in several sub-sectors (Trade and Repairs; Transportation and Storage; and Accommodation and Food Services), while energy sector production was impeded by several temporary plant shutdowns. Preliminary estimates by the Central Bank for the second half of 2023 suggest that economic activity was characterised by relatively robust non-energy sector activity compared to the energy sector **(Table 1)**.

The ongoing post-pandemic recovery led to improvements in domestic labour market conditions. In 2023, the unemployment rate averaged 4.0 per cent, down from an average of 4.9 per cent one year prior. Additionally, there was a marginal increase in the labour force participation rate to 55.6 per cent in 2023 (from 55.0 per cent in 2022). Further supporting the notion of generally improved domestic labour market conditions was the reduction in retrenchment notices in 2023 and the marginal increase in labour demand, as suggested by the pick-up in job advertisements published in the print media in 2023.

Inflationary pressures declined in 2023, influenced by external factors and low domestic demand pressures. More specifically, declining international food and energy prices[1] and increased availability of local produce due to favourable weather conditions supported the deceleration in prices. In 2023, headline inflation eased to an average of 4.6 per cent compared to 5.8 per cent in 2022. Food and core inflation decelerated to an average of 7.7 per cent and 3.9 per cent, respectively, down from 10.4 per cent and 4.7 per cent in 2022.

The Central Government fiscal accounts recorded a deficit of $3.2 billion in fiscal year (FY) 2022/23 (October 2022 to September 2023), a reversal from a surplus of $1.3 billion in FY2021/22. Notwithstanding an increase in non-energy revenue in FY2022/23 of $2.2 billion, total Central Government revenues increased by $76.9 million (to $54.7 billion) due to a fall-off in energy and capital revenues. Meanwhile, overall expenditure grew by $4.6 billion (to $57.9 billion) driven primarily by additional spending on transfers and subsidies, including an increase in transfers to households on account of the petroleum subsidy. To finance the deficit and to meet existing debt obligations, Central Government utilised external and domestic sources. At the end of September 2023, Adjusted General Government debt (which excludes debt issued for sterilisation purposes) increased to $136.4 billion (69.1 per cent of GDP) from $129.0 billion (66.6 per cent of GDP) at the end of September 2022.

[1] The United Nations Food and Agriculture Organisation (FAO) Food Price Index (FFPI) fell by 15.3 per cent in 2023 compared to an increase of 13.1 per cent in 2022, underpinned by a deceleration in most categories. Meanwhile, international energy prices for both crude oil and natural gas were dampened by reduced global demand during 2023. The West Texas Intermediate (WTI) crude oil price fell by 17.8 per cent to an average US$77.67 per barrel in 2023, down from an average price of US$94.43 per barrel in 2022 while US Henry Hub prices averaged US$2.54 per million British Thermal Units (mmbtu) in 2023, representing a decline of 60.2 per cent when compared to the robust prices recorded in 2022.

The Central Bank kept its policy rate unchanged during the year in the context of low inflation. In December 2023, the Repo rate was held at 3.50 per cent, where it stood since its reduction in March 2020. At the same time, the Bank actively utilised its open market operations in managing financial system liquidity. Improvements in the domestic economy continued to buttress spending, strengthening the demand for credit (local and foreign currency). Consolidated system credit expanded by 8.4 per cent (year-on-year) in December 2023, up from 6.5 per cent in December 2022, reflecting a pick-up in consumer and business credit. Relatively ample liquidity resulted in marginally lower domestic commercial banking lending rates in 2023. Meanwhile, the local market for foreign currency remained tight in 2023, owing mainly to lower energy sector conversions.

Lower export earnings were generally responsible for the narrowed current account surplus of 11.3 per cent of GDP over the first nine months of 2023, compared to 17.9 per cent one year earlier. The smaller current account surplus was primarily driven by a year-on-year deterioration in the net goods trading position, attributable to lower energy exports reflecting a combination of softer international energy prices and lower volumes. At the end of December 2023, gross official reserves amounted to US$6,257.9 million (equivalent to 7.8 months of import cover), US$574.5 million lower when compared to the end of December 2022.

TABLE 1
TRINIDAD AND TOBAGO SELECTED ECONOMIC INDICATORS

	2019	2020	2021	2022	2023p
Real GDP Growth (%) (2012 = 100)[1]	0.4	-9.1	-1.0	1.5	2.5*
Energy Sector	-1.6	-13.1	-3.2	0.0	-1.3*
Non-Energy Sector	2.0	-8.2	-1.1	5.8	4.2*
Agriculture, Forestry and Fishing	-14.2	-12.2	-3.5	-11.5	-2.8*
Trade and Repairs	8.0	-12.2	-5.7	6.1	10.9*
Construction	-5.5	-12.8	8.8	4.3	-2.2*
Financial and Insurance Activities	8.0	-2.0	5.1	-3.1	-0.4*
Inflation Rate (%)[2]					
(period average)	1.0	0.6	2.1	5.8	4.6
(end of period)	0.4	0.8	3.5	8.7	0.7
Unemployment Rate (%)[3]	4.3	5.7	5.4	4.9	4.0
(Per Cent of GDP)[4]					
Overall Central Government Operations Surplus(+)/Deficit(-), (end of fiscal year)	-2.5	-11.5	-7.8	0.7	-1.6
Adjusted General Government Debt, (end of fiscal year)[5]	61.9r	81.5r	79.6r	66.6r	69.1
Central Government External Debt, (end of fiscal year)	16.3	21.7r	19.6r	16.5r	17.5
Balance of Payments Current Account Balance Surplus(+)/Deficit(-)	4.3	-6.5	11.0	17.9	11.3**
Memorandum Items:					
Central Government External Debt in US$Mn (end of fiscal year)	3,939.4	4,707.3	4,659.4	4,782.0	5,144.7
Debt Service Ratio (fiscal year; %)[6]	2.9	9.7	3.3	1.8	5.0
W.T.I. (US$/barrel, annual average)	57.0	39.3	68.0	94.4	77.7
Henry Hub (US$/mmbtu, annual average)	2.6	2.0	3.9	6.4	2.5
Net Official Reserves (US$ Mn)[7]	6,929.0	6,953.8	6,879.6	6,832.4	6,257.9

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

1 Real GDP growth rates are sourced from the Central Statistical Office.
2 Changes in the Consumer Price Index (CPI), January 2015 = 100. Effective January 2024, the Central Statistical Office (CSO) renamed the Index of Retail Prices (RPI) to the Consumer Price Index (CPI) in an effort to maintain consistency with international terminology.
3 This represents the average of the four quarters.
4 Ratios prior to 2023 are based on nominal GDP from the CSO while ratios for 2023 are computed using nominal GDP estimates from the Central Bank.
5 Includes the external and internal debt of the Central Government (net of sterilised debt), as well as non self-serviced guaranteed debt of public entities.
6 This is defined as the ratio of external Central Government debt service to exports of goods and non-factor services.
7 International reserves have been revised to include Trinidad and Tobago's reserve position in the IMF. International reserves are defined as external assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitudes of such imbalances through intervention in exchange markets and for other purposes. Typically, they include securities, gold, IMF special drawing rights (SDRs), a country's holding of foreign currency and deposits, reserve position in the IMF, and other claims (Balance of Payments Manual 6th Edition Paragraph 6.64).

* For the period January to June 2023.
** For the period January to September 2023.
r Revised.
p Provisional.

OUTLOOK FOR 2024

Global economic activity is anticipated to remain steady in 2024, reflecting the third consecutive year of moderate growth. With output still falling short of pre-pandemic levels[2], the IMF, in its April 2024 WEO, forecasts global growth of 3.2 per cent in 2024, following expansions of 3.5 per cent and 3.2 per cent in 2022 and 2023, respectively. Several forces are shaping this outlook including; subdued activity in some of the world's largest economies, mounting geopolitical conflicts, and tight financial conditions amid narrowed fiscal space. Growth in the US is projected to record a modest uptick to 2.7 per cent in 2024 (from 2.5 per cent in 2023), still weighed down by slowing wage growth, falling household savings, a possible delay in unwinding restrictive monetary policy by the US Federal Reserve and a tempering of consumer spending. Meanwhile, China's recovery was more sluggish than anticipated, owing to subdued consumer confidence and its impact on consumption, coupled with the ongoing property market crisis and lower investment. These factors may thwart growth in China which is expected to slow to 4.6 per cent in 2024, 0.6 per cent lower than the previous year. This period of moderate global growth is overshadowed by downside risks. An escalation of regional conflicts (particularly in the Middle East) that threaten to spill over to neighboring countries, more volatile commodity prices, and a deepening of China's real estate crisis could further impede global growth in the near term.

Economic prospects for Trinidad and Tobago are modestly favourable over the short to medium term. The typically stimulative role of the energy sector in the domestic economy is anticipated to be subdued as developments in international energy markets, such as rising inventory levels, and higher production from the US, contain commodity price increases. Locally, start-up of several projects in the energy sector are scheduled. In the short run, however gas supplies are likely to remain constrained, while production rates at mature hydrocarbon producing wells will continue to slip. The non-energy sector is expected to remain buoyant. This may have further positive implications for labour market conditions, including an increase in the labour force participation rate as more persons are encouraged to enter the labour market. While inflation is anticipated to remain low in 2024, the actual pace of price movements will depend largely on the extent of any changes in utility or tax rates, the intensity of any adverse weather conditions, and the stability of global commodity prices. With respect to the external factor, heightened geopolitical tensions in the Middle East near important shipping channels and the imposition of further sanctions have the capacity to reignite spikes in commodity prices and freight costs, thereby disrupting the global disinflation path. These dynamics have the potential to spill over to domestic prices.

[2] Based on the IMF's January 2024 WEO Update, the global growth forecast for 2024 (3.1 per cent) remains below the historical average (2000 to 2019) of 3.8 per cent.

CHAPTER 2

Domestic Economic Activity

GROSS DOMESTIC PRODUCT

Domestic economic activity continued to display signs of recovery in 2023. According to data from the CSO, GDP at constant prices (real GDP) expanded by 2.5 per cent (year-on-year) in the first half of 2023 **(Table 2)**. Growth was predominantly driven by an expansion in the non-energy sector (4.2 per cent), which outweighed a contraction in output from the energy sector (-1.3 per cent). Activity in the non-energy sector was buffered by growth in several sub-sectors, namely Trade and Repairs; Transportation and Storage; and Accommodation and Food Services. Meanwhile, energy sector output was hampered by reduced production in the Crude Oil Exploration and Extraction; Condensate Extraction; Refining; and Manufacture of Petrochemicals sub-sectors. These outweighed improvements in the Natural Gas Exploration and Extraction; and Asphalt sub-sectors.

Preliminary data from the Ministry of Energy and Energy Industries suggests a significant decline in energy sector production in 2023. During the period, activity in the energy sector was hampered by production declines at several large producers. This prompted a falloff in the production of both crude oil (-8.1 per cent) and natural gas (-3.6 per cent). Reduced natural gas production transmitted through the supply chain which led to declines in the Refining and Petrochemicals sub-sectors. Refining activity was set back by contractions in the production of natural gas liquids (NGLs) (-8.7 per cent) as well as liquefied natural gas (LNG) (-3.3 per cent). Meanwhile, the production of petrochemicals was impeded by the shutdown of several plants at the Point Lisas Estate, resulting from challenges with natural gas availability. Despite these challenges, methanol production remained resilient, registering an improvement of 5.2 per cent in 2023. This uptick was however overshadowed by a 13.3 per cent decline in ammonia production when compared to 2022 levels.

Meanwhile, estimates from the Central Bank's Quarterly Index of Real Economic Activity (QIEA)[3] suggest that activity in the non-energy sector remained healthy over the second half of 2023. Over the period, strong growth in the local sales of cement offered a boost to activity in the Construction sector compared to the corresponding period of the previous year. The Transportation and Storage sector also continued to display healthy year-on-year improvements, reflecting an uptick in air and water transportation. An expansion was also estimated in the Wholesale and Retail Trade (Excluding Energy) sector, which was

[3] The CSO is the official source of National Accounts (GDP) data in Trinidad and Tobago. Separately, the Bank compiles a Quarterly Index of Real Economic Activity (QIEA) to gauge short-term economic activity. The industry classification conforms to the International Standard Industrial Classification Revision 4 (ISIC Rev.4). The QIEA differs from the CSO's national accounts statistics in terms of methodologies and coverage. The QIEA is based on production indicators, excludes price effects and does not comprehensively cover all sub-industries measured by the CSO. In 2019, the QIEA was rebased from a 2010 to 2012 base year and the classification system was migrated from the Trinidad and Tobago System of National Accounts to the ISIC Rev 4. Under this classification, the output of crude oil and natural gas are included in Mining and Quarrying, the production of LNG, NGLs and petrochemicals are included in Manufacturing, and the retail sale of automotive fuels is included in Wholesale and Retail Trade. For comparison purposes, the sectoral breakdown of real economic activity into Energy and Non-energy, presented previously is maintained. For further details on the QIEA methodology and differences in the data see Box 2 of the January 2020 Economic Bulletin (pages 15-17); Box 2 of the March 2017 Economic Bulletin (pages 19-20); and Public Education Statement – November 2016. See link to the CSO's quarterly National Accounts (GDP) data.

supported by improvements in the CSO's Index of Retail Sales over the period (5.7 per cent). Retail sales were driven by increases in the Textiles and Wearing Apparel (8.4 per cent); Supermarkets and Groceries (7.5 per cent); Dry Goods Stores (2.6 per cent); and Household Appliances, Furniture and other Furnishings (1.0 per cent) sub-sectors. Meanwhile, the index was partially offset by decreased sales in the Construction Materials and Hardware sub-sector (15.8 per cent) Estimates also suggest expanded activity in the Financial and Insurance sector, as evidenced by increased deposits, loans and insurance premiums. Improvements were also estimated for activity in the Electricity and Water (Excluding Gas); and Real Estate sectors.

Despite improvements in capacity utilisation, manufacturers continued to operate with significant spare capacity, producing at 64.1 per cent of their capacity in 2023. This represents a 3.6 per cent increase from the previous year **(Table 3)**. Improvements were noted in the Textiles, Clothing, Leather, Wood, Paper and Printing (10.3 per cent); Chemical Products (2.3 per cent); Food, Beverages and Tobacco Products (2.0 per cent); and Other Manufactured Products (1.2 per cent) sub-sectors.

TABLE 2
GROSS DOMESTIC PRODUCT AT CONSTANT 2012 PRICES
/ PER CENT CHANGE /

	2019	2020	2021	2022	Jan to Jun 2023p
GDP	**0.4**	**-9.1**	**-1.0**	**1.5**	**2.5**
Energy	**-1.6**	**-13.1**	**-3.2**	**0.0**	**-1.3**
Non-Energy	**2.0**	**-8.2**	**-1.1**	**5.8**	**4.2**
Construction	-5.5	-12.8	8.8	4.3	-2.2
Wholesale and Retail Trade (Exc. Energy)	5.1	-11.8	-9.3	6.7	13.4
Manufacturing (Exc. Refining and Petrochemical)	3.4	-7.9	8.9	20.3	0.5
Financial and Insurance Activities	8.0	-2.0	5.1	-3.1	-0.4

Source: Central Statistical Office

Note: Annual GDP are compiled at Purchaser Prices; Quarterly GDP at Producer Prices.
p Provisional.

TABLE 3
MANUFACTURING SECTOR CAPACITY UTILISATION RATE

	2019	2020	2021	2022	2023p
Manufacturing	**65.1**	**63.6**	**62.4**	**61.9**	**64.1**
Food, Beverages and Tobacco Products	71.7	69.9	67.4	68.0	69.4
Textiles, Clothing, Leather, Wood, Paper and Printing	59.5	55.4	56.6	53.4	58.9
Chemical Products	57.3	54.6	55.7	54.7	55.9
Other Manufactured Products	62.1	70.0	64.8	66.3	67.1

Source: Central Bank of Trinidad and Tobago

p Provisional.

CHAPTER 3

Labour Market

UNEMPLOYMENT

Employment conditions were positively impacted by the strengthening economy. Official statistics from the CSO suggest that labour market conditions continued to improve in 2023. The unemployment rate averaged 4.0 per cent over 2023, significantly lower than the average of 4.9 per cent in 2022 **(Table 4)**. There was an expansion in the labour force **(Chart 3)**, which contributed to an increase in the labour force participation rate[4] to 55.6 percent (from 55.0 percent in 2022). On a year-on-year basis, the average number of persons with jobs (the employed) increased by 13.5 thousand persons, while the number of unemployed persons decreased by 5.3 thousand persons. In terms of sectoral employment, the most notable year-on-year increases in the numbers employed were in the Wholesale and Retail (11.1 thousand jobs); Construction (including electricity and water) (2.6 thousand jobs); Manufacturing (including Mining and Quarrying) (2.0 thousand jobs); and Agriculture (0.7 thousand jobs).

The female unemployment rate declined to an average of 4.6 per cent in 2023 compared to 5.6 per cent in 2022, while the female labour force participation rate declined to 47.1 per cent (47.6 per cent in 2022) (BOX 1). Similarly, the male unemployment rate also decreased to an average of 3.5 per cent over the period (4.4 per cent in 2022). However, the male labour force participation rate increased to 64.6 per cent (from 62.7 per cent in 2022). Despite declining to 9.5 per cent in 2023 (from 12.0 per cent in 2022), the youth (persons aged 15-24 years old) unemployment rate remains disproportionately higher than the national average[5]. Youth unemployment remains a significant social challenge, with statistics revealing a high incidence of criminal offences perpetrated by persons within this age group. A number of Government initiatives, such as the Youth Agriculture Homestead Programme and others by the Ministry of Youth Development and National Service, seek to offer targeted solutions.

Supplemental labour market data supported the view of improved conditions in 2023. Retrenchment notices[6] reported to the Ministry of Labour (January to December 2023) indicate that 465 persons were retrenched,

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

[5] The national average unemployment rate over the period 2012 to 2022 is 4.4 per cent.

[6] Retrenchment refers to the termination of employment of a worker at the initiative of an employer for the reason of redundancy according to the Retrenchment and Severance Benefits Act (No. 32 of 1985). The Act states that, "where an employer proposes to terminate the services of five or more workers for the reason of redundancy, he shall give formal notice of termination in writing to each involved worker, to the recognised majority union and the Minister of Labour". If fewer than five employees are terminated, employers are not obligated to report to the Ministry. This indicator for job separation is therefore limited insofar as it only includes registered retrenchment notices, and does not capture other forms of job separation, especially the non-renewal of contracts of temporary or short-term workers. Furthermore, reports of job losses at establishments cannot be equated with an equal rise in the unemployment rate. Data on the labour market are not collected from firms and other establishments, but households via the Continuous Sample Survey of Population (CSSP). Moreover, persons who have been retrenched or who have lost their jobs otherwise (expired contract, retired, etc.) and have not sought re-employment during the reference period are not classified as unemployed..

compared to 980 persons during the similar period of 2022. This represents a year-on-year reduction of 515 persons being retrenched. Reported retrenchments occurred primarily in the Transport, Communication and Storage (156 persons); Distribution (103 persons); Finance, Insurance and Real Estate (91 persons); Petroleum and Other Mining (71 persons); and Personal Services (27 persons) sectors. Meanwhile, the average number of job advertisements published daily in the print media[7] (an indicator of labour demand) increased marginally by 0.6 per cent (year-on-year) in 2023.

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

TABLE 4
LABOUR STATISTICS, 2018-2023
/ THOUSANDS /[1]

	2018	2019	2020	2021	2022	2023
Non-Institutional Population						
- 15 years and over	1,072.4	1,076.4	1,079.7	1,080.2	1,080.7	1,083.7
Labour Force	633.9	617.3	603.8	592.2	594.6	602.8
Persons with Jobs	609.1	591.1	569.8	560.4	565.3	578.8
Persons without Jobs	24.9	26.3	34.1	31.8	29.3	24.0
Participation Rate (%)	58.7	57.4	55.9	54.8	55.0	55.6
Male	68.2	66.1	64.8	63.1	62.7	64.6
Female	49.3	48.4	47.2	46.8	47.6	47.1
Unemployment Rate (%)	3.9	4.3	5.7	5.4	4.9	4.0
Male	3.2	3.7	5.4	4.8	4.4	3.5
Female	4.9	5.0	6.0	6.1	5.6	4.6

Source: Central Statistical Office

1 Numbers may not sum due to rounding.

TABLE 5
THE SECTORAL DISTRIBUTION OF EMPLOYMENT[1]

	2018		2019		2020		2021		2022		2023	
	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%
Agriculture	23.1	3.8	20.3	3.4	28.1	4.9	26.8	4.8	21.9	3.9	22.6	3.9
Petroleum and Gas	13.7	2.2	11.3	1.9	12.8	2.2	12.1	2.2	9.8	1.7	10.3	1.8
Manufacturing (including Mining and Quarrying)	48.2	7.9	44.9	7.6	35.9	6.3	40.8	7.3	39.6	7.0	41.6	7.2
Construction (including Electricity and Water)	88.7	14.6	83.2	14.1	69.9	12.3	68.7	12.3	72.7	12.9	75.3	13.0
Transport, Storage and Communications	38.6	6.3	37.5	6.3	35.4	6.2	33.1	5.9	34.8	6.1	33.4	5.8
Other Services	396.7	65.1	393.9	66.6	387.7	68.0	379.0	67.6	386.8	68.4	395.7	68.4
Of which:												
Wholesale and Retail	*121.7*	*20.0*	*111.6*	*18.9*	*111.2*	*19.5*	*104.7*	*18.7*	*106.0*	*18.8*	*117.1*	*20.2*
Community, Social and Personal Services	*207.2*	*34.0*	*212.4*	*35.9*	*212.6*	*37.3*	*207.6*	*37.1*	*215.1*	*38.1*	*216.2*	*37.4*
Finance, Insurance and Real Estate	*64.1*	*10.5*	*64.8*	*11.0*	*60.1*	*10.6*	*63.4*	*11.3*	*62.0*	*11.0*	*58.1*	*10.0*
Not Classified	*3.7*	*0.6*	*5.3*	*0.9*	*3.8*	*0.7*	*3.3*	*0.6*	*3.6*	*0.6*	*4.3*	*0.7*
Total Employment	**609.0**	**100.0**	**591.1**	**100.0**	**569.8**	**100.0**	**560.4**	**100.0**	**565.3**	**100.0**	**578.8**	**100.0**

Source: Central Statistical Office

1 Numbers may not sum due to rounding.

BOX 1: Understanding the Rate of Unemployment

The unemployment rate is a simple statistical indicator of labour market conditions in a country. Movements in the rate often coincide with economic business cycles (booms and slumps). High unemployment levels often reflect periods of downturn while reductions in the rate may signify economic improvements. The unemployment rate is a valuable measure of the utilisation of an economy's labour supply. By definition, it represents a country's inability to generate employment for those who are both willing and readily available to work. The unemployment rate can therefore be viewed as indicative of an economy's efficiency and effectiveness in absorbing its labour force, in addition to highlighting the performance of the labour market (ILO, 2019). This box seeks to offer insight into the unemployment rate via an examination of its standard definition, calculation, application and its inherent limitations as a statistical indicator.

The unemployment rate refers to the proportion of persons in the labour force who are unemployed or without work, with the labour force constituted by the sum of the number of persons employed and the number of persons unemployed. This means that fluctuations in the unemployment rate are directly related to shifts in the composition of the labour force. The International Labour Organization (ILO) sets out criteria for persons to be classified as unemployed. According to these criteria, a person is unemployed if the person is (i) of legal working age (usually 15 years or older), (ii) not currently employed, (iii) actively seeking employment (throughout the reference period of a labour survey), and (iv) immediately available to work if given the opportunity.

It is important to note that not all persons who are without a job are considered as unemployed. A person of legal working age who is without a job and not "actively" seeking work (for example, students and homemakers), is excluded from the labour force and, by extension, excluded from the unemployment rate. For reasons such as these, the ILO, cautions against using the unemployment rate as a single measure of labour market performance. On its own, it fails to account for diverse labour market situations and is therefore best interpreted with an accompanying contextualised analysis. For instance, the unemployment rate does not provide information on the jobless population[1], labour underutilisation[2], or the conditions of the unemployed and non-labour force members[3].

Meanwhile, the ILO defines an employed person as someone of working age who, for a minimum of one hour[4], was engaged in any activity to produce goods or provide services for pay or profit. The Central Statistical Office (CSO)[5], modifies this definition for Trinidad and Tobago, defining an employed person as one who engages in any instance of activity in exchange for payment (cash or in kind) during the reference period, regardless of the duration of work. The working age population is therefore made up of the labour force (the employed[6] and unemployed) and those outside of the labour force[7].

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1 It masks information on the composition of the jobless population and therefore misses out on the particularities of the education level, ethnic origin, socio-economic background, work experience, etc. of the unemployed.
2 For example, time-related underemployment (employed persons working fewer hours than they would like and still available to work more hours) and discouraged workers.
3 Assumes persons outside the labour force do not affect the market and have no attachment.
4 The ILO's One-Hour Criterion for Employment Measurement identifies individuals as employed if they have worked for at least one hour, while unemployment indicates a lack of work (less than one hour of work completed during survey reference period). This criterion is used in employment statistics to monitor working conditions, measure employment's contribution to production, and identify mutually exclusive labour force groups, including part-time, temporary, or casual employees.
5 As indicated in the CSO's website; under concepts and definitions retrieved from https://cso.gov.tt/subjects/continuous-sample-survey-of-population/
6 The employed is inclusive of various types of workers; paid employee; employer; own account worker; unpaid worker; and learner/apprentice.
7 Not in the labour force includes full-time students; persons engaged in home duties; retired persons; disabled persons; and discouraged persons.

BOX 1: Understanding the Rate of Unemployment (Continued)

The CSO gathers data on the labour force exclusively through its nationally representative labour force survey known as the Continuous Sample Survey of the Population[8] (CSSP). The CSSP for the third quarter of 2023 was utilised to illustrate the calculation of the unemployment rate **(Equation 1)**. The data indicates that the number of unemployed persons measured 19.6 thousand, while the employed measured 584.2 thousand persons. Summing these two figures shows that the labour force measured 603.8 thousand persons. This gives us an unemployment rate for the period of 3.2 per cent.

Equation 1: Calculation of the Unemployment Rate

$$\textbf{\textit{Unemployment Rate}} = \frac{\textit{Unemployed}}{\textit{Labour force}} \times 100 = \frac{\textit{Unemployed}}{\textit{Employed + Unemployed}} \times 100$$

$$\textbf{\textit{Unemployment Rate}} = \frac{19.6}{603.8} \times 100$$

$$\textbf{\textit{Unemployment Rate}} = 3.2\%$$

Similarly, the unemployment rate can be derived for internal dimensions of the labour force such as age and sex. From the age dimension, a youth unemployment rate can be calculated, highlighting the proportion of the "youth labour force" that is unemployed. According to the ILO, the youth portion of the labour force refers to all labour force participants between the ages of 15 and 24. This allows for insights into joblessness amongst school leavers (15-19 years) and young adults (20-25 years) within the economy (Roopnarine, 2022).

Historically, domestic unemployment rates have trended downward since 1991. Despite slight upticks, the rate has remained relatively low and stable in recent times[9]. The unemployment rate declined to 3.2 per cent in the third quarter of 2023, the second lowest rate ever recorded domestically, having occurred once previously in the second quarter of 2015. The lowest unemployment rate on record was 3.1 per cent in the first quarter of 2014. **Table 1** shows the historically low unemployment rates, which occurred in the first quarter of 2014, the second quarter of 2015 and the third quarter of 2023, and the varying dynamics of the labour market over each of these periods. Although the unemployment rate was 3.2 per cent in September 2023, it corresponds to lower labour force and employment levels when compared to previous periods. This is also reflected in a relatively low labour force participation rate. Labour market distortions such as underemployment affect the unemployment rate. The Government's intervention in the labour market through its Social Sector Investment Programme (SSIP) has contributed to the relatively low unemployment rate (Roopnarine, 2022).

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[8] This survey is administered in the last two weeks of each calendar month of every quarter. Labour force data for each quarter are derived from six survey periods. During each period, a sample of 500 households is chosen and surveyed. Each survey period consists of different households.

[9] An unemployment rate between 3.0 per cent and 5.0 per cent is considered to be healthy (below 5.0 per cent is considered low); an unemployment rate in excess of 10.0 per cent is considered high by the ILO (OECD, 2013).

BOX 1: Understanding the Rate of Unemployment (Continued)

Table 1: Historically Low Unemployment Rates in Trinidad and Tobago

	Mar-14	Jun-15	Sep-23
Persons with Jobs (000's)	643.5	628.6	584.2
Labour Force (000's)	664.3	649.1	603.8
Unemployed (000's)	20.7	20.5	19.6
Unemployment Rate (%)	3.1	3.2	3.2
Labour Force Participation Ratio (%)	62.6	61.0	55.6
Non-Institutional Population (000's)	1,062	1,064.7	1,085.9

Source: Central Statistical Office

Policymakers generally aim to promote job creation and reduce unemployment. Instances of unemployment are however an unavoidable part of the economic cycle due to various factors that are difficult to control or predict. Therefore, it is reasonable to expect that some level of unemployment will always exist. In this regard, policy may often target an optimal level of unemployment that is considered acceptable for the achievement of overall economic stability. While this rate is debatable and will vary based on context, it is generally believed that falling below a certain level, will place upward pressure on inflationary conditions within an economy (Roopnarine, 2022). This principle is premised on the Phillips curve[10], which depicts an inverse relationship between inflation and unemployment in the short run. The "non-accelerating inflation rate" (NAIRU) refers to the lowest rate of unemployment that can be sustained without causing inflation to increase (prices and wages). This 'natural rate of unemployment,' provides an estimate of the amount of spare capacity[11] within the economy, thus allowing for determinations on an appropriate course of policy intervention. Spare capacity can be viewed as the difference between the NAIRU and the unemployment rate, referred to as the 'unemployment rate gap' (RSA 2024). Currently, the Central Bank of Trinidad and Tobago intends to conduct such an assessment on the labour market, particularly in the aftermath of the COVID-19 pandemic, which may have altered long-standing labour market dynamics.

In concluding, it is important to re-emphasise that the unemployment rate is a simple summary measure that does not, on its own, reflect the entirety of a country's labour dynamics. It is meant to be interpreted in the context of other complementary indicators that can aid in understanding contributory factors to the unemployment rate, general movements in the labour force, and overall economic conditions.

[10] The Phillips curve depicts the relationship between inflation and unemployment rates. The long-run Phillips curve is a vertical line that illustrates that there is no permanent trade-off between inflation and unemployment in the long run. However, the short-run Phillips curve is roughly L-shaped to reflect the initial inverse relationship between the two variables. As unemployment rates increase, inflation decreases; as unemployment rates decrease, inflation increases (Roopnarine, 2022)

[11] Spare capacity occurs when aggregate demand for goods and services is less than the economy's capacity to produce them.

BOX 1: Understanding the Rate of Unemployment (Continued)

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LABOUR PRODUCTIVITY

Labour productivity improved in 2023, reflecting higher levels of domestic production coupled with slight increases in 'man-hours[8]' worked. Excluding the energy sector, the Index of Productivity increased by 83.5 per cent in 2023, primarily due to elevated levels of production (83.7 per cent) alongside a marginal increase (0.2 per cent) in the Index of Hours Worked **(Appendix Table A.8 and A.9).** The most significant production increases were recorded in the Assembly-type and Related Products[9] (177.9 per cent); and Food Processing (10.5 per cent) industries. More specifically, significant growth in the production of metal furniture (183.2 per cent) drove the expansion in Assembly-type and Related Products, while growth in processed fruit and vegetables (11.4 per cent), and processed meat, poultry and fish (5.3 per cent) largely influenced the pickup in Food Processing. Elsewhere, reduced output was noted in the Printing, Publishing and Paper Converters (10.5 per cent); and Electricity (5.4 per cent); industries. Meanwhile, the increase in hours worked was concentrated in the Chemicals (3.9 per cent); Food Processing (2.8 per cent); and the Wood and Related Products (2.8 per cent) industries.

Conversely, energy sector productivity declined due to reduced levels of production across the domestic energy sector. In 2023, the Index of Domestic Production recorded a reduction of 6.2 per cent in the Exploration and Production of Oil and Natural Gas industry (upstream), which contributed to a decline of 12.1 per cent in the Natural Gas Refining (midstream) industry. Resultantly, output in the petrochemicals industry also fell by 20.3 per cent over the period **(Appendix Table A.9)**. Meanwhile, 'man-hours' worked in the Petrochemicals industry increased by 0.4 per cent, while increases were also recorded in the Exploration and Production of Oil and Natural Gas industry (3.4 per cent). Hours worked in the Oil and Natural Gas Refining industry remained stable over the period.

SECTORAL WAGES

Wage growth was contained in 2023. Collective bargaining agreements filed with the Industrial Court revealed that the average wage increase in 2023 measured 2.3 per cent, up from 2.0 per cent recorded in both 2022 and 2021. In 2023, wage increases ranged from 1.0 per cent to 4.0 per cent, compared to a range of 2.0 per cent to 3.0 per cent in 2022. The Manufacturing and Wholesale and Retail Trade sectors received the highest average wage increase in 2023, with each at 2.6 per cent. The smallest average increase (1.0 per cent) was registered in the Administrative Support and Services sector **(Table 6)**.

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[8] The Index of Hours worked, computed by the CSO, is based on surveyed companies' employment showing the weighted percentage change in hours worked in various industries. The notion of a "man-hour" comes from the ILO's minimum criterion for employment, where to be considered employed, one must have worked for at least one hour during the survey's reference period. This makes hours worked a standard unit of measurement in employment. Also ensuring that employment, unemployment and inactivity are mutually exclusive and exhaustive categories.

[9] The Assembly-type and Related Products sub-industry comprises motor vehicle parts; batteries, mufflers and tyres; office machinery and electrical apparatus; ship boat building and repairs; metal building materials; iron, steel and related products; metal furniture; metal containers; and all other metal products. The production of metal furniture saw significant growth in 2022 `which continued into 2023, particularly for filing cabinets, cupboards, bookcases, lockers, chairs, tables, desks and credenzas.

Nominal wages fell slightly in 2023, as the Index of Average Weekly Earnings (AWE)[10] in the non-energy sector rose by 3.1 per cent compared to an increase of 0.7 per cent in 2022. Wage hikes in the Water (7.8 per cent); Drinks and Tobacco (6.2 per cent); Assembly-type and Related Products (5.1 per cent); Food Processing (5.0 per cent); and Printing, Publishing and Paper Converters (4.0 per cent) sub-industries were responsible for the increases in non-energy earnings. However, lower earnings in the Wood and Related Products (11.6 per cent); Textiles, Garments and Footwear (7.4 per cent); and Electricity (3.8 per cent) sub-industries tempered overall non-energy earnings **(Appendix Table A.10)**. The overall AWE Index (which includes the energy sector) rose 2.2 per cent during the 2023. Energy sector earnings in the Petrochemicals sub-industry fell by 3.6 per cent, while earnings in the Exploration and Production of Oil and Gas sub-industry fell by 7.0 per cent over the period.

TABLE 6

WAGE AGREEMENTS REGISTERED FOR 2023

Sector	No. of Agreements Analysed	Duration of Agreements	Range of Yearly Increases for 2023	Average Wage Increase for 2023	Median Wage Increase for Agreements Analysed
Financial and Insurance Activities	10	2020-2025	1.00-4.00	2.3	
Manufacturing	10	2020-2025	1.00-3.50	2.6	
Wholesale and Retail Trade	5	2020-2025	2.00-3.00	2.6	2.3
Administrative Support and Services	2	2020-2024	0.00-2.00	1.0	
Arts, Entertainment and Recreation	1	2020-2023	2.00	2.0	

Source: Industrial Court of Trinidad and Tobago

[10] The Index of AWE, computed by the CSO, is based on surveyed companies' employment and wage bill. The average of weekly earnings is calculated as the earnings (total amount paid to employees) divided by the number of employees.

CHAPTER 4

Prices

CONSUMER PRICE INFLATION[11]

Following elevated inflationary conditions in 2022, price pressures retreated in 2023, underpinned by lower international food commodity prices and increased availability of local produce. During 2023, headline inflation slowed to an average of 4.6 per cent, down from 5.8 per cent recorded in 2022 **(Table 7)**[12]. Food inflation moderated to an average of 7.7 per cent for the year compared to 10.4 per cent in 2022. Meanwhile, core inflation slowed to 3.9 per cent in 2023 from an average of 4.7 per cent in 2022.

Food inflation experienced disinflation over the twelve months to December 2023, averaging 7.7 per cent compared to 10.4 per cent over the same period in 2022. The decline in international food prices[13] owing to increased global food supply, coupled with increased availability of local produce underpinned the slowdown in domestic food prices. Over the twelve months, disinflation in several categories of food, including; Bread and Cereals; Meat; Vegetables; and Fruits as well as price declines for Fish were recorded. The prices of Bread and Cereals decelerated to an average of 8.1 per cent in 2023 (from 13.1 per cent in 2022); Meat (0.4 per cent in 2023 from 12.4 per cent in 2022); Vegetables (10.4 per cent from 11.3 per cent in 2022); and Fruits (7.3 per cent from 8.6 per cent in 2022). Meanwhile, the Fish sub-index recorded price declines of -0.2 per cent compared to price increases of 7.8 per cent in 2022. Notably, the Bread and Cereals sub-index recorded slower price increases as a result of a reduction in the retail price of flour by local producers which impacted the final prices of bread products[14]. Similarly, the Vegetables sub-index recorded slower price rises on account of increased availability of local produce owing to less disruptive weather conditions when compared to 2022[15]. Meanwhile, the Fish sub-index experienced price declines as a result of increased availability of fresh fish.

Core inflation, which omits food prices and is a measure of underlying inflation, averaged 3.9 per cent in 2023, down from an average of 4.7 per cent in 2022. The slowdown in core inflation reflected softer prices in several sub-indices, particularly; Housing, Water, Electricity, Gas and Other Fuels; Furnishings, Household Equipment and Routine Maintenance; and Communication. Notably, weaker prices in a few of the

[11] Effective January 2024, the CSO renamed the Index of Retail Prices (RPI), which is used to measure the rate of inflation, to the Consumer Price Index (CPI) to maintain consistency with international terminology.

[12] **Figure 1** illustrates a geographical distribution of headline inflation in 2023 compared to 2022.

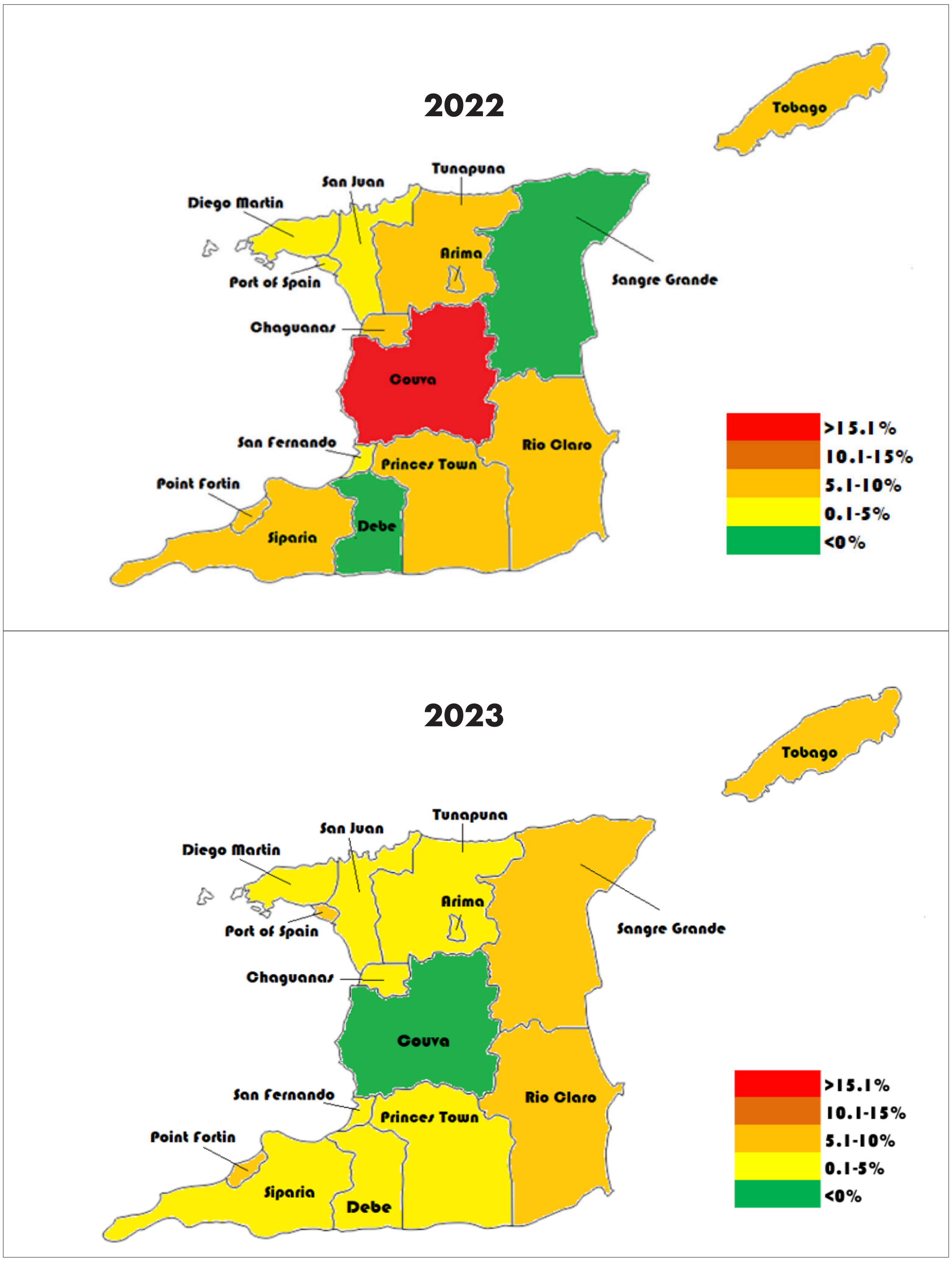
[13] International food prices, as measured by the United Nations FPPI, fell by 15.3 per cent in 2023 compared to an increase of 13.1 per cent in 2022.

[14] In July 2023, National Flour Mills (NFM) and Nutrimix Flour Mills announced reductions in flour prices following a decline in the cost of inputs such as wheat.

[15] In the latter half of 2022, adverse weather conditions led to flooding in several areas across the country, resulting in higher prices for fresh vegetables.

housing sub-components (mainly imputed rent on homeownership, plumbing, masonry, and metal works) influenced the slowdown in the Housing, Water, Electricity, Gas and Other Fuels sub-index (0.5 per cent in 2023 compared to 6.0 per cent in 2022). Similarly, the Furnishings, Household Equipment and Routine Maintenance sub-index slowed to 3.7 per cent (compared to 6.2 per cent in 2022), reflecting reduced prices for living room, dining room and bedroom furniture, lighting equipment and small electrical and major household appliances. Conversely, prices accelerated in the Hotels, Cafes and Restaurants (8.1 per cent in 2023 compared to 5.5 per cent in 2022); Health (3.6 per cent in 2023 compared to 2.2 per cent in 2022); and Transport sub-indices (8.1 per cent compared to 7.9 per cent in 2022). Higher prices for food and drinks served at restaurants and cafes, and drinks served at bars influenced the increase in the Hotels, Cafes and Restaurants sub-index. Additionally, the increase in transport prices by 8.1 per cent over January to December 2023 was due to a pickup in the purchase price of new motor vehicles, and the cost of spares, accessories and care products for motor vehicles.

FIGURE 1
THE CONSUMER PRICE INDEX ACROSS ADMINISTRATIVE AREAS
/PER CENT CHANGE/



Green reflects an inflation rate that is less than or equal to 0 per cent,
yellow reflects an inflation rate between 0.1 and 5.0 per cent,
light orange reflects an inflation rate between 5.1 per cent and 10.0 per cent,
dark orange reflects an inflation rate between 10.1 per cent and 15.0 per cent,
red reflects an inflation rate greater than 15.1 per cent.

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

TABLE 7

ANNUAL AVERAGE MOVEMENT OF SELECTED CATEGORIES OF THE CONSUMER PRICE INDEX

/ PER CENT CHANGE /

	2019	2020	2021	2022	2023
Headline Inflation	**1.0**	**0.6**	**2.1**	**5.8**	**4.6**
Food Inflation	**0.6**	**2.8**	**4.4**	**10.4**	**7.7**
Fish	0.3	6.0	4.4	7.8	-0.2
Food Products NEC	4.4	4.2	5.2	11.7	15.4
Meat	0.8	3.5	5.7	12.4	0.4
Milk, Cheese and Eggs	0.0	2.0	3.4	6.9	8.3
Vegetables	1.1	4.3	5.8	11.3	10.4
Bread and Cereals	-0.5	1.1	2.9	13.1	8.1
Sugar, Jam, Confectionery, etc.	-1.6	1.2	4.7	5.1	6.8
Non-Alcoholic Beverages	1.1	1.6	1.2	5.6	12.0
Oils and Fats	0.2	2.4	6.7	13.8	13.7
Fruits	-1.8	1.3	6.1	8.6	7.3
Core Inflation	**1.1**	**0.1**	**1.5**	**4.7**	**3.9**
Communication	0.3	-0.1	0.2	2.4	1.7
Education	0.0	0.0	0.0	0.0	0.0
Miscellaneous Goods and Other Services	2.7	1.0	-0.1	3.0	6.1
Hotels, Cafes and Restaurants	2.0	1.8	0.9	5.5	8.1
Health	5.5	2.7	2.9	2.2	3.6
Transport	1.4	-1.0	1.8	7.9	8.1
Recreation and Culture	0.3	-0.5	0.2	0.5	9.8
Alcoholic Beverages and Tobacco	1.9	2.4	3.2	2.4	3.6
Clothing and Footwear	-2.6	-3.8	-2.8	0.5	-1.4
Housing, Water, Electricity, Gas and Other Fuels	1.0	0.5	3.2	6.0	0.5
Furnishings, Household Equipment and Routine Maintenance	-0.1	0.7	0.8	6.2	3.7

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

PRODUCERS' PRICES

Producers' prices rose in 2023, but spillovers to retail prices appeared contained. The Index of Producers' Prices recorded an uptick of 2.6 per cent during the first three quarters of 2023, compared with an increase of 1.4 per cent in the similar period of 2022 **(Appendix Table A.13)**. The increase was mainly attributed to higher prices in the Drink and Tobacco (3.1 per cent compared to 0.6 per cent in 2022); Printing and Publishing (5.8 per cent compared to 1.2 per cent in 2022); and Chemical and Non-Metallic Products (3.7 per cent compared to 0.2 per cent in 2022) industries. Notably, the uptick in prices in the Chemical and Non-Metallic Products sub-index was driven by an increase in the cost of production of industrial gasses and paints (17.6 per cent). Meanwhile, weaker wholesale prices were noted in the Assembly-type and Related Industries (0.4 percent compared to 1.1 per cent in 2022); and Food Processing Industries (2.9 percent compared to 4.1 per cent in 2022). The assembly of appliances and processing of meat, poultry and fish contributed to slowing producers' prices in the Assembly-type and Related Industries; and Food Processing Industries, respectively. All other sub-indices remained unchanged over the period.

BUILDING MATERIAL PRICES

Building material prices, as measured by the CSO's Index of Retail Prices of Building Materials, slowed in 2023. The Building Materials Index (BMI) slowed to 2.1 per cent in 2023 compared to 9.5 per cent in 2022. Price declines were recorded in the Walls and Roof (-0.1 per cent in 2023 compared to 7.7 per cent in 2022) sub-index. Lower international prices for iron and steel, particularly wire rods and billets, which declined by 19.3 per cent and 23.7 per cent, respectively, over the twelve-month period contributed to the decline in the Walls and Roof category. All other sub-indices registered slower price movements, namely Site Preparation; Structure and Concrete Frame (1.5 per cent compared to 9.5 per cent in 2022); Electrical Installation and Fixtures (10.0 per cent compared to 21.3 per cent in 2022); Windows, Doors and Balustrading (2.0 per cent compared to 5.1 per cent in 2022); Plumbing and Plumbing Fixtures (8.7 per cent compared to 9.8 per cent in 2022); and Finishing, Joinery Units and Painting and External Works (0.9 per cent compared to 7.2 per cent in 2022).

CHAPTER 5

Public Finance and Debt

FISCAL OPERATIONS

After recording a surplus of $1.3 billion in fiscal year (FY) 2021/22, the Central Government accounts returned to a deficit of $3.2 billion in FY2022/23 (Table 8). This turnaround was the result of higher expenditure in the face of declining energy revenue, notwithstanding an improvement in revenue from the non-energy sector. As a result of increased expenditure, which more than offset the growth in non-energy revenues, the non-energy fiscal deficit widened to $31.0 billion from $28.0 billion one year earlier **(Table 9)**.

Central Government revenue increased by $76.9 million to $54.7 billion in FY2022/23. (Table 10). Over the fiscal year, energy revenue fell by $1.6 billion to $27.8 billion, owing to lower energy commodity prices and domestic production[16]. Corporation taxes from energy companies, which accounted for 65.3 per cent of energy sector revenue, declined by $3.4 billion in FY2022/23. However, non-tax energy revenues increased by $1.9 billion on account of higher royalties and extraordinary revenue. Collections from royalties on oil and gas rose by $1.6 billion, as outstanding payments from Production Sharing Contracts were received in FY2022/23, while extraordinary revenues from oil and gas companies increased by $327.5 million to $2.1 billion.

In contrast, non-energy revenue grew by $2.2 billion to $26.7 billion in FY2022/23. The increase in non-energy revenue was boosted by higher taxes from goods and services which amounted to $8.4 billion, up from $6.9 billion in FY2021/22. Net Value Added Tax (VAT) receipts, the largest component of taxes on goods and services, grew to $6.6 billion from $5.1 billion in FY2021/22. Similarly, taxes on income and profits from the non-energy sector increased to $12.6 billion from $12.4 billion, while taxes from international trade increased by $132.1 million to $2.7 billion on account of higher import duties. Meanwhile, capital revenue amounted to $158.9 million, which was $526.8 million lower than the previous fiscal year.

Central Government expenditure grew by $4.6 billion to $57.9 billion in FY2022/23, reflecting higher recurrent and capital spending (Table 11). While increases were noted across all sub-categories of recurrent spending, the growth in expenditure

[16] WTI crude oil prices averaged US$78.78 per barrel in FY2022/23, compared with US$93.05 per barrel in FY2021/22, representing a decline of 15.3 per cent. Henry Hub natural gas price averaged US$3.23 per mmbtu in FY2022/23 compared to US$6.19 per mmbtu in FY2021/22, a decline of 47.8 per cent. Similarly, both crude oil and natural gas production declined. For the same period, crude oil production fell by 6.2 per cent to 55,564.9 barrels per day (b/d), while natural gas production fell by 2.9 per cent to 2,597.2 million cubic feet per day (mmcf/d).

was primarily driven by an additional $2.2 billion in transfers and subsidies owing to the transfer of $1.2 billion to the Heritage and Stabilisation Fund (HSF)[17] in December 2022 and an additional $761.5 million in transfers to households. The transfer to the HSF was due to higher-than-estimated petroleum revenues in 2022. Meanwhile, the increase in transfers to households was mainly attributed to higher petroleum subsidy payments which amounted to $1.6 billion compared with $1.1 billion in the year-earlier period. Interest payments increased by $852.3 million to $5.8 billion on account of a larger stock of debt. Expenditure on wages and salaries amounted to $9.4 billion, representing an increase of $271.6 million, due to the payment of salary arrears to public servants following the completion of several outstanding negotiations such as the Trinidad and Tobago Unified Teachers' Association (TTUTA) and the Trinidad and Tobago Police Service Social and Welfare Association (TTPSSWA). Capital spending amounted to $4.2 billion, compared to $3.2 billion recorded in the previous fiscal year, as several programmes including construction and rehabilitation/upgrades of roads, community centres and other facilities, progressed.

Budgeted estimates for FY2023/24 reflect an overall deficit of $5.2 billion[18]. Total revenue for FY2023/24 is projected to decrease to $54.0 billion, comprising energy revenue of $22.5 billion, non-energy revenue of $29.7 billion and capital revenue of $1.8 billion. Total expenditure is budgeted at $59.2 billion, an increase of $1.4 billion. Notably, recurrent expenditure is expected to fall by $629.8 million to $53.0 billion, mainly on account of lower transfers and subsidies. Notwithstanding, the Government anticipates the payment of salary arrears, reflected in a $1.3 billion increase in the wages and salaries category. Meanwhile, capital expenditure is budgeted to increase to $6.2 billion as ongoing projects and programmes progress, such as construction and upgrades to roads, bridges and port facilities. The budgeted deficit is expected to be financed primarily through funds sourced from domestic markets and a portion from international financial institutions.

[17] The HSF is governed by legislation specifying deposit and withdrawal rules related to oil and gas prices. Latest official reports show that the end of period balance in the HSF as at June 2023 was US$5,525.0 million.

[18] The National Budget of Trinidad and Tobago for FY2023/24 was presented to the Parliament on October 2, 2023. The fiscal package was based on an estimated crude oil price of US$85.00 per barrel and a natural gas price of US$5.00 per mmbtu.

TABLE 8

SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2019/2020 - 2023/2024[1]

/ TT$ MILLIONS /

	2019/2020	2020/2021	2021/2022[r]	2022/2023*	2023/2024[b]
Current Revenue	33,842.4	36,345.6	53,921.3	54,525.0	52,255.8
Current Expenditure	47,081.2	46,482.3	50,061.6	53,620.3	52,990.5
Current Surplus (+)/ Deficit (-)	**-13,238.8**	**-10,136.7**	**3,859.7**	**904.7**	**-734.7**
Capital Receipts	526.6	921.0	685.7	158.9	1,756.5
Capital Expenditure and Net Lending	3,977.7	3,135.0	3,212.5	4,236.1	6,218.6
Overall Surplus(+)/ Deficit (-)	**-16,689.9**	**-12,350.7**	**1,333.0**	**-3,172.5**	**-5,196.8**
Financing	16,689.9	12,350.7	-1,333.0	3,172.5	5,196.8
External (Net)	13,261.9	5,169.5	534.3	-138.9	183.5
Domestic (Net)	3,428.0	7,181.2	-1,867.3	3,311.4	5,013.3
(Per Cent of GDP)					
Current Surplus (+)/ Deficit (-)	-9.1	-6.4	2.0	0.5	-0.4
Overall Surplus(+)/ Deficit (-)	-11.5	-7.8	0.7	-1.6	-2.7

Source: Ministry of Finance

1 GDP data used for ratios to GDP prior to FY2023 are sourced from the CSO; data for FY2023 are Central Bank estimates while data for FY2024 are based on budgeted estimates from the Ministry of Finance.

r Revised.

* Represents actual outturn for FY2023.

b Budgeted.

TABLE 9

SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2019/2020 - 2023/2024[1]

/ TT$ MILLIONS /

	2019/2020	2020/2021	2021/2022[r]	2022/2023[*]	2023/2024[b]
Revenue	**34,369.0**	**37,266.6**	**54,607.0**	**54,683.9**	**54,012.3**
Current	33,842.3	36,345.6	53,921.3	54,525.0	52,255.8
Energy**	7,901.5	9,341.3	29,347.7	27,794.9	22,529.4
Non-Energy**	25,940.8	27,004.3	24,573.6	26,730.1	29,726.4
Capital	526.6	921.0	685.7	158.9	1,756.5
Expenditure	**51,058.9**	**49,617.3**	**53,274.0**	**57,856.4**	**59,209.1**
Current	47,081.2	46,482.3	50,061.6	53,620.3	52,990.5
Wages and Salaries	9,248.0	9,093.6	9,148.5	9,420.1	10,729.6
Goods and Services	5,861.6	5,570.9	5,911.7	6,106.2	6,606.2
Interest Payments	5,062.0	4,938.1	4,927.4	5,779.7	5,128.0
Transfers and Subsidies[2]	26,909.5	26,879.7	30,073.9	32,314.3	30,526.7
Capital Expenditure and Net Lending	3,977.7	3,135.0	3,212.5	4,236.1	6,218.6
Overall Non-Energy Balance	**-24,591.5**	**-21,692.0**	**-28,014.7**	**-30,967.4**	**-27,726.2**
Overall Balance	**-16,689.9**	**-12,350.7**	**1,333.0**	**-3,172.5**	**-5,196.8**
Total Financing (Net)	**16,689.9**	**12,350.7**	**-1,333.0**	**3,172.5**	**5,196.8**
Net Foreign Financing	13,261.9	4,890.0	534.3	-138.9	183.5
Net Domestic Financing	3,428.0	7,460.7	-1,867.3	3,311.4	5,013.3
Of Which: Transfers to Heritage and Stabilisation Fund	-6,635.4	-6,040.6	1,111.3	1,230.3	0.0
(Per Cent of GDP)					
Revenue	**23.6**	**23.4**	**28.2**	**27.7**	**27.8**
Current	23.3	22.8	27.8	27.6	26.9
Energy	5.4	5.9	15.2	14.1	11.6
Non-Energy	17.8	17.0	12.7	13.5	15.3
Capital	0.4	0.6	0.4	0.1	0.9
Expenditure	**35.1**	**31.1**	**27.5**	**29.3**	**30.4**
Current	32.4	29.2	25.9	27.2	27.3
Wages and Salaries	6.4	5.7	4.7	4.8	5.5
Goods and Services	4.0	3.5	3.1	3.1	3.4
Interest Payments	3.5	3.1	2.5	2.9	2.6
Transfers and Subsidies	18.5	16.9	15.5	16.4	15.7
Capital Expenditure and Net Lending	2.7	2.0	1.7	2.1	3.2
Overall Non-Energy Balance[3]	**-16.9**	**-13.6**	**-14.5**	**-15.7**	**-14.3**
Overall Balance	**-11.5**	**-7.8**	**0.7**	**-1.6**	**-2.7**
Total Financing (Net)	**11.5**	**7.8**	**-0.7**	**1.6**	**2.7**
Net Foreign Financing	9.1	3.1	0.3	-0.1	0.1
Net Domestic Financing	2.4	4.7	-1.0	1.7	2.6
Of which: Transfers to Heritage and Stabilisation Fund	-4.6	-3.8	0.6	0.6	0.0
Memo:					
Primary Fiscal Balance (TT$Mn)	-11,627.9	-7,412.6	6,260.4	2,607.2	-68.8
Cyclically Adjusted Balance (TT$Mn)[4]	-13,696.3	-8,904.4	4,134.3	-2,504.6	n.a.
Structural Fiscal Balance (TT$Mn)[5]	1,799.2	2,877.9	6,014.2	4,026.2	n.a.
Non-Energy Primary Balance[6]	-19,529.5	-16,753.9	-23,087.3	-25,187.7	-22,598.2
Cyclically Adjusted Primary Balance (TT$Mn)[7]	-9,270.8	-5,142.8	8,425.2	2,638.6	n.a.

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

1 GDP data used for ratios to GDP prior to FY2023 are sourced from the CSO; data for FY2023 are Central Bank estimates while data for FY2024 are based on budgeted estimates from the Ministry of Finance.

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

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

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

5 The structural fiscal balance is an estimate of the fiscal position after excluding the effects of the business cycle and fluctuations in commodity prices, as well as one-off factors that temporarily affect revenue and expenditure.

6 The non-energy primary balance measures a government's ability to pay for public goods and services using only its non-resource generated revenues. It also highlights the cyclicality of fiscal policy by excluding energy revenues which are subject to fluctuations in international commodity prices.

7 The cyclically adjusted primary balance provides an estimate of the fiscal position net of cyclical effects and past financing policies. It measures the Government's capacity to fund its current operations without incurring additional debt.

* Represents actual outturn for FY2023.

** Energy and Non-Energy revenues for FY2023/24 have been estimated by the Central Bank.

r Revised.

b Budgeted.

n.a. Not Available

TABLE 10

ENERGY-BASED GOVERNMENT REVENUES, 2018/2019 - 2022/2023[1]

/ PER CENT OF GOVERNMENT REVENUE /

	2018/2019	2019/2020	2020/2021	2021/2022[r]	2022/2023[*]
Energy Sector	**34.0**	**23.0**	**25.1**	**53.7**	**50.8**
Petroleum Profit Tax (PPT)	5.3	3.5	6.9	16.4	13.7
Supplemental Petroleum Tax (SPT)	2.7	1.6	1.4	4.6	4.9
Corporation tax	9.2	5.7	6.6	13.9	9.7
Royalties	8.8	8.2	5.4	10.6	13.6
Unemployment Levy	1.5	0.6	0.9	3.6	2.7
Withholding Tax	2.0	1.4	1.5	1.0	2.2
Exercise Duty	0.0	0.0	0.0	0.0	0.0
Oil Impost[2]	0.2	0.3	0.3	0.2	0.2
Signature Bonus	0.0	0.0	0.1	0.2	0.0
Production Sharing Contracts	0.0	0.0	0.0	0.0	0.0
Extraordinary Revenue from Oil and Gas Companies	4.0	0.3	0.7	3.2	3.8
Surplus Income - Sale of Pet. Products	0.2	1.3	1.2	0.0	0.0
(Per Cent of GDP)					
Energy Sector	**9.8**	**5.4**	**5.9**	**15.2**	**14.1**
Petroleum Profit Tax (PPT)	1.5	0.8	1.6	4.6	3.8
Supplemental Petroleum Tax (SPT)	0.8	0.4	0.3	1.3	1.3
Corporation tax	2.7	1.3	1.5	3.9	2.7
Royalties	2.5	1.9	1.3	3.0	3.8
Unemployment Levy	0.4	0.1	0.2	1.0	0.7
Withholding Tax	0.6	0.3	0.4	0.3	0.6
Exercise Duty	0.0	0.0	0.0	0.0	0.0
Oil Impost[2]	0.1	0.1	0.1	0.1	0.1
Signature Bonus	0.0	0.0	0.0	0.1	0.0
Production Sharing Contracts	0.0	0.0	0.0	0.0	0.0
Extraordinary Revenue from Oil and Gas Companies	1.2	0.1	0.2	0.9	1.1
Surplus Income - Sale of Pet. Products	0.0	0.3	0.3	0.0	0.0

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

1 GDP data used for ratios to GDP prior to FY2023 are sourced from the CSO; data for FY2023 are Central Bank estimates.

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

r Revised.

* Based on the actual outturn for FY2023.

TABLE 11

CENTRAL GOVERNMENT RECURRENT EXPENDITURE[1]: A FUNCTIONAL CLASSIFICATION, 2019/2020 - 2023/2024

/ TT$ MILLIONS /

	2019/2020	2020/2021	2021/2022[r]	2022/2023[re]	2023/2024[b]
Economic Services	**2,981.2**	**3,281.7**	**4,517.7**	**4,842.1**	**3,880.7**
Energy	320.4	510.4	1,622.3	2,062.7	801.3
Agriculture, Land and Fisheries	648.7	592.7	738.5	617.8	725.9
Works and Transport	2,012.1	2,178.6	2,157.0	2,161.6	2,353.5
Social Services	**20,029.9**	**19,829.1**	**20,780.6**	**21,786.8**	**22,819.3**
Education	5,211.1	4,649.2	5,074.6	5,019.8	5,794.3
Health	4,617.2	5,041.4	5,445.0	5,766.7	6,020.8
Housing and Urban Development	1,346.0	742.5	566.9	813.9	1,002.3
Labour	370.3	375.5	359.5	380.4	391.8
Public Utilities	2,592.4	2,802.5	2,877.1	2,941.5	2,705.1
Social Services[2]	5,892.9	6,218.1	6,457.5	6,864.6	6,905.1
Public Services	**5,263.8**	**5,411.1**	**5,476.1**	**5,476.1**	**6,443.8**
National Security	5,263.8	5,411.1	5,476.1	5,797.8	6,443.8
Other[3]	**21,221.6**	**19,432.9**	**20,920.9**	**23,144.0**	**22,787.9**
Total Recurrent Expenditure[4]	**49,496.5**	**47,954.9**	**51,695.4**	**55,249.0**	**55,931.7**

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

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

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

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

4 Represents Recurrent Expenditure from the Consolidated Fund only.

r Revised.

re Revised Estimates.

b Budgeted.

BOX 2: The Non-Energy Primary Balance and the Cyclically-Adjusted Primary Balance

Traditionally, Trinidad and Tobago's Central Government fiscal performance has been analysed using a suite of fiscal indicators, namely, the overall balance, the current account balance, the primary fiscal balance and the non-energy fiscal balance. In 2018, two non-conventional indicators were added: the Cyclically Adjusted Balance (CAB) and the Structural Fiscal Balance (SFB)[1] based on recommendations by the International Monetary Fund (IMF) for countries impacted by volatility in economic activity and energy commodity prices. Both indicators adjust for the effects of business cycle fluctuations and other large one-off factors on revenue and expenditure, and contribute towards a more precise assessment of the government's fiscal stance. More recently, to further enhance the analysis of the government's fiscal performance, two new indicators were introduced: the Non-Energy Primary Balance (NEPB) and the Cyclically-Adjusted Primary Balance (CAPB)[2]. The NEPB strengthens the conventional primary balance indicator by removing the volatile component of government revenues (energy receipts), making it an indicator of both fiscal sustainability and fiscal stimulus. Meanwhile, by removing interest payments, the CAPB augments the traditional indicator – the CAB – and can also be used to conduct fiscal sustainability analysis and to measure the size of the fiscal stimulus driven solely by the government's current operations. This Box highlights the tenets of these two additional fiscal indicators.

The Non-Energy Primary Balance

The NEPB is a measure of a government's ability to pay for current public goods and services and capital projects using only its non-energy revenue resources. The NEPB provides a useful indication of the cyclicality of fiscal policies in energy-based economies, such as Trinidad and Tobago, as it removes the energy revenue component which is subject to fluctuations in energy commodity prices. The NEPB can also be used to assess the government's fiscal response to fluctuating energy prices, that is, whether higher (lower) prices have been associated with greater (lesser) levels of government spending and budget surpluses or narrowing (widening) budget deficits. Given the relationship with existing conventional measures, the NEPB can be computed by adjusting either the overall fiscal balance or the primary fiscal balance, as shown below:

1. NEPB = Non-Energy Revenue[3] – (Expenditure – Interest Payments)
2. NEPB = Overall Fiscal Balance – Energy Revenue + Non-Interest Expenditure[4]
3. NEPB = Primary Fiscal Balance – Energy Revenue

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[1] See Annual Economic Survey (2018), Box 2: The Cyclically Adjusted and Structural Fiscal Balances.
[2] Zakharova and Medas (2009) of the IMF used the NEPB to assess the fiscal performance of Algeria, Nigeria, Qatar, Russia, and Saudi Arabia, while the (OECD) began publishing of the CAPB in 2002 (Cimadomo 2012).
[3] Non-Energy Revenue = Total Revenue – Energy Revenue
[4] Includes all components of government spending with the exception of interest payments on debt.

BOX 2: The Non-Energy Primary Balance and the Cyclically-Adjusted Primary Balance (Continued)

A negative NEPB indicates that non-energy sector receipts are insufficient to finance government expenditure on goods and services. A larger year-on-year negative NEPB could signal greater vulnerability to external commodity price shocks, which can impede the government's ability to provide goods and services and execute its public sector investment programme without resorting to borrowing and, by extension, an increase in its outstanding debt.

The Cyclically-Adjusted Primary Balance

The CAPB provides an estimate of the overall balance after adjusting for the cyclical effects of the business cycle and interest payments. Compared to its traditional counterpart, the CAB, the CAPB is used to better measure the fiscal policy stance as it removes the transitory (one-off) effects associated with the deviation of actual from potential output (output gap) and the endogenous component of spending (interest payments on debt). The CAPB is computed as cyclically-adjusted revenue minus cyclically-adjusted non-interest expenditure. **Table 1** provides some examples of one-off revenue and expenditure items.

Box 2: Table 1: Examples of One-Off Factors Impacting the Fiscal Aggregates

Revenue	Expenditure
• Tax amnesties	• Payment of salary arrears
• Settlement of outstanding arrears	• Outstanding payments to contractors
• Dividend prepayments by state enterprises	• Loans extended to other governments
• Proceeds from initial/additional public offerings	• Settlement of outstanding refunds and other arrears
• Sale of government-owned assets	• COVID-19 relief
	• Financial bailouts

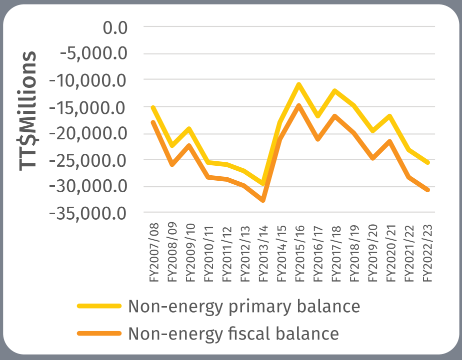
Sources: Central Bank of Trinidad and Tobago and Ministry of Finance

The NEPB and CAPB were computed for Trinidad and Tobago over a 16-year period (FY2007/08 to FY2022/23) and compared with conventional fiscal indicators. The NEPB and CAPB mirror movements in the non-energy fiscal deficit and CAB, respectively, but depict a lower deficit or a larger surplus position on account of the exclusion of the interest component of government expenditure **(Charts 1 and 2)**.

Interest payments on Central Government debt has fluctuated over the period FY2012/13 to FY2020/21 as borrowing moderated with increasing energy sector receipts, before increasing in FY2022/23.

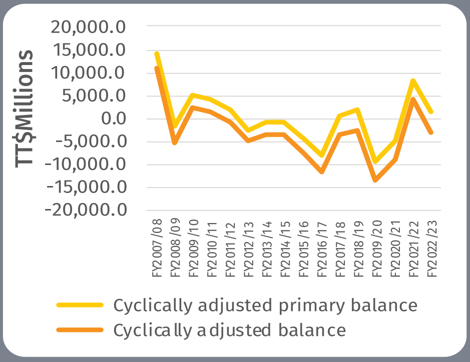
BOX 2: The Non-Energy Primary Balance and the Cyclically-Adjusted Primary Balance (Continued)

Box 2: Chart 1: Non-Energy Primary Balance vs. Non-Energy Fiscal Balance



Source: Central Bank of Trinidad and Tobago

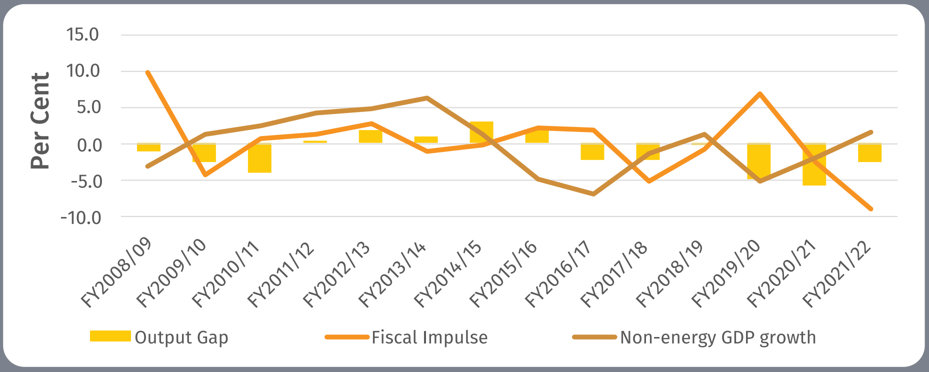
Box 2: Chart 2: Cyclically-Adjusted Primary Balance vs. Cyclically Adjusted Balance



Source: Central Bank of Trinidad and Tobago

The fiscal impulse/stimulus measures the performance of government fiscal policies and was computed using the year-on-year change in the CAPB as a per cent of potential GDP[5] (Chart 3). The fiscal impulse was largest in FY2008/09 and FY2019/20. Both years were characterised by a significant increase in government spending in response to the adverse effects of the global financial crisis (2008/09) and the COVID-19 pandemic (2020). **Chart 3** highlights that the government's fiscal stimulus was generally higher in periods of low non-energy economic growth, highlighting the importance of fiscal policy and targeted government intervention in boosting economic activity in the non-energy sector.

Box 2: Chart 3: Fiscal Impulse /Per Cent of Potential GDP/



Source: Central Bank of Trinidad and Tobago

[5] Potential GDP refers to the highest level of output that can be sustained over time.

BOX 2: The Non-Energy Primary Balance and Cyclically Adjusted Primary Balance (Continued)

CONCLUSION

Assessing fiscal performance and the impact of fiscal policy can be challenging during periods of fluctuating economic activity. A stronger fiscal position may be more attributed to changes in economic conditions stemming from external factors rather than from discretionary fiscal policy. In this vein, two additional non-conventional fiscal indicators have been adopted, namely, the NEPB and CAPB. Both indicators measure fiscal performance in the absence of external influences and have been incorporated into the Central Bank's reporting of fiscal statistics with effect from 2024.

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GENERAL GOVERNMENT DEBT[19]

At the end of September 2023, the stock of General Government debt[20] rose to $141.5 billion (71.6 per cent of GDP) from $137.8 billion (71.2 per cent of GDP) at the end of September 2022, as new borrowings outstripped repayments on past borrowing. Adjusted General Government debt (which excludes debt issued for sterilisation purposes) increased to $136.4 billion (69.1 per cent of GDP) at the end of September 2023 from $129.0 billion (66.6 per cent of GDP) in September 2022 **(Table 12).**

The Central Government increased its domestic borrowings in FY2022/23. Domestic debt (excluding sterilised liabilities) increased to $70.4 billion (35.7 per cent of GDP) at the end of September 2023 from $66.2 billion (34.2 per cent of GDP) one year earlier. Central Government domestic borrowings increased by $8.1 billion (year-on-year) to $12.7 billion in the year to September 2023, of which $6.7 billion was earmarked to finance maturing facilities **(Table 13A)**. During FY2022/23, nine bonds were issued on the domestic capital market, of which eight (totalling $9.7 billion) were issued under the Development Loans Act. At the end of September 2023, the Development Loans Act reached 92.2 per cent of its $65.0 billion limit **(Table 13B)**. Central Government domestic debt service increased to $12.0 billion during FY2022/23 from $7.4 billion in the previous fiscal year and comprised principal repayments of $9.0 billion (compared with $4.5 billion in FY2021/22) and interest payments of $3.0 billion (compared with $2.9 billion in FY2021/22).

Central Government external debt rose 8.1 per cent to $34.6 billion (17.5 per cent of GDP) at the end of September 2023 from $32.0 billion a year earlier, owing primarily to the issuance of an international bond (Table 12). In September 2023, a US$560.0 million 7-year bond was issued on the international debt capital market. Partial proceeds of this bond were used to make early repayments of US$227.8 million on an international bond due to mature in 2024[21]. Meanwhile, previously contracted loan disbursements totalled US$196.4 million during the year and included US$120.0 million from the Corporación Andina de Fomento

[19] In June 2021, as part of its overall Debt Reform Strategy, the Ministry of Finance in collaboration with its technical consultants, revised the debt measurement parameters to bring them into alignment with International Standards. In the Review of the Economy 2021, see Box 4 Re-Alignment of the Government Debt Measurement Approach to International Standards.

[20] General Government Debt is defined as the sum of all domestic and external direct obligations of the Central Government as well as the Non-Self-Serviced Government Guaranteed debt of State Enterprises and Statutory Authorities. It includes instruments of Open Market Operations (OMOs) such as Treasury Bills, Treasury Notes and Treasury Bonds; proceeds of which are held or sterilised at the Central Bank.

[21] A 10-year US$550.0 million international bond issued in 2014 and maturing in January 2024. As at September 2023, US$322.2 million was outstanding and to be repaid in January 2024.

(CAF) for the Digital Transformation and Digital Inclusion Strategy, US$48.1 million from the Inter-American Development Bank (IDB) for multiple ongoing projects (including the Multi-Phase Wastewater Rehabilitation Programme and the Health Services Support Programme), and US$12.1 million from the International Bank for Reconstruction and Development (IBRD) for the COVID-19 Emergency Response Project[22]. Central Government external debt service amounted to US$628.4 million in FY2022/23, of which US$405.3 million was principal repayments.

Non-self-serviced guaranteed debt, which comprise borrowings by state enterprises and statutory bodies, increased by $621.4 million to $31.4 billion (15.9 per cent of GDP) at the end of September 2023 **(Table 12)**. New borrowings for the twelve months to September 2023 totalled $3.6 billion, of which $1.7 billion was contracted by the Trinidad and Tobago Housing Development Corporation (HDC) for the payment of outstanding liabilities and new projects, as well as to repay an existing facility. Meanwhile, the Urban Development Corporation of Trinidad and Tobago (UDeCOTT) borrowed $880.4 million for the central block of the Port of Spain hospital and San Fernando Waterfront projects. The Estate Management and Business Development Company Limited (EMBD) contracted $480.6 million to fund general expenses, while the National Maintenance Training and Security Company (NMTS) contracted $444.3 million for infrastructure works. Non-self-serviced guaranteed debt service amounted to $5.0 billion, of which principal repayments totalled $3.3 billion.

[22] The loan was contracted in 2020.

TABLE 12

GENERAL GOVERNMENT DEBT OUTSTANDING, SEPTEMBER 2019 - SEPTEMBER 2023

/ TT$ MILLIONS /

	Sep-19	Sep-20	Sep-21[r]	Sep-22[r]	Sep-23
General Government Debt	**118,037.7**	**130,663.2**	**137,377.5**	**137,814.4**	**141,455.6**
Of which; Sterilisation[1]	17,802.8	12,070.3	10,570.3	8,827.8	5,036.5
Adjusted General Government Debt [2]	**100,234.9**	**118,592.9**	**126,807.2**	**128,986.7**	**136,419.1**
Central Government Domestic	**64,779.0**	**68,560.5**	**75,038.6**	**75,029.6**	**75,458.3**
General Development Bonds	27,059.2	31,295.2	39,722.8	41,354.1	45,725.9
CLICO and HCU Bonds	16,455.1	15,963.7	15,463.5	14,962.4	14,867.9
VAT Bonds[3]	0.0	3,000.0	3,000.0	3,000.0	3,000.0
BOLTS and Leases	105.4	78.6	129.3	232.6	296.3
Debt Management Bills	3,340.0	6,136.0	6,136.0	6,636.0	6,515.1
Open Market Operations	17,802.8	12,070.3	10,570.3	8,827.8	5,036.5
Treasury Bills	14,061.5	8,479.0	8,479.0	6,736.5	3,126.5
Treasury Notes	1,432.0	2,132.0	1,632.0	1,632.0	1,910.0
Treasury Bonds	2,309.3	1,459.3	459.3	459.3	0.0
Liquidity Absorption Bonds	0.0	0.0	0.0	0.0	0.0
Central Government External	**26,349.5**	**31,620.4**	**31,167.3**	**31,975.2**	**34,566.3**
Non Self-Serviced Guaranteed Debt [4]	**26,909.3**	**30,482.2**	**31,171.7**	**30,809.6**	**31,431.0**
State Owned Enterprises	17,498.7	20,078.3	20,212.3	19,442.7	20,178.4
Statutory Authorities	9,410.6	10,403.9	10,959.4	11,367.0	11,252.6
(Per Cent of GDP)[5]					
General Government Debt	72.8	89.8	86.2	71.2	71.6
Adjusted General Government Debt	61.9	81.5	79.6	66.6	69.1
Central Government Domestic Debt[2]	29.0	38.8	40.5	34.2	35.7
External Debt	16.3	21.7	19.6	16.5	17.5
Non-Self Serviced Guaranteed Debt	16.6	20.9	19.6	15.9	15.9
Memo:					
Self-Serviced Guaranteed Debt	3,134.6	3,082.2	3,160.9	3,178.4	3,052.8
Of which; State Enterprises	3,065.9	3,055.9	3,156.0	3,173.9	3,048.6
Statutory Authorities	68.7	26.3	4.9	4.5	4.1

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

1 Comprise Treasury Bills and Treasury Notes issued for Open Market Operations (OMOs) and Treasury Bonds issued for liquidity management.

2 Excludes debt issued for sterilisation purposes.

3 Refers to bonds issued by the Government under the Value Added Tax Act for the settlement of VAT refunds owed to businesses in Trinidad and Tobago.

4 Refers to Government-guaranteed debt of public entities that are directly serviced by the Central Government.

5 Debt ratios prior to FY2023 are based on Nominal GDP data from the Central Statistical Office. Ratios for FY2023 are computed using Nominal GDP estimates from the Central Bank.

r Revised.

TABLE 13A

GOVERNMENT AND GOVERNMENT-GUARANTEED BORROWINGS UNDERTAKEN IN FY2022/23*

/ TT$ MILLIONS /

Date	Borrower	Amount ($Mn)	Source of Financing	Purpose of Financing	Borrowing Act Utilised
7-Oct-22	UDeCOTT	$213.0	Domestic	Debt refinancing	Guarantee of Loans Act (Companies) Act
21-Oct-22	CAL	US$25.0	Domestic	Settlement of outstanding liabilities	Guarantee of Loans Act (Companies) Act
17-Nov-22	EMBD	$153.6	Domestic	General corporate expenses	Guarantee of Loans Act (Companies) Act
29-Nov-22	NMTS	$269.6	Domestic	Infrastructure works	Guarantee of Loans Act (Companies) Act
16-Dec-22	Central Government	$1,000.0	Domestic	Debt refinancing	Development Loans Act
21-Dec-22	NIDCO	$230.9	Domestic	Solomon Hochoy Highway Extension to Pt. Fortin	Guarantee of Loans Act (Companies) Act
6-Jan-23	HDC	$1,000.0	Domestic	Outstanding liabilities & new projects	Guarantee of Loans Act (Statutory) Act
17-Jan-23	UDeCOTT	$226.5	Domestic	San Fernando Waterfront Redevelopment project	Guarantee of Loans Act (Companies) Act
24-Feb-23	Central Government	$500.0	Domestic	Debt refinancing	Development Loans Act
6-Mar-23	UDeCOTT	$159.7	Domestic	General corporate expenses	Guarantee of Loans Act (Companies) Act
7-Mar-23	Central Government	US$80.0	External	Water Sector Transformation	IADB Act 32, 1967, Chap 71:07
24-Mar-23	Central Government	$1,544.0	Domestic	Debt refinancing	Development Loans Act
3-Apr-23	NMTS	$174.7	Domestic	Infrastructure works	Guarantee of Loans Act (Companies) Act
21-Apr-23	EMBD	$327.0	Domestic	Settlement of outstanding obligations	Guarantee of Loans Act (Companies) Act
21-Apr-23	Central Government	US$102.4	Domestic	Debt refinancing	Development Loans Act
12-May-23	Central Government	$1,000.0	Domestic	To repay VAT bonds	Development Loans Act
16-Jun-23	UDeCOTT	$112.8	Domestic	Works at POS General Hospital	Guarantee of Loans Act (Companies) Act
16-Jun-23	UDeCOTT	US$25.0	Domestic	Works at POS General Hospital	Guarantee of Loans Act (Companies) Act
21-Jun-23	Central Government	$2,000.0	Domestic	To repay VAT bonds	Development Loans Act
22-Jun-23	Central Government	$3,000.0	Domestic	Settlement of outstanding VAT refunds	VAT Act
4-Aug-23	Central Government	$2,000.0	Domestic	Budget Support	Development Loans Act
28-Aug-23	Central Government	$1,000.0	Domestic	Budget Support	Development Loans Act
7-Sep-23	HDC	$700.0	Domestic	Debt refinancing	Guarantee of Loans Act (Statutory) Act
14-Sep-23	Central Government	US$560.0	External	Debt refinancing	External Loans Act
22-Sep-23	NIPDEC	$311.6	Domestic	Procurement of Medical Supplies	Guarantee of Loans Act (Companies) Act
26-Sep-23	Central Government	US$75.0	External	Support to Health System	CAF Act

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

* Excludes Government-guaranteed borrowings not directly serviced by the Central Government.

TABLE 13B

IMPACT OF FY2022/23 BORROWINGS ON BORROWING LIMITS

Borrowing Act	Borrowing Limit (TT$ Mn)	Outstanding Debt FY2022 (TT$ Mn)	Outstanding Debt FY2023 (TT$ Mn)	Remaining Headroom as at 30-Sep23 (TT$ Mn)
Development Loans Act	65,000.0	55,547.9	59,919.9	5,080.3
External Loans Act	30,000.0	19,133.6	20,220.6	9,779.4
Guarantee of Loans (Companies) Act[1]	45,000.0	22,759.6	23,171.2	21,828.8
Guarantee of Loans (Statutory Authorities) Act[1]	No Limit	11,562.9	11,814.4	No Limit
IADB Act	No Limit	4,855.6	4,673.1	No Limit
IBRD Act	No Limit	0.3	82.27	No Limit
CDB Act	No Limit	116.8	89.51	No Limit
CAF Act	No Limit	7,844.5	8,356.71	No Limit
Treasury Bills Act	30,000.0	14,221.0	9,734.1	20,265.9
Of which: OMOs	*23,000.0*	*7,585.0*	*3,100.0*	*19,900.0*
Debt Management Bills	*7,000.0*	*6,636.0*	*6,515.1*	*484.9*
Treasury Notes Act	15,000.0	1,632.0	1,910.0	13,090.0
Treasury Bonds Act	No Limit	459.3	0.0	No Limit
Purchase of Certain Rights and Validation Act (CLICO)[2]	10,700.0	569.6	493.3	None
Purchase of Certain Rights and Validation Act (HCU)[2]	400.0	217.6	199.2	None
VAT Act	6,000.0	3,000.0	3,000.0	3,000.0

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

1 The outstanding balances and remaining headroom reported under this Act excludes borrowing intended to be serviced directly by public entities.

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

CHAPTER 6

Monetary and Financial Developments

MONETARY POLICY

The Central Bank kept its policy rate unchanged throughout 2023 in the context of low inflation. In December 2023, the Repo rate was held at 3.50 per cent, where it stood since its reduction in March 2020. The Monetary Policy Committee (MPC) articulated that its decision balanced concerns about the necessity of utilising the Bank's tools to support a domestic economic recovery against the backdrop of an unsettled geopolitical landscape. The global retreat of inflation, the favourable performance of the local economy, and the increasing likelihood that interest rate differentials would improve as monetary policy in advanced economies became less aggressive, provided some degree of freedom to remain broadly accommodative. Furthermore, the Bank also continued its active liquidity management strategy over 2023, in order to facilitate stability in financial markets.

LIQUIDITY

Liquidity levels in the domestic banking system increased during 2023. Commercial banks' holdings of excess reserves increased to a monthly average of $5,888.1 million from $4,876.1 million in 2022. Net domestic fiscal injections (NDFI) – the main driver of liquidity – declined to $4,445.2 million in 2023 from $8,205.9 million observed over 2022. Over 2023, the Central Bank also injected liquidity into the financial system through the net maturity of $2,298.5 million in Open Market Operations (OMOs), compared to net maturities of $2,806.5 million in 2022. Although not a liquidity absorption tool, Central Bank sales of foreign exchange to authorised dealers indirectly removed $8,978.3 million from the system in 2023, compared to $8,493.2 million in 2022.

While average levels of liquidity were higher in 2023 than the previous year, there were several instances where large net fiscal withdrawals led to sharp reductions in liquidity during the latter half of the year. This resulted in increased interbank activity, which averaged $87.8 million daily in 2023 compared to a daily average of $30.4 million in 2022. The repurchase facility was accessed on one day in November 2023 for $0.3 million. Comparatively, in 2022, repurchase facility activity clustered around January for a daily average of $1.3 million.

INTEREST RATES

The TT 91-day OMO Treasury Bill rate increased by 64 basis points over 2023, settling at 1.14 per cent, reflecting liquidity conditions in the latter half of the year, as well as expectations concerning the path of Government debt. Tighter monetary policy in the US over the first half of 2023 impacted yields on US short-term instruments. The yield on the US 91-day short-term benchmark gained 98 basis points over 2023 to reach 5.40 per cent by the end of December. As a result, the

TT-US 91-day differential reached -426 basis points in December 2023 compared with -392 basis points in December 2022.

The commercial banks' weighted average lending rate (WALR) declined to 6.60 per cent in December 2023, 39 basis points lower relative to December 2022. The decrease in the WALR primarily reflected the effect of ample liquidity in 2023 despite the pickup in credit demand. The weighted average deposit rate increased by 3 basis points to 0.66 per cent over the same period. As a result, the rounded banking spread decreased by 42 basis points over the period December 2022 to December 2023 to reach 5.94 per cent.

With respect to other measures of profitability, commercial banks' return on assets reached 2.5 per cent in December 2023, which was the same as one year prior. Over the same period, return on equity reached 13.9 per cent in December 2023 from 13.5 per cent a year prior. The ratio of interest margin to gross income increased to 63.3 per cent from 59.1 per cent a year prior. Despite increased interbank activity levels throughout 2023, the interbank borrowing rate remained at 0.50 per cent. Consistent with the steady Repo rate over 2023, the median prime lending rate remained at 7.50 per cent throughout the year.

CONSOLIDATED[23] FINANCIAL SYSTEM CREDIT DEVELOPMENTS

Favourable domestic economic conditions[24] continued to fuel spending, strengthening the demand for credit. Compared to an increase of 6.5 per cent (year-on-year) in December 2022, consolidated system credit growth reached 8.4 per cent in December 2023, far exceeding pre-pandemic levels. Over 2023, the average growth in commercial bank lending increased marginally compared to the same period one year earlier, while the average expansion in non-bank lending sped up considerably. For the majority of 2023, consumer lending outpaced business and real estate mortgage lending.

Consumer credit picked up in 2023, likely due to the continued release of pent-up demand in the aftermath of the COVID-19 pandemic as well as improved labour market conditions. In December 2023, consumer lending expanded by 8.8 per cent (year-on-year), up from a rise of 6.6 per cent in December 2022. According to quarterly sectoral data, the value and volume of consumer loans accelerated, particularly the latter which recovered in 2023 – the average growth in the number of loans reached 4.1 per cent, up from a 1.8 per cent contraction in 2022. Notable, in December 2023, year-

[23] Refers to commercial banks and other deposit-taking institutions (excluding credit unions).

[24] Over 2023, the Trinidad and Tobago Economic Policy Uncertainty (EPU) Index ranged from 'low' to 'moderate' reflecting improvements in economic activity. The EPU Index is a Central Bank statistic that provides an estimate using a combination of the average standardised frequencies of newspaper articles from the T&T Express and the T&T Guardian on projects and initiatives that are expected to stimulate economic growth.

on-year increases were recorded for Motor Vehicles, a major consumer loan category, which rebounded (11.5 per cent); Other Purposes (7.5 per cent) which includes credit card debt (1.5 per cent); Home Improvement/ Renovation (17.8 per cent); Consolidation of Debt (7.4 per cent); and Refinancing (4.9 per cent).

Similarly, business loan activity grew robustly. The growth in demand for business loans over 2023 was likely influenced by a combination of factors, including the payment of outstanding VAT refunds and the encashment of VAT bonds (likely sources of collateral), the return of major seasonal events and pickups in non-energy sector activity. In December 2023, business credit grew by 10.1 per cent (year-on-year), slightly higher than the growth recorded in December 2022 (9.8 per cent). According to sectoral business lending data[25], though the value of business loans decelerated over the first three quarters of 2023, the volume of business loans gradually picked up momentum, reaching 21.6 per cent in the fourth quarter of 2023, up from 1.9 per cent one year earlier. In comparison to December 2022, all the categories of business loans with the exception of Finance, Insurance and Real Estate expanded. Over 2023, Finance, Insurance and Real Estate loan activity slowly decelerated due to contractions in the Real Estate segment of this category, and in the fourth quarter, three other sub-sectors contracted causing the overall industry to report a 0.1 per cent reduction in lending. Despite the contraction in the Finance, Insurance and Real Estate; and the decelerations in Agriculture (13.3 per cent); Construction (1.2 per cent); and Distribution (8.5 per cent), lending picked up in the Manufacturing (15.1 per cent); Other Services (9.3 per cent); and Petroleum (78.2 per cent)[26] sectors offsetting the dips in the other sectors.

Real estate mortgage lending gained momentum in 2023, expanding by 6.9 per cent (year-on-year) in December 2023, up from 3.9 per cent in December 2022. Over the twelve months to December 2023, commercial banks' real estate mortgage lending rose by 7.0 per cent, while non-bank mortgage lending declined by 3.7 per cent. The subdued interest rate environment supported growth in mortgage loans as interest rates on commercial banks' 'new' real estate mortgages edged down from 5.19 per cent in December 2022 to 5.09 per cent in December 2023. The deceleration in commercial banks' mortgage rates was driven by lower interest rates on residential mortgages. Residential interest rates on 'new' mortgages dipped slightly from 4.67 per cent in December 2022 to 4.66 per cent in December 2023. Meanwhile, commercial real estate mortgage interest rates on 'new' mortgages inched up from 5.86 per cent in December 2022 to 5.97 per cent in December 2023. As residential interest rates receded, loans for the acquisition of newly constructed homes increased by 6.0 per cent, compared to 1.5 per cent one year earlier, while loans for the purchase of existing

[25] Includes lending to both resident and non-resident businesses.

[26] As at December 2023, the share of Petroleum loans to total loans is 6.1 per cent. According to commercial banks, factors driving the uptick were financing for retooling, refurbishments and environmental, social, and corporate governance initiatives.

homes expanded by 7.4 per cent. Lending for the purchase of land grew by 1.9 per cent at the end of December 2023.

MONETARY AGGREGATES

In 2023, changes in the global investment climate and improvements in economic activity affected the composition of monetary aggregates in the system. By mid-2023, holdings of longer-term deposits gradually increased, outpacing the growth in shorter-term deposits Narrow money (M1-A), which consists of currency in active circulation plus demand deposits, declined by 1.7 per cent at the end of December 2023, compared to a rise of 4.5 per cent in December 2022 **(Appendix Table A.23)**. Driving the decline were demand deposits which contracted by 2.3 per cent compared with an increase of 5.1 per cent in December 2022. While currency in active circulation recorded several year-on-year contractions during the year, an increase of 2.1 per cent was recorded in December 2023, up from the rise of 0.8 per cent recorded one year earlier. In contrast, broad money (M2), which consists of M1-A plus time and savings deposits, maintained a steady growth momentum, rising by 2.4 per cent in December 2023, slightly higher than the 2.1 per cent increase in December 2022. Double-digit growth in time deposits and steady growth in saving deposits accounted for the expansion in M2. After 32 consecutive months of decline, time deposits rebounded in May 2023, coinciding with the payment of VAT refunds. Time deposits also emerged as an attractive, safer avenue to invest funds, given the underperformance of equity markets. Time deposits increased by 29.1 per cent in December 2023, compared with a decline of 9.8 per cent in December 2022. Meanwhile, growth was less pronounced for saving deposits, which rose by 2.6 per cent in December 2023, up from 1.7 per cent in December 2022.

FOREIGN CURRENCY CREDIT AND DEPOSITS

Foreign currency credit grew robustly over 2023. In December 2023, foreign currency credit grew by 31.1 per cent (year-on-year), up from 8.9 per cent in December 2022, driven by lending to the corporate sector. For businesses, foreign currency credit strengthened over 2023, a likely avenue used to meet foreign exchange demands as activity continues to pick up and investment opportunities emerge. In December 2023, foreign currency lending to businesses grew by 42.9 per cent, considerably higher than the increase of 5.7 per cent recorded twelve months prior.

Conversely, the withdrawal of foreign currency deposits continued into 2023. Despite showing an upsurge in October 2023 (a one-month increase due to a rebound in business foreign currency deposits), foreign currency deposits declined by 6.4 per cent (year-on-year) in December 2023, more significant than the contraction of 1.9 per cent observed twelve months earlier. Over the period, contractions in consumer foreign currency deposits progressively worsened – in December 2023 there was a decline of 10.6 per cent compared to an increase of

1.7 per cent in the year-earlier period. The contraction in consumer foreign currency deposits overshadowed the recovery in business foreign currency deposits which grew by 3.4 per cent in December 2023, a reversal from a decline of 5.9 per cent twelve months earlier.

FOREIGN EXCHANGE MARKET

The local market for foreign currency remained tight in 2023 as market imbalances persisted. PPurchases of foreign exchange from the public by authorised dealers amounted to US$4,614.6 million over 2023, a decrease of 16.5 per cent relative to the prior year. Decreased purchases followed a fall of 29.0 per cent in conversions by energy companies relative to 2022 due to their limited need for domestic currency liquidity in the face of sizeable VAT bond repayments in 2023. Over 2023, purchases from the energy sector accounted for 68.8 per cent of total foreign currency purchases over US$20,000 in value.

Sales of foreign exchange by authorised dealers to the public reached US$6,228.4 million over 2023, a decrease of 4.9 per cent relative to the previous year. Based on reported data for transactions over US$20,000, credit cards (40.0 per cent), retail and distribution (18.4 per cent), energy companies (16.8 per cent) and automobile companies (5.9 per cent) made up the bulk of foreign exchange sales by authorised dealers to the public[27]. The net sales gap reached US$1,613.7 million during the period. To support the market, the Central Bank sold US$1,341.9 million to authorised dealers[28]. The weighted average TTD/USD selling rate depreciated slightly from TT$6.7782/US$1 in December 2022 to TT$6.7797/US$1 in December 2023.

[27] Credit cards (35.0 per cent), retail and distribution (16.1 per cent), energy companies (14.8 per cent) and automobile companies (5.2 per cent) made up the bulk of total foreign exchange sales by authorised dealers to the public based on all reported transactions.

[28] Sales of foreign currency to authorised dealers by the Central Bank are consistently smaller than sales of foreign exchange by authorised dealers to the public and tend to approximate the net sales gap. In 2023, interventions by the Central Bank accounted for 21.6 per cent of total sales of foreign exchange by authorised dealers to the public.

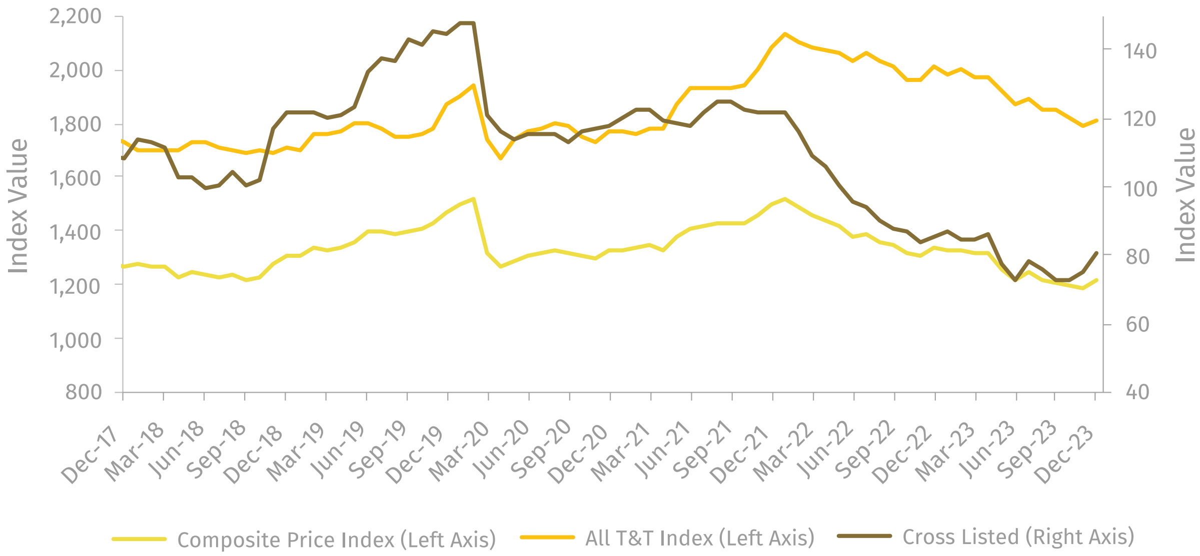
CHAPTER 7
Capital Markets

STOCK MARKET

The domestic stock market recorded another year of decline despite an improvement in domestic economic conditions (Figure 2). Over 2023, the Composite Price Index (CPI) declined by 8.9 per cent, driven by a 9.8 per cent fall in the All T&T Index (ATI) and a decrease of 5.6 per cent in the Cross Listed Index (CLI). Consequently, total stock market capitalisation fell by 8.8 per cent to $115.7 billion. In comparison, over 2022 the CPI declined by 11.0 per cent as a result of a 29.9 per cent plunge in the CLI and 3.7 per cent fall in the ATI. Although domestic equities were plagued by inflationary pressures in 2022, deteriorating conditions in the domestic stock market over 2023 mostly reflected investor pessimism on the earnings potential of domestic equities, linked to slowing global economic conditions, monetary policy tightening in most of the AEs, and declining domestic energy sector activity.

The underwhelming performance of regionally-listed stocks was mirrored in a decrease of 6.1 per cent in the Caribbean Exchange Index (CEI)[29]. This largely reflected the weakening of the Trinidad and Tobago CPI, in addition to a fall of 8.5 per cent in the Jamaican stock index (JSE) due to monetary policy tightening and a decline of 10.4 per cent in the Guyana Stock Market Capitalisation on account of reduced investor sentiment. On the other hand, the Barbados Stock Exchange (BSE) recorded a notable improvement of 9.1 per cent over the same period.

FIGURE 2
TRINIDAD AND TOBAGO STOCK INDEX RETURNS



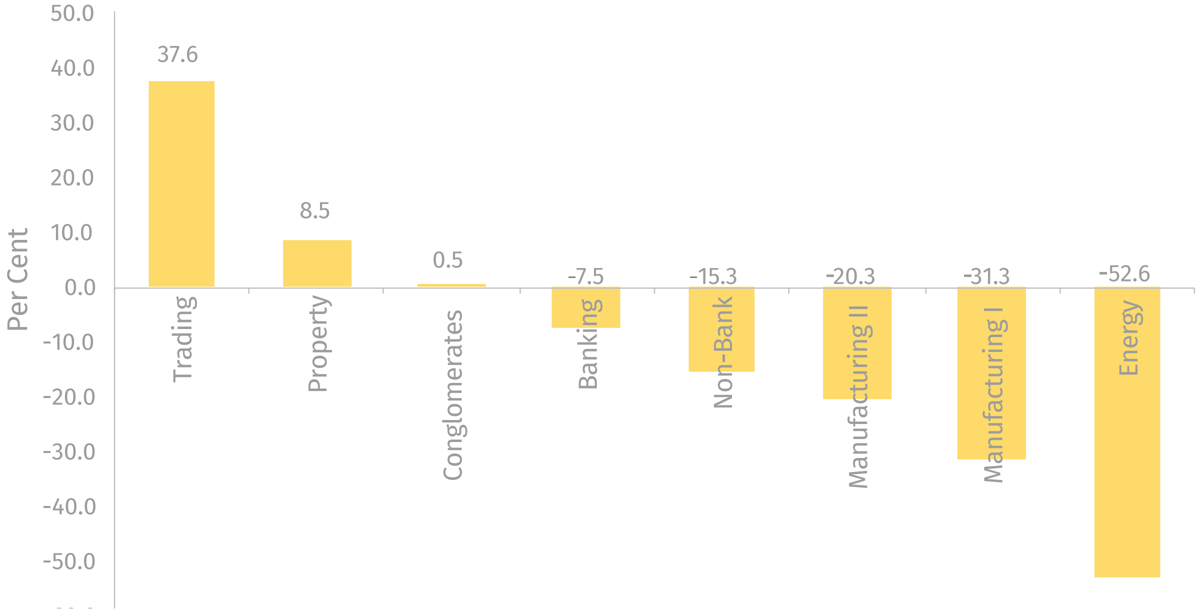
Source: Trinidad and Tobago Stock Exchange

[29] The CEI was launched in October 2022 as a collaborative effort by five regional stock exchanges: Jamaica, Barbados, The Eastern Caribbean, Guyana, and Trinidad and Tobago. The index consolidates the activity of the main market stocks across the different exchanges into a single performance measure and is intended to be an indicator of the performance of the Caribbean region.

The sub-indices recorded mixed movements over 2023 (Figures 3 and 4). The strongest performance was recorded in the Trading sub-index (37.6 per cent), supported by expansions of 48.1 per cent and 37.0 per cent in Prestige Holdings Limited (PHL); and Agostini Limited (AGL), respectively. Recent financial reports by PHL indicated improved sales and operating efficiencies, while AGL noted strong operational performance and strategic acquisitions. Other indices to record positive growth were Property (8.5 per cent); and Conglomerates (0.5 per cent).

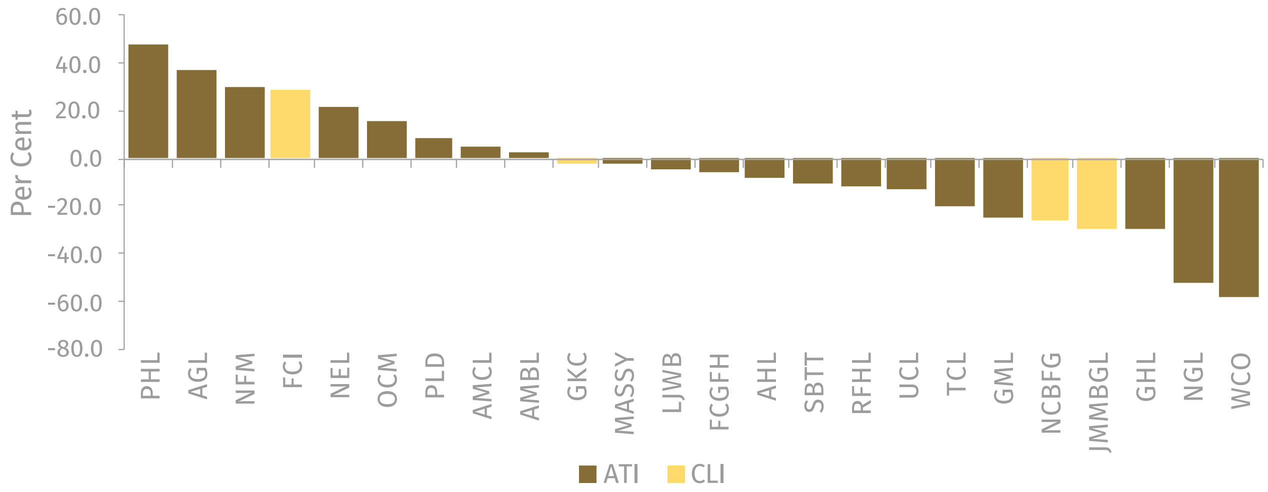
In contrast, the remaining five indices registered declines over the year. The Energy index plummeted by 52.6 per cent, driven by the same decrease in Trinidad and Tobago NGL Limited (NGL). NGL indicated that the deterioration in financial conditions was due to lower sales volumes and lower recognised Mont Belvieu natural gas liquids prices, largely owing to an increase in US NGL production and falling exports. Additionally, the Manufacturing I index fell by 31.3 per cent due to declines in The West Indian Tobacco Company Limited (-57.6 per cent); Guardian Media Limited (-25.2 per cent); Unilever Caribbean Limited (-13.2 per cent); and Angostura Holdings Limited (-8.5 per cent). While some of these companies recorded somewhat favourable financial performances, the decline in stock prices reflected waning investor sentiment on earnings potential. Other indices to record declines over 2023 were Manufacturing II (-20.3 per cent); Non-Banking Finance (-15.3 per cent); and Banking (-7.5 per cent).

FIGURE 3
TRINIDAD AND TOBAGO STOCK MARKET SUB-INDEX RETURNS
(DECEMBER 2022 TO DECEMBER 2023)



Source: Trinidad and Tobago Stock Exchange.

FIGURE 4
TRINIDAD AND TOBAGO INDIVIDUAL STOCK RETURNS
(DECEMBER 2022 TO DECEMBER 2023)



Sources: Trinidad and Tobago Stock Exchange

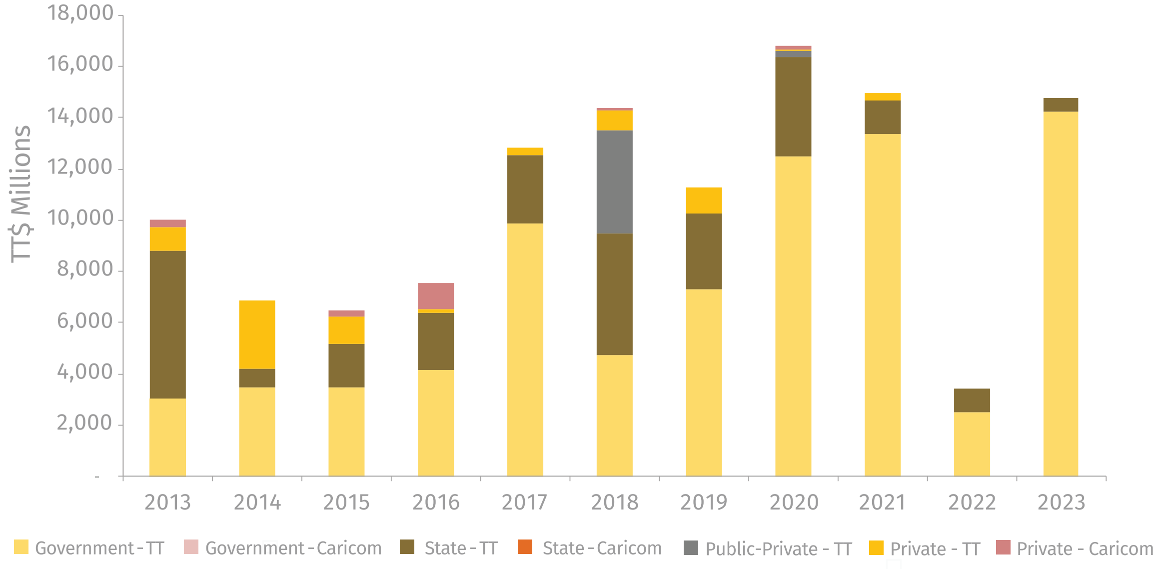
Weaker market conditions resulted in a decline in trading activity over 2023. During the year, the first tier market observed 106.2 million shares being exchanged at a value of $1,092.8 million, corresponding to a turnover ratio of 0.92. Meanwhile, trading volume was dominated by the Conglomerates index, accounting for 52.0 per cent or 55.2 million shares, while the Banking index captured 46.6 per cent of total trading value, amounting to $509.1 million. In comparison, during 2022, the market recorded 184.3 million shares traded at a value of $1,706.9 million, corresponding to a turnover ratio of 1.28.

PRIMARY DEBT MARKET

Provisional information over 2023 suggests that primary debt market activity was significantly higher than in 2022 (Figure 5 and Table 14). During the year, the local bond market recorded twelve primary issues at a face value of $14,788.6 million[30]. In comparison, during 2022, the market registered only four primary issues at a face value of $3,410.0 million. Over the twelve-month period, the Government accounted for the majority of activity, with nine multiple tranche private placements raising $14,236.05 million for the purpose of repayment of existing facilities, budget support and the settlement of outstanding VAT refunds through the issuance of VAT bonds. Additionally, two state enterprises accessed the market for financing of $552.5 million (via three bond issues), while the private sector was absent over the year.

[30] Excluded from the analysis is the US$560 million bond issued by the Government on the international market in September 2023 for the repayment of a maturing US denominated bond.

FIGURE 5
PRIMARY DEBT SECURITY ACTIVITY 2013 – 2023p



Sources: Ministry of Finance and market participants
p Provisional

TABLE 14
PRIMARY DEBT SECURITY ACTIVITY, JANUARY-DECEMBER 2023p

Period Issued	Borrower	Face Value (TT$ Mn)	Period to Maturity	Coupon Rate Per Annum	Placement Type
Feb-23	Government of Trinidad and Tobago	500.0	7.0 years	Fixed Rate 4.23%	Private
	First Citizens Investment Services Limited (FCIS)	200.0	3.0 years	Fixed Rate 3.40%	Private
Mar-23	Government of Trinidad and Tobago (TT$1.544Bn)				
	Tranche 1	500.0	5.0 years	Fixed Rate 2.60%	Private
	Tranche 2	400.0	10.0 years	Fixed Rate 4.95%	Private
	Tranche 3	644.0	18.0 years	Fixed Rate 6.15%	Private
Apr-23	Government of Trinidad and Tobago (US$102.4 Mn)	692.05 (US$102.4Mn)	5.0 years	Fixed Rate 5.65% (Amort.)	Private
May-23	Government of Trinidad and Tobago (TT$1.0Bn)				
	Tranche 1	600.0	9.0 years	Fixed Rate 4.44%	Private
	Tranche 2	400.0	18.0 years	Fixed Rate 5.74%	Private
Jun-23	Government of Trinidad and Tobago (TT$2.0Bn)				
	Tranche 1	600.0	5.0 years	Fixed Rate 4.09%	Private
	Tranche 2	400.0	12.0 years	Fixed Rate 4.91%	Private
	Tranche 3	1,000.0	20.0 years	Fixed Rate 6.50%	Private
	Government of Trinidad and Tobago (TT$3.0Bn)	3,000.0	3.0 years	Fixed Rate 3.15%	Private
Aug-23	Government of Trinidad and Tobago (TT$2.0Bn)				
	Tranche 1	1,000.0	6.0 years	Fixed Rate 4.34%	Private
	Tranche 2	400.0	10.0 years	Fixed Rate 4.97%	Private
	Tranche 3	600.0	20.0 years	Fixed Rate 6.15%	Private
	Government of Trinidad and Tobago (TT$1.0Bn)	1,000.0	4.0 years	Fixed Rate 3.71%	Private
Sep-23	Home Mortgage Bank (HMB)	150.0	3.0 years	Floating Rate 3.30%	Private
Oct-23	First Citizens Investment Services Limited (FCIS)	202.52 (US$30.0 Mn)	2.0 years	Fixed Rate 5.75%	Private
Nov-23	Government of Trinidad and Tobago (TT$2.5 Bn)				
	Tranche 1	1,200.0	5.0 years	Fixed Rate 4.30%	Private
	Tranche 2	650.0	10.0 years	Fixed Rate 4.96%	Private
	Tranche 3	650.0	15.0 years	Fixed Rate 5.80%	Private

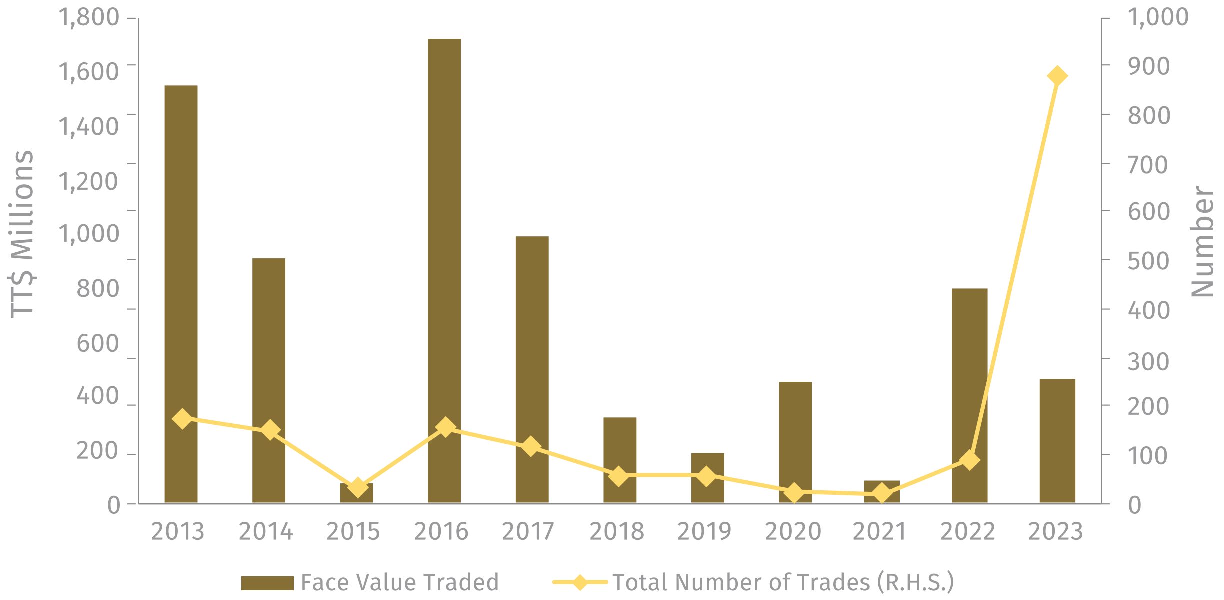
Sources: Ministry of Finance and market participants
p Provisional

SECONDARY DEBT MARKET

Despite a substantial increase in the number of trades on the secondary Government Bond Market, the face value traded in 2023 was lower than the previous year (Figure 6). During 2023, the Trinidad and Tobago Stock Exchange (TTSE) secondary Government Bond Market recorded 880 trades compared to 91 trades in 2022. This was largely on account of investors trading their holdings of the Government series II bond following the CLICO Investment Fund (CIF) redemption and distribution of assets[31]. Despite the large jump in trades, the total face value exchanged over 2023 was $455.1 million compared to $792.2 million in 2022

Activity on the secondary Corporate Bond Market[32] continued to record declines in 2023, recording 98 trades at a face value of $4.3 million. This compares to 183 trades at a face value of $24.8 million in 2022 and 258 trades at a face value of $133.7 million in 2021.

FIGURE 6
SECONDARY GOVERNMENT DEBT SECURITY ACTIVITY



Source: Trinidad and Tobago Stock Exchange

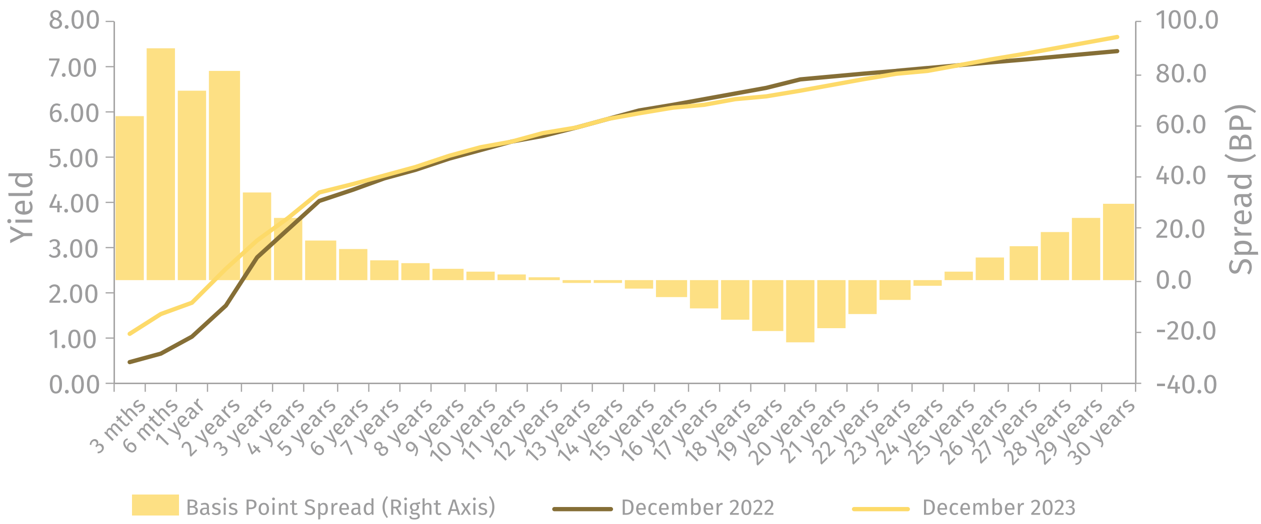
[31] In January 2023, a $702.9 million series II 2037 Government bond was listed on the Trinidad and Tobago Stock Exchange secondary Government Bond Market. This bond was previously issued in 2012 and formed part of the CIF distribution of assets. During 2023, the secondary Government Bond Market recorded 857 trades at a face value of $52.9 million of this Series II 2037 bond.

[32] The secondary Corporate Bond Market records the trading activity of the three bonds issued by the National Investment Fund Holding Company Limited (NIFHCL), which were listed in September 2018.

CENTRAL GOVERNMENT SECONDARY BOND MARKET, YIELD CURVE[33] AND BOND INDEX

The Central Government yield curve mostly displayed an increasing trend over 2023 (Figure 7). Over the year, the short-term 3-month and 1-year rates jumped by 64 basis points to 1.14 per cent and 73 basis points to 1.79 per cent, respectively. The upticks in short-term rates were driven by a substantial decline in excess liquidity conditions, especially during the fourth quarter of 2023. Excess liquidity conditions similarly influenced the medium-term rates as the 3-year and 5-year rates increased by 34 basis points to 3.15 per cent and 16 basis points to 4.22 per cent, respectively. On the other hand, the 10-year rate gained just 3 basis points to 5.22 per cent, while the 15-year and 20-year rates declined by 2 basis points to 5.99 per cent and 23 basis points to 6.48 per cent, respectively. The decrease in these long-term rates was likely due to a tempering of inflation expectations. In comparison, during 2022 the Government yield curve observed an upward shift in rates across all tenors due to a combination of falling excess liquidity, increasing Government debt and associated higher risk premiums and rising inflation expectations.

FIGURE 7
TRINIDAD AND TOBAGO GOVERNMENT TREASURY YIELD CURVE



Source: Central Bank of Trinidad and Tobago

[33] The TT Treasury Yield Curve is constructed monthly by the Central Bank of Trinidad and Tobago and is based on information from Domestic Market Operations, the TTSE Secondary Government Bond Market, and market reads from market participants.

MUTUAL FUNDS INDUSTRY

During 2023, the domestic mutual fund industry grew marginally, primarily due to growth in fixed Net Asset Value (NAV) funds (Figure 8). Aggregate funds under management gained by 0.4 per cent to $52,462.7 million compared to a decline of 1.8 per cent in 2022. The improvement in the industry was driven by an increase of 1.3 per cent in fixed NAV funds to $39,391.4, while floating NAV funds recorded a decline of 2.4 per cent to $13,071.3 million. Over the year, the movement towards the relative safety of fixed NAV funds was prompted by the negative valuation impact of higher interest rates from monetary policy tightening in AEs and weaker domestic equity market performance. Among the fixed NAV funds, the inherent lower interest rate risk in Money Market funds resulted in these funds expanding by 1.4 per cent to $15,382.0 million. Additionally, Income funds gained only 0.4 per cent to $28,483.0 million over 2023. However, this was mainly due to an increase of 1.2 per cent in fixed NAV Income funds, while floating NAV Income funds fell by 4.1 per cent. Furthermore, reflecting the challenging conditions in the domestic equity market in 2023, Equity funds recorded a decline of 1.4 per cent to $8,153.4 million, while funds classified as 'Other' fell by 1.1 per cent to $444.3 million. Overall industry growth was supported by foreign currency funds, as these funds expanded by 5.1 per cent to $9,890.0 million compared to a decline of 0.7 per cent to $42,572.7 million in TT dollar-denominated mutual funds.

Despite a slight improvement in aggregate fund value, the mutual funds industry recorded net redemptions of $544.6 million in 2023, comprising $16,451.7 million in sales and $16,996.4 million in redemptions. This represented a significant reversal from the $1,133.2 million in net sales registered in 2022. The net redemptions position in 2023 was driven by net withdrawals from Income Funds and Equity Funds of $717.7 million and $269.1 million, respectively. On the other hand, reflecting the drive towards safety, money market funds recorded net sales amounting to $441.8 million. Additionally, despite growth in the value of foreign currency funds, these funds observed $157.5 million in net withdrawals, while TT dollar funds registered $387.1 million in net withdrawals.

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

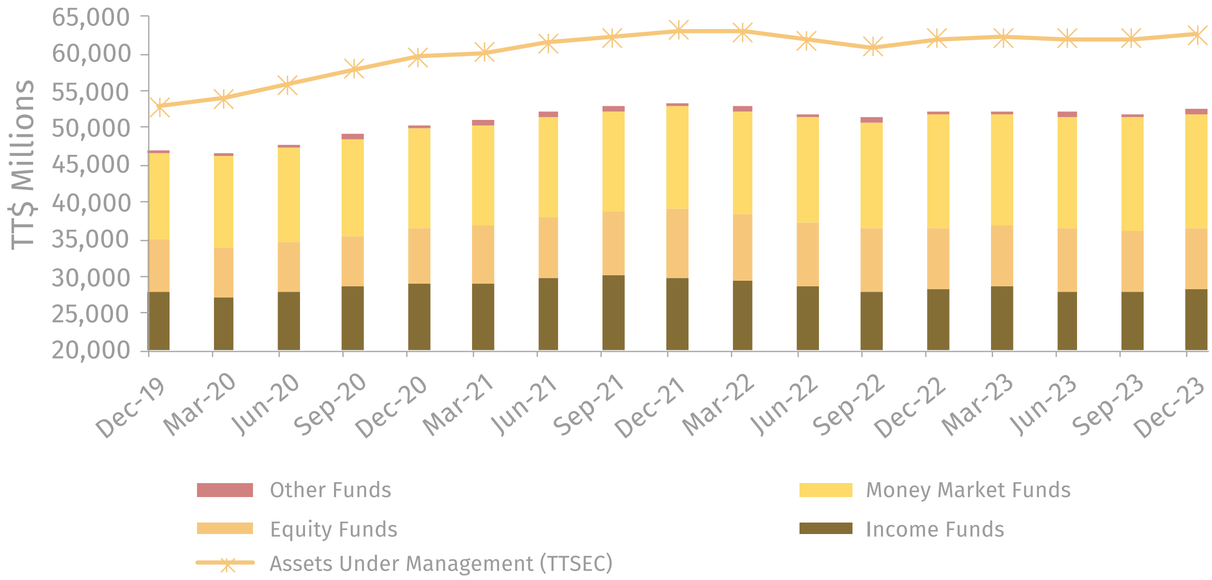
[35] As at the end of December 2023, data collected by the Central Bank accounted for 83.7 per cent of the industry's 79 TTSEC registered funds.

[36] Other funds represent high yield funds and special purpose funds.

Collective Investment Scheme (CIS) data published by the Trinidad and Tobago Securities and Exchange Commission (TTSEC)[37] suggests that during 2023, the total value of Assets Under Management (AUM) for all registered funds recorded an increase of 1.0 per cent to $62,664.4 million. However, the industry recorded net withdrawals amounting to $175.8 million, encompassing $20,869.8 million in sales and $21,045.6 million in redemptions.

FIGURE 8

MUTUAL FUNDS: AGGREGATE FUND VALUE



Sources: Trinidad and Tobago Securities and Exchange Commission (TTSEC) and Central Bank of Trinidad and Tobago

[37] CIS data from the TTSEC represents 79 registered funds from 16 issuers at the end of 2023.

CHAPTER 8

International Trade and Payments

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

BALANCE OF PAYMENTS

Trinidad and Tobago's external accounts recorded an overall deficit of $454.8 million over the period January to September 2023 (Table 15A). This outturn was reflective of the combined surplus on the current account and a net outflow on the financial account. More specifically, the current account surplus narrowed during the first nine months of 2023 owing to a deterioration in the net goods trading position, which more than outstripped the improvements in the services and income accounts. Meanwhile, the financial account recorded a net outflow, primarily on account of transactions in the direct investment category, particularly from a reduction in the reinvestment of earnings and a simultaneous pickup in intercompany lending between fellow enterprises within the energy sector.

Lower export earnings were mainly responsible for the deterioration of the net goods trading position which led to the narrowed current account surplus over the nine-month period. The current account recorded a surplus of $2,514.9 million over January to September 2023, 37.5 per cent lower when compared to the same period one year prior ($4,024.8 million). This outturn primarily reflected a deterioration in the net goods trading position, which declined by more than half (57.7 per cent) to $3,155.5 million, as a result of reduced export earnings which outpaced the reduction in imports. Export earnings recorded a fall-off of more than one-third of its value (39.2 per cent) to $8,059.7 million, driven mainly by lower energy exports. In particular, the value of energy exports decreased by 42.5 per cent to $6,524.6 million, indicative of declines across all commodity sub-categories; petrochemicals (-49.3 per cent), gas (-44.1 per cent), and petroleum crude and refined products (-25.6 per cent). This outturn was reflective of a combination of lower international energy prices[38] and export volumes for some energy products. A reduction in non-energy exports was also recorded over the review period. Non-energy exports fell to $1,535.0 million, a 19.6 per cent reduction compared to the same period one year earlier, due to declines in manufacturing, and machine and transport equipment. However, this was tempered by an increase in exports of inedible crude materials. Moreover, the reduction in non-energy exports stemmed from a moderation in external demand over the first nine months of 2023, particularly from the domestic economy's major export destinations including the US, the European Union (EU) and CARICOM.

Partially offsetting the reduction in export earnings was the simultaneous decline in imports. Total imports decreased by 15.2

[38] WTI oil prices averaged US$77.44 per barrel over the period January to September 2023 compared to US$98.29 per barrel in the similar period one year earlier. Meanwhile, Henry Hub natural gas prices averaged US$2.47 per mmbtu during the first nine months of 2023, compared to US$6.67 per mmbtu in the same period of 2022.

per cent to $4,904.1 million during the first nine months of 2023 on account of declines in both fuel and non-fuel imports. Aided by lower prices, fuel imports fell to $991.0 million compared to $1,519.4 million in the same period of 2022. Meanwhile, lower domestic demand for manufactured products and capital goods mainly contributed to a decrease of 8.2 per cent in non-energy imports (to $3,913.1 million) over the nine-month period. Food imports fell marginally by 0.2 per cent (year-on-year) to US$713.2 million.

The deficit on the services account narrowed to $726.0 million over the first nine months of 2023, down from a larger deficit of $2,041.4 million over the same period one year earlier. This improved outturn stemmed largely from smaller deficits on the financial services and other business services sub-accounts. More specifically, the deficit on financial services improved to $20.7 million, down from $927.6 million in the same period of 2022, owing to significantly lower spending on foreign financial services. Meanwhile, other business services also recorded a narrowed deficit due to lower spending on imported services, particularly technical and trade-related, and other business services. The outturns on the transport and travel sub-accounts supported the improved performance on the services account. The deficit on the transport account lessened by 49.3 per cent to $160.8 million over the first nine months of 2023, mainly on account of increased receipts from non-resident spending on domestic air transport services. Concurrently, the surplus on the travel account widened by 57.9 per cent to $277.6 million over the reference period, reflecting a pickup in visitor spending in the domestic economy, boosted by the Carnival season[39]. Notably, the surplus on the travel services sub-account surpassed the pre-pandemic level of $273.1 million over the similar period in 2019.

Improved performances were recorded in both the primary and secondary income accounts over the review period. A smaller deficit was recorded on the primary income account owing to a decline in the repatriation of earnings abroad by energy sector companies, likely due to the effects of softer international energy prices on export earnings. At the same time, a wider surplus was recorded on the secondary income account due to increased inbound government transfers, attributable to an increase in withholding taxes, mainly on energy sector companies' income payments abroad, over the first nine months of 2023.

The financial account recorded a net outflow of $962.6 million in the first nine months of 2023. Movement in the direct investment category was largely responsible for this outturn. More specifically, direct investment registered a net outflow of $1,584.6 million due to a combination of increased foreign assets and a reduction in domestic liabilities. In particular, the decrease in direct investment liabilities (direct investment in Trinidad and Tobago by foreign investors) of $828.8 million mainly stemmed from a fall-off in the reinvestment of earnings, primarily by upstream energy sector companies. Compounding this outturn was the simultaneous increase in

[39] Trinidad and Tobago's Carnival season is usually over the first three months of the year. Over the period January to March 2023, non-resident spending in the domestic economy increased by more than 100.0 per cent to an estimated $175.6 million, up from $58.5 million over the same period one year prior.

direct investment assets, which registered a net outflow of $755.9 million, owing to a rise in intercompany lending between fellow enterprises within the energy sector, and to a lesser extent an increase in equity capital holdings abroad, primarily by financial holding companies.

In contrast, a reduction in assets held abroad led to a net inflow of $338.3 million in the other investment[40] category, which partially offset the net outflow on the direct investment account. The decline in other investment assets ($291.8 million) over the review period was attributed to a reduction in currency and deposits held abroad by residents in the domestic energy sector. Tempering this outturn were increases in other accounts receivable, trade credits and loan assets. On the other hand, there was a pickup in other investment liabilities ($46.5 million), driven by other accounts payable, and currency and deposits owed to non-residents. However, there were simultaneous declines in trade credits and loan liabilities owed to non-residents over the reference period.

Meanwhile, increased holdings of domestic securities by foreign entities were mainly responsible for a net inflow of $270.5 million in the portfolio investment account over the period January to September 2023. The rise in portfolio liabilities of $332.3 million was on account of increased holdings of long-term domestic debt securities by non-residents. More specifically, the movement reflects the issuance of a Central Government bond on the international capital market in September 2023. Notwithstanding, this increase was somewhat offset by a minor reduction in holdings of short-term debt securities. Portfolio investment assets registered a moderate uptick of $61.8 million as domestic investors increased their holdings of foreign equity and debt securities. Partially offsetting the overall net outflow on the financial account was a small net inflow of $13.2 million recorded in the financial derivatives category, mainly attributable to transactions involving the HSF.

At the end of December 2023, gross official reserves amounted to $6,257.9 million (equivalent to 7.8 months of import cover), $574.5 million lower when compared to the end of December 2022. This meant that the external accounts registered an overall deficit in 2023. Despite the reduction in outflows during the year, the simultaneous fall-off in oil and gas receipts led to an overall decline in the level of reserves. The import capacity indicator[41], a gauge of Trinidad and Tobago's external vulnerability, averaged 1.2 for the first nine months of 2023, signaling that the level of financial inflows was able to cover 120.0 per cent of import demand over the period. However, over the same period in 2022, the import capacity indicator was recorded at 1.7 (or 170.0 per cent). The fall-off in export earnings over the three quarters of 2023, largely owing to softer international energy prices, primarily accounted for the deterioration in Trinidad and Tobago's import capacity ratio.

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

[41] The import capacity indicator, which encompasses a mixture of variables such as the purchasing power of exports, national funds and foreign financial flows (which cumulatively provide the net inflows of foreign exchange resources), relative to the size of import demand over a given period of time, represents an additional indicator of external vulnerability for Trinidad and Tobago. A ratio of 1.0 (or 100.0 per cent) or above represents an ideal coverage position, while below 1.0 represents an insufficient coverage position to meet the domestic economy's level of import demand over a specified period of time.

TABLE 15A

TRINIDAD AND TOBAGO: SUMMARY BALANCE OF PAYMENTS

/ US$ MILLIONS /

	2019	2020	2021	2022	Jan-Sep 2023p	Jan-Sep 2022p
Current Account	**1,020.1**	**-1,356.4**	**2,695.2**	**5,381.9**	**2,514.9**	**4,024.8**
Goods and Services	**1,605.4**	**-344.8**	**2,906.2**	**6,889.5**	**2,429.5**	**5,425.2**
Goods, net*	2,731.8	984.1	4,711.9	9,180.9	3,155.5	7,466.6
Exports**	8,764.3	6,002.9	11,082.0	16,687.1	8,059.7	13,247.7
Energy	6,973.6	4,357.2	8,962.1	14,305.1	6,524.6	11,338.7
Non-Energy	1,790.7	1,645.7	2,119.9	2,382.0	1,535.0	1,908.9
Imports**	6,032.5	5,018.8	6,370.1	7,506.2	4,904.1	5,781.1
Fuels***	1,222.1	723.3	1,160.8	1,863.0	991.0	1,519.4
Other	4,810.4	4,295.5	5,209.3	5,643.1	3,913.1	4,261.7
Services, net	-1,126.4	-1,328.9	-1,805.7	-2,291.5	-726.0	-2,041.4
Primary Income, net	**-607.1**	**-1,055.6**	**-325.8**	**-1,584.2**	**-22.6**	**-1,448.4**
Secondary Income, net	**21.8**	**44.0**	**114.7**	**76.6**	**108.0**	**48.1**
Capital Account	**10.3**	**0.5**	**6.7**	**0.2**	**0.3**	**0.1**
Financial Account	**574.7**	**-1,513.3**	**2,642.4**	**3,034.1**	**962.6**	**2,139.2**
Direct Investment	**-69.8**	**-958.0**	**1,702.3**	**2,085.9**	**1,584.6**	**1,621.3**
Net Acquisition of Financial Assets	114.2	98.0	767.5	1,172.4	755.9	1,350.0
Net Incurrence of Liabilities	184.0	1,056.0	-934.8	-913.5	-828.8	-271.3
Portfolio Investment	**1,453.9**	**-184.6**	**256.3**	**754.2**	**-270.5**	**322.9**
Net Acquisition of Financial Assets	1,245.4	-85.5	257.6	674.4	61.8	242.8
Net Incurrence of Liabilities	-208.5	99.2	1.3	-79.8	332.3	-80.0
Financial Derivatives	**-0.2**	**-8.7**	**137.4**	**-99.9**	**-13.2**	**34.4**
Net Acquisition of Financial Assets	-0.4	-9.1	176.3	-65.1	15.2	20.0
Net Incurrence of Liabilities	-0.2	-0.4	38.9	34.8	28.3	-14.5
Other Investment****	**-809.1**	**-362.1**	**546.4**	**294.0**	**-338.3**	**160.5**
Net Acquisition of Financial Assets	329.1	-267.1	951.2	881.1	-291.8	557.2
Net Incurrence of Liabilities	1,138.2	95.0	404.9	587.1	46.5	396.6
Net Errors and Omissions	**-1,101.9**	**-132.6**	**-133.6**	**-2,395.2**	**-2,007.4**	**-1,996.4**
Overall Balance	**-646.1**	**24.8**	**-74.2**	**-47.2**	**-454.8**	**-110.6**
(Per Cent of GDP)						
Current Account	**4.3**	**-6.5**	**11.0**	**17.9**	**11.3**	**17.9**
Goods, net	11.5	4.7	19.2	30.5	14.2	33.1
Exports	36.9	28.8	45.2	55.5	36.2	58.8
Imports	25.4	24.1	26.0	25.0	22.0	25.7
Services, net	-4.7	-6.4	-7.4	-7.6	-3.3	-9.1
Primary Income, net	-2.6	-5.1	-1.3	-5.3	-0.1	-6.4
Overall Balance	**-2.7**	**0.1**	**-0.3**	**-0.2**	**-2.0**	**-0.5**
Memorandum Item						
Gross Official Reserves^	6,929.0	6,953.8	6,879.6	6,832.4	6,377.6	6,769.0

Source: Central Bank of Trinidad and Tobago

Notes:

1 GDP data used for ratios to GDP prior to 2023 are sourced from the CSO; data for 2023 are Central Bank estimates.

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

The following financial account movements are represented with a negative sign:
- A decrease in assets (inflow)
- A decrease in liabilities (outflow)
- A net inflow in net balances

The following financial account movements are represented with a positive sign:
- An increase in assets (outflow)
- An increase in liabilities (inflow)
- A net outflow in net balance

* Energy goods data comprise estimates by the Central Bank of Trinidad and Tobago.

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

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

^ End of Period.

p Provisional.

INTERNATIONAL INVESTMENT POSITION

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

Trinidad and Tobago's net international investment position (NIIP) was estimated at $9,328.5 million at the end of September 2023, an increase of $1,853.5 million from the balance at the end of 2022 (Table 15B). The improvement in the country's net asset position reflected an increase in external assets coupled with a reduction in external liabilities. More specifically, the rise in foreign assets was mainly attributable to increased foreign equity holdings abroad by residents and higher intercompany lending. Meanwhile, a reduction in direct investment, particularly equity capital and reinvested earnings, was mainly responsible for the decline in external liabilities.

Over the reference period, the stock of external assets rose by $1,441.6 million to $30.9 billion, largely driven by movements in portfolio investment and direct investment. In particular, growth in portfolio investment of $1,229.6 million (to $11.9 billion), was primarily underpinned by increased holdings of foreign equity securities by pension funds, as well as the HSF. Compounding this was an uptick in direct investment of $913.3 million (to $6.2 billion), largely owing to increased intercompany lending between fellow companies within the energy sector. Transactions involving the HSF during the nine-month period also contributed to minor increases in financial derivatives. Partially offsetting the accumulation of external assets was a reduction in reserve assets by $454.8 million (to $6.4 billion) as outflows, mainly from central bank and debt service payments, outstripped inflows during the period.

At the same time, the stock of external liabilities fell by $411.9 million to $21.6 billion at the end of the first nine months of 2023 due to movements in the direct investment category. More specifically, the reduction in direct investment liabilities by $928.2 million to $9.2 billion reflected a falloff in equity capital and reinvested earnings. However, the decline in overall liabilities was dampened by an increase in portfolio liabilities of $365.5 million to reach $4.3 billion, particularly owing to an uptick in non-resident holdings of domestic long-term debt securities. Moreover, other investment liabilities recorded a modest pickup of $122.9 million which reflected higher other accounts payable, and currency and deposits owed to non-residents. This outturn was tempered by concurrent decreases in trade credits and loan liabilities.

TABLE 15B

TRINIDAD AND TOBAGO: INTERNATIONAL INVESTMENT POSITION (AT END OF PERIOD)

/ US$ MILLIONS /

	2019	2020	2021	2022p	Sep 2023p
Net International Investment Position	**4,215.3**	**2,238.7**	**5,357.1**	**7,475.0**	**9,328.5**
Assets	**24,307.7**	**23,681.9**	**27,973.7**	**29,444.0**	**30,885.6**
Direct Investment	1,361.3	1,842.2	4,165.9	5,253.3	6,166.5
Portfolio Investment	11,075.1	10,162.5	11,032.6	10,668.7	11,898.3
Financial Derivatives	9.0	0.6	136.5	68.2	87.7
Other Investment*	4,933.4	4,722.9	5,759.2	6,621.4	6,355.5
Reserve Assets	6,929.0	6,953.8	6,879.6	6,832.4	6,377.6
Liabilities	**20,092.4**	**20,178.3**	**22,616.6**	**21,969.0**	**21,557.2**
Direct Investment	8,455.3	10,495.8	11,105.0	10,146.6	9,218.5
Portfolio Investment	3,861.0	3,960.6	3,935.8	3,969.5	4,335.0
Financial Derivatives	0.3	0.0	38.9	72.8	100.7
Other Investment*	7,775.8	6,986.8	7,536.9	7,780.1	7,903.0

Source: Central Bank of Trinidad and Tobago

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

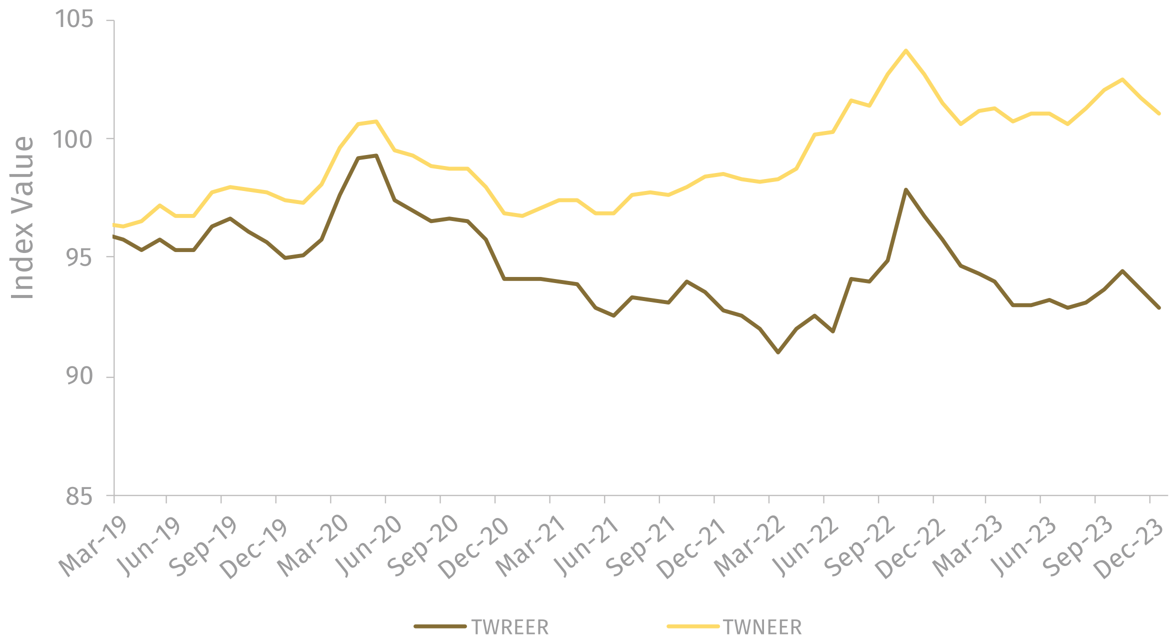
p Provisional.

EFFECTIVE EXCHANGE RATES

Trinidad and Tobago's international price competitiveness, as measured by the trade-weighted real effective exchange rate (TWREER)[42], experienced a modest improvement of 0.2 per cent over the twelve months of 2023 (Figure 9). Movements in the TWREER were largely influenced by the inflation effect, as measured by an index of relative prices, which outweighed the exchange rate effect, as measured by the trade-weighted nominal effective exchange rate (TWNEER).

Over the year, the increase in competitiveness was due to lower domestic prices (4.6 per cent) when compared to the country's main trading partners (5.5 per cent). Compounding this was the relative stability of the domestic currency vis-à-vis the US dollar. Despite a deceleration in inflation among Trinidad and Tobago's main trading partners during 2023, inflation rates remained above domestic outturns. Overall, the TWREER suggests that Trinidad and Tobago's exports were more price competitive in some external markets.

FIGURE 9
TRADE WEIGHTED REAL AND NOMINAL EFFECTIVE EXCHANGE RATES
(2015=100)



Source: Central Bank of Trinidad and Tobago

[42] An increase (decrease) in the TWREER implies that Trinidad and Tobago's exports are more expensive (cheaper) and imports are cheaper (more expensive) when compared to the country's main trading partners, therefore indicating a deterioration (improvement) in trade competitiveness.

CHAPTER 9

International and Regional Economic Developments

INTERNATIONAL ECONOMIC DEVELOPMENTS

Even as the global environment faced multiple shocks arising from geopolitical conflicts, monetary policy tightening and elevated inflationary pressures, world growth showed signs of resilience. The recovery continued, underpinned by solid growth in several major economies, such as the US, largely due to consumer spending and expansionary fiscal policy, and China following the removal of its zero-COVID policy restrictions. As inflation gradually decelerated owing to softer prices for food and energy, and the likelihood of a soft landing was more evident, some central banks paused their interest rate hikes. Despite growth undershooting its pre-pandemic path, many countries avoided tipping into an economic downturn. Against this background, the IMF, in its April 2024 WEO, estimated the world economy expanded by 3.2 per cent in 2023, following growth of 3.5 per cent in the previous year. This performance was largely supported by EMDEs registering an outturn of 4.3 per cent, as countries experienced strong consumption and investment activity. Meanwhile, AEs experienced a more pronounced slowdown, moving from 2.6 per cent growth in 2022 to 1.6 per cent in 2023, driven by still elevated inflation and high interest rates.

Over 2023, economies registered diverging performances as elevated inflation rates constrained consumer demand in some countries, while high commodity prices created more favourable terms-of-trade positions for others. Despite starting the year on a strong footing, some major AEs registered lower growth in 2023, when compared to the previous year. Economic activity in the US increased by 0.6 per cent to 2.5 per cent in 2023, when compared to the previous year, reflecting strong consumer confidence and spending **(Table 16)**. In the same year, growth was constrained in the UK and Euro area with the regions narrowly avoiding economic contractions. Notwithstanding the marginal pickup in household spending, real GDP growth in the UK expanded by 0.1 per cent, significantly lower than the previous year's outturn of 4.3 per cent. In the Euro area, the impact of high inflation and rising borrowing costs resulted in a slowdown, limiting growth to 0.4 per cent, from 3.4 per cent one year earlier. On the upside, spurred by pent-up demand, increased in-bound tourism and accommodative policies, the Japanese economy experienced a notable expansion during 2023. Japan's real GDP grew by 1.9 per cent, up from 1.0 per cent in 2022. Meanwhile, among the EMDEs, solid growth conditions in China and India continued to propel overall world growth. China's economic activity recorded growth of 5.2 per cent in 2023, an improvement from 3.0 per cent in 2022, sparked by a combination of reduced policy and mortgage rates, and increased public sector investments **(Table 17)**. Economic growth in India continued to be resilient, boosted by robust consumer demand and strong growth in the manufacturing and construction sectors. During

2023, real GDP expanded by 7.8 per cent, up from 7.0 per cent in the previous year. Meanwhile, Russia's real GDP growth surprised with a stronger-than-expected rebound of 3.6 per cent 2023, following a contraction of 1.2 per cent in the previous year. This pace of growth was attributable to higher prices for Russian commodities and the restoration of supply chains.

Inflation gradually receded in most regions during 2023, however it still remained above some central bank target ranges[43]. Several AEs experienced a deceleration in inflation rates, influenced by lower prices for food and energy commodities. Inflation in the US, as measured by the Personal Consumption Expenditure price index, edged down in 2023 to an average of 3.8 per cent, from an average of 6.5 per cent in 2022. However, the rate continued to trend above the US Federal Reserve's (the Fed) 2.0 per cent long-run target. Driven by lower energy costs and slower price increases for food, inflation in the UK subsided during the year. More specifically, UK inflation fell to an average of 7.4 per cent over 2023, down from a high of 9.1 per cent during the previous year. Similarly, inflation in the Euro area edged down to an average of 5.5 per cent in 2023, from a high of 8.5 per cent in 2022, due to lower prices for energy. In terms of the EMDEs, following a period of deflation in the final quarter of 2023 largely due to a falloff in food prices, inflation in China recorded a minor increase of 0.2 per cent in 2023, compared to an outturn of 2.0 per cent one year earlier. Meanwhile, consumer prices in India decelerated to an average of 5.7 per cent in 2023, owing to lower prices for fuel and light, and food and beverages, from an average inflation rate of 6.7 per cent during the previous year. Inflation in Russia decelerated to an average of 5.9 per cent in 2023 from 13.8 per cent in in 2022, owing to softer price increases for services.

Global monetary policy stances varied throughout the year as inflationary pressures started to subside, however the general restrictive sentiment remained at the forefront. Over the first seven months of the year, the Fed increased the federal funds rate by a cumulative 100 basis points to a range of 5.25 to 5.50 per cent to converge inflation back to target. However, as the effects of tightened monetary policy began to transmit to the real economy, amid solid economic growth and low unemployment, the Fed maintained the federal funds target range at 5.25 to 5.50 per cent in three consecutive meetings (September, November and December 2023). Nonetheless, the Federal Open Market Committee reiterated its commitment to returning inflation to its 2.0 per cent target and achieving its employment goals, noting that further policy tightening will depend on the lags with which monetary policy affects the economy along with economic and financial developments. Likewise, as the UK and Euro area experienced disinflation during the second half of 2023, the Bank of England (BoE) and the European Central Bank (ECB)

[43] Central Bank inflation target rates for selected economies: US - 2.0 per cent; UK - 2.0 per cent; Euro area - 2.0 per cent; Japan - 2.0 per cent; China - 3.0 per cent; India - 4.0 +/- 2.0 per cent; and Russia - 4.0 per cent.

maintained their benchmark interest rates during the fourth quarter of 2023. Following a series of consecutive interest rate hikes to reach historically high levels, both the BoE and ECB kept their interest rates steady at 5.25 per cent and 4.5 per cent, respectively in December 2023. Unlike most major central banks, the Bank of Japan (BoJ) continued with monetary policy easing throughout the year by keeping its key short-term interest rate unchanged at -0.1 per cent in order to support economic activity. However, in July 2023, the Bank decided to allow more flexibility in the conduct of its yield curve control. The target level on the 10-year Japanese Government Bond yield was held at around 0.0 per cent, while the upper bound of 1.0 per cent was regarded as a reference point rather than a rigid limit. Among the EMDEs, the People's Bank of China (PBoC) lowered its 1-Year Loan Prime Rate (LPR) on two occasions during 2023 (June and August) to support the stagnating economy. This brought the rate to a historical low of 3.45 per cent in August 2023. Subsequently, the LPR was maintained at this level to the end of the year. Meanwhile, to return inflation to its target while supporting economic growth, the Reserve Bank of India (RBI) left its policy repo rate unchanged at 6.5 per cent for the fifth consecutive monetary policy meeting in December 2023. In contrast to other EMDEs central banks, the Central Bank of Russia (CBR) aggressively increased its key policy rate during the year, stating that inflationary pressures rose significantly and inflation expectations remained elevated. Since the start of the CBR tightening cycle in July 2023, its key policy interest rate was upwardly adjusted by a cumulative 850 basis points to reach 16.0 per cent in December 2023.

TABLE 16

ADVANCED ECONOMIES: REAL GDP GROWTH

/ PER CENT /

	2018	2019[r]	2020[r]	2021[r]	2022[r]	2023[e]	2024[f]	2025[f]
United States	3.0	2.5	-2.2	5.8	1.9	2.5	2.7	1.9
United Kingdom	1.4	1.6	-10.4	8.7	4.3	0.1	0.5	1.5
Euro Area	1.8	1.6	-6.1	5.9	3.4	0.4	0.8	1.5
Japan	0.6	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0

Source: International Monetary Fund, World Economic Outlook Database (April 2024).

r Revised.

e Estimate.

f Forecast.

TABLE 17

EMERGING ECONOMIES: REAL GDP GROWTH

/ PER CENT /

	2018[r]	2019[r]	2020[r]	2021[r]	2022[r]	2023[e]	2024[f]	2025[f]
China	6.8	6.0	2.2	8.5	3.0	5.2	4.6	4.1
India*	6.5	3.9	-5.8	9.7	7.0	7.8	6.8	6.5
Russia	2.8	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8
Brazil	1.8	1.2	-3.3	4.8	3.0	2.9	2.2	2.1

Source: International Monetary Fund, World Economic Outlook Database (April 2024).

* Data are presented on a fiscal year basis.

r Revised.

e Estimate.

f Forecast.

REGIONAL ECONOMIC DEVELOPMENTS

The combined effects of a weakened external environment and tighter monetary policy conditions dampened economic activity in the Latin American and Caribbean (LAC) region in 2023. Following a strong recovery in 2022, the IMF in its April 2024 WEO, estimated growth in the LAC region slowed to 2.3 per cent in 2023, down from 4.2 per cent one year earlier. The moderation in regional economic activity reflected a slowdown in private consumption and investment owing to the effects of monetary policy tightening conducted in 2022 and early 2023. During the year, several central banks in the region (for example, Mexico and Colombia) paused their interest rate hikes, while others (Brazil, Chile, and Peru) reduced policy rates amid disinflation. Swift responses by regional central banks played a key role in lowering inflation rates. Additionally, easing international commodity prices and currency appreciation, which contributed to lower import prices, aided the gradual deceleration of regional inflation in 2023.

In the Caribbean, economic growth was driven mainly by commodity-exporting countries, particularly Guyana. The IMF, in its Regional Economic Outlook (REO) April 2024, estimated commodity-exporting Caribbean economies expanded by 16.1 per cent in 2023, supported by favourable terms of trade during the year, while economic activity in tourism-dependent economies moderated to 3.5 per cent despite the recovery in tourism activity.

The Guyanese economy continues to be a bright spot in the Caribbean, expanding by 33.0 per cent in 2023 (Table 18). This outturn reflected robust growth in the oil sector, particularly crude oil production. At the same time, improvements in the non-oil sector were mainly attributed to increased activity in the Manufacturing, Agriculture and Services sectors. Economic prospects in Guyana remained positive as ExxonMobil made additional investments in the energy sector during the year[44]. Despite territorial disputes between Venezuela and Guyana[45], which escalated in late 2023, ExxonMobil reaffirmed its long-term commitment to the development of Guyana's oil sector. Throughout 2023, the Bank of Guyana's monetary policy remained focused on price stability, ensuring adequate liquidity in the banking system and creating an enabling environment for credit and economic growth. Consequently, the Bank of Guyana kept its discount rate unchanged at 5.0 per cent.

Jamaica's economic activity grew by 2.2 per cent in 2023 owing to the improved performance of its services sector. Although inflation decelerated to 6.5 per cent in 2023, it continued to hover above the upper bound of the Bank of Jamaica's inflation target range (4.0-6.0 per cent). Inflation was influenced mainly by movements in the categories of 'Food and Non-Alcoholic Beverages'; 'Transport'; and 'Restaurants and Accommodation Services' in 2023. Notwithstanding, Jamaica's inflation was generally lower when compared to 2022. As inflationary pressures eased and to facilitate the convergence of inflation toward its target, the Bank of Jamaica maintained its policy interest rate at 7.0 per cent in 2023. In other developments, the IMF approved a 24-month arrangement in the sum of US$968 million under the Precautionary and Liquidity Line (PLL) and US$764 million under the Resilience and Sustainability Facility (RSF) for Jamaica. The objectives of the PLL and RSF[46] are to provide insurance against global risks (volatility in commodity prices and tightening of global financial conditions), and strengthen the country's physical and fiscal resilience to climate change, respectively. Following the first review of the arrangements in August 2023, the IMF made available approximately US$611 million under the PLL and US$255 million under the RSF.

Barbados' positive economic performance in 2023 stemmed largely from strong tourism activity. The Barbadian economy continued to record consecutive quarterly expansions during the year. Real GDP grew by 4.4 per cent in 2023 on account of increased private sector investment and continued recovery in the tourism sector, which spilled over to other sectors of the economy. Despite the pickup in domestic economic activity and upward price pressures from prolonged drought conditions, inflation consistently decelerated throughout 2023, owing to softer international commodity prices and lower freight costs. During 2023, the IMF approved an Extended Fund Facility (EFF) and RSF to strengthen Barbados' fiscal sustainability, support the structural reform agenda and increase resilience to climate change. Upon completion of the first review of the EFF and RSF in June 2023, the IMF made available Special Drawing Rights (SDR) 14.175 million (approximately US$19 million) under each of the arrangements. Following

[44] ExxonMobil made an additional investment of US$12.7 billion in Guyana's energy sector upon the Government's approval of the Uaru project in April 2023.

[45] The Essequibo region, which is under the authority of Guyana, has been a long-standing territorial dispute between Venezuela and Guyana. In December 2023, Venezuela held a referendum to claim sovereignty over Essequibo, a mineral-rich territory accounting for two-thirds of Guyana and near big offshore oil deposits.

[46] The PLL and RSF are 24-month long arrangements.

the successful completion of its second review in December 2023, the IMF made available SDR 14.175 million (US$19 million) under the EFF and SDR 42.525 million (US$57 million) under the RSF.

Economic activity in the Eastern Caribbean Currency Union (ECCU) was boosted by the return of tourism to pre-pandemic levels in 2023. Despite the revival of tourism activity, real GDP in the ECCU expanded by 4.8 per cent in 2023, compared to 10.9 per cent in 2022. Increased economic activity in 2023 contributed to the reduction of debt to GDP levels in the ECCU. Moreover, to support economic recovery, the Eastern Caribbean Central Bank (ECCB) maintained a neutral monetary policy stance for most of 2023, keeping its minimum savings rate steady at 2.0 per cent, and the discount rates for short-term and long-term credit at 2.0 per cent and 3.5 per cent, respectively. However, in November 2023, the discount rates for short-term and long-term credit were each increased by 100 basis points to 3.0 per cent and 4.5 per cent, respectively.

TABLE 18

SELECTED LAC: REAL GDP GROWTH

/ PER CENT /

Country	2018r	2019r	2020r	2021r	2022r	2023e	2024f	2025f
Argentina	-2.6	-2.0	-9.9	10.7	5.0	-1.6	-2.8	5.0
The Bahamas	2.9	-0.7	-23.5	17.0	14.4	4.3	2.3	1.8
Barbados	-0.7	0.3	-12.7	-1.3	13.8	4.4	3.7	2.8
Belize	1.1	4.2	-13.7	17.9	8.7	4.7	3.4	2.5
Chile	4.0	0.6	-6.1	11.3	2.1	0.2	2.0	2.5
Colombia	2.6	3.2	-7.2	10.8	7.3	0.6	1.1	2.5
Eastern Caribbean Currency Union	3.8	2.8	-16.9	6.0	9.9	4.7	4.0	n.a.
Guyana	4.4	5.4	43.5	20.1	62.3	33.0	33.9	18.7
Haiti	1.7	-1.7	-3.3	-1.8	-1.7	-1.9	-3.0	1.5
Jamaica	1.8	1.0	-9.9	4.6	5.2	2.2	1.8	1.7
Mexico	2.0	-0.3	-8.6	5.7	3.9	3.2	2.4	1.4
Suriname	4.9	1.2	-16.0	-2.4	2.4	2.1	3.0	3.0

Source: International Monetary Fund, World Economic Outlook Database (April 2024).
r Revised.
e Estimate.
f Forecast.
n.a. Not Available.

CHAPTER 10

International Commodity Markets

ENERGY COMMODITY PRICE INDEX

The Energy Commodity Price Index (ECPI)[47] fell by 33.8 per cent to an average of 115.4 in 2023. All commodities captured in the index experienced price declines throughout the year as a weaker global economy, muted demand growth and increasing inventory levels led to softer market sentiment in 2023.

Crude oil prices were significantly dampened in 2023 when compared to 2022. The WTI crude oil price fell by 17.8 per cent to an average of US$77.67 per barrel in 2023, down from an average price of US$94.43 per barrel in 2022. Meanwhile, the price of Brent crude oil fell by 18.2 per cent to an average of US$82.47 per barrel. The elevated prices recorded in 2022 abated in 2023 due to global growth concerns, slower demand and robust supplies. Global demand remained muted throughout the year given higher interest rates and fears surrounding a global recession. In an attempt to support price levels, the OPEC+ alliance maintained its cut in production of 3.66 million barrels per day through 2023, with selected OPEC+ members agreeing on further voluntary cuts in late November 2023. While these efforts provided some buoyancy to prices during the year, concerns about rising global oil inventory levels kept a lid on prices. The decline in crude prices affected several other commodities included in the index such as gas oil (-21.9 per cent), jet fuel (-19.8 per cent) and motor gasoline (-15.7 per cent).

Natural gas prices also moderated in 2023, resulting in significant year-on-year declines. US Henry Hub prices averaged US$2.54 per mmbtu in 2023, representing a decline of 60.2 per cent compared to the robust prices recorded in 2022. Warmer-than-expected winter weather early in 2023 led to reduced demand for natural gas for heating purposes. In addition, the effects of the abnormal circumstances that drove prices in 2022 (Russia/Ukraine crisis and China's COVID-19 controls) receded in 2023, resulting in a base effect as gas prices returned to pre-pandemic levels. The dampened natural gas price had knock-on effects for other commodities during the period including ammonia (-58.8 per cent), urea (-45.4 per cent), propane (-35.6 per cent), natural gasoline (-19.6 per cent) and methanol (-16.8 per cent).

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

INTERNATIONAL FOOD PRICES

The United Nations FAO Food Price Index (FFPI) declined by 15.3 per cent in 2023. This compares with an increase of 13.1 per cent in 2022. The slowdown in the FFPI reflected a broad-based deceleration in most categories including; Oil (-33.9 per cent), Cereal (-16.8 per cent), Dairy (-18.7 per cent) and Meat (-5.1 per cent). Increased availability continued to lower the international prices of these food commodities. Meanwhile, the FAO Sugar Price Index, a component of the FFPI, increased by 24.5 per cent. This was attributed to heightened concerns over global export availabilities and worsening production prospects in two leading export markets, Thailand and India, on account of severe dry weather conditions associated with the El Niño event which kept sugar prices elevated up to November 2023.

APPENDIX ONE

ECONOMIC STATISTICS

TABLES A.1 - A.36

TABLES A.1 - A.36

p - Provisional	**r - Revised**	**re - Revised Estimates**
n.a - Not Available	**c - Confidential**	**n/a - Not Applicable**

TABLES A.1 - A.36 (continued)

TABLE A.1

REAL GDP GROWTH
BY SECTOR OF ORIGIN, 2019-2023
/ PER CENT /

SECTOR	2019	2020	2021	2022[p]	Jan to Jun 2023[p]
Agriculture, Forestry and Fishing	-14.2	-12.2	-3.5	-11.5	-2.8
Mining and Quarrying	-3.4	-12.1	-5.9	0.8	-0.5
Manufacturing	-2.9	-12.1	0.0	6.1	-1.3
Electricity, Gas, Steam and Air Conditioning Supply	1.6	-10.8	7.0	-0.9	-0.3
Water Supply; Sewerage, Waste Management and Remediation Activities	-3.1	2.7	3.0	-0.5	-1.2
Construction	-5.5	-12.8	8.8	4.3	-2.2
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	8.0	-12.2	-5.7	6.1	10.9
Transportation and Storage	-2.6	-28.0	1.4	27.5	14.9
Accommodation and Food Service Activities	-0.5	-19.2	-6.0	19.0	11.6
Information and Communication	2.0	-1.6	-0.3	0.3	1.5
Financial and Insurance Activities	8.0	-2.0	5.1	-3.1	-0.4
Real Estate Activities	-0.5	-0.7	-0.4	-0.4	-0.1
Professional, Scientific and Technical Activities	7.2	-10.4	-21.0	47.6	0.0
Administrative and Support Service Activities	-0.2	-2.2	-0.2	1.5	1.6
Public Administration and Defence; Compulsory Social Security	1.3	0.7	0.6	-0.5	-1.0
Education	0.7	-0.6	-0.4	-0.1	-0.4
Human Health and Social Work Activities	-0.5	-0.3	0.0	0.4	1.4
Arts, Entertainment and Recreation	0.0	-0.4	0.0	0.5	1.6
Other Service Activities	1.8	-4.1	14.0	-1.3	-14.2
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	1.2	1.1	1.0	0.8	1.0
GDP At Producer Prices	0.8	-9.8	-1.8	4.0	2.5
Taxes Less Subsidies on Products	-10.3	11.8	15.7	-47.2	n.a.
GDP At Purchasers Prices/Market Prices	**0.4**	**-9.1**	**-1.0**	**1.5**	**n.a.**

SOURCE: Central Statistical Office

TABLE A.2

GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES[1]
BY SECTOR OF ORIGIN, 2019-2023

/ TT$ Millions /

SECTOR	2019	2020	2021	2022p	Jan to Jun 2023p
Agriculture, Forestry and Fishing	2,545.4	2,496.2	2,435.3	2,186.1	755.7
Mining and Quarrying	20,043.1	12,238.7	22,329.2	40,147.1	12,061.7
Manufacturing	24,925.3	20,087.1	31,153.6	45,147.3	15,584.4
Electricity, Gas, Steam and Air Conditioning Supply	2,014.2	1,567.6	2,209.9	2,755.0	1,056.4
Water Supply; Sewerage, Waste Management and Remediation Activities	2,168.9	2,096.3	2,171.6	2,189.7	1,122.8
Construction	8,207.9	7,241.1	8,286.0	9,104.4	4,490.5
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	37,384.3	35,107.5	35,258.6	39,619.5	20,213.8
Transportation and Storage	6,082.2	4,359.1	4,498.8	6,352.3	3,620.3
Accommodation and Food Service Activities	2,555.2	2,168.6	2,112.8	2,565.6	1,411.3
Information and Communication	3,977.5	3,888.9	3,879.2	3,968.0	1,991.4
Financial and Insurance Activities	12,340.2	10,123.2	11,185.3	11,440.5	5,776.0
Real Estate Activities	3,385.5	3,404.4	3,407.2	3,429.2	1,725.3
Professional, Scientific and Technical Activities	3,791.7	3,416.6	2,743.9	4,171.0	1,925.3
Administrative and Support Service Activities	5,129.2	5,074.0	5,137.2	5,335.6	2,830.1
Public Administration and Defence; Compulsory Social Security	13,661.5	13,689.1	13,795.1	13,728.0	6,792.8
Education	4,224.3	4,167.5	4,145.9	4,140.4	2,060.3
Human Health and Social Work Activities	864.7	890.5	916.4	921.0	475.6
Arts, Entertainment and Recreation	415.8	413.2	417.7	425.8	227.9
Other Service Activities	629.8	602.0	699.5	719.0	396.1
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	294.3	297.5	300.4	302.8	152.6
GDP At Producer Prices	154,641.0	133,329.0	157,083.5	198,648.2	84,670.1
Taxes Less Subsidies on Products	5,947.6	7,145.0	8,476.1	4,336.6	n.a
GDP At Purchasers Prices/Market Prices	**160,588.6**	**140,474.0**	**165,559.6**	**202,984.9**	**n.a**

SOURCE: Central Statistical Office

TABLE A.3

SECTORAL COMPOSITION OF G.D.P.[1]
AT CURRENT MARKET PRICES, 2019-2023
/ PER CENT /

SECTOR	2019	2020	2021	2022[p]	Jan to Jun 2023[p]
Agriculture, Forestry and Fishing	1.6	1.8	1.5	1.1	0.9
Mining and Quarrying	12.5	8.7	13.5	19.8	14.2
Manufacturing	15.5	14.3	18.8	22.2	18.4
Electricity, Gas, Steam and Air Conditioning Supply	1.3	1.1	1.3	1.4	1.2
Water Supply; Sewerage, Waste Management and Remediation Activities	1.4	1.5	1.3	1.1	1.3
Construction	5.1	5.2	5.0	4.5	5.3
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	23.3	25.0	21.3	19.5	23.9
Transportation and Storage	3.8	3.1	2.7	3.1	4.3
Accommodation and Food Service Activities	1.6	1.5	1.3	1.3	1.7
Information and Communication	2.5	2.8	2.3	2.0	2.4
Financial and Insurance Activities	7.7	7.2	6.8	5.6	6.8
Real Estate Activities	2.1	2.4	2.1	1.7	2.0
Professional, Scientific and Technical Activities	2.4	2.4	1.7	2.1	2.3
Administrative and Support Service Activities	3.2	3.6	3.1	2.6	3.3
Public Administration and Defence; Compulsory Social Security	8.5	9.7	8.3	6.8	8.0
Education	2.6	3.0	2.5	2.0	2.4
Human Health and Social Work Activities	0.5	0.6	0.6	0.5	0.6
Arts, Entertainment and Recreation	0.3	0.3	0.3	0.2	0.3
Other Service Activities	0.4	0.4	0.4	0.4	0.5
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	0.2	0.2	0.2	0.1	0.2

SOURCE: Central Statistical Office

1 Annual GDP are compiled at Purchaser Prices; Quarterly GDP at Producer Prices.

TABLE A.4

MAJOR AGRICULTURAL COMMODITIES, 2018-2022

PRODUCT	2018	2019	2020	2021	2022
VEGETABLES (000 kgs)					
Tomato	1,678	1,700	2,624	2,190	3,343
Cabbage	755	365	741	1,367	1,717
Cucumber	741	973	1,227	1,223	1,897
Dasheen	2,511	2,097	2,085	2,547	2,717
Rice	585	536	n.a.	n.a.	n.a.
Pigeon Peas	2,601	1,223	623	1,611	598
Pumpkin	4,533	2,410	1,792	741	712
Melongene	488	1,467	2,325	1,333	886
MEAT PRODUCTION (000 kgs)					
Beef and Veal	97	153	167	168	155
Pork	2,278	2,036	1,729	1,972	1,891
Mutton	49	41	117	93	82
Broilers (000 birds)	31,889	33,651	32,686	30,345	33,003
Table Eggs (000 doz)	7,496	8,023	7,891	6,793	7,493
Milk (000 litres)	3,456	2,934	2,184	1,708	1,394

SOURCE: Central Statistical Office

TABLE A.5

PRODUCTION AND UTILISATION OF CRUDE OIL AND RELATED PRODUCTS AND PETROCHEMICALS, 2019-2023

COMMODITY GROUP	2019	2020	2021	2022	2023
CRUDE OIL					
Exploration (meters)					
Depth Drilled	91,883	55,826	60,400	76,187	78,716
Production (000 barrels)					
Crude Oil and Condensates	21,481	20,669	21,845	21,329	19,610
Of which: Condensates	*3,279*	*3,086*	*2,810*	*2,334*	*2,322*
Daily Average (b/d)	58,863	56,481	59,838	58,441	53,743
Imports (000 barrels)					
Crude Oil Imports	0	0	0	0	0
Of which: u.p.a.	*0*	*0*	*0*	*0*	*0*
Refining (000 barrels)[1]					
Refinery Throughput	0	0	0	0	0
Refinery Output	0	0	0	0	0
Capacity Utilisation (%)	n/a	n/a	n/a	n/a	n/a
Exports (000 barrels)					
Crude Oil Exports	21,298	20,316	21,681	19,661	20,044
Petroleum Products	6,727	6,414	7,018	5,331	3,949
Natural Gas (Mn cubic feet/day)					
Production	3,588	3,044	2,579	2,683	2,587
Utilisation[2]	3,439	2,925	2,460	2,585	2,488
Of which: Petrochemicals	*1,124*	*965*	*1,071*	*1,020*	*977*
Electricity Generation	*254*	*237*	*248*	*262*	*262*
LNG	*1,972*	*1,645*	*1,051*	*1,219*	*1,167*
Natural Gas Liquids (000 barrels)					
Production	8,530	7,165	6,112	5,585	5,097
Exports	8,119	6,453	5,226	4,955	4,206
Local Sales	876	866	865	859	882
Stock Change	-465	-154	22	-228	9
Fertilisers (000 tonnes)					
Production	6,104	5,799	5,648	4,926	4,227
Exports	5,206	4,640	4,607	3,958	3,737
Local Sales	4	2	2	2	3
Stock Change	894	1,157	1,040	965	487
Methanol (000 tonnes)					
Production	5,672	4,259	5,510	5,494	5,778
Exports	5,722	4,358	5,451	5,272	5,864
Local Sales	7	10	9	9	7
Stock Change	-58	-109	50	214	-92

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

1 Petrotrin's Refinery was closed in November 2018. Therefore, refinery capacity (estimated at 168,000 barrels per day prior to its closure) and capacity utilisation are not applicable from 2019.

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

TABLE A.6

PRODUCTION AND SALES OF CEMENT, 2019-2023

PRODUCT	2019	2020	2021	2022	2023
CEMENT (000 TONNES)					
Production	678.3	631.9	723.4	707.1	719.4
Local Sales	486.7	472.7	410.4	427.0	453.8
Exports	309.5	313.4	303.0	288.0	277.3

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.7

PRICES OF SELECTED EXPORT COMMODITIES, 2019-2023

COMMODITY	2019	2020	2021	2022	2023
Crude Oil (WTI[1]; US$/bbl[2])	57.0	39.3	68.0	94.2	77.6
Crude Oil (Brent; US$/bbl[2])	64.2	41.8	70.7	100.8	82.5
Natural Gas (Henry Hub; US$/mmbtu[3])	2.6	2.0	3.9	6.4	2.5
Ammonia (FOB Caribbean; US$/tonne)	206.1	187.6	546.7	1,113.2	458.8
Urea (FOB Caribbean; US$/tonne)	249.1	219.3	483.1	644.5	351.7
Methanol (FOB Rotterdam; US$/tonne)	363.0	294.8	502.6	556.4	463.2
Billets (FOB Latin America; US$/tonne)	426.7	390.5	616.9	692.5	559.2
Wire Rods (FOB Latin America; US$/tonne)	532.9	498.1	755.2	841.8	642.1

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

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

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

TABLE A.8

INDEX OF DOMESTIC PRODUCTION, 2019-2023

/ 1995=100 /

INDUSTRY	*WEIGHT*	2019	2020	2021	2022	2023p
Food Processing	*58*	1,871.9	2,394.3	2,977.4	5,151.4	5,690.2
Drink and Tobacco	*63*	1,270.9	1,019.8	1,729.4	2,891.7	2,970.5
Textiles, Garments and Footwear	*6*	1,360.3	1,378.5	1,349.4	1,300.8	1,270.9
Printing, Publishing and Paper Converters	*27*	205.9	183.1	162.5	146.1	130.7
Wood and Related Products	*7*	669.9	670.9	674.4	683.0	693.2
Chemicals and Non-Metallic Minerals	*43*	331.2	362.5	379.4	393.0	392.0
Assembly-Type and Related Industries	*61*	258.6	320.7	709.6	6,956.8	19,333.1
Miscellaneous Manufacturing Industries	*10*	173.2	171.2	177.0	176.6	172.8
Electricity	*40*	70.5	67.6	70.9	75.2	71.1
Water	*6*	108.8	113.1	119.5	119.6	119.9
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	*320*	757.7	817.2	1,137.8	2,953.9	5,426.7
Explor., and Product. of Oil, Natural Gas, etc.	*445*	108.1	98.9	95.5	96.2	90.2
Petrochemicals	*182*	225.4	204.0	214.2	169.2	134.8
Oil and Natural Gas Refining[1]	*53*	206.4	173.0	147.5	133.5	117.4
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	*1,000*	335.6	346.0	448.5	1,021.4	1,803.3

SOURCE: Central Statistical Office

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

TABLE A.9

ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND HOURS WORKED (ALL EMPLOYEES), 2021-2023[1]
/ PER CENT /

INDUSTRY	DOMESTIC PRODUCTION (1995=100)			INDEX OF HOURS WORKED (1995=100)		
	2021	2022	2023p	2021	2022	2023p
Food Processing	24.4	73.0	10.5	2.0	3.1	2.8
Drink and Tobacco	69.6	67.2	2.7	-10.8	-3.7	-4.4
Textiles, Garments and Footwear	-2.1	-3.6	-2.3	0.9	1.4	2.6
Printing, Publishing and Paper Converters	-11.2	-10.1	-10.5	1.4	0.8	2.2
Wood and Related Products	0.5	1.3	1.5	-4.1	-1.5	2.8
Chemicals and Non-Metallic Minerals	4.7	3.6	-0.3	1.7	4.5	3.9
Assembly-Type and Related Industries	121.3	880.4	177.9	2.9	-5.0	-9.1
Miscellaneous Manufacturing Industries	3.4	-0.2	-2.2	-15.8	-3.1	-4.2
Electricity	4.8	6.1	-5.4	7.0	-5.9	-0.3
Water	5.7	0.1	0.3	-1.0	4.3	-2.6
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	39.2	159.6	83.7	-0.8	1.1	0.2
Explor., and Product. of Oil, Natural Gas, etc.	-3.4	0.7	-6.2	-4.5	-4.2	3.4
Petrochemicals	5.0	-21.0	-20.3	0.4	5.0	0.4
Oil and Natural Gas Refining[2]	-14.8	-9.5	-12.1	0.0	0.0	0.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	29.6	127.8	76.6	-0.8	1.1	0.3

SOURCE: Central Statistical Office

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

TABLE A.10

ANNUAL CHANGES IN THE INDICES OF AVERAGE WEEKLY EARNINGS AND EMPLOYMENT (ALL EMPLOYEES), 2021-2023[1]

/ PER CENT /

INDUSTRY	AVERAGE WEEKLY EARNINGS (1995=100)			EMPLOYMENT (1995=100)		
	2021	2022	2023p	2021	2022	2023p
Food Processing	1.7	4.3	5.0	0.6	0.6	1.2
Drink and Tobacco	-8.7	2.4	6.2	-3.7	1.6	-2.4
Textiles, Garments and Footwear	-3.1	-3.7	-7.4	-2.5	-1.0	2.4
Printing, Publishing and Paper Converters	10.6	8.5	4.0	-1.4	-0.3	-1.0
Wood and Related Products	-12.2	-8.1	-11.6	3.6	2.1	4.9
Chemicals and Non-Metallic Minerals	1.0	-1.8	-2.0	-2.0	-0.5	8.9
Assembly-Type and Related Industries	9.7	2.4	5.1	-5.4	-5.3	-10.9
Miscellaneous Manufacturing Industries	6.1	-0.3	-1.7	-4.0	-1.1	-0.4
Electricity	6.3	-4.2	-3.8	2.4	-2.6	2.8
Water	-3.2	2.4	7.8	-3.0	-2.5	-3.2
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining, etc)	1.4	0.7	3.1	-1.7	-0.8	-0.2
Explor., and Product. of Oil, Natural Gas, etc.	-11.1	-10.2	-7.0	0.8	0.7	-3.6
Petrochemicals	1.5	16.5	-3.6	-7.7	0.2	-1.0
Oil and Natural Gas Refining[2]	0.0	0.0	0.0	0.0	0.0	0.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	0.9	1.4	2.2	-1.6	-0.6	-0.4

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

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

TABLE A.11

ANNUAL CHANGES IN THE INDICES OF REAL EARNINGS AND OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2021-2023[1]
/ PER CENT /

INDUSTRY	REAL EARNINGS (1995=100)			INDEX OF OUTPUT PER MAN HOUR WORKED (1995=100)		
	2021	2022	2023p	2021	2022	2023p
Food Processing	-0.4	-1.4	0.4	22.0	67.3	7.8
Drink and Tobacco	-10.5	-3.2	1.5	87.7	75.8	8.5
Textiles, Garments and Footwear	-5.1	-8.9	-11.6	-3.0	-3.6	-5.9
Printing, Publishing and Paper Converters	8.4	2.7	-0.6	-12.5	-10.8	-12.4
Wood and Related Products	-14.0	-13.2	-15.5	4.8	2.8	-1.2
Chemical and Non-Metallic Minerals	-1.0	-7.1	-6.4	2.9	-0.8	-2.4
Assembly-Type and Related Industries	7.5	-3.1	0.3	114.7	949.0	198.4
Miscellaneous Manufacturing Industries	3.9	-5.7	-6.1	23.2	2.7	2.1
Electricity	4.0	-9.4	-8.1	-1.3	12.1	-5.3
Water	-5.2	-3.2	3.0	6.8	-4.1	3.0
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-0.6	-4.7	-1.5	40.2	156.7	83.5
Explor., and Product. of Oil, Natural Gas, etc.	-12.8	-15.1	-11.2	1.2	5.3	-9.7
Petrochemicals	-0.5	10.0	-7.7	4.2	-24.8	-20.5
Oil and Natural Gas Refining[2]	-2.0	-5.5	-4.5	-14.8	-9.4	-12.2
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-1.2	-4.1	-2.3	30.6	125.3	76.1

SOURCE: Central Statistical Office

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

TABLE A.12

CONSUMER PRICE INDEX FOR MAJOR EXPENDITURE CATEGORIES, 2019-2023

/ JANUARY 2015=100 /

ITEM	*WEIGHTS*	2019	2020	2021	2022	2023
Inflation Rate (%)[1]						
All Sections	*1,000*	1.0	0.6	2.1	5.8	4.6
Food	*173*	0.6	2.8	4.4	10.4	7.7
Core[2]	*827*	1.1	0.1	1.5	4.7	3.9
Retail Price Index						
All Sections	*1,000*	108.5	109.2	111.4	117.9	123.4
Food	*173*	115.0	118.2	123.4	136.3	146.8
Core	*827*	107.2	107.3	108.9	114.0	118.5
Per cent Contribution To Change In Index						
Food	*173*	10.3	86.0	40.1	34.3	33.1
Core	*827*	89.7	14.0	59.9	65.7	66.9

SOURCE: Central Statistical Office

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

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

TABLE A.13

INDEX OF PRODUCERS' PRICES, 2019-2023

/ OCT. 1978=100 /

ITEM	WEIGHTS	2019	2020	2021	2022	Jan to Sep 2023
Food Processing	*191*	726.9	727.5	728.4	764.7	779.9
		0.2	*0.1*	*0.1*	*5.0*	*2.9*
Drink and Tobacco	*121*	1,600.8	1,695.0	1,734.3	1,734.2	1,797.1
		1.6	*5.9*	*2.3*	*0.0*	*3.1*
Textiles, Garments and Footwear	*101*	303.5	303.5	303.5	303.5	303.5
		0.0	*0.0*	*0.0*	*0.0*	*0.0*
Printing, Publishing and Paper Converters	*93*	401.7	399.3	401.9	405.4	429.1
		0.4	-0.6	0.6	0.9	5.8
Wood and Related Products	*89*	348.3	348.3	348.6	349.0	349.0
		0.0	*0.0*	*0.1*	*0.1*	*0.0*
Chemicals and Non-Metallic Minerals	*148*	582.2	577.1	561.4	562.5	583.1
		-0.2	*-0.9*	*-2.7*	*0.2*	*3.7*
Assembly-Type and Related Industries	*257*	348.5	349.0	350.1	353.5	354.6
		0.1	*0.2*	*0.3*	*1.0*	*0.4*
All Industry	*1,000*	607.3	617.9	621.1	629.4	645.5
		0.6	*1.8*	*0.5*	*1.3*	*2.6*

SOURCE: Central Statistical Office

TABLE A.14

CENTRAL GOVERNMENT FISCAL OPERATIONS, 2019-2023[1]

/ TT$ Millions /

INDICATOR	2019	2020	2021	2022[r]	2023*
Current Revenue	45,768.8	33,842.4	36,345.6	53,921.3	54,525.0
Current Expenditure[2]	46,986.8	47,081.2	46,482.3	50,061.6	53,620.3
Current Account Surplus(+)/Deficit(-)	-1,218.0	-13,238.8	-10,136.7	3,859.7	904.7
Capital Revenue	979.8	526.6	921.0	685.7	158.9
Capital Expenditure and Net lending[3]	3,790.7	3,977.7	3,135.0	3,212.5	4,236.1
Overall Surplus(+)/Deficit(-)	**-4,028.9**	**-16,689.9**	**-12,350.7**	**1,333.0**	**-3,172.5**
Total Financing (Net)	**4,028.9**	**16,689.9**	**12,350.7**	**-1,333.0**	**3,172.5**
External Financing (Net)	**1,094.0**	**13,261.9**	**5,169.5**	**534.3**	**-138.9**
Net External Borrowing	1,094.0	6,626.5	-871.1	534.3	-138.9
Disbursements	1,951.0	7,654.9	291.4	1,685.0	2,601.6
Repayments	857.0	1,028.4	1,162.5	1,150.7	2,740.5
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Transfers from HSF (Withdrawals)	0.0	6,635.4	6,040.6	0.0	0.0
Domestic Financing (Net)	**2,934.9**	**3,428.0**	**7,181.2**	**-1,867.3**	**3,311.4**
Debt Management Treasury Bills (Net)	1,435.0	2,796.0	0.0	500.0	-120.9
Bonds(Net)	3,240.9	898.0	7,737.9	1,255.6	1,037.9
Disbursements	6,405.5	8,899.7	13,471.4	5,653.1	9,793.1
Repayments	3,164.6	8,001.7	5,733.5	4,397.5	8,755.2
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net)[4]	-1,741.0	-266.0	-556.7	-3,622.9	2,394.4
Memo Items:					
Primary Balance[5]	1,016.6	-11,627.9	-7,412.6	6,260.4	2,607.2
Surplus(+)/Deficit(-) as a Per Cent of GDP (current market prices)[6]					
Current Account Surplus(+)/Deficit(-)	-0.8	-9.1	-6.4	2.0	0.5
Overall Surplus(+)/Deficit(-)	-2.5	-11.5	-7.8	0.7	-1.6
Primary Surplus(+)/Deficit(-)	0.6	-8.0	-4.7	3.2	1.3

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

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data are in fiscal years (October 1st - September 30th).
2 Includes an adjustment for transfers to the Heritage and Stabilisation Fund and funds expended from the Infrastructure Development Fund.
3 Includes an adjustment for Repayment of Past Lending in the years prior to 2016.
4 Includes errors and ommissions, advances from the Central Bank and drawdowns from the treasury deposit accounts. Negative numbers represent an increase in deposits at the Central Bank.
5 The primary balance, also known as the non-interest balance, is equal to the overall balance exclusive of interest payments.
6 GDP data used for ratios to GDP indicators prior to 2023 are sourced from the CSO; ratios for 2023 are computed using Central Bank estimates.
* Represents actual outturn for FY2023.

TABLE A.15

CENTRAL GOVERNMENT REVENUE, 2019-2023[1]
/ TT$ Millions /

REVENUE	2019	2020	2021	2022[r]	2023*
A. Oil Sector	**11,577.3**	**5,951.8**	**6,878.0**	**21,748.3**	**22,509.5**
Corporation[2]	5,717.8	2,314.4	3,865.0	13,340.4	12,275.6
Withholding Tax	927.2	487.8	561.1	547.9	1,218.0
Royalties	4,091.1	2,834.8	2,004.1	5,802.4	7,424.9
Oil Impost	100.1	97.9	108.6	112.6	117.2
Unemployment Levy	717.9	211.0	339.0	1,944.6	1,473.5
Excise Duties	23.2	6.1	0.3	0.3	0.3
B. Non Oil Sector	**35,613.5**	**27,279.0**	**29,467.5**	**32,172.9**	**32,015.5**
Taxes on Income	**17,902.4**	**13,527.9**	**13,983.7**	**19,960.9**	**17,884.2**
Companies	8,693.7	5,641.4	6,291.6	11,768.1	9,587.5
Individuals	6,915.2	5,947.8	5,555.5	5,512.3	5,780.1
Unemployment Levy	0.0	0.0	0.0	0.0	0.0
Health Surcharge	190.6	170.1	165.7	180.1	170.1
Other[3]	2,102.9	1,768.6	1,970.9	2,500.4	2,346.5
Taxes on Property	**49.6**	**1.8**	**2.0**	**2.4**	**1.4**
Lands and Buildings Taxes	49.6	1.8	2.0	2.4	1.4
Taxes on Goods and Services	**9,084.9**	**7,662.9**	**9,958.4**	**6,904.1**	**8,408.0**
Purchase Tax	0.0	0.0	0.0	0.0	0.0
Excise Duties	627.6	652.3	648.7	676.8	613.2
Motor Vehicles	291.0	221.1	251.5	260.5	289.9
Value Added Tax	5,847.5	6,682.3	8,296.1	5,097.0	6,613.2
Other	896.8	718.6	762.1	869.8	891.7
Taxes on International Trade	**2,672.3**	**2,301.2**	**2,287.2**	**2,608.4**	**2,740.5**
Import Duties	2,671.9	2,300.7	2,287.0	2,608.3	2,740.4
Other	0.4	0.4	0.2	0.0	0.1
Non-Tax Revenue	**5,904.3**	**3,785.2**	**3,236.3**	**2,697.2**	**2,981.4**
National Lottery	272.2	205.2	192.6	226.7	426.0
Interest	25.3	15.3	17.4	5.2	8.5
Central Bank	1,471.9	1,884.0	1,428.2	756.5	550.7
Other	4,134.9	1,680.7	1,598.1	1,708.8	1,996.2
TOTAL CURRENT REVENUE	**45,768.8**	**33,842.3**	**36,345.5**	**53,921.2**	**54,525.0**
Capital Revenue	979.8	526.6	921.0	685.7	158.9
TOTAL REVENUE	**46,748.6**	**34,368.9**	**37,266.5**	**54,606.8**	**54,683.9**

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

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data are in fiscal years (October 1st - September 30th).

2 Includes receipts from Supplemental Petroleum Tax (SPT), Petroleum Profit Tax (PPT), signature bonuses, surplus sale of petroleum products, Extraordinary Revenue from Oil and Gas Companies and for the award of Production Sharing Contracts (PSC).

3 Includes witholding tax from the non-oil sector, insurance surrender tax, business levy, income tax surcharge and Green Fund rceipts.

* Represents actual outturn for FY2023.

TABLE A.16

CENTRAL GOVERNMENT EXPENDITURE, 2019-2023[1]
/ TT$Millions /

EXPENDITURE	2019	2020	2021	2022[r]	2023*
Current Expenditure	**46,986.8**	**47,081.2**	**46,482.3**	**50,061.6**	**53,620.3**
Wages and Salaries	9,137.2	9,248.0	9,093.6	9,148.5	9,420.1
Goods and Services	6,426.4	5,861.6	5,570.9	5,911.7	6,106.2
Interest	5,045.5	5,062.0	4,938.1	4,927.4	5,779.7
External	1,126.5	1,101.7	955.7	973.3	1,514.1
Domestic	3,919.0	3,960.3	3,982.4	3,954.2	4,265.6
Transfers and Subsidies	26,377.7	26,909.5	26,879.7	30,073.9	32,314.3
Of which:					
Statutory Boards and State Enterprises	*9,465.8*	*8,363.4*	*8,703.6*	*9,205.4*	*9,715.5*
Households	*9,396.9*	*10,087.1*	*9,696.0*	*10,699.6*	*11,479.2*
Capital Expenditure and Net-Lending[2]	**3,790.7**	**3,977.7**	**3,135.0**	**3,212.5**	**4,236.1**
TOTAL EXPENDITURE	**50,777.5**	**51,058.9**	**49,617.3**	**53,274.0**	**57,856.4**
(in % of GDP at current market prices)	**31.3**	**35.1**	**31.1**	**27.5**	**29.3**
Memo Items (% of Expenditure):					
Current Expenditure	92.5	92.2	93.7	94.0	92.7
Capital Expenditure and Net-Lending	7.5	7.8	6.3	6.0	7.3

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

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st - September 30th).
2 See footnote 3 on Table A.14.
* Represents actual outturn for FY2023.

TABLE A.17 (A)

CENTRAL GOVERNMENT EXTERNAL DEBT, 2019-2023[1]

/ US$ Millions /

SECTOR	2019	2020r	2021r	2022r	2023p
CENTRAL GOVERNMENT					
Receipts	365.4	1,269.1	123.0	297.3	759.1
Amortisation	125.3	505.6	171.5	169.9	405.3
Interest	167.1	167.8	142.7	143.9	223.2
Balance Outstanding (end of period)	3,939.4	4,707.3	4,659.5	4,792.6	5,144.7
Balance Outstanding/GDP (%)	16.3	21.7	19.6	16.5	17.5
External Debt Service/Exports (%)	2.9	9.7	3.3	1.8	5.0

SOURCE: Central Bank of Trinidad and Tobago

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

TABLE A.17 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2019-2023[1]

/ TT$ Millions /

SECTOR	2019	2020r	2021r	2022r	2023
BONDS & NOTES					
Issue	6,325.4	11,805.5	13,325.5	5,652.1	12,768.5
Redemption	2,331.3	4,103.2	5,420.4	4,074.3	8,468.7
Outstanding	41,253.1	48,489.0	56,916.6	58,547.9	62,919.7
CLICO AND HCU ZERO-COUPON BONDS					
Issue	0.3	0.0	0.0	0.0	0.0
Redemption[2]	507.0	491.4	500.3	501.0	505.2
Outstanding	2,261.3	1,769.9	1,269.7	787.2	674.1
BOLTS AND LEASES					
Issue	0.0	0.0	76.2	122.6	76.3
Redemption	25.2	26.8	28.3	21.0	12.5
Outstanding	105.4	78.6	126.5	232.5	289.2
OTHER[3]					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	0.0	0.0	0.0	0.0	0.0
Outstanding	16.7	16.7	16.7	16.7	16.7
DEBT MANAGEMENT BILLS					
Issue	4,140.0	6,762.0	6,109.0	6,589.0	6,958.2
Redemption	2,705.0	3,966.0	6,109.0	6,089.0	7,079.1
Outstanding	3,340.0	6,136.0	6,136.0	6,636.0	6,515.1
Total Internal Debt Outstanding	46,976.5	56,490.2	64,465.5	66,201.8	70,421.8
Internal Debt Outstanding/GDP (%)	29.0	36.4	40.5	34.2	35.7
Internal Debt Service/Revenues (%)	13.9	20.8	20.9	13.1	19.1

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

1 Data is in Fiscal Years (October 1st -September 30th) and excludes all securities issued for sterilisation purposes (OMO Bills, Treasury notes, Treasury Bonds and other liquidity absorption bonds).
2 Includes the exchange of bonds for shares in the CLICO Investment Fund (CIF).
3 Comprises tax-free saving bonds, central bank fixed interest rate bonds and public sector emolument bonds.

TABLE A.18 (A)

COMMERCIAL BANKS: SELECTED DATA, 2019-2023
/ TT$ Millions /

ITEM	END OF PERIOD				
	2019	2020	2021	2022	2023
A. OUTSTANDING					
1. Aggregate Deposits (adj.)	**108,916.5**	**116,724.9**	**117,627.1**	**119,840.0**	**120,714.7**
Demand Deposits (adj.)[1]	38,254.4	44,786.6	44,324.8	46,604.1	45,517.0
Time Deposits (adj.)[2]	11,470.9	10,341.6	8,946.4	8,065.9	10,412.8
Savings Deposits (adj.)[3]	34,967.6	36,783.6	38,351.3	38,999.2	40,022.6
Foreign Currency Deposits (adj.)[4]	24,223.6	24,813.1	26,004.7	26,170.7	24,762.3
2. Gross Bank Credit[5]	**70,542.8**	**69,973.2**	**70,398.4**	**74,926.5**	**81,384.2**
Of which:					
Business Purposes	*25,130.5*	*25,244.2*	*26,500.5*	*28,439.3*	*31,176.1*
Corporate	*23,384.2*	*23,560.8*	*24,673.4*	*26,598.1*	*29,343.2*
Non-Corporate	*1,746.3*	*1,683.4*	*1,827.1*	*1,841.3*	*1,832.8*
3. Investments	**31,112.7**	**36,365.4**	**40,890.2**	**34,732.1**	**34,298.5**
Government Securities	14,491.0	19,364.3	21,874.5	16,032.4	17,237.2
Other Investments[6]	16,621.8	17,001.1	19,015.7	18,699.7	17,061.3
Of which:					
Interest-bearing Special Deposit Facility	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
B. ANNUAL CHANGE					
1. Aggregate Deposits (adj.)	**3,015.4**	**7,808.4**	**902.2**	**2,212.9**	**874.7**
Demand Deposits (adj.)	1,218.8	6,532.2	-461.8	2,279.3	-1,087.1
Time Deposits (adj.)	1,239.8	-1,129.3	-1,395.2	-880.4	2,346.9
Savings Deposits (adj.)	749.7	1,815.9	1,567.7	648.0	1,023.3
Foreign Currency Deposits (adj.)	-193.0	589.5	1,191.5	166.0	-1,408.4
2. Gross Bank Credit	**4,059.6**	**-569.6**	**425.2**	**4,528.1**	**6,457.7**
Of which:					
Business Purposes	*-12.8*	*113.6*	*1,256.4*	*1,938.8*	*2,736.7*
Corporate	*70.2*	*176.6*	*1,112.7*	*1,924.6*	*2,745.2*
Non-Corporate	*-83.0*	*-62.9*	*143.7*	*14.2*	*-8.4*
3. Investments	**-3,338.0**	**5,252.7**	**4,524.8**	**-6,158.1**	**-433.6**
Government Securities	-3,955.6	4,873.3	2,510.2	-5,842.1	1,204.8
Other Investments	617.7	379.4	2,014.5	-316.0	-1,638.5
Of which:					
Interest-Bearing Special Deposit Facility	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*

SOURCE: Central Bank of Trinidad and Tobago

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

TABLE A.18 (B)

SUMMARY ACCOUNTS OF THE MONETARY SYSTEM, 2019-2023

/ TT$ Millions /

ITEM	END OF PERIOD				
	2019	2020	2021	2022	2023
Net Foreign Assets	**61,796**	**66,372**	**65,941**	**67,129**	**60,308**
Monetary Authorities	43,579	43,689	39,027	39,042	34,991
Commercial Banks	18,217	22,683	26,914	28,087	25,317
Net Domestic Assets	**48,378**	**53,106**	**57,037**	**57,016r**	**68,168**
Net Claims on Public Sector	8,173	14,702	14,885	8,343r	15,458
Central Government (net)	8,767	16,572	17,424	12,875r	17,896
Treasury Bills	7,373	11,502	12,444	9,536	6,693
Other Government Securities	7,281	7,977	9,529	6,770	10,644
Other Credit (net)	-4,660	-1,510	-3,253	-2,252r	2,270
Local Government (net)	-550	-445	-474	-1,177	-587
Statutory Bodies (net)	-3,166	-4,293	-5,074	-4,036	-3,534
Public Enterprises (net)	3,123	2,868	3,009	680r	1,683
Official Capital and Surplus	-7,456	-7,550	-136	-6,728	-7,344
Credit to Other Financial Institutions (net)	-11,480	-13,757	-11,998	-11,677	-9,252
Credit to Private Sector	60,938	60,599	62,249	66,410r	71,842
Interbank Float	3,523	3,759	2,424	2,104	-300
Other Assets (net)	-5,320	-5,139	-10,386	-1,436r	-2,237
Liabilities to Private Sector (M3)	**110,174**	**119,478**	**122,977**	**124,144r**	**128,475**
Money and Quasi-Money	90,477	98,471	100,712	101,427r	104,578
Money	36,714	42,989	44,126	44,597r	45,343
Currency in Circulation	4,783	6,740	7,504	7,551	7,697
Demand Deposits	31,931	36,249	36,622	37,045r	37,645
Quasi-Money	53,763	55,482	56,586	56,830	59,235
Time Deposits	8,211	7,903	7,218	6,740	8,758
Savings Deposits	45,552	47,579	49,368	50,090	50,478
Securitised Instruments	177	538	212	83	77
Private Capital and Surplus	19,520	20,468	22,053	22,635	23,821
	Changes as a per cent of beginning-of-period M3				
Net Foreign Assets	**-4.4**	**4.2**	**-0.4**	**1.0**	**-5.5**
Net Domestic Assets	4.0	4.3	3.3	0.1	9.0
Net Claims on Public Sector	3.1	5.9	0.2	-5.3	7.0
Of which: Central Government	*5.6*	*7.1*	*0.7*	*-3.7*	*11.3*
Credit to Private Sector	2.4	-0.3	1.4	3.5	4.4
Other Assets (net)	-3.9	0.6	-4.4	1.7	-0.6
Liabilities to private sector (M3)	**-0.4**	**8.4**	**2.9**	**1.1**	**3.5**
Memorandum items:					
Net Domestic Assets	48,378	53,106	57,037	57,016	68,168
Net Claims on Public Sector	8,173	14,702	14,885	8,343	15,458
Central Government	8,767	16,572	17,424	12,875	17,896
Credit to the Private Sector	60,938	60,599	62,249	66,410	71,842
(12-month increase in per cent) M3 Velocity	1.4	1.3	1.2	1.2	n.a.

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.19

LIQUIDITY POSITION OF COMMERCIAL BANKS, 2022-2023
/ TT$ Millions /

ITEM	2022 I	2022 II	2022 III	2022 IV	2023 I	2023 II	2023 III	2023 IV
Legal Reserves Position								
Required Reserves[1]	13,006.0	12,998.1	12,894.6	13,296.0	13,379.7	13,426.6	13,497.0	13,486.8
Cash Reserves	17,540.5	15,770.2	18,885.0	20,039.1	18,338.3	18,415.6	18,353.8	16,459.7
Excess (+) or Shortage (-)[2]	4,534.5	2,772.1	5,990.4	6,743.1	4,958.6	4,989.0	4,856.8	2,972.9
Average Excess(+) or Shortage(-)[3]	5,091.5	4,299.8	3,972.8	6,140.3	6,536.7	6,003.4	6,225.6	4,786.7
Liquid Assets								
Total Deposits at Central Bank	17,540.5	15,770.2	18,885.0	20,039.1	18,338.3	18,415.6	18,353.8	16,459.7
Local Cash in Hand	1,285.2	1,348.6	1,434.2	1,736.1	1,426.8	1,500.6	1,507.7	1,789.7
Treasury Bills	5,070.9	4,800.5	4,820.3	4,616.7	4,450.2	4,919.2	5,187.7	4,535.9
Total Liquid Assets	**23,896.6**	**21,919.3**	**25,139.5**	**26,391.9**	**24,215.3**	**24,835.4**	**25,049.2**	**22,785.2**
Total Deposit Liabilities (adj.)	**92,899.7**	**92,843.4**	**92,104.4**	**94,971.4**	**95,569.1**	**95,903.5**	**96,407.1**	**96,334.2**
	As at Percentage of Total Deposit Liabilities (Adj.)							
Legal Reserves Position								
Required Reserves	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Actual Reserves	18.9	17.0	20.5	21.1	19.2	19.2	19.0	17.1
Cash Reserves	18.9	17.0	20.5	21.1	19.2	19.2	19.0	17.1
Excess (+) or Shortage (-)	4.9	3.0	6.5	7.1	5.2	5.2	5.0	3.1
Average Excess(+) or Shortage(-)	5.5	4.6	4.3	6.5	6.8	6.3	6.5	5.0
Liquid Assets								
Total Deposits at Central Bank	18.9	17.0	20.5	21.1	19.2	19.2	19.0	17.1
Local Cash in Hand	1.4	1.5	1.6	1.8	1.5	1.6	1.6	1.9
Treasury Bills	5.5	5.2	5.2	4.9	4.7	5.1	5.4	4.7
TOTAL LIQUID ASSETS	**25.7**	**23.6**	**27.3**	**27.8**	**25.3**	**25.9**	**26.0**	**23.7**

SOURCE: Central Bank of Trinidad and Tobago

1 Required reserves comprise the statutory cash reserves requirement which was reduced from 17 per cent to 14 per cent on March 17, 2020. A secondary reserve requirement of 2 per cent, which was introduced, on a temporary basis, on October 04, 2006 was suspended effective August 02, 2018.

2 Represents the excess/shortage as at the end of the quarter.

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

TABLE A.20

COMMERCIAL BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2019-2023
/ TT$ Millions /

SECTOR	END OF PERIOD				
	2019	2020	2021	2022	2023
Central and Local Government	556.5	610.0	443.4	334.5	332.9
Agriculture	200.5	160.6	158.1	167.0	188.0
Petroleum	3,726.5	3,116.3	3,287.6	3,327.8	4,123.1
Manufacturing	3,857.7	3,875.7	3,766.8	4,037.4	4,603.3
Construction	1,882.5	2,610.9	2,655.1	3,337.2	3,518.9
Distributive Trades	4,068.3	3,817.5	3,802.3	4,272.0	4,589.5
Hotels and Guest Houses	1,649.5	1,668.5	1,738.1	2,085.5	2,237.9
Transport, Storage and Communication	1,578.8	1,301.6	1,301.1	1,633.2	1,603.5
Finance, Insurance and Real Estate	12,091.5	11,757.8	11,758.7	13,131.3	15,011.5
Education, Cultural and Community Services	317.6	312.5	279.4	171.2	83.4
Personal Services	1,351.1	1,227.8	1,207.4	1,243.4	749.4
Electricity and Water	1,491.6	1,249.5	1,128.8	1,052.2	1,435.1
Consumers	19,388.1	18,802.6	18,391.4	19,712.6	21,432.0
TOTAL (Excluding Real Estate Mortgage Loans)	**52,160.2**	**50,511.2**	**49,918.2**	**54,505.4**	**59,908.6**
Real Estate Mortgage Loans and Lease Financing	23,683.0	24,816.4	25,744.1	26,830.1	28,686.7
TOTAL LOANS	**75,843.2**	**75,327.6**	**75,662.3**	**81,335.5**	**88,595.4**

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.21

COMMERCIAL BANKS:
PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2019-2023[1]
/ PER CENT /

SECTOR	END OF PERIOD				
	2019	2020	2021	2022	2023
Central Government	0.7	0.8	0.6	0.4	0.4
Agriculture	0.3	0.2	0.2	0.2	0.2
Petroleum	4.9	4.1	4.3	4.1	4.7
Manufacturing	5.1	5.1	5.0	5.0	5.2
Construction	2.5	3.5	3.5	4.1	4.0
Distributive Trades	5.4	5.1	5.0	5.3	5.2
Hotels and Guest Houses	2.2	2.2	2.3	2.6	2.5
Transport, Storage and Communication	2.1	1.7	1.7	2.0	1.8
Finance, Insurance and Real Estate	15.9	15.6	15.5	16.1	16.9
Education, Cultural and Community Services	0.4	0.4	0.4	0.2	0.1
Personal Services	1.8	1.6	1.6	1.5	0.8
Electricity and Water	2.0	1.7	1.5	1.3	1.6
Consumers	25.6	25.0	24.3	24.2	24.2
TOTAL (Excluding Real Estate Mortgage Loans)	**68.8**	**67.1**	**66.0**	**67.0**	**67.6**
Real Estate Mortgage Loans and Lease Financing	31.2	32.9	34.0	33.0	32.4
TOTAL LOANS	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.20

1 Figures may not sum to 100 due to rounding.

TABLE A.22

COMMERCIAL BANKS: INTEREST RATES, 2021-2023[1]
/ PER CENT /

INTEREST RATES		2021	2022	2023	2023 I	2023 II	2023 III	2023 IV
A. LOAN RATES (MARKET)								
(i) Installment	Range	0.00-21.00r	0.00-20.75	0.00-20.75	0.00-20.75	0.00-20.75	0.00-20.75	0.00-19.75
	Median	4.50	4.25	4.25	4.25	4.25	4.25	5.63
(ii) Demand	Range	0.00-20.00	0.00-16.00	0.00-17.00	0.00-17.00	0.00-15.00	0.00-13.50	0.00-17.00
	Median	7.25	5.13	5.11	5.09	5.13	5.13	5.09
(iii) Overdraft	Range	0.00-29.00	0.00-29.00	0.00-29.00	0.00-29.00	0.00-29.00	0.00-29.00	0.00-29.00
	Median	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(iv) Basic Prime Rate	Range	7.25-7.80	7.25-7.80	7.25-7.80	7.25-7.80	7.25-7.80	7.25-7.80	7.25-7.80
	Median	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(v) Real Estate Mortgage	Range	1.25-13.00	1.00-16.00	3.00-11.50	3.00-11.50	3.00-11.50	3.00-11.50	3.00-11.50
	Median	7.25	4.50	4.50	4.50	4.50	4.50	5.00
B. DEPOSIT RATES (Announced)								
(i) Ordinary Savings	Range	0.00-1.75	0.00-0.20	0.00-0.20	0.00-0.20	0.00-0.20	0.00-0.20	0.00-0.20
	Median	0.07	0.04	0.04	0.04	0.04	0.04	0.05
(ii) Special Savings	Range	0.00-1.75	0.00-2.00	0.00-2.00	0.00-2.00	0.00-2.00	0.00-2.00	0.00-2.00
	Median	0.08	0.08	0.08	0.08	0.08	0.08	0.08
(iii) 3-Months Time	Range	0.00-0.65	0.00-0.50	0.00-0.50	0.00-0.50	0.00-0.50	0.00-0.50	0.00-0.50
	Median	0.23	0.10	0.10	0.10	0.10	0.10	0.02
(iv) 3-6 Months Time	Range	0.00-0.75	0.00-0.50	0.00-0.50	0.00-0.50	0.00-0.50	0.00-0.50	0.00-0.50
	Median	0.28	0.14	0.14	0.14	0.14	0.14	0.02
(iv) 6-Months Time	Range	0.00-0.45	0.00-0.45	0.00-0.45	0.00-0.45	0.00-0.45	0.00-0.45	0.00-0.05
	Median	0.28	0.05	0.05	0.05	0.05	0.05	0.00
(v) 1-Year Time	Range	0.00-1.85	0.00-1.85	0.00-1.85	0.00-1.85	0.00-1.85	0.00-1.85	0.00-1.85
	Median	0.65	0.58	0.50	0.44	0.58	0.58	0.50

SOURCE: Central Bank of Trinidad and Tobago

Note: The Central Bank of Trinidad and Tobago (the Central Bank) undertook an exercise to review both TT dollar and foreign currency interest rate data submitted by the licensed reporting institutions over a two-year period. The Central Bank identified inconsistencies and required institutions to re-evaluate all data submitted for the period January 2020 to present. Resubmitted amendments resulted in a structural break in data trends which is reflected in selected series.

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

TABLE A.23

MONEY SUPPLY, 2019-2023
/ TT$ Millions /

ITEM	END OF PERIOD				
	2019	2020	2021	2022	2023
A. Narrow Money Supply (M-1A)	**43,036.7**	**52,104.7**	**51,828.4**	**54,166.8**	**53,241.2**
Currency in Active Circulation	4,782.3	7,318.1	7,503.6	7,562.7	7,724.2
Demand Deposits (adj.)	38,254.4	44,786.6	44,324.8	46,604.1	45,517.0
B. Factors Affecting Changes in Money Supply					
1. Net Bank Credit to Central Government	**-20,149.8**	**-22,243.8**	**-13,878.3**	**-20,256.7**	**-7,353.6**
(a) Central Bank	-34,138.5	-41,119.6	-35,223.5	-35,748.8	-23,825.1
(b) Commercial Banks	13,988.7	18,875.8	21,345.2	15,492.1	16,471.5
2. Bank Credit	**74,429.0**	**73,132.3**	**73,872.7**	**77,878.5**	**83,896.3**
(a) Public Sector[1]	12,586.5	11,507.3	10,569.9	10,216.7	10,856.7
(b) Private Sector[2]	61,842.4	61,625.0	63,302.8	67,661.8	73,039.6
3. External Assets (net)	**49,182.9**	**50,196.1**	**62,787.1**	**59,822.3[r]**	**51,988.2**
4. Quasi-Money[3]	**-46,438.5**	**-47,125.2**	**-47,297.6**	**-47,065.2**	**-50,435.4**
5. Foreign Currency Deposits (Adj.)	**-24,223.6**	**-24,813.1**	**-26,004.7**	**-26,170.7**	**-24,762.3**
6. NFIs Foreign Currency Deposit (Adj.)	**-656.0**	**-676.8**	**-1,766.5**	**-1,070.3[r]**	**-746.7**
7. Other Items (Net)	**10,236.7**	**22,958.4**	**2,349.2**	**9,958.5[r]**	**-92.1**
C. Broad Money Supply (M-2)	**89,475.2**	**99,229.8**	**99,126.0**	**101,232.0**	**103,676.6**
D. Broad Money Supply (M-2*)[4]	**113,698.8**	**124,043.0**	**125,130.7**	**127,402.6**	**128,438.8**
Memorandum Items:[5]					
Money Supply M-3	91,251.8	101,133.2	102,228.7	104,526.3[r]	108,014.4
Money Supply M-3*	116,131.0	126,622.9	129,999.5	131,692.0	133,377.2

SOURCE: Central Bank of Trinidad and Tobago

1 Includes Central Bank's and commercial banks' loans and holdings of public sector securities.
2 Includes commercial banks' loans and holdings of private sector securities.
3 Excludes foreign currency deposits of residents which are shown separately below.
4 Includes foreign currency deposits of residents.
5 In addition to M-2, M-3 includes the time deposits of non-bank financial institutions (NFIs), while in addition to M-2*, M-3* includes foreign currency deposits of residents at NFIs.

TABLE A.24

FINANCE COMPANIES AND MERCHANT BANKS:
SUMMARY OF ASSETS AND LIABILITIES, 2019-2023

/ TT$ Thousands /

END OF PERIOD	EXTERNAL ASSETS (NET)	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT		
				INVESTMENTS	LOANS (GROSS)	TOTAL
	(1)	(2)	(3)	(4)	(5)	(6)
2019	71,691	228,411	758,891	3,052,717	3,522,071	6,574,788
2020	141,350	181,123	1,140,032	2,604,531	3,565,264	6,169,795
2021	180,822	261,993	1,685,811	3,506,489	3,702,140	7,208,629
2022	507,096	293,132	1,057,207	4,188,357	3,843,579	8,031,936
2023	65,581	367,185	707,265	4,838,347	4,631,559	9,469,906
2022						
I	184,306	264,639	1,459,033	3,660,836	3,713,595	7,374,431
II	104,842	264,191	913,502	3,823,742	3,611,389	7,435,131
III	148,506	274,614	946,493	3,949,155	3,954,893	7,904,048
IV	507,096	293,132	1,057,207	4,188,357	3,843,579	8,031,936
2023						
I	-22,538	319,244	888,636	4,204,859	4,142,667	8,347,526
II	8,403	340,550	789,613	4,507,859	4,093,387	8,601,246
III	30,087	349,843	604,287	4,705,298	4,404,164	9,109,462
IV	65,581	367,185	707,265	4,838,347	4,631,559	9,469,906

END OF PERIOD	TOTAL ASSETS/ LIABILITIES	DEPOSITS	BORROWINGS[1]	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
2019	7,478,021	2,843,156	1,028,815	155,762	3,633,872	-13,352
2020	7,450,320	2,520,957	1,022,874	181,985	3,922,229	-5,973
2021	9,135,041	4,021,040	883,435	202,214	3,962,641	284,950
2022	9,710,188	4,249,065	571,969	179,183	4,347,320	618,379
2023	10,455,750	4,860,196	744,434	154,169	4,384,668	543,268
2022						
I	9,073,147	3,976,147	880,918	209,260	4,007,705	222,067
II	8,514,067	3,682,859	271,335	203,598	4,393,498	180,451
III	9,057,857	4,096,491	358,765	215,802	4,417,911	221,147
IV	9,710,188	4,249,065	571,969	179,183	4,347,320	618,379
2023						
I	9,349,271	4,357,823	595,311	183,596	4,164,468	341,642
II	9,572,345	4,435,418	591,007	167,465	4,170,352	485,544
III	9,922,935	4,569,991	680,062	170,742	4,143,188	576,441
IV	10,455,750	4,860,196	744,434	154,169	4,384,668	543,268

SOURCE: Central Bank of Trinidad and Tobago

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

TABLE A.25

FINANCE COMPANIES AND MERCHANT BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2019-2023
/ TT$ Millions /

SECTOR	END OF PERIOD				
	2019	2020	2021	2022	2023
Public Sector	**70.1**	**198.8**	**460.1**	**471.9**	**979.7**
Private Sector	**3,132.3**	**3,076.7**	**2,969.4**	**3,123.1**	**3,391.0**
Agriculture	31.6	37.0	32.3	28.1	33.1
Petroleum	7.5	9.9	10.3	8.6	8.5
Manufacturing	57.3	62.0	56.9	143.2	213.5
Construction	142.7	188.7	220.6	207.2	201.9
Distributive Trades	112.8	131.5	129.5	99.3	121.7
Hotels and Guest Houses	44.4	44.7	48.8	46.9	44.6
Transport, Storage and Communication	115.8	126.4	114.3	128.2	120.5
Finance, Insurance, Real Estate and Services	472.4	464.5	479.2	689.1	777.2
Education, Cultural and Community Services	0.3	0.1	0.0	0.2	1.3
Personal Services	333.6	147.7	135.4	104.9	83.8
Consumers	1,813.9	1,864.1	1,741.9	1,667.4	1,784.8
TOTAL (Excluding Real Estate Mortgage Loans and Leases)	**3,202.4**	**3,275.5**	**3,429.5**	**3,595.0**	**4,370.7**
Real Estate Mortgage Loans	59.0	75.5	91.7	87.1	86.6
Leases	222.6	195.3	169.3	156.2	174.0
TOTAL LOANS	**3,484.1**	**3,546.3**	**3,690.4**	**3,838.4**	**4,631.3**

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.26

FINANCE COMPANIES AND MERCHANT BANKS:
PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2019-2023
/ PER CENT /

SECTOR	END OF PERIOD				
	2019	2020	2021	2022	2023
Public Sector	**2.0**	**5.6**	**12.5**	**12.3**	**21.2**
Private Sector	**89.9**	**86.8**	**80.5**	**81.4**	**73.2**
Agriculture	0.9	1.0	0.9	0.7	0.7
Petroleum	0.2	0.3	0.3	0.2	0.2
Manufacturing	1.6	1.7	1.5	3.7	4.6
Construction	4.1	5.3	6.0	5.4	4.4
Distributive Trades	3.2	3.7	3.5	2.6	2.6
Hotels and Guest Houses	1.3	1.3	1.3	1.2	1.0
Transport, Storage and Communication	3.3	3.6	3.1	3.3	2.6
Finance, Insurance, Real Estate and Business Services	13.6	13.1	13.0	18.0	16.8
Education, Cultural and Community Services	0.0	0.0	0.0	0.0	0.0
Personal Services	9.6	4.2	3.7	2.7	1.8
Consumers	52.1	52.6	47.2	43.4	38.5
TOTAL (Excluding Real EstateMortgage Loans and Leases)	**91.9**	**92.4**	**92.9**	**93.7**	**94.4**
Real Estate Mortgage Loans	1.7	2.1	2.5	2.3	1.9
Leases	6.4	5.5	4.6	4.1	3.8
TOTAL LOANS	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.25

TABLE A.27

TRUST AND MORTGAGE FINANCE COMPANIES:
SUMMARY OF ASSETS AND LIABILITIES, 2019-2023
/ TT$ Thousands /

END OF PERIOD	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT			TOTAL ASSETS/ LIABILITIES
			INVESTMENTS	LOANS (GROSS)	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
2019	45,067	576,103	461,475	393,295	1,413,320	1,458,387
2020	85,987	746,908	517,952	498,365	1,739,812	1,825,799
2021	93,120	625,029	1,227,548	629,700	2,451,841	2,544,961
2022	67,223	476,465	2,916,074	718,020	4,085,846	4,153,069
2023	48,815	474,520	2,688,372	1,002,288	4,136,015	4,184,830
2022						
I	100,111	586,303	1,457,901	659,779	2,672,641	2,772,752
II	108,076	728,610	1,623,174	664,000	2,985,378	3,093,454
III	95,068	629,719	2,453,557	713,317	3,771,153	3,866,221
IV	67,223	476,465	2,916,074	718,020	4,085,846	4,153,069
2023						
I	56,407	496,242	4,197,370	830,831	5,499,772	5,556,179
II	51,061	480,228	4,368,162	923,185	5,744,049	5,795,110
III	57,469	423,227	3,927,517	950,392	5,273,531	5,331,000
IV	48,815	474,520	2,688,372	1,002,288	4,136,015	4,184,830

END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)
2019	207,477	-68	17,553	1,421,192	-156,581
2020	390,866	39,932	24,392	1,437,309	-3,088
2021	1,251,756	-68	31,466	1,423,628	-131,385
2022	2,940,937	0	25,742	1,279,175	-68,072
2023	2,779,029	0	30,201	1,418,656	-13,891
2022					
I	1,458,221	-68	32,367	1,406,480	-92,906
II	1,754,024	-68	31,431	1,421,272	-82,799
III	2,459,799	0	26,465	1,420,439	-15,043
IV	2,940,937	0	25,742	1,279,175	-68,072
2023					
I	4,284,580	0	25,683	1,295,815	-25,229
II	4,490,105	0	28,552	1,326,331	-22,352
III	3,929,505	80,000	28,622	1,378,577	21,901
IV	2,779,029	0	30,201	1,418,656	-13,891

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.28

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2019-2023

/ TT$ Thousands /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS				TOTAL ASSETS/ LIABILITIES	CAPITAL AND RESERVES	OTHER ITEMS (NET)
		DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2019	0	-143,717	-10,000	4,342,300	4,188,583	4,188,583	1,759,748	2,428,834
2020	0	-138,581	0	4,483,608	4,345,027	4,345,027	1,774,604	2,570,423
2021	0	-6,721	0	4,600,455	4,593,734	4,593,734	1,897,745	2,695,989
2022	0	7,767	0	4,892,273	4,900,040	4,900,040	1,956,090	2,943,950
2023	0	11,065	0	5,096,510	5,107,575	5,107,575	2,084,168	3,023,407
2019								
I	0	-816,230	-376,200	4,124,249	2,931,819	2,931,819	1,721,236	1,210,583
II	0	-145,909	-20,000	4,256,996	4,091,087	4,091,087	1,697,435	2,393,652
III	0	-146,051	-10,000	4,120,033	3,963,982	3,963,982	1,728,300	2,235,682
IV	0	-143,717	-10,000	4,342,300	4,188,583	4,188,583	1,759,748	2,428,834
2020								
I	0	-146,645	-10,000	4,263,857	4,107,212	4,107,212	1,780,532	2,326,680
II	0	-143,643	-10,000	4,216,267	4,062,624	4,062,624	1,774,830	2,287,794
III	0	-142,110	0	4,291,584	4,149,473	4,149,473	1,745,061	2,404,411
IV	0	-138,581	0	4,483,608	4,345,027	4,345,027	1,774,604	2,570,423
2021								
I	0	-141,518	0	4,512,550	4,371,032	4,371,032	1,806,569	2,564,463
II	0	-116,255	0	4,510,271	4,394,016	4,394,016	1,860,529	2,533,486
III	0	-143,725	0	4,616,717	4,472,992	4,472,992	1,882,337	2,590,656
IV	0	-6,721	0	4,600,455	4,593,734	4,593,734	1,897,745	2,695,989
2022								
I	0	5,794	0	4,666,775	4,672,569	4,672,569	1,923,300	2,749,269
II	0	8,926	0	4,670,875	4,679,801	4,679,801	1,949,119	2,730,683
III	0	9,598	0	4,794,920	4,804,518	4,804,518	1,925,920	2,878,598
IV	0	7,767	0	4,892,273	4,900,040	4,900,040	1,956,090	2,943,950
2023								
I	0	9,106	0	4,978,832	4,987,938	4,987,938	1,988,846	2,999,092
II	0	9,498	0	4,957,347	4,966,845	4,966,845	2,002,623	2,964,222
III	0	9,475	0	5,003,807	5,013,282	5,013,282	2,041,781	2,971,501
IV	0	11,065	0	5,096,510	5,107,575	5,107,575	2,084,168	3,023,407

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.29

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2019-2023

/ TT$ Thousands /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS				TOTAL ASSETS/ LIABILITIES	DEPOSITS			SHARES	OTHER ITEMS (NET)
		NET DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL		TIME	SAVINGS	TOTAL		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2019	0	401	5,880	120,107	126,388	126,388	32,679	8,548	41,227	23,768	61,393
2020	0	2,733	6,820	114,065	123,618	123,618	29,920	8,339	38,259	22,011	63,349
2021	0	8,557	11,527	106,338	126,422	126,422	26,181	8,590	34,771	23,506	68,143
2022	0	12,673	9,204	102,241	124,118	124,118	23,787	8,836	32,623	21,337	70,157
2023	0	10,366	8,832	103,895	123,093	123,093	24,181	9,530	33,711	18,179	71,203
2019											
I	0	243	7,309	111,364	118,916	118,916	26,696	8,911	35,607	22,161	61,148
II	0	-3,065	9,130	113,233	119,298	119,298	26,318	8,999	35,317	22,980	61,001
III	0	-2,270	6,553	114,641	118,924	118,924	26,206	8,521	34,727	23,015	61,182
IV	0	401	5,880	120,107	126,388	126,388	32,679	8,548	41,227	23,768	61,393
2020											
I	0	300	5,992	120,919	127,211	127,211	30,406	8,096	38,502	23,977	64,732
II	0	3,737	5,992	117,233	126,962	126,962	29,798	8,030	37,828	24,513	64,622
III	0	3,858	7,992	116,271	128,121	128,121	29,777	7,761	37,538	24,743	65,839
IV	0	2,733	6,820	114,065	123,618	123,618	29,920	8,339	38,259	22,011	63,349
2021											
I	0	6,359	7,778	111,704	125,841	125,841	29,862	7,882	37,744	22,104	65,994
II	0	8,845	8,443	109,382	126,670	126,670	30,079	7,975	38,054	22,308	66,306
III	0	8,962	11,563	107,822	128,347	128,347	30,117	8,042	38,159	22,909	67,279
IV	0	8,557	11,527	106,338	126,422	126,422	26,181	8,590	34,771	23,506	68,143
2022											
I	0	8,249	10,375	105,689	124,313	124,313	25,044	7,906	32,950	21,585	69,778
II	0	9,309	9,133	104,962	123,404	123,404	24,919	7,796	32,715	22,024	68,665
III	0	12,984	9,045	102,148	124,177	124,177	24,701	7,786	32,487	20,480	71,211
IV	0	12,673	9,204	102,241	124,118	124,118	23,787	8,836	32,623	21,337	70,157
2023											
I	0	11,257	9,618	102,919	123,794	123,794	23,463	8,844	32,307	19,902	71,586
II	0	15,286	5,841	102,469	123,596	123,596	23,597	8,999	32,596	19,393	71,608
III	0	11,203	8,412	104,161	123,776	123,776	24,065	8,683	32,748	18,040	72,968
IV	0	10,366	8,832	103,895	123,093	123,093	24,181	9,530	33,711	18,179	71,203

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.30

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2021-2023[1]
/ PER CENT /

INTEREST RATES	2021	2022	2023	2023			
				I	II	III	IV
1. Thrift Institutions							
(a) Savings Deposits							
Range	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50
Median	0.50	0.50	0.50	0.50	0.50	0.50	0.50
(b) Time Deposits							
(i) l - 3 years							
Range	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75
Median	2.13	2.13	2.13	2.13	2.13	2.13	2.13
(c) Mortgage Loans (Residential)							
Range	7.00-9.00	7.00-9.00	6.50-9.00	7.00-9.00	7.00-9.00	6.50-9.00	6.50-9.00
Median	8.00	8.00	7.75	8.00	8.00	7.75	7.75
2. Trust and Mortgage Finance Companies							
(a) Time Deposits							
(i) 1 - 3 years							
Range	0.00-4.00	0.00-4.00	0.00-3.55	0.00-1.00	0.00-1.00	0.00-1.00	0.00-3.55
Median	0.55	0.55	0.53	0.53	0.53	0.53	0.55
(ii) Over 3 years							
Range	0.00-3.00	0.00-3.00	0.00-3.00	0.00-3.00	0.00-3.00	0.00-3.00	0.00-3.00
Median	0.78	1.00	0.78	0.78	0.78	0.76	0.76
(b) Mortgage Loans							
(i) Residential							
Range	-	-	-	-	-	-	-
Median	-	-	-	-	-	-	-
3. Finance Companies and Merchant Banks							
(a) Time Deposits							
(i) 1 - 3 years							
Range	0.25-6.00	0.25-4.50	0.50-5.00	0.50-4.05	0.50-4.20	0.50-4.20	0.50-5.00
Median	2.89	2.78	2.85	2.85	2.88	2.85	2.89
(b) Installment Loans							
Range	2.39-59.52	0.00-59.75	2.36-60.18	2.78-60.18	2.36-60.03	2.36-59.88	2.36-59.88
Median	10.29	9.45	9.75	9.86	9.75	9.75	9.75

SOURCE: Central Bank of Trinidad and Tobago

Note: The Central Bank of Trinidad and Tobago (the Central Bank) undertook an exercise to review both TT dollar and foreign currency interest rate data submitted by the licensed reporting institutions over a 2-year period. The Central Bank identified inconsistencies and required institutions to re-evaluate all data submitted for the period January 2020 to present. Resubmitted amendments resulted in a structural break in data trends which is reflected in selected series.

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

TABLE A.31

MONEY AND CAPITAL MARKET ACTIVITY, 2019-2023[1]

END OF PERIOD	NEW ISSUES ($MN)			SECONDARY MARKET TURNOVER[2]						
				GOVERNMENT SECURITIES[3]		TREASURY BILLS		PUBLIC COMPANY SHARES		
	GOVERNMENT SECURITIES	TREASURY BILLS	OTHER[4]	FACE VALUE ($MN)	NO. OF TRANS-ACTIONS	FACE VALUE ($MN)	NO. OF TRANS-ACTIONS	MARKET VALUE ($MN)	NO. OF TRANS-ACTIONS	VOLUME OF SHARES TRADED ($MN)
2019	**7,285.4**	**2,570.0**	**4,715.7**	**182.0**	**55**	**461.4**	**57**	**1,102.3**	**12,054**	**76.9**
I	642.4	0.0	200.0	57.8	20	193.8	23	287.4	2,848	18.0
II	2,500.0	815.0	1,015.7	31.6	12	205.6	31	250.8	3,114	16.3
III	843.0	620.0	375.0	79.0	7	37.5	2	264.0	3,161	23.6
IV	3,300.0	1,135.0	3,125.0	13.6	16	24.6	1	300.2	2,931	19.0
2020	**12,504.1**	**1,661.0**	**6,700.3**	**448.7**	**22**	**218.4**	**21**	**1,042.9**	**11,668**	**61.3**
I	2,250.0	1,561.0	1,615.2	2.0	1	126.3	15	422.9	3,804	23.7
II	4,261.1	100.0	2,471.5	0.9	2	91.9	5	238.6	2,736	15.5
III	2,000.0	0.0	1,000.0	416.7	10	0.0	0	187.3	2,457	10.7
IV	3,993.0	0.0	1,613.6	29.1	9	0.2	1	194.1	2,671	11.3
2021	**13,370.3**	**500.0**	**5,034.1**	**79.4**	**20**	**35.2**	**4**	**1,314.7**	**14,936**	**94.8**
I	3,545.3	0.0	439.2	74.0	12	0.0	0	325.7	3,312	13.5
II	3,725.0	0.0	799.1	0.2	2	0.0	0	417.8	3,841	27.4
III	3,000.0	0.0	2,651.3	3.4	3	0.1	1	302.6	3,694	26.1
IV	3,100.0	500.0	1,144.5	1.9	3	35.2	3	268.5	4,089	27.8
2022	**2,500.0**	**0.0**	**6,003.6**	**792.2**	**91**	**359.6**	**56**	**1,706.9**	**20,944**	**184.3**
I	0.0	0.0	824.5	0.0	0	0.3	3	472.9	5,716	46.5
II	0.0	0.0	373.8	0.0	0	141.5	17	445.7	5,372	50.9
III	1,500.0	0.0	3,079.5	293.1	39	147.5	30	372.2	5,071	42.2
IV	1,000.0	0.0	1,725.8	499.2	52	70.3	6	416.1	4,785	44.8
2023	**14,236.0**	**0.0**	**4,074.0**	**455.1**	**880**	**741.6**	**34**	**1,092.8**	**21,264**	**106.2**
I	2,044.0	0.0	1,386.2	26.2	342	129.9	12	338.4	5,501	35.5
II	6,692.0	0.0	951.9	293.3	244	255.3	7	262.3	5,603	23.6
III	3,000.0	0.0	1,686.0	102.8	165	200.8	7	269.9	5,150	28.4
IV	2,500.0	0.0	50.0	32.8	129	155.6	8	222.3	5,010	18.7

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

1 Totals may not add due to rounding.
2 Data refer to the double transactions of buying and selling.
3 Trading in Government securities and treasury bills was conducted under the aegis of the Investment Division, Central Bank of Trinidad and Tobago. From 1993 trading in Government securities has been conducted by the Stock Exchange of Trinidad and Tobago.
4 Data include domestic bonds issued by public entities which have been guaranteed by the Government of Trinidad and Tobago.

TABLE A.32

SELECTED INTEREST RATES, 2021-2023[1]
/ PER CENT PER ANNUM /

INTEREST RATES	2021	2022	2023	2023			
				I	II	III	IV
A. Central Bank							
(i) Bank Rate	5.50	5.50	5.50	5.50	5.50	5.50	5.50
(ii) Special Deposits Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Repo Rate[2]	3.50	3.50	3.50	3.50	3.50	3.50	3.50
(iv) Reverse Repo Rate[2]	3.00	3.00	3.00	3.00	3.00	3.00	3.00
(v) Mortgage Market Reference Rate (MMRR)[3]	3.00	3.00	3.00	3.00	3.00	3.00	3.00
B. Government							
(i) Treasury Bills	0.32	0.50	1.14	0.72	0.82	1.00	1.14
C. Commercial Banks - Local Currency							
(i) Weighted Average Rate on Loans	7.09	6.94	6.65	6.71	6.66	6.64	6.60
(ii) Weighted Average Rate on Deposits	0.58	0.61	0.65	0.64	0.64	0.64	0.66
(iii) Interest Spread (i - ii)	6.51	6.33	6.01	6.07	6.03	6.00	5.94
D. Non-Bank Financial Institutions[4] - Local Currency							
(i) Weighted Average Rate on Loans	10.41	10.33	7.49	9.90	7.00	6.81	6.31
(ii) Weighted Average Rate on Deposits	2.04	2.33	2.76	2.66	2.70	2.83	2.86
(iii) Interest Spread (i - ii)	8.37	8.00	4.73	7.24	4.30	3.98	3.45

SOURCE: Central Bank of Trinidad and Tobago

1 Annual data refer to the average of the quarterly averages for the respective years, except for the Bank Rate, Repo Rate, the Reverse Repo Rate and the Treasury Bill Rate which reflect the end of quarter/year position.

2 In May 2002, the Central Bank introduced a system of announced overnight repurchase or 'repo' rates for short-term government paper. The repo rate is the Bank's key policy interest rate and applies to collaterised overnight financing provided to commercial banks. The reverse repo rate is paid on occasions that the Central Bank offers to take overnight funds from commercial banks and is set as the repo rate less 50 basis points.

3 The Mortgage Market Reference Rate (MMRR) was introduced by the Central Bank on December 01, 2011 and represents a reference mortgage rate against which residential mortgages can be priced and re-priced. Following representation by the Bankers Association of Trinidad and Tobago (BATT), the Central Bank agreed to suspend the calculation of the MMRR for a two-year period commencing October 01, 2021. Over this period, the MMRR will remain at 3.00 per cent. Refer to the Circular Letter for more details at https://www.central-bank.org.tt/sites/default/files/circular_letters/circular-letter-covid-19-relief-measures-restructuring-and-mortgage-market-rates-sep2021.pdf

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

TABLE A.33 (A)

BALANCE OF PAYMENTS, STANDARD PRESENTATION 2019-2023[1,2]

/ US$ Millions /

ITEM	2019	2020	2021r	2022p	Jan-Sep 2022p	Jan-Sep 2023p
Current Account	**1,020.1**	**-1,356.4**	**2,695.2**	**5,381.9**	**4,024.8**	**2,514.9**
Goods and Services	1,605.4	-344.8	2,906.2	6,889.5	5,425.2	2,429.5
Goods, net*	2,731.8	984.1	4,711.9	9,180.9	7,466.6	3,155.5
Exports**	8,764.3	6,002.9	11,082.0	16,687.1	13,247.6	8,059.7
Petroleum Crude and Refined	2,016.2	1,287.6	2,238.6	2,991.2	2,450.3	1,822.3
Gas	2,350.0	1,242.7	2,321.8	4,784.5	3,784.6	2,114.2
Petrochemicals	2,607.4	1,827.0	4,401.7	6,529.4	5,103.8	2,588.2
Other	1,790.7	1,645.7	2,119.9	2,382.0	1,908.9	1,535.0
Imports**	6,032.5	5,018.8	6,370.1	7,506.2	5,781.1	4,904.1
Fuel***	1,222.1	723.3	1,160.8	1,863.0	1,519.4	991.0
Capital	1,233.0	1,191.8	1,584.3	1,423.5	1,176.0	1,038.8
Other	3,577.3	3,103.7	3,625.0	4,219.6	3,085.7	2,874.3
Services, net	-1,126.4	-1,328.9	-1,805.7	-2,291.5	-2,041.4	-726.0
Transport	-449.6	-363.4	-406.5	-393.3	-317.0	-160.8
Travel	349.9	105.6	15.1	264.8	175.8	277.6
Telecommunications, Computer, and Information Services	-31.8	-47.1	-4.3	-13.3	-12.3	0.0
Insurance and Pension Services	-154.1	-209.0	-215.0	-211.2	-158.0	-198.8
Other Services^	-840.9	-650.4	-1,195.0	-1,938.4	-1,729.9	-643.9
Primary Income, net	-607.1	-1,055.6	-325.8	-1,584.2	-1,448.4	-22.6
Secondary Income, net	21.8	44.0	114.7	76.6	48.1	108.0
Capital Account	**10.3**	**0.5**	**6.7**	**0.2**	**0.1**	**0.3**
Financial Account	**574.7**	**-1,513.3**	**2,642.4**	**3,034.1**	**2,139.2**	**962.6**
Direct Investment	-69.8	-958.0	1,702.3	2,085.9	1,621.3	1,584.6
Net Acquisition of Financial Assets	114.2	98.0	767.5	1,172.4	1,350.0	755.9
Net Incurrence of Liabilities	184.0	1,056.0	-934.8	-913.5	-271.3	-828.8
Portfolio Investment	1,453.9	-184.6	256.3	754.2	322.9	-270.5
Net Acquisition of Financial Assets	1,245.4	-85.5	257.6	674.4	242.8	61.8
Net Incurrence of Liabilities	-208.5	99.2	1.3	-79.8	-80.0	332.3
Financial Derivatives	-0.2	-8.7	137.4	-99.9	34.4	-13.2
Net Acquisition of Financial Assets	-0.4	-9.1	176.3	-65.1	20.0	15.2
Net Incurrence of Liabilities	-0.2	-0.4	38.9	34.8	-14.5	28.3
Other Investment^^	-809.1	-362.1	546.4	294.0	160.5	-338.3
Net Acquisition of Financial Assets	329.1	-267.1	951.2	881.1	557.2	-291.8
Net Incurrence of Liabilities	1,138.2	95.0	404.9	587.1	396.6	46.5
Net Errors and Omissions	-1,101.9	-132.6	-133.6	-2,395.2	-1,996.4	-2,007.4
Overall Balance	**-646.1**	**24.8**	**-74.2**	**-47.2**	**-110.6**	**-454.8**
Memorandum Items:						
Current Account/GDP (per cent)	4.3	-6.5	11.0	17.9	17.9	11.3
Gross Official Reserves (US$Mn) ^^^	6,929.0	6,953.8	6,879.6	6,832.4	6,769.0	6,377.6
Debt Service Ratio	2.8	9.6	2.7	1.8	1.8	6.1
Net International Investment Position (US$Mn)^^^	4,215.3	2,238.7	5,357.1	7,475.0	6,322.2	9,328.5

SOURCE: Central Bank of Trinidad and Tobago

NOTES:

1 GDP prior to 2023 are sourced from the CSO and that for 2023 are Central Bank estimates.

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

The following financial account movements are represented with a negative sign:
- A decrease in assets (inflow)
- A decrease in liabilities (outflow)
- A net inflow in net balances

The following financial account movements are represented with a positive sign:
- An increase in assets (outflow)
- An increase in liabilities (inflow)
- A net outflow in net balances

* Energy goods data comprise estimates by the Central Bank of Trinidad and Tobago.

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

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

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

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

^^^ End of Period.

TABLE A.33 (B.1)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY SECTOR)

/ US$ Millions /

ITEM	2016	2017r	2018p	2019p
Petroleum Industries	-431.9	-566.7	-716.4	-231.1
Petroleum Industries	75.2	-544.9	-366.9	18.8
Mining, Exploration and Production and Refineries	-534.0	-30.4	-384.1	-261.4
Petrochemicals	26.9	8.7	34.5	11.5
Food, Drink and Tobacco	47.6	23.6	-7.4	4.7
Chemicals and Non-Metallic Minerals	4.0	26.1	-7.8	-2.7
Assembly Type and Related Industries	65.2	32.5	28.9	-4.8
Distribution	88.2	-4.8	23.7	12.4
All Other Sectors[1]	203.3	18.3	-21.1	405.5
TOTAL	**-23.6**	**-470.9**	**-700.2**	**184.0**
Memorandum Items:				
Energy Sector	-431.9	-566.7	-716.4	-231.1
Non-Energy Sector	408.3	95.8	16.2	415.1

SOURCE: Central Bank of Trinidad and Tobago

NOTE: This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign.

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

TABLE A.33 (B.2)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY SECTOR)

/ US$ Millions /

ITEM	2021r	2022p	Jan-Sep 2022p	Jan-Sep 2023p
Mining and Quarrying	-1,229.3	-1,102.1	-772.1	-743.7
Manufacturing	175.4	131.8	447.5	-109.2
Wholesale and Retail Trade	12.0	-28.3	3.0	-95.2
Financial and Insurance Activities	86.3	119.7	77.5	119.5
Other Sectors	20.8	-34.7	-27.2	0.0
TOTAL	**-934.8**	**-913.5**	**-271.3**	**-828.8**
Memorandum Items:				
Energy Sector	-1,126.1	-1,091.6	-432.3	-766.0
Non-Energy Sector	191.4	178.0	161.0	-62.8

SOURCE: Central Bank of Trinidad and Tobago

NOTES:

1 This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign.

2 Effective 2020 data, the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4).

3 "Other Sectors" include Agriculture, forestry and fishing, Electric power generation, transmission and distribution, Construction, Transportation and storage, Manufacture of gas; distribution of gaseous fuels through mains, Steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities, Accommodation and food service activities, Information and communication, Real estate activities, Professional, scientific and technical activities, Administrative and support service activities, Public administration and defence; compulsory social security, Education, Human health and social work activities, Arts, entertainment and recreation and Other service activities.

TABLE A.33 (C)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY COUNTRY)

/ US$ Millions /

ITEM	2019	2020	2021[r]	2022[r]	Jan to Sep 2022[r]	Jan to Sep 2023[p]
U.S.A.	-206.1	1,007.8	-1,258.1	424.5	269.1	-1,377.0
U.K.	314.5	257.0	46.2	-1,479.7	-1,086.3	354.2
Canada	58.3	-8.8	-32.8	140.5	91.8	41.6
Barbados	-173.3	-201.0	175.5	518.5	364.6	-17.5
Netherlands	2.9	1.9	-22.8	10.7	5.3	-3.1
St. Lucia	58.7	4.8	-17.2	-73.6	-119.5	-37.4
Other	129.0	-5.8	174.5	-454.4	203.7	210.5
TOTAL	**184.0**	**1,056.0**	**-934.8**	**-913.5**	**-271.3**	**-828.8**

SOURCE: Central Bank of Trinidad and Tobago

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

TABLE A.34

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES
FOR SELECTED CURRENCIES 2019-2023[1]

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)
2019	6.7306	6.7800	5.0538	5.3813	8.5342	9.1294	0.0617	0.0653	7.5445	8.0224
2020	6.7204	6.7803	5.0261	5.3627	8.6183	9.2182	0.0630	0.0666	7.7617	8.2307
2021	6.7333	6.7811	5.3779	5.7525	9.2204	9.8850	0.0613	0.0649	8.1154	8.5767
2022	6.7298	6.7777	5.2092	5.5522	8.2883	8.8909	0.0515	0.0547	7.2622	7.6332
2023	6.7206	6.7789	5.0186	5.3706	8.3490	8.9470	0.0479	0.0507	7.4157	7.8668
2023										
January	6.7315	6.7793	5.0182	5.3693	8.1969	8.7880	0.0519	0.0543	7.3823	7.7628
February	6.7164	6.7785	5.0647	5.3700	8.1217	8.6916	0.0505	0.0539	7.4255	7.7551
March	6.7258	6.7802	4.9280	5.2773	8.1489	8.7015	0.0503	0.0533	7.3673	7.7096
I	**6.7250**	**6.7794**	**4.9994**	**5.3363**	**8.1574**	**8.7284**	**0.0509**	**0.0538**	**7.3896**	**7.7413**
April	6.7281	6.7786	5.0680	5.3730	8.3477	8.9662	0.0503	0.0535	7.3957	7.9232
May	6.7240	6.7784	5.0038	5.3656	8.3855	8.9839	0.0489	0.0522	7.3756	7.8484
June	6.7174	6.7797	5.0814	5.4476	8.4504	9.0497	0.0475	0.0502	7.4770	7.8681
II	**6.7231**	**6.7789**	**5.0489**	**5.3951**	**8.3958**	**9.0005**	**0.0489**	**0.0519**	**7.4154**	**7.8774**
July	6.7211	6.7785	5.0910	5.4581	8.6334	9.2442	0.0478	0.0502	7.4937	8.0186
August	6.7099	6.7815	5.0259	5.3667	8.5373	9.1221	0.0462	0.0492	7.4081	7.9560
September	6.7060	6.7713	5.0341	5.3572	8.3414	8.9412	0.0454	0.0481	7.4042	7.8073
III	**6.7125**	**6.7772**	**5.0506**	**5.3946**	**8.5067**	**9.1051**	**0.0465**	**0.0492**	**7.4358**	**7.9293**
October	6.7221	6.7790	4.9284	5.2633	8.1495	8.7440	0.0449	0.0477	7.2097	7.7309
November	6.7170	6.7814	4.9350	5.2965	8.3263	8.9525	0.0449	0.0476	7.4954	8.0286
December	6.7278	6.7797	5.0763	5.5317	8.5574	9.1936	0.0468	0.0491	7.5855	8.0107
IV	**6.7221**	**6.7800**	**4.9759**	**5.3568**	**8.3344**	**8.9524**	**0.0455**	**0.0481**	**7.4216**	**7.9175**

SOURCE: Central Bank of Trinidad and Tobago

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

TABLE A.35

TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 2019-2023[1]

/ US$ Millions /

END OF PERIOD	CENTRAL BANK FOREIGN ASSETS	Of which *IMF RESERVE TRANCHE POSITION*	Of which *SDR HOLDINGS*	FOREIGN LIABILITIES	NET INTERNATIONAL RESERVES (1+4)	CENTRAL GOVERNMENT	NET OFFICIAL RESERVES (5+6)
	(1)	*(2)*	*(3)*	(4)	(5)	(6)	(7)
2019	6,924.7	*131.7*	*334.4*	0.0	6,924.7	4.3	6,929.0
2020	6,949.1	*161.6*	*348.6*	0.0	6,949.1	4.7	6,953.8
2021	6,874.6	*173.9*	*1,079.7*	0.0	6,874.6	5.0	6,879.6
2022	6,827.4	*178.0*	*1,027.8*	0.0	6,827.4	5.0	6,832.4
2023	6,252.9	*178.2*	*1,041.9*	0.0	6,252.9	5.0	6,257.9
2022							
I	6,647.0	*171.7*	*1,066.5*	0.0	6,647.0	5.0	6,652.0
II	6,751.8	*164.9*	*1,024.4*	0.0	6,751.8	5.0	6,756.8
III	6,764.0	*167.3*	*987.7*	0.0	6,764.0	5.0	6,769.0
IV	6,827.4	*178.0*	*1,027.8*	0.0	6,827.4	5.0	6,832.4
2023							
I	6,779.7	*179.9*	*1,040.0*	0.0	6,779.7	5.0	6,784.6
II	6,590.8	*176.7*	*1,029.7*	0.0	6,590.8	5.0	6,595.8
III	6,372.7	*174.7*	*1,019.5*	0.0	6,372.7	5.0	6,377.6
IV	6,252.9	*178.2*	*1,041.9*	0.0	6,252.9	5.0	6,257.9

END OF PERIOD	COMMERCIAL BANKS FOREIGN ASSETS	FOREIGN LIABILITIES	NET FOREIGN POSITION (8-9)	GROSS FOREIGN ASSETS (1+6+8)	TOTAL FOREIGN LIABILITIES (4+9)	NET FOREIGN RESERVES (11-12)
	(8)	(9)	(10)	(11)	(12)	(13)
2019	3,698.9	918.6	2,780.3	10,627.8	918.6	9,709.3
2020	4,060.4	706.0	3,354.4	11,014.1	706.0	10,308.1
2021	4,643.3	663.6	3,979.7	11,522.9	663.6	10,859.3
2022	4,806.6	640.8	4,165.7	11,639.0	640.8	10,998.1
2023	4,456.0	688.0	3,768.1	10,713.9	688.0	10,025.9
2022						
I	4,626.7	676.8	3,949.9	11,278.7	676.8	10,601.9
II	4,719.4	630.7	4,088.7	11,476.2	630.7	10,845.5
III	4,541.7	588.9	3,952.7	11,310.6	588.9	10,721.7
IV	4,806.6	640.8	4,165.7	11,639.0	640.8	10,998.1
2023						
I	4,487.9	687.8	3,800.1	11,272.6	687.8	10,584.8
II	4,600.3	744.6	3,855.6	11,196.0	744.6	10,451.4
III	4,267.0	672.4	3,594.6	10,644.6	672.4	9,972.2
IV	4,456.0	688.0	3,768.1	10,713.9	688.0	10,025.9

SOURCE: Central Bank of Trinidad and Tobago

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

TABLE A.36

SUMMARY ACCOUNTS OF THE CENTRAL BANK, 2019-2023
/ TT$ Millions /

ITEM	2019	2020	2021	2022	2023
Net Foreign Assets	**43,422.0r**	**43,689.0**	**39,026.6**	**39,041.8**	**34,991.2**
Net International Reserves	46,671.0r	46,984.1	46,489.6	46,026.4	41,993.8
Assets	46,827.0r	46,984.1	46,489.6	46,026.4	41,993.8
Liabilities	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	-3,248.6	-3,295.2	-7,463.0	-6,984.6	-7,002.6
Other External Assets	31.6	2.2	1.1	59.5	55.3
Medium and Long-Term Foreign Liabilities	-287.2	-158.0	-169.7	-174.3	-97.9
SDR Allocation	-2,993.0	-3,139.3	-7,294.4	-6,869.7	-6,960.0
Net Domestic Assets	**-13,648**	**-11,571.5**	**-11,749.5**	**-9,340.9**	**-8,614.9**
Net Credit to the Public Sector	-5,274	-2,348.4	-3,989.0	-2,659.4	1,322.3
Central Government (net)	-5,222	-2,303.9	-3,921.6	-2,579.2	1,424.8
Treasury Bills	0.0	0.0	0.2	194.5	8.3
Other Government Securities	163.1	114.2	98.1	78.8	91.1
Loans to Government	42,300.7	45,100.9	46,320.1	56,651.2	66,045.5
Use of Reserves (-addition)	-47,686	-47,519.0	-50,340.0	-59,503.6	-64,720.0
Rest of Public Sector	-52.3	-44.5	-67.4	-80.2	-102.5
of which: Public Enterprises	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Net Claims on Financial Institutions	0.0	0.0	0.0	0.0	0.0
Other Items (net)	-8,217.0r	-9,223.1	-7,760.5	-6,681.6	-9,937.1
Reserve Money	**29,931.1**	**32,117.5**	**27,277.0**	**29,700.9**	**26,376.4**
Currency in Circulation	8,799.1	8,412.0	9,253.1	9,301.1	9,499.8
Deposits of Commercial Banks	20,862.0	23,448.4	17,659.1	20,039.1	16,459.7
Deposits of Non-Bank Financial Institutions	269.9	257.0	364.9	360.7	416.9
	Changes as a Per Cent of Beginning-of-Period Reserve Money				
Net Foreign Assets	**-17.2**	**0.4**	**-14.5**	**0.1**	**-13.6**
Net Domestic Assets	**34.4**	**6.9**	**-0.6**	**8.8**	**2.4**
Of which: Central Government	*39.7*	*9.7*	*-5.0*	*4.9*	*13.5*
Reserve Money	**17.2**	**7.3**	**-15.1**	**8.9**	**-11.2**
Memorandum Item:					
Government Blocked Account	14,756.8	11,459.6	10,265.7	7,465.3	4,698.1

SOURCE: Central Bank of Trinidad and Tobago

APPENDIX TWO

CALENDAR OF KEY ECONOMIC EVENTS

JANUARY TO DECEMBER 2023

CENTRAL BANKING

31 Mar

The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.

30 Jun

The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.

29 Sep

The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.

29 Dec

The Central Bank of Trinidad and Tobago maintained the Repo rate at 3.50 per cent.

ENERGY SECTOR

07 Sep

Touchstone Exploration Inc. (Touchstone) announced its Cascadura natural gas and liquids facility safely delivered its first production. Natural gas and associated liquids production commenced recently and the company intends to increase gross aggregate natural gas production from the Cascadura-1ST1 and Cascadura Deep-1 wells to 60 million cubic feet per day (mmcf/d) (or 10,000 barrels of oil equivalent per day (boe/d)) plus the associated natural gas liquids in the coming weeks.

20 Sep

Trinidad and Tobago signed an inter-institutional, profit-sharing agreement with Venezuela to export gas from the Dragon field. Energy Minister Stuart Young and Venezuela's Petroleum Minister, Pedro Rafael Tellechea, signed the gas-sharing agreements for the joint exploitation of gas in the territorial waters shared by both countries.

22 Sep

Shell PLC signed an agreement to supply NGC with natural gas through 2036, including from the yet-to-be developed Manatee offshore field, according to the state gas company. Under the deal, Shell would provide NGC with at least 150 mmcf/d of gas from the Manatee offshore field, part of the shared Trinidad-Venezuela Loran-Manatee discovery, estimated to hold 10 trillion cubic feet (TCF) of natural gas.

12 Oct

NGC and Methanex Trinidad Limited (Methanex) signed a new Gas Sales Contract (GSC) for the supply of gas to the Titan methanol plant on the Point Lisas Industrial Estate (PLIE). It will allow for the resumption of operations at the world-scale Titan plant, which has a production size of 875,000 metric tonnes per annum but was halted during the COVID-19 pandemic. Additionally, Methanex announced its intention to idle operations at its Atlas methanol plant in September 2024 based on economic concerns.

20 Oct

NGC completed negotiations with Proman for the execution of GSCs for Caribbean Nitrogen Company Limited (CNC) and Nitrogen (2000) Unlimited (N2000). These GSCs will support production at critical ammonia facilities on the PLIE.

18 Nov
NGC completed a GSC with PCS Nitrogen Trinidad (Nutrien) in ongoing efforts to solidify partnerships in the petrochemical sector and support the sector's continued growth. Natural gas supply from NGC will support Nutrien's ammonia plants and one urea plant, located at the PLIE.

21 Dec
The Governments of Venezuela and Trinidad and Tobago signed an agreement to jointly produce and export offshore natural gas from the Dragon Gas field. Venezuela's state oil company, PDVSA, granted a 30-year license to NGC to develop Dragon, located in Venezuelan waters, with Shell as the project's operator. The Dragon field has approximately 3.2 TCF of natural gas and the project is expected to yield natural gas outputs of 185 mmcf/d.

FINANCIAL LEGISLATION

26 Jan
An Act to provide for a further supplementary appropriation for the service of Trinidad and Tobago for the financial year ending September 30, 2022 was assented. This Act may be cited as the Finance (Supplementary Appropriation) (Financial Year 2022) Act, 2023. Act No. 1 of 2023.

22 May
An Act to supplement and vary the appropriation of the sum the issue of which was authorised by the Appropriation (Financial Year 2023) Act, 2022, was assented. This Act may be cited as the Finance (Supplementation and Variation of Appropriation) (Financial Year 2023) Act, 2023. Act No. 3 of 2023.

27 Oct
An Act to provide for the service of Trinidad and Tobago for the financial year ending on September 30, 2024 was assented. This Act may be cited as The Appropriation (Financial Year 2024) Bill, 2023. Act No. 14 of 2023.

20 Dec
An Act to make provisions of a financial nature and other related matters, was assented. This Act may be cited as the Finance Act, 2023. Act No. 15 of 2023.

GOVERNMENT TRANSACTIONS

07 MAR
President of the Inter-American Development Bank (IDB), Mr. Ilan Goldfajn, met with Prime Minister Dr. Keith Rowley to sign the first drawdown of a US$80 million loan to rehabilitate this country's water sector. This is part of a US$315 million conditional credit line for Trinidad and Tobago's National Water Sector Transformation Programme. This initiative will directly benefit an estimated 1,025,000 residents (310,665 households), plus an additional 279,500 residents (84,705 households) in surrounding communities.

21 Apr
A US$1.5 million agreement, aimed at strengthening the Port of Port-of-Spain (PPOS), was signed between the Government of the Republic of Trinidad and Tobago (GoRTT)

and the IDB. The purpose of the initiative is to provide support to the GoRTT in structuring activities for a Public Private Partnership Project (PPP) for the cargo handling operations at the Port Authority of Trinidad and Tobago. The agreement, inter alia, is expected to lead to the funding of feasibility studies (technical, financial, legal) to design the best model and define the framework for bidders to present their proposals.

10 Jul

Moody's Investors Services, an international rating agency, has affirmed the Ba2 rating of Trinidad and Tobago but moved the country's outlook upwards from stable to positive. This affirmative action by Moody's acknowledges the resilience of the economy in the face of various shocks over the recent years (oil and gas prices shocks and the severe adverse effects of the COVID-19 pandemic).

26 Jul

Standard & Poor's (S&P) affirmed Trinidad and Tobago's BBB—credit rating, with a stable outlook. S&P's credit rating highlights Trinidad and Tobago's favourable external profile and stable democracy. It also reflects solid government financial assets that mitigate the effect of economic cycles on fiscal and external performances.

15 Oct

CariCRIS confirmed the sovereign issuer credit ratings assigned to the GoRTT of CariAA (Foreign and Local Currency Ratings) on its regional rating scale. This rating indicates that this obligor's creditworthiness level is higher than that of other rated obligors in the Caribbean.

FINANCIAL SECTOR

06 Apr

Trinidad and Tobago Insurance Ltd (TATIL) completed its Colfire acquisition, one of the insurance companies in the CL Financial (CLF) group. The deal was finalised at an estimated value of $320 million.

26 Jul

Ansa McAL Ltd. confirmed the acquisition of its shares in the Bahamian Brewery and Beverage Company Limited (BBBCL) after entering a definitive share purchase agreement in which it acquired a minority interest. Ansa McAL completed the acquisition of a minority interest in the issued and allotted ordinary share capital of BBBCL after shareholders of BBBCL entered into a shareholders' agreement with Ansa McAL and acceded to the acquisition, under the share purchase agreement executed last year.

01 Oct

MyCash (Trinidad and Tobago) Ltd was issued provisional registration by the Central Bank of Trinidad and Tobago to issue electronic money locally. MyCash is the fourth company authorised to do so. The provisional registration, which covers a six-month period, authorises MyCash to issue e-money from October 02, 2023. Under the terms of the provisional registration, MyCash will be allowed to enlist new customers in a controlled environment monitored by the Central Bank

Central Bank of
Trinidad & Tobago