



Government of The Republic of Trinidad & Tobago



Review of the Economy
2010

FACING THE ISSUES

TURNING THE ECONOMY AROUND

Partnering With All Our People

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THE INTERNATIONAL ECONOMY¹

- United States
- United Kingdom
- Euro Zone,
- Japan
- Emerging Asia
- Latin America
- CIS Economies
- Middle Eastern Economies
- Sub-Saharan Africa

GLOBAL OVERVIEW

The recovery of the global economy continued to become more deeply entrenched over the past year and indicators point to further improvement in global economic conditions over the medium term. The speed of recovery, however, has varied greatly across regions. Global economic growth is expected to rebound to 4.6 percent in 2010 following a contraction of 0.6 percent in 2009.

Recovery from the global financial crisis has been more pronounced in the emerging market

economies than in the advanced economies. The major advanced economies are still experiencing high levels of spare capacity and muted growth overall, while the expansion in emerging markets has been very strong. However, indications suggest that the pace of expansion in the faster growing emerging economies is moderating towards more sustainable levels.

During 2009 and into 2010, the recovery in the United States has remained tentative in light of the ongoing deterioration in the real estate market and in private consumption growth. Output growth in Asian economies was stronger than expected in 2009 supported by a rapid normalization of trade, the bottoming out of inventory cycles in major trading partners, a resumption of capital inflows and resilient domestic demand. Europe is facing an uneven recovery and generally is emerging from the recession at a slower pace than other regions. The recovery in advanced Europe remains tentative and risks have tilted to the downside. In the aftermath of significant output collapse during the recession, growth in the CIS economies continues to lag behind other regions. For many CIS countries growth prospects remain highly dependent on

1 **Source:** International Monetary Fund, World Economic Outlook, April 2010
World Trade Organization
Various Central Banks and Statistical Offices

the speed of recovery in Russia. Moreover, while the resumption of trade and capital flows have supported the recovery, lingering financial sector vulnerabilities and heavy dependence on external financing continue to be a drag on growth. The relatively robust recovery in the Latin American and Caribbean region is being driven by a strong rebound in consumption and to a lesser extent investment. In the Middle East and North Africa Region higher commodity prices and strong external demand have supported recovery efforts. Sub-Saharan Africa has emerged from the global crisis in a relatively good condition. Notwithstanding that some middle income and oil-exporting economies were deeply impacted by the collapse in export and commodity markets, the region managed to stave off a contraction in 2009.

Globally, consumer prices mirrored the uneven growth in the world economy with underlying inflationary pressures remaining rather contained in the major advanced economies but picking up in emerging market regions. Recovering demand, particularly in Asia, provided a boost to commodity prices from the lows of 2008. From as early as the beginning of 2010, however, oil prices have been subject to considerable volatility.

While global activity is rebounding faster than initially projected, the fiscal outlook has improved commensurately. The overall fiscal deficit for the world is expected to decline from 6.7 percent of GDP in 2009 to 6 percent of GDP in 2010. Latin America and emerging Asia have exhibited the strongest fiscal positions in the aftermath of the crisis to date.

Already, current global macroeconomic conditions indicate a return to easy global financing conditions as global financial markets recover their appetite for risk.

The accommodative stance of monetary policy remained a feature of the global economy well into 2010 as Central Banks cut policy rates to historically low levels. Central Banks have only

now begun to moderate their accommodative policies in the face of strengthened capital inflows and as the global recovery solidifies. The European Central Bank (ECB) main policy rate has remained unchanged at 1 percent since April 2009. The Bank of Canada raised its policy rate by 15 basis points to 0.75 percent in July to match its outlook on growth and inflation for the remainder of 2010. Hong Kong has maintained its policy rate at 0.5 percent since January 2009 while Singapore reduced its rate by 30 basis points between January and July 2010 to 0.09 percent.

UNITED STATES

Real GDP in the US, after contracting by 2.4 percent in 2009, is projected to grow by 3.3 percent in 2010 supported by an improvement in financial conditions, stimulus from monetary and fiscal policies, resilient consumer spending, a rebound in business investment and a positive contribution from private inventories. Net exports also made a modest positive contribution to growth, as the rebound in global trade and recovery in partner economies boosted exports.

Inflation as reflected in the CPI stood at 1.1 percent in May stemming largely from weaker energy prices. Excluding food and energy, annual inflation rose 0.2 percent in June, following a 0.1 percent increase in May. The inflationary trend in core items continues to reflect renewed buoyancy in domestic product and labour markets.

Labour market conditions have begun to stabilize but remain subdued as the rate at which jobs are being lost has slowed substantially. The unemployment rate which had climbed to 10 percent at the end of 2009 retreated marginally to 9.5 percent by July 2010.

The recovery in the United States has turned on the fiscal effort exerted by government, which has resulted in a fiscal deficit of 12.5 percent of

GDP for 2009 with the prospect of only marginal improvement to 11.0 percent of GDP in 2010. This has highlighted the balancing act in supporting growth now and securing fiscal sustainability over the medium term.

The recovery in financial markets that began in early 2009 continued through the second half of 2009 and into 2010. Broad equity price indices increased further, on balance, and risk spreads on corporate bonds narrowed considerably. Conditions in short-term funding markets returned to near pre-crisis levels; liquidity and bank funding continued to normalize, while risk spreads in the commercial paper market stabilized at the low end of the range observed since the second half of 2007.

The US Federal Reserve continues to maintain its target range for the federal funds rate at 0 percent to 0.25 percent on the premise that economic conditions including subdued inflationary trends and stable inflation expectations warrant exceptionally low levels of the federal funds rate. In August, the Federal Reserve announced the funnelling of proceeds from its maturing mortgage bonds into longer-term government debt in an effort to lend further support to the economic recovery.

THE UNITED KINGDOM

In the United Kingdom, economic growth has made a gradual recovery since the third quarter of 2009. Real GDP growth is projected at 1.2 percent in 2010, following a contraction of 4.9 percent in 2009. Economic activity was mainly driven by a positive contribution from business services and construction, while household expenditure remained unchanged. Overall, economic activity suggests that the gradual improvement in the economic situation has continued in recent months.

Annual CPI inflation has continued to increase in recent months, standing at 3.2 percent in June 2010. The expiration of the temporary VAT rate reduction

and increases in transport costs on account of higher energy prices played a key role in the increase in inflation in 2010.

The Bank of England maintained the official Bank Rate paid on commercial bank reserves at 0.5 percent. The Bank also kept its bond-stimulus plan in place to help prevent the economic recovery from stalling during the biggest budget squeeze since World War II.

The aggressive fiscal expansion pursued by the UK continued to translate into a widening fiscal deficit which increased from 10.9 percent in 2009 to 11.4 percent in 2010.

The UK's current account is forecasted to deteriorate to 1.7 percent of GDP in 2010 from 1.3 percent in 2009. In the second quarter of 2010, the current account deficit widened by 1 billion pounds to 22.9 billion pounds. Exports jumped 4.3 percent to the highest since June 2008, and imports rose 1 percent. Merchandise exports rose 5.1 percent from the previous three months and imports increased 5 percent.

EURO ZONE

The recent financial and economic crisis affected Europe more than any other region as reflected by its relatively modest performance as compared with the recoveries underway in other parts of the world. Euro area GDP contracted by 4.1 percent in 2009 as external financing constraints, particularly in those countries with large current account deficits and heavy dependence on foreign financing forced a sharp decline in output in some emerging European economies. The reversal of construction and credit booms, in conjunction with banking sector problems extended the output collapse to a number of other countries across the region. Improving economic fundamentals and return of risk appetite among investors are contributing to

a strong and broad based rebound in financial markets. These developments are prompting a gradual but uneven resumption of growth in the Euro Zone which is expected to grow by 1.0 percent in 2010.

In Germany, the largest economy in the Euro zone, real GDP growth is projected at 1.4 percent in 2010 following on a contraction of 4.9 percent in 2009. In contrast, for 2010 as a whole, Spain's GDP is projected to decline a further 0.4 percent following a contraction of 3.6 percent in 2009. In Greece, GDP is projected to contract by 2 percent in 2010, following on the contraction of the same magnitude in 2009.

Inflationary pressures within the Euro area intensified marginally as consumer price inflation ticked up from 0.3 percent in 2009 to 1.1 percent in 2010. The emergence of inflationary pressures reflected higher commodity prices.

Amidst weak economic activity across euro zone countries, central banks generally continued their monetary easing cycles maintaining policy rates at historically low levels. The European Central Bank (ECB) has left its main interest rate unchanged at a record low of 1 per cent for the 15th consecutive month. The ECB opted to continue its planned purchases of up to €60 billion in covered bonds, but took steps to scale back its enhanced credit support measures in the face of reduced demand for liquidity. The European Financial Stability Facility was established as a funding mechanism for any euro-area Member State finding itself in financial difficulties.

Fiscal balances deteriorated across the board in the Euro Zone area from a deficit of 6.3 percent of GDP in 2009 to 6.8 percent of GDP in 2010 as a result of large output losses and costly crisis-related measures. This was particularly the case in Greece, Ireland, Lithuania, Portugal, Spain, and the United Kingdom. Overall, the region continues to be plagued by unresolved problems in the banking sector, remaining external financing constraints,

vulnerable household and corporate balance sheets, and ongoing financial sector deleveraging all of which have combined to limit the speed of the recovery in the hardest-hit economies in emerging Europe.

For the most part, the external account of the Euro Zone countries improved modestly from a current account deficit of 0.4 percent of GDP in 2009 to zero balance in 2010. Notwithstanding that current account imbalances have adjusted in many emerging European countries, they remain substantial and especially challenging to unwind in countries without the option of using currency depreciation as a mechanism to improve competitiveness.

JAPAN

The contraction of 5.2 percent in Japan's economy during 2009 is expected to be reversed as real GDP growth is projected at 2.4 percent in 2010, driven by increasing net exports of goods and services, and to a lesser extent by domestic demand. This performance reflected the challenges in strengthening domestic demand particularly in the context of the emerging deflation, continued excess capacity, and a weak labor market. Further, developments in 2010 suggest that continued yen appreciation is dampening the contribution of net exports to growth, particularly in comparison with the rest of Asia.

Consumer price inflation remained negative owing to the significant slack in the economy. Overall annual CPI inflation declined by 1.2 percent in April compared with 1.1 percent in March. Annual CPI inflation excluding fresh food and energy stood at -1.6 percent while CPI inflation excluding fresh food fell to -1.5 percent.

During 2010, the Bank of Japan maintained its policy interest rate at around 0.1 percent amid concerns about persistent deflation following the

announcement of a new ¥10 trillion three-month secured lending facility in December 2009.

The current account is projected to record a surplus of 2.8 percent of GDP in 2010, the same level of 2009. Exports rose 27.7 percent year-on-year in June but the pace of increase slowed for the fourth straight month, a sign the economic recovery may be losing steam on moderating overseas demand.

EMERGING ASIA

In emerging Asia, real GDP growth accelerated further and added 2.3 percentage points to its 2009 growth to realize 9.2 percent growth for 2010. Strong external demand and supportive fiscal and monetary policies contributed to the strength in economic activity almost uniformly in the region. Private domestic demand, albeit with less consistency across countries of the region, also factored as an important driver of growth. Inflation remained generally subdued through the first half of 2009 reflecting spare capacity but moved up in the fourth quarter as adverse weather conditions led to a sharp rise in food prices.

In China, real GDP growth is projected at 10.5 percent as compared to 9.1 percent in 2009. Real GDP growth continued its momentum at 10.3 percent year-on-year in the second quarter of 2010 as the Chinese authorities steer monetary and fiscal policy back to normal after a record credit surge to counter the global crisis. China has now overtaken Japan as the world's second largest economy.

The fiscal stimulus package enacted in November 2008, combined with a surge in bank lending, led to a sharp rise in investment and consumption. Strong domestic demand contributed to a rebound in imports, which helped support economic activity in the rest of Asia and in commodity-exporting countries. Chinese authorities halted the modest appreciation of their currency against the dollar in the middle of 2008, and the exchange rate between

the renminbi and the dollar has been unchanged since then.

Inflationary pressures continue to increase, with CPI inflation reaching 3.3 percent year on year in July, mainly on account of rising food and raw material prices. With the economy booming and inflation picking up, the People's Bank of China (the central bank) embarked on the country's first significant monetary policy tightening moves since the financial crisis, increasing the reserve ratio requirement for banks by 0.5 percentage point in January 2010 and again in February.

In Korea, real GDP is projected to expand by 5.7 percent from 0.2 percent in 2009 on account of an improved export performance as well as increased government spending. Annual CPI inflation maintained a steady rate at 2.6 percent in July, the same rate for the past three months. Inflation is expected to maintain this steady rate and average 2.9 percent for 2010.

In India, Real GDP growth for 2010 is projected at 9.4 percent compared to 5.7 percent for 2009 driven by the revival in agriculture and the expansion in the services sector. India continued to experience double-digit inflation in 2010 with CPI measuring 13.7 percent in June and is expected to average 13.2 percent in 2010, up from 10.9 percent in 2009. In response to the build up of inflationary pressures, the Reserve Bank of India intensified its monetary tightening cycle raising its policy rate by a total of 125 basis points between January and August.

Overall, emerging Asia's strong economic performance is expected to continue for the remainder of 2010 as supportive fiscal and monetary policies and rising world and domestic private demand remain in place.

LATIN AMERICA

Latin America region moved to consolidate the recovery that began in the second half of 2009

as the pace of economic activity continued to strengthen and broaden in the first quarter of 2010. GDP growth for the region is projected at 5.1 percent for 2010 following a contraction of about 1.5 percent in 2009. The pace of the recovery is advancing faster than anticipated, but at different speeds across countries in the region. Higher growth is projected in many of the commodity exporting countries. At the same time, inflationary pressures is picking up across the region.

Overall, output growth is expected to continue to intensify throughout 2010 in the region as a whole on account of strengthening external demand, particularly for commodities, and continued robust domestic demand.

In Mexico, real GDP growth is projected at 4.5 percent following a contraction of 6.5 percent in 2009. Real GDP grew by 4.4 percent year-on-year to March 2010, after falling by 2.4 percent in the fourth quarter of 2009. Annual price inflation averaged 4.8 percent in the first quarter of 2010 and is expected to average 4.6 percent for the year, down five percentage points from 2009.

After having contracted by 0.2 percent in 2009, the Brazilian economy is expected to grow by 7.1 percent in 2010, supported in part by government stimulus and rising commodity prices. Inflation in Brazil also picked up to reach 4.8 percent in the first quarter of 2010 and is expected to average 5.4 percent for the year.

In Argentina, economic activity is expected to expand by a 3.5 percent for 2010 on the strength of industrial production increasing at an average rate of 9.0 percent year-on-year. Inflationary pressures picked up significantly and annual CPI inflation averaged 9.0 percent in the first quarter of 2010. Inflation is expected to remain at this level throughout the remainder of 2010 averaging 10.1 percent.

CIS ECONOMIES

Recovery in a number of CIS economies is lagging behind most other economies of the world. Overall, the CIS economies are expected to reverse the contraction of 6.6 percent in 2009 and grow by 4.3 percent in 2010. CIS's recovery hinges on higher commodity prices for exports (oil, gas and metals), IMF's support, expansionary domestic policy and the performance of the Russian economy, the region's top consumer. Notwithstanding, growth prospects of the CIS countries, growth continue to be hindered by their heavy dependence on external financing and inherent financial sector vulnerability. Growth projections across the region vary sharply. Uzbekistan, benefiting from high commodity prices, is expected to remain among the top performers in the region in 2010, growing at 8 percent from 6.2 percent in 2009. Russia is expected to recover from a contraction of 7.9 in 2009 to achieve a modest growth of 4.3 percent in 2010.

Inflation across CIS economies picked up and remained relatively high at 11.2 percent in 2009 and is projected at 7.2 percent in 2010.

The current account surplus of CIS economies is expected to widen to 4.0 at the end of 2010 from 2.6 percent of GDP in 2009 in the face of a more favourable external environment.

MIDDLE EASTERN ECONOMIES

The Middle Eastern economies have proven remarkably resilient to the global economic slowdown. GDP growth for Middle East countries as a group is projected to accelerate to 4.5 percent in 2010 from 2.4 percent in 2009 mainly as a result of higher commodity prices, stronger external demand, as well as continuing government stimulus. Weak property markets and financial sector vulnerabilities in some of the region's economies continued to represent a drag on economic growth prospects. Growth rates vary significantly across Middle Eastern

economies. Despite the global slowdown, Qatar, the largest natural gas exporter, is expected to grow by 18.5 percent in 2010 from 8.7 percent in 2009. Qatar performed well ahead of its Gulf peers due largely to an expansion of its gas facilities. Sizable government infrastructure investments in Saudi Arabia and Kuwait supported the recovery efforts of these countries.

The United Arab Emirates is expected to grow by 1.3 percent in 2010 after contracting by 0.7 percent in 2009. Dubai, one of the largest Emirates, is expected to contract by 0.4 percent in 2010 from a 5 percent contraction in the previous year as residential property prices rebounded.

Unemployment in the Middle East is estimated at 9.4 percent for 2010. Inflation in the region slowed but is expected to remain relatively high at 6.5 percent in 2010 from 6.6 percent in 2009.

The current account surplus of the region is projected to increase to 5.2 percent in 2010 from 1.8 percent in 2009. Recent increases in public spending on non-energy-related sectors are anticipated to help diversify these economies.

SUB-SAHARAN AFRICA

The downturn in global growth, the decline in most commodity prices and tighter credit negatively impacted the countries of Sub-Saharan Africa in 2009 and compounded the policy challenges currently confronting the region. Growth in Sub-Saharan Africa countries fell from 5.5 percent in 2008 to 2.1 percent in 2009 mirroring the impact of the global recession on the region. Recovery has become more deeply entrenched as growth in the region is expected to accelerate to 5.0 percent

in 2010. Inflationary pressures across Sub-Saharan Africa abated from 10.6 percent in 2009 to 8 percent in 2010. The current account deficit for the region as a whole narrowed from 2.1 percent of GDP in 2009 to 1.7 percent in 2010.

The pattern of recovery has varied sharply according to income level and resource endowment. Middle-income countries (South Africa, Botswana and Seychelles) and oil exporting African countries (Angola, Equatorial Guinea), were most severely affected by the financial crisis. South Africa is projected to grow by 2.6 percent in 2010 after having contracted by 1.8 percent in 2009 in line with external demand growth and the evolution of currency appreciation.

Nigeria exhibited strong GDP growth throughout the global recession on account of the strong performance of the country's non-oil sectors. Nigeria's GDP grew by 5.6 percent in 2009 and is expected to grow by 7.0 percent in 2010. Nigeria's current account surplus is expected to widen marginally from 11.6 percent of GDP in 2009 to 12.4 percent of GDP in 2010. Inflationary pressures are expected to persist as the inflation rate is likely to moderate marginally from 12.4 percent in 2009 to 11.5 percent by 2010.

Low-income countries (Kenya, Côte d'Ivoire, Cameroon) have been relatively unaffected by the global downturn and remittances and official aid flows remain broadly unchanged from their 2008 levels, despite recessions in advanced countries.

Growth prospects for the region are expected to be tempered by tight credit conditions, the recent strength of the rand, high unemployment and political uncertainty in several economies, particularly those of West Africa.

Table 1: Macroeconomic Indicators for Selected Economies

| | Real | | Consumer | | Unemployment | | Current Account | | Fiscal | |
|---|-------------|------------|-------------|------------|--------------|-------------|----------------------|-------------|----------------------|-------------|
| | GDP | | Prices | | (%) | | Balance ¹ | | Balance ¹ | |
| | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 |
| Advanced Economies | -3.2 | 2.6 | 0.1 | 1.4 | 8.0 | 8.4 | -0.4 | -0.4 | -8.7 | -8.7 |
| United States | -2.4 | 3.3 | -0.3 | 2.1 | 9.3 | 9.4 | -2.9 | -3.3 | -12.5 | -11.0 |
| Japan | -5.2 | 2.4 | -1.4 | -1.4 | 5.1 | 5.1 | 2.8 | 2.8 | -10.3 | -9.8 |
| EuroZone | -4.1 | 1.0 | 0.3 | 1.1 | 9.4 | 10.5 | -0.4 | 0.0 | -6.3 | -6.8 |
| United Kingdom | -4.9 | 1.2 | 2.2 | 2.7 | 7.5 | 8.3 | -1.3 | -1.7 | -10.9 | -11.4 |
| Germany | -4.9 | 1.4 | 0.1 | 0.9 | 7.4 | 8.6 | 4.8 | 5.5 | -3.3 | -5.7 |
| Spain | -3.6 | -0.4 | -0.3 | 1.2 | 18.0 | 19.4 | -5.1 | -5.3 | -11.4 | -10.4 |
| Greece | -2.0 | -2.0 | 1.4 | 1.9 | 9.4 | 12.0 | -11.2 | -9.7 | -12.9 | -8.7 |
| Newly Industrialised Asia | -0.9 | 6.7 | 1.3 | 2.3 | 4.3 | 4.1 | 8.9 | 6.6 | -1.2 | -0.7 |
| Hong Kong | -2.8 | 6.0 | 0.5 | 2.0 | 5.1 | 4.8 | 11.1 | 12.1 | 0.8 | -1.5 |
| Korea | 0.2 | 5.7 | 2.8 | 2.9 | 3.7 | 3.5 | 5.1 | 1.6 | 0 | 1.1 |
| Singapore | -1.3 | 9.9 | 0.2 | 2.1 | 3.0 | 2.8 | 19.1 | 22.0 | -2.0 | -2.2 |
| Emerging and Developing Asia | 6.9 | 9.2 | 3.1 | 5.9 | n/a | n/a | 4.1 | 4.1 | n/a | n/a |
| China | 9.1 | 10.5 | -0.7 | 3.5 | 4.3 | 4.1 | 6.0 | 5.0 | 9.9 | 8.8 |
| India | 5.7 | 9.4 | 10.9 | 13.2 | n/a | n/a | -2.1 | -2.2 | -8.0 | -7.6 |
| Latin America and the Caribbean | -1.8 | 4.0 | 6.0 | 6.2 | n/a | n/a | -0.5 | -1.0 | n/a | n/a |
| Argentina | 0.9 | 3.5 | 6.3 | 10.1 | 8.4 | 8.3 | 2.8 | 2.8 | -3.9 | -3.5 |
| Barbados | -5.3 | -0.5 | 3.5 | 5.3 | 10.0 | 9.8* | -5.1 | -5.7 | -8.6 | -7.2 |
| Brazil | -0.2 | 7.1 | 4.9 | 5.4 | 8.1 | 7.4* | -1.5 | -2.9 | -3.2 | -1.6 |
| Guyana | 3.3 | 4.4 | 2.9 | 3.8 | n/a | n/a | -8.5 | -10.0 | -3.3 | -3.2 |
| Jamaica | -2.8 | -0.3 | 9.6 | 14.9 | 11.3 | n/a | -11.7 | -9.1 | -10.4 | -6.1 |
| Mexico | -6.5 | 4.5 | 5.3 | 4.6 | 5.5 | 5.0 | -0.6 | -1.1 | -4.7 | -3.4 |
| Commonwealth of Independent States | -6.6 | 4.3 | 11.2 | 7.2 | n/a | n/a | 2.6 | 4.0 | n/a | n/a |
| Russia | -7.9 | 4.3 | 11.7 | 7.0 | n/a | n/a | 3.9 | 5.1 | -6.2 | -5.6 |
| Middle Eastern Countries | 2.4 | 4.5 | 6.6 | 6.5 | n/a | n/a | 1.8 | 5.2 | n/a | n/a |
| Sub-Saharan Africa | 2.2 | 5.0 | 10.6 | 8.0 | n/a | n/a | -2.1 | -1.7 | -5.9 | -4.6 |

Source: World Economic Outlook, April 2010

Real GDP: World Economic Outlook, Update, July 2010

Regional Economic Outlook, Western Hemisphere, May 2010-08-30

Regional Economic Outlook, Sub-Saharan, April 2010

Public Info. Notice 10/105, 10/39, 10/111, 10/100, 10/18; 2010 Article IV

Consultations

¹ Percent of GDP

IMF Forecast (unless otherwise stated)

* January - March

n/a not available

ECONOMIC PERFORMANCE OF CARICOM STATES

- Introduction
- Barbados
- Jamaica
- Guyana
- ECCU Countries

INTRODUCTION

In the aftermath of the global financial crisis, the fragility of the recovery in advanced economies and weak external demand including that for tourism from North America and Europe is impeding growth in a number of economies in the region. Real GDP growth continued to decline across most countries as the region's main sources of growth, continued to be negatively impacted. In addition to falling tourism receipts, regional economies also continue to be challenged by dwindling workers' remittances and reduced foreign direct investment flows in 2009. The recovery prospects of regional economies remain closely linked to the speed and intensity of the recovery in the United States and Europe.

With the exception of Haiti, Caribbean economies for the most part either contracted or experienced lower rates of growth in 2009 when compared to 2008.

Several economies including Barbados, Jamaica and Trinidad and Tobago contracted in 2009, whilst for a few others expansion of GDP slowed. For the region as a whole, real GDP is expected to grow by 4 percent in 2010 after contracting by 1.8 percent in 2009. Growth performance in 2010 is expected to vary considerably across the economies of the region, reflecting different initial conditions and policy responses to external economic factors.

In 2009, the economies of Barbados, Jamaica and Trinidad and Tobago contracted by 4.8 percent, 3.2 percent and 3.5 percent respectively. In contrast, the economies of Guyana, Suriname and the Netherlands Antilles grew by 2.3 percent, 2.5 percent and 0.8 percent respectively.

Inflationary pressures abated considerably across regional economies softening from a high of 12.5 in 2008 to 6.6 in 2009. In 2009, average inflation rates varied widely from -2.13 percent in Aruba to 9.58 percent in Jamaica.

Unemployment rates trended upwards across the region as reduced levels of economic activity in 2009 triggered job losses especially in the distributive trades, construction and manufacturing sectors. Unemployment rates in 2009 ranged from 5.3 percent in Trinidad and Tobago to 14.2 in The Bahamas.

The fiscal position of regional economies continued to worsen in 2009 in the wake of declining current revenues. The underperformance of taxes particularly on international trade as well as lower royalty receipts from the energy sector contributed to dwindling revenues.

The corporate collapse in 2009 of CL Financial in Trinidad and Tobago and the Stanford Groups of Companies in Antigua and Barbuda, resulted in spillovers across the region, highlighting weaknesses in financial sector regulation and supervision.

During 2009 and 2010, a number of regional countries opted to utilize the various facilities available from the International Monetary Fund for purposes ranging from assistance for mitigating shocks associated with natural disasters to supporting economic reforms for boosting growth. See Box 1.

BARBADOS

The economic performance of Barbados worsened significantly in 2009 and into 2010. Triggered by broad based contractions in output across a wide range of sectors including manufacturing, construction, tourism and financial services, real GDP contracted a further 4.8 percent in 2009 following on a contraction of 0.2 percent in 2008. Tourism, the largest contributor to the tradable sector GDP (64 percent), which declined by 1.2 percent in 2008, deteriorated by a further 8.7 percent in 2009. Long-stay tourist arrivals fell by 11 percent as the demand for leisure significantly declined from the United States, the United Kingdom and the Caribbean. Arrivals from the UK fell by 13 percent largely as a result of the increase in UK tourism air passenger departure tax (APD). However, arrivals from Canada increased by 14 percent, as a result of increased airlift and greater marketing.

Box 1: CARICOM NEW LOAN AGREEMENTS WITH MULTILATERAL INSTITUTIONS, 2009- 2010

| Country | Lending Programme | Loan Size and Date (US\$) | Remarks |
|---|---|---|--|
| Jamaica | Standby Lending Facility, IMF, IDB, WB, CDB | \$1.27 billion February 4, 2010 | Reform of the public sector to reduce deficit; Debt restructuring and reforms to the financial sector to reduce risks |
| Haiti | Extended Credit Facility, IMF Emergency Development Policy Operation, WB | \$100 million January 15, 2010 \$30 million August 5, 2010 | To assist in the aftermath of the devastating earthquake on January 12, 2010 To finance critical government expenditures and to instill confidence in the people of Haiti |
| Saint Vincent and the Grenadines | Exogenous Shocks Facility, IMF | \$5.7 million May 15, 2009 | To assist the economy in adjusting to tourism and FDI shocks |
| Saint Lucia | Exogenous Shocks Facility, IMF | \$10.7 million July 27, 2009 | To assist in mitigating the impact of the global downturn and to assist in recovery from hurricane |
| Antigua and Barbuda | Standby Arrangement, IMF | \$117.8 million June 8, 2010 | To restore fiscal and debt sustainability and set the stage for a sustained recovery |
| Grenada | Extended Credit Facility | \$13.3 million April 2, 2010 | To support an agenda of economic reforms aimed at boosting growth, reducing poverty and strengthening the private sector |

The current fiscal deficit almost doubled in 2009 as a direct result of waning tax revenues and a greater than anticipated expansion in Government expenditure.

Unemployment ticked upwards as waning tourism-related projects, brought a number of real-estate investment projects to a standstill. This development significantly affected employment in the construction, mining and quarrying sectors which experienced its sharpest contraction in more than a decade. The unemployment rate in Barbados climbed to 10 percent in 2009 but by first quarter of 2010 had declined marginally to 9.8 percent.

The average annual rate of inflation fell significantly to 3.6 percent in 2009 from 8.1 percent in 2008 largely as a result of declining international commodity prices. By January 2010, inflation stood at 3.5 percent.

The external current account deficit more than halved in 2009 (US\$382.5 million) from US\$843.0 million in 2008, occasioned by falling imports. The current account deficit in 2009 was some 5.11 percent of GDP or US\$-0.184 billion, compared to a 10.46 percent of GDP deficit or US\$-0.384 billion in 2008.

JAMAICA

In 2009, the Jamaican economy continued to experience weak external and domestic demand, reflecting the bleak prospects of the global economy. The spin off from the global recession negatively impacted tourism and remittances, while reductions in foreign exchange earnings deteriorated the island's balance sheet and weakened its currency. The Jamaican economy contracted by 2.7 percent in 2009 from 0.9 percent in 2008 reflecting the broad based contraction across a wide range of sectors of which mining and quarrying was the most severely affected, contracting by 50.2 percent in 2009 compared

to a decline of 2.5 percent in 2008. Bauxite and alumina production also declined significantly by 46.8 percent and 55.6 percent respectively, due to falling international demand, resulting in the closure of two out of the three alumina companies operating in Jamaica.

Declines were also recorded in manufacturing (-5.0 percent), construction (-4.6 percent) and services (-0.6 percent). Agriculture, Forestry and Fishing, on the other hand, rebounded strongly, following two years of decline, with a 12.1 percent expansion relative to a decline of 5.2 in 2008. This expansion may be attributed to good weather conditions and initiatives by the Ministry of Agriculture aimed at improving the competitiveness and productivity of the sector.

The average annual inflation rate intensified and peaked at 22.0 percent by the end of 2008 and continued into 2009 as a result of depreciation of the currency. The year-on-year inflation rate which fell to 6.1 percent in September 2009 began trending upwards increasing to 9.6 percent by the end of 2009 as a result of higher import prices (as the price of fuel rebounded), and increases in taxes on tobacco, alcoholic beverages and petrol.

Domestic demand weakened as the unemployment rate rose to 11.4 percent in 2009, or 0.8 percent higher than in 2008. Inflationary pressures moderated in light of continued softening of demand coupled with increases in productivity in agriculture.

Jamaica's current account deficit narrowed from 18.6 percent in 2008 to 11.6 percent in 2009 in the face of declining imports associated with weakening domestic demand.

GUYANA

Guyana was one of three regional economies that demonstrated remarkable resilience in the face of adverse conditions occasioned by the financial crisis. Overall, the Guyanese economy grew by

2.3 percent in 2009, compared to 3.1 percent in 2008. In 2009, output increased albeit at relatively modest levels across a wide range of sectors with the exception of manufacturing which remained relatively flat. Agriculture, Fishing and Forestry, Construction and Engineering Services all exhibited positive growth performances.

The average annual inflation rate fell substantially to 2.9 percent in 2009, from a high of 8.1 percent in 2008. Price increases were most notable in education, housing and miscellaneous goods and services which registered increases of 6.6 percent, 19.0 percent and 5.8 percent, respectively.

Guyana's external current account surplus of 0.1 percent of GDP remained unchanged between 2008 and 2009.

ECCU COUNTRIES

In 2009, real GDP of the countries of the Eastern Caribbean Currency Union (ECCU) fell by 7.3 percent following on a modest growth of 1.9 percent in 2008. All of the ECCU economies contracted, with the exception of Montserrat which grew by 1.0 percent for 2009 for its third consecutive year of economic growth. Anguilla was the most severely affected of the group, contracting by 24.4 percent after having grown by 4.5 percent in 2008. In the case of Antigua and Barbuda, GDP contracted 8.9 percent in 2009 after registering a moderate 1.8 percent growth in 2008. St. Kitts and Nevis were also adversely impacted by slowing economic activity and contracted by 8.9 percent and 9.6 percent respectively following on growth of 1.8 percent and 4.6 percent respectively.

During 2009, output declined across a wide range of economic sectors including construction, hotels, restaurants, manufacturing, transportation and distribution. After six consecutive years of growth, construction activity declined by 28.7 percent in 2009. Limited access to financing on the backdrop

of the global financial crisis coupled with the completion of many major public sector projects in 2008 contributed to the slowing of activity in 2009. Anguilla's construction industry declined 60.0 percent from a growth of 17.4 percent in 2008 while Grenada experienced a contraction of 50.0 percent. Construction in Montserrat, however, increased by 7.0 percent following growth of 3.3 percent in 2008.

Tourism, another major component of GDP, continued its decline in 2009. The number of stay-over passengers fell by 11.9 percent to 935,669 from 1,061,548 in 2008 as the main source of tourist arrivals, the US and the UK faced a tepid and sluggish recovery from the global economic and financial crisis. Stay-over visitors from the US fell by 13.0 percent to 333,835 while that of the UK fell by 17.3 percent to 203,695. Of the regional economies, the member countries of the ECCU were the most affected by the fall in visitor arrivals to the region during 2009.

Inflationary pressures receded during 2009 as consumer prices fell by 0.6 percent after having increased by 3.9 percent during 2008 which was largely associated with falling international oil and food prices.

The fiscal position of ECCU member countries deteriorated significantly during 2009 the current account surpluses of 2008 shifted to deficit positions across a wide range of member countries. The widening deficits were due mainly to the impact of the economic crunch on their respective national economies. The debt position of the ECCU countries increased from 88.4 percent of GDP in 2008 to 95.9 percent of GDP in 2009. In 2009, the Debt-to-GDP ratio registered a high of 179.9 percent and 113.9 percent in the islands of St. Kitts and Nevis and Grenada respectively.

The overall balance of payments of ECCU countries improved to a surplus of 1.3 percent of GDP from a deficit of 0.4 percent of GDP in 2008. This improvement was spurred by a narrowing of the

current account deficit from 36.9 percent of GDP in 2008 to 28.2 percent of GDP in 2009 as a result of declines in international commodity prices and falling imports which exceeded the decline in travel

receipts. The surplus on the capital account fell by 24.5 percent to EC\$3,158.3 million mainly because of a 24.9 percent decline in foreign direct investment.

SUMMARY OF MACROECONOMIC PERFORMANCE

ΣΥΝΟΨΗ ΤΗΣ ΜΑΚΡΟΟΙΚΟΝΟΜΙΚΗΣ ΕΠΙΧΕΙΡΗΣΗΣ

PERFORMANCE OF KEY MACRO-ECONOMIC INDICATORS

Trinidad and Tobago's economy is expected to grow in real terms by 2.5 percent in the year 2010. This growth was driven by an expansion of the Petroleum sector by 2.8 percent as the performance in the Non-Petroleum sector is anticipated to remain relatively flat.

In the first quarter of fiscal 2010 (October to December 2009), the unemployment rate fell to 5.1 percent compared with 5.8 percent in the last quarter of fiscal 2009. The first quarter figure was notably higher than the 3.9 percent registered in the corresponding quarter of 2009.

Headline inflation rose to 14.1 percent (year-on-year) in July 2010 from 13.7 percent in June, measured by the 12-month increase in the Index of Retail prices which represents the highest year-on-year increase since October 2008. The prime contributor to this higher headline inflation was the considerable rate of acceleration in food prices of 33.3 percent in July from 31.1 percent in the previous month and from a minimum point of 2.7 percent in January. Core inflation, which filters out the impact of food prices, declined to 4.1 percent from 4.3 percent in the previous month.

Credit to the Private sector from the Commercial Banks began to contract in September 2009 and this narrowing has persisted right through to May 2010. Credit to the private sector expanded, on a year-on-year basis, by 6.6 percent to May 2009 but narrowed to 8.9 percent one year later.

In the circumstances, the Central Bank reduced the repurchase rate (repo) to 4.5 percent from 5.0 percent in July 2010, to help stimulate domestic demand. This is the first reduction since January 2010, when the 5.0 percent repo rate was applied.

Trinidad and Tobago's narrow money supply expanded by 31.4 per cent in May 2010, compared with an increase of 16.8 per cent in May 2009 on a year-on-year basis. Additionally, the broad money supply recorded a 12-month increase of 19.1 per cent in May 2010 compared with an expansion 16.2 per cent in May 2009.

During the twelve month period July 2009 to July 2010 the average buying rate of the United States dollar appreciated from \$6.2719 to \$6.3239. Within the same period, the selling rate increased from \$6.3367 to \$6.3771.

During fiscal 2010, the Central Government is expected to generate an overall fiscal deficit of \$3,806.9 million or 2.9 percent of GDP. Total Revenue is projected to increase by \$2,937.9 to \$41,982.7 million or 32.4 percent of GDP and Total Expenditure

is projected to increase by \$58.8 million to \$45,789.6 million or 35.3 percent of GDP.

Central Government Debt is projected to increase by 14.5 percent to \$28,952.12 million and Gross Public Sector Debt by 7.4 percent to \$49,953.39 million. As a percentage of GDP, Gross Public Sector Debt is also anticipated to increase from 37.5 percent in fiscal 2009 to 38.5 percent in fiscal 2010.

The Net Asset Value of the Heritage and Stabilization Fund rose to approximately US\$3,170,769.237.00 as at the end of July 31, 2010.

Narrowing of export earnings in 2009 occasioned an overall Balance of Payments deficit of US \$712.6 million. For this period, the current account balance was US\$1.8 billion or 8.3 percent of GDP as compared with US\$8.5 billion or 32.6 percent of GDP, recorded in 2008. This erosion of the Current Account was occasioned by a reduction in the

merchandise trade balance to US\$2.2 billion in 2009 from US\$9 billion one year earlier. The deficit on the capital and financial account narrowed by 57 percent to US\$2.5 billion during 2009. Net foreign direct investment amounted to just over an estimated US\$500 million while regional bond issues approached US\$120 million. Commercial bank assets held abroad increased by US\$675.2 million in 2009.

During the first half of the fiscal period 2009/2010, this country's balance of trade with the rest of the CARICOM countries weakened by 18.7 percent, declining from TT\$8,945.3 to TT\$7270.0 million which was due largely to declining petroleum exports.

At the end of June 2010, gross official reserves amounted to US\$9,110.7 million, equivalent to 12.5 months cover of imports of goods and non-factor services.

THE REAL ECONOMY

- Gross Domestic Product
- Petroleum
- Agriculture
- Manufacturing
- Services
- Prices
- Productivity
- Population
- Labour Force and Employment

GROSS DOMESTIC PRODUCT (GDP)

Trinidad and Tobago's economy is expected to grow by 2.5 percent in 2010 following its 3.5 percent contraction in 2009, driven mainly by a 2.8 percent expansion in the Petroleum industry. Economic activity in the Non-Petroleum sector is, however, expected to remain flat in 2010.

The Petroleum sector, the main catalyst within the Trinidad and Tobago economy, is expected to improve on its performance in 2009 as output of the sector is expected to grow by 2.8 percent in 2010, up marginally from the 2.6 percent growth achieved in 2009 (**Appendices 1 to 3**). Based on this positive

growth performance, the relative contribution of the Petroleum sector to total GDP is projected to increase marginally from 42.3 percent in 2009 to 42.5 percent in 2010.

The improved performance of the Petroleum sector is largely the result of an estimated 3.2 percent increase in Exploration and Production output over the 1.8 percent growth achieved in 2009. This performance reflected a 4.1 percent increase in natural gas production during 2010, which served to more than offset a 3.1 percent contraction in oil production and a slowdown in exploration activities in 2010. GDP growth in the Refining sub-sector, including from Atlantic LNG, the second largest energy sub-sector, moderated substantially from the 7.1 percent growth achieved in 2009 to a modest 1.7 percent in 2010. Within this sub-sector, Liquefied Natural Gas (LNG) production which grew by 16.4 percent in 2009 is forecasted to grow by a modest 2.2 percent in 2010. Gas processing (propane, butane and natural gasoline) output is also expected to expand by 8.6 percent. In contrast, oil refining is expected to decline by 16.4 percent as a consequence of the refurbishment works being undertaken at the Point-a-Pierre refinery and the unexpected shutdown of the refinery in August 2010. Among the other Petroleum sub-sectors, growth in the Petrochemicals sub-sector moderated from 8.7 percent in 2009 to grow by 3.9 percent in 2010. The

rate of decline of output of the Service Contractors sub-sector slowed significantly from 60.1 percent in 2009 to 25.6 percent in 2010.

The performance of the Non-Petroleum sector during 2010 continued to be weak. Following on its 7.2 percent contraction in 2009, the sector is expected to record statistically negligible growth in 2010. Given this outcome, the Non-Petroleum sector's contribution to real GDP, is expected to fall to 55.7 percent in 2010, from 57.1 percent in 2009. The outlook for the Non-Petroleum sector has been predicated on the performance of Services, its largest sub-sector, which should constitute 46.8 percent of real GDP in 2010. This sub-sector is expected to contract by 0.8 percent in 2010, which is less severe than its 7.9 percent decline in 2009, when the effects of the global economic crisis on the local economy were fully realized. Manufacturing, the other major Non-Petroleum sub-sector, is expected to recover from its 1.7 percent decline in 2009 to grow by 3.0 percent in 2010. Manufacturing's share of real GDP is expected to increase marginally to 8.4 percent in 2010.

Estimates for the Agricultural sector have been impacted this year by the closure of the Sugar Manufacturing Company Limited in April 2010. As a result, the performance of the sector will be considered with the exclusion of sugar. Accordingly, Agriculture (excluding sugar), is projected to grow marginally at 0.9 percent in 2010, following a contraction of 7.6 percent in 2009. The relative contribution of the Agriculture Sector to total GDP is estimated at 0.4 percent in 2010.

PETROLEUM

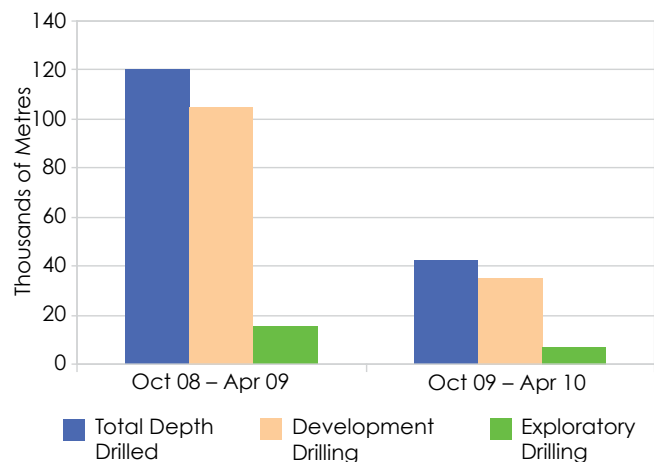
Drilling

Petroleum companies drilled a total depth of 12.9 thousand metres over the period October 2009 to April 2010, a 64.8 percent contraction from the 36.6 thousand metres drilled in the October 2008 to April 2009 period. This reflected reductions in both onshore and marine drilling of 82.5 percent and 46.2 percent respectively. The total number of wells drilled fell by 23.8 percent from 21 wells in 2009 to 16 wells in 2010. Of these, 14 wells were for development, down from 20 in the previous corresponding period.

In terms of depth drilled, development drilling declined by 66.4 percent to 10.7 thousand metres. Exploratory drilling also declined by 53.9 percent to 2.2 thousand metres, notwithstanding that an additional exploratory well was brought into operation (**Appendix 7**).

This reduced level of drilling activity reflected the lingering effects of the global economic and financial crisis. However, future drilling prospects are expected to be enhanced by the imminent implementation of a new fiscal regime for the energy sector.

Figure 1: Development and Exploratory Drilling



Source: Ministry of Energy and Energy Affairs

Table 2: Oil and Gas Prices

| | 2009 | | | 2010 | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Crude Oil (Spot Price US\$/Barrel) | | | | | | | | | |
| European Brent | 72.77 | 76.66 | 74.46 | 76.17 | 73.75 | 78.83 | 84.82 | 75.95 | 74.76 |
| West Texas Intermediate | 75.72 | 77.99 | 74.47 | 78.33 | 76.39 | 81.20 | 84.29 | 73.74 | 75.34 |
| Natural Gas (US\$/Thousand Cubic Feet) | | | | | | | | | |
| Henry Hub | 4.12 | 3.77 | 5.50 | 6.00 | 5.48 | 4.42 | 4.15 | 4.26 | 4.94 |

Source: Energy Information Administration (US)

Crude Oil and Condensate

Over the period October 2009 to April 2010, production of crude and condensate amounted to 22.1 million barrels, representing a decline of 4.7 percent from the 23.2 million barrels produced during October 2008 to April 2009 (**Appendix 7**). Production of crude fell by 7.6 percent to 15.7 million barrels while condensate production increased by 3.1 percent to 6.4 million barrels. Overall, marine production of crude and condensate declined marginally during 2009/2010 period as compared to the 2008/2009 period.

Buoyed by the global recovery, the prices of Trinidad and Tobago's major energy export products improved during the first nine months of fiscal 2010. The average monthly WTI price trended upwards over the first seven months of fiscal 2010, from US\$75.72 per barrel in October 2009, to US\$84.29 per barrel in April 2010; and then moderated to US\$75.34 per barrel in June 2010. Over the period October 2009 to June 2010 the price of a barrel of WTI averaged US\$77.50, as compared to US\$53.57 during the first nine months of fiscal 2009, representing an increase of 44.7 percent.

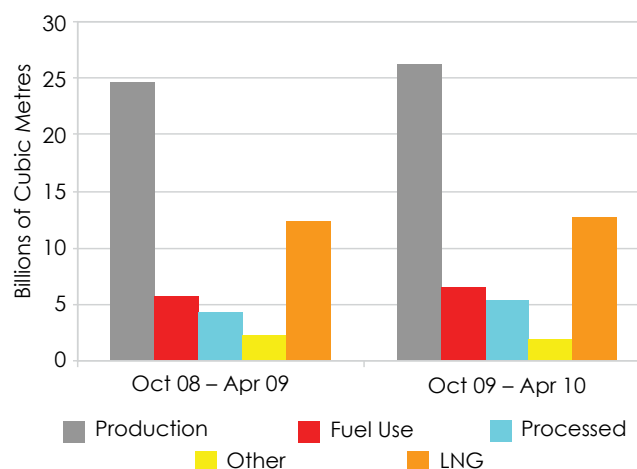
The average price of a barrel of European Brent crude oil increased by 45.4 percent over the nine month 2009/2010 period, to US\$76.46, from its average of US\$52.60 in the first nine months of fiscal

2009. The average monthly price of Brent crude trended upwards for most of the current period, climbing from US\$72.77 per barrel in October 2009 to US\$84.82 per barrel in April 2010, declining thereafter to US\$74.76 per barrel in June 2010.

Natural Gas

The introduction into production of the Savonetta offshore field by BpTT in October 2009, resulted in a 6.5 percent increase in natural gas production from 24,611 million cubic metres in the first seven months of fiscal 2009, to 26,217 million cubic metres in the first seven months of fiscal 2010 (**Appendix 8**).

Figure 2: Natural Gas Production and Utilisation



Source: Ministry of Energy and Energy Affairs

Trinidad and Tobago's four (4) LNG Trains utilised 12,605 million cubic metres of natural gas, or almost half (48.1 percent) of the total natural gas produced during the first seven months of 2010. This represented a 1.7 percent increase in gas utilization from the 12,392 million cubic metres in the previous corresponding period. For 2010, natural gas utilization as a fuel for industrial plants and as feedstock/ processed gas for petrochemical plants increased by 13.6 percent and 22.4 percent respectively compared to the utilization rates for 2009. Gas re-injection usage, in contrast, declined by 8.1 percent in 2010 compared to 2009.

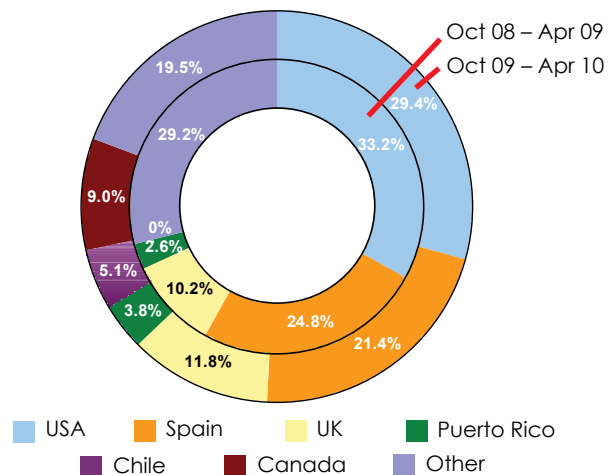
During the October 2009 to June 2010 period, the monthly average Henry Hub price of natural gas fluctuated between a low of US\$3.77 per thousand cubic feet in November 2009, to a high of US\$6.00 per thousand cubic feet in January 2010. The price softened in the succeeding months to settle at US\$4.94 per thousand cubic feet in June 2010. The Henry Hub price for natural gas averaged US\$4.74 per thousand cubic feet over the nine month period, which was 6.0 percent less than its average of US\$5.04 per thousand cubic feet during the October 2008 to June 2009 period.

LNG Exports

During October 2009 to April 2010, Trinidad and Tobago exported 441.3 trillion British Thermal Units (BTU) of LNG to seventeen countries. This was 1.6 percent less than the 448.4 trillion BTU exported in the October 2008 to April 2009 period. In 2010, LNG exports to the United States represented 29.4 percent of all Trinidad and Tobago's LNG exports down from 33.2 percent in 2009. This reduction reflects Trinidad and Tobago's move towards diversification of LNG export markets and an increasing reliance on trading based on the spot market as a mechanism to tap higher prices. Over the 2010 period, imports from Trinidad and Tobago accounted for 41.0 percent of all US LNG imports.

Trinidad and Tobago's LNG exports to Spain represented 21.4 percent of total LNG exports during the first seven months of fiscal 2010, down from 24.8 percent in the previous comparative period. LNG exports to other destinations include the United Kingdom (UK), Trinidad and Tobago's third major LNG export market with a share of 11.8 percent. Other important LNG export markets included, in order of share size: Canada (9.0 percent); Chile (5.1 percent); and Puerto Rico (3.8 percent).

Figure 3: Exports of LNG by Destination



Source: Ministry of Energy and Energy Affairs

Petrochemicals

In contrast to the contractions experienced in 2009, production for all three of this country's major petrochemical products, Ammonia, Methanol and Urea increased during the October 2009 to June 2010 period. Production of Ammonia increased by 20.0 percent to 3,416 thousand tonnes, from 2,847 thousand tonnes in the previous period. Ammonia exports rose by a similar margin of 18.4 percent to 3,064 thousand tonnes, from 2,587 thousand tonnes.

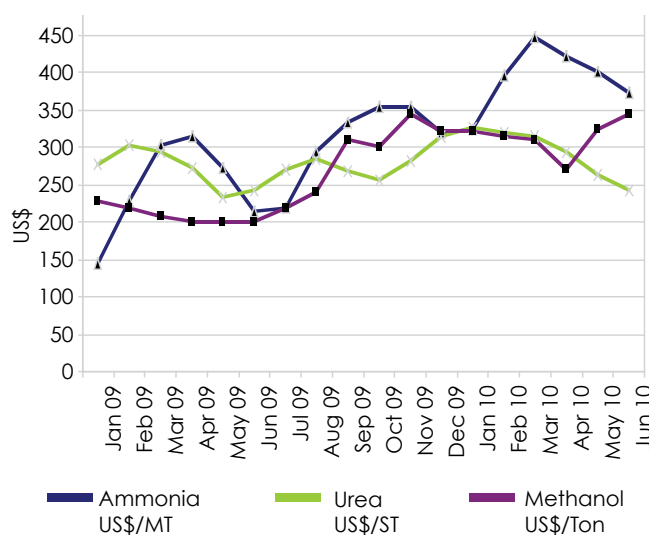
Production of Urea increased by 12.3 percent to 420 thousand tonnes compared to 374 thousand

tonnes in the previous period. Total exports of Urea, however, remained virtually unchanged at 384 thousand tonnes.

Methanol production increased by 23.1 percent to 3,802 thousand tonnes, from 3,088 thousand tonnes. Methanol exports likewise, increased by 18.2 percent, from 3,124 thousand tonnes, to 3,692 thousand tonnes.

The prices of all three petrochemicals, Ammonia, Urea and Methanol, improved in the 2010 period, when compared to the corresponding 2009 period. The monthly average Tampa US Gulf Spot price for Ammonia increased from a low of US\$317.50 per metric tonne in December 2009, to a peak of US\$446.25 per metric tonne in March 2010, weakening thereafter to US\$371.25 per metric tonne in June 2010. The average Tampa US Gulf Spot price for the current fiscal period of US\$375.67 per metric tonne was 20.6 percent above the average price recorded in the October 2008 to June 2009 period.

Figure 4: Petrochemical Prices



Source: Ministry of Energy and Energy Affairs

The US Gulf Barge Spot price of Methanol averaged US\$316.16 per tonne during the first nine months of 2010, representing a 10.1 percent increase over its previous fiscal period average of US\$287.06 per

tonne. During the 2010 period, the monthly average US Gulf Barge Spot price softened from US\$343.88 per tonne in November 2009, to US\$270.10 per tonne in April 2010, and then rebounded to US\$345.00 per tonne in June 2010.

The monthly average US Gulf Granular Spot price for Urea increased from US\$255.30 per tonne in October 2009 to US\$325.00 per tonne in January 2010, and declined continuously in the following months to a low of US\$241.13 per tonne in June. US Gulf Granular Spot prices averaged US\$289.26 per tonne over the nine month 2010 period, representing a 4.4 percent increase over its previous period average of US\$277.14 per tonne.

AGRICULTURE

Overview

Trinidad and Tobago's Agricultural sector output (excluding sugar) is expected to increase by 0.9 percent during calendar 2010. This is an improvement on its 7.6 percent decline in calendar 2009. The Domestic Agriculture sub-sector, which accounts for two-thirds of agriculture sector output, is expected to grow by a similar 0.9 percent in 2010, which is a reversal on its 7.1 percent contraction in 2009. The Distilleries sub-sector has emerged as the dominant source of economic activity in the sugar industry representing 98.8 percent of all real economic activity. This following the closure of the sugar cane cultivation and refining sub-industries in Trinidad and Tobago. The Distilleries sub-sector grew by 4.2 percent in 2010. Export Agriculture is expected to record no growth in output in 2010, which represents a significant improvement from the 32.6 percent decline in 2009. The contribution of the Agriculture sector to total GDP is expected to remain at 0.5 percent in 2010.

Despite the challenges posed by a severe dry season, the overall performance of the Agriculture Sector was mixed during the October 2009 to March

2010 fiscal period. Increases in output were reported for Pumpkin, Tomato, Papaw, Beef and Veal; with particularly strong results for Sweet Potatoes, Bodi, Cucumber, Hot Peppers, Ochro, Sorrel, Sweet Pepper, Mutton and Cocoa. However declines were reported for some key agricultural products, including: Citrus, Copra, Rice, Eddoes, Cassava, Cabbage, Cauliflower, Dasheen Bush, Lettuce, Melongene, Patchoi, Water Melon, Pineapple, Milk, Pork, Poultry, and Goat.

Domestic Agriculture (October 2009-March 2010)

Root Crops

Dasheen production increased by 9.4 percent to 1,541,000 kilogrammes during the October to March period, from the 1,409,100 kilogrammes produced in the comparative 2008/2009 period.

Production of eddoes fell by 35.9 percent from 1,029 kilogrammes in 2009 to 660 kilogrammes in 2010. In 2010, cassava production declined by 21.6 percent, from 1,669,200 kilogrammes in 2009, to 1,308,500 kilogrammes. These declines may be attributed to the recent drought conditions which inhibited growth and yields. Some recovery in output is however anticipated by September 2010.

Vegetable Production

The vegetable subsector produced mixed results during the 2010 period. Production increases were registered with Bodi (171.5 percent), Cucumber (60.0 percent), Hot Pepper (76.2 percent), Ochro (79.5 percent), Pumpkin (32.9 percent), Sorrel (226.0 percent), Sweet Pepper (314.8 percent) and Tomato (22.1 percent). On the other hand, production declines were reported for Cabbage (-13.3 percent), Cauliflower (-49.6 percent), Dasheen Bush (-23.8 percent), Lettuce (-34.2 percent), Melongene (-38.1 percent), Patchoi (-54.0 percent)

and Water Melon (-31.5 percent). The sub-sector was adversely affected by seasonal flooding in the latter part of 2009, and water shortages arising from the particularly severe dry season in early 2010.

Paddy Production

Rice production increased by 98.6 percent to 4,316.26 metric tonnes during the October 2009 to March 2010 period, from 2,173.34 metric tonnes in the corresponding previous period. This positive growth was attributed to the changes in the pricing structure implemented earlier in 2009. Notwithstanding the severe drought experienced during much of the first half of 2010, the implementation of special irrigation arrangements served to mitigate any adverse impact on production levels.

Other Crops

Pawpaw production increased by 23.8 percent to 828,300 kilogrammes during 2010, from 669,100 kilogrammes in 2009. This increase was attributed to the increased use of contract farming for Pawpaw by the TTABA under the National Agri-business Development Programme (NADP).

Pineapple production fell by 33.4 percent from 669,800 kilogrammes in 2009, to 445,960 kilogrammes in 2010, largely as a result of the recent drought conditions affecting the country.

Citrus

Citrus output declined during 2010 when compared to 2009. Deliveries of oranges over the six-month period decreased by 33.0 percent from 106,700 kilogrammes to 71,450 kilogrammes, compared to the corresponding period of the previous year. Grapefruit production also declined by 33.0 percent, from 129,100 kilogrammes to 86,450 kilogrammes. These declines were the direct result of changes

in the weather patterns, as the short rainy season coupled with a severe dry season resulted in fruits dropping prematurely from the trees.

Copra Production

Copra production continued its downward trend during 2010 due mainly to adverse weather conditions and the impact of pests and diseases, such as the Red Palm Mite infestation. Consequently, Copra production fell by 33.9 percent from 54,900 kilogrammes to 36,271 kilogrammes, compared to the corresponding period of the previous year.

Poultry

During 2010, broiler production declined by 0.9 percent when compared to 2009. Production in the 2008/2009 period amounted to 31,809,200 kilogrammes, whereas approximately 31,532,155 kilogrammes were produced during the 2009/2010 period. The decline in broiler production is associated with rising cost of feed and labour, coupled with increased competition from imported chicken parts.

Livestock and Dairy Products

Pork

Domestic pork production decreased by 2.8 percent to 1.8 million kilogrammes in 2010, when compared to the corresponding 2009 period. Shortages of labour and water forced some producers to reduce the size of their herd.

Dairy and Beef

Milk production continued to decline during the 2010 period, falling by 28.8 percent to 1,629 thousand litres from 2,287.7 thousand litres in the 2009 period. Over the past five years, milk production has been

steadily declining as a result of reduced profitability arising from high production costs as farmers opted to sell stock to the meat market.

Beef and Veal production increased by 23.9 percent to 149,513 kilogrammes during the 2010 period, compared to the 120,700 kilogrammes in the comparative previous period. This reflected the shift by dairy farmers away from milk production to meat production.

Small Ruminants

Mutton production increased by 108.1 percent to 102,570 kilogrammes in 2010, compared to 49,300 kilogrammes in 2009. This increase may be attributed to a rise in the herd numbers available for breeding; increased marketplace demand for mutton; and the adoption of aggressive marketing strategies by a number of small ruminant societies in Trinidad and Tobago to promote mutton as a source of protein.

Goat production fell by 66.6 percent from 61,600 kilogrammes in 2009 to 20,594 kilogrammes in 2010. This decline was as a result of farmers pursuing alternative animals, such as sheep, for meat production.

Export Agriculture

Cocoa

During the 2010 period, Cocoa production increased by 43.0 percent to 321,570 kilogrammes, from 224,830 kilogrammes in the 2009 period. Exports of Cocoa beans and Cocoa products increased by 9.0 percent, from 984,413 kilogrammes to 1,073,397 kilogrammes.

The positive performance of the domestic Cocoa industry was due to favourable weather conditions, the ongoing rehabilitation of old Cocoa plantations, and the introduction of the 'Cocoa Revitaliser Programme', by the Agricultural Development Bank (ADB).

MANUFACTURING

Overview

The Manufacturing sector output is expected to grow by 3.0 percent in 2010, following a 1.7 percent contraction in 2009. The sector's subdued performance, reflects the ongoing challenge of relatively flat or declining consumer demand in traditional domestic and CARICOM markets, which are yet to recover from the severe economic hardships of 2008 and 2009. These effects have been somewhat mitigated however by improved demand from outside the CARICOM region. The Manufacturing sector's contribution to real GDP is projected to increase marginally from 8.3 percent in 2009 to 8.4 percent in 2010.

Output of most Manufacturing sub-sectors is expected to increase in 2010. Assembly Type and Related Industries, the second biggest Manufacturing sub-sector, is expected to lead with a stronger performance of 13.7 percent growth, following on its contraction of 6.4 percent in 2009. Driving this improvement are projected increases in the production of iron and steel.

Food, Beverages and Tobacco is projected to grow by 0.7 percent in 2010. This sub-sector accounts for almost half of all manufacturing activity, and is thereby the largest Manufacturing sub-sector. Economic activity in this sub-sector has slowed significantly during the past four years, from a high of 22.4 percent in 2007, to 8.4 percent in 2008, and 5.7 percent in 2009. The outlook for 2010 is based on an estimated 0.8 percent decline in the output of alcoholic beverages and tobacco, which together account for almost half of the value added in this sub-sector. Growth is however expected in most of the remaining sub-areas, including meat, fish and poultry processing (8.1 percent); fruit and vegetable processing (4.3 percent); non-alcoholic beverages (9.2 percent); bakeries (8.2 percent); and Edible Oils and Fats (1.7 percent). Contractions of 23.8 percent and 1.5 percent are however projected in grain and feed mills, and dairy products respectively.

Chemicals and Non-Metallic Minerals, the third major manufacturing sub-sector is expected to grow by 4.1 percent in 2010, which is a positive turnaround on its performance in 2009, when the sub-sector contracted by 3.1 percent. Increases in production are projected in pharmaceuticals and other chemicals (17.8 percent); clay bricks, blocks and tiles (16.9 percent); and glass and glass products (4.4 percent). These increases have been mitigated somewhat by projected production declines in cement (-4.4 percent), concrete products (-15.1 percent), and industrial gasses and paints (-11.2 percent).

Among the remaining sub-sectors, growth is expected in Miscellaneous Manufacturing (10.1 percent); and Textile, Garments and Footwear (7.5 percent). In contrast, Wood and Related Products; and Printing, Publishing etc. are expected to decline by 9.6 percent and 8.3 percent respectively. The contraction in Printing and Publishing reflects declining activity relating to printing (-22.4 percent) and paper converters (-4.8 percent). Newspapers are, however, expected to grow by 20.3 percent in 2010.

Manufacturing Exports

Trinidad and Tobago's manufacturers exported \$842.9 million in goods and articles during the first quarter of fiscal 2010, representing a decline of 43.6 percent from the \$1,493.8 million exported in the comparative fiscal 2009 period. Manufacturing exports to CARICOM countries declined less sharply however, from \$351.5 million to \$244.8 million, or by 30.4 percent during the period.

This slump in manufacturing exports continued into the second quarter of 2010, with total manufacturing exports falling by 10.2 percent to \$946.4 million, from \$1,053.9 million in the second quarter of 2009. Exporters to CARICOM were hardest hit in the second quarter as manufacturing exports to CARICOM countries dropped by more than half (55.3 percent)

to \$213.6 million, from \$478.1 million one year earlier. Although total manufacturing exports declined to \$946.4 million in the second quarter, the contraction was less severe (10.2 percent), when compared to the \$1,053.9 million in exports attained during the same quarter in 2009. This was on account of a 27.3 percent resurgence year-on-year in the value of Trinidad and Tobago's manufacturing exports to non-CARICOM countries in the second quarter, following the sharp 47.6 percent year-on-year decline experienced in the first quarter.

Given these developments, total manufacturing sector exports are expected to decline by 29.8 percent from \$2,547.7 million to \$1,789.4 million when compared to the first half of fiscal 2009. While Manufacturing sector exports to CARICOM are also expected to decline by 44.8 percent from \$829.7 million to \$458.4 million over the same period.

Iron and Steel

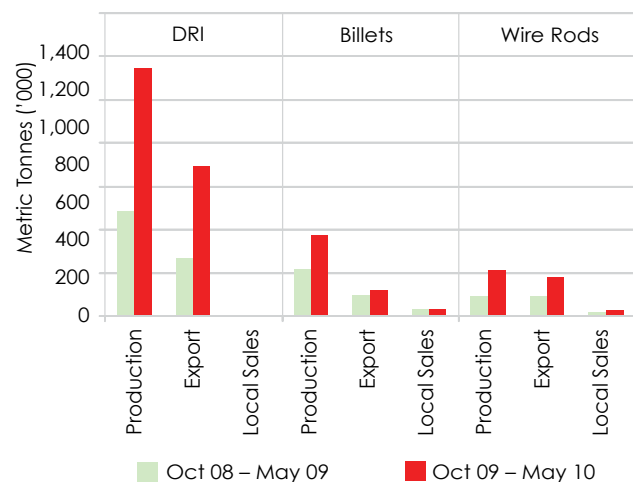
Production of iron and steel products declined sharply during fiscal 2009 as a result of both falling demand and prices. Billet prices fell by 70.6 percent from US\$1,200 per tonne in July 2008 to US\$352.50 per tonne in March 2009. The price of Wire Rods fell even more sharply, by 72.4 percent, from the US\$1,500 per tonne level to US\$414 per tonne in April 2009. Notable declines were also reported in the 3-month contract prices for Direct Reduced Iron (DRI), which fell by 41.0 percent between September 2008 and June 2009. Improved global demand in the second half of 2009 facilitated a reversal in the local industry however, and the prices of all three products rose markedly. Billet prices increased by 75.5 percent over its March 2009 low to US\$618.75 per tonne in April 2010; and Wire Rod prices increased by a similar 70.3 percent since April 2009 to reach a high of US\$705 per tonne in May 2010. DRI prices also rebounded significantly, increasing by 32.2 percent during the first six months of fiscal 2010.

Iron and steel production increased by 120.6 percent during October 2009 to May 2010, when compared to the previous corresponding period. Disaggregated by product, the output of DRI rose by 137.8 percent (from 482.5 thousand metric tonnes to 1,147.6 thousand metric tonnes); Billets by 73.6 percent (from 217.1 thousand metric tonnes to 376.8 thousand metric tonnes); and Wire Rod Coils by 142.9 percent (from 86.0 thousand metric tonnes to 209.0 thousand metric tonnes) (**Appendix 10**).

Total exports of DRI, Wire Rod Coils and Billets more than doubled over the same period, increasing by 121.9 percent, to 996.1 thousand metric tonnes, from 448.9 thousand metric tonnes. DRI exports increased by 157.8 percent (from 269.3 thousand metric tonnes in the previous period to 694.2 thousand metric tonnes), while exports of Billets and Wire Rod Coils increased by 32.0 percent (from 92.8 thousand metric tonnes to 122.6 thousand metric tonnes), and by 106.5 percent (from 86.8 thousand metric tonnes to 179.3 thousand metric tonnes) respectively.

Domestic sales of Billets and Wire Rod Coils rose less sharply than export sales however, with Billet sales to the local market increasing by 2.7 percent to 30.3 thousand metric tonnes, and Wire Rod sales increasing by 20.6 percent to 26.7 thousand metric tonnes.

Figure 5: Production, Exports and Sales of Iron and Steel



Source: ArcelorMittal Point Lisas Ltd.

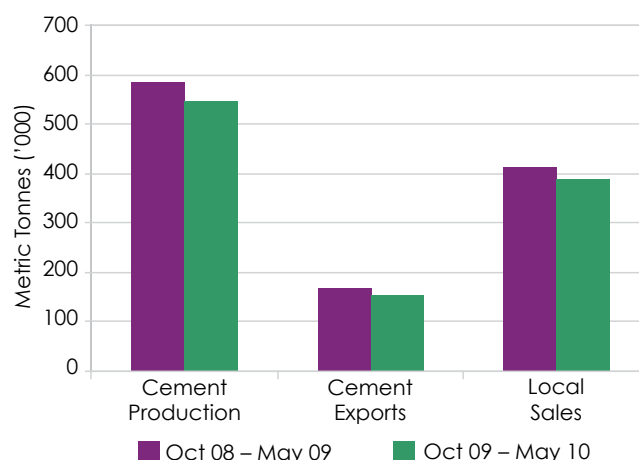
Cement

Cement production declined by 6.5 percent as a result of waning demand, to 546.1 thousand metric tonnes during the period October 2009 to May 2010, from 584.0 thousand metric tonnes in the comparative 2008/2009 period. The drop in production was most acute during the first quarter of the fiscal year, when total production fell, on a year-on-year basis, by 20.1 thousand metric tonnes. Modest declines were also observed in the price of cement during 2010, which fell by 5.1 percent from \$50.29 per bag in March 2009 to \$48.30 per bag in September 2009, and thereafter by 1.2 percent to \$47.72 per bag in March 2010.

Total sales of cement during 2010 amounted to 541.1 thousand metric tonnes, a decline of 6.9 percent when compared to the 581.2 thousand metric tonnes sold in 2009. This decline was primarily as a result of the weakened domestic economy, and the consequent contraction of the local construction sector. The contraction precipitated a fall in local sales of cement by 5.9 percent, from 411.8 thousand metric tonnes to 387.4 thousand metric tonnes. Notwithstanding, the share of local sales to total sales grew slightly during the 2010 fiscal year to 71.6 percent, from 70.8 percent in the previous fiscal period.

The quantity of cement sold on the foreign market declined by 9.3 percent, from 169.5 thousand metric tonnes in 2009, to 153.7 thousand metric tonnes in 2010. Export sales accounted for 28.4 percent of total sales in 2010, down from 29.2 percent in 2009.

Figure 6: Cement Production



Source: Trinidad Cement Limited

SERVICES

Overview

Output of the Services sector is expected to contract by 0.8 percent in 2010, which compares favourably to its contraction of 7.9 percent in 2009. This result has come about primarily on account of an expected decline of 3.1 percent in Distribution and Restaurants, the second biggest Services sub-sector. This represents an improvement over the decline of 21.2 percent experienced by the sub-sector in 2009.

The Finance, Insurance, and Real Estate etc., Sector, the largest Services sub-sector expanded by 0.9 percent in 2010 after having contracted by 4.7 percent in 2009. Within, Finance, Insurance, and Real Estate etc. the commercial banks sub-sector and the non-bank financial institutions sub-sector are expected to expand in 2010 by 4.4 percent and 1.3 percent respectively. The heightened levels of activity in these sectors are expected to more than offset the expected declines of 0.4 percent in the insurance sub-sector and 2.1 percent in the miscellaneous business services sub-sector.

In 2010, economic activity in Transport, Storage and Communication, the third major Services sub-sector, is projected to increase by 4.9 percent, following on a flat performance in 2009. This outcome is driven by output increases in bus services (7.9 percent), telecommunications (6.7 percent), radio and television broadcasting (23.3 percent), and travel agencies and brokerage services (49.0 percent). These outweigh declines in airline services (-5.2 percent), and port operations (-1.6 percent). Output from Maxi taxi and trucking services is expected to remain virtually unchanged in 2010.

Construction and Quarrying, the next key sub-sector in order of size, is expected to contract for a second consecutive year, by 6.2 percent in 2010, following a similar decline of 7.6 percent in 2009. The continued reduction in real construction activity has enabled the Transport, Storage and Communication sub-sector to surpass the Construction and Quarrying sub-sector in terms of contribution to GDP, for the first time since 2004.

Of the remaining Services sub-sectors, Personal Services is expected to grow by 4.4 percent, Education and Cultural Services by 1.2 percent, and Electricity and Water by 0.1 percent. In contrast, Hotels and Guest Houses, and Government, are expected to contract by 15.6 percent and 2.3 percent respectively.

Construction

The Construction and Quarrying sector is expected to contract for a second successive year, declining by 6.2 percent in 2010, and following on the sector's 7.6 percent contraction in 2009. The sector's contribution to total GDP will decline from 7.7 percent in 2009 to 7.0 percent in 2010; its lowest share since 2002.

The contraction in the construction sector is spilling over to reduce the level of economic activity in the cement industry which is projected to decline

by 4.4 percent in 2010, after having declined by 10.5 percent in 2009. The production of concrete products (inclusive of concrete blocks and Readymix concrete) is expected to fall by 15.1 percent in 2010 from a decline of 18.9 percent in 2009. Output of clay bricks, blocks and tiles used for residential construction, however, are expected to grow by 16.9 percent after having contracted by 18.8 percent in 2009. Output of plastic products used for construction is also expected to grow, albeit at a more modest 4.4 percent in 2010, and this after having contracted by 14.8 percent in 2009.

Signs of returning buoyancy in construction activity in early 2010 appear to have receded in the aftermath of the May 2010 General Election.

Tourism

A total of 429,450 persons visited Trinidad and Tobago by air and cruise during the period January to October 2009. This represents a 7.4 percent increase from the 399,828 visitors which arrived in the corresponding 2008 period. This positive outturn was on account of an increase in cruise arrivals, which outweighed a concurrent decrease in air arrivals. Approximately 355,019 visitors came to Trinidad in 2009; an increase of 0.6 percent. This contrasts with an increase of 58.3 percent in visitor arrivals to Tobago over the corresponding period. As a consequence, Trinidad's share of total visitor arrivals declined to 82.7 percent during 2009, from 88.2 percent, and Tobago's share increased to 17.3 percent, from 11.8 percent.

Airline Arrivals

During the first ten months of 2009, airline visitors to Trinidad and Tobago decreased by 7.8 percent, from 371,020 persons to 342,091 persons. This reflected the fall off in the number of persons visiting Trinidad which fell 6.7 percent from 338,498 to 315,742.

This was exacerbated by a 19.0 percent decline in persons visiting Tobago from 32,522 persons to 26,349 persons. Trinidad received 92.3 percent of air arrivals during the 2009 period, up marginally from 91.2 percent in 2008. Tobago received 7.7 percent of air arrivals, down from 8.8 percent one year earlier.

The major source of air arrivals to Trinidad and Tobago during January to October 2009 was North America which provided 58.1 percent of air passengers, with the United States accounting for 46.2 percent of all arrivals and Canada 11.5 percent. CARICOM and Europe were the other major contributors to air arrivals during the period, providing 17.6 percent and 14.3 percent respectively. Within CARICOM, Guyana provided the greatest number of air visitors (5.0 percent) followed by Barbados (3.8 percent). Within Europe, most air passengers were from the United Kingdom, which supplied 9.6 percent of air arrivals. Almost half of all visitors (44.6 percent) came to Trinidad and Tobago for leisure, beach and vacation purposes; whilst just under a quarter came to visit friends and relatives (21.8 percent), or for business or convention (21.0 percent).

During the first two months of calendar 2010, a total of 67,976 persons visited Trinidad and Tobago by air, which were 8,729 fewer persons than visited during the first two months of calendar 2009. Arrivals to Trinidad totalled 63,246 persons, a decrease of 9.5 percent, and arrivals to Tobago totalled 4,730 persons, a decrease of 30.4 percent. The United States continued to be the leading single source of air visitors during the period (47.4 percent), followed by Canada (12.9 percent). When reviewed by region, CARICOM (15.8 percent) ranked second to North America, and was followed closely by Europe (15.3 percent). As is the norm, the leading reasons for visiting Trinidad and Tobago were for leisure, beach and vacation purposes (54.3 percent); visiting friends or relatives (20.3 percent); and for business or convention purposes (13.9 percent).

Cruise Ship Arrivals

The number of cruise ships docking in Trinidad and Tobago increased by 37.8 percent in 2009 to 102 vessels, from 74 vessels in calendar 2008. A total of 122,602 passengers arrived in Trinidad and Tobago aboard these vessels representing a marked 150.2 percent increase, when compared to the 48,994 passengers which visited in 2008. When separated by island, a total of 52,468 passengers visited Trinidad, a rise of 135.8 percent, and 70,134 passengers visited Tobago, which was 162.2 percent greater than in 2008.

Cruise ship arrivals to both islands decreased during the first four months of 2010, when compared to the same period in 2009. A total of 26 vessels docked in Trinidad between January and April 2010, marginally less than for the previous year. For the first four months of 2010, the number of vessels docking in Tobago was approximately 35 percent more than for Trinidad but marginally less than the number docking for the corresponding period of 2009. The number of cruise passengers visiting Trinidad declined by 16.8 percent to 31,859 persons in 2010, when compared to 2009; whilst the number visiting Tobago declined by 15.2 percent to 40,234 persons. Overall, a total of 61 cruise ships docked in Trinidad and Tobago during the 2010 period; 6 fewer than in the corresponding 2009 period. Cruise ship passengers to Trinidad and Tobago fell by 15.9 percent to 72,093 passengers over the period.

Yachting Arrivals

During 2009, Yacht arrivals to Trinidad and Tobago decreased by 9.5 percent to 1,668, from 1,843 yachts in 2008. Yacht arrivals peaked at 190 in May 2009, and fell to a low of 72 in September 2009 representing declines of 24.9 percent and 27.3 percent respectively.

These declines abated for the five month period from January to May 2010 as arrivals for this period

have been a mere 5.3 percent less than for the corresponding period of 2009.

PRICES

Inflationary pressures eased considerably during 2009, as headline inflation plummeted from a high of 15.4 percent, year-on-year, in October 2008, to a low of 1.3 percent in December 2009. This trend was, however, sharply reversed during the first seven months of 2010 as headline inflation climbed to 14.1 percent (year-on-year) by July 2010. The upward trend in 2010 is a direct result of a drought-induced rise in food prices, reinforced by sharp price increases for Transportation.

Annual average headline inflation declined from 12.0 percent in 2008 to 7.0 percent in 2009 (**Appendix II**). In the main, this reflected a decline in food inflation from an annual average of 25.9 percent in 2008 to 12.7 percent in 2009. Core inflation decelerated to an annual average rate of 4.1 percent in 2009, from an average of 6.2 percent in 2008.

In year-on-year terms, headline inflation remained relatively stable during the first four months of 2009, recording its highest level of 11.9 percent, in April. Thereafter, headline inflation declined steadily to a low of 1.3 percent year-on-year in December. Lower inflation rates were evident in most components of the Retail Price Index during 2009, except for the price increases registered for Alcoholic Beverages and Tobacco; Transport; Health; and some Miscellaneous Goods and Services. The price level remained unchanged in Communications however.

During the first seven months of 2010, inflationary pressures intensified once again with consumer prices rising by 13.3 percent from January to July, compared to an increase of 0.6 percent over the corresponding period of 2009. Food price inflation, during the first seven months of 2010 was the primary contributor to this inflationary spiral. The

acceleration in food inflation was buttressed by price increases for Vegetables (52.5 percent); Fruits (37.9 percent); and Salt and Spices (82.4 percent). Adverse weather conditions in early 2010, followed by severe flooding at the start of the rainy season, negatively impacted local food crop production and consequently pushed up prices for fresh produce. Price increases for Transport (12.1 percent) and for Recreation and Culture (13.6 percent) also added to the inflationary spiral in 2010.

In contrast, core inflation remained relatively subdued in the early part of 2010, increasing by 4.2 percent during the January to July period, which, while relatively modest, reflected an increase from the 2.3 percent of the corresponding period of the previous year. Price increases in Transport, and in Recreation and Culture were the main drivers of core inflation during this period.

PRODUCTIVITY

The All Items Productivity Index, which measures the productivity of all workers in all industries, reported a 1.3 percent increase in productivity during calendar 2009. Significantly less than the 7.2 percent increase achieved in 2008 (**Appendix 11**). Productivity gains in 2009 have been muted when compared to 2008, mainly as a result of the limited decline in overall number of hours worked in relation to the fall in industrial output. The modest rise in productivity was supported by productivity gains in Miscellaneous Manufacturing (21.6 percent); Wood and Related Products (20.3 percent); Textiles, Garments and Footwear (13.6 percent); Exploration and Production of Oil and Natural Gas (11.1 percent); Drink and Tobacco (9.7 percent); Oil and Natural Gas Refining (4.9 percent); Chemicals (4.7 percent); Petrochemicals (2.8 percent); and Food Processing (1.8 percent). Offsetting much of these gains were productivity declines in Sugar (18.3 percent); Assembly Type and Related Products (14.3 percent); Water (11.4 percent); Electricity

(7.2 percent); and Printing, Publishing and Paper Converters (0.4 percent). Overall productivity gains were recorded by the energy sector in 2009 compared to 2008. This contrasts with the overall decline in productivity in the non-energy sector of 1.3 percent over the corresponding period.

The productivity of all workers in all industries remained unchanged during the first quarter of fiscal 2010, compared to the fourth quarter of fiscal 2009. A contraction by 0.5 percent was however recorded during the second quarter of fiscal 2010. This second quarter outcome was influenced by productivity declines in Wood and Related Products (20.9 percent); Chemicals (11.1 percent); Oil and Natural Gas Refining (8.6 percent); Water (5.6 percent); Exploration and Production of Oil and Natural Gas (3.9 percent); Printing, Publishing and Paper Converters (4.1 percent); Food Processing (3.8 percent); Sugar (3.8 percent); and Drink and Tobacco (0.4 percent). Notwithstanding, productivity gains were achieved in the second quarter in Electricity (34.5 percent); Petrochemicals (13.9 percent); Miscellaneous Manufacturing (2.9 percent); Textiles, Garments and Footwear (1.2 percent); and Assembly Type and Related Products (0.3 percent). In overall terms, productivity in the energy sector grew in the first quarter of fiscal 2010, but declined in the second quarter. In the non-energy sector, declines in overall productivity were experienced in both quarters.

POPULATION

Mid-year population estimates for 2010 indicate a 0.6 percent increase in the population of Trinidad and Tobago to 1,317,714 persons, from 1,310,106 persons in 2009. The provisional birth rate per thousand persons is expected to increase marginally in 2010, to 15.40 births, from 15.25 births in 2009. The provisional death rate for 2010 is however expected to remain stable at 7.68 deaths per thousand persons (**Appendix 12**).

The distribution of Trinidad and Tobago's population by age group continues to remain relatively stable, with 45.2 percent of all persons being under the age of 25; 44.8 percent of persons being between ages 25 and 59 years; and 10.0 percent of persons being 60 years and over (**Appendix 13**). Disaggregated by gender, males are expected to constitute 50.1 percent of the population or 660,822 persons, and females to constitute 49.9 percent of the population, or 656,892 persons (**Appendix 12**).

LABOUR FORCE AND EMPLOYMENT

Unemployment

Trinidad and Tobago recorded an unemployment rate of 5.1 percent in the first quarter of fiscal 2010, declining from 5.8 percent in the fourth quarter of fiscal 2009 (**Appendices 12 and 14**). The number of unemployed fell by 4,900 persons to total 31,000 persons. Industries registering lower rates of unemployment were Petroleum and Gas (4.2 percent); Other Agriculture, Forestry, Hunting and Fishing (2.7 percent); Construction (10.1 percent); Wholesale and Retail Trade, Restaurants and Hotels (6.0 percent); Financing, Insurance Real Estate and Business Services (2.1 percent); Community, Social and Personal Services (3.8 percent); and Other Manufacturing (2.9 percent). Unemployment rates however, rose in Electricity and Water (5.9 percent); Transport, Storage and Communication (2.5 percent); and Finance, Insurance, Real Estate and Business Services (2.1 percent).

Over the period, young persons between the ages of 15 to 29 years represented 57.1 percent of the unemployed, slightly lower than the 57.4 percent in the previous quarter. The proportion of Middle aged persons 30 to 48 years of age among the ranks of the unemployed increased from 34.3 percent to 35.8 percent over the period. The proportion of unemployed persons aged 50 to 64 years fell from 7.8 percent to 6.8 percent over the period.

The unemployment rate among males declined from 4.8 percent in the fourth quarter of 2009 to 4.5 percent in the first quarter of 2010, while that for females declined from 7.4 percent to 5.9 percent. The sectors employing the greatest number of females in the first quarter were Community, Social and Personal Services (102,100 persons); Wholesale and Retail Trade, Restaurants and Hotels (62,500 persons); Finance, Insurance, Real Estate and Business Services (23,700 persons); Construction (17,100 persons); and Other Manufacturing (excluding sugar and oil) (15,900 persons).

Labour Force / Job Creation

A total of 582,600 persons were employed in the first quarter of fiscal 2010, an increase of 2,400 from the number employed in the fourth quarter of fiscal

2009. The rise in the number of persons employed occurred, notwithstanding a decline in the size of the labour force from 616,100 persons to 613,500 persons. Additional jobs were created in five industries: Community, Social and Personal Services (10,500); Wholesale and Retail Trade, Restaurants and Hotels (5,400); Petroleum and Gas (900); Sugar (100); and Other Manufacturing (excluding sugar and oil) (100). The total number of jobs created in those industries exceeded the total number of jobs lost in all of the remaining industries. Most of these job losses occurred in: Finance, Insurance, Real Estate and Business Services (-5,900); Construction (-5,600); Transportation, Storage and Communication (-1,800); and Electricity and Water (-1,600). With the reduction in the size of the labour force in the first quarter of 2010, the participation rate fell to 61.9 percent, from the 62.1 percent rate recorded in the previous quarter.

CENTRAL GOVERNMENT OPERATIONS

СЕНТРАЛ ГОВЕРНМЕНТ ОПЕРАЦИОНС

- Overview
- Revenue ²
- Expenditure ³
- Financing
- Public Debt and Debt Service
- Trinidad and Tobago Credit Ratings

OVERVIEW

In light of the emerging global recovery, fiscal policy in 2010 was pursued in the context of rebounding energy prices and mixed results in the domestic production of petrochemicals.

Central Government's fiscal performance in 2010 was initially based on a weighted average oil price of US\$55.00 per barrel and a natural gas price of US\$2.75 per thousand cubic feet (mcf). On this basis, revenue was estimated at \$36,644.3 million and expenditure at \$44,346.9 million, resulting in an overall deficit of \$7,702.6 million.

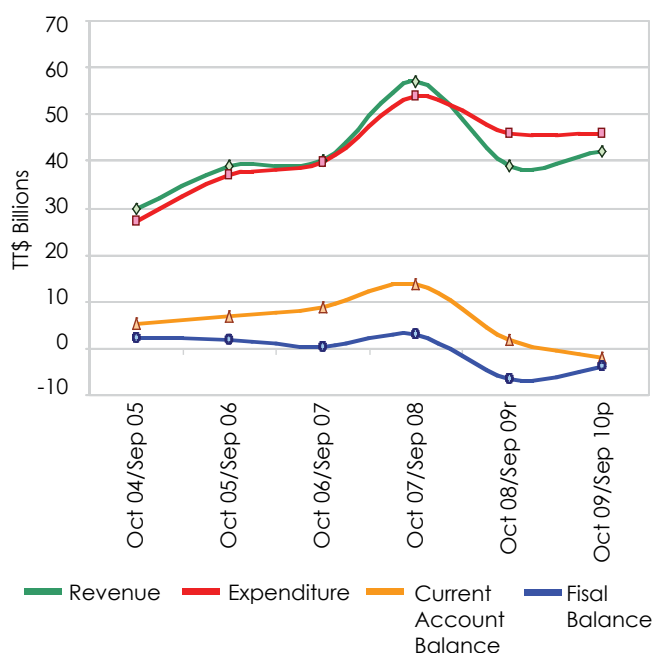
Based on the Revised Estimates for 2010, Total Revenue is projected to be \$41,982.7 million, while Expenditure is projected at \$45,789.6 million, resulting in a revised overall deficit of \$3,806.9 million (**Appendix 21**). This compares with a deficit of \$6,686.0 million in the previous fiscal year.

The Net Asset Value of the Heritage and Stabilisation Fund (HSF) as at July 31, 2010 stood at US\$3,170,769,237.00. Total deposits to the Fund is estimated at \$2,789.9 million in 2010.

2 Less Repayment of Past Lending

3 Less Net Lending

Figure 7: Central Government Fiscal Operations



Source: Ministry of Finance

REVENUE

Central Government's Total Revenue for 2010 is estimated at \$41,982.7 million or 32.4 percent of GDP, and represents an increase of 7.5 percent over the previous year (**Appendix 22**).

This increase was driven mainly by tax revenues, which grew by 8.7 percent from \$32,536.6 million in 2009 to \$35,355.7 million in 2010. Non Tax revenues grew by a modest 1.8 percent from \$6,456.8 million in 2009 to \$6,575.5 million in 2010.

Tax Revenue

Receipts from Taxes on Income and Profits are estimated to increase by 10.2 percent from \$23,996.0 million to \$26,431.6 million. The main drivers of the increase were receipts from Individuals, Companies and the Unemployment and Business Levies. The increases in these areas were partially offset by decreases in receipts from the Green Fund, Withholding Tax and National Health Surcharge.

Collections from Individuals are expected to increase by 4.2 percent from \$4,267.0 million to \$4,448.0 million, reflecting a combination of employment gains and higher wages, particularly in the Manufacturing and Service Industries. Tax Receipts from Companies are expected to increase by 14.4 percent from \$17,051.0 million to \$19,505.3 million following the payment of arrears of Petroleum Profits Tax (PPT) and Supplemental Petroleum Tax (SPT) by Oil Companies, over the period 2006 to 2008.

Collections from Unemployment Levy and the Business Levy are also anticipated to increase to \$870.3 million (8.6 percent) and \$206.4 million (3.8 percent) respectively. In contrast, Withholding Tax is projected to fall by 20.0 percent to \$943.3 million, on account of outstanding dividend payments, not expected to be paid during the year. In addition, receipts from Green Fund are expected to fall by 11.9 percent from \$313.5 million to \$276.2 million.

Receipts from Taxes on Goods and Services, the second largest component of Tax Revenue, are expected to increase by 9.8 percent from \$6,429.0 million in 2009 to \$7,056.2 million in 2010. The largest contributors to the increase were Value Added Tax and Excise Duties. Notable reductions occurred in Betting and Entertainment as well as receipts from Motor Vehicle Taxes.

Value Added Tax receipts increased by 12.7 percent from \$5,147.2 million in 2009 to \$5,803.1 million in 2010 and receipts from Excise Duties increased by 2.7 percent, from \$626.9 million in 2009 to \$643.6 million. Other items projected to increase include Alcohol and Tobacco Taxes (22.2 percent), Liquor and Miscellaneous Licenses (3.9 percent). In contrast, collections from Betting and Entertainment decreased by 49.8 percent from \$24.5 million to \$12.3 million and Motor Vehicle Taxes by 11.0 percent from \$327.4 million to \$291.4 million.

Collections from Taxes on International Trade, the third largest component of Tax Revenue, fell by 9.8 percent from \$1,828.6 million in 2009 to \$1,650 million

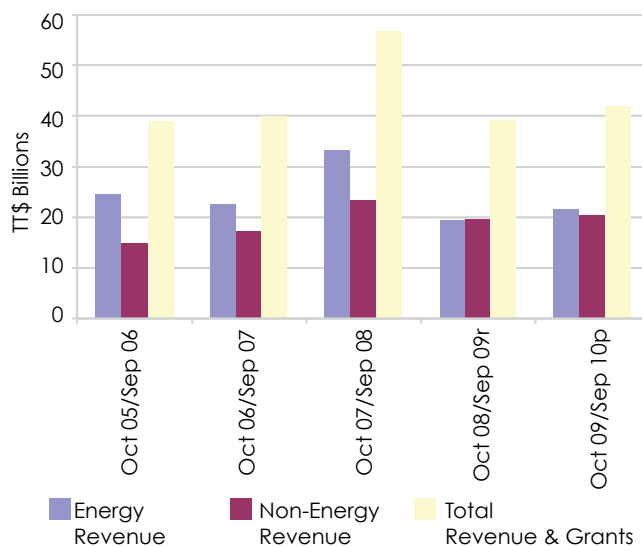
in 2010. The decline in revenue from Import Duties is solely responsible for this performance, reflecting the steady decline in domestic demand.

Collections from Taxes on Property declined by 48.4 percent from \$92.9 million in 2009 to \$47.9 million in 2010, mainly as a result of the drop in collections from Land and Building taxes by 66.4 percent. Collections from Land and Building Taxes fell from \$71.4 million in 2009 to 24.0 million in 2010. This was largely due to the suspension in the collection of the tax for several months. The decline was tempered somewhat by an increase in collections from the Insurance Surrender Tax, by 11.2 percent, from \$21.5 million to \$23.9 million.

Non-Tax Revenue

Collections from Non-Tax Revenue are expected to increase marginally, by 1.8 percent, from \$6,456.8 million in 2009 to \$6,575.5 million in 2010, due to increases, totalling 24.8 percent, in other non-tax revenue and increases in Profits from Non-Financial Enterprises and Capital Revenue, of 1.0 percent. The increase in the collections of Non-Tax Revenue was mitigated by significant declines in revenue from Administrative Fees and Charges of 20.3 percent, Profits from Financial Enterprises of 14.0 percent, Non-Industrial Sales of 10.2 percent, Interest Income of 9.2 percent, and Royalties of 0.1 percent.

Figure 8: Oil, Non-Oil Revenue



Source: Ministry of Finance

EXPENDITURE

In 2010, Central Government's Total Expenditure is estimated at \$45,789.6 million, an increase of 0.1 percent over 2009. Recurrent Expenditure increased by 2.5 percent from \$36,683 million in 2009 to \$37,595.3 million in 2010, while Capital Expenditure decreased by 9.4 percent from \$9,047.4 million in 2009 to \$8,194.3 million in 2010. Recurrent Expenditure represented 29 percent of GDP in 2010, while Capital Expenditure represented 6.3 percent of GDP, one percentage point below GDP in 2009 (**Appendix 23**), a negligible reduction from 2009, when it accounted for 29.5 percent.

The increase in Recurrent Expenditure in 2010 was driven by increases of 4.7 percent in Wages and Salaries from \$6,620.3 million to \$6,933.6 million, 15.3 percent in Other Goods and Services, from \$6,023.0 million to \$6,945.2 million and 11.9 percent in Interest Payments, from \$3,499.9 million to \$3,917.1 million. Interest Payments on both Domestic and External loans increased by 8.8 percent and 28.9 percent respectively.

Expenditure under Subsidies and Transfers is projected to decrease by 3.6 percent from \$20,540.2

million in 2009 to \$19,799.4 million in 2010 on account of variations in resourcing a number of items in this category.

In 2010, Capital Expenditure is estimated to decline by 9.4 percent from \$9,047.4 million to \$8,194.3 million. Expenditure under the Infrastructure Development Fund (IDF) declined by 20.5 percent from \$4,952.9 million to \$3,940.0 million and expenditure under the Public Sector Investment Programme, financed by the Consolidated Fund, decreased by 0.2 percent from \$3,549.2 million to \$3,542.7 million. The increase of 203.3 percent in expenditure on Acquisition of Foreign Fixed Assets served to offset the declines in other areas of Capital Expenditure, from \$33.5 million to \$101.6 million.

FINANCING

In fiscal 2010, the overall Financing Requirement for Central Government's fiscal operations amounted to \$3,806.9 million (**Appendix 24**). This was met from both Domestic and External sources.

Domestic Financing comprised Borrowings of \$2,000.0 million, Capital Repayments of \$1,171.8 million, Sinking Fund Transfers of \$444.4 million and an increase in Cash Balances and Other Securities of \$2,753.2. Overall, Net Domestic Financing amounted to \$3,137.0 million.

External Financing also comprised Borrowings, amounting to \$2,793.8 million and Capital Repayments of \$2,123.9 million. Net External Financing therefore amounted to \$669.9 million.

PUBLIC DEBT AND DEBT SERVICE

Gross Public Sector Debt is expected to increase by 7.4 percent to \$49,953.39 million by the end of the current fiscal year. Gross Public Sector Debt as a percentage of GDP is anticipated to increase from 37.5 percent in fiscal 2009 to 38.5 in fiscal 2010.

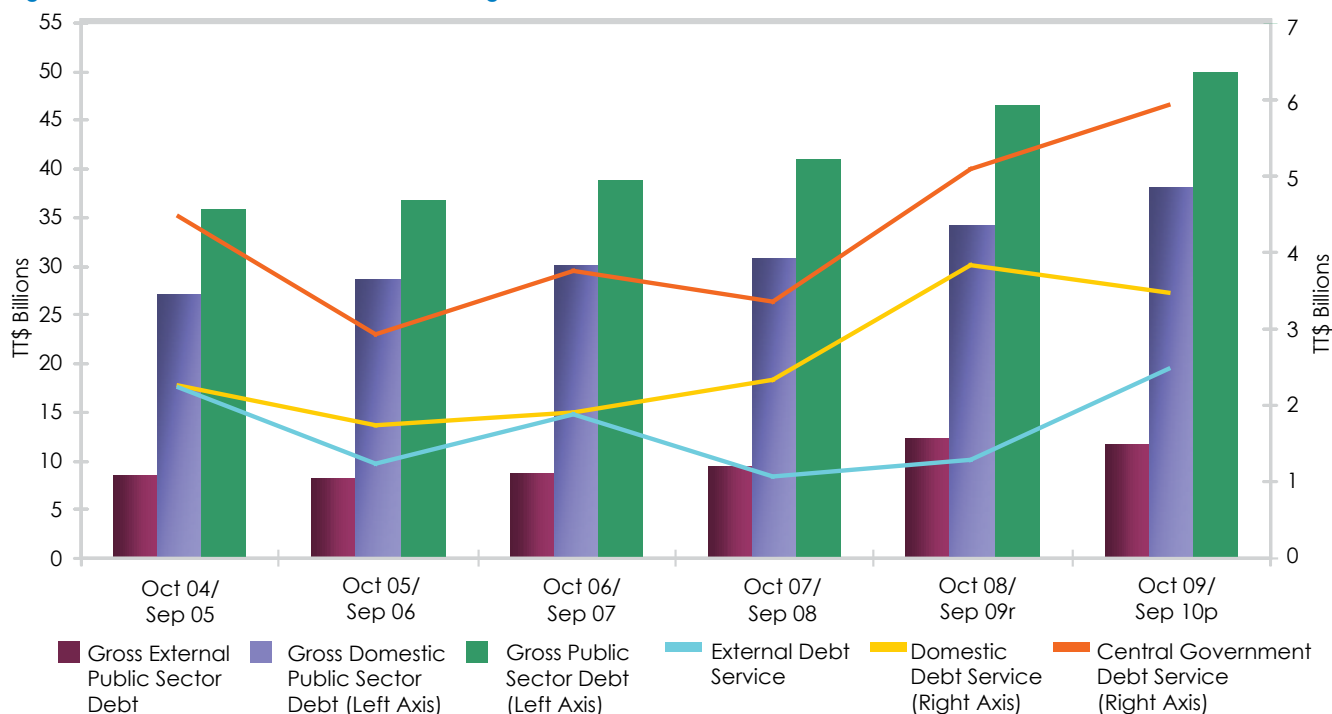
During fiscal 2010, Central Government Debt is projected to increase by 14.5 percent to \$28,952.12 million, primarily as a result of an increase in the Domestic component of Central Government Debt. Central Government Domestic Debt increased by 27.2 percent to \$19,772.85 million.

In contrast, External Debt is expected to decrease by 5.7 percent to \$9,179.27 million as the higher level of repayments offset disbursements on existing loans which were acquired for the purposes of strengthening national security, as well as infrastructural support for the performing arts.

Central Government's Contingent Liability is also expected to decline by 1.1 percent to \$21,001.27 million, consequent upon disbursements on existing loans being largely offset by repayments resulting in a net decline in the Guaranteed Debt relating to both Statutory Authorities and State Enterprises. Letters of Comfort pertaining to State Enterprises, however, increased by 20.6 percent to \$7,098.73 million, as a result of new borrowings loans by state enterprises for the purpose of upgrade and construction of roads and highways, restoration, and infrastructural works.

Central Government's Debt Service is projected to increase by 16.8 percent to \$5,914.53 million, as External Debt Service, increased by 96.2 percent to \$2,462.49 million in fiscal 2010. This was largely due to a repayment of a US\$230 million Bond in October 2009. Domestic Debt Service however, decreased by 9.3 percent to \$3,452.04 million over the same time period.

Figure 9: Public Sector Debt and Debt Servicing



Source: Ministry of Finance

TRINIDAD AND TOBAGO CREDIT RATINGS

Moody's Investors Service

Moody's Investors Service (Moody's) in June 2010 maintained the current credit rating for the economy

of Trinidad and Tobago at **Baa1** for Government Bond ratings in both foreign and local currency and **A1** and **Baa1** for Foreign Currency Bonds and Notes and Bank Deposits, respectively. The outlook at this time remains Stable due primarily to the diversified energy sector, low risk exposure, low levels of public debt and other external debt indicators.

Table 3: Trinidad and Tobago Credit Rating History: 2005-2010
By Moody's Investors Service

| Year | Outlook | Foreign Currency Ceiling | | | | Government Bond Ratings | |
|-----------|---------|--------------------------|------------|---------------|------------|-------------------------|----------------|
| | | Bonds and Notes | | Bank Deposits | | Foreign Currency | Local Currency |
| | | Long term | Short term | Long term | Short term | Long term | Short term |
| Jun 2010* | Stable | A1 | ... | Baa1 | ... | Baa1 | Baa1 |
| Dec 2008 | Stable | A1 | ... | Baa1 | ... | Baa1 | Baa1 |
| Oct 2007 | Stable | A1 | ... | Baa1 | P-2 | Baa1 | Baa1 |
| Jul 2006 | Stable | A1 | ... | Baa1 | P-2 | Baa1 | ... |
| May 2006 | ... | A2 | P-1 | ... | ... | ... | ... |
| Aug 2005 | Stable | Baa2 | P-3 | Baa2 | P-3 | Baa2 | ... |

Source: Moody's Investors Service
* Reporting on Ratings Surveillance conducted in 2009

Standard and Poor's Ratings Services

Standard and Poor's Ratings Services (Standard and Poor's) adjusted its Outlook for Trinidad and Tobago from Negative in April 2009, to Stable. based on an assessment of the cost associated with the bailout of CL Financial by the Government.

Long term foreign and short term foreign currency instruments' ratings were maintained at A and A-1, respectively.

**Table 4: Trinidad and Tobago Credit Rating History: 2005 -2009
By Standard and Poor's Ratings Services**

| Year | Outlook | Foreign Currency | | Local Currency | |
|-------------------|----------|------------------|------------|----------------|------------|
| | | Long term | Short term | Long term | Short term |
| Dec 2009 | Stable | A | A-1 | A+ | A-1 |
| April 2009 | Negative | A | A-1 | A+ | A-1 |
| Aug 2008 | Stable | A | A-2 | A+ | A-1 |
| Sep 2007 | Positive | A- | A-2 | A+ | A-1 |
| Aug 2006 | Stable | A- | A-2 | A+ | A-1 |
| July 2005 | Stable | A- | A-2 | A+ | A-1 |

Source: Standard and Poor's Ratings Services

Caribbean Information and Credit Rating Services Limited (CariCRIS)

Caribbean Information and Credit Rating Services Limited (CariCRIS), retained its CariAAA rating on both local and foreign currency debt obligations for Trinidad and Tobago, as well as its ttAAA rating on the Trinidad and Tobago national scale

**Table 5: Trinidad and Tobago Credit Rating History: 2008 - 2010
By CariCRIS:**

| Rating | 2008 | 2009 | 2010 |
|------------------------------------|---------|---------|---------|
| Regional scale foreign currency | CariAAA | CariAAA | CariAAA |
| Regional scale local currency | CariAAA | CariAAA | CariAAA |
| Trinidad and Tobago national scale | ttAAA | ttAAA | ttAAA |

Source: Caribbean Information and Credit Rating Services Limited (CariCRIS)

THE MONETARY SECTOR

- Monetary Condition
- Central Bank Operations
- Financial Sector Performance
- Capital Market Activity
- Non-Bank Financial Institutions

MONETARY CONDITIONS

In 2010, monetary policy management focussed on providing support for a resurgence of economic activity in the aftermath of the global crisis. This was complicated by emerging inflationary pressures, particularly towards the latter half of the fiscal year.

In light of a slowdown of economic activity, monetary policy continued its cycle of monetary easing which began in March 2009 focussed on facilitating the expansion of private sector credit and stimulating economic activity. In this setting, the Repurchase rate, the main instrument used for the conduct of monetary policy, was reduced by a total of 175 basis points between October 2009 and August 2010, from 6.25 per cent to 4.5 per cent.

Given the low demand for credit by the private sector, financial system liquidity remained relatively high. As a result, in the first quarter of fiscal 2010,

the Central Bank requested commercial banks to deposit a total of \$2,000 million in interest-bearing accounts at the Bank. In December 2009, the Central Bank extended the term of similarly held commercial banks' deposits totalling \$1,500 million that were due to mature in that month. Commercial bank balances held at the Central Bank in excess of the reserve requirement increased from an average of \$1,360 million in January 2010 to an average of \$3,036 million in June 2010. In addition, over the period October 2009 to March 2010, the sale of US\$886 million to authorized foreign exchange dealers aided in absorbing in excess of TT\$5,000 million in liquidity from the financial system. Bond issuances by Central Government in February 2010, including a 15-year, 6.5 percent fixed rate bond for \$600 million and again in April 2010, in which a 13-year, 5.95 percent fixed rate bond for \$794 million, also assisted in the removal of some liquidity from the financial sector.

CENTRAL BANK OPERATIONS

Exchange Rates/Foreign Exchange Market

The period October to December 2009, was characterized by relatively tight conditions in the foreign exchange market as the energy companies continued to respond to falling energy prices.

In the circumstance, the Central Bank intensified its intervention in the market by increasing its sales to authorized dealers by 146 per cent to US\$560 million, as compared with US\$227.5 million in the corresponding period in the previous year.

Between October and December 2009, purchases of foreign currency by authorized dealers from the general public declined by 20.3 per cent to US\$1,129.1 million, and sales of foreign currency by authorized dealers to the general public fell by just 7.5 per cent to US\$1,601.7 million, when compared to the same period a year earlier.

At the beginning of 2010, the recovery in energy prices, served to alleviate pressures in the foreign exchange market. In the period January to June 2010, purchases from the public (including energy companies) by authorized foreign exchange dealers increased to US\$1,922.9 million, from US\$1,714.0 million for the corresponding period of the previous year. While sales to the public fell to US\$2,550.6 million, from US\$2,679.3. The Central Bank reduced its intervention in the market selling US\$620 million between January and June 2010, compared with US\$963.6 million over the corresponding period in the previous year.

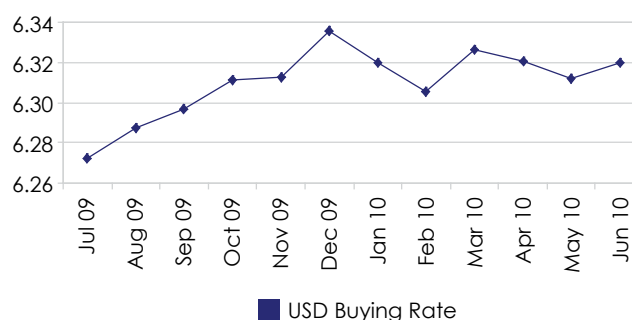
Table 6: Commercial Banks Foreign Exchange Sales and Purchases by Authorized Dealers (US\$ Million)

| Period | Purchases from the Public | Sales to the Public | Net Sales to the Public | Purchases From the Central Bank |
|---------------------|---------------------------|---------------------|-------------------------|---------------------------------|
| 2008 | 5,785.2 | 6,466.3 | 681.1 | 822.8 |
| 2009 | 3,807.7 | 5,637.2 | 1,829.0 | 1,899.1 |
| January – June 2009 | 1,714.0 | 2,679.3 | 965.3 | 963.6 |
| January – June 2010 | 1,922.9 | 2,550.6 | 627.7 | 620.0 |

Source: Central Bank of Trinidad and Tobago.

The weighted average buying rate for the United States (US) dollar increased steadily from TT\$6.2719 in July 2009 to peak at TT\$6.3360 in December 2009. This rate has since fluctuated within a narrow band and stood at TT\$6.3197 per US dollar at the end of June 2010, compared with TT\$6.2606 at the end of June 2009.

Figure 10: Exchange Rates – Buying Rate for USD



Source: Central Bank of Trinidad and Tobago

Money Supply and Commercial Banks' Deposits and Credits

For the eight-month period to May 2010, monetary aggregates rose sharply, reflecting investors' preferences for holding bank deposits. Narrow money (M-1A), defined as currency in active circulation plus demand deposits, expanded by 31.4 per cent (year-on-year) in May 2010, compared with 16.8 per cent in May 2009. Currency in active circulation (year-on-year) increased by 13.7 per cent in May 2010 compared with 8.4 per cent in May 2009. Demand deposits increased by 37.2 per cent, year-on-year, in May 2010, with an increase of 19.3 per cent for the corresponding period in 2009.

The broader measure of money supply (M-2), comprising M-1A and quasi money (time and savings deposits), increased by 19.1 per cent, year-on-year, in May 2010 compared with 16.2 per cent for the corresponding month in the previous year. The resurgence in savings deposits which grew by 28.0 per cent in May 2010 compared with 7.4 per cent in May 2009 contrasts with the performance

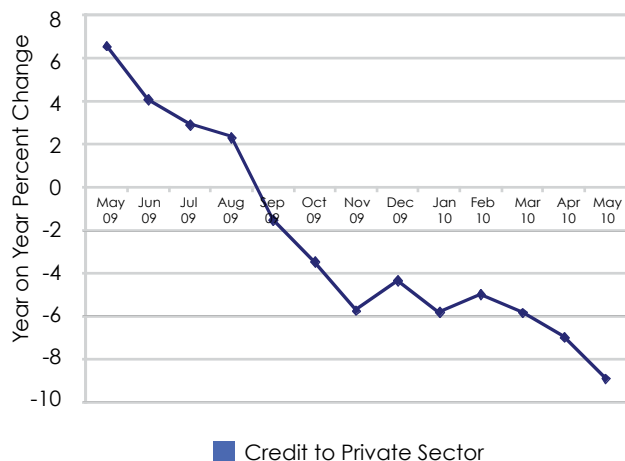
of time deposits which fell by 5.5 per cent in May 2010 compared with a growth of 27.0 per cent in May 2009. This development reflected the switch by investors to higher interest bearing financial instruments over the period.

M-2*, comprising M-2 plus resident foreign currency deposits acquired by commercial banks, grew year-on-year by 17.6 per cent in May 2010. This growth is largely as a result of the narrowing in the differential between deposit rates on domestic relative to foreign currency deposits.

Foreign currency deposits, which continued to expand, on a year-on-year basis, growing by 13.9 per cent in May 2010. Foreign currency deposits as a proportion of total deposits have remained on average at about 27.7 per cent over the last five years.

Growth in private sector credit by the commercial banking system slowed to 3.9 percent in May 2010 from 11.2 percent in May 2009. Commercial bank credit to finance, insurance and real estate, as well as to the distribution and manufacturing sectors were particularly impacted. Mortgage credit, however, continued to expand, albeit at a considerably lower rate.

Figure 11: Credit to Private Sector by Commercial Banks



Source: Central Bank of Trinidad and Tobago

Interest Rates

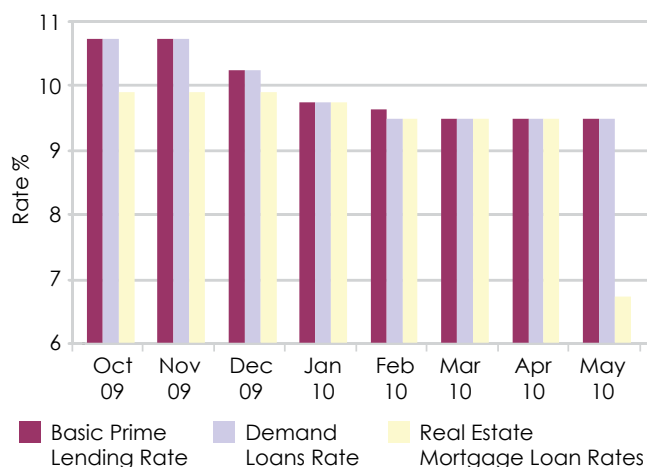
Interest rates continued to decline over the period October 2009 to May 2010. Commercial banks lowered their prime lending rates in response to three reductions in the repo rate between October 2009 and January 2010; the average prime lending rate fell by 125 basis points to 9.50 per cent by the end of June 2010. Between December 2009 and April 2010 demand loans fell from 11.7 per cent to 11.6 per cent; instalment loans fell from 13.8 per cent to 12.0 per cent; and the rate on new overdraft facilities fell from 17.04 per cent to 15.06 per cent.

During the period October 2009 to April 2010, the median prime rate fell to 9.50 per cent from 10.75 per cent. During this period, other lending rates for demand, term, and overdraft fell to 9.50 per cent, 9.63 per cent and 9.50 per cent respectively. Also, the real estate mortgage rate fell from 9.90 per cent to 9.50 per cent in the period. By the end of April 2010, the rate on ordinary savings fell by 19 basis points from 0.57 per cent in October 2009 to 0.38 per cent.

Short term interest rates also trended downwards during the year. The rate on a three-month treasury bill fell from 1.49 per cent in October 2009 to 0.97 per cent in July 2010, reflecting liquidity conditions in the market. The spread between the Trinidad and Tobago and United States treasury bill rates narrowed from 1.30 per cent to 0.81 per cent.

The weighted average lending rate fell by 45 basis points, while the deposit rate fell by 28 basis points, ending at 11.01 per cent and 1.12 per cent, respectively at March 2010. In the first quarter of 2010, the spread between lending and deposit rates fell from 10.06 per cent in the quarter ended December, 2009 to 9.89 per cent in the quarter ended March 2010.

Figure 12: Interest Rates



Source: Central Bank of Trinidad and Tobago

Liquidity

Reserves of the commercial banks in excess of statutory requirements averaged \$2,257 million over the period October 2009 to mid-June 2010, compared with \$1,629.6 million in the corresponding period of the previous year. Over the period October 2009 to June 2010, Net domestic fiscal injections, amounted to \$11,913 million, compared with \$12,321 million of the corresponding period in the previous year.

Commercial banks' reserves at the Central Bank in excess of the required levels fell by 5 percent, from an average of \$1,831.8 million in March 2010 to \$3,707.2 million in October 2009. The sale of US\$1,085 million by the Central Bank in the foreign exchange market also served to mitigate against the excess liquidity in the financial system by removing \$7,066 million.

FINANCIAL SECTOR PERFORMANCE

Capital Market Activity

Trinidad and Tobago's Stock Exchange was still recovering from the effects of the economic and financial crisis in the first quarter of the fiscal year ended December 2009, and was characterized by predominantly bearish conditions as reflected in the Composite Index. The Composite Index reversed the decline of 9.2 percent registered in 2009, increasing by 8.1 per cent in the first six months of 2010. In the equities market, the Index advanced 5.63 per cent to May 2010 as compared to the 26.05 per cent decline in the corresponding period of the previous year.

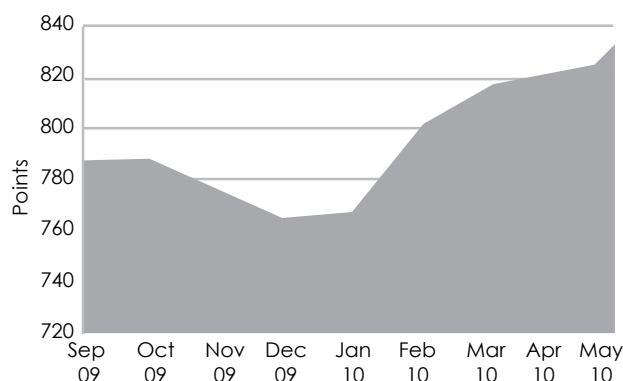
The market value increased by 2.33 per cent, representing \$1,600 million, for the January to May 2010, as compared to the 24.2 per cent decline experienced in the corresponding period in the previous fiscal year (Figure 13).

At the end of May 2010, the market closed at \$73,040 million. The gains experienced in the equity market occurred as a result of rising share prices as trading volumes for the period rose marginally by 1.6 per cent.

The Cross Listed Index increased by 3.3 per cent from October 2009 to May 2010. Performance was better over the period with growth in such sub-indices as the Manufacturing I⁴, (17.4 per cent), Non-banking (13 per cent) and Conglomerate (8.7 per cent) sectors. Conversely, declines were recorded for the sub-indices for Manufacturing II⁵ and Property by 7.3 per cent and 25.9 per cent, respectively.

4 Manufacturing I includes Angostura Holdings Limited, One Caribbean Media Limited, National Flour Mills Limited, Trinidad Publishing Company Limited, Unilever Caribbean Limited, and West Indian Tobacco Company Limited.

5 Manufacturing II includes Berger Paints Limited, Flavorite Foods Limited, Ready mix West Indies Limited, and Trinidad Cement Limited.

Figure 13: Composite Index (1993 = 100)

Source: Central Bank of Trinidad and Tobago

The overall improvements in the stock indices reflect an increase in market capitalization, to \$76,800 million at the end of May 2010 from \$71,400 million at the end of September 2009. Market capitalization increased by approximately \$1,400 million via the listing of British Caribbean Bank (BCB) Holdings Limited on October 28, 2009. This was, however, reversed to some extent, as a result of the de-listing of Furness Trinidad Limited and Valpark Shopping Plaza Limited, which represented a combined market capitalization of \$92.8 million.

From October 2009 to May 2010, approximately 60.7 million shares were traded with a combined value of \$634.6 million compared with 55.6 million shares traded with a value of \$1,204.9 million in the corresponding period in the previous period. The elevated levels in trading activity could possibly be attributable to an improvement in investor confidence.

Domestic Bond Market

Over the period October 2009 to May 2010 activity in the primary bond market showed a marked increase over the corresponding period of the previous year. Eleven bonds being issued with a face value of \$6,245 million compared to five issues for the corresponding period of the previous year.

Central Government bond issuances over the eight month period raised approximately \$5,025 million through six bond issues. Three of these six bonds with a total face value of \$3,399 were issued by private placement while the remainder, a further \$1,626 million were issued via public auction.

There were four issuances by State Enterprises with a combined face value of \$1,222 million, of which one bond was denominated in US currency carrying a face value of \$52Mn. ANSA Merchant Bank was the only corporate issuer during the period with a \$350 million 6.50%, six year fixed rate coupon bond. The maturities of the Government issued bonds in the eight months to May 2010 ranged between 10 to 21 years. State Enterprises offered tenors ranging between 5 to 18 years.

Build up of liquidity in the domestic financial system resulted in sharp declines in the TT\$ yield curve as financial institutions bid up the prices of Government Issued Paper. Most of the Government Bonds issued during the eight month period were oversubscribed and issued at a premium. As a result the TT\$ Government of the Republic of Trinidad and Tobago yield curve fell significantly.

Mutual Fund Industry

During the first quarter of fiscal 2010, funds under management ⁶ declined significantly, by 11.4 per cent. There was a similar, albeit considerably more modest decline for the first quarter of fiscal year 2009. This reduction may be attributable to the increase in demand for cash by investors in the Christmas season. The change in the TT and US dollar denominated income funds ⁷ from a fixed Net Asset Value (NAV) to a floating NAV by the RBTT

⁶ Funds under management refer to all funds collected by the Central Bank of Trinidad and Tobago, including funds managed by the Trinidad and Tobago Unit Trust Corporation, Roytrin, Republic Bank Limited and First Citizens Bank Limited.

⁷ Income funds were previously referred to as money market funds.

suite of mutual funds, which became effective in January 2010, also impacted the valuation of these funds. However, as investor confidence was revived in the mutual fund market by the end of the second quarter of the fiscal 2010, aggregate mutual funds under management increased by 3.6 percent from \$35,510.1 million to \$36,804.9 million. Overall, mutual funds under management declined year on year to June 2010 by 6.3 per cent.

No new funds were registered by the Commission for the period, reflecting the cautious approach of institutional investors to the subdued economic and financial conditions.

On a year-on-year basis to June 2010, Income funds under management fell by 6.7 percent, reflecting investors' reaction to the switch by TT and US denominated income funds to floating Net Asset Value (NAV) in January 2010. Income Funds under management amounted to \$36,804.9 million at the end of December 2009.

During the first half of the fiscal year (October 2009 to March 2010), TT dollar denominated mutual funds under management decreased by 8 per cent to \$27,969.9 million while US dollar denominated funds under management declined by 21 per cent, to \$8,335.4 million. Year on year to June 2010 U.S. dollar funds fell by 12.8 per cent compared to an increase of 3.1 per cent for the previous year.

Funds under management in the Growth and Income segment of the mutual fund market fell by 0.6 per cent amounting to \$3,870 million, as at the end of May 2010. The Republic Bank Limited's (RBL) Caribbean Equity Fund increased by 18.0 per cent, compared to a decline of 28.1 per cent for the corresponding period of the previous year. The RBTT Bank Roytrin TTD Income and Growth Fund declined by 1.3 per cent, as compared to a 16.2 per cent decline for the same period of the previous year. The Unit Trust Corporation (UTC) Growth and Income Fund decreased by 2.5 per cent, compared to a decline of 15.9 per cent in

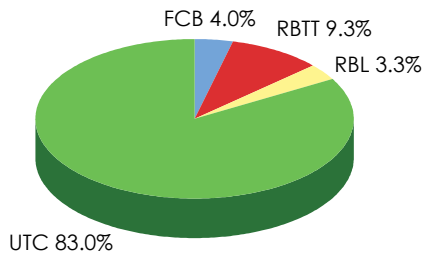
the previous corresponding period; and the Energy Fund decreased by 8.6 per cent, compared to a decline of 7.2 per cent in the corresponding period of the previous period.

The performance of the four mutual fund service providers varied over the 2010 fiscal year. FCB, with the smallest family of funds under management, increased its fund size by 18.0 per cent or \$726 million at the end of May 2010. The value of funds under management by the UTC, the largest fund service provider increased by 6.2 per cent, from \$17,751 million in October 2009 to \$18,859 million in May 2010. In the previous corresponding period there was an increase of 3.2 per cent.

TTD Money Market Funds represented the largest proportion of funds under management in the mutual fund industry. Money Market Funds declined by 13.0 per cent to \$23,443 million from \$26,961 million in the corresponding period in the previous year. The United States Dollar (USD) denominated Money Market Fund, decreased by 20.6 per cent from the TTD equivalent of approximately \$10,500 million at October 2009 to the TTD equivalent of approximately \$8,310 million at the end of May 2010. The TTD Dollar Growth and Income Fund was modestly affected by the unfavourable performance of the local stock exchange declining by 0.6 per cent during the period under review.

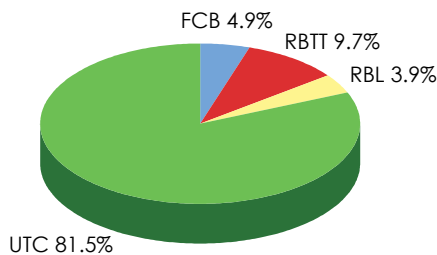
In terms of market share, as at the end of May 2010, the UTC continues to dominate the Growth and Income market with 81.5 per cent of total market share among the four fund sponsors under review. This however, represented a 1.5 per cent decline from its share of 83.0 per cent at October 2009. RBTT maintained its market share at 9.7 per cent in the period under review, while RBL increased its market share position by 0.6 per cent to 3.9 per cent at the end of May 2010. FCB's market share grew by 0.9 per cent to 4.9 per cent at May 2009.

Figure 14: Growth and Income Fund Market Share at October 31, 2009



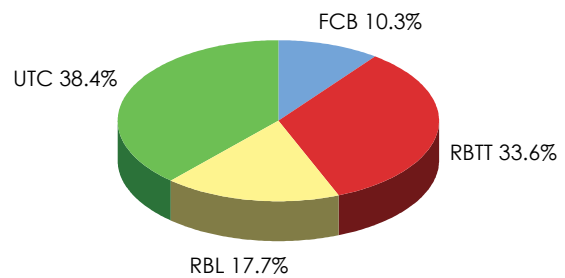
Source: RBL, RBTT, FCB and UTC

Figure 15: Growth and Income Fund Market Share at May 31, 2010



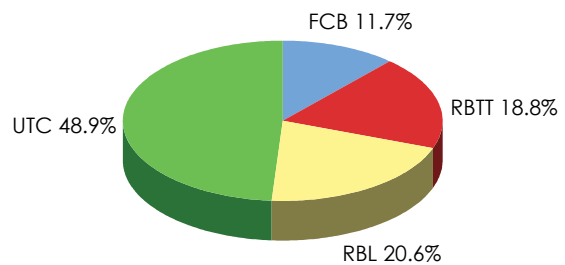
Source: RBL, RBTT, FCB and UTC

Figure 16: Money Market Fund Market Share at October 31, 2009



Source: RBL, RBTT, FCB and UTC

Figure 17: Money Market Fund Market Share at May 31, 2010



Source: RBL, RBTT, FCB and UTC

In terms of Money Market Funds, as at the end of May 2010, the UTC leads the market with 48.9 per cent of total market share among the four fund sponsors. This is an increase of 10.5 per cent from its share of 38.4 per cent at October 2009. RBTT's market share declined by 14.8 per cent to 18.8 per cent in the period under review, and RBL increased its market share position by 2.9 per cent to 20.6 per cent at the end of May 2010. FCB's market share grew by 1.4 per cent to 11.7 per cent at May 2009.

FCB's El Tucuche Fund a TT dollar denominated fixed income fund performed reasonably well over the period under review to be valued at \$80,848 million at the end of May 2010, up from \$42,834 million at the end of October 2009.

REGULATORY DEVELOPMENTS

Securities Bill, 2009 (the proposed Securities Act)

The proposed Securities Bill 2010 is expected to be re-introduced in Parliament for the next Parliamentary term.

Anti-Money Laundering and Combating of Terrorist Financing

Between October 2009 and February 2010, three pieces of legislation were enacted: -

1. The Proceeds of Crime (Amendment) Act 2009
2. The Financial Intelligence Unit Act of Trinidad and Tobago, 2009 (FIUATT)
3. The Anti-Terrorist (Amendment) Act 2010 (ATA)

In addition, the Financial Obligations Regulations 2010 (FOR), made pursuant to Section 56 of the Proceeds of Crime Act, Chap 11:27 (POCA), were made with effect from February 2010.

In October 2009, the Central Bank issued a Guideline for the Reporting of Large Credit Exposures. The Guideline was developed to give effect to Section 79(1) of the Financial Institutions Act 2008.

In February 2010, the Central Bank issued Guidelines for Consolidated Prudential Reporting relating to capital adequacy, solvency requirements and capital ratios; credit exposures and connected party exposures.

TRADE AND PAYMENTS

- Balance of Payments
- Balance of Visible Trade
- CARICOM Trade

BALANCE OF PAYMENTS

Declining oil prices in fiscal 2009 resulted in significant narrowing of export earnings, occasioning an overall Balance of Payments (BOP) deficit of US\$712.6 million, compared to an overall surplus of US\$2,705.5 million in 2008. The current account surplus on the BOP balance declined from US \$8.5 billion recorded in 2008 to US\$1.8 billion in 2009. The decline in the current account balance was due largely to a narrowing of the merchandise trade balance to a low of US\$2.2 billion, compared with over US\$9 billion in the previous year.

Current Account

This decline was due largely to a reduction in merchandise trade, which in turn can be ascribed to subdued regional demand and a sluggish global recovery. After three consecutive quarterly deficits, the current account posted a US\$963 million surplus

for the quarter ending 2010. This improvement was due largely to the revival of energy exports in the absence of a commensurate increase of imports.

Capital Account

The capital account deficit narrowed by 57.4 percent, from US\$5,813.3 million in 2008 to US\$2,471.7 million in 2009. The impetus for this improvement emanated from significant regional bond issues amounting to US\$120 million. Concomitantly, official outflows dipped by 82.1 percent, falling to US\$186.3 from US\$1043.7 in 2008. By March 2010, the deficit stood at US\$826.4 million of which US\$58 million were commercial banks assets held abroad.

Foreign Reserves

For the year 2009, Trinidad and Tobago's Gross Official Reserves waned by 7.8 percent from US\$9,380.3 million in 2008 to US\$8,651.6 million, equivalent to 12.4 months of prospective imports of goods and non-factor services. As at the end of June 2010, official reserves stood at US\$9,110.7 million, equivalent to 12.5 months of prospective import cover.

Table 7: Summary Balance of Payments, 2005-2009 (US\$ million)

| | 2005 | 2006 | 2007 | 2008r | 2009p |
|---|------------------------|------------------------|------------------------|------------------------|-----------|
| Current Account | 3,594.0 | 7,270.5 | 5,364.3 | 8,518.8 | 1,759.1 |
| Merchandise | 3,947.7 | 7,700.2 | 5,721.4 | 9,064.4 | 2,202.1 |
| Services | 356.2 | 450.9 | 546.4 | 609.7 | 721.3 |
| Income | (760.0) | (935.8) | (963.7) | (1,202.2) | (1,219.5) |
| Transfers | 50.1 | 55.2 | 60.2 | 46.9 | 55.2 |
| Capital Account | (2,118.1) | (6,151.7) | (3,823.2) | (5,813.3) | (2,471.7) |
| Official | (438.4) (438.0) | (591.7) (591.0) | (243.4) (215.0) | (1,043.7) (1,059.0) | (186.3) |
| State Enterprises | (10.7) (10.7) | (10.7) (10.7) | (10.5) (10.5) | (10.7) (10.7) | (10.7) |
| Private Sector (including net errors & omissions) | (1,669.3) (2,029.4) | (5,549.3) (5,550.0) | (3,569.3) (3,597.7) | (4,758.9) (5,016.7) | (2,274.7) |
| Overall Surplus/ Deficit | 1,475.9 | 1,118.8 | 1,541.1 | 2,705.5 | (712.6) |
| Change in Reserves | (1,475.9) (1,475.9) | (1,118.8) (1,118.8) | (1,541.1) (1,541.1) | (2,705.5) (2,705.5) | 712.6 |
| Memo items: | | | | | |
| Gross Official Reserves | 4,885.7 | 6,530.8 | 6,673.5 | 9,380.3 | 8,651.6 |
| Import Cover (months) | 8.9 | 9.9 | 9.4 | 11.5 | 11.9 |

Source: Central Bank of Trinidad and Tobago
r: Revised p: Provisional

BALANCE OF VISIBLE TRADE

Trinidad and Tobago's visible trade balance for the period October 2009 to March 2010 amounted to at TT\$7,863.5 million representing a 72.7 percent decrease from the corresponding period of the previous year. This was mainly attributed to a 40.5 percent decrease in visible trade exports, and in particular a 43.9 percent decrease in exports of mineral fuels. **(Appendix 28).**

CARICOM TRADE

For the first half of fiscal 2010, Trinidad and Tobago's balance of trade with CARICOM countries fell by 18.7 percent, from TT\$8,945.3 million to TT\$7,270.0 million **(Appendix 27)**. The faltering trade balance was due in part to the decline in petroleum exports from TT\$7,326.6 million to TT\$6,310.8 million (13.9 percent) as well as a decrease in non-petroleum exports of 32.4 percent.

The First and Second Rounds of Negotiations for a CARICOM-Canada Trade Development Agreement were held in Barbados in November 2009 and March 2010 respectively. It is envisaged that a Trade and Development Agreement will ensure that Trinidad and Tobago's exports to Canada continue to benefit from duty free access subsequent to the negotiation of a new agreement.

In an attempt to harmonize the imports of agriculture and food products within the Region, the Inter-Governmental Agreement Establishing the Caribbean Agricultural Health and Food Safety Agency (CAHFA) was signed at the 21st Meeting of the Conference of Heads of Government on March 12, 2010.

The Caribbean Basin Economic Recovery Act (CBERA) and the Caribbean Basin Trade partnership Agreement (CBTPA), collectively known as the Caribbean Basin Initiative (CBI) was extended to September 30, 2020.

APPENDIX 1
GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO
AT CONSTANT (2000) PRICES /TT\$ MILLIONS/

| SECTOR | 2006r | 2007r | 2008r | 2009r | 2010p |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| GROSS DOMESTIC PRODUCT | 85,795.4 | 89,874.3 | 92,000.7 | 88,744.5 | 90,975.0 |
| PETROLEUM INDUSTRY | 36,102.7 | 36,709.5 | 36,626.9 | 37,582.1 | 38,625.0 |
| Exploration and Production | 20,028.9 | 20,305.4 | 20,059.2 | 20,418.3 | 21,065.6 |
| Refining (Incl Atlantic LNG) | 9,208.8 | 9,524.1 | 10,012.8 | 10,725.9 | 10,908.1 |
| Petrochemicals | 4,192.9 | 4,094.7 | 3,979.8 | 4,325.8 | 4,496.5 |
| Service Contractors | 894.4 | 901.4 | 668.0 | 266.5 | 198.4 |
| Distribution | 1,756.0 | 1,854.5 | 1,878.2 | 1,827.9 | 1,928.6 |
| Asphalt Production | 21.7 | 29.4 | 28.9 | 17.7 | 27.8 |
| NON-PETROLEUM INDUSTRY | 48,692.8 | 52,389.2 | 54,614.3 | 50,662.8 | 50,688.1 |
| Agriculture | 390.1 | 475.1 | 511.4 | 352.7 | 478.2* |
| Export Agriculture | 5.6 | 7.5 | 6.8 | 4.6 | 4.6 |
| Domestic Agriculture | 317.0 | 337.0 | 340.4 | 316.1 | 319.1 |
| Sugar: | 67.5 | 130.6 | 164.2 | 32.0 | 154.5 |
| Sugar refineries | (114.6) | (113.6) | (113.0) | (116.4) | 0.0 |
| Cane farming and cultivation | 47.3 | 18.7 | 1.9 | 1.9 | 1.9 |
| Distilleries | 134.8 | 225.5 | 275.3 | 146.5 | 152.6 |
| Manufacturing¹ | 6,297.6 | 7,326.4 | 7,508.8 | 7,380.6 | 7,603.0 |
| Food, Beverages and Tobacco | 2,573.2 | 3,150.0 | 3,414.0 | 3,607.9 | 3,633.0 |
| Textile, Garments & Footwear | 130.7 | 134.2 | 164.8 | 169.3 | 182.0 |
| Printing, Publishing etc. | 695.5 | 829.8 | 802.7 | 717.9 | 658.1 |
| Wood & Related Products | 138.1 | 173.3 | 158.7 | 114.7 | 103.7 |
| Chemical & Non-Metallic Minerals | 1,244.7 | 1,314.8 | 1,244.4 | 1,205.9 | 1,255.7 |
| Assembly Type and Related Industries | 1,246.9 | 1,397.7 | 1,417.5 | 1,326.8 | 1,508.4 |
| Miscellaneous Manufacturing | 268.5 | 326.6 | 306.7 | 238.1 | 262.1 |
| Services | 42,005.1 | 44,587.7 | 46,594.1 | 42,929.5 | 42,606.9 |
| Electricity and Water | 1,155.0 | 1,230.6 | 1,267.2 | 1,270.6 | 1,271.7 |
| Construction and Quarrying | 6,597.6 | 7,068.6 | 7,386.0 | 6,827.8 | 6,407.6 |
| Distribution and Restaurants ² | 10,480.3 | 10,828.6 | 11,889.9 | 9,370.4 | 9,078.0 |
| Hotels and Guest Houses | 257.3 | 258.3 | 211.9 | 186.3 | 157.2 |
| Transport, Storage & Communication | 6,133.5 | 6,502.6 | 6,746.3 | 6,746.3 | 7,075.6 |
| Finance, Insurance & Real Estate etc. | 10,567.6 | 11,669.5 | 12,098.3 | 11,527.6 | 11,637.1 |
| Government | 3,970.9 | 4,099.3 | 4,168.0 | 4,097.3 | 4,005.0 |
| Education & Cultural Services | 1,773.8 | 1,786.7 | 1,733.9 | 1,761.9 | 1,783.1 |
| Personal Services | 1,069.1 | 1,143.5 | 1,092.6 | 1,141.3 | 1,191.6 |
| | | | | | |
| FISIM ³ | (2,669.5) | (3,163.3) | (3,072.2) | (3,079.3) | (2,847.7) |
| Add: VALUE ADDED TAX (VAT) | 3,669.4 | 3,938.9 | 3,831.7 | 3,578.9 | 4,509.6 |

Source: Central Statistical Office

* Agriculture (excluding sugar) for the years 2006 to 2010 /TT\$ millions/: 322.6, 344.5, 347.2, 320.7 and 323.7 respectively.

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

APPENDIX 2
GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO
AT CONSTANT (2000) PRICES /PERCENTAGE CHANGE/

| SECTOR | 2006r | 2007r | 2008r | 2009r | 2010p |
|---|---------------|-------------|--------------|---------------|--------------|
| GROSS DOMESTIC PRODUCT | 13.4 | 4.8 | 2.4 | (3.5) | 2.5 |
| PETROLEUM INDUSTRY | 21.8 | 1.7 | (0.2) | 2.6 | 2.8 |
| Exploration and Production | 16.4 | 1.4 | (1.2) | 1.8 | 3.2 |
| Refining (Incl Atlantic LNG) | 41.0 | 3.4 | 5.1 | 7.1 | 1.7 |
| Petrochemicals | 15.3 | (2.3) | (2.8) | 8.7 | 3.9 |
| Service Contractors | 38.4 | 0.8 | (25.9) | (60.1) | (25.6) |
| Distribution | 8.9 | 5.6 | 1.3 | (2.7) | 5.5 |
| Asphalt Production | 37.3 | 35.5 | (1.7) | (38.8) | 57.1 |
| NON-PETROLEUM INDUSTRY | 6.4 | 7.6 | 4.2 | (7.2) | 0.05 |
| Agriculture | (10.1) | 21.8 | 7.6 | (31.0) | 35.6* |
| Export Agriculture | (79.6) | 33.9 | (9.3) | (32.4) | 0.00 |
| Domestic Agriculture | (16.3) | 6.3 | 1.0 | (7.1) | 0.9 |
| Sugar: | 141.1 | 93.5 | 25.7 | (80.5) | 382.8 |
| Sugar refineries | 0.9 | 0.9 | 0.5 | (3.0) | 100.0 |
| Cane farming and cultivation | (8.3) | (60.5) | (89.8) | 0.00 | 0.00 |
| Distilleries | 46.5 | 67.3 | 22.1 | (46.8) | 4.2 |
| Manufacturing¹ | 13.5 | 16.3 | 2.5 | (1.7) | 3.0 |
| Food, Beverages and Tobacco | 9.1 | 22.4 | 8.4 | 5.7 | 0.7 |
| Textile, Garments & Footwear | 5.9 | 2.7 | 22.8 | 2.7 | 7.5 |
| Printing, Publishing etc. | 20.1 | 19.3 | (3.3) | (10.6) | (8.3) |
| Wood & Related Products | (17.6) | 25.5 | (8.4) | (27.7) | (9.6) |
| Chemical & Non-Metallic Minerals | 16.9 | 5.6 | (5.4) | (3.1) | 4.1 |
| Assembly Type and Related Industries | 18.9 | 12.1 | 1.4 | (6.4) | 13.7 |
| Miscellaneous Manufacturing | 30.9 | 21.6 | (6.1) | (22.4) | 10.1 |
| Services | 5.6 | 6.1 | 4.5 | (7.9) | (0.8) |
| Electricity and Water | (0.4) | 6.5 | 3.0 | 0.3 | 0.1 |
| Construction and Quarrying | 6.2 | 7.1 | 4.5 | (7.6) | (6.2) |
| Distribution and Restaurants ² | 15.1 | 3.3 | 9.8 | (21.2) | (3.1) |
| Hotels and Guest Houses | (19.8) | 0.4 | (18.0) | (12.1) | (15.6) |
| Transport, Storage & Communication | 4.6 | 6.0 | 3.7 | 0.00 | 4.9 |
| Finance, Insurance & Real Estate etc. | 1.0 | 10.4 | 3.7 | (4.7) | 0.9 |
| Government | (1.5) | 3.2 | 1.7 | (1.7) | (2.3) |
| Education & Cultural Services | 7.3 | 0.7 | (3.0) | 1.6 | 1.2 |
| Personal Services | 9.9 | 7.0 | (4.5) | 4.5 | 4.4 |
| | | | | | |
| FISIM ³ | 14.1 | 18.5 | (2.9) | 0.2 | (7.5) |
| Add: VALUE ADDED TAX (VAT) | 43.0 | 7.3 | (2.7) | (6.6) | 26.0 |

Source: Central Statistical Office

* Agriculture (excluding sugar) for the years 2006 to 2010 /Percentage Change/: (20.6), 6.8, 0.8, (7.6) and 0.9 respectively.

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

APPENDIX 3
GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO
AT CONSTANT (2000) PRICES /PERCENTAGE CONTRIBUTION/

| SECTOR | 2006r | 2007r | 2008r | 2009r | 2010p |
|---|--------------|--------------|--------------|--------------|--------------|
| GROSS DOMESTIC PRODUCT | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| PETROLEUM INDUSTRY | 42.1 | 40.8 | 39.8 | 42.3 | 42.5 |
| Exploration and Production | 23.3 | 22.6 | 21.8 | 23.0 | 23.2 |
| Refining (Incl Atlantic LNG) | 10.7 | 10.6 | 10.9 | 12.1 | 12.0 |
| Petrochemicals | 4.9 | 4.6 | 4.3 | 4.9 | 4.9 |
| Service Contractors | 1.0 | 1.0 | 0.7 | 0.3 | 0.2 |
| Distribution | 2.0 | 2.1 | 2.0 | 2.1 | 2.1 |
| Asphalt Production | 0.03 | 0.03 | 0.03 | 0.02 | 0.03 |
| NON-PETROLEUM INDUSTRY | 56.8 | 58.3 | 59.4 | 57.1 | 55.7 |
| Agriculture | 0.5 | 0.5 | 0.6 | 0.4 | 0.5* |
| Export Agriculture | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Domestic Agriculture | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Sugar: | 0.1 | 0.1 | 0.2 | 0.04 | 0.2 |
| Sugar refineries | (0.1) | (0.1) | (0.1) | (0.1) | 0.00 |
| Cane farming and cultivation | 0.1 | 0.02 | 0.00 | 0.00 | 0.00 |
| Distilleries | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 |
| Manufacturing¹ | 7.3 | 8.2 | 8.2 | 8.3 | 8.4 |
| Food, Beverages and Tobacco | 3.0 | 3.5 | 3.7 | 4.1 | 4.0 |
| Textile, Garments & Footwear | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 |
| Printing, Publishing etc. | 0.8 | 0.9 | 0.9 | 0.8 | 0.7 |
| Wood & Related Products | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 |
| Chemical & Non-Metallic Minerals | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 |
| Assembly Type and Related Industries | 1.5 | 1.6 | 1.5 | 1.5 | 1.7 |
| Miscellaneous Manufacturing | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 |
| Services | 49.0 | 49.6 | 50.6 | 48.4 | 46.8 |
| Electricity and Water | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 |
| Construction and Quarrying | 7.7 | 7.9 | 8.0 | 7.7 | 7.0 |
| Distribution and Restaurants ² | 12.2 | 12.0 | 12.9 | 10.6 | 10.0 |
| Hotels and Guest Houses | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Transport, Storage & Communication | 7.1 | 7.2 | 7.3 | 7.6 | 7.8 |
| Finance, Insurance & Real Estate etc. | 12.3 | 13.0 | 13.2 | 13.0 | 12.8 |
| Government | 4.6 | 4.6 | 4.5 | 4.6 | 4.4 |
| Education and Cultural Services | 2.1 | 2.0 | 1.9 | 2.0 | 2.0 |
| Personal Services | 1.2 | 1.3 | 1.2 | 1.3 | 1.3 |
| | | | | | |
| FISIM ³ | (3.1) | (3.5) | (3.3) | (3.5) | (3.1) |
| Add: VALUE ADDED TAX (VAT) | 4.3 | 4.4 | 4.2 | 4.0 | 5.0 |

Source: Central Statistical Office

* Agriculture (excluding sugar) for the years 2006 to 2010 /Percentage Contribution/: 0.4, 0.4, 0.4, 0.4 and 0.4 respectively.

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

APPENDIX 4
GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO
AT MARKET PRICES (CURRENT PRICES) /TT\$ MILLIONS/

| SECTOR | 2006r | 2007r | 2008r | 2009r | 2010p |
|---|------------------|------------------|------------------|------------------|------------------|
| GROSS DOMESTIC PRODUCT | 115,951.1 | 136,952.5 | 170,937.5 | 124,115.6 | 129,753.2 |
| PETROLEUM INDUSTRY | 54,518.4 | 61,634.1 | 83,940.5 | 44,378.3 | 46,296.2 |
| Exploration and Production | 32,249.0 | 32,962.4 | 47,774.7 | 25,149.6 | 26,336.4 |
| Refining (Incl Atlantic LNG) | 8,136.0 | 10,327.8 | 13,033.3 | 8,016.3 | 7,341.3 |
| Petrochemicals | 8,306.1 | 9,643.1 | 11,700.4 | 5,551.3 | 7,526.6 |
| Service Contractors | 3,561.4 | 4,253.4 | 4,087.6 | 2,934.7 | 1,938.2 |
| Distribution | 2,206.7 | 4,353.8 | 7,207.7 | 2,640.0 | 3,030.4 |
| Asphalt Production | 59.2 | 93.6 | 136.8 | 86.4 | 123.3 |
| NON-PETROLEUM INDUSTRY | 60,767.2 | 74,660.9 | 86,154.7 | 80,187.9 | 82,160.3 |
| Agriculture | 657.3 | 509.0 | 630.4 | 735.0 | 740.8* |
| Export Agriculture | 6.8 | 10.9 | 10.0 | 7.5 | 7.5 |
| Domestic Agriculture | 447.9 | 490.3 | 539.6 | 547.4 | 546.0 |
| Sugar: | 202.6 | 7.8 | 80.8 | 180.1 | 187.3 |
| Sugar refineries | 58.7 | (29.4) | 5.1 | (7.3) | 0.0 |
| Cane farming and cultivation | 34.8 | 22.5 | 3.5 | 3.5 | 3.4 |
| Distilleries | 109.1 | 14.7 | 72.2 | 183.9 | 183.9 |
| Manufacturing¹ | 6,444.0 | 7,216.8 | 7,314.9 | 6,083.7 | 6,905.1 |
| Food, Beverages and Tobacco | 2,377.2 | 2,731.2 | 3,177.7 | 3,244.3 | 3,374.4 |
| Textile, Garments & Footwear | 135.7 | 135.9 | 118.4 | 121.9 | 126.4 |
| Printing, Publishing etc. | 666.1 | 764.9 | 762.1 | 675.2 | 734.1 |
| Wood & Related Products | 152.5 | 191.5 | 194.4 | 142.8 | 129.8 |
| Chemical & Non-Metallic Minerals | 1,502.2 | 1,551.3 | 1,677.1 | 1,394.4 | 1,407.7 |
| Assembly Type and Related Industries | 1,327.3 | 1,496.8 | 1,053.1 | 213.8 | 809.8 |
| Miscellaneous Manufacturing | 283.0 | 345.2 | 332.1 | 291.3 | 322.9 |
| Services | 53,665.9 | 66,935.1 | 78,209.4 | 73,369.2 | 74,514.4 |
| Electricity and Water | 981.5 | 1,534.4 | 1,526.3 | 1,777.9 | 1,697.7 |
| Construction and Quarrying | 8,576.9 | 11,309.8 | 14,476.5 | 13,655.6 | 12,815.2 |
| Distribution and Restaurants ² | 15,081.2 | 16,925.1 | 21,140.0 | 17,934.9 | 18,419.2 |
| Hotels and Guest Houses | 443.1 | 461.1 | 387.3 | 348.6 | 324.2 |
| Transport, Storage & Communication | 4,186.4 | 7,641.8 | 7,722.6 | 6,974.0 | 7,705.3 |
| Finance, Insurance & Real Estate etc. | 13,351.5 | 15,561.8 | 15,494.7 | 15,246.4 | 14,927.0 |
| Government | 6,987.5 | 9,038.3 | 12,495.1 | 12,330.9 | 13,247.2 |
| Education and Cultural Services | 2,774.5 | 3,015.4 | 3,505.1 | 3,498.7 | 3,640.3 |
| Personal Services | 1,283.3 | 1,447.4 | 1,461.8 | 1,602.2 | 1,738.3 |
| | | | | | |
| FISIM ³ | (3,658.6) | (4,677.8) | (5,090.7) | (5,459.6) | (5,453.3) |
| Add: VALUE ADDED TAX (VAT) | 4,324.1 | 5,335.3 | 5,933.0 | 5,009.0 | 6,750.0 |

Source: Central Statistical Office

* Agriculture (excluding sugar) for the years 2006 to 2010 /TT\$ millions/: 454.7, 501.2, 549.6, 554.9 and 553.5 respectively.

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

APPENDIX 5
GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO
AT MARKET PRICES (CURRENT PRICES) /PERCENTAGE CHANGE/

| SECTOR | 2006r | 2007r | 2008r | 2009r | 2010p |
|---|-------------|---------------|-------------|---------------|-------------|
| GROSS DOMESTIC PRODUCT | 15.2 | 18.1 | 24.8 | (27.4) | 4.5 |
| PETROLEUM INDUSTRY | 18.0 | 13.1 | 36.2 | (47.1) | 4.3 |
| Exploration and Production | 33.1 | 2.2 | 44.9 | (47.4) | 4.7 |
| Refining (Incl Atlantic LNG) | (8.9) | 26.9 | 26.2 | (38.5) | (8.4) |
| Petrochemicals | 18.5 | 16.1 | 21.3 | (52.6) | 35.6 |
| Service Contractors | 19.6 | 19.4 | (3.9) | (28.2) | (34.0) |
| Distribution | (26.7) | 97.3 | 65.5 | (63.4) | 14.8 |
| Asphalt Production | 73.6 | 58.1 | 46.2 | (36.8) | 42.7 |
| NON-PETROLEUM INDUSTRY | 11.8 | 22.9 | 15.4 | (6.9) | 2.5 |
| Agriculture | 34.9 | (22.6) | 23.9 | 16.6 | 0.8* |
| Export Agriculture | (77.3) | 60.3 | (8.3) | (25.0) | 0.00 |
| Domestic Agriculture | (2.6) | 9.5 | 10.1 | 1.4 | (0.3) |
| Sugar: | 8,541.7 | (96.2) | 935.9 | 122.9 | 4.0 |
| Sugar refineries | 216.9 | (150.1) | 117.3 | (243.1) | 100.0 |
| Cane farming and cultivation | (7.4) | (35.3) | (84.4) | 0.00 | (2.9) |
| Distilleries | 969.6 | (86.5) | 391.2 | 154.7 | 0.00 |
| Manufacturing¹ | 16.7 | 12.0 | 1.4 | (16.8) | 13.5 |
| Food, Beverages and Tobacco | 15.7 | 14.9 | 16.3 | 2.1 | 4.0 |
| Textile, Garments & Footwear | 16.3 | 0.1 | (12.9) | 3.0 | 3.7 |
| Printing, Publishing etc. | 4.8 | 14.8 | (0.4) | (11.4) | 8.7 |
| Wood & Related Products | (11.0) | 25.6 | 1.5 | (26.5) | (9.1) |
| Chemical & Non-Metallic Minerals | 12.9 | 3.3 | 8.1 | (16.9) | 1.0 |
| Assembly Type and Related Industries | 33.1 | 12.8 | (29.6) | (79.7) | 278.8 |
| Miscellaneous Manufacturing | 30.5 | 22.0 | (3.8) | (12.3) | 10.8 |
| Services | 11.0 | 24.7 | 16.8 | (6.2) | 1.6 |
| Electricity and Water | 10.3 | 56.3 | (0.5) | 16.5 | (4.5) |
| Construction and Quarrying | 15.1 | 31.9 | 28.0 | (5.7) | (6.2) |
| Distribution and Restaurants ² | 26.0 | 12.2 | 24.9 | (15.2) | 2.7 |
| Hotels and Guest Houses | 9.1 | 4.1 | (16.0) | (10.0) | (7.0) |
| Transport, Storage & Communication | (25.7) | 82.5 | 1.1 | (9.7) | 10.5 |
| Finance, Insurance & Real Estate etc. | 14.7 | 16.6 | (0.4) | (1.6) | (2.1) |
| Government | 4.7 | 29.3 | 38.2 | (1.3) | 7.4 |
| Education and Cultural Services | 6.8 | 8.7 | 16.2 | (0.2) | 4.0 |
| Personal Services | 17.5 | 12.8 | 1.0 | 9.6 | 8.5 |
| | | | | | |
| FISIM ³ | 23.7 | 27.9 | 8.8 | 7.2 | (0.1) |
| Add: VALUE ADDED TAX (VAT) | 40.4 | 23.4 | 11.2 | (15.6) | 34.8 |

Source: Central Statistical Office

* Agriculture (excluding sugar) for the years 2006 to 2010 /Percentage Change/: (7.1), 10.2, 9.7, 1.0 and (0.3) respectively.

1/Excludes oil refining and petrochemical industries

2/Excludes distribution of petroleum products

3/Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

APPENDIX 6
GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO
AT MARKET PRICES (CURRENT PRICES) /PERCENTAGE CONTRIBUTION/

| SECTOR | 2006r | 2007r | 2008r | 2009r | 2010p |
|---|--------------|--------------|--------------|--------------|--------------|
| GROSS DOMESTIC PRODUCT | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| PETROLEUM INDUSTRY | 47.0 | 45.0 | 49.1 | 35.8 | 35.7 |
| Exploration and Production | 27.8 | 24.1 | 27.9 | 20.3 | 20.3 |
| Refining (Incl Atlantic LNG) | 7.0 | 7.5 | 7.6 | 6.5 | 5.7 |
| Petrochemicals | 7.2 | 7.0 | 6.8 | 4.5 | 5.8 |
| Service Contractors | 3.1 | 3.1 | 2.4 | 2.4 | 1.5 |
| Distribution | 1.9 | 3.2 | 4.2 | 2.1 | 2.3 |
| Asphalt Production | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| NON-PETROLEUM INDUSTRY | 52.4 | 54.5 | 50.4 | 64.6 | 63.3 |
| Agriculture | 0.6 | 0.4 | 0.4 | 0.6 | 0.6* |
| Export Agriculture | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Domestic Agriculture | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 |
| Sugar: | 0.2 | 0.01 | 0.05 | 0.1 | 0.1 |
| Sugar refineries | 0.1 | (0.02) | 0.00 | (0.01) | 0.00 |
| Cane farming and cultivation | 0.03 | 0.02 | 0.00 | 0.00 | 0.00 |
| Distilleries | 0.1 | 0.01 | 0.04 | 0.1 | 0.1 |
| Manufacturing¹ | 5.6 | 5.3 | 4.3 | 4.9 | 5.3 |
| Food, Beverages and Tobacco | 2.1 | 2.0 | 1.9 | 2.6 | 2.6 |
| Textile, Garments & Footwear | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Printing, Publishing etc. | 0.6 | 0.6 | 0.4 | 0.5 | 0.6 |
| Wood & Related Products | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Chemical & Non-Metallic Minerals | 1.3 | 1.1 | 1.0 | 1.1 | 1.1 |
| Assembly Type and Related Industries | 1.1 | 1.1 | 0.6 | 0.2 | 0.6 |
| Miscellaneous Manufacturing | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 |
| Services | 46.3 | 48.9 | 45.8 | 59.1 | 57.4 |
| Electricity and Water | 0.8 | 1.1 | 0.9 | 1.4 | 1.3 |
| Construction and Quarrying | 7.4 | 8.3 | 8.5 | 11.0 | 9.9 |
| Distribution and Restaurants ² | 13.0 | 12.4 | 12.4 | 14.5 | 14.2 |
| Hotels and Guest Houses | 0.4 | 0.3 | 0.2 | 0.3 | 0.2 |
| Transport, Storage & Communication | 3.6 | 5.6 | 4.5 | 5.6 | 5.9 |
| Finance, Insurance & Real Estate etc. | 11.5 | 11.4 | 9.1 | 12.3 | 11.5 |
| Government | 6.0 | 6.6 | 7.3 | 9.9 | 10.2 |
| Education and Cultural Services | 2.4 | 2.2 | 2.1 | 2.8 | 2.8 |
| Personal Services | 1.1 | 1.1 | 0.9 | 1.3 | 1.3 |
| | | | | | |
| FISIM ³ | (3.2) | (3.4) | (3.0) | (4.4) | (4.2) |
| Add: VALUE ADDED TAX (VAT) | 3.7 | 3.9 | 3.5 | 4.0 | 5.2 |

Source: Central Statistical Office

* Agriculture (excluding sugar) for the years 2006 to 2010 /Percentage Contribution/: 0.4, 0.4, 0.3, 0.4 and 0.4 respectively.

1/Excludes oil refining and petrochemical industries

2/Excludes distribution of petroleum products

3/Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

APPENDIX 7

DEVELOPMENT AND EXPLORATORY DRILLING AND DOMESTIC CRUDE PRODUCTION

| Development and Exploratory Drilling | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '08/ Apr '09 | Oct '09/ Apr '10p |
| Total Depth Drilled* | 114.3 | 160.1 | 186.4 | 164.7 | 53.7 | 36.6 | 12.9 |
| Land | 29.8 | 70.4 | 86.1 | 58.3 | 24.6 | 18.8 | 3.3 |
| Marine | 84.5 | 89.8 | 100.3 | 106.4 | 29.1 | 17.8 | 9.6 |
| Development Drilling* | 81.9 | 126.8 | 146.5 | 119.7 | 49.0 | 31.9 | 10.7 |
| Exploratory Drilling* | 32.4 | 33.3 | 39.8 | 45.0 | 4.7 | 4.7 | 2.2 |
| Number of Wells Drilled | | | | | | | |
| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08r | Oct '08/ Sep '09 | Oct '08/ Apr '09 | Oct '09/ Apr '10p |
| No. of Wells Drilled | 73 | 110 | 119 | 116 | 30 | 21 | 16 |
| Development | 65 | 99 | 105 | 104 | 29 | 20 | 14 |
| Exploratory | 8 | 11 | 14 | 12 | 1 | 1 | 2 |
| Domestic Crude and Condensate Production | | | | | | | |
| | Oct '04/ Sep '05r | Oct '05/ Sep '06r | Oct '06/ Sep '07r | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '08/ Apr '09 | Oct '09/ Apr '10p |
| Total Crude and Condensate | | | | | | | |
| Millions of Barrels | 49.8 | 54.1 | 45.4 | 42.4 | 39.7 | 23.2 | 22.1 |
| Millions of Cubic Metres | 7.9 | 8.6 | 7.2 | 6.7 | 6.3 | 3.7 | 3.5 |
| Land (%) | 17.9 | 15.9 | 18.5 | 20.6 | 21.5 | 21.5 | 21.8 |
| Marine (%) | 82.1 | 84.1 | 81.5 | 79.4 | 78.5 | 78.5 | 78.2 |
| Crude Production | | | | | | | |
| Millions of Barrels | 44.8 | 45.5 | 35.2 | 31.7 | 29.2 | 17.0 | 15.7 |
| Millions of Cubic Metres | 7.1 | 7.2 | 5.6 | 5.0 | 4.6 | 2.7 | 2.5 |
| Condensate Production | | | | | | | |
| Millions of Barrels | 5.0 | 8.6 | 10.2 | 10.7 | 10.5 | 6.2 | 6.4 |
| Millions of Cubic Metres | 0.8 | 1.4 | 1.6 | 1.7 | 1.7 | 1.0 | 1.0 |

Source: Ministry of Energy and Energy Affairs

r: Revised p: Provisional

* FIGURES IN THOUSANDS OF METRES

APPENDIX 8

NATURAL GAS AND LIQUEFIED NATURAL GAS PRODUCTION AND UTILISATION

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '08/ Apr '09 | Oct '09/ Apr '10p |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Natural Gas Production (MMCM)¹ | 33,053 | 39,296 | 41,250 | 42,240 | 42,396 | 24,611 | 26,217 |
| Natural Gas Utilisation (MMCM)¹ | | | | | | | |
| Fuel use ² | 8,946 | 9,747 | 10,699 | 10,929 | 10,284 | 5,733 | 6,512 |
| Processed | 7,097 | 8,148 | 8,124 | 7,994 | 7,706 | 4,308 | 5,273 |
| Vented | 1,458 | 1,057 | 874 | 921 | 1,152 | 857 | 604 |
| Gas Re-injected | 505 | 1,886 | 1,570 | 1,975 | 1,919 | 1,158 | 1,064 |
| Natural Gas Liquids (NGL) | 234 | 238 | 342 | 264 | 265 | 163 | 161 |
| Liquefied Natural Gas ³ | 14,813 | 18,220 | 19,641 | 20,159 | 20,477 | 12,392 | 12,605 |
| Liquefied Natural Gas (LNG) | | | | | | | |
| Production ⁴ (Trillion Btu) ⁶ | 526.2 | 633.6 | 689.4 | 737.0 | 759.2 | 452.7 | 455.6 |
| Exports ⁵ (Trillion Btu) ⁶ | 523.8 | 639.2 | 700.9 | 736.2 | 752.6 | 448.4 | 441.3 |

Source: Ministry of Energy and Energy Affairs

1 Million Cubic Metres

2 Includes oil companies and refinery use, non-oil companies and Atlantic fuel

3 Refers to input of natural gas into LNG Trains

4 Refers to output of LNG from LNG Trains

5 Not all LNG produced within a period is exported during the same period, since some LNG may be stored for export later.

6 Trillion British Thermal Units

p: Provisional

APPENDIX 9

PETROCHEMICALS PRODUCTION AND EXPORTS /TONNES '000/

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '08/ Apr '09 | Oct '09/ Apr '10p |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Nitrogenous Fertilisers (Ammonia and Urea) | | | | | | | |
| Production | 5,260.0 | 5,930.0 | 6,106.3 | 5,675.1 | 5,893.7 | 3,220.9* | 3,835.7** |
| Exports | 5,193.1 | 5,427.1 | 5,556.2 | 5,311.1 | 5,441.6 | 2,971.8* | 3,447.4** |
| Methanol | | | | | | | |
| Production | 4,242.6 | 5,919.1 | 6,050.3 | 6,037.8 | 5,653.9 | 3,088.3 | 3,802.2 |
| Exports | 4,188.2 | 5,931.6 | 5,907.3 | 5,857.8 | 6,238.8 | 3,124.5 | 3,692.2 |

Source: Ministry of Energy and Energy Affairs

r: Revised

p: Provisional

* Ammonia production for Oct'08/Apr'09 totalled 2,847 thousand tonnes, and exports 2,587 thousand tonnes.

** Ammonia production for Oct'09/Apr'10 totalled 3,416 thousand tonnes, and exports 3,064 thousand tonnes.

APPENDIX 10
STEEL PRODUCTION /TONNES '000/

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '08/ May '09 | Oct '09/ May '10p |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Direct Reduced Iron | | | | | | | |
| Production | 2,022.5 | 2,201.8 | 1,986.9 | 2,004.4 | 950.1 | 482.5 | 1,147.6 |
| Exports | 1,202.2 | 1,340.2 | 1,218.7 | 1,299.5 | 533.4 | 269.3 | 694.2 |
| Local Sales | - | - | - | - | - | - | - |
| Billets | | | | | | | |
| Production | 742.4 | 747.6 | 624.1 | 566.7 | 370.6 | 217.1 | 376.8 |
| Exports | 190.7 | 117.4 | 57.1 | 108.9 | 134.4 | 92.8 | 122.6 |
| Local Sales | 61.2 | 75.2 | 72.9 | 73.8 | 46.9 | 29.5 | 30.3 |
| Wire Rods | | | | | | | |
| Production | 462.7 | 534.8 | 484.3 | 406.8 | 178.3 | 86.0 | 209.0 |
| Exports | 419.3 | 490.4 | 424.8 | 366.0 | 159.1 | 86.8 | 179.3 |
| Local Sales | 38.7 | 43.5 | 52.3 | 54.4 | 37.7 | 22.1 | 26.7 |

Source: ArcelorMittal Point Lisas Ltd.
p: Provisional

APPENDIX 11
 PRICES, PRODUCTIVITY AND AVERAGE WEEKLY EARNINGS
 /PERCENTAGE CHANGE/

| | | 2005 | 2006 | 2007 | 2008 | 2009 | Jan - July* 2009 | Jan - July* 2010 |
|--|----------------|------------|------------|-------------|-------------|------------|---------------------|---------------------|
| | Weights | | | | | | | |
| Index of Retail Prices | | | | | | | | |
| All Items (Base Year = 2003) | 1,000 | 6.8 | 8.3 | 7.9 | 12.0 | 7.0 | 0.6 | 13.3 |
| Core | 820 | 2.6 | 3.6 | 4.4 | 6.2 | 4.1 | 2.3 | 4.2 |
| Food | 180 | 23.0 | 23.2 | 17.4 | 25.9 | 12.7 | -2.5 | 30.1 |
| Transport | 167 | 2.9 | 1.7 | 3.9 | 3.0 | 6.6 | 4.7 | 12.1 |
| Housing | 262 | 2.5 | 2.9 | 4.2 | 5.6 | 4.5 | 0.7 | -0.3 |
| | | 2005 | 2006 | 2007 | 2008 | 2009 | Jan - Mar 09** | Jan - Mar 10** |
| | Weights | | | | | | | |
| Index of Productivity | | | | | | | | |
| All workers/all industries (Base Year = 1995) | 1,000 | 9.3 | 7.6 | 10.9 | 7.2 | 1.3 | 0.3 | -0.5 |
| Food Processing | 111 | 26.3 | -13.2 | 20.4 | 19.9 | 1.8 | 2.0 | -3.8 |
| Chemicals | 65 | 8.8 | -6.1 | -7.4 | -4.0 | 4.7 | 0.3 | -11.1 |
| Assembly Type & Related Products | 74 | 4.6 | 26.5 | -7.1 | -13.2 | -14.3 | -13.2 | 0.3 |
| Petrochemicals | 52 | 19.2 | 2.6 | 44.6 | -8.3 | 2.8 | 8.1 | 13.9 |
| Exploration and Production of Oil and Natural Gas | 74 | 29.5 | 13.1 | 60.1 | 1.4 | 11.1 | 1.0 | -3.9 |
| Oil & Natural Gas Refining | 321 | 16.3 | 1.3 | 12.1 | 42.4 | 4.9 | 5.4 | -8.6 |
| Index of Average Weekly Earnings | | | | | | | | |
| All workers/all industries (Base Year = 1995) | 1,000 | 1.5 | 8.2 | 2.8 | 11.7 | 7.6 | 4.3 | 4.5 |

Source: Central Statistical Office

* Calendar Year-to-date

** Refers to change in January - March period, versus the October - December period

APPENDIX 12

POPULATION, LABOUR FORCE AND EMPLOYMENT (MID-YEAR)

| | 2004** | 2005** | 2006** | 2007** | 2008** | 2009** | 2010**p |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| TOTAL POPULATION | 1,290,646 | 1,294,494 | 1,297,944 | 1,303,188 | 1,308,587 | 1,310,106 | 1,317,714 |
| % change | 0.6 | 0.3 | 0.3 | 0.4 | 0.4 | 0.1 | 0.6 |
| TOTAL MALE | 647,259 | 649,189 | 650,919 | 653,549 | 656,257 | 657,018 | 660,822 |
| % change | 0.8 | 0.3 | 0.3 | 0.4 | 0.4 | 0.1 | 0.6 |
| TOTAL FEMALE | 643,387 | 645,305 | 647,025 | 649,639 | 652,330 | 653,088 | 656,892 |
| % change | 0.5 | 0.3 | 0.3 | 0.4 | 0.4 | 0.1 | 0.6 |
| Dependency Ratio (%) | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 | 48.0 |
| Non Institutional Pop.15 yrs and over | 973,600 | 979,000 | 978,300 | 980,900 | 987,000 | 991,100 | - |
| Labour Force*** | 613,400 | 623,700 | 625,200 | 622,400 | 626,600 | 621,000 | - |
| Persons Employed | 562,200 | 574,000 | 586,200 | 587,800 | 597,700 | 588,400 | - |
| Persons Unemployed | 51,100 | 49,700 | 39,100 | 34,600 | 29,000 | 32,600 | - |
| Participation Rate (%) | 63.0 | 63.7 | 63.9 | 63.5 | 63.5 | 62.7 | - |
| Unemployment Rate (%) | 8.3 | 8.0 | 6.2 | 5.6 | 4.6 | 5.3 | - |
| Births per 1,000 persons | 14.23 | 13.80 | 13.70 | 13.95 | 14.12 | 15.25 | 15.40 |
| Deaths per 1,000 persons | 7.88 | 7.74 | 7.69 | 7.60 | 7.70 | 7.68 | 7.68 |
| Crude Natural Growth Rate per 1,000 | 6.35 | 6.06 | 6.01 | 6.35 | 6.42 | 7.57 | 7.72 |

Source : Central Statistical Office

* Data refers to January –March 2010 period

** Figures based on 2000 census

*** Figures based on CSSP estimates

p: Provisional

APPENDIX 13

MID-YEAR ESTIMATES OF POPULATION BY AGE

| | 2003p | 2004p | 2005p | 2006p | 2007p | 2008p | 2009p | 2010p |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Population | 1,282,447 | 1,290,646 | 1,294,494 | 1,297,944 | 1,303,188 | 1,308,587 | 1,310,106 | 1,317,714 |
| Non-Institutional Population | | | | | | | | |
| All Ages | | | | | | | | |
| Under 15 | 320,612 | 327,104 | 328,080 | 328,954 | 330,283 | 331,651 | 332,036 | 333,965 |
| 15-19 | 125,951 | 141,579 | 142,001 | 142,380 | 142,955 | 143,547 | 143,714 | 144,548 |
| 20-24 | 117,007 | 114,489 | 114,830 | 115,136 | 115,601 | 116,080 | 116,215 | 116,890 |
| 25-29 | 108,057 | 98,769 | 99,064 | 99,328 | 99,729 | 100,142 | 100,258 | 100,841 |
| 30-34 | 102,179 | 94,258 | 94,539 | 94,791 | 95,174 | 95,569 | 95,680 | 96,235 |
| 35-39 | 102,952 | 104,871 | 105,184 | 105,464 | 105,890 | 106,329 | 106,452 | 107,070 |
| 40-44 | 94,127 | 92,396 | 92,671 | 92,918 | 93,293 | 93,680 | 93,789 | 94,333 |
| 45-49 | 80,060 | 76,498 | 76,726 | 76,931 | 77,242 | 77,562 | 77,652 | 78,103 |
| 50-54 | 62,038 | 63,832 | 64,022 | 64,193 | 64,452 | 64,719 | 64,794 | 65,170 |
| 55-59 | 48,453 | 47,540 | 47,681 | 47,808 | 48,002 | 48,201 | 48,256 | 48,537 |
| 60-64 | 34,726 | 37,940 | 38,053 | 38,155 | 38,309 | 38,468 | 38,512 | 38,736 |
| 65 and over | 86,285 | 91,370 | 91,642 | 91,887 | 92,258 | 92,640 | 92,748 | 93,286 |

Source: Central Statistical Office
 Figures based on 2000 census

APPENDIX 14
LABOUR FORCE BY INDUSTRY AND EMPLOYMENT STATUS
(CASP ESTIMATES) / HUNDREDS ('00)/

| | 2008 | | | | | | | | | 2009 | | | | | | | | |
|---|-----------|-------|--------------|-----------|-------|--------------|-----------|-------|--------------|-----------|-------|--------------|-----------|-------|--------------|-----------|-------|--------------|
| | Jul - Sep | | | Oct - Dec | | | Jan - Mar | | | Apr - Jun | | | Jul - Sep | | | Oct - Dec | | |
| | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % |
| Total Labour Force | 6,307 | 6,008 | 4.7 | 6,336 | 6,087 | 3.9 | 6,300 | 5,982 | 5.0 | 6,243 | 5,925 | 5.1 | 6,161 | 5,802 | 5.8 | 6,135 | 5,826 | 5.1 |
| Other Agriculture, Forestry, Hunting & Fishing | 241 | 233 | 3.3 | 163 | 159 | 3.1 | 207 | 205 | 1.0 | 267 | 260 | 2.6 | 228 | 219 | 3.9 | 222 | 216 | 2.7 |
| Sugar | 3 | - | 100.0 | 4 | 4 | - | 9 | 8 | 11.1 | 6 | 3 | 50.0 | 3 | 3 | - | 5 | 4 | 40.0 |
| Petroleum and gas | 206 | 201 | 1.9 | 221 | 214 | 3.6 | 200 | 185 | 7.5 | 200 | 182 | 9.0 | 214 | 197 | 7.9 | 215 | 206 | 4.2 |
| Construction | 1,249 | 1,136 | 9.0 | 1,137 | 1,053 | 7.4 | 1,179 | 1,048 | 11.0 | 1,205 | 1,076 | 10.7 | 1,226 | 1,090 | 11.1 | 1,149 | 1,034 | 10.1 |
| Wholesale/Retail Trade, Restaurants & Hotels | 1,159 | 1,104 | 4.7 | 1,194 | 1,143 | 4.3 | 1,161 | 1,100 | 5.3 | 1,161 | 1,096 | 5.6 | 1,094 | 1,018 | 7.0 | 1,140 | 1,072 | 6.0 |
| Transport, Storage & Comm. | 411 | 398 | 2.7 | 378 | 378 | - | 461 | 452 | 2.0 | 418 | 412 | 1.4 | 378 | 370 | 2.4 | 362 | 352 | 2.5 |
| Finance, Insurance Real-Estate & Bus Services | 527 | 518 | 1.7 | 620 | 598 | 3.7 | 508 | 492 | 3.0 | 507 | 494 | 2.6 | 534 | 518 | 3.0 | 469 | 459 | 2.1 |
| Community Social & Personal Services | 1,870 | 1,802 | 3.7 | 1,959 | 1,899 | 3.1 | 1,927 | 1,874 | 2.7 | 1,861 | 1,813 | 2.6 | 1,831 | 1,755 | 4.2 | 1,932 | 1,860 | 3.8 |
| Electricity & Water | 80 | 77 | 3.8 | 75 | 72 | 5.3 | 69 | 67 | 2.9 | 76 | 73 | 3.9 | 84 | 82 | 2.4 | 68 | 66 | 5.9 |
| Other Manufacturing | 536 | 519 | 3.4 | 560 | 546 | 2.9 | 558 | 528 | 5.4 | 513 | 489 | 4.7 | 545 | 529 | 3.1 | 545 | 530 | 2.9 |
| Other Mining & Quarrying | 14 | 13 | 7.1 | 15 | 15 | - | 9 | 9 | - | 10 | 10 | - | 14 | 14 | - | 13 | 13 | - |
| Not stated | 11 | 7 | 36.4 | 9 | 9 | - | 12 | 12 | - | 20 | 19 | 10.0 | 9 | 8 | 22.2 | 15 | 14 | - |

Source: Central Statistical Office
p : provisional

APPENDIX 15

EXCHANGE RATE FOR SELECTED CURRENCIES

| Period Ending | US Dollar | | Canadian Dollar | | U.K. Pound Sterling | | EURO | |
|---------------|-----------|---------|-----------------|---------|---------------------|---------|--------|---------|
| | Buying | Selling | Buying | Selling | Buying | Selling | Buying | Selling |
| 2001 | 6.1679 | 6.2314 | 3.9397 | 4.0916 | 8.7703 | 9.1134 | 5.4881 | 5.6632 |
| 2002 | 6.1746 | 6.2473 | 3.8622 | 4.0202 | 9.1236 | 9.4925 | 5.7305 | 5.9724 |
| 2003 | 6.2314 | 6.2952 | 4.3681 | 4.5563 | 9.9840 | 10.4059 | 6.8813 | 7.2050 |
| 2004 | 6.2440 | 6.2990 | 4.7107 | 4.9058 | 11.1953 | 11.6742 | 7.5991 | 7.9244 |
| 2005 | 6.2319 | 6.2996 | 5.0866 | 5.2849 | 11.1559 | 11.6325 | 7.6171 | 7.8818 |
| 2006 | 6.2495 | 6.3122 | 5.4430 | 5.6765 | 11.3205 | 11.8324 | 7.7153 | 8.0420 |
| 2007 | 6.2735 | 6.3282 | 5.7744 | 6.0402 | 12.2988 | 12.8852 | 8.4361 | 8.7990 |
| 2008 | 6.2234 | 6.2891 | 5.7929 | 6.0553 | 11.2925 | 11.8596 | 8.9735 | 9.3961 |
| 2009 | 6.2735 | 6.3259 | 5.4486 | 5.6911 | 9.6108 | 10.0982 | 8.5703 | 8.9866 |
| 2008 | | | | | | | | |
| October | 6.2048 | 6.2723 | 5.2241 | 5.4577 | 10.3162 | 10.8360 | 8.1489 | 8.5482 |
| November | 6.2324 | 6.2953 | 5.0433 | 5.2592 | 9.3634 | 9.8403 | 7.7924 | 8.1607 |
| December | 6.2348 | 6.2875 | 4.9626 | 5.1837 | 9.0766 | 9.5263 | 8.2086 | 8.5703 |
| 2009 | | | | | | | | |
| January | 6.2403 | 6.2941 | 5.0017 | 5.2367 | 8.8090 | 9.2484 | 8.1027 | 8.5190 |
| February | 6.2176 | 6.2736 | 4.9103 | 5.1458 | 8.7608 | 9.2164 | 7.7770 | 8.1873 |
| March | 6.2398 | 6.2923 | 4.8587 | 5.0822 | 8.6457 | 9.1187 | 7.9861 | 8.3949 |
| April | 6.2430 | 6.2994 | 5.0212 | 5.2431 | 8.9885 | 9.4413 | 8.0754 | 8.4717 |
| May | 6.2510 | 6.3089 | 5.3391 | 5.5824 | 9.4077 | 9.8856 | 8.3527 | 8.7525 |
| June | 6.2606 | 6.3191 | 5.4927 | 5.7516 | 10.0022 | 10.5215 | 8.6187 | 8.9693 |
| July | 6.2719 | 6.3367 | 5.4981 | 5.7378 | 10.0308 | 10.5700 | 8.6490 | 9.0776 |
| August | 6.2877 | 6.3427 | 5.7015 | 5.9642 | 10.1633 | 10.6937 | 8.7579 | 9.2045 |
| September | 6.2964 | 6.3454 | 5.7309 | 6.0085 | 10.0609 | 10.5657 | 8.9374 | 9.3880 |
| October | 6.3113 | 6.3618 | 5.9081 | 6.1662 | 9.9828 | 10.4681 | 9.1511 | 9.5985 |
| November | 6.3129 | 6.3547 | 5.8764 | 6.1096 | 10.2434 | 10.7480 | 9.2141 | 9.6344 |
| December | 6.3360 | 6.3702 | 5.9252 | 6.1476 | 10.0707 | 10.5307 | 9.0553 | 9.4706 |
| 2010 | | | | | | | | |
| January | 6.3199 | 6.3737 | 5.9929 | 6.2286 | 10.0319 | 10.4980 | 8.8557 | 9.2617 |
| February | 6.3052 | 6.3747 | 5.8814 | 6.1271 | 9.7188 | 10.2005 | 8.4804 | 8.8862 |
| March | 6.3262 | 6.3741 | 6.1031 | 6.3086 | 9.3817 | 9.7989 | 8.4509 | 8.7915 |
| April | 6.3202 | 6.3749 | 6.2130 | 6.4403 | 9.5419 | 9.9295 | 8.3633 | 8.6721 |
| May | 6.3120 | 6.3710 | 6.0084 | 6.2450 | 9.1274 | 9.5459 | 7.8495 | 8.1439 |
| June | 6.3197 | 6.3687 | 6.0106 | 6.2475 | 9.1774 | 9.5639 | 7.6075 | 7.8730 |
| July | 6.3239 | 6.3771 | 5.9828 | 6.2089 | 9.5017 | 9.8872 | 7.9564 | 8.2402 |

Source: Central Bank of Trinidad and Tobago

APPENDIX 16

MONEY SUPPLY /TT\$ MILLIONS/

| Period Ending | Currency in Circulation | Demand Deposits (adj) | Savings Deposits (adj) | Time Deposits (adj) | Foreign Currency Deposits* (adj) | Narrow Money (M1) | Broad Money (M2) |
|-------------------|-------------------------|-----------------------|------------------------|---------------------|----------------------------------|-------------------|------------------|
| 2001 | 1,373.50 | 5,322.10 | 6,634.30 | 3,869.70 | 4,995.40 | 6,695.60 | 17,199.60 |
| 2002 | 1,501.80 | 5,829.80 | 6,778.70 | 3,399.90 | 5,513.10 | 7,331.60 | 17,510.10 |
| 2003 | 1,708.60 | 5,600.80 | 8,264.20 | 3,019.60 | 4,296.10 | 7,309.40 | 18,593.30 |
| 2004 | 1,957.40 | 6,420.20 | 8,952.40 | 3,511.10 | 6,987.80 | 8,377.60 | 20,841.20 |
| 2005 | 2,425.40 | 9,890.70 | 9,967.30 | 5,729.00 | 7,362.30 | 12,316.10 | 28,012.40 |
| 2006 | 2,654.40 | 10,853.50 | 11,523.70 | 7,828.40 | 10,505.50 | 13,507.90 | 32,859.90 |
| 2007 | 3,182.80 | 11,939.30 | 13,001.70 | 9,186.10 | 11,923.50 | 15,122.10 | 37,309.90 |
| 2008 | 3,433.70 | 13,219.80 | 13,830.60 | 11,680.20 | 16,101.80 | 16,653.50 | 42,164.30 |
| 2009 | 3,850.00 | 19,286.20 | 17,702.60 | 12,681.50 | 22,927.60 | 23,136.20 | 53,520.30 |
| 2008 | | | | | | | |
| July | 3,307.10 | 10,705.10 | 13,872.70 | 11,168.90 | 14,287.10 | 14,012.20 | 39,053.80 |
| August | 3,322.50 | 10,770.70 | 13,868.00 | 10,680.70 | 14,137.80 | 14,093.20 | 38,641.90 |
| September | 3,259.80 | 12,416.80 | 13,890.20 | 10,600.60 | 14,186.00 | 15,676.70 | 40,167.50 |
| October | 3,347.00 | 11,455.90 | 13,971.80 | 10,546.60 | 14,779.10 | 14,803.00 | 39,321.40 |
| November | 3,399.90 | 11,712.00 | 14,128.30 | 11,641.80 | 16,034.90 | 15,111.90 | 40,881.90 |
| December | 3,433.70 | 13,219.80 | 13,830.60 | 11,680.20 | 16,101.80 | 16,653.50 | 42,164.30 |
| 2009 | | | | | | | |
| January | 3,366.70 | 11,755.30 | 13,918.70 | 11,735.50 | 14,953.20 | 15,122.00 | 40,776.10 |
| February | 3,554.40 | 11,845.30 | 14,352.60 | 13,273.40 | 16,733.80 | 15,399.70 | 43,025.70 |
| March | 3,554.00 | 12,804.40 | 14,458.20 | 13,633.90 | 17,714.80 | 16,358.40 | 44,450.60 |
| April | 3,531.60 | 12,931.70 | 14,617.60 | 13,290.00 | 17,225.20 | 16,463.30 | 44,388.40 |
| May | 3,602.50 | 12,684.50 | 14,712.90 | 13,381.90 | 18,202.70 | 16,287.10 | 44,381.90 |
| June | 3,546.70 | 12,837.00 | 14,897.00 | 13,051.60 | 18,658.50 | 16,383.70 | 44,332.40 |
| July | 3,616.90 | 12,624.90 | 15,023.70 | 12,942.30 | 19,192.70 | 16,241.80 | 44,207.80 |
| August | 3,627.70 | 13,913.70 | 15,250.40 | 12,288.00 | 19,169.40 | 17,541.40 | 45,079.80 |
| September | 3,582.40 | 16,381.70 | 15,209.20 | 11,835.20 | 19,843.70 | 19,964.20 | 47,008.60 |
| October | 3,721.90 | 17,493.20 | 15,645.10 | 11,507.40 | 19,810.50 | 21,215.10 | 48,367.70 |
| November | 3,775.00 | 19,181.50 | 15,878.50 | 11,771.60 | 20,896.60 | 22,956.50 | 50,606.60 |
| December | 3,850.00 | 19,286.20 | 17,702.60 | 12,681.50 | 22,927.60 | 23,136.20 | 53,520.30 |
| 2010 | | | | | | | |
| January | 3,811.10 | 17,537.20 | 18,090.30 | 13,058.20 | 23,362.40 | 21,348.30 | 52,496.80 |
| February | 3,847.70 | 17,415.60 | 18,347.70 | 12,910.90 | 22,264.10 | 21,263.30 | 52,521.90 |
| March | 3,872.70 | 18,191.90 | 18,200.20 | 12,993.80 | 21,851.20 | 22,064.70 | 53,258.60 |
| April | 3,929.90 | 17,434.50 | 18,485.40 | 12,384.30 | 20,541.50 | 21,364.40 | 52,234.10 |
| May | 4,003.40 | 17,397.70 | 18,836.30 | 12,639.50 | 20,732.40 | 21,401.10 | 52,876.90 |
| June ^P | 3,915.80 | 19,124.20 | 18,896.80 | 12,773.30 | 20,547.30 | 23,040.00 | 54,710.10 |

Source: Central Bank of Trinidad and Tobago

* Foreign Currency Deposits includes – Foreign Currency Deposits at the Commercial Banks & Non Banks

p: Provisional

APPENDIX 17
COMMERCIAL BANKS LIQUID ASSETS /TT\$ MILLIONS/

| Period Ending | Reserve Position | | | Deposits at the Central Bank | | | Local Cash in Hand | Treasury Bills |
|-------------------|-------------------|---------------|----------------------------|------------------------------|------------------|----------------|--------------------|----------------|
| | Required Reserves | Cash Reserves | Deposit Liabilities (adj.) | Cash Reserves | Special Deposits | Total Deposits | | |
| 2001 | 2,694.0 | 2,682.7 | 14,966.7 | 2,682.7 | 783.1 | 3,465.8 | 469.8 | 532.8 |
| 2002 | 2,763.8 | 2,790.4 | 15,354.4 | 2,790.4 | 281.3 | 3,071.6 | 502.8 | 208.8 |
| 2003 | 2,327.5 | 2,333.8 | 16,625.0 | 2,233.8 | 621.5 | 2,955.3 | 586.1 | 124.6 |
| 2004 | 2,055.1 | 2,121.6 | 18,682.7 | 2,121.6 | 660.9 | 2,782.5 | 596.8 | 60.2 |
| 2005 | 2,601.9 | 3,672.5 | 23,653.6 | 3,672.5 | 1,000.0 | 4,672.5 | 566.0 | 415.1 |
| 2006 | 3,087.8 | 3,626.6 | 28,070.9 | 3,626.6 | 2,061.4 | 5,688.0 | 906.0 | 561.5 |
| 2007 | 3,625.4 | 3,928.0 | 32,958.2 | 3,928.0 | 2,158.6 | 6,086.6 | 1,022.5 | 567.4 |
| 2008 | 6,416.7 | 8,352.7 | 37,745.3 | 8,352.7 | 2,252.4 | 10,605.1 | 1,051.9 | 819.7 |
| 2009 | 8,055.7 | 10,110.7 | 47,386.5 | 10,110.7 | 4,447.7 | 14,558.5 | 1,004.0 | 1,001.2 |
| 2008 | | | | | | | | |
| July | 5,406.7 | 5,568.5 | 36,044.7 | 5,568.5 | 2,218.5 | 7,787.0 | 624.2 | 729.8 |
| August | 5,447.2 | 6,271.6 | 36,314.7 | 6,271.6 | 2,223.9 | 8,495.4 | 580.2 | 721.6 |
| September | 5,333.1 | 6,090.3 | 35,554.0 | 6,090.3 | 2,210.5 | 8,300.8 | 721.1 | 762.4 |
| October | 5,455.8 | 6,861.9 | 36,372.0 | 6,861.9 | 2,225.3 | 9,087.1 | 617.6 | 849.4 |
| November | 6,137.7 | 7,685.5 | 36,104.1 | 7,685.5 | 2,219.3 | 9,904.8 | 767.3 | 821.7 |
| December | 6,416.7 | 8,352.7 | 37,745.3 | 8,352.7 | 2,252.4 | 10,605.1 | 1,051.9 | 819.7 |
| 2009 | | | | | | | | |
| January | 6,513.7 | 8,376.7 | 38,315.9 | 8,376.7 | 2,264.4 | 10,641.1 | 561.8 | 809.4 |
| February | 6,523.3 | 9,101.2 | 38,372.2 | 9,101.2 | 2,265.6 | 11,366.7 | 662.3 | 1,344.3 |
| March | 6,770.1 | 9,529.5 | 39,824.1 | 9,529.5 | 2,294.9 | 11,824.4 | 656.8 | 1,538.9 |
| April | 6,961.5 | 8,125.1 | 40,950.0 | 8,125.1 | 2,317.5 | 10,442.6 | 703.0 | 751.6 |
| May | 7,014.7 | 8,981.0 | 41,262.9 | 8,981.0 | 2,324.0 | 11,305.0 | 599.3 | 705.4 |
| June | 7,039.4 | 8,401.9 | 41,408.2 | 8,401.9 | 2,327.0 | 10,728.9 | 707.6 | 668.9 |
| July | 7,019.4 | 8,525.8 | 41,290.6 | 8,525.8 | 2,324.4 | 10,850.2 | 596.5 | 688.3 |
| August | 7,128.9 | 9,056.8 | 41,934.7 | 9,056.8 | 2,336.6 | 11,393.4 | 618.9 | 623.7 |
| September | 7,228.6 | 10,598.6 | 42,521.2 | 10,598.6 | 2,348.4 | 12,946.9 | 726.7 | 1,057.8 |
| October | 7,457.8 | 11,536.0 | 43,869.4 | 11,536.0 | 2,377.4 | 13,913.3 | 545.7 | 955.9 |
| November | 7,712.8 | 10,412.7 | 45,369.4 | 10,412.7 | 4,407.4 | 14,820.1 | 631.1 | 1,095.3 |
| December | 8,055.7 | 10,110.7 | 47,386.5 | 10,110.7 | 4,447.7 | 14,558.5 | 1,004.0 | 1,001.2 |
| 2010 | | | | | | | | |
| January | 8,376.7 | 10,360.4 | 49,274.7 | 10,360.4 | 4,485.5 | 14,845.8 | 539.0 | 972.3 |
| February | 8,335.5 | 9,993.9 | 49,032.4 | 9,993.9 | 4,480.6 | 14,474.5 | 585.1 | 941.0 |
| March | 8,384.2 | 10,193.6 | 49,318.8 | 10,193.6 | 4,486.4 | 14,680.0 | 783.9 | 1,035.5 |
| April | 8,405.6 | 10,104.7 | 49,444.7 | 10,104.7 | 4,488.9 | 14,593.6 | 603.7 | 1,035.0 |
| May | 8,287.9 | 10,766.6 | 48,752.4 | 10,766.6 | 4,475.0 | 15,241.6 | 662.6 | 940.6 |
| June ^p | 8,477.4 | 11,850.8 | 49,867.1 | 11,850.8 | 4,497.3 | 16,348.1 | 777.6 | - |

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 18

COMMERCIAL BANKS' DOMESTIC CREDIT /TT\$ MILLIONS/

| Period Ending | Central Government Credit | Public Sector | Private Sector | Total Credit | Year on Year Percentage Change in Private Sector |
|------------------|---------------------------|---------------|----------------|--------------|--|
| 2001 | 2,686.23 | 2,276.57 | 15,552.39 | 20,515.19 | |
| 2002 | 2,705.52 | 2,166.71 | 16,890.04 | 21,762.27 | 8.6 |
| 2003 | 3,114.68 | 1,404.36 | 18,405.79 | 22,924.83 | 9.0 |
| 2004 | 2,756.60 | 1,541.67 | 22,242.89 | 26,541.16 | 20.8 |
| 2005 | 3,646.87 | 3,292.84 | 26,956.58 | 33,896.29 | 21.2 |
| 2006 | 2,627.38 | 2,702.26 | 31,333.70 | 36,663.34 | 16.2 |
| 2007 | 2,834.66 | 4,119.82 | 37,635.23 | 44,589.71 | 20.1 |
| 2008 | 3,350.35 | 4,501.36 | 43,103.79 | 50,955.50 | 14.5 |
| 2009 | 7,943.89 | 7,327.72 | 41,244.64 | 56,516.25 | -4.3 |
| 2008 | | | | | |
| July | 3,278.68 | 4,436.94 | 40,753.46 | 48,469.08 | 17.2 |
| August | 2,878.82 | 4,454.28 | 41,274.73 | 48,607.83 | 17.2 |
| September | 3,555.06 | 4,454.16 | 41,748.52 | 49,757.74 | 17.0 |
| October | 3,148.87 | 5,177.79 | 41,951.29 | 50,277.95 | 15.2 |
| November | 3,390.34 | 4,757.23 | 42,995.51 | 51,143.08 | 16.2 |
| December | 3,350.35 | 4,501.36 | 43,103.79 | 50,955.50 | 14.5 |
| 2009 | | | | | |
| January | 3,119.08 | 4,322.24 | 43,141.09 | 50,582.41 | 11.6 |
| February | 3,557.72 | 4,189.09 | 42,900.80 | 50,647.61 | 8.5 |
| March | 4,156.87 | 4,985.92 | 43,053.61 | 52,196.40 | 7.8 |
| April | 4,264.03 | 5,321.38 | 43,481.64 | 53,067.05 | 6.8 |
| May | 4,081.52 | 5,510.04 | 43,733.46 | 53,325.02 | 6.6 |
| June | 4,515.81 | 5,528.21 | 42,007.53 | 52,051.55 | 4.1 |
| July | 4,385.99 | 5,644.35 | 41,950.84 | 51,981.18 | 2.9 |
| August | 4,740.46 | 5,300.89 | 42,243.80 | 52,285.15 | 2.3 |
| September | 5,166.38 | 5,725.95 | 41,123.44 | 52,015.77 | -1.5 |
| October | 4,664.43 | 6,822.77 | 40,513.22 | 52,000.42 | -3.4 |
| November | 6,056.32 | 6,836.29 | 40,547.52 | 53,440.13 | -5.7 |
| December | 7,943.89 | 7,327.72 | 41,244.64 | 56,516.25 | -4.3 |
| 2010 | | | | | |
| January | 7,216.46 | 7,129.05 | 40,648.57 | 54,994.08 | -5.8 |
| February | 7,846.99 | 6,953.28 | 40,769.62 | 55,569.89 | -5.0 |
| March | 8,137.90 | 7,253.99 | 40,554.61 | 55,946.50 | -5.8 |
| April | 7,988.10 | 7,335.10 | 40,468.75 | 55,791.95 | -6.9 |
| May ^p | 7,973.63 | 7,556.04 | 39,858.73 | 55,388.40 | -8.9 |

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 19

COMMERCIAL BANKS' INTEREST RATES

| Period Ending | Basic Prime Rate | Prime Loan Rates | | | | | Deposits | | | |
|-------------------|------------------|------------------|--------|-----------|----------------------|------------------|----------|---------|--------------|---------------|
| | | Term | Demand | Overdraft | Real Estate Mortgage | Savings Ordinary | Special | 3 Month | 3 to 6 Month | 6 to 12 Month |
| 2001 | 15.00 | 16.00 | 15.00 | 15.50 | 16.00 | 3.00 | 5.25 | 6.60 | 6.75 | 7.80 |
| 2002 | 11.50 | 13.38 | 11.50 | 13.50 | 11.25 | 1.90 | 3.00 | 2.88 | 3.63 | 4.19 |
| 2003 | 11.50 | 11.25 | 11.50 | 11.50 | 12.50 | 2.03 | 3.00 | 3.06 | 3.54 | 4.19 |
| 2004 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 1.78 | 2.53 | 2.65 | 3.30 | 3.55 |
| 2005 | 9.00 | 9.06 | 9.00 | 9.06 | 9.31 | 1.46 | 2.38 | 2.65 | 3.06 | 3.51 |
| 2006 | 11.06 | 10.25 | 10.56 | 11.06 | 11.06 | 1.46 | 2.39 | 2.68 | 3.11 | 3.69 |
| 2007 | 11.75 | 10.63 | 11.75 | 11.75 | 11.75 | 1.46 | 2.39 | 2.90 | 3.36 | 3.88 |
| 2008 | 12.25 | 12.31 | 12.25 | 12.31 | 12.00 | 1.88 | 2.39 | 3.09 | 3.84 | 4.06 |
| 2009 | 12.13 | 12.06 | 12.25 | 12.19 | 11.63 | 1.25 | 1.74 | 2.23 | 2.82 | 3.25 |
| 2008 | | | | | | | | | | |
| July | 12.25 | 12.38 | 12.25 | 12.38 | 12.25 | 2.50 | 1.81 | 4.38 | 4.16 | 4.06 |
| August | 12.75 | 12.75 | 12.75 | 12.75 | 12.75 | 2.50 | 2.39 | 3.94 | 4.16 | 4.13 |
| September | 12.75 | 12.75 | 12.75 | 12.75 | 12.75 | 2.50 | 2.39 | 3.35 | 3.18 | 4.13 |
| October | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 1.88 | 2.38 | 3.06 | 3.53 | 4.13 |
| November | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 1.88 | 2.39 | 3.00 | 3.86 | 4.16 |
| December | 13.00 | 12.88 | 13.00 | 13.00 | 13.00 | 2.13 | 2.39 | 3.00 | 3.86 | 4.13 |
| 2009 | | | | | | | | | | |
| January | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 2.13 | 2.39 | 2.50 | 3.75 | 4.13 |
| February | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 1.25 | 2.39 | 2.81 | 3.38 | 3.91 |
| March | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 1.25 | 2.39 | 2.81 | 3.38 | 3.91 |
| April | 12.75 | 12.88 | 12.75 | 12.88 | 12.75 | 1.25 | 2.08 | 2.56 | 2.88 | 3.50 |
| May | 12.50 | 12.38 | 12.50 | 12.50 | 12.25 | 1.25 | 2.01 | 2.50 | 2.88 | 3.25 |
| June | 12.50 | 12.75 | 12.50 | 12.50 | 12.25 | 1.25 | 1.95 | 2.50 | 2.85 | 3.25 |
| July | 11.75 | 11.38 | 12.00 | 11.88 | 11.00 | 1.45 | 1.53 | 1.96 | 2.79 | 3.31 |
| August | 11.75 | 11.75 | 11.75 | 11.75 | 11.00 | 1.00 | 1.53 | 1.50 | 2.06 | 2.50 |
| September | 11.25 | 11.13 | 11.25 | 11.25 | 11.00 | 1.00 | 1.34 | 1.50 | 2.06 | 2.50 |
| October | 10.75 | 10.75 | 10.75 | 10.75 | 9.90 | 0.58 | 0.95 | 1.29 | 1.73 | 2.23 |
| November | 10.75 | 11.00 | 10.75 | 10.75 | 9.90 | 0.58 | 0.95 | 1.29 | 1.73 | 2.23 |
| December | 10.25 | 10.25 | 10.25 | 10.25 | 9.90 | 0.58 | 0.88 | 1.08 | 1.48 | 2.23 |
| 2010 | | | | | | | | | | |
| January | 9.75 | 10.00 | 9.75 | 9.75 | 9.75 | 0.45 | 0.73 | 0.88 | 1.18 | 1.78 |
| February | 9.63 | 9.50 | 9.50 | 9.50 | 9.50 | 0.40 | 0.69 | 0.75 | 1.14 | 1.78 |
| March | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 0.38 | 0.64 | 0.70 | 1.10 | 1.78 |
| April | 9.50 | 9.63 | 9.50 | 9.50 | 9.50 | 0.38 | 0.43 | 0.68 | 0.50 | 1.78 |
| May | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 0.33 | 0.40 | 0.53 | 0.64 | 1.78 |
| June ^P | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 0.31 | 0.88 | 0.70 | 1.00 | 1.78 |

Source: Central Bank of Trinidad and Tobago

APPENDIX 20

SECONDARY MARKET ACTIVITIES

| Period Ending | Number of Transactions | Volume of Shares Traded (Mn) | Market Value (\$Mn) | Composite Index (Period End) |
|---------------|------------------------|------------------------------|---------------------|------------------------------|
| 2001 | 6,609 | 122.2 | 1,045.0 | 434.2 |
| 2002 | 8,092 | 96.6 | 1,060.3 | 545.6 |
| 2003 | 16,690 | 409.6 | 2,303.2 | 694.1 |
| 2004 | 36,078 | 311.2 | 3,015.8 | 1,074.6 |
| 2005 | 32,316 | 193.5 | 3,918.1 | 1,067.4 |
| 2006 | 20,772 | 218.9 | 2,463.2 | 969.2 |
| 2007 | 17,733 | 119.4 | 2,138.1 | 982.0 |
| 2008 | 22,053 | 134.9 | 2,191.1 | 842.9 |
| 2009 | 9,884 | 76.9 | 1,474.2 | 765.3 |
| 2008 | | | | |
| July | 2,343 | 17.6 | 277.5 | 1,171.3 |
| August | 1,496 | 6.1 | 117.0 | 1,132.4 |
| September | 1,378 | 7.5 | 140.4 | 1,065.6 |
| October | 1,773 | 10.9 | 201.1 | 921.1 |
| November | 1,394 | 8.9 | 171.4 | 872.0 |
| December | 979 | 8.3 | 173.6 | 842.9 |
| 2009 | | | | |
| January | 1,244 | 4.8 | 125.0 | 849.8 |
| February | 967 | 9.2 | 168.2 | 842.4 |
| March | 705 | 3.4 | 88.4 | 821.8 |
| April | 645 | 2.8 | 98.5 | 805.6 |
| May | 774 | 7.4 | 178.5 | 788.1 |
| June | 940 | 8.4 | 263.8 | 779.6 |
| July | 754 | 7.0 | 81.2 | 786.1 |
| August | 730 | 9.7 | 178.5 | 783.7 |
| September | 708 | 5.2 | 71.4 | 787.5 |
| October | 852 | 9.6 | 71.6 | 787.7 |
| November | 914 | 5.0 | 82.1 | 775.4 |
| December | 651 | 4.4 | 67.0 | 765.3 |
| 2010 | | | | |
| January | 718 | 7.9 | 50.7 | 767.2 |
| February | 782 | 6.0 | 59.0 | 801.4 |
| March | 978 | 11.6 | 129.2 | 817.7 |
| April | 613 | 6.3 | 42.8 | 825.1 |
| May | 774 | 9.8 | 132.6 | 832.4 |

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

APPENDIX 21
CENTRAL GOVERNMENT FISCAL OPERATIONS /TT\$ MILLIONS/

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08r | Oct '08/ Sep '09r | Oct '09/ Sep '10p |
|--|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Total Revenue and Grants | 29,647.8 | 38,910.9 | 40,064.4 | 56,847.8 | 39,044.8 | 41,982.7 |
| Recurrent Revenue | 29,638.7 | 38,906.9 | 40,034.8 | 56,810.3 | 38,993.4 | 41,931.2 |
| of which: Energy Revenue * | | 24,440.8 | 22,781.1 | 33,403.6 | 19,410.1 | 21,612.0 |
| Tax Revenue | 26,568.4 | 35,084.0 | 35,601.1 | 51,689.5 | 32,536.6 | 35,355.7 |
| Non-Tax Revenue | 3,070.3 | 3,822.9 | 4,433.7 | 5,120.8 | 6,456.8 | 6,575.5 |
| Capital Receipts | 4.6 | 2.6 | 6.6 | 22.4 | 31.0 | 48.0 |
| Grants | 2.7 | 1.2 | 4.8 | 15.1 | 20.4 | 3.5 |
| Total Expenditure and Net Lending | 27,234.0 | 37,084.8 | 39,796.1 | 53,873.3 | 45,730.8 | 45,789.6 |
| Recurrent Expenditure | 24,328.4 | 32,219.5 | 31,134.7 | 43,738.8 | 36,683.4 | 37,595.3 |
| Capital Expenditure and Net Lending | 2,905.6 | 4,865.3 | 8,661.4 | 10,134.5 | 9,047.4 | 8,194.3 |
| Current Account Balance | 5,310.3 | 6,687.4 | 8,900.1 | 13,071.5 | 2,310.0 | 4,335.9 |
| Overall Surplus/(Deficit) | 2,413.8 | 1,826.1 | 268.3 | 2,974.5 | -6,686.0 | -3,806.9 |
| Financing Requirements | -2,413.8 | -1,826.1 | -268.3 | -2,974.5 | 6,686.0 | 3,897.0 |
| External Financing (net) | -1,273.3 | -410.8 | 753.8 | 796.7 | 33.0 | 669.9 |
| Domestic Financing (net) | -1,140.5 | -1,415.3 | -1,022.1 | -3,771.2 | 6,653.0 | 3,137.0 |

Source: Budget Division, Ministry of Finance

r : revised

p : provisional

* Energy Revenue consists of Oil Exploration Companies; Refining and Gas Processing; Petrochemicals; and Service Contractors

APPENDIX 22
CENTRAL GOVERNMENT REVENUE /TT\$ MILLIONS/

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09r | Oct '09/ Sep '10p |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Total Revenue and Grants | 29,647.8 | 38,910.9 | 40,064.4 | 56,847.8 | 39,044.8 | 41,982.7 |
| Recurrent Revenue | 29,638.7 | 38,906.9 | 40,034.8 | 56,810.3 | 38,993.4 | 41,931.2 |
| Tax Revenue | 26,568.4 | 35,084.0 | 35,601.1 | 51,689.5 | 32,536.6 | 35,355.7 |
| Non-Tax Revenue | 3,070.3 | 3,822.9 | 4,433.7 | 5,120.8 | 6,456.8 | 6,575.5 |
| Taxes on Income & Profits | 20,181.9 | 27,444.7 | 27,113.0 | 41,325.2 | 23,996.0 | 26,431.6 |
| <i>of which:-</i> | | | | | | |
| Companies | 13,971.8 | 21,580.4 | 21,003.1 | 33,301.4 | 17,051.0 | 19,505.3 |
| Oil | 10,805.6 | 17,614.8 | 16,206.2 | 25,657.3 | 11,880.9 | 13,295.8 |
| Other | 3,166.2 | 3,965.6 | 4,796.9 | 7,644.1 | 5,170.1 | 6,209.5 |
| Individuals | 4,250.1 | 3,153.3 | 3,239.2 | 4,291.1 | 4,267.0 | 4,448.0 |
| Withholding Taxes | 535.6 | 813.2 | 1,175.0 | 887.2 | 1,178.5 | 943.3 |
| Health Surcharge | 187.1 | 168.4 | 170.2 | 195.7 | 186.0 | 182.1 |
| Business Levy | 146.0 | 150.4 | 138.2 | 232.7 | 198.8 | 206.4 |
| Unemployment Fund | 905.0 | 1,311.3 | 1,111.1 | 1,970.0 | 801.2 | 870.3 |
| Green Fund | 186.3 | 267.7 | 276.2 | 447.1 | 313.5 | 276.2 |
| Taxes on Property | 77.3 | 82.5 | 99.9 | 102.5 | 92.9 | 47.9 |
| Land & Buildings | 62.7 | 64.4 | 83.7 | 83.8 | 71.4 | 24.0 |
| Taxes on Goods and Services | 4,537.4 | 5,272.2 | 6,042.1 | 7,716.8 | 6,429.0 | 7,056.2 |
| <i>of which:-</i> | | | | | | |
| Excise Duties | 1,071.2 | 575.4 | 613.6 | 650.4 | 626.9 | 643.6 |
| VAT | 2,962.6 | 4,184.1 | 4,829.0 | 6,389.1 | 5,147.2 | 5,803.1 |
| Motor Vehicle Taxes & Duties | 216.9 | 248.8 | 338.5 | 369.5 | 327.4 | 291.4 |
| Taxes on International Trade | 1,527.0 | 1,888.9 | 2,044.7 | 2,194.6 | 1,828.6 | 1,650.0 |
| <i>of which:-</i> | | | | | | |
| Import Duties | 1,463.4 | 1,831.4 | 2,004.2 | 2,169.3 | 1,828.2 | 1,650.0 |
| Departure Tax | 53.4 | 52.6 | 38.2 | 22.7 | 0.0 | 0.0 |
| Other | | | | | | |
| Stamp Duties | 244.8 | 395.7 | 301.4 | 350.4 | 190.1 | 170.0 |
| Non-Tax Revenue | 3,070.3 | 3,822.9 | 4,433.7 | 5,120.8 | 6,456.8 | 6,575.5 |
| <i>of which: -</i> | | | | | | |
| Royalty on Oil | 1,231.2 | 1,680.3 | 1,682.7 | 2,085.8 | 1,743.3 | 1,742.4 |
| Profits: Non-Financial Enterprises | 935.9 | 857.3 | 738.8 | 581.5 | 1,464.1 | 1,476.4 |
| Profits: Financial Enterprises | 167.0 | 180.0 | 752.0 | 1,662.6 | 1,080.6 | 929.0 |
| Interest Income | 127.2 | 276.7 | 82.2 | 70.8 | 147.6 | 134.0 |
| Administrative Fees and Charges | 338.6 | 397.4 | 353.4 | 325.1 | 493.1 | 392.8 |
| Capital Receipts and Grants | 7.3 | 3.8 | 11.4 | 37.5 | 51.4 | 51.5 |

Source: Budget Division, Ministry of Finance
r : revised
p : provisional

APPENDIX 23

CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING /TT\$ MILLIONS/

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08r | Oct '08/ Sep '09r | Oct '09/ Sep '10p |
|--|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Total Expenditure and Net Lending | 27,234.0 | 37,084.8 | 39,796.1 | 53,873.3 | 45,730.8 | 45,789.6 |
| Recurrent Expenditure | 24,328.4 | 32,219.5 | 31,134.7 | 43,738.8 | 36,683.4 | 37,595.3 |
| Wages and Salaries | 5,309.2 | 5,455.6 | 6,221.3 | 6,946.9 | 6,620.3 | 6,933.6 |
| Goods & Services | 3,170.1 | 3,843.1 | 4,283.8 | 5,002.4 | 6,023.0 | 6,945.2 |
| Interest Payments | 2,541.5 | 2,453.3 | 2,698.1 | 2,967.3 | 3,499.9 | 3,917.1 |
| of which:- | | | | | | |
| Domestic | 1,875.5 | 1,852.5 | 2,094.0 | 2,329.6 | 2,955.3 | 3,215.1 |
| Foreign | 666.0 | 600.8 | 604.1 | 637.7 | 544.6 | 702.0 |
| Subsidies & Transfers | 13,307.6 | 20,467.5 | 17,931.5 | 28,822.2 | 20,540.2 | 19,799.4 |
| Capital Expenditure and Net Lending | 2,905.6 | 4,865.3 | 8,661.4 | 10,134.5 | 9,047.4 | 8,194.3 |
| of which:- | | | | | | |
| Development Programme (PSIP) | 3,031.9 | 1,844.4 | 4,117.9 | 4,302.8 | 3,549.2 | 3,542.7 |
| Infrastructure Development Fund | 0.0 | 3,023.0 | 3,683.4 | 5,329.6 | 4,952.9 | 3,940.0 |
| Road Improvement Programme | 44.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GATE | 102.2 | 250.0 | 458.0 | 450.0 | 633.5 | 625.0 |
| Net Lending | -277.5 | -271.1 | -39.2 | -23.5 | -121.7 | -15.0 |

Source: Budget Division, Ministry of Finance
r : revised
p : provisional

APPENDIX 24

CENTRAL GOVERNMENT FINANCING TRANSACTION /TT\$ MILLIONS/

| | Oct '04/ Sep '05 | Oct '05/ Sep '06 | Oct '06/ Sep '07 | Oct '07/ Sep '08r | Oct '08/ Sep '09r | Oct '09/ Sep '10p |
|------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| TOTAL FINANCING | -2,413.8 | -1,826.1 | -268.3 | -2,974.5 | 6,686.0 | 3,806.9 |
| NET EXTERNAL | -1,273.3 | -410.8 | 753.8 | 796.7 | 33.0 | 669.9 |
| External Borrowings | 285.4 | 195.2 | 2,010.2 | 1,201.9 | 444.0 | 2,793.8 |
| Capital Repayments | -1,558.7 | -606.0 | -1,256.4 | -405.2 | -411.0 | -2,123.9 |
| NET DOMESTIC | -1,140.5 | -1,415.3 | -1,022.1 | -3,771.2 | 6,653.0 | 3,137.0 |
| Domestic Borrowings | 808.0 | 10.3 | 0.0 | -2,838.2 | 1,785.1 | 2,000.0 |
| Capital Repayments | -1,763.9 | -1,075.9 | -996.3 | -933.0 | -2,269.5 | -1,171.8 |
| Sinking Fund Transfers | -624.9 | -635.0 | -654.9 | -662.3 | -594.3 | -444.4 |

Source: Budget Division, Ministry of Finance
r : revised
p : provisional

APPENDIX 25
TOTAL PUBLIC DEBT AND DEBT SERVICE /TT\$ MILLIONS/

| | Oct '04/ Sep'05 | Oct '05/ Sep'06 | Oct '06/ Sep'07 | Oct '07/ Sep'08 | Oct '08/ Sep'09r | Oct '09/ Sep'10p |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| GROSS PUBLIC SECTOR DEBT | 35,857.8 | 36,781.5 | 38,903.7 | 40,950.2 | 46,518.4 | 49,953.4 |
| Gross Domestic Public Sector Debt | 27,207.8 | 28,590.2 | 30,064.4 | 30,775.9 | 34,142.8 | 38,250.7 |
| Gross External Public Sector Debt | 8,650.1 | 8,191.3 | 8,839.3 | 9,451.8 | 12,375.6 | 11,702.7 |
| CENTRAL GOVERNMENT | 20,286.5 | 19,510.4 | 22,237.8 | 23,626.7 | 25,277.9 | 28,952.1 |
| Domestic /1 | 11,045.6 | 10,717.7 | 12,820.0 | 13,614.6 | 14,877.6 | 19,170.3 |
| BOLTs and Leases | 867.8 | 839.0 | 778.5 | 722.5 | 671.0 | 602.5 |
| External | 8,373.1 | 7,953.7 | 8,639.3 | 9,289.6 | 9,729.3 | 9,179.3 |
| CONTINGENT LIABILITIES | 15,571.3 | 17,271.0 | 16,666.0 | 17,323.5 | 21,240.5 | 21,001.3 |
| Guaranteed | 11,171.6 | 11,387.6 | 11,163.8 | 12,275.8 | 13,339.5 | 12,076.7 |
| Statutory Authorities | 6,238.4 | 6,835.8 | 6,973.1 | 8,084.5 | 8,470.9 | 7,993.7 |
| State Enterprises | 4,933.2 | 4,551.9 | 4,190.7 | 4,191.3 | 4,868.7 | 4,082.9 |
| Letters of Comfort | 4,399.7 | 5,883.4 | 5,502.1 | 5,047.7 | 7,900.9 | 8,924.6 |
| Statutory Authorities | 1,431.1 | 1,587.3 | 2,117.9 | 1,963.4 | 2,012.8 | 1,825.9 |
| State Enterprises | 2,968.6 | 4,296.1 | 3,384.2 | 3,084.3 | 5,888.1 | 7,098.7 |
| CENTRAL GOVERNMENT DEBT SERVICE | 4,449.4 | 2,913.6 | 3,744.4 | 3,340.8 | 5,062.5 | 5,914.5 |
| Domestic | 2,227.6 | 1,709.2 | 1,886.1 | 2,299.6 | 3,807.7 | 3,452.0 |
| External | 2,221.8 | 1,204.4 | 1,858.2 | 1,041.2 | 1,254.9 | 2,462.5 |
| (% of GDP) | | | | | | |
| Gross Public Sector Debt | 35.6 | 31.7 | 28.4 | 24.0 | 37.5 | 38.5 |
| Gross External Public Sector Debt | 8.6 | 7.1 | 6.5 | 5.5 | 10.0 | 9.0 |
| Central Government Debt | 20.1 | 16.8 | 16.2 | 13.8 | 20.4 | 22.3 |
| Contingent Liabilities | 15.5 | 14.9 | 12.2 | 10.1 | 17.1 | 16.2 |

Source: Ministry of Finance

1. Treasury Bills and Notes issued for Open Market Operations (OMOs) are not included.

r : revised

p: provisional

APPENDIX 26
TRINIDAD AND TOBAGO - NET FOREIGN RESERVES /US\$ MILLIONS/

| | Central Bank | | | Gov't Balances | Commercial Banks | | | Gross Foreign Assets | Total Foreign Liabilities | Net Foreign Position |
|-------------|----------------|---------------------|------------------------|----------------|------------------|---------------------|----------------------|----------------------|---------------------------|----------------------|
| | Foreign Assets | Foreign Liabilities | Net Internat. Reserves | | Foreign Assets | Foreign Liabilities | Net Foreign Position | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | | | | | | | | (1)+(4)+(5) | (2)+(6) | (8)-(9) |
| 2001 | 1,875.9 | 17.5 | 1,858.4 | 0.1 | 579.2 | 604.6 | (25.4) | 2,455.2 | 622.1 | 1,833.1 |
| 2002 | 1,923.5 | 16.2 | 1,907.3 | 0.1 | 670.4 | 616.5 | 53.9 | 2,594.0 | 632.6 | 1,961.4 |
| 2003 | 2,257.9 | 16.2 | 2,241.8 | 0.1 | 1,002.2 | 1,042.2 | (39.9) | 3,260.3 | 1,058.3 | 2,202.0 |
| 2004 | 2,992.9 | 16.2 | 2,976.7 | 0.1 | 1,262.0 | 740.5 | 521.6 | 4,255.0 | 756.6 | 3,498.4 |
| 2005 | 4,787.4 | 16.1 | 4,771.3 | 0.1 | 1,407.2 | 956.6 | 450.6 | 6,194.7 | 972.7 | 5,222.0 |
| 2006 | 6,776.6 | 16.1 | 6,760.5 | 0.1 | 1,945.8 | 753.1 | 1,192.7 | 8,722.6 | 769.2 | 7,953.3 |
| 2007 | 6,673.4 | 14.8 | 6,658.6 | 0.1 | 1,959.7 | 855.2 | 1,104.4 | 8,633.2 | 870.0 | 7,763.2 |
| 2008 | 9,380.2 | 16.2 | 9,364.1 | 0.1 | 2,203.5 | 746.4 | 1,457.1 | 11,583.8 | 762.5 | 10,821.4 |
| 2009 | 8,651.5 | 0.0 | 8,651.5 | 0.1 | 2,739.3 | 607.0 | 2,132.3 | 11,390.9 | 607.0 | 10,783.9 |
| 2008 | | | | | | | | | | |
| October | 9,124.8 | 16.2 | 9,108.6 | 0.1 | 1,984.3 | 759.2 | 1,225.1 | 11,109.2 | 775.4 | 10,333.8 |
| November | 8,896.7 | 16.2 | 8,880.5 | 0.1 | 2,206.5 | 762.1 | 1,444.5 | 11,103.4 | 778.3 | 10,325.1 |
| December | 9,380.2 | 16.2 | 9,364.1 | 0.1 | 2,203.5 | 746.4 | 1,457.1 | 11,583.8 | 762.5 | 10,821.4 |
| 2009 | | | | | | | | | | |
| January | 9,281.8 | 16.2 | 9,265.6 | 0.1 | 1,879.3 | 713.9 | 1,165.4 | 11,161.1 | 730.1 | 10,431.0 |
| February | 8,924.0 | 16.2 | 8,907.8 | 0.1 | 1,997.3 | 702.5 | 1,294.8 | 10,921.3 | 718.7 | 10,202.7 |
| March | 8,957.5 | 16.2 | 8,941.4 | 0.1 | 2,003.0 | 713.0 | 1,290.0 | 10,960.6 | 729.0 | 10,231.6 |
| April | 9,214.9 | 16.2 | 9,198.7 | 0.1 | 1,907.4 | 691.9 | 1,215.4 | 11,122.4 | 708.1 | 10,414.3 |
| May | 8,868.4 | 16.2 | 8,852.2 | 0.1 | 1,971.1 | 685.9 | 1,285.2 | 10,839.7 | 702.1 | 10,137.6 |
| June | 8,802.1 | 16.2 | 8,786.0 | 0.1 | 2,034.1 | 740.3 | 1,293.8 | 10,836.3 | 756.4 | 10,079.9 |
| July | 8,782.2 | 16.2 | 8,766.0 | 0.1 | 2,162.6 | 654.3 | 1,508.2 | 10,944.9 | 670.5 | 10,274.4 |
| August | 9,029.3 | 16.1 | 9,013.2 | 0.1 | 2,154.9 | 655.7 | 1,499.2 | 11,184.3 | 671.8 | 10,512.5 |
| September | 8,934.8 | 0.0 | 8,934.8 | 0.1 | 2,354.2 | 623.0 | 1,731.1 | 11,289.0 | 623.0 | 10,666.0 |
| October | 8,976.3 | 0.0 | 8,976.3 | 0.1 | 2,284.0 | 615.8 | 1,668.2 | 11,260.4 | 615.8 | 10,644.6 |
| November | 8,826.6 | 0.0 | 8,826.6 | 0.1 | 2,436.1 | 597.1 | 1,839.0 | 11,262.8 | 597.1 | 10,665.8 |
| December | 8,651.5 | 0.0 | 8,651.5 | 0.1 | 2,739.3 | 607.0 | 2,132.3 | 11,390.9 | 607.0 | 10,783.9 |
| 2010 | | | | | | | | | | |
| January | 8,759.0 | 0.0 | 8,759.0 | 0.1 | 2,889.3 | 583.3 | 2,306.0 | 11,648.4 | 583.3 | 11,065.1 |
| February | 8,653.4 | 0.0 | 8,653.4 | 0.1 | 2,639.7 | 540.6 | 2,099.2 | 11,293.2 | 540.6 | 10,752.6 |
| March | 8,788.3 | 0.0 | 8,788.3 | 0.1 | 2,594.8 | 522.7 | 2,072.1 | 11,383.2 | 522.7 | 10,860.4 |
| April | 8,991.5 | 0.0 | 8,991.5 | 0.1 | 2,341.4 | 764.9 | 1,576.5 | 11,333.1 | 764.9 | 10,568.1 |
| May | 8,899.7 | 0.0 | 8,899.7 | 0.1 | 2,439.3 | 786.6 | 1,652.7 | 11,339.1 | 786.6 | 10,552.5 |
| June P | 9,110.8 | 0.0 | 9,110.8 | 0.1 | 2,422.4 | 692.6 | 1,729.8 | 11,533.3 | 692.6 | 10,840.7 |

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 27
TRADE WITH CARICOM COUNTRIES /TT\$ MILLIONS/

| | Imports | Exports | Balance of Trade | Exports of Petroleum | Imports of Petroleum | Imports Excluding Petroleum | Exports Excluding Petroleum | Balance of Trade Excluding Petroleum |
|------------------------|---------|----------|------------------|----------------------|----------------------|-----------------------------|-----------------------------|--------------------------------------|
| 1997 | 602.2 | 4,065.5 | 3,463.3 | 1,832.2 | 226.2 | 376.0 | 2,233.3 | 1,857.3 |
| 1998 | 668.8 | 4,309.9 | 3,641.1 | 1,827.6 | 248.7 | 420.1 | 2,482.3 | 2,062.2 |
| 1999 | 827.9 | 4,708.1 | 3,880.2 | 2,323.3 | 454.6 | 373.3 | 2,384.8 | 2,011.5 |
| 2000 | 791.2 | 6,284.4 | 5,493.2 | 3,880.3 | 399.9 | 391.3 | 2,404.1 | 2,012.8 |
| 2001 | 750.8 | 6,415.2 | 5,664.4 | 3,808.7 | 218.2 | 532.6 | 2,606.5 | 2,073.9 |
| 2002 | 574.4 | 5,152.0 | 4,577.6 | 2,531.9 | 167.6 | 406.8 | 2,620.1 | 2,213.3 |
| 2003 | 588.9 | 6,585.5 | 5,996.6 | 4,146.8 | 69.0 | 519.9 | 2,438.7 | 1,918.8 |
| 2004 | 634.6 | 5,620.7 | 4,986.1 | 2,954.4 | 87.5 | 547.1 | 2,666.3 | 2,119.2 |
| 2005 | 700.2 | 13,153.1 | 12,452.9 | 9,931.0 | 126.6 | 573.6 | 3,222.1 | 2,648.5 |
| 2006 | 611.1 | 15,528.3 | 14,917.2 | 12,027.2 | 158.7 | 452.4 | 3,501.1 | 3,048.7 |
| 2007 | 762.3 | 11,462.3 | 10,700.0 | 7,571.5 | 177.9 | 584.4 | 3,890.8 | 3,306.4 |
| 2008r | 772.0 | 21,231.8 | 20,459.8 | 16,994.9 | 146.5 | 625.5 | 4,236.9 | 3,611.4 |
| 2009p | 700.0 | 9,141.5 | 8,441.5 | 5,945.8 | 101.7 | 598.3 | 3,195.6 | 2,597.3 |
| Oct '08/Mar '09 | 340.4 | 9,285.7 | 8,945.3 | 7,326.6 | 34.7 | 305.7 | 1,959.2 | 1,653.5 |
| Oct '09/Mar '10 | 365.5 | 7,635.5 | 7,270.0 | 6,310.8 | 68.1 | 297.5 | 1,324.7 | 1,027.2 |

Note: Petroleum includes Refined Petroleum Products and Gas
Source: Central Statistical Office
p: provisional
r: revised

APPENDIX 28
BALANCE OF VISIBLE TRADE /TT\$ MILLIONS

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008r | 2009p | Oct '08/ Mar '09 | Oct '09/ Mar '10 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------|---------------------|
| Total Visible Trade | | | | | | | | | |
| Exports | 32,600.3 | 41,049.2 | 62,629.9 | 88,469.8 | 83,267.4 | 116,662.0 | 58,091.9 | 51,231.8 | 30,490.7 |
| Imports | 24,501.4 | 30,673.2 | 35,887.9 | 40,892.2 | 48,431.7 | 59,914.8 | 43,973.3 | 22,402.7 | 22,627.2 |
| Balance | 8,098.9 | 10,376.0 | 26,742.0 | 47,577.6 | 34,835.7 | 56,747.2 | 14,118.6 | 28,829.1 | 7,863.5 |
| Trade Excluding Mineral Fuels | | | | | | | | | |
| Exports | 10,864.9 | 16,335.0 | 19,133.8 | 20,830.0 | 27,494.8 | 34,915.6 | 13,963.5 | 10,447.8 | 7,612.4 |
| Imports | 17,835.9 | 23,263.5 | 23,404.5 | 26,562.5 | 32,205.1 | 39,017.1 | 29,490.8 | 16,660.6 | 14,105.1 |
| Balance | (6,971.0) | (6,928.5) | (4,270.7) | (5,732.5) | (4,710.3) | (4,101.5) | (15,527.3) | (6,212.8) | (6,492.7) |
| Trade Excluding Mineral Fuels U.P.A. | | | | | | | | | |
| Exports | 32,505.6 | 41,049.2 | 62,079.4 | 88,469.8 | 83,267.4 | 116,662.0 | 58,091.9 | 51,231.8 | 30,490.7 |
| Imports | 24,432.4 | 30,609.1 | 35,781.1 | 40,768.7 | 48,253.8 | 59,768.5 | 43,973.3 | 22,368.2 | 22,559.3 |
| Balance | 8,073.2 | 10,440.1 | 26,298.3 | 47,701.1 | 35,013.6 | 56,893.5 | 14,118.6 | 28,863.6 | 7,931.4 |
| Trade in Mineral Fuels non - U.P.A | | | | | | | | | |
| Exports | 21,640.7 | 24,714.2 | 42,945.6 | 67,639.8 | 55,772.6 | 77,522.5 | 44,128.4 | 40,784.0 | 22,878.3 |
| Imports | 6,596.5 | 7,345.6 | 12,376.6 | 14,206.2 | 16,048.7 | 20,751.4 | 14,415.1 | 5,707.6 | 8,454.2 |
| Balance | 15,044.2 | 17,368.6 | 30,569.0 | 53,433.6 | 39,723.9 | 56,771.0 | 29,713.4 | 35,076.4 | 14,424.1 |
| Trade in Mineral Fuels UPA | | | | | | | | | |
| Exports | 94.7 | 0.0 | 550.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Imports | 69.0 | 64.1 | 106.8 | 123.5 | 177.9 | 146.3 | 0.0 | 34.5 | 67.9 |
| Balance | 25.7 | (64.1) | 443.7 | (123.5) | (177.9) | (146.3) | 0.0 | (34.5) | (67.9) |
| Trade in Mineral Fuels | | | | | | | | | |
| Exports | 21,735.4 | 24,714.2 | 43,496.1 | 67,639.8 | 55,772.6 | 77,522.5 | 44,128.4 | 40,784.0 | 22,878.3 |
| Imports | 6,665.5 | 7,409.7 | 12,483.4 | 14,329.7 | 16,226.6 | 20,897.7 | 14,415.1 | 5,742.1 | 8,522.1 |
| Balance | 15,069.9 | 17,304.5 | 31,012.7 | 53,310.1 | 39,546.0 | 56,624.8 | 29,713.4 | 35,041.9 | 14,356.2 |

Note: Petroleum includes Refined Petroleum Products and Gas

Source: Central Statistical Office

p: provisional

r: revised

