



Republic of Trinidad and Tobago

# **REVIEW OF THE ECONOMY 2001**

**Ministry of Finance**

**September 2001**

**REVIEW OF THE ECONOMY**

**FOR THE PERIOD**

**OCTOBER 2000 TO SEPTEMBER 2001**

# P R E F A C E

The performance of the economy was analysed on data obtained for the fiscal year October 2000 to September 2001 except for the following which were reviewed on a calendar year basis:

- (a) World Economic Environment
- (b) Domestic Economy – Gross Domestic Product
- (c) Population (Mid-year Estimates)

Co-ordinating and Monitoring Unit  
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## **INTRODUCTION**

Trinidad and Tobago pursued economic development in fiscal 2000/2001 against a backdrop of an international economy characterized by weakening global economic activity, a marked slowdown of growth in the United States, receding inflation, a decline in interest rates, a continuing decline in global equity markets, lower but still relatively high oil prices, strong fertilizer prices, a strengthening of the US dollar against major world currencies and a pronounced weakening of the euro.

From a growth rate of 4.8 percent in 2000, global output is projected to fall to 3.2 percent in 2001, with growth in the United States forecast to decline significantly from 5.0 percent to 1.5 percent. Consistent with lower growth, unemployment is expected to increase for most of the major advanced economies, with the exception of countries in the European Union.

For the major advanced economies, inflation is projected to decrease to 2.1 percent in 2001 from 2.3 percent in 2000. While the United States and the European Union are forecast to register inflation rates of 2.6 percent and 2.3 percent respectively, Japan is projected to record continued deflation at -0.7 percent. Both short-term and long-term interest rates in mature credit markets fell during the first six months of 2001, induced by several cuts in US Federal Reserve rates.

Against the backdrop of a marked slowing in economic activity in the United States, the Trinidad and

Tobago economy is expected to register continued strong growth as evidenced by projected growth in real GDP of 4.2 percent in 2001, compared to 6.4 percent in 2000. This represents the eighth consecutive year of economic expansion and reflects the continued pursuit of prudent macroeconomic policies and reforms, buttressed by significant new investments in the natural gas and petrochemical sectors. Growth is predicated on increased output of both the oil and the non-oil sectors, by 5.2 percent and 4.0 percent respectively. Within the oil sector, significant improvement is projected in respect of petrochemicals, while within the non-oil sector, growth is to be led by the Services sector, in particular the Finance and Distribution sub-sectors. Accompanying sound growth is an inflation rate of 5.3 percent for fiscal 2000/2001.

Consistent with expanding economic activity, the rate of unemployment declined over the first six months of the fiscal year to an average of 11.1 percent.

Central Government's fiscal performance has been buoyed in fiscal 2000/2001 by relatively high energy prices and continued improvements in revenue collection through administrative efficiencies. Higher than budgeted oil prices have allowed for a further build-up in the value of the Revenue Stabilisation Fund to just over \$1 billion. In respect of Central Government's fiscal operations, surpluses are projected on both the current and overall fiscal balances, of \$606.3 million and \$133.2 million respectively.

Monetary policy in the current fiscal year saw the commencement of a process aimed at shifting towards a more market-based system for liquidity management. In this regard, the Central Bank announced a 3 percentage point reduction in the cash reserve requirement of commercial banks, which induced an almost immediate cut in prime lending rates. Liquidity conditions within the financial system remained relatively easy for the first eight months of the year. This notwithstanding, credit extended by the banks contracted in light of slower domestic economic activity. Continued strong growth was evidenced in both local and foreign currency deposits. On the foreign exchange market, strong supply conditions permitted a

substantial strengthening of the TT dollar such that by July the rate had appreciated to TT\$6.1696 to US\$1.00. This represented the longest sustained appreciation of the TT dollar since it was floated in 1993.

On the external account, Trinidad and Tobago recorded a significant improvement in its Balance of Payments over the first six months of the fiscal year, as evidenced by a surplus of US\$143.5 million, compared to deficits in the comparative two preceding periods. Gross country foreign reserves increased substantially to a level of US\$2,331.8 million as at the end of June, representing a little over six months of import cover.

# WORLD ECONOMIC ENVIRONMENT

## Output and Employment

Following on rapid rates of global growth in late 1999 and early 2000, the world economy experienced a significant weakening of economic activity in the second half of 2000, and this persisted into 2001. This was led by a marked slowdown in the United States (U.S) economy, fragile recovery efforts in Japan, and slower domestic growth in Europe and in a number of emerging market economies, engendered to some extent by high interest rates and oil prices in 2000. The slowdown has been exacerbated by the continuing decline in global equity markets which has resulted in

negative wealth effects, consumption and investment restraint, lower business confidence and risk aversion. World output is therefore projected downward to 3.2 percent for 2001 from 4.8 percent in 2000.

Among the advanced economies as a group, output growth is projected to slow considerably to 1.9 percent in 2001, compared to 4.1 percent in 2000. For developing countries growth is anticipated to approximate 5.0 percent in 2001, down from 5.8 percent in the previous year, while for countries in transition it is expected to fall to 4.0 percent from 5.8 percent (**Figure 1**).

In the U.S, higher energy prices in 2000 together with falling corporate profits; a sharp fall in equity markets, particularly of technology stocks; and

## CHANGES IN WORLD ECONOMIC OUTPUT (1995-2001)

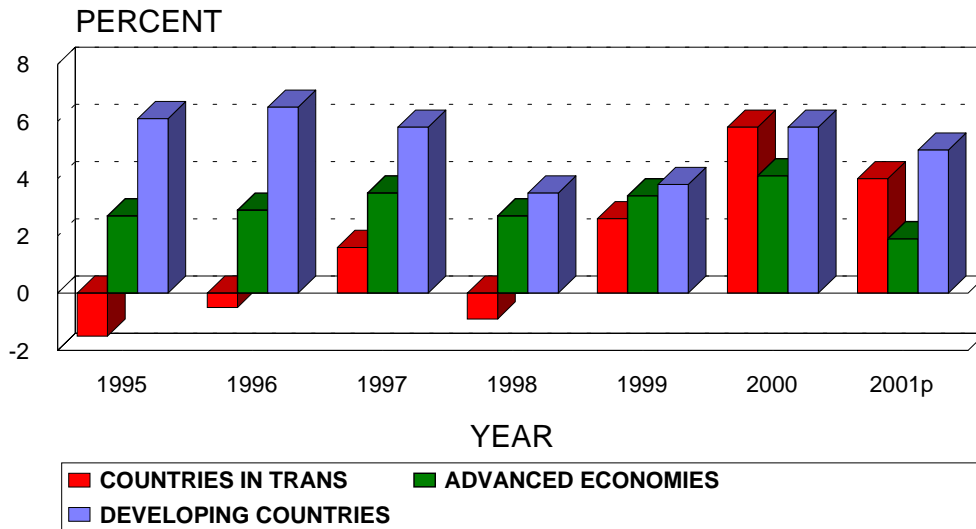


Figure 1

Source: W.E.O

a tightening of credit conditions have combined to reduce domestic demand and weaken business confidence. The downturn in activity has been most severe in the manufacturing sector. Projected growth in the U.S has therefore been revised downward for the year 2001, from 3.2 percent to 1.5 percent, the lowest level for a decade. This compares with a growth of 5.0 percent in 2000.

Growth projections have also been marked down in other major currency areas. In Japan, weaknesses in the corporate and financial sectors, and persistent deflation have continued to stall the economy's recovery process, so that growth is anticipated at only 0.6 percent. This is expected to be assisted, however, by the adoption of new policy initiatives including a new monetary policy framework, which effectively returns to a zero interest rate policy with the commitment to maintain this framework until consumer prices have ceased declining. The monetary framework is also aimed at accelerating bank and corporate restructuring. Activity in the European Union is expected to remain relatively strong with growth projected at 2.4 percent from 3.4 percent in 2000. In Canada, growth is expected to fall to 2.3 percent from 4.7 percent in the previous year.

For emerging markets, growth rates are expected to vary depending on the openness and closeness of linkages with the U.S. Growth is expected to be substantially marked down in emerging Asia and Latin America. In emerging Asia, growth is projected to decline to 5.9 percent from 6.9 percent in 2000 reflecting a series of external and

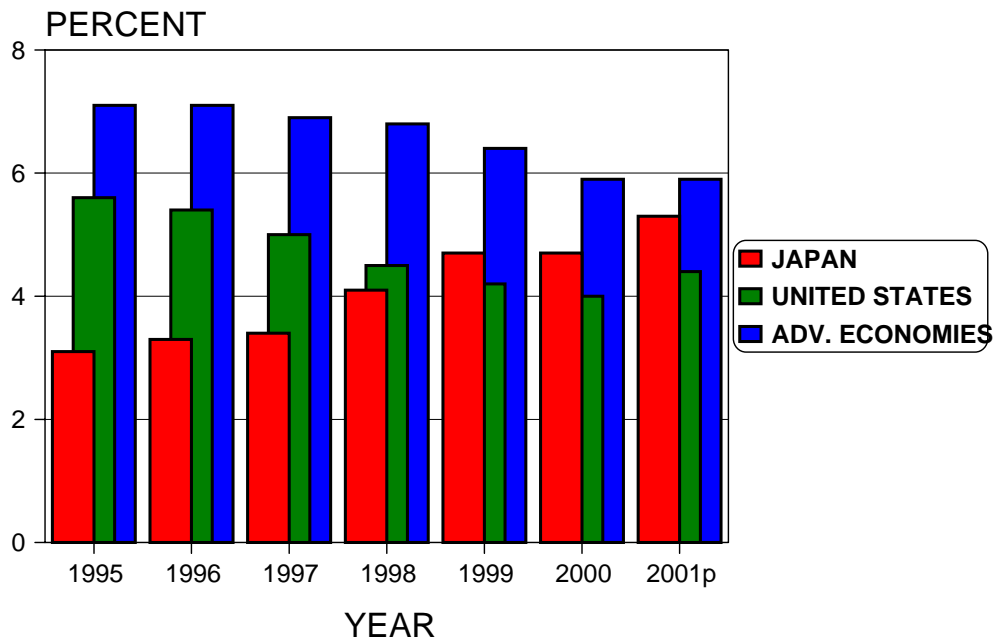
domestic shocks, political uncertainties and the hesitant pace of corporate and financial restructuring in a number of countries. Growth in China and India, however, is anticipated to remain relatively well sustained, providing an important source of stability.

In Latin America and the Caribbean, growth is projected at 3.7 percent down from 4.1 percent in the previous year. The direct impact of the global slowdown will be felt most by those countries with strong trade links with the U.S., such as Mexico and a number of countries in the Andean region and in Central America. A more moderate impact is anticipated in the case of Brazil and Argentina.

Growth in the African region has been constrained by civil conflict, weak commodity prices and high oil prices. This notwithstanding, growth in Africa is anticipated to improve to 4.2 percent in 2001 resulting from strengthening economic policies, supported by debt relief through the Enhanced Heavily Indebted Poor Country (HIPC) Initiative and the IMF's Poverty Reduction and Growth Facility. Growth in the Middle East is expected to remain robust at 4.8 percent in the face of relatively high oil prices. For emerging markets in Europe, growth is expected to remain relatively well sustained except for Turkey which recently experienced a serious financial crisis.

Within the scenario of a marked slowdown in global economic activity, unemployment for the major industrial countries as a group is projected at 5.9 percent, compared to 5.7 percent in 2000. In the U.S, unemployment for 2001 is projected to rise to 4.4 percent,

## INDUSTRIAL COUNTRIES UNEMPLOYMENT RATES (1995-2001)



**Figure 2**

Source: W.E.O

the highest level since October 1998. Canada's unemployment rate is also expected to increase to 7.2 percent from 6.8 percent in 2000. In Japan the unemployment rate is anticipated to increase to 5.3 percent. In the European Union, however, unemployment is expected to continue its downward trend to 7.8 percent from 8.2 percent in 2000. Unemployment in the United Kingdom, which is not currently a member of the European Union, is also projected to decline to its lowest level in nine years to 5.3 percent as the economy continues to implement sound macroeconomic and monetary policies (**Figure 2**).

### Inflation

In keeping with the retreat in oil prices from their late 2000 high, and given moderate wage increases, inflation for the major industrial countries and for developing countries as a group is projected to fall in 2001. Inflation remains a concern, however, in some faster growing European countries and in a number of developing and transition countries.

For the major advanced economies, inflation is projected to decrease to 2.1 percent in 2001 from 2.3 percent in 2000. Within this group, the U.S is forecast to record the highest rate at

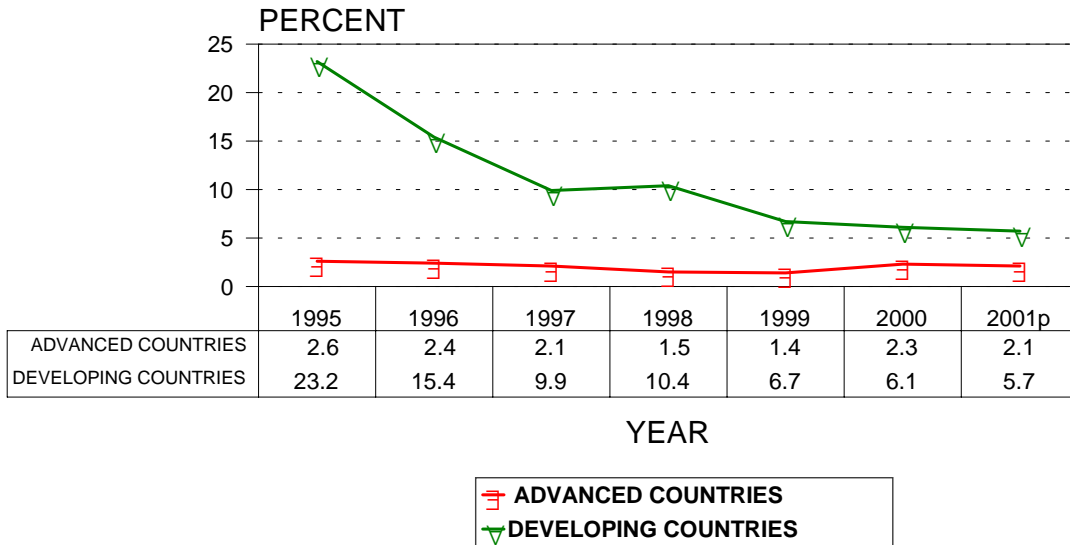
2.6 percent, while Japan is expected to record continued deflation at minus 0.7 percent. The inflation rate for the European Union is expected to remain at the same level as that for 2000 at 2.3 percent and remains well above the European Central Bank's reference rate of 2.0 percent, due in large part to the weakening euro.

For the developing countries as a group, the rate of inflation is projected to decline further to a level of 5.7 percent in 2001, from a level of 6.1 percent in the preceding year. In Latin America and the Caribbean, sound

Argentina, despite its economic difficulties and falling consumer prices in early 2001, inflation is expected to turn modestly positive as Argentine officials implement a new package of reforms and exchange-rate rules.

For developing countries in the Middle East and Europe, inflation is anticipated to fall from 20.7 percent in 2000 to 18.4 percent in 2001 despite Turkey's rising inflation rate resulting from the flotation of its currency. In the Asian region, the inflation rate is expected to increase from 1.9 percent to 2.8 percent in 2001 largely due to

### CHANGES IN CONSUMER PRICES (1995 - 2001)



**Figure 3**

Source W.E.O

macroeconomic and monetary policies have been reflected in stabilized exchange rates in several countries of the region and in an anticipated general decline in the inflation rate. In

vulnerability to external shocks, political uncertainties, and in some cases downward pressure on exchange rates (**Figure 3**).



Among the developing countries' groups, inflation remains lowest in the Asian region, followed by countries in the Western Hemisphere.

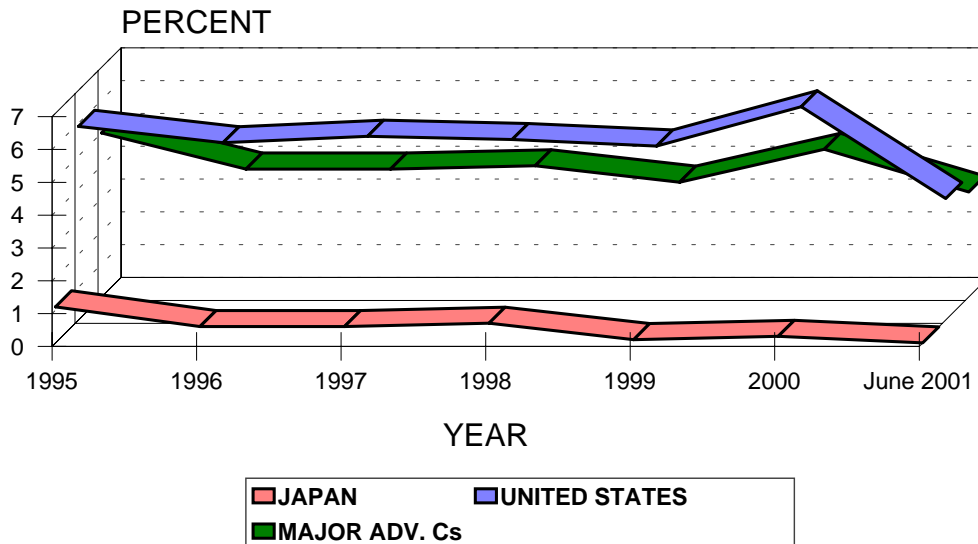
### Exchange Rates

Over the past year, one of the main concerns among policymakers has been the pronounced weakness of the euro against the U.S dollar. From a value of \$1.17 per euro at its inception in January 1999, the euro fell to a low of \$0.83 in October 2000. Even after a subsequent rebound, its trading range remains between \$0.88-\$0.95, and is likely to fall further. One of the explanations for the euro's weakness is the increase in equity flows, including a boom in cross-border mergers and acquisitions, out of the

euro area, driven by the perception of greater prospects for growth and profits in the U.S. The generalized weakness of the euro has also been reflected in its weakening against the yen and the pound sterling.

Hand in hand with the weakening of the euro has been a generalized strengthening of the U.S dollar, including against currencies of its other major trading partners, such as Canada, Australia, and New Zealand. By mid-November 2000, the Australian and New Zealand dollar fell to US\$0.50 and US\$0.39 respectively, reflecting weakening investor sentiment. Though rebounding somewhat in early 2001, both currencies subsequently returned to around their end-2000 levels.

## MAJOR ADVANCED COUNTRIES AVERAGE SHORT TERM INTEREST RATES (1995-2001)



Source: I.M.F.

Figure 4

The pound sterling also depreciated against the U.S dollar in nominal terms with the pound projected to fall from \$1.51 in 2000 to a low of \$1.46 in 2001. Notwithstanding the weakness of the Japanese economy, the Japanese yen remained relatively firm against the U.S dollar.

Emerging market currencies remained under pressure amid the instability in Turkey and Latin America. The financial crisis in Turkey culminated in the floating of the Turkish lira in mid-February, and in Argentina a dual exchange rate was introduced in June 2001, which effectively saw a devaluation of the peso. The Brazilian real also slumped against the U.S dollar due to spillover effects from the Argentine situation, and an energy crisis in the domestic economy. In other developments, El Salvador and Guatemala adopted the U.S dollar as its official currency on January 1, and May 1, 2001, respectively, in the hope that their economies would be further strengthened and integrated into the global economy.

## Interest Rates

Short-term interest rates in mature credit markets exhibited a general downward trend during the first six months of 2001. In the U.S, the Federal Funds rate, which is a benchmark for short-term rates, was aggressively cut on six successive occasions between the period January to June 2001 by a total of 275 basis points to 3.75 percent, its lowest level in more than seven years. This was done with the aim of providing much needed stimuli to counteract the

downturn in economic activity. Given the close correlation of business cycles and the financial linkages of major industrial countries relative to the U.S, falling interest rates in the U.S induced lower rates in many countries in Europe and in Japan. The Bank of England reduced its rate such that by June the rate fell to 5.3 percent, compared to its January rate of 5.8 percent (**Figure 4**). In the euro area, the European Central Bank (ECB) reduced short-term interest rates from 4.75 percent to 4.50 percent in May 2001, its second policy easing since the euro's launch in 1999.

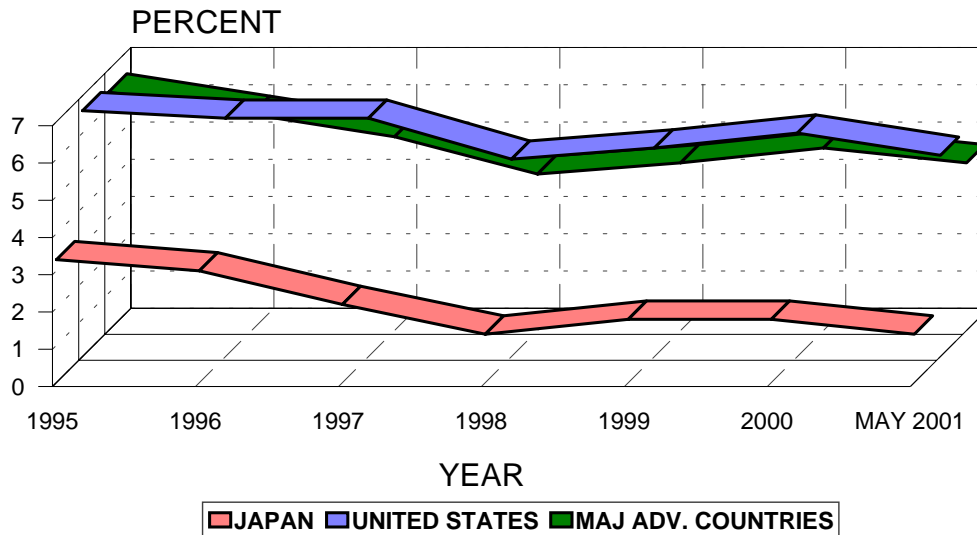
At the longer end of the market, interest rates fell further during the first few months of 2001, but exhibited some upward movement in April and May. In the U.S, long-term interest rates hit a low of 4.9 percent in March, but subsequently increased to 5.4 percent in May. For the United Kingdom, the rate fell to an average of 4.8 percent in March, increasing thereafter to 5.2 percent in May (**Figure 5**).

In contrast to other mature markets, the Bank of Japan's return to a zero interest rate policy with the aim of reviving stalling economic activity, resulted in short-term interest rates being at 0.0 percent for the period March to June 2001, and long-term rates remaining low, standing at 1.3 percent as at May 2001.

## World Commodity Prices

As reflected in the IMF's overall index of primary commodity prices, world commodity prices remained fairly

## MAJOR ADVANCED COUNTRIES AVERAGE LONG TERM INTEREST RATES (1995-2001)



**Figure 5**

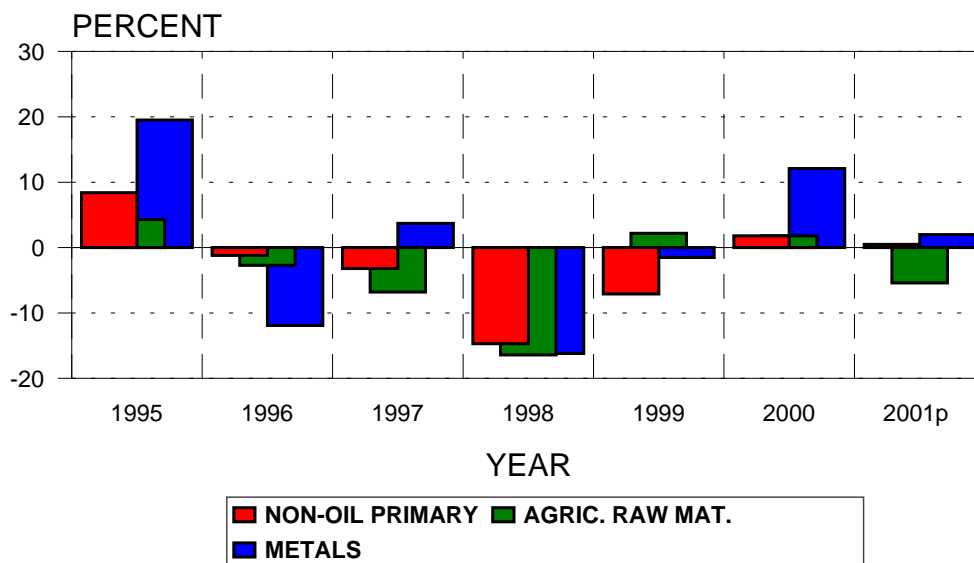
Source: I.M.F.

stable between June to November 2000, though rising by 4.0 percent in U.S dollar terms over the six months. A significant weakening was evident in the following months, however, with the index hitting a low of 96.4 in March. It rose again to a high of 105.2 in May, but reflected an overall decline of 1.8 percent between June 2000 and May 2001. Movements in the index largely mirrored movements in oil prices as the index of non-fuel commodity prices climbed by 4.1 percent over the twelve month period (**Figure 6**).

Consequent largely upon low levels of oil stocks, oil prices remained high during the latter half of 2000 such that by November, the price of West Texas Intermediate hit a record high of US\$33.25 per barrel from US\$31.50

per barrel in June. In December, however, the upward movement in oil prices was sharply reversed as a result of increases in production and concerns about the slowdown in global economic growth, particularly in the United States. In late January and early February 2001, oil prices pushed back up somewhat due to a marked cutback in Iraqi oil exports and political uncertainties in the Middle East. Prices fell off again in March to US\$25.25 per barrel, the lowest for the period, but quickly rebounded such that by May the price stood at US\$28.75 per barrel. Over the January to June period of 2001, oil prices as measured by the West Texas Intermediate, averaged US\$27.37 per barrel compared to US\$30.25 per barrel in the preceding six months. In an attempt to keep

## INDICES OF NON-OIL COMMODITY PRICES PERCENTAGE CHANGES (1995-2001)



**Figure 6**

Source: I.M.F.

prices at a desired level, OPEC agreed in July 2001 to cut crude oil output by one million barrels per day with effect from September 2001 (**Figure 7**).

With respect to non-fuel commodities, prices remained generally weak during the period June 2000 to May 2001 in the face of slower economic growth and reduced demand. While the index of food prices showed some consistent upward movement during the period, the indices for agricultural raw materials, metals and beverages displayed weak performance for most of the period.

The improvement in food prices has been influenced by low stocks of cereal and meat on the market. The supply of beef especially has been adversely

affected by the foot and mouth disease in Europe and some parts of Latin America. The index for agricultural raw materials while relatively low for most of the period, rebounded in May resulting in a 13.4 percent increase over the twelve months. For metals, prices weakened on account of a reduced demand for steel, aluminum, copper, nickel and zinc. The index for fertilizers exhibited relative stability during the period, reflecting continuing strong prices for urea, methanol and ammonia on international markets.

### **World Trade and Payments**

In light of the current weakening in global demand, the volume of world trade in goods and services is expected to grow by a lower rate of 6.7 percent in 2001, compared to a

significant growth of 12.4 percent in 2000. Among the advanced economies, and in contrast to the previous year, import and export volumes are expected to decline most in the Newly Industrialized Asian economies, from 15.2 percent and 16.4 percent in 2000 to 5.9 percent and 5.8 percent in 2001 respectively. This has resulted to a large extent from weakening consumer demand in the electronics market, and the renewed setback to recovery in Japan.

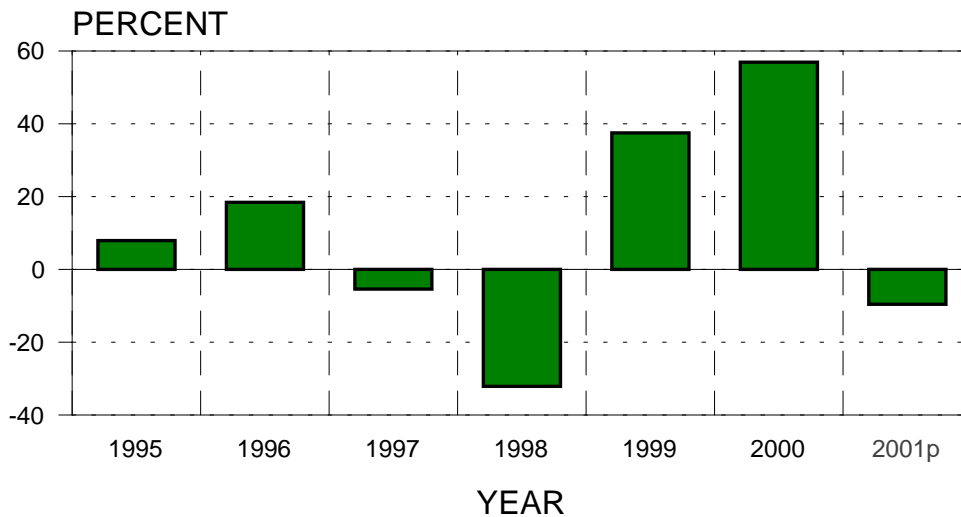
The continuing slowdown in the U.S economy has exacerbated the country's already widening external current account deficit such that for the year 2001, a deficit of US\$446.0 billion or 4.3 percent of GDP is anticipated. Large external deficits also persist for

the United Kingdom, Australia, New Zealand and for some Latin American and transition countries. On the other hand, current account surpluses on the external account are evident for Japan, some countries in Europe, developing Asia, other Asian emerging markets, and the Middle East.

**Debt**

Total external debt for developing countries as a group is expected to rise by 2.4 percent in 2001 to a level of US\$2,172.6 billion. A breakdown of debt among the various regional groupings estimates a figure of US\$780.0 billion for the Western Hemisphere, US\$693.8 billion for developing Asia, US\$414.6 billion for the Middle East and Europe, and US\$284.2 billion for Africa.

**INDICES OF OIL PRICES  
IN U.S. DOLLARS PER BARREL  
PERCENTAGE CHANGE (1995-2001)**



Source: W.E.O

**Figure 7**

As a ratio of exports of goods and services, developing countries' external debt is anticipated to decline from 137.3 percent in 2000 to 134.0 percent in 2001. A slight reduction is also projected in the ratio of debt to GDP from 39.2 percent to 38.2 percent, with Sub-saharan Africa recording the highest figure of 71.4 percent.

African countries continue to be the major beneficiaries of resources provided under the Enhanced Heavily Indebted Poor Country (HIPC) Initiative. However, the region faces enormous developmental challenges in the form of major threats which include political instability, weak commodity prices and health epidemics such as the Acquired Immune Deficiency Syndrome (AIDS).

For developing countries as a whole, there is increasing recognition that while debt relief is necessary, it is not enough. Very importantly, advanced countries must provide these countries with greater access to their markets in order to support a meaningful reduction in poverty. In this regard, the European Union recently decided on an Initiative to grant least developed countries duty and quota-free market access to "Everything but Arms". Additionally, there have been some significant measures for market opening for the poorer nations taken or announced by Canada, Japan, Korea, New Zealand, Norway and the United States.

## DOMESTIC ECONOMY

### REAL SECTOR

#### Gross Domestic Production (GDP)

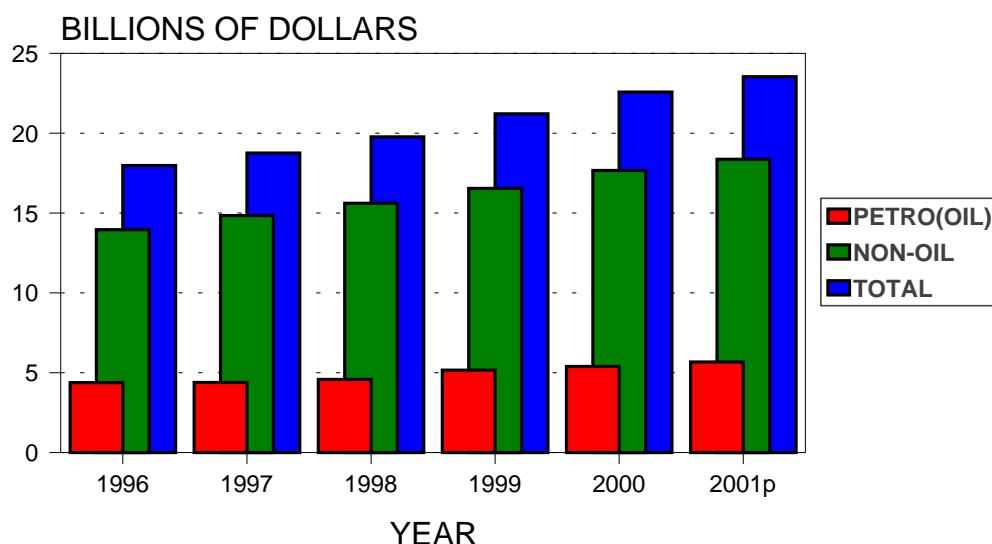
The strong performance of the Trinidad and Tobago economy is expected to continue into 2001, though at a slightly slower pace, with real GDP projected to grow by 4.2 percent compared to 6.4 percent in the previous year (**Figures 8 - 10 and Appendices 1 - 4**).

The petroleum sector is forecasted to expand by 5.2 percent in the current period from 4.6 percent, with a marginal growth in its share of GDP from 23.9 percent in 2000 to 24.1 percent. Within petroleum,

petrochemicals is projected to grow by a significant 12.9 percent. The non-oil sector continues to represent the larger percentage of GDP of approximately 76.0 percent. However, its rate of growth is expected to slow down from 6.7 percent in 2000 to 4.0 percent in 2001. Leading this sector is Services, with a projected growth of 4.8 percent, from 6.5 percent in 2000. Conversely, the Agriculture and Manufacturing sectors are expected to decline by 2.1 and 0.2 percent respectively, from growth rates of 6.3 and 8.8 percent in the previous year.

With respect to the Services sector, the Hotel and Guest Houses sub-sector, which has experienced sustained growth over the past few years, is expected to decline substantially by 23.5 percent, from a 7.5 percent

### G.D.P. AT MARKET PRICES: (1996-2001) CONSTANT 1985 PRICES



**Figure 8**

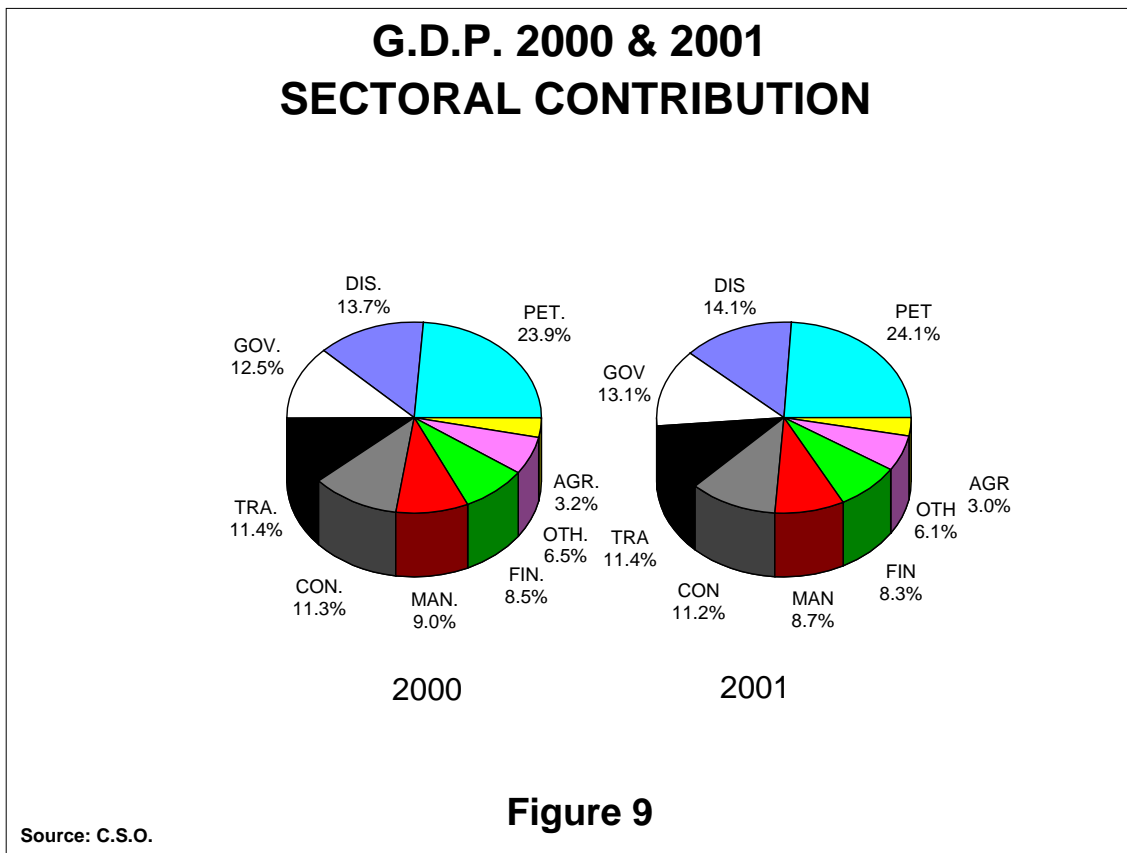
Source: C.S.O.

growth in 2000. This downturn is attributable to the fall in occupancy rates in the industry, a reflection of the withdrawal of major airlines from the Tobago route. All other Services sub-sectors are expected to register positive though lower growth rates, with the exception of the Finance, Insurance and Real Estate sub-sector which is projected to grow by a higher rate of 9.4 percent.

Within the Agriculture sector, Domestic Agriculture is projected to grow marginally by 2.1 percent from 1.4 percent in 2000. The Sugar sub-sector is expected to decrease by 5.3 percent from its growth of 13.0 percent in the previous year. This decline is due mainly to a fall in the tonnage of canes harvested. Export Agriculture

continues to decline, with a forecast of 15.0 percent for 2001 from 11.7 percent in the previous year. This contraction is due in part to the reduced production and exportation of cocoa, coffee and citrus.

The decline in Manufacturing was led by a 10.8 percent contraction in the Wood and Related Products sector and by a 5.9 percent reduction in Food, Beverages and Tobacco. The latter reflected the on-going slowing of growth in this sector, and resulted from the cessation of local production of commodities by a major food manufacturer. The fall-off in Wood and Related Products was partially as a result of the reduction in production at Tanteak. Positive though reduced growth rates are projected for the other





manufacturing sub-sectors with Miscellaneous manufacturing leading growth by 9.7 percent.

## Petroleum

### Drilling

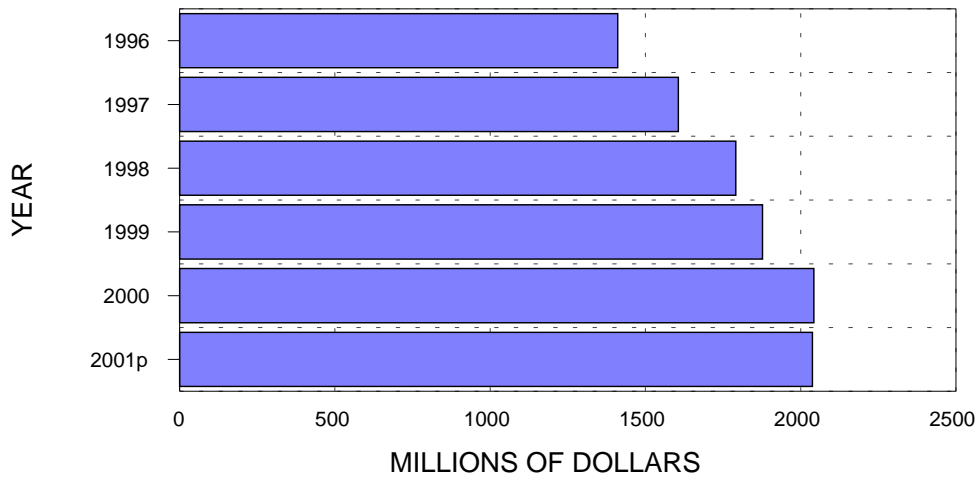
Drilling by depth for petroleum companies increased considerably from 88.7 thousand metres for the period October 1999 to May 2000, to

lower rate of 17.9 percent from 50.4 thousand metres in drilling depth, to 59.4 thousand metres over the period under review.

### Crude Oil Production and Exports

Total crude oil production declined by 8.7 percent for the period October 2000 to May 2001, moving from 29.8 million barrels to 27.2 million barrels. This decline is expected to continue

## MANUFACTURING (1996-2001) CONSTANT 1985 PRICES



Source: C.S.O.

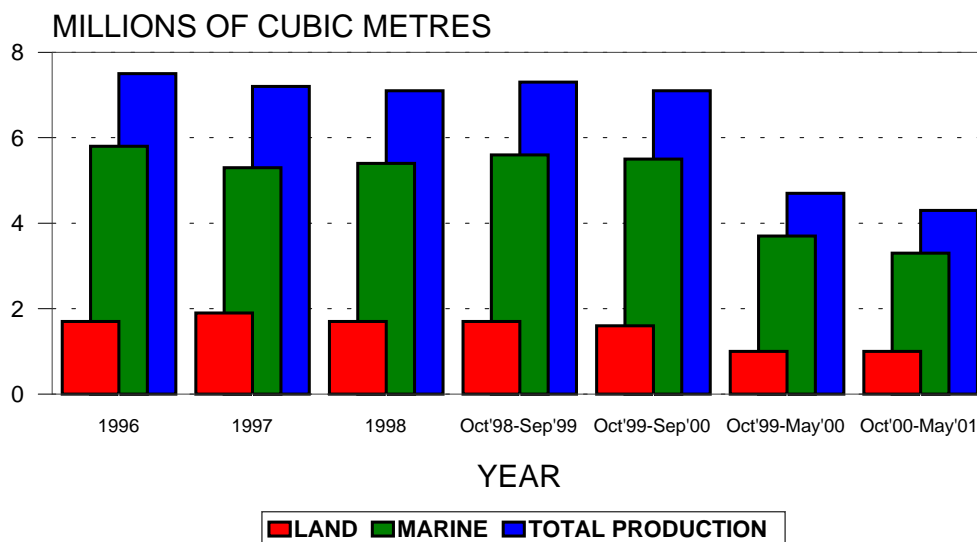
**Figure 10**

106.4 thousand metres in the current comparative period (**Appendix 5**). Accounting for 33.9 percent of overall depth drilled was British Petroleum of Trinidad and Tobago, followed by Petrotrin and Trinmar, with 15 and 13 percent respectively.

Land drilling contributed more significantly to the overall increase in drilling activity, with a 22.5 percent growth, while marine drilling rose at a

towards the end of the period, with a total crude production forecast of 41 million barrels for fiscal year ending September 2001, from 44.5 million barrels in the preceding fiscal year. This reduction is attributable to a natural decline in mature oil fields. To a lesser extent, there has also been an emerging interest in gas production by some companies, which has impacted on crude production (**Appendix 5 and Figure 11**).

# TOTAL CRUDE PRODUCTION (1996 - 2001)



Source: Min. of Energy and Energy Industries

**Figure 11**

The distribution between land and marine extraction remained fairly constant in relation to the previous period, with marine extraction representing approximately 77 percent of total crude extracted, while land extraction accounted for the remaining 23 percent.

Notwithstanding seasonal fluctuations and the volatility in the market, the international price of crude, based on Galeota crude prices, is expected to maintain its average of US\$28 per barrel in the current fiscal period. However, with the establishment of international environmental efficiency standards which countries are required to meet, prices could be forced upwards in the coming months, given the time lag between the regulations and the implementation of plant and equipment upgrades by companies.

In keeping with lower production, crude oil exports fell to 12 million barrels for the eight-month period ending May 2001, from 13 million barrels in the previous comparative period.

### Crude Refining

Lower crude production levels have affected Petrotrin's refinery performance, with refinery throughput falling to an average of 159.5 thousand barrels per day as at May 2001, from 161.2 thousand barrels per day in the previous comparative period. This was not significantly lower than the company's full productive capacity of 165 thousand barrels per day. Of this throughput, forty percent is indigenous. To supplement the shortfall of local crude, Petrotrin in late 2000, signed an agreement with Petrobras of Brazil for an ongoing supply of crude. This

arrangement will guarantee a reliable crude source in the current volatile market and could have some positive impact on the refinery performance towards the end of the fiscal period. The recent test and inspection upgrade to the Cat Cracker at Petrotrin is also expected to boost refinery performance.

Refinery sales decreased to an average of 160.3 thousand barrels per day as at May 2001, from 163.3 thousand barrels in the previous comparative period.

Natural Gas

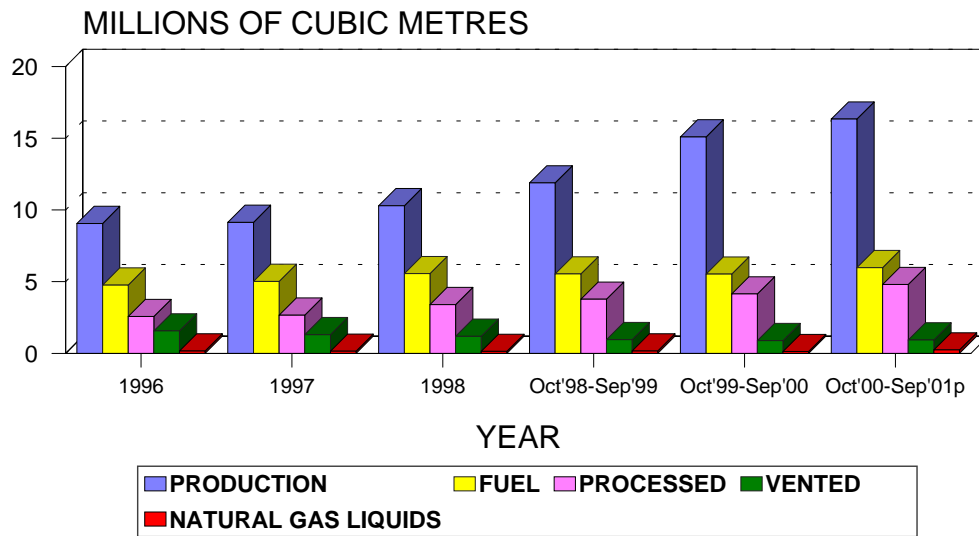
The natural gas industry is expected to continue its robust growth in the current fiscal period. Production is forecasted at 16,336 million cubic metres, from 15,092 million cubic

metres in the previous fiscal period. This expansion is attributed to the operation of the Atlantic LNG plant at full capacity for a twelve-month period as opposed to eight months in the previous year.

The utilisation of natural gas is also expected to improve over the period, with marginal increases in fuel, processed, vented and natural gas liquids and a sustained strong performance of liquefied natural gas (**Appendix 6 and Figure 12**).

In other developments, the Government is formulating a Natural Gas Master Plan, with a view to strengthening Natural Gas Resource Management, Institutional and Regulatory Arrangements and Market Developments. This plan would significantly impact on the future

## NATURAL GAS PRODUCTION (1996 - 2001)



Source: Min. of Energy

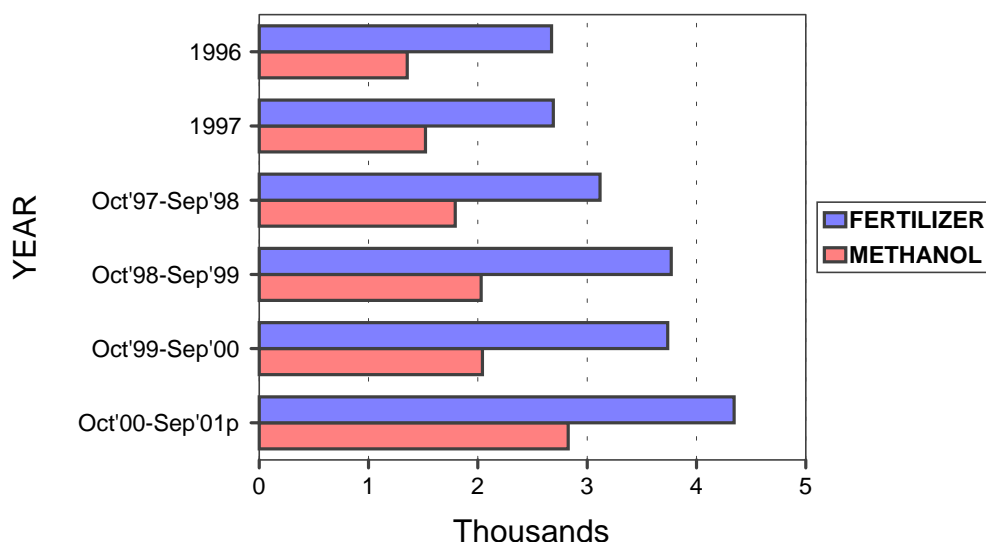
**Figure 12**

developments of the Trinidad and Tobago gas industry. Government also intends to harness the economic gains of the natural gas industry, through the establishment of an Ethane-based Petrochemical Complex. Atlantic LNG trains 2 and 3 are also expected to come on stream in the near future, with an estimated production capacity of 9.6 million tonnes per annum.

in the previous fiscal period (**Appendix 6A and Figure 13**). This growth is due mainly to the resumption of normal operations by the PCS Nitrogen 01 and 02 plants in June of 2000, after a six-month shutdown.

Accompanying this projected growth in production is a 15.3 percent expansion in exports, from 3,411.1 thousand tonnes in fiscal 1999/2000 to 3,934.2

## PETROCHEMICALS PRODUCTION (1996-2001)



Source: Central Bank

**Figure 13**

### Petrochemicals

#### Nitrogenous Fertilizers (Ammonia and Urea)

The production of nitrogenous fertilizers is projected to increase in fiscal 2001 to 4,343.9 thousand tonnes, an estimated 16.2 percent over the 3,738.1 thousand tonnes recorded

thousand tonnes in the current period. Trinidad and Tobago is the world's largest exporter of ammonia, with ninety six percent of its exports going to the United States and the remainder to the West European markets.

On the international market, petrochemical prices (fob) have been following a similar trend to gas prices.

Ammonia prices suffered a significant decline during the second quarter of 2001, following increases in January and February. However, based on the Caribbean Spot price, ammonia prices averaged US\$174 per metric tonne for the first nine months of the current fiscal year, which was higher than the previous period average of US\$126 per metric tonne. Urea prices, based on the Trinidad Gran Spot, also increased during the nine-month period ending June 2001, averaging US\$149 per tonne, from US\$108 per tonne in the previous comparative period.

In industry developments, an 1800 metric tonne per day plant is expected to come on stream in Venezuela, while another plant - Caribbean Nitrogen Company, of similar capacity, is scheduled to start operations in Trinidad in the next fiscal year.

### Methanol

Despite the slow performance of several plants, methanol output is projected at 2,827 thousand tonnes for fiscal year ending September 2001, a 38.4 percent increase over the 2,042 thousand tonnes recorded in the previous period. This expansion is mainly due to the achievement of the first full year of production by the Titan Methanol plant, since its start-up in June 2000. In other developments, a new methanol plant - Atlas Methanol, which is currently under construction, is expected to start operations in early fiscal 2002.

Concomitant with production, exports of methanol is projected to increase by 40.5 percent in fiscal 2001, from its previous total of 1,958.3 thousand tonnes.

Following this upward trend was the world price of methanol (fob), which increased over the nine-month period ending June 2001, to US\$240 per tonne based on US Gulf Barge Spot prices, from US\$129 per tonne in the previous comparative period. There was, however, some fluctuation in prices over the period, with significant declines from February, following a period high of US\$311.75 per tonne in January 2001. The main factor affecting methanol prices is the fluctuation in the price of natural gas, its major feedstock.

### **Iron and Steel**

Iron and Steel production is expected to improve in this review period, with a current growth of 32.8 percent for the eight-month period ending May 2001, from 978.1 thousand tonnes to 1,298.9 thousand tonnes (**Appendix 7**). Production of both billets, the feedstock for the wire rod mill, and wire rods recorded marginal increases over the period.

Exports of direct reduced iron (DRI) recorded significant growth of 70.5 percent for the period October 2000 to May 2001, from 433.2 thousand tonnes to 738.6 thousand tonnes. This buoyancy in exports was due mainly to Ispat's export market requirements. In contrast, international sales of wire rods decreased slightly, while its local sales rose by 42.6 percent. The sale of billets increased considerably over the period, with an expansion in exports of over 400 percent and an accompanying 17.7 percent growth in local sales; the latter resulting from Ispat's local sale agreement with the downstream users of billets.

The average international price of DRI and wire rods declined over the eight-month period ending May 2001, to US\$94 and US\$235 per metric tonne respectively, from US\$102 and US\$247 per metric tonne in the comparative period under review. This decline in steel prices resulted from a relatively consistent demand, with few increases, accompanied by a global excess capacity of approximately 20 percent.

## Cement

Production of cement is projected to decline to 704.9 thousand tonnes for fiscal year ending September 2001, from 737.0 thousand tonnes in the previous fiscal year. For the nine-month period October 2000 to June 2001, the cement industry experienced a contraction in output of 3.3 percent, moving from 537.5 thousand tonnes in the previous comparative period to 519.7 thousand tonnes. Approximately 60 percent of cement production is expected to be utilised on the domestic market, through construction projects including the Atlantic LNG plant expansion and the Point Lisas Desalination Plant. To supplement production to satisfy domestic demand, there was a 51 thousand tonne importation of building cement, mainly from Indonesia.

Given the high demand for cement on the domestic market, export sales are projected to decrease. This notwithstanding, significant pressure was placed on Trinidad Cement Limited to supply CARICOM markets, due to an unusually high regional demand for cement between the months of May and July.

In other developments, Trinidad Cement Limited has taken a strategic move to broaden its product range from the traditional Portland cement. The company has secured a market for the Class G cement (oil-well cement) in Venezuela and is also seeking to obtain markets for its Type II cement which is currently being used at Chaguaramas to coat pipelines for British Gas. Moreover, a new pozzolan-based cement, which is adaptable to tropical climate, is expected to be introduced in the region shortly.

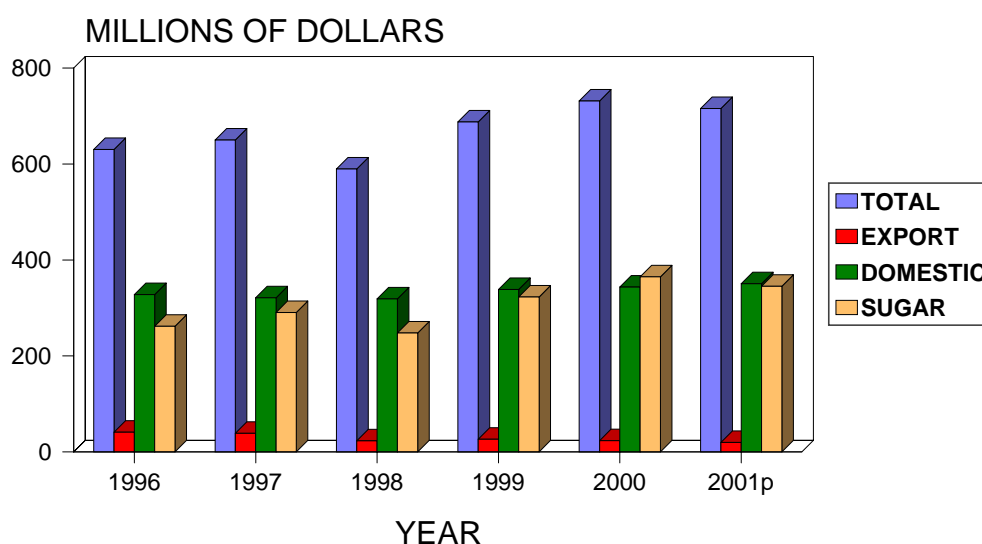
## Agriculture

### Export Agriculture (Cocoa and Coffee)

The cocoa and coffee industry has been severely affected by the harsh, dry weather conditions, which resulted in poor yields. Over the period October 2000 to May 2001, cocoa production fell to 733,303 kg, approximately 42.0 percent lower than the output recorded in the preceding period. The yield in coffee followed a similar trend, declining by 28.5 percent to 393,162 kg from the 549,845 kg in the previous reporting period. In addition to the adverse dry weather conditions, the contraction in both cocoa and coffee production reflected the high labour costs, especially at the harvesting stage (**Figure 14**).

International sales of cocoa declined for the nine-month period ending May 2001, to 628,279 kilograms, 46.5 percent below the 1,174,235 kilograms in the previous period. The average price of cocoa on the world market rose to US\$2.25/kg, 3 percent higher than the previous period average.

## AGRICULTURE (1996-2001) CONSTANT 1985 PRICES



Source:C.S.O.

**Figure 14**

### Domestic Agriculture

During the period, October 2000 to March 2001, the performance of the agricultural sector was mixed. There were increases in the production of copra (22.6%), broilers (16%) and table eggs (6%). The expansion in production of copra was due to the increased yield of several coconut plantations, while growth in broilers was due to increased production of hatching eggs.

In contrast, significant contractions were recorded for rice (62.7%), grapefruit (37.3%), beef (24.7%) and oranges (15%) and to a lesser extent pork (4.8%) and milk (1.6%). The prolonged dry season was the most significant factor accounting for these reduced outputs as well as the reduced yields of most green vegetables and pulses.

The Citrus Black Fly also adversely affected the citrus crop. Reduced output of beef can be attributed to declining levels of investment in the sector, in addition to competition from cheaper imported beef, while the decrease in pork production was a reflection of the continued fall-out of small farmers from the industry.

Domestic agricultural production by Caroni (1975) Ltd is projected to decline considerably, an effect of the unusually dry weather conditions. Rice production is forecasted at 2,203,392 kgs. for fiscal period October 2000 to September 2001, a 45.3 percent decline from the previous period output of 4,026,669 kgs. This decline in production is expected despite the expansion of the acreage under rice cultivation by 19 percent to 1,614 hectares. Following the industry trend,

the output of beef, milk and citrus by Caroni (1975) Limited are also expected to decline when compared to the yields obtained in the previous reporting period.

## **Sugar**

Sugar production for the current period, based on Caroni's output is estimated at 90.6 thousand metric tonnes, 20.7 percent lower than the recorded yield of 114.3 thousand metric tonnes at the end of the 2000 crop and 23.2 percent lower than the targeted output for 2000 of 118 thousand metric tonnes. A combination of factors affected the Company's ability to achieve its target. These include a delayed start of the crop season, a severe and prolonged dry weather spell affecting both the quality and quantity of canes harvested, work stoppages due to industrial action and the non-harvesting of a large quantity of cane due to interruptions in the operations at Usine Ste Madeleine.

Export of sugar to the European Union and the US under the Preferential Trade Agreements is projected to fall by approximately 29.3 percent to 58,910 tonnes, from 83,373 tonnes in the previous reporting period. Consequently, the foreign exchange earnings associated with the export of sugar is expected to fall to US\$159.8 million, 30.2 percent lower than the earnings in fiscal 1999/2000.

Sugar continues to enjoy preferential prices under Special Preferential Sugar Agreements. World prices decreased marginally from US\$215 per tonne at the beginning of October 2000 to US\$200.60 per tonne by July 2001 and represented an increase in inventories

of the major sugar producing countries. With respect to Trinidad and Tobago's commitments to the European Union, it is expected that this country will maintain its quota through to 2005. On the other hand, earnings are expected to fluctuate due to a depreciating Euro and the removal of support from the European Union. Sugar quotas to the US will remain relatively stable since Mexico has been unable to maximize its quotas to the US market under the NAFTA Agreement.

Domestically, sales of refined and wash grey sugar are projected to decline from 54,514 metric tonnes and 21,287 metric tonnes respectively in the previous period, to 54,082 metric tonnes and 19,393 metric tonnes in the current review period.

## **Tourism**

Trinidad and Tobago's tourism industry has benefited from increased investment activity over the review period, with injections in excess of US\$300 million into tourism projects throughout Trinidad and Tobago, mainly in the area of hotel accommodation. The opening of the Tobago Hilton in November 2000 and the Blue Haven Hotel and Stone Haven Villas provided approximately 300 additional rooms to the industry.

For the first eight months of the fiscal year, 130 cruise ships visited Trinidad and Tobago compared to 141 in the comparable period of fiscal 1999/2000. These ships brought an approximate 92,219 international tourists, 4 percent lower than the 95,949 visitors in the comparative previous period. Of this total, 85 ships visited Trinidad, with approximately 81,275 passengers,



10.6 percent more than the 73,468 passengers recorded in the previous period.

Tobago registered a substantial fall in the number of cruise passengers visiting the island. Over the first eight months of the fiscal year, 43 cruise liners brought 11,146 cruise tourists to Scarborough, 50.4 percent fewer than the 22,481 passengers recorded in the preceding comparative period. The considerable reduction in passenger arrivals was also a reflection of the smaller vessels that visited the island. Moreover, the high level of arrivals in the previous period resulted from a highly active hurricane season in the North Atlantic, forcing many popular cruise liners to visit this country.

## Prices

For the calendar year 2001, the All Items Index of Retail Prices, indicative of the rate of inflation, is estimated to increase to 5.3 percent from 3.5 percent in 2000. For the period October 2000 to June 2001, inflation increased to 5.2 percent from 3.0 percent in the comparative period of 1999/2000 (**Appendix 8 and Figure 15**).

The rise in the rate of inflation was due primarily to increased prices for Food (12.0%), Reading, Recreation and Education (5.9%), Transportation (3.5%) and Health and Personal Care (3.1%). However, these increases were somewhat tempered by a fall in the prices of Meals Out (0.2%), Clothing and Footwear (1.1%) and

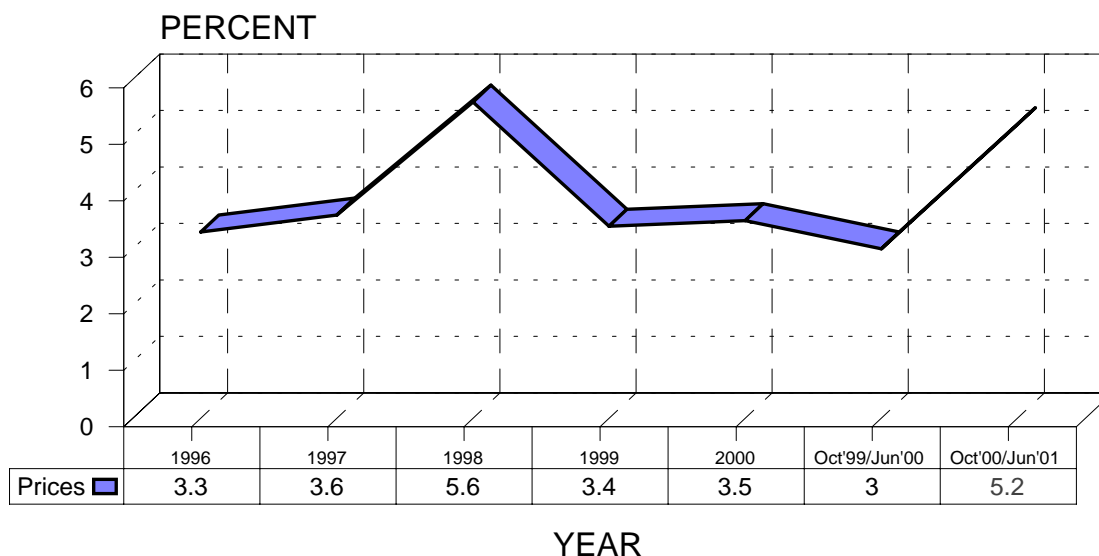
Household Supplies and Services (1.2%). The rise in the food index was reflected mainly through increased prices of market items such as chicken, fresh fruits and vegetables.

## Wages

The All Industry Index of Minimum Wage Rates for Production and Ancillary Workers fell slightly to 2.0 percent over the November 2000/May 2001 period from 2.2 percent in the previous period (**Appendix 8**). The fall in the Index principally reflected a reduction in the average wage rates in Electricity, Water and Sewerage and Transport and Communication and Storage, from 13.9 percent and 5.7 percent respectively, to 8.5 percent and 4.0 percent.

Over the six-month period ending March 2001, the level of productivity, measured by the All Items Index of Productivity for all workers in all industries, rose by 10.6 percent from 1.6 percent recorded in the previous period. This improvement was credited to the rise in productivity levels in the majority of sectors. The highest growth rates were recorded in Petrochemicals (44.9%), Assembly Type and Related Industries (42.5%), Miscellaneous Manufacturing (22.6%), Chemicals (20.3%), Oil and Natural Gas Refining (18%), Sugar (15%) and Drink and Tobacco (14.8%). However, these increases were accompanied by a reduction in the productivity levels in the Food Processing (11.6%), Exploration and Natural Gas (13.5%) and Electricity (5.5%) sectors.

## CONSUMER PRICE INDEX PERCENTAGE CHANGE (1996-2001)



**Figure 15**

Source: C.S.O.

### Population, Labour Force and Employment

#### Population and Labour Force

Population estimates for mid-year 2001 recorded a marginal increase of 0.5 percent from 1,290,083 persons in 2000 to 1,296,335 in 2001. The provisional birth and death rates maintained its previous year estimates of 13.42 and 7.31 persons per thousand, respectively.

An analysis of the population distribution by age group revealed that the 24 and under age group, represents 44.0 percent of the population. The remaining percentage is distributed between the age groups 25 to 59 and 60 and over, with an

estimated share of the total population of 46.0 percent and 9.4 percent respectively.

When classified by gender, the population distribution between males and females remained unchanged with an estimated 646,592 males and 649,743 females in 2001. Since 1997, the female population has outnumbered the male population (**Appendices 9 and 10**).

During the period October 2000 to March 2001, the number of persons in the labour force averaged 580,700, a 3.0 percent increase over the number recorded in the similar 1999/2000 period. While the majority of sectors maintained their share of the labour force, the Other Manufacturing and Construction sub-sectors increased

their relative share to 10.7 percent and 15.0 percent respectively, from 9.9 percent and 14.0 percent.

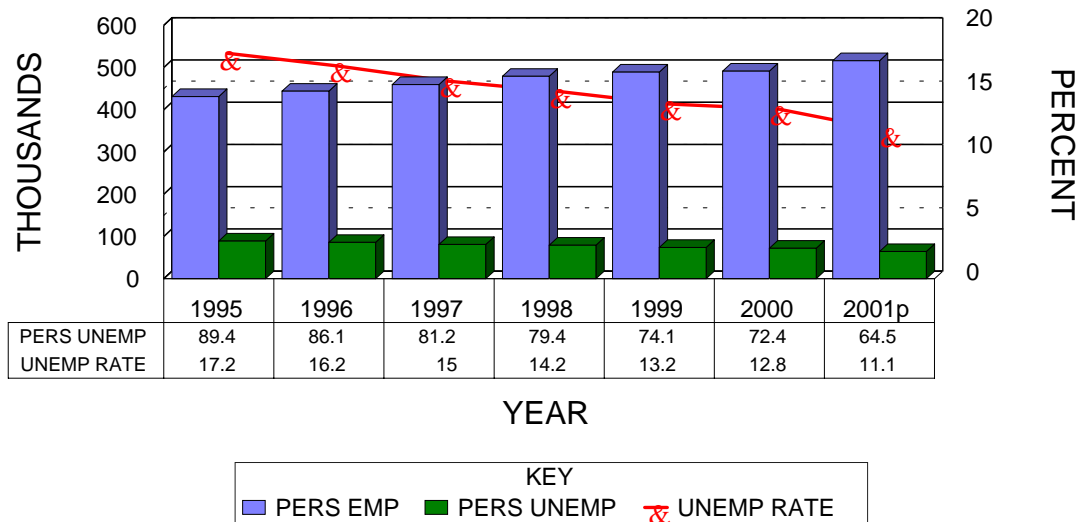
Employment

During the first six months of the current fiscal year, the number of persons employed increased by 5.0 percent, from 491,600 in 2000 to 516,200 in 2001, a direct result of the creation of 24,600 new jobs. The largest number of jobs was created in Construction (7,900), followed by Other Mining and Quarrying (7,100), Wholesale/Retail Trade, Restaurants and Hotels (5,300) and Community, Social and Personal Services (4,400). In contrast, job losses were experienced in Agriculture, Forestry, Hunting and Fishing, Petroleum

Of the total number of persons employed, 325,000 were males, representing an increase of 6.0 percent over the 306,000 recorded in the previous review period. On the other hand, the number of females employed grew by 3.4 percent to 191,200 persons.

The unemployment rate continued to fall, with an average of 11.1 percent for the six-month period ending March 2001 from 12.8 percent in the similar period of 1999/2000. The rate of unemployment among males declined further to 9.4 percent from 11.2 percent in the previous period. Following a similar trend was the rate among females, which fell from 15.5 percent to 13.9 percent.

**EMPLOYMENT  
(1995 - 2001)**



**Figure 16**

Source: C.S.O.

## DOMESTIC ECONOMY

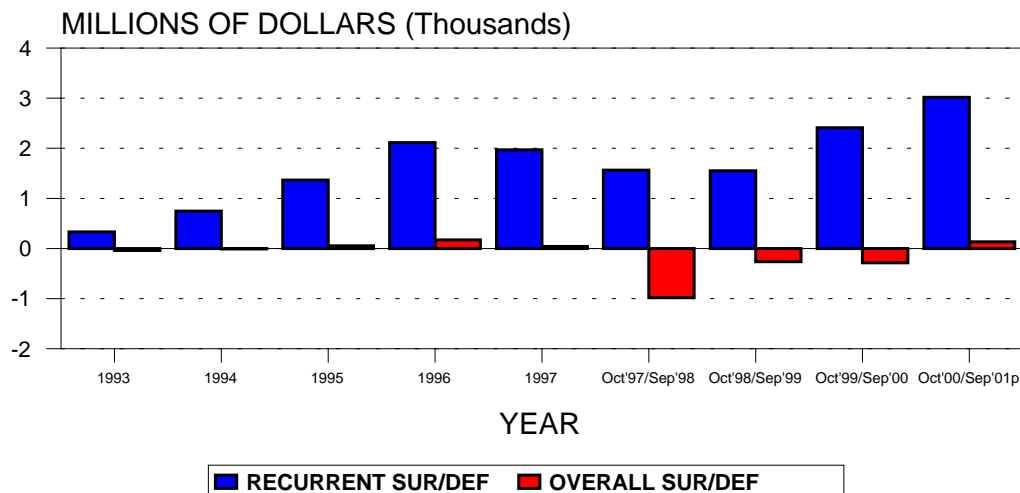
### PUBLIC SECTOR ACTIVITIES

During fiscal 2000/2001, the Central Government's fiscal performance was influenced by higher than budgeted crude oil prices, strong petrochemical prices, new efforts to strengthen tax administration and compliance, and by continued efforts to keep expenditure levels in line with revenue. In this regard, policy initiatives included the recruitment of additional tax officers to facilitate greater vigilance, the creation

Income Tax, Corporation Tax, Business Levy and Value Added Tax (VAT) due on or before December 31, 1999.

Based on the outturn for the first nine months of the year, oil prices for Galeota crude mix are estimated to average US\$25.00 per barrel for fiscal 2000/2001, compared to a budgeted price of US\$22.00 per barrel. This has facilitated an additional transfer of funds to the recently established Revenue Stabilisation Fund, bringing the Fund to an approximate value of \$1.0 billion.

### CENTRAL GOVERNMENT FISCAL OPERATIONS RECURRENT AND OVERALL BALANCES (1993-2001)



Source: Min. of Finance

Figure 17

of a specialized division within the Board of Inland Revenue for large taxpayers and special industries, and the grant of a concession by way of a moratorium on defaulting taxpayers with outstanding liabilities in respect of

For the current fiscal year, Central Government's fiscal operations are projected to result in a current account surplus of \$606.3 million, compared to a surplus of \$858.2 million in the preceding fiscal year. The overall

balance is expected to swing into a surplus of \$133.2 million following on three consecutive years of deficits (**Appendix 12 and Figure 17**).

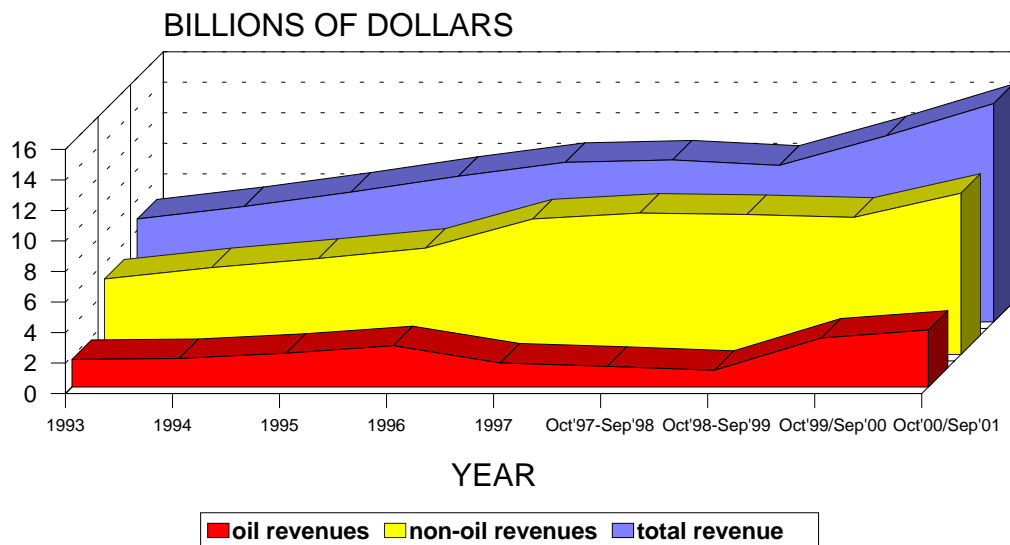
**Revenue**

For the fiscal year 2000/2001, Central Government’s Total Revenue including Grants, is projected to expand to \$14,301.8 million, representing an increase of \$2,102.4 million over the level which obtained in fiscal 1999/2000. This can be linked largely to strong performances on Tax Revenue as well as on the other components of Total Revenue namely Non-Tax Revenue, Capital Receipts and Grants, which are projected to register small increases of \$162.3 million, \$204.5 million and \$1.7 million

respectively. Tax Revenue is estimated to rise by a significant \$1,733.9 million, or by 16.8 percent, to a level of \$12,043.1 million.

Within Tax Revenue, Taxes on Incomes and Profits, traditionally the largest source of Tax Revenue, are projected to record the highest increase of 21.1 percent to a level of \$7,529.1 million. This reflects a significant increase of approximately \$1.0 billion in tax receipts from Companies to a level of \$4,471.7 million. Within this category, receipts from both Oil Companies and Non-oil Companies recorded improvements of \$184.6 million and \$805.5 million respectively, to levels of \$2,625.5 million and \$1,846.3 million. Higher Oil Companies’ Taxes were propelled by

**CENTRAL GOVERNMENT REVENUE  
(1993 - 2001)**



**Figure 18**

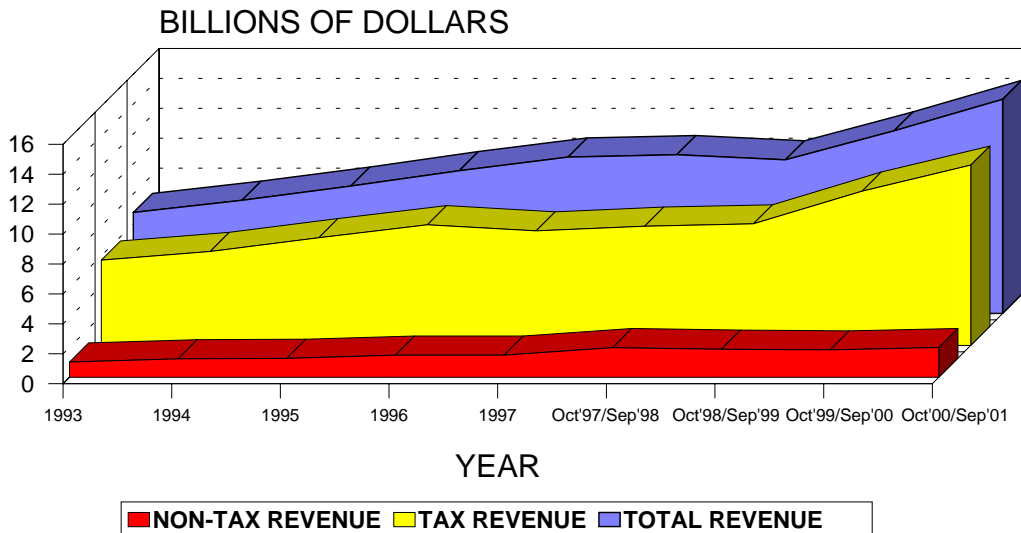
SOURCE: Min of Finance

higher oil prices and increased gas production, while higher Non-oil Companies' Taxes reflected the impact of enhanced prices on major petrochemical exports as well as the amnesty granted to companies in respect of tax arrears. Tax receipts from Individuals also increased by a substantial \$147.8 million to \$2,317.2 million, mirroring the impact of Government's settlement of arrears and salaries to teachers and other public sector workers, increased tax compliance by employers and the amnesty on tax arrears extended to individuals. Relatedly, higher tax collections were evident in respect of Unemployment Levy, Withholding Taxes and Business Levy (**Appendix 13 and Figures 18 and 19**).

In other areas of Tax Revenue, Taxes on Goods and Services, the second largest component of Tax Revenue rose by 10.7 percent to a level of \$3,462.1 million, following on two consecutive years of decline. This reflected a significant improvement in collections of Value Added Tax by \$335.5 million to a level of \$2,225.0 million, consequent upon increased economic activity, strengthened monitoring, and concessions offered in respect of outstanding arrears.

The intake from Excise Duties also displayed an increase of \$38.6 million to \$839.3 million, largely as a result of the timely payments of oil excise duties by the National Petroleum Company. Collections in respect of Motor Vehicle

## CENTRAL GOVERNMENT REVENUE (1993 - 2001)



**Figure 19**

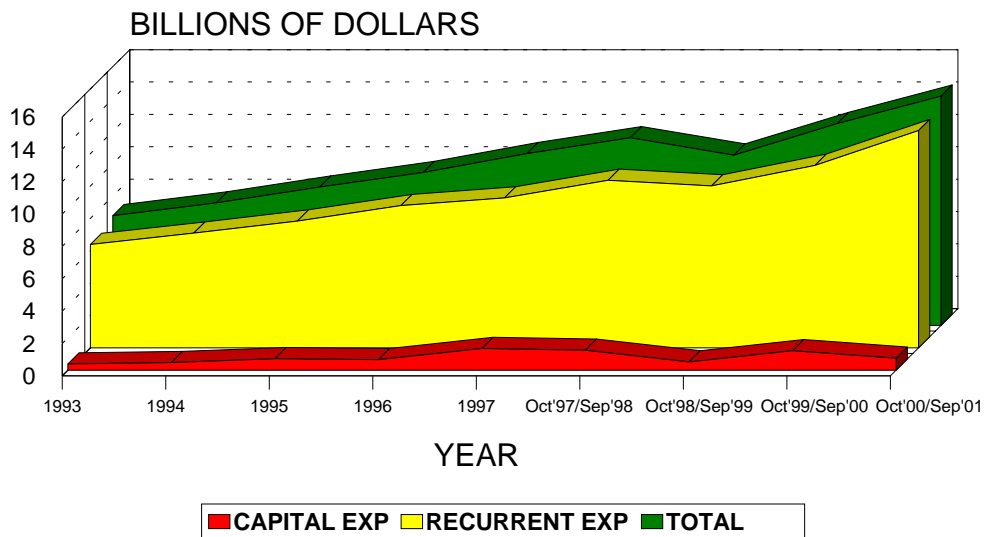
Source: Min. of Finance

Taxes, on the other hand, registered a decline of \$30.5 million to \$208.9 million, reflecting a further reduction in receipts pertaining to the registration of locally assembled foreign used vehicles.

Taxes on International Trade and Stamp Duties also exhibited increases of 10.5 percent and 10.3 percent to levels of \$863.7 million and \$122.0

Within Non-Tax Revenue, Royalties are projected to increase by \$169.6 million to \$746.1 million in keeping with higher oil prices. Receipts from Interest Income are also estimated to rise by \$45.5 million to \$204.7 million, on account of healthier floating balances held by Government at the Central Bank. Smaller increases are anticipated for revenue from Administrative Fees and Charges and

## TOTAL EXPENDITURE (1993 - 2001)



Source: Min. of Finance

**Figure 20**

million respectively. In respect of the former, Import Duties moved upwards by \$52.6 million, while collections from Airport Departure Tax almost doubled to \$63.1 million as a result of payments received on outstanding arrears. Taxes on Property, made up almost exclusively of Land and Building Taxes, registered a small decline to \$66.2 million.

in respect of Profits from Financial Enterprises. Increases in Non-Tax revenue items are anticipated to be offset by reduced collections relating to Profits from Non-Financial Enterprises arising from a timing difference in the receipt of dividends from TSTT and Tringen. Government transferred its shares in these companies to the National Enterprises Limited (NEL) in

2000. Consequent upon fees arising from a debt swap and from the relinquishment of a licensed area by an oil company, other Non-Tax Revenue is forecast to increase by \$67.7 million to a level of \$457.4 million.

In other areas of Revenue, Capital Receipts are projected to move from \$56.1 million in fiscal 1999/2000 to \$260.6 million in fiscal 2000/2001 primarily as a result of Government's sale of the first tranche of shares in NEL in February 2001, and its prospective sale of shares in Tanteak.

## Expenditure

For the fiscal year 2000/2001, Total Expenditure and Net Lending are estimated to increase by \$1,685.9 million to a level of \$14,168.6 million. Of this, Recurrent Expenditure is projected to account for \$13,423.2 million, while Capital Expenditure and Net Lending are expected to amount to \$745.4 million (**Appendix 14 and Figures 20 and 21**).

In respect of Recurrent Expenditure, which is forecast to expand by \$2,148.1 million, increases are anticipated for all the major categories of expenditure with the exception of Interest Payments, which are calculated to fall by \$180.9 million to a level of \$2,339.4 million. The latter was engendered by reductions in both Domestic and External Interest Payments. Lower Domestic Interest Payments can be attributed to reduced domestic interest rates, while lower External Interest Payments ensued from a reduction in the country's external debt stock.

Subsidies and Transfers, the major component of Recurrent Expenditure, are projected to record the largest increase of 26.9 percent to a level of \$5,552.9 million. Accounting for a significant part of the increase are additional transfers of \$600 million of oil-related revenue towards the Revenue Stabilisation Fund, and an allocation of \$240 million towards Government's recently introduced Dollar for Dollar Education Plan. Other increased outlays were evident in respect of Old Age Pensions, Pensions and Gratuities and Social Assistance Benefits emanating from measures announced in the 2001 Budget. Larger transfer payments were also made to a number of State Enterprises and Statutory Boards for the meeting of debt-servicing costs, and obligations associated with recent wage settlements.

Wages and Salaries, another significant component of Recurrent Expenditure, is forecast to increase by 25.0 percent to \$3,926.4 million. This is attributed to the partial payment of arrears as well as the payment of higher salaries, following on recent wage settlements for teachers, police officers, firemen, defence force officers and public officers under the Salaries Review Commission.

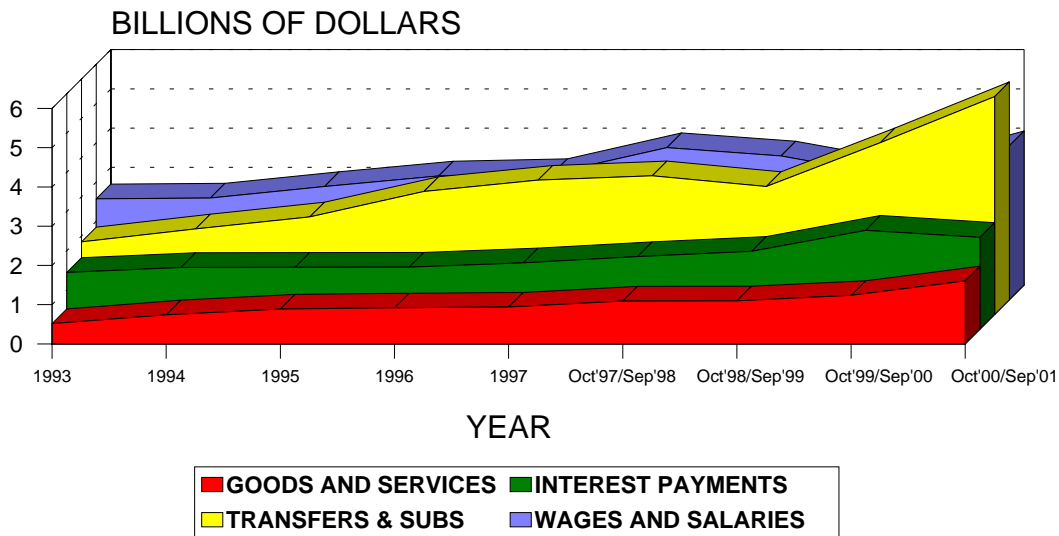
Expenditure on Goods and Services moved upwards by \$368.2 million to a level of \$1,604.5 million, with the larger increases being accounted for in respect of Minor Equipment Purchases relating the on-going Primary School Computerisation Project, Rental Accommodation, and Consulting and Contracting Services.



Capital Expenditure and Net Lending is expected to be reduced by a substantial \$462.2 million to \$745.4 million, mirroring significant contractions in the Development Programme and the Infrastructure Development Fund, to levels of \$978.1 million and \$15.1 million respectively. This stems from the completion of a number of major infrastructural projects. Net lending moved from a negative \$240.6 million to a negative of \$247.8 million.

This depicts a substantial fall in external borrowings from \$2,547.6 million to \$279.7 million, with the latter comprising largely drawdowns on multilateral loans. External capital repayments, estimated to increase by \$313.6 million to a level of \$1,253.6 million, represent annual amortisation payments to multilateral lending agencies and the repayment of a US\$125 million Eurobond (**Appendix 15**).

## RECURRENT EXPENDITURE (1993-2001) MAJOR COMPONENTS



**Figure 21**

Source: Min. of Finance

### Financing

External net financing of Central government is projected to record an outflow of \$973.9 million in the current fiscal year compared to a net inflow of \$1,607.6 million in fiscal 1999/2000.

On the domestic front, net financing is projected to register an inflow of \$840.7 million, compared to an outflow of \$1,324.4 million in the preceding fiscal year. This is predicated on domestic borrowings of \$1,710.7 million, \$700 million of which was used

to refinance high-cost domestic debt. Other borrowings relate to the issue of bonds for budgetary financing and for mopping up resources released into the financial system through the reduction of the cash reserve requirement of commercial banks. Domestic Capital Repayments increased to \$1,589.6 million and can be tied to the refinancing of high-cost debt, to repayments associated with Public Servants Arrears of Emolument Bonds and to annual amortisation payments on domestic loans.

### Public Debt and Debt Service

Total debt stock of the Central Government is projected to stand at \$30.9 billion by the end of fiscal 2000/20001, representing an increase of \$2.6 billion over the preceding fiscal

year. This compares with an increase of \$4.3 billion in fiscal 1999/2000 over fiscal 1998/1999 (**Appendix 16 and Figure 22**). Of the total debt stock, \$20.1 billion represents Central Government Debt, while \$10.8 billion represents Central Government Contingent Liability on Guaranteed Debt.

A significant portion of the increase in the debt stock in 2000/2001 emanated from an expansion in debt related to Central Government's Contingent Liability. This can be linked to borrowings, either completed or close to being finalized, by a number of State Enterprises and Statutory Authorities, for purposes related to continuing upgrade and development works including roads, water, electricity and airport infrastructure.

## CENTRAL GOVERNMENT DEBT AND DEBT SERVICE (1993-2001)

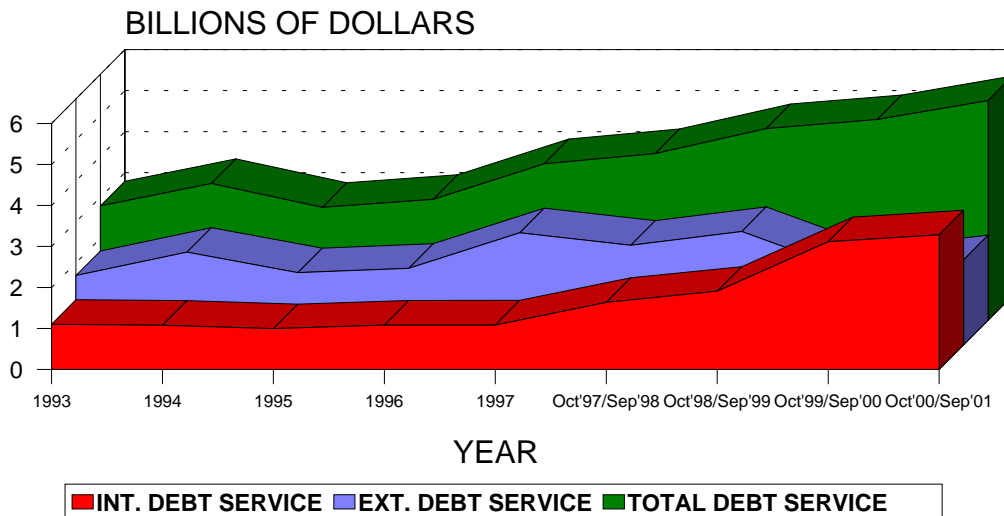


Figure 22

Source: Min. of Finance

A disaggregation of the Central Government component of total debt reflects an increase in the internal debt stock by \$489.2 million to a level of \$10.4 billion, with a corresponding decline in the external debt stock by \$1.1 billion to a level of \$9.7 billion.

The increase in internal debt stemmed from Government's borrowings on the domestic market in the amount of \$1.7 billion and the corresponding netting of principal repayments. Of the borrowings, \$700 million was used to refinance high-cost domestic debt. Other borrowings included two bond issues of \$300 million each and a third bond issue of \$376 million issued for the purpose of mopping up resources freed up through the 3 percentage points reduction in the cash reserve requirement by the Central Bank.

The fall in external debt arose largely from the repayment of a US\$125 million Eurobond, which matured in November 2000, and other amortisation repayments. Foreign borrowings of \$279.7 million were exclusively drawdowns on loans from multilateral lending agencies.

Central Government's total debt service is projected to rise by \$463.9 million to a level of \$5,356.7 million in fiscal 2000/2001. Contingent upon external principal repayments, the external debt service grew by \$294.0 million. Internal debt service rose by a lesser \$169.9 million in the face of lower interest costs on loans refinanced during 1999 and 2000. As a proportion of total debt service, internal debt service is expected to approximate 61.3 percent.

## **DOMESTIC ECONOMY**

### **Banking and Finance**

Monetary policy in fiscal 2000/2001 remained focused on the management of liquidity conditions within the financial system, with a view to fostering stable price and exchange rate conditions and facilitating sound economic growth.

During the year, the Central Bank in keeping with its stated intention, began a process of moving away from a regime of direct monetary control towards a market-based system of open market operations. In this regard, the statutory cash reserve requirement of commercial banks was reduced from 21 to 18 percent of prescribed liabilities in May. This was facilitated by a position of strong external reserves, a strong foreign currency market, relatively high liquidity and lower international interest rates. The switch in emphasis to open market operations is expected to reduce the intermediation costs of commercial banks, while providing the Central Bank with a monetary management tool of greater flexibility and precision. The reduction in the reserve requirement triggered an almost immediate cut in prime lending rates by commercial banks', with the rate of some of the larger banks falling from 16.50 percent to 15.00 percent.

During the October to May period of the fiscal year, an overall decline in lending rates was evident in keeping with the general easing of liquidity conditions within the system. Notwithstanding lower lending rates,

credit extended by the commercial banks exhibited only a small increase mirroring the slowing of economic growth during the year. Commercial bank deposits, on the other hand, displayed reasonable growth, as evidenced by a growth in local currency and foreign currency deposits by 5.3 percent and 9.7 percent respectively between October and April. On the foreign exchange market, strong supply conditions facilitated a sustained appreciation of the TT dollar to a rate of TT\$6.1696 to US\$1.00 in July, representing the highest value to be attained by the dollar since December 1996.

In respect of capital market activity, the equity market reflected general sluggishness, while the money market segment of the mutual funds industry exhibited buoyancy.

### **Liquidity**

Though exhibiting fluctuation, liquidity conditions within the commercial banking system were relatively easy during the October to May period of 2000/2001. This facilitated a reduction in the cash reserve requirement of commercial banks by 3 percentage points to 18 percent in May.

Measured by the ratio of commercial banks' liquid assets to their deposit liabilities, liquidity fell from a level of 27.5 percent at the start of October to 27.2 percent at the end of the month, rising again to 27.5 percent in November, and finishing off at 30.8 percent at the end of December (Appendix 19). In the ensuing five months, liquidity again fell to 27.1 percent in January, but subsequently

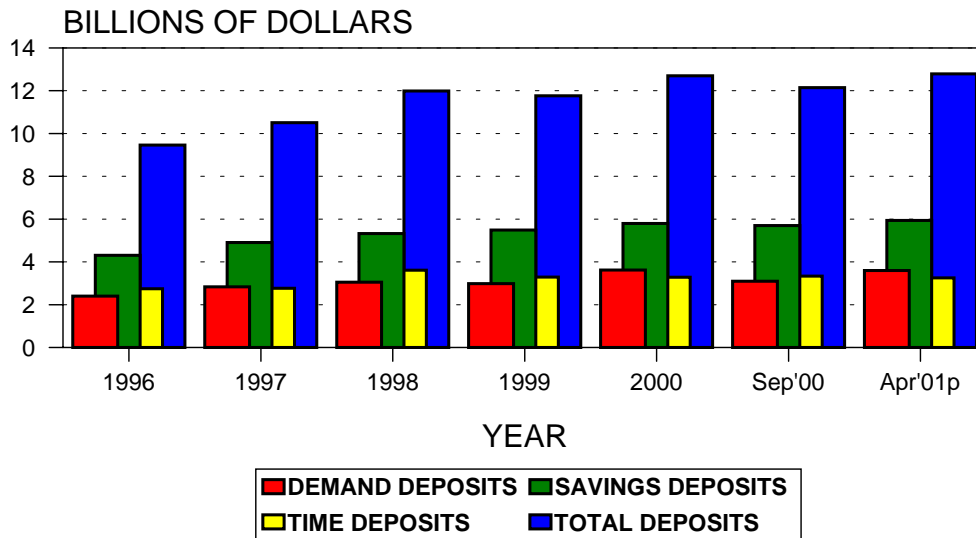
jumped to a peak of 31.7 percent in February. It remained relatively high in the next two months but declined in May to hit a low of 25.7 percent.

During the eight-month period, liquidity conditions were strongly influenced by domestic fiscal injections and withdrawals arising out of Central Government's spending and borrowing patterns

out of freed-up resources stemming from the reduction of the cash reserve requirement in May, simultaneously issued \$376.0 million in Government securities to the commercial banks.

The prevailing liquid conditions in the system coupled with intensive bidding by dealers, resulted in a fall in the treasury bill discount rate from 10.73.

## COMMERCIAL BANKS DEPOSITS (1996 - 2001)



Source: Central Bank

**Figure 23**

Between October and May, net fiscal injections amounted to \$1,198.7 million. To stem the effects of excess liquidity, the Central Bank issued a net total of \$944.6 million in open market bills, resulting in the Bank reaching its statutory limit on treasury securities in April. Further to this, Government, with the aim of neutralizing the liquidity impact arising

percent at the start of October to 10.13 percent in February and to a further low of 9.10 percent in May.

### Commercial Banks' Deposits and Credit

Local currency deposits in the commercial banking system increased from a level of \$12,144.7 million at the beginning of the fiscal year to a level of

\$12,787.8 at the end of April, representing an increase of 5.3 percent. This compares with an increase of 4.6 percent over the similar period of the preceding year. During the seven-month period, local deposits averaged \$12,479.1 million. For the corresponding seven-month period of 1999/2000, these deposits averaged \$11,881.3 million (Figure 23 and Appendix 17).

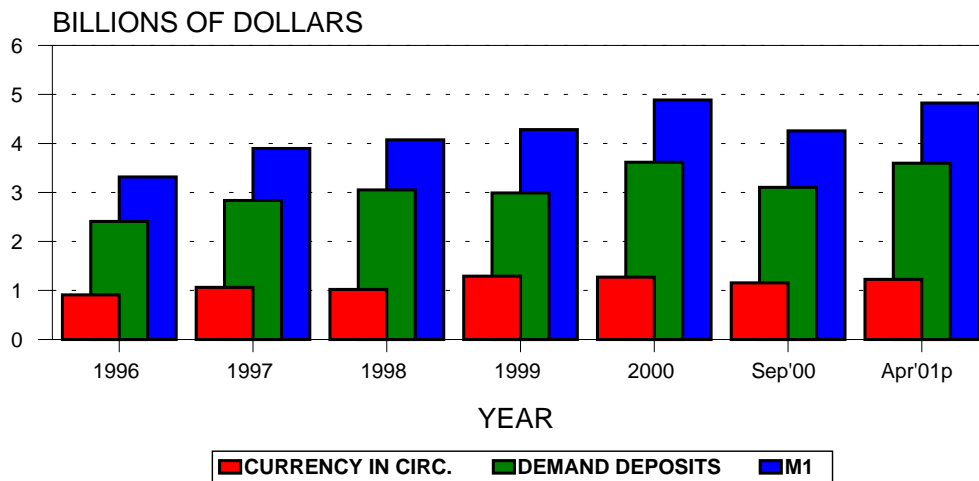
A breakdown of deposits indicates continuing strong growth in demand deposits and to a lesser extent savings deposits, and a simultaneous fall-off in longer-term time deposits. Demand deposits increased by 15.9 percent between October and April, to a level of \$3,597.6 million. Savings deposits also increased, albeit at a lower rate of 4.1 percent, to a level of \$5,935.7 million. Time deposits, on the other hand, declined by 2.5 percent to a level of \$3,254.5 million. The strong

increase in demand deposits resulted in its share of total deposits increasing to 28.1 percent in April from 25.6 percent at the start of October. Savings deposits remained, however, by far the largest component of the total at 46.4 percent.

The general growth in demand and savings deposits may be attributed to some extent by the higher interest rates offered on savings accounts as well as increased salaries to various groups of public sector workers in early 2001.

An analysis of foreign currency deposits within the commercial banking system indicates continuing strong growth in the current fiscal year. During the first three months, these deposits grew by a substantial \$615.3 million to a level of \$5,253.8 million at the end of December. Some fall-off ensued in the subsequent two months, however, but

### NARROW MONEY SUPPLY COMPOSITION (1996 - 2001)



Source: Central Bank

**Figure 24**

they picked up again to reach a peak of \$5,350.2 million in March. As at the end of April, foreign currency deposits receded to a level of \$5,089.5 million, representing a growth of 9.7 percent over the October to April period. This compares with a growth of 13.7 percent in the comparable period of the preceding fiscal year.

The significant growth in foreign currency deposits may be attributed to the increased transfer of funds, largely by local businessmen, from foreign accounts to local accounts, in view of relatively attractive domestic interest rates vis-à-vis US interest rates, and increased confidence in the domestic economy.

Notwithstanding an expansion in deposits, commercial banks' outstanding credit declined consistently from a level of \$18,250.0 million at the beginning of October to a level of \$17,656.7 million at the end of January. It increased thereafter to finish off at \$18,316.8 million at the end of April (**Appendix 18**). This represented an increase in credit of .04 percent and compares with an increase of 4.8 percent in the similar seven-month period of 1999/2000.

Of the small increase, credit extended to the Central Government moved upwards by \$44.2 million, or by 2.1 percent, to a level of \$2,165.4 million, while credit to the public sector increased by \$37.9 million, or by 3.7 percent, to a level of \$1,058.4 million. This increase was offset, however, by a marginal decline in credit to the private sector by .01 percent to a level of \$15,093.0 million. Credit outstanding to this sector remained below the start-

of-the-period level throughout the seven months, and reflects the substantial jump in credit to the sector in the last month of the preceding fiscal year. The increases evident for both Central Government and the Public Sector were related to an expansion of credit largely between February to April.

The modest growth in commercial banks' outstanding credit, in the face of an expansion in deposits, mirrored the general slowdown in domestic economic activity, resulting from the marked weakening of economic growth in the major industrial countries, particularly the United States. Some increase in lending is projected for the remainder of the fiscal year as a result of the generalized reduction in the prime lending rate in May 2001.

## Money Supply

Narrow money supply, defined to include currency in active circulation and demand deposits, increased by a substantial 14.8 percent to \$4,887.2 million during the first three months of fiscal 2000/2001. It declined in the months which followed, but rose again to \$4,825.6 million at the end of April (**Figure 24 and Appendix 17**). Broad money supply exhibited a fairly similar pattern ending the period at \$14,015.8 million. Changes in the money supply reflected an expansion in demand and savings deposits, as currency in circulation exhibited small changes, while time deposits registered a contraction over the period.

## Interest Rates

During the October to May period of the current fiscal year, lending rates of the commercial banks were marked by a downward pressure on the basic prime rate. As early as February, at least one major bank announced a reduction in its prime rate, consequent upon a general easing of liquidity conditions within the system. Subsequent to this, there was a generalized reduction in the median basic prime, following on a decrease in the statutory cash reserve requirement of commercial banks from 21 percent to 18 percent in May. From a level of 16.50 percent, a rate which prevailed since August 1999, the median basic prime rate fell by a full 100 basis points to 15.50 in May. In the case of some of the larger banks, the actual prime rate offered to customers was 15.00 percent.

Other lending rates displayed a fairly similar pattern, with the median rates on demand and real estate mortgages declining consistently to end the period at 15.00 percent and 16.00 percent respectively, 150 basis points lower than beginning-of-the-period levels. Median rates on overdraft loans also moved downwards, by 50 basis points to 16.00 percent, while those on term loans fluctuated before hitting a low of 15.00 percent in May (**Appendix 20**).

In contrast to the downward trend in lending rates, deposit rates exhibited a general upward movement over the eight-month period. With respect to shorter-term deposits, rates on special savings fell by 106 basis points to a low of 4.19 percent in March, but rose again to end the period at 5.63

percent, 38 basis points higher than at the start of the period. Rates on ordinary savings accounts ended the period at 3.25 percent, or 50 basis points above its beginning level.

In the case of longer-term deposits, median rates on 3-month deposits edged upwards to finish off at 7.15 percent in May from 6.45 percent at the start of the fiscal period. Rates on both 6-month and 1-year deposits declined, however, by 98 and 18 basis points to levels of 6.75 percent and 7.75 percent respectively.

Generally lower lending rates occurred within the context of declining international interest rates.

## Exchange Rates

During the October to December period of fiscal 2000/2001, the TT dollar essentially held its value of TT\$6.2998 to US\$1.00, a monthly weighted average selling rate which prevailed since February. At the turn of 2001, however, there was a significant easing of tensions on the market, resulting in a marked strengthening of the dollar to TT\$6.2970 in January. This continued consistently in the months which followed, such that by July, the weighted average selling rate of the US dollar fell to a low of TT\$6.1696 (**Appendix 21**). This represented the longest sustained appreciation of the TT dollar since it was floated in 1993, and the highest value it has attained since December 1996. The strengthening of the TT dollar has been occurring alongside a simultaneous strengthening of the US dollar against other major currencies such as the euro and the pound.



The recent appreciation of the TT dollar can be attributed to a number of factors. Foremost among these is the strong inflow of US dollars from the energy sector caused by high prices of some of our major commodity exports including oil, gas, ammonia, urea and methanol. Added to this has been a reduction in the domestic demand for US dollars, engendered in part by a lull in retail sector activity driven by consumer conservatism, and an apparent wait-and-see attitude among big investors to speculative investments in US portfolios in the face of a slower performing US economy. The strong supply of US dollars since the beginning of 2001 has meant that the Central Bank was not required to provide support to the foreign exchange market during the first six months of the year. On the contrary, close to US\$72 million was purchased by the Central Bank from commercial banks between January and June. For the comparable six-month period of 2000, a net of US\$148 million was sold by the Central Bank to commercial banks to meet existing imbalances within the system.

### **Non - Bank Financial Institutions**

During the first half of the fiscal year, non-bank financial institutions as a group registered a 7.1 percent decline in aggregate deposits, from a level of \$5,934.2 million at the beginning of October to \$5,515.6 million at the end of March. This compares with a 2.3 percent increase in deposits over the comparable period of 1999/2000. Reductions in deposits were recorded for both sub-groups, 'Finance Houses

and Merchant Banks' and 'Trust and Mortgage Companies', by 4.4 percent and 9.3 percent respectively, to levels of \$2,593.0 million and \$2,922.6 million.

Consistent with the fall-off in deposits, net credit extended by the non-bank financial institutions registered only a marginal increase of 2.7 percent to a level of \$10,826.7 million at the end of March. This can be compared to a growth in credit of 5.4 percent in the preceding similar period. While credit of the Trust and Mortgage Companies grew by 5.6 percent to \$6,794.5 million, that of the Finance Houses and Merchant Banks declined by 1.9 percent to a level of \$4,032.2 million.

Of the new credit extended, the bulk of the funds were channeled to the public sector, as evidenced by an increase of \$360.3 million in credit to this sector over the six-month period, to a level of \$2,175.0 million. Credit extended by the non-banks to the private sector fell by \$79.6 million to a level of \$8,651.7 million. This resulted in a corresponding reduction in the proportion of private sector credit to total credit, to 79.9 percent from 82.8 percent at the start of the fiscal period. Of the outstanding total credit to the public sector, 81.9 percent represented investments while 18.1 percent represented loans. The corresponding figures for the private sector were 41.7 percent and 58.3 percent respectively.

Median lending rates on installment loans offered by 'Finance Companies and Merchant Banks' remained steady at 9.3 percent during the first three months of the fiscal year. They declined subsequently to 8.9 percent,

receded further to a low of 8.5 percent in March, and edged upwards again to finish off at 8.7 percent in April. Median lending rates on mortgage loans provided by the 'Trust and Mortgage Companies' also moved downwards, in respect of commercial mortgages. From 14.3 percent in October, lending rates fell to 14.3 percent and then to 14.0 percent in April. Rates on residential mortgages, on the other hand, increased from 13.0 percent to 13.5 percent over the seven-month period.

## **CAPITAL MARKET**

### **Equities**

Following on a strengthening of activity during the first three months of 2000, the domestic stock market experienced a fall-off in the months which followed, with trading activity during the October to June period of fiscal 2000/2001 remaining relatively flat. The dampened mood of the market occurred against a scenario of an increase in the statutory ceiling on equity investment by institutional pension and insurance funds, and downward movements in interest rates.

#### Primary Market

Total new capital raised on the primary market during the nine-month period amounted to \$828.1 million through the issue of 118 million shares. This compares to \$201.4 million raised in the corresponding October to June period of 1999/2000, through the issue of 40.2 million shares. The increase was largely attributable to two new

listings on the Trinidad and Tobago Stock Exchange, which resulted in an increase in the number of companies listed to thirty (30). In February, BWIA commenced trading on the TTSE with its listing of 46.8 million shares valued at \$367.6 million. The National Enterprises Limited (NEL) began trading in March, following on its initial public offering of 50 million shares valued at \$200 million.

#### Secondary Market

During the October to June period of 2000/2001, the volume of shares traded on the secondary market increased marginally to 63.4 million representing a market value of \$603.0 million. This compares with a traded volume of 62.7 million shares carrying a corresponding market value of \$631.2 million, during the similar period of 1999/2000 (**Appendix 22 and Figure 25**). Generally weak trading resulted in a decline in the value of market capitalisation to \$28.8 billion at the end of June, from a level of \$29.7 billion which obtained at the beginning of the fiscal year.

The sluggishness in secondary market activity was reflected in an almost consistent decline in stock prices during the review period. From a peak of 486.7 in March 2000, the Composite Price Index (1983=100) declined consistently thereafter to reach end-of-1999 levels of 419.7 in March 2001. Some improvement followed, with the index moving upwards to 425.2 in the subsequent month. It again receded, however, to finish off at 423.9 at the end of June.

The deceleration in the performance of the domestic stock market has to some extent being linked to caution on the part of investors in the face of poor stock market performance in the US, and a consequent switch by investors to less risky, higher-yielding alternative investment instruments.

## Bonds

During the October to April period of 2000/2001, the domestic bond market supported the raising of a total of approximately \$2,276.5 million in new capital, representing a small decline from the \$2,434.7 million raised in the comparable period of 1999/2000.

Aside from the Central Government which raised \$300 million during the period for development projects, other

major borrowers included the Trinidad and Tobago Electricity Commission (TTEC) - \$500.0 million, the Airports Authority - \$379.3 million, Taurus Services Limited - \$494.0 million and TIDCO - \$180.0 million. These bonds generally carried maturity periods of between 15 to 20 years with fixed rates of interest.

Having emerged as regional financier over the last two years, primary market issues over the seven-month period included borrowings by two regional sovereign borrowers - the Government of St. Kitts-Nevis with an issue of US\$13.1 million, and the Government of St. Lucia with an issue of EC\$20.0 million. This can be compared to regional sovereign borrowings of US\$57.9 million and EC\$36.0 million during the similar period of 1999/2000.

## PUBLIC COMPANY SHARES (1996 - 2001)

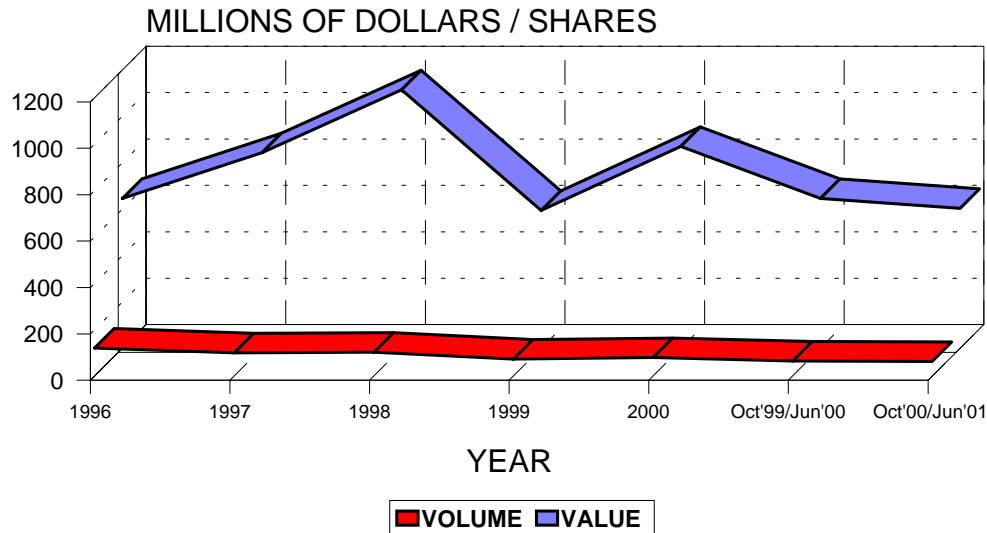


Figure 25

Source: Central Bank & Stock Exchange

US dollar activity was not confined to regional borrowing, as one local company, Taurus Services Limited, raised a sum of US\$31.4 million in December.

Secondary market activity in TT\$ bonds receded sharply in 2000/2001 with a nominal value of bonds traded amounting to \$0.7 million, compared to \$11.9 million in the similar period of the preceding year. Greater vibrancy in trading was evident in respect of the US\$ and the EC\$ bond market, with the nominal value of bonds traded equalling US\$4.3 million and EC\$3.6 million respectively.

## **Mutual Funds**

During fiscal 2000/2001, the domestic mutual fund industry displayed continued growth and dynamism, as was particularly evidenced by the performance of the money market segment of the market.

Over the period October to May, activity on the money market was led by the Unit Trust Corporation's (UTC) Money Market Fund (Second Unit Scheme), which recorded total sales of \$1,739.1 million. Taking into account repurchases, this resulted in a net sales figure of \$550.3 million during the eight-month period. A similarly good performance was exhibited by Royal Bank's Money Market Fund (Roytrin), with gross sales for the period amounting to \$1,238.7 million. A significant level of repurchases, however, resulted in net sales of just over \$98.0 million. The other two money market funds on the market, Republic Bank's Money Market Fund

and the First Citizens Bank (FCB) Abercrombie Fund, registered gross sales positions of \$819.3 million and \$140.9 million respectively. While the Republic Bank's Fund ended the period with a net sales position of \$360.6 million, the Abercrombie Fund finished off with a negative net position of \$200.0 million on account of significant withdrawals by some large investors.

Generally increased sales supported an expansion in the Fund size of these Funds as at the end of May, to \$2,562.0 million in the case of the UTC, \$1,293.5 million for Roytrin, \$1,206.4 million for Republic Bank and \$428 million in respect of FCB.

On the equity side of the market, data for the October to May period reflect a decline in gross sales in the UTC's Growth and Income Fund (First Scheme) over the comparable 1999/2000 period, by \$31.0 million to a level of \$167.4 million. This together with a higher level of repurchases resulted in a negative net sales position of \$16.0 million. A negative net sales position was also registered for the second equity fund on the market, Roytrin's Income and Growth Fund. This Fund recorded gross sales of \$32.8 million and net negative sales of \$43.7 million. The Fund size of the UTC's Fund stood at \$1,268.0 million as at the end of May, while that of Royal Bank stood at \$240.6 million as at the end of June.

The overall buoyancy of the money segment of the mutual fund market, with the corresponding sluggishness on the equity end, mirrored investors'

preference for higher-yielding instruments in the face of relatively subdued activity on the domestic stock market.

In respect of the US dollar segment of the domestic mutual fund industry, the UTC's US dollar Money Market Fund, launched in April 2000, registered

significant growth with a net sales position of approximately US\$50 million for the October to May period of fiscal 2000/2001. A second US dollar Money Market Fund, launched by the Royal Bank in 2001 registered net sales of US\$16 million as at the end of June.

## DOMESTIC ECONOMY

### Trade and Payments

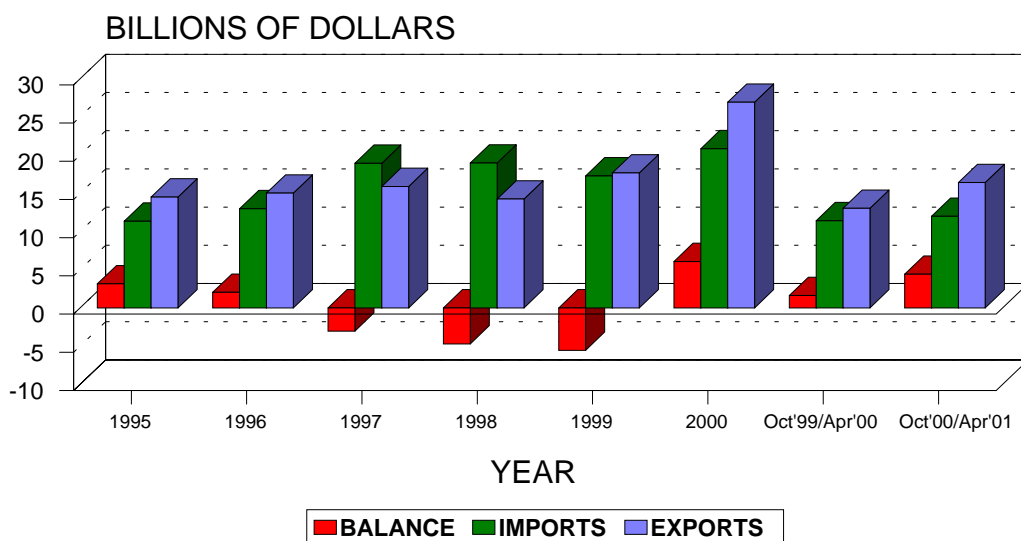
The dampened world economic performance during the first nine months of fiscal 2000/2001 and in particular the slowing of the US economy, required continued vigilance on the part of Trinidad and Tobago in advancing the welfare of its export sectors.

Trinidad and Tobago's trade policy therefore continued to be characterized by the pursuance of international competitiveness in the non-energy sectors in an open, increasingly liberalized, low-tariff trade environment; the preservation of foreign investor confidence; the

development of additional export markets; the diversifying of energy sector products and the deepening of its trade relationships in Latin America and the Caribbean.

Within the Caribbean, Trinidad and Tobago continued its participation in CARICOM Protocol II negotiations for the removal of member country restrictions on the provision of business services from other member states. It also laid legislation before Parliament for the enactment of the previously concluded CARICOM/Dominican Republic Free Trade Agreement, and commenced the preparation of legislation to effect the recently signed CARICOM/Cuba Trade and Economic Cooperation Agreement.

## BALANCE OF VISIBLE TRADE (1995-2001)



Source:C.S.O.

Figure 26

Bilaterally, Trinidad and Tobago recently commenced negotiations on a Free Trade Agreement with Costa Rica and a Partial Scope Trade Agreement with Brazil. Discussions are also continuing on a Trade Agreement with Mexico.

Trinidad and Tobago continues to participate actively in negotiations towards establishment of the Free Trade Area of the Americas, due to come in force in 2005.

### **Balance of Visible Trade**

Trinidad and Tobago registered an overall balance on visible trade of \$4,420.4 million during the period October 2000 to April 2001, almost triple the balance achieved during the corresponding period of the previous fiscal year. This reflected a 25.9% increase in exports in the face of a relatively stable import bill. Over the period the value of exports increased from \$13,043.1 million to \$16,415.3 million while that of imports rose marginally from \$11,416.9 million to \$11,994.9 million (**Appendix 23 and Figure 26**).

A breakdown of exports indicates a 21.4 percent increase in the export of mineral fuels from \$8,408.5 million to \$10,203.6 million, and a 34.0 percent increase in non-mineral or non-fuel exports from \$4,634.6 million to \$6,211.7 million (**Figure 27**).

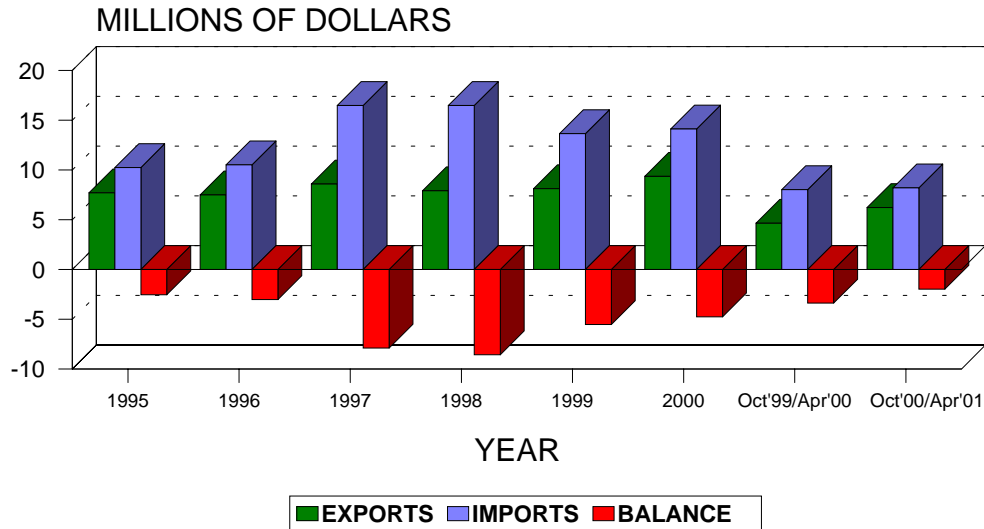
Exports of mineral fuels, not under processing agreement (non-UPA), accounted for most of the growth in mineral fuel exports increasing from \$6,130.7 million to \$7,511.7 million

primarily as a result of higher oil prices. The increase in non-fuel exports was generated by increases in Chemicals (87.1%); Machinery and Transport Equipment (21.3%); and Animals and Vegetable Oils, Fats and Waxes (137.9%). These increases were offset by declines in other exports including Manufactured Goods (5.9%) and Beverages and Tobacco (20.2%). Chemical exports represented the single largest contributor to non-fuel export growth, increasing by \$1,611.2 million during the period. This resulted mainly from high Ammonia, Methanol and Urea prices. The major categories of non-fuel exports were Chemicals followed by Manufactured Goods.

A similar breakdown of imports reveals an 11.7 percent increase in the imports of mineral fuels from \$3,402.6 million to \$3,799.0 million, and a modest 2.3 percent increase in non-fuel imports from \$8,014.3 million to \$8,195.9 million.

The increase in the imports of mineral fuels was due to increased imports in non-UPA fuels for local refining. The increase in non-fuel imports was mainly attributable to increased imports in Machinery and Transport Equipment (10.3%), Miscellaneous Manufactured Articles (11.1%), and Chemicals (3.1%). These slightly offset import reductions in Crude Materials Inedible, Except Fuels (49.5%); Food and Live Animals (5.2%); and Animal and Vegetable Oils, Fats and Waxes (47.3%). The single largest source of non-fuel import growth was Machinery and Transport Equipment which increased by \$363.2 million during the seven months. This was to some

## BALANCE OF NON-OIL TRADE (1995 - 2001)



Source: C.S.O.

**Figure 27**

extent associated with increased importation of plant and machinery associated with the ongoing construction of Trains 2 and 3 of Atlantic LNG. The major categories of non-fuel imports were Machinery and Transport Equipment followed by Manufactured Goods. Of overall non-fuel imports, road vehicles and other transport equipment, industrial and electrical machines and parts, and food are among the principal import items.

In light of the above, the domestic trade balance of the mineral fuel sector increased to \$6,404.6 million from \$5,005.9 million in the previous period, while the deficit on the trade balance of the non-oil sector narrowed to \$1,984.2 million, from \$3,379.7 million recorded in the corresponding 1999/2000 period.

### Balance of Payments

Trinidad and Tobago recorded an overall balance of payments surplus of US\$143.5 million for the October to March period of fiscal 2000/2001. This marks a significant improvement when compared to the deficits of US\$14.5 million and US\$33.0 million registered in the respective periods of 1999/2000 and 1998/1999. The improvement in the overall balance resulted from the substantial gains on the Current Account which outweighed the marked deterioration on the Capital Account. It is noteworthy that the country recorded its eighth consecutive overall Balance of Payments surplus in the year 2000 (**Appendix 24**).



During the six-month period, the Current Account recorded a surplus of US\$527.2 million, dwarfing the surplus of US\$36.6 million achieved during the corresponding preceding period. This improvement was due in most part to an increased surplus on the merchandise trade account, which grew from US\$85.1 million to US\$703.1 million. The upswing was mainly attributable to high petroleum, liquefied natural gas and petrochemical prices that combined with increased LNG and petrochemical production to boost the value of exports in the face of a relatively stable import bill.

The Capital Account, on the other hand, weakened considerably as its deficit widened from US\$51.1 million for the first six months of 1999/2000 to US\$383.7 million for the first six months of 2000/2001. This ensued notwithstanding a more than doubling of foreign direct investment levels from US\$93.0 million to approximately US\$205.5 million, associated with new investments in energy sector projects including Trains 2 and 3 of the Atlantic LNG plant. The reduction in the Capital account reflected on-going overseas investments by commercial banks, reduced Central Government foreign borrowing, and a substantial bullet repayment of \$US125 million on existing external debt in November 2000.

### **Foreign Exchange Reserves**

Trinidad and Tobago's net foreign reserves position improved further in 2000/2001 with the figure at the end of June 2001 standing at \$US1,778.7

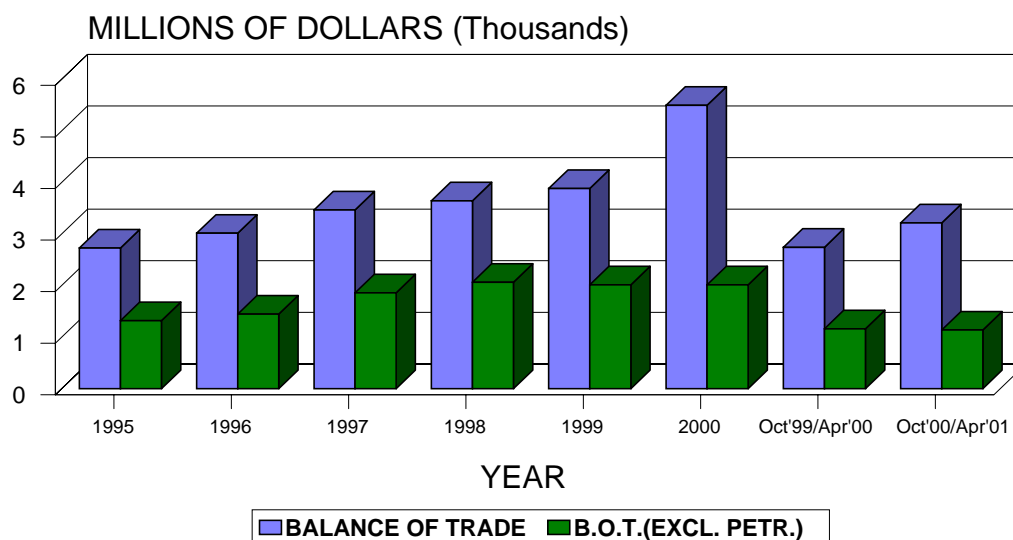
million, 22.1 percent or US\$321.4 million above the end of September 2000 figure. This resulted from a significant increase of \$US332 million in the Central Bank's net foreign position which outweighed the small decline of \$US10.6 million in the net foreign position of the commercial banks. Higher government tax intakes as a result of favorable crude oil prices, and a reduction in sales of foreign exchange by the Central Bank to commercial banks contributed to the strengthening in the Central Bank's net foreign position (**Appendix 25**).

Trinidad and Tobago's gross foreign assets also increased by \$US620.8 million over the first nine months of the fiscal year to measure US\$2,331.8 million at the end of June 2001. This represents the strongest country reserves position since 1982 and translates into just over six (6) months of import cover of prospective goods and services. Total foreign liabilities increased by US\$299.5 million during the period.

### **CARICOM Trade**

During the first seven months of the fiscal year Trinidad and Tobago continued to experience a favorable balance of trade with CARICOM countries. In this regard, the country's trade surplus grew to \$3,212.5 million, 17.3 percent more than the \$2,739.7 million recorded during the corresponding 1999/2000 period. While exports grew by 12.5 percent to \$3,656.1 million, the level of imports fell by 13.3 percent to a level of \$443.6 million (**Appendix 26 and Figure 28**).

## TRADE WITH CARICOM COUNTRIES (1995 - 2001)



Source: C.S.O

**Figure 28**

Increased petroleum exports accounted for most of the expansion in the trade surplus as exports of petroleum increased by \$336.5 million to reach \$2,220 million at the end of the period. This largely reflected higher petroleum prices. Exports of non-petroleum products also increased by \$68.3 million to \$1,436.1 million.

Imports of crude oil for processing declined from \$303.9 million to \$143.4 million during the period. Imports of non-petroleum products increased, however, from \$207.7 million to \$300.2 million.

Jamaica, Barbados, Guyana and Surinam continue to be Trinidad and Tobago's principal CARICOM trading partners, with commerce in the region being dominated by trade in mineral fuels, food, beverages and manufactured goods. Gasolene, gas oil, jet fuel and fuel oil are Trinidad and Tobago's main exports to CARICOM, while linepipe for oil and gas pipelines, and crude petroleum under processing agreement are this country's principal regional imports.

## APPENDIX 1

### GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO: 1996-2001 AT MARKET PRICES (1985 CONSTANT PRICES) (Millions of Dollars)

Sector	1996	1997	1998	1999	2000r	2001p
<b>Gross Domestic Product</b>	<b>17,970.3</b>	<b>18,752.7</b>	<b>19,767.7</b>	<b>21,215.1</b>	<b>22,576.1</b>	<b>23,532.9</b>
<b>Petroleum (oil)</b>	<b>4,387.2</b>	<b>4,390.4</b>	<b>4,582.7</b>	<b>5,162.9</b>	<b>5,398.2</b>	<b>5,676.9</b>
of which petrochemicals	590.7	626.1	696.0	880.2	908.2	1,025.7
<b>Non-oil</b>	<b>13,958.5</b>	<b>14,838.1</b>	<b>15,605.3</b>	<b>16,546.8</b>	<b>17,663.0</b>	<b>18,360.9</b>
<b>Agriculture</b>	<b>630.4</b>	<b>649.9</b>	<b>589.4</b>	<b>687.6</b>	<b>731.2</b>	<b>715.6</b>
Export Agriculture	41.0	38.6	23.0	26.4	23.3	19.8
Domestic Agriculture	327.8	321.0	318.8	338.6	343.3	350.5
Sugar	261.6	290.3	247.6	322.6	364.6	345.3
<b>Manufacturing*</b>	<b>1,410.9</b>	<b>1,606.4</b>	<b>1,791.3</b>	<b>1,877.4</b>	<b>2,042.4</b>	<b>2,037.8</b>
Food, Beverages and Tobacco	597.3	712.6	826.4	880.4	913.9	860.0
Textile, Garments and Footwear	29.1	23.5	19.9	14.9	14.0	15.1
Printing, Publishing etc.	122.7	127.8	132.3	134.7	148.7	151.0
Wood and Related Products	84.6	102.0	112.7	103.6	98.5	87.9
Chem.and Non-Metallic Minerals	296.1	335.2	371.2	384.9	453.3	473.5
Assembly Type and Rel.Inds.	192.8	220.0	232.2	258.2	297.4	322.4
Miscellaneous Manufacturing	88.3	85.3	96.6	100.7	116.6	127.9
<b>Services</b>	<b>11,917.2</b>	<b>12,581.8</b>	<b>13,224.6</b>	<b>13,981.8</b>	<b>14,889.4</b>	<b>15,607.5</b>
Electricity and Water	276.2	299.6	319.2	326.8	352.6	376.3
Construction and Quarrying	1,670.8	1,944.9	2,270.3	2,449.8	2,562.2	2,642.1
Distribution and Restaurants**	2,121.6	2,408.0	2,575.0	2,783.0	3,095.0	3,308.0
Hotels and Guest Houses	55.4	65.7	77.7	92.0	98.9	75.7
Transport, Storage and Comm.	2,148.5	2,248.8	2,264.4	2,382.1	2,572.9	2,688.1
Finance, Insurance, Real Estate	1,746.6	1,798.8	1,834.6	1,876.7	1,925.4	1,953.7
Government	2,600.1	2,518.8	2,466.3	2,625.2	2,824.6	3,088.8
Education and Cultural Service	811.6	806.6	918.6	928.8	929.5	934.4
Personal Services	486.4	490.6	498.5	517.4	528.3	540.4
<b>Corr. for Imputed Service Charge</b>	<b>(375.0)</b>	<b>(475.8)</b>	<b>(420.3)</b>	<b>(494.6)</b>	<b>(485.1)</b>	<b>(504.9)</b>

Source: Central Statistical Office

\* Excludes oil refining and petrochemical industries

\*\* Excludes distribution of petrochemical products

p: provisional

r: revised

## APPENDIX 2

### GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO: 1997-2001 AT MARKET PRICES (CONSTANT 1985 PRICES) (Percentage Change)

Sector	97/96	98/97	99/98	00/99r	01/00p
<b>Gross Domestic Product</b>	<b>4.4</b>	<b>5.4</b>	<b>7.3</b>	<b>6.4</b>	<b>4.2</b>
<b>Petroleum (oil) including Atlantic LNG</b>	<b>0.1</b>	<b>4.4</b>	<b>12.7</b>	<b>4.6</b>	<b>5.2</b>
of which Petrochemicals	6.0	11.2	26.5	3.2	12.9
<b>Non-oil</b>	<b>6.3</b>	<b>5.2</b>	<b>6.0</b>	<b>6.7</b>	<b>4.0</b>
<b>Agriculture</b>	<b>3.1</b>	<b>-9.3</b>	<b>16.7</b>	<b>6.3</b>	<b>-2.1</b>
Export Agriculture	-5.9	-40.4	14.8	-11.7	-15.0
Domestic Agriculture	-2.1	-0.7	6.2	1.4	2.1
Sugar:	11.0	-14.7	30.3	13.0	-5.3
<b>Manufacturing*</b>	<b>13.9</b>	<b>11.5</b>	<b>4.8</b>	<b>8.8</b>	<b>-0.2</b>
Food, Beverages and Tobacco	19.3	16.0	6.5	3.8	-5.9
Textile, Garments and Footwear	-19.2	-15.3	-25.1	-6.0	7.9
Printing, Publishing etc.	4.2	3.5	1.8	10.4	1.5
Wood and Related Products	20.6	10.5	-8.1	-4.9	-10.8
Chem.and Non-Metallic Minerals	13.2	10.7	3.7	17.8	4.5
Assembly Type and Rel.Inds.	14.1	5.5	11.2	15.2	8.4
Miscellaneous Manufacturing	-3.4	13.2	4.2	15.8	9.7
<b>Services</b>	<b>5.6</b>	<b>5.1</b>	<b>5.7</b>	<b>6.5</b>	<b>4.8</b>
Electricity and Water	8.5	6.5	2.4	7.9	6.7
Construction and Quarrying	16.4	16.7	7.9	4.6	3.1
Distribution and Restaurants**	13.5	6.9	8.1	11.2	6.9
Hotels and Guest Houses	18.6	18.3	18.4	7.5	-23.5
Transport, Storage and Comm.	4.7	0.7	5.2	8.0	4.5
Finance, Insurance, Real Estate	3.0	2.0	2.3	2.6	1.5
Government	-3.1	-2.1	6.4	7.6	9.4
Education and Cultural Service	-0.6	13.9	1.1	0.1	0.5
Personal Services	0.9	1.6	3.8	2.1	2.3
<b>Cor. for Imputed Service Charge</b>	<b>(26.7)</b>	<b>(11.7)</b>	<b>(17.7)</b>	<b>1.9</b>	<b>(4.1)</b>

Source: Central Statistical Office

\* Excludes oil refining and petrochemical industries (See 'PETROLEUM SECTOR')

\*\* Excludes distribution of petrochemical products.(See 'PETROLEUM SECTOR')

r: revised

p: provisional

### APPENDIX 3

## GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO: 1996-2001 AT MARKET PRICES (CURRENT PRICES) (Millions of Dollars)

Industry	1996	1997	1998	1999	2000r	2001p
<b>Gross Domestic Product</b>	<b>34,586.6</b>	<b>36,626.2</b>	<b>39,796.1</b>	<b>43,254.5</b>	<b>50,871.5</b>	<b>55,815.1</b>
<b>Petroleum (oil)</b>	<b>10,060.4</b>	<b>9,130.9</b>	<b>7,027.5</b>	<b>8,369.9</b>	<b>12,833.3</b>	<b>13,746.5</b>
of which Petrochemicals	1,808.3	1,775.0	1,275.9	916.7	2,474.4	2,760.2
<b>Non-oil</b>	<b>24,003.8</b>	<b>27,245.0</b>	<b>32,025.2</b>	<b>34,615.6</b>	<b>37,841.5</b>	<b>41,873.9</b>
<b>Agriculture</b>	<b>721.1</b>	<b>777.4</b>	<b>783.4</b>	<b>830.3</b>	<b>838.2</b>	<b>805.3</b>
Export Agriculture	43.3	37.5	19.5	33.2	25.2	21.4
Domestic Agriculture	400.6	384.0	410.6	399.3	405.9	417.3
Sugar	277.2	355.9	353.3	397.8	407.1	366.6
<b>Manufacturing*</b>	<b>2,412.5</b>	<b>2,820.2</b>	<b>3,453.8</b>	<b>3,745.1</b>	<b>4,131.9</b>	<b>4,154.1</b>
Food, Beverages and Tobacco	1,022.1	1,120.2	1,445.2	1,609.7	1,688.1	1,659.1
Textile, Garments and Footwear	59.1	66.9	67.0	55.0	52.3	56.4
Printing, Publishing etc.	230.2	262.8	302.6	355.0	395.1	390.8
Wood and Related Products	76.0	101.7	99.0	95.3	95.7	87.5
Chem. and Non-Metallic Minerals	351.3	417.0	529.5	574.6	697.5	728.6
Assembly Type and Rel. Inds.	537.5	664.2	832.5	873.5	990.7	1,001.3
Miscellaneous Manufacturing	136.3	187.4	178.0	182.0	212.5	230.4
<b>Services</b>	<b>20,870.2</b>	<b>23,647.4</b>	<b>27,788.0</b>	<b>30,040.2</b>	<b>32,871.4</b>	<b>36,914.5</b>
Electricity and Water	455.7	579.1	849.2	894.8	958.0	1,058.7
Construction and Quarrying	2,685.0	3,228.6	3,927.7	4,164.7	4,458.2	4,650.1
Distribution and Restaurants**	5,030.3	5,964.0	6,790.0	7,617.0	8,778.0	9,980.0
Hotels and Guest Houses	222.8	351.5	445.9	528.5	593.1	553.8
Transport, Storage and Comm.	3,206.5	3,354.4	4,084.1	4,330.8	4,752.9	5,253.7
Finance, Insurance, Real Estate	4,148.1	5,039.2	6,156.6	6,363.2	7,228.6	8,559.0
Government	3,398.4	3,314.7	3,489.1	4,009.8	3,872.9	4,356.6
Education and Cultural Services	1,035.9	1,100.3	1,280.0	1,315.5	1,370.6	1,604.8
Personal Services	687.5	715.6	765.4	815.9	859.1	897.8
<b>Corr. for Imputed Service Charge</b>	<b>(891.5)</b>	<b>(1,373.7)</b>	<b>(1,410.5)</b>	<b>(1,677.0)</b>	<b>(1,821.3)</b>	<b>(2212.1)</b>
<b>Add: Value Added Tax</b>	<b>1,413.9</b>	<b>1,624.0</b>	<b>2,153.9</b>	<b>1,946.0</b>	<b>2,018.0</b>	<b>2,406.8</b>

Source: Central Statistical Office

\* Excludes oil refining and petrochemical industries

\*\* Excludes distribution of petrochemical products

p : provisional

r : revised

## APPENDIX 4

### GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO: 1997-2001 AT MARKET PRICES (CURRENT PRICES) (Percentage Change)

Sector	97/96	98/97	98/99	00/99r	01/00p
<b>Gross Domestic Product</b>	<b>5.9</b>	<b>8.7</b>	<b>8.7</b>	<b>17.6</b>	<b>9.7</b>
<b>Petroleum (oil)</b>	<b>-9.2</b>	<b>-23.0</b>	<b>19.1</b>	<b>53.3</b>	<b>7.1</b>
of which Petrochemicals	-1.8	-28.1	-28.2	169.9	11.6
<b>Non-oil</b>	<b>13.5</b>	<b>17.5</b>	<b>8.1</b>	<b>9.3</b>	<b>10.7</b>
<b>Agriculture</b>	<b>7.8</b>	<b>0.8</b>	<b>6.0</b>	<b>1.0</b>	<b>-3.9</b>
Export Agriculture	-13.4	-48.0	70.3	-24.1	-15.1
Domestic Agriculture	-4.1	6.9	-2.8	1.7	2.8
Sugar	28.4	-0.7	12.6	2.3	-9.9
<b>Manufacturing (1)</b>	<b>16.9</b>	<b>22.5</b>	<b>8.4</b>	<b>10.3</b>	<b>0.5</b>
Food, Beverages and Tobacco	9.6	29.0	11.4	4.9	-1.7
Textile, Garments and Footwear	13.2	0.1	-17.9	-4.9	7.8
Printing, Publishing etc.	14.2	15.1	17.3	11.3	-1.1
Wood and Related Products	33.8	-2.7	-3.7	0.4	-8.6
Chem. and Non-Metallic Minerals	18.7	27.0	8.5	21.4	4.5
Assembly Type and Rel. Inds.	23.6	25.3	4.9	13.4	1.1
Miscellaneous Manufacturing	37.5	-5.0	2.2	16.8	8.4
<b>Services</b>	<b>13.3</b>	<b>17.5</b>	<b>8.1</b>	<b>9.4</b>	<b>12.3</b>
Electricity and Water	27.1	46.6	5.4	7.1	10.5
Construction and Quarrying	20.2	21.7	6.0	7.0	4.3
Distribution and Restaurants (2)	18.6	13.8	12.2	15.2	13.7
Hotels and Guest Houses	57.8	26.9	18.5	12.2	-6.6
Transport, Storage and Comm.	4.6	21.8	6.0	9.7	10.5
Finance, Insurance, Real Estate	21.5	22.2	3.4	13.6	18.4
Government	-2.5	5.3	14.9	-3.4	12.5
Education and Cultural Services	6.2	16.3	2.8	4.2	17.1
Personal Services	4.1	7.0	6.6	5.3	4.5
<b>Corr. for Imputed Service Charge</b>	<b>(54.1)</b>	<b>(2.7)</b>	<b>(18.9)</b>	<b>(8.6)</b>	<b>(21.5)</b>
<b>Add: Value Added Tax</b>	<b>14.9</b>	<b>32.6</b>	<b>(9.7)</b>	<b>3.7</b>	<b>19.3</b>

Source: Central Statistical Office

(1) Excludes oil refining and petrochemical industries (See 'PETROLEUM SECTOR')

(2) Excludes distribution of petrochemical products. (See 'PETROLEUM SECTOR')

p: provisional

r: revised

## APPENDIX 5

### DOMESTIC CRUDE PRODUCTION AND DEVELOPMENT AND EXPLORATORY DRILLING 1996- 2001

	1996	1997	1998	Oct '98/ Sep '99	Oct '99/ Sept '00	Oct '99/ May '00	Oct '00/ May '01p
<b>TOTAL CRUDE PRODUCTION</b>							
<b>(MILLIONS OF BARRELS)</b>	47.1	45.1	44.8	45.8	44.5	29.8	27.2
<b>(MILLIONS OF CUBIC METRES)</b>	7.5	7.2	7.1	7.3	7.1	4.7	4.3
<b>% LAND</b>	23.0	25.8	24.6	23.0	22.0	22.2	22.8
<b>% MARINE</b>	77.0	74.2	75.4	77.0	78.0	77.8	77.2
<b>DEV. &amp; EXPL. DRILLING</b>							
<b>(depth drilled)</b>							
<b>(THOUSANDS OF METRES)</b>	123.0	166.6	173.4	135.5	140.2	88.7	106.4
<b>LAND</b>	31.8	77.2	33.1	34.1	59.8	38.3	46.9
<b>MARINE</b>	91.6	89.4	140.3	101.3	80.3	50.4	59.4

Source: Ministry of Energy and Energy Industries

p: provisional

r: revised

## APPENDIX 6

### NATURAL GAS PRODUCTION AND UTILIZATION (MILLIONS OF CUBIC METRES) 1996 - 2001

	1996	1997	1998	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Sep '01p
<b>PRODUCTION</b>	9058	9137	10294	11886	15092	16336
<b>FUEL</b>	4757	5023	5560	5540	5530	5979
<b>PROCESSED</b>	2570	2667	3403	3773	4143	4798
<b>VENTED</b>	1565	1302	1191	961	893	934
<b>NATURAL GAS LIQUIDS*</b>	166	145	140	165	129	236
<b>LIQUEFIED NATURAL GAS</b>	-	-	-	1447	4397	4389

Source: Ministry of Energy and Energy Industries

\*: relates to the gas that is converted to natural gas liquids

p: provisional

r: revised



## APPENDIX 6A

### PETROCHEMICALS PRODUCTION AND EXPORTS: 1996-2001 (000 TONNES)

	1996	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Sep '01p
<b>Nitrogenous Fertilisers (ammonia and urea)</b>						
<b>Production</b>	2674.2	2690.7	3118.4	3769.5	3738.1	4343.9
<b>Exports</b>	2336.3	2291.7	2115.7	3404.0	3411.1	3934.2
<b>Local Sales</b>	16.8	12.2	2746.2	-	0.0	0.0
<b>Methanol</b>						
<b>Production</b>	1354.5	1520.3	1792.7	2031.2	2042.0	2827.0
<b>Exports</b>	1317.4	1545.8	1785.0	2121.1	1958.3	2750.7
<b>Local Sales</b>	6.8	10.4	14.3	-	-	23.4

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

p: provisional

## APPENDIX 7

### STEEL PRODUCTION: 1996 - 2001 (000 TONNES)

	1996	1997	Jan '98/ Sep '98	Oct '98/ Jun '99	Oct '99/ May '00	Oct '00/ May '01p
<b>DIRECT REDUCED IRON</b>						
<b>Production</b>	954.5	1133.8	827.5	682.3	978.1	1298.9
<b>Exports</b>	272.9	344.9	209.1	174.8	433.2	738.6
<b>Local Sales</b>	0.0	0.0	0.0	0.0	-	-
<b>Own Consumption</b>	679.0	780.5	631.3	501.6	513.7	535.5
<b>BILLETS</b>						
<b>Production</b>	643.6	747.0	601.6	503.7	479.8	510.0
<b>Exports</b>	8.2	12.7	3.0	0.8	3.1	13.2
<b>Local Sales</b>	54.4	64.3	48.0	60.0	36.7	43.2
<b>Own Consumption</b>	595.5	659.8	531.6	432.4	453.8	457.1
<b>WIRE RODS</b>						
<b>Production</b>	575.4	668.0	512.2	415.3	436.6	438.6
<b>Exports</b>	551.9	603.7	485.2	400.9	422.1	413.2
<b>Local Sales</b>	27.0	30.5	28.2	23.0	15.5	22.1
<b>Own Consumption</b>	1.2	1.3	0.7	1.2	1.0	1.1

p: provisional

Source: Caribbean Ispat Limited

Central Bank of Trinidad and Tobago

## APPENDIX 8

### CHANGES IN PRICES, PRODUCTIVITY AVERAGE WEEKLY EARNINGS AND WAGE RATES 1996 -2001

	1996	1997	1998	1999	2000	Oct '99/ Jun '00	Oct '00/ Jun '01
<b>CONSUMER PRICE INDEX</b> Sept.1993=100	3.3	3.6	5.6	3.4	3.5	3.0	5.2
<b>INDEX OF PRODUCTIVITY</b> All workers/all inds. 1995=100	5.9	7.7	15.6	6.6	5.3	1.6*	10.6**
<b>INDEX OF AVG WEEKLY EARNINGS</b> All workers/all inds. 1995=100	7.5	6.5	6.7	-6.1	9.1	-1.1	-14.1
<b>INDEX OF MINIMUM WAGE RATES</b> Production and Ancillary Wkrs. 1976=100	2.9	1.9	2.4	1.5	2.8	2.3 a	2.0 b

\* Relates to October 1999 - March 2000

\*\* Relates to October 2000 - March 2001

<sup>a</sup> Relates to November 1999/ May 2000

<sup>b</sup> Relates to November 2000/ May 2001

Source: Central Statistical Office

**APPENDIX 9**  
**POPULATION, LABOUR FORCE AND EMPLOYMENT ESTIMATES (Mid-Year)**  
**1994 - 2001**

	1994	1995	1996	1997	1998	1999	2000r	2001p
<b>TOTAL POPULATION *</b>	1,249,739	1,259,971	1,263,616	1,274,799	1,277,675	1,283,862	1,290,083	1,296,335
<b>% change</b>	0.2	0.8	0.3	0.9	0.2	0.5	0.5	0.5
<b>TOTAL MALE</b>	629,767	634,060	635,318	636,340	638,096	640,914	643,747	646,592
<b>% change</b>	0.1	0.7	0.2	0.2	0.3	0.4	0.4	0.4
<b>TOTAL FEMALE</b>	619,972	625,911	628,298	638,459	639,579	642,948	646,336	649,743
<b>% change</b>	0.4	1.0	0.4	1.6	0.2	0.5	0.5	0.5
<b>Pop.under 15 years</b>	374,894	365,026	353,002	344,009	333,887	322,799	324,363	325,296
<b>and 65 yrs and over</b>	454,603	442,767	432,217	426,287	417,975	409,014	410,996	412,178
<b>All other Age Groups</b>	795,136	817,204	831,399	848,512	859,700	874,848	879,087	884,157
<b>Dependency Ratio (%)</b>	57.2	54.2	52.0	50.2	48.6	46.8	46.8	46.6
<b>Non Institutional Pop.</b>								
<b>15 yrs and over</b>	857,400	864,900	876,700	896,600	913,400	961,061	965,721	968,499
<b>Labour Force**</b>	509,400	521,000	530,400	541,000	558,700	563,400	564,000	580,700
<b>Persons Employed</b>	415,600	431,500	444,200	459,800	479,300	489,400	491,600	516,200
<b>Persons Unemployed</b>	93,800	89,400	86,100	81,200	79,400	74,100	72,400	64,500
<b>Participation Rate (%)</b>	59.4	60.2	60.5	60.3	61.2	60.8	60.6	60.6
<b>Unemployment Rate (%)</b>	18.4	17.2	16.2	15.0	14.2	13.2	12.8	11.1
<b>Births per 1000 persons</b>	15.75	15.28	14.24	14.47	13.42	14.10	13.42	13.42
<b>Deaths per 1000 persons</b>	7.41	7.17	7.42	7.18	7.31	7.76	7.31	7.31
<b>Crude Natural Growth</b>								
<b>Rate per '000</b>	8.34	8.11	6.82	7.29	6.11	6.34	6.11	6.11

Source: Central Statistical Office

\* Figures based on vital statistics estimates

\*\* Figures based on CSSP estimates

p: provisional - Population figures are mid-year estimates. Labour Force and Employment data relate to the period Oct'00/Mar'2001

r: revised

## APPENDIX 10

### MID-YEAR ESTIMATES OF POPULATION BY AGE (BOTH SEXES)

	1994	1995	1996	1997	1998	1999	2000r	2001p
<b>Total Population All Ages*</b>	1,249,739	1,259,971	1,263,616	1,274,799	1,277,675	1,283,862	1,290,083	1,296,335
<b>Non-Institutional Population</b>								
<b>All Ages</b>								
<b>Under 15</b>	374,894	365,026	353,002	344,009	333,887	322,799	324,363	325,296
<b>15 - 19</b>	120,152	122,074	123,386	125,487	126,244	125,850	126,460	126,824
<b>20 - 24</b>	106,728	108,872	110,285	113,205	114,703	116,913	117,480	117,817
<b>25 - 29</b>	106,469	106,027	104,898	104,999	106,792	107,970	108,493	108,805
<b>30 - 34</b>	103,394	105,232	104,304	103,806	102,393	102,098	102,593	102,888
<b>35 - 39</b>	95,273	98,914	101,262	101,072	102,257	102,869	103,367	103,665
<b>40 - 44</b>	78,186	83,420	86,588	89,922	91,730	94,052	94,508	94,780
<b>45 - 49</b>	64,462	68,129	70,817	73,655	76,303	79,996	80,384	80,615
<b>50 - 54</b>	49,059	51,209	54,773	58,075	59,415	61,988	62,288	62,468
<b>55 - 59</b>	39,876	41,438	42,115	44,179	45,803	48,414	48,649	48,789
<b>60 - 64</b>	31,537	31,889	32,971	34,112	34,080	34,698	34,866	34,966
<b>65 and Over</b>	79,709	77,741	79,215	82,278	84,088	86,215	86,633	86,882

Source: Central Statistical Office

\*: Figures based on vital statistics estimates

p: provisional

r: revised

**APPENDIX 11**  
**LABOUR FORCE BY INDUSTRY AND EMPLOYMENT STATUS (CSSP ESTIMATES)**

**1999 - 2001**

	1999			Oct'98/Mar'99			Oct'99/Mar'00			Oct'00/Mar'01		
	Labour force	Employed	Unem- ployed	Labour force	Employed	Unem- ployed	Labour force	Employed	Unem- ployed	Labour force	Employed	Unem- ployed
<b>Total Labour Force</b>	563,400	489,400	74,100	562,600	480,600	82,000	564,000	491,600	72,400	580,700	516,200	64,500
<b>Agriculture, Forestry, Hunting &amp; Fishing</b>	30,100	28,400	1,700	31,300	29,300	2,100	30,600	28,900	1,700	29,500	27,700	1,800
<b>Sugar</b>	12,200	11,300	900	12,200	11,500	900	10,900	9,300	1,500	11,000	9,600	1,400
<b>Petroleum Industries</b>	17,600	15,100	2,500	18,800	16,100	2,800	18,400	15,800	2,600	18,100	16,300	1,800
<b>Construction</b>	83,600	60,800	22,700	78,300	54,200	24,200	79,700	56,600	23,100	87,200	64,500	22,700
<b>Wholesale/Retail Trade, Restaurants &amp; Hotels</b>	103,800	88,900	14,900	102,300	85,300	17,100	107,500	92,300	15,200	110,600	97,600	12,900
<b>Transport,Storage &amp; Comm.</b>	38,000	35,800	2,300	38,600	35,400	3,200	43,600	41,100	2,500	42,400	40,300	2,100
<b>Finance, Insurance Real- Estate &amp; Bus.Services</b>	41,000	37,500	3,500	42,900	39,300	3,600	42,100	39,500	2,700	42,600	40,300	2,400
<b>Community Social &amp; Personal Services</b>	168,800	151,500	17,400	167,200	148,000	19,200	167,600	151,400	16,200	169,200	155,800	13,400
<b>Electricity &amp; Water</b>	6,900	6,300	600	6,500	5,800	800	7,500	7,000	500	7,200	7,100	100
<b>Other Manufacturing</b>	60,200	53,000	7,100	63,000	55,000	8,000	55,600	49,200	6,500	62,100	56,300	5,800
<b>Other Mining &amp; Quarrying</b>	700	600	100	900	800	100	500	500	100	800	700	100
<b>Not Stated</b>	800	400	400	800	300	400	400	400	-	-	-	-

Source: Central Statistical Office

1: Due to the effect of rounding, figures may not always add up to totals shown

## APPENDIX 12

### SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS (1): 1993-2001 (Millions of Dollars)

	1993	1994	1995	1996	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct'00/ Sep'01p
<b>Total Revenue and Grants (2)</b>	6,744.2	7,565.3	8,511.6	9,542.5	10,453.7	10,615.5	10,263.6	12,199.4	14,301.8
<b>Recurrent Revenue</b>	6,721.8	7,505.4	8,455.6	9,536.8	9,125.9	9,945.0	9,998.2	12,133.3	14,029.5
<b>Tax Revenue</b>	5,698.1	6,272.6	7,193.5	8,059.7	7,649.7	7,961.6	8,119.5	10,309.2	12,043.1
<b>Non-Tax Revenue</b>	1,023.7	1,232.8	1,262.1	1,477.1	1,476.2	1,983.4	1,878.7	1,824.1	1,986.4
<b>Capital Receipts</b>	4.7	23.9	4.4	3.5	1,292.1	638.1	246.7	56.1	260.6
<b>Grants</b>	17.8	36.0	51.6	2.2	35.7	32.4	18.7	10.0	11.7
<b>Total Expenditure and</b>									
<b>  Net-lending</b>	6,783.3	7,571.3	8,458.3	9,371.5	10,412.3	11,596.7	10,526.3	12,482.7	14,168.6
<b>Recurrent Expenditure</b>	6,389.5	7,089.8	7,835.9	8,791.0	9,270.0	10,351.9	10,008.3	11,275.1	13,423.2
<b>Capital Expenditure and</b>									
<b>  Net-lending</b>	393.8	481.5	622.4	580.5	1,142.3	1,244.8	518.0	1,207.6	745.4
<b>Current Account Balance</b>	332.3	415.6	619.7	745.8	-144.1	-406.9	-10.1	858.2	606.3
<b>Overall Surplus/(Deficit)</b>	-39.1	-6.0	53.3	171.0	41.4	-981.2	-262.7	-283.3	133.2
<b>Financing Requirements</b>	39.1	6.0	-53.3	171.0	41.4	981.2	262.7	283.3	-133.2
<b>  External Financing (net)</b>	514.9	335.7	-816.2	-9.2	-704.9	-383.5	834.6	1,607.6	-973.9
<b>  Domestic Financing (net)</b>	-475.8	-329.7	762.9	-161.8	663.5	1,364.7	-571.9	-1324.3	840.7

Source: Ministry of Finance

p: provisional

(1): Includes the operations of the Consolidated Fund, the Unemployment Levy Fund, Road Improvement Fund and the funds for Long Term Projects.

(2): Excludes repayment of past lending. Such receipts are included under net-lending.

## APPENDIX 13

### CENTRAL GOVERNMENT REVENUE: 1993-2001 (Millions of Dollars)

	1993	1994	1995	1996	1997	Oct'97/ Sep'98	Oct'98/ Sep'99	Oct'99/ Sep'00	Oct'00/ Sep'01p
<b>Total Revenue and Grants</b>	6,744.2	7,565.3	8,511.6	9,542.5	10,453.7	10,615.5	10,263.6	12,199.4	14,301.8
<b>Recurrent Revenue</b>	6,721.7	7,505.4	8,455.6	9,536.8	9,125.9	9,945.0	9,998.2	12,133.3	14,029.5
<b>Tax Revenue</b>	5,698.0	6,272.6	7,193.5	8,059.7	7,649.7	7,961.6	8,119.5	10,309.2	12,043.1
<b>Taxes on Incomes and Profits</b>	2,841.0	3,366.1	4,319.5	5,061.7	4,134.3	3,665.8	3,987.2	6,217.6	7,529.1
<b>Companies</b>	1,222.1	1,603.3	2,217.2	2,805.4	2,008.4	1,370.0	1,534.7	3,481.7	4,471.7
<b>Individuals</b>	1,344.9	1,430.9	1,533.4	1,786.4	1,765.1	1,898.5	2,013.3	2,169.4	2,317.2
<b>Unemployment Levy</b>	34.7	72.7	163.6	117.5	48.9	15.7	51.4	157.0	191.4
<b>National Health Surcharge</b>	104.6	98.2	106.4	131.4	127.6	116.4	122.8	149.1	142.9
<b>National Recovery Impost</b>	1.7	0.2	18.9	2.1	-	1.6	-	-	-
<b>Income Tax Surcharge</b>	0.1	1.9	0.1	0.1	-	-	-	-	-
<b>Withholding Tax</b>	81.8	73.4	165.0	129.5	99.2	170.1	185.1	195.3	300.0
<b>Business Levy</b>	51.1	85.5	114.9	89.3	85.1	93.5	79.9	65.1	105.9
<b>Taxes on Property</b>	80.0	117.0	71.2	64.2	65.1	65.9	68.9	70.8	66.2
<b>Land and Building Taxes</b>	72.0	109.4	60.9	58.7	56.6	62.9	61.6	63.9	59.1
<b>Estate for Succession Duties</b>	0.3	0.2	0.1	0.2	0.2	0.2	0.2	0.1	-
<b>Insurance Surrender</b>	7.7	7.4	10.2	5.3	8.3	2.8	7.1	6.8	7.1
<b>Taxes on Goods and Services</b>	2,098.3	2,134.1	2,217.2	2,335.5	2,739.0	3,427.5	3,206.7	3,128.7	3,462.1
<b>Excise Duties</b>	802.2	667.6	603.9	609.9	757.8	815.6	892.0	800.7	839.3
<b>Betting and Entertainment</b>	11.7	4.6	4.2	8.3	2.5	14.7	-	17.3	7.5
<b>Liquor and Misc., Licences</b>	7.2	6.8	6.7	9.7	9.5	10.0	9.2	9.6	10.1
<b>Motor Vehicle Taxes</b>	83.8	113.6	130.4	173.1	201.5	283.8	297.1	239.4	208.9
<b>Value Added Tax</b>	1,163.1	1,259.0	1,344.8	1,413.9	1,623.9	2,141.7	1,849.8	1,889.5	2,225.0
<b>Other</b>	92.0	125.1	127.2	120.6	143.8	161.7	158.6	172.2	171.3



**APPENDIX 13 cont'd**  
**CENTRAL GOVERNMENT REVENUE: 1993-2001**  
**(Millions of Dollars)**

	1993	1994	1995	1996	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct '99/ Sep'00	Oct'00/ Sep'01p
<b>Trade Taxes on International Trade</b>	644.3	610.3	527.2	530.2	606.7	713.5	775.7	781.5	863.7
<b>Import Duties</b>	326.4	376.3	473.5	488.7	564.3	669.5	728.1	746.4	799.0
<b>Airport Departure Tax</b>	15.8	31.5	33.3	34.0	36.7	38.9	43.0	33.2	63.1
<b>Stamp Duty on Bills of Entry</b>	260.5	165.9	4.9	1.9	0.3	1.2	0.2	0.2	-
<b>Other</b>	41.6	36.6	15.5	5.6	5.4	3.9	4.4	1.7	1.6
<b>Other Taxes</b>	34.4	45.1	58.4	68.1	104.6	88.9	81.0	110.6	122.0
<b>Stamp duties</b>	34.4	45.1	58.4	68.1	104.6	88.9	81.0	110.6	122.0
<b>NON-TAX REVENUE</b>	1,023.7	1,232.8	1,262.1	1,477.1	1,476.2	1,983.4	1,878.7	1,824.1	1,986.4
<b>Interest Income</b>	87.9	125.5	127.2	80.1	182.4	223.8	174.2	159.2	204.7
<b>Royalties</b>	506.5	379.7	528.8	679.1	536.0	504.4	521.5	576.5	746.1
<b>Profits from Non-Financial</b>									
<b>Enterprises</b>	202.9	446.4	357.9	490.4	474.4	366.7	327.5	457.0	295.6
<b>Profits from Financial</b>									
<b>Enterprises</b>	79.4	92.4	45.0	17.8	6.4	79.1	61.5	78.2	91.9
<b>Administrative Fees</b>									
<b>and Charges</b>	56.0	63.4	97.5	101.1	148.5	670.2	171.4	153.0	185.5
<b>Non industrial Sales</b>	5.7	4.7	4.7	4.6	7.8	8.3	7.8	10.5	4.9
<b>Post Office</b>	30.2	34.1	33.3	36.5	30.4	26.2	29.1	-	0.3
<b>Other</b>	55.1	86.6	67.7	67.5	90.3	104.7	585.7	389.7	457.4
<b>CAPITAL RECEIPTS</b>	4.7	23.9	4.4	3.5	1,292.1	638.1	246.7	56.1	260.6
<b>GRANTS</b>	17.8	36.0	51.6	2.2	35.7	32.4	18.7	10.0	11.7

Source: Ministry of Finance  
p: provisional

## APPENDIX 14

### Central Government Expenditure and Net Lending: 1993-2001 (Millions of Dollars)

	1993	1994	1995	1996	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct'99/ Sep '00	Oct'00/ Sep'01p
<b>Total Expenditure and Net Lending</b>	6,783.3	7,571.3	8,550.1	9,449.4	10,617.8	11,596.7	10,526.3	12,482.7	14,168.6
<b>Recurrent Expenditure</b>	6,389.5	7,089.8	7,835.9	8,791.0	9,270.0	10,351.9	10,008.3	11,275.1	13,423.2
<b>Wages and Salaries</b>	2,572.7	2,591.8	2,884.4	3,154.7	3,218.9	3,876.1	3,665.1	3,141.1	3,926.4
<b>Goods and Services</b>	518.7	740.4	887.5	918.9	938.3	1,092.6	1,095.4	1,236.3	1,604.5
<b>Interest Payments</b>	1,446.6	1,574.4	1,576.9	1,580.6	1,690.1	1,849.0	1,986.2	2,520.3	2,339.4
<b>(Domestic)</b>	911.5	934.5	824.9	919.6	950.9	1,072.9	1,271.9	1,680.9	1,519.6
<b>(External)</b>	535.1	639.9	752.0	661.0	739.2	776.1	714.3	839.4	819.8
<b>Subsidies and Transfers</b>	1,851.5	2,183.2	2,487.1	3,136.8	3,422.7	3,534.2	3,261.6	4,377.4	5,552.9
<b>Capital Expenditure and Net-Lending</b>	393.8	481.5	714.2	658.4	1,347.8	1,244.8	518.0	1,207.6	745.4
<b>Development Programme Infrastructure Dev.Fund Net-Lending</b>	487.0	506.9	714.2	658.4	1,347.8	1,275.1	543.7	1,369.6	978.1
<b>Infrastructure Dev.Fund Net-Lending</b>	-	-	-	-	-	207.1	198.2	78.6	15.1
<b>Net-Lending</b>	-93.2	-25.4	-91.8	-77.9	-205.5	-237.4	-223.9	-240.6	-247.8

Source: Ministry of Finance

p: provisional

## APPENDIX 15

### Central Government Financing Transaction: 1993-2001 (Millions of Dollars)

	1993	1994	1995	1996	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct '99/ Sep'00	Oct'00/ Sep'01p
<b>External Financing (Net)</b>	514.9	335.7	-816.2	-9.2	-704.9	-383.5	834.6	1,607.6	-973.9
<b>External Borrowings</b>	1,176.0	1,366.0	191.7	1,197.8	1,295.8	1,268.5	2,886.3	2,547.6	279.7
<b>Proceeds from Divestment</b>	492.4	589.3	-	-	-	-	-	-	-
<b>External Capital Repayments</b>	-1153.5	-1619.6	-1007.9	-1,207.0	-2,000.7	-1,652.0	-2,051.7	-940.0	-1,253.6
<b>Domestic Financing (Net)</b>	-475.8	-329.7	762.9	-161.8	1,085.6	1,364.7	-571.9	-1,324.3	840.7
<b>Domestic Borrowings</b>	406.2	461.9	1,012.9	487.8	1,085.6	1,073.0	590.7	2,000.2	1,710.7
<b>Proceeds from Divestment</b>	29.8	20.8	51.1	28.2	-	-	-	-	-
<b>Domestic Capital Repayments</b>	-69.2	-25.2	-81.0	-62.6	-249.3	-381.4	-439.5	-1,240.9	-1,589.6
<b>Sinking Fund Transfers</b>	-120.0	-116.7	-87.7	-99.6	-133.9	-189.8	-196.3	-191.6	-174.1
<b>Change-Cash Balances and Other Securities</b>	-722.6	-670.5	-132.4	-515.6	-38.9	862.9	-526.8	-1,892.0	893.7

Source: Ministry of Finance

p: provisional

## APPENDIX 16

### TOTAL PUBLIC DEBT AND DEBT SERVICE: 1993-2001 (Millions of Dollars)

	1993	1994	1995	1996	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct'99/ Sep '00	Oct'00/ Sep'01p
<b>Total Public Debt (1)</b>	17,050.0	18,297.9	18,812.0	18,627.3	19,964.3	21,768.6	24,073.7	28,348.7	30,900.4
<b>Central Government Debt</b>	15,059.8	15,835.9	16,327.9	16,328.0	17,764.3	17,411.2	18,390.2	20,749.4	20,099.2
<b>Internal Debt (2)</b>	5,605.8	5,764.9	6,589.8	6,738.7	7,751.7	8,157.6	9,105.3	9,916.6	10,405.8
<b>External Debt</b>	9,454.0	10,071.0	9,738.1	9,589.3	10,012.6	9,253.6	9,284.9	10,832.8	9,693.4
<b>Central Government Contingent Liability of Guaranteed Debt</b>	1,990.2	2,462.0	2,484.1	2,299.3	2,200.0	4,357.4	5,683.5	7,599.3	10,801.2
<b>Central Government Debt Service</b>	2,789.4	3,335.9	2,753.5	2,949.8	3,817.1	4,064.8	4,673.7	4,892.8	5,356.7
<b>Internal Debt Service</b>	1,100.7	1,076.4	993.6	1,081.8	1,083.8	1,636.7	1,907.7	3,113.4	3,283.3
<b>External Debt Service</b>	1,688.7	2,259.5	1,759.9	1,868.0	2,733.3	2,428.1	2,766.0	1,779.4	2,073.4

Source: Ministry of Finance

(1) Total Public Debt includes Central Government Debt and Central Government Contingent Liability of Guaranteed Debt

(2) Excludes loans and advances extended by the Central Bank to the Central Government

p: provisional

**APPENDIX 17**  
**MONEY SUPPLY: 1996-2001**  
**(Millions of Dollars)**

End of Period	Currency in Circulation	Demand Deposits (adj.)	Savings Deposits (adj.)	Time Deposits (adj.)	Local Currency Deposits	Foreign Currency Deposits (adj)	Supply Narrowly Defined (M1)	Supply Broadly Defined (M2)
	1	2	3	4	6 (2+3+4)	5	7 (1+2)	8 (1+2+3+4)
<b>1996</b>	909.8	2,406.4	4,305.3	2,746.8	9,458.5	2,967.8	3,316.2	10,368.3
<b>1997</b>	1,063.0	2,835.2	4,903.8	2,765.2	10,504.2	3,351.6	3,898.2	11,567.2
<b>1998</b>	1,020.1	3,052.2	5,324.4	3,611.9	11,988.5	3,885.2	4,072.4	13,008.7
<b>1999</b>	1,292.4	2,989.5	5,487.1	3,288.4	11,765.0	4,158.3	4,281.9	13,057.5
<b>2000</b>	1,271.0	3,616.2	5,796.5	3,281.2	12,693.9	5,253.8	4,887.2	13,964.9
<b>2000</b>								
<b>September</b>	1,153.7	3,103.0	5,703.4	3,338.3	12,144.7	4,638.5	4,256.6	13,298.4
<b>October</b>	1,139.5	3,128.1	5,670.8	3,409.6	12,208.5	4,745.0	4,267.7	13,348.0
<b>November</b>	1,178.3	3,139.4	5,738.0	3,374.5	12,251.9	5,211.2	4,317.7	13,430.2
<b>December</b>	1,271.0	3,616.2	5,796.5	3,281.2	12,693.9	5,253.8	4,887.2	13,964.9
<b>2001</b>								
<b>January</b>	1,134.9	3,281.1	5,785.1	3,206.9	12,273.1	4,980.8	4,416.0	13,408.0
<b>February</b>	1,235.9	3,155.2	5,894.8	3,383.7	12,433.7	5,172.2	4,391.1	13,669.6
<b>March</b>	1,240.3	3,509.7	5,968.4	3,226.5	12,704.6	5,350.2	4,750.0	13,944.9
<b>April p</b>	1,228.0	3,597.6	5,935.7	3,254.5	12,787.8	5,089.5	4,825.6	14,015.8

Source: Central Bank of Trinidad and Tobago

p: provisional

## APPENDIX 18

### COMMERCIAL BANK DOMESTIC CREDIT: 2000-2001 (Millions of Dollars)

	2 0 0 0								2 0 0 1			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>DOMESTIC CREDIT</b>	17,245.5	17,534.5	18,031.4	17,588.4	18,250.0	17,878.9	17,828.0	17,800.4	#####	18,313.1	18,223.8	18,316.8
<b>a. Central Gov't (Net)</b>	2,320.2	2,309.3	2,085.6	2,166.1	2,121.2	2,147.7	1,869.0	1,976.8	1,937.8	2,227.3	2,255.0	2,165.4
<b>b. Public Sector</b>	1,325.9	1,305.1	1,363.4	1,048.6	1,020.5	920.2	999.4	816.4	843.7	1,122.7	1,168.3	1,058.4
<b>c. Private Sector</b>	13,599.4	13,920.1	14,582.4	14,373.7	15,108.3	14,811.0	14,959.6	15,007.2	#####	14,963.1	14,800.5	15,093.0

Source: Central Bank of Trinidad and Tobago

**APPENDIX 19**  
**COMMERCIAL BANKS: LIQUIDITY POSITION: 1996-2001**  
**(Millions of Dollars)**  
**LIQUID ASSETS**

End of Period	Required Reserves	Cash Reserves	Special Deposits	Total Deposits (2)+(3)	Local Cash in hand	Treasury Bills	Total (4)+(5)+(6)	Deposit Liabilities (Adj.)*	Percent (7)/(8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>1996</b>	2,052.2	2,062.4	59.8	2,122.3	255.3	672.2	3,049.7	8,921.7	34.2
<b>1997</b>	2,443.2	2,454.1	58.2	2,512.3	260.4	186.5	2,959.2	10,180.0	29.1
<b>1998</b>	2,541.1	2,547.9	222.1	2,770.0	288.7	384.7	3,443.4	12,101.9	28.5
<b>1999</b>	2,515.8	2,536.7	21.0	2,557.7	416.6	437.9	3,412.2	11,980.0	28.5
<b>2000</b>	2,611.5	2,658.9	284.1	2,943.0	427.2	462.5	3,832.7	12,435.7	30.8
<b>2000</b>									
<b>July</b>	2,552.6	2,580.2	74.6	2,654.7	207.1	337.1	3,198.9	12,155.2	26.3
<b>August</b>	2,596.7	2,612.2	60.5	2,672.7	242.5	435.3	3,350.5	12,365.2	27.1
<b>September</b>	2,560.2	2,625.1	82.9	2,708.0	208.0	435.3	3,351.3	12,191.4	27.5
<b>October</b>	2,565.1	2,548.5	139.1	2,687.6	265.1	375.2	3,327.9	12,214.8	27.2
<b>November</b>	2,583.6	2,663.7	57.4	2,721.1	254.4	408.4	3,383.9	12,302.9	27.5
<b>December</b>	2,611.5	2,658.9	284.1	2,943.0	427.2	462.5	3,832.7	12,435.7	30.8
<b>2001</b>									
<b>January</b>	2,620.7	2,399.7	345.5	2,745.2	276.4	362.5	3,384.1	12,479.5	27.1
<b>February</b>	2,608.6	2,611.3	0.0	2,611.3	284.2	1,038.2	3,933.7	12,421.9	31.7
<b>March</b>	2,629.0	2,672.4	361.3	3,033.7	279.9	448.7	3,762.3	12,519.0	30.1
<b>April</b>	2,609.1	2,564.9	291.3	2,856.2	293.0	420.1	3,569.3	12,424.3	28.7
<b>May p</b>	2,279.2	2,483.9	0.0	2,483.9	277.7	495.8	3,257.4	12,662.2	25.7

\* Deposit Liabilities for each bank are adjusted for inter-bank and intra-bank cheques and other items.

Source : Central Bank of Trinidad and Tobago

p: provisional

## APPENDIX 20

### COMMERCIAL BANKS: MEDIAN INTEREST RATES: 1996-2001 PERCENT PER ANNUM

PERIOD	LOANS (PRIME RATE) *					DEPOSITS (ANNOUNCED RATES)					
	BASIC PRIME RATE	TERM	DEMAND	OVER DRAFT	REAL ESTATE MORTGAGE	ORDINARY SAVINGS	SPECIAL SAVINGS	3-MONTH TIME	6-MONTH TIME	1-YEAR TIME	BANK RATE
<b>1996</b>	15.79	15.54	15.79	15.79	15.96	2.54	5.14	6.46	7.16	7.62	13.00
<b>1997</b>	15.33	15.39	15.33	15.33	16.04	2.54	4.85	6.54	7.09	7.56	13.00
<b>1998</b>	17.34	16.90	16.83	17.10	18.34	2.83	5.11	6.84	8.00	8.46	13.00
<b>1999</b>	17.04	17.14	16.97	17.00	18.00	2.82	5.26	6.42	7.67	8.15	13.00
<b>2000</b>	16.50	16.92	16.50	16.50	17.50	2.96	5.21	6.16	7.36	7.91	13.00
<b>2000</b>											
<b>Jul</b>	16.50	17.00	16.50	16.50	17.50	3.50	5.56	5.88	7.73	7.93	13.00
<b>Aug</b>	16.50	17.00	16.50	16.50	17.50	3.25	5.75	6.45	7.24	7.93	13.00
<b>Sep</b>	16.50	17.00	16.50	16.50	17.50	2.75	5.25	6.45	7.73	7.93	13.00
<b>Oct</b>	16.50	17.00	16.50	16.50	17.50	3.00	4.38	6.45	6.00	7.93	13.00
<b>Nov</b>	16.50	16.50	16.50	16.50	17.50	2.75	5.25	6.20	7.15	7.93	13.00
<b>Dec</b>	16.50	16.50	16.50	16.50	17.50	2.75	5.25	6.45	7.83	7.95	13.00
<b>2001</b>											
<b>Jan</b>	16.50	16.50	16.50	16.50	17.50	3.00	5.25	6.45	6.75	7.83	13.00
<b>Feb</b>	16.50	16.75	16.50	16.50	17.50	3.25	5.13	7.15	7.29	7.83	13.00
<b>Mar</b>	16.75	16.75	16.50	16.50	17.50	5.56	4.19	7.83	5.75	7.50	13.00
<b>Apr</b>	16.50	17.00	16.00	16.50	16.75	2.50	5.25	5.75	7.29	7.50	13.00
<b>May p</b>	15.50	15.00	15.00	16.00	16.00	3.25	5.63	7.15	6.75	7.75	13.00

Source: Central Bank of Trinidad and Tobago

Annual data represent the median of the twelve monthly median rates except for the bank rate which is an end of period figure

\* Refers to the lowest rate charged to commercial customers

p: provisional



## APPENDIX 21

### EXCHANGE RATE 1998-2001

Period	<u>United States Dollar</u>		<u>Canadian Dollar</u>		<u>UK Pound Sterling</u>	
	Buying	Selling	Buying	Selling	Buying	Selling
<b>December'98</b>	6.2606	6.2982	4.2003	4.3398	10.3213	10.6453
<b>December'99</b>	6.2457	6.2997	4.1701	4.3332	10.0375	10.3680
<b>December'00</b>	6.2503	6.2998	4.1599	4.3188	9.3961	9.7412
<b>2000</b>						
<b>July</b>	6.2517	6.2998	4.1834	4.3433	9.3379	9.7199
<b>August</b>	6.2513	6.2998	4.1690	4.3277	9.2413	9.5825
<b>September</b>	6.2513	6.2998	4.1636	4.3391	8.8899	9.2436
<b>October</b>	6.2528	6.2998	4.0880	4.2611	8.9993	9.3529
<b>November</b>	6.2493	6.2998	4.0116	4.1621	8.8435	9.1598
<b>December</b>	6.2561	6.2997	4.0477	4.2069	9.0362	9.3686
<b>2001</b>						
<b>January</b>	6.2400	6.2970	4.1077	4.2173	9.1470	9.4856
<b>February</b>	6.2424	6.2927	4.0595	4.1980	8.9748	9.3213
<b>March</b>	6.2388	6.2884	4.1047	4.1039	8.9156	9.2789
<b>April</b>	6.2122	6.2728	3.9408	4.0993	8.8322	9.0318
<b>May</b>	6.2054	6.2586	3.9660	4.1389	8.7372	9.1191
<b>June</b>	6.1794	6.2355	-	-	-	-

Source: Central Bank of Trinidad and Tobago

Monthly rates are an average for the month

Annual rates are for end of year

## APPENDIX 22

### SECONDARY MARKET ACTIVITIES : 1996-2001

	<u>PUBLIC COMPANY SHARES*</u>				<u>TT\$ BOND TURNOVER</u>	
	No. of Transactions	Volume of Shares Traded (\$Mn)	Market Value (\$Mn)	Composite Price Index (end of period)	No. of Transactions	Nominal Value (\$Mn)
<b>1996</b>	5671	121.3	645.8	167.4	34	24.6
<b>1997</b>	7678	100.3	843.1	352.3	14	13.4
<b>1998</b>	7371	102.8	1,114.0	436.3	4	0.3
<b>1999</b>	5808	73.5	594.0	417.5	12	10.2
<b>2000</b>	6572	80.2	869.8	441.5	15	16.2
<b>2000</b>						
<b>July</b>	417	5.3	50.0	461.8	0	0.0
<b>August</b>	528	10.2	83.1	453.7	4	4.3
<b>September</b>	494	7.2	75.2	447.3	0	0.0
<b>October</b>	544	7.5	109.4	446.7	0	0.0
<b>November</b>	480	3.5	47.1	444.4	0	0.0
<b>December</b>	336	3.1	42.3	441.5	0	0.0
<b>2001</b>						
<b>January</b>	588	9.3	70.4	440.1	0	0.0
<b>February</b>	452	10.5	100.2	432.2	6	0.2
<b>March</b>	569	6.9	53.4	422.4	0	0.0
<b>April</b>	459	10.8	73.5	419.7	0	0.0
<b>May</b>	607	7.4	68.3	425.2	1	0.5
<b>June</b>	495	4.4	38.4	423.9	0	0.0

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

\* Data refer to double transactions of buying and selling.  
Public companies' figures have been revised to reflect sales only.

**APPENDIX 23**  
**BALANCE OF VISIBLE TRADE: 1992-2001**  
**(Millions of Dollars)**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	Oct '99/ April '00	Oct '00/ April '01p
<b>(i) Total visible trade</b>											
<b>(a) Exports</b>	7,943.0	8,800.9	11575.4	14,512.1	15,028.9	15,903.0	14,258.8	17,667.0	26,923.5	13,043.1	16,415.3
<b>(b) Imports</b>	6,101.1	7,495.3	7811.7	11,363.3	12,989.1	18,934.4	18,961.7	17,277.8	20,841.9	11,416.9	11,994.9
<b>(c) Balance</b>	1,841.9	1,305.6	3763.7	3,148.8	2,039.8	(3,031.4)	(4,702.9)	389.2	6,081.6	1,626.2	4,420.4
<b>(ii) Trade excluding fuels</b>											
<b>(a) Exports</b>	2,843.7	3,730.9	6012.2	7,696.5	7,478.0	8,581.9	7,908.1	8,112.2	9,350.3	4,634.6	6,211.7
<b>(b) Imports</b>	5,552.1	6,306.3	6672.3	10,234.7	10,507.3	16,480.6	16,478.4	13,649.3	14,110.5	8,014.3	8,195.9
<b>(c) Balance</b>	(2,708.4)	(2,575.4)	-660.1	(2,538.2)	(3,029.3)	(7,898.7)	(8,570.3)	(5,537.1)	(4,760.2)	(3,379.7)	(1,984.2)
<b>(iii) Trade excluding mineral fuels U.P.A.</b>											
<b>(a) Exports</b>	7,897.9	8,322.2	11448.6	12,902.7	12,746.9	14,459.0	12,202.6	14,955.2	22,933.6	10,765.3	13,723.4
<b>(b) Imports</b>	5,611.9	6,347.2	6807.2	10,820.7	11,720.8	18,323.4	18,270.8	17,069.2	20,697.9	11,325.6	11,929.6
<b>(c) Balance</b>	2,286.0	1,975.0	4641.4	2,082.0	1,026.1	(3,864.4)	(6,068.2)	(2,114.0)	2,235.7	(560.3)	1,793.8
<b>(iv) Trade in mineral fuels non U.P.A.</b>											
<b>(a) Exports</b>	5,054.2	4,591.3	5436.4	5,206.2	5,268.9	5,877.1	4,294.5	6,843.0	13,583.3	6,130.7	7,511.7
<b>(b) Imports</b>	59.8	40.9	134.9	586.0	1,213.5	1,842.8	1,792.4	3,419.9	6,587.4	3,311.3	3,733.7
<b>(c) Balance</b>	4,994.4	4,550.4	5301.5	4,620.2	4,055.4	4,034.3	2,502.1	3,423.1	6,995.9	2,819.4	3,778.0
<b>(v) Trade in mineral fuels U.P.A.</b>											
<b>(a) Exports</b>	45.1	478.7	126.8	1,609.4	2,282.0	1,444.0	2,056.2	2,711.8	3,989.9	2,277.8	2,691.9
<b>(b) Imports</b>	489.2	1,148.1	1004.5	542.6	1,268.3	611.0	690.9	208.6	144.0	91.3	65.3
<b>(c) Balance</b>	(444.1)	(669.4)	-877.7	1,066.8	1,013.7	833.0	1,365.3	2,503.2	3,845.9	2,186.5	2,626.6
<b>(vi) Trade in mineral fuels</b>											
<b>(a) Exports</b>	5,099.3	5,075.0	5563.2	6,815.6	7,550.9	7,321.1	6,350.7	9,554.8	17,573.2	8,408.5	10,203.6
<b>(b) Imports</b>	549.0	1,189.0	1139.4	1,128.6	2,481.8	2,453.8	2,483.3	3,628.5	6,731.4	3,402.6	3,799.0
<b>(c) Balance</b>	4,550.3	3,886.0	4423.8	5,687.0	5,069.1	4,867.3	3,867.4	5,926.3	10,841.8	5,005.9	6,404.6

Source: Central Statistical Office

p: provisional

NB: Data for 1994 and 1995 have been adjusted to include imports of crude petroleum

## APPENDIX 24

### BALANCE OF PAYMENTS SUMMARY: 1996 - 2001

(US \$ Millions)

Items	1996	1997	1998	1999	2000	Oct '99/ Mar '00	Oct '00/ Mar '01p
<b>1. Merchandise</b>	346.5	-493.9	-743.0	63.6	1039.3	85.1	703.1
<b>2. Services</b>	244.1	292.5	417.7	329.1	323.2	138.9	107.4
<b>3. Income</b>	-515.3	-381.3	-342.3	-399.9	-625.9	-204.6	-293.0
<b>4. Unrequited transfers</b>	-7.1	3.8	22.3	37.8	38.0	17.2	9.6
<b>5. Current Account</b>	68.2	-578.9	-645.3	30.6	774.6	36.6	527.2
<b>6. Capital &amp; Financial Movements (includes errors &amp; omissions)</b>	145.3	754.1	725.9	131.6	-333.6	-51.1	-383.7
<b>7. Overall Surplus or Deficit</b>	213.5	175.3	80.6	162.2	441.0	-14.5	143.5
<b>8. Official Financing</b>	-213.5	-175.3	-80.6	-162.2	-441.0	14.5	-143.5
<b>9. Exceptional Financing *</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>of which Debt Rescheduling</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Central Bank of Trinidad and Tobago

Data may not add up due to rounding.

\*Exceptional Financing refers to the rescheduling of principal repayments due in the respective periods and to the reduction in external debt due to debt conversion.

p: provisional

**APPENDIX 25**  
**TRINIDAD AND TOBAGO - NET FOREIGN RESERVES**  
**1994 - 2001**  
**(US \$ Millions)**

End of Period	Central Bank			Government Balances	Commercial Banks			Gross Foreign Assets (1)+(4)+(5)	Total Foreign Liability (2)+(6)	Net Foreign Position (8)-(9)
	Foreign Assets (1)	Foreign Liabilities (2)	Net. Internat. Reserves (3)		Foreign Assets (5)	Foreign Liabilities (6)	Net Foreign Position (7)			
<b>1994</b>	351.8	92.5	259.3	2.6	324.5	71.9	252.6	678.9	164.4	514.5
<b>1995</b>	349.5	56.0	293.5	2.6	300.2	136.1	164.1	652.3	192.1	460.2
<b>1996</b>	543.4	36.7	506.8	2.3	391.4	199.9	191.5	937.1	236.6	700.5
<b>1997</b>	702.9	21.3	681.6	3.3	414.1	244.6	169.5	1,120.3	265.9	854.4
<b>1998</b>	779.4	17.5	761.9	3.6	401.5	182.2	219.3	1,184.5	199.7	984.8
<b>1999</b>	941.9	17.8	924.1	3.6	422.3	276.7	145.6	1,367.8	294.5	1,073.3
<b>2000</b>	1,386.1	17.5	1,368.6	0.1	504.2	272.5	231.7	1,890.4	290.0	1,600.4
<b>2000</b>										
<b>August</b>	1,294.7	17.5	1,277.1	0.1	386.1	279.0	107.1	1,680.9	296.5	1,384.3
<b>September</b>	1,381.9	17.5	1,364.4	0.1	329.0	236.1	92.8	1,711.0	253.6	1,457.3
<b>October</b>	1,387.5	17.5	1,370.0	0.1	385.0	249.9	135.1	1,772.6	267.4	1,505.2
<b>November</b>	1,254.8	17.5	1,237.3	0.1	465.4	225.1	240.3	1,720.3	242.6	1,477.7
<b>December</b>	1386.1	17.5	1,368.6	0.1	504.2	272.5	231.7	1,890.4	290.0	1,600.4
<b>2001</b>										
<b>January</b>	1441.9	17.5	1,424.4	0.1	423.8	286.3	137.5	1,865.8	303.8	1,562.0
<b>February</b>	1437.3	17.5	1,419.8	0.1	474.0	308.1	165.9	1,911.5	325.6	1,585.9
<b>March</b>	1525.4	17.5	1,507.9	0.1	507.8	331.5	176.3	2,033.2	349.0	1,684.3
<b>April</b>	1604.8	17.5	1,587.3	0.1	489.4	407.5	82.0	2,094.4	425.0	1,669.4
<b>May</b>	1632.7	17.5	1,615.2	0.1	637.1	443.2	194.0	2,269.9	460.7	1,809.2
<b>June</b>	1713.9	17.5	1,696.4	0.1	617.8	535.6	82.2	2,331.8	553.1	1,778.7

Source: Central Bank of Trinidad and Tobago

**APPENDIX 26**  
**TRADE WITH CARICOM COUNTRIES: 1987-2001**  
**(Millions of Dollars)**

	<b>Imports</b>	<b>Exports</b>	<b>Balance of Trade</b>	<b>Exports of Petroleum</b>	<b>Imports of Petroleum</b>	<b>Imports excluding Petroleum</b>	<b>Exports excluding Petroleum</b>	<b>Balance of Trade excluding Petroleum</b>
<b>1987</b>	198.1	558.3	360.2	294.4	14.4	183.7	263.9	80.2
<b>1988</b>	263.4	651.3	387.9	233.9	2.9	260.5	417.4	156.9
<b>1989</b>	324.4	1,038.0	713.6	388.2	17.7	306.7	649.8	343.1
<b>1990</b>	337.2	1,137.7	800.5	417.8	5.1	332.1	719.9	387.8
<b>1991</b>	346.6	1,073.8	727.2	370.4	9.2	337.4	703.4	366.0
<b>1992</b>	326.0	1,093.9	767.9	341.1	7.6	318.4	752.8	434.4
<b>1993</b>	283.5	1,681.2	1,397.7	644.4	5.3	278.2	1,036.8	758.6
<b>1994</b>	314.9	2,235.2	1,920.3	890.0	3.9	311.0	1,345.2	1,034.2
<b>1995</b>	335.0	3,060.9	2,725.9	1,411.5	3.5	331.5	1,649.4	1,317.9
<b>1996</b>	509.9	3,522.3	3,012.4	1,727.6	159.7	350.2	1,794.7	1,444.5
<b>1997</b>	602.2	4,065.5	3,463.3	1,832.2	226.2	376.0	2,233.3	1,857.3
<b>1998</b>	668.8	4,309.9	3,641.1	1,827.6	248.7	420.1	2,482.3	2,062.2
<b>1999</b>	827.9	4,708.1	3,880.8	2,323.3	454.6	373.3	2,384.8	2,011.5
<b>2000</b>	789.0	6,281.8	5,492.8	3,879.7	399.8	389.2	2,402.1	2,012.9
<b>Oct'99/Apr'00</b>	511.6	3,251.3	2,739.7	1,883.5	303.9	207.7	1,367.8	1,160.1
<b>Oct'00/Apr'01p</b>	443.6	3,656.1	3,212.5	2,220.0	143.4	300.2	1,436.1	1,135.9

Source: Central Statistical Office  
p: provisional