



Government of the Republic of Trinidad and Tobago

REVIEW OF | 2012 THE ECONOMY

Stimulating Growth, Generating Prosperity



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THE INTERNATIONAL ECONOMY*

| | | |
|--|---|---|
| United States United Kingdom Euro Area | Japan Emerging Asia Latin America | CIS Economies MENA Sub-Saharan Africa |
|--|---|---|

GLOBAL OVERVIEW

Recovery in the global economy persists, alongside downside risks. It is anticipated that world output will fall slightly from 3.9% in 2011 to 3.5% in 2012. Amidst sovereign debt difficulties in the Euro Area which continued to dampen the recovery effort, economic indicators suggest that all economic regions are challenged to pick up the growth momentum in 2012.

While the Emerging and Developing Asia lead in the recovery, the spillover effect from the European debt crisis will impact output in these economies with output declining slightly from 7.8% in 2011 to 7.3% in 2012. Meanwhile, in advanced economies, sluggish growth of 1.4% is expected in 2012, down from 1.6% in 2011.

Although there has been growth in both private investments and personal consumption, recovery in the United States and the Euro Area is weak. This is evidenced by higher commodity prices, supply disruptions and renewed financial instability.

In 2012, payroll tax cuts and emergency unemployment benefits were implemented to stimulate growth in private investment in the United States economy. Inflationary pressures are expected to marginally decline in the Euro Area in 2012 due to falling commodity prices.

* Source: International Monetary Fund, World Economic Outlook April and July 2012; Fiscal Monitor April and July 2012; Regional Economic Outlook 2012; Various Central Bank and Statistical Offices.

Growth is expected to be positive in the United States, the United Kingdom, Japan, the Middle East and North Africa. In Latin America and the Commonwealth of Independent States growth is expected to slow to 3.7% and 4.2% in 2012 from 4.5% and 4.2% in 2011. The Euro Area will see a marginal contraction of 0.7% in economic activity as a result of the fiscal and banking crises in the Euro Area which continue to pose major challenges to global financial markets.

Global inflation is expected to fall marginally from 4.8% in 2011 to 4.0% in 2012. While this is reflected in most economies of the world, inflation is expected to remain high in the Middle East and North Africa (MENA) down 0.1% to 9.5% in 2012, and in Sub-Saharan Africa, where commodity prices are expected to increase by 9.6% in 2012 up from 8.2% in 2011.

UNITED STATES

Growth in the United States (US) economy is expected to be slow but positive. Exceeding expectations with growth of 1.7% in 2011, a modest performance of 2.1% is anticipated for 2012. Private spending has been dampened over concerns of the sovereign debt crisis in Europe, uncertainty of US fiscal policy, the state of the housing market and difficulties in obtaining credit by would be borrowers. Consequently, businesses are extremely cautious in increasing investments or hiring new employees. This has caused households to be doubtful on their outlook for income and employment.

Unemployment in the US is expected to fall from 9.0% in 2011 to 8.2% in 2012. However, long-term unemployment remains high. Persons who have been jobless for 6 months or longer remain around 40%. Concerns have been expressed by the International Monetary Fund that the natural rate of unemployment could be rising in the US.

Inflation in the US, as measured by the Consumer Prices Index (CPI), is expected to fall from 3.1% in 2011 to 2.1% in 2012. The reduction can be attributed to lower energy costs, a deceleration of non-oil import prices at the end of 2011, subdued labour costs associated with a weak labour market and stable inflation expectations.

The US budget deficit remains high at -8.2% of nominal GDP in 2012, however falling from -9.5% in 2011. The US Congress in 2012 extended payroll tax cuts and emergency unemployment benefits to stimulate the private investment in the United States economy.

THE UNITED KINGDOM

The rate of growth in the UK economy is increasing marginally by 0.1% with real GDP increasing from 0.7% in 2011 to 0.8% in 2012. Consumer price inflation, however, is expected to fall from 4.5% in 2011 to 2.4% in 2012. This resulted from a slowdown in the growth in prices of clothing, energy and food.

In the UK, unemployment is estimated to increase marginally by 0.3% from 8.0% in 2011 to 8.3% in 2012 primarily from weak economic growth. The current account balance will also marginally improve to -1.7% in 2012 from -1.9% in 2011.

According to the Bank of England, sovereign risk was judged to be the key short-term threat to UK financial stability by respondents to the Bank's 2012 H1 Systemic Risk Survey. Gross exposures of UK banks to sovereigns and banks in countries including Greece, Ireland, Spain and Portugal are low. However, there are substantial risks to UK Banks posed by private sector borrowers from these countries. Some banks may have made adjustments in their portfolios for this, however, the threat of further losses continues while the financial and macroeconomic landscape continues to be depressed.

It should be noted that the rating agencies of Moody's and Fitch placed the UK's sovereign credit rating on

“negative outlook”, citing increased uncertainty, the negative impact of fiscal consolidation on growth and the risk of shocks from the euro area.

Fiscal deficit in the UK economy is expected to marginally decline to -8.1% in 2012 from -8.6 in 2011.

THE EURO AREA¹

The fiscal and banking crisis in the Euro Area continues to be a major drag on global financial markets. In 2012, financial pressure eased within the Euro Area due to the following policy initiatives: The European Central Bank (ECB) provided liquidity to banks, the lending capacity of the Euro Area rescue facilities was increased and following a restructuring of the debt of the Greek nation, a new assistance package was approved for that country. However, tensions once again arose with fears of a disorderly exit from the European Economic Union as well as the escalation of losses in the Spanish banking sector.

The resulting crisis in the Euro Area has had drastic consequences as the economy is expected to contract to -0.3% in 2012 after some positive growth of 1.4% in 2011. Real GDP in Greece and Portugal continues to be negative in 2012, -4.7% and -3.3% respectively, with Spain moving from positive real GDP of 0.7% in 2011 to decline of -1.8 in 2012 thereby joining Greece and Portugal. However, the UK, Germany and Ireland continue to see modest but positive economic growth.

As the Euro Area crisis deepens, there could be renewed adverse feedback between rising funding pressure in the banking system, increasing fiscal vulnerability, and slowing aggregate demand. As such, global risk aversion could lead to major deterioration in confidence and dampening of domestic demand.

Consumer prices in the Euro Area are expected to marginally fall to 2.0% in 2012, slightly lower than the 2.7% in 2011. However, unemployment is expected to rise slightly from 10.1% in 2011 to 10.9% in 2012. In Europe, the overarching policy is to prevent further acceleration of the sovereign debt and growth crises, while working toward resolution of the underlying causes.

¹ Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain

As a result of the existing circumstances in the Euro Area, bank lending has dropped sharply as banks seek to strengthen their balance sheets to stave off public intervention and to regain access to market funding. The IMF has suggested that the ECB should lower its policy rate while at the same time continue to use unconventional policies to address banks' funding and liquidity problems.

The Spanish authorities have included measures to narrow the deficit to a target level of 5.3% in 2012. However, it is estimated that the deficit will remain at 7.0% in 2012 down from 8.9% in 2011. Ireland and Portugal have instituted revenue enhancing measures such as tax increases together with expenditure reduction in an effort to reduce deficits over the medium term. Greece has approved further fiscal measures centered around a sizable reduction in public employment, pensions and health.

JAPAN

Following the initial disruption of supply chains and decreased economic output after the Great East Japan Earthquake and Tsunami in March 2011, there is now a positive outlook for the Japanese economy with real GDP for Japan estimated to reach 2.0% in 2012 compared to -0.7% a year ago. Expenditure on the reconstruction of areas affected by the earthquake and tsunami is a major factor influencing growth in the economy. While, domestic non-manufacturing is expected to remain positive, there has been a slowing of production momentum in the second quarter of 2012. Additionally, growth, though positive, has been inhibited by the issues arising out of the Euro Area and energy supply issues in Japan itself arising out of the Great East Japan Earthquake and Tsunami.

Consumer prices in Japan are anticipated to move from -0.3% in 2011 to 0.0% in 2012. Prices have been falling for energy and consumer electronics such as flat-screen TVs. Unemployment in Japan is expected to remain constant at 4.5%. Additionally, in May 2012, industrial production decreased by 3.1% while real exports contracted by 2.7% and real imports increased.

Deficits will continue in Japan although marginally lower than the 10.1% level in 2011.

EMERGING AND DEVELOPING ASIA²

Robust economic growth continues in Emerging and Developing Asia, the pace easing somewhat to 7.3% in 2012 from 7.8% in 2011. Weakening external demand influenced by spillovers from the Euro Area was a major inhibiting factor. Economic growth in both China and India has slowed slightly with real GDP falling from 9.2% in 2011 to 8.2% in 2012 for China. The commensurate decline for India was from 7.2% in 2011 to 6.9% in 2012. Domestic factors in India such as a fall in investment arising out of a deterioration in business expectations, and the tightening of policy initiatives which raised borrowing costs, contributed to the slowdown in economic growth. In China, however, investment and private consumption remained buoyant with positive profits from the corporate sector and rising income of households.

Economic growth in Singapore is expected to fall by 2.2% in 2012 with real GDP falling from 4.9% in 2011 to 2.7% in 2012. This trend is also seen in Hong Kong where economic growth is expected to fall by 2.4% in 2012 with expected real GDP of 2.6% in 2012 down from 5.0% in 2011. The effects on several economies in the area, including Hong Kong and Singapore of the uncertainty in the Euro Area where banks have been reducing assets, have been sizable. However, the news is not all bad with real GDP in the Korean economy expected to marginally fall by 0.1% to 3.5% in 2012 with construction offsetting the reductions expected from private consumption and investment due to uncertainty globally.

Price levels are expected to fall by 1.5% in 2012 in Emerging and Developing Asia. This is reflected in the estimates for China, falling to 3.3% in 2012 from 5.4% in 2011 however, inflationary pressure is estimated to remain in India with inflation figures of 8.2% in 2012, down by only 0.4%, from 8.6% in 2011.

Fiscal consolidation plans for 2012 in China have been deferred due to slower than expected growth. However, it is expected that gradual adjustment will continue in 2013. India's deficit is expected to remain at the 2011 level of -8.9% significantly higher than the average of -1.9% for the area.

² Comprises China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan Province of China, Thailand and Vietnam.

The major downside risks to Emerging and Developing Asia in 2012 continue to be tensions in the MENA region and the risk of spillover effects on the region from the Euro Area.

LATIN AMERICA

Growth in Latin America as a region slowed in 2012 to 3.7% down from 4.5% in 2011. In the larger countries of Argentina, Brazil and Mexico, growth is expected to be positive with their economies expected to grow by 4.2%, 3.0% and 3.6% respectively. Mexico's growth can be attributed to the strengthening of the US economy, manufacturing exports and domestic demand. Growth in Brazil can be attributed to strong domestic demand, easing of monetary policy and employment in the services sector.

Inflation in Latin America is expected to fall marginally by 0.2% from 6.6% in 2011 to 6.4% in 2012. Inflation in Argentina is expected to remain close to the 10% mark hovering at 9.9% in 2012 due mainly to high state spending, wage hikes and import controls on goods. While inflation in Brazil is expected to fall by 1.4% to 5.2% in 2012 due mainly to tax cuts on consumer durables. In Mexico inflation will increase marginally from 3.4% in 2011 to 3.9% in 2012 due mainly to increases in the price of food. However, in Venezuela inflation will increase by 5.5% in 2012 to 31.6%, the highest in the region, influenced mainly by an expansion in money supply and government spending.

Unemployment in Mexico is expected to fall by 0.4% from 5.2% in 2011 mainly due to growth in the US economy to which Mexico is highly reliant. Argentina will also experience a fall in its unemployment rate from 7.2% in 2011 to 6.7% in 2012.

COMMONWEALTH OF INDEPENDENT STATES (CIS)³

Economic growth in the CIS region is expected to slow marginally to 4.2% in 2012 from 4.9% in 2011. This is as a result of weaker demands for energy from the Euro Area and a slowdown in industrial production. Although economic growth in Russia is estimated to marginally fall from 4.3% in 2011 to 4.0% in 2012,

3 Comprises Russia, Ukraine, Kazakhstan, Belarus, Azerbaijan, Turkmenistan, Mongolia, Uzbekistan, Georgia, Armenia, Tajikistan, Kyrgyz Republic and Moldova

Russia will still benefit from rising commodity prices especially oil.

Consumer prices in the CIS are expected to decline from 10.1% in 2011 to 7.1% in 2012. Consumer prices in Russia will fall steeply from 8.4% in 2011 to 4.8% in 2012. This decline triggered a small fall in the current account balance by 0.7% from 5.5% in 2011 to 4.8% in 2012.

Further, unemployment in Russia is expected to have a minor decline by 0.5% from 6.5% in 2011 to 6.0% in 2012.

The CIS has encountered huge challenges in building new states, democratic institutions and market economies after the breakup of the Soviet Union. In comparison with other countries, the CIS has conveyed constantly poor indicators. As a result, the CIS has had lower industrial output, labour productivity and average monthly wages, and higher unit labour cost.

MIDDLE EAST AND NORTH AFRICA (MENA)⁴

Prolonged political transition has been one of the results arising out of the Arab Spring which commenced in 2011. Governments in the region are currently developing and implementing strategies for political and economic reforms demanded by their citizens. However, even with all these challenges real GDP in the MENA region will marginally increase by 0.7% in 2012. Further, regional spillovers from social unrest have had impacts on tourism and capital flows which have decreased. In Qatar real GDP will fall from a high of 18.8% in 2011 to 6.0% in 2012. In the Islamic Republic of Iran real GDP decreased to 0.4% from growth of 2.0% in 2011.

Inflation in the region will continue to be high with consumer prices in the region continuing to hover at around 9.5% in 2012 down marginally from 9.6% in 2011. Unemployment in the Islamic Republic of Iran, Sudan and Algeria continue to be high at 16.1%, 10.8% and 9.7% respectively in 2012.

4 Comprises Algeria, Bahrain, Djibouti, Egypt, Islamic Republic of Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Republic of Yemen

The outlook for the region continues to hinge on the developments in the Euro Area as well as the pace of political and economic reforms by Governments in the region.

SUB-SAHARAN AFRICA⁵

Despite the weaker global economic environment, there has been a continuous record of strong economic growth in this region over the past few years. Sub-Saharan Africa has been least affected by the recent financial turmoil and deterioration in the global economic outlook. As a result of the slowdown in the Euro Area, Sub-Saharan Africa has revealed solid performance in 2012, expanding output from 5.1% in 2011 to 5.4% in 2012.

Consumer prices in this region are expected to increase by 1.4% from 8.2% in 2011 to 9.6% in 2012. Accelerated increase in private investment from China in conjunction with high commodity prices, have enhanced the recovery process of Sub-Saharan Africa. The region was insulated from much of the turmoil in late 2011 due to the region's limited financial linkages with Europe. Exports to the Euro Area have declined by one-fifth from the 1990's due to the diversification of exports to fast-growing emerging markets.

The risk of intensified financial stresses in the Euro Area spilling over, and a further slowing of the global economy, as well as the possibility of an oil price surge triggered by rising geopolitical tensions are threats to the outlook. Growth in Nigeria is expected to decline marginally from 7.2% in 2011 to 7.1% in 2012 as a result of higher energy prices. Similarly, growth in South Africa is expected to drop from 3.1% in 2011 to 2.7% in 2012.

The current account balance for this region is expected to further deteriorate from a -1.8% deficit in 2011 to a -2.0% deficit in 2012.

5 Comprises Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Cote d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

Table 1: Macroeconomic Indicators for Selected Economies

| | Real GDP | | Consumer Prices | | Unemployment (%) | | Current Account Balance ¹ | | Fiscal Balance ¹ | |
|---|------------|-------------|-----------------|------------|------------------|-------------|--------------------------------------|-------------|-----------------------------|-------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Advanced Economies | 1.6 | 1.4 | 2.7 | 1.9 | 7.9 | 7.9 | -0.2 | -0.4 | -6.5 | -5.8 |
| United States | 1.7 | 2.1 | 3.1 | 2.1 | 9.0 | 8.2 | -3.1 | -3.3 | -9.5 | -8.2 |
| Japan | -0.7 | 2.0 | -0.3 | 0.0 | 4.5 | 4.5 | 2.0 | 2.2 | -10.1 | -9.9 |
| Euro Zone | 1.4 | -0.3 | 2.7 | 2.0 | 10.1 | 10.9 | -0.3 | 0.7 | -4.1 | -3.2 |
| United Kingdom | 0.7 | 0.8 | 4.5 | 2.4 | 8.0 | 8.3 | -1.9 | -1.7 | -8.6 | -8.1 |
| Germany | 3.1 | 0.6 | 2.5 | 1.9 | 6.0 | 5.6 | 5.7 | 5.2 | -1.0 | -0.7 |
| Spain | 0.7 | -1.8 | 3.1 | 1.9 | 21.6 | 24.2 | -3.7 | -2.1 | -8.9 | -7.0 |
| Greece | -6.9 | -4.7 | 3.1 | -0.5 | 17.3 | 19.4 | -9.7 | -7.4 | -9.2 | -7.0 |
| Portugal | -1.5 | -3.3 | 3.6 | 3.2 | 12.7 | 14.4 | -6.4 | -4.2 | -4.2 | -4.5 |
| Ireland | 0.7 | 0.5 | 1.1 | 1.7 | 14.4 | 14.5 | 0.1 | 1.0 | -13.1 | -8.3 |
| Newly Industrialised Asia | 4.0 | 3.4 | 3.6 | 2.9 | 3.6 | 3.5 | 6.5 | 5.9 | n/a | n/a |
| Hong Kong | 5.0 | 2.6 | 5.3 | 3.8 | 3.4 | 3.5 | 4.1 | 3.2 | 3.7 | 0.5 |
| Korea | 3.6 | 3.5 | 4.0 | 3.4 | 3.4 | 3.3 | 2.4 | 1.9 | 2.3 | 2.4 |
| Singapore | 4.9 | 2.7 | 5.2 | 3.5 | 2.0 | 2.1 | 21.9 | 21.8 | 7.3 | 5.5 |
| Emerging and Developing Asia | 7.8 | 7.3 | 6.5 | 5.0 | n/a | n/a | 1.8 | 1.2 | -1.7 | -1.9 |
| China | 9.2 | 8.2 | 5.4 | 3.3 | 4.0 | 4.0 | 2.8 | 2.3 | -1.2 | -1.3 |
| India | 7.2 | 6.9 | 8.6 | 8.2 | n/a | n/a | -2.8 | -3.2 | -8.9 | -8.9 |
| Latin America | 4.5 | 3.7 | 6.6 | 6.4 | n/a | n/a | -1.2 | -1.8 | -2.4 | -2.1 |
| Argentina | 8.9 | 4.2 | 9.8 | 9.9 | 7.2 | 6.7 | -0.5 | -0.7 | n/a | n/a |
| Brazil | 2.7 | 3.0 | 6.6 | 5.2 | 6.0 | 6.0 | -2.1 | -3.2 | -2.6 | -2.3 |
| Mexico | 4.0 | 3.6 | 3.4 | 3.9 | 5.2 | 4.8 | -0.8 | -0.8 | -3.4 | -2.4 |
| Commonwealth of Independent States | 4.9 | 4.2 | 10.1 | 7.1 | n/a | n/a | 4.6 | 4.0 | n/a | n/a |
| Russia | 4.3 | 4.0 | 8.4 | 4.8 | 6.5 | 6.0 | 5.5 | 4.8 | 1.6 | 0.6 |
| Middle Eastern Countries | 3.5 | 4.2 | 9.6 | 9.5 | n/a | n/a | 13.2 | 14.5 | n/a | n/a |
| Sub-Saharan Africa | 5.1 | 5.4 | 8.2 | 9.6 | n/a | n/a | -1.8 | -2.0 | n/a | n/a |
| South Africa | 3.1 | 2.7 | 5.0 | 5.7 | 24.5 | 23.6 | -3.3 | -4.8 | -4.6 | -4.3 |
| IMF Forecast (unless otherwise stated) | | | | | | | | | | |
| n/a not available | | | | | | | | | | |

Introduction

Barbados

Jamaica

Guyana

ECCU Countries

INTRODUCTION

In the midst of modest global economic growth and weak growth in the advanced economies, in 2011 the Caribbean Region¹ achieved moderate growth of 2.2%.

For the CARICOM countries under review², growth was led by Guyana, which achieved real GDP growth of 5.4%. This was followed by Jamaica and Grenada whose economies grew marginally by 1.3%, and 1.1% respectively.

The economies of three countries in the region remained relatively flat. For 2011, real GDP growth for Barbados was 0.6%, Dominica 0.5% and St. Lucia 0.2%.

In the face of economic challenges, the ECCU³ as a whole experienced another year of economic decline of 0.2% in 2011, albeit significantly lower than the 2.4% of 2010.

Though still in decline, the economies of Antigua and Barbuda, St. Kitts and Nevis and St. Vincent and the Grenadines managed to decelerate the rate of econom-

ic contraction with Antigua and Barbuda achieving the most success.

Several countries had to contend with increases in petroleum and other commodities prices. Exporters of bauxite, alumina and gold, such as Guyana and Jamaica benefited from an increase in the demand for these products on the global market. However, the Region's manufacturing and agricultural sectors experienced challenges. The manufacturing sector suffered mainly from a decrease in demand; and the unfavourable weather conditions caused a reduction in agricultural output.

The effect of the increases in the prices of fuel and commodities across most countries of the Region was an increase in inflation, however in 2011 increase in inflation was not an issue for the economies of Jamaica, Grenada and St. Kitts and Nevis.

BARBADOS

The Barbados economy remained relatively flat, improving marginally from 0.2% in 2010 to 0.6% in 2011. Output increased in the construction, financial services and government sectors, and compensated for the declines in output in the electricity and non-sugar agriculture sectors.

Barbados' main industry, tourism, declined in 2011, by 0.2% from an expansion of 3.5% in 2010. For the period January to June 2012, it is estimated that the sec-

1 Aruba, The Bahamas, Barbados, Belize, ECCU, Guyana, Haiti, Jamaica, Suriname, Trinidad and Tobago, Curacao and St. Maarten.

2 The Countries under review are: Barbados, Guyana, Jamaica, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines

3 Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

* World Economic Outlook, April 2012; Caribbean Economic Performance Report, June 2012; and Statistical Offices and Central Banks of Barbados, Guyana, Jamaica and OECS

tor grew by 1.8%, propelled by a significant increase in arrivals from the CARICOM Regions, mainly from Trinidad and Tobago (34.9%). For the period January to May 2012, arrivals from Canada and Germany increased by 2.9% and 1.3% respectively. Conversely, arrivals from the UK and the US declined by 10.2% and 3.9%, respectively.

Inflation increased to 9.5% in 2011, from 5.8% in 2010, on the heels of higher prices for fuel and light, food and housing. The prices of these services were driven by rising oil and commodity prices. At the end of March 2012, inflation was 8.9%.

Unemployment increased to 11.2% in 2011 from 10.8% in 2010 due in part to the contraction in the manufacturing and small business sectors. The rate was estimated at 11.8% as at March 2012.

The current account deficit widened to 8.5% of GDP in 2011, from 6.1% in 2010 mainly on account of the rise in the cost of fuel imports and importation of machinery, food and beverages. At the end of December 2011, the country's foreign exchange reserves stood at BDS \$1,420.3 million, equivalent to 16.6 weeks of prospective import cover. At the end of June 2012 the foreign exchange reserves were BDS \$1,357.1 million, equivalent to 15.9 weeks of prospective import cover.

The country's fiscal deficit shrank to 4.6% of GDP in 2011, from 9.1% in 2010. This was a direct result of an increase in government tax revenue of 9.9% and a reduction in expenditure by 3.8%.

JAMAICA

Jamaica's economy rebounded from a 1.5% decline in 2010 to growth of 1.3% in 2011. This rebound was driven by an increase of 19.4% in the Mining and Quarrying sector, fuelled by the increase in global demand for aluminum. Domestic demand was enhanced by a moderate increase in remittance inflows and growth in real income.

The average rate of inflation decelerated to 7.5% in 2011, from 12.6% in 2010. The excess supply of agricultural produce softened agricultural prices and overall consumer prices benefited from a stable exchange rate during the year.

Unemployment increased to 12.8% in 2011, from 12.4% in 2010. This increase was mainly driven by

an increase in the labour force and contraction in the Agriculture, Hunting, Forestry and Fishing sectors.

The current account deficit grew to 9.9% of GDP in 2011, from 8.1% in 2010. The widening of the deficit stemmed mainly from a significant increase in mineral fuels import, driven by the increase in the average price of crude oil. Imports of machinery and transportation, chemicals and food also rose significantly. At the end of December 2011, the country's international reserves stood at US \$1,966.1 million, equivalent to 19.2 weeks of prospective import cover.

The fiscal deficit stood at 5.8% of GDP during 2011, an improvement over its 6.9% deficit in 2010. This improvement resulted from the continued benefits derived from the Jamaica Debt Exchange Programme (JDX), lower interest rates and increased revenues.

GUYANA

Economic growth in Guyana continued to strengthen reaching 5.4% in 2011, from 4.4% in 2010. The strengthening was supported by expansions in the Mining and Quarrying sector (19.2%); the Transportation and Storage sector (14.2%); and the Financial and Insurance Services sector (9.7%).

In light of rising food and fuel prices the average inflation rate increased to 5.7% in 2011, from 3.7% in 2010.

Guyana's current account deficit widened to 13.7% of GDP in 2011, from 9.5% in 2010. Although exports increased by 27.5%, comprising mainly bauxite and gold, the higher prices for imports of fuel and lubricants, transport and freight outweighed any benefits from the increased level of exports.

The fiscal deficit remained relatively unaffected at 3.1% of GDP in 2011, 0.1% higher than 2010. Total revenue increased by 11.9% as a result of enhanced collection of tax and non-tax revenue, while total expenditure increased by 13.3%.

ECCU⁴

The economic contraction of the ECCU of 2.4% in

⁴ Antigua and Barbuda; Dominica; Grenada; St Kitts and Nevis; St. Lucia and St. Vincent and the Grenadines.

2010 was just about halted in 2011 with a slight decline of 0.2%. The improvement was assisted by a 1.1% growth in the economy of Grenada, relatively flat performance in Dominica of 0.5% and St. Lucia of 0.2%. Unfavourable weather conditions which affected the banana industry coupled with underperformance in the construction and manufacturing sectors caused the ECCU to remain in decline.

High commodity prices on the international market caused the average inflation rate in the ECCU region to increase to 4.1% in 2011 (year on year), up from 3.2% in 2010. The highest rates of inflation were recorded in St. Lucia (4.8%) and St. Vincent and the Grenadines (4.7%).

The current account balance as a percentage of GDP for the ECCU region improved marginally from a deficit of 20.0% in 2010 to a deficit of 19.9% in 2011. The largest deficits were recorded by St. Vincent and the Grenadines (28.8%) and Dominica (23.9%). In contrast, the lowest deficits were recorded in Antigua and Barbuda (10.8%) and St. Kitts and Nevis (14.0%).

The public sector debt of the ECCU region deteriorated marginally to 86.9% of GDP in 2011, from 86.1% of GDP in 2010, with that of St. Kitts and Nevis estimated at 153.4% in 2011.

Table 2: Macroeconomic Indicators for Selected CARICOM Economies

| | Real GDP | | Consumer Prices | | Unemployment (%) | | Current Account Balance ¹ | | Fiscal Balance ¹ | |
|--------------------------------|----------|------|-----------------|------|------------------|------|--------------------------------------|-------|-----------------------------|------|
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 |
| Barbados | 0.2 | 0.6 | 5.8 | 9.5 | 10.8 | 11.2 | -6.1 | -8.5 | -9.1 | -4.6 |
| Guyana | 4.4 | 5.4 | 3.7 | 5.7 | n/a | n/a | -9.5 | -13.7 | -3.0 | -3.1 |
| Jamaica | -1.5 | 1.3 | 12.6 | 7.5 | 12.4 | 12.8 | -8.1 | -9.9 | -6.9 | -5.8 |
| ECCU (All Countries): | -2.4 | -0.2 | 3.2 | 4.1 | n/a | n/a | -20.0 | -19.9 | n/a | n/a |
| Antigua and Barbuda | -8.9 | -0.5 | 2.9 | 3.9 | n/a | n/a | -12.9 | -10.8 | -0.4 | -1.7 |
| Dominica | 0.3 | 0.5 | 1.4 | 4.0 | n/a | n/a | -21.1 | -23.9 | -3.5 | -2.2 |
| Grenada | -1.3 | 1.1 | 4.2 | 3.5 | n/a | n/a | -25.5 | -22.9 | -3.1 | -4.6 |
| St. Kitts and Nevis | -2.7 | -2.0 | 5.0 | 1.2 | n/a | n/a | -20.6 | -14.0 | -7.8 | 2.0 |
| St. Lucia | 3.4 | 0.2 | 4.2 | 4.8 | n/a | n/a | -15.2 | -17.1 | -4.8 | -7.5 |
| St. Vincent and the Grenadines | -1.8 | -0.4 | 0.9 | 4.7 | n/a | n/a | -31.6 | -28.8 | -5.8 | -3.9 |

Source:

For Barbados – Central Bank of Barbados, Economic Review Press Release dd 09/07/12

For ECCU Countries – Regional Economic Outlook, April 2012 and World Economic Outlook (WEO) Database April 2012

For Guyana – World Economic Outlook April 2012, Guyana Budget 2012 dd 30/03/12 and Guyana Bureau of Statistics

For Jamaica – World Economic Outlook April 2012; Bank of Jamaica Annual Report 2011; Statistical Institute of Jamaica and Caribbean Economic Performance Report June 2012

¹percent of GDP
n/a not available

SUMMARY OF MACROECONOMIC PERFORMANCE OF THE TRINIDAD AND TOBAGO ECONOMY

Trinidad and Tobago's economy is expected to resume growth of 1.2% in 2012, following a 2.6% decline in 2011. Fostering this recovery, is a return to growth in the non petroleum sector, projected at 1.9%, driven by projected growth of 2.4% in the services sector. The petroleum industry, however, is expected to register a decline for a second year, of 1.0%.

During the first quarter of fiscal 2012, the rate of unemployment declined to 4.2% from 5.2% in the fourth quarter of fiscal 2011. This amounted to a decrease in the number of persons unemployed, over the period, from 31,500 to 25,900.

Headline inflation gained momentum during the first seven months of 2012, climbing to 10.8% in July (year-on-year), driven mainly by food inflation. Prices in Food and Non-Alcoholic Beverages accelerated from 14.0% in January, to 22.6% in July 2012. Core inflation increased marginally over the seven month period, from 1.8% year-on-year in January to 2.8% in July, reflecting higher prices for Transport and Recreation and Culture.

Amidst sluggish economic activity and evidence of relatively stable core inflation, the Central Bank continued its accommodative monetary policy stance. In that context, private sector credit granted by the consolidated financial system maintained a slow recovery throughout the period October 2011 to June 2012, inching up by 2.8% in May 2012, on a year-on-year basis, compared with 1.4% in October 2011. Credit continued to be boosted by commercial bank lending which was up by 5.7% in May 2012 compared with

4.5% in October 2011. The growth rate of business lending picked up somewhat, reaching 4.6% (year-on-year) in May 2012 while Real estate lending remained strong, expanding by 9.8% in May 2012.

Narrow money (M-1A), defined as currency in active circulation plus demand deposits grew by 15.3% over the period May 2011 to May 2012 (year-on-year). M-2, which comprises M-1A plus time and savings deposits, grew by 12.2% over the period May 2011 to May 2012 (year-on-year).

The Central Bank's repurchase (repo) rate remained at 3.0%, the same rate at which it was instituted back in July 2011. Regarding commercial banks, a significant build-up in liquidity in the financial system over the six-month period October 2011 to March 2012 added some downward pressure on their interest rates. The banks' weighted average lending rate fell from 9.19% and 9.16% in the first and second quarters of fiscal 2012 respectively to close at 9.04% at the end of March 2012. Similarly, the weighted average deposit rate fell from 0.65% in September 2011 to 0.61% in December 2011 and to 0.59% in March 2012.

The weighted average buying rate of the Trinidad and Tobago dollar depreciated slightly to TT\$6.4057=1US\$ at the end of June 2012 from TT\$6.3659=US\$1 in October 2011. Similarly, the weighted average selling rate depreciated to TT\$6.4385=US\$1 from TT\$6.4223=US\$1 over the same period.

The review of the performance of Central Government Operations in 2012 reveals that the overall deficit is estimated at \$6,6675.8 million or 4.3% of GDP, ema-

nating from Total Revenue and Grants of \$47,672.8 million and Total Expenditure and Net-Lending of \$54,348.6 million. Total Revenue is projected to increase by \$172.2 million over last year's outturn of \$47,500.6 million and Total Expenditure, inclusive of Net Lending, is estimated to increase by \$2,856.2 million over that of last year.

Public Sector Debt stock is anticipated to increase by 32.2.% from \$54,098.4 in fiscal 2011 to \$71,506.7 million by the end of the current fiscal year. As a percentage of GDP, Gross Public Sector Debt is also expected to increase from 36% in fiscal 2011 to 46.6% in fiscal 2012. The projected increase in Public Sector Debt is largely attributable to a 59.1% increase in Central Government Debt to \$46,055.9 million largely to facilitate pay out to CLICO policy holders.

By the end of August, 2012, the Net Asset Value of the Heritage and Stabilisation Fund was US\$4,547.5 (TT\$29,320.2 million), which represents 19.1% of GDP, appreciating from US\$4,084.0 million recorded on September 30, 2011.

Continued positive performance in the current account and a narrowing of the deficit in the capital account contributed to a considerable improvement in the Balance of Payments for 2011, over the previous year. The surplus in the Balance of Payments account for 2011 was \$752.6 million, significantly larger than

the \$418.4 recorded for 2010. Increasing energy and non-energy imports was a significant factor in trimming the current account surplus from \$4,172.3 million in 2010 to \$2,258.5 in 2011. In contrast, while the capital account remained in deficit, net inflows of foreign direct investment of US\$1.1 billion, up from US\$549.4 million in 2010, was a major factor in narrowing this deficit.

The Balance of Visible Trade over the period October 2011 to June 2012, suffered a 22.9% decline from October 2010 to June 2011, reflecting sharper decrease in exports of 13.7% than the 7.4% decrease in imports.

During the first half of the fiscal year 2012, Trinidad and Tobago's balance of trade with CARICOM countries worsened by 29.8%, from \$9,253.5 million for the period October 2010 to June 2011 to \$6,493.8 million in the period October 2011 to June 2012. The decline in the trade balance was due to 23.4% reduction in exports of which exports exclusive of petroleum, plummeted by 70.7%.

In 2011, Gross Official Reserves (GOR) was US\$9,822.7 million, equivalent to approximately 13.5 months of prospective imports of goods and non-factor services. By June 2012, reserves dipped to US\$9,734.8 million, equivalent to approximately 12 months of import cover.

THE REAL ECONOMY

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

GROSS DOMESTIC PRODUCT (GDP)¹

Following its contraction of 2.6% in real terms in 2011, Trinidad and Tobago is expected to return to positive economic growth of 1.2% in 2012. This pick-up in economic activity is consequent upon growth in the non-petroleum industry of 1.9%, which will outweigh a decline in the petroleum industry of 1.0% (Appendices 1 to 3).

The non-petroleum sector is projected to expand by 1.9% in 2012, following declines of 4.9% in 2009, 2.6% in 2010, and 0.5% in 2011. The sector's share of real GDP is as a result expected to increase to 59.7% in 2012, from 59.3% in 2011.

The brighter outlook for the non-petroleum sector is premised on a projected 2.4% expansion in the largest non-petroleum sub-sector, services. This growth brings to an end three successive years of economic decline over the 2009 to 2011 period. The services sub-sector's contribution to GDP is therefore expected to increase from 49.7% in 2011 to 50.2% in 2012.

In contrast, manufacturing, the second largest non-petroleum sub-sector, is expected to marginally decline by 0.4% in 2012, following a contraction of 1.1% in 2011. The contribution of this sub-sector to real GDP is projected to fall slightly to 8.8% in 2012 from 9.0% in 2011. Lower economic activity is also projected in the remaining non-petroleum sub-sector, agriculture, which is estimated to contract by 4.9% in 2012, following a negligible decline of 0.1% in 2011.

The petroleum sector is expected to register its second consecutive year of decline, contracting by 1.0% in 2012, which is smaller than its earlier contraction of 3.9% in 2011. The 2012 outturn in this sector reflects contractions in the refining (including Atlantic LNG), exploration and production, and petrochemicals sub-industries. As a result, the sector's share of real GDP is expected to fall to 40.2% in 2012, from 41.1% in 2011.

A contraction of 4.2% is expected in refining (including Atlantic LNG), the second largest petroleum sub-industry. This follows a slightly larger contraction of 5.7% in 2011. Similarly, a decline of 1.0% is projected in 2012 for the largest petroleum sub-industry, exploration and production, which is less severe than the sub-industry's 4.4% contraction in 2011. Likewise, the petrochemicals sub-industry, the third largest, is expected to contract, for a third consecutive year, by 0.8% in 2012, albeit milder than the 4.7% contraction experienced in 2011.

Positive growth is projected in the remaining petroleum sub-industries, with a significant increase in output expected in service contractors (32.4%), and milder increases expected in distribution (2.3%), and asphalt production (0.3%).

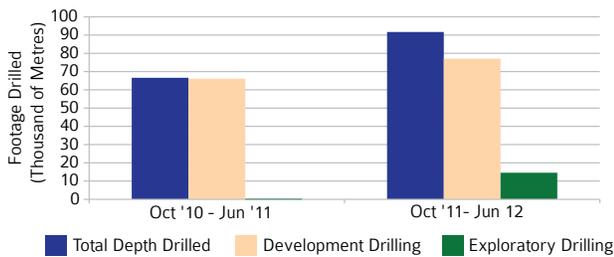
¹ GDP is quoted in constant (2000) prices unless otherwise stated

Drilling

During October 2011 to June 2012, petroleum companies drilled a total depth of 91.7 thousand metres, marking a 37.6% increase from the 66.6 thousand metres drilled during the similar 2010/2011 period. An increase of 75.4% in offshore drilling, as well as a 13.1% increase in onshore drilling, buttressed this outcome. Seventy-nine (79) wells were drilled during the review period, 43.6% more than the fifty-five (55) wells drilled one year earlier. Of the seventy-nine (79) wells drilled, seventy-three (73) were for exploration (marking a significant turnaround since no wells were drilled in the previous comparative period), and six (6) wells were for development, (down from 55 wells drilled one year earlier) (Appendix 7).

In terms of depth drilled, development drilling² increased by 16.6% to 77.1 thousand metres during the review period. Exploratory drilling,³ however, surged from 0.5 thousand metres to 14.6 thousand metres during the period, representing an increase of 2,814.0% (Figure 1).

Figure 1: Development and Exploratory Drilling



Source: Ministry of Energy and Energy Affairs

- 2 Development drilling refers to drilling conducted to determine more precisely the size, grade, and configuration of a mineral deposit, subsequent to when the determination is made that the deposit can be commercially developed. It entails drilling for hydrocarbons in an area with proven reserves to a depth known to have been productive in the past.
- 3 Exploratory drilling refers to drilling conducted in search of an undiscovered reservoir of oil or gas. It involves drilling several test holes to determine the location of mineral deposits, in an area where little subsurface data about those minerals is available.

Crude Oil and Condensate

During October 2011 to June 2012, total crude and condensate production fell by 3.8% to 27.3 million barrels, from 28.4 million barrels in the previous comparative period. Driving this contraction was a 46.4% decline in condensate production (from 7.9 million barrels to 4.2 million barrels), which outweighed a 12.6% increase in crude production (from 20.5 million barrels to 23.1 million barrels). Low condensate levels in new natural gas reservoirs as well as declining condensate yields from existing natural gas reservoirs substantially accounted for the drop in condensate output. Onshore production expanded by 3.8% to 6.3 million barrels whilst offshore production declined by 5.9% to 21.0 million barrels (Appendix 7).

The gradual, albeit slowing global economic recovery as well as geopolitical tensions in the Middle East buttressed an overall strong price for most of Trinidad and Tobago’s major energy exports during October 2011 to June 2012. However, the increasing impact of shale gas⁴ on the North American gas market contributed to a weaker Henry Hub price for natural gas, during the review period.

The average monthly West Texas Intermediate (WTI) price of crude oil steadily increased during the first half of fiscal 2011/2012, from US\$86.32 per barrel in October 2011 to US\$106.16 per barrel in March 2012. The price declined in each successive month thereafter, to reach a low of US\$82.30 per barrel in June, before recovering slightly to US\$87.90 per barrel in July. As a consequence, for the entire ten-month review period, the WTI price of a barrel of crude averaged US\$95.89, an increase of 2.0% over its average of US\$93.99 per barrel one year earlier (Table 3).

- 4 Shale gas refers to natural gas that is trapped within shale formations (fine-grained sedimentary rocks that can be rich sources of petroleum and natural gas). The use of horizontal drilling and hydraulic fracturing in recent years has facilitated access to large volumes of shale gas that were previously uneconomical to produce.

Table 3: Oil and Gas Prices

| | 2011 | | | 2012 | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul |
| Crude Oil (Spot Price US\$/ Barrel) | | | | | | | | | | |
| West Texas Interme- diate | 86.32 | 97.16 | 98.56 | 100.27 | 102.20 | 106.16 | 103.32 | 94.66 | 82.30 | 87.90 |
| European Brent | 109.55 | 110.77 | 107.87 | 110.69 | 119.33 | 125.45 | 119.75 | 110.34 | 95.16 | 102.62 |
| Natural Gas (US\$/Thousand Cu- bic Feet) Henry Hub | 3.56 | 3.24 | 3.17 | 2.67 | 2.50 | 2.18 | 1.95 | 2.43 | 2.46 | 2.95 |

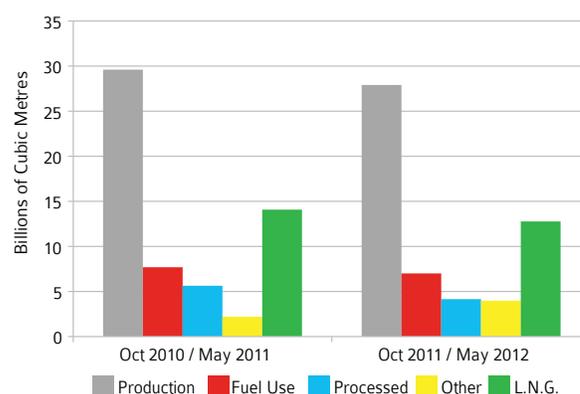
Source: Energy Information Administration (US)

The average monthly price per barrel of European Brent crude oil was relatively stable during the first four months of fiscal 2012, holding within the US\$107.87 to US\$110.77 range, before climbing to a high of US\$125.45 in March 2012. Thereafter, the price softened to US\$95.16 per barrel in June, before rebounding a bit to US\$102.62 per barrel in July 2012. As a result, the price of a barrel of Brent crude averaged US\$111.15 during the October 2011 to July 2012 period, marking a 6.5% increase from the US\$104.33 average recorded in the similar 2010/2011 period. Accordingly, the average price differential between WTI and Brent increased to US\$15.27 per barrel during the current fiscal period, from US\$10.34 per barrel in the previous period.

Natural Gas

Total natural gas production declined by 5.7% to 27,907 million cubic metres during the October 2011 to May 2012 period, from 29,605 million cubic metres in the similar 2010/2011 period (Appendix 8 and Figure 2). On-going maintenance and upgrade work by BPTT, significantly contributed to the reduced output.

Figure 2: Natural Gas Production and Utilisation



Source: Ministry of Energy and Energy Affairs

During the eight-month review period, Trinidad and Tobago's four (4) Liquefied Natural Gas (LNG) trains utilised almost half (45.8%), or 12,768 million cubic metres of the total natural gas produced, which marked a 9.3% decline from the 14,079 million cubic metres utilised one year earlier. Of the remaining 54%, during the 2011/2012 period, utilisation of natural gas as a fuel for industrial plants declined by 8.9% to 7,005 million cubic metres; and utilisation of natural gas as processed gas/feedstock for petrochemical plants declined by 26.3% to 4,153 million cubic metres. However, the amount of natural gas vented into the atmosphere increased by 118.5% to 2,513 million cubic metres. Smaller quantities of natural gas were also re-injected into reservoirs (1,296 million cubic metres) or utilised as Natural Gas Liquids (172 million cubic metres).

The increasing supply of shale gas in the US market significantly depressed the Henry Hub price of natural gas during the review period. Over the first ten months of fiscal 2012, the Henry Hub price averaged US\$2.71 per thousand cubic feet, which was 34.6% below its average of US\$4.15 per thousand cubic feet in the first ten months of fiscal 2011. The monthly average Henry Hub price declined steadily from US\$3.56 per thousand cubic feet in October 2011 to a low of US\$1.95 per thousand cubic feet in April 2012, before recovering somewhat to US\$2.95 per thousand cubic feet in July (Table 3). High summer temperatures in the US, with the consequent increase in demand for natural gas to support additional power generation, accounted for the price recovery.

The latest audit by Ryder Scott, of Trinidad and Tobago's natural gas reserves for the year ended December 31, 2011, estimates Trinidad and Tobago's reserves⁵ and exploratory resources at 55,902 billion cubic feet. Disaggregated into categories, proved gas reserves totaled 13,257 billion cubic feet (or 23.7%); probable reserves 6,035 billion cubic feet (or 10.8%); possible reserves 6,158 billion cubic feet (or 11.0%); and un-risked exploratory resources 30,452 billion cubic feet (or 54.5%). Based on Trinidad and Tobago's total gas production for calendar 2011 estimated at 1,342 billion cubic feet, the country's proved and probable reserve levels in 2011 would supply natural gas for approximately 14.4 years.

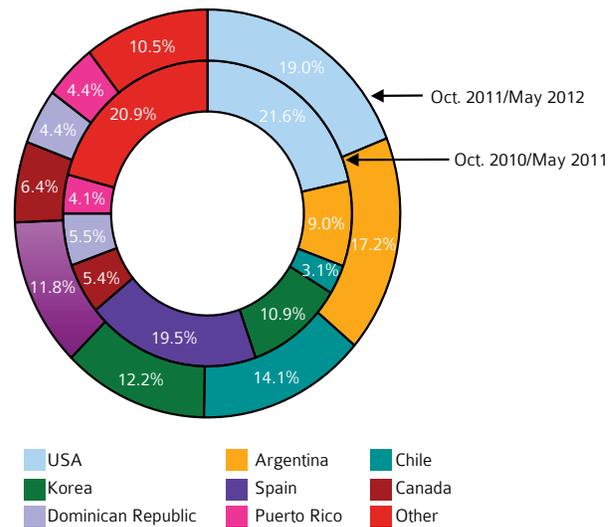
LNG Exports

Trinidad and Tobago exported 462.5 trillion British Thermal Units (BTU) of LNG to nineteen countries during October 2011 to May 2012. This represented a 9.7% decrease from the 511.9 trillion BTU exported during the corresponding 2010/2011 period.

With the increasing prevalence of shale gas in the United States (US), and the consequent softening of the Henry Hub price in that country, Trinidad and Tobago continued to make use of spot market based trading to diversify its LNG export markets and benefit from higher prices in other regions. As a result, while the US continued to be the leading LNG export market, accounting for 19.0% of Trinidad and Tobago's total

LNG exports during October 2011 to May 2012, this was a decline from the 21.6% share held one year earlier (Figure 3). Notwithstanding, Trinidad and Tobago provided 50.6% of all US LNG imports in the 2011/2012 period.

Figure 3: Exports of LNG by Destination



Source: Ministry of Energy and Energy Affairs

Argentina's share of Trinidad and Tobago's LNG exports almost doubled in the 2011/2012 period, from 9.0% to 17.2%, whilst Chile's share jumped from 3.1% to 14.1%. South Korea was the fourth major export destination, receiving 12.2% (up from 10.9%), followed closely by Spain with 11.8% (down from 19.5%).

PETROCHEMICALS (AMMONIA, UREA AND METHANOL)

Production and export levels for ammonia, urea and methanol were lower during the October 2011 to June 2012 period, than in the first nine months of fiscal 2011.

Trinidad and Tobago's eleven ammonia plants produced 3,839.3 thousand tonnes of ammonia during the first nine months of fiscal 2012, which was 4.1% less than the 4,002.0 thousand tonnes produced dur-

5 Reserves refer to the remaining quantities of hydrocarbons to be commercially produced from a known accumulation as of a given date, under stated definitions, and economic conditions.

ing the similar period of fiscal 2011 (Appendix 9). The major factors for the decline in output were gas supply limitations, and shutdowns/outages at several plants. During the 2011/2012 period, 3,508.6 thousand tonnes of ammonia were exported, 2.5% less than the 3,600.2 thousand tonnes exported in the comparative 2010/2011 period.

During October 2011 to June 2012, urea production declined to 410.5 thousand tonnes, from 531.7 thousand tonnes in the previous fiscal period. This 22.8% contraction was mainly due to the temporary shutdown of the PCS Nitrogen plant for planned maintenance work, during the first quarter of fiscal 2012. As a consequence, urea exports fell by 21.2% to 386.0 thousand tonnes, from 489.9 thousand tonnes.

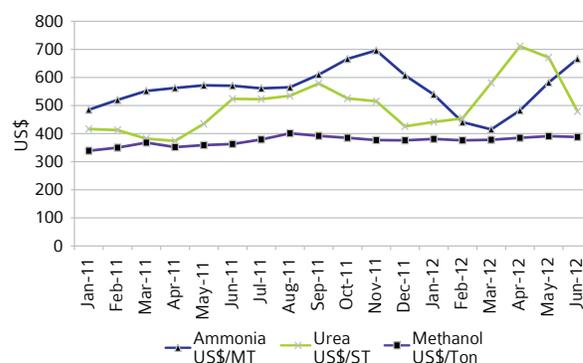
Methanol production from Trinidad and Tobago's seven methanol plants totalled 4,165.1 thousand tonnes during October 2011 to June 2012, a decline of 7.3% from the 4,494.5 thousand tonnes produced in the previous comparative period. This decline was primarily on account of a number of plant outages,⁶ plant turn-around exercises, challenges with natural gas supply and other maintenance/repair work. Methanol exports fell by 9.5% to 4,099.8 thousand tonnes, from 4,530.3 thousand tonnes.

Prices for ammonia, urea and methanol improved during the October 2011 to June 2012 period, when compared to October 2010 to June 2011. Whereas the price of methanol was relatively stable during the period on account of low market activity, the prices of the other two petrochemicals registered more upward movement on account of greater global demand for ammonia, and a strong demand for urea in the US due to local shortages in that market. The monthly average Tampa US Gulf Spot price for ammonia, which reached a calendar 2011 high of US\$696.25 per metric tonne in November 2011, declined to US\$415.00 per metric tonne in March 2012, before rebounding to US\$666.25 per metric tonne in June 2012 (Figure 4). Consequently, the average Tampa US Gulf Spot price for October 2011 to June 2012 increased by 9.0% to US\$566.19 per metric tonne, from US\$519.51 in the comparative 2010/2011 period.

⁶ Plant operations were shut down due to operating equipment failures, power supply issues or circumstances that hindered normal operating conditions.

The monthly average US Gulf Granular Spot price for urea fell during the first quarter of the fiscal year to US\$425.91 per tonne in December 2011. The price recovered steadily over the next four months however, to reach a high of US\$710.99 per tonne in April 2012, but softened once again thereafter to US\$479.51 per tonne in June 2012. The US Gulf Granular Spot price for urea averaged US\$533.82 per tonne over the entire nine-month period, marking a 27.6% increase from the previous average of US\$418.35 per tonne recorded during the first nine months of fiscal 2011.

Figure 4: Petrochemical Prices (Ammonia, Urea and Methanol)



Source: Ministry of Energy and Energy Affairs

The monthly average US Gulf Barge Spot price of methanol fell slightly from US\$385.00 per tonne in October 2011, to US\$376.00 per tonne in December 2011. After peaking at US\$391.00 per tonne in May 2012, the price eased a bit to US\$388.00 per tonne in June. The average US Gulf Barge Spot price for the entire nine-month period was US\$381.89 per tonne, 6.2% higher than the US\$359.67 per tonne average price recorded one year earlier.

AGRICULTURE

Overview

The agricultural sector is expected to contract by 4.9% in calendar 2012, a further weakening from its relatively flat performance of -0.1% in calendar 2011. Accounting for the contraction in 2012 is a decline of 13.0% in the Distilleries sub-sector, which follows a

smaller decline of 5.0% one year earlier. A contraction of 19.6% is also projected in export agriculture, following its 13.3% growth in 2011. In contrast, the domestic agriculture sub-sector, which represents almost two-thirds of all agricultural output, is projected to remain somewhat flat with 0.3% growth in 2012, down from 3.5% in 2011. This flat performance is insufficient to offset the drop in output from Distilleries in 2012. The agricultural sector's share of real GDP is projected to remain stable for the third consecutive year at 0.7% in 2012.

During the period October 2011 to March 2012 the domestic agriculture sector experienced mixed fortunes. Greater efficiencies in some areas of the sector led to an increase in production of eddoes, yams, dasheen, patchoi, melongene, cabbage, pumpkin, lettuce, grapefruit, dairy, beef, live goats sold, live sheep, and paddy. However, weather, pests and disease negatively affected crop production, and competition from imports, labour shortages and rising costs of inputs continued to constrain the sector. These adverse conditions affected the production of cassava, sweet potatoes, sorrel, cucumbers, cauliflower, tomatoes, dasheen bush, sweet pepper, hot pepper, water melon, bodi, ochro, oranges, copra, poultry, pork, live pigs, goat meat, mutton and honey. The performance of the export agriculture sub-sector was also mixed as increased cocoa production was achieved in the face of weaker export markets.

Domestic Agriculture⁷

Root Crops

During the period October 2011 to March 2012 cassava and sweet potato suffered from excessive rainfall. Cassava production decreased by 36.1% to 1,154,400 kgs, from 1,807,200 kgs in the October 2010 to March 2011 period. In addition, sweet potato production declined by 10.9%, from 491,500 kgs to 437,900 kgs.

The production of eddoes soared by 155.6%, from 656,700 kgs in the 2010/2011 period to 1,678,600 kgs in the current period. Yam production rose by 66.3% to 66,700 kgs in 2012, from 40,100 kgs in 2011, while dasheen production expanded by 52.6% from 1,305,600 kgs in 2011 to 1,992,200 kgs in 2012.

⁷ In most instances the period covered is October 2011 to March 2012

Vegetable Production

Heavy rains and flooding in the first quarter of fiscal 2012 lead to lower yields for some vegetables during that period. An unusually high level of precipitation during the second quarter dry season however favoured some commodities and reduced prices in that quarter. Crops registering overall increases in production during the full six-month period included: patchoi (222.2%), melongene (135.3%), cabbage (21.7%), pumpkin (44.8%) and lettuce (46.2%). In contrast, there were overall declines in the production of sorrel (89.0%), cucumber (42.2%), cauliflower (38.4%), tomatoes (50.0%), dasheen bush (35.1%), sweet pepper (33.8%), hot peppers (8.4%), water melon (7.1%), bodi (7.0%), and ochro (10.0%).

Paddy Production

Rice production for the period October 2011 to June 2012 totalled 2,258.7 metric tonnes, a 4.2% increase over the 2,168.2 metric tonnes of the previous corresponding period. Importation of higher quality Guyanese seeds and the use of better agronomic and managerial practices by rice farmers, favoured the higher yield.

Other Crops

Citrus

Grapefruit production increased by 11.5% during the October 2011 to March 2012 period, from 71,450 kgs to 79,700 kgs. Conversely, orange production decreased by 51.5%, from 303,072 kgs in 2011 to 146,904 kgs in 2012.

Copra Production

Copra production declined by 54.0%, from 21,336 kgs in 2011 to 9,825 kgs in 2012 due to a number of constraints, particularly the incidence of pests and diseases. In this regard, the Ministry of Food Production is continuing to conduct research on biological control methods to combat the invasive Red Palm mite population.

Poultry

Output of broiler meat fell by 46.6% to 17.3 million kgs in the 2012 period, from 32.4 million kgs in 2011,

as poultry production continued to be adversely affected by the increased costs, particularly feed and labour, as well as increased competition from imported chicken parts.

Livestock and Dairy Products

Pork

Live pig sales declined by 30.3%, from 41,045 animals in 2011, to 28,600 animals in 2012. Pork sales declined less severely by 1.9%, from 1,587,704 kgs in 2011 to 1,558,174 kgs in 2012. The industry continued to be adversely affected by a shortage of labour, competition from cheaper imported pork, the enforcement of water pollutant rules by the Environmental Management Authority, poor quality and higher cost of feed, and scarce and expensive medical supplies for pigs.

Dairy and Beef

After several years of declining output, milk production increased by 3.4% to 1,416,074 litres during the October 2011 to March 2012 period, from 1,370,063 litres in the October 2010 to March 2011 period.

Beef and veal production, increased more sharply by 12.7% in 2012, to 195,155 kgs from 173,132 kgs in 2011. The renewed focus in the dairy and beef sub-sector by the Ministry of Food Production has sent a positive signal to farmers.

Small Ruminants

Goat meat production decreased by 23.1%, from 27,205 kgs in 2011 to 20,909 kgs in 2012. A switch to sheep and cow rearing for meat and milk production, as well as the limited availability of a quality breeding stock of goats caused the slide in production. The number of goats sold however increased by 3.1% from 1,339 heads in 2011 to 1,380 heads in 2012.

Mutton production declined by 13.4%, from 150,032 kgs in 2011 to 129,860 kgs in 2012. The decrease in mutton production in 2012 is due to increased input costs and praedial larceny. During 2012, the number of sheep sold locally increased by 97.7% from 4,737 heads to 9,363 heads.

Box 1: The Commercial Large Farms Programme

As part of its ongoing efforts to increase domestic food production, improve food security and correct institutional and infrastructural shortcomings in the sector, the Ministry of Food Production (MFP) has continued its programme of developing large commercial agricultural farms on sites located in Trinidad. These farms facilitate the production of vegetables and root crops, orchards, cocoa, rice, aquaculture and livestock. The programme is designed as a public-private partnership arrangement where the State provides paved roadway access along with potable water and electricity to the farm gate. The agri-investor is also issued with a thirty year renewable agricultural lease and is responsible for the financing, development and operation of the farm in keeping with agreed terms and conditions. The lands on which these farms are being established are State Agricultural Lands formerly used primarily for sugar cane cultivation. Whilst some degree of diversification into other activities, such as rice and animal production, had occurred on these state lands up until 2003, the lands, for the most part, have been fallow since this period.

Since initiating the programme, the MFP has sought investors through an open public tendering procedure. Interested, experienced and qualified agricultural investors are invited to submit comprehensive business proposals to undertake the investment, development, management and operation of commercial farms which range between 50 and 300 acres. At present, the Commercial Large Farms Programme (CLFP) consists of the following;

- One (1) farm site that is currently under production but operates as a model/demonstration farm;
- Four (4) farm sites that are currently under production;
- Four (4) farm sites which have been allocated but are yet to come under production; and
- Eleven (11) unallocated farm sites for which proposals have been evaluated.

Allocation of all farm sites currently under the CLFP is expected to be completed by the end of calendar 2013 and all farms are anticipated to be in full production by September 2014. Further details on the CLFP are provided at Box 1A below.

Box 1A: Farm Sites Currently under the Commercial Large Farms Programme

| Farm Location (Firm/ Investor) | Commencement Date | Targeted Commodities/ Food Groups | Acres | Type | Some Commodities & Quantity Produced or Proposed (Period) | Expected Market Date |
|---|-----------------------|---|-------|-----------------------------|--|--|
| Couva (PCS Nitrogen)* | September 2008 | Bodi, Cassava, Sweet Potato, Breadfruit, Papaya, Pommecythere, Sweet Corn, Ochro, Tomato, Lettuce, Hot Pepper, Sweet Pepper, Dasheen Bush, Cucumber | 75 | Private-Model/Demonstration | Not available | Not available |
| Orange Grove (Technology Farms) | October 2011 | Sweet Corn, Hot Pepper, Papaya, Cantaloupe, American Slicer Cucumber (Only Sweet Corn and Hot Pepper produced to date) | 100 | Private - Commercial | Sweet corn 952 kgs. (Oct 2011 – Dec 2011) | already on market |
| | | | | | Hot pepper 40,290 kgs. (Jan 2012 – Jun 2012) | already on market |
| | | | | | Sweet potato 160,000 kgs. (annual) | June 2013 |
| | | | | | Cantaloupe 60,000 kgs. (annual) | June 2013 |
| Orange Grove (Cunupia Farmers) | Not Yet in Production | Vegetables, Root Crops, Fruit Crops | 200 | Private - Commercial | - | Sep 2013 |
| Caroni (Two2 Brothers Corporation (Guyana)) | August 2011 | Rice | 100 | Private - Commercial | Rice 38,463 kgs. (Mar 2012 – Jun 2012) | already on market |
| Edinburgh (Caribbean Chemicals / Edinburgh Farms) | July 2011 | Papaya, Cantaloupe, Sweet Corn, Hot Pepper, American Slicer Cucumber (Only Sweet Corn and Hot Pepper produced to date) | 100 | Private - Commercial | Sweet Corn 15,551 kgs. (July 2011 – June 2012) Hot Pepper (Oct 2011 – Jun 2012) | already on market already on market |
| | | | | | Sweet potato 60,000 kgs. (annual) | June 2013 |
| | | | | | Cantaloupe 60,000 kgs. (annual) Papaya 148,000 kgs. (annual) | June 2013 June 2013 |
| Jerningham Junction (Caribbean GuangZhou (China)) | Not Yet in Production | Livestock Production Aquaculture Crop Production (Vegetables) | 108 | Private - Commercial | Pig 50,000 kgs. (annual) | Sep 2013 |
| | | | | | Fish 300,000 kgs. (annual) | Sep 2013 |
| | | | | | Chicken 20,000 kgs. (annual) | Sep 2013 |
| | | | | | Duck 20,000 kgs. (annual) | Sep 2013 |
| | | | | | Tomato 160,000 kgs. (annual) | Sep 2013 |
| | | | | | Chilli 40,000 kgs. (annual) | Sep 2013 |
| | | | | | Cucumber 100,000 kgs. (annual) | Sep 2013 |
| Picton IV (Evergreen Ranch Limited) | November 2011 | Livestock Production | 262 | Private - Commercial | Beef 37,500 kgs. (annual) | Sep 2013 |

| Farm Location (Firm/ Investor) | Commencement Date | Targeted Commodities/ Food Groups | Acres | Type | Some Commodities & Quantity Produced or Proposed (Period) | Expected Market Date |
|---|-----------------------|---|-------|----------------------|---|----------------------|
| Picton III (Tucker Energy Services Limited) | Not Yet in Production | Aquaculture Crop Production (Vegetable, Fruit and Tree Crops) | 267 | Private - Commercial | Plantain 272,160 kgs. (annual) | Sep 2013 |
| | | | | | Pumpkin 68,040 kgs. (annual) | Sep 2013 |
| | | | | | Watermelon 90,720 kgs. (annual) | Sep 2013 |
| | | | | | Papaya 204,120 kgs. (annual) | Sep 2013 |
| | | | | | Aquaculture 34,020 kgs. (annual) | Sep 2013 |
| Picton II (Trinidad and Tobago Agri-business Association) | Not Yet in Production | Livestock Production Crop Production (Vegetable, Fruit and Tree Crops) | 224 | Private - Commercial | Papaya 37,000 kgs. (annual) | Sep 2013 |
| | | | | | Hot and Seasoning Pepper 20,000 kgs. (annual) | Sep 2013 |
| | | | | | Cassava 50,500 kgs. (annual) | Sep 2013 |
| Cunupia (Mon Jaloux) (Unallocated) | Not Yet in Production | Livestock (Small Ruminant) | 400 | Private - Commercial | Mutton 20,000 kgs. (annual) | Sep 2014 |
| Picton I (Unallocated) | Not Yet in Production | Livestock/ Root Crops/ Tree Crops | 241 | Private - Commercial | – | Sep 2014 |
| Picton V (Unallocated) | Not Yet in Production | Livestock/ Root Crops/ Tree Crops | 104 | Private - Commercial | – | Sep 2014 |
| Mora Valley (Unallocated) | Not Yet in Production | Cocoa | 151 | Private - Commercial | – | Sep 2014 |
| La Gloria (Unallocated) | Not Yet in Production | Livestock/ Root Crops/ Tree Crops | 147 | Private - Commercial | – | Sep 2014 |
| La Gloria (Unallocated) | Not Yet in Production | Livestock/ Root Crops/ Tree Crops | 148 | Private - Commercial | – | Sep 2014 |
| Orange Grove 2 (Unallocated) | Not Yet in Production | Aquaculture | 44 | Private – Commercial | | Sep 2014 |
| Orange Grove 3 (Unallocated) | Not Yet in Production | Rice | 156 | Private – Commercial | | Sep 2014 |
| Bejucal (Unallocated) | Not Yet in Production | Rice | 171 | Private – Commercial | | Sep 2014 |
| Felicity (Unallocated) | Not Yet in Production | Rice | 215 | Private – Commercial | | Sep 2014 |
| Tucker Valley** (Unallocated) | Not Yet in Production | Sweet Corn, Legumes, Papaya | 100 | Private – Commercial | | Sep 2014 |

* PCS Nitrogen operates as a model/demonstration farm, as such, production information is not collected for it.

** Originally the Tucker Valley Farm, which consisted of 200 acres of farm land, was to be fully State financed, operated and managed as a Commercial Farm with training facilities for farmers, agricultural students and persons with agricultural interests within the wider society. This was however changed when the 100 acre farm at Chaguaramas was advertised for lease in October 2011. This 100 acre farm will now be a privately managed and operated Commercial Farm. The remaining 100 acres will be used for seed production and other activities.

Apiculture (Bees)

Honey production is expected to decline by a 10.0% from 44,000 litres in calendar 2011, to 39,600 litres in calendar 2012. This sub-sector encountered a number of challenges including human resource constraints, praedial larceny, and adverse weather conditions during the period under review.

Export Agriculture

Cocoa

During the October 2011 to June 2012 period, cocoa bean production increased by 12.9% to 377,807.5 kgs, from 334,585.5 kgs in the corresponding 2010/2011 period, albeit short of expectations, as output was hampered by rainy conditions. Weaker economic conditions in the European export market caused a decline in cocoa exports by 38.5% to 179,778 kgs during the 2011/2012 period however, from 292,345 kgs one year earlier.

A number of strategic initiatives are being implemented by the Ministry of Food Production to increase cocoa production. These include rehabilitating cocoa estates and propagating planting material of the improved varieties.

MANUFACTURING

Overview

During calendar 2012 Trinidad and Tobago's manufacturing sector is expected to decline marginally in real terms, by 0.4%, following a 1.1% decline in 2011. Sluggish regional demand on account of weak global economic growth, and disruptions in the production of cement and cement related products in the wake of a prolonged strike in the local cement industry, significantly contributed to this outcome. In terms of its contribution to real GDP, the manufacturing sector is expected to marginally decline to 8.8%, from 9.0% in 2011.

Most manufacturing sub-sectors are expected to record lower levels of economic activity during 2012. The sharpest decline (8.1%) is projected in the third

largest manufacturing sub-sector, assembly type and related industries. This marks the fourth consecutive annual contraction for this sub-sector, following declines of 5.2%, 3.3%, and 10.1% during the 2009 to 2011 period. Other manufacturing sub-sectors for which declines are projected include: textiles, garments and footwear (7.2%); printing, publishing etc. (3.1%); and miscellaneous manufacturing (0.7%).

A smaller contraction of 0.2% is expected in the second largest manufacturing sub-sector, chemicals and non-metallic minerals. This follows the sub-sector's 3.5% expansion in 2011. The performance in 2012 was negatively affected by a substantial decline in the production of cement and concrete products (including blocks and bricks) due to the strike at Trinidad Cement Limited (TCL).

In 2012, positive growth is anticipated in the largest manufacturing sub-sector, food, beverages and tobacco, which is projected to expand by 1.5%. Marginally lower than its 1.8% growth in 2011, the 2012 outlook reflects a ten-year low, growth having steadily decelerated since 2009.

Strong growth of 29.0% is also projected in 2012 in the wood and related products sub-sector, one of the smallest contributors to real GDP in the manufacturing sector. This reverses the 1.3% decline in 2011 and would be the first expansion recorded by the sub-sector in four years.

Manufacturing Exports

Total manufacturing exports from Trinidad and Tobago rose by 15.8% to \$1,150.7 million in the first quarter of fiscal 2011/2012, from \$994.0 million one year earlier. Underlying this increase was a 22.3% expansion in exports to Non-CARICOM countries (from \$706.8 million to \$864.4 million), which outweighed a 0.3% contraction in exports to CARICOM (from \$287.1 million to \$286.4 million). The pick-up in Non-CARICOM exports reflected the moderate global economic growth conditions in 2011.

Non-CARICOM countries received 75.1% of all manufacturing exports in the first quarter of fiscal 2012, up from 71.1% one year earlier. As a consequence, CARICOM's share of Trinidad and Tobago's manufacturing exports fell to 24.9%, from 28.9%.

Iron and Steel

Output of iron and steel products declined marginally by 0.8% during the first nine months of fiscal 2011/2012, in comparison with the same period in fiscal 2010/2011. Decreases in production of wire rods by 4.3% (from 313.8 thousand metric tonnes to 300.2 thousand metric tonnes), and 0.9% in direct reduced iron (DRI) (from 1,263.5 thousand metric tonnes to 1,252.7 thousand metric tonnes) accounted for the marginal decline. However an increase in the production of billets by a 1.9% from 449.7 thousand metric tonnes to 458.1 thousand metric tonnes, partially offset the overall decrease in production of iron and steel (Appendix 10 and Figure 5).

Exports of iron and steel increased by 1.9% during the fiscal 2012 period to 1,171.0 thousand metric tonnes, from 1,149.3 thousand metric tonnes one year earlier. An increase of 6.1% in the export of DRI, from 772.0 thousand metric tonnes to 819.0 thousand metric tonnes was responsible for the overall increase in exports. Even with decreases of 14.9% from 100.9 thousand metric tonnes to 85.9 thousand metric tonnes in the export of billets, and 3.7% in the export of wire rods from 276.4 thousand metric tonnes to 266.1 thousand metric tonnes, the overall increase in exports remained.

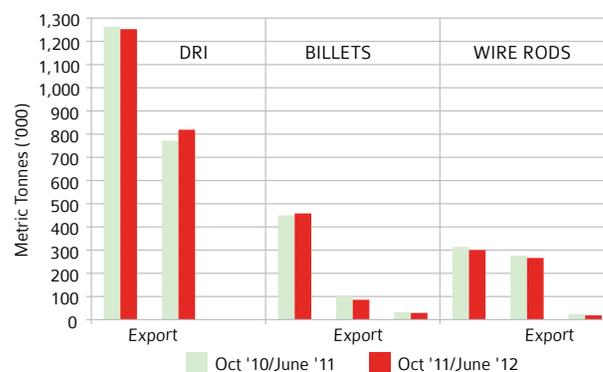
Sales of billets on the domestic market decreased by 11.0%, from 32.8 thousand metric tonnes to 29.2 thousand metric tonnes, during the period October 2011 to June 2012. Domestic sales of wire rods also decreased by 23.7% from 24.4 thousand metric tonnes to 18.6 thousand metric tonnes over the same period.

The three-month contract price per tonne for exports of DRI from Trinidad and Tobago rose during the first half of fiscal 2012, from US\$327.93 in the first quarter to US\$379.00 in the second quarter. Over the six-month period, the DRI price per tonne averaged US\$706.93, which was 11.7% above the average price of \$632.67 for the same period one year earlier.

The price of exported steel products fluctuated during the fiscal 2012 period, but nonetheless gradually trended lower due to a softening in demand. The price per tonne for wire rods declined from US\$750.00 in October 2011 to US\$678.33 in December 2011, its lowest level over the review period. The price hovered between US\$691.88 and US\$697.50 during January to April 2012, before easing further in May and set-

tling at US\$688.75 in June. Likewise, the price per tonne for billets fell to US\$610.00 in December 2011 from US\$655.00 in October 2011, before recovering somewhat to US\$627.50 in January 2012. The price then remained within a narrow band of US\$604.00 to US\$612.50 for the remainder of the review period.

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



Source: ArcelorMittal Point Lisas Ltd.

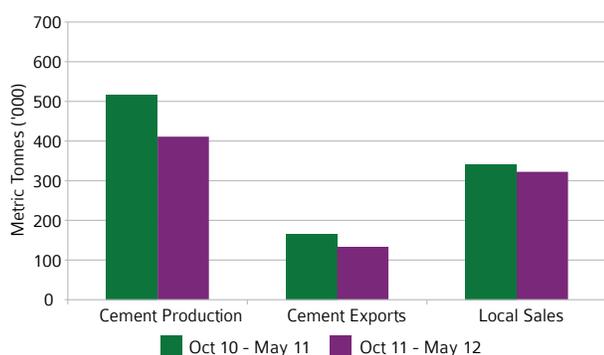
Cement

During the first eight months of fiscal 2012, cement production declined by 20.5% to 411.0 thousand metric tonnes, from 516.9 thousand metric tonnes in the previous comparative period (Figure 6). The major reason for the decline was the 90-day strike by employees of Trinidad Cement Limited, followed by the lock-out of workers by management in late May. During the 3-month March to May 2012 period production fell by 131.5 thousand metric tonnes, or 63.4% when compared to the same period one year earlier. The resulting shortage in supply in the domestic market drove cement prices up by 9.1% from \$47.50 per bag in the first quarter to \$51.80 per bag in the second quarter, and then by 32.8% to \$68.80 per bag in the third quarter.

As a consequence, total domestic and export sales of cement plummeted by 12.0% to 455.8 thousand metric tonnes during the October 2011 to May 2012 period, from 517.9 thousand metric tonnes in the October 2010 to May 2011 period. In the period under review, sales from exports dropped by 24.4% from 176.6 thousand metric tonnes to 133.4 thousand met-

ric tonnes. The drop in local sales was not as drastic. Sales slid by 5.5% from 341.3 thousand metric tonnes to 322.4 thousand metric tonnes. As a result, the share of local sales to total sales increased to 70.7% in the current period, from 65.9% one year earlier, whilst the share of export sales to total sales contracted to 29.3%, from 34.1% in the previous period.

Figure 6: Cement Production



Source: Trinidad Cement Limited

SERVICES

Overview

The services sector is expected to register a 2.4% expansion in real economic activity in 2012, a turn-around from its 0.3% contraction in 2011. Finance, insurance, and real estate etc., the largest services sub-sector, is expected to grow by 6.1% in 2012, an improvement on its 0.6% decline in 2011.

Distribution and restaurants, the second largest services sub-sector, is projected to grow by 1.4% in 2012, marking a weakening from its 4.7% growth one year earlier. In the third major services sub-sector, transport, storage and communication, a return to growth is expected in 2012 at a rate of 1.4%, following on the sub-sector's 1.0% decline in 2011.

Mixed performances are projected in the remaining services sub-sectors, with growth being recorded in electricity and water (4.5%), personal services (2.7%), hotels and guest houses (2.0%), and government (1.0%); and declines being recorded in construction and quarrying (2.0%), and education and cultural services (0.8%).

Construction

The Construction and Quarrying sub-sector is projected to contract in real terms by 2.0% in 2012, which is less severe than the 8.8% contraction recorded in 2011. The sub-sector's share of real GDP is likewise expected to drop marginally to 5.0%, from 5.2% in 2011.

Economic activity in the Construction and Quarrying sub-sector was negatively impacted by the 90-day strike by TCL's employees during the February to May 2012 period. The industrial impasse resulted in insufficient supplies of cement and cement products on the local market, which drove up prices for these materials. This led to a marked slowdown in construction activity during the period. During 2012 the sector also suffered from setbacks in the implementation of a number of public sector construction projects.

Tourism

Airline Arrivals

According to the latest forecasts from the Central Statistical Office for 2011 and 2012, Trinidad and Tobago is expected to receive approximately 357,159 air visitors during calendar 2012, a decline of 4.8%, when compared to the 375,202 air visitors estimated to have landed during calendar 2011. With the exception of 2007, which experienced a marginal (0.1%) increase, air arrivals to Trinidad and Tobago have steadily declined since 2005 when 461,314 passengers landed.

Cruise Ship Arrivals

The number of cruise ships berthing in Trinidad and Tobago fell to 59 vessels in 2011, from 85 vessels in 2010, representing a decrease of 30.6%. This led to a 40.7% decline in total cruise ship passenger arrivals, from 101,675 persons to 60,277 persons. Trinidad received 15,654 passengers in 2011, a decline of 60.9%; whilst Tobago received 44,623 passengers, a decline of 27.8%.

A total of 47 cruise ships docked in Trinidad and Tobago during the first four months of 2012, an increase of 23.7%, when compared to the 38 vessels which docked in the comparative period of 2011. Of these 47 vessels 22 moored in Trinidad (6 more than one year earlier) and 25 moored in Tobago (up from 22). Notwithstanding the increase in the number of cruise ship calls, Trinidad and Tobago experienced a 28.9% drop

in cruise ship passenger arrivals, from 43,189 persons to 30,747 persons. Trinidad received 10,723 passengers, a decline of 13.1%; and Tobago received 20,024 passengers, a decline of 35.1%. Weaker performances in cruise ship tourism have also been observed in a number of other Caribbean tourist destinations, and have been primarily attributed to a reduction in itineraries and routes by cruise ship lines, as well as the redeployment of vessels from the Caribbean to other regions, including Europe.

Yachting Arrivals

Yacht arrivals to Trinidad and Tobago increased by 14.1% in 2011, with 1,232 vessels visiting the country, up from 1,080 in 2010. Yacht arrivals peaked in May 2011 with 146 vessel landings, an increase of 14.1% from one year earlier. Yacht arrivals however reached a low of 52 landings in November 2011, a decrease of 21.1% from one year earlier.

During the first five months of 2012, Trinidad and Tobago received 582 yachts, a decrease of 1.2% from the comparative 2011 period.

PRICES

Headline inflation⁸ gained momentum during the first seven months of 2012, climbing to 10.8% in July (year-on-year), driven mainly by food inflation. This marked a reversal of the inflationary easing experienced during most of 2011, when inflation fell to a low of 0.6% in August.

The annual average rate of inflation for 2011, decelerated to 5.1%, almost half the rate of 10.6% recorded for 2010 (Appendix 11). This deceleration is attributed to slower price increases in Food and Non-Alcoholic Beverages (from 22.1% in 2010 to 10.5% in 2011); Transport (from 11.3% in 2010 to 0.8% in 2011); and Recreation and Culture (from 7.3% in 2010 to 3.9% in 2011). Similarly, core inflation⁹ slowed to an annual average rate of 1.7% in 2011, from 4.3% in 2010. An uptick in Housing prices from 0.3% in 2010 to 1.4% in 2011 was too insignificant to impact core inflation.

8 Headline inflation measures the rate of change in the All Items Index of Retail Prices.

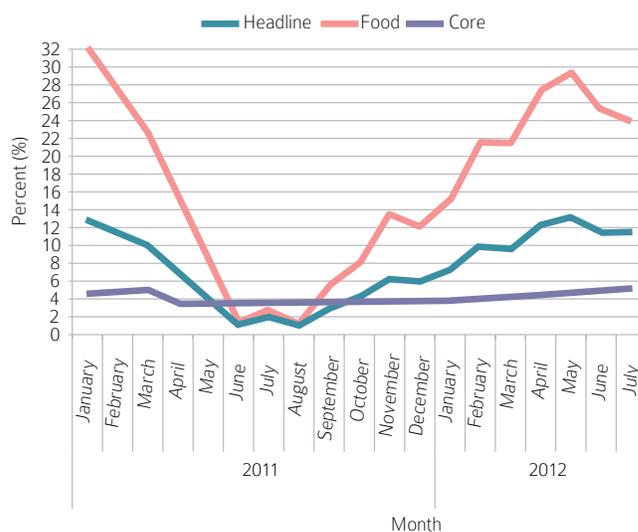
9 Core inflation is a measure of inflation that excludes the food price effect.

In 2012, headline inflation trended upwards, from 6.8% year-on-year in January to 12.6% in May, then eased to 10.8% in July (Figure 7). The main drivers for this acceleration were higher prices in Food and Non-Alcoholic Beverages (from 14.0% in January, to 22.6% in July); Recreation and Culture (from 0.6% in January, to 6.0% in July); and Transport (from 0.6% in January, to 1.5% in July). The overall increase in food inflation was propelled by higher prices for Vegetables (35.5%) and Meat (5.9%). Core inflation increased marginally over the seven month period, from 1.8% year-on-year in January to 2.8% in July, reflecting higher prices for Transport and Recreation and Culture.

In the seven-month period from January to July 2012, on a calendar year-to-date basis, headline inflation increased to 6.6%, a significant acceleration from the 1.3% rate in the first seven months of 2011. Increases in food prices of 12.8%, in sharp contrast to the 2.1% increase in food prices during the same period one year earlier, were responsible for this surge. Food items contributing to the overall leap in food prices were Vegetables (25.9%) and Meat (5.0%).

Core inflation rose to 2.1% during the first seven months of 2012, from 0.8% in the comparative period of last year. A reversal of price movements for Recreation and Culture (6.1%, from -0.3%), and upward price pressures for Transport (1.5%, from 0.6%) and Health (2.9%, from 1.3%), drove this outturn.

Figure 7: Percentage Change (Year-on-Year)



Source: Central Statistical Office

PRODUCTIVITY

During calendar 2011, the productivity of all workers in all industries, as measured by the All Items Productivity Index, grew by 3.4%, which was lower than the 4.7% growth recorded in calendar 2010 (Appendix 11).

On a year-on-year basis, the productivity of all workers in all industries declined by 8.7% during the first quarter of fiscal 2012, a notably weaker performance than the 7.0% gain registered in the first quarter of fiscal 2011. Industries recording productivity losses were: Food Processing (42.4%); Oil and Natural Gas Refining (23.7%); Petrochemicals (15.5%); Exploration and Production of Oil and Natural Gas (10.8%); Wood and Related Products (10.2%); Electricity (7.0%); Assembly Type and Related Products (6.3%); Textiles, Garments and Footwear (5.9%); and Printing, Publishing and Paper Converters (2.2%). Notwithstanding, productivity gains were registered in Chemicals (26.9%); Miscellaneous Manufacturing (15.4%); Water (5.1%); and Drink and Tobacco (1.6%). Productivity in the overall non-energy sector contracted by 4.1% during the first quarter of fiscal 2012, markedly lower than the 21.1% expansion attained in the first quarter of the previous fiscal year.

During the second quarter of fiscal 2012, the productivity of all workers in all industries fell by 4.3% (year-on-year), reversing the 7.5% (year-on-year) productivity gain experienced in the second quarter of fiscal 2011. This outturn reflected productivity declines in Food Processing (40.5%); Oil and Natural Gas Refining (28.8%); Electricity (25.0%); and Exploration and Production of Oil and Natural Gas (16.8%). In contrast, productivity gains were registered in a number of industries including: Chemicals (26.5%); Miscellaneous Manufacturing (16.4%); and Drink and Tobacco (11.5%). Productivity in the overall non-energy sector grew marginally by 0.6% (year-on-year) in the current quarter, a significant deceleration from the 10.5% expansion recorded in the corresponding quarter of the previous fiscal year.

POPULATION

The Central Statistical Offices' 2012 mid-year population estimates for Trinidad and Tobago project a

0.5% increase in the population to 1,332,577 persons in 2012, from 1,325,402 persons in 2011. The provisional birth rate per thousand persons is expected to decrease from 15.21 in 2011 to 14.86 in 2012. However, the provisional death rate per thousand persons is expected to increase to 7.23 in 2012 from 7.06 in 2011 (Appendix 12).

Disaggregating by age group, persons aged 24 years or younger account for 45.2% of Trinidad and Tobago's population. Whereas persons between 25 and 59 years of age represent 44.8% of the population, and persons aged 60 and over represent 10.0% (Appendix 13). In terms of gender distribution, males account for 50.2% of the population (668,275 persons), and females 49.8% (664,302 persons) (Appendix 12).

LABOUR FORCE AND EMPLOYMENT

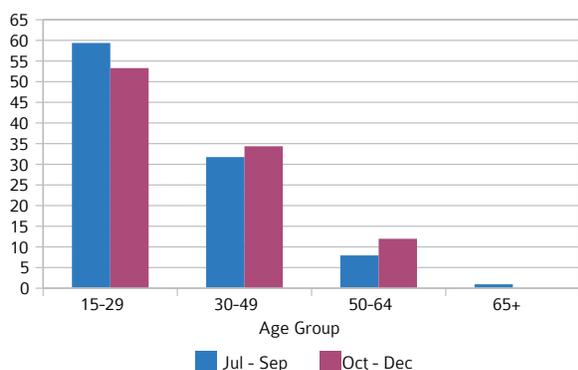
Unemployment

The rate of unemployment in Trinidad and Tobago declined to 4.2% during the first quarter of fiscal 2012 from 5.2% in the fourth quarter of fiscal 2011 (Appendix 14). This meant that the number of unemployed persons decreased from 31,500 to 25,900 in that period. Unemployment across industries was lowest in: Other Mining and Quarrying (0.0%); Other Agriculture, Forestry, Hunting and Fishing (0.9%); Transport, Storage and Communication (1.4%); Other Manufacturing (2.2%); Petroleum and Gas (2.5%); Finance, Insurance, Real Estate and Business Services (2.8%); and Electricity and Water (2.8%). The rate was above the national average in: Construction (8.0%); and Wholesale and Retail Trade, Restaurants and Hotels (6.0%).

In terms of the distribution of unemployed persons by age, approximately 53.3% of the unemployed during the first quarter of fiscal 2012 were young persons aged 15 to 29 years. This group accounted for the highest proportion of unemployed persons by age in the economy, although the proportion was markedly lower than the 59.4% recorded in the fourth quarter of fiscal 2011. In contrast, the share of the unemployed who are between the ages of 30 and 49 years increased from 31.7% to 34.4%. The proportion of unemployed persons from the 50 to 64 years age group also increased, though at a faster rate from 7.9% to 12.0% in the period under review (Figure 8).

The disaggregation of unemployment by gender revealed a decline in the unemployment rate among the male segment of the population during the first quarter of fiscal 2012 to 2.9%, from 4.0% in the fourth quarter of fiscal 2011. Unemployment among the female segment of the population more or less held, dipping slightly to 6.0% in the first quarter, from 6.8% in the fourth quarter of fiscal 2011.

Figure 8: Distribution of Unemployed Persons by Age Group (2011)



Labour Force / Job Creation

In the first quarter of fiscal 2012 the number of persons employed rose to 596,100 from 578,000 in the fourth quarter of fiscal 2011. The size of the labour force also increased to 621,900 persons from 609,500 persons in the previous quarter. Consequently, the participation rate¹⁰ increased during the first quarter to 61.7%, from 60.6%.

The increase in the number of persons employed during the first quarter was attributable to job gains in seven of the ten sectors, led by: Community, Social and Personal Services (4,100); Construction (3,800); Transport, Storage and Communication (3,700); Wholesale and Retail Trade, Restaurants and Hotels (3,500); Other Manufacturing (excluding sugar and oil) (3,300); and Other Agriculture, Forestry, Hunting and Fishing (1,900). In contrast, job losses were experienced primarily in: Finance, Insurance, Real Estate and Business Services (3,700); and Electricity and Water (300).

Approximately 356,600 persons or 59.8% of those employed during the first quarter of fiscal 2012 were male, and 40.2% or 239,500 persons were female. The leading sectoral sources of employment for females remained Community, Social and Personal Services (102,200 persons); Wholesale and Retail Trade, Restaurants and Hotels (60,300 persons); Finance, Insurance, Real Estate and Business Services (28,100 persons); Other Manufacturing (excluding sugar and oil) (16,100 persons); and Construction (14,000 persons).

¹⁰ The participation rate is the proportion of the non-institutional population, aged 15 years and over that is part of (or 'participates' in) the labour force.

CENTRAL GOVERNMENT OPERATIONS

Overview
Revenue
Expenditure
Financing

Public Debt and Debt Service
Trinidad and Tobago Credit Ratings

CENTRAL GOVERNMENT OPERATIONS

Overview

Based on an average oil price of US\$75.00 per barrel and an average natural gas price of \$2.75 per million metric cubic feet (mmcf), the Government had budgeted an overall fiscal deficit of \$7,642.4 million, or 4.9% of GDP¹, for fiscal 2012. Planned Revenue and Grants of \$46,959.9 million and planned Expenditure and Net Lending of \$54,602.3 million would have shaped this deficit. Additionally, a Current Account balance of \$572.6 million was anticipated.

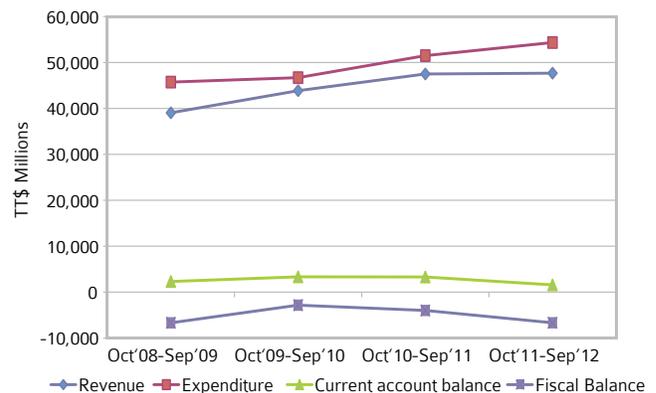
For fiscal 2012, Central Government's fiscal operations are expected to culminate in an Overall Deficit of \$6,675.8 million or 4.3% of GDP. Total Revenue and Grants is estimated at \$47,672.8 million and Total Expenditure and Net-Lending at \$54,348.6 million. On the Current Account, a surplus of \$1,574.4 million is expected. This revision is based on actualised oil and gas revenues for the period October 1st, 2011 to August 31st, 2012, and assumptions of oil and gas prices of US\$90.00 per barrel and US\$2.75 per mmcf for September 2012.

At the end of fiscal 2011, the Net Asset Value of the Heritage and Stabilisation Fund (HSF) stood at TT\$26.3 billion or US\$4.1 billion. Transfers to the Fund for fiscal 2012 amounted to TT\$613.4 million,

¹ This calculation was based on an estimate of GDP used at the time of the 2012 Budget preparations of \$156,398.3 million.

bringing the Net Asset Value of the HSF as at August 31st 2012 to approximately TT\$29.3 billion or US\$4.5 billion.

Figure 9: Central Government Fiscal Operations



Source: Ministry of Finance and the Economy

Revenue

Central Government's Total Revenue, including Grants, in fiscal 2012 is estimated at \$47,672.8 million or 31% of GDP. This reflects an increase of \$172.2 million over last year's outturn of \$47,500.6 million. Tax Revenue, accounting for 86.3% of Total Revenue, is anticipated to fall by 2.0% to \$41,156.6 million. On the other hand, Non-Tax Revenue is expected to register an increase of 24.6% to \$6,475.0 million, contributing to the overall increase in Total Revenue of 0.4%.

Tax Revenue

Taxes on Incomes and Profits, which accounts for 74.5% of Total Revenue, is expected to decline by 7.8% or \$2,600.6 million to \$30,644.5 million from the previous fiscal year. While there are projected increases in Business Levy and tax receipts from Individuals, all other sources of receipts on Income and Profits are anticipated to decline from the previous year's totals.

Receipts from taxes on Individuals are projected to increase by 8.2% to \$5,369.8 million, largely on account of the settlement of collective agreements in both the private and public sectors. Similarly, Business Levy is expected to record an increase of approximately 47.4% from \$208.9 million in the previous year to \$307.9 million, due to increased payments from both the energy and non-energy sectors, inclusive of outstanding payments for income years 2005 to 2009.

On the contrary, receipts from Companies are expected to decrease from \$25,056.1 million in 2011 to \$22,281.9 million. The higher revenue in fiscal 2011 resulted from the receipt of larger payments as higher than projected oil prices prevailed. Additionally, outstanding payments and interest on Petroleum Profits Taxes (PPT) and Supplemental Petroleum Tax (SPT) were collected in fiscal 2011 as many companies took advantage of the Tax amnesty offered in 2011. As a consequence, taxes on Companies, which is the major contributor to tax receipts from Income and Taxes, is expected to show the greatest nominal decline in this fiscal year. Also exhibiting decreases are Unemployment Levy, the Green Fund, National Health Surcharge, and Withholding Tax, by 21.6%, 9.1%, 3.6%, and 2.2%, respectively.

Taxes on Goods and Services are anticipated to generate the highest increase in receipts in Tax Revenue in fiscal 2012, increasing by 25.9% from \$6,387.7 million to \$8,041.4 million. All the major categories are estimated to increase, with Value Added Tax (VAT) collections increasing significantly by 32.1% to \$6,497.6 million. The combination of a reduced intake of receipts in fiscal 2011, due to an excess VAT payoff of \$1.2 billion to cover outstanding VAT refunds, and increased VAT receipts in fiscal 2012, contributed to the higher variance.

Excise Duties and Motor Vehicle Taxes and Duties are expected to increase by 7.6% and 1.4%, respectively

in 2012 when compared with that of the previous year. The increase in Excise Taxes is consequent upon an increase in taxes collected due to a rise in the production of cigarettes, beers, and rum and spirits, as a result of increased demand. Increased monitoring by the Licensing Division of the Ministry of Transport, through inspection of vehicles, as well as the increased cost of renewing driving permits now permitted for a period of five (5) years instead of three (3) years, are expected to contribute to the increase in the overall revenue from the Motor Vehicle Taxes and Duties category.

Since no legislation has been put in place to resume the collection of Land and Building Taxes, receipts from Taxes on Property are anticipated to remain relatively low, with an anticipated collection of \$35.1 million.

Taxes on International Trade, the main contributor of which is Import Duties, is expected to record a 3.7% increase from \$2,167.8 million in fiscal 2011 to \$2,248.1 million in 2012. In addition, projected receipts from Other Tax Revenue, made up exclusively of Stamp Duties, is expected to increase to \$187.5 million; \$2.8 million more than the 2011 amount.

Non-Tax Revenue

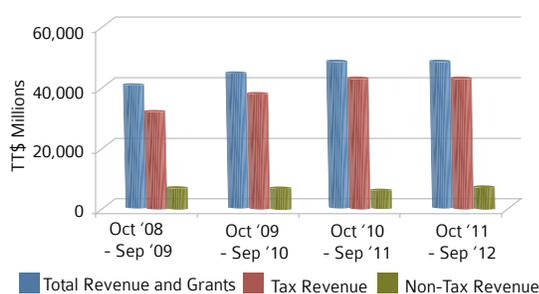
Receipts of \$6,475.0 million are to be collected as Non-Tax Revenue during fiscal 2012. This 24.6% growth, over the corresponding 2011 period, can be attributed to increases in Royalties by \$111.8 million to \$2,528.5 million. Profits from Non-Financial Enterprises are also expected to show signs of improvement, with a 40.4% increase to \$1,704.6 million, mainly due to a substantially greater remittance by the National Gas Company of Trinidad and Tobago (NGC). Profits from Financial Enterprises show a relatively smaller increase of 1.3%, with collections of \$487.7 million.

Other Non-Tax Revenue receipts are expected to increase significantly by \$825.4 million to \$1,235.3 million, a 201.4% increase on the 2011 collections. An aggressive collection drive by the Water and Sewage Authority (WASA) to recover outstanding amounts owed, in addition to an increase in the water improvement rate from \$4.00 to \$8.50, which took effect on January 01, 2012, are among the reasons for this increase. Meanwhile, Interest Income, Non-Industrial Sales, and Administrative Fees and Charges, are the three (3) categories of Non-Tax Revenue that are projected to experience declines of 47.8%,

24.2%, and 21%, respectively, when compared to the previous year.

Capital Revenue is expected to decline by 85.6%, from \$287.0 million in fiscal 2011 to \$41.2 million in fiscal 2012. This \$245.8 million reduction is as a result of an expected plummet in Grants by \$240.0 million to \$2.0 million and Capital Receipts falling to \$39.2 million. Receipts from Grants are expected to go back to its average level after having received two one-off payments from the European Union for the Sugar Protocol and the Non-University Tertiary Education sector of \$106.8 million and \$133.2 million, respectively.

Figure 10: Central Government Revenue



Source: Ministry of Finance and the Economy

Expenditure

Total Expenditure, inclusive of Net Lending, is estimated to increase by 5.5% to \$54,348.6 million, or 35.4% of GDP for fiscal 2012. Of that amount, Recurrent Expenditure is anticipated to increase by 4.9% to \$46,057.2 million and Capital Expenditure is projected to increase by 9.4% to \$8,291.4 million.

Recurrent Expenditure, which is projected to increase to \$46,057.2 million, comprises Wages and Salaries, Goods and Services, Interest Payments, and Transfers and Subsidies. Although Transfers and Subsidies continue to account for more than 50% of expenditure in fiscal 2012, it is the only component of Recurrent Expenditure that is projected to experience a decline from the previous year by 0.1%.

The most significant increase in Recurrent Expenditure is expected in Other Goods and Services with a projected increase of 21.6% to \$7,909.0 million. Increased costs of providing goods and services and increased cost and quantity to purchase and/or upgrade vehicles and equipment in all Ministries and Govern-

ment Departments would have accounted for this rise in expenditure.

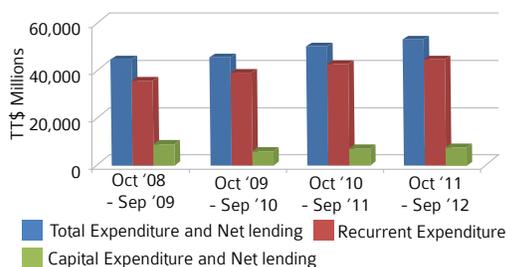
The growth in financing needs in previous years also saw an increase in loan interest payments. As anticipated, Interest Payments are estimated to increase to \$3,253.1 million, which is \$386.7 million more than was paid in fiscal 2011. This comprises \$2,824.5 million in Domestic Payments and \$428.6 million in External Payments. Additionally, Wages and Salaries, is expected to increase by 5.2%, to \$7,556.4 million, largely as a result of the settlement of some agreements, which have since been paid.

Transfers and Subsidies are expected to decrease marginally by \$25.8 million to \$27,338.7 million in 2012. Other Transfers continue to account for the largest share of transfers, although there is expected to be a 2.0% decrease from \$12,064.4 million in the previous year to \$12,306.3 million. These Other Transfers include transfers to the Infrastructure Development Fund (IDF), Heritage and Stabilisation Fund (HSF), Government Assistance for Tuition Expenses Fund (GATE) and the CARICOM Petroleum Fund.

Transfers to Households are expected to increase from its 2011 amount of \$8,128.3 million to \$9,054.4 million, indicating a \$926.1 million increase. This transfer includes Expenditure under the GATE Fund, which is expected to amount to \$834.4 million, a 33.5% increase on the amount expended in fiscal 2011. Non-profit Institutions is expected to increase to \$263.7 million, a 10.7% increase on its previous year's amount. On the other hand, Transfers to State Enterprises and Educational Institutions are projected to decline to \$2,267.7 million and \$1,796.2 million, respectively. Subsidies are also anticipated to decline by 2.1%.

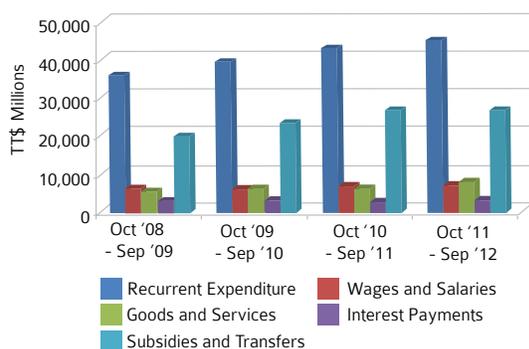
Capital Expenditure is expected to increase by 9.4% to \$8,291.4 million in 2012. This can be attributed to expenditure under the IDF of \$4,218.2 million for projects undertaken during the current fiscal year. Under the Development Programme (Consolidated Fund) however, expenditure of \$3,270.6 million represents a \$6.0 million decline from the previous year. In the category, Acquisition of Foreign Fixed Assets, it is anticipated that there will be a 100.0% decline from its \$159.0 million outturn in 2011, since no buildings or residences were acquired, built or renovated for embassies or high commissions abroad during fiscal 2012. Net Lending is also anticipated to decline to negative \$31.8 million from negative \$35.3 million.

Figure 11: Central Government Expenditure



Source: Ministry of Finance and the Economy

Figure 12: Recurrent Expenditure Major Components



Source: Ministry of Finance and the Economy

Financing

The overall deficit of the Central Government Fiscal Operations will require \$6,675.8 million in financing in fiscal 2012. The additional \$2,684.0 million in financing will be sourced largely in the external market. This is consequent upon increases in Net External Financing and Net Domestic Financing of \$2,299.0 and \$385.0 million, respectively.

The \$2,844.2 million in Net External Financing is expected to be financed through increased External Borrowings of \$3,616.8 million and External Capital Repayments of \$772.6 million. In fiscal 2012, six loans from the Inter-American Development Bank (IDB) for various projects were signed, totalling US\$290.0 million. This accounted for more than half the External Borrowings required for the period. Social Safety Net Reform programmes, Sustainable Energy, Modernisation and Wastewater Infrastructure Rehabilitation programme and a programme to Support Climate Change are but a few of the projects these loans are to facilitate.

Further, the increase in Net Domestic Financing is contingent on an increase in Domestic Borrowings from \$446.6 million in the previous year to \$3,000.0 million in fiscal 2012. Reductions in Domestic Capital Repayments and Sinking Fund Transfers are expected to register a balance of \$1,155.7 million each. Additionally, Cash Balances and Other Securities are expected to have a \$3,143.0 million change from fiscal 2011.

PUBLIC DEBT AND DEBT SERVICE

Public Sector Debt² is projected to increase by 32.2% from \$54,098.4 million in fiscal 2011 to \$71,506.7 million by the end of the current fiscal year. Public Sector Debt as a percentage of GDP is also expected to increase from 36% in fiscal 2011 to 46.6% in fiscal 2012.

During fiscal 2012, Domestic Debt comprising 78.3% of total Public Sector Debt is expected to rise by \$14,592.4 million (35.2%). The external component of total Public Sector Debt is also projected to increase by \$2,816.0 million or 22.2%.

The projected increase in Public Sector Debt is largely attributable to a 59.1% increase in Central Government Debt to \$46,055.9 million. A disaggregation of the components of Central Government Debt reflects increases in Central Government Domestic Debt of \$14,153.8 million and in Central Government External Debt of \$2,961.4 million.

The 74.7% increase in Central Government Domestic Debt is principally due to the issuance by Government of twenty (20) zero coupon Bonds on December 1, 2011, each with a face value of \$520 million and a total value of \$10,400 million. These bond issues were to facilitate the purchase by Government of certain rights belonging to holders of short term investment products with Colonial Life Insurance Company (Trinidad) Limited (CLICO) and British American Insurance Company (Trinidad) Limited (BAT) whose investments exceeded \$75,000 in value. Other Central Government Domestic Bond issues included a \$1,500 million 20-year 6% bond issued on November 22,

2 Public Sector debt is the sum of all domestic and external obligations of public debtors which include the Central Government and autonomous public bodies such as State Enterprises and Statutory Authorities. It excludes instruments of Open Market Operations (OMOs) such as Treasury Bills and Treasury Notes.

2011 to facilitate payouts to CLICO policyholders. Also contributing to the projected increase in Central Government Domestic Debt is the issuance in September, 2012, of a 15-year 5.2%, \$2,500 million bond via E-Auction. Proceeds of this bond will be utilised to settle existing Government liabilities.

The 31.3% increase in Central Government External Debt was as a result of borrowings in the amount of US\$30 million for the supply of a digital communication system to the Trinidad and Tobago Police Service, as well as disbursements in the amount of \$422.7 million on existing loans for the acquisition of four (4) Medium Twin Turbine Helicopters and for additional works on the National Academy for the Performing Arts (NAPA). During fiscal 2012, disbursements of \$3,040.4 million were also made in respect of existing multilateral loans.

Over the period October 2011 to September 2012, Contingent Liabilities, comprising both Letters of Guarantee issued and new Government guaranteed debt, rose by 1.2% to \$25,450.8 million or 16.6% of GDP. This was consequent upon an increase of \$715.3 million in Letters of Guarantee (formerly Letters of Comfort) issued, and a decline of 2.2% or \$413.7 million in the Government Guaranteed Debt.

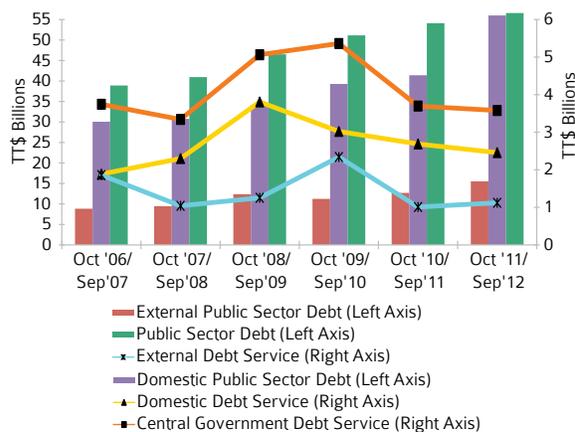
During fiscal 2012, Letters of Guarantee issued by the Government on behalf of State Enterprises rose by 21% or \$957 million. These were issued in respect of a \$115 million and \$8 million loan for the National Flour Mills Limited (NFM), a US\$50 million locally sourced loan for Caribbean Airlines Limited (CAL), and a \$396.9 million loan to the Urban Development Corporation of Trinidad and Tobago limited (UDE-COTT) for works pertaining to the change of use of the Chancery Lane Administrative Complex. Letters of Guarantee issued to Statutory Authorities during fiscal 2012, amounted to \$74 million. This comprised two (2) Letters of Guarantee to the National Carnival Commission (NCC) in the amounts of \$53.9 million and \$20.1 million. Over the period, a total of \$241.7 million in Letters of Guarantee issued to Statutory Authorities was retired.

An increase of \$92.6 million was recorded for Government Guaranteed Debt of the State Enterprise Sector for the period under review. The increase in new Government Guaranteed Debt was offset by the retirement of an existing Government Guarantee in respect

of UDeCOTT. The facilities guaranteed during fiscal 2012 include two (2) bonds by the National Insurance Property Development Company Limited (NIPDEC) in the amount of \$500 million and \$339 million and a US\$11.5 million loan by National Helicopters Services Limited (NHSL).

Central Government Debt service for fiscal 2012 is projected at \$3,578.9 million, a decrease of 3.2% over the previous fiscal period. Domestic Debt service is expected to decrease by \$230.1 million to \$2,457.5 million, accounting for 68.7% of the total debt service obligation, as compared to 72.7% in the previous comparative period. Conversely, External Debt Service is anticipated to rise by 11.1% to \$1,121.4 million in the same period.

Figure 13: Public Sector Debt and Debt Servicing



Source: Ministry of Finance and the Economy

TRINIDAD AND TOBAGO CREDIT RATINGS

Trinidad and Tobago is currently rated by three international rating agencies; Moody's Investors Service (Moody's); Standard and Poor's Ratings Services and the Caribbean-based Caribbean Information and Credit Rating Services Limited (CariCRIS). The economy has had solid economic performances for many years, combined with numerous steps to improve the regulatory environment as well as firm commitments to savings through the Heritage and Stabilisation Fund (HSF). As such, the Republic of Trinidad and Tobago continues to enjoy investment grade status with stable outlook.

Moody's Investors Service

Following its ratings review exercise in June 2011, Moody's Investors Service (Moody's) issued a credit opinion on August 1, 2012, reaffirming Trinidad and Tobago's Stable outlook, with ratings maintained at **Baa1** for Government Bonds in both foreign and local currency. Relatively high income levels supported by a diversified energy sector, maintenance of a still low level of external and government debt, committed fiscal savings mechanisms and stable policy and institutional framework were cited as particular credit strengths to the economy of Trinidad and Tobago by Moody's.

A Positive future outlook for the economy may be achieved through stabilisation of government debt ratios and stronger economic growth. Moody's further highlighted the recent aggressive fiscal stimulus program undertaken by the Government to counteract economic contraction of the past three years and speedy resolutions to the CLICO affair as favorable steps in attaining a future positive outlook. Moreover, diminished financial systems risks as well as, improved quality of loan portfolios due to well capitalised positions of Banks were highlighted as favorable factors for the economy.

Moody's further revealed that credit challenges still exist for the economy of Trinidad and Tobago. Economic and fiscal vulnerabilities to volatile global oil prices, the current upward trend in debt metrics driven by higher fiscal deficits, slower pace of energy invest-

ments as well as dwindling oil and gas reserves were identified as constraints which exert a downward pressure on future ratings.

However, in Moody's 2011 report, Trinidad and Tobago compared favorably with other Baa rated sovereigns such as Bahamas, Mexico, Russia, Thailand and its Caribbean neighbors, with higher GDP per capita and Current Account Balances than most of the countries in the grouping. Comparisons on debt levels and political environment were also favorable. Regionally, Trinidad and Tobago is rated high due to its vibrant energy sector and low reliance on the volatile tourism industry. However, Bermuda, the Cayman Islands, the Bahamas and Barbados are the highest rated Caribbean islands, with the Bahamas (A3) and Barbados (Baa3) rated investment grade. Due to lower levels of reserves and lower fiscal savings, Trinidad and Tobago has lower ratings than other large energy exporters such as Oman (A1), Saudi Arabia (Aa3) and Kuwait (Aa2).

Standard and Poor's Ratings Services

In August 2011, Standard and Poor's Ratings Services (Standard and Poor's) revised its methodology and assumptions for rating sovereign governments to encourage transparency and to respond to increasing globalisation of markets as well as to incorporate factors observed during the recent financial crisis such as sovereign ties to the financial sector. This adjustment had

Table 4: Trinidad and Tobago Credit Rating History: 2005-2012 by Moody's Investors Service

| Year | Outlook | Foreign Currency Ceiling | | | | Government Bond Ratings | |
|--------------|---------|--------------------------|------------|---------------|------------|-------------------------|----------------|
| | | Bonds and Notes | | Bank Deposits | | Foreign Currency | Local Currency |
| | | Long term | Short term | Long term | Short term | Long term | Short term |
| *August 2012 | Stable | A1 | ... | Baa1 | ... | Baa1 | Baa1 |
| July 2011 | Stable | A1 | ... | Baa1 | ... | Baa1 | Baa1 |
| Jun 2009 | Stable | A1 | ... | Baa1 | ... | Baa1 | Baa1 |
| Dec 2008 | Stable | A1 | ... | Baa1 | ... | Baa1 | Baa1 |
| Oct 2007 | Stable | A1 | ... | Baa1 | P-2 | Baa1 | Baa1 |
| Jul 2006 | Stable | A1 | ... | Baa1 | P-2 | Baa1 | ... |
| May 2006 | ... | A2 | P-1 | ... | ... | ... | ... |
| Aug 2005 | Stable | Baa2 | P-3 | Baa2 | P-3 | Baa2 | ... |

Source: Moody's Investors Service

* Ratings reaffirmed in Credit Opinion dated August 1, 2012.

the effect of lowering Trinidad and Tobago's local-currency sovereign credit rating to 'A/A-1' from 'A+/A-1', while reaffirming ratings for foreign-currency at A/A-1. The adjusted ratings reflect the economy's heavily managed exchange rate regime which limits monetary flexibility. Standard and Poor's also advised that the outlook for Trinidad and Tobago remained stable.

In January 2012, Standard and Poor's again maintained its credit rating for the Trinidad and Tobago economy for long term and short term foreign currency instruments at **A** and **A-1**, respectively, with a Stable outlook. This rating was based on the economy's long-standing favorable political and macroeconomic environment and favorable debt profile which continue to limit external vulnerability, as well as Government's firm resolution to accumulate fiscal savings and continued promotion of a politically stable environment.

The economy maintained a Stable outlook following the agency's view that growth will be stimulated in 2012 through the Government's public investment programs while continuing to foster an environment conducive to greater private sector investment and public private partnership initiatives. Financial sector reform was also cited as necessary by Standard and Poor's to boost consumer confidence. Furthermore, resolution of CLICO bailout plan would also stabilise the economy and boost public confidence. Standard

and Poor's also indicated that an upgrade and longer term growth prospects for the economy is mainly dependant on diversification efforts, improvements in transparency and quality of governance, upgrades throughout the public sector as well as continued fiscal discipline.

Trinidad and Tobago compared favorably to other sovereigns rated in the middle investment grade by Standard and Poor's. The economy was identified as an upper middle income economy within its peer grouping, which consist of Oman (A/Negative/A-1), Aruba (A-/Stable/A-2), Curacao (A-/Stable/A-2), Botswana (A-/Stable/A-2), Malaysia (A-/Stable/A-2) and Ras al Khaimah (A/Stable/A-1). Standard and Poor's further indicated that the economy of Trinidad and Tobago is strong and politically stable with a good credit culture and manageable economic risks among those in its peer group.

Caribbean Information and Credit Rating Services Limited (CariCRIS)

The regional rating agency, Caribbean Information and Credit Rating Services Limited (CariCRIS) conducted a ratings exercise in March 2012 where Trinidad and Tobago retained its **CariAAA** rating on both local and foreign currency debt obligations for Trinidad and

Table 5: Trinidad and Tobago Credit Rating History: 2005 -2012 By Standard and Poor's Ratings Services

| Year | Outlook | Foreign currency | | Local currency | |
|----------|----------|------------------|------------|----------------|------------|
| | | Long term | Short term | Long term | Short term |
| Jan 2012 | Stable | A | A-1 | A | A-1 |
| Aug 2011 | Stable | A | A-1 | A | A-1 |
| Jan 2011 | Stable | A | A-1 | A+ | A-1 |
| Dec 2009 | Stable | A | A-1 | A+ | A-1 |
| Apr 2009 | Negative | A | A-1 | A+ | A-1 |
| Aug 2008 | Stable | A | A-2 | A+ | A-1 |
| Sep 2007 | Positive | A- | A-2 | A+ | A-1 |
| Aug 2006 | Stable | A- | A-2 | A+ | A-1 |

Source: Standard and Poor's Ratings Services

Tobago, as well as its **ttAAA** rating on the Trinidad and Tobago national scale to the (notional) debt issue up to US\$500 million by the Government of Trinidad and Tobago. This rating represents the highest level of creditworthiness that can be attained, relative to other Caribbean islands.

These ratings reflect the country's strong, resilient and well-diversified economic structure, as well as its strong external liquidity, substantiated by low financing requirements and healthy net foreign reserve po-

sition. CariCRIS also credited sound fiscal flexibility, relatively low public debt, and a relatively well-regulated financial system with stable monetary and exchange rate policies. The agency cautioned that the strength of the economy is tempered by high crime levels which can undermine investor confidence and negatively impact business activity leading to a high and increasing non-energy fiscal deficit and the increasing perception of corruption in public affairs.

Table 6: Trinidad and Tobago Credit Rating History: 2007 – 2012 By CariCRIS:

| Rating | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Regional scale foreign currency | CariAAA | CariAAA | CariAAA | CariAAA | CariAAA | CariAAA |
| Regional scale local currency | CariAAA | CariAAA | CariAAA | CariAAA | CariAAA | CariAAA |
| Trinidad and Tobago national scale | ttAAA | ttAAA | ttAAA | ttAAA | ttAAA | ttAAA |

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

REST OF THE NON-FINANCIAL PUBLIC SECTOR OPERATIONS

Overview

Cash Operations

Current Transfers to State Enterprises and Public Utilities

Capital Expenditure

Capital Transfers from Central Government

OVERVIEW

During the first half of fiscal 2012, operations of the Rest of the Non-Financial Public Sector¹ recorded a surplus of \$1,382.6 million as compared to a deficit of \$531.9 million in the first half of fiscal 2011. State Enterprises² accounted for 88.5% or \$1,223.3 million of the surplus while Public Utilities³ accounted for 11.5% or \$159.4 million.

Capital Transfers from Central Government increased by \$68.0 million, reflecting loan principal repayments for projects under the Public Sector Investment Programme (PSIP).

1 Rest of the Non-Financial Public Sector refers to the consolidation of the operations of thirteen (13) State Enterprises (which represent approximately 80% of the operations of State Enterprises) and six (6) Public Utilities.

2 State Enterprise refer to the consolidated operations of thirteen (13) companies, namely: National Maintenance Training & Security Co., National Gas Co., National Helicopter Services Ltd., National Quarries Co. Ltd., National Petroleum Marketing Co., Petroleum Co. of Trinidad & Tobago, Trinidad & Tobago Mortgage Finance Co., Point Lisas Industrial Port Development Co., Trinidad & Tobago Solid Waste Mgmt Co. Ltd., Trinidad Nitrogen Co. Ltd., Urban Development Corp. of Trinidad & Tobago, Vehicle Mgmt Corp. of Trinidad & Tobago, and National Infrastructure Development Co. Ltd

3 Public Utilities refer to the consolidated operations of six (6) companies, namely: Airport Authority of Trinidad & Tobago, Port Authority of Trinidad & Tobago, Public Transport Service Corp., Telecommunications Services of Trinidad & Tobago, Trinidad & Tobago Electricity Commission, and Water & Sewerage Authority.

Similarly, Current Transfers from Government to State Enterprises and Public Utilities increased by \$42.6 million and \$99.3 million, respectively.

CASH OPERATIONS

Cash operations of the consolidated Rest of Non-Financial Public Sector generated an operating surplus of \$3,366.1 million during the first half of fiscal 2012, 6% less than the comparative period of the previous fiscal year.

State Enterprises recorded a net surplus of \$4,080.7 million for the period under review, a marginal decrease of 0.2% from the corresponding period of 2011. The net operating surplus was generated mainly by the Petroleum Company of Trinidad and Tobago (PETROTRIN) with \$2,017.7 million, the National Gas Company (NGC) with \$1,822.7 million, and to a lesser extent Trinidad Nitrogen Company Limited (TRINGEN) with \$466.4 million. PETROTRIN maintained a lower operating surplus than the previous period on account of a larger increase in Operating Expenditure over Operating Revenues. At NGC, higher production levels coupled with lower operating expenditure contributed to the Company's more favourable surplus position than in the previous reporting period. TRINGEN's surplus was due mainly to the increase in the sale of foreign goods which increased

from \$1,197.7 million at end March 2011 to \$1,484.8 million at the end of March 2012.

Among the state enterprises, the non-energy sector companies recorded an operating deficit of \$22.1 million. The Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT) was responsible for the largest operating deficit, amounting to \$99.5 million for the review period while the National Maintenance, Training and Security Company Limited (MTS) managed to offset the total Operating Deficit, somewhat, with an operating surplus of \$81.59 million.

Over the first half of fiscal 2012, Public Utilities recorded a deficit of \$714.6 million with operating expenditures of \$4,360.8 million. This operating position reflected a 41.1% decrease from the \$506.6 million deficit recorded in the first half of fiscal 2011.

Among the Public Utilities, only the Telecommunications Services of Trinidad and Tobago (TSTT) generated a surplus of \$431.8 million. The other five (5) utilities operated in deficits totalling \$1,146.4 million with the Water and Sewerage Authority (WASA) responsible for 67.0% (\$767.8 million) of the Public Utilities overall deficit.

CURRENT TRANSFERS TO STATE ENTERPRISES & PUBLIC UTILITIES

Current Transfers from Central Government for the fiscal period ending March 2012 amounted to \$1,126.8 million and represented a 14.4% increase over the previous corresponding period. Of this amount, \$140.7 million (12.5%) was transferred to State Enterprises while \$986.2 million (87.5%) was transferred to Public Utilities.

For this review period, the largest overall transfer of \$740.3 million or 65.7% was made to WASA. UDeCOTT, on the other hand, was the beneficiary of the largest transfer of resources to the State Enterprises Sector with \$59.5 million.

CAPITAL EXPENDITURE

For the first half of fiscal 2012, Capital Expenditure incurred by both State Enterprises and Public Utilities, totalled \$3,042.1 million of which, the Public Utilities accounted for 16.7% and State Enterprises

83.3%. Only \$569.5 million or 18.7% of the Capital Expenditure budget was utilised for Government Projects while the vast majority was utilised for Non-Government Fixed Capital Formation including capital expenditure undertaken for ongoing projects by PETROTRIN, NGC and TRINGEN.

The bulk of the State Enterprises Capital Expenditure, amounting to \$1,617.3 million was utilised by PETROTRIN for the ongoing Gasoline Optimisation Programme (GOP) and the Ultra Low Sulphur Diesel Unit (ULSD). The GOP, responsible for approximately \$497.5 million of their capital expenditure, involved the construction and revamping of several major units in the Pointe-a-Pierre refinery, aimed at increasing gasoline quality and quantity. The ULSD, designed to process 40,000 barrels per stream day (BPSD) of diesel boiling range feed-stocks to produce a diesel product that will reduce sulphur content and increase the cetane number, accounted for \$194.2 million between October 2011 and March 2012.

However, the capital expenditure of the non-energy sector's state enterprises was relatively small with the National Infrastructure Development Company Limited (NIDCO) spending \$229.6 million to assist in the construction of the highway from San Fernando to Point Fortin.

Among the Public Utilities, the Airports Authority of Trinidad and Tobago (AAT&T), TSTT and WASA were the three major contributors to the Capital Expenditure outlay for the first half of fiscal 2012. WASA accounted for the greatest proportion with \$150.1 million of Capital expenditure, followed by TSTT (\$145.1 million) and AAT&T (\$128.3 million).

CAPITAL TRANSFERS FROM CENTRAL GOVERNMENT

For the period under review, Capital Transfers from Central Government to the Rest of the Non-Financial Public Sector totalled \$620.8 million, an increase of 12.3% from the \$552.8 million received in the previous corresponding period.

Capital Transfers to Public Utilities totalled \$327.8 million, of which \$264.3 million was utilised for Debt Servicing. Of this amount, WASA accounted for \$219.3 million, AATT \$67.6 million, and the Port Authority of Trinidad and Tobago (PATT) \$40.9 million.

Of the \$293.03 million in Capital Transfers disbursed to State Enterprises, NIDCO received the major share of \$190.2 million (64.9%) with UDeCOTT receiving \$88.1 million and MTS receiving \$14.7 million.

Table 7: Cash Statement of Operations of the Rest of the Non-Financial Public Sector

| (TT \$ millions) | State Enterprises | | Public Utilities | | Total State Enterprises and Public Utilities | |
|--------------------------------------|-------------------|----------|------------------|---------|--|----------|
| | 2011 Q2 | 2012 Q2 | 2011 Q2 | 2012 Q2 | 2011 Q2 | 2012 Q2 |
| Operating Revenues | 24,646.8 | 31,374.7 | 3,834.7 | 3,646.1 | 28,481.5 | 35,020.8 |
| Operating Expenditures | 20,559.8 | 27,294.0 | 4,341.3 | 4,360.8 | 24,901.1 | 31,654.7 |
| Operating Surplus/(Deficit) | 4,087.0 | 4,080.7 | -506.6 | -714.6 | 3,580.4 | 3,366.1 |
| Current Transfers from Central Gov't | 98.1 | 140.7 | 886.9 | 986.2 | 985.0 | 1,126.8 |
| Current Balance | 2,481.5 | 3,344.6 | 370.3 | 336.4 | 2,851.9 | 3,680.9 |
| Capital Expenditure | 3,460.2 | 2,534.8 | 581.2 | 507.3 | 4,041.4 | 3,042.1 |
| Capital Transfers from Central Gov't | 118.8 | 293.0 | 434.0 | 327.8 | 552.8 | 620.8 |
| Overall Balance | -770.9 | 1,223.3 | 239.0 | 159.4 | -531.9 | 1,382.6 |
| Financing | 770.9 | -1,223.3 | -239.0 | -159.4 | 531.9 | -1,382.6 |
| Net Foreign Financing | 188.8 | -945.6 | -36.6 | -15.4 | 152.2 | -961.0 |
| Net Domestic Financing | 582.2 | -277.7 | -202.4 | -143.9 | 379.7 | -421.6 |

1 Table refers to fiscal years

State Enterprise refer to the consolidated operations of thirteen (13) companies, namely: National Maintenance Training & Security Co., National Gas Co., National Helicopter Services Ltd., National Quarries Co. Ltd., National Petroleum Marketing Co., Petroleum Co. of Trinidad & Tobago, Trinidad & Tobago Mortgage Finance Co., Point Lisas Industrial Port Development Co., Trinidad & Tobago Solid Waste Mgmt Co. Ltd., Trinidad Nitrogen Co. Ltd., Urban Development Corp. of Trinidad & Tobago, Vehicle Mgmt Corp. of Trinidad & Tobago, and National Infrastructure Development Co. Ltd

3 Public Utilities refer to the consolidated operations of six (6) companies namely: Airports Authority of Trinidad & Tobago, Port Authority of Trinidad & Tobago, Public Transport Service Corp., Telecommunications Authority of Trinidad & Tobago, Trinidad & Tobago Electricity Commission, and Water & Sewerage Authority.

4 The status of NIDCO's operations is reported for the period October 2011 to January 2012.

5 Totals may vary due to rounding.

THE MONETARY SECTOR

Monetary Condition

Central Bank Operations

Financial Sector Performance

Regulatory Developments

MONETARY CONDITIONS

The Central Bank maintained an accommodative monetary stance amidst sluggish economic activity, a significant build up of liquidity in the financial system and relatively stable core inflation. Monetary policy for the period October 2011 to June 2012 centered on controlling the high levels of liquidity and strong inflationary pressures within the domestic economy. The persistent inflationary pressures over the nine-month period have been driven largely by perennial high food prices.

Although inflationary pressures came from the food component of the Consumer Price Index, core inflation was relatively stable over the period October 2011 to June 2012, thereby allowing the Central Bank some leeway in maintaining an accommodative monetary stance in an effort to facilitate a return to positive economic growth. As at June 2012 the repo rate was held at 3.00%, set at this level since July 2011. The Central Bank also had to address what is described as a surge in banking system liquidity which had the potential to fuel domestic demand. Excess reserves of the commercial banks increased rapidly to over \$6 billion in early 2012. To counter the potential negative impact this could have on domestic prices, the Central Bank requested that commercial banks make voluntary 'spe-

cial deposits' at the Central Bank to the sum of approximately \$1.5 billion. As a consequence the level of excess reserves subsided to a daily average of \$2.2 billion in June 2012.

CENTRAL BANK OPERATIONS EXCHANGE RATES/FOREIGN EXCHANGE MARKET

The domestic foreign exchange market remained buoyant over the period October 2011 to June 2012 with foreign exchange purchases from the public by commercial banks and non-bank financial institutions increasing over the previous comparative period by 7.3% from US\$3.4 billion to US\$3.7 billion. Commercial banks and non-financial institutions' purchases of foreign exchange from the Central Bank declined by 11.1% over the period October 2011 to June 2012. Sales of foreign exchange to the public increased by 9.0% over the same period from US\$4.6 billion to US\$5.0 billion. This level of sales was facilitated by higher levels of currency conversion by energy companies.

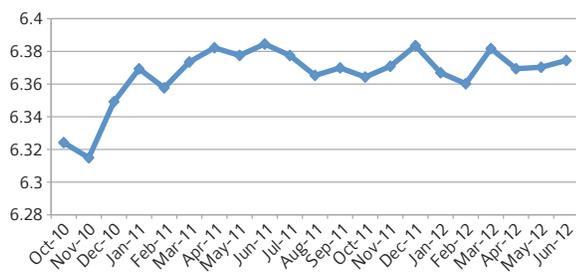
Table 8: Commercial Banks and Non-Bank Financial Institutions Foreign Currency Sales and Purchases (US\$Mn.)

| Period | Purchases from the Public | Sales to the Public | Net Sales to the Public | Purchases from the Central Bank |
|---------------------|---------------------------|---------------------|-------------------------|---------------------------------|
| 2010 | 4,042.7 | 5,536.0 | 1,492.7 | 1,550.0 |
| 2011 | 4,755.5 | 6,186.8 | 1,431.4 | 1,475.0 |
| Oct 2010 – Jun 2011 | 3,411.6 | 4,602.6 | 1,191.0 | 1,390.0 |
| Oct 2011– Jun 2012 | 3,661.7 | 5,017.0 | 1,355.3 | 1,235.0 |
| %Δ (Year-on-Year) | 7.3 | 9.0 | 13.8 | -11.1 |

Source: Central Bank of Trinidad and Tobago

During the period October 2011 to June 2012, the weighted average buying rate for the United States dollar (US\$) depreciated from TT\$6.3643 per US\$ in October 2011 to TT\$6.3744 in June 2012. On a year-on-year basis from June 2011 to June 2012, there was an overall marginal appreciation of 0.16% from TT\$6.3845 to TT\$6.3744.

Figure 14: Exchange Rate- Buying Rate (TT\$ per US\$)



Source: Central Bank of Trinidad and Tobago

Money Supply and Commercial Banks' Deposits and Credits

The period October 2011 to May 2012 saw growth in all the monetary aggregates. This growth has been fuelled by investors holding a greater portion of their funds in commercial bank deposits as they seek to find the highest returns on their investments. As such there was an increase in the demand for the less liquid longer term deposits and a decrease in the demand for the more liquid transactional monetary aggregates. Narrow money (M-1A), defined as currency in active circulation plus demand deposits grew by 15.3% over the period May 2011 to May 2012 (year-on-year). M-2, which comprises M-1A plus time and savings deposits,

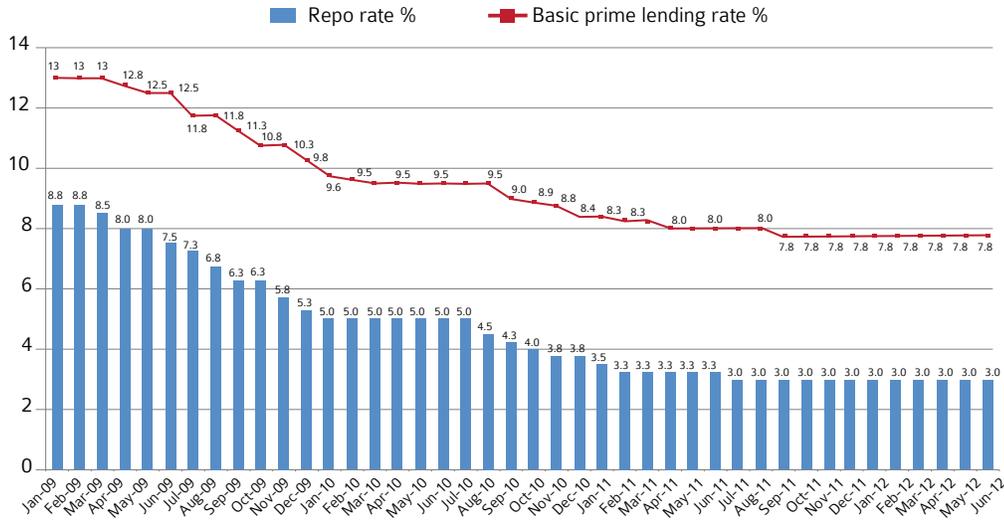
grew by 12.2% over the period May 2011 to May 2012 (year-on-year). The year-on-year growth in savings deposits of 18.1% in May 2012 was the reason for this growth in M-2, this growth in savings was partially offset by a 7.2% contraction in time deposits.

Credit to the private sector granted by the consolidated financial system maintained a slow recovery over the review period October 2011 to June 2012 increasing on a year-on-year basis by 2.8% in May 2012. Commercial bank lending continued to bolster credit, and grew by 5.7% in May 2012. Lending by the non-banks contracted by 15.1% (year-on-year) in May 2012, which is comparable to a similar contraction of 15.7% in the first quarter of 2011/2012. The subdued interest rate environment and more aggressive promotions and advertising campaigns by commercial banks have supported strong real estate lending. Real estate lending grew by 9.8% (year-on-year) in May 2012 up from its growth of 8.9% in October 2011.

Interest Rates

In an effort to boost economic activity, the Central Bank of Trinidad and Tobago, as part of its accommodative monetary stance, maintained the Repo rate at 3.0% over the period October 2011 to June 2012, a reduction of 100 basis points from 4.0% in October 2010. In response, commercial banks kept their basic prime lending rates constant at 7.7% over the period October 2011 to June 2012. Other commercial bank interest rates were also held constant in line with the basic prime lending rate, as the demand loans rate, overdraft loans rate, real estate mortgage loans rate, and term loan rates were all held at 7.7% over the period October 2011 to June 2012.

Figure 15: Repo Rate and Prime Interest Rates

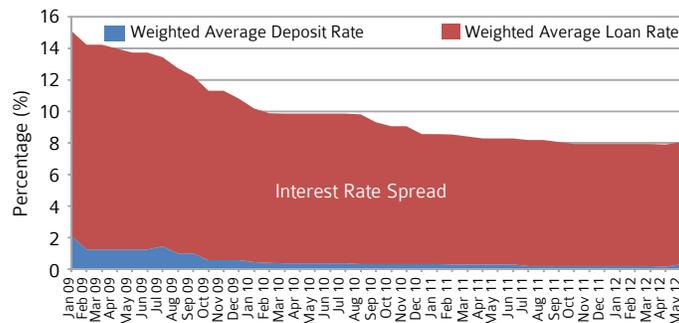


Source: Central Bank of Trinidad and Tobago

The weighted average deposit rate remained at the depressed level of 0.2% during the period October 2011 to June 2012, after a marginal decrease from 0.33% to 0.3% during the previous corresponding period. The weighted average loan rate also remained unmoved over the period October 2011 to June 2012 at 7.8%, down from a high of 8.8% during the previous comparative period. Notwithstanding the declines in commercial banks' deposit interest rates the spread between the weighted average deposit rates and weighted average loan rates registered over a seven percentage point difference during the period October 2011 to May 2012.

The high liquidity levels in the domestic financial system have dampened rates of return in the government securities market. The 91-day Treasury bill rate fell from 0.73% in September 2011 to 0.04% in March 2012, it eventually climbed to 0.50% in June 2012 as liquidity levels began to tighten. This decrease in the TT 91-day Treasury bill rate in March 2012 has caused the spread between TT and US comparative interest rate to fall from 0.24% in October 2011 to -0.05% in March 2012. There was a recovery of the TT 91-day Treasury bill rate in June 2012, whilst the US Treasury bill rate remained low, this has widened the spread between the US and TT T-Bill rate to 0.49%.

Figure 16: Commercial Banks' weighted average deposit and loan spread



Source: Central Bank of Trinidad and Tobago

Liquidity

The financial system liquidity, as measured by commercial banks' reserves held with the Central Bank, declined marginally over the period October 2011 to June 2012 by 1.9% from \$20.3 billion to \$19.9 billion after having increased by 4.4% over the previous comparative period. On a year-on-year basis the average monthly level of reserves of commercial banks held with the Central Bank increased by 10.4% from \$18.0 billion in June 2011 to \$19.9 billion in June 2012. Net domestic fiscal injections of \$2.5 billion in the second quarter of 2012 played a major part in this build-up in liquidity levels. To counter this increase in liquidity the Central Bank requested commercial banks to increase their holdings of interest-bearing special deposits at the Central Bank by \$1,490 million to approximately \$6 billion. This resulted in a steady decline in commercial banks' excess reserves holdings at the Central Bank, which fell to a daily average of \$2,176.2 million in June 2012. Open market operations as well as foreign exchange sales were used to alleviate excess liquidity conditions, removing \$5,356.6 million from the financial system in the first half of 2012. Tightening liquidity has resulted in a resumption of borrowing on the inter-bank market.

FINANCIAL SECTOR PERFORMANCE

Capital Market Activity

Equities

During the period October 2011 to June 2012, the performance of the domestic stock market was varied. The market enjoyed a favourable run throughout 2011 but failed to sustain the momentum thus far in 2012. Over the period under review, the Composite Price Index (CPI) increased by 3.3% from 989.81 to 1,022.43, compared with an increase of 15.6% in the previous corresponding period. In the first quarter of 2012, the domestic stock market continued to be subdued with low levels of trading activity, which was reflected in the drop in the CPI by 0.1% from the end of December 2011, compared to a rise of 4.4% a year earlier. The All Trinidad and Tobago Index (ATI) increased by 6.8% over the period under review and registered growth of 1.7% during the first quarter of 2012. The Cross Listed Index declined by 4.9%. Moving in tandem with the CPI, stock market capitalisation rose by

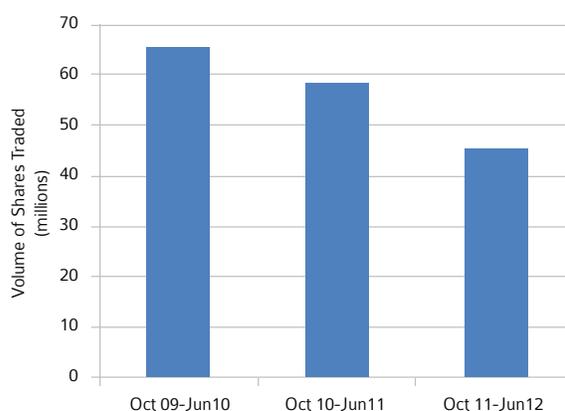
1.7% to \$93.9 billion at the end of June 2012, up from \$92.3 billion at October 2011.

During the first three quarters of the fiscal year 2011/2012, there were gains in five of the seven sub-indices. The Manufacturing I¹ sub-index performed the best, posting an increase of 13.4%. There were also increases in the Conglomerate (8.7%), Trading (5.7%), Banking (3.7%) and Property (0.5%) sub-indices. Meanwhile the Manufacturing II² and Non-Banking sub-indices declined by 16.1% and 5.6% respectively.

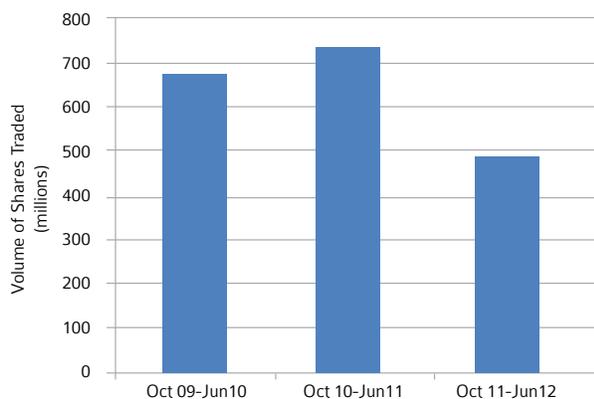
The volume of shares traded over the review period declined by 22.2% to 45.6 million shares traded with a market value of \$491.7 million, compared to 58.6 million shares traded at a market value of \$733.9 million during the same period a year earlier. Over the first quarter of 2012, 13.9 million shares were traded, compared to 14.3 million in the last quarter of 2011. Over the period of January to June 2012, a total of 27 million shares were traded with a combined market value of \$185.1 million, compared to 45.7 million shares traded in the same period of 2011.

The number of firms listed on the first tier of the domestic stock market decreased in 2012. The number of listed equity securities on the first tier market also declined from 31 to 29.

Figure 17: Comparative Analysis –Shares Traded



- 1 Manufacturing I includes Angostura Holdings Limited, One Caribbean Media Limited, National Flour Mills Limited, Trinidad Publishing Company Limited, Unilever Caribbean Limited, and West Indian Tobacco Company Limited.
- 2 Manufacturing II includes Berger Paints Limited, Flavorite Foods Limited, Readymix West Indies Limited, and Trinidad Cement Limited.



Bond Market

During the period October 2011 to March 2012, there was evidence of a resurgence of activity in the primary bond market with a total of nine bonds issued, carrying a collective face value of \$2.8 billion, compared to only three issues with a collective face value of \$2.6 billion a year earlier. The public sector was the main actor in the domestic primary bond market accounting for seven of the nine issues.

The period under review was characterised by a low interest rate environment, where borrowers opted to secure long-term funding at fixed rates; seven of the nine bonds issued carried maturities of 10 years or more and were all fixed rate securities. During the period, the Central Government was able to raise approximately \$1.5 billion for 20 years at a fixed rate of 6.00%. The National Insurance Property Development Company Limited (NIPDEC) raised a \$0.5 billion fixed rate bond for 15 years at a rate of 6.05%, while the Telecommunications Services of Trinidad and Tobago Limited (TSTT) pursued financing with a shorter term, raising \$0.27 billion for 6 years at 3.85%. The Home Mortgage Bank raised a total of \$0.2 billion in four series with maturities and rates ranging from 5 to 15 years and 3.6% to 6.1%, respectively. The Government of St. Lucia raised \$0.05 billion in the domestic market via a bond for 10 years at a rate of 7.50%. Agostini's Limited, the only private borrower, issued a 10 year fixed rate bond at 8.00%.

Mutual Funds

Mutual funds remained popular investment vehicles as the financial system remained highly liquid and provided low returns on alternative investments, such as commercial bank deposits and short-term treasury

bills. Aggregate funds under management³ increased by 0.9% from October 2011 and were recorded at \$37.1 billion in the six months to March 2012; an increase of 4.5% compared to March 2011.

As a result of the high liquidity levels in the market, growth in mutual funds under management was modest. Given the low returns on banks' term deposits and short-term government paper, mutual funds remained a relatively attractive investment alternative. In the six months to June 2012, the industry attracted net sales of \$793.2 million compared with \$159.5 million in the previous corresponding period. From December 2011, funds under management grew by 2.7% to \$37.8 billion as at June 2012.

On a year-to-date basis to June 2012, there was an increase in both equity and income mutual funds under management. Equity funds under management expanded by 5.4% (year-to-date) to reach \$4.1 billion at the end of June 2012. However, with the domestic stock market unable to replicate the strong performance achieved in 2011, appetite for equity funds appeared to have waned in the second quarter of 2012. Equity funds attracted a net \$31.7 million in sales in the second quarter of 2012, compared with \$94.6 million in the first quarter. At the same time, income funds under management grew by 2.3% to \$33.2 billion in the six months to June 2012, an improved performance from the 0.8% for the corresponding period a year earlier. Income funds drew net sales of \$634.2 million in the first six months of 2012 compared with only \$58 million in the first half of 2011.

In terms of currency profile, growth in foreign currency funds was greater than that of TT dollar funds up to June 2012. In the first half of 2012, foreign currency mutual funds rose by 5.0%, while TT dollar funds grew by 2.0%.

The Trinidad and Tobago Securities and Exchange Commission (TTSEC) registered three (3) new mutual funds over the review period, reflecting a return of confidence by fund sponsors, compared to no new funds being registered in the previous corresponding period.

³ Aggregate funds under management refer to all funds collected by the Central Bank of Trinidad and Tobago, including funds managed by the Trinidad and Tobago Unit Trust Corporation, Roytrin, Republic Bank Limited and First Citizens Bank Limited.

The Growth and Income segment of the mutual fund market increased by 4.7% over the period October 2010 to June 2012 to stand at \$4,366.7 million in funds under management. The fund size of Republic Bank Limited's (RBL) Caribbean Equity Fund increased by 2.5%, compared to a rise of 16.4% in the corresponding period a year ago. The RBC Bank (Trinidad and Tobago Dollar) TT\$ Income and Growth Fund expanded by 8.4%, as compared to 4.7% in the same period in the previous year. The Unit Trust Corporation (UTC) Growth and Income Fund increased by 4.0%, compared to a 25.1% in the previous corresponding period. The Energy Fund, Global Bond Fund, Asia Pacific Fund, European Fund, and Latin American Fund all posted declines of 10.6, 0.1, 4.7, 1.6 and 2.8% respectively. All of these funds experienced growth in the previous period, except for the Global Bond Fund.

In the money market segment of the industry, funds under management increased by 1.9% during the period October 2011 to June 2012. The fund size of the RBL's Money Market Fund continued to decrease, contracting by 4.9%, compared to a decrease of 4.1% in the corresponding period a year ago. The RBC Bank TT\$ Money Market Fund expanded by 7.4%, when compared to a 1.5% increase in the same period in the previous year. The UTC TT\$ Income Fund decreased by 0.1%, while the UTC United States Dollar (US\$) Income Fund increased by 1.5%. Both the First Citizen's Bank (FCB) Abercrombie Fund and Paria Fund increased over the review period, registering growth of 8.2% and 7.0%, respectively.

During the period October 2011 to June 2012, there were varying deviations in the performance of the four mutual fund service providers in relation to overall fund size. FCB, which has the smallest family of funds under management, increased its total fund size by 8.2% to \$5,533.2 million at the end of June 2012. The value of funds under management by the UTC the largest fund service provider increased by 1.0%, to \$18,405.0 million as at June 2012 relative to \$18,220.8 million as at October 2011. The total fund size of RBL decreased by 4.7% during the period, from \$6,251.7 million to \$5,960.5 million, and total funds under management by the RBC Bank expanded by 7.1% to \$7,321.6 million at the end of the review period.

A review of the funds under management by fund type reveals that TT\$ Money Market Funds were the largest type of funds under management in the mutual fund

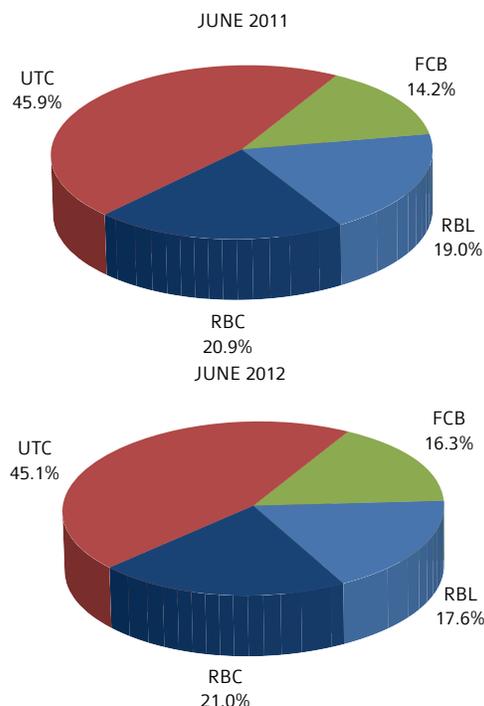
industry. TT\$ Money Market Funds increased by 1.5% to \$26,034.7 million in June 2012 from \$25,648.4 million at October 2011. The US\$ denominated Money Market Funds increased by 3.3% from a TT\$ equivalent of approximately \$6,602.2 million at October 2011 to a TT\$ equivalent of approximately \$6,818.8 million at the end of June 2012.

In terms of market share, as at the end of June 2012, the UTC continued to dominate the Money Market Funds market with 45.1% of total market share among the four fund sponsors. This is a decrease of 0.8% from its share of 45.9% at October 2011. RBC's market share expanded by 0.1% to 21.0% in the period under review, and RBL's market share contracted by 1.4% to 17.6% at the end of June 2012. FCB's market share grew by 2.1% to 16.3% at June 2012.

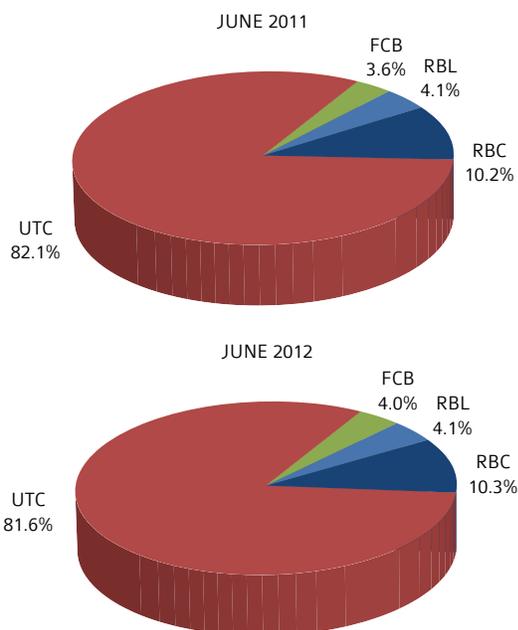
In terms of Growth and Income Funds, as at the end of June 2012, the UTC led the market with 81.6% of total market share among the four fund sponsors under review. This however represented a 0.5% decline from its share of 82.1% at October 2011. RBC increased its market share from 10.2% to 10.3% during the period under review, while RBL's market share remain unchanged at 4.1% at the end of June 2012. FCB's market share grew by 0.4% to 4.0% at June 2012.

Figure 18: Comparative Analysis – Market Share

A. Money Market – Market Share as at June 2011 vs. Market Share as at June 2012



B. Growth and Income –Market Share as at June 2011 vs. Market Share as at June 2012



REGULATORY DEVELOPMENTS

Legislative Developments

The Securities Bill was resubmitted to Parliament in 2010, but did not conform to the standards of the International Organisation of Securities Commissions (IOSCO). The proposed legislation is expected to be laid in the next session of Parliament, and is intended to replace the existing Securities Industry Act, 1995. The purpose of the Securities Bill 2012 includes strengthening protection to investors from unfair, improper or fraudulent practices; fostering fair and efficient capital markets and confidence in the securities industry in Trinidad and Tobago; reducing systemic risk and for other related matters. The 2012 Bill seeks to address deficiencies in the previous Bill relating to regulator access to records of market participants, sharing information with other regulators, record-keeping and confidentiality provisions.

The Draft Insurance Bill and Regulations

The draft Insurance Bill and Regulations were presented to Parliament in November 2011 and lapsed when the second session of Parliament was prorogued in June 2012. The Central Bank is preparing a policy paper to amend the current draft Insurance Bill to re-

move the statutory fund requirement for life insurance companies.

The Draft Credit Union Bill 2011

In November 2011, following a Policy Proposal Document (PPD) which was approved by Cabinet in 2009, the Central Bank circulated the draft Credit Union Bill (2011) for comments. Simultaneously, consequential amendments to the Co-operative Societies Act (Chapter 81:03) that are relevant for credit unions are being prepared by the Chief Parliamentary Counsel (CPC) on behalf of the Commissioner for Co-operative Development. The draft Credit Union Bill (2011) makes it mandatory for credit unions to belong to an insurance protection fund. The Central Bank, in consultation with some credit union sector representatives, recommends that the Deposit Insurance Corporation (DIC) be the authority delegated to manage the insurance protection fund for the sector. The Central Bank has already initiated preliminary discussions with the DIC.

Anti-Money Laundering and Counter -Terrorist Financing (AML/CFT) Guidelines

The TTSEC has developed guidelines which conform to the current legislation and international best practice. The Board of Commissioners of the TTSEC approved the Guidelines on November 21, 2011.. The guidelines were launched to the public on April 23, 2012.

Money Remitters Regulations

Effective December 19, 2008, Section 36 of the Central Bank Act Chap 79:01 was amended to allow the Central Bank to “supervise the operations of payment systems in Trinidad and Tobago generally...including money transmission or remittance business”. Draft Regulations will subsequently be prepared which would require the approval of the Minister of Finance and the Economy and subsequent passage by Parliament.

Occupational Pension Plan Bill

In December 2009, the Central Bank issued its first Policy Proposal Document (PPD) for the establishment of an Occupational Pension Plan Bill for comment. A revised PPD was issued in October 2011, and

following consultations on the revised PPD in December 2011, a final draft is being prepared by the Central Bank. It is anticipated that no further consultations will be required and that the final draft of the PPD will be submitted to the Minister of Finance and the Economy by the end of calendar 2012.

Home Mortgage Bank Regulations

Under the Home Mortgage Bank (HMB) (Amendment) Act (2007), the Central Bank has responsibility for the supervision of those activities of the HMB related to business of a financial nature. In November 2011, the Central Bank circulated revised draft Regulations to the HMB for comment.

The Miscellaneous Provisions (Financial Intelligence Unit of Trinidad and Tobago and Anti-Terrorism Bill 2012)

The Act to amend the Financial Intelligence Unit of Trinidad and Tobago Act, 2009 and the Anti-Terrorism Act, Chap. 12:07 were debated in Parliament and passed in both Houses in August 2012. The legislation is intended to strengthen the functioning of the Financial Intelligence Unit (FIU) to ensure that there is full compliance with the recommendations of the global Financial Action Task Force (FATF) and that the FIU vigorously pursues suspicious monetary transactions, activities and the fulfilment other AML/CFT requirements to prevent the blacklisting of Trinidad and Tobago.

TRADE AND PAYMENTS

Balance of Payments

Heritage and Stabilisation Fund

Balance of Visible Trade

BALANCE OF PAYMENTS

The Balance of Payments (BOP) improved considerably in 2011, recording a surplus of US\$752.6 million, compared to a smaller surplus of US\$418.4 million of the previous year. This surplus was spurred by continued positive performance of the current account of US\$2,258.5 million, although substantially less than the balance of US\$4,172.3 million recorded one year earlier. Additionally, the capital account deficit continued to persist but narrowed substantially from US\$3,753.9 million in 2010 to US\$1,505.9 million in 2011 and impacted positively on the External Accounts. (Table 9)

Current Account

The diminished surplus registered by the current account reflected increasing energy and non-energy imports which trimmed the merchandise trade surplus from US\$4.7 billion in 2010 to US\$3.5 billion in 2011. Also contributing to this diminished surplus was Services (Net) of US\$301.6 million in 2011, a 38.1% decline from US\$487.6 million in 2010. (Table 9)

Capital Account

The capital account deficit declined significantly by 59.9% from US\$3,753.9 million in 2010 to US\$1,505.9 million in 2011. Factors contributing to this declining deficit include net inflows of foreign direct investment at US\$1.1 billion, up from US\$549.4

million in 2010 mainly on account of reinvested earnings emanating primarily from the energy sector while commercial banks increased their net foreign balances which recorded net outflows of US\$370.2 million in 2011 from US\$493 million in 2010. Official borrowing of the Central Government rose to US\$204.7 million in 2011 compared to US\$178.8 million in 2010. (Table 9)

Foreign Reserves

Trinidad and Tobago's gross official reserves (GOR) stood at US\$9,822.7 million in 2011, equivalent to approximately 13.5 months of prospective imports of goods and non-factor services. By June 2012, reserves dipped to US\$9,734.8 million, equivalent to approximately 12 months of import cover, reflecting the decline in the external account of US\$87.9 million. (Table 9)

HERITAGE AND STABILISATION FUND (HSF)

Higher-than-budgeted petroleum revenues enabled two (2) deposits in fiscal 2012, US\$26.2 million in April 2012 and US\$69.4 million in July 2012. Previously on September 30, 2011, a second cash contribution to the Fund of US\$311.5 million brought the total deposited in 2011 to US\$451.4 million. As at August

Table 9: Summary Balance of Payments (US\$ million)

| | 2007 | 2008 | 2009 | 2010 | 2011e |
|---|-----------|-----------|-----------|-----------|-----------|
| Current Account | 5,166.5 | 8,499.0 | 1,632.8 | 4,172.3 | 2,258.5 |
| Merchandise | 5,528.7 | 9,070.4 | 2,241.2 | 4,735.4 | 3,462.9 |
| Services | 546.4 | 609.7 | 381.7 | 487.6 | 301.6 |
| Income | (968.8) | (1,228.0) | (1,017.1) | (1,079.5) | (1,538.9) |
| Transfers | 60.2 | 46.9 | 27.0 | 28.8 | 32.9 |
| | | | | | |
| Capital Account | (3,625.8) | (5,793.5) | (2,345.4) | (3,753.9) | (1,505.9) |
| Official | 121.2 | 114.7 | (50.3) | 178.8 | 204.7 |
| State Enterprises | (10.5) | (10.7) | (10.7) | (10.5) | (11.2) |
| Private Sector (including net errors & omissions) | (3,736.5) | (5,897.5) | (2,284.4) | (3,922.2) | (1,699.4) |
| | | | | | |
| Overall Surplus/Deficit | 1,540.7 | 2,705.5 | (712.6) | 418.4 | 752.6 |
| | | | | | |
| Memo items: | | | | | |
| *Gross Official Reserves | 6,673.5 | 9,380.3 | 8,651.6 | 9,070.0 | 9,822.7 |
| Reserves Import Cover (months) | 9.4 | 11.5 | 11.9 | 13.1 | 13.5 |

Source: Central Bank of Trinidad and Tobago
r: Revised e: Estimated
*Net Heritage and Stabilisation Fund

31, 2012 the net asset value of the HSF portfolio stood at US\$4,547.5 million, appreciating from US\$4,084.0 million recorded on September 30, 2011.

BALANCE OF VISIBLE TRADE

For the period October 2011 to June 2012, Trinidad and Tobago's balance of visible trade, or the exchange of tangible goods, garnered TT\$19,812.3 million, a 22.9% decline from October 2010 to June 2011. A sharper decrease in exports of 13.7% impacted more on the decline than the 7.4% decrease in imports. This underperformance in the export trade was attributed to declines of 58.0% in trade excluding mineral fuels and 38.8% in trade in mineral fuels non-UPA. The balance of trade in mineral fuels, under processing agreements (UPA) rebounded remarkably from TT\$305.6 million for the period October 2010 to June 2011 to TT\$5,335.7 million in the corresponding current period. (Appendix 28)

CARICOM TRADE

Trinidad and Tobago's balance of trade with CARICOM countries decreased by 29.8%, from \$9,253.5 million for the period October 2010 to June 2011 to \$6,493.8 million for the period October 2011 to June 2012. The decline in trade balance was a consequence of a 23.4% reduction in exports, from \$9,896.3 million to \$7,579.0 million for the 2010/2011 and 2011/2012 periods respectively. This reduction can mainly be attributed to a 70.7% reduction in exports excluding petroleum from \$2,661.9 million for the period October 2010 to June 2011 to \$779.1 million for the corresponding period in 2011/2012. Notably, the balance of trade excluding petroleum products decreased by 98.0% from a balance of \$2,140.1 million recorded for the period October 2010 to June 2011 to \$43.6 million for the period October 2011 to June 2012. (Appendix 27)

CARICOM/Canada Trade Negotiations

Negotiations for a new CARICOM/Canada Trade and Development Agreement continued in 2012. This Initiative will replace CARIBCAN which is due to expire in December 2012, bringing to an end the associated WTO waivers. In July 2012, a fourth round of negotiations on this Trade Initiative was held in Barbados, allowing parties textual discussions that focused on competition policy, transparency in government procurement and development cooperation.

Trinidad and Tobago/Guatemala Trade Negotiations

In March 2012, Trinidad and Tobago and Panama signed a Partial Scope Agreement (PSA). These deliberations delineated areas of mutual benefit, namely, food and manufacturing products, and energy co-operation. Also in April 2012, Trinidad and Tobago and Guatemala initiated discussions with a view to developing

a Partial Scope Trade Agreement. With a balance of trade of US\$8,721,759, between the two countries in 2011, though in favour of Guatemala, enhanced trade with the most populous country of Central America is expected to reduce concentration on Trinidad and Tobago's traditional markets. It will also simultaneously expand South/South dialogue and reflect the new thrust of engaging Latin American partners.

Subsequently, in August 2012, a third round of negotiations was held in Port of Spain. During these negotiations, agreements on a Bilateral Investment treaty as well as Tourism and Cultural Exchanges were finalised. These Initiatives are expected to trigger other agreements with countries within Central and South America.

Trinidad and Tobago also completed its 3rd successful World Trade Organisation Trade Policy Review which was undertaken in Port of Spain in early 2012 and completed in Geneva, Switzerland in March 2012.

APPENDIX 1

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

| SECTOR | 2008re | 2009re | 2010re | 2011re | 2012p |
|---|------------------|------------------|------------------|------------------|------------------|
| GROSS DOMESTIC PRODUCT | 92,922.6 | 88,841.7 | 89,029.2 | 86,731.3 | 87,810.9 |
| PETROLEUM INDUSTRY | 36,600.3 | 35,944.3 | 37,091.2 | 35,644.0 | 35,274.5 |
| Exploration and Production | 20,059.2 | 20,047.9 | 21,038.6 | 20,110.3 | 19,915.7 |
| Refining (Incl Atlantic LNG) | 10,012.8 | 9,432.7 | 9,489.8 | 8,944.9 | 8,566.2 |
| Petrochemicals | 3,979.8 | 4,325.8 | 4,289.7 | 4,087.5 | 4,054.3 |
| Service Contractors | 668.0 | 267.7 | 368.2 | 598.8 | 792.7 |
| Distribution | 1,851.6 | 1,852.5 | 1,877.1 | 1,862.6 | 1,905.6 |
| Asphalt Production | 28.9 | 17.7 | 27.8 | 39.9 | 40.0 |
| NON-PETROLEUM INDUSTRY | 55,820.4 | 53,068.6 | 51,708.0 | 51,469.9 | 52,444.7 |
| Agriculture and Sugar | 511.4 | 345.9 | 611.6 | 610.9 | 581.1 |
| Export Agriculture | 6.8 | 4.6 | 4.5 | 5.1 | 4.1 |
| Domestic Agriculture | 340.4 | 309.3 | 361.8 | 374.6 | 375.8 |
| Sugar: | 164.2 | 32.0 | 245.3 | 231.2 | 201.2 |
| Sugar refineries | (113.0) | (116.4) | 0.0 | 0.0 | 0.0 |
| Cane farming and cultivation | 1.9 | 1.9 | 1.9 | 0.0 | 0.0 |
| Distilleries | 275.3 | 146.5 | 243.4 | 231.2 | 201.2 |
| Manufacturing ¹ | 7,626.9 | 7,770.0 | 7,861.9 | 7,775.5 | 7,746.5 |
| Food, Beverages and Tobacco | 3,413.9 | 3,759.9 | 3,901.1 | 3,972.9 | 4,031.7 |
| Textile, Garments & Footwear | 161.7 | 169.0 | 182.0 | 180.0 | 167.0 |
| Printing, Publishing etc. | 802.7 | 717.9 | 669.5 | 631.7 | 612.4 |
| Wood & Related Products | 173.8 | 162.4 | 155.7 | 153.7 | 198.2 |
| Chemical & Non-Metallic Minerals | 1,244.4 | 1,211.5 | 1,245.2 | 1,288.8 | 1,286.7 |
| Assembly Type and Related Industries | 1,417.5 | 1,343.4 | 1,299.4 | 1,168.3 | 1,073.1 |
| Miscellaneous Manufacturing | 412.9 | 405.9 | 409.0 | 380.1 | 377.4 |
| Services | 47,682.1 | 44,952.7 | 43,234.5 | 43,083.5 | 44,117.1 |
| Electricity and Water | 1,267.2 | 1,270.6 | 1,271.7 | 1,353.3 | 1,413.6 |
| Construction and Quarrying | 7,386.0 | 6,863.2 | 4,913.1 | 4,478.8 | 4,389.2 |
| Distribution and Restaurants ² | 12,734.9 | 10,132.7 | 9,154.1 | 9,580.9 | 9,715.7 |
| Hotels and Guest Houses | 218.4 | 265.0 | 248.0 | 232.9 | 237.6 |
| Transport, Storage & Communication | 7,052.9 | 7,017.2 | 7,193.0 | 7,121.5 | 7,223.1 |
| Finance, Insurance & Real Estate etc. | 12,032.6 | 11,491.8 | 12,421.1 | 12,349.7 | 13,101.3 |
| Government | 4,168.0 | 4,965.1 | 5,022.8 | 4,989.9 | 5,042.1 |
| Education & Cultural Services | 1,717.3 | 1,785.7 | 1,802.0 | 1,799.7 | 1,785.6 |
| Personal Services | 1,104.8 | 1,161.4 | 1,208.7 | 1,176.8 | 1,208.9 |
| FISIM³ | (3,072.2) | (3,079.3) | (2,847.7) | (2,804.8) | (2,888.9) |
| Add: VALUE ADDED TAX (VAT) | 3,574.1 | 2,908.1 | 3,077.7 | 2,422.2 | 2,980.6 |

Source: Central Statistical Office

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

re: revised p: provisional

APPENDIX 2

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT CONSTANT (2000) PRICES

/PERCENTAGE CHANGE/

| SECTOR | 2008re | 2009re | 2010re | 2011re | 2012p |
|---|--------------|---------------|--------------|---------------|--------------|
| GROSS DOMESTIC PRODUCT | 3.4 | (4.4) | 0.2 | (2.6) | 1.2 |
| PETROLEUM INDUSTRY | (0.3) | (1.8) | 3.2 | (3.9) | (1.0) |
| Exploration and Production | (1.2) | (0.1) | 4.9 | (4.4) | (1.0) |
| Refining (Incl Atlantic LNG) | 5.1 | (5.8) | 0.6 | (5.7) | (4.2) |
| Petrochemicals | (2.8) | 8.7 | (0.8) | (4.7) | (0.8) |
| Service Contractors | (25.9) | (59.9) | 37.5 | 62.6 | 32.4 |
| Distribution | (0.2) | 0.0 | 1.3 | (0.8) | 2.3 |
| Asphalt Production | (1.7) | (38.8) | 57.1 | 43.5 | 0.3 |
| NON-PETROLEUM INDUSTRY | 6.5 | (4.9) | (2.6) | (0.5) | 1.9 |
| Agriculture and Sugar | 7.6 | (32.4) | 76.8 | (0.1) | (4.9) |
| Export Agriculture | (9.3) | (32.4) | (2.2) | 13.3 | (19.6) |
| Domestic Agriculture | 1.0 | (9.1) | 17.0 | 3.5 | 0.3 |
| Sugar: | 25.7 | (80.5) | 666.6 | (5.7) | (13.0) |
| Sugar refineries | 0.5 | 3.0 | (100.0) | 0.0 | 0.0 |
| Cane farming and cultivation | (89.8) | 0.0 | 0.0 | (100.0) | 0.0 |
| Distilleries | 22.1 | (46.8) | 66.1 | (5.0) | (13.0) |
| Manufacturing ¹ | 4.1 | 1.9 | 1.2 | (1.1) | (0.4) |
| Food, Beverages and Tobacco | 8.4 | 10.1 | 3.8 | 1.8 | 1.5 |
| Textile, Garments & Footwear | 20.5 | 4.5 | 7.7 | (1.1) | (7.2) |
| Printing, Publishing etc. | (3.3) | (10.6) | (6.7) | (5.6) | (3.1) |
| Wood & Related Products | 0.3 | (6.6) | (4.1) | (1.3) | 29.0 |
| Chemical & Non-Metallic Minerals | (5.4) | (2.6) | 2.8 | 3.5 | (0.2) |
| Assembly Type and Related Industries | 1.4 | (5.2) | (3.3) | (10.1) | (8.1) |
| Miscellaneous Manufacturing | 26.4 | (1.7) | 0.8 | (7.1) | (0.7) |
| Services | 6.9 | (5.7) | (3.8) | (0.3) | 2.4 |
| Electricity and Water | 3.0 | 0.3 | 0.1 | 6.4 | 4.5 |
| Construction and Quarrying | 4.5 | (7.1) | (28.4) | (8.8) | (2.0) |
| Distribution and Restaurants ² | 17.6 | (20.4) | (9.7) | 4.7 | 1.4 |
| Hotels and Guest Houses | (15.4) | 21.3 | (6.4) | (6.1) | 2.0 |
| Transport, Storage & Communication | 8.4 | (0.5) | 2.5 | (1.0) | 1.4 |
| Finance, Insurance & Real Estate etc. | 3.1 | (4.5) | 8.1 | (0.6) | 6.1 |
| Government | 1.7 | 19.1 | 1.2 | (0.7) | 1.0 |
| Education & Cultural Services | (3.9) | 4.0 | 0.9 | (0.1) | (0.8) |
| Personal Services | (3.4) | 5.1 | 4.1 | (2.6) | 2.7 |
| FISIM³ | (2.9) | 0.2 | (7.5) | (1.5) | 3.0 |
| Add: VALUE ADDED TAX (VAT) | (9.3) | (18.6) | 5.8 | (21.3) | 23.1 |

Source: Central Statistical Office

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

re: revised p: provisional

APPENDIX 3

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT CONSTANT (2000) PRICES

/PERCENTAGE CONTRIBUTION/

| SECTOR | 2008re | 2009re | 2010re | 2011re | 2012p |
|---|--------------|--------------|--------------|--------------|--------------|
| GROSS DOMESTIC PRODUCT | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| PETROLEUM INDUSTRY | 39.4 | 40.5 | 41.7 | 41.1 | 40.2 |
| Exploration and Production | 21.6 | 22.6 | 23.6 | 23.2 | 22.7 |
| Refining (Incl Atlantic LNG) | 10.8 | 10.6 | 10.7 | 10.3 | 9.8 |
| Petrochemicals | 4.3 | 4.9 | 4.8 | 4.7 | 4.6 |
| Service Contractors | 0.7 | 0.3 | 0.4 | 0.7 | 0.9 |
| Distribution | 2.0 | 2.1 | 2.1 | 2.1 | 2.2 |
| Asphalt Production | 0.03 | 0.02 | 0.03 | 0.05 | 0.05 |
| NON-PETROLEUM INDUSTRY | 60.1 | 59.7 | 58.1 | 59.3 | 59.7 |
| Agriculture and Sugar | 0.6 | 0.4 | 0.7 | 0.7 | 0.7 |
| Export Agriculture | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 |
| Domestic Agriculture | 0.4 | 0.3 | 0.4 | 0.4 | 0.4 |
| Sugar: | 0.2 | 0.04 | 0.3 | 0.3 | 0.2 |
| Sugar refineries | (0.1) | (0.1) | 0.00 | 0.00 | 0.00 |
| Cane farming and cultivation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Distilleries | 0.3 | 0.2 | 0.3 | 0.3 | 0.2 |
| Manufacturing ¹ | 8.2 | 8.7 | 8.8 | 9.0 | 8.8 |
| Food, Beverages and Tobacco | 3.7 | 4.2 | 4.4 | 4.6 | 4.6 |
| Textile, Garments & Footwear | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Printing, Publishing etc. | 0.9 | 0.8 | 0.8 | 0.7 | 0.7 |
| Wood & Related Products | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Chemical & Non-Metallic Minerals | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 |
| Assembly Type and Related Industries | 1.5 | 1.5 | 1.5 | 1.3 | 1.2 |
| Miscellaneous Manufacturing | 0.4 | 0.5 | 0.5 | 0.4 | 0.4 |
| Services | 51.3 | 50.6 | 48.6 | 49.7 | 50.2 |
| Electricity and Water | 1.4 | 1.4 | 1.4 | 1.6 | 1.6 |
| Construction and Quarrying | 7.9 | 7.7 | 5.5 | 5.2 | 5.0 |
| Distribution and Restaurants ² | 13.7 | 11.4 | 10.3 | 11.0 | 11.1 |
| Hotels and Guest Houses | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Transport, Storage & Communication | 7.6 | 7.9 | 8.1 | 8.2 | 8.2 |
| Finance, Insurance & Real Estate etc. | 12.9 | 12.9 | 14.0 | 14.2 | 14.9 |
| Government | 4.5 | 5.6 | 5.6 | 5.8 | 5.7 |
| Education and Cultural Services | 1.8 | 2.0 | 2.0 | 2.1 | 2.0 |
| Personal Services | 1.2 | 1.3 | 1.4 | 1.4 | 1.4 |
| FISIM ³ | (3.3) | (3.5) | (3.2) | (3.2) | (3.3) |
| Add: VALUE ADDED TAX (VAT) | 3.8 | 3.3 | 3.5 | 2.8 | 3.4 |

Source: Central Statistical Office

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

a: actual re: revised p: provisional

APPENDIX 4

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT MARKET PRICES (CURRENT PRICES)

/TT\$ MILLIONS/

| SECTOR | 2008 | 2009re | 2010re | 2011re | 2012p |
|---|------------------|------------------|------------------|------------------|------------------|
| GROSS DOMESTIC PRODUCT | 175,287.2 | 121,281.3 | 131,289.4 | 150,373.2 | 153,587.7 |
| PETROLEUM INDUSTRY | 89,100.3 | 41,965.5 | 56,015.3 | 70,313.7 | 67,105.4 |
| Exploration and Production | 51,696.5 | 22,749.0 | 28,765.2 | 35,956.7 | 34,747.9 |
| Refining (Incl Atlantic LNG) | 13,048.9 | 5,310.4 | 10,015.3 | 13,512.7 | 11,499.4 |
| Petrochemicals | 11,992.2 | 8,279.3 | 11,629.3 | 14,319.2 | 13,374.1 |
| Service Contractors | 5,742.4 | 3,278.9 | 2,475.6 | 2,817.3 | 3,417.6 |
| Distribution | 6,483.8 | 2,289.1 | 3,073.1 | 3,650.4 | 4,008.1 |
| Asphalt Production | 136.5 | 58.8 | 56.8 | 57.4 | 58.3 |
| NON-PETROLEUM INDUSTRY | 85,344.6 | 79,628.1 | 75,054.3 | 80,864.3 | 85,935.3 |
| Agriculture and Sugar | 640.7 | 721.8 | 816.0 | 902.8 | 888.0 |
| Export Agriculture | 10.0 | 7.5 | 7.4 | 7.2 | 6.8 |
| Domestic Agriculture | 549.9 | 534.2 | 604.1 | 669.8 | 662.1 |
| Sugar: | 80.8 | 180.1 | 204.5 | 225.8 | 219.1 |
| Sugar refineries | 5.1 | (7.3) | 0.0 | 0.0 | 0.0 |
| Cane farming and cultivation | 3.5 | 3.5 | 3.5 | 0.0 | 0.0 |
| Distilleries | 72.2 | 183.9 | 201.0 | 225.8 | 219.1 |
| Manufacturing¹ | 7,042.6 | 6,973.9 | 7,024.2 | 8,661.8 | 9,260.3 |
| Food, Beverages and Tobacco | 2,883.3 | 3,828.0 | 4,048.6 | 4,604.8 | 5,512.4 |
| Textile, Garments & Footwear | 121.8 | 124.9 | 126.4 | 125.8 | 116.8 |
| Printing, Publishing etc. | 814.0 | 712.3 | 459.6 | 456.8 | 445.2 |
| Wood & Related Products | 218.9 | 203.4 | 195.2 | 201.2 | 269.5 |
| Chemical & Non-Metallic Minerals | 1,502.8 | 1,533.7 | 1,391.6 | 1,375.6 | 1,387.8 |
| Assembly Type and Related Industries | 1,053.8 | 137.7 | 341.9 | 1,335.5 | 975.5 |
| Miscellaneous Manufacturing | 448.0 | 433.9 | 460.9 | 562.1 | 553.1 |
| Services | 77,661.3 | 71,932.4 | 67,214.1 | 71,299.7 | 75,787.0 |
| Electricity and Water | 1,526.3 | 1,777.9 | 1,809.7 | 2,000.1 | 1,930.2 |
| Construction and Quarrying | 14,476.5 | 13,726.5 | 9,410.5 | 8,772.3 | 7,642.7 |
| Distribution and Restaurants ² | 21,140.0 | 17,954.9 | 17,942.1 | 19,449.2 | 21,180.2 |
| Hotels and Guest Houses | 399.2 | 498.0 | 477.0 | 500.8 | 510.9 |
| Transport, Storage & Communication | 6,983.4 | 7,194.6 | 6,903.1 | 7,193.4 | 8,235.2 |
| Finance, Insurance & Real Estate etc. | 15,681.3 | 14,453.8 | 14,812.5 | 16,710.2 | 16,936.3 |
| Government | 12,495.1 | 11,167.9 | 10,423.9 | 11,219.8 | 13,302.8 |
| Education and Cultural Services | 3,478.9 | 3,544.5 | 3,631.8 | 3,692.7 | 4,134.3 |
| Personal Services | 1,480.6 | 1,634.3 | 1,803.5 | 1,761.2 | 1,914.4 |
| FISIM ³ | (5,090.7) | (5,459.6) | (5,812.5) | (5,721.8) | (5,950.6) |
| Add: VALUE ADDED TAX (VAT) | 5,933.0 | 5,147.3 | 6,032.3 | 4,917.0 | 6,497.6 |

Source: Central Statistical Office

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

re: revised p: provisional

APPENDIX 5

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

| SECTOR | 2008 | 2009re | 2010re | 2011re | 2012p |
|---|--------------|---------------|--------------|-------------|--------------|
| GROSS DOMESTIC PRODUCT | 28.0 | (30.8) | 8.3 | 14.5 | 2.1 |
| PETROLEUM INDUSTRY | 44.6 | (52.9) | 33.5 | 25.5 | (4.6) |
| Exploration and Production | 56.8 | (56.0) | 26.4 | 25.0 | (3.4) |
| Refining (Incl Atlantic LNG) | 26.3 | (59.3) | 88.6 | 34.9 | (14.9) |
| Petrochemicals | 24.4 | (31.0) | 40.5 | 23.1 | (6.6) |
| Service Contractors | 35.0 | (42.9) | (24.5) | 13.8 | 21.3 |
| Distribution | 48.9 | (64.7) | 34.2 | 18.8 | 9.8 |
| Asphalt Production | 45.8 | (56.9) | (3.4) | 1.1 | 1.6 |
| NON-PETROLEUM INDUSTRY | 14.3 | (6.7) | (5.7) | 7.7 | 6.3 |
| Agriculture and Sugar | 25.9 | 12.7 | 13.1 | 10.6 | (1.6) |
| Export Agriculture | (8.3) | (25.0) | (1.3) | (2.7) | (5.6) |
| Domestic Agriculture | 12.2 | (2.9) | 13.1 | 10.9 | (1.1) |
| Sugar: | 935.9 | 122.9 | 13.5 | 10.4 | (3.0) |
| Sugar refineries | (117.3) | (245.1) | (100.0) | 0.0 | 0.0 |
| Cane farming and cultivation | (84.4) | 0.0 | 0.0 | (100.0) | 0.0 |
| Distilleries | 391.2 | 154.7 | 9.3 | 12.3 | (3.0) |
| Manufacturing ¹ | (2.4) | (1.0) | 0.7 | 23.3 | 6.9 |
| Food, Beverages and Tobacco | 5.6 | 32.8 | 5.8 | 13.7 | 19.7 |
| Textile, Garments & Footwear | (10.4) | 2.5 | 1.2 | (0.5) | (7.2) |
| Printing, Publishing etc. | 6.4 | (12.5) | (35.5) | (0.6) | (2.5) |
| Wood & Related Products | 14.3 | (7.1) | (4.0) | 3.1 | 35.9 |
| Chemical & Non-Metallic Minerals | (3.1) | 2.1 | (9.3) | (1.1) | 0.9 |
| Assembly Type and Related Industries | (29.6) | (86.9) | 148.3 | 290.6 | (27.0) |
| Miscellaneous Manufacturing | 29.8 | (3.1) | 6.2 | 22.0 | (1.6) |
| Services | 16.0 | (7.4) | (6.6) | 6.1 | 6.3 |
| Electricity and Water | (0.5) | 16.5 | 1.8 | 10.5 | (3.5) |
| Construction and Quarrying | 28.0 | (5.2) | (31.4) | (6.8) | (12.9) |
| Distribution and Restaurants ² | 24.9 | (15.2) | 0.0 | 8.4 | 8.9 |
| Hotels and Guest Houses | (13.4) | 24.7 | (4.2) | 5.0 | 2.0 |
| Transport, Storage & Communication | (8.6) | 3.0 | (4.1) | 4.2 | 14.5 |
| Finance, Insurance & Real Estate etc. | 0.8 | (7.8) | 2.5 | 12.8 | 1.4 |
| Government | 38.2 | (10.6) | (6.7) | 7.6 | 18.6 |
| Education and Cultural Services | 15.4 | 1.9 | 2.5 | 1.7 | 12.0 |
| Personal Services | 2.3 | 10.4 | 10.4 | (2.3) | 8.7 |
| FISIM ³ | 8.8 | 7.2 | 6.5 | (1.6) | 4.0 |
| Add: VALUE ADDED TAX (VAT) | 11.2 | (13.2) | 17.2 | (18.5) | 32.1 |

Source: Central Statistical Office

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

re: revised p: provisional

APPENDIX 6

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

| SECTOR | 2008 | 2009re | 2010re | 2011re | 2012p |
|---|--------------|--------------|--------------|--------------|--------------|
| GROSS DOMESTIC PRODUCT | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| PETROLEUM INDUSTRY | 50.8 | 34.6 | 42.7 | 46.8 | 43.7 |
| Exploration and Production | 29.5 | 18.8 | 21.9 | 23.9 | 22.6 |
| Refining (Incl Atlantic LNG) | 7.4 | 4.4 | 7.6 | 9.0 | 7.5 |
| Petrochemicals | 6.8 | 6.8 | 8.9 | 9.5 | 8.7 |
| Service Contractors | 3.3 | 2.7 | 1.9 | 1.9 | 2.2 |
| Distribution | 3.7 | 1.9 | 2.3 | 2.4 | 2.6 |
| Asphalt Production | 0.1 | 0.05 | 0.04 | 0.04 | 0.04 |
| NON-PETROLEUM INDUSTRY | 48.7 | 65.7 | 57.2 | 53.8 | 56.0 |
| Agriculture and Sugar | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 |
| Export Agriculture | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 |
| Domestic Agriculture | 0.3 | 0.4 | 0.5 | 0.4 | 0.4 |
| Sugar: | 0.05 | 0.1 | 0.2 | 0.2 | 0.1 |
| Sugar refineries | 0.00 | (0.01) | 0.00 | 0.00 | 0.00 |
| Cane farming and cultivation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Distilleries | 0.04 | 0.2 | 0.2 | 0.2 | 0.1 |
| Manufacturing ¹ | 4.0 | 5.8 | 5.4 | 5.8 | 6.0 |
| Food, Beverages and Tobacco | 1.6 | 3.2 | 3.1 | 3.1 | 3.6 |
| Textile, Garments & Footwear | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Printing, Publishing etc. | 0.5 | 0.6 | 0.4 | 0.3 | 0.3 |
| Wood & Related Products | 0.1 | 0.2 | 0.1 | 0.1 | 0.2 |
| Chemical & Non-Metallic Minerals | 0.9 | 1.3 | 1.1 | 0.9 | 0.9 |
| Assembly Type and Related Industries | 0.6 | 0.1 | 0.3 | 0.9 | 0.6 |
| Miscellaneous Manufacturing | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 |
| Services | 44.3 | 59.3 | 51.2 | 47.4 | 49.3 |
| Electricity and Water | 0.9 | 1.5 | 1.4 | 1.3 | 1.3 |
| Construction and Quarrying | 8.3 | 11.3 | 7.2 | 5.8 | 5.0 |
| Distribution and Restaurants ² | 12.1 | 14.8 | 13.7 | 12.9 | 13.8 |
| Hotels and Guest Houses | 0.2 | 0.4 | 0.4 | 0.3 | 0.3 |
| Transport, Storage & Communication | 4.0 | 5.9 | 5.3 | 4.8 | 5.4 |
| Finance, Insurance & Real Estate etc. | 8.9 | 11.9 | 11.3 | 11.1 | 11.0 |
| Government | 7.1 | 9.2 | 7.9 | 7.5 | 8.7 |
| Education and Cultural Services | 2.0 | 2.9 | 2.8 | 2.5 | 2.7 |
| Personal Services | 0.8 | 1.3 | 1.4 | 1.2 | 1.2 |
| FISIM ³ | (2.9) | (4.5) | (4.4) | (3.8) | (3.9) |
| Add: VALUE ADDED TAX (VAT) | 3.4 | 4.2 | 4.6 | 3.3 | 4.2 |

Source: Central Statistical Office

1/Excludes oil refining and petrochemical industries

2/Excludes distribution of petroleum products

3/Financial Intermediation Services Indirectly Measured.

re: revised p: provisional

APPENDIX 7

DEVELOPMENT AND EXPLORATORY DRILLING AND DOMESTIC CRUDE PRODUCTION

| Development and Exploratory Drilling | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11 | Oct '10/ Jun '11r | Oct '11/ Jun '12p |
| Total Depth Drilled* | 186.4 | 164.7 | 53.7 | 73.6 | 94.0 | 66.6 | 91.7 |
| Land | 86.1 | 58.3 | 24.6 | 19.2 | 50.8 | 40.4 | 45.7 |
| Marine | 100.3 | 106.4 | 29.1 | 54.4 | 43.3 | 26.2 | 46.0 |
| Development Drilling* | 146.5 | 119.7 | 49.0 | 60.1 | 87.1 | 66.1 | 77.1 |
| Exploratory Drilling* | 39.8 | 45.0 | 4.7 | 13.5 | 6.9 | 0.5 | 14.6 |
| Number of Wells Drilled | | | | | | | |
| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11 | Oct '10/ Jun '11 | Oct '11/ Jun '12p |
| No. of Wells Drilled | 119 | 116 | 30 | 30 | 77 | 55 | 79 |
| Development | 105 | 104 | 29 | 27 | 59 | 55 | 6 |
| Exploratory | 14 | 12 | 1 | 3 | 18 | 0 | 73 |
| Domestic Crude and Condensate Production | | | | | | | |
| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11 | Oct '10/ Jun '11 | Oct '11/ Jun '12p |
| Total Crude and Condensate | | | | | | | |
| Millions of Barrels | 45.4 | 42.4 | 39.7 | 37.9 | 38.7 | 28.4 | 27.3 |
| Millions of Cubic Metres | 7.2 | 6.7 | 6.3 | 6.0 | 6.2 | 4.5 | 4.3 |
| Land (%) | 18.5 | 20.6 | 21.5 | 21.8 | 21.2 | 21.4 | 23.1 |
| Marine (%) | 81.5 | 79.4 | 78.5 | 78.2 | 78.8 | 78.6 | 76.9 |
| Crude Production | | | | | | | |
| Millions of Barrels | 35.2 | 31.7 | 29.2 | 26.6 | 28.8 | 20.5 | 23.1 |
| Millions of Cubic Metres | 5.6 | 5.0 | 4.6 | 4.2 | 4.6 | 3.2 | 3.6 |
| Condensate Production | | | | | | | |
| Millions of Barrels | 10.2 | 10.7 | 10.5 | 11.3 | 9.9 | 7.9 | 4.2 |
| Millions of Cubic Metres | 1.6 | 1.7 | 1.7 | 1.8 | 1.6 | 1.3 | 0.7 |

Source: Ministry of Energy and Energy Affairs

r: Revised p: Provisional

* ALL FIGURES IN THOUSANDS OF METRES

APPENDIX 8

NATURAL GAS AND LIQUEFIED NATURAL GAS PRODUCTION AND UTILISATION

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11 | Oct '10/ May '11 | Oct '11/ May '12p |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Natural Gas Production (MMCM)¹ | 41,250 | 42,240 | 42,396 | 45,171 | 43,916 | 29,605 | 27,907 |
| | | | | | | | |
| Natural Gas Utilisation (MMCM)¹ | | | | | | | |
| Fuel use ² | 10,699 | 10,929 | 10,284 | 11,171 | 11,589 | 7,690 | 7,005 |
| Processed | 8,124 | 7,994 | 7,706 | 8,734 | 8,390 | 5,635 | 4,153 |
| Vented | 874 | 921 | 1,152 | 1,853 | 1,601 | 1,150 | 2,513 |
| Gas Re-injected | 1,570 | 1,975 | 1,919 | 1,918 | 1,338 | 850 | 1,296 |
| Natural Gas Liquids (NGL) | 342 | 264 | 265 | 316 | 297 | 201 | 172 |
| Liquefied Natural Gas ³ | 19,641 | 20,159 | 20,477 | 21,180 | 20,701 | 14,079 | 12,768 |
| | | | | | | | |
| Liquefied Natural Gas (LNG) | | | | | | | |
| Production ⁴ (Trillion Btu) ⁶ | 689.4 | 737.0 | 759.2 | 766.1 | 751.0 | 511.5 | 462.6 |
| Exports ⁵ (Trillion Btu) ⁶ | 700.9 | 736.2 | 752.6 | 772.1 | 746.5 | 511.9 | 462.5 |

Source: Ministry of Energy and Energy Affairs

1 Million Cubic Metres

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

3 Refers to input of natural gas into LNG Trains

4 Refers to output of LNG from LNG Trains

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

6 Trillions of British Thermal Units

p: Provisional

APPENDIX 9

PETROCHEMICALS PRODUCTION AND EXPORTS

/TONNES '000/

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11 | Oct '10/ Jun '11 | Oct '11/ Jun '12p |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Nitrogenous Fertilisers | | | | | | | |
| Ammonia | | | | | | | |
| Production | 5,277.5 | 5,045.0 | 5,179.7 | 5,655.2 | 5,315.5 | 4,002.0r | 3,839.3 |
| Exports | 4,738.3 | 4,691.9 | 4,759.4 | 5,180.8 | 4,864.2 | 3,600.2 | 3,508.6 |
| | | | | | | | |
| Urea | | | | | | | |
| Production | 720.6 | 630.0 | 714.1 | 701.7 | 718.1 | 531.7r | 410.5 |
| Exports | 707.6 | 619.0 | 682.2 | 692.0 | 700.7 | 489.9 | 386.0 |
| | | | | | | | |
| Methanol | | | | | | | |
| Production | 6,035.0 | 6,037.8 | 5,653.9 | 6,128.2 | 5,937.5 | 4,494.5 | 4,165.1 |
| Exports | 5,911.4 | 5,857.8 | 6,238.8 | 6,089.9 | 5,934.7 | 4,530.3 | 4,099.8 |

Source: Ministry of Energy and Energy Affairs
p: Provisional
r: Revised

APPENDIX 10
IRON AND STEEL PRODUCTION
/TONNES '000/

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11 | Oct '10/ Jun '11 | Oct '11/ Jun '12 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Direct Reduced Iron | | | | | | | |
| Production | 1,986.9 | 2,004.4 | 950.1 | 1,783.2 | 1,754.9 | 1,263.5 | 1,252.7 |
| Exports | 1,218.7 | 1,299.5 | 533.4 | 1,052.0 | 1,040.2 | 772.0 | 819.0 |
| Local Sales | - | - | - | - | - | - | - |
| | | | | | | | |
| Billets | | | | | | | |
| Production | 624.1 | 566.7 | 370.6 | 579.7 | 586.0 | 449.7 | 458.1 |
| Exports | 57.1 | 108.9 | 134.4 | 165.7 | 118.4 | 100.9 | 85.9 |
| Local Sales | 72.9 | 73.8 | 46.9 | 37.1 | 41.2 | 32.8 | 29.2 |
| | | | | | | | |
| Wire Rods | | | | | | | |
| Production | 484.3 | 406.8 | 178.3 | 333.3 | 412.4 | 313.8 | 300.2 |
| Exports | 424.8 | 366.0 | 159.1 | 282.0 | 362.3 | 276.4r | 266.1 |
| Local Sales | 52.3 | 54.4 | 37.7 | 35.2 | 30.4 | 24.4r | 18.6 |

Source: ArcelorMittal Point Lisas Ltd.
r: Revised

APPENDIX 11

CHANGE IN PRICES, PRODUCTIVITY AND AVERAGE WEEKLY EARNINGS /PERCENTAGE CHANGE/

| | | 2007 | 2008 | 2009 | 2010 | 2011 | Jan - Jul* 2011 | Jan - Jul* 2012 |
|--|----------------|-------------|-------------|-------------|-------------|-------------|-----------------------|-----------------------|
| | Weights | | | | | | | |
| Index of Retail Prices | | | | | | | | |
| All Items (Base Year = 2003) | 1,000 | 7.9 | 12.0 | 7.0 | 10.6 | 5.1 | 1.3 | 6.6 |
| Core | 820 | 4.4 | 6.2 | 4.1 | 4.3 | 1.7 | 0.8 | 2.1 |
| Food | 180 | 17.4 | 25.9 | 12.7 | 22.1 | 10.5 | 2.1 | 12.8 |
| Transport | 167 | 3.9 | 3.0 | 6.6 | 11.3 | 0.8 | 0.6 | 1.5 |
| Housing | 262 | 4.2 | 5.6 | 4.5 | 0.3 | 1.4 | 0.7 | 0.9 |
| | | | | | | | | |
| | | 2007 | 2008 | 2009 | 2010 | 2011 | Jan '11/ Mar '11** | Jan '12/ Mar '12** |
| | Weights | | | | | | | |
| Index of Productivity | | | | | | | | |
| All workers/all industries (Base Year = 1995) | | 11.1 | 7.0 | 12.9 | 4.7 | 3.4 | 7.5 | -4.3 |
| | | | | | | | | |
| Non-Energy | | 13.4 | 7.7 | 19.4 | 17.4 | 8.5 | 10.5 | 0.6 |
| Food Processing | | 20.3 | 20.0 | -4.0 | 1.6 | -3.6 | 15.8 | -40.5 |
| Drink and Tobacco | | 43.4 | 20.0 | 18.6 | 12.7 | -0.4 | 8.9 | 11.5 |
| Textiles, Garments and Footwear | | 4.3 | 26.2 | 13.4 | 41.7 | 1.6 | 19.5 | 0.5 |
| Printing, Publishing and Paper Converters | | 22.0 | -11.1 | -0.4 | -7.8 | 8.5 | 11.0 | -5.7 |
| Wood and Related Products | | 8.7 | 30.1 | 20.4 | 1.6 | 16.5 | 58.1 | -5.5 |
| Chemicals | | -7.4 | -4.0 | 4.6 | 8.3 | 9.3 | 8.7 | 26.5 |
| Assembly Type & Related Products | | -6.9 | -13.3 | 61.4 | 27.7 | 3.0 | -17.4 | 1.8 |
| Miscellaneous Manufacturing | | -8.5 | 4.7 | 21.6 | 3.9 | 6.9 | 1.9 | 16.4 |
| Electricity | | 8.2 | -6.3 | -3.3 | 35.4 | 14.8 | 27.3 | -25.0 |
| Water | | -2.6 | -1.3 | -11.4 | -18.8 | 23.2 | 39.8 | 5.1 |
| | | | | | | | | |
| Petrochemicals | | 44.0 | -7.9 | 2.8 | 3.5 | -1.8 | -0.3 | 3.4 |
| Exploration and Production of Oil and Natural Gas | | 60.1 | 1.4 | 11.1 | -13.0 | -11.3 | -10.2 | -16.8 |
| Oil & Natural Gas Refining | | 11.0 | 43.8 | 4.9 | -5.2 | -2.1 | 17.3 | -28.8 |
| | | | | | | | | |
| Index of Average Weekly Earnings | | | | | | | | |
| All workers/all industries (Base Year = 1995) | 1,000 | 2.7 | 11.7 | 8.5 | 10.8 | -5.9 | -7.7 | 1.3 |

Source: Central Statistical Office

* Calendar Year-to-date

** Refers to change in January to March period, versus January to March in the previous year

r: Revised

APPENDIX 12

POPULATION, LABOUR FORCE AND EMPLOYMENT (MID-YEAR)

| | 2006* | 2007* | 2008* | 2009* | 2010* | 2011* | 2012*p |
|--|-----------|-----------|-----------|-----------|-----------|--------------|-----------|
| TOTAL POPULATION | 1,297,944 | 1,303,188 | 1,308,587 | 1,310,106 | 1,317,714 | 1,325,402 | 1,332,577 |
| % change | 0.3 | 0.4 | 0.4 | 0.1 | 0.6 | 0.6 | 0.5 |
| TOTAL MALE | 650,919 | 653,549 | 656,257 | 657,018 | 660,822 | 664,677 | 668,275 |
| % change | 0.3 | 0.4 | 0.4 | 0.1 | 0.6 | 0.6 | 0.5 |
| TOTAL FEMALE | 647,025 | 649,639 | 652,330 | 653,088 | 656,892 | 660,725 | 664,302 |
| % change | 0.3 | 0.4 | 0.4 | 0.1 | 0.6 | 0.6 | 0.5 |
| Dependency Ratio (%) | 48.0 | 48.0 | 48.0 | 47.0 | 47.0 | 47.0 | - |
| Non Institutional Pop. 15 yrs and over | 978,300 | 980,900 | 987,000 | 991,100 | 996,900 | 1,005,700*** | - |
| Labour Force** | 625,200 | 622,400 | 626,600 | 621,000 | 618,900 | 616,400*** | - |
| Persons Employed | 586,200 | 522,500r | 597,700 | 588,400 | 582,100 | 585,300*** | - |
| Persons Unemployed | 39,100 | 34,600 | 29,000 | 32,600 | 36,800 | 31,100*** | - |
| Participation Rate (%) | 63.9 | 63.4r | 63.5 | 62.7 | 62.1 | 61.3*** | - |
| Unemployment Rate (%) | 6.2 | 5.6 | 4.6 | 5.3 | 5.9 | 4.9*** | - |
| Births per 1,000 persons | 13.70 | 13.95 | 14.12 | 15.25 | 15.40 | 15.21 | 14.86 |
| Deaths per 1,000 persons | 7.69 | 7.60 | 7.70 | 7.68 | 7.68 | 7.06 | 7.23 |
| Crude Natural Growth Rate per 1,000 | 6.01 | 6.35 | 6.42 | 7.57 | 7.72 | 8.15 | 7.63 |

Source: Central Statistical Office

* Figures based on 2000 census

** Figures based on CSSP estimates

*** For the period April to December 2011

p: Provisional

APPENDIX 13

MID-YEAR ESTIMATES OF POPULATION BY AGE

| | 2005p | 2006p | 2007p | 2008p | 2009p | 2010p | 2011p | 2012p |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Population | 1,294,494 | 1,297,944 | 1,303,188 | 1,308,587 | 1,310,106 | 1,317,714 | 1,325,402 | 1,332,577 |
| Non-Institutional Population | | | | | | | | |
| All Ages | | | | | | | | |
| Under 15 | 328,080 | 328,954 | 330,283 | 331,651 | 332,036 | 333,965 | 335,913 | 337,731 |
| 15-19 | 142,001 | 142,380 | 142,955 | 143,547 | 143,714 | 144,548 | 145,392 | 146,179 |
| 20-24 | 114,830 | 115,136 | 115,601 | 116,080 | 116,215 | 116,890 | 117,572 | 118,208 |
| 25-29 | 99,064 | 99,328 | 99,729 | 100,142 | 100,258 | 100,841 | 101,429 | 101,978 |
| 30-34 | 94,539 | 94,791 | 95,174 | 95,569 | 95,680 | 96,235 | 96,797 | 97,321 |
| 35-39 | 105,184 | 105,464 | 105,890 | 106,329 | 106,452 | 107,070 | 107,695 | 108,278 |
| 40-44 | 92,671 | 92,918 | 93,293 | 93,680 | 93,789 | 94,333 | 94,884 | 95,397 |
| 45-49 | 76,726 | 76,931 | 77,242 | 77,562 | 77,652 | 78,103 | 78,558 | 78,983 |
| 50-54 | 64,022 | 64,193 | 64,452 | 64,719 | 64,794 | 65,170 | 65,551 | 65,905 |
| 55-59 | 47,681 | 47,808 | 48,002 | 48,201 | 48,256 | 48,537 | 48,820 | 49,084 |
| 60-64 | 38,053 | 38,155 | 38,309 | 38,468 | 38,512 | 38,736 | 38,962 | 39,173 |
| 65 and over | 91,642 | 91,887 | 92,258 | 92,640 | 92,748 | 93,286 | 93,831 | 94,339 |

Source: Central Statistical Office
 Figures based on 2000 census

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

| | 2010 | | | | | | | | | | | | 2011 | | | | | | | | | | | |
|--|-----------|-------|--------------|-----------|-----------|--------------|-----------|-----|--------------|-----------|-------|--------------|-----------|-------|--------------|-----------|-----------|--------------|-----------|-----|--------------|--|--|--|
| | Jul - Sep | | | | Oct - Dec | | | | Jan - Mar* | | | | Apr - Jun | | | | Jul - Sep | | | | Oct - Dec | | | |
| | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | Lab Force | Emp | Unemp Rate % | | | |
| Total Labour Force | 6,208 | 5,843 | 5.9 | 6,316 | 5,918 | 6.3 | - | - | - | 6,178 | 5,819 | 5.8 | 6,095 | 5,780 | 5.2 | 6,219 | 5,961 | 4.2 | | | | | | |
| Other Agriculture, Forestry, Hunting & Fishing | 240 | 236 | 1.7 | 240 | 228 | 4.6 | - | - | - | 208 | 205 | 0.5 | 219 | 214 | 2.3 | 235 | 233 | 0.9 | | | | | | |
| Sugar | 3 | 0 | 100.0 | 2 | 2 | 0.0 | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | |
| Petroleum and gas | 178 | 173 | 2.8 | 205 | 194 | 4.9 | - | - | - | 188 | 176 | 6.4 | 204 | 193 | 5.4 | 199 | 195 | 2.5 | | | | | | |
| Construction | 1,088 | 935 | 14.1 | 1,146 | 1,000 | 12.7 | - | - | - | 1,003 | 868 | 14.3 | 1,010 | 910 | 10.0 | 1,031 | 948 | 8.0 | | | | | | |
| Wholesale/Retail Trade, Restaurants & Hotels | 1,105 | 1,048 | 5.2 | 1,108 | 1,014 | 8.6 | - | - | - | 1,144 | 1,072 | 6.4 | 1,089 | 1,021 | 6.2 | 1,123 | 1,056 | 6.0 | | | | | | |
| Transport, Storage & Comm. | 398 | 385 | 3.3 | 360 | 353 | 1.9 | - | - | - | 434 | 420 | 3.2 | 397 | 384 | 3.3 | 428 | 421 | 1.4 | | | | | | |
| Finance, Insurance Real-Estate & Bus Services | 579 | 556 | 4.0 | 511 | 494 | 3.1 | - | - | - | 548 | 529 | 2.7 | 602 | 583 | 3.2 | 562 | 546 | 2.8 | | | | | | |
| Community Social & Personal Services | 1,969 | 1,892 | 3.9 | 2,107 | 2,013 | 4.5 | - | - | - | 2,084 | 2,001 | 3.8 | 1,967 | 1,887 | 4.1 | 1,995 | 1,928 | 3.4 | | | | | | |
| Electricity & Water | 86 | 80 | 7.0 | 67 | 65 | 3.0 | - | - | - | 64 | 60 | 4.7 | 74 | 74 | 0.0 | 72 | 71 | 2.8 | | | | | | |
| Other Manufacturing | 545 | 521 | 4.2 | 524 | 510 | 2.9 | - | - | - | 481 | 461 | 4.2 | 505 | 489 | 3.4 | 534 | 522 | 2.2 | | | | | | |
| Other Mining & Quarrying | 5 | 5 | 0.0 | 8 | 8 | 0.0 | - | - | - | 11 | 10 | - | 12 | 12 | 0.0 | 11 | 11 | 0.0 | | | | | | |
| Not stated | 14 | 13 | 14.3 | 39 | 37 | 7.7 | - | - | - | 15 | 15 | 0.0 | 18 | 16 | 11.1 | 31 | 30 | 3.2 | | | | | | |

Source: Central Statistical Office
* No data is available for the January - March 2011 period

APPENDIX 15

EXCHANGE RATE FOR SELECTED CURRENCIES

| Period Ending | US Dollar | | Canadian Dollar | | U.K. Pound Sterling | | EURO | |
|---------------|-----------|---------|-----------------|---------|---------------------|---------|--------|---------|
| | Buying | Selling | Buying | Selling | Buying | Selling | Buying | Selling |
| 2001 | 6.1679 | 6.2314 | 3.9597 | 4.0916 | 8.7703 | 9.1134 | 5.4881 | 5.6632 |
| 2002 | 6.1746 | 6.2473 | 3.8622 | 4.0202 | 9.1236 | 9.4925 | 5.7305 | 5.9724 |
| 2003 | 6.2314 | 6.2952 | 4.3681 | 4.5563 | 9.9840 | 10.4059 | 6.8813 | 7.2050 |
| 2004 | 6.2440 | 6.2990 | 4.7107 | 4.9058 | 11.1953 | 11.6742 | 7.5991 | 7.9244 |
| 2005 | 6.2319 | 6.2996 | 5.0866 | 5.2849 | 11.1559 | 11.6325 | 7.6171 | 7.8818 |
| 2006 | 6.2495 | 6.3122 | 5.4430 | 5.6765 | 11.3205 | 11.8324 | 7.7099 | 8.0479 |
| 2007 | 6.2735 | 6.3282 | 5.7744 | 6.0402 | 12.2988 | 12.8852 | 8.4340 | 8.7985 |
| 2008 | 6.2234 | 6.2891 | 5.7929 | 6.0553 | 11.2925 | 11.8596 | 8.9702 | 9.3865 |
| 2009 | 6.2735 | 6.3259 | 5.4486 | 5.6911 | 9.6108 | 10.0982 | 8.5720 | 8.9903 |
| 2010 | 6.3203 | 6.3757 | 6.0640 | 6.3055 | 9.6020 | 10.0445 | 8.2547 | 8.5878 |
| 2011 | 6.3729 | 6.4261 | 6.3605 | 6.6262 | 9.9974 | 10.4562 | 8.6722 | 9.0377 |
| | | | | | | | | |
| 2010 | | | | | | | | |
| October | 6.3242 | 6.3706 | 6.1188 | 6.3804 | 9.8196 | 10.2911 | 8.6067 | 8.9812 |
| November | 6.3149 | 6.3815 | 6.1584 | 6.4393 | 9.8802 | 10.4221 | 8.4502 | 8.8527 |
| December | 6.3492 | 6.4026 | 6.2202 | 6.4858 | 9.6787 | 10.1528 | 8.1998 | 8.5948 |
| | | | | | | | | |
| 2011 | | | | | | | | |
| January | 6.3693 | 6.4291 | 6.3119 | 6.5836 | 9.8508 | 10.2960 | 8.3251 | 8.6966 |
| February | 6.3577 | 6.4192 | 6.3438 | 6.6357 | 10.0430 | 10.4867 | 8.5149 | 8.8967 |
| March | 6.3735 | 6.4232 | 6.4286 | 6.6949 | 10.0856 | 10.5384 | 8.7122 | 9.1079 |
| April | 6.3822 | 6.4242 | 6.5586 | 6.8309 | 10.1758 | 10.6486 | 8.9994 | 9.3605 |
| May | 6.3775 | 6.4250 | 6.5120 | 6.7725 | 10.2127 | 10.6683 | 8.9482 | 9.3347 |
| June | 6.3845 | 6.4293 | 6.4381 | 6.6877 | 10.1061 | 10.6002 | 8.9773 | 9.3516 |
| July | 6.3775 | 6.4298 | 6.5871 | 6.8486 | 10.0885 | 10.5042 | 8.8788 | 9.3027 |
| August | 6.3653 | 6.4268 | 6.4147 | 6.6586 | 10.1945 | 10.6593 | 8.9422 | 9.3017 |
| September | 6.3699 | 6.4264 | 6.2923 | 6.5477 | 9.8579 | 10.3132 | 8.6185 | 8.9414 |
| October | 6.3643 | 6.4226 | 6.1532 | 6.4514 | 9.8008 | 10.2473 | 8.5076 | 8.8721 |
| November | 6.3709 | 6.4263 | 6.1464 | 6.4130 | 9.8352 | 10.3188 | 8.4689 | 8.8019 |
| December | 6.3835 | 6.4306 | 6.1554 | 6.4069 | 9.7322 | 10.2086 | 8.2390 | 8.5500 |
| | | | | | | | | |
| 2012 | | | | | | | | |
| January | 6.3668 | 6.4274 | 6.2094 | 6.4886 | 9.6521 | 10.1446 | 8.0543 | 8.3672 |
| February | 6.3602 | 6.4286 | 6.3006 | 6.5574 | 9.8246 | 10.3357 | 8.2574 | 8.5820 |
| March | 6.3817 | 6.4319 | 6.3349 | 6.6083 | 9.8476 | 10.3563 | 8.2169 | 8.5410 |
| April | 6.3694 | 6.4324 | 6.3282 | 6.6200 | 9.9496 | 10.4641 | 8.2021 | 8.5321 |
| May | 6.3703 | 6.4318 | 6.2470 | 6.5040 | 9.9208 | 10.4017 | 7.9811 | 8.3156 |
| June | 6.3744 | 6.4343 | 6.1156 | 6.3832 | 9.6902 | 10.1816 | 7.8221 | 8.1054 |

Source: Central Bank of Trinidad and Tobago

APPENDIX 16

MONEY SUPPLY

/TT\$ MILLIONS/

| Period Ending | Currency in Circulation | Demand Deposits (adj) | Savings Deposits (adj) | Time Deposits (adj) | Foreign Currency Deposits* (adj) | Narrow Money (M1) | Broad Money (M2) |
|---------------|-------------------------|-----------------------|------------------------|---------------------|----------------------------------|-------------------|------------------|
| 2001 | 1,373.5 | 5,322.1 | 6,634.3 | 3,869.7 | 4,995.4 | 6,695.6 | 17,199.6 |
| 2002 | 1,501.8 | 5,829.8 | 6,778.7 | 3,399.9 | 5,513.1 | 7,331.6 | 17,510.1 |
| 2003 | 1,708.6 | 5,600.8 | 8,264.2 | 3,019.6 | 4,296.1 | 7,309.4 | 18,593.3 |
| 2004 | 1,957.4 | 6,420.2 | 8,952.4 | 3,511.1 | 6,987.8 | 8,377.6 | 20,841.2 |
| 2005 | 2,425.4 | 9,890.7 | 9,967.3 | 5,729.0 | 7,362.3 | 12,316.1 | 28,012.4 |
| 2006 | 2,654.4 | 10,853.5 | 11,523.7 | 7,828.4 | 10,505.5 | 13,507.9 | 32,859.9 |
| 2007 | 3,182.8 | 11,939.3 | 13,001.7 | 9,186.1 | 11,923.5 | 15,122.1 | 37,309.9 |
| 2008 | 3,433.7 | 13,226.0 | 13,830.6 | 11,680.2 | 16,112.7 | 16,659.7 | 42,170.5 |
| 2009 | 3,850.0 | 19,310.3 | 17,702.6 | 12,681.5 | 22,930.1 | 23,160.3 | 53,544.4 |
| 2010 | 4,242.4 | 21,040.7 | 19,953.3 | 10,981.4 | 18,926.3 | 25,283.1 | 56,217.7 |
| 2011 | 4,689.9 | 26,494.9 | 22,468.4 | 10,356.0 | 19,510.1 | 31,184.8 | 64,009.2 |
| 2010 | | | | | | | |
| October | 4,089.9 | 20,351.5 | 19,772.5 | 11,622.3 | 18,616.7 | 24,441.4 | 55,836.3 |
| November | 4,078.1 | 20,131.8 | 19,857.5 | 11,375.1 | 18,770.0 | 24,209.9 | 55,442.5 |
| December | 4,242.4 | 21,040.7 | 19,953.3 | 10,981.4 | 18,926.3 | 25,283.1 | 56,217.7 |
| 2011 | | | | | | | |
| January | 4,147.5 | 20,508.4 | 20,001.7 | 11,147.4 | 19,181.9 | 24,655.8 | 55,805.0 |
| February | 4,302.2 | 20,424.0 | 20,388.5 | 11,047.4 | 18,665.4 | 24,726.3 | 56,162.2 |
| March | 4,263.2 | 22,381.1 | 20,600.9 | 10,864.2 | 18,885.6 | 26,644.4 | 58,109.5 |
| April | 4,307.4 | 20,903.3 | 21,013.7 | 10,817.9 | 18,826.4 | 25,210.7 | 57,042.3 |
| May | 4,338.2 | 21,580.1 | 20,868.9 | 10,546.2 | 19,282.8 | 25,918.4 | 57,333.5 |
| June | 4,308.2 | 22,122.6 | 21,138.0 | 10,716.2 | 19,396.7 | 26,430.8 | 58,285.0 |
| July | 4,473.0 | 20,733.8 | 21,470.7 | 10,657.6 | 20,144.3 | 25,206.8 | 57,335.1 |
| August | 4,486.6 | 21,043.5 | 21,591.8 | 10,680.0 | 19,902.9 | 25,530.1 | 57,801.9 |
| September | 4,503.5 | 22,965.4 | 21,739.2 | 10,936.1 | 20,385.1 | 27,468.8 | 60,144.1 |
| October | 4,540.7 | 23,919.0 | 21,625.5 | 10,603.9 | 19,691.9 | 28,459.7 | 60,689.1 |
| November | 4,538.1 | 23,618.8 | 22,077.8 | 10,216.7 | 19,500.0 | 28,156.9 | 60,451.4 |
| December | 4,689.9 | 26,494.9 | 22,468.4 | 10,356.0 | 19,510.1 | 31,184.8 | 64,009.2 |
| 2012 | | | | | | | |
| January | 4,532.4 | 24,529.0 | 22,612.5 | 10,324.0 | 19,427.1 | 29,061.4 | 61,997.8 |
| February | 4,608.8 | 25,522.0 | 23,152.7 | 9,585.9 | 19,596.7 | 30,130.8 | 62,869.4 |
| March | 4,767.9 | 26,100.0 | 23,865.0 | 9,972.0 | 19,387.4 | 30,867.9 | 64,704.9 |
| April | 4,747.7 | 24,977.4 | 24,206.0 | 9,925.0 | 19,431.9 | 29,725.2 | 63,856.1 |
| May p | 4,726.4 | 25,146.5 | 24,650.7 | 9,781.6 | 19,306.0 | 29,872.9 | 64,305.2 |

Source: Central Bank of Trinidad and Tobago

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

p: Provisional

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

| Period Ending | Reserve Position | | Deposit Liabilities (adj.) | Deposits at the Central Bank | | | Local Cash in Hand | Treasury Bills |
|---------------|-------------------|---------------|----------------------------|------------------------------|------------------|----------------|--------------------|----------------|
| | Required Reserves | Cash Reserves | | Cash Reserves | Special Deposits | Total Deposits | | |
| 2001 | 2,694.0 | 2,682.7 | 14,966.7 | 2,682.7 | 783.1 | 3,465.8 | 469.8 | 532.8 |
| 2002 | 2,763.8 | 2,790.4 | 15,354.4 | 2,790.4 | 281.3 | 3,071.6 | 502.8 | 208.8 |
| 2003 | 2,327.5 | 2,333.8 | 16,625.0 | 2,233.8 | 621.5 | 2,955.3 | 586.1 | 124.6 |
| 2004 | 2,055.1 | 2,121.6 | 18,682.7 | 2,121.6 | 660.9 | 2,782.5 | 596.8 | 60.2 |
| 2005 | 2,601.9 | 3,672.5 | 23,653.6 | 3,672.5 | 1,000.0 | 4,672.5 | 566.0 | 415.1 |
| 2006 | 3,087.8 | 3,626.6 | 28,070.9 | 3,626.6 | 2,061.4 | 5,688.0 | 906.0 | 561.5 |
| 2007 | 3,625.4 | 3,928.0 | 32,958.2 | 3,928.0 | 2,158.6 | 6,086.6 | 1,022.5 | 567.4 |
| 2008 | 6,416.7 | 8,352.7 | 37,745.3 | 8,352.7 | 2,252.4 | 10,605.1 | 1,051.9 | 819.7 |
| 2009 | 8,055.7 | 10,110.7 | 47,386.5 | 10,110.7 | 4,447.7 | 14,558.5 | 1,004.0 | 1,001.2 |
| 2010 | 8,896.9 | 10,634.3 | 52,334.7 | 10,634.3 | 5,546.7 | 16,181.0 | 800.0 | 1,055.6 |
| 2011 | 9,747.2 | 15,431.2 | 57,336.5 | 15,431.2 | 5,646.7 | 21,077.9 | 1,245.4 | 451.8 |
| 2010 | | | | | | | | |
| October | 8,751.9 | 12,719.8 | 51,481.8 | 12,719.8 | 4,529.6 | 17,249.4 | 679.1 | 1,025.9 |
| November | 8,857.4 | 10,344.4 | 52,102.4 | 10,344.4 | 5,542.0 | 15,886.5 | 843.5 | 866.9 |
| December | 8,896.9 | 10,634.3 | 52,334.7 | 10,634.3 | 5,546.7 | 16,181.0 | 800.0 | 1,055.6 |
| 2011 | | | | | | | | |
| January | 8,946.0 | 10,633.8 | 52,623.5 | 10,633.8 | 5,552.5 | 16,186.2 | 664.0 | 800.0 |
| February | 8,896.9 | 10,445.6 | 52,334.7 | 10,445.6 | 5,546.7 | 15,992.3 | 598.3 | 799.9 |
| March | 8,905.5 | 10,832.5 | 52,385.3 | 10,832.5 | 5,547.7 | 16,380.2 | 822.6 | 109.1 |
| April | 9,051.6 | 9,727.2 | 53,244.7 | 9,727.2 | 5,564.9 | 15,292.1 | 819.3 | 79.1 |
| May | 9,034.1 | 10,045.0 | 53,141.8 | 10,045.0 | 5,562.8 | 15,607.8 | 801.8 | 195.1 |
| June | 8,993.6 | 12,449.0 | 52,903.5 | 12,449.0 | 5,558.1 | 18,007.1 | 847.9 | 186.6 |
| July | 9,013.5 | 11,669.7 | 53,020.6 | 11,669.7 | 5,560.4 | 17,230.1 | 713.6 | 276.7 |
| August | 9,123.8 | 13,542.2 | 53,669.4 | 13,542.2 | 5,573.4 | 19,115.6 | 849.0 | 313.3 |
| September | 9,333.8 | 13,939.2 | 54,904.7 | 13,939.2 | 5,598.1 | 19,537.3 | 685.7 | 459.3 |
| October | 9,440.5 | 14,656.3 | 55,532.4 | 14,656.3 | 5,610.6 | 20,267.0 | 703.6 | 452.2 |
| November | 9,671.3 | 14,481.8 | 56,890.0 | 14,481.8 | 5,637.8 | 20,119.6 | 862.1 | 436.1 |
| December | 9,747.2 | 15,431.2 | 57,336.5 | 15,431.2 | 5,646.7 | 21,077.9 | 1,245.4 | 451.8 |
| 2012 | | | | | | | | |
| January | 10,014.9 | 14,753.3 | 58,911.2 | 14,753.3 | 5,678.2 | 20,431.5 | 852.7 | 561.7 |
| February | 9,846.1 | 15,404.2 | 57,918.2 | 15,404.2 | 5,658.4 | 21,062.6 | 961.5 | 552.9 |
| March | 10,006.6 | 14,419.2 | 58,862.4 | 14,419.2 | 7,167.2 | 21,586.5 | 799.8 | 605.5 |
| April | 10,113.5 | 13,712.7 | 59,491.2 | 13,712.7 | 7,179.8 | 20,892.6 | 722.7 | 518.0 |
| May | 10,050.2 | 12,714.6 | 59,118.8 | 12,714.6 | 7,172.4 | 19,887.0 | 910.3 | 478.4 |
| June p | 10,117.6 | 12,703.7 | 59,515.3 | 12,703.7 | 7,180.3 | 19,884.1 | 738.8 | 134.5 |

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 18
COMMERCIAL BANKS' DOMESTIC CREDIT
/TT\$ MILLIONS/

| Period Ending | Central Government Credit | Public Sector | Private Sector | Total Credit | Year on Year Percentage Change in Private Sector |
|------------------|---------------------------|---------------|----------------|--------------|--|
| 2001 | 2,686.2 | 2,276.6 | 15,552.4 | 20,515.2 | 3.6 |
| 2002 | 2,705.5 | 2,166.7 | 16,890.0 | 21,762.3 | 8.6 |
| 2003 | 3,114.7 | 1,404.4 | 18,405.8 | 22,924.8 | 9.0 |
| 2004 | 2,756.6 | 1,541.7 | 22,242.9 | 26,541.2 | 20.8 |
| 2005 | 3,646.9 | 3,292.8 | 26,956.6 | 33,896.3 | 21.2 |
| 2006 | 2,627.4 | 2,702.3 | 31,333.7 | 36,663.3 | 16.2 |
| 2007 | 2,834.7 | 4,119.8 | 37,635.2 | 44,589.7 | 20.1 |
| 2008 | 3,350.4 | 4,501.4 | 43,103.8 | 50,955.5 | 14.5 |
| 2009 | 7,943.9 | 7,327.7 | 41,244.6 | 56,516.3 | -4.3 |
| 2010 | 9,696.9 | 7,723.2 | 39,933.1 | 57,353.2 | -3.2 |
| 2011 | 9,480.3 | 6,877.1 | 41,975.5 | 58,332.9 | 5.1 |
| 2010 | | | | | |
| October | 9,883.0 | 7,712.7 | 39,833.6 | 57,429.3 | -1.7 |
| November | 10,658.3 | 7,574.8 | 40,085.1 | 58,318.2 | -1.1 |
| December | 9,696.9 | 7,723.2 | 39,933.1 | 57,353.2 | -3.2 |
| 2011 | | | | | |
| January | 9,935.5 | 7,921.1 | 40,079.5 | 57,936.1 | -1.4 |
| February | 10,460.7 | 8,080.6 | 40,102.4 | 58,643.7 | -1.6 |
| March | 11,061.2 | 7,870.7 | 40,439.5 | 59,371.4 | -0.3 |
| April | 10,629.8 | 8,296.7 | 40,315.9 | 59,242.4 | -0.4 |
| May | 10,295.6 | 8,175.1 | 40,083.3 | 58,554.0 | 0.6 |
| June | 8,488.5 | 8,096.9 | 40,225.9 | 56,811.3 | 2.2 |
| July | 9,679.0 | 7,865.9 | 40,561.9 | 58,106.8 | 3.0 |
| August | 10,085.7 | 7,593.6 | 40,759.7 | 58,439.0 | 2.3 |
| September | 9,020.1 | 7,747.2 | 40,981.9 | 57,749.2 | 2.5 |
| October | 9,368.5 | 7,499.2 | 41,059.2 | 57,926.9 | 3.1 |
| November | 9,344.4 | 7,697.5 | 41,450.3 | 58,492.2 | 3.4 |
| December | 9,480.3 | 6,877.1 | 41,975.5 | 58,332.9 | 5.1 |
| 2012 | | | | | |
| January | 9,013.2 | 6,877.9 | 41,749.8 | 57,640.9 | 4.2 |
| February | 9,594.4 | 7,039.4 | 41,715.5 | 58,349.3 | 4.0 |
| March | 10,459.6 | 7,121.8 | 42,001.4 | 59,582.8 | 3.9 |
| April | 11,059.7 | 7,112.9 | 41,776.5 | 59,949.1 | 3.6 |
| May ^p | 12,357.5 | 7,194.6 | 42,118.1 | 61,670.2 | 5.1 |

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 19

COMMERCIAL BANKS' INTEREST RATES

| Period Ending | Basic Prime Rate | Prime Loan Rates | | | Real Estate Mortgage | Savings Ordinary | Special | Deposits | | |
|---------------|------------------|------------------|--------|-----------|----------------------|------------------|---------|----------|---------------|----------------|
| | | Term | Demand | Overdraft | | | | 3 Months | 3 to 6 Months | 6 to 12 Months |
| 2001 | 15.00 | 16.00 | 15.00 | 15.50 | 16.00 | 3.00 | 5.25 | 6.60 | 6.75 | 7.80 |
| 2002 | 11.50 | 13.38 | 11.50 | 13.50 | 11.25 | 1.90 | 3.00 | 2.88 | 3.63 | 4.19 |
| 2003 | 11.50 | 11.25 | 11.50 | 11.50 | 12.50 | 2.03 | 3.00 | 3.06 | 3.54 | 4.19 |
| 2004 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 1.78 | 2.53 | 2.65 | 3.30 | 3.55 |
| 2005 | 9.00 | 9.06 | 9.00 | 9.06 | 9.31 | 1.46 | 2.38 | 2.65 | 3.06 | 3.51 |
| 2006 | 11.06 | 10.25 | 10.56 | 11.06 | 11.06 | 1.46 | 2.39 | 2.68 | 3.11 | 3.69 |
| 2007 | 11.75 | 10.63 | 11.75 | 11.75 | 11.75 | 1.46 | 2.39 | 2.90 | 3.36 | 3.88 |
| 2008 | 12.25 | 12.31 | 12.25 | 12.31 | 12.00 | 1.88 | 2.39 | 3.35 | 3.86 | 4.06 |
| 2009 | 12.13 | 12.06 | 12.25 | 12.19 | 11.63 | 1.25 | 1.74 | 2.23 | 2.82 | 3.25 |
| 2010 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 0.38 | 0.37 | 0.70 | 0.90 | 1.64 |
| 2011 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 0.25 | 0.24 | 0.50 | 0.79 | 1.43 |
| 2010 | | | | | | | | | | |
| October | 8.88 | 8.75 | 8.75 | 8.75 | 8.75 | 0.33 | 0.23 | 0.55 | 0.79 | 1.33 |
| November | 8.75 | 8.63 | 8.75 | 8.75 | 8.50 | 0.33 | 0.25 | 0.55 | 0.79 | 1.33 |
| December | 8.38 | 8.25 | 8.25 | 8.25 | 8.25 | 0.33 | 0.30 | 0.53 | 0.79 | 1.33 |
| 2011 | | | | | | | | | | |
| January | 8.38 | 8.25 | 8.25 | 8.25 | 8.25 | 0.33 | 0.31 | 0.50 | 0.79 | 1.33 |
| February | 8.25 | 8.13 | 8.25 | 8.25 | 8.00 | 0.30 | 0.26 | 0.50 | 0.79 | 1.33 |
| March | 8.25 | 8.13 | 8.13 | 8.25 | 8.00 | 0.30 | 0.30 | 0.50 | 0.79 | 1.33 |
| April | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 0.30 | 0.30 | 0.50 | 0.79 | 1.33 |
| May | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 0.30 | 0.30 | 0.50 | 0.79 | 1.33 |
| June | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 0.30 | 0.30 | 0.50 | 0.79 | 1.35 |
| July | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 0.20 | 0.23 | 0.50 | 0.79 | 1.85 |
| August | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 0.20 | 0.20 | 0.29 | 0.79 | 1.85 |
| September | 7.75 | 7.75 | 7.88 | 8.00 | 7.75 | 0.20 | 0.20 | 0.29 | 0.79 | 2.01 |
| October | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.20 | 0.23 | 0.79 | 1.51 |
| November | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.20 | 0.23 | 0.79 | 1.51 |
| December | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.20 | 0.23 | 0.79 | 1.51 |
| 2012 | | | | | | | | | | |
| January | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.20 | 0.23 | 0.79 | 1.58 |
| February | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.20 | 0.23 | 0.79 | 1.58 |
| March | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.20 | 0.23 | 0.61 | 0.71 |
| April | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.23 | 0.23 | 0.61 | 0.71 |
| May | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.23 | 0.23 | 0.61 | 0.71 |
| June p | 7.75 | 7.75 | 7.75 | 7.75 | 7.75 | 0.20 | 0.23 | 0.23 | 0.61 | 0.71 |

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 20

SECONDARY MARKET ACTIVITIES

| Period Ending | Number of Transactions | Volume of Shares Traded (Mn) | Market Value (\$Mn) | Composite Index (Period End) |
|---------------|------------------------|------------------------------|---------------------|------------------------------|
| 2001 | 6,609 | 122.2 | 1,045.0 | 434.2 |
| 2002 | 8,092 | 96.6 | 1,060.3 | 545.6 |
| 2003 | 16,690 | 409.6 | 2,303.2 | 694.1 |
| 2004 | 36,078 | 311.2 | 3,015.8 | 1,074.6 |
| 2005 | 32,316 | 193.5 | 3,918.1 | 1,067.4 |
| 2006 | 20,772 | 218.9 | 2,463.2 | 969.2 |
| 2007 | 17,733 | 119.4 | 2,138.1 | 982.0 |
| 2008 | 22,053 | 134.9 | 2,191.1 | 842.9 |
| 2009 | 9,884 | 76.9 | 1,474.2 | 765.3 |
| 2010 | 8,496 | 76.7 | 864.5 | 835.6 |
| 2011 | 9,200 | 563.9 | 1,032 | 1,012.9 |
| 2010 | | | | |
| October | 721 | 3.5 | 104.8 | 816.9 |
| November | 817 | 4.4 | 58.1 | 829.2 |
| December | 667 | 4.9 | 108.0 | 835.6 |
| 2011 | | | | |
| January | 716 | 4.4 | 46.2 | 881.2 |
| February | 849 | 6.8 | 102.1 | 876.2 |
| March | 704 | 3.3 | 45.5 | 872.1 |
| April | 802 | 7.9 | 170.7 | 898.3 |
| May | 942 | 16.3 | 46.2 | 926.4 |
| June | 762 | 6.9 | 55.1 | 950.1 |
| July | 766 | 5.4 | 46.8 | 964.7 |
| August | 886 | 475.0 | 226.5 | 976.5 |
| September | 867 | 23.6 | 137.7 | 989.3 |
| October | 630 | 2.4 | 42.7 | 989.8 |
| November | 762 | 9.4 | 75.3 | 1,004.9 |
| December | 514 | 2.5 | 37.0 | 1,012.9 |
| 2012 | | | | |
| January | 755 | 6.2 | 42.8 | 1,009.9 |
| February | 555 | 2.4 | 25.8 | 1,017.9 |
| March | 766 | 5.3 | 102.6 | 1,011.6 |
| April | 664 | 4.9 | 62.8 | 1,007.8 |
| May | 859 | 3.9 | 59.5 | 1,018.9 |
| June | 750 | 4.4 | 43.2 | 1,022.4 |

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

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

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11r | Oct '11/ Sep '12p |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Total Revenue and Grants | 40,064.4 | 56,847.8 | 39,044.8 | 43,862.9 | 47,500.6 | 47,672.8 |
| Recurrent Revenue | 40,034.8 | 56,810.3 | 38,993.4 | 43,632.0 | 47,213.6 | 47,631.6 |
| of which:Oil Revenue * | 22,781.1 | 29,910.0 | 15,772.7 | 17,844.9 | 20,146.7 | 18,645.8 |
| Tax Revenue | 35,601.1 | 51,689.5 | 32,536.6 | 37,074.4 | 42,017.3 | 41,156.6 |
| Non-Tax Revenue | 4,433.7 | 5,120.8 | 6,456.8 | 6,557.6 | 5,196.3 | 6,475.0 |
| Capital Receipts | 6.6 | 22.4 | 31.0 | 230.9 | 45.0 | 39.2 |
| Grants | 4.8 | 15.1 | 20.4 | 0.0 | 242.0 | 2.0 |
| Total Expenditure and Net Lending | 39,796.1 | 53,873.3 | 45,730.8 | 46,701.4 | 51,492.4 | 54,348.6 |
| Recurrent Expenditure | 31,134.7 | 43,738.8 | 36,683.4 | 40,302.2 | 43,914.9 | 46,057.2 |
| Capital Expenditure and Net Lending | 8,661.4 | 10,134.5 | 9,047.4 | 6,399.2 | 7,577.5 | 8,291.4 |
| Current Account Balance | 8,900.1 | 13,071.5 | 2,310.0 | 3,329.8 | 3,298.7 | 1,574.4 |
| Overall Surplus/(Deficit) | 268.3 | 2,974.5 | -6,686.0 | -2,838.5 | -3,991.8 | -6,675.8 |
| Financing Requirements | -268.3 | -2,974.5 | 6,686.0 | 2,838.5 | 3,991.8 | 6,675.8 |
| External Financing (net) | 753.8 | 796.7 | 33.0 | -754.1 | 545.2 | 2,844.2 |
| Domestic Financing (net) | -1,022.1 | -3,771.2 | 6,653.0 | 3,592.6 | 3,446.6 | 3,831.6 |

Source: Budget Division, Ministry of Finance and the Economy

r : revised

p : provisional

* Oil Revenue consists of Taxes from Oil Companies, 15 percent Withholding Tax, Royalties on Oil and Gas, Shares of Profits from Oil Companies under Production Sharing Contracts, Oil Imposts, Signature Bonuses- Competitive Bidding and Unemployment Levy (Oil)

APPENDIX 22
CENTRAL GOVERNMENT REVENUE
/TT\$ MILLIONS/

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11r | Oct '11/ Sep '12p |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Total Revenue and Grants | 40,064.4 | 56,847.8 | 39,044.8 | 43,862.9 | 47,500.6 | 47,672.8 |
| Recurrent Revenue | 40,034.8 | 56,810.3 | 38,993.4 | 43,632.0 | 47,213.6 | 47,631.6 |
| Tax Revenue | 35,601.1 | 51,689.5 | 32,536.6 | 37,074.4 | 42,017.3 | 41,156.6 |
| Non-Tax Revenue | 4,433.7 | 5,120.8 | 6,456.8 | 6,557.6 | 5,196.3 | 6,475.0 |
| Taxes on Income & Profits | 27,113.0 | 41,325.2 | 23,996.0 | 27,516.4 | 33,245.1 | 30,644.5 |
| of which:- | | | | | | |
| Companies | 21,003.1 | 33,301.4 | 17,051.0 | 20,463.8 | 25,056.1 | 22,281.9 |
| Oil | 16,206.2 | 25,657.3 | 11,880.9 | 13,834.4 | 16,022.5 | 14,110.0 |
| Other | 4,796.9 | 7,644.1 | 5,170.1 | 6,629.5 | 9,033.6 | 8,171.9 |
| Individuals | 3,239.2 | 4,291.1 | 4,267.0 | 4,467.4 | 4,960.9 | 5,369.8 |
| Withholding Taxes | 1,175.0 | 887.2 | 1,178.5 | 880.5 | 1,197.3 | 1,171.3 |
| Health Surcharge | 170.2 | 195.7 | 186.0 | 184.9 | 216.0 | 208.3 |
| Business Levy | 138.2 | 232.7 | 198.8 | 205.7 | 208.9 | 307.9 |
| Unemployment Fund | 1,111.1 | 1,970.0 | 801.2 | 989.0 | 1,240.2 | 972.7 |
| Green Fund | 276.2 | 447.1 | 313.5 | 325.1 | 365.7 | 332.6 |
| Taxes on Property | 99.9 | 102.5 | 92.9 | 44.1 | 32.0 | 35.1 |
| Land & Buildings | 83.7 | 83.8 | 71.4 | 22.1 | 10.7 | 11.4 |
| Taxes on Goods and Services | 6,042.1 | 7,716.8 | 6,429.0 | 7,436.8 | 6,387.7 | 8,041.4 |
| of which:- | | | | | | |
| Excise Duties | 613.6 | 650.4 | 626.9 | 705.1 | 705.4 | 759.2 |
| VAT | 4,829.0 | 6,389.1 | 5,147.2 | 6,032.3 | 4,917.0 | 6,497.6 |
| Motor Vehicle Taxes & Duties | 338.5 | 369.5 | 327.4 | 375.5 | 428.6 | 434.7 |
| Taxes on International Trade | 2,044.7 | 2,194.6 | 1,828.6 | 1,905.5 | 2,167.8 | 2,248.1 |
| of which:- | | | | | | |
| Import Duties | 2,004.2 | 2,169.3 | 1,828.2 | 1,904.7 | 2,167.8 | 2,248.1 |
| Departure Tax | 38.2 | 22.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | | | | | | |
| Stamp Duties | 301.4 | 350.4 | 190.1 | 171.6 | 184.7 | 187.5 |
| Non-Tax Revenue | 4,433.7 | 5,120.8 | 6,456.8 | 6,557.6 | 5,196.3 | 6,475.0 |
| of which: - | | | | | | |
| Royalty on Oil | 1,682.7 | 2,085.8 | 1,743.3 | 1,900.5 | 2,416.7 | 2,528.5 |
| Profits: Non-Financial Enterprises | 738.8 | 581.5 | 1,464.1 | 1,165.1 | 1,213.8 | 1,704.6 |
| Profits: Financial Enterprises | 752.0 | 1,662.6 | 1,080.6 | 921.5 | 481.3 | 487.7 |
| Interest Income | 82.2 | 70.8 | 147.6 | 170.8 | 50.0 | 26.1 |
| Administrative Fees and Charges | 353.4 | 325.1 | 493.1 | 419.9 | 593.7 | 469.3 |
| Capital Receipts | 24.8 | 22.4 | 31.0 | 230.9 | 45.0 | 39.2 |
| Grants | 4.8 | 15.1 | 20.4 | 0.0 | 242.0 | 2.0 |

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

APPENDIX 23

CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING

/TT\$ MILLIONS/

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11r | Oct '11/ Sep '12p |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Total Expenditure and Net Lending | 39,796.1 | 53,873.3 | 45,730.8 | 46,701.4 | 51,492.4 | 54,348.6 |
| Recurrent Expenditure | 31,134.7 | 43,738.8 | 36,683.4 | 40,302.2 | 43,914.9 | 46,057.2 |
| Wages and Salaries | 6,221.3 | 6,946.9 | 6,620.3 | 6,711.0 | 7,179.7 | 7,556.4 |
| Goods & Services | 4,283.8 | 5,002.4 | 6,023.0 | 6,441.2 | 6,504.3 | 7,909.0 |
| Interest Payments | 2,698.1 | 2,967.3 | 3,499.9 | 3,290.3 | 2,866.4 | 3,253.1 |
| of which:- | | | | | | |
| Domestic | 2,094.0 | 2,329.6 | 2,955.3 | 2,846.1 | 2,486.9 | 2,824.5 |
| Foreign | 604.1 | 637.7 | 544.6 | 444.2 | 379.5 | 428.6 |
| Subsidies & Transfers | 17,931.5 | 28,822.2 | 20,540.2 | 23,859.7 | 27,364.5 | 27,338.7 |
| Capital Expenditure and Net Lending | 8,661.4 | 10,134.5 | 9,047.4 | 6,399.2 | 7,577.5 | 8,291.4 |
| of which:- | | | | | | |
| Development Programme (PSIP) | 4,117.9 | 4,302.8 | 3,549.2 | 3,009.3 | 3,276.6 | 3,270.6 |
| Infrastructure Development Fund | 3,683.4 | 5,329.6 | 4,952.9 | 3,348.4 | 3,552.3 | 4,218.2 |
| GATE | 458.0 | 450.0 | 633.5 | 625.0 | 624.9 | 834.4 |
| Acquisition of Foreign Fixed Assets | - | 75.6 | 33.5 | 71.2 | 159.0 | 0.0 |
| Net Lending | -39.2 | -23.5 | -121.7 | -29.7 | -35.3 | -31.8 |

Source: Budget Division, Ministry of Finance

r : revised

p : provisional

APPENDIX 24

CENTRAL GOVERNMENT FINANCING TRANSACTION

/TT\$ MILLIONS/

| | Oct '06/ Sep '07 | Oct '07/ Sep '08 | Oct '08/ Sep '09 | Oct '09/ Sep '10 | Oct '10/ Sep '11r | Oct '11/ Sep '12p |
|------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| TOTAL FINANCING | -268.3 | -2,974.5 | 6,686.0 | 2,838.5 | 3,991.8 | 6,675.8 |
| NET EXTERNAL | 753.8 | 796.7 | 33.0 | -754.1 | 545.2 | 2,844.2 |
| External Borrowings | 2,010.2 | 1,201.9 | 444.0 | 1,142.0 | 1,175.3 | 3,616.8 |
| Capital Repayments | -1,256.4 | -405.2 | -411.0 | -1,896.1 | -630.1 | -772.6 |
| NET DOMESTIC | -1,022.1 | -3,771.2 | 6,653.0 | 3,592.6 | 3,446.6 | 3,831.6 |
| Domestic Borrowings | 0.0 | -2,838.2 | 1,785.1 | 0.0 | 446.6 | 3,000.0 |
| Capital Repayments | -996.3 | -933.0 | -2,269.5 | -1,125.7 | -1,364.4 | -1,155.7 |
| Sinking Fund Transfers | -654.9 | -662.3 | -594.3 | -442.9 | -1,950.5 | -1,155.7 |

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

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

| | Oct '06/ Sep'07 | Oct '07/ Sep'08 | Oct '08/ Sep'09 | Oct '09/ Sep'10r | Oct '10/ Sep'11r | Oct '11/ Sep'12p |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| PUBLIC SECTOR DEBT | 38,903.7 | 40,950.2 | 46,518.4 | 51,134.5 | 54,098.4 | 71,506.7 |
| Domestic Public Sector Debt | 30,064.4 | 30,775.9 | 34,142.8 | 39,280.6 | 41,403.3 | 55,995.7 |
| Gross External Public Sector Debt | 8,839.3 | 9,451.8 | 12,375.6 | 11,242.4 | 12,695.0 | 15,511.0 |
| CENTRAL GOVERNMENT | 22,237.8 | 23,626.7 | 25,277.9 | 28,573.5 | 28,949.3 | 46,055.9 |
| Domestic /1 | 12,820.0 | 13,614.6 | 14,877.6 | 19,233.1 | 18,941.8 | 33,095.6 |
| BOLTs and Leases | 778.5 | 722.5 | 671.0 | 611.5 | 544.7 | 536.1 |
| External | 8,639.3 | 9,289.6 | 9,729.3 | 8,728.9 | 9,462.8 | 12,424.2 |
| CONTINGENT LIABILITIES | 16,666.0 | 17,323.5 | 21,240.5 | 22,561.0 | 25,149.1 | 25,450.8 |
| Guaranteed | 11,163.8 | 12,275.8 | 13,339.5 | 14,653.6 | 19,022.8 | 18,609.2 |
| Statutory Authorities | 6,973.1 | 8,084.5 | 8,470.9 | 7,951.9 | 9,603.7 | 9,097.4 |
| State Enterprises | 4,190.7 | 4,191.3 | 4,868.7 | 6,701.7 | 9,419.2 | 9,511.8 |
| Letters of Guarantee | 5,502.1 | 5,047.7 | 7,900.9 | 7,907.4 | 6,126.3 | 6,841.6 |
| Statutory Authorities | 2,117.9 | 1,963.4 | 2,012.8 | 2,051.0 | 1,577.0 | 1,335.3 |
| State Enterprises | 3,384.2 | 3,084.3 | 5,888.1 | 5,856.4 | 4,549.3 | 5,506.3 |
| CENTRAL GOVERNMENT DEBT SERVICE | 3,744.4 | 3,340.8 | 5,062.5 | 5,362.0 | 3,697.2 | 3,578.9 |
| Domestic | 1,886.1 | 2,299.6 | 3,807.7 | 3,021.6 | 2,687.6 | 2,457.5 |
| External | 1,858.2 | 1,041.2 | 1,254.9 | 2,340.4 | 1,009.6 | 1,121.4 |
| | (% of GDP) | | | | | |
| Public Sector Debt | 28.4 | 24.0 | 37.5 | 39.7 | 36.0 | 46.6 |
| External Public Sector Debt | 6.5 | 5.5 | 10.0 | 8.7 | 8.4 | 10.1 |
| Central Government Debt | 16.2 | 13.8 | 20.4 | 22.2 | 19.3 | 30.0 |
| Contingent Liabilities | 12.2 | 10.1 | 17.1 | 17.5 | 16.7 | 16.6 |

Source: Ministry of Finance

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

r: revised

p: provisional

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

| Period Ending | Central Bank | | | Gov't Balances | Commercial Banks | | | | | |
|---------------|----------------|---------------------|------------------------|----------------|------------------|---------------------|----------------------|----------------------|---------------------------|----------------------|
| | Foreign Assets | Foreign Liabilities | Net Internat. Reserves | | Foreign Assets | Foreign Liabilities | Net Foreign Position | Gross Foreign Assets | Total Foreign Liabilities | Net Foreign Position |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | | | | | | | | (1)+(4)+(5) | (2)+(6) | (8)-(9) |
| 2001 | 1,875.9 | 17.5 | 1,858.4 | 0.1 | 579.2 | 604.6 | (25.4) | 2,455.2 | 622.1 | 1,833.1 |
| 2002 | 1,923.5 | 16.2 | 1,907.3 | 0.1 | 670.4 | 616.5 | 53.9 | 2,594.0 | 632.6 | 1,961.4 |
| 2003 | 2,257.9 | 16.2 | 2,241.8 | 0.1 | 1,002.2 | 1,042.2 | (39.9) | 3,260.3 | 1,058.3 | 2,202.0 |
| 2004 | 2,992.9 | 16.2 | 2,976.7 | 0.1 | 1,262.0 | 740.5 | 521.6 | 4,255.0 | 756.6 | 3,498.4 |
| 2005 | 4,885.6 | 16.1 | 4,869.5 | 0.1 | 1,407.2 | 956.6 | 450.6 | 5,422.3 | 972.7 | 4,449.5 |
| 2006 | 6,538.7 | 16.1 | 6,522.6 | 0.1 | 1,945.8 | 753.1 | 1,192.7 | 7,079.9 | 769.2 | 6,310.7 |
| 2007 | 6,673.4 | 14.8 | 6,658.6 | 0.1 | 1,959.7 | 855.2 | 1,104.4 | 8,633.3 | 870.0 | 7,763.2 |
| 2008 | 9,380.3 | 16.1 | 9,364.1 | 0.1 | 2,203.5 | 744.6 | 1,458.9 | 11,583.8 | 760.7 | 10,823.1 |
| 2009 | 8,651.5 | 0.0 | 8,651.5 | 0.1 | 2,739.3 | 606.6 | 2,132.7 | 11,390.9 | 606.6 | 10,784.3 |
| 2010 | 9,069.8 | 0.0 | 9,069.8 | 0.2 | 2,188.6 | 549.2 | 1,639.4 | 11,258.7 | 549.2 | 10,709.5 |
| 2011 | 9,822.4 | 0.0 | 9,822.4 | 0.3 | 2,490.9 | 481.3 | 2,009.6 | 12,313.6 | 481.3 | 11,832.3 |
| 2010 | | | | | | | | | | |
| October | 9,186.4 | 0.0 | 9,186.4 | 0.1 | 1,927.7 | 570.8 | 1,356.9 | 11,114.2 | 570.8 | 10,543.4 |
| November | 8,758.3 | 0.0 | 8,758.3 | 0.1 | 2,009.1 | 574.7 | 1,434.4 | 10,767.5 | 574.7 | 10,192.8 |
| December | 9,069.8 | 0.0 | 9,069.8 | 0.2 | 2,188.6 | 549.2 | 1,639.4 | 11,258.7 | 549.2 | 10,709.5 |
| 2011 | | | | | | | | | | |
| January | 9,105.1 | 0.0 | 9,105.1 | 0.2 | 2,079.9 | 526.3 | 1,553.6 | 11,185.2 | 526.3 | 10,658.9 |
| February | 9,030.6 | 0.0 | 9,030.6 | 0.2 | 1,991.7 | 494.9 | 1,496.8 | 11,022.5 | 494.9 | 10,527.6 |
| March | 9,143.3 | 0.0 | 9,143.3 | 0.2 | 2,071.5 | 414.2 | 1,657.2 | 11,214.9 | 414.2 | 10,800.7 |
| April | 9,598.7 | 0.0 | 9,598.7 | 0.2 | 2,123.3 | 455.4 | 1,667.9 | 11,722.2 | 455.4 | 11,266.8 |
| May | 9,490.3 | 0.0 | 9,490.3 | 0.2 | 2,269.2 | 460.1 | 1,809.1 | 11,759.7 | 460.1 | 11,299.6 |
| June | 9,737.5 | 0.0 | 9,737.5 | 0.2 | 2,322.7 | 446.9 | 1,875.8 | 12,060.4 | 446.9 | 11,613.5 |
| July | 9,592.3 | 0.0 | 9,592.3 | 0.2 | 2,268.9 | 454.6 | 1,814.3 | 11,861.4 | 454.6 | 11,406.8 |
| August | 9,511.6 | 0.0 | 9,511.6 | 0.2 | 2,125.3 | 497.2 | 1,628.1 | 11,637.1 | 497.2 | 11,139.9 |
| September | 9,345.9 | 0.0 | 9,345.9 | 0.2 | 2,463.7 | 504.7 | 1,959.0 | 11,809.8 | 504.7 | 11,305.1 |
| October | 9,570.9 | 0.0 | 9,570.9 | 0.2 | 2,295.9 | 488.9 | 1,807.1 | 11,867.0 | 488.9 | 11,378.2 |
| November | 9,523.7 | 0.0 | 9,523.7 | 0.3 | 2,204.4 | 529.2 | 1,675.2 | 11,728.5 | 529.2 | 11,199.2 |
| December | 9,822.4 | 0.0 | 9,822.4 | 0.3 | 2,490.9 | 481.3 | 2,009.6 | 12,313.6 | 481.3 | 11,832.3 |
| 2012 | | | | | | | | | | |
| January | 9,795.8 | 0.0 | 9,795.8 | 0.3 | 2,449.3 | 454.9 | 1,994.9 | 12,245.4 | 454.9 | 11,790.5 |
| February | 9,701.8 | 0.0 | 9,701.8 | 0.3 | 2,424.4 | 486.7 | 1,937.7 | 12,126.5 | 486.7 | 11,639.8 |
| March | 9,884.6 | 0.0 | 9,884.6 | 0.3 | 2,521.7 | 511.0 | 2,010.7 | 12,406.6 | 511.0 | 11,895.6 |
| April | 9,902.8 | 0.0 | 9,902.8 | 0.3 | 2,505.5 | 529.6 | 1,975.8 | 12,408.5 | 529.6 | 11,878.9 |
| May | 9,760.6 | 0.0 | 9,760.6 | 0.3 | 2,399.2 | 577.3 | 1,821.9 | 12,160.1 | 577.3 | 11,528.9 |
| June p | 9,734.5 | 0.0 | 9,734.5 | 0.3 | 2,556.9 | 544.9 | 2,012.0 | 12,291.7 | 544.9 | 11,746.8 |

Source: Central Bank of Trinidad and Tobago
p: Provisional

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

| | Imports | Exports | Balance of Trade | Exports of Petroleum | Imports of Petroleum | Imports Excluding Petroleum | Exports Excluding Petroleum | Balance of Trade Excluding Petroleum |
|-----------------|---------|----------|------------------|----------------------|----------------------|-----------------------------|-----------------------------|--------------------------------------|
| 1998 | 668.8 | 4,309.9 | 3,641.1 | 1,827.6 | 248.7 | 420.1 | 2,482.3 | 2,062.2 |
| 1999 | 827.9 | 4,708.1 | 3,880.2 | 2,323.3 | 454.6 | 573.3 | 2,384.8 | 2,011.5 |
| 2000 | 791.2 | 6,284.4 | 5,493.2 | 3,880.3 | 399.9 | 591.3 | 2,404.1 | 2,012.8 |
| 2001 | 750.8 | 6,415.2 | 5,664.4 | 3,808.7 | 218.2 | 532.6 | 2,606.5 | 2,073.9 |
| 2002 | 574.4 | 5,152.0 | 4,577.6 | 2,531.9 | 167.6 | 406.8 | 2,620.1 | 2,213.3 |
| 2003 | 588.9 | 6,585.5 | 5,996.6 | 4,146.8 | 69.0 | 519.9 | 2,438.7 | 1,918.8 |
| 2004 | 634.6 | 5,620.7 | 4,986.1 | 2,954.4 | 87.5 | 547.1 | 2,666.3 | 2,119.2 |
| 2005 | 700.2 | 13,153.1 | 12,452.9 | 9,931.0 | 126.6 | 573.6 | 3,222.1 | 2,648.5 |
| 2006 | 611.1 | 15,528.3 | 14,917.2 | 12,027.2 | 158.7 | 452.4 | 3,501.1 | 3,048.7 |
| 2007 | 762.3 | 11,462.3 | 10,700.0 | 7,571.5 | 177.9 | 584.4 | 3,890.8 | 3,306.4 |
| 2008 | 772.0 | 21,231.8 | 20,459.8 | 16,994.9 | 146.5 | 625.5 | 4,236.9 | 3,611.4 |
| 2009 | 700.0 | 9,141.4 | 8,441.4 | 5,945.8 | 101.7 | 598.3 | 3,195.6 | 2,597.3 |
| 2010r | 793.2 | 13,238.6 | 12,445.4 | 10,506.2 | 141.0 | 652.2 | 2,732.4 | 2,080.2 |
| 2011p | 1,545.6 | 13,420.8 | 11,875.2 | 9,630.2 | 218.8 | 1,326.8 | 3,790.6 | 2,463.8 |
| Oct '10/Jun '11 | 642.8 | 9,896.3 | 9,253.5 | 7,234.4 | 121.0 | 521.8 | 2,661.9 | 2,140.1 |
| Oct '11/Jun '12 | 1,085.2 | 7,579.0 | 6,493.8 | 6,799.9 | 349.7 | 735.5 | 779.1 | 43.6 |

Note: Petroleum includes Refined Petroleum Products and Gas

Source: Central Statistical Office

p: provisional

r: revised

APPENDIX 28
BALANCE OF VISIBLE TRADE
/TT\$ MILLIONS/

| | 2005 | 2006 | 2007 | 2008r | 2009r | 2010p | 2011p | Oct '10/ Jun '11p | Oct '11/ Jun '12p |
|---|-----------|-----------|-----------|-----------|------------|----------|----------|----------------------|----------------------|
| Total Visible Trade | | | | | | | | | |
| Exports | 62,629.9 | 88,469.8 | 83,267.4 | 116,662.0 | 58,091.9 | 71,344.7 | 95,568.6 | 63,059.1 | 54,405.1 |
| Imports | 35,887.9 | 40,892.2 | 48,431.7 | 59,914.8 | 43,973.3 | 41,284.0 | 60,842.4 | 37,364.3 | 34,592.8 |
| Balance | 26,742.0 | 47,577.6 | 34,835.7 | 56,747.2 | 14,118.6 | 30,060.7 | 34,726.2 | 25,694.8 | 19,812.3 |
| Trade Excluding Mineral Fuels | | | | | | | | | |
| Exports | 19,133.8 | 20,830.0 | 27,494.8 | 34,915.6 | 13,963.5 | 27,619.1 | 42,181.5 | 27,315.5 | 22,808.7 |
| Imports | 23,404.5 | 26,562.5 | 32,205.1 | 39,017.1 | 29,490.8 | 27,528.6 | 37,201.6 | 21,759.2 | 20,477.7 |
| Balance | (4,270.7) | (5,732.5) | (4,710.3) | (4,101.5) | (15,527.3) | 90.5 | 4,979.9 | 5,556.3 | 2,331.0 |
| Trade Excluding Mineral Fuels U.P.A.¹ | | | | | | | | | |
| Exports | 62,079.4 | 88,469.8 | 83,267.4 | 116,662.0 | 58,091.9 | 70,495.7 | 92,691.9 | 62,632.5 | 48,950.8 |
| Imports | 35,781.1 | 40,768.7 | 48,253.8 | 59,768.5 | 43,920.7 | 41,143.1 | 60,693.4 | 37,243.3 | 34,474.2 |
| Balance | 26,298.3 | 47,701.1 | 35,013.6 | 56,893.5 | 14,171.2 | 29,352.6 | 31,998.5 | 25,389.2 | 14,476.6 |
| Trade in Mineral Fuels non - U.P.A | | | | | | | | | |
| Exports | 42,945.6 | 67,639.8 | 55,772.6 | 77,522.5 | 44,128.4 | 42,876.6 | 50,510.4 | 35,317.0 | 26,142.1 |
| Imports | 12,376.6 | 14,206.2 | 16,048.7 | 20,751.4 | 14,429.9 | 13,614.5 | 23,491.8 | 15,484.1 | 13,996.5 |
| Balance | 30,569.0 | 53,433.6 | 39,723.9 | 56,771.0 | 29,698.5 | 29,262.1 | 27,018.6 | 19,832.9 | 12,145.6 |
| Trade in Mineral Fuels UPA | | | | | | | | | |
| Exports | 550.5 | 0.0 | 0.0 | 0.0 | 0.0 | 849.0 | 2,876.7 | 426.6 | 5,454.3 |
| Imports | 106.8 | 123.5 | 177.9 | 146.3 | 52.6 | 140.9 | 149.0 | 121.0 | 118.6 |
| Balance | 443.7 | (123.5) | (177.9) | (146.3) | (52.6) | 708.1 | 2,727.7 | 305.6 | 5,335.7 |
| Trade in Mineral Fuels | | | | | | | | | |
| Exports | 43,496.1 | 67,639.8 | 55,772.6 | 77,522.5 | 44,128.4 | 43,725.6 | 53,387.1 | 35,743.6 | 31,596.4 |
| Imports | 12,483.4 | 14,329.7 | 16,226.6 | 20,897.7 | 14,482.5 | 13,755.4 | 23,640.8 | 15,605.1 | 14,115.1 |
| Balance | 31,012.7 | 53,310.1 | 39,546.0 | 56,624.8 | 29,645.9 | 29,970.2 | 29,746.3 | 20,138.5 | 17,481.3 |

Note: Petroleum includes Refined Petroleum Products and Gas

Source: Central Statistical Office

1: Imports and Exports of Petroleum under the processing agreement relate to crude oil or petroleum products which are imported solely for further refining and the refined products that are subsequently re-exported on a special processing agreement whereby only a processing fee accrues to the country. This is collected on a quarterly basis.

p: provisional

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