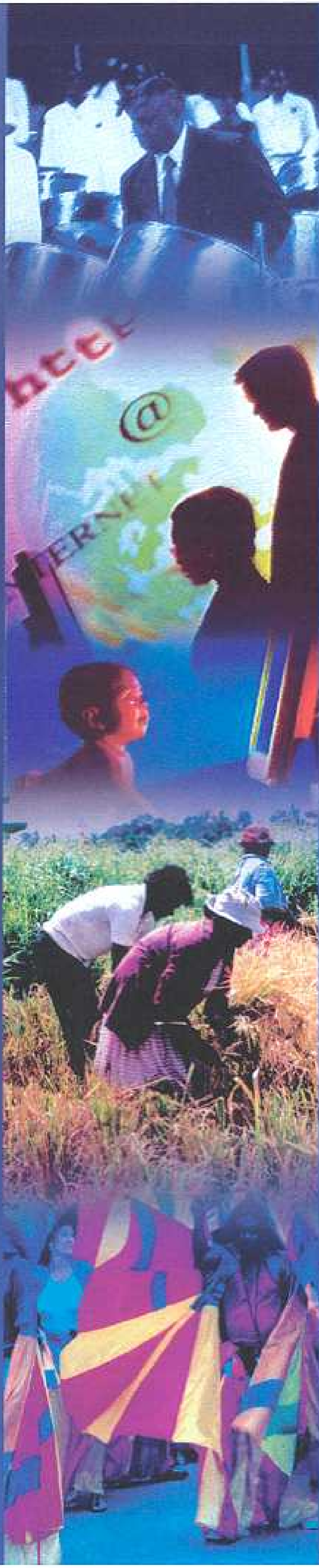

Republic of Trinidad and Tobago

REVIEW OF THE ECONOMY 2002

October 2002

Foreword

In this year's Review of the Economy, the Ministry of Finance has included analyses on the following:

- The World Economy, in the context of Trinidad and Tobago, including regional developments;
- The Real Sector;
- The Financial Services Sector;
- Central Government Operations;
- Public Debt and Debt Servicing;
- State Enterprises and the Public Utilities; and
- The Balance of Payments

While the document will include the analysis of technical issues, the Ministry has attempted to improve its usability, as well as its quality and content.

The most recent available comparative data was used however, instances of data unavailability have led to the utilisation of more dated information and would account for comparative inconsistencies.

The Ministry of Finance hopes that this document will be invaluable to readers, including researchers, students and other users and will welcome any comments for improvements.

This document is available on the Ministry of Finance

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INTRODUCTION

During 2002, global economic activity increased by 2.8 percent, a modest recovery from its decline of 2.2 percent in 2001. This recovery was led by a resurgence of the larger economies, in particular the United States and Europe.

Regionally, the tourism-based economies in CARICOM were hard hit as North Americans and Europeans to a lesser extent, avoided air travel in the aftermath of September 11, 2001. Declines in agricultural output also contributed to economic difficulties among the islands of the Region.

The Trinidad and Tobago economy continued on an expansionary path but at a reduced pace of 2.7 percent when compared to the 3.3 percent in the previous year. The slowing pace was attributable to the combined effects of the global economic slowdown and the uncertain political climate. In addition, this year, overall economic growth was negatively impacted by a 62.6 percent increase in financial intermediation services, which, in Appendix 2 is identified as the Correction for Imputed Service Charge .

The Central Government's fiscal operations for 2001/2002 surpassed the original budgetary targets to register a small surplus of $68.9 million.

Unemployment continued its downward trend and fell to 10.1 percent at the end of June 2002, from 11.7 percent at the end of the fourth quarter of 2001. This compares favourable with the annual average of 10.8 percent for calendar year 2001. Inflation for the fiscal year 2001/2002 fell to 4.2 percent and is projected at 3.9 percent for calendar 2002, an improvement over the 5.6 for 2001.

Notwithstanding, the volatility of the world economy and relative volatility of commodity prices, for the six-month period ending March 2002, Trinidad and Tobago's external position weakened, with a balance of payments deficit of US$3.5 million from a surplus of US$1.8 million in the previous year. The country's reserves position at the end of August 2002, remained at a healthy US$2,759 .2 million.

Reduced external demand for Trinidad and Tobago's energy exports coupled with the continued high liquidity conditions contributed to a steady appreciation in the exchange rate since March 2002, which at the end of August 2002 moved to TT$6.16 to US$1.00.

The outlook for the Trinidad and Tobago economy is positive, with projected expansions in the already buoyant Energy sector as well as on-going reforms in the non-oil sectors.

THE INTERNATIONAL ECONOMY

- **The United States**
- **Europe**
- **Japan**
- **The Asia Pacific Region**
- **The European Accession Countries**
- **The Transition Economies**
- **Latin America**
- **Africa and the Middle East**

Despite the events of September 11, 2001, the global economic slowdown, which began in 2000, had turned around by June 2002, particularly in the United States, Canada and Europe and in some of the Asian countries. Global economic growth is projected at 2.8 percent for 2002, a modest increase over the 2.2 percent recorded in 2001. This turnaround is largely a result of prompt and aggressive action by policymakers worldwide, as well as the general progress that has been made in reducing vulnerabilities and strengthening economic fundamentals in both developed and developing countries. This notwithstanding, there is growing concern about the pace and sustainability of the recovery, given the weakening financial markets worldwide, the recent depreciation of the United States dollar and the worsening financing conditions for some of the emerging markets.

This recovery could, however, be hindered by the following risks:-

- *The existence of a number of imbalances,* notably, the large U.S current account deficit, the low U.S personal savings rate, the apparent over-valuation of the U.S dollar vis á vis the euro, the relatively high levels of corporate and household indebtedness in a number of countries and the dependence on the United States as the global engine of economic growth.

- *The risk of further downward adjustment to financial markets worldwide,* which has been exacerbated by weaknesses in the United States accounting and auditing framework highlighted by the collapse of such business giants as Enron and WorldCom.

- *The situation in Japan,* where policy measures have so far failed to address the fundamental weaknesses and have been undermined by the deteriorating loan portfolio of the Banking System, as well as growing concerns about debt sustainability and further downgrades by the international credit rating agencies.

- *Volatility in world oil prices,* which posed potential risks to the net importers of oil in Asia, the Heavily Indebted Poor Countries (HIPCs) and several of the countries of the former Soviet Union.

- *The war on terrorism,* which is a significant threat to global recovery given its potential for triggering setbacks.

The United States

By the end of 2002, the U.S economy is expected to register a 2.2 percent expansion from 0.3 in the previous year (Table 1).

This recovery reflects the combined effects of specific policy measures, robust household spending, buoyant real estate values and solid wage growth in the earlier part of 2002 .

In the latter part of 2002 GDP growth slowed as business and consumer confidence weakened once again. At the same time financial market conditions deteriorated, with the Standard and Poors 500 falling sharply since March, reflecting mounting concerns about corporate accounting and auditing practices. There were also concerns about the financing of the current account deficit, with the United States dollar depreciating significantly against the euro and the yen during September 2002.

Europe

For 2002 GDP growth in the European Union is projected at 1.1 percent, a 0.5 percent deceleration over the previous year.

In the face of sluggish private consumption in Europe, robust export levels have provided the major impetus to economic expansion. The severe floods experienced during the summer of 2002 are expected to have a negligible impact on the European economy, as flood relief and reconstruction expenditure is expected to offset these adverse effects on output.

Substantial variations in economic performance persist across the region, reflecting differences in the impact of recent global shocks, different fiscal pressures and underlying structural conditions (Table 1).

Box 1: The Introduction of the Euro

In January 2002, ten years after the establishment of the European Union and three years after the launch of the European Monetary Union, euro notes and coins were introduced in twelve European countries and replaced the various local currencies in virtually all cash transactions.

Prior to this, the euro was available as an electronic means of payment in financial markets worldwide.

Although the immediate implications of the changeover appear modest, euro pricing is expected to produce significant longer-term benefits in the form of increased price transparency, competition and integration across the Region.

The changeover will also facilitate price comparisons across the area as well as removal of the remaining regulatory obstacles to market integration.

Japan

Japan appears to be emerging from its third and most severe recession of the past decade. This notwithstanding, the economy is projected to contract by a further 0.5 percent this year.

Exports have declined in the face of the global slowdown and the subsequent fall-off in demand for Information Technology goods. Consumption has slumped, the unemployment rate has set new record highs and relative earnings have stagnated.

While the economic malaise in Japan has been driven by both external and internal factors the inability to achieve sustained growth over the past decade reflects the failure of policymakers to deal decisively with deep structural impediments, which are most apparent in the banking system (Table 1).

Table 1: Economic performance of selected Advanced Economies

	Real GDP			Consumer Prices		
	2000	2001	2002	2000	2001	2002
Advanced Economies	3.8	0.8	1.7	2.3	2.2	1.4
U.S	3.8	0.3	2.2	3.4	2.8	1.5
Japan	2.4	-0.3	-0.5	-0.8	-0.7	-1.0
U.K	3.1	1.9	1.7	2.1	2.1	1.9
Canada	4.5	1.5	3.4	2.7	2.5	1.8
Germany	2.9	0.6	0.5	2.1	2.4	1.4
France	4.2	1.8	1.2	1.8	1.8	1.8
E.U	3.5	1.6	1.1	2.3	2.6	2.1
Trinidad & Tobago	6.1	3.3	2.7	3.5	5.6	3.9

(Annual percent change)
Source: IMF World Economic Outlook

The Asia Pacific Region

Prolonged economic difficulties in Japan have not forestalled growth in other Asian economies (Table 2).

The region's 5.9 percent growth this year is expected to be led by strengthened industrial production and exports, which have rebounded in response to the global upturn and the subsequent improvement in the Information Technology sector. Moreover, the impact of the recent turmoil in financial markets has so far been moderate and while equity markets have fallen back, the decline has been less than in other emerging markets. Consequently, most of the countries of the region have retained adequate access to international capital markets.

Table 2: Economic performance of selected Asian Economies

	Real GDP			Consumer Prices		
	2000	2001	2002	2000	2001	2002
Emerging Asia	7.0	5.0	5.9	1.8	2.5	2.0
Hong Kong	10.4	0.2	1.5	-3.7	-1.6	-3.0
Singapore	10.3	-2.0	3.6	1.1	1.0	-
Indonesia	4.8	3.3	3.5	3.8	11.5	11.9
Philippines	4.4	3.2	4.0	4.3	6.1	4.0
India	5.4	4.1	5.0	4.0	3.8	4.5
Pakistan	4.3	3.6	4.6	4.4	3.1	3.4
China	8.0	7.3	7.5	0.4	0.7	-0.4
Trinidad & Tobago	6.1	3.3	2.7	3.5	5.6	3.9

(Annual percent change)
Source: IMF World Economic Outlook
Emerging Asia includes, Developing Asia, Newly Industrialised Asian Economies and Mongolia

European Union Accession Countries

Growth among the European Union Accession Countries of Central and Eastern Europe[1] has in general been sustained in the face of a global slowdown. For most of these countries, growth rates of between 2.5 and 4.5 percent are expected, roughly the same as in 2001, with a further strengthening expected in 2003.

[1] Includes potential E.U candidates: Turkey, Estonia, Latvia, Lithuania, Czech Republic, Hungary, Poland, Slovak Republic, Slovenia, Bulgaria, Cyprus, Malta and Romania.

Transition Economies (The Former Soviet Union)

The momentum of growth in the countries of the Transition Economies[2] (the former Soviet Union) is expected to decelerate again in 2002 to 4.6 percent from 6.3 percent in 2001, a reflection of slower growth of the Russian and Kazak economies as a result of lower oil revenues.

Latin America

Economic and financial conditions in Latin America deteriorated further during 2002, with growth for the Mercosur[3] group projected to decline by 2.6 percent, following a negligible increase of 0.1 percent in 2001. Countries of the Andean[4] region are expected to contract by 0.4 percent (Table 3).

Argentina is experiencing an economic contraction of unprecedented magnitude in its economic history, with a cumulative fall in output over the last four years in excess of 20 percent.

The Chilean and Mexican economies have managed to avoid the regional decline largely on account of sound policy management, relatively low public debt (Chile) and strong links to the United States (Mexico).

[2] Includes Russia, Armenia, Georgia, Azerbaijan, Kazakhstan, Kyrgyz Republic, Moldova, Ukraine, Belarus, Tajikistan and Uzbekistan
[3] Includes Argentina, Brazil, Paraguay and Uruguay together with associate members Bolivia and Chile.
[4] Includes Columbia, Ecuador, Peru and Venezuela.

Table 3: Economic performance for selected Latin American Economies

	Real GDP			Consumer Prices		
	2000	2001	2002	2000	2001	2002
Argentina	-0.8	-4.4	-16.0	-0.9	-1.1	29.0
Brazil	4.4	1.5	1.5	7.0	6.8	6.5
Chile	4.4	2.8	2.2	3.8	3.6	2.1
Columbia	2.7	1.4	1.2	9.2	8.0	5.7
Venezuela	3.2	2.8	-6.2	16.2	12.5	22.7
Dom.Rep	7.2	2.8	3.5	7.7	8.9	4.8
Mexico	6.6	-0.3	1.5	9.5	6.4	4.8
Trinidad & Tobago	6.1	3.3	2.7	3.5	5.6	3.9

(Annual percent Change)
Source: IMF World Economic Outlook

Africa and the Middle East

Growth in Africa is projected to decelerate to 3.1 percent in 2002, as the continent continues to grapple with a number of internal and external factors including developments in traditional commodity prices, political instability, armed conflicts, drought and poverty. The current account deficit for the region is expected to increase to 1.7 percent of GDP in 2002, mainly due to declining surpluses of the major energy producers (Table 4).

During 2002, growth in the Middle Eastern economies slowed to 3.5 percent, a result of a combination of factors including oil market developments, regional security issues and country specific issues such as economic diversification initiatives.

Table 4: Economic performance for selected African and Middle Eastern Economies

	Real GDP			Consumer Prices		
	2000	2001	2002	2000	2001	2002
Ghana	3.7	4.2	4.5	25.2	32.9	14.6
Kenya	-0.1	1.2	1.4	10.0	5.8	2.0
Nigeria	4.3	2.8	-2.3	6.9	18.9	15.9
South Africa	3.4	2.2	2.5	5.4	5.7	7.9
Saudi Arabia	4.9	1.2	0.7	-0.6	-0.8	-
Iran	5.7	4.8	5.8	12.6	11.4	15.0
Israel	7.4	-0.9	-1.5	1.1	1.1	6.2
Trinidad & Tobago	6.1	3.3	2.7	3.5	5.6	3.9

(Annual percent Change)
Source: IMF World Economic Outlook

REGIONAL DEVELOPMENTS

▪ **Barbados**	▪ **Guyana**
▪ **Jamaica**	▪ **OECS**

Barbados

The Barbadian economy contracted by 3.2 percent during the first six months of 2002, more than double the rate of contraction in the corresponding period of 2001. This was due to a contraction of 6.3 percent and 1.8 percent in the traded[5] and non-traded sectors respectively.

The country's external position deteriorated over the period January to June 2002, as merchandise exports and travel credits declined by 8.9 percent and 7.8 percent respectively. The capital and financial account also registered a small surplus of about US$5.1 million, well below the US$78 million recorded in 2001. As a result, foreign reserves grew by US$3.3 million during the first six-months of 2002. These developments constrained the growth in net international reserves to US$71.5 million during the period.

The slowing in economic activity also impacted on the unemployment rate, which rose marginally to 10.3 percent during the first quarter of 2002.

Inflation was relatively low at 2.6 percent for the twelve-month period ending February 2002, reflecting the low oil prices that prevailed over the period.

Despite a 4.4 percent rise in United States visitors, the Barbadian Tourism sector contracted by approximately 9.5 percent during the first six months of 2002, a result of the fall-off in visitor arrivals from the United Kingdom, Canada and Continental Europe of 15.8 percent, 19.1 percent and 23.5

[5] Traded sectors are those sectors that are exposed to international competition and engage in foreign trade

percent respectively.

Jamaica

Jamaica's economic growth is projected at 0.5 percent for the first six months of 2002, with a further forecast of moderate growth. This growth was restrained by declines in the Tourism, Agriculture and Mining sectors.

The Mining sector was affected by an industry-wide alumina strike during the first quarter. The events of September 11 and the consequent reduction in leisure and business travel worldwide resulted in a fall in visitor arrivals to the island and a consequent contraction in the tourism and transportation sectors during the first half of 2002. Extensive flooding adversely impacted agricultural output, while the Construction and Transport, Storage and Communication sectors had positive growth for this period. The increase in Construction reflected on-going activities by both private and government entities, while growth in wireless telecommunications services continued to contribute to the expansion of the Transport, Storage and Communication sector.

Consumer prices rose by 2.2 percent during the first six months of 2002, due in part to weather-related shocks to agricultural supply. This rate, however, compares favourably to the 4.6 percent inflation rate recorded for the corresponding period of 2001.

The country's external position also improved significantly as the current account deficit was reduced by 18.2 percent at the end of March 2002.

The country's Net International Reserves improved by US$241.7 million during the twelve-month period ending June 2002 to US$1,782.2 million, representing approximately five months of import cover.

The Jamaican dollar depreciated by 5.1 percent between September 2001 and June 2002 to end the period at J$48.05 to US$1.

Guyana

Preliminary data for the first six months of 2002 indicate that Guyana has continued to build on its performance of last year, registering a further 2.5 percent expansion in Gross Domestic Product, with Sugar, Manufacturing and Services being the principal sectors driving this growth.

During the period December 2001 and July 2002, inflation averaged 4.1 percent, a result of higher utility and food prices.

Guyana's external position deteriorated in 2002 as declines in the country's merchandise trade account precipitated a US$53.4 million current account deficit at the end of June 2002. A reduction in the capital account surplus to US$42.2 million also prompted a slight increase in the overall Balance of Payments deficit to US$10.6 million. The country's Net International Reserves decreased slightly from US$187.4 million at the end of December 2001 to US$183.8 million at the end of July 2002.

The Guyanese dollar was relatively stable over the period September 2001 and July 2002, with a marginal depreciation of 1.8 percent to G$190.89 per US$1, a direct result of larger foreign capital inflows and reduced demand pressure.

The OECS

Economic activity among members of the Organisation of Eastern Caribbean States[6] (OECS) declined during the first quarter of 2002 compared with the corresponding period of 2001. This was due mainly to weak performances in Tourism, Agriculture and Manufacturing.

The sub-region's weakening Tourism industry during the first quarter of 2002 was reflected in a 10.4 percent fall in stay-over visitors when compared to the previous quarter. Apart from Caribbean stay-overs, the number of stay-over visits from all the major markets declined.

[6] Comprises, Dominica, St. Lucia, Grenada, St. Kitts & Nevis, St. Vincent & the Grenadines, Antigua & Barbuda, Monsteratt and Anguilla.

The weak performance of the Agriculture sector reflected the continuing decline in banana production, which fell by 5.5 percent, with Dominica suffering a 26.9 percent fall in production on account of a reduction in the amount of acreage under cultivation. Output of other traditional crops such as nutmeg, mace and sugar cane also declined during the period. Production of some non-traditional crops such as plantains, pineapples and root crops increased as farmers replaced their banana holdings with these crops.

The manufacturing output of the OECS countries also contracted as a result of declines in the production of some of the major commodities such as soap, dental cream and beverages, which fell by 12.9 percent, 12.2 percent and 13 percent respectively, with St. Kitts and Nevis being the most affected. Also contributing to the weakened Manufacturing sector were flour, rice and feeds, which contracted by 24.9 percent, 4.3 percent and 24.9 percent respectively for St Vincent and the Grenadines. Sugar production in St Kitts and Nevis also declined by 40.4 percent.

For most of the OECS countries, construction activity was buoyant, as private sector demand for residential and commercial construction increased.

Preliminary data for the first quarter of 2002 indicate that inflation among OECS countries is relatively low and in line with the group's major trading partners.

Prospects for economic growth among OECS members for the remainder of 2002 are uncertain, though some improvements are expected in the Agricultural and Construction sectors, the outlook is poor for those sectors which are the traditional foreign exchange earners for these countries.

In light of the current economic difficulties experienced by some OECS member states, as well as expectations of impending difficulties for others, CARICOM Heads of Government has agreed to the establishment of a Regional Stabilisation Fund to alleviate or forestall the economic problems acing the region. Trinidad and Tobago has pledged EC$10 million towards the Fund.

Table 6: Economic performance of selected Caribbean Economies

	Real GDP			Consumer Prices		
	1999	2000	2001	1999	2000	2001
Barbados	2.5	2.5	2.5	2.9	2.5	2.5
Jamaica	-0.4	-0.1	1.1	6.0	8.4	6.4
Guyana	3.0	2.5	n/a	8.7	8.0	n/a
St. Kitts and Nevis	3.7	7.5	1.8	2.1	3.1	2.6
Grenada	7.5	6.4	n/a	1.0	3.5	n/a
St. Lucia	3.0	2.0	n/a	6.1	2.0	n/a
Dominica	1.6	0.7	-4.6	0.0	1.1	1.9
Antigua and Barbuda	5.0	3.6	n/a	1.1	0.0	n/a
St. Vincent and the Grenadines	4.2	2.1	-0.2	-1.8	1.4	1.4
Trinidad & Tobago	4.4	6.1	3.3	3.4	3.5	5.6

Source: International Monetary Fund
N/a not available

THE REAL ECONOMY

- **Gross Domestic Product**
- **Prices**
- **Productivity**
- **Population**
- **Labour Force**
- **Employment**
- **Energy and Extractive Industries**
- **Domestic Agriculture**
- **Export Agriculture**
- **Manufacturing**
- **Tourism**
- **Construction**

Gross Domestic Product

The Trinidad and Tobago economy is expected to continue its expansionary trend in line with the current estimates of global economic growth. GDP growth is forecast at 2.7 percent for 2002 while the projection for global growth is 2.8 percent. (Appendices 1 and 2 and Figure 1).

Box: 2 Re-basing and re-alignment of weights re: RPI and GDP

The Central Statistical Office is currently engaged in an exercise aimed at re-basing the Retail Price Index to September 2002=100. This exercise will result in a basket of goods and services that is more representative of the consumption patterns of the general population.

The GDP series is also being updated from 1985 prices to 2000 prices. It is expected that a more accurate reflection of economic activity will be captured, especially as it relates to new and emerging areas of economic activity such as the financial services.

This exercise will be completed by the end of calendar 2002.

Output in the Petroleum sector is estimated to grow by 4.5 percent for 2002. Exploration and Production and more specifically, the realised production from Atlantic LNG Train II is the main contributor to this activity with a forecasted 8.6 percent expansion by end of September 2002.

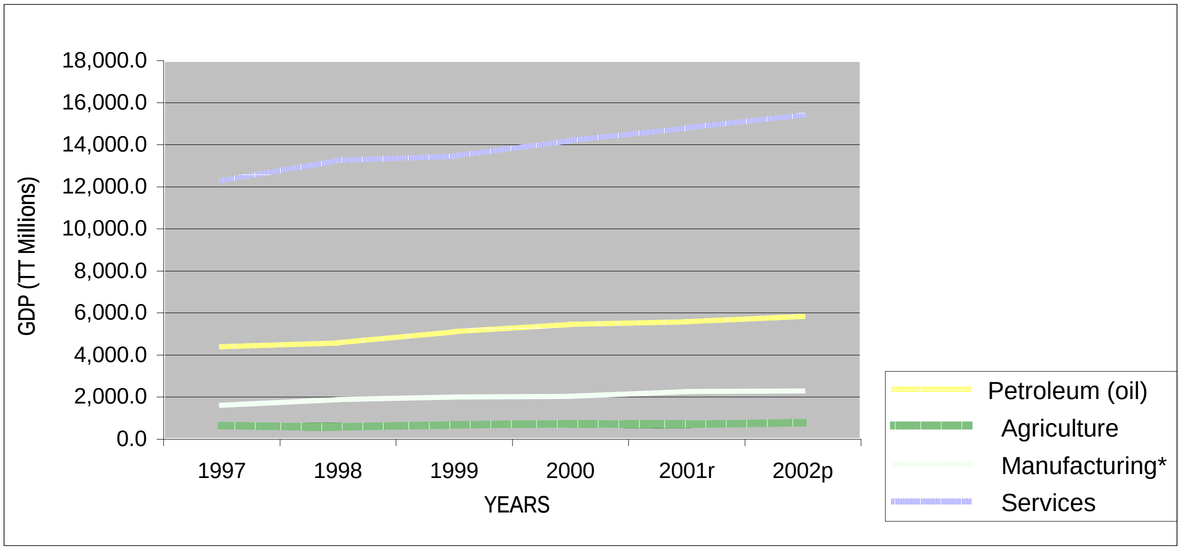
The Non-oil sector, representing approximately 75 percent of local economic activity, is expected to grow by 4.1 percent in the current period compared to 3.8 percent in the preceding year. The sector's growth is marked by increased productivity in Agriculture, which grew by 11.1 percent, following a 2.7 percent growth in the previous year. Increased agricultural productivity was mainly due to activities related to sugar, including growth in cane farming and cultivation both by independent farmers and Caroni (1975) Limited as well as distillery activities at Caroni Ltd.

In the Services sector, there has been marked growth in the Transport, Storage and Communications sub-sector of 10.6 percent, compared to 3.5 percent in the previous period. This has been fuelled by productivity gains in telecommunications, inclusive of the Telecommunication Services of Trinidad and Tobago (TSTT), courier services and containerised transport services. The decline in output of the hotels and guesthouses sub-sector slowed to 1.3 percent from 21.9 percent in 2001.

The decline in the output of the Manufacturing sector also slowed to 1.1 percent from 3.6 percent in 2001. The output of the Food, Beverage and Tobacco sub-sector is expected to register a decline of 2.0 percent following the 5.2 percent decline of the previous period. This marks a slowing of the trend by major producers away from production activities into distribution-type operations.

While the growth estimates for both the Petroleum and Non-oil sectors at 4.5 percent and 4.1 percent respectively, may suggest an overall growth rate closer to 4 percent, this year, the overall 2.7 percent rate was on account of a 62.6 percent correction for imputed service charge. This compares to a 10.8 percent adjustment in the previous year (Appendix 2).

Figure 1: Real GDP – 1997 – 2002



Source: Central Statistical Office
r: Revised estimates
p: Provisional estimates

Prices

The All Items Index of Retail Prices is expected to decrease to 3.9 percent in 2002 from 5.6 percent in 2001 (Appendix 5).

A closer examination of the Index reveals that price increases occurred in many of the section indices including Meals Out (0.4 percent), Drink and Tobacco (12.2 percent), Household Operations (1.0 percent), and Household Supplies and Services (0.6 percent). These increases were mitigated by decreases in Food (10.5 percent), Clothing and Footwear (2.0 percent), Housing (0.1 percent), Health and Personal Care (2.0 percent), Transportation (1.4 percent) and Reading and Recreation and Education (0.1 percent).

Productivity

The level of productivity, as measured by the All Items Index of Productivity for all workers in all industries, rose by 15 percent during the six-month period October 2001 to March 2002. This compares to a 10.6 percent increase for the same period of the previous year (Appendix 5).

The main sectors responsible for the growth in the productivity index were Electricity (308 percent), Sugar (44 percent), Exploration and Production of Oil and Gas (36 percent), Food processing (32 percent) and Printing, Publishing and Paper Converters (10 percent). These increases were mitigated by decreases in the productivity levels of Textiles, Garments and Footwear (20 percent), Wood and Wood Related Products (18 percent), Oil and Gas Refining (16 percent) and Drink and Tobacco (6 percent).

Population

Following the census undertaken by the Central Statistical Office in 2000, the population estimates for Trinidad and Tobago were revised downwards.

The population estimate for mid-year 2002 was 1,275,705, from 1,266,797 in 2001, with the provisional birth and death rates per 1,000 persons remaining unchanged from their 2001 totals of 14.1 and 7.6 percent respectively (Appendix 6).

In terms of the distribution of the population by age group, persons between the ages of 25 to 59 years represent 46.5 percent of the population, with persons under the age of 24 representing 44.1 percent and persons 60 and over accounting for 9.4 percent (Appendix 7).

The gender distribution of the population remained unchanged with males and females representing 50.1 and 49.9 percent of the population respectively.

Labour Force

During the period October 2001 to March 2002 the number of persons in the labour force increased by 0.9 percent from 580,700 to 585,800 (Appendix 8).

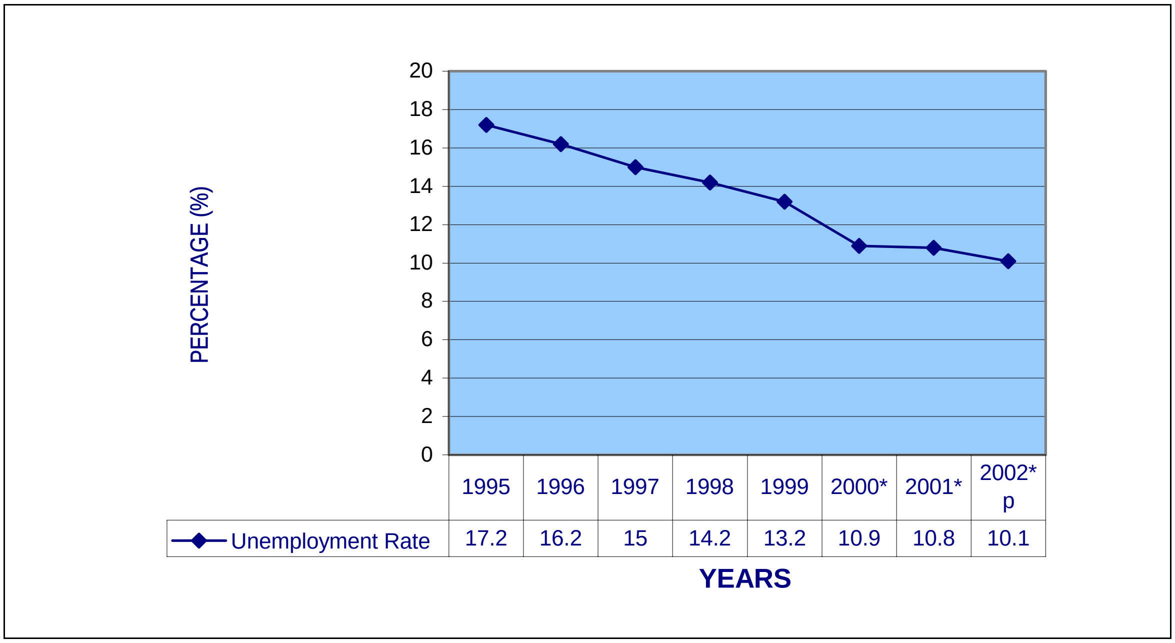
Notwithstanding the marginal increase in the labour force, there was significant reallocation of the labour force between the various sectors. Increases in the labour force were recorded in the following sectors: Electricity and Water (15.3 percent), Real Estate and Business Services (13.7 percent),Sugar (11.8 percent), Manufacturing (4.8 percent) and Construction (2.4 percent). These increases were mitigated by decreases in Agriculture, Forestry, Hunting and Fishing (6.3 percent), Wholesale/Retail Trade, Restaurants and Hotels (6.5 percent) and other Mining and Quarrying (6.3 percent).

Employment

In the six-month period ending March 2002, the number of persons employed increased by 10 percent from 516,200 to 521,100. The sectoral distribution of the employed labour force included expansions in Sugar (22.9 percent), Electricity and Water (14.1 percent), Finance, Insurance, Real Estate and Business Services (12.2 percent) and Construction (5.7 percent) and Other Manufacturing (3.3 percent) There were, however, decreases in the number of persons employed in Mining and Quarrying (7.1 percent), Restaurants and Hotels (6.5 percent), Agriculture , Forestry, Hunting and Fishing and Community (3.4 percent), Social and Personal Services (2.1 percent).

The number of males employed during the first six months of the current fiscal year increased by 3.3 percent to 332,400 and represented 63.8 percent of the total number of persons employed. The number of females employed also increased over the period to 188,700, 2.4 percent more than the previous comparative period.

Figure 2: Unemployment



Source: Central Statistical Office

Over the period October 2001 to June 2002, unemployment fell from 11.7 at the end of the fourth quarter of 2001 to 10.1 percent at the end of June 2002. This compares favourable with the annual average of 10.8 percent for calendar year 2001. The rate of unemployment among males declined from 8.2 percent at the end of the fourth quarter 2001 to 7.5 percent at the end of June 2002. Unemployment among females declined from 14.7 percent to 14.2 percent for the comparative period (Appendix 8).

Energy and Extractive Industries

Drilling

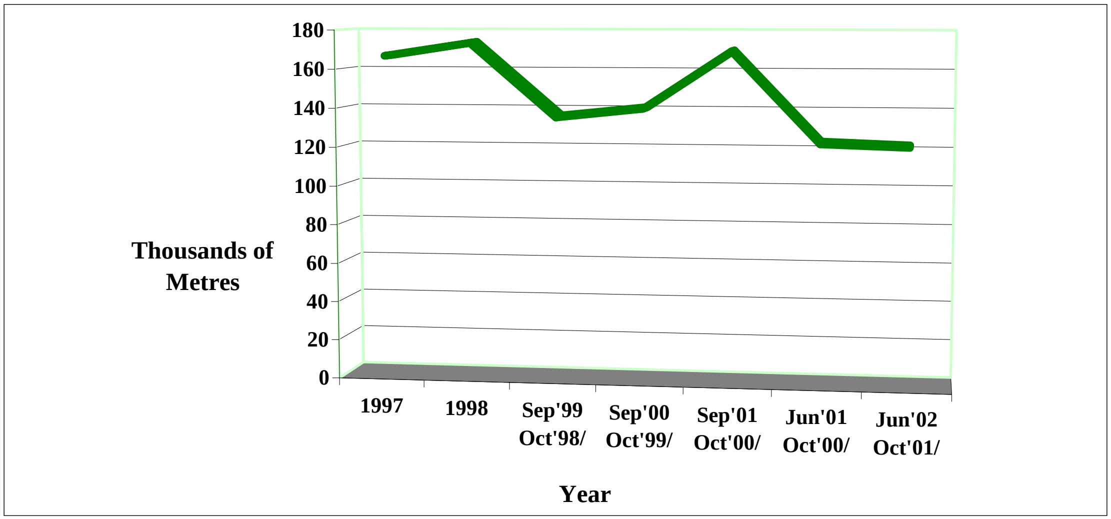
Development and exploratory drilling by petroleum companies for the period October 2001 to June 2002, declined by 1.1 percent to a level of 121.7 thousand meters. The onset of low oil prices at the start of the fiscal year, together with the expectation that this trend would continue resulted in some deferral of drilling activity and pipeline work and platform upgrades during the nine-month period (Appendix 9 and Figure 3).

The decline in drilling activity was limited to land-based operations, which decreased by 51 percent to 21.9 thousand metres. Offshore drilling activities, however, increased by 27.8 percent to 99.8 thousand meters.

Crude Refining

Upgrade of the Petrotrin refinery's Cat Cracker was completed, enabling it to perform at its full capacity of 160 thousand barrels per day (bpd). This, notwithstanding, refinery throughput is expected to fall to 146.4 thousand bpd for fiscal 2002, representing a decrease of 7.2 percent from the previous corresponding period. This is largely attributable to low refinery margins and depressed crude and product prices in the first semester of the current fiscal year. Of overall throughput, 40 percent represents local content with the remainder being sourced from Venezuela, Columbia, Brazil, South Africa, Nigeria, Congo, Angola and Gabon.

Figure 3: Development and Exploratory Drilling



Source: Ministry of Energy and Energy Industries

Concomitant with reduced throughput, refinery sales are expected to decline by 15 percent to 142.6 thousand bpd for the nine-month period ending June 2002.

Petrotrin is currently constructing an Isomerisation Unit[7] and a new Alkylation Unit[8]. These units, which are scheduled for commissioning in the third and fourth quarters of fiscal 2003/2004, will significantly improve the refinery's performance. The company's thrust to expand premium markets and maximise throughput and sales volumes will be further bolstered by a new joint venture arrangement with British Petroleum of Trinidad and Tobago, which will allow for the expansion of bunker[9] sales.

Crude Oil Production and Exports

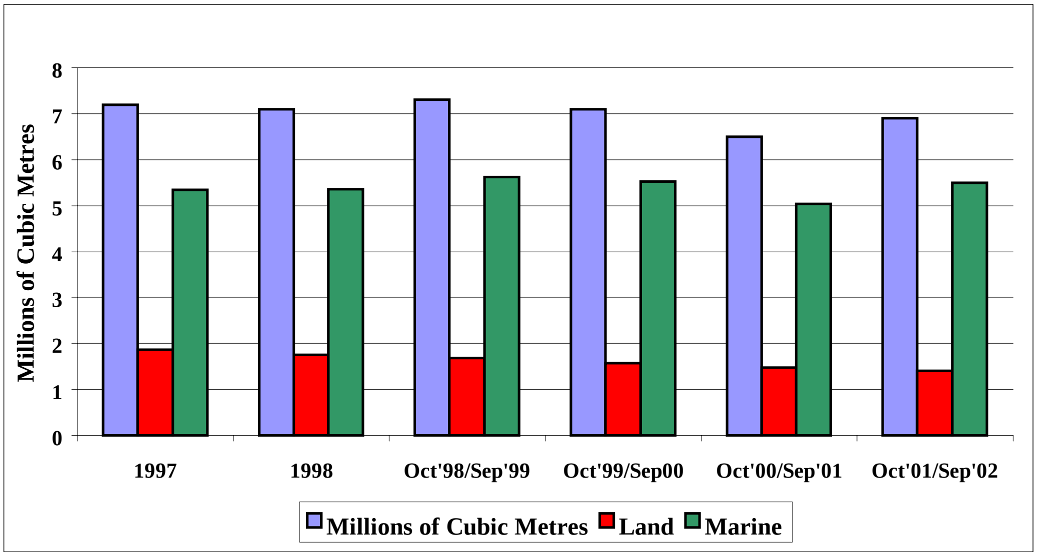
As the global economic recovery accelerates and international demand improves, the production of crude petroleum is projected to increase for the current fiscal year. Crude oil prices during the second half of the year have also been buoyed by conflict concerns in the Middle East. (Appendix 9 and Figure 4)

For the period October 2001 to September 2002, production of crude is projected at 43.4 million barrels, 5.6 percent higher than the previous corresponding period. This is largely attributable to output from prolific oil and condensate wells in the Mahogany Field and improved gas lift performance in the Teak and Poui Fields.

Land crude production is expected to fall by 5.3 percent, mainly reflecting the pattern of natural decline in existing wells. This will be mitigated to some extent by an 8.7 percent expansion in marine crude production.

[7] This unit will improve gasoline optimisation by enhancing the octane content in the gasoline and providing an alternative for the possible removal of the MTBE from gasoline.
[8] This unit is responsible for providing aviation alkylate which is used in the production of aviation gasoline
[9] Fuel for ships that dock at port.

Figure 4: Total Crude Oil Production



Source: Ministry of Energy and Energy Industries

Recent discoveries by bpTT and BHP Billiton and the potential for further significant finds, particularly in the greater Angostura Field has significantly enhanced the country's oil and gas reserves. There has also been an acceleration of joint ventures with Petrotrin expected to award five joint venture blocks by the end of the fiscal year, this is in addition to the five new lease operatorship blocks it awarded earlier in the fiscal year.

Trinmar's land and marine production has also been steadily increasing during the first semester of 2002, the direct result of several production enhancement strategies.

Box 3: International Oil Prices

Following the surge to $US32 a barrel in the third quarter of 2000, crude oil prices weakened in reaction to the slowing world economy and in spite of efforts by OPEC to maintain prices within the US$22-US$28 per barrel. Following a short-lived surge immediately after the September 11 events, prices fell to less than $US19 a barrel by the end of 2001.

In response, in December 2001, OPEC announced supply cuts and this, together with the early signs of resurgence in the U.S economy, caused oil market conditions to stabilise in early 2002 with prices reaching close to US$23 per barrel. These factors were reinforced in March and April 2002, by fears of disruption in supply by possible military intervention in the Middle East and the deteriorating security situation in Israel, the West Bank and Gaza, which pushed oil prices to US$27 per barrel. As fears of significant disruptions of supply eroded, prices began to trend downwards once again, the situation, however, remains highly volatile, with oil prices depending as much on political as economic developments.

Concomitant with rising production, international sales of crude oil for the nine-month period ending June 2002, amounted to 16.5 million barrels, an increase of 21 percent from the 13.6 million barrels recorded in the corresponding period of 2000/2001. Crude petroleum prices have rebounded somewhat in the third quarter of the fiscal year, after falling to below US$18 per barrel in November 2000/2001. The bpTT average weighted price of oil for the period October 2001 to June 2002 fell to approximately US$22.60, representing a drop of 21.3 percent reduction over the average weighted price for the comparative 2000/2001 period.

Natural Gas

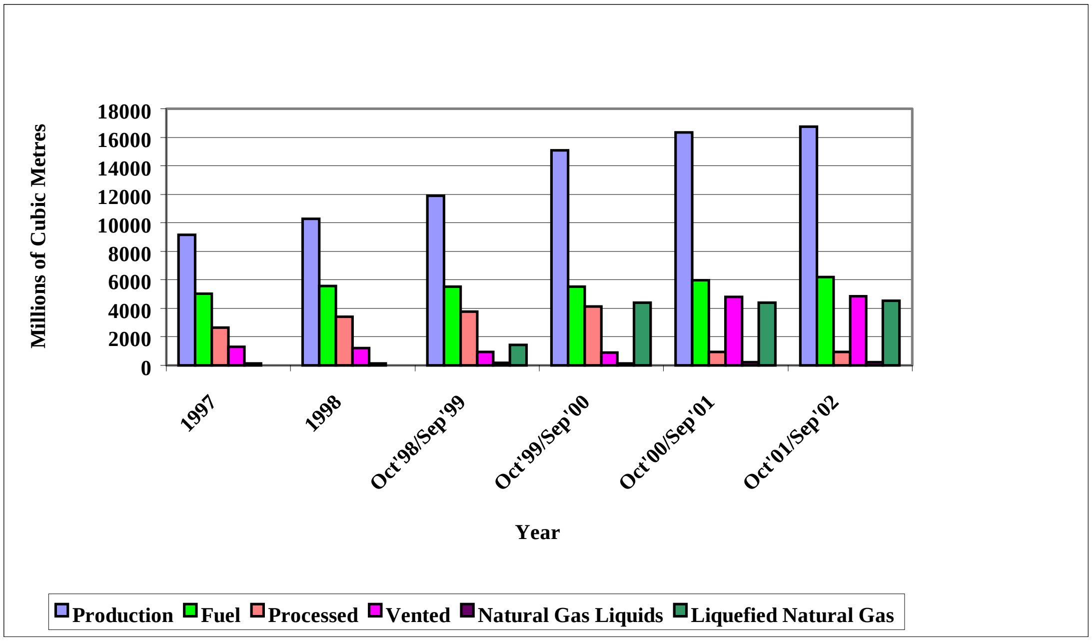
For the twelve-month period ending September 2002, natural gas production is expected to grow to 16,743 million cubic metres, an increase of 2.5 percent over the previous period. This increased production is mainly attributable to the commissioning of the Caribbean Nitrogen Company 1 plant (CNC 1) in July 2002 and an increased throughput from Atlantic LNG's Train I, following a de-bottlenecking exercise in the earlier part of 2002. (Appendix 10 and Figure 5)

Moreover, as a result of planned developments in the downstream gas-based petrochemical sector, natural gas production and utilisation is expected to increase by 20 percent per year over the next three years. Contributing to the increased production is Atlantic LNG's Train II, which was commissioned ahead of schedule in August 2002 and Train III, which is scheduled for commissioning in the third quarter of 2003 as well as the Phoenix Park Gas Processors Plant (PPGPL), which was expanded by 12 thousand barrels per day (bpd) of fractionation capacity and 250 thousand barrels of additional product storage and ancillary facilities.

By 2004, when all the new plants are fully on stream, gas supply is expected to average 2,775 million cubic feet per day. Currently, the country's proven gas reserves are estimated at 19.7 trillion cubic feet (tcf), and at 32.6 tcf, if probable and possible reserves are included.

Negotiations are also underway for the establishment of an Atlantic LNG Train IV. This plant is expected to have a capacity of 4.8 million tonnes per annum, one of the largest trains planned in the world to date. Discussions are also on-going for the establishment of an Ethylene Petrochemical Complex. This is a likely venture, given the prospects of Atlantic LNG Train IV, which is expected to result in sufficient ethylene feedstock to implement a cracker of between minimum size of 850 thousand tonnes to I million tonnes per annum. A gas to liquids plant and an aluminium smelter plant are also being considered as possible investment options in an attempt to further diversify the natural gas portfolio. The feasibility of establishing a port in Tobago for LNG exports into the Caribbean is also under consideration.

Figure 5: Natural Gas Production and Utilisation



Source: Ministry of Energy and Energy Industries

Petrochemicals

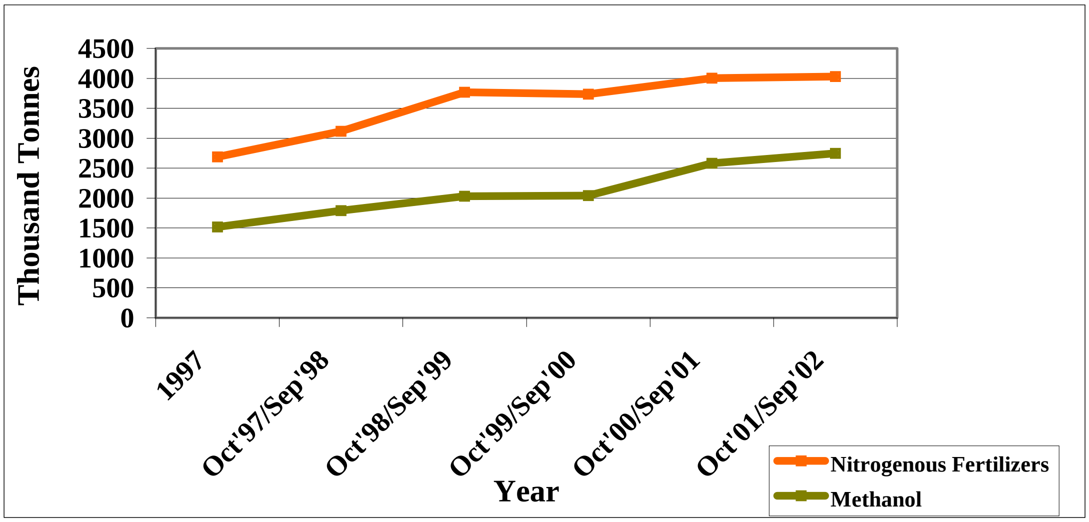
Nitrogenous Fertilisers (Ammonia and Urea)

By the end of fiscal 2001/2002, the production of fertilisers is expected to register a marginal increase of 0.7 percent to 4,031.2 thousand tonnes. The increase in production is due mainly to the commissioning of the 1,850 thousand tonnes per day CNC 1 Ammonia Plant in July 2002. During the year agreement was reached with Nitrogen 2000 on gas price terms and conditions for the establishment of another plant, CNC II, while the National Gas Company (NGC) is currently engaged in discussions for the possible establishment of two additional ammonia facilities. (Appendix 11 and Figure 6).

Export sales declined by 7.6 percent to 3,583.8 thousand tonnes and was precipitated by low demand and declining international prices. The average prices for Ammonia and Urea based on the Caribbean Spot FOB and the Trinidad Gran Spot FOB were US$96.24 per tonne and US$102.91 per tonne respectively, representing declines of 46.7 percent and 24.7 percent.

Between October 2000 and September 2001 there were no domestic sales of fertilisers, however, for the current fiscal period, local sales are expected to reach 9.6 thousand tonnes mainly as a result of the commencement of production at CNC 1.

Figure 6: Petrochemicals Production



Source: Ministry of Energy and Energy Industries

Methanol

Production of methanol for the period October 2001 to September 2002 is anticipated to grow to 2,749.5 thousand tonnes representing an increase of 6.6 percent over the previous twelve-month period. (Appendix 11 and Figure 6).

Moreover, plant capacity and production facilities will be further enhanced with the coming on stream of the Atlas Methanol plant in 2004. This plant will have a capacity of 5,000 thousand tonnes per day and would be the world's largest single train methanol facility. Discussions are also ongoing for another plant, the M5, which will also have a capacity of 5,000 thousand tonnes per day.

Exports of methanol is expected to reach 2,751.8 thousand tonnes by the end of September 2002, a 15.8 percent increase over the previous fiscal year.

Consistent with the cyclical nature of commodity markets, methanol prices have fluctuated from a peak of US$311.75 in January 2001 to a low of US$96.25 in September 2001, based on the US Gulf Barge Spot FOB. For the first three quarters of the current fiscal year, prices have rebounded ,peaking at US$204.60 per tonne in May 2002, a result of supply shortfalls in the international market. For the period October 2001 to May 2002, methanol prices averaged US$130.22 per tonne, 37.1 percent lower than the average price for the previous period. Indications are that prices will continue to rise due to the ongoing rationalisation of methanol capacity in the United States and delays in meeting deadline targets for the phasing out of methyl tertiary butyl ether (MTBE)[10].

Iron and Steel

For the eight-month period October 2001 to May 2002, iron and steel production increased by 19.4 percent over the previous corresponding period. This increase was largely fuelled by the reintroduction of ISPAT's Direct Reduced Operations Module. In contrast, production of billets declined by 19 percent primarily due to the non-operation of the company's Caster Module. The production of wire rods also declined by 4 percent from 438.5 to 423 thousand tonnes (Appendix 12).

For the eight-month period, ending May 2002, export of Direct Reduced Iron (DRI) increased by 36 percent from 738.6 to 1,003 thousand tonnes and was supported by ISPAT's trading arrangement with the Canadian corporation ISPAT SIDBEC. The exports of wire rods declined by 6 percent as a result of the United States' imposition of Section 201 duties on the import of general steel articles inclusive of wire rods. This action by the United States resulted in a cumulative 13 percent increase

[10] Used as a gasoline additive

in the duties payable on imports of this product into the United States. There were no exports of billets for the review period as world demand declined.

Local sales of billets fell by 21 percent from 43.2 to 34.2 thousand tonnes. Similarly, local sales of wire rods fell from 25.0 to 20.2 thousand tonnes, a decrease of 19 percent.
The average international prices of DRI increased from US$93.8 to US$95.53, reflecting consistent world demand as sales of DRI competed successfully with sales of scrap iron. The average price of wire rods increased from US$231.6 to US$249.1 per metric tonne in response to the imposition of the new United States duties.

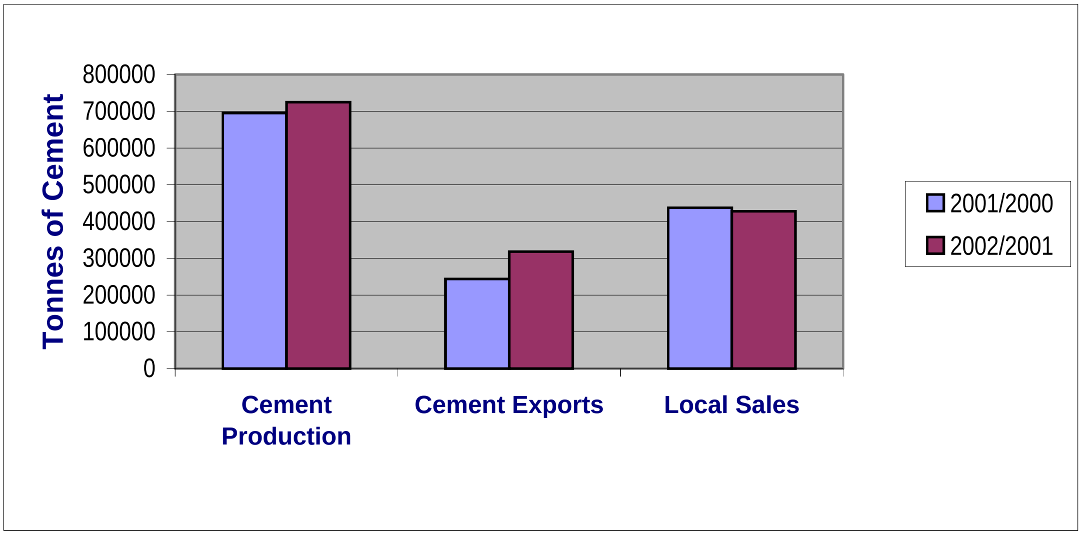
Cement

The production of cement is expected to increase from 695.2 to 724.7 thousand tonnes for fiscal 2001/2002 from the previous fiscal year. Actual output for the nine-month period ending June 2002 increased marginally from 519.7 to 538.0 thousand tonnes.

Local sales of cement are expected to decline from 437.3 to 427.8 thousand tonnes, primarily as a result of the completion of construction of plants at Atlantic LNG.

Exports of cement are expected to increase from 243.7 to 318.0 thousand tonnes in the current period, primarily due to increased demand by the major regional importers of cement, including Guyana and Suriname. Pozzolan-based cement, which offers enhanced properties to Portland cement, is still being tested by TCL on the domestic market.

Figure 7: Cement Production



Source: Trinidad Cement Limited

Box: 4 The Cemex Takeover Bid

In June 2002, Cemex S.A de C.V, one of the three largest cement companies in the world, through its subsidiary Cetacea Investments made an offer to the shareholders of Trinidad Cement Limited (TCL), to acquire 100 percent of TCL's total issued share capital at $7.15 per share. This price represented a premium of 42 percent over the closing price of TCL's stock as at June 21, 2002. The shareholders of TCL, however, rejected this offer through an extraordinary shareholders meeting held in July 2002.

Domestic Agriculture

Domestic Agriculture grew by 1.8 percent for the six month period ending March 2002. Significant contributors to this growth were Pork (29.3 percent) and Beef (11.1 percent), with more modest growth recorded for poultry (8.8 percent), Oranges (8.9 percent), Grapefruits (8.6 percent) and Milk (0.8 percent). The control of the Citrus Black fly was responsible for the increases in Citrus production, while production efficiencies accounted for increases in pork, beef and poultry. Over the period, production of table eggs registered a marginal decrease of 2.1 percent.

Production at Caroni (1975) Ltd increased over the period October 2001 to June 2002. However, production of milk, rum and rice decreased by 16 percent, 69 percent and 18 percent respectively. These decreases were offset by increases in the production of sugar, citrus and beef by 11.6 percent, 52.3 percent and 145.3 percent respectively.

Production in the Rum Division has been at a minimum because of activities related to the identification of a suitable private investor, while citrus production has been affected by the severe dry season of 2001, improper fertilisation practices and a delayed harvest.

The company's beef programme was seriously affected by the brucellosis disease, which required the destruction of existing stock. Insufficient replacement of dairy stock has continued to reduce the company's dairy production, while sheep operations have contracted.

Export Agriculture

Cocoa and Coffee

The Cocoa and Coffee Industry enjoyed mixed fortunes during the period October 2001 to March 2002. During this six-month period, production of cocoa beans increased by 33.7 percent or 936,000 kg, largely on account of favourable weather conditions. The production of coffee beans fell to 330,000 kg, a continuation of the declining trend in this industry in recent years, despite the fact that local demand for locally grown coffee has been outstripping domestic supply.

Sugar

Caroni (1975) Limited's sugar production grew to 101,078 metric tonnes for the period October 2001 to June 2002, an 11.6 percent increase from the previous period's output of 90.6 thousand metric tonnes and 1,234 tonnes greater than the targeted production of 99,844 tonnes.

Despite the increase in production in 2002, production levels were adversely affected by poor cane quality, resulting in very low sugar content and high levels of extraneous materials that sometimes reached as much as 20 to 30 percent of the weight of the cane delivered to the Brechin Castle factory. This severely affected the factory's milling and processing efficiencies. Production was also affected by poor factory maintenance arising out of ongoing financial constraints.

Export sales of sugar to the European Union and the United States for the period October 2001 to June 2002 was 60,321 metric tonnes. Foreign exchange earned from sugar exports totalled $154.6 million, 2.4 percent lower than the previous year and 2.6 percent lower than target of $158.7 million.

Caroni (1975) Limited sold 32,718 metric tonnes of sugar on the local market during the first six months of this year, comprising 26,440 metric tonnes of refined sugar and 6,278 metric tonnes of washed grey sugar. This total was, however, 6.6 percent less than local sales in the same period last year. The company earned $94.7 million from sales of sugar on the local market, 7.1 percent less than the amount earned in the six-month period ending June 2001.

A recent threat to the local sugar industry has been the alleged dumping of cheap sugar on the Trinidad and Tobago market by the Guyana sugar company (Guysuco), which is having a negative effect on Caroni's sales to local private businesses.

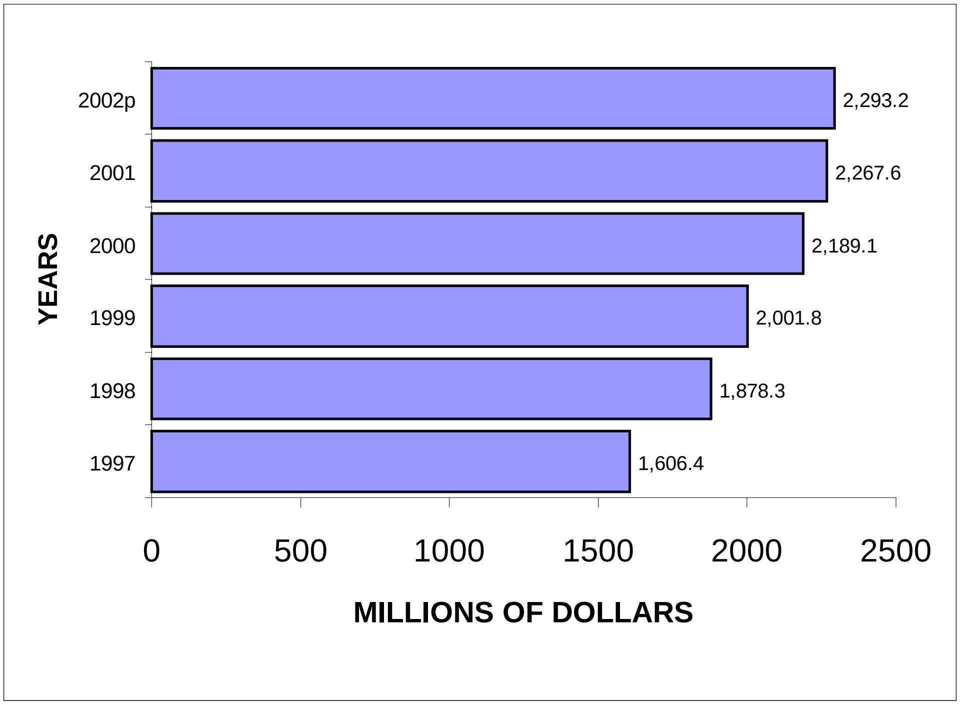
Manufacturing

The performance of the Manufacturing sector is expected to weaken during 2002 amidst concerns over the post September 11 global economic slowdown. During the period, under review widespread concerns were raised over foreign dumping, the high cost of obtaining business finance locally, the poor quality, high price and inconsistent supply of key primary inputs such as sugar and a possible loss of competitiveness. Manufacturers also participated in several trade missions to take advantage of existing bi-lateral trade agreements.

Trinidad and Tobago's Manufacturing sector is expected to show a marginal increase of 1.1 percent in real output during 2002 (**Figure 8**), a deceleration from the 3.6 percent that was recorded in the previous year. This sluggishness follows a 6.5 percent average growth rate over the past 3 years. The contribution of the sector to overall GDP is expected to decline slightly from 10 percent in 2001 to 9.8 percent in 2002. A slowdown in the other regional economies has also contributed to the weaker performance of the Manufacturing sector.

Three sub-sectors, Food Beverages and Tobacco, Chemicals and Non-metallic Minerals and Assembly Type and Related Industries, accounted for 80.5 percent of manufacturing activity. However, last year's decline in Food, Beverages and Tobacco, the major manufacturing sub-sector, is expected to continue through 2002, but at a reduced rate, with a projected decline of 2 percent from a 5.2 percent contraction in 2001. This decline is expected to somewhat offset much of the growth that is projected for the remaining sub-sectors and is influenced by the decision of Nestle Trinidad and Tobago limited to cease the local manufacture of some diary product lines in favour of the importation of the final product.

Figure 8: Performance of the Manufacturing Sector



Source: Central Statistical Office

In contrast, output in the Chemicals and Non-Metallic Minerals sub-sector, the second largest contributor is expected to expand by 4.6 percent, a reversal of the 1.5 percent decline recorded in 2001 and was largely driven by growth in the production of paints.

The third largest Manufacturing sub-sector, Assembly Type and Related Industries, is expected to expand by 1.2 percent. This performance, however, represents a marked slowdown from the strong performance of the sub-sector over the past 5 years.

Domestic exports by the Manufacturing sector for the first half of fiscal 2001/2002 is estimated at $1,170.1 million, a 15.6 percent increase from the 2000/2001 period and represents 11.4 percent of total domestic exports for the first six months of fiscal 2001/2002. In contrast, domestic imports by the Manufacturing sector were approximately $1,882.4 million for the period, or 22.9 percent of total domestic imports, a 23.6 percent increase over the previous year.

Tourism

During fiscal 2001/2002 the local Tourism Industry struggled with the triple impact of the September 11 attacks in the United States, the continued inadequate marketing of Trinidad and Tobago in the international tourist markets and insufficient international airlift to Tobago. This precipitated a fall-off in the number of tourists visiting the country and low occupancy rates at hotels and guesthouses throughout the country.

The Hotel and Guest Houses sub-sector, while recording negative growth of 1.3 percent in 2002 significantly improved from its sharp declines of 18.8 percent and 21.9 percent during 2000 and 2001 respectively.

Visitor Arrivals

Total visitor arrivals for the first three months of fiscal 2002 totalled 85,974 persons, 12,628 fewer than in the corresponding period of fiscal 2000/2001. Private home visits accounted for 55 percent of the total number of visits during the period, while 18 percent of all visits were for business purposes. Fifteen percent of all visitors to Trinidad and Tobago stayed at hotels, while 5 percent were accommodated at guesthouses.

Occupancy Levels

Preliminary data indicate a 48 percent overall occupancy rate at hotels and guesthouses throughout Trinidad and Tobago between January and March 2002. This represented a 4 percent decline over the same period of the last year. Second class hotels[11] achieved the highest average occupancy rate for the industry at 59 percent, 4 percent higher than in the previous period and the only accommodation category to register an increase. First class hotels maintained their average occupancy levels at 44 percent. Small guesthouses and condominiums and apartments experienced lower occupancy rates of 57 percent and 49 percent respectively, representing a 7

[11] The Central Statistical Office categorises Hotels and Guest Houses according to the number of rooms each provides. First Class Hotels are those with 100 or more rooms, Second Class Hotels have between 40 and 100 rooms and Third Class Hotels have fewer than 40 rooms.

percent decline for each category. Third class hotels registered a small decrease of 1 percent in its occupancy rate from 42 percent in the previous period. Large guesthouses experienced the lowest average occupancy rate at 39 percent, a 12 percent fall from the previous period.

Cruise Ship Arrivals

During the October 2001 to April 2002 period a total of 101 cruise ships visited Trinidad and Tobago, 28 less than the corresponding period of 2000/2001. Of these, 76 vessels docked in Trinidad, a decline of 7.3 percent, while 25 vessels visited Tobago, a 46.8 percent decline.

The reduction in the number of cruise ships translated into a 33.1 percent fall-off in the number of cruise ship passengers visiting the country, with 61,767 cruise arrivals between October 2001 to April 2002 compared to 92,312 arrivals during the similar 2000/2001 period. The fall in cruise arrivals was more pronounced in Trinidad, moving from 81,240 persons to 53,377 persons, a 34.3 percent decrease, while Tobago experienced a decline of 24.2 percent or 2,682 visitors.

Approximately 35 percent of cruise arrivals between October 2001 and March 2002 were from the United States, 25 percent from Germany, 20 percent from Great Britain and 6.5 percent from Canada.

Yachting Arrivals

Yachting arrivals also declined during the first seven months of the fiscal year, with a total of 1,287 yachts visiting the country as opposed to 1,438 in the preceding period. Of these, 1,056 yachts harboured in Trinidad and 231 in Tobago, representing declines of 8.9 percent and 17.2 percent respectively over the corresponding period of fiscal 2000/2001.

Tobago Airlift

There has been a relative easing of the airlift shortage in Tobago since the beginning of the fiscal year, with the recommencement in November 2001 of the Condor service between Germany and Tobago, the commencement in December 2001 of the Monarch service from London to Grenada and Tobago, the continuation of British Airways flights to Tobago and the introduction of a Caribbean Star service between Barbados and Tobago and between Trinidad and Tobago. Further expansion of both international and domestic airlifts to Tobago is expected early in the next fiscal period, including a twice-weekly flight between Tobago and Washington DC.

Construction

Preliminary estimates suggest a slowing in the rate of growth in construction and quarrying activity during 2002.

The value of economic activity in the sectors is expected to increase during 2002 to $2,248.1 million from $2,206.9 million in 2001 and represents a growth rate of 1.9 percent, well below the 4.9 percent average that obtained over the past three years. The slower growth rate resulted in a 0.1 percent fall in the sector's contribution to GDP to 9.6 percent (Appendices 1 and 2).

The weaker performance of the Construction and Quarrying sector can be attributed to a reduction in the number of large public sector development projects under the Government's Public Sector Investment Programme which was precipitated by the need to curtail expenditure in the face of reduced oil revenues during the first half of the fiscal year and the completion of several private sector-led mega-projects in the Energy sector.

The commencement of several major public sector construction projects during the last quarter of the fiscal year is, however, expected to bolster overall construction activity.

THE FINANCIAL SECTOR

▪ **Central Bank**	▪ **Credit and Interest Rates**
▪ **Exchange Rate**	▪ **Non-Bank Financial Institutions**
▪ **Money Supply and Liquidity**	▪ **Capital Markets Activity**

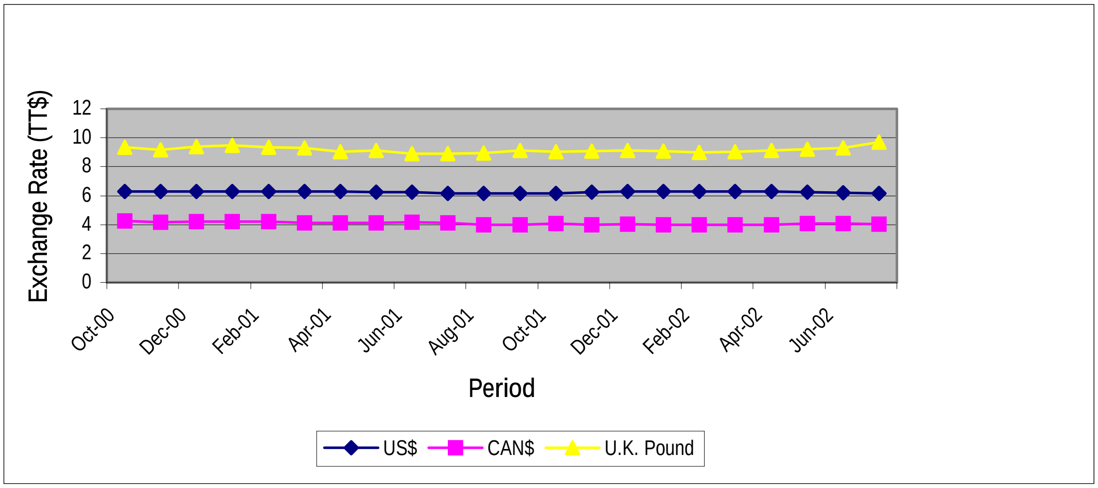
Central Bank of Trinidad and Tobago

In an effort to improve the efficiency of its monetary policy, the Central Bank introduced a monetary policy framework, which features an announced overnight interest rate for Central Bank repurchase activities. This new Repo Rate was set at 5.75 percent, with a reverse rate of 50 basis points lower, at 5.25 percent. In response to the sluggish domestic demand and a strong Trinidad and Tobago dollar, the Central Bank in August 2002 reduced the Repo Rate to 5.25 percent from its initial 5.75 percent. This rate will be used by the Bank to provide overnight liquidity to the banking system and it is expected to influence short term or money market rates in the system and longer-term interest rates to a lesser extent.

Exchange Rate

The Central Bank's intervention in the foreign exchange market for the period under review was minimal given the strength of the Trinidad and Tobago dollar. There was a decline in the local currency value in the third quarter of 2001 due mainly to falling oil and gas prices and reduced external demand for Trinidad and Tobago energy products and tourism services. This, coupled with the high liquidity in the system, saw an appreciation in the exchange rate, to TT$6.14 to US$1.00 at the end of September 2001. By the fourth quarter of 2001, however, there was some pickup in the demand for foreign exchange, which prompted the Central Bank to sell a net total of US$25 million to the commercial banks, with another US$70 million in the first quarter of 2002. These injections contributed to a depreciation of the exchange rate to TT$6.29 to US$1.00 by December 2001, a trend which continued into 2002, with a first quarter average of TT$6.29. Since March 2002, the Trinidad and Tobago dollar has steadily appreciated and stood at TT$6.16 at the end of August 2002 (Appendix 13).

Figure 9: Weighted Average TT$ Exchange Rate for the US$, Can$ & the U.K Pound



Source: Central Bank of Trinidad and Tobago

This appreciation of the Trinidad and Tobago dollar against the United States dollar could be another effect of falling credit in the system as it is indicative of a decline in United States dollar demand, inclusive of borrowing. While this could be an indication of a reduction in the purchase of United States dollars by manufacturers, resulting from a slowdown in productive activity/trade with the United States, the pound sterling and the Canadian dollar exhibited similar trends over the period, moving from an average of TT$9.19 from October 2000 to July 2001 to TT$9.17 in the current comparative period for the pound and from TT$4.17 to TT$4.02 for the Canadian dollar. These movements have raised concerns about the effects on the terms of trade and the competitiveness of this country's non-energy sector. These movements have, however, had no apparent impact on the competitiveness of the Trinidad and Tobago economy (Figure 9).

Money Supply and Liquidity

The money supply, as represented by narrow money[12] increased significantly over the period under review. While there appeared to be some deceleration in the first quarter of 2002, the money supply grew to $6,134.6 million at the end of June 2002 from $4,515.4 million at the end of June 2001 (Appendix 14).

The growth in the money supply was largely influenced by the strong growth of demand deposits, which represented 78 percent of narrow money for the period October 2001 to June 2002. Currency in active circulation increased by 10 percent over the previous reporting period.

With the increased money supply, there were unusually high levels of liquidity in the system. There has been much debate about the prevailing liquidity conditions, but the liquidity indicator as measured by the liquid assets of commercial banks as a percentage of deposit liabilities, averaged 24.7 percent for the period October 2001 to July 2002, a 4.3 percent fall from its average for the previous corresponding period (Appendix 15). This indicator trended downward in 2002, from a period high of 29.9 percent in December 2001. The liquidity situation was, however, seen as serious, given a growing level of uncertainty in the system. The growth of the Energy sector and increased Government spending and financing over the last half of 2001 could account for some of the extra liquidity in the system.

The fact that the Government had almost reached its borrowing limit, exacerbated liquidity conditions, as there were few alternatives for sterilising the system. While the problem of excess liquidity is not unique to Trinidad and Tobago and appears to be affecting financial sectors globally, it placed some pressure on the Central Bank's Open Market Operations over the period. Consequently, to assist in "mopping up" the excess liquidity in system, the Central Bank issued a significant amount of Treasury Bills and Treasury Notes in the first half of 2001. By April 2001, however, the Central Bank having reached the $3 billion limit for the issue of Treasury Bills started issuing its own notes.

For the period October 2001 to June 2002, the Central Bank issued a net total value of $1,754.6 million of its notes in the market and by the end of June had almost reached its $2 billion limit.

The liquidity pressure has also had some adverse effects on the Treasury Bills discount rates, which fell from an average of 6.1 percent in January 2002 to 4.6 percent by July. Despite this

[12] Defined as currency in active circulation plus demand deposits

significant drop in the Treasury Bills rates, the excess liquidity situation had not abated, as was evident by the increasing levels of special deposits or balances at the Central Bank in excess of the reserve requirement.

Credit and Interest Rates

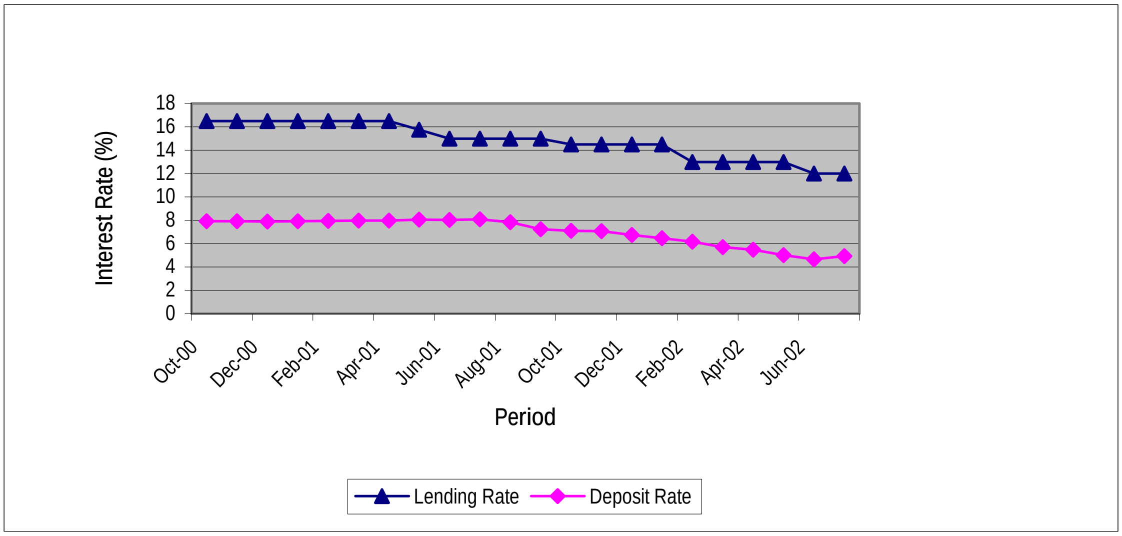
There were four reductions in the median prime-lending rate over the period under review; largely due to the high liquidity situation and excess reserves held by commercial banks. (Appendices 16 and 17 and Figure 10).

The first announced decline was in December 2001 to 14.50 percent from 15.00 percent in September. In March 2002, the commercial banks again announced interest rate cuts to 13.00 percent, with a further decline to 12.00 percent in July 2002. A reduction in the Central Bank's Repo Rate in August 2002 initiated a further reduction by 50 basis points to 11.5 percent, with effect from September 2002.

The unprecedented declines in the prime-lending rate have not stimulated credit levels in the system. Overall growth in credit was sluggish with bank credit to the public sector growing faster than credit to the private sector. It appears that traditional borrowers were not attracted to the market because of their ability to access cheaper alternatives, while access by the non-traditional type borrowers continued to be constrained by the rigid credit requirements of the commercial banks.

As a consequence, the volume of Trinidad and Tobago dollar deposits at commercial banks increased significantly over the period from $18,646.0 million at the end of June 2001 to $21,476.5 million by June 2002. Demand deposits had the largest increase of 34 percent, while time deposits posted more modest growth.

Figure 10: Commercial Bank Lending and Deposit Rates (TT$)



Source: Central Bank of Trinidad and Tobago

Deposit interest rates followed a similar downward trend to lending rates, with the weighted average for TT dollar deposits of 7.09 percent in October 2001, declining to 4.93 percent by July 2002. In spite of these prevailing conditions, there appeared to be no risk of capital flight, since international deposit interest rates were also depressed over the period. The United States dollar deposit interest rate was higher in Trinidad and Tobago than in the United States, with a weighted average of 5.54 percent for the period October 2001 to May 2002, as opposed to the 4.3 percent rate that prevailed in the United States. This rate continued to fall in Trinidad and Tobago and stood at 3.89 percent at the end of July. Depressed deposits coupled with the high level of uncertainty in the Trinidad and Tobago market may have influenced many investors to divert their excess cash into safer Government paper, an action that would directly account for the Central Bank reaching its limits for Treasury Bills and Central Bank paper so quickly. Other investors may have chosen to invest in alternative, more risky, high yielding investments, due to the continued decline in deposit interest rates.

Table 5: Mortgage Loans

		Disbursements			Loans Outstanding				
		Businesses	Consumers	Total	Commercial	Trust & Mortgage Finance Companies	Finance Companies	Mortgage Finance	Total
1997		15595	47050	62645	856	1,752	47	744	3,399
1998		26483	28237	54720	844	1,962	59	775	3,641
1999		72894	74100	146994	817	2,170	63	823	3,873
2000	I	66601	44170	110771	808	2,199	65	823	3,894
	II	50609	63860	114469	803	2,254	63	873	3,993
	III	163779	69182	232961	805	2,407	64	927	4,203
	IV	41756	83461	125217	733	2,487	43	943	4,206
2001	I	99475	57641	157116	712	2,623	44	953	4,331
	II	65407	47302	112709	745	2,690	46	987	4,467
	III	68514	63044	131558	756	2,619	43	998	4,416
	IV	68903	87591	156494	765	2,679	139	1,034	4,617
2002	I	115120	55991	171111	792	2,734	48	1,072	4,646
	II	95593	96792	192385	781	2,805	49	1,071	4,706

Source: Central Bank of Trinidad and Tobago

Non-Bank Financial Institutions

Deposits in the Non-bank Financial Institutions (NFIs) followed a similar trend to that of the commercial banks and grew from $6,307.5 million at the end of June 2001 to $6,381.3 million by June 2002.

Deposit interest rates on Trinidad and Tobago dollar deposits at the NFIs also trended in tandem with commercial bank interest rates and moved downward from the fourth quarter in 2001 to second quarter 2002. For NFI's as a group, which includes the Trust and Mortgage Companies and Finance Companies and Merchant Banks, the deposit interest rate moved from 9.75 percent for the period October 2000 to June 2001 to 7.26 for October 2001 to June 2002. There was a less pronounced fall in lending rates for the NFI's, moving from 11.81 percent for the period October 2000 to June 2001 to 11.16 percent in the current period. On the other hand, foreign currency lending rates, fell by 1.1 percent. The slowdown in credit activity in the financial system was not isolated to the commercial banks, since the fall in foreign currency lending rates in the NFIs had no marked effect on credit activity by these institutions.

Box: 5: Trinidad and Tobago Central Depository

During this fiscal period, the Trinidad and Tobago Central Depository was formally opened and will enable investors to settle transactions through a computerised book entry system.

This new system will facilitate the change of ownership of securities electronically, without the need for the exchange of physical documents.

The Depository will therefore remove the requirement for settling transactions through the delivery of certificates, which in the past had the potential for errors and misplacement.

Mortgage interest rates followed a similar trend to other interest rates and fell to as low as 6 percent. Significant decreases were initiated by the Home Mortgage Bank, which reduced its mortgage rate from 12 percent to 10 percent, with effect from September 2002 and the Trinidad and Tobago Mortgage Finance Company, which reduced rates to as low as 6 percent for first time homeowners. Mortgage loans outstanding for Trust and Mortgage Companies increased by 0.9 percent for the period October 2001 to June 2002 from the previous comparative period. Mortgage loan disbursements also increased by 70.7 percent, with the largest disbursements in consumer mortgages, followed by that of incorporated businesses (Table 5).

Capital Markets Activity

Securities and Exchange Commission

Over the review period there were some administrative improvements at the Securities and Exchange Commission (SEC). With the knowledge that investors judge market security by the level of transparency, information disclosure and regulatory standards, the SEC has taken a definite step to upgrade its legislation to meet the challenges of the changing securities environment and to improve the concentration of investments in our market. Consequently, as part of its development programme, the Commission recently invited tenders for the revision of its securities legislation. The period also marked Trinidad and Tobago's first involvement in hosting the Council of Securities Registrar of the Americas (COSRA)[13] meeting in February 2002. This meeting was attended by regulators from the Caribbean and Latin America and focused on transparency, regulatory practices and other issues related to international standards and best practices. While there appears to be some slowdown in the securities market, this has not impacted on the number of new registrants in the industry as the SEC registered thirty two new companies over the period. To date the SEC has one hundred and thirty four registrants under its purview.

Equities

There was minimal primary market activity over the period under review, with the Trinidad and Tobago Stock Exchange listing only one new company, FNCU Venture Capital Company on October 17, 2001 (Appendix 18).

In the secondary market, while there was some slowdown in activity near the end of fiscal 2000/2001, market activity surged by November 2001, the stock market was trading 16.9 million shares; the strongest volume for the period. In December 2001, there was some increased speculation by would-be investors following the general elections and the political uncertainty that ensued. This resulted in a 48 percent fall in share volume traded from November to January, non-inclusive. This downward trend in traded volume has continued into 2002. Conversely, share prices have increased consistently over the period, moving from an average of 432.9 for October 2000 to June 2001 to 447.1 for the current comparative period. Prices continued to grow in the third quarter of 2002, reaching a period high of 488.6 for the month of September.

Despite these market fluctuations, the overall volume of shares traded for the period October 2001 to June 2002, was 95.3 million, from 63.4 million in the previous comparative period. The market

[13] International body of regulators

value of these shares also increased in excess of 60 percent and totalled $990.5 million, as at June 2002. By September 2002, the volume of shares traded reached 111.0 million, with a market value of $1,132.5 million.

On the second tier market, there was no activity from the newly listed FNCU Venture Capital Company. On the other hand, while there were no pronounced movements in the volume of shares traded by Moraven over the period, its share price increased by approximately 170 basis points from $3.38 to $5.17 per share during the period March to May 2002. Market analysts have blamed the slowdown in the equity market on the very liquid market conditions and a prevailing level of uncertainty.

Bonds

Secondary market bond activity decreased for the period under review. Stock Exchange information indicates that bond market turnover was limited for the period ending June 2002, with a total of two Trinidad and Tobago dollar transactions valued at $613.5 thousand. There were nine United States dollar transactions, with a traded market value of US$5 million, 32 percent less than its nominal value.

Central Government bond issues reached approximately $1.1 billion for fiscal 2001/2002. Of this total $274 million represents the partial refinancing of the existing Maximum Security Prison loan, $31 million for the Integrated Human Resource Information System (IHRIS) for the public service; the final project under the Fincor III Facility and $800 million for budgetary financing.

In respect of the Statutory Authorities, the value of bonds issued was $1.0 billion. Of this sum, $129 million represents additional financing for the Piarco Airport Development Project and $885 million was utilised by WASA for developmental projects and the refinancing of existing loans.

The bulk of the public sector borrowings for this fiscal year was undertaken by the State Enterprises sector.

Mutual Funds

Over the period under review the liquidity pressure on the market has affected the yields on money market instruments. The total fund balance for the Unit Trust Corporation, RBTT Bank, Republic Bank Limited and First Citizens Bank was in excess of $8.5 billion. While the money market funds performed creditably, the Income and Growth funds of the major players suffered huge repurchases over the period, registering several months of negative net sales balances.

Despite market conditions, First Citizens Bank recorded a 74.3 percent growth in its Abercrombie Fund for the period October 2001 to June 2002. However, because of the large volume of repurchases, the Fund had a net sales position of $183.7 million, a 16.5 percent decline from the previous period. RBTT's money market fund also grew over the period from $1,253.0 million for the period October 2000 to June 2001 to $2,544.5 million in the current comparative period. RBTT, however, had a positive improvement in its net sales by almost 800 percent. Republic Bank also enjoyed 37.3 percent growth in its fund value, but had a decline in its net sales position to $253.2 million for October 2001 to June 2002, from $385.4 million in the corresponding period of fiscal 2000/2001. The Unit Trust Corporation's money market fund size was the largest and averaged $3,134.0 million for the period October 2001 to June 2002. Overall, the patterns of the funds indicate that while there were large deposits, there were correspondingly large repurchases as market confidence weakened. Fund managers also indicated that they were refusing very large deposits because of the prevailing market conditions, which provided limited investment instruments for channelling these funds.

United States dollar money market funds were the most buoyant for the period, with an estimated 90 percent growth, recording a balance of $1.2 billion for the Unit Trust Corporation and RBTT, the market leaders for this fund type. Returns moved in tandem with general interest rate trends for the period and fell from an average of 8 percent in January 2002 to 7 percent by June 2002. Over the period, the local United States dollar deposit rate was consistently higher than rates in the United States, which could account for the significant growth of this type of fund. The Trinidad and Tobago dollar money market funds suffered sharper declines in their rates of return, moving from an average of 10 percent in the previous reporting period to an average of 7 percent in fiscal 2001/2002. These returns were, however, still higher than bank deposit rates.

Equity funds on the other hand suffered declining balances for the first quarter of the period, a result of the sluggishness in the local stock market. By January 2002 there was a turnaround in the market. This turnaround, however, was not enough to negate the earlier downturn and the net effect was low returns on the major funds by the UTC, RBTT and RBL. RBTT's Income and Growth Fund and RBL's Caribbean Equity Fund suffered negative net sales positions for the period October 2001 to June 2002, of $44.2 million and $3.3 million respectively and a 15.7 percent and 1.1 percent decline in their respective net asset positions. The UTC also suffered a negative net sales position of $14.8 million in its Income and Growth Fund but recorded a positive net position of $17.6 million on its Universal Retirement Fund for the period October 2001 to June 2002. The Income and Growth Fund grew modestly for the period, while the Universal Retirement Fund grew consistently, reaching $1,496.4 million at June from $802.6 million in October 2001.

Other developments include the UTC's introduction in the first quarter of fiscal 2001/2002, of its Student Investment and Protection Plan (SIPP), a part of the Income and Growth Fund/First Unit Scheme. The SIPP is designed to provide investment and insurance coverage for children until the age of 18. In June of this year, the UTC also launched its first debit card called the "Fund Card".

Box: 6: Credit Unions

There are approximately eighty credit unions in the Credit Union League, however, there are a number of other credit unions, including some denominational credit unions, which are not part of the Credit Union League. As at December 2001, the total asset of the league was $2.7 billion, total loans $4.2 billion, total deposits $238 million and total equity $1.8 billion. The Credit Union industry is regulated by the Cooperative Development Division, which currently falls under the purview of the Ministry of Labour and Small and Micro Enterprises. There is also a Credit Union Supervisory Unit in the Ministry of Finance, which was established under an Inter-American Development Bank sponsored Credit Union Strengthening Project, designed to supervise and regulate the financial operations of credit unions. This project also aims at developing legislation to govern the financial operations of credit unions and comprises members from the Ministry of Finance, Cooperative Development Division, Cooperative Credit Union League and the Central Bank of Trinidad and Tobago.

CENTRAL GOVERNMENT OPERATIONS

- **Revenue**
- **Expenditure**
- **Financing**

The 2001/2002 Budget was predicated on an oil price of US$22 per barrel, with an expected revenue outturn of $15,801.5 million, a targeted expenditure of $15,798.5 million and a small surplus of $3 million. Preliminary data indicate that, for fiscal 2002, Central Government operations surpassed the original targets with a $68.9 million surplus. (Appendices 19 and 20).

Revenue

For the fiscal year, total revenue collections is estimated at $14,025.2 million; $1,776.3 million short of the budgeted target and $355.8 million lower than the revenue collections for fiscal 2001.

This weaker revenue performance is linked directly to a significant decline in tax revenue, which for the year, amounted to $11,486.9 million; $1,005.9 million lower than the budgeted figure and $676.0 million lower than tax receipts in the previous year.

Lower-than-budgeted receipts from oil companies was the most significant contributor to the poor revenue outturn during the fiscal year. The decline in oil prices in the first and second quarters of 2002 was exacerbated by an unanticipated level of capital allowance claims by the oil companies as well as write-offs of expenditure incurred by these companies in the drilling of new wells which turned up dry holes. As a consequence, receipts from oil companies for the year has been estimated at $2,033.9 million, approximately 24 percent less than budgeted and $796.8 million less than the previous year.

Tax receipts from individuals exhibited significant improvement over the original projections and is estimated at $2,671 million for fiscal 2002. This performance also compares favourably to the $2,389.5 million recorded in the previous year and has been mainly attributed to improved compliance by employers in calculating and remitting PAYE obligations for their employees, a result of the new requirement for the non-filing of tax returns by persons in receipt of employment income only. The apparent improvement in compliance has also been attributed to greater efficiencies by the Board of Inland Revenue, in monitoring, assessing and collecting individual income taxes, as well as the increased penalties for the non-filing of returns from 15 percent to 20 percent.

Taxes on goods and services fell short of the budgeted target by $88.8 million. However, at $3,814.6 million for the fiscal year, receipts from this source were approximately $389 million more than collections in the corresponding period of fiscal 2000/2001. Of the total receipts under goods and services, more than 65 percent represents collections of Value Added Tax.

Collections from Motor Vehicle Taxes continued its downward trend falling from $216.4 million in fiscal 2000/2001 to $209 million in fiscal 2001/2002, reflecting the continued reductions in the registration of locally assembled semi and completely knocked down foreign used vehicles.

During the year an additional $82.7 million was deposited into the green fund.

Despite the lower-than-budgeted oil prices, no financing withdrawals were made from the Revenue Stabilisation Fund during the year.

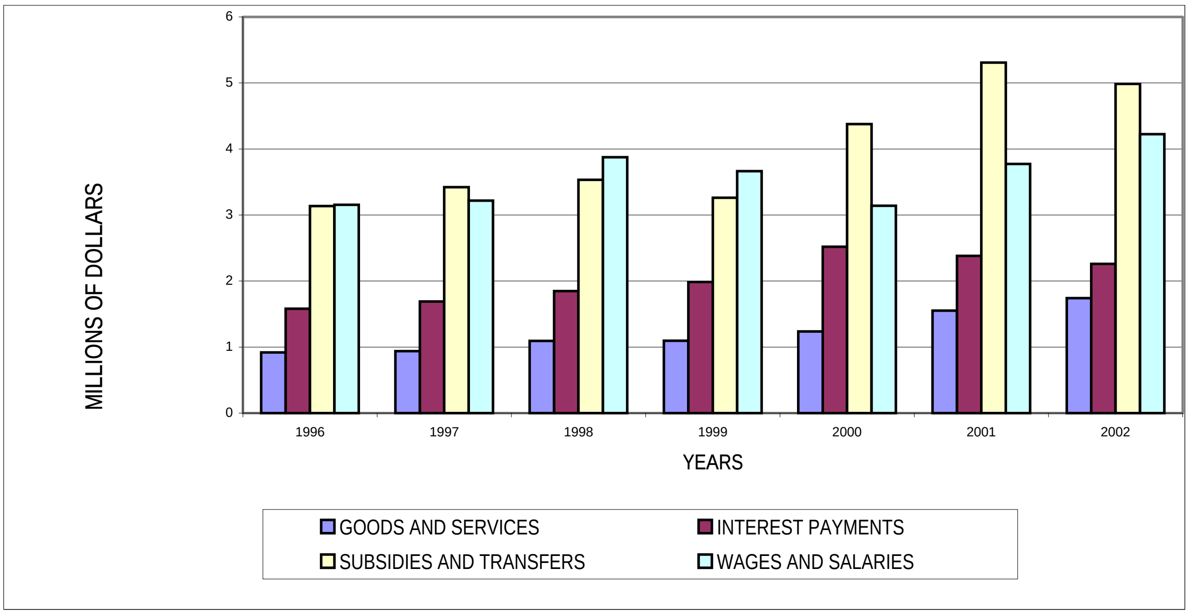
For the fiscal year non-tax revenue was $262.0 million higher than fiscal 2001. This performance however, fell short of the budgeted amount by $627.1 million, largely representing the lower than anticipated receipts from all items under this category. When compared to the corresponding figures for fiscal 2001, profits from non-financial and financial state enterprises improved significantly by 111.8 percent or $439.4 million. This largely represents improvements in remittance of dividends by State Enterprises to the Central Government during the year.

Capital receipts increased from $224.4 million in fiscal 2000/2001 to $290 million in fiscal 2001/2002. Of this amount, $250 million represented receipts from Government's second public offering of National Enterprises Limited (NEL) shares in September 2002.

Expenditure

For fiscal 2002, Total Expenditure and Net Lending of the Central Government reached $13,956.3 million, of this amount; recurrent expenditure was $13,213.3 million or 94.7 percent of total expenditure. Capital Expenditure and Net Lending accounted for the remaining $743 million (Figure 11).

Figure 11: Recurrent Expenditure: Major Components



Source: Ministry of FInance

Between fiscal 2001 and 2002, the Central Government wage bill increased by $451.8 million to $4,224.7 million. Expenditure on goods and services also increased by $189.8 million to $1,742 million at the end of fiscal 2002. With the exception of these two categories of expenditure, all of the other categories exhibited reductions. Interest Payments fell by $106.5 million in fiscal 2001/2002 to $2,259.5 million, while Subsidies and Transfers, the largest component of Recurrent Expenditure, fell by $322.6 million to $4,987.2 million.

For the fiscal year, Capital Expenditure and Net Lending was reduced by $230.3 million reflecting a significant contraction in the development programme. This performance reflects some capacity and implementation constraints as well as expenditure restrain by Government.

Financing

Given the current favourable domestic borrowing climate relative to the international markets, budgetary financing was primarily sourced on the domestic market in fiscal 2002. Consequently, at the end of the year, net domestic finance was $113.8 million. In addition, at the end of the fiscal year, the Central Government recorded a net external outflow of $182.7 million as Government made external capital repayments amounting to $423.3 million (Appendix 21).

PUBLIC DEBT AND DEBT SERVICING

- **Central Government Debt**
- **Contingent Liability on Guaranteed Debt**
- **Debt Servicing**

During fiscal 2002, the Public Debt Stock rose by 3.5 percent to $29.8 billion, from a 1.6 percent increase between fiscal years 2000 and 2001 (Appendix 22).

Of the total Public Sector Debt Stock, $20.3 billion represents Central Government debt, while the remaining $9.5 billion comprises Central Government Contingent Liability on Guaranteed debt.

Central Government Debt

Overall Central Government debt increased by a marginal 1.2 percent over the previous year. Particularly on account of a 5.6 percent increase in domestic debt, from $10.3 billion in fiscal 2001 to $10.9 billion in fiscal 2002. External Debt, however, fell by $0.331 billion. Additional debt raised on the domestic market by the Central Government during fiscal 2002, amounted to $856 million. This was partially offset by amortizations during the year, with a net increase in the Central Government's domestic debt of $577 million.

The external debt of the Central Government fell by 3.4 percent from $9.7 billion in fiscal 2001 to $9.4 billion this fiscal year. Despite significant reductions in the US interest rates, no new eurobonds were sourced on the international markets.

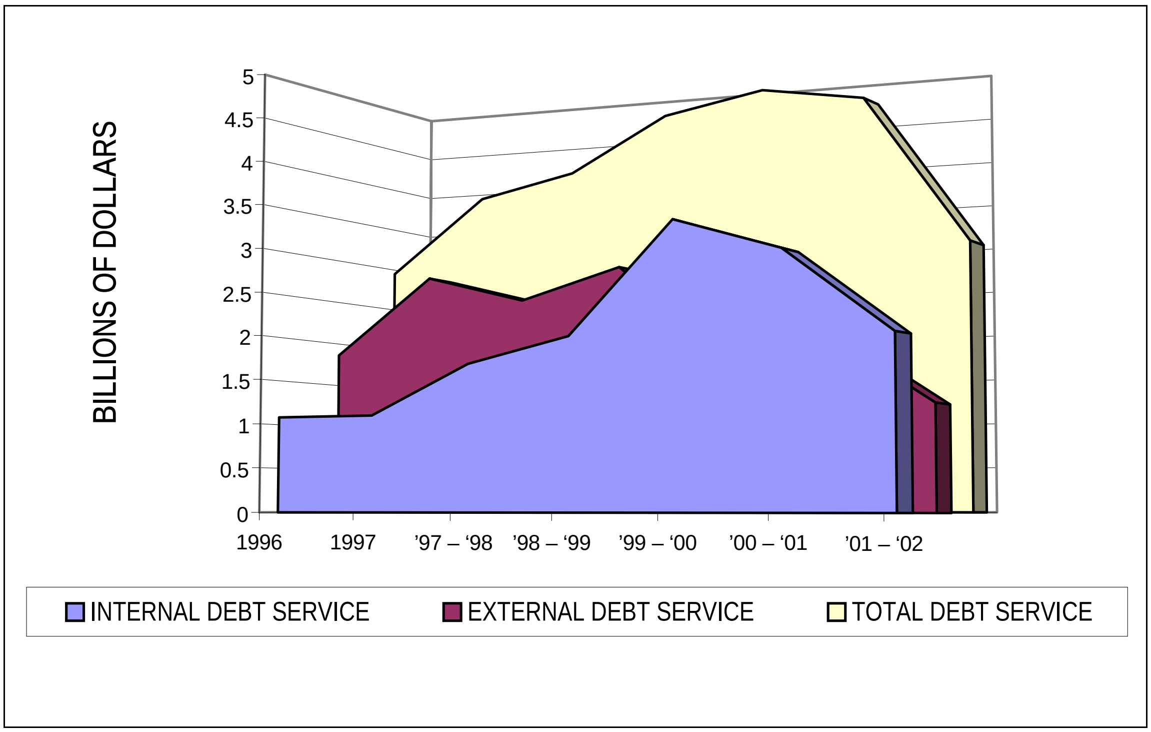
Contingent Liability on Guaranteed Debt

The Central Government Contingent Liability on Guaranteed Debt reflects an increase of 8.9 percent in fiscal 2002, to close the year at $9.5 billion. Loans secured by the Airport Authority of Trinidad and Tobago for the Airports Development Project and by the Water and Sewerage Authority totalling $129.1 million and $548.9 million, were significant contributors to this increase.

Debt Servicing

The debt service obligations of the Central Government decreased by 36 percent from $4.7 billion to $3.0 billion during fiscal 2001/2002. This decline has been attributed to a 33 percent reduction in the internal debt service, largely on account of the Government's 2001 restructuring exercise, which involved the refinancing of loans totalling $701 million, plus repayments of $498 million on the final tranche of the two-year emolument bonds for public servants, which matured on January 31, 2001(Figure 12) .

Figure 12: Central Government Debt



Source: Ministry of Finance

The Government's external debt service obligations also decreased by 41 percent to $1.2 billion. This decrease is primarily due to the repayment of a US$125 million Eurobond issue during fiscal 2001 and the fact that there was no repayments of similar magnitude during fiscal 2002.

STATE ENTERPRISES AND PUBLIC UTILITIES

- **Operating Surplus/Deficit**
- **Current Transfers from Central Government**
- **Capital Expenditure**
- **Capital Transfers from Central Government**
- **National Enterprises Limited**

For the period October 2001 to May 2002, the State Enterprises and Public Utilities sectors[14] generated a combined overall deficit of $55.8 million. Of this figure, State Enterprises recorded a deficit of $360.5 million, while the Utilities sector registered a surplus of $304.7 million. The overall deficit was mainly attributable to a decrease of $3,650.7 million in operating revenue from The National Gas Company Limited (NGC) and the Petroleum Company of Trinidad and Tobago Limited (Petrotrin).

Operating Surplus/Deficit

In the period following September 11, 2001, NGC's sales to North America fell. Commodity prices also remained low for the first semester of 2002, resulting in a revenue shortfall of $459.96 million. Caroni (1975) Limited also recorded a deficit of $222.1 million.

In addition to Petrotrin, which recorded an operating surplus of $241 million, other State Enterprises recording operating surpluses included the Trinidad Nitrogen Company Limited (Tringen), the Trinidad and Tobago National Petroleum Marketing Company Limited (NPMC) and the Trinidad and Tobago Mortgage Finance Company (TTMF) with $84.9 million, $82.7 million and $22.2 million, respectively.

For the period October 2001 to May 2002, the Utilities sector generated an operating surplus of

[14] Includes: Caroni; MTS; NFM; NGC; NHSL; NP; NQCL; Petrotrin; Plipdeco; Solid Waste Management Co. Ltd; TIDCO; TANTEAK; TRINGEN; TTMF; UDECOTT; Airports Authority; Port; and PTSC.

$304.7 million. Telecommunication Services of Trinidad and Tobago Limited (TSTT) was the main contributor to this, with a reported surplus of $568.79 million, followed by T&TEC with $46.1 million. Of the four remaining utilities, three recorded deficits for the eight-month period ended May 2002. These were, the Water and Sewerage Authority (WASA), the Airports Authority of Trinidad and Tobago (AATT) and the Public Service Transport Corporation (PTSC), with $204.7 million, $72.0 million and $37.0 million, respectively.

Current Transfers from Central Government

Total current transfers from Central Government to the State Enterprises and Utilities totalled $380.8 million for the period October 2001 to May 2002. Of this amount, State Enterprises received $237.3 million, with $146.3 million going to Caroni (1975) Limited. For the same period, four utilities received current transfers totalling $143.5 million, these were: AATT ($80.71 million); PTSC ($32.7 million); WASA ($19.4 million); and the Port Authority of Trinidad and Tobago (PATT) ($10.7 million). These amounts represented obligations due on bonds issued by these entities.

Capital Expenditure

Total capital expenditure by State Enterprises and Public Utilities for the period October 2001 to May 2002 amounted to $1,178.8 million, of which the State Enterprises spent $458.3 million, and the Utilities, $720.5 million. Among the State Enterprises, Petrotrin and the Tourism and Industrial Development Company Limited (TIDCO) accounted for the greater proportion of the capital outlays, which were largely associated with infrastructure works, joint ventures and plant expansion.

Among the utilities, TSTT recorded the highest expenditure of $463.3 million, with the AATT and WASA following with $84.1 million and $115.3 million respectively. The increased capital outlays were mainly utilised for infrastructure upgrades.

Capital Transfers from Central Government

For the period October 2001 to May 2002 net capital transfers from the Central Government to the State Enterprises and Utilities amounted to $173.6 million. This amount represented transfers to two State Enterprises; the National Maintenance and Security Limited (MTS) and TIDCO, with $61.9 million and $22.98 million respectively.

The Utilities received $78.0 million, with $44.5 million and $19.5 million going to the AATT and the PTSC respectively. These transfers represent debt service commitments.

National Enterprises Limited

The National Enterprises Limited (NEL), which was incorporated in August 1999, currently holds shares in four investee companies, National Flour Mills, TSTT, Tringen and NGC GGL Company Limited (NGC NGL).Agreements are being undertaken for NEL to acquire shares in NGC Trinidad and Tobago LNG Limited (NGC LNG). In February 2001, NEL successfully completed an initial public offering of fifty million shares and was subsequently listed on the Trinidad and Tobago Stock Exchange (TTSE).

In September 2002, a second offering of NEL shares was made and a total of 53.7 million shares were sold at a price of $4.75 per share. Pursuant to this sale, 19 percent of the company is now traded on the Stock Exchange.

TRADE AND PAYMENTS

- **Balance of Payments**
- **Foreign Reserves**
- **Balance of Visible Trade**
- **CARICOM Trade**

Balance of Payments

Trinidad and Tobago recorded a balance of payments deficit of US$3.7 million at the end of the first quarter of 2002. This deficit was the result of adverse movements in both the capital and current account. However, while the current account remained in surplus at US$148.1, the capital account, deficit widened to US$151.8 (Table 6).

Current Account

The external current account maintained a surplus position at the end of the first quarter of 2002, of $US148.1 million approximately 1.5 percent of GDP. This represented a

Table 6: Summary Balance of Payments (US$ million)

	1998	1999	2000	2001r	2002p
Current Account	-645.3	30.6	150.0	150.5	148.1
Merchandise	-743.0	63.6	278.3	66.9	125.5
Services	417.7	329.1	64.8	91.8	52.1
Income	-342.3	-399.9	-211.4	-31.3	-39.4
Transfers	22.3	37.8	18.3	23.1	9.8
Capital Account	725.9	131.5	-148.2	-148.7	-151.8
Official	-105.7	124.4	-117.1	-4.5	-20.2
State Enterprises	-5.7	-14.5	-2.3	-2.3	-2.3
Private Sector (including net errors & omissions)	837.3	21.6	-28.8	-141.9	-129.4
Overall Surplus/Deficit	80.6	162.2	1.8	1.8	-3.7
Change in Reserves	-80.6	-162.2	-1.8	-1.8	3.7
Memo items:					
Gross International Reserves	1,184.5	1,389.9	1,909.7	2,455.2	2,575.9
Import Cover (months)	4.4	4.5	5.8	7.3	7.8

Source: Central Bank
p: Provisional data for the quarter ending March 2002
r: Revised

marginal deterioration over the 2001 surplus of US$150.5 million, or approximately 1.7 percent of GDP.

Over the period, total merchandise exports rose by US$105 million, reflecting increases in the value of exports of mineral fuels, lubricants and chemicals. Imports also increased by US$46.3 million, largely a reflection of the continued importation of machinery and transportation equipment for the Energy sector.

Capital Account

In contrast to the current account, the capital account recorded a first quarter deficit of US$151.8 million. This represents a worsening of the US$148.7 recorded at the end of 2001. Under the capital account, inflows from disbursements on Central Government borrowings during the first quarter were limited to US$2.1 million. Principal repayments on existing external debt however, increased from US$9.7 million at the end of 2001 to US$22.3 million for the quarter ending March 2002. During the first quarter of 2002, direct investment capital inflows amounted to US$182.6 million, a decrease of US$124 million, when compared to US$306.6 million inflow recorded at the end of December 2001.

Foreign Reserves

At the end of third quarter of the current fiscal year, net foreign reserves stood at US$ 2,096.1 million. This represents an increase of US$205.4 million over the reserves position at the beginning of the fiscal year (Table 6).

The net foreign position of the commercial banks increased by US$115.6 million to US$ 147.8 from December 2001 to June 2002. Gross foreign assets[15] totalled US$ 2,575.9 million at the end of June 2002, the equivalent of 7.8 months of prospective imports of goods and services, a marginal increase over the 7.3 months of import cover recorded at the end of December 2001.

[15] The Gross foreign asset includes the foreign assets of commercial banks, Central Bank and Central Government.

Balance of Visible Trade

During the period October 2001 to April 2002 Trinidad and Tobago's visible trade balance was $3,379.6 million, from $4,168.0 million recorded in the corresponding period of 2000/2001. This reduced trade balance was on account of a 7.6 percent ($1,250.9 million) decline in exports, and a $462.5 million or 3.8 percent decline in imports (Appendix 25).

The decrease in total exports reflected declines in both mineral fuel exports and non-fuel exports, which fell by $559.4 million and $691.5 million, 5.4 percent and 11.1 percent respectively. Mineral fuels exports declined on account of a 96.1 percent reduction in exports under processing agreements (UPA), while the export of mineral fuels not under processing agreement (non-UPA) increased by 26.7 percent. The drastic fall in mineral fuel UPA exports was as a result of the expiration of processing agreement between Trinidad and Tobago and Venezuela.

Total imports during the period, also declined on account of a 26 percent decrease in mineral fuel imports from $3,821.4 million to $2,826.4 million, a result of a 25.6 percent fall in the import of mineral fuels non-UPA and a 51.6 percent decline in the import of mineral fuels UPA.

CARICOM Trade

Over the period October 2001 to April 2002, Trinidad and Tobago maintained a favourable trade balance with its CARICOM neighbours. Within this period, the country's trade surplus grew to $3,712.8 million when compared to the $3,214.4 million. Exports grew by a further 10.4 percent to a value of $4,042.8, while imports declined by a further 26.2 percent or $117.3 million, a trend, which has been evident for the past two years.

Trinidad and Tobago's main export items to the Region continued to be petroleum and petroleum products, including gasoline, gas oil and jet fuel, which, for the seven-month period ended April 2002, represented 68.8 percent of this country's trade surplus with the Region. (Appendix 24)

Box 10: Trinidad and Tobago's Trade Negotiations

Trinidad and Tobago is currently engaged in several trade negotiations, both at the regional and international levels. At the regional level, there are on-going discussions on the CARICOM Single Market and Economy. During the last fiscal period, this country, as part of CARICOM, successfully negotiated a bilateral trade agreement with the Dominican Republic. In the second quarter of 2002, TIDCO organised a trade mission to the Dominican Republic, to help create contacts and linkages for entrepreneurs interested in trading in that market.

Internationally, Trinidad and Tobago has continued negotiating as part of CARICOM, in the Free Trade Area of the Americas (FTAA) agreement. This country has also made a bid to host the permanent FTAA secretariat and have been marketing this country as an appropriate site. Under the World Trade Organisation (WTO), Trinidad and Tobago is currently preparing its requests for market access to other WTO states as well as assessing the requests received by other countries. Under the Cotonou agreement, ACP member states will be required, commencing September 2002, to negotiate free trade agreements with the European Union, representing a shift from the preferential treatment we once enjoyed, to reciprocity in trade. Accordingly, ACP members will eventually be required to give duty free treatment to goods form the EU.

Appendix 1
Gross Domestic Product of Trinidad and Tobago at Constant Prices
TT$ Millions

SECTOR	1997	1998	1999	2000	2001r	2002p
Gross Domestic Product	18,456.3	19,890.2	20,763.1	22,036.7	22,760.0	23,374.7
Petroleum	4,390.4	4,582.7	5,112.6	5,450.2	5,581.8	5,835.2
of which Petrochemicals	626.1	696.0	880.2	978.5	1,009.5	1,024.7
Non-oil	14,541.7	15,727.8	16,145.1	17,118.7	17,768.0	18,498.3
Agriculture	649.9	589.4	687.6	731.2	711.8	790.8
Export Agriculture	38.6	23.0	26.4	23.3	19.8	20.3
Domestic Agriculture	321.0	318.8	338.6	343.3	350.5	356.8
Sugar	290.3	247.6	322.6	364.6	341.5	413.7
Manufacturing*	1,606.4	1,878.2	2,001.8	2,189.1	2,267.6	2,293.2
Food Beverages and Tobacco	712.6	913.4	1,005.5	1,053.7	998.7	978.5
Textile, Garments & Footwear	23.5	19.9,	14.9,	14.0	15.6	14.8
Printing and Publishing	137.8	132.3	134.7	151.0	169.9	173.9
Wood & Related Products	102.0	112.7	103.6	98.5	100.6	103.8
Chem.& Non-metallic Products	335.2	371.2	384.9	453.3	446.7	467.2
Assembly Type Industries	220.0	232.2	258.2	298.6	397.2	402.1
Miscellaneous Manufacturing	85.3	96.6	100.0	120.0	138.9	152.9
Services	12,285.4	13,260.1	13,455.7	14,198.4	14,788.9	15,414.3
Electricity and Water	299.6	319.2	321.4	336.7	345.87	349.9
Construction and Quarrying	1,686.8	1,908.7	2,033.4	2,092.9	2,206.9	2,248.1
Distribution and Restaurants**	2,408.0	2,575.0	2,783.0	3,095.0	3,263.2	2,299.0
Hotels and Guest Houses	27.4	32.3	37.2	30.2	23.6	23.3
Transport, Storage & Comm.	2,248.8	2,662.1	2,635.9	2,862.1	2,961.0	3,237.5
Finance Insurance & Real Est.	1,798.8	1,834.6	1,876.7	1,971.0	2,082.0	2,204.2
Government	2,518.8	2,466.3	2,354.1	2,465.2	2,541.7	2,615.4
Education & Cultural Services	806.6	963.4	913.6	848.9	875.2	900.6
Personal Services	490.6	498.5	500.4	496.4	489.2	500.3
Corr. for imputed Service Charge	(475.8)	(420.3)	(494.6)	(532.2)	(589.8)	(958.8)

Source: Central Statistical Office
**Excludes oil refining and petrochemical industries*
***Excludes distribution of petrochemical products*
p: Provisional
r: Revised

Appendix 2
Gross Domestic Product of Trinidad and Tobago Constant Prices
(Percentage Change)

SECTOR	97/96	98/97	98/99	00/99	01/00r	02/01p
Gross Domestic Product	2.7	7.8	4.4	6.1	3.3	2.7
Petroleum	0.1	4.4	11.6	6.6	2.4	4.5
of which Petrochemicals	6.0	11.2	26.5	11.2	3.2	1.5
Non-oil	4.2	8.2	2.7	6.0	3.8	4.1
Agriculture	3.1	(9.3)	16.7	6.3	(2.7)	11.1
Export Agriculture	(5.9)	(40.4)	14.8	(11.7)	(15.0)	2.5
Domestic Agriculture	(2.1)	(0.7)	6.2	1.4	2.1	1.8
Sugar	11.0	(14.7)	30.3	13.0	(6.3)	21.1
Manufacturing*	13.9	16.9	6.6	9.4	3.6	1.1
Food, Beverages and Tobacco	19.3	28.2	10.1	4.8	(5.2)	(2.0)
Textile, Garments & Footwear	(19.2)	(15.3)	(25.1)	(6.0)	11.4	(5.1)
Printing and Publishing	4.2	3.5	1.8	12.1	12.5	2.4
Wood & Related Products	20.6	10.5	(8.1)	(4.9)	2.1	3.2
Chem.& Non-metallic Products	13.2	10.7	3.7	17.8	(1.5)	4.6
Assembly Type Industries	14.1	5.5	11.2	15.6	33.0	1.2
Miscellaneous Manufacturing	(3.4)	13.2	3.5	20.0	15.8	10.1
Services	3.1	7.9	1.5	5.5	4.2	4.2
Electricity and Water	8.5	6.5	0.7	4.8	2.7	1.2
Construction and Quarrying	1.0	13.2	6.5	2.9	5.4	1.9
Distribution and Restaurants**	13.5	6.9	8.1	11.2	5.4	1.1
Hotels and Guest Houses	(50.5)	17.9	15.2	(18.8)	(21.9)	(1.3)
Transport, Storage & Comm.	4.7	18.4	(1.0)	8.6	3.5	10.6
Finance Insurance & Real Est.	3.0	2.0	2.3	5.0	5.6	5.9
Government	(3.1)	(2.1)	(4.5)	4.7	3.1	2.9
Education & Cultural Services	(0.6)	19.4	(5.2)	(7.1)	3.1	2.9
Personal Services	0.9	1.6	0.4	(0.8)	(1.5)	2.3
Corr. For imputed Service Charge	(26.7)	11.7	(17.7)	(7.6)	(10.8)	(62.6)

Source: Central Statistical Office
**Excludes oil refining and petrochemical industries*
***Excludes distribution of petrochemical products*
p:Provisional
r: Revised

Appendix 3
Gross Domestic Product of Trinidad and Tobago at Market Prices (Current Prices)
TT$ Millions

SECTOR	1997	1998	1999	2000	2001r	2002p
Gross Domestic Product	33,521.2	36,925.4	40,349.0	48,173.5	52,529.1	57,918.5
Petroleum	9,130.9	7,027.5	9,635.4	15,703.4	16,421.0	15,206.9
of which Petrochemicals	1,775.0	1,275.9	1,253.7	2,327.5	2,889.0	2,208.5
Non-oil	26,646.9	31,321.7	32,962.0	36,945.8	41,332.0	44,482.6
Agriculture	777.4	783.4	830.3	838.2	806.4	900.1
Export Agriculture	37.5	19.5	33.2	25.2	21.4	22.3
Domestic Agriculture	384.0	410.6	399.3	405.9	417.3	428.1
Sugar	355.9	353.3	397.8	407.1	367.7	449.7
Manufacturing*	2,822.8	3,479.1	3,437.2	3,760.3	4,025.7	4,190.9
Food, Beverages and Tobacco	1,120.2	1,445.2	1,594.0	1,660.5	1,738.1	1,827.5
Textile, Garments & Footwear	66.9	66.9	87.3	82.7	91.4	87.1
Printing and Publishing	262.8	296.9	354.9	408.4	457.4	470.8
Wood & Related Products	101.7	130.1	150.7	153.5	153.7	154.6
Chem.& Non-metallic Products	417.0	529.5	527.7	648.9	649.9	673.4
Assembly Type Industries	664.2	832.5	471.2	528.5	607.3	597.9
Miscellaneous Manufacturing	190.0	178.0	251.4	277.8	327.9	379.6
Services	23,046.7	27,059.2	28,694.5	31,897.3	39,499.9	39,391.6
Electricity and Water	579.1	849.2	894.8	888.2	880.6	943.1
Construction and Quarrying	2,800.0	3,302.0	3,456.8	3,704.4	3,972.4	4,136.6
Distribution and Restaurants**	5,64.0	6,790.0	7,617.0	8,778.0	9,939.6	10,633.0
Hotels and Guest Houses	146.7	185.6	213.7	181.4	180.0	187.2
Transport, Storage & Comm.	3,314.7	3,489.1	4,075.9	3,887.2	4,855.8	5,893.4
Finance Insurance & Real Est.	5,039.2	6,156.6	1,435.1	7,228.6	1,730.2	1,921.2
Government	3,314.7	3,489.1	4,075.9	3,887.2	4,855.8	5,893.4
Education & Cultural Services	1,100.3	1,437.2	1,388.2	1,435.1	1,730.2	1,921.2
Personal Services	715.6	765.4	789.1	790.0	807.2	827.3
Corr. For imputed Service Charge	(1,373.4)	(1,410.0)	(1,677.0)	(2,075.6)	(2,536.1)	(4,314.8)
Add: Value Added Tax	1,624.0	2,153.9	1,946.0	1,889.5	2,225.0	2,543.8

Source: Central Statistical Office
**Excludes oil refining and petrochemical industries*
***Excludes distribution of petrochemical products*
p :Provisional
r:: Revised

Appendix 4
Gross Domestic Product of Trinidad and Tobago at Market Prices (Current Prices)
(Percentage Change)

SECTOR	97/96	98/97	98/99	00/99	01/00	02/01
Gross Domestic Product	4.1	8.5	9.7	21.3	10.4	0.8
Petroleum	(9.2)	(23.0)	37.1	63.0	4.6	(7.4)
of which Petrochemicals	(1.8)	(28.1)	(1.7)	85.7	24.1	(23.6)
Non-oil	10.9	17.5	5.2	10.7	13.3	7.6
Agriculture	7.8	0.8	6.0	1.0	(3.8)	11.6
Export Agriculture	(13.4)	(48.0)	70.3	(24.1)	(15.1)	4.2
Domestic Agriculture	(4.1)	6.9	(2.8)	1.7	2.8	2.6
Sugar	28.4	(0.7)	12.6	2.3	(9.7)	22.3
Manufacturing*	17.0	23.2	(1.2)	9.4	7.1	4.1
Food, Beverages and Tobacco	9.6	29.0	10.3	4.2	4.7	5.1
Textile, Garments & Footwear	13.2	0.0	30.5	(5.3)	10.5	(4.7)
Printing and Publishing	14.2	13.0	19.5	15.1	12.0	2.9
Wood & Related Products	33.8	27.9	15.8	1.9	0.1	0.6
Chem.& Non-metallic Products	18.7	27.0	(0.3)	23.0	0.2	3.6
Assembly Type Industries	23.6	25.3	(43.4)	12.2	14.9	(1.5)
Miscellaneous Manufacturing	39.4	(6.3)	41.2	10.5	18.0	15.8
Services	10.3	17.4	6.0	11.2	14.4	7.9
Electricity and Water	27.1	46.6	5.4	(0.7)	(0.9)	7.1
Construction and Quarrying	4.3	17.9	4.7	7.2	7.2	4.1
Distribution and Restaurants**	18.6	13.8	12.2	15.2	13.2	7.0
Hotels and Guest Houses	(34.2)	26.5	15.1	(15.1)	(0.8)	4.0
Transport, Storage & Comm.	5.1	20.6	(4.6)	14.8	17.0	(5.0)
Finance Insurance & Real Est.	21.5	22.2	3.4	21.9	14.7	11.0
Government	(2.5)	5.3	6.8	(4.6)	24.9	21.4
Education & Cultural Services	6.2	30.6	(3.4)	3.4	20.6	11.0
Personal Services	4.1	7.0	3.1	0.1	2.2	2.5
Corr. For imputed Service Charge	(54.1)	(2.7)	(18.9)	(23.8)	(22.2)	(70.1)
Add: Value Added Tax	14.9	32.6	(9.7)	(2.9)	17.8	14.3

Source: Central Statistical Office
**Excludes oil refining and petrochemical industries*
***Excludes distribution of petrochemical products*
p:Provisional
r: Revised

Appendix 5
Change in Prices, Productivity, Average Weekly Earnings and Wage Rates

	1998	1999	2000	2001	Oct 2000/ Mar 2001	Oct 2001/Mar 2002
Consumer Prices Sept. 1993 = 100	5.6	3.4	3.5	5.6	5.1	4.4
Index of Productivity All workers/all industries 1995=100	15.6	6.6r	5.3	8.2	10.6	15
Index of Average weekly Earnings All workers/all industries 1995=100	4.7r	4.8r	9.1	9.3	(2.2)	21.5
Index of Minimum Wage Rates Production and Ancillary workers 1976 = 100	2.4	1.6	2.6	na	2.0[1]	na

Source: Central Statistical Office
r: Revised
1: Relates to November 2000 and May 2001
na: Not available

Appendix 6
Population, Labour Force and Employment (Mid-year)

	1995	1996	1997	1998	1999	2000*	2001*	2002*p
TOTAL POPULATION	1,259,971	1,263,616	1,274,799	1,277,675	1,283,862	1,262,366	1,266,797	1,275,705
% change	0.8	0.3	0.9	0.2	0.5	0.5	0.5	0.5
TOTAL MALE	634,060	635,318	636,340	638,096	640,914	633,051	635,299	639,766
% change	0.7	0.2	0.2	0.3	0.4	0.4	0.4	0.4
TOTAL FEMALE	625,911	628,298	638,459	639,579	642,948	629,315	631,498	635,939
% change	1.0	0.4	1.6	0.2	0.5	0.5	0.5	0.5
Dependency Ratio (%)	54.2	52.0	50.2	48.62	46.8	46.8	46.8	46.8
Non Institutional Pop. 15 yrs and over	864,900	876,700	896,600	913,400	961,061	936,600	949,875	958,100
Labour Force**	521,000	530,400	541,000	558,700	563,400	572,800	576,450	585,800
Persons Employed	431,500	444,200	459,800	479,300	489,400	514,075	514,075	521,100
Persons Unemployed	89,400	86,100	81,200	79,400	74,100	62,400	62,400	64,700
Participation Rate (%)	60.2	60.5	60.3	61.2	60.8	61.1	60.7	61.2
Unemploy. Rate (%)	17.2	16.2	15	14.2	13.2	10.9	10.8	11.0
Births per 1,000 persons	15.28	14.24	14.47	13.42	14.1	14.12	14.13	14.13
Deaths per 1,000 persons	7.17	7.42	7.18	7.31	7.76	7.46	7.58	7.58
Crude Natural Growth Rate per 1,000	8.11	6.82	7.29	6.11	6.34	6.66	6.55	6.55

Source : Central Statistical Office
** Figures based on vital statistic estimates for 2000 census*
*** Figures based on CSSP estimates*
Due to the census, data was not collected fro the second quarter of 2000
p: Provisional

Appendix 7
Mid-Year Estimates of Population by Age

	1996	1997	1998	1999	2000	2001	2002p
Total Population	1,245,052	1,248,628	1,253,930	1,258,186	1,262,365	1,266,797	1,275,703
Non-Institutional Population All Ages							
Under 15	347,816	336,946	327,682	316,,343	317,394	318,508	320,748
15-19	121,573	122,911	123,878	123,333	123,743	124,177	125,050
20-24	108,665	110,881	112,571	114,575	114,955	115,359	116,170
24-29	103,357	102,843	104,807	105,811	106,162	106,535	107,284
30-34	102,772	101,675	100,490	100,056	100,389	100,741	101,449
35-39	99,774	98,997	100,357	100,812	101,147	101,502	102,215
40-44	85,316	88,076	90,025	92,171	92,477	92,802	93,454
45-49	69,777	72,143	74,885	78,396	78,657	78,933	79,488
50-54	53,968	56,883	58,311	60,748	60,950	61,164	61,594
55-59	41,496	43,272	44,952	47,446	47,603	47,770	48,106
60-64	32,487	33,412	33,447	34,004	34,117	34,237	34,478
Over 65	78,051	80,589	82,525	84,491	84,771	85,069	85,667

Source: Central Statistical Office
*: Figures based on vital statistics estimates

Appendix 8
Labour Force by Industry and Employment Status (CSSP Estimates)

	2000			2001			Oct '00 / Mar'01			Oct '01 / Mar '02		
	Labour Force	Employed	Unem-ployed	Labour Force	Employed	Unem-ployed	Labour Force	Employed	Unem-ployed	Labour Force	Employed	Unem-ployed
Total Labour Force	572,033	502,566	69,466	576,450	514,075	62,400	580,700	516,200	64,500	585,800	521,100	64,700
Agriculture, Forestry, Hunting & Fishing	29,033	27,000	2,066	29,875	28,775	1,125	29,500	27,700	1,800	27,650	26,750	950
Sugar	10,800	9,333	1,400	12,125	11,450	650	11,000	9,600	1,400	12,300	11,800	1,000
Petroleum	17,800	15,866	1,933	17,300	15,475	1,875	18,100	16,300	1,800	18,300	16,000	2,300
Construction	85,833	62,833	23,066	90,350	71,225	19,125	87,200	64,500	2,700	89,300	68,150	21,100
Wholesale/ Retail Trade, Restaurants & Hotels	108,833	95,066	13,800	103,450	89,825	13,600	110,600	97,600	12,900	103,450	91,300	12,150
Transport, Storage & Comm.	41,700	39,133	2,533	41,225	38,9253	2,325	42,400	40,300	2,100	42,900	41,050	1,850
Finance, Insurance Real-Estate & Bus Services	42,033	39,233	2,833	43,850	41,000	2,825	42,600	40,300	2,400	48,450	45,200	3,300
Community Social & Personal Services	166,266	151,366	14,900	168,450	154,525	13,925	169,200	155,800	13,400	167,050	152,550	14,500
Electricity & Water	7,166	6,900	266	7,700	7,5500	233	7,200	7,100	100	8,300	8,100	250
Other Manuf.	61,166	54,800	6,466	59,075	52,725	6,350	62,100	56,300	5,800	65,050	58,150	6,950
Other Mining & Quarrying	633	566	100	1,150	1,125	100	800	700	100	750	650	100
Not stated	633	433	250	1,875	1,475	400	-	-	-	2,300	1,500	750

Source: Central Bank of Trinidad and Tobago

Appendix 9
Development and Exploratory Drilling and Domestic Crude Production

Development and Exploratory Drilling

	1997	1998	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Jun '01	Oct '01/ Jun '02
Depth Drilled *	166.6	173.4	135.5	140.2	123.1	121.7
Land	77.2	33.1	34.1	60.0	45.0	21.9
Marine	89.4	140.3	101.3	80.3	78.1	99.8

Domestic Crude Production

	1997	1998	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Sep '01	Oct '01/ Sep '02
Millions of Barrels	45.1	44.8	45.8	44.4	41.1	43.4
Millions of Cubic Metres	7.2	7.1	7.3	7.1	6.5	6.9
Land (%)	25.8	24.6	23.0	22.2	22.6	20.3
Marine (%)	74.2	75.4	77.0	77.8	77.4	79.7

Source: Ministry of Energy and Energy Industries
* *In Thousand of Metres*

Appendix 10
Natural Gas Production and Utilisation
Millions of Cubic Metres

	1997	1998	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Sep '01r	Oct '01/ Sep '02p
Production	9,137	10,294	11,886	15,092	16,336	16,743
Utilisation						
Fuel	5,023	5,560	5,540	5,530	5,979	6,183
Processed	2,667	3,403	3,773	4,143	4,798	4,858
Vented	1,302	1,191	961	893	934	937
Natural Gas Liquids (NGL)	145	140	165	129	236	243
Liquified Natural Gas (LNG)	-	-	1,447	4,397	4,389	4,522

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

Appendix 11
Petrochemicals Production and Exports
Tonnes '000

	1997	Oct '97/ Sep '98	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Sep '01r	Oct '01/ Sep '02p
NITROGENEOUS FERTILISERS (Ammonia and Urea)						
Production	2,690.7	3,118.4	3,769.5	3,738.1	4,004.6	4,031.2
Exports	2,291.7	2,115.7	3,404.0	3,411.1	3,879.0	3,583.8
Local Sales	12.2	2,746.2	-	-	-	9.6
METHANOL						
Production	1,502.3	1,792.7	2,031.2	2,042.0	2,580.0	2,749.5
Exports	1,545.8	1,785.0	2,121.1	1,958.3	2,377.1	2,751.8
Local Sales	10.4	14.3	-	-	23.4	20.3

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

Appendix 12
Steel Production
Tonnes '000

	1997	Jan '98/ Sep '98	Oct '98/ Jun '99	Oct '00/ May '00	Oct '00/ May '01r	Oct '01/ May '02p
Direct Reduced Iron						
Production	1,133.8	827.5	682.3	978.1	1,298.8	1,550.7
Exports	344.9	209.1	174.8	433.2	738.6	1,003.3
Local Sales	0	0	0	0	0	0
Own Consumption	780.5	631.3	5001.6	513.7	535.3	459.9
Billets						
Production	747	601.6	503.7	479.8	509.5	413.6
Exports	12.7	3	0.8	3.1	13.3	0
Local Sales	64.3	48	60	36.7	43.2	34.19
Own Consumption	659.8	531.6	432.4	453.8	457.1	410.6
Wire Rods						
Production	668	512.2	415.3	436.6	438.5	423
Exports	603.7	485.2	400.9	422.1	412.8	388.6
Local sales	30.5	28.2	23	15.5	25	20.23
Own Consumption	1.3	0.7	1.2	1.0	1.3	1.12

Source: Caribbean Ispat Ltd.
p: Provisional
r: Revised

Appendix 13
Foreign Exchange Rates – Weighted Average

Period Ending	US Dollar		Canadian Dollar		U.K. Pound Sterling	
	Buying	Selling	Buying	Selling	Buying	Selling
1997	6.2186	6.2846	4.4499	4.6091	10.1456	10.447
1998	6.2606	6.2982	4.2003	4.3398	10.3213	10.6453
1999	6.2457	6.2997	4.1701	4.3332	10.0375	10.368
2000	6.2503	6.2998	4.1599	4.3188	9.3961	9.7412
2001	6.1679	6.2314	3.9397	4.0916	8.7703	9.1134
2000						
October	6.2528	6.2998	4.0880	4.2611	8.9993	9.3529
November	6.2493	6.2998	4.0116	4.1621	8.8435	9.1598
December	6.2561	6.2997	4.0477	4.2069	9.0362	9.3686
2001						
January	6.2400	6.2970	4.1077	4.2173	9.1470	9.4856
February	6.2424	6.2927	4.0595	4.1980	8.9748	9.3213
March	6.2388	6.2884	4.1047	4.1039	8.9156	9.2789
April	6.2122	6.2728	3.9408	4.0993	8.8322	9.0318
May	6.2054	6.2586	3.9660	4.1389	8.7372	9.1191
June	6.1794	6.2355	3.9947	4.1763	8.5573	8.9096
July	6.1160	6.1695	3.9503	4.1171	8.5701	8.9107
August	6.0850	6.1431	3.9000	4.0064	8.6288	8.9517
September	6.0810	6.1440	3.8233	3.9912	8.7660	9.1271
October	6.0841	6.1626	3.7977	4.0700	8.6929	9.0490
November	6.1572	6.2509	3.7919	3.9670	8.6872	9.0571
December	6.1940	6.2835	3.8475	4.0141	8.7464	9.1271
2002						
January	6.2063	6.2864	3.8006	3.9649	8.7491	9.0902
February	6.2136	6.2884	3.8014	3.9770	8.6707	9.0035
March	6.2158	6.2914	3.8379	3.9973	8.6820	9.0424
April	6.1983	6.2726	3.8519	3.9950	8.8149	9.1325
May	6.1509	6.2295	3.9089	4.0607	8.8868	9.2134
June	6.1105	6.1787	3.9390	4.0842	8.9390	9.2948
July	6.0754	6.1409	3.8962	4.0328	9.3053	9.6770

Source: Central Bank of Trinidad and Tobago

Appendix 14
Money Supply
Millions of TT Dollars

Period Ending	Currency in Circulation	Demand Deposits (adj.)	Savings Deposits (adj.)	Time Deposits (adj.)	Foreign Currency Deposits (adj.)	Narrow Money (M1)	Broad Money (M2)
1997	1,063.0	2,835.2	4,903.8	2,765.2	3,351.6	3,898.2	11,567.2
1998	1,020.1	3,052.2	5,324.4	3,611.9	3,885.2	4,072.4	13,008.7
1999	1,292.4	2,989.5	5,487.1	3,288.4	4,158.3	4,281.9	13,057.5
2000	1,271.0	3,616.2	5,796.5	3,281.2	5,253.8	4,887.2	13,964.9
2001	1,373.5	5,322.1	6,634.3	3,869.7	4,995.4	6,695.6	17,199.6
2000							
October	1,139.5	3,128.1	5,670.8	3,409.6	4,745.0	4,267.7	13,348.0
November	1,178.3	3,139.4	5,738.0	3,374.5	5,211.2	4,317.7	13,430.2
December	1,271.0	3,616.2	5,796.5	3,281.2	5,253.8	4,887.2	13,964.9
2001							
January	1,134.9	3,281.1	5,785.1	3,206.9	4,980.8	4,416.0	13,408.0
February	1,236.5	3,155.6	5,893.5	3,360.5	5,181.6	4,392.1	13,646.1
March	1,240.3	3,509.7	5,968.4	3,226.5	5,350.2	4,750.0	13,944.9
April	1,228.0	3,597.6	5,935.7	3,254.5	5,089.5	4,825.6	14,015.8
May	1,215.1	3,430.9	5,961.2	3,256.5	5,303.4	4,645.9	13,863.7
June	1,245.5	3,269.9	6,018.8	3,503.9	5,264.4	4,515.4	14,038.0
July	1,247.7	3,828.6	6,042.9	3,393.5	4, 982.1	5,076.3	14,512.8
August	1,274.5	4,403.6	6,128.3	3,486.1	4,965.1	5,678.1	15,292.5
September	1,259.2	4,748.9	6,280.7	3,450.6	5,380.3	6,008.1	15,739.4
October	1,235.0	4,876.5	6,442.2	3,620.7	5,345.3	6,111.6	16,174.5
November	1,337.6	4,508.7	6,573.5	3,594.8	5,794.0	5,846.3	16,014.5
December	1,373.5	5,322.1	6,634.3	3,869.7	4,995.4	6,695.6	17,199.6
2002							
January	1,281.1	4,602.9	6,702.3	3,977.4	5,325.5	5,884.1	16,563.7
February	1,293.2	4,525.3	6,834.2	3,987.1	6,074.4	5,818.5	16,639.9
March	1,366.1	5,008.8	6,944.7	3,937.1	4,883.7	6,374.9	17,256.7
April	1,332.9	4,880.1	6,908.7	3,746.4	6,015.3	6,213.0	16,868.2
May	1,386.2	4,564.7	6,924.8	3,744.5	5.585.7	5,950.9	16,620.2
June (p)	1,380.3	4,754.3	6,975.5	3.812.1	5,130.7	6,134.6	16,922.2

Source: Central Bank of Trinidad and Tobago
Foreign Currency deposits includes Foreign Currency Deposits at the Commercial Banks & the Non-Banks
p: Provisional

Appendix 15
Commercial Banks Liquid Assets
Millions of TT Dollars

Period Ending	Reserve Position: Required Reserves	Reserve Position: Cash Reserves	Deposit Liabilities (adj.)	Deposits at the Central Bank: Cash Reserves	Deposits at the Central Bank: Special Deposits	Deposits at the Central Bank: Total Deposits	Local Cash in Hand	Treasury Bills
1997	2,443.2	2,454.1	10,180.0	2,454.1	58.2	2,512.3	260.4	186.5
1998	2,541.1	2,547.9	12,101.9	2,547.9	222.1	2,770.0	288.7	384.7
1999	2,515.8	2,536.7	11,980.0	2,536.7	21.0	2,557.7	416.6	437.9
2000	2,611.5	2,658.9	12,435.7	2,658.9	284.1	2,943.0	426.9	462.5
2001	2,694.0	2,682.7	14,966.7	2,682.7	783.1	3,465.8	469.8	532.8
2000								
October	2,565.1	2,548.5	12,214.8	2,548.5	139.1	2,687.6	265.1	375.2
November	2,583.6	2,663.7	12,302.9	2,663.7	57.4	2,721.1	253.1	408.4
December	2,611.5	2,658.9	12,435.7	2,658.9	284.1	2,943.0	426.9	462.5
2001								
January	2,620.7	2,631.5	12,479.5	2,631.5	168.3	2,799.8	298.7	362.5
February	2,608.6	2,611.3	12,421.9	2,611.3	0.0	2,611.3	254.0	1,038.2
March	2,629.0	2,672.4	12,519.0	2,672.4	361.3	3,033.7	234.8	448.7
April	2,609.1	2,564.9	12,424.3	2,564.9	291.3	2,856.2	222.2	420.1
May	2,279.2	2,483.9	12,662.2	2,483.9	0.0	2,483.9	273.2	495.8
June	2,267.9	2,328.2	12,599.4	2,328.2	155.0	2,483.2	211.9	904.9
July	2,294.1	2,296.1	12,745.0	2,296.1	700.4	2,996.4	245.3	989.0
August	2,394.6	2,408.0	13,303.3	2,408.0	490.9	2,898.9	252.4	979.1
September	2,601.0	2,509.4	14,450.0	2,509.4	714.7	3,224.1	241.2	488.3
October	2,601.0	2,602.5	14,450.0	2,602.5	593.7	3,196.2	266.1	433.0
November	2,671.8	2,672.8	14,843.3	2,672.8	324.3	2,997.1	224.9	535.0
December	2,694.0	2,682.7	14,966.7	2,682.7	783.1	3,465.8	469.8	532.8
2002								
January	2,811.3	2,850.3	15,618.3	2,850.3	50.5	2,900.8	329.5	360.9
February	2,760.9	2,763.7	15,338.2	2,763.7	235.8	2,999.5	360.7	416.7
March	2,740.9	2,754.1	15,227.2	2,754.1	442.2	3,196.3	347.8	304.0
April	2,807.4	2,791.2	15,596.7	2,791.2	198.9	2,990.1	301.6	297.9
May	2,776.6	2,790.9	15,425.6	2,790.9	169.7	2,960.6	288.7	150.1
June	2,729.7	2,760.3	15,165.0	2,760.3	484.0	3,244.3	330.6	187.7
July (p)	2,707.4	2,709.5	15,041.1	2,709.5	96.9	2,806.4	318.2	124.8

Source: Central Bank of Trinidad and Tobago
p: Provisional

Appendix 16
Commercial Bank Domestic Credit
Millions of TT Dollars

Period Ending	Central Government Credit	Other Domestic Credit		Total Credit
		Public Sector	Private Sector	
1997	3,243.2	1,363.1	11,323.1	15,929.4
1998	1,997.7	1,151.1	11,324.6	14,473.4
1999	2,116.3	1,074.7	13,316.7	16,507.7
2000	1,976.8	816.4	15,007.2	17,800.4
2001	2,686.2	2,276.6	15,552.4	20,515.2
2000				
October	2,147.7	920.2	14,811.0	17,878.9
November	1,869.0	999.4	14,959.6	17,828
December	1,976.8	816.4	15,007.2	17,800.4
2001				
January	1,937.8	843.7	14,875.2	17,656.7
February	2,213.5	1,122.7	14,971.6	18,307.8
March	2,255.0	1,168.3	14,800.5	18,223.8
April	2,165.4	1,058.4	15,093.0	18,316.8
May	2,408.9	1,146.8	15,196.7	18,752.4
June	2,320.0	1,220.6	15,443.4	18984.0
July	2,318.0	1,286.0	15,509.4	19113.4
August	2,717.8	1,212.7	15,887.1	19817.6
September	2,282.7	1,527.3	15,441.5	19251.5
October	2,827.2	2,003.8	14,610.6	19,441.6
November	2,838.7	2,142.3	14,912.9	19,893.9
December	2,686.2	2,276.6	15,552.4	20,515.2
2002				
January	2,864.4	2,204.8	15,302.2	20,371.4
February	2,682.4	2,205.4	15,430.8	20,318.6
March	2,715.5	2,448.8	16,165.4	21,329.7
April	2,621.1	2,744.8	15,923.3	21,289.2
May	2,493.0	2,836.9	16,138.2	21,468.1
June (p)	2,301.0	2,668.5	16,168.2	21,137.7

Source: Central Bank of Trinidad and Tobago

Appendix 17
Commercial Banks Interest Rate
Percent per Annum

Ending	Basic Prime Rate	Prime Term	Loan Demand	Rates Overdraft	Real Estate Mortgage	Savings Ordinary	Special	Deposits 3 Mth	3-6 Mth	6-12 Mth
1997	15.33	15.39	15.33	15.33	16.04	2.54	4.84	6.54	7.09	7.56
1998	17.34	16.90	16.83	17.10	18.34	2.83	5.11	6.84	8.00	8.46
1999	17.04	17.14	16.97	17.00	18.00	2.82	5.26	6.42	7.67	8.15
2000	16.50	16.92	16.5	16.50	17.50	2.94	5.21	6.16	7.32	7.91
2001	15.43	15.56	15.41	15.68	16.33	3.40	5.30	6.71	6.86	7.63
2000										
October	16.50	17.00	16.50	16.50	17.50	3.00	4.38	6.45	6.00	7.93
November	16.50	16.50	16.50	16.50	17.50	2.75	5.25	6.20	7.15	7.93
December	16.50	16.50	16.50	16.50	17.50	2.75	5.25	6.45	7.83	7.95
2001										
January	16.50	16.50	16.50	16.50	17.50	3.00	5.25	6.45	6.75	7.83
February	16.50	16.00	16.00	16.25	17.50	4.00	5.94	7.15	7.29	7.83
March	16.50	17.00	16.50	16.50	17.50	5.56	4.19	7.83	6.00	7.80
April	16.50	17.00	16.00	16.50	17.00	2.75	5.25	6.45	7.83	7.80
May	15.75	15.00	15.00	16.00	16.00	3.25	5.44	6.45	6.75	7.93
June	15.00	15.25	15.00	16.00	16.00	3.00	5.25	7.15	7.83	8.10
July	15.00	15.25	15.00	15.00	16.00	3.25	5.63	7.15	7.41	7.93
August	15.00	15.25	15.00	15.25	16.00	2.50	5.25	6.75	7.18	7.80
September	15.00	15.25	15.00	15.25	16.00	4.75	5.00	7.63	6.39	7.60
October	14.50	14.75	14.50	15.00	15.50	3.00	5.50	5.93	6.63	7.10
November	14.50	14.75	15.50	15.00	15.50	3.00	5.75	5.80	6.20	7.08
December	14.50	14.75	15.00	15.00	15.50	2.75	5.25	5.80	6.20	6.76
2002										
January	14.50	14.00	15.00	15.00	15.50	2.50	4.75	5.30	6.16	6.76
February	13.00	14.00	14.00	13.00	14.00	2.75	4.63	5.31	5.50	6.19
March	13.00	14.00	13.00	14.25	14.00	2.25	4.25	4.64	5.58	5.75
April	13.00	14.00	13.00	14.25	14.00	2.50	3.63	4.33	4.90	5.14
May	13.00	14.00	13.00	14.25	14.00	2.25	3.44	3.56	4.13	4.56
June	12.00	13.63	12.50	13.00	13.00	2.25	3.13	3.38	3.63	4.25
July (p)	12.00	13.63	12.50	13.00	13.00	2.50	3.00	3.63	4.19	4.50

Source: Central Bank of Trinidad and Tobago

Appendix 18
Secondary Market Activities

Public Company Shares

Period Ending	Number of Transactions	Volume of Shares Traded (Mn)	Market Value ($Mn)	Composite Index(Period End)
1997	7,679	100.7	846.1	352.27
1998	7,369	123.4	1,249.6	436.30
1999	3,182	92.1	735.3	417.47
2000	6,572	82.1	891.4	441.50
2001	6,609	124.1	1,058.3	434.19
2000				
October	544	7.5	109.4	446.02
November	480	3.5	47.1	445.89
December	336	3.1	42.3	442.58
2001				
January	588	9.3	70.4	440.08
February	452	10.5	10.0	432.25
March	569	6.9	53.4	422.35
April	459	10.8	73.5	419.69
May	607	7.4	68.3	423.07
June	495	4.4	38.4	423.89
July	573	6.7	48.0	431.4
August	649	9.1	68.6	444.48
September	710	13.5	124.1	444.08
October	466	12.0	134.3	415.46
November	550	16.9	94.0	425.19
December	491	14.6	17.1	434.19
2002				
January	527	8.8	13.6	435.49
February	639	10.3	95.6	445.61
March	558	7.9	86.6	455.27
April	688	13.8	18.1	464.01
May	649	5.9	50.0	467.87
June	494	5.1	41.9	480.92
July	633	6.4	57.6	483.76
August	567	4.5	40.6	484.54
September	664	4.8	43.8	486.85

Source: Trinidad and Tobago Stock Exchange

Appendix 19
Central Government Revenue
Millions of TT Dollars

	1996	1997	'97 – '98	'98 – '99	'99 – '00	'00 – '01	'01 – '02
Revenue	9,542.5	10,453.7	10,615.5	10,263.6	12,199.4	14,381.0	14,025.2
Current	9,536.8	9,125.9	9,945.0	9,998.2	12,133.3	14,146.2	13,732.2
Taxes on Income & Profits	5,061.7	4,134.3	3,665.8	3,987.2	6,217.6	7,700.8	6,574.1
of which:-							
Companies	2,805.4	2,008.4	1,370.0	1,534.7	3,481.7	4,573.0	3,303.2
Individuals	1,786.4	1,765.1	1,898.5	2,013.3	2,169.4	2,389.5	2,671.0
Withholding Taxes	129.5	99.2	170.1	185.1	195.3	306.1	204.5
Health Surcharge	131.4	127.6	116.4	122.8	149.1	151.5	127.5
Business Levy	89.3	85.1	93.5	79.9	65.1	89.6	60.1
Unemploy Fund	117.5	48.9	15.7	51.4	157.0	191.1	125.1
Green Fund							82.7
Taxes on Property	64.2	65.1	65.9	68.9	70.8	66.3	103.0
of which:-							
Land & Building	58.7	56.5	62.9	61.6	63.9	59.1	96.5
Taxes on Goods and Services	2,335.5	2,739.0	3,427.5	3,206.7	3,128.7	3,425.8	3,814.6
of which:-							
Excise Duties	609.9	757.8	815.6	892.0	800.7	822.3	911.2
VAT	1,413.9	1,623.9	2,141.7	1,849.8	1,889.5	2,193.7	2,481.3
Departure Tax	34.0	36.7	38.9	43.0	33.2	44.3	28.3
Motor Vehicle Taxes & Duties	173.1	201.5	283.8	297.1	239.4	216.4	209.0

Source: Ministry of Finance

Appendix 19 cont'd
Central Government Revenue
Millions of TT Dollars

	1996	1997	'97 – '98	'98 – '99	'99 – '00	'00 – '01	'01 – '02
Taxes on International Trade	530.2	606.7	713.5	775.7	781.5	856.8	880.3
Of which:-							
Import Duties	488.7	564.3	669.5	728.1	746.4	811.2	850.2
Stamp Duties	68.1	104.6	88.9	81.0	110.6	113.2	114.9
Non-Tax Revenue	1,477.1	1,476.2	1,983.4	1,878.7	1,824.1	1,983.3	2,245.3
Of which: -							
Royalty on Oil	679.1	536.0	504.4	521.5	576.5	756.0	616.5
Profits: State Enterprises	508.2	480.8	445.8	389.0	535.2	392.8	832.2
Interest Income	80.1	182.4	223.8	174.2	159.2	238.0	162.8
Administrative Fees & Charges	101.1	148.5	670.2	171.4	153.0	144.3	339.6

Source: Ministry of Finance

Appendix 20
Central Government Expenditure
Millions of TT Dollars

	1996	1997	'97 – '98	'98 – '99	'99 – '00	'00 – '01	'01 – '02
EXPENDITURE*	9,449.4	10,617.8	11,596.7	10,526.3	12,499.4	13,990.9	13,956.3
Current	8,791.0	9,270.0	10,351.9	10,008.3	11,275.1	13,017.6	13,213.3
Personnel Expenditure	3,154.7	3,218.9	3,876.1	3,665.1	3,141.1	3,772.9	4,224.6
Goods & Services	918.9	938.3	1,092.6	1,095.4	1,236.3	1,552.2	1,742.0
Interest Payments	1,580.6	1,690.1	1,849.0	1,986.2	2,520.3	2,382.7	2,259.5
of which:-							
Domestic	919.6	950.9	1,072.9	1,271.9	1,680.9	1,565.7	1,459.2
Foreign	661.0	739.2	776.1	714.3	839.4	817.0	800.3
Subsidies & Transfers	3,136.8	3,422.7	3,534.2	3,261.6	4,377.4	5,309.8	4,987.2
Capital Expenditure	580.5	1,142.3	1,244.8	518.0	1,224.3	973.3	743.0
of which:-							
Road Improvement Programme	21.2	79.7	31.3	64.0	55.0	48.1	58.6
Current Account Balance	745.8	(144.1)	(406.9)	(10.1)	858.2	1,128.6	518.9
Surplus/Deficit	171.0	41.4	(981.2)	(262.7)	(300.0)	390.1	68.9

Source: Ministry of Finance
* *Includes net lending*

Appendix 21
Central Government Financing
Millions of TT Dollars

	1996	1997	'97 – '98	'98 – '99	'99 – '00	'00 – '01	'01 – '02
TOTAL FINANCING	(171.0)	(41.4)	981.2	262.7	300.0	(390.1)	(68.9)
NET EXTERNAL	(9.2)	(704.9)	(383.5)	834.6	1,607.6	(779.8)	(182.7)
External Borrowings	1,197.8	1,295.8	1,268.5	2,886.3	2,547.6	365.0	240.6
Capital Repayment	(1,207.0)	(2,000.7)	(1,652.0)	(2,051.7)	(940.0)	(1,144.8)	(423.3)
NET DOMESTIC	(161.8)	663.5	1,364.7	(571.9)	(1,307.6)	389.7	113.8
Borrowing	487.8	1,085.6	1,073.0	590.7	2,000.2	1,789.2	1,138.0
Capital Repayment	(62.6)	(249.3)	(381.4)	(439.5)	(1,240.9)	(1,074.8)	(776.1)
Sinking Fund Transfers	(99.6)	(133.9)	(189.8)	(196.3)	(191.6)	(190.5)	(629.3)

Source: Ministry of Finance

Appendix 22
Total Public Debt and Debt Service
Millions of TT Dollars

	1996	1997	'97 – '98	'98 – '99	'99 – '00	'00 – '01	'01 – '02
TOTAL PUBLIC DEBT	18,627.3	19,964.3	21,768.6	24,073.7	28,348.7	28,799.4	29,823.0
CENTRAL GOV'T DEBT	16,328.0	17,764.3	17,411.2	18,390.2	20,749.4	20,044.1	20,290.1
Internal Debt	6,738.7	7,751.7	8,157.6	9,105.3	9,916.6	10,313.0	10,890.1
External Debt	9,589.3	10,012.6	9,253.6	9,284.9	10,832.8	9,731.1	9,400.0
CENTRAL GOV'T CONTINGENT LIABILITY ON GUARANTEED DEBT*	2,299.3	2,200.0	4,357.4	5,683.5	7,599.3	8,755.3	9,532.9
CENTRAL GOV'T DEBT SERVICE	2,949.8	3,817.1	4,064.8	4,673.7	4,892.8	4,707.5	3,008.7
Internal Debt Service	1,081.8	1,083.8	1,636.7	1,907.7	3,113.4	2,753.2	1,846.3
External Debt Service	1,868.0	2,733.3	2,428.1	2,766.0	1,779.4	1,954.3	1,162.4

Source: Ministry of Finance

* Does not include Letters of Comfort, Off Balance Sheet projects & OMO's

Appendix 23
Trinidad and Tobago – Net Foreign Reserves
US$ Millions

	Central Bank				Commercial Banks					
	Foreign Assets	Foreign Liabilities	Net Internat. Reserves	Gov't Balances	Foreign Assets	Foreign Liabilities	Net Foreign Position	Gross Foreign Assets	Total Foreign Liability	Net Foreign Position
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) (1)+(4)+(5)	(9) (2)+(6)	(10) (8)-(9)
1996	543.4	36.7	506.8	2.3	391.4	199.9	191.5	937.1	236.6	700.5
1997	702.9	21.3	681.6	3.3	414.1	244.6	169.5	1120.3	265.9	854.4
1998	779.4	17.5	761.9	3.6	401.5	182.2	219.3	1184.5	199.7	984.8
1999	964.0	17.8	946.2	3.6	422.3	276.7	145.6	1389.9	294.5	1095.4
2000	1405.4	17.5	1387.8	0.1	504.2	272.5	231.7	1909.7	290.2	1619.7
2001	1875.9	17.5	1858.4	0.2	579.2	547.0	32.2	2455.2	564.5	1890.7
2001										
August	1796.3	17.5	1778.8	0.1	652.3	699.4	-47.1	2448.7	716.9	1731.8
Sept.	1874.1	17.5	1856.5	0.1	673.4	553.3	120.2	2547.6	570.8	1976.8
October	1880.4	17.5	1862.8	0.6	616.0	403.8	212.1	2496.4	421.3	2075.1
Nov.	1855.3	17.5	1837.8	0.2	691.6	405.2	286.4	2546.9	422.7	2124.3
December	1875.9	17.5	1858.4	0.2	579.2	547.0	32.2	2455.2	564.5	1890.7
2002										
January	1914.8	17.5	1897.2	0.5	662.6	540.2	122.4	2577.4	557.7	2019.7
February	1861.2	17.5	1843.7	0.2	763.1	508.1	255.0	2624.4	525.6	2098.8
March	1872.2	17.5	1854.6	0.2	572.6	497.5	75.0	2444.8	515.1	1929.8
April	1874.5	17.5	1857.0	0.2	732.0	498.2	233.8	2606.7	515.8	2090.9
May	1900.5	17.5	1883.0	0.1	708.6	502.3	206.3	2609.1	519.8	2089.3
June	1965.7	17.5	1948.2	0.1	610.1	462.3	147.8	2575.9	479.8	2096.1

Source: Central Bank of Trinidad and Tobago

Appendix 24
Trade with CARICOM Countries
Millions of TT Dollars

	Imports	Exports	Balance of Trade	Exports of Petroleum	Imports of Petroleum	Exports Excluding Petroleum	Imports Excluding Petroleum	Balance of Trade Excluding Petroleum
	509.9	3522.3	3012.4	1727.6	159.7	350.2	1794.7	1444.5
1997	602.2	4065.5	3463.3	1832.2	226.2	376.0	2233.3	1857.3
1998	668.8	4309.9	3641.1	1827.6	248.7	420.1	2482.3	2062.2
1999	827.9	4708.1	3880.2	2323.3	454.6	373.3	2384.8	2011.5
2000	791.2	6284.4	5493.2	3880.3	399.9	391.3	2404.1	2012.8
2001p	750.8	6415.2	5664.4	3808.7	218.2	532.6	2606.5	2073.9
Oct'00/ Apr '01	447.3	3661.7	3214.4	2220.4	143.4	303.9	1441.3	1137.4
Oct'01/ Apr '02	330.0	4042.8	3712.8	2553.3	101.5	228.5	1489.5	1261.0

Source: Central Statistical Office
p: Provisional

Appendix 25
Balance of Visible Trade
Millions of Dollars

	1995	1996	1997	1998	1999	2000	2001p	Oct00/ Apr 01	Oct 01/ Apr 02p
Total Visible Trade									
Exports	14,512.1	15,028.9	15,903.0	14,258.8	17,667.0	26,930.4	26,709.0	16,514.2	15,263.3
Imports	11,363.3	12,989.1	18,934.4	18,961.7	17,277.8	20,933.2	22,199.6	12,346.2	11,883.7
Balance	3,148.8	2,039.8	(3,031.4)	(4,702.9)	389.2	5,997.2	4,168.0	4,168.0	3,379.6
Trade Excluding Fuels									
Exports	7,696.5	7,478.0	8,581.9	7,908.1	8,112.2	9,356.9	10,315.2	6,233.4	5,541.9
Imports	10,234.7	10,507.3	16,480.6	16,478.4	13,649.3	14,180.5	16,462.4	8,524.8	9,057.3
Balance	(2,538.2)	(3,029.3)	(7,898.7)	(8,570.3)	(5,537.1)	(4,823.6)	(6,147.2)	(2,291.4)	(3,515.4)
Trade Excluding Mineral Fuels									
Exports	12,902.7	12,746.9	14,459.0	12,202.6	14,955.2	22,940.5	24,451.6	13,822.3	15,157.6
Imports	10,820.7	11,720.8	18,323.4	18,270.8	17,069.2	20,789.2	22,136.6	12,280.9	11,852.1
Balance	2,082.0	1,026.1	(3,864.4)	(6,068.2)	(2,114.0)	2,151.3	2,315.0	1,541.4	3,305.5
Trade in Mineral Fuels Non-U.P.A.									
Exports	5,206.2	5,268.9	5,877.1	4,294.5	6,843.0	13,583.6	14,136.4	7,588.9	9,615.7
Imports	586.0	1,213.5	1,842.8	1,792.4	3,419.9	6,608.7	5,674.2	3,756.1	2,794.8
Balance	4,620.2	4,055.4	4,034.3	2,502.1	3,423.1	6,974.9	8,462.2	3,832.8	6,820.9
Trade in Mineral Fuels (U.P.A.)									
Exports	1,609.4	2,282.0	1,444.0	2,056.2	3,989.9	3,989.9	2,257.4	2,691.9	105.7
Imports	542.6	1,268.3	611.0	690.9	1,44.0	144.0	63.0	65.3	31.6
Balance	1,066.8	1,013.7	833.0	1,365.3	3,845.9	3,845.9	2,194.4	2561.3	74.1
Trade in Mineral Fuels									
Exports	6815.6	7,550.9	7,321.1	6,350.7	17,573.5	17,573.5	16,393.8	10,280.8	9,721.4
Imports	1128.6	2,418.8	2,453.8	2,483.3	6,752.7	6,752.7	5,737.2	3,821.4	2,826.4
Balance	5687.0	5,069.1	4,867.3	3,867.4	10,820.8	10,820.8	10,656.6	6,459.4	6,895.0

Source: Central Statistical Office