

## Foreword

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

- The International Economy;
- The Real Economy;
- The Financial Sector;
- Central Government Operations;
- State Enterprises and the Public Utilities;
- Public Debt and Debt Servicing; and
- Trade and 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 website: [www.finance.gov.tt](http://www.finance.gov.tt).

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## INTRODUCTION

The international economy strengthened somewhat in 2004 after its slowdown in 2001 and its modest recovery in 2002. Global trade increased significantly and financial markets became more buoyant while the United States economy continued to rebound. It is estimated that global economic growth will reach 4.6 percent in 2004, up from a revised 3.9 percent in 2003. However, notwithstanding these favourable developments so far, significant challenges and risks still remain. Notably, among these is the orderly resolution to global trade imbalances given the large and persistent U.S. current deficit, the management of the medium-term fiscal situations in many industrial and emerging market economies and the subsequent transition to a higher interest rate environment.

Growth in Latin America and the Caribbean region is also expected to recover in 2004 after the stagnation of the previous year. The outturn for Latin America is based primarily on the upturn in the global economy and in particular growth in the region's main trading partners, the United States and Asia. Stronger growth in these two economies has facilitated an increase in the region's exports of copper, tin, iron and soybeans. Recovery in the Caribbean economies has been underpinned by improvements in tourism and to a lesser extent, construction and financial services while manufacturing and agriculture have contracted. In 2003, strong growth rates were recorded in Trinidad and Tobago (13.2 percent), Montserrat (6 percent) and Belize (almost 5 percent) while slower growth averaging about 2 per cent was recorded for Jamaica, Guyana and the OECS states with the exception of Antigua, which grew by 3.2 percent.

Trinidad and Tobago, which embarked on trade liberalization almost a decade ago and is set to open its borders fully to the Caribbean Single Market and Economy (CSME), continues to benefit from increased trade and favourable oil prices. The petroleum sector continues to be the main driving force in the economy with revised growth estimated at 31.2 percent for 2003. The projection for 2004 is for some moderation to 10.5 percent. Of note however, is the growing importance of activities such as the production of petrochemicals and refining including LNG. The contribution of these sub-sectors to overall GDP has grown by more than 49 percent since 2000. However, the performance of the non energy sector of the economy, however, continues to be somewhat sluggish. Projected growth for 2004 is estimated at 2.9 percent, down from 3.3 percent in 2003.

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On the external accounts, Trinidad and Tobago's balance of payments surplus increased to US\$334.2 million in 2003 from US\$48.9 million in 2002. The improved external position reflected a robust current account surplus of US\$984.7 million as the merchandise trade balance expanded more than five fold due to buoyant international commodity prices and increased export volumes of petroleum and petrochemicals. Meanwhile for the first quarter of fiscal year 2003/2004, Trinidad and Tobago recorded an overall visible balance of trade surplus of US\$328.9 million while its surplus in respect of its CARICOM trade was US\$354.3 million.

In 2003/2004, the fiscal operations of the Central Government is expected to generate an overall surplus \$437.1 million (0.6 percent of GDP) compared with \$775 million (1.2 percent of GDP) in 2002/2003. The current account is projected to realize a surplus of \$1,943.4 million or 2.8 percent of GDP in 2003/04. This represents an improvement from the balance of \$1,723.2 million or 2.6 percent of GDP recorded in the previous year. These projections are based a weighted average oil price of US\$30.60 per barrel in 2003/2004. Meanwhile, gross public sector debt stock is projected to increase to TT\$37,125 million (52.7 percent of GDP) by the close of fiscal 2003/2004. Central Government Debt is expected to expand to TT\$21,842 million or 31 percent of GDP while Contingent Liabilities are projected to grow to \$15,283 million or 21.7 percent of GDP.

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## THE INTERNATIONAL ECONOMY

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| <ul style="list-style-type: none"><li>▪ <b>The United States</b></li><li>▪ <b>Euro Zone</b></li><li>▪ <b>Japan</b></li></ul> | <ul style="list-style-type: none"><li>▪ <b>Emerging Asia</b></li><li>▪ <b>Latin America</b></li></ul> |
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Increased industrial production coupled with the strong rebound in global trade has over the past six months contributed to a strengthening and broadening of global recovery. This notwithstanding, the pace and nature of the recovery has varied substantially among the many regions of the international economy. Estimates of world economic growth has been revised upwards to 4.6 percent in 2004 compared with 3.9 percent in 2003.

Stronger global recovery was due in part to a notable surge in consumption in the United States, rising global trade and buoyant financial markets in most regions. The upturn is most obvious in emerging Asia, particularly China, and the United States but less well established in the Euro area. Among the industrial countries, domestic demand is strongest in those countries with the largest current account deficits so that the recovery is tending to exacerbate existing imbalances.

Global inflation continues to remain somewhat subdued averaging 1.8 percent in 2003 for advanced countries and is projected to remain at a moderate 1.7 percent in 2004. In other emerging markets and developing countries inflation is also close to single digits. In emerging Asia, while inflation is still low, it is edging upwards and in China, fiscal and monetary policies are being adjusted to alleviate the growing concerns about overheating and the risk of inflationary pressures. In Japan, concerns about deflation have lessened somewhat with the growing confidence of a sustained recovery, rising commodity prices and commitments by several central banks to address deflationary pressures.

### **The United States**

After a year of uncertainty and modest recovery, the US economy rebounded strongly in the second half of 2003 as geopolitical concerns eased, monetary and fiscal policies remained highly stimulative, and the after effects of the equity price bubble waned. Real GDP expanded exceptionally strong by 8.25 percent (annualized) in the third quarter and by a further 4 percent in the fourth quarter of 2003. Growth was driven

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primarily by private consumption and a rebound in business investment as profits rose and financing conditions improved. However, the employment response to the recovery has been somewhat subdued. The household survey, which is a strong indicator of employment conditions, remains weak relative to most other recovery periods. The recovery is expected to persist and growth is projected at 4.5 percent in 2004.

### **Euro Zone**

In the euro area, the recovery remained somewhat restrained as the appreciation of the Euro continued to dampen the competitiveness of European exports. Real GDP grew by 1.5 percent in the third quarter of 2003 and 1.25 percent in the fourth quarter. However, the pickup in global trade boosted exports despite a strengthened of the euro. Consumption demand remained relatively weak although employment has held up well compared to previous downturns which reflected wage moderations.

Growth divergences across the euro area were due largely to differences in domestic demand. In particular, demand was weakest in Germany but strong in Greece, Ireland and Spain. For the region, as a whole, growth is expected to increase marginally to 1.75 percent for 2004 as subdued consumer sentiment and high unemployment may continue to weaken consumption growth. In addition, while the direct effect of the Madrid bombings on growth is likely to be small, the event could weaken confidence as well as increase security measures that slow trade.

### **Japan**

In Japan, growth has continued to substantially exceed expectations. Despite a strengthening of the yen, the recovery has been driven by strong external demand, notably to Asia, accompanied by a rebound in private investment and a pickup in consumer demand. Early economic indicators for 2004 suggest a moderate recovery, with GDP growth projected at 3.4 percent. It is possible that the recovery can be stronger than expected, especially if growth and demand in the United States and Asia continue to exceed expectations.

### **Emerging Asia**

Ongoing reforms in countries within the region continue to have positive effects on these economies. In the second half of 2003, economic activity surged reflecting both domestic demand and export growth.

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Investments grew briskly in China but lingered elsewhere in the region due primarily to political uncertainties related to upcoming elections. Exports were enhanced by global growth, the pick up in global demand for technology goods and effective exchange rate depreciation across the region.

The region as a whole is expected to continue to grow by an impressive 7.2 percent in 2004, a single percentage point higher than in 2003. This growth was underpinned by accommodative macroeconomic policies, competitive exchange rates, a rebound of the IT sector and the positive outlook for the global economy. Within the region, China continues to set the pace in economic growth performance while at the same time helping to boost intra regional trade and supporting regional growth.

### **Latin America**

Economic growth in Latin America has rebounded in the aftermath of the deep recession of 2001-2002. This recovery was initially led by external demand, as exports responded to exchange rate depreciations across the region, but more recently, the recovery has been led by growing domestic demand. Export growth has also contributed to an improvement in the current account position, which recorded a surplus in 2003, the first in 35 years. Despite an improvement in economic conditions, the unemployment rate remains relatively high and together with widening income inequalities and pervasive poverty, have contributed to an increase in social tensions in a number of countries in the region.

For individual countries, Argentina has recorded a marked upsurge of output and investor confidence with growth in real GDP estimated at 8.7 percent in 2003 and 9.8 percent in the first five months of 2004. Inflation has declined substantially (3.3 percent year-on-year) and the current account has continued to record a sizeable surplus. The economy is expected to expand by 5.5 percent in 2004. The implementation of strong macroeconomic policies and progress with structural reforms has contributed to improved confidence in Brazil, resulting in a resumption of output growth in the fourth quarter of 2003. The economy is expected to expand by 3.5 percent in 2004 as domestic demand responds to lower interest rates. Strong growth recovery is expected in Mexico in 2004, following three years of staggering economic performance, as exports continue to benefit from further economic recovery in the United States and favourable interest rates supporting consumption and investment spending. The Mexican economy is expected to expand by 4 percent in 2004 having grown by 4.2 percent in April 2004.

## THE REAL ECONOMY

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| <ul style="list-style-type: none"><li>▪ <b>Gross Domestic Product</b></li><li>▪ <b>Prices</b></li><li>▪ <b>Productivity</b></li><li>▪ <b>Population</b></li><li>▪ <b>Labour Force</b></li><li>▪ <b>Employment</b></li></ul> | <ul style="list-style-type: none"><li>▪ <b>Domestic Agriculture</b></li><li>▪ <b>Export Agriculture</b></li><li>▪ <b>Energy and Extractive Industries</b></li><li>▪ <b>Manufacturing</b></li><li>▪ <b>Tourism</b></li><li>▪ <b>Construction</b></li></ul> |
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### Gross Domestic Product <sup>1</sup>

Preliminary estimates of GDP indicate that the Trinidad and Tobago economy is expected to grow by 6.2 percent in 2004 compared with 13.2 percent in 2003. The slower GDP growth expected during 2004 is mainly due to the levelling off of LNG production following the spike in output during 2003 with the commencement of production at Atlantic LNG Train III in April 2003. In 2004, the economy will continue to be driven by a strong energy sector especially with the growing importance of activities such as the production of petrochemicals and LNG and gas processing.

In 2004, real activity in the energy sector is projected to grow by 10.5 percent compared with the growth of 31.2 percent recorded in 2003. This projected slowdown in 2004 is based mainly on slower growth anticipated in exploration and production of 9.1 percent and in refining (including Atlantic LNG) of 14.8 percent. Compared with a year ago, these two sub-sectors recorded aggressive growth rates of 30.5 percent and 71.1 percent, respectively. Moreover, conservative industry forecasts are for a 12.3 percent increase in natural gas production from an increase of 42.4 percent in 2003 and a fall in oil production of around 2 percent compared with an increase of 3.4 percent a year ago.

Growth in the non-energy sectors of the economy is also expected to slow somewhat to 2.9 percent in 2004 compared with 3.8 percent in 2003. While the agriculture sector is projected to continue its weak performance turning out its second straight year of contraction (-20.2 percent), growth in the services sector is also expected to dampen growing by 2.9 percent compared with 4.2 percent a year earlier. Slower growth is also anticipated in Finance, Insurance and Real Estate (1.7 percent), Electricity and

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<sup>1</sup> GDP estimates for Trinidad and Tobago are obtained from the Central Statistical Office (CSO). The CSO has re-based the National Accounts at constant prices, shifting the base year from 1985=100 to 2000 =100.

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Water (2.8 percent) and Transport, Storage and Communication (4.4 percent). Real activity in the latter sub-sector has been moderated by the poor performance of BWIA. Meanwhile the Manufacturing sector is expected to grow by 6.6 percent in 2004 compared with 5 percent in 2003. Creditable growth performances are projected for Food, Beverages and Tobacco (10.8 percent), Textiles, Garments and Footwear (5.9 percent) and Assembly Type and Related Industries (10.5 percent).

### **Prices<sup>2</sup>**

Consumer prices during fiscal year 2002/2003 increased by 3.9 percent a slight moderation compared with the increase of 4.1 percent recorded during fiscal year 2001/2002. In the twelve-month period to September 2003, food prices which are assigned a weight of 18 percent in the Retail Prices Index (2003=100) accelerated by 12.6 percent from 11.4 percent in the same period a year ago. The rise in food prices is explained by increases in the price of poultry, flour and agricultural produce in the early part of 2003.

During the first seven months of fiscal 2003/2004 the movements in prices accelerated more slowly with an overall increase of 3.3 percent compared with 3.9 percent in the same months a year ago. Comparatively higher prices were recorded for food (12.5 percent) and transportation (3.9 percent) while the cost of housing remained relatively stable with only a slight increase of 0.9 percent.

### **Productivity**

During fiscal year 2002/2003, productivity as measured by the All Items Index of Productivity for all workers in all industries, increased by 12.7 percent from 8.2 percent recorded in fiscal 2001/2002. This marked increase reflected a sizeable increase in productivity in the fourth quarter (July-September, 2003) by 9.9 per cent compared with an increase of 3.1 per cent for the same period in 2002.

During the first quarter of fiscal 2003/2004, the All Items Index of Productivity for all workers in all industries fell by 1 percent from an increase of 5.4 percent recorded during the first quarter of fiscal 2002/2003. The decline in productivity was attributable to productivity losses in the Exploration and Production of Oil and Natural Gas (-4.2 percent) and in Oil and Natural Gas Refining (-3.6 percent).

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<sup>2</sup> The Index of Retail Price (September 1993=100) has been rebased by the Central Statistical Office (CSO) to January 2003=100.

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## **Population**

The population estimate for mid-year 2004 was 1,290,646 persons, 0.5 percent higher than the estimates for 2003. For the same period, the provisional birth rate per thousand persons increased slightly to 14.23 from 14.00 in 2003 and the provisional death rate also increased to 7.88 from 7.65 in 2003.

Data on the population distribution by age group revealed that persons 24 years or under represented 45.2 percent of the population, while persons between 25 and 59 years represented 44.8 percent and persons 60 years and over represented 10 percent. The gender distribution of the population remained unchanged with males representing 50.2 percent of the population or approximately 647,259 persons while females accounted for the remainder or approximately 643,387 persons.

## **Labour Force and Employment**

During fiscal 2002/2003, the unemployment rate averaged 10.58 percent compared with 10.56 percent recorded for fiscal 2001/2002. There was higher employment in the Community, Social and Personal Services, Restaurants and Hotels, Wholesale/Retail Trade and Electricity and Water Services while job losses were recorded in Sugar, Petroleum and other Manufacturing sectors. Indeed, the most noticeable job losses occurred during the last quarter of fiscal year 2002/2003 with the closure of Caroni (1975) Limited.

Preliminary data from the Central Statistical Office (CSO) indicate that during the first half of fiscal 2003/2004, the unemployment rate was estimated at 10.2 percent down from the rate of 10.8 percent recorded a year ago. The decline in the unemployment rate resulted from reduction in the number of unemployed persons by 4.5 percent and an increase in the number of persons employed by 2.5 percent. The primary employment generating sectors were Community, Social and Personal Services (12,400 persons) and Construction (6,800 persons).

## **Domestic Agriculture <sup>3</sup>**

During the period October 2003 to July 2004, the domestic agricultural sector turned out a mixed

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<sup>3</sup> The CSO is carrying out its 2004 Farmers' Survey; limited data is available for agricultural production during 2004.



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performance compared with the corresponding period of 2002/2003. Citrus production rebounded from the historic lows which were recorded last year as a result of the disruption of Caroni's citrus production arising out of the company's restructuring exercised. During 2003/2004 new arrangements were introduced to facilitate the production of citrus from Caroni's estates. These measures in conjunction with favourable weather this year resulted in considerable increases in the citrus production by Citrus Growers Association. Between January and June 2004, grapefruit production increased by 329.3 percent and orange production increased by 6,090.6 percent.

Meanwhile, data available for the first six months of fiscal 2003/2004 indicate that broiler production increased by 5.2 percent compared with the same period a year ago. However, for the period January to July 2004, copra production declined by 24.6 percent.

### **Export Agriculture (Cocoa and Coffee)**

Total production of cocoa during fiscal 2002/2003 reached 1,362,474 kg, 9.8 percent higher than in fiscal 2001/2002. The improved performance in cocoa production was due to more intensive harvesting by farmers who anticipated an increase in the price of cocoa. However, for the first three quarters of the fiscal 2003/2004 cocoa production was estimated at 1,107,232 kg, a fall of 12.8 percent compared with the first three quarters of fiscal 2002/2003. The decline in cocoa production was due mainly to unfavourable weather conditions.

Total production of coffee more than doubled during fiscal 2002/2003 to 589,976 kg compared with production in fiscal 2001/2002. This outstanding crop performance was due to more favourable weather conditions for berry production and harvesting. However, during the first three quarters of the current fiscal year, coffee production fell by 82.9 percent to 97,236 kg compared with the same period a year ago. The sharp contraction in production reflected the cyclical up-down nature of coffee production, unfavourable weather conditions and the greater movement of coffee farmers away from coffee production and into other agricultural lines such as cocoa.

### **Sugar**

As part of the reconfiguring of the sugar industry which began in 2003, the Sugar Manufacturing Company Limited (SMCL) was established in August 2003 to carry out the former business mandate of Caroni (1975) Limited with respect to the milling of sugarcane and the refining of raw sugar.

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During the period January to June 2004, SMCL operated one factory which produced approximately 42,000 metric tonnes of sugar. This outturn was 35 percent below sugar production in the corresponding months of 2003 and 30 percent below the company's target of 60,000 metric tonnes. Several major challenges confronted the SMCL during the course of its initial crop and its first year of operation. These included industry teething problems in the transition from Caroni to SMCL, such as farmers' limitations in their ability to transport sugar canes to the factory, labour disruptions, factory mechanical problems, poor sugar cane quality and poor weather conditions.

Meanwhile sugar exports to the European Union during the period January to June 2004 amounted to 43,500 metric tonnes with accrued foreign exchange earnings of TT\$176 million, 10 percent less than last year. All of the foreign exchange earned from sugar exports during the period reflected sales to the European Union since there were no sugar exports to the United States over the period.

On the local market, total sales of sugar during the first six months of 2004 increased substantially by 20 percent as the SMCL sold 22,609 metric tonnes of sugar. These sales consisted of 21,455 metric tonnes of refined sugar and 1,254 metric tonnes of washed grey sugar. The company's earnings from local sales of sugar was \$65 million or 22 percent above the amount earned during the first six months of 2003.

## **Energy and Extractive Industries**

### **Drilling**

Total depth drilled by petroleum companies during the period October 2003 to June 2004 fell by 3 percent to 115.2 thousand metres. Development drilling offshore declined by 18.3 percent to 63 thousand metres while there was no exploratory drilling on land. In contrast, compared to the same period in 2002/2003, both development drilling on land and exploratory drilling offshore expanded significantly from 26.5 thousand metres and 7.6 thousand metres, respectively, to 35 thousand metres and 17.2 thousand metres.

It is anticipated that with the completion of the Competitive Bid Round 2003 which offered ten acreage blocks located off the Western, Eastern and Northern coasts of Trinidad and Tobago, exploratory drilling offshore will increase during 2004.

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## **Crude Oil Refining and Production**

Over the period October 2003 to June 2004, refinery throughput was estimated at 39.3 million barrels compared with 40.5 million barrels in the same period of 2002/2003. The slight decline was attributed to operational problems on crude distillation units during the review period.

Meanwhile, for the review period, domestic production of crude oil and condensates fell by 3.8 percent to 35.8 million barrels compared with the corresponding period of 2002/2003. During the period, domestic crude production from marine fields represented 80.8 percent of total production, compared with 19.2 percent from land. The overall decline in domestic crude production reflected operational problems with the major trunk pipeline as well as the start-up of operations at the Cassia B Field which led to the closure of the existing gas fields for approximately 15 days to tie-in the Cassia B Field.

During the review period, Petrotrin began the planning stage for the construction of an Isomerisation Unit and a new Alkylation Unit. These units will significantly improve the performance of Petrotrin, by enhancing the octane level in gas.

## **Natural Gas**

Natural Gas production increased significantly to 21,615 million cubic metres during the period October 2003 to June 2004, 17.8 percent above the corresponding period of 2002/2003. Concomitant with increased natural gas production was greater utilisation of natural gas over the same period. Utilisation of Liquefied Natural Gas (LNG) was the most significant, increasing by 41.2 percent to 10,759 million cubic metres. Utilisation of Fuel and Processed Gas also increased during the period by 6.1 percent (to 6,408 million cubic metres) and 3.9 percent (to 4,001 million cubic metres), respectively. The increase in natural gas production was attributable to Atlantic LNG Train III coming on stream at the start of the second quarter of 2003. Construction is currently underway on the Atlantic LNG Train IV, which upon completion in 2006, is expected to have a capacity of 5.2 million tonnes per annum and is expected to expand total production of LNG to 15.1 million tonnes per annum.

At present, more than 60 percent of the US imported liquefied natural gas (LNG) comes from Trinidad and Tobago. It is anticipated that with Atlantic LNG Train IV coming on stream in 2006, US imports would increase to 77 percent. In April 2004, the expansion project was completed on Phoenix Park Gas Processors Limited (PPGPL) which increased fractionation capacity from 33,500 barrels per day to

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46,000 barrels per day and storage capacity from 750,000 billions of barrels to 1,000,000 billions of barrels. The expansion project was geared at accommodating a supply of propane, butane and condensate mix feedstock from ALNG Trains II and III to combine with Natural Gas Liquids (NGLs) currently fractionated at the company.

The natural gas pipeline transmission network of Trinidad and Tobago is currently being expanded by the construction of a 36-inch offshore pipeline and a 56-inch cross island natural gas pipeline, which will transport natural gas to ALNG's Train IV plant in the South West Peninsula. The 56-inch pipeline will be able to transport additional gas to future LNG Trains and downstream plants in the proposed Union Estate Development. At present, the 56-inch pipeline is 20 percent completed and construction on the 36-inch pipeline is expected to commence at the end of 2004.

## **Petrochemicals**

### **Nitrogenous Fertilisers (Ammonia and Urea)**

Production of urea during the period October 2003 to May 2004 amounted to 439.7 thousand tonnes, 4.8 percent less than the corresponding period of 2002/2003. However, over the same period, ammonia production increased marginally by 0.2 percent to 2,997.6 thousand tonnes. Consistent with production trends during the period October 2003 to May 2004, exports sales of urea declined by 22.2 percent to 398.6 thousand tonnes while export sales of ammonia increased marginally by 1.9 percent to 2,755.7 thousand tonnes.

Construction on CNCII (Nitrogen 2000) has been completed and pre-commissioning activities are currently being undertaken. The expected production capacity of ammonia for this plant is 640,000 tonnes per year.

### **Methanol**

Methanol production over the period October 2003 to May 2004 declined by 2.1 percent to 1,868.6 thousand tonnes compared with the same months in 2002/2003. Similarly, over the same period, methanol exports declined by 3.3 percent to 1,845.4 thousand tonnes over the period. The decline in methanol exports was due to the shut-down of the Caribbean Methanol Company facility during most of

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March for routine maintenance. Methanol exports in the four preceding years averaged just over 2,275 thousand tonnes.

Meanwhile, construction of the ATLAS Methanol Company has been completed and pre-commissioning activities are currently being undertaken. The expected production capacity of methanol for this plant is 5,000 tonnes per day. At the same time, construction is progressing on the Methanol Holdings (MHTL) - M5000 Plant and commissioning is expected by June 2005. Production capacity of this plant is also estimated at 5,000 tonnes per day.

### **Iron and Steel**

During the period October 2003 to June 2004, production of iron and steel products were generally low compared with the same period in 2002/2003 due to operational delays and planned shutdowns for repairs and maintenance. The production of DRI declined by 8.2 percent to 616.7 thousand metric tonnes while production of billets and wire rods fell more slowly by 4.9 percent and 1.7 percent, respectively. The decline in the production of billets was largely due to a fire at the steel plant in June 2004, which resulted in the complete shutdown of one of the furnaces.

Notwithstanding these weak production outturns, export sales of DRI increased marginally during the review period by 0.3 percent to 959.5 thousand metric tonnes and similarly export sales of billets rose by over 23 percent to 70.5 thousand metric tonnes. The outstanding export performance of the latter product was attributed to the negotiations of new contracts with Latin American countries and the Dominican Republic. In contrast, export sales of wire rods during the same period declined by 13.1 percent, to 446.7 thousand metric tonnes due to a reduced quota to its chief market, the United States.

On the domestic market, local sales of billets declined by 14.3 percent to 60.8 thousand metric tonnes, during the period October 2003 to June 2004. This was attributed to the rise in steel prices which became effective on April 1, 2004. Notwithstanding higher prices, local sales of wire rods over the review period increased significantly by 41.3 percent to 33 thousand metric tonnes and reflected the expansion in construction activity stemming from the many government and other housing projects.

### **Cement**

The production of cement increased by 1.5 percent to 579.6 thousand tonnes for the period October 2003

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to June 2004, compared with 570.9 thousand tonnes in the previous comparative period. This performance was achieved mainly on account of maintenance work at the cement plant which enhanced operating conditions during the review period.

During the same period, local sales of cement grew by 2.1 percent to 391.2 thousand tonnes largely as a result of greater bag sales of cement, due to the commencement of a number of housing projects. Cement sales also expanded during the period, because of the introduction of a special project with the National Gas Company of Trinidad and Tobago Limited (NGC), which included the coating of a pipeline with concrete.

The improved performance of bag sales outweighed the decline in bulk sales of cement, which were affected by the ten (10) week strike at Atlantic LNG Train IV. Towards the end of the first quarter, bulk sales of cement were also significantly affected by heavy rains and the traditional slowing of the market with the shutdown of all major construction sites for the festive season. It is anticipated that local sales of cement will increase during the latter half of 2004 as Trinidad Cement Limited (TCL) engages in trials of Pozzolana cement with the aim of introducing it to the domestic market in the second quarter of 2005.

For the period under review, export sales of cement increased marginally to 188.6 thousand tonnes, compared with 188 thousand tonnes for the comparative period a year ago.

### **Manufacturing**

The manufacturing sector is expected to grow in real terms by of 6.6 percent during 2004 compared to the 5 percent growth recorded during 2003. Domestic demand for manufactured goods is expected to strengthen during 2004 while the recovery in the world economy, should impact favourably on the regional economies and therefore contribute to a stronger performance in the manufacturing sector this year.

The two largest sub-sectors, Food Beverages and Tobacco and Assembly Type and Related Industries, which account for 66.2 percent of all activity in the manufacturing sector are both expected to have accelerated growth rates of over 10 percent in 2004. Meanwhile increased production of Cement (7.1 per cent) and Concrete Products (4.3 percent) will contribute to Chemicals and Non-Metallic Minerals (the third largest sub-sector) growing moderately by 2.8 percent, down from 4.3 percent in 2003. Activity in the

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Food, Beverages and Tobacco sub-sector is expected to heighten due to improved outturns from Poultry Processors, Other Fruit Processors and producers of Tobacco and Non-Alcoholic Beverages. These positive developments are expected to outweigh a decline in Dairy Products as a result of a re-emphasis by a major industry player towards distribution rather than manufacturing. Growth in the Assembly Type and Related Industries sub-sector will be driven by a boost in the performances of the Metal Building Materials industry (6.1 percent) and Iron and Steel (13.1 percent).

The only sub-sectors that are expected to show declines during 2004 are Miscellaneous Manufacturing (-3.3 percent) and Printing and Publishing (-5.2 percent). The weak performance of the latter is due to expected contractions in Newspaper Publishing (-4.7 percent) and in Other Printing (16.4 percent).

Domestic exports by the manufacturing sector for the first half of fiscal 2003/2004 were estimated at approximately \$1,525 million, 6.2 percent above manufacturing exports in the same period of fiscal 2002/2003 and represented 10.5 percent of total domestic exports. Domestic imports by the manufacturing sector during the same period were estimated at approximately \$2,663 million, 39.3 percent more than a year ago and represented 17.6 percent of total domestic imports.

## **Tourism**

### **Visitor Arrivals**

Between October 2003 and March 2004 approximately 279,273 persons visited Trinidad and Tobago by air, cruise ship and yacht. This was a substantial increase of 41,151 persons or 17.3 percent more than the number of visitors in the same period of 2002/2003.

### **Air Arrivals**

During the period October 2003 to March 2004, approximately 220,503 air passengers arrived in Trinidad and Tobago, 11.8 percent more than the same period last year. Air arrivals to Trinidad totalled 186,341 persons, an increase of 8 percent while air arrivals to Tobago totalled 34,162 persons, a substantial increase of 38.4 percent. The substantial growth in air arrivals to Tobago was attributable to a number of factors which included the introduction of additional flights, marketing efforts by the THA, especially its

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promotions in London and Norway, increased accommodation and the island's eco-tourism award for first place in October 2003.

For the six-month period ended March 2004, approximately 65.8 percent of air arrivals to Trinidad and Tobago stayed at private residences while 26 percent and 4.8 percent, respectively stayed at hotels and guest houses. Moreover, 82.1 percent of visitors arriving in Tobago by air during the first three months of 2004 came for private leisure, beach or vacation purposes. In contrast, for the same months, only 25.9 percent of air arrivals in Trinidad were for private leisure, beach or vacation purposes. Among the air arrivals to Trinidad, 23.8 percent came to visit friends or relatives while 19.2 percent came for business reasons or to attend conventions.

### **Cruise Ship Arrivals**

Over the period October 2003 to March 2004, a total of 57,832 cruise ship passengers visited Trinidad and Tobago, an increase of 39.9 percent over the previous comparative period. Of the total cruise ship arrivals 34,444 passengers visited Trinidad, 21.8 percent more than in the same period of 2002/2003, while 23,388 passengers visited Tobago, 79.3 percent higher than in the corresponding period of 2002/2003.

In terms of the nationalities of cruise ship passengers, there continues to be a downward shift in the percentages of passengers coming from the United States, while passengers originating from the United Kingdom have been on the increase. Indeed, over the review period, approximately 52.1 percent of cruise arrivals were from the United Kingdom, 19.5 percent from Germany, 15.8 percent from the United States and 4 percent from Canada.

### **Yachting Arrivals**

During the first half of the fiscal year, 938 yachts harboured in Trinidad and Tobago, a decline of 9.5 percent compared to the first half of fiscal 2002/2003. Of these, 602 yachts berthed in Trinidad, 17.8 percent fewer than in the corresponding period last year while 336 yachts berthed in Tobago, 10.5 percent higher than in the corresponding 2002/2003 period.



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### **Investment in Tourism Projects**

During the first nine months of fiscal 2003/2004, private sector investment in tourism projects in Trinidad and Tobago dropped sharply to \$135.9 million, a notable decline of 57.7 percent, when compared to the \$321 million invested during the corresponding period last year. Local private investment dropped from \$268 million to \$98.4 million while foreign private investment dropped from \$53.1 million to \$37.5 million.

### **Construction**

During 2004, construction and quarrying activity is expected to pick up with real output increasing by 9 percent compared with 6.7 percent in 2003. The improved performance will be attributed to the increased momentum in the major public sector construction projects. In particular, there is expected to be some acceleration of government's housing program following its sluggish start during 2002/2003 while construction is also expected to commence in Port of Spain on several high rise buildings for the future Government Office Complex. Moreover, the pace of construction activity on Atlantic LNG Train IV has heightened somewhat following the settlement of the industrial disruptions of early 2004 while other private commercial construction activity continues to expand.

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## THE FINANCIAL SECTOR

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| <ul style="list-style-type: none"><li>▪ <b>Central Bank Operations</b></li><li>▪ <b>Exchange Rate Market</b></li><li>▪ <b>Money Supply and Liquidity</b></li></ul> | <ul style="list-style-type: none"><li>▪ <b>Credit and Interest Rates</b></li><li>▪ <b>Non-Bank Financial Institutions</b></li><li>▪ <b>Capital Market Activity</b></li></ul> |
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### Central Bank Operations

After reducing the Repo rate by 25 basis points to 5 percent in September 2003 the Central Bank maintained this rate into the second quarter of 2004. This decision was made within the context of moderate growth in commercial bank credit, an inflation level that remained relatively low and a positive outlook for economic growth fuelled by expansions in the energy sector. At the end of June 2004, the Central Bank maintained the Repo rate of 5 percent as domestic conditions had not significantly changed.

During the review period, the financial system continued to experience high levels of liquidity, a trend prevailing since 2002. Net fiscal injections accounted for most of the liquidity in the financial system. On October 15 2003, the Central Bank lowered the reserve requirement for commercial banks from 18 percent to 14 percent and eliminated the 5 percent secondary reserve requirement. The Central Bank intends to further reduce the reserve requirement in phases of 3 percent and 2 percent, to a rate of 9 percent by early 2005. This will result in the equalization of the reserve requirement between banks and non-banks. As a result of the 4 percent reduction in the reserve requirement, an estimated \$640 million, previously sterilized at the Central Bank was released to commercial banks. By the end of September 2004, an additional \$520 million in bonds is expected to be issued to accommodate further reductions in the reserve requirement. These special issues of Government Securities serve to absorb the excess liquidity in the financial system resulting from changes to the reserve requirements.

The Bank continued to intervene actively in the domestic money market. For the period January to June 2004, the Bank issued a net amount of \$679.3 million in open market treasury securities. These financial developments were necessary to stem a rapid expansion in domestic liquidity arising from central government fiscal operations.

In July 2004, the Government introduced a new auction system for government securities. This new regime, which will be administered by the Central Bank, will take initial steps to promote a secondary

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market for government securities.<sup>4</sup> These initiatives, along with the reduction in the reserve requirement, are aimed at improving the efficiency of the Central Bank monetary policy. Under the new system, the Government placed its first issue of \$300 million on the market in August 2004 with a tenor of 15 years and a coupon interest rate of 6.15 percent. The next issue is expected to be in September 2004.

### **Foreign Exchange Market**

The average selling rate for the United States dollar increased marginally from \$6.2311 for the nine-month period, October 2002 to June 2003 to \$6.2398 for the comparative period a year later. At the end of 2003, cumulative sales of foreign exchange totalled US\$2,627.2 million, an increase of 14 percent from the end of 2002. For the first six months of 2004, cumulative sales increased by 8.6 percent to US\$1,400.9 million from US\$1,290.1 million in the same period of year ago. Purchases of foreign currency similarly increased from US\$998.9 million for the period January to June 2003 to US\$1,144.7 million (14.6 percent) in the same period of 2004.

In early 2004 conditions remained tight on the foreign exchange market prompting interventions by the Central Bank. For the period January to July 2004, the Central Bank sold US\$240 million to the market compared with US\$275 million in the first seven months of 2003.

### **Money Supply**

On average, data for the period October 2003 to May 2004 indicate that the narrow money aggregate increased by approximately 20 percent to \$7,887.6 million from \$6,543.4 million for the comparative period a year earlier. Similarly, broad money (M2) exhibited a rising trend for the eight month period and increased by 11.6 percent to \$18,841.2 million from \$16,878.5 million for the same period in 2002/2003.

### **Liquidity**

For most of 2003 and continuing into 2004, the financial system was highly liquid and the Central Bank managed this liquidity through open market operations. The excess liquidity was largely associated with the expansion in government expenditure which resulted in a cumulative injection of \$1,645 million into the financial system during October 2003-January 2004. The excess liquidity and low stable interest rates on fixed income financial instruments that prevailed over the period, prompted the more advanced investor to switch funds into higher yielding investments outside of the banking system.

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<sup>4</sup> These developments set the framework for the creation of an active secondary market while simultaneously improving the functioning of the Government's Bond market.

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At the beginning of the financial year the amount outstanding on Open Market Operation (OMO) Bills was \$785 million and by the end of July 2004 this amount increased by approximately 13.3 percent to \$890 million. Meanwhile maturities of OMO Bills (Redemptions) for the 10-month period totalled \$1,760 million and the total face value of OMO Bills issued amounted to \$1,865 million. As a consequence, the amount outstanding to the end of July 2004 increased by \$105 million. The discount rate for Bills issued averaged 4.93 percent compared with 4.44 percent during the period October-July 2002/2003. The use of OMO's is consistent with the growing trend in many developing countries to move away from their reliance on reserve requirements as a direct instrument of monetary policy to more market based instruments.

### **Credit and Interest Rates**

Concomitant with the maintenance of the Repo by the Bank and the reduction in the reserve requirement, commercial banks' lending rates have declined with the prime lending rates falling by 200 basis points from 11.50 percent in September 2003 to 9.50 percent by 2003. At the end of April 2004, this lower rate was still maintained by the commercial banks. Similarly, mortgage interest rates also declined from 12.50 percent in October to 9.50 percent in April 2004. The average discount rate on 90 day Treasury Bills ranged between 4.78 percent and 4.85 percent within the review period October 2003 to March 2004.

Bank deposit rates for the review period have also exhibited downward trends since the reduction of the reserve requirement became effective and the high liquid nature of the monetary system. The weighted average 6-month deposit rate declined from 2.91 percent in October 2003 to 0.84 percent in April 2004. Consequent on these trends, the spread between the prime lending rate and the weighted average 6-month deposit rate varied from 8.59 percent in October 2003 to 8.66 percent in April 2004, an upward shift of 7 basis points.

The reduction in lending rates has been accompanied by rising levels in private sector credit demand. In the six-month period ended March 2004, commercial bank credit to the private sector increased by 15.5 percent to \$19,988 million from \$17,308 million at the beginning of the period.

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### **Non-Bank Financial Institutions (NFIs)**

For the six month period ended March 2004, reserves held by NFIs averaged approximately \$618.1million, reaching \$601.8 million at the end of the period. For the comparative period in 2002/2003, NFIs' reserves were 20.2 percent less averaging \$514 million. Interest rates on loans and deposits were also reduced, consistent with conditions in the rest of the financial system. Preliminary data at the end of January 2004, indicate that mortgage loan rates of Trust and Mortgage Finance Companies have been flat at 6.6 percent since June 2003, declining sharply from 12.5 percent which reigned for most of the previous 12-month period. Interest rates on 1-3 year Deposits have remained fixed at 9.8 percent into the first quarter of 2004.

### **Capital Market Activity**

#### **Trinidad and Tobago Securities Exchange Commission (TTSEC)**

#### **Legal Issues**

For the period January 2004 to March 2004 the TTSEC evaluated the Interim Report on the legislative review of the Securities Industry Act of 1995 and its related bylaws. A public consultation was held on the 10<sup>th</sup> and 11<sup>th</sup> of March to discuss the review of the Act and to illicit comments from the various interested persons. These comments, together with the Commission's final comments on policy and drafting issues were submitted to the consultants Stikeman Elliott LLP, on June 21, 2004. The consultant's Final Report was expected to be delivered to the Commission at the end of July or early August 2004 and will contain commentary and a detailed legislative drafting brief. Thereafter, the Commission will send the Final Report with recommendations to the Ministry of Finance to be used in policy analysis and decision making for the securities industry.

The Commission has published the take-over By-Laws in the Gazette and has forwarded these By-Laws to the Ministry of Finance for approval. The final draft of the Rules of Practice for Hearings and Settlements was submitted to the Ministry of Finance for approval. This document provides guidelines for the conduct of hearings and settlements by the Commission and covers issues relating to pre-hearing conferences, disclosure of documents, expert witnesses, documentary hearings, appeals and reviews of decisions of delegates, review of Commission decisions and settlement procedures.

### **Surveillance Activities**

The Commission's staff engaged in discussions on the Horizontal electronic trading rules for the automation of trading at the Trinidad and Tobago Stock Exchange. A hearing regarding the Rules will be held pursuant to Section 40 of the Securities Industry Act, 1995. This hearing has been scheduled for September 2004. During 2004, the Commission took action against a number of reporting issuers for their failure to file Annual Financial Reports.

### Industry Developments

Over the period October 2003 to June 2004, there were many applications to the TTSEC while the number of registrants in the various categories varied somewhat. At the end of June 2004, there were 145 registrants with the TTSEC compared with 140 for the same period in 2003. Among the new registrants were, Welthecon Investment Managers Limited, AIC Capital Market Brokers Limited, Vega Capital Management Limited, Alpha Savings and Trust Limited and the National Property Development Company Limited (NIPDEC). The latter company was the only new Reporting Issuer for the review period. Meanwhile at the end of June 2004, 16 securities were registered at the TTSEC compared with 22 securities in the same period a year earlier. The number of Debt Securities registered at the Commission reduced substantially (69.2 percent) from 13 securities in June 2003 to 4 securities in 2004 while equities registered increased by 33.3 percent.

**Table 1: Market Registrants**

<b>Classes of Registrants</b>	<b>As at June 30, 2003</b>	<b>As at June 30, 2004</b>
Brokers	10	11
Dealers	2	2
Investment Advisors	18	23
Reporting Issuers	74	75
Traders	7	4
Underwriters	7	7
Self-Regulatory Organizations	2	2
Securities Companies	20	21
<b>TOTAL</b>	<b>140</b>	<b>145</b>

Source: Trinidad and Tobago Securities Commission

**Table 2: Securities Registered with TTSEC**

<b>Classes of Securities</b>	<b>As at June 2003</b>	<b>As at June 2004</b>
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Equity Issues	6	8
Collective Investment Schemes	2	2
Debt Securities	13	4
Derivative (Debt) Securities	1	2
<b>Total</b>	<b>22</b>	<b>16</b>

Source: Trinidad and Tobago Securities Commission

### **Venture Capital Incentive Programme (VCIP)**

During the period October 2003 to June 2004 there were no new investments recorded by Venture Capital Companies under the programme. Dynamic Equity Limited, which does not fall under the ambit of the VCIP, made a second round investment of \$500,000 in a company in which it had previously invested \$2 million. At the end of June 2004, there remained twelve beneficiaries of venture capital investments totalling \$12.7 million. From inception, to the present, venture capital companies under the programme completed ten investments amounting to \$5.3 million while three investments were completed by Dynamic Equity Limited totalling \$7.4 million.

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### **Box 1 : Highlights of the Venture Capital (Amendment) Act (2004)**

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The Venture Capital (Amendment) Bill was passed in the Lower House during the period under review and the Senate on July 6, 2004. The Bill which is the culmination of the efforts of the Venture Capital Task Force, seeks to address some of the deficiencies identified by the Task Force and create an environment conducive to the further development of the venture capital industry.

The more significant aspects of the Bill include:

Increasing the equity with which a venture capital company (VCC) may carry on business from \$20 million to \$100 million. This will allow for greater flexibility by VCC's to finance projects of varying risk profiles and returns;

Increasing the equity with which a qualifying investee company (QIC) may carry on business from \$3 million to \$50 million. The resulting effect will be an increase in the number of businesses being eligible to access venture capital funding;

Removal of the extraction of natural resources and manufacture of petrochemicals from the list of prohibited activities in which a qualifying investee company may be engaged. This is likely to facilitate local content in both the upstream and downstream operations within the energy sector. Companies in the energy sector now have enhanced opportunities to access funding;

A VCC will no longer be restricted to investing in a QIC via common shares only as investments can now be structured using preference shares as well. This measure will allow greater flexibility in the structuring of investments by both VCC and QIC;

The Bill makes provision for the management of the assets of a VCC by persons who satisfy the tenets of a fit and proper test for fund managers. Such persons must now possess the necessary academic and practical training as defined;

The Bill removes the limit on the number of employees with which a company may carry on business in order to qualify as a QIC. The removal is necessary as it contradicts Government's employment creation policy.

Equity under management by the venture capital companies under the programme totalled \$15,343.9 million at the end of June 2004. Dynamic Equity Limited with its fund size of US\$10 million had committed capital of US\$ 5.5 million.



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**Table 3: Share Capital Raised (TT\$)**

<b>Company</b>	<b>Oct'02- Jun'03</b>	<b>Oct'03- Jun'04</b>
Add Venture Capital Fund Limited	825,500	120,000
Prudent Venture Capital Limited	322,600	15,000
FNCU Venture Capital Company Limited	0	20,000
Capital Raised during 3 Quarters	1,148,100	155,000

Source: Venture Capital Incentive Programme

### **Credit Unions**

The Draft White Paper on the Financial System of Trinidad and Tobago has outlined policy recommendations for the Credit Union sector. Some of the more significant recommendations included the development of appropriate prudential and disclosure requirements and activities for appropriate supervision under the umbrella of the Ministry of Finance and the Central Bank.

There were no new entrants into the Credit Union Industry during the period under review, however, Southeast Port of Spain and Cocorite St. James Credit Unions merged to form Western United Credit Union.

**Table 4: Estimated financial information for the Credit Union Movement (TT\$Mn)**

<b>Financial Item</b>	<b>2002</b>	<b>2003 (Est.)</b>
Total Market Capitalization	2,900	2,900
Total Loans Outstanding	2,200	2,100
Total Deposits (including shares)	3,100	2,400

Source: Co-operative Credit Union League of Trinidad and Tobago Ltd.

### **Trinidad and Tobago Stock Exchange (TTSE)**

#### **Equities**

During the period October 2003 to June 2004 there were no new listings on the Trinidad and Tobago Stock

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Exchange. However, on the secondary market trading was very heavy. The volume of shares traded increased from 209.2 million over the period October-June 2002/2003 to 299.2 million, an increase of 43 percent and similarly the value of shares traded increased from \$937.5 million to \$2,205.3 million, an increase of over 153 percent. These huge increases in transaction volumes and values during the review period reflected the cross-listing of two Jamaican companies, Capital and Credit Merchant Bank and National Commercial Bank Jamaica Limited. These two companies traded a total of 122.7 million shares over the first nine months of fiscal 2003/2004. Moreover, with the implementation of the Trinidad and Tobago Central Securities Depository, a computerized book entry system, in January 2003, investors buying and selling securities on the Exchange are now better able to process the transfer of ownership of securities very quickly and efficiently.

Following on the improved trading performance market capitalization also increased significantly over the review period. At the end of June 2004, market capitalization increased to \$88.7 million, 77 percent higher than in June 2003. The composite index grew over the review period from 560.3 in June 2003 to 904.7 in June 2004, representing an increase of over 61 percent.

## **Bonds**

During the nine-month period October to June 2003/2004, a total of fifteen bonds were issued on the primary domestic bond market compared with twenty-one for the corresponding period in 2002/2003. Of these issues, seven were US dollar, one Eastern Caribbean and seven TT dollar denominated bonds with maturities ranging from 3 to 20 years. During the review period domestic currency issues totalled TT\$948.4 million while US dollar denominated issues totalled US\$266.8 million and Eastern Caribbean issues totalled EC\$30 million.

The major highlights during the review period were the private placements of three bonds by Trinity Commercial Centre Ltd (TCCL). This comprised two fixed rate US dollar bonds with face values of US\$9.8 million and US\$12 million and tenors of 3 years and 10 years respectively, and one floating rate TT dollar issue with a face value of TT\$130 million and a tenor of 15 years. WASA issued three TT dollar fixed rate securities with face values of TT\$271.4 million, TT\$95 million and TT\$145 million and tenors of 12 years, 20 years and 15 years, respectively. Regionally, Trans Jamaican Highway Limited, a Jamaican company, and the Jamaican Government issued two US dollar denominated bonds with face values of US\$130 million and US\$58 million, respectively.

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### **Regulatory developments in the Insurance industry**

The Insurance (Amendment) Act No. 15 of 2004 was passed on May 25, 2004 and transferred the authority for the supervision of the insurance industry from the Supervisor of Insurance, Ministry of Finance, to the Central Bank of Trinidad and Tobago. With the passage of this Act all insurance companies, intermediaries and pension plans registered with the former Supervisor of Insurance under the Insurance Act 1980 have been deemed to be registered with the Central Bank of Trinidad and Tobago as at May 25, 2004.

It is expected that this change in supervisory authority will provide enhanced co-ordination in the oversight of the financial sector and synergistic benefits from the greater alignment and coherence of the supervisory methodologies regulating similar activities across different financial institutions.

### **Mutual Fund Industry**

The combined fund size of the industry increased to \$24.4 billion at the end of June 2004 despite the high levels of liquidity prevailing in the financial system, which has affected the yields on money market and other instruments. This represented an increase of 37.6 percent compared with the similar period for June 2003 and reflected improved performance in both the growth and income and money market funds.

Among the different growth and income funds, the Republic Caribbean Equity fund recorded the best performance over the review period with an average fund size of \$265.9 million or an increase of over 338 percent over the corresponding period of 2002/2003. The main reason for this sizeable growth was the fact that the Caribbean Equity fund is also invested in the more buoyant regional equity markets, especially the Jamaican market. The Unit Trust Corporation's (UTC) and Roytrin's growth and income funds also had creditable performances over the review period growing by 83.2 percent and 73 percent, respectively to \$3.1 billion and \$748.3 million.

The Unit Trust Corporation which has the largest Trinidad and Tobago dollar money market fund averaging over \$5.4 billion during the period October 2003 to June 2004 enjoyed an increase of 22.4 percent in its fund size. However, the Roytrin mutual fund which has the second largest money market fund, averaging over \$4.6 billion, expanded more significantly by 41.5 percent. The First Citizens Bank's Abercrombie fund enjoyed a much improved performance in terms of growth during the review period, averaging a fund a size of \$1.1 billion and growing by 28.2 percent. This performance was even better than the Republic Bank's

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money market fund, which had an average size of \$2.5 billion over the period October 2003 to June 2004 and grew by 18.6 percent.

In terms of market share, at the end of June 2004, the UTC maintained its first-placed position among its other three competitors. The UTC continued to have 48 percent of the total mutual fund industry while Roytrin mutual fund with the second largest market share increased by 1 percent from 34 percent to 35 percent. The two smallest market shares continued to be Republic Bank's Money Market and Caribbean Equity funds and FCB's Abercrombie fund, with shares of 12 percent and 5 percent, respectively.

Meanwhile in terms of overall fund size, the UTC stood at \$11.7 billion in assets under management the end of June 2004, followed by RBTT's Roytrin at \$8.5 billion in assets under management. Both Republic Bank and FCB with overall fund sizes of \$3 billion and \$1.2 billion, respectively, were substantially below the two market leaders in 2004.

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## CENTRAL GOVERNMENT OPERATIONS <sup>5</sup>

- **Public Sector Activities**
- **Revenue**
- **Expenditure**
- **Financing**
- **Public Debt and Debt Service**

### Public Sector Activities

Fiscal policy in 2003/2004 was pursued within the context of robust international oil and gas prices, strong receipts from petrochemical exports, structural and financial sector reform, debt retirement, continued efforts by Government to strengthen revenue collections and manageable expenditure levels. In this regard, policy initiatives geared towards facilitating greater efficiency at the Inland Revenue Division included a Criminal Investigation Unit to foster voluntary compliance by delinquent taxpayers, the merger of Value Added Tax and Income Tax Field Collections, the merger of Motor Vehicle Exemption and Tax Clearance Certificates, and the launch of the Inland Revenue Website in April 2004.

Fiscal performance in 2003/2004 was initially based on a conservative oil price of US\$25.00 per barrel. The anticipated result was an overall deficit of \$312.3 million. However, on the basis of favourable international oil and gas prices during the fiscal year, Government has revised its projections. Based on a weighted average oil price of US\$30.60 per barrel for the year, the revised estimated Revenue outturn for fiscal 2003/2004 is anticipated to increase by \$1,674.5 million to \$20,192.6 million.

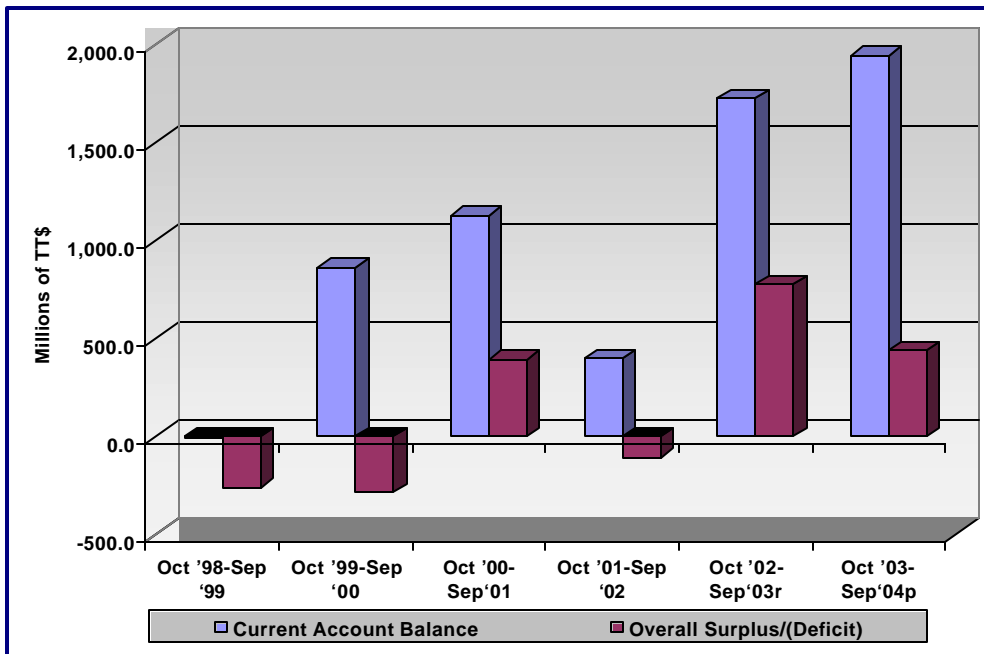
Central Government's fiscal operations are therefore projected to result in surpluses on both the Current Account and Overall Balance. The Current Account is anticipated to expand to \$1,943.4 million, or 2.8 percent of Gross Domestic Product (GDP), while the Overall Balance is expected to reach \$437.1 million, or 0.6 percent of GDP. This compares with surpluses of \$1,723.2 million on the Current Account and \$775 million on the Overall Balance in the preceding fiscal year.

The balance on the Revenue Stabilisation Fund increased from \$1,548 million at the end of fiscal 2003 to \$2,853.7 million in fiscal 2004.

### Figure 12: Central Government Fiscal Operations: Current & Overall Balances

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<sup>5</sup> All the ratios in this section are based on GDP calculated for the fiscal year.



Source: Ministry of Finance

## Revenue

For fiscal 2003/2004, Central Government's Total Revenue including Grants is projected to expand to \$20,192.6 million, or by \$2,826 million over the comparative period in 2002/2003. This can be linked primarily to strong performances in Tax Revenue component which comprises 87.6 percent of Total Revenue, as well as on most of the other components of Total Revenue. Grants, Capital Receipts, Stamp Duties, Taxes on Goods and Services, Taxes on Income and Profits, and Taxes on International Trade, will increase by 460 percent, 40.2 percent, 21.7 percent, 21.2 percent, 15.4 percent and 12.9 percent, respectively. Projections of Non-Tax Revenue also increased by 13.4 percent to \$2,469.5 million.

Within Tax Revenue, Taxes on Income and Profits, traditionally the largest source of tax revenue, will increase substantially by \$1,586.3 million to \$11,894.9 million. This reflects higher tax receipts of \$1,077 million from Companies to \$7,601.6 million. Within this category, receipts from Oil Companies are expected to improve by \$1,061.2 million to \$5,405.9 million primarily as a result of higher than budgeted crude oil and gas prices. Similarly, it is anticipated that receipts from Non-oil Companies will improve by \$15.9 million to \$2,195.7 million, reflecting higher prices of major petrochemical exports. Receipts from

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Individuals are forecast to increase by 10.7 percent or \$301.8 million to \$3,126.4 million reflecting an overall increase in collections in respect of Pay As You Earn (P.A.Y.E.) emanating from the introduction of some 108 companies and businesses, payments relating to contract gratuity and severance, and increased salaries, wages, and cost of living allowances to public servants. Similarly, tax receipts from Unemployment Levy, Withholding Taxes, Business Levy, and the Green Fund Levy will increase by \$124 million, \$55.1 million, \$26.7 million and \$2 million, respectively. In contrast, receipts from Health Surcharge will fall marginally by \$0.3 million to \$143.6 million and is attributed to a lag in payments from employers to the Government, as well as a backlog in the processing of payments.

In other categories of Tax Revenue, Taxes on Goods and Services, the second largest component of Tax Revenue will increase by \$750.8 million to \$4,296.4 million. This is attributed to higher intakes from both Value Added Tax (VAT) and Excise Duties to \$2,864 million and \$1,013.4 million, respectively. The former will result from increased collections emanating from Imports and from local firms, while the latter reflects higher overall sales in rum and spirits, as well as an increase in the consumption of petroleum products. Motor Vehicle Taxes, however, are expected to fall by \$46.9 million despite an apparent expansion in the sale of vehicles since there is some lag in the processing of payments.

At the same time, it is projected that taxes on International Trade and Stamp Duties will increase by \$138.5 million and \$34.1 million, respectively. The former will reflect improved revenue from Import Duties of \$131 million due to the increased imports of goods and higher receipts from Airport Departure Tax. Meanwhile, the latter will result from increased collections and a rise in the value of non-residential conveyances, which commanded a higher duty rate. Similarly, Taxes on Property, made up exclusively of Land and Building Taxes, are forecast to grow by \$6.7 million as a result of timely payments by taxpayers.

Non-Tax Revenue is projected to increase by \$290.9 million to \$2,469.5 million, consequent upon higher receipts from Royalties, Profits from Non-Financial Enterprises, and Administrative Fees and Charges. In keeping with higher oil prices, Royalties are anticipated to rise by \$84.4 million to \$1,092.4 million. Similarly, profits of Non-Financial Enterprises are also expected to grow to \$615.3 million, 60.5 percent higher than the previous year's outturn. This is largely a result of an increase in on-line sales by National Lottery and higher receipt of dividends (84.3 percent) from State Enterprises. Administrative Fees and Charges are also expected to increase by \$31.4 million to \$259.3 million consequent upon payment of outstanding arrears. On the other hand, profits from Non Financial Enterprises will decline by \$45.9

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million due to the non-payment of dividends by the Trinidad and Tobago Mortgage Finance Company (TTMF). Receipts from Interest Income are forecast to decrease by \$24.7 million to \$87.5 million primarily as a result of reduced deposits on floating balances held on the Government Treasury Adjustment Account.

In other areas of Revenue, Capital Receipts are projected to increase significantly by \$7.2 million to \$25.1 million in fiscal 2003/2004, primarily as a result of sales of National Housing Authority housing lots. Grants will accumulate by \$11.5 million to \$14 million, indicating that projects were not being implemented as anticipated and therefore draw-downs were not fully utilised.

## **Expenditure**

Total Expenditure and Net Lending for fiscal 2003/2004 are forecast to increase by \$3,163.9 million to \$19,755.5 million. Of this, Recurrent Expenditure will account for 92.2 percent or \$18,210.1 million, while Capital Expenditure and Net Lending is estimated at \$1,545.4 million.

With respect to Recurrent Expenditure, which is forecast to expand by \$2,587.1 million, increases are anticipated for all the major categories of expenditure, with the exception of Interest Payments, which are estimated to fall by \$397.9 million to \$2,194 million. The latter will be engendered by reductions in both Domestic and External Interest Payments. Lower Domestic Interest Payments can be attributed to reduced domestic interest rates and the retirement of some high-cost domestic debt, while the fall in External Interest Payments ensued from a reduction in the country's external debt stock.

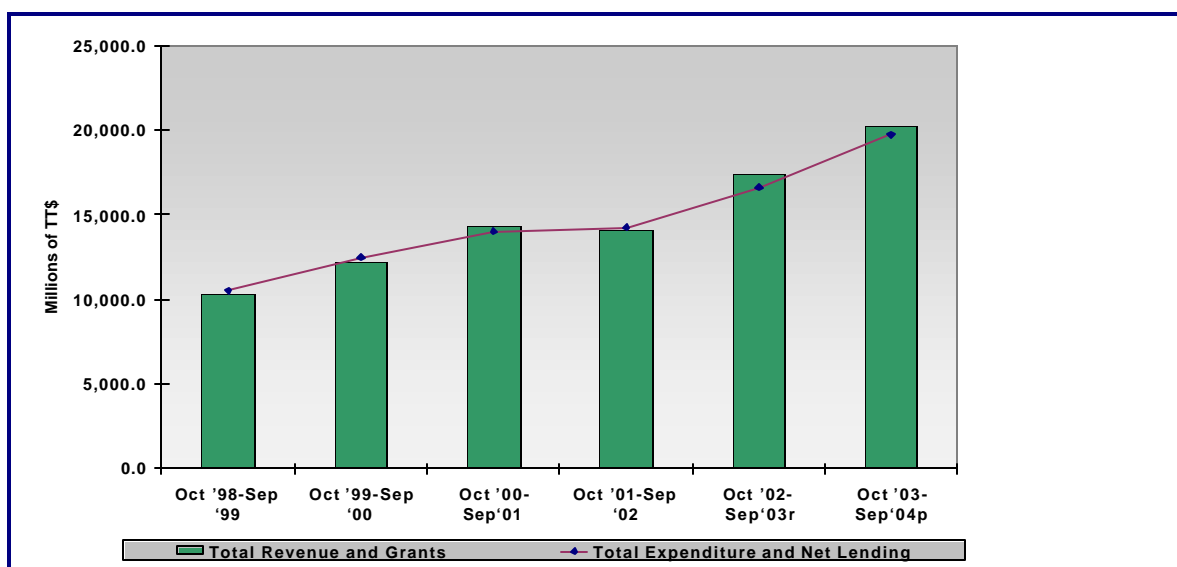
Expenditure on Goods and Services is projected to increase by 28.7 percent or \$584.5 million to \$2,622.8 million, with the more substantial increases occurring in the School Feeding Programme, Consulting and Contracting Services, Minor Equipment Purchases, Security Services, and Rental Accommodation. Wages and Salaries, another significant component of Recurrent Expenditure, is estimated to increase by \$178.2 million to \$4,725.9 million reflecting the payment of arrears of increments still due to some teachers, higher salaries, wages and cost of living allowances to public servants.

Subsidies and Transfers, the largest component of Recurrent Expenditure is projected to increase by 34.5 percent to \$8,667.4 million. This increase largely reflects the payment of arrears of petroleum



subsidy. Also accounting for a significant part of the increase will be higher outlays in respect of Pensions and Gratuities, Old Age Pensions and Social Assistance Benefits. Larger transfer payments are also expected to be made to a number of State Enterprises and Statutory Boards for meeting debt-servicing and operational costs.

**Figure 13: Central Government Revenue and Expenditure**



Source: Ministry of Finance

Capital Expenditure and Net Lending is expected to increase by 59.5 percent to \$1,545.4 million. Payments made under the Dollar for Dollar Fund and the Road Improvement Programme, in addition to the allocation to the Public Sector Investment Programme (PSIP) and Net Lending are also included in this category. Expenditure on the PSIP is expected to expand by 50.8 percent to \$1,691.5 million reflecting an overall increase in the implementation of certain projects and programmes, as well as some new projects that have come on stream. The allocation of \$60 million towards the Dollar for Dollar Fund will represent a 68.1 percent growth over the previous year's allocation, while the Road Improvement Programme will register a 25.3 percent increase to \$50 million. Net Lending moved from a negative \$228.8 million to a negative \$256.1 million.

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## Financing

External Net Financing is projected to decline from \$11.9 million to a negative \$23.8 million in fiscal 2003/2004. This is predicated on a decrease of \$41.9 million in External Borrowings to \$429.9 million, all of which represents project-related loans. External Capital Repayments are forecast to increase by \$12.5 million to \$453.7 million.

On the Domestic side, Net Financing is anticipated to increase by \$373.6 million, to \$413.3 million. This is consequent upon a reduction in Domestic Borrowings by \$1,496.3 million to \$600 million. The borrowings of \$600 million in fiscal 2003/2004, represent the refinancing of high-cost domestic debt. Domestic Capital Repayments, are projected to increase by \$1,120.4 million, from \$2,505.5 million to \$1,385.1 million. This can be linked to principal payments on already existing loans and to the refinancing of high-cost debt.

Altogether, total principal payments are expected to exceed external and domestic borrowings by \$808.9 million. However, when this amount is coupled with the projected overall surplus of \$437.1 million, the resulting sum of \$1,246 million will represent additional government deposits at the Central Bank.

## Public Debt and Debt Service

Gross Public Sector Debt stock is projected to increase to TT\$37,125 million or 52.7 percent of GDP by the end of fiscal 2003/2004. This represents an increase of 4.6 percent or \$1,634 million compared with the previous fiscal year. Of the Gross Public Sector Debt stock, Central Government Debt is anticipated to increase to \$21,842 million, or 31 percent of GDP. Contingent Liabilities are projected to increase to 21.7 percent of GDP or to \$15,283 million.

The Central Government component of debt increased consequent upon a rise in Domestic Debt by \$941 million to \$11,398 million. This resulted primarily from \$1,160 million in bonds which were issued to absorb increased resources arising from the reduction of the cash reserve requirement by the Central Bank as well as from the netting of principal repayments. Government has also taken advantage of prevailing lower interest rates to refinance \$600 million in high-cost domestic debt. The refinancing of domestic debt involved two bond issues via a single-price auction system of TT\$300 million each. The

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first bond issue was auctioned in July 2004 while the second will be carried out in September 2004. In contrast, External Debt stock declined by \$494 million to \$9,444 million, due primarily to repayments of existing loans.

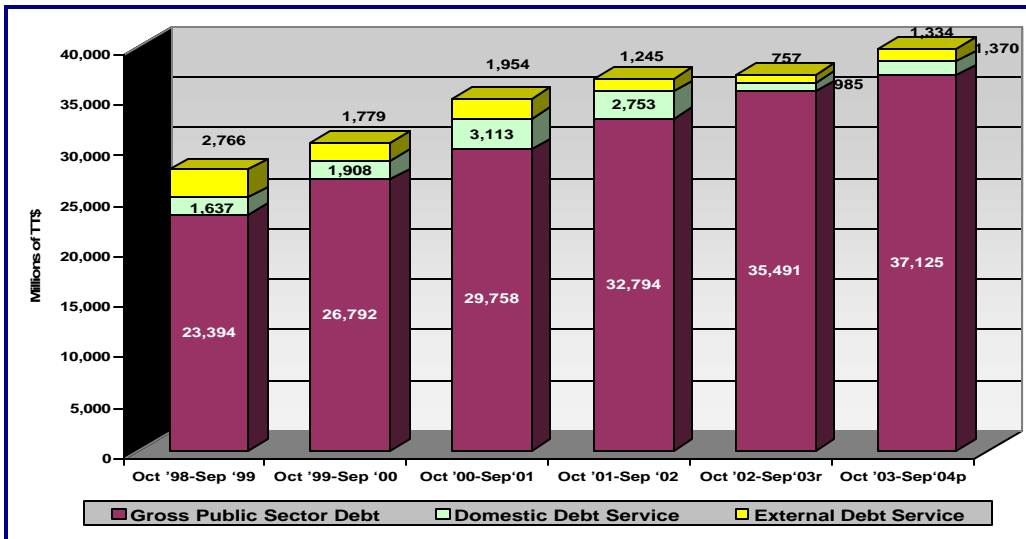
The increase in the Contingent Liabilities during the current fiscal year resulted mainly from borrowings by the State Enterprises and Statutory Authorities for infrastructural upgrades, debt-servicing and operational costs. These include financing for the Water and Sewerage Authority (WASA: \$796 million); Port Authority of Trinidad and Tobago (PATT: \$340 million); Taurus Services Limited (\$189 million); and BWIA West Indies Airways Limited (\$90 million). Also contributing to this increase was a loan to Caroni (1975) Limited to meet additional requirements on the Voluntary Separation Employment Package (VSEP: \$131 million) and other benefits.

Central Government's Total Debt Service in fiscal 2003/2004 is expected to reach \$2,704 million, or approximately 5.7 percent of exports of goods and non-factor services. Domestic Debt Service is projected at \$1,370 million, or 50 percent of Total Debt Service, of which \$560 million represents the retirement of existing bonds for refinancing in this current fiscal year. Domestic Debt Service, adjusted for the refinancing, decreased from \$985 million in the preceding year to an estimated \$810 million. External Debt is anticipated to increase by \$577 million to \$1,334 million.

#### **Box 2: Auction System for Government Bonds**

The Central Government issued bonds via the auction system for the first time in July 2004. This was conducted by the Central Bank of Trinidad and Tobago, and employed the single price auction system as opposed to a multiple-price auction system. In the multiple-price auction, successful bidders pay the price at which they bid, while in a single-price auction, all successful bidders are awarded securities at the cut-off price required to allow full absorption of the entire issue. In this latter system, the lowest price (highest yield) needed to exhaust the entire issue is determined and securities are then allocated to those bidders whose bids are equal to or exceed this cut-off point. Studies have shown that the single-price method of issuing bonds is more likely over time to outperform the multiple-price method as a means of maximizing revenues. The sum of TT\$300 million was auctioned in July 2004 through the issue of 15-year bonds with a coupon rate of 6.15% per annum. This bond issue is the first of two (2) bond issues for fiscal 2004 and are both intended to refinance existing high cost debt. The funds will be sourced under the authority of the Development Loans Act Chap. 71:04. The benefits of the auction system are that it will reduce costs, encourage competition, increase participation, foster market transparency and facilitate efficient price formation.

Figure 14: Public Debt and Debt Service



Source: Ministry of Finance

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## STATE ENTERPRISES AND PUBLIC UTILITIES

- **Summary of Financial Operations**
- **Operating Surplus/Deficit**
- **Current Transfers from Central Government**
- **Capital Expenditure**
- **Capital Transfers from Central Government**
- **CARONI(1975) Limited**
- **Port of Trinidad and Tobago**
- **National Broadcasting Network**

### Summary of Financial Operations

At the end of June 2004, the State Enterprises Sector comprised thirty-nine enterprises of which twenty-eight were wholly owned and six were majority owned while the Government had minority interest in five enterprises.

During fiscal 2004, three new companies became operational. Property and Industrial Development Company Limited, a subsidiary of Tourism and Industrial Development Company Limited was converted into a wholly owned enterprise and subsequently changed its name to Evolving Technologies and Enterprise Development Limited (e-Teck). Furthermore, as a result of a rights issue in July 2004, Government assumed majority ownership in BWIA West Indies Airways Limited.

The State Enterprises and Public Utilities are projected to generate an operating surplus of \$2,339.1 million during the fiscal year 2003/2004. This represents a decrease of \$411.9 million, compared with the outturn for the period October 2002 to September 2003.

The deficit position of Caroni greatly improved as a result of the restructuring of the sugar industry. The energy companies will continue to be the main contributors to the overall operating surplus anticipated for the fiscal period 2003/2004. While Petrotrin and TSTT are projected to record surpluses, Petrotrin's surplus will be somewhat reduced. Current Transfers from government to the state enterprises and public utilities are expected to increase by \$23.7 million to \$694.7 million, moving upwards from \$671 million in the fiscal period 2002/2003.

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For the fiscal period 2003/2004, overall Capital Expenditure is expected to rise by \$1,869.5 million, largely, as a result of increased capital expenditures for some enterprises. The main contributors to this increase are expected to be NGC, TTMF, and UDeCOTT. The investment in pipeline infrastructure, development of Union Estate and increased equity in Atlantic LNG Train VI by NGC, as well as, the implementation of various urban development projects and housing initiatives undertaken by TTMF and UDeCOTT will contribute significantly to the increase in Capital Expenditure.

Capital Transfers from the Government are estimated to increase by \$57.9 million. The majority of these funds will be allocated to MTS, TIDCO and SWMCOL. The increment in Capital Transfers represented principal repayments on government guaranteed loans for programmes under the Public Sector Investment Programme (PSIP).

### **Operating Surplus/ Deficit**

Among the State Enterprises, major surpluses are expected to be generated by PETROTRIN (\$1,891.5 million), NGC (\$860.9 million), NPMC (\$97.9 million) and TRINGEN (\$79.4 million). The enterprises that are expected to record deficits are CARONI (\$246.5 million), TIDCO (\$108.7 million), SWMCOL (\$39.4 million) and MTS (\$29.9 million).

Among the Public Utilities, only TSTT is anticipated to generate a surplus of \$780.6 million. Deficits are expected to be generated by WASA (\$662.9 million), T&TEC (\$236 million), AATT (\$172.9 million), PATT (\$23.1 million) and PTSC (\$19.1 million).

### **Current Transfers to State Enterprises and Public Utilities**

Current Transfers from Central Government for the period October 2003 to September 2004 are estimated to be \$694.9 million, of which State Enterprises are expected to receive \$471.6 million. SWMCOL will receive \$222.8 million while TIDCO and MTS will receive \$109.5 million and \$69.9 million, respectively.

Public Utilities are expected to receive \$223.4 million in current transfers over the review period. AATT will receive 72 per cent (\$160.8 million) of this amount, while the balance (\$62.5 million), will be apportioned among PTSC (\$32.9 million), WASA (\$17.31 million) and PATT (\$12.3 million).

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### **Capital Expenditure**

Capital Expenditure by State Enterprises and Public Utilities is expected to amount to \$3,540.8 million for the period October 2003 to September 2004. State Enterprises are estimated to contribute \$3,023.6 million and Public Utilities \$517.2 million.

NGC is expected to invest \$1,404.3 million, while Petrotrin, TTMF and UDeCOTT will invest \$688.9 million, \$511.7 million and \$248.5 million, respectively. Among the Public Utilities, TSTT, WASA and TTEC are expected to invest \$302.2 million, \$95.7 million and \$52.1 million, respectively.

### **Capital Transfers from Central Government**

Capital Transfers from Central Government for the fiscal period October 2003 to September 2004 are expected to total \$425.8 million. State Enterprises are expected to receive \$252.5 million, with 84 percent of these funds allocated between TIDCO (\$118 million) and MTS (\$95.2 million).

Transfers to Public Utilities are anticipated to total \$173.3 million. The Airport Authority of Trinidad and Tobago will receive \$93.3 million while the balance of \$80 million will be received by WASA (\$39.9 million), PATT (\$22.7 million) and PTSC (\$17.4 million).

### **Caroni (1975) Limited**

Government has sought to reconfigure the sugar industry and to establish a framework that will promote economic activity on the lands once owned by the company. A Plan of Action has since been formulated for the downsizing of the industry and the transfer of Caroni's land assets to the State. The plan includes the establishment of the Sugar Manufacturing Company Ltd (SMCL), the Rum Distillers Ltd (RDTT) and the Estate Management and Business Development Company (EMBD).

An Inter-Agency Land Use Planning Team was mandated to conduct a land use study to inform the suitability and appropriateness of the 77,000 acres of land. The study which was completed in April 2004, will provide the basis for the allocation of land for residential and agricultural purposes, light and heavy manufacturing industry and commercial complexes.

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Five (5) state agencies were invited to participate in the housing programme. These are the Sugar Industry Labour Welfare Committee (SILWC), the Urban Development Corporation of Trinidad and Tobago (UDeCOTT), the Land Settlement Agency (LSA), the National Housing Authority (NHA) and the Trinidad and Tobago Mortgage Finance Company Ltd (TTMF).

### **Port Authority of Trinidad and Tobago**

Government established a framework for the restructuring of the Port Authority of Trinidad and Tobago in 2002. A number of strategic business units were identified to assume the responsibility for infrastructure development, real estate management, cargo handling, cruise shipping, an inter-island ferry service and CARICOM wharves. Private sector participation has been invited particularly in the area of cargo-handling.

### **National Broadcasting Network Limited**

Government has been reviewing the operations of the National Broadcasting Network Limited. The process involves the examination of a number of issues including the continued employment of staff, the liquidation of the company, the formation and ownership structure of a new company and the transition process. In February 2004, BBC Technology was awarded the consultancy for preparation of a new business plan. This plan is to be considered by the Government.



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## TRADE AND PAYMENTS

- **Balance of Payments**
- **Foreign Reserves**
- **Balance of Visible Trade**
- **CARICOM Trade**
- **Economic Performance of CARICOM Countries**
- **Economic Development in CARICOM**

### **Balance of Payments**

Trinidad and Tobago recorded a balance of payments surplus of US\$334.2 million for the year 2003 compared with a surplus of US\$48.9 million in the previous year. The surplus was attributable to a sizeable increase in the current account position even as the capital account moved into deficit.

### **Current Account**

The current account surplus increased significantly from US\$ 76.4 million in 2002 to US\$ 984.7 million in 2003. The surplus was due primarily to a robust increase in the merchandise account which expanded more than five fold from US\$ 237.7 million in 2002 to US\$1,293.2 million in 2003. The developments on the current account reflected buoyant international prices for, and increased export volumes of, petroleum and petrochemicals.

### **Capital Account**

In contrast to the current account, the capital account balance contracted further, from a deficit of US\$27.5 million in 2002 to a deficit of US \$650.5 million in 2003. This resulted from significant outflows to finance foreign acquisitions by the financial sector and placement of securities by regional governments and corporations.

### **Foreign Reserves**

Trinidad and Tobago's gross international reserves at the end of 2003 was estimated at US\$ 3,260.3 million, equivalent to 8.5 months of imports of prospective goods and non-factor services.

**Table 5: Summary Balance of Payments (US\$ million)**

	1999	2000	2001 <sup>r</sup>	2002 <sup>r</sup>	2003 <sup>r</sup>
<b>Current Account</b>	30.6	544.3	445.8	76.4	984.7
Merchandise	63.6	968.8	718.1	237.7	1,293.2
Services	329.1	166.1	233.6	264.0	313.8
Income	(399.9)	(628.5)	(539.3)	(479.8)	(680.9)
Transfers	37.8	37.9	33.4	54.5	58.6
<b>Capital Account</b>	131.6	(103.3)	24.8	(27.5)	(650.5)
Official	124.4	114.9	(34.7)	(50.8)	(63.5)
State Enterprise	(14.5)	(61.0)	(14.7)	(10.2)	10.2
Private Sector (including net errors & omissions)	21.7	(157.2)	74.2	33.5	(576.8)
<b>Overall Surplus/Deficit</b>	162.2	(441.0)	470.6	48.9	334.2
<b>Change in Reserves</b>	(162.2)	(441.0)	(470.6)	(48.9)	(334.2)
<b>Memo items:</b>					
Gross International Reserves	1,389.9	1,909.7	2,455.2	2,594.0	3,260.3
Import Cover (months)	4.5	5.8	7.3	7.4	8.5

Source: Central Bank of Trinidad and Tobago

r: revised

### Balance of Visible Trade

For the first quarter of the fiscal year 2003/2004, Trinidad and Tobago's visible trade balance recorded a surplus of \$2,071.8 million (US\$328.9 million). This marked a significant improvement compared with the corresponding quarter in 2002 which recorded a deficit of \$381.2 million (US\$60.5 million). The favourable trade balance was due primarily to an increase in the trade of mineral fuels.

### CARICOM Trade

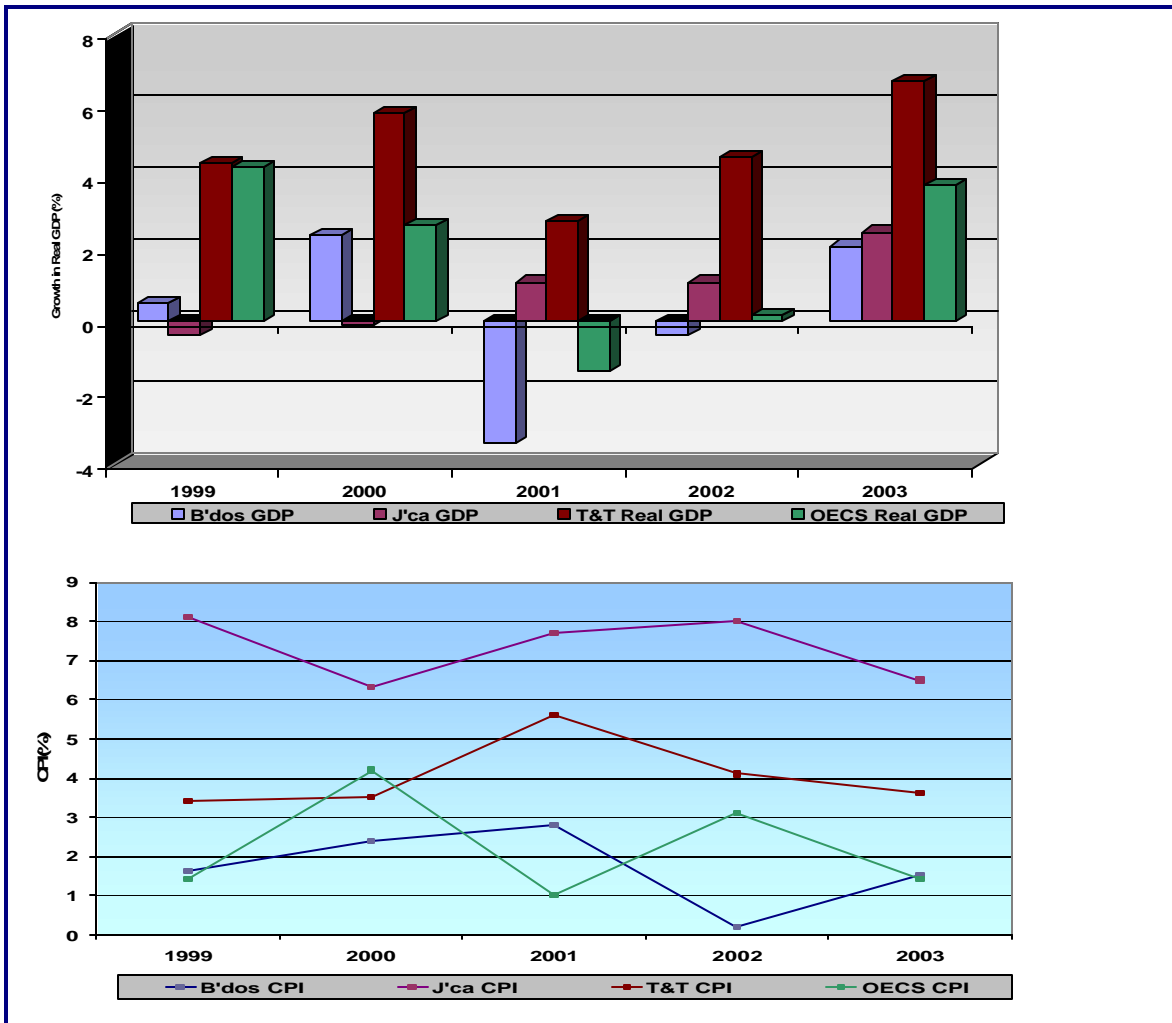
Throughout the period October to December 2003, Trinidad and Tobago experienced a favourable trade balance with CARICOM member countries totalling \$2,232.1 million (US\$354.3 million). This balance was 83 percent higher than the same period a year ago.

### Economic Performance of CARICOM countries

Regional economies continued to show signs of recovery in 2003 spurred by the expansion in the global

economy. This performance was led by improvements in tourism and to some extent construction and financial services which offset weakening manufacturing and agriculture sectors. Strong growth rates were recorded in Trinidad and Tobago (13.2 percent), Montserrat (6 percent), Belize (5.5 percent), Anguilla (4-5 percent) and Antigua and Barbuda (3.2 percent).

**Figure 15: Real GDP and CPI of Selected Caribbean Countries**



Source: International Monetary Fund and various Central Bank Publications

### Barbados

Following a decline of 0.6 percent in 2002 real output increased by 2.2 percent in 2003. Mainly responsible for this improvement was increased activity in the tourism sector, which expanded by 7.7 percent in 2003, compared with a decline of 2.8 percent in 2002. To a lesser extent, there was also some improvement in construction activity, which increased by 2.9 percent. Meanwhile, real activity in

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Agriculture and Manufacturing contracted in 2003 as both sugar production and manufacturing fell by 19 percent and 1 percent, respectively.

At the close of 2003, inflation was estimated at 1.65 percent after being virtually flat in 2002. Higher prices were recorded for food, fuel and light, and medical and personal care. Over the same period, the unemployment rate rose above the 10.7 percent recorded at the end of September 2003.

Meanwhile for 2003, the fiscal position improved to an overall deficit of \$244.5 million from a deficit of \$307.9 million in 2002. This was achieved through an increase in revenue and a reduction in capital expenditure. Heightened economic activity in the first nine months of 2003 contributed to increasing tax revenue by 6.7 percent and reflected improved collections of VAT, import duties and corporation taxes.

In the Financial sector, liquidity levels continued to rise in 2003 as the Central Bank of Barbados discontinued its policy of setting the weighted average indicative of its lending rate to the commercial banks. Domestic deposits rose by 10.3 percent, on par with the rise in 2002 reflecting improved economic activity and the sale of Central Government shares in Barbados National Bank (BNB) which were deposited in the financial system. Credit to the private sector increased marginally by 0.6 percent in 2003 due to greater lending to the personal sector, tourism-related establishments and statutory authorities.

On the External Account, net international reserves increased by B\$135.4 million. The current account deficit widened to 7.8 percent of GDP from 6.6 percent in 2002 mainly on account of rising imports and a contraction in exports. A larger deficit on the trade account was mitigated by a rise in the services account surplus.

Prospects for 2004 are mixed and include continued strengthening of tourism and marginal growth in non-sugar agriculture and manufacturing. On the downside however, continued declines are expected in sugar production. Moreover, a fall in borrowing from the banking system is projected given the government's intention to reduce the deficit to 2.5 percent of GDP. Revenue is however, projected to increase consistent with stronger economic activity.

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## **Jamaica**

Economic activity increased in Jamaica with real GDP growing by 2.2 percent compared with 1.1 percent in 2002. This growth was fuelled by increased agricultural output of 5 percent in 2003 compared to a reduction of 7.6 per cent in 2002. The tourism sector has continued to rebound since 9/11 evident by the increase in cruise ship arrivals while at the same time, there has also been accelerated activity in financial services following on the restructuring by the Financial Sector Adjustment Company. The unemployment rate in 2003 was also estimated to be below the 11.5 percent recorded in 2002. These positive developments in 2003 were able to offset a marginal decline in manufacturing and the mixed performance in the mining sector as well as the hike in consumer prices by 14.1 percent from 7.3 percent a year ago.

The overall fiscal deficit for the first half of fiscal year 2003/2004 (April-September) was J\$21.8 billion. Although this was lower than anticipated, it was approximately J\$3 billion more than programmed. Revenues were 4 percent less than programmed because of slippage in the implementation of budgetary measures. Total spending also increased as the Bank of Jamaica's tried to stabilize the exchange rate and resulted in a significant rise in interest payments. The stock of public sector debt is projected to rise from 138 percent of GDP at the end of 2002 to 150 percent at the end of 2003.

The Bank of Jamaica continued to focus monetary policy on the containment of exchange rate and price stability through a commitment to the lowering of interest rates. However, net international reserves at the end of 2003 were \$1,165 million down significantly from \$1,685 million at the end of 2002. Despite a narrowing of the current account deficit, there was a weakening in the capital and financial account.

Prospects for 2004 include real income growth of between 2 percent and 3 percent in the medium term based mainly on strong tourism performance, in particular cruise tourism and construction. However, while mining capacity is expected to expand, the performance of the agricultural sector will be at best mixed.

## **Guyana**

Real output grew by 0.2 percent in 2003 compared with 1.2 percent in 2002. Even though rice output increased by 18.7 percent, output in sugar production, mining and quarrying and non-manufacturing contracted over the period. Consistent with slower growth, the inflation rate is estimated to have fallen marginally from 6.1 percent in 2002 to 5.9 percent in 2003.

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The current account deficit expanded to 3.7 percent of GDP compared with 2.8 percent in 2002. The overall deficit of 6.5 percent of GDP was slightly higher in 2003 than in 2002 while the objectives of monetary policy focused on supporting government's broad macroeconomic stance and containing expansionary inflationary trends. The net foreign assets of the Bank of Guyana contracted by US\$17.1 million. The current account deteriorated, reflecting adverse terms of trade and weak performance of the external sector. This notwithstanding, there is encouraging prospects for real activity with real GDP projected to grow at an annual average growth rate of 2.5 percent over the medium term, reflecting efficiency gains in the sugar and rice sectors.

### **Other CARICOM States**

In the other CARICOM States, relatively robust growth was recorded in 2003 by Belize (5.5 percent) and Antigua and Barbuda (3.2 percent). Increased output from tourism and agriculture fuelled the expansion in Belize while a strong recovery in the tourism sector was mainly responsible for the increased activity in Antigua and Barbuda. However, growth was marginal in the Bahamas (1 percent), Dominica (0.3 percent), Grenada (2 percent), St Lucia (1.5 percent) and St Kitts and Nevis (2 percent). Inflationary trends were somewhat subdued averaging between 2 percent and 3 percent while the unemployment rate was estimated between 10 to 12 percent for the majority of member states.

Meanwhile the fiscal position continued to be an area of concern as these accounts of the Organisation of Eastern Caribbean States deteriorated. Rising current expenditure was not matched by greater revenue in spite of the fact that a number of OECS countries implemented tax measures to strengthen their financial position. Total outstanding debt represented 80 percent of GDP at the close of 2002 or an estimated debt stock of US\$1,698.3 million. Other concerns include the impact of the FTAA on their economies and the African, Caribbean and Pacific Countries –European Union negotiations.

### **Developments in CARICOM**

Progress to deepen regional integration through the CARICOM Single Market and Economy (CSME) is well underway. Member States are taking appropriate measures to provide the legislative and institutional frameworks in an effort to be CSME ready prior to the deadline date of 2005. Trinidad and Tobago, Barbados and Jamaica have indicated that they would be ready by the end of 2004.

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The Caribbean Court of Justice (CCJ) will be both the highest Domestic Court of CARICOM with regard to Civil and Criminal appeals and an international court to hear and adjudicate on claims under the Treaty establishing CARICOM. The court will be based in Trinidad and Tobago and is scheduled to be inaugurated in November, 2004.

### **Box 3: CSME Update - Trinidad and Tobago**

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In order for the CSME to be established, Member States are required to remove the existing restrictions on the Rights of Establishment, the Provision of Services and the Movement of Capital by 2005. Trinidad and Tobago, Barbados and Jamaica have, however, made a commitment to be CSME-ready prior to this deadline, with Trinidad and Tobago indicating that it would be ready by the end of 2004.

#### **Benefits of CSME:**

- 1) Increase inflows of new capital, entrepreneurship and technology from the other states;
- 2) Larger market opportunities;
- 3) An improved services sector;
- 4) Greater opportunities for travel, study and work in CARICOM countries;
- 5) Increased employment opportunities and improved standards of living; and
- 6) Strengthened CARICOM position in the international arena in terms of negotiations and trade agreements.

#### **CSME Unit - Trinidad and Tobago**

In keeping with its commitment to become CSME-ready prior to the deadline date, this country has undertaken the following measures: -

1) The establishment of an **Inter-Ministerial Consultative Committee (IMCC)**, which comprises of members from a number of departments including the Ministry of Foreign Affairs, Ministry of Trade and Industry, Ministry of Finance, Ministry of Legal Affairs, the Immigration Department, the Tobago House of Assembly, The Central Bank of Trinidad and Tobago and Trinidad and Tobago Bureau of Standards.

The IMCC holds fortnightly meetings and its chairman is His Excellency Jerry Narace, Ambassador Extraordinary and Plenipotentiary and Head of the CSME Unit.

(2) The establishment of the **Business and Labour Advisory Committee (BLAC)**. Meetings are held once a month with representatives from the private sector including Village Councils, Parent Teachers Association, Credit Union League, the University of the West Indies, the Economics Association of Trinidad and Tobago, and the Employer's Consultative Association.

#### **(3) The launch of the CSME Unit**

The CSME Unit is located at 6A Queens Park West, Port of Spain, and was officially launched on Friday May 7<sup>th</sup> 2004. The launch marked the beginning of the National Public Education Programme.

In May 2004, the Head of the CSME indicated that the Trinidad and Tobago was 80 percent CSME-ready.

### **Box 4: Status - CARICOM Trade Support (CTS) Programme**

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The CARICOM Trade Support Programme is a comprehensive facility, which was established by the Government of Trinidad and Tobago to assist CARICOM States to enhance their economic performance by promoting diversification and

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facilitating increased trade capacity in these economies. The programme will therefore provide technical assistance and other supportive measures to firms and businesses in CARICOM Member States, other than Trinidad and Tobago, to enhance and expand their operations in order to promote increased growth and efficiency and enhance their export performance through, *inter alia*, strategic alliances.

The CTS Program is scheduled to be launched before the end of 2004. The launch will take place in two beneficial Member States, Jamaica and St. Lucia.

A register of local consultants is currently being compiled in an effort to provide a source of available expertise to advise and assist client firms in the planning and implementation of their business development project. The register would soon include consultants from the region.

### **Trinidad and Tobago- WTO Trade Negotiations**

Since the breakdown of talks at Cancun there have been numerous initiatives, at various levels, aimed at achieving consensus on a framework that would facilitate the restarting of negotiations, particularly in contentious areas such as agriculture, non-agriculture market access, development and Singapore issues (investment, competition policy, transparency in government procurement and trade facilitation).

Trinidad and Tobago, as part of CARICOM, has prepared and presented proposals on agriculture, market access, special and differential treatment and Singapore issues as part of the G90 Platform. The aim of the G90 Platform is to achieve the development objectives of the Doha Declaration by promoting the concerns of the LDC's and small, weak and vulnerable economies in an effort to revise the present Special and Differential (S & D) structure in the WTO.





# Figures for Review of the Economy 2004

Figure 1: Selected Advanced Countries, Real GDP and Inflation Rates

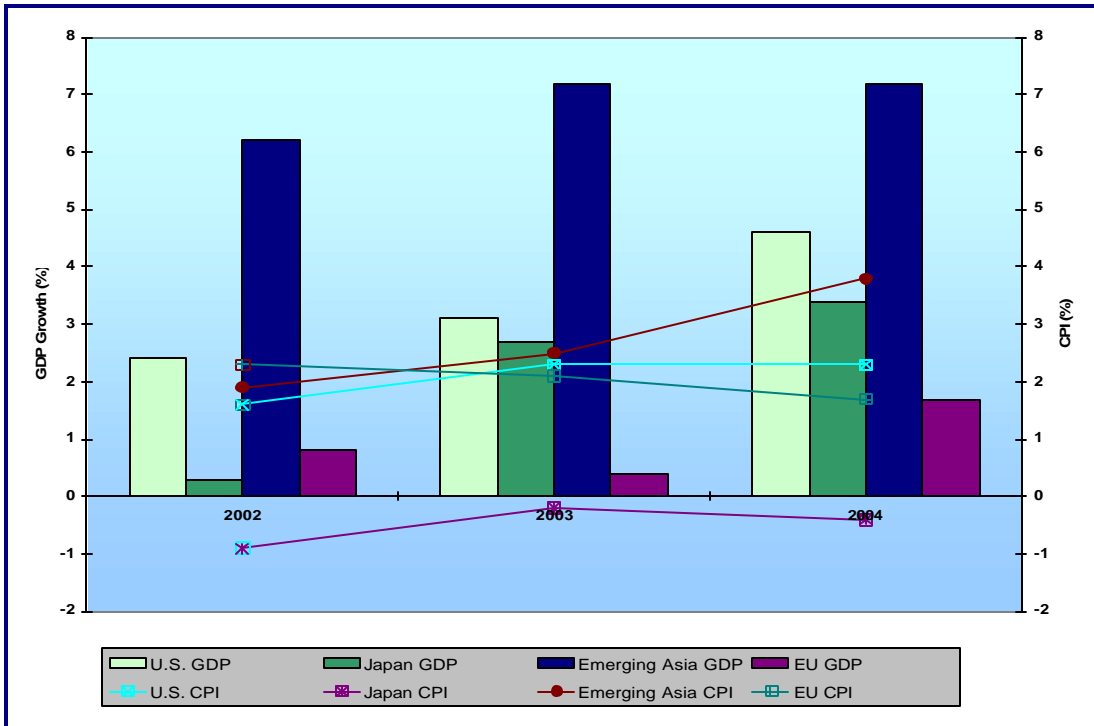
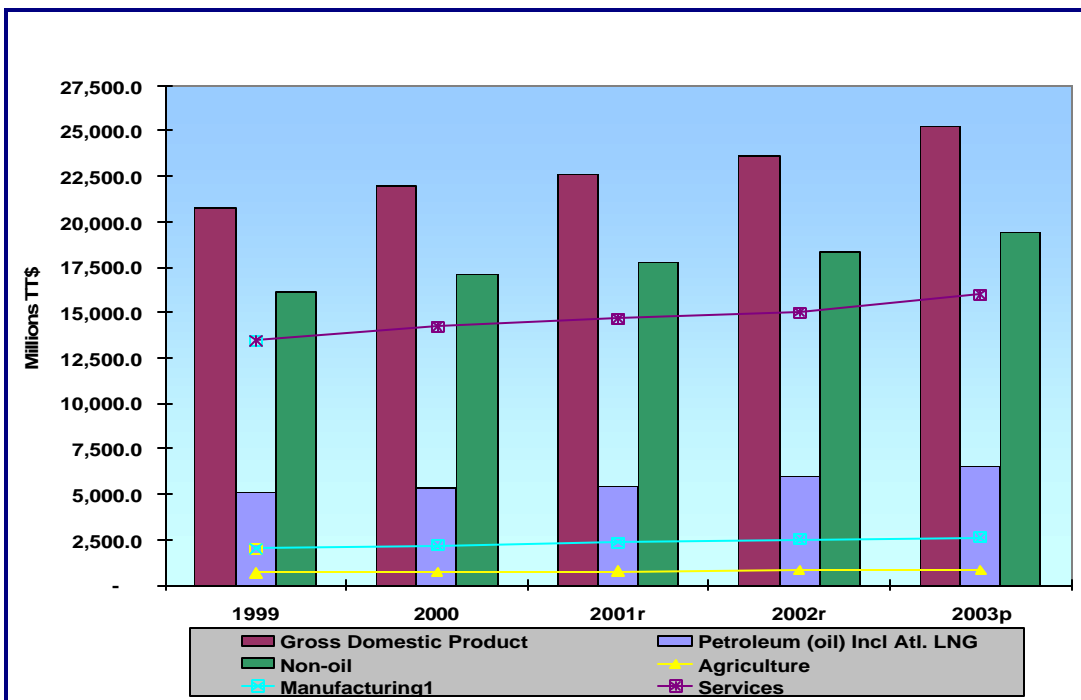
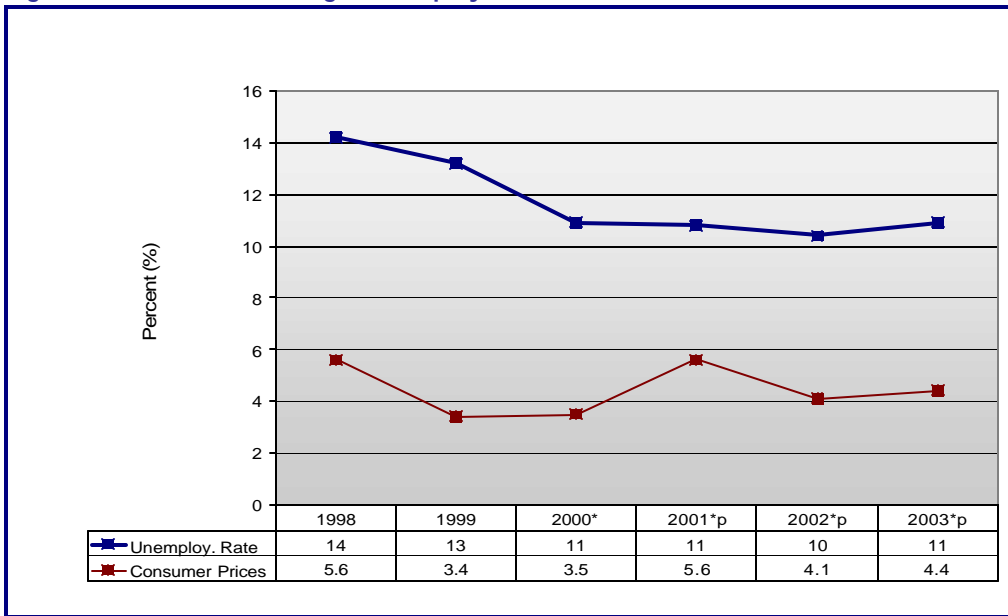


Figure 2: Trinidad and Tobago Real GDP 1999 – 2004



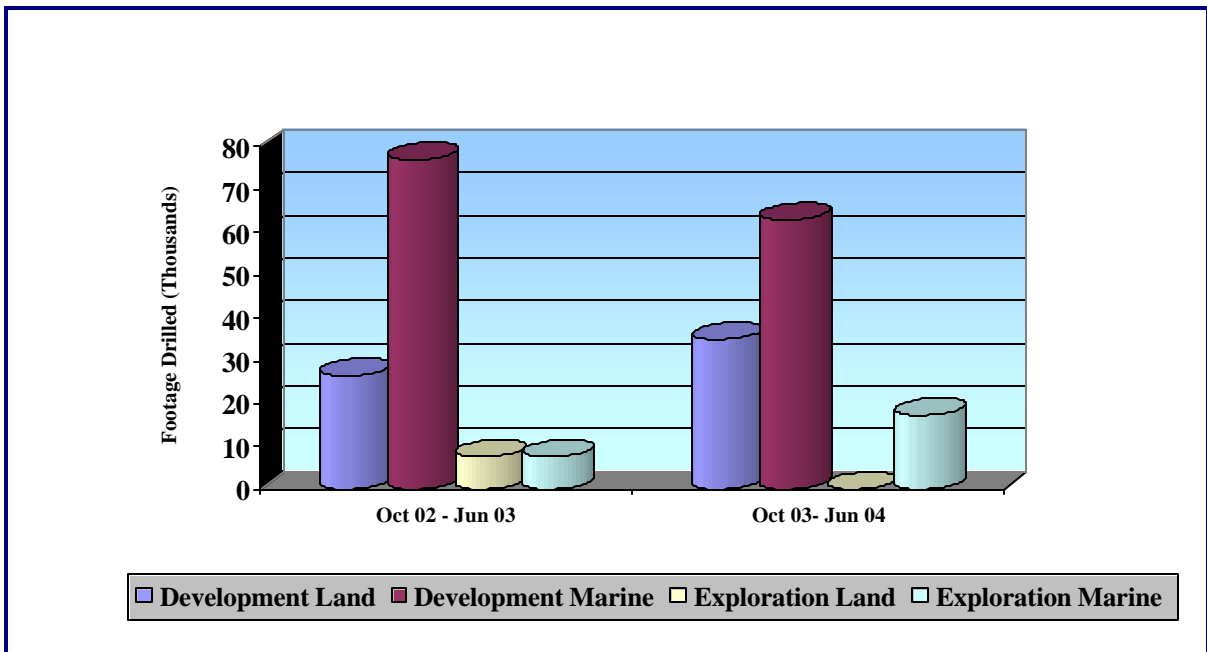
Source: Central Statistical Office

Figure 3: Trinidad and Tobago, Unemployment and Inflation Rates



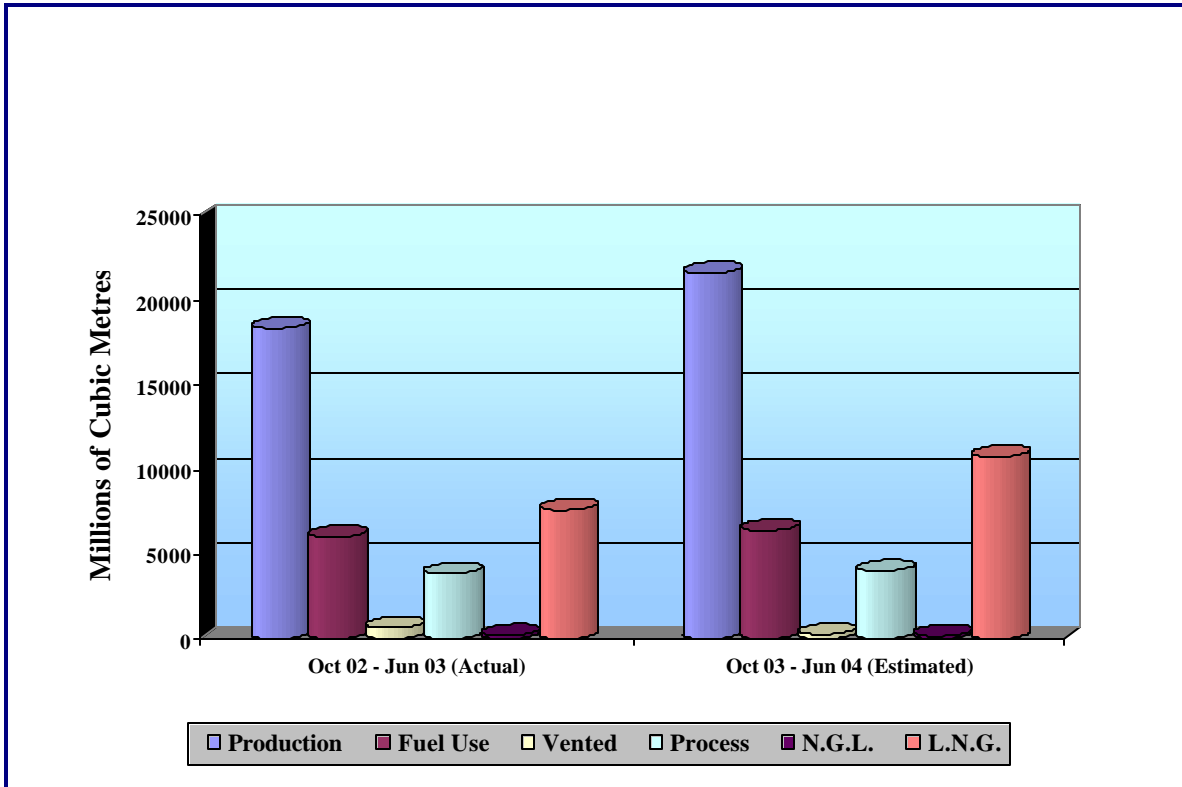
Source: Central Statistical Office

Figure 4: Development and Exploratory Drilling



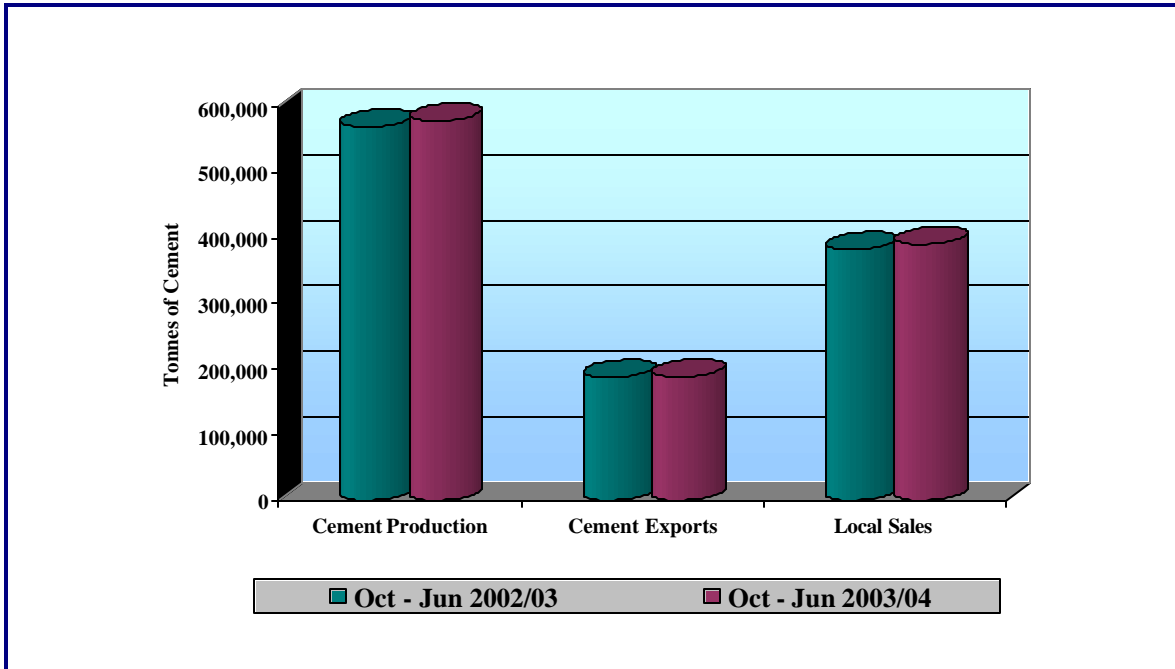
Source: Ministry of Energy and Energy Industries

Figure 5: Natural Gas Production and Utilisation



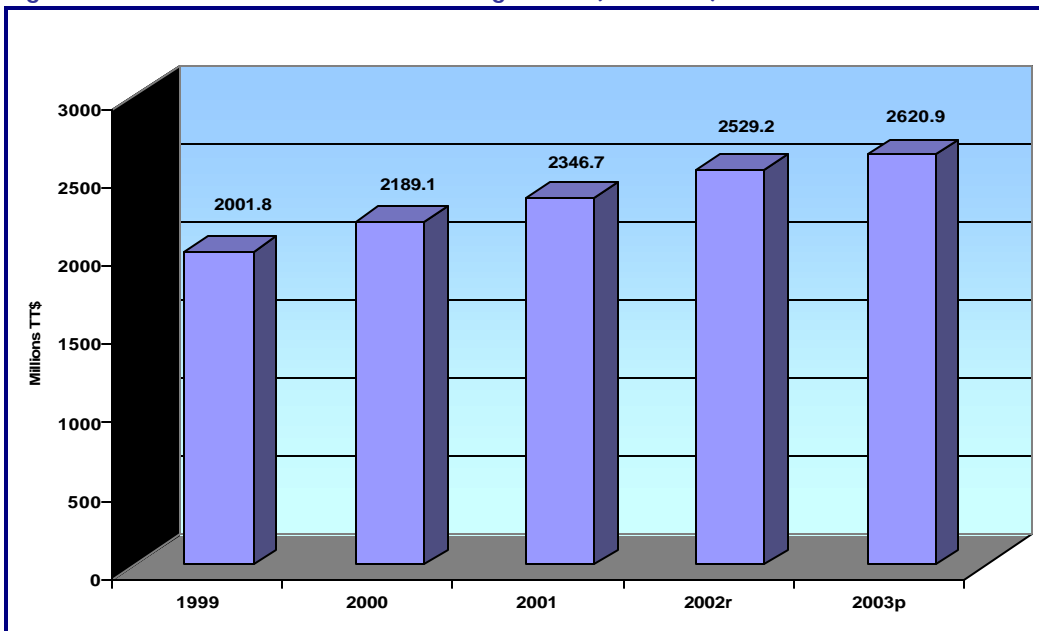
Source: Ministry of Energy and Energy Industries

Figure 6: Cement Production



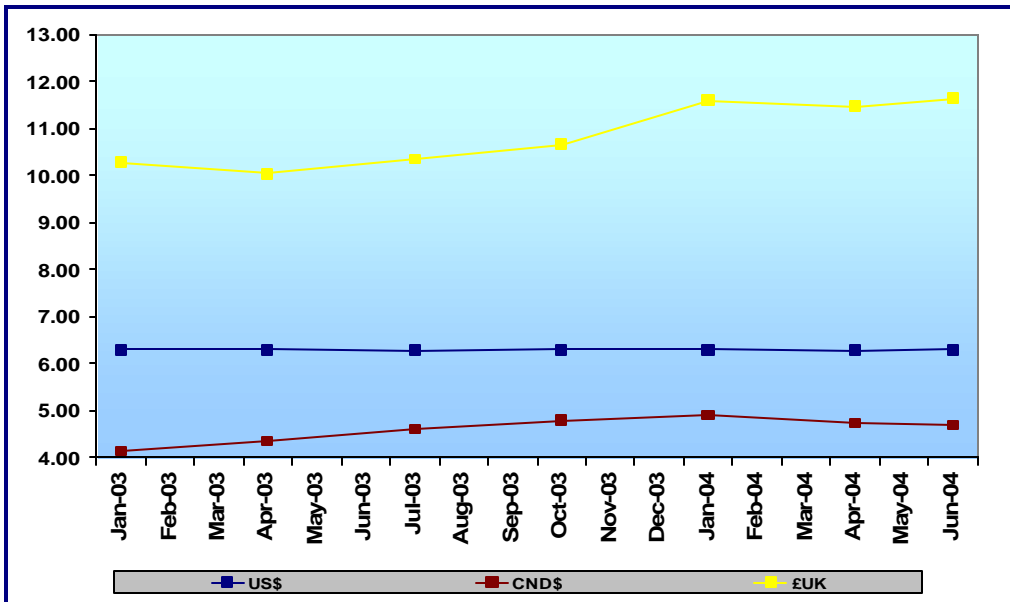
Source: Trinidad Cement Limited

Figure 7: Performance of the Manufacturing Sector (Real GDP)



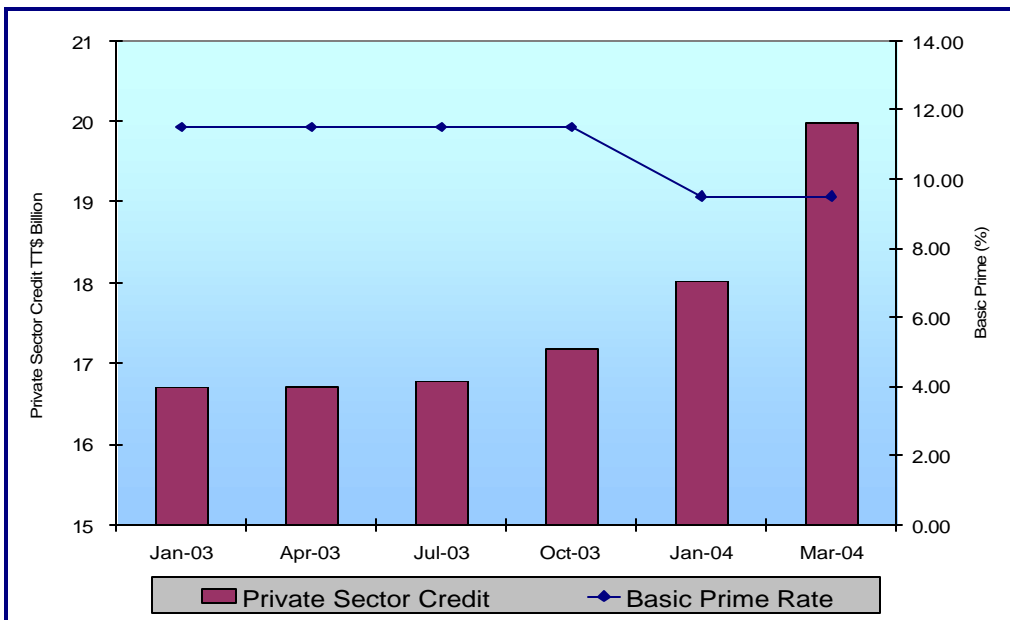
Source: Central Statistical Office

Figure 8: Weighted Average Exchange Rates (TT\$)



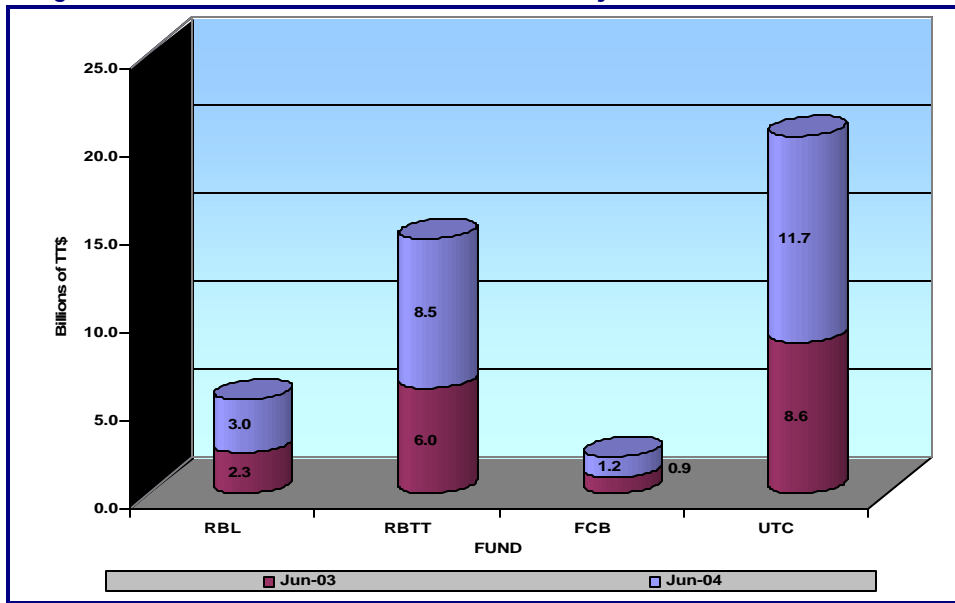
Source: Central Bank of Trinidad and Tobago

Figure 9: Private Sector Credit and Basic Prime Rate



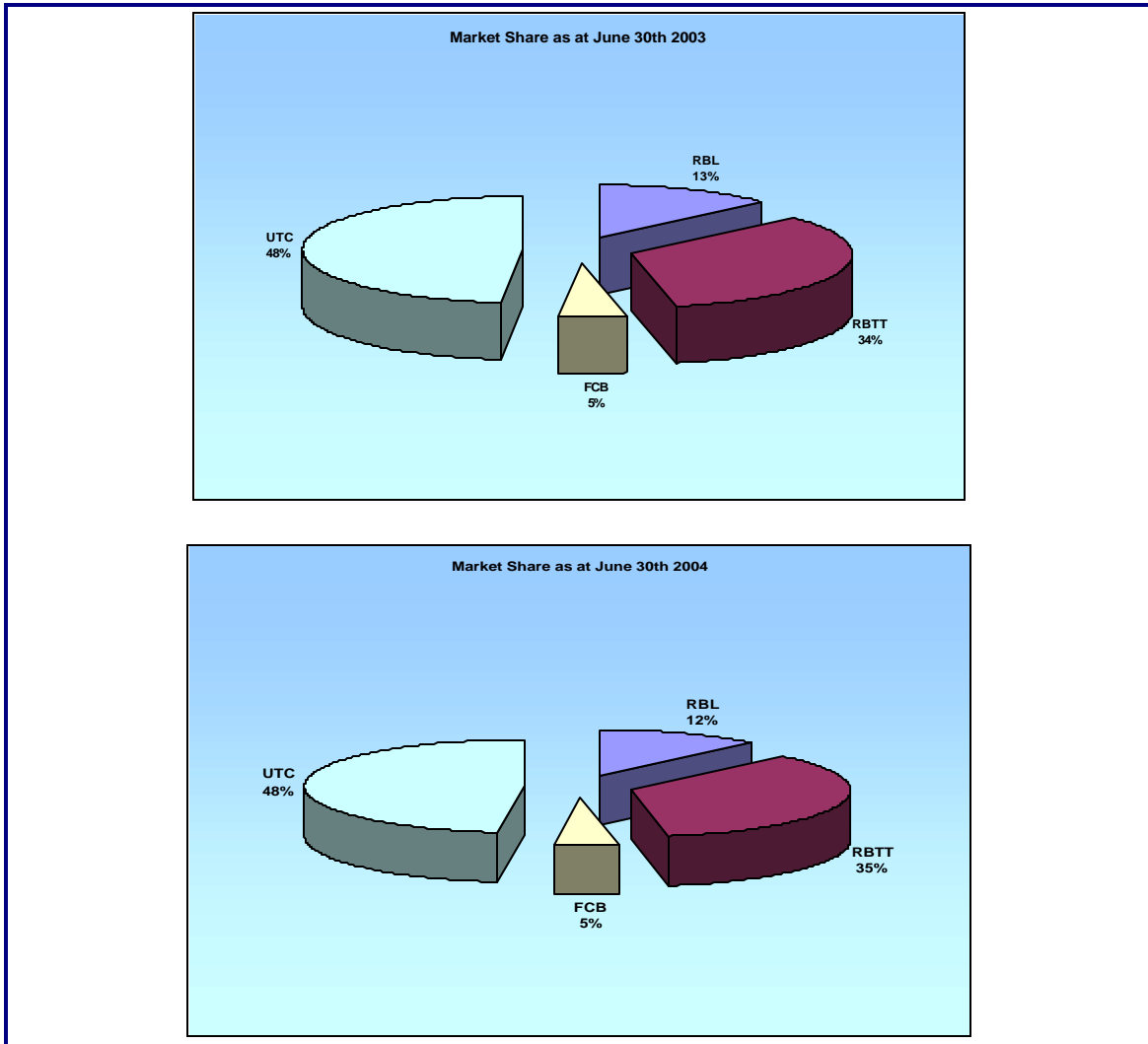
Source: Central Bank of Trinidad and Tobago

Figure 10: Fund Size in the Mutual Fund Industry: June 2003/2004



Source: RBL, RBTT, FCB and UTC

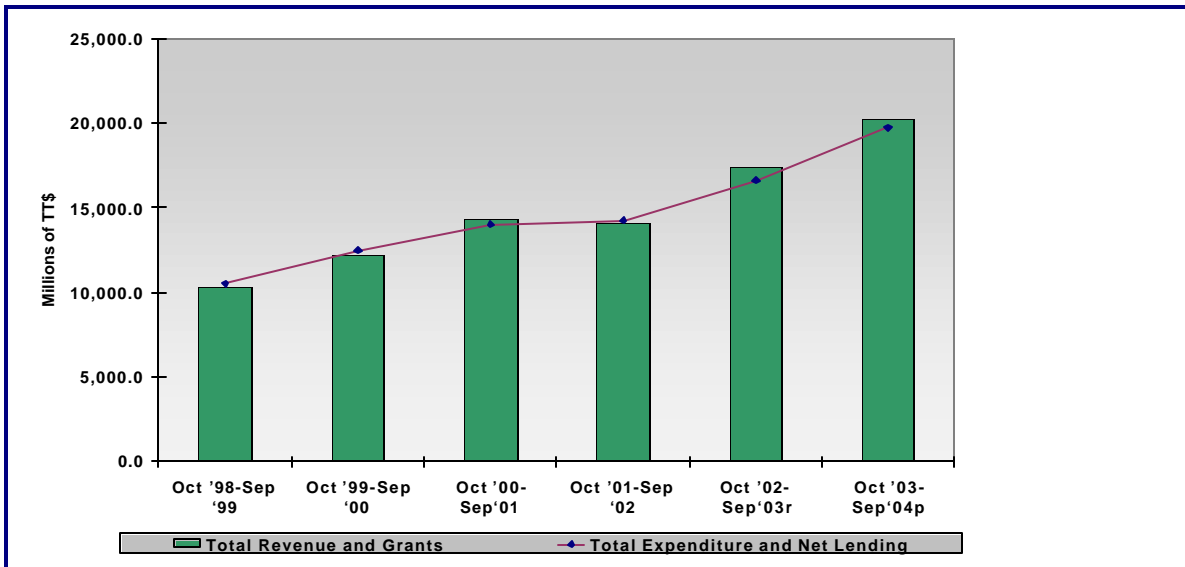
Figure 11: Mutual Funds: Market Share 2003 and 2004



Source: RBL, RBTT, FCB and UTC



Figure 13: Central Government Revenue and Expenditure



Source: Ministry of Finance

# Review of the Economy 2004

## Appendix 1 - Gross Domestic Product of Trinidad and Tobago at Constant (2000) Prices

/TT\$ Millions/

SECTOR	2000	2001 <sup>r</sup>	2002 <sup>r</sup>	2003 <sup>r</sup>	2004 <sup>p</sup>
<b>GROSS DOMESTIC PRODUCT</b>	<b>49,343.3</b>	<b>51,456.5</b>	<b>54,945.6</b>	<b>62,188.4</b>	<b>66,026.3</b>
<b>PETROLEUM INDUSTRY</b>	<b>16,072.8</b>	<b>16,970.5</b>	<b>19,258.7</b>	<b>25,261.9</b>	<b>27,923.3</b>
Exploration and Production	8,959.3	9,572.7	11,003.0	14,363.8	15,669.0
Refining (Incl Atlantic LNG)	2,821.0	2,775.4	3,467.6	5,932.0	6,811.0
Petrochemicals	2,182.0	2,329.2	2,619.4	2,736.5	3,144.4
Service Contractors	725.7	860.7	703.1	734.3	741.6
Distribution	1,371.6	1,413.6	1,446.4	1,476.6	1,537.9
Asphalt Production	13.2	18.9	19.2	18.7	19.4
<b>NON-PETROLEUM INDUSTRY</b>	<b>35,486.5</b>	<b>36,489.8</b>	<b>37,714.2</b>	<b>39,155.7</b>	<b>40,302.6</b>
<b>Agriculture</b>	<b>697.2</b>	<b>757.7</b>	<b>803.1</b>	<b>658.9</b>	<b>525.9</b>
Export Agriculture	20.9	10.2	18.4	12.7	13.0
Domestic Agriculture	377.6	406.9	406.3	363.0	350.7
Sugar:	298.7	340.6	378.4	283.2	162.2
Sugar refineries	(67.6)	(81.7)	(75.5)	(77.2)	(99.7)
Cane farming and cultivation	226.7	191.1	221.5	139.1	55.2
Distilleries	139.6	231.2	232.4	221.3	206.7
<b>Manufacturing <sup>1</sup></b>	<b>3,625.4</b>	<b>3,979.8</b>	<b>4,160.9</b>	<b>4,367.3</b>	<b>4,656.1</b>
Food Beverages and Tobacco	1,686.9	1,819.1	1,821.0	1,896.0	2,101.2
Textile, Garments & Footwear	112.3	104.2	84.9	82.5	87.4
Printing and Publishing	390.5	442.6	436.0	467.7	443.2
Wood & Related Products	127.3	122.1	127.0	129.0	129.0
Chem. & Non-metallic Products	687.0	666.0	654.6	683.0	701.8
Assembly Type Industries	404.9	593.6	805.8	879.6	971.6
Miscellaneous Manufacturing	216.5	232.2	231.6	229.5	221.9
<b>Services</b>	<b>31,163.9</b>	<b>31,752.3</b>	<b>32,750.2</b>	<b>34,129.5</b>	<b>35,120.6</b>
Electricity and Water	888.2	924.2	997.1	1,035.0	1,063.7
Construction and Quarrying	3,833.1	4,226.5	3,551.2	3,790.3	4,130.9
Distribution and Restaurants <sup>2</sup>	8,401.8	8,168.8	8,276.9	8,441.5	8,626.9
Hotels and Guest Houses	217.0	238.1	211.6	187.7	198.7
Transport, Storage & Comm.	4,410.4	4,751.4	5,221.9	5,525.3	5,766.9
Finance Insurance & Real Est.	7,305.1	7,362.0	8,244.8	8,828.6	8,977.1
Government	3,887.2	3,829.9	3,969.7	3,931.3	3,955.0
Education & Cultural Services	1,411.1	1,409.3	1,443.3	1,504.5	1,516.7
Personal Services	810.0	842.1	833.7	885.3	884.7
<b>FISIM<sup>3</sup></b>	<b>(2,216.0)</b>	<b>(2,003.8)</b>	<b>(2,027.3)</b>	<b>(2,229.2)</b>	<b>(2,199.6)</b>

Source: Central Statistical Office

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r: revised    p: provisional

**Appendix 2**  
**Gross Domestic Product of Trinidad and Tobago Constant (2000) Prices**  
**/Percentage Change/**

SECTOR	2000	2001 <sup>r</sup>	2002 <sup>r</sup>	2003 <sup>r</sup>	2004 <sup>p</sup>
<b>GROSS DOMESTIC PRODUCT</b>	7.3	4.3	6.8	13.2	6.2
<b>PETROLEUM INDUSTRY</b>	12.5	5.6	13.5	31.2	10.5
Exploration and Production	9.3	6.8	14.9	30.5	9.1
Refining (Incl Atlantic LNG)	40.8	(1.6)	24.9	71.1	14.8
Petrochemicals	3.2	6.7	12.5	4.5	14.9
Service Contractors	18.8	18.6	(18.3)	4.4	1.0
Distribution	1.0	3.1	2.3	2.1	4.2
Asphalt Production	21.1	43.2	1.6	(2.6)	3.7
<b>NON-PETROLEUM INDUSTRY</b>	5.5	2.8	3.4	3.8	2.9
Agriculture	(2.4)	8.7	6.0	(18.0)	(20.2)
Export Agriculture	20.1	(51.2)	80.4	(31.0)	2.4
Domestic Agriculture	4.5	7.8	(0.1)	(10.7)	(3.4)
Sugar:	(10.9)	14.0	11.1	(25.2)	(42.7)
Sugar refineries	16.9	(20.9)	7.6	(2.3)	(29.1)
Cane farming and cultivation	(1.2)	(15.7)	15.9	(37.2)	(60.3)
Distilleries	(25.4)	65.6	0.5	(4.8)	(6.6)
<b>Manufacturing</b> <sup>1</sup>	6.0	9.8	4.6	5.0	6.6
Food Beverages and Tobacc	3.0	7.8	0.1	4.1	10.8
Textile, Garments & Footwear	28.3	(7.2)	(18.5)	(2.8)	5.9
Printing and Publishing	6.8	13.3	(1.5)	7.3	(5.2)
Wood & Related Products	1.9	(4.1)	4.0	1.6	0.0
Chemical & Non-metallic Products	15.6	(3.1)	(1.7)	4.3	2.8
Assembly Type Industries	(1.7)	46.6	35.7	9.2	10.5
Miscellaneous Manufacturing	10.1	7.3	(0.3)	(0.9)	(3.3)
<b>Services</b>	5.6	1.9	3.1	4.2	2.9
Electricity and Water	5.5	4.1	7.9	3.8	2.8
Construction and Quarrying	7.6	10.3	(16.0)	6.7	9.0
Distribution and Restaurants <sup>2</sup>	5.9	(2.8)	1.3	2.0	2.2
Hotels and Guest Houses	(10.2)	9.7	(11.1)	(11.3)	5.9
Transport, Storage & Comm.	8.9	7.7	9.9	5.8	4.4
Finance Insurance & Real Est.	12.4	0.8	12.0	7.1	1.7
Government	(6.1)	(1.5)	3.7	(1.0)	0.6
Education & Cultural Services	(0.8)	(0.1)	2.4	4.2	0.8
Personal Services	(1.0)	4.0	(1.0)	6.2	(0.1)
<b>FISIM</b> <sup>3</sup>	(14.4)	9.6	(1.2)	(10.0)	1.3

**Source: Central Statistical Office**

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r : revised    p : provisional

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

SECTOR	2000	2001 <sup>r</sup>	2002 <sup>r</sup>	2003 <sup>r</sup>	2004 <sup>p</sup>
<b>GROSS DOMESTIC PRODUCT</b>	<b>51,370.6</b>	<b>55,007.2</b>	<b>55,365.6</b>	<b>66,168.3</b>	<b>71,878.0</b>
<b>PETROLEUM INDUSTRY</b>	<b>16,072.8</b>	<b>15,558.8</b>	<b>15,373.0</b>	<b>23,001.7</b>	<b>24,506.8</b>
Exploration and Production	8,959.4	8,686.4	9,046.3	13,760.7	14,662.7
Refining (Incl Atlantic LNG)	2,821.0	2,399.3	2,282.1	3,867.7	4,314.0
Petrochemicals	2,182.0	2,144.5	1,802.6	2,551.0	2,904.9
Service Contractors	725.7	753.3	843.7	916.4	953.0
Distribution	1,371.6	1,550.2	1,375.1	1,879.8	1,646.0
Asphalt Production	13.1	25.1	23.2	26.1	26.2
<b>NON-PETROLEUM INDUSTRY</b>	<b>35,486.5</b>	<b>39,385.7</b>	<b>39,819.8</b>	<b>43,734.8</b>	<b>47,234.0</b>
<b>Agriculture</b>	<b>697.2</b>	<b>707.6</b>	<b>713.7</b>	<b>773.8</b>	<b>906.6</b>
Export Agriculture	20.9	10.6	19.4	14.1	14.2
Domestic Agriculture	377.6	413.0	395.9	481.9	501.1
Sugar:	298.7	284.0	298.4	277.8	391.3
Sugar refineries	(67.6)	(64.0)	(57.9)	(56.1)	130.9
Cane farming and cultivation	226.7	175.3	183.5	128.7	51.5
Distilleries	139.6	172.7	172.8	205.2	208.9
<b>Manufacturing <sup>1</sup></b>	<b>3,625.4</b>	<b>4,074.4</b>	<b>4,326.9</b>	<b>4,672.0</b>	<b>5,111.5</b>
Food Beverages and Tobacco	1,686.9	1,921.1	1,954.5	2,074.8	2,363.9
Textile, Garments & Footwear	112.3	107.0	86.7	83.1	79.7
Printing and Publishing	390.5	414.1	414.0	419.5	387.3
Wood & Related Products	127.3	125.6	130.9	135.1	135.3
Chemical & Non-metallic Products	687.0	698.8	697.7	734.2	744.0
Assembly Type Industries	404.9	589.2	828.7	1,002.9	1,183.8
Miscellaneous Manufacturing	216.5	218.6	214.4	222.4	217.5
<b>Services</b>	<b>31,163.9</b>	<b>34,603.7</b>	<b>34,779.2</b>	<b>38,289.0</b>	<b>41,215.9</b>
Electricity and Water	888.2	880.6	802.6	577.9	679.7
Construction and Quarrying	3,833.1	4,353.3	3,700.3	4,048.1	4,444.8
Distribution and Restaurants <sup>2</sup>	8,401.8	8,724.3	9,286.7	9,901.9	10,533.5
Hotels and Guest Houses	217.0	235.9	219.4	218.5	233.8
Transport, Storage & Comm.	4,410.4	5,571.5	5,913.1	6,704.0	7,116.3
Finance, Insurance, Real Estate, etc	7,305.1	7,505.8	7,862.3	8,488.9	8,972.8
Government	3,887.2	4,714.1	4,332.9	5,254.5	5,910.6
Education and Cultural Services	1,411.1	1,749.1	1,794.1	2,161.1	2,377.9
Personal Services	810.0	869.1	867.8	934.1	946.5
FISIM <sup>3</sup>	(2,216.0)	(2,116.0)	(2,228.1)	(2,541.3)	(2,617.5)
Add: VALUE ADDED TAX (VAT)	2,027.3	2,178.7	2,400.9	1,973.1	2,754.7

**Source: Central Statistical Office**

1/ Excludes oil refining and petrochemical industries.

2/ Excludes distribution of petroleum products.

3/ Financial Intermediation Services Indirectly Measured.

r: revised p: provisional

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

SECTOR	2000	2001 <sup>r</sup>	2002 <sup>r</sup>	2003 <sup>r</sup>	2004 <sup>p</sup>
<b>GROSS DOMESTIC PRODUCT</b>	<b>19.8</b>	<b>7.1</b>	<b>0.7</b>	<b>19.5</b>	<b>8.6</b>
<b>PETROLEUM INDUSTRY</b>	<b>66.8</b>	<b>(3.2)</b>	<b>(1.2)</b>	<b>49.6</b>	<b>6.5</b>
Exploration and Production	71.7	(3.0)	4.1	52.1	6.6
Refining (Incl Atlantic LNG)	109.8	(14.9)	(4.9)	69.5	11.5
Petrochemicals	74.0	(1.7)	(15.9)	41.5	13.9
Service Contractors	3.8	3.8	12.0	8.6	4.0
Distribution	27.7	13.0	(11.3)	36.7	(12.4)
Asphalt Production	(72.0)	91.6	(7.6)	12.5	0.4
<b>NON-PETROLEUM INDUSTRY</b>	<b>7.6</b>	<b>11.0</b>	<b>1.1</b>	<b>9.8</b>	<b>8.0</b>
Agriculture	(16.0)	1.5	0.9	8.4	17.2
Export Agriculture	(37.0)	(49.3)	83.0	(27.3)	0.7
Domestic Agriculture	(5.4)	9.4	(4.1)	21.7	4.0
Sugar:	(24.9)	(4.9)	5.1	(6.9)	40.9
Sugar refineries	(121.6)	5.3	9.5	3.1	333.3
Cane farming and cultivation	2.7	(22.7)	4.7	(29.9)	(60.0)
Distilleries	(32.7)	23.7	0.1	18.8	1.8
<b>Manufacturing<sup>1</sup></b>	<b>5.5</b>	<b>12.4</b>	<b>6.2</b>	<b>8.0</b>	<b>9.4</b>
Food Beverages and Tobacco	5.8	13.9	1.7	6.2	13.9
Textile, Garments & Footwear	28.6	(4.7)	(19.0)	(4.2)	(4.1)
Printing and Publishing	10.0	6.0	(0.0)	1.3	(7.7)
Wood & Related Products	(15.5)	(1.3)	4.2	3.2	0.1
Chemical & Non-metallic Products	30.2	1.7	(0.2)	5.2	1.3
Assembly Type Industries	(14.1)	45.5	40.6	21.0	18.0
Miscellaneous Manufacturing	(13.9)	1.0	(1.9)	3.7	(2.2)
<b>Services</b>	<b>8.5</b>	<b>11.0</b>	<b>0.5</b>	<b>10.1</b>	<b>7.6</b>
Electricity and Water	(0.7)	(0.9)	(8.9)	(28.0)	17.6
Construction and Quarrying	10.9	13.6	(15.0)	9.4	9.8
Distribution and Restaurants <sup>2</sup>	10.3	3.8	6.4	6.6	6.4
Hotels and Guest Houses	1.5	8.7	(7.0)	(0.4)	7.0
Transport, Storage & Comm.	12.6	26.3	6.1	13.4	6.2
Finance, Insurance, Real Estate, etc	14.8	2.7	4.7	8.0	5.7
Government	(4.6)	21.3	(8.1)	21.3	12.5
Education and Cultural Services	1.6	24.0	2.6	20.5	10.0
Personal Services	2.6	7.3	(0.1)	7.6	1.3
FISIM <sup>3</sup>	(32.1)	4.5	(5.3)	(14.1)	(3.0)
Add: VALUE ADDED TAX (VAT)	4.2	7.5	10.2	(17.8)	39.6

**Source: Central Statistical Office**

1/Excludes oil refining and petrochemical industries

2/Excludes distribution of petrochemical products

3/Financial Intermediation Services Indirectly Measured.

r: revised p:provisional

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

	2000	2001	2002	2003	Oct 2002/ Apr 2003	Oct 2003/ Apr 2004
<b>Index of Retail Prices Jan. 2003 = 100</b>	3.6	5.6	4.2	3.8	3.9	3.3
Housing	0.7	0.1	(0.1)	0.1	-0.3	0.9
Food	8.3	14.0	10.2	13.8	11.4	12.5
Transport	1.6	2.1	1.6	0.6	0.0	3.9
<b>Index of Productivity</b>	5.3	8.2	11.9	12.1	5.4*	(1.0)*
All workers/all industries 1995=100						
<b>Index of Average weekly Earnings</b>	9.1	9.3	11.6	13.2	1.2*	3.9*
All workers/all industries 1995=100						

**Source: Central Statistical Office**

\* Data for period: October - December

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

	1998	1999	2000*	2001	2002 <sup>p</sup>	2003 <sup>p</sup>	2004 <sup>p</sup>
<b>TOTAL POPULATION</b>	1,253,930	1,258,186	1,262,366	1,266,797	1,275,705	1,282,447	1,290,646
% change	0.2	0.5	0.5	0.5	0.5	0.5	0.6
<b>TOTAL MALE</b>	638,096	640,914	633,051	635,299	639,766	642,037	647,259
% change	0.3	0.4	0.4	0.4	0.4	0.4	0.8
<b>TOTAL FEMALE</b>	639,579	642,948	629,315	631,498	635,939	640,410	643,387
% change	0.2	0.5	0.5	0.5	0.5	0.7	0.5
<b>Dependency Ratio (%)</b>	48.6	46.8	46.8	46.8	45.8	45.6	47.0*
<b>Non Institutional Pop.15 yrs and over</b>	913,400	961,061	936,600	949,875	961,800	968,300	971,500*
<b>Labour Force</b>	558,700	563,400	572,800	576,450	586,200	596,500	597,900*
Persons Employed	479,300	489,400	503,100	514,075	525,100	534,100	536,800*
Persons Unemployed	79,400	74,100	69,600	62,400	61,100	62,400	61,100*
Participation Rate (%)	61.2	60.8	61.1	60.7	61.0	61.6	61.5*
Unemployment Rate (%)	14.2	13.2	12.2	10.8	10.4	10.5	10.2*
<b>Births per 1,000 persons</b>	13.42	14.10	14.12	14.13	14.13	14.00	14.23
<b>Deaths per 1,000 persons</b>	7.31	7.76	7.46	7.58	7.58	7.65	7.88
<b>Crude Natural Growth Rate per 1,000</b>	6.11	6.34	6.66	6.55	6.55	6.35	6.35

**Source : Central Statistical Office**

\* Data refers to 1st quarter

p: provisional

**Appendix 7**  
**Mid-Year Estimates of Population by Age**

	1998	1999	2000	2001	2002 <sup>p</sup>	2003 <sup>p</sup>	2004 <sup>p</sup>
<b>Total Population</b>	1,253,930	1,258,186	1,262,366	1,266,797	1,275,705	1,282,447	1,290,646
<b>Non-Institutional Population</b>							
<b>All Ages</b>							
<b>Under 15</b>	327,682	316,343	317,394	318,508	320,748	320,612	327,104
<b>15-19</b>	123,878	123,333	123,743	124,177	125,050	125,951	141,579
<b>20-24</b>	112,571	114,575	114,955	115,359	116,170	117,007	114,489
<b>24-29</b>	104,807	105,811	106,162	106,535	107,284	108,057	98,769
<b>30-34</b>	100,490	100,056	100,389	100,741	101,449	102,179	94,258
<b>35-39</b>	100,357	100,812	101,147	101,502	102,215	102,952	104,871
<b>40-44</b>	90,025	92,171	92,477	92,802	93,454	94,127	92,396
<b>45-49</b>	74,885	78,396	78,657	78,933	79,488	80,060	76,498
<b>50-54</b>	58,311	60,748	60,950	61,164	61,594	62,038	63,832
<b>55-59</b>	44,952	47,446	47,603	47,770	48,106	48,453	47,540
<b>60-64</b>	33,447	34,004	34,117	34,237	34,478	34,726	37,940
<b>Over 65</b>	82,525	84,491	84,771	85,069	85,667	86,285	91,370

**Source: Central Statistical Office**

\*: Figures based on vital statistics estimates.

p : provisional



**Appendix 8**  
**Labour Force by Industry and Employment Status (CSSP Estimates)**  
**/Hundreds ('00)/**

	2002			2003												2004		
	Oct - Dec			Jan - Mar			Apr - Jun			Jul - Sep			Oct - Dec			Jan - Mar <sup>p</sup>		
	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate%	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %
Total Labour Force	5,925	5,295	10.6	5,883	5,233	11.0	5,870	5,272	10.2	6,076	5,440	10.5	6,031	5,418	10.2	5,979	5,368	10.2
Agriculture, Forestry, Hunting & Fishing	276	268	2.9	283	275	2.1	258	251	3.1	246	234	4.9	254	244	3.5	213	201	5.6
Sugar	116	101	12.9	147	142	3.4	118	112	4.2	45.0	24	46.7	56	15	71.4	66	43	34.8
Petroleum	196	168	13.3	202	175	12.9	166	151	9.0	157	148	5.7	182	169	7.1	190	185	2.6
Construction	857	654	23.7	941	696	26.0	886	697	21.3	968	764	21.0	915	745	18.6	898	740	17.6
Wholesale/Retail Trade, Restaurants & Hotels	1,066	941	11.7	1,110	979	11.9	1,063	954	10.3	1,137	1,020	10.1	1,126	1,005	10.7	1,105	990	10.4
Transport, Storage & Comm.	363	342	5.8	407	386	5.2	453	428	5.5	463	438	5.4	425	410	3.8	416	391	6.0
Finance, Insurance Real-Estate & Bus Services	465	434	6.5	490	457	6.9	461	421	8.5	485	465	4.1	484	457	5.8	446	414	7.0
Community Social & Personal Services	1,789	1,669	6.7	1,630	1,517	6.9	1,771	1,630	8.0	1,861	1,698	8.8	1,834	1,687	8.0	1,914	1,747	8.7
Electricity & Water	72	65	9.7	79	77	3.8	75	73	1.3	93	90	3.2	60	56	6.7	69	65	5.8
Other Manuf.	683	621	9.2	603	546	9.5	597	537	10.1	587	530	9.7	644	587	8.9	595	534	10.4
Other Mining & Quarrying	11	10	9.1	9	9	-	8	7	12.5	9	8	11.1	8	8	-	6	5	16.7
Not stated	26	17	34.6	23	14	43.5	15	10	26.7	24	21	12.5	41	34	17.1	61	54	11.5

**Source: Central Statistical Office**

p : provisional

**Appendix 9**  
**Development and Exploratory Drilling and Domestic Crude Production**

**DEVELOPMENT AND EXPLORATORY DRILLING**

	1999	Oct '99/ Sep '00	Oct '00/ Sep '01	Oct '01/ Sep '02	Oct '01/ Jun '02	Oct '02/ Jun '03	Oct '03/ Jun '04
Depth Drilled*	135.7	140.2	171.0	175.7	135.8	118.8	115.2
Land	37.1	60.0	79.6	29.0	23.5	34.1	35.0
Marine	98.6	80.3	91.4	146.7	112.3	84.7	80.2

**DOMESTIC CRUDE PRODUCTION**

	1999	Oct'99/ Sep'00	Oct'00/ Sep'01	Oct'01/ Sep'02	Oct'01/ Jun'02	Oct'02/ Jun'03	Oct'03/ Jun'04
MILLIONS OF BARRELS	45.6	44.4	41.1	45.5	33.4	37.2	37.2
MILLIONS OF CUBIC METRES	7.3	7.1	6.5	7.2	5.3	5.7	5.9
LAND (%)	22.2	22.2	22.7	19.7	19.9	18.1	18.2
MARINE (%)	77.8	77.8	77.3	80.3	80.1	81.9	81.8

**Source: Ministry of Energy and Energy Industries**

p: provisional

\*All figures are in thousand of metres.

**Appendix 10**  
**Natural Gas Production and Utilisation**  
 /Millions of Cubic Metres/

	1999	Oct'99/ Sep'00	Oct'00/ Sep'01	Oct'01/ Sep'02	Oct'02/ Sep'03	Oct'02/ Jun'03 <sup>r</sup>	Oct'03/ Jun'04 <sup>p</sup>
<b>Production</b>	13,240	15,092	16,336	17,483	25,549	18,349	21,615
<b>Utilisation</b>							
<b>Fuel</b>	5,654	5,530	5,979	6,837	7,317	6,037	6,408
<b>Processed</b>	3,928	4,143	4,798	4,728	5,299	3,849	4,001
<b>Vented</b>	930	893	934	1,017	872	641	271
<b>Natural Gas Liquids (NGL)</b>	154	129	236	214	272	204	176
<b>Liquefied Natural Gas (LNG)</b>	2,574	4,397	4,389	4,687	11,789	7,618	10,759

**Source: Ministry of Energy and Energy Industries**

p: provisional

r: revised

Appendix 11  
Petrochemicals Production and Exports  
/Tonnes '000/

	1998	1999	Oct'99/ Sep'00	Oct'00/ Sep'01	Oct'01/ Sep'02	Oct'02/ May'03 <sup>r</sup>	Oct'03/ May'04 <sup>p</sup>
<b>NITROGENEOUS FERTILISERS (Ammonia and Urea)</b>							
<b>PRODUCTION</b>	3,325.0	3,947.6	3,739.0	4,004.5	4,391.0	3,453.9	3,437.3
<b>EXPORTS</b>	2,996.0	3,627.9	3,411.3	3,879.0	3,885.5	3,216.5	3,154.3
<b>METHANOL</b>							
<b>PRODUCTION</b>	1,916.4	2,109.4	2,063.5	2,642.2	2,817.3	1,908.0	1,868.6
<b>EXPORTS</b>	1,872.0	2,139.7	1,986.6	2,459.8	2,745.5	1,909.1	1,854.4

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

*p: provisional*

*r: revised*

Appendix 12  
Steel Production  
/Tonnes '000/

	1999	Oct '99/ Sep '00	Oct '00/ Sep '01	Oct '01/ Jun '02	Oct '02/ Jun '03	Oct '03/ Jun '04
<b>Direct Reduced Iron</b>						
Production	1,293.0	1,506.0	2,107.9	1,689.9	1,731.9	1,647.7
Exports	512.7	677.3	1,208.3	1,104.8	956.6	959.5
Local Sales	-	-	-	-	-	-
<b>Billets</b>						
Production	724.0	736.9	766.5	487.2	671.7	616.7
Exports	-	-	14.7	-	57.1	70.5
Local Sales	87.2	60.7	71.9	42.7	71.0	60.8
<b>Wire Rods</b>						
Production	638.2	643.0	629.6	484.5	501.0	492.4
Exports	588.8	607.1	587.5	444.7	514.2	446.7
Local Sales	87.2	38.6	36.6	23.1	23.4	33.0

Source: Caribbean Ispat Ltd., Central Bank of Trinidad and Tobago

**Appendix 13**  
**Exchange Rate for Selected Currencies**

Period Ending	US Dollar		Canadian Dollar		U.K. Pound Sterling	
	Buying	Selling	Buying	Selling	Buying	Selling
1999	6.2457	6.2997	4.1701	4.3332	10.0375	10.3680
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
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
August	6.0826	6.1623	3.8195	4.9770	9.2055	9.5784
September	6.1640	6.2395	3.8479	4.9999	9.4038	9.8112
October	6.2202	6.2956	3.8627	4.0288	9.4861	9.8921
November	6.2322	6.2992	3.8757	4.0493	9.6097	10.0223
December	6.2429	6.2997	3.9082	4.0830	9.6789	10.0998
2003						
January	6.2319	6.2996	3.9395	4.1292	9.8619	10.2877
February	6.2245	6.2945	4.0321	4.2253	9.8057	10.2465
March	6.2241	6.2962	4.1272	4.3162	9.6543	10.0688
April	6.2287	6.2978	4.1791	4.3529	9.6141	10.0404
May	6.2423	6.2965	4.4264	4.6021	9.9544	10.3288
June	6.2328	6.2887	4.5164	4.6905	10.1386	10.5601
July	6.2237	6.2899	4.4339	4.6152	9.9381	10.3494
August	6.2238	6.2883	4.3677	4.5549	9.7164	10.1498
September	6.2356	6.2928	4.4813	4.6556	9.8247	10.1966
October	6.2318	6.2992	4.5963	4.7980	10.2421	10.6763
November	6.2336	6.2981	4.6619	4.8664	10.3056	10.7766
December	6.2433	6.2996	4.6473	4.8590	10.7018	11.1433
2004						
January	6.2342	6.2997	4.6947	4.9163	11.1068	11.6117
February	6.2336	6.2998	4.6031	4.8075	11.4113	11.9249
March	6.2468	6.2998	4.5919	4.7930	11.2068	11.6536
April	6.2457	6.2947	4.5588	4.7418	10.9970	11.4811
May	6.2381	6.2995	4.4444	4.6267	10.9223	11.3802
June	6.2513	6.2993	4.5013	4.6909	11.2025	11.6454

Source: The 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)
1999	1,292.40	2,989.50	5,487.10	3,288.40	4,158.30	4,281.90	13,057.50
2000	1,271.00	3,616.20	5,796.50	3,281.20	5,253.80	4,887.20	13,964.90
2001	1,373.50	5,322.10	6,634.30	3,869.70	4,995.40	6,695.60	17,199.60
2002	1,501.80	5,829.80	6,778.70	3,399.90	5,513.10	7,331.60	17,510.10
2001	1,134.90	3,281.10	5,785.10	3,206.90	4,980.80	4,416.00	13,408.00
2002							
January	1,281.10	4,602.90	6,702.30	3,977.40	5,325.50	5,884.10	16,563.70
February	1,293.20	4,525.30	6,834.20	3,987.10	6,074.40	5,818.50	16,639.90
March	1,366.10	5,008.80	6,944.70	3,937.10	4,883.70	6,374.90	17,256.70
April	1,332.90	4,880.10	6,908.70	3,746.40	6,015.30	6,213.00	16,868.20
May	1,386.20	4,564.70	6,924.80	3,744.50	5,585.70	5,950.90	16,620.20
June	1,380.30	4,754.30	6,975.50	3,812.10	5,130.70	6,134.60	16,922.20
July	1,352.20	4,360.00	6,853.80	3,652.20	4,870.50	5,712.20	16,218.20
August	1,403.50	4,695.60	6,817.20	3,776.30	6,411.80	6,099.00	16,692.60
September	1,401.20	5,149.50	6,792.00	3,697.30	4,815.00	6,550.70	17,040.00
October	1,402.30	4,978.50	6,792.90	3,472.90	5,083.80	6,380.80	16,646.50
November	1,485.30	5,108.10	6,860.70	3,548.80	6,168.90	6,593.40	17,002.90
December	1,501.80	5,829.80	6,778.70	3,399.90	5,513.10	7,331.60	17,510.10
2003							
January	1,450.90	5,464.90	6,805.80	3,348.80	5,697.50	6,915.80	17,070.30
February	1,550.60	5,090.70	6,870.10	3,196.70	5,770.60	6,641.30	16,708.10
March	1,521.90	4,820.50	7,449.10	3,072.70	5,309.90	6,342.40	16,864.30
April	1,510.80	4,451.70	7,446.50	3,006.00	5,699.40	5,962.50	16,415.00
May	1,562.50	4,617.30	7,504.80	3,128.60	5,484.10	6,179.80	16,811.30
June	1,543.40	4,966.30	7,483.10	3,089.30	6,266.60	6,509.80	17,082.20
July	1,567.30	4,943.60	7,505.00	3,005.60	6,017.50	6,510.80	17,021.40
August	1,611.10	5,879.80	8,023.20	3,639.00	4,409.80	7,490.80	19,153.00
September	1,556.80	6,332.20	8,009.60	3,767.40	4,110.30	7,889.00	19,666.10
October	1,608.10	6,273.70	7,924.30	3,626.60	4,645.60	7,881.80	19,432.70
November	1,676.90	6,877.00	8,011.20	3,636.60	4,834.20	8,553.90	20,201.70
December	1,708.60	5,600.80	8,264.20	3,019.60	4,296.10	7,309.40	18,593.30
2004							
January	1,646.00	7,325.00	6,073.00	3,214.00	5,522.00	8,970.20	18,257.20
February	1,741.30	7,108.00	6,193.00	3,205.00	5,715.00	8,849.60	18,247.30
March	1,681.30	5,869.00	8,433.00	2,958.00	6,311.00	7,550.70	18,941.20
April	1,727.80	5,239.00	8,501.00	2,862.00	7,555.00	6,966.70	18,330.10
May	1,766.00	5,252.00	8,606.00	3,101.00	7,093.00	7,019.10	18,726.70

**Source: The Central Bank of Trinidad and Tobago**

\* Foreign Currency Deposits includes - Foreign Currency Deposits at the Commercial Banks & Non-Banks.

**Appendix 15**  
**Commercial Banks Liquid Assets**  
**Millions of TT Dollars**

Period Ending	Reserve Position		Deposit Liabilities (adj.)	Deposits at the Central Bank			Local Cash in Hand	Treasury Bills
	Required Reserves	Cash Reserves		Cash Reserves	Special Deposits	Total Deposits		
<b>1998</b>	2,541.1	2,547.9	12,101.9	2,547.9	222.1	2,770.0	288.7	384.7
<b>1999</b>	2,515.8	2,536.7	11,980.0	2,536.7	21.0	2,557.7	416.6	437.9
<b>2000</b>	2,611.5	2,658.9	12,435.7	2,658.9	284.1	2,943.0	426.9	462.5
<b>2001</b>	2,694.0	2,682.7	14,966.7	2,682.7	783.1	3,465.8	469.8	532.8
<b>2002</b>	2,763.8	2,790.4	15,354.4	2,790.4	281.3	3,071.6	502.8	208.8
<b>2003</b>								
<b>January</b>	2,797.3	2,805.4	15,540.6	2,805.4	296.9	3,102.3	275.0	336.0
<b>February</b>	2,797.3	2,792.5	15,540.6	2,792.5	709.8	3,502.3	279.0	324.1
<b>March</b>	2,740.1	2,742.7	15,222.8	2,742.7	526.8	3,269.2	306.5	259.6
<b>April</b>	2,709.4	2,810.4	15,052.2	2,810.4	151.2	2,961.6	342.6	291.7
<b>May</b>	2,685.3	2,693.4	14,918.3	2,693.5	437.1	3,130.6	309.8	1,075.0
<b>June</b>	2,707.1	2,691.9	15,039.4	2,691.9	1,048.1	3,740.0	323.6	1,109.4
<b>July</b>	2,733.5	2,758.8	15,186.1	2,758.8	569.8	3,328.6	313.1	270.0
<b>August</b>	2,836.4	2,844.4	20,260.0	2,844.4	529.5	3,373.9	300.2	193.4
<b>September</b>	2,870.6	2,648.3	20,504.3	2,648.3	1,086.2	3,734.5	350.1	330.9
<b>October</b>	2,248.4	2,250.6	16,060.0	2,250.6	1,029.5	3,280.0	317.1	312.8
<b>November</b>	2,243.3	2,245.3	16,023.6	2,245.3	729.9	2,975.3	391.3	261.3
<b>December</b>	2,327.5	2,333.8	16,625.0	2,233.8	621.5	2,955.3	586.1	124.6
<b>2004</b>								
<b>January</b>	2,352.8	2,361.6	16,805.7	2,361.6	381.7	2,743.3	334.7	115.6
<b>February<sup>p</sup></b>	2,298.8	2,317.5	16,420.0	2,317.5	205.6	2,531.1	362.0	110.0

Source: The Central Bank of Trinidad and Tobago

p:provisional



**Appendix 16**  
**Commercial Bank Domestic Credit**  
**/Millions of TT Dollars/**

Period Ending	Central Government Credit	Public Sector	Private Sector	Total Credit
1998	1,997.70	1,151.10	11,324.60	14,473.40
1999	2,116.30	1,074.70	13,316.70	16,507.70
2000	1,976.80	816.40	15,007.20	17,800.40
2001	2,686.20	2,276.60	15,552.40	20,515.20
2002	2,705.50	2,166.70	16,890.00	21,762.20
January	2,864.40	2,204.80	15,302.20	20,371.40
February	2,682.40	2,205.40	15,430.80	20,318.60
March	2,715.50	2,448.80	16,165.40	21,329.70
April	2,621.10	2,744.80	15,923.30	21,289.20
May	2,493.00	2,836.90	16,138.20	21,468.10
June	2,301.00	2,668.50	16,168.20	21,137.70
July	2,255.30	2,545.80	16,304.90	21,106.00
August	2,126.70	2,906.00	16,230.10	21,262.80
September	3,021.20	2,827.60	16,433.50	22,282.30
October	2,486.40	2,370.70	16,581.40	21,438.50
November	2,541.70	2,544.90	16,430.20	21,516.80
December	2,705.50	2,166.70	16,890.00	21,762.20
2003				
January	2,698.80	1,969.40	16,697.50	21,365.70
February	2,647.20	1,766.20	16,769.20	21,182.60
March	2,971.30	1,718.20	16,808.00	21,497.50
April	2,963.00	1,558.30	16,706.30	21,227.60
May	2,964.30	1,458.00	16,355.00	20,777.30
June	2,544.00	1,261.00	16,380.00	20,185.00
July	2,406.00	1,353.00	16,778.00	20,537.00
August	2,918.00	1,699.00	17,142.00	21,759.00
September	2,653.00	1,571.00	17,308.00	21,532.00
October	2,983.00	1,436.00	17,189.00	21,608.00
November	3,647.00	1,389.00	17,610.00	22,646.00
December	3,215.00	1,404.00	18,406.00	23,025.00
2004				
January	3,072.00	1,258.00	18,016.00	22,346.00
February	2,930.00	1,209.00	19,271.00	23,410.00
March <sup>p</sup>	2,841.00	1,236.00	19,988.00	24,065.00

**Source: Central Bank of Trinidad and Tobago**

p: provisional

**Appendix 17**  
**Commercial Banks' Interest Rates**

Period Ending	Basic Prime Rate	Prime Loan Rates			Real Estate Mortgage	Savings Ordinary	Special	Deposits		
		Term	Demand	Overdraft				3 Mth	3 to 6 Mth	6 to 12 Mth
<b>1999</b>	17.25	18.00	16.88	17.00	18.00	2.75	5.25	6.53	7.75	8.13
<b>2000</b>	16.50	17.50	16.50	16.50	17.50	2.75	5.25	6.45	7.63	7.93
<b>2001</b>	15.00	16.00	15.00	15.50	16.00	3.00	5.25	6.60	6.75	7.80
<b>2002</b>	12.42	11.75	13.14	13.74	12.16	2.30	3.46	3.73	4.27	4.82
<b>January</b>	14.50	14.00	15.00	15.00	14.00	2.50	4.75	5.30	6.16	6.76
<b>February</b>	13.00	13.50	14.00	13.00	13.50	2.75	4.63	5.31	5.50	6.19
<b>March</b>	13.00	12.50	13.00	14.25	12.50	2.25	4.25	4.64	5.58	5.75
<b>April</b>	13.00	12.50	13.00	14.25	12.50	2.50	3.63	4.33	4.90	5.14
<b>May</b>	13.00	12.50	13.00	14.25	12.50	2.25	3.44	3.56	4.13	4.56
<b>June</b>	12.00	11.75	12.50	13.00	11.75	2.25	3.13	3.38	3.63	4.25
<b>July</b>	12.00	11.75	12.50	13.00	11.75	2.50	3.00	3.63	3.63	4.50
<b>August</b>	12.00	11.75	12.00	13.75	11.75	2.25	2.94	2.94	3.56	4.06
<b>September</b>	12.00	11.50	13.75	13.75	11.50	2.44	2.88	3.19	3.50	4.13
<b>October</b>	11.50	11.50	13.50	13.50	11.50	2.00	3.00	2.88	3.44	4.19
<b>November</b>	11.50	11.50	14.00	13.50	11.50	2.06	3.00	2.81	3.63	4.19
<b>December</b>	11.50	13.38	11.50	13.50	11.25	1.90	3.00	2.88	3.63	4.19
<b>2003</b>										
<b>January</b>	11.50	13.38	11.50	13.50	12.50	1.90	3.00	3.50	3.63	4.19
<b>February</b>	11.50	13.38	11.50	13.50	12.50	2.50	3.00	3.44	3.63	4.19
<b>March</b>	11.50	11.25	11.50	11.50	12.50	2.13	3.00	3.13	3.63	4.19
<b>April</b>	11.50	13.38	11.50	11.50	12.50	1.90	3.00	3.50	3.63	4.19
<b>May</b>	11.50	11.25	11.50	11.50	12.50	1.08	2.50	2.44	3.44	4.19
<b>June</b>	11.50	11.50	11.50	11.50	12.50	1.90	2.75	3.13	3.63	4.19
<b>July</b>	11.50	11.50	11.50	11.50	12.50	2.31	3.00	3.13	3.13	4.19
<b>August</b>	11.50	11.50	11.50	11.50	12.50	2.13	3.00	3.00	3.63	3.50
<b>September</b>	11.50	11.50	11.50	11.50	12.50	2.13	3.00	2.75	3.30	3.35
<b>October</b>	11.50	10.75	11.75	11.75	12.50	1.63	2.63	2.70	3.46	3.96
<b>November</b>	9.50	9.50	9.50	9.50	10.00	2.06	2.75	2.56	3.09	3.24
<b>December</b>	9.50	9.50	9.50	9.50	10.00	2.00	2.75	2.75	3.30	3.35
<b>2004</b>										
<b>January</b>	9.50	9.50	9.50	9.50	10.00	1.63	2.63	2.70	3.46	3.96
<b>February</b>	9.50	9.50	9.50	9.50	10.00	2.50	2.50	3.46	3.30	3.96
<b>March</b>	9.50	9.50	9.50	9.50	10.00	2.25	2.81	3.28	3.46	3.96
<b>April<sup>P</sup></b>	9.50	9.50	9.50	9.50	9.50	2.00	2.56	3.00	3.83	3.55

Source: The Central Bank of Trinidad and Tobago

p: provisional

**Appendix 18**  
**Secondary Market Activities**

Period Ending	Number of Transactions	Volume of Shares Traded (Mn)	Market Value (\$Mn)	Composite Index (Period End)
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
2002	8,092	96.5	775.1	545.56
2002				
October	971.00	10.77	103.99	520.60
November	1,030.00	9.63	98.16	540.29
December	672.00	8.58	125.14	545.56
2003				
January	641.00	6.84	77.19	543.68
February	666.00	101.89	136.76	562.41
March	592.00	13.04	76.48	564.20
April	871.00	18.30	70.50	555.68
May	1,292.00	24.35	169.78	556.25
June	1,027.00	15.84	79.50	560.36
July	1,303.00	23.58	82.23	572.02
August	1,595.00	23.13	144.77	581.33
September	1,851.00	36.97	563.38	600.01
October	2,237.00	22.69	352.19	656.12
November	2,278.00	25.62	191.13	680.70
December	2,337.00	97.38	359.35	694.13
2004				
January	2,096.00	18.51	104.56	718.88
February	2,253.00	28.09	127.16	793.25
March	4,699.00	45.02	286.30	839.38
April	2,944.00	15.92	239.41	881.28
May	3,552.00	26.91	330.10	893.56
June	3,412.00	19.09	215.07	904.71

**Source: Trinidad and Tobago Stock Exchange**

**Appendix 19**  
**Central Government Fiscal Operations: 1998 - 2004**  
 /Millions of TT Dollars/

	<b>Oct '98/ Sep '99</b>	<b>Oct '99/ Sep '00</b>	<b>Oct '00/ Sep '01</b>	<b>Oct '01/ Sep '02</b>	<b>Oct '02/ Sep '03'</b>	<b>Oct '03/ Sep '04<sup>P</sup></b>
<b>Total Revenue and Grants</b>	<b>10,263.6</b>	<b>12,199.4</b>	<b>14,381.0</b>	<b>14,122.5</b>	<b>17,366.6</b>	<b>20,192.6</b>
Recurrent Revenue	9,998.2	12,133.3	14,146.2	13,825.0	17,346.2	20,153.5
Tax Revenue	8,119.5	10,309.2	12,162.9	11,514.5	15,167.6	17,684.0
Non-Tax Revenue	1,878.7	1,824.1	1,983.3	2,310.5	2,178.6	2,469.5
Capital Receipts	246.7	56.1	224.4	295.4	17.9	25.1
Grants	18.7	10.0	10.4	2.1	2.5	14.0
<b>Total Expenditure and Net Lending</b>	<b>10,526.3</b>	<b>12,482.7</b>	<b>13,990.9</b>	<b>14,226.8</b>	<b>16,591.6</b>	<b>19,755.5</b>
Recurrent Expenditure	10,008.3	11,275.1	13,017.6	13,428.0	15,623.0	18,210.1
Capital Expenditure and Net Lending	518.0	1,207.6	973.3	798.8	968.6	1,545.4
<b>Current Account Balance</b>	<b>-10.1</b>	<b>858.2</b>	<b>1,128.6</b>	<b>397.0</b>	<b>1,723.2</b>	<b>1,943.4</b>
<b>Overall Surplus/(Deficit)</b>	<b>-262.7</b>	<b>-283.3</b>	<b>390.1</b>	<b>-104.3</b>	<b>775.0</b>	<b>437.1</b>
<b>Financing Requirements</b>	<b>262.7</b>	<b>283.3</b>	<b>-390.1</b>	<b>104.3</b>	<b>-775.0</b>	<b>-437.1</b>
External Financing (net)	834.6	1,607.6	-779.8	-161.2	11.9	-23.8
Domestic Financing (net)	-571.9	-1,324.3	389.7	265.5	-786.9	-413.3

**Source: Ministry of Finance**

r : revised

p : provisional

Appendix 20  
Central Government Revenue: 1998 - 2004  
/Millions of TT Dollars/

	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00 / Sep '01	Oct '01 / Sep '02	Oct '02/ Sep '03'	Oct '03/ Sep '04 <sup>P</sup>
<b>Total Revenue and Grants</b>	<b>10,263.6</b>	<b>12,199.4</b>	<b>14,381.0</b>	<b>14,122.5</b>	<b>17,366.6</b>	<b>20,192.6</b>
<b>Recurrent Revenue</b>	<b>9,998.2</b>	<b>12,133.3</b>	<b>14,146.2</b>	<b>13,825.0</b>	<b>17,346.2</b>	<b>20,153.5</b>
<b>Tax Revenue</b>	<b>8,119.5</b>	<b>10,309.2</b>	<b>12,162.9</b>	<b>11,514.5</b>	<b>15,167.6</b>	<b>17,684.0</b>
<b>Taxes on Income &amp; Profits</b>	<b>3,987.2</b>	<b>6,217.6</b>	<b>7,700.8</b>	<b>6,596.9</b>	<b>10,308.6</b>	<b>11,894.9</b>
<i>of which:-</i>						
Companies	1,534.7	3,481.7	4,573.0	3,294.0	6,524.6	7,601.6
Individuals	2,013.3	2,169.4	2,389.5	2,692.7	2,824.6	3,126.4
Withholding Taxes	185.1	195.3	306.1	204.1	310.0	365.1
Health Surcharge	122.8	149.1	151.5	137.4	143.9	143.6
Business Levy	79.9	65.1	89.6	59.2	73.5	100.2
Unemployment Fund	51.4	157.0	191.1	124.3	294.0	418
Green Fund				85.2	138.0	140
<b>Taxes on Property</b>	<b>68.9</b>	<b>70.8</b>	<b>66.3</b>	<b>100.8</b>	<b>86.9</b>	<b>93.6</b>
<i>of which:-</i>						
Land & Buildings	61.6	63.9	59.1	94.1	77.5	79.4
<b>Taxes on Goods and Services</b>	<b>3,206.7</b>	<b>3,128.7</b>	<b>3,425.8</b>	<b>3,817.2</b>	<b>3,545.6</b>	<b>4,296.4</b>
<i>of which:-</i>						
Excise Duties	892.0	800.7	822.3	911.5	967.7	1,013.4
VAT	1,849.8	1,889.5	2,193.7	2,475.4	2,120.5	2,864.0
Motor Vehicle Taxes & Duties	297.1	239.4	216.4	212.2	212	165.1
<b>Taxes on International Trade</b>	<b>775.7</b>	<b>781.5</b>	<b>856.8</b>	<b>878.5</b>	<b>1,069.7</b>	<b>1,208.2</b>
<i>Of which:-</i>						
Import Duties	728.1	746.4	811.2	853.6	1019	1150
Departure Tax	43.0	33.2	44.3	23.1	47.4	49.6
<b>Other</b>						
<b>Stamp Duties</b>	<b>81.0</b>	<b>110.6</b>	<b>113.2</b>	<b>121.1</b>	<b>156.8</b>	<b>190.9</b>
<b>Non-Tax Revenue</b>	<b>1,878.7</b>	<b>1,824.1</b>	<b>1,983.3</b>	<b>2,310.5</b>	<b>2,178.6</b>	<b>2,469.5</b>
<i>Of which: -</i>						
<b>Royalty on Oil</b>	<b>521.5</b>	<b>576.5</b>	<b>756.0</b>	<b>612.7</b>	<b>1,008.0</b>	<b>1,092.4</b>
<b>Profits:Non-Financial Enterprises</b>	<b>327.5</b>	<b>457</b>	<b>304.4</b>	<b>683.4</b>	<b>383.4</b>	<b>615.3</b>
<b>Profits: Financial Enterprises</b>	<b>61.5</b>	<b>78.2</b>	<b>88.4</b>	<b>149.2</b>	<b>151.7</b>	<b>105.8</b>
<b>Interest Income</b>	<b>174.2</b>	<b>159.2</b>	<b>238.0</b>	<b>172.8</b>	<b>112.2</b>	<b>87.5</b>
<b>Administrative Fees and Charges</b>	<b>171.4</b>	<b>153.0</b>	<b>144.3</b>	<b>354.7</b>	<b>227.9</b>	<b>259.3</b>
<b>Capital Receipts</b>	<b>246.7</b>	<b>56.1</b>	<b>224.4</b>	<b>295.4</b>	<b>17.9</b>	<b>25.1</b>
<b>Grants</b>	<b>18.7</b>	<b>10.0</b>	<b>10.4</b>	<b>2.1</b>	<b>2.5</b>	<b>14</b>

Source: Ministry of Finance

r: revised

p: provisional

**Appendix 21**  
**Central Government Expenditure and Net Lending: 1998 - 2004**  
**/Millions of TT Dollars/**

	Oct '98/ Sep '99	Oct '99/ Sep '00	Oct '00/ Sep '01	Oct '01/ Sep '02	Oct '02/ Sep '03 <sup>r</sup>	Oct '03/ Sep '04 <sup>p</sup>
<b>Total Expenditure and Net Lending</b>	10,526.3	12,482.7	13,990.9	14,226.8	<b>16,591.6</b>	19,755.5
<b>Recurrent Expenditure</b>	10,008.3	11,275.1	13,017.6	13,428.0	<b>15,623.0</b>	18,210.1
<b>Wages and Salaries</b>	3,665.1	3,141.1	3,772.9	4,188.9	<b>4,547.7</b>	4,725.9
<b>Goods &amp; Services</b>	1,095.4	1,236.3	1,552.2	1,760.4	<b>2,038.3</b>	2,622.8
<b>Interest Payments</b>	1,986.2	2,520.3	2,382.7	2,409.0	<b>2,591.9</b>	2,194.0
<i>of which:-</i>						
Domestic	1,271.9	1,680.9	1,565.7	1,585.7	1,834.3	1,593.6
Foreign	714.3	839.4	817.0	823.3	757.6	600.4
<b>Subsidies &amp; Transfers</b>	3,261.6	4,377.4	5,309.8	5,069.7	<b>6,445.1</b>	8,667.4
<b>Capital Expenditure and Net Lending</b>	518.0	1,207.6	973.3	798.8	<b>968.6</b>	1,545.4
<i>of which:-</i>						
<b>Development Programme (PSIP)</b>	<b>479.7</b>	<b>1,314.6</b>	<b>1,138.8</b>	<b>953.0</b>	<b>1,121.8</b>	<b>1,691.5</b>
Road Improvement Programme	64.0	55.0	48.1	58.1	39.9	50.0
Dollar for Dollar				23.3	35.7	60
Net Lending	-223.9	-240.6	-228.7	-235.6	-228.8	-256.1

**Source: Ministry of Finance**

r: revised

p: provisional

**Appendix 22**  
**Central Government Financing Transaction: 1998 - 2004**  
**/Millions of TT Dollars/**

	Oct '98 / Sep '99	Oct '99 / Sep '00	Oct '00 / Sep '01	Oct '01 / Sep '02	Oct '02 / Sep '03 <sup>r</sup>	Oct '03 / Sep '04 <sup>p</sup>
<b>TOTAL FINANCING</b>	<b>262.7</b>	<b>283.3</b>	<b>-390.1</b>	<b>104.3</b>	<b>-775.0</b>	<b>-437.1</b>
<b>NET EXTERNAL</b>	<b>834.6</b>	<b>1,607.6</b>	<b>-779.8</b>	<b>-161.2</b>	<b>11.9</b>	<b>-23.8</b>
External Borrowings	2,886.3	2,547.6	365.0	264.5	471.8	429.9
Capital Repayments	-2,051.7	-940.0	-1,144.8	-425.7	-466.2	-453.7
<b>NET DOMESTIC</b>	<b>-571.9</b>	<b>-1,324.3</b>	<b>389.7</b>	<b>265.5</b>	<b>-786.9</b>	<b>-413.3</b>
Domestic Borrowings	590.7	2,000.2	1,789.2	1,196.6	2,096.3	600.0
Capital Repayments	-439.5	-1,240.9	-1,074.8	-612.5	-2,505.5	<b>-1,385.1</b>
Sinking Fund Transfers	-196.3	-191.6	-190.5	-625.6	-630.6	-664.2

**Source: Ministry of Finance**

r : revised

p : provisional

**Appendix 23**  
**Total Public Debt and Debt Service: 1998 - 2004**  
**/Millions of TT Dollars/**

	Oct '98 / Sep '99	Oct '99/ Sep '00	Oct '00 / Sep '01	Oct '01/ Sep '02	Oct '02/ Sep '03 <sup>r</sup>	Oct '03/ Sep'04 <sup>p</sup>
<b>GROSS PUBLIC SECTOR DEBT</b>	<b>23,394.0</b>	<b>26,792.0</b>	<b>29,758.0</b>	<b>32,794.0</b>	<b>35,491.0</b>	<b>37,125.0</b>
<b>CENTRAL GOVERNMENT</b>	<b>18,390.0</b>	<b>20,749.0</b>	<b>20,044.0</b>	<b>20,637.0</b>	<b>21,461.0</b>	<b>21,842.0</b>
<b>Domestic /1</b>	9,105.0	9,917.0	10,313.0	10,845.0	10,457.0	11,398.0
<b>External</b>	9,285.0	10,833.0	9,731.0	9,792.0	9,938.0	9,444.0
<b>BOLTs and Leases</b>	NA	NA	NA	NA	1,066.0	1,000.0
<b>CONTINGENT LIABILITIES</b>	<b>5,004.0</b>	<b>6,043.0</b>	<b>9,714.0</b>	<b>12,157.0</b>	<b>14,030.0</b>	<b>15,283.0</b>
<b>Guaranteed</b>	4,965.0	5,747.0	9,020.0	9,827.0	10,706.0	10,823.0
<b>Statutory Authorities</b>	2,334.0	2,674.0	4,580.0	5,303.0	5,290.0	5,746.0
<b>State Enterprises</b>	2,631.0	3,073.0	4,440.0	4,524.0	5,416.0	5,077.0
<b>Letters of Comfort</b>	39.0	296.0	694.0	2,330.0	3,324.0	4,460.0
<b>Statutory Authorities</b>	39.0	108.0	167.0	135.0	255.0	1,482.0
<b>State Enterprises</b>	0.0	188.0	527.0	2,195.0	3,069.0	2,978.0
<b>CENTRAL GOVERNMENT DEBT SERVICE</b>	<b>4,403.0</b>	<b>3,687.0</b>	<b>5,067.0</b>	<b>3,998.0</b>	<b>1,742.0</b>	<b>2,704.0</b>
<b>Domestic</b>	1,637.0	1,908.0	3,113.0	2,753.0	985.0	1,370.0
<b>External</b>	2,766.0	1,779.0	1,954.0	1,245.0	757.0	1,334.0
	<b>(% of Fiscal GDP)</b>					
Gross Public Sector Debt	56.1	54.4	55.0	59.3	55.9	52.7
Central Government Debt	44.1	42.1	37.1	37.3	33.8	31.0
Contingent Liabilities	12.0	12.3	18.0	22.0	22.1	21.7
	<b>(% of Exports of Goods and Non-Factor Services)</b>					
Central Government Debt Service	20.4	12.1	16.6	14.0	4.6	5.7

**Source: Ministry of Finance**

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

r : revised

p: provisional



**Appendix 24**  
**Trinidad and Tobago - Net Foreign Reserves**  
**/US\$ Millions/**

	Central Bank			Gov't Balances	Commercial Banks			Gross Foreign Assets	Total Foreign Liabilities	Net Foreign Position
	Foreign Assets	Foreign Liabilities	Net Internat. Reserves		Foreign Assets	Foreign Liabilities	Net Foreign Position			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
								(1)+(4)+(5)	(2)+(6)	(8)-(9)
1998	779.4	17.5	761.9	3.6	401.5	182.2	219.3	1,184.5	199.7	984.8
1999	964.0	17.8	946.2	3.6	422.3	276.7	145.6	1,389.9	294.5	1,095.4
2000	1,405.4	17.5	1,387.8	0.1	504.2	272.5	231.7	1,909.7	290.0	1,619.7
2001	1,875.9	17.5	1,858.4	0.1	579.2	604.6	(25.4)	2,455.2	622.1	1,833.1
2002	1,923.5	16.2	1,907.2	0.1	670.4	616.5	53.9	2,594.0	632.7	1,961.3
<b>2002</b>										
August	1,985.5	16.2	1,969.3	0.1	781.0	488.5	292.5	2,766.6	504.7	2,261.9
Sept.	2,007.1	16.2	1,990.9	0.1	514.0	572.9	(58.9)	2,521.2	589.1	1,932.1
October	1,995.1	16.2	1,979.0	0.1	585.0	570.5	14.5	2,580.2	586.7	1,993.5
Nov.	1,941.7	16.2	1,925.5	0.1	786.9	599.1	187.8	2,728.7	615.3	2,113.4
December	1,923.4	16.2	1,907.2	0.1	670.4	616.5	53.9	2,593.9	632.7	1,961.2
<b>2003</b>										
January	1,922.6	16.2	1,906.5	0.1	750.1	556.5	193.6	2,672.8	572.7	2,100.1
February	1,886.3	16.2	1,870.2	0.1	721.4	549.3	172.1	2,607.8	565.5	2,042.3
March	1,922.6	16.2	1,906.4	0.1	674.7	595.4	79.4	2,597.4	611.6	1,985.8
April	1,903.6	16.2	1,887.4	0.1	840.6	599.6	241.0	2,744.3	615.8	2,128.5
May	1,862.8	16.2	1,846.7	0.1	818.4	612.5	205.9	2,681.3	628.7	2,052.6
June	1,971.6	16.2	1,955.5	0.1	1,009.9	586.5	423.5	2,981.6	602.7	2,378.9
July	2,000.8	16.2	1,984.6	0.1	982.7	615.1	367.6	2,983.6	631.3	2,352.3
August	1,982.1	16.2	1,965.9	0.1	862.0	604.4	257.6	2,844.2	620.6	2,223.6
September	2,214.8	16.2	2,198.6	0.1	822.5	630.6	192.0	3,037.4	646.8	2,390.6
October	2,246.6	16.2	2,230.4	0.1	956.5	655.8	300.7	3,203.2	672.0	2,531.2
November	2,143.8	16.2	2,127.6	0.1	928.7	639.8	288.9	3,072.6	656.0	2,416.6
December	2,257.9	16.2	2,241.7	0.1	1,002.2	1,042.2	(39.9)	3,260.2	1,058.4	2,201.8
<b>2004</b>										
January	2,267.1	16.2	2,250.9	0.1	1,070.9	938.4	132.6	3,338.1	954.6	2,383.5
February	2,221.3	16.2	2,205.1	0.1	1,475.2	1,211.0	264.2	3,696.6	1,227.2	2,469.4
March	2,396.2	16.2	2,380.0	0.1	1,281.4	932.8	348.6	3,677.7	949.0	2,728.7

Source: Central Bank of Trinidad and Tobago

**Appendix 25**  
**Trade with CARICOM Countries**  
**/Millions of TT Dollars/**

	Imports	Exports	Balance of Trade	Exports of Petroleum	Imports of Petroleum	Imports Excluding Petroleum	Exports Excluding Petroleum	Balance of Trade
								Excluding Petroleum
1996	509.9	3,522.3	3,012.4	1,727.6	159.7	350.2	1,794.7	1,444.5
1997	602.2	4,065.5	3,463.3	1,832.2	226.2	376.0	2,233.3	1,857.3
1998	668.8	4,309.9	3,641.1	1,827.6	248.7	420.1	2,482.3	2,062.2
1999	827.9	4,708.1	3,880.2	2,323.3	454.6	373.3	2,384.8	2,011.5
2000	791.2	6,284.4	5,493.2	3,880.3	399.9	391.3	2,404.1	2,012.8
2001	750.8	6,415.2	5,664.4	3,808.7	218.2	532.6	2,606.5	2,073.9
2002	574.4	5,152.0	4,577.6	2,531.9	167.6	406.8	2,620.1	2,213.3
2003	588.9	6,585.5	5,996.6	4,145.0	69.0	519.9	2,440.5	1,920.6
Oct '01/ Dec' 02	128.9	1,347.9	1,219.3	663.3	21.0	330.1	684.6	577.0
Oct '02 / Dec' 03	146.4	2,378.5	2,232.1	1,702.8	22.7	123.7	675.7	552.0

**Source: Central Statistical Office**

**Appendix 26 Balance of Visible Trade /Millions**

	1997	1998	1999	2000	2001	2002	2003 <sup>P</sup>	Oct 01/ Jun 02	Oct 02/ Jun 03 <sup>P</sup>
<b>Total Visible Trade</b>									
Exports	15,903.0	14,258.8	17,667.0	26,930.4	26,709.0	24,062.3	32,600.3	18,153.0	20,153.4
Imports	18,934.4	18,961.7	17,277.8	20,933.2	22,199.6	22,873.0	24,501.4	15,920.9	17,178.9
Balance	(3,031.4)	(4,702.9)	389.2	5,997.2	4,509.4	1,189.3	8,098.9	2,232.3	2,974.5
<b>Trade Excluding Mineral Fuels</b>									
Exports	8,581.9	7,908.1	8,112.2	9,356.9	10,315.2	9,605.0	10,864.9	6,990.1	6,473.7
Imports	16,480.6	16,478.4	13,649.3	14,180.5	16,462.4	16,548.0	17,835.9	11,818.0	12,483.2
Balance	(7,898.7)	(8,570.3)	(5,537.1)	(4,823.6)	(6,147.2)	(6,943.0)	(6,971.0)	(4,827.9)	(6,009.5)
<b>Trade Excluding Mineral Fuels U.P.A.</b>									
Exports	14,459.0	12,202.6	14,955.2	22,940.5	24,451.6	24,048.0	32,505.6	18,071.0	20,108.0
Imports	18,323.4	18,270.8	17,069.2	20,789.2	22,136.6	22,822.8	24,432.5	15,882.9	17,126.4
Balance	(3,864.4)	(6,068.2)	(2,114.0)	2,151.3	2,315.0	1,225.2	8,073.1	2,188.1	2,981.6
<b>Trade in Mineral Fuels non - U.P.A</b>									
Exports	5,877.1	4,294.5	6,843.0	13,583.6	14,136.4	14,443.0	21,640.7	11,080.9	13,634.3
Imports	1,842.8	1,792.4	3,419.9	6,608.7	5,674.2	6,274.8	6,596.6	4,064.9	4,643.2
Balance	4,034.3	2,502.1	3,423.1	6,974.9	8,462.2	8,168.2	15,044.1	7,016.0	8,991.1
<b>Trade in Mineral Fuels UPA</b>									
Exports	1,444.0	2,056.2	2,711.8	3,989.9	2,257.4	14.3	94.7	82.0	45.4
Imports	611.0	690.9	208.6	144.0	63.0	50.2	68.9	37.8	52.5
Balance	833.0	1,365.3	2,503.2	3,845.9	2,194.4	(35.9)	25.8	44.2	(7.1)
<b>Trade in Mineral Fuels</b>									
Exports	7,321.1	6,350.7	9,554.8	17,573.5	16,393.8	14,457.3	21,735.4	11,162.9	13,679.7
Imports	2,453.8	2,483.3	3,628.5	6,752.7	5,737.2	6,325.0	6,665.5	4,102.7	4,695.7
Balance	4,867.3	3,867.4	5,926.3	10,820.8	10,656.6	8,132.3	15,069.9	7,060.2	8,964.0

*Source: Central Statistical Office*

*p: provisional*

