



Government of the Republic of Trinidad and Tobago

**MINISTRY OF FINANCE**

CORPORATE COMMUNICATIONS UNIT

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## **PRESS RELEASE**

The Executive Board of the International Monetary Fund (IMF) recently concluded its report on the 2016 Article IV Consultation with Trinidad and Tobago.

In a Press Release dated June 20, 2016, the IMF reported that the recent sharp decline in the global energy prices is posing major challenges for the Trinidad and Tobago economy.

However, the Board of the IMF, which comprises representatives of all member countries/constituencies of the IMF commended the new PNM Government for their efforts in fiscal consolidation and encouraged further policy actions, including structural reforms to preserve macro-economic stability, diversify the economy and enhance medium growth prospects.

The IMF Directors agreed with the medium-term plan of the present Government which focuses on broadening the revenue base through comprehensive VAT reform, improving tax administration and conserving expenditure, while improving targeted social protection. The Directors encouraged the authorities to put in place a comprehensive fiscal framework to guide their multi-year adjustment.

The IMF Directors also supported the current pause in monetary policy tightening given the challenges to growth. While agreeing that addressing foreign exchange shortages for current transactions would be important, Directors underscored the need for a well-communicated move to greater exchange rate flexibility to strengthen the foreign exchange market and support the needed macroeconomic adjustment.

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The IMF Directors also emphasized the importance of pushing ahead with energy sector taxation reforms, addressing inefficiencies in the public service, and strengthening financial sector supervision and regulation. They also applauded efforts of the present Government to further strengthen the Anti-Money Laundering and Counter Terrorist Financing (AML/CTF) Framework.

Finally, the IMF Directors encouraged continued efforts by the Government to improve the business climate, to establish of a tax policy unit and National Statistical Institute.

Hon. Colm Imbert, MP  
Minister of Finance

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