GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Review of the Economy 2018

“TURNAROUND”

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Abbreviations

AATT	Airports Authority of Trinidad and Tobago
AML	Anti-Money Laundering
APO	Additional Public Offering
ATM	Average Time to Maturity
BIR	Board of Inland Revenue
BPM5	Fifth Edition of the Balance of Payments and International Investment Position Manual
BPM6	Sixth Edition of the Balance of Payments and International Investment Position Manual
BOLT	Build, Own, Lease and Transfer
BOP	Balance of Payments
BTU	British Thermal Units
CAF	Corporacion Andina de Fomento - Andean Bank for Development
CAL	Caribbean Airlines Limited
CARICOM	Caribbean Community
CariCRIS	Caribbean Information and Credit Rating Services Limited
CARTAC	Caribbean Regional Technical Assistance Centre
CBI	Citizenship by Investment
CBTT	Central Bank of Trinidad and Tobago
CFATF	Caribbean Financial Action Task Force
CFT	Combating the Financing of Terrorism
CPI	Consumer Price Index
CSO	Central Statistical Office
ECAMC	Eastern Caribbean Asset Management Corporation
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
ECF	Extended Credit Facility
EFF	Extended Fund Facility
FATCA	Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
FCB	First Citizens Bank
FOR	Financial Obligations Regulations
GDP	Gross Domestic Product
GOR	Gross Official Reserves
HSF	Heritage and Stabilisation Fund

ICRG	International Co-Operation Review Group
IDB	Inter-American Development Bank
IDF	Infrastructure Development Fund
IGA	Inter-Governmental Agreement
IICA	Inter-American Institute for Co-operation on Agriculture
IIP	International Investment Position
IMF	International Monetary Fund
ISIC Rev. 4	International Standard Industrial Classification of All Economic Activities, Revision 4
LNG	Liquefied Natural Gas
MALF	Ministry of Agriculture, Land and Fisheries
MER	Mutual Evaluation Report
MEV	Mutual Evaluation
ML	Money Laundering
Moody's	Moody's Investors Service
MTI	Ministry of Trade and Industry
MTS	National Maintenance, Training and Security Company Limited
NAMLC	National Anti-Money Laundering and Counter Financing of Terrorism Committee
NGC	National Gas Company of Trinidad and Tobago Limited
NHSL	National Helicopter Services Limited
NIDCO	National Infrastructure Development Company Limited
NIPDEC	National Insurance Property Development Company Limited
NLCB	National Lotteries Control Board
NP	Non-Prime
NPMC	National Petroleum Marketing Company Limited
NQCL	National Quarries Company Limited
NRA	National Risk Assessment
NTFC	National Trade Facilitation Committee
OMOs	Open Market Operations
OPEC	Organisation of the Petroleum Exporting Countries
PATT	Port Authority of Trinidad and Tobago
PETROTRIN	Petroleum Company of Trinidad and Tobago Limited
PLIPDECO	Point Lisas Industrial Port Development Corporation Limited
PPGPL	Phoenix Park Gas Processors Limited
PSTA	Partial Scope Trade Agreement
PTSC	Public Transport Service Corporation
QIS	Quantitative Impact Study
RBC	RBC Royal Bank
RBL	Republic Bank Limited
S&P	Standard and Poor's Ratings Services

SNA	System of National Accounts
SWMCOL	Solid Waste Management Company Limited
T&TEC	Trinidad and Tobago Electricity Commission
TCL	Trinidad Cement Limited
TF	Terrorist Financing
TFA	Trade Facilitation Agreement
TGU	Trinidad Generation Unlimited
THA	Tobago House of Assembly
TIEAA	Tax Information Exchange Agreements (United States of America)
TRINGEN	Trinidad Nitrogen Company Limited
TSTT	Telecommunications Services of Trinidad and Tobago
TTMF	Trinidad and Tobago Mortgage Finance Company Limited
TTSE	Trinidad and Tobago Stock Exchange
TTSEC	Trinidad and Tobago Securities and Exchange Commission
TTSNA	Trinidad and Tobago System of National Accounts
UDeCOTT	Urban Development Corporation of Trinidad and Tobago Limited
UTC	Unit Trust Corporation
VMCOTT	Vehicle Management Corporation of Trinidad and Tobago Limited
WASA	Water and Sewerage Authority
WTI	West Texas Intermediate
WTO	World Trade Organisation

Executive Summary

Global growth is projected to marginally strengthen from 3.8 percent in 2017 to 3.9 percent in 2018. Growth is estimated to be positive in all regional groupings including 1.6 percent in the Latin America and the Caribbean region in 2018, up from 1.3 percent in 2017.

In the **Caribbean**, growth is projected to be positive with the exception of Dominica where growth is anticipated to worsen from -4.2 percent in 2017 to -16.3 percent in 2018. The decline in the Dominican economy is directly related to the impact of Hurricanes Irma and Maria. In tourism-dependent countries growth is projected to average 1.7 percent in 2018, up from 1.3 percent in 2017, while commodity exporters will see marginal positive growth, moving from -1.5 percent in 2017 to 0.8 percent in 2018.

The Central Statistical Office (CSO), the official source of national statistics in Trinidad and Tobago, in 2017 adopted a new methodology for the classification and calculation of GDP. As a result, revised **nominal and real GDP** were issued for the period 2013 to 2017. **Box 1** refers.

Consequently, the CSO estimates that real economic activity in Trinidad and Tobago is expected to expand by 1.9 percent in 2018, up from the estimated -1.9 percent contraction in 2017. This growth is predicated on expansions in two-thirds of the industrial groupings which constitute 47.5 percent of the real GDP. In contrast, contractions are projected in the remaining one-third, which contributes 50.3 percent of real GDP.

Trinidad and Tobago's **Energy sector** is anticipated to recover with growth of 2.2 percent in 2018, emerging from three years of contraction over the period 2014 to 2016, averaging 4.4 percent per year. The sector reached a low point in 2016, with real economic activity plummeting by 10.0 percent before stabilising in 2017 with flat growth of 0.0 percent. The Energy sector's contribution to GDP is therefore expected to increase from 35.3 percent in 2017 to 36.1 percent in 2018 (**Table 3**). This positive outlook is premised on projected growth in four sub-industries, Natural Gas Exploration and Extraction (0.7 percent), Manufacture of Petrochemicals (12.5 percent), Refining, including LNG (5.7 percent) and Petroleum Support Services (2.9 percent). This should outweigh the declines in the remaining three sub-industries, Crude Oil Exploration and Extraction (-6.1 percent), Petroleum and Natural Gas Distribution (-3.5 percent) and Asphalt (-11.0 percent).

Headline inflation, as measured by the year-on-year rate of change in the All Items Retail Index (RPI), slowed to 1.9 percent in 2017 from 3.1 percent in 2016. Over the period January to August 2018, Headline inflation fluctuated between 0.8 percent and 1.2 percent.

Productivity of all workers in all industries in Trinidad and Tobago rose by 1.8 percent in fiscal 2017; reversing the 5.0 percent decline recorded in fiscal 2016. In year-on-year terms, there was little perceptible improvement (0.04 percent increase) in overall productivity during the first quarter of fiscal 2018. However, productivity increased more firmly by 6.4 percent in the second quarter of fiscal 2018. The CSO estimates a 0.2 percent growth in Trinidad and Tobago's **population** from 1,356,633 persons in 2017 to 1,359,193 persons in 2018. The number of births per thousand persons (the provisional birth rate) is projected to decrease, from 12.82 in 2017 to 12.67 in 2018. A similar marginal decline is projected in the number of deaths per thousand persons (the provisional death rate); from 8.59 in 2017 to 8.58 in 2018.

Trinidad and Tobago's average **unemployment rate** increased from 3.9 percent during fiscal 2016 to 4.6 percent during fiscal 2017, with 4,400 fewer persons employed over the fiscal 2017 period. Noteworthy too is that the labour force also contracted by 2,700 persons, from 636,800 in the third quarter of fiscal 2017 to 634,100 in the fourth quarter; a slight decline in the **participation rate** over the period, from 59.5 percent to 59.1 percent.

Budget estimates for fiscal 2018 was on a weighted average price for crude oil of US$52.00 per barrel and a natural gas price of US$2.75 per million of British thermal units (mmBtu). Consequently, **Total Revenue and Grants** was estimated at $45,741.8 million, **Total Expenditure** was projected at $50,501.5 million with a resultant **budget deficit** of $4,759.7 million.

Based on the latest revised estimates for fiscal 2018, Central Government's operations are now expected to realise an Overall Deficit of $6,261.6 million, with an anticipated Current Account deficit of $3,563.9 million. Total Revenues and Grants has been revised to $42,617.6 million, while Total Expenditure is projected at $48,879.2 million.

Total Public Sector Debt or Gross Public Sector Debt moved from $121,258.6 million in fiscal 2017 to $122,173.6 million in fiscal 2018. **Net Public Sector Debt Stock**[23], which excludes debt raised for Open Market Operations (OMOs), is estimated to decrease from 62.1 percent of GDP at the end of fiscal 2017 to 60.9 percent of GDP at the end of fiscal 2018. **Public Sector Domestic Debt**, which accounts for 71.2 percent of Net Public Sector Debt and includes Central Government and Government Guaranteed debt, is projected to increase by $607.5 million or 0.9 percent in fiscal 2018; 43.0 percent of GDP in fiscal 2018. **Public Sector External Debt**, the external debt of the Central Government, is expected to increase from 16.9 percent of GDP in fiscal 2017 to 17.6 percent of GDP in fiscal 2018.

Central Government Debt Service is expected to rise by 29.9 percent or $2,018.0 million, from $6,746.2 million in fiscal 2017 to $8,764.2 million in fiscal 2018. Central Government Debt Service as a percentage of Central Government Revenue is expected to rise from 18.6 percent in fiscal 2017 to 20.6 percent in fiscal 2018.

During the period October 2017 to June 2018 the **Rest of the Non-Financial Public Sector** recorded a total operating deficit of $1,345.6 million. This was a deterioration from the $475.8 million operating deficit recorded for the same period of fiscal 2017 and largely driven by a sizeable operating deficit of $1,718.7 million posted by the Public Utilities. This outturn was somewhat mitigated by an operating surplus of $373.2 million by the State Enterprises.

Current Transfers from the Central Government to the Non-Financial Public Sector increased by $65.3 million to $2,056.2 million, over the nine months of fiscal 2018 as compared to $1,990.9 million reported for the same period of the previous fiscal year. In contrast, **Capital Transfers** from the Central Government to public sector bodies decreased by $632.1 million over the first three quarters of fiscal 2018 to $821.9 million, as compared to the corresponding period one year earlier.

Trinidad and Tobago is currently assigned **Credit Ratings** of investment grade by S&P (BBB+/A-2) and CariCRIS (CariAA+ and ttAAA) and non-investment grade by Moody's (Ba1, Baa3/P-3 and Ba2/NP).

The **Central Bank of Trinidad and Tobago** (CBTT) maintained a neutral monetary policy stance over the eight-months to May 2018; keeping its main policy rate the - **repo rate** - at 4.75 percent. However, following growth in the Energy sector, a pickup in private sector credit and low domestic inflation, coupled with the upward trajectory of external interest rates, particularly in the United States, the CBTT raised the repo rate by 25 basis points to 5.0 percent in June 2018, where it remained as at September 21, 2018.

Sales of foreign exchange by authorised dealers to the public amounted to US$5,350.7 million during the period October 2017 to September 21, 2018, 1.0 percent lower than in the full fiscal period one year earlier. Authorised dealers have reported that the demand for foreign exchange primarily emanated from the retail and distribution and manufacturing sectors, the settlement of credit card transactions and the purchase of automobiles.

The weighted average selling rate for the Trinidad and Tobago dollar for September 2018 was US$1 = $6.7836, a depreciation of 0.02 percent from US$1 = $6.7824 in October 2017. The Trinidad and Tobago dollar appreciated by 2.0 percent against the Pound Sterling, by 2.5 percent against the Euro, and by 5.1 percent

23 Net Public Sector debt is defined as the sum of all domestic and external obligations of public debtors which include the Central Government and autonomous public bodies such as State Enterprises and Statutory Authorities. It excludes instruments of Open Market Operations (OMOs) such as Treasury Bills, Treasury Notes, Treasury Bonds and Sterilised Bonds; proceeds of which are held or sterilised at the Central Bank and not utilised by the GORTT for its operations.

against the Canadian dollar over the 11-month period ending August 2018. These movements were driven by developments in the international currency exchange market and to a lesser extent, by domestic demand and supply conditions.

The domestic **stock market** posted a marginal decline in the eight-month period ending May 2018. The Composite Price Index (CPI) slipped by 0.4 percent and stock market capitalisation fell marginally to $121.3 billion.

There was a decline in activity on the **primary bond market** during the period October 2017 to June 2018 with ten (10) new primary placements totaling $7,142.84 million compared to seventeen (17) new placements amounting to $8,500 million in the same period one year earlier.

During the eight-month period ending May 2018, sales on the **secondary government bond market** fell from seventy one (71) in the same period one year earlier to fifty five (55).

The Trinidad and Tobago **Balance of Payments** deficit persisted for the third consecutive year, widening from US$467.2 million in calendar 2016 to US$1,096.0 million in 2017. This deficit resulted from the **Financial Account** moving from a net inflow of US$1,408.0 million in 2016 to a net outflow position of US$381.0 in 2017, due to an increase in direct investment abroad (reinvested earnings) and a reduction in direct investment liabilities. In contrast, the **Current Account** recorded a substantial surplus of US$1,979.6 million in 2017 moving from a deficit of US$670.1 in 2016, as energy exports rebounded in the latter half of 2017 and the value of goods imported declined.

In the first quarter of 2018, the Balance of Payments recorded a further deficit of US$381.9 million compared to the deficit of US$360.4 million for the similar period in 2017.

Gross Official Reserves (GOR) fell by 11.6 percent from US$9,465.8 million or 10.5 months of import cover in 2016 to US$8,369.8 million or 9.7 months of import cover in 2017. As at August 2018, GOR amounted to US$7,622.0 million or 8.3 months of import cover.

THE INTERNATIONAL ECONOMY[2]

Global Overview Advanced Economies The Euro Zone	Emerging and Developing Asia Latin America and the Caribbean CIS Economies	MENAP Economies Sub Saharan Africa

Global Overview

Global growth is projected to marginally strengthen from 3.8 percent in 2017 to 3.9 percent in 2018, driven by the effects of expansionary fiscal policy in the United States, improved global financial environment and improved prospects for external demand. Specifically, growth is projected in Advanced Economies (2.5 percent), Latin America and the Caribbean (2.0 percent), the Commonwealth of Independent States (2.2 percent), the Middle East, North Africa, Afghanistan and Pakistan (3.4 percent) and Sub-Saharan Africa (3.3 percent). In Emerging and Developing Asia, growth is likely to remain relatively constant at 6.5 percent and fall to 2.2 percent in the Euro Zone (**Figure 1**).

World Inflation is also expected to increase marginally from 3.0 percent in 2017 to 3.5 percent in 2018. Forecasts suggest that inflation is projected to rise in Advance Economies (2.0 percent) as well as in the Middle East, North Africa, Afghanistan and Pakistan (8.2 percent). In the latter region and Sub-Saharan Africa, declining food prices and tightening monetary policy by oil-importing countries, aided in abating inflationary pressures as energy prices continued to rise. As a result, consumer prices in Sub-Saharan Africa is expected to decline to 9.5 percent, from its previous level of 11.0 percent. Inflation is also projected to decline in the Commonwealth of Independent States (4.6 percent) and Latin America and the Caribbean (3.6 percent), but remain constant at 1.5 percent in the Euro Zone (**Figure 2**).

Figure 1: Real GDP for Major Economic Regions 2014-2018

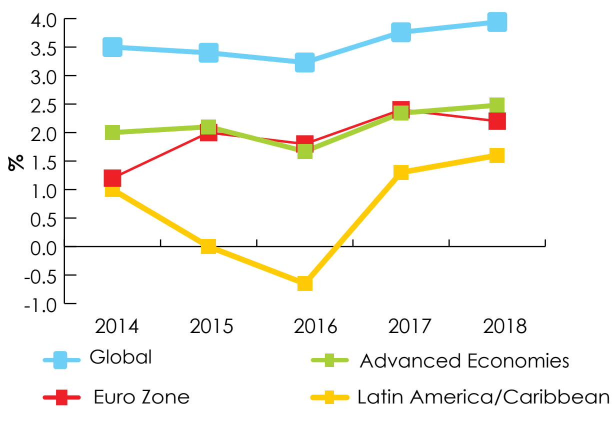
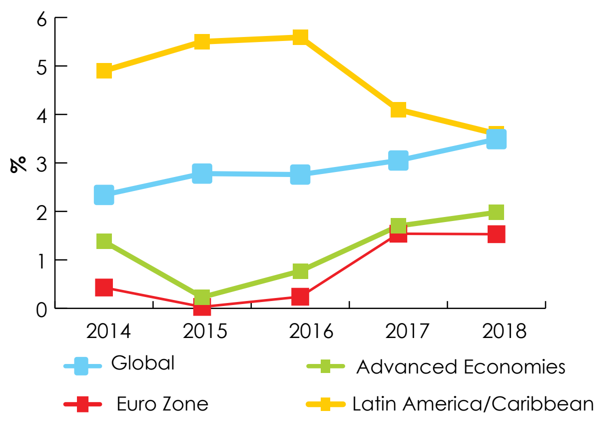


Figure 2: Consumer Price Index (CPI) for major Economic Regions 2014-2018



2 IMF World Economic Outlook April 2018 and July update 2018; Fiscal Monitor April 2018; Focus Economics (www.focus-economics.com) and the Economist Intelligence Unit country reports.

Advanced Economies[3]

Real GDP in Advanced Economies is expected to grow by 2.5 percent in 2018 compared to 2.3 percent in 2017. The main contributor to economic expansion among Advanced Economies is the United States where growth is anticipated to increase from 2.3 percent in 2017 to 2.9 percent in 2018, arising from stronger fiscal stimulus and robust private demand. Output in Japan is projected to expand by 1.0 percent, down from 1.7 percent in 2017, owing to a decline in private consumption and investment during the first quarter of 2018. Growth in the United Kingdom, projected at 1.4 percent in 2018, will be largely influenced by the outcome of negotiations regarding its exit from the European Union scheduled for March 2019.

Among Advanced Economies **inflation** is projected to rise from 1.7 percent in 2017 to 2.0 percent in 2018. Higher energy and food prices along with strong domestic demand in Japan has increased inflation from 0.5 percent in 2017 to 1.1 percent in 2018. Similarly, inflation in the United States is likely to rise moderately from 2.1 percent in 2017 to 2.5 percent in 2018, signalling that the economy may be at full employment. Consumer price inflation in the United Kingdom is forecasted to remain at 2.7 percent in 2018; slightly above the 2.0 percent target set by the Bank of England.

The **unemployment** rate among Advanced Economies is projected to fall from 5.7 percent in 2017 to 5.3 percent in 2018. In the United States, unemployment is at its lowest in recent history at 3.9 percent in 2018, down from 4.4 percent in the previous year. Recent changes to the Jumpstart Our Business Startups (JOBS) Act, together with new tax-cuts have aided in this reduction and reinforced the belief that the United States economy may be operating beyond full employment. In 2018, parallel to that of the US, the unemployment rate in the United Kingdom, at 4.4 percent is also estimated at its lowest level since 1975. Japan's rate is expected to remain at the 2017 level of 2.9 percent.

The **current account balance** is expected to fall slightly from 0.8 percent of GDP in 2017 to 0.7 percent of GDP in 2018. The United States current account deficit is however likely to increase from 2.4 percent of GDP in 2017 to 3.0 percent of GDP in 2018, as stronger domestic demand boosts imports. In Japan, the current account balance is projected to decline to 3.8 percent of GDP in 2018 compared to 4.0 percent of GDP in 2017. The current account deficit in the United Kingdom is projected to contract from 4.1 percent of GDP to 3.7 percent of GDP over the period 2017 to 2018.

Increases in spending coupled with expected revenue losses from the 2017 JOBS Act will aid expansion of the United States' **fiscal deficit** from 4.6 percent of GDP in 2017 to 5.3 percent of GDP this year. In Japan, the fiscal balance is likely to improve in 2018 to -3.4 percent of GDP from -4.2 percent of GDP one year prior. The fiscal balance in the United Kingdom is projected to improve to -1.8 percent of GDP from -2.3 percent of GDP. The overall fiscal deficit among Advanced Economics is expected to decline by a marginal 0.1 percent to -3.2 percent of GDP in 2018.

The Euro Zone[4]

Following a 2.4 percent growth in 2017, **real GDP** in the Euro Zone is projected to decline marginally to 2.2 percent in 2018. In 2018, there was no significant change in **inflation** at 1.5 percent, while **unemployment** is projected to improve to 8.4 percent; down from 9.1 percent in 2017. Declines are forecasted in Spain (17.2 percent in 2017 to 15.5 percent in 2018), Greece (21.5 percent in 2017 to 19.8 percent in 2018), Ireland (6.7 percent in 2017 to 5.5 percent in 2018) and Portugal (8.9 percent in 2017 to 7.3 percent in 2018).

3 Comprises countries: Australia, Lithuania, Austria, Luxembourg, Belgium, Macao SAR, Canada, Malta, Cyprus, Netherlands, Czech Republic, New Zealand, Denmark, Norway, Estonia, Portugal, Finland, Puerto Rico, France, San Marino, Singapore, Greece, Slovak Republic, Hong Kong SAR, Slovenia, Iceland, Spain, Ireland, Sweden, Israel, Switzerland, Italy, Taiwan Province of China, Japan, United Kingdom, Korea, United States, and Latvia.

4 Comprises 19 countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, and Spain.

The **current account balance** for the region, is anticipated to fall marginally from 3.5 percent of GDP in 2017 to 3.2 percent of GDP in 2018, while the **fiscal balance** is projected to improve minimally from -0.9 percent of GDP in 2017 to -0.6 percent of GDP in 2018. This growth reflects improvements in the fiscal balances of Germany, Spain, Portugal and Ireland.

The **fiscal deficit** for the region is anticipated to deteriorate narrowly by 0.1 percent to -4.3 percent of GDP in 2018. Reflective of the growth in their respective economies, India's fiscal deficit is projected to improve from 6.9 percent of GDP in 2017 to 6.5 percent of GDP in 2018 while China's deficit is expected to increase from 4.0 percent in 2017 to 4.1 percent in 2018.

Emerging and Developing Asia[5]

Asia continues to be the fastest-growing region in the world, contributing more than 60 percent of global growth. **Real GDP** for the region is projected to remain robust at 6.5 percent in 2017 and 2018. In China, GDP is expected to decline from 6.9 percent in 2017 to 6.6 percent in 2018, partly reflecting the authorities' financial, housing and fiscal tightening measures. Conversely, India's growth rate is anticipated to increase from 6.7 percent in 2017 to 7.3 percent in 2018, following temporary disruptions related to the 2016 currency exchange initiative and the rollout of the Goods and Services Tax in 2017.

Inflation in both China and India is likely to increase from 1.6 percent in 2017 to 2.5 percent in 2018 and 3.6 percent in 2017 to 5.0 percent in 2018 respectively. While the overall inflation rate is expected to climb from 2.4 percent in 2017 to 3.3 percent in 2018, remaining relatively moderate despite continued growth in the region, the **current account balance** in Emerging and Developing Asia is estimated to contract from 0.9 percent of GDP in 2017 to 0.6 percent of GDP in 2018. Continue decline in the current account balances of both China and India are forecasted; with China's balance falling from 1.4 percent of GDP in 2017 to 1.2 percent of GDP in 2018. In India, the current account balance fell from -2.0 percent of GDP in 2017 to -2.3 percent of GDP in 2018.

Latin America and the Caribbean[6]

Growth in Latin America and the Caribbean is projected to increase from 1.3 percent in 2017 to 1.6 percent in 2018. Favourable conditions both domestically and internationally, particularly growth in the US economy, have led to positive growth in the region. However, growth in this region can be deterred by the outcome of ongoing renegotiations of the North American Free Trade Agreement (NAFTA) in 2018. Panama is expected to grow by 5.6 percent, up from 5.4 percent in 2017. In 2018, Brazil and Mexico are anticipated to grow from 1.0 percent in 2017 to 1.8 percent and to 2.3 percent from 2.0 percent in 2018 and 2019, respectively. Growth in Argentina is likely to decline from 2.9 percent in 2017 to 2.0 percent in 2018 as the economy is expected to underperform following record-high increases in interest rates and dampened business confidence. Noteworthy, is the continued deterioration of the Venezuelan economy, which contracted by 35.0 percent between 2014 to 2017, with a further 15.0 percent contraction projected for 2018, as oil production continues to decline.

For the region, **inflation** is projected to decline from 4.1 percent in 2017 to 3.6 percent in 2018. Argentina's inflation rate is expected to fall by 3.0 percent, from 25.7 percent in 2017 to 22.7 percent in 2018. Mexico's inflation is expected to drop to 4.4 percent in 2018; down from 6.0 percent in 2017, drawing closer to the Central Bank's 3.0 percent target. In Brazil, due to accommodative

5 Comprises 29 countries: Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Kiribati, Lao P.D.R., Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nepal, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Tuvalu, Vanuatu, and Vietnam.

6 Comprises 32 countries: Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

monetary policy and increases in food prices, the inflation rate is projected to be 3.5 percent in 2018. Inflation rates in Venezuela are however, anticipated to increase astronomically.

Labour markets in the region are projected to show signs of improvement, consequent to declining **unemployment** in Argentina (from 8.4 percent in 2017 to 8.0 percent in 2018), Brazil (from 12.8 percent in 2017 to 11.6 percent in 2018) and Panama (from 6.0 percent in 2017 to 5.9 percent in 2018). In Mexico, the unemployment rate is expected to increase slightly from 3.4 percent in 2017 to 3.5 percent in 2018, while Venezuela's unemployment rate continues to climb, from 27.1 percent in 2017 to 33.3 percent in 2018.

The current account balance for the region is forecasted to worsen notwithstanding improvements in the **fiscal balance** from -6.2 percent of GDP in 2017 to -5.8 percent of GDP in 2018. In Argentina, the fiscal deficit is projected to contract from 6.5 percent of GDP in 2017 to 5.5 percent in 2018 - in line with targets set by the authorities. In 2018, fiscal deficits in Brazil and Mexico are likely to increase to 8.3 percent of GDP and 2.5 percent of GDP from 7.8 percent of GDP and 1.1 percent of GDP, respectively. Fiscal balances for Venezuela have also improved slightly to -30.2 percent of GDP in 2018 from -31.8 percent of GDP in 2018.

Commonwealth of Independent States[7]

In the Commonwealth of Independent States, **GDP** in real terms is projected to increase slightly from 2.1 percent in 2017 to 2.3 percent in 2018. Improved oil revenues, stronger business confidence and looser monetary policy are the main contributors to Russia's expected growth of 1.7 percent in 2018 from 1.5 percent in 2017.

In Russia, the CPI would most likely fall to 2.8 percent in 2018; below the Central Bank of Russia's 4.0 percent target. This is due to the on-going recovery in demand, and moderating monetary policy. **Inflation** in the region is forecasted to decline from 5.5 percent in 2017 to 4.6 percent in 2018.

The **unemployment rate** for Russia is likely to increase marginally to 5.5 percent in 2018, up 0.3 percentage points from 2017.

The **current account surplus** in the region is anticipated to improve from 1.3 percent of GDP in 2017 to 2.8 percent of GDP in 2018. As the effects of higher oil prices are realised, Russia's current account surplus is expected to expand from 2.6 percent of GDP in 2017 to 4.5 percent of GDP in 2018

Middle East, North Africa, Afghanistan and Pakistan (MENAP)[8]

In the Middle East, North Africa, Afghanistan and Pakistan (MENAP), **GDP** is projected to increase from 2.2 percent in 2017 to 3.5 percent in 2018, consequent to recovery in non-oil activity as well as an improved outlook for oil prices. Growth in Egypt is projected to rise to 5.2 percent in 2018, reflecting stronger domestic demand and the effect of structural reforms. Pakistan's economy is also expected to expand by 5.6 percent, up from 5.3 in 2017. Saudi Arabia, following a contraction of 0.7 percent in 2017, is expected to grow by 1.7 percent in 2018 reflecting the effect of the Organisation of the Petroleum Exporting Countries' (OPEC) oil production cuts.

As faster economic growth, the implementation of a Value-Added Tax (VAT) in some Gulf Cooperation Council (GCC) countries and higher energy prices take hold, **inflation** in the group is anticipated to increase from 6.3 percent in 2017 to 8.2 percent in 2018. The **current account balance** continues to improve, reversing a

7 Comprises 12 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

8 Comprises 23 countries: Afghanistan, Algeria, Bahrain, Djibouti, Egypt, Islamic Republic of Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen.

deficit of 0.9 percent of GDP in 2017, to a positive balance of 0.5 percent of GDP in 2018, as average oil prices are projected to exceed 2017 prices. Consequently, the **fiscal balance** for the region as a whole should improve in the region from -5.8 percent of GDP in 2017 to -4.6 percent of GDP in 2018.

Sub Saharan Africa[9]

Real GDP in Sub-Saharan Africa is projected to improve by 0.6 percentage points to 3.4 percent in 2018. Growth in Nigeria is forecasted to increase to 2.1 percent in 2018 from 0.8 percent in 2017. This reflects improvement in oil revenue primarily due to improved prices and production. In South Africa, growing business confidence is expected to boost growth from 1.3 percent in 2017 to 1.5 percent in 2018.

The **inflation rate** is estimated to decline in 2018 to 9.5 percent, having averaged around 11.0 percent for the past two years. In some of the larger economies, despite the expectation of declining rates, consumer price inflation is projected to remain in the double digits. Nigeria, for example, is projected to record a 14.0 percent inflation rate, down from 16.5 percent in 2017.

The **current account balance** is anticipated to weaken from -2.6 percent of GDP in 2017 to -2.9 percent of GDP in 2018. In South Africa and Nigeria, the current account balances are forecasted to contract to -2.9 percent of GDP and 0.5 percent of GDP respectively. Ghana, on the other hand, is likely to record marginal improvement in its current account balance from -4.5 percent of GDP in 2017 to -4.1 percent of GDP in 2018.

Improvements in the fiscal balances in South Africa (-4.5 percent of GDP in 2017 to -4.2 percent of GDP in 2018); and Nigeria (-5.8 percent of GDP in 2017 to -4.8 percent of GDP in 2018) are expected to translate into a strengthening of the **fiscal balance** of Sub-Saharan Africa from -5.2 percent of GDP in 2017 to -4.3 percent of GDP in 2018.

9 Comprises 45 countries: Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Republic of Congo, Côte d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

Table 1: Macroeconomic Indicators for Selected Economies

	Real GDP		Consumer Prices		Unemployment (percent)		Current Account Balances[1]		Fiscal Balances[2]	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Advanced Economies	**2.3**	**2.5**	**1.7**	**2.0**	**5.7**	**5.3**	**0.8**	**0.7**	**–3.1**	**–3.2**
United States	2.3	2.9	2.1	2.5	4.4	3.9	-2.4	-3.0	-4.6	-5.3
Japan	1.7	1.0	0.5	1.1	2.9	2.9	4.0	3.8	-4.2	-3.4
Canada	3.0	2.1	1.6	2.2	6.3	6.2	-3.0	-3.2	-1.0	-0.8
Hong Kong	3.8	3.6	1.5	2.2	3.1	3.1	3.0	3.1	5.1	2.7
Korea	3.1	3.0	1.9	1.7	3.7	3.6	5.1	5.5	1.9	2.0
Singapore	3.6	2.9	0.6	1.2	2.2	2.1	18.8	18.9	6.0	2.3
Euro Zone	**2.4**	**2.2**	**1.5**	**1.5**	**9.1**	**8.4**	**3.5**	**3.2**	**-0.9**	**-0.6**
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.4	-4.1	-3.7	-2.3	-1.8
Germany	2.5	2.5	1.7	1.6	3.8	3.6	8.0	8.2	1.1	1.5
Spain	3.1	2.8	2.0	1.7	17.2	15.5	1.7	1.6	–3.1	–2.5
Greece	1.4	2.0	1.1	0.7	21.5	19.8	-0.8	-0.8	0.0	–0.1
Portugal	2.7	2.4	1.6	1.6	8.9	7.3	0.5	0.2	–1.2	–1.0
Ireland	7.8	4.5	0.3	0.9	6.7	5.5	12.5	9.8	–0.4	–0.2
Emerging and Developing Asia	**6.5**	**6.5**	**2.4**	**3.3**	**n/a**	**n/a**	**0.9**	**0.6**	**-4.2**	**-4.3**
China	6.9	6.6	1.6	2.5	3.9	4.0	1.4	1.2	–4.0	–4.1
India	6.7	7.3	3.6	5.0	8.5	8.7	-2.0	-2.3	–6.9	–6.5
Latin America and the Caribbean	**1.3**	**1.6**	**4.1**	**3.6**	**n/a**	**n/a**	**-1.6**	**-2.1**	**-6.2**	**-5.8**
Argentina	2.9	2.0	25.7	22.7	8.4	8.0	-4.8	-5.1	–6.5	–5.5
Brazil	1.0	1.8	3.4	3.5	12.8	11.6	-0.5	-1.6	–7.8	–8.3
Mexico	2.0	2.3	6.0	4.4	3.4	3.5	-1.6	-1.9	–1.1	–2.5
Panama	5.4	5.6	0.9	2.2	6.0	5.9	-6.1	-6.0		
Commonwealth of Independent States	**2.1**	**2.3**	**5.5**	**4.6**	**n/a**	**n/a**	**1.3**	**2.8**	**n/a**	**n/a**
Russia	1.5	1.7	3.7	2.8	5.2	5.5	2.6	4.5	–1.5	0.0
Middle East, North Africa, Afghanistan, and Pakistan	**2.2**	**3.5**	**6.3**	**8.2**	**n/a**	**n/a**	**-0.9**	**0.5**	**-5.8**	**-4.6**
Sub-Saharan Africa	**2.8**	**3.4**	**11.0**	**9.5**	**n/a**	**n/a**	**-2.6**	**-2.9**	**-5.2**	**-4.3**
South Africa	1.3	1.5	5.3	5.3	27.5	27.9	-2.3	-2.9	–4.5	–4.2
Nigeria	0.8	2.1	16.5	14.0	16.5	n/a	2.5	0.5	–5.8	–4.8
Ghana	8.4	6.3	12.4	8.7	2.4	n/a	-4.5	-4.1	–5.0	–5.0

Source: International Monetary Fund: World Economic Outlook April 2018 and July 2018 update; Fiscal Monitor 2018; Focus Economics (www.focus-economics.com) and the Economist Intelligence Unit country reports for India and Ghana.
1 & 2: Percentage (percent) of GDP
n/a: Not Available

ECONOMIC PERFORMANCE OF CARICOM STATES[10]

Overview
Barbados
Jamaica
Guyana
ECCU Countries

Overview

In 2018, minimal growth is anticipated for the majority of CARICOM states[11], with the notable exception of Dominica. In tourism-dependent economies[12], output growth is projected to average 1.7 percent in 2018 from 1.3 percent in 2017 while commodity exporters[13], are anticipated to return to growth of 0.8 percent in 2018 as compared to -1.5 percent in 2017. Several countries, including Barbados, Jamaica and St. Lucia registered strong growth in tourism in 2017 due to increased arrivals in both the stopover and cruise segments. Growth is expected to persist in 2018; buoyed by significant tailwinds from higher economic growth in the United States, the principal market for most destinations in the region.

Guyana has become an outlier in the region due mainly to its energy prospects which have attracted significant private investment and positive market sentiment ahead of oil production scheduled to begin in 2020. In August 2018, plans were announced for a two-well exploratory programme in Suriname, as the Suriname/Guyana basin emerges as one of the most anticipated deep-water oil finds along the Atlantic Margin.

Conversely, lingering effects of Hurricanes Maria and Irma have suppressed economic activity in Antigua and Barbuda, Dominica and St. Kitts and Nevis, with Dominica facing a more challenging recovery than its neighbours as its economy is heavily reliant on the agricultural sector and the country has relatively limited access to reconstruction funding.

In the ECCU[14], persistent and high non-performing loans alongside inherent weaknesses in the financial sector have spurred renewed focus on prudential standards among banks. To this end, a suite of prudential standards are being agreed with the banking sector which eighteen (18) of the twenty (20) Caribbean Regional Technical Assistance Center (CARTAC) member countries have committed to implement the standardised approach to Basel II in the Caribbean.

Despite a strengthening banking system, the ECCU remains beleaguered by high public debt and relatively flat tourism receipts, with ongoing vulnerability to external shocks, policy slippages and natural disasters.

10 Sources: IMF Regional Economic Report-April 2018/Western Hemisphere IMF Country Report; IMF Article IV Reports; IDB's Caribbean Region Quarterly Bulletin 2018 and Beyond, Volume 7, Issue 2, June 2018 and Business Monitor International (BMI) Research Reports.

11 Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Haiti, Jamaica, Grenada, Guyana, Montserrat, St. Lucia, Suriname, St. Kitts and Nevis, St. Vincent and the Grenadines, and Trinidad and Tobago.

12 Tourism-dependent economies include The Bahamas, Barbados, Jamaica and the Eastern Caribbean Currency Union (ECCU).

13 Commodity exporting economies include Belize, Guyana, Suriname and Trinidad and Tobago.

14 Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines as well as Anguilla and Montserrat which are dependent territories of the United Kingdom.

Barbados

Barbados' new government has curtailed expenditure, introduced new taxes[15], delayed external debt service payments and secured financial assistance from the IMF. Driven by these measures, the fiscal deficit is expected to steadily narrow over the coming months. Real growth is anticipated to reach 0.5 percent in 2018 from 0.9 percent in 2017 while the current account deficit is projected to contract to 2.9 percent of GDP in 2018 from 3.7 percent in 2017.

Notwithstanding progress in fiscal consolidation, Barbados' budget deficit and debt in fiscal 2018[16] at 4 percent and 157 percent of GDP, respectively, remain high by international standards. In June 2018, Standard and Poor's (S&P) lowered its long-term foreign currency rating to "*selective default*", following the announcement by the then week-old administration that foreign debt service payments would be suspended. S&P also lowered its long-term local currency rating on the island's debt, citing the nation's history of large fiscal deficits and low growth since the global financial crisis.

The current account deficit is projected to narrow to 3.7 percent in 2017 and 2.9 percent in 2018, reflecting lower energy prices and a recovery in export earnings. Stronger revenues in 2018 are possible, due to increased tax receipts stemming from a new income tax band of 40 percent for taxable income exceeding BB$75,000; increased National Insurance (NIS) contribution rates from 10.1 percent to 11.1 percent for employees and from 11.25 percent to 12.75 percent for employers and an increased corporation tax rate from 25 percent to 30 percent. Key expenditure measures include removal of the Barbados Tourism Product Inc., the Tourism Marketing Inc. and the Sanitation Services Authority from the Consolidated Fund. These measures are expected to raise total revenue to 32 percent of GDP, reduce recurrent expenditure to 29.4 percent of GDP and boost capital expenditure to 3.9 percent in fiscal 2019.

15 Includes a fuel tax, a top income tax bracket, a VAT on online sales, a rise in the highest corporate tax rate and a levy on hotel rooms.

16 April 1st – March 31st.

Falling private capital inflows coupled with rising external government debt service have resulted in a steady drawdown of international reserves which reached a low of US$204.9 million (6.7 weeks of import cover) and US$211.6 million (6.9 weeks of import cover) in 2017 and at the end of March 2018, respectively. This compares to US$341.8 or 10.5 weeks of import cover recorded in 2016.

Inflation is expected to accelerate to 5.4 percent by December 2018, stoked by volatility in oil prices and the pass-through effects of higher taxation.

In September 2018, in support of Barbados' economic reform, the IMF reached a staff-level agreement with the Barbadian authorities on a 48-months Extended Fund Facility (EFF)[17], with access to Special Drawing Rights (SDR) of 208 million, (equivalent to 220 percent of quota, or about US$290 million). This arrangement, if approved by the IMF's Executive Board, would immediately release SDR 35 million (about US$49 million) to Barbados.

Jamaica

Since 2013 the IMF's Extended Fund Facility (EFF) in Jamaica has facilitated the implementation of a slew of carefully calibrated economic reforms and more than US$510 million financing in support of private sector-led growth and public sector transformation. An early termination of the EFF and entry into the Precautionary Stand-By Agreement (PSBA) in November 2016, has since allowed Jamaica to assume greater ownership of its reform initiatives.

In 2018, medium-term debt reduction targets as articulated in the Fiscal Responsibility Framework[18], continued to anchor macroeconomic stability, with

17 The EFF is intended for countries which are: (i) experiencing serious payments imbalances because of structural impediments; or (ii) characterised by slow growth and an inherently weak balance of payments position. It provides assistance in support of comprehensive programmes that include policies aimed at correcting structural imbalances over an extended period. Financing under the EFF currently carries the IMF's basic rate of charge, with a grace period of 4.5 years and a maturity of 10 years.

18 The Jamaican government adopted fiscal rules in March 2014, including a balanced budget rule as well as a debt rule focused on both debt accumulation and overall debt-level targets.

among other things, prescriptive expenditure boundaries and escape clauses in the event of natural disasters.

For fiscal 2018[19], Jamaica's forecasted outturn included a primary surplus of approximately 7 percent of GDP, low inflation and unemployment rates, minimal external borrowing and international reserves at a comfortable level. Of particular note, the public debt ratio decreased to 104 percent of GDP by end fiscal 2018, with prospects of reaching the public debt target of 60 percent by 2025/2026 quite strong.

Notwithstanding the breadth of the reforms, real GDP was forecasted to grow at 0.9 percent for fiscal 2018, due primarily to prolonged weaknesses in agriculture, a deceleration in manufacturing and slow recovery in mining.

Jamaica's net international reserves are estimated at US$3.7 billion for fiscal 2018, with gross reserves equivalent to 26.7 weeks of imports of goods and services. The country's current account deficit continued to improve, estimated at 2.8 percent of GDP in 2017/2018 from 3.0 percent in 2016/2017, influenced both by the containment in domestic demand as well as the decline in related imports (including oil). Non-performing loans were estimated at 2 percent of assets at end-2017 and banks' capital at 14 percent of risk-weighted assets - well above the 10 percent regulatory minimum.

In a bid to entrench transparency, independence and prudence in monetary and exchange rate policies, the Bank of Jamaica shifted from a mixed policy mandate to an inflation-targeting regime. Also, in September 2017, the Ministry of Finance and Public Service approved a continuous medium-term inflation target of between 4 and 6 percent, with both headline and core inflation expected to converge as expectations adjust to the new regime. This initiative is expected to elicit less volatile inflation, aid competitiveness and bolster confidence as reserve buffers increase.

Guyana

The economic outlook for Guyana remains generally positive, despite growth in 2017 having decelerated to its lowest level since 2009. Poised to become a top oil producer by 2020, Guyana's ninth offshore discovery was announced in August 2018 by ExxonMobil, further bolstering the economy's long-term outlook. The nascent oil and gas industry in the third poorest country in South America will underpin real GDP growth, forecasted at 3.5 percent and 3.7 percent in 2018 and 2019, respectively, from 2.1 percent in 2017.

Prior to the commencement of deep-water oil production, the traditional mining and agricultural sectors will sustain growth. Gold production in 2017 contracted by 8.3 percent to 653,754 ounces owing to erratic weather as well as mechanical glitches which resulted in unforeseen downtime. Bauxite production was also adversely impacted, contracting by 0.1 percent to 1,459,223 tonnes. Agriculture, fishing and forestry grew modestly by 0.4 percent in 2017, the main impetus being rice production which expanded by 17.9 percent and forestry by 9.1 percent. Several factors are attributable to the burgeoning rice sector, including, new markets in Cuba and Mexico, increased prices and increased acreage under production, from an average of 5.6 tonnes to 6 tonnes per hectare, the latter due to improved seed paddy and favourable weather.

Services and manufacturing were the main drivers of economic activity in 2017, registering growth of 3.6 percent and 4.6 percent respectively. Services, driven predominantly by wholesale and retail trade, grew at 8.7 percent while manufacturing, driven by food processing, grew by 17.9 percent.

Inflation is expected to increase marginally to 2.8 percent in 2018 from 2.3 percent in 2017, aided by encouraging exogenous factors, but counteracted by increasing food prices and transport costs. This notwithstanding, export growth remained restrained and coupled with higher oil prices, contributed to a negative current account balance. The current account posted a deficit of 6.7 percent of GDP in 2017 in comparison to a 0.4 percent surplus in 2016. This deficit was largely financed by FDI to the oil and gas sector and public sector loan financing.

19 April 1st – March 31st.

Rebounding business activity and enhancements in tax administration spurred by the Guyana Revenue Authority is expected to augment revenue growth with total revenue projected at GY$201.9[20] billion for 2019, 4 percent higher than 2017. The Central Government fiscal deficit is forecasted to widen to 5.4 percent and 5.1 percent of GDP in 2018 and 2019, respectively, due to the combined effects of restructuring, the state-owned sugar enterprise GuySuCo and increased infrastructure-related capital expenditure. Public debt is anticipated to peak at 57.2 percent in 2019 and subsequently decline sharply after 2020, reaching a low of 41.4 percent in 2023.

ECCU

Positive global developments alongside reforms geared toward strengthening bank resilience and by extension, the financial sector, contributed to modest growth of 1.8 percent in 2017 in the Eastern Caribbean Currency Union. This growth rate is expected to persist in 2018 and to intensify to 3.6 percent in 2019 as structural reforms become entrenched. However, the islands of Dominica, Antigua and Barbuda, St. Kitts and Nevis and Anguilla remain challenged, on account of the devastating effects of Hurricanes Irma and Maria.

While Antigua was spared the worst of Hurricane Irma, Barbuda suffered catastrophic damage estimated at US$300 million, roughly one-third annual GDP. Compounding its present fiscal constraints, the islands' debt burden remains substantial, hovering at 78.3 percent of GDP in 2017. According to the Eastern Caribbean Central Bank (ECCB), growth slowed from over 5 percent in 2016 to 3.3 percent in 2017, but is expected to increase to 3.5 percent in 2018 as reconstruction gathers pace.

The Grenadian economy, supported by the IMF's Extended Credit Facility (ECF)[21] , grew by an estimated 4.5 percent in 2017, underpinned by reconstruction activity and positive performance in tourism (over 8 percent). Although boosted by favourable external conditions, weather-related weaknesses in agriculture, high unemployment (23.6 percent in 2017) and bottlenecks in project execution pose significant challenges. In 2018 and 2019, implementation of the Fiscal Responsibility Law (FRL)[22] together with progress on supply-side reforms are expected to usher in growth of 3.6 percent. An impressive fiscal adjustment of 9.5 percent of GDP was achieved under the ECF arrangement, reducing the debt-to-GDP ratio from 108 percent to below 71 percent in only four years.

The St. Lucian economy, backed by robust construction and tourism demand, is expected to grow to 2.5 percent and 2.3 percent in 2018 and 2019, respectively. Investment by the Marriott and Sandals Resorts is projected to increase the current hotel room stock by 50 percent in the ensuing two years. New job opportunities arising chiefly from hotels and restaurants, wholesale and retail trade contributed to lower unemployment, from a high of 25 percent in 2015 to 20.1 percent in 2017.

Construction and tourism are expected to spur an economic rebound in Anguilla as the island rebuilds its infrastructure and hotel facilities in the wake of Hurricane Irma which unleashed US$880 million, or 97 percent of GDP, in damages.

Lingering effects from Hurricane Maria subdued Dominica's economy in 2018, with some rebound expected in 2019. Reconstruction, supported by foreign aid, will boost the agricultural and tourism sectors which incurred over US$700 million in damage as crops, livestock and fishing vessels amounting to more than 80 percent of the sector were decimated. As of July 2018, 43 percent of hotel rooms had been re-opened to visitors. The tourism sector, which accounts for approximately 34.7 percent of Dominica's GDP, is yet to be restored to full capacity. The US$1.37 billion recorded in damage is equivalent to 226 percent of the Dominican economy.

20 1US$ = 208.41GY$

21 The Extended Credit Facility (ECF) provides financial assistance to countries with protracted balance of payments problems. The ECF was created under the Poverty Reduction and Growth Trust (PRGT) as part of a broader reform to make the Fund's financial support more flexible and better tailored to the diverse needs of low-income countries (LICs), including in times of crisis. The ECF is the Fund's main tool for providing medium-term support to LICs.

22 Compliance with the FRL has kept the public debt on a downward path, which has strengthened the credibility of the framework. The FRL has also underpinned advances in accountability and transparency including the recent creation of the Fiscal Responsibility Oversight Committee (FROC), an improved 2018 budget presentation, and the publication of a statement of fiscal risks and a fiscal compliance report.

Table 2: Macroeconomic Indicators for Selected CARICOM Economies

	Real GDP Growth (%)			Consumer Prices (End of period, percent)			Unemployment (%)			External Current Account Balance (% of GDP)			Fiscal Balance[1]		
	2016	2017e	2018p	2016	2017e	2018p	2016	2017e	2018p	2016	2017e	2018p	2016	2017e	2018p
Barbados	1.6	0.9	0.5	3.8	6.6	5.5	9.7	10.0	n/a	-4.4	-3.7	-2.9	2.2	3.7	4.4
Guyana	3.3	2.1	3.5	1.5	2.3	2.8	n/a	12.0	n/a	0.4	-6.7	-5.2	-3.3	-4.2	-3.9
Jamaica	1.5	1.0	1.5	1.7	5.2	5.1	12.8	12.2	n/a	-2.7	-2.8	-5.2	7.6	7.0	7.0
ECCU (All Countries):	3.2	1.8	1.8	-0.7	1.4	1.7	n/a	n/a	n/a	-5.5	-9.2	-12.0	1.7	2.6	0.5
Antigua and Barbuda	5.3	2.8	3.5	-1.1	2.8	2.0	n/a	n/a	n/a	0.2	-7.0	-12.1	2.4	-0.9	-2.7
Dominica	2.6	-4.2	-16.3	-0.2	1.4	1.4	n/a	n/a	n/a	0.8	-17.8	-37.1	5.4	10.5	0.4
Grenada	3.7	4.5	3.5	0.9	0.5	1.8	n/a	23.6	n/a	-3.2	-6.6	-7.0	5.2	5.8	5.3
St. Kitts and Nevis	3.1	2.6	3.5	0.0	0.2	2.0	n/a	n/a	n/a	-11.4	-12.6	-13.1	6.0	2.8	0.9
St. Lucia	3.4	3.0	2.5	-3.0	2.2	1.4	n/a	n/a	n/a	-1.9	0.3	-1.0	1.8	0.7	0.2
St. Vincent and the Grenadines	0.8	1.0	2.1	1.0	2.2	1.5	n/a	n/a	n/a	-15.8	-14.4	-13.5	2.4	-0.2	0.1

Source: Regional Economic Outlook (REO), Western Hemisphere – Main Economic indicators, April/May 2018 and Caribbean Region Quarterly Bulletin: Volume 7: Issue 2: June 2018.

n/a: not available e- Estimated p- Projected

1 Public Sector Primary Balance of the REO, Western Hemisphere, April/May 2018.

THE REAL ECONOMY

GROSS DOMESTIC PRODUCT[23]

According to the Central Statistical Office (CSO) estimates of Gross Domestic Product (GDP), real economic activity[24] in Trinidad and Tobago is expected to expand by 1.9 percent in 2018. The CSO's revised estimates for previous years **(Box 1)** also indicate that this follows on two consecutive years of contraction, with economic activity declining sharply by 6.5 percent in 2016, and more moderately by 1.9 percent in 2017. The return to growth in 2018 is premised on projected growth in thirteen (or two-thirds) of the International Standard Industrial Classification of All Economic Activities, revision 4 (ISIC Rev. 4.) industrial groupings, which together constitute 47.5 percent of the real economy. In contrast, the remaining seven industries (which represent 50.3 percent of real GDP) are all expected to register economic contractions **(Appendices 1 and 3)**.

The leading contributors to real economic growth in 2018 are expected to be Manufacturing; Financial and Insurance Activities; Transport and Storage; Administrative and Support Services; Education; and Electricity and Gas.

23 Gross Domestic Product is quoted in constant (2012) prices unless otherwise stated.

24 Real economic activity refers to real gross domestic product (real GDP). Real GDP measures the value of output of an economy, or changes in an economy's physical output using the prices of a fixed base year.

Manufacturing, which should surpass Mining and Quarrying to become the largest contributor to GDP in 2018 (20.1 percent) **(Figure 3)**, is expected to record growth of 7.3 percent, reversing two consecutive years of decline. Growth in this sector would be driven primarily by expansions in the manufacture of petrochemicals, and the refining of natural gas by Atlantic LNG, which are key activities within the Petroleum and Chemical Products sub-industry. A strong recovery in the Food, Beverages and Tobacco Products sub-industry is also expected to positively influence Manufacturing's outturn.

The **Financial and Insurance industry** should stabilise and recover somewhat in 2018, expanding by 1.1 percent, after having slowed to 0.9 percent growth in 2017 from 2.4 percent in 2016. The sector, which is the fifth largest contributor to GDP in 2018 (6.5 percent), is expected to remain resilient due to stronger anticipated growth in commercial banking activity. Projected growth in credit to businesses and private consumers is estimated to be the main driver of the sub-sector's performance.

Growth in **Transport and Storage** is forecasted to slow to 1.1 percent and contribute 3.4 percent to GDP in 2018. The sector performed poorly in 2015 and 2016, recording contractions of 4.5 percent and 16.9 percent respectively. Real economic activity in the sector however rebounded strongly in 2017 expanding by 6.4 percent. Projections of positive growth in taxis and mini bus services, road freight and sea ports, moderated by a mild contraction

Box 1: Estimation and Revision of GDP by the Central Statistical Office (CSO)

Background

In 2017, the CSO reclassified industries and establishments to be consistent with the International Standard Industrial Classification of All Economic Activities, revision 4 (ISIC Rev 4). GDP was previously published or presented using the Trinidad and Tobago System of National Accounts (TTSNA) industry groupings which comprised establishments classified according to the Trinidad and Tobago Standard Industrial Classification (TTSIC).

Under ISIC Rev 4, all economic activities in Trinidad and Tobago are categorised into 20 industries. Each industry is divided into sub-industries and most sub-industries are further divided into sub-sub-industries and estimates of value added are produced at the most disaggregated level.

The primary source of information for the estimation of GDP is the Annual Survey of Establishments. Other data sources include economic indices of output, prices and sales which are compiled by the CSO. Revenue, costs, production output, exports, employment and price data are also compiled by the CSO or obtained directly from establishments surveyed, Government Ministries and Agencies and other Administrative sources and used in the estimation of GDP. All data are subject to rigorous review and editing.

Methodology

The CSO uses the Production Approach or Value-Added Approach in the compilation of its annual GDP estimates. It is based on computing the value added by each industry involved in the production of goods and services. Presently, the method of GDP compilation at current prices follows many of the principles and recommendations of the United Nations System of National Accounts (SNA 2008), albeit on a phased basis. Moreover, volume and price indicators for GDP at constant prices have been reviewed and revised for several industries for the period 2013 to 2017.

The methodology and procedures utilised by the CSO in the compilation of GDP have been extensively reviewed, modified as necessary and approved by regional and international bodies, such as the Caribbean Regional Technical Assistance Centre (CARTAC) and the International Monetary Fund (IMF). This process continues as part of the CSO's current transformation exercise **(see also Box 2)**.

Revisions

In the most recent estimates prepared in August 2018, the CSO has revised **upwards** its previous estimates for both nominal and constant GDP, with the exception of 2016, where nominal GDP was revised downwards as follows:

	2013	2014	2015	2016	2017
Previously published GDP, Current Prices (TT$ Mn)	171,234.8	174,326.6	155,624.5	148,745.0	149,684.7
Revised GDP, Current Prices (TT$ Mn)	**174,660.6**	**176,109.0**	**160,210.0**	**145,026.7**	**150,847.0**
Previously published GDP Growth Rate (%)		1.8%	-10.7%	-4.4%	0.6%
Revised GDP Growth Rate (%)		**0.8%**	**-9.0%**	**-9.5%**	**4.0%**
Previously published GDP, Constant Prices (TT$ Mn)	166,360.8	165,941.3	168,458.9	158,423.7	154,722.9
Revised GDP, Constant Prices (TT$ Mn)	**169,010.2**	**167,371.3**	**170,347.0**	**159,258.7**	**156,301.6**
Previously published GDP Growth Rate (%)		-0.3%	1.5%	-6.0%	-2.3%
Revised GDP Growth Rate (%)		**-1.0%**	**1.8%**	**-6.5%**	**-1.9%**

The main reasons for the revision to the data include:

1. Improvements to the methodology used for some sub-industries for example, Continuous Sample Survey of Population (CSSP) data by types of employees and numbers employed (Informal Sector) were used as opposed to the Survey of Establishments data where the sample sizes were smaller and the response rate poor. This has resulted in a more accurate representation of these sub-industries;
2. Improvements and revisions to some indicators which are used in the compilation of GDP, for example the Domestic Production Index (DPI);
3. The receipt of revised and actual historical data as well as revised projections from some firms;
4. The refinement of indicators which entails the use of more specific and representative indicators for areas within some sub-industries; and
5. The general further realignment to the SNA 2008 methodology of GDP compilation.

Source: Central Statistical Office.

Box 2: Transformation of the Central Statistical Office to the National Statistical Institute (NSITT)

Modern National Statistical Offices operate in accordance with best international governance practices, founded on the principles established under the United Nations Fundamental Principles of Official Statistics, which were adopted by the UN General Council on 29th January 2014. The operations of the Central Statistical Office of Trinidad and Tobago (CSO) is however currently governed by the Statistics Act Chapter 19:02. While the Act has worked well since it was first conceived over sixty years ago, it does not reflect many of the key elements found in the UN Fundamental Principles of Official Statistics, and has therefore failed to cater to recent developments in information and communication technology, as well as the evolving demands for information from key stakeholders. This has left the CSO vulnerable to risks in the field of statistics.

Recognising the significant advancements being made in methodologies, approaches and structures applied to national statistical organisations internationally, and the increasing need for a greater degree of autonomy for the CSO to effectively fulfil its function of providing an unhindered flow of useful, reliable, high-quality information for both the public and policy makers, a major transformation in the country's national statistical reporting architecture is required.

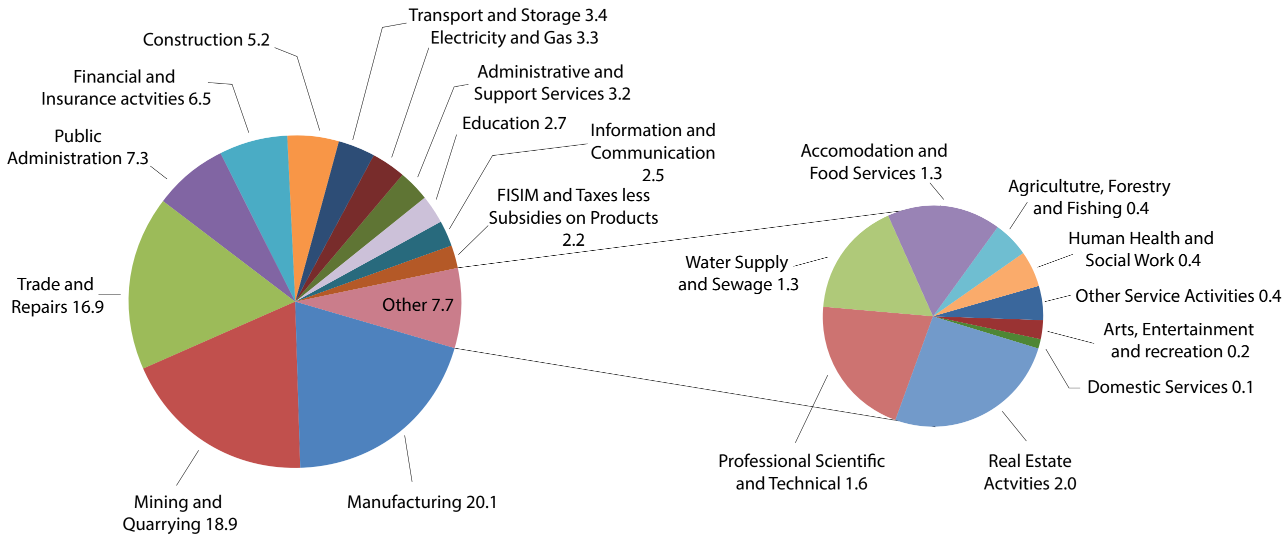
To this end, a Bill (House of Representatives Bill 16 of 2018) for the establishment of a new autonomous National Statistical Institute of Trinidad and Tobago (NSITT) has been completed and is currently before Parliament for consideration. A tender has also been issued inviting firms/consortia to design and implement a dynamic modern ICT system to facilitate the new institute's expected growth and excellence.

The NSITT will be an independent agency, charged with responsibility for the timely collection, compilation, abstraction and dissemination of accurate and relevant official statistics consistent with international standards. It will replace the CSO and be guided by the UN Fundamental Principles of Official Statistics and other relevant International Codes of Good Statistical Practice. The Institution will also be governed by a Board of Directors and managed by a Director General.

In preparation for the establishment of the new NSITT, the CSO has since made significant strides in meeting the requirements of the Regional Statistics Programme developed by CARICOM member states, achieving an estimated 60 to 65 percent of the deliverables required, and is continuing to work toward achieving further major deliverables.

Source: Central Statistical Office.

Figure 3: Percentage Contribution to Real GDP



Source: Central Statistical Office.

in air transport, are expected to drive the 2018 forecast.

Marginal growth of 0.6 percent is anticipated in **Electricity and Gas**, down from the industry's strong 8.7 percent expansion in 2017. This outturn is on account of a projected small rise in natural gas distribution. Electricity and Gas is projected to contribute 3.3 percent to real GDP in 2018. **Administrative and Support Services** is also forecast to record slower growth of 1.8 percent, down from 5.2 percent; while **Education Services** should maintain its growth momentum of 2.5 percent.

Seven additional industries are projected to register positive growth in 2018. **Information and Communication** is expected to achieve a mild turnaround, moving from a 1.6 percent contraction in 2017 to an expansion of 1.1 percent in 2018 and maintaining its economic contribution at 2.5 percent of GDP. **Real Estate** is forecasted to grow marginally by 0.5 percent (following growth of 0.4 percent in 2017) and constitute 2.0 percent of GDP; the same as the previous year. Meanwhile, growth in the **Professional, Scientific and Technical Services** sector is forecasted to slow to 2.1 percent (from 5.6 percent). In contrast, growth is expected to double in the **Water Supply and Sewerage** sector to 3.1 percent, from 1.5 percent previously. These sectors should contribute 1.6 percent and 1.3 percent to GDP respectively. The remaining three positively performing sectors, are projected to each contribute less than 0.5 percent to GDP and record unchanged growth rates from the previous year, namely 0.2 percent (in the case of **Human Health and Social Work**; and **Arts, Entertainment and Recreation**), and 1.1 percent (**Domestic Services**).

The above positive performances are expected to be partly counteracted by contractions in a number of sectors, including the second largest sector, **Mining and Quarrying** (which represents 18.9 percent of GDP). This sector is forecasted to decline by 1.8 percent, after recording minimal growth of 0.9 percent in 2017 (which was its first expansion since 2013). Projected sharp contractions in **Crude Oil Exploration and Extraction and Asphalt and Quarrying**, partially offset by mild growth in **Natural Gas Exploration** and **Extraction and Petroleum Support Services**, are expected to drive the sector's negative outlook.

Also impacting negatively on growth expectations for 2018 is a projected 1.2 percent decline in **Trade and Repairs**. This sector is expected to be impacted by a sharp reduction in vehicle sales and slight decrease in petroleum distribution which would have more than outweighed expansions in wholesale and retail

Table 3: Economic Performance of Trinidad and Tobago's Petroleum and Non-Petroleum Sectors

	2013	2014	2015	2016	2017	2018
Gross Domestic Product (Constant 2012 prices)						
Energy Sector						
% change	2.1	-2.0	-1.3	-10.0	0.02	2.2
% contribution to GDP	38.2	37.8	36.6	35.3	35.9	36.1
Non-Energy Sector						
% change	4.8	0.1	2.3	-3.3	-2.9	0.1
% contribution to GDP	60.3	61.0	61.3	63.4	62.8	61.7

Source: Calculated by Ministry of Finance based on Central Statistical Office's GDP estimates under TTSNA industrial groupings.

trade. Notwithstanding, Trade and Repairs is expected to remain the third largest contributor to GDP (16.9 percent). Further, **Public Administration** is forecast to decline marginally by 0.6 percent, for the first time since 2010; reflecting slightly lower employment levels in the government service.

The anticipated turnaround in the **Construction** sector is expected to be delayed by the slow pace of public sector project implementation in 2018. Reduced employment levels and sharply lower output of metal building material as well as wood and wood related products in early 2018 have dampened expectations for this sector in calendar 2018. Consequently, growth in the Construction sector is expected to contract for a fourth consecutive year, though at a more subdued rate of 3.3 percent. This would reduce Construction's share of GDP to 5.2 percent.

Activity in **Accommodation and Food Services** is forecast to decline by 0.7 percent, thereby reducing its share of GDP to 1.3 percent. The forecast is premised on lower international air arrivals to the country, which had recorded a decline during the first six months of 2018. **Agriculture, Forestry and Fishing**, is also projected to contract, but by a larger 15.6 percent in 2018, although maintaining its contribution to GDP at 0.4 percent. This sector is impacted by seasonal and weather related factors, the availability of labour and access to infrastructure.

An overview of the national economy using the traditional Trinidad and Tobago System of National Accounts (TTSNA) classifications, indicates that Trinidad and Tobago's **Energy Sector** would record stronger growth of 2.2 percent in 2018 and increase its contribution to GDP to 36.1 percent from 35.9 percent in 2017. Concurrently, the **Non-Energy Sector** should record very marginal growth of 0.1 percent, thereby reducing its contribution to GDP to 61.7 percent from 62.8 percent **(Table 3).**

PETROLEUM

Overview

Based on the Trinidad and Tobago System of National Accounts (TTSNA) industrial groupings, Trinidad and Tobago's Energy sector is expected to recover with growth of 2.2 percent in 2018, emerging from three years of contraction, averaging 4.4 percent over the period 2014 to 2016. The sector reached a nadir in 2016, with real economic activity plummeting by 10.0 percent before stabilising in 2017 with flat growth of 0.0 percent. The Energy sector's contribution to GDP is therefore expected to increase from 35.3 percent in 2017 to 36.1 percent in 2018 **(Table 3)**. This positive outlook is premised on projected growth in four sub-industries, which should outweigh the declines in the remaining three sub-industries **(Appendix 2)**.

Natural Gas Exploration and Extraction (the largest Energy sub-industry) is projected to expand marginally by 0.7 percent in 2018, following stronger growth of 3.4 percent in 2017. The sub-industry previously recorded steep economic contractions of 14.0 percent in 2016 and 6.9 percent in 2015, on account of severe curtailments in natural gas output. In 2018 however, natural gas output has recovered to its highest level since 2015. Notwithstanding, the sub-industry's share of GDP is forecast to edge lower, to 10.9 percent in 2018 from 11.0 percent in 2017.

Manufacture of Petrochemicals, the second largest Energy sub-industry, is expected to record the strongest sectoral growth (12.5 percent), after having contracted in 2016 by 6.0 percent (primarily on account of gas supply challenges) and returning to growth in 2017 (3.5 percent). As a result, the sub-industry's contribution to GDP is forecast to increase from 7.4 percent in 2017 to 8.2 percent in 2018.

The **Refining (including LNG)** sub-industry is expected to grow by 5.7 percent in 2018. Economic activity in this industry has likewise been impacted by insufficiencies in natural gas supply resulting in declines of 3.1 percent in 2016 and 4.6 percent in 2017. This sub-industry, the fourth largest within the Energy sector, is projected to contribute 6.4 percent to real GDP in 2018, up from 6.2 percent in 2017. Real economic activity in Petroleum Support Services is also projected to grow by 2.9 percent in 2018 (a marked turnaround from the hefty contractions of 30.2 percent and 17.2 percent recorded in 2016 and 2017 respectively). The sub-industry's share of GDP is however expected to remain the unchanged (1.1 percent).

Partially mitigating the growth in the aforementioned sub-industries, are contractions in Crude Oil Exploration and Extraction; Petroleum and Natural Gas Distribution; and Asphalt. The secular decline in oil production is expected to continue in 2018, with the **Crude Oil Exploration and Extraction** sub-industry recording a steep contraction of 6.1 percent, albeit after marginal growth of 0.1 percent in 2017 (which was preceded by an even sharper decline of 7.6 percent in 2016). This sub-industry's contribution to GDP is therefore expected to fall to 6.8 percent from 7.4 percent in 2017.

The smaller **Petroleum and Natural Gas Distribution** sub-industry is expected to record a slight contraction of 0.2 percent in 2018 and provide a marginally lower contribution of 3.2 percent to GDP (down from 3.3 percent in 2017). This sub-industry had previously expanded by 8.2 percent in 2017 after contracting sharply by 8.8 percent in 2016. The 2018 forecast is premised on a 1.1 percent decline in petroleum distribution, which is expected to be moderated by a small increase in natural gas distribution.

The contribution of the smallest sub-industry, **Asphalt**, should halve from 0.2 percent of GDP in 2017 to 0.1 percent in 2018, as the sub-industry is projected to decline by 11.0 percent in 2018, after growing robustly by 36.6 percent in 2017.

Drilling

Over the period October 2017 to July 2018, the total number of wells drilled by petroleum operators in Trinidad and Tobago decreased by 44.2 percent to 43 wells, from 77 wells in the comparative fiscal 2017 period. A decrease in drilling for development purposes[25], from 73 wells to 40 wells, drove the fall in the number of wells drilled. Moreover, one less exploration well[26] was spudded during the current period, than the 4 wells drilled in the previous period. **(Appendix 7)**.

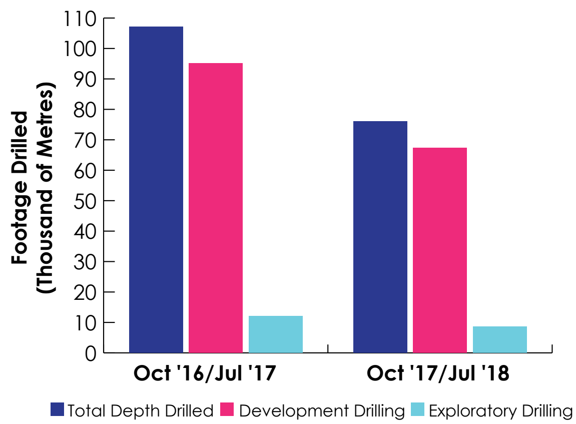
In terms of depth, approximately 76.0 thousand metres were drilled during the ten-month fiscal 2018 period, denoting a 29.1 percent drop from 107.2 thousand metres. Of the total acreage drilled, 67.3 thousand metres were for development, while 8.7 thousand metres were exploratory **(Figure 4)**.

Consequent to the overall decline in drilling activity during fiscal 2018, both land and marine drilling fell. Drilling on land declined by 45.6 percent, from 54.0 thousand metres to 29.3 thousand metres, while drilling in marine areas fell by 12.2 percent, from 53.2 thousand metres to 46.7 thousand metres.

25 A development well is drilled in a proven producing area for the production of oil or gas, with the intent to exploit it for maximum economic production and recovery of a reservoir's known reserves. It is drilled to a depth that is likely to be productive, so as to maximise the chances of success.

26 An exploratory or 'wildcat' well is a well drilled to locate proven reserves of recoverable gas and oil in an unproven area (both onshore and offshore) with the intent to discover a new petroleum reservoir.

Figure 4: Development and Exploratory Drilling



Source: Ministry of Energy and Energy Industries

Crude Oil and Condensate

Over the period October 2017 to July 2018, crude oil and condensate extraction fell by 6.4 percent, to 68,155 barrels per day, from 72,777 barrels per day during October 2016 to July 2017. Crude and condensate output continued to be hampered by the natural decline in output from mature fields, coupled with the lack of additional output from new sources[27] and the adverse effects of aging infrastructure. Consequently, both crude oil and condensate output fell during the ten-month period in fiscal 2018 when compared with the same period in fiscal 2017. The average rate of extraction of crude oil decreased by 1.7 percent from 59,016 barrels per day to 58,003 barrels per day, while that of condensate fell by 26.2 percent from 13,761 barrels per day to 10,152 barrels per day. **(Appendix 7).**

Of the total amount of crude oil and condensate produced in the current period, approximately 46,503 barrels per day were generated offshore. This represented a 7.4 percent decline from the 50,232 barrels per day produced in the first ten months of fiscal 2017. Production of crude oil and condensate on land likewise fell by 4.0 percent, from 22,545 barrels per day to 21,652 barrels per day. In terms of share, the contribution of marine fields to overall production was marginally lower in the current period (68.2 percent, down from 69.0 percent), while production from onshore fields was marginally higher (31.8 percent, up from 31.0 percent).

On August 28, 2018, Trinidad and Tobago's largest crude oil producer, the Petroleum Company of Trinidad and Tobago (Petrotrin), announced its decision to cease the refining of crude oil at its Point-a-Pierre Refinery and to focus exclusively on its upstream operations (exploration and production of crude oil for the export market). The restructured company would also engage in terminalling and bunkering operations, to import and store refined oil products to supply the domestic market as well as the smaller Caribbean markets that Petrotrin currently serves. The restructuring exercise is scheduled to commence on October 1, 2018.

Crude oil prices continued their upward trajectory during fiscal 2018, rising well above US$52.00 per barrel[28], with both the West Texas Intermediate (WTI) and the European Brent spot price averages exceeding US$70.00 per barrel in July 2018. In the case of the former, it was for the first time since November 2014. The recovery in oil prices reflected the strong demand for crude from a growing global economy, and the successful implementation of the output reduction strategy of the Organisation of Petroleum Exporting Countries (OPEC) and some non-OPEC oil producers, in their effort to rebalance the global oil markets and reduce global inventories.

Following the second agreement in May 2017 between OPEC and several non-OPEC oil producers to extend oil production cuts to March 2018, further amendments were made to the agreement in November 2017 to extend oil output cuts until December 2018. By June 2018 however, participating countries had exceeded the required level of conformity (which reached 147 percent in May). Due to concerns that the oil market was tightening too quickly as a result of involuntary reductions in output from member countries such as Venezuela, Nigeria and Libya, the grouping decided on June 23, 2018 that members would continue to strive

27 A number of initiatives are underway to reverse the decline in crude oil and condensate output over the medium to long term. Among these, BHP Billiton is expected to make a final investment decision in 2019 on a major shallow water project in Block (3) known as the Ruby-Delaware Development Project. This is expected to yield first crude oil (and gas) output in 2021.

28 Trinidad and Tobago's Estimates of Revenue and Expenditure for fiscal 2018 were predicated on an oil price of US$52.00 per barrel.

Table 4: Oil and Gas Prices

	2017			2018						
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Crude Oil (Spot Price US$/Barrel)										
West Texas Intermediate	51.58	56.64	57.88	63.70	62.23	62.73	66.25	69.98	67.87	70.98
European Brent	57.51	62.71	64.37	69.08	65.32	66.02	72.11	76.98	74.41	74.25
Natural Gas (US$/Thousand Cubic feet)										
Henry Hub	2.88	3.01	2.82	3.87	2.67	2.69	2.80	2.80	2.97	2.83

Source: Energy Information Administration (US)

to adhere to the overall conformity level and voluntarily adjust to 100 percent as of July 1, 2018 and continue for the remainder of the duration of their Declaration of Cooperation. Amidst growing concerns over further loss of supply from other sources, primarily as a result of sanctions imposed by the United States on Iran, and a possible demand-destructive rise in oil prices, the participating countries have continued to monitor global market conditions with a view to adjusting output levels as the need arises.

During the course of fiscal 2018, the monthly average WTI price of crude trended upward, rising from US$51.58 per barrel in October 2017 to US$63.70 per barrel in January 2018. The WTI price subsequently dipped slightly to US$62.23 per barrel in February before edging up to US$62.73 per barrel in March. Prices continued rising over the following two months reaching US$69.98 per barrel in May, but fell once again to US$67.87 per barrel in June before recovering to a forty-four month high of US$70.98 per barrel in July. As a consequence, the average WTI crude price for the ten-month fiscal period (US$62.98 per barrel) was 27.5 percent higher than its average in the previous corresponding period (US$49.41 per barrel) **(Table 4)**.

Mirroring the trend in WTI prices, the average monthly European Brent spot price for crude rose from US$57.51 per barrel in October 2017 to US$69.08 per barrel in January 2018. Prices fell to US$65.32 per barrel in February but regained momentum once again and rose steadily to US$76.98 per barrel in May. The average crude oil price subsequently eased to US$74.25 per barrel in July. Consequently, the average European Brent spot price, for the first ten months of fiscal 2018, rose by 35.0 percent to US$68.28 per barrel, from an average of US$50.61 per barrel one year earlier.

During the review period there was a moderate price spread between the two benchmark crudes, which reached a high of US$7.00 per barrel in May 2018. The average price differential stood above US$5.00 per barrel in most months of fiscal 2018 barring February, March and July when it narrowed to just over US$3.00 per barrel. Monthly average WTI prices remained below European Brent crude prices during the full ten month October 2017 to July 2018 period.

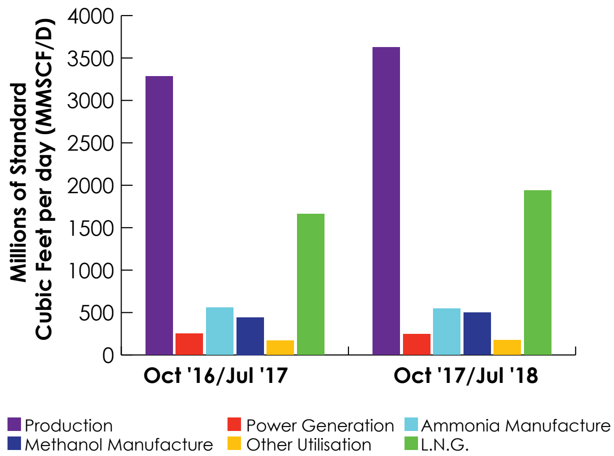
Natural Gas

After declining in six of the last seven years, natural gas production rose markedly during the first ten months of fiscal 2018, easing the gas supply challenges experienced by Trinidad and Tobago's downstream energy companies. During the period October 2017 to July 2018, natural gas output averaged 3,624.6 million standard cubic feet per day, up from 3,283.5 million standard cubic feet per day in the corresponding fiscal 2017 period. This represented an increase of 10.4 percent **(Appendix 8 and Figure 5)**. Full output from the Trinidad Onshore Compression (TROC) and Juniper projects, which commenced in the previous fiscal year, were the main drivers of this increase. These were supplemented by new output from the Starfish field in May 2018.

Natural Gas Utilisation

The following industries recorded reductions in natural gas utilisation during the first ten months of fiscal 2018: cement manufacture (6.2 percent), power generation (3.6 percent), ammonia manufacture (2.0 percent), small

Figure 5: Natural Gas Production and Utilisation



Source: Ministry of Energy and Energy Industries

consumers (0.6 percent) and iron and steel manufacture (0.4 percent). In contrast, natural gas consumption by a number of other industries rose: liquefied natural gas (16.5 percent), methanol (12.9 percent), ammonia derivatives (7.8 percent), refinery operations (6.4 percent), and gas processing (2.2 percent).

During October 2017 to July 2018, a greater share of the country's natural gas output was directed towards the production of liquefied natural gas (53.5 percent or 1,938.3 million standard cubic feet per day). This remained the single largest use of natural gas. A total of 1,663.3 million standard cubic feet per day of natural gas was directed to LNG production in the previous fiscal period (representing 50.7 percent).

The second largest use of natural gas during October 2016 to July 2017 was for ammonia production (547.0 million standard cubic feet per day, down from 558.4 million standard cubic feet per day one year earlier). Accordingly, this industry's share of total gas consumption fell to 15.1 percent from 17.0 percent. Conversely, 13.8 percent (or 501.1 million standard cubic feet per day) of natural gas was used in the production of methanol (which was marginally up from 13.5 percent or 443.9 million standard cubic feet per day).

Natural gas utilisation for power generation fell during the fiscal 2018 period, with electricity companies consuming 244.5 million standard cubic feet per day, or 6.7 percent of the country's natural gas supply. Power generation previously used 253.5 million standard cubic feet per day (or 7.7 percent). Additionally, while utilisation by refineries rose from 64.0 million standard cubic feet per day to 68.1 million standard cubic feet per day, the share of consumption for this purpose fell slightly from 2.0 percent to 1.9 percent.

During the current fiscal period, a marginal decline in the amount of natural gas used in the manufacture of iron and steel was recorded, from 43.4 million standard cubic feet per day to 43.2 million standard cubic feet per day (or from 1.3 percent to 1.2 percent of total gas consumption).

Collectively, small consumers, gas processors, ammonia derivatives and cement manufacturers utilised just under 1.8 percent of total natural gas output, marginally down from 1.9 percent.

Natural Gas Prices

The Henry Hub price of natural gas for the first ten months of fiscal 2018 averaged US$2.93 per thousand cubic feet, a 3.4 percent decline from the average price of US$3.04 recorded over the same period of fiscal 2017. On a monthly basis, the Henry Hub price increased from US$2.88 per thousand cubic feet in October 2017 to US$3.01 per thousand cubic feet in November, then fell to US$2.82 per thousand cubic feet by the end of December 2017. The price however increased sharply to US$3.87 per thousand cubic feet in January 2018 (its highest level since November 2014), before falling once again to US$2.67 per thousand cubic feet. The Henry Hub price eased upwards in the following months, rising to US$2.97 per thousand cubic feet by the end of June, but again fell in July 2018 to US$2.83 per thousand cubic feet **(Table 4)**.

Natural Gas Exploration and Development

Steady and sustainable growth in natural gas production is expected over the medium-term as upstream companies, motivated by the outcome of negotiations with the State on the need to reduce and eliminate the gap between domestic demand and supply, have committed to a programme of exploration and development activities in Trinidad and Tobago over the next five years. Major recent and ongoing upstream investments have included the revitalisation of Shell's Starfish field (in which new production commenced in May 2018), and the commencement of the Dolphin Extension Phase 3 Project which reported first gas in August 2018. Both fields having come online ahead of schedule.

Other ongoing upstream investments include the development of BPTT's Angelin field and De Novo's Iguana field, with first output from Angelin expected during the first quarter of calendar 2019, and first output from Iguana during the second half of 2018. Further ahead, production from Shell's Bounty and Endeavor fields are expected to add to output in fiscal 2021. Also, the recently concluded agreement between Trinidad and Tobago and Venezuela for the supply of natural gas to Trinidad and Tobago from the Dragon Field is expected to make Venezuelan gas domestically available by 2021. This new external supply has the potential to open up additional sources of Venezuelan gas and sustainably support Trinidad and Tobago's petrochemical and downstream industries over the long-term.

Recent and ongoing exploration and development activities by EOG Resources and BHP Billiton are also expected to further boost the country's natural gas production over the medium to long-term, as is last year's discoveries by BPTT in the Savannah and Macadamia fields, which should enable BPTT, the country's major gas producer, to sustain its output into the next decade after production comes online in the early 2020's. A notable development during fiscal 2018, has also been the growing interest and confidence in Trinidad and Tobago's deepwater province, following the announcement in July 2018 by BHP Billiton of a second discovery (in as many years) of natural gas, during the 2nd Phase of its deepwater exploration drilling campaign via its Victoria-1 exploration well. Details of the potential size of the discovery have however not been released.

Liquefied Natural Gas (LNG)

Over the period October 2017 to July 2018, total LNG production increased considerably, which is in contrast to the contractions recorded since fiscal 2014. Production of LNG, amounting to 533.2 trillion British Thermal Units (BTU) during the review period, was 15.8 percent higher than in the corresponding fiscal 2017 period (460.4 trillion BTU). This recovery reflected the increase in the supply of natural gas, following the successful completion and commissioning of the Trinidad Onshore Compression (TROC) and Juniper projects. Output from the Starfish field also contributed to this outturn. New output from the Dolphin Extension Phase 3 project, along with other new upstream projects, including the Dragon field, is expected to result in a steady increase in natural gas supply to Trinidad and Tobago's LNG and other downstream industries over the medium-term.

Over the ten-month period ended July 2018, LNG production expanded on a year-on-year basis in each month, with the exception of a 17.1 percent contraction in October 2017. The most significant increases were recorded in June (31.9 percent), March (31.3 percent), November (29.0 percent), and January (20.3 percent). Upturns of at least 8.0 percent were also recorded in the remaining months, signalling a durable reversal of the trends observed in previous years.

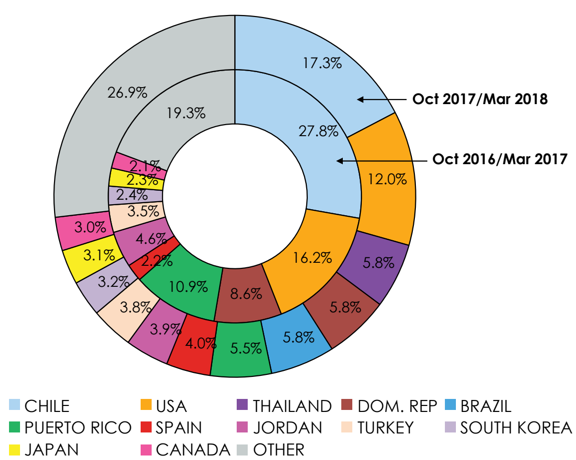
Trinidad and Tobago's LNG exports totalled 537.0 trillion BTU during the current fiscal period; representing growth of 18.5 percent, when compared to the 453.1 trillion BTU sold during the comparative fiscal 2017 period **(Appendix 8)**.

Disaggregated by export destination, Asia emerged as this country's largest LNG export market during the first six months of fiscal 2018, primarily through Atlantic LNG's expansion of its export markets to Thailand. As a consequence, Asia's share of 24.3 percent in fiscal 2018, elevated it from its previous position as the fourth largest market for LNG exports. South America, the previous largest recipient of Trinidad and Tobago's LNG became the second largest export region, receiving 23.2 percent of this country's LNG over the October 2017 to March 2018 period. North America remained the third largest export region, with a share of 17.8 percent. Europe's share rose to fourth largest with 14.5 percent; up from 8.7 percent in the prior year. The Caribbean received 13.1 percent of Trinidad and Tobago's LNG; dropping from second to fifth, as LNG exports to Puerto Rico fell by almost half in the aftermath of Hurricane Maria, which devastated the island in September 2017 **(Figure 6)**.

The number of countries importing LNG from Trinidad and Tobago expanded to at least twenty-six (26) between October 2017 to March 2018; up from twenty-one (21) in the previous comparative period. Chile continued to be this country's leading LNG export destination, notwithstanding the steep decline in its export share (from 27.8 percent to 17.3 percent), which was as a result of the diversion of LNG supplies to other markets in order to capitalise on more profitable opportunities. The United States remained the second largest export destination, despite the fall-off in its share of LNG sales (from 16.2 percent to 12.0 percent), reflective of increased shale gas production in the US, and a resultant reduced need for LNG imports **(Figure 6)**.

Three countries received the third largest share of exports (5.8 percent), namely Thailand and Brazil (new recipients of Trinidad and Tobago's LNG), as well as the Dominican Republic (which one year ago, received 8.6 percent of this country's gas exports). In the case of Brazil, demand for LNG from Trinidad and Tobago was driven by that country's economic recovery. Subsequently, Puerto Rico received the fourth largest share of 5.5 percent, falling from 10.9 percent. Spain followed with 4.0 percent of total LNG exports, up from 2.2 percent as reduced hydropower generation increased its need for gas fired power generation. Trinidad and Tobago's other export markets included Jordan (3.9 percent), Turkey (3.8 percent), South Korea (3.2 percent), Japan (3.1 percent) and Canada (3.0 percent) **(Figure 6)**.

Figure 6: Exports of LNG by Destination



Source: Ministry of Energy and Energy Industries

Petrochemicals (Ammonia, Urea and Methanol)

During the October 2017 to June 2018 period, the Petrochemical sector in Trinidad and Tobago performed favourably, registering significantly higher production and export levels of both methanol and urea. Notwithstanding a minimal decline in the production of ammonia during the current fiscal period, exports exceeded that of the same period one year ago. An increased supply of natural gas to local downstream industries accounted for the overall improvement in the sector's performance.

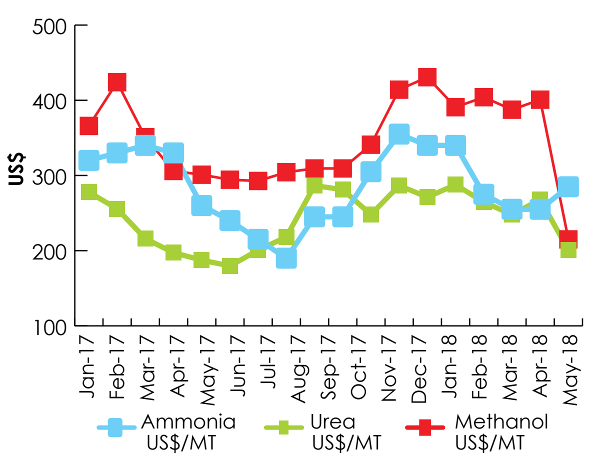
During the first nine months of fiscal 2018, **methanol** production surged to 3,985.9 thousand metric tonnes, from 3,411.1 thousand metric tonnes in fiscal 2017 (an expansion of 16.9 percent). This was the first such increase since 2014. Consequently, methanol exports jumped by 18.8 percent to 3,972.9 thousand metric tonnes, from the 3,345.1 thousand metric tonnes in the corresponding fiscal 2017 period; and the 17.1 percent contraction recorded in that year **(Appendix 9)**.

Similarly, total output of **urea** amounted to 480.3 thousand metric tonnes during the current period; 11.1 percent higher than the 432.4 thousand metric tonnes produced last year. Urea exports also rose sharply by 22.5 percent, to 512.4 thousand metric tonnes, from 418.1 thousand metric tonnes. This was a marked improvement over the 6.8 percent decline recorded one year earlier. Increased methanol and urea production during fiscal 2018 can be attributed to significantly fewer plant downtime days when compared to the fiscal 2017 period, due to the more severe natural gas supply limitations previously experienced.

Following an increase of 1.1 percent during the period October 2016 to June 2017, production of **ammonia** decreased slightly by 1.5 percent in the 2017/2018 period, with output dipping from 3,739.3 thousand metric tonnes to 3,681.9 thousand metric tonnes. The fall in production was precipitated by a temporary production stoppage at the Caribbean Nitrogen Company's (CNC) plant in January 2018, consequent to a breakdown in negotiations over a new natural gas supply contract. During the four-month January to April period (which encompasses the nine weeks during which the plant was closed and the subsequent ramp-up in production), CNC produced 72,233 thousand metric tonnes. This was 51.1 percent lower than the 147,737 thousand metric tonnes the company produced during the same period in 2017. Notwithstanding this disruption, exports of ammonia amounted to 3,385.9 thousand metric tonnes over the nine-month period ended June 2018, 1.7 percent above the 3,330.7 thousand metric tonnes exported in fiscal 2017. Ammonia exports previously fell by 3.6 percent in the fiscal 2017 period.

During the first eight months of fiscal 2018, all three petrochemicals attracted higher export prices. The average US Gulf Granular Barge Spot Price for **Methanol** rose by 13.6 percent to US$384.78 per metric tonne, from an average price of US$338.63 per metric tonne over the period October 2016 to May 2017. This upsurge in price may be primarily attributed to increases in the cost of feedstock (crude oil, natural gas and coal) during the period. Also affecting the price were a number of factors impacting supply and demand for methanol, including the cyclical rise in use of methanol consequent to increased demand for cold weather products during the November to January winter season. This was however partly counteracted by a decrease in demand for methanol use in the manufacture of cooling systems. The average methanol export price moved from a low of US$309.32 per metric tonne in October 2017, to a high of US$430.72 per metric tonne in January 2018. Subsequently, the price fell to US$390.81 per metric tonne in February 2018, ending the current review period at US$400.78 per metric tonne in May 2018 **(Figure 7)**.

Figure 7: Petrochemical Prices (Ammonia, Urea and Methanol)



Source: Ministry of Energy and Energy Industries

The export price of **Ammonia** (Tampa US Gulf Spot Price) averaged US$296.25 per metric tonne during the current eight-month period; a rise of 4.6 percent from its average price of US$283.13 per metric tonne during October 2016 to May 2017. Higher prices of feedstock were the main drivers of the export price of ammonia during the fiscal year, along with seasonal variations in the demand for fertilisers. The monthly average export price moved steadily upwards from US$245.00 per metric tonne in October 2017 to US$355.00 per metric tonne in December, due to the increase in demand by farmers to plant short crop (winter wheat) just before the start of the winter season. Ammonia prices then slipped, holding at US$340.00 per metric tonne in January and February 2018, before dipping over the subsequent months, to average US$255.00 per metric tonne in April and May 2018. The increased demand for ammonia at the end of 2017 was met with an oversupply of the product to the market, driving ammonia prices down in 2018.

During the 2017/2018 period, the US Gulf Granular Barge Spot Price for **Urea** rose sharply by 13.9 percent to average US$269.38 per metric tonne, from an average price of US$236.58 per metric tonne in fiscal 2017. Urea is a derivative of ammonia and as such, prices are influenced by similar cyclical market drivers. On a month-by-month basis, the average export price of urea contracted substantially from US$281.09 per metric tonne in October 2017, to US$248.02 per metric tonne in November (the lowest recorded price in the fiscal period). The monthly average spot price however recovered briefly to US$286.60 per metric tonne in December 2017, but then dipped to US$271.17 per metric tonne in January 2018 before attaining a fiscal period high of US$287.70 per metric tonne in February. Thereafter, the average spot price plummeted; revisiting its fiscal period low of US$248.02 per metric tonne in April, but increased subsequently to US$267.86 per metric tonne in May. The fall in prices during the February to April period may have been due to an oversupply of ammonia and its derivatives on the market.

AGRICULTURE

Overview

Real economic activity in the Agriculture, Forestry and Fishing sector is forecasted to decline by 15.6 percent in 2018, a striking reversal from its robust expansion of 21.5 percent in 2017. The sector was adversely affected by the incidence of pests and disease in 2018, arising from the flooding experienced in 2017. Although weather conditions were generally more favourable this year, there were reports of flooding in some areas which restricted output of some agricultural products. Also affecting the agricultural sector were labour shortages, water management issues, soil erosion and the indiscriminate disposal of chemicals on agricultural lands by some farmers and households. The Agriculture, Forestry and Fishing industry is however expected to maintain its share of GDP at 0.4 percent in 2018. **(Appendices 2 and 3)**.

Approximately 3.6 percent of Trinidad and Tobago's labour force (22,900 persons) was employed in the Agriculture, Forestry, Hunting and Fishing sector during the January to September 2017 period. This sector has been prioritised by Government as an avenue for providing sustainable employment opportunities, diversifying the economy and increasing the nation's food security.

Table 5: Operational Status of Farm Sites under the Commercial Large Farms Programme

No.	Farm Location	Firm	Farm Acreage	Commencement Date	Major Commodities Being Produced
1	Bejucal	Two2 Brothers Corp	171	April 2015	Rice - 40 acres cultivated
2	Caroni	Two2 Brothers Corp	100	August 2011	Rice - 40 acres cultivated
3	Couva	Nutrien Model Farm and Agricultural Resource Centre (formerly PCS Nitrogen)	75	January 2010	Paw paw, Sweet corn, lettuce, hot pepper, cucumber, dasheen bush, ochro, tomato, breadfruit, sorrel, bell peppers - 55 acres cultivated
4	Edinburgh	Edinburgh Farms	100	July 2011	Cashew, citrus, passion fruit, pommerac, pink grapefruit, lime, guava - 40 acres cultivated
5	Felicity	Fazal Akaloo	215	June 2014	Rice - No cultivation
6	La Gloria 1	AGA Agriculture	148	Awaiting Approvals	Crops- Not yet in production
7	La Gloria 2	Garden Choice	147	July 2012	Orange and Passion fruit - 20 acres cultivated
8	Mora Valley	Unallocated	151	Unallocated	Cocoa
9	Orange Grove 1	Technology Farms	100	October 2011	Not operational
10	Orange Grove 2	Kent Farms Ltd	44	July 2014	Aquaculture - 2 acres utilised
11	Orange Grove 3	OG Rice Producers	156	August 2013	Not operational
12	Picton I	Unallocated	241	Unallocated	Livestock/ Tree Crops
13	Picton II	Unallocated	220	Unallocated	Livestock/ Tree Crops
14	Picton III	Unallocated	267	Unallocated	Livestock/ Tree Crops
15	Picton IV	Evergreen Ranch	262	November 2011	Beef Cattle, Goats, Root Crops (cassava, eddoes and sweet potato), plantain, honey - 262 acres under production
16	Picton V	Trinidad and Tobago Small Ruminant Dev. Co.	104	July 2015	Small ruminants - Not yet in production
17	Tucker Valley	Caribbean Chemicals and Agency Ltd	Was 100 acres. Gov't reallocated 50 acres. Total acreage 50 acres	July 2013	Sweet corn, plantain, paw paw, bodi, string beans, tomatoes, melongene. 30 acres under production with 7 acres under Upick (green houses)

Source: Ministry of Agriculture, Land and Fisheries

The longstanding Commercial Large Farms Programme (CLFP) which was established in 2009 continues to advance in making available unused or under-utilised arable land for food production and encouraging greater investment in agriculture through Public Private Partnership Arrangements. **Table 5** details the operational status of each of the seventeen farm sites established under the CLFP.

Agriculture, which is the dominant sub-industry within the sector, had a mixed performance during the period under review, recording increases in the production of some fruits and vegetables, namely, celery, hot pepper, chive, ochro, sweet pepper, christophene, lettuce, sorrel, cucumber, patchoi and pineapple for the first half of fiscal 2018 when compared to the same period in fiscal 2017. During the 2018 period, declines were recorded in production of melongene, cabbage, cauliflower, bodi, beans, tomatoes, dasheen bush, pumpkin, green corn, water cress, pigeon peas and paw paw. The sector also recorded a decline in the production of most root crops as well as rice. The number of live pigs sold and pork production however rose during the period. Data from the Central Statistical Office (CSO) for the first quarter of fiscal 2018 showed a year-on-year decrease in broiler meat and goat meat production. Increases in mutton production and milk production were also recorded. Further details on the performance of the Agriculture, Forestry and Fishing sector are presented in the next section.

Domestic Agriculture

Root Crops

Root crop production decreased over the period October 2017 to March 2018 when compared to October 2016 to March 2017. The exception was dasheen which showed a 58.6 percent increase, moving from 1,138,900 kilograms (kg) to 1,806,140 kg. Decreased production were recorded for cassava (24.1 percent) from 1,322,400 kg to 1,003,720 kg; eddoes (27.7 percent) from 2,456,900 kg to 1,777,270 kg; sweet potato (5.7 percent) from 1,152,100 kg to 1,086,700 kg; and ginger (23.3 percent) from 418,000 kg to 320,400 kg.

Root crop production was restricted by adverse weather conditions and pests and diseases. However, the Ministry of Agriculture, Land and Fisheries (MALF) continues to provide infrastructural, institutional and technical support to root crop farmers in an effort to address these main challenges.

Copra

Copra production data for the fiscal 2018 period is currently unavailable. However, the MALF continues to implement strategies directed towards the revitalisation of the coconut industry, targeting specifically the eradication of the Red Ring disease and the Red Palm Mite. In addition, complementary support from the Ministry of Trade and Industry via the Coconut Subsidy continue to assist in the revitalisation efforts.

Rice

Rice production decreased by 41.8 percent during October 2017 to March 2018 compared to one year earlier, totalling 950,770 kg in the current period, down from 1,633,300 kg in the previous period.

This decline in production was primarily due to market uncertainty, resulting from the planned divestment of the rice mill which currently processes farmers' paddy. Some rice farmers have reduced their production of paddy while experimenting with the planting of other crops such as ochro, tomato, pepper, watermelon and sweet potato.

Vegetables

During the first half of fiscal 2018, there were increases in output for celery (211.4 percent), hot pepper (125.9 percent), chive (107.0 percent), ochro (47.2 percent), sweet pepper (47.1 percent), christophene (33.8 percent), lettuce (10 percent), sorrel (7.2 percent), cucumber (4.6 percent) and patchoi (2.8 percent). Conversely, during the same period, there were declines in production of melongene (76.9 percent), cabbage (74.4 percent), cauliflower (72.8 percent), bodi (59.6 percent), beans (42.5 percent), tomatoes (36.1 percent), dasheen bush (21.5 percent), pumpkin (19.7 percent), green corn (16.9 percent), water cress (14 percent) and pigeon peas (0.6 percent).

The significant increase in hot peppers production could be attributed to the increase in export opportunities in the United States. Greater security of land tenure also contributed favourably to the increase in vegetable production. The MALF continued to work on improving the management process for the distribution of agricultural leases to farmers to enable them to make further investments in their lands.

Challenges related to the incidence of pest and disease have been cited as the main reason for the decline in vegetable production. Flooding in 2017 contributed to the introduction of new pests and their proliferation in new areas, with a subsequent decline in production of some commodities. The Diamond Black Moth continued to affect cabbage and cauliflower crops. Mites, thrips and midges affected melongene, tomato and bodi. In addition, high tomato producing areas such as Tabaquite, Gasparaillo and Mayaro, experienced severe floods during the first quarter of the fiscal year, resulting in a decline in production.

During the second quarter of fiscal 2018, weather conditions were more favourable, with less occurences of flooding. This enabled increased quantities of vegetables to be produced.

Fruits:

Pineapple

There was a 41.3 percent increase in pineapple production from 795,300 kg to 1,123,650 kg during the review period. This rise in output reflects an increase in acreage cultivated as pineapple farmers were motivated by the planned establishment of a processing plant in the light industrial park in Moruga.

Paw paw

Paw paw production decreased from 711,000 kg to 668,500 kg or by 6.0 percent during the review period. This decrease in production was due to unfavourable weather conditions which increased the prevalence of pests and disease which negatively impacted the crop.

Livestock and Dairy Products

Poultry

According to the latest data for the first quarter of fiscal 2018 there was a 5.7 percent decrease in broiler meat production from 19.2 million kg in the fourth quarter of 2016 to 18.1 million kg. The number of broilers sold however rose by 5.3 percent. The decline in broiler meat production was due to challenges faced by the farmers in the poultry industry as well as the increase in the price of feed and labour, as well as other inflationary conditions. Conversely, the increase in the numbers of broilers sold is directly linked to the greater importation of hatching eggs and therefore greater availability of chicks to maturity.

Small Ruminants

In the first quarter of fiscal 2018, mutton production increased by 2.4 percent to 25,376 kg, compared to 24,780 kg in the corresponding fiscal 2017 period. Likewise, there was a similar increase of 3.8 percent in the number of heads of sheep sold. The increase in mutton production may be attributed to a rise in the herd numbers available for breeding; increased market demand for mutton; and the adoption of marketing strategies by some farmers to promote mutton as a source of protein.

The production of goat meat decreased by 5.2 percent from 22,122 kg in the first quarter of fiscal 2017 to 20,967 kg in the current fiscal period. There was a similar decrease of 23.1 percent in the number of heads of goats sold. The decrease in goats sold may be a consequence of a decline in breeding during the previous season, high feed costs and poorly conditioned animals.

In general, the small ruminants subsector is challenged by the supply and availability of quality breeding stock; farmers retiring; high priced inputs (feed, drugs and other consumables); labour intensive production systems coupled with a scarcity of trained labour; and the prevalence of praedial larceny. These challenges often translate into lower efficiencies at the farm level.

Dairy

There was a 13.8 percent increase in milk production from 465,845 litres during the first quarter of fiscal 2017 to 530,180 litres during the first quarter of fiscal 2018. Beef and veal production, however, declined by 7.7 percent due to increasing costs of feed concentrates as well as poor pasture development.

Pigs

The number of live pigs sold increased by 11.0 percent from 21,389 animals to 23,735 animals during October 2017 to March 2018. Pork production also increased by 29.7 percent, to 1,219,873 kg from 940,253 kg one year earlier. The increase in output was as a result of the ramping-up of production to satisfy the high demand during the Christmas season as well as an attempt by local farmers to compete with the increase in imported pork. Local farmers have been increasing local production by improving the fertility levels of pigs through artificial insemination.

Cocoa

Official cocoa production data for the period under review is not yet available. However, the Government continues to partner with the Cocoa Development Company of Trinidad and Tobago Limited to implement a national plan for the development and revitalisation of the industry. In addition, the MALF continues to provide technical support to specifically deal with challenges such as labour shortages, adverse weather conditions, pests and diseases, which have continued to plague the sub-sector.

Forestry

Forests play a critical role in supporting socio-economic development through the extraction of timber, food, resins and plants for landscaping and horticultural use. The State manages 192,000 hectares of forest, which is distributed within 35 forest reserves, 11 game sanctuaries and other State Lands.

Limited quantitative data exist on the extent and value of forest products extracted from forests, however, over the last fiscal year, 1500 hectares of Teak and Pine plantations provided an adequate supply of raw material for 100 saw-millers. Additionally, during the last hunting season (1st October, 2017 to 28th February, 2018), approximately 11,500 State Game Permits were sold to hunters.

Fisheries

The fisheries sub-sector involves small to medium-size commercial operators. Over the two year calendar period 2017 to 2018, small-sized multi-gear vessels in operation increased to an estimated 2,100 while the medium-sized longline fleet now consists of 36 vessels. In 2017, total production from the medium-sized longline fleet (which primarily exports to the US market) was estimated at 1,202 tonnes.

The aquaculture sub-sector currently has 39 registered fish farmers. During the period January to June 2018, there was a 38.4 percent reduction in the production of selected food fish (tilapia and cascadura) to 299,856 kg, from 486,596 kg in the same period of 2017. The decline could be attributed to farmers exiting the sector on account of the higher cost of production and the removal of subventions for the processing and marketing of food fish. On the other hand, the production of ornamental fish increased by 4.2 percent to 439,935 kg during the first six months of 2018, from 422,100 kg one year earlier.

MANUFACTURING

Overview

After contracting for two consecutive years, the **Manufacturing Sector** (as defined by the ISIC. Rev 4), is expected to register a strong turnaround in calendar 2018, expanding by 7.3 percent (following on negative growth of 3.4 percent and 2.6 percent in 2016 and 2017 respectively). This is the highest growth of any sector in 2018. Manufacturing is therefore expected to account for a greater share of GDP, rising from 19.1 percent in 2017, to 20.2 percent in 2018. The upturn in the industry reflects positive turnarounds in three of the four Manufacturing sub-industries. **(Appendices 2 and 3)**.

The strongest growth is expected to take place in the **Petrochemical and Chemical Products** sub-industry, which is forecasted to reverse a marginal decline of 0.1 percent in 2017 (the sub-industry had previously reported a notable contraction of 4.5 percent in 2016), to record robust growth of 9.0 percent in 2018. Contributing to this forecast are an expansion of 12.1 percent in the manufacture of petrochemical products (up from 3.5 percent), as well as a positive 5.7 percent turnaround (from -4.6 percent) in the refining of petroleum and natural gas. These are expected to benefit considerably from the increasing availability of gas for the downstream industries. Consequently, Petrochemical and Chemical Products will account for almost 75.0 percent of Manufacturing activity in 2018 **(Appendix 1),** and increase its contribution to GDP to 15.1 percent from 14.1 percent in 2017.

The second largest Manufacturing sub-industry, **Food, Beverages and Tobacco Products**, is expected to account for 3.3 percent of GDP. This sub-industry is projected to grow by 5.6 percent reflecting a marked turnaround from the large 12.0 percent contraction it experienced the year before. Within this sub-industry, robust growth in non-alcoholic beverages and bakery products are expected to be the main drivers.

The **Textiles, Clothing, Leather, Wood, Paper and Printing** sub-industry is forecast to grow by 1.5 percent in 2018, which is in stark contrast to its previous ten-year track record of economic decline. The anticipated upswing in real economic activity in 2018 will be bolstered by improvements in the manufacture of textiles, wearing apparel, footwear and leather, coupled with marginal growth in the manufacture of paper and paper products, printing and recorded media. The sub-industry's contribution to GDP will however remain unchanged at 0.8 percent for the fourth consecutive year.

Estimates suggest a further weakening of economic activity in **Other Manufactured Products** in 2018, as the sub-sector is projected to decline for a fourth successive year (by 6.1 percent) due to a sharp decrease in the manufacture of basic metals as well as a decline in rubber and plastic products. The contribution to GDP of the sub-industry is estimated at 1.0 percent in 2018, a marginal drop from 1.1 percent previously.

The Manufacturing sector has been severely impacted by shortfalls in the availability of foreign exchange for a number of years. In response, Government in its 2018 National Budget announced the creation of an EXIMBANK Forex Facility, initially capitalised at US$100 million, to facilitate the provision of foreign exchange to eligible exporters through the EXIMBANK. The facility was subsequently launched in May 2018 with manufacturers accessing the first tranche of foreign exchange in June 2018.

In view of the integral role the manufacturing sector is expected to play in Trinidad and Tobago's diversification thrust, Government is also pursuing a range of other initiatives to facilitate the expansion and increased competitiveness of the sector. These include the development and expansion of new export markets such as Panama and Chile. Toward this end, in addition to the traditional bilateral agreements, a new Trade Mission Strategy was submitted to Government for approval[29] in early 2018, with the long term goals being an increase in non-energy exports, and export diversification in targeted markets. During fiscal 2018, trade missions were conducted to Jamaica, Costa Rica and Panama with further missions to Haiti and Colombia planned before the end of calendar 2018.

Another initiative is the development by the Ministry of Trade and Industry of a new National Quality Policy for Trinidad and Tobago[30] spanning the period 2018 to 2030. One of the main objectives of this Policy is to improve the operating framework of Trinidad and Tobago's Quality Infrastructure by providing guidance on the development of the human capital, physical infrastructure, governance arrangements, and implementation of legal reforms. Through the implementation of this Policy, it is expected that Trinidad and Tobago's products and services will be branded as high quality thereby increasing the global competitiveness of local businesses.

In June 2018, Government also announced plans for the establishment of a new state-of-the-art Industrial Park at Phoenix Park in Central Trinidad. This proposed development will cover an area of 133 acres with approximately seventy (70) plots ranging in sizes between 0.8 and 1.3 acres, and will target firms in the areas of high-value and light manufacturing in emerging industries (such as electronic technology, information technology, energy-saving ecological building materials and biotechnology). An anchor tenant has so far been recruited to establish a Regional Distribution Facility at the site and ten Chinese firms have shown interest in populating the Park[31].

Construction also commenced in May 2018 on the Moruga Agro-Processing and Light Industrial Park with a target completion date of February 2019. The Park will occupy approximately eighteen (18) acres of land and comprise five (5) factory shells with potential for processing Moruga hill rice, cassava and other root crops,

29 The proposed Trade Mission Strategy is currently under consideration by Government.

30 The National Quality Policy for Trinidad and Tobago was approved by Government, with implementation commencing on April 12, 2018 and formal launch on April 24, 2018.

31 Areas of interest include; manufacturing of glass powder, air conditioners, ceramic and integrated housing; paper converting operations; wood and food processing; communication equipment; and building materials.

fish, pineapple and other fruits, cocoa, hot peppers and lumber products. This initiative is a component of a wider national policy which prioritises the creation of a strong, modern, prosperous and competitive agriculture sector and the improvement of the nation's food security.

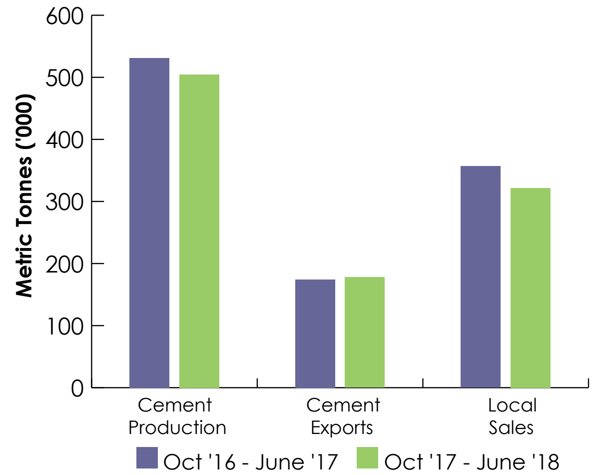
Cement

For the period October 2017 to June 2018, production of cement by Trinidad Cement Limited (TCL) fell by 4.9 percent to 504.7 thousand metric tonnes, from the 530.9 thousand metric tonnes produced during the similar fiscal 2017 period **(Figure 8)**. On a monthly year-on-year basis, cement production was consistently lower during the first three months of the review period; with the steepest contraction occurring in November 2017 (29.5 percent). The fall in cement production in the month of November can be attributed to major routine maintenance undertaken at the plant. TCL's production however rebounded in January 2018, increasing in year-on-year terms by 22.2 percent before plummeting once again by 27.7 percent in February. In the ensuing two months (March and April), cement output exceeded that of the previous year by 7.4 percent and 6.4 percent respectively, but dipped once again by 6.8 percent in May, to 71.6 thousand metric tonnes. Notwithstanding, cement production in May 2018 was the highest monthly output since May 2017. In year-on-year terms in June 2018, cement production increased by 23.1 percent. In general, the manufacture of cement by TCL fluctuates in response to both domestic and foreign market demand.

Concomitant with reduced production over the October 2017 to June 2018 period, TCL recorded an overall decline in cement sales which fell by 5.9 percent to 499.6 thousand metric tonnes in the first nine months of fiscal 2018, from 531.2 thousand metric tonnes in the corresponding 2017 period. This outturn was driven by a 9.9 percent drop in local cement sales and mitigated by a 2.0 percent increase in export sales.

Local cement sales fell from 356.8 thousand metric tonnes one year ago, to 321.7 thousand metric tonnes in the current period. Monthly year-on-year comparisons indicate that domestic sales have weakened for thirty-two consecutive months since October 2016. The month of October 2017 also recorded the sharpest year-on-year decline (26.7 percent) since July 2016. TCL's domestic sales

Figure 8: Cement Production, Export and Local Sales



Source: Trinidad Cement Ltd.

continue to be impacted by increased competition from imported cement[32] and weak activity in the construction sector due in part to curtailed government spending.

In contrast, exports of cement by TCL increased to 177.9 thousand metric tonnes over the period October 2017 to June 2018, from 174.3 thousand metric tonnes in the comparative period one year earlier. The expansion in cement exports during fiscal 2018 was the result of inroads by TCL into new markets such as the Dutch Caribbean; the recapturing of old markets, such as Suriname; and continuing growth in the company's traditional markets of Guyana, Grenada and St. Kitts and Nevis. In fiscal 2018, cement exports were lower, only in the months of November (78.8 percent), February (28.3 percent) and June (3.0 percent). The significant fall in cement exports in the month of November was primarily a result of lower production in that month.

Based on an average of all brands sold in Trinidad and Tobago, the domestic price of cement averaged $51.48 per bag during the first nine months of fiscal 2018; 9.1 percent lower than the average price of $56.65 per bag

32 Preliminary information on the import and export of cement indicates a sharp increase in imported cement during fiscal 2018. Net of total cement exports, the data suggests an equally sharp increase in the local sale of imported cement during fiscal 2018, compared to fiscal 2017. A major competitor to TCL is Rock Hard Cement, which is imported from Barbados and manufactured in Turkey. Smaller amounts of cement are also imported from other destinations such as China.

in the previous corresponding period of fiscal 2017. Average cement prices declined by 1.1 percent in the first quarter of fiscal 2018 to $51.80 per bag, from $52.39 per bag in the fourth quarter of fiscal 2017. The average price of cement contracted by a further 0.8 percent to $51.39 per bag in the second quarter of fiscal 2018 and by 0.3 percent to $51.25 per bag in the third quarter. Notably, this was the lowest average price recorded since the first quarter of fiscal 2013. Cement prices respond to fluctuations in local demand and supply as well as competition from cheaper imported cement.

CONSTRUCTION

Economic activity in the Construction sector is expected to decline for a fourth successive year, albeit with a milder contraction than in the previous two years (3.3 percent in 2018, compared to 4.2 percent in 2016, and 4.1 percent in 2017). Consequently, the Construction industry's contribution to real GDP is projected to fall slightly, from 5.5 percent in 2017 to 5.2 percent in 2018 **(Appendices 2 and 3)**.

Subdued economic conditions in the Non-energy sector suggest lower private sector construction activity associated with the weaker demand for construction materials, primarily cement (which recorded a decline in local sales during the current period). Likewise, expenditure on Government's Public Sector Investment Programme (PSIP) in 2018 was lower-than-budgeted. This was primarily due to delays in the implementation of projects; variations in the scope of work for several projects; non-submission of claims by contractors and administrative delays in the processing of claims for payment. Despite these factors, capital expenditure during the first seven months of calendar 2018 exceeded that of the previous year.

Notwithstanding, progress has continued on many major public sector construction projects in 2018, including Government's housing programme; the Highway to Point Fortin; and the Maracas Beach Facility Improvement Project (which marked the completion of Phase 1, with the opening of the facility in July 2018). Work also continued on the Agro-Processing and Light Industrial Park in Moruga.

During the year, additional public sector projects undertaken included, construction of President's House, work on the Arima and Point Fortin Hospitals and the completion of the building structure at the Tamana InTech Park for the Alutech Research and Development Facility.

TOURISM[33]

Trinidad and Tobago recorded a 5.5 percent decline in visitor arrivals from 491,232 persons in calendar 2016 to 464,077 persons in 2017. Visitor arrivals during the first six months of calendar 2018 however increased by 20.0 percent from 238,821 persons to 286,697 persons.

Airline Arrivals

International air arrivals[34] fell by 3.5 percent, to 394,650 persons in calendar 2017 from 408,782 persons in calendar 2016. This decline may be attributed to a number of factors, including a loss in market share from the United States (US) due to the emergence of new destinations such as Cuba; loss of market share from the United Kingdom to competing Caribbean islands such as St. Lucia and Grenada; and the issuance of negative travel advisories, particularly by the US and the United Kingdom. Consequently, international air arrivals to Trinidad decreased by 3.6 percent from 389,404 persons to 375,202 persons (slightly pushing down the island's share of arrivals to 95.1 percent from 95.3 percent). There was however a marginal increase of 0.4 percent in air arrivals to Tobago (from 19,378 persons to 19,448 persons), which resulted in its share of visitors edging up to 4.9 percent from 4.7 percent.

33 Source: Ministry of Tourism and the Ministry of National Security – Immigration Division.

34 Data captures international stop-over tourists, both regional and extra-regional, which refer to visitors who stay at least one night in a collective or private accommodation in the country visited. Same-day visitors are not included in this measure. The same person who makes several trips to a given country during a given period will be counted as a new arrival each time, as well as a person who travels through several countries on one trip is counted as a new arrival each time. Citizens of Trinidad and Tobago travelling on a Trinidad and Tobago passport are not included in this measure.

During 2017 the United States continued to be Trinidad and Tobago's major source market for international air arrivals, contributing 43.0 percent of total airline arrivals. Together with Canada (which accounted for 13.3 percent), North America remained the main market for international air arrivals. The Caribbean followed with 19.8 percent, then Europe with 10.0 percent. Among European visitors, the United Kingdom contributed 8.1 percent of arrivals. Persons travelled to Trinidad and Tobago during calendar 2017 primarily to visit friends and relatives (38.7 percent); for leisure/beach vacation (20.2 percent); and for business or to attend conventions (14.7 percent). These represent 73.6 percent of all air arrivals. Persons arriving for Carnival celebrations accounted for 1.6 percent of international air arrivals during 2017, a marginal decline from the share of visitors arriving for Carnival festivities in 2016 (1.8 percent).

For the period January to June 2018 international passenger arrivals by air totalled 194,808 persons, representing a 4.7 percent decrease from the 204,326 persons who arrived one year earlier. Air arrivals to Trinidad during the review period fell by 5.1 percent from 193,658 persons to 183,863 persons and outweighed a 2.6 percent increase in the number of persons travelling to Tobago, (which moved from 10,668 to 10,945). Trinidad's share of stop-over arrivals therefore declined marginally to 94.4 percent, from 94.8 percent, while Tobago's share crept up to 5.6 percent from 5.2 percent.

Visitors arriving via airline during the first six months of 2018, cited several reasons, including, visiting friends and relatives (34.3 percent); for leisure, beach or vacation (23.0 percent); and for business purposes (15.1 percent). Of total international air arrivals during the six-month period of 2018, 3.1 percent visited for the Carnival season; the same share as in the corresponding period of 2017.

Cruise Ship Arrivals

The number of cruise ship calls to Trinidad and Tobago decreased from 62 ships in calendar 2016 to 60 ships in calendar 2017. Of the total number of ships docking in both islands in 2017, Trinidad received one more vessel (22) than in the previous year, while Tobago received three fewer (38 vessels, down from 41 in 2016). The total number of passengers arriving also decreased by 15.8 percent from 82,450 persons in calendar 2016 to 69,427 persons in 2017. Of these, 32,159 persons landed in Trinidad, representing an 11.0 percent increase from the 28,964 passengers that arrived in 2016; and 37,268 persons landed in Tobago, which was a 30.3 percent fall from the 53,486 passengers that came onshore in 2016.

Cruise ship activity however improved significantly during the first six months of 2018, with the total number of cruise passengers who arrived in Trinidad and Tobago increasing very sharply by 166.4 percent to 91,889 persons (on-board 54 vessels) from 34,495 persons (on-board 33 vessels) in the corresponding 2017 period. The number of persons visiting Trinidad increased by 93.0 percent during the review period (from 16,519 persons to 31,886 persons). The number of persons arriving in Tobago increased even more sharply by 233.8 percent to 60,003 from 17,976 in the previous period. The number of vessels that moored in Trinidad increased from 12 during the first six months of 2017 to 15 during the first six months of 2018 (a rise of 25.0 percent). Tobago likewise recorded a jump in the number of cruise ship calls, from 21 ships to 39 ships (an increase of 85.7 percent). These improvements were as a result of larger vessels visiting the islands, as well as an increase in the number of cruise ships choosing to come to Trinidad and Tobago instead of other Caribbean destinations in response to last year's active and destructive Atlantic hurricane season.

Yachting Arrivals

Following a 14.1 percent decline in 2016, yacht arrivals in Trinidad and Tobago increased by 4.9 percent to 1,037 vessels in calendar 2017 from 989 vessels one year prior. The month of September recorded the steepest year-on-year decline in yacht arrivals, which fell by 55.2 percent to 56 vessels, from 125 vessels in September 2016. There were however sharp increases in yacht arrivals in November (119.4 percent) and December (164.2 percent). The overall increase in yacht arrivals during calendar 2017 reflected an 81.0 percent increase in the number of vessels anchored in Tobago from 163 to 295, which outweighed a decrease in the number of vessels anchored in Trinidad (by 10.2 percent, from 826 vessels to 742 vessels).

The upward trajectory in yacht landings in Trinidad and Tobago was maintained during the first six months of 2018 (rising by 25.3 percent to 683 vessels, from 545 vessels in 2017). Of these, 490 vessels berthed in Trinidad and 193 vessels in Tobago. Both islands benefitted from the severe hurricane season in 2017 (due to their position at the southern edge of the active hurricane belt), as more yachts sought sheltered ports. The country also provides a well-developed industrial and technical infrastructure for storage purposes and first class yacht repair and maintenance services at its yachting facilities.

Hotels/Hotel Availability

According to data available from the Trinidad Hotel, Restaurant and Tourism Association (THRTA), the stock of hotels and guest houses in Trinidad is 2,500. Of these, 1,500 establishments were surveyed and reported an average occupancy rate in Trinidad of 60.0 percent in calendar 2017. This was marginally lower than the 60.7 percent average occupancy rate reported in 2016. In Tobago however, hotels and guest houses reported an average occupancy rate of 32.0 percent in calendar 2017, which was sharply lower than the 38.3 percent average occupancy rate recorded for the island in 2016.

Latest available comparative period data for Trinidad and Tobago indicates an average occupancy rate of 61.6 percent for Trinidad over the period January to May 2018, up from 60.0 percent over the same period of 2017. On the other hand, the average occupancy rate for Tobago fell to 32.2 percent over the five-month period of 2018 from 36.2 percent in 2017.

PRICES

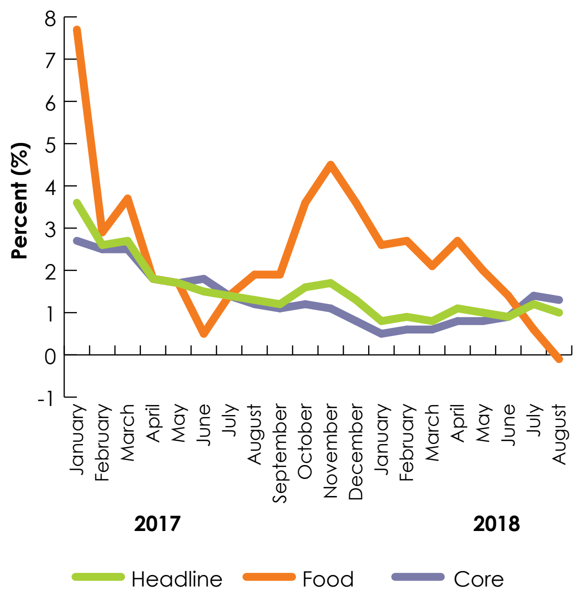
The annual average rate of inflation in Trinidad and Tobago **(Headline Inflation)** as measured by the **All Items Retail Price Index** slowed to 1.9 percent in 2017 from 3.1 percent in 2016, while the annual average rate of **Core Inflation**[35] fell to 1.7 percent in 2017 from 2.1 percent the year before. Primary contributors were a reduction in food price inflation, which more than halved to 2.9 percent from 7.4 percent, as well as the significant ease in inflationary pressures in Communication, which fell from 6.7 percent to 2.1 percent. The retail price index for Clothing and Footwear however remained unchanged in 2017, following a 3.7 percent rise the year before. The rise in the price level for Recreation and Culture also slowed to 0.7 percent from 2.9 percent; likewise for Transport (1.2 percent, down from 3.2 percent). Counteracting these to some extent was a sharper rise in prices for Healthcare (14.5 percent, up from 6.5 percent). A dramatic increase in the cost of spectacles (72.8 percent), and smaller increases in the prices for medical services (7.3 percent); dental services (11.6 percent) and prescription medication (7.9 percent) accounts for the sharp increase in Healthcare prices. **(Appendix 10)**.

On a monthly year-on-year basis, headline inflation generally trended downward during 2017, dropping to 1.3 percent in December from 3.6 percent in January. Headline Inflation was constrained by an ease in price pressures on Food and Non-alcoholic Beverages; with **Food Price Inflation** lessening from 7.7 percent at the start of the year to 3.6 percent in December, due to smaller price increases for Vegetables (7.3 percent); Milk, Cheese and Eggs (8.1 percent); Food Products not elsewhere classified (6.6 percent); and Butter, Margarine and Edible Oils (5.7 percent). **Core Inflation** likewise fell to 0.8 percent at the end of 2017 from 2.7 percent in January, primarily on account of lower prices for Clothing and Footwear (5.9 percent) and Communication (1.5 percent); as well as smaller price increases for Transport (1.4 percent, from 3.3 percent).

Headline Inflation continued to moderate over the period January to March 2018, fluctuating marginally between 0.8 percent and 0.9 percent before rising to 1.1 percent in April. Thereafter, the rate returned to 0.9 percent in June and rose once again to 1.2 percent in July, before declining to 1.0 percent in August **(Figure 9)**. The generally weaker inflationary environment over the last year underscores the challenging economic environment and weak consumer demand during the period.

35 Core inflation measures the rate of change in All Items in the Index of Retail Prices excluding Food and Non-alcoholic Beverages.

Figure 9: Prices – Percentage Change (Year-on-Year)



Source: Central Statistical Office

Food Price Inflation[36] which edged up from 2.6 percent in January to 2.7 percent in February, fell to 2.1 percent in March before returning to 2.7 percent in April. Subsequently, food inflation dropped to 0.6 percent at the end of the seven-month calendar period. The sharp deceleration in food inflation reflected lower prices for Meat (2.1 percent); Vegetables (2.5 percent); and Salt, Pepper and Spices (16.3 percent). The supply of some food items increased during the period, primarily due to more favourable weather conditions, increased issuance of leases on land for agricultural purposes and an increase in the production of some crops (as farmers seek to take advantage of increased export opportunities), consequently driving prices down. Food prices are generally impacted by demand and supply factors which include weather-related conditions, availability of labour, praedial larceny, incidents of pests and diseases, land tenure issues and the availability of export opportunities.

Also contributing to the fall in food inflation were smaller year-on-year price increases for most of the remaining food categories, primarily: Butter, Margarine and Edible Oils (3.6 percent, down from 7.8 percent); Fruit (4.8 percent, down from 7.2 percent); and Milk, Cheese and Eggs (5.6 percent, down from 7.4 percent).

Core inflation increased over the period to 1.4 percent in July 2018 from 0.5 percent in January. Sharper price increases for Housing, Water, Electricity, Gas and Other Fuels (from 1.1 percent to 3.3 percent), together with smaller price decreases for Clothing and Footwear (from -7.0 percent to -3.5 percent) resulted in the acceleration of core inflation. Higher Transportation costs (from 1.4 percent to 2.0 percent) also contributed to the outturn. Also notable was a sharp rise in prices for Home Ownership (a component of Housing, Water, Electricity, Gas and Other Fuels), from 1.3 percent in January to 4.0 percent in July. This was due mainly to sharper increases in the imputed rental price of owner-occupied homes and sharply higher costs of repairs, masonry and general maintenance of houses in the current period. This was also in contrast to the lower and sometimes relatively stable cost of owning a home during 2016 and 2017.

Calendar year-to-date estimates indicate a marginal deceleration in the rise in the general price level to 0.3 percent during the first eight months of 2018, from 0.6 percent during the same period in 2017. Driving this deceleration was a 2.4 percent decrease in the prices for Food and Non-alcoholic Beverages compared to a 1.2 percent price increase previously **(Appendix 10)**.

Conversely, core inflation rose from 0.4 percent during the eight-month period of calendar 2017 to 0.9 percent during the 2018 period. Stronger inflationary pressures in Housing (2.7 percent, from 0.2 percent) concomitant with the easing of downward price pressures in Clothing and Footwear (-1.2 percent from -4.0 percent) contributed to the increase in core inflation. Housing was impacted by the higher imputed rental value of owning a home and higher cost of repairs and general masonry work.

36 The analysis of food inflation and core inflation does not include data for the month of August 2018, which became available shortly before publication of this document.

PRODUCTIVITY

Fiscal 2017

The productivity[37] of all workers in all industries in Trinidad and Tobago rose by 1.8 percent in fiscal 2017; reversing the 5.0 percent decline recorded in fiscal 2016 **(Appendix 10)**.

The gain in productivity during the 12-month period (October 2016 to September 2017) was reflective of higher productivity levels in Food Processing (29.7 percent); Petrochemicals (10.2 percent); Exploration and Production of Oil and Natural Gas (9.8 percent); Chemicals (4.5 percent); Textile, Garment and Footwear (3.6 percent); Miscellaneous Manufacturing (3.0 percent); Printing, Publishing and Paper Converters (1.1 percent). Within the Food Processing industry, enhanced productivity was recorded in Dairy Products, Fruit and Vegetable Processing, Miscellaneous Food and most other sub-industries.

Counteracting these productivity gains during fiscal 2017 were productivity losses in Water (-19.5 percent), due to a fall in the industry's Index of Domestic Production (DPI) by approximately 20.0 percent; Drink and Tobacco (-13.0 percent); and Wood and Related Products (-10.8 percent). Notably, within the Drink and Tobacco industry productivity declines were recorded in the Alcoholic sub-industry (10.1 percent) and Non-Alcoholic Drinks sub-industry (25.0 percent). In terms of Non-Alcoholic Drinks, there was a sharp fall in the industry's DPI (22.5 percent) accompanied by a small increase in its Index of Hours Worked (4.1 percent). The overall reduced productivity in Wood and Related Products reflected productivity declines in Sawmills and Wooden Building Materials (-4.9 percent), and Furniture and Other Wood Products (-9.6 percent).

Also recording losses in productivity were Electricity (-7.6 percent); Assembly Type and Related Products (-6.9 percent); and Oil and Natural Gas Refining (-4.6 percent). Within the Assembly Type and Related Products industry, productivity was negatively impacted by losses in Metal Furniture (-45.1 percent), Office Machinery and Electrical Apparatus (-12.6 percent); Motor Vehicle Parts (-4.7 percent); Ship Boat Building and Repairs (-1.0 percent); and Iron, Steel and Related Products (-0.9 percent). The sharp loss in productivity in Metal Furniture was due to a significant decrease in the industry's DPI (26.8 percent) accompanied by an increase in its Index of Hours Worked (13.9 percent).

October to December 2017

In year-on-year terms, there was little perceptible improvement (0.04 percent increase) in overall productivity during the three-month period, October to December 2017. Notwithstanding, positive outturns were recorded in Exploration and Production of Oil and Natural Gas (7.0 percent); Drink and Tobacco (6.1 percent); Miscellaneous Manufacturing (6.0 percent); Chemicals (5.3 percent); Textile, Garment and Footwear (2.8 percent); and Oil and Natural Gas Refining (0.9 percent). Within the Drink and Tobacco industry, there was a positive turnaround in productivity in Alcoholic Drinks (10.5 percent) which overshadowed sharp productivity losses in Tobacco (-48.2 percent) and Non-Alcoholic Drinks (-21.4 percent). The sharp losses in productivity in Tobacco and Non-Alcoholic Drinks during the first quarter of fiscal 2018 reflected notable decreases in their production indices (-60.9 percent and -25.6 percent respectively), concomitant with smaller declines in the Index of Hours Worked (-24.5 percent in Tobacco and -5.4 percent in Non-Alcoholic Drinks). In contrast, all the Miscellaneous Manufacturing sub-industries, with the exception of Jewellery, recorded productivity gains. In terms of Chemicals, a 57.2 percent increase in productivity in Glass and Plastic Production for Construction drove this industry's outturn. This was on account of a sharp rise in the sub-industry's DPI (61.1 percent) and small increase in its Index of Hours Worked (2.5 percent)

These gains in the first quarter of fiscal 2018 were however counteracted by productivity losses in Printing, Publishing and Paper Converters (-23.8 percent); Water (-21.7 percent); Electricity (-13.0 percent); Wood and Related Products (-11.9 percent); Assembly Type and Related Products (-1.0 percent); Food Processing (-2.9 percent); and Petrochemicals (-0.3 percent). Productivity within Printing Publishing and Paper Converters was

37 Productivity is measured by changes in the All Items Productivity Index. The All Items Productivity Index is calculated as the ratio of the Index of Domestic Production (DPI) to the Index of Hours Worked.

impacted by an estimated 27.7 percent reduction in Printers (reflecting a 26.9 percent drop in the DPI, and concurrent 1.1 percent increase in the Index of Hours Worked); and a 17.4 percent decrease in productivity in Newspapers Publishers (representing a 14.7 percent drop in the DPI, and a 3.4 percent increase in the Index of Hours Worked).

Productivity in Water was dampened by a 21.6 percent decrease in its DPI with no accompanying change in the Index of Hours Worked; while in Electricity, the Index of Hours Worked increased by 23.3 percent with a 7.3 percent rise in its DPI. The reduction in Wood and Related Products was driven by losses in Furniture and Other Wood Products (13.0 percent), and Sawmills and Wooden Building Materials (2.5 percent). The loss in productivity in Furniture and Wood Products was due to a 9.5 percent decrease in the industry's DPI and 4.0 percent increase in its Index of Hours Worked.

January to March 2018

According to the latest available data from the Central Statistical Office (CSO)[38], industrial productivity increased more firmly by 6.4 percent in the second quarter of fiscal 2018 primarily on account of improvements in Food Processing (30.3 percent), which recorded productivity gains in all sub-industries; and Petrochemicals (11.2 percent). Higher productivity levels were also reported in Miscellaneous Manufacturing (8.8 percent); Exploration and Production of Oil and Natural Gas (7.0 percent); Chemicals (6.9 percent); Oil and Natural Gas Refining (3.8 percent); and Textiles, Garment and Footwear (3.0 percent).

In sharp contrast, sizeable productivity losses were realised in the second quarter in Water (-21.7 percent), as a result of a further drop in the industry's DPI by about 22.0 percent; and in Printing, Publishing and Paper Converters (-20.9 percent), consequent to productivity losses in Printers (-23.8 percent) and Newspapers Publishers (-17.6 percent). Both sub-industries reported sharply lower Domestic Production Indices (about -27.0 percent and -15.0 percent respectively) with small increases in their Indices of Hours worked (approximately 1.0 percent and 3.0 percent respectively). Also recording productivity losses during the second quarter were Wood and Related Products (-11.1 percent), due to lower levels of productivity in Furniture and Other Wood Products (-12.2 percent), and Sawmills and Wooden Building Materials (-4.6 percent). Smaller declines in productivity were also recorded in Electricity (-5.8 percent); Drink and Tobacco (-4.2 percent); and Assembly Type and Related Products (-3.9 percent).

POPULATION

The Central Statistical Office estimates[39] growth of 0.2 percent in Trinidad and Tobago's population. Specifically, the population is forecasted to increase from 1,356,633 persons in 2017 to 1,359,193 persons in 2018. The number of births per thousand persons (the provisional birth rate) is projected to decrease, from 12.82 in 2017 to 12.67 in 2018. A similar marginal decline is projected in the number of deaths per thousand persons (the provisional death rate); from 8.59 in 2017 to 8.58 in 2018 **(Appendix 11).**

In terms of gender distribution, the population is estimated to comprise 50.2 percent or 681,946 males and 49.8 percent or 677,247 females **(Appendix 11)**. With respect to age distribution, an estimated 679,907 persons fall between ages 25 and 59. Young persons aged 24 and under; the second largest age group, total 497,443 persons and account for 36.6 percent of the population, whilst 181,843 persons fall within the retirement age of 60 years and over; representing 13.4 percent of the total population **(Appendix 12)**.

38 The latest Index of Productivity for All Employees for first Quarter 2015 to first Quarter 2018 was received from the Central Statistical Office (CSO) in September 2018.

39 Estimates of Trinidad and Tobago's total population are calculated by the Central Statistical Office in the middle of each calendar year.

LABOUR FORCE AND EMPLOYMENT

Unemployment[40]

The average unemployment rate increased from 3.9 percent during fiscal 2016 to 4.6 percent during fiscal 2017. The rise in unemployment meant that 4,400 fewer persons were employed over the fiscal 2017 period. The unemployed were distributed over most industries, with the exception of Other Mining and Quarrying and Wholesale/Retail Trade, Restaurants and Hotels (which together reported 100 fewer unemployed persons). Further exacerbating the rise in unemployment was a 5,900 person decrease in the labour force over the period October 2016 to September 2017.

The most recent[41] quarterly Labour Force data from the Central Statistical Office (CSO) reported a marginal decline in the unemployment rate during the three-month period, from 5.3 percent in the third quarter of fiscal 2017 to 5.1 percent in the fourth quarter. Overall, there was an 1,800 person reduction in the number unemployed, from 33,900 to 32,100 **(Appendix 13)**.

Disaggregated, the following industries recorded significant reductions in the number of persons without jobs: Community, Social and Personal Services (2,500); Wholesale/Retail Trade, Restaurants and Hotels (900); Petroleum and Gas (400); and Other Agriculture, Forestry, Hunting and Fishing (300). The declines in the final quarter of fiscal 2017 were partially offset by increases in the number unemployed in three sectors, namely; Other Manufacturing (1,300 persons); Finance, Insurance, Real-Estate and Business Services (500 persons); and Construction (400 persons). During the July to September 2017 period, no measurable change in the number of unemployed workers was recorded in Other Mining and Quarrying; Electricity and Water; and Transport, Storage and Communication.

The highest unemployment rates (above the national average) in the fourth quarter of fiscal 2017 were reported in Construction (11.2 percent) and Petroleum and Gas (5.8 percent). Conversely, the industries with the lowest unemployment rates were: Electricity and Water (0.0 percent); Other Mining and Quarrying (0.0 percent); Other Agriculture, Forestry, Hunting and Fishing (1.0 percent); Finance, Insurance, Real-Estate and Business Services (3.0 percent); Transport, Storage and Communication (3.6 percent); and Community, Social and Personal Services (3.9 percent).

When compared with the third quarter of fiscal 2017, the number of unemployed youths (i.e. persons aged 15 to 29 years) fell from 14,900 (or 44.0 percent of all unemployed persons) to 14,700, during the July to September 2017 period. This nonetheless, represented a larger share of the unemployed (45.8 percent), since the overall labour force would have decreased from 636,800 persons to 634,100 persons over the period. The portion of unemployed persons aged 30 to 49 years also declined over the same period, from 45.4 percent (15,400 persons) in quarter three to 37.4 percent (12,000 persons) in quarter four. Conversely, the unemployment level rose sharply, among individuals 50 to 64 years of age, from 10.0 percent (3,400 persons) to 16.5 percent (5,300 persons). However, this was not the case for senior citizens, as there was no unemployment recorded in the current period for persons above age 65. This grouping had, albeit, represented only 0.6 percent of the total unemployed (200 persons) in the previous quarter.

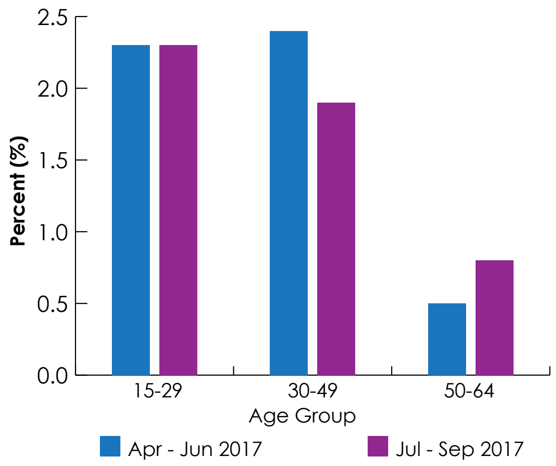
As a consequence, the highest rate of unemployment during the fourth quarter of fiscal 2017, was recorded for young persons aged 15 to 29 years (2.3 percent, the same as in the previous quarter). A slightly lower unemployment rate of 1.9 percent was recorded in the next higher age group (30 to 49 years), when compared with the previous quarter (2.4 percent). The rate was again significantly lower for persons aged 50 to 64 years (0.8 percent, up from 0.5 percent) **(Figure 10)**.

During the July to September 2017 period, 1,300 fewer men were reported as being jobless, which brought down the male unemployment rate from 4.7 percent to 4.2 percent. The unemployment rate among females however remained steady at 6.2 percent during both quarters, notwithstanding a slight fall in the number of

40 Unemployed persons are defined by the CSO as the group of persons included in the labour force who did not have jobs, but were willing and able to work, and were actively seeking employment, during the specific survey reference period, or otherwise would have been looking for work except for one or other of a few specified conditions.

41 Labour force data for the fourth quarter of fiscal 2017 (July – September 2017), was provided by the CSO on July 12, 2018.

Figure 10: Unemployment Rate By Age Group



Source: Central Statistical Office

unemployed women (from 16,800 persons to 16,300 persons).

Labour Force[42] / Job Creation

Trinidad and Tobago's labour force contracted by 2,700 persons, from 636,800 in the third quarter of fiscal 2017 to 634,100 in the fourth quarter. This resulted in a slight decline in the participation rate[43] over the period, from 59.5 percent to 59.1 percent. Likewise, the total number of persons employed fell by 1,000, from 603,000 to 602,000 **(Appendix 11)**.

A disaggregation of total labour force by age indicates that 24.0 percent of the labour force (151,900 persons) were aged 15 to 29 years in the fourth quarter of fiscal 2017, slightly down from the previous quarter (157,600 persons or 24.7 percent). The majority of the labour force (317,800 persons or 50.1 percent) comprised middle aged individuals (30 to 49 years), up from 315,000 persons (or 49.5 percent) during April to June 2017. Those 50 to 64 years of age who were within the labour force totalled 151,800 persons (or 23.9 percent of the labour force), which was an increase from 150,600 (or 23.6 percent) in the preceding three-month period. There were also 12,600 individuals 65 years and over within the labour force during the period, these constituted 2.0 percent of the total, falling slightly from 2.1 percent (or 13,500 persons).

Over the three-month period July to September 2017, higher employment levels were recorded in the following industries: Finance, Insurance, Real-Estate and Business Services (4,800 persons); Transport, Storage and Communication (4,200 persons); Construction (3,000 persons); Other Manufacturing (2,800 persons); and Petroleum and Gas (400 persons). Conversely, fewer persons were employed in: Community, Social and Personal Services (10,900 persons); Other Agriculture, Forestry, Hunting and Fishing (3,000 persons); Other Mining and Quarrying (1,300 persons); Wholesale/ Retail Trade, Restaurants and Hotels (1,100 persons); and Electricity and Water (900 persons). These employment losses surmounted the aforementioned employment gains.

In terms of gender distribution, more than half of the individuals employed in the fourth quarter of fiscal 2017 were male (59.2 percent or 356,500 persons), as opposed to female (245,500 persons or 40.8 percent). This represented 7,700 more males and 8,700 less females when compared with the previous quarter. However, females dominated employment in the Community, Social and Personal Services sector (105,000 persons); 10,300 more than the number of males employed. In the Wholesale/Retail Trade, Restaurants and Hotels sector (65,600 persons), 14,000 more females than males were employed. As well, in the Finance, Insurance, Real-Estate and Business Services sector which comprised 32,100 persons, 2,400 more females were employed. These three sectors remained the largest employers of females during the July to September 2017 period.

Community, Social and Personal Services was the largest employer of men during the fourth quarter (94,700 persons), followed by Construction (73,500 persons); Wholesale/Retail Trade, Restaurants and Hotels (51,600 persons); Other Manufacturing (36,300 persons); and Transport, Storage and Communication (34,400 persons).

42 The labour force comprises all persons aged 15 years and over who either had jobs (the employed), or if they did not have jobs, were willing and able to work (the unemployed) during the specific survey reference period. It includes employees, employers and the self-employed persons.

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

CENTRAL GOVERNMENT OPERATIONS

Overview

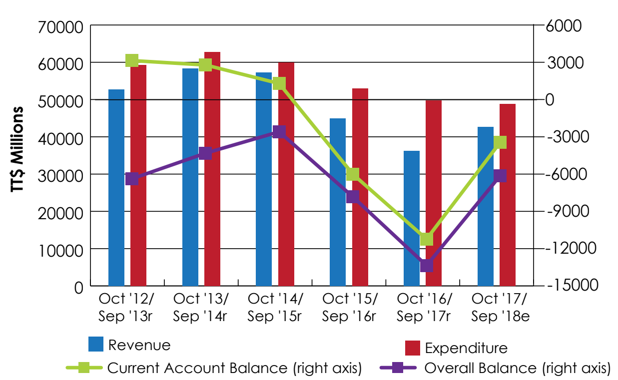
The fiscal 2018 Budget was predicated on a weighted average price for crude oil of US$52.00 per barrel and a natural gas price of US$2.75 per million of British thermal units (mmBtu). Total Revenue and Grants was estimated at $45,741.8 million, inclusive of Grants. Current Revenue accounted for 86.0 percent ($39,321.8 million) of Total Revenue, while Capital Revenue was projected to account for the remaining 14.0 percent ($6,420.0 million). Total Expenditure was projected at $50,501.5 million, resulting in a budget deficit of $4,759.7 million or 3.0 percent of GDP[44].

Mid-Year Revised Estimates were based on the same average oil and natural gas prices used for the Budget. This notwithstanding, the mid-year revised estimates for fiscal 2018 projected a lower overall deficit of $4,198.9 million or 2.7 percent of GDP. At the mid-year review, Total Revenue and Grants was revised downwards from the budgeted figure of $45,741.8 million to $44,680.1 million, while Total Expenditure was reduced to $48,879.0 million. As it relates to the Current Account balance, a deficit of $428.0 million was projected.

Based on the latest Revised Estimates for fiscal 2018, however, Central Government operations are now expected to result in an overall deficit of $6,261.6 million, or 3.9 percent of GDP[45], while a Current Account deficit of $3,563.9 million is anticipated. Total Revenues and Grants have since been revised to $42,617.6 million, while Total Expenditure is projected at $48,879.2 million, remaining unchanged from the Mid-Year Revised Estimates **(Figure 11)**.

The Net Asset Value of the Heritage and Stabilisation Fund (HSF) stood at US$5,762.5 million as at September 30, 2017. By September 21, 2018, however, the value of the Fund had increased to US$5,979.4 million, an increase of US$216.9 million With no transfers expected to be made in the current fiscal year, growth of the HSF has been solely driven by portfolio investment returns.

Figure 11: Central Government Fiscal Operations



Source: Ministry of Finance

Revenue

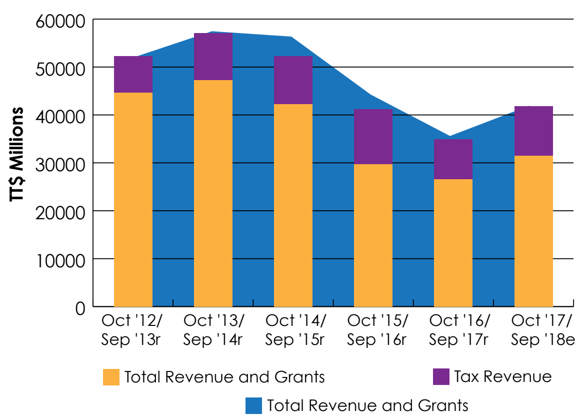
In fiscal 2018, Total Revenue and Grants, projected at $42,617.6 million, is expected to be $3,124.2 million lower than originally budgeted but nonetheless higher than receipts of $36,180.6 million in fiscal 2017 **(Figure 12)**. The main contributors to the stronger revenue

44 Gross Domestic Product (GDP) at the time of the 2018 Budget was estimated at $156,046.8 million.

45 The latest GDP at Current Prices as provided by the Central Statistical Office is now estimated at $158,504.5 million for fiscal 2018.

performance between fiscal 2017 and fiscal 2018 are the increased receipts of Taxes on Income and Profits, Taxes on Goods and Services and Non-Tax Revenue totaling $3,043.6 million, $2,045.3 million and $1,929.6 million respectively. Tax Revenue is projected to comprise 74.0 percent of Total Revenue and Grants in fiscal 2018.

Figure 12: Central Government Revenue



Source: Ministry of Finance

Tax Revenue

Taxes on Income and Profits

Actual receipts from Taxes on Income and Profits are expected to exceed fiscal 2017 receipts by $576.9 million, primarily due to enhanced collections from companies, categorised as Oil Companies and Other Companies. These receipts are expected to amount to $2,000.0 million and $8,630.0 million, respectively. Higher than anticipated commodity prices and the introduction of a new tax bracket of 35.0 percent for commercial banks were the main reasons why revenue from these two items surpassed fiscal 2017 receipts. Receipts from Individuals, totaling $6,720.0 million, is projected to also exceed fiscal 2017 collections of $6,303.3 million.

Increases in Withholding Taxes, the Business Levy and contributions to the Unemployment Fund between fiscal years 2017 to 2018 amounted to $43.2 million, $17.2 million and $11.6 million, respectively. Lower receipts from Health Surcharge ($184.0 million) and the Green Fund ($801.3 million) are expected.

Taxes on Goods and Services

Taxes on Goods and Services, estimated at $8,658.2 million, are expected to be 30.9 percent higher than the $6,612.9 million collected for fiscal 2017. Higher collections of Value Added Tax (VAT), amounting to $7,100.0 million, reflects the reduction in VAT refunds paid during the current fiscal year. Increased net collection of VAT is expected to offset the marginal fall in Excise Duties, as well as the $50.9 million fall off in Motor Vehicle Taxes and Duties, totaling $714.0 million and $364.2 million, respectively. The recently implemented Club Gaming Tax as well as the Tax on Online Purchases are expected to register 37.5 percent and 26.7 percent improvements in collections, respectively.

Taxes on International Trade

Collections from Taxes on International Trade for fiscal 2018, consisting mostly of Import Duties, are estimated at $2,549.8 million, a 5.0 percent decline in collections received in fiscal 2017.

Taxes on Property

Receipts from Taxes on Property are estimated at $2.4 million, $250.8 million lower than originally budgeted and consequent to delays in the implementation of the Property Tax regime.

NON- TAX REVENUE

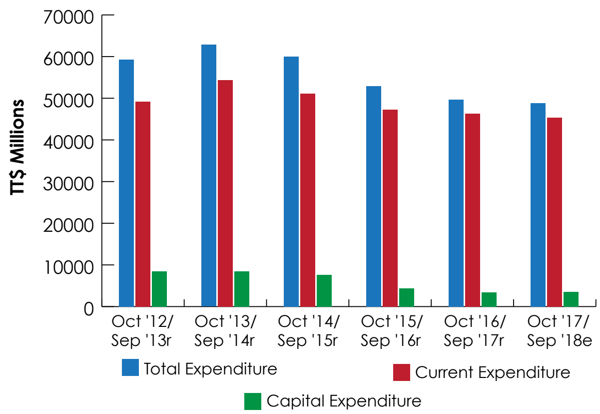
In the current fiscal year, Non-Tax Revenue receipts are estimated to increase to $10,243.6 million; 23.2 percent higher than fiscal 2017 collections, which amounted to $8,314.0 million. Contributing to increased Non-Tax Revenue was an approximate doubling of receipts from Royalties on Oil and Gas, which amounted to $2,100.0 million, as compared to $938.9 million in the previous fiscal year. This was consequent to the introduction, in fiscal 2018, of a 12.5 percent royalty rate on the extraction of natural gas. Profits from State Enterprises is projected at $4,500.9 million, a 39.8 percent increase over the fiscal 2017 receipts and largely due to receipts consequent to the sale of bonds by the National Investment Fund (NIF). Likewise, a projected $332.6 million rise in Equity Profits of the Central Bank amounting to $1,046.6 million is also projected to contribute to enhanced revenue collections in the current fiscal year.

Under Non-Tax Revenues, Profits from the National Lotteries Control Board (NLCB) are expected to decrease by $118.9 million from $335.9 million in fiscal 2017 to $217.0 million in fiscal 2018 due to lower than estimated lottery ticket sales. The Share of Profits from Oil Companies received over fiscal 2018 amount to $1,000.0 million, are also expected to decline, as compared to the fiscal 2017 receipts of $1,300.0 million. Marginal decreases of $15.8 million and $42.3 million are expected in Interest Income and Administrative Fees and Charges, respectively.

CAPITAL REVENUE

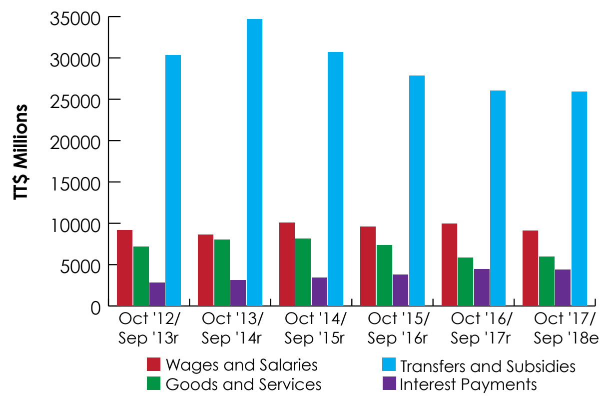
Capital Revenue receipts for fiscal 2018, amounting to $833.6 million, are projected to fall short of receipts for fiscal 2017 by $476.9 million and the budgeted figure for fiscal 2018 by $5,586.4 million. Extraordinary revenue items, in particular, proceeds from the sale of bonds by the National Investment Fund (NIF), which comprises assets from CLICO, CL Financial, CLICO Investment Bank (CIB) and Trinidad Generation Unlimited (TGU) among other government-owned assets, have been reclassified as Profits from State Enterprises. Consequently, receipts from the sale of these assets have been revised downwards in order to accurately reflect the reclassification of expected revenue from the NIF in 2018.

Figure 13: Central Government Expenditure



Source: Ministry of Finance

Figure 14: Major Components of Current Expenditure



Source: Ministry of Finance

Expenditure

In fiscal 2018, Total Expenditure is anticipated to decline by 1.7 percent to $48,879.0 million as compared to the previous fiscal year. Total Expenditure also fell short of the budgeted estimate of $50,501.5 million, with Current Expenditure, totaling $45,347.9 million, and accounting for 92.8 percent of Total Expenditure, while Capital Expenditure, estimated at $3,531.3 million, comprises of the remaining 7.2 percent of Total Expenditure **(Figure 13)**.

Of Current Expenditure, Wages and Salaries, Interest Payments and Transfers and Subsidies are projected to decrease **(Figure 14)**. In contrast, expenditure on Other Goods and Services is expected to increase by the end of the 2018 fiscal year. The most substantial decreases are projected to be an 8.2 percent decline in Wages and Salaries and a 5.9 percent reduction in expenditure on Transfers and Subsidies. Interest Payments are anticipated to decline marginally by 2.0 percent. Conversely, expenditure on Other Goods and Services is projected to increase by 2.1 percent.

Personnel Expenditure is projected to decline to $9,127.0 million in fiscal 2018, as compared with the $9,937.8 million in the preceding fiscal year. In this regard, it should be noted that the wage bill for fiscal 2017 would have included the partial payment of arrears of salaries and allowances to Public Officers consequent to the settlement of collective bargaining agreements for previous years.

Expenditure on Interest Payments is anticipated at $4,377.5 million, compared with payments of $4,468.4 million in fiscal 2017. When disaggregated, Domestic Interest Payments ($3,439.2 million) are expected to be

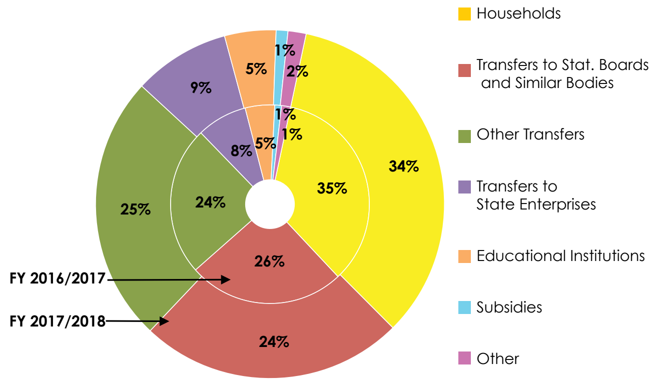
$134.8 million lower than in fiscal 2017 as finalisation of terms and conditions of some new loans have been delayed. On the other hand, External Interest Payments, amounting to $938.3 million, are estimated to be $43.9 million higher than in the preceding fiscal year. The higher than budgeted payments were consequent to revised debt service related to a new policy-based loan received from the Andean Bank for Development (CAF).

An estimated $5,948.3 million is expected to be spent on Other Goods and Services, up from the $5,827.2 million expenditure in fiscal 2017. Lower expenditure was recorded on Management Expenses/ Expense of Issue/ Discounts and Other Financial Instruments ($246.6 million) but was outweighed by increased spending on Goods and Services ($5,564.3 million) and Minor Equipment Purchases ($137.4 million).

Subsidies, which represent 1.1 percent of Transfers and Subsidies, are estimated at $282.5 million; 2.5 percent lower than the previous fiscal year's total of $289.6 million. This anticipated reduction of $7.1 million is consequent to decreased subsidies for the operations of the Port Authority and for Relief of Flood Damage, in amounts of $35.5 million and $4.5 million, respectively.

Conversely, Current Transfers, which contribute 74.4 percent of Total Transfers and Subsidies, is expected to amount to $19,266.3 million; $156.6 million higher than fiscal 2017. The largest percentage increase in the components of Current Transfers is expected in Transfers Abroad, which is projected to rise by 43.5 percent to $233.1 million, owing to the 2010 General Capital increase in contributions to the International Bank for Reconstruction and Development (IBRD). Other Transfers are expected to increase by 12.9 percent to $8,606.1 million, on account of increased transfers to the Infrastructure Development Fund (totaling $1,750.4 million) to meet the cost of ongoing and new projects and to State Enterprises amounting to ($2,316.4 million) largely for Interest and Principal Payments on Government Guaranteed loans of the Urban Development Corporation of Trinidad and Tobago (UDeCOTT). These increases outweighed reductions in Transfers to Households, Transfers to Non- Profit Institutions and Transfers to Educational Institutions. **(Figure 15)**.

Figure 15: Transfers and Subsidies



Source: Ministry of Finance

Transfers to Households is estimated at $8,860.3 million for the current fiscal period, 1.8 percent lower than in fiscal 2017. This decline from the preceding year is attributed to lower expenditure under the Government Assistance for Tuition Expenses (GATE) Fund by 20.3 percent or $110.4 million, a result of administrative delays in settling claims as well as the implementation of a "means testing system" which reduced the number of recipients in the programme. Transfers to Educational and Non-Profit Institutions have been further reduced in the 2018 fiscal year, by $13.5 million and $5.8 million respectively.

Transfers to Statutory Boards and Similar Bodies, which account for 24.5 percent of total Transfers and Subsidies, are projected to fall by $284.5 million in fiscal 2017. Reduced remittances to Local Government Bodies and Public Utilities in the amounts of $1,478.8 million and $2,184.9 million will help to offset an increase in funding to the Tobago House of Assembly, totaling $1,936.7 million, mainly for reimbursement to the Tobago Regional Health Authority for the payment of arrears of salaries and allowances owed to employees in accordance with the collective agreements for the period 2011 to 2013.

Expenditure on Capital Projects, estimated at $3,531.3 million, represents a 2.4 percent increase from the previous year's total of $3,448.5 million. Expenditure under the Infrastructure Development Fund is anticipated to rise from $1,501.6 million in fiscal 2017 to $1,826.8 million in the current fiscal year, to meet the cost of ongoing and new projects with the aim of accelerating the Public Sector Investment Programme (PSIP). Capital Expenditure funded via the Consolidated

Fund is expected to decline to $1,704.5 million from $1,946.9 million in the previous fiscal year, respective of delays in the implementation of projects due to financial constraints.

Financing

Fiscal Year 2017

For fiscal 2017, the Central Government financing requirement was estimated at $13,531.4 million, which was financed via $3,266.7 million in net external funding and net domestic funding of $10,264.7 million. Net External Financing comprised borrowings in the amount of $2,099.8 million, drawdowns from the Heritage and Stabilisation Fund (HSF) of $1,712.2 million, as well as proceeds from a US $300 million policy-based loan from CAF (estimated at $2,012.2 million). Net Domestic Borrowings comprised mainly Private Sector Borrowing, totaling $8,191.8 million.

Fiscal Year 2018

In the current fiscal year, the projected Central Government financing requirement of $6,261.6 million is expected to be met from external sources amounting to $1,322.5 million and domestic sources totaling $4,939.1 million. Total External Borrowing is projected at $1,966.6 million, $758.6 million of which are Project Related loans while $1,208.0 million (US$180.0 million) represents a policy-based loan from CAF. External Capital Repayments for fiscal 2018 is estimated at $644.1 million. Domestic Financing in fiscal 2018 includes Central Government Borrowings of $6,018.5 million, withdrawals from the Infrastructure Development Fund of $1,826.8 million and Sinking Fund Contributions of $725.3 million.

Public Debt and Debt Service

Total Public Sector Debt or Gross Public Sector Debt moved from $121,258.6 million in fiscal 2017 to $122,173.6 million in fiscal 2018, an increase of 0.7 percent. This figure comprises Net Public Sector Debt plus borrowings for Open Market Operations (OMOs), which consist of Treasury Bills, Treasury Notes and Treasury Bonds.

Net Public Sector Debt Stock[46] comprises Central Government Domestic Debt (43.4 percent), Central Government External Debt (26.9 percent), Contingent Debt (29.5 percent) as well as BOLTs and Leases (0.1 percent). It is anticipated that Net Public Sector Debt will increase by 3.1 percent from $93,647.1 million in fiscal 2017 to $96,592.0 million by the end of fiscal 2018. Based on revised GDP[47], Net Public Sector Debt as a percentage of GDP is estimated to decrease from 62.1 percent at the end of fiscal 2017 to 60.9 percent at the end of fiscal 2018.

Public Sector Domestic Debt, which accounts for 71.2 percent of Net Public Sector Debt and includes Central Government and Government Guaranteed Debt, is projected to increase by $607.5 million or 0.9 percent in fiscal 2018 and equates to 43.4 percent of GDP in fiscal 2018.

Public Sector External Debt, which accounts for 28.8 percent of Net Public Sector Debt, is anticipated to grow by $2,337.4 million or 9.2 percent by the end of fiscal 2018. As a percent of GDP, it is expected to increase from 16.9 percent in fiscal 2017 to 17.6 percent in fiscal 2018.

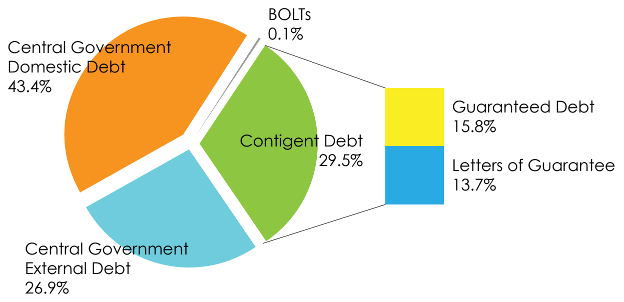
Central Government Debt, which comprises Domestic, BOLTs and Leases as well as External Debt, is expected to increase by 5.8 percent from $64,360.3 million in fiscal 2017 to $68,097.6 million in fiscal 2018 and from 42.7 percent to 43.0 percent as a percentage of GDP.

Contingent Liabilities comprising the Government Guaranteed Debt of State Enterprises and Statutory Authorities, is anticipated to fall by $792.3 million (2.7 percent) from $29,286.8 million in fiscal 2017 to $28,494.5 million in fiscal 2018 and from 19.4 percent to 18.0 percent as a percentage of GDP.

46 Net Public Sector debt is defined as the sum of all domestic and external obligations of public debtors which include the Central Government and autonomous public bodies such as State Enterprises and Statutory Authorities. It excludes instruments of Open Market Operations (OMOs) such as Treasury Bills, Treasury Notes, Treasury Bonds and Sterilised Bonds; proceeds of which are held or sterilised at the Central Bank and not utilised by the GORTT for its operations.

47 2018 Nominal Gross Domestic Product (GDP) as provided by Central Statistical Office (CSO) is estimated to be $158,504 million. In 2018, the CSO revised its 2013, 2014, 2015, 2016 and 2017 projections to $174,660.6 million, $176,109.0 million, $160,210.0 million, $145,026.7 million and $150,847.0 million respectively.

Figure 16: Composition of Net Public Sector Debt



Source: Ministry of Finance

Central Government Domestic Debt[48]

Central Government Domestic Debt, which accounts for 43.4 percent of Net Public Sector Debt, is projected to rise by 3.1 percent from $40,678.2 million in fiscal 2017 to $41,946.5 million in fiscal 2018. As a percentage of GDP Central Government Domestic Debt is estimated at 26.5 percent in fiscal 2018. **Debt Management Bills**[49], which form part of Central Government Domestic Debt (4.5 percent) and presently accounts for 2.0 percent of Net Public Sector Debt, are expected to remain unchanged at $1,905.0 million in 2018.

During the fiscal year, the Government issued eight (8) new Central Government bonds totalling $6,025.2 million, the proceeds of which were utilised for budget financing and debt repayment. These were issued as follows:

- $1,000.0 million, 13-year, floating rate bond - current effective rate 4.50 percent;
- $1,000.0 million, 14-year, 4.65 percent bond;
- US$100.0 million, 3-year, 3.10 percent bond;
- $1,200.0 million, 6-month, 1.90 percent bond;
- $1,200.0 million bond: Tranche A - $800.0 million, 7-year, 4.15 percent and Tranche B - $400.0 million, 15-year, 5.15 percent;
- $250.0 million, 12-year, 4.60 percent bond;
- $500.0 million, 3-year, floating rate bond - current effective rate 2.75 percent; and
- $200.0 million, 11-year, 4.75 percent bond.

Build, Own Lease and Transfer (BOLT) arrangements are expected to decline by 18.1 percent or $28.8 million from $159.4 million in fiscal 2017 to $130.6 million in 2018, as these facilities are paid down. BOLTs account for a marginal 0.1 percent of Net Public Sector Debt in fiscal 2018.

Contingent Liabilities

Contingent Liabilities comprise borrowings by State Enterprises and Statutory Bodies with explicit Government Guarantees. These Liabilities are anticipated to fall by $792.3 million or 2.7 percent from $29,286.8 million in fiscal 2017 to $28,494.5 million in fiscal 2018 due mainly to the repayment of principal.

Letters of Guarantee[50] are forecasted to decrease by $890.3 million or 6.3 percent from $14,121.9 million in fiscal 2017 to $13,231.6 million in fiscal 2018. During the year, new Letters of Guarantee totalling $1,878.4 million were issued, Existing Letters of Guarantee amounting to $2,603.2 million were converted to full Guarantees and reassigned from Letters of Guarantee to Guaranteed Debt. Principal repayments totalled $165.5 million, resulted in an overall reduction in Letters of Guarantee in fiscal 2018.

Letters of Guarantee issued to Statutory Authorities at the end of fiscal 2018 are expected to decrease to $2,724.2 million, representing a 35.9 percent or $1,525.3 million decline from fiscal 2017. The decline in Letters of Guarantee was mainly attributable to the conversion of a Water and Sewerage Authority (WASA) $420 million fixed rate overdraft facility and a Trinidad and Tobago Electricity Company (T&TEC) $1,612.6 million fixed rate bond.

Letters of Guarantee issued to Statutory Authorities was further reduced via principal repayments totalling $421.9 million. There was one (1) new Letter of Guarantee issued

48 Figures quoted in Trinidad and Tobago Dollars unless otherwise specified.

49 Debt Management Bills are Treasury Bills used for the purpose of Budget Financing.

50 A Government Guarantee initially issued to a State Enterprise or a Statutory Authority in the form of a letter.

by the Government to a Statutory Authority in fiscal 2018 namely, a $508.70 million loan facility to WASA for the repayment of a short term bridge loan which was previously non-guaranteed.

Letters of Guarantee issued to State Enterprises at the end of fiscal 2018 are expected to increase by $635.0 million or 6.4 percent from $9,872.4 million in fiscal 2017 to $10,507.4 million. The increase is mainly due to the issuance of nine (9) new Letters of Guarantee to State Enterprises in respect of borrowing including: Urban Development Corporation (UDeCOTT) $199.6 million and US$99.6 million loan facility for the construction of the Arima Hospital; a National Insurance Property Development Company (NIPDEC) $405.0 million loan facility to fund the Programme of Works of the Programme for Upgrading Road Efficiency (PURE); a Petroleum Company of Trinidad and Tobago (PETROTRIN) US$25.0 million facility issued for working capital and trade financing purposes; a Caribbean Airlines Limited (CAL) US$75.0 million loan facility for refinancing an existing loan facility; an Export Import Bank of Trinidad and Tobago, US$20.0 million loan facility to fund the loan portfolio growth related to trade financing; a UDeCOTT US$47.3 million loan facility for the restoration and refurbishment of President's House; a Palo Seco Agricultural Enterprises Limited (PSAEL) $28.8 million loan facility; a UDeCOTT US$41.2 million for refinancing of an existing short term bridge loan for construction works at the Point Fortin Hospital; and a UDeCOTT $87.8 million loan facility for the retrofitting of Cabildo Chambers.

During fiscal 2018, two (2) Letters of Guarantee issued on behalf of UDeCOTT ($512.8 million, fixed rate loan, for the fit out of Government Campus Plaza), and the Education Facilities Company Limited (EFCL) ($286.6 million fixed rate loan for the construction of Early Childhood Care and Education Centres), were converted to Deeds of Guarantee.

Guaranteed Debt[51] of the State Enterprises and Statutory Authorities is estimated to increase by $98.0 million or 0.6 percent from $15,164.9 million in fiscal 2017 to $15,262.9 million in fiscal 2018. Statutory Authorities comprise 48.4 percent while State Enterprises comprise 51.6 percent of Guaranteed Debt in fiscal 2018.

Guaranteed Debt of Statutory Authorities is forecast to increase by $894.3 million or 13.8 percent by the end of fiscal 2018. The increase in Guaranteed Debt of Statutory Authorities was mainly attributable to the conversions of Letters of Guarantee to Deed of Guarantee in respect of the Water and Sewerage Authority (WASA), a $420.0 million fixed rate overdraft facility; and a Trinidad and Tobago Electricity Company (T&TEC) $1,612.6 million fixed rate bond.

Guaranteed Debt of State Enterprises is forecasted to fall by $796.3 million or 9.2 percent by the end of fiscal 2018. The decrease in Guaranteed Debt of State Enterprises is primarily due to principal repayments on existing debt totalling $752.8 million in fiscal 2018.

Central Government External Debt is projected to grow by 10.6 percent from $23,522.7 million in fiscal 2017 to $26,020.5 million in fiscal 2018. It is anticipated that by the end of fiscal 2018 this debt will account for 26.9 percent of Net Public Sector Debt and 16.4 percent of GDP. The increase is mainly due to the drawdown of the following new facilities:

- CNY 148.43 million, 20-year, 2 percent fixed rate loan from the Export-Import Bank of China;
- US$180 million, 15-year, floating rate Policy Based Loan from the Corporacion Andina de Fomento (CAF); and
- EUR 81.4 million, 10-year, floating rate loan from the UniCredit Bank of Austria.

During fiscal 2018, disbursements totalling $1,125.0 million were received from existing facilities from the Inter-American Development Bank (IADB) as follows: $0.2 million under the Strengthening the Trinidad and Tobago's Public Financial Management System; $28.5 million under the Global Services Programme; $31.7 million under the project loan for Strengthening Information Management at the Registrar General's Department; $32.8 million under the project loan for the Single Electronic Window for Trade and Business Facilitation; $65.4 million under the Health Services Support Programme; $95.7 million under the WASA Modernisation and Wastewater Infrastructure

51 Government Guaranteed debt is debt that is guaranteed by Deed and not by Letter.

Rehabilitation Programme; and $870.8 million under the Multi-Phase Wastewater Rehabilitation Programme.

Debt Service

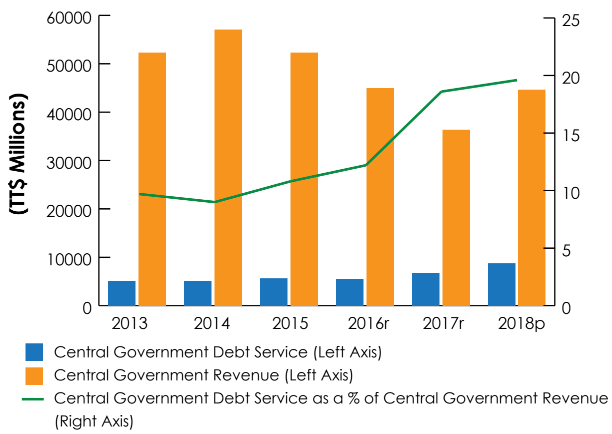
Central Government Debt Service[52] is expected to rise by 29.9 percent or $2,018.0 million, from $6,746.2 million in fiscal 2017 to $8,764.2 million in fiscal 2018; $5,548.8 million being principal repayment and $3,215.4 million interest payments.

Domestic Debt Service, which currently accounts for 80.8 percent of total debt service, is estimated at $7,084.9 million for fiscal 2018, of which $4,855.9 million is attributed to principal repayments and $2,229.0 million to interest. Of the $4,855.9 million in principal repayments, $2,850.0 million represented refinancing or rollover of existing debt while $2,005.9 million represented outright repayment of existing debt.

External Debt Service is expected to increase by 15.5 percent or $225.8 million, moving from $1,453.6 million in fiscal 2017 to $1,679.3 million in fiscal 2018. External principal repayments are projected at $692.9 million, while interest payments are projected at $986.4 million in fiscal 2018.

Central Government Debt Service as a percentage of Central Government Revenue is expected to rise from 18.6 percent in fiscal 2017 to 20.6 percent in fiscal 2018. **(Figure 17)**.

Figure 17: Central Government Debt Service and Revenue



Source: Ministry of Finance

Sinking Funds

In 2018 the closing balance on **Sinking Funds**[53] is expected to decrease by 3.9 percent or $271.2 million, from $6,867.5 million at the end of fiscal 2017 to $6,596.3 million at the end of fiscal 2018. During the fiscal 2018, payments from Sinking Funds totalled $742.1 million, whereas contributions totalled $725.3 million.

Total Public Sector Debt[54]

Total Public Sector Debt or Gross Public Sector Debt moved from $121,258.6 million in fiscal 2017 to $122,173.6 million in fiscal 2018. This figure comprises Net Public Sector Debt ($96,592.0 million) plus borrowings for Open Market Operations (OMOs), which consist of Treasury Bills ($20,293.3 million), Treasury Notes ($2,985.0 million) and Treasury Bonds ($2,303.3 million). Proceeds of OMOs are not utilised by the Central Government for its operations, but are held or sterilised at the CBTT. Given that borrowings for the purpose of OMOs are expected to decrease by $2,029.97 million in 2018, the increase

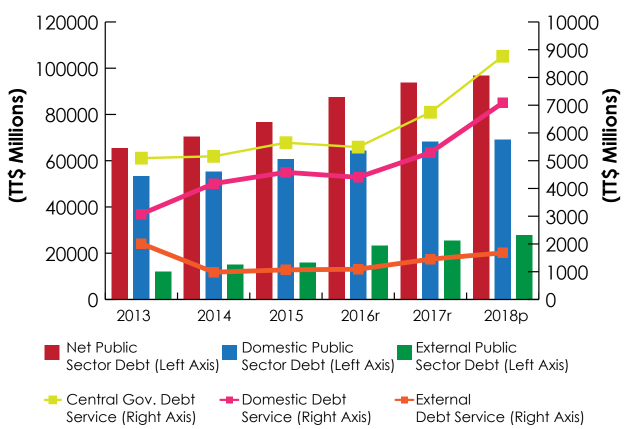
52 Total Central Government Debt Service includes interest and principal repayments of the Central Government Domestic and External Debt portfolio, but excludes principal repayments on Treasury Bills, Treasury Notes, Treasury Bonds and Debt Management Bills.

53 A Sinking Fund is a separate Government account earmarked for debt repayment.

54 Total Public Sector Debt comprises Net Public Sector Debt plus outstanding balances issued for the purpose of Open Market Operations (OMOs) including Treasury Bills, Treasury Notes and Treasury Bonds.

in Gross Public Sector Debt is due to the increase of $2,994.9 million in Net Public Sector Debt.

Figure 18: Public Sector Debt and Debt Servicing

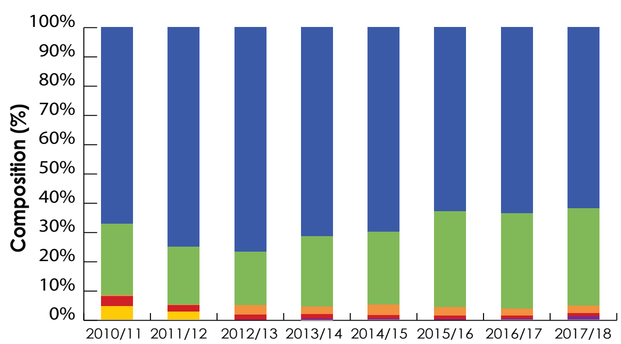


Source: Ministry of Finance

Currency Composition

It is anticipated that by the end of fiscal 2018, the majority of the Central Government Debt Portfolio will be denominated in Trinidad and Tobago Dollars (TTD) 61.9 percent, followed by the United States Dollar (USD) 33.1 percent, with 2.7 percent denominated in Chinese Yuan Renminbi (CNY), 1.2 percent in Euros (EUR), and 1.0 percent in Japanese Yen (JPY). The proportion of Central Government foreign currency denominated debt increased from 32.8 percent in fiscal 2011 to 38.1 percent in fiscal 2018.

Figure 19: Currency Composition of Central Government Debt Stock



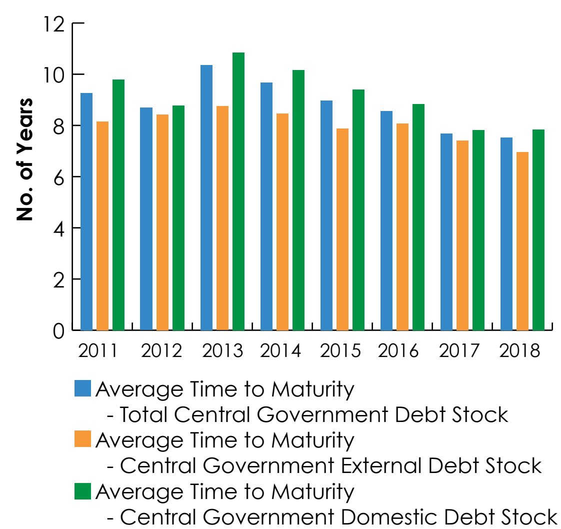
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
TTD	67.2	74.9	76.6	71.4	69.8	62.9	63.5	61.9
USD	24.3	19.8	18.4	24.0	25.0	32.6	32.6	33.1
CNY	0.4	0.2	3.1	2.7	3.5	2.9	2.5	2.7
JPY	3.4	2.3	1.8	1.4	1.2	1.3	1.0	1.0
EUR	-	-	0.1	0.6	0.4	0.3	0.3	1.2
GBP	4.5	2.7	-	-	-	-	-	-
WEU	0.1	0.1	0.1	0.1	-	-	-	-

Source: Ministry of Finance

Portfolio Risk

The **Average Time to Maturity (ATM)** of the debt Portfolio of the Central Government represents the average length of time before the principal balances are repaid. Over the period fiscal 2011 to fiscal 2018, the ATM of the Central Government debt portfolio was 8.84 years, with the domestic component of the portfolio averaging 9.19 years and the external component averaging 8.02 years. **Figure 20** indicates that the ATM has been declining over the period fiscal 2011 to fiscal 2018 from 9.26 years in fiscal 2011 to 7.52 years in fiscal 2018.

Figure 20: Average Time to Maturity of Central Government Debt Stock 2011-2018



Source: Ministry of Finance

Trinidad and Tobago Credit Ratings

Trinidad and Tobago has traditionally been rated by two international rating agencies, Moody's Investors Service (Moody's), Standard & Poor's (S&P) and one regional rating agency, Caribbean Information and Credit Rating Services Limited (CariCRIS). Due to differing methodologies employed by the various agencies Trinidad and Tobago is currently assigned ratings of investment grade by S&P (BBB+/A-2) and non-investment grade by Moody's (Ba1, Baa3/P-3 and Ba2/NP). Additionally CariCRIS maintained both its regional and national rating of CariAA+ and ttAAA, respectively with a Stable outlook in 2018 from Negative in 2017.

Moody's Investors Service

Following its credit rating exercise in May 2018, Moody's Investors Service (Moody's) reaffirmed Trinidad and Tobago's government bond foreign and local currency rating of Ba1 with a Stable outlook. Further, Trinidad and Tobago's Country ceiling rating for foreign-currency was Baa3/P-3 with a local currency rating of Baa2. Moody's maintained its Bank Deposit ceiling rating of Ba2/NP for foreign-currency and Baa2 for local currency.

According to Moody's, Trinidad and Tobago's credit profile is supported by large financial buffers, stemming from the accumulation of savings in the HSF, significant international reserves, modest current account deficits, low external vulnerabilities and relatively high income levels. Notwithstanding the above, a steady rise in government debt ratios, lack of economic policy response, low institutional capacity and weak fiscal policy execution, contributed to an erosion of sovereign creditworthiness.

Moody's stated that though oil prices are increasing, oil production remains relatively flat and thus growth in the Energy sector will be driven by increased gas production from gas fields due to come on stream. The Agency advised that although the Government is pursuing a number of reforms, legislative and other challenges will delay implementation prior to the 2020 General Election. Moody's affirmed that the country's banking system remains well capitalised, profitable and liquid and that the country's susceptibility to event risk continues to be very low as there is ample access to a relatively deep domestic financial market.

Table 6: Trinidad and Tobago Credit Rating History by Moody's Investors Service: 2007 - 2018

Year	Outlook	Foreign Currency Ceiling				Government Bond Ratings	
		Bonds and Notes		Bank Deposits		Foreign Currency	Local Currency
		Long term	Short term	Long term	Short term	Long term	Short term
May 2018	Stable	Baa3	P-3	Ba2	NP	Baa2	Baa2
Apr 2017	Stable	Baa3	P-3	Ba2	NP	Baa2	Baa2
Apr 2016	Negative	Baa2	P-3	Baa3	P-3	Baa1	Baa1
Apr 2015	Negative	A3	P-2	Baa2	P-3	Baa2	Baa2
Jan 2014	Stable	A1	P-1	Baa1	P-2	Baa1	Baa1
Jan 2013	Stable	A1	...	Baa1	...	Baa1	Baa1
Aug 2012	Stable	A1	...	Baa1	...	Baa1	Baa1
July 2011	Stable	A1	...	Baa1	...	Baa1	Baa1
Jun 2010	Stable	A1	...	Baa1	...	Baa1	Baa1
Jun 2009	Stable	A1	...	Baa1	...	Baa1	Baa1
Dec 2008	Stable	A1	...	Baa1	...	Baa1	Baa1
Oct 2007	Stable	A1	...	Baa1	P-2	Baa1	Baa1

Source: Moody's Investors Service (2018)

The Stable outlook assigned by Moody's is reflective of their expectation that capital revenue from asset sales would help reduce government borrowing requirements and lead to relatively stable government debt ratios. Moody's indicated that ratings may be upgraded if there is an economic policy response that proves effective in reversing the rise in government debt levels. Downgrade risks include higher than expected fiscal deficits and government debt ratios. Depletion of fiscal buffers, coupled with limited fiscal consolidation would also increase the chances of a downgrade.

Standard and Poor's Ratings Services

Following their April 2018 ratings review, S&P maintained its BBB+/A-2 foreign and local currency sovereign credit ratings, but revised its outlook from Stable to Negative. The ratings reflect the country's solid level of financial assets that serve to mitigate the effect of economic cycles on its fiscal and external performance.

Further, S&P stated that despite modestly higher energy prices and higher energy production, they believe growth will be restrained by challenges in accessing foreign currency, investment uncertainty in the private sector and restrained government spending. S&P anticipates that natural gas production will increase by 13 percent over the next two (2) years. However, S&P does not expect crude oil production to increase over the same period due to natural decline and uncertainty surrounding new sources of production.

The Rating Agency advised that solid, if declining, foreign reserves at the Central Bank and sizable government assets, including a sovereign wealth fund, continue to limit fiscal and external financing risks. New revenue measures, spending restraint and stronger energy performance will contribute to the improved fiscal deficit. However, S&P is of the opinion that over half of the improvement in revenues will come from one-off measures. S&P expects the banking sector to remain profitable, well-capitalised and highly liquid. According to S&P credit quality has benefited from relatively stable employment levels, despite the economic downturn.

S&P indicated that the outlook could be revised if there is sustained growth in the Energy sector due to higher than expected energy prices and production levels and larger capital inflows to curtail the deterioration of Trinidad and Tobago's net external asset position. Furthermore, a track record of successful fiscal consolidation, declining interest costs and effective institutional reform, could lead to a Stable outlook.

Table 7: Trinidad and Tobago Credit Rating History by Standard and Poor's Ratings Services: 2008 - 2018

Year	Outlook	Foreign currency		Local currency	
		Long term	Short term	Long term	Short term
Apr 2018	Negative	BBB+	A-2	BBB+	A-2
Apr 2017	Stable	BBB+	A-2	BBB+	A-2
Apr 2016	Negative	A-	A-2	A-	A-2
Dec 2015	Negative	A	A-1	A	A-1
Dec 2014	Stable	A	A-1	A	A-1
Jan 2013	Stable	A	A-1	A	A-1
Jan 2012	Stable	A	A-1	A	A-1
Aug 2011	Stable	A	A-1	A	A-1
Jan 2011	Stable	A	A-1	A+	A-1
Dec 2009	Stable	A	A-1	A+	A-1
April 2009	Negative	A	A-1	A+	A-1
Aug 2008	Stable	A	A-2	A+	A-1

Source: Standard & Poor's Ratings Services (2018)

Caribbean Information and Credit Rating Services Limited (CariCRIS)

Following its annual rating exercise in 2018, CariCRIS maintained both its regional and national rating of CariAA+ and ttAAA respectively, with the outlook revised from Negative to Stable. Attributive factors include: a well-regulated financial system with relatively stable monetary and exchange rate performance and policies which are expected to be maintained or improved in 2018; comfortable debt service coverage when compared to its Caribbean peers despite some deterioration; and a large diversified economy which provides a level of resilience in difficult times.

The agency identified several weaknesses in the Trinidad and Tobago economy such as fiscal consolidation which has been a challenge for the Government, however, preliminary estimates indicate improvement in the first seven months of fiscal 2018; falling official reserves over the last four (4) years despite improvements in the current, capital and financial external accounts' balances in 2017; rising unemployment and heightened crime levels; as well as continued challenges regarding macro-economic data.

CariCRIS advised that the following factors could lead to a lowering of the Ratings and the Outlook, such as an increase in public sector debt to above 86 percent of GDP; a sustained deterioration in debt servicing capability to below four (4) times sustained over two (2) consecutive years; a fiscal deficit in excess of 8 percent of GDP sustained over two (2) consecutive years; and a fall in import cover to seven (7) months or less.

Table 8: Trinidad and Tobago Credit Rating History by CariCRIS: 2012 - 2018

Rating	2012	2013	2014	2015	2016	2017	2018
Regional scale foreign currency	CariAAA	CariAAA	CariAAA	CariAAA	CariAA+	CariAA+	CariAA+
Regional scale local currency	CariAAA	CariAAA	CariAAA	CariAAA	CariAA+	CariAA+	CariAA+
Trinidad and Tobago national scale	ttAAA	ttAAA	ttAAA	ttAAA	ttAAA	ttAAA	ttAAA

Source: Caribbean Information and Credit Rating Services Limited (CariCRIS) (2018)

REST OF THE NON-FINANCIAL PUBLIC SECTOR OPERATIONS

Overview

During the period October 2017 to June 2018, the Rest of the Non-Financial Public Sector[55] recorded a total operating deficit of $1,345.6 million, a deterioration from the $475.8 million operating deficit recorded for the same period of fiscal 2017 and largely driven by a sizeable operating deficit of $1,718.7 million by the Public Utilities[56]. This outturn was somewhat mitigated by an operating surplus of $373.2 million by the State Enterprises[57].

Current transfers from the Central Government[58] for the period October 2017 to June 2018 increased by $65.3 million to $2,056.2 million, from $1,990.9 million reported over the same period of the previous fiscal year. In contrast, capital transfers from the Central Government [59]decreased substantially by $632.1 million over the first three quarters of fiscal 2018 to $821.9 million, from $1,454.0 million during the corresponding period one year earlier.

Cash Operations

Between October 2017 and June 2018, total operating revenues and total operating expenditures for the sector were recorded at $37,668.3 million and $39,013.8 million, respectively, 9.0 percent and 11.3 percent increases over the corresponding period one year earlier. The cash operations of the consolidated Rest of Non-Financial Public Sector generated an overall operating deficit of $1,345.6 million, compared to an operating deficit of $475.8 million during the previous review period.

State Enterprises generated an overall operating surplus of $373.2 million during the 2017/2018 review period, which was 49.4 percent smaller than the surplus of $737.6 million recorded in the corresponding 2016/2017 period.

55 Rest of Non-Financial Public Sector refers to the consolidation of the operations of fourteen (14) State Enterprises (which represent approximately 80 percent of all 109 State Enterprises) and six (6) of the eight (8) Public Utilities.

56 Public Utilities refer to the consolidated operations of six (6) companies namely: Airports Authority of Trinidad and Tobago (AATT); Port Authority of Trinidad and Tobago (PATT); Public Transport Service Corporation (PTSC); Telecommunications Services of Trinidad and Tobago (TSTT); Trinidad and Tobago Electricity Commission (T&TEC); and Water and Sewerage Authority (WASA).

57 State Enterprises refer to the consolidated operations of fourteen (14) companies namely: Caribbean Airlines Limited (CAL); National Maintenance, Training and Security Company Limited (MTS); National Gas Company of Trinidad and Tobago Limited (NGC); National Helicopter Services Limited (NHSL); National Infrastructure Development Company Limited (NIDCO); National Petroleum Marketing Company Limited (NPMC); National Quarries Company Limited (NQCL); Petroleum Company of Trinidad and Tobago Limited (PETROTRIN); Point Lisas Industrial Port Development Corporation Limited (PLIPDECO); Solid Waste Management Company Limited (SWMCOL); Trinidad and Tobago Mortgage Finance Company Limited (TTMF); Trinidad Nitrogen Company Limited (TRINGEN); Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT); and Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT).

58 Current Transfers from Central Government are used to fund operational expenditures and subsidies.

59 Capital Transfers from Central Government comprise expenditure for projects, principal repayments and purchase of equity/equity injections.

Energy sector companies[60] reported a consolidated net operating surplus of $321.9 million, which was primarily due to the operating surplus of the Petroleum Company of Trinidad and Tobago Limited (PETROTRIN) of $1,395.2 million, primarily on account of the sales revenue of refinery products – motor gasoline, fuel oil, diesel, gas oil, kerosene and LPG. Additionally, operating surpluses were recorded by the Trinidad Nitrogen Company Limited (TRINGEN) $312.5 million, and the National Petroleum Marketing Company Limited (NPMC) $12.2 million. However, the National Gas Company (NGC) recorded a significant operating deficit of $1,398.0 million, mainly due to an exceptional expense item in May 2018 as well as the settlement of outstanding invoices.

Non-Energy State Enterprises[61] generated an overall operating surplus of $51.3 million. Caribbean Airlines Limited (CAL) was responsible for the largest operating surplus of $128.2 million. Three (3) other State Enterprises recorded a combined operating surplus of $59.3 million during the review period. These were: the Trinidad and Tobago Mortgage Finance Company Limited (TTMF) ($42.0 million), the Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) ($16.5 million) and the National Quarries Company Limited (NQCL) ($0.8 million). However, other companies recorded a combined operating deficit of $136.2 million. These were: the National Helicopter Services Limited (NHSL) ($8.0 million), the National Infrastructure Development Company Limited (NIDCO) ($72.1 million), the National Maintenance, Training and Security Company Limited (MTS) ($25.5 million), the Solid Waste Management Company Limited (SWMCOL) ($10.3 million), the Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT) ($13.0 million), and the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) ($7.3 million).

During the first nine months of fiscal 2018, Public Utilities generated operating revenues of $5,121.8 million and operating expenditures of $6,840.5 million, resulting in an operating deficit of $1,718.7 million, a 41.6 percent deterioration from the $1,213.5 million deficit recorded in the corresponding fiscal 2017 period.

The Port Authority of Trinidad and Tobago (PATT) was the only Public Utility to generate an operating surplus during the fiscal 2018 period ($11.8 million). The other five (5) Public Utilities reported operating deficits amounting to $1,730.5 million, with the Water and Sewerage Authority (WASA) responsible for 68.4 percent ($1,184.0 million) of this amount. The other four (4) Public Utilities which generated deficits were: the Airports Authority of Trinidad and Tobago (AATT) ($43.8 million), the Public Service Transport Corporation (PTSC) ($138.1 million), the Telecommunications Service of Trinidad and Tobago (TSTT) ($60.8 million), and the Trinidad and Tobago Electricity Commission (T&TEC) ($303.8 million).

Current Transfers from Central Government

During the nine-month period ending June 2018, total current transfers to the Rest of the Non-Financial Public Sector from the Central Government rose by 3.3 percent to $2,056.2 million, from $1,990.9 million during the same period one year earlier. State Enterprises received 29.2 percent of this amount ($600.8 million) during the 2017/2018 period, whilst Public Utilities received 70.8 percent ($1,455.5 million).

State Enterprises receiving the largest current transfers were: UDeCOTT ($449.1 million), SWMCOL ($62.9 million), NIDCO ($59.1 million), TTMF ($22.2 million) and VMCOTT ($7.5 million). Whereas, among Public Utilities, the largest current transfers were received by WASA ($1,228.5 million), followed by PTSC, AATT and PATT which received $170.4 million, $53.4 million and $3.2 million, respectively.

Capital Expenditure

During the first three quarters of fiscal 2018, the total capital expenditure of State Enterprises and Public Utilities amounted to $3,501.2 million. Of this amount, State Enterprises expended $2,348.8 million (67.1 percent), whilst Public Utilities expended $1,152.4 million (32.9 percent).

60 Energy Sector companies include: NGC, NPMC, PETROTRIN and TRINGEN.

61 Non Energy State Enterprises include: CAL, MTS, NHSL, NIDCO, NQCL, PLIPDECO, SWMCOL, TTMF, UDeCOTT and VMCOTT.

Capital Expenditure by Energy sector State Enterprises totalled $1,120.8 million during the current fiscal period, with the largest amounts being spent by PETROTRIN and TRINGEN ($706.0 million and $281.7 million, respectively). Of the $1,228.0 million in total capital spending undertaken by the Non-energy sector State Enterprises in fiscal 2018, the largest disbursements were made by: NIDCO ($461.5 million); UDeCOTT ($459.6 million); and TTMF ($147.0 million).

A major NIDCO project continues to be the construction of the San Fernando to Point Fortin Highway, whereas major UDeCOTT projects include: the Diego Martin Sporting Complex ($53.6 million), repair and additional works at the National Academy for the Performing Arts ($12.6 million), the Point Fortin Hospital ($7.9 million), the Arima Hospital ($98.2 million), the Red House restoration ($87.0 million), various community centres ($38.0 million), the Brian Lara Cricket Academy ($20.7 million), the Carenage Fishing Depot ($15.8 million), Police and Fire Stations ($48.5 million), Other Restorations includes Stollmeyer's Castle and White Hall ($12.3 million), the Roxborough Administrative Complex ($13.7 million), the Emperor Valley Zoo extension ($2.8 million), the Couva Children's Hospital ($3.5 million), the National Oncology Centre ($6.4 million), the Government Campus Plaza ($24.0 million), schools in Tobago ($5.8 million), and the Agro Processing Park ($2.3 million).

TSTT reported the largest capital expenditure by a Public Utility ($836.8 million), followed by T&TEC ($171.9 million) and WASA ($105.7 million).

TSTT's major projects during the period included: improving service delivery (residential, mobile and corporate) and expanding coverage for mobile services, whereas WASA has engaged in the National Social Development Programme (Water Component), and the Multiphase Wastewater Rehabilitation Programme. Notable projects undertaken by T&TEC include: rehabilitation/upgrade of substations, constructing and rehabilitation of overhead lines and underground cables, upgrading of IT, communication, metering, protection and security infrastructure, and initiated measures to undertake wind research, reactive power compensation and an overhaul of the Cove power station.

Capital Transfers from Central Government

During October 2017 to June 2018, total capital transfers from Central Government to the Rest of the Non-Financial Public Sector amounted to $821.9 million, which was 43.5 percent less than the $1,454.0 million transferred during the October 2016 to June 2017 period.

State Enterprises received $567.2 million in capital transfers during the 2017/2018 period, which was entirely utilised by NIDCO mainly for the Solomon Hochoy Highway extension from San Fernando to Point Fortin project.

There was a total of $254.7 million in capital transfers to Public Utilities during the period with WASA receiving $136.4 million, the AATT receiving $94.0 million, and the PATT $24.3 million.

Notable upgrade projects undertaken by the AATT include: the upgrade of the Building Management System ($4.0 million) and replacement of security screening equipment ($7.2 million), whilst during the period the PATT undertook projects impacting the handling of international and regional containerised cargo, break and dry/liquid bulk cargo, the provision of roll-on/roll-off services, management of the Trinidad and Tobago Inter-Island Ferry Service and the provision of Cruise Shipping facilities.

Table 9: Cash Statement of Operations of the Rest of the Non-Financial Public Sector

	State Enterprises[3]		Public Utilities[4]		Total State Enterprises & Public Utilities	
(TT$ Millions)	Oct 2016 – Jun 2017	Oct 2017 – Jun 2018	Oct 2016 – Jun 2017	Oct 2017 – Jun 2018	Oct 2016 – Jun 2017	Oct 2017 – Jun 2018
Operating Revenues	28,930.1	32,546.5	5,637.7	5,121.8	34,567.8	37,668.3
Operating Expenditures	28,192.5	32,173.3	6,851.2	6,840.5	35,043.7	39,013.8
Operating Surplus/(Deficit)	737.6	373.2	-1,213.5	-1,718.7	-475.8	-1,345.6
Current Transfers from Central Gov't	461.2	600.8	1,529.7	1,455.5	1,990.9	2,056.2
Current Balance	1,645.7	1,280.2	935.4	406.5	2,581.0	1,686.7
Capital Expenditure	1,915.5	2,348.8	693.4	1,152.4	2,608.9	3,501.2
Capital Transfers from Central Gov't	1,101.6	567.2	352.4	254.7	1,454.0	821.9
Overall Balance	1,137.2	-214.3	605.5	-491.2	1,742.6	-705.4
Financing	-1,137.2	214.3	-605.5	491.2	-1,742.6	705.4
Net Foreign Financing	-798.4	-2,019.3	137.8	-300.5	-660.6	-2,319.9
Net Domestic Financing	-338.8	2,233.6	-743.2	791.7	-1,082.0	3,025.3

1. Table refers to fiscal years.
2. Totals may vary due to rounding.
3. State Enterprises refer to the consolidated operations of fourteen (14) companies namely: CAL; MTS; NGC; NHSL; NIDCO; NPMC; NQCL; PETROTRIN; PLIPDECO; SWMCOL; TTMF; TRINGEN; UDeCOTT; and VMCOTT.
4. Public Utilities refer to the consolidated operations of six (6) companies namely: AATT; PATT; PTSC; TSTT; T&TEC; and WASA.

THE MONETARY SECTOR

Monetary Conditions
Central Bank Operations
Financial Sector Performance
Regulatory Developments

Monetary Conditions

The Central Bank of Trinidad and Tobago (CBTT) maintained a neutral monetary policy stance over the eight-month period October 2017 to May 2018, keeping its main policy rate - the **repo rate** - at 4.75 percent. However, following growth in the Energy sector, a pickup in private sector credit, continued low domestic inflation, as well as an upward trajectory of external interest rates, particularly in the United States; the CBTT raised the repo rate[62] by 25 basis points to 5.0 percent in June 2018, where it remained as at September 21, 2018.

Commercial bank's excess reserves (the CBTT's measure of liquidity) averaged $2.8 billion during the first three months of fiscal 2018, increasing to $3.4 billion over the period January to September 21, 2018.

62 This is the rate at which the CBTT is willing to provide overnight credit to commercial banks that are temporarily unable to meet their liquidity requirements.

Central Bank Operations

Exchange Rates/Foreign Exchange Market

Sales of foreign exchange by authorised dealers to the public over the period October 2017 to September 21, 2018, amounted to US$5,350.7 million, 1.0 percent lower than in the full fiscal period one year earlier **(Table 10)**. Reports by dealers on sales in excess of US$20,000.00 indicate that the demand for foreign exchange primarily emanated from the retail and distribution and manufacturing sectors, the settlement of credit card transactions and the purchase of automobiles.

Purchases of foreign exchange from the public (excluding from the CBTT) by authorised dealers, amounted to US$3,933.8 million over the period October 2017 to September 21, 2018, 8.4 percent higher than in the full fiscal period one year earlier. During the period October 2017 to August 2018, higher inflows to the market allowed the CBTT to reduce its sales to authorised dealers to US$1,405.0 million over the period; which was

Table 10: Commercial Banks and Non-Bank Financial Institutions Foreign Currency Sales and Purchases (US$ Mn.)

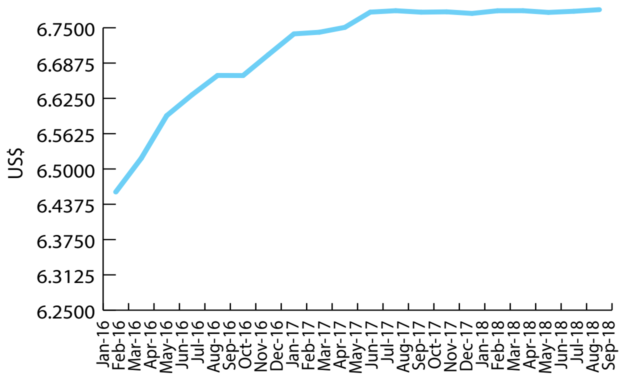
Period	Purchases from the Public	Sales to the Public	Net Sales to the Public	Purchases From the Central Bank
2016	4,289.0	5,776.8	1,487.8	1,811.6
2017	3,606.9	5,189.5	1,582.6	1,755.0
Oct 2016 - September 2017	3,628.9	5,396.8	1,767.9	1,875.0*
Oct 2017 - September 2018	3,933.8	5,350.7	1,416.9	1,405.0*
Percentage Change (year-on-year)	8.4	-1.0	-19.9	-25.1*

Source: Central Bank of Trinidad and Tobago
*Data is for the period October to August, respectively.

25.1 percent lower than the US$1,875 million sold in the corresponding period of the previous fiscal year.

The weighted average selling rate for September 2018 was US$1 = TT$6.7836, a depreciation of 0.02 percent from US$1 = TT$6.7824 in October 2017 **(Figure 21)**. The Trinidad and Tobago dollar appreciated by 2.0 percent against the Pound Sterling, by 2.5 percent against the Euro and by 5.1 percent against the Canadian dollar over the 11-month period ending August 2018. These movements were driven by developments in the international currency exchange market and to a lesser extent, by domestic demand and supply conditions.

Figure 21: Exchange Rates - Selling Rate (TT$ per US$)



Source: Central Bank of Trinidad and Tobago

Money Supply and Commercial Banks' Deposits and Credits

The country's monetary aggregates declined over the seven-month period ending July 2018.

M1-A, defined as currency in active circulation plus demand deposits, declined on a period average basis by 0.11 percent compared with a decline of 2.6 percent over the same period one year earlier. The broader measure of money supply, **M-2** also waned over the review period, falling by 0.36 percent (period average) compared with a decline of 2.8 percent, one year earlier. M-2 reflected the decline in M1-A and the deterioration of both time and demand deposits, which contracted by 3.8 percent and 0.02 percent respectively. The tightness in the foreign exchange market translated into muted growth in foreign currency deposits over the period October 2017 to July 2018.

Compared to October 2017, **commercial bank credit to the private sector** picked up and continued to grow into 2018, expanding by 4.2 percent in July 2018, compared with 2.7 percent in the same period one year earlier. The expansion was partly due to a 1.0 percent increase in credit extended to businesses compared with growth of 0.8 percent one year earlier. Consumer lending remained relatively buoyant into 2018 expanding by 5.9 percent and led by real estate lending which rose by 6.5 percent in the fiscal 2018 period, as compared with 5.3 percent one year earlier.

Interest Rates

The CBTT maintained the **repo rate** at 4.75 percent over the eight-month period October 2017 to May 2018. However, in view of the growth recorded in early 2018, the pickup in private sector credit and low inflation, coupled with the upward trajectory of external rates, particularly in the United States, the CBTT raised the repo rate by 25 basis points to 5.00 percent in June 2018, where it remained as at September 2018 **(Figure 22)**.

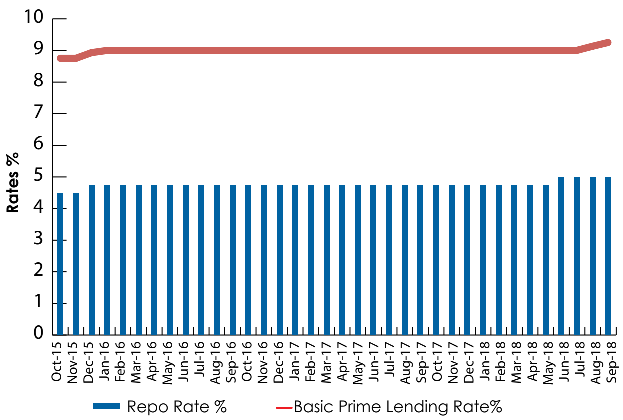
Short-term Treasury Bill yields increased over the year ending September 2018. The rate on the 91-day Treasury Bill increased by 10 basis points over the period to 1.30 percent. Concomitantly, the 365-day Treasury Bill rate increased by 2 basis points to 2.74 percent over the same period partly owing to increased demand for Bills of that tenor. The yield on the two-year Treasury Note lost 3 basis points to settle at 2.90 percent as at August 2018. Despite slight fluctuations over the eleven-month period to August 2018, the 10-year benchmark yield[63] ended at 4.37 percent, 1 basis point higher than at the beginning of the period. However, over the same period the 15-year benchmark yield increased by 7 basis points to 5.11 percent.

Though the median commercial bank prime lending rate increased by 25 basis points to 9.25 percent for the duration of the year ending September 2018, other lending rates have adjusted downwards. For example, the **weighted average commercial bank lending rate** eased to 8.13 percent in June 2018; 11 basis points lower than in September 2017. The **weighted average deposit rate** rose by 3 basis points between September

63 As reported by the Central Bank of Trinidad and Tobago

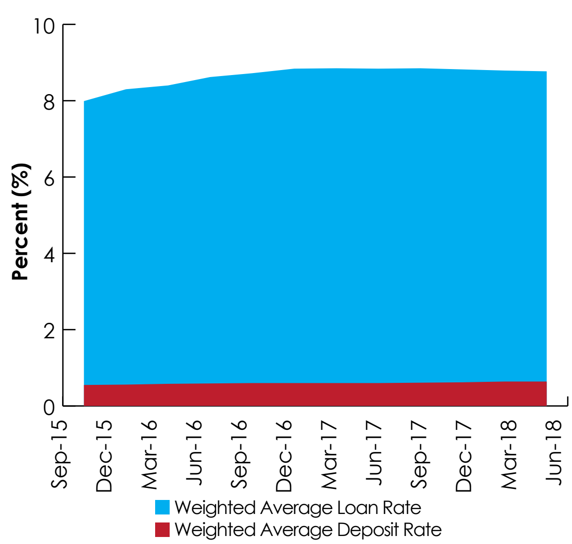
2017 and June 2018 **(Figure 23)**. However, loan rates on mortgages fell, possibly as banks competed for market share. In June 2018 the **weighted average rate on outstanding residential mortgages** stood at 6.11 percent compared to 6.29 percent in September 2017, while in June 2018 the weighted average rate on new residential mortgages remained unchanged from 5.79 percent in September 2017.

Figure 22: Repo Rate and Prime Lending Rate



Source: Central Bank of Trinidad and Tobago

Figure 23: Commercial Banks' Weighted Average Deposit and Loan Spread

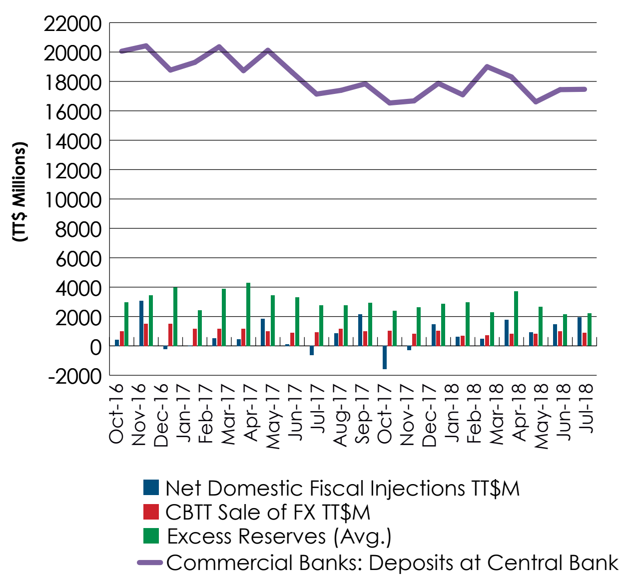


Source: Central Bank of Trinidad and Tobago

Liquidity

During the first eight months of fiscal 2018, the CBTT allowed $1,284.9 million of Treasury securities issued for Open Market Operations (OMO) to mature. This was a significant drop from the $2,119.5 million in maturities of net OMOs over the comparative period one year earlier. Of the near term $1.3 billion in net open market maturities, $2,183.0 million in new Treasury Bills were issued, while $3,468.0 million of Treasury Note maturities made up the difference **(Figure 24)**.

Figure 24: Liquidity Indicators



Source: Central Bank of Trinidad and Tobago

FINANCIAL SECTOR PERFORMANCE

Capital Market Activity

Trinidad and Tobago Securities and Exchange Commission (TTSEC)

The domestic capital market is comprised mainly of Collective Investment Schemes, Equities, Debt and Securitised Instruments as well as Repurchase Agreements[64] with 418 Trinidad and Tobago Securities and Exchange Commission (TTSEC) registrants as at May 31, 2018, a 2.7 percent increase over the same period in 2017 (**Table 11**).

Table 11: Total TTSEC Registrants

Type of Registrant	As at May 2017	As at May 2018
Broker-Dealers	35	35
Investment Advisers[1]	14	17
Underwriters	0	0
Registered Representatives[2]	266	277
Self-Regulatory Organisations[3]	2	2
Sponsored Broker-Dealers	6	6
Sponsored Investment Advisers	0	0
Reporting Issuers[4]	84	81
Total	407	418

Source: Trinidad and Tobago Securities and Exchange Commission.

1. An investment advisor is any person or group that makes investment recommendations or conducts securities analysis in return for a fee.

2. A Registered Representative is a person who works for a brokerage company that is licensed by the TTSEC and acts as an account executive for clients trading investment products such as stocks, bonds and mutual funds.

3. A Self-Regulatory Organisation means: (a) a clearing agency; (b) securities exchange; (c) an association of market actors registered or required to be registered under the Securities Act, Chap. 83:02; or (d) such other entity, that sets standards for, or monitors the conduct of its members or participants relating to, trading in, or advising on securities. The Trinidad and Tobago Central Depository Limited and the Trinidad and Tobago Stock Exchange ("TTSE") are the only Self-Regulatory Organisations that currently operate within Trinidad and Tobago's jurisdiction.

4. A reporting issuer is a corporation that has issued securities to the public.

64 A Repurchase Agreement is an agreement in which a dealer of securities transfers ownership of securities to another person, or creates a beneficial interest (whether whole or fractional) in securities in favour of another person.

Equity Markets

The domestic stock market posted a marginal decline in the eight-month period ending May 2018 as the major Composite Price Index (CPI) slipped by 0.4 percent and stock market capitalisation fell marginally to $121.3 billion.

The declines in the market were reflected in a number of sub-indices, namely Trading (0.7 percent); Property (4.7 percent); Conglomerates (6.1 percent); Manufacturing I (21.7 percent); and Manufacturing II (24.6 percent). On the other hand, in light of the improvements in the domestic energy sector and the strong performances of regionally-listed financial institutions, Energy (26.3 percent), Banking (7.0 percent) and Non-Bank Finance (5.1 percent) sub-indices all registered positive movements. The volume of shares traded on the domestic exchange fell from 55.1 million to 53.3 million between October 2016 and May 2017. However, the value of the shares exchanged increased from $605.1 million to just under $721.0 million.

There were no Initial Price Offerings (IPOs) between October 2017 and May 2018.

Primary Bond Market

Provisional data suggests that activity on the primary debt market during the period October 2017 to June 2018 declined. Over the period, there were ten (10) new primary placements totaling $7,142.84 million compared to seventeen (17) new placements at $8.5 billion in the same period one year earlier. The Central Government continued to be the major borrower, raising $5,825.62 million via seven (7) placements during the six-month period ending June 2018, compared to $8.2 billion raised one year prior.

During the period, no private sector company issued bonds, while three (3) state enterprises accessed the market, raising $1,117.22 million. The borrowers were the Trinidad and Tobago Mortgage Finance Company (TTMF) with a one (1) year, $100.00 million, 4.07 percent fixed rate bond, First Citizens Bank with a five (5) year, $612.22 million, 4.25 percent fixed rate bond and the National Insurance Property Development Company Limited (NIPDEC) with a fourteen (14) year, $405.00 million, 4.65 percent fixed rate bond.

Previously, the Home Mortgage Bank accessed the market twice in October 2017: firstly with a 3.5 percent 5-year Bond and subsequently with a $133.25 million 4.72 percent 5-year Bond.

Comparably, for the same period in 2016/2017, five (5) state enterprises issued a total of $1.7 billion, on the domestic capital market, while five (5) private sector companies raised $806.1 million.

Secondary Bond Market

During the eight-month period ending May 2018, sales on the secondary government bond market fell from 71 in the same period one year earlier to 55. However, the total face value traded fell only marginally to $610.4 million in the 2017/2018 period, from $613.5 million in the 2016/2017 period.

The National Investment Fund Holding Company Limited (NIF)

The National Investment Fund Holding Company Limited (NIF) was special purpose Investment Holding Company formed by the Government of the Republic of Trinidad and Tobago (GORTT) to monetise assets transferred to the GORTT. The Corporation Sole is the sole shareholder of the Company.

The companies whose shares comprise the asset base of the NIF include: Republic Financial Holdings Limited (RFHL) 55.0 percent, Trinidad Generation Unlimited (TGU) 26.0 percent, Angostura Holdings Limited (AHL) 12.0 percent, the West Indian Tobacco Company Limited (WITCO) 5.0 percent and One Caribbean Media Limited (OCM) 2.0 percent. The NIF shares have a combined value of $7.9 billion and in consideration for the transfer of the shares by the Corporation Sole to the Company, the NIF issued to GORTT a Loan Note at a face value of $4.0 billion and issued and allotted one (1) ordinary share in the Company in the name of the Corporation Sole in satisfaction of the remaining value of the shares in the sum of $3.9 billion.

On July 12, 2018, following a positive rating by the Caribbean Information and Credit Rating Services Ltd. (CariCRIS), of CariAA on the regional scale and ttAA on the national scale, the NIF offered a Bond to the public through the Trinidad and Tobago Stock Exchange (TTSE) in the amount of $4.0 billion in three series as follows: Series A - $0.8 billion to $1.2 billion with a tenor of 5 years at a fixed rate of 4.5% ; Series B - $0.8 billion to $2.0 billion with a tenor of 12 years at a fixed rate of 5.7%; and Series C – $0.8 billion to $2.0 billion with a tenor of 20 years at a fixed rate of 6.6%.

The offer closed on August 9, 2018 with 8,103 valid applications received. The Series A bond due in 2023 received 4,959 applications valued at $2.2 billion, with individual applicants receiving 100.0 percent of their application and all other investors allocated approximately 45.0 percent of their applications. The Series B bond received 2,163 valid applications worth $1.6 billion, with individuals allocated 100.0 percent of their request and all other investors allocated 99.0 percent of their requests. The Series C bond received 981 valid applications worth $3.6 billion, with individual applicants allocated 100.0 percent of their application and all other investors 31.0 percent. The Bonds were listed on the TTSE on September 4, 2018.

REGULATORY DEVELOPMENTS

The Insurance Act, 2018

The Insurance Bill, 2016 was passed in the House of Representatives on February 16, 2018 and in the Senate on May 18, 2018. The new Insurance Act, 2018 is due to come into force on a day to be fixed by the President, following resolution of the following:

i. Finalisation of the Regulations following consultation with industry actors;
ii. Completion of Industry Guidelines;
iii. Preparation of forms and returns for insurers following consultation with the industry;
iv. Submission of proposal to the Minister of Finance for the appointment of the Trinidad and Tobago Insurance Institute as an approved educational institution for the licensing of intermediaries;
v. Creation and publication of conditions for the

Catastrophe Reserve Fund;

vi. Preparation and execution of internal instruments of delegation;

vii. Preparation of a new format for certificates of registration;

viii. Introduction of a procedure for the release of statutory funds and deposits; and

ix. Liaison with the Minister of Finance on the issue of taxation of insurers.

The targeted date for proclamation of the new legislation is January 1, 2018.

New Supervisory Standards - Basel II[65] Implementation

The implementation of Basel II/III risk-based capital standards for institutions licensed under the Financial Institutions Act, 2008, is a key strategic priority of the CBTT. The project aims to enhance the resilience of the banking sector and allow for more comprehensive assessment of risks and resilience at the institutional and group level.

To date, the CBTT has conducted two Quantitative Impact Studies (QIS) to test the impact of the revised capital rules on the capital adequacy of individual licensees and the banking system as a whole. Parallel reporting, that is reporting on the existing Basel I rules and the revised Basel II rules, commenced with effect from April 2018. The CBTT is also preparing draft Regulations to give effect to the new Basel II/III capital adequacy framework. Following consultation with the Banking Sector in July 2018, the draft Regulations will be submitted to the relevant authorities for laying in Parliament in accordance with section 9(2) of the Financial Institutions Act, 2008.

65 Basel II is an international business standard that requires financial institutions to maintain enough cash reserves to cover risks incurred by operations.

Revised Guideline on Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT)

The CBTT issued a revised Guideline on Anti-Money Laundering and Combatting the Financing of Terrorism in April 2018. The revised Guideline provides more risk-based and sector specific guidance on the implementation of an AML/CFT framework and takes into account:

i. The revised Financial Action Task Force (FATF) Standards issued in 2012;

ii. The 2014 legislative amendments to the Proceeds of Crime Act and Regulations, Chap. 11:27; and

iii. The findings of the June 2016 Mutual Evaluation Report (MER) and the National Risk Assessment (NRA).

The Guideline also addresses issues emanating from the 2015 Mutual Evaluation of Trinidad and Tobago and the National Risk Assessment.

International Co-operation Review Group (ICRG) - Status of External Assessments

Trinidad and Tobago's third progress report on the implementation of its action plan to address the recommendations of the International Co-operation Review Group (ICRG) was presented at the June 2018 FATF Plenary. An assessment of whether the country is making satisfactory progress against agreed milestones will be made by the FATF ICRG. FATF ICRG assessments are conducted on a periodic and ongoing basis since November 2017. The country is required to report to the assessors three times a year on the actions taken to address identified deficiencies. The progress reports are considered and discussed at the FATF ICRG meetings which occur three times annually (February, June and October), with the most recent FATF ICRG report submitted on August 31, 2018 ahead of the October 2018 FATF ICRG meeting.

The ICRG is responsible for determining whether further action will be taken against the country, should it be determined that progress is unsatisfactory or conversely, whether the country would no longer be subject to ICRG monitoring.

Under the Caribbean Financial Action Task Force (CFATF) enhanced follow-up process, the country's 2nd follow-up report was presented to the CFATF plenary in May 2018. The report was presented for 'noting' only as the country did not seek a new rating at that time.

Foreign Account Tax Compliance Act (FATCA)

The Tax Information Exchange Agreements (United States of America) Act, 2017 (TIEAA), which was enacted on March 20, 2017 and proclaimed on July 6, 2017, makes provisions for the implementation of the Declared Agreement for the exchange of information for the purposes of taxation. The TIEAA provides for the automatic reporting and exchange of information on an annual basis (by September 30 each year) in relation to US Reportable Accounts held in Reporting Financial Institutions in Trinidad and Tobago by US citizens. Under the provisions of the TIEAA, Reporting Financial Institutions must provide the competent Trinidad and Tobago authority, namely the Board of Inland Revenue (BIR), with the required information. The BIR will in turn forward the information to the Competent Authority in the US, namely the IRS.

Section 36(dd) of the Central Bank Act, Chap. 79:02 (as amended) (CBA), made the CBTT responsible for the supervision of financial institutions and insurance companies on the implementation of a Declared Agreement. The CBTT was further empowered pursuant to Section 10(1)(e) of the Financial Institutions Act, Chap. 79:09 (FIA) (as amended) and Section 215 of the Insurance Act, Chap. 84:01 (IA) (as amended), to issue guidelines to give effect to a Declared Agreement. Similar amendments were made to the Securities Act, Chap. 83:02 to allow the TTSEC to issue guidelines and compliance directions to their regulated entities to give effect to a Declared Agreement.

Consequently, the CBTT in collaboration with the TTSEC and the BIR developed the Guideline on the Implementation of the Tax Information Exchange Agreements (United States of America) Act, 2017 (Guideline) which was issued on November 22, 2017. As is required by the Guideline, financial Institutions have conducted a self-assessment and submitted these to the CBTT for review. The CBTT is now preparing to conduct verification exercises at the institutions on a risk basis to ensure compliance with the requirements of the TIEAA and the Guideline.

International Financial Reporting Standard (IFRS) 9

The International Financial Reporting Standard (IFRS) 9 is a new accounting standard by the International Accounting Standards Board (IASB) that replaces the existing incurred loss model (International Accounting Standard (IAS) 39) with a forward-looking Expected Credit Loss model. Entities will now be required to consider historic, current and forward-looking information (including macro-economic data). This will result in the earlier recognition of credit losses as it will no longer be appropriate for entities to wait for an incurred loss event before credit losses are recognised.

IFRS 9 addresses the classification, measurement, impairment and hedge accounting for financial instruments, for example loans held by the respective financial institutions. In particular, IFRS 9 introduces an expected loss impairment model and will replace International Accounting Standard 39 – Financial Instruments which recognised the impairment of financial assets using an incurred loss model. IFRS 9 is applicable for annual reporting periods beginning on or after January 1, 2018. However, a temporary exemption permits insurance companies to defer the application of IFRS 9 until the earlier of (a) the application of the forthcoming insurance contracts Standard, or (b) January 1, 2021. The new standard is expected to impact financial institutions' provisions for nonperforming and impaired assets.

In order to assess the state of readiness for implementation of the standard and the likely impact of IFRS 9 and its interaction with prudential requirements, licensees were requested to submit details of their implementation plan in October 2017. Based on the submissions received, most financial institutions are in the intermediate stage of preparedness for implementation of the standard. The major challenges identified were data collection and development of the Expected Credit Loss models.

The CBTT is therefore continuing its engagement with its licensees, regional regulators, and the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) to determine appropriate regulatory guidance on IFRS 9.

Code of Practice for Engagement with External Auditors

The CBTT issued a Code of Practice for Engagement with External Auditors in March 2018. The objective of the Code is to enhance the CBTT's regulatory oversight by promoting an effective relationship between the external auditor of a financial institution and the CBTT in a context that would foster enhanced supervisory review and also contribute to high quality external audits. The code sets out principles that establish, in the context of a particular financial institution:

i. The nature of the relationship between the CBTT and external auditor;

ii. The form and frequency that communication between the two parties should take; and

iii. The responsibilities and scope for sharing information between the two parties, subject to the availability and accessibility of information to either party.

TRADE AND PAYMENTS

Balance of Payments
Heritage and Stabilisation Fund
Balance of Visible Trade

Balance of Payments

In 2017, the Trinidad and Tobago Balance of Payments deficit persisted for the third consecutive year, widening from US$467.2 million in calendar 2016 to US$1,096.0 million in 2017 consequent to net outflows from the financial account via direct and portfolio investments abroad. In contrast, the current account recorded a surplus as energy exports rebounded in the latter half of 2017 and the value of goods imported declined. At the end of 2017, Gross Official Reserves stood at US$8,369.8 million, equivalent to 9.7 months of import cover.

In the first quarter of 2018, the Balance of Payments recorded a further deficit of US$381.9 million, compared to the deficit of US$360.4 million recorded for the similar period in 2017. At the end of March 2018, Gross Official Reserves stood at US$7,987.9 million. (**Table 12**).

Current Account[66] and Capital Account[67]

In 2017, the current account returned to surplus registering US$1,979.6 million, following a deficit of US$670.1 million in 2016. This surplus was based on a 20.5 percent increase in exports, from US$8,225.9 million in 2016 to US$9,913.1 million in 2017 (of which both energy and non-energy exports improved), amidst a continued contraction in imports (10.9 percent).

Non-energy exports improved by 27.7 percent moving from a value of US$1,795.1 million in 2016 to US$2,292.0 million in 2017, reflective of increased manufacturing activity, particularly in the export of non-alcoholic beverages. Given increases in both price and volume, energy exports also rose by 18.5 percent, from US$6,430.8 million in 2016 to US$7,621.1 million in 2017. Increased volumes were recorded for crude oil, LNG, petrochemicals and refined products. The rise in LNG and petrochemical export volume was primarily due to new natural gas production from BP is Juniper platform which came on-stream in August 2017 and the companies' Trinidad Onshore Compression project (TROC).

Imports of goods continued its downward trajectory for a fourth consecutive year, falling by 10.9 percent to US$6,108.0 million in 2017 from US$6,857.8 million in 2016.

In the **first quarter of calendar 2018**, the current account surplus persisted; growing by 65.3 percent from US$759.5 million in the first quarter of 2017 to US$1,255.2 million in the corresponding period. This surplus is reflective of the continued growth in exports of 27.6 percent as well as a 10.0 percent expansion in imports during the period under review.

Non-energy exports continued to grow, recording a 30 percent expansion, moving from US$572.6 million over the period January to March 2017 to US$744.3 million in the similar 2018 period. Energy exports expanded by 26.9 percent, moving from US$1,959.5 million at the end of the first quarter of 2017 to US$2,486.6 million in the 2018 period. Energy exports continue to benefit from increase natural gas production as LNG, natural gas liquids and petrochemicals exports registered growth in this period.

For the **first quarter of 2018**, import of goods registered growth of 10 percent, moving from US$1,405.2 million

66 The Current Account shows flows of goods, services, primary income, and secondary income e.g. income from non-resident companies between residents and non-residents.

67 The Capital Account shows credit and debit entries for non-produced non-financial assets and capital transfers between residents and nonresidents. (BPM6).

in the first quarter of 2017 to US$1,545.2 million in 2018. This increase is mainly attributed to greater fuel imports (**Table 12**).

BOX 3: Revisions to Trinidad and Tobago's Balance of Payments Data

The Central Bank of Trinidad and Tobago (CBTT) revised its previously published Balance of Payments data for Trinidad and Tobago from 2011 to present due to:

i. New information on exports and imports of goods (for 2016 and 2017); and

ii. Conversion of data on goods imports from CIF to FOB basis; and

iii. New/revised submissions for enterprise surveys.

The CBTT continues to review the methodology, coverage and quality of Trinidad and Tobago's international accounts and expects to implement further improvements to the data in the future.

Financial Account[68]

In 2017, the financial account moved from a net inflow of US$1,408.0 million in 2016 to a net outflow of US$381.0 million.

The activity in the financial account was mainly as a result of direct and portfolio investment. During the year, direct investment liabilities decreased by US$422.4 million mainly due to reinvestment of earnings and also to a lesser extent in 2017, repayments on inter-company loans by companies in the Energy sector. However, direct investment abroad increased by US$94.1 million on account of reinvestment of earnings.

There was a net outflow in portfolio investment of US$383.4 million in 2017, following a net inflow of US$1,506.7 million in 2016. Growth in portfolio assets reflected equity investments by the Heritage and Stabilisation Fund (HSF) abroad, as well as residents expanding their holdings of debt securities abroad – primarily in bonds and notes. In contrast, there was a decline in portfolio liabilities as residents made repayments on debt securities owed to non-residents. Movements in the other investment account registered a net inflow of US$523.5 million in 2017, compared to US$7.4 million by residents in 2016. This increase in other investment assets was due to an increase in currency and deposits held in banks abroad, primarily reflecting transactions by the Energy sector. Offsetting this growth was an increase in trade credits and loans owed to foreigners by domestic entities.

In the first quarter of 2018, the financial account registered a net out outflow of US$27.3 million following a larger net outflow of US$100.7 million in the corresponding period one year earlier. This was occurred amidst a US$120.0 million reduction in direct investment liabilities mainly from equity transactions in the Energy sector. Inter-company lending and reinvestment of earnings largely contributed to the increase in direct investment abroad.

Portfolio investment also recorded a net outflow of US$181.9 million in the first quarter of 2018 following and inflow of US$36.8 million one year earlier. This was due to growth in portfolio assets held abroad by the HSF and mutual funds, mainly in the form of bonds and notes. Commercial banks continued to augment their holdings of money-market instruments abroad, thereby contributing to the growth in portfolio investment assets. Partially offsetting this outturn, was a reduction in the holdings of equity securities abroad by domestic portfolio investors as portfolio liability debt securities registered a decline. Movements in the other investment account contributed to a net inflow of $328.6 million in the first quarter of 2018, a reversal of the net outflow of $238.8 million in the corresponding period one year earlier. Other investment liabilities registered an increase due to growth in trade credits and other accounts payable owed to foreigners by domestic entities in the period under review (**Table 12**).

68 The Financial Account records transactions that involve financial assets and liabilities and that take place between residents and nonresidents.

Table 12: Trinidad and Tobago: Summary Balance of Payments (US$ million)

	2012r	2013r	2014r	2015r	2016r	2017p	Jan-Mar 2017p	Jan-Mar 2018p
Current Account	**3,324.3**	**5,410.3**	**4,003.0**	**1,853.4**	**-670.1**	**1,979.6**	**759.5**	**1,255.2**
Goods and Services	**5,581.8**	**6,949.0**	**5,745.6**	**2,133.4**	**-424.2**	**1,773.8**	**711.1**	**1,506.6**
Goods, net*	7,092.7	8,317.1	7,045.2	3,884.5	1,368.1	3,805.2	1,126.9	1,685.7
Exports	16,324.7	17,593.1	14,964.5	11,413.9	8,225.9	9,913.1	2,532.1	3,230.8
Energy	13,189.9	14,036.3	12,491.5	8,767.3	6,430.8	7,621.1	1,959.5	2,486.6
Non-energy	3,134.8	3,556.7	2,473.0	2,646.7	1,795.1	2,292.0	572.6	744.3
Imports**	9,231.9	9,276.0	7,919.3	7,529.5	6,857.8	6,108.0	1,405.2	1,545.2
Fuels***	2,957.7	3,627.8	2,068.3	1,456.4	1,514.3	1,602.0	373.1	463.6
Other	6,274.3	5,648.2	5,851.0	6,073.1	5,343.4	4,506.0	1,032.1	1,081.6
Services, net	-1,510.9	-1,368.1	-1,299.6	-1,751.1	-1,792.3	-2,031.4	-415.8	-179.0
Primary income, net	-2,296.1	-1,566.8	-1,725.2	-241.8	-302.3	159.6	**36.2**	**-263.1**
Secondary income, net	38.6	28.1	-17.4	-38.1	56.4	46.2	**12.2**	**11.6**
Capital Account	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**	**1.0**	**0.0**	**0.0**
Financial Account	**4,108.6**	**-30.8**	**-74.8**	**490.7**	**-1,408.0**	**381.0**	**100.7**	**27.3**
Direct investment	**2,093.8**	**1,192.5**	**-679.2**	**-48.5**	**106.2**	**516.5**	**-105.4**	**169.6**
Net acquisition of financial assets	189.4	62.5	-17.7	128.3	82.6	94.1	16.5	49.6
Net incurrence of liabilities	-1,904.3	-1,130.0	661.5	176.8	-23.6	-422.4	121.9	-120.0
Portfolio investment	**1,587.9**	**142.6**	**646.8**	**804.6**	**-1,506.7**	**383.4**	**-36.8**	**181.9**
Net acquisition of financial assets	1,130.8	574.1	739.1	677.0	-101.0	234.5	-45.3	177.8
Net incurrence of liabilities	-457.1	431.5	92.3	-127.6	1,405.7	-148.9	-8.5	-4.1
Financial derivatives	**-2.6**	**4.2**	**-3.2**	**-1.0**	**0.0**	**4.7**	**4.1**	**4.4**
Net acquisition of financial assets	-2.3	3.9	-1.8	-1.9	0.0	4.4	4.6	5.0
Net incurrence of liabilities	0.2	-0.2	1.3	-0.9	0.0	-0.3	0.6	0.7
Other investment	**429.5**	**-1,370.0**	**-39.2**	**-264.4**	**-7.4**	**-523.5**	**238.8**	**-328.6**
Net acquisition of financial assets	-271.9	-1,426.9	254.6	-706.8	-114.5	44.7	342.1	-41.0
Net incurrence of liabilities	-701.4	-56.9	293.8	-442.5	-107.1	568.2	103.2	287.6
Net errors and omissions	**172.1**	**-4,635.9**	**-2,756.5**	**-2,926.9**	**-1,205.4**	**-2,695.6**	**-1,019.2**	**-1,609.8**
Overall Balance	**-612.2**	**805.2**	**1,321.3**	**-1,564.2**	**-467.2**	**-1,096.0**	**-360.4**	**-381.9**
Memorandum Items:								
Gross Official Reserves****	9,370.7	10,175.9	11,497.1	9,933.0	9,465.8	8,369.8	9,105.4	7,987.9
Import Cover (months)****	10.6	12.2	12.9	11.2	10.5	9.7	NA	NA

Source: Central Bank of Trinidad and Tobago and the Central Statistical Office
Figures may not sum due to rounding.
r: Revised.
p: Provisional.
* Energy goods data for 2011-2017 comprise estimates by the Central Bank of Trinidad and Tobago.
** Imports are reported on a FOB (Free on Board) basis.
*** Includes petroleum, petroleum products and related materials. This differs from previously published energy imports which included imports of chemicals and related products. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.
**** End of Period.

Foreign Reserves

Gross Official Reserves (GOR) fell by 11.6 percent from US$9,465.8 million or 10.5 months of import cover in 2016 to US$8,369.8 million or 9.7 months of import cover in 2017. As at September 21st 2018, GOR amounted to US$7,529.2 million or 8.1 months of import cover.

Heritage and Stabilisation Fund (HSF)

The Net Asset Value of the Trinidad and Tobago HSF stood at US$5,979.4 million as at September 21st, 2018, a 3.9 percent increase from the US$5,756.4 million recorded on September 22nd 2017. The former balance comprised an investment portfolio of US$5,851.7 million and a cash balance of US$1.1 million which was held to meet day-to-day expenses that arose from management of the Fund.

No deposits or withdrawals were made during fiscal 2018.

Balance of Visible Trade[69]

During the first quarter of fiscal 2018, Trinidad and Tobago experienced a 158.6 percent increase in its balance of total visible trade, moving from a deficit of TT$4,527.3 million in the first quarter of fiscal 2017 to a surplus of TT$2,650.8 million for the corresponding period. Exports expanded by 26.4 percent, as it grew from TT$11,726.6 million in fiscal 2017 to TT$14,818.4 million in fiscal 2018. Concurrently, the value of imports shrunk by 25.1 percent, moving from TT$16,253.9 million to TT$12,167.6 million in the period under review.

This substantial improvement in the balance of visible trade account is mainly attributed to a significant increase in the balance of trade in mineral fuel non-under processing agreements (U.P.A.) which moved from a deficit of TT$280.2 million in the first quarter of fiscal 2017 to TT$6,111.6 million in the first quarter of fiscal 2018. The balance of trade excluding mineral fuels U.P.A. also moved from a deficit of TT$4,527.3 million in first quarter of fiscal 2017 to a surplus of TT$2,650.8 million in the review period. However, the balance of trade excluding mineral fuels registered a smaller deficit, moving from TT$4,247.1 million to TT$3,460.8 million in the period under review **(Appendix 26)**.

69 The Balance of Visible Trade records the exchange of physically tangible goods between countries; a country's imports and exports of merchandise

CARICOM Trade

Trinidad and Tobago's trade with CARICOM countries significantly improved in the first quarter period under review. The balance of trade with CARICOM countries improved by 13.0 percent, moving from TT$1,984.3 million in the first quarter of fiscal 2017 to TT$2,241.5 million in the first quarter of fiscal 2018, consequent to a 23.4 percent decline in imports as exports increase by 8.8 percent (**Appendix 27**).

Trade Agreements

The Government continues to recognise the significance of deepening and improving relations with its regional and international trading partners. To this end, key objectives of its trade policy are to address constraints for capitalising existing market access opportunities; expanding and diversifying exports to traditional and new markets; and building resilience to exogenous shocks within the manufacturing sector. The Government, through the Ministry of Trade and Industry will continue to negotiate, as a sovereign state or a member of the CARICOM, with other members of the multilateral community for mutually beneficial bilateral trade agreements.

In regard to current Agreements and trade negotiations, the Partial Scope Trade Agreement (PSTA) between Trinidad and Tobago and Panama was concluded and is currently in force by both parties. The Trinidad and Tobago-Guatemala and Trinidad and Tobago-El Salvador PSTAs will be implemented upon enactment of required legislation. Negotiations for a PSTA with Chile is expected to continue in 2019. As part of CARICOM, Trinidad and Tobago is party to trade agreements with Colombia, Dominican Republic, Venezuela, Cuba and Costa Rica respectively, as well as, with the European Union (as part of Caribbean Forum-CARIFORUM).

Trinidad and Tobago-Panama Partial Scope Trade Agreement

The PSTA between Trinidad and Tobago and Panama was signed on October 3, 2013 and entered into force on July 5, 2016. The Agreement will promote mutually beneficial bilateral trade in goods and services by providing preferential access for two hundred and thirty (230) products originating from Trinidad and Tobago; while extending preferential treatment to two hundred and fifty-eight (258) Panamanian goods. The Agreement will complement Trinidad and Tobago's existing relationship with Panama given the establishment of diplomatic relations between the two countries in 1995. In 2017 Trinidad and Tobago continued to have a positive trade balance with Panama of TT$280.3 million with a total value of TT$406.8 million exported products comprising petroleum and paper items. Trinidad and Tobago imported products at a total value of TT$126.5 million comprising medical and food items.

Negotiations were concluded using the 2007 Harmonised Commodity Description and Coding System (HS) 2007 nomenclature. However, as Trinidad and Tobago is currently using the HS 2012 nomenclature, the Customs and Excise Division is currently in the process of transposing the tariff lines of the list of Panamanian products granted preferential treatment from HS 2007 to HS 2012. A review of the PSTA's Tariff Liberalisation Schedule is also being undertaken to help give effect to the tariff preferences for goods from Panama. Among the Panamanian products that would face reduced tariffs include, inter alia, items such as meat of animals and seafood; cheeses; juices of fruit or vegetables; paper and paperboard products; electric motors, generators and transformers; and items of clothing.

Article XXIII of the PSTA provides for the establishment of the Joint Administration Commission to, inter alia, supervise the implementation and administration of the Agreement. The Commission will provide a forum for discussions on issues related to trade under the Agreement, such as non-tariff barriers and additional requests for market access. The Commission is required to meet at least once a year at the request of either Party and logistical arrangements are currently being pursued to convene the First Meeting of the Joint Administration Commission.

On October 19, 2017, a five (5) year National Implementation Plan for the Agreement (October 2017-September 2022) was approved by the GoRTT. As part of Trinidad and Tobago's implementation obligations, Panama was advised of Trinidad and Tobago's Agreement Coordinator on December 19, 2017. Likewise on March 8, 2018, Panama also notified of the appointment of its Agreement Coordinator. The Coordinators will monitor the work of all bodies established under the PSTA, as well as, to facilitate communication between the Parties on all matters covered by the Agreement.

Trinidad and Tobago-Guatemala Partial Scope Trade Agreement

The Trinidad and Tobago-Guatemala PSTA will enhance economic relations between both countries as, in addition to tariff reduction, the Agreement eliminates other barriers to trade; sets the stage for liberalisation of trade in services in areas of common economic interest; and promotes trade facilitation for streamlining import and export procedures and requirements. Trinidad and Tobago will benefit from preferential rates for its products to a market of 15.4 million persons in Guatemala.

Following the signature of the PSTA on February 6, 2016, Trinidad and Tobago agreed in July 2018 to implement the Agreement, subject to an amendment to the list of products that would be subject to tariff reduction. The initial PSTA provided market access into Guatemala for a list of one hundred and forty-six (146) Trinidad and Tobago products, inclusive of iron and steel products (doors and windows); petroleum oils; spices; fruits; vegetables; pharmaceutical and paper products. In return, Trinidad and Tobago agreed to provide market access for one hundred and forty-three (143) Guatemalan products including, inter alia, vegetables, footwear and plastics products.

Trinidad and Tobago is currently engaged with Guatemala to obtain approval on the proposed amendment before implementation of the PSTA. Following this, Trinidad and Tobago will enact legislation to give effect to the preferences under the PSTA and notify Guatemala of its readiness to operationalise the Agreement.

Trinidad and Tobago-Chile Partial Scope Trade Agreement

In 2017, Trinidad and Tobago and Chile initiated discussions for strengthening and expanding trade in the energy, agriculture, tourism and transport sectors; with a built-in agenda for promoting investment. Discussions have commenced through an Intergovernmental Technical Working Group where Chile has provided documentation on technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures applicable to Trinidad and Tobago's products of export interest. The Working Group has prepared a "Joint Conclusions" document on the outcomes of exploratory discussions and is being considered by both Governments. Following the change in the political administration of Chile, Trinidad and Tobago also communicated to the new Chilean Administration its continued interest to negotiate a PSTA. Technical level discussions on the way forward are expected to continue for the remainder of 2018.

During the last five (5) years Trinidad and Tobago has continued to experience a trade surplus with Chile. In 2017, a positive balance of TT$2,092.7 million was recorded with liquefied natural gas, ammonia and methanol being the major exported items. During this period, the major imports from Chile were wood pulp, infant food and grapes with a total import value of TT$138.5 million.

CARICOM-Cuba Trade and Economic Cooperation Agreement

The CARICOM-Cuba Trade and Economic Cooperation Agreement was signed on July 5, 2000 to promote and expand economic integration through fostering trade in goods, services and investment. The Agreement has facilitated Trinidad and Tobago to have a favourable trade relationship with Cuba. In 2016 and 2017, Trinidad and Tobago experienced positive trade balances with Cuba and exported products valued TT$455.5 million and TT$70.7 million respectively. The major products exported were ammonia and paper products, while Trinidad and Tobago imported ethyl alcohol and aluminium sulphates from Cuba at a total import value of TT$37.3 million and TT$17.9 million for the respective years.

Arising out of the Tenth Meeting of the Joint Commission in January 2017, negotiations concluded with the preparation of a draft Second Protocol to expand the preferential access afforded under the Agreement. The Second Protocol was signed by both parties on November 9, 2017, in accordance with the provisions of the CARICOM Cuba Trade and Economic Co-operation Act, Chap. 81:12 of the Laws of Trinidad and Tobago. The Ministry of Trade and Industry is currently in discussions with the Office of the Chief Parliamentary Counsel to enact the relevant legislative instruments to give effect to the Second Protocol.

CARICOM-Dominican Republic Free Trade Agreement

Signed on August 22, 1998, the CARICOM-Dominican Republic Free Trade Agreement (FTA) was provisionally entered into force in December 2001. The FTA provides for a reciprocal trading relationship between CARICOM and the Dominican Republic in trade in goods and provides a timetable for the negotiation of a trade in services and government procurement. Trinidad and Tobago exports to the Dominican Republic totalled TT$560.9 million and TT$653.4 million mainly in petroleum products for 2016 and 2017 respectively. The major imports from the Dominican Republic were packaging and plastic products with a total import value of TT$180.7 million and TT$204.6 million for the same period.

A suitable date for the convening of an Extraordinary Meeting with the Dominican Republic to discuss outstanding issues related to the expansion of preferential access and the Product Specific Rules of Origin is still to be determined. This meeting was initially scheduled to take place in 2017. Trinidad and Tobago has concluded all necessary consultations and is currently in discussions with the CARICOM Secretariat for the convening of the Extraordinary Meeting of the Joint Council.

World Trade Organisation (WTO) - Agreement on Trade Facilitation

The World Trade Organisation (WTO) Trade Facilitation Agreement (TFA) aims to clarify and improve relevant aspects of Articles V (Freedom of Transit), VIII (Fees and Formalities connected with Importation and Exportation) and X (Publication and Administration of Trade Regulations) of the General Agreement on Tariffs and Trade (GATT) 1994 with a view to further expediting the movement, release and clearance of goods, including goods in transit. Subsequent to the ratification of the TFA in February 2017, Trinidad and Tobago notified the WTO Secretariat of its Categories B (provisions designated for transitional implementation following the entry into force of the Agreement) and C (provisions which require capacity building support for transitional implementation after entry into force of the Agreement) commitments in November 2017. Trinidad and Tobago is now required to notify the WTO of the definitive timeframes for implementation of the Categories B and C commitments. These definitive dates have been finalised by the National Trade Facilitation Committee (NTFC) and has been submitted for the approval of the Cabinet prior to implementation by the Government.

Notwithstanding the above, Trinidad and Tobago is currently pursuing projects in accordance with its TFA obligations. These include strengthening of the "*Single Electronic Window for Trade and Business Facilitation*" which addresses areas such as electronic payments, modernisation of the legal framework governing trade and certain aspects of risk management. In addition, negotiations are continuing with several international donor agencies to secure technical assistance and funding to assist in the implementation of a Trade Information Portal, Time Release Study and Common Border Procedures.

Appendix 1

Gross Domestic Product of Trinidad and Tobago at Constant (2012) Market Prices /TT$ Millions/

INDUSTRY	ISIC[1]	2013[r]	2014[r]	2015[r]	2016[r]	2017[r]	2018[p]
Agriculture, forestry and fishing	A	588.2	530.0	663.1	561.8	682.7	575.9
Mining and quarrying	B	36,516.8	36,172.1	35,018.1	30,399.0	30,681.4	30,123.5
Manufacturing	C	32,559.3	31,476.8	31,748.6	30,675.5	29,875.2	32,049.7
Food, beverages and tobacco products	CA	5,175.6	5,029.8	5,162.6	5,664.8	4,984.1	5,264.2
Textiles, clothing, leather, wood, paper and printing	CB-C	1,530.0	1,440.2	1,301.8	1,215.3	1,196.4	1,213.9
Petroleum and chemical products	CD-E	23,557.4	22,637.7	23,072.2	22,041.3	22,016.4	23,995.9
Other manufactured products	CF-M	2,296.2	2,369.2	2,212.0	1,754.1	1,678.2	1,575.8
Electricity and gas	D	5,360.2	5,168.8	5,260.4	4,835.2	5,255.6	5,284.8
Water supply and sewerage	E	2,021.9	1,911.3	1,939.8	1,972.0	2,002.5	2,065.3
Construction	F	9,451.7	9,574.5	9,318.6	8,923.5	8,558.3	8,274.2
Trade and repairs	G	31,837.2	31,926.0	33,081.9	30,686.6	27,232.8	26,904.1
Transport and storage	H	6,087.4	6,363.4	6,076.3	5,048.6	5,374.0	5,431.2
Accommodation and food services	I	2,227.8	2,243.1	2,215.8	2,171.0	2,142.8	2,128.8
Information and communication	J	3,999.7	4,037.9	4,136.3	4,039.8	3,975.8	4,020.5
Financial and insurance activities	K	9,562.0	9,582.3	9,909.5	10,143.1	10,239.0	10,348.4
Real estate activities	L	3,051.2	3,060.4	3,075.7	3,089.6	3,102.4	3,117.0
Professional, scientific and technical services	M	2,766.2	2,839.9	2,433.0	2,374.8	2,507.6	2,559.3
Administrative and support services	N	4,087.2	3,579.5	4,884.8	4,769.3	5,019.5	5,107.4
Public administration	O	10,888.1	11,288.7	11,441.3	11,678.3	11,746.6	11,672.2
Education	P	3,744.1	3,834.3	3,915.0	4,022.1	4,123.9	4,225.2
Human health and social work	Q	603.2	605.3	607.3	609.1	610.4	611.7
Arts, entertainment and recreation	R	387.1	388.4	389.7	390.9	391.7	392.5
Other service activities	S	610.4	617.1	617.0	621.1	612.2	611.4
Domestic services	T	162.4	164.5	166.5	168.5	170.4	172.3
Less FISIM[2]		(3,303.8)	(3,284.3)	(3,389.1)	(3,433.8)	(3,382.0)	(3,481.6)
GDP at basic prices[3]		163,208.0	162,080.0	163,509.6	153,745.7	150,922.8	152,193.8
Taxes less subsidies on products		5,802.2	5,291.2	6,837.4	5,513.0	5,378.8	7,029.7
GDP AT PURCHASER PRICES[4]		**169,010.2**	**167,371.3**	**170,347.0**	**159,258.7**	**156,301.6**	**159,223.6**
Of which[5]							
Crude oil exploration and extraction		*13,001.9*	*12,726.6*	*12,445.9*	*11,494.8*	*11,502.9*	*10,800.5*
Natural gas exploration and extraction		*20,470.9*	*20,776.9*	*19,346.3*	*16,633.9*	*17,203.0*	*17,323.7*
Asphalt		*379.4*	*296.2*	*227.3*	*177.1*	*241.8*	*215.1*
Petroleum support services		*2,653.6*	*2,361.0*	*2,987.6*	*2,083.9*	*1,725.9*	*1,776.7*
Refining (incl. LNG)		*11,207.9*	*10,389.8*	*10,499.8*	*10,171.6*	*9,705.6*	*10,257.2*
Manufacture of Petrochemicals		*11,563.9*	*11,528.7*	*11,907.0*	*11,196.0*	*11,591.9*	*12,993.7*
Petroleum and natural gas distribution		*6,418.7*	*5,140.9*	*5,235.4*	*4,772.4*	*5,163.0*	*5,152.4*

Source: Central Statistical Office

1/ Designation of the section in the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4) that corresponds to the industry/sub-industry

2/ Financial Intermediation Services Indirectly Measured.

3/ The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. (System of National Accounts, 2008).

4/ The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place (System of National Accounts, 2008).

5/ This Memorandum Item presents the major energy based sub-industries that were previously grouped under the Petroleum Industry in the TTSNA classifications.

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Appendix 2

Gross Domestic Product of Trinidad and Tobago at Constant (2012) Market Prices /Percentage Change/

INDUSTRY	ISIC[1]	2013[r]	2014[r]	2015[r]	2016[r]	2017[r]	2018[p]
Agriculture, forestry and fishing	A	(2.0)	(9.9)	25.1	(15.3)	21.5	(15.6)
Mining and quarrying	B	2.0	(0.9)	(3.2)	(13.2)	0.9	(1.8)
Manufacturing	C	0.9	(3.3)	0.9	(3.4)	(2.6)	7.3
Food, beverages and tobacco products	CA	(1.1)	(2.8)	2.6	9.7	(12.0)	5.6
Textiles, clothing, leather, wood, paper and printing	CB-C	(3.1)	(5.9)	(9.6)	(6.6)	(1.6)	1.5
Petroleum and chemical products	CD-E	1.6	(3.9)	1.9	(4.5)	(0.1)	9.0
Other manufactured products	CF-M	1.4	3.2	(6.6)	(20.7)	(4.3)	(6.1)
Electricity and gas	D	2.2	(3.6)	1.8	(8.1)	8.7	0.6
Water supply and sewerage	E	(3.3)	(5.5)	1.5	1.7	1.5	3.1
Construction	F	7.7	1.3	(2.7)	(4.2)	(4.1)	(3.3)
Trade and repairs	G	0.5	0.3	3.6	(7.2)	(11.3)	(1.2)
Transport and storage	H	10.8	4.5	(4.5)	(16.9)	6.4	1.1
Accommodation and food services	I	1.8	0.7	(1.2)	(2.0)	(1.3)	(0.7)
Information and communication	J	2.1	1.0	2.4	(2.3)	(1.6)	1.1
Financial and insurance activities	K	2.1	0.2	3.4	2.4	0.9	1.1
Real estate activities	L	0.5	0.3	0.5	0.5	0.4	0.5
Professional, scientific and technical services	M	14.1	2.7	(14.3)	(2.4)	5.6	2.1
Administrative and support services	N	26.5	(12.4)	36.5	(2.4)	5.2	1.8
Public administration	O	1.2	3.7	1.4	2.1	0.6	(0.6)
Education	P	2.2	2.4	2.1	2.7	2.5	2.5
Human health and social work	Q	0.4	0.4	0.3	0.3	0.2	0.2
Arts, entertainment and recreation	R	0.4	0.4	0.3	0.3	0.2	0.2
Other service activities	S	0.6	1.1	(0.01)	0.7	(1.4)	(0.1)
Domestic services	T	1.3	1.3	1.2	1.2	1.1	1.1
Less FISIM[2]		5.1	(0.6)	3.2	1.3	(1.5)	2.9
GDP at basic prices[3]		2.5	(0.7)	0.9	(6.0)	(1.8)	0.8
Taxes less subsidies on products		(11.2)	(8.8)	29.2	(19.4)	(2.4)	30.7
GDP AT PURCHASER PRICES[4]		**2.0**	**(1.0)**	**1.8**	**(6.5)**	**(1.9)**	**1.9**
Of which[5]							
Crude oil exploration and extraction		*(2.4)*	*(2.1)*	*(2.2)*	*(7.6)*	*0.1*	*(6.1)*
Natural gas exploration and extraction		*3.2*	*1.5*	*(6.9)*	*(14.0)*	*3.4*	*0.7*
Asphalt		*68.7*	*(21.9)*	*(23.3)*	*(22.1)*	*36.6*	*(11.0)*
Petroleum support services		*9.4*	*(11.0)*	*26.5*	*(30.2)*	*(17.2)*	*2.9*
Refining (incl. LNG)		*6.7*	*(7.3)*	*1.1*	*(3.1)*	*(4.6)*	*5.7*
Manufacture of Petrochemicals		*(2.6)*	*(0.3)*	*3.3*	*(6.0)*	*3.5*	*12.1*
Petroleum and natural gas distribution		*23.7*	*(19.9)*	*1.8*	*(8.8)*	*8.2*	*(0.2)*

Source: Central Statistical Office
1/ Designation of the section in the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4) that corresponds to the industry/sub-industry.
2/ Financial Intermediation Services Indirectly Measured.
3/ The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. (System of National Accounts, 2008).
4/ The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place (System of National Accounts, 2008).
5/ This Memorandum Item presents the major energy based sub-industries that were previously grouped under the Petroleum Industry in the TTSNA classifications.
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Appendix 3

Gross Domestic Product of Trinidad and Tobago at Constant (2012) Market Prices /Percentage Contribution/

INDUSTRY	ISIC[1]	2013[r]	2014[r]	2015[r]	2016[r]	2017[r]	2018[p]
Agriculture, forestry and fishing	A	0.3	0.3	0.4	0.4	0.4	0.4
Mining and quarrying	B	21.6	21.6	20.6	19.1	19.6	18.9
Manufacturing	C	19.3	18.8	18.6	19.3	19.1	20.1
Food, beverages and tobacco products	CA	3.1	3.0	3.0	3.6	3.2	3.3
Textiles, clothing, leather, wood, paper and printing	CB-C	0.9	0.9	0.8	0.8	0.8	0.8
Petroleum and chemical products	CD-E	13.9	13.5	13.5	13.8	14.1	15.1
Other manufactured products	CF-M	1.4	1.4	1.3	1.1	1.1	1.0
Electricity and gas	D	3.2	3.1	3.1	3.0	3.4	3.3
Water supply and sewerage	E	1.2	1.1	1.1	1.2	1.3	1.3
Construction	F	5.6	5.7	5.5	5.6	5.5	5.2
Trade and repairs	G	18.8	19.1	19.4	19.3	17.4	16.9
Transport and storage	H	3.6	3.8	3.6	3.2	3.4	3.4
Accommodation and food services	I	1.3	1.3	1.3	1.4	1.4	1.3
Information and communication	J	2.4	2.4	2.4	2.5	2.5	2.5
Financial and insurance activities	K	5.7	5.7	5.8	6.4	6.6	6.5
Real estate activities	L	1.8	1.8	1.8	1.9	2.0	2.0
Professional, scientific and technical services	M	1.6	1.7	1.4	1.5	1.6	1.6
Administrative and support services	N	2.4	2.1	2.9	3.0	3.2	3.2
Public administration	O	6.4	6.7	6.7	7.3	7.5	7.3
Education	P	2.2	2.3	2.3	2.5	2.6	2.7
Human health and social work	Q	0.4	0.4	0.4	0.4	0.4	0.4
Arts, entertainment and recreation	R	0.2	0.2	0.2	0.2	0.3	0.2
Other service activities	S	0.4	0.4	0.4	0.4	0.4	0.4
Domestic services	T	0.1	0.1	0.1	0.1	0.1	0.1
Less FISIM[2]		(2.0)	(2.0)	(2.0)	(2.2)	(2.2)	(2.2)
GDP at basic prices[3]		96.6	96.8	96.0	96.5	96.6	95.6
Taxes less subsidies on products		3.4	3.2	4.0	3.5	3.4	4.4
GDP AT PURCHASER PRICES[4]		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Of which[5]							
Crude oil exploration and extraction		*7.7*	*7.6*	*7.3*	*7.2*	*7.4*	*6.8*
Natural gas exploration and extraction		*12.1*	*12.4*	*11.4*	*10.4*	*11.0*	*10.9*
Asphalt		*0.2*	*0.2*	*0.1*	*0.1*	*0.2*	*0.1*
Petroleum support services		*1.6*	*1.4*	*1.8*	*1.3*	*1.1*	*1.1*
Refining (incl. LNG)		*6.6*	*6.2*	*6.2*	*6.4*	*6.2*	*6.4*
Manufacture of Petrochemicals		*6.8*	*6.9*	*7.0*	*7.0*	*7.4*	*8.2*
Petroleum and natural gas distribution		*3.8*	*3.1*	*3.1*	*3.0*	*3.3*	*3.2*

Source: Central Statistical Office
1/ Designation of the section in the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4) that corresponds to the industry/sub-industry.
2/ Financial Intermediation Services Indirectly Measured.
3/ The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. (System of National Accounts, 2008).
4/ The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place (System of National Accounts, 2008).
5/ This Memorandum Item presents the major energy based sub-industries that were previously grouped under the Petroleum Industry in the TTSNA classifications.
r: revised p: provisional

Appendix 4

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

INDUSTRY	ISIC[1]	2013[r]	2014[r]	2015[r]	2016[r]	2017[r]	2018[p]
Agriculture, forestry and fishing	A	636.8	608.3	704.6	706.7	689.3	738.3
Mining and quarrying	B	40,385.8	37,872.6	21,984.3	14,036.9	19,009.5	24,491.1
Manufacturing	C	26,982.5	28,237.0	24,228.3	24,865.4	23,642.8	25,209.9
Food, beverages and tobacco products	CA	5,696.7	5,960.6	7,722.5	7,330.0	7,305.8	7,546.8
Textiles, clothing, leather, wood, paper and printing	CB-C	1,378.3	1,086.9	973.9	848.9	742.9	742.7
Petroleum and chemical products	CD-E	17,087.9	18,602.7	13,411.4	14,471.7	13,494.0	14,948.8
Other manufactured products	CF-M	2,819.5	2,586.8	2,120.5	2,214.9	2,100.1	1,971.7
Electricity and gas	D	5,890.9	6,156.0	3,740.1	1,501.4	2,632.4	3,297.0
Water supply and sewerage	E	2,324.5	2,099.2	2,296.6	2,211.3	2,453.3	2,436.9
Construction	F	9,358.1	9,723.9	9,747.8	9,281.5	8,906.7	8,856.5
Trade and repairs	G	36,780.1	38,515.4	37,374.0	34,412.5	32,656.1	32,448.3
Transport and storage	H	5,549.3	5,075.1	5,259.0	5,484.5	5,858.4	6,012.1
Accommodation and food services	I	2,305.3	2,500.3	2,506.8	2,484.7	2,536.4	2,639.9
Information and communication	J	4,040.7	4,429.0	4,052.7	3,940.7	3,814.1	4,113.6
Financial and insurance activities	K	9,882.6	9,911.6	10,048.1	10,262.7	12,921.5	11,906.3
Real estate activities	L	3,039.8	3,047.8	3,084.4	3,129.5	3,183.6	3,224.4
Professional, scientific and technical services	M	2,896.6	3,040.0	3,070.4	3,020.6	3,221.0	3,323.3
Administrative and support services	N	4,338.0	3,898.3	5,986.9	5,895.3	6,269.6	6,448.1
Public administration	O	11,690.6	12,608.8	14,228.2	14,326.2	14,488.8	13,952.1
Education	P	3,765.1	3,691.4	4,998.6	4,111.2	3,965.3	4,177.8
Human health and social work	Q	647.7	695.4	777.4	741.0	742.1	742.6
Arts, entertainment and recreation	R	467.5	494.4	496.7	435.4	243.6	273.0
Other service activities	S	713.4	744.9	815.3	822.4	873.3	904.7
Domestic services	T	225.7	239.8	273.2	300.7	336.7	373.8
Less FISIM[2]		(3,360.8)	(3,359.4)	(3,343.6)	(3,429.6)	(3,997.7)	(4,165.2)
GDP at basic prices[3]		168,560.2	170,229.9	152,329.8	138,540.9	144,447.0	151,404.5
Taxes less subsidies on products		6,100.4	5,879.2	7,880.2	6,485.7	6,400.0	7,100.0
GDP AT PURCHASER PRICES[4]		**174,660.6**	**176,109.0**	**160,210.0**	**145,026.7**	**150,847.0**	**158,504.5**
Of which[5]							
Crude oil exploration and extraction		*13,659.9*	*11,136.2*	*6,100.3*	*4,832.1*	*6,275.7*	*8,105.8*
Natural gas exploration and extraction		*23,299.9*	*23,722.4*	*12,833.1*	*7,112.2*	*10,946.8*	*14,537.4*
Asphalt		*196.6*	*201.2*	*125.3*	*111.5*	*126.8*	*121.9*
Petroleum support services		*3,218.7*	*2,801.2*	*2,913.8*	*1,971.0*	*1,651.7*	*1,716.8*
Refining (incl. LNG)		*7,662.2*	*8,746.0*	*4,601.6*	*8,522.9*	*7,349.1*	*8,565.8*
Manufacture of Petrochemicals		*8,554.0*	*9,026.2*	*7,893.3*	*4,998.7*	*5,167.8*	*5,350.0*
Petroleum and natural gas distribution		*6,591.2*	*6,668.6*	*3,802.9*	*818.2*	*2,407.9*	*3,002.7*

Source: Central Statistical Office
1/ Designation of the section in the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4) that corresponds to the industry/sub-industry.
2/ Financial Intermediation Services Indirectly Measured.
3/ The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. (System of National Accounts, 2008).
4/ The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place (System of National Accounts, 2008).
5/ This Memorandum Item presents the major energy based sub-industries that were previously grouped under the Petroleum Industry in the TTSNA classifications.
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Appendix 5

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

INDUSTRY	ISIC[1]	2013[r]	2014[r]	2015[r]	2016[r]	2017[r]	2018[p]
Agriculture, forestry and fishing	A	6.1	(4.5)	15.8	0.3	(2.5)	7.1
Mining and quarrying	B	12.8	(6.2)	(42.0)	(36.2)	35.4	28.8
Manufacturing	C	(16.4)	4.6	(14.2)	2.6	(4.9)	6.6
Food, beverages and tobacco products	CA	8.9	4.6	29.6	(5.1)	(0.3)	3.3
Textiles, clothing, leather, wood, paper and printing	CB-C	(12.7)	(21.1)	(10.4)	(12.8)	(12.5)	(0.0)
Petroleum and chemical products	CD-E	(26.3)	8.9	(27.9)	7.9	(6.8)	10.8
Other manufactured products	CF-M	24.5	(8.3)	(18.0)	4.5	(5.2)	(6.1)
Electricity and gas	D	12.3	4.5	(39.2)	(59.9)	75.3	25.2
Water supply and sewerage	E	11.1	(9.7)	9.4	(3.7)	10.9	(0.7)
Construction	F	6.6	3.9	0.2	(4.8)	(4.0)	(0.6)
Trade and repairs	G	16.1	4.7	(3.0)	(7.9)	(5.1)	(0.6)
Transport and storage	H	1.0	(8.5)	3.6	4.3	6.8	2.6
Accommodation and food services	I	5.3	8.5	0.3	(0.9)	2.1	4.1
Information and communication	J	3.1	9.6	(8.5)	(2.8)	(3.2)	7.9
Financial and insurance activities	K	5.6	0.3	1.4	2.1	25.9	(7.9)
Real estate activities	L	0.1	0.3	1.2	1.5	1.7	1.3
Professional, scientific and technical services	M	19.4	4.9	1.0	(1.6)	6.6	3.2
Administrative and support services	N	34.3	(10.1)	53.6	(1.5)	6.3	2.8
Public administration	O	8.7	7.9	12.8	0.7	1.1	(3.7)
Education	P	2.8	(2.0)	35.4	(17.8)	(3.5)	5.4
Human health and social work	Q	7.9	7.4	11.8	(4.7)	0.2	0.1
Arts, entertainment and recreation	R	21.3	5.7	0.5	(12.3)	(44.0)	12.1
Other service activities	S	17.6	4.4	9.45	0.9	6.2	3.6
Domestic services	T	40.8	6.3	13.9	10.0	12.0	11.0
Less FISIM[2]		6.9	(0.0)	(0.5)	2.6	16.6	4.2
GDP at basic prices[3]		5.9	1.0	(10.5)	(9.1)	4.3	4.8
Taxes less subsidies on products		(6.6)	(3.6)	34.0	(17.7)	(1.3)	10.9
GDP AT PURCHASER PRICES[4]		**5.4**	**0.8**	**(9.0)**	**(9.5)**	**4.0**	**5.1**
Of which[5]							
Crude oil exploration and extraction		*2.6*	*(18.5)*	*(45.2)*	*(20.8)*	*29.9*	*29.2*
Natural gas exploration and extraction		*17.5*	*1.8*	*(45.9)*	*(44.6)*	*53.9*	*32.8*
Asphalt		*(12.5)*	*2.3*	*(37.8)*	*(11.0)*	*13.8*	*(3.9)*
Petroleum support services		*32.7*	*(13.0)*	*4.0*	*(32.4)*	*(16.2)*	*3.9*
Refining (incl. LNG)		*(27.0)*	*14.1*	*(47.4)*	*85.2*	*(13.8)*	*16.6*
Manufacture of Petrochemicals		*(27.9)*	*5.5*	*(12.6)*	*(36.7)*	*3.4*	*3.5*
Petroleum and natural gas distribution		*27.0*	*1.2*	*(43.0)*	*(78.5)*	*194.3*	*24.7*

Source: Central Statistical Office

1/ Designation of the section in the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4) that corresponds to the industry/sub-industry.

2/ Financial Intermediation Services Indirectly Measured.

3/ The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. (System of National Accounts, 2008).

4/ The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place (System of National Accounts, 2008).

5/ This Memorandum Item presents the major energy based sub-industries that were previously grouped under the Petroleum Industry in the TTSNA classifications.

r: revised p: provisional

Appendix 6

Gross Domestic Product of Trinidad and Tobago at Market Prices (Current Prices) /Percentage Contribution/

INDUSTRY	ISIC[1]	2013r	2014r	2015r	2016r	2017r	2018p
Agriculture, forestry and fishing	A	0.4	0.3	0.4	0.5	0.5	0.5
Mining and quarrying	B	23.1	21.5	13.7	9.7	12.6	15.5
Manufacturing	C	15.4	16.0	15.1	17.1	15.7	15.9
Food, beverages and tobacco products	CA	3.3	3.4	4.8	5.1	4.8	4.8
Textiles, clothing, leather, wood, paper and printing	CB-C	0.8	0.6	0.6	0.6	0.5	0.5
Petroleum and chemical products	CD-E	9.8	10.6	8.4	10.0	8.9	9.4
Other manufactured products	CF-M	1.6	1.5	1.3	1.5	1.4	1.2
Electricity and gas	D	3.4	3.5	2.3	1.0	1.7	2.1
Water supply and sewerage	E	1.3	1.2	1.4	1.5	1.6	1.5
Construction	F	5.4	5.5	6.1	6.4	5.9	5.6
Trade and repairs	G	21.1	21.9	23.3	23.7	21.6	20.5
Transport and storage	H	3.2	2.9	3.3	3.8	3.9	3.8
Accommodation and food services	I	1.3	1.4	1.6	1.7	1.7	1.7
Information and communication	J	2.3	2.5	2.5	2.7	2.5	2.6
Financial and insurance activities	K	5.7	5.6	6.3	7.1	8.6	7.5
Real estate activities	L	1.7	1.7	1.9	2.2	2.1	2.0
Professional, scientific and technical services	M	1.7	1.7	1.9	2.1	2.1	2.1
Administrative and support services	N	2.5	2.2	3.7	4.1	4.2	4.1
Public administration	O	6.7	7.2	8.9	9.9	9.6	8.8
Education	P	2.2	2.1	3.1	2.8	2.6	2.6
Human health and social work	Q	0.4	0.4	0.5	0.5	0.5	0.5
Arts, entertainment and recreation	R	0.3	0.3	0.3	0.3	0.2	0.2
Other service activities	S	0.4	0.4	0.5	0.6	0.6	0.6
Domestic services	T	0.1	0.1	0.2	0.2	0.2	0.2
Less FISIM[2]		(1.9)	(1.9)	(2.1)	(2.4)	(2.7)	(2.6)
GDP at basic prices[3]		96.5	96.7	95.1	95.5	95.8	95.5
Taxes less subsidies on products		3.5	3.3	4.9	4.5	4.2	4.5
GDP AT PURCHASER PRICES[4]		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Of which[5]							
Crude oil exploration and extraction		*7.8*	*6.3*	*3.8*	*3.3*	*4.2*	*5.1*
Natural gas exploration and extraction		*13.3*	*13.5*	*8.0*	*4.9*	*7.3*	*9.2*
Asphalt		*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Petroleum support services		*1.8*	*1.6*	*1.8*	*1.4*	*1.1*	*1.1*
Refining (incl. LNG)		*4.4*	*5.0*	*2.9*	*5.9*	*4.9*	*5.4*
Manufacture of Petrochemicals		*4.9*	*5.1*	*4.9*	*3.4*	*3.4*	*3.4*
Petroleum and natural gas distribution		*3.8*	*3.8*	*2.4*	*0.6*	*1.6*	*1.9*

Source: Central Statistical Office
1/ Designation of the section in the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4) that corresponds to the industry/sub-industry.
2/ Financial Intermediation Services Indirectly Measured.
3/ The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. (System of National Accounts, 2008).
4/ The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place (System of National Accounts, 2008).
5/ This Memorandum Item presents the major energy based sub-industries that were previously grouped under the Petroleum Industry in the TTSNA classifications.
r: revised p: provisional

Appendix 7
Development and Exploratory Drilling and Domestic Crude Production

Development and Exploratory Drilling

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17	Oct '16/ Jul '17	Oct '17/ Jul '18p
Total Depth Drilled*	123.4	103.7	134.0	120.4	132.0	107.2	76.0
Land	65.2	55.3	88.3	55.4	65.9	54.0	29.3
Marine	58.2	48.4	45.7	65.0	66.0	53.2	46.7
Development Drilling*	110.8	88.9	117.9	101.5	119.9	95.1	67.3
Exploratory Drilling*	12.6	14.8	16.2	18.9	12.1	12.1	8.7

Number of Wells Drilled

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17	Oct '16/ Jul '17	Oct '17/ Jul '18p
No. of Wells Drilled**	86	80	94	70	89	77	43
Development	81	73	88	66	85	73	40
Exploratory	5	7	6	4	4	4	3

Domestic Crude and Condensate Production

	Oct '12/ Sep '13	Oct '13/ Sep '14r	Oct '14/ Sep '15r	Oct '15/ Sep '16r	Oct '16/ Sep '17	Oct '16/ Jul '17	Oct '17/ Jul '18p
Total Crude and Condensate							
Barrels of Oil per day (BOPD)	80,925	80,795	80,629	72,300	72,188	72,777	68,155
Land (%)	28.3	28.6	28.7	29.2	30.9	31.0	31.8
Marine (%)	71.7	71.4	71.3	70.8	69.1	69.0	68.2
Crude Production							
Barrels of Oil per day (BOPD)	68,138	67,678	66,756	61,651	58,773	59,016	58,003
Condensate Production							
Barrels of Oil per day (BOPD)	12,787	13,117	13,873	10,649	13,415	13,761	10,152

Source: Ministry of Energy and Energy Industries
p: Provisional
r: Revised
* ALL FIGURES IN THOUSANDS OF METRES
** Refers to wells started during the period

Appendix 8
Natural Gas and Liquefied Natural Gas Production and Utilisation

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17	Oct '16/ Jul '17	Oct '17/ Jul '18p
Natural Gas Production (MMSCF/D)1	4,121.6	4,105.9	3,892.8	3,429.8	3,312.0	3,283.5	3,624.6
Natural Gas Utilisation (MMSCF/D)1							
Power Generation	302.0	306.0	295.4	279.4	254.2	253.5	244.5
Ammonia Manufacture	538.7	557.4	540.5	550.1	559.1	558.4	547.0
Methanol Manufacture	522.6	547.7	527.0	489.8	454.9	443.9	501.1
Refinery	62.9	58.8	70.8	76.5	62.6	64.0	68.1
Iron & Steel Manufacture	104.3	107.6	91.8	44.7	43.7	43.4	43.2
Cement Manufacture	11.5	12.6	12.3	11.9	12.4	12.2	11.4
Ammonia Derivatives	22.2	20.1	17.9	18.4	18.9	18.7	20.2
Gas Processing	27.0	26.8	26.2	25.7	24.1	23.9	24.4
Small Consumers	11.0	9.9	8.7	7.7	8.1	8.0	8.0
Liquefied Natural Gas (LNG)	2,226.9	2,169.2	2,053.4	1,693.7	1,686.2	1,663.3	1,938.3
Liquefied Natural Gas (LNG)							
Production2 (Trillion Btu)4	749.7r	726.8r	687.8r	566.7r	558.9	460.4	533.2
Exports3 (Trillion Btu)4	747.1r	705.4r	682.1r	560.4	551.7	453.1	537.0

Source: Ministry of Energy and Energy Industries
1 Millions of Standard Cubic Feet per day
2 Refers to output of LNG from LNG Trains
3 Not all LNG produced within a period is sold during the same period, since some LNG may be stored for export later.
4 Trillions of British Thermal Units
p: Provisional
r: Revised

Appendix 9
Petrochemical Production and Export
/Tonnes '000/

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17	Oct '16/ Jun'17	Oct '17/ Jun '18p
Nitrogeneous Fertilisers							
Ammonia							
Production	4,521.4	4,825.4	4,681.0	4,963.0	5,008.9	3,739.3	3,681.9
Export	4,201.7	4,355.0	4,299.7	4,670.9	4,496.8	3,330.7	3,385.9
Urea							
Production	480.2	533.4	447.5	580.0	605.5	432.4	480.3
Export	461.7	526.9	425.0	590.0	578.2	418.1	512.4
Methanol							
Production	5,380.4	5,697.1	5,380.8	5,005.6	4,732.2	3,411.1	3,985.9
Export	5,482.0	5,674.0	5,313.8	5,162.0	4,699.7	3,345.1	3,972.9

Source: Ministry of Energy and Energy Industries
p: Provisional

Appendix 10

Change in Prices, Productivity and Average Weekly Earnings /Percentage Change/

		2013	2014	2015	2016	2017	Jan - Aug* 2017	Jan - Aug* 2018
	Weights							
Index of Retail Prices (Calendar Year)								
All Items (Base Year = Jan 2015)	**1,000**	**5.1**	**5.8**	**4.7**	**3.1**	**1.9**	**0.6**	**0.3**
Core	827	2.3	2.1	1.8	2.1	1.7	0.4	0.9
Food	173	8.7	10.0	8.6	7.4	2.9	1.2	-2.4
Transport	147	3.4	2.8	1.0	3.2	1.2	-0.3	0.3
Housing	275	0.2	0.7	0.9	-0.3	0.0	0.2	2.7
		2012/ 2013	**2013/ 2014**	**2014/ 2015r**	**2015/ 2016r**	**2016/ 2017**	**Jan '17/ Mar '17****	**Jan '18/ Mar '18****
Index of Productivity (Fiscal Year)								
All workers/all industries (Base Year = 1995)		**8.0**	**3.5**	**0.4**	**-5.0**	**1.8**	**-5.3**	**6.4**
Non-Energy		**7.9**	**1.7**	**-2.2**	**-12.6**	**3.5**	**-4.6**	**7.8**
Food Processing		0.7	-1.5	21.6	23.1	29.7	4.2	30.3
Drink and Tobacco		0.1	-4.0	4.1	12.1	-13.0	-12.0	-4.2
Textiles, Garments and Footwear		-10.9	-13.1	-14.7	-15.7	3.6	2.9	3.0
Printing, Publishing and Paper Converters		15.8	7.9	-9.0	-3.3	1.1	2.1	-20.9
Wood and Related Products		-7.7	-23.7	0.4	6.8	-10.8	-5.9	-11.1
Chemicals		-8.9	10.3	2.3	2.1	4.5	0.5	6.9
Assembly Type & Related Products		33.3	18.5	-14.4	-67.2	-6.9	-12.9	-3.9
Miscellaneous Manufacturing		9.7	4.8	5.8	5.6	3.0	-0.4	8.8
Electricity		1.0	-5.6	-3.3	-2.0	-7.6	-17.0	-5.8
Water		24.5	14.7	6.6	-6.2	-19.5	-21.7	-21.7
Petrochemicals		-7.5	3.4	-11.6	12.0	10.2	9.3	11.2
Exploration and Production of Oil and Natural Gas		-12.6	-5.6	0.4	5.0	9.8	3.1	7.0
Oil & Natural Gas Refining		4.3	4.2	24.7	20.3	-4.6	-13.9	3.8
Index of Average Weekly Earnings (Fiscal Year)								
All workers/all industries (Base Year = 1995)	**1,000**	**11.0**	**-1.4**	**5.1**	**1.9**	**-1.7**	**-4.1**	**3.2**

Source: Central Statistical Office
* Calendar Year-to-date.
** Refers to change in January to March period, versus January to March in the previous year.
r: Revised

Appendix 11
Population, Labour Force and Employment (Mid-year)

	2012*	2013*	2014*	2015*p	2016*p	2017*p	2018*p
TOTAL POPULATION	1,335,194	1,340,557	1,345,343	1,349,667	1,353,895	1,356,633	1,359,193
% change	0.5	0.4	0.4	0.3	0.3	0.2	0.2
TOTAL MALE	669,905	672,596	674,997	677,166	679,288	680,661	681,946
% change	0.5	0.4	0.4	0.3	0.3	0.2	0.2
TOTAL FEMALE	665,289	667,961	670,346	672,501	674,607	675,972	677,247
% change	0.5	0.4	0.4	0.3	0.3	0.2	0.2
Dependency Ratio[1] (%)	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Non Institutional Population 15 yrs and over	1,044,100	1,059,600	1,063,400	1,065,100	1,068,500	1,071,400†	-
Labour Force* **	646,000	650,200	658,600	645,300	638,300	637,000†	-
Persons Employed	614,000	626,300	636,900	623,300	613,100	605,400†	-
Persons Unemployed	32,000	23,900	21,800	22,000	25,300	31,700†	-
Participation Rate[2] (%)	61.9	61.4	61.9	60.6	59.7	59.5†	-
Unemployment Rate (%)	4.9	3.7	3.3	3.4	4.0	5.0†	-
Births per 1,000 persons	14.83	13.98	13.70	14.00	12.83	12.82	12.67
Deaths per 1,000 persons	7.21	7.74	7.91	8.58	8.23	8.59	8.58
Crude Natural Growth Rate per 1,000	7.62	6.24	5.79	5.42	4.60	4.23	4.09

Source: Central Statistical Office
1. The dependency ratio is the ratio of dependents (i.e. persons under 15 years of age or 65 years and over) to the total working age population (15 to 64 years).
2. The participation rate is the portion of the non-institutional population, aged 15 years and over, that is part of (participates in) the labour force.
* Figures based on 2011 census.
** Figures based on CSSP estimates.
† For the period January to September 2017..
p: Provisional.

Appendix 12
Mid-year Estimates of Population by Age

	2011	2012p	2013p	2014p	2015p	2016p	2017p	2018p
Total Population	1,328,019	1,335,194	1,340,557	1,345,343	1,349,667	1,353,895	1,356,633	1,359,193
Non-Institutional Population								
All Ages								
Under 15	273,415	274,892	275,996	276,982	277,872	278,742	279,306	279,833
15-19	98,379	98,911	99,308	99,662	99,983	100,296	100,499	100,688
20-24	114,240	114,857	115,319	115,730	116,102	116,466	116,701	116,922
25-29	123,518	124,185	124,684	125,129	125,531	125,925	126,179	126,417
30-34	105,580	106,150	106,577	106,957	107,301	107,637	107,855	108,058
35-39	92,539	93,039	93,413	93,746	94,047	94,342	94,533	94,711
40-44	86,163	86,629	86,976	87,287	87,568	87,842	88,020	88,186
45-49	96,114	96,633	97,021	97,368	97,681	97,987	98,185	98,370
50-54	87,184	87,655	88,007	88,321	88,605	88,883	89,062	89,231
55-59	73,215	73,611	73,906	74,170	74,408	74,642	74,793	74,934
60-64	58,647	58,964	59,201	59,412	59,603	59,790	59,911	60,024
65 and over	119,025	119,668	120,149	120,578	120,965	121,344	121,590	121,819

Source: Central Statistical Office
Figures for 2011 to 2018 are based on 2011 census
p: provisional

Appendix 13
Labour Force by Industry and Employment Status (CSSP Estimates) /Hundreds ('00)/

	2016									2017								
	Apr - Jun			Jul - Sep			Oct - Dec			Jan - Mar			Apr - Jun			Jul - Sep		
	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %
Total Labour Force	6,409	6,124	4.4	6,392	6,136	4.0	6,313	6,084	3.6	6,402	6,111	4.5	6,368	6,030	5.3	6,341	6,020	5.1
Other Agriculture, Forestry, Hunting & Fishing	194	192	1.0	188	185	1.6	202	195	3.0	245	240	2.0	243	238	2.1	210	208	1.0
Sugar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Petroleum and gas	194	188	3.1	156	152	3.2	211	200	5.2	164	149	9.1	155	142	8.4	155	146	5.8
Construction	969	884	8.6	1,048	972	7.3	987	925	6.3	899	828	8.0	888	789	11.1	923	819	11.2
Wholesale/Retail Trade, Restaurants & Hotels	1,094	1,034	5.5	1,217	1,165	4.2	1,147	1,111	3.1	1,242	1,198	3.5	1,254	1,183	5.7	1,234	1,172	5.0
Transport, Storage & Communication	481	469	2.7	492	479	2.8	410	407	0.7	446	435	2.5	434	415	3.9	473	457	3.6
Finance, Insurance, Real-Estate & Business Services	618	594	3.9	587	561	4.4	604	583	3.6	590	562	4.7	584	570	2.4	636	618	3.0
Community, Social & Personal Services	2,196	2,131	2.9	2,064	2,008	2.7	2,175	2,118	2.6	2,188	2,099	4.1	2,212	2,106	4.8	2,079	1,997	3.9
Electricity & Water	112	109	2.7	89	84	5.6	94	86	8.5	98	93	5.1	83	83	0.0	74	74	0.0
Other Manufacturing (excluding sugar and oil)	536	507	5.2	516	496	3.9	452	432	4.6	511	489	4.5	482	472	2.1	523	500	4.4
Other Mining & Quarrying	10	10	0.0	16	16	0.0	5	5	0.0	8	8	0.0	20	20	0.0	7	7	0.0
Not stated	7	7	0.0	18	18	0.0	25	23	16.0	11	10	9.1	13	11	15.4	28	23	17.9

Source: Central Statistical Office

Appendix 14
Exchange Rate for Selected Currencies

Period	US Dollar		Canadian Dollar		U.K. Pound Sterling		EURO	
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
2007	6.2736	6.3282	5.7744	6.0402	12.2988	12.8852	8.4361	8.7990
2008	6.2236	6.2891	5.7929	6.0553	11.2925	11.8596	8.9735	9.3961
2009	6.2736	6.3259	5.4486	5.6911	9.6108	10.0982	8.5703	8.9866
2010	6.3203	6.3757	6.0640	6.3055	9.6020	10.0445	8.2477	8.5850
2011	6.3731	6.4261	6.3605	6.6262	9.9974	10.4562	8.6736	9.0375
2012	6.3716	6.4349	6.2971	6.5787	9.8818	10.3595	8.0181	8.3414
2013	6.3885	6.4426	6.1134	6.4166	9.7838	10.2313	8.2916	8.6617
2014	6.3613	6.4086	5.6779	5.9750	10.2525	10.7882	8.2714	8.6831
2015	6.3298	6.3776	4.8932	5.1793	9.5120	10.0569	6.9171	7.3032
2016	6.6152	6.6715	4.9425	5.2478	8.8462	9.4051	7.2682	7.6602
2017	6.7283	6.7795	5.1182	5.4517	8.6071	9.1537	7.5373	8.0093
2016								
October	6.6897	6.7507	5.0065	5.3224	8.2197	8.7486	7.3279	7.7586
November	6.7215	6.7777	4.9412	5.2521	8.3019	8.8011	7.2408	7.6370
December	6.7298	6.7802	4.9667	5.2890	8.3203	8.8555	7.0250	7.4440
2017								
January	6.7248	6.7776	5.0373	5.3238	8.2301	8.6977	7.0618	7.4657
February	6.7311	6.7782	5.0715	5.3740	8.3308	8.8475	7.0778	7.4979
March	6.7183	6.7754	4.9492	5.2856	8.2207	8.7425	7.1072	7.5530
April	6.7253	6.7801	4.9384	5.2622	8.4424	8.9326	7.1554	7.5712
May	6.7249	6.7802	4.8675	5.1878	8.6584	9.1377	7.3796	7.8197
June	6.7275	6.7772	4.9909	5.3184	8.6069	9.0876	7.5077	7.9718
July	6.7279	6.7792	5.2085	5.5373	8.6996	9.2078	7.6730	8.1770
August	6.7236	6.7820	5.2604	5.5972	8.6405	9.2451	7.8817	8.3032
September	6.7321	6.7803	5.4079	5.7546	8.8916	9.4281	7.9758	8.4471
October	6.7332	6.7824	5.2776	5.6303	8.8072	9.4304	7.8339	8.3578
November	6.7295	6.7800	5.1950	5.5751	8.8101	9.4732	7.8433	8.3756
December	6.7441	6.7817	5.2101	5.5652	8.9450	9.6040	7.9100	8.5310
2018								
January	6.7309	6.7832	5.3251	5.7046	9.2447	9.8993	8.1962	8.7154
February	6.7248	6.7771	5.2943	5.6587	9.3250	10.0031	8.2635	8.8216
March	6.7370	6.7820	5.1614	5.4999	9.3309	9.9782	8.2251	8.8247
April	6.7304	6.7787	5.2233	5.5755	9.3812	10.0546	8.2202	8.8158
May	6.7275	6.7785	5.1781	5.5401	9.0483	9.6615	7.9464	8.4926
June	6.7418	6.7832	5.0906	5.4312	8.8844	9.5933	7.8592	8.3555
July	6.7308	6.7806	5.0745	5.4126	8.8049	9.4082	7.8400	8.3319
August	6.7294	6.7813	5.1082	5.4598	8.5906	9.2354	7.7585	8.2332

Source: Central Bank of Trinidad and Tobago

Appendix 15
Money Supply
/TT$ Millions/

Period Ending	Currency in Circulation	Demand Deposits (adj)	Savings Deposits (adj)	Time Deposits (adj)	Foreign Currency Deposits* (adj)	Narrow Money (M1)	Broad Money (M2)
2007	3,182.8	11,939.3	13,001.7	9,186.1	11,923.5	15,122.1	37,309.9
2008	3,433.7	13,226.0	13,830.6	11,680.2	16,112.7	16,659.7	42,170.5
2009	3,850.0	19,310.3	17,702.6	12,681.5	22,930.1	23,160.3	53,544.4
2010	4,242.4	21,040.7	19,953.3	10,981.4	18,926.3	25,283.0	56,217.7
2011	4,689.9	26,494.9	22,468.4	10,356.0	19,510.1	31,184.8	64,009.2
2012	5,395.5	30,285.4	24,748.5	10,391.9	23,458.0	35,680.9	70,821.2
2013	6,050.0	34,073.6	27,437.8	9,473.2	21,618.9	40,123.6	77,034.6
2014	6,895.1	40,824.1	29,899.5	9,509.7	20,961.8	47,719.2	87,128.3
2015	7,649.8	36,604.2	31,886.9	9,729.6	22,249.7	44,254.0	85,870.5
2016	7,846.6	37,537.2	32,630.2	10,622.2	23,866.3	45,383.8	88,636.2
2017	8,104.1	35,908.7	32,578.3	10,163.5	23,986.1	44,012.7	86,754.6
2016							
October	7,625.7	36,186.2	32,346.5	10,862.0	22,784.1	43,811.9	87,020.4
November	7,657.8	37,264.9	32,638.1	10,700.6	23,336.2	44,922.7	88,261.5
December	7,846.6	37,537.2	32,630.2	10,622.2	23,866.3	45,383.8	88,636.2
2017							
January	7,639.8	35,831.3	32,437.0	10,544.5	23,791.1	43,471.1	86,452.6
February	7,791.6	36,108.9	33,007.6	10,351.1	23,677.4	43,900.5	87,259.1
March	7,854.2	36,147.4	32,914.9	10,174.2	24,040.2	44,001.6	87,090.8
April	7,888.9	37,005.6	32,944.1	10,122.8	23,177.8	44,894.5	87,961.4
May	7,860.2	36,949.5	32,461.3	9,748.9	23,431.5	44,809.7	87,019.9
June	7,894.6	36,290.7	32,490.2	9,619.8	23,784.0	44,185.3	86,295.3
July	7,899.0	34,778.1	32,311.2	9,607.3	23,242.8	42,677.1	84,595.7
August	7,728.2	35,292.8	32,400.0	9,639.9	23,544.1	43,021.0	85,061.0
September	7,805.0	35,037.7	32,479.0	10,036.5	23,575.0	42,842.7	85,358.2
October	7,753.7	34,647.3	32,374.8	10,136.5	23,594.8	42,401.0	84,912.3
November	7,859.1	34,656.6	32,651.9	10,236.9	24,133.6	42,515.7	85,404.4
December	8,104.1	35,908.7	32,578.3	10,163.5	23,986.1	44,012.7	86,754.6
2018							
January	7,834.2	35,322.4	32,383.1	10,205.4	22,976.2	43,156.6	85,745.0
February	7,745.0	36,257.8	32,615.6	10,310.8	23,773.0	44,002.8	86,929.2
March	7,889.3	35,362.4	32,715.4	10,422.2	23,483.5	43,251.7	86,389.2
April	7,840.2	34,891.0	32,632.4	10,079.0	23,666.3	42,731.1	85,442.4
May	7,848.6	34,645.9	32,725.2	10,080.7	23,349.4	42,494.5	85,300.4
June	7,811.2	35,346.2	32,723.0	9,922.1	23,342.6	43,157.4	85,802.5
July	7,712.3	34,640.5	32,503.9	9,748.5	23,345.0	42,352.8	84,605.2

Source: Central Bank of Trinidad and Tobago
* Foreign Currency Deposits at the Commercial Banks

Appendix 16
Commercial Banks' Liquid Assets
/TT$ Millions/

	Reserve Position			Deposits at the Central Bank				
Period Ending	Required Reserves	Cash Reserves	Deposit Liabilities (adj.)	Cash Reserves	Special Deposits*	Total Deposits	Local Cash in Hand	Treasury Bills
2007	3,625.4	3,928.0	32,958.2	3,928.0	2,158.6	6,086.6	1,022.5	567.4
2008	6,416.7	8,352.7	37,745.3	8,352.7	2,252.4	10,605.1	1,051.9	819.7
2009	8,055.7	10,110.7	47,386.5	10,110.7	4,447.7	14,558.5	1,004.0	1,001.2
2010	8,896.9	10,634.3	52,334.7	10,634.3	5,546.7	16,181.0	800.0	1,055.6
2011	9,747.2	15,431.2	57,336.5	15,431.2	5,646.7	21,077.9	1,245.4	451.8
2012	10,906.2	14,871.9	64,154.1	14,871.9	7,273.1	22,145.0	1,246.2	287.9
2013	12,123.8	18,678.4	71,316.3	18,678.4	7,416.3	26,094.8	1,365.9	828.2
2014	13,339.0	19,262.7	78,464.5	19,262.7	7,569.3	26,832.0	1,447.5	843.6
2015	13,330.2	17,954.9	78,413.1	17,954.9	4,068.3	22,023.1	1,437.3	275.5
2016	13,828.9	15,645.8	81,346.7	15,645.8	3,126.9	18,772.7	1,512.4	70.0
2017	13,343.2	15,522.6	78,489.4	15,522.6	1,569.8	17,092.3	1,305.8	565.6
2016								
October	13,540.1	16,962.8	79,647.9	16,962.8	3,093.0	20,055.8	970.2	50.0
November	13,620.6	17,320.5	80,121.0	17,320.5	3,102.4	20,422.9	1,105.1	50.0
December	13,828.9	15,645.8	81,346.7	15,645.8	3,126.9	18,772.7	1,512.4	70.0
2017								
January	13,776.3	16,176.1	81,037.1	16,176.1	3,120.7	19,296.8	1,091.2	93.9
February	13,560.2	17,262.4	79,765.7	17,262.4	3,095.3	20,357.7	1,049.1	87.0
March	13,461.0	17,149.4	79,182.4	17,149.4	1,583.7	18,733.1	981.7	139.0
April	13,509.0	18,530.3	79,464.7	18,530.3	1,589.3	20,119.6	988.1	186.9
May	13,550.8	17,020.3	79,710.6	17,020.3	1,594.2	18,614.6	1,080.6	1,299.1
June	13,521.6	15,549.3	79,538.8	15,549.3	1,590.8	17,140.1	1,108.4	799.1
July	13,486.7	15,806.5	79,333.4	15,806.5	1,586.7	17,393.2	1,054.8	1,169.1
August	13,255.1	16,278.8	77,971.2	16,278.8	1,559.4	17,838.2	1,104.1	1,124.1
September	13,329.8	14,965.3	78,410.5	14,965.3	1,568.2	16,533.5	1,074.0	939.1
October	13,256.9	15,117.2	77,981.8	15,117.2	1,559.6	16,676.8	1,126.5	947.1
November	13,284.3	16,307.2	78,142.8	16,307.2	1,562.9	17,870.0	1,047.8	656.2
December	13,343.2	15,522.6	78,489.4	15,522.6	1,569.8	17,092.3	1,305.8	565.6
2018								
January	13,383.7	17,435.2	78,727.7	17,435.2	1,568.0	19,003.2	989.7	638.1
February	13,378.8	16,736.1	78,698.9	16,736.1	1,574.0	18,310.1	1,068.7	787.1
March	13,460.8	15,027.3	79,180.9	15,027.3	1,583.6	16,610.9	1,053.3	806.4
April	13,343.5	15,871.6	78,491.1	15,871.6	1,569.8	17,441.4	969.6	738.3
May	13,320.6	15,897.5	78,356.5	15,897.5	1,567.1	17,464.6	1,117.7	653.3
June	13,413.2	15,856.4	78,901.2	15,856.4	1,578.0	17,434.4	993.3	509.0

Source: Central Bank of Trinidad and Tobago
* Incudes other balances held at the Central Bank such as the Secondary Reserve Requirement and Fixed Deposits.

Appendix 17
Commercial Banks' Domestic Credit
/TT$ Millions/

Period Ending	Central Government Credit	Public Sector	Private Sector	Total Credit	Year on Year Percentage Change in Private Sector
2007	2,834.7	4,119.8	35,574.0	42,528.5	21.7
2008	3,350.4	4,501.4	40,452.4	48,304.1	13.7
2009	7,943.9	7,327.7	38,689.1	53,960.7	-4.4
2010	9,696.9	7,723.2	38,886.7	56,306.9	0.5
2011	9,480.3	6,877.1	41,402.3	57,759.7	6.5
2012	14,808.9	7,075.3	43,010.0	64,894.2	3.9
2013	14,070.6	7,579.0	45,042.9	66,692.4	4.7
2014	17,156.8	9,668.8	48,311.2	75,136.7	7.3
2015	14,924.7	11,388.4	51,246.4	77,559.5	6.1
2016	19,566.7	11,452.8	53,330.8	84,350.3	4.1
2017	17,564.5	11,027.8	56,046.9	84,639.3	5.1
2016					
October	19,681.1	11,230.4	52,413.0	83,324.5	3.4
November	20,053.8	11,084.2	52,948.7	84,086.7	4.3
December	19,566.7	11,452.8	53,330.8	84,350.3	4.1
2017					
January	18,293.6	11,280.4	53,014.7	82,588.7	2.5
February	17,530.6	11,038.0	53,583.6	82,152.1	3.9
March	18,891.1	11,232.8	53,497.7	83,621.6	3.4
April	17,994.3	10,921.9	53,716.4	82,632.6	2.7
May	18,613.0	10,931.1	53,504.8	83,048.9	2.9
June	18,983.7	10,759.2	53,781.6	83,524.5	3.5
July	17,917.5	10,449.3	53,823.0	82,189.8	2.9
August	18,293.3	10,389.9	54,014.0	82,697.3	4.1
September	18,694.4	10,523.8	54,308.1	83,526.3	4.1
October	18,776.6	10,959.6	54,751.9	84,488.1	4.5
November	17,813.5	10,628.6	55,210.6	83,652.6	4.3
December	17,564.5	11,027.8	56,046.9	84,639.3	5.1
2018					
January	15,640.7	10,671.1	56,693.3	83,005.0	6.9
February	16,539.2	10,551.2	56,673.9	83,764.2	5.8
March	15,819.5	11,100.2	56,868.0	83,787.7	6.3
April	15,144.1	10,861.0	56,922.9	82,927.9	6.0
May	15,559.4	10,154.8	56,650.3	82,364.5	5.9
June	15,340.8	10,141.9	56,966.7	82,449.4	5.9
July	14,258.1	9,978.6	57,074.3	81,311.0	6.0

Source: Central Bank of Trinidad and Tobago

Appendix 18
Commercial Banks' Interest Rates

		Prime Loan Rates						Deposits		
Period Ending	Basic Prime Rate	Term	Demand	Overdraft	Real Estate Mortgage	Savings Ordinary	Special Savings	3 Month	3 to 6 Month	6 to 12 Month
2007	11.75	10.63	11.75	11.75	11.75	1.77	2.45	3.35	3.65	4.00
2008	13.00	12.88	13.00	13.00	13.00	2.13	2.39	3.00	3.86	4.13
2009	10.25	10.25	10.25	10.25	9.90	0.57	0.88	1.08	1.48	2.22
2010	8.38	8.25	8.25	8.25	8.25	0.30	0.33	0.52	0.79	1.33
2011	7.75	7.75	7.75	7.75	7.75	0.20	0.21	0.22	0.79	1.51
2012	7.50	7.63	7.50	7.50	7.50	0.20	0.23	0.23	0.61	0.71
2013	7.50	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78r
2014	7.75	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
2015	8.93	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
2016	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
2017	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
2016										
October	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
November	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
December	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
2017										
January	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
February	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
March	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
April	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
May	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
June	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
July	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
August	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
September	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
October	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
November	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
December	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
2018										
January	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
February	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
March	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
April	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
May	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
June	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78
July	9.00	7.50	7.50	7.50	7.50	0.20	0.20	0.38	0.45	0.78

Source: Central Bank of Trinidad and Tobago
r: revised

Appendix 19
Secondary Market Activities

Period Ending	Number of Transactions	Volume of Shares Traded (Mn)	Market Value ($Mn)	Composite Index (Period End)
2007	17,744	120.7	2,250.0	982.0
2008	22,053	135.0[r]	2,191.0[r]	842.9
2009	9,884	76.9	1,474.2	765.3
2010	8,496	77.6[r]	864.5	835.6
2011	9,200	564.1[r]	1,029.0[r]	1,012.9
2012	8,778	50.7	746.6	1,065.0
2013	11,595	98.0[r]	1,105.2	1,185.1
2014	11,643	91.6[r]	1,115.7	1,150.9
2015	11,009	78.2	1,152.9	1,162.3
2016	10,519	92.0	951.9[r]	1,209.5
2017	11,221	84.6	1,024.7	1,266.4
2016				
October	714	7.4	53.0	1,172.8
November	924	8.4	136.0	1,205.8
December	639	3.9	38.7	1,209.5
2017				
January	953	7.5	66.4	1,229.5
February	967	7.6	74.0	1,237.6
March	935	4.4	43.9	1,233.8
April	890	4.9	82.5	1,222.9
May	1,095	11.0	110.5	1,216.3
June	699	6.8	80.4	1,209.2
July	935	7.3	129.7	1,210.4
August	927	5.6	60.5	1,240.5
September	896	5.8	92.9	1,241.6
October	818	6.4	72.1	1,274.3
November	1,078	7.5	85.8	1,280.5
December	1,028	9.6	126.1	1,266.4
2018				
January	1,098	4.8	75.5	1,272.5
February	953	5.3	67.7	1,268.8
March	928	6.3	86.8	1,263.9
April	1,010	6.4	101.3	1,230.5
May	959	6.9	105.7	1,247.1
June	771	3.9	64.2	1,235.2
July	858	5.4	93.6	1,228.6

Source: Central Bank of Trinidad and Tobago
r: Revised

Appendix 20
Central Government Fiscal Operations
/TT$ Millions/

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17[r]	Oct '17/ Sep '18[p]
Total Revenue and Grants	**52,782.2**	**58,397.0**	**57,261.5**	**44,972.6**	**36,180.6**	**42,617.6**
Current Revenue	52,280.8	57,080.5	52,272.3	41,158.9	34,870.1	41,784.0
of which: Energy Sector Revenue	26,420.5	28,056.9	19,767.2	8,278.2	9,082.8	12,003.5
Tax Revenue	44,641.6	47,286.6	42,298.2	29,732.8	26,556.1	31,540.4
Non-Tax Revenue	7,639.2	9,793.9	9,974.1	11,426.1	8,314.0	10,243.6
Capital Revenue	501.4	1,316.5	4,989.2	3,813.7	1,310.5	833.6
of which: Grants	82.0	150.7	92.3	207.3	29.9	2.1
Total Expenditure	**59,274.8**	**62,820.9**	**59,971.4**	**52,944.7**	**49,712.0**	**48,879.2**
Current Expenditure	49,230.0	54,386.3	51,079.0	47,302.3	46,263.5	45,347.9
Capital Expenditure	8,461.9	8,452.9	7,648.5	4,398.3	3,448.5	3,531.3
Current Account Balance	**3,050.8**	**2,694.2**	**1,193.3**	**-6,143.4**	**-11,393.4**	**-3,563.9**
Overall Balance	**-6,514.7**	**-4,442.2**	**-2,709.9**	**-7,972.1**	**-13,531.4**	**-6,261.6**
Financing Requirements	**6,514.7**	**4,442.2**	**2,709.9**	**7,972.1**	**13,531.4**	**6,261.6**
External Financing (net)	583.9	3,312.4	-199.2	7,547.8	3,266.7	1,322.5
Domestic Financing (net)	5,930.9	1,129.8	2,909.1	424.3	10,264.7	4,939.1

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

Appendix 21
Central Government Revenue
/TT$ Millions/

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17r	Oct '17/ Sep '18p
Total Revenue and Grants	**52,782.2**	**58,397.0**	**57,261.5**	**44,972.6**	**36,180.6**	**42,617.6**
Current Revenue	**52,280.8**	**57,080.5**	**52,272.3**	**41,158.9**	**34,870.1**	**41,784.0**
Tax Revenue	**44,641.6**	**47,286.6**	**42,298.2**	**29,732.8**	**26,559.1**	**31,540.4**
Non-Tax Revenue	**7,639.2**	**9,793.9**	**9,974.1**	**11,426.1**	**8,311.0**	**10,243.6**
Taxes on Income & Profits	**33,508.8**	**36,752.3**	**29,974.3**	**17,668.4**	**16,034.9**	**19,078.5**
of which:-						
Companies	24,446.9	27,120.0	19,993.9	8,039.5	7,985.2	10,630.0
Oil	14,771.8	16,969.5	10,512.7	1,036.4	1,115.9	2,000.0
Other	9,675.1	10,150.5	9,481.2	7,003.1	6,919.2	8,630.0
Individuals	6,207.4	6,619.9	7,445.3	7,186.5	6,303.3	6,720.0
Withholding Taxes	884.6	941.5	1,066.8	990.0	827.3	870.5
Health Surcharge	218.0	209.6	264.0	225.8	218.0	184.0
Business Levy	186.6	210.2	215.0	438.2	643.5	620.0
Unemployment Fund	1,162.6	1,240.2	600.9	130.5	98.6	110.2
Green Fund	369.7	381.4	345.8	611.7	803.0	801.3
Taxes on Property	**4.2**	**3.5**	**3.4**	**3.2**	**3.0**	**2.4**
Taxes on Goods and Services	**8,295.2**	**7,384.3**	**8,903.7**	**8,716.2**	**6,612.9**	**8,658.2**
of which:-						
Excise Duties	703.8	675.7	694.7	711.3	715.5	714.0
VAT	6,657.4	5,744.7	7,223.3	7,004.7	5,050.4	7,100.0
Motor Vehicle Taxes & Duties	551.5	569.4	575.5	569.0	415.1	364.2
Taxes on International Trade	**2,587.7**	**2,861.5**	**3,014.2**	**3,016.4**	**2,684.8**	**2,549.8**
of which:-						
Import Duties	2,577.5	2,861.0	2,987.9	3,016.0	2,683.8	2,549.5
Other						
Stamp Duties	**245.7**	**285.0**	**402.6**	**328.6**	**318.9**	**340.0**
Non-Tax Revenue	**7,639.2**	**9,793.9**	**9,974.1**	**11,426.1**	**8,314.0**	**10,243.6**
of which: -						
Royalty on Oil	2,379.6	2,399.2	1,100.7	520.2	938.9	2,100.0
Profits - State Enterprises	1,978.2	5,357.4	6,232.0	5,153.4	3,218.4	4,500.9
Profits - National Lottery	179.7	262.9	169.7	177.8	335.9	217.0
Production Sharing	800.0	0.0	450.0	1,000.0	1,300.0	1,000.0
Equity Profits - Central Bank	555.3	392.5	177.4	809.0	714.0	1,046.6
Interest Income	37.6	32.0	40.0	41.3	34.0	18.2
Repayment of Past Lending	22.1	18.3	27.7	2,681.2	32.3	33.2
Administrative Fees and Charges	522.5	803.8	636.1	503.1	588.2	545.9
Capital Revenue	**501.4**	**1,316.5**	**4,989.2**	**3,813.7**	**1,310.5**	**833.6**
of which:-						
Grants	82.0	150.7	92.3	207.3	29.9	2.1

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

Appendix 22
Central Government Expenditure and Net Lending
/TT$ Millions/

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17r	Oct '17/ Sep '18p
Total Expenditure	**57,962.3**	**62,839.2**	**59,971.4**	**52,944.6**	**49,712.0**	**48,879.2**
Current Expenditure	**49,500.4**	**54,403.8**	**52,322.9**	**48,546.4**	**46,263.5**	**45,347.9**
Wages and Salaries	**9,171.5**	**8,590.8**	**10,077.1**	**9,601.9**	**9,937.8**	**9,127.0**
Goods & Services	**7,180.1**	**8,008.8**	**8,105.4**	**7,326.0**	**5,827.2**	**5,948.3**
Interest Payments	**2,808.7**	**3,122.6**	**3,438.4**	**3,762.4**	**4,468.4**	**4,377.5**
Domestic	2,437.3	2,661.9	2,915.5	3,199.8	3,574.0	3,439.2
External	371.4	460.7	522.9	562.6	894.4	938.3
Transfers & Subsidies	**30,340.1**	**34,664.1**	**30,702.0**	**27,856.0**	**26,030.1**	**25,895.1**
Capital Expenditure	**8,461.9**	**8,452.9**	**7,648.5**	**4,398.3**	**3,448.5**	**3,531.3**
Development Programme (PSIP)	3,315.4	3,630.6	4,064.3	2,927.2	1,946.9	1,704.5
Infrastructure Development Fund	5,146.5	4,804.8	3,584.2	1,471.1	1,501.6	1,826.8
Acquisition of Foreign Fixed Assets	0.0	17.5	0.0	0.0	0.0	0.0

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

Appendix 23
Central Government Budget Financing
/TT$ Millions/

	Oct '12/ Sep '13	Oct '13/ Sep '14	Oct '14/ Sep '15	Oct '15/ Sep '16	Oct '16/ Sep '17[r]	Oct '17/ Sep '18[p]
TOTAL FINANCING	**5,180.1**	**4,442.2**	**2,709.9**	**7,972.1**	**13,531.4**	**6,261.6**
NET EXTERNAL	**-155.1**	**3,312.4**	**-199.2**	**8,954.0**	**3,266.7**	**1,322.5**
External Borrowings	440.7	3,835.0	344.4	6,982.7	2,099.8	1,966.6
Transfer from the Heritage and Stabilisation Fund (HSF)	-	-	-	2,498.4	1,712.2	0.0
Capital Repayments	-595.8	-522.6	-543.6	-527.1	-545.3	-644.1
NET DOMESTIC	**5,335.2**	**1,129.8**	**2,909.1**	**-981.9**	**10,264.7**	**4,939.1**
of which:						
Domestic Borrowings	1,579.0	1,783.4	3,831.8	6,623.2	8,191.8	6,018.5
Capital Repayments	-1,885.8	-1,607.5	-2,686.7	-2,607.2	-5,026.2	-5,190.0
Sinking Fund Transfers	-923.2	-866.8	-860.5	-731.0	-722.8	-725.3

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

Appendix 24
Total Public Debt and Debt Service
/TT$ Millions/

	Oct '12/ Sep'13	Oct '13/ Sep'14	Oct '14/ Sep'15	Oct '15/ Sep'16r	Oct '16/ Sep'17r	Oct '17/ Sep'18p
NET PUBLIC SECTOR DEBT [1]	**65,296.4**	**70,280.9**	**76,541.2**	**87,508.9**	**93,647.1**	**96,592.0**
Domestic Public Sector Debt*	**53,374.9**	**55,260.9**	**60,678.7**	**64,218.0**	**68,148.8**	**68,756.3**
External Public Sector Debt*	**11,921.5**	**15,020.0**	**15,862.5**	**23,290.9**	**25,498.4**	**27,835.8**
CENTRAL GOVERNMENT	**37,188.4**	**41,498.8**	**44,708.8**	**56,248.1**	**64,360.3**	**68,097.6**
Domestic	27,595.0	28,525.1	30,705.4	34,699.4	40,678.2	41,946.5
BOLTs and Leases	395.0	319.1	243.8	186.4	159.4	130.6
External	9,198.4	12,654.6	13,759.6	21,362.4	23,522.7	26,020.5
CONTINGENT LIABILITIES	**28,107.8**	**28,782.2**	**31,832.4**	**31,260.8**	**29,286.8**	**28,494.5**
Guaranteed	20,094.8	18,597.3	17,299.2	16,367.1	15,164.9	15,262.9
Statutory Authorities	8,506.7	7,752.7	6,910.6	6,762.6	6,499.9	7,394.2
State Enterprises	11,588.1	10,844.6	10,388.6	9,604.5	8,665.0	7,868.7
Letters of Guarantee	8,013.0	10,184.9	14,533.2	14,893.6	14,121.9	13,231.6
Statutory Authorities	1,978.4	2,597.8	4,729.5	4,625.7	4,249.5	2,724.2
State Enterprises	6,034.6	7,587.1	9,803.7	10,267.9	9,872.4	10,507.4
CENTRAL GOVERNMENT DEBT SERVICE	**5,092.4**	**5,157.9**	**5,648.5**	**5,490.6**	**6,746.2**	**8,764.2**
Domestic	3,078.6	4,174.7	4,582.0	4,401.0	5,292.7	7,084.9
External	2,013.8	983.2	1,066.5	1,089.6	1,453.6	1,679.3
	(% of GDP)					
Net Public Sector Debt	**37.4r**	**39.9r**	**47.8r**	**60.3**	**62.1**	**60.9**
External Public Sector Debt	**6.8r**	**8.5r**	**9.9r**	**16.1**	**16.9**	**17.6**
Central Government Debt	**21.3r**	**23.6r**	**27.9r**	**38.8**	**42.7**	**43.0**
Contingent Liabilities	**16.1r**	**16.3r**	**19.9r**	**21.6**	**19.4**	**18.0**

Source: Ministry of Finance
1. Treasury Bills, Treasury Notes, Treasury Bonds and Sterilized Bonds issued for Open Market Operations (OMOs) are not included.
* Includes Central Government and Contingent Liabilities Debt.
r: revised
p: provisional

Appendix 25
Trinidad and Tobago - Net Foreign Reserves
/US$ Millions/

	Central Bank				Commercial Banks					
Period Ending	Foreign Assets	Foreign Liabilities	Net Internat. Reserves	Gov't Balances	Foreign Assets	Foreign Liabilities[r]	Net Foreign Position	Gross Foreign Assets	Total Foreign Liabilities	Net Foreign Position
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
								(1)+(4)+(5)	(2)+(6)	(8)-(9)
2008	9,441.4	16.1	9,425.3	0.1	2,203.5	953.3	1,250.2	11,645.0	969.4	10,675.6
2009	8,745.9	0.0	8,745.9	0.1	2,739.3	787.3	1,952.0	11,485.3	787.3	10,698.0
2010	9,181.1	0.0	9,181.1	0.2	2,188.6	730.6	1,458.1	11,369.9	730.6	10,639.4
2011	9,982.5	0.0	9,982.5	0.3	2,490.9	723.0	1,767.8	12,473.7	723.0	11,750.7
2012	9,370.3	0.0	9,370.3	0.4	3,050.8	614.2	2,436.6	12,421.5	614.2	11,807.3
2013	10,175.9	0.0	10,175.9	0.0	3,087.3	745.2	2,342.1	13,263.2	745.2	12,518.0
2014	11,496.9	0.0	11,496.9	0.2	3,066.7	790.6	2,276.1	14,563.8	790.6	13,773.2
2015	9,932.4	0.0	9,932.4	0.6	3,508.9	811.5	2,697.4	13,441.8	811.5	12,630.4
2016	9,462.9	0.0	9,462.9	2.9	3,343.8	605.5	2,738.2	12,809.6	605.5	12,204.0
2017	8,366.2	0.0	8,366.2	3.6	3,332.5	559.2	2,773.3	11,702.3	559.2	11,143.1
2016										
October	9,891.1	0.0	9,891.1	0.6	3,102.0	626.2	2,475.8	12,993.7	626.2	12,367.5
November	9,673.7	0.0	9,673.7	2.9	3,078.9	599.9	2,479.0	12,755.6	599.9	12,155.7
December	9,462.9	0.0	9,462.9	2.9	3,343.8	605.5	2,738.2	12,809.6	605.5	12,204.0
2017										
January	9,300.7	0.0	9,300.7	2.8	3,239.5	608.3	2,631.1	12,543.0	608.3	11,934.7
February	9,087.0	0.0	9,087.0	2.9	3,231.6	603.2	2,628.5	12,321.5	603.2	11,718.4
March	9,102.6	0.0	9,102.6	2.8	3,401.4	567.6	2,833.8	12,506.8	567.6	11,939.2
April	9,050.7	0.0	9,050.7	2.8	3,378.7	623.1	2,755.5	12,432.1	623.1	11,808.9
May	8,952.8	0.0	8,952.8	2.8	3,386.7	639.6	2,747.1	12,342.3	639.6	11,702.7
June	8,733.1	0.0	8,733.1	2.8	3,345.7	539.2	2,806.6	12,081.7	539.2	11,542.5
July	8,739.3	0.0	8,739.3	3.5	3,323.1	560.1	2,763.0	12,065.9	560.1	11,505.9
August	8,707.4	0.0	8,707.4	3.6	3,306.6	542.4	2,764.2	12,017.6	542.4	11,475.2
September	8,503.0	0.0	8,503.0	3.6	3,523.8	582.8	2,941.0	12,030.4	582.8	11,447.6
October	8,513.1	0.0	8,513.1	3.6	3,305.8	573.0	2,732.7	11,822.5	573.0	11,249.5
November	8,347.2	0.0	8,347.2	3.6	3,356.0	622.9	2,733.0	11,706.8	622.9	11,083.8
December	8,366.2	0.0	8,366.2	3.6	3,332.5	559.2	2,773.3	11,702.3	559.2	11,143.1
2018										
January	8,279.4	0.0	8,279.4	3.6	3,198.4	585.4	2,613.0	11,481.4	585.4	10,896.0
February	8,091.8	0.0	8,091.8	3.6	3,332.5	590.8	2,741.7	11,427.9	590.8	10,837.1
March	7,984.3	0.0	7,984.3	3.6	3,424.2	613.2	2,810.9	11,412.0	613.2	10,798.8
April	8,108.5	0.0	8,108.5	3.6	3,448.2	617.1	2,831.2	11,560.4	617.1	10,943.3
May	7,961.8	0.0	7,961.8	3.6	3,431.6	565.0	2,866.6	11,397.1	565.0	10,832.0
June	7,812.7	0.0	7,812.7	3.6	3,513.5	595.2	2,918.3	11,329.8	595.2	10,734.6
July	7,746.2	0.0	7,746.2	3.6	3,433.0	588.1	2,844.9	11,182.8	588.1	10,594.7

Source: Central Bank of Trinidad and Tobago
r: revised

Appendix 26
Balance of Visible Trade
/TT$ Millions/

	2012	2013	2014	2015	2016	2017p	Oct'16 / Dec'16	Oct'17 / Dec'17
Total Visible Trade								
Exports	82,711.1	120,226.8	93,057.8	68,542.2	50,906.6	62,054.4	11,726.6	14,818.4
Imports	74,563.3	81,021.5	72,024.6	58,883.3	53,635.1	46,843.3	16,253.9	12,167.6
Balance	8,147.8	39,205.3	21,033.2	9,658.9	(2,728.5)	15,211.1	(4,527.3)	2,650.8
Trade Excluding Mineral Fuels								
Exports	40,492.9	48,681.4	41,252.1	38,586.1	33,998.8	34,095.4	5,887.0	7,172.7
Imports	43,361.0	39,633.7	40,768.8	42,107.7	39,976.3	35,765.1	10,134.1	10,633.5
Balance	(2,868.1)	9,047.7	483.3	(3,521.6)	(5,977.5)	(1,669.7)	(4,247.1)	(3,460.8)
Trade Excluding Mineral Fuels U.P.A.								
Exports	80,401.1	119,433.4	92,730.0	68,403.1	50,906.6	62,054.4	11,726.6	14,818.4
Imports	74,372.7	80,908.7	69,521.4	58,058.3	53,635.0	46,843.3	16,253.9	12,167.6
Balance	6,028.4	38,524.6	23,208.7	10,344.8	(2,728.4)	15,211.1	(4,527.3)	2,650.8
Trade in Mineral Fuels non - U.P.A								
Exports	39,908.2	70,752.0	51,477.9	29,816.9	16,907.8	27,959.0	5,839.6	7,645.7
Imports	31,011.7	41,275.1	28,752.5	15,950.6	13,658.6	11,078.2	6,119.8	1,534.1
Balance	8,896.5	29,476.9	22,725.4	13,866.3	3,249.2	16,880.8	(280.2)	6,111.6
Trade in Mineral Fuels UPA								
Exports	2,310.0	793.4	327.8	139.1	0.0	0.0	0.0	0.0
Imports	190.6	112.7	2,503.2	825.0	0.1	0.0	0.0	0.0
Balance	2,119.4	680.7	(2,175.4)	(685.8)	(0.1)	0.0	0.0	0.0
Trade in Mineral Fuels								
Exports	42,218.2	71,545.4	51,805.7	29,956.1	16,907.8	27,959.0	5,839.6	7,645.7
Imports	31,202.3	41,387.8	31,255.7	16,775.6	13,658.8	11,078.2	6,119.8	1,534.1
Balance	11,015.9	30,157.6	20,550.0	13,180.5	3,249.1	16,880.8	(280.2)	6,111.6

Source: Central Statistical Office
p: provisional

Appendix 27
Trade with CARICOM Countries
/TT$ Millions/

	Imports	Exports	Balance of Trade	Exports of Mineral Fuels	Imports of Mineral Fuels	Imports Excluding Mineral Fuels	Exports Excluding Mineral Fuels	Balance of Trade Excluding Mineral Fuels
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	4,146.8	69.0	519.9	2,438.7	1,918.8
2004	634.6	5,620.7	4,986.1	2,954.4	87.5	547.1	2,666.3	2,119.2
2005	700.2	13,153.1	12,452.9	9,931.0	126.6	573.6	3,222.1	2,648.5
2006	611.1	15,528.3	14,917.2	12,027.2	158.7	452.4	3,501.1	3,048.7
2007	762.3	11,462.3	10,700.0	7,571.5	177.9	584.4	3,890.8	3,306.4
2008	772.0	21,231.8	20,459.8	16,994.9	146.5	625.5	4,236.9	3,611.4
2009	700.0	9,141.4	8,441.4	5,945.8	101.7	598.3	3,195.6	2,597.3
2010	793.2	13,238.6	12,445.4	10,506.2	141.0	652.2	2,732.4	2,080.2
2011	1,545.8	13,442.5	11,896.7	9,630.5	218.8	1,327.0	3,812.0	2,485.0
2012	1,402.2	11,128.9	9,726.7	7,393.7	450.8	951.4	3,735.2	2,783.8
2013	1,221.3	19,930.8	18,709.5	15,671.4	419.6	801.7	4,259.4	3,457.7
2014	1,207.7	12,766.9	11,559.2	8,552.7	399.9	807.9	4,214.2	3,406.4
2015	1,014.5	7,580.2	6,565.7	3,817.4	183.4	831.1	3,762.8	2,931.8
2016	786.2	5,828.9	5,042.7	2,038.4	111.7	674.5	3,790.5	3,115.9
2017p	811.8	9,089.9	8,278.1	5,454.2	118.4	693.4	3,635.8	2,942.3
Oct'16 / Dec '16	253.8	2,238.1	1,984.3	1,176.7	54.6	199.2	1,061.4	862.1
Oct '17 / Dec '17p	194.5	2,436.0	2,241.5	1,433.0	0.0	194.5	1,003.0	808.5

Source: Central Statistical Office
p: provisional

Design & Layout: Paria Publishing Co. Ltd.
Cover Artwork: Christian Smart
Printing: Scrip J

A publication of the Ministry of Finance

Finance Building
Eric Williams Financial Complex
Independence Square
Port of Spain
Tel : (868) 612-9700 ext. 2805-9
www.finance.gov.tt