



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

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MEDIA RELEASE

IMF Commends Trinidad and Tobago on Economic Recovery and Fiscal Discipline

Port of Spain: The International Monetary Fund (IMF) has concluded the 2023 Article IV consultation with Trinidad and Tobago, praising the country's progress in recovering from the COVID-pandemic and achieving fiscal discipline. The Executive Board of the IMF endorsed the staff appraisal following consultations in Port of Spain held with the Ministry of Finance, the Central Bank of Trinidad and Tobago, the Tobago House of Assembly, as well as several other government agencies, financial institutions and private organizations.

The IMF - that praised the "decisive policy response of the Authorities" during the pandemic- highlights that "Trinidad and Tobago's economic activity is recovering supported by higher global energy prices and the rebound of the non-energy sector". The report also noted that public debt has declined and the external position has improved.

Looking ahead, "the economic recovery is expected to gain broad-based momentum in 2023" and the IMF expects "inflation to slow to 4.5 percent by end-2023 and to continue declining with international prices."

The IMF further commended Trinidad and Tobago's fiscal discipline stating that: "The authorities' commitment to balancing the budget over the medium term is prudent and welcome" and emphasized that "Capital expenditure will support the economic recovery".

The IMF "recommended to continue prudently managing the energy revenue windfall, avoiding procyclical spending, and rebuilding fiscal buffers, while providing targeted support to the most vulnerable".

The report also suggests that the country should take steps to promote economic diversification. "We welcome the IMF's policy recommendation, which aligns with our efforts to encourage private investment and promote innovation" explained The Honourable Colm Imbert, Minister of Finance.

The IMF pointed out several strengths of Trinidad and Tobago most notable being: "international reserve coverage is expected to remain adequate at around 7.2 months of prospective total imports and is complemented by large public external buffers in the Heritage and Stabilization Fund of about 18.4 percent of GDP"; and "the financial sector appears well-capitalized".

"Today, our country is one of the few in the world to record both a primary budget surplus in 2022 and a current account surplus", concluded Minister Imbert. In those trying international times, Trinidad and Tobago appears as a safe harbor for investors.

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