



Government of the Republic of Trinidad and Tobago  
**MINISTRY OF FINANCE**

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For immediate release

**MEDIA RELEASE**

**FOREX MATTERS**

The Minister of Finance, Hon Colm Imbert, MP, has taken note of commentary in the mainstream media over the last two weeks regarding (1) the availability of foreign exchange, (2) the policy for distribution of foreign exchange, and (3) the exchange rate of the TT Dollar to the US Dollar and the question of floating or devaluing the dollar.

This media commentary and media recommendations/demands can be summarised as follows:

- (a) To address difficulties being experienced by companies and individuals in gaining access to foreign exchange, the Government should allow the TT Dollar to float (i.e. devalue), because the IMF says so**
- (b) To address a perception of unfair distribution of forex, the Government should get directly involved in the distribution of foreign exchange and not leave it up to the Commercial Banks or the Central Bank**
- (c) The Government gave in to pressure from businessmen and the Express newspaper to resume the forex window at the EximBank for essential imports**

However, the reality is that the IMF's recommendation that the TT Government should allow the TT dollar to float, which would result in an immediate devaluation of the TT Dollar, is not new. This recommendation did not appear for the first time in the 2024 IMF Article IV Report, as the Guardian newspaper would have us believe.

As far back as **2012**, the IMF recommended "*greater exchange rate flexibility to allow pricing to play a bigger role in equilibrating the market*". This was repeated in the IMF's 2013 Article IV Report on Trinidad and Tobago, where the IMF reiterated its view that "*our exchange rate should be allowed to fluctuate within a wider band*". However, the then UNC Government told the IMF that they were not contemplating changes to the exchange rate system at that time.

Again in **2014**, the IMF told the then UNC Government that the foreign exchange allocation system existing at that time *“had led to an apparently widespread and persistent recurrence of foreign exchange shortages”*. However, the then UNC Government did not agree to the IMF’s recommendation that our dollar be allowed to float.

The present PNM Government has **consistently** stated since 2015 that it maintains our fixed exchange rate **to control inflation**, which is now almost the lowest in the world, and it will not impose hardship on the poor and vulnerable by giving into the irrational demands of the Guardian newspaper and other provocateurs that we devalue the dollar. All a devaluation will do is cause a massive spike in the cost of living and make everything more expensive. It will not create any additional US dollars for the country or make forex more readily available for ordinary citizens. By pretending that we are subject to the dictates of the IMF, therefore, and constantly pushing its devaluation agenda for the last 9 years, the Guardian is doing the population a disservice.

In this context, it is noteworthy that Barbados, which has been in an IMF programme for many years, and at one time within the last 10 years almost ran out of foreign reserves, has resolutely refused for the last **49 years** to float or devalue its dollar. The fact is that the Barbados dollar has been pegged to the US dollar at a rate of BBD 2.00 to USD 1.00 since 1975. Further, there are exchange control restrictions in Barbados that do not exist in Trinidad. Instead of wasting time demanding that the Trinidad Government devalue the dollar, therefore, the Guardian would be better off trying to figure out how Barbados has managed to keep its dollar fixed for so long and how it has managed to restrict capital flows, despite being in an IMF Programme.

Regarding the demand by the media and certain stakeholders in the business community that the Government get more involved in the distribution of foreign exchange, it has already been announced that the Minister of Finance will be holding consultations over the next month with various interest groups to determine the best way forward. Again, this is not new, and it was based on representation made by the business community that the Government make forex available in a targeted manner, that the forex windows at the EximBank, which from all accounts are working well, were created **FOUR YEARS AGO**.

Regarding the alleged pressure brought to bear on the Government by businessmen and the Express newspaper, which allegedly forced the Government to resume the forex window for essential imports at the EximBank, which **THIS** Government introduced during the Covid-19 pandemic, that narrative is a **figment** of the media’s imagination.

The truth is that the Government signalled months ago to clients of the EximBank that it was reviewing the list of essential imports and the quantum of foreign exchange made available through that particular forex window, which was created by the Ministry of Finance in 2020. It is noteworthy that the forex windows created at the EximBank, namely the window for export manufacturers and the window for essential imports are innovations of THIS Government, to ensure better focus, equity and rationality in the distribution of the Government's foreign exchange. These are not creations of the media or the business community or any previous Government. Instead, these are policy instruments of THIS Government and THIS Ministry of Finance designed to facilitate diversification the economy and to ensure that forex is available for essential items.

The essential imports facility has worked well for the last 4 years but it needed restructuring because there is no longer any need for preferential access to forex for the importation of items such as face masks, respirators and hand sanitizers.

It is pure fantasy for the media, therefore, to promote its false narrative that the window for essential imports, created by THIS Government 4 years ago as a long-term solution for equitable and practical access to foreign exchange for items that the country needs, such as basic foods and pharmaceuticals, was resumed merely because of media pressure and the noise made by certain businessmen, who, by their own admission, do not participate in the EximBank facility.

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The Honourable Colm Imbert M.P.  
Minister of Finance