



**Government of the Republic of Trinidad and Tobago**  
Ministry of Finance

**For Immediate Release**

May 19<sup>th</sup>, 2026

## **IMF Report Signals Renewed Confidence and Positive Economic Trajectory for Trinidad and Tobago**

The Honourable Davendranath Tancoo, MP, Minister of Finance, has welcomed the successful conclusion of the 2026 Article IV Consultation by the Executive Board of the International Monetary Fund (IMF). Minister Tancoo noted that the assessment provides a crucial signal of renewed international confidence in Trinidad and Tobago's economy, coming just over one year after the current Administration assumed office.

Key macroeconomic highlights from the report include:

- Inflation: Returned to low levels.
- External Position: The current account remains firmly in surplus.
- Financial Sector: The banking system remains well-capitalised and sound, with steady credit growth.
- National Buffers: International reserves are projected to remain adequate at approximately 5.5 months of import cover. This is backed by substantial liquid assets in the Heritage and Stabilisation Fund (HSF), equivalent to roughly 25% of GDP.

### **Confronting Inherited Economic Challenges**

Minister Tancoo emphasised that these positive findings must be evaluated against the severely compromised economic position inherited by the incoming Government. Upon assuming office, the Administration faced an economy constrained by reduced fiscal space, declining foreign exchange reserves, rising public debt, employment pressures, persistent deficits, and repeated drawdowns from the HSF under the previous regime. The stark reality of the inherited economic decline is evidenced by key indicators between 2015 and 2025:

- Net Official Reserves: Drastically declined from approximately US10.459 billion in September 2015 to US5.286 billion by April 2025.

- Adjusted General Government Debt: Nearly doubled, increased from TT75.381 billion in September 2015 to TT144.748 billion by March 2025.
- Employment: Total employment fell significantly from 620,200 persons in September 2015 to 571,300 persons by September 2024.
- HSF Withdrawals: Withdrawals under the previous administration totaled approximately US\$3.02 billion.

"It is in this context that the IMF's assessment is so significant," Minister Tancoo stated. "In just over one year into our term, we have stabilised the decline, rebuilt international credibility, and repositioned Trinidad and Tobago as a nation with strong, sustainable recovery potential", he added.

### **Growth Projections and Policy Alignment**

The IMF projects that economic growth will continue through 2026 and strengthen over the medium term, driven by upcoming energy projects and sustained momentum in the non-energy sector. This outlook aligns directly with the Government's strategic economic roadmap, which focuses on:

- Revitalising domestic energy production and supporting non-energy growth.
- Improving the local investment climate and slashing unnecessary bureaucracy.
- Restoring strict fiscal discipline to establish a platform for long-term development.

While the IMF recognised that higher global energy prices are currently providing near-term support to fiscal and external positions, Minister Tancoo views this windfall as a strict window of opportunity to rebuild depleted national buffers, fortify fiscal resilience, and place public finances on a sustainable footing.

### **Endorsement of Reforms and Global Compliance**

The Minister welcomed the IMF's explicit acknowledgement of the Government's ongoing revenue and expenditure reforms, alongside its endorsement of strategic fiscal consolidation that simultaneously protects the society's most vulnerable. These recommendations mirror the deliberate policy choices of the current Administration: improving public spending quality, strengthening revenue mobilisation, and repairing the national buffers weakened over the past decade.

Furthermore, Minister Tancoo also welcomed the IMF Executive Directors' formal recognition of Trinidad and Tobago's successful removal from the European Union's list of non-cooperative tax jurisdictions. This major milestone reflects targeted, rigorous work, executed to restore the country's international standing as a responsible and compliant financial jurisdiction.

## Managing Risks and Driving Transformation

The Article IV Consultation also underscores the necessity of continuous structural reforms, particularly in improving the business environment, accelerating digitalisation and artificial intelligence integration, enhancing labour market flexibility, and boosting statistical capacity and transparency.

These areas remain foundational to the state's wider economic revitalisation agenda.

While acknowledging the external and internal risks flagged by the IMF, including global volatility, potential energy project delays, mature field production disruptions, and foreign exchange market challenges; Minister Tancoo noted that these are the precise, deep-seated issues that the current administration inherited and has already begun aggressively addressing.

The Finance Minister views the 2026 Article IV Consultation as a positive development for this country, as it confirms that the economy remains resilient and that the non-energy sector continues to support growth. It also further highlights that inflation is low, the banking sector remains solid, Trinidad and Tobago's internal reserves remain adequate with the Heritage and Stabilisation Fund (HSF) serving as a major buffer. Finally, the consultation confirms that through fiscal management, Trinidad and Tobago has the capacity to drive a successful recovery, rebuild its foundation, and achieve sustainable growth.

## A Shift Toward National Renewal

“This IMF assessment signals that the Government's policies are working and that Trinidad and Tobago is moving in the right direction. Just over one year after assuming office, the country is already seeing positive signs of renewed confidence, improved stability, and a more constructive economic trajectory.

After a decade in which many citizens endured hardship, neglect, and limited opportunities under the former administration, this Government is succeeding in creating a stronger legislative, fiscal and institutional foundation for sustainable growth, economic confidence and renewed national development.

As the economy strengthens, so too does the country's ability to deliver more goods, services and opportunities to citizens in every community across Trinidad and Tobago. The Government remains committed to creating an environment in which businesses can thrive, investments can grow, and families can look to the future with greater hope and security.

This is what was promised, and this is what the Kamla Persad-Bissessar Administration is delivering,” Minister Tancoo stated.

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The Finance Minister also extended his sincere appreciation to the International Monetary Fund (IMF) for its constructive engagement, and praised the dedicated public servants, technocrats, and officers whose exceptional professionalism contributed to the successful completion of this Article IV Consultation.

The Minister reaffirms his unyielding commitment to managing the national economy with discipline, responsibility, and resolve, thus ensuring the protection of citizens while building a resilient economic future.

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The Honourable Davendranath Tancoo  
Minister of Finance