



In Summary:

- Global growth was mixed in 2024 amid geopolitical conflicts, persistent inflationary pressures, and adverse weather events.
- The Latin American and the Caribbean (LAC) region, however, remained moderately positive, supported by improvements in private consumption, easing monetary policies and stronger export growth in some of the region’s economies.
- Domestically, positive economic growth was sustained during the first nine months of 2024, but the expansion was relatively modest. Data from the Central Statistical Office (CSO), suggest that real GDP improved over the first three quarters of 2024 compared to the previous year.
- Labour market conditions softened in 2024 as indicated by an uptick in the unemployment rate.
- Inflationary pressures continued to retreat in 2024, influenced primarily by lower international food prices and increased availability of local agricultural produce.
- Softer energy prices coupled with declining domestic energy production led to a less favourable fiscal outturn for the fiscal year ending September 2024.
- The Central Bank’s monetary policy stance remained broadly unchanged during 2024, however, tighter financial system liquidity precipitated a reduction in the reserve requirement on July 19, 2024.
- The external current account recorded a smaller surplus in the first nine months of 2024, reflective of a falloff in export earnings and a pickup in imports.

Global economic growth is expected to be significantly impacted by escalating trade tensions and policy uncertainty over the short-to-medium term. Against this backdrop, Trinidad and Tobago's economy is still expected to grow. The non-energy sector is anticipated to remain buoyant, while the energy sector is expected to register a lacklustre performance. Lower gas supplies could, if the decline is left unchecked, have spillover effects on the fiscal position and impact reserve accumulation. Domestic demand-side pressures on headline inflation are likely to remain low, but the downside risk of widening global trade tensions, can result in higher imported inflation.

ECONOMIC DEVELOPMENTS

Global output expanded by an estimated **3.3 per cent** in 2024, following growth of **3.5 per cent** in 2023 (IMF World Economic Outlook Update, April 2025).

According to data from the Central Statistical Office, **the domestic economy expanded by 0.3 per cent** (year-on-year) during the period January to September 2024, led by the performance of the non-energy sector (1.0 per cent).

The **unemployment rate** increased to an average of **5.0 per cent** in 2024, compared to an average of 4.0 per cent in 2023.

Headline **inflation averaged 0.5 per cent** in 2024, down from 4.6 per cent in 2023.

The Central Bank maintained the **repo rate at 3.50 per cent** throughout 2024. However, to support adequate liquidity, the Central Bank lowered the reserve requirement of commercial banks from 14.0 per cent of prescribed liabilities to 10.0 per cent.

Gross official reserves amounted to **US\$5,604.3 million** at the end of December 2024 (equivalent to 8.0 months of import cover).