



CENTRAL BANK OF
TRINIDAD & TOBAGO

Trinidad and Tobago's Economic Performance and the Foreign Exchange Market

Governor Larry Howai
September 4, 2025

Overview

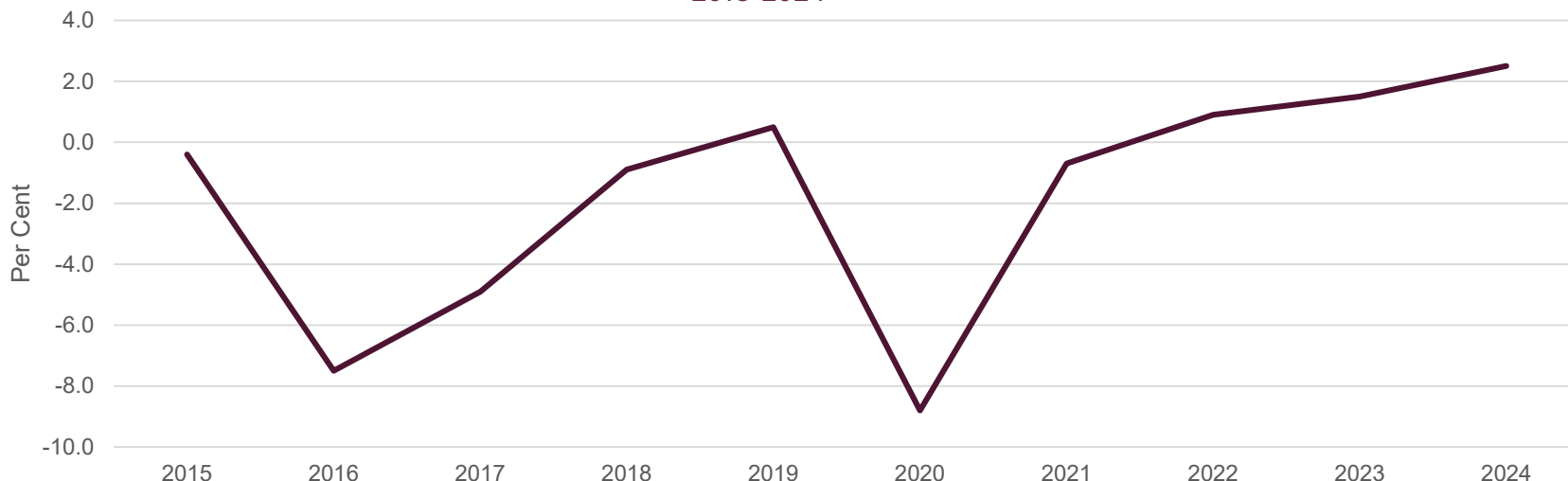


- Review of current economic conditions
- Review of the foreign exchange market
- Key considerations

1. The domestic economic recovery is ongoing

- A positive performance of the energy sector contributed to a moderate uptick in real GDP in 2024.

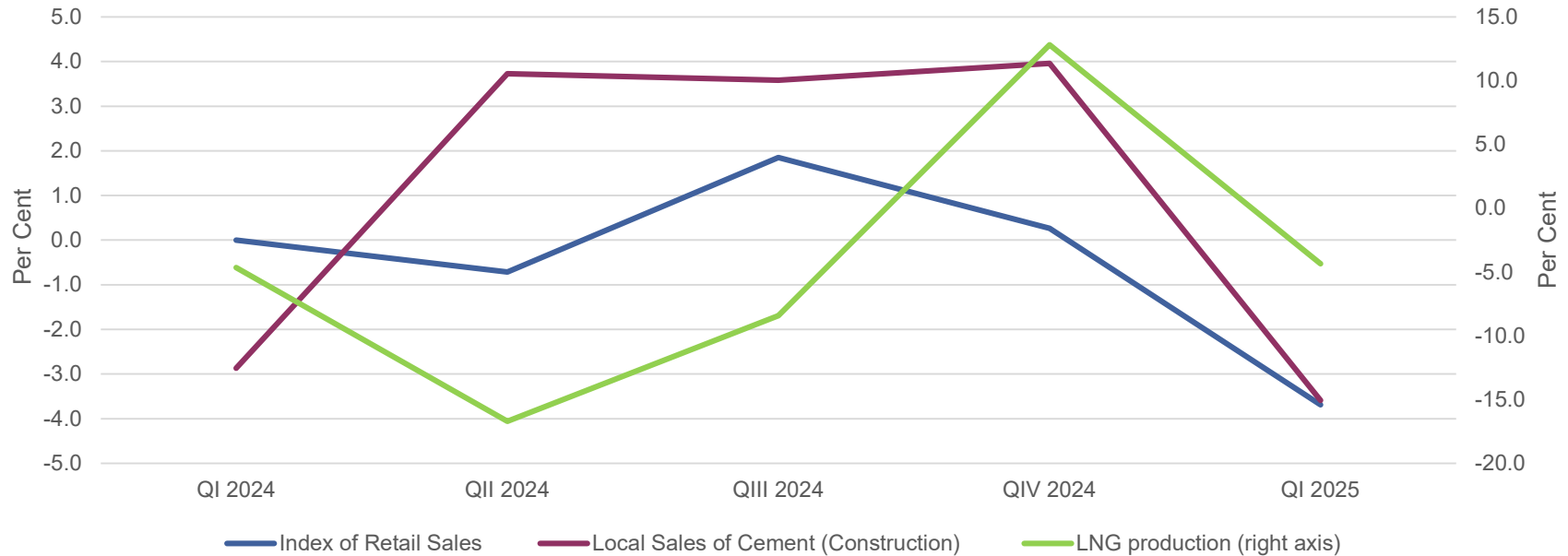
Chart 1. Real GDP Growth
(Year-on-Year Per Cent Change)
2015-2024



Source: Central Statistical Office

Indicators of economic activity suggest some softening in early 2025

Chart 2. Selected Indicators of Economic Activity
(Year-on-year Per Cent Change)

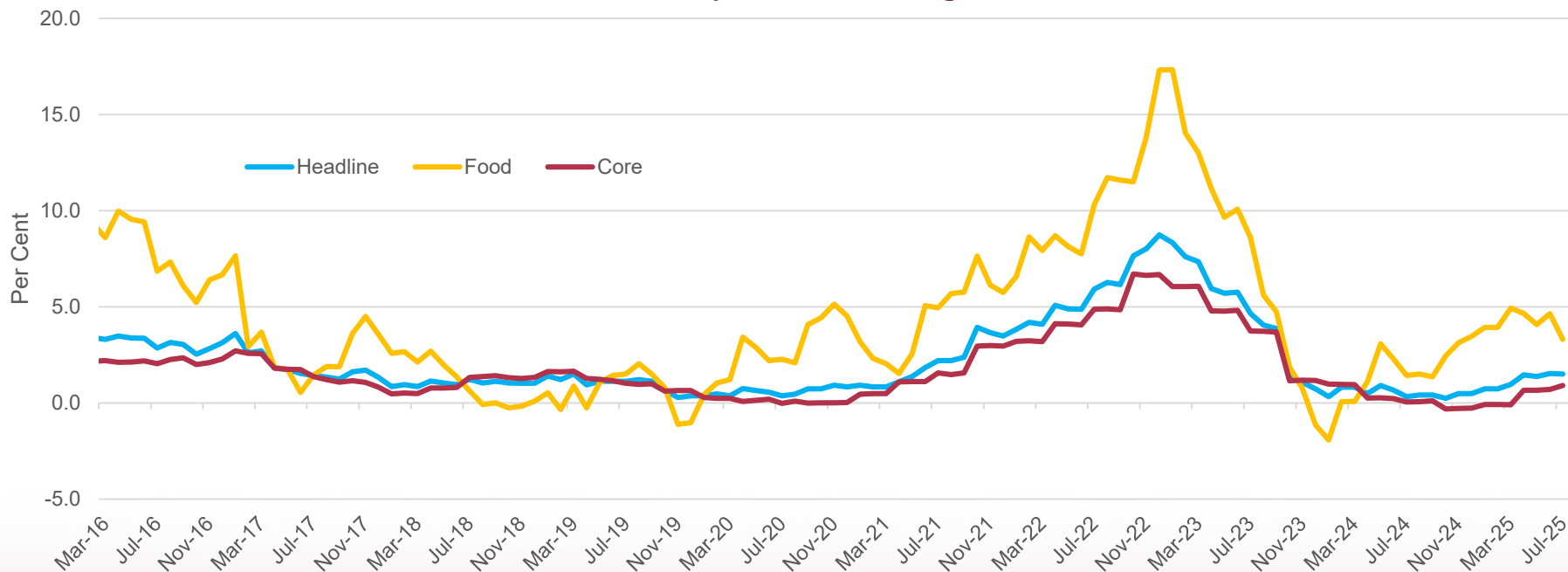


Source: Central Bank of Trinidad and Tobago

Inflation is well-anchored

- Headline inflation remains relatively low in Trinidad and Tobago (1.5 per cent in July 2025).

Chart 3. Inflation
(Year-on-year Per Cent Change)

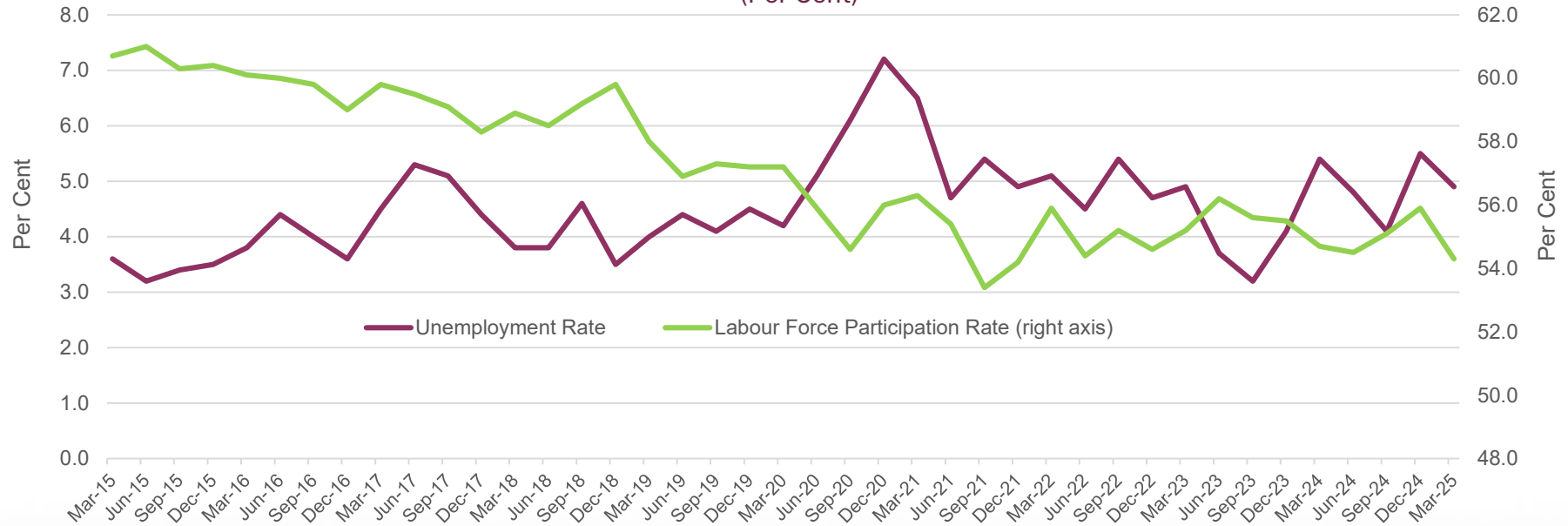


Unemployment is low

- Labour market conditions improved as the unemployment rate fell to 4.9 per cent in Q1 2025.

Chart 4. Labour Market

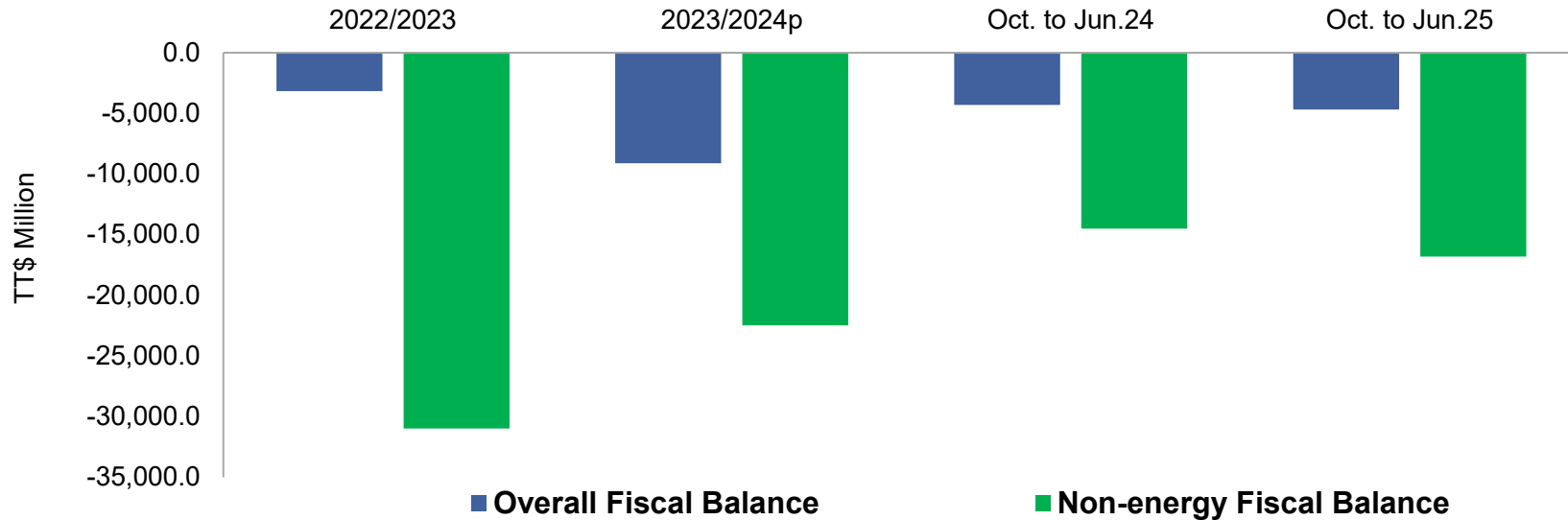
(Per Cent)



Fiscal space is constrained

- The decline in non-energy receipts, coupled with a sizeable expansion in aggregate expenditure, led to a larger fiscal deficit.

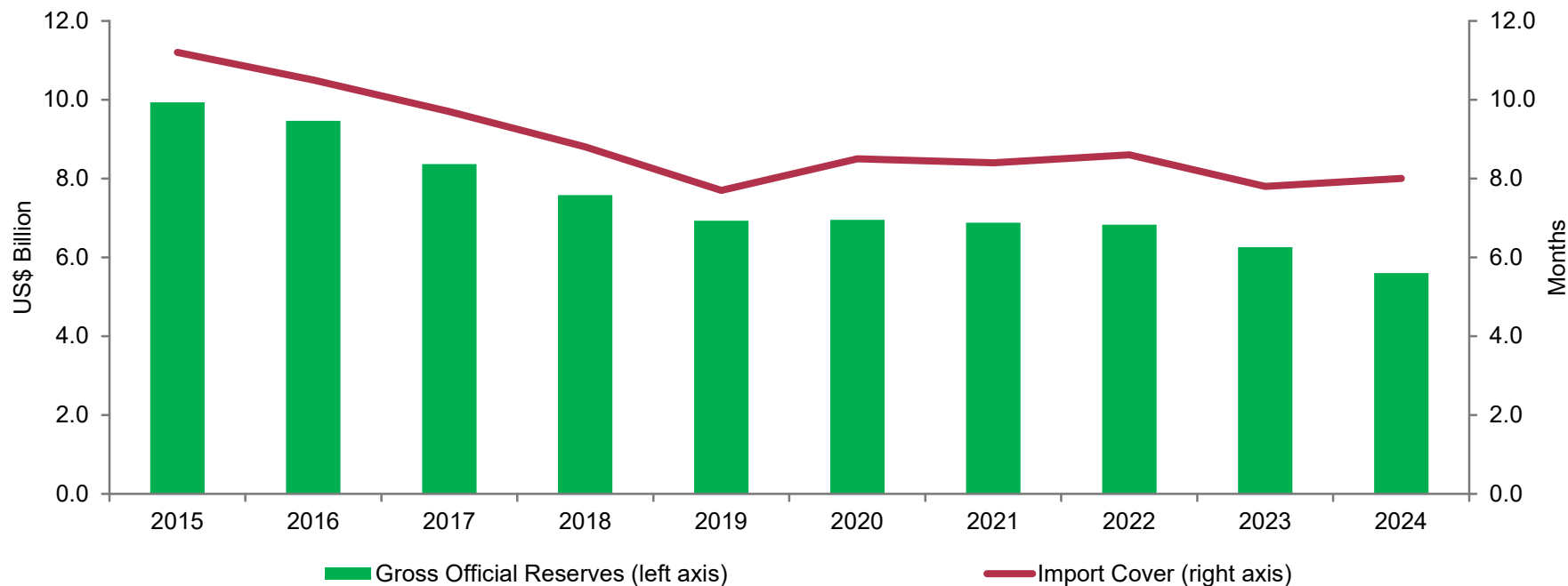
Chart 5. Central Government Overall and Non-Energy Fiscal Deficits



Source: Ministry of Finance

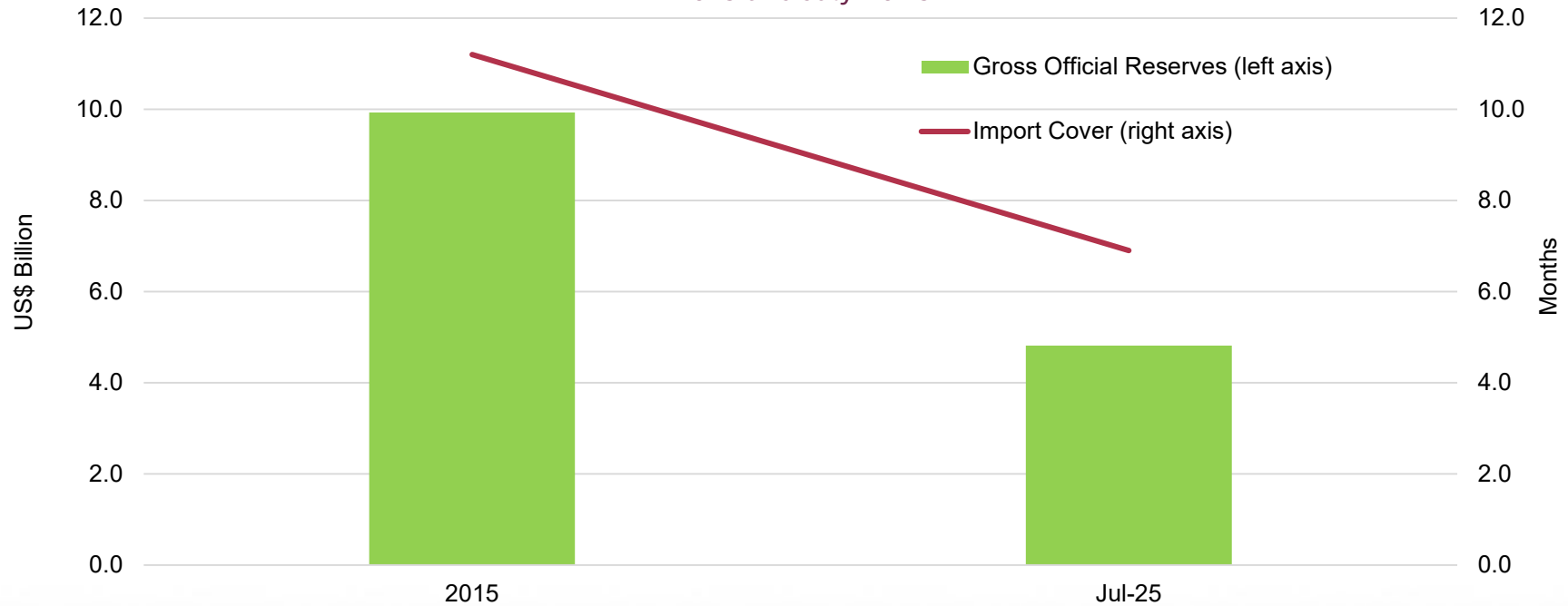
Evolution of the country's foreign currency reserves

Chart 6. Gross Official Reserves
2015 - 2024



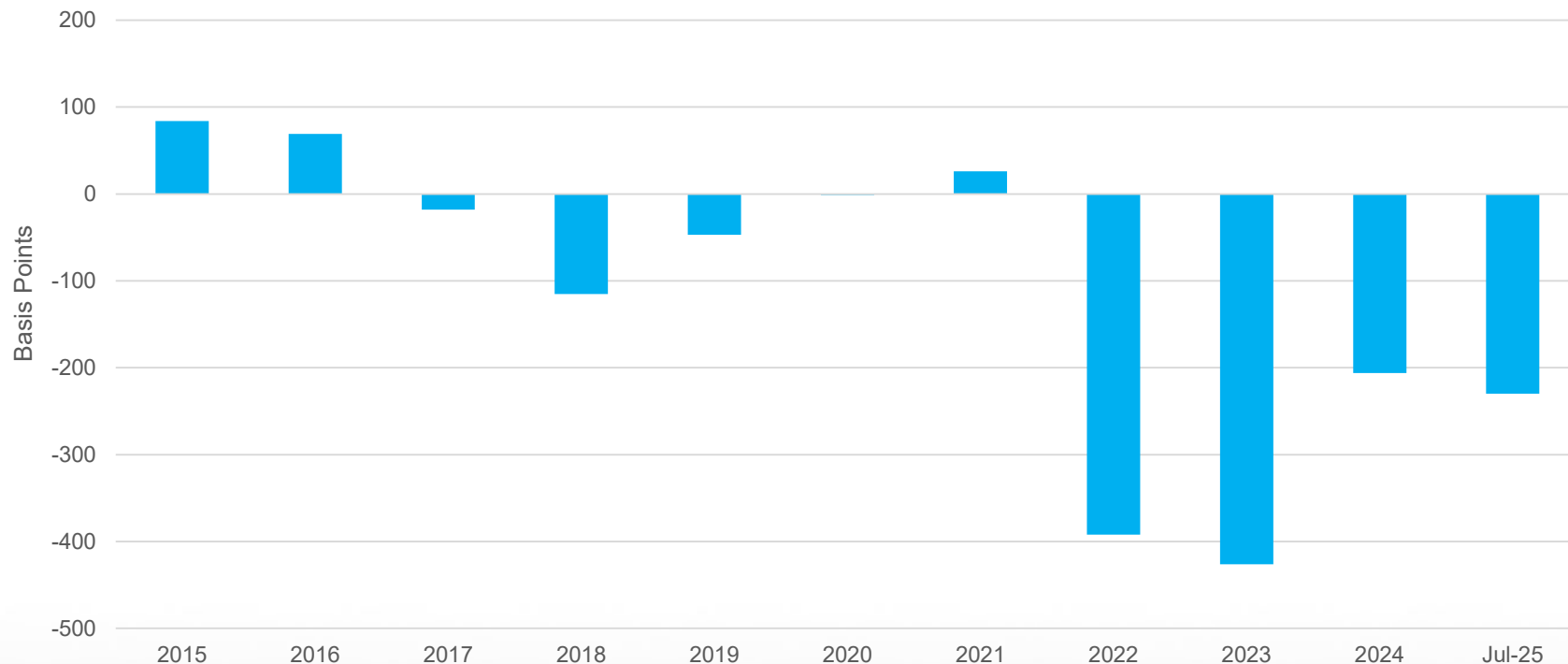
External buffers have come down

Chart 7. Gross Official Reserves
2015 and July 2025



Interest rate differentials remain in negative territory

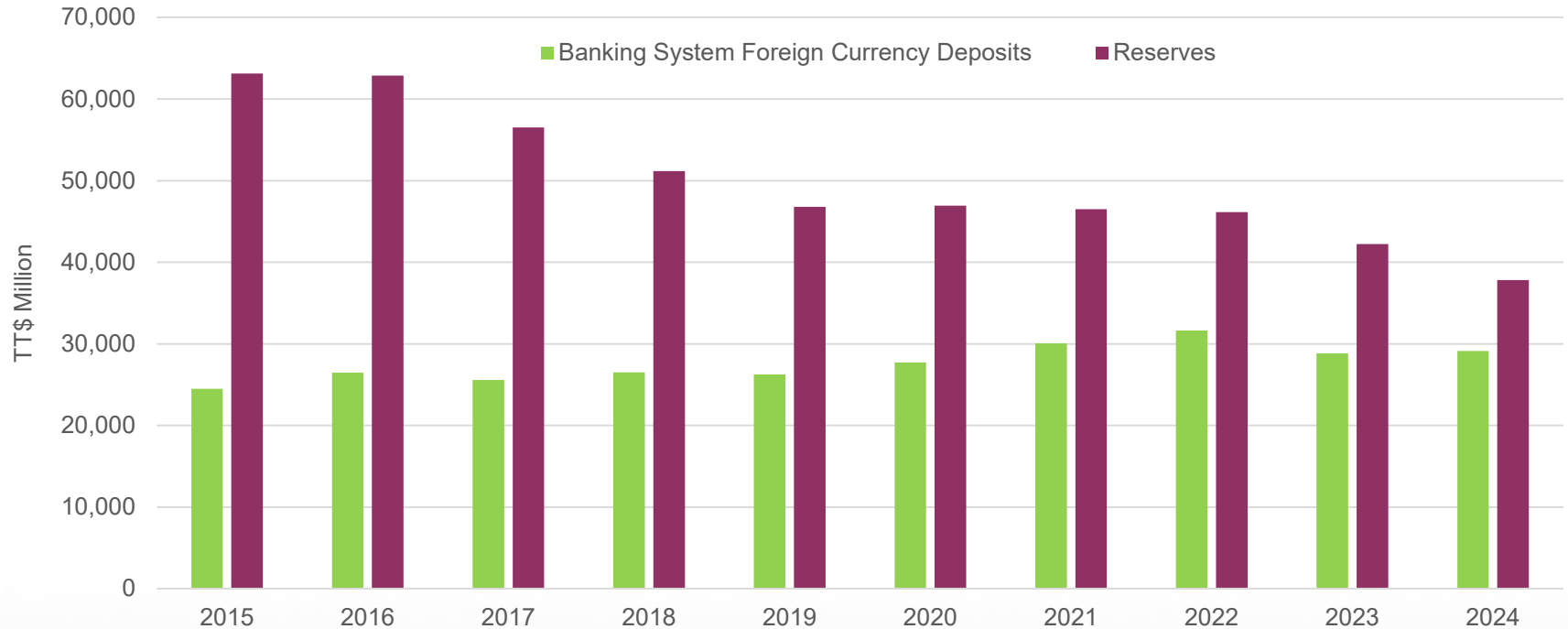
Chart 8. Interest Rate Differentials
2015 - July 2025



Source: Central Bank of Trinidad and Tobago

Banking system foreign currency deposits and reserves (TT\$ equivalent) were relatively stable

Chart 9. Banking System Foreign Currency Deposits and Foreign Currency Reserves
2015 - 2024



3. The foreign exchange market in Trinidad and Tobago continues to reflect a structural imbalance

- Constraints remain in the domestic foreign exchange market as demand continues to outstrip supply.
- Credit cards, the retail and distribution sector and automobile companies are some of the largest users of foreign exchange.
- Ongoing geopolitical developments can adversely impact international energy commodity markets, which can directly affect domestic foreign currency inflows.
- Tariff policy uncertainty can also pose significant challenges for non-energy exporters, impacting foreign exchange earning potential.

4. Foreign exchange sales and purchases are conducted through authorised dealers

Table 1. Sales of Foreign Currency by Authorised Dealers to the Public 2015-2024
US\$ Million

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Credit Card Centre	765.5	1,033.6	1,204.5	1,204.5	1,383.2	1,159.8	1,389.5	1,854.1	2,210.4	2,317.4
Retail and Distribution	1,772.5	1,324.6	1,241.6	1,418.1	1,184.3	961.2	1,101.8	1,271.2	1,022.8	861.4
Energy Companies	129.5	66.2	46.7	74.0	565.7	381.3	451.2	1,055.3	924.2	823.6
Manufacturing	770.2	557.2	436.4	487.3	398.4	342.7	353.8	428.1	314.5	239.9
Automobile Companies	458.3	320.5	300.6	288.2	280.1	230.1	233.2	242.7	324.9	300.8
Telecommunications	316.8	204.2	211.6	228.9	204.0	153.5	229.2	277.3	151.8	137.9
Financial Institutions	167.6	132.6	138.7	130.0	149.1	151.9	79.8	178.3	126.3	79.7
Services	229.5	126.2	90.6	109.4	90.2	69.8	61.7	74.7	65.0	54.5
Insurance Companies	107.7	73.5	66.5	109.4	115.7	71.0	81.0	136.2	78.6	60.1
Individuals	192.9	75.2	44.9	78.5	85.9	34.4	41.8	83.4	42.8	38.5
Other	607.3	345.2	255.3	337.1	399.0	180.4	240.1	265.3	270.3	311.9
Total > US\$20,000	5,517.8	4,259.2	4,037.4	4,465.4	4,855.6	3,736.1	4,263.0	5,866.5	5,531.7	5,225.6
Total < US\$20,000	1,864.3	1,517.6	1,157.9	1,212.0	1,084.3	768.1	706.3	684.7	696.7	673.8
Total	7,382.2	5,776.8	5,195.3	5,677.4	5,939.8	4,504.1	4,969.4	6,551.2	6,228.4	5,899.4

Source: Central Bank of Trinidad and Tobago

Settlement of credit cards accounts for a significant share of foreign exchange sales

Chart 10. Sales Transactions by Sector, 2015
US\$ Million

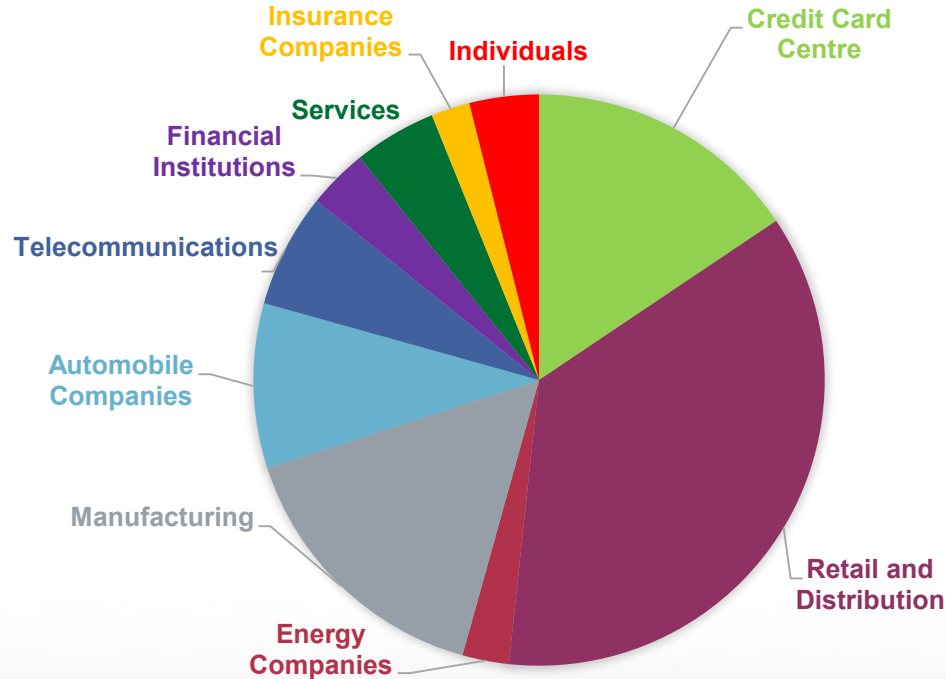
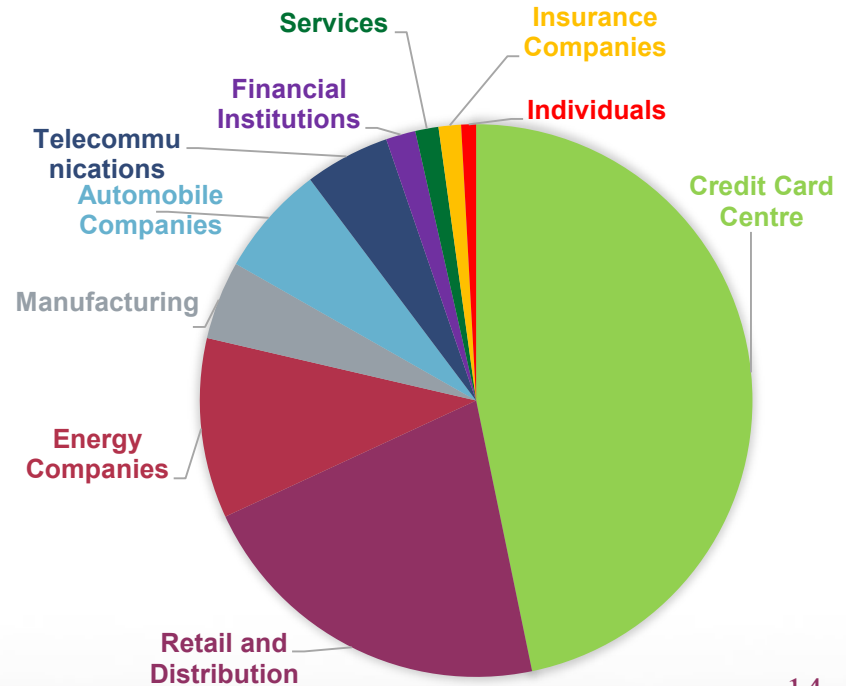


Chart 11. Sales Transactions by Sector, Jan – Aug 22, 2025
US\$ Million



Foreign exchange purchases have been declining

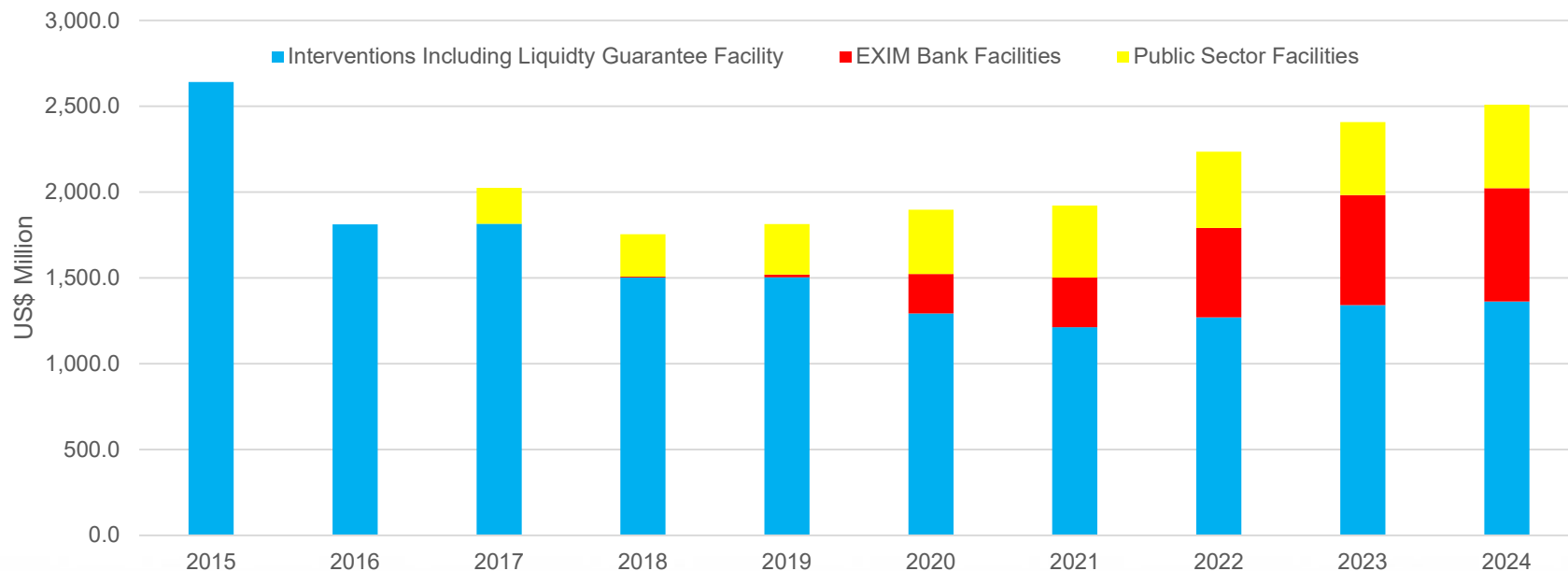
Table 2. Purchases of Foreign Currency by Authorised Dealers from the Public 2015-2024
US\$ Million

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Energy Companies	3,364.6	2,682.8	2,164.4	2,546.5	2,699.7	1,918.0	2,973.2	4,094.9	2,921.3	2,991.2
Credit Card Centre	326.7	298.7	226.3	243.1	233.7	233.0	137.8	248.7	334.3	247.1
Services	118.4	182.2	179.9	200.0	257.1	274.7	335.6	311.9	330.4	299.0
Transportation and Storage	201.7	189.5	175.2	196.2	195.0	179.5	94.5	141.1	195.2	184.6
Manufacturing	180.0	77.5	81.2	115.5	110.5	55.0	59.4	38.7	40.1	44.8
Financial Institutions	49.3	68.6	68.2	83.4	70.6	106.7	56.5	105.3	121.4	21.7
Public Utilities	39.8	173.1	131.8	34.8	41.6	73.6	38.1	31.2	45.8	50.5
Individuals	78.2	50.4	45.3	121.5	56.7	39.2	39.2	58.5	47.2	50.2
Retail and Distribution	28.6	36.7	33.8	46.5	74.8	48.0	31.5	74.1	80.2	77.0
Insurance Companies	57.3	103.4	54.2	31.3	1.9	11.2	5.1	2.9	10.2	2.7
Other	154.8	165.0	162.8	204.2	244.6	132.0	71.8	84.3	129.4	128.2
Total > US\$20,000	4,599.4	4,027.9	3,323.1	3,822.8	3,986.3	3,070.8	3,842.8	5,191.5	4,255.5	4,096.9
Total < US\$20,000	331.3	246.8	283.7	278.6	299.3	227.3	306.1	337.3	359.1	447.8
Total	4,930.8	4,274.7	3,606.9	4,101.4	4,285.6	3,298.2	4,148.9	5,528.8	4,614.6	4,544.7

Source: Central Bank of Trinidad and Tobago

5. The CBTT continues to supplement the foreign exchange market not only through interventions but also special facilities

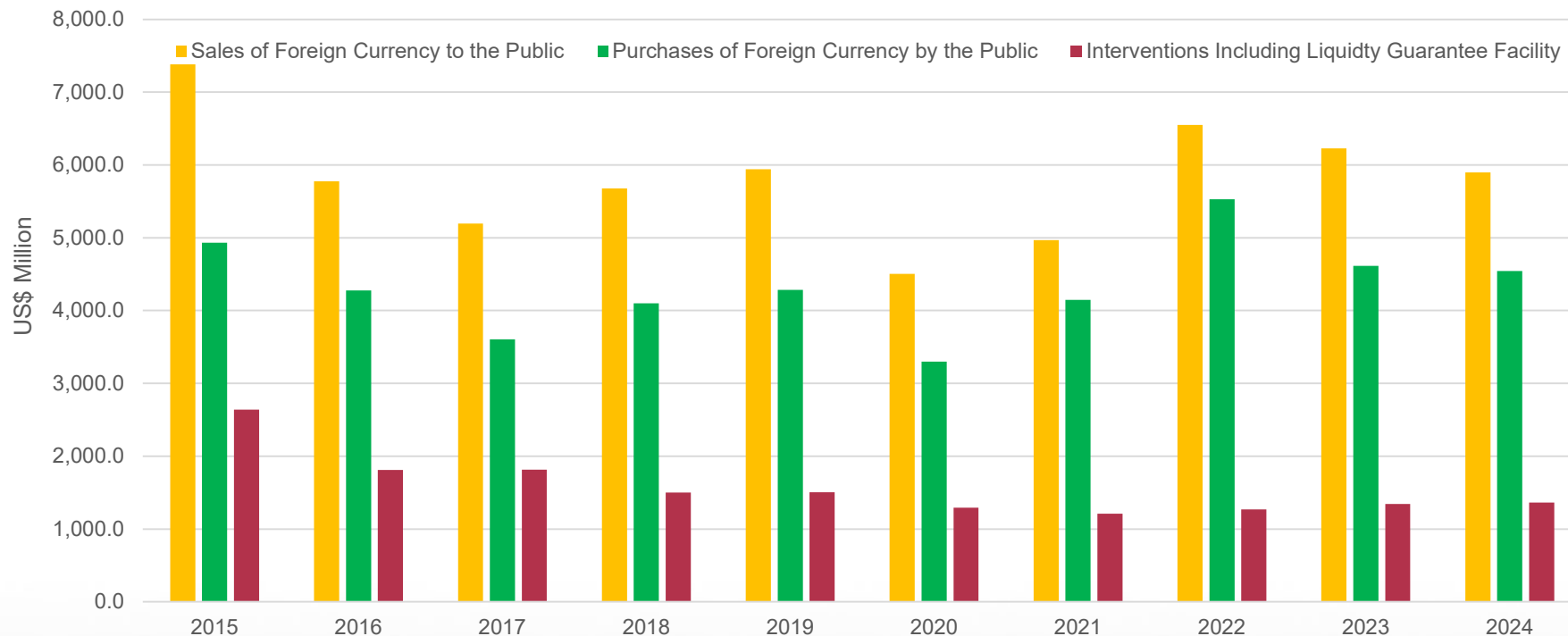
Chart 12. Authorised Dealers and Special Facilities
2015 – 2024



Source: Central Bank of Trinidad and Tobago

CBTT interventions tend to approximate the net sales gap

Chart 13. Sales, Purchases and Interventions (excluding EXIM Bank and Public Sector facilities)
2015 – 2024



6. Key Considerations

- Address EXIM Bank facility with respect to pricing and revolving nature
- Improve transparency (better reporting)
- Measures to encourage the repatriation of funds
- Interest rate structure
- Prioritise the prevention of foreign exchange leakages

THANK YOU



CENTRAL BANK OF
TRINIDAD & TOBAGO