Central Bank of Trinidad & Tobago

Monetary Policy Report November 2025

HIGHLIGHTS

IN SUMMARY

- Heightened policy uncertainty has weakened global economic prospects and tightened financial conditions.
- Domestically, economic activity and inflation dipped. According to data published by the Central Statistical Office, real GDP declined in the first quarter of 2025 and the rate of inflation continued to decelerate up to October 2025.
- Commercial bank rates increased and system liquidity fell.
- The Central Bank of Trinidad and Tobago, in its June 2025 and September 2025 Monetary Policy Committee meetings, kept the Repo rate at 3.50 per cent.

INTERNATIONAL ECONOMIC CONTEXT

Growth forecasted to expand

Global growth is projected to expand by 3.2 per cent in 2025, 0.1 percentage points lower than 2024, according to the International Monetary Fund October 2025 World Economic Outlook.

Central banks remain vigilant

Monetary policy is tilting towards accommodation. However, ongoing tariff policy changes and lingering inflationary pressures are keeping central banks cautious.

Several factors threaten the economic prospects

The economic outlook continues to be challenged by trade tensions and heightened policy uncertainty.

The performance of Latin America and the Caribbean was broadly positive

Policy rates across Latin America and the Caribbean were largely maintained or lowered and economic growth was generally positive.

DOMESTIC ECONOMIC AND FINANCIAL CONDITIONS

Economic activity dipped. In Q1 2025, real GDP declined by 2.1%, on account of contractions in both the energy (-4.8%) and non-energy (-1.0%) sectors.

Export earnings increased in HY1 2025 (5.6%), owing to an improvement in energy exports.

Inflation fell. In October 2025, food and core inflation slowed to 0.9% and 0.3% (y-o-y), respectively.

Consumer, business and real estate mortgage lending decelerated in September 2025 (9.3%, 8.1%, and 5.6%, respectively).

The local market for foreign currency remained tight. Purchases and sales of foreign exchange by authorised dealers declined over January to October 2025 compared to one year earlier (10.0% and 6.1%, respectively).

Government borrowing remained robust. Over the period April to October 2025, the primary debt market recorded three bond issues raising $4.4 bn.

MONETARY POLICY CONSIDERATIONS

Crude oil and natural gas production improved during the second quarter of 2025 by 8.9%, and 11.7%, respectively (y-o-y).

Headline inflation decreased to 0.4% (y-o-y) in October 2025.

The 3-mth TT-US treasury differential improved to -123 bps in October 2025.

Excess reserves fell, averaging $3.5 bn daily in October 2025.

Private sector credit expanded by 7.1% (y-o-y) in September 2025.

September 2025
3.50 per cent

Monetary Policy Stance Maintained, Repo Rate Unchanged