



In Summary:

- Global growth remained resilient in 2025, supported by continued expansion in Emerging Market and Developing Economies, despite lingering inflationary pressures, geopolitical tensions and tariff uncertainty.
- Economic activity across the Latin American and Caribbean (LAC) region was moderate but subdued, reflecting resilient private consumption and easing inflation pressures
- Domestically, economic activity showed signs of moderation during 2025. Data from the Central Statistical Office (CSO) indicate that real GDP recorded modest growth over the first nine months of the year, with increased energy sector output partially offset by reduced non-energy sector activity.
- Labour market conditions remained broadly stable over the first three quarters of 2025, with the unemployment rate averaging lower than in the previous year.
- Inflationary pressures edged upwards but remained contained in 2025, driven mainly by higher international food commodity prices.
- Higher energy receipts outstripped the decline in non-energy revenue, leading to a more favourable fiscal outturn for the fiscal year ending September 2025.
- Monetary policy in 2025 was geared towards fostering conditions supportive of domestic economic activity and, more specifically, on managing volatile liquidity.
- The external current account recorded a surplus in 2025; however, net outflows on the financial account resulted in an overall balance of payments deficit and a decline in gross official reserves.

Global economic prospects remain subject to heightened uncertainty, particularly with the escalation of geopolitical tensions in the Middle East and their potential implications for trade, commodity prices and financial markets. Against this backdrop, economic activity in Trinidad and Tobago is expected to stabilise over the short to medium term. Energy sector output is expected to benefit from the start-up of new natural gas fields; however, production levels are unlikely to increase beyond already achieved levels. Non-energy sector activity remains uncertain, with recent policy initiatives and cost-related pressures weighing on economic sentiment. Inflation is expected to remain relatively contained, notwithstanding upside risks stemming from US tariffs, higher international prices and administered price adjustments. On the external front, improved energy exports are likely to support the current account, although continued net outflows on the financial account may constrain reserve accumulation.

ECONOMIC DEVELOPMENTS



Global output expanded by an estimated **3.4%** in 2025, unchanged from the previous year (IMF World Economic Outlook, April 2026).



Data from the Central Statistical Office indicate that the **domestic economy expanded by 0.2%** (year-on-year) during the period January to September 2025, supported by higher energy sector output.



The **unemployment rate** declined to an average of **4.5%** over the first nine months of 2025, compared to an average of 4.8% for the same period in 2024.



Headline **inflation averaged 1.0%** in 2025, up from 0.5% in 2024.



The Central Bank maintained the **repo rate at 3.50%** throughout 2025, while managing liquidity conditions in the financial system.



Gross official reserves amounted to **US\$5,369.0 million** at the end of December 2025 (equivalent to 6.3 months of import cover).