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2021

ANNUAL ECONOMIC **SURVEY**

*Nominal GDP estimate for 2021 revised based on updated CSO information.

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Central Bank of Trinidad and Tobago

Annual Economic Survey 2021

Review of Economic and Financial Developments

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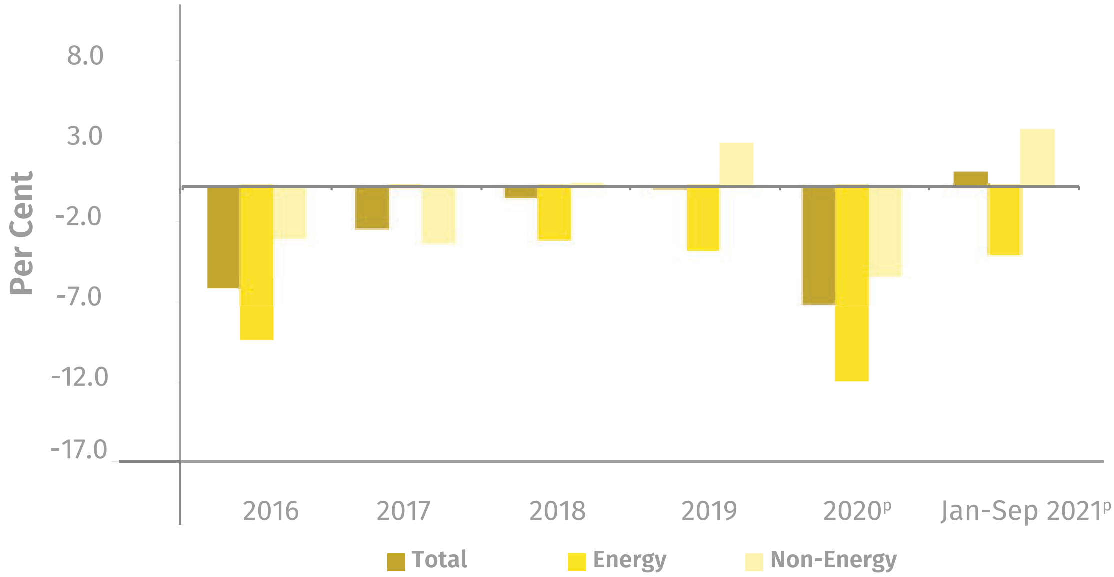
CHARTS ON SELECTED ECONOMIC INDICATORS

CHART 1

REAL GDP GROWTH, 2016-Q3-21P
(per cent change)

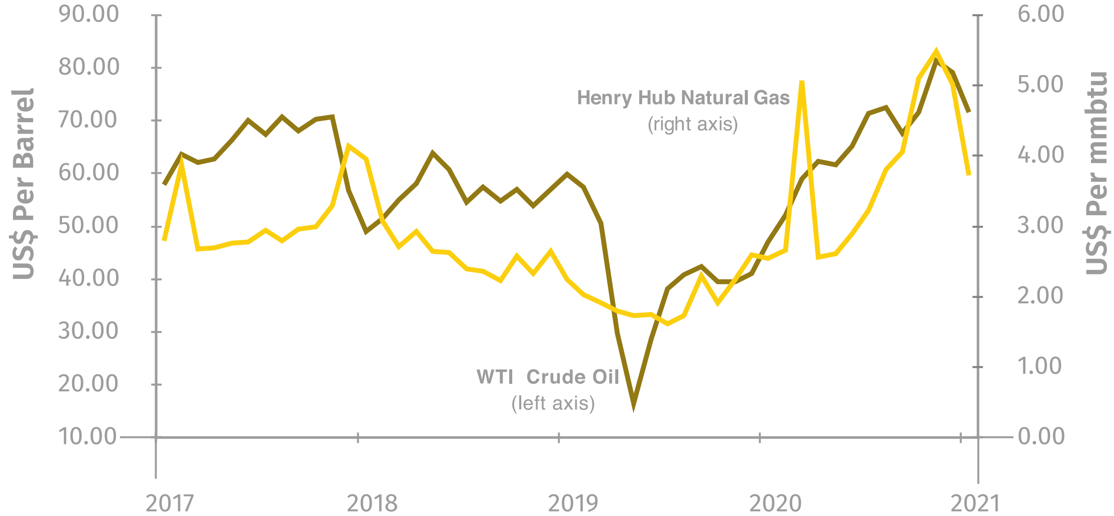


Source: Central Statistical Office; Annual data are compiled at Purchaser Prices, Quarterly data at Producer Prices

p Provisional.

CHART 2

CRUDE OIL AND NATURAL GAS PRICES, 2017-2021



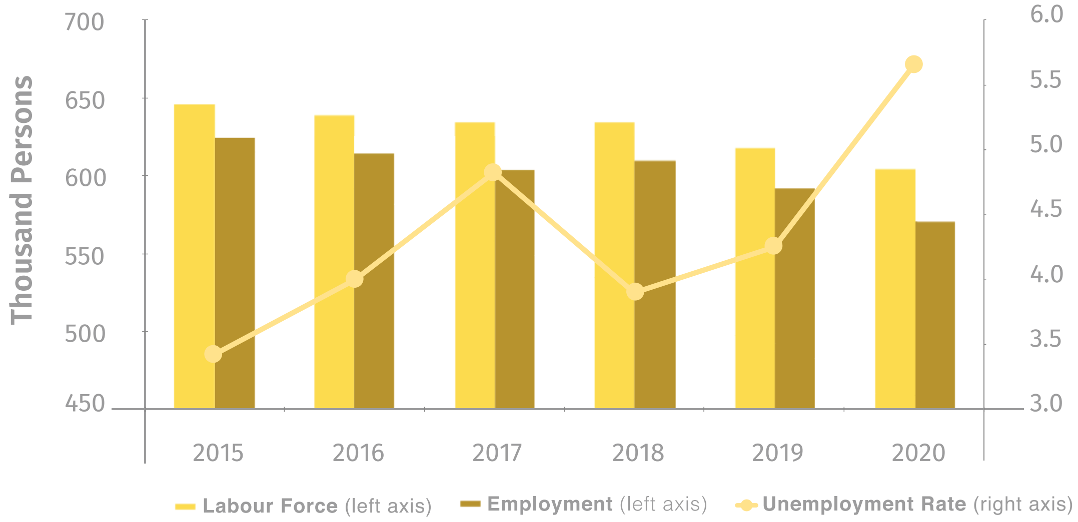
Source: Bloomberg

CHARTS ON SELECTED ECONOMIC INDICATORS CONTINUED

CHART 3

LABOUR FORCE AND UNEMPLOYMENT,

2015-2020



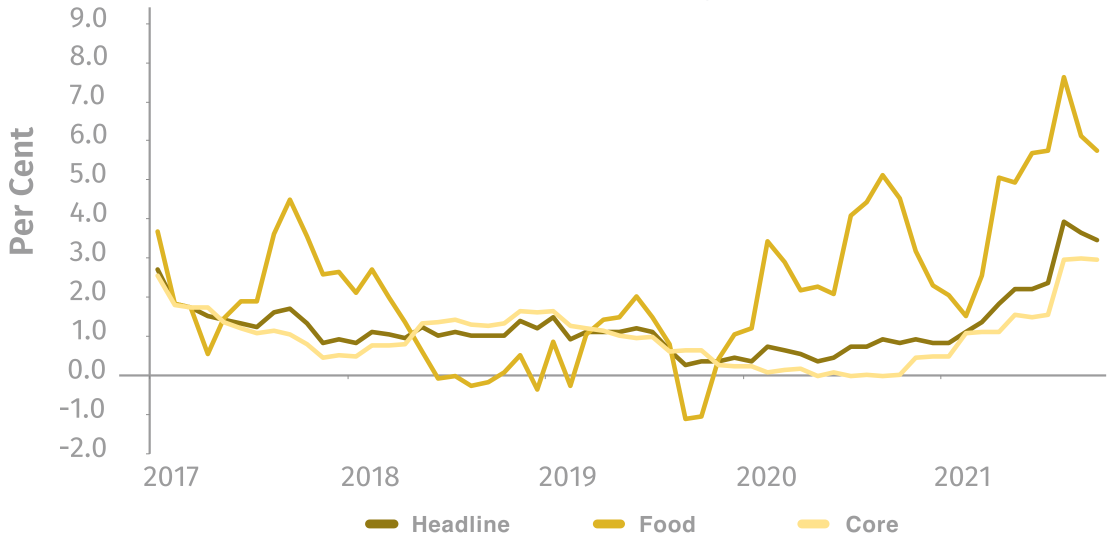
Source: Central Statistical Office

CHART 4

PER CENT CHANGES IN THE RETAIL PRICE INDEX,

2017-2021

(year-on-year per cent change)

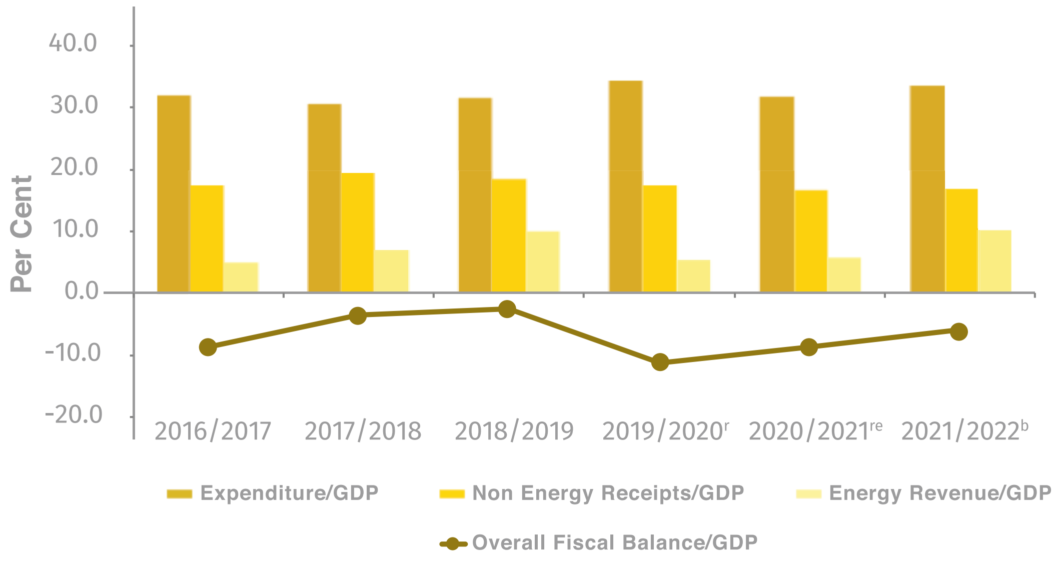


Source: Central Statistical Office

CHARTS ON SELECTED ECONOMIC INDICATORS CONTINUED

CHART 5

FISCAL BALANCES IN PER CENT OF GDP, 2016/2017-2020/2021[1]



Source: Ministry of Finance

1 GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21 and FY2022 are sourced from Ministry of Finance.

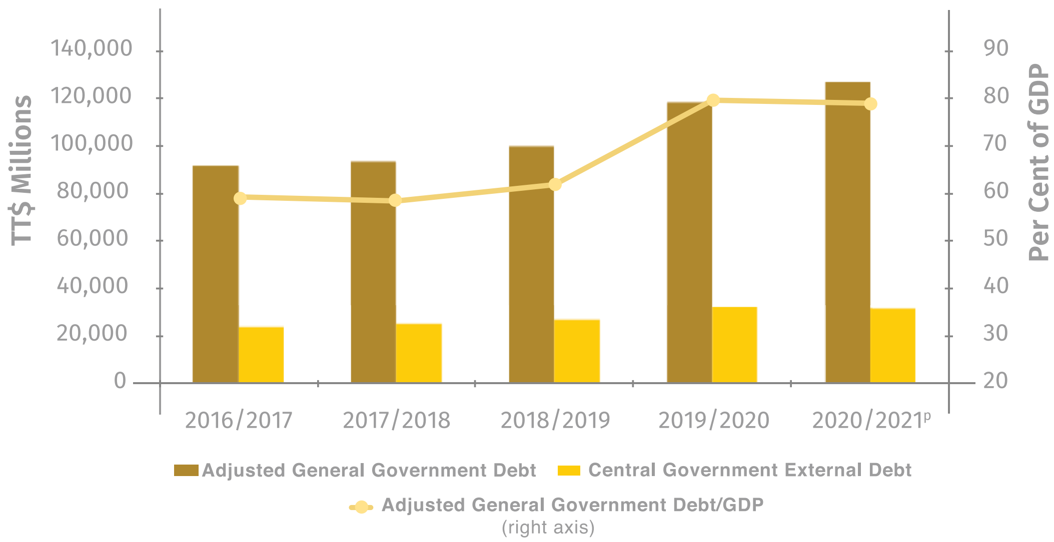
r Revised.

re Revised Estimates.

b Budgeted.

CHART 6

ADJUSTED GENERAL GOVERNMENT DEBT, 2016/2017-2020/2021



Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

NOTE:

Adjusted General Government debt excludes all sterilised debt (OMO Bills, Treasury Notes, Treasury Bonds & Liquidity Absorption bonds).

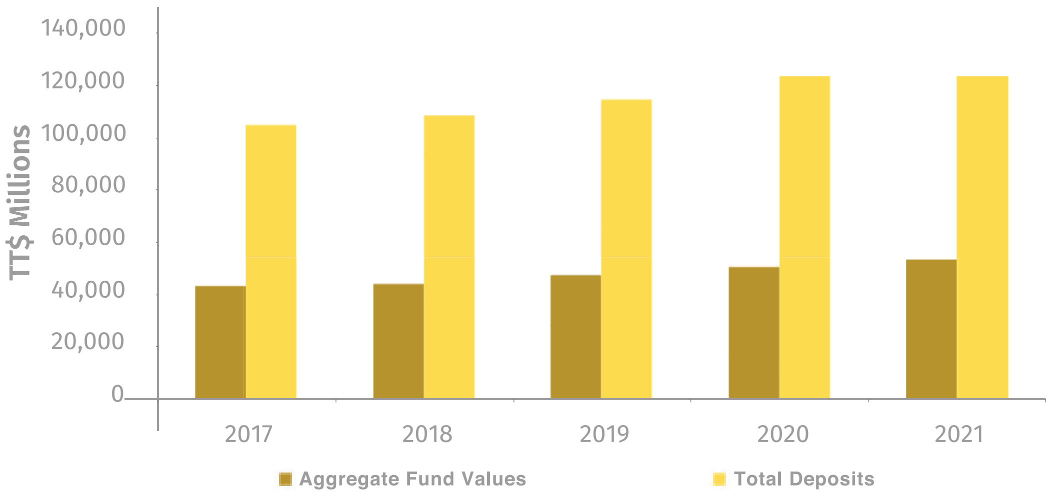
GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.

p Provisional.

CHARTS ON SELECTED ECONOMIC INDICATORS CONTINUED

CHART 7

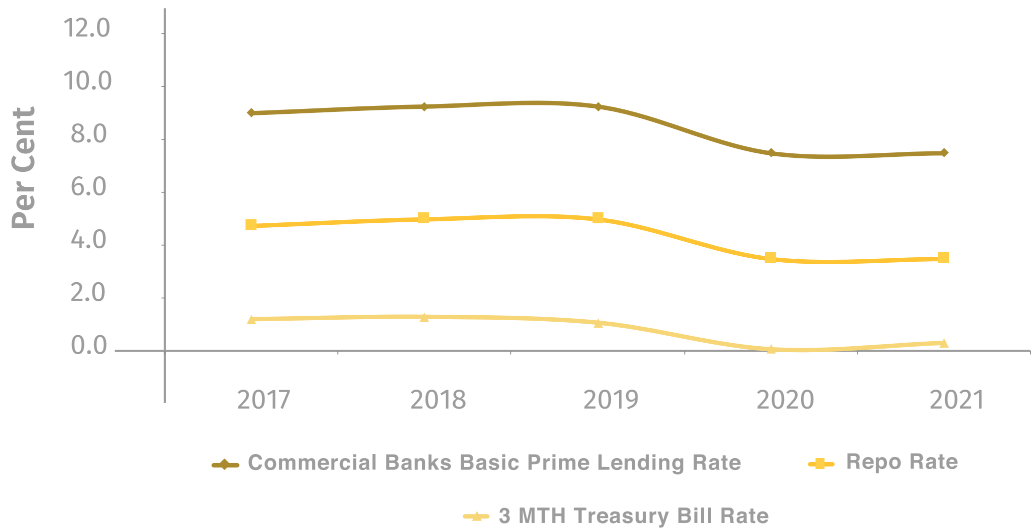
AGGREGATE MUTUAL FUND VALUES VS. COMMERCIAL BANKS' DEPOSITS, 2017-2021



Source: Central Bank of Trinidad and Tobago

CHART 8

BASIC PRIME LENDING RATE, REPO RATE AND 3 MTH TREASURY BILL RATE, 2017-2021



Source: Central Bank of Trinidad and Tobago

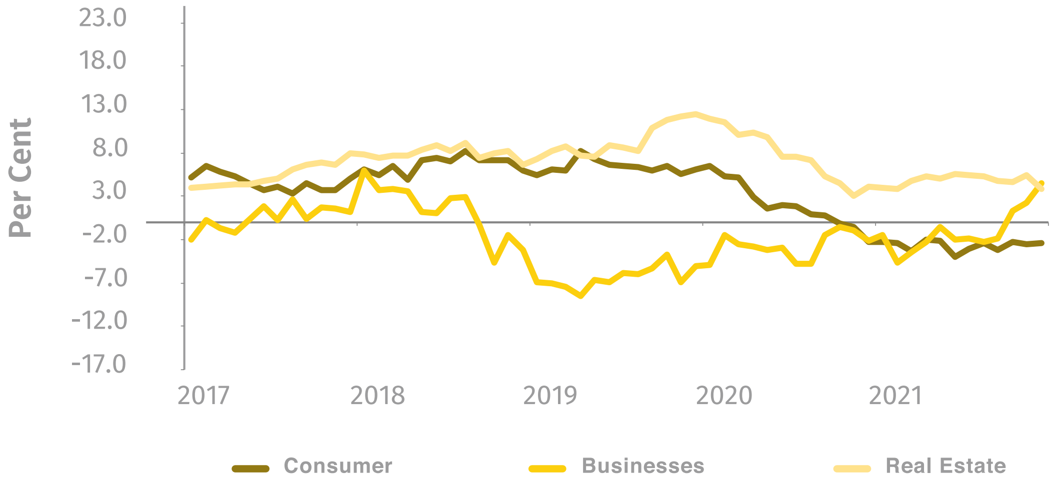
CHARTS ON SELECTED ECONOMIC INDICATORS CONTINUED

CHART 9

CREDIT TO THE PRIVATE SECTOR,

2017-2021

(year-on-year per cent change)



Source: Central Bank of Trinidad and Tobago

CHART 10

COMMERCIAL BANKS' EXCESS RESERVES,

JANUARY - DECEMBER 2021

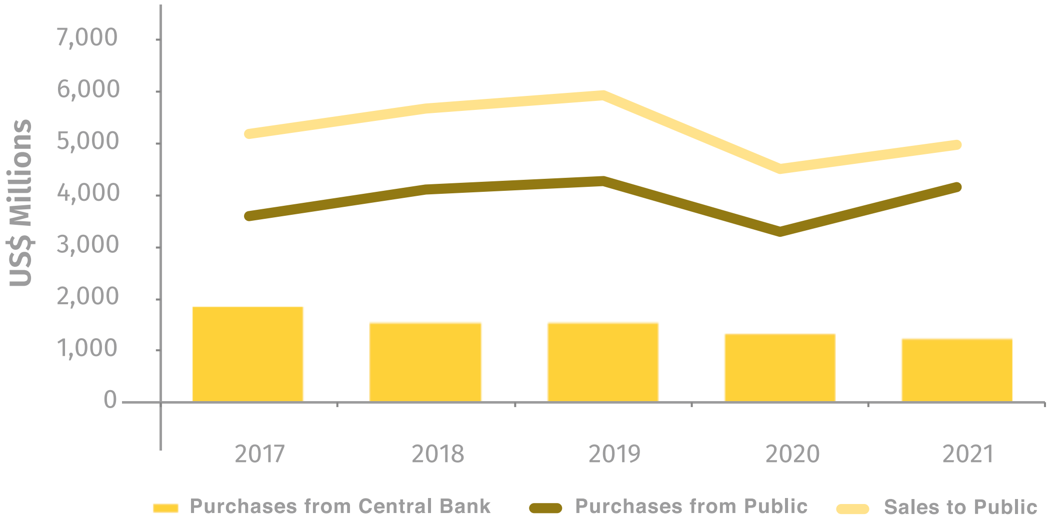
Source: Central Bank of Trinidad and Tobago

CHARTS ON SELECTED ECONOMIC INDICATORS CONTINUED

CHART 11

AUTHORISED DEALERS PURCHASES AND SALES OF FOREIGN CURRENCY

2017-2021

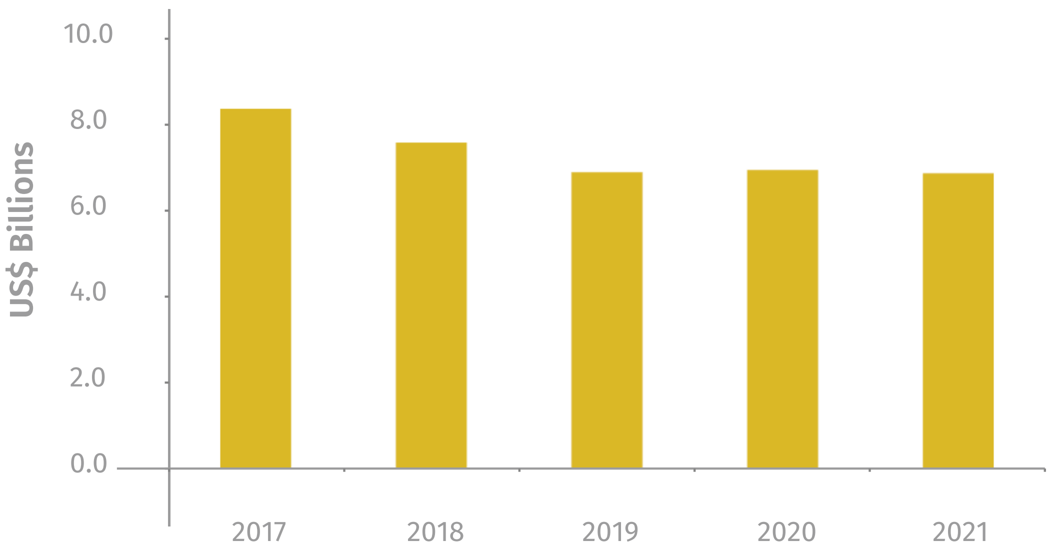


Source: Central Bank of Trinidad and Tobago

CHART 12

GROSS OFFICIAL RESERVES,

2017-2021



Source: Central Bank of Trinidad and Tobago

CHARTS ON SELECTED ECONOMIC INDICATORS CONTINUED

CHART 13

MONETARY POLICY ACTIONS,

2018 - 2021

Liquidity Management Measures

August 2018:	The secondary reserve requirement was discontinued.
March 2020:	The primary reserve requirement on commercial bank deposits was decreased by 3 per cent to 14 per cent.

Central Bank Policy Rate Decisions

Jan 2018:	Repo rate maintained at 4.75 per cent.
Mar 2018:	Repo rate maintained at 4.75 per cent.
Jun 2018:	Repo rate increased to 5.00 per cent.
Sep 2018:	Repo rate maintained at 5.00 per cent.
Dec 2018:	Repo rate maintained at 5.00 per cent.
Mar 2019:	Repo rate maintained at 5.00 per cent.
Jun 2019:	Repo rate maintained at 5.00 per cent.
Sep 2019:	Repo rate maintained at 5.00 per cent.
Dec 2019:	Repo rate maintained at 5.00 per cent.
Mar 2020:	Repo rate decreased to 3.50 per cent.
Jun 2020:	Repo rate maintained at 3.50 per cent.
Sep 2020:	Repo rate maintained at 3.50 per cent.
Dec 2020:	Repo rate maintained at 3.50 per cent.
Mar 2021:	Repo rate maintained at 3.50 per cent.
Jun 2021:	Repo rate maintained at 3.50 per cent.
Sep 2021:	Repo rate maintained at 3.50 per cent.
Dec 2021:	Repo rate maintained at 3.50 per cent.

CHAPTER 1

Overview of Economic Conditions

ECONOMIC DEVELOPMENTS IN 2021

Global economic activity rebounded in 2021, supported by an easing of COVID-19 related restrictions, which helped boost demand. However, supply chain disruptions and the rapid spread of the Delta and Omicron coronavirus variants weighed on world output. The International Monetary Fund (IMF), in its April 2022 World Economic Outlook (WEO) estimated that global output expanded by 6.1 per cent in 2021 following a contraction of 3.1 per cent in 2020. The economic recovery path was uneven across country groupings as some Emerging Market and Developing Economies (EMDEs) continued to experience a fragile recovery, relative to Advanced Economies (AEs), due to slower vaccination progress and a more limited policy response. Meanwhile, inflationary pressures intensified in 2021 due to a pickup in global demand, higher international energy and food prices, ongoing supply bottlenecks, weaker currencies, and adverse weather conditions in some countries. With inflationary pressures persisting longer than expected, threatening to de-anchor inflation expectations, several policymakers in EMDEs pursued a tighter monetary policy stance while Central Banks in AEs took steps toward policy normalisation in the latter part of 2021. Global financial vulnerabilities were elevated in 2021, due in part to an overvaluation of financial assets and increasing inflationary pressures.

Strong growth performances were recorded in several AEs and EMDEs following steep contractions in 2020. Despite supply disruptions, which stymied global manufacturing, output in the United States (US) and Euro area expanded by 5.7 per cent and 5.3 per cent, respectively in 2021 following declines of 3.4 per cent and 6.4 per cent in 2020. Meanwhile, China led economic growth in the EMDEs in 2021 with an expansion of 8.1 per cent in spite of challenges in its property sector. The resurgence of the pandemic weighed on economic growth in other EMDEs. Regionally, economic recovery in Latin America and the Caribbean got underway as real GDP expanded by roughly 6.8 per cent in 2021 compared to a sharp falloff of 7.0 per cent in 2020. The improved performance was supported by the easing of international travel restrictions (tourism-dependent economies) along with a pickup in international commodity prices (commodity-exporting economies). Boosted by strong demand and the reopening of economies globally, the international crude oil market exhibited significant improvement in 2021 as West Texas Intermediate (WTI) oil prices averaged US$67.96 per barrel in 2021, an increase of 72.9 per cent compared to 2020. Similarly, US Henry Hub natural gas prices also increased, averaging US$3.85 per million British Thermal Units (mmbtu) in 2021, a 91.6 per cent increase compared to 2020.

Domestic economic activity remained mostly constrained in 2021, though signs

of improvement were evident. According to data from the Central Statistical Office (CSO), Gross Domestic Product (GDP) at constant prices (real GDP) grew by 0.9 per cent over the first three quarters of 2021 when compared to the same period a year earlier. The expansion in activity was premised on growth of 3.6 per cent in the non-energy sector, while energy sector activity declined by 4.4 per cent.

The fallout of the COVID-19 pandemic continued to create substantial labour market slack in 2021. Despite the gradual reopening of the domestic economy in the second half of the year, effects from the re-instatement of domestic restrictions earlier in April and May weighed on labour market conditions. Supplementary data sourced from the Ministry of Labour suggests that the labour market remained weak as 1,310 persons were retrenched during 2021 while the daily average of job advertisements published in the print media, an indicator of labour demand, declined by 16.0 per cent in 2021.

Although inflation gained momentum during 2021, spare capacity within the economy and low aggregate demand helped contain headline inflation. During 2021, headline inflation averaged 2.1 per cent, up from a yearly average of 0.6 per cent in 2020, as both core and food inflation accelerated throughout the year. Core inflation averaged 1.5 per cent in 2021, compared to 0.1 per cent in 2020, led by higher costs for foreign-used vehicles, public transportation, tobacco products, and housing. Meanwhile, food inflation accelerated to 4.4 per cent in 2021, compared to 2.8 per cent in 2020. This was driven by global supply-side disruptions and higher international food prices, which resulted in most food sub-indices with a relatively high import content recording faster price increases during the year. Consequently, the prices of domestic retail goods of several companies reflected the higher import costs.

Higher revenue collections coupled with lower expenditure resulted in a smaller fiscal deficit for FY2020/21 (October 2020 – September 2021) compared to FY2019/20. Revised estimates from the Ministry of Finance revealed that the Central Government fiscal accounts registered an overall deficit of $13.7 billion (8.6 per cent of GDP) in FY2020/21 compared to a deficit of $16.7 billion (11.2 per cent of GDP) in the previous year. Total revenue was estimated at $37.1 billion, buoyed by proceeds generated from a tax amnesty. Meanwhile, aggregate expenditure, which was estimated at $50.8 billion, was lower when compared to the previous fiscal year despite continued spending on the Government's socio-economic response to the COVID-19 pandemic. The deficit was financed from external and domestic sources as well as withdrawals from the Heritage and Stabilisation Fund (HSF). Adjusted General Government debt[1] outstanding (which excludes debt issued for sterilisation purposes) amounted to $126.6 billion (79.1 per cent of GDP) at the end of FY2020/21, compared to $118.4 billion (79.6 per cent of GDP) at the end of September 2020.

[1] In June 2021, the Ministry of Finance revised the debt measurement parameters to bring them into alignment with International Standards. See Box 4, Re-Alignment of the Government Debt Measurement Approach to International Standards, in the Review of the Economy 2021.

The domestic monetary policy stance remained unchanged during 2021. Although domestic inflationary pressures started to build in the second half of 2021, the Central Bank maintained its Repo rate at 3.50 per cent throughout 2021. This followed a 150 basis point reduction in March 2020. Liquidity levels in the domestic banking system declined over the year in the context of higher public and private sector borrowing. Meanwhile, the TT-US short-term interest rate differential rose in 2021 as domestic short term Treasury rates increased while US short-term Treasury rates were relatively stable despite signals of future monetary policy tightening by the US Federal Reserve. Conversely, commercial banking rates continued to trend downward during the year. Demand for domestic credit by individuals remained weak due to the ongoing impact of the pandemic on households' earning capacity. However, business lending began to shows signs of slight improvement toward the end of 2021. Meanwhile, the foreign exchange market remained tight in 2021 despite increased inflows associated with the rise in international energy prices.

Higher international commodity prices and the gradual reopening of economies globally resulted in a significant improvement in the external accounts during the first nine months of 2021. Trinidad and Tobago's balance of payments recorded a surplus of US$119.0 million (0.7 per cent of GDP) on account of a large current account surplus in the first three quarters of the year. Both merchandise imports and exports increased compared to the same period a year earlier — the former by 31.1 per cent and the latter by 69.0 per cent. Higher energy prices and improving external demand were largely responsible for the export performance. On the import side, contributing factors included increased capital imports for energy sector projects as well as higher international commodity prices. Despite being boosted by HSF withdrawals of US$693.8 million and the extraordinary Special Drawing Rights (SDR) allocation of US$644 million from the IMF, Trinidad and Tobago's gross official reserves declined by US$74.2 million to US$6,879.6 million at the end of 2021. Based on available data to September 2021, the import capacity indicator[2,3] — a measure of the country's external vulnerability — averaged 1.2, which suggests that the level of financial inflows was sufficient to cover approximately 120.0 per cent of imports over the nine-month period.

[2] The import capacity indicator encompasses a mixture of variables such as the purchasing power of exports, national funds and foreign financial flows (which cumulatively provide the net inflows of foreign exchange resources) relative to the size of import demand over a given period of time. A ratio of 1.0 (or 100 per cent) or above represents an ideal coverage position, while below 1.0 represents an insufficient coverage position to meet the domestic economy's level of import demand. See January 2022 Economic Bulletin for a more detailed explanation of the import capacity indicator.

[3] The import capacity indicator was calculated to September 2021, given that the balance of payments data is available for the first nine months of 2021.

TABLE 1
TRINIDAD AND TOBAGO SELECTED ECONOMIC INDICATORS

	2017	2018	2019	2020	2021p
Real GDP Growth (%) (2012 = 100)[1]	-2.7	-0.7	-0.2	-7.4	n.a.
Energy Sector	-0.2	-3.4	-4.0	-12.2	n.a.
Non-Energy Sector	-3.5	0.3	2.7	-5.6	n.a.
Agriculture, Forestry and Fishing	8.0	-9.6	-3.2	-0.8	n.a.
Trade and Repairs	-10.1	-1.7	2.7	-11.1	n.a.
Construction	-4.4	-1.2	-1.8	-9.3	n.a.
Financial and Insurance Activities	4.4	0.1	8.5	4.0	n.a.
Inflation Rate (%)[2]					
(period average)	1.9	1.0	1.0	0.6	2.1
(end of period)	1.3	1.0	0.4	0.8	3.5
Unemployment Rate (%)[3]	4.8	3.9	4.3	5.7	n.a.
(Per Cent of GDP)					
Overall Central Government Operations Surplus(+)/Deficit(-), (end of fiscal year)	-8.7	-3.6	-2.5	-11.2	-8.6re
Adjusted General Government Debt, (end of fiscal year)[4]	59.2	58.4	62.0	79.6	79.1p
Central Government External Debt, (end of fiscal year)	15.2	15.4	16.3	21.3	19.6p
Balance of Payments Current Account Balance Surplus(+)/Deficit(-)	6.3	6.9	4.4	-0.6	7.6*
Memorandum Items:					
Central Government External Debt in US$Mn (end of fiscal year)	3,535.8	3,695.8	3,939.4	4,707.3	4,650.9
Debt Service Ratio (fiscal year; %)[5]	2.1	2.2	2.9	9.7	3.1
W.T.I. (US$/barrel, annual average)	50.9	64.8	57.0	39.3	68.0
Henry Hub (US$/mmbtu, annual average)	3.0	3.2	2.6	2.0	3.9
Net Official Reserves (US$ Mn)[6]	8,369.8	7,575.0	6,929.0	6,953.8	6,879.6

Sources: Central Bank of Trinidad and Tobago, Central Statistical Office and Ministry of Finance

1 Real GDP growth rates are sourced from the Central Statistical Office.
2 Changes in the Index of Retail Prices (RPI), January 2015 = 100.
3 This represents the average of the four quarters.
4 Includes the external and internal debt of the Central Government (net of sterilised debt) as well as non self-serviced guaranteed debt of public entities.
5 This is defined as the ratio of external Central Government debt service to exports of goods and non-factor services.
6 International reserves have been revised to include Trinidad and Tobago's reserve position in the IMF. International reserves are defined as external assets that are readily available to and controlled by monetary authorities for direct financing of payment imbalances, for indirectly regulating the magnitudes of such imbalances through intervention in exchange markets and for other purposes. Typically, they include securities, gold, IMF special drawing rights (SDRs), a country's holding of foreign currency and deposits, reserve position in the IMF, and other claims (Balance of Payments Manual 6th Edition Paragraph 6.64).
* For the period January to September 2021.
p Provisional.
n.a. Not Available.
re Revised Estimates.

OUTLOOK FOR 2022

As the pandemic enters its third year, the pace of the global economic recovery is expected to slow in 2022. A combination of challenges, including pre-existing inflationary pressures due to high energy prices and supply-chain imbalances brought on by the pandemic and more recently the potential disruptive impacts from the Russia-Ukraine conflict, have set the tone for economic performance over the coming months. According to the IMF's April 2022 WEO, world growth is anticipated to moderate to 3.6 percent in 2022 from 6.1 percent in 2021. This represents a downward revision of 0.8 per cent from its previous forecast in January, due to the global spillover effects emanating from the Russia/Ukraine war. The economic consequences of this situation will be channeled through commodity markets, trade and financial avenues, creating a trade-off for many countries between arresting inflationary pressures and sustaining growth. Further downside risks have clouded the global outlook which include, an amplification of the crisis in Ukraine leading to tighter international sanctions and a severing of diplomatic relations with Russia, renewed outbreaks of COVID-19 infections or new virus variants, which could prolong the pandemic and constrain economic activity, lingering supply and demand imbalances that continue to de-anchor inflationary expectations, and a rapid tightening in monetary policy. Importantly, with the pandemic entering its third year, mounting public debt levels have positioned some economies as possible candidates for future debt restructuring, creating added financial stress- particularly among the EMDEs.

Trinidad and Tobago's short-term outlook is expected to improve in 2022. Growth in the domestic economy is projected to strengthen, driven by expansions in the energy sector. Activity in the non-energy sector is also expected to improve, following the gradual reopening of the economy since the third quarter of 2021 and the broad-based roll back of restrictive measures at the end of the first quarter of 2022. Despite improving domestic economic activity, labour market conditions may remain constrained until virus caseloads are effectively contained and vaccination rates increase among the working-age population. Within this context, low aggregate demand and spare capacity may attenuate upward pressure on local prices. Even so, rising inflation and inflationary expectations from key source markets, and transitory supply chain disruptions for tradable goods will add some upward impetus to prices. On account of increasing revenue collections, and in line with the Government's medium-term objective to achieve a primary surplus, the fiscal deficit is anticipated to narrow. However, this outturn may be tempered by the Government's commitment to fund COVID-19 related expenditure. In this environment, prudent management of debt levels will be necessary to safeguard debt sustainability. Meanwhile, the external accounts are also expected to benefit from the impulse generated by the ascent in international energy prices and increased external demand for non-energy products. As a result, despite some anticipated continued tightness in the foreign exchange market, Trinidad and Tobago's stock of international reserves is expected to remain resilient against external vulnerabilities.

Risks to this outlook are skewed to the downside. These include a flare-up in virus caseloads requiring hospitalisation which elicits a fresh round of containment measures that hamper business activity, curtail employment and place further strains on available fiscal resources. The industrial relations climate is also anticipated to be more tense in 2022 in the context of a rise in the cost of living. Developments on the international front will shape the trajectory of international interest rates, external supply pressures and demand from CARICOM and elsewhere for Trinidad and Tobago's products. Overall, continued efforts will need to be made to further structural reforms in order to promote domestic competitiveness in a much more challenging global setting.

CHAPTER 2

Domestic Economic Activity[4]

Quarterly Gross Domestic Product

Domestic economic activity remained mostly constrained in 2021, though signs of improvement were evident. According to data from the Central Statistical Office (CSO), Gross Domestic Product (GDP) at constant prices (real GDP) grew by 0.9 per cent during the first three quarters of 2021 compared to the same period a year ago (Table 2). Disaggregation of the data revealed that the growth momentum came from the non-energy sector while the energy sector waned. The non-energy sector grew by 3.6 per cent during the first three quarters of the year compared to a 4.4 per cent decline in the energy sector over the same period. In the non-energy sector, growth came from several sub-sectors including Construction, Trade and Repairs (Excluding Energy) and Manufacturing (Excluding Refining and Petrochemical), while energy sector output was pulled down by declines in the Natural Gas Exploration and Extraction and the Refining (Including LNG) sub-sectors.

Preliminary data for the fourth quarter of 2021 from the Central Bank's Quarterly Index of Economic Activity (QIEA)[5] suggest that energy sector activity experienced moderate improvements. During the fourth quarter of 2021, growth was observed in crude oil production (8.8 per cent), natural gas production (0.9 per cent), NGL production (11.4 per cent), methanol production (24.7 per cent) as well as ammonia production (2.4 per cent). Crude oil production continues to be buoyed by BHP's Ruby Development which came on-stream in May 2021, while the improvement in natural gas production was due to the start-up of bpTT's Matapal project in September 2021. The significant gains noted in methanol production were partially due to a base effect, as the Atlas methanol facility underwent a six-week planned maintenance programme in the fourth quarter of 2020. In addition, production from the new Caribbean Gas Chemical Limited (CGCL) facility, which began in December 2020, continued to bolster methanol output in 2021. Meanwhile, both LNG and urea production remained depressed during the three-month period, decreasing by 5.1 per cent and 0.5 per cent, respectively. In the non-energy sector, preliminary indicators for the fourth quarter point to continued recovery in some areas, but evidence of a sustained recovery is not yet apparent.

[4] In the FY2021/22 Budget Statement, domestic real GDP was projected to contract by 1.0 per cent in 2021 (See Budget Statement 2022 pp. 43). Current estimates from the Central Statistical Office (CSO) indicate that the domestic economy declined by 7.4 per cent in 2020 and 0.2 per cent in 2019.

[5] The CSO is the official source of National Accounts (GDP) data in Trinidad and Tobago. Separately, the Bank compiles a Quarterly Index of Real Economic Activity (QIEA) to gauge short-term economic activity. The industry classification conforms to the International Standard Industrial Classification Revision 4 (ISIC Rev.4). The QIEA differs from the CSO's national accounts statistics in terms of methodologies and coverage. The QIEA is based on production indicators, excludes price effects and does not comprehensively cover all sub-industries measured by the CSO. In 2019, the QIEA was rebased from a 2010 to 2012 base year and the classification system was migrated from the Trinidad and Tobago System of National Accounts to the International Standard Industrial Classification, Revision 4. Under this classification, the output of crude oil and natural gas are included in Mining and Quarrying, the production of LNG, NGLs and petrochemicals are included in Manufacturing, and the retail sale of automotive fuels is included in Wholesale and Retail Trade. For comparison purposes, the sectoral breakdown of real economic activity into Energy and Non-energy, presented previously is maintained. For further details on the QIEA methodology and differences in the data see Box 2 of the January 2020 Economic Bulletin (pages 15-17); Box 2 of the March 2017 Economic Bulletin (pages 19-20); and Public Education Statement – November 2016. See link to the CSO's quarterly National Accounts (GDP) data – National Accounts: https://cso.gov.tt/wp-content/uploads/2021/09/Quarterly-GDP-Summary-Statistics.xlsx.

TABLE 2
GROSS DOMESTIC PRODUCT AT CONSTANT 2012 PRICES
/ PER CENT CHANGE /

	2017	2018	2019	2020	Jan to Sep 2021p
GDP	**-2.7**	**-0.7**	**-0.2**	**-7.4**	**0.9**
Energy	**-0.2**	**-3.4**	**-4.0**	**-12.2**	**-4.4**
Non-Energy	**-3.5**	**0.3**	**2.7**	**-5.6**	**3.6**
Construction	-4.4	-1.2	-1.8	-9.3	16.1
Wholesale and Retail Trade (Exc. Energy)	-11.9	-2.1	2.7	-10.9	9.5
Manufacturing (Exc. Refining and Petrochemical)	-6.6	7.0	9.5	-4.9	7.4
Financial and Insurance Activities	4.4	0.1	8.5	4.0	0.7

Source: Central Statistical Office

Note: Annual GDP are compiled at Purchaser Prices; Quarterly GDP at Producer Prices.
p Provisional.

TABLE 3
MANUFACTURING SECTOR CAPACITY UTILISATION RATE

	2017	2018	2019	2020	Jan to Sep 2021p
Manufacturing	68.2	64.6	64.8	63.3	61.4
Food, Beverages and Tobacco Products	73.5	69.3	71.1	69.1	68.5
Textiles, Clothing, Leather, Wood, Paper and Printing	62.5	59.8	59.5	55.4	54.6
Chemical Products	63.2	58.8	57.3	54.7	53.2
Other Manufactured Products	66.1	64.8	62.0	70.0	59.9

Source: Central Bank of Trinidad and Tobago
p Provisional.

BOX 1: THE ENERGY TRANSITION AND THE DOMESTIC ECONOMY

According to Standard & Poor's (S&P) Global, a leading independent provider of information on energy and commodity markets, the term 'Energy Transition' refers to the global push to shift the world's energy systems (production and consumption) from fossil fuel sources, including crude oil, natural gas and coal, to renewable energy sources such as wind and solar energy as a means of reducing greenhouse gas (GHG) emissions. This global effort to move to cleaner energy is a direct response to the aim of the United Nations Framework Convention on Climate Change (UNFCCC) and related conventions such as the Kyoto Protocol and the Paris Agreement to limit the rise in global temperature this century to 1.5 degrees Celsius. As a party to the UNFCCC[1], Trinidad and Tobago has committed to a 15 per cent reduction in emissions by 2030[2] which the Ministry of Energy and Energy Affairs estimates will cost over US$2 billion.

In December 2021, the Government of Trinidad and Tobago submitted its first Biennial Update Report (BUR) on climate change in fulfilment of its reporting commitment under the UNFCCC[3]. The report included an update on the progress of Trinidad and Tobago's National Development Strategy (NDS) toward reducing GHG emissions. This box discusses the mitigation strategies in three main emitting areas – the power generation sector, the industry sector and the transportation sector.

GHG emissions from the power generation sector largely refer to those associated with the consumption of natural gas for electricity generation. Though Trinidad and Tobago already generates all its power from natural gas, the cleanest-burning fossil fuel, efforts to further reduce emissions from this sector are being pursued including an accelerated deployment of renewable energy. Some of the planned renewable energy projects include a Government-led solar photovoltaic (PV) installation project complete with electric vehicle (EV) charging stations at the Queen's Park Savannah and a solar park at the Piarco International Airport. The private sector has also taken steps to introduce renewable energy into the country's energy mix. Local energy companies have partnered with the Government to install a total of 112 megawatts (MW) of solar energy power capacity at Brechin Castle and Orange Grove in Trinidad to be completed in 2022. Alongside this, a policy on feed-in tariffs for the integration of renewable energy into the national grid is currently being developed. Other mitigation measures in progress include a solar electrification programme designed for households in remote and rural areas, and a mass light bulb replacement programme, replacing an estimated 1.6 million conventional incandescent bulbs with more energy efficient light-emitting diode (LED) bulbs.

Emissions from the industry sector are largely associated with industrial processes and product use, while emissions from energy consumption, flaring and venting are smaller contributors to overall emissions from this sector. GHG emissions from this sector accounted for 75 per cent of total GHG emissions in Trinidad and Tobago in 2018.

BOX 1: THE ENERGY TRANSITION AND THE DOMESTIC ECONOMY

Emission mitigation strategies being employed in this sector include pilot projects in carbon capture, use and storage (CCUS) as a means of better using carbon dioxide (CO_2) emissions as well as pursuing a hydrogen economy. The latter refers to the use of hydrogen as the fuel of choice, thereby eliminating the carbon emissions that result from the use of natural gas or other fossil fuels. Ongoing discussions between the Government of Trinidad and Tobago and the private sector surround creating green hydrogen for use in the petrochemical sector. Efforts are also being extended toward improved use of energy and heat in industrial processes as well as the reduction of flaring and venting.

In the transportation sector, emissions are associated with the consumption of fuels in vehicles, aircrafts and marine vessels. Mitigation strategies, which are in different stages of planning and execution, include a review of the fuel subsidy, fuel-switching to compressed natural gas (CNG), the upgrading and replacement of aircrafts, the introduction of alternative marine fuels, and an e-mobility policy aimed at phasing in electric vehicles in the private and public transport sectors.

Although Trinidad and Tobago produces less than one per cent of global GHG emissions, these initiatives are geared toward reducing the country's relatively high per capita GHG emissions. Moreover, as the cleanest-burning fossil fuel, natural gas is expected to be the fuel of choice for many countries that still depend on coal or diesel for power generation. The inclusion of alternative energy in the domestic sector allows Trinidad and Tobago to increase the amount of natural gas available for the production of higher-value products for export. This has direct economic benefits to the country while also having an indirect benefit in those purchasing countries that are able to stymie their emissions with Trinidad and Tobago's natural gas.

The Central Bank of Trinidad and Tobago, through its membership in the Network for Greening the Financial System and other similar international arrangements for collaboration, will assume a key role in facilitating the appropriate conditions to finance the country's energy transition to a low carbon economy. Internally, efforts to reduce the Bank's own carbon footprint are underway as part of the organisation's strategic plan for 2021/2022 – 2025/26.

[1] Trinidad and Tobago was among the first countries to sign and ratify the United Nations Framework Convention on Climate Change in 1994.

[2] In 2016, Trinidad and Tobago signed the Paris Agreement, committing to an overall cumulative emissions reduction of 15 per cent relative to a 'Business as Usual' (BaU) baseline by 2030 from its three major emitting sectors – power generation, transport, and industry, conditional on international financing.

[3] See Trinidad and Tobago's Biennial Update Report (BUR 1) for full report.

CHAPTER 3

Labour Market

UNEMPLOYMENT

The fallout of the COVID-19 pandemic weakened the economy's capacity to absorb labour in 2021. Many restrictions that were used to combat the increased spread of the virus in 2020[6] were reinstated in April and May 2021. In addition to imposing the State of Emergency (SoE), restrictions on travel to Tobago and on in-house dining at bars and restaurants were re-introduced. Furthermore, similar to the restrictions introduced at the onset of the pandemic in 2020, places of leisure were again closed, public transportation capacity reduced, and in-office public service operations were limited to essential services only. Due to the negative impact on employment, the Government offered Salary Relief Grants (SRGs) of up to $1,500 per month in May and June 2021 to persons whose incomes were affected by the COVID-19 restrictions. According to the Ministry of Finance, there were 24,296 SRG applications made in 2021. The Ministry of Social Development and Family Services provided an Income Support Grant up to a maximum of $1,500 for the same period as the SRG for those individuals who were not in the national insurance system. Although the country was still grappling with the fallout of the third wave of the COVID-19 pandemic, several lockdown measures and the SoE were lifted during the second half of 2021. Many restrictions that were re-introduced in April and May 2021 were subsequently lifted in June and July 2021, with several sectors being allowed to resume operations. These included the construction, manufacturing, retail, personal services, and food and restaurant businesses. In October 2021, the Government established 'TT Safe Zones' for fully vaccinated persons, while the SoE was discontinued in November 2021.

The most recent official data on labour market conditions from the CSO is available for 2020 (Tables 4 and 5). The unemployment rate increased to 5.7 per cent during 2020 from 4.3 per cent in 2019 **(Table 4)**. The number of persons with jobs fell by 21.3 thousand persons in 2020 (the first year of the pandemic), with 7.9 thousand persons continuing to actively seek employment ("unemployed" persons). However, 13.4 thousand persons left the labour force, contributing to a labour force participation rate[7] of 55.9 per cent in 2020 compared with 57.4 per cent in 2019. Both male and female labour force participation have trended downward since 2014. Most of the job losses during 2020 occurred in the Construction (including water and electricity service companies) and Manufacturing (including mining and quarrying) sectors, where there were 13.3 thousand and 8.9 thousand fewer persons employed,

[6] See the July 2021 and January 2022 editions of the Economic Bulletin for the timeline of the progressive 'Stay-at-Home' public health orders that were implemented during 2021. Available at: July 2021 Economic Bulletin (see pp. 23) and January 2022 Economic Bulletin (see pp. 22).

[7] The CSO defines the labour force participation rate as the proportion of the non-institutional population that is economically active (i.e., the proportion of the working-age population (15 years and older) that is either employed or actively seeking employment).

respectively (Table 5). Job losses also occurred in the Finance, insurance and real estate (4.6 thousand jobs) and the Transport, storage and communications (2.1 thousand jobs) sectors. On the other hand, employment grew in the Agriculture (7.8 thousand jobs) and Petroleum and gas (1.5 thousand jobs) sectors.

Supplemental data suggest that labour market conditions remained relatively weak in 2021. According to retrenchment notices[8] reported to the Ministry of Labour, 1,310 persons were retrenched during 2021, compared to 2,775 persons during 2020. Although this signals an improvement, it should be noted that reported retrenchments do not include job losses due to business closures. During 2021 the retail sector was hit particularly hard due to extended lockdowns, layoffs, and reduced aggregate income among consumers. Most of the reported retrenchments during 2021 occurred in the distribution, restaurants and hotels (420 persons), energy (308 persons), transport, storage and communication (239 persons), and manufacturing (235 persons) industries. Meanwhile, the daily average of job advertisements published in the print media[9] (an indicator of labour demand) declined by 16.0 per cent in 2021. Labour market slack was also evident by fewer man-hours worked[10] during the first nine months of 2021. The Index of Hours Worked, inclusive of both the energy and non-energy sectors, declined by 1.5 per cent (year-on-year) over the first three quarters of 2021[11] **(Appendix Table A.9)**.

[8] Retrenchment refers to the termination of employment of a worker at the initiative of an employer for the reason of redundancy according to the Retrenchment and Severance Benefits Act (No. 32 of 1985). The Act states that, "where an employer proposes to terminate the services of five or more workers for the reason of redundancy, he shall give formal notice of termination in writing to each involved worker, to the recognised majority union and the Minister of Labour". If fewer than five employees are terminated, employers are not obligated to report to the Ministry. This indicator for job separation is therefore limited insofar as it only includes registered retrenchment notices, and does not capture other forms of job separation, especially the non-renewal of contracts of temporary or short-term workers. Furthermore, reports of job losses at establishments cannot be equated with an equal rise in the unemployment rate. Data on the labour market are not collected from firms and other establishments, but households via the Continuous Sample Survey of Population (CSSP). Moreover, persons who have been retrenched or who have lost their jobs otherwise (expired contract, retired, etc.) and have not sought re-employment during the reference period are not classified as unemployed.

[9] This indicator is constructed by the Central Bank using the number of employment vacancies (both in the main pages and the classifieds) advertised in the Daily Express, Newsday and Guardian newspapers.

[10] 'Man-hours worked' refers to changes in the Index of Hours Worked produced by the Central Statistical Office and is based on data for the manufacturing, energy, electricity and water sectors.

[11] The Index of Man Hours Worked predominantly covers the manufacturing sector (including energy, electricity, and water sectors) and may not capture hours worked via Work from Home arrangements instituted by several employers.

TABLE 4
LABOUR STATISTICS, 2016-2020
/ THOUSANDS /[1]

	2016	2017	2018	2019	2020
Non-Institutional Population					
- 15 years and over	1,068.5	1,071.2	1,072.4	1,076.4	1,079.7
Labour Force	638.3	633.7	633.9	617.3	603.8
Persons with Jobs	613.1	603.1	609.1	591.1	569.8
Persons without Jobs	25.3	30.6	24.9	26.3	34.1
Participation Rate (%)	59.7	59.2	58.7	57.4	55.9
Male	69.5	68.9	68.2	66.1	64.8
Female	50.1	49.5	49.3	48.4	47,2
Unemployment Rate (%)	4.0	4.8	3.9	4.3	5.7
Male	3.9	4.2	3.2	3.7	5.4
Female	4.0	5.6	4.9	5.0	6.0

Source: Central Statistical Office

1 Numbers may not sum due to rounding.

TABLE 5
THE SECTORAL DISTRIBUTION OF EMPLOYMENT[1]

	2017		2018		2019		2020	
	(000 s)	%	(000 s)	%	(000 s)	%	(000 s)	%
Agriculture	22.3	3.7	23.1	3.8	20.3	3.4	28.1	4.6
Petroleum and Gas	14.5	2.4	13.7	2.2	11.3	1.9	12.8	2.1
Manufacturing (including Mining and Quarrying)	48.9	8.1	48.2	7.9	44.9	7.6	35.9	5.9
Construction (including Electricity and Water)	88.6	14.7	88.7	14.6	83.2	14.1	69.9	11.5
Transport, Storage and Communications	42.6	7.1	38.6	6.3	37.5	6.3	35.4	5.8
Other Services	*386.1*	*64.0*	*396.7*	*65.1*	*393.9*	*66.6*	*387.7*	*63.7*
Of which:								
Wholesale and Retail	*119.0*	*19.7*	*121.7*	*20.0*	*111.6*	*18.9*	*111.2*	*18.3*
Community, Social and Personal Services	*206.8*	*34.3*	*207.2*	*34.0*	*212.4*	*35.9*	*212.6*	*34.9*
Finance, Insurance and Real Estate	*58.3*	*9.7*	*64.1*	*10.5*	*64.8*	*11.0*	*60.1*	*9.9*
Not Classified	*2.0*	*0.3*	*3.7*	*0.6*	*5.3*	*0.9*	*3.8*	*0.6*
Total Employment	**603.1**	**100.0**	**609.0**	**100.0**	**591.1**	**100.0**	**569.8**	**100.0**

Source: Central Statistical Office

1 Numbers may not sum due to rounding.

LABOUR PRODUCTIVITY[12]

During the first three quarters of 2021, labour productivity in the non-energy sector improved by 36.7 per cent, reflecting higher production levels alongside fewer man-hours worked (Appendix Table A.11). Domestic production in the non-energy sector, as measured by the Index of Domestic Production, increased by 35.0 per cent during the first three quarters of 2021, while the Index of Hours Worked fell by 1.2 per cent **(Appendix Table A.8 and A.9).** The largest increases in domestic production occurred in the assembly-type and related products (103.4 per cent), drink and tobacco (52.0 per cent), and food processing (28.3 per cent) industries. More specifically, these increases were propelled by greater production for metal furniture, alcoholic beverages, grain and feed mills, and processed fruit and vegetables. These increases were tempered by lower production in the printing and publishing (-11.1 per cent) and textile and garments (-2.1 per cent) industries.

Conversely, productivity in the energy sector declined, driven mainly due to a drop in domestic production in both the upstream and downstream industries. During the first nine months of 2021, the Index of Domestic Production pointed to declines of 5.2 per cent, 24.7 per cent, and 7.1 per cent in the petrochemicals, natural gas refining, and exploration and production of oil and natural gas industries, respectively **(Appendix Table A.9)**. Meanwhile, man-hours worked in the petrochemicals, and exploration and production of oil and natural gas industries fell by 6.5 per cent and 4.5 per cent, respectively.

SECTORAL WAGES

Wage growth moderated in 2021. Collective agreements registered with the Industrial Court showed that the median wage increase measured 2.0 per cent in 2021, down from 2.8 per cent in 2020 and 3.0 per cent recorded in each of the previous three years (2017- 2019). Wage increases for 2021 ranged between 1.0 and 4.0 per cent compared with a range of 1.0 and 6.0 per cent in 2020. The finance and insurance sector received the highest average wage increase of 2.75 per cent, while wages within the wholesale and retail trade sector registered the smallest average increase of 1.5 per cent **(Table 6)**.

The Index of Average Weekly Earnings (AWE)[13] showed a minor decrease in nominal wages during the first nine months of 2021. The AWE Index fell by 0.4 per cent compared with an increase of 2.5 per cent in the corresponding period of 2020. As in previous years, the most significant decline occurred in the energy sector with a decline in earnings of 11.1 per cent in the exploration and production of oil and natural gas industry. In the non-energy sector, earnings increased

[12] Labour productivity is measured by the Central Statistical Office and is based on data for the manufacturing, energy, electricity and water industries. The Index of Productivity is calculated as the ratio of the Index of Domestic Production to the Index of Hours Worked.

[13] The Index of Average Weekly Earnings, computed by the Central Statistical Office, is based on surveyed companies' employment and wage bill. The average of weekly earnings is calculated as the earnings (total amount paid to employees) divided by the number of employees.

by a negligible 0.2 per cent during the first three quarters of 2021. On a sectoral basis, the largest increases in earnings within the non-energy industries were recorded in the printing and publishing (10.6 per cent), assembly type and related products (10.3 per cent), and miscellaneous manufacturing (7.9 per cent) sectors. These increases were tempered by lower earnings in the wood and related products (13.5 per cent) and drink and tobacco (10.3 per cent) industries **(Appendix Table A.10)**.

TABLE 6
WAGE AGREEMENTS REGISTERED FOR 2021

Sector	No. of Agreements Analysed	Duration of Agreements	Range of Yearly Increases for 2021	Average Wage Increase for 2021	Median Wage Increase for Agreements Analysed
Professional, Scientific and Technical Activity	1	2021-2024	2.00-2.00	2.00	
Finance and Insurance Activities	4	2018-2021	2.00-4.00	2.75	
Transportation and Storage	3	2019-2024	2.00-3.50	2.50	2.00
Wholesale and Retail Trade	2	2018-2023	1.00-2.00	1.50	
Manufacturing	7	2018-2023	1.00-3.00	2.14	

Source: Industrial Court of Trinidad and Tobago

CHAPTER 4

Prices

INFLATION

Global inflationary pressures, influenced mainly by supply-side constraints, had a direct and broad-based bearing on domestic inflation. Mainly driven by escalating food prices, headline inflation gained momentum during 2021 compared to the low rates recorded in 2020. However, spare capacity within the economy and low aggregate demand contained the transmission of these inflationary pressures to Trinidad and Tobago for most of the year. The transmission of external inflationary pressures lagged for several months as headline inflation moved from 0.9 per cent in January 2021 to 2.2 per cent in July and then peaked at 3.9 per cent in October. During 2021, headline inflation averaged 2.1 per cent, up from a yearly average of 0.6 per cent in 2020 **(Table 7 & Appendix Table A.12)**. Core inflation moved from 0.4 per cent in January 2021 to 3.0 per cent in December 2021, while food inflation gained greater momentum, moving from 3.2 per cent in January and peaked at 7.6 per cent in October before settling at 5.7 per cent in December.

Core inflation averaged 1.5 per cent in 2021, compared to 0.1 per cent in 2020. The uptick in core inflation reflected faster price increases in several sub-indices, notably the Transport; Alcoholic Beverages and Tobacco; and Housing, Water, Electricity, Gas and Other Fuels sub-indices. Transport prices steadily increased in 2021, averaging 1.8 per cent following a decline of 1.0 per cent in 2020. The increase in transport prices came from higher prices for foreign-used motor vehicles and public transport fares. A few maxi taxi and taxi drivers' associations announced increases in their fare structures effective October and November 2021. Meanwhile, the rise in the Alcoholic Beverages and Tobacco sub-index averaged 3.2 per cent in 2021 compared to 2.4 per cent in 2020. This uptick was driven largely by the tobacco component of the index, with cigarette prices increasing 6.1 per cent on average in 2021 compared to 1.8 per cent in 2020. Prices within the Housing sub-index increased by 3.2 per cent in 2021 compared to 0.5 per cent in 2020. Faster price increases were noted in almost all the housing sub-components (rent, imputed rent on homeownership, and repairs) as prices for water, electricity, gas and other fuels remained unchanged. Elsewhere, slower price increases were noted in the Hotels, Cafes and Restaurants sub-index (0.9 per cent) given the moderate ascent in the prices of food and drinks served at restaurants and accommodation services during the year.

Food inflation accelerated to 4.4 per cent in 2021 compared to 2.8 per cent in 2020. Food prices were predominantly driven by the external environment which resulted in supply-side disruptions and to a lesser extent, adverse domestic weather conditions. Food prices were generally impacted by disruptions to the global supply chain brought on the COVID-19 pandemic. This eventually led to soaring freight costs, global labour shortages, international transportation delays, and a surge in fertiliser costs. Adverse weather also led to a reduction in global harvests in many cases. Data from the United Nations Food and Agriculture Organisation's (FAO) Food Price Index suggested that international food prices were, on average, 28.2 per cent higher in 2021 than in 2020[14]. These disruptions in the international arena resulted in higher domestic prices for Meat; Milk, Cheese and Eggs; Bread and Cereals; Sugar, Jam, and Confectionery, and Oils and Fats. In 2021, local Meat prices rose 5.7 per cent (compared to 3.5 per cent in 2020); Milk, Cheese and Eggs by 3.4 per cent (compared to 2.0 per cent in 2020); Bread and Cereals by 2.9 per cent (compared to 1.1 per cent in 2020); Sugar, Jam and Confectionery by 4.7 per cent (compared to 1.2 per cent in 2020); and Oils and Fats by 6.7 per cent (compared to 2.4 per cent in 2020). Notably, during the latter half of the year, several companies announced price hikes to combat rising import prices, including Kiss Baking Company Limited and KC Confectionery Limited. Meanwhile, the increase in fish prices slowed to 4.4 per cent in 2021 (compared to 6.0 per cent in 2020) as price increases for fresh fish slowed while seafood prices declined. Price increases for non-alcoholic beverages slowed to 1.2 per cent in 2021 (compared to 1.6 per cent in 2020) largely on account of slower price increases for mineral water, soft drinks and juices (0.5 per cent in 2021 compared to 1.7 per cent in 2020).

[14] See Chapter Ten – International Commodity Markets.

TABLE 7
ANNUAL AVERAGE MOVEMENT OF SELECTED CATEGORIES OF THE INDEX OF RETAIL PRICES
/ PER CENT CHANGE /

	2017	2018	2019	2020	2021
Headline Inflation	**1.9**	**1.0**	**1.0**	**0.6**	**2.1**
Food Inflation	**2.9**	**1.1**	**0.6**	**2.8**	**4.4**
Fish	3.2	2.6	0.3	6.0	4.4
Food Products NEC	5.4	-2.3	4.4	4.2	5.2
Meat	1.2	-0.8	0.8	3.5	5.7
Milk, Cheese and Eggs	4.6	5.0	0.0	2.0	3.4
Vegetables	3.2	0.8	1.1	4.3	5.8
Bread and Cereals	1.4	0.7	-0.5	1.1	2.9
Sugar, Jam, Confectionery, etc.	5.5	1.3	-1.6	1.2	4.7
Non-Alcoholic Beverages	1.6	1.3	1.1	1.6	1.2
Oils and Fats	5.0	3.6	0.2	2.4	6.7
Fruits	6.5	3.5	-1.8	1.3	6.1
Core Inflation	**1.6**	**1.0**	**1.1**	**0.1**	**1.5**
Communication	2.1	-1.3	0.3	-0.1	0.2
Education	0.0	0.0	0.0	0.0	0.0
Miscellaneous Goods and Other Services	1.7	0.6	2.7	1.0	-0.1
Hotels, Cafes and Restaurants	3.6	2.6	2.0	1.8	0.9
Health	14.5	1.6	5.5	2.7	2.9
Transport	1.2	1.9	1.4	-1.0	1.8
Recreation and Culture	0.7	0.8	0.3	-0.5	0.2
Alcoholic Beverages and Tobacco	5.2	-0.1	1.9	2.4	3.2
Clothing and Footwear	0.1	-4.5	-2.6	-3.8	-2.8
Housing, Water, Electricity, Gas and Other Fuels	0.0	2.4	1.0	0.5	3.2
Furnishings, Household Equipment and Routine Maintenance	1.8	-0.5	-0.1	0.7	0.8

Sources: Central Statistical Office and Central Bank of Trinidad and Tobago

PRODUCERS' PRICES

Producers' prices, as measured by the Producer Prices Index (PPI), grew by 0.6 per cent during the first three quarters of 2021, compared with an increase of 1.6 per cent during the similar period of 2020 (Appendix Table A.13). The increase was mainly attributed to the Drink and Tobacco industry (2.8 per cent), owing to increases in the price of non-alcoholic beverages (3.8 per cent) and tobacco (3.8 per cent). Non-alcoholic beverages were driven by higher imported prices for raw materials such as sugar and powdered milk. Meanwhile, the West Indian Tobacco Company (WITCO) attributed the rise in the price of cigarettes to an increase in excise duties on the manufacture of locally produced tobacco products[15]. Marginal price increases were noted in the Printing and Publishing (0.4 per cent), Food Processing (0.1 per cent), and Assembly-Type and Related Industries (0.1 per cent) industry groupings. Meanwhile, a fall in producer prices for ready-mix concrete (0.8 per cent) and cement (9.8 per cent) led to a 2.7 per cent price decline in the Chemical and Non-metallic products sub-index. Producer prices in the Textiles, Garments and Footwear and Wood Products sub-indices remained unchanged.

BUILDING MATERIAL PRICES

Despite sluggish activity in the local construction sector, building material prices surged in 2021. Higher freight prices and global shortages for raw materials (particularly, steel and lumber) drove much of the increases during the year. The Index of Retail Prices of Building Materials increased by 10.7 per cent in 2021 compared to 2.6 per cent in 2020. All sub-categories within the Index increased during 2021. Notable increases were recorded in the Walls and Roof (14.0 per cent), Plumbing and Plumbing Fixtures (12.2 per cent), Finishing, Joinery Units and Painting and External Works (8.7 per cent), and Electrical Installation and Fixtures (8.7 per cent) sub-indices. Price increases in the site preparation, structure and concrete frame sub-index (7.9 per cent), the walls and roof sub-index, among other sub-categories were likely driven by higher international prices for steel products. International prices for wire rods and billets rose 51.6 per cent and 58.0 per cent (year-on-year), respectively during 2021.

[15] In the FY2020/21 Budget Statement, it was announced that with effect from October 2020, the excise duty on locally manufactured tobacco products would increase by 20 per cent.

CHAPTER 5

Fiscal Operations

FISCAL OPERATIONS

Data for the period October 2020 to September 2021 showed an improvement in the fiscal outturn, notwithstanding the negative effects of COVID-19. The deficit, which amounted to $13.7 billion (8.6 per cent of GDP), was lower than the deficit of $16.7 billion (11.2 per cent of GDP) recorded in the previous fiscal year FY2019/20 **(Table 8)**[16]. The favourable performance on the fiscal accounts was as a result of higher revenue collection and lower expenditure. Consistent with greater collections in the non-energy sector, the non-energy fiscal deficit narrowed over the period reaching $23.1 billion from $24.6 billion recorded in the year earlier period **(Table 9).**

In FY2020/21, Central Government revenue amounted to $37.1 billion, $4.3 billion lower than originally budgeted but higher by $2.7 billion than the total receipts collected in FY2019/20. Total revenue was buoyed by higher energy receipts[17] and the proceeds generated from the Tax Amnesty ($1.0 billion)[18]. Income from the energy sector was greater by $1.4 billion in FY2020/21. In the non-energy sector, larger proceeds from taxes on goods and services and international trade, which amounted to $9.8 billion and $2.4 billion, respectively, were responsible for enhanced collections in FY2020/21. Notably, higher net collections of Value Added Tax (VAT), which amounted to $8.1 billion in FY2020/21 due to lower issuance of refunds, was partly responsible for greater collection from taxes on goods and services. Meanwhile, capital revenue also rose over the 12 months, amounting to $912.1 million, reflecting proceeds from transactions under the Government's Sale of Assets Programme.

On the expenditure side, total outlays reached $50.8 billion at the end of FY2020/21, reflecting a marginal decline from FY2019/20. Lower capital spending precipitated the fall in aggregate expenditure. Government spending on the capital programme amounted to $3.1 billion in FY2020/21 compared to outlays of approximately $4.0 billion in FY2019/20. Meanwhile, recurrent expenditure increased by $642.4 million reaching $47.7 billion at the end of FY2020/21. Greater spending on transfers and subsidies, and interest payments caused the increase in recurrent expenditure. Notably, the higher spending on transfers and subsidies was a result of outlays associated

[16] See Review of the Economy 2021.

[17] On account of higher energy commodity prices. West Texas Intermediate (WTI) crude oil prices averaged US$59.27 per barrel in FY2020/21 compared with US$42.91 per barrel in the comparative period of FY2019/20. Natural gas prices averaged US$3.28 per million British Thermal Units (mmbtu) in FY2020/21 compared to US$2.00 per mmbtu in FY2019/20.

[18] The Tax Amnesty was announced on July 02 2021, for all taxes for the years up to December 31, 2020, and for the period January 01, 2021 to May 31, 2021. The tax amnesty was available for the period July 05, 2021 to October 15, 2021.

with the Government's socioeconomic response to the impact of the pandemic[19].The Central Government financed the fiscal deficit through external and domestic sources in the amount of $5.1 billion and $8.6 billion, respectively, and withdrawals from the Heritage and Stabilisation Fund (HSF) in the amount of $6.0 billion (US$892.7 million) over the period.

Budgeted estimates for FY2021/22 project an overall fiscal deficit of $9.1 billion (5.8 per cent of GDP), compared with the provisional deficit of $13.7 billion (8.6 per cent of GDP) for FY2020/21[20]. Total revenue is estimated at $43.3 billion, with energy revenue amounting to $16.0 billion and non-energy receipts totaling $26.3 billion. Capital revenue is estimated at just over $1.0 billion in FY2021/22. Total expenditure is projected at $52.4 billion, of which capital expenditure is expected at $4.2 billion. The anticipated uptick in capital spending is related to construction projects earmarked to come on stream in FY2021/22 including; the Valencia to Toco Road, the Macoya Interchange and the new Terminal Building at the ANR Robinson International Airport. The budget is expected to be financed through funds sourced from domestic sources and available facilities from international institutions. Additional financing will be provided by the utilisation of public-private partnerships and strategic asset sales, such as the divestment of over 10.0 million ordinary shares of First Citizens Bank, and an Initial Public Offering (IPO) of the Trinidad and Tobago Mortgage Bank[21].

[19] The Parliament's Standing Finance Committee met on June 07, 2021, to approve a Supplementation of the Appropriation (Financial Year 2021) Act, 2021 for 14 Heads of Expenditure totalling close to $3.0 billion. One such variation is an appropriation in the amount of $107.3 million to fund urgent and critical COVID-19 expenditure.

[20] On October 04, 2021, the Minister of Finance presented the Trinidad and Tobago National Budget for FY2021/22 to the Parliament. Themed "Resilience in the Face of a Global Pandemic", the fiscal package was predicated on an estimated crude oil price of US$65.00 per barrel (WTI) and a natural gas price of US$3.75 per million British Thermal Units (mmbtu).

[21] The Trinidad and Tobago Mortgage Bank will be formed by merging the Trinidad and Tobago Mortgage Finance Company and Home Mortgage Bank.

TABLE 8
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2017/18 – 2021/22
/ TT$ MILLIONS /

	2017/2018	2018/2019	2019/2020	2020/2021[re]	2021/2022[b]
Current Revenue	42,331.9	45,768.8	33,842.4	36,140.5	42,326.6
Current Expenditure	45,374.4	46,986.8	47,081.2	47,723.6	48,228.9
Current Surplus (+)/ Deficit (-)	**-3,042.5**	**-1,218.0**	**-13,238.8**	**-11,583.1**	**-5,902.3**
Capital Receipts	837.8	979.8	526.6	912.1	1,006.5
Capital Expenditure and Net Lending	3,492.1	3,790.7	3,977.7	3,070.6	4,200.0
Overall Surplus(+)/ Deficit (-)	**-5,696.8**	**-4,028.9**	**-16,689.9**	**-13,741.6**	**-9,095.8**
Financing	5,696.8	4,028.9	16,689.9	13,741.6	9,095.8
External (Net)	1,239.4	1,094.0	13,261.9	5,136.4	2,640.7
Domestic (Net)	4,457.4	2,934.9	3,428.0	8,605.2	6,455.1
(Per Cent of GDP)					
Current Surplus (+)/ Deficit (-)	-1.9	-0.8	-8.9	-7.2	-3.8
Overall Surplus(+)/ Deficit (-)	-3.6	-2.5	-11.2	-8.6	-5.8

Source: Ministry of Finance

1 GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21 and FY2022 are sourced from Ministry of Finance.

re Revised Estimates.

b Budgeted.

TABLE 9

SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS, 2017/18-2021/22[1]

/TT$ MILLIONS/

	2017/2018	2018/2019	2019/2020[r]	2020/2021[re]	2021/2022[b]
Revenue	**43,169.7**	**46,748.6**	**34,369.0**	**37,052.6**	**43,333.1**
Current	42,331.9	45,768.8	33,842.4	36,140.5	42,326.6
Energy*	11,031.3	15,874.3	7,901.5	9,351.0	15,981.9
Non-Energy*	31,300.6	29,894.5	25,940.8	26,789.5	26,344.7
Capital	837.8	979.8	526.6	912.1	1,006.5
Expenditure	**48,866.5**	**50,777.5**	**51,058.9**	**50,794.2**	**52,428.9**
Current	45,374.4	46,986.8	47,081.2	47,723.6	48,228.9
Wages and Salaries	9,094.4	9,137.2	9,248.0	9,137.9	9,234.8
Goods and Services	6,102.1	6,426.4	5,861.6	5,647.0	5,635.0
Interest Payments	4,786.8	5,045.5	5,062.0	5,692.8	5,251.9
Transfers and Subsidies[2]	25,391.1	26,377.7	26,909.5	27,245.9	28,107.2
Capital Expenditure and Net Lending	3,492.1	3,790.7	3,977.7	3,070.6	4,200.0
Overall Non-Energy Balance	**-16,728.1**	**-19,903.2**	**-24,591.5**	**-23,092.6**	**-25,077.7**
Overall Balance	**-5,696.8**	**-4,028.9**	**-16,689.9**	**-13,741.6**	**-9,095.8**
Total Financing (Net)	**5,696.8**	**4,028.9**	**16,689.9**	**13,741.6**	**9,095.8**
Net Foreign Financing	1,239.4	1,094.0	13,261.9	5,136.4	2,640.7
Net Domestic Financing	4,457.4	2,934.9	3,428.0	8,605.2	6,455.1
Of Which: Transfers to Heritage and Stabilisation Fund	*0.0*	*0.0*	*-6,635.4*	*-6,040.6*	*0.0*
(Per Cent of GDP)					
Revenue	**26.9**	**29.0**	**23.1**	**23.2**	**27.7**
Current	26.4	28.4	22.8	22.6	27.0
Energy	6.9	9.8	5.3	5.8	10.2
Non-Energy	19.5	18.5	17.5	16.7	16.8
Capital	0.5	0.6	0.4	0.6	0.6
Expenditure	**30.5**	**31.5**	**34.3**	**31.7**	**33.5**
Current	28.3	29.1	31.7	29.8	30.8
Wages and Salaries	5.7	5.7	6.2	5.7	5.9
Goods and Services	3.8	4.0	3.9	3.5	3.6
Interest Payments	3.0	3.1	3.4	3.6	3.4
Transfers and Subsidies	15.8	16.4	18.1	17.0	18.0
Capital Expenditure and Net Lending	2.2	2.3	2.7	1.9	2.7
Overall Non-Energy Balance[3]	**-10.4**	**-12.3**	**-16.5**	**-14.4**	**-16.0**
Overall Balance	**-3.6**	**-2.5**	**-11.2**	**-8.6**	**-5.8**
Total Financing (Net)	**3.6**	**2.5**	**11.2**	**8.6**	**5.8**
Net Foreign Financing	0.8	0.7	8.9	3.2	1.7
Net Domestic Financing	2.8	1.8	2.3	5.4	4.1
Of which: Transfers to Heritage and Stabilisation Fund	*0.0*	*0.0*	*-4.5*	*-3.8*	*0.0*
Memo:					
Primary Fiscal Balance (TT$Mn)	-910.0	1,016.6	-11,627.9	-8,048.8	-3,843.9
Cyclically Adjusted Balance (TT$Mn)[4]	-3,447.9	-1,413.1	-12,599.4	n.a.	n.a.
Structural Fiscal Balance (TT$Mn)[5]	-45.5	-842.7	812.9	n.a.	n.a.

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

1 GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21 and FY2022 are sourced from Ministry of Finance.
2 Adjusted for transfers to the Infrastructure Development Fund, Government Assisted Tertiary Education Fund and CARICOM Petroleum Fund.
3 Computed as the sum of non-energy revenue and capital revenue less total expenditure.
4 The cyclically adjusted balance provides an estimate of the fiscal position net of cyclical effects by adjusting revenue and expenditure for business cycle effects.
5 The structurally fiscal balance is an estimate of the fiscal position after excluding the effects of the business cycle and fluctuations in commodity prices, as well as one-off factors that temporarily affect revenue and expenditure.
* Energy and Non-Energy revenues for FY2021/22 have been estimated by the Central Bank.
r Revised.
re Revised Estimates.
b Budgeted.
n.a. Not Available.

TABLE 10

ENERGY-BASED GOVERNMENT REVENUES, 2016/17-2020/21[1]

/PER CENT OF GOVERNMENT REVENUE/

	2016/2017	2017/2018	2018/2019	2019/2020[r]	2020/2021[re]
Energy Sector	**21.4**	**25.6**	**34.0**	**23.0**	**25.1**
Petroleum Profit Tax (PPT)	1.7	2.5	5.3	3.5	6.9
Supplemental Petroleum Tax (SPT)	1.4	2.3	2.7	1.6	0.6
Corporation tax	9.6	11.0	9.2	5.7	6.6
Royalties	2.6	5.3	8.8	8.2	6.5
Unemployment Levy	0.3	0.4	1.5	0.6	0.7
Withholding Tax	1.4	1.1	2.0	1.4	1.4
Exercise Duty	0.3	0.2	0.0	0.0	0.0
Oil Impost[2]	0.4	0.3	0.2	0.3	0.2
Signature Bonus	0.0	0.0	0.0	0.0	0.1
Production Sharing Contracts	3.6	2.3	0.0	0.0	0.0
Extraordinary Revenue from Oil and Gas Companies	0.0	0.0	4.0	0.3	0.8
Surplus Income - Sale of Pet. Products	0.2	0.1	0.2	1.3	1.3
(Per Cent of GDP)					
Energy Sector	**5.0**	**6.9**	**9.8**	**5.3**	**5.8**
Petroleum Profit Tax (PPT)	0.4	0.7	1.5	0.8	1.6
Supplemental Petroleum Tax (SPT)	0.3	0.6	0.8	0.4	0.1
Corporation tax	2.2	3.0	2.7	1.3	1.5
Royalties	0.6	1.4	2.5	1.9	1.5
Unemployment Levy	0.1	0.1	0.4	0.1	0.2
Withholding Tax	0.3	0.3	0.6	0.3	0.3
Exercise Duty	0.1	0.1	0.0	0.0	0.0
Oil Impost[2]	0.1	0.1	0.1	0.1	0.0
Signature Bonus	0.0	0.0	0.0	0.0	0.0
Production Sharing Contracts	0.8	0.6	0.0	0.0	0.0
Extraordinary Revenue from Oil and Gas Companies	0.0	0.0	1.2	0.1	0.2
Surplus Income - Sale of Pet. Products	0.0	0.0	0.0	0.3	0.3

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

1 GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.

2 Oil Impost refers to a tax on petroleum producing companies to cover the administration expenses of the Ministry of Energy and Energy Industries.

r Revised.

re Revised Estimates.

TABLE 11

CENTRAL GOVERNMENT RECURRENT EXPENDITURE[1]: A FUNCTIONAL CLASSIFICATION, 2017/18-2021/22

/TT$ MILLIONS/

	2017/2018	2018/2019	2019/2020[r]	2020/2021[re]	2021/2022[b]
Economic Services	**2,961.9**	**2,981.2**	**3,362.6**	**3,219.7**	**3,405.4**
Energy	85.4	320.4	581.1	480.6	569.3
Agriculture, Land and Fisheries	726.1	648.7	548.0	630.1	641.0
Works and Transport	2,150.4	2,012.1	2,233.5	2,109.0	2,195.2
Social Services	**19,961.1**	**19,792.0**	**18,925.7**	**19,176.9**	**19,306.2**
Education	5,297.4	5,211.1	5,060.9	4,652.6	4,810.7
Health	4,727.6	4,617.2	4,493.1	5,123.7	5,161.3
Housing and Urban Development	1,410.2	1,346.0	702.5	742.9	513.2
Labour	332.9	370.3	436.2	371.1	402.8
Public Utilities	2,932.1	2,592.4	2,440.7	2,787.8	2,474.6
Social Services[2]	5,260.9	5,655.0	5,792.3	5,498.8	5,943.7
Public Services	**5,128.3**	**5,263.8**	**5,842.9**	**5,446.0**	**5,347.2**
National Security	5,128.3	5,263.8	5,842.9	5,446.0	5,347.2
Other[3]	**24,508.3**	**24,934.7**	**27,583.5**	**27,976.2**	**27,359.1**
Total Recurrent Expenditure[4]	**52,559.6**	**52,971.7**	**55,714.6**	**55,818.8**	**55,417.9**

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

1 Classified according to recurrent expenditure allocated to the respective ministry head.

2 Includes Ministry of Sport and Community Development, Ministry of Tourism, Culture and the Arts, Ministry of Social Development and Family Services and Ministry of Youth Development and National Services.

3 Includes Office of the President, Auditor General, Judiciary, Industrial Court, Parliament, Service Commissions, Statutory Authorities, Elections & Boundaries Commission, Tax Appeal Board, Registration, Recognition and Certification Board, Public Service Appeal Board, Office of the Prime Minister, Tobago House of Assembly, Central Administrative Services, Tobago and all other Ministries. Other excludes Charges on Account of the Public Debt.

4 Represents Recurrent Expenditure from the Consolidated Fund only.

r Revised.

re Revised Estimates.

b Budgeted.

GENERAL GOVERNMENT DEBT

In June 2021, as part of its overall Debt Reform Strategy, the Ministry of Finance in collaboration with its technical consultants, revised the debt measurement parameters to bring them into alignment with International Standards[22]. Moving forward, the Central Bank would report public debt in accordance with these new standards.

General Government debt[23] increased during FY2020/21 (October 2020 – September 2021), primarily due to Central Government borrowing on the domestic market for budget support. At the end of September 2021, adjusted General Government debt outstanding (which excludes debt issued for sterilisation purposes) stood at $126.6 billion (79.1 per cent of GDP), compared to $118.4 billion (79.6 per cent of GDP) at the end of September 2020 **(Table 12).**

Central Government domestic debt outstanding (excluding sterilised debt) rose by 14.0 per cent or $7.9 billion from September 2020 to reach $64.4 billion (40.3 per cent of GDP) at the end of September 2021. To facilitate domestic borrowings, the statutory limit of the Development Loans Act (DLA) was increased to $65.0 billion from $55.0 billion in July 2021[24]. Over the 12-month period, the Government borrowed $13.4 billion on the domestic capital market — all under the DLA — of which $9.5 billion was used for budgetary support, while $3.8 billion was used to refinance maturing obligations. **(Table 13A)**. Principal repayments (net of repayments for sterilised debt and debt management bills) during the fiscal year ended September 2021 was recorded at $5.9 billion, higher than payments recorded in the previous fiscal year ($4.6 billion). This comprised $5.4 billion for the repayment of maturing obligations under the DLA, primarily owing to First Citizens Limited, with coupon rates between 0.65 per cent and 6.35 percent and maturities between 90.0 days and 11.0 years, as well as $475.4 million for the repayment of CLICO zero-coupon bonds.

Central Government external debt outstanding at the end of September 2021 stood at US$4.7 billion or 19.6 per cent of GDP, reflecting a marginal decline of 1.7 per cent from the end of September 2020. External disbursements amounted to US$130.7 million and comprised loans from the UniCredit Bank Austria (US$52.7 million), Export Finance Australia (US$29.4 million), the Inter-American Development Bank (US$27.3 million) and the Export-Import Bank of China (US$21.3 million). Principal repayments on Central Government external debt totaled US$169.1million, mainly to multilateral corporations (including the Inter-American Development Bank and

[22] See Box 4, Re-Alignment of the Government Debt Measurement Approach to International Standards, in the Review of the Economy 2021.

[23] Total General Government Debt comprises Central Government domestic debt (including debt issued for sterilisation and OMO purposes), Central Government external debt, and non-self-serviced debt of public entities.

[24] This was the second increase in the statutory limit of the DLA since the start of the pandemic, when in March 2020 the Government increased the limit to $55.0 billion from $45.0 billion.

Corporación Andina de Fomento), for the year. Most of the Central Government external debt is denominated in US dollars (89.5 per cent), followed by Chinese Yuan (7.1 per cent) and Euro (3.5 per cent).

Non-self-serviced guaranteed debt[25] reached $30.9 billion (19.3 per cent of GDP) at the end of September 2021, reflecting a marginal increase over the September 2020 position. For the year ending September 2021, borrowings by state-owned enterprises and statutory bodies amounted to $4.8 billion. Borrowings included $1.5 billion issued to the Urban Development Corporation of Trinidad and Tobago (UDeCOTT), $971.5 million to the Water and Sewerage Authority of Trinidad and Tobago (WASA), $756.6 million to the National Insurance Property Development Company Limited (NIPDEC) and $469.8 million to the Eastern Regional Health Authority (ERHA). Most of the proceeds were directed towards funding ongoing operations (meeting working capital expenses, procurement of necessary equipment and construction activity) while $1.4 billion was used for refinancing maturing obligations by UDeCOTT ($684.3 million), WASA ($535.0 million) and Evolving Tecknologies and Enterprise Development Company Limited (eTeck) ($160.0 million) **(Table 13A)**.

[25] Non-self-serviced debt refers to the portion of the guaranteed debt of public entities (SOEs and SAs) that is directly serviced by the Central Government.

TABLE 12

GENERAL GOVERNMENT DEBT OUTSTANDING, SEPTEMBER 2017-SEPTEMBER 2021
/TT$ MILLIONS/

	Sep-17	Sep-18	Sep-19	Sep-20[r]	Sep-21[p]
General Government Debt	**119,489.8**	**116,921.9**	**117,757.1**	**130,469.4**	**137,192.7**
Of which; Sterilisation[1]	*27,611.5*	*23,367.7*	*17,802.8*	*12,070.3*	*10,570.3*
Adjusted General Government Debt [2]	**91,878.3**	**93,554.2**	**99,954.3**	**118,399.1**	**126,622.4**
Central Government Domestic	**68,449.4**	**65,695.6**	**64,779.2**	**68,560.5**	**74,983.2**
General Development Bonds	21,293.5	23,313.8	27,059.2	31,295.2	39,727.9
CLICO and HCU Bonds	17,463.3	16,961.7	16,455.1	15,963.7	15,482.0
VAT Bonds[3]	0.0	0.0	0.0	3,000.0	3,000.0
BOLTS and Leases	159.3	130.6	105.4	78.6	50.3
Debt Management Bills	1,905.0	1,905.0	3,340.0	6,136.0	6,136.0
Open Market Operations	27,611.5	23,367.7	17,802.8	12,070.3	10,570.3
Treasury Bills	18,599.2	18,273.4	14,061.5	8,479.0	8,479.0
Treasury Notes	6,453.0	2,785.0	1,432.0	2,132.0	1,632.0
Treasury Bonds	2,559.3	2,309.3	2,309.3	1,459.3	459.3
Liquidity Absorption Bonds	0.0	0.0	0.0	0.0	0.0
Other Debt Liabilities[4]	16.8	16.8	16.7	16.7	16.7
Central Government External	**23,533.1**	**24,741.6**	**26,348.4**	**31,619.5**	**31,285.4**
Non Self-Serviced Guaranteed Debt [5]	**27,507.3**	**26,484.6**	**26,629.6**	**30,289.3**	**30,924.1**
State Owned Enterprises	16,911.7	16,485.7	17,219.0	19,794.9	19,785.2
Statutory Authorities	10,595.6	9,999.0	9,410.6	10,494.4	11,138.9
(Per Cent of GDP)[6]					
General Government Debt	77.0	73.0	73.0	87.8	85.7
Adjusted General Government Debt	59.2	58.4	62.0	79.6	79.1
Central Government Domestic Debt[2]	26.3	26.4	29.1	38.0	40.3
External Debt	15.2	15.4	16.3	21.3	19.6
Non-Self Serviced Guaranteed Debt	17.7	16.5	16.5	20.4	19.3
Memo:					
Self-Serviced Guaranteed Debt	1,745.7	1,729.2	2,911.1	3,028.9	3,113.2
Of which; State Enterprises	*1,592.1*	*1,575.6*	*2,842.4*	*3,002.6*	*3,108.3*
Statutory Authorities	*153.6*	*153.6*	*68.7*	*26.3*	*4.9*

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

1 Comprise Treasury Bills and Treasury Notes issued for Open Market Operations (OMOs) and Treasury Bonds issued for liquidity management.
2 Excludes debt issued for sterilisation purposes.
3 Refers to bonds issued by the Government under the Value Added Tax Act for the settlement of VAT refunds owed to businesses in Trinidad and Tobago
4 Comprises outstanding balances of national tax-free saving bonds, public sector arrears and Central Bank fixed-rate bonds.
5 Refers to Government-guaranteed debt of public entities that are directly serviced by the Central Government.
6 GDP data used for ratios to GDP indicators for FY2016-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.
r Revised
p Provisional.

TABLE 13A

GOVERNMENT AND GOVERNMENT-GUARANTEED BORROWINGS UNDERTAKEN IN FY 2020/21*

/TT$ MILLIONS/

Date	Borrower	Amount ($Mn)	Source of Financing	Purpose of Financing	Borrowing Act Utilised
20-Oct-20	Central Government	115.0	Domestic	Debt Refinancing	Development Loans Act
27-Oct-20	Central Government	1000.0	Domestic	Budget Support	Development Loans Act
28-Oct-20	WASA	420.0	Domestic	Debt Refinancing	Guarantee of Loans (Statutory Authorities Act)
30-Oct-20	UDeCOTT	213.0	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
04-Nov-20	WASA	200.0	Domestic	Working Capital	Guarantee of Loans (Statutory Authorities Act)
25-Nov-20	Central Government	1,000.0	Domestic	Budget Support	Development Loans Act
02-Dec-20	Central Government	1,200.0	Domestic	Debt Refinancing	Development Loans Act
04-Dec-20	UDeCOTT	46.9	Domestic	Redevelopment of Central Block at POS Hospital	Guarantee of Loans (Companies Act)
04-Dec-20	UDeCOTT	US$8.3	Domestic	Redevelopment of Central Block at POS Hospital	Guarantee of Loans (Companies Act)
14-Dec-20	Central Government	US$100.0	Domestic	Debt Refinancing	Development Loans Act
11-Jan-21	WASA	115.0	Domestic	Debt Refinancing	Guarantee of Loans (Statutory Authorities Act)
22-Jan-21	Central Government	1,000.0	Domestic	Budget Support	Development Loans Act
22-Feb-21	Central Government	US$20.0	External	COVID-19 Support	IBRD Act
24-Feb-21	Central Government	2,000.0	Domestic	Budget Support	Development Loans Act
15-Mar-21	NIPDEC	284.2	Domestic	Procurement of Medical Supplies	Guarantee of Loans (Companies Act)
24-Mar-21	UDeCOTT	40.0	Domestic	Outfitting of Tower D for Relocation of Civil High Court	Guarantee of Loans (Companies Act)
26-Mar-21	Central Government	545.3	Domestic	Budget Support	Development Loans Act
16-Apr-21	WASA	US$35	Domestic	Settle Outstanding Obligations to DESALCOTT	Guarantee of Loans (Statutory Authorities Act)
23-Apr-21	NIPDEC	200.0	Domestic	Purchase of Equipment for TTPS	Guarantee of Loans (Companies Act)
28-Apr-21	Central Government	800.0	Domestic	Budget Support	Development Loans Act
10-May-21	Central Government	1300	Domestic	Debt Refinancing	Development Loans Act
26-May-21	Central Government	1,125.0	Domestic	Budget Support	Development Loans Act
28-May-21	HDC	60.0	Domestic	Working Capital	Guarantee of Loans (Statutory Authorities Act)
11-Jun-21	Central Government	500.0	Domestic	Debt Refinancing	Development Loans Act
28-Jun-21	E-Teck	160.0	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

* Excludes Government-guaranteed borrowings not directly serviced by the Central Government.

** Of the total amount issued, $1,000 million was disbursed in September 2021 while the remaining $1,000 million was disbursed in November 2021.

TABLE 13A (CONTINUED)

GOVERNMENT AND GOVERNMENT-GUARANTEED BORROWINGS UNDERTAKEN IN FY 2020/21*

/TT$ MILLIONS/

Date	Borrower	Amount ($Mn)	Source of Financing	Purpose of Financing	Borrowing Act Utilised
30-Jun-21	UDeCOTT	142.6	Domestic	Restructuring of Non-Guaranteed Debt	Guarantee of Loans (Companies Act)
20-Jul-21	CAL	US$50	Domestic	Payment of Outstanding Liabilities	Guarantee of Loans (Companies Act)
28-Jul-21	Central Government	1,000.0	Domestic	Budget Support	Development Loans Act
11-Aug-21	NIPDEC	272.4	Domestic	Procurement of Medical Supplies	Guarantee of Loans (Companies Act)
17-Aug-21	UDeCOTT	500.0	Domestic	Payment of Outstanding Obligations to Client Ministries	Guarantee of Loans (Companies Act)
25-Aug-21	HDC	400.0	Domestic	Housing Construction Programme	Guarantee of Loans (Statutory Authorities Act)
01-Sep-21	UDeCOTT	230.0	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
03-Sep-21	UDeCOTT	US$35.7	Domestic	Debt Refinancing	Guarantee of Loans (Companies Act)
20-Sep-21	ERHA	469.8	Domestic	Payment of Outstanding Trade Obligations	Guarantee of Loans (Statutory Authorities Act)
22-Sep-21	RDC	200.4	Domestic	Capital Projects and Settlement of Obligations to Contractors	Guarantee of Loans (Companies Act)
23-Sep-21	Central Government	2,000.0**	Domestic	Budget Support	Development Loans Act

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

* Excludes Government-guaranteed borrowings not directly serviced by the Central Government.

** Of the total amount issued, $1,000 million was disbursed in September 2021 while the remaining $1,000 million was disbursed in November 2021.

TABLE 13B

IMPACT OF FY2020/21 BORROWINGS ON BORROWING LIMITS

Borrowing Act	Borrowing Limit (TT$ Mn)	Outstanding Debt FY2020 (TT$ Mn)	Outstanding Debt FY2021 (TT$ Mn)	Remaining Headroom as at 30-Sep21 (TT$ Mn)
Development Loans Act	65,000.0	45,489.0	53,921.7	11,078.3
External Loans Act	30,000.0	19,175.2	19,435.3	10,564.7
Guarantee of Loans (Companies) Act[1]	45,000.0	19,794.9	19,785.2	25,214.8
Guarantee of Loans (Statutory Authorities) Act[1]	No Limit	10,494.4	11,138.9	No Limit
IADB Act	No Limit	5,132.9	4,883.9	No Limit
IBRD Act	No Limit	0.0	0.0	No Limit
CDB Act	No Limit	173.1	144.6	No Limit
CAF Act	No Limit	7,138.3	6,821.6	No Limit
Treasury Bills Act	30,000.0	16,115.0	14,615.0	15,385.0
Of which: OMOs	*23,000.0*	*9,979.0*	*8,479.0*	*14,521.0*
Debt Management Bills	*7,000.0*	*6,136.0*	*6,136.0*	*864.0**
Treasury Notes Act	15,000.0	2,132.0	1,632.0	13,368.0
Treasury Bonds Act	No Limit	1,459.3	459.3	No Limit
Purchase of Certain Rights and Validation Act (CLICO)[2]	10,700.0	1,533.8	1,052.0	None
Purchase of Certain Rights and Validation Act (HCU)[2]	400.0	236.2	236.2	None
VAT Act	6,000.0	3,000.0	3,000.0	3,000.0

Sources: Ministry of Finance and Central Bank of Trinidad and Tobago

1 The outstanding balances and remaining headroom reported under this Act excludes borrowing intended to be serviced directly by public entities.

2 Debt incurred under this Act represents one-off financing made by the Central Government towards CLICO and HCU policyholders.

* TT$500 million was subsequently accessed in December 2021.

CHAPTER 6

Monetary and Financial Developments

MONETARY POLICY

The Central Bank continued to maintain an accommodative monetary policy. In December 2021, the Bank kept its main policy rate – the Repo rate – unchanged at 3.50 per cent, where it stood since its reduction in March 2020, in response to a pickup in inflation. The Monetary Policy Committee (MPC) articulated that its decision balanced concerns about burgeoning domestic and external inflationary pressures, with the facilitation of favourable financial conditions in support of a durable economic recovery.

LIQUIDITY

Liquidity levels in the domestic banking system declined during 2021 from the significant spike of the previous year. Commercial banks' holdings of excess reserves decreased to a monthly average of $8,116.9 million from $9,353.3 million in 2020. Central Government's fiscal activity – typically the main driver of liquidity – resulted in a net withdrawal of $1,136.4 million from the financial system, a reversal from the net injection of $10,933.9 million in 2020. Open market operations (OMOs) remained neutral over the first 11 months of the year, until December 2021 when the Bank's liquidity management strategy was reactivated to ensure sufficient liquidity in the financial system. This action resulted in the net redemption of $266.0 million in OMOs. Although not a liquidity absorption tool, Central Bank sales of foreign exchange to authorised dealers indirectly removed $8,101.3 million from the system in 2021, compared to $8,641.9 million in 2020. Despite declining excess liquidity, interbank activity averaged $10.4 million daily in 2021, compared with a daily average of $14.5 million in 2020. Particularly in December, interbank activity was related to the effect of government financing activity on liquidity. The repurchase facility was accessed on December 31, 2021 for $85.9 million, the only activity for the year.

INTEREST RATES

The TT 91-day OMO Treasury Bill rate increased by 24 basis points over 2021, settling at 0.32 per cent, likely reflecting heightened inflationary expectations as well as the low frequency of new Treasury bill auctions, even in the context of ample levels of liquidity. Forward guidance about unwinding ultra-accommodative monetary policy by the US Federal Reserve following inflationary pressure faced over 2021 did not seem to significantly affect yields on US short-term instruments. The yield on the US 91-day short-term benchmark lost 3 basis points over 2021 to reach 0.06 per cent by the end of December. As a result, the TT-US 91-day differential improved to 26 basis points at end-December 2021 compared with a negative one basis point differential in December 2020.

The commercial banks' weighted average lending rate (WALR) declined to 7.04 per cent in December 2021, 25 basis points lower than a year prior. The decline in the WALR reflected the effect of ample liquidity in response to the fall-out from COVID-19. Although liquidity levels fell, the Bank ensured that sufficient liquidity prevailed in the domestic banking sector during the year to facilitate reduced lending rates and encourage borrowing. The weighted average deposit rate decreased by two basis points to 0.58 per cent over the same period. As a result, the banking sector interest rate spread decreased by 23 basis points over the period December 2020 to December 2021 to reach 6.46 per cent. Over the same period, commercial banks' return on assets increased 60 basis points to reach 2.0 per cent. Additionally, commercial banks' return on equity increased from 11.9 per cent in December 2020 to 16.1 per cent in December 2021. The weighted average interest rate on outstanding mortgage loans decreased to 5.37 per cent by December 2021, reflecting a 19 basis point decline since December 2020. Despite decreased interbank activity levels throughout 2021, the interbank borrowing rate remained at 0.50 per cent. Concomitant with the steady Repo rate over 2021, the median prime lending rate remained at 7.50 per cent throughout the year.

CONSOLIDATED[26] FINANCIAL SYSTEM CREDIT DEVELOPMENTS

As the private sector navigated the pandemic's ongoing effects, bright spots emerged. Credit granted to the consolidated system expanded by 3.3 per cent (year-on-year) in December 2021, compared to no growth (0.0 per cent) the previous year. Despite weak consumer lending, real estate mortgage loans continued to grow in December 2021, accompanied by a rebound in business lending that began in October 2021.

Due to economic uncertainty and COVID-19 related undercurrents, business lending remained sluggish in the first nine months of 2021, however, lending revived in October and continued its pick up throughout the last quarter of 2021. On average, lending to businesses fell by 2.2 per cent over the first nine months of 2021 before rebounding by 1.3 per cent (year-on-year) in October. The expansion in business lending continued into December growing by 4.5 per cent compared to a decline of 2.1 per cent one year earlier. Sectoral lending data[27] suggests loans to the Construction sector expanded throughout 2021. Loans to the Construction sector, which accounts for 7.7 per cent ($1.8 billion) of total business lending, expanded by 9.3 per cent year on year in December 2021, compared to 7.5 per cent one year earlier. Lending to the other services sector, which experienced declines since December 2020, turned around in December 2021,

[26] Consolidated refers to the commercial banks and other deposit-taking institutions (excluding credit unions).

[27] Includes lending to both resident and non-resident businesses.

growing by 10.5 per cent. In particular, loans to the Transport, Storage and Communication sub-sector along with the Hotels and Guest Houses sub-sector expanded by 11.2 per cent and 4.3 per cent respectively, reflecting a pickup of economic activity in these sectors as international travel resumed with the reopening of the country's borders. On the other hand, lending to the Finance, Insurance and Real Estate sector turned negative in early 2021 but rebounded by June before slipping back into negative territory in December. On a year-on-year basis loans to the Finance, Insurance and Real Estate sector which accounted for 34.3 per cent of total business loans valued at $8.2 billion in December 2021, contracted by 1.5 per cent compared to growth of 1.4 per cent one year prior. Similarly, lending to the Manufacturing and Distribution sectors remained weak throughout 2021, with year-on-year declines of 3.0 per cent and 0.4 per cent, respectively, in December 2021.

The pandemic's adverse impact on labour-intensive businesses and households' earning capacity, along with the reintroduction of public health regulations in 2021, reduced consumers' desire and ability to take on debt. On a year-on-year basis, consumer lending declined by 2.4 per cent in December 2021 compared to a falloff of 2.3 per cent one year earlier. Data to December 2021, detailing consumer loans by purpose, pointed to a falloff in major loan categories. In particular, lending for the purchase of motor vehicles – which accounted for 23.1 per cent of total loans valued at $4.7 billion – narrowed by 9.7 per cent. For the first time since 2014, lending for debt consolidation contracted in mid-2021, and continued to contract in December, falling off by 3.2 per cent as banks extended loan deferral programmes, granting borrowers some breathing room. Lending for bridging finance and home improvement/renovation declined by 0.4 per cent and 3.0 per cent, respectively. Additionally, tighter credit card limits implemented by some commercial banks continued to depress credit card loans. On a year-on-year basis, credit card loans narrowed by 7.6 per cent in December 2021 compared to a falloff of 2.5 per cent one year earlier. On the other hand, lending for refinancing- which gives the option for the consumer to access additional funding- and lending for the purchase of land and real estate expanded by 17.8 per cent and 1.5 per cent, respectively.

Real estate mortgage lending accelerated slightly but generally remained moderate in 2021. On a year-on-year basis, real estate mortgage lending expanded by 3.8 per cent in December 2021 compared to 4.2 per cent one year earlier. Residential real estate mortgage loans rose by 3.0 per cent in December 2021, slipping from 4.2 per cent one year prior. More detailed analysis of residential real estate mortgages suggested lending for new and existing houses expanded by 1.4 per cent and 6.1 per cent, respectively, in December 2021. Conversely, loans for renovation and land purchase declined in December 2021 (6.0 per cent and 0.5 per cent, respectively). Commercial real estate mortgages expanded by 5.5 per cent in December 2021, up from 5.2 per cent the year prior. The subdued interest rate environment supported growth as the interest rate on new commercial real estate mortgages lost 77 basis points by December 2021 (5.39 per cent in December 2021 compared to 6.16 per cent one year earlier).

MONETARY AGGREGATES

Growth in the monetary aggregates slowed by mid-2021 as the base effect of the demonetisation of the TT$100 cotton note[28] and the impact of pandemic restrictions faded. M1-A, which consists of currency in active circulation plus demand deposits, was boosted in early 2021 due to the base effect in currency in active circulation and growth in demand deposits. The demonetisation exercise in late 2019 and early 2020 resulted in significant declines in currency in active circulation, which were reversed in early 2021 (base effect). Additionally, the uncertainty surrounding the pandemic and the lockdown measures instituted in 2020 and 2021 contributed to a build-up in demand deposits by consumers and businesses. On a year-on-year basis, M1-A declined by 0.5 per cent in December 2021 compared to growth of 21.1 per cent one year earlier. M2, which consists of M1-A plus time and savings deposits grew over the first 11 months 2021, albeit slower than 2020, before turning negative in December (0.1 per cent year-on-year).

FOREIGN CURRENCY CREDIT AND DEPOSITS

Foreign currency credit recovered towards the end of 2021 following declines in 2020 and early 2021 due, in part, to the reinstatement of domestic restrictions which stymied foreign currency spending activity. The decline in foreign currency credit, which began in 2020 with the advent of the pandemic, persisted into 2021 but turned positive by late 2021. Foreign currency credit shrank by an average of 7.9 per cent over the first ten months in 2021 but rebounded in November, expanding by 2.2 per cent (year-on-year) and 3.5 per cent (year-on-year) in December.

On the other hand, foreign currency deposits rebounded in early 2021 and strengthened toward the end of the year. On a year-on-year basis, foreign currency deposits expanded by 8.9 per cent in December 2021, compared to 2.5 per cent one year earlier. The increase in foreign currency deposits was mainly attributed to an acceleration in business sector deposits, which expanded by 17.4 per cent in December 2021 compared to 13.1 per cent one year earlier. Economic uncertainty, which may have delayed investment decisions and somewhat improved foreign currency inflows in 2021, may have contributed to the build-up by businesses. Consumer deposits grew by 1.7 per cent in December 2021 compared to a decline of 0.6 per cent in December 2020.

[28] The demonetisation of the TT$100 cotton note took place in December 2019 and ended in March 2020.

FOREIGN EXCHANGE MARKET[29]

Despite increased foreign exchange inflows, the market for foreign exchange remained tight throughout 2021. Increases were recorded in both authorised dealers' purchases from the public (25.8 per cent) and their sales to the public (10.3 per cent). Purchases of foreign exchange from the public by authorised dealers reached US$4,148.9 million. Purchases of foreign exchange increased mainly as a result of a 57.6 per cent increase in conversions by energy companies. Approximately 77.4 per cent of purchases originated from the energy sector, which remains the main source of supply to the market.

Sales of foreign exchange to the public by authorised dealers amounted to US$4,969.4 million in 2021. Credit Cards (32.6 per cent), Retail and Distribution (25.8 per cent) and Energy Companies (10.6 per cent) absorbed the majority of foreign exchange sales. The Central Bank's support to the market amounted to US$1,212.1 million in 2021. The weighted average TTD/USD selling rate appreciated slightly from TT$6.7993/US$1 at the end of December 2020 to TT$6.7970/US$1 at the end of December 2021.

[29] All per cent shares refer to purchases/sales made over US$20,000 and not total purchases/sales.

CHAPTER 7

Capital Markets

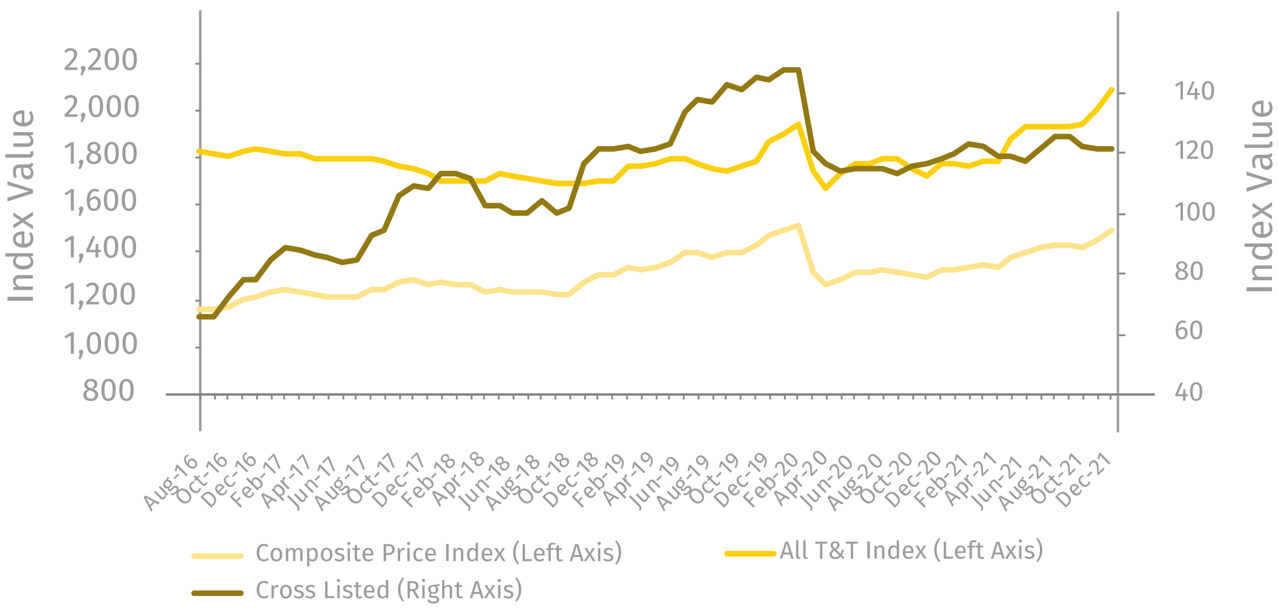
STOCK MARKET

Despite the negative impact of the COVID-19 pandemic on the economy, the domestic stock market displayed notable recovery and growth in 2021 (Figure 1). Over 2021, the Composite Price Index (CPI) expanded by 13.1 per cent, driven primarily by a 17.6 per cent jump in the All T&T Index (ATI), while the Cross Listed Index (CLI) recorded an increase of 3.0 per cent. The overall market performance resulted in total stock market capitalisation advancing by 10.3 per cent to end the year at $142.8 billion, almost recovering the losses experienced in the previous year. Conversely, during 2020, the pandemic substantially impacted the domestic market resulting in the CPI falling by 9.9 per cent, driven by declines in both the ATI (-5.2 per cent) and the CLI (-18.4 per cent). The volatility and market sell-offs during 2020 resulted in stock market capitalisation falling by 9.8 per cent to end the year at $129.4 billion.

Additionally, regional stock markets did not observe a similar recovery to the TTSE in 2021. The Jamaican stock index (JSE) negligibly improved by 0.1 per cent, following a 22.4 per cent plummet in 2020, while the Barbados stock exchange (BSE) fell by 8.5 per cent in 2021, following a 17.8 per cent decline in 2020.

FIGURE 1

TRINIDAD AND TOBAGO STOCK INDEX RETURNS

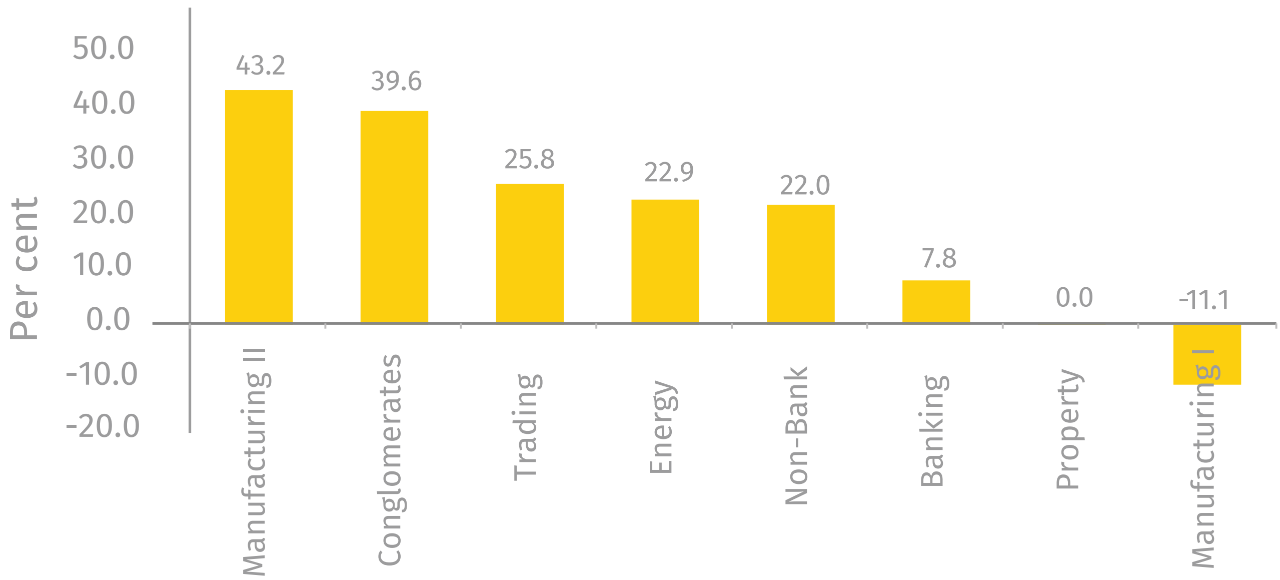


Source: Trinidad and Tobago Stock Exchange

Most sub-indices mirrored the improvement in market conditions over 2021 (Figures 2 and 3). The Manufacturing II index enlarged by 43.2 per cent, driven by the same increase in Trinidad Cement Limited (TCL) as a result of higher group revenue when compared to the lower 2020 comparable base effect. The Conglomerates index recorded a 39.6 per cent expansion, driven largely by a 72.7 per cent increase in Massy Holdings Limited (MASSY) and a 58.4 per cent growth in GraceKennedy Limited (GKC). The expansion of MASSY was supported by increases in revenue and profit in most market segments, in addition to the proposed 20:1 share split and cross-listing on the JSE. GKC growth was attributed to robust financial performance despite headwinds related to supply chain challenges and higher freight and raw material costs. The only sub-index to record a decline over 2021 was Manufacturing I (-11.1 per cent), which was negatively impacted by declines in the West Indian Tobacco Company Limited (WCO) (-19.5 per cent), Guardian Media Limited (GML) (-11.1 per cent), National Flour Mills (NFM) (-9.3 per cent), One Caribbean Limited (OCM) (-8.9 per cent), and Unilever Caribbean Limited (-2.7 per cent). The declines in these stocks were attributed to a combination of COVID-19-related restrictions, supply chain disruptions, reduced domestic business activity, higher raw material costs, increased shipping costs, higher imported wheat prices, logistic challenges, and raw material shortages.

FIGURE 2

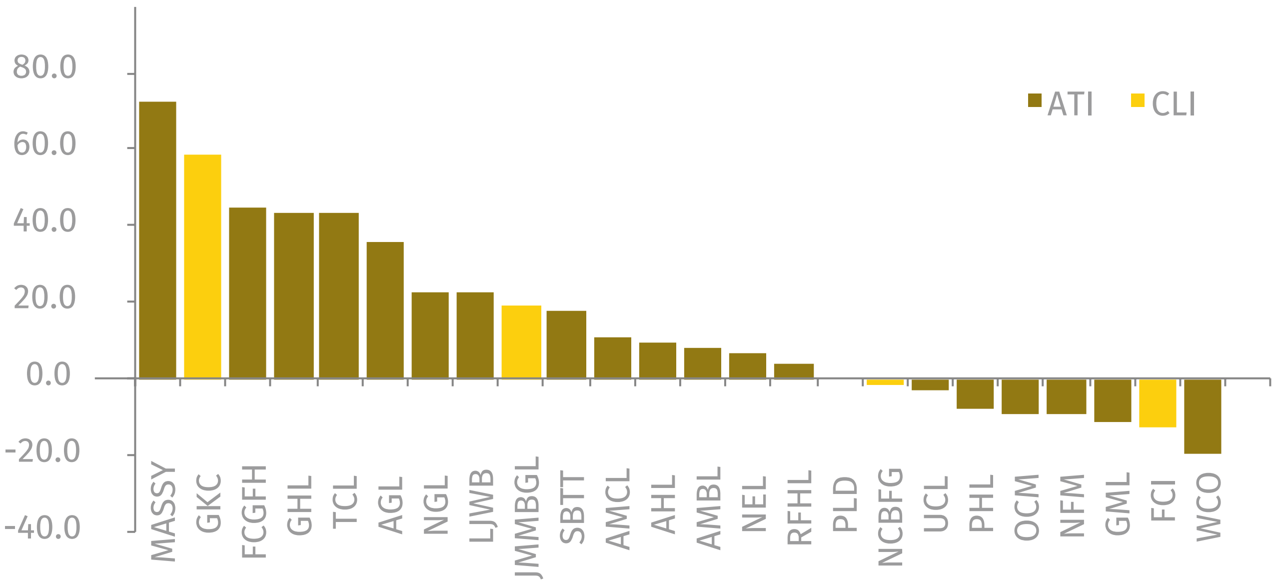
TRINIDAD AND TOBAGO STOCK MARKET SUB-INDEX RETURNS
DECEMBER 2020 TO DECEMBER 2021



Source: Trinidad and Tobago Stock Exchange

FIGURE 3

TRINIDAD AND TOBAGO INDIVIDUAL STOCK RETURNS
DECEMBER 2020 TO DECEMBER 2021



Source: Trinidad and Tobago Stock Exchange

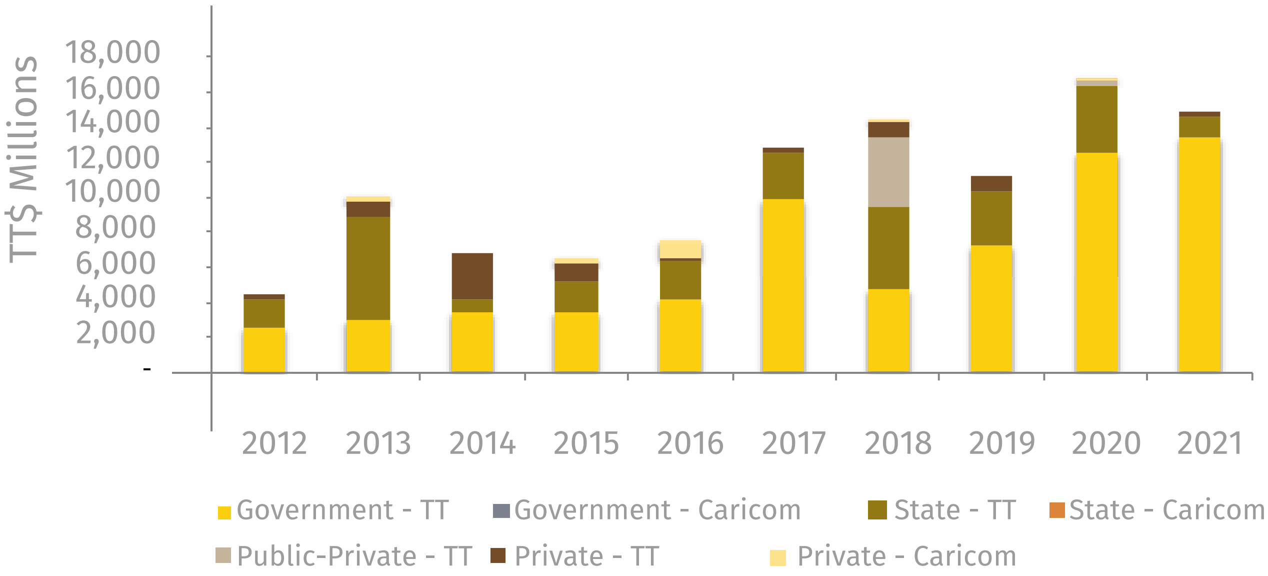
The improvement in market conditions was also reflected in higher trading activity over 2021. During the year, 94.8 million shares were exchanged in the first-tier market at a value of $1,314.7 million, corresponding to a turnover ratio of 0.980. In comparison, during 2020, the market recorded 61.2 million shares traded at a value of $1,042.9 million, corresponding to a turnover ratio of 0.796. In 2021, trading volume was dominated by the Non-Banking Finance sub-index, accounting for 37.4 per cent or 35.4 million shares, while trading value was commanded by the Banking sub-index at 38.5 per cent or $506.1 million.

PRIMARY DEBT MARKET

Provisional information suggests that primary debt market activity over 2021 was lower than in 2020 (Figure 4 and Table 14). Over 2021 the market issued 20 bonds at a value of $14,951.2 million. The Government was the primary borrower, issuing 11 privately placed securities at $13,370.3 million for budgetary support and the refinancing and repayment of existing issues. State Enterprises issued eight bonds over the year, financing $1,280.9 million, while one private sector entity raised $300.0 million. In comparison, during 2020, the market observed 25 private placements financing $16,820.0 million, of which the Government accounted for $12,503.8 million.

FIGURE 4

PRIMARY DEBT SECURITY ACTIVITY (2012 - 2021^P)



Source: Central Bank of Trinidad and Tobago
p Provisional.

TABLE 14

PRIMARY DEBT SECURITY ACTIVITY JANUARY-DECEMBER 2021[P]

Period Issued	Borrower	Face Value (TT$ Mn)	Period to Maturity	Coupon Rate Per Annum	Placement Type
Jan-21	Water and Sewerage Authority (WASA)	115.0	8.0 years	Fixed Rate 5.00%	Private
	Government of Trinidad and Tobago	1000	15.0 years	Fixed Rate 4.80%	Private
Feb-21	First Citizens Bank	146.7 (US$21.8 Mn)	1.0 year	Fixed Rate 2.00%	Private
	Government of Trinidad and Tobago				
	Tranche 1	400.0	5.0 years	Fixed Rate 3.75%	Private
	Tranche 2	800.0	8.0 years	Fixed Rate 4.50%	Private
	Tranche 3	800	15.0 years	Fixed Rate 6.75%	Private
Mar-21	Trinidad and Tobago Mortgage Finance Company Limited (TTMF)	40.0	3.0 years	Fixed Rate 4.10%	Private
	Urban Development Corporation of Trinidad and Tobago (UDECOTT)	40.0	6.0 years	Fixed Rate 3.65%	Private
	Government of Trinidad and Tobago	545.3	8.0 years	Fixed Rate 4.70%	Private
Apr-21	Government of Trinidad and Tobago	800.0	11.0 years	Fixed Rate 4.94%	Private
May-21	Government of Trinidad and Tobago				
	Tranche 1	500.0	5.0 years	Fixed Rate 2.96%	Private
	Tranche 2	800.0	20.0 years	Fixed Rate 6.21%	Private
	Government of Trinidad and Tobago				
	Tranche 1	400.0	6.0 years	Fixed Rate 2.75%	Private
	Tranche 2	725.0	17.0 years	Fixed Rate 6.12%	Private
	Tobago House of Assembly (THA)	164.2	6.0 years	Fixed Rate 5.20%	Private
Jun-21	Government of Trinidad and Tobago	500.0	10.0 years	Fixed Rate 4.31%	Private
Jul-21	Caribbean Airlines	337.3 (US$50.0 Mn)	8.0 years	Fixed Rate 5.55%	Private
	Government of Trinidad and Tobago				
	Tranche 1	400.0	5.0 years	Fixed Rate 2.40%	Private
	Tranche 2	600.0	20.0 years	Fixed Rate 6.45%	Private
Aug-21	Trinidad and Tobago Housing Development Corporation (HDC)	300.0	5.0 years	Fixed Rate 4.92%	Private
Sep-21	Government of Trinidad and Tobago				
	Tranche 1	800.0	6.0 years	Fixed Rate 2.94%	Private
	Tranche 2	700.0	12.0 years	Fixed Rate 4.50%	Private
	Tranche 3	500.0	20.0 years	Fixed Rate 6.49%	Private
Oct-21	Simpsons Finance Trinidad Limited	300.0	6.0 years	Fixed Rate 2.80%	Private
Nov-21	Government of Trinidad and Tobago				
	Tranche 1	600.0	4.0 years	Fixed Rate 2.50%	Private
	Tranche 2	800.0	7.0 years	Fixed Rate 4.25%	Private
	Tranche 3	600.0	12.0 years	Fixed Rate 6.55%	Private
Dec-21	Government of Trinidad and Tobago				
	Tranche 1	550.0	8.0 years	Fixed Rate 4.60%	Private
	Tranche 2	550.0	15.0 years	Fixed Rate 5.90%	Private
	Telecommunication Services of Trinidad and Tobago Limited (TSTT)	37.8	1.0 year	Fixed Rate 5.00%	Private

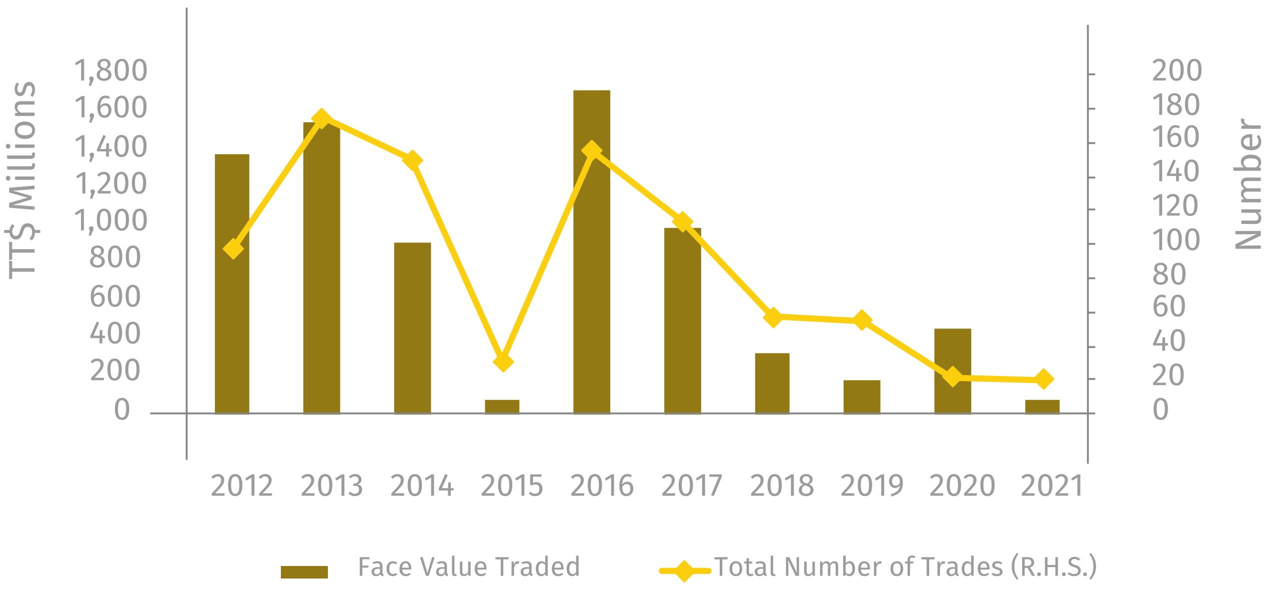
Source: Central Bank of Trinidad and Tobago
p Provisional.

CENTRAL GOVERNMENT SECONDARY BOND MARKET, YIELD CURVE[30] AND BOND INDEX

Despite sustained Government activity on the primary debt market, the secondary Government bond market recorded a notable decline in the value of bonds traded (Figure 5). Over 2021 the market recorded 20 trades at a face value of just $79.4 million, compared to 22 trades at a face value of $448.7 million in 2020. The sustained decline in activity on the secondary Government bond market is likely due to the few Government bonds offered on the official Trinidad and Tobago Stock Exchange (TTSE) secondary market, and the absence of any recent Government bonds issued via public auctions compared to private placements. Conversely, activity on the secondary corporate bond market[31] continued to increase in 2021, recording 258 trades at a face value of $133.7 million. In comparison, during 2020, the secondary corporate market observed 131 trades at a face value of $14.8 million.

FIGURE 5

SECONDARY GOVERNMENT DEBT SECURITY ACTIVITY



Source: Trinidad and Tobago Stock Exchange

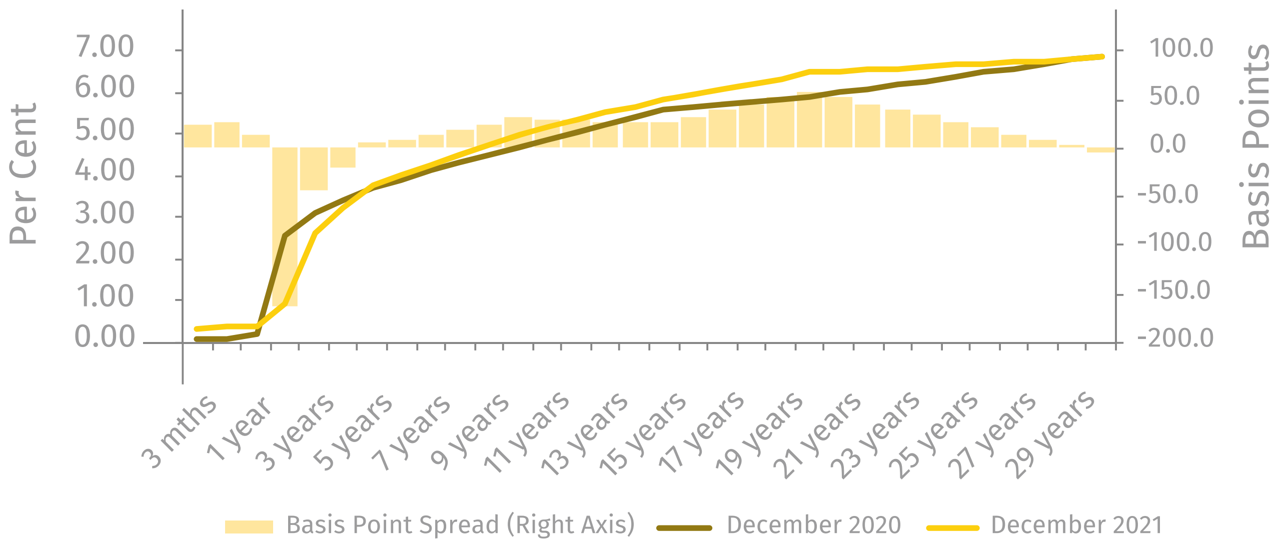
[30] The TT Treasury Yield curve was launched in September 2014 by the Central Bank. The curve is based on data from the Reserves and Domestic Market Management Department, contributor market reads, and the Stock Exchange Secondary Government bond market. The curve is intended for use as a benchmark for government securities.

[31] The secondary corporate bond market records the trading activity of the three bonds issued by the National Investment Fund Holding Company Limited (NIFHCL) which were listed in September, 2018.

The Central Government standardised yield curve generally exhibited a somewhat steepening trend over 2021 (Figure 6). Over the year, the short term 3-month rate rose by 24 basis points to 0.32 per cent, the 6-month increased by 28 basis points to 0.38 per cent, and the 1-year rate gained 15 basis points to 0.37 per cent. The uptick in short-term rates was driven by a decline in excess liquidity conditions, which fell from a monthly average of $12.7 billion in December 2020 to $6.6 billion in December 2021. On the other hand, some short- to medium-term rates (2-year to 4-year) declined as the still elevated excess liquidity levels continued to place downward pressures on these yields. Conversely, despite liquidity still being generally high, long-term rates continued to be influenced by expansionary fiscal policy and increasing General Government debt levels, resulting in higher risk premiums. Over the year, the benchmark 10-year rate increased by 31 basis points to 4.99 per cent, while the 15-year rate rose by 26 basis points to 5.85 per cent. In comparison, during 2020, short-term rates displayed substantial declines due to monetary policy accommodation in response to the pandemic, while long-term rates trended upwards driven by increasing Government debt levels and negative credit rating outlooks.

FIGURE 6

TRINIDAD AND TOBAGO GOVERNMENT YIELD CURVE



Source: Central Bank of Trinidad and Tobago

MUTUAL FUNDS INDUSTRY

During 2021, the domestic mutual fund industry recorded notable growth, reflecting equity performance locally and internationally (Figure 7). Aggregate funds under management[32] improved by 5.5 per cent to $53,254.7 million[33] over the year following a 7.1 per cent increase in 2020. The growth of the industry was supported by growth in all fund types. Equity funds expanded by 24.7 per cent to $9,172.6 million, while Income funds gained 2.9 per cent to $29,905.5 million, and funds classified as 'Other'[34] recorded a 15.5 per cent expansion to $478.8 million. On the other hand, Money Market funds achieved just 0.3 per cent growth to end the year at $13,697.9 million.

In terms of Net Asset Value (NAV) structure and reflective of the drive towards equities, floating NAV funds increased by 13.5 per cent to $15,585.0 million, while fixed NAV funds gained 2.5 per cent to $37,669.7 million over 2021. Additionally, in terms of currency composition, TT dollar-denominated mutual funds grew 5.1 per cent to $43,495.8 million while foreign currency denominated funds gained 7.1 per cent to $9,758.9 million.

The growth of funds under management was supported by net sales of $1,715.2 million, comprising of $16,197.0 million in sales and $14,481.8 million in redemptions. In comparison, the previous year observed $2,555.8 million in net sales. Reflective of the demand for equity and higher returning funds, $1,078.8 million in net sales was observed in Equity funds, while Income funds recorded $737.7 million in net sales. Additionally, 'Other' funds logged $17.1 million in net sales. On the other hand, Money Market funds registered $118.4 million in net redemptions reflecting the drive towards higher yielding funds.Furthermore, echoing the move towards higher returning funds, floating NAV funds witnessed $1,145.6 million in net sales, while fixed NAV funds recorded $569.6 million in net sales, primarily to fixed NAV Income funds. Additionally, both TT dollar and foreign currency funds observed net sales amounting to $1,041.8 million and $637.4 million, respectively.

Collective Investment Scheme (CIS) data published by the Trinidad and Tobago Securities and Exchange Commission (TTSEC)[35] suggests that during 2021, the total value of Assets Under Management (AUM) for all registered funds recorded growth of 6.0 per cent to $63,161.8 million. The industry growth was supported by net sales of $2,243.3 million over the year, encompassing $19,860.2 million in sales and $17,616.9 million in redemptions.

[32] Aggregate funds under management refer to mutual fund information collected by the Central Bank of Trinidad and Tobago, including funds managed by the Trinidad and Tobago Unit Trust Corporation, Royal Bank of Trinidad and Tobago, Republic Bank Limited and First Citizens Bank Limited.

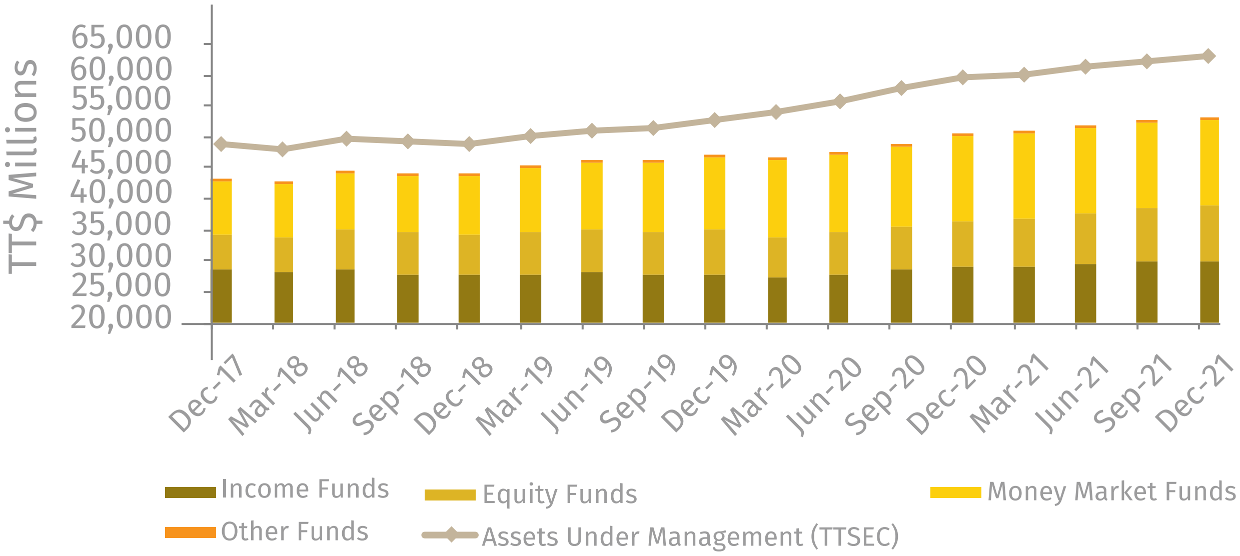
[33] As at the end of 2021, data collected by the Central Bank accounted for 84.3 per cent of the industry's 70 TTSEC registered funds.

[34] Other funds represent high yield funds and special purpose funds.

[35] CIS data from the TTSEC represents 70 registered funds from 15 issuers.

FIGURE 7

MUTUAL FUNDS – AGGREGATE FUND VALUE



CHAPTER 8

International Trade and Payments

(Data in this section are in US dollars unless otherwise indicated)

BALANCE OF PAYMENTS

Trinidad and Tobago's external accounts recorded an overall surplus of $119.0 million (0.7 per cent of GDP) during the first nine months of 2021 (Table 15A and Appendix Table A.33 (A)). This was largely reflected in a current account surplus of $1.3 billion as commodity prices escalated during the year resulting in significantly higher energy exports earnings. The financial account recorded net outflows over the January to September period of 2021 largely reflective of movements in the other investment category due to increased holdings of currency and deposits, and other accounts receivable assets. This coupled with the outflows on the portfolio investment[36] category overshadowed the inflows recorded in the direct investment category. At the end of September 2021, gross official reserves stood at $7,072.7 million implying a reserve accumulation of $119.0 million from the ending balance in 2020.

Higher international commodity prices and the gradual relaxation of COVID-19 restrictions led to improvements in the country's current account during 2021. The current account recorded a surplus of $1,345.9 million during the first nine months of 2021, a reversal from a deficit of $54.2 million over the same period of 2020. The positive outturn was largely attributed to an increase in the net goods trading position, driven by higher exports earnings. Export earnings rose by 69.0 per cent (year-on-year) to $7,297.4 million over the January to September 2021 period primarily due to higher energy exports.

Energy sector exports were boosted by a sharp rise in energy commodity prices during 2021. Energy sector exports increased by $2,484.3 million to reach $5,726.2 million as crude oil prices averaged US$64.84 per barrel for the first nine months of 2021, compared with US$38.22 per barrel for the corresponding period of 2020. Year-on-year increases were recorded for the exports of petrochemicals (119.4 per cent), petroleum crude and refined products (65.3 per cent), and gas (28.8 per cent). Non-energy exports rose by almost one-half (45.8 per cent) to $1,571.3 million due to a pickup in external demand. Notably, manufacturing exports increased by more than 70.0 per cent as regional economies increased demand.

Total imports grew by 31.1 per cent (year-on-year) to $4,734.6 million, in keeping with the gradual reopening of the domestic economy and the increase in demand for external goods, particularly from the US, CARICOM, China and Brazil. Capital imports were higher (46.6 per cent) at $1,271.7 million, mainly due to the

[36] Other investment comprises currency and deposits, loans, insurance, pension, and standardised guarantee schemes, trade credit and advances, other account receivable/payable and special drawing rights (liabilities).

importation of capital equipment from Mexico for installation within the energy sector. Higher international prices impacted fuel imports which increased 50.8 per cent over the nine-month period.

The deficit on the services account widened to $1,284.4 million in the first nine months of 2021 compared to $860.8 million during the same period in 2020. Notably, the deficit on the other business services sub-account increased by 62.0 per cent (year-on-year) to $541.2 million as resident businesses increased their imports of technical, trade-related and other business services. The deficit on the transport services sub-account also increased by 35.3 per cent (year-on-year) to $351.1 million, reflecting increased domestic demand as well as higher freight costs stemming from ongoing supply chain disruptions. The travel services account recorded a small deficit of $6.3 million over the first nine-months of 2021, compared to a surplus of $107.5 million in the corresponding period one year earlier, mainly due to the sharp falloff of visitor spending in the domestic economy for most of 2021. A revival of the travel services account occurred during the third quarter of 2021, amid the reopening of Trinidad and Tobago's borders in July 2021, as non-resident spending in the domestic economy rose by $8.3 million compared to the third quarter of 2020. Improvements were also noted in residents spending on travel abroad, which rose $4.5 million during the July to September 2021 period.

A small deficit of $0.6 million was recorded on the primary income account over the first nine months of 2021, a reversal from a surplus of $81.9 million in the corresponding period one year earlier. Higher repatriation of earnings abroad by the energy sector was mainly responsible for this outturn. Meanwhile, a larger surplus of $ 68.0 million was recorded on the secondary income account in the first nine months of 2021 compared to $16.2 million in the corresponding period one year earlier owing to an increase in inbound private transfers due to improved economic activity abroad.

Trinidad and Tobago's financial account registered a net outflow of $208.6 million over the period January to September 2021, a reversal from the net inflow of $539.1 million recorded in the corresponding period of 2020. This outcome mainly reflected financial transactions in the other investment account, and in a smaller part portfolio investment. A net outflow of $281.1 million was recorded in the other investment category over the first nine months of 2021, compared to a net inflow of $627.6 million in 2020, which largely stemmed from a rise in other investment assets. To a large extent, increases in currency and deposits held by energy sector companies and financial institutions, and other accounts receivable drove the pickup in other investment assets. Smaller upticks were also recorded in trade credits and loan assets. Concurrently, the rise in other investment liabilities was driven by other accounts payable owed to non-residents during the period. However, the simultaneous increase in other investment liabilities was tempered by repayment of loans by energy sector companies, financial institutions and the Central Government.

Portfolio investment registered a net outflow of $155.6 million over the first nine months of 2021 as a result of increased holdings of foreign assets. This movement follows a net inflow of $259.4 million which occurred over the similar period in 2020. In particular, domestic financial institutions expanded their portfolios of equity securities and debt securities held abroad- mainly in the form of short-term instruments.

Partially offsetting the net outflow in the financial account was the net inflow in the direct investment category. Direct investment recorded a net inflow of $228.1 million over the reference period, a reversal of the net outflow of $356.6 million in the previous year, as the increase in liabilities more than outpaced the growth in assets. The rise in direct investment liabilities (direct investment in Trinidad and Tobago by foreign investors) was due to intercompany loans, particularly by energy sector companies, and to a lesser extent reinvestment of earnings. Meanwhile, higher intercompany lending underpinned the increase in direct investment assets (direct investment abroad by Trinidad and Tobago residents).

Gross official reserves in Trinidad and Tobago stood at $6,879.6 million by the end of December 2021, $74.2 million lower than the level recorded at the end of 2020. This suggests that the external accounts registered an overall deficit over 2021. Apart from the official reserves as a measure of the country's external position, the import capacity indicator is used as gauge of Trinidad and Tobago's external vulnerability. Based on the available data to September 2021, the import capacity indicator averaged 1.2 signaling that the level of financial inflows was able to cover 120.0 per cent of import demand over the period of time. However, over the comparative period in 2020 the import capacity indicator averaged 0.8 (or 80 per cent), below the ideal position of 1.0. This improvement can be associated with the strengthening of energy prices that buttressed export earnings, together with the rollback of domestic containment measures and the reopening of several sectors that spurred economic activity, which were further complemented by financial inflows over the period.

TABLE 15A
TRINIDAD AND TOBAGO: SUMMARY BALANCE OF PAYMENTS
/US$ MILLIONS/

	2017	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021p
Current Account	**1,409.2**	**1,625.8**	**1,020.1**	**-136.2**	**-54.2**	**1,345.9**
Goods and Services	**1,080.8**	**2,426.3**	**1,605.4**	**-179.6**	**-152.3**	**1,278.5**
Goods, net*	3,193.0	4,138.4	2,731.8	984.1	708.4	2,562.9
Exports**	9,644.7	10,755.6	8,764.3	6,002.9	4,319.2	7,297.4
Energy	7,867.7	9,089.9	6,973.6	4,357.2	3,241.9	5,726.2
Non-Energy	1,777.0	1,665.7	1,790.7	1,645.7	1,077.3	1,571.3
Imports**	6,451.7	6,617.2	6,032.5	5,018.8	3,610.8	4,734.6
Fuels***	1,617.7	1,755.3	1,222.1	723.3	519.8	783.6
Other	4,834.0	4,861.9	4,810.4	4,295.5	3,091.0	3,950.9
Services, net	-2,112.2	-1,712.1	-1,126.4	-1,163.6	-860.8	-1,284.4
Primary Income, net	**48.9**	**-700.5**	**-607.1**	**2.2**	**81.9**	**-0.6**
Secondary Income, net	**279.4**	**-100.0**	**21.8**	**41.2**	**16.2**	**68.0**
Capital Account	**1.2**	**2.4**	**10.3**	**0.5**	**0.4**	**0.3**
Financial Account	**449.6**	**174.8**	**574.7**	**-375.6**	**-539.1**	**208.6**
Direct Investment	**458.8**	**765.2**	**-69.8**	**206.4**	**356.6**	**-228.1**
Net Acquisition of Financial Assets	-12.0	65.0	114.2	103.8	90.0	28.1
Net Incurrence of Liabilities	-470.9	-700.2	184.0	-102.6	-266.6	256.2
Portfolio Investment	**373.1**	**418.1**	**1,453.9**	**-184.6**	**-259.4**	**155.6**
Net Acquisition of Financial Assets	224.1	350.4	1,245.4	-85.5	-149.1	191.0
Net Incurrence of Liabilities	-148.9	-67.7	-208.5	99.2	110.4	35.4
Financial Derivatives	**4.7**	**5.3**	**-0.2**	**-8.7**	**-8.7**	**-0.1**
Net Acquisition of Financial Assets	4.4	5.2	-0.4	-9.1	-8.9	-0.1
Net Incurrence of Liabilities	-0.3	-0.2	-0.2	-0.4	-0.2	0.0
Other Investment****	**-386.9**	**-1,013.8**	**-809.1**	**-388.7**	**-627.6**	**281.1**
Net Acquisition of Financial Assets	163.1	-309.9	329.1	-308.1	-416.2	634.6
Net Incurrence of Liabilities	550.1	703.9	1,138.2	80.6	211.4	353.5
Net Errors and Omissions	**-2,056.8**	**-2,248.1**	**-1,101.9**	**-215.1**	**-107.8**	**-1,018.6**
Overall Balance	**-1,096.0**	**-794.7**	**-646.1**	**24.8**	**377.5**	**119.0**
(Per Cent of GDP)						
Current Account	**6.3**	**6.9**	**4.4**	**-0.6**	**-0.3**	**7.6**
Goods, net	14.2	17.4	11.8	4.6	4.4	14.4
Exports	42.9	45.3	37.8	28.1	26.9	41.1
Imports	28.7	27.9	26.0	23.5	22.5	26.7
Services, net	-9.4	-7.2	-4.9	-5.4	-5.4	-7.2
Primary Income, net	0.2	-3.0	-2.6	0.0	0.5	0.0
Overall Balance	**-4.9**	**-3.3**	**-2.8**	**0.1**	**2.4**	**0.7**
Memorandum Item						
Gross Official Reserves^	8,369.8	7,575.0	6,929.0	6,953.8	7,306.4	7,072.7

Source: Central Bank of Trinidad and Tobago

Notes

1. Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for 2020 and 2021. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.
2. GDP prior to 2021 are sourced from the CSO; data for 2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.
3. This table is an analytical presentation of the Balance of Payments and is presented in accordance with the IMF's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6). Refer to Box 3 of the Economic Bulletin, March 2017 for a Technical Note on the Transition to BPM6.

   The following financial account movements are represented with a negative sign:
   - A decrease in assets (inflow)
   - A decrease in liabilities (outflow)
   - A net inflow in net balances

   The following financial account movements are represented with a positive sign:
   - An increase in assets (outflow)
   - An increase in liabilities (inflow)
   - A net outflow in net balances

* Energy goods data comprise estimates by the Central Bank of Trinidad and Tobago.

** Exports and imports are reported on a FOB (Free on Board) basis. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.

*** Includes petroleum, petroleum products and related materials.

^ End of Period.

r Revised.

p Provisional.

INTERNATIONAL INVESTMENT POSITION

(Data in this section are in US dollars unless otherwise indicated)

Trinidad and Tobago's net international investment position (NIIP) stood at $3,779.7 million at the end of September 2021, $304.3 million higher than the balance at the end of 2020 (Table 15B). This increase in the NIIP represents an improvement in the net creditor position as the increase in the stock of assets outpaced a simultaneous rise in the stock of liabilities.

Over the first nine months of 2021, the stock of assets increased by approximately 4.1 per cent to $24.6 billion as a result of movements in the other investment and portfolio investment accounts, and to a lesser extent reserves. More specifically, other investment assets rose by $635.0 million to $5.4 billion, largely reflecting a pickup in currency and deposits held by both financial and non-financial institutions, as well as higher other accounts receivable. Meanwhile, portfolio assets increased by 1.4 per cent to reach $10.3 billion which was attributable to the uptick in holdings of equity securities abroad. Reserve assets also improved by $119.0 million to just under $7.1 billion during the nine-month period buttressed by the extraordinary allocation of Special Drawing Rights (SDRs) (approximately $644.0 million) by the IMF in August 2021.

Simultaneously, the stock of liabilities grew by $662.9 million to $20.8 billion at the end of September 2021 due in the main to growth in other investment ($8.0 billion). Over the review period, direct ($8.8 billion) and portfolio ($4.0 billion) investments also contributed to the increase in the stock of liabilities. In particular, inter-company borrowing activity primarily accounted for the uptick in direct investment liabilities, while increases in the stock of long-term debt securities by financial institutions augmented the outturn in portfolio investment liabilities.

TABLE 15B

TRINIDAD AND TOBAGO: INTERNATIONAL INVESTMENT POSITION (AT END OF PERIOD)

/US$ MILLIONS/

	2017	2018	2019	2020	Sep 2021[p]
Net International Investment Position	**4,659.0**	**3,685.9**	**4,215.3**	**3,475.4**	**3,779.7**
Assets	**24,171.9**	**22,852.3**	**24,307.7**	**23,653.7**	**24,620.8**
Direct Investment	829.6	913.1	1,361.3	1,799.8	1,867.3
Portfolio Investment	10,007.1	9,692.0	11,075.1	10,162.5	10,308.3
Financial Derivatives	4.4	10.1	9.0	0.6	0.4
Other Investment*	4,961.0	4,662.0	4,933.4	4,737.1	5,372.1
Reserve Assets	8,369.8	7,575.0	6,929.0	6,953.8	7,072.7
Liabilities	**19,512.9**	**19,166.4**	**20,092.4**	**20,178.3**	**20,841.2**
Direct Investment	9,082.9	8,452.4	8,455.3	8,526.5	8,805.5
Portfolio Investment	4,132.4	4,064.1	3,861.0	3,960.6	3,995.9
Financial Derivatives	1.2	0.7	0.3	0.0	0.0
Other Investment*	6,296.4	6,649.1	7,775.8	7,691.2	8,039.7

Source: Central Bank of Trinidad and Tobago

Note: Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for 2020 and 2021. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.

* Other investment comprise currency and deposits, loans, insurance, pension, and standardised guarantee schemes, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

r Revised.

p Provisional.

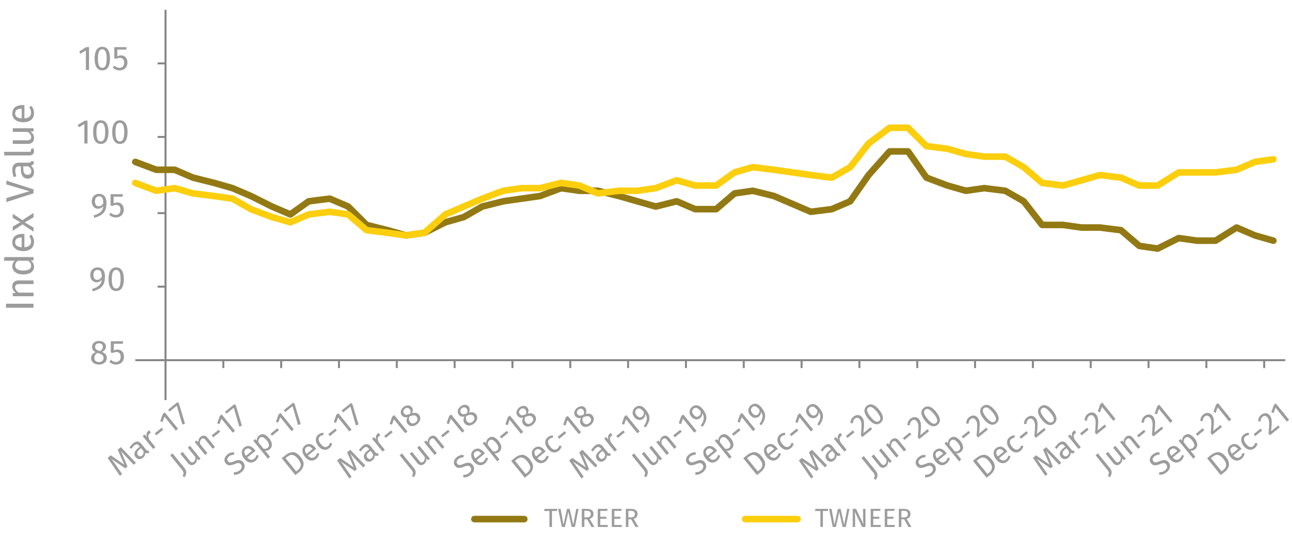
EFFECTIVE EXCHANGE RATES[37]

Trinidad and Tobago's international price competitiveness, as measured by the trade weighted real effective exchange rate (TWREER), improved by 3.3 per cent over 2021). The gain in price competitiveness was reflective of lower domestic inflation relative to major trading partners. During 2021, Trinidad and Tobago's inflation rate averaged 2.1 per cent, much lower than the weighted average inflation rate of the country's major trading partners (4.1 per cent). Furthermore, the trade-weighted nominal exchange rate (TWNEER) was stable relative to the appreciation in the exchange rates of major trading partners. Overall, the combination of these factors suggests that Trinidad and Tobago's exports may have been more price competitive in some external markets.

FIGURE 8

TRADE WEIGHED REAL AND NOMINAL EFFECTIVE EXCHANGE RATES

(2015=100)



Source: Central Bank of Trinidad and Tobago

[37] The Effective Exchange Rate Indices were rebased to 2015 from 2000 to reflect changes in trading patterns and partners between Trinidad and Tobago and the rest of the world. For further details on this exercise, please refer to the January 2020 Economic Bulletin.

CHAPTER 9

International and Regional Economic Developments

Global economic activity rebounded in 2021, supported by an easing of COVID-19-related restrictions, which helped boost demand. However, supply chain disruptions and the rapid spread of the Delta and Omicron variants of the COVID-19 weighed on economic activity in the second half of the year. Notably, Emerging Market and Developing Economies (EMDEs) continued to experience a fragile recovery relative to Advanced Economies (AEs) due to slower vaccination progress and a more limited policy response. Inflationary pressures intensified in 2021 due to a pickup in global demand, higher energy and food prices and ongoing supply bottlenecks. With inflationary pressures persisting longer than expected, Central Banks in a few AEs began to take steps toward policy normalisation, while policymakers in EMDEs have tightened monetary policy.

ADVANCED ECONOMIES

Advanced economies recorded strong growth in 2021, supported by the rapid roll-out of vaccination programmes and fiscal and monetary policies. Over 2021, economic activity in the US accelerated to 5.7 per cent following a contraction of 3.4 per cent in 2020, reflecting progress on vaccinations, a reopening of the economy and supportive fiscal and monetary policies **(Table 16)**. The pickup in economic activity, along with a strong demand for labour, resulted in the unemployment rate falling from 6.4 per cent in January 2021 to 3.9 per cent in December 2021. In response to improving employment conditions, and with inflation well above its average 2.0 per cent target, the US Federal Reserve (the Fed) scaled back its asset purchases programme in the second half of 2021. In particular, the Fed reduced its monthly pace of net asset purchases by US$10.0 billion for Treasury securities and US$5.0 billion for agency mortgage-backed securities in November 2021. However, the federal funds target range was unchanged in 2021 at 0.00 and 0.25 per cent. Inflation, as measured by the Personal Consumption Expenditure (PCE) price index, rose further in 2021, driven by demand and supply imbalances related to the pandemic and the reopening of the economy.

Economic activity rebounded in the United Kingdom (UK) in 2021 after recording a sharp contraction in the previous year. In 2021, real GDP expanded by 7.4 per cent, following a contraction of 9.3 per cent in 2020, underpinned by a rapid vaccination programme and strong policy support for jobs and firms (Table 16). Meanwhile, inflationary pressures remained well above the 2.0 per cent target over the year due to rising energy prices and supply disruptions. Against the backdrop of elevated inflation, the Bank of England (BoE) decided to increase its policy rate in December 2021 by 0.15 per cent to 0.25 per cent. This represented the first rate hike since the onset of the COVID-19 pandemic.

Amid robust domestic demand, real GDP within the Euro area accelerated to 5.3 per cent in 2021 from a decline of 6.4 per cent in the previous year (Table 16). In particular, economic growth was underpinned by a strong rebound in private consumption. Meanwhile, inflation soared above its target, driven by higher energy and food prices. Despite elevated inflation, the European Central Bank (ECB) kept its benchmark interest rate on the main refinancing operations unchanged at 0.0 per cent throughout 2021 to support the economic recovery.

The Japanese economy recorded growth of 1.6 per cent in 2021 after contracting by 4.5 per cent in 2020 (Table 16). This outturn was supported by improving vaccination rates which facilitated an easing of pandemic-control measures. On the price front, despite being affected by the reduction in mobile phone charges, consumer prices rose reflecting price increases in energy and other items.

The Bank of Japan (BOJ) continued its Quantitative and Qualitative Monetary Easing (QQE) programme to support the economy and achieve the price stability target of 2.0 percent. In that context, the BOJ maintained its key short-term interest rate at -0.1 per cent throughout 2021.

TABLE 16

ADVANCED ECONOMIES: REAL GDP GROWTH

/PER CENT/

	2017[r]	2018[r]	2019[r]	2020[r]	2021[e]	2022[f]	2023[f]
United States	2.3	2.9	2.3	-3.4	5.7	3.7	2.3
United Kingdom	2.1	1.7	1.7	-9.3	7.4	3.7	1.2
Euro Area	2.6	1.8	1.6	-6.4	5.3	2.8	2.3
Japan	1.7	0.6	-0.2	-4.5	1.6	2.4	2.3

Source: International Monetary Fund, World Economic Outlook Database (April 2022)

r Revised.
e Estimate.
f Forecast.

EMERGING MARKETS AND DEVELOPING ECONOMIES (EMDES)

Economic activity rebounded in EMDEs but the resurgence in COVID-19 cases weighed on growth in the second half of 2021. Growth rebounded in China, driven by manufacturing activity and exports. Real GDP accelerated to 8.1 per cent in 2021 from 2.2 per cent recorded in 2020 **(Table 17)**. Despite the pickup in growth, the pace of economic activity slowed in the second half of 2021 owing to outbreaks of the Delta variant and the imposition of mobility restrictions to limit its spread. In addition, regulatory tightening in the property and finance sectors have stymied consumer spending and business investment. In the second half of 2021, real GDP growth was also impacted by temporary power shortages and production cuts aimed at reducing carbon dioxide (CO2) emissions[38]. Meanwhile, the easing of COVID-19 related restrictions on economic activity propelled growth in India to 8.9 per cent in 2021 compared to a sharp contraction of 6.6 per cent recorded in the previous year. However, sectors which are most sensitive to the pandemic, including trade and hotels, remained well below pre-pandemic levels.

Some EMDEs raised their key policy rates to return inflation[39] to their target ranges. Inflation soared in Brazil and Russia in 2021, reflecting the economic recovery and ongoing supplies chain issues. In contrast, consumer prices in India and China generally remained within target in 2021. To curb inflationary pressures, the Central Bank of Brazil raised its main policy rate, the SELIC rate, by an accumulative 7.25 per cent to 9.25 per cent over 2021. Similarly, the Central Bank of Russia increased its main policy rate from 4.25 per cent to 8.5 per cent over the course of 2021. Meanwhile, after holding its key policy rates for the majority of 2021, the People's Bank of China (PBoC) loosened monetary policy to support economic activity amid financial stress triggered by some highly indebted real estate companies. The PBoC reduced its one-year loan prime rate (LPR) by five basis points to 3.80 per cent in December, the first rate cut since April 2020, as well as lowered the Reserve Requirement ratio by 50 basis points. However, the five-year LPR was left unchanged at 4.65 per cent. Elsewhere, with inflation within target, the Reserve Bank of India kept its Repo rate unchanged in 2021 aimed at supporting economic growth.

[38] In September 2020, China updated its nationally determined contribution targets which aim to have CO2 emissions peak before 2030 and achieve carbon neutrality before 2060.

[39] Central Bank inflation target rates and ranges for selected emerging market and developing economies: China (3.0 per cent); Brazil (4.0 +/-1.5 per cent); India (4.0+/-2.0 per cent); and Russia (4.0 per cent).

TABLE 17

ADVANCED ECONOMIES: REAL GDP GROWTH

/PER CENT/

	2017r	2018r	2019r	2020r	2021e	2022f	2023f
China	6.9	6.8	6.0	2.2	8.1	4.4	5.1
India*	6.8	6.5	3.7	-6.6	8.9	8.2	6.9
Russia	1.8	2.8	2.2	-2.7	4.7	-8.5	-2.3
Brazil	1.3	1.8	1.2	-3.9	4.6	0.8	1.4

Source: International Monetary Fund, World Economic Outlook Database (April 2022)

* Data are presented on a fiscal year basis.
r Revised.
e Estimate.
f Forecast.

REGIONAL ECONOMIC DEVELOPMENTS

Growth in the Latin American and Caribbean (LAC) region recovered in 2021 against the backdrop of improving external demand conditions and higher commodity prices. According to the IMF's April 2022 WEO, growth in the LAC region was estimated to have accelerated by 6.8 per cent in 2021 from a contraction of 7.0 per cent in 2020. However, inflation rose above targets[40] in the region, reflecting a firming of demand associated with the reopening of economies, higher global energy and food prices and the pass-through of currency depreciations. As a result, several Central Banks increased their key policy rates in 2021, namely, Mexico, Chile, Colombia and Peru[41].

In the Caribbean, both tourism-dependent and commodity-based countries experienced a resuscitation in domestic activity during 2021. The improvement in economic conditions was supported by the easing of international travel restrictions along with a pickup in international commodity prices. In Jamaica, real GDP expanded by 4.4 per cent over January to December 2021 mainly on account of increases in hotels and restaurants; other services; transport storage and communication; wholesale and retail trade and manufacture (Table 18). Meanwhile, driven by upticks in international commodity prices and shipping costs as well as higher agricultural commodity prices owing to the passage of Hurricanes Grace and Ida in August 2021, Jamaica's inflation rate soared above the Bank of Jamaica's (BoJ) target range of 4.0 to 6.0 per cent over 2021. Inflation rose to 7.3 per cent (year-on-year) in December 2021 from 5.2 per

[40] Central Bank inflation target ranges for selected economies in the Latin American region: Mexico (3.0+/-1.0 per cent); Colombia (3.0 +/- 1.0 per cent); Chile (3.0 per cent +/- 1.0 per cent); and Peru (2.0 +/-1.0 per cent).

[41] To facilitate the convergence of inflation to its target ranges several LAC central banks cumulatively increased their main policy rates in 2021 including the Bank of Mexico (from 4.0 per cent to 5.5 per cent), Central Bank of Chile (from 0.5 per cent to 4.0 per cent), the Central Bank of Colombia (from 1.75 per cent to 3.0 per cent), and the Central Reserve Bank of Peru (from 0.25 per cent to 2.5 per cent).

cent one year earlier. In response to elevated inflation, the BoJ increased its policy interest rates on three occasions in the latter half of 2021 by an accumulative 200 basis points to return inflation within its target range.

Similarly, the Barbados economy registered a marked improvement in economic activity of 1.4 per cent in 2021 following a steep contraction of 13.7 per cent in 2020 due to improvements in private sector spending, tourism sector activity and private sector investment. In line with higher global inflation, consumer prices rose to 5.1 per cent (year-on-year) in December 2021, largely due to higher import prices. In particular, soaring international freight costs arising from disruptions to global supply chain together with an uptick in energy and food prices were responsible for this outturn. The stock of international reserves increased in 2021 and was supported by policy-based borrowing from multinational-based financial institutions and the proceeds of an extraordinary SDR allocation from the IMF.

Notwithstanding a slowdown in economic activity in 2021, Guyana continued to record double-digit growth rates. Real GDP expanded by 19.9 per cent in 2021 from 43.5 per cent recorded in the previous year, driven by an expansion in oil production, higher international oil prices and a pickup in non-oil activity. Over the year, Exxon Mobil announced new offshore oil fields in the Starbroek Block, bringing the gross recoverable reserve in this block to more than an estimated 10 billion barrels of oil equivalent. As a result, Guyana recorded the third highest oil reserves in the Latin American and Caribbean region. Meanwhile, the Bank of Guyana's monetary policy continued to focus on the attainment of price stability while ensuring an adequate level of liquidity to provide for private sector credit and economic growth. The Bank temporarily reduced the reserve requirement ratio to 10 per cent, effective August 24, 2020 to December 31, 2021, in keeping with an agreement between the Bank of Guyana and commercial banks in relation to COVID-19 supplementary relief measures.

Meanwhile, economic activity in the Eastern Caribbean Currency Union (ECCU) was estimated to improve by 5.8 per cent in 2021[42] following a contraction of 15.1 per cent in 2020. However, the pace of the recovery was affected by new waves of COVID-19 infections and low vaccination rates in some member countries. Additionally, growth was impacted by eruptions of La Soufrière volcano in Saint Vincent and the Grenadines from April 2021 and the passage of Hurricane Elsa near Saint Lucia in July 2021. In an effort to support economic activity, the Eastern Caribbean Central Bank (ECCB) maintained the minimum savings rate at 2.0 per cent.

[42] Based on the 101st Meeting of the Monetary Council of the ECCB held on February 25, 2022, the latest data indicated that real GDP growth was revised upward from 0.9 per cent to 3.9 per cent for 2021, primarily due to firmer recovery in the ECCU's main trading partners, stabilisation and stimulus measures and vaccination rollouts.

TABLE 18

SELECTED LAC: REAL GDP GROWTH

/PER CENT/

Country	2017r	2018r	2019r	2020r	2021e	2022f	2023f
Argentina	2.8	-2.6	-2.0	-9.9	10.2	4.0	3.0
The Bahamas	1.6	2.8	0.7	-14.5	5.6	6.0	4.1
Barbados	0.5	-0.6	-1.3	-13.7	1.4	11.2	4.9
Belize	2.1	2.0	2.0	-16.7	9.8	5.7	3.4
Chile	1.3	4.0	0.8	-6.1	11.7	1.5	0.5
Colombia	1.4	2.6	3.2	-7.0	10.6	5.8	3.6
Eastern Caribbean Currency Union	1.2	3.8	2.8	-15.1	5.8	n.a.	n.a.
Guyana	3.7	4.4	5.4	43.5	19.9	47.2	34.5
Haiti	2.5	1.7	-1.7	-3.3	-1.8	0.3	1.4
Jamaica	0.7	1.8	1.0	-10.0	4.4	2.5	3.3
Mexico	2.1	2.2	-0.2	-8.2	4.8	2.0	2.5
Suriname	1.6	4.9	1.1	-15.9	-3.5	1.8	2.1

Source: International Monetary Fund, World Economic Outlook Database (April 2022)
r Revised.
e Estimate.
f Forecast.
n.a. Not Available.

CHAPTER 10

International Commodity Markets

ENERGY COMMODITY PRICE INDEX

The Energy Commodity Price Index (ECPI)[43] rose to an average of 120.1 in 2021 representing an overall increase of 95.8 per cent as prices of all commodities captured in the index increased significantly over the course of the year. The surge in commodity prices was driven by heightened demand amid the reopening of several economies globally, coupled with tight supply which fuelled rapid increases in crude oil and natural gas prices. These were in turn transmitted further downstream to other commodities.

The international crude oil market exhibited significant improvement in 2021. West Texas Intermediate (WTI) crude oil prices averaged US$67.96 per barrel in 2021, representing a 72.9 per cent increase from the average price (US$39.31 per barrel) of the previous year. Meanwhile, the price of Brent crude oil increased 69.3 per cent to an average US$70.68 per barrel in 2021. Crude oil prices were generally bolstered by strong demand, facilitated by the reopening of economies globally. Demand was further buffered in the second half of 2021 by the rapid acceleration of natural gas prices which prompted the use of crude oil as a cheaper alternative for power generation purposes. Prices were also aided by supply-side factors, as production cuts were undertaken by the Organisation of Petroleum Exporting Countries (OPEC) and their partners (OPEC+) in the early stages of 2021. OPEC+ also struggled to pump sufficient oil to meet rising demand in the latter half of the year, as several countries undertook large scale maintenance work that was delayed on account of the pandemic. Supply was also restricted by the passage of Hurricanes Ida and Nicholas in the third quarter of the year, which damaged crude oil infrastructure in the US. The increase in crude oil prices also passed through to motor gasoline (82.9 per cent), jet fuel (68.4 per cent) and gas oil (68.2 per cent).

Excess demand resulted in surging natural gas prices in 2021. US Henry Hub prices averaged US$3.85 per million British Thermal Units (mmbtu) in 2021, representing an increase of 91.6 per cent compared to 2020 prices. Prices were supported by extreme weather patterns throughout the course of the year. In early 2021, colder-than-usual winter conditions in the US facilitated a surge in natural gas demand for heating purposes. Those cold conditions resulted in mechanical disruptions at several production facilities which temporarily disrupted supply. Demand was further supported by a hotter-than-usual

[43] The ECPI is a summary measure of the price movements of Trinidad and Tobago's top ten energy-based commodity exports. Developed in a collaborative effort between the Energy Chamber and the Central Bank, the series is based on export values in 2007 and complements other available price indicators, including individual commodities and sectoral export price indices prepared by the Central Statistical Office. For further details on the computation of the Energy Commodity Prices Index (ECPI), see Finch, K. and Cox, D. 2010. The Energy Commodity Price Index. Central Bank of Trinidad and Tobago, Economic Bulletin, Volume XII No. 2. pp.84

summer, which also prompted a drawdown in natural gas reserves. Prices were further aided by increased demand from Brazil, where a historic drought reduced hydropower reservoir levels, thereby increasing the need for natural gas imports to aid power generation. Price accelerations were also facilitated by the progressive transition of several economies from coal and crude oil toward cleaner-burning natural gas. The increased gas price resulted in higher prices for other commodities during the period including ammonia (191.4 per cent), propane (125.1 per cent), urea (120.3 per cent), natural gasoline (91.4 per cent) and methanol (70.5 per cent).

INTERNATIONAL FOOD PRICES

International food prices saw strong growth in 2021 given COVID-19-related restrictions to supply. The UN Food and Agriculture Organisation's Food Price Index (FAO) increased 28.2 per cent in 2021 following a rise of 3.1 per cent in 2020. COVID-19 containment measures caused back-ups, slow-downs and bottlenecks in supply chains across many food-producing countries. Meanwhile, as many economies emerged from these restrictions in 2021, there was a swift return of aggregate demand. Surging demand from major food-importing countries put significant upward pressure on food prices, especially animal feed grains such as corn and soybeans. Relatedly, overall growth was led by the Vegetable Oil price index, which increased 65.8 per cent in 2021. Significant increases were recorded in all other sub-categories of the index, namely the Sugar (37.5 per cent), Cereals (27.2 per cent), Dairy (17.0 per cent) and Meat (12.9 per cent) price indices.

APPENDIX 1

Economic Statistics

TABLES A.1 - A.36

TABLES A.1 - A.36

p - Provisional	**r - Revised**	**re - Revised Estimates**
n.a - Not Available	**c - Confidential**	**n/a - Not Applicable**

TABLES A.1 - A.36 (continued)

TABLE A.1

REAL GDP GROWTH[1] BY SECTOR OF ORIGIN, 2017-2021

/ PER CENT /

SECTOR	2017	2018	2019	2020p	Jan to Sep 2021p
Agriculture, Forestry and Fishing	8.0	-9.6	-3.2	-0.8	-0.6
Mining and Quarrying	-0.3	-4.5	-3.1	-11.4	-6.6
Manufacturing	-2.2	0.2	-1.7	-10.4	-2.4
Electricity, Gas, Steam and Air Conditioning Supply	0.1	0.6	2.2	-9.7	7.7
Water Supply; Sewerage, Waste Management and Remediation Activities	-1.5	1.9	2.1	1.0	1.8
Construction	-4.4	-1.2	-1.8	-9.3	16.1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	-10.1	-1.7	2.7	-11.1	12.1
Transportation and Storage	2.0	4.0	-2.3	-27.9	-4.8
Accommodation and Food Service Activities	-2.4	-2.3	-0.6	-16.8	-9.1
Information and Communication	-1.6	-0.2	-0.1	-1.5	-1.9
Financial and Insurance Activities	4.4	0.1	8.5	4.0	0.7
Real Estate Activities	0.5	0.5	0.5	0.5	0.5
Professional, Scientific and Technical Activities	3.6	11.1	-4.4	-0.4	0.1
Administrative and Support Service Activities	0.0	0.0	0.1	-1.9	-0.5
Public Administration and Defence; Compulsory Social Security	0.6	-1.2	4.3	1.4	-2.9
Education	0.3	-0.2	0.7	-0.3	-0.3
Human Health and Social Work Activities	0.2	0.2	0.3	0.2	0.1
Arts, Entertainment and Recreation	0.2	0.3	0.2	0.2	0.1
Other Service Activities	0.2	0.4	1.2	-0.3	2.7
Activities of Households as Employers; Undifferentiated Goods-and Services-Producing Activities of Households for Own Use	1.1	1.1	1.2	1.1	1.0
FISIM[2]	-1.5	2.1	5.4	8.8	3.4
GDP At Basic Prices[3]	-2.3	-1.2	0.2	-8.3	0.9
Taxes Less Subsidies on Products	-12.5	13.5	-10.5	19.4	n.a.
GDP At Purchasers Prices/Market Prices	**-2.7**	**-0.7**	**-0.2**	**-7.4**	**n.a.**

SOURCE: Central Statistical Office

1 In 2017, the CSO changed the base year to 2012 and the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4). Annual GDP are compiled at purchaser prices; Quarterly GDP at producer prices.

2 Financial Intermediation Services Indirectly Measured.

3 For the period January to September 2021, Quarterly GDP at producer prices is used. The producer price is the amount receivable by the producer inclusive of taxes on products, except deductible value added tax, and exclusive of subsidies on products. The basic price is the amount receivable by the producer exclusive of taxes payable on products and inclusive of subsidies receivable on products.

TABLE A.2

GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES[1] BY SECTOR OF ORIGIN, 2017-2021

/ TT$ MILLIONS /

SECTOR	2017	2018	2019	2020p	Jan to Sep 2021p
Agriculture, Forestry and Fishing	1,881.4	1,666.4	1,610.8	1,608.2	1,223.2
Mining and Quarrying	19,133.0	22,047.4	20,657.4	12,718.9	15,641.9
Manufacturing	27,905.7	30,824.9	29,135.1	23,823.2	23,703.4
Electricity, Gas, Steam and Air Conditioning Supply	2,632.4	3,445.9	3,144.4	2,949.5	3,004.0
Water Supply; Sewerage, Waste Management and Remediation Activities	2,066.1	2,010.5	1,936.3	1,818.3	1,304.5
Construction	8,883.1	9,033.3	8,941.9	7,984.6	7,329.1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	38,067.9	35,033.3	37,984.1	37,676.0	30,630.3
Transportation and Storage	5,561.5	5,808.4	5,743.6	4,266.4	3,187.2
Accommodation and Food Service Activities	2,590.4	2,552.6	2,580.4	2,240.6	1,593.7
Information and Communication	3,721.5	3,622.5	3,681.6	3,553.9	2,646.7
Financial and Insurance Activities	11,815.4	11,588.8	12,763.0	11,235.0	7,970.6
Real Estate Activities	3,185.4	3,232.6	3,298.9	3,355.4	2,535.9
Professional, Scientific and Technical Activities	3,161.2	3,541.3	3,411.2	3,413.1	4,886.0
Administrative and Support Service Activities	4,595.4	4,635.6	4,675.1	4,628.8	3,485.0
Public Administration and Defence; Compulsory Social Security	14,063.8	13,604.6	13,674.7	13,752.7	10,069.8
Education	3,823.5	3,818.8	3,845.0	3,834.1	2,870.1
Human Health and Social Work Activities	780.3	777.2	891.2	921.9	701.4
Arts, Entertainment and Recreation	420.5	425.2	427.3	426.3	320.6
Other Service Activities	836.0	847.0	865.3	870.0	672.9
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	287.4	290.7	294.3	297.6	225.1
FISIM[2]	-3,998.3	-4,098.6	-4,173.7	-4,097.3	-3,037.7
GDP At Basic Prices[3]	151,413.5	154,708.3	155,387.7	137,277.2	120,963.7
Taxes Less Subsidies on Products	5,736.7	6,576.0	5,947.6	7,145.0	n.a.
GDP At Purchasers Prices/Market Prices	**157,150.1**	**161,284.3**	**161,335.3**	**144,422.1**	**n.a.**

SOURCE: Central Statistical Office

1 In 2017, the CSO changed the base year to 2012 and the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4). Annual GDP are compiled at purchaser prices; Quarterly GDP at producer prices.

2 Financial Intermediation Services Indirectly Measured.

3 For the period January to September 2021, Quarterly GDP at producer prices is used. The producer price is the amount receivable by the producer inclusive of taxes on products, except deductible value added tax, and exclusive of subsidies on products. The basic price is the amount receivable by the producer exclusive of taxes payable on products and inclusive of subsidies receivable on products.

TABLE A.3

SECTORAL COMPOSITION OF G.D.P.[1]
AT CURRENT MARKET PRICES, 2017-2021

/ PER CENT /

SECTOR	2017	2018	2019	2020p	Jan to Sep 2021p
Agriculture, Forestry and Fishing	1.2	1.0	1.0	1.1	1.0
Mining and Quarrying	12.2	13.7	12.8	8.8	12.9
Manufacturing	17.8	19.1	18.1	16.5	19.6
Electricity, Gas, Steam and Air Conditioning Supply	1.7	2.1	1.9	2.0	2.5
Water Supply; Sewerage, Waste Management and Remediation Activities	1.3	1.2	1.2	1.3	1.1
Construction	5.7	5.6	5.5	5.5	6.1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	24.2	21.7	23.5	26.1	25.3
Transportation and Storage	3.5	3.6	3.6	3.0	2.6
Accommodation and Food Service Activities	1.6	1.6	1.6	1.6	1.3
Information and Communication	2.4	2.2	2.3	2.5	2.2
Financial and Insurance Activities	7.5	7.2	7.9	7.8	6.6
Real Estate Activities	2.0	2.0	2.0	2.3	2.1
Professional, Scientific and Technical Activities	2.0	2.2	2.1	2.4	4.0
Administrative and Support Service Activities	2.9	2.9	2.9	3.2	2.9
Public Administration and Defence; Compulsory Social Security	8.9	8.4	8.5	9.5	8.3
Education	2.4	2.4	2.4	2.7	2.4
Human Health and Social Work Activities	0.5	0.5	0.6	0.6	0.6
Arts, Entertainment and Recreation	0.3	0.3	0.3	0.3	0.3
Other Service Activities	0.5	0.5	0.5	0.6	0.6
Activities of Households as Employers; Undifferentiated Goods- and Services-Producing Activities of Households for Own Use	0.2	0.2	0.2	0.2	0.2

SOURCE: Central Statistical Office

1 In 2017, the CSO changed the base year to 2012 and the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4). Annual GDP are compiled at purchaser prices; Quarterly GDP at producer prices.

TABLE A.4

MAJOR AGRICULTURAL COMMODITIES, 2016-2020

PRODUCT	2016	2017	2018	2019	2020
VEGETABLES (000 kgs)					
Tomato	2,223	2,645	1,678	1,700	2,624
Cabbage	434	435	755	365	741
Cucumber	1,102	804	741	973	1,227
Dasheen	2,396	3,224	2,511	2,097	2,085
Rice	1,823	1,619	585	536	n.a.
Pigeon Peas	858	2,043	2,601	1,223	623
Pumpkin	3,032	1,884	4,533	2,410	1,792
Melongene	1,713	913	488	1,467	2,325
MEAT SUPPLY (000 kgs)					
Beef and Veal					
Production	285	226	97	119	135
Imports	n.a.	n.a.	n.a.	n.a.	n.a.
Pork					
Production	1,994	2,178	2,278	2,036	1,729
Imports	n.a.	n.a.	n.a.	n.a.	n.a.
Mutton					
Production	60	156	49	33*	n.a.
Imports	n.a.	n.a.	n.a.	n.a.	n.a.
Broilers (000 birds): Production	31,708	33,267	31,889	33,651	31,376
Table Eggs (000 doz): Production	5,384	6,910	7,496	8,023	5,504
Milk (000 litres): Production	2,324	2,428	3,456	2,934	2,184

SOURCE: Central Statistical Office

* Data for the period January to September 2019.

TABLE A.5

PRODUCTION AND UTILISATION OF CRUDE OIL AND RELATED PRODUCTS AND PETROCHEMICALS, 2017-2021

COMMODITY GROUP	2017	2018	2019	2020	2021
CRUDE OIL					
Exploration (meters)					
Depth Drilled	121,396	110,182	91,883	55,826	60,400
Production (000 barrels)					
Crude Oil and Condensates	26,211	23,176	21,481	20,669	21,845
Of which: Condensates	4,604	3,338	3,279	3,086	2,810
Daily Average (b/d)	71,839	63,533	58,863	56,481	59,838
Imports (000 barrels)					
Crude Oil Imports	32,240	22,886	0	0	0
Of which: u.p.a.	*0*	*0*	*0*	*0*	*0*
Refining (000 barrels)[1]					
Refinery Throughput	47,720	36,000	0	0	0
Refinery Output	46,763	35,631	0	0	0
Capacity Utilisation (%)	78	59	n/a	n/a	n/a
Exports (000 barrels)					
Crude Oil Exports	9,972	8,047	21,298	20,316	21,681
Petroleum Products	36,958	29,039	6,727	6,414	7,018
Natural Gas (Mn cubic feet/day)					
Production	3,366	3,585	3,588	3,044	2,579
Utilisation[2]	3,172	3,378	3,439	2,925	2,460
Of which: Petrochemicals	*1,048*	*1,061*	*1,124*	*965*	*1,071*
Electricity Generation	*252*	*242*	*254*	*237*	*248*
LNG	*1,722*	*1,921*	*1,972*	*1,645*	*1,051*
Natural Gas Liquids (000 barrels)					
Production	9,806	8,695	8,530	7,165	6,112
Exports	8,541	7,668	8,119	6,453	5,226
Local Sales	1,152	1,308	876	866	865
Stock Change	113	-280	-465	-154	22
Fertilisers (000 tonnes)					
Production	5,595	5,431	6,104	5,799	5,648
Exports	5,141	4,924	5,206	4,640	4,607
Local Sales	5	5	4	2	2
Stock Change	449	501	894	1,157	1,040
Methanol (000 tonnes)					
Production	4,975	5,081	5,672	4,259	5,510
Exports	4,962	5,010	5,722	4,358	5,451
Local Sales	7	7	7	10	9
Stock Change	7	64	-58	-109	50

SOURCES: Ministry of Energy and Energy Industries and Central Bank of Trinidad and Tobago

1 Petrotrin's Refinery was closed in November 2018. Therefore, refinery capacity (estimated at 168,000 barrels per day prior to its closure) and capacity utilisation are not applicable from 2019.

2 Utilisation refers to gas sales and does not include natural gas used in own consumption.

TABLE A.6

PRODUCTION AND SALES OF CEMENT, 2017-2021

PRODUCT	2017	2018	2019	2020	2021
CEMENT (000 TONNES)					
Production	670.0	662.6	678.3	631.9	723.4
Local Sales	497.3	483.8	486.7	472.7	412.6
Exports	219.2	270.9	309.5	313.4	303.0

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.7

PRICES OF SELECTED EXPORT COMMODITIES, 2017-2021

COMMODITY	2017	2018	2019	2020	2021
Crude Oil (WTI[1]; US$/bbl[2])	50.9	64.8	57.0	39.3	68.0
Crude Oil (Brent; US$/bbl[2])	54.9	71.6	64.2	43.1	70.9
Natural Gas (Henry Hub; US$/mmbtu[3])	3.0	3.2	2.6	2.0	3.9
Ammonia (FOB Caribbean; US$/tonne)	236.6	268.3	206.1	187.6	546.7
Urea (FOB Caribbean; US$/tonne)	214.9	245.4	249.1	219.3	483.1
Methanol (FOB Rotterdam; US$/tonne)	399.1	474.2	363.0	294.8	502.6
Billets (FOB Latin America; US$/tonne)	430.9	500.0	426.7	390.5	616.9
Wire Rods (FOB Latin America; US$/tonne)	485.9	579.8	532.9	498.1	755.2

SOURCE: Bloomberg; Green Markets; Fertiliser Week; European Chemical News; Monthly Methanol Newsletter (TECNON); Metal Bulletin; Platts

All prices are monthly averages of published quotations and not necessarily realised prices.

1 West Texas Intermediate.

2 US dollars per barrel.

3 US dollars per million British thermal units.

TABLE A.8

INDEX OF DOMESTIC PRODUCTION, 2017-2021

/ 1995=100 /

PRODUCT	WEIGHT	2017	2018	2019	2020	Jan to Sep 2021
Food Processing	*58*	1,230.1	1,445.2	1,871.9	2,394.3	3,034.0
Drink and Tobacco	*63*	929.6	1,121.4	1,270.9	1,019.8	1,495.0
Textiles, Garments and Footwear	*6*	1,320.7	1,333.8	1,360.3	1,378.5	1,369.8
Printing, Publishing and Paper Converters	*27*	276.2	229.7	205.9	183.1	163.2
Wood and Related Products	*7*	735.0	685.0	669.9	670.9	675.5
Chemicals and Non-Metallic Minerals	*43*	307.6	320.3	331.2	362.5	376.5
Assembly-Type and Related Industries	*61*	244.8	231.9	258.6	320.7	576.2
Miscellaneous Manufacturing Industries	*10*	178.8	175.3	173.2	171.2	176.5
Electricity	*40*	80.2	71.4	70.5	67.6	69.5
Water	*6*	118.8	112.7	108.8	113.1	117.6
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	*320*	576.3	646.3	757.7	817.2	1,076.3
Explor., and Product. of Oil, Natural Gas, etc.	*445*	117.2	112.6	108.1	98.9	94.1
Petrochemicals	*182*	223.6	219.7	225.4	204.0	194.2
Oil and Natural Gas Refining[1]	*53*	883.3	731.9	206.4	173.0	139.8
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	*1,000*	324.2	335.8	335.6	346.0	424.4

SOURCE: Central Statistical Office

1 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.9

ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND HOURS WORKED (ALL EMPLOYEES), 2019-2021[1]

/ PER CENT /

INDUSTRY	DOMESTIC PRODUCTION (1995=100)			INDEX OF HOURS WORKED (1995=100)		
	2019	2020	Jan to Sep 2021	2019	2020	Jan to Sep 2021
Food Processing	29.5	27.9	28.3	1.3	2.1	2.1
Drink and Tobacco	13.3	-19.8	52.0	-16.2	-15.8	-12.1
Textiles, Garments and Footwear	2.0	1.3	-2.1	0.5	0.6	0.9
Printing, Publishing and Paper Converters	-10.4	-11.1	-11.1	0.8	2.5	1.7
Wood and Related Products	-2.2	0.2	0.4	5.3	-3.1	-4.5
Chemicals and Non-Metallic Minerals	3.4	9.4	5.7	-18.1	-0.6	2.8
Assembly-Type and Related Industries	11.5	24.0	103.4	0.8	-9.1	2.2
Miscellaneous Manufacturing Industries	-1.2	-1.2	4.1	-6.5	-0.8	-16.2
Electricity	-1.4	-4.0	6.0	-9.3	0.1	4.7
Water	-3.5	3.9	5.0	-1.8	-2.2	-3.1
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	17.2	7.8	35.0	-4.2	-2.3	-1.2
Explor., and Product. of Oil, Natural Gas, etc.	-4.0	-8.5	-7.1	-5.0	-4.7	-4.5
Petrochemicals	2.6	-9.5	-5.2	-4.6	-8.1	-6.5
Oil and Natural Gas Refining[2]	-1.6	-16.2	-24.7	0.0	0.0	0.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-0.1	3.1	24.4	-25.0	-2.6	-1.5

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

2 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.10

ANNUAL CHANGES IN THE INDICES OF AVERAGE WEEKLY EARNINGS AND EMPLOYMENT (ALL EMPLOYEES), 2019-2021[1]

/ PER CENT /

INDUSTRY	AVERAGE WEEKLY EARNINGS (1995=100)			EMPLOYMENT (1995=100)		
	2019	2020	Jan to Sep 2021	2019	2020	Jan to Sep 2021
Food Processing	-1.1	2.1	1.3	2.4	0.8	0.8
Drink and Tobacco	9.3	-1.4	-10.3	-5.8	-6.0	-4.0
Textiles, Garments and Footwear	-5.0	-3.6	-3.7	-0.5	0.0	-1.9
Printing, Publishing and Paper Converters	7.1	10.9	10.6	-1.8	-1.7	-1.4
Wood and Related Products	-17.7	-17.0	-13.5	8.1	5.9	4.2
Chemicals and Non-Metallic Minerals	3.7	3.4	1.4	-1.8	-4.4	-1.3
Assembly-Type and Related Industries	8.3	5.8	10.3	-0.8	-8.7	-5.7
Miscellaneous Manufacturing Industries	-1.8	3.0	7.9	-6.0	-4.1	-4.5
Electricity	-4.9	3.8	4.3	-7.3	-1.6	1.6
Water	2.7	1.7	-5.4	-1.8	-1.9	-3.3
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining, etc)	1.3	2.5	0.2	-0.9	-2.3	-1.6
Explor., and Product. of Oil, Natural Gas, etc.	-8.9	-9.2	-11.1	3.2	3.6	1.2
Petrochemicals	1.5	6.8	-1.5	-1.9	-5.3	-10.2
Oil and Natural Gas Refining[2]	0.0	0.0	0.0	0.0	0.0	0.0
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-36.6	2.2	-0.4	-18.5	-1.8	-1.6

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

2 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.11

ANNUAL CHANGES IN THE INDICES OF REAL EARNINGS AND OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2019-2021[1]

/ PER CENT /

INDUSTRY	REAL EARNINGS (1995=100)			INDEX OF OUTPUT PER MAN HOUR WORKED (1995=100)		
	2019	2020	Jan to Sep 2021	2019	2020	Jan to Sep 2021
Food Processing	-2.0	1.4	-0.2	28.1	25.2	25.6
Drink and Tobacco	8.2	-2.0	-11.6	35.3	-4.8	71.5
Textiles, Garments and Footwear	-5.9	-4.2	-5.2	1.5	0.8	-2.9
Printing, Publishing and Paper Converters	6.0	10.3	8.9	-11.1	-13.2	-12.6
Wood and Related Products	-18.6	-17.5	-14.8	-7.1	3.1	5.1
Chemical and Non-Metallic Minerals	2.7	2.8	-0.1	25.8	10.1	2.8
Assembly-Type and Related Industries	7.2	5.2	8.7	10.9	35.4	99.9
Miscellaneous Manufacturing Industries	-2.8	2.4	6.3	5.6	-0.3	24.7
Electricity	-5.8	3.2	2.8	7.9	-4.2	1.7
Water	1.7	1.1	-6.8	-1.7	6.2	8.4
All Industry Index						
(Excluding Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	0.3	1.9	-1.3	22.4	10.3	36.7
Explor., and Product. of Oil, Natural Gas, etc.	-9.8	-9.7	-12.4	1.1	-4.1	-2.7
Petrochemicals	0.4	6.2	-3.0	7.5	-1.2	1.3
Oil and Natural Gas Refining[2]	n.a.	n.a.	n.a.	-1.6	-16.1	-24.7
All Industry Index						
(Including Petrochem, Oil and Natural Gas, Explor., Product. and Refining)	-37.2	1.6	-1.9	3.4	5.8	26.4

SOURCE: Central Statistical Office

1 Percentage changes over the corresponding period.

2 From 2019, the index for natural gas refining is reported as oil refining fell to zero following the closure of Petrotrin's Refinery in November 2018.

TABLE A.12

INDEX OF RETAIL PRICES FOR MAJOR EXPENDITURE CATEGORIES, 2017-2021

/ JANUARY 2015=100 /

SECTION	WEIGHTS	2017	2018	2019	2020	2021
Inflation Rate (%)[1]						
All Sections	*1,000*	1.9	1.0	1.0	0.6	2.1
Food	*173*	2.9	1.1	0.6	2.8	4.4
Core[2]	*827*	1.6	1.0	1.1	0.1	1.5
Retail Price Index						
All Sections	*1,000*	106.4	107.4	108.5	109.2	111.4
Food	*173*	113.1	114.4	115.0	118.2	123.4
Core	*827*	104.9	106.0	107.2	107.3	108.9
Per cent Contribution To Change In Index						
Food	*173*	28.3	20.4	10.3	86.0	40.1
Core	*827*	71.7	79.6	89.7	14.0	59.9

SOURCE: Central Statistical Office

1 Annual figures represent the percentage change over the average for the previous year; quarterly figures represent the percentage change from the corresponding quarter of the previous year.

2 The component of measured inflation that has no medium to long term-run impact on real output in Trinidad and Tobago. This measure excludes food prices.

TABLE A.13

INDEX OF PRODUCERS' PRICES, 2017-2021

/ OCT. 1978=100 /

SECTION	WEIGHTS	2017	2018	2019	2020	Jan to Sep 2021
Food Processing	*191*	721.2	725.1	726.9	727.5	728.0
		0.7	***0.5***	***0.2***	***0.1***	***0.1***
Drink and Tobacco	*121*	1,567.3	1,575.3	1,600.8	1,695.0	1,733.3
		6.8	***0.5***	***1.6***	***5.9***	***2.8***
Textiles, Garments and Footwear	*101*	303.5	303.5	303.5	303.5	303.5
		0.0	***0.0***	***0.0***	***0.0***	***0.0***
Printing, Publishing and Paper Converters	*93*	390.8	400.0	401.7	399.3	400.7
		0.1	***2.3***	***0.4***	***-0.6***	***0.4***
Wood and Related Products	*89*	348.3	348.3	348.3	348.3	348.3
		0.0	***0.0***	***0.0***	***0.0***	***0.0***
Chemicals and Non-Metallic Minerals	*148*	617.4	583.3	582.2	577.1	561.4
		-2.0	***-5.5***	***-0.2***	***-0.9***	***-2.7***
Assembly-Type and Related Industries	*257*	346.1	348.2	348.5	349.0	349.3
		0.3	***0.6***	***0.1***	***0.2***	***0.1***
All Industry	*1,000*	605.7	603.8	607.3	617.9	620.5
		1.9	***-0.3***	***0.6***	***1.8***	***0.6***

SOURCE: Central Statistical Office

TABLE A.14

CENTRAL GOVERNMENT FISCAL OPERATIONS, 2017-2021[1]

/ TT$ MILLIONS /

EXPENDITURE	2017	2018	2019	2020[r]	2021[re]
Current Revenue	34,870.1	42,331.9	45,768.8	33,842.4	36,140.5
Current Expenditure[2]	46,263.5	45,374.4	46,986.8	47,081.2	47,723.6
Current Account Surplus(+)/Deficit(-)	-11,393.4	-3,042.5	-1,218.0	-13,238.8	-11,583.1
Capital Revenue	1,310.5	837.8	979.8	526.6	912.1
Capital Expenditure and Net lending[3]	3,448.5	3,492.1	3,790.7	3,977.7	3,070.6
Overall Surplus(+)/Deficit(-)	**-13,531.4**	**-5,696.8**	**-4,028.9**	**-16,689.9**	**-13,741.6**
Total Financing (net)	**13,531.4**	**5,696.8**	**4,028.9**	**16,689.9**	**13,741.6**
External Financing (Net)	**3,266.7**	**1,239.4**	**1,094.0**	**13,261.9**	**5,136.4**
Net External Borrowing	1,554.5	1,239.4	1,094.0	6,626.5	-904.2
Disbursements	2,099.8	1,935.3	1,951.0	7,654.9	310.5
Repayments	545.3	695.9	857.0	1,028.4	1,214.7
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Transfers from HSF (Withdrawals)	1,712.2	0.0	0.0	6,635.4	6,040.6
Domestic Financing (Net)	**10,264.7**	**4,457.4**	**2,934.9**	**3,428.0**	**8,605.2**
Debt Management Treasury Bills (Net)	1,105.0	0.0	1,435.0	2,796.0	0.0
Bonds(Net)	3,165.6	1,165.9	3,240.9	898.0	8,477.4
Disbursements	8,191.8	6,349.1	6,405.5	8,899.7	14,359.1
Repayments	5,026.2	5,183.2	3,164.6	8,001.7	5,881.7
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0
Uncashed Balances (Net)[4]	5,994.1	3,291.5	-1,741.0	-266.0	127.8
Memo Items:					
Primary Balance[5]	-9,063.0	-910.0	1,016.6	-11,627.9	-8,048.8
Surplus(+)/Deficit(-) as a Percentage of GDP (current market prices)[6]					
Current Account Surplus(+)/Deficit(-)	-7.3	-1.9	-0.8	-8.9	-7.2
Overall Surplus(+)/Deficit(-)	-8.7	-3.6	-2.5	-11.2	-8.6
Primary Surplus(+)/Deficit(-)	-5.8	-0.6	0.6	-7.8	-5.0

SOURCES: Ministry of Finance and the Central Bank of Trinidad and Tobago

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st - September 30th).
2 Includes an adjustment for transfers to the Heritage and Stabilisation Fund and funds expended from the Infrastructure Development Fund.
3 Includes an adjustment for Repayment of Past Lending in the years prior to 2016.
4 Includes errors and ommissions, advances from the Central Bank and drawdowns from the treasury deposit accounts. Negative numbers represent an increase in deposits at the Central Bank.
5 The primary balance, also known as the non-interest balance, is equal to the overall balance exclusive of interest payments.
6 GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.

r Revised.

re Revised Estimates.

TABLE A.15

CENTRAL GOVERNMENT REVENUE, 2017-2021[1]

/ TT$ MILLIONS /

EXPENDITURE	2017	2018	2019	2020r	2021re
A. Oil Sector	**4,268.7**	**6,276.0**	**11,577.3**	**5,951.8**	**6,843.0**
Corporation[2]	2,477.2	3,126.2	5,717.8	2,314.4	3,589.1
Withholding Tax	512.7	495.7	927.2	487.8	516.5
Royalties	938.9	2,288.2	4,091.1	2,834.8	2,422.6
Oil Impost	139.5	114.3	100.1	97.9	65.5
Unemployment Levy	98.7	153.3	717.9	211.0	249.0
Excise Duties	101.7	98.2	23.2	6.1	7.1
B. Non Oil Sector	**30,601.5**	**36,055.9**	**34,191.5**	**26,329.1**	**29,252.8**
Taxes on Income	15,209.3	17,482.0	17,902.4	13,527.9	13,910.5
Companies	6,919.2	8,858.4	8,693.7	5,641.4	5,984.6
Individuals	6,303.3	6,598.7	6,915.2	5,947.8	5,920.9
Unemployment Levy	0.0	0.0	0.0	0.0	0.0
Health Surcharge	218.0	183.6	190.6	170.1	162.9
Other[3]	1,768.8	1,841.4	2,102.9	1,768.6	1,842.1
Taxes on Property	3.0	3.9	49.6	0.0	1.5
Lands and Buildings Taxes	3.0	3.9	49.6	0.0	1.5
Taxes on Goods and Services	6,830.2	9,084.9	7,662.9	8,394.8	9,794.2
Purchase Tax	1.0	0.0	0.0	652.3	0.0
Excise Duties	613.8	660.9	627.6	205.2	632.3
Motor Vehicles	415.1	333.7	291.0	142.0	245.4
Value Added Tax	5,050.4	7,244.8	5,847.5	4,865.9	8,145.0
Other	749.9	845.5	896.8	2,529.4	771.5
Taxes on International Trade	2,684.8	2,732.5	2,672.3	2,281.8	2,372.9
Import Duties	2,683.8	2,732.1	2,671.9	2,281.8	2,372.6
Other	1.0	0.4	0.4	0.0	0.3
Non-Tax Revenue	5,874.2	6,752.5	5,904.3	2,124.6	3,291.6
National Lottery	335.9	213.6	272.2	403.6	270.6
Interest	34.0	28.5	25.3	15.3	13.1
Central Bank	714.0	1,046.6	1,471.9	18.0	1,450.6
Other	4,790.3	5,463.8	4,134.9	1,687.6	1,557.3
TOTAL CURRENT REVENUE	**34,870.3**	**42,331.8**	**45,768.8**	**33,842.4**	**36,140.5**
Capital Revenue	1,310.5	837.8	979.8	526.6	912.1
TOTAL REVENUE	**36,180.8**	**43,169.6**	**46,748.6**	**34,369.0**	**37,052.6**

SOURCES: Ministry of Finance and Central Bank of Trinidad and Tobago

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st - September 30th).

2 Includes receipts from Supplemental Petroleum Tax (SPT), Petroleum Profit Tax (PPT), signature bonuses, surplus sale of petroleum products, extraordinary revenue from oil and gas companies and for the award of Production Sharing Contracts (PSC).

3 Includes witholding tax from the non-oil sector, insurance surrender tax, business levy, income tax surcharge and Green Fund rceipts.

TABLE A.16

CENTRAL GOVERNMENT EXPENDITURE, 2017-2021[1]

/ TT$ MILLIONS /

EXPENDITURE	2017	2018	2019	2020[r]	2021[re]
Current Expenditure	**46,263.5**	**45,374.4**	**46,986.8**	**47,081.2**	**47,723.6**
Wages and Salaries	9,937.8	9,094.4	9,137.2	9,248.0	9,137.9
Goods and Services	5,827.2	6,102.1	6,426.4	5,861.6	5,647.0
Interest	4,468.4	4,786.8	5,045.5	5,062.0	5,692.8
External	894.4	991.2	1,126.5	1,101.7	1,329.7
Domestic	3,574.0	3,795.6	3,919.0	3,960.3	4,363.1
Transfers and Subsidies	26,030.1	25,391.1	26,377.7	26,909.5	27,245.9
Of which:					
Statutory Boards and State Enterprises	8,769.0	8,699.1	9,465.8	5,877.1	5,729.0
Households	9,026.3	8,741.0	9,396.9	10,087.1	9,247.7
Capital Expenditure and Net-Lending[2]	**3,448.5**	**3,492.1**	**3,790.7**	**3,977.7**	**3,070.6**
TOTAL EXPENDITURE	**49,712.0**	**48,866.5**	**50,777.5**	**51,058.9**	**50,794.2**
(in % of GDP at current market prices)[3]	32.0	30.5	31.5	34.3	31.7
Memo Items (% of Expenditure):					
Current Expenditure	93.1	92.9	92.5	92.2	94.0
Capital Expenditure and Net-Lending	6.9	7.1	7.5	7.8	6.0

SOURCES: Ministry of Finance and Central Bank of Trinidad and Tobago

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund. Data is in fiscal years (October 1st - September 30th).

2 See footnote 3 on Table A.14.

3 GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.

r Revised.

re Revised Estimates.

TABLE A.17 (A)

CENTRAL GOVERNMENT EXTERNAL DEBT, 2017-2021[1]

/ TT$ MILLIONS /

ITEM	2017	2018	2019	2020r	2021p
CENTRAL GOVERNMENT					
Receipts	401.7	263.2	365.4	1,269.1	130.6
Amortisation	80.5	103.1	125.3	505.6	169.1
Interest	134.5	147.4	167.1	167.8	140.5
Balance Outstanding (end of period)	3,535.8	3,695.8	3,939.4	4,707.3	4,660.3
Balance Outstanding/GDP (%)	15.2	15.4	16.3	21.3	19.6
External Debt Service/Exports (%)	2.1	2.2	2.9	9.7	3.1

SOURCE: Central Bank of Trinidad and Tobago

GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21

1 Data are in Fiscal Years (October 1st -September 30th).

TABLE A.17 (B)

CENTRAL GOVERNMENT INTERNAL DEBT, 2017-2021[1]

/ TT$ MILLIONS /

ITEM	2017	2018	2019	2020r	2021p
BONDS & NOTES					
Issue	8,251.1	6,275.0	6,325.4	11,805.5	13,325.5
Redemption	3,674.3	4,424.4	2,331.3	4,103.2	5,420.4
Outstanding	35,487.1	37,507.6	41,253.0	48,489.0	56,921.7
CLICO AND HCU ZERO-COUPON BONDS					
Issue	3.9	1.7	0.3	0.0	0.0
Redemption[2]	528.2	503.2	507.0	491.4	500.3
Outstanding	3,269.5	2,767.9	2,261.3	1,769.9	1,269.7
BOLTS AND LEASES					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	27.0	28.7	25.2	26.8	28.3
Outstanding	159.3	130.6	105.4	78.6	50.3
OTHER[3]					
Issue	0.0	0.0	0.0	0.0	0.0
Redemption	0.2	0.0	0.0	0.0	0.0
Outstanding	16.7	16.7	16.7	16.7	16.7
DEBT MANAGEMENT BILLS					
Issue	4,110.0	3,875.0	4,140.0	6,762.0	6,109.0
Redemption	3,005.0	3,875.0	2,705.0	3,966.0	1,432.0
Outstanding	1,905.0	1,905.0	3,340.0	6,136.0	6,136.0
Total Internal Debt Outstanding	40,837.4	42,327.8	46,976.4	56,490.2	64,394.4
Internal Debt Outstanding/GDP (%)	27.0	26.8	29.8	37.7	40.2
Internal Debt Service/Revenues (%)	20.2	15.4	9.9	21.0	21.0

SOURCES: Ministry of Finance and Central Bank of Trinidad and Tobago

GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21

1 Data is in Fiscal Years (October 1st -September 30th) and excludes all securities issued for sterilisation purposes (OMO Bills, Treasury notes, Treasury Bonds and other liquidity absorption bonds).

2 Includes the exchange of bonds for shares in the CLICO Investment Fund (CIF).

3 Comprises tax-free saving bonds, central bank fixed interest rate bonds and public sector emolument bonds.

TABLE A.18 (A)

COMMERCIAL BANKS: SELECTED DATA, 2017-2021

/ TT$ MILLIONS /

ITEM	END OF PERIOD				
	2017	2018	2019	2020	2021
A. OUTSTANDING					
1. Aggregate Deposits (adj.)	**102,636.6**	**105,901.1**	**108,916.5**	**116,724.9**	**117,627.1**
Demand Deposits (adj.)[1]	35,908.7	37,035.6	38,254.4	44,786.6	44,324.8
Time Deposits (adj.)[2]	10,163.5	10,231.1	11,470.9	10,341.6	8,946.4
Savings Deposits (adj.)[3]	32,578.3	34,218.0	34,967.6	36,783.6	38,351.3
Foreign Currency Deposits (adj.)[4]	23,986.1	24,416.5	24,223.6	24,813.1	26,004.7
2. Gross Bank Credit[5]	**64,974.0**	**66,483.2[r]**	**70,542.8[r]**	**69,973.2**	**70,398.4**
Of which:					
Business Purposes	*25,151.0*	*25,143.4[r]*	*25,130.5[r]*	*25,244.2*	*26,500.5*
Corporate	*23,497.3*	*23,314.0[r]*	*23,384.2[r]*	*23,560.8*	*24,673.4*
Non-Corporate	*1,653.7*	*1,829.4*	*1,746.3*	*1,683.4*	*1,827.1*
3. Investments	**33,337.5**	**34,450.7**	**31,112.7**	**36,365.4**	**40,890.2**
Government Securities	17,706.9	18,446.6	14,491.0	19,364.3	21,874.5
Other Investments[6]	15,630.6	16,004.1	16,621.7	17,001.1	19,015.7
Of which:					
Interest-bearing Special Deposit Facility[7]	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
B. ANNUAL CHANGE					
1. Aggregate Deposits (adj.)	**-2,019.3**	**3,264.5**	**3,015.4**	**7,808.4**	**902.2**
Demand Deposits (adj.)	-1,628.5	1,126.9	1,218.8	6,532.2	-461.8
Time Deposits (adj.)	-458.7	67.5	1,239.8	-1,129.3	-1,395.2
Savings Deposits (adj.)	-51.9	1,639.7	749.7	1,815.9	1,567.7
Foreign Currency Deposits (adj.)	119.8	430.4	-193.0	589.5	1,191.5
2. Gross Bank Credit	**2,484.7**	**1,509.2[r]**	**4,059.6[r]**	**-569.6[r]**	**425.2**
Of which:					
Business Purposes	*982.8*	*-7.6[r]*	*-12.8[r]*	*113.6[r]*	*1,256.4*
Corporate	*950.2*	*-183.3[r]*	*70.2[r]*	*176.6[r]*	*1,112.7*
Non-Corporate	*32.6*	*175.7*	*-83.0*	*-62.9*	*143.7*
3. Investments	**-2,682.7**	**1,113.2**	**-3,338.0**	**5,252.7**	**4,524.8**
Government Securities	-2,112.4	739.7	-3,955.6	4,873.3	2,510.2
Other Investments	-570.3	373.5	617.7	379.4	2,014.5
Of which:					
Interest-Bearing Special Deposit Facility	*-1,500.0*	*0.0*	*0.0*	*0.0*	*0.0*

SOURCE: Central Bank of Trinidad and Tobago

1 Total demand deposits minus non-residents' and Central Government's demand deposits, cash items in process of collection on other banks, and branch clearings, plus cashiers and branch clearings.
2 Total time deposits minus Central Government's deposits and deposits of non-residents.
3 Total savings deposits minus Central Government's deposits and deposits of non-residents.
4 Total demand, savings and time deposits in foreign currency minus those of non-residents.
5 Total loans excluding loans to non-residents and central government.
6 Interest-bearing deposits at the Central Bank, other local and foreign securities, and equity in subsidiaries and affiliates.
7 Deposits were placed by the commercial banks between 2005 and 2012 including TT $1 billion in December 2005, TT $500 million placed in June 2006, TT $2.0 billion placed in November 2009, TT $1.0 billion placed in November 2010 and TT $1.5 billion placed in March 2012. Two special deposit facilities for TT $2.0 billion and TT $1.5 billion and one for TT $1.0 billion were allowed to mature in 2015 and 2016, respectively.

TABLE A.18 (B)

SUMMARY ACCOUNTS OF THE MONETARY SYSTEM, 2017-2021

/ TT$ MILLIONS /

ITEM	END OF PERIOD 2017	2018	2019	2020	2021
Net Foreign Assets	**71,792**	**66,647**	**61,796**	**66,372**	**65,941**
Monetary Authorities	53,004	47,816	43,579	43,689	39,027
Commercial Banks	18,787	18,832	18,217	22,683	26,914
Net Domestic Assets	**38,267**	**43,971**	**48,378**	**53,106**	**57,037**
Net Claims on Public Sector	1,960	4,721	8,173	14,702	14,885
Central Government (net)	799	2,619	8,767	16,572	17,424
Treasury Bills	9,294	11,298	7,373	11,502	12,444
Other Government Securities	8,611	7,347	7,281	7,977	9,529
Other Credit (net)	-16,705	-14,683	-4,660	-1,510	-3,253
Local Government (net)	-1,308	-617	-550	-445	-474
Statutory Bodies (net)	-1,401	-2,363	-3,166	-4,293	-5,074
Public Enterprises (net)	3,870	5,083	3,123	2,868	3,009
Official Capital and Surplus	-9,184	-7,823	-7,456	-7,550	-136
Credit to Other Financial Institutions (net)	-10,219	-10,880	-11,480	-13,757	-11,998
Credit to Private Sector	56,047	58,326	60,938	60,599	62,249
Interbank Float	923	597	3,523	3,759	2,424
Other Assets (net)	-1,259	-970	-5,320	-5,139r	-10,386
Liabilities to Private Sector (M3)	**110,059**	**110,618**	**110,174**	**119,478**	**122,977**
Money and Quasi-Money	90,074	92,094	90,477	98,471	100,712
Money	37,280	37,870	36,714	42,989	44,126
Currency in Circulation	8,104	7,941	4,783	6,740	7,504
Demand Deposits	29,176	29,929	31,931	36,249	36,622
Quasi-Money	52,795	54,223	53,763	55,482	56,586
Time Deposits	8,817	7,743	8,211	7,903	7,218
Savings Deposits	43,977	46,480	45,552	47,579	49,368
Securitised Instruments	788	312	177	538	212
Private Capital and Surplus	19,197	18,212	19,520	20,468	22,053
	Changes as a per cent of beginning-of-period M3				
Net Foreign Assets	**-6.5**	**-4.7**	**-4.4**	**4.2**	**-0.4**
Net Domestic Assets	6.3	5.2	4.0	4.3	3.3
Net Claims on Public Sector	3.1	2.5	3.1	5.9	0.2
Of which: Central Government	2.6	1.7	5.6	7.1	0.7
Credit to Private Sector	2.5	2.1	2.4	-0.3	1.4
Other Assets (net)	-1.6	0.3	-3.9	0.6	-4.4
Liabilities to private sector (M3)	**-0.2**	**0.5**	**-0.4**	**8.4**	**2.9**
Memorandum items:					
Net Domestic Assets	38,267	43,971	48,378	53,106	57,037
Net Claims on Public Sector	1,960	4,721	8,173	14,702	14,885
Central Government	799	2,619	8,767	16,572	17,424
Credit to the Private Sector	56,047	58,326	60,938	60,599	62,249
(12-month increase in per cent) M3 Velocity	1.4	1.4	1.4	1.3	1.2

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.19

LIQUIDITY POSITION OF COMMERCIAL BANKS, 2020-2021

/ TT$ MILLIONS /

ITEM	2020				2021			
	I	II	III	IV	I	II	III	IV
Legal Reserves Position								
Required Reserves[1]	12,312.1	12,606.6	12,947.0	13,303.4	13,286.6	12,964.3	12,917.4	13,197.4
Cash Reserves	17,508.6	22,353.3	27,597.4	23,448.4	20,828.5	20,948.3	20,667.0	17,659.1
Excess (+) or Shortage (-)[2]	5,196.5	9,746.7	14,650.4	10,145.0	7,541.9	7,984.0	7,749.6	4,461.7
Average Excess(+) or Shortage(-)[3]	4,262.1	8,023.9	11,558.5	13,598.1	10,122.2	7,739.9	7,276.0	7,349.7
Liquid Assets								
Total Deposits at Central Bank	17,508.6	22,353.3	27,597.4	23,448.4	20,828.5	20,948.3	20,667.0	17,659.1
Local Cash in Hand	1,632.5	1,210.2	1,266.5	1,662.0	1,404.2	1,265.0	1,371.4	1,738.8
Treasury Bills	3,834.2	4,221.2	4,542.8	4,489.5	4,260.9	4,519.0	4,590.5	4,853.6
Total Liquid Assets	**22,975.3**	**27,784.7**	**33,406.7**	**29,599.9**	**26,493.6**	**26,732.3**	**26,628.9**	**24,251.5**
Total Deposit Liabilities (adj.)	**87,943.4**	**90,047.3**	**92,478.8**	**95,024.2**	**94,904.6**	**92,602.1**	**92,267.4**	**94,267.2**
	As at Percentage of Total Deposit Liabilities (Adj.)							
Legal Reserves Position								
Required Reserves	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Actual Reserves	19.9	24.8	29.8	24.7	21.9	22.6	22.4	18.7
Cash Reserves	19.9	24.8	29.8	24.7	21.9	22.6	22.4	18.7
Excess (+) or Shortage (-)	5.9	10.8	15.8	10.7	7.9	8.6	8.4	4.7
Average Excess(+) or Shortage(-)	4.8	8.9	12.5	14.3	10.7	8.4	7.9	7.8
Liquid Assets								
Total Deposits at Central Bank	19.9	24.8	29.8	24.7	21.9	22.6	22.4	18.7
Local Cash in Hand	1.9	1.3	1.4	1.7	1.5	1.4	1.5	1.8
Treasury Bills	4.4	4.7	4.9	4.7	4.5	4.9	5.0	5.1
TOTAL LIQUID ASSETS	**26.1**	**30.9**	**36.1**	**31.1**	**27.9**	**28.9**	**28.9**	**25.7**

SOURCE: Central Bank of Trinidad and Tobago

1 Required reserves comprise the statutory cash reserves requirement which was reduced from 17 per cent to 14 per cent on March 17, 2020. A secondary reserve requirement of 2 per cent, which was introduced, on a temporary basis, on October 04, 2006 was suspended effective August 02, 2018.

2 Represents the excess/shortage as at the end of the quarter.

3 Represents the excess/shortage as an average through the quarter.

TABLE A.20

COMMERCIAL BANKS:
DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2017-2021

/ TT$ MILLIONS /

SECTOR	END OF PERIOD				
	2017	2018	2019	2020	2021
Central and Local Government	376.6	632.2	556.5	610.0	443.4
Agriculture	151.1	201.2	200.5	160.6	158.1
Petroleum	2,132.6	3,578.9	3,726.5	3,116.3	3,287.6
Manufacturing	3,911.2	3,495.2	3,857.7	3,875.7ʳ	3,766.8
Construction	3,103.0	2,836.6	1,882.5	2,610.9ʳ	2,655.1
Distributive Trades	3,843.5	3,876.6	4,068.3	3,817.5ʳ	3,802.3
Hotels and Guest Houses	1,033.0	904.6	1,649.5	1,668.5	1,738.1
Transport, Storage and Communication	1,821.0	2,135.0	1,578.8	1,301.6ʳ	1,301.1
Finance, Insurance and Real Estate	10,223.5	10,870.5	12,091.5	11,757.8ʳ	11,758.6
Education, Cultural and Community Services	126.9	227.9	317.6	312.5	279.4
Personal Services	652.1	912.7	1,351.1	1,227.8	1,207.4
Electricity and Water	3,111.0	1,439.3	1,491.6	1,249.5ʳ	1,128.8
Consumers	17,318.6	18,349.0	19,388.1	18,802.6ʳ	18,391.4
TOTAL (Excluding Real Estate Mortgage Loans)	**47,804.1**	**49,459.8**	**52,160.2**	**50,511.2ʳ**	**49,918.1**
Real Estate Mortgage Loans and Lease Financing	19,681.7	21,019.0	23,683.0	24,816.4ʳ	25,744.1
TOTAL LOANS	**67,485.8**	**70,478.8**	**75,843.2**	**75,327.6ʳ**	**75,662.2**

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.21

COMMERCIAL BANKS:
PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2017-2021[1]
/ PER CENT /

SECTOR	END OF PERIOD				
	2017	2018	2019	2020	2021
Central Government	0.6	0.9	0.7	0.8	0.6
Agriculture	0.2	0.3	0.3	0.2	0.2
Petroleum	3.2	5.1	4.9	4.1	4.3
Manufacturing	5.8	5.0	5.1	5.1	5.0
Construction	4.6	4.0	2.5	3.5r	3.5
Distributive Trades	5.7	5.5	5.4	5.1	5.0
Hotels and Guest Houses	1.5	1.3	2.2	2.2	2.3
Transport, Storage and Communication	2.7	3.0	2.1	1.7	1.7
Finance, Insurance and Real Estate	15.1	15.4	15.9	15.6r	15.5
Education, Cultural and Community Services	0.2	0.3	0.4	0.4	0.4
Personal Services	1.0	1.3	1.8	1.6	1.6
Electricity and Water	4.6	2.0	2.0	1.7	1.5
Consumers	25.7	26.0	25.6	25.0	24.3
TOTAL (Excluding Real Estate Mortgage Loans)	**70.8**	**70.2**	**68.8**	**67.1r**	**66.0**
Real Estate Mortgage Loans and Lease Financing	29.2	29.8	31.2	32.9r	34.0
TOTAL LOANS	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.20

1 Figures may not sum to 100 due to rounding.

TABLE A.22

COMMERCIAL BANKS: INTEREST RATES, 2018-2020[1]

/ PER CENT /

INTEREST RATES		2018	2019	2020p	2020p I	II	III	IV
A. LOAN RATES (MARKET)								
(i) Installment	Range	0.73-19.50	0.73-19.50	3.00-29.00	3.00-20.75	3.00-20.75	3.00-20.75	3.00-29.00
	Median	7.50	7.50	6.76	8.93	6.75	6.68	6.63
(ii) Demand	Range	0.20-15.50	0.20-15.50	0.00-20.00	1.50-15.25	2.00-20.00	0.00-17.25	2.00-17.25
	Median	7.50	7.50	7.50	9.25	7.50	7.50	7.50
(iii) Overdraft	Range	4.00-27.75	4.00-27.75	0.85-29.00	0.85-29.00	0.85-29.00	0.85-29.00	3.01-29.00
	Median	7.50	7.50	7.56	9.25	7.63	7.50	7.50
(iv) Basic Prime Rate	Range	8.75-9.75	8.85-9.75	7.25-9.75	7.25-9.75	7.25-7.80	7.25-7.80	7.25-7.80
	Median	9.00r	9.25	7.50	9.25	7.50	7.50	7.50
(v) Real Estate Mortgage	Range	3.00-16.43	3.00-16.43	3.00-17.25	3.00-17.25	3.00-14.00	3.00-14.00	3.00-14.00
	Median	7.50	7.50	6.69	7.88	6.50	6.50	7.25
B. DEPOSIT RATES (Announced)								
(i) Ordinary Savings	Range	0.03-1.00	0.03-1.00	0.00-1.10	0.00-0.40	0.00-1.10	0.00-1.10	0.00-1.10
	Median	0.20	0.20	0.11	0.11	0.11	0.11	0.06
(ii) Special Savings	Range	0.03-2.00	0.03-2.00	0.00-2.00	0.00-2.00	0.00-2.00	0.00-2.00	0.00-0.20
	Median	0.20	0.20	0.33	0.33	0.33	0.33	0.05
(iii) 3-Months Time	Range	0.05-3.95	0.05-3.95	0.00-0.65	0.00-0.65	0.00-0.65	0.00-0.65	0.00-0.65
	Median	0.38	0.38	0.30	0.30	0.30	0.30	0.31
(iv) 3-6 Months Time	Range	0.05-3.00	0.05-3.00	0.00-0.80	0.00-0.80	0.00-0.80	0.00-0.80	0.00-0.75
	Median	0.45	0.45	0.40	0.40	0.40	0.40	0.34
(iv) 6-Months Time	Range	0.05-0.75	0.05-0.75	0.00-0.80	0.25-0.80	0.25-0.80	0.25-0.80	0.04-0.60
	Median	0.50	0.50	0.43	0.43	0.43	0.43	0.21
(v) 1-Year Time	Range	0.05-3.00	0.05-3.00	0.00-1.50	0.00-1.50	0.00-1.50	0.00-1.50	0.00-1.30
	Median	0.78	0.78	0.81	0.81	0.81	0.81	0.66

SOURCE: Central Bank of Trinidad and Tobago

1 Annual data represent the rates for the twelve (12) months of the year and quarterly data represent the rates for the three (3) months of the quarter.

TABLE A.23

MONEY SUPPLY, 2017-2021
/ TT$ MILLIONS /

SECTOR	END OF PERIOD 2017	2018	2019	2020	2021
A. Narrow Money Supply (M-1A)	**44,012.7**	**44,976.8**	**43,036.7**	**52,104.7**	**51,828.4**
Currency in Active Circulation	8,104.1	7,941.2	4,782.3	7,318.1	7,503.6
Demand Deposits (adj.)	35,908.7	37,035.6	38,254.4	44,786.6	44,324.8
B. Factors Affecting Changes in Money Supply					
1. Net Bank Credit to Central Government	-27,879.9	-26,287.5	-20,149.8	-22,243.8	-13,878.3
(a) Central Bank	-45,444.5	-44,276.0	-34,138.5	-41,119.6	-35,223.5
(b) Commercial Banks	17,564.5	17,988.5	13,988.7	18,875.8	21,345.2
2. Bank Credit	68,158.9	70,503.4r	74,429.0r	73,132.3	73,872.7
(a) Public Sector[1]	11,213.7	11,292.6	12,586.5	11,507.3	10,569.9
(b) Private Sector[2]	56,945.1	59,210.8r	61,842.4r	61,625.0	63,302.8
3. External Assets (net)	83,921.9	83,597.3r	49,182.9r	50,196.1	62,787.1
4. Quasi-Money[3]	-42,741.8	-44,449.0	-46,438.5	-47,125.2	-47,297.6
5. Foreign Currency Deposits (Adj.)	-23,986.1	-24,416.5	-24,223.6	-24,813.1	-26,004.7
6. NFIs Foreign Currency Deposit (Adj.)	-398.5	-906.0	-656.0	-676.8	-1,766.5
7. Other Items (Net)	-13,460.1	-13,970.8	10,236.6	22,958.4	2,349.2
C. Broad Money Supply (M-2)	**86,754.6**	**89,425.8**	**89,475.2**	**99,229.8**	**99,126.0**
D. Broad Money Supply (M-2*)[4]	**110,740.7**	**113,842.4**	**113,698.8**	**124,043.0**	**125,130.7**
Memorandum Items:[5]					
Money Supply M-3	88,337.0	90,886.5	91,251.8	101,133.2	102,228.7
Money Supply M-3*	112,721.5	116,209.0	116,131.0	126,622.9	129,999.5

SOURCE: Central Bank of Trinidad and Tobago

1 Includes Central Bank's and commercial banks' loans and holdings of public sector securities.
2 Includes commercial banks' loans and holdings of private sector securities.
3 Excludes foreign currency deposits of residents which are shown separately below.
4 Includes foreign currency deposits of residents.
5 In addition to M-2, M-3 includes the time deposits of non-bank financial institutions (NFIs), while in addition to M-2*, M-3* includes-foreign currency deposits of residents at NFIs.

TABLE A.24

FINANCE COMPANIES AND MERCHANT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2017-2021

/ TT$ THOUSANDS /

END OF PERIOD	EXTERNAL ASSETS (NET)	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT		
				INVESTMENTS	LOANS (GROSS)	TOTAL
	(1)	(2)	(3)	(4)	(5)	(6)
2017	83,722	225,706	506,360	2,087,386	3,404,797	5,492,183
2018	119,506	219,656	728,218	2,337,738	3,688,482	6,026,220
2019	71,691	228,411	758,891	3,052,717	3,522,071	6,574,788
2020	141,350	181,123	1,140,032	2,604,531	3,565,264	6,169,795
2021	180,822	261,993	1,685,811	3,506,489	3,702,140	7,208,629
2020						
I	69,004	195,061	853,087	2,901,550	3,526,936	6,428,486
II	42,803	201,486	1,010,059	2,710,632	3,668,876	6,379,508
III	141,382	185,338	788,863	2,608,034	3,799,246	6,407,280
IV	141,350	181,123	1,140,032	2,604,531	3,565,264	6,169,795
2021						
I	101,101	197,865	1,210,267	2,513,325	3,837,107	6,350,432
II	162,356	227,136	944,406	2,888,082	3,970,812	6,858,894
III	219,063	225,661	1,067,518	3,297,137	4,189,585	7,486,722
IV	180,822	261,993	1,685,811	3,506,489	3,702,140	7,208,629

END OF PERIOD	TOTAL ASSETS / LIABILITIES	DEPOSITS	BORROWINGS[1]	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)	(12)
2017	6,207,311	2,062,452	1,182,483	100,659	2,987,187	-22,194
2018	6,943,833	2,731,783	1,036,372	149,767	3,328,274	-134,374
2019	7,478,021	2,843,156	1,028,815	155,762	3,633,872	-13,352
2020	7,450,320	2,520,957	1,022,874	181,985	3,922,229	-5,973
2021	9,135,041	4,021,040	883,435	202,214	3,962,641	284,950
2020						
I	7,381,718	2,633,039	1,045,213	163,921	3,703,849	8,522
II	7,443,100	2,650,955	1,033,277	190,753	3,783,803	-14,682
III	7,314,741	2,586,442	1,034,170	208,125	3,756,413	-55,039
IV	7,450,320	2,520,957	1,022,874	181,985	3,922,229	-5,973
2021						
I	7,666,464	2,658,618	1,033,462	193,202	3,940,437	44,363
II	7,992,439	3,144,908	1,044,197	200,352	3,843,986	-24,737
III	8,788,563	3,734,153	1,032,335	210,403	3,876,017	156,452
IV	9,135,041	4,021,040	883,435	202,214	3,962,641	284,950

SOURCE: Central Bank of Trinidad and Tobago

1 Borrowings from all sources other than commercial banks. Borrowings from commercial banks are reflected in Column 3.

TABLE A.25

FINANCE COMPANIES AND MERCHANT BANKS: DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2017-2021

/ TT$ MILLIONS /

SECTOR	END OF PERIOD				
	2017	2018	2019	2020	2021
Public Sector	**101.1**	**230.3**	**70.1**	**198.8**	**460.1**
Private Sector	**2,933.1**	**3,046.9**	**3,132.3**	**3,076.7**	**2,969.4**
Agriculture	28.3	33.9	31.6	37.0	32.3
Petroleum	6.9	6.6	7.5	9.9	10.3
Manufacturing	92.9	77.0	57.3	62.0	56.9
Construction	231.9	135.7	142.7	188.7	220.6
Distributive Trades	95.5	105.5	112.8	131.5	129.5
Hotels and Guest Houses	34.9	56.0	44.4	44.7	48.8
Transport, Storage and Communication	121.7	118.4	115.8	126.4	114.3
Finance, Insurance, Real Estate and Services	532.4	626.3	472.4	464.5	479.2
Education, Cultural and Community Services	0.8	0.4	0.3	0.1	0.0
Personal Services	142.1	157.5	333.6	147.7	135.4
Consumers	1,645.9	1,729.5	1,813.9	1,864.1	1,741.9
TOTAL (Excluding Real Estate Mortgage Loans and Leases)	**3,034.2**	**3,277.3**	**3,202.4**	**3,275.5**	**3,429.5**
Real Estate Mortgage Loans	59.3	56.0	59.0	75.5	91.7
Leases	258.1	222.9	222.6	195.3	169.3
TOTAL LOANS	**3,351.5**	**3,556.2**	**3,484.1**	**3,546.3**	**3,690.4**

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.26

FINANCE COMPANIES AND MERCHANT BANKS: percentage DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 2017-2021

/ PER CENT /

SECTOR	END OF PERIOD				
	2017	2018	2019	2020	2021
Public Sector	**3.0**	**6.5**	**2.0**	**5.6**	**12.5**
Private Sector	**87.5**	**85.7**	**89.9**	**86.8**	**80.5**
Agriculture	0.8	1.0	0.9	1.0	0.9
Petroleum	0.2	0.2	0.2	0.3	0.3
Manufacturing	2.8	2.2	1.6	1.7	1.5
Construction	6.9	3.8	4.1	5.3	6.0
Distributive Trades	2.8	3.0	3.2	3.7	3.5
Hotels and Guest Houses	1.0	1.6	1.3	1.3	1.3
Transport, Storage and Communication	3.6	3.3	3.3	3.6	3.1
Finance, Insurance, Real Estate and Business Services	15.9	17.6	13.6	13.1	13.0
Education, Cultural and Community Services	0.0	0.0	0.0	0.0	0.0
Personal Services	4.2	4.4	9.6	4.2	3.7
Consumers	49.1	48.6	52.1	52.6	47.2
TOTAL (Excluding Real EstateMortgage Loans and Leases)	**90.5**	**92.2**	**91.9**	**92.4**	**92.9**
Real Estate Mortgage Loans	1.8	1.6	1.7	2.1	2.5
Leases	7.7	6.3	6.4	5.5	4.6
TOTAL LOANS	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.25

TABLE A.27

TRUST AND MORTGAGE FINANCE COMPANIES: SUMMARY OF ASSETS AND LIABILITIES, 2017-2021

/ TT$ THOUSANDS /

END OF PERIOD	CASH AND DEPOSITS AT CENTRAL BANK	BALANCES DUE FROM BANKS (NET)	DOMESTIC CREDIT			TOTAL ASSETS/ LIABILITIES
			INVESTMENTS	LOANS (GROSS)	TOTAL	
	(1)	(2)	(3)	(4)	(5)	(6)
2017	161,894	558,807	636,423	239,338	1,422,836	1,584,730
2018	14,485	588,444	459,127	201,710	1,237,244	1,251,729
2019	45,067	576,103	461,475	393,295	1,413,320	1,458,387
2020	85,987	746,908	517,952	498,365	1,739,812	1,825,799
2021	93,120	625,029	1,227,548	629,700	2,451,841	2,544,961
2020						
I	21,333	375,332	498,748	583,260	1,436,889	1,458,222
II	31,575	476,558	502,624	539,016	1,493,326	1,524,901
III	42,495	602,806	519,184	589,834	1,683,894	1,726,389
IV	85,987	746,908	517,952	498,365	1,739,812	1,825,799
2021						
I	505,008	718,425	622,666	492,117	1,809,293	2,314,301
II	485,034	554,237	957,164	484,384	1,970,381	2,455,415
III	145,335	789,735	1,096,632	552,781	2,409,589	2,554,924
IV	93,120	625,029	1,227,548	629,700	2,451,841	2,544,961

END OF PERIOD	DEPOSITS	BORROWINGS	PROVISIONS	CAPITAL AND RESERVES	OTHER ITEMS (NET)
	(7)	(8)	(9)	(10)	(11)
2017	314,533	-68	11,732	1,470,817	-200,553
2018	110,976	-68	12,037	1,288,915	-148,093
2019	207,477	-68	17,553	1,421,192	-156,581
2020	390,866	39,932	24,392	1,437,309	-3,088
2021	1,251,756	-68	31,466	1,423,628	-131,385
2020					
I	222,950	129,932	20,451	1,384,748	-136,331
II	309,395	36,933	24,872	1,400,226	-184,474
III	384,460	-68	27,930	1,419,243	-77,058
IV	390,866	39,932	24,392	1,437,309	-3,088
2021					
I	1,008,197	-67	24,900	1,404,226	-98,832
II	1,186,656	-67	26,383	1,399,492	-131,645
III	1,113,245	-68	30,531	1,410,631	30,144
IV	1,251,756	-68	31,466	1,423,628	-131,385

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.28

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 2017-2021

/ TT$ THOUSANDS /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS				TOTAL ASSETS/ LIABILITIES	CAPITAL AND RESERVES	OTHER ITEMS (NET)
		DEPOSITS IN LOCAL BANKS	PUBLIC SECTOR CREDIT	PRIVATE SECTOR CREDIT	TOTAL			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2017	0	-37,464	-617,652	4,338,312	3,683,196	3,683,196	1,608,305	2,074,891
2018	0	-699,915	-399,200	4,024,546	2,925,432	2,925,432	1,692,917	1,232,515
2019	0	-143,717	-10,000	4,342,300	4,188,583	4,188,583	1,759,748	2,428,834
2020	0	-138,581	0	4,483,608	4,345,027	4,345,027	1,774,604	2,570,423
2021p	0	-144,852	0	4,614,268	4,469,416	4,469,416	1,887,074	2,582,343
2017								
I	0	-441,355	-1,421,197	4,234,443	2,371,891	2,371,891	1,607,292	764,599
II	0	-473,343	-1,398,570	4,248,230	2,376,317	2,376,317	1,570,003	806,314
III	0	-470,766	-627,913	4,327,907	3,229,228	3,229,228	1,586,759	1,642,470
IV	0	-37,464	-617,652	4,338,312	3,683,196	3,683,196	1,608,305	2,074,891
2018								
I	0	-348,620	-582,853	4,246,103	3,314,629	3,314,629	1,637,866	1,676,763
II	0	-352,549	-572,314	4,364,971	3,440,108	3,440,108	1,626,728	1,813,380
III	0	-306,363	-537,514	3,895,389	3,051,512	3,051,512	1,645,197	1,406,315
IV	0	-699,915	-399,200	4,024,546	2,925,432	2,925,432	1,692,917	1,232,515
2019								
I	0	-816,230	-376,200	4,124,249	2,931,819	2,931,819	1,721,236	1,210,583
II	0	-145,909	-20,000	4,256,996	4,091,087	4,091,087	1,697,435	2,393,652
III	0	-146,051	-10,000	4,120,033	3,963,982	3,963,982	1,728,300	2,235,682
IV	0	-143,717	-10,000	4,342,300	4,188,583	4,188,583	1,759,748	2,428,834
2020								
I	0	-146,645	-10,000	4,263,857	4,107,212	4,107,212	1,780,532	2,326,680
II	0	-143,643	-10,000	4,216,267	4,062,624	4,062,624	1,774,830	2,287,794
III	0	-142,110	0	4,291,584	4,149,473	4,149,473	1,745,061	2,404,411
IV	0	-138,581	0	4,483,608	4,345,027	4,345,027	1,774,604	2,570,423
2021								
I	0	-141,518	0	4,512,550	4,371,032	4,371,032	1,806,569	2,564,463
II	0	-116,255	0	4,510,271	4,394,016	4,394,016	1,860,529	2,533,486
III	0	-143,725	0	4,616,717	4,472,992	4,472,992	1,882,337	2,590,656
IVp	0	-144,852	0	4,614,268	4,469,416	4,469,416	1,887,074	2,582,343

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.29

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 2017-2021

/ TT$ THOUSANDS /

END OF PERIOD	EXTERNAL ASSETS (NET)	NET DOMESTIC ASSETS: NET DEPOSITS IN LOCAL BANKS	NET DOMESTIC ASSETS: PUBLIC SECTOR CREDIT	NET DOMESTIC ASSETS: PRIVATE SECTOR CREDIT	NET DOMESTIC ASSETS: TOTAL	TOTAL ASSETS/ LIABILITIES	DEPOSITS: TIME	DEPOSITS: SAVINGS	DEPOSITS: TOTAL	SHARES	OTHER ITEMS (NET)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2017	0	4,602	9,575	94,369	108,546	108,546	21,207	8,307	29,514	20,712	58,320
2018	0	1,610	9,745	106,897	118,252	118,252	25,840	9,398	35,238	21,946	61,068
2019	0	401	5,880	120,107	126,388	126,388	32,679	8,548	41,227	23,768	61,393
2020	0	2,733	6,820	114,065	123,618	123,618	29,920	8,339	38,259	22,011	63,349
2021	0	8,557	11,527	106,338	126,422	126,422	26,181	8,590	34,771	23,506	68,143
2017											
I	0	6,775	9,941	87,490	104,206	104,206	19,834	8,681	28,515	18,499	57,192
II	0	6,892	9,788	90,622	107,302	107,302	20,904	8,792	29,696	19,419	58,187
III	0	4,268	9,826	94,769	108,863	108,863	21,198	8,663	29,861	19,824	59,178
IV	0	4,602	9,575	94,369	108,546	108,546	21,207	8,307	29,514	20,712	58,320
2018											
I	0	9,172	9,562	93,443	112,177	112,177	23,506	9,128	32,634	21,309	58,234
II	0	9,993	9,850	97,538	117,381	117,381	24,600	10,919	35,519	21,064	60,798
III	0	4,330	9,944	102,363	116,637	116,637	25,440	9,299	34,739	21,247	60,651
IV	0	1,610	9,745	106,897	118,252	118,252	25,840	9,398	35,238	21,946	61,068
2019											
I	0	243	7,309	111,364	118,916	118,916	26,696	8,911	35,607	22,161	61,148
II	0	-3,065	9,130	113,233	119,298	119,298	26,318	8,999	35,317	22,980	61,001
III	0	-2,270	6,553	114,641	118,924	118,924	26,206	8,521	34,727	23,015	61,182
IV	0	401	5,880	120,107	126,388	126,388	32,679	8,548	41,227	23,768	61,393
2020											
I	0	300	5,992	120,919	127,211	127,211	30,406	8,096	38,502	23,977	64,732
II	0	3,737	5,992	117,233	126,962	126,962	29,798	8,030	37,828	24,513	64,622
III	0	3,858	7,992	116,271	128,121	128,121	29,777	7,761	37,538	24,743	65,839
IV	0	2,733	6,820	114,065	123,618	123,618	29,920	8,339	38,259	22,011	63,349
2021											
I	0	6,359	7,778	111,704	125,841	125,841	29,862	7,882	37,744	22,104	65,994
II	0	8,845	8,443	109,382	126,670	126,670	30,079	7,975	38,054	22,308	66,306
III	0	8,962	11,563	107,822	128,347	128,347	30,117	8,042	38,159	22,909	67,279
IV	0	8,557	11,527	106,338	126,422	126,422	26,181	8,590	34,771	23,506	68,143

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.30

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES, 2018-20201

/ PER CENT /

INTEREST RATES	2018	2019	2020p	2020p I	II	III	IV
1. Thrift Institutions							
(a) Savings Deposits							
Range	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50	0.50-0.50
Median	0.50	0.50	0.50	0.50	0.50	0.50	0.50
(b) Time Deposits							
(i) l - 3 years							
Range	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75	0.50-3.75
Median	2.13	2.13	2.13	2.13	2.13	2.13	2.13
(c) Mortgage Loans (Residential)							
Range	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00
Median	8.00	8.00	8.00	8.00	8.00	8.00	8.00
2. Trust and Mortgage Finance Companies							
(a) Time Deposits							
(i) 1 - 3 years							
Range	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00	3.00-6.00
Median	3.25	3.25	3.25	3.25	3.25	3.25	3.25
(ii) Over 3 years							
Range	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00	3.00-4.00
Median	3.50	3.50	3.50	3.50	3.50	3.50	3.50
(b) Mortgage Loans							
(i) Residential							
Range	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00	12.00-16.00
Median	14.00	14.00	14.00	14.00	14.00	14.00	14.00
3. Finance Companies and Merchant Banks							
(a) Time Deposits							
(i) 1 - 3 years							
Range	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50	3.25-8.50
Median	3.25	3.25	3.25	3.25	3.25	3.25	3.25
(b) Installment Loans							
Range	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41	6.00-25.41
Median	11.00	11.00	11.00	11.00	11.00	11.00	11.00

SOURCE: Central Bank of Trinidad and Tobago

1 Annual and quarterly data represent the rates for the twelve (12) months of the year and the three (3) months of the quarter, respectively.

TABLE A.31

MONEY AND CAPITAL MARKET ACTIVITY, 2017-2021[1]

END OF PERIOD	NEW ISSUES ($MN)			SECONDARY MARKET TURNOVER[2]						
				GOVERNMENT SECURITIES[3]		TREASURY BILLS		PUBLIC COMPANY SHARES		
	GOVERNMENT SECURITIES	TREASURY BILLS	OTHER[4]	FACE VALUE ($MN)	NO. OF TRANS-ACTIONS	FACE VALUE ($MN)	NO. OF TRANS-ACTIONS	MARKET VALUE ($MN)	NO. OF TRANS-ACTIONS	VOLUME OF SHARES TRADED ($MN)
2017	**9,875.0**	**1,105.0**	**2,936.1**	**986.1**	**114**	**778.5**	**79**	**1,024.7**	**11,221**	**84.5**
I	2,500.0	0.0	1,614.7	358.5	46	226.1	29	184.2	2,855	19.5
II	2,200.0	1,105.0	571.3	97.7	17	126.6	15	273.4	2,684	22.8
III	2,500.0	0.0	450.0	43.6	11	21.0	8	283.1	2,758	18.8
IV	2,675.0	0.0	300.0	486.3	40	404.7	27	284.0	2,924	23.5
2018	**4,740.0**	**0.0**	**5,554.0**	**318.1**	**57**	**148.9**	**17**	**1,148.4**	**11,721**	**72.3**
I	1,200.0	0.0	812.2	123.3	12	22.9	3	230.0	2,979	16.4
II	750.0	0.0	3,138.3	0.7	3	25.2	1	271.2	2,740	17.3
III	450.0	0.0	996.0	182.8	30	68.9	6	302.9	2,769	17.8
IV	2,340.0	0.0	607.5	11.2	12	31.9	7	344.3	3,233	20.8
2019	**7,285.4**	**2,570.0**	**4,715.7**	**182.0**	**55**	**461.4**	**57**	**1,102.3**	**12,054**	**76.9**
I	642.4	0.0	200.0	57.8	20	193.8	23	287.4	2,848	18.0
II	2,500.0	815.0	1,015.7	31.6	12	205.6	31	250.8	3,114	16.3
III	843.0	620.0	375.0	79.0	7	37.5	2	264.0	3,161	23.6
IV	3,300.0	1,135.0	3,125.0	13.6	16	24.6	1	300.2	2,931	19.0
2020	**12,504.1[r]**	**1,661.0**	**6,700.3[r]**	**448.7**	**22**	**218.4**	**21**	**1,042.9**	**11,668**	**61.3**
I	2,250.0	1,561.0	1,615.2	2.0	1	126.3	15	422.9	3,804	23.7
II	4,261.1[r]	100.0	2,471.5	0.9	2	91.9	5	238.6	2,736	15.5
III	2,000.0	0.0	1,000.0	416.7	10	0.0	0	187.3	2,457	10.7
IV	3,993.0[r]	0.0	1,613.6[r]	29.1	9	0.2	1	194.1	2,671	11.3
2021	**13,370.3**	**500.0**	**5,034.1**	**79.4**	**20**	**35.2**	**4**	**1,314.7**	**14,936**	**94.8**
I	3,545.3	0.0	439.2	74.0	12	0.0	0	325.7	3,312	13.5
II	3,725.0	0.0	799.1	0.2	2	0.0	0	417.8	3,841	27.4
III	3,000.0	0.0	2,651.3	3.4	3	0.1	1	302.6	3,694	26.1
IV	3,100.0	500.0	1,144.5	1.9	3	35.2	3	268.5	4,089	27.8

SOURCES: Central Bank of Trinidad and Tobago and Trinidad and Tobago Stock Exchange

1 Totals may not add due to rounding.
2 Data refer to the double transactions of buying and selling.
3 Trading in Government securities and treasury bills was conducted under the aegis of the Investment Division, Central Bank of Trinidad and Tobago. From 1993 trading in Government securities has been conducted by the Stock Exchange of Trinidad and Tobago.
4 Data include domestic bonds issued by public entities which have been guaranteed by the Government of Trinidad and Tobago.

TABLE A.32

SELECTED INTEREST RATES, 2019-2021[1]

/ PER CENT PER ANNUM /

INTEREST RATES	2019	2020	2021	2021 I	2021 II	2021 III	2021 IV
A. Central Bank							
(i) Bank Rate	7.00	5.50	5.50	5.50	5.50	5.50	5.50
(ii) Special Deposits Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Repo Rate[2]	5.00	3.50	3.50	3.50	3.50	3.50	3.50
(iv) Reverse Repo Rate[2]	4.50	3.00	3.00	3.00	3.00	3.00	3.00
(v) Mortgage Market Reference Rate (MMRR)[3]	3.00	3.00	3.00	3.00	3.00	3.00	3.00
B. Government							
(i) Treasury Bills	1.08	0.08	0.32	0.20	0.31	0.32	0.32
C. Commercial Banks - Local Currency							
(i) Weighted Average Rate on Loans	7.81	7.40	7.09	7.21	7.06	7.04	7.04
(ii) Weighted Average Rate on Deposits	0.66	0.63	0.58	0.59	0.58	0.58	0.58
(iii) Interest Spread (i - ii)	7.15	6.77	6.51	6.62	6.48	6.47	6.46
D. Non-Bank Financial Institutions[4] - Local Currency							
(i) Weighted Average Rate on Loans	10.53	10.65	10.41	10.54	10.60	9.93	10.57
(ii) Weighted Average Rate on Deposits	2.85	2.80	2.04	2.08	1.99	2.10	1.98
(iii) Interest Spread (i - ii)	7.69	7.84	8.37	8.46	8.61	7.83	8.60

SOURCE: Central Bank of Trinidad and Tobago

1 Annual data refer to the average of the quarterly averages for the respective years, except for the Bank Rate, Repo Rate, the Reverse Repo Rate and the Treasury Bill Rate which reflect the end of quarter/year position.

2 In May 2002, the Central Bank introduced a system of announced overnight repurchase or 'repo' rates for short-term government paper. The repo rate is the Bank's key policy interest rate and applies to collaterised overnight financing provided to commercial banks. The reverse repo rate is paid on occasions that the Central Bank offers to take overnight funds from commercial banks and is set as the repo rate less 50 basis points.

3 The Mortgage Market Reference Rate (MMRR) was introduced by the Central Bank on December 01, 2011 and represents a reference mortgage rate against which residential mortgages can be priced and re-priced. Following representation by the Bankers Association of Trinidad and Tobago (BATT), the Central Bank agreed to suspend the calculation of the MMRR for a two-year period commencing October 01, 2021. Over this period, the MMRR will remain at 3.00 per cent. Refer to the Circular Letter for more details at https://www.central-bank.org.tt/sites/default/files/circular_letters/circular-letter-covid-19-relief-measures-restructuring-and-mortgage-market-rates-sep2021.pdf.

4 Includes Finance Houses and Trust and Mortgage Finance Companies and represents rates for licensed institutions only.

TABLE A.33 (A)

BALANCE OF PAYMENTS, STANDARD PRESENTATION 2017-2021[1,2,3]

/ TT$ MILLIONS /

ITEM	2017	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021p
Current Account	**1,409.2**	**1,625.8**	**1,020.1**	**-136.2**	**-54.2**	**1,345.9**
Goods and Services	1,080.8	2,426.3	1,605.4	-179.6	-152.3	1,278.5
Goods, net*	3,193.0	4,138.4	2,731.8	984.1	708.4	2,562.9
Exports**	9,644.7	10,755.6	8,764.3	6,002.9	4,319.2	7,297.4
Petroleum Crude and Refined	2,693.4	2,933.9	2,016.2	1,287.6	955.1	1,578.5
Gas	2,249.3	2,899.4	2,350.0	1,242.7	960.1	1,236.9
Petrochemicals	2,925.0	3,256.6	2,607.4	1,827.0	1,326.6	2,910.8
Other	1,777.0	1,665.7	1,790.7	1,645.7	1,077.3	1,571.3
Imports**	6,451.7	6,617.2	6,032.5	5,018.8	3,610.8	4,734.6
Fuel***	1,617.7	1,755.3	1,222.1	723.3	519.8	783.6
Capital	1,368.9	1,408.0	1,233.0	1,192.6	867.6	608.6
Other	3,465.1	3,453.9	3,577.3	3,102.9	2,223.4	2,679.3
Services, net	-2,112.2	-1,712.1	-1,126.4	-1,163.6	-860.8	-1,284.4
Transport	-275.1	-431.3	-449.6	-363.5	-259.5	-351.1
Travel	356.7	331.5	349.9	105.6	107.5	-6.3
Telecommunications, Computer, and Information Services	-33.1	-35.8	-31.8	-46.2	-36.0	-35.1
Insurance and Pension Services	-187.6	-180.9	-154.1	-209.0	-165.6	-176.0
Other Services^	-1,973.1	-1,395.5	-840.9	-650.4	-507.2	-715.9
Primary Income, net	48.9	-700.5	-607.1	2.2	81.9	-0.6
Secondary Income, net	279.4	-100.0	21.8	41.2	16.2	68.0
Capital Account	**1.2**	**2.4**	**10.3**	**0.5**	**0.4**	**0.3**
Financial Account	**449.6**	**174.8**	**574.7**	**-375.6**	**-539.1**	**208.6**
Direct Investment	458.8	765.2	-69.8	206.4	356.6	-228.1
Net Acquisition of Financial Assets	-12.0	65.0	114.2	103.8	90.0	28.1
Net Incurrence of Liabilities	-470.9	-700.2	184.0	-102.6	-266.6	256.2
Portfolio Investment	373.1	418.1	1,453.9	-184.6	-259.4	155.6
Net Acquisition of Financial Assets	224.1	350.4	1,245.4	-85.5	-149.1	191.0
Net Incurrence of Liabilities	-148.9	-67.7	-208.5	99.2	110.4	35.4
Financial Derivatives	4.7	5.3	-0.2	-8.7	-8.7	-0.1
Net Acquisition of Financial Assets	4.4	5.2	-0.4	-9.1	-8.9	-0.1
Net Incurrence of Liabilities	-0.3	-0.2	-0.2	-0.4	-0.2	0.0
Other Investment^^	-386.9	-1,013.8	-809.1	-388.7	-627.6	281.1
Net Acquisition of Financial Assets	163.1	-309.9	329.1	-308.1	-416.2	634.6
Net Incurrence of Liabilities	550.1	703.9	1,138.2	80.6	211.4	353.5
Net Errors and Omissions	-2,056.8	-2,248.1	-1,101.9	-215.1	-107.8	-1,018.6
Overall Balance	**-1,096.0**	**-794.7**	**-646.1**	**24.8**	**377.5**	**119.0**
Memorandum Items						
Current Account/GDP (per cent)	6.3	6.9	4.4	-0.6	-0.3	7.6
Gross Official Reserves (US$Mn) ^^^	8,369.8	7,575.0	6,929.0	6,953.8	7,306.4	7,072.7
Debt Service Ratio	2.0	2.1	2.8	9.6	14.7	3.1
Net International Investment Position (US$Mn)^^^	4,659.0	3,685.9	4,215.3	3,475.4	3,496.8	3,779.7

SOURCE: Central Bank of Trinidad and Tobago

NOTES:

1 Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for 2020 and 2021. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.

2 GDP prior to 2021 are sourced from the CSO and data for 2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.

3 This table is an analytical presentation of the Balance of Payments and is presented in accordance with the IMF's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6). Refer to Box 3 of the Economic Bulletin, March 2017 for a Technical Note on the Transition to BPM6.

The following financial account movements are represented with a negative sign:
- A decrease in assets (inflow)
- A decrease in liabilities (outflow)
- A net inflow in net balances

The following financial account movements are represented with a positive sign:
- An increase in assets (outflow)
- An increase in liabilities (inflow)
- A net outflow in net balances

* Energy goods data comprise estimates by the Central Bank of Trinidad and Tobago.

** Exports and imports are reported on a FOB (Free on Board) basis. Energy exports include exports of petroleum, petroleum products and related materials and the exports of petrochemicals.

*** Includes petroleum, petroleum products and related materials.

^ Other Services consists of manufacturing services on physical inputs owned by others, maintenance and repair services n.i.e., construction, financial services, charges for the use of intellectual property n.i.e., other business services and government goods and services n.i.e.

^^ Other investment comprise currency and deposits, loans, insurance, pension, and standardised guarantee schemes, trade credit and advances, other accounts receivable/payable and special drawing rights (liabilities).

^^^ End of Period.

TABLE A.33 (B.1)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY SECTOR)

/ TT$ MILLIONS /

ITEM	2016	2017	2018p	2019p
Petroleum Industries	-431.9	-566.7	-716.4	-231.1
Petroleum Industries	75.2	-544.9	-366.9	18.8
Mining, Exploration and Production and Refineries	-534.0	-30.4	-384.1	-261.4
Petrochemicals	26.9	8.7	34.5	11.5
Food, Drink and Tobacco	47.6	23.6	-7.4	4.7
Chemicals and Non-Metallic Minerals	4.0	26.1	-7.8	-2.7
Assembly Type and Related Industries	65.2	32.5	28.9	-4.8
Distribution	88.2	-4.8	23.7	12.4
All Other Sectors[1]	203.3	18.3	-21.1	405.5
TOTAL	**-23.6**	**-470.9**	**-700.2**	**184.0**
Memorandum Items:				
Energy Sector	-431.9	-566.7	-716.4	-231.1
Non-Energy Sector	408.3	95.8	16.2	415.1

SOURCE: Central Bank of Trinidad and Tobago

NOTE: This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign.

1 "All Other Sectors" include Textiles, Garments, Footwear, Headwear, Printing, Publishing and Paper Converters, Wood and Related Products, Miscellaneous Manufacturing, Electricity and Water, Construction, Hotels and Guest Houses, Transportation, Communication and Storage, Finance, Insurance, Real Estate and Business Services, Educational and Cultural Community Services, Personal Services and Other sectors.

TABLE A.33 (B.2)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY SECTOR)

/ US$ Millions /

ITEM	2020	Jan-Sep 2020	Jan-Sep 2021p
Mining and Quarrying	36.7	-100.3	187.8
Manufacturing	-133.0	-126.9	53.6
Wholesale and Retail Trade	-8.5	-13.2	10.9
Financial and insurance activities	21.9	9.9	-32.5
Other Sectors	-19.7	-36.1	36.4
TOTAL	**-102.6**	**-266.6**	**256.2**
Memorandum Items:			
Energy Sector	-104.5	-235.7	243.7
Non-Energy Sector	1.9	-30.9	12.5

SOURCE: Central Bank of Trinidad and Tobago

NOTES:

1 This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign.

2 Effective 2020 data, the industry breakdown now conforms to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC. Rev 4).

3 "Other Sectors" include Agriculture, forestry and fishing, Electric power generation, transmission and distribution, Construction, Transportation and storage, Manufacture of gas; distribution of gaseous fuels through mains, Steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities, Accommodation and food service activities, Information and communication, Real estate activities, Professional, scientific and technical activities, Administrative and support service activities, Public administration and defence; compulsory social security, Education, Human health and social work activities, Arts, entertainment and recreation and Other service activities.

4 Due to COVID-19 related restrictions implemented by the Government and the resulting work-from-home measures employed by some companies, survey response rates have been below historical levels for the first three quarters of 2020. Therefore, as additional data from surveys are incorporated upon receipt, estimates may be subject to revisions in the future.

TABLE A.33 (C)

DIRECT INVESTMENT: NET INCURRENCE OF LIABILITIES (BY COUNTRY)

/ TT$ MILLIONS /

ITEM	2017	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021p
U.S.A.	-57.6	-116.7	-206.1	56.5	49.7	-23.3
U.K.	-414.6	-281.8	314.5	154.6	64.2	233.8
Canada	-102.2	0.6	58.3	-8.8	-14.1	23.5
Barbados	-46.4	-259.1	-173.3	-212.5	-192.4	63.5
Netherlands	1.0	-3.2	2.9	1.9	1.4	-5.6
St. Lucia	9.3	17.2	58.7	4.8	-7.9	-6.1
Other	139.6	-57.2	129.0	-99.1	-167.4	-29.6
TOTAL	**-470.9**	**-700.2**	**184.0**	**-102.6**	**-266.6**	**256.2**

SOURCE: Central Bank of Trinidad and Tobago

NOTE: This table shows net changes (increases less decreases) in direct investment liabilities (direct investment in Trinidad and Tobago). A decrease in liabilities (outflow) is represented with a negative sign. An increase in liabilities (inflow) is represented with a positive sign. Data are presented in accordance with the International Monetary Fund's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6) which prescribes that geographical distribution of direct investment is based on the immediate investing country.

TABLE A.34

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES FOR SELECTED CURRENCIES 2017-2021[1]

PERIOD	UNITED STATES DOLLAR		CANADIAN DOLLAR		UK POUND STERLING		JAPANESE YEN		EURO	
	BUYING	SELLING	BUYING	SELLING	BUYING	SELLING	BUYING	SELLING	BUYING	SELLING
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2017	6.7283	6.7795	5.1182	5.4517	8.6071	9.1537	0.0599	0.0628	7.5373	8.0093
2018	6.7321	6.7813	5.1438	5.4918	8.9231	9.5572	0.0609	0.0642	7.9261	8.4500
2019	6.7306	6.7800	5.0538	5.3813	8.5342	9.1294	0.0617	0.0653	7.5445	8.0224
2020	6.7204	6.7803	5.0261	5.3627	8.6183	9.2182	0.0630	0.0666	7.7617	8.2307
2021	6.7333	6.7811	5.3779	5.7525	9.2204	9.8850	0.0613	0.0649	8.1154	8.5767
2021										
January	6.7383	6.7853	5.3065	5.6514	9.1441	9.7535	0.0649	0.0683	8.1983	8.7626
February	6.7215	6.7772	5.3302	5.6735	9.2782	9.9568	0.0635	0.0681	8.2038	8.7405
March	6.7417	6.7799	5.3654	5.7251	9.3091	9.9584	0.0621	0.0657	8.0695	8.6228
I	**6.7341**	**6.7808**	**5.3350**	**5.6847**	**9.2459**	**9.8918**	**0.0634**	**0.0673**	**8.1544**	**8.7059**
April	6.7355	6.7795	5.4100	5.7601	9.2871	9.9109	0.0617	0.0652	8.0937	8.6462
May	6.7363	6.7798	5.5513	5.9502	9.4281	10.1088	0.0618	0.0651	8.4237	8.7850
June	6.7248	6.7785	5.5033	5.9075	9.3986	10.0758	0.0611	0.0650	8.4667	8.7479
II	**6.7320**	**6.7792**	**5.4874**	**5.8719**	**9.3708**	**10.0313**	**0.0615**	**0.0651**	**8.3288**	**8.7258**
July	6.7216	6.7841	5.3759	5.7604	9.2442	9.9519	0.0610	0.0644	8.1037	8.5787
August	6.7331	6.7838	5.3519	5.7212	9.2691	9.9198	0.0612	0.0644	8.0181	8.4926
September	6.7403	6.7795	5.3134	5.7043	9.2190	9.8936	0.0612	0.0648	8.2203	8.5704
III	**6.7315**	**6.7825**	**5.3474**	**5.7293**	**9.2437**	**9.9223**	**0.0611**	**0.0645**	**8.1154**	**8.5486**
October	6.7333	6.7833	5.4118	5.7870	9.1734	9.8848	0.0594	0.0629	8.0205	8.4338
November	6.7253	6.7796	5.3723	5.7548	9.0382	9.6957	0.0589	0.0624	7.7998	8.3334
December	6.7469	6.7827	5.2599	5.6499	8.8900	9.5408	0.0592	0.0628	7.8156	8.2557
IV	**6.7354**	**6.7819**	**5.3467**	**5.7293**	**9.0316**	**9.7045**	**0.0592**	**0.0627**	**7.8776**	**8.3396**

SOURCE: Central Bank of Trinidad and Tobago

1 Monthly and quarterly rates are an average of daily rates.

TABLE A.35

TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 2017-2021[1]

/ TT$ MILLIONS /

END OF PERIOD	CENTRAL BANK FOREIGN ASSETS[1]	Of which IMF RESERVE TRANCHE POSITION	Of which SDR HOLDINGS	FOREIGN LIABILITIES	NET INTERNATIONAL RESERVES (1+4)	CENTRAL GOVERNMENT	NET OFFICIAL RESERVES (5+6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2017	8,366.2	97.1	344.9	0.0	8,366.2	3.6	8,369.8
2018	7,571.4	117.1	336.5	0.0	7,571.4	3.6	7,575.0
2019	6,924.7	131.7	334.4	0.0	6,924.7	4.3	6,929.0
2020	6,949.1	161.6	348.6	0.0	6,949.1	4.7	6,953.8
2021	6,874.6	173.9	1,079.7	0.0	6,874.6	5.0	6,879.6
2020							
I	6,621.0	130.0	330.3	0.0	6,621.0	4.5	6,625.5
II	7,308.7	151.6	333.0	0.0	7,308.7	4.6	7,313.3
III	7,301.8	155.1	340.7	0.0	7,301.8	4.6	7,306.4
IV	6,949.1	161.6	348.6	0.0	6,949.1	4.7	6,953.8
2021							
I	6,700.0	159.0	343.0	0.0	6,700.0	4.6	6,704.7
II	6,633.7	168.6	348.1	0.0	6,633.7	4.9	6,638.6
III	7,067.7	166.6	1,086.8	0.0	7,067.7	5.0	7,072.7
IV	6,874.6	173.9	1,079.7	0.0	6,874.6	5.0	6,879.6

END OF PERIOD	COMMERCIAL BANKS FOREIGN ASSETS	COMMERCIAL BANKS FOREIGN LIABILITIES	COMMERCIAL BANKS NET FOREIGN POSITION (8-9)	GROSS FOREIGN ASSETS (1+6+8)	TOTAL FOREIGN LIABILITIES (4+9)	NET FOREIGN RESERVES (11-12)
	(8)	(9)	(10)	(11)	(12)	(13)
2017	3,332.5	559.2	2,773.3	11,702.3	559.2	11,143.1
2018	3,420.4	647.2	2,773.2	10,995.4	647.2	10,348.3
2019	3,608.8	918.6	2,690.2	10,537.8	918.6	9,619.2
2020	3,894.5	724.0	3,170.4	10,848.2	724.0	10,124.2
2021	4,643.3	663.6	3,979.7	11,522.9	663.6	10,859.3
2020						
I	3,787.6	746.2	3,041.4	10,413.1	746.2	9,666.9
II	3,827.4	761.4	3,066.0	11,140.7	761.4	10,379.3
III	3,891.6	723.4	3,168.2	11,198.1	723.4	10,474.7
IV	4,060.4	706.0	3,354.4	11,014.1	706.0	10,308.1
2021						
I	4,017.2	663.8	3,353.4	10,721.9	663.8	10,058.0
II	4,370.4	690.9	3,679.6	11,009.1	690.9	10,318.2
III	4,426.9	654.6	3,772.3	11,499.6	654.6	10,845.0
IV	4,643.3	663.6	3,979.7	11,522.9	663.6	10,859.3

SOURCE: Central Bank of Trinidad and Tobago

1 International reserves have been revised to include Trinidad and Tobago's reserve position in the IMF. International reserves are defined as external assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitudes of such imbalances through intervention in exchange markets and for other purposes. Typically, they include securities, gold, IMF special drawing rights (SDRs), a country's holding of foreign currency and deposits, reserve position in the IMF, and other claims (Balance of Payments Manual 6th Edition Paragraph 6.64).

TABLE A.36

SUMMARY ACCOUNTS OF THE CENTRAL BANK, 2017-2021
/ TT$ MILLIONS /

ITEM	2017	2018	2019	2020	2021
Net Foreign Assets	**53,004**	**47,816**	**43,579r**	**43,689**	**39,027**
Net International Reserves	56,579	51,338	46,827r	46,984	46,490
Assets	56,579	51,338	46,827r	46,984	46,490
Liabilities	0	0	0	0	0
Other Foreign Assets	-3,574	-3,523	-3,249	-3,295	-7,463
Other External Assets	39	57	32	2	1
Medium and Long-Term Foreign Liabilities	-554	-575	-287	-158	-170
SDR Allocation	-3,059	-3,004	-2,993	-3,139	-7,294
Net Domestic Assets	**-26,171**	**-22,280**	**-13,648**	**-11,571**	**-11,750**
Net Credit to the Public Sector	-16,803	-15,415	-5,274	-2,348	-3,989
Central Government (net)	-16,765	-15,370	-5,222	-2,304	-3,922
Treasury Bills	0	0	0	0	0
Other Government Securities	198	198	163	114	98
Loans to Government	46,977	51,970	42,301	45,101	46,320
Use of Reserves (-addition)	-63,940	-67,538	-47,686	-47,519	-50,340
Rest of Public Sector	-37	-45	-52	-45	-67
of which: Public Enterprises	0	0	0	0	0
Net Claims on Financial Institutions	0	0	0	0	0
Other Items (net)	-9,368	-6,865	-8,373r	-9,223	-7,761
Reserve Money	**26,834**	**25,536**	**29,931**	**32,117**	**27,277**
Currency in Circulation	9,421	9,387	8,799	8,412	9,253
Deposits of Commercial Banks	17,092	15,966	20,862	23,448	17,659
Deposits of Non-Bank Financial Institutions	321	183	270	257	365
	Changes as a Per Cent of Beginning-of-Period Reserve Money				
Net Foreign Assets	**-26**	**-19**	**-17**	**0**	**-15**
Net Domestic Assets	**19**	**14**	**34**	**7**	**-1**
Of which: Central Government	17	5	40	10	-5
Reserve Money	**-7**	**-5**	**17**	**7**	**-15**
Memorandum Item:					
Government Blocked Account	24,304	24,959	14,757	11,460	10,266

SOURCE: Central Bank of Trinidad and Tobago

APPENDIX 2

FEATURE ARTICLE

Toward A Digital Economy: Macroeconomic Implications of Digitalisation In Trinidad and Tobago

Toward a Digital Economy:
Macroeconomic Implications of Digitalisation in Trinidad and Tobago

by: Nazera Abdul-Haqq, Dhanielle Smith and Timothy Woolford[1]

SUMMARY

Digital technologies have pervaded every aspect of modern society, spurring innovation and delivering benefits across all sectors of the economy. It is generally acknowledged that future development will be intertwined with an economy's adoption of technology. Notwithstanding this, digital needs differ between developing and developed countries and among regions, whereas benefits of new technologies and digitalisation may not be immediate, guaranteed or evenly distributed. Moreover, the risks associated with the digital revolution are not comprehensively understood, while the data gaps influenced by digitalisation are wide and growing. It is therefore crucial that policymakers, particularly within small, developing economies, understand the macroeconomic impacts of digital transformation for the economy and the data transformation that must accompany it. In this vein, this article provides an overview of Trinidad and Tobago's digitalisation performance, discusses the potential macroeconomic impact of digitalisation, highlights the gaps in economic statistics in measuring digitalisation for the domestic economy, and discusses the role of the state and financial regulatory bodies in facilitating digital transformation. The research highlights the considerable work needed to improve key digital metrics in the areas of e-government, public policies and strategic vision, as well as the need to address the capacity gaps within statistical institutions. Notably, greater emphasis must be placed on increasing digital readiness - digital skills, trust, access and use – as this will be the cornerstone of any successful digital transformation initiative.

1.INTRODUCTION

Digitalisation is now widely recognised as one of the most powerful tools for enabling and achieving sustainable economic growth and development. Parida, Sjödin and Reim (2019) broadly describes digitalisation as the adoption of integrated digital technologies by business, consumers, and governments, to transform operations and provide new value-producing opportunities. While the adoption of digital technologies continues apace, digitalisation has proven impacts on key socioeconomic variables. Albeit not comprehensively understood, there is the potential to create and transform labour, enhance productivity, and ultimately shift production possibility to a higher frontier.

The process of digitalisation and its associated transformations are viewed as a critical enabler of economic activity in the aftermath of the pandemic. Domestically, much like the rest of

[1] This research team comprised Nazera Abdul-Haqq, (former) Economic Consultant with the Inter-American Development Bank, and Dhanielle Smith and Timothy Woolford, Economists within the Research Department of the Central Bank of Trinidad and Tobago. Publication of the full paper is forthcoming. The views expressed are those of the authors and not necessarily those of the represented institutions.

the world, the pandemic has reignited a sense of urgency to accelerate digital transformation. However, while the Government has completed several initiatives to advance digital transformation, there is room for improvement. Notably, several challenges exist regarding the appropriate statistical capture of digital activity; failure to adequately measure the digitalisation impact creates challenges for policy makers to monitor macroeconomic impacts, create and refine policy where necessary, and define success. In this vein, this article provides an overview of Trinidad and Tobago's digitalisation performance, discusses the potential macroeconomic impact of digitalisation, highlights the gaps in economic statistics in measuring digitalisation, and discusses the role of the state and financial regulatory bodies in facilitating the digital transformation. In particular, the research will focus on select variables and elements of the macro economy namely: economic growth (Gross Domestic Product, GDP), financial services and monetary policy, labour and inflation.

2. TRINIDAD AND TOBAGO'S DIGITALISATION PERFORMANCE

Trinidad and Tobago performs well on international benchmarks of broadband infrastructure, despite room for improvement particularly when compared to the Organisation for Economic Co-operation and Development (OECD) member countries **(Table 1)**. Outside of infrastructure, a further review of international digitalisation benchmarks reveal that the progress of public sector digitalisation has not kept pace with global standards **(Table 2)**. Over the last five years, Trinidad and Tobago's ranking in the United Nations (UN) E-Government Development Index (EGDI), declined from 70 in 2016 to 81 in 2020 (out of 193 countries). More recently, the World Bank's release of the GovTech Maturity Index (GTMI) for 2020 revealed that Trinidad and Tobago is counted among the 63 countries in Group C (a score of 0.46 out of 1.0), with only "some focus on GovTech". Of the 31 Latin American and Caribbean (LAC) countries, Brazil is the top performer in GovTech, scoring 0.92 (out of 1.0), with the top performing Caribbean country (Jamaica) with a score of 0.59.

From a measurement standpoint, statistical apparatuses are ill-equipped to accurately represent the contribution of digital economic activities to economic growth. This is largely due to the difficulty in defining what the digital economy entails, as well as a general "wait and see" approach adopted by domestic statistical institutions. In this vein, many countries focus on the digital sector, which comprises of online platforms and platform enabled services, as well as ICT goods and services (IMF 2018). Based on available 2019 data from the Central Statistical Office (CSO), economic activity in the digital/ICT sector was estimated at TT$3.7 billion (2.4 per cent of GDP). Also in 2019, TT$5.64 billion (3.7 per cent of GDP) in revenue was generated from the telecommunications and broadcasting sector, mainly from internet services, mobile voice services, pay TV and fixed voice services.

In the absence of estimates of employment in the digital/ICT sector, the level of digital skills is an important indicator of the population's readiness for the future digital job market (ITU 2020). The data shows that there is sufficient scope to improve in this area, as Trinidad and Tobago currently ranks 92 out of 141 countries on basic digital skills (computer skills, basic coding, and digital reading) among the active population. In fact, its performance, both in terms of rank and score, has been worsening since 2017. While technological literacy is a desired outcome for student learning, the primary and secondary school curricula lack the relevant and quality digital components to build digital competence in youth and children, as investment in technology in schools is lacking (Oxford Business Group 2020). With the ongoing pandemic, the government's focus has been more on increasing ICT usage to support virtual/hybrid learning in education, rather than on building digital skills. On a country level, Trinidad and Tobago records relatively high levels of internet usage, yet roughly 23.0 percent of the population do not have access to or use the internet.

In the financial sector, cash remains 'king' but fintech payment solutions are increasingly being adopted. Alongside increasing cash usage and ATM withdrawals using debit cards, there is an increasing trend towards electronic payments, facilitated by point-of-sale transactions using credit and debit cards as well as by payment gateways to make online payments. This aligns with global and LAC trends, in which payment-related services is one of the fastest growing segments of fintech. Available data shows that in Trinidad and Tobago, fintechs are used largely for digital payments. Meanwhile, crypto-assets fall outside the scope of domestic financial services laws. Cryptocurrencies are not legal tender, however current laws do not explicitly prevent buying or selling them, provided that the assets are not used for illegal activities. However, regulatory authorities have warned against such offerings, given that they are currently unregulated, and as such, no protection can be offered against losses, fraud and theft. Despite this cautious approach, anecdotal evidence suggests that there is some appetite domestically for crypto-assets.

TABLE 1

KEY ICT INDICATORS FOR TRINIDAD AND TOBAGO, 2020

	Trinidad and Tobago	The Americas	OECD	The World
Fixed-telephone sub. per 100 inhabitants	23.14	21.3 (2019)	28.24	11.9 (2019)
Mobile-cellular sub. per 100 inhabitants	142.05	110.9	121.79	105.0
Active mobile-broadband sub. per 100 inhabitants	43.47	99.2	111.31	75.0
3G coverage (% of population)	100.0	95.5		93.1
4G coverage (% of population)	75.0	-		-
Individuals using the internet (%)	77.33 (2017)	76.7 (2019)	88.03	51.4 (2019)
International bandwidth per internet user (kbit/s)	170.6 (2017)	130.3 (2019)	323.33	131.3 (2019)
Fixed-broadband sub. Per 100 inhabitants	26.87	21.4	34.25	15.2

Source: International Telecommunications Union

TABLE 2

BENCHMARKING BY INTERNATIONAL BODIES

International Report	Score	Rank
United Nations E-Government Development Index	0.6785 (2020) 0.6440 (2018) 0.5780 (2016)	81st out of 193 countries (2020) 78th out of 193 countries (2018) 70th out of 193 countries (2016)
Portulans Institute's Network Readiness Index (second edition)	44.80 (2021) 43.61 (2020) 49.29 (2019)	81st out of 130 countries (2021) 81st out of 134 countries (2020) 64th out of 121 countries (2019)
United Nation Conference on Trade and Development (UNCTAD) Business to Consumer E-commerce Index	54.9 (2020) 57.9 (2019)	75th out of 152 countries (2020) 71st out of 152 countries (2019)

Source: Various Sources

3. IMPACT OF DIGITALISATION ON THE ECONOMY

• ECONOMIC GROWTH

Digitalisation has been heralded as a channel through which economic growth can be facilitated. Zaballos, Rodríguez and Gabarró (2020) assert that digitalisation can increase growth directly, through the rise in capital spending required to take advantage of new technology, or indirectly, through the increased productivity that it brings about. The authors further pinpoint three main impacts on economic growth because of ICT investments. Firstly, through the construction effect, infrastructural developments provide employment opportunities and incomes. Secondly, the spill-over effect, whereby in the aftermath of construction, heightened demand and associated increases in market opportunities for business fuels economic activity. Thirdly, the innovation effect, whereby the research and development associated with ICT leads to development of new products and enhanced productivity.

El-Darwiche et al. (2013) also supported views of a positive correlation between growth and digital transformation. In the wake of the global financial crisis, digital services were able to provide a US$193.0 billion boost to world economic output, while simultaneously creating 6.0 million jobs. However, the impact was unevenly distributed, with developed countries enjoying an increase in productivity that facilitated growth, and developing countries enjoying an increase in employment. The difference was generally attributed to the structural dynamics of developed versus developing country, with the former being driven by the non-tradable sector, while the latter was deemed primarily export oriented. Meanwhile, Muhleison (2018) advocates that the true impact will not come from digitalisation itself, but rather from a policy framework that allows the full exploration and optimisation of its benefits.

• FINANCIAL SERVICES AND MONETARY POLICY

Fintechs refer to an array of technological innovations used to provide financial services in five broad areas: payments, saving and investing, borrowing, managing risks and receiving financial advice (He et al, 2017). Each of the financial service technologies/ activities is based on technological foundations comprised of artificial intelligence (AI) and big data, distributed computing, cryptography and mobile access internet. Established/traditional financial institutions have greater access to technology that can potentially overhaul operations, improve aspects of performance and reduce default risks, lessen costs and serve new and existing clients in better ways (Haddad and Hornuf 2021). At the same time, technology enables challenger firms to transition into the financial services sector, such as those facilitating payments, investment and alternative lines of credit particularly for underserved segments of the economy (Deldag 2020; Claessens, et al. 2018). Fintechs can therefore increase growth by providing new solutions that seek to enhance efficiency and accessibility (IMF 2019). On the other hand, the rapid development and evolution of fintechs present risks that are not altogether well understood. These mainly relate to financial stability, cyber risks, financial integrity and consumer and data protection (Barefoot 2020). Of note, fintech adoption across countries is not even, and is largely driven by the customer expectations and demand (Frost 2020).

By creating or modifying existing financial sector risks, fintechs can impair the ability of central banks to effectively implement monetary policy and fulfill their financial stability and regulatory roles. Against the backdrop of the decreasing importance of cash and a general shift to a less-cash society, the advent of new forms of digital money – in particular private (non-fiat backed) digital currencies – has the potential to be disruptive to the traditional banking system (Gallardo 2020; Fiedler, Gern and Stolzenburg 2019). However, the implications of digitalisation for monetary policy implementation and transmission are not straightforward and depend on several factors pertaining to the monetary policy regime, the extent of financial intermediation and structural economic conditions (Cevik, Teksoz and Chami 2012).

• LABOUR MARKET

A predominant concern about the movement to a more digitalised economy is the impact that it would have on employment opportunities, as jobs previously done by humans become automated. A commonly cited term used in association with the relationship between technology and the labour market is "creative destruction" coined by Joseph Schumpeter in 1942. Balsmaier and Woerter (2019) suggest that the net effect of this process is positive for the labour market. They do, however, assert that the jobs destroyed by the advancement in technology are typically of a different kind than those created. Technological change, they argue, has had a polarising effect on the job market (and consequently, wages) whereby jobs for high skilled and low skilled workers increase, while those of medium skilled workers decline.

Companies have increasingly utilised digital platform work to access a larger and more diverse pool of workers at lower costs (Berg, et al. 2018). Platform work is generally classified as non-standard work facilitated by online platforms which use digital technologies to 'intermediate' between individual suppliers (platform workers) and buyers of labour (Hauben, Lenaerts and Wayaert 2020). Summarily, a review of the literature highlights benefits such as new employment opportunities and the resultant opportunities for economic growth; greater inclusion due to fewer institutional barriers and the openness of digital platforms to the suppliers of labour; reasonable earnings, whereby platform workers in developing countries may earn more in relative terms when compared to developed-country counterparts; greater flexibility in terms of timing and location; and lower travel and environment costs depending on alternative working arrangements (Heeks 2017). In contrast, digital platforms have been linked to precarious employment conditions such as exploitative wages and less bargaining power when compared to the traditional/standard labour market; longer working hours; uncertainty surrounding career development, the stability of work and earnings, and employment status (whether employee or self-employed); and, the lack of social protection (Hauben, Lenaerts and Wayaert 2020; Cantarella and Strozzi 2019; Heeks 2017; Artecona and Chau 2017).

- **INFLATION**

Though long-term effects of digitalisation on inflation are ambiguous, the literature generally points to a short-term disinflationary trend. Research converges on three channels through which digitalisation impacts prices. Through a direct impact, that is, through a change in the prices of digital products, the cost of digital products typically falls over time due to several factors such as economies of scale and increased competition (Pettinger 2019; The Riksbank 2015). Here, the pass-through to inflation depends on the weight of digital products in the inflation basket, as well as the ability of the statistical authorities to appropriately reflect technological advancements, either through proper quality adjustment, replacement or an expansion of the basket (Anderton, et al. 2020).

Digitalisation can also affect prices indirectly. Advancements to technology can result in long term productivity growth by complementing or replacing low-skilled labour or repetitive tasks, using 'smart' machines (automation). In the case of the former, where technological innovations complement labour, higher productivity will translate into lower production costs and lower prices (Charbonneau, et al. 2017; The Riksbank 2015). If digitalisation replaces labour, the disinflationary effect may be derived from the retrenchment of workers and the resultant fall in aggregate demand (Charbonneau, et al. 2017). Meanwhile, digital technologies can reduce barriers to entry, thereby increasing the number of producers/suppliers. Increased connectivity translates into more choices for consumers and greater competition among producers despite geographic locations (Anderton, et al. 2020; Charbonneau, et al. 2017; The Riksbank 2015). Moreover, the internet allows for real-time online price comparisons, which further enhances competition (Anderton, et al. 2020; Charbonneau, et al. 2017).

The implications of digitalisation for inflation further extend into measurement issues surrounding national statistics, and new data needs for the effective conduct of monetary policy and financial markets (IMF 2018). Price statistics affect the determination of real GDP, which is calculated by deflating nominal values by a price index (IMF 2018). Given that digitalisation may exert downward pressure on prices, real GDP and productivity growth may be understated by around the same magnitude that inflation may be overstated (IMF 2018). Moreover, given the assertion that digitalisation is a key determinant of the structural component of inflation, monetary policymakers are very keen to understand how digitalisation may be contributing to the general low inflation environment, how it affects entire economy, whether the impact will long-standing, and if need be, whether inflation-targeting regimes must be adjusted to accommodate the new normal (Weidmann 2018). Lastly, as it relates to financial markets, a structural downward shift in inflation would influence the size of inflation risk premia on debt and securities. Declining inflation exerts downward pressure on nominal and real interest rates. Persistently low interest rates and accommodative monetary policy affect the pricing of financial assets and can potentially threaten financial stability (Mester 2021; Gambacorta 2011).

4. MEASURING THE DIGITAL ECONOMY AND DATA GAP CONCERNS

Digitalisation is not fully reflected in statistics as traditional apparatuses seem unable to efficiently capture its effect. The literature generally converges on two broad challenges in measuring the socio-economic impact of digitalisation: gaps in methodology, and the availability of information. Particular to Trinidad and Tobago, while international standards guide statistical compilation efforts for some indicators, insufficient resources as well as organisational inflexibility hinder effective implementation of international good-practices. Other issues to be addressed include identifying and capturing new indicators as well as the review of available and possible data sources.

• GDP (AND WELFARE)

There are two broad and connected approaches to measuring the value added of the digital economy that are being advanced globally. The first is the International Standard Industrial Classification (ISIC) Revision 4, which is being revised by the UN Technical Subgroup (TSG-ISIC) to accommodate the changing products and industries in the new digital economy not currently featured in ISIC. The digital supply-use tables (SUTs) framework is another approach, intended to be used in unison with other statistical standards. Digital SUTs are standard supply use tables that have been amended to capture how production and consumption activities are being transformed by digitalisation. The tables define seven new digital industry classifications and include new product rows to make digitalisation more visible in national accounts (Mitchell 2020). While the two approaches complement each other, the digital SUTs framework is already aligned with the boundaries of the 2008 System of National Accounts and can therefore be applied more immediately (OECD 2020).

In the domestic context, Trinidad and Tobago generally conforms to the 2008 System of National Accounts, while productive activities are classified using ISIC Revision 4. However, traditional statistical apparatuses generally underestimate the contribution of new digital activities to growth. Despite ongoing initiatives by several countries to measure the digital economy and the value added to national economies, Trinidad and Tobago has adopted a "wait and see" approach to upgrading legacy systems. It is recommended that the CSO, the official source of national accounts statistics, reviews ongoing work internationally to improve processes locally. Moreover, work can proceed on creating digital supply use tables for a more immediate and comprehensive solution to measuring the value added of the digital economy.

• FINTECH STATISTICS AND MONETARY AGGREGATES

Fintechs are creating significant data gaps for central banks in high and low fintech jurisdictions across the world (IFC 2020b). Fintech products and services are typically offered by non-traditional financial institutions and therefore fall outside the perimeter of statistical coverage (IFC 2020a). At the international level, there is no officially agreed statistical definition of fintech activities nor a formal approach to identifying fintech firms. Further within the ISIC classification, Section K (Financial Services) captures the value chain of financial products, but not fintech activities, specifically those involved in financial intermediation (IFC 2020a). Misclassification challenges also exist because of the lifecycle and nature of fintechs. Identifying fintechs at the local level is problematic because often, they are first technological startups before progressing in the financial services sector. In practice, when their main activity changes, their classification does not always change because they are difficult to identify being small new startups (IFC 2020b). The high birth of new entrants, low survival rates of startups further complicate fintech statistical projects (CEMLA 2020).

Internal silos and capacity gaps make it difficult for Central Banks to effectively manage fintech risks (Khan and Malaika 2021). An important gap relates to the lack of coordination within central banks, which prevents the gathering of fintech related knowledge, which often resides across the risk management, IT, fintech and financial supervision units. Central banks also require the most capacity building to organise fintech departments. This includes knowledge of how to identify and financially supervise fintechs, examining licensing requirements, how to use fintech departments to promote financial inclusion and deeper financial markets, and effectively setting up a cyber-security framework.

Trinidad and Tobago is moderately progressing in the creation of fintech statistics. Six classes of potential payment fintech activities currently fall within the regulatory framework, namely, payment fintechs involved in account issuance, merchant acquisition, domestic money transfers/remittances, cross border transfers/remittances, e-money/mobile money issuance based on fiat currency and virtual assets service providers. The Central Bank of Trinidad and Tobago (CBTT) has established a joint Regulatory Sandbox for fintech entities other than E-money issuers, wishing to develop and launch innovative fintech products and/or services. In addition, the CBTT currently publishes and maintains a list of licensed payment system operators and registered payment service providers on its website. The collection of data from fintechs is undertaken jointly by the Joint Fintech Steering Committee, during the electronic application process when PSPs and EMI's apply for licenses in the Regulatory Sandbox. Additionally, with respect to EMIs, the EMI Order requires that they adhere to ongoing reporting requirements. Further information is needed to assess the types of fintech statistics collected by the CBTT, the extent to which it collaborates with regional and international parties to link data collected, and any plans to further gather data.

- **LABOUR MARKET**

The rapid advancements of digital technology have widened the scope for new forms of employment. This change is not new; as technological uses expand, new jobs are created, some destroyed, while some employees reskill or are replaced. The statistical architecture is relatively well established and can be adapted to assess the impact of digitalisation on the labour market. Notwithstanding this, the platform economy, and non-standard work in general, pose severe challenges to the labour market.

Of increasing importance to policy makers, the platform economy is largely absent from official statistics and taxes. The lack of statistical coverage highlights the need for proper infrastructure and the ability of statistical agencies to capture, collate and disseminate information in a meaningful and timely way (Loranger, Sinclair and Tebrake 2018). Most studies on the significance of the platform economy rely on expert interviews, surveys and/or public sources of data (Kässi, Lehdonvirta and Stephany 2021), while tax non-compliance may be high due the nature of platform work as a source of supplementary income (as opposed to primary income). In addition, tax enforcement in developing countries – where a large share of the global digital labour force resides– may be weaker (Kässi, Lehdonvirta and Stephany 2021).

On the domestic front, the impact of digitalisation on the labour market is particularly difficult to estimate. Available labour force statistics are currently lagged by more than four quarters and, thus, cannot be reliably used to inform labour market policies on a timely basis. In addition, while occupational classifications account for the jobs that are typically available via digital platforms they do not differentiate persons who may find employment using digital platforms. A wide range of data aimed at determining the changes in the labour market as well measuring the size of the digital platform economy are needed to close the data gap. This will include more frequent revisions of the national occupational classifications and labour force surveys to reflect the changing nature of work and to include more extensive job analyses. In addition, collaboration between the national statistics body and the providers of digital technologies that facilitate platform work is necessary; a close relationship between digital labour platform providers and national statistical institutions can provide the necessary data on the significance of platform work.

• INFLATION

Digitalisation poses numerous challenges for the compilation of price indices. These challenges relate to the fast-changing quality of digital goods and services, the introduction of new products to the basket and measuring ecommerce and online platforms. Technological advancements allow for upgrades to be made to existing products. To ensure quality adjustments are accounted for, techniques either avoid comparing different models or may ascribe a monetary value (price differential) to the quality increase and modify the price index as needed (IMF 2018). In some instances, new products may appear that cannot be compared to existing ones. The accuracy of price indices depends on the length of the delay in expanding the basket (IMF 2018). Lastly, ecommerce and online platforms are largely underrepresented in official statistics. Research suggests that online prices (as measured by online price indices) are lower than the consumer price index (CPI) (Goolsbee and Klenow 2018; Cavallo and Rigobon 2016). Moreover, online prices may grow at a different rate when compared to traditional retailers. The prevalence of ecommerce and online platforms must be reflected in the CPI with weights that represent their relative importance.

Domestically, the CSO compiles the Index of Retail Prices (RPI) and the Index of Producers' Prices (PPI). Despite e-commerce averaging US$500.0 million annually on purchases from the United States of America (US) (Gopee-Scoon 2019), e-commerce, as well as online digital platforms, are currently not accounted for in the CSO's RPI methodology. Without adjusting for shifting consumer patterns to online platforms and geographically dispersed retailers, inflation may be overstated (IMF 2018; Charbonneau, et al. 2017). In addition, the CSO revises the inflation basket infrequently, based on household expenditure data from the Household Budgetary Survey (HBS), which is typically collected once every decade. If the CSO is to reflect the digital proliferation adequately and accurately, it must ensure timely expansions to the basket, and the inclusion of e-commerce prices from online retailers and suppliers as they become important. Quality adjustment techniques must also effectively capture rapid technological change and product specialisation.

The RPI is generally an older measure of inflation and should be replaced with the CPI. In Trinidad and Tobago, the RPI basket is determined based on the HBS, which is conducted too infrequently (the second and last survey being conducted in 2008/09). In contrast, the CPI collects data monthly, directly from families and individuals. This methodological shift will be an intense exercise. However, it will allow for frequent expansions to the inflation basket to include new products and will monitor shifting consumer expenditure patterns. Moreover, consumer expenditure surveys can be accompanied by point of purchase surveys, which will aid in the calculation of the CPI by detailing preferred purchasing outlets (including e-tailers). In general, it is recommended that the statistical authorities draw on experiences from other countries to improve its own processes and to gain insight on other innovative sources of data and data collection and methodological techniques (IMF 2018).

5. FACILITATING THE DIGITAL ECONOMY: THE ROLE OF THE STATE AND FINANCIAL SUPERVISORY BODIES

Digitalisation is a double-edged sword; it holds many opportunities but presents complex challenges. Technologies develop rapidly and it is still not fully known where the process of digital transformation will lead. Authorities must keep both hands on the wheel to effectively steer the difficult and inevitable terrain, while collaborating with stakeholders to shape a common digital future for all.

Governments must take a holistic view of digital transformation, in that, focus must simultaneously be placed on promoting and strengthening digital government and shaping the transformation for the economy and society at large. In this vein, the digital transformation ecosystem comprises of enabling policies and institutions, skilled and adaptive human capital, a flexible ICT and data industry, data governance, affordable access to digital infrastructure and digital transformation applications (OECD 2017).

Digital transformation and data transformation must go hand in hand. Data is the new oil (Mavuduru 2020), and statistics are necessary to support any policy initiative, to measure and monitor results, and to hold governments accountable (Partnership in Statistics for Development 2020). In an increasingly digitalised world, far too many data gaps exist in the local context of both digital and non-digital activity. The research emphasises the need to improve the statistical capacity of the official source of national statistics. For Trinidad and Tobago, this may mean making greater strides towards formalising the National Statistical Institute and furnishing same with adequate resources. Moreover, in the global effort to address the challenges associated with a fast-changing data landscape, cross-border collaboration becomes necessary to facilitate the seamless access and sharing of data.

Greater efforts should be made to close the digital gap, particularly among rural communities. A study conducted by the IDB (Zaballos, Rodríguez and Gabarró 2020) evaluated the investments needed to close mobile and fixed broadband penetration (relative to the OECD) among 26 LAC countries. Trinidad and Tobago's investment needs were estimated at US$65.7 million and US$19.4 million, respectively. This investment is projected to directly increase employment by 42,789 persons. However, the research found that 72.7 per cent of the investment should be directed to improving connectivity in rural areas, suggesting a significant urban-rural divide, which has implications for growth. Notably, while a country-specific strategy is essential, forward-looking policies and regulations with rural-community focus and participation are crucial (OECD 2020).

Central banks will play an important role in defining the digital economy. The adoption of fintechs will require that the Central Bank carefully monitors the associated structural transformations of the financial market and its players, to ensure financial stability is maintained. Moreover, they may be required to aid with further development of the financial sector to guarantee a stable, secure and fair operating environment and to ensure consumer protection.

Importantly, though digital currencies are not expected to replace fiat currency anytime soon, crypto offerings have already begun to transform the financial sector. Digital currencies transcend national borders and fintechs make it easier for money to reach everyone. The proliferation of digital currencies cannot be ignored. Notably, central banks have the option of issuing their own central bank digital currency (CBDC) or can form public-private partnerships with licensed e-money issuers to issue a "synthetic" CBDC. As an alternative to CBDCs, central banks can focus on upgrading existing payment systems, to match the speed and convenience of digital currencies (Adrian and Griffoli 2019). Ultimately, central banks will have to weigh the pros and cons of adopting a CBDC.

Fiscal and monetary authorities must engender trust, promote inclusion and access, engage and collaborate with the private sector, and support a data-driven public service. Luckily, digitalisation has not occurred in a vacuum, and research is extensively conducted by international organisations on the possible implications, requisite investments, and statistical adjustments needed. Already in the literature there exists several roadmaps to advance, manage and understand the digital economy, as well as overarching frameworks specifically focused on sound measurement and improved collaboration. Trinidad and Tobago need not look to reinvent the wheel in these regards but ensure timely adoption and implementation of international standards.

6. CONCLUSION

The research highlighted the lack of resources and diminished capacity to address existing statistical gaps as it pertains to digitalisation. There is a likelihood that digitalisation currently has a greater macroeconomic impact for the Trinidad and Tobago economy, but the effects are not sufficiently captured due to shortcomings in traditional statistical apparatuses and capacity gaps of statistical institutions. Ultimately, the lack of capacity hinders creative policy development geared towards promoting country-specific digital economic opportunities, and leaves policy makers guessing about the success of strategies implemented. In this regard, the establishment of the proposed National Statistical Institute is even more important, given sizeable data gaps and concerted efforts needed to close them.

While updates to international statistical guidelines remain a work-in-progress, several actions can be taken to upgrade legacy statistical apparatuses and generate digital statistics, as well as develop appropriate legislation. There already exist several roadmaps and overarching frameworks specifically focused on sound measurement, improved collaboration and digital-ready legislation. Focus should be placed on the timely adoption and implementation of existing international standards, while remaining flexible to changes that may occur in the future. Meanwhile, greater inter-agency collaboration between financial sector regulators and the CSO is needed to ensure an integrated approach to statistical efforts and that conventional macroeconomic statistics are supplemented by new digital statistics. Increasing digital readiness is the cornerstone of any successful digital transformation. Ensuring a digital ready population enables the digital transformation. Digital innovations are changing the society; it is important to reflect on the advantages of the digital revolution, while remaining aware of its implications.

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APPENDIX 3

CALENDAR OF KEY ECONOMIC EVENTS

JANUARY TO DECEMBER 2021

ENERGY SECTOR

18 Jan

The National Gas Company of Trinidad and Tobago Limited (NGC) signed an Engineering, Procurement, and Commissioning (EPC) contract for gas infrastructure for eTecK's Phoenix Park Industrial Estate (PPIE), with the Beijing Construction Engineering Group Company Limited (BCEG). BCEG, a Chinese construction and engineering firm, is the design-build contractor for the PPIE. The PPIE, a government initiative led by the Ministry of Trade and Industry is a light industrial estate developed to stimulate economic development. During the construction phase, approximately 1,000 persons are expected to be employed based on conservative government estimates. Once operational, the park will directly employ more than 4,500 persons.

20 Jan

The Heritage Petroleum Company Limited (Heritage Petroleum) announced the completion of negotiations with the Government of Trinidad and Tobago for a new exploration and production licence that combines the acreage of two major blocks on the west coast of Trinidad. According to Heritage Petroleum, the new deal would combine the total acreage of the two areas into a 96,000 acre block for exploration, making it the single largest block in the west. The Government will benefit from a $100 million payment from Heritage Petroleum over six years.

24 Mar

Heritage Petroleum and EOG Resources Trinidad Limited signed a joint venture agreement. This agreement enables collaboration with EOG Resources Trinidad Limited to farm a portion of Heritage Petroleum's acreage within the Exploration and Production (Public Petroleum Rights) Licence covering offshore Trinidad Northern Areas Block in the Gulf of Paria.

12 Apr

Touchstone Exploration announced positive flowback tests on its Cascadura Deep-1 well with the confirmed presence of liquids-rich natural gas. Touchstone has an 80 per cent operating working interest in the well located on the Ortoire block onshore Trinidad. Heritage Petroleum Company Limited holds the remaining 20 per cent working interest. Touchstone indicated it had perforated the top 199 feet of the 449 feet identified as potential pay in sheet four of the overthrust Herrera formation. The average flowback rate during the extended 24-hour test period was approximately 4,262 barrels of oil equivalent per day (boe/d), including 22.9 million cubic feet per day (mmcf/d) of natural gas and 449 barrels per day (bbls/d) of natural gas liquids (NGLs). Peak flowback rate of roughly 4,567 boe/d was observed, comprised of 24.5 mmcf/d of natural gas and 477 bbls/d of NGLs. Approximately 48.8 mmcf of natural gas (8,138 boe) and 1,081 barrels of NGLs were produced during the testing period.

19 May

The National Gas Company of Trinidad and Tobago (NGC) has joined the global Oil and Gas Methane Partnership (OGMP) to reduce its carbon impact. Finalised NGC membership was acquired after the signing of a memorandum of understanding with the United

Nations Environment Programme. OGMP is a comprehensive, measurement-based methane reporting framework that standardises rigorous and transparent emissions accounting practices. This participation strengthens NGC's capacity to deal with methane emissions through collaboration and exchanges with major multinational oil and gas players and non-operated joint venture partners.

26 Jun

The National Gas Company of Trinidad and Tobago Limited (NGC) Group of Companies reported an unaudited after-tax profit of $191 million for its first quarter. This is highlighted in its summary consolidated financial statements for the three months ended March 31, 2021. The turnaround comes after NGC reported a $2.1 billion loss for 2020. NGC chairman Conrad Enill, stated that group revenues of $4.5 billion were $1.3 billion greater than revenues of $3.2 billion for the comparative period 2020. He attributed the increase in revenues and profits to the rebound in commodity prices.

26 Jun

Heritage Petroleum has recorded approximately 1 billion dollars profit for 2020, as stated by Chairman Michael Quamina in the summary consolidated financial statement for the year ending September 31. The revenue generated was achieved during the year despite the impact of the coronavirus (COVID-19) pandemic, as compared to 2019. In 2020, the price of West Texas Intermediate crude oil traded as low as US$37.63 per barrel and Brent crude as low as US$20 per barrel. As such, Heritage Petroleum responded quickly and strategically, lowering its operating costs and deferring discretionary projects, implementing storage instead of the sale of crude. These steps saved several millions in the worse part of the price decline. Sales then resumed when the price recovered.

22 Jul

Shell Trinidad and Tobago announced that production has started on Block 5C in the East Coast Marine Area (ECMA) in Trinidad and Tobago. This marks a major milestone in delivering gas domestically and internationally through Atlantic LNG. Block 5C, known as Project Barracuda, is a backfill project with approximately 25,000 boe/d (140 mmscf/d) of sustained near-term gas production with peak production expected to be around 40,000 boe/d (220 mmscf/d). It is Shell's first greenfield project and one of its largest in Trinidad and Tobago since the BG Group acquisition.

26 Jul

bp Trinidad and Tobago LLC (bpTT) announced the installation of the topsides of its Cassia Compression (Cassia C) platform off Trinidad's East Coast. The installation marks an important milestone in the Cassia C project, enabling bpTT to access and produce low-pressure gas reserves from currently-producing fields in the Greater Cassia area, maximising recovery from these existing resources. Cassia C will be located 57 kilometres off the South-East Coast of Trinidad. The platform will have a throughput capacity of 1.2 billion standard cubic feet of gas a day (bscfd). First gas from the platform is expected in 2022.

30 Jul

DeNovo Energy Limited (DeNovo) and NGC announced the signing of the Zandolie Field development Gas Sales Contract (GSC) for commercialisation of the Field located in Block 1(a). The Zandolie Field Development project will be DeNovo's second offshore instalment following the Iguana Field development in Block 1(a). Iguana was the first West Coast natural gas field to be developed in Trinidad and Tobago. DeNovo plans a further investment of US$52 million in the Zandolie development, which should deliver approximately 40 mmscf/d within the first half of 2022.

04 Aug

The NGC signed a Consolidated Gas Supply Contract (CGSC) with Methanol Holdings (Trinidad) Limited (MHTL), a member of the Proman family of companies. The contract supports operations at the MHTL Methanol Complex, including the mega-methanol M5 plant. In the past, each of MHTL's plants was supplied under individual gas sales contracts. The CGSC is a single contract that will manage the sale of gas to the entire complex.

13 Aug

The NGC and Evolving TecKnologies and Enterprise Development Company Limited (e TecK) signed an Engineering, Procurement and Construction (EPC) contract for the supply of a natural gas pipeline infrastructure for e TecK's Factory Road Industrial Park (FRIP). NGC will design, procure and construct the natural gas-related infrastructure and ultimately supply gas to fuel upcoming tenants' operations at e TecK's FRIP.

18 Aug

NGC announced a profit of $437 million for the six months ended June 30. This represents an increase of 292 per cent, compared with the iterated loss of $228 million for the same period in 2020.

30 Aug

In a press release, NGC announced their acquisition of Heritage Petroleum's Non-Operated Joint Venture (NOJV) participating interest in Block 3(a), off Trinidad's East Coast. NGC said this move would increase its participating interest in the block from 11.41 per cent to 31.54 per cent. The company also stated that due to the deal, it now has access to additional equity crude, which will bolster its marketing and trading portfolio.

20 Sept

bpTT confirmed its Matapal project has safely achieved first gas. This most important milestone was achieved ahead of schedule and under budget. Matapal is bpTT's second subsea development. It is comprised of three wells, which ties back into the existing Juniper platform, thereby reducing development costs and the associated carbon footprint. It is located approximately 80 kilometres (km) off the South-East Coast of Trinidad and roughly 8km east of Juniper, in depth of 163 metres. Matapal will deliver gas into the Trinidad gas market from resources discovered by the Savannah exploration well, drilled in 2017. The initial production from this development is expected to be in the range of 250-350 million standard cubic feet per day (mmscf/d), once all wells are fully ramped up.

30 Sept

Heritage Petroleum reported a solid economic performance, declaring an after-tax profit of $1.2 billion for the first nine months of the 2021 financial year. According to the accounts, the nine months ending June 30 2021, Heritage Petroleum Company Limited and its subsidiaries' revenues were $4.9 billion in comparison to $3.2 billion in 2020. This highlights the continued increase in production and improved Brent prices which averaged $58 per barrel for the year to date. Heritage reported strong cash generation from operations of $2 billion and cash balances which stand at $1.7 billion. The company said its contribution in taxes, levies and royalties to the Government was $606 million for the nine-months.

08 Nov

Touchstone Exploration announced a new light oil discovery in the Royston-1 exploration well. This well is located in the Ortoire block, where the first of three tests surpassed expectations. The well was drilled to a depth of 10,700 feet and encountered a significant Herrera turbidite package with an observed thickness of over 1,000 feet gross including, around 609 feet of clean sand. A light oil opportunity with substantial development potential from the bottom 100 feet of the wellbore is a huge addition to the Royston area. The second test is expected in the next three weeks and the third before the end of the year.

17 Nov

Shell Trinidad and Tobago and the Government of Trinidad and Tobago (GORTT) have signed a Production Sharing Contract (PSC) to develop and produce natural gas from the Manatee field. This is the first PSC signed by the GORTT and is expected to produce natural gas of up to 700 million standard cubic feet per day (mmscf/d). The PSC for sub-block 6d (Manatee) is for 25 years. Preliminary estimates indicate that natural gas production could start as early as 2025, with an initial production of up to 350 mmscf/d, before ramping up to around 700 mmscf/d.

06 Dec

Touchstone Exploration has announced large oil discoveries at its onshore Trinidad Royston-1 exploration well. The recovered oil is said to be light, sweet crude with an average 33-degree API (corrected to 60-degree Fahrenheit) with sampling throughout flow testing indicating an average 94 per cent oil cut with some solution gas present but not measured. The completion spanned a 92 foot gross interval below 10,434 feet, which was identified on wireline logs as being hydrocarbon-bearing. Two additional wells may be drilled from the existing Royston surface location, subject to the required approvals.

19 Dec

The NGC has released its unaudited consolidated financial statements for the nine-months ended September 30, 2021. The results signal a strong recovery relative to 2020, as The NGC Group recorded an unaudited after-tax profit of $1.045 billion for the reporting period. This represents an extraordinary 2,588 per cent increase over the loss of $42 million for the prior period. Revenues for the period stood at $15.6 billion as compared with $8.1 billion in 2020, an increase of 98 per cent over the prior period.

FINANCIAL LEGISLATION

21 Jan

The Insurance Act of 2018 and the Insurance (Amendment) Act, 2020 (new Act) came into effect on January 01, 2021. It aims to strengthen the regulatory framework to assure greater policyholder protection, modernising the legislation to effectively supervise the insurance industry and facilitating the Central Bank in promoting efficient, fair and transparent insurance markets. Financial stability of the sector is one of the critical objectives of the new Insurance Act.

29 Mar

An Act to give effect to the Economic Partnership Agreement between CARIFORUM States (the Caribbean Community and the Dominican Republic) and the United Kingdom of Great Britain and Northern Ireland; to effect consequential amendments to the Customs Act, Chap. 78:01 and for related matters was assented on this date. (Act No. 3 of 2021).

21 Apr

An Act to amend the Electronic Payments into and out of Court Act, 2018 was assented on this date. This Act may be cited as the Electronic Payments into and out of Court (Amendment) Act, 2021. (Act No. 5 of 2021).

17 June

The corporation tax (small and medium enterprises loan guarantee programme) (extension of Exemption) order, 2021.
(Legal Notice No. 182 of 2021)

22 June

An Act to supplement and vary the appropriation of the sum the issue of which was authorised by the Appropriation (Financial Year 2021) Act, 2020 was assented on this date. This Act may be cited as the Finance (Supplementation and Variation of Appropriation) (Financial Year 2021) Act, 2021.
(Act No. 6 of 2021)

14 Jul

An Act to make provisions of a financial nature and for other related matters was assented on this date. This Act may be cited as the Finance Act, 2021. (Act No. 10 of 2021)

29 Oct

An Act to provide for the service of Trinidad and Tobago for the financial year ending on September 30, 2022 was assented on this date. This Act may be cited as the Appropriation (Financial Year 2022) Act, 2021.
(Act No. 14 of 2021)

17 Dec

An Act to make provisions of a financial nature and other related matters was assented on this date. This Act may be cited as the Finance (No. 2) Act, 2021.
(Act No. 16 of 2021)

23 Dec

An Act to establish the Trinidad and Tobago Revenue Authority and for related matters was assented on this date. This Act may be cited as the Trinidad and Tobago Revenue Authority Act, 2021. (Act No. 17 of 2021).

CENTRAL BANKING

01 March
The Mortgage Market Reference Rate remained unchanged at 3.00 per cent.

26 March
The Central Bank of Trinidad and Tobago maintained the repo rate at 3.5 per cent.

01 June
The Mortgage Market Reference Rate remained unchanged at 3.00 per cent.

25 June
The Central Bank of Trinidad and Tobago maintained the repo rate at 3.5 per cent.

01 Sept
The Mortgage Market Reference Rate remained unchanged at 3.00 per cent.

30 Sep
The Central Bank of Trinidad and Tobago maintained the repo rate at 3.5 per cent.

01 Dec
The Mortgage Market Reference Rate remained unchanged at 3.00 per cent.

31 Dec
The Central Bank of Trinidad and Tobago maintained the repo rate at 3.5 per cent.

FINANCIAL SECTOR

01 Mar
Ansa Merchant Bank Limited completed its acquisition of Bank of Baroda Trinidad and Tobago Limited. An official statement from the company reported that Monday March 01, 2021, represented the first day that the business operations of Bank of Baroda Trinidad and Tobago Limited were being conducted under the ownership of Ansa Merchant Bank Limited. The transaction commenced via a sales agreement signed on December 11 2019, after being approved by the Central Bank of Trinidad and Tobago in November 2020.

11 Mar
First Citizens Bank announced its acquisition of a 19.9 per cent minority stake in the web-based credit institution Term Finance (Holdings) Limited, which owns and operates subsidiaries involved in micro-lending businesses in Trinidad and Tobago, Barbados, Guyana, Jamaica and St Lucia. Term Finance has expanded into these territories by leveraging a totally web-based platform and acquiring the various licences required to support their operations in each market.

06 Apr
The University of the West Indies (UWI) announced it had secured a grant of US$25 million from virtual and augmented reality software developer EON Reality, making it the most significant international contribution that the University has ever received. The grant will see EON Reality, which is based in the US tech hub, Silicon Valley enter the Caribbean market as a post-coronavirus (COVID-19) education

development leader. EON Reality has a global development network with more than 20 locations worldwide and over 40 million users on its augmented and virtual reality (AR/VR) library for education and industry.

06 May

Tatil Limited announced that they had fully acquired the operations of Trident Insurance Company in a merger with its Brydens Insurance branch in Barbados. In November 2020, Brydens Insurance published a notice on its website of its intent to transfer the insurance business and related assets of Trident to Tatil, through the integration of existing insurance business and operations. Tatil holds the second position in Trinidad and Tobago, with 13 per cent of gross written premiums for 2019 in general insurance. Its total assets were $545 million. Tatil also ranked fourth in life insurance and pensions, with total assets in 2019 at $2,431 million.

20 Jul

Trinidad and Tobago's First Citizens Investment Services (FCIS), a 100 per cent subsidiary of majority State-owned First Citizens Bank, is Barita's second-largest shareholder. With 6.1 per cent, FCIS now holds 66,280,154 shares in Barita, having paid an estimated cost of US$27 million for the two blocks of shares. FCIS acquired 54,280,154 shares in Barita Investment Ltd at J$52 a share in the additional public offering (APO). FCIS paid approximately US$19.5 million (J$2.82 billion) for the shares. On December 04, 2020, FCIS acquired 12 million shares in Barita on the floor of the Jamaica Stock Exchange. FCIS paid J$90 a share for those additional shares, with the total consideration being US$7.44 million (J$1.08 billion).

30 Nov

Colfire, an insurance company in the CL Financial (CLF) group, has signed a lock-up agreement to be sold to Tatil Limited, the insurance company of the ANSA McAL conglomerate. The transaction value is approximately $320 million as ANSA McAL will pay $20.32 per share for each of Colfire's 15,751,034 shares. According to the notice signed by the bank's corporate secretary, the liquidators have agreed to deposit 94.24 per cent of the total issued and outstanding ordinary shares held by CL Financial in Colfire pursuant to a takeover bid for 100 per cent of the total issued capital in Colfire.

GOVERNMENT TRANSACTIONS

15 Jun

Finance Minister Mr. Colm Imbert announced Government acceptance of a $1.4 billion loan from China at a rate of interest of 2.0 per cent. The loan stipulates that 15 per cent is to be spent on Chinese elements such as, equipment, vaccines, and medical supplies, once manufactured in China as part of China's export drive.

27 Jul

The Corporación Andina de Fomento (CAF), the Development Bank of Latin America, approved a US$175 million loan for Trinidad and Tobago to modernise its transportation infrastructure through actions related to the development of plans, regulatory and strategic changes, and initiatives to improve processes and investments in the sector. The loan aims to advance institutional strengthening, mainly updating plans and strategies and improving the regulatory framework of process management, such as updating laws related to land transport, developing a policy for the maritime sector, plan strategies for public transport and the air sector.

27 Jul

The rating agency, Standard & Poor's (S&P), affirmed Trinidad and Tobago's investment grade rating of BBB-. S&P has affirmed the rating with a negative outlook despite exceptional headwinds and has kept the view that conservative and competent policy management, including large financial buffers, attested to the high shock absorption capacity of the country.

24 Aug

Finance Minister Mr. Colm Imbert announced that Trinidad and Tobago benefitted from the equivalent of US$644 million as a result of the global distribution of Special Drawing Rights (SDRs) by the IMF.

19 Nov

Moody's rating agency said pandemic pressures pushed Trinidad and Tobago's debt-to-GDP ratio towards 90 per cent. However, it was optimistic of a strong recovery next year of 5.9 per cent economic growth. They also warned of risks to Trinidad and Tobago based on an over-reliance on oil and natural gas, plus a dire need for economic diversification, including the non-energy sector. Overall, Moody's downgraded Trinidad and Tobago's (TT's) rating from Ba1 to Ba2, while improving TT's outlook from negative to stable.

20 Nov

The IMF mission to Trinidad and Tobago underscored the need for an appropriate policy mix to support the exchange rate regime. As such, the Fund has called on the authorities to remove all restrictions on current international transactions while providing sufficient foreign exchange to meet such demands. The authorities were encouraged to modernise FX and the money market infrastructure to reduce inefficiencies and imbalances to support the sustainability of the existing arrangements. The IMF stated in its report, the Staff Concluding Statement from its 2021 Article IV Mission, that Trinidad and Tobago is projected to have a robust economic recovery in 2022.

Central Bank of
Trinidad & Tobago