Central Bank of Trinidad and Tobago

Annual Economic Survey

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2002

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REVIEW OF THE NATIONAL ECONOMY

CHAPTER ONE - OVERVIEW OF ECONOMIC DEVELOPMENTS

Overview

Economic activity in Trinidad and Tobago continued to expand in 2002 but at a slower pace than in 2001 amidst a cloud of uncertainty that overshadowed events both at home and abroad. Growth in the industrialised countries was well below potential with soft labour markets and weak consumer and business confidence. At home, the parliamentary stalemate resulting from the general elections of December 2001 seemed to have prompted consumers and businesses to postpone some spending plans, leading to a certain sluggishness in domestic demand. This was exacerbated by the slowdown in the regional economies which impacted on the performance of non-energy exports. Nevertheless, economic conditions remained favourable as inflation declined, labour market conditions improved and the balance of payments registered a small overall surplus. However, the process of fiscal consolidation weakened somewhat in 2002 as the central government recorded a small deficit compared with a surplus in 2001.

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Real GDP growth in 2002 was 3.2 per cent compared with a revised estimate of 4 per cent in 2001. This marked the ninth consecutive year of positive growth in Trinidad and Tobago. The energy sector made a significant contribution to economic growth as real value added rebounded and increased by 10.7 per cent compared with a relatively weak performance (0.7 per cent) in 2001. Petroleum and petrochemicals production and exports expanded as two new plants came on stream and the prices of many of these commodities trended upward during the year. The weak global economic recovery nonetheless impacted heavily on the non-energy sector which grew by just 1 per cent despite strong performances in the Electricity and Water (10.8 per cent), Distribution (11.2 per cent) and Construction (5 per cent) sectors. The Manufacturing sector declined by 2.9 per cent and value added in Government fell by 1.1 per cent.

According to the Continuous Sample Survey of Population conducted by the Central Statistical Office, the unemployment rate declined to an average of 10.4 per cent in 2002 from 10.8 per cent in 2001. The number of employed persons increased by 11 thousand to 525.1 thousand in 2002 and many of the new jobs were generated in the Services sector, particularly in Distribution and Transport, Storage and Communications.

The inflation rate slowed in 2002 to 4.2 per cent from 5.5 per cent in 2001. The increase in the prices of the food component, the major influence on the Retail Prices Index, remained high at 10.2 per cent, but this was less than the 13.9 per cent recorded in 2001. As an indicator of underlying inflationary pressures, the non-food component of the Retail Prices Index increased by just 0.6 per cent in 2002, from 1.1 per cent in the previous year.

In May 2002, the Central Bank introduced a new framework for the conduct of monetary policy which focuses on adjustments in its benchmark ‘repo’ rate. The ‘repo rate’ is the rate at which the Central Bank provides temporary financing to commercial banks. It provides a signal of the Bank’s observed monetary stance and is a means of influencing both short- and long-term market rates. The ‘repo’ rate was initially set at 5.75 per cent, but given the subdued inflationary conditions and slowdown in economic growth, this rate was cut by 50 basis points to 5.25 per cent in August 2002, as the Central Bank sought to stimulate demand by adopting an accommodative monetary policy stance. This led to downward pressure on interest rates such that the prime lending rate declined to 11.50 per cent at year's end compared with 14.50 per cent at the end of 2001. Despite the decline in interest rates, growth in credit slowed during 2002 with loans to businesses and consumers increasing by 9.3 per cent and 4.8 per cent, respectively. By comparison, in 2001, business and consumer credit grew by 17.4 per cent and 8.2 per cent, respectively.

The foreign exchange market experienced wide fluctuations in liquidity conditions during the year. Overall, net sales of foreign exchange by the Central Bank to the market amounted to US$315 million, the highest level since the adoption of the flexible exchange rate regime in 1993. The weighted average selling rate of the TT dollar depreciated from TT$6.2314 to US$1 in 2001 to $6.2473 to US$1 in 2002.

The central government's accounts deteriorated to a deficit of $181 million in 2002 (-0.3 per cent of GDP) following a surplus of $1,039 million (1.8 per cent of GDP) in 2001. The return to a deficit position resulted from an increase in spending (6.2 per cent) accompanied by a decline in revenues (2.9 per cent). There was a substantial fall in tax collections from the energy sector (27 per cent) which reflected a fall in realized oil prices and significant tax write-offs claimed by the largest oil producer in respect of new exploration activity. The rise in central government's expenditure was mainly due to the payment of wage arrears to public servants and higher transfers to households reflecting the increase in old aged pensions.[1]

The balance of payments recorded an overall surplus of US$49 million in 2002 compared with a surplus of US$471 million in 2001. There was a sharp reduction in the external current account surplus which fell to 1 per cent of GDP from 4.5 per cent in 2001. The deterioration reflected the decline in the merchandise trade surplus which resulted mainly from a 10 per cent fall in exports. Oil exports declined by 11.8 per cent but non-oil exports increased by 7 per cent. There was a small increase of 2.7 per cent in merchandise imports. There was also a substantial decline in the capital account surplus, which was due, in part, to a decline in direct foreign investment inflows. Nevertheless, the foreign exchange reserves position continued to be strong with gross official reserves amounting to US$1,923.5 million, equivalent to 5.8 months of imports of prospective goods and non-factor services. Other indicators of external vulnerability continued to be favourable. The external public debt outstanding fell from 19.6 per cent of GDP in 2001 to 17.4 per cent of GDP in 2002, and the external public debt service ratio remained low at 4.3 per cent.

OUTLOOK FOR 2003

The outlook for 2003 is for a slight pickup in economic growth with continued price stability and some strengthening in the balance of payments. Real GDP growth is expected to be in the vicinity of 4 per cent, again led by the energy sector. The stronger growth should boost employment opportunities in both the energy and non-energy sectors. The Central Bank is committed to monetary stability and would seek to maintain inflation at about 4.5 per cent.

On the basis of an increase in the volume of energy sector exports, the external current account surplus is projected to increase to 3.6 per cent of GDP in 2003 compared with 1 per cent in 2002. The projections are based on an average price of around US$28.00 per barrel which is a conservative assumption, given the fact that oil prices have averaged roughly US$31.00 per barrel in the first four months of the year. A weakening in the capital account is projected in 2003 following the completion of several energy sector projects financed by foreign direct investment. The overall

[1] During 2002, the central government agreed to the payment of wage arrears to public servants that were outstanding for some 15 years.

foreign reserve position is projected to remain robust.

The energy sector should maintain a strong performance in 2003 as additional capacity comes on stream with the commissioning of the Atlantic LNG (ALNG) train III facility. Output is also expected to be boosted by the expansion in the productive capacity of ALNG train II facility and the Caribbean Nitrogen Company which will each record a full year's production in 2003. In the non-energy sector, increased government spending is expected to stimulate activity in the economy, in general, and the construction sector in particular.

Preliminary data indicate that the central government operations for the first half of the fiscal year 2003 were in virtual balance, in part, because of delays in the execution of the capital programme. Notwithstanding an expected acceleration in the implementation of capital projects, the government forecasts that the overall deficit would not exceed the 1 per cent of GDP projected in the budget.

There are, of course, downside risks to this positive outlook for 2003. Notwithstanding the easing of geopolitical tensions, the underlying economic fragility in the industrialized economies is still to be addressed and the rebound in confidence expected with the end of the war in Iraq may not materialize. Regionally, the prognosis for the CARICOM economies which was initially for a weak recovery, has been scaled down in light of first quarter developments, particularly in the tourism industry. The latest official projections for selected economies in the region are Barbados, a range of between 0 per cent and 1 per cent; Guyana, 1.1 per cent; the Eastern Caribbean Currency Union (ECCU), 2.4 per cent and Jamaica, 2.5 per cent. A major weakening in the regional economies beyond these levels could be expected to impact the strength of the growth performance of the Trinidad and Tobago economy in 2003.

Box I
Government's Medium Term Policy Outlook

In the Budget Speech for fiscal 2002/2003 the government has also identified the achievement of developed nation status by the year 2020 as the principal developmental goal of the country. A multisectoral group comprising persons from the public sector as well as leaders from the private and non-governmental sectors has been established to develop a Strategic Development Plan covering several areas including energy, agriculture, tourism, education and skills development and training.

In order to achieve this goal, the government has developed a number of policy objectives which define the nature and scope of the social and economic transformation that will take place over the medium-term. Some of the highlights are as follows:

Economic Policy Objectives

- To sustain strong economic growth by pursuing prudent fiscal and monetary policies, maintaining a favourable balance of payments and adopting measures to stimulate savings and investment;
- To place greater emphasis on the development of certain key sectors so as to improve the growth potential of the economy;
- To improve the manufacturing and services sectors by accelerating structural transformation and to develop the agricultural sector;
- To enhance the competitiveness of exports.

Social Policy Objectives

- To promote human development by enhancing the human capital base so as to produce a workforce that is highly skilled and knowledgeable;
- To enhance social conditions by increasing the provision of social services and improving accessibility to these services;
- To improve social equity and harmony in the society by eradicating poverty and reducing imbalances.

Environmental Policy Objectives

- To protect and conserve the environment by adopting strategies that ensure sustainable long term growth and development.

Table A
SELECTED ECONOMIC INDICATORS, 1998 – 2002

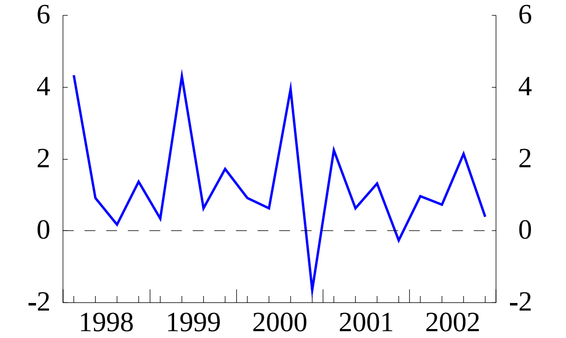
ITEM	1998	1999	2000	2001[r]	2002[p]
Nominal GDP ($M)	38,065.1	42,889.1	51,484.8	56,700.1	58,199.7
Energy	*7,027.5*	*9,635.4*	*15,703.4*	*16,421.0*	*15,290.6*
Non-energy	*31,037.6*	*33,253.8*	*35,781.4*	*40,279.1*	*42,909.1*
Origin of GDP			(In per cent of GDP)		
Energy	**18.5**	**22.5**	**30.5**	**29.0**	**26.3**
Non-energy	**81.5**	**77.5**	**69.5**	**71.0**	**73.7**
Agriculture	2.1	1.9	1.6	1.4	1.5
Manufacturing	9.1	8.0	7.3	7.1	7.2
Construction	8.7	8.1	7.2	7.0	7.1
Financial Services	14.7	14.8	14.1	14.9	16.1
Other	46.9	44.7	39.3	40.6	41.8
National Income and prices			(Annual percentage changes)		
Real GDP (1985=100)	4.6	5.8	5.7	4.0	3.2
Energy	**5.4**	**8.1**	**1.1**	**0.7**	**10.7**
Non-energy	**4.4**	**5.1**	**7.2**	**4.9**	**1.0**
Agriculture	-10.7	12.0	9.5	-2.8	2.5
Manufacturing	4.1	3.4	6.7	4.7	-2.9
Construction	13.9	7.9	8.0	4.9	5.0
Financial Services	2.5	2.2	2.4	2.8	2.1
Inflation Rate (%)					
(period average)	5.6	3.4	3.6	5.5	4.2
(end of period)	5.6	3.4	5.6	3.2	4.3
Unemployment Rate (%)	14.2	13.1	12.2	10.8	10.4
			(In per cent of GDP)		
Overall Central Government Surplus(+)/Deficit(-)[1]	-2.3	-2.1	-0.2	1.8	-0.3
Balance of Payments					
Merchandise Exports	37.0	41.5	53.6	47.8	41.9
Merchandise Imports	49.1	40.5	41.5	39.9	39.9
Current Account	-10.5	0.5	6.7	4.5	1.0
External Public Debt (US$M)	1,471.1	1,584.8	1,679.8	1,637.6	1,595.7
Debt Service Ratio (%)[2]	9.9	8.0	6.9	3.7	4.3
W.T.I. (US$/barrel)	14.40	19.25	30.29	26.09	26.03
Gross Official Reserves (US$M)	783.3	967.6	1,405.5	1,876.0	1,923.5
Exchange Rate (TT$/US$)[3]	6.28	6.28	6.27	6.20	6.21

1 In 1998 the government's financial year which previously coincided with the calendar year was changed to the twelve-month period between October 1 and September 30. Consequently the 1998 fiscal year was shortened to January – September, 1998.
2 This is defined as the ratio of external public sector debt service to exports of goods and non-factor services
3 This rate represents the mid-point of the period average of the buying and selling rates of the TT/US dollar.

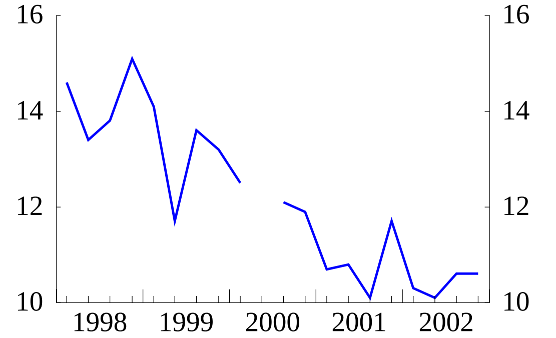
r - revised; p - provisional

Selected Economic Indicators
1998 - 2002

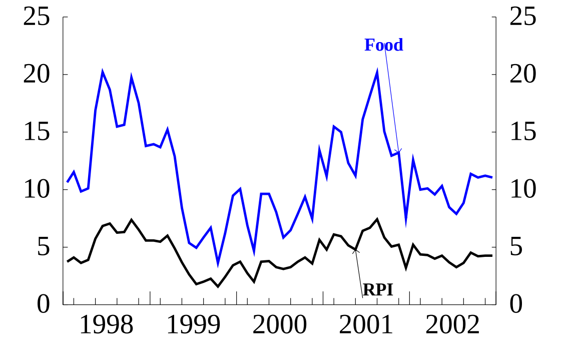
Quarterly Real GDP
(Growth Rates %)



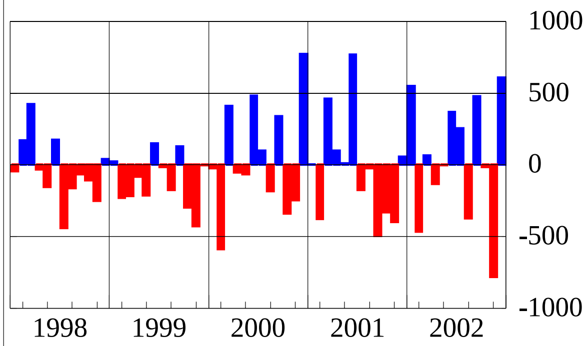
Rate of Unemployment[1]
%



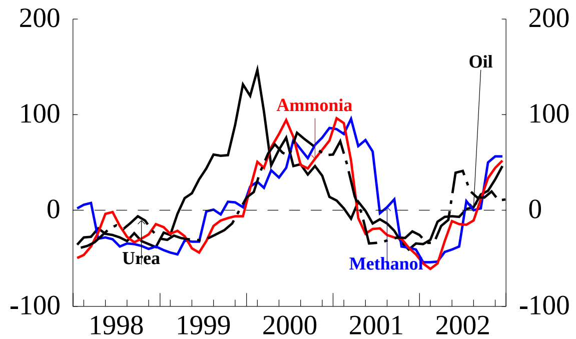
Index of Retail Prices
Year on Year % Change



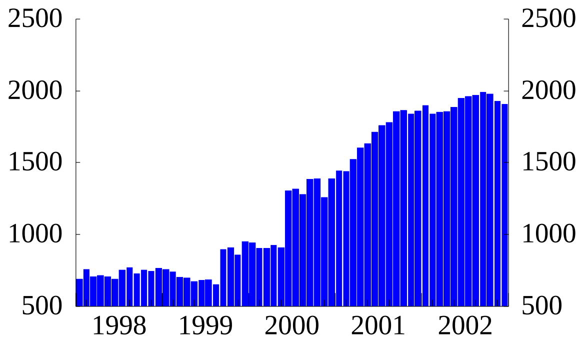
Overall Fiscal Balance
($Mn.)



Commodity Prices
(Year on Year % Change)



Net Official Reserves
(US $Mn)



1 No survey was conducted in the second quarter of 2000 because of the 2000 census exercise.

Chapter Two - National Accounts

Gross Domestic Expenditure

Gross Domestic Expenditure (GDE) grew by 6.6 per cent in 2002, compared with a 14.4 per cent growth rate in 2001. The slowdown was both in consumption and investment expenditure. As regards consumption, while private consumption increased by under 5 per cent, government's consumption expenditure expanded by 14.6 per cent reflecting the increase in wages and salaries to public servants. Gross Capital Formation (GCF) grew by 6.4 per cent in 2002 because of continued investment spending in the energy sector. However, this increase was much lower than one year earlier reflecting, in part, the decline in construction activity as both the ammonia and LNG (train II) plants were completed. Additionally, the current account recorded a surplus for the fourth successive year and Gross National Savings were estimated at 25.3 per cent of GDP in 2002, compared with 27.9 per cent in 2001.

Table 1(a)
GROSS DOMESTIC EXPENDITURE & GROSS NATIONAL PRODUCT 1998-2002
/Current Market Prices, Dollars Million/

ITEM	1998^r	1999^r	2000^r	2001^r	2002^p
Consumption Expenditure	27,383.3	31,407.2	34,062.7	38,100.3	40,626.6
Private	21,911.1	25,106.3	27,861.6	30,726.8	32,175.1
Government	5,472.2	6,300.9	6,201.1	7,373.5	8,451.5
Gross Capital Formation	12,707.1	9,010.9	10,287.4	12,641.3	13,449.1
Gross Domestic Expenditure	**40,090.4**	**40,418.1**	**44,350.1**	**50,741.6**	**54,075.7**
LESS: *Imports of goods and non-factor services*	20,477.8	18,965.5	23,286.2	24,767.2	24,644.9
PLUS: *Exports of goods and non-factor services*	18,452.5	21,436.5	30,420.9	30,725.7	28,768.9
Gross Domestic Product at Market Prices	**38,065.1**	**42,889.1**	**51,484.8**	**56,700.1**	**58,199.7**
LESS: *Net Factor Incomes*	(2,167.2)	(2,516.2)	(3,954.5)	(2,983.7)	(3,155.1)
GNP at Market Prices	**35,897.9**	**40,372.9**	**47,530.3**	**53,716.4**	**55,044.6**

Source: Central Statistical Office and Central Bank Staff Estimates

r – revised p - provisional

Table 1(b)
GROSS DOMESTIC EXPENDITURE - STRUCTURE AND GROWTH, 1999-2002
/Per cent/

ITEM	Per cent of GDP				Percentage Increase/Decrease			
	1999	2000	2001	2002	1999[r]	2000[r]	2001[r]	2002[p]
Consumption Expenditure	73.2	66.2	67.2	69.8	14.7	8.5	11.9	6.6
Private	58.5	54.1	54.2	55.3	14.6	11.0	10.3	4.7
Government	14.7	12.0	13.0	14.5	15.1	-1.6	18.9	14.6
Gross Capital Formation	21.0	20.0	22.3	23.1	-29.1	14.2	22.9	6.4
Gross Domestic Expenditure	94.2	86.1	89.5	92.9	0.8	9.7	14.4	6.6
LESS: Imports of goods and non-factor services	44.2	45.2	43.7	42.3	-7.4	22.8	6.4	-0.5
PLUS: Exports of goods and non-factor services	50.0	59.1	54.2	49.4	16.2	41.9	1.0	-6.4
Gross Domestic Product at Market Prices	**100.0**	**100.0**	**100.0**	**100.0**	**12.7**	**20.0**	**10.1**	**2.6**

Source: Central Statistical Office

p – provisional   r - revised

Table 1(c)
SAVINGS AND INVESTMENT 1998 - 2002
(At current market prices)
/Dollars Million/

ITEM	1998[r]	1999[r]	2000[r]	2001[p]	2002[p]
Gross Domestic Savings	10,681.8	11,481.9	17,422.1	18,599.8	17,573.1
LESS: Net Factor Payments	(2,167.2)	(2,516.2)	(3,954.5)	(2,983.7)	(3,155.1)
Net Transfers Abroad	140.0	236.4	238.0	210.4	290.7
Gross National Savings	8,654.6	9,202.1	13,705.6	15,826.6	14,708.6
Gross Capital Formation	12,707.1	9,010.9	10,287.4	12,641.3	13,449.1
External Savings[1]	4,052.5	(191.2)	(3,418.2)	(3,185.3)	(1,259.6)
(In per cent of GDP at market prices)					
Gross National Savings	22.7	21.5	26.6	27.9	25.3
Gross Capital Formation	33.4	21.0	20.0	22.3	23.1
Use of External Savings/1	10.6	(0.4)	(6.6)	(5.6)	(2.2)

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

[1] Equivalent to inverse of the current account of the balance of payments

p - provisional   r - revised

GROSS DOMESTIC PRODUCT

Real GDP, as measured by the Central Bank's Index of Quarterly Gross Domestic Product (GDP), increased by 3.2 per cent, compared with 4 per cent and 5.7 per cent in 2001 and 2000, respectively. Buoyant economic activity in the energy sector during 2002 contributed significantly to the expanding domestic economy. Real value added in this sector accelerated by 10.7 per cent, as both the petrochemicals (6.9 per cent) and other petroleum (11.7 per cent) sub-sectors registered strong performances. Growth in the energy sector was fuelled by the commissioning of an additional ammonia plant in July 2002 and the second train of the LNG facility (August 2002), and the increase in crude oil production to an average of 130.6 thousand barrels per day (bpd), up from 113.5 thousand bpd in 2001.

Growth in real GDP in the non-energy economy (1 per cent in 2002) was lower than in preceding years (4.9 per cent in 2001 and 7.2 per cent in 2000). The performance of the various sectors in the non-energy economy was mixed. Robust growth was experienced in Construction (5 per cent), Electricity and Water (10.8 per cent) and Distribution (11.2 per cent). Activity in the Construction sector continued to be driven mainly by developments in the energy sector and the government's public sector investment programme (PSIP). The strong growth in Electricity and Water reflected increased output in response to industrial development activity in the energy sector.

Moderate growth in output occurred in Agriculture (2.5 per cent) and Finance, Insurance and Real Estate (2.1 per cent), whereas, output declined in Manufacturing (-2.9 per cent), Transport Storage and Communication (-4 per cent), Government (-1.1 per cent) and Other Services (0.6 per cent). The poor outturn in the Manufacturing sector was partly the result of the slowdown in regional demand for local exports.

Table 2
GROWTH IN GDP AT CONSTANT (1985) FACTOR COST BY SECTOR, 1998 – 2002
/per cent per annum/

SECTOR	1998r	1999r	2000r	2001r	2002p
Energy	**5.4**	**8.1**	**1.1**	**0.7**	**10.7**
Petrochemicals	23.2	17.5	3.1	11.3	6.9
Other Petroleum (Oil etc.)	2.3	6.1	0.6	-1.8	11.7
Non-Energy	**4.4**	**5.1**	**7.2**	**4.9**	**1.0**
Agriculture	-10.7	12.0	9.5	-2.8	2.5
Manufacturing	4.1	3.4	6.7	4.7	-2.9
Electricity and Water	5.3	-0.6	9.6	4.0	10.8
Construction	13.9	7.9	8.0	4.9	5.0
Transport, Storage & Communication	4.3	10.5	7.0	0.9	-4.0
Distribution	13.6	9.8	21.5	6.8	11.2
Finance, Insurance & Real Estate/[1]	2.5	2.2	2.4	2.8	2.1
Government	3.2	-0.7	4.0	11.7	-1.1
Other Services/[2]	3.3	1.8	3.4	6.5	-0.6
GDP at (1985) Factor Cost	***4.6***	***5.8***	***5.7***	***4.0***	***3.2***
MEMO ITEM:					
Goods-Producing/[3]	4.5	7.1	4.8	1.9	6.5
Non-goods Producing	4.5	4.4	6.6	5.9	0.1

Source: Central Bank of Trinidad and Tobago
1 Includes the Correction for Imputed Service Charge
2 Includes Hotels and Guest Houses, Education and Community Services and Personal Services
3 The goods-producing sectors as classified here are Petroleum, Agriculture, Manufacturing, Electricity and Water and Construction
r - revised p - provisional

Chapter Three - Domestic Production

Petroleum And Petrochemicals

Petroleum

In 2002, the increase in crude oil production was related to the growth in condensate output associated with increased natural gas production. There was a slight fall in refinery output because there was a disruption in supplies from Venezuela in the fourth quarter, which temporarily forced state-owned Petrotrin to source crude for the refinery elsewhere in Latin America (mainly Brazil). Imports of crude oil increased once a new source of supply was found. Exports of crude oil also grew and this trend is expected to continue in 2003.

Exploration and Production

During 2002, the Ministry of Energy continued to encourage bids for exploration in the ultra-deep region off the East Coast of Trinidad and Tobago.[1] In 2002, total depth drilled was 144 thousand metres compared with 172.6 thousand metres in 2001 but there were no major discoveries of oil and gas during the year.[2] Total depth drilled over the last five years has been increasing as companies have intensified efforts to find and develop new reserves of gas because of a significant increase in demand.

In 2002, British Gas (BG) announced its interest in exploring and developing the gas fields which straddle the Trinidad and Tobago/Venezuelan border, known as the Platforma Deltana area. BG plans to unitize and develop the reserves on both sides of the border with the approval of both governments.

Production of crude oil (including condensate) totalled 130.6 thousand barrels per day (47.8 million barrels) in 2002, representing an increase of 15.1 per cent over output in 2001. The increase resulted from a spurt in condensate output associated with higher natural gas production. Enhanced work-over activity and higher levels of condensate output have slowed somewhat the long-term decline in domestic oil production. The current level of production should be maintained in the short term, and, over the medium term, should be enhanced when the new wells associated with the BHP discovery come on stream in 2005.

At the start of 2002, crude oil prices hovered around the level of US$21.41 per barrel (WTI) but trended upwards during the year to average US$ 28.01 per barrel in the last quarter. The average for the year was US$26.03 per barrel.

Refining

In 2002, there was a modest decline of 2.1 per cent in the level of refining activity. Refinery throughput averaged about 149.5 thousand barrels per day (54.8 million barrels) compared with 153.2 thousand barrels per day (55.9 million barrels) in 2001. Fuel oil accounted for approximately 42.8 per cent of total refinery output, gas and diesel oil for 24.6 per cent, and motor gasolene for a further 20.5 per cent. Crude oil imports increased by about 5.6 per cent to average 32.2 million barrels, while exports (24.9 million barrels) were just about 35.9 per cent above that of the previous year.

[1] Ultra deep water is defined as 1,500-3,000 metres and deep water as 750-1,500 metres.

[2] International firms as well as local industry officials are of the view that oil might have migrated to the ultra deep regions, and hence have contributed towards a joint seismic survey of the eastern Atlantic Basin off the coast of Trinidad and Tobago which is the only unsurveyed marine region. The firms involved in the joint project include Petroleos de Venezuela (PDV), Statoil, BP, Shell Agip and TotalFinaElf.

Box II
Energy Sector Issues, 2002

Natural Gas
The on-going debate on the development of the natural gas industry revolved around the following issues:

- *The gas reserves to production ratio.* The Ministry of Energy projects that given the current rate of usage of natural gas, proven reserves (23 trillion cubic feet) will last about eighteen years. As natural gas is a wasting resource, there are serious implications for the long term viability of the industry if no new reserves are found.
- *The future development of the industry.* The debate revolves around whether additional LNG trains or new downstream industries should be developed. The latter option is seen by some as the optimal way to add value to the natural resource to diversify the industry and the productive base of the economy.

The government announced its intention of attracting additional investments in oil and gas exploration and in the petrochemical sector. The government also stated that local equity participation in all aspects of the energy sector should be encouraged to allow citizens direct involvement in the commanding heights of the economy.

There were several issues still to be resolved with respect to the negotiations relating to the Atlantic LNG train IV plant that relate to natural gas pricing and gas reserves. Negotiations are continuing and agreement is expected to be reached by mid 2003.

Natural Gas

In 2002, production of natural gas averaged 1,826 million cubic feet per day (mmcf/d) representing an increase of 14.4 per cent over output in 2001. By year-end, the largest user of natural gas was Atlantic LNG accounting for 47 per cent of total natural gas production. The second largest users were the ammonia plants (23.4 per cent), followed by the methanol (14.5 per cent) and power generation (11.6 per cent) companies. The manufacturers of iron and steel products and cement utilised the remaining output.

Liquefied Natural Gas (LNG)

In 2002, Atlantic LNG trains I and II exported approximately 4.12 million tonnes of liquefied natural gas (LNG), to the United States (76.8 per cent), Puerto Rico (11.7 per cent) and Spain (8.7 per cent). Construction work continued on Atlantic LNG train III which is slated to come on stream in the second quarter of 2003. When this facility is fully operational, production would be boosted by an additional 3.3 million tonnes of LNG per year. Natural gas prices averaged US $3.36 per million Btu during 2002, compared with US$ 4.11 in 2001.

Natural Gas Liquids (NGLs)

The start up of operations of the new ammonia plant and the second train of ALNG together with normal capacity utilisation at all the petrochemical plants impacted positively on the production and exports of natural gas liquids (NGLs). The output of NGLs rose to 8.6 million barrels (mn bbls), 14.3 per cent over production in 2001, while exports at 8.8 mn bbls were 14.4 per cent higher than exports in 2001(7.6 mn bbls). Following a decline in the second half of 2001, NGL prices also trended upward during 2002.

Petrochemicals

Methanol

Work continued on the two mega-methanol plants at the Point Lisas Industrial Estate during 2002. The first of these, the Atlas methanol facility is slated to come on stream by the first quarter of 2004. The process design on the second plant, the M5000, was completed during the year and detailed engineering plans on this facility were initiated in the last quarter of 2002. The M5000, a 1.8 million tonnes per annum plant, is considered the world's largest of its kind, and should be commissioned by early 2005. The addition of these two plants would boost this country's methanol production capacity by 3.4 million tonnes and would serve to further cement its position as the number one exporter of methanol.

In 2002, methanol production reached 2,828.9 thousand tonnes, an increase of 1.4 per cent from the previous year. Exports at 2,782.4 thousand tonnes were marginally lower than in the previous year. Methanol prices (fob Rotterdam), which averaged US$120.00 per tonne in the first half of the year, rose to US$211.00 by December. For the year as a whole, prices averaged US$163.50 compared with US$198.00 in 2001.

Nitrogenous Fertilizers

In July 2002, there was an increase in production as the total number of ammonia plants in Trinidad and Tobago grew to nine with the coming on stream of the Caribbean Nitrogen Company. As a result, output of nitrogenous fertilizers totalled 4.7 million tonnes, an increase of 10.7 per cent over production levels in 2001. International shipments at 4.2 million tonnes in 2002 were about 9.2 per cent greater than exports in 2001.

For the first nine months of 2002, fertilizer prices averaged around US $100.00 per tonne because of low gas prices and an increase in supply as Algeria, Venezuela and Indonesia expanded their export capacity. This trend changed in the last quarter however, when natural gas prices took an upward turn given an increase in demand in Asia, a lack of new export capacity and a loss of supply from Venezuela arising out of the crisis there. During this period, prices averaged US$147.00 per tonne. The outlook for prices appears somewhat stronger in 2003 than that which prevailed in 2002.

MANUFACTURING

Iron and Steel

Output of direct reduced iron (DRI) rose to 2,316.3 thousand tonnes, an increase of 5.9 per cent over the previous year. Production of steel billets (816.9 thousand tonnes) was just about 22 per cent greater than that of the previous year, while output of wire rods increased by 16.5 per cent or 704.5 thousand tonnes. Exports of DRI totalled 1,377.1 thousand tonnes, 0.9 per cent over the previous year, while shipments of wire rods at 655.1 thousand tonnes were 16.8 per cent greater than exports in 2001.

Prices of iron and steel products displayed mixed trends in 2002. While the average price of steel billets rose, the price of wire rods remained unchanged in 2002. Steel billets averaged US$194 per tonne (fob Latin America), an increase of 13.5 per cent over prices in 2001, while wire rod prices (fob Latin America) fell marginally to average US $220.00 per tonne during the year.

Challenges

The Manufacturing sector in Trinidad and Tobago has risen to the challenges presented by structural adjustment successfully and was able to streamline its production processes and source new markets regionally and extra-regionally. However, the year 2002 was a difficult one for domestic manufacturers as the aftermath of the terrorist attacks in the United States impacted negatively on the economies in the region, their principal market. Other challenges facing the sector revolve around the establishment of the Free Trade Area of the Americas (FTAA) in 2005. Domestic manufacturers have and are involved in the negotiation process for the FTAA. They are also seeking to understand the impact of this multilateral trade arrangement on the sector in order to benefit from the opportunities it presents and avoid the pitfalls.

AGRICULTURE

Sugar

The state-owned sugar company CARONI (1975) Ltd. recorded an improved performance in 2002, despite the uncertainties surrounding the industry and several developments that threatened the successful completion of the crop season. During the first quarter, a shutdown of the company's operations because of cash flow problems was averted when the central government provided a 'Letter of Comfort' to support a bank loan. Raw sugar production totalled 98.3 thousand tonnes for 2002, an increase of 8.5 per cent over output of 90.6 thousand tonnes in 2001. Although the production target was met, the cane to sugar ratio was high because of unfavourable weather conditions and poor cane quality. Exports reached 61 thousand tonnes, marginally above the amount shipped in 2001 (59.5 thousand tonnes), and domestic sales amounted to 64.4 thousand tonnes compared with 74.9 thousand tonnes in 2001. Exports to the European Union (53.8 thousand tonnes) fetched an average price of TT$2,800 per tonne, and shipments to the United States (7.1 thousand tonnes) around TT$2,400 per tonne.

Box III
Outlook for the Sugar Industry

The sugar industry as it is presently organised has been deemed uncompetitive and unviable. A number of factors have led to this assessment:

1. The domestic production of sugar is ranked as one of the highest cost operations in the world.
2. The cane yield per hectare is among the lowest of the African, Caribbean and Pacific (ACP) producers (Africa – 82 tonnes per hectare; ACP – 73 tonnes per hectare; Trinidad and Tobago – 52 tonnes per hectare).
3. The sucrose content of the cane is poor in comparison to ACP producers (the average for ACP states is 12.2 per cent compared with Trinidad and Tobago's 10.8 per cent).
4. The current operations of CARONI are unprofitable and the company relies heavily on the State for funding its operating deficits. Between 1975-2002, financial support to CARONI from the State totalled $6 billion.
5. The erosion of protection in the European Union (EU) has resulted in reductions in preferential prices.
6. Export markets for raw sugar from Trinidad and Tobago may be reduced and possibly eliminated. CARONI (1975) Ltd. exports sugar to Europe under two agreements: The Sugar Protocol with a quota of 46,000 tonnes at a price of Euro 532.70 per tonne and the special Preferential Sugar Agreement (SPS) which has a 2002 quota of 4,500 tonnes at a price of Euro 496.00 per tonne. These agreements are of indefinite duration and the prices are guaranteed for 5 years.
7. It is possible that sugar from other parts of the world may enter into the domestic market as local users of the commodity seek supplies from cheaper sources.
8. Brazil and Australia have challenged the EU's preferential arrangements with ACP countries before the World Trade Organisation (WTO).

Consequently the government, the only shareholder in CARONI (1975) Ltd has taken a decision to restructure the company's operations. A new wholly state-owned entity (The Sugar Manufacturing Company of Trinidad and Tobago Ltd) will be formed to engage in the production and refining of sugar. The new company will not be involved in the growing of sugar cane but will purchase same from private farmers at market prices based on quality. Only one (Usine Ste. Madeleine) of the two factories currently operating is scheduled to continue processing the cane in order to produce annual levels of between 75,000- 80,000 tonnes of raw sugar.

It is expected that private sector involvement will be sought for CARONI's business units which include rice cultivation, rum distillation, citrus production and dairy production. The lands owned by CARONI (some 77,000 acres) will be transferred to the State through a Vesting Act and managed by a new company, The Estate Management and Business Development Company Ltd. The lands are to be used for commercial and residential purposes.

Box IV
Recent Developments in the Manufacturing Sector

There are several challenges facing the manufacturing sector in Trinidad and Tobago in the short- to medium-term. One is the continuing weakness of regional economies which constitute the manufacturing sector's principal markets. Other risks are the effect of globalisation and the competition from cheap imports. The implications of the establishment of the Free Trade Area of the Americas (FTAA) in 2005 are also cause for concern.

Manufacturers have responded to these challenges through their representative body, The Trinidad and Tobago Manufacturers Association (TTMA) in the following ways:

- By seeking to expand their export markets through (a) hosting trade conventions which bring foreign buyers and investors to meet local manufacturers and companies and also allow the latter to interact with each other; and (b) organising trade missions which facilitate the entry of local exporters to key target markets.
- By participating in the negotiations with respect to the FTAA and interfacing with the Government of Trinidad and Tobago and the Regional Negotiating Machinery (RNM) on trade issues.
- By working with the government to ensure that such regulatory agencies as Customs and Excise Division, Food and Drugs Division and the Bureau of Standards are strengthened in order to adequately monitor the quality of imports into the country. These regulatory bodies should also have the capacity to advise the sector on international standards required for entry into developed markets as non-tariff barriers are one of the major obstacles to the penetration of the markets in these economies.

The government has earmarked the manufacturing sector to be one of the principal generators of growth in the economy. To this end, the government has recapitalised the Exim Bank; restructured the Small Business Development Company as the Business Development Company and established the National Enterprise Development Company with responsibility for the development of small and micro enterprises; and reformed the Tourism and Industrial Development Company (TIDCO). Several initiatives are planned over the medium-term in the areas of investment promotion, export development and the development of external transport links.

The government also plans the establishment of a light manufacturing industrial estate that will be positioned as the national and regional epicentre for light manufacturing and other commercial activity.

CHAPTER FOUR - THE LABOUR MARKET

EMPLOYMENT

Labour market conditions continued to be favourable in 2002 as the unemployment rate declined to 10.4 per cent from 10.8 per cent in the previous year. The number of employed persons increased by 11 thousand compared with 10.8 thousand in 2001.

The Services sector which employed over 60 per cent of the labour force generated the largest number of jobs (14 thousand). Of this amount, the Wholesale & Retail sector after shedding 5.4 thousand jobs in 2001 rebounded and absorbed an additional 4.7 thousand workers, while the Transport, Storage and Communications sector created 2.9 thousand jobs in 2002. Despite the fall in output in the Manufacturing sector, an additional 3.1 thousand persons found employment, after job losses of 2.3 thousand in 2001. However, there were heavy job losses in Agriculture (4 thousand) and Construction (2.2 thousand), as many of the building projects in the energy sector were nearing completion.

Table 3
LABOUR FORCE STATISTICS, 1999-2002
/Thousands/

	1999	2000[1]	2001	2002
Population (Mid Year) Estimates	1,285.7	1,262.4[2]	1,266.8	1,275.7
Non-Institutional Population - 15 years and over	926.0	936.6	949.9	961.8
Labour Force	563.4	572.9	576.5	586.2
Persons with jobs	489.4	503.3	514.1	525.1
Persons without jobs	74.0	69.6	62.4	61.2
Participation Rate (%)[3]	60.8	61.2	60.7	60.9
Unemployment Rate (%)	13.1	12.2	10.8	10.4

Source: Central Statistical Office

[1] This represents an average for the first, third and fourth quarters of 2000 as no survey was conducted in the second quarter because of the 2000 census exercise.
[2] The estimates were revised based on the 2000 census.
[3] Labour Force as a percentage of the non-institutional population 15 years and over.

INDUSTRIAL RELATIONS

In 2002, there were a number of work stoppages and protest demonstrations in both the public and private sectors although the full data to support this analysis are not yet available. Over the past two years, there were a total of 118 work stoppages, 38 and 80 in 2000 and 2001, respectively. In 2001, 8,061 workers were involved in work stoppages and 18,036 man days were lost. Indications are that comparable activity should be recorded for 2002. One contentious issue occurred in the health sector in 2002 and attracted national attention. Medical personnel engaged in industrial action which resulted in the virtual shutdown of most of the public health institutions. In response to the strike action, the government obtained an injunction against the trade union which represents the doctors, and this effectively prohibited the union and its members from participating in industrial action. The doctors also broke with their recognized trade union and formed their own bargaining association. On a more positive note, the government settled the long outstanding issue of arrears of increment owed to public servants for some fifteen years.

In 2002, the government of Trinidad and Tobago signalled its intention to increase the national minimum wage from $7.00 per hour to $8.00 per hour. The absence of a functioning Parliament delayed the implementation of this increase to January 2003.

Table 4
THE SECTORAL DISTRIBUTION OF EMPLOYMENT, 1999-2002[1]
/Thousands/

	Employment							
	1999		2000[1]		2001		2002	
	(000)	%	(000)	%	(000)	%	(000)	%
Agriculture	39.6	8.1	36.4	7.2	40.1	7.8	36.1	6.9
Petroleum & Gas (including Mining & Quarrying)	15.7	3.2	16.5	3.3	16.6	3.2	18.0	3.4
Manufacturing	53.0	10.8	55.0	10.9	52.7	10.3	55.8	10.6
Construction (including Electricity & Water)	67.1	13.7	69.7	13.8	78.8	15.3	75.6	14.4
Transport, Storage & Communications	35.8	7.3	39.2	7.8	38.9	7.6	41.8	8.0
Other Services	277.9	56.8	285.9	56.8	285.3	55.5	296.4	56.4
Of which								
Wholesale & Retail	*88.9*	*18.2*	*95.2*	*18.9*	*89.8*	*17.5*	*94.5*	*18.0*
Community, Social & Personal Services	*151.5*	*31.0*	*151.4*	*30.1*	*154.5*	*30.0*	*158.1*	*30.1*
Not Classified	0.4	0.1	0.4	0.1	1.5	0.3	1.2	0.2
Total Employment	**489.4**	**100.0**	**503.3**	**100.0**	**514.1**	**100.0**	**525.1**	**100.0**

Source: Central Statistical Office

[1] Figures may not add to totals due to rounding
[2] Due to the 2000 census exercise, no survey was conducted in the second quarter of 2000.

Table 5
WORK STOPPAGES IN TRINIDAD AND TOBAGO 1997 - 2001

	Strikes	Lockouts	Stoppages	Workers Involved	Man Days Lost
1997	37	0	37	7,026	31,535
1998	9	0	9	1,892	8,852
1999	0	0	117	11,662	26,606
2000	0	0	38	3,128	515
2001	0	0	80	8,061	18,036

Source: Industrial Court of Trinidad and Tobago

Chapter Five - Prices

Consumer And Producer Prices

The rise in consumer prices moderated in 2002 as the inflation rate measured 4.2 per cent compared with an overall price increase of 5.5 per cent in the previous year. Excluding food prices, the Retail Prices Index rose by 0.6 per cent in 2002, highlighting the influence of food prices on overall price movements. Food prices rose by 13.9 per cent as prices of market items (fruits and vegetables) climbed by 24 per cent in 2002, somewhat lower than the increase registered in 2001 (31.6 per cent).

The Producers' Prices Index which measures prices at the wholesale level rose by 0.6 per cent compared with an increase of 0.9 per cent in 2001. The largest hikes were recorded in the Wood Products (2.7 per cent), Drink and Tobacco (1.7 per cent) and Food Processing (1.1 per cent) sectors. In contrast, prices fell in Textiles, Garments and Footwear (0.8 per cent) and Printing, Publishing and Paper Converters (0.9 per cent) industries.

Box V
Core Inflation – Removing Bias in the Food Component of the Retail Prices Index (RPI)

The Central Bank uses the non-food component of the RPI as a pragmatic measure of core inflation. This represents a temporary solution to a potential technical problem in the food component, which was recently uncovered in new analysis of consumer prices data by the Central Bank. This analysis found that the method of aggregating across different food items causes a substantial upward bias, as well as spurious short-run variability, in the index. The wide divergence between food and non-food items in the chart indicates the magnitude of the problem. Within the food component, the problem is concentrated in market items, such as vegetables and chicken. The index for groceries, which covers packaged and processed foods, has generally increased at the same low rate as other consumer goods prices. The Central Statistical Office (CSO) is in the process of revising the RPI to correct the deficiency in the food component and will be updating the weights to reflect consumer purchases in 1997.

Chapter Six – Fiscal Operations

Central Government Fiscal Operations[1]

After recording a surplus of over $1,000 million (1.8 per cent of GDP) in fiscal 2001, the government's accounts returned to a deficit of $181.1 million (0.3 per cent of GDP) in fiscal 2002. This turnaround was the result of expenditure growth in the face of declining revenues, which reflected the significant decline in realized oil prices during the year.

Government's revenue in fiscal 2002 amounted to $13,775.1 million, 2.9 per cent lower than collections in the previous year. This moderate shortfall, however, masked a 27 per cent decline in revenue from the energy sector. Oil receipts totalled $3,369.3 million during the year and accounted for 24.5 per cent of government revenue compared with an oil revenue share of 32.6 per cent in the previous fiscal year. Petroleum sector revenues were weakened in the main by a 15 per cent decline in crude oil prices. The realized average oil price for fiscal 2002 fell to US$24.01 per barrel from US$28.26 per barrel in fiscal 2001. There were also substantial tax-write-offs claimed by the largest oil producer in respect of extensive exploration activity.

By contrast, receipts from the non-energy sector strengthened considerably, exceeding the year-earlier total by $833.9 million or 8.8 per cent. The settlement of salary arrears to public servants

Table 6
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2000-2002
/Dollars Million/

	2000	2001	2002	Oct 99-Sep 00	Oct 00-Sep 01	Oct 01-Sep 02
Current Revenue	13,006.7	13,379.9	14,424.2	11,954.1	14,147.3	13,732.1
Current Expenditure	10,993.5	12,594.9	13,366.3	10,879.0	12,176.9	13,213.3
Current Surplus/Deficit(-)	2,013.2	785.0	1,057.9	1,075.1	1,970.4	518.8
Capital Receipts	29.9	35.6	34.2	18.7	39.7	43.0
Capital Expenditure and Net lending	1,224.0	861.2	732.2	1,190.6	973.3	742.9
Overall Surplus/Deficit(-)	819.1	-40.6	359.9	-96.8	1,036.8	-181.1
Financing	-819.1	40.6	-359.9	96.8	-1,036.8	181.1
External (Net)	878.4	-5.5	-231.0	1,660.4	-715.7	-182.7
Domestic (Net)	-1,697.5	46.1	-128.9	-1,563.6	-321.1	363.8
Surplus/Deficit (-) as a Per cent of GDP (current market prices)						
Current Surplus/Deficit(-)	4.0	1.4	1.8	2.1	3.5	0.9
Overall Surplus/Deficit(-)	1.6	-0.1	0.6	-0.2	1.8	-0.3

Source: Appendix Table A.16

[1] Central government includes all ministries, departments and agencies whose activities form part of the budgetary operations of the central administration. The operations of the state enterprises and public utilities are therefore excluded.

contributed to an increase of $281.5 million (11.8 per cent) in taxes on individuals while net receipts from value-added taxes rose by $287.5 million. Improvements in the administration of the VAT regime together with a lower level of refunds helped to raise collections from VAT during the year. There was also an increase of 5 per cent in import duties reflecting an increase in motor car imports. Meanwhile, non-tax revenue rose by 46.2 per cent mainly on account of an increase of over 200 per cent in the profits from state enterprises and a 53.3 per cent rise in administrative fees and charges.

Central Government's total expenditure rose by 6.2 per cent to $13,956.2 million in 2002. The majority of the increased spending occurred in two categories, wages and salaries and transfers and subsidies. Wages and salaries grew by 12 per cent primarily because of the payment of salary arrears to public servants while transfers and subsidies rose by 11.6 per cent. Included in this latter category were increased allowances to old aged pensioners and the debt servicing costs associated with the government's escalating contingent liabilities and off-balance sheet financing. These liabilities of the Central Government have grown by over $2,000 million during the fiscal year. The rise in overall expenditure, however, was moderated by a 5.2 per cent reduction in direct interest payments on central government debt, which reflected the lower level of both foreign and local interest rates that prevailed throughout the fiscal year. Capital spending was also down by 23.7 per cent.

Table 7
SUMMARY OF CENTRAL GOVERNMENT FINANCES, 2000-2002[1]
/Per cent/

	2000	2001	2002	Oct 00-Sep 01	Oct 01 Sep 02
A. Recurrent Revenue					
Oil Revenue	34.4	27.6	26.3	32.6	24.5
Non-Oil Revenue	65.6	72.4	73.7	67.4	75.5
Income Taxes	30.1	33.9	33.3	32.6	33.0
Property Taxes	0.5	0.5	0.6	0.4	0.7
Taxes on Goods and Services	22.3	23.2	22.4	21.0	24.2
International Trade Taxes	5.9	6.2	6.1	5.7	6.2
Non-Tax Revenue	6.8	8.5	11.3	7.6	11.4
Total Recurrent Revenue	100.0	100.0	100.0	100.0	100.0
B. Recurrent Expenditure					
Wages and Salaries	29.0	32.5	31.2	31.0	32.0
Goods and Services	11.0	12.2	13.4	12.7	13.2
Interest	22.1	17.6	17.4	19.6	17.1
Transfers and Subsidies	37.9	37.6	38.0	36.7	37.7
Total Recurrent Expenditure	100.0	100.0	100.0	100.0	100.0

Source: Appendix Table A.17 and A.18
1 Figures may not add to 100.0 due to rounding.

In fiscal year 2002, the central government borrowed a total of $1,138 million on the local market, of which $800 million was raised for budgetary support while the other $300 million was used to refinance high cost debt. Additional financing of $250 million was received from the sale of shares in National Enterprises Limited (NEL). These funds enabled the government to finance its deficit, reduce its domestic and foreign debt obligations and also to build its balances at the Central Bank. By the end of September 2002, the government's deposits at the Central Bank were $4,569.6 million compared with $ 4,484.6 million one year earlier. Meanwhile, the Revenue Stabilisation Fund stood at $1,015 million, unchanged from the previous fiscal year as actual oil receipts were lower than budgeted.[1]

PUBLIC SECTOR EXTERNAL DEBT

(Data in this Section are in US dollars)

At the end of 2002, the stock of public sector external debt outstanding fell by $41.9 million to $1,595.7 million, as the government refrained from external borrowing for the second consecutive year. The external debt to GDP ratio fell to 17.4 per cent at the end of 2002 from 19.6 per cent at the end of 2001.

Between 2001 and 2002, there was little change in the country's external debt profile. US dollar-denominated debt accounted for 94.5 per cent of the total public sector external debt outstanding, about the same as at the end of 2001 and variable rate external debt fell to 32.2 per cent from 34.7 per cent over the same period. With respect to the creditor composition, 58 per cent of the debt total was held by bondholders, 33.8 per cent by multilateral institutions and the remaining 8.2 per cent was owed to bilateral and commercial creditors. Meanwhile about 67 per cent of the total external debt outstanding will mature within 10 to 20 years and the 33 per cent in 3 to 10 years.

During the year the government drew down $17.7 million from loans previously contracted with the Inter-American Development Bank. Of this amount, 68 per cent was earmarked for the health sector while 27 per cent was intended for the development of roads and highways. Total public sector external debt service for the year rose to $198.3 million from $182.5 million in 2001. Principal repayments of $68.6 million were $7.5 million higher than a year earlier and were made mainly in respect of loans granted to the energy sector. Interest payments totalled $129.7 million, of which over 57 per cent represented payments in respect of bond issues. Given these increased payments the debt service ratio edged upwards to 4.3 per cent from 3.7 per cent at the end of 2001.

[1] In fiscal 2000, the government announced its intention to establish a Revenue Stabilisation Fund as a mechanism for saving a portion of higher-than-budgeted oil revenues or for funding shortfalls in budgeted oil revenues in any given year.

CHAPTER SEVEN - MONETARY AND FINANCIAL DEVELOPMENTS

MONEY, CREDIT AND INTEREST RATES

Against a backdrop of lower economic growth, the task of monetary policy in 2002 was to provide the necessary stimuli to the economy and, at the same time, minimise the fluctuations in the domestic and external price levels. In May 2002, the Central Bank took a major step towards modifying its monetary framework with the introduction of a system of announced interest rates involving typically overnight repurchase or 'repo' rates for short-term government paper. As a result, the 'repo' rate now serves as a key benchmark rate in the broader financial system. The initial data suggest that the system appears to be functioning as intended given the ready responsiveness of other institutional rates immediately following the first adjustment to the 'repo' rate in August 2002 from 5.75 per cent to 5.25 per cent.

During the year the domestic market was generally characterised by excessively liquid conditions stemming primarily from domestic fiscal operations. In the twelve months to December 2002, net domestic spending by the central government contributed $1,703 million to liquidity compared with $1,342 million the year before. Increased fiscal injections particularly during the first half of the year prompted the Central Bank to intensify open market operations and withdraw $679 million (net) from the system. Unlike the previous year, however, the Central Bank was not constrained by the lack of open market instruments as the limit on the issue of Central Bank notes was increased by $885 million to $2 billion in March 2002. Furthermore, intervention in the foreign exchange market amounting to about $500 million in the early part of the year also contributed to the reduction in excess liquidity. Towards the end of September however, liquidity conditions tightened sharply as the central government raised $800 million for budgetary operations. By the end of the final quarter of 2002, the position was reversed as net domestic spending increased. This development prompted the Bank to once more step up open market operations, which were again supported by intervention in the foreign exchange market in the amount of $1,470 million.

Movements in domestic short-term interest rates, typically mirrored the overall easy liquidity conditions in the domestic market. The weighted average inter-bank lending rate fell from 5.25 per cent, to a low of 3.80 per cent towards the end of September as excess liquidity built up. The rate then strengthened somewhat in the last quarter of the year but declined at year end to 4.47 per cent. The yield on the three-month treasury bill slipped from 6.31 per cent at the start of the year to 4.04 per cent in October, before regaining some momentum and closing the year at 4.57 per cent. Quoted retail interest rates also continued to slide in light of prevailing liquidity conditions and a continued softening of international interest rates. The basic prime lending rate fell from 14.50 per cent to 13.00 per cent in May, declined by another percentage point in June following the introduction of the 'repo' rate, and closed the year at 11.50 per cent. Similarly, real estate mortgage rates fell by 300 basis points to 12.50 per cent in the eleven months to November. With respect to deposit rates, ordinary savings deposits declined by 62 basis points to 2.13 per cent in November but rates on time deposits declined by a proportionately greater amount with the three-month time deposit rate falling by 282 basis points and the six-month deposits by 326 basis points to 3.38 per cent and to 3.50 per cent, respectively in November.

The growth of average narrow money (M1-A), the aggregate most closely associated with domestic spending, showed a slight deceleration from 23.6 per cent in 2001 to 19.1 per cent for 2002. Average demand deposits increased by 22 per cent during the year compared with 29 per cent in 2001 while savings and time deposits increased to 11.6 per cent and 8.6 per cent after growing by 8.5 per cent and 2.9 per cent in 2001, respectively. Average M2, the broader measure of money supply, increased by 13.5 per cent in 2002 compared with 12 per cent in 2001, as both savings and time deposits grew faster than in the previous year. Average foreign currency deposits also showed slower growth in 2002 increasing by 5.2 per cent for the year after growing by 14.3 per cent the year before. Consequently, growth in average M2* and M3* both slowed to 11.3 per cent and 9.4 per cent in 2002 compared with growth of 12.5 per cent and 10 per cent, respectively in 2001.

Table 8
SUMMARY OF MONETARY CONDITIONS, 2000-2002
(Annual Average)
/Dollars Million/

	2000	2001	2002	Percent Changes (%) 2002/2001	Percent Changes (%) 2001/2000
Currency in active circulation	1,154	1,252	1,383	10.5	8.5
M-0	3,917	4,176	4,414	5.7	6.6
M-1A	4,250	5,253	6,256	19.1	23.6
M-2	13,246	14,829	16,832	13.5	12.0
M-2*	17,814	20,047	22,317	11.3	12.5
M-3	17,424	18,956	21,040	11.0	8.8
M-3*	23,465	25,818	28,248	9.4	10.0
Domestic Credit (Net)[1]	17,468	19,023	21,274	11.8	8.9
Private Sector	14,176	15,191	16,167	6.4	7.2
Public Sector[2]	3,292	3,831	5,107	33.3	16.4

Source: Central Bank of Trinidad and Tobago
[1] Represents banking system credit
[2] Includes credit to the central government
* Includes foreign currency deposits
M2 is defined as M-1c plus time deposits (adj) of commercial banks
M3 is defined as M2 plus time and savings deposits (adj) of the licensed non-bank financial institutions.

Table 9
FACTORS INFLUENCING CHANGES IN THE MONEY SUPPLY, 1998-2002
/Dollars Million/

	1998	1999	2000	2001	2002
Net Domestic Budget Deficit	-359	802	655	736	n.a
Increase in Credit to the Private Sector	2	1,992	1,690	545	1,338
Bal. of Payments Deficit of Private Sector	-3,921	4,552	2,412	-1,441	n.a.
Changes in Net Unclassified Assets	-2,123	2,163	116	513	825
Central Bank	806	185	241	1,567	569
Commercial Banks	-2,929	1,978	-126	-1,054	256
Change in Money Supply (M-2)	1,442	405	48.8	3,235	310
Change in Money Supply (M-1A)	174	210	605	1,808	636
Change in Quasi-Money	1,267	195	-557	1,426	-326
Money Supply (M-2) Annual Growth (%)	12.5	0.4	6.9	23.2	1.8
Total Composition (%)	100.0	100.0	100.0	100.0	100.0
Money	31.3	32.8	35	38.9	41.9
Quasi-Money	68.7	67.2	65.0	61.1	58.1

Source: Central Bank of Trinidad and Tobago

Despite the declining interest rate trends there was a slowdown in the growth of credit by the commercial banks and non-bank financial institutions reflecting a fall-off in the demand for credit. Total credit extended to the private sector increased marginally by 1.2 per cent in the twelve months to December 2002 with commercial bank credit expanding by 4.6 per cent while lending by non-banks contracted by 4.1 per cent primarily on account of reduced holdings of private securities. Overall businesses received the majority of funds with business credit rising by 9.3 per cent, while consumer credit increased by 4.8 per cent. Private sector credit as a per cent of GDP fell from 38.6 per cent in 2001 to 36 per cent in 2002.

The foreign exchange market experienced wide fluctuations in liquidity conditions during the year. Relatively tight conditions prevailed during the first four months of the year, as demand outstripped supply which led to the depreciation of the local currency. To meet excess demand in the market, the Central Bank injected US$80 million over the period January – April, 2002. The weighted average selling rate moved to TT$6.27260 (US$1) by the end of April 2002 from TT$6.23553 in January 2002. The period May to June was characterised by relative stability in the market, and the domestic currency appreciated to an average of TT$6.14092 to US$1 in July. Consequently, no Central Bank intervention was warranted during this period. Market conditions tightened once again during the last four months of the year partly because of demands with respect to investments abroad. The Central Bank injected US$236 million over the period September- December to meet the excess demand for foreign exchange. The exchange rate depreciated to TT$6.29965. Total intervention for the year amounted to US$315 million, the highest level since the adoption of a flexible exchange regime in 1993.

Box VI
Monetary Policy Framework

The main elements of the Central Bank's monetary policy framework are:

Open Market Operations
The Central Bank uses open market operations to provide the banking system with an appropriate amount of reserve balances. Open market operations are generally conducted through sales and purchases of treasury bills and Central Bank Notes.

Repurchase and Reverse Repurchase Transactions
The Central Bank uses repurchase agreements (repos) to provide overnight financing to commercial banks if they are unable to meet a temporary liquidity shortage through inter-bank borrowing. Conversely, the Bank may use reverse repurchase agreements to offset banks' temporary liquidity surpluses. These transactions are conducted at the Central Bank's policy rates:

- The *repo* rate is the bank's key policy interest rate and applies to collateralized overnight financing provided to commercial banks.
- The *reverse repo* rate is paid on the occasions that the Central Bank offers to take overnight funds from the commercial banks and is set at the repo rate less 50 basis points.
- The *discount rate* is the rate at which banks may borrow to cover an unexpected deficit following the daily cheque clearing, and is set at the repo rate plus 200 basis points.
- The *special deposit rate* is paid on balances transferred from the non-remunerated statutory reserves accounts, and is set at the 'repo' rate less 200 basis points.

The repo rate and reverse repo rate define the Central Bank's trading band, within or near which the inter-bank money market would normally trade. The discount rate, at the top, and the special deposit rate, at the floor, reinforce the policy range for the inter-bank overnight rate.

Box VII
The Reform of the Payments System in Trinidad and Tobago

The reform of the payments system remained an important priority for the Central Bank in 2002. The goal of the three-year programme (2002 – 2004) of reform is to improve efficiency and reduce risk in payments and securities clearance and settlement systems and to adopt international best practices. The reform programme envisages the establishment of an oversight authority as well as the establishment of a body of stakeholders to promote and ensure the maintenance of sound and efficient systems.

Several elements of the programme were completed during the past year, including some electronic interfaces in the Central Bank to facilitate straight-through processing of cheque clearing transactions, a detailed action plan for the reform of the payments system and a systems design.

Preliminary work was started on the systems specification. On September 20, 2002 the Bank appointed a Payments System Council, initially comprising the Bank, the Securities and Exchange Commission (SEC), commercial banks and the Treasury Division of the Ministry of Finance. The BSA Consulting Group of New Zealand is providing assistance with the implementation of the reforms.

The Bank also continued to meet with the commercial banks on a proposal to establish an Automated Credit Bureau (ACB), which would provide a shared database of consumer credit information, and which would also be readily accessible by consumers. The ACB will be subject to proposed credit bureau legislation. A draft bill – *The Consumer Fair Reporting Bill* – has been circulated for comments.

The collaboration with the commercial banks also included work towards the establishment of an Automated Clearinghouse (ACH) for the electronic clearance and settlement of retail payments.

During the year, the Bank completed a self-assessment of the country's payments systems relative to the BIS Core Principles for systemically Important Payments Systems. The report showed some improvements compared with two years earlier.* For instance, electronic means of payments were being more widely used and the time for settling cheques was reduced from six days to four. In regional fora, the Bank served as Vice-President of the Working Group for Payments Systems in Latin America and the Caribbean (WGPS-LAC), which was formed in January 2001 to address payments systems issues in the region.

* "Payments and Securities Clearance and Settlement Systems in Trinidad and Tobago", Centre for Latin American Monetary Studies, October 2000.

Chapter Eight - The Domestic Capital Market

Bonds

The value of securities issued on the domestic market declined in 2002 following six consecutive years of growth. TT-dollar denominated issues totalled $3,606 million in 2002 while foreign currency issues amounted to US $191.4 million, a fall of approximately $419 million (8.8 per cent) and US$18 million (8.5 per cent), respectively. There were thirteen (13) TT-dollar bonds issued during the reporting period, with terms to maturity ranging between 1 and 25 years and an average tenor of 13.5 years. Foreign currency issues totalled six (6), with a maturity spread of 10 years to 15 years and an average tenor of 11 years. All nineteen (19) issues bore fixed rates of return with rates on TT-dollar issues averaging 10.92 per cent in the first half of 2002 and 7.83 per cent in the latter six months. Rates on US-dollar denominated issues averaged 7.79 per cent.

The State Enterprise and Public Utilities (SEPU) sector maintained its dominance on the domestic market accounting for just over $1,902 million or 43.6 per cent of total funds raised on the market in 2002. The contribution of the SEPU sector to the supply of long-term securities dipped marginally by $145 million in 2002 compared with the previous year when $2,047 million was successfully raised by this sector. Inclusive of the four central government issues, which totalled $1,131 million, the public sector accounted for 69 per cent of total market activity compared with 57 per cent in the previous year.

Despite a 35.5 per cent fall in the value of bonds floated on the market in 2002, the private sector remained the second dominant issuer of bonds and accounted for $1,326.4 million or in excess of 30 per cent of total issues. Clico Investment Bank (CIB) and Angostura Limited were among the major issuers for the year. The CIB raised US$80 million, the largest single issue, with a fixed coupon of 6 per cent while Angostura raised a 10-year TT-dollar denominated bond ($354 million) with a fixed rate of 10.5 per cent. In addition, the Home Mortgage Bank floated a number of tax-free and taxable bonds valued $124.3 million and $351.2 million, respectively.

The tax-free issues were of maturities of 1 - 10 years with coupon rates ranging between 4.20 per cent and 7.15 per cent while the taxable issues were of 5-10 years maturity and carried coupons of 5.85 – 8.00 per cent.

Regional central government issues accounted for a modest US$70.1 million or 9 per cent of total market activity in 2002 compared with US$206 million or 21 per cent in 2001. The Government of St. Lucia dominated activity on the domestic market raising in excess of US$30 million through the issuance of a 15-year and a 10-year bond that posted fixed coupons of 7.75 per cent and 7.25 per cent, respectively. The Government of St.Christopher/ Nevis floated the largest single US-dollar issue (US$30 million) with a 10-year maturity and a fixed interest rate of 9.00 per cent. Another 10-year issue by the Government of Grenada posted a fixed rate of 9.25 per cent and raised US$10 million. Details on all issues are presented in Table 10.

EQUITIES

The year 2002 was an eventful one for the domestic stock market with the Composite Stock Price Index (CPI) recording its best performance since 1997 with 96, 464 million shares traded at a market value of $324,629.3 million. The CPI (1983=100) opened the year at 434.19 and recorded an annual gain of 111.37 points or 25.7 per cent to close at an annual high of 545.56. The All Trinidad and Tobago Index (ATI) performed well, rising 162.15 points or 52.5 per cent from an opening position of 429.04.

The market began the year on a strong footing with 26, 975.45 million shares traded at a market value of $272,555 million. Indeed, the CPI and ATI rose 4.9 per cent and 20.2 per cent, respectively compared with negative growth rates of 4.3 per cent and 3.3 per cent, respectively in the previous year. The upward momentum was sustained throughout the second quarter but the market suffered a turn in performance in the months between July and September 2002.

Table 10
CAPITAL MARKET ACTIVITY - NEW ISSUES
January – December 2002

Period Issued	Borrower	Amount (Face Value) $Mn	Period to Maturity	Interest Rate	Comments
January	Clico Investment Bank	US $ 80.00	10 yr.	6.0% (Fixed)	
	Caroni (1975) Limited	100.00	1 yr.	9.0% (Fixed)	A private placement
March	Government of St. Christopher/Nevis	US$ 30.00	10 yrs.	9.0% (Fixed)	A private placement
	Central Government	31.07	20 yrs.	11.50% Fixed)	A private placement
April	TIDCO	595.00	25 yrs.	11.85% (Fixed)	A private placement
May	NMTS	175.00	20 yrs.	10.25% (Fixed)	A private placement
June	Central Government	300.00	A: 5 yrs. B: 10 yrs. C: 15 yrs.	11.15% 11.30% 11.40%	A private placement
July	Phoenix Park Gas Processors	US$ 41.30	13 yrs.	7.50% (Fixed)	A private placement
August	Government of St. Lucia	US$ 5.05	15 yrs.	7.25% (Fixed)	A private placement
	Government of St. Lucia	US$ 25.00	10 yrs.	7.75% (Fixed)	A private placement
	NIPDEC	265.00	12 yrs.	7.30% (Fixed)	A private placement
	Government of Grenada	US$ 10.00	10 yrs.	9.25% (Fixed)	A private placement
Sept.	TIDCO	110.00	7 yrs.	Not available	A private placement
	First Citizens Bank	400.00	11 yrs.	7.45% (Fixed)	A private placement
	Central Government	500.00	20 yrs.	7.15% (Fixed)	A private placement
	Central Government	300.00	20 yrs	6.75% (Fixed)	A private placement
	Angostura Limited	354.00	10 yrs.	10.5% (Fixed)	A private placement
Nov.	Home Mortgage Bank (a) Tax-free bonds	124.30	1yr. - 10yrs.	4.20% - 7.15%	A private placement
Jan-Dec	(b) Taxable bonds	351.20	5yr. - 10yrs.	5.85% - 8.00%	A private placement

Source: Central Bank of Trinidad and Tobago

In the third quarter, market activity was sluggish as 15,634.3 million shares were traded at a value of $142,023.8 million. Against this backdrop, the CPI and ATI rose, but at significantly lower rates of 1.6 per cent and 1.2 per cent, respectively. The market rebounded in the fourth quarter however, with 28,942.2 million in shares traded at a market value of $324,629.3 million. The CPI and ATI experienced rates of growth of 11.7 and 18.9 per cent, respectively. Market capitalisation sustained cumulative growth in excess of 51 per cent from $31,767.6 million in December 2001 to $48,099.3 million during the 2002 calendar year.

The year 2002 was marked by a wave of takeover bids and corporate mergers. In early February, Trinidad Cement Limited (TCL) announced that Cemex had made a bid for the entire outstanding share capital of TCL. Working through its wholly owned subsidiary, Cetacea Investments Limited, Cemex raised its February offer of US$0.92 cents (TT$5.75) per share to TT$7.15 in June. The Cemex bid was foiled however, following an unsuccessful attempt by Cemex to remove the 20 per cent share ownership restriction in TCL. Requiring a special majority of 75 per cent at a special resolution Cemex was successful in obtaining affirmative votes totalling 67.9 per cent.

Also in February, Barbados Mutual (BM) purchased a further 10 per cent stake in Life of Barbados (LOB) at Bds$3.45 per share. This action triggered a takeover code with BM subsequently announcing its intention to acquire majority ownership in LOB at a bid of Bds$3.45 per share. This marked the beginning of a two month skirmish between BM and Guardian Holdings Limited (GHL) for control of LOB. The bid price escalated against this backdrop and peaked at Bds$5.20 from an initial bid of Bds$3.45. The impasse came to an end in May with BM winning out at Bds$5.10. In early May, there was a leadership struggle for the control of Mora Ven Holdings. This struggle is yet to reach a final conclusion.

Box VIII
Trinidad and Tobago Central Securities Depository (TTCSD)

A major institutional development in the local securities market was the incorporation of the Trinidad and Tobago Central Securities Depository (TTCSD) on September 30, 1998, as a wholly owned subsidiary of the Trinidad and Tobago Stock Exchange Ltd. The TTCSD became operational in January 2003 and is a facility charged with the holding and processing of share ownership transactions on an electronic basis, eliminating the need for the movement of physical documents. More importantly, the TTCSD facilitates the efficient and accurate clearance and settlement of securities transactions by employing modern data processing and communication techniques geared towards shortening the settlement cycle thereby, reducing risks and promoting safety and soundness in the securities market.* The establishment of the TTCSD pre-dates the implementation of electronic trading of stocks and bonds on the Stock Exchange which is pending and forms part of a wider CARICOM initiative towards the harmonisation of regional capital markets and the standardization of operating procedures and regimes of clearing and settlement systems in these markets.

* The more important risks associated with the settlement of securities transactions include counter party or credit risks, liquidity risk and consequently systemic risk.

CHAPTER NINE - INTERNATIONAL TRADE AND PAYMENTS[1]

INTERNATIONAL TRADE AND PAYMENTS

Balance of Payments

There was some deterioration in the external accounts as Trinidad and Tobago recorded an overall balance of payments surplus of $48.9 million (0.5 per cent of GDP) in 2002 compared with a surplus of $470.6 million (5.1 per cent of GDP) in 2001. As a result, the year end level of gross official reserves stood at $1,923.5 million, equivalent to 5.8 months of imports of prospective goods and non-factor services. The current account surplus also declined sharply, reflecting a fall-off in net earnings on the merchandise account. While imports showed minimal growth, exports remained depressed as some key commodity prices fell in 2002.

Current Account

The external current account recorded a surplus of $96.4 million or 1 per cent of GDP following a surplus of $416 million or 4.5 per cent of GDP in 2001. Total exports fell to $3,874.8 million from $4,304.2 million in 2001, in large measure, because of a fall in the value of exports of mineral fuels and lubricants. Exports of mineral fuels and lubricants were valued at $2,328.7 million compared with $2,640.6 million in 2001, even as international crude oil prices remained at an average of $26 per barrel in 2002. Chemical exports also declined by $175.8 million to $647.1 million in 2002 as a result of decreased prices for ammonia and methanol. By contrast manufactured exports increased by 8.6 per cent from $439.8 million in 2001.

Merchandise imports increased marginally to $3,682.2 million while the imports of machinery and transport equipment increased by just under 1 per cent to $1,275.8 million, as capital imports associated with investment projects in the energy sector continued to wane. Despite the decline in crude processing activity, imports of mineral fuels and lubricants increased by $92.6 million.

The combined Services and Income accounts recorded a deficit of $143.1 million compared with a deficit of $335.5 million in the previous year. The components of the services sector showed increases in all areas except the Transportation and Travel accounts, which were affected by the fall-out of the events of September 11, 2001.

Capital Account

The surplus on net capital and financial movements (excluding reserves) declined by 31 per cent in 2002. This weakening in capital inflows was more severe in the private sector, as direct foreign investment inflows declined and the commercial banks recorded outflows in 2002. Net direct investment flows fell by about $100 million to $586.5 million, as many of the major investment projects were either completed or nearing completion. However, in recent years, local conglomerates have invested abroad primarily in North America and the CARICOM region. Total foreign direct investment abroad for 2002 amounted to just over $200 million compared with $150 million in 2001. The commercial banks which began the year in an unusual short position closed 2002 in a long position of $45.3 million in the process adding almost $80 million to their net foreign assets.

Official capital transactions during 2002 registered a deficit of $55.5 million, around the same levels as in 2001 ($49.4 million). The central government was the sole recipient of multilateral disbursements amounting to $17.7 million. Principal repayments on existing external debt increased from $61.1 million in 2001 to $68.6 million in the reporting year. Interest payments were estimated at $129.7 million, resulting in total debt service of $198.3 million. Consequently, the debt service ratio for the year 2002 stood at 4.3 per cent compared to 3.7 per cent in 2001.

[1] All values in this chapter are expressed in US dollars.

Table 11
SUMMARY BALANCE OF PAYMENTS, 1998 – 2002
/ US $ million /

	1998	1999	2000	2001r	2002p
Current Account	-645.3	30.6	544.3	416.0	96.4
Merchandise	-743.0	63.6	968.8	718.1	192.6
Services	417.7	329.1	166.1	203.8	222.2
Income	-342.3	-399.9	-628.5	-539.3	-365.3
Transfers	22.3	37.8	37.9	33.4	46.9
Capital Account	694.4	217.9	264.7	336.2	231.0
Official	-105.7	124.4	114.9	-34.7	-50.9
State Enterprises	-5.7	-14.5	-61.0	-14.7	-4.6
Private Sector	805.8	108.0	210.8	385.6	286.5
Errors and Omissions	31.5	-86.3	-368.0	-281.6	-278.5
Overall Surplus / Deficit	80.6	162.2	441.0	470.6	48.9
Change in Reserves					
Increase (-) / decrease (+)	**-80.6**	**-162.2**	**-441.0**	**-470.6**	**-48.9**
Memo Items:					
Gross Official Reserves	**783.0**	**967.6**	**1,405.5**	**1,876.0**	**1,923.5**
Import Cover (months)	2.9	3.3	4.3	5.6	5.8

Source: Central Bank of Trinidad and Tobago

Trinidad and Tobago's gross foreign assets amounted to $2,593.9 million at the end of 2002, $138.7 million above the level at the end of the previous year. The country's net foreign reserves position stood at $1,961.3 million, an increase of $128.2 million from the end of 2001. This comprised an increase of $48.9 million in the Central Bank's net international reserves and an increase of $79.3 million in the net foreign position of commercial banks.

Chapter Ten - International Economic Developments[1]

Overview

The global economic recovery predicted for 2002 did not materialise since growth was spotty in the major developed economies and mixed in the emerging markets. The rebound was strong early in 2002 but lost momentum in the face of weakening business and consumer confidence and bearish equity and financial markets.

Although the U.S. economy turned in an improved performance growing by 2.4 per cent over 2001 (0.3 per cent), the outturn was lower than expected and output fluctuated over the four quarters of the year. The increased activity was supported by relatively strong consumer spending but mitigated by conservative business expenditure. The spate of corporate scandals, lower levels of business profitability, geopolitical uncertainty, and higher oil prices interacted to lower business confidence and inhibit growth in capital spending. In addition, the labour market remained soft during the year with levels of employment falling and a rise in the jobless rate. In view of the prevailing environment and the modest inflationary conditions, the federal funds rate was reduced by 50 basis points to 1.75 per cent in an effort to boost economic activity.

Growth in the euro area lagged behind that of the United States and was modest, contrary to expectations. Increased activity was underpinned by external demand, but its sustainability was dogged by weak consumer and business confidence. The Japanese economy remained fragile despite some rallying during the year as a result of a surge in net exports. Private domestic demand in Japan remained relatively weak and the unemployment rate was at a record high level. Overall, with the exception of Chile and Mexico, the economies in Latin America did not fare well in 2002. Although the contagion effect from the crisis in Argentina was limited, some countries notably Uruguay, Paraguay and Bolivia experienced some fall-out. The Brazilian economy experienced some difficulty in the second quarter which culminated in an agreement with the IMF for a new stand-by arrangement.

According to the International Monetary Fund, the global recovery is expected to continue into 2003, albeit at a modest pace. The generally low inflationary environment would allow the authorities in the advanced economies to pursue accommodative policies in order to stimulate activity. On the downside, an escalation in geopolitical tensions and rising oil prices would increase the risks to a sustainable global economic recovery.

Commodities

Petroleum

Among the underlying factors that shaped the year's pricing trend were the continued fallout of September 11, 2001, uncertainty about the US economic recovery, political risks arising from tensions in the Middle East, the threat of war with Iraq and the action taken by OPEC. Consequently, the year began with the benchmark crude oil price West Texas Intermediate (WTI) at $21.41 but ended at $28.01, an increase of 30.8 per cent. In early 2002, WTI prices rose sharply reflecting OPEC's commitment to the maintenance of existing quota levels, as well as high expectations of strong global

[1] In this chapter $ refers to US dollars unless otherwise indicated.

economic growth. By mid-year, although WTI prices were buoyant, OPEC prices had begun to fall to the lower end of the OPEC band ($22.00-28.00) which reflected the group's refusal to increase quotas for its members. The result was a fall in oil inventories and even higher crude oil prices. By October 2002, declining OECD commercial oil inventories as well as the threat of war with Iraq kept prices at high levels.

By year-end, the threat of war became imminent, while solid growth in world oil demand, as well as the looming crisis in Venezuela led to an even tighter world oil market. As a result of the turmoil in Venezuela, OPEC production in December 2002 fell to 23.2 million barrels per day (bpd), a decline of 1.8 million bpd from the November levels. During December 2002 Venezuelan crude output fell from approximately 2.9 million bpd to 0.6 million bpd. These developments led to a drawdown of 50 million bpd from world oil inventories and to an upward trend in oil prices that continued throughout most of the year. Consequently, UK Brent averaged $25.05/bbl in 2002, 2.1 per cent less than in the preceding year. The basket of OPEC crudes averaged $23.42 per barrel, compared with the $23.04 per barrel recorded in 2001. The global oil market is still vulnerable to a number of forces that could cause substantial price volatility over the coming months.

Natural Gas and Liquefied Natural Gas

A number of planned LNG projects across the continents in 2002 seemed to herald the start of a truly global gas industry. Among those countries planning expansion projects were Australia, Qatar, Indonesia and Nigeria, while Mexico, Peru and Iran were in the process of carrying out feasibility studies to become first time exporters of LNG. Also, France, China, Korea and India were in the process of installing infrastructure in order to import LNG.

During the first six months, uncertainties surrounding the natural gas market led to higher gas prices although there were large excess supplies. The strength of the US economic recovery, the disruption in the world oil markets, weather patterns and the impact of the decline in gas-directed drilling were just some of the major factors which shaped the gas market. By year-end, abnormally cold weather reduced underground storage levels at a more rapid rate than was expected, while high oil prices associated with tensions in the Middle East led to higher natural gas prices. It is expected that in the short to medium term, market uncertainties would lead to further increases in natural gas prices.

Methanol

At the beginning of 2002, conditions in the international methanol market suggested a mismatch between demand and supply, which led to higher methanol prices. A contraction in supply resulting from unplanned plant closures in Asia, the Middle East and Africa led to tighter market conditions. In addition, in the US the price of natural gas (a feedstock into methanol production) had began to trend upward. By mid-year, seasonal demand contributed to a further tightening in the market which led to higher prices and reduced inventory levels. By the end of 2002, demand for and the prices of methanol were relatively high and are expected to continue to increase as the demand for methanol and its derivatives is expected to climb during the winter months. These supply cutbacks could become more significant as only limited new capacity is expected to impact the market to the end of 2003.

The prospects for Methyl Tertiary Butyl Ether (MTBE) in the United States were gloomy as the phasing out of MTBE could be pushed back to 2003 because of a shortage of ethanol. In addition to Shell and BP, Phillips Petroleum ceased to use MTBE in its Californian gasoline blends by December and switched to ethanol blending. All three companies had previously confirmed their commitment to reducing their use of MTBE by as much as 80 per cent because of environmental concerns. This action might influence other companies operating in the California area (such as Chevron/Texaco, Exxon/Mobil and Valero) to make similar decisions about MTBE.

Nitrogenous Fertilizers

Privatization in Eastern Europe and Asia and liberalization in the gas and power generation markets continued to have significant impact on the global ammonia market in 2002, and as a result, there was the gradual reconfiguration of this market. On the supply side, no new capacity has been installed over the past 2 years, nor will any new capacity be commissioned before 2004. However, as the natural gas markets develop and producers of power obtain a greater hold on the market, it is likely that the next phase of industry rationalization would involve additional capacity closures in North America, Europe and India. The ammonia industry appears to favour low cost gas regions to locate large plants and this suggests that Trinidad and Tobago would be a desirable location. However, there is also the possibility that the Middle East and probably Australia would also attract new large-scale ammonia industries.

Iron and Steel

North American steel producers began the year amidst slowing economic conditions, high levels of low priced imports, and burdensome legacy costs that resulted in many producers (30) filing for bankruptcy. The challenge to regain profitability began early in the year with US Steel's proposals to acquire the interests of several of its competitors. In the face of deteriorating conditions in the industry, the US government imposed tariffs on steel imports under Section 201 of the 1974 Free Trade Act and these came into effect in March 2002.[2] As a consequence, steel prices rose sharply such that hot rolled sheet prices spiked to $400.00 per tonne by mid-year. However, prices fell back to US$208.00 by year's end as exemptions to the measures took effect in the second half of the year.

The European Union as well as steel producers in Latin America moved to impose safeguards of their own in retaliation against the US Section 201. Caribbean Ispat was given an annual quota of 247,000 tonnes for wire rods with the imposition of a 5 per cent duty for any imports into the US above this level. While the actions of the US government also led to legal challenges at the World Trade Organization (WTO), the measure allowed exemptions for small exporters of steel to the US including developing countries (such as Trinidad and Tobago), which are members of the WTO.

Among Asian producers, China was determined to protect its domestic market within the context of its membership in the WTO. China also announced the imposition of import tariffs in response to the US Section 201 action. There is some discussion of consolidation in the Chinese market as the four leading steelmakers currently account for 35 per cent of production. However the process is severely restricted given the vested interests of local government. As a result, excess capacity has yet to be trimmed and the Chinese industry remained highly fragmented.

Despite the challenges of 2002, the outlook for the international steel industry is optimistic as prices of iron and steel products trended upward during the last quarter. Growth in the industrialized economies is expected to strengthen in 2003, and this should lead to an improvement in the global steel market as the construction, capital equipment, automobiles, and consumer goods sectors are expected to increase their demand for steel.

[2] Section 201 of US trade law allows for the importation of tariffs on imports of products which pose a material danger to US production.

Table 12
PRICES OF SELECTED COMMODITIES, 1995-2002

For the period	Petroleum (US$/bbl)			Iron and Steel (US$/tonne)		Chemicals (US$/tonne)		
	Brent	WTI	OPEC	Billets (fob Latin America)	Mesh wire Rods (fob Latin America)	Ammonia (fob Caribbean)	Urea (fob Caribbean)	Methanol (fob Rotterdam)
1995	17.10	18.44	16.89	237	296	199	207	268
1996	20.68	22.20	20.22	222	276	188	195	153
1997	19.16	20.35	18.71	228	295	161	136	187
1998	12.69	14.40	12.35	221	264	118	105	139
1999	17.88	19.25	17.36	177	226	92	82	109
2000	28.66	30.29	27.14	191	221	145	130	168
2001	24.54	26.09	23.04	171	220	137	114	198
2002	25.05	26.03	23.42	194	220	111	116	164
Qtr. I	21.17	21.41	19.51	171	214	88	110	110
Qtr. II	24.69	26.18	23.65	185	206	105	118	132
Qtr. III	27.01	28.51	25.22	208	225	102	118	204
Qtr. IV	27.34	28.01	25.30	213	236	147	118	208

Sources: Platts Oilgram Price Report; Petroleum Intelligence Weekly; Green Markets; Fertilizer Week; European Chemical News; Monthly Methanol Newsletter (TECNON); Metal Bulletin.
All prices are averages of published quotations and not necessarily realized prices.

Table 13
SELECTED ECONOMIC INDICATORS 1994-2002[1]

	1994	1995	1996	1997	1998	1999	2000	2001	2002[p]
A REAL SECTOR FUNDAMENTALS									
1 GDP at current market prices (TT $Mn)	28,962.2	31,697	34,587	35,870.7	38,065.1[r]	42,889.1[r]	51,484.8[r]	56,700.1	58,199.7[r]
2 GDP at current market prices (US $Mn)	5,428	5,372	5,765	5,694	6,061	6,840	8,198	9,000	9,238
3 Real Growth (%)	5.0	3.2	2.8	2.9	4.6	5.8	5.7	4.0	3.2
4 Inflation (%)	8.8	5.3	3.3	3.7	5.6	3.4	3.6	5.5	4.2
5 Real Wages (%)[2]	(11.5	7.7	4.3	3.0	(0.5)	(8.2)	5.3	3.5	7.6
6 Unemployment Rate (%)	18.4	17.2	16.3	15.0	14.2	13.1	12.2[3]	10.8	10.4
9 Contingent Internal Debt (TT$Mn)[4]	3,394	3,602	3,669	3,905	4,460	6,093	7,628	8,991	9,607
10 Contingent Internal Debt/GDP[4] (%)	11.7	11.4	10.6	10.9	11.7	14.2	14.8	15.9	16.5
11 Total Internal Debt/GDP (%)[5]	19.3	20.8	20.2	23.8	34.5	37.8	36.8	36.4	37.1
12 External Debt/GDP (%)	38.0	35.5	32.6	27.5	24.3	23.2	20.5	18.2	17.3
13 Exports (US $Mn)	1,972	2,477	2,506	2,542	2,265	2,816	4,290	4,304	3,875
14 Imports (US $Mn)	1,374	1,885	2,159	3,036	3,008	2,752	3,322	3,586	3,682
15 Private Foreign Direct Investment(FDI) (US $Mn)	521	296	356	1,000	732	379	654	685	587
16 FDI/GDP (%)	9.6	5.5	6.2	17.6	12.1	5.5	8.0	7.6	6.4
17 Overall Balance of Payments/GDP (%)	3.6	0.6	3.7	3.3	1.3	2.4	5.5	5.1	0.5
18 Current Account Balance/GDP (%)	4.1	5.0	1.2	(10.2)	(10.6)	0.5	6.6	4.5	1.0
19 Gross Capital Formation/GDP (%)	20.4	20.8	24.3	30.1	33.4	21.0	20.0	22.3	23.1
20 Savings/GDP (%)	19.2	25.8	25.5	20.0	22.7	21.5	26.6	27.9	25.3
B RESERVE ADEQUACY									
1 Gross Official Reserves (GOR), (US $Mn)	354	352	546	706	783	968	1,406	1,876	1,924
2 Gross International Reserves (GIR), (US $Mn)	679	652	938	1,120	1,185	1,390	1,910	2,455	2,594
3 GOR in months of Imports of GNFS	2.6	2.0	2.8	2.6	2.9	3.3	4.3	5.6	5.8
4 External Public Sector Debt Outstanding (US $Mn)	2,064	1,905	1,877	1,565	1,471	1,585	1,680	1,638	1,596
5 GIR/External Debt (%)	32.9	34.2	50.0	71.6	80.6	87.7	113.7	149.9	162.5
6 External Public Sector Debt Service/Exports of GNFS (%)	25.2	15.0	13.4	15.4	9.9	8.0	6.9	3.7	4.3
C INTERNATIONAL RATINGS									
1 Standard and Poor's		BB+	BB+	BB+	BB+	BBB-	BBB-	BBB-	BBB
2 Moody's	Ba2	Ba1	Ba1	Ba1	Ba1	Ba1	Baa3	Baa3	Baa3
D DIVERSIFICATION									
1 Petroleum Sector (% GDP)	29.9	27.5	29.1	24.9	18.5	22.5	30.5	29.0	26.3
E FISCAL[6]									
1 Benchmark Oil Price (WTI) (US$)	17.1	18.4	22.2	20.4	14.4	19.2	30.3	26.1	26.0
2 Government Revenues (TT$Mn)	7,565	8,512	9,542	9,954	9,658	9,714	13,037	13,415	14,458
3 Government Expenditures (TT$Mn)	7,571	8,459	9,701	9,912	10,399	11,069	12,218	13,456	14,098
4 Fiscal Balance (-/+) (TT$Mn)	(6.2	53.3	(159)	42	(741)	(1,355)	819	(41)	360
5 Revenue/GDP (%)	25.8	26.9	27.6	29.7	25.4	22.7	25.3	23.7	24.8
6 Expenditure/GDP (%)	25.8	26.7	28.1	29.6	27.3	25.8	23.7	23.7	24.2
7 Fiscal Balance (%GDP)	0.0	0.2	(0.5)	0.1	(2.0)	(3.2)	1.6	(0.1)	0.6
8 Individual Taxes/GDP (%)	4.9	4.8	5.2	5.3	5.0	4.7	4.3	4.5	4.6
9 VAT/GDP (%)	4.3	4.2	4.1	4.8	5.7	3.8	4.0	3.8	4.1
F MONETARY									
1 Private Sector Credit (TT$Mn.)	8,957	9,497	10,016	13,456	14,073	16,329	19,267	20,261	20,837
2 Private Sector Credit/GDP (%)	30.6	30.0	29.0	37.5	37.0	38.1	37.4	35.7	35.8

Table 13 Cont.d
SELECTED ECONOMIC INDICATORS 1994-2002

ITEM	1994	1995	1996	1997	1998	1999	2000	2001	2002
3 *Economic Data - Banks & Non-Banks*									
3.1 Base Money	2,861	2,846	3,032	3,575	3,790	3,850	4,214	4,839	4,573
Currency in Active Circulation	745	833	910	1,063	1,020	1,292	1,271	1,374	1,502
Reserves of Commercial Banks	2,116	2,013	2,122	2,512	2,770	2,558	2,943	3,466	3,072
3.2 Reserve Requirement Ratio (%)									
Banks*	16.0/ 18.0/ 20.0	20.0	20.0/ 23.0	23.0/ 22.0/ 24.0	24.0/ 21.0	21.0	21.0	21.0/ 18.0	18.0
Non-Banks*	8.0	8.0	8.0	8.0/ 7.0/ 9.0	9.0	9.0	9.0	9.0	9.0
Central Bank Re-discount Rate (%)	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	7.25
Repo Rate (%)	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	5.25
4 *Exchange Rates:(TT$/US$)*									
4.1 End of Period	5.9	6.0	6.2	6.3	6.3	6.3	6.3	6.3	6.3
4.2 Period Average	5.9	5.9	6.0	6.3	6.3	6.3	6.3	6.3	6.3
G BANKING SOUNDNESS									
1 Number of Banks	6	6	6	6	6	6	6	6	6
2 Number of Branches	118	117	121	123	119	123	123	123	120
3 Number of non-banks	16	16	16	16	15	15	14	16	16
4 Number of non-bank branches	27	26	27	28	28	30	45	47	48
5 Capital to risk adjusted assets (%)	n.a.	14.4	16.6	17.3	18.2	17.5	20.0	19.5	20.6
6 Non-performing loans/loans (%)	10.0	9.7	9.5	7.5	6.2	5.0	4.1	3.2	3.7
7 Loan loss provision/loans (%)	5.2	5.4	4.8	3.9	3.4	3.1	3.2	3.0	3.9
8 After tax profits/Average assets (%)	1.0	1.1	1.3	1.7	1.4	1.7	1.9	1.9	n.a
9 After tax profits/Capital (%)	13.4	15.3	17.1	20.5	14.9	17.6	17.9	16.6	n.a
H CAPITAL MARKETS									
1 Listed Companies	27	27	27	25	26	28	28	30	30
2 Issues	31	31	30	28	29	31	31	33	33
3 Market Capitalisation (TT$ Billions)	3.87	6.75	8.85	19.64	24.98	27.51	29.33	31.77	48.10
4 Market Capitalisation/GDP (%)	13.4	21.3	25.6	54.8	65.6	64.1	57.0	56.0	82.6
5 Composite Index	88.6	150.2	167.1	352.3	436.3	417.5	441.5	434.2	545.6
6 Government Bonds Issued	444.1	903.3	309.0	871.2	1,395.0	904.4	897.1	676.0	1,131

Source: Central Bank of Trinidad and Tobago; Central Statistical Office

Key
n.a = Not Available
* Multiple rates indicate changed rates during the year

[1] Figures in parenthesis indicate a decline.
[2] Represents the Manufacturing Sector. The Index was rebased w.e.f. 1995.
[3] Represents the average for the first third and fourth quarters of 2000.
[4] Represents data for the period January-September 1998 as the government changed its financial year which previously coincided with the calendar year to the twelve-month period between October 1 - September 30. The data for 1999 and 2002 represent fiscal years.
Includes letter of comfort and off balance sheet financing.
[5] Excludes contingent liabilities.
[6] Represents data for the calendar year.

CALENDAR OF KEY ECONOMIC EVENTS
JANUARY - DECEMBER 2002

JANUARY

01 The Euro became legal tender in the twelve countries of the European Union as the notes and coins entered worldwide circulation. In Trinidad and Tobago, the commercial banks also began providing the new currency which they had to source independently since the Central Bank is the official issuer of TT dollars only.

FEBRUARY

06 The RBTT Financial Holdings and the International Finance Corporation (IFC) signed the first line of credit to be issued by the Corporation to a financial sector company in Trinidad and Tobago since the mid 1980's. The US$20 million credit line was extended to the Royal Merchant Bank to provide easier access to project financing. Those involved in the energy, manufacturing, tourism and agri-business sectors as well as infrastructure projects will be the beneficiaries of credit under the low interest facility. Loans will be valued between US$500,000 to US$5 million and viable businesses with a project generating foreign exchange are eligible. Firms must have an environmental impact assessment done and businesses involved in gambling, the production of tobacco or arms and ammunition are excluded.

22 BpTT announced it had raised funds on the Trinidad and Tobago capital market to finance its operations as well as its oil and gas development. The bonds issued have a twenty-year maturity with a value of $480 million and carry a fixed rate of interest. Interest on the bonds will be paid from the revenues of bpTT's oil and gas operations and is fully guaranteed by BP plc, the U.K.-based parent of bpTT, which was rated AA+ by Standard and Poors, and Aa1 by Moodys. BpTT indicated that by issuing bonds in Trinidad and Tobago, bpTT was facilitating an opportunity for local investors to share in the success of its oil and gas operations.

23 It was announced that a global credit ratings agency, Fitch Ratings based in New York, USA downgraded the debt of two local banks to BB- from BB+, the rating that the banks enjoyed less than six months previously. The report stated that the revised rating was attributed to macroeconomic developments in Trinidad and Tobago.

MARCH

01 The Fiscal Incentives (Atlas Methanol Company Unlimited) Order, 2002 was made by the President under Section 10 of the Fiscal Incentives Act by *Legal Notice No. 17 of 2002*. Under this Order the Atlas Methanol Company Unlimited, a company incorporated in Trinidad and Tobago is declared to be an approved enterprise in respect of the product, methanol which will be manufactured with effect from the 1st day of October, 2003 at its plant currently under construction at Point Lisas.

The Company is granted the following commencing October 1, 2003—

(a) total relief from corporation tax for the first two years;

(b) a reduction in the rate of corporation tax to 15 percent for the next five years;

(c) a reduction in the rate of corporation tax to 20 percent for the next three years; and

(d) subject to section 16 of the Act, total relief from income tax on dividends or other distributions, other than interest, out of profits or gains derived from the manufacture of methanol during the tax holiday period.

12 The executive chairman of the CL Financial Group, on behalf of CLICO Energy signed a US$228 million loan with a German bank, for the construction of one of the world's largest ammonia plants at Point Lisas. The plant, which will cost US$321 million, will be the fourth plant to be operated by the CL Financial Group. The construction and operation also involve three joint venture partners – Ferrostaal, EOG Resources and KBRD. This will be the second ammonia plant to be constructed by the consortium and it will have a production capacity of 640,000 tonnes per year, with sales contracts secured prior to production.

15 The national airline, BWIA announced that forty-four workers from its local operations, out of an anticipated seventy-two, received separation packages. BWIA said that since January 10, 2002

MARCH (Cont'd)

it had been reviewing and re-organising its operations to address business and productivity imperatives along with structural shifts in the aviation industry brought about by the fallout of September 11, 2001.

The Trinidad and Tobago Central Depository Limited (TTCD), a subsidiary of the Trinidad and Tobago Stock Exchange Limited began operations. It has been established to enable investors who buy and sell securities on the Stock Exchange to settle these transactions via a computerised book entry system.

APRIL

18 The Minister of Trade and Industry announced that a Standing Advisory Committee on Electronic Commerce (e-commerce) was recently established to provide advice and guidance to the National E-Commerce Secretariat (NECS) on matters relating to the implementation of the National E-Commerce Policy and Strategy. The NECS was recently launched as the official Government agency charged with the responsibility for moving Trinidad and Tobago closer to the global digital economy.

24 It was reported that British Gas (BG) Trinidad and Tobago and its partners had signed a Production Sharing Contract (PSC) for Block 3(C) with the Trinidad and Tobago Government. BG has a 30 percent interest in the Block while its partners, BHP Billiton Limited, and Talisman Energy Inc., have a 30 percent share each and TotalFinaElf SA, 10 percent. The new block, consisting of 150 acres, is located 25 miles off the northeastern coast of Trinidad in 100 to 300 feet of water. Oil production is expected to begin in 2004. The consortium will assume the exploration risks and in the event of success, share the production with the government on a previously agreed schedule.

29 EOG Resources Trinidad Limited signed a Production Sharing Contract with the Government of Trinidad and Tobago to explore for oil and natural gas off the east coast of Trinidad. The contract covers approximately 36,000 hectares in the offshore Block Lower Reverse 'L'. EOG holds a 100 percent working interest in the acreage, which is adjacent to EOG's South East Coast Consortium block. EOG paid a signature bonus of US$1.5 million to the government.

MAY

02 The Central Bank of Trinidad and Tobago revised its monetary policy framework with the announcement of its rate for providing overnight liquidity to the banking system. Liquidity will be offered through repurchase agreements based on treasury bills at what will be called the "repo" rate. This rate was set at 5.75 percent per annum effective May 2, 2002. At the same time, the discount rate or unsecured rate by which banks can borrow from the Central Bank was set at 2 percentage points above the "repo" rate (7.75 percent). The Bank will announce the "repo" rate on the first Thursday of each month, but in unusual circumstances, it may make an announcement earlier. The rate is intended to give a more precise indication of the stance of monetary policy. An increase in the repo rate would signal a tightening of policy while a reduction would indicate a more relaxed stance. In arriving at the rate, the Bank considered conditions in the financial system, the outlook for the economy and the prognosis for growth. In light of the apparent slowing in the pace of growth and given the low inflation rate, the Bank considered that there might be some room for credit expansion. A short-term repo rate of 5.75 percent was therefore considered appropriate by the Bank.

25 The Republic Bank Limited announced that it has signed an agreement with the International Finance Corporation, the private sector development arm of the World Bank, for a US$20 million (TT$ 126 million) credit line to finance long-term projects. The credit line will be used for industrial and tourism projects, as well as for infrastructure work.

28 A Memorandum of Understanding was signed between the Ministry of Energy and twelve international petroleum companies to carry out seismic surveys (acquiring geological and geophysical data) in the ultra-deep waters (between 1,700 to 3,000 metres) off Trinidad and Tobago. The twelve companies include AGIP, BHP Billiton, bp, Repsol, TotalFinaElf, EOG Resources, Norsk Hydro, Talisman, Shell, PDVSA, Phillips and Statoil. Each company will contribute a maximum of US$500,000 and in return will have access to the data as soon as they are processed. This will enable them to take part in a competitive bidding process when the acreage, on which the data are acquired, is offered. Information will not be made available to non-participants.

JUNE

23 The Government of Trinidad and Tobago and the Inter-American Development Bank (IADB) signed a US$32 million loan contract for the National Settlements Programme, to support the first phase of a national housing programme designed to benefit low income groups. The resources will be used to improve living conditions for 5,400 families in squatter settlements by financing basic services, and communal facilities and would further assist 1,100 low-income families to improve their homes through the provision of grants. After the new programme is completed, the IADB is expected to support a second phase with another loan of $48 million. Local counterpart funds will be $8 million in the first phase and $12 million in the second phase. The $32 million IADB loan for the first phase will be for a 25-year term, with a 3-year grace period, at the variable interest of 6.19 percent.

28 In accordance with section 8(4) of the Financial Institutions Act, 1995, Island Finance of Trinidad and Tobago Limited was licensed to carry on business of a financial nature in Trinidad and Tobago with effect from this date. *(Legal Notice No. 51 of 2002).*

JULY

3 It was announced that the Government of Trinidad and Tobago (GOTT) and the Inter-American Development Bank (IADB) signed a multilateral agreement for a $6.2 million grant to begin the setting up of the Telecommunications Authority. The Authority will monitor and regulate the sub sector, particularly to identify breaches in licenses and to apply necessary sanctions. It will also monitor anti-competitive practices. The entire project will cost $19.7 million including the $6.2 million from the IADB. The rest of the financing will be provided by the GOTT over a 30 month period.

10 The Fiscal Incentives [Nitrogen (2000) Limited] Order, 2002 was made by the President under Section 10 of the Fiscal Incentives Act.

Under this Order the Nitrogen (2000) Limited is declared to be an approved enterprise in respect of the product, anhydrous ammonia to be manufactured at its plant to be constructed at Point Lisas Industrial Estate, Point Lisas, with effect from the 1 November 2003.

The Company is granted for the tax holiday period commencing from the production day—

(a) total relief from corporation tax for the first two years;

JULY (Cont'd)

(b) a reduction in the rate of corporation tax to twenty per cent for the next eight years; and

(c) subject to Section 16 of the Act, total relief from income tax on dividends or other distributions, other than interest, out of profits during the tax holiday period.

(Legal Notice No. 54 of 2002)

17 Mr. Ewart S. Williams assumed duties as the eighth Governor of the Central Bank of Trinidad and Tobago. He replaced Mr. Winston Dookeran whose term of office ended on July 16, 2002. Mr. Williams was appointed in accordance with section 7(1) of the Central Bank Act, Chap. 79:02 of the Laws of Trinidad and Tobago, to the post of Governor of the Central Bank for a period of five years, effective July 17, 2002.

24 The Fiscal Incentives (Caribbean Industrial Gases Unlimited) Order, 2002, was made by the President under Section 10 of the Fiscal Incentives Act.

Under this Order the Caribbean Industrial Gases Unlimited is declared an approved enterprise in respect of oxygen, nitrogen and instrument air to be manufactured at the Point Lisas Industrial Estate, Point Lisas, with effect from 1 September, 2003.

The Company is granted for a period of ten years commencing from the production day—

(a) total relief from customs duty;

(b) full exemption from the payment of corporation tax for the first two years;

(c) a reduction in the rate of corporation tax to fifteen per cent for the next five years; and

(d) a reduction in the rate of corporation tax to twenty per cent for the three years thereafter.

(Legal Notice No. 75 of 2002)

AUGUST

7 The Government of Trinidad and Tobago (GOTT) granted conditional approval for the construction and operation of a 224,000 barrels of oil per day (bopd) full conversion export refinery and ancillary infrastructure at the Sabaneta Refinery Project. Infrastructure includes a 17.4 millions barrel

AUGUST (Cont'd)

terminal and marine base, 171.7 megawatts (MW) cogeneration plant, 8,900 cubic metres desalination plant, and adequately sized wastewater treatment facilities. The project is targeted for completion in 2005.

8 The Central Bank of Trinidad and Tobago reduced its repo rate by 50 basis points to 5.25 percent. The Central Bank indicated it was easing Trinidad and Tobago's monetary conditions because of the slowing of the economy and against the background of a low rate of inflation and the strength of the Trinidad and Tobago dollar in the exchange market. It also pointed out that the overall economic outlook had deteriorated, noting that economic growth had slowed throughout the world. These external developments have reduced demand for the non-energy exports of Trinidad and Tobago. The Central Bank added that the reduction in the Central Bank's interest rates should provide a modest stimulus to domestic demand. The reverse repo rate, the discount rate and the special discount rate will also all fall by 50 basis points.

9 Caribbean Nitrogen Company Ltd's (CNC) ammonia plant achieved commercial operations ahead of schedule on July 16, 2002, and with production in excess of 2000 metric tons per day (mtd). The new state-of-the-art production facility is Trinidad and Tobago's ninth ammonia plant and the third of its type using the Kellogg Brown & Root (KBR) KAAP process. The KBR KAAP low-energy technology maximises efficiency while allowing the plant to operate at lower pressures than previously possible in ammonia plants. The plant was built at a cost of US$315 million.

17 The Minister of Education announced that the Government of Trinidad and Tobago (GOTT) had accessed from the Inter-American Development Bank (IADB), a $900 million-plus loan to be used over a seven-year period for educational purposes. The money will be used to build new schools, to upgrade existing secondary schools, for institutional strengthening of the Ministry and for the professional development of principals, teachers and officials of the Ministry of Education.

23 Guardian Holdings Ltd (GHL) announced the acquisition of a Jamaican investment firm. GHL, the parent company of Guardian Life, Jamaica, bought Investment Masters Ltd (IML). IML offers highly personalised investment services.

30 Trinidad and Tobago and Venezuela recently signed a number of agreements and a letter of intent to

AUGUST (Cont'd)

foster closer relations and co-operation in a number of areas. Among them is a letter of intent on the utilisation of cross border hydrocarbon reserves. Other agreements signed were a Memorandum of Understanding on Co-operation in the area of the study of Diplomatic and International Relations; and a Letter of Intent on the future negotiations of plant and animal health agreements.

SEPTEMBER 2002

02 Bp Trinidad and Tobago announced the discovery of one trillion cubic feet of gas (tcf) in its Iron Horse field off the east coast of Trinidad. This is the company's second major natural gas discovery for 2002 and its fourth in three years, raising bpTT's estimated gas reserves to 17 trillion cubic feet. Expressed in equivalent oil terms, the Iron Horse discovery equates to approximately 180 million barrels of oil on an energy equivalent basis.

OCTOBER 2002

07 National elections were held and the People's National Movement won 20 seats, while the United National Congress won 16 seats.

31 The Appropriation Act 2003 (Act No. 1 of 2002) was assented to by the President. This Act provides for the Service of Trinidad and Tobago for the financial year ending September 30, 2003.

NOVEMBER 2002

01 The Minister of Energy signed a multi-million dollar gas/oil exploration deal between EOG Resources (Trinidad Unlimited) and Primera Oil & Gas Ltd for the new offshore Production Sharing Contract (PSC). This contract is for modified block U(b). Primera holds 45 percent of the contract, and EOG 55 percent. EOG and Primera have agreed to a work programme that includes 250 square kilometres of 3D seismic research and the drilling of a 4,500 metre well within three years. Primera Oil & Gas is a wholly owned subsidiary of CL Financial Ltd. EOG U(b) Unlimited is an indirect wholly-owned subsidiary of EOG Resources Inc., one of the largest independent oil and gas companies in the United States.

DECEMBER 2002

16 Methanol Holdings (Trinidad) Ltd. (MHTL), a CL Financial subsidiary, signed a US$450 million loan package for the construction of its fifth plant, the M5000. Kreditanstalt fur Wiederaufbau (KFW) provided the funding for the plant, which should be operational by the first quarter of 2005. Partners Ferrostaal and Proman will provide engineering procurement and construction services. The M5000, with capacity of 5,400 metric tonnes per day, will be the largest methanol plant in the world.

24 The Finance (Miscellaneous Provisions) Act 2002 was assented to by the President. The Act provides for the variation of certain taxes, and introduces other measures of a fiscal nature. (*Act No. 2 of 2002)*

Prepared by Ms. Lenore Hodge, Librarian,
Library, Records and Archives Unit.

LIST OF TABLES

TABLE NO. | TITLE

APPENDIX - ECONOMIC STATISTICS

e	-	estimated	r	-	revised
p	-	provisional	..	-	negligible
n.a.	-	not available	--	-	nil

TABLE A.1

ANNUAL CHANGES IN G.D.P. AT FACTOR COST (1985 PRICES)
BY SECTOR OF ORIGIN 1998-2002[1]
/Per Cent/

SECTORS	WEIGHTS	1998 r	1999 r	2000 r	2001 r	2002 p
Agriculture	47.8	-10.7	12.0	9.5	-2.8	2.5
Petroleum	267.8	5.4	8.1	1.1	0.7	10.7
Manufacturing	66.5	4.1	3.4	6.7	4.7	-2.9
Electricity and Water	25.4	5.3	-0.6	9.6	4.0	10.8
Construction	110.9	13.9	7.9	8.0	4.9	5.0
Transport, Storage and Communication	115.3	4.3	10.5	7.0	0.9	-4.0
Distribution	59.2	13.6	9.8	21.5	6.8	11.2
Finance, Insurance and Real Estate[2]	74.7	2.5	2.2	2.4	2.8	2.1
Government	152.3	3.2	-0.7	4.0	11.7	-1.1
Other Services[3]	80.1	3.3	1.8	3.4	6.5	-0.6
TOTAL	**1000.0**	**4.6**	**5.8**	**5.7**	**4.0**	**3.2**

SOURCE: Central Bank of Trinidad and Tobago

[1] Annual changes are based on averages of the four quarters of the Index of Quarterly Real G.D.P.
[2] Includes the Correction for Imputed Service Charge.
[3] Includes Hotels and Guest Houses, Education and Community Services and Personnel Services.

TABLE A.2

GROSS DOMESTIC PRODUCT AT MARKET PRICES (CURRENT PRICES)
BY SECTOR OF ORIGIN, 1998 - 2002
/TT$Mn/

SECTOR	1998 r	1999 r	2000 r	2001 r	2002 p
Agriculture	783.4	830.3	838.2	806.4	900.1
Petroleum	7,027.5	9,635.4	15,703.4	16,421.0	15,290.6
Manufacturing	3,479.2	3,437.2	3,760.3	4,025.7	4,190.9
Electricity and Water	849.2	894.8	888.2	880.6	943.1
Construction	3,302.0	3,456.8	3,704.4	3,972.4	4,136.6
Transport, Storage and Communication	3,610.5	3,918.6	4,459.7	5,214.0	5,060.3
Distribution	6,790.0	7,617.0	8,778.0	9,939.6	10,633.0
Finance, Insurance and Real Estate	5,602.6	6,363.2	7,245.7	8,440.2	9,359.8
Government	3,489.1	4,075.9	3,887.2	4,855.8	5,893.4
Other Services[1]	2,388.2	2,391.0	2,406.5	2,717.4	2,935.7
Correction for Imputed Service Charge	(1,410.5)	(1,677.0)	(2,214.4)	(2,795.0)	(3,687.6)
PLUS: Value Added Tax	2,153.9	1,946.0	2,027.3	2,222.0	2,543.8
GROSS DOMESTIC PRODUCT AT MARKET PRICES	**38,065.1**	**42,889.2**	**51,484.5**	**56,700.1**	**58,199.7**

SOURCE: Central Statistical Office.

1 Includes Hotels and Guest Houses, Education and Community Services and Personal Services.

TABLE A.3

ANNUAL CHANGES IN G.D.P. AT MARKET PRICES (CURRENT PRICES) BY SECTOR OF ORIGIN, 1998 - 2002

/Per Cent/

SECTORS	1998r	1999r	2000r	2001r	2002p
Agriculture	0.8	6.0	1.0	-3.8	11.6
Petroleum	-23.0	37.1	63.0	4.6	-6.9
Manufacturing	23.3	-1.2	9.4	7.1	4.1
Electricity and Water	46.6	5.4	-0.7	-0.9	7.1
Construction	17.9	4.7	7.2	7.2	4.1
Transport, Storage and Communication	11.8	8.5	13.8	16.9	-2.9
Distribution	13.8	12.2	15.2	13.2	7.0
Finance, Insurance and Real Estate	11.2	13.6	13.9	16.5	10.9
Government	5.3	16.8	-4.6	24.9	21.4
Other Services[1]	21.7	0.1	0.6	12.9	8.0
Correction For Imputed Service Charge	2.7	-18.9	-32.0	-26.2	-31.9
PLUS: Value Added Tax	32.6	-9.7	4.2	9.6	14.5
TOTAL	**6.1**	**12.7**	**20.0**	**10.1**	**2.6**

SOURCE: Table A.2

1 Includes Hotels and Guest Houses, Education and Community Services and Personal Services.

TABLE A.4
SECTORAL COMPOSITION OF G.D.P
AT MARKET PRICES (CURRENT PRICES), 1998 - 2002

/Per Cent/

SECTORS	1998r	1999r	2000r	2001r	2002p
Agriculture	2.1	1.9	1.6	1.4	1.5
Petroleum	18.5	22.5	30.5	29.0	26.3
Manufacturing	9.1	8.0	7.3	7.1	7.2
Electricity and Water	2.2	2.1	1.7	1.6	1.6
Construction	8.7	8.1	7.2	7.0	7.1
Transport, Storage and Communication	9.5	9.1	8.7	9.2	8.7
Distribution	17.8	17.8	17.0	17.5	18.3
Finance, Insurance and Real Estate	14.7	14.8	14.1	14.9	16.1
Government	9.2	9.5	7.6	8.6	10.1
Other Services[1]	6.3	5.6	4.7	4.8	5.0
Correction for Imputed Service Charge	-3.7	-3.9	-4.3	-4.9	-6.3
PLUS: Value Added Tax	5.7	4.5	3.9	3.9	4.4
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.2

1 Includes Hotels and Guest Houses, Education and Community Services and Personal Services

TABLE A.5

MAJOR AGRICULTURAL COMMODITIES 1998- 2002

PRODUCTS	1998	1999	2000	2001[r]	2002[p]
SUGAR					
Cane Production (000 tonnes)					
Estates	442	549	599	497	598
Farmers	615	707	774	532	741
Production of raw sugar (000 tonnes)*	64.7	68.5	111.0	90.6	98.3
Production of refined sugar (000 tonnes)	36.5	43.6	51.5	47.3	44.6
Sales (000 tonnes)					
Exports	58.0	64.3	83.4	59.5	60.9
Local**	42.3	51.6	186.2	74.9	64.4
Estate Canes Reaped (hectare/acre)	10,727	10,993	10,060	10,311	10,366
Estate Canes Yield (tonnes/acre)	40.7	49.8	59.4	48.2	57.7
Conversion Factor (tonnes cane/ tonnes sugar)	13.2	13.7	12.0	11.4	13.3
COCOA (000 kgs)					
Production	1,270	1,160	1,593	649	1,138
Exports* * *	1,319	1,155	1,209	719	848
Local Sales* * *	372	72	19	44	21
COFFEE (000 kgs) * * *					
Production	367	343	553	406	243
Exports	0	0	0	0	12
Local Sales	710	378	508	285	217
CITRUS (000 kgs) * * *					
Production	7,725	10,677	7,421	3,897	7,495
Exports	-	-	-	-	-

SOURCE: Central Statistical Office.

* Includes production of wash grey sugar.
** Data for 1998 to 2002 include the sale of imported sugar.

TABLE A.6

PRODUCTION OF SELECTED FOOD CROPS, 1997- 2001

/000 Kgs/

CROP	1997	1998	1999	2000	2001
Tomato	1,832	1,548	2,728	2,737	2,411
Cabbage	1,471	2,660	1,533	1,412	2,251
Cucumber	2,684	3,861	2,494	3,503	4,708
Dasheen	2,405	1,929	3,458	923	2,286
Rice	6,796	7,037	3,110	6,256	3,262
Pigeon Peas	2,724	915	2,613	785	1,642
Pumpkin	7,550	7,657	2,064	11,449	5,795
Melongene	2,182	1,795	1,320	947	1,856

SOURCE: Central Statistical Office.

TABLE A.7

LOCAL PRODUCTION AND IMPORTS OF SELECTED AGRICULTURAL PRODUCTS, 1998-2002

PRODUCTS	1998	1999	2000	2001	Jan - Jun 2001	Jan - Jun 2002
Total Meat Supply (000 kgs) (excluding poultry)	**9,857**	**10,195**	**8,399**	**9,609**	**3,615**	**4,412**
Production	2,829	2,926	2,514	2,883	1,241	1,803
Imports	7,028	7,269	5,885	6,726	2,374	2,609
Beef and Veal (000 kgs)	**4,394**	**4,576**	**3,860**	**3,767**	**1,893**	**1,516**
Production	914	982	810	823	380	426
Imports	3,480	3,594	3,050	2,944	1,513	1,090
Pork (000 kgs)	**4,009**	**4,424**	**3,837**	**4,870**	**2,214**	**2,628**
Production	1,878	1,924	1,693	2,039	853	1,370
Imports	2,131	2,500	2,144	2,831	1,361	1,258
Mutton (000 kgs)	**1,454**	**1,195**	**702**	**972**	**434**	**268**
Production	37	20	11	21	8	7
Imports	1,417	1,175	691	951	426	261
Broilers (000 birds)[1] Production	**14,543**	**15,319**	**19,240**	**23,852**	**9,872**	**14,367**
Table Eggs (000 doz)[1] Production	**4,587**	**4,757**	**4,890**	**5,022**	**2,313**	**2,390**
Milk (000 litres)	**21,696**	**10,241**	**10,477**	**10,352**	**5,379**	**5,451**
Production	9,976	10,241	10,477	10,352	5,379	5,451
Imports	11,720	na	na	na	na	na

SOURCE: Central Statistical Office.

1 Imports of broilers and table eggs are negligible.

TABLE A.8

PRODUCTION AND UTILIZATION OF CRUDE OIL AND RELATED PRODUCTS AND PETROCHEMICALS: 1998-2002

COMMODITY GROUP	1998	1999	2000[r]	2001[r]	2002
Crude Oil					
Exploration (metres)					
Depth Drilled	156,688	132,083	136,829	172,604	144,046
of which: Exploration	40,751	41,995	33,139	45,910	20,593
Production (000 barrels)					
Crude Oil and Condensates	44,895	45,685	43,680	41,469	47,824
of which: Condensates	3,400[r]	4,497	4,314	5,117	4,746
Daily Average (b/d)	122,915	125,164	119,354	113,523	130,626
Imports (000 barrels)					
Crude Oil Imports	26,348	28,607	35,195	30,524	32,241
of which: u.p.a.	12,770	12,639	na	438	337
Refining (000 barrels)					
Refinery Throughput	50,338	54,597	58,959	55,978	54,801
Refinery Output	49,022	53,320	57,543	54,818	54,988
Capacity Utilization (%)[1]	79.6	85.7	92.1	87.6	68
Exports (000 barrels)					
Crude Oil Exports	18,804	20,357	19,118	18,323	24,895
Petroleum Products	45,823	49,249	52,198	na	na
Natural Gas (Mn cubic feet/day)					
Production	996.0	1,281.0	1,498.0	1,596.0	1,826.0
Utilization[2]					
of which: Petrochemicals	538.0	596.3	618.5	661.0	693.8
Electricity Generation	181.0	183.3	186.5	193.3	219.2
LNG	-	225.0	450.0	450.0	858.2
Natural Gas Liquids (000 barrels)					
Production	4,150.3	5,752.7	6,992.8	7,531.3	8,607.6
Exports	4,127.9	5,593.0	6,800.0	7,666.0	8,766.9
Local Sales	0.9	0.0	0.0	0.0	0.0
Closing Stock	21.5	159.7	192.8	(134.7)	127.0
Asphalt (000 tonnes)					
Production	18.7	12.6	9.9	na	na
Exports	13.9	14.0	7.6	na	na
Local Sales	1.7	1.6	2.9	na	na
Stock Change	3.1	(3.0)	(0.6)	na	na
Fertilizers (000 tonnes)					
Production	3,246.7	3,946.8	3,827.5	4,209.0	4,659.9
Exports	2,924.1	3,601.4	3,449.7	3,995.1	4,239.6
Local Sales	13.6	12.1	126.5	13.2	12.0
Stock Change	309.0	333.3	251.3	200.8	408.3
Methanol (000 tonnes)					
Production	1,948.0	2,136.1	2,480.2	2,788.9	2,828.9
Exports	1,902.3	2,190.7	2,438.6	2,807.9	2,782.4
Local Sales	14.1	16.9	18.0	17.3	19.2
Stock Change	31.6	(71.6)	23.6	(36.3)	(27.3)

SOURCE: Ministry of Energy; Central Bank of Trinidad and Tobago

1 Refinery capacity is estimated at 175,000 barrels per day from 1995.

2 Utilization refers to gas sales, and does not include natural gas used in own consumption

TABLE A.9

PRODUCTION OF IRON AND STEEL PRODUCTS AND CEMENT, 1998-2002

COMMODITY	1998	1999	2000	2001	2002
Steel Products (000 tonnes)					
(i) Direct Reduced Iron					
Production	**1,023.1**	**1,293.0**	**1,524.8**	**2,187.4**	**2,316.3**
Exports	209.1	521.7	677.2	1,364.2	1,377.1
Local Sales	-	-	-	-	-
Own Consumption	798.3	738.2	777.9	725.5	903.2
(ii) Billets					
Production	**776.9**	**723.9**	**743.8**	**668.3**	**816.9**
Exports	3.8	0.0	0.0	14.8	0.0
Local Sales	63.9	87.2	57.3	63.5	87.8
Own Consumption	675.0	664.9	656.3	608.3	714.3
(iii) Wire Rods					
Production	**649.9**	**638.2**	**630.8**	**604.8**	**704.5**
Exports	626.8	588.8	590.4	561.0	655.1
Local Sales	35.2	29.2	27.5	35.9	31.5
Own Consumption	1.2	1.5	1.4	1.3	2.0
Cement (000 tonnes)					
Production	**690.4**	**688.4**	**742.7**	**696.8**	**743.7**
Imports	-	-	-	-	-
Local Sales	366.2	348.8	453.0	429.0	445.8
Exports	320.3	341.6	288.0	263.7	296.1

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.10

INDEX OF DOMESTIC PRODUCTION (1995=100), 1998-2002

INDUSTRY	*Weight*	1998	1999[r]	2000[r]	2001[r]	2002
Food Processing	*58*	167.5	198.0	207.9	201.8	212.4
Drink and Tobacco	*63*	210.5	230.5	255.7	285.6	293.6
Textiles, Garments and Footwear	*6*	241.2	557.3	698.1	782.8	743.4
Printing, Publishing and Paper Converters	*27*	115.2	118.0	129.5	191.8	210.7
Wood and Related Products	*7*	212.1	252.3	323.3	342.9	430.6
Chemicals and Non-Metallic Minerals	*43*	157.4	169.3	195.2	213.7	255.6
Assembly-Type and Related Industries	*61*	129.7	146.9	188.6	231.8	275.6
Miscellaneous Manufacturing Industries	*10*	124.7	130.1	150.8	178.1	186.2
Electricity	*40*	120.2	127.1	121.5	106.4	125.8
Water	*6*	108.8	114.3	125.5	122.0	134.0
Sugar	*-1*	101.8	64.8	217.8	298.0	216.6
All Industry Index (excluding petrochem, oil & natural gas, explor. product & refining)	***320***	**156.8**	**178.5**	**200.3**	**222.1**	**245.6**
Explor. & product of Oil, natural gas, etc.	*445*	100.6	101.5	102.3	106.7	167.1
Petrochemicals	*182*	116.4	138.6	129.2	138.6	154.1
Oil & natural gas refining	*53*	174.4	218.6	250.8	262.1	275.3
All Industry Index (including petrochem, oil & natural gas, explor. product & refining)	***1,000***	**125.3**	**139.0**	**146.4**	**157.7**	**195.5**

SOURCE: Central Statistical Office.

1 Indices are computed as quarterly averages for the relevant period.

TABLE A.11

ANNUAL CHANGES IN THE INDICES OF PRODUCTION AND HOURS WORKED (ALL EMPLOYEES), 2000- 2002[1]

/Per Cent/

INDUSTRY	Index of Domestic Production[2]			Index of Hours Worked[2]		
	2000	**2001**	**2002p**	**2000**	**2001**	**2002p**
Food Processing	5.0	-3.0	5.3	-3.0	1.3	-4.1
Drink and Tobacco	10.9	11.7	2.8	-1.5	10.7	16.8
Textiles, Garments and Footwear	25.3	12.1	-5.0	3.7	9.9	20.7
Printing, Publishing and Paper Converters	9.8	48.1	9.8	13.4	-22.2	32.8
Wood and Related Products	28.1	6.1	25.6	8.3	-3.7	4.4
Chemical and Non-Metallic Minerals	15.3	9.5	19.6	12.8	3.5	10.6
Assembly-Type and Related Industries	28.4	22.9	18.9	3.1	-1.8	2.2
Miscellaneous Manufacturing Industries	15.9	18.1	4.8	3.5	15.0	6.1
Electricity	-4.4	-12.4	18.2	-7.1	-57.2	-45.3[3]
Water	9.8	-2.8	9.9	0.1	-4.1	-1.2
Sugar	236.4	36.8	-27.3[4]	0.2	-3.8	2.0
All Industry Index (excluding petrochem, oil, natural gas, explor. product & refining etc.)	**12.2**	**10.9**	**10.6**	**1.6**	**-3.8**	**2.4**
Explor. & product of oil, natural gas, etc	0.8	4.3	56.6	6.5	25.0	35.0
Petrochemicals	-6.7	7.2	11.2	-16.9	-5.5	3.0
Oil & natural gas refining	14.8	4.5	5.1	-3.4	11.1	-0.4
All Industry Index (including petrochem, oil & natural gas, explor. product & refining etc)	**5.3**	**7.7**	**24.0**	**0.0**	**-0.5**	**2.7**

SOURCE: Central Statistical Office.

1 Indices are computed as quarterly averages for the relevant period.
2 Percentage change over the corresponding period.
3 The Index of Hours Worked is underestimated because of data collection problems.
4 At the time of publication, data on total production were not yet available.

TABLE A.12

ANNUAL CHANGES IN THE INDICES OF AVERAGE WEEKLY EARNINGS AND EMPLOYMENT (ALL EMPLOYEES), 2000 - 2002[1]

/Per Cent/

INDUSTRY	Average Weekly Earnings[2]			Employment[2]		
	2000	2001	2002	2000	2001	2002
Food Processing	5.6	3.2	1.5	3.1	6.6	-11.0
Drink and Tobacco	-3.6	-16.0	12.4	3.6	17.3	-20.4
Textiles, Garments and Footwear	-16.8	-7.6	-21.1	1.0	-9.8	4.1
Printing, Publishing and Paper Converters	8.4	19.7	-3.9	15.9	-0.5	-2.9
Wood and Related Products	17.2	-6.5	6.9	-11.1	-4.5	5.0
Chemical and Non-Metallic Minerals	8.6	1.8	1.5	5.8	-1.7	8.4
Assembly-Type and Related Industries	7.1	-4.6	-9.7	-0.9	3.2	5.1
Miscellaneous Manufacturing Industries	6.8	-10.0	-4.6	-3.9	3.9	3.8
Electricity	1.5	30.2	8.8	-1.5	-40.6	88.1
Water	22.9	24.6	27.2	0.6	-4.2	3.8
Sugar	10.7	0.8	1.7	-1.5	1.1	-0.5
All Industry Index (excluding petrochem, oil, natural gas, explor. product & refining etc.)	**8.0**	**9.3**	**7.8**	**2.1**	**3.1**	**5.1**
Explor. & product of oil, natural gas, etc	-11.7	-10.4	47.0	10.2	17.1	-3.4
Petrochemicals	17.9	23.3	19.5	-7.9	-4.3	-0.6
Oil & natural gas refining	16.2	11.5	12.6	-3.8	10.2	-10.1
All Industry Index (including petrochem, oil & natural gas, explor. product & refining etc)	**9.0**	**9.4**	**12.0**	**0.4**	**3.0**	**1.2**

SOURCE: Central Statistical Office.

1 Indices are computed as quarterly averages for the relevant period.

2 See footnote 2 of Table A.11

TABLE A.13

ANNUAL CHANGES IN REAL EARNINGS AND OUTPUT PER MAN HOUR WORKED (ALL EMPLOYEES), 2000-2002

/Per Cent/

INDUSTRY	Real Earnings [2]			Index of Output[2] Per Man Hour Worked		
	2000	2001	2002	2000	2001	2002
Food Processing	1.9	-2.1	-2.5	8.2	-4.2	9.8
Drink and Tobacco	-6.7	-20.5	7.9	12.7	0.9	-12.0
Textiles, Garments and Footwear	-18.3	-12.1	-17.7	24.3	0.7	-20.5
Printing, Publishing and Paper Converters	4.6	13.5	-7.8	-3.2	90.5	-17.3
Wood and Related Products	13.2	-11.4	2.7	18.3	10.1	20.3
Chemical and Non-Metallic Minerals	4.8	-3.5	-2.5	2.2	5.8	8.1
Assembly-Type and Related Industries	3.5	-9.7	-13.3	24.6	25.1	16.4
Miscellaneous Manufacturing Industries	3.2	-14.7	-8.4	12.0	22.7	-1.2
Electricity	-1.9	23.1	4.7	2.9	104.5	116.2
Water	18.7	18.0	22.2	9.7	1.4	11.2
Sugar	7.0	-4.6	-2.3	235.8	42.2	-28.7
All Industry Index (excluding petrochem, oil & natural gas explor. product & refining)	**4.3**	**3.5**	**3.5**	**10.5**	**15.2**	**8.0**
Explor. and prod. of oil, natural gas etc.	-14.6	-15.2	40.7	-5.4	-16.6	16.0
Petrochemicals	13.5	17.0	14.7	12.3	13.5	8.0
Oil & natural gas refining	12.4	5.4	8.2	18.8	-5.7	5.5
All Industry Index (including petrochem, oil & natural gas explor. product & refining)	**5.3**	**3.5**	**7.6**	**5.3**	**8.2**	**20.8**

SOURCE: Central Statistical Office.

1 Indices are computed as quarterly averages for the relevant period.

2 See footnote 2 of Table A.11.

TABLE A.14(a)

RETAIL PRICES INDEX: INFLATION RATES, 1998-2002[1]

/September 1993=100/

ITEM	*Weight*	1998	1999	2000	2001	2002
All Items	***1000***	**125.8**	**130.1**	**134.7**	**142.2**	**148.1**
Inflation Rate (%)		5.6	3.4	3.6	5.5	4.2

SOURCE: Tables A.14(b).

1 The Retail Prices Index was revised and rebased to September 1993 = 100. The above All Items Index series was obtained by splicing the new index {shown in Table A.14(b)} with the old series at September 1993.

TABLE A.14(b)

RETAIL PRICES INDEX FOR MAJOR EXPENDITURE CATEGORIES, 1999-2002

/September 1993 = 100/

SECTIONS	Weights	1999	2000	2001	2002	2002 I	2002 II	2002 III	2002 IV
All Items[1]	**1000**	**130.1**	**134.7**	**142.2**	**148.1**	**146.6**	**146.7**	**148.7**	**150.3**
		3.4	***3.6***	***5.5***	***4.2***	***1.7***	***0.0***	***1.4***	***1.1***
(i) Food	217	197.9	214.4	244.2	269.1	261.5	262.2	273.9	279.8
		8.6	***8.3***	***13.9***	***10.2***	***3.8***	***0.3***	***4.1***	***2.5***
(ii) Clothing	104	93.3	91.7	90-5	88.4	89.1	88.5	87.9	88.0
		-2.5	***-1.7***	***-1.4***	***-2.3***	***-0.9***	***-0.7***	***-0.7***	***0.2***
(iii) Transportation	152	114.8	116.6	119.0	121.0	121.5	121.4	121.0	120.0
		0.9	***1.6***	***2.1***	***1.6***	***2.2***	***-0.1***	***-0.3***	***-0.8***
(iv) Housing	216	113.6	114.4	114.5	114.4	114.7	114.7	113.8	114.5
		1.6	***0.7***	***0.1***	***-0.1***	***0.1***	***0.0***	***-0.8***	***-0.6***
(v) Others[2]	311	114.0	116.5	118.7	120.2	120.2	120.1	120.2	120.4
		1.8	***2.2***	***1.5***	***1.3***	***0.3***	***-0.1***	***0.1***	***0.2***
Per Cent Contribution To Change In Index									
(i) Food	217	88.5	59.3	84.8	142.1	83.7	275.6	113.8	95.4
(ii) Clothing	104	-99.9	-2.7	-3.5	-31.7	-3.3	-121.5	-3.0	0.9
(iii) Transportation	152	7.5	20.7	1.6	-4.4	15.7	-20.3	-2.9	-9.7
(iv) Housing	216	0.3	7.5	0.7	0.3	0.9	0.0	-9.5	9.6
(v) Others[2]	311	103.7	15.2	16.7	-6.3	3.0	-33.9	1.6	3.9
Memorandum:									
All Items (Sept. 1982=100)[r]		**366.6**	**379.6**	**400.6**	**417.3**	**413.1**	**413.3**	**419.1**	**423.5**

SOURCE: Central Statistical Office.

1 The figures **in bold italics** represent the percentage change over the average for the previous year/quarter.

TABLE A.15

INDEX OF PRODUCERS' PRICES, 1999-2002

/Oct. 1978=100/

INDUSTRY	*Weights*	1999	2000	2001	2002	2002 I	2002 II	2002 III	2002 IV
Food Processing	*191*	424.0 ***0.0***	419.3 ***-1.1***	420.6 ***0.3***	425.2 ***1.1***	423.1 ***0.7***	424.6 ***0.4***	425.7 ***0.3***	427.6 ***0.5***
Drink and Tobacco	*121*	470.8 ***7.9***	479.8 ***1.9***	497.4 ***3.7***	505.8 ***1.7***	502.1 ***0.0***	502.1 ***0.0***	504.1 ***0.4***	515.1 ***2.2***
Textiles, Garments and Footwear	*101*	298.7 ***0.4***	299.2 ***0.1***	299.3 ***0.0***	296.8 ***-0.8***	299.4 ***0.0***	299.4 ***0.0***	294.1 ***-1.8***	294.4 ***0.1***
Printing, Publishing & Paper Converters	*93*	327.1 ***1.4***	339.3 ***3.7***	338.6 ***-0.2***	335.7 ***-0.9***	340.9 ***-0.2***	340.9 ***0.0***	339.1 ***-0.5***	322.1 ***-5.0***
Wood & Related Products	*89*	260.6 ***1.2***	267.3 ***2.5***	270.9 ***1.4***	278.2 ***2.7***	275.5 ***2.1***	275.5 ***0.0***	279.6 ***1.5***	282.4 ***1.0***
Chemicals and Non-Metallic Minerals	*148*	398.4 ***3.1***	415.5 ***4.3***	415.7 ***0.0***	417.2 ***0.4***	415.0 ***-0.1***	413.6 ***-0.3***	421.4 ***1.9***	419.0 ***-0.6***
Assembly-Type and Related Industries	*257*	293.3 ***-1.1***	294.0 ***0.2***	295.8 ***0.6***	295.4 ***-0.1***	294.6 ***-0.1***	294.2 ***-0.1***	296.1 ***0.7***	296.9 ***0.3***
All Industry	*1000*	356.1 ***1.7***	360.7 ***1.3***	363.9 ***0.9***	366.1 ***0.6***	365.2 ***0.3***	365.1 ***0.0***	366.9 ***0.5***	367.2 ***0.1***

SOURCE: Central Statistical Office.

The figures in bold represent the percentage change over the average for the previous year/quarter.

TABLE A.16

CENTRAL GOVERNMENT FISCAL OPERATIONS, 2000-2002[1]

/Dollars Million/

	2000	2001	2002	Oct 00-Sep 01	Oct 01-Sep 02
Current Revenue	13,006.7	13,379.9	14,424.2	14,147.3	13,732.1
Current Expenditure	10,993.5	12,594.9	13,366.3	12,176.9	13,213.3
Current Account Surplus(+)/Deficit(-)	**2,013.2**	**785.0**	**1,057.9**	**1,970.4**	**518.8**
Capital Revenue	29.9	35.6	34.2	39.7	43.0
Capital Expenditure and Net Lending[2]	1,224.0	861.2	732.2	973.3	742.9
Overall Surplus(+)/Deficit(-)	**819.1**	**-40.6**	**359.9**	**1,036.8**	**-181.1**
Total Financing (net)	**-819.1**	**40.6**	**-359.9**	**-1,036.8**	**181.1**
EXTERNAL FINANCING (Net)	**878.4**	**-5.5**	**-231.0**	**-715.7**	**-182.7**
Net External Borrowing	**846.9**	**-5.5**	**-231.0**	**-715.7**	**-182.7**
Disbursements	2,344.3	158.0	209.8	211.4	240.6
Repayments[3]	1,497.4	163.5	440.8	927.0	423.3
Divestment Proceeds	31.5	0.0	0.0	0.0	0.0
DOMESTIC FINANCING (Net)	**-1,697.5**	**46.1**	**-128.9**	**-321.1**	**363.8**
Treasury Bills (Net)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Bonds (net)	56.8	527.7	174.9	519.6	361.9
Disbursements	895.4	1,676.0	1,138.0	1,676.0	1,138.0
Repayments	838.6	1,148.3	963.1	1,156.4	776.1
Divestment Proceeds	0.0	194.0	250.0	194.0	250.0
Uncashed Balances (Net)[4]	-1,754.2	-675.6	-553.8	-1,034.7	-248.1
Memo Items					
Primary Balance[5]	**3,248.8**	**2,181.5**	**2,679.4**	**3,419.5**	**2,078.4**
Surplus(+)/Deficit(-) as a Percent of GDP (current market prices)					
Current Account Surplus(+)/Deficit(-)	4.0	1.4	1.8	3.5	0.9
Overall Surplus(+)/Deficit(-)	1.6	-0.1	0.6	1.8	-0.3
Primary Surplus(+)/Deficit(-)	6.4	3.9	4.6	6.0	3.6

SOURCE: Auditor General: **Report on the Accounts of Trinidad and Tobago**, various years.
Ministry of Finance: **Review of Fiscal Measures**, various years. **Review of the Economy,** 2002.
Central Bank of Trinidad and Tobago: **Monthly Statistical Digest**, various issues.

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund.
2 Includes an adjustment for Repayment of Past Lending.
3 Figures do not include repayments of loans from the IDB and the EIB received by the Central Government for onlending to the energy sector.
4 Includes advances from the Central Bank.
7 The primary balance, also known as the non-interest balance, is equal to the overall balance exclusive of interest payments.

TABLE A.17
CENTRAL GOVERNMENT REVENUE, 2000-2002[1]
/Dollars Million/

REVENUE	2000	2001	2002	Oct 00-Sep 01	Oct 01-Sep 02
A. **Oil Sector**	**4,475.6**	**3,682.4**	**3,795.3**	**4,618.4**	**3,369.3**
Corporation Tax	2,895.0	1,941.7	2,129.5	2,830.7	1,872.9
Withholding Tax	29.4	164.1	106.4	139.5	95.2
Royalties	751.9	708.4	647.4	751.6	603.3
Oil Impost	2.7	22.7	29.5	22.7	29.5
Unemployment Levy	164.7	139.1	163.9	194.8	125.1
Excise Duties	560.0	521.4	537.1	494.1	524.9
Other[2]	72.0	185.0	181.5	185.0	118.4
B. Non-Oil Sector	**8,531.1**	**9,697.5**	**10,628.9**	**9,528.9**	**10,362.8**
Taxes on Income	**3,919.0**	**4,531.4**	**4,805.1**	**4,610.2**	**4,532.6**
Companies	1,281.4	1,636.0	1,657.5	1,742.3	1,430.3
Individuals	2,207.4	2,526.9	2,680.2	2,389.5	2,671.0
Unemployment Levy	2.7	0.7	0.0	0.5	0.0
Health Surcharge	145.4	145.9	125.6	151.5	127.5
Other	282.0	221.9	341.8	326.4	303.8
Taxes on Property	**62.3**	**69.5**	**87.0**	**59.1**	**96.5**
Estate and Succession Duties	0.0	0.0	0.0	0.0	0.0
Lands & Buildings	62.3	69.5	87.0	59.1	96.5
Taxes on Goods and Services	**2,906.2**	**3,109.7**	**3,230.1**	**2,977.3**	**3,317.9**
Purchase Tax	0.2	0.1	0.0	0.2	0.0
Excise Tax	318.6	348.7	399.2	328.2	386.3
Motor Vehicles	221.6	218.3	201.6	216.4	209.0
Value Added Tax	2,037.7	2,178.7	2,406.8	2,193.8	2,481.3
Other[3]	328.1	363.8	222.5	238.7	241.3
Taxes on International Trade	**765.3**	**834.8**	**882.0**	**812.5**	**852.0**
Import Duties	765.3	834.8	880.9	811.2	850.0
Other	0.0	0.0	1.1	1.3	2.0
Non-Tax Revenue	**878.3**	**1,152.1**	**1,624.7**	**1,069.8**	**1,563.8**
National Lottery	159.5	116.9	145.7	147.3	133.5
Interest	186.0	230.8	144.2	231.6	162.8
Central Bank	75.8	81.1	135.3	81.1	135.3
Other	457.0	723.3	1,199.5	609.8	1,132.2
TOTAL CURRENT REVENUE	**13,006.7**	**13,379.9**	**14,424.2**	**14,147.3**	**13,732.1**
Capital Revenue	29.9	35.6	34.2	39.7	43.0
TOTAL REVENUE[4]	**13,036.5**	**13,415.5**	**14,458.4**	**14,187.0**	**13,775.1**

SOURCE: Ministry of Finance: **Review of Fiscal Measures**, various years; **Estimates of Revenue**, various years.

1 Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and the Infrastructure Development Fund.
2 Includes receipts of $72 million and $118.4 million from signature bonuses for the award of product sharing contracts in 2000 and 2002, respectively.
3 Includes Road Improvement Tax.
4 The data excludes the transfers from the Treasury Deposit accounts in 2000 of $208 million, since they do not represent actual revenues received in these periods.

TABLE A.18

CENTRAL GOVERNMENT EXPENDITURE - AN ECONOMIC CLASSIFICATION[1]
2000-2002
/Dollars Million/

	2000	2001	2002	Oct 00 - Sep 01	Oct 01-Sept 02
Current Expenditure	**10,993.5**	**12,594.9**	**13,366.3**	**12,176.9**	**13,213.3**
Wages & Salaries	3,190.1	4,091.3	4,176.6	3,772.9	4,224.7
Goods & Services	1,205.4	1,542.2	1,793.0	1,552.2	1,741.9
Interest	2,429.7	2,222.2	2,319.5	2,382.7	2,259.5
External	872.1	768.3	801.5	816.9	800.3
Domestic	1,557.6	1,453.9	1,518.0	1,565.8	1,459.2
Transfers & Subsidies[2]	4,168.3	4,739.3	5,077.2	4,469.1	4,987.2
of which:					
Loans & Grants to Statutory					
Boards and State Enterprises	1,095.8	1,259.5	1,332.4	1,185.2	1,346.2
Households	1,403.9	1,560.9	1,991.9	1,544.2	1,918.2
Capital Expenditure and Net-Lending[3]	**1,224.0**	**861.2**	**732.2**	**973.3**	**742.9**
TOTAL EXPENDITURE[4]	**12,217.5**	**13,456.1**	**14,098.5**	**13,150.2**	**13,956.2**
(As % of GDP at current market prices)	23.7	23.7	24.2	-	-
PER CENT					
Memo Items					
Current Expenditure	90.0	93.6	94.8	92.6	94.7
Capital Expenditure and Net-Lending	10.0	6.4	5.2	7.4	5.3
Total Expenditure	100.0	100.0	100.0	100.0	100.0

SOURCE: Ministry of Finance: **Review of Fiscal Measures**, various years; **Review of the Economy**, various years.

1. Refers to accounts of Consolidated Fund, Unemployment Fund, Road Improvement Fund and Infrastructure Development Fund.
2. In September 2000 and 2001, the central government transferred $415.3 million and $600 million to the Revenue Stabilization Fund. Similarly, in September 2001, $240.7 million was transferred to the Dollar for Dollar Education Programme Fund. These cannot be considered as expenditure and are therefore omitted.
3. See footnotes to Table A.16.
4. In 2000 the central government brought to account $289 million. This represented the deferred liabilities of extra budgetary financing facilities incurred from previous years.

TABLE A.19(a)

PUBLIC SECTOR EXTERNAL DEBT - SELECTED DATA
1998-2002
/US$ Mn/

SECTOR	END OF PERIOD				
	1998	1999	2000	2001	2002
CENTRAL GOVERNMENT					
Receipts	58.7	294.3	383.6	26.2	17.7
of which: Leases	0.0	0.0	0.0	*0.0*	*0.0*
Amortization	163.6	170.6	268.9	61.1	68.6
of which: Leases	9.4	11.1	5.8	0.0	0.0
Debt Conversion	0.0	0.0	0.0	0.0	0.0
Rescheduling	0.0	0.0	0.0	0.0	0.0
Valuation Adjustment	20.7	-2.5	-16.9	-6.2	7.9
Balance Outstanding[1]	1,313.2	1,434.4	1,532.2	1,491.1	1,448.1
of which: Leases	79.7	50.9	0.0	*0.0*	*0.0*
Interest	114.8	96.2	107.4	121.4	129.7
NON-GOVERNMENT PUBLIC SECTOR[2]					
Receipts	0.0	0.0	0.0	0.0	0.0
Amortization	11.0	5.1	1.4	0.0	0.0
Rescheduling[3]	0.0	0.0	0.0	0.0	0.0
Valuation Adjustment	1.5	-2.4	-1.4	-1.1	1.1
Balance Outstanding	157.9	150.4	147.6	146.5	147.6
Interest	1.6	0.8	0.4	0.0	0.0
TOTAL					
Receipts	58.7	294.3	383.6	26.2	17.7
Amortization	174.6	175.7	270.3	61.1	68.6
of which: Debt Conversion	0.0	0.0	0.0	0.0	0.0
Rescheduling	0.0	0.0	0.0	0.0	0.0
Valuation Adjustment	22.2	-4.8	-18.3	-7.3	9.0
Balance Outstanding	1,471.1	1,584.8	1,679.8	1,637.6	1,595.7
Interest	116.5	97.0	107.8	121.4	129.7

SOURCE: Central Bank of Trinidad Tobago.

1. Excludes a short-term US dollar denominated bond of US$150 million provided by resident financial institutions in 1998.
2. Comprises state enterprises and Central Bank external debt (see Table A.19(b)).
3. Once rescheduled, the external debt of the state enterprises becomes the external liability of the central government.

TABLE A.19(b)

NON-GOVERNMENT PUBLIC SECTOR EXTERNAL DEBT-SELECTED DATA*
1998-2002
/US$ Mn/

SECTOR	END OF PERIOD 1998	1999	2000	2001	2002
GOVERNMENT-GUARANTEED[1]					
Receipts	0.0	0.0	0.0	0.0	0.0
Amortization	6.0	4.9	1.4	0.0	0.0
Rescheduling	0.0	0.0	0.0	0.0	0.0
Balance Outstanding	52.6	45.3	42.6	41.6	42.6
Interest	1.7	0.8	0.4	0.0	0.0
NON-GOVERNMENT GUARANTEED[2]					
Receipts	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0
Balance Outstanding	103.9	103.8	103.8	103.7	103.7
Interest	0.0	0.0	0.0	0.0	0.0
CENTRAL BANK					
Receipts	0.0	0.0	0.0	0.0	0.0
Amortization	5.0	0.2	0.0	0.0	0.0
Balance Outstanding	1.6	1.3	1.2	1.2	1.3
Interest	0.0	0.0	0.0	0.0	0.0
TOTAL					
Receipts	0.0	0.0	0.0	0.0	0.0
Amortization	11.0	5.1	1.4	0.0	0.0
Rescheduling	0.0	0.0	0.0	0.0	0.0
Valuation Adjustments	1.5	-2.4	-1.4	-1.1	1.1
Balance Outstanding	157.9	150.4	147.6	146.5	147.6
Interest	1.7	0.8	0.4	0.0	0.0

SOURCE: Central Bank of Trinidad Tobago.

* See note on Table A.19(a).

1 External debt of state enterprises and public utilities guaranteed by the government of the Republic of Trinidad and Tobago.

2 Non-guaranteed debt of state enterprises and public utilities.

TABLE A.19(c)

PUBLIC SECTOR VARIABLE RATE EXTERNAL DEBT OUTSTANDING,
1998-2002
/US $Mn/

SECTOR	END OF PERIOD 1998	1999	2000	2001	2002
CENTRAL GOVERNMENT	**646.6**	**558.2**	**571.1**	**540.2**	**485.0**
US Libor - 6 months	79.6	31.7	10.5	7.2	0.0
Japan Prime Rate	46.5	28.7	11.5	9.4	4.1
Tokyo Floating Rate	9.9	4.4	1.7	1.5	0.0
US Eximbank Rate	16.3	4.6	1.3	1.3	0.0
IDB Cost of Borrowing	417.6	417.2	487.5	471.1	441.1
Other	79.4	71.6	58.6	49.7	39.8
STATE ENTERPRISES GOVERNMENT GUARANTEED	**9.9**	**9.4**	**9.4**	**9.4**	**9.4**
STATE ENTERPRISES NON-GOVERNMENT GUARANTEED	**17.6**	**17.6**	**17.6**	**17.6**	**17.6**
US Libor - 6 months	17.6	17.6	17.6	17.6	17.6
US Libor - 3 months	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
CENTRAL BANK	**1.3**	**1.2**	**1.2**	**1.2**	**1.2**
of which					
US Libor - 6 months	0.1	0.1	0.1	0.1	0.1
IMF Cost of Borrowing	1.2	1.1	1.1	1.1	1.1
TOTAL	**675.4**	**586.4**	**599.3**	**568.4**	**513.2**

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.19(d)

PUBLIC SECTOR EXTERNAL DEBT OUTSTANDING: MATURITY STRUCTURE*, 2002
/US$Mn/

MATURITY	2002 Central Government	Government Guaranteed	Non-Gov't Guaranteed	Central Bank	Total
Short-term[1]	-	-	-	-	-
Medium-term[2]	526.4	-	1.3	1.3	529.0
Long-term[3]	921.7	42.6	102.4	-	1,066.7
TOTAL	**1,448.1**	**42.6**	**103.7**	**1.3**	**1,595.7**

SOURCE: Central Bank of Trinidad and Tobago.

* See notes on Tables A.19(a) and A.19(b).

1 Refers to loans with maturity 3 years and under.
2 Refers to loans with maturity between 3-10 years.
3 Refers to loans with maturity over 10 years.

TABLE A.19(e)

PUBLIC SECTOR EXTERNAL DEBT OUTSTANDING: CURRENCY COMPOSITION, 2002*
/US$ Mn/

CURRENCY	2002 Central Government	Government Guaranteed	Non-Gov't Guaranteed	Central Bank	TOTAL ($)	TOTAL (%)
US Dollar	1,379.8	24.0	103.1	0.2	1,507.1	94.5
Japanese Yen	9.4	1.9	-	-	11.3	0.7
Canadian Dollar	-	-	-	-	-	-
Swiss Franc	-	2.0	-	-	2.0	0.1
French Franc	-	-	-	-	-	-
Deutsche Mark	0.9	8.1	-	-	9.0	0.6
Pound Sterling	48.9	4.7	-	-	53.6	3.4
SDR	-	-	-	1.1	1.1	0.1
Other	9.1	1.9	0.6	-	11.6	0.7
TOTAL	**1,448.1**	**42.6**	**103.7**	**1.3**	**1,595.7**	**100.0**

SOURCE: Central Bank of Trinidad and Tobago

* See notes on Tables A.19(a) and A.19(b).

TABLE A.19 (f)

PUBLIC SECTOR EXTERNAL DEBT OUTSTANDING: CREDITOR COMPOSITION, 2002*
/US$ Mn/

CREDITORS	2002 Central Government	Government Guaranteed	Non-Gov't Guaranteed	Central Bank	Total
Official Creditors	**522.4**	**31.2**	**13.4**	**1.2**	**568.2**
Multilateral	501.7	23.1	13.4	1.2	539.4
Bilateral	20.7	8.1	-	-	28.8
Private Creditors	**925.7**	**11.4**	**90.3**	**0.1**	**1,027.5**
Commercial Banks	-	11.4	89.0	0.1	100.5
Bondholders[1]	925.3	-	-	-	925.3
Lessors[2]	-	-	-	-	-
Other	0.4	-	1.3	-	1.7
TOTAL	**1,448.1**	**42.6**	**103.7**	**1.3**	**1,595.7**

SOURCE: Central Bank of Trinidad and Tobago.

* See notes on Tables A.19(a) and A.19(b).

1 Bondholders may also include commercial banks.
2 Refer to leasing companies holding financial leases.

TABLE A.20

COMMERCIAL BANKS: SELECTED DATA, 1998-2002

/Dollars Million/

	END OF PERIOD				
	1998	**1999**	**2000**	**2001[r]**	**2002**
A. **Outstanding**					
1. **Aggregate Deposits** (adj.)	**15,873.7**	**15,923.3**	**17,947.7**	**20,821.5**	**21,521.5**
Demand Deposits (adj.)	3,052.2	2,989.5	3,616.2	5,322.1	5,829.8
Time Deposits (adj.)	3,611.9	3,288.4	3,281.2	3,869.7	3,399.9
Savings Deposits (adj.)	5,324.4	5,487.1	5,796.5	6,634.3	6,778.7
Foreign Currency Deposits (adj)	3,885.2	4,158.3	5,253.8	4,995.4	5,513.1
2. **Gross Bank Credit**[1]	**11,288.1**	**11,979.4**	**12,949.8**	**14,422.7**	**14,789.1**
of which:					
Business purposes	5,395.2	5,465.3	6,399.6	7,041.6	7,411.4
Corporate	3,981.5	4,680.6	5,676.4	6,322.8	6,634.0
Non-corporate	*1,413.7*	*784.7*	*723.2*	*718.8*	*777.4*
3. **Investments**	**4,725.3**	**5,453.7**	**6,087.0**	**7,746.9**	**8,220.9**
Government Securities	2,065.6	2,237.9	2,052.5	2,791.3	2,768.6
Other Investments[2]	2,659.7	3,215.8	4,034.5	4,955.6	5,452.3
of which:					
Special Deposits	*222.1*	*21.0*	*284.1*	*783.1*	*281.3*
B. **Annual Change**					
1. **Aggregate Deposits** (adj.)	**2,017.9**	**49.6**	**2,024.4**	**2,873.8**	**700.0**
Demand Deposits (adj.)	217.0	-62.7	626.7	1,705.9	507.7
Time Deposits (adj.)	846.7	-323.5	-7.2	588.5	-469.8
Savings Deposits (adj.)	420.6	162.7	309.4	837.8	144.4
Foreign Currency Deposits (adj.)	533.5	273.1	1,095.5	-258.4	517.7
2. **Gross Bank Credit**[1]	**1,123.8**	**834.9**	**872.3**	**1,472.9**	**366.4**
of which:					
Business purposes	818.5	362.4	934.3	642.0	369.8
Corporate	*161.4*	*699.1*	*995.8*	*646.4*	*311.2*
Non-Corporate	*657.1*	*-336.7*	*-61.5*	*-4.4*	*58.6*
3. **Investments**	**-2,883.9**	**728.4**	**633.3**	**1,659.9**	**474.0**
Government Securities	-1,229.5	172.3	185.4	738.8	-22.7
Other Investments[2]	-1,654.4	556.1	818.7	921.1	496.7
of which:					
Special Deposits	*163.9*	*-201.1*	*263.1*	*499.0*	*-501.8*

SOURCE: Central Bank of Trinidad and Tobago.

1 Total loans excluding loans to non-residents and central government.

2 Special Deposits, other local and foreign securities, and equity in subsidiaries and affiliates.

TABLE A.21

LIQUIDITY POSITION OF COMMERCIAL BANKS, 2000:IV - 2002:IV[1]

/Dollars Million/

	END OF PERIOD								
	2000	2001				2002			
	IV	I	II	III	IV	I	II	III	IV
Legal Reserve Position[2]									
Required Reserve	2,611.5	2,629.0	2,267.9	2,601.0	2,694.0	2,740.9	2,729.7	2,738.7	2,763.8
Cash Reserve	2,658.9	2,672.4	2,328.2	2,509.4	2,682.7	2,754.1	2,760.3	2,426.0	2,790.4
Excess (+) or Shortage (-)	47.4	43.4	60.3	91.6	-11.3	13.2	30.6	-312.7	26.6
Liquid Assets									
Cash Reserve	2,658.9	2,672.4	2,328.2	2,509.4	2,682.7	2,754.1	2,760.3	2,426.0	2,790.4
Special Deposits	284.1	361.3	155.0	714.7	783.1	442.2	484.0	491.9	281.3
Total Deposits	2,943.0	3,033.7	2,483.2	3,224.1	3,465.8	3,196.3	3,244.3	2,918.0	3,071.6
Local Cash in Hand	426.9	234.8	211.9	241.2	346.1	285.3	234.2	285.8	502.8
Treasury Bills	462.5	448.7	904.9	488.3	532.8	304.0	187.7	230.7	208.8
TOTAL	**3,832.4**	**3,717.2**	**3,600.0**	**3,953.6**	**4,344.7**	**3,785.6**	**3,666.2**	**3,434.5**	**3,783.2**
Total DepositLiabilities (Adj)	12,435.7	12,519.0	12,599.4	14,450.0	14,966.7	15,227.2	15,165.0	15,215.0	15,354.4
	As % of Total Deposit Liabilities (Adj)								
Legal Reserve Position									
Required Reserve	21.0	21.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Cash Reserve	21.4	21.3	18.5	17.4	17.9	18.1	18.2	15.9	18.2
Excess (+) or Shortage (-)*	0.4	0.3	0.5	0.6	-0.1	0.1	0.2	-2.1	0.2
Average Excess (+) or Shortage (-)**	12.4	3.9	16.7	0.8	7.7	6.5	7.7	19.8	8.3
Liquid Assets									
Cash Reserve	21.4	21.3	18.5	17.4	17.9	18.1	18.2	15.9	18.2
Special Deposits	2.3	2.9	1.2	4.9	5.2	2.9	3.2	3.2	1.8
Total Deposits	23.7	24.2	19.7	22.3	23.2	21.0	21.4	19.2	20.0
Local Cash in Hand	3.4	1.9	1.7	1.7	2.3	1.9	1.5	1.9	3.3
Treasury Bills	3.7	3.6	7.2	3.4	3.6	2.0	1.2	1.5	1.4
TOTAL	**30.8**	**29.7**	**28.6**	**27.4**	**29.0**	**24.9**	**24.2**	**22.6**	**24.7**

SOURCE: Central Bank of Trinidad and Tobago

1. The statutory cash reserve requirement was reduced to 18 per cent effective May 16, 2001.
2. See note (1) of Table A.20.

* Represents the excess/shortage for the end of the month.

** Represents the excess/shortage as an average through the month.

TABLE A.22

COMMERCIAL BANKS: DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 1998-2002

/Dollars Million/

SECTORS	END OF PERIOD							
					2002			
	1998	1999	2000	2001	I	II	III	IV
Central & Local Government	17.1	26.2	127.6	98.4	87.6	82.7	88.3	41.8
Agriculture	362.5	351.8	119.9	172.5	266.5	218.3	256.6	273.8
Petroleum	576.3	276.8	376.3	810.9	876.5	1,107.6	718.9	1,101.7
Manufacturing	1,430.4	1,395.2	1,629.0	1,702.5	1,859.5	1,735.4	2,199.8	1,565.4
Construction	383.1	634.6	590.6	555.2	593.1	509.6	617.8	715.9
Distributive Trades	878.9	544.0	951.6	1,093.4	1,219.9	1,235.1	1,082.7	1,124.5
Hotels and Guest Houses	215.4	268.2	174.2	440.0	397.5	382.3	163.7	181.2
Transport, Storage and Communication	563.4	685.2	900.8	728.6	687.1	594.2	460.0	617.7
Finance, Insurance and Real Estate	1,221.6	1,330.6	1,675.9	1,844.3	1,722.9	1,788.5	1,806.4	2,032.5
Education, Cultural and Community Services	28.3	38.3	41.9	23.7	38.0	64.6	16.6	20.3
Personal Services	525.0	417.7	354.1	710.7	610.9	617.3	613.5	739.2
Electricity and Water	10.7	243.1	105.3	145.5	148.2	143.4	500.4	360.4
Consumers	4,397.8	5,297.7	5,425.9	5,671.6	5,319.2	5,541.1	5,464.0	5,671.6
TOTAL (excluding Real Estate Mortgage Loans)	**10,610.5**	**11,509.4**	**12,473.1**	**13,988.6**	**13,826.9**	**14,020.1**	**13,988.7**	**14,446.0**
Real Estate Mortgage Loans & Lease Financing	844.3	816.4	732.4	764.6	792.3	780.9	836.7	837.8
TOTAL LOANS	**11,454.8**	**12,325.8**	**13,205.5**	**14,753.2**	**14,619.2**	**14,801.0**	**14,825.4**	**15,283.8**

SOURCE: Central Bank of Trinidad and Tobago

TABLE A.23

COMMERCIAL BANKS: PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 1998-2002[1]

/Per Cent/

SECTOR	END OF PERIOD							
					2002			
	1998	1999	2000	2001	I	II	III	IV
Central Government	0.1	0.2	1.0	0.7	0.6	0.6	0.6	0.3
Agriculture	3.2	2.9	0.9	1.2	1.8	1.5	1.7	1.8
Petroleum	5.0	2.2	2.8	5.5	6.0	7.5	4.9	7.2
Manufacturing	12.5	11.3	12.3	11.5	12.7	11.7	14.8	10.2
Construction	3.3	5.1	4.5	3.8	4.1	3.4	4.2	4.7
Distributive Trades	7.7	4.4	7.2	7.4	8.3	8.3	7.3	7.4
Hotels and Guest Houses	1.9	2.2	1.3	3.0	2.7	2.6	1.1	1.2
Transport, Storage and Communication	4.9	5.6	6.9	4.8	4.7	4.0	3.1	4.0
Finance, Insurance and Real Estate	10.7	10.8	12.7	12.5	11.8	12.1	12.2	13.3
Education, Cultural and Community Services	0.2	0.3	0.3	0.2	0.3	0.4	0.1	0.1
Personal Services	4.6	3.4	2.7	4.8	4.2	4.2	4.1	4.8
Electricity and Water	0.1	2.0	0.8	1.0	1.0	1.0	3.4	2.4
Consumers	38.4	43.0	41.1	38.4	36.4	37.4	36.9	37.1
TOTAL (excluding Real Estate Mortgage Loans)	**92.6**	**93.4**	**94.5**	**94.8**	**94.6**	**94.7**	**94.4**	**94.5**
Real Estate Mortgage Loans and Lease Financing	7.4	6.6	5.5	5.2	5.4	5.3	5.6	5.5
TOTAL LOANS	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.22.

1 Figures may not sum to 100 due to rounding.

TABLE A.24

COMMERCIAL BANKS - INTEREST RATES, 2000-2002

/Per Cent, Per Annum/

INTEREST RATES[1]		2000	2001	2002	2002 I	2002 II	2002 III	2002 IV
A. Loan Rates (Prime)								
(i) Term	- Range	3.00-29.80	5.00-26.75	5.00-26.75	5.00-26.75	5.00-26.75	5.00-26.75	5.00-26.75
	- Median	17.00	15.25	13.63	14.00	13.63	13.63	13.38
(ii) Demand	- Range	5.00-25.90	5.00-24.00	3.50-24.00	5.00-24.00	5.00-24.00	5.00-24.00	3.50-24.00
	- Median	16.50	15.00	9.00	9.50	9.00	9.00	8.61
(iii) Overdraft	- Range	5.00-26.50	5.00-24.00	7.00-24.00	7.00-24.00	7.00-24.00	7.00-24.00	7.00-24.00
	- Median	16.50	15.63	13.00	13.00	13.00	13.00	13.00
(iv) Basic Prime Rate	- Range	16.50-17.00	14.00-17.00	11.25-17.00	12.50-17.00	11.75-17.00	11.25-12.50	11.25-12.00
	- Median	16.50	15.88	12.00	13.00	13.00	12.00	11.50
(v) Real Estate Mortgage	- Range	2.00-28.30	2.00-17.50	2.00-15.50	5.00-15.50	7.00-14.00	5.00-13.00	2.00-12.50
	-Median	17.50	16.00	12.13	13.50	12.50	11.75	11.50
B. Deposit Rates (Announced)								
(i) Ordinary Savings	- Range	2.00-9.25	2.00-9.25	0.50-7.50	1.50-4.50	1.00-5.00	1.00-7.50	0.50-3.00
	- Median	3.00	3.00	2.35	2.50	2.25	2.44	2.00
(ii) Special Savings	- Range	2.00-9.25	2.00-10.00	1.75-10.00	2.00-7.75	2.00-7.50	2.00-10.00	1.75-7.50
	- Median	5.25	5.25	3.22	4.63	3.44	2.94	3.00
(iii) 3-Month Time	- Range	2.50-9.20	2.50-9.50	1.50-8.75	1.50-8.75	2.00-8.75	2.00-8.75	2.00-8.75
	- Median	6.45	7.15	3.38	5.30	3.56	3.19	2.88
(iv) 6-Month Time	- Range	5.00-9.40	5.00-9.40	1.50-9.50	4.00-6.90	2.75-6.00	1.50-9.50	2.50-6.00
	- Median	6.00	6.00	4.25	5.50	4.25	4.25	3.38
(v) 1-Year Time	- Range	5.00-9.80	5.00-10.00	2.50-9.25	4.00-9.25	3.00-9.25	3.00-9.25	2.50-9.25
	- Median	7.93	7.80	4.38	6.19	4.56	4.13	4.19

SOURCE: Central Bank of Trinidad and Tobago.

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

TABLE A.25

MONEY SUPPLY, 1998-2002

/Dollars Million/

	END OF PERIOD				
	1998	**1999**	**2000**	**2001[r]**	**2002**
A. **Narrow Money Supply**	**4,072.3**	**4,281.9**	**4,887.2**	**6,695.6**	**7,331.6**
Currency in Active Circulation	1,020.1	1,292.4	1,271.0	1,373.5	1,501.8
Demand Deposits (adj.)	3,052.2	2,989.5	3,616.2	5,322.1	5,829.8
B. **Factors Affecting Changes in Money Supply**					
1. **Net Bank Credit to Central Government**	**1,304.3**	**641.7**	**-2,069.1**	**-3,427.1**	**-3,796.8**
(a) Central Bank	-693.4	-1,474.6	-4,045.9	-6,113.3	-6,502.3
(b) Commercial Banks	1,997.7	2,116.3	1,976.8	2,686.2	2,705.5
2. **Bank Credit**	**13,202.5**	**15,108.6**	**16,544.6**	**18,522.9**	**19,731.9**
(a) Public Sector[1]	1,877.9	1,791.9	1,537.4	2,970.5	2,841.9
(b) Private Sector[2]	11,324.6	13,316.7	15,007.2	15,552.4	16,890.0
3. **External Assets** (net)	**6,600.3**	**7,105.5**	**10,477.1**	**11,788.3**	**12,682.1**
4. **Quasi-Money[3]**	**-8,936.3**	**-8,755.5**	**-9,077.7**	**-10,504.0**	**-10,178.6**
5. **Foreign Currency Deposits (Adj)**	**-3,885.2**	**-4,158.3**	**-5,253.8**	**-4,995.4**	**-5,513.1**
6. **NFIs Foreign Currency Deposit (Adj)**	**-720.6**	**-1,709.0**	**-1,601.6**	**-1,993.6**	**-1,520.7**
7. **Other Items** (Net)	**-4,213.3**	**-5,660.1**	**-5,733.9**	**-4,689.1**	**-5,593.9**
C. **Broad Money Supply** (M-2)	**13,008.7**	**13,057.5**	**13,964.9**	**17,199.6**	**17,510.1**
D. **Broad Money Supply** (M2*)[4]	**16,893.9**	**17,215.8**	**19,218.7**	**22,195.1**	**23,023.2**
Memo:[5]					
Money Supply M-3	16,588.9	17,359.8	17,961.3	21,615.2	21,478.7
Money Supply M-3*	21,142.0	23,215.2	24,763.2	28,574.0	28,510.6

SOURCE: Central Bank of Trinidad and Tobago.

Includes Central Bank's and commercial banks' loans and holdings of public sector securities.
Includes commercial banks' loans and holdings of private sector securities.
Excludes foreign currency deposits of residents which are shown separately below.
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 NFI's.

TABLE A.26

CHANGES IN MONEY SUPPLY, 1998-2002

/Dollars Million/

	1998	1999	2000	2001r	2002
A. Narrow Money Supply (M-IA)	**174.1**	**209.6**	**605.3**	**1,808.4**	**636.0**
	4.5	*5.2*	*14.1*	*37.0*	*9.5*
Currency in Active Circulation	-42.9	272.3	-21.4	102.5	128.3
	-4.0	*26.7*	*-1.7*	*8.1*	*9.3*
Demand Deposits (adj.)	217.0	-62.7	626.7	1,705.9	507.7
	7.7	*2.1*	*20.9*	*47.2*	*9.5*
B. Factors Affecting Changes in Money Supply					
1. **Net Bank Credit to Government**	**-219.5**	**-662.6**	**-2,710.8**	**-1,358.0**	**-369.7**
	-14.4	*-50.8*	*-422.4*	*-65.6*	*-10.8*
Central Bank	1,026.0	-781.2	-2,571.3	-2,067.4	-389.0
	59.7	*-112.7*	*-174.4*	*-51.1*	*-6.4*
Commercial Banks	-1,245.6	118.6	-139.5	709.4	19.3
	-38.0	*5.9*	*-6.6*	*35.9*	*0.7*
2. **Bank Credit**	**-228.2**	**1,906.1**	**1,436.0**	**1,978.3**	**1,209.0**
	-1.7	*14.4*	*9.5*	*11.9*	*6.5*
Public Sector[1]	-229.7	-86.0	-254.5	1,433.1	-128.6
	-10.9	*-4.6*	*-14.2*	*93.2*	*-4.3*
Private Sector[2]	1.5	1,992.1	1,690.5	545.2	1,337.6
	-	*17.6*	*12.7*	*3.6*	*8.6*
3. **Net Foreign Assets**	**748.6**	**505.2**	**3,371.6**	**1,311.2**	**893.8**
	12.8	*7.7*	*47.5*	*12.5*	*7.6*
4. **Quasi-Money**[3]	**-1,267.3**	**160.8**	**-322.2**	**-1,426.3**	**325.4**
	16.5	*-1.8*	*3.7*	*15.7*	*-3.1*
5. **Foreign Currency Deposits**	**-533.5**	**-273.1**	**-1,095.5**	**258.4**	**-517.7**
	15.9	*7.0*	*26.3*	*-4.9*	*10.4*
6. **NFIs Foreign Currency Deposits (Adj)**	**-147.3**	**-988.4**	**107.6**	**-392.0**	**472.9**
	-25.7	*-137.2*	*-6.3*	*24.5*	*-23.7*
7. **Other Items** (net)	**1,674.0**	**-1,446.8**	**-73.8**	**1,044.8**	**-904.8**
Increase (-), Decrease (+)	*-28.4*	*34.3*	*1.3*	*-18.2*	*-19.3*
C. **Broad Money Supply** (M-2)	**1,441.5**	**48.8**	**907.4**	**3,234.7**	**310.5**
	12.5	*0.4*	*6.9*	*23.2*	*1.8*
D. **Broad Money Supply** (M-2*)[4]	**1,975.1**	**321.9**	**2,002.9**	**2,976.4**	**828.1**
	13.2	*1.9*	*11.6*	*15.5*	*3.7*
Memo:Money Supply M-3	**2,338.1**	**770.9**	**601.5**	**3,653.9**	**-136.5**
	16.4	***4.6***	***3.46***	***20.3***	*-0.6*
Money Supply M-3*	**3,041.1**	**2,073.2**	**1,548.0**	**3,810.8**	**-63.4**
	16.8	*9.8*	*6.7*	*15.4*	*-0.2*

SOURCE: Table A.25

1 Includes Central Bank's and commercial banks' loans and holdings of public sector securities.

2 Includes commercial banks' loans to the private sector and holdings of private sector securities.

3 See footnote (3) of Table A.25.

4 See Note (4) of Table A.25.

Figures in italics represent percentage changes.

TABLE A.27

FINANCE COMPANIES AND MERCHANT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 1998-2002

/Dollars Thousand/

End of Period	External Assets (Net)	Cash and Deposits at Central Bank	Balances due from Banks (Net)	Domestic Credit: Investments	Domestic Credit: Loans	Domestic Credit: Total
	(1)	(2)	(3)	(4)	(5)	(6)
1998	-62,355	153,665	281,222	2,066,669	965,698	3,032,367
1999	7,983	175,321	240,092	2,652,855	1,292,718	3,945,573
2000	65,640	166,023	63,085	2,631,351	1,473,809	4,105,160
2001r	71,160	164,154	-110,150	3,805,735	1,659,104	5,464,839
2002	515,824	217,967	-25,872	3,787,844	1,817,521	5,605,365
2001						
I	45,010	148,067	-21,832	2,538,189	1,477,520	4,015,709
II	71,167	151,703	-54,774	3,257,174	1,550,111	4,807,285
III	35,551	217,146	-26,730	3,189,905	1,638,809	4,828,714
IVr	71,160	164,154	-110,150	3,805,735	1,659,104	5,464,839
2002						
I	589,085	183,472	111,005	3,823,311	1,786,187	5,609,498
II	577,244	169,635	-15,170	3,688,228	1,808,463	5,496,691
III	536,562	192,052	-560	4,100,636	1,754,966	5,855,602
IV	515,824	217,967	-25,872	3,787,844	1,817,521	5,605,365

End of Period	Total Assets/ Liabilities	Deposits	Borrowings[1]	Provisions	Capital and Reserves	Other Items (Net)
	(7)	(8)	(9)	(10)	(11)	(12)
1998	3,404,899	1,935,723	254,748	38,261	563,726	612,441
1999	4,368,969	2,768,465	373,863	52,592	660,455	513,594
2000	4,399,908	2,619,184	367,050	35,985	659,442	718,247
2001r	5,590,003	3,456,366	751,052	41,182	744,024	597,379
2002	6,313,284	2,962,091	1,541,417	42,029	861,558	906,189
2001						
I	4,186,954	2,581,557	362,752	36,368	678,173	528,104
II	4,975,381	2,973,871	455,413	37,065	707,580	801,452
III	5,054,681	3,140,163	447,375	36,377	720,701	710,065
IVr	5,590,003	3,456,366	751,052	41,182	744,024	597,379
2002						
I	6,493,060	3,435,301	1,495,254	40,098	792,498	729,909
II	6,228,400	3,311,798	1,407,132	43,611	843,600	622,259
III	6,583,656	3,287,179	1,489,029	40,168	887,825	879,455
IV	6,313,284	2,962,091	1,541,417	42,029	861,558	906,189

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.28

FINANCE COMPANIES AND MERCHANT BANKS: DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 1999-2002

/Dollars Million/

	END OF PERIOD						
				2002			
SECTORS	**1999**	**2000r**	**2001r**	**I**	**II**	**III**	**IV**
Public Sector	**104.4**	**94.6**	**88.6**	**87.7**	**86.6**	**81.7**	**0.7**
Private Sector	**1,018.3**	**958.7**	**1,287.2**	**1,451.0**	**1,466.5**	**1,404.0**	**1,115.8**
Agriculture	21.8	14.3	17.3	16.0	15.3	15.5	9.0
Petroleum	15.6	13.2	20.6	21.2	22.0	21.0	20.6
Manufacturing	206.5	155.3	174.3	154.7	165.9	159.1	160.3
Construction	62.2	81.5	146.2	146.7	133.6	123.3	119.1
Distributive Trades	80.3	51.7	103.2	114.8	106.6	106.3	128.5
Hotels and Guest Houses	62.9	93.4	111.5	106.4	110.0	112.2	127.1
Transport, Storage and Communication	91.9	81.6	109.1	154.2	84.0	83.2	51.5
Finance, Insurance, Real Estate and Services	231.4	242.3	317.6	462.8	571.3	536.6	332.4
Education, Cultural and Community Services	7.2	5.2	4.6	4.2	3.9	3.9	4.0
Personal Services	16.7	2.7	8.5	8.7	8.0	6.9	6.2
Consumers	221.8	217.5	274.3	261.3	245.9	236.0	157.1
TOTAL (excluding Real Estate Mortgage & Leases)	**1,122.7**	**1,053.3**	**1,375.8**	**1,538.7**	**1,553.1**	**1,485.7**	**1,116.5**
Real Estate Mortgage Loans	63.2	40.8	53.3	47.8	48.5	50.6	28.6
Leases	106.7	123.1	155.8	160.1	162.0	162.0	96.2
TOTAL LOANS	**1,292.6**	**1,217.2**	**1,584.9**	**1,746.6**	**1,763.6**	**1,698.3**	**1,241.3**

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.29

FINANCE COMPANIES AND MERCHANT BANKS: PERCENTAGE DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR, 1999-2002

/Per Cent/

SECTORS	END OF PERIOD						
				2002			
	1999	2000r	2001r	I	II	III	IV
Public Sector	**8.1**	**7.8**	**5.6**	**5.0**	**4.9**	**4.8**	**0.1**
Private Sector	**78.8**	**78.8**	**81.1**	**83.1**	**83.1**	**82.7**	**89.9**
Agriculture	1.7	1.2	1.1	0.9	0.9	0.9	0.7
Petroleum	1.2	1.1	1.3	1.2	1.2	1.2	1.7
Manufacturing	16.0	12.8	11.0	8.9	9.4	9.4	12.9
Construction	4.8	6.7	9.2	8.4	7.6	7.3	9.6
Distributive Trades	6.2	4.2	6.5	6.6	6.0	6.3	10.4
Hotels and Guest Houses	4.9	7.7	7.0	6.1	6.2	6.6	10.2
Transport, Storage and Communication	7.1	6.7	6.9	8.8	4.8	4.9	4.1
Finance, Insurance, Real Estate and Business Services	17.9	19.9	20.0	26.5	32.4	31.6	26.8
Education, Cultural and Community Services	0.6	0.4	0.3	0.2	0.2	0.2	0.3
Personal Services	1.3	0.2	0.5	0.5	0.5	0.4	0.5
Consumers	17.1	17.9	17.3	15.0	13.9	13.9	12.7
TOTAL (excluding Real Estate Mortgage & Leases)	**86.9**	**86.6**	**86.7**	**88.1**	**88.0**	**87.5**	**90.0**
Real Estate Mortgage Loans	4.9	3.4	3.4	2.7	2.8	3.0	2.3
Leases	8.2	10.0	9.9	9.2	9.2	9.5	7.7
TOTAL LOANS	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table A.28.

TABLE A.30

TRUST AND MORTGAGE FINANCE COMPANIES: SUMMARY OF ASSETS AND LIABILITIES, 1998-2002

/Dollars Thousand/

	Cash and Deposits at Central Bank	Balances due from Banks (Net)	Domestic Credit			Total Assets/ Liabilities
			Investment	Loans	Total	
	(1)	(2)	(3)	(4)	(5)	(6)
1998	250,348	134,785	1,888,860	2,431,689	4,320,549	4,705,682
1999	304,317	814,590	2,281,011	2,944,894	5,225,905	6,344,812
2000	387,136	894,682	3,669,753	3,663,523	7,333,276	8,615,094
2001r	352,226	665,675	3,617,300	3,734,207	7,351,507	8,369,408
2002	353,897	957,241	3,147,235	4,123,822	7,271,057	8,582,195
2001						
I	363,992	1,545,826	2,836,834	3,957,672	6,794,506	8,704,324
II	363,964	1,046,347	3,016,923	4,113,635	7,130,558	8,540,869
III	362,606	556,716	3,942,019	3,709,176	7,651,195	8,570,517
IV r	352,226	665,675	3,617,300	3,734,207	7,351,507	8,369,408
2002						
I	329,547	543,828	3,368,113	3,915,718	7,283,831	8,157,206
II	346,127	752,586	3,346,692	3,951,823	7,298,515	8,397,228
III	352,224	710,094	3,125,202	4,044,754	7,169,956	8,232,274
IV	353,897	957,241	3,147,235	4,123,822	7,271,057	8,582,195

End of Period	Deposits	Borrowings	Provisions	Capital and Reserves	Other Items (Net)
	(7)	(8)	(9)	(10)	(11)
1998	2,493,467	241,740	20,835	429,812	1,519,828
1999	3,358,989	177,100	24,438	578,328	2,205,957
2000	3,089,686	144,703	33,946	948,467	4,398,292
2001 r	3,250,046	150,055	102,052	1,236,720	3,630,535
2002	2,762,005	331,555	74,899	1,583,440	3,830,296
2001					
I	2,922,575	142,967	32,154	1,006,528	4,600,100
II	3,315,479	140,172	32,545	1,084,162	3,968,511
III	3,109,068	152,392	59,520	1,215,726	4,033,811
IV r	3,250,046	150,055	102,052	1,236,720	3,630,535
2002					
I	3,037,314	272,823	118,467	1,297,881	3,430,721
II	3,048,843	269,127	94,892	1,370,183	3,614,183
III	2,835,558	272,015	70,398	1,473,370	3,580,933
IV	2,762,005	331,555	74,899	1,583,440	3,830,296

SOURCE: Central Bank of Trinidad and Tobago.

TABLE A.31

DEVELOPMENT BANKS: SUMMARY OF ASSETS AND LIABILITIES, 1998-2002

/Dollars Thousand/

		Net Domestic Assets							
	External Assets (Net)	Deposits in Local Banks	Public Sector Credit	Private Sector Credit	Total	Total Assets/ Liabilities	Provisions	Capital and Reserves	Other Items (Net)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	-33,570	-13,746	-430,748	1,025,191	580,697	547,127	46,278	331,424	169,425
	-29,400	-9,851	-426,897	1,027,781	591,033	561,633	43,897	360,149	157,587
	-25,272	-25,351	-405,223	1,252,091	821,517	796,245	40,663	402,440	353,142
	-20,980	-16,474	-519,292	1,221,925	686,159	665,179	15,627	283,769	365,783
	-16,800	-22,156	-514,783	1,245,468	708,529	691,729	14,502	307,262	369,965
	-24,248	-16,644	-532,709	1,225,591	676,238	651,990	12,044	287,791	352,155
	-23,158	-40,217	-528,430	1,254,647	686,000	662,842	11,938	299,831	351,073
	-22,155	-12,603	-519,292	1,195,508	688,819	666,664	12,854	298,912	354,898
	-20,980	-16,474	-519,292	1,221,925	686,159	665,179	15,627	283,769	365,783
	-19,956	-15,869	-519,292	1,234,541	699,380	679,424	13,222	293,520	372,682
	-18,943	-15,544	-514,783	1,230,176	699,849	680,906	14,502	298,398	368,006
	-17,917	-16,240	-514,783	1,236,123	705,100	687,183	14,502	303,331	369,350
	-16,800	-22,156	-514,783	1,245,468	708,529	691,729	14,502	307,262	369,965

Central Bank of Trinidad and Tobago.

TABLE A.32

THRIFT INSTITUTIONS: SUMMARY OF ASSETS AND LIABILITIES, 1996-2000[1] IES, 1998-2002

/Dollars Thousand/

		Net Domestic Credit					Deposits				
End of Period	External Assets (Net)	Net Deposits in Local Banks	Public Sector Credit	Private Sector Credit	Total	Total Assets/ Liabilities	Time	Savings	Total	Shares	Other Items (Net)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1998	7,160	11,575	5,222	42,885	59,682	66,842	6,190	16,174	22,364	31,268	13,210
1999	7,160	9,267	8,772	41,191	59,230	66,390	6,302	15,993	22,295	29,048	15,047
2000	7,160	3,012	10,896	40,130	54,038	61,198	7,002	15,124	22,126	21,906	17,166
2001	0	2,369	12,307	37,867	52,543	52,543	5,699	3,987	9,686	20,011	22,846
2002	0	5,286	10,642	42,411	58,339	58,339	7,978	4,255	12,233	18,419	27,687
2000											
I	7,160	4,949	8,725	41,168	54,842	62,002	6,234	16,099	22,333	23,296	16,373
II	7,160	3,731	9,699	41,424	54,854	62,014	6,307	16,034	22,341	23,472	16,201
III	7,160	3,911	9,651	41,431	54,993	62,153	6,331	15,957	22,288	23,236	16,629
IV	7,160	3,012	10,896	40,130	54,038	61,198	7,002	15,124	22,126	21,906	17,166
2001											
I	0	1,910	10,878	40,909	53,697	53,697	5,749	3,623	9,372	22,253	22,072
II	0	2,078	10,956	39,393	52,427	52,427	5,428	3,542	8,970	21,422	22,035
III	0	2,174	11,706	39,887	53,767	53,767	5,717	3,621	9,338	21,140	23,289
IV	0	2,369	12,307	37,867	52,543	52,543	5,699	3,987	9,686	20,011	22,846
2002											
I	0	3,780	10,927	38,486	53,193	53,193	5,602	3,748	9,350	20,446	23,397
II	0	4,290	10,909	38,464	53,663	53,663	5,686	4,096	9,782	21,320	22,561
III	0	4,218	10,897	39,846	54,961	54,961	6,885	4,038	10,923	20,472	23,566
IV	0	5,286	10,642	42,411	58,339	58,339	7,978	4,255	12,233	18,419	27,687

SOURCE: Central Bank of Trinidad and Tobago.

1 Thrift institutions for 2001 include the three Building Societies. Data prior to 2001 include the Post Office savings bank which closed on August 31, 2001.

TABLE A.33

NON-BANK FINANCIAL INSTITUTIONS INTEREST RATES: 2000-2002

/Per Cent/

INTEREST RATES[1]	FOR THE PERIOD						
				2 0 0 2[p]			
	2000	2001	2002	I	II	III	IV
1. Thrift Institutions							
(a) **Savings Deposits**							
Range	5.00-5.00	5.00-5.00	5.00-5.00	5.00-5.00	5.00-5.00	5.00-5.00	5.00-5.00
Median	5.00	5.00	5.00	5.00	5.00	5.00	5.00
(b) **Time Deposits**							
(i) l - 3 years							
Range	6.00-10.00	6.00-10.00	5.00-10.00	6.00-10.00	6.00-10.00	6.00-10.00	5.00-10.00
Median	8.00	8.00	8.00	8.00	8.00	8.00	8.00
(c) **Mortgage Loans (Residential)**							
Range	13.00-14.00	12.50-14.00	12.50-14.00	12.50-14.00	12.50-14.00	12.50-14.00	12.50-14.00
Median	13.50	13.25	12.50	12.50	12.50	13.50	12.50
2. Trust & Mortgage Finance Companies							
(a) **Time Deposits**							
(i) 1 - 3 years							
Range	7.00-12.00	6.00-12.00	3.69-11.50	5.37-11.50	4.17-11.15	4.00-11.50	3.69-11.50
Median	9.91	9.95	7.75	8.50	8.00	7.84	7.50
(ii) Over 3 years							
Range	6.00-11.50	3.00-11.57	3.00-12.00	3.00-12.00	3.00-12.00	3.00-12.00	3.00-12.00
Median	9.50	9.63	7.84	8.32	7.96	7.72	7.50
(b) **Mortgage Loans**							
(i) Residential							
Range	5.00-17.00	5.00-13.50	11.00-13.50	13.00-13.50	12.00-13.50	11.00-13.00	11.00-13.00
Median	13.00	13.50	12.75	13.25	13.25	12.00	12.00
(ii) Commercial							
Range	6.00-16.50	6.00-16.50	12.00-14.00	13.00-14.00	12.00-14.00	12.50-13.00	12.00-13.00
Median	14.50	14.25	13.13	13.75	13.50	12.75	12.75
3. Finance Companies and Merchant Banks							
(a) **Time Deposits**							
1 year to 3 years							
Range	7.00-12.00	7.00-12.00	6.00-11.75	6.00-11.50	6.00-11.50	6.00-11.50	6.00-11.75
Median	9.44	10.63	9.57	9.88	9.88	9.25	8.88
(b) **Instalment Loans**							
Range	6.00-21.00	6.00-19.57	4.60-20.00	5.67-19.00	5.67-20.00	5.67-20.00	4.60-19.00
Median	9.40	11.50	11.25	12.00	12.00	9.00	10.50

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.34

MONEY AND CAPITAL MARKET ACTIVITY, 1999-2002

End of Period	New Issues ($Million)			Secondary Market Turnover[1]						
				Government Securities[2]		Treasury Bills		Public Company shares		
	Government Securities	Treasury Bills	Other[3]	Face Value ($M)	No. of Transactions	Face Value ($M)	No. of Transactions	Market Value ($M)	No. of Transactions	Volume of Shares Traded (Mn)
1999	**904.6**	**0.0**	**1,063.0**	**11.9**	**14**	**421.3**	**289**	**594.0**	**5,808**	**73.6**
I	180.2	0.0	0.0	0.6	2	182.4	162	95.6	931	10.0
II	126.5	0.0	1,063.0	0.1	2	2.0	35	160.1	1,696	18.8
III	242.0	0.0	0.0	10.2	9	139.1	61	169.8	1,442	25.6
IV	355.9	0.0	0.0	1.0	1	97.8	31	168.5	1,739	19.2
2000	**895.4**	**0.0**	**0.0**	**19.9**	**15**	**991.2**	**306**	**885.8**	**6,691**	**82.6**
I	245.2	0.0	0.0	11.2	2	281.9	62	255.2	2,322	25.0
II	650.0	0.0	0.0	1.7	6	321.7	132	222.1	1,570	20.8
III	0.2	0.0	0.0	4.3	4	10.3	18	209.7	1,439	22.7
IV	0.0	0.0	0.0	2.7	3	377.3	94	198.8	1,360	14.1
2001	**1,376.0**	**0.0**	**3,802.1**	**15.3**	**8**	**287.0**	**131**	**1,044.9**	**6,609**	**122.2**
I	-	0.0	1,110.6	10.1	6	119.4	57	224.0	1,609	26.7
II	676.0	0.0	306.1	4.5	1	61.8	31	180.3	1,561	22.6
III	700.0	0.0	150.0	0.7	1	53.0	22	240.7	1,932	29.3
IV	0.0	0.0	2,235.4	0.0	0	52.8	21	399.9	1,507	43.6
2002	**1,100.0**	**0.0**	**0.0**	**0.0**	**0**	**41.8**	**14**	**1,060.4**	**8,092**	**96.7**
I	0.0	0.0	0.0	0.0	0	1.7	8	318.1	1,724	27.1
II	300.0	0.0	0.0	0.0	0	20.1	2	272.6	1,831	24.9
III	800.0	0.0	0.0	0.0	0	20.0	4	142.0	1,864	15.7
IV	0.0	0.0	0.0	0.0	0	0.0	0	327.7	2,673	29.0

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

1 Data refer to the double transactions of buying and selling.

2 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.

3 Data include new issues by state corporations and other private organizations.

TABLE A.35

SELECTED INTEREST RATES, 2000-2002[1]

/Per Cent Per Annum/

	FOR THE PERIOD						
				2002			
	2000	**2001**	**2002**	**I**	**II**	**III**	**IV**
A. **Central Bank**							
(i) Bank Rate	13.00	13.00	7.25	13.00	7.25	7.25	7.25
(ii) Special Deposits Rate	4.00	4.00	4.00	4.00	4.00	4.00	4.00
(iii) Repo Rate[2]	-	-	5.25	-	5.75	5.25	5.25
(iv) Reverse Repo Rate[2]	-	-	4.75	-	5.25	4.75	4.75
B. **Government**							
(i) Treasury Bills[3]	10.56	8.55	4.83	5.81	4.93	4.34	4.24
C. **Commercial Banks - Local Currency**							
(i) Weighted Average Rate on Loans	15.27	14.50	12.78	13.30	12.98	12.59	12.25
(ii) Weighted Average Rate on Deposits	6.03	5.72	3.66	4.46	4.03	3.26	2.90
(iii) Interest Spread (i - ii)	9.24	8.78	9.12	8.84	8.95	9.33	9.35
D. **Non-Bank Financial Institutions[4]**							
(i) Weighted Average Rate on Loans	11.98	11.73	10.95	11.51	11.09	10.87	10.33
(ii) Weighted Average Rate on Deposits	10.18	10.07	7.70	8.95	5.94	7.74	8.16
(iii) Interest Spread (i - ii)	1.80	1.66	3.25	2.57	5.15	3.12	2.17

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 and Reverse Repo 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.

3 Data are weighted averages of the monthly discount rates for issues occurring during the period.

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

TABLE A.36
BALANCE OF PAYMENTS, 1998 - 2002
/US - $Million/

Item	1998	1999	2000	2001[r]	2002[p]
(1) **Merchandise** (Net)	**-743.0**	**63.6**	**968.8**	**718.1**	**192.6**
Exports	2,264.6	2,815.8	4,290.3	4,304.2	3,874.8
Imports	3,007.6	2,752.2	3,321.5	3,586.1	3,682.2
(2) **Services** (Net)	**417.6**	**329.1**	**166.1**	**203.8**	**222.2**
Transportation	78.2	80.9	34.4	90.7	84.9
Travel	134.0	126.8	65.7	49.9	36.5
Communication	91.9	102.8	30.8	24.2	24.5
Insurance	30.1	23.9	45.7	70.5	99.6
Other Government	77.5	-10.2	-13.9	-20.3	-16.6
Other Services	5.9	4.9	3.4	-11.2	-6.6
(3) **Income**	**-342.3**	**-399.9**	**-628.5**	**-539.3**	**-365.3**
Investment Income	-342.3	-399.9	-628.5	-539.3	-365.3
(4) **Unrequited Transfers (Net)**	**22.3**	**37.8**	**37.9**	**33.4**	**46.9**
(5) **Current Account (1+2+3+4)**	**-645.3**	**30.6**	**544.3**	**416.0**	**96.4**
(6) **Net Capital Movement (Net)**	**694.4**	**217.9**	**264.7**	**336.2**	**231.0**
Portfolio Investment	-0.4	-170.0	-146.3	-58.0	-3.2
Direct Investment	731.9	379.2	654.3	684.9	586.5
Other Private[1]	117.6	-174.9	-211.1	-498.4	-217.1
Commercial Banks[2]	-49.7	73.7	-86.1	257.1	-79.7
Official Borrowing	-105.7	124.4	114.9	-34.7	-50.9
Official Loans	0.0	0.0	0.0	0.0	0.0
State Enterprises Borrowing	-5.7	-14.5	-61.0	-14.7	-4.6
Other Assets	6.0	0.0	0.0	0.0	0.0
(7) Net Errors & Omissions	**31.5**	**-86.3**	**-368.0**	**-281.6**	**-278.5**
(8) Overall Surplus or Deficit	**80.6**	**162.2**	**441.0**	**470.6**	**48.9**
(9) Official Financing	**-80.6**	**-162.2**	**-441.0**	**-470.6**	**-48.9**
Government	-0.3	0.0	3.5	0.0	0.0
Central Bank (Net)[3]	-80.3	-162.2	-444.5	-470.6	-48.9
(10) Exceptional Financing	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which:					
Debt Rescheduling	0.0	0.0	0.0	0.0	0.0
Memoranda Items					
Current Account/GDP (per cent)	-10.2	0.4	6.7	4.5	1.0
Gross International Reserves (US$Mn)	1,184.5	1,389.9	1,909.7	2,455.2	2,593.9
(in months of imports)	4.4	4.5	5.8	7.3	7.8
Debt Service Ratio	9.9	8.0	7.9	3.7	4.3

SOURCE: Central Bank of Trinidad and Tobago

[1] Represents estimated short-term foreign capital.

[2] As a result of the change in the exchange rate regime in 1993, commercial banks are classified as part of private sector capital.

[3] Includes Central Bank holdings, IMF Reserve Tranche and SDR holdings, and use of Fund (IMF) Credit.

TABLE A.37

VALUE OF EXPORTS[1] AND IMPORTS BY SECTIONS OF THE S.I.T.C.(R2), 1999-2002

/Dollars Million/

SECTION	1999		2000		2001		2002*	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Total[2]	**17,661.2**	**17,263.0**	**26,923.5**	**20,841.9**	**25,745.5**	**22,199.8**	**18,427.1**	**16,780.9**
0. Food and Live Animals	938.3	1,651.8	962.4	1,519.9	906.9	1,831.0	716.8	1,209.3
1. Beverages and Tobacco	491.0	126.3	537.3	118.9	591.8	137.8	457.0	81.2
2. Crude Materials Except Fuels	40.6	352.3	41.8	504.4	57.2	409.2	44.2	465.2
3. Mineral Fuel Lubricants	9,554.8	3,628.3	17,574.8	6,731.3	15,430.3	5,737.2	11,043.7	4,830.5
4. Animal and Vegetable Oils and Fats	35.3	122.1	22.3	65.1	31.6	55.2	24.9	52.1
5. Chemicals	3,362.0	1,606.9	4,665.9	1,642.7	5,102.1	1,826.9	3,078.1	1,347.3
6. Manufactured Goods	2,191.5	2,707.3	2,394.0	2,759.4	2,726.2	3,039.4	2,260.4	2,224.1
7. Machinery & Transport Equipment	652.7	5,880.4	320.7	6,375.5	470.5	7,830.2	506.3	5,651.3
8. Misc. Manufactured Articles	393.5	1,044.3	399.7	1,066.8	427.6	1,287.1	294.2	889.3
9. Misc. Transactions and Commodities	1.5	143.3	4.6	57.9	1.4	45.8	1.4	30.6
Memorandum Item: Ships' Stores/Bunkers	171.8	-	290.8	-	257.5	-	158.8	-

SOURCE: Central Statistical Office.

1 Domestic Exports
2 Unadjusted for Balance of Payments
* Reflects data for the period Jan-Sept 2002 only.

TABLE A.38

EXPORTS BY ECONOMIC FUNCTION, 1998-Sept 2002

/Dollars Million/

COMMODITY GROUPS	1998	1999	2000	2001	2002*
1. **Consumer Goods**	**2,379.2**	**1,959.0**	**1,991.4**	**1,980.5**	**1,707.7**
NON-DURABLES	2,198.7	1,662.1	1,685.1	1,649.7	1,477.1
Food	1,361.2	912.1	902.7	812.9	647.2
Other	837.5	750.0	782.4	836.8	829.9
DURABLES	180.5	296.9	306.3	330.8	230.6
2. **Raw Materials and Inter. Goods**	**11,235.9**	**14,475.1**	**24,068.8**	**22,733.9**	**15,805.0**
Fuels	6,231.3	9,554.8	17,574.8	15,430.3	11,043.7
Construction Materials	1,634.4	1,347.2	1,567.0	1,846.8	1,643.6
Chemicals	2,466.8	3,362.0	4,665.9	5,102.1	3,078.1
Other Raw Materials	903.4	211.1	261.1	354.7	39.6
3. **Capital Goods**	**462.2**	**405.0**	**254.6**	**339.0**	**393.5**
Transport Equipment	181.5	50.6	30.2	24.7	n.a
Other Machinery and Equipment	280.7	354.4	224.4	314.3	393.5
4. **Other Commodities**	**143.2**	**822.1**	**608.7**	**692.1**	**520.9**
5. **Total Exports Unadjusted for Balance of Payments (1+2+3+4)**	**14,220.5**	**17,661.2**	**26,923.5**	**25,745.5**	**18,427.1**

SOURCE: Central Statistical Office.

* Reflects data for the period Jan-Sept 2002 only.

TABLE A.39

IMPORTS BY ECONOMIC FUNCTION, 1998-Sept 2002

/Dollars Million/

COMMODITY GROUPS	1998	1999	2000	2001	2002*
1. **Consumer Goods**	**2,826.8**	**3,627.9**	**3,428.0**	**3,752.0**	**2,416.5**
NON-DURABLES	1,891.9	2,202.2	2,057.7	2,484.9	1,679.6
Food	1,381.2	1,496.6	1,370.9	1,689.0	1,096.9
Other	510.7	705.4	686.8	795.9	582.7
DURABLES	934.9	1,425.7	1,370.3	1,267.1	736.9
C.K.D. Passenger cars	n.a	-	-	-	-
Non-C.K.D. Passenger Cars	n.a	561.5	498.4	192.2	n.a
Other	-	864.2	871.9	1,074.9	736.9
2. **Raw Materials and Inter. Goods**	**7,104.8**	**6,233.3**	**9,598.9**	**8,920.1**	**7,371.2**
Fuels	2,308.1	3,628.3	6,731.4	5,737.2	4,830.5
Construction Materials	886.7	586.9	628.0	870.8	725.9
Other Raw Materials	3,910.0	2,018.1	2,239.5	2,312.1	1,814.8
3. **Capital Goods**	**7,417.8**	**3,815.5**	**5,623.3**	**6,183.0**	**2,669.4**
Transport Equipment	1,175.8	928.7	2,079.6	1,148.7	n.a
Oil and Mining Machinery	420.2	11.9	767.2	98.1	n.a
Other Machinery and Equipment	5,821.8	2,874.9	2,776.5	5,034.2	2,669.3
4. **Other Commodities**	**1,537.4**	**3,586.3**	**2,191.7**	**3,344.7**	**4,323.8**
5. **Total Imports Unadjusted for Balance of Payments (1+2+3+4)**	**18,886.8**	**17,263.0**	**20,841.9**	**22,199.8**	**16,780.9**

SOURCE: Central Statistical Office.

* Reflects data for the period Jan-Sept 2002 only.

TABLE A.40

DIRECTION OF TRADE - EXPORTS, 1998-Sept 2002

	1998		1999		2000		2001		2002*	
COUNTRY	**$M**	**%**	**$M**	**%**	**$M**	**%**	**$M**	**%**	**$M**	**%**
United States	5,189.4	36.9	6,876.3	39.3	11,592.1	43.5	11,029.9	43.4	8,527.5	46.8
United Kingdom	282.5	2.0	409.0	2.3	450.9	1.7	395.7	1.6	272.3	1.5
Japan	8.1	0.1	13.3	0.1	46.3	0.2	8.2	0.0	7.7	0.0
Other European Community (excluding U.K.)	599.4	4.3	593.7	3.4	1,145.0	4.3	805.5	3.2	616.7	3.4
Canada	166.3	1.2	266.1	1.5	354.2	1.3	611.2	2.4	488.1	2.7
CARICOM	4,124.0	29.4	4,558.6	26.1	6,089.6	22.9	6,112.8	24.1	3,754.0	20.5
of which:										
Jamaica	***1,474.2***	***10.5***	***1,523.8***	***8.7***	***2,088.6***	***7.8***	***2,192.7***	***8.6***	***1,323.6***	***7.2***
Guyana	***492.8***	***3.5***	***452.8***	***2.6***	***584.3***	***2.2***	***548.2***	***2.2***	***370.8***	***2.0***
Barbados	***766.6***	***5.5***	***922.6***	***5.3***	***1,270.2***	***4.7***	***1,658.9***	***6.5***	***2,125.5***	***11.6***
Puerto Rico and U.S. Virgin Islands	427.0	3.0	411.0	2.3	923.6	3.4	916.2	3.6	695.0	3.8
Central and South America[1]	1,364.9	9.7	1,655.1	9.5	2,158.7	8.1	1,898.3	7.5	1,385.2	7.6
European Free Trade Association	57.5	0.4	67.7	0.4	46.6	0.2	42.0	0.2	54.8	0.3
Other	1,830.8	13.0	2,638.6	15.1	3,825.7	14.4	3,571.2	14.0	2,467.0	13.4
TOTAL[2]	**14,049.9**	**100.0**	**17,489.4**	**100.0**	**26,632.7**	**100.0**	**25,390.9**	**100.0**	**18,268.3**	**100.0**

SOURCE: Central Statistical Office

1 Excludes Guyana, French Guiana, Suriname and Belize
2 Excluding ships' stores/bunkers.
* Reflects data for the period Jan-Sept 2002 only.

TABLE A.41

DIRECTION OF TRADE - IMPORTS, 1998-Sept 2002

COUNTRY	1998 $M	1998 %	1999 $M	1999 %	2000 $M	2000 %	2001 $M	2001 %	2002* $M	2002* %
United States	8,440.9	44.7	6,867.6	39.8	7,293.6	34.9	8,158.1	36.7	5,693.2	33.9
United Kingdom	930.6	4.9	804.9	4.7	746.9	3.6	989.9	4.5	566.5	3.4
Japan	912.7	4.8	876.7	5.1	680.3	3.3	833.0	3.8	789.2	4.7
Other European Community (excluding U.K.)	1,656.4	8.8	1,213.8	7.0	1,370.1	6.6	2,571.6	11.6	1,903.0	11.3
Canada	661.1	3.5	841.9	4.9	544.7	2.6	568.6	2.6	468.5	2.8
CARICOM	668.7	3.5	827.3	4.8	789.0	3.8	750.8	3.4	443.1	2.6
of which:										
Jamaica	***111.5***	***0.6***	***114.3***	***0.7***	***122.4***	***0.6***	***124.8***	***0.6***	***82.8***	***0.5***
Guyana	***66.9***	***0.4***	***74.9***	***0.4***	***93.2***	***0.4***	***101.3***	***0.5***	***61.9***	***0.4***
Barbados	***151.3***	***0.8***	***239.5***	***1.4***	***228.8***	***1.1***	***144.8***	***0.7***	***155.0***	***0.9***
Central and South America[1]	3,576.8	18.9	3,868.2	22.4	6,718.0	32.2	5,398.0	24.3	3,568.1	21.3
of which:										
Brazil	***516.4***	***2.7***	***245.3***	***1.4***	***613.7***	***2.9***	***1,241.4***	***5.6***	***926.3***	***5.5***
Venezuela	***1,342.5***	***7.1***	***2,062.0***	***11.9***	***3,834.0***	***18.4***	***2,716.0***	***12.2***	***1,882.9***	***11.2***
European Free Trade Association	318.5	1.7	153.2	0.9	203.9	1.0	170.0	0.8	195.7	1.2
Indonesia	31.0	0.2	29.6	0.2	49.7	0.2	22.7	0.1	19.2	0.1
Other	1,690.1	9.0	1,779.8	10.2	2,445.7	11.8	2,737.1	12.3	3,134.4	18.7
TOTAL[2]	**18,886.8**	**100.0**	**17,263.0**	**100.0**	**20,841.9**	**100.0**	**22,199.8**	**100.0**	**16,780.9**	**100.0**

SOURCE: Central Statistical Office.

1 Excludes Guyana, French Guiana, Suriname and Belize.
2 Unadjusted for balance of payments purposes.
* Reflects data for the period Jan-Sept 2002 only.

TABLE A.42

WEIGHTED AVERAGE TT DOLLAR EXCHANGE RATES FOR SELECTED CURRENCIES [1] 1998 - 2002

UNITED STATES DOLLAR		CANADIAN DOLLAR		UK POUND STERLING		JAPANESE YEN		EURO DOLLAR*	
Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
6.2606	6.2982	4.2003	4.3398	10.3213	10.6453	0.0481	0.0485	-	-
6.2457	6.2997	4.1701	4.3332	10.0375	10.3680	0.0552	0.0557	-	-
6.2503	6.2998	4.1599	4.3188	9.3961	9.7412	0.0581	0.0587	5.8441	6.0074
6.1679	6.2314	3.9397	4.0916	8.7703	9.1134	0.0544	0.0534	5.4881	5.6632
6.1746	6.2473	3.8622	4.0202	9.1236	9.4925	0.0494	0.0501	5.7305	5.9724
6.2063	6.2864	3.8006	3.9649	8.7491	9.0902	0.0467	0.0474	5.3924	5.6010
6.2136	6.2884	3.8014	3.9770	8.6707	9.0035	0.0466	0.0471	5.3079	5.5169
6.2158	6.2914	3.8379	3.9973	8.6820	9.0424	0.0475	0.0481	5.3481	5.5650
6.2117	**6.2887**	**3.8133**	**3.9793**	**8.7032**	**9.0483**	**0.0469**	**0.0476**	**5.3523**	**5.5638**
6.1983	6.2726	3.8519	3.9950	8.8149	9.1325	0.0475	0.0482	5.3823	5.6207
6.1509	6.2295	3.9089	4.0607	8.8868	9.2134	0.0486	0.0495	5.5197	5.7706
6.1105	6.1787	3.9390	4.0842	8.9390	9.2948	0.0496	0.0502	5.7489	5.9622
6.1546	**6.2285**	**3.8987**	**4.0454**	**8.8783**	**9.2109**	**0.0485**	**0.0493**	**5.5438**	**5.7786**
6.0754	6.1409	3.8962	4.0328	9.3053	9.6770	0.0514	0.0521	5.9456	6.1832
6.0826	6.1623	3.8195	3.9770	9.2055	9.5784	0.0511	0.0518	5.8611	6.1025
6.1640	6.2395	3.8479	3.9999	9.4038	9.8112	0.0510	0.0517	5.9465	6.2024
6.1051	**6.1785**	**3.8554**	**4.0038**	**9.3018**	**9.6849**	**0.0512**	**0.0519**	**5.9182**	**6.1627**
6.2202	6.2956	3.8627	4.0288	9.4861	9.8921	0.0502	0.0509	5.9613	6.2469
6.2322	6.2992	3.8757	4.0493	9.6097	10.0223	0.0514	0.0519	6.1079	6.3750
6.2429	6.2997	3.9082	4.0830	9.6789	10.0998	0.0512	0.0518	6.2149	6.4883
6.2310	**6.2980**	**3.8808**	**4.0520**	**9.5851**	**9.9977**	**0.0509**	**0.0515**	**6.0863**	**6.3622**

Source: Central Bank of Trinidad and Tobago

1 Monthly rates are an average for the month
• Euro dollar was first traded in the Foreign Exchange market in 2000.

TABLE A.43

TRINIDAD AND TOBAGO - INTERNATIONAL RESERVES, 1998-2002
/US-$Mn/

END OF PERIOD	CENTRAL BANK					Central Government	Net Official Reserves (5+6)
	Foreign Assets	of which IMF Reserve Tranche Position	of which SDR Holdings	Foreign Liabilities	Net International Reserves (1-4)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1998	779.4	0.0	0.1	17.5	761.9	3.6	765.5
1999	964.0	0.0	0.0	17.8	946.2	3.6	949.8
2000	1,405.4	0.0	0.1	17.5	1,387.9	0.1	1,388.0
2001	1,875.9	0.0	0.2	17.5	1,858.4	0.1	1,858.5
2002	1,923.4	0.0	0.3	16.2	1,907.2	0.1	1,907.3
2001							
I	1,540.7	0.0	0.2	17.5	1,523.2	0.1	1,523.3
II	1,728.8	0.0	0.1	17.5	1,711.3	0.1	1,711.4
III	1,874.1	0.0	0.1	17.5	1,856.6	0.1	1,856.7
IV	1,875.9	0.0	0.2	17.5	1,858.4	0.1	1,858.5
2002							
I	1,867.9	0.0	0.2	17.5	1,850.4	0.1	1,850.5
II	1,965.7	0.0	0.1	17.5	1,948.2	0.1	1,948.3
III	2,007.1	0.0	0.2	16.2	1,990.9	0.1	1,991.0
IV	1,923.4	0.0	0.3	16.2	1,907.2	0.1	1,907.3

END OF PERIOD	COMMERCIAL BANKS			Gross Foreign Assets (1+6+8)	Total Foreign Liabilities (4+9)	Net Foreign Position (11-12)
	Foreign Assets	Foreign Liabilities	Net Foreign Position (8-9)			
	(8)	(9)	(10)	(11)	(12)	(13)
1998	401.6	182.2	219.4	1,184.6	199.7	984.9
1999	422.3	276.7	145.6	1,389.9	294.5	1,095.4
2000	504.2	272.5	231.7	1,909.7	290.0	1,619.7
2001	579.2	604.6	-25.4	2,455.2	622.1	1,833.1
2002	670.4	616.5	53.9	2,593.9	632.7	1,961.2
2001						
I	507.8	331.7	176.1	2,048.6	349.2	1,699.4
II	615.2	526.5	88.7	2,344.1	544.0	1,800.1
III	673.4	553.3	120.1	2,547.6	570.8	1,976.8
IV	579.2	604.6	-25.4	2,455.2	622.1	1,833.1
2002						
I	572.6	547.4	25.2	2,440.6	564.9	1,875.7
II	610.1	463.1	147.0	2,575.9	480.6	2,095.3
III	514.0	572.9	-58.9	2,521.2	589.1	1,932.1
IV	670.4	616.5	53.9	2,593.9	632.7	1,961.2

SOURCE: Central Bank of Trinidad and Tobago.