

# HIGHLIGHTS



## In Summary:

- Aggressive monetary tightening in response to surging inflation has contributed to a denting of global economic prospects.
- Domestically, while production in the energy sector declined in the first quarter of 2022, signs of recovery were evident in the non-energy sector.
- Headline inflation gained momentum in the first half of 2022 as supply-side shocks persisted.
- Despite an increase in overall expenditure, higher revenues during the first nine months of FY2021/22 (October 2021 to June 2022) contributed to a \$3.0 billion surplus in the Central Government fiscal accounts compared to a deficit of \$7.2 billion in the same period one year earlier.
- The Repo rate remained unchanged at 3.50 per cent during the first half of 2022 in support of the domestic economic recovery.
- As economic activity picked up, excess reserves declined to a daily average of \$2.6 billion in July 2022 compared with \$6.6 billion in December 2021.
- Gross official reserves stood at US\$6.8 billion at the end of August 2022 representing 8.5 months of import cover.

Economic activity is expected to improve in 2022. Local energy production is poised to benefit from the start-up of several upstream projects from bpTT, Shell Trinidad and Tobago, EOG Resources Trinidad and Touchstone Exploration. Additional impetus should come from higher commodity prices and increased demand for energy-related products. Activity in the non-energy sector is expected to benefit from heightened business activity and a recovery of consumer demand. Meanwhile, the external impetus to domestic inflation is expected to persist in the short term, stemming from disruptions to global supply chains and high international energy and other commodity prices. Macroeconomic policy in Trinidad and Tobago will continue to grapple with the challenges of nurturing a solid economic recovery alongside inflationary concerns. Evidence of stronger competition worldwide also points to the need to advance structural reforms to better position the economy to penetrate export markets.

## EXTERNAL DEVELOPMENTS



**Global growth** was constrained in the first half of 2022.



The growth momentum in **Emerging Market and Developing Economies** slowed in the second quarter of 2022.

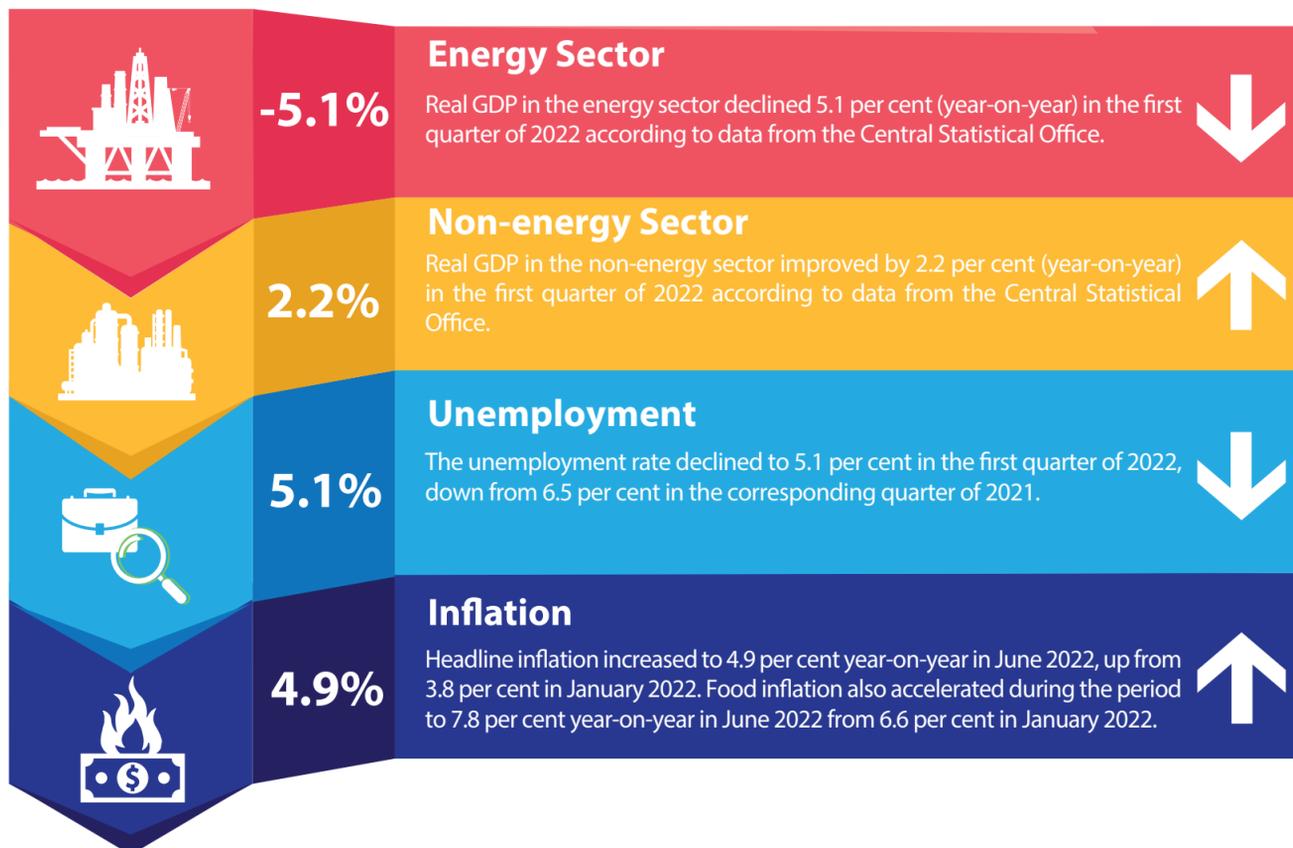


**Crude oil and natural gas prices** surged during January to July 2022, reflecting geopolitical tensions and restricted supply.



**Inflation rates** remained above target in several Advanced Economies.

## DOMESTIC DEVELOPMENTS



## AUGUST 2022

**US\$6.8Bn**

GROSS OFFICIAL RESERVES

BUSINESS SECTOR CREDIT GROWTH  
y-o-y, JUNE 2022

**12.2%**

CENTRAL GOV'T SURPLUS  
JUNE 2022

**\$3.0 Bn**

REPO RATE  
**3.50%**  
Maintained in  
June 2022



DEBT-TO-GDP RATIO  
JUNE 2022

**71.8%**

CONSUMER SECTOR CREDIT GROWTH  
y-o-y, JUNE 2022

**2.9%**