HIGHLIGHTS

EXTERNAL DEVELOPMENTS

Global growth faced its greatest economic crisis since the Great Depression.

Economic growth in emerging market and developing economies was constrained by adverse spill-over effects of the COVID-19 pandemic.

Crude oil and natural gas prices declined over the first eight months of 2020, compared to the similar period of 2019.

Inflation rates remained below target in several Advanced Economies.

DOMESTIC DEVELOPMENTS

The emergence of the novel coronavirus (COVID-19) pandemic has triggered a global economic recession in 2020.

Domestically, economic activity declined in the first quarter of 2020 due to a widespread contraction in the energy sector and a slowdown in non-energy activity.

Headline inflation remained low and stable into the first three months of 2020, reflective of constrained consumer demand.

Lower energy revenues in the first nine months of fiscal 2019/20 contributed to a larger deficit in the Central Government accounts compared to the corresponding period one year earlier.

Prospects for the domestic economy are anticipated to be stymied over the short- to medium-term as uncertainties surrounding the coronavirus pandemic weigh on global demand for energy products. Further, economic activity within the non-energy sector will also be thwarted by the lingering effects of the restrictions associated with the COVID-19 response.

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- The Central Bank maintained the Repo Rate at 3.5 per cent in June 2020 following a 150 basis point reduction in March 2020, which was coupled with a 3.0 per cent reduction in the reserve requirement for commercial banks.
- COVID-19 mitigation measures disrupted Trinidad and Tobago’s labour market during the first half of 2020.
- In the first eight months of 2020 there was a fall in foreign exchange sales to the public by authorised dealers.
- Gross official reserves rose in the first eight months of 2020.

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Central Bank of Trinidad and Tobago
Economic Bulletin, July 2020

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