

# HIGHLIGHTS



CENTRAL BANK OF  
TRINIDAD & TOBAGO

## In Summary:

- 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.
- 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.

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.

## 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.

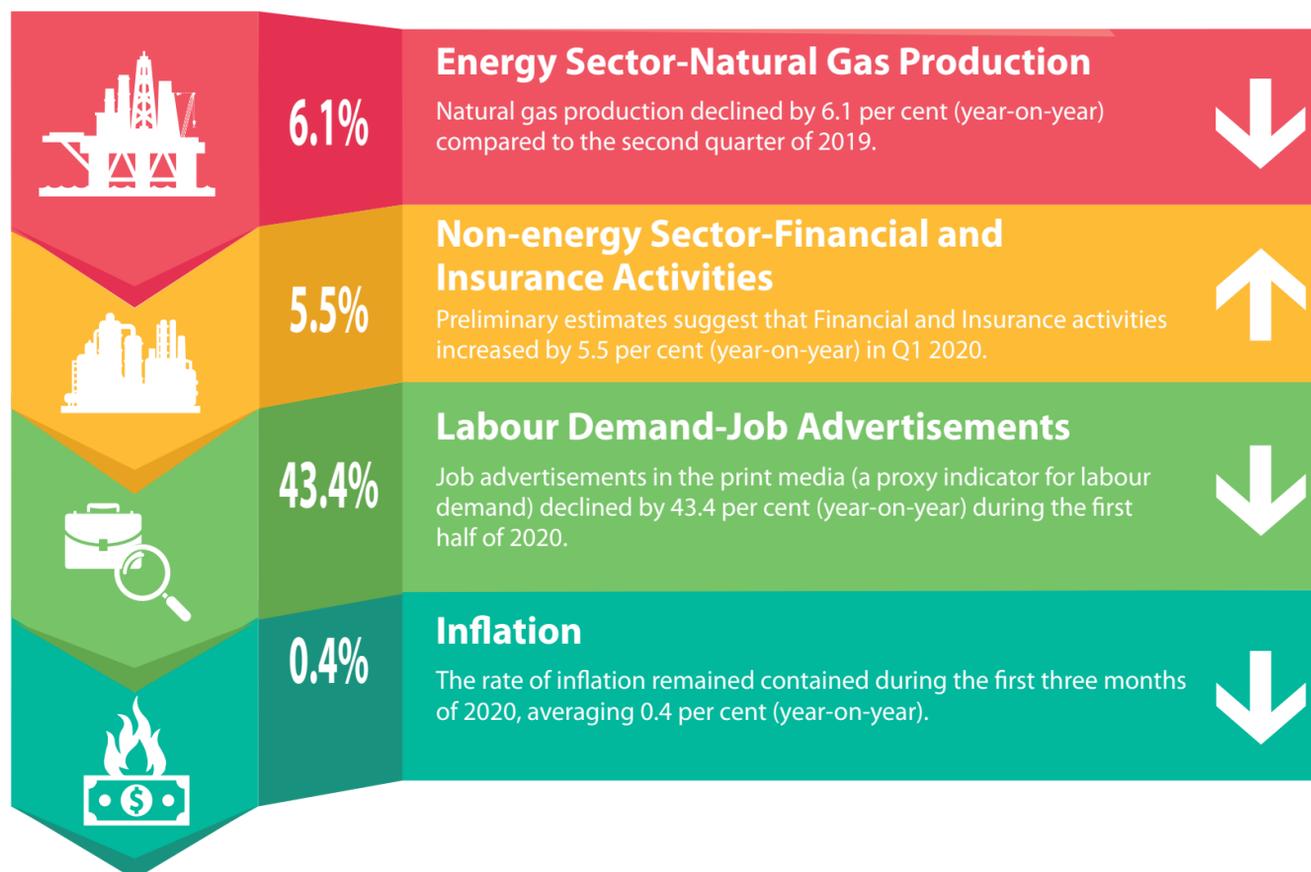


**Crude oil and natural gas** prices declined over the first eight months of 2020, compared to the similar period of 2019.



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

## DOMESTIC DEVELOPMENTS



## AUGUST 2020



**BUSINESS SECTOR CREDIT GROWTH**  
y-o-y, JUNE 2020  
**-6.1%**

**REPO RATE**  
**3.50%**  
Maintained in  
June 2020

**CENTRAL GOV'T DEFICIT**  
OCT 2019 – JUN 2020

**-\$10.7 Bn**

**NET DEBT**  
JULY 2020

**\$120.5 Bn**

**CONSUMER SECTOR CREDIT GROWTH**  
y-o-y, JUNE 2020

**1.9%**