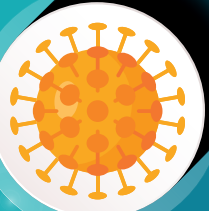


HIGHLIGHTS

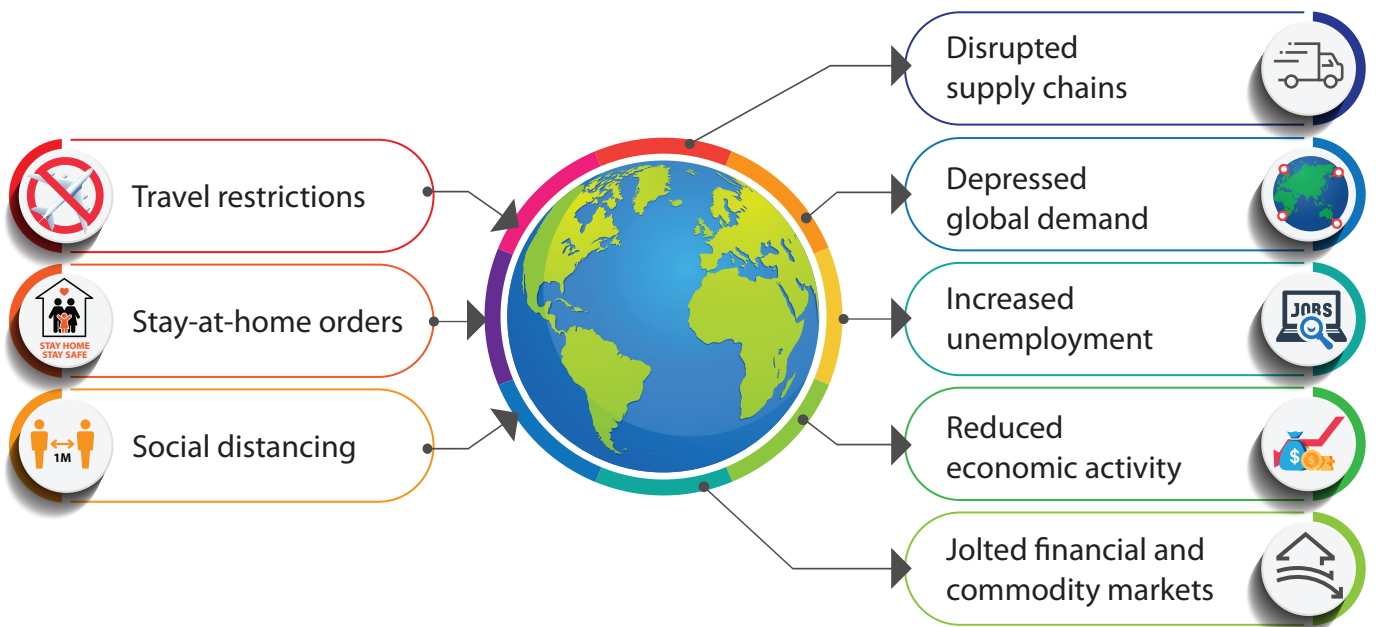


The emergence and spread of the novel coronavirus (COVID-19) has wreaked havoc globally, impacting the health, well-being and lives of millions.



The fiscal measures adopted by the Government of Trinidad and Tobago were complemented by strong monetary policy action by the Central Bank.

GLOBAL RESPONSE AND IMPACT



Regional Developments



Loss of economic activity, especially within the tourism sector.

Compromised government revenue given COVID-19 containment measures.

Domestic Developments



Worsened fiscal accounts due to fall in energy prices.

Constrained domestic economic activity and increased unemployment.

COVID RESPONSE – CENTRAL BANK OF TRINIDAD AND TOBAGO

Objectives

- **Augment liquidity** in support of the economy and the financial system.
- Make **credit** more accessible and cheaper.



Accommodative Policy Response

- **The Repo rate** was reduced from 5.00% to **3.50%** on March 17, 2020.
- **The Reserve Requirement Ratio** for commercial banks was reduced from 17% to **14%** on March 17, 2020.



Impact

- Average daily excess liquidity increased from \$4.0bn (January 2 - March 17, 2020) to \$5.7bn (March 18 – April 30, 2020) and further to **\$8.3bn** (May 2020).
- The median basic prime lending rate fell from 9.25% to **7.50%** at the end of March 2020.



COVID RESPONSE – VARIOUS CENTRAL BANKS

Federal Reserve Bank

European Central Bank

Bank of England

Bank of Jamaica

People's Bank of China

Eastern Caribbean Central Bank

Bank of Barbados

Reserve Bank of India

KEY

- Interest rate cuts
- Asset purchases
- Reduced reserve requirements
- Other liquidity support measures
- Moratorium directive
- Disbursements of funds to members