

# HIGHLIGHTS

## Central Bank of Trinidad and Tobago Annual Economic Survey, 2019



### In Summary:

- Preliminary Central Bank estimates suggest that the Trinidad and Tobago economy contracted in 2019. While the non-energy sector grew modestly, the overall health of the economy was subdued by declining production in the energy sector.
- Both crude oil and natural gas prices decreased in 2019.
- The labour market remained soft in 2019.
- Headline inflation remained unchanged from 2018 – its lowest level on record – due to low food inflation.
- The Central Government registered a lower fiscal deficit in the fiscal year (FY) 2018/19 when compared to FY2017/18, due to higher revenues. The increase in Central Government revenues was partly due to receipts from the tax amnesty implemented in June 2019.
- The Repo rate remained at 5.00 per cent throughout 2019.
- Global growth slowed in 2019 due to weak global trade and investment, heightened trade policy uncertainty and lower commodity prices.

**Global growth in 2020 will be significantly affected by the emergence and spread of the novel coronavirus (COVID-19). The global pandemic will threaten the revival of the Trinidad and Tobago economy.**

### ECONOMIC DEVELOPMENTS



According to the Central Bank's Quarterly Index of Real Economic Activity, domestic activity contracted by **1.1%** in 2019, led by the decline in energy sector output (3.6%).



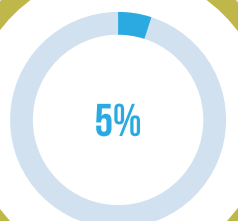
The unemployment rate averaged **4.1%** in the first nine months of 2018, compared with 5.0% in the same period of 2017.



Headline inflation averaged **1.0%** in 2019 – the lowest level on record – unchanged from 2018.



In FY2018/19 the Central Government recorded a lower deficit of **2.4%** of GDP, compared with 3.6% of GDP in the previous period.



The Central Bank kept the Repo rate constant at **5.00%** during 2019.



Gross official reserves amounted to **US\$6.9bn** at the end 2019, representing **7.7 months** of import cover.



Global economic growth slowed in 2019 to **2.9%**, compared with 3.6% in 2018.