

HIGHLIGHTS

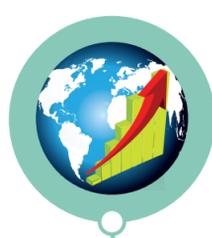


In Summary:

- The global economic recovery continued during the second half of 2021, albeit at a slower pace than anticipated, as countries re-imposed containment measures amidst rising COVID-19 infections and the emergence of the Omicron variant.
- Domestically, although reduced output in both the energy and non-energy sectors persisted, the rate of decline in economic activity slowed year-on-year in the third quarter of 2021.
- Headline inflation increased over the June to November 2021 period due in part to supply-side factors such as the surge in international food prices, higher shipping costs, and other supply-side constraints.
- Despite an increase in overall expenditure, higher revenues during the first two months of FY2021/22 (October to November 2021) contributed to a smaller deficit in the Central Government accounts when compared to the same period one year earlier.
- The Repo rate remained unchanged at 3.50 per cent during 2021 in support of the domestic economic recovery.
- Excess reserves declined to a daily average of \$6.6 billion in December 2021 compared with \$12.7 billion in December 2020.
- Gross official reserves stood at US\$6,879.6 million at the end of December 2021.

Following the prolonged lockdown period in 2021, Trinidad and Tobago is expected to grow in 2022. Growth is expected to be fairly broad-based. On the energy front, higher natural gas production is expected, as several projects being undertaken by major players are anticipated to come on stream in the first half of 2022. Non-energy sector activity will improve once there are no major reversals of the ease in pandemic-related restrictions to mobility. The widely expected rise in interest rates in the US and other areas will also feature into the calibration of domestic monetary policy and affect the public sector debt dynamics.

EXTERNAL DEVELOPMENTS



Global growth slowed in the latter half of 2021.



The growth momentum in Emerging Market and Developing Economies slowed in the third quarter of 2021.

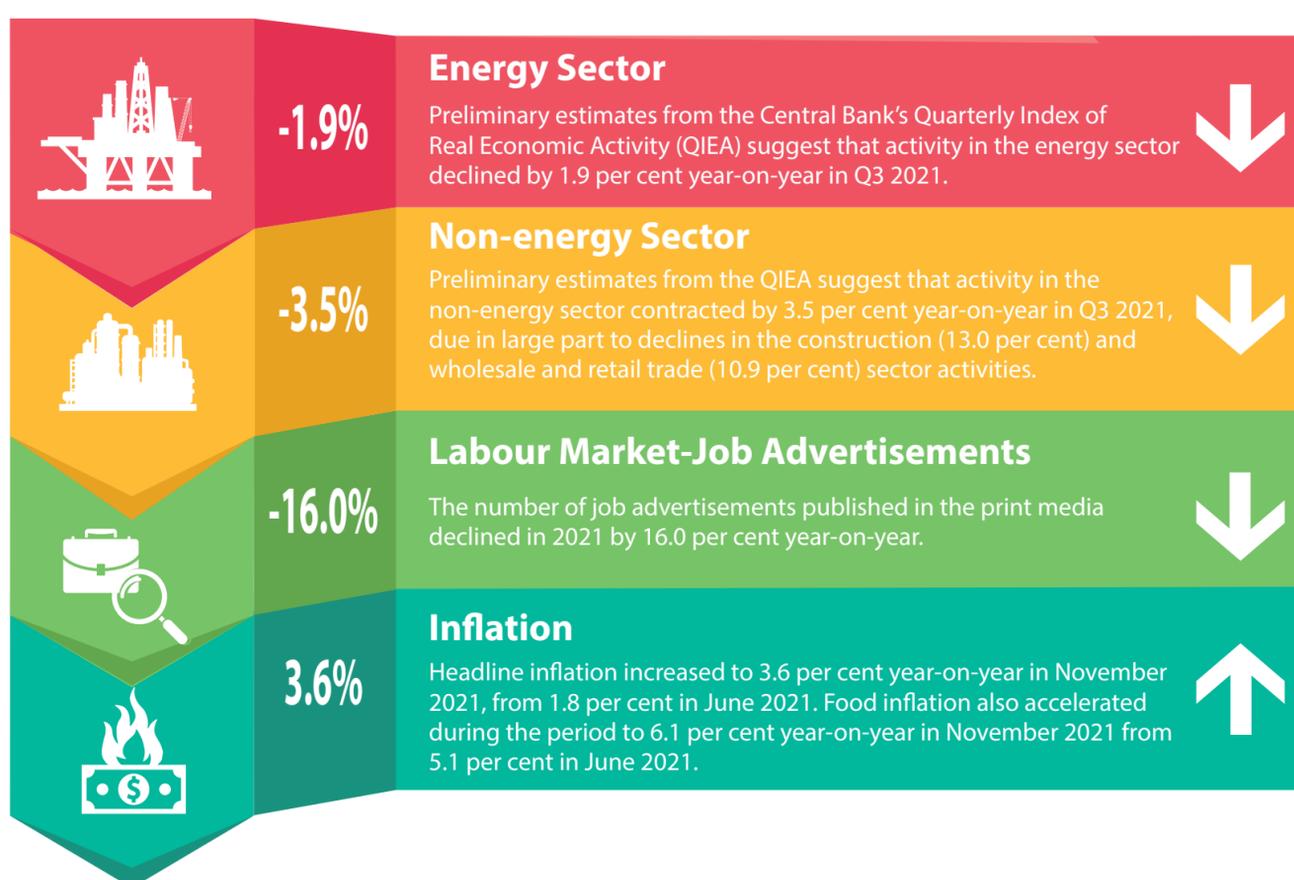


Crude oil and natural gas prices increased over the period July to December 2021, compared to the similar period one year earlier, reflecting heightened demand and restricted supply.



Inflation rates rose above target in several Advanced Economies.

DOMESTIC DEVELOPMENTS



DECEMBER 2021

