



Strategic Plan

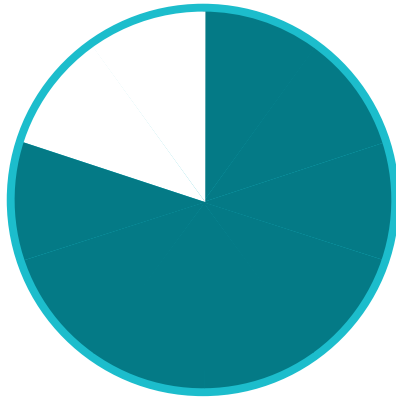
2021/22 2025/26

Project
Implementation
Update
YEAR 4
Half Year 2

Central Bank of Trinidad and Tobago Strategic Plan 2021/22–2025/26: Progress from April 1, 2025 – September 30, 2025

I. Backdrop

The Central Bank of Trinidad and Tobago has completed the fourth year of its 5-Year Strategic Plan (2021/22–2025/26) and has made substantial progress across its core themes and objectives. As it nears completion, the Central Bank is poised to deliver on its final objectives, with a strong foundation for future strategic planning. Over the past six-month period, the Bank has enhanced its monetary policy framework with improved data analytics and modelling capabilities. The recently implemented quarterly [Economic Data Pack](#) introduced in this half year, now supports the [Monetary Policy announcement](#) and annual [Monetary Policy Report](#) (May 2025) in providing greater insights into the basis for monetary policy decisions, as well as domestic and international developments affecting the economy. The Supervision department has further tightened its measures to assure strong financial institutions, with the issuance of an updated guideline and regulations for the [Liquidity Coverage Ratio \(LCR\)](#) in August 2025, marking a significant step in strengthening liquidity risk management across the financial sector. As part of the Bank's broader digitalisation strategy for 2025, the Bank launched its redesigned [website](#) in April, this



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initiative aligns with the Bank's commitment to enhancing public engagement, financial literacy, and transparency. The website offers a modernized user interface, expanded data centre, a FinTech and Innovation Hub, a public education portal and multilingual support.

On the domestic front, the fluctuations in global energy prices—especially declines—have had a spillover effect on Trinidad and Tobago's domestic economy. Reduced government revenues, particularly from oil and gas exports, has tightened the fiscal space, limiting the government's ability to spend on social programs, infrastructure, and economic stimulus. This has increased the pressure on public finances, especially as the country tries to maintain subsidies and manage debt obligations. This situation is further compounded by high consumption levels, especially through credit-based spending, limited diversification of the economy, making it more vulnerable to energy sector shocks, and foreign exchange constraints, which affect import-heavy sectors and consumer confidence.

In the international arena, the United States of America (USA) has held its position regarding higher tariffs on the country's exports, which presents a situation where goods exported to the USA from Trinidad and Tobago will become more costly to purchasers. The current disputes between Venezuela and Guyana and Venezuela and the

USA continue and may affect the country's economy. In the coming months, Trinidad and Tobago will have to navigate a complex geopolitical landscape, balancing its security needs, regional diplomacy, and domestic stability amid the U.S.-Venezuela conflict.

Over the past two months, the Governor hosted several engagements with key stakeholders across the national community. This included a range of representatives and representing agencies from the banking, insurance, regulatory, and business sectors. These discussions have since created a platform for open and meaningful dialogue regarding their perspectives, as well as the Bank's. It also provided an opportunity to inform stakeholders of tentative measures being considered by the Bank, and to provide feedback including any initial concerns that they may have.

II. Key Achievements over the past 6 months

i) Building more climate-resilient financial systems.

At the 64th Bi-Annual Meeting of the CARICOM Central Bank Governors held May 22-23, 2025, hosted by the Centrale Bank van Curaçao en Sint Maarten, a major milestone was achieved with the signing of a [cooperation agreement](#) with the World

Bank / International Finance Corporation (IFC) and participating central banks to develop a regional green taxonomy. This is a key step in advancing climate finance and fostering the creation of a regional green financial market. This move will create a standardized framework to define and classify green assets, making it easier for financial institutions to channel private capital into climate-friendly projects—such as renewable energy systems and hurricane-resilient infrastructure. Preliminary discussions were held on a proposed regional bond to finance climate resilient infrastructure, to be issued by the CARICOM Development Fund. In this half year, the Bank also issued a Climate Risks Survey instrument to regulated entities in May 2025, to identify data gaps and institutional readiness for climate-related financial disclosures and stress testing. This initiative was part of the Bank's broader strategy to integrate climate-related risks into financial sector supervision and policy frameworks.

ii) Effective stakeholder communication is the cornerstone of trust, transparency, and collaboration. Over the past two months, the Governor hosted a series of critical stakeholder engagements, to foster open dialogue with key economic actors, discuss foreign exchange market

concerns, advance digital payment modernization, enhance policy responsiveness and strengthen trust and collaboration across sectors. The stakeholders included [Bankers' Association of Trinidad and Tobago \(BATT\)](#), [Downtown Owners and Merchants Association \(DOMA\)](#), [AMCHAM T&T \(American Chamber of Commerce of Trinidad and Tobago\)](#), [Trinidad & Tobago Chamber of Industry and Commerce](#), [Association of Trinidad and Tobago Insurance Companies \(ATTIC\)](#), and [Trinidad and Tobago Manufacturers Association \(TTMA\)](#). Stakeholders expressed strong support for this initiative, shared solutions for the Bank's consideration, and affirmed their commitment to ongoing collaboration.

iii) Addressing the foreign exchange imbalance which is due to demand significantly outstripping supply, creating a structural disequilibrium. On September 4, 2025 Governor Howai held an [open discussion](#) and did a presentation on, '[Trinidad and Tobago's Economic Performance and the Foreign Exchange Market](#)'. This event was the culmination of the past month's activities, involving numerous engagements with stakeholders. One of the key measures outlined is the need for a rise in interest rates to address the persistent foreign exchange (forex) shortage. Higher interest rates are intended to incentivise repatriation

of foreign earnings, especially by exporters, thereby increasing US dollar inflows into the system. Credit card usage has also become a major channel for foreign exchange consumption and accounted for US\$2.3 billion of the US\$5.9 billion in forex spending last year. Central Bank's role is to ensure there is equitable (not equal) distribution of forex, and a mechanism to prioritize critical needs (e.g. medical emergencies) over discretionary spending is needed. However, these suggested changes are dependent on budgetary measures and legislative approvals.

- iv) ***Coinciding with these efforts, the Bank hosted its 2025 Annual Research Seminar themed 'Navigating the Triple Ds: Implications of De-globalisation, Decarbonisation and Digitalisation'.*** In early September 2025, the seminar brought together policymakers, academics, private sector leaders, and international experts to explore how these three global shifts are reshaping Caribbean economies and financial systems. De-globalisation discussions focused on the retreat from hyper-globalisation in the context of geo-economic fragmentation and its implications for trade, supply chains, and regional policy. The seminar encouraged research into monetary and fiscal policy adjustments to navigate this shift effectively. Under the theme of Decarbonisation, green financing

mechanisms were explored, along with public-private cooperation to support sustainable development. The Bank emphasised the need for regulatory frameworks that support these instruments while ensuring transparency and accountability. The third theme was Digitalisation, which is no longer optional but essential for economic resilience and competitiveness, and participants stressed the importance of inclusive, secure, and resilient digital transformation. As part of the Bank's on-going commitment to research and policy development, three working papers were published in April 2025 on the topics of: (i) [The Role of Climate Variables in Inflation Modelling](#), (ii) [Digital Money and the Implications for the Monetary System in Trinidad and Tobago](#), and (iii) [Climate-Conditioned Catastrophe Models: A Tool for Assessing Acute Physical Risks in the Insurance Industry](#).

- v) ***On the cultural and social outreach front, a diverse range of activities were hosted.*** The half year commenced with *Financial Literacy Month* in April 2025, which featured a multifaceted campaign that included daily financial tips posted on social media, and the launch of *Money Conversations*, a two-part series designed to make financial education more accessible to a wide audience. Several initiatives targeting young people were also held, including the *Entrepreneurial*

Money Smart Camp in July, and the *Life and Business Masterclass* in August, in which 30 young participants graduated. *The Back to School Word Scramble and Essay Competition* also highlighted the creativity of young minds, with 15 students out of 63 applicants recognised for outstanding submissions. Additionally, the Bank hosted and supported a diverse range of cultural activities; (i) a special celebration of acclaimed literary figure Earl Lovelace as part of the Bocas Lit Fest alongside the exhibition '*Is All of We, Is We in Truth*'; (ii) *the Paintings in the Garden (PITG)* which supported the Serenity Place Empowerment Centre for Women, a drug rehabilitation facility in Guapo; and (iii) the Steelpan Film Festival: [Our Sound, Our Stories](#) coinciding with the celebration of World Steelpan Day on August 11th and Pan History Month. These collaborations underscored the Bank's commitment to preserving national heritage and creating inclusive spaces for cultural dialogue.

III. Looking Ahead – next 6 to 12 months

i) *The Bank is heading into the final year of its five year Strategic Plan and in this year the focus will be on consolidating its key achievements, evaluating impact, and setting the foundation for the next strategic cycle.* Based on the stakeholder

concerns raised at consultations held, the Bank is poised to transition these efforts into tangible steps to address these issues. Collectively, these initiatives will serve as the basis for any preliminary objectives being considered for the upcoming strategic plan cycle commencing on October 1, 2026. The Bank will be exploring (i) selective credit controls via moral suasion to curb excessive consumer lending. (ii) tighter liquidity management and adjustments to consumption patterns (iii) improved transparency in forex allocation while maintaining confidentiality (iv) legislative frameworks to support the introduction of digital payment apps like Zelle, CashApp, and Apple Pay, alongside existing platforms like WiPay, and (v) move towards a needs-based foreign exchange distribution model, prioritizing critical sectors (e.g., healthcare, education) over discretionary spending.

ii) *Conduct a pilot cross-border payment with regional banks using local currencies.* In February 2025, a successful proof-of-concept was completed for a CARICOM Payment and Settlement System (CAPSS), demonstrating real-time cross-border payments between the Central Banks of The Bahamas and Barbados. In light of this, Governors have agreed in principle to adopt CAPSS to deliver instant, local

currency payments across CARICOM, and endorsed a more robust validation phase involving at least two additional central banks. The pilot program will involve two small and two large islands—the proposed islands are the Bahamas, Barbados, Guyana, and Trinidad and Tobago. A decision has to be made on which participants (local banks) within each country should be engaged to participate in the pilot.

- iii) *Implement Supervisory Technology to enhance the efficiency, accuracy, and effectiveness of supervision.*** This is a multi-year project and pilot testing with the selected vendor is carded to begin in financial year 2025-2026. The introduction of this technology is expected to improve regulatory compliance monitoring, enhance risk detection and early warning systems, support climate-related financial risk supervision and enable real-time data analytics and reporting automation.



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