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Central Bank Governor Larry Howai Speaks on Climate Risk at Global Green Swan Conference

PORT OF SPAIN, TRINIDAD AND TOBAGO. October 20, 2026 | Governor of the Central Bank of Trinidad and Tobago, Mr. Larry Howai has urged policymakers and financial regulators to treat climate-related disasters as major risks to economic and financial stability, particularly in small and vulnerable economies.

Speaking as a specially invited guest, together with the Governor of the Central Bank of the Philippines and the Chief Executive of the Hong Kong Monetary Authority, at the prestigious Green Swan Conference in Manila, Philippines, Governor Howai shared the Caribbean's experience of increasingly severe weather events and their far-reaching effects on inflation, food security, infrastructure and financial stability.

“In the Caribbean and Central America, the weather is part of the economy. The question is whether we plan for it or pay for it afterwards,” he said.

Drawing on recent experiences across the region, Governor Howai highlighted the devastating impacts of Hurricanes Melissa and Beryl, noting that climate disasters can destroy agricultural production, damage homes and infrastructure, disrupt supply chains and trigger sharp increases in food prices.

Speaking specifically to the impact of Hurricane Melissa in Jamaica, Governor Howai said: “The World Bank and the IDB put the physical damage to Jamaica at US \$8.8 billion, equal to 41 per cent of the country’s 2024 GDP. The largest share of that damage was in homes. One month later after the hurricane, Jamaica’s consumer prices rose 2.4 per cent in a single month, the sharpest monthly increase in more than a decade. Food prices rose 6 per cent in that month alone. The cost of vegetables, tubers, plantains and pulses jumped 19.1 per cent. By December, food inflation had reached 7.1 per cent year on year.”

The Governor made the point that when Hurricane Beryl struck Carriacou and Petite Martinique in July 2024, about 98 per cent of buildings were damaged and destroyed. Other examples were shared to bring home the point that climate change is both an environmental and financial stability concern. Governor Howai encouraged central banks to better understand how these climate shocks affect wider economic activity.

“For central banks, the question is not whether climate change matters. The question is how climate-related shocks are transmitted into inflation, growth, financial stability and ultimately the institutions we supervise,” he said.

He noted that the Central Bank of Trinidad and Tobago's work has focused on understanding these transmission channels and strengthening the resilience of the financial system. He highlighted the Bank's efforts to develop climate-related financial risk guidance for regulated institutions, expand analytical work on climate risk transmission, and deepen engagement with domestic, regional and international stakeholders. The Central Bank of Trinidad and Tobago joined the Network for Greening the Financial System in 2021 and continues to participate in regional initiatives, including the Caribbean Group of Banking Supervisors' Regional Climate Risk Working Group and the CARICOM Central Bank Governors' initiative to develop a Caribbean Regional Green Taxonomy.

The Governor explained that the Central Bank is now moving from awareness to implementation, with a view to ensuring that homeowners, farmers and businesses are appropriately protected and compensated for losses arising from climate events. He also noted that the Bank completed a sector-wide climate risk survey in 2025 and, under its 2026-2031 Strategic Plan, is strengthening climate-risk supervision through enhanced data collection and the development of climate-risk stress testing to assess resilience under adverse scenarios.

Governor Howai also stressed that leadership on climate resilience must begin within institutions themselves although he noted that the Bank was also working on financing mechanisms that would enable Government and private sector interests to work together to manage damaging climate events.

“The Central Bank has taken steps to better understand and manage its own environmental footprint through emissions monitoring, energy-efficiency initiatives and sustainability-focused investments,” he said. “Institutions asking others to manage climate-related risks must also be prepared to examine their own practices.”

“Climate resilience is an investment in macroeconomic stability, financial stability and sustainable growth,” Governor Howai added. “Our goal should not simply be to withstand the next climate shock. It should be to build economies that can continue to grow and prosper despite it.”

The Green Swan Conference was sponsored by the Bank for International Settlements (BIS), the Network for Greening the Financial System (NGFS), Banca d'Italia and the Bangko Sentral ng Pilipinas and attended by scientists, academicians, regulators, central bank officials, financial experts and Agri-industrialists from around the world.

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Photo: [Governor Larry Howai](#)