# HIGHLIGHTS

## Central Bank of Trinidad and Tobago Economic Bulletin, July 2019

Central Bank of Trinidad & Tobago


### In Summary:

- Global economic activity remained subdued in the first half of 2019 amid an ongoing tariff dispute between the United States and China.
- Despite an uptick in natural gas production and improvements in the construction and finance sectors, lower levels of economic activity were recorded in both the energy and non-energy sectors in the first quarter of 2019.
- Headline inflation continued its low and stable trend into the first eight months of 2019, reflective of subdued demand conditions and low imported inflation.
- Higher energy prices in the first ten months of fiscal 2018/2019 supported the improved year-on-year performance in the Central Government accounts.
- In June 2019, the Central Bank maintained the Repo rate at 5.0 per cent, given the low domestic inflationary environment and recovering economy.
- Labour market conditions remained slack during the first eight months of 2019.
- The foreign exchange market remained relatively tight in the first eight months of 2019 despite higher foreign exchange inflows from the energy sector.
- Gross official reserves declined in the first eight months of 2019.

**The spillovers from the positive developments in the domestic energy sector coupled with the acceleration of Government capital expenditure projects are expected to provide the impetus for a modest revival of the non-energy sector.**


### EXTERNAL DEVELOPMENTS

**Global growth** is anticipated to face another challenging year in 2019.

**Economic growth** in emerging market and developing economies was constrained by softening external demand and investment.

**Crude oil prices** recovered in the first eight months of 2019 but remained below peak levels of 2018.

**Inflation rates** remained modest in several Advanced Economies.

### DOMESTIC DEVELOPMENTS

**2.1%** — **Energy Sector –Natural Gas Production**
Natural gas production was boosted with the startup of the Angelin platform in Q1 2019.

**2.9%** — **Non-energy Sector-Construction Activity**
Preliminary estimates suggest that construction activity increased by 2.9 per cent in Q1 2019.

**4.4%** — **Unemployment**
The unemployment rate increased in Q4 2017 compared to the same period in 2016.

**1.2%** — **Inflation**
The rate of inflation remained contained during the first eight months of 2019.

AUGUST 2019

**US$7.1 Bn** GROSS OFFICIAL RESERVES = **7.9 months** IMPORTS OF GOODS AND SERVICES

**REPO RATE**
**5.00%**
**Maintained in June 2019**

**BUSINESS SECTOR CREDIT GROWTH**
y-o-y, JULY 2019
**-2.8%**

**CENTRAL GOV'T DEFICIT**
OCT 2018 – JULY 2019
**-$4.8Bn**

**NET DEBT**
JULY 2019
**$101.3Bn**

**CONSUMER SECTOR CREDIT GROWTH**
y-o-y, JULY 2019
**6.5%**