

HIGHLIGHTS

Central Bank of Trinidad and Tobago Economic Bulletin, July 2019



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.

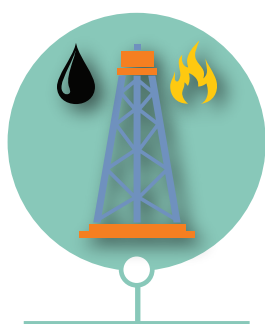
EXTERNAL DEVELOPMENTS



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.

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



2.9%

4.4%



Unemployment

The unemployment rate increased in Q4 2017 compared to the same period in 2016.

Inflation

The rate of inflation remained contained during the first eight months of 2019.



1.2%

AUGUST 2019

US\$7.1 Bn

GROSS OFFICIAL RESERVES



7.9 months

IMPORTS OF GOODS AND SERVICES

BUSINESS SECTOR CREDIT GROWTH
y-o-y, JULY 2019

-2.8%

REPO RATE

5.00%

Maintained in June 2019

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%