Government of the Republic of Trinidad and Tobago

Sustaining Growth, Securing Prosperity

Services Sector

Macroeconomic Review

Manufacturing

Public Debt

Gross Domestic Product

Balance of Payments

Review of the Economy 2013

ENERGY SECTOR PERFORMANCE

Inflation

Heritage and Stabilisation Fund

Trade and Trade Agreements

Financial Sector

Monetary Conditions

STATE ENTERPRISES

Credit Ratings

Fiscal Operations

Labour Force and Productivity

GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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THE INTERNATIONAL ECONOMY[1]

United States	Japan	CIS Economies
United Kingdom	Emerging Asia	MENA
Euro Area	Latin America	Sub-Saharan Africa

GLOBAL OVERVIEW

The global economy has been grappling with the impact of the financial crisis and global recession since 2008. Countries in the Euro Area as well as the United States and Japan were hard hit, however, there have been signs of recovery in the global economy. Unlike past global recessions, economies are recovering at three speeds in 2013. Emerging and developing economies appear to be growing at a fairly robust pace. Countries such as the United States and Japan appear to be on the path to growth. However, countries in the Euro Area are still not fully on the road to recovery.

In this regard, the rate of growth of World output is anticipated to marginally increase from 3.2 percent in 2012 to 3.3 percent in 2013. Growth in the United States continues to be slow but positive at 1.9 percent in 2013 down from 2.2 percent in 2012. In the United Kingdom growth is expected to marginally increase from 0.2 percent in 2012 to 0.7 percent in 2013.

Growth in Emerging and Developing Asia is projected to be robust at 7.1 percent in 2013 up from 6.6 percent in 2012. This can be attributed to recovering external demand and continued growth in domestic demand. The Chinese and Indian economies are to grow at an accelerated rate of 8.0 percent and 5.7 percent respectively in 2013.

In response to policy actions of the European Union, financial pressures in the Euro Area have weakened. However, growth in the Euro Area continues to be weak with real GDP for 2013 expected improve marginally from the -0.6 percent contraction recorded in 2012. Growth in 2013 is anticipated to be positive in Germany and Ireland, however, Spain, Portugal and Greece are expected to experience negative growth rates.

Global inflation is expected to fall marginally from 3.9 percent in 2012 to 3.8 percent in 2013, which is reflected in the Advanced Economies, the Euro Zone and Advanced Asia. While inflation is expected to remain relatively high in the Middle East and North Africa (MENA), it fell from 10.7 percent to 9.6 percent in 2013. Inflation in Emerging and Developing Asia, Latin America and the CIS is expected to marginally increase.

Globally, the fiscal balance is expected to improve from -4.3 percent in 2012 to -3.5 percent in 2013. The fiscal balance in Advanced Economies, the Euro Area and Latin America will improve from -5.9 percent, -3.6 percent and -2.7 percent in 2012, to -4.7 percent, -2.9 percent and 1.7 percent in 2013 respectively.

1 Source: International Monetary Fund, World Economic Outlook April and July 2013; Fiscal Monitor April and July 2013; Regional Economic Outlook 2013; Various Central Bank and Statistical Offices.

UNITED STATES

Growth in the United States (US) economy continues to be slow but positive. Real GDP growth is expected to decline from 2.2 percent in 2012 to 1.9 percent in 2013. The gains from the recovery in housing, consumer spending and business investment were dampened by the impact of Hurricane Sandy and a severe drought which held down farm production. The lingering effects of the financial crisis impacted on the financial system, including the restrained lending by banks to many households and businesses have stymied economic growth.

Unemployment in the US is expected to continue its downward trend, falling from 8.1 percent in 2012 to 7.7 percent in 2013. However, long-term unemployment remains high and the proportion of workers who are employed on a part-time basis as a result of their inability to obtain full-time employment remains elevated.

Inflation in the US, as measured by the Consumer Prices Index (CPI), is expected to fall marginally from 2.1 percent in 2012 to 1.8 percent in 2013. The Federal Reserve has attributed this to considerable slack in labour markets, limited increases in labour costs, relatively stable prices for commodities and imports as well as stable longer-term inflation expectations.

The Chairman of the Federal Reserve on June 19, 2013 stated that if forecasts for economic recovery are correct, the Federal Reserve could end its asset purchase scheme next summer, with the winding-down process due to start in 2013. He also noted that asset purchases would continue at their current rate until unemployment fell to about 7 percent.

However, downside risks still exist, which could negatively affect economic growth in the US economy. Firstly, a worsening of the debt crises in Europe could negatively impact the US trade and financial channels. In addition, permanent solutions to looming fiscal issues, such as the need to raise the debt ceiling and implement deep automatic budget cuts, still remain a challenge. The American Tax Payer Relief Act offered only a short-term solution.

The current account balance for the US is projected to marginally improve from -3.0 percent in 2012 to -2.9 percent in 2013. The fiscal balance is also estimated to improve from -8.5 percent in 2012 to -6.5 percent of GDP in 2013.

THE UNITED KINGDOM

GDP growth in the United Kingdom (UK) is expected to marginally increase from 0.2 percent in 2012 to 0.7 percent in 2013. However, consumer price inflation is expected to continue to exceed the target of 2.0 percent set by the Bank of England, falling slightly from 2.8 percent in 2012 to 2.7 percent in 2013. The Bank of England has advised that movements in commodity and import prices, labour costs, fluctuations in the exchange rate as well as expectations influenced the rate of inflation.

Unemployment is estimated to fall marginally from 8.0 percent in 2012 to 7.8 percent in 2013 as a result of weak economic growth. The number of persons in work or actively seeking employment has been steady in the UK since the financial crisis. The Government has implemented several measures since the financial crisis to support labour market participation, including delayed retirement and changes in several benefit schemes.

The Bank of England, in July 2012, launched the Funding for Lending Scheme (FLS) to encourage lending to households and companies. The FLS offers cheaper funding to banks and building societies for an extended period on the condition that they increase the supply of credit to households and companies. Credit conditions facing UK households taking mortgages have eased somewhat. The incentives to lending provided by the FLS have had a positive effect on the mortgage market in the UK. Initially, incentives under the FLS were to end in 2014, however, on April 24, 2013 the Bank of England extended the FLS to early 2015.

The current account balance for the UK is projected to deteriorate from -3.5 percent in 2012 to -4.4 percent of GDP in 2013. The fiscal balance is expected to improve from -8.3 percent in 2012 to -7.0 percent of GDP in 2013.

THE EURO AREA[1]

The financial pressures in the Euro Area have moderated as a result of the policy actions taken by the European Union. Some of these policy actions include: Outright Monetary Transactions (OMTs), the completion of the European Stability Mechanism, progress on Greek debt relief, and the agreement on the Single Supervisory Mechanism.

Despite the easing of financial pressures, growth in the Euro Area is expected to continue to be negative, with real GDP projected to contract by 0.3 percent in 2013, up from -0.6 percent in 2012. Growth will be positive in Germany and Ireland with real GDP projected to grow to 0.6 percent and 1.1 percent respectively in 2013. However, real GDP is expected to contract in Spain, Portugal and Greece with figures of -1.6 percent, -2.3 percent and -4.2 percent respectively, in 2013.

Inflation in the Euro Area is expected to fall to 1.7 percent in 2013, down from 2.5 percent in 2012. Germany, Spain, Portugal and Ireland is forecasted to experience reductions in their inflation rates from 2.1 percent, 2.4 percent 2.8 percent and 1.9 percent in 2012 to 1.6 percent, 1.9 percent, 0.7 percent and 1.3 percent respectively in 2013. Greece is expected to experience a deflationary environment with inflation falling from 1.0 percent in 2012 to -0.8 percent in 2013.

Unemployment in the Euro Area is expected to increase from 11.4 percent in 2012 to 12.3 percent in 2013. It is projected that the unemployment levels for both Spain and Greece will increase to 27.0 percent in 2013 from 25.0 percent and 24.2 percent, respectively, in 2012. Unemployment is anticipated to fall marginally in Ireland from 14.7 percent in 2012 to 14.2 percent in 2013.

Cyprus accumulated large imbalances prior to the global financial crisis and developed deep financial links with Greece. Bank loans to Greek residents and holdings of Greek Government bonds reached 130 percent and 30 percent of GDP respectively, in 2011. As the financial crisis deepened, imbalances in Cyprus intensified as a result of these sovereign-bank links. Policies initiated to mitigate the impact on the economy included the divestment of the Greek branches of Cypriot Banks and the restructuring of the Cyprus Popular Bank and the Bank of Cyprus. The Government of Cyprus also secured assistance from the International Monetary Fund and the European Stability Mechanism of approximately €1 billion and €9 billion respectively to be made available over the period 2013 to 2016.

JAPAN

Japan's GDP is expected to grow by 1.6 percent in 2013, down from the 2.0 percent experienced in 2012 in the aftermath of the great East Japan earthquake and tsunami.Even with the anticipated economic growth, inflation in Japan is expected to remain around 0.0 percent, marginally increasing to 0.1 percent in 2013. Prices have remained non-reactive to growth in the economy possibly due to lingering deflationary expectations of consumers. Unemployment in Japan is expected to fall slightly from the 2012 figure of 4.4 percent to 4.1 percent in 2013.

The fiscal deficit in Japan is expected to continue to hover around -9.8 percent in 2013 down marginally from -10.2 percent of GDP in 2012. A new stimulus package, estimated at 1.5 percent of GDP, including investment projects which are

1 Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain.

ready for implementation, is expected to boost growth in 2013.

EMERGING ASIA[2]

GDP growth is projected in Emerging and Developing Asia increased to 7.1 percent in 2013 from 6.6 percent in 2012. This can be attributed to recovering external demand and continued growth in domestic demand. China is expected to experience accelerated growth in real GDP from 7.8 percent in 2012 to 8.0 percent in 2013 on account of strong domestic demand in both consumption and investment as well as renewed external demand. The Indian economy is also expected to expand by 5.7 percent in 2013, up from 4.0 percent in 2012. This expansion can be attributed to increased external demand as well as recently implemented reform measures. One of the main reforms implemented allowed for greater foreign direct investment in areas such as supermarkets and other retail sectors in the Indian economy.

Real economic growth in Singapore is expected to strengthen from 1.3 percent in 2012 to 2.0 percent in 2013. This positive trend is also seen in Hong Kong, where economic growth is expected to increase to 3.0 percent in 2013, up from 1.4 percent in 2012. The news is similar for the Korean economy with expected real GDP growth of 2.8 percent in 2013 up from 2.0 percent in 2012. Growth in Korea can be attributed to increased demand for exports which may lead to a stimulation of private investment.

Inflation in Emerging and Developing Asia is expected to rise from 4.5 percent in 2012 to 5.0 percent in 2013, reflecting anticipated economic growth and a stable outlook for global food and commodity prices. It is estimated that inflation in China will increase to 3.0 percent in 2013 from 2.6 percent in 2012. Inflation in India is forecasted to remain relatively high, increasing from 9.3 percent in 2012 to 10.8 percent in 2013.

It is anticipated that China will continue to run a fiscal deficit in 2013 of 2.1 percent of GDP, while India will also continue to run a fiscal deficit of 8.3 percent of GDP in 2013.

LATIN AMERICA

Latin America as a region is expected to grow in 2013 by 3.4 percent, up from 3.0 percent in 2012. The larger countries of Argentina, Brazil and Mexico are expected to grow by 2.8 percent, 3.0 percent and 3.4 percent, respectively. Mexico's growth can be attributed to the continued recovery of the US economy, strengthening business and consumer confidence and resilient exports. Growth in Brazil can be attributed to the impact of the easing of monetary policy and measures aimed at boosting private investment. However, real GDP growth for Venezuela is expected to decline in 2013, down from 5.5 percent to 0.1 percent, as the pace of fiscal spending declines. Further, growth in private consumption is anticipated to decline following the recent devaluation of the Venezuelan currency and the tightening of exchange controls.

Inflation in Latin America is expected to increase marginally from 6.0 percent in 2012 to 6.1 percent in 2013. Inflation in Brazil is expected to rise from 5.4 percent to 6.1 percent in 2013, due mainly to higher fuel prices and increasing healthcare costs. In Mexico, inflation is anticipated to decline marginally from 4.1 percent in 2012 to 3.7 percent in 2013 due mainly to its weak economic growth. Inflation in Venezuela is projected to continue to be the highest in the region and is anticipated to increase from 21.1 percent in 2012 to 27.3 percent in 2013.

Unemployment in Mexico is projected to remain steady at 4.8 percent, while Brazil is forecasted to experience an increase in unemployment from 5.5 percent to 6.5 percent in 2013.

The current account balance for the Latin American Region is anticipated to remain

2 Comprises China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan Province of China, Thailand and Vietnam.

constant at the 2012 figure of -1.7 percent in 2013. Additionally, it is anticipated that the region will run a smaller fiscal deficit of 1.7 percent in 2013 down from 2.7 percent of GDP in 2012; the lowest since the 2008 fiscal deficit of 1.6 percent of GDP.

COMMONWEALTH OF INDEPENDENT STATES (CIS)[3]

Economic growth in the CIS region is expected to remain at the 2012 level of 3.4 percent in 2013. This is as a result of gradual global recovery, stable commodity prices and improved financial conditions. According to the IMF, growth in Russia is expected to remain at the 2012 figure of 3.4 percent since the economy is producing at its potential level.

Consumer inflation in the CIS is expected to marginally increase from 6.5 percent in 2012 to 6.8 percent in 2013. Inflation in Russia is anticipated to increase from 5.1 percent in 2012 to 6.9 percent in 2013. Unemployment in Russia is expected to fall to 4.0 percent in 2013 from 5.5 percent in 2012. The region needs to spur structural reforms to lift its growth potential. These reforms include improvement in the business climate, gas sector reforms as well as strategically aligned infrastructure investments.

MIDDLE EAST AND NORTH AFRICA (MENA)[4]

Several of the Governments in the region are transitional, arising out of the Arab Spring in 2011. Continued political instability could hamper much needed policy actions to foster sound macroeconomic fundamentals in the region. There is a fear that the civil unrest in Syria could spread to neighbouring countries, such as Jordan and Lebanon and the sub-region as well, which would negatively impact the region as a whole.

Consequently, it is anticipated that real GDP growth in the MENA region will decline from 4.8 percent in 2012 to 3.1 percent in 2013. Growth in the Islamic Republic of Iran will continue to be negative at -1.3 percent in 2013, down from -1.9 percent in 2012. Saudi Arabia and Qatar are also expected to experience slowdowns in growth from 6.8 percent and 6.6 percent in 2012, to 4.4 percent and 5.2 percent in 2013, respectively. Real GDP growth in Morocco and Tunisia is expected to accelerate to 4.0 percent in 2013, up from 3.0 percent and 3.6 percent in 2012, respectively. Real GDP growth in the Egyptian economy is projected to fall marginally to 2.0 percent in 2013 from 2.2 percent in 2012.

Inflation in the region is expected to remain high at 9.6 percent in 2013, down from 10.7 percent in 2012. The Islamic Republic of Iran and Sudan are expected to experience inflation rates of 27.2 percent and 28.4 percent in 2013 respectively, down from 30.6 percent and 35.5 percent in 2012. Unemployment in the Islamic Republic of Iran, Egypt, Tunisia, Sudan and Jordan continues to be high.

The outlook for the region continues to hinge on the developments in the Euro Area as well as the pace of political and economic reforms by Governments in the region.

3 Comprises Russia, Ukraine, Kazakhstan, Belarus, Azerbaijan, Turkmenistan, Mongolia, Uzbekistan, Georgia, Armenia, Tajikistan, Kyrgyz Republic and Moldova.

4 Comprises Algeria, Bahrain, Djibouti, Egypt, Islamic Republic of Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Republic of Yemen.

SUB-SAHARAN AFRICA[5]

Sub-Saharan Africa is expected to experience positive economic growth in 2013 despite the challenges which the region faced in 2012 such as the interruption of oil exports from South Sudan and the Civil conflict in Mali and Guinea-Bissau. Real GDP is anticipated to grow at 5.6 percent in 2013, up from 4.8 percent in 2012. Positive growth can be attributed to investment in infrastructure and productive capacity, robust consumption and increased capacity in the extractive sectors. Growth in South Africa is expected to increase marginally to 2.8 percent in 2013 from 2.5 percent in 2012. This can be attributed mainly to sluggish mining production and reduced demand from its main export partners in the Euro Area.

The rate of growth of consumer prices in this region is expected to fall from 9.1 percent in 2012 to 7.2 percent in 2013. This is mainly as a result of tight monetary policy and lower food prices associated with increased production in Eastern Africa. The current account deficit for this region is expected to further deteriorate from 2.8 percent in 2012 to 3.5 percent of GDP in 2013.

5 Comprises Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Cote d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, south Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

Table 1: Macroeconomic Indicators for Selected Economies

	Real GDP Growth		Consumer Prices		Unemployment (%)		Current Account Balance [1]		Fiscal Balance [1]	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Advanced Economies	**1.2**	**1.2**	**2.0**	**1.7**	**8.0**	**8.2**	**-0.1**	**-0.1**	**-5.9**	**-4.7**
United States	2.2	1.9	2.1	1.8	8.1	7.7	-3.0	-2.9	-8.5	-6.5
Japan	2.0	1.6	0.0	0.1	4.4	4.1	1.0	1.2	-10.2	-9.8
Euro Zone	**-0.6**	**-0.3**	**2.5**	**1.7**	**11.4**	**12.3**	**1.2**	**2.3**	**-3.6**	**-2.9**
United Kingdom	0.2	0.7	2.8	2.7	8.0	7.8	-3.5	-4.4	-8.3	-7.0
Germany	0.9	0.6	2.1	1.6	5.5	5.7	7.0	6.1	2.0	-0.3
Spain	-1.4	-1.6	2.4	1.9	25.0	27.0	-1.1	1.1	-10.3	-6.6
Greece	-6.4	-4.2	1.0	-0.8	24.2	27.0	-2.9	-0.3	-6.4	-4.6
Portugal	-3.2	-2.3	2.8	0.7	15.7	18.2	-1.5	0.1	-4.9	-5.5
Ireland	0.9	1.1	1.9	1.3	14.7	14.2	4.9	3.4	-7.7	-7.5
Advanced Asia	**2.1**	**2.2**	**3.6**	**2.9**	**3.6**	**3.5**	**6.5**	**5.9**	**n/a**	**n/a**
Hong Kong	1.4	3.0	4.1	3.5	3.3	3.2	2.3	2.0	0.2	1.7
Korea	2.0	2.8	2.2	2.4	3.3	3.3	3.7	2.7	1.9	2.4
Singapore	1.3	2.0	4.6	4.0	2.0	2.0	18.6	16.9	5.6	5.0
Emerging and Developing Asia	**6.6**	**7.1**	**4.5**	**5.0**	**n/a**	**n/a**	**1.1**	**1.1**	**-3.2**	**-3.2**
China	7.8	8.0	2.6	3.0	4.1	4.1	2.6	2.6	-2.2	-2.1
India	4.0	5.7	9.3	10.8	n/a	n/a	-5.1	-4.9	-8.3	-8.3
Latin America	**3.0**	**3.4**	**6.0**	**6.1**	**n/a**	**n/a**	**-1.7**	**-1.7**	**-2.7**	**-1.7**
Argentina	1.9	2.8	10.0	9.8	7.2	7.1	0.1	-0.1	n/a	n/a
Brazil	0.9	3.0	5.4	6.1	5.5	6.0	-2.3	-2.4	-2.8	-1.2
Mexico	3.9	3.4	4.1	3.7	4.8	4.8	-0.8	-1.0	-3.7	-3.1
Commonwealth of Independent States	**3.4**	**3.4**	**6.5**	**6.8**	**n/a**	**n/a**	**3.2**	**1.9**	**n/a**	**n/a**
Russia	3.4	3.4	5.1	6.9	6.0	5.5	4.0	2.5	-0.4	-0.3
Middle Eastern Countries	4.8	3.1	10.7	9.6	n/a	n/a	12.5	10.8	-9.7	-9.2
Sub-Saharan Africa	4.8	5.6	9.1	7.2	n/a	n/a	-2.8	-3.5	n/a	n/a
South Africa	2.5	2.8	5.7	5.8	25.2	25.7	-6.3	-6.4	-4.8	-4.8

IMF Forecast to the end of 2013 (unless otherwise stated)

n/a not available

Source: International Monetary Fund, World Economic Outlook April 2013 and Update, July 2013
International Monetary Fund, World Economic and Financial Surveys, April 2013

ECONOMIC PERFORMANCE OF CARICOM STATES

Introduction
Barbados
Jamaica
Guyana
ECCU Countries

INTRODUCTION

Persistent volatility and lethargic growth in the advanced economies diffused low and negative growth rates in the Caribbean economies[1]. High debt levels, weak competitiveness and subdued tourism further constricted economies' recovery efforts. Growth in commodity exporters such as Trinidad and Tobago, Belize, Guyana and Suriname was more robust, averaging 3.5 percent in 2012 while growth in tourism-dependent economies faltered to under 0.5 percent in 2012.

Negative growth rates afflicted several nations of the ECCU[2], resulting in an overall flat performance in 2012 which represented an improvement from a decrease of 0.5 percent recorded in 2011. This flat performance resulted from economic activity remaining subdued, mirroring a less than favourable external environment, limited fiscal space and some discretionary policy tightening. However, the pace of contraction decelerated after four consecutive years of decline with Antigua and Barbuda leading with a positive growth rate of 1.6 percent.

In fiscal 2012, weak demand and output gaps led to lowered inflation rates in many territories including Antigua and Barbuda, Grenada, St. Kitts and Nevis and St. Vincent and the Grenadines. In particular, there was a notable decrease in Barbados' inflation rate which moved from 9.5 percent in 2011 to 1.2 percent in 2012.

Notwithstanding the sluggish economic activity of the Region, a balance of payments surplus was achieved in Guyana, where a larger capital account surplus offset the current account deficit. The capital account surplus emanated from higher inflows to the non-financial public sector and greater levels of foreign direct investment. Jamaica, meanwhile, achieved some improvement in its balance of payments due to a reduction in imports.

BARBADOS

Subdued tourism, coupled with declines in manufacturing, agricultural and other real sector activities adversely affected the

1 Aruba, The Bahamas, Barbados, Belize, ECCU, Guyana, Haiti, Jamaica, Suriname, Trinidad and Tobago, Curacao and Sint Maarten.

2 Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

Barbados economy, occasioning a flat growth performance from a minimal 0.6 percent growth of the previous year.

The growth rate was affected mainly by the performance of the tourism industry which contracted by 2.0 percent during January to March 2013. The subdued performance was due chiefly to reductions in tourist arrivals from the UK and Canada of 13.0 percent and 15.0 percent, respectively. Tourist arrivals from the UK were affected by an increase in the UK's Air Passenger Duty, as well as the cessation of flights by Redjet.

Price levels decreased markedly. Annual inflation measured 1.2 percent for 2012, a marked decrease from 9.5 percent of 2011 as lower prices were recorded in Housing, Fuel and light and Household Operations and Supplies.

The average unemployment rate for the year 2012 was approximately 11.6 percent, increasing slightly from 11.2 percent in 2011 due to a higher number of layoffs in the accommodation and food services industry as well as the construction sector.

Barbados' external current account deficit improved markedly from 8.7 percent in 2011 to 5.7 percent in 2012, notwithstanding an estimated 4 percent increase in the importation of consumer goods.

As at May 2012, Barbados' primary fiscal balance stood at -0.5 percent of GDP, departing from 1.1 percent in the same period of the previous year. Decreases in revenue from personal taxes and VAT receipts together with increases in subsidies to government entities are attributed to this decline.

JAMAICA

Jamaica's growth decelerated from a rate of 1.5 percent in 2011 to 0.1 percent in 2012. Domestic consumption was affected by lower remittance inflows. This weak demand together with depressed investor and consumer confidence contributed to waning growth.

The main driver of the Jamaican economy, Mining and Quarrying, suffered a decline in growth from 19.4 percent in 2011 to 9.1 percent in 2012. This is attributed mainly to the downturn in global demand for aluminium in tandem with a decline in capacity utilisation. The latter, induced by the devastation wreaked by Hurricane Sandy, deteriorated the bauxite and alumina industries in 2012, effecting a decline by 8.8 percent and 10.3 percent, respectively. Lower capacity utilisation also negatively impacted Construction which declined by 3.5 percent; and Transport, Storage and Communication by 1.9 percent.

In 2012, 7.4 percent inflation was recorded, relative to 6.0 percent in 2011. This reflects the impact, to varying degrees, of the implementation of new tax measures, a rise in international grains prices, drought conditions in the first three quarters of the year and depreciation of the exchange rate.

Labour market conditions worsened and unemployment increased to 13.0 percent in 2012, from 12.7 percent in 2011. Construction and Installation was the main industry that recorded a contraction in employment in 2012 and contributed to the increase in unemployment.

In 2012, the fiscal current account deficit narrowed to 11.9 percent of GDP from 12.6 percent in 2011. This is reflective of a narrowing in the deficits on the Goods and Income sub-accounts which was partly offset by surpluses gained on the Services and Current Transfers sub-accounts.

GUYANA

The Guyanese economy maintained its upward trajectory, as it exhibited a 3.3 percent growth in 2012, albeit falling short of its 5.4 percent growth in 2011. This outturn is attributed to favourable output in the economy's major sectors of services, manufacturing, mining and agriculture.

Inflation increased substantially from 3.3

percent in 2011 to 4.6 percent in 2012 due to the confluence of disruptions in the global commodity market, mainly in the East, and the distress inflicted by inconsistent climatic conditions.

The external current account deficit tapered marginally to 13.2 percent of GDP in 2012, from 13.4 percent in 2011. The main contributors to this outturn were higher inflows to the non-financial public sector and foreign direct investment which spurred a capital account surplus. Consequently, the Bank of Guyana's gross foreign reserves increased to US$862.2 million or 4.0 months of import cover.

Guyana's stock of external debt grew by 12.7 percent or 48 percent of GDP as disbursements were received under the PetroCaribe Initiative and the Inter-American Development Bank (IDB).

ECCU[3]

Flat growth was recorded for the ECCU in 2012, a marginal increase over the contraction of 0.5 percent in 2011.

The promising signs of recovery in 2011 were dampened owing to the impact of Hurricane Sandy on the eastern United States, the region's principal tourism source market as well as the jaded outlook on the global economy. Construction along with the wholesale and retail trade and financial services declined while conversely, manufacturing, tourism, agriculture and forestry experienced renewed growth and tempered the decline among the ECCU countries.

Inflation moderated in 2012, decreasing by 1.1 percent from 4.1 percent in 2011. Inflation rates, due mainly to increases in food prices, varied from 0.3 percent in St. Kitts and Nevis to 6.2 percent in St. Lucia.

The external current account deficit recovered slightly, measuring 17.8 percent in 2012 from 18.0 percent in 2011. Antigua and Barbuda and Dominica posted deteriorations in their current accounts from 10.8 to 12.8, and 12.8 to 13.5, respectively. Conversely, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines posted slight improvements in their current accounts.

High debt levels began to stabilise occasioning a lessened public sector gross debt of 80.1 percent from 87.6 percent in 2011. St. Kitts and Nevis entered into an agreement in 2012 with external creditors to reduce the face value of debt by approximately 6 percent of GDP. Also, on March 8, 2013 Grenada announced a comprehensive and collaborative restructuring of its public debt, a quantum of EC$2.33 billion (US$862 million), or 108 percent of GDP.

The 2012/2013 financial year was deemed the most active in the ten-year history of the Regional Government Securities Market (RGSM). Fifty-four (54) securities were auctioned, indicative of an increase of 15 percent compared with the previous year. This reflected the emergent importance of the RGSM on the financial landscape of the ECCU as participating governments relied on the regional market to secure funding against a backdrop of skewed and uncertain global growth.

3 Antigua and Barbuda; Dominica; Grenada; St Kitts and Nevis; St. Lucia and St Vincent and the Grenadines.

Table 2: Macroeconomic Indicators for Selected CARICOM Economies

	Real GDP Growth		Consumer Prices		Unemployment (%)		Current Account Balance[1]		Fiscal Balance[1]	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Barbados	0.6	0.0	9.5	1.2	11.2[2]	11.6	-8.7	-5.7	1.1	-0.5
Guyana	5.4	3.3	3.3	4.6	n/a	n/a	-13.4	-13.2	-1.5	-3.4
Jamaica	1.5	0.1	6.0	7.4	12.7[3]	13.0	-12.6	-11.9	3.2	5.2
ECCU (All Countries):	-0.5	0.0	4.1	3.0	n/a	n/a	-18.0	-17.8	-2.6	-1.6
Antigua and Barbuda	-3.0	1.6	4.0	1.8	n/a	n/a	-10.8	-12.8	-3.5	1.1
Dominica	1.9	0.4	2.0	3.6	n/a	9.8	-12.8	-13.5	-9.4	-8.8
Grenada	1.0	-0.8	3.5	1.8	n/a	n/a	-23.3	-23.0	-3.6	-3.2
St. Kitts and Nevis	-1.9	-0.9	2.9	0.3	n/a	n/a	-15.6	-13.5	5.3	7.6
St. Lucia	1.4	-0.4	4.8	6.2	n/a	20.6	-20.1	-19.1	-2.9	-4.0
St. Vincent and the Grenadines	0.4	0.5	4.7	0.8	n/a	n/a	-28.8	-27.9	-2.1	-1.1

Source: For Barbados: Regional Economic Outlook (R.E.O.): Western Hemisphere - Main Economic Indicators, May 2013 (IMF)
For Guyana – R.E.O.: Western Hemisphere- Main Economic Indicators, May 2013
For Jamaica – R.E.O.: Western Hemisphere- Main Economic Indicators, May 2013
For ECCU Countries - R.E.O.: Western Hemisphere- Main Economic Indicators, May 2013

n/a not available

1 Primary balance of the R.E.O., May 2013, Western Hemisphere and Ministry of Finance and the Economy's estimates derived from the Eastern Caribbean Central Bank (Percent of GDP)
2 Central Bank of Barbados Press Release June 2013
3 Bank of Jamaica 2012 Annual Report

SUMMARY OF MACROECONOMIC PERFORMANCE OF THE TRINIDAD AND TOBAGO ECONOMY

The recovery of the Trinidad and Tobago economy is expected to be further consolidated with growth of 1.6 percent in 2013, following on an overall growth of 1.2 percent in 2012. The recovery is expected to gain momentum across a widening range of economic sub-sectors resulting in an overall growth rate of 2.5 percent in the non-petroleum sector for 2013. The brighter outlook for the non-petroleum sector is premised on a projected 2.6 percent expansion in the services sub-sector, which, with 84.2 percent, is the largest contributor to non-petroleum GDP. After three (3) successive years of decline from 2009 to 2011, the recovery in 2012 is expected to be further consolidated in 2013. The services sub-sector is also expected to exhibit continued strengthening.

Overall, energy sector output is expected to grow by a modest 0.5 percent in 2013, representing an improvement on the contractions experienced in 2011 and 2012. The performance of GDP at the sub-sector level is expected to be mixed, reflecting an incipient turnaround in natural gas refining, exploration and production, as well as the growth momentum carried forward by service contractors, which are tempered by a milder contraction in petrochemicals .

Headline inflation on a year-on-year basis, for the first six months of 2013 remained relatively moderate, settling at 6.8 percent in June 2013. This outturn reflected the general downward trend in price levels, following a 30-month high of 12.6 percent in May 2012. Similarly, Food and Non-Alcoholic Beverages inflation eased somewhat from 13.8 percent in January to 12.6 percent in June 2013. Core inflation remained relatively stable, settling at 2.2 percent in June 2013.

The rate of unemployment in Trinidad and Tobago fell to 4.9 percent in the third quarter of fiscal 2012 from 5.4 percent in the second quarter. Most industries, with the exception of the Construction and Petroleum and Gas industries, registered unemployment rates below the national average.

In light of the subdued economic growth environment and relatively stable core inflation, the Central Bank of Trinidad and Tobago maintained an accommodative monetary policy stance in an effort to boost the pace of economic activity. In the circumstance, the Bank reduced the Repo rate from 3.0 percent in August 2012 to 2.75 percent in September 2012, where it has remained up until June 2013. The basic prime lending rate of commercial banks responded accordingly, slipping from 7.8 percent in June 2012 to 7.5 percent in June 2013. Interest rates on time loans also declined from 7.75 percent in June 2012 to 7.5 percent in May 2013 along with the weighted average deposit rate, which dipped further to 0.02 percent in June 2013, from 0.2 percent in June 2012.

In the low interest rate environment, Narrow Money (M-1A), defined as currency in active circulation plus demand deposits expanded by 15.5 percent over the period October 2012 to June 2013, in response to the low yields on alternative investments. Broad Money (M-2), defined as M-1A plus time and savings deposits expanded in like manner, by 12.4 percent over the same period.

Notwithstanding the prevailing low interest rate environment, private sector credit expansion by the consolidated financial system remained subdued during the first six months of fiscal 2013. Private sector credit expanded to 2.4 percent in March 2013, albeit at a slower pace. At the end of March 2013, the year-on-year increase in lending by the commercial banks was up 4.5 percent; a marginal decline of 0.6 percent from October 2012. The persistent weakness in credit expansion by commercial banks to the private sector was further reinforced by non-bank lending which recorded a contraction in lending of 11.4 percent in March 2013, compared with a decline of 6.3 percent in October 2012. Consumer credit granted by the consolidated banking system has continued to expand, increasing on a twelve-month basis by 4.1 percent in March 2013, up from 2.9 percent in October 2012. In contrast, Business credit granted by the consolidated system has remained constrained; contracting by 3.1 percent in March 2013, compared with growth of 2.1 percent in October 2012. Real estate mortgage lending remained robust throughout fiscal year 2013, up 15 percent in March 2013.

In light of the consequential accumulation of excess liquidity within the financial system, the Central Bank introduced various measures to address the situation including the withdrawal of $200 million from the financial system through the issue of Treasury Bills and Notes and, in May 2013, the issuance of a $1.0 billion Treasury bond.

During the period October 2012 to June 2013, the weighted average selling rate for the United States dollar (US$) depreciated marginally by 0.13 percent to TT$6.4415 per US$ in June 2013 from TT$6.4333 per US$ in October 2012. The weighted average buying rate for the US$ marginally depreciated by 0.34 percent to TT$6.3878 per US$ in June 2013 from TT$6.3662 per US$ in October 2012. On a year-on-year basis from June 2012 to June 2013, the TT dollar depreciated by 0.21 percent from TT$6.3744 to TT$6.3878.

The overall deficit on Central Government Operations for fiscal 2013 is estimated at $6,485.4 million or 4.0 percent of GDP, compared to an overall deficit of 2.3 percent of GDP for fiscal 2012. Total Revenue and Grants is estimated at $52,984.8 million or 32.6 percent of GDP, of which Tax Revenue is expected to be the major component, contributing $45,150.6 million. Capital Revenue, however, is estimated to increase by more than ten-fold over the receipts of fiscal 2012. Total Expenditure and Net Lending is estimated at $59,470.2 million or 36.6 percent of GDP, approximately the same proportion of GDP as fiscal 2012.

The surplus on the Non-Financial Public Sector Operations account contracted by almost 42.0 percent over the period October 2012 to April 2013. The widening operational deficit of $926.7 million on the Public Utilities account hampered the performance over the period.

Net Public Sector Debt stock is expected to increase by 6.9 percent from $69,156.8 million in fiscal 2012 to $73,916.8 million in fiscal 2013. As a percentage of GDP, it is projected to decrease from 45.0 percent in fiscal 2012 to 44.7 percent in fiscal 2013.

The Net Asset Value of the Heritage and Stabilisation Fund (HSF) rose to approximately US$5.0 billion following an injection of US$42.5 million by Central Government in the third quarter of fiscal 2013.

The Balance of Payments account recorded a deficit of US$622.1 million in 2012, a reversal from the surplus of US$752.6 million in 2011. This reversal stemmed from the deterioration in the external current account by 66.9 percent mainly on account of the decline in the merchandise trade surplus. The capital account continued to show signs of improvement as the deficit was narrowed by 26.3 percent.

The Balance of Visible Trade contracted by 4.2 percent over the period October 2012 to June 2013, in comparison with the corresponding period one year earlier, as both imports and exports declined at the same rate.

A surge in exports of mineral fuels was the main driver behind the 250.6 percent rise in the Balance of Trade with CARICOM over the period October 2012 to June 2013, in comparison with the corresponding period the year before. This together with an increase in exports (excluding mineral fuels) and a reduction in the imports (excluding mineral fuels), contributed to this performance.

A total of US$9,200.7 million in Gross Official Reserves or 10.4 months of import cover is estimated to have been held by the Central Bank up to the end of 2012.

THE REAL ECONOMY

Gross Domestic Product
Petroleum
Agriculture
Manufacturing
Services
Prices
Productivity
Population
Labour Force and Employment

GROSS DOMESTIC PRODUCT (GDP)[1]

Trinidad and Tobago's real Gross Domestic Product is expected to grow by 1.6 percent in 2013, a marginal improvement on its estimated 1.2 percent expansion in 2012. This stronger performance reflects an anticipated expansion of 2.5 percent in the non-petroleum sector, supported by positive, albeit flat growth of 0.5 percent in the petroleum sector **(Appendices 1 to 3)**.

The non-petroleum sector is expected to record positive growth for a second consecutive year, accelerating from 1.9 percent in 2012, to 2.5 percent in 2013. This momentum should increase the sector's contribution to overall GDP to 60.2 percent (its largest share since 2005), from 59.7 percent in 2012.

Underlying the performance of the non-petroleum sector is expected growth of 2.6 percent in services, the largest non-petroleum sub-sector. This is a slight improvement over the sub-sector's estimated 2.4 percent growth in 2012. As a consequence, a marginal expansion is expected in the sub-sector's share of GDP, from 50.2 percent in 2012, to 50.7 percent in 2013.

After two years of contractions ending with a 0.4 percent decline in 2012, the manufacturing sub-sector, the second largest non-petroleum sub-sector, is projected to register strong growth of 6.1 percent in 2013. Manufacturing's share of real GDP is accordingly forecasted to rise to 9.2 percent in 2013, from 8.8 percent in 2012. Agriculture, the other non-petroleum sub-sector, is also expected to expand by 5.1 percent in 2013. This is a marked turnaround from its estimated contraction of 4.9 percent in 2012.

1 GDP is quoted in constant (2000) prices unless otherwise stated

The petroleum sector is projected to return to positive growth in 2013, with a marginal expansion of 0.5 percent, following successive contractions of 3.9 percent and 1.0 percent in 2011 and 2012 respectively. Notwithstanding this turnaround, a slight decline is anticipated in the sector's contribution to real GDP, from 40.2 percent in 2012, to 39.7 percent in 2013.

The mildly positive performance in the petroleum sector in 2013 is predicated on the continuation of heightened upstream exploration and development activities, and higher production levels for natural gas, liquefied natural gas and methanol. These should slightly outweigh lower crude oil, condensate, ammonia, and urea output.

Exploration and development activity has increasingly intensified in recent years and this momentum is expected to continue during 2013, with six (6) rigs currently drilling in Trinidad and Tobago, and possibly a seventh rig being introduced before the end of the year. A rise in natural gas production is expected during 2013, as higher production levels were recorded during the first four months of the year. Additionally, the impact of the planned shutdowns in September 2013 is expected to be significantly reduced as a result of successful negotiations between Government and the upstream producers. LNG production is also expected to rise compared to 2012 on account of improved natural gas supplies. In this regard, the industry has already reported strong growth in early 2013.

The petrochemicals industry (Ammonia, Urea, Methanol) is expected to register a mixed but improved performance in 2013 as upstream supply constraints ease. This follows the industry's generally negative performances during the 2010 to 2012 period. The secular decline in crude and condensate production associated with maturing oil fields, and the disposition towards the production of mostly 'dry' natural gas was expected to continue in 2013, even as crude output appears to be stabilising.

PETROLEUM

DRILLING

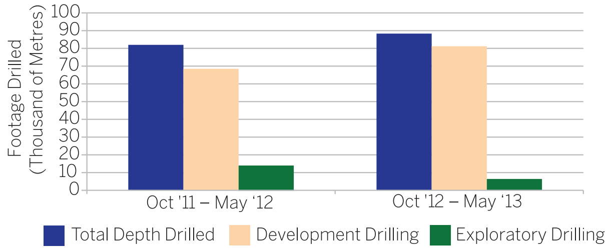
Petroleum companies drilled a total depth of 87.2 thousand metres over the period October 2012 to May 2013. This represented a 5.7 percent increase from the 82.5 thousand metres drilled during the comparative period of fiscal 2011/2012. A 14.5 percent increase in onshore drilling (from 38.8 thousand metres to 44.4 thousand metres), which outweighed a 2.1 percent decline in offshore drilling (from 43.7 thousand metres to 42.8 thousand metres), provided the main impetus for the increase in drilling activity. A total of 64 wells were drilled during the first eight months of fiscal 2012/2013, which was 7.2 percent less than the 69 wells drilled one year earlier. Sixty-two (62) wells were for development (down from 64), and 2 wells were for exploration (down from 5), marking decreases of 3.1 percent, and 60.0 percent, respectively **(Appendix 7)**.

Notwithstanding the marginal decline in the number of development wells, development drilling[2] increased by 16.3 percent to 80.7 thousand metres (from 69.4 thousand metres, one year earlier), in terms of total depth drilled. The sharp decline in the number of exploration wells was however, reflected in the total exploratory drilling[3] depth which declined by 50.2 percent to 6.5 thousand metres (from 13.1 thousand metres) during the period under review **(Figure 1)**.

2 **Development drilling** refers to drilling conducted to determine more precisely the size, grade, and configuration of a mineral deposit, subsequent to when the determination is made that the deposit can be commercially developed. It entails drilling for hydrocarbons in an area with proven reserves to a depth known to have been productive in the past.

3 **Exploratory drilling** refers to drilling conducted in search of an undiscovered reservoir of oil or gas. It involves drilling several test holes to determine the location of mineral deposits, in an area where little subsurface data about those minerals is available.

Figure 1: Development and Exploratory Drilling



Source: Ministry of Energy and Energy Affairs

CRUDE OIL AND CONDENSATE

Production of crude and condensate totalled 19.7 million barrels during the period October 2012 to May 2013, representing a 4.3 percent decline from the 20.6 million barrels produced in the corresponding period one year earlier. This outcome was precipitated by a 25.6 percent decline in condensate production (from 3.9 million barrels to 2.9 million barrels), which outstripped a 0.6 percent expansion in crude production (from 16.7 million barrels to 16.8 million barrels) **(Appendix 7)**. The extraction of drier natural gas from new and existing natural gas reservoirs, accounted in most part for the lower condensate yield during the period.

Offshore crude and condensate production declined by 11.3 percent to 14.0 million barrels during the eight-month review period, whilst onshore production increased by 18.9 percent to 5.7 million barrels. As a consequence, the share of total crude and condensate which is produced onshore rose to 28.7 percent from 23.1 percent, and the share produced offshore fell to 71.3 percent from 76.9 percent.

During the period October 2012 to July 2013, Trinidad and Tobago's oil and gas export products generally benefitted from strong export prices on account of the continued, albeit subdued recovery in global economic growth, and the on-going geopolitical tensions in the Middle East. However, though higher than one year ago, the Henry Hub price for natural gas remained relatively soft, when compared to gas prices in other export markets, owing to the on-going impact of shale gas[4].

The average monthly price per barrel of West Texas Intermediate (WTI) crude oil fluctuated between US$89.49 in October 2012 and US$87.86 in December 2012, before ascending

4 Shale gas refers to natural gas that is trapped within shale formations (fine-grained sedimentary rocks that can be rich sources of petroleum and natural gas). The use of horizontal drilling and hydraulic fracturing in recent years has facilitated access to large volumes of shale gas that were previously uneconomical to produce.

Table 3: Oil and Gas Prices

	2012			2013						
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Crude Oil (Spot Price US$/ Barrel)										
West Texas Intermediate	89.49	86.53	87.86	94.76	95.31	92.94	92.02	94.51	95.77	104.67
European Brent	111.71	109.06	109.49	112.96	116.05	108.47	102.25	102.56	102.92	107.93
Natural Gas (US$/Thousand Cubic Feet) Henry Hub	3.32	3.54	3.34	3.33	3.33	3.81	4.17	4.04	3.83	3.62

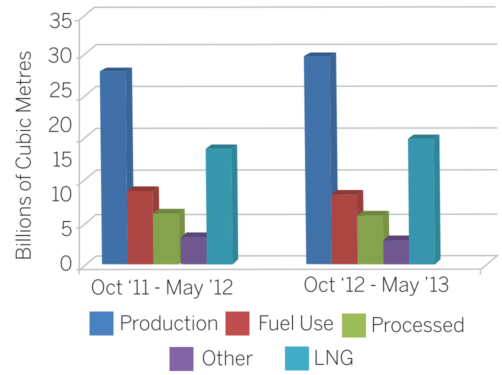
Source: Energy Information Administration (US) to US$95.31 in February 2013. Thereafter, the price softened to US$92.02 per barrel in April, before surging to US$104.67 per barrel in July. Accordingly, the WTI price of a barrel of crude averaged US$93.39 over the first ten months of fiscal 2012/2013, a 2.6 percent contraction from its average of US$95.89 per barrel in the corresponding 2011/2012 period **(Table 3)**.

The average monthly price of a barrel of European Brent crude oil also fluctuated within a narrow band during the first quarter of fiscal 2012/2013, between US$111.71 in October 2012 and US$109.49 in December 2012, and thereafter peaked at US$116.05 in February 2013. The price subsequently fell to US$102.25 per barrel in April and held steady for two months before recovering to US$107.93 per barrel in July. During October 2012 to July 2013, the monthly price of a barrel of European Brent crude oil averaged US$108.34, which was 2.5 percent less that its average of US$111.15, one year earlier. The monthly average price differential between WTI and Brent decreased notably during the review period from US$22.22 in October 2012 to US$3.26 in July 2013. The average price differential for the entire October to July period was $14.95, which is slightly lower than the $15.27 differential recorded one year earlier.

NATURAL GAS

Notwithstanding significant upgrade and maintenance works by the country's two largest natural gas producers, (BPTT and BGTT) in September and October 2012, natural gas production rose to 28,733 million cubic metres during the first eight months of fiscal 2012/2013. This marked a 2.9 percent increase from the 27,923 million cubic metres recorded one year earlier when the impact of the maintenance works undertaken by these companies were more severely felt **(Appendix 8 and Figure 2)**.

Figure 2: Natural Gas Production and Utilisation



Source: Ministry of Energy and Energy Affairs

Approximately 48.0 percent or 13,782 million cubic metres of the total natural gas produced during the October 2012 to May 2013 period, was utilised for the production of liquefied natural gas (LNG). This represented a 7.9 percent increase from the 12,778 million cubic metres utilised one year earlier. Other major uses of natural gas during the period were as a fuel source for industrial plants (7,464 million cubic metres) and as processed gas or feedstock for petrochemical plants (5,103 million cubic metres). These reflect declines of 2.6 percent and 3.7 percent respectively, when compared to the corresponding 2011/2012 period. The amount of natural gas re-injected into reservoirs contracted by 0.6 percent to 1,288 million cubic metres in the current period, whilst natural gas vented into the atmosphere, and that utilised as Natural Gas Liquids, increased by 28.4 percent (to 913 million cubic metres), and 5.9 percent (to 184 million cubic metres), respectively.

The monthly average Henry Hub price of natural gas remained relatively stable during the first five months of fiscal 2012/2013, marginally increasing from US$3.32 per thousand cubic feet in October 2012 to US$3.54 per thousand cubic feet in November, before moderating to US$3.33 per thousand cubic feet in February 2013. Thereafter, the monthly average price rose to a high of US$4.17 per thousand cubic feet in April, before softening to US$3.62 per thousand cubic feet in July. The Henry Hub price averaged US$3.63 per thousand cubic feet for the October 2012 to July 2013 review period, which represented a 34.0 percent increase from the average price of US$2.71 per thousand cubic feet obtained during the comparative 2011/2012 period.

The Ryder Scott audit of non-associated gas reserves for the year ending December 31st 2012, estimated that Trinidad and Tobago's total gas reserves and exploratory resources amounted to 56,851 billion cubic feet. Of this total, proven gas reserves accounted for 13,106 billion cubic feet (or 23.1 percent); probable reserves 6,142 billion cubic feet (or 10.8 percent); possible reserves 5,987 billion cubic feet (or 10.5 percent); and unrisked exploratory resources 31,616 billion cubic feet (or 55.6 percent). During calendar 2012, Trinidad and Tobago is estimated to have produced 1,509 billion cubic feet of natural gas. The country's proved and probable reserves would supply natural gas for approximately 12.8 years, at this rate of production.

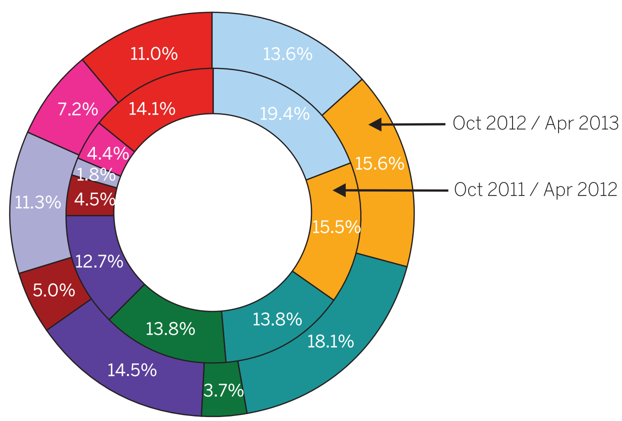
LNG EXPORTS

During the first seven months of fiscal 2012/2013, Trinidad and Tobago exported 435.2 trillion British Thermal Units (BTU) of Liquefied Natural Gas (LNG) to fourteen (14) countries, marking a 6.9 percent increase from the 407.2 trillion BTU exported one year earlier **(Appendix 8)**.

The growing abundance of domestic gas supplies in the US and consequent unattractive Henry Hub prices over the past few years, have given momentum to Trinidad and Tobago's use of the international spot market to earn higher natural gas prices in Latin America, Europe and Asia. In this regard, for the first time since Trinidad and Tobago began exporting LNG, the United States has been replaced as this country's leading LNG export destination, falling to fourth place.

Trinidad and Tobago's leading LNG export destinations during the October 2012 to April 2013 review period were Chile, Argentina, and Spain. These accounted for 18.1 percent, 15.6 percent, and 14.5 percent respectively, of total LNG exports. This marked an improvement from their respective shares of 13.8 percent, 15.5 percent and 12.7 percent in the corresponding 2011/2012 period. Over the same period, the share of LNG exports to the United States fell to 13.6 percent from 19.4 percent. Other LNG export destinations during the review period included Brazil (11.3 percent); Puerto Rico (7.2 percent); and the Dominican Republic (5.0 percent) **(Figure 3)**.

Figure 3: Exports of LNG by Destination



Source: Ministry of Energy and Energy Affairs

PETROCHEMICALS (AMMONIA, UREA AND METHANOL)

During the period October 2012 to May 2013, production and export levels of ammonia and methanol declined in comparison with the similar period one year earlier. These declines outweighed increases in the levels of production and exports of urea.

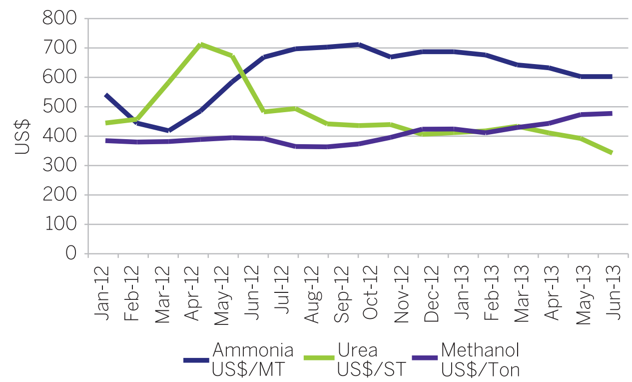
Production of ammonia fell by 9.4 percent to 2,683.7 thousand tonnes, from 2,962.0 thousand tonnes in the corresponding 2011/2012 period. Output was significantly hindered by gas supply limitations in late 2012, and plant shutdowns in both 2012 and 2013. Ammonia exports also contracted during the review period, falling by 3.5 percent from 2,656.0 thousand tonnes to 2,562.0 thousand tonnes.

Methanol production was likewise affected by plant outages and natural gas supply limitations, particularly in October and November 2012. These setbacks outweighed production gains in the 2013 period. As a result, methanol production declined by 1.1 percent, from 3,192.7 thousand tonnes during October 2011 to May 2012, to 3,158.4 thousand tonnes in the current period. Methanol exports also declined by 1.2 percent to 3,138.0 thousand tonnes, from 3,174.5 thousand tonnes.

In contrast, the production of urea rose by 13.1 percent during the eight-month period, from 292.0 thousand tonnes to 330.1 thousand tonnes. Total urea exports also increased, but at a lower rate of 2.7 percent, from 296.5 thousand tonnes to 304.5 thousand tonnes.

Sharply higher export prices were recorded for ammonia and methanol during the October 2012 to May 2013 period, when compared to the corresponding 2011/2012 fiscal period. The urea price however underwent a more extreme reversal. The monthly average Tampa US Gulf Spot Price for ammonia increased from US$667.00 per metric tonne in October 2012 to peak at US$685.00 per metric tonne during November and December, before softening steadily thereafter to US$600.00 per metric tonne in May 2013 **(Figure 4)**. This resulted in an average Tampa US Gulf Spot price of US$647.59 per metric tonne for the fiscal 2012/2013 period, which was 17.0 percent higher than the average of US$553.69 per metric tonne recorded over the same period one year earlier.

Figure 4: Petrochemical Prices (Ammonia, Urea and Methanol)



Source: Ministry of Energy and Energy Affairs

The monthly average US Gulf Barge Spot price of methanol trended upwards for most of the October 2012 to May 2013 period, increasing from US$392.00 per tonne in October 2012, to US$421.00 per tonne in December 2012, before declining to US$408.00 per tonne one month later. Thereafter the price rose steadily to US$474.00 per tonne in May 2013, facilitating an average US Gulf Barge Spot price of US$431.38 per tonne over the eight-month period. This marked a 13.2 percent increase from the period average of US$381.13 per tonne during the first eight months of fiscal 2012.

The monthly average US Gulf Granular Spot price for urea fluctuated during the review period, declining from US$436.20 per tonne in October 2012 to US$402.75 per tonne in November 2012, before rebounding to US$430.00 per tonne in February 2013. Thereafter the price declined sharply to US$338.75 per tonne in May 2013. This yielded an average US Gulf Granular Spot price for urea of US$403.30 per tonne during the review period, 25.4 percent lower than the previous period average of US$540.61 per tonne.

AGRICULTURE

OVERVIEW

The agricultural sector is expected to register a strong performance in calendar 2013 with growth of 5.1 percent. This follows on contractions of 0.1 percent and 4.9 percent in 2011 and 2012 respectively. The sector is expected to be boosted in 2013 by output from large commercial farms as Government seeks to both reduce the nation's food import bill and also generate surplus produce for export. In this regard, reports have already surfaced that the entry of output from the large farms onto the local market is serving to drive down prices for several crops below some farmers' costs of production. Notwithstanding the improved outlook for 2013, the contribution of the agricultural sector to real GDP is expected to remain unchanged at 0.7 percent for a fourth successive year.

Overall, the performance of the domestic agricultural sector was relatively mixed during the October 2012 to March 2013 period. Whilst favourable weather conditions and increases in acreage under cultivation benefited some commodities; competition from imports, labour shortages and rising costs of inputs constrained the sector. The Ministry of Food Production has reported increases in output for cassava, yams, sweet potato, melongene, pumpkin, cucumbers, water melon, ochroes, oranges, grapefruit, pineapples, paw paw, broilers, dairy, and honey. Declines in production were however reported for dasheen, eddoes, cabbage, lettuce, cauliflower, tomatoes, dasheen bush, sweet peppers, hot peppers, bodi, and paddy.

DOMESTIC AGRICULTURE

Root Crops

Cassava production increased by 15.2 percent to 239,032 kilogrammes in the October 2012 to March 2013 period, from 207,436 kilogrammes during October 2011 to March 2012. This increase was due to additional acreages under cassava cultivation and favourable weather conditions. Yam production rose by 57.2 percent to 36,580 kilogrammes, from 23,266 kilogrammes, on account of favourable weather conditions and improved planting material. Sweet potato production also rose more sharply, by 58.7 percent to 632,060 kilogrammes, in the 2012/2013 period, from 398,188 kilogrammes one year earlier. This was on account of increased sweet potato acreage under cultivation due to greater emphasis being placed on supplying sweet potatoes for the local food processing industry.

In contrast, the production of dasheen fell by 15.0 percent to 149,834 kilogrammes from 176,369 kilogrammes in the 2011/2012 period, as many farmers chose to devote more acreage to dasheen bush rather than dasheen. Likewise, eddoes production declined by 30.7 percent from 35,756 kilogrammes to 24,764 kilogrammes due to unfavourable weather conditions.

Vegetable Production

The performance of the vegetables sub-sector was mixed. Increases in production were recorded for a number of crops including: melongene (27.2 percent), pumpkin (15.8 percent), cucumber (13.9 percent), water melon (25.4 percent) and ochroes (24.5 percent). Declines in production however occurred for: cabbage (17.2 percent), lettuce (24.6 percent), cauliflower (3.9 percent), tomatoes (19.0 percent), sweet pepper (12.5 percent), hot peppers (23.5 percent) and bodi (14.1 percent).

Paddy Production

Rice production decreased by 25.0 percent to 1,500 metric tonnes during the October 2012 to March 2013 period, from 2,000 metric tonnes in the corresponding 2011/2012 period. This reflected lower rice yields due to adverse weather conditions and disease, which outweighed an expansion in acreage under paddy production through the Commercial Large Farm Programme.

Other Crops

Citrus

The number of oranges available at the National Agricultural Marketing and Development Corporation's (NAMDEVCO) Northern Wholesale Market increased by 127.5 percent during October 2012 to March 2013 to 1,240,600 oranges, from 545,200 oranges in the corresponding period one year earlier. Grapefruit production also rose sharply, by 47.1 percent, from 111,400 grapefruits to 163,900 grapefruits on account of favourable weather conditions and increased yields achieved through the use of improved agronomic practices by farmers.

Pineapple

Pineapple production rose by 24.5 percent to 249,528 kilogrammes during the 2012/2013 period, from 200,421 kilogrammes in the 2011/2012 period. The improved performance has been attributed to favourable weather conditions, the adoption of good agricultural practices, and the introduction of a bio-stimulant programme which has improved both yields and harvesting times.

Paw Paw

Paw paw production rose by 5.9 percent from 110,976 kilogrammes to 117, 559 kilogrammes in the period under review, due to favourable weather conditions.

Livestock and Dairy Products

Poultry

Broiler production increased by 92.4 percent to 33.3 million kilogrammes in 2012/2013, from 17.3 million kilogrammes one year earlier. The local poultry industry continued to face increased competition from imported chicken. This is largely due to the removal of the import surcharge in 2007, and the removal of the Common External Tariff on certain poultry products, including backs, necks and wings in 2006. However, in March 2013, Government agreed to reintroduce the import surcharge at a rate of 15 percent on imported chicken. This measure is expected to impact positively on the poultry sub-sector.

Dairy Cow (Milk)

Dairy milk production increased by 7.1 percent to 1.5 million litres in the 2012/2013 period from 1.4 million litres in the corresponding 2011/2012 period.

Apiculture (Bees)

Honey production increased by 36.4 percent over the review period to 60,000 litres from 44,000 litres. Favourable weather conditions contributed to the increase. Notwithstanding, the sub-sector encountered a number of challenges, including high cost of imported inputs, praedial larceny and insufficient land for foraging.

MANUFACTURING

OVERVIEW

Trinidad and Tobago's manufacturing sector is projected to grow in real terms by 6.1 percent during 2013, marking a turnaround on the estimated 0.4 percent contraction recorded during 2012 **(Appendix 2)**. This strong growth was driven by a recovery in cement production in 2013 following a sharp fall in production in 2012. In light of the recovery, the manufacturing sector is expected to increase its share of real GDP from 8.8 percent in 2012, to 9.2 percent in 2013.

The manufacturing sub-sectors are projected to record mixed performances during 2013.

In chemicals and non-metallic minerals, the second largest manufacturing sub-sector, growth is expected to rise sharply to 15.3 percent in 2013, following a contraction of 0.2 percent in 2012. This strong growth expectation is based primarily on a recovery in the production of cement and concrete products, such as blocks and bricks. Growth is also projected for the wood and related products sub-sector, though at a much reduced level of 3.1 percent, compared to the 29.0 percent rate one year earlier.

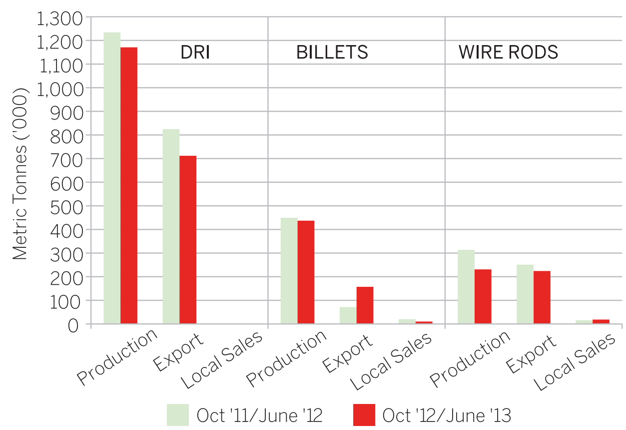
With the exception of a flat performance in miscellaneous manufacturing (0.04 percent), declines are expected in the remaining manufacturing sub-sectors. The sharpest contraction (4.2 percent) is anticipated in assembly type and related industries, the third largest manufacturing sub-sector, on account of an anticipated fall in the production of iron and steel products. This is nonetheless an improvement on the sub-sector's estimated 8.1 percent contraction in 2012.

Food, beverages and tobacco, the largest manufacturing sub-sector, is expected to record a marginal decline of 0.4 percent in 2013, following an estimated expansion of 1.5 percent one year earlier. A slightly larger contraction of 1.4 percent is also projected for the printing, publishing etc. sub-sector.

IRON AND STEEL

Over the period October 2012 to June 2013, iron and steel production declined by 7.6 percent, which was a further weakening from the 0.8 percent decline recorded one year earlier. The most significant decline was related to the production of wire rods which fell by 20.6 percent, from 300.2 thousand metric tonnes to 238.4 thousand metric tonnes. More moderate declines were experienced in respect of the production of direct reduced iron (DRI) which fell by 6.5 percent, from 1,252.7 thousand metric tonnes to 1,170.8 thousand metric tonnes, and the production of billets, which fell by 2.1 percent from 458.1 thousand metric tonnes to 448.7 thousand metric tonnes **(Appendix 10 and Figure 5)**.

Figure 5: Production, Exports and Local Sales of Iron and Steel



Source: ArcelorMittal Point Lisas Ltd.

Overall, iron and steel exports declined by 5.2 percent during the October to June period, from 1,171.0 thousand metric tonnes to 1,110.5 thousand metric tonnes, notwithstanding an 88.6 percent increase in exports of billets from 85.9 thosand metric tonnes to 161.9 thousand metric tonnes. The robust export performance of billets was outweighed by declines in export sales for both DRI and wire rods of 12.8 percent and 11.8 percent respectively. The decline in export volumes was exacerbated by falling prices for both DRI and wire rods.

The three-month contract price per tonne for DRI exports which averaged US$345.00 for the first six months of fiscal 2013 was 2.4 percent below the average price of US$353.47 obtained during the corresponding period of fiscal 2012.

The price of wire rods declined from US$620.00 per tonne in October 2012 to US$600.00 per tonne in December, trended upwards over the next four months and thereafter, it peaked at US$615.00 per tonne in March 2013, before easing to US$586.25 per tonne in June. In the case of billets, the export price rose from

US$510.00 per tonne in December 2012 to a high of US$540.00 per tonne in February 2013, before returning to its original level of US$510.00 per tonne in June.

Local sales of steel products fell by 6.1 percent, from 47.8 thousand metric tonnes to 44.8 thousand metric tonnes, as sales of billets fell by 10.2 percent from 29.2 thousand metric tonnes to 26.2 thousand metric tonnes. The marginal increase of 0.2 percent in local sales of wire rods from 18.60 thousand metric tonnes to 18.64 thousand metric tonnes was insufficient to compensate for the decline in the sale of billets.

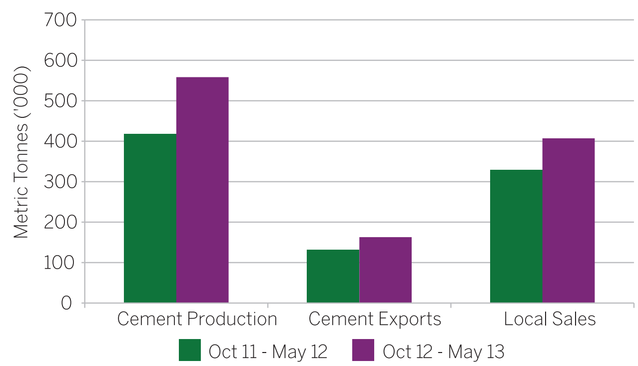
CEMENT

The cement industry registered strong growth during the first eight months of fiscal 2013, having fully recovered from the effects of the industrial dispute at Trinidad Cement Limited by January 2013. The production of cement rose sharply by 38.3 percent to 568.3 thousand metric tonnes during the October 2012 to May 2013 period, from 411.0 thousand metric tonnes in the similar previous fiscal period. The increase in production was achieved during the period January to May 2013, as total production rose by 177.4 thousand metric tonnes or 96.9 percent, year-on-year, following a decline by 20.1 thousand metric tonnes or 8.8 percent in the October to December 2012 period.

Total cement sales increased by 24.8 percent during the first eight months of fiscal 2013, to 569.1 thousand metric tonnes, from 455.8 thousand metric tonnes one year earlier, in correlation with the recovery of production levels. Domestic sales increased by 25.7 percent, from 322.4 thousand metric tonnes to 405.1 thousand metric tonnes. Similarly, cement exports to markets in the Caribbean and Latin America increased by 22.9 percent to 164.0 thousand metric tonnes in the 2012/2013 period, from 133.4 thousand metric tonnes one year earlier. This expansion in exports was however insufficient to match the increase in sales to the domestic market. As a consequence, the share of export sales to total sales declined marginally to 28.8 percent during the fiscal 2013 period, from 29.3 percent in the corresponding period of fiscal 2012. The share of local sales accordingly rose to 71.2 percent from 70.7 percent.

The price of cement fluctuated noticeably from the end of fiscal 2012 into the first half of fiscal 2013, falling significantly (by 27.7 percent) from $67.54 per bag in the fourth quarter of fiscal 2012 to $48.86 per bag in the first quarter of fiscal 2013. Subsequently, the price of cement rose by 16.9 percent to $57.12 per bag in the second quarter.

Figure 6: Cement Production, Export and Local Sales



Source: Trinidad Cement Limited

SERVICES

OVERVIEW

The services sector is projected to grow in real terms by 2.6 percent in 2013, up slightly from 2012 when the sector expanded by an estimated 2.4 percent. This performance reflects positive growth projections for all services sub-sectors. The strongest growth (5.3 percent) is expected in the largest services sub-sector, finance, insurance, and real estate etc. primarily on account of an expansion in banking activities. This is however lower than the sub-sector's estimated 6.1 percent growth in 2012. Moderate growth of 3.0 percent is also expected in the construction and quarrying, and the electricity and water sub-sectors.

Transport, storage and communication, the third largest services sub-sector, is projected to grow by 1.4 percent in 2013, the same as in 2012. The second major services sub-sector, distribution and restaurants, is expected to expand by 1.2 percent in 2013, which is marginally lower than in 2012 (1.4 percent). Growth of 1.1 percent is also anticipated in the Government sub-sector.

CONSTRUCTION

With the normalisation of cement production at the start of the year and the consequent greater availability of cement on the local market, higher levels of economic activity have been reported in the construction and quarrying sub-sector in 2013, as evidenced by increased production of aggregates and cement products. The sub-sector's growth is expected to be constrained however by lower than planned capital expenditure. The reduced stimulus effect of the fiscal injection may however, be strengthened by planned private expenditure on a few new large private sector projects which may gain momentum during the latter part of 2013.

The Construction and Quarrying sub-sector, as a result, is expected to register its first year of real growth since 2008, with an expansion of 3.0 percent in 2013, following a decline of 2.0 percent in 2012. Consequently, the sub-sector's contribution to real GDP is projected to rise slightly to 5.1 percent, from 5.0 percent in 2012.

TOURISM

The total number of persons visiting Trinidad and Tobago by air and cruise grew moderately between 2008 and 2012, from 481,784 persons to 503,958 persons, a rise of 4.6 percent. The largest increase in arrivals occurred in 2012, when the number of passengers landing grew by 2.6 percent from 491,278 persons in 2011. The positive 2012 outturn reflected an increase in air arrivals, which was partially offset by a decline in cruise arrivals.

Airline Arrivals

According to the latest data from the Immigration Division, Trinidad and Tobago received approximately 454,683 air passengers in 2012. This represented a 5.5 percent increase from the 430,922 passengers which arrived by air in 2011. A comparison with historical Central Statistical Office (CSO) data indicates that airline arrivals had steadily risen between 2010 and 2012, with the largest increase occurring in 2011 (12.0 percent).

Air arrivals are expected to continue its upward trajectory during 2013 as several new airlift agreements with foreign airlines and tour operators, take effect. In November 2012, the Canadian airline, WestJet, launched a daily non-stop service between Toronto and Port-of-Spain. Scandinavian based tour operator, Kuoni/Apollo, is also scheduled to provide a weekly winter air service from Scandinavia to Tobago, during the December 2013 to April 2014 period.

Cruise Ship Arrivals

A total of 69 cruise ships moored in Trinidad and Tobago in 2012, a 16.9 percent increase from the 59 cruise ships which harboured in the previous year. Notwithstanding, the number of cruise passengers fell by 18.4 percent to 49,275 persons in 2012 from 60,356 persons in 2011. This decline reflected a 29.5 percent drop in the number of cruise passengers visiting Tobago to 31,530 persons in 2012, which outweighed a 13.4 percent rise in the number of cruise passengers visiting Trinidad (17,745 persons).

During the four-month period to April 2013, a total of 25 cruise ships docked in Trinidad and Tobago. This reflected a 46.8 percent decline, or

22 fewer vessels from the corresponding period one year earlier. Trinidad received 11 vessels in the four-month period to April 2013, half the number of ships received in the corresponding period of 2012, whilst Tobago received 14 vessels, which were 11 fewer than the equivalent 2012 period. Trinidad and Tobago received 28,871 cruise ship passengers during the period under review, 6.6 percent less than the 30,927 passengers arriving during the first four months of 2012. Trinidad recorded a 7.1 percent increase to 11,480 persons; whilst Tobago recorded a 13.9 percent decrease to 17,391 persons.

Yachting Arrivals

The number of yachts visiting Trinidad and Tobago increased for a third consecutive year to 1,471 vessels in 2012, a 15.7 percent increase from the 1,271 vessels which anchored in 2011. The greatest number of yachts arrived in April 2012 (184 vessels), which was 44.9 percent higher than the year before. October, however, registered the lowest number of yacht arrivals (60 vessels), a decline of 32.6 percent from the previous year.

Approximately 551 yachts visited Trinidad and Tobago during the first four months of 2013, representing a 6.8 percent decline over the comparative 2012 period. Of these, Trinidad received 393 vessels whilst Tobago received 158 vessels.

PRICES

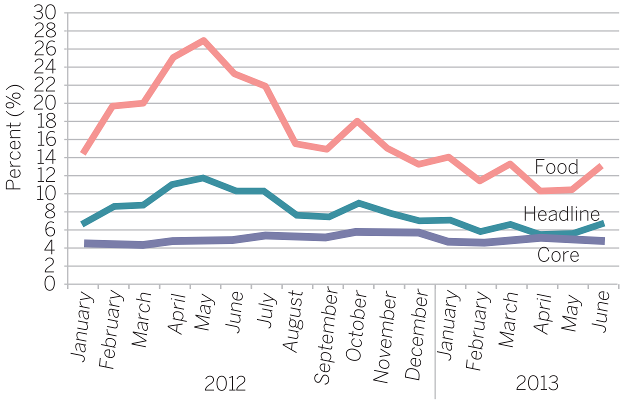
On a year-on-year basis, headline inflation remained at a relatively moderate level during the first six months of 2013. After registering at 7.3 percent in January, the rise in the general price level slowed to a 16-month low of 5.5 percent in April, before increasing to 6.8 percent in June **(Figure 7)**. This outcome paralleled similar price movements in Food and Non-Alcoholic Beverages, for which inflation eased from 13.8 percent in January, to 12.6 percent in June. Core inflation remained relatively stable over the six month period, ending at 2.2 percent in June. The moderate inflationary outturn in 2013 for headline inflation reflected the general downward trend which followed the 30-month high of 12.6 percent recorded in May 2012.

On a calendar year-to-date basis, the general price level (headline) increased during the first half of 2013 by 5.4 percent, slightly below the 5.7 percent rise recorded in the corresponding 2012 period **(Appendix 11)**. A deceleration in inflation for non-food items (core) to 0.4 percent, down from 1.3 percent one year earlier was largely responsible for this outcome. The deceleration in core inflation reflected price declines for Housing (-0.5 percent); and slower price increases for Transport (0.2 percent); and Recreation and Culture (0.9 percent). During the six-month period, food prices increased by 11.8 percent, compared to the 11.9 percent increase for the corresponding period of the previous year. This reflected the dominance of lower inflation rates for Vegetables (17.9 percent); Meat (0.3 percent); Oils and Fats (1.4 percent); Bread and Cereals (0.3 percent); and Milk, Cheese and Eggs (0.4 percent), over higher inflation rates for Fruit (21.9 percent); Salt and Spices (5.7 percent); and Fish (1.0 percent).

During 2012, the annual average rate of headline inflation nearly doubled from 5.1 percent in 2011 to 9.2 percent largely as a result of Food, Transportation, and Housing. During the twelve month period, Transport prices rose by 1.9 percent (from 0.8 percent in 2011), Housing prices by 2.4 percent (from 1.4 percent in 2011), and Food and Non-Alcoholic Beverages' prices by 19.1 percent (from 10.5 percent in 2011) **(Appendix 11)**.

Headline inflation fluctuated significantly during 2012, climbing from 6.8 percent in January (year-on-year) to a 17-month high of 12.6 percent in May, before receding to 7.2 percent in December **(Figure 7)**. Higher prices for Transport (moving

Figure 7: Prices – Percentage Change (Year-on-Year)



Source: Central Statistical Office

from 0.6 percent to 2.1 percent); Recreation and Culture (from 0.6 percent to 2.6 percent); and Food and Non-Alcoholic Beverages (from 14.0 percent to 28.3 percent) were the main contributors to the spike in inflation during the period January to May. The deceleration in inflation in the June to December period was primarily on account of lower rates of inflation for Housing (falling from 2.6 percent in May, to 1.5 percent in December) and Food and Non-Alcoholic Beverages (from 28.3 percent in May, to 12.7 percent in December).

The volatility of Food inflation experienced during the 2012 period, was primarily on account of large variations in the monthly price movements for Fruit (from 41.4 percent in May, to -2.8 percent in December); Vegetables (from 7.5 percent in January, to 45.2 percent in May, and thereafter easing to 26.8 percent in December); and Breads and Cereals (decelerating from 4.5 percent in June, to 0.7 percent in December).

The annual average rate of core inflation accelerated from 1.7 percent in 2011 to 2.5 percent in 2012 as a result of the uptick in prices for Housing and Transport. However, during the twelve-month period of 2012, price increases for Recreation and Culture, Transport, and Health were the main contributors to core inflation trending upwards from 1.8 percent in January (year-on-year) to 3.1 percent in December.

PRODUCTIVITY

The productivity of all workers in all industries, as measured by the All Items Productivity Index, fell by 6.3 percent during fiscal 2012, in contrast to the 7.4 percent increase recorded in fiscal 2011.

In year-on-year terms, the productivity of all workers in all industries decreased by 4.9 percent in the fourth quarter of fiscal 2012, compared to the 3.3 percent (year-on-year) increase in productivity reported in the fourth quarter of fiscal 2011. Declining productivity in: Water (-28.4 percent); Electricity (-22.1 percent); Exploration and Production of Oil and Natural Gas (-17.8 percent); Petrochemicals (-13.8 percent); Oil and Natural Gas Refining (-9.8 percent); Food Processing (-5.5 percent); Textiles, Garments and Footwear (-3.2 percent); Printing, Publishing and Paper Converters (-2.5 percent); and Wood and Related Products (-1.7 percent) all contributed to the overall weakening in productivity during fiscal 2012. Notwithstanding, gains in productivity were experienced in: Chemicals (17.4 percent); Miscellaneous Manufacturing (15.2 percent); Assembly Type and Related Products (13.8 percent); and Drink and Tobacco (2.6 percent). Overall, productivity in the non-energy sector fell by 2.3 percent (year-on-year) in the fourth quarter, compared to an 8.8 percent productivity gain reported for the similar period one year earlier.

The productivity of all workers in all industries rose by 2.5 percent during the first quarter of fiscal 2013, a marked improvement when compared to the 8.7 percent decline which was recorded in the first quarter of fiscal 2012. Productivity increases were registered in most industries including: Assembly Type and Related Products (40.4 percent); Food Processing (33.9 percent);

Miscellaneous Manufacturing (12.2 percent); Water (6.9 percent); Printing, Publishing and Paper Converters (5.7 percent); Drink and Tobacco (3.3 percent); and Petrochemicals (0.5 percent). In contrast, productivity levels fell in: Oil and Natural Gas Refining (-49.0 percent); Chemicals (-15.9 percent); Exploration and Production of Oil and Natural Gas (-14.1 percent); Textiles, Garments and Footwear (-10.4 percent); Electricity (-2.9 percent); and Wood and Related Products (-0.4 percent). In terms of the overall non-energy sector, productivity levels increased by 10.5 percent in the first quarter of fiscal 2013, a marked reversal of the 4.1 percent decline experienced in the first quarter of fiscal 2012.

POPULATION

Based on the results of its 2011 Population and Housing Census, the Central Statistical Office projects that the population of Trinidad and Tobago will grow by 0.4 percent in 2013 to 1,340,557 persons, from 1,335,194 persons in 2012. The country's provisional birth rate is projected to decrease from 14.83 births per thousand persons in 2012 to 13.98 births per thousand persons in 2013, whereas its provisional death rate is projected to increase to 7.74 deaths per thousand persons in 2013 from 7.21 deaths per thousand persons in 2012 **(Appendix 12)**.

Young persons aged 24 years or less account for 36.6 percent of Trinidad and Tobago's population, whilst those aged 60 years or more represent 13.4 percent of the population. Exactly half of the population are aged between 25 and 59 years **(Appendix 13)**. The composition of the population by gender remains stable, with males accounting for 50.2 percent (672,596 persons), and females 49.8 percent (667,961 persons) **(Appendix 12)**.

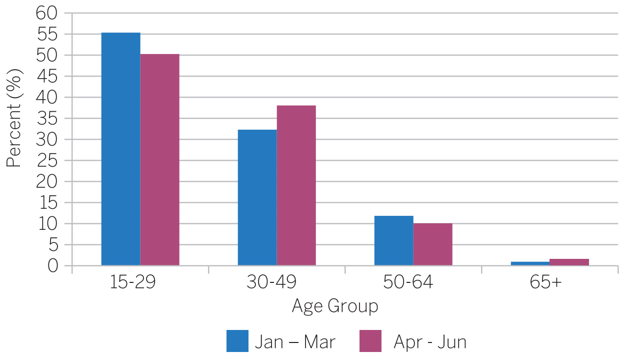
LABOUR FORCE AND EMPLOYMENT

UNEMPLOYMENT

Trinidad and Tobago's unemployment rate stood at 4.9 percent in the third quarter of fiscal 2012, down from the 5.4 percent rate recorded in the second quarter **(Appendix 14)**. This represented a decline in the number of unemployed persons from 33,800 to 30,500 during the review period. Most industries recorded unemployment rates below the national average, namely: Other Mining and Quarrying (0.0 percent); Finance, Insurance, Real Estate and Business Services (1.9 percent); Transport, Storage and Communication (2.4 percent); Other Agriculture, Forestry, Hunting and Fishing (3.5 percent); Other Manufacturing (3.7 percent); Electricity and Water (4.5 percent); Wholesale and Retail Trade, Restaurants and Hotels (4.7 percent); and Community, Social and Personal Services (4.8 percent). In contrast, the highest unemployment rates were recorded in: Construction (8.7 percent); and Petroleum and Gas (5.6 percent).

During the third quarter of fiscal 2012 approximately 49.8 percent of the unemployed were young persons aged 15 to 29 years. This was notably lower than the 55.3 percent share recorded by this age group in the previous quarter. On the other hand, the proportion of unemployed persons aged 30 to 49 years rose from 32.8 percent to 38.7 percent over the review period, whilst the share of unemployed persons aged 50 to 64 years fell from 11.5 percent to 9.8 percent **(Figure 8)**.

Figure 8: Distribution of Unemployed Persons by Age Group (2012)



Source: Central Statistical Office

In terms of gender, unemployment among males decreased from 4.6 percent in the second quarter of fiscal 2012, to 4.2 percent in the third quarter of fiscal 2012. Similarly, unemployment among females decreased from 6.6 percent to 5.8 percent during the review period.

LABOUR FORCE / JOB CREATION

The number of employed persons increased to 596,800 in the third quarter of fiscal 2012 from 589,600 in the previous quarter. Likewise, the total labour force expanded during the third quarter to 627,300 persons from 623,500 persons. The participation rate[5] remained unchanged at 61.8 percent during the six-month period to June 2012 **(Appendix 12)**.

The number of persons with jobs increased in the third quarter of fiscal 2012 due to higher employment levels across a wide cross-section of the country's industries, namely: Community, Social and Personal Services (6,800 persons); Transport, Storage and Communication (3,800 persons); Electricity and Water (600 persons); Construction (500 persons); and Other Mining and Quarrying (200 persons). However, employment levels fell in: Other Agriculture, Forestry, Hunting and Fishing (2,700 persons); Finance, Insurance, Real Estate and Business Services (1,900 persons); Petroleum and Gas (1,200 persons); Wholesale and Retail Trade, Restaurants and Hotels (300 persons); and Other Manufacturing (excluding sugar and oil) (300 persons).

Males accounted for approximately 58.3 percent (348,100 persons) of all persons with jobs during the third quarter of fiscal 2012, whilst females accounted for 41.7 percent (248,700 persons). Females continued to be employed primarily in Community, Social and Personal Services (114,000 persons); Wholesale and Retail Trade, Restaurants and Hotels (62,600 persons); Finance, Insurance, Real Estate and Business Services (27,900 persons); Construction (13,100 persons); and Other Manufacturing (excluding sugar and oil) (12,200 persons).

5 The participation rate is the proportion of the non-institutional population, aged 15 years and over that is part of (or 'participates' in) the labour force.

CENTRAL GOVERNMENT OPERATIONS

Overview
Revenue
Expenditure
Financing
Public Debt and Debt Service
Trinidad and Tobago Credit Ratings

OVERVIEW

The budget for fiscal 2013 was initially predicated on an oil price of US$80.00 per barrel of crude and a natural gas price of US$2.75 per metric cubic feet (mcf). On this basis, Total Revenue and Grants was estimated at $50,736.2 million, representing 30.4 percent of GDP, of which tax revenues was expected to contribute 88.0 percent. With Total Expenditure estimated at $58,405.5 million or 35.0 percent of GDP, the anticipated deficit amounted to $7,669.3 million or 4.6 percent of GDP.

The budget execution plan envisaged a deficit of $7,043.1 million at the end of the first six (6) months. However, with actual revenue being $801.3 million higher than anticipated and actual expenditure being $4,483.1 million less than expected, the actual deficit realised amounted to $1,758.7 million. This represented a 75.0 percent performance variation on the fiscal balance.

In comparison, budget execution in the first half of 2012 was predominantly coloured by a 23 percent underperformance of total expenditure resulting in a surplus of $2,811.8 million compared to a deficit of $791.9 as had been originally programmed.

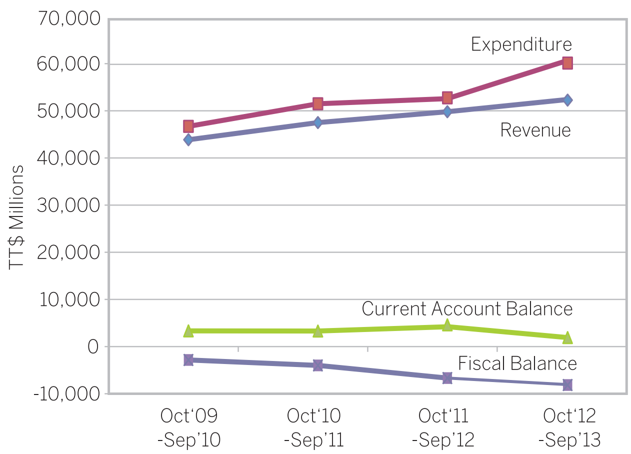
The revised budget for the second half of 2013, based on an adjusted oil price of $85 per barrel of crude oil while the gas price remained unchanged, envisaged a 5.4 percent increase in total expenditure together with a 3.1 percent revenue increase resulting in an adjusted deficit of 5.5 percent of GDP.

Based on performance to date, the overall implementation outcome for fiscal 2013 envisages Total Revenue and Grants of $52,984.8 and Total Expenditure amounting $59,470.2 million resulting in an expected deficit of $6,485.4 million or 4.0 percent of GDP[1].

The Heritage and Stabilisation Fund (HSF) Net Asset Value stood at US$4.7 billion at September 30th 2012. During fiscal 2013, US$42.5 million was transferred to the Fund bringing the Net Asset Value of the Fund as at July 30th 2013 to approximately US$ 5.0 billion.

1 Fiscal GDP for 2013 is estimated at $162,288.5 Million

Figure 9: Central Government Fiscal Operations



Source: Ministry of Finance and the Economy

REVENUE

At the end of fiscal 2013, Total Revenue and Grants in the amount of $52,984.8 million exceeded budgetary estimates by $3,706.9 million and was $3,706.9 million in excess of revenue receipts for fiscal 2012. Favourable variances in Taxes on Income and Profits of $1,030.6 million and in Taxes on Goods and Services of $335.5 million were the main contributors to the stronger than anticipated revenue performance for 2013.

Taxes on Income and Profits

In 2013, collections from Taxes on Income and Profits which amounted to $34,108.9 million surpassed receipts from 2012 by $1,030.6 million primarily as a result of higher than budgeted receipts from Companies and Individuals. Actual receipts from Companies exceeded the original budgeted sum of $24,429.2 million by $858.7 million and outperformed collections from 2012 by $814.6 million. This superior performance in 2013 was due mainly to an increase in the number of companies paying corporation tax as well as from the inclusion of receipts that had been previously classified as Business Levy. Actual receipts from Individuals surpassed the original budgeted sum of $5,806.7 million and exceeded 2012 collections by $667.3 million. This performance was mainly associated with rising employment and the settlement of collective agreements across the Energy, Government, Finance, Distribution and Transport sectors. Receipts from Business Levy, Unemployment Levy Withholding Tax and Green Fund all fell marginally short of budgetary expectations.

Taxes on Goods and Services

Receipts from Taxes on Goods and Services are expected to amount to $8,261.1 million in 2013 exceeding the originally budgeted estimate by $49.5 million. This can be attributed to a stronger than anticipated collection performances by Motor Vehicle Taxes and Duties associated with higher than anticipated sales of new and used foreign-used vehicles and increased payments for inspection fees and driving permits. Taxes on Goods and Services for 2013 is expected to yield $335.5 million more than realised for 2012 based on stronger collections of Value Added Tax associated with stronger economic activity. Additionally, Betting and Entertainment and Other Taxes on Goods and Services are both estimated to perform better than last fiscal year's outturn by $12.8 million and $36.6 million respectively. The increases in these revenue categories are mitigated by declines in collections in excise duties which at $701.9 million is $23.4 million lower than the fiscal 2012 outturn of $725.3 million. This decline is associated with lower production mainly in rum, spirit, oil and cigarettes. Motor Vehicle Taxes and Duties are also anticipated to decline by $21.7 million from its 2012 outturn to $502.6 million by the end of this fiscal year on account of the introduction of the five (5) year driving permit. Receipts from Liquor and Miscellaneous Licenses and Alcohol and Tobacco Taxes in 2013 are both expected to be marginally less than realised in the last fiscal year.

Taxes on International Trade

Receipts from Taxes on International Trade for 2013 are estimated at $2,496.9 million, consisting entirely of Import Duties, representing an increase of 7.7 percent over fiscal 2012. Other Taxes, consisting exclusively of stamp duties, is expected to yield revenue amounting to $244.1 million in 2013, which is $29.9 million higher than the previous fiscal year's total.

Taxes on Property

Taxes on Property continue to contribute minimally to revenue since fiscal 2010 as no legislation has since been put in place to resume Land and Building Taxes' collections. The expected outturn for fiscal 2013 of $39.6 million is $8.3 million higher than for 2012.

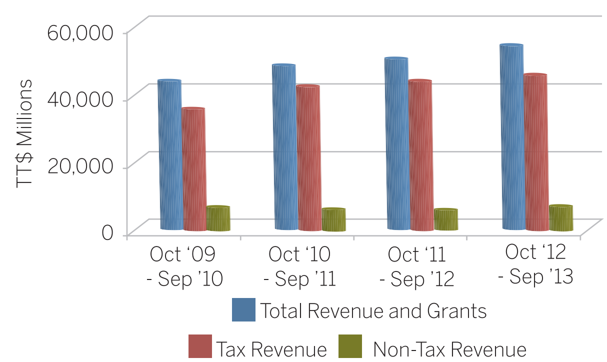
Capital Receipts

Capital Receipts, comprising receipts from Grants, the Sale of Assets or from Other Capital revenue items was originally expected to generate $47.1 million for fiscal 2013. However, overall Capital Receipts performance for 2013 is expected to be significantly boosted by disbursements relating to the termination of the contract for the Offshore Petrol Vessels. This is expected to contribute $406.8 million to the estimate of Capital Receipts, while a disbursement from the European Union (EU), with respect to the Sugar Protocol, is responsible for the increase in Grants of $80.7 million, yielding $487.5 million in 2013.

Non-Tax Revenue

Non-Tax Revenue receipts are estimated at $7,346.7 million in 2013, representing a 29.7 percent improvement over last fiscal year's receipts of $5,665.7 million. This performance reflects superior collections from Other Non-Tax Revenue, Profits from Non-Financial Enterprises, Administrative Fees and Charges, and Profits from Financial Enterprises which collectively generated $2,034.9 million in incremental receipts in 2013. This revenue increase is associated with a return of $560.0 million on collateral posted on a SWAP transaction, the receipt of $800.0 million as Share of Profits from oil companies, and dividends from the National Gas Company (NGC) and the Colonial Life Insurance Company Limited (CLICO) Investment Fund. The increases more than compensated for the revenue declines in Interest Income, Royalties and Non Industrial Sales from 2012 to 2013. Interest Income is estimated to decline from $21.0 million to $20.5 million and, receipts from Royalties on Oil is expected to fall by 14.3 percent to $2,098.4 million, as a result of falling oil production. Lower revenue collections are also expected from Non Industrial Sales decreasing from $23.3 million in fiscal 2012 to $21.2 million in fiscal 2013.

Figure 10: Central Government Revenue



Source: Ministry of Finance and the Economy

EXPENDITURE

Actual Total Expenditure and Net Lending for the fiscal 2013 amounted to $59,470.2 million or 36.6 percent of GDP representing an increase of 12.6 percent over fiscal 2012. Recurrent Expenditure amounted to $50,467.1 million or 84.8 percent of Total Expenditure and Net Lending, of which Subsidies and Transfers amounted to $29,815.3 million or 50.1 percent of Total Expenditure and Net Lending and Capital expenditure amounted to 9,003.1 or 15.1 percent of Total Expenditure and Net Lending. Recurrent Expenditure driven by an increase of 7.3 percent in Subsidies and Transfers whereas Capital Expenditure increased by 16.3 percent.

Expenditure on Wages and Salaries is expected to increase by 32.1 percent from $7,282.3 million in 2012 to $9,618.8 million in 2013 as a result of payments made pursuant to the settlement of a number of collective agreements.

Expenditure on Other Goods and Services is estimated at $7,969.3 million for fiscal 2013, representing an increase of $907.7 million or 12.9 percent over the expenditure incurred on this item in 2012. Contributing to this increase are Goods and Services, Minor Equipment Purchases and Management Expenses/ Expense of Issue/Discounts and Other Financial Instruments. These sub-items grew by $7,018.9 million, $331.2 million and $619.3 million respectively.

In 2013, expenditure on Interest Payments which is estimated at $3,063.7 million representing 5.1 percent of Total Expenditure and Net Lending is marginally higher than the $2,937.1 million for fiscal 2012. Domestic Interest Payments estimated at $2,512.1 million in 2013 is $35.8 million higher than that for fiscal 2012 while External Interest Payments estimated at $551.6 million in 2013 is $162.4 million higher than that for 2012.

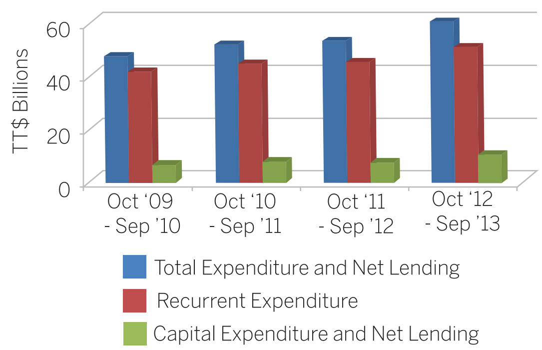
Transfers and Subsides estimated at $29,815.3 million in 2012 is $2,027.4 million higher than the prior fiscal year. Transfers to Households are estimated at $11,835.9 million in 2013 and represents the largest share of expenditure under this category. Expenditure on the Government Assistance for Tuition Expenses (GATE) Fund amounting to $757.9 million is $7.6 million more than the expenditure in fiscal 2012. Expenditure on Other Transfers is expected to decline to $10,807.7 million in 2013 from $11,464.1 million in 2012 mainly as result of lower transfers to the Heritage and Stabilisation Fund (HSF) and the Infrastructure Development Fund (IDF). It is envisaged that Transfers to the HSF will fall from its current level of $1,332.1 million. Transfers to the GATE Fund and to the CARICOM Petroleum Fund are expected to remain unchanged at $650.0 million and $100.0 million respectively.

Transfers to State Enterprises are estimated to fall from $4,017.8 million in 2012 to $2,384.0 million in 2013. Transfers to Educational Institutions and Transfers Abroad are expected to fall from $1,876.3 million to $1,744.0 million and from $1,053.9 million to $510.9 million respectively.

In contrast, transfers to Non-Profit Institutions and the Green Fund are expected to increase from $275.3 million and $11.9 million in fiscal 2012 to $292.1 million and $50.0 million respectively. Transfers to Loans and Grants and to Loans to Other Governments are estimated at $193.5 million and $97.5 million respectively.

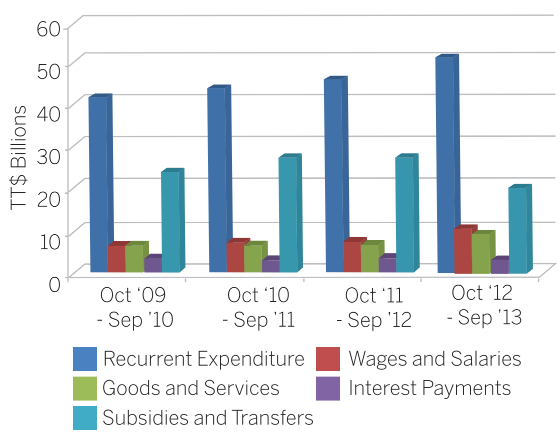
Capital Expenditure is expected to total $9,003.1 million, of which Net Lending is estimated at $23.0 million. Expenditure under the Development Fund (Consolidated Fund) is expected to increase from its $3,335.8 million in 2012 to $3,582.9 million in 2013 while expenditure under the Infrastructure Development Fund (IDF) is expected to increase to $4,685.3 million from $3,683.9 million in fiscal 2012. This increased expenditure is on account of higher infrastructural activity.

Figure 11: Central Government Expenditure



Source: Ministry of Finance and the Economy

Figure 12: Recurrent Expenditure Major Components



Source: Ministry of Finance and the Economy

FINANCING

The financing requirement for Central Government Fiscal Operations is estimated at $6,485.4 million to finance the Overall Deficit for fiscal year 2013. Of this amount, $2,502.9 million is expected from external sources, while $3,982.5 million is estimated to be financed through Domestic Financing.

External Borrowings are estimated at $3,339.9 million of which $837.0 million represents External Capital Repayments, resulting in the Net External Financing balance of $2,502.9 million. Compared to fiscal 2012, the Net External Financing of $1,054.1 million comprised $1,765.6 million in External Borrowings and $711.5 million in Capital Repayments.

Net Domestic Financing is estimated to reach $3,982.5 million; $1,507.6 million more than the 2012 fiscal balance. Domestic Borrowings is estimated at $3,000.0 million, and the Change in Cash Balances and Other Securities is expected to amount to $3,963.8 million. Domestic Capital Repayments and Sinking Fund Transfers are estimated at $1,918.2 million and $1,063.1 million respectively. Comparatively, of the $2,474.9 million required in Domestic Financing in fiscal 2012, $2,880.9 million was sourced through Domestic Borrowings, while $1,742.4 represents the Change in Cash Balances and Other Securities.

PUBLIC DEBT AND DEBT SERVICE

The Net Public Sector Debt Stock[2] is anticipated to increase by 6.9 percent from $69,156.8 million in fiscal 2012 to $73,916.8 million by the end of the current fiscal year. This notwithstanding, Net Public Sector Debt as a percentage of GDP[3] is projected to decrease from 45.0 percent in fiscal 2012 to 44.7 percent in fiscal 2013.

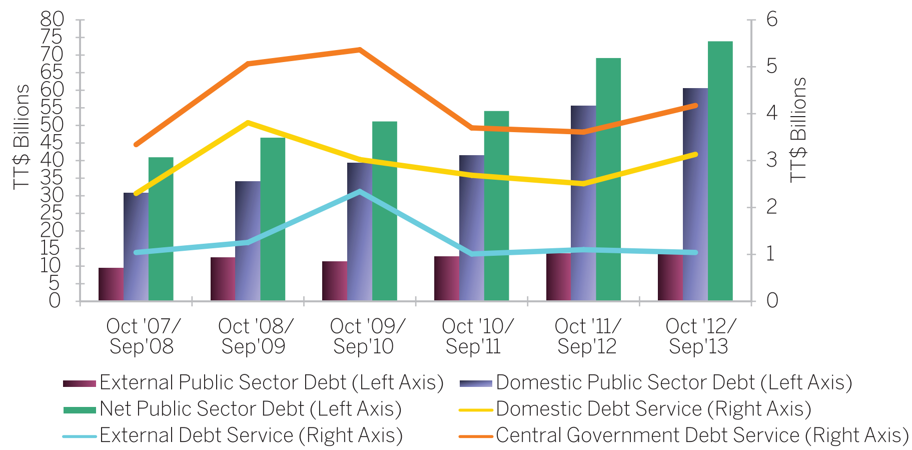
However, Gross Public Sector Debt, which includes borrowings for Open Market Operations (OMOs), moved from $88,356.8 million to $94,676.1 million due to the issuance of two Treasury Bonds for liquidity management purposes during the fiscal year.

Domestic Debt, comprising 80.4 percent of Net Public Sector Debt and including Contingent Liabilities, is expected to grow by $4,886.7 million or 8.8 percent by the end of the fiscal

2 Net Public Sector debt stock is defined as the sum of all domestic and external obligations of public debtors which include the Central Government and autonomous public bodies such as State Enterprises and Statutory Authorities. It excludes instruments of Open Market Operations (OMOs) such as Treasury Bills, Treasury Notes and Treasury Bonds.

3 Gross Domestic Product (GDP) is projected to increase from $153,587.7 million in 2012 to $165,188.7 million in 2013.

Figure 13: Public Sector Debt and Debt Servicing



Source: Ministry of Finance and the Economy

year. However, the external component of Net Public Sector Debt is projected to contract by $126.7 million or 1.0 percent.

By the end of the current fiscal year, Central Government Debt; comprising both foreign and domestic components; is expected to rise by 5.2 percent to $43,718.3 million or 26.5 percent of GDP, while Contingent Liabilities or Government Guaranteed Debt is projected to increase by 9.5 percent to $30,198.5 million or 18.3 percent of GDP. By the end of September 2013, Central Government Debt is anticipated to comprise 59.1 percent of Net Public Sector Debt with 40.9 percent attributed to Contingent Liabilities.

Central Government Debt

The 5.2 percent increase in Central Government Debt during fiscal 2013, is largely attributable to the domestic component which accounts for 75.0 percent of Net Public Sector Debt. Accordingly, Central Government Domestic Debt is anticipated to rise by $2,222.1 million or 7.3 percent by the end of fiscal 2013. This increase is primarily due to the issuance, in October 2012, by the Government of a $5,100 million, fixed rate bond due 2032/2037, and issued in two tranches: Tranche I $4,397.1 million,4.20 percent, due 2032; and Tranche II $702.9 million, 4.25 percent, due 2037.

Proceeds of the bond issues were utilised for the capitalisation of the CLICO Investment Fund (CIF). During the year, a total of $3,646.8 million of the 11-20 year portion of the Zero Coupon bond series issued in December 2011 under the Purchase of Certain Rights and Validation Act #17 was exchanged for units in the CIF, resulting in a reduced balance of $5,725.5 million on these Zero Coupon Issues. Also contributing to the increase in Central Government Domestic Debt was a US$4.6 million, 3.75 percent loan facility, due 2017 for the local financing component of the procurement of a digital communication system for the Trinidad and Tobago Police Service (TTPS).

The Central Government External Debt, accounting for 24.2 percent of Net Public Sector Debt, is projected to rise by 0.1 percent or $11,181.4 million. The relatively minimal increase is consequent upon disbursements on new and existing loans being offset by repayments on existing loans.

During the year, four (4) new external loans were contracted, namely: GORTT US$26.3 million, 2.42 percent, due 2022, representing the foreign financing component for the procurement of the digital communication system for the TTPS. Other external loans contracted by the Central Government during the year included: a

990 million Renminbi, 2 percent, Concessional Facility due 2033, for the construction of the Couva Children's Hospital; a US$85 million, 3.0 percent, Preferential Buyers Credit Facility due 2028, for the construction of six Sporting Facilities; and a €33.8 million variable interest rate Export Credit Facility, due 2022, for the completion of the extension of the San Fernando General Hospital at Chancery Lane, San Fernando.

Contingent Liabilities

At the end of fiscal 2013, Contingent Liabilities, comprising both Letters of Guarantee issued and new Government Guaranteed debt is expected to rise by 9.5 percent or $2,610.3 million. This increase is principally due to the increase in Letters of Guarantees (formerly Letters of Comfort) by 58.9 percent to $9,988.2 million. Over the period, there were no conversions of Letters of Guarantee to Government Guaranteed Debt.

An increase of $2,988.9 million or 60.4 percent was recorded for Letters of Guarantee issued by the Government in respect of State Enterprises for the period under review.

Letters of Guarantee issued during the fiscal year included: a $495.9 million 17-year 3.80 percent facility issued by the Sports Company of Trinidad and Tobago Limited (SPORTT) for the development of nine (9) regional recreational facilities; a $179.7 million 1-year 1.50 percent facility and a $399.0 million 8-year 1.95 percent facility issued by the Urban Development Corporation of Trinidad and Tobago (UDeCOTT) to finance costs related to the adaptation of the former Chancery Lane Office Complex as an extension of the San Fernando General Hospital; and a $223.1 million 9-year 1.95 percent facility, issued by UDeCOTT, to liquidate short-term liabilities in respect of the Real Springs Housing Development Project.

Also contributing to the increase in Letters of Guarantee were borrowings in the sum of US$64.2 million at a tenor of 10.5-months and a variable interest rate of 6-month LIBOR plus 3.29 percent per annum to meet outstanding liabilities of Caribbean Airlines Limited (CAL). A $250 million 20-year 6.25 percent facility was also issued by the National Insurance Property Development Company Limited (NIPDEC) on behalf of the Programme for the Upgrade of Road Efficiency (PURE). It is anticipated that before the end of fiscal 2013, a $1,000 million Bond will be issued by NIPDEC in respect of PURE.

Over the fiscal year, two Letters of Guarantee in respect of the Sports Company of Trinidad and Tobago (SPORTT) LIFE-sport Programme were issued. These two (2) short-term facilities were issued for $77.2 million at an interest rate of 3.60 percent and $76.9 million at a rate of 2.50 percent. The issuance of a $213 million 8-year, 3.35 percent bond, by UDeCOTT, on October 29, 2012, further contributed to the increase in Letters of Guarantee. The bond was raised to refinance outstanding liabilities of the Corporation. Also added to State Enterprises debt stock during fiscal 2013 was a $1,012.3 million increase in respect of the Government Campus Plaza project. This increased principal represented capitalised interest on the original Bridge Loan Facility of $2,400 million, bringing the total debt in respect of the facility to approximately $3,412.3 million.

Letters of Guarantee issued to Statutory Authorities increased by 53.3 percent or $713.2 million to $2,050.9 million, as a result of the issuance of Letters of Guarantee in respect of borrowings by the Airports Authority of Trinidad and Tobago (AATT) ($44.4 million 5-year, 3.95 percent) for development works at the Piarco and ANR International Airports; by the Housing Development Company (HDC) ($500 million 6-month, 1.75 percent Bridge Facility) to finance the Corporation's Housing Development Programme; and by the National Carnival Commission (NCC) ($27.8 million 1-year, 3.60 percent) to finance expenditure related to Carnival 2013. Also contributing to the increase in Letters of Guarantee issued in favour of Statutory Authorities, during fiscal 2013, was a US$30 million increase in the Water and Sewerage Authority's (WASA) existing revolving credit facility of US$30 million, bringing the total facility to US$60 million.

Debt Service

During the fiscal year, Central Government Debt Service is estimated at $4,174.4 million, an increase of $566.3 million (15.7 percent) over the previous year. Domestic Debt Service, which accounts for 75.1 percent of total debt service obligations, is projected at $3,133.2 million for the year, an increase of 25.0 percent ($625.8 million). External Debt Service is however anticipated to be 5.4 percent lower for the fiscal year at $1,041.2 million.

Open Market Operations[4]

During the current fiscal year, the Government issued two bonds under the authority of the Treasury Bonds Act, 2008 Chap 71:43 to assist in domestic liquidity management through the sterilisation (holding) of the bond proceeds at the Central Bank. The $1,000 million 7-year, 2.60 percent bond, issued on May 21, 2013 was oversubscribed with the total bids amounting to $2,754.9 million. On August 6, 2013, the second Treasury Bond, in the amount of $1,000 million, was offered at a tenor of 10 years and 2.50 percent. This issue was however, undersubscribed with the total bids amounting to $559.2 million. This under-subscription was attributed to competition from an alternative investment product being offered simultaneously to investors.

TRINIDAD AND TOBAGO CREDIT RATINGS

Trinidad and Tobago is currently rated by three international rating agencies: Moody's Investors Service (Moody's); Standard & Poor's Rating Services and the Caribbean-based Caribbean Information and Credit Rating Services Limited (CariCRIS). The economy continues to exhibit solid economic performance and remains one of the most resilient in the Caribbean. The government has taken numerous steps to improve the regulatory environment to support business activity and maintain commitments to savings through the Heritage and Stabilisation Fund (HSF). As such, Trinidad and Tobago continues to enjoy investment grade status with a stable outlook.

MOODY'S INVESTORS SERVICE

Following its ratings review exercise in January 2013, Moody's Investors Service (Moody's) reaffirmed Trinidad and Tobago's ratings at Baa1 for Government Bonds in both foreign and local currency together with a Stable Outlook. The affirmation recognised the strengths of the Trinidad and Tobago economy as reflected by the sustained flexibility of the government's fiscal operations despite the deterioration of some fiscal indicators; significant fiscal savings in a sovereign wealth fund; a strong external position reinforced by consistent current account surpluses and a large foreign exchange reserve buffer; and a challenging growth outlook contingent on the resumption of activity in the energy sector following a protracted recession. Moody's ratings were tempered by the small size of the economy, a limited degree of diversification, concerns about the medium-term growth prospects and the relative weakening of fiscal and debt metrics. A stable outlook balances the recent deterioration in fiscal and debt positions and the downside risks to growth, against significant fiscal savings,

4 Open Market Operations are excluded in the calculation of Net Public Sector Debt but are included in the calculation of Gross Public Sector Debt.

Table 4: Trinidad and Tobago Credit Rating History: 2005-2013 by Moody's Investors Service

Year	Outlook	Foreign Currency Ceiling				Government Bond Ratings	
		Bonds and Notes		Bank Deposits		Foreign Currency	Local Currency
		Long term	Short term	Long term	Short term	Long term	Short term
Jan 2013	Stable	A1	...	Baa1	...	Baa1	Baa1
Aug 2012	Stable	A1	...	Baa1	...	Baa1	Baa1
Jul 2011	Stable	A1	...	Baa1	...	Baa1	Baa1
Jun 2009	Stable	A1	...	Baa1	...	Baa1	Baa1
Dec 2008	Stable	A1	...	Baa1	...	Baa1	Baa1
Oct 2007	Stable	A1	...	Baa1	P-2	Baa1	Baa1
Jul 2006	Stable	A1	...	Baa1	P-2	Baa1	...
May 2006	...	A2	P-1	...	...	...	...
Aug 2005	Stable	Baa2	P-3	Baa2	P-3	Baa2	...

Source: Moody's Investors Service (2013)

recurring current account surpluses, and a strong international reserve position.

Upward pressure on the rating is influenced by increased foreign investment in oil/natural gas exploration and commercialisation activity. Moody's also highlighted that approval of fiscal reforms that incorporate limits to public-sector wage growth, the divestment of state-owned enterprises, and reforming subsidies could positively impact the rating. In addition, improved execution of public sector capital expenditure commitments and reform of the Heritage and Stabilisation Fund to make it a more effective instrument for countercyclical fiscal policy could also contribute to improved ratings. Downward pressure on the rating could arise from a sustained decline in oil or gas prices and the failure to credibly commit to a medium-term fiscal consolidation program to halt the deterioration of the fiscal balance and stabilise debt levels. Further, the consequential effect of contingent liabilities from debt held by public sector corporations could negatively affect the rating as well as any resumption of large scale industrial action.

Moody's report on Trinidad and Tobago noted that growth performance in 2012 fell short of expectations mainly as a result of the underperformance in the energy sector. Moody's projected growth rate of 0.8 percent for 2012 and 2.0 percent in 2013. Growth was predicted to recover marginally in 2013 as a result of increased exploration activity, foreign investment in the energy sector and public sector investment projects. Medium term growth prospects depend on supportive global energy prices, the effectiveness of public sector capital investments, the completion of oil/gas infrastructure maintenance operations, and the government's ability to prevent renewed industrial action by unions. Moody's highlighted that Trinidad and Tobago's debt position is on par with most other Baa1-rated peers and that Trinidad and Tobago's external position – its current account surplus and international reserves as a share of GDP – are superior to most Baa1-rated peers, including commodity exporters such as Russia and Bahrain. Moody's report also highlighted that Trinidad and Tobago's broad revenue base

Table 5: Trinidad and Tobago Credit Rating History: 2005 -2013 By Standard & Poor's Ratings Services

Year	Outlook	Foreign currency		Local currency	
		Long term	Short term	Long term	Short term
Jan 2013	Stable	A	A-1	A	A-1
Jan 2012	Stable	A	A-1	A	A-1
Aug 2011	Stable	A	A-1	A	A-1
Jan 2011	Stable	A	A-1	A+	A-1
Dec 2009	Stable	A	A-1	A+	A-1
Apr 2009	Negative	A	A-1	A+	A-1
Aug 2008	Stable	A	A-2	A+	A-1
Sep 2007	Positive	A-	A-2	A+	A-1
Aug 2006	Stable	A-	A-2	A+	A-1

Source: Standard & Poor's Ratings Services (2013)

results in a government to debt revenue ratio of 150 percent, on par with Bahrain and Lithuania and significantly lower than the Bahamas and Mauritius. Further, Moody's noted that in the Caribbean, Trinidad and Tobago's closest peer is the Bahamas (Baa1 / negative outlook). The Bahamas has a less favourable external position than Trinidad and Tobago. This was attributed to a much faster rate of debt-accumulation since 2009; limited fiscal room to manoeuvre and a much narrower revenue base.

STANDARD & POOR'S RATINGS SERVICES

In January 2013, Standard & Poor's affirmed its long and short-term sovereign credit ratings for Trinidad and Tobago at A/A-1 with a Stable Outlook. This rating is based on the economy's stable political system, its generally prudent framework for macroeconomic policies, low net general government debt, net external asset position, and favourable debt profile limiting its external vulnerability.

The stable outlook reflected the view of Standard & Poor's that the country would resume growth in 2013 and noted that boosting exploration and production as well as enlarging downstream activities, could bolster GDP growth, improve government finances and reduce sovereign debt. Furthermore, their 'AA' transfer and convertibility (T&C) assessment remains unchanged.

After several years of contraction and near zero growth, Standard & Poor's Rating Services expects GDP growth to exceed 2.0 percent in 2013. Increases in investment in exploration and production directly influence long-term growth projections, furthered by government recently offering more fiscal incentives to boost oil and gas production. Additionally, enlarging downstream activities could reinforce GDP growth, progressively improve government finances and decrease the debt burden. Persistent stunted economic growth and extended fiscal deficits could result upon failure of government to implement their own investment strategies or protracted slowdown in the energy sector thereby weakening the country's fiscal and external profiles. In this case, Standard & Poor's present ratings can be affected.

Table 6: Trinidad and Tobago Credit Rating History: 2007 – 2013 By CariCRIS

Rating	2007	2008	2009	2010	2011	2012	2013
Regional scale foreign currency	CariAAA	CariAAA	CariAAA	CariAAA	CariAAA	CariAAA	CariAAA
Regional scale local currency	CariAAA	CariAAA	CariAAA	CariAAA	CariAAA	CariAAA	CariAAA
Trinidad and Tobago national scale	ttAAA	ttAAA	ttAAA	ttAAA	ttAAA	ttAAA	ttAAA

Source: Caribbean Information and Credit Rating Services Limited (CariCRIS) (2013)

CARIBBEAN INFORMATION AND CREDIT RATING SERVICES LIMITED (CARICRIS)

On the rating exercise conducted by the regional rating agency (CariCRIS) in April 2013, Trinidad and Tobago maintained its CariAAA rating on both the local and foreign currency debt obligations, in addition to its ttAAA rating on the Trinidad and Tobago national scale to the (notional) debt issue up to US$500 million by the local government. These ratings reflect the highest level of creditworthiness that can be achieved, in comparison to other Caribbean islands.

These ratings reflect the country's strong external liquidity as evidenced by a healthy foreign reserves position and low financing requirements as well as a relatively well regulated financial system with stable monetary and exchange rate policies. However, the high and increasing non-energy fiscal deficit, heightened crime and increasing perception of corruption can undermine and negatively impact investor confidence.

CariCRIS expects real GDP growth of 1.0 percent to 1.5 percent in 2013. This is supported by expected growth firstly in the energy industry as a result of increased exploration activity and increased efficiency in maintenance work and plant upgrades. In the non-energy sector, growth is expected to be driven by the recovery of the construction industry. CariCRIS describes Trinidad and Tobago as one of the more resilient economies with a well-diversified economic base, supported by a solid presence in manufacturing and a vibrant financial services industry.

REST OF THE NON-FINANCIAL PUBLIC SECTOR OPERATIONS

Overview
Cash Operations
Current Transfers to State Enterprises and Public Utilities
Capital Expenditure
Capital Transfers from Central Government

OVERVIEW

During the period October 2012 to April 2013, operations of the Rest of the Non-Financial Public Sector[1] recorded a surplus of $273.9 million, compared to a surplus of $469.9 million realised in the corresponding period of fiscal 2012. State Enterprises[2] accounted for a surplus of $5,776.0 million while Public Utilities[3] accounted for a deficit of $926.7 million.

Capital Transfers from Central Government increased by $317.2 million to $787.8 million. Of this amount, $152 million was transferred to State Enterprises and $635.5 million to Public Utilities. Current Transfers from Government to State Enterprises decreased by $39.7 million and increased by $71.3 million for Public Utilities.

CASH OPERATIONS

Cash Operations of the consolidated Rest of Non-Financial Public Sector generated an operating surplus of $4,849.3 million during the seven months of fiscal 2013, which was 58.0 percent higher than the surplus generated in the comparative period of the previous year.

The main contributors to the net operating surplus included the Petroleum Company of Trinidad and Tobago (PETROTRIN) ($4,081.6 million), the National Gas Company (NGC) ($1,921.0 million), and to a lesser extent Trinidad Nitrogen Company Limited (TRINGEN) of $536.6 million. The increase in PETROTRIN's operating surplus over that of the previous year was largely on account of the reduction in foreign crude purchases. At the same time, the operating revenues of the NGC increased as

1 Rest of Non-Financial Public Sector refers to the consolidation of the operations of twelve (12) State Enterprises (which represent approximately 80 percent of the operations of State Enterprises) and six (6) Public Utilities.

2 State Enterprise refer to the consolidated operations of thirteen (13) companies, namely: National Maintenance Training & Security Co., National Gas Co., National Helicopter Services Ltd., National Quarries Co. Ltd., National Petroleum Marketing Co., Petroleum Co. of Trinidad & Tobago, Trinidad & Tobago Mortgage Finance Co., Point Lisas Industrial Port Development Co., Trinidad & Tobago Solid Waste Management Co. Ltd., Trinidad Nitrogen Co. Ltd., Urban Development Corp. of Trinidad & Tobago, Vehicle Management Corp. of Trinidad & Tobago, and National Infrastructure Development Co. Ltd.

3 Public Utilities refer to the consolidated operations of six (6) companies, namely: Airport Authority of Trinidad & Tobago, Port Authority of Trinidad & Tobago, Public Transport Service Corp., Telecommunications Services of Trinidad & Tobago, Trinidad & Tobago Electricity Commission, and Water & Sewerage Authority.

a result of favourable methanol and ammonia prices, while the operating revenues of TRINGEN reflected an increase in the sale of foreign goods and services.

Among the non-energy sector State Enterprises, Caribbean Airlines Limited's (CAL) operating deficit for the period, amounting to $647.0 million was the largest. This deficit was partly offset by the surplus contributions of the National Maintenance, Training and Security Company Limited (MTS) of $114.6 million, the Point Lisas Industrial Port Development Company (PLIPDECO) ($41.7 million), and the Trinidad and Tobago Mortgage Finance Company (TTMF) ($4.9 million).

Over the review period, Public Utilities recorded a deficit of $926.7 million which represented a 22.1 percent increase from the $759.1 million deficit recorded in the first seven months of fiscal 2012.

Among the Public Utilities, only the Telecommunications Services of Trinidad and Tobago (TSTT) generated a surplus, amounting to $664.0 million. The other five (5) utilities generated operating deficits for the period totalling $1,590.7 million with the Water and Sewerage Authority (WASA) responsible for 67.4 percent ($1,072.0 million) of the overall deficit associated with the Public Utilities.

CURRENT TRANSFERS TO STATE ENTERPRISES & PUBLIC UTILITIES

For the seven months ending April 2013, Current Transfers from Central Government amounted to $1,645.7 million, representing an increase of 2.0 percent over the corresponding period of the previous year. Of this amount, $444.2 million (27.0 percent) was transferred to State Enterprises, while $1,201.5 million (73.0 percent) was transferred to Public Utilities.

During the period, transfers to the Water and Sewerage Authority (WASA) amounted to $890.4 million, or 74.1 percent of total transfers to Public Utilities. Caribbean Airlines Limited (CAL), on the other hand, was the main beneficiary of transfers to the State Enterprises Sector with $271.4 million in transfers.

CAPITAL EXPENDITURE

Over the review period, Capital Expenditure incurred by both State Enterprises and Public Utilities, totalled $3,466.1 million; of which State Enterprises and Public Utilities accounted for 77.2 percent and 22.8 percent, respectively. Only $673.8 million, or 19.4 percent, of the total budget was used for Government Projects.

Capital Expenditure by State Enterprises amounted to $989.9 million, of which PETROTRIN utilised $136.8 million for its continuing Gasoline Optimisation Programme (GOP) and $77.2 million for the Ultra-Low Sulphur Diesel Unit (ULSD). As at March 2013, the GOP involved the construction of five (5) new Plants at the Pointe-à-Pierre Refinery, aimed at producing cleaner and environmentally friendly transport fuel. The ULSD is designed to produce higher grade diesel to meet new stringent quality specifications (sulphur and aromatics) in the local, regional and international markets.

Of the Capital Expenditure undertaken by State Enterprises, the NGC utilised $356.0 million associated with several projects relating to improving the supporting infrastructure to expand the natural gas industry and its utilisation in downstream industries including liquefied natural gas (LNG), methanol, ammonia, iron and steel, and other gas-based products.

Additionally, the capital expenditure by non-energy State Enterprises was relatively high with TTMF spending $580.0 million, of which principal repayments on two (2) loans represented the major expenditure. Further, UDeCOTT spent $285.6 million for the construction of various government buildings, the major portion being spent on the Chancery Lane Complex.

WASA, TSTT and the Trinidad and Tobago Electricity Commission (T&TEC) were the three major contributors to Capital Expenditure undertaken by Public Utilities for the first seven months of fiscal 2013. WASA accounted for the greatest proportion of Capital Expenditure with $369.6 million, followed by TSTT ($351.5 million) and T&TEC ($35.9 million).

CAPITAL TRANSFERS FROM CENTRAL GOVERNMENT

In the seven months to April 2013, Capital Transfers from Central Government to the Rest of the Non-Financial Public Sector totalled $787.8 million, an increase of 67.4 percent from the $470.6 million transferred in the corresponding period of the previous year.

Capital Transfers to Public Utilities totalled $635.5 million of which $473.1 million was utilised for debt servicing. Of the $635.5 million, WASA accounted for $491.9 million, AATT $119.8 million, and the Port Authority of Trinidad and Tobago (PATT) $23.8 million. Of the $152.3 million in Capital Transfers disbursed to State Enterprises, UDeCOTT received the major share of $137.6 million, while MTS received $14.7 million.

Table 7: Cash Statement of Operations of the Rest of the Non-Financial Public Sector

	State Enterprises		Public Utilities		Total State Enterprises and Public Utilities	
(TT $ millions)	Oct 2011-Apr 2012	Oct 2012- Apr 2013	Oct 2011-Apr 2012	Oct 2012- Apr 2013	Oct 2011-Apr 2012	Oct 2012-Apr 2013
Operating Revenues	37,914.4	38,772.1	4,234.7	4,509.5	42,149.1	43,281.6
Operating Expenditures	34,086.2	32,996.1	4,993.7	5,436.2	39,079.9	38,432.3
Operating Surplus/(Deficit)	3,828.3	5,776.0	-759.1	-926.7	3,069.2	4,849.3
Current Transfers from Central Gov't	483.9	444.2	1,130.2	1,201.5	1,614.1	1,645.7
Current Balance	2,970.1	2,370.3	494.7	310.4	3,464.8	2,680.7
Capital Expenditure	3,027.7	2,675.9	578.4	790.2	3,606.1	3,466.1
Capital Transfers from Central Gov't	102.8	152.3	367.8	635.5	470.6	787.8
Overall Balance	183.3	113.5	286.6	160.4	469.9	273.9
Financing	-183.3	-113.5	-286.6	-160.4	-469.9	-273.9
Net Foreign Financing	-616.4	20.8	-16.4	-31.1	-632.8	-10.3
Net Domestic Financing	433.1	-134.3	-270.2	-129.3	162.9	-263.6

1. Table refers to fiscal years
2. State Enterprises refer to the consolidated operations of thirteen (13) companies namely: National Maintenance Training & Security Co. (MTS), National Gas Co. (NGC), National Helicopter Services Ltd. (NHSL), National Quarries Co. Ltd. (NQCL), National Petroleum Marketing Co. (NPMC), Petroleum Co. of Trinidad & Tobago (PETROTRIN), Trinidad & Tobago Mortgage Finance Co. (TTMF), Point Lisas Development Co. (PLIPDECO), Solid Waste Management Co. Ltd. (SWMCOL), Trinidad Nitrogen Co. Ltd. (TRINGEN), Urban Development Corp. of Trinidad & Tobago (UDeCOTT), Vehicle Management Corp. of Trinidad & Tobago (VMCOTT), and National Infrastructure Development Co. (NIDCO).
3. Public Utilities refer to the consolidated operations of six (6) companies namely: Airports Authority of Trinidad & Tobago (AATT), Port Authority of Trinidad & Tobago (PATT), Public Transport Service Corp. (PTSC), Telecommunications Services of Trinidad & Tobago (TSTT), Trinidad & Tobago Electricity Commission (TTEC), and Water & Sewerage Authority (WASA).
4. For the following companies, the most available data was used: NQCL (Dec 2012); UDeCOTT (Feb 2013);
5. No information was received for Fiscal 2013 for VMCOTT;
6. Totals may vary due to rounding.

THE MONETARY SECTOR

Monetary Conditions
Central Bank Operations
Financial Sector Performance
Regulatory Developments

MONETARY CONDITIONS

Given weak economic growth, the monetary policy stance of the Central Bank of Trinidad and Tobago continued to be accommodative over the 9-month period October 2012 to June 2013. Inflationary pressures have moderated despite the build-up in liquidity in the financial system. Over this period, the focus of monetary policy has been to stimulate economic activity. In this context, the Repo Rate was reduced from 3.0 percent in August 2012 to 2.75 percent in September 2012 where it has been maintained up to June 2013. Consequently, commercial banks reduced their prime lending rates as well as the rates on new and outstanding loans. Short-term interest rates remained at record low levels throughout 2012 into the second quarter of calendar 2013.

CENTRAL BANK OPERATIONS

EXCHANGE RATES/FOREIGN EXCHANGE MARKET

The local foreign exchange market featured a lower level of trading activity during the period October 2012 to June 2013 when compared to the similar period a year earlier. Net sales of foreign exchange by Authorised Dealers which amounted to US$1,001.2 million during the nine-month period October 2012 to June 2013 were 25.7 percent lower than the amount sold in the previous comparative nine-month period ending June 2012.

The demand for foreign exchange originated mainly from the retail and distribution sector of the economy as well as from borrowing via international credit cards which accounted for

Table 8: Commercial Banks and Non-Bank Financial Institutions' Foreign Currency Sales and Purchases (US$ Mn.)

Period	Purchases from the Public	Sales to the Public	Net Sales to the Public	Purchases from the Central Bank
2011	4,755.5	6,186.8	1,431.4	1475.0
2012	4,859.1	6,713.7	1,854.6	1,785.0
Oct 2011 – Jun 2012	3,575.0	4,923.0	1,348.0	1,220.0
Oct 2012 – Jun 2013	3,956.8	4,958.0	1,001.2	1,070.0
Percentage Change (year-on-year)	10.7	0.7	-25.7	-12.3

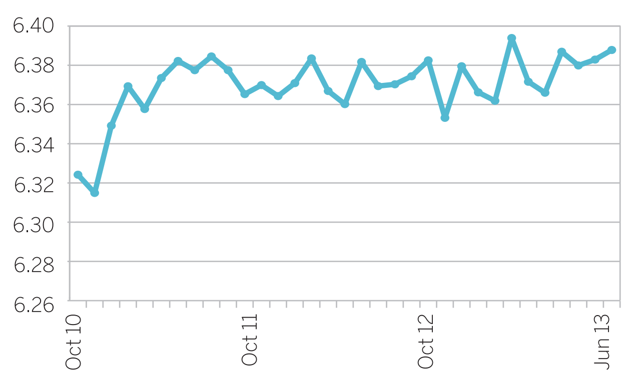
Source: Central Bank of Trinidad and Tobago.

29.9 percent and 17.8 percent of the foreign exchange sold to the public respectively. In addition, the manufacturing sector accounted for 13.8 percent of the total foreign exchange sold to the public while other modest contributions emanated from the automobile, financial institutions, and telecommunications sectors. Purchases of foreign exchange from the public by authorised dealers amounted to US$3,956.8 million during the period October 2012 to June 2013. This represented an increase of 10.7 percent over its value of US$3,575.0 million in the previous comparative period **(Table 8)**.

The energy sector, traditionally a key source of foreign currency for the authorised dealers, accounted for 74.8 percent of total purchases in 2012. Purchases by authorised dealers from the Central Bank, however, declined by 12.3 percent from US$1,220.0 million during the nine-month period ending June 2012 to US$1,070.0 in the similar period ending June 2013.

During the period October 2012 to June 2013, the weighted average selling rate for the United States dollar (US$) depreciated marginally by 0.13 percent to TT$6.4415 per US$ in June 2013 from TT$6.4333 per US$ in October 2012. The weighted average buying rate for the US$ marginally depreciated by 0.34 percent to TT$6.3878 per US$ in June 2013 from TT$6.3662 per US$ in October 2012. On a year-on-year basis from June 2012 to June 2013, the TT dollar depreciated by 0.21 percent from TT$6.3744 to TT$6.3878.

Figure 14: Exchange Rates – Buying Rate (TT$ per US$)



Source: Central Bank of Trinidad and Tobago

MONEY SUPPLY AND COMMERCIAL BANKS' DEPOSITS AND CREDITS

Over the review period October 2012 to June 2013, all categories of Monetary Aggregates continued to experience strong growth. Narrow Money (M-1A), comprising currency in active circulation and demand deposits, rose by 15.5 percent up from 4.3 percent during the previous comparative period. A preference by investors to hold more liquid balances in the banking system, given the low interest rates on alternative investments likely played a major role in fuelling this expansion. This disposition of investors was evidenced in the final quarter of 2012, with the launching of a new product by one bank which generated a significant increase in the level of demand deposits held by the banking system as savings were converted to the new product.

Broad Money, M-2 increased by 12.4 percent during the nine-month period ending June 2013 on the strength of a substantial increase in time deposits associated with the continuing provision of fiscal stimulus by the Government. M-2*, which takes into account foreign currency deposits, increased by 12.6 percent in March 2013, on a twelve-month basis, based on an increase of 21.5 percent in foreign currency bank deposits.

Notwithstanding the prevailing low interest rate environment, private sector credit expansion by the consolidated financial system remained subdued during the first six months of fiscal 2013. Private sector credit expanded to 2.4 percent in March 2013 following an expansion of 3.7 percent in October 2012. Private sector credit expansion was mainly supported by the commercial banks, albeit at a lower rate. At the end of March 2013, the year-on-year increase in lending by commercial banks was up 4.5 percent, as compared to 5.1 per cent in October 2012. The persistent weakness in credit expansion by commercial banks to the private sector was further reinforced by non-bank lending which recorded a contraction in lending of 11.4 percent in March 2013, compared with a decline of 6.3 percent in October 2012.

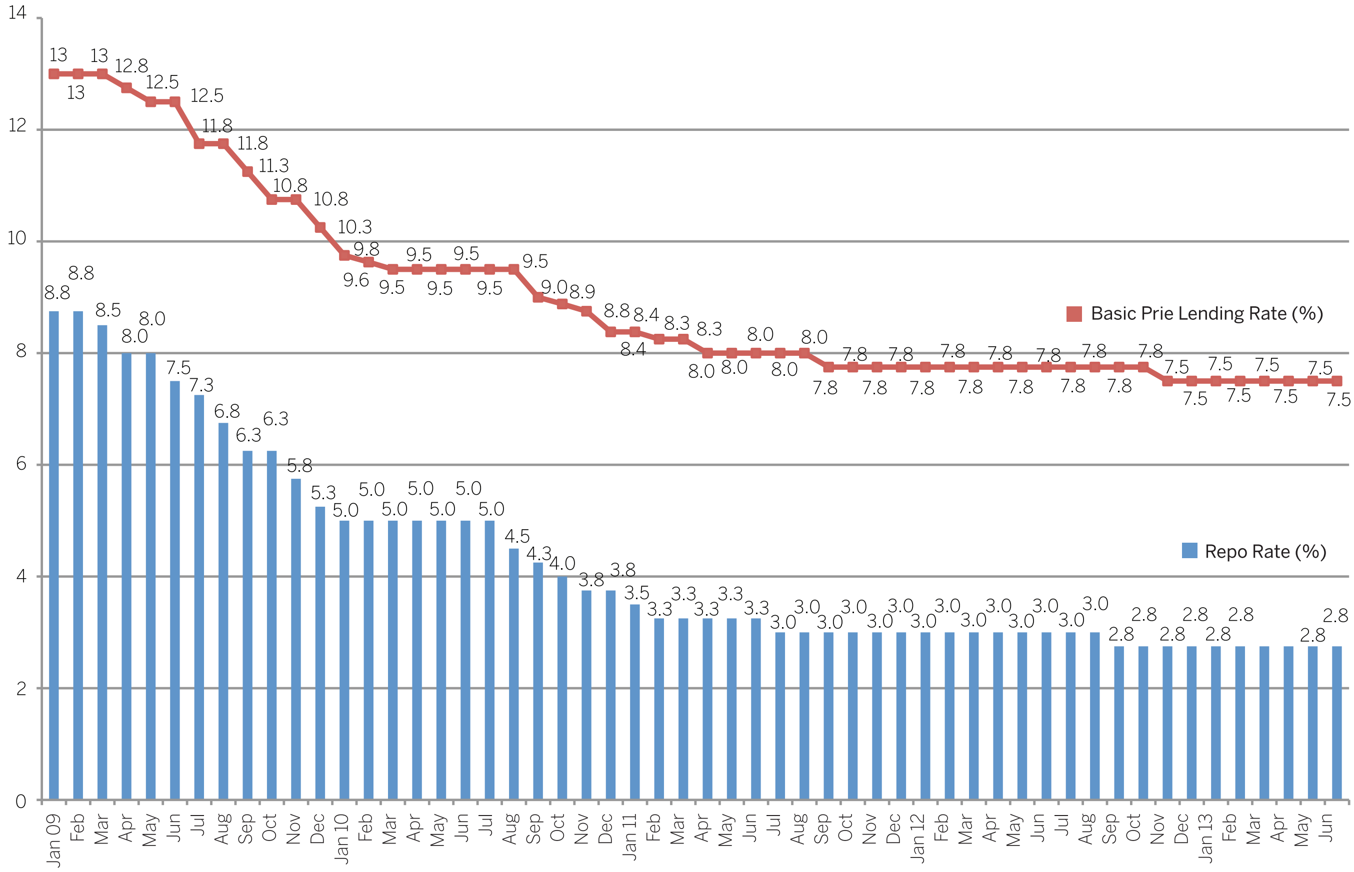
Consumer credit granted by the consolidated financial system has continued to expand by 4.1 percent in March 2013, up from 2.9 percent in October 2012. In contrast, business credit granted by the consolidated financial system has remained constrained, contracting by 3.1 percent in March 2013, compared with growth of 2.1 percent in October 2012. Real estate mortgage lending remained robust throughout fiscal 2013, up 15 per cent in March 2013 compared to 11 per cent in October 2012. This is largely associated with the relatively low level of investment opportunities and yields generally available to investors.

INTEREST RATES

The continuing accommodative monetary policy stance of the Central Bank of Trinidad and Tobago over the 9-month period October 2012 to June 2013 was reflected in the Repo Rate being reduced from 3.0 percent in August 2012 to 2.75 percent where it has remained up to June 2013. This generated the anticipated response by the commercial banks, as the basic prime lending rate of commercial banks fell from 7.8 percent in June 2012 to 7.5 percent in June 2013 **(Figure 15)**.

The interest rate on time loans declined from 7.75 percent in June 2012 to 7.5 percent in May 2013. The weighted average deposit rate remained subdued at 0.02 percent during the nine-month review period ending June 2013, down marginally from 0.2 percent in June 2012. The weighted average loan rate held constant at 7.5 percent for much of the review period ending June 2013, after declining from 7.8 percent in October 2012 to 7.5 percent in November 2012.

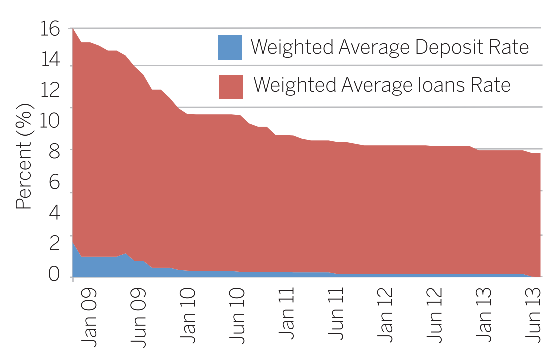
Figure 15: Repo Rate and Prime Interest Rates



Source: Central Bank of Trinidad and Tobago

The spread between the weighted average deposit rates and the weighted average loan rates registered a seven and a half percentage point difference for most of the months during the review period October 2012 to June 2013 **(Figure 16)**. Interest rates on government short term paper such as the 3-month treasury bills and the 6-month treasury bills were subdued and trending in a downward trajectory over the review period. The rate on 3-month treasury bills fell from 0.54 percent in October 2012 to 0.14 percent on June 12, 2013. There was a parallel decline in the interest rate on 6-month treasury bills, which declined from 0.55 percent in November 2012 to 0.18 percent in May 2013.

Figure 16: Commercial Banks' weighted average deposit and loan spread



Source: Central Bank of Trinidad and Tobago

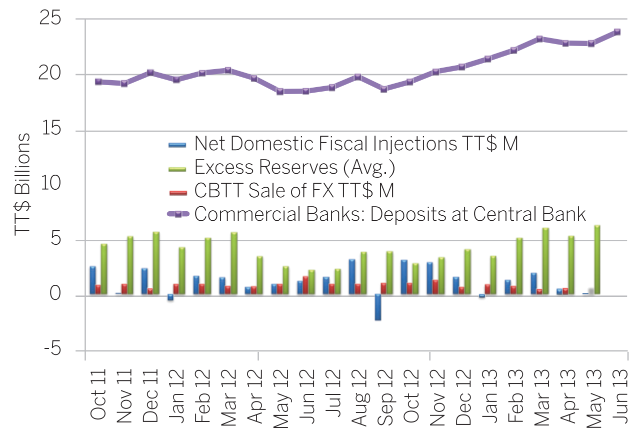
LIQUIDITY

Liquidity in the financial system as measured by commercial banks' reserves held with the Central Bank increased significantly by 24.0 percent from $19,404.9 million in October 2012 to $23,987.5 million by the end of June 2013, after having declined by 4.4 percent in the previous comparative period. On a year-on-year basis, the average monthly level of reserves of commercial banks held with the Central Bank registered strong growth of 29.0 percent from $18,552.7 million in June 2012 to $23,987.5 million in June 2013.

This build-up of liquidity in the domestic banking system was fuelled by two factors, mainly the net domestic fiscal injections which rose by 21.2 percent to $10,865.4 million at the end of May 2013, and the anaemic credit and investment environment. In attempting to alleviate the liquidity pressures, the Central Bank withdrew $200.0 million from the financial system through the issuance of Treasury Bills and Notes.

Other liquidity absorptions measures taken by the Central Bank included the issuance of a $1.0 billion Treasury bond in May 2013, the sale of foreign exchange to authorised dealers in the sum of TTD$6,022.1 million over the review period, commercial bank's special fixed deposits of $1.5 billion and $1 billion matured and were rolled over in the months of March and May 2013, respectively. Notwithstanding these liquidity absorption measures, high liquidity levels still prevailed in the domestic financial system. There was no activity recorded in the repo market during the review period.

Figure 17: Liquidity Indicators



Source: Central Bank of Trinidad and Tobago

FINANCIAL SECTOR PERFORMANCE

CAPITAL MARKET ACTIVITY

Trinidad and Tobago Securities and Exchange Commission (TTSEC)

During the review period October 2012 to June 2013 the Trinidad and Tobago Securities and Exchange Commission's (TTSEC) regulatory capacity was enhanced with the passage of the Securities Act in December 2012. The improvements contained in this new Act will assist the Commission in attaining its ultimate goal of creating an efficient and fair domestic financial market.

The size of the domestic capital market stood at TT$273.9 billion as at May 2013. In relation to the size of the national economy this represents approximately 178.0 percent of GDP. The domestic capital market had a total of 210 registrants as at May 31, 2013 up from 208 registrants at May 31, 2012. The Securities Act 2012 has introduced several changes in the classification of some registrants. Traders/ Brokers are now classified as Registered Representatives and Securities Companies are now classified as Broker-Dealers.

Table 9: Total Registrants

	As at May 31, 2012	As at May 31, 2013
Registered representatives (Brokers)	33	27
Investment Adviser	18	16
Reporting Issuers	94	95
Broker-Dealers (Securities Companies)	36	42
Self-Regulatory Organisations (SRO)	2	2
Registered representatives (Traders)	23	27
Underwriter	2	1
Total	208	210

Source: Securities and Exchange Commission

Over the review period, the number of market registrants with the SEC increased marginally from 208 to 210. Declines in the number of Registered Representatives (Brokers), Investment Advisors and Underwriters were more than compensated for by increases in the number of Reporting Issuers, Broker-Dealers, and Registered Representatives (Traders). Self-Regulatory Organisations remained unchanged at two (2) - the Unit Trust Corporation and the Trinidad and Tobago Stock Exchange.

A total of twenty-seven (27) securities were registered during the nine-month period ending June 2013, representing an increase of thirteen (13) from the previous nine-month period October 2011 to June 2012. The new securities registered comprised twenty (20) bond issues, six (6) certificates of participation and one (1) Commercial Paper. The aggregate value of securities registered increased from TT$6.22 billion at the end of June, 2012 to TT$17.36 billion at the end of June 2013. Bond issues with an aggregate face value of TT$13.7 billion represented 79.0 percent of the value of all securities registered. Certificates of participation accounted for the remaining 20.0 percent or TT$3.5 billion of securities registered with the Commission over the review period.

Equities

For the nine month period October 2012 to June 2013 the domestic stock market performed favourably. The Composite Price Index (CPI), grew by 9.96 percent over the review period, from 1,022.4 to 1,123.9 in June 2013 (year-on-year). The volume of shares traded on the first tier market increased by 19.7 percent from 41,399,250 to 49,567,167. The value of shares traded over the review period increased by 26.9 percent to $623.8 million. Market capitalisation on the first tier market stood at $102.5 billion at the end of the nine month period ending June 2013 up by 9.1 percent from $93.9 billion.

There were several major developments which took place at the Trinidad and Tobago Stock Exchange over the period under review. Firstly, on November 12th 2012, Savinvest India Asia Fund (SIAF) was de-listed pursuant to a resolution passed by SIAF's unit holders approving the de-listing. This action was taken as part of the process to convert SIAF to an open-ended fund. Secondly, on December 24th 2012, Capital & Credit Financial Group Limited (CCFG) was de-listed pursuant to the acquisition of CCFG by Jamaica Money Market Brokers Limited. Thirdly, on January 4th 2013, CLICO Investment Fund (CIF) was listed on the Exchange's Mutual Fund

Box 1:
First Citizens Bank's Initial Public Offering

First Citizens Bank is a full service bank that conducts a broad range of banking and financial services activities, including consumer banking, corporate and commercial banking, wealth and asset management, capital market transactions, trustee and brokerage services and currently has ten active subsidiaries.

For the year ended September 30, 2012, the Group recorded a profit before tax of $714.2 million.

Following-on on a critical measure from 2011 National Budget Statement, the Government of Trinidad and Tobago intends to divest 20 percent of the equity holdings of First Citizens Bank (FCB) by offering for sale to the public 48,495,665 shares of no par value at TTD $22.0 per share payable in full on application. This is part of Government's policy for a capital markets programme to widen and deepen the domestic capital market as a means of expanding the domestic economy and in the process improving productivity and generating quality jobs through:

1. Promoting efficiency by exposing businesses and services to the greatest possible competition;
2. Spreading share ownership as widely as possible among the population as well as encouraging greater participation by nationals in the ownership of state enterprises; and
3. Obtaining the best value for each enterprise which is sold by the Government.

This divestment of a portion of Government's interest in FCB should provide investors with a long-term investment in the banking sector, add to total stock market capitalisation and at the same time dampen inflationary pressures by providing an attractive investment alternative.

The ordinary shares are being offered to all employees of FCB locally and abroad, individual investors who are nationals of Trinidad & Tobago, and institutional investors such as, the NIB, registered Mutual Funds and the Unit Trust Corporation to name a few.

The following key dates with regards to the distribution should be noted:

1. July 15, 2013- commencement date for the Offer for Sale of ordinary shares;
2. August 9, 2013- final date for lodging applications (or later at the discretion of the Issuer)
3. August 30, 2013- notification of allotment of securities;
4. August 30, 2013- electronic transfer of refunds via Automated Clearing House (ACH); and
5. September 6, 2013- Expected listing date

From all indications thus far this issue seems to have been well supported by investors.

Market. A total of 204,000,000 units were listed at an initial price of $25.00. Finally, on June 11th 2013, Bourse Brazil Latin Fund (BBLF) was listed on the Exchange's US Dollar Securities Market. A total of 1,112,384 units were listed at an initial price of US$10.00.

Primary Bond Market

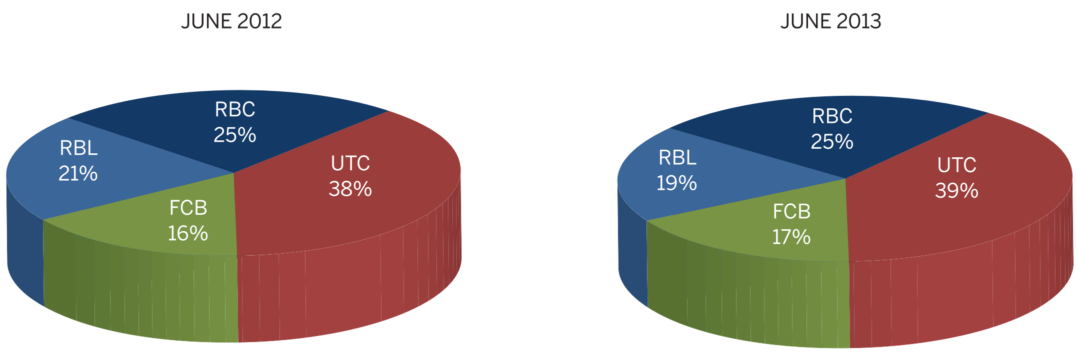
The primary bond market continued its creditable performance in light of current high levels of liquidity and lethargic economic activity. During the review period October 2012 to June 2013, eleven (11) bonds were issued on the domestic capital market with an aggregate face value of $3.3 billion. This compares favourably with the performance of the market in the previous comparative period, where eight (8) bonds were issued with an aggregate face value of just over $2.6 billion.

Over the period October 2012 to June 2013, activity on the domestic capital market was again dominated by the State sector with State Enterprises issuing eight (8) bonds and the Central Government one (1). These issues were for a combined face value of $2,865.4 million, and accounted for 86.7 percent of the total face value of bonds issued. The Central Government issue of a $1.0 billion bond with a maturity period of seven (7) years, a coupon rate of 2.6 percent per annum represented the largest single issue over the period. This was part of a liquidity absorption exercise in collaboration with the Central Bank of Trinidad and Tobago. The dominant State Enterprise issuer was the Home Mortgage Bank with a total of five (5) floating rate bonds with a combined face value of $802.4 million, each with a tenor of 10 years and coupon rates ranging between 1.85 percent to 2.25 percent.

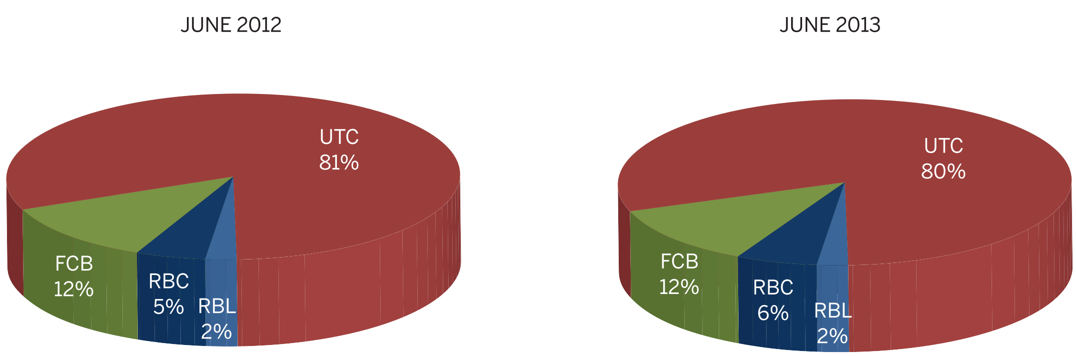
The low interest rate environment is indicative of the high levels of liquidity which continues to prevail in the domestic economy. Even with a low interest rate environment private sector activity on the domestic capital market remained

Figure 18: Comparative Analysis – Market Share

a) Money Market Funds



b) Growth and Income Funds



Sources: UTC, RBL, RBC and FCB

subdued, issuing only two (2) out of the eleven (11) bonds that came to market during the review period. RBC Royal Bank (Trinidad and Tobago) Limited issued a $300 million, 15 year, 4.75 percent callable bond in November 2012, while Prestige Holdings Limited issued a $140 million 10 year, 6.25 percent per annum floating rate bond. Prestige Holdings Limited bond's coupon rate of 6.25 percent per annum represented the highest interest rate offered among the other ten (10) bonds issued during the review period.

Mutual Funds

Mutual funds featured as a relatively attractive investment alternative to instruments such as commercial bank deposits and treasury bills given the high liquidity and low interest rate environment in the domestic economy. Over the 9-month period October 2012 to June 2013, aggregate funds under management increased by 0.5 percent from $40.2 billion in October 2012 to $40.3 billion by June 2013. On a year-on-year basis, funds under management grew by 7.5 percent from $37.5 billion to $40.3 billion. This increase in funds under management was driven by aggregate net sales, which increased threefold by over 217 percent on a year-on-year basis from $1.3 billion in June 2012 to $3.9 billion by June 2013.

The impetus for the growth in funds under management emanated mainly from the money market segment of the mutual fund market which grew by 0.8 percent over the review period, moving from $29.6 billion in October 2012 to $29.8 billion at the end of June 2013. The income growth segment of the market registered a slight decline in funds under management of 0.5 percent over the review period falling from $10.54 billion in October 2012 to $10.49 billion by the end of June 2013.

In terms of market share, as at the end of June 2012 the Unit Trust Corporation (UTC) maintained its dominance of the domestic mutual fund industry, both for growth and income funds and money market funds.

For the money market segment of the market, the UTC accounted for 39.0 percent of the market followed by 25.0 percent managed by the RBC Royal Bank (RBC) Limited, 19.0 percent by Republic Bank Limited (RBL), and 17.0 percent managed by First Citizens Asset Management (FCB).

In the growth and income fund segment of the mutual fund market the UTC was also the market leader, accounting for approximately 80.0 percent of the growth and income segment of the market at the end of the nine month period ending June 2013. This is slightly down from the 81.0 percent held at the end of June 2012. The UTC is followed by FCB accounting for 12.0 percent, followed next by RBC accounting for 6.0 percent, and RBL, for 2 percent.

Overall the performance of the mutual fund industry continues to benefit from the positive momentum in the domestic equity market on the Trinidad and Tobago Stock Exchange. The Trinidad and Tobago Securities and Exchange Commission has indicated that no new mutual funds where registered with the Commission over the nine month review period ending June 2013.

REGULATORY DEVELOPMENTS

LEGISLATIVE DEVELOPMENTS

For the period under review, the Central Bank of Trinidad and Tobago (CBTT) continued its work on several legislative and regulatory initiatives, with particular emphasis on the Credit Union Bill and the Insurance Bill. Moreover, the CBTT continued its work on repealing and replacing the Financial Institutions (Prudential Criteria) Regulations, 1994, Policy Proposals for the Regulation of the Home Mortgage Bank Limited and the final Policy Proposal Document (PPD) for the establishment of an Occupational Pension Plan Bill. There was also continued collaboration among the CBTT, the Ministry of Finance and the Economy and the Board of Inland Revenue (BIR) to ensure Trinidad and Tobago's compliance with the requirements of the Foreign Account Tax Compliance Act (FATCA).

Financial Institutions (Prudential Criteria) Regulations, 1994

The Central Bank is currently developing proposals for the repeal and replacement of the Financial Institutions (Prudential Criteria) Regulations, 1994 ("Regulations"). The new Regulations will effectively amend the local capital adequacy framework governing licensed financial institutions. A consultative document will be issued for comment to the industry by September 2013.

The Draft Insurance Bill and Regulations

The Draft Insurance Bill and Regulations seeks to provide a new regulatory framework for the insurance industry, to continue to provide for the regulation of privately administered pension fund plans and to repeal the existing Insurance Act, Chap. 84:01.

The Draft Insurance Bill and Regulations were initially laid in Parliament for debate in November 2011, however, with Parliament being prorogued in June 2012, the Bill lapsed. The draft legislation has since been revised to incorporate additional comments received from the industry. In May 2013, the revised Bill was introduced for debate in the Senate and has once again lapsed with the proroguing of Parliament in July 2013.

The Draft Credit Union Bill

The Draft Credit Union Bill seeks to regulate the financial activities of Credit Unions and of secondary bodies carrying on the business of a Credit Union by, inter alia, removing Credit Unions from the portfolio of the Commissioner for Co-operative Development and placing them under the purview of the Central Bank, and to provide for other related matters.

The Draft Credit Union Bill is currently being reviewed by the Legislative Review Committee. Further, a policy for the establishment of a Fund for the protection of members' deposits and withdrawable shares is being designed by CBTT in collaboration with the Ministry of Finance and the Economy.

Occupational Pension Plan Bill

The private pension fund industry in Trinidad and Tobago largely comprises occupational pension plans and annuity-type products that are sold by insurance companies, banks and trust companies. Given the significance of the pension industry in the financial system, a robust regulatory and supervisory framework is being developed to facilitate effective governance and supervision of pension plans.

In December 2012, the Central Bank issued the Final Policy Proposal Document (PPD) for a new Occupational Pension Plan Bill after extensive industry consultation. The PPD is currently being reviewed by the Ministry of Finance and the Economy and subsequently the Government. Once approved, the drafting of the Occupational Pension Plans Bill will commence.

Foreign Account Tax Compliance Act (FATCA)

The United States (US) Foreign Account Tax Compliance Act (FATCA) became law on March 18, 2010 and took effect from January 1, 2013 and is designed to combat offshore tax evasion by US persons. The legislation requires the global financial industry to track and report to the Internal Revenue Service (IRS), any US persons who hold offshore financial accounts.

Trinidad and Tobago has agreed to adopt Model 1 Intergovernmental Agreement (IGA) to Improve Tax Compliance. Under Model 1, Financial Institutions (FFIs) in Trinidad and Tobago will report the required information to the Board of Inland Revenue (BIR), the Local Competent Authority. FFIs will not be required to withhold 30% of payments they receive or on payments made to account holders.

The IGA (in principle) is scheduled to be signed by December 2013. Consequently, local financial institutions will need to be registered with the United States Internal Revenue Service (IRS) prior to March 31, 2014, with FATCA reporting commencing on September 30, 2015.

National Financial Crisis Management Plan

The CBTT is currently finalising a National Financial Crisis Management Plan, to be used in the management and resolution of financial crises involving institutions regulated by the CBTT. The document is expected to be finalised by the end of 2013.

TRADE AND PAYMENTS

Balance of Payments
Heritage and Stabilisation Fund
Balance of Visible Trade

BALANCE OF PAYMENTS

The Balance of Payments (BOP) recorded a deficit of US$622.1 million in 2012, representing a 182.7 percent decline from a surplus of US$752.6 million in 2011. This reflected a substantial shrinkage in the current account surplus from US$2,898.5 in 2011 to US$959.5 million in 2012. The capital account deficit persisted but narrowed noticeably by 26.3 percent from US$2,145.9 million in 2011 to US$1,581.6 million in 2012. **(Table 10)**

CURRENT ACCOUNT

The current account declined by 66.9 percent due mainly to a 27.9 percent decline in the merchandise trade surplus from US$5,433.0 million to US$3,918.4 million. The merchandise trade surplus was affected by a 2 percent decline in energy exports. The performance of Services (Net) also declined by 16.0 percent, moving from US$506.3 million in 2011 to US$425.1 million in 2012. **(Table 10)**

CAPITAL ACCOUNT

The deficit on the capital account was reduced in part by an increase of 8.2 percent in the net inflows of foreign direct investment, which moved from US$770.6 million in 2011 to US$839.5 in 2012. Commercial banks net foreign balances deteriorated more than two-fold with net outflows mounting to US$668.7 million in 2012 from US$309.8 million in 2011. Official borrowing of the Central Government contracted to negative US$28.2 million in 2012 compared to US$204.8 million in 2011, due mainly to a decrease in disbursements for Central Government projects from the Inter-Development Bank (IDB) and commercial and export banks coupled with the amortisation of existing debt surpassing the amount borrowed. **(Table 10)**

FOREIGN RESERVES

Gross Official Reserves (GOR) fell by 6.3 percent from US$9,822.7 million in 2011 or 13.5 months of import cover to US$9,200.7 million or 10.4 months of import cover in 2012, reflecting the shrinkage in the current account surplus. **(Table 10)**

Table 10: Summary Balance of Payments (US$ million)

	2008	2009	2010	2011r	2012p
Current Account	8,499.0	1,632.8	4,172.3	2,898.5	959.5
Merchandise	9,070.4	2,241.2	4,735.4	5,433.0	3,918.4
Services	609.7	381.7	487.6	506.3	425.1
Income	(1,228.0)	(1,017.1)	(1,079.5)	(3,073.9)	(3,424.0)
Transfers	46.9	27.0	28.8	33.1	40.0
Capital Account	(5,793.5)	(2,345.4)	(3,753.9)	(2,145.9)	(1,581.6)
Official	114.7	(50.3)	178.8	204.8	(28.2)
State Enterprises	(10.7)	(10.7)	(10.5)	(11.2)	(11.2)
Private Sector (includes net errors and omissions)	(5,897.5)	(2,284.4)	(3,922.2)	(2,339.5)	(1,542.2)
Overall Surplus/Deficit	2,705.5	(712.6)	418.4	752.6	(622.1)
Memo Items:					
***Gross Official Reserves**	9,380.3	8,651.6	9,070.0	9,822.7	9,200.7
***Import Cover**	11.5	11.9	13.1	13.5	10.4

Source: Central Bank of Trinidad and Tobago
r Revised
p Provisional Central Bank estimates for the period March to December 2012 are based on comparative mirror trade data with the rest of the world, and supplemental data on activity in the energy sector
* Includes Errors and Omissions

HERITAGE AND STABILISATION FUND (HSF)

The Net Asset Value of the HSF portfolio increased to approximately US$5.0 billion, due to a deposit by Central Government of US$42.5 million in the third quarter of fiscal 2013.

BALANCE OF VISIBLE TRADE

For the period October 2012 to June 2013, Trinidad and Tobago's balance of visible trade, declined by 4.2 percent to TT$22,185.8 million, over the corresponding period one year earlier. Exports declined from TT$76,977.5 million to TT$73,707.0 million, while imports fell from TT$53,807.3 million to TT$51,521.2 million. This waning performance is attributable to declines in the balance of trade excluding mineral fuels UPA from TT$23,269.2 million to TT$22,217.8 million and in the balance of trade excluding mineral fuels from negative TT$2,012.5 to negative TT$4,494.3 for the period October 2011 to June 2012 and October 2012 to June 2013, respectively **(Appendix 28)**.

CARICOM TRADE

Trinidad and Tobago's balance of trade with CARICOM countries increased from TT$4,037.6 million for the period October 2011 to June 2012 to TT$14,155.4 million for the period October 2012 to June 2013. This increase of 250.6 percent reflects mainly a surge in exports of mineral fuels from TT$2,186.7 million for the period October 2011 to June 2012 to TT$11,991.4 million for the period October 2012 to June 2013. In addition, imports excluding mineral fuels declined by 23.0 percent, from TT$740.5 million to TT$570.0 million. Exports excluding mineral fuels, grew by 9.7 percent from TT$2,817.9 to TT$3,091.1 **(Appendix 27)**.

CARIFORUM ECONOMIC PARTNERSHIP AGREEMENT

Legislation governing the CARIFORUM Economic Partnership Agreement was passed in Parliament on July 2, 2013 in the Upper House and on June 21, 2013 in the Lower House. It was subsequently assented to by Act 9 of 2013 on July 17, 2013. This Agreement affirms Trinidad and Tobago's trading obligations with the Economic Union (EU). However, there are further engagements to take place in the areas of services, goods and intellectual property. As a part of CARIFORUM, a country assessment of the Agreement to date will be pursued via a mid-term review, which is expected to be undertaken by early 2014.

TRINIDAD AND TOBAGO/ GUATEMALA PARTIAL SCOPE AGREEMENT

During 2013, Trinidad and Tobago and Guatemala engaged in a number of negotiating areas to improve their relations. A number of agreements in investment, culture and tourism were brought to fruition. The Partial Scope Trade Agreement (PSTA), however, which involves a basket of goods to facilitate trade between exporters and importers, is yet to be signed and is requisite to obtaining CARICOM's approval in keeping with the revised Treaty of Chaguaramas. This may be completed in the first quarter of 2014.

The engagement of the Government in this initiative is consistent with Government's need to expand trade relations with Latin America and envisages the eventual expansion of such relationships between the wider CARICOM countries and Central America.

Trinidad and Tobago had also engaged Panama for a PSTA. During the last fiscal year, the Government of Trinidad and Tobago sought CARICOM's approval of the Agreement which had been negotiated between Trinidad and Tobago and Panama. CARICOM gave its approval and arrangements for implementing the Agreement by way of domestic legislation is expected to be completed in 2014.

CARICOM/CANADA TRADE NEGOTIATIONS

The current Caribbean-Canada trade agreement, CARIBCAN, is set to expire in 2013 and cannot be renewed due to firm opposition from the World Trade Organisation. In order to continue duty free access by domestic exporters, who provide goods to the Canadian market, it is necessary to have a successful two (2) way agreement when it expires.

The intended trade and development agreement is broad in scope and is expected to cover among other things; market access for goods and services including the temporary movement of business persons, innovation and development. Also under consideration are the issues of labour, environment and culture.

Trinidad and Tobago is therefore focused on leading its CARICOM partners towards the completion of this agreement by December 2013. There have been a number of high level interventions at the CARICOM and Canada level to move the process along. Once the negotiations are completed, it may require a short term waiver to allow for the implementation of the trade and development agreement without the interruption of the duty free access for goods which is currently enjoyed by many CARICOM exporters.

DRAFT CARICOM FINANCIAL SERVICES AGREEMENT

The draft CARICOM Financial Services Agreement was formulated through a regional consultative process and is intended to facilitate the harmonisation of the policy framework in the financial services sector as well as serve as a conduit for the creation and adoption of other harmonisation instruments.

At the fifteenth meeting of the Council of Finance and Planning (COFAP), held in Trinidad and Tobago in August 2013, Member States approved the current text of the CARICOM Financial Services Agreement and its onward transmission to the Legal Affairs Committee for finalisation and signature by Member States.

APPENDIX 1

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT CONSTANT (2000) PRICES

/TT$ MILLIONS/

SECTOR	2009	2010	2011	2012 p	*2013 e
GROSS DOMESTIC PRODUCT	**88,841.7**	**89,029.2**	**86,731.3**	**87,810.9**	**89,251.5**
PETROLEUM INDUSTRY	**35,944.3**	**37,091.2**	**35,644.0**	**35,274.5**	**35,437.1**
NON-PETROLEUM INDUSTRY	**53,068.6**	**51,708.0**	**51,469.9**	**52,444.7**	**53,754.6**
Agriculture and Sugar	**345.9**	**611.6**	**610.9**	**581.1**	**610.8**
Manufacturing [1]	**7,770.0**	**7,861.9**	**7,775.5**	**7,746.5**	**8,222.6**
Food, Beverages and Tobacco	3,759.9	3,901.1	3,972.9	4,031.7	4,015.9
Printing, Publishing etc.	717.9	669.5	631.7	612.4	604.1
Wood & Related Products	162.4	155.7	153.7	198.2	204.3
Chemical & Non-Metallic Minerals	1,211.5	1,245.2	1,288.8	1,286.7	1,483.1
Assembly Type and Related Industries	1,343.4	1,299.4	1,168.3	1,073.1	1,028.5
Miscellaneous Manufacturing	405.9	409.0	380.1	377.4	377.2
Services	**44,952.7**	**43,234.5**	**43,083.5**	**44,117.1**	**45,268.1**
Electricity and Water	1,270.6	1,271.7	1,353.3	1,413.6	1,455.9
Construction and Quarrying	6,863.2	4,913.1	4,478.8	4,389.2	4,520.9
Distribution and Restaurants[2]	10,132.7	9,154.1	9,580.9	9,715.7	9,835.2
Transport, Storage & Communication	7,017.2	7,193.0	7,121.5	7,223.1	7,322.1
Finance, Insurance & Real Estate etc.	11,491.8	12,421.1	12,349.7	13,101.3	13,795.7
Government	4,965.1	5,022.8	4,989.9	5,042.1	5,098.5
FISIM [3]	(3,079.3)	(2,847.7)	(2,804.8)	(2,888.9)	(2,969.7)
Add: VALUE ADDED TAX (VAT)	2,908.1	3,077.7	2,422.2	2,980.6	3,029.5

Source: Central Statistical Office (2009-2012)
*Ministry of Finance and the Economy Estimates (2013)

1/ Excludes oil refining and petrochemical industries.
2/ Excludes distribution of petroleum products.
3/ Financial Intermediation Services Indirectly Measured.
p: provisional e: estimate

APPENDIX 2

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT CONSTANT (2000) PRICES

/PERCENTAGE CHANGE/

SECTOR	2009	2010	2011	2012 p	*2013 e
GROSS DOMESTIC PRODUCT	**(4.4)**	**0.2**	**(2.6)**	**1.2**	**1.6**
PETROLEUM INDUSTRY	**(1.8)**	**3.2**	**(3.9)**	**(1.0)**	**0.5**
NON-PETROLEUM INDUSTRY	**(4.9)**	**(2.6)**	**(0.5)**	**1.9**	**2.5**
Agriculture and Sugar	**(32.4)**	**76.8**	**(0.1)**	**(4.9)**	**5.1**
Manufacturing [1]	**1.9**	**1.2**	**(1.1)**	**(0.4)**	**6.1**
Food, Beverages and Tobacco	10.1	3.8	1.8	1.5	(0.4)
Printing, Publishing etc.	(10.6)	(6.7)	(5.6)	(3.1)	(1.4)
Wood & Related Products	(6.6)	(4.1)	(1.3)	29.0	3.1
Chemical & Non-Metallic Minerals	(2.6)	2.8	3.5	(0.2)	15.3
Assembly Type and Related Industries	(5.2)	(3.3)	(10.1)	(8.1)	(4.2)
Miscellaneous Manufacturing	(1.7)	0.8	(7.1)	(0.7)	(0.04)
Services	**(5.7)**	**(3.8)**	**(0.3)**	**2.4**	**2.6**
Electricity and Water	0.3	0.1	6.4	4.5	3.0
Construction and Quarrying	(7.1)	(28.4)	(8.8)	(2.0)	3.0
Distribution and Restaurants [2]	(20.4)	(9.7)	4.7	1.4	1.2
Transport, Storage & Communication	(0.5)	2.5	(1.0)	1.4	1.4
Finance, Insurance & Real Estate etc.	(4.5)	8.1	(0.6)	6.1	5.3
Government	19.1	1.2	(0.7)	1.0	1.1
FISIM [3]	0.2	(7.5)	(1.5)	3.0	2.8
Add: VALUE ADDED TAX (VAT)	(18.6)	5.8	(21.3)	23.1	1.6

Source: Central Statistical Office (2009-2012)
*Ministry of Finance and the Economy Estimates (2013)

1/ Excludes oil refining and petrochemical industries.
2/ Excludes distribution of petroleum products.
3/ Financial Intermediation Services Indirectly Measured.
p: provisional e: estimate

APPENDIX 3

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT CONSTANT (2000) PRICES

/PERCENTAGE CONTRIBUTION/

SECTOR	2009	2010	2011	2012 p	*2013 e
GROSS DOMESTIC PRODUCT	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
PETROLEUM INDUSTRY	**40.5**	**41.7**	**41.1**	**40.2**	**39.7**
NON-PETROLEUM INDUSTRY	**59.7**	**58.1**	**59.3**	**59.7**	**60.2**
Agriculture and Sugar	**0.4**	**0.7**	**0.7**	**0.7**	**0.7**
Manufacturing [1]	**8.7**	**8.8**	**9.0**	**8.8**	**9.2**
Food, Beverages and Tobacco	4.2	4.4	4.6	4.6	4.5
Printing, Publishing etc.	**0.8**	**0.8**	**0.7**	**0.7**	**0.7**
Wood & Related Products	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Chemical & Non-Metallic Minerals	**1.4**	**1.4**	**1.5**	**1.5**	**1.7**
Assembly Type and Related Industries	1.5	1.5	1.3	1.2	1.2
Miscellaneous Manufacturing	0.5	0.5	0.4	0.4	0.4
Services	**50.6**	**48.6**	**49.7**	**50.2**	**50.7**
Electricity and Water	1.4	1.4	1.6	1.6	1.6
Construction and Quarrying	7.7	5.5	5.2	5.0	5.1
Distribution and Restaurants [2]	11.4	10.3	11.0	11.1	11.0
Transport, Storage & Communication	**7.9**	**8.1**	**8.2**	**8.2**	**8.2**
Finance, Insurance & Real Estate etc.	12.9	14.0	14.2	14.9	15.5
Government	5.6	5.6	5.8	5.7	5.7
FISIM [3]	(3.5)	(3.2)	(3.2)	(3.3)	(3.0)
Add: VALUE ADDED TAX (VAT)	3.3	3.5	2.8	3.4	3.1

Source: Central Statistical Office (2009-2012)
*Ministry of Finance and the Economy Estimate (2013)

1/ Excludes oil refining and petrochemical industries.
2/ Excludes distribution of petroleum products.
3/ Financial Intermediation Services Indirectly Measured.
p: provisional e: estimate

APPENDIX 4

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT MARKET PRICES (CURRENT PRICES)

/TT$ MILLIONS/

SECTOR	2009	2010	2011	2012 p	*2013 e
GROSS DOMESTIC PRODUCT	**121,281.3**	**131,289.4**	**150,373.2**	**153,587.7**	**165,188.8**
PETROLEUM INDUSTRY	**41,965.5**	**56,015.3**	**70,313.7**	**67,105.4**	**70,849.6**
NON-PETROLEUM INDUSTRY	**79,628.1**	**75,054.3**	**80,864.3**	**85,935.3**	**93,630.9**
Agriculture and Sugar	**721.8**	**816.0**	**902.8**	**888.0**	**992.3**
Manufacturing [1]	**6,973.9**	**7,024.2**	**8,661.8**	**9,260.3**	**10,448.7**
Food, Beverages and Tobacco	3,828.0	4,048.6	4,604.8	5,512.4	5,836.8
Printing, Publishing etc.	712.3	459.6	456.8	445.2	466.8
Wood & Related Products	203.4	195.2	201.2	269.5	295.3
Chemical & Non-Metallic Minerals	1,533.7	1,391.6	1,375.6	1,387.8	1,700.4
Assembly Type and Related Industries	137.7	341.9	1,335.5	975.5	993.9
Miscellaneous Manufacturing	433.9	460.9	562.1	553.1	587.7
Services	**71,932.4**	**67,214.1**	**71,299.7**	**75,787.0**	**82,663.3**
Electricity and Water	1,777.9	1,809.7	2,000.1	1,930.2	2,064.7
Construction and Quarrying	13,726.5	9,410.5	8,772.3	7,642.7	8,368.0
Distribution and Restaurants [2]	17,934.9	17,942.1	19,449.2	21,180.2	22,791.5
Transport, Storage & Communication	7,194.6	6,903.1	7,193.4	8,235.2	8,874.0
Finance, Insurance & Real Estate etc.	14,453.8	14,812.5	16,710.2	16,936.3	18,957.5
Government	11,167.9	10,423.9	11,219.8	13,302.8	14,298.9
FISIM [3]	(5,459.6)	(5,812.5)	(5,721.8)	(5,950.6)	(6,502.5)
Add: VALUE ADDED TAX (VAT)	5,147.3	6,032.3	4,917.0	6,497.6	7,210.8

Source: Central Statistical Office (2009-2012)
*Ministry of Finance and the Economy Estimate (2013)

1/ Excludes oil refining and petrochemical industries.
2/ Excludes distribution of petroleum products.
3/ Financial Intermediation Services Indirectly Measured.
p: provisional e: estimate

APPENDIX 5

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT MARKET PRICES (CURRENT PRICES)

/PERCENTAGE CHANGE/

SECTOR	2009	2010	2011	2012 p	*2013 e
GROSS DOMESTIC PRODUCT	**(30.8)**	**8.3**	**14.5**	**2.1**	**7.6**
PETROLEUM INDUSTRY	**(52.9)**	**33.5**	**25.5**	**(4.6)**	**5.6**
NON-PETROLEUM INDUSTRY	**(6.7)**	**(5.7)**	**7.7**	**6.3**	**9.0**
Agriculture and Sugar	**12.7**	**13.1**	**10.6**	**(1.6)**	**11.7**
Manufacturing [1]	**(1.0)**	**0.7**	**23.3**	**6.9**	**12.8**
Food, Beverages and Tobacco	32.8	5.8	13.7	19.7	5.9
Printing, Publishing etc.	(12.5)	(35.5)	(0.6)	(2.5)	4.9
Wood & Related Products	(7.1)	(4.0)	3.1	33.9	9.6
Chemical & Non-Metallic Minerals	2.1	(9.3)	(1.1)	0.9	22.5
Assembly Type and Related Industries	(86.9)	148.3	290.6	(27.0)	1.9
Miscellaneous Manufacturing	(3.1)	6.2	22.0	(1.6)	6.3
Services	**(7.4)**	**(6.6)**	**6.1**	**6.3**	**9.1**
Electricity and Water	16.5	1.8	10.5	(3.5)	7.0
Construction and Quarrying	(5.2)	(31.4)	(6.8)	(12.9)	9.5
Distribution and Restaurants [2]	(15.2)	0.0	8.4	8.9	7.6
Transport, Storage & Communication	3.0	(4.1)	4.2	14.5	7.8
Finance, Insurance & Real Estate etc.	(7.8)	2.5	12.8	1.4	11.9
Government	(10.6)	(6.7)	7.6	18.6	7.5
FISIM [3]	7.2	6.5	(1.6)	4.0	9.3
Add: VALUE ADDED TAX (VAT)	(13.2)	17.2	(18.5)	32.1	11.0

Source: Central Statistical Office (2009-2012)
*Ministry of Finance and the Economy Estimate (2013)

1/ Excludes oil refining and petrochemical industries.
2/ Excludes distribution of petroleum products.
3/ Financial Intermediation Services Indirectly Measured.
p: provisional e: estimate

APPENDIX 6

GROSS DOMESTIC PRODUCT OF TRINIDAD AND TOBAGO AT MARKET PRICES (CURRENT PRICES)

/PERCENTAGE CONTRIBUTION/

SECTOR	2009	2010	2011	2012 p	*2013 e
GROSS DOMESTIC PRODUCT	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
PETROLEUM INDUSTRY	**34.6**	**42.7**	**46.8**	**43.7**	**42.9**
NON-PETROLEUM INDUSTRY	**65.7**	**57.2**	**53.8**	**56.0**	**56.7**
Agriculture and Sugar	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**
Manufacturing [1]	**5.8**	**5.4**	**5.8**	**6.0**	**6.3**
Food, Beverages and Tobacco	3.2	3.1	3.1	3.6	3.5
Printing, Publishing etc.	0.6	0.4	0.3	0.3	0.3
Wood & Related Products	0.2	0.1	0.1	0.2	0.2
Chemical & Non-Metallic Minerals	1.3	1.1	0.9	0.9	1.0
Assembly Type and Related Industries	0.1	0.3	0.9	0.6	0.6
Miscellaneous Manufacturing	0.4	0.4	0.4	0.4	0.4
Services	**59.3**	**51.2**	**47.4**	**49.3**	**50.0**
Electricity and Water	1.5	1.4	1.3	1.3	1.2
Construction and Quarrying	11.3	7.2	5.8	5.0	5.1
Distribution and Restaurants [2]	14.8	13.7	12.9	13.8	13.8
Transport, Storage & Communication	5.9	5.3	4.8	5.4	5.4
Finance, Insurance & Real Estate etc.	11.9	11.3	11.1	11.0	11.5
Government	9.2	7.9	7.5	8.7	8.7
FISIM [3]	(4.5)	(4.4)	(3.8)	(3.9)	(3.9)
Add: VALUE ADDED TAX (VAT)	4.2	4.6	3.3	4.2	4.4

Source: Central Statistical Office (2009-2012)
*Ministry of Finance and the Economy Estimate (2013)

1/ Excludes oil refining and petrochemical industries.
2/ Excludes distribution of petroleum products.
3/ Financial Intermediation Services Indirectly Measured.
p: provisional e: estimate

APPENDIX 7

DEVELOPMENT AND EXPLORATORY DRILLING AND DOMESTIC CRUDE PRODUCTION

Development and Exploratory Drilling							
	Oct '07/ Sep '08 r	Oct '08/ Sep '09 r	Oct '09/ Sep '10 r	Oct '10/ Sep '11	Oct '11/ Sep '12	Oct '11/ May '12	Oct '12/ May '13 p
Total Depth Drilled*	**127.2**	**53.4**	**63.1**	**92.7**	**111.8**	**82.5**	**87.2**
Land	44.4	24.4	26.7	50.5	58.7	38.8	44.4
Marine	82.7	29.0	36.4	42.2	53.0	43.7	42.8
Development Drilling*	**96.7**	**48.7**	**52.2**	**85.8**	**95.6**	**69.4**	**80.7**
Exploratory Drilling*	**30.5**	**4.7**	**10.9**	**6.9**	**16.2**	**13.1**	**6.5**
Number of Wells Drilled							
	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12	Oct '11/ May '12	Oct '12/ May '13 p
No. of Wells Drilled	**116**	**30**	**30**	**77**	**96**	**69**	**64**
Development	104	29	27	59	90	64	62
Exploratory	12	1	3	18	6	5	2
Domestic Crude and Condensate Production							
	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12	Oct '11/ May '12	Oct '12/ May '13 p
Total Crude and Condensate							
Millions of Barrels	42.4	39.7	37.9	38.7	28.4	20.6	19.7
Millions of Cubic Metres	6.7	6.3	6.0	6.2	4.5	3.3	3.1
Land (%)	20.6	21.5	21.8	21.2	21.4	23.1	28.7
Marine (%)	79.4	78.5	78.2	78.8	78.6	76.9	71.3
Crude Production							
Millions of Barrels	31.7	29.2	26.6	28.8	20.5	16.7	16.8
Millions of Cubic Metres	5.0	4.6	4.2	4.6	3.2	2.7	2.7
Condensate Production							
Millions of Barrels	10.7	10.5	11.3	9.9	7.9	3.9	2.9
Millions of Cubic Metres	1.7	1.7	1.8	1.6	1.3	0.6	0.5

Source: Ministry of Energy and Energy Affairs
r: Revised p: Provisional

* ALL FIGURES IN THOUSANDS OF METRES

APPENDIX 8

NATURAL GAS AND LIQUEFIED NATURAL GAS PRODUCTION AND UTILISATION

	Oct '07/ Sep '08 r	Oct '08/ Sep '09 r	Oct '09/ Sep '10 r	Oct '10/ Sep '11	Oct '11/ Sep '12	Oct '11/ May '12	Oct '12/ May '13 p
Natural Gas Production (MMCM) [1]	42,240	42,396	45,171	43,916	42,516	27,923	28,733
Natural Gas Utilisation (MMCM) [1]							
Fuel use [2]	10,929	10,284	11,171	11,589	11,621	7,664	7,464
Processed	7,994	7,706	8,734	8,390	8,022	5,301	5,103
Vented	921	1,152	1,853	1,601	1,055	711	913
Gas Re-injected	1,975	1,919	1,918	1,338	1,971	1,296	1,288
Natural Gas Liquids (NGL)	264	265	316	297	274	173	184
Liquefied Natural Gas [3]	20,159	20,477	21,180	20,701	19,574	12,778	13,782
Liquefied Natural Gas (LNG)							
Production [4] (Trillion Btu) [6]	737.0	759.2	766.1	751.0	709.6	403.8*	434.7*
Exports [5] (Trillion Btu) [6]	736.2	752.6	772.1	746.5	707.4	407.2*	435.2*

Source: Ministry of Energy and Energy Affairs
1/ Million Cubic Metres
2/ Includes oil companies and refinery use, non-oil companies and Atlantic fuel
3/ Refers to input of natural gas into LNG Trains
4/ Refers to output of LNG from LNG Trains
5/ Not all LNG produced within a period is exported during the same period, since some LNG may be stored for export later.
6/ Trillions of British Thermal Units
p: Provisional
* - For the period Oct - April

APPENDIX 9
PETROCHEMICALS PRODUCTION AND EXPORTS

/TONNES '000/

	Oct '07/ Sep '08 r	Oct '08/ Sep '09 r	Oct '09/ Sep '10 r	Oct '10/ Sep '11	Oct '11/ Sep '12	Oct '11/ May '12	Oct '12/ May '13 p
Nitrogeneous Fertilisers							
Ammonia							
Production	5,045.0	5,179.7	5,600.8r	5,315.5	5,013.4	2,962.0	2,683.7
Exports	4,691.9	4,759.4	5,180.8	4,864.2	4,520.1	2,656.0	2,562.0
Urea							
Production	630.1r	658.8r	701.7	718.1	532.5	292.0	330.1
Exports	619.2r	682.2r	692.0	700.7	530.1	296.5	304.5
Methanol							
Production	6,037.8	5,653.9	6,175.1r	5,937.5	5,595.2	3,192.7	3,158.4
Exports	5,857.8	5,754.2r	6,089.9	5,934.7	5,575.9	3,174.5	3,138.0

Source: Ministry of Energy and Energy Affairs
p: Provisional
r: Revised

APPENDIX 10

IRON AND STEEL PRODUCTION

/TONNES '000/

	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '10/ Jun '11	Oct '11/ Jun '12	Oct '12/ Jun '13
Direct Reduced Iron							
Production	2,004.4	950.1	1,783.2	1,754.9	1,263.5	1,252.7	1,170.8
Exports	1,299.5	533.4	1,052.0	1,040.2	772.0	819.0	713.9
Local Sales	-	-	-	-	-	-	-
Billets							
Production	566.7	370.6	579.7	586.0	449.7	458.1	448.7
Exports	108.9	134.4	165.7	118.4	100.9	85.9	161.9
Local Sales	73.8	46.9	37.1	41.2	32.8	29.2	26.2
Wire Rods							
Production	406.8	178.3	333.3	412.4	313.8	300.2	238.4
Exports	366.0	159.1	282.0	362.3	276.4	266.1	234.6
Local Sales	54.4	37.7	35.2	30.4	24.4	18.6	18.6

Source: ArcelorMittal Point Lisas Ltd.

APPENDIX 11

CHANGE IN PRICES, PRODUCTIVITY AND AVERAGE WEEKLY EARNINGS

/PERCENTAGE CHANGE/

		2008	2009	2010	2011	2012	Jan - Jun* 2012	Jan - Jun* 2013
	Weights							
Index of Retail Prices (Calendar Year)								
All Items (Base Year = 2003)	**1,000**	**12.0**	**7.0**	**10.6**	**5.1**	**9.2**	**5.7**	**5.4**
Core	820	6.2	4.1	4.3	1.7	2.5	1.3	0.4
Food	180	25.9	12.7	22.1	10.5	19.1	11.9	11.8
Transport	167	3.0	6.6	11.3	0.8	1.9	1.5	0.2
Housing	262	5.6	4.5	0.3	1.4	2.4	0.6	-0.5
		2007/ 2008	**2008/ 2009**	**2009/ 2010**	**2010/ 2011**	**2011/ 2012**	**Oct '11/ Dec '11 ****	**Oct '12/ Dec '12 ****
Index of Productivity (Fiscal Year)								
All workers/all industries (Base Year = 1995)		**10.2**	**9.5**	**6.6**	**7.4**	**-6.3**	**-8.7**	**2.5**
Non-Energy		**10.7**	**14.7**	**17.6**	**14.9**	**-2.6**	**-4.1**	**10.5**
Food Processing		38.0	-5.0	-2.9	13.2	-8.7	-42.4	33.9
Drink and Tobacco		32.2	16.4	13.9	1.9	4.2	1.6	3.3
Textiles, Garments and Footwear		23.4	6.3	48.3	8.9	-4.1	-5.9	-10.4
Printing, Publishing and Paper Converters		-5.2	-3.2	-9.5	10.1	-0.8	-2.2	5.7
Wood and Related Products		30.7	31.8	-5.8	28.1	-5.1	-10.2	-0.4
Chemicals		-6.5	-1.4	16.8	1.4	25.8	26.9	-15.9
Assembly Type & Related Products		-16.9	33.7	47.0	6.2	-1.9	-6.3	40.4
Miscellaneous Manufacturing		0.3	23.4	10.0	1.7	15.3	15.4	12.2
Electricity		-1.9	-1.2	14.1	31.7	-22.0	-7.0	-2.9
Water		-2.2	-0.7	-31.6	29.7	-11.7	5.1	6.9
Petrochemicals		0.6	-2.1	4.1	4.2	-3.9	-15.5	0.5
Exploration and Production of Oil and Natural Gas		-2.6	18.9	-10.2	-13.2	-17.4	-10.8	-14.1
Oil & Natural Gas Refining		58.4	3.7	-1.7	3.2	-23.1	-23.7	-49.0
Index of Average Weekly Earnings (Fiscal Year)								
All workers/all industries (Base Year = 1995)	**1,000**	**11.2**	**8.5**	**11.6**	**-4.1**	**1.9**	**-1.6**	**8.3**

Source: Central Statistical Office
* Calendar Year-to-date
** Refers to change in October to December period, versus October to December in the previous year

APPENDIX 12

POPULATION, LABOUR FORCE AND EMPLOYMENT (MID-YEAR)

	2007*	2008*	2009*	2010*	2011**	2012**p	2013**p
TOTAL POPULATION	**1,303,188**	**1,308,587**	**1,310,106**	**1,317,714**	**1,328,019**	**1,335,194**	**1,340,557**
% change	0.4	0.4	0.1	0.6	0.8	0.5	0.4
TOTAL MALE	**653,549**	**656,257**	**657,018**	**660,822**	**666,305**	**669,905**	**672,596**
% change	0.4	0.4	0.1	0.6	0.8	0.5	0.4
TOTAL FEMALE	**649,639**	**652,330**	**653,088**	**656,892**	**661,714**	**665,289**	**667,961**
% change	0.4	0.4	0.1	0.6	0.7	0.5	0.4
Dependency Ratio (%)	**47.8**	**47.9**	**47.4**	**47.0**	**46.4**	**46.8**	**-**
Non Institutional Pop. 15 yrs and over	**980,900**	**987,000**	**991,100**	**996,900**	**1,005,700**	**1,012,050**	**-**
Labour Force***	**622,350**	**626,600**	**621,000**	**618,900**	**616,500†**	**625,400††**	**-**
Persons Employed	522,500	597,700	588,400	582,100	585,300†	593,200††	-
Persons Unemployed	34,550	29,000	32,600	36,800	31,100†	32,150††	-
Participation Rate (%)	63.4	63.5	62.7	62.1	61.3†	61.8††	-
Unemployment Rate (%)	5.6	4.6	5.3	5.9	5.0†	5.1††	-
Births per 1,000 persons	**13.95**	**14.12**	**15.25**	**15.40**	**15.09**	**14.83**	**13.98**
Deaths per 1,000 persons	**7.60**	**7.70**	**7.68**	**7.68**	**7.05**	**7.21**	**7.74**
Crude Natural Growth Rate per 1,000	**6.35**	**6.42**	**7.57**	**7.72**	**8.05**	**7.62**	**6.24**

Source: Central Statistical Office
* Figures based on 2000 census
** Figures based on 2011 census
*** Figures based on CSSP estimates
† For the period April to December 2011
†† For the period January to June 2012

p: Provisional

APPENDIX 13

MID-YEAR ESTIMATES OF POPULATION BY AGE

	2006	2007	2008	2009	2010	2011	2012 p	2013 p
Total Population	**1,297,944**	**1,303,188**	**1,308,587**	**1,310,106**	**1,317,714**	**1,328,019**	**1,335,194**	**1,340,557**
Non-Institutional Population								
All Ages								
Under 15	328,954	330,283	331,651	332,036	333,965	273,415	274,892	275,996
15-19	142,380	142,955	143,547	143,714	144,548	98,379	98,911	99,308
20-24	115,136	115,601	116,080	116,215	116,890	114,240	114,857	115,319
25-29	99,328	99,729	100,142	100,258	100,841	123,518	124,185	124,684
30-34	94,791	95,174	95,569	95,680	96,235	105,580	106,150	106,577
35-39	105,464	105,890	106,329	106,452	107,070	92,539	93,039	93,413
40-44	92,918	93,293	93,680	93,789	94,333	86,163	86,629	86,976
45-49	76,931	77,242	77,562	77,652	78,103	96,114	96,633	97,021
50-54	64,193	64,452	64,719	64,794	65,170	87,184	87,655	88,007
55-59	47,808	48,002	48,201	48,256	48,537	73,215	73,611	73,906
60-64	38,155	38,309	38,468	38,512	38,736	58,647	58,964	59,201
65 and over	91,887	92,258	92,640	92,748	93,286	119,025	119,668	120,149

Source: Central Statistical Office
Figures for 2006 to 2010 are based on 2000 census
Figures for 2011 to 2013 are based on 2011 census
p: provisional

APPENDIX 14

LABOUR FORCE BY INDUSTRY AND EMPLOYMENT STATUS (CSSP ESTIMATES)

/HUNDREDS ('00)/

	2011												2012					
	Jan - Mar*			Apr - Jun			Jul - Sep			Oct - Dec			Jan - Mar			Apr - Jun		
	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %	Lab Force	Emp	Unemp Rate %
Total Labour Force	-	-	-	6,178	5,819	5.8	6,095	5,780	5.2	6,219	5,961	4.2	6,235	5,896	5.4	6,273	5,968	4.9
Other Agriculture, Forestry, Hunting & Fishing	-	-	-	208	205	0.5	219	214	2.3	235	233	0.9	226	222	1.3	201	195	3.5
Sugar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Petroleum and gas	-	-	-	188	176	6.4	204	193	5.4	199	195	2.5	222	212	4.5	213	200	5.6
Construction	-	-	-	1,003	868	14.3	1,010	910	10.0	1,031	948	8.0	1,038	916	11.8	1,009	921	8.7
Wholesale/Retail Trade, Restaurants & Hotels	-	-	-	1,144	1,072	6.4	1,089	1,021	6.2	1,123	1,056	6.0	1,148	1,082	5.8	1,131	1,079	4.7
Transport, Storage & Comm.	-	-	-	434	420	3.2	397	384	3.3	428	421	1.4	410	403	1.7	452	441	2.4
Finance, Insurance Real-Estate & Bus Services	-	-	-	548	529	2.7	602	583	3.2	562	546	2.8	566	545	3.7	536	526	1.9
Community Social & Personal Services	-	-	-	2,084	2,001	3.8	1,967	1,887	4.1	1,995	1,928	3.4	2,051	1,957	4.6	2,126	2,025	4.8
Electricity & Water	-	-	-	64	60	4.7	74	74	0.0	72	71	2.8	79	79	0.0	89	85	4.5
Other Manufacturing	-	-	-	481	461	4.2	505	489	3.4	534	522	2.2	482	466	3.3	481	463	3.7
Other Mining & Quarrying	-	-	-	11	10	-	12	12	0.0	11	11	0.0	7	7	0.0	9	9	0.0
Not stated	-	-	-	15	15	0.0	18	16	11.1	31	30	3.2	6	6	0.0	26	24	7.7

Source: Central Statistical Office
*No data is available for the January - March 2011 period

APPENDIX 15
EXCHANGE RATE FOR SELECTED CURRENCIES

Period	US Dollar		Canadian Dollar		U.K. Pound Sterling		EURO	
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
2001	6.1679	6.2314	3.9397	4.0916	8.7703	9.1134	5.4881	5.6632
2002	6.1746	6.2473	3.8622	4.0202	9.1236	9.4925	5.7305	5.9724
2003	6.2314	6.2952	4.3681	4.5563	9.9840	10.4059	6.8813	7.2050
2004	6.2440	6.2990	4.7107	4.9058	11.1953	11.6742	7.5991	7.9244
2005	6.2319	6.2996	5.0866	5.2849	11.1559	11.6325	7.6171	7.8818
2006	6.2495	6.3122	5.4430	5.6765	11.3205	11.8324	7.7099	8.0479
2007	6.2735	6.3282	5.7744	6.0402	12.2988	12.8852	8.4340	8.7985
2008	6.2234	6.2891	5.7929	6.0553	11.2925	11.8596	8.9702	9.3865
2009	6.2735	6.3259	5.4486	5.6911	9.6108	10.0982	8.5720	8.9903
2010	6.3203	6.3757	6.0640	6.3055	9.6020	10.0445	8.2547	8.5878
2011	6.3729	6.4261	6.3606	6.6262	9.9974	10.4562	8.6737	9.0375
2012	6.3716	6.4349	6.2971	6.5787	9.8818	10.3595	8.0181	8.3414
2011								
October	6.3643	6.4226	6.1532	6.4514	9.8008	10.2473	8.5195	8.8688
November	6.3709	6.4263	6.1464	6.4130	9.8352	10.3188	8.4745	8.8057
December	6.3835	6.4306	6.1554	6.4069	9.7322	10.2086	8.2376	8.5423
2012								
January	6.3668	6.4274	6.2094	6.4886	9.6521	10.1446	8.0472	8.3626
February	6.3602	6.4286	6.3006	6.5574	9.8246	10.3357	8.2602	8.5807
March	6.3817	6.4319	6.3349	6.6083	9.8476	10.3563	8.2065	8.5419
April	6.3694	6.4324	6.3282	6.6200	9.9496	10.4641	8.2007	8.5252
May	6.3703	6.4318	6.2470	6.5040	9.9208	10.4017	7.9780	8.3131
June	6.3744	6.4343	6.1156	6.3832	9.6902	10.1816	7.8177	8.1065
July	6.3825	6.4460	6.2160	6.5019	9.7271	10.2074	7.7233	7.9925
August	6.3531	6.4406	6.3387	6.6313	9.8250	10.2587	7.7390	8.0496
September	6.3795	6.4370	6.4332	6.6986	10.0458	10.5049	8.0032	8.3311
October	6.3662	6.4333	6.3677	6.6851	10.0445	10.4563	8.0914	8.4049
November	6.3619	6.4355	6.3146	6.6015	9.9785	10.4358	8.0028	8.3701
December	6.3939	6.4403	6.3690	6.6693	10.0769	10.5789	8.1636	8.5365
2013								
January	6.3716	6.4364	6.3336	6.6308	9.9688	10.4193	8.2702	8.6409
February	6.3660	6.4357	6.2436	6.5187	9.7177	10.0693	8.3331	8.6855
March	6.3869	6.4382	6.1488	6.4361	9.4165	9.8542	8.0713	8.4285
April	6.3799	6.4424	6.1700	6.5009	9.5630	10.0261	8.1212	8.5006
May	6.3829	6.4428	6.1877	6.5067	9.5617	10.0282	8.1107	8.4729
June	6.3878	6.4415	6.0993	6.4081	9.6741	10.1196	8.2061	8.5711

Source: Central Bank of Trinidad and Tobago

APPENDIX 16

MONEY SUPPLY

/TT$ MILLIONS/

Period Ending	Currency in Circulation	Demand Deposits (adj)	Savings Deposits (adj)	Time Deposits (adj)	Foreign Currency Deposits* (adj)	Narrow Money (M1)	Broad Money (M2)
2001	1,373.5	5,322.1	6,634.3	3,869.7	4,995.4	6,695.6	17,199.6
2002	1,501.8	5,829.8	6,778.7	3,399.9	5,513.1	7,331.6	17,510.1
2003	1,708.6	5,600.8	8,264.2	3,019.6	4,296.1	7,309.4	18,593.3
2004	1,957.4	6,420.2	8,952.4	3,511.1	6,987.8	8,377.6	20,841.2
2005	2,425.4	9,890.7	9,967.3	5,729.0	7,362.3	12,316.1	28,012.4
2006	2,654.4	10,853.5	11,523.7	7,828.4	10,505.5	13,507.9	32,859.9
2007	3,182.8	11,939.3	13,001.7	9,186.1	11,923.5	15,122.1	37,309.9
2008	3,433.7	13,226.0	13,830.6	11,680.2	16,112.7	16,659.7	42,170.5
2009	3,850.0	19,310.3	17,702.6	12,681.5	22,930.1	23,160.3	53,544.4
2010	4,242.4	21,040.7	19,953.3	10,981.4	18,926.3	25,283.1	56,217.7
2011	4,689.9	26,494.9	22,468.4	10,356.0	19,510.1	31,184.8	64,009.2
2012	5,395.5	30,285.4	24,748.5	10,391.9	23,458.0	35,680.9	70,821.2
2011							
October	4,540.7	23,919.0	21,625.5	10,603.8	19,691.9	28,459.7	60,689.0
November	4,538.1	23,618.8	22,077.8	10,216.7	19,500.0	28,156.9	60,451.4
December	4,689.9	26,494.9	22,468.4	10,356.0	19,510.1	31,184.8	64,009.2
2012							
January	4,532.4	24,529.0	22,612.5	10,324.0	19,427.1	29,061.4	61,997.8
February	4,608.8	25,522.0	23,152.7	9,585.9	19,596.7	30,130.8	62,869.4
March	4,767.9	26,100.0	23,865.0	9,972.0	19,387.4	30,867.9	64,704.9
April	4,747.7	24,977.4	24,206.0	9,925.0	19,431.9	29,725.1	63,856.1
May	4,726.4	25,146.5	24,650.7	9,781.6	19,306.0	29,872.9	64,305.2
June	4,830.3	24,843.3	25,302.4	10,042.2	19,860.6	29,673.6	65,018.2
July	4,822.1	23,468.4	25,210.5	10,413.2	20,350.5	28,290.5	63,914.2
August	4,961.4	25,540.1	25,509.2	10,416.9	20,700.1	30,501.5	66,427.6
September	4,962.2	25,663.9	25,762.9	11,142.7	20,859.5	30,626.0	67,531.6
October	5,017.0	25,913.7	25,804.6	11,229.9	20,580.4	30,930.8	67,965.3
November	5,236.8	28,292.0	24,534.6	10,325.0	21,385.3	33,528.8	68,388.3
December	5,395.5	30,285.4	24,748.5	10,391.9	23,458.0	35,680.9	70,821.2
2013							
January	5,222.8	28,956.8	24,867.9	11,065.8	23,656.6	34,179.6	70,113.2
February	5,284.5	28,756.4	25,258.3	11,199.6	23,871.4	34,040.9	70,498.9
March	5,490.9	29,350.6	25,606.3	10,713.1	23,548.4	34,841.5	71,160.9
April	5,326.3	29,083.9	25,614.9	10,511.7	23,451.7	34,410.2	70,536.9
May	5,553.3	29,138.4	26,087.2	10,974.2	23,198.8	34,691.7	71,753.1
June p	5,526.2	30,231.7	26,556.0	10,814.1	22,836.7	35,757.9	73,128.0

Source: Central Bank of Trinidad and Tobago
* Foreign Currency at the Commercial Banks
p: Provisional

APPENDIX 17

COMMERCIAL BANKS' LIQUID ASSETS

/TT$ MILLIONS/

	Reserve Position			Deposits at the Central Bank				
Period Ending	Required Reserves	Cash Reserves	Deposit Liabilities (adj.)	Cash Reserves	Special Deposits	Total Deposits	Local Cash in Hand	Treasury Bills
2001	2,694.0	2,682.7	14,966.7	2,682.7	783.1	3,465.8	469.8	532.8
2002	2,763.8	2,790.4	15,354.4	2,790.4	281.3	3,071.6	502.8	208.8
2003	2,327.5	2,333.8	16,625.0	2,233.8	621.5	2,955.3	586.1	124.6
2004	2,055.1	2,121.6	18,682.7	2,121.6	660.9	2,782.5	596.8	60.2
2005	2,601.9	3,672.5	23,653.6	3,672.5	1,000.0	4,672.5	566.0	415.1
2006	3,087.8	3,626.6	28,070.9	3,626.6	2,061.4	5,688.0	906.0	561.5
2007	3,625.4	3,928.0	32,958.2	3,928.0	2,158.6	6,086.6	1,022.5	567.4
2008	6,416.7	8,352.7	37,745.3	8,352.7	2,252.4	10,605.1	1,051.9	819.7
2009	8,055.7	10,110.7	47,386.5	10,110.7	4,447.7	14,558.5	1,004.0	1,001.2
2010	8,896.9	10,634.3	52,334.7	10,634.3	5,546.7	16,181.0	800.0	1,055.6
2011	9,747.2	15,431.2	57,336.5	15,431.2	5,646.7	21,077.9	1,245.4	451.8
2012	10,906.2	14,871.9	64,154.1	14,871.9	7,273.1	22,145.0	1,246.2	287.9
2011								
October	9,440.5	14,656.3	55,532.4	14,656.3	5,610.6	20,267.0	703.6	452.2
November	9,671.3	14,481.8	56,890.0	14,481.8	5,637.8	20,119.6	862.1	436.1
December	9,747.2	15,431.2	57,336.5	15,431.2	5,646.7	21,077.9	1,245.4	451.8
2012								
January	10,014.9	14,753.3	58,911.2	14,753.3	5,678.2	20,431.5	852.7	561.7
February	9,846.1	15,404.2	57,918.2	15,404.2	5,658.4	21,062.6	961.5	552.9
March	10,006.6	14,419.2	58,862.4	14,419.2	7,167.2	21,586.5	799.8	605.5
April	10,113.5	13,712.7	59,491.2	13,712.7	7,179.8	20,892.6	722.7	518.0
May	10,050.2	12,714.6	59,118.8	12,714.6	7,172.4	19,887.0	910.3	478.4
June	10,117.6	12,703.7	59,515.3	12,703.7	7,180.3	19,884.0	738.8	134.5
July	10,045.7	13,179.6	59,092.4	13,179.6	7,177.7	20,357.3	926.6	344.8
August	10,217.9	14,088.2	60,105.3	14,088.2	7,192.1	21,280.3	881.9	344.1
September	10,431.5	12,889.4	61,361.8	12,889.4	7,217.2	20,106.6	860.8	265.5
October	10,655.7	13,703.4	62,680.6	13,703.4	7,243.6	20,947.0	886.1	259.6
November	10,698.9	14,475.1	62,934.7	14,475.1	7,248.7	21,723.8	735.0	287.9
December	10,906.2	14,871.9	64,154.1	14,871.9	7,273.1	22,145.0	1,246.2	287.9
2013								
January	10,952.4	15,894.4	64,425.9	15,894.4	7,278.5	23,172.9	872.7	353.2
February	11,098.2	16,415.9	65,283.5	16,415.9	7,295.7	23,711.6	842.6	350.6
March	11,147.1	16,937.0	65,571.2	16,937.0	7,301.4	24,238.5	918.2	401.7
April	11,153.0	16,579.9	65,605.9	16,579.9	7,302.1	23,882.0	892.5	448.1
May	11,183.5	16,895.3	65,785.3	16,895.3	7,304.1	24,199.4	975.9	366.9
June [p]	11,351.9	17,465.4	66,564.1	17,465.4	7,317.1	24,782.5	745.3	324.1

Source: Central Bank of Trinidad and Tobago

APPENDIX 18

COMMERCIAL BANKS' DESTIC CREDIT

/TT$ MILLIONS/

Period Ending	Central Government Credit	Public Sector	Private Sector	Total Credit	Year on Year Percentage Change in Private Sector
2001	2,686.2	2,276.6	15,552.4	20,515.2	3.6
2002	2,705.5	2,166.7	16,890.0	21,762.3	8.6
2003	3,114.7	1,404.4	18,405.8	22,924.8	9.0
2004	2,756.6	1,541.7	22,242.9	26,541.2	20.8
2005	3,646.9	3,292.8	26,956.6	33,896.3	21.2
2006	2,627.4	2,702.3	31,333.7	36,663.3	16.2
2007	2,834.7	4,119.8	37,635.2	44,589.7	20.1
2008	3,350.4	4,501.4	43,103.8	50,955.5	14.5
2009	7,943.9	7,327.7	41,244.6	56,516.3	-4.3
2010	9,696.9	7,723.2	39,933.1	57,353.2	-3.2
2011	9,480.3	6,877.1	41,975.5	58,332.9	5.1
2012	14,808.9	7,075.3	44,208.8	66,092.9	5.3
2011					
October	9,368.5	7,499.2	41,059.2	57,926.9	3.1
November	9,344.4	7,697.5	41,450.3	58,492.2	3.4
December	9,480.3	6,877.1	41,975.5	58,332.9	5.1
2012					
January	9,013.2	6,877.9	41,749.8	57,640.9	4.2
February	9,594.4	7,039.4	41,715.5	58,349.2	4.0
March	10,459.6	7,121.8	42,001.4	59,582.8	3.9
April	11,059.7	7,112.9	41,776.4	59,949.1	3.6
May	12,357.5	7,194.6	42,118.1	61,670.2	5.1
June	12,538.0	7,125.5	42,418.7	62,082.2	5.5
July	11,752.6	6,511.4	42,401.2	60,665.2	4.5
August	13,100.0	6,745.9	42,874.3	62,720.2	5.2
September	13,811.0	7,206.7	43,855.8	64,873.5	7.0
October	14,015.0	7,027.3	44,020.3	65,062.6	7.2
November	13,628.2	7,147.8	44,322.9	65,098.8	6.9
December	14,808.9	7,075.3	44,208.8	66,092.9	5.3
2013					
January	13,428.9	7,273.2	44,369.6	65,071.6	6.3
February	13,461.4	7,400.5	44,256.4	65,118.2	6.1
March	12,930.7	7,932.8	44,275.8	65,139.3	5.4
April	12,626.2	7,514.5	44,303.9	64,444.6	6.0
May	13,241.7	7,459.8	44,882.3	65,583.8	6.6
June	12,893.3	7,856.7	44,792.4	65,542.4	5.6

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 19
COMMERCIAL BANKS' INTEREST RATES

Period Ending	Basic Prime Rate	Prime Loan Rates: Term	Prime Loan Rates: Demand	Prime Loan Rates: Overdraft	Real Estate Mortgage	Savings Ordinary	Special	Deposits: 3 Month	Deposits: 3 to 6 Month	Deposits: 6 to 12 Month
2001	15.00	16.00	15.00	15.50	16.00	3.00	5.25	6.60	6.75	7.80
2002	11.50	13.38	11.50	13.50	11.25	1.90	3.00	2.88	3.63	4.19
2003	11.50	11.25	11.50	11.50	12.50	2.03	3.00	3.06	3.54	4.19
2004	9.50	9.50	9.50	9.50	9.50	1.78	2.53	2.65	3.30	3.55
2005	9.00	9.06	9.00	9.06	9.31	1.46	2.38	2.65	3.06	3.51
2006	11.06	10.25	10.56	11.06	11.06	1.46	2.39	2.68	3.11	3.69
2007	11.75	10.63	11.75	11.75	11.75	1.46	2.39	2.90	3.36	3.88
2008	12.25	12.31	12.25	12.31	12.00	1.88	2.39	3.35	3.86	4.06
2009	12.13	12.06	12.25	12.19	11.63	1.25	1.74	2.23	2.82	3.25
2010	9.50	9.50	9.50	9.50	9.50	0.38	0.37	0.70	0.90	1.64
2011	8.00	8.00	8.00	8.00	8.00	0.25	0.24	0.50	0.79	1.43
2012	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
2011										
October	7.75	7.75	7.75	7.75	7.75	0.20	0.20	0.22	0.79	1.51
November	7.75	7.75	7.75	7.75	7.75	0.20	0.20	0.22	0.79	1.51
December	7.75	7.75	7.75	7.75	7.75	0.20	0.20	0.22	0.79	1.51
2012										
January	7.75	7.75	7.75	7.75	7.75	0.20	0.20	0.22	0.79	1.58
February	7.75	7.75	7.75	7.75	7.75	0.20	0.20	0.22	0.79	1.58
March	7.75	7.75	7.75	7.75	7.75	0.20	0.20	0.22	0.61	0.71
April	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
May	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
June	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
July	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
August	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
September	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
October	7.75	7.75	7.75	7.75	7.75	0.20	0.22	0.22	0.61	0.71
November	7.50	7.63	7.50	7.50	7.50	0.20	0.20	0.22	0.61	0.71
December	7.50	7.63	7.50	7.50	7.50	0.20	0.22	0.22	0.61	0.71
2013										
January	7.50	7.50	7.50	7.50	7.50	0.20	0.22	0.22	0.61	0.71
February	7.50	7.50	7.50	7.50	7.50	0.20	0.22	0.22	0.61	0.71
March	7.50	7.50	7.50	7.50	7.50	0.20	0.22	0.22	0.60	0.71
April	7.50	7.50	7.50	7.50	7.50	0.20	0.22	0.22	0.61	0.71
May	7.50	7.50	7.50	7.50	7.50	0.20	0.09	0.22	0.61	0.71
June	7.50	7.50	7.50	7.50	7.50	0.20	0.09	0.22	0.61	0.71

Source: Central Bank of Trinidad and Tobago

APPENDIX 20
SECONDARY MARKET ACTIVITIES

Period Ending	Number of Transactions	Volume of Shares Traded (Mn)	Market Value ($Mn)	Composite Index (Period End)
2001	6,609	122.2	1,045.0	434.2
2002	8,092	96.6	1,060.3	545.6
2003	16,690	409.6	2,303.2	694.1
2004	36,078	311.2	3,015.8	1,074.6
2005	32,316	193.5	3,918.1	1,067.4
2006	20,772	218.9	2,463.2	969.2
2007	17,733	119.4	2,138.1	982.0
2008	22,053	134.9	2,191.1	842.9
2009	9,884	76.9	1,474.2	765.3
2010	8,496	76.7	864.5	835.6
2011	9,200	563.9	1,032.0	1,012.9
2012	8,778	50.7	746.6	1,065.0
2011				
October	630	2.4	42.7	989.8
November	762	9.4	75.3	1,004.9
December	514	2.5	37.0	1,012.9
2012				
January	755	6.2	42.8	1,009.9
February	555	2.4	25.8	1,017.9
March	766	5.3	102.6	1,011.6
April	664	4.9	62.8	1,007.8
May	859	3.9	59.5	1,018.9
June	750	4.4	43.2	1,022.4
July	860	3.5	106.4	1,044.2
August	945	4.8	66.2	1,070.3
September	765	4.2	68.1	1,066.4
October	781	3.3	69.1	1,084.5
November	594	4.0	63.8	1,071.3
December	484	3.8	36.3	1,065.0
2013				
January	823	4.7	59.3	1,078.6
February	640	3.2	72.8	1,088.1
March	794	8.6	115.6	1,095.9
April	730	7.4	58.8	1,106.2
May	1,216	11.7	102.5	1,121.7
June	736	4.9	78.9	1,127.2

Source: Central Bank of Trinidad and Tobago and Trinidad and Tobago Stock Exchange

APPENDIX 21
CENTRAL GOVERNMENT FISCAL OPERATIONS

/TT$ MILLIONS/

	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12 r	Oct '12/ Sep '13 p
Total Revenue and Grants	**56,847.8**	**39,044.8**	**43,862.9**	**47,500.6**	**49,277.9**	**52,984.8**
Recurrent Revenue	56,810.3	38,993.4	43,632.0	47,213.6	49,234.5	52,497.3
of which: Oil Revenue *	29,910.0	15,772.7	17,844.9	20,146.7	19,811.8	20,106.0
Tax Revenue	51,689.5	32,536.6	37,074.4	42,017.3	43,568.8	45,150.6
Non-Tax Revenue	5,120.8	6,456.8	6,557.6	5,196.3	5,665.7	7,346.7
Capital Receipts	22.4	31.0	230.9	45.0	42.2	406.8
Grants	15.1	20.4	0.0	242.0	1.2	80.7
Total Expenditure and Net Lending	**53,873.3**	**45,730.8**	**46,701.4**	**51,492.4**	**52,806.9**	**59,470.2**
Recurrent Expenditure	43,738.8	36,683.4	40,302.2	43,914.9	45,068.9	50,467.1
Capital Expenditure and Net Lending	10,134.5	9,047.4	6,399.2	7,577.5	7,738.0	9,003.1
Current Account Balance	**13,071.5**	**2,310.0**	**3,329.8**	**3,298.7**	**4,165.6**	**2,030.2**
Overall Surplus/(Deficit)	**2,974.5**	**-6,686.0**	**-2,838.5**	**-3,991.8**	**-3,529.0**	**-6,485.4**
Financing Requirements	**-2,974.5**	**6,686.0**	**2,838.5**	**3,991.8**	**3,529.0**	**6,485.4**
External Financing (net)	796.7	33.0	-754.1	545.2	1,054.1	2,502.9
Domestic Financing (net)	-3,771.2	6,653.0	3,592.6	3,446.6	2,474.9	3,982.5

Source: Budget Division, Ministry of Finance and the Economy
r : revised
p : provisional
* Oil Revenue consists of Taxes from Oil Companies, 15 percent Withholding Tax, Royalties on Oil and Gas, Shares of Profits from Oil Companies under Production Sharing Contracts, Oil Imposts, Signature Bonuses- Competitive Bidding and Unemployment Levy (Oil)

APPENDIX 22
CENTRAL GOVERNMENT REVENUE

/TT$ MILLIONS/

	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12 r	Oct '12/ Sep '13 p
Total Revenue and Grants	**56,847.8**	**39,044.8**	**43,862.9**	**47,500.6**	**49,277.9**	**52,984.8**
Recurrent Revenue	**56,810.3**	**38,993.4**	**43,632.0**	**47,213.6**	**49,234.5**	**52,497.3**
Tax Revenue	**51,689.5**	**32,536.6**	**37,074.4**	**42,017.3**	**43,568.8**	**45,150.6**
Non-Tax Revenue	**5,120.8**	**6,456.8**	**6,557.6**	**5,196.3**	**5,665.7**	**7,346.7**
Taxes on Income & Profits	**41,325.2**	**23,996.0**	**27,516.4**	**33,245.1**	**33,078.3**	**34,108.9**
of which:-						
Companies	33,301.4	17,051.0	20,463.8	25,056.1	24,473.3	25,287.9
Oil	25,657.3	11,880.9	13,834.4	16,022.5	15,826.8	15,887.9
Other	7,644.1	5,170.1	6,629.5	9,033.6	8,646.4	9,400.0
Individuals	4,291.1	4,267.0	4,467.4	4,960.9	5,434.7	6,102.0
Withholding Taxes	887.2	1,178.5	880.5	1,197.3	1,083.6	900.0
Health Surcharge	195.7	186.0	184.9	216.0	187.4	195.0
Business Levy	232.7	198.8	205.7	208.9	293.6	170.0
Unemployment Fund	1,970.0	801.2	989.0	1,240.2	1,259.2	1,110.0
Green Fund	447.1	313.5	325.1	365.7	346.5	344.0
Taxes on Property	**102.5**	**92.9**	**44.1**	**32.0**	**31.3**	**39.6**
Land & Buildings	83.8	71.4	22.1	10.7	4.6	8.8
Taxes on Goods and Services	**7,716.8**	**6,429.0**	**7,436.8**	**6,387.7**	**7,925.6**	**8,261.1**
of which:-						
Excise Duties	650.4	626.9	705.1	705.4	725.3	701.9
VAT	6,389.1	5,147.2	6,032.3	4,917.0	6,337.4	6,670.0
Motor Vehicle Taxes & Duties	369.5	327.4	375.5	428.6	524.3	502.6
Taxes on International Trade	**2,194.6**	**1,828.6**	**1,905.5**	**2,167.8**	**2,319.4**	**2,496.9**
Of which:-						
Import Duties	2,169.3	1,828.2	1,904.7	2,167.8	2,319.4	2,496.9
Departure Tax	**22.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Other						
Stamp Duties	**350.4**	**190.1**	**171.6**	**184.7**	**214.2**	**244.1**
Non-Tax Revenue	**5,120.8**	**6,456.8**	**6,557.6**	**5,196.3**	**5,665.7**	**7,346.7**
of which: -						
Royalty on Oil	2,085.8	1,743.3	1,900.5	2,416.7	2,449.7	2,098.4
Profits: Non-Financial Enterprises	581.5	1,464.1	1,165.1	1,213.8	1,593.1	2,219.2
Profits: Financial Enterprises	1,662.6	1,080.6	921.5	481.3	497.4	566.4
Interest Income	70.8	147.6	170.8	50.0	21.0	20.5
Administrative Fees and Charges	325.1	493.1	419.9	593.7	419.4	488.9
Capital Receipts	**22.4**	**31.0**	**230.9**	**45.0**	**42.2**	**406.8**
Grants	**15.1**	**20.4**	**0.0**	**242.0**	**1.2**	**80.7**

Source: Budget Division, Ministry of Finance and the Economy
r : revised
p : provisional

APPENDIX 23

CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING

/TT$ MILLIONS/

	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12 r	Oct '12/ Sep '13 p
Total Expenditure and Net Lending	**53,873.3**	**45,730.8**	**46,701.4**	**51,492.4**	**52,806.9**	**59,470.2**
Recurrent Expenditure	**43,738.8**	**36,683.4**	**40,302.2**	**43,914.9**	**45,068.9**	**50,467.1**
Wages and Salaries	**6,946.9**	**6,620.3**	**6,711.0**	**7,179.7**	**7,282.3**	**9,618.8**
Goods & Services	**5,002.4**	**6,023.0**	**6,441.2**	**6,504.3**	**7,061.6**	**7,969.3**
Interest Payments	**2,967.3**	**3,499.9**	**3,290.3**	**2,866.4**	**2,937.1**	**3,063.7**
of which:-						
Domestic	2,329.6	2,955.3	2,846.1	2,486.9	2,547.9	2,512.1
Foreign	637.7	544.6	444.2	379.5	389.2	551.6
Subsidies & Transfers	**28,822.2**	**20,540.2**	**23,859.7**	**27,364.5**	**27,787.9**	**29,815.3**
Capital Expenditure and Net Lending	**10,134.5**	**9,047.4**	**6,399.2**	**7,577.5**	**7,738.0**	**9,003.1**
of which:-						
Development Programme (PSIP)	4,302.8	3,549.2	3,009.3	3,276.6	3,335.8	3,582.9
Infrastructure Development Fund	5,329.6	4,952.9	3,348.4	3,552.3	3,683.9	4,685.3
GATE	450.0	633.5	625.0	624.9	750.3	757.9
Acquisition of Foreign Fixed Assets	75.6	33.5	71.2	159.0	0.0	0.0
Net Lending	-23.5	-121.7	-29.7	-35.3	-32.0	-23.0

Source: Budget Division, Ministry of Finance and the Economy
r : revised
p : provisional

APPENDIX 24

CENTRAL GOVERNMENT FINANCING TRANSACTION

/TT$ MILLIONS/

	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12 r	Oct '12/ Sep '13 p
TOTAL FINANCING	**-2,974.5**	**6,686.0**	**2,838.5**	**3,991.8**	**3,529.0**	**6,485.4**
NET EXTERNAL	796.7	33.0	-754.1	545.2	1,054.1	2,502.9
External Borrowings	1,201.9	444.0	1,142.0	1,175.3	1,765.6	3,339.9
Capital Repayments	-405.2	-411.0	-1,896.1	-630.1	-711.5	-837.0
NET DOMESTIC	**-3,771.2**	**6,653.0**	**3,592.6**	**3,446.6**	**2,474.9**	**3,982.5**
Domestic Borrowings	-2,838.2	1,785.1	0.0	446.6	2,880.9	3,000.0
Capital Repayments	-933.0	-2,269.5	-1,125.7	-1,364.4	-1,126.7	-1,918.2
Sinking Fund Transfers	-662.3	-594.3	-442.9	-1,950.5	-1,021.7	-1,063.1

Source: Budget Division, Ministry of Finance and the Economy
r : revised
p : provisional

APPENDIX 25

TOTAL PUBLIC DEBT AND DEBT SERVICE

/TT$ MILLIONS/

	Oct '07/ Sep '08	Oct '08/ Sep '09	Oct '09/ Sep '10	Oct '10/ Sep '11	Oct '11/ Sep '12 r	Oct '12/ Sep '13 p
NET PUBLIC SECTOR DEBT 1	**40,950.2**	**46,518.4**	**51,134.5**	**54,098.4**	**69,156.8**	**73,916.8**
Domestic Public Sector Debt	**30,775.9**	**34,142.8**	**39,280.6**	**41,403.3**	**55,628.4**	**60,515.1**
External Public Sector Debt	**9,451.8**	**12,375.6**	**11,242.4**	**12,695.0**	**13,528.4**	**13,401.7**
CENTRAL GOVERNMENT	**23,626.7**	**25,277.9**	**28,573.5**	**28,949.3**	**41,568.6**	**43,718.3**
Domestic	13,614.6	14,877.6	19,233.1	18,941.8	30,548.6	32,770.7
BOLTs and Leases	722.5	671.0	611.5	544.7	471.2	387.6
External	9,289.6	9,729.3	8,728.9	9,462.8	10,548.7	10,559.9
CONTINGENT LIABILITIES	**17,323.5**	**21,240.5**	**22,561.0**	**25,149.1**	**27,588.3**	**30,198.5**
Guaranteed	12,275.8	13,339.5	14,653.6	19,022.8	21,302.2	20,210.3
Statutory Authorities	8,084.5	8,470.9	7,951.9	9,603.7	9,158.2	8,312.7
State Enterprises	4,191.3	4,868.7	6,701.7	9,419.2	12,144.0	11,897.6
Letters of Guarantee	**5,047.7**	**7,900.9**	**7,907.4**	**6,126.3**	**6,286.1**	**9,988.2**
Statutory Authorities	1,963.4	2,012.8	2,051.0	1,577.0	1,337.6	2,050.9
State Enterprises	3,084.3	5,888.1	5,856.4	4,549.3	4,948.4	7,937.4
CENTRAL GOVERNMENT DEBT SERVICE	**3,340.8**	**5,062.5**	**5,362.0**	**3,697.2**	**3,608.1**	**4,174.4**
Domestic	2,299.6	3,807.7	3,021.6	2,687.6	2,507.4	3,133.2
External	1,041.2	1,254.9	2,340.4	1,009.6	1,100.7	1,041.2
	(% of GDP)					
Net Public Sector Debt	**24.0**	**37.5**	**39.7**	**36.0**	**45.0**	**44.7**
External Public Sector Debt	**5.5**	**10.0**	**8.7**	**8.4**	**8.8**	**8.1**
Central Government Debt	**13.8**	**20.4**	**22.2**	**19.3**	**27.1**	**26.5**
Contingent Liabilities	**10.1**	**17.1**	**17.5**	**16.7**	**18.0**	**18.3**

Source: Ministry of Finance and the Economy
1: Treasury Bills, Treasury Notes and TreasuryBonds issued for Open Market Operations (OMOs) are not included.
r: revised
p: provisional

APPENDIX 26

TRINIDAD AND TOBAGO - NET FOREIGN RESERVES

/US$ MILLIONS/

	Central Bank				Commercial Banks					
Period Ending	Foreign Assets	Foreign Liabilities	Net Internat. Reserves	Gov't Balances	Foreign Assets	Foreign Liabilitiesr	Net Foreign Position	Gross Foreign Assets	Total Foreign Liabilities	Net Foreign Position
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
								(1)+(4)+(5)	(2)+(6)	(8)-(9)
2002	1,923.5	16.2	1,907.3	0.1	670.4	616.5	53.9	2,594.0	632.7	1,961.3
2003	2,257.9	16.2	2,241.7	0.1	1,002.2	1,042.2	(40.0)	3,260.2	1,058.4	2,201.8
2004	2,992.9	16.2	2,976.7	0.1	1,262.0	740.5	521.5	4,255.0	756.7	3,498.3
2005	4,885.6	16.1	4,869.5	0.1	1,407.2	1,151.6	255.6	6,292.9	1,167.7	5,125.2
2006	6,538.7	16.1	6,522.6	0.1	1,945.8	948.8	997.0	8,484.6	964.9	7,519.7
2007	6,673.4	14.8	6,658.6	0.1	1,959.7	1,069.5	890.1	8,633.2	1,084.3	7,548.8
2008	9,380.2	16.1	9,364.1	0.1	2,203.5	953.3	1,250.2	11,583.8	969.4	10,614.5
2009	8,651.5	0.0	8,651.5	0.1	2,739.3	787.3	1,952.0	11,390.9	787.3	10,603.6
2010	9,069.8	0.0	9,069.8	0.2	2,188.6	730.6	1,458.1	11,258.7	730.6	10,528.1
2011	9,822.4	0.0	9,822.4	0.3	2,490.9	723.0	1,767.8	12,313.6	723.0	11,590.5
2012	9,200.3	0.0	9,200.3	0.4	3,050.8	614.2	2,436.6	12,251.4	614.2	11,637.3
2011										
October	9,570.9	0.0	9,570.9	0.2	2,295.9	737.0	1,558.9	11,867.0	737.0	11,130.0
November	9,523.7	0.0	9,523.7	0.3	2,204.4	778.3	1,426.2	11,728.5	778.3	10,950.2
December	9,822.4	0.0	9,822.4	0.3	2,490.9	723.0	1,767.8	12,313.6	723.0	11,590.5
2012										
January	9,795.8	0.0	9,795.8	0.3	2,449.3	629.2	1,820.1	12,245.4	629.2	11,616.2
February	9,701.8	0.0	9,701.8	0.3	2,424.4	660.8	1,763.5	12,126.5	660.8	11,465.7
March	9,884.6	0.0	9,884.6	0.3	2,521.7	684.0	1,837.7	12,406.6	684.0	11,722.5
Apr	9,902.8	0.0	9,902.8	0.3	2,505.5	702.7	1,802.8	12,408.5	702.7	11,705.8
May	9,760.6	0.0	9,760.6	0.3	2,399.2	751.0	1,648.3	12,160.1	751.0	11,409.2
June	9,734.5	0.0	9,734.5	0.3	2,556.9	717.8	1,839.1	12,291.7	717.8	11,573.9
July	9,441.2	0.0	9,441.2	0.3	2,622.9	705.9	1,917.0	12,064.4	705.9	11,358.5
August	9,325.9	0.0	9,325.9	0.3	2,628.6	758.8	1,869.9	11,954.8	758.8	11,196.1
September	9,335.4	0.0	9,335.4	0.3	2,646.9	607.4	2,039.5	11,982.6	607.4	11,375.2
October	9,282.8	0.0	9,282.8	0.3	41,521.0	587.9	1,890.0	11,761.0	587.9	11,173.1
November	9,104.9	0.0	9,104.9	0.3	2,579.2	638.6	1,940.6	11,684.4	638.6	11,045.8
December	9,200.3	0.0	9,200.3	0.4	3,050.8	614.2	2,436.6	12,251.4	614.2	11,637.3
2013										
January	9,108.3	0.0	9,108.3	0.4	3,149.9	637.5	2,512.3	12,258.6	637.5	11,621.1
February	9,091.8	0.0	9,091.8	0.4	3,044.2	617.8	2,426.4	12,136.3	617.8	11,518.6
March	9,185.6	0.0	9,185.6	0.3	3,086.4	740.8	2,345.6	12,272.2	740.8	11,531.4
April	9,278.1	0.0	9,278.1	0.3	3,165.3	734.9	2,430.4	12,443.7	734.9	11,708.8
May	9,296.4	0.0	9,296.4	0.5	3,102.1	709.5	2,392.6	12,399.0	709.5	11,689.5
June [p]	9,395.2	0.0	9,395.2	0.5	3,242.7	819.1	2,423.7	12,638.4	819.1	11,819.3

Source: Central Bank of Trinidad and Tobago
p: Provisional

APPENDIX 27

TRADE WITH CARICOM COUNTRIES

/TT$ MILLIONS/

	Imports	Exports	Balance of Trade	Exports of Mineral Fuels	Imports of Mineral Fuels	Imports Excluding Mineral Fuels	Exports Excluding Mineral Fuels	Balance of Trade Excluding Mineral Fuels
1998	668.8	4,309.9	3,641.1	1,827.6	248.7	420.1	2,482.3	2,062.2
1999	827.9	4,708.1	3,880.2	2,323.3	454.6	373.3	2,384.8	2,011.5
2000	791.2	6,284.4	5,493.2	3,880.3	399.9	391.3	2,404.1	2,012.8
2001	750.8	6,415.2	5,664.4	3,808.7	218.2	532.6	2,606.5	2,073.9
2002	574.4	5,152.0	4,577.6	2,531.9	167.6	406.8	2,620.1	2,213.3
2003	588.9	6,585.5	5,996.6	4,146.8	69.0	519.9	2,438.7	1,918.8
2004	634.6	5,620.7	4,986.1	2,954.4	87.5	547.1	2,666.3	2,119.2
2005	700.2	13,153.1	12,452.9	9,931.0	126.6	573.6	3,222.1	2,648.5
2006	611.1	15,528.3	14,917.2	12,027.2	158.7	452.4	3,501.1	3,048.7
2007	762.3	11,462.3	10,700.0	7,571.5	177.9	584.4	3,890.8	3,306.4
2008	772.0	21,231.8	20,459.8	16,994.9	146.5	625.5	4,236.9	3,611.4
2009	700.0	9,141.4	8,441.4	5,945.8	101.7	598.3	3,195.6	2,597.3
2010	793.2	13,238.6	12,445.4	10,506.2	141.0	652.2	2,732.4	2,080.2
2011 r	1,545.8	13,442.5	11,896.7	9,630.5	218.8	1,327.0	3,812.0	2,485.0
2012 p	1,386.4	11,085.9	9,699.5	7,393.9	450.8	935.6	3,692.0	2,756.4
Oct '11/Jun '12	967.0	5,004.6	4,037.6	2,186.7	226.5	740.5	2,817.9	2,077.4
Oct '12/Jun '13	927.1	15,082.5	14,155.4	11,991.4	357.1	570.0	3,091.1	2,521.1

Source: Central Statistical Office
r: revised
p: provisional

APPENDIX 28

BALANCE OF VISIBLE TRADE

/TT$ MILLIONS/

	2006	2007	2008	2009	2010 r	2011 r	2012 p	Oct '11/ Jun '12 p	Oct '12/ Jun '13 p
Total Visible Trade									
Exports	88,469.8	83,267.4	116,662.0	58,091.9	71,344.7	95,633.9	103,750.1	76,977.5	73,707.0
Imports	40,892.2	48,431.7	59,914.8	43,973.3	41,284.1	60,865.1	72,521.3	53,807.3	51,521.2
Balance	**47,577.6**	**34,835.7**	**56,747.2**	**14,118.6**	**30,060.6**	**34,768.8**	**31,228.8**	**23,170.2**	**22,185.8**
Trade Excluding Mineral Fuels									
Exports	20,830.0	27,494.8	34,915.6	13,963.5	27,619.1	42,246.5	38,342.3	28,827.0	22,693.4
Imports	26,562.5	32,205.1	39,017.1	29,490.8	27,528.7	37,224.1	41,321.8	30,839.5	27,187.7
Balance	**(5,732.5)**	**(4,710.3)**	**(4,101.5)**	**(15,527.3)**	**90.4**	**5,022.4**	**-2,979.5**	**-2,012.5**	**-4,494.3**
Trade Excluding Mineral Fuels U.P.A.									
Exports	88,469.8	83,267.4	116,662.0	58,091.9	71,221.2	95,470.8	103,547.4	76,913.5	73,604.0
Imports	40,768.7	48,253.8	59,768.5	43,920.7	41,150.9	60,731.9	72,394.1	53,644.3	51,386.2
Balance	**47,701.1**	**35,013.6**	**56,893.5**	**14,171.2**	**30,070.3**	**34,738.9**	**31,153.3**	**23,269.2**	**22,217.8**
Trade in Mineral Fuels non - U.P.A									
Exports	67,639.8	55,772.6	77,522.5	44,128.4	43,602.1	53,224.3	65,205.1	48,086.5	50,910.6
Imports	14,206.2	16,048.7	20,751.4	14,429.9	13,622.2	23,507.8	31,072.3	22,804.8	24,198.5
Balance	**53,433.6**	**39,723.9**	**56,771.0**	**29,698.5**	**29,979.9**	**29,716.5**	**34,132.8**	**25,281.7**	**26,712.1**
Trade in Mineral Fuels UPA									
Exports	0.0	0.0	0.0	0.0	123.5	163.1	202.7	64.0	103.0
Imports	123.5	177.9	146.3	52.6	133.2	133.2	127.2	163.0	135.0
Balance	**(123.5)**	**(177.9)**	**(146.3)**	**(52.6)**	**(9.7)**	**29.9**	**75.5**	**-99.0**	**-32.0**
Trade in Mineral Fuels									
Exports	67,639.8	55,772.6	77,522.5	44,128.4	43,725.6	53,387.4	65,407.8	48,150.5	51,013.6
Imports	14,329.7	16,226.6	20, 897.7	14,482.5	13,755.4	23,641.0	31,199.5	22,967.8	24,333.5
Balance	**53,310.1**	**39,546.0**	**56,624.8**	**29,645.9**	**29,970.2**	**29,746.4**	**34,208.3**	**25,182.7**	**26,680.1**

Source: Central Statistical Office
r: revised
p: provisional

NOTES

NOTES

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