GUIDE TO THE

BUDGET 2022

Prepared by
Financial Scrutiny Unit
Office of the Parliament | October, 2021
This Guide provides Members of Parliament and stakeholders with an general overview of the Budget and the main expenditure of Ministries and Departments for the fiscal year 2022.

The primary purpose of this guide is to consolidate the information contained within the various Budget Documents and to provide readers with an analysis of same. It sets out the Government’s priorities for the Budget, spending decisions and key points raised in the Budget Speech.
PUBLICATION

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Standing Finance Committee
Office of the Parliament
Parliamentary Complex
Cabildo Building
St. Vincent Street
Port of Spain
Republic of Trinidad and Tobago
# The Budgetary Process

## Stages of the Budget Process/Cycle

### Drafting

- Ministry of Finance
- Budget Division – Ministry of Finance
- Cabinet Approval

### Legislative

- Parliament
- Standing Finance Committee
- Parliament Approval and Presidential Assent

### Implementation And Auditing

- Government Executive
- Public Administration and Appropriations Committee
- Audit

## Budget Expenditure Terms

- Budget Revenues Overview
- Fiscal Balance Overview
- Public Debt Overview
- Budget Analysis 2022
- Economic Analysis 2022
- COVID-19 Pandemic Effects
- Glossary Of Terms
What is the budget?

The National budget is the Government’s financial plan for a given period. The budget states how much money the Government intends to spend during a year (expenditure), what it intends to spend it on (appropriation), and where it expects to get the money to pay for that spending (revenue). The budget usually covers one year which is known as the fiscal year. In Trinidad and Tobago, the fiscal year begins on October 1 and ends September 30.

How Is The Budget Prepared And Adopted?

The budget outlines all the revenue and expenditure for a given period and is the most important economic policy tool used by the Executive for the allocation of resources to the various State institutions. It is prepared by the Ministry of Finance - Budget Division in consultation with other Ministries and Departments, and is based on the Government’s priorities and macroeconomic assumptions.

The budget cycle commences with the formulation of policy, and includes planning, implementation and auditing. The Minister of Finance presents the Appropriation Bill, Draft Estimates and other budget documents to the Parliament.

Following Parliamentary approval, the Bill is forwarded to the President for assent. If required, the Executive adopts a Supplementary/ Variation budget during the year following a similar procedure.

Proposals for Variation move funds from one Head of Expenditure to another. Proposals for Supplementation withdraw funds from the *Consolidated Fund and add them to a specific item under a Head of Expenditure.

*Consolidated Fund - this fund refers to all revenues or other moneys raised or received by Trinidad and Tobago.
Between February and March, the Minister of Finance issues a request in the form of a Call Circular to all Ministries and Departments for the submission of draft estimates of revenue and expenditure. The Draft Estimates take into consideration the Government’s Development Strategy. All Draft Estimates are required to be submitted to the Ministry of Finance by April 30, of each year.

**Budget Division – Ministry of Finance**

The Budget Division of the Ministry of Finance examines, analyses and holds discussions with Ministries and Departments to seek justification for expenditure.

**Cabinet Approval**

The Minister of Finance seeks Cabinet’s Approval of the Draft Estimates of Expenditure and Revenue.
Legislative

Parliament
The Minister of Finance presents the Appropriation Bill, Draft Estimates and other budget-related documents to Parliament. The Minister of Finance reviews the performance of the Economy and indicates the plans of the Government for future national development. He also states the date on which the budget debate will resume.

Standing Finance Committee
This is a Committee of the whole House chaired by the Speaker. It is an important mechanism of ex ante budgetary scrutiny. The Committee examines the Heads of Expenditure over the five (5) days allotted.

*ex-ante - based on forecasts rather than results

Parliament Approval and Presidential Assent
Following Parliamentary approval, the Appropriation Bill is forwarded to the President for assent. It then becomes the Appropriation Act for that fiscal year.
Implementation and Auditing

Government Executive

The Ministry of Finance plays a major role in ensuring that funds are allocated to the Ministries and Departments in line with the approved budget. The implementation of the budget is governed mainly by the Exchequer and Audit Act Chapter 69:01 and the Financial Regulations. Each Accounting Officer receives releases and is responsible for the use of public funds.

Public Administration and Appropriations Committee (PAAC)

The PAAC monitors the Government’s execution of the budget and its actual spending during the fiscal year to ensure that funds are used for the approved purpose and to enable the detection of any challenges during implementation.

Audit

In accordance with Section 25 (1) of the Exchequer and Audit Act, the Auditor General is required to audit the accounts of Ministries, Departments and other Government Agencies to ensure that expenditure was carried out in accordance with the Appropriation Act. This independence is necessary for an unbiased opinion on the accounts examination.
SECTION A
BUDGET EXPENDITURE TERMS
GUIDE TO THE BUDGET 2022

BUDGET EXPENDITURE TERMS

The Budgetary System allocates funding based on inputs, i.e. line items such as Personnel Expenditure, Goods and Services, and Minor Equipment Purchases that comprise the Estimates of Expenditure. Although it provides detailed information on how much public money is spent, it does not provide information on what is being achieved and whether the goods/services (outputs) satisfy the purpose intended.

TOTAL EXPENDITURE refers to all recurrent and capital expenditure of the Government. It comprises spending from the Consolidated Fund, Infrastructure Development Fund and other special purpose funds established by Parliament to finance Government expenditure.

RECURRENT EXPENDITURE refers to the payments for expenses which are incurred during the day-to-day operations of the Ministry for Personnel Expenditure, Goods and Services, Minor Equipment Purchases, Current Transfers and Subsidies and Current Transfers to Statutory Boards and Similar Bodies such as:

PERSONNEL EXPENDITURE - expenditure on all forms of remuneration paid to public officers with the exception of salaries paid to contract officers within the public service.

GOODS AND SERVICES - Purchase of goods and services for daily operations of Government’ offices.

MINOR EQUIPMENT PURCHASES - Minor Equipment Purchases includes wireless equipment, cell phones, vacuum cleaners, etc.

CAPITAL EXPENDITURE - payments made by the Government for the acquisition of land, intangible assets such as stocks and other non-financial assets to facilitate the production of goods and services. It may also include spending financed from capital grants which are non-refundable transfers received by the Government from other Governments or international organisation geared towards a particular project.

SUBSIDIES - A subsidy is a form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy.

TRANSFERS AND SUBSIDIES - non-repayable payments made by the Government to various individuals and agencies such as non-profit organisations, educational institutions, statutory bodies, state enterprises and foreign agencies for specific purposes.

CURRENT TRANSFERS - Current Transfers include allocations to non-profit institutions, organizations and other institutions

TRANSFERS TO STATE ENTERPRISES - non-repayable payments made by the Government to state enterprises operating in Trinidad and Tobago.

TRANSFERS TO STATUTORY BOARDS AND SIMILAR BODIES - on-repayable payments made by the Government to statutory boards and similar bodies

PUBLIC DEBT - Servicing of debt owed to local and foreign lenders.
Development Programme
Development Programme is capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago, which includes human resources, economic and social development. These funds are presented in two parts as follows:

Development Programme - Consolidated Fund
The allocation for the implementation of projects and programmes by Ministries, Statutory Boards, Local Government and the Tobago House of Assembly within the Public Sector Investment Programme (PSIP) was provided under the Consolidated Fund.

Development Programme – Infrastructure Development Fund

- The IDF was established by Legal Notice No. 347 of December 29, 1997, under section 43(2) of the Exchequer and Audit Act, Chap. 69:015 to finance wholly or partially, certain capital projects under the Government’s capital programme. It is the approval of additional resources for transfer from the Consolidated Fund to the Infrastructure Development Fund (IDF); and

- Operationally, the IDF is the mechanism used, in the main, to finance projects being implemented by existing and newly established special-purpose state entities to execute projects assigned to them by ministries, the Tobago House of Assembly and other state agencies. Importantly, moneys are only utilized in this Fund by the approval of the Parliament.

A mechanism to facilitate the acceleration and provide flexibility in the implementation of its capital development programme.

1 The Constitution of the Republic of Trinidad and Tobago Access on October 05, 2020: https://www.oas.org/juridico/english/mesicic3_ttoconstitution.pdf
2 The Parliament of Trinidad and Tobago Website, debate on Friday September 8, 2006, accessed on September 19, 2019: http://www.ttparliament.org/hansards/hh20060908.pdf
BUDGET REVENUES

Budget revenue comprises of the amount of money collected by the Government that is used to fund its activities. Revenue is raised by fiscal measures introduced in the Budget and is given legal effect by the issuance of a Provisional Collection of Taxes Order, the Value Added Tax Act or by Special Legislation. The Ministry of Finance is responsible for developing the Revenue Estimates for the Budget.

The principal revenue estimates are received from the Inland Revenue Division, the Customs and Excise Division and the Ministry of Energy and Energy Industries.

TAX REVENUES

Compulsory and unrequited payments made by individuals and companies operating within the energy and non-energy sectors. All tax revenues are paid into the Consolidated Fund.

TAXES ON INCOME AND PROFITS:
- Oil Companies (Chap. 75:04)
- Other Companies (Chap. 75:02)
- Individuals (Chap. 75:01)
- Withholding Tax (Chap. 75:01)
- Insurance Surrender Tax (Chap. 75:01)
- Business Levy (Chap. 75:02)
- Health Surcharge (Chap. 75:05)

TAXES ON PROPERTY:
- Lands and Building Taxes (Chap. 76:04)
- Property Tax (Act No.18 of 2009)
- Industrial Tax

TAXES ON GOODS & SERVICES:
- Purchase Tax
- Excise Duties
- Betting and Entertainment Taxes
- Liquor & Miscellaneous Business Licences & Fees
- Motor Vehicles Taxes and Duties (Chap. 48:50)
- Value Added Tax
- Alcohol and Tobacco Taxes
- Tax on online purchases

TAXES ON INTERNATIONAL TRADE:
- Import Duties (Chap. 78:01)
- Stamp Duty on Bills of Entry
- Special Tax – Household Effects (Chap. 77:01)
- Import Surcharge (Chap. 77:01)

OTHER TAXES:
- Stamp Duties (Chap. 76:01)
NON-TAX REVENUES
Revenue earned by the Government from sources other than taxes within the energy and non-energy sector.

PROPERTY INCOME
- Rental Income
- Interest Income
- Royal ties
- Profits from Non-financial Enterprises
- Profits from Public financial Institutions
- Other Property Income

OTHER NON-TAX REVENUE
- Administrative fees and Charges
- Fines and Forfeitures
- Pension Contributions
- Non-industrial Sales
- Other (Miscellaneous)

REPAYMENT OF PAST LENDING
- Repayment of Loans by Public Enterprises
- Repayment of Loans by Other Enterprises
- Repayment of Other Loans

CAPITAL RECEIPTS/REVENUE
CAPITAL REVENUE includes proceeds from transactions under the Government Sale of Assets Programme. It may also include Government receipts of non-repayable transfers for capital purposes from non-government sources. Additionally, it may include capital grants which are non-refundable transfers received by the Government from other Governments or international organisation geared towards a particular project.

FINANCING
- Borrowing
- Extraordinary Receipts
## Comparison Between 2019 and 2020 Actual Revenue Classification

<table>
<thead>
<tr>
<th>Revenue Classification</th>
<th>2020 $</th>
<th>2019 $</th>
<th>Increase/(Decrease) $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue</td>
<td>25,672,842,777.22</td>
<td>32,035,748,398.79</td>
<td>(6,362,905,621.50)</td>
</tr>
<tr>
<td>Non-Tax Revenue</td>
<td>7,261,863,266.13</td>
<td>12,051,218,741.03</td>
<td>(4,789,355,474.90)</td>
</tr>
<tr>
<td>Capital Receipts</td>
<td>526,612,574.72</td>
<td>979,783,020.80</td>
<td>(453,170,446.08)</td>
</tr>
<tr>
<td>Financing</td>
<td>23,190,063,060.26</td>
<td>8,356,603,181.17</td>
<td>14,833,459,879.10</td>
</tr>
<tr>
<td>Total</td>
<td>56,651,381,678.33</td>
<td>56,651,381,678.33</td>
<td>3,228,028,336.54</td>
</tr>
</tbody>
</table>

FISCAL SURPLUS & DEFICIT

The overall fiscal balance measures the extent to which Government expenditure is financed by the revenues collected and is an indication of the Government’s ‘fiscal stance’. A ‘fiscal stance’ is nothing more than a decision by the political administration about whether the annual budget would reflect a surplus, a deficit or be a balanced budget. The ‘fiscal stance’ adopted by the Government is a key to the process of prioritizing and rationalising the numerous budget requests in respect of both recurrent and capital expenditure.

However, the primary balance measures the Government’s ability to honour its obligations without incurring additional debt.

CURRENT FISCAL STATUS:
In Trinidad and Tobago there has been a fiscal deficit for the past four (4) years.

COMPARISON BETWEEN TOTAL REVENUE AND TOTAL EXPENDITURE FOR THE FINANCIAL YEARS 2016 TO 2020

<table>
<thead>
<tr>
<th></th>
<th>Actual Revenue</th>
<th>Actual Expenditure</th>
<th>Surplus/Deficit-Financed by the Exchequer Account</th>
<th>% of surplus/(Deficit to Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$60,313,756</td>
<td>$56,574,649</td>
<td>3,739,107</td>
<td>6.2%</td>
</tr>
<tr>
<td>2017</td>
<td>47,777,198</td>
<td>54,883,151</td>
<td>(7,105,953)</td>
<td>-14.9%</td>
</tr>
<tr>
<td>2018</td>
<td>50,477,117</td>
<td>54,211,711</td>
<td>(3,734,594)</td>
<td>-7.4%</td>
</tr>
<tr>
<td>2019</td>
<td>53,423,353</td>
<td>54,581,187</td>
<td>(1,157,834)</td>
<td>-2.2%</td>
</tr>
<tr>
<td>2020</td>
<td>56,651,382</td>
<td>57,388,008</td>
<td>(736,626)</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>

The Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2020, Volume 1, Accounts of Treasury and Receiver of Revenues. Auditor General website (http://t38.128.179.50/sites/default/files/VOL-I-Accounts-of-the-Treasury.pdf). pg.xvi accessed on 27Aug21
WHAT IS A FISCAL SURPLUS?
A fiscal surplus occurs when collected revenue exceeds expenditure.

WHAT IS A FISCAL DEFICIT?
A fiscal deficit occurs when expenditure exceeds collected revenue.

WHAT IS A POSITIVE PRIMARY BALANCE?
It is an indication of the improvement in managing public finances as there is less reliance on borrowing to finance public expenditure.

WHAT IS A NEGATIVE PRIMARY BALANCE?
A deterioration in managing public finances as there is greater reliance on new borrowing to finance public expenditure.
PUBLIC DEBT

What is public debt?

Public debt is the debt owed by the Government. It comprises balances on long-term loans and credit instruments raised on the domestic and foreign markets.

How does the Government deal with deficit?

In order to finance expenditure, the Government may decide to cover the deficit by:

- borrowing money from its domestic and/or external creditors;
- reducing spending, which is often referred to as “tightening the belt”; and
- increasing revenue such as increasing income taxes, taxes on energy activity, value added tax, customs and other import duties.

How does the Government borrow money?

The Government may borrow money domestically using three (3) types of instruments: Treasury Bills, Treasury Notes and Government Loans raised by bonds. Over an agreed period of time, the Government is obliged to repay the money, including interest charges. The Government may also borrow funds internationally through loans secured from foreign financial institutions such as the World Bank and International Monetary Fund.
Statement of Public Debt

The Public Debt recorded at September 30, 2020 was $90,499,830,136.22.

<table>
<thead>
<tr>
<th>Years</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head 19: Local Loans</td>
<td>49,603,142,063.76</td>
<td>58,309,860,362.25</td>
</tr>
<tr>
<td>Head 19: External Loans</td>
<td>24,109,387,066.96</td>
<td>28,671,312,417.17</td>
</tr>
<tr>
<td>Head 18: Ministry of Finance</td>
<td>1,368,403,727.44</td>
<td>3,518,657,356.80</td>
</tr>
<tr>
<td></td>
<td>75,080,932,858.16</td>
<td>90,499,830,136.22</td>
</tr>
</tbody>
</table>

From September 2019 to September 2020, there was an overall increase of $15,418,897,278.06.

PUBLIC DEBT TO TOTAL REVENUE

The following table provides a comparison of the Public Debt and Government Revenue for the financial years 2016 to 2020.

<table>
<thead>
<tr>
<th>Years</th>
<th>Public Debt</th>
<th>Total Revenue</th>
<th>% of Public Debt to Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>58,273,318,867</td>
<td>60,313,756,178</td>
<td>97</td>
</tr>
<tr>
<td>2017</td>
<td>65,450,617,657</td>
<td>47,777,197,583</td>
<td>137</td>
</tr>
<tr>
<td>2018</td>
<td>68,977,535,489</td>
<td>50,477,117,276</td>
<td>137</td>
</tr>
<tr>
<td>2019</td>
<td>75,080,958,413</td>
<td>53,423,353,342</td>
<td>141</td>
</tr>
<tr>
<td>2020</td>
<td>90,499,830,136</td>
<td>56,651,381,678</td>
<td>160</td>
</tr>
</tbody>
</table>

Financial Year | Total Expenditure $'000 | Charges on Account of the Public Debt $'000 | %
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>56,574,649</td>
<td>7,024,666</td>
<td>12.4</td>
</tr>
<tr>
<td>2017</td>
<td>54,883,151</td>
<td>9,641,806</td>
<td>17.6</td>
</tr>
<tr>
<td>2018</td>
<td>54,211,711</td>
<td>9,220,951</td>
<td>17.0</td>
</tr>
<tr>
<td>2019</td>
<td>54,581,187</td>
<td>8,230,355</td>
<td>15.1</td>
</tr>
<tr>
<td>2020</td>
<td>57,388,008</td>
<td>10,066,151</td>
<td>17.5</td>
</tr>
</tbody>
</table>

The Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2020, Volume 1, Accounts of Treasury and Receiver of Revenue: Auditor General website (http://138.128.179.50/sites/default/files/VOL-I-Accounts-of-the-Treasury.pdf) pgs 34, 36 accessed on 27 Aug 21
2022 BUDGET ANALYSIS
NATIONAL BUDGET 2022
$57,917,018,000.00

Guide to the Budget 2022
Draft Estimates of Expenditure for the Financial Year 2022, accessed on October 05, 2021:
REVENUE- BUDGET 2022
$55,886,630,394

Tax Revenue: $31,856,126,244.00
Non-Tax Revenue: $13,877,600,000.00
Capital Receipts: $9,146,404,150.00
Financing: $1,006,500,000.00

55.9 BILLION

TAX REVENUE
UP 11%
UP BY $3,166,538,224.00

CAPITAL RECEIPTS
UP 10%
UP BY $94,371,058.00

NON-TAX REVENUE
DOWN 33%
DOWN BY $6,832,550,681.00

FINANCING
UP 41%
UP BY $2,657,892,204.00

The 2020 Actual and 2021 Revised Estimates when compared, revealed an overall increase in Revenue in the sum of $148,997,911.00

However, 2021 Revised Estimates and 2022 Estimates when compared revealed an overall decrease in revenue of $913,749,195.00

Draft Estimates of Revenue for the Financial Year 2022, accessed on October 05, 2021:
**RECURRENT EXPENDITURE INFRASTRUCTURE DEVELOPMENT FUND**

**CONSOLIDATED FUND**

**EXPENDITURE - BUDGET 2022**

$57,917,018,000

$55,417,902,000.00

$2,499,116,000.00

$1,700,884,000.00

- **Recurrent Expenditure**
  - UP 1%
  - UP BY $400,914,878.00

- **Consolidated Fund**
  - UP 70%
  - UP BY $1,025,763,614.00

- **Infrastructure Development Fund**
  - UP 7%
  - UP BY $113,011,754.00

Draft Estimates of Recurrent Expenditure for the Financial Year 2022, accessed on October 05, 2021:

Draft Estimates of Development Programme for the Financial Year 2022, accessed on October 05, 2021:
GUIDE TO THE BUDGET 2022

DEVELOPMENT PROGRAMMES
Funded from the Budget

Sports and Community Development
- Sports (Upgrading of Swimming Pools and Other Facilities)
- Youth Development (Refurbishment of Youth Training Facilities, Refurbishment of the Youth Development and Apprenticeship Centres)

Energy and Energy Industries
- Renewable Energy and Energy Efficiency Initiatives
- Environmental Policy Grant Project (EU)
- Public Buildings

Public Utilities
- Electricity
- Postal Services
- Major Water Sources
- Transmission and Distribution Mains
- Sanitary Services
- Water and Sewerage
- Welfare Services

Healthcare System
- Special Education
- Hospitals and Other Services
- Welfare Services
- Public Buildings
- Health Facilities
- Equipment and Vehicles

Labour
- Business Services
- Recreation and Culture
- Youth Development
- Development Institution

Works and Transport
- Drainage and Irrigation
- Sea Transport
- Major River Clearing Programme
- Infrastructure Rehab.
- And Flood Mitigation
- Flood Alleviation and Drainage Programme
- Coastal Protection
- Air Transport
- Bus Transport
- Roads and Bridges
- Road Systems and Operations and Services
- Sea Transportation
- Development Institution
- Public Buildings

Agriculture, Land and Fisheries
- Environmental Protection and Rehabilitation
- Production and Marketing
- Fishing
- Forestry
- Land Management Services
- Research and Development
- Drainage and Irrigation
- Improvement and Expansion Works, Emporar Valley Zoo
- Other Economic Services

Social Development and Family Services
- Welfare Services
- Establishment of a Data Centre and Storage Area
- Public Buildings

Tourism, Culture and the Arts
- Tourism Sites and Attractions
- Upgrade
- Cruise Tourism Initiative
- Tourism and Industrial Development Co. of T&T
- Maracas Beach Facility Improvement Project

Education
- Vocational and Technical Education Services (Scholarships)
- Science, Technology and Applied Arts
- Public Buildings
- Pre-Primary
- Primary
- Second
- Special Education

National Security
- Defence
- Coast Guard
- Regiment
- Air Guard
- Defence Force HeadQuarters
- Defence Force Reserves
- Prison Service
- Immigration
- Fire Service
- Lifeguard Service
- Forensic Laboratory and Pathology Services

Draft Estimates of Development Programme for the Financial Year 2022, accessed on October 05, 2021:
PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP) 2022 ALLOCATION BY SECTOR
# PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP) 2022 ALLOCATION BY SECTOR (TT$MILLION)

<table>
<thead>
<tr>
<th>SECTOR AND AREA</th>
<th>TOTAL ALLOCATION</th>
<th>CONSOLIDATED FUND</th>
<th>%</th>
<th>IDF</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td><strong>BUILDING GLOBALLY COMPETITIVE BUSINESSES</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Agriculture</td>
<td>557.8</td>
<td>512.3</td>
<td>20.5</td>
<td>45.5</td>
<td>2.7</td>
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<tr>
<td>Economic Reconstructing and Transformation</td>
<td>132.1</td>
<td>132.1</td>
<td>5.3</td>
<td>0.0</td>
<td>0.0</td>
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<td>Industrial Development</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Manufacturing</td>
<td>40.2</td>
<td>22.7</td>
<td>0.9</td>
<td>17.5</td>
<td>1.0</td>
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<tr>
<td>Tourism</td>
<td>54.7</td>
<td>46.7</td>
<td>1.9</td>
<td>8.0</td>
<td>0.5</td>
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<tr>
<td>Youth Development and Entrepreneurship</td>
<td>233.0</td>
<td>230.0</td>
<td>9.2</td>
<td>3.0</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>IMPROVING PRODUCTIVITY THROUGH QUALITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>INFRASTRUCTURE AND TRANSPORT</td>
<td>1306.4</td>
<td>651.0</td>
<td>26.0</td>
<td>655.4</td>
<td>38.6</td>
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<td>Drainage</td>
<td>203.7</td>
<td>104.7</td>
<td>4.2</td>
<td>99.0</td>
<td>5.8</td>
</tr>
<tr>
<td>Electricity</td>
<td>40.3</td>
<td>40.3</td>
<td>1.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
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<td>Information Technology and Infrastructure</td>
<td>245.7</td>
<td>245.7</td>
<td>9.8</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Roads and Bridges</td>
<td>493.5</td>
<td>123.5</td>
<td>4.9</td>
<td>370.0</td>
<td>21.8</td>
</tr>
<tr>
<td>Severeage</td>
<td>81.1</td>
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<td>0.0</td>
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<td><strong>PLACING THE ENVIRONMENT AT THE CENTRE OF SOCIAL AND ECONOMIC DEVELOPMENT</strong></td>
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<td>2.5</td>
<td>0.1</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td>90.7</td>
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<td>0.0</td>
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<td>0.3</td>
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<td><strong>PUTTING PEOPLE FIRST: NURTURING OUR GREATEST ASSET</strong></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Community Development</td>
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<td>264.6</td>
<td>15.6</td>
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<td>Housing and Shelter</td>
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<td>153.0</td>
<td>6.1</td>
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<td>0.0</td>
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<tr>
<td>Primary Education</td>
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<td>14.1</td>
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<td>25.7</td>
<td>1.5</td>
</tr>
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<td>Science, Research and Development</td>
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<td>Secondary Education</td>
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<tr>
<td>Skills Development</td>
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<td>25.4</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Social Development</td>
<td>30.7</td>
<td>18.2</td>
<td>0.7</td>
<td>12.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Special Education</td>
<td>12.2</td>
<td>9.7</td>
<td>0.4</td>
<td>2.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Sport and Recreation</td>
<td>116.9</td>
<td>31.5</td>
<td>1.3</td>
<td>85.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Tertiary Education</td>
<td>286.5</td>
<td>241.5</td>
<td>9.7</td>
<td>45.0</td>
<td>2.7</td>
</tr>
</tbody>
</table>

**GRAND TOTAL**

|                  | 4200.0 | 2502.2 | 100.0 | 1697.8 | 100.0 |

ECONOMIC ANALYSIS 2022
IMPORTANT CONCEPTS IN MACRO-ECONOMICS ANALYSIS

Macroeconomics is the study of the economy as a whole including growth in incomes, changes in the overall level of prices and the unemployment rate. When preparing the budget, it is necessary to assess the value of Gross Domestic Product (GDP), the inflation rate, employment tendencies, etc.

GDP is the goods and services produced in an economy for a given year. GDP is measured at current purchaser/market prices and at constant base year prices. It is primarily used to assess the health of a country’s economy and determine whether an economy is growing or experiencing a recession.

The GDP of a country comprises of personal consumption, private investment, government spending and exports (minus imports).

Macroeconomic projections are particularly important for revenue planning. For example, if private consumption is expected to increase, Value Added Tax and excise revenues are also expected to rise. Also, an expected increase in employment should translate into an increase in tax revenues (VAT, excise taxes, personal income tax) and social security contributions.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population '000</th>
<th>Percentage change constant GDP</th>
<th>GDP Per Capita (US$)</th>
<th>Inflation (%)</th>
<th>Unemployment %</th>
<th>Fiscal Balance (% of GDP)</th>
<th>Import Cover Ratio (Months)</th>
<th>Public Sector External Debt (US $Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,317.7</td>
<td>3.3</td>
<td>16,888.3</td>
<td>10.5</td>
<td>5.9</td>
<td>0.1</td>
<td>13.3</td>
<td>2,038.4</td>
</tr>
<tr>
<td>2011</td>
<td>1,328.0</td>
<td>-0.3</td>
<td>19,180.2</td>
<td>5.1</td>
<td>4.9</td>
<td>-0.7</td>
<td>13.7</td>
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</tr>
<tr>
<td>2012</td>
<td>1,335.2</td>
<td>1.3</td>
<td>19,374.8</td>
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<td>5.0</td>
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</tr>
<tr>
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<td>2.2</td>
<td>20,427.0</td>
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<td>3.7</td>
<td>-2.8</td>
<td>12.2</td>
<td>2,533.7</td>
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<tr>
<td>2014</td>
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<td>-0.9</td>
<td>20,604.7</td>
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<td>3.3</td>
<td>-2.5</td>
<td>12.9</td>
<td>2,537.5</td>
</tr>
<tr>
<td>2015</td>
<td>1,349.7</td>
<td>1.5</td>
<td>18,562.4</td>
<td>4.7</td>
<td>3.4</td>
<td>-1.7</td>
<td>11.2</td>
<td>2,553.0</td>
</tr>
<tr>
<td>2016</td>
<td>1,353.9</td>
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<td>16,598.5</td>
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<td>4.0</td>
<td>-5.3</td>
<td>10.5</td>
<td>3,518.8</td>
</tr>
<tr>
<td>2017</td>
<td>1,356.6</td>
<td>-3.0</td>
<td>16,563.2</td>
<td>1.9</td>
<td>4.8</td>
<td>-9.0</td>
<td>9.7</td>
<td>3,896.0</td>
</tr>
<tr>
<td>2018</td>
<td>1,359.2</td>
<td>0.1</td>
<td>17,458.4</td>
<td>1.0</td>
<td>3.9</td>
<td>-3.6</td>
<td>8.0</td>
<td>4,096.2</td>
</tr>
<tr>
<td>2019</td>
<td>1,364.0</td>
<td>-1.2</td>
<td>17,012.6</td>
<td>1.0</td>
<td>4.3*</td>
<td>-2.6</td>
<td>7.7</td>
<td>4,221.6</td>
</tr>
<tr>
<td>2020</td>
<td>1,366.7</td>
<td>n.a.</td>
<td>n.a.</td>
<td>0.6</td>
<td>n.a.</td>
<td>-11.2</td>
<td>8.5</td>
<td>4,803.4</td>
</tr>
</tbody>
</table>

Sources: Central Statistical Office, Ministry of Finance and Central Bank of Trinidad and Tobago

1 The Central Bank of Trinidad and Tobago website (https://www.central-bank.org.tt/statistics/handbook-key-economic-and-financial-statistics) accessed on 27 Aug 21 are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitudes of such imbalances through intervention in exchange markets and for other purposes. Typically, they include securities, gold, IMF special drawing rights (SDRs), a country’s holding of foreign currency and deposits, reserve position in the IMF, and other claims (Balance of Payments Manual 6th Edition Paragraph 6.64).


* Average for the first, second and fourth quarters of 2019. Labour force data for the third quarter of 2019 are not yet available.

pr Preliminary.

n.a. Not available.
**Important Terms**

**Real GDP** The total income of everyone in the economy (adjusted for price level).

**Real GDP growth rate** is the most important indicator of a country’s economic growth and is derived by computing the per cent change in GDP at constant prices.

**Inflation** prices of most goods and services are rising over time.

**Inflation Rate** is the percentage increase in the average level of prices.

**Unemployment** the number of people who are available for work and are actively seeking it but cannot find jobs.

**Unemployment Rate** The fraction of labor force that is out of work.
Domestic Economic and Financial Conditions

Provisional data for October 2020-March 2021 shows a total face value of $7.5bn in bonds raised by the Central Government on the primary bond market, compared with $5.6bn in the same period a year ago.

During the fourth quarter, the energy sector fell by 20.9% on a year-on-year basis, while activity in the non-energy sector slipped by 2.2%. Construction activity increased by 4.6% in the first quarter of 2021 based on higher cement sales.

Gross official reserves stood at US$7.5bn at the end of May 2021 or 8.1 months of prospective imports.

On a year-on-year basis, consumer and business lending declined by 3.3% and 3.5 in March 2021 respectively.

INTERNATIONAL DEVELOPMENTS

The International Monetary Fund (IMF), in its April 2021 World Economic Outlook (WEO), forecasted world growth to recover to 6.0 per cent in 2021.

The US kept its federal funds rate unchanged despite a pickup in inflation. Monetary policy rates in other advanced economies were also maintained.

Commodity prices have been increasing during 2021 from their low base in 2020.

Economic conditions displayed signs of improvement in emerging market and developing economies led by the faster-than-expected recovery of China.

Trinidad and Tobago is rated by two international credit rating agencies; Moody's Investors Service (Moody's) and Standard & Poor's Global Ratings (S&P) and one regional rating agency, Caribbean Information and Credit Rating Services Limited (CariCRIS). Even amidst a pandemic, Trinidad and Tobago is currently assigned ratings of non-investment grade by Moody's (Baa3 and Ba1) and investment grade by S&P (BBB-/A-3) due to differing methodologies employed by the various agencies. Additionally, CariCRIS lowered its sovereign issuer ratings assigned to the Government of the Republic of Trinidad and Tobago (GORTT) by 1 notch to CariAA (Foreign and Local Currency Ratings) on its regional rating scale. CariCRIS upgraded the outlook for Trinidad and Tobago from negative to stable in 2021 while S&P revised its outlook for Trinidad and Tobago from stable to negative.

Table 7: Trinidad and Tobago Credit Rating History by Moody’s Investors Service: 2007-2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlook</th>
<th>Foreign Currency Ceiling</th>
<th>Government Bond Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Bonds and Notes</td>
<td>Bank Deposits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long term</td>
<td>Short term</td>
</tr>
<tr>
<td>July 2020</td>
<td>Negative</td>
<td>Baa3</td>
<td>...</td>
</tr>
<tr>
<td>June 2019</td>
<td>Stable</td>
<td>Baa3</td>
<td>P-3</td>
</tr>
<tr>
<td>May 2018</td>
<td>Stable</td>
<td>Baa3</td>
<td>P-3</td>
</tr>
<tr>
<td>Apr 2017</td>
<td>Stable</td>
<td>Baa3</td>
<td>P-3</td>
</tr>
<tr>
<td>Apr 2016</td>
<td>Negative</td>
<td>Baa2</td>
<td>P-3</td>
</tr>
<tr>
<td>Apr 2015</td>
<td>Negative</td>
<td>A3</td>
<td>P-2</td>
</tr>
<tr>
<td>Jan 2014</td>
<td>Stable</td>
<td>A1</td>
<td>P-1</td>
</tr>
<tr>
<td>Jan 2013</td>
<td>Stable</td>
<td>A1</td>
<td>...</td>
</tr>
<tr>
<td>Aug 2012</td>
<td>Stable</td>
<td>A1</td>
<td>...</td>
</tr>
<tr>
<td>July 2011</td>
<td>Stable</td>
<td>A1</td>
<td>...</td>
</tr>
<tr>
<td>Jun 2010</td>
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<td>A1</td>
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</tr>
<tr>
<td>Jun 2009</td>
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<td>A1</td>
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<tr>
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<tr>
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<td>...</td>
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</table>

Source: Moody’s Investors Service (2020)
Table 8: Trinidad and Tobago Credit Rating History by Standard and Poor's Ratings Service: 2008-2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlook</th>
<th>Foreign Currency Ceiling</th>
<th>Local Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Long term</td>
<td>Short term</td>
</tr>
<tr>
<td>July 2021</td>
<td>Negative</td>
<td>BBB-</td>
<td>A-3</td>
</tr>
<tr>
<td>July 2019</td>
<td>Stable</td>
<td>BBB</td>
<td>A-2</td>
</tr>
<tr>
<td>Apr 2018</td>
<td>Negative</td>
<td>BBB+</td>
<td>A-2</td>
</tr>
<tr>
<td>Apr 2017</td>
<td>Stable</td>
<td>BBB+</td>
<td>A-2</td>
</tr>
<tr>
<td>Dec 2015</td>
<td>Negative</td>
<td>A</td>
<td>A-1</td>
</tr>
<tr>
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<td>Stable</td>
<td>A</td>
<td>A-1</td>
</tr>
<tr>
<td>Jan 2013</td>
<td>Stable</td>
<td>A</td>
<td>A-1</td>
</tr>
<tr>
<td>Jan 2012</td>
<td>Stable</td>
<td>A</td>
<td>A-1</td>
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<tr>
<td>Aug 2011</td>
<td>Stable</td>
<td>A</td>
<td>A-1</td>
</tr>
<tr>
<td>Jan 2011</td>
<td>Stable</td>
<td>A</td>
<td>A-1</td>
</tr>
<tr>
<td>Dec 2009</td>
<td>Stable</td>
<td>A</td>
<td>A-1</td>
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<td>A-1</td>
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<tr>
<td>Aug 2008</td>
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<td>A</td>
<td>A-2</td>
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Source: Standard and Poor Global Ratings Service (2021)

Table 9: Trinidad and Tobago Credit Rating History by Caribbean Information and Credit Rating Services: 2012-2021

<table>
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<tr>
<th>Year</th>
<th>Regional Scale</th>
<th>Trinidad and Tobago National Scale</th>
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</thead>
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<tr>
<td></td>
<td>Foreign Currency</td>
<td>Local Currency</td>
</tr>
<tr>
<td>2021</td>
<td>CariAAA</td>
<td>CariAAA</td>
</tr>
<tr>
<td>2020</td>
<td>CariAA+</td>
<td>CariAA+</td>
</tr>
<tr>
<td>2019</td>
<td>CariAA+</td>
<td>CariAA+</td>
</tr>
<tr>
<td>2018</td>
<td>CariAA+</td>
<td>CariAA+</td>
</tr>
<tr>
<td>2017</td>
<td>CariAA+</td>
<td>CariAA+</td>
</tr>
<tr>
<td>2016</td>
<td>CariAA+</td>
<td>CariAA+</td>
</tr>
<tr>
<td>2015</td>
<td>CariAAA</td>
<td>CariAAA</td>
</tr>
<tr>
<td>2014</td>
<td>CariAAA</td>
<td>CariAAA</td>
</tr>
<tr>
<td>2013</td>
<td>CariAAA</td>
<td>CariAAA</td>
</tr>
<tr>
<td>2012</td>
<td>CariAAA</td>
<td>CariAAA</td>
</tr>
</tbody>
</table>

Source: Caribbean Information and Credit Rating Services Limited (CariCRIS) (2021)
COVID-19 PANDEMIC EFFECTS
SNAPSHOTS FROM THE CARIBBEAN

The effects of the COVID-19 Pandemic on Trinidad and Tobago's Economy

The COVID-19 pandemic and the measures taken to manage its effects took a toll on the economy. The following is a snapshot on three important aspects of the economy: national output, public debt and price levels.

Pandemic Effects on TT Economy

<table>
<thead>
<tr>
<th>Percentage Change</th>
<th>Gross Domestic Product</th>
<th>Debt to GDP Ratio</th>
<th>Consumer Price Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-5.74</td>
<td>5.07</td>
<td>0.82</td>
</tr>
</tbody>
</table>

The Small State Effect

Trinidad and Tobago, as well as most of the countries and territories of the insular Caribbean are classified as Small Island Developing States (SIDS). Belize, Guyana and Suriname are also small states, defined as countries with populations of under 1.5 million. It is also recognised that some countries face similar challenges to small states despite having populations over 1.5 million. In addition to their small population, small states are vulnerable because of:

1 Central Bank of Trinidad and Tobago, Data Centre <https://www.central-bank.org.tt/statistics/data-centre> accessed August 26, 2021
2 The comparison made here is between 2019 and 2020.
4 The Commonwealth, Small States <https://thecommonwealth.org/our-work/small-states> accessed August 26, 2021
• Geographic positioning;
• Strong dependence on trade;
• Limited access to development finance; and
• Climate change.

This vulnerability brings with it the following challenges:

• Debt sustainability;
• Disproportionate impact of natural disasters;
• Difficulty of coping with external economic shocks, such as pandemics; and
• High levels of migration and skills leakages.

**Major factors affecting Caribbean countries**

The COVID-19 pandemic and the measures taken to manage its effects took a toll on the economy. The following is a snapshot on three important aspects of the economy: national output, public Over the past 12 months, Caribbean countries have had to deal with the following specific issues:

• Natural disasters: hurricanes and tropical storms;
• The decimation of the tourism sector as global travel came to a standstill due to the COVID-19 pandemic;
• The struggle to procure sufficient quantities of COVID-19 vaccines through bilateral, inter-regional and international cooperation;
• Foreign exchange shortages which threatened international business transactions especially given the region’s high dependence on trade;
• Managing the fallout of the Venezuelan crisis: continued trafficking of persons and clandestine entry into Caribbean countries; and
• Worsening political and humanitarian crisis in Haiti: the assassination of the country’s President in July 2021 and the destruction caused by an earthquake in August 2021.
COVID-19 SPENDING– GLOBAL COMPARISONS

In May 2020, it was announced that Trinidad and Tobago’s projected COVID-19 relief spending would be TT $6 billion (US $0.9 billion). In August 2021, it was reported that approximately TT $5 billion (US $0.75 billion) of the projected funds had been spent up to that time. This represented at 3.5% of the country’s Gross Domestic Product (GDP) estimated at US $2.5 billion in 2020. This was generally comparable to spending in other countries with populations and/or economies similar in size to Trinidad and Tobago, as seen in the following table.

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POPULATION (MILLIONS)</th>
<th>CASES</th>
<th>CASES PER 1,000 POPULATION</th>
<th>DEATHS</th>
<th>DEATHS PER 100,000 POPULATION</th>
<th>NUMBER OF VACCINES DOSE ADMINISTERED (MILLIONS)</th>
<th>GDP ($US BILLION)</th>
<th>SPENDING (% GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinidad and Tobago</td>
<td>1.39</td>
<td>42,609</td>
<td>3,043</td>
<td>1,256</td>
<td>87</td>
<td>0.83</td>
<td>21.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1.54</td>
<td>271,257</td>
<td>16,540</td>
<td>1,385</td>
<td>85</td>
<td>2.44</td>
<td>38.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Botswana</td>
<td>2.36</td>
<td>146,441</td>
<td>6,232</td>
<td>2,081</td>
<td>69</td>
<td>0.41</td>
<td>15.8</td>
<td>1.51</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1.19</td>
<td>102,558</td>
<td>9,287</td>
<td>470</td>
<td>40</td>
<td>1.26</td>
<td>23.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Democratic Guinea</td>
<td>1.26</td>
<td>53,070</td>
<td>665</td>
<td>125</td>
<td>9</td>
<td>0.33</td>
<td>10.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Gabon</td>
<td>2.77</td>
<td>23,626</td>
<td>1,385</td>
<td>165</td>
<td>8</td>
<td>0.12</td>
<td>15.4</td>
<td>2.0</td>
</tr>
<tr>
<td>Greece</td>
<td>1.05</td>
<td>38,739</td>
<td>2,969</td>
<td>173</td>
<td>66</td>
<td>0.58</td>
<td>4.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1.27</td>
<td>3,070</td>
<td>637</td>
<td>22</td>
<td>2</td>
<td>0.23</td>
<td>10.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Fiji</td>
<td>0.89</td>
<td>42,601</td>
<td>4,735</td>
<td>421</td>
<td>47</td>
<td>0.75</td>
<td>4.4</td>
<td>0.7</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>1.49</td>
<td>77,098</td>
<td>5,070</td>
<td>741</td>
<td>59</td>
<td>0.82</td>
<td>16.1</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Compared to these countries with very similar population size and varying economic fortunes, Trinidad and Tobago’s spending as a percentage of GDP is situated exactly at the average. The figures noted for countries’ COVID-19 relief spending were different from the originally estimated spending in 2020. For example, Equatorial Guinea’s spending was 1% of GDP compared to an initial estimate of 2%. Similarly, spending in Cyprus amounted to 3.6% compared to the initial forecast of 4.5%. It should, however, be noted that given the uncharacteristic year on year changes in all countries GDP figures, it is quite difficult to accurately draw conclusions based on such trends.

6 Trinidad and Tobago Guardian. Imbert reveals over $5 billion spent on COVID relief so far https://guardian.co.tt/news/imbert-reveals-over-5-billion-spent-on-covid-relief-so-far-62.1372612.05d67d6eb1 accessed August 20, 2021
8 Includes social, health and economy-related spending.
<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POPULATION (MILLIONS)</th>
<th>CASES</th>
<th>CASES PER 1,000 POPULATION</th>
<th>DEATHS</th>
<th>DEATHS PER 1,000 POPULATION</th>
<th>NUMBER OF VACCINES DOSE ADMINISTERED (MILLIONS)</th>
<th>GDP ($US BILLION)</th>
<th>SPENDING (TCIDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinidad and Tobago</td>
<td>1.39</td>
<td>42,839</td>
<td>3,063</td>
<td>1,275</td>
<td>97</td>
<td>826,768</td>
<td>21.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Bahamas</td>
<td>0.30</td>
<td>16,648</td>
<td>4,287</td>
<td>736</td>
<td>61</td>
<td>199,472</td>
<td>7.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Belize</td>
<td>0.44</td>
<td>16,380</td>
<td>3,794</td>
<td>3,47</td>
<td>47</td>
<td>213,380</td>
<td>3.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Jamaica</td>
<td>2.96</td>
<td>19,932</td>
<td>3,035</td>
<td>1,342</td>
<td>66</td>
<td>420,827</td>
<td>13.8</td>
<td>4.6</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>0.05</td>
<td>742</td>
<td>1,400</td>
<td>3</td>
<td>6</td>
<td>44,324</td>
<td>0.9</td>
<td>2.7</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>0.18</td>
<td>6,736</td>
<td>3,743</td>
<td>95</td>
<td>53</td>
<td>615,66</td>
<td>1.7</td>
<td>11.5</td>
</tr>
<tr>
<td>St. Vincent &amp; Gren.</td>
<td>0.11</td>
<td>2,320</td>
<td>2,090</td>
<td>12</td>
<td>11</td>
<td>25,633</td>
<td>0.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Suriname</td>
<td>0.59</td>
<td>26,916</td>
<td>4,562</td>
<td>692</td>
<td>177</td>
<td>292,810</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>0.76</td>
<td>21,440</td>
<td>3,221</td>
<td>523</td>
<td>61</td>
<td>250,698</td>
<td>7.0</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Per capita cases of COVID-19 in Trinidad and Tobago are near the average for other CARICOM countries for which data was available. Trinidad and Tobago’s spending to manage the effects of the pandemic is below the known average observed elsewhere in CARICOM. However, if the outliers (St Lucia and Belize) are removed for greater comparability, the Trinidad and Tobago figure is almost equal to the average of 3.7% for the remaining countries.

Sources of Information for Data in Table:

- **CNN, Tracking COVID-19 Vaccinations Worldwide**
- **International Monetary Fund, Policy Responses to COVID-19**
- **Ministry of Health, COVID-19 News and Updates**
- **World Bank, Population**
- **World Bank, GDP (current US$)**
- **World Health Organization, WHO Coronavirus Disease (COVID-19) Dashboard**
ECONOMIC OPPORTUNITIES TO EXPLORE

<table>
<thead>
<tr>
<th>POTENTIAL OPPORTUNITIES</th>
<th>WAYS TRINIDAD AND TOBAGO COULD BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Oil and Gas in Neighbouring Countries:</td>
<td>i. Other CARICOM countries are keen on providing investor services for these emerging oil industries9. Trinidad and Tobago can leverage its strong investment promotion and financial services infrastructure to do likewise.</td>
</tr>
<tr>
<td>Similar to recent petroleum-related developments9 in Guyana, Suriname has been making progress over the past decade as a new actor in the sector9. In a context of a 45% rebound7 in oil prices after the lows of 2020, contracts for the operation of several offshore blocks are expected to be concluded before the end of 20219. These nearby oil discoveries are recognised as an opportunity that Trinidad and Tobago needs to do more to capitalise upon9.</td>
<td>ii. Trinidad and Tobago could collaborate with Guyana on the development and maintenance of petroleum industry-related infrastructure, building on previously concluded bilateral agreements9. There may also be potential to provide refinery and storage services for Guyana and / or Suriname crude oil.</td>
</tr>
</tbody>
</table>

Per capita cases of COVID-19 in Trinidad and Tobago are near the average for other CARICOM countries for which data was available. Trinidad and Tobago’s spending to manage the effects of the pandemic is below the known average observed elsewhere in CARICOM. However, if the outliers (St Lucia and Belize) are removed for greater comparability, the Trinidad and Tobago figure is almost equal to the average of 3.7% for the remaining countries.

---

11 CNBC. Analysts share their price forecasts after a strong rally in the first half of 2021 https://www.cnbc.com/2021/07/02/oil-prices-analysts-on-the-outlook-for-crude-after-strong-first-half.html accessed August 26, 2021
12 Reuters. Cuyana, Suriname eye further drilling from oil majors after discoveries https://www.reuters.com/world/americas/guyana-suriname-eye-further-drilling-oil-majors-after-discoveries-2021-08-18/ accessed August 26, 2021
13 CNC3 Television. Cuyana oil find a huge opportunity for T&T https://www.youtube.com/watch?v= inflammationFAQ accessed August 26, 2021
14 Barbados Today. Barbados positioned to offer services to Cuyana’s oil industry https://barbados.today.bb/2021/07/30/barbados-positioned-to-offer-services-in-guyanas-oil-industry/ accessed August 26, 2021
### POTENTIAL OPPORTUNITIES

<table>
<thead>
<tr>
<th>2) Digitalisation of the Culture Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>The digital economy is a key component of economic growth going forward. Interconnectivity facilitated by Information and Communication Technology (ICT) reduces the gap between buyers and sellers. In the cultural field, the COVID-19 pandemic fundamentally altered the physical dynamics of how festivals such as carnival are operated and experienced.</td>
</tr>
</tbody>
</table>

### WAYS TRINIDAD AND TOBAGO COULD BENEFIT

| i. Policies to spur innovation and entrepreneurship to mainstream 'virtual carnival' as a new take on an established cultural product could bring back productive activity to the cultural/events sector. Digitalisation could also create new markets for services and open new revenue streams. |

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### ECONOMIC THREATS TO MITIGATE AGAINST

#### THREATS

<table>
<thead>
<tr>
<th>1) Inequitable access to COVID-19 vaccines</th>
</tr>
</thead>
<tbody>
<tr>
<td>The continued effects of the COVID-19 pandemic have made vaccine availability a top priority in all countries in order to protect health while reopening and beginning to rebuild damaged economies. Small developing States have struggled to source vaccines as richer countries engage in what has been called ‘vaccine nationalism’(^{17}). This means that, in pursuing their national interest, some powerful countries use their influence to ensure that they receive all the vaccines they want, regardless of the amounts that other countries need. Insufficient supplies of vaccines will weaken Trinidad and Tobago’s capacity to successfully revive the economy in order to achieve the rebound in economic activity forecasted from 2021 onwards by the World Bank and the International Monetary Fund due to “declining infection rates” due to “progress on the development of vaccines”(^{18}).</td>
</tr>
</tbody>
</table>

#### MITIGATING STRATEGIES

<table>
<thead>
<tr>
<th>International Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. The GORTT will have to continue its international cooperation initiatives including those underway via CARICOM(^{19}) with the African Medical Supplies Platform (AMSP) of the African Union.</td>
</tr>
</tbody>
</table>

---

### THREATS

<table>
<thead>
<tr>
<th>2) Climate Change</th>
<th>3) Shrinking Foreign Direct Investment (FDI)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UN Sustainable Development Goal #2 is to</strong></td>
<td><strong>FDI decreased in most Caribbean countries in 2020, by an average of 25.5%.</strong> For Trinidad and Tobago, the situation was even more acute. The FDI decrease was so large that investment outflows exceeded the value of investments coming into the country by US$ 175 million. This was mostly due to continuing energy sector divestments – defined as removal of investment in non-energy sector divestments. However, in 2020 the global economic slowdown brought on by the COVID-19 pandemic stifled investment across all sectors.</td>
</tr>
<tr>
<td>“End hunger, achieve food security and improved nutrition and promote sustainable agriculture”</td>
<td></td>
</tr>
<tr>
<td>Climate change has consequences for Small Island Developing States’ (SIDS) agriculture and food security. It increases the likelihood of extreme weather events such as floods, which have been known to affect Trinidad and Tobago. Food security is especially important given the need to reduce Trinidad and Tobago's high food import bill.</td>
<td></td>
</tr>
</tbody>
</table>

### MITIGATING STRATEGIES

<table>
<thead>
<tr>
<th>Follow Vision 2030</th>
<th>Investment Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>i.</strong> Pursue policies to improve farming productivity and to develop local food business and entrepreneurship. Implement sustainable agriculture policies to that the country can produce much more of what it consumes.</td>
<td><strong>i.</strong> The reopening of the global economy is expected to result in a post-pandemic economic boom. Trinidad and Tobago needs strong initiatives by the Investment Promotion Agency InvestTT such as the collaboration between the Agency and TT Overseas Missions to showcase investment opportunities. <strong>ii.</strong> Despite the guarded optimism about oil prices globally, fossil fuel divestment is a reminder of the longstanding need to continue diversifying the economy to reduce reliance on oil and gas revenues.</td>
</tr>
</tbody>
</table>

---


**23 Economic Commission for Latin America and the Caribbean. Foreign Direct Investment in Latin America and the Caribbean 2021 [https://repositorio.cepal.org/bitstream/handle/11362/47148.2/S2100318_en.pdf?sequence=1&isAllowed=y](https://repositorio.cepal.org/bitstream/handle/11362/47148.2/S2100318_en.pdf?sequence=1&isAllowed=y) accessed August 26, 2021**


<table>
<thead>
<tr>
<th>THREATS</th>
<th>MITIGATING STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4) Foreign Exchange Shortage</strong></td>
<td>Monetary policy initiatives</td>
</tr>
<tr>
<td>The inability to access foreign currency continues to make international transactions more difficult and costly for importers of finished goods as well as inputs for local manufacturing. This leads to product shortages and higher prices for customers. According to the Central Bank of Trinidad and Tobago, “the stock of foreign reserves declined in the first five months of 2021, notwithstanding drawdowns from the Heritage and Stabilisation Fund (HSF) and external borrowing to mitigate the impact of the COVID-19 pandemic on the economy.”</td>
<td>i. The Central Bank reported that it sold US currency to authorised dealers in order to support the foreign exchange market. This will remain necessary going forward. In August 2021, the International Monetary Fund (IMF) approved a Special Drawing Rights (SDR) allocation of US $650 billion to help countries to cope with foreign exchange shortages caused by the pandemic. Approximately 40% of the allocation will go to developing countries like Trinidad and Tobago which will receive US $644 million pushing the country’s Net Foreign Reserves to over US $7 billion. This will enable the GORTT to inject US $ into the banking and manufacturing sectors and make US currency available to importers.</td>
</tr>
<tr>
<td>Other</td>
<td>ii. Initiatives aimed at reducing imports while growing exports.</td>
</tr>
</tbody>
</table>

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28 Ibid


30 **Loop TT**. US$644 M Boost for T&T as IMF Distributes Special Drawing Rights <https://tt.loopnews.com/content/us644m-boost-tt-imf-distributes-special-drawing-rights> accessed August 26, 2021
GLOSSARY OF TERMS

Appropriation Act
Any enactment authorizing the issue of moneys from the Consolidated Fund to meet expenditure of the Government and includes a provision of any enactment or of the Constitution which charges expenditure on that Fund.

Appropriation Bill.
An Appropriation Bill gives power to the government to disburse funds from the Consolidated and Infrastructure Development Fund for meeting the expenditure during the financial year. The government can only withdraw money from the Consolidated Fund after receiving approval from the Parliament. The Appropriation Bill specifies the quantum and purpose for withdrawing money and which Head of Expenditure the monies will be appropriated to.

Accounting Officer
Any person appointed by the Treasury and charged with the duty of accounting for any service in respect of which moneys have been appropriated by the Constitution or by Parliament, or any person to whom issues are made from the Exchequer Account.

Audit
A systematic and independent examination of books, accounts, statutory records, documents and vouchers of an organization to ascertain how far the financial statements as well as the non-financial disclosures presents a true and fair view of the concern.

Auditor General
An auditor general is the head of a supreme audit institution and independent from the Executive and responsible for assisting Parliament in its scrutiny of public expenditure.

Balanced Budget
A budget where total revenues equal total expenditure for a given fiscal year. When the budget is not balance, it is either in deficit or surplus.

Budget
An itemized summary of estimated or intended expenditures for a given period along with proposals for financing them. The budget is the main economic policy tool of the government and indicates how it plans to use public resources to meet policy goals.

Budget Process
The sequence by which a budget is drafted, approved by the legislature, executed and audited.

Budget Speech
A presentation made in the House by the Minister of Finance introducing the Government’s plans concerning fiscal, economic and social policy (the budget).

Budget Statement
A listing of planned revenue and expenditure for a given period of time.

Cabinet
The executive of the Government consisting of those MPs and Senators appointed by the President on the advice of the Prime Minister. It is responsible for the administration of the Government and the establishment of its policy.

Cabinet minister
A member of the executive, appointed by the President on the advice of the Prime Minister. Chosen from among existing MPs and Senators, Ministers are responsible to Parliament for their official actions and those of their Departments. Cabinet Ministers are given the title "Honourable".
Call Circular
The call circular sets out the requirements that must be followed in the preparation of the draft estimates for the financial year. The preparation of the estimates should take into consideration the policy strategies which outlines Government’s perspective and intent on the socio-economic transformation for the period.

Capital Revenue
Capital Revenue include proceeds from transactions under the Government’s Sale of Assets Programme, related mainly to the repayment of debt owed to the Government of Trinidad and Tobago by Colonial Life Insurance Company (Trinidad) Limited (CLICO).

Committee
A body of MPs, or Senators or both, selected to consider such matters, including bills, as the House/s may refer to it or empower it to examine. There are several types of committees: sessional, special and joint committees as well as Committees of the Whole.

Committee Clerk
The procedural Clerk acting as administrative officer and adviser on parliamentary procedure to a committee. The Committee Clerk takes the minutes of proceedings at all committee meetings and may draft rulings on procedural questions as well as the reports for the committee chairman.

Committee hearing
The receiving of oral evidence by a committee either publicly or in camera.

Committee of the Whole
All of the Members of the House sitting in the Chamber as a committee. Such committees usually sit to scrutinize a bill, clause by clause.

Committee stage
(of a bill). Detailed study of the clauses of a bill by a committee (could be a committee of the Whole or a select committee). This stage, which may include the taking of evidence or the receiving of documents, is the first at which amendments may be proposed to specific provisions of the bill.

Committee Report
A Committee’s Report contains all the opinions and observations of the Committee, and is accompanied by the Minutes of each meeting and all evidence taken before the Committee. Once approved by all members, such report is presented to the House or Senate by the Chairman or any other Member deputized by the Committee along with any minority reports where applicable.

Consolidated Fund
This fund refers to all revenues (taxes, custom duties and interest) or other moneys raised or received by Trinidad and Tobago. Funds appropriated by Parliament and authorized for meeting expenditure for the service of Trinidad and Tobago are taken from the Consolidated Fund.

Contingency Fund
A reserve of money set aside to cover possible unforeseen future expenses.

Contingent Liability
Obligations that are not recognized in the balance sheet because they depend upon some future event happening.

Corporation Tax
Tax payable by companies, based on the taxable profits of the period.

Exchequer and Audit Act (Chap 69:01)
An Act to provide for the control and management of the public finances of Trinidad and Tobago, for the duties and powers of the Auditor General for the collection, issue and payment of public moneys, for the audit of public accounts and the protection and recovery of public property, for the control of the powers of statutory bodies and for matters connected therewith.

Excise Taxes
Taxes on the manufacture or sale of certain domestic or imported products that are often charged on products such as alcoholic beverages, tobacco and petroleum.

Expenditure
Spending to fulfill a government obligation, generally by issuing a cheque or disbursing cash. Expenditure is sometimes distinguished between capital and current. Capital expenditures are investments in physical assets, such as roads and buildings that can be used for a number of years. Current expenditures reflect spending on wages, benefit payments, and other goods or services that are consumed immediately.
GLOSSARY OF TERMS

Departments
Departments refer to governmental organizations not headed by a Minister that deal with a particular area of interest that generally cover matters where direct political oversight is inappropriate or unnecessary.

Development Programme
Development Programme refers to capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago which includes: human resources, economic and social development. The monies used to fund Development Programme expenditure are derived from two sources namely the Consolidated Fund and the Infrastructure Development Fund.

Direct Tax
A tax paid directly to the government, for example a tax imposed on the income of individuals or companies.

Draft Estimates of Revenue
This document shows a detailed listing of the inflows to the Consolidated Fund (CF) according to Receivers of Revenue and a summary showing the various Revenue classifications - Tax Revenue, Non-Tax Revenue, Capital Revenue and Financing for a three year period.

Draft Estimates of Expenditure
This document provides a Summary of all Expenditure (Recurrent and Development Programme (DP)) including the Infrastructure Development Fund (IDF) by Heads and Sub-Heads for each Ministry/Department for a three year period and details of the Establishment for each Ministry/Department for a two year period.

Draft Estimates – Details of Estimates of Recurrent Expenditure
This document provides details at sub-item level for a three year period of the Recurrent Expenditure Budget for each Head of Expenditure and a Summary of Recurrent Expenditure totals by Head. It also includes a Chart of Accounts and classification of Expenditure Sub-items under the Personnel Expenditure, Goods & Services and Minor Equipment Purchases Sub-Heads.

Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly
This document provides details of the Budget (Revenue/Income and Expenditure) at sub-item level for all Statutory Boards and other Similar Agencies and the Tobago House of Assembly (THA). It also includes a Chart of Accounts and classification of Expenditure Sub-items under the Personnel Expenditure, Goods and Services and Minor Equipment Purchases Sub-Heads.

Draft Estimates of Development Programme
This document provides a summary and details of all projects for the Consolidated Fund for a three year period according to Heads of Expenditure of Ministries/Departments and the THA. It also includes a summary and details of projects falling under Head 701 - IDF for the same three year period.

Executive
The person or persons in whom the supreme executive power of a government is vested. Executive power lies with the Prime Minister and his Cabinet which is appointed from Members of Parliament.

Fiscal Discipline
The control of key measures of fiscal performance, including total spending, total revenue, the fiscal balance and the public debt.

Fiscal Policy
Policy on tax, spending and borrowing by the government, which is used to influence macroeconomic conditions. Example of fiscal policy to stimulate short term economic growth is to increase government spending or increase taxes intended to restrain inflation.

Fiscal year (FY)
The twelve-month period, from October 1 to September 30, used by the Government for budgetary and accounting purposes.

Fixed Interest Rate
When the interest rate of a loan remains the same for the term of the loan or an agreed timeframe.

Grants
Funds that the national government disburses directly to lower levels of government, corporations, nonprofit organizations and individuals. Some grants are given for specific purposes, requiring the recipients to meet certain conditions or requirements.
GLOSSARY OF TERMS

Government Funding
Money given by government agencies to non-governmental organizations and individuals. Funding may come in the form of grants, loans or government assistance.

Gross Domestic Product (GDP)
A measure of total national output, income and expenditure in the economy. GDP per head is the simplest overall measure of welfare, although it does not take account of the distribution of income, nor of goods and services that are produced outside the market economy, such as work within the household.

Government Subvention
A grant of money in aid or support. This term is commonly used in the Budget.

Head of Expenditure
This refers to all Ministries / Departments or State Agencies that make up the Schedule to the Appropriation Bill.

Incremental Budgeting
A budget formulation process that focuses only on one year and how the budget for each program differs from the levels adopted in the previous year.

Indirect tax
A tax paid to a second party, for example a shop owner, who then passes it on the government.

Inflation
The rate of general price increase.

Infrastructure Development Fund (IDF)
This fund refers to the mechanism used, in the main, to finance projects being implemented by existing and newly established special-purpose state entities to execute projects assigned to them by ministries, the Tobago House of Assembly and other state agencies. Importantly, monies utilized from this Fund must be approved by of the Parliament.

Loan
A finance agreement where a business borrows money from a lender and pays it back in instalments (plus interest) within a specified period of time.

Macroeconomics
A branch of economics dealing with the performance, structure, behaviour, and decision-making of an economy as a whole, rather than individual markets. This includes national, regional, and global economies.

Medium term expenditure framework (MTEF)
A multi-year framework of rolling budgets where forward estimates produced with the annual budget, usually covering another two to four years, serve as the starting point for preparing the following annual budgets.

Microeconomic
A branch of economics that studies the behavior of individuals and firms in making decisions regarding the allocation of limited resources. Typically, it applies to markets where goods or services are bought and sold.

Ministry
A ministry is a high governmental organization headed by a Minister, that is meant to manage a specific sector of public administration.

Money Bill
A Bill which contains provisions dealing with matters such as the imposition or regulation of taxation, the imposition or variation of charges on the Consolidated Fund or any public fund, grant of money to the Government, appropriation and investment of public money, and the raising or guarantee of any loan. Every money bill that is sent to the Senate must be endorsed with the certificate of the Speaker signed by him that it is a money bill.

Progressive Tax
A tax that increases as a percentage of income as one's income increases. For example wealth or property tax, sales tax on luxury goods.
GLOSSARY OF TERMS

Public Sector Investment Programme (PSIP) 2020
The Public Sector Investment Programme (PSIP) is a strategic investment management tool used by the Government of the Republic of Trinidad and Tobago to transform its vision and policies into tangible programmes and projects. These projects and programmes are designed to realise the goals set out in Government’s overarching National Development Strategy (NDS) 2016 – 2030 (Vision 2030).

The PSIP plays a fundamental role in the sustainable development of Trinidad and Tobago’s economy by creating infrastructural and socio-economic frameworks that seek to transform Trinidad and Tobago into a developed country. Public investment budgeting which is aligned to national priorities and plans provides a transparent platform for the efficient allocation of resources while maintaining the principles of accountability, transparency, good governance and environmental sustainability.

Vision 2030 comprises five (5) Development Themes that focus on development efforts up to the year 2030. They are
- Putting People First: Nurturing Our Greatest Asset
- Delivering Good Governance and Service Excellence
- Improving Productivity Through Quality Infrastructure & Transportation
- Building Globally Competitive Businesses
- Placing The Environment At The Centre Of Social & Economic Development

Recurrent Expenditure
Recurrent expenditure refers to all payments other than for capital assets. Recurrent Expenditure for Trinidad and Tobago is broken down into the following subheadings:
- Personnel Expenditure includes salaries of employees in the Public Service.
- Goods and Services includes office supplies, contract employment, maintenance of vehicles, etc.
- Minor Equipment Purchases includes wireless equipment, cell phones, vacuum cleaners, etc.
- Current Transfers and Subsidies includes allocations to non-profit institutions, regional organizations, state enterprises, etc.
- Current Transfers to Statutory Boards and Similar Bodies includes allocations to the Tobago House of Assembly, statutory boards and all local government bodies.

Referral (to a committee)
The sending of a bill (before or after second reading), paper, instrument or a question to a committee for study and report. Depending on the objectives of the referral, it may be made to a sessional, special or joint committee.

Regressive Tax
A tax that decreases as a percentage of income as one’s income increases. For example, a tax on the basic necessities (which form a larger percentage of the expenditure of the lower income population).

Revenue
The amount earned before expenses, tax and other deductions are taken out.

Revenue Account
Fees earned from providing services and the amounts of merchandise sold.

Reversionary Budget
The default budget that is implemented should the Legislature not approve a budget for the fiscal year.

Standing Orders (SOs)
The collection of the permanent written rules adopted by the House to govern its proceedings.

Statutory Authority
"Statutory Authority" means a local authority and any commission, board, committee, council or body (whether corporate or unincorporated) established by or under an Act other than the Companies Act declared by the President under section 3 to be subject to the provisions of this Act.

State Enterprises’ Investment Programme (SEIP)
The State Enterprises’ Investment Programme (SEIP) focuses on capital infrastructure projects undertaken by State Enterprises in the following areas: energy, electricity, transport, tourism, communication, education and training, community, housing, health, public order and safety and public administration.

The SEIP is financed by funds generated by the State Enterprises and loans raised and serviced by either the Enterprises or Government.

Subsidies
A form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy.
Supplementary Estimates
An expenditure plan introduced to provide funds to the Government to meet new or increased costs. The Government may introduce as many sets of Supplementary Estimates in a given fiscal year as it deems necessary.

Surplus
The amount by which revenues exceed outlays or expenditures.

Tax
Money extracted from the public by the government on the basis of its sovereign powers.

Tax Invoice
An invoice required for the supply of goods or services over a certain price.