



# GUIDE TO THE **BUDGET 2023**



PREPARED BY  
FINANCIAL SCRUTINY UNIT  
OFFICE OF THE PARLIAMENT  
OCTOBER, 2022

# GUIDE TO THE **BUDGET 2023**

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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 2023.

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.



# GUIDE TO THE **BUDGET 2023**

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## **PUBLICATION**

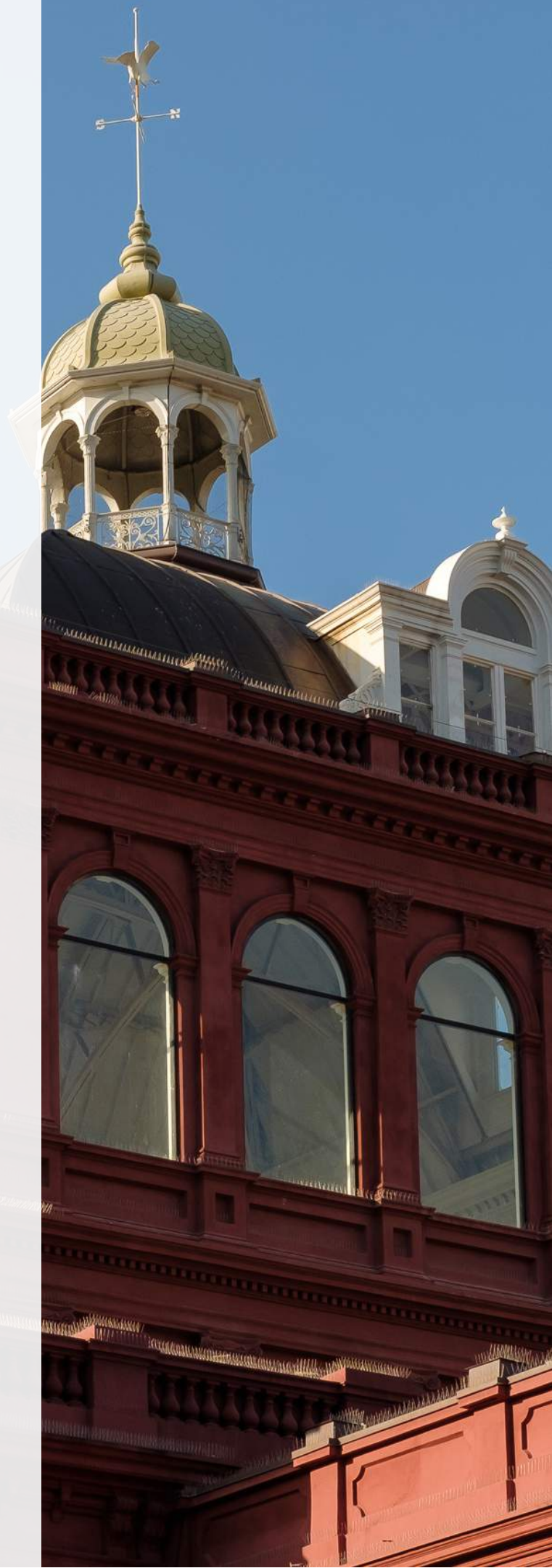
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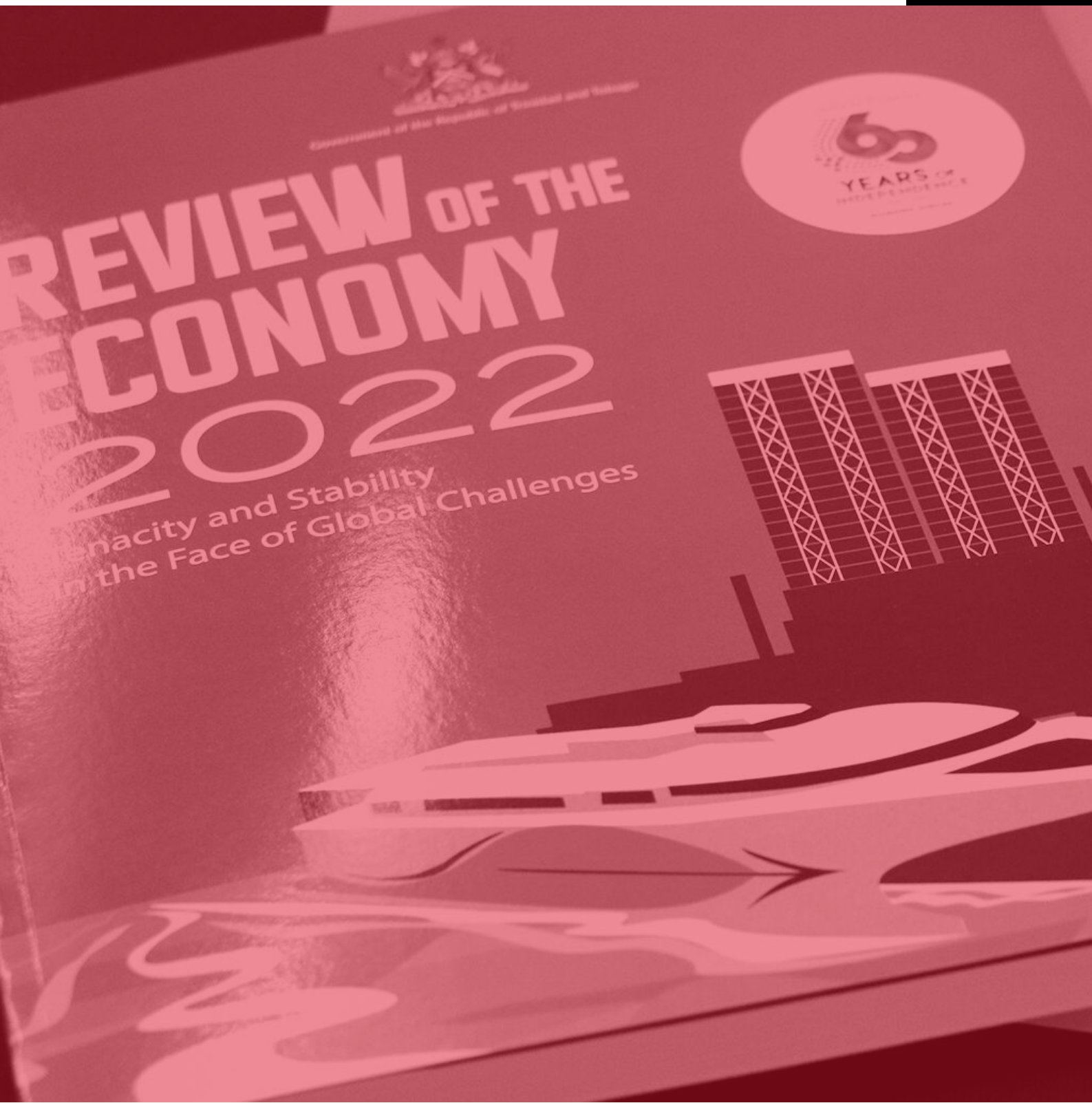
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## GLOSSARY OF TERMS



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# THE BUDGET PROCESS





# GUIDE TO THE BUDGET 2023

## 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.

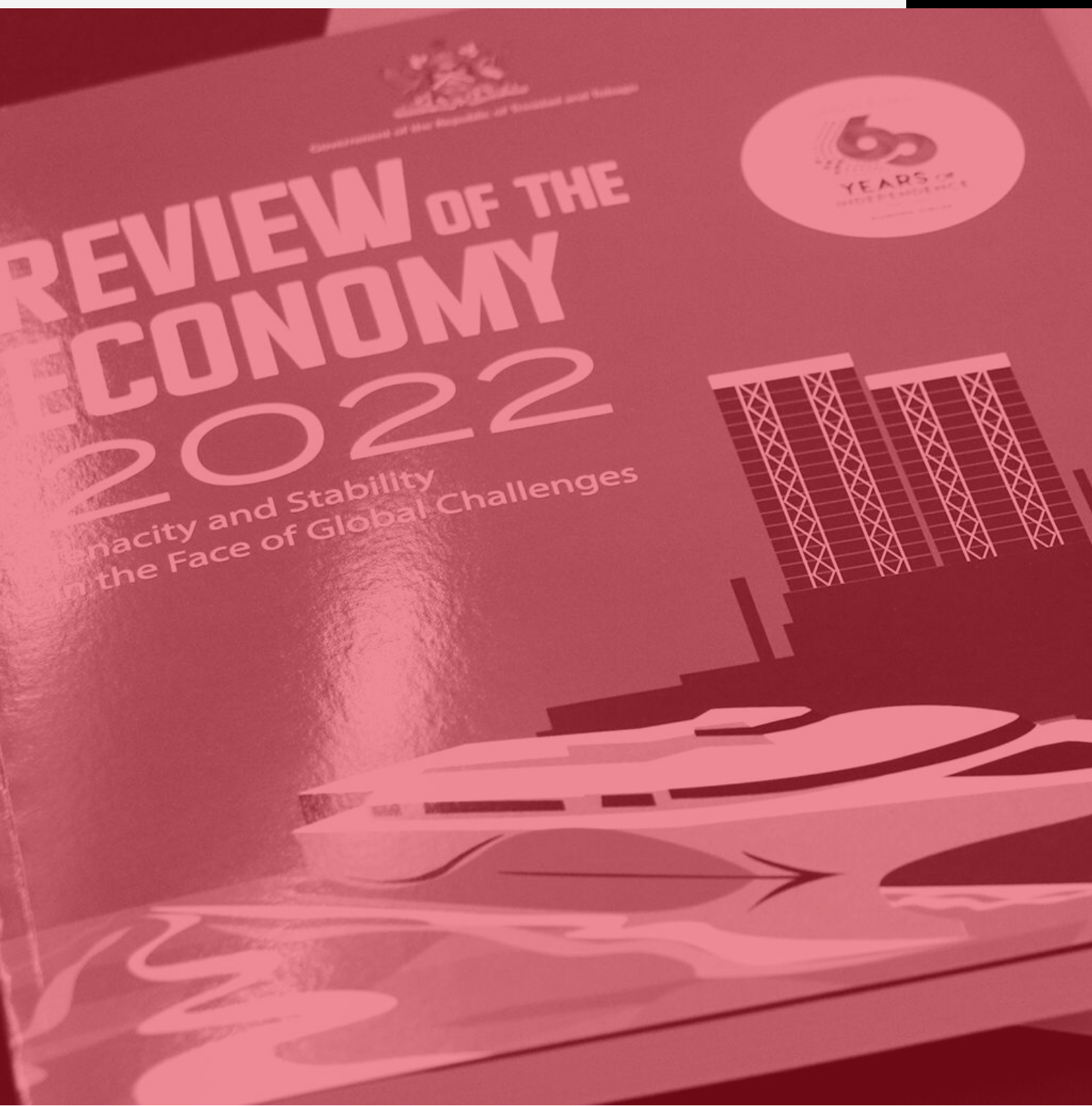
Following Parliamentary approval, the Bill is forwarded to the President for assent. If required, the Executive adopts a Supplementary/ Variation budget during the year following a similar procedure.

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.

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# STAGES OF THE BUDGET PROCESS/CYCLE





# Drafting

## Ministry of Finance

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.

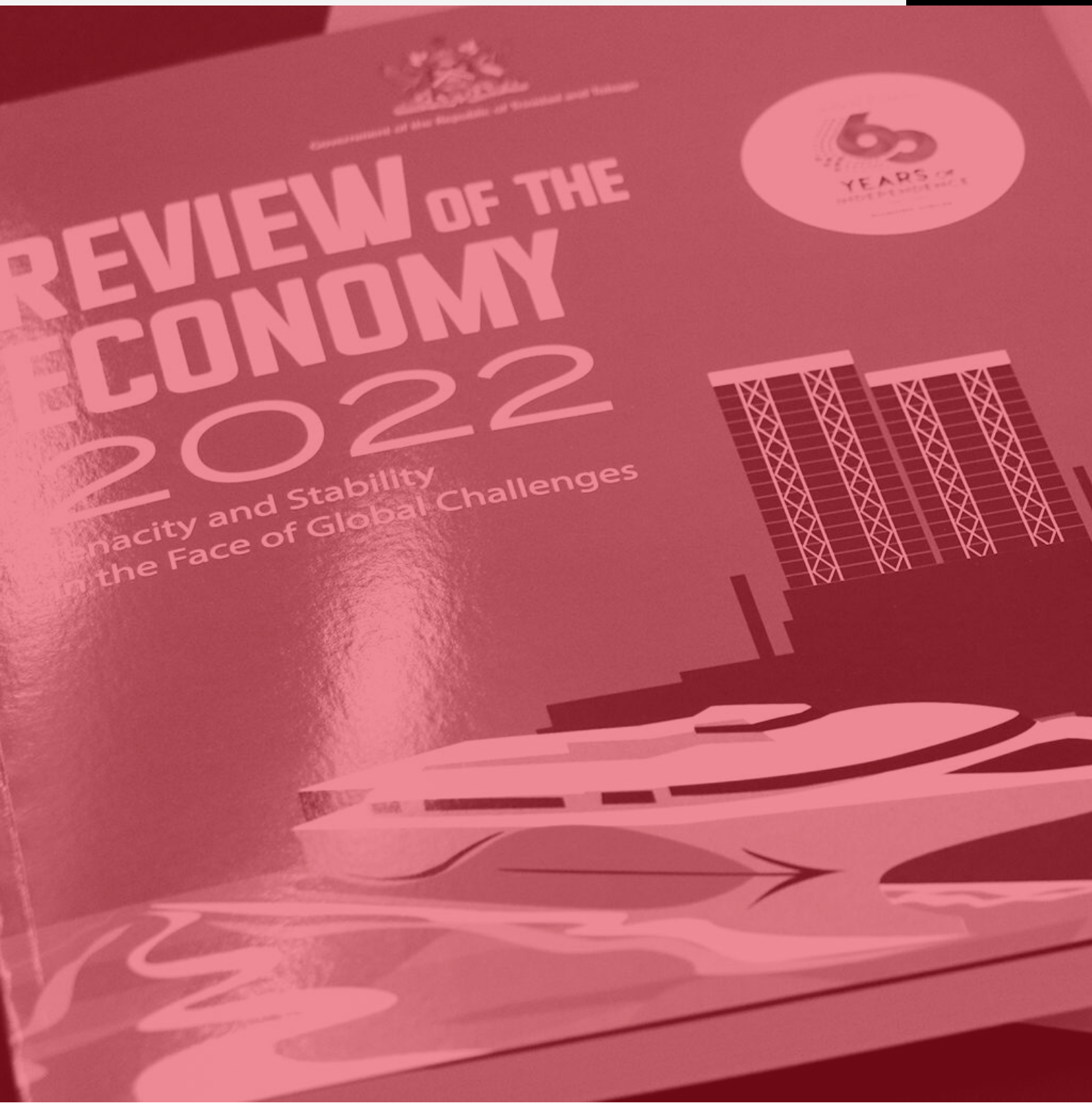
## Audit

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.

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# SECTION A

## BUDGET EXPENDITURE TERMS



# 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<sup>1</sup>**

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<sup>2</sup>**

- 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<sup>3</sup> 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 Accessed on August 3rd, 2022: [https://www.oas.org/juridico/english/mesicic3\\_tto\\_constitution.pdf](https://www.oas.org/juridico/english/mesicic3_tto_constitution.pdf)

2 The Parliament of Trinidad and Tobago Website, debate on Friday September 8, 2006, pgs. 409-410 accessed on August 3rd, 2022 : <https://www.ttparliament.org/wp-content/uploads/2022/01/hh20060908.pdf>

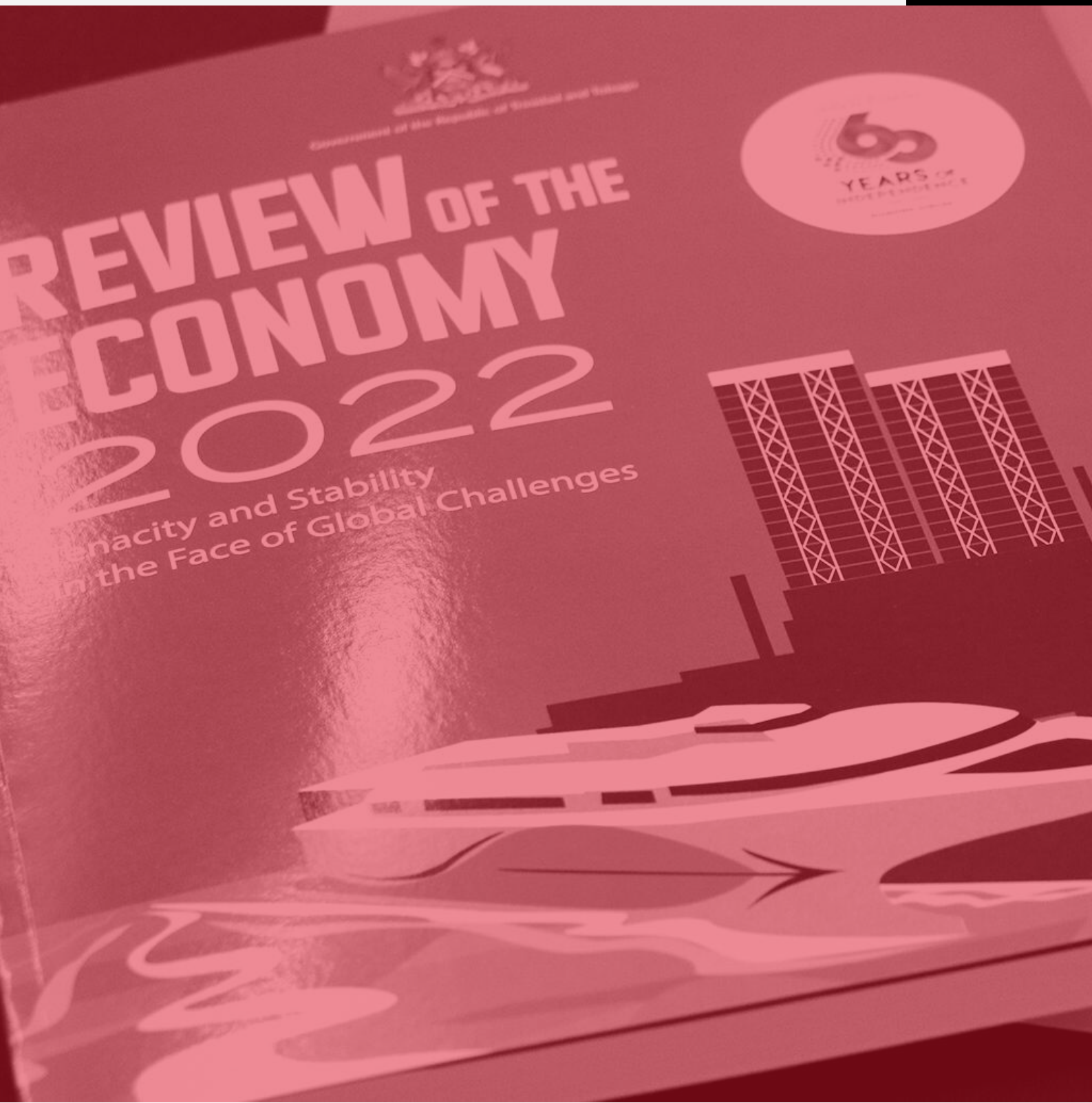
3 The Exchequer and Audit Act : [http://rgd.legalaffairs.gov.tt/laws2/alphabetical\\_list/lawspdfs/69.01.pdf](http://rgd.legalaffairs.gov.tt/laws2/alphabetical_list/lawspdfs/69.01.pdf)



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# SECTION B

## BUDGET REVENUE OVERVIEW



# 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 and Land 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



## TOTAL REVENUE COLLECTED FOR 2020 AND 2021

	Tax Revenue	Non-Tax Revenue	Capital Receipts	Financing (Borrowings)	Extraordinary Receipts	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017	25,654,465	8,299,310	1,310,509	10,800,714	1,712,200	47,777,198
2018	31,177,134	10,177,636	837,843	8,284,504	0	50,477,117
2019	32,035,748	12,051,219	979,783	8,356,603	0	53,423,353
2020	25,672,843	7,261,863	526,613	16,554,669	6,635,394	56,651,382
2021	29,085,325	6,105,578	921,005	13,762,885	6,040,559	55,915,352

The actual revenue for the financial years 2021 when compared with the financial year 2020 revealed an overall decrease in revenue collected of \$736,028,907.77 or 1.29%.

The Auditor General Report 2021, Auditor General website ([https://auditorgeneral.gov.tt/sites/default/files/Auditor\\_Generals\\_Report\\_2021.pdf](https://auditorgeneral.gov.tt/sites/default/files/Auditor_Generals_Report_2021.pdf)) pg. 60 accessed on August 3, 2022.

# ACTUAL REVENUE COLLECTED - MINISTRY OF ENERGY AND ENERGY INDUSTRIES

Item	Actual Revenue 2021 \$	Actual Revenue 2020 \$	Increase/ (Decrease) \$	%
06/03/EN1/003- Quarries, Sand & Gravel Pits	4,769,016.10	2,576,409.15	2,192,606.95	85.1%
07/06/EN1/001- Seismographic Surveys	5,724,776.06	235,457.77	5,489,318.29	2331.33%
06/03/EN1/001- Royalty on Oil & Gas	2,004,137,023.68	2,834,775,198.24	(830,638,174.56)	(29.3%)
06/06/EN1/001- Shares of Profits from Oil Companies under Production Sharing Contract	0.00	0.00	0.00	0%
06/06/EN1/002- Extraordinary Revenue from Oil & Gas Companies	275,507,627.30	110,943,077.77	164,564,549.53	148.33%



# CONSOLIDATED STATEMENT OF ARREARS OF REVENUE

Head	Arrears Reported \$	Main Components \$
01 - Taxes on Income and Profits	39,518,327,523.00	Oil Companies 12,934,931,814.00
		Other Companies 16,112,548,724.00
		Individuals 1,669,862,520.00 Withholding Tax 8,672,428,802.00
02 - Taxes on Property	30,654,653.00	Lands & Building Taxes 30,654,653.00
03 - Taxes on Good & Services	4,941,847,895.00	Value Added Tax 4,807,894,089.00
06 - Property Income	91,207,848.00	Ground Rents (excluding Quarries, Sand and Gravel Pits) 83,689,350.00
		Rent Lands, formerly owned by Caroni (1975) Ltd. 7,203,291.00
07 - Other Non-Tax Revenue	51,506,336.00	Magistrates' Courts Fized Penalty Traffic Ticketing System 41,951,400.00
		Auditor General: Corporations & Other Authorities 4,658,270.00
		Recoveries of Expenses from Government Scholars 3,543,270.00
<b>Total</b>	<b>44,633,544,255.00</b>	

Consolidated Statement of Arrears of Revenue as at September 30, 2021 submitted by the Permanent Secretary, Ministry of Finance showed Arrears of Revenue totalling \$44,633,544,255.00. An increase of \$7,415,527,847.00 from the previous year's balance of \$37,248,016,408.00.

It must be noted that an additional outstanding amount totalling \$1,134,258,473.00 in respect of Unemployment Levy of \$714,229,435.00 and Green Fund Levy of \$420,029,038.00, which fall under the purview of the Chairman, Board of Inland Revenue were also not included in this Consolidated Statement of Arrears of Revenue since they do not form a part of the existing Revenue Chart of Accounts nor remitted in the Consolidated Fund.



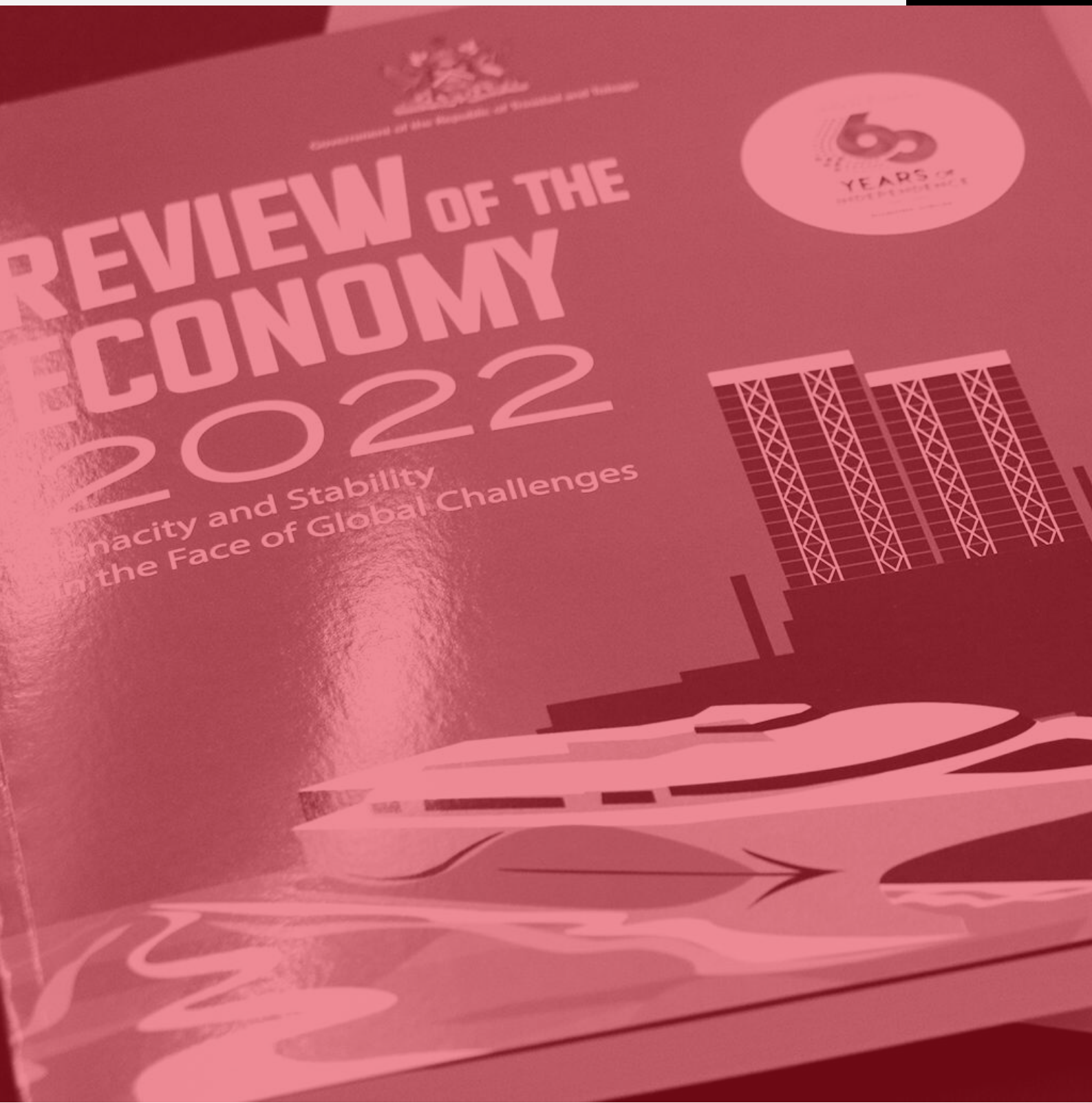
## COMPARATIVE REVENUE TABLE FOR THE FINANCIAL YEARS 2017 TO 2021

	Tax Revenue	Non-Tax Revenue	Capital Receipts	Financing (Borrowings)	Extraordinary Receipts	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017	25,654,465	8,299,310	1,310,509	10,800,714	1,712,200	47,777,198
2018	31,177,134	10,177,636	837,843	8,284,504	0	50,477,117
2019	32,035,748	12,051,219	979,783	8,356,603	0	53,423,353
2020	25,672,843	7,261,863	526,613	16,554,669	6,635,394	56,651,382
2021	29,085,325	6,105,578	921,005	13,762,885	6,040,559	55,915,352

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# SECTION C

## FISCAL BALANCE OVERVIEW



# 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.

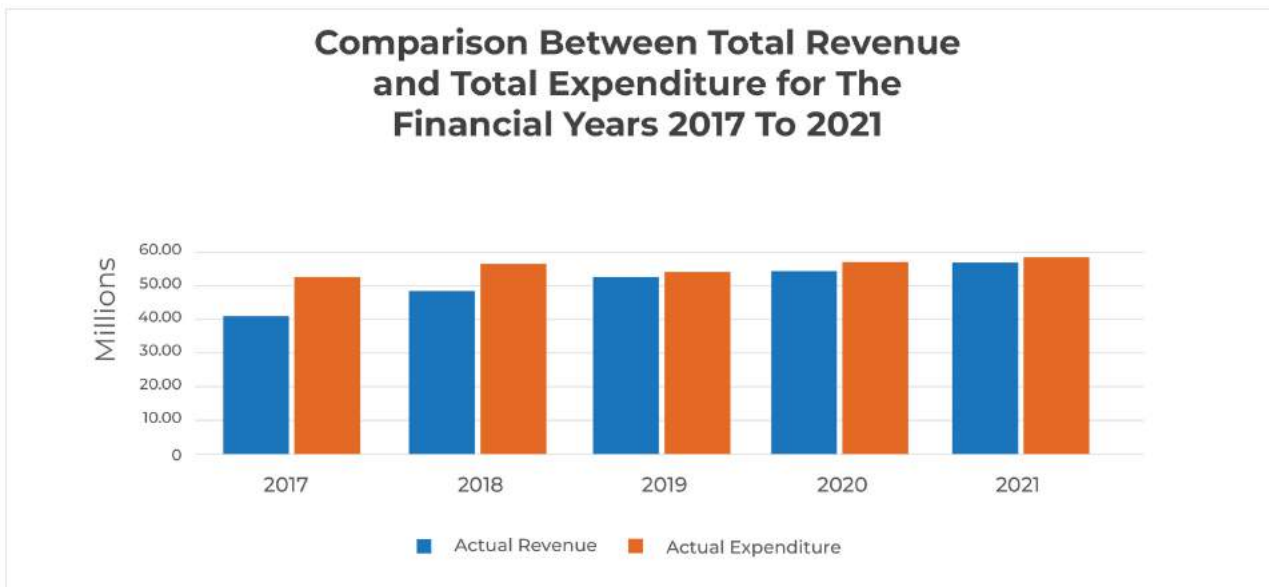
However, the primary balance measures the Government's ability to honour its obligations without incurring additional debt.

## CURRENT FISCAL STATUS:

In Trinidad and Tobago there has been a fiscal deficit for the past five (5) years.

### COMPARISON BETWEEN TOTAL REVENUE AND TOTAL EXPENDITURE FOR THE FINANCIAL YEARS 2017 TO 2021

	Actual Revenue	Actual Expenditure	Surplus/Deficit-Financed by the Exchequer Account	% of surplus/(Deficit to Revenue
	\$'000	\$'000	\$'000	\$'000
2017	47,777,198	54,883,151	(7,105,953)	-14.9%
2018	50,477,117	54,211,711	(3,734,594)	-7.4%
2019	53,423,353	54,581,187	(1,157,834)	-2.2%
2020	56,651,382	57,388,008	(736,626)	-1.3%
2021	55,915,352	56,498,515	(583,163)	1%



The Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2021, Volume 1, Accounts of Treasury, Auditor General's website (<https://auditorgeneral.gov.tt/sites/default/files/VOL-I-%28PART-A%29-Accounts-of-the-Treasury.pdf>) pg. xvi accessed on 3Aug22

# Important Terms

## **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?**

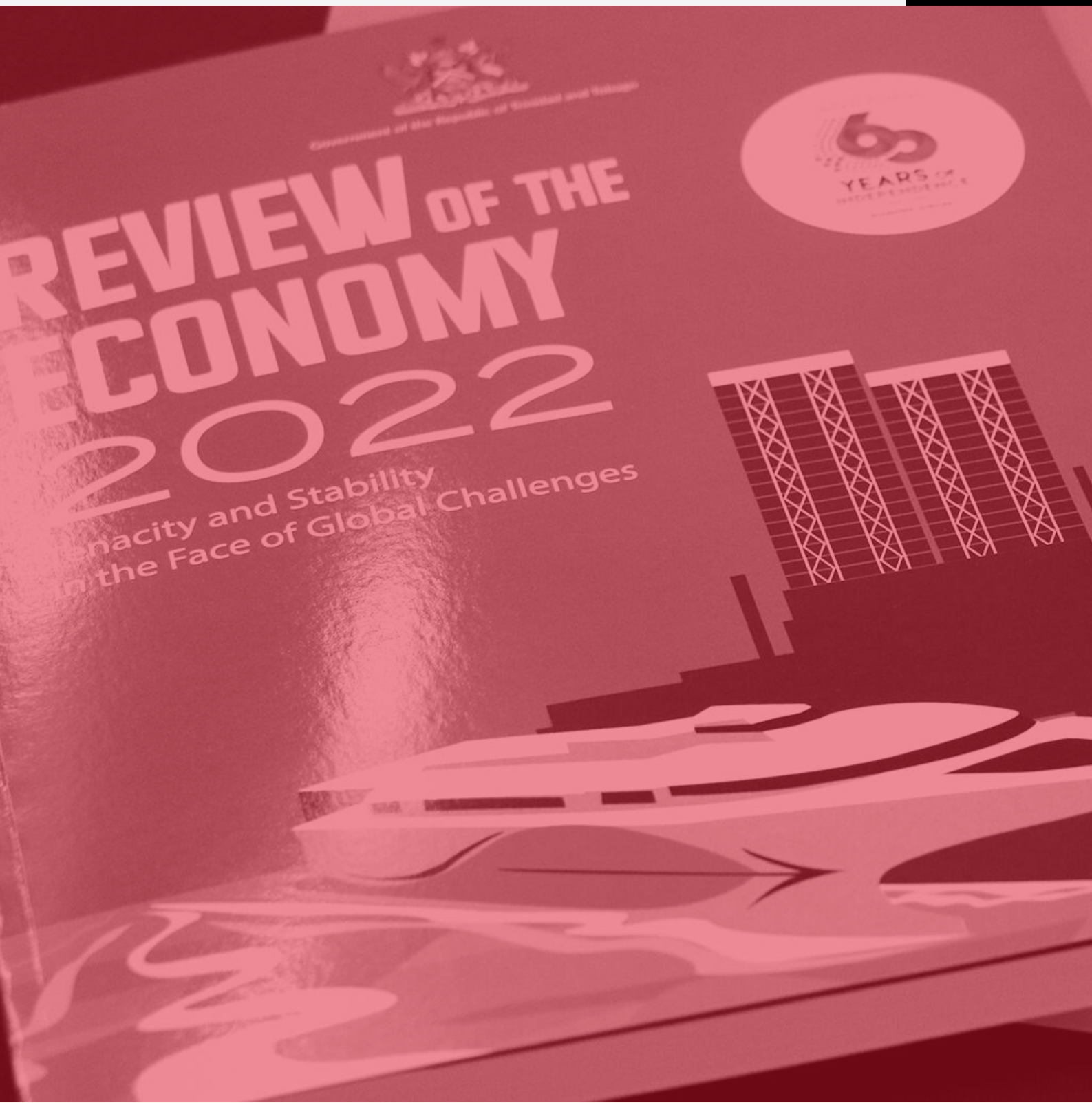
A deterioration in managing public finances as there is greater reliance on new borrowing to finance public expenditure.



GUIDE TO THE BUDGET 2023

# SECTION D

## PUBLIC DEBT OVERVIEW



# 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, 2021 was \$96,752,916,857.03.

**Local Loans:** These are Treasury Bills, Treasury Notes, and Government Loans raised by Bonds. The Bonds are longterm instruments whilst the Treasury Notes are medium term which span a period of between 3- 5 years. The Treasury Bills are short-term borrowing instruments with three different maturities: 91 days, 182 days and 365 days.

**External Loans:** During the fiscal year three (3) new loan agreements were contracted:

- One (1) Corporacion Andina De Femento (CAF); and
- Three (1) with Inter-American Development Bank (IADB)

Disbursements during the financial year totalled \$286,438,059.20.

**Head 18: Ministry of Finance:** These are the balance of loans serviced under Head 18 – Ministry of Finance as at September 30, 2021 was \$3,543,585,146.53. Where loans were not serviced by State Enterprises or Statutory Bodies, the Government assumes the liability and the loans are serviced through budgetary allocation under Head 18 – Ministry of Finance. Also, loans are issued under the authority of Letters of Comfort and Loans or Credits Guaranteed by the State.

	2020	2021
<b>Head 19: Local Loans</b>	58,309,860,362.25	65,357,730,728.93
<b>Head 19: External Loans</b>	28,671,312,417.17	27,851,600,981.57
<b>Head 18: Ministry of Finance</b>	3,523,107,650.46	3,543,585,146.53
	<b>90,504,280,429.88</b>	<b>96,752,916,857.03</b>

From September 2020 to September 2021, there was an overall increase of \$6,248,636,427.15 and illustrates the changes in the debt portfolio in fiscal year 2021 vis-à-vis the preceding fiscal year.

The Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2021, Volume 1, Accounts of Treasury, Auditor General's website (<https://auditorgeneral.gov.tt/sites/default/files/VOL-I-%28PART-A%29-Accounts-of-the-Treasury.pdf>) pgs. 22, 25 and 30 accessed on 3Aug22

# PUBLIC DEBT TO TOTAL REVENUE

The following table provides a comparison of the Public Debt and Government Revenue for the financial years 2017 to 2021.

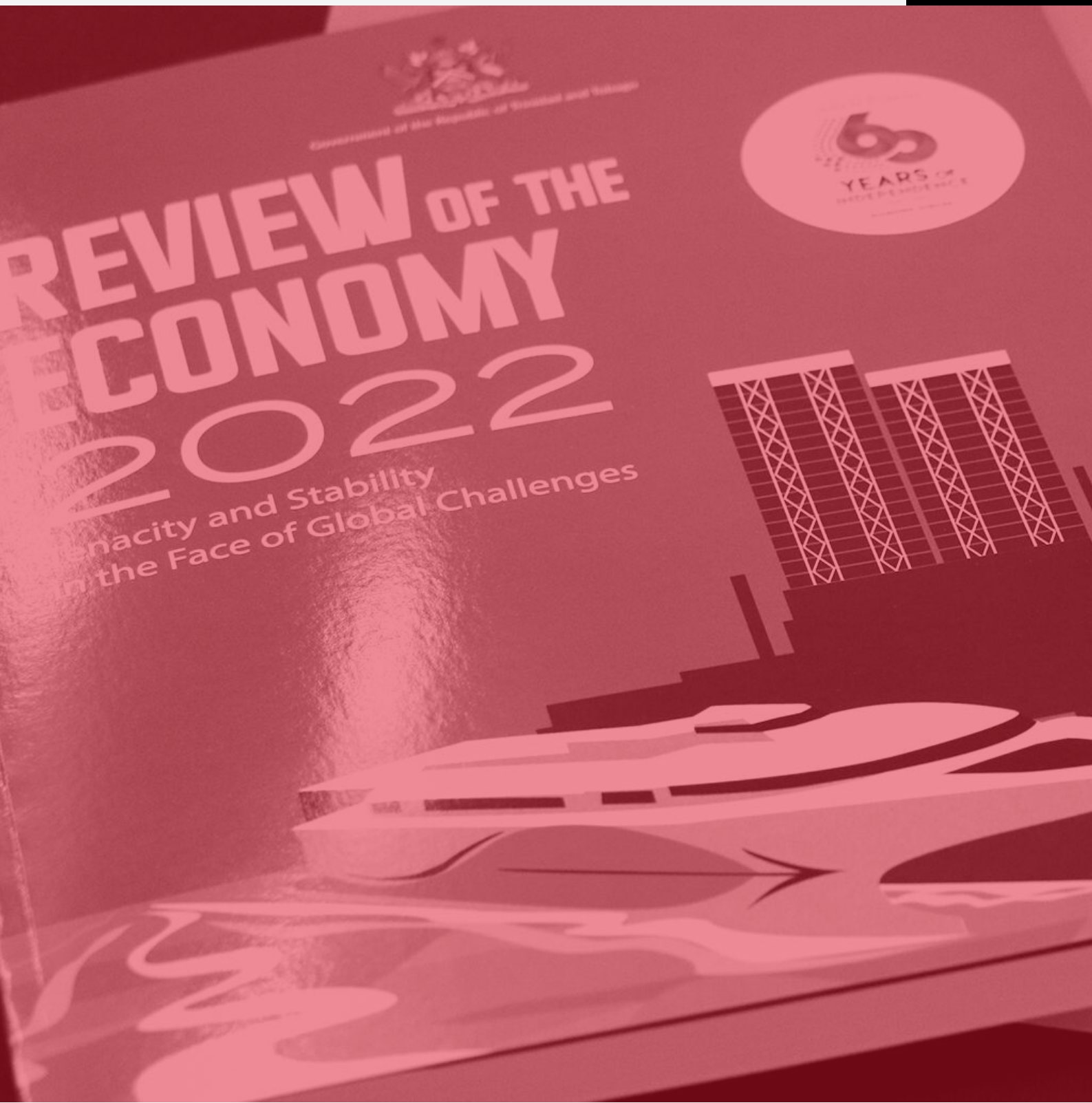
Years	Public Debt	Total Revenue
2017	65,450,617,657	47,777,197,583
2018	68,977,535,489	50,477,117,276
2019	75,080,958,413	53,423,353,342
2020	90,509,677,148	56,651,381,678
2021	96,752,918,878	55,915,352,771

Financial Year	Total Expenditure \$'000	Charges on Account of the Public Debt \$'000	%
2017	54,883,151	9,641,806	17.6
2018	54,211,711	9,220,951	17.0
2019	54,581,187	8,230,355	15.1
2020	57,388,008	10,066,151	17.5
2021	56,498,515	10,754,000	19.0

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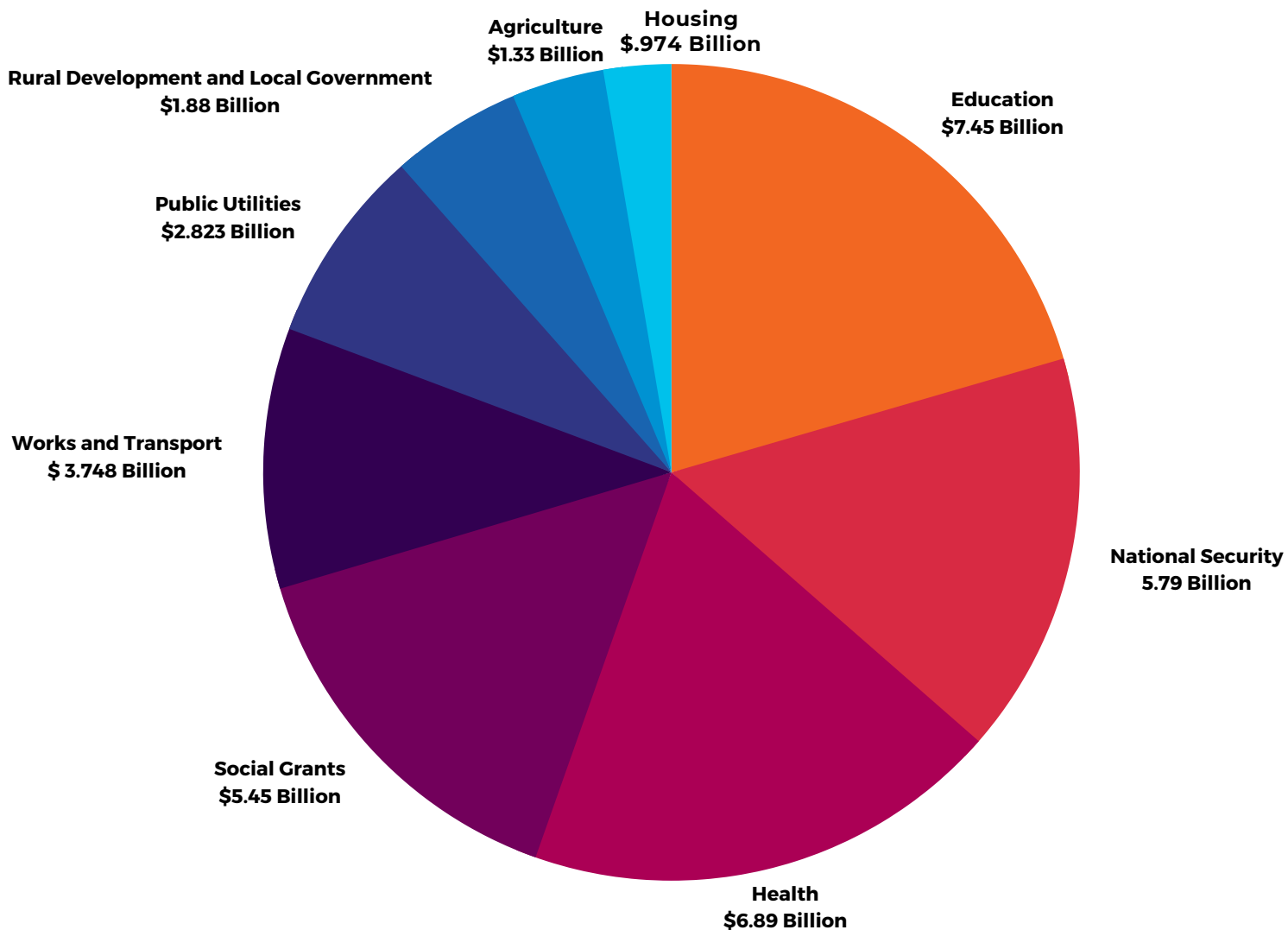
# SECTION E

HIGHLIGHTS FROM BUDGET  
STATEMENT 2023





# HIGHLIGHTS FROM BUDGET STATEMENT 2023<sup>1</sup>



<sup>1</sup> Budget Statement 2023 accessed on September 28, 2022:  
<https://www.finance.gov.tt/wp-content/uploads/2022/09/Budget-Statement-2023-E-Version.pdf>





# Summary of Fiscal Measures

## Personal Income Tax Allowance

The annual personal income tax allowance to be increased from \$84,000 to \$90,000. This will take effect on January 1, 2023.

## VAT Registration Threshold

The VAT registration threshold to be increased from \$500,000 to \$600,000 effective January 1, 2023.

## Renewable Energy/Business Rebate for Agriculture

Approved agricultural holdings will be offered rebates of up to \$25,000 for the implementation of renewable energy, such as solar and wind energy. This measure will take effect from January 1, 2023.

## Manufacturing Tax Credit

A one-time tax credit up to \$50,000 for manufacturing companies which make an investment in new machinery, production lines and equipment. This measure will take effect from January 1, 2023.

## Energy: Investment Tax Credit

The Investment Tax Credit for energy companies to increase from 25% to 30% to stimulate exploration and development-related investments in the energy sector.

## Supplemental Petroleum Tax (SPT)

To enhance the current SPT concession for small onshore oil producers and introduce a tiered system of SPT at lower rates for shallow water marine operators, as opposed to the current fixed rates of SPT that kick in as soon as the price of oil crosses US\$50 per barrel. The proposed rates are as follows, and will take effect from January 1, 2023:

1. The production limit for small producers of oil on land to benefit from the previously increased threshold price of US\$75 per barrel for oil before SPT is applicable will be increased to 4,000 barrels a day and the sunset clause will be repealed.
2. For new oil wells in shallow water marine areas, whether in existing fields or new fields, the following rates of SPT will now apply.

<sup>1</sup> Budget Statement 2023 accessed on September 28, 2022:

<https://www.finance.gov.tt/wp-content/uploads/2022/09/Budget-Statement-2023-E-Version.pdf>

Oil Price (P)	Rate of SPT
\$0.00 to \$50.00	0%
\$50.01 to \$70.00	15%
\$70.01 to \$90.00	20%
\$90.01 to \$200.00	20% +0.2% (P - 90.00)
\$201.00 and over	42%

## Electronic Payment Providers and e- Money Issuers

Effective January 1, 2023, a one-time tax credit offer to approved payment providers and/or e-money issuers up to a maximum of \$50,000.

## Petroleum Profits Tax (PPT)

The rate of the PPT to decrease from the current 35% to 30% for companies engaged in deep water exploration. This measure will take effect on January 1, 2023.

## Illegal State Timbering

An increase in the fine for illegal timbering from \$20,000 to \$100,000. This measure will take effect from January 1, 2023.

## Illegal Quarrying

Heavy penalties to be imposed on this environmentally dangerous and illicit activity via legislative amendments to allow the state to levy on, seize and forfeit equipment found on sites of illegal quarrying. These legislative amendments will be introduced into parliament early in 2023.

## Scrap Iron Penalties

To curtail the theft of scrap iron, an increase fines for stealing or illegally obtaining old metal, selling, purchasing, trading, receiving and dealing in stolen old metal, from \$15,000 to \$100,000. This measure will take effect from January 1, 2023.

## Approved Small Company - Exemption from Corporation Taxation

The exemption of approved small companies to expand from paying corporation taxes for a period of 5 to 6 years. This measure will take effect on January 1, 2023.

## **School to Work Apprenticeship Allowance**

An Apprenticeship Allowance to encourage the hiring of persons aged 16 to 25 to acquire relevant job experience. Companies will be eligible for an allowance of 150% for applicable remuneration up to a maximum of 5% of the company's total wages and salaries. This will become effective January 1, 2023.

## **Firearm Users License Fee**

The Government intends to restrict ownership of assault weapons and associated ammunition by private citizens. To this end, an increase on all firearm user's license (FUL) fees by 100%, save and except for, assault weapons which will increase to \$5,000 per year. The annual license fee for ownership of an assault weapon for use in a firing range will also be increased to \$1,000. These measures will take effect on January 1, 2023.

## **Tax Amnesty**

A Tax Amnesty for penalties and interest on taxes owned up to and including the year ending December 31, 2021. The amnesty will take effect from November 14, 2022 to February 17, 2023.

## **Oil Pollution**

Effective January 1, 2023, the penalty for oil pollution to increase from \$10,000 to \$100,000.

## **Fuel Prices**

Effective immediately, there will be an increase in the prices of fuel per litre. The new prices will be as follows:

- Premium gasoline - \$7.75
- Super gasoline - \$6.97
- Diesel - \$4.41
- Kerosene - \$4.50

## **Transportation Grant**

A one-time transport grant of \$1,000.00 will be given to all recipients of social grants. The grant is temporary and shall remain in place only in so far as the price of oil remains at elevated levels and is to be implemented on or before the end of January 2023.

# **Summary of Other Measures**

## **Subsidy for Housing and Village Improvement Programme**

To introduce a three-tiered subsidy structure under the Housing and Village Improvement Programme (HVIP), increasing the maximum subsidy applicable for the construction of a basic two-bedroom housing unit from \$145,000 to the following:

1. \$165,000 for construction on flat lands;
2. \$170,000 for construction on undulating lands; and
3. \$175,000 for construction on hilly lands.

This measure will take effect on January 1, 2023.

## **Renewable Energy**

Waive VAT on new equipment for manufacturing companies utilizing alternative energy technologies, i.e., renewable energy options such as gasifiers using biomass, as well as harnessing renewable energy through wind, solar and water. The measure will last for 1 year effective on January 1, 2023, in the first instance.

## **Fees Chargeable for Commissioners of Affidavits**

To increase the fees payable under the Commissioners of Affidavit Act as follows:

- Commissioner's payments to Registrar General will increase to \$400 (from \$200)
- Affidavits fees will increase to \$10 (from \$2.50) for each affidavit sworn before him and to \$2.50 (from \$0.50 ) for each exhibit attached.
- The Commissioner shall also pay annually the Comptroller of Accounts \$200 (from \$100 previously).

This measure will take effect January 1, 2023.

## **Threat of Giant African Snail and other Agricultural Pests**

To allocate \$3M to the Ministry of Agriculture, Land and Fisheries to conduct marketing/ awareness campaigns, staff training and agricultural supplies/materials for the alleviation of destructive pests such as the Giant African Snail and the Moruga Locusts.

## **Inter-Island Air bridge and Sea bridge Travel**

The cost of Inter-Island travel to increase effective January 1, 2023, as follows:

- Air Bridge from \$150 to \$200 (one way);
- Air Bridge from \$150 to \$200 (one way);
- Sea Bridge, for persons over 60 from \$0 to \$25 (one way);
- Sea Bridge, Standard Class, from \$50 to \$75 (one way);
- Sea Bridge, Premium Class, from \$100 to \$150 (one way).

## **Government Assistance for Tuition Expenses (GATE)**

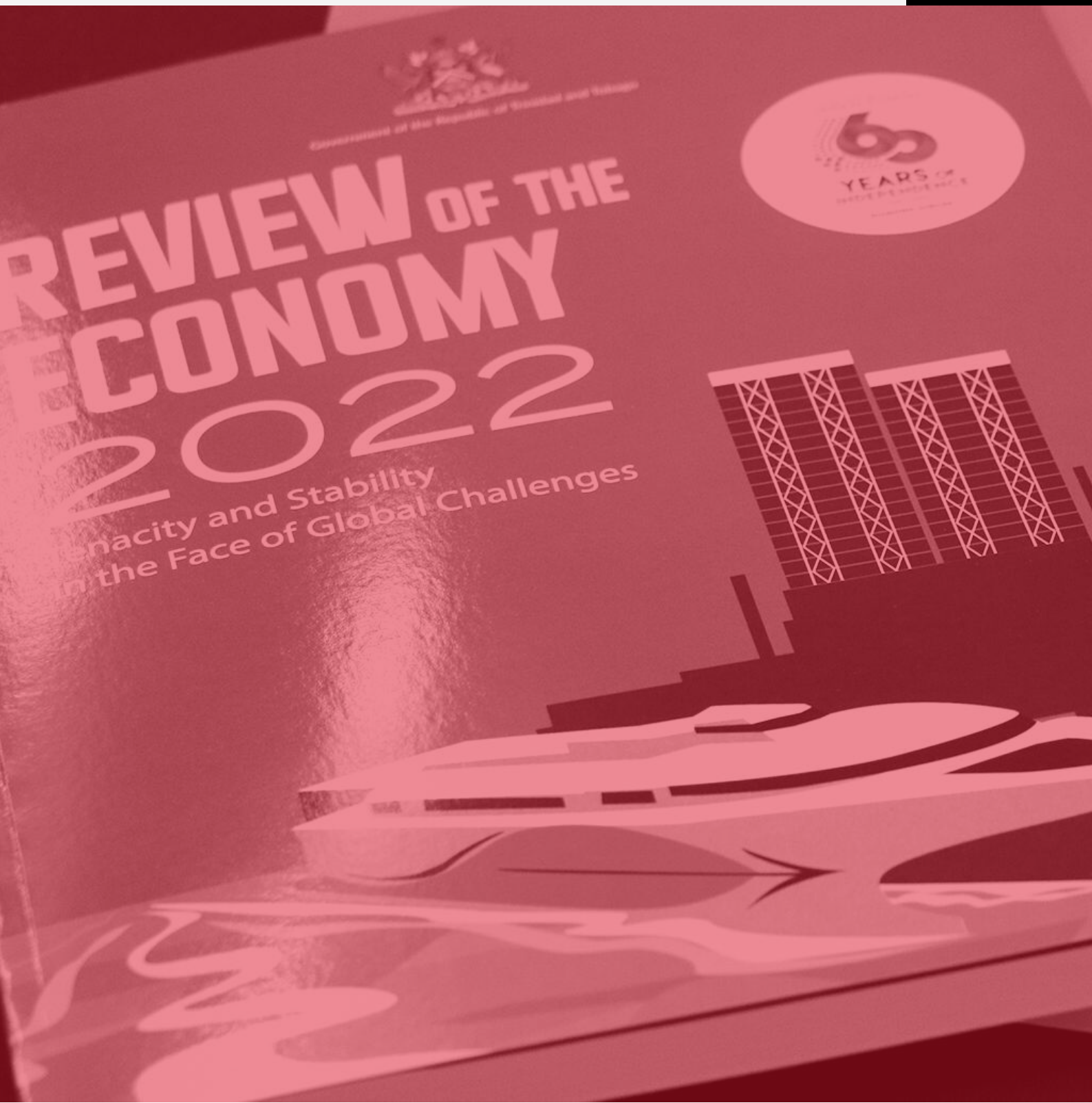
The Government intends to relax the current restrictions on accessing GATE, by providing tuition assistance for those students who have already accessed GATE at the diploma, associate degree, or lower technical and vocational education and training level, so that they can pursue bachelor's degree programs consistent with the country's development needs.



GUIDE TO THE BUDGET 2023

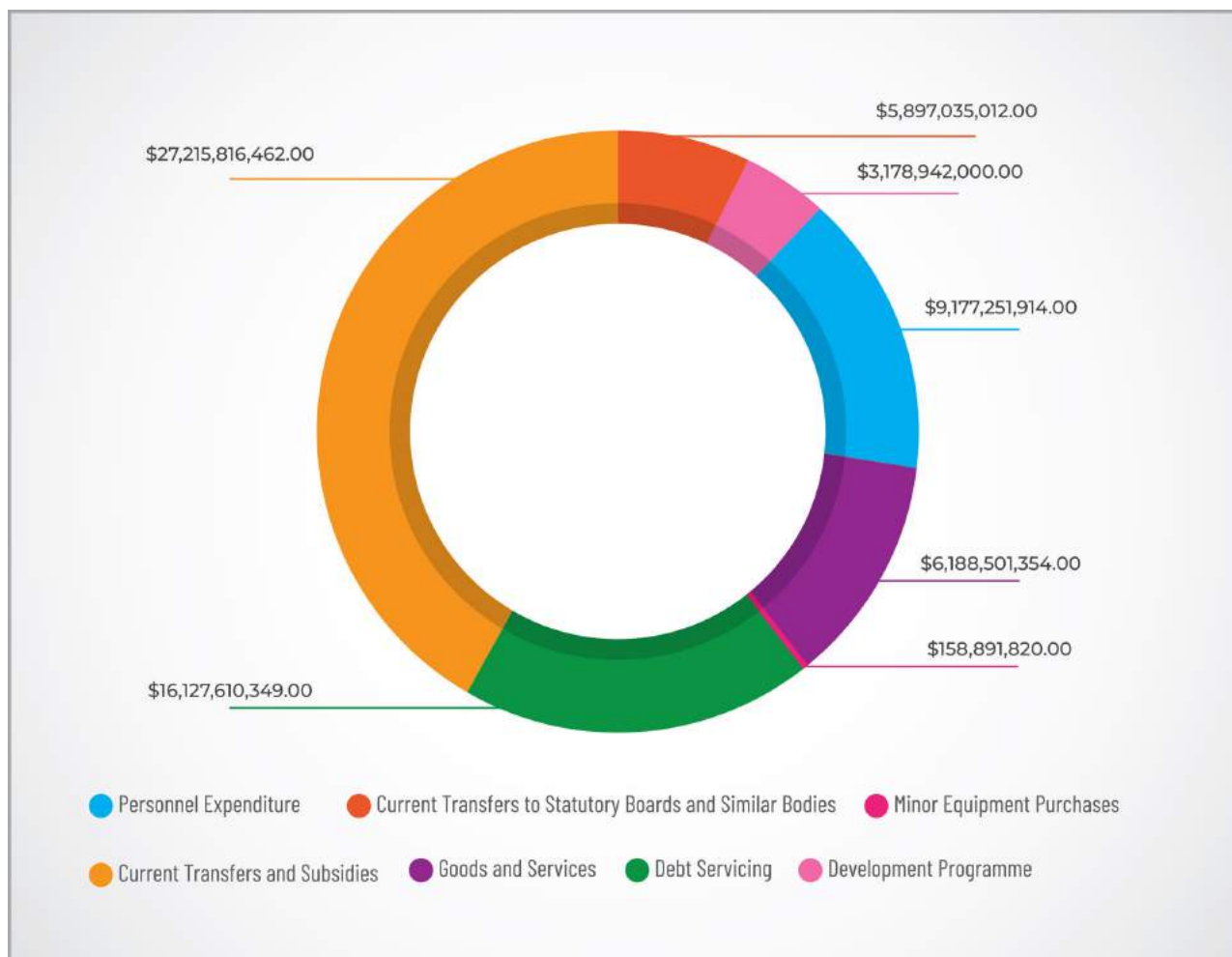
# SECTION F

## NATIONAL BUDGET 2023



# NATIONAL BUDGET 2023

**\$67,944,048,911.00<sup>1</sup>**



## ESTIMATED EXPENDITURE FOR THE FINANCIAL YEAR 2023

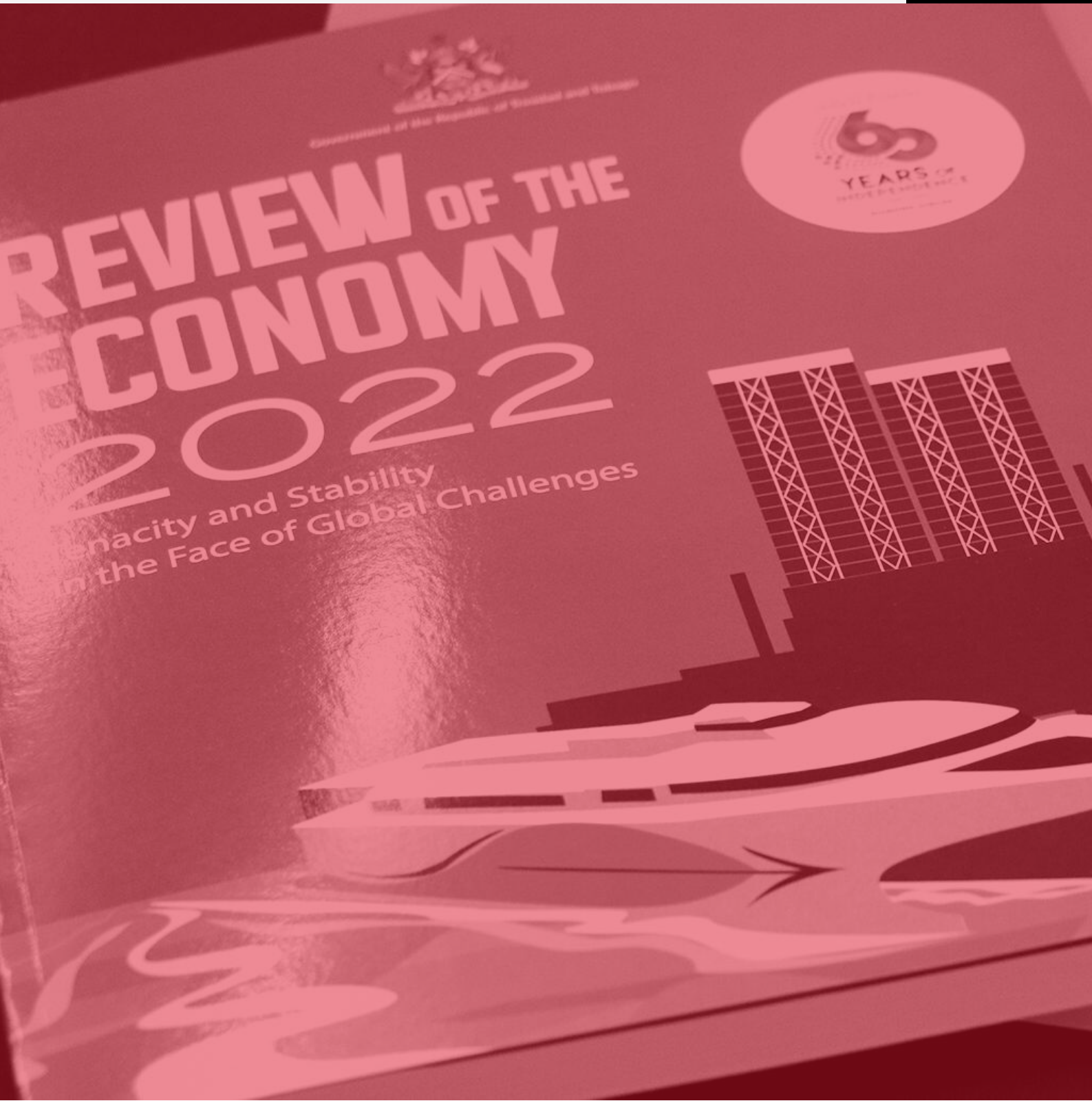
### Head

Personnel Expenditure	\$ 9177251,914.00	14%
Goods and Services	\$ 6188501,354.00	9%
Minor Equipment Purchases	\$ 158891,820.00	0.23%
Current Transfers and Subsidies	\$ 27215816,462.00	40%
Current Transfers to Statutory Boards and Similar Bodies	\$ 5897035,012.00	9%
Debt Servicing	\$ 16127610,349.00	24%
Development Programme	\$ 3178942,000.00	5%
<b>Total</b>	<b>\$ 67944048,911.00</b>	<b>100%</b>

<sup>1</sup> Draft Estimates of Expenditure for the Financial Year 2023, accessed on September 28, 2022 : <https://www.finance.gov.tt/wp-content/uploads/2022/09/Draft-Estimates-of-Details-of-Estimates-of-Recurrent-Expenditure-for-the-Financial-Year-2023.pdf>

GUIDE TO THE BUDGET 2023

# BUDGET OVERVIEW 2023



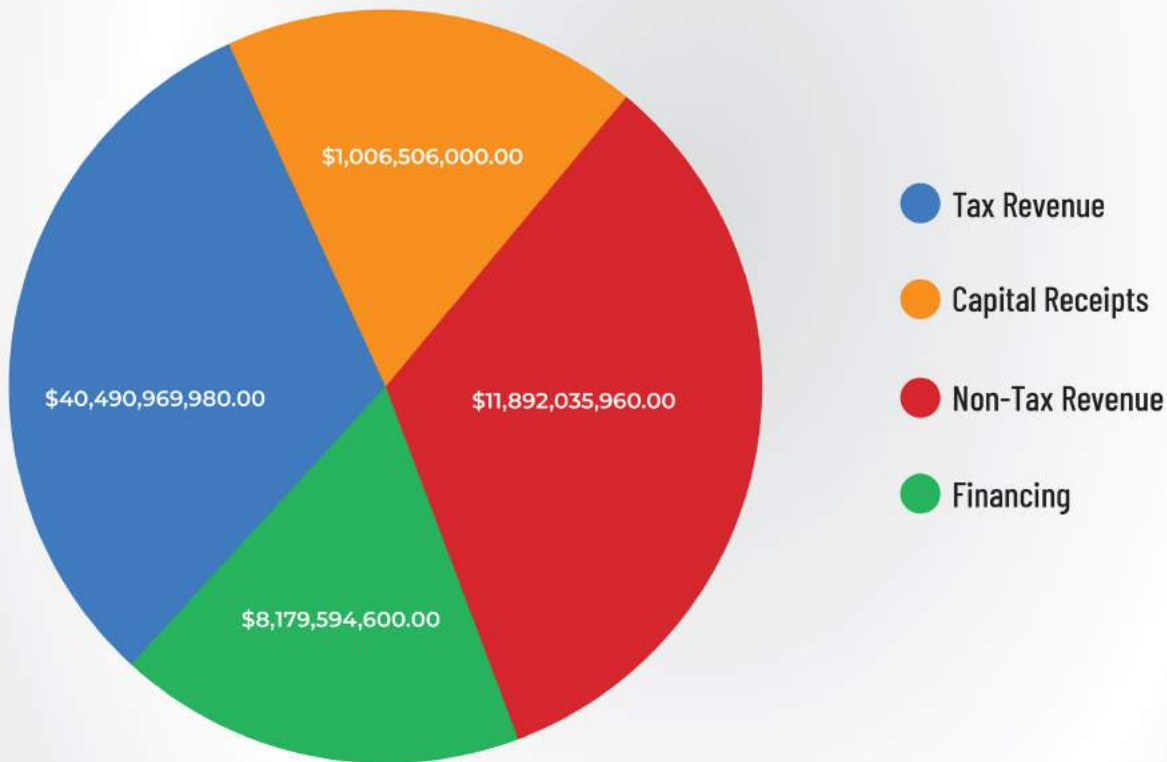
# HEADS OF EXPENDITURES - DRAFT ESTIMATES RECURRENT EXPENDITURE FOR THE FINANCIAL YEAR 2023<sup>2</sup>

2023 ESTIMATED TOTAL RECURRENT EXPENDITURE	
Head of Expenditure	Total
01 President	\$19,204,700.00
02 Auditor General	\$34,123,000.00
03 Judiciary	\$674,652,000.00
04 Industrial Court	\$44,509,450.00
05 Parliament	\$146,445,442.00
06 Service Commissions	\$83,437,000.00
07 Statutory Authorities Service Commission	\$6,721,610.00
08 Elections And Boundaries Commission	\$126,849,000.00
09 Tax Appeal Board	\$11,905,400.00
11 Registration, Recognition and Certification Board	\$4,152,900.00
12 Public Service Appeal Board	\$3,223,000.00
13 Office of the Prime Minister	\$532,761,000.00
15 Tobago House of Assembly	\$2,493,816,632.00
16 Central Administrative Services, Tobago	\$33,342,000.00
17 Personnel Department	\$59,900,000.00
18 Ministry of Finance	\$7,943,698,905.00
19 Charges on Account of the Public Debt	\$15,074,582,725.00
20 Pensions and Gratuities	\$3,126,425,000.00
22 Ministry of National Security	\$3,196,388,000.00
23 Office of the Attorney General and Ministry of Legal Affairs	\$395,627,940.00
26 Ministry of Education	\$5,503,784,600.00
28 Ministry of Health	\$5,771,338,654.00
30 Ministry of Labour	\$451,388,753.00
31 Ministry of Public Administration	\$911,700,000.00
37 Integrity Commission	\$8,999,000.00
38 Environmental Commission	\$9,401,510.00
39 Ministry of Public Utilities	\$2,572,761,000.00
40 Ministry of Energy and Energy Industries	\$1,495,238,618.00
42 Ministry of Rural Development and Local Government	\$2,718,817,342.00
43 Ministry of Works & Transport	\$2,471,050,000.00
48 Ministry of Trade and Industry	\$245,673,760.00
61 Ministry of Housing and Urban Development	\$1,034,623,000.00
64 Trinidad and Tobago Police Service	\$2,458,730,000.00
65 Ministry of Foreign and CARICOM Affairs	\$257,475,000.00
67 Ministry of Planning and Development	\$360,980,500.00
75 Equal Opportunity Tribunal	\$9,398,000.00
77 Ministry of Agriculture, Land and Fisheries	\$745,186,000.00
78 Ministry of Social Development and Family Services	\$5,413,633,000.00
79 Ministry of Sport and Community Development	\$541,962,000.00
80 Ministry of Tourism, Culture and the Arts	\$376,836,250.00
81 Ministry of Youth Development and National Service	\$239,624,000.00
82 Ministry of Digital Transformation	\$333,682,220.00
<b>GRAND TOTAL</b>	<b>\$67,944,048,911.00</b>

2 Draft Estimates of Expenditure for the Financial Year 2023, accessed on September 28, 2022:  
<https://www.finance.gov.tt/wp-content/uploads/2022/09/Draft-Estimates-of-Expenditure-for-the-Financial-Year-2023.pdf>

# DRAFT ESTIMATES OF REVENUE FOR THE FISCAL YEAR 2023<sup>3</sup>

REVENUE- BUDGET 2023 - \$61,569,106,540.00



**TAX REVENUE ↑ 7%**  
Comparing the 2022 Revised Estimate and the 2023 Estimates - there is an increase in the sum of \$2,649,804,530.00.

**NON-TAX REVENUE ↑ 15%**  
Comparing the 2022 Revised Estimate and the 2023 Estimate - there is an increase in the sum of \$1,533,030,650.00.

**CAPITAL RECEIPTS ↑ 56%**  
Comparing the 2022 Revised Estimate and the 2023 Estimate - there is an increase in the sum of \$359,306,000.00.

**FINANCING ↑ 12%**  
Comparing the 2022 Revised Estimate and the 2023 Estimate - there is an increase in the sum of \$845,214,180.00.

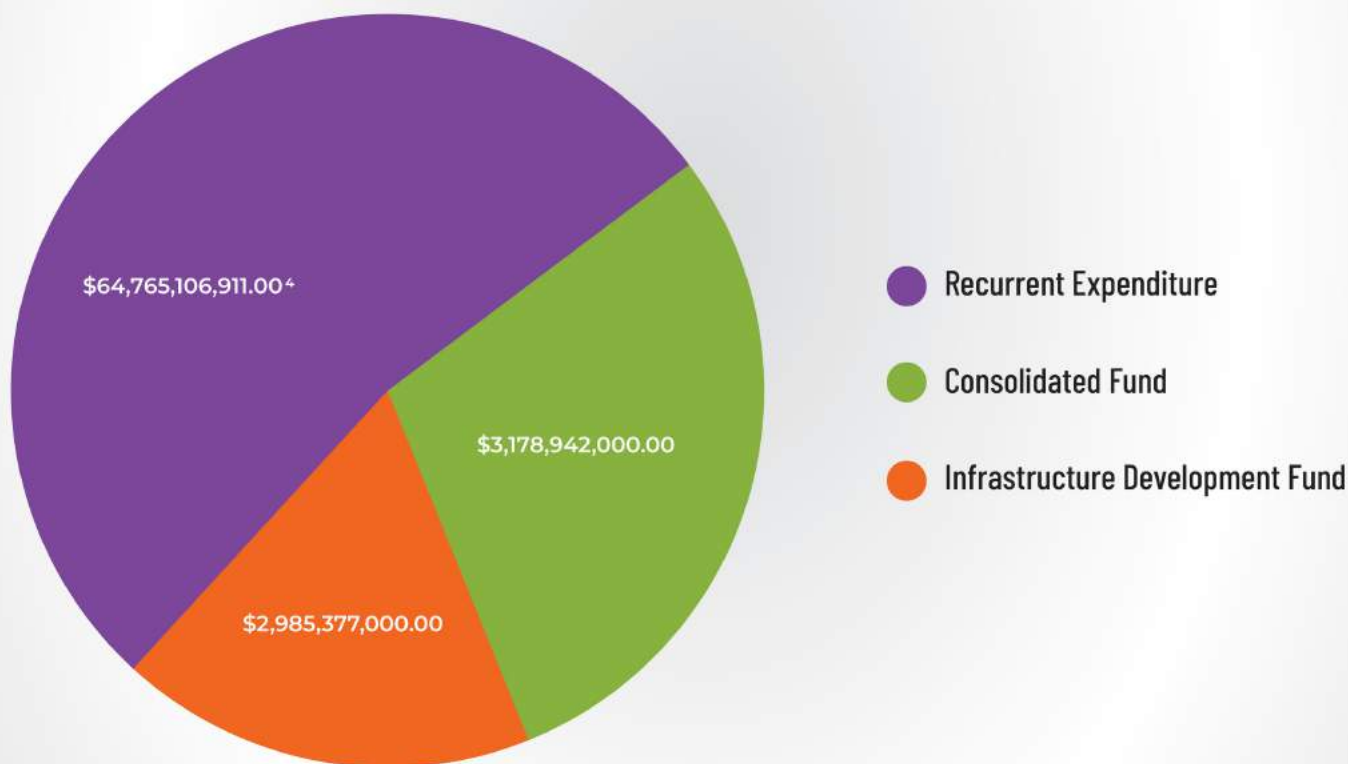
The 2021 Actual and 2022 Revised Estimates when compared, revealed an overall **increase** in Revenue in the sum of \$8,755,840,184.00.

However, 2022 Revised Estimates and 2023 Estimates when compared revealed an overall **increase** in revenue of \$5,387,355,360.00.

<sup>3</sup> Draft Estimates of Revenue for the Financial Year 2023, accessed on September 28, 2022: <https://www.finance.gov.tt/wp-content/uploads/2022/09/Draft-Estimates-of-Revenue-for-the-Financial-Year-2023.pdf>

# DRAFT ESTIMATES OF EXPENDITURE FOR THE FISCAL YEAR 2023

EXPENDITURE - \$67,944,048,911.00



## RECURRENT EXPENDITURE ↑ 13%

Comparing the 2022 Revised Estimate and the 2023 Estimate - there is an increase in the sum of \$7,478,353,277.00.

## CONSOLIDATED FUND ↑ 67%

Comparing the 2022 Revised Estimate and the 2023 Estimate - there is an increase in the sum of \$1,275,364,508.00.

## INFRASTRUCTURE DEVELOPMENT FUND ↑ 82%

Comparing the 2022 Revised Estimate and the 2023 estimate - there is an increase in the sum of \$1,343,559,880.00.

<sup>4</sup> Draft Estimates of Expenditure for the Financial Year 2023, accessed on September 28, 2022 : <https://www.finance.gov.tt/wp-content/uploads/2022/09/Draft-Estimates-of-Details-of-Estimates-of-Recurrent-Expenditure-for-the-Financial-Year-2023.pdf>

<sup>5</sup> Draft Estimates of Development Programme for the Financial Year 2023, accessed on September 28, 2022: <https://www.finance.gov.tt/wp-content/uploads/2022/09/Draft-Estimates-of-Development-Programme-for-the-Financial-Year-2023.pdf>

# KEY MINISTRIES<sup>6</sup>

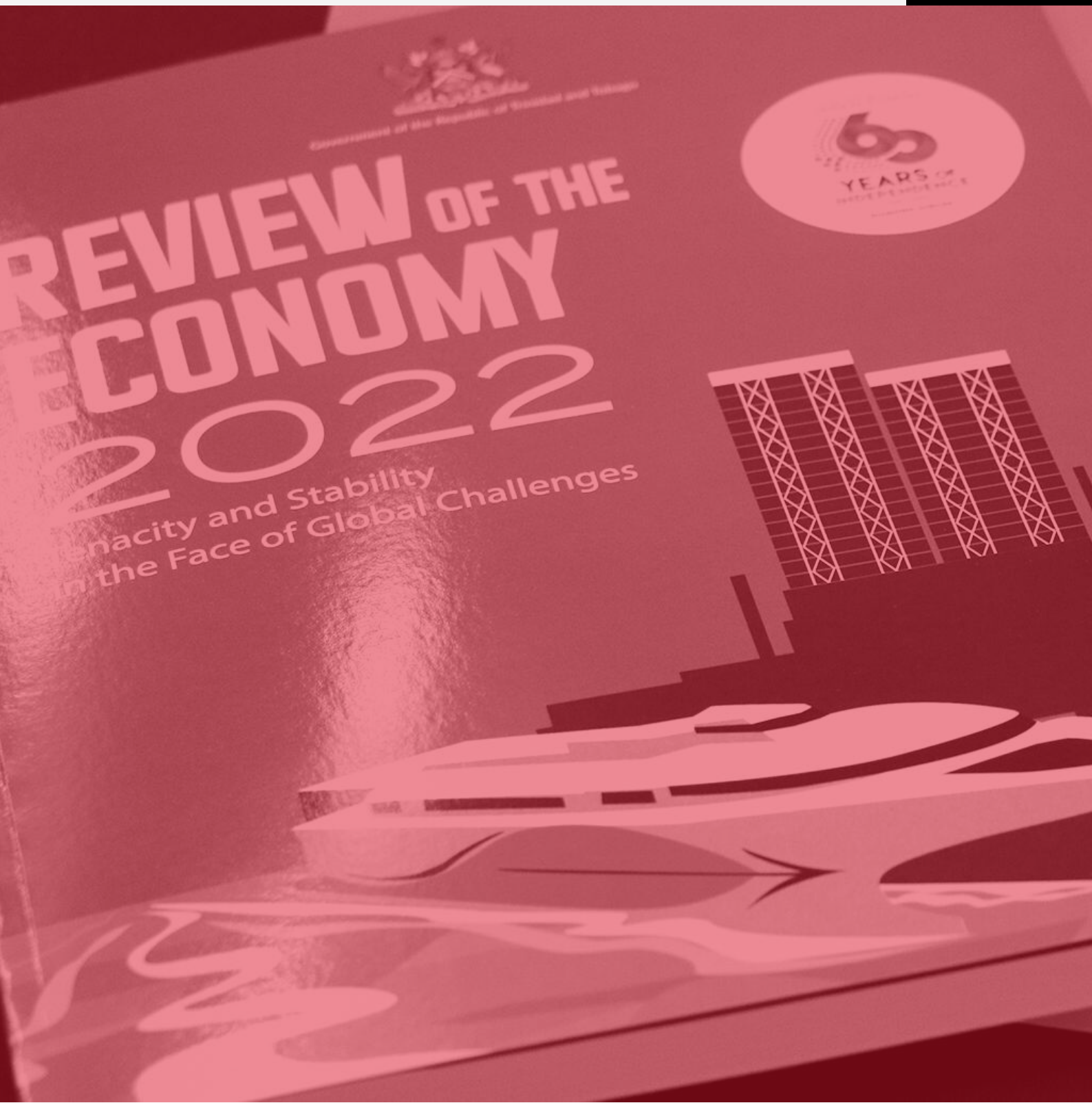
## DEVELOPMENT PROGRAMMES FUNDED FROM THE BUDGET



6 Draft Estimates of Development Programme for the Financial Year 2023, accessed on September 28, 2022: <https://www.finance.gov.tt/wp-content/uploads/2022/09/Draft-Estimates-of-Development-Programme-for-the-Financial-Year-2023.pdf>

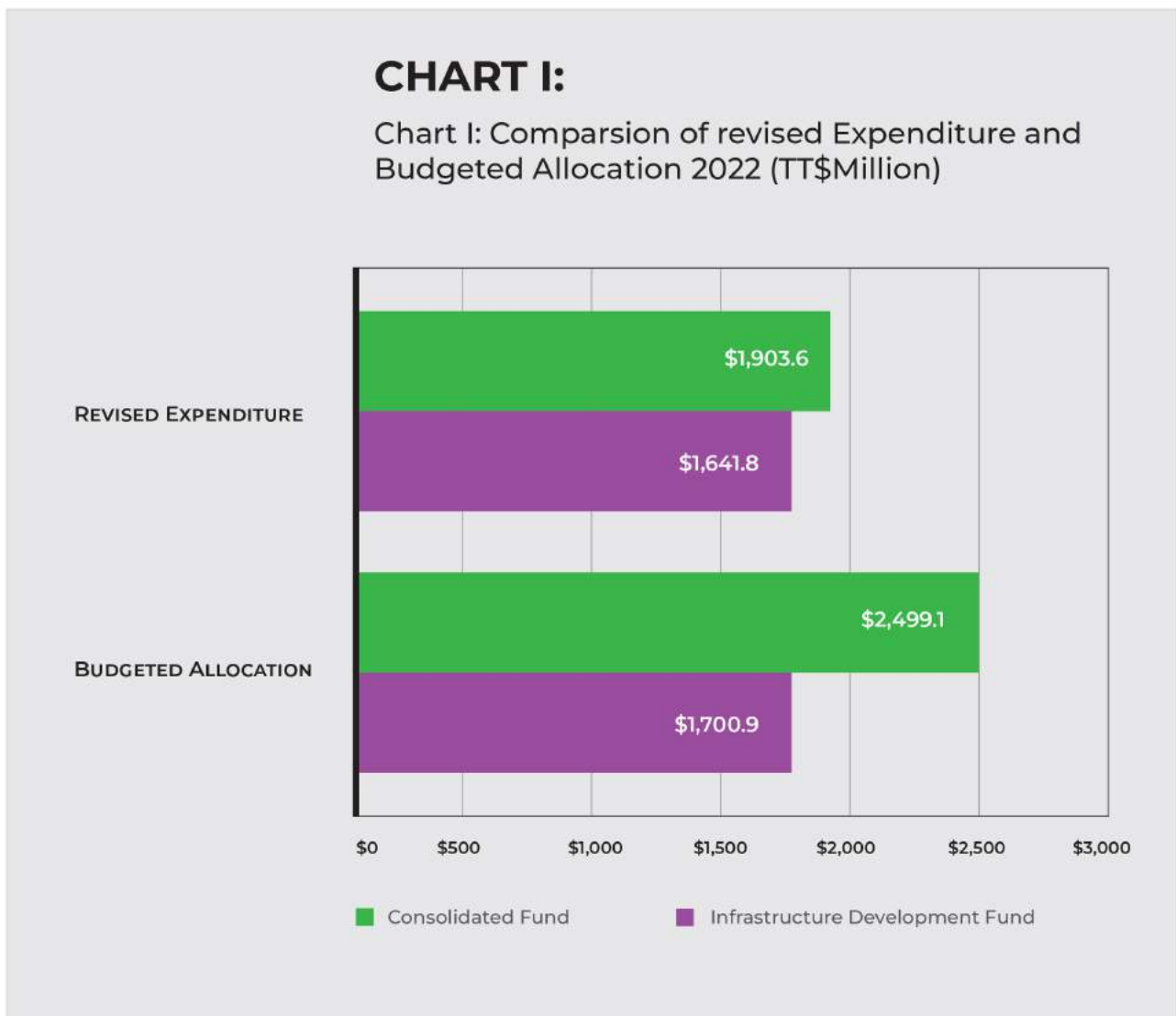
GUIDE TO THE BUDGET 2023

# **PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP) 2023**



# OVERVIEW - PUBLIC INVESTMENT PROGRAMME 2022<sup>7</sup>

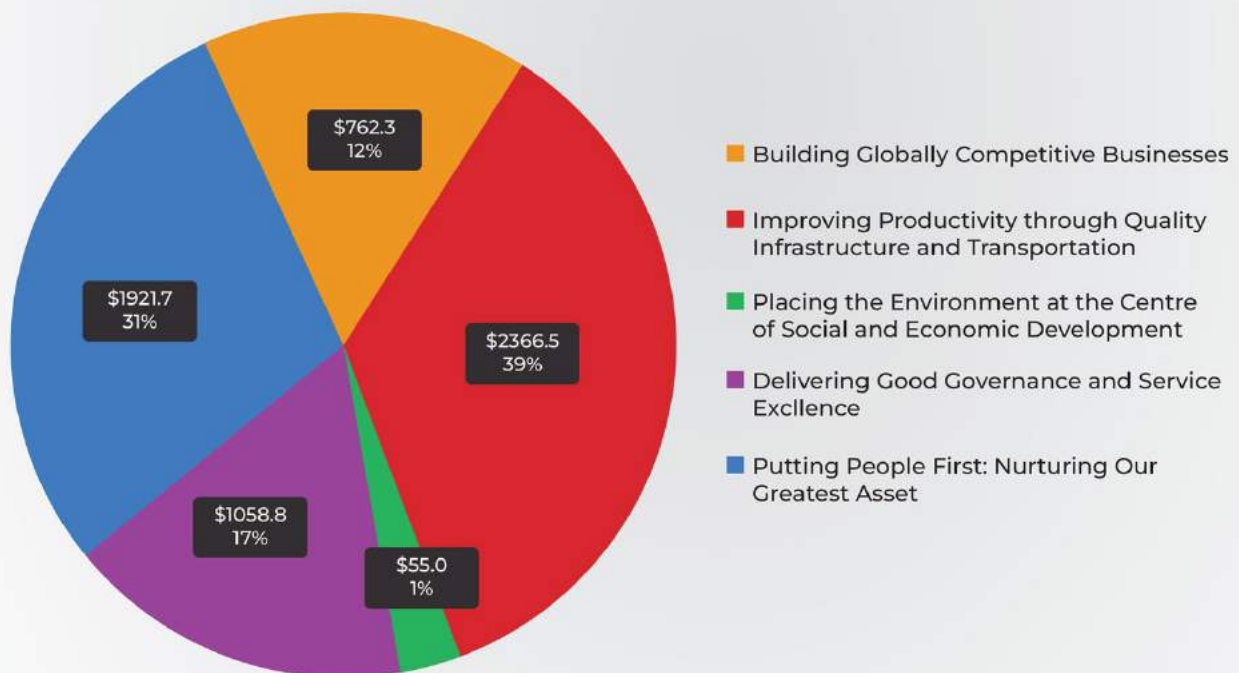
In fiscal 2022, a total budgeted allocation of \$4,200.0 million was provided to finance the implementation of programmes and projects in the PSIP of which \$2,499.1 million or 60 percent was provided under the CF and \$1,700.9 million or 40 percent was financed under the IDF. Of this total budgeted allocation, \$3,545.4 million or 84.4 percent was utilised, with expenditure in the amount of \$1,903.6 million under the CF and \$1,641.8 million under the IDF. Chart I below, illustrates a review of the Revised Expenditure and Budgeted Allocation for fiscal 2022.



7 Ministry of Finance website - Public Sector Investment Programme 2023 accessed on September 27, 2022: **Public-Sector-Investment-Programme-2023.pdf (finance.gov.tt)** pgs.22 - 28

NO.	VISION 2030	REVIEW OF REVISED EXPENDITURE 2022
1	Improving Productivity Through Quality Infrastructure and Transportation	The highest expenditure of \$1,352.4 million was recorded in the following sectors: Roads and Bridges, Drainage, Information Technology and Infrastructure, Transportation and Water Security.
2	Putting People First: Nurturing our Greatest Asset	The second highest expenditure of \$1,234.2 million was incurred by the following sectors: Health/HIV Aids, Tertiary Education, Community Development, Housing and Shelter and Sport and Recreation.
3	Delivering Good Governance and Service Excellence	Key sectors of expenditure in this thematic area included Administration, Public Safety and Citizen Security, Law Enforcement and Capacity Building/ Institutional Strengthening. This thematic area ranked third in expenditure of \$518.0 million.
4	Building Globally Competitive Businesses	Projects and programmes progressed under this thematic area amassed an expenditure of \$423.5 million. Specifically, sectors of interest were Manufacturing, Agriculture, Economic Restructuring and Transformation, Tourism and Youth Development and Entrepreneurship.
5	Placing the Environment at the Centre of Social and Economic Development	This thematic area supported environmental preservation and policies with expenditure of \$17.3 million.

## CHART IV: PUBLIC SECTOR INVESTMENT PROGRAMME 2023 BY VISION 2023 THEMATIC AREA

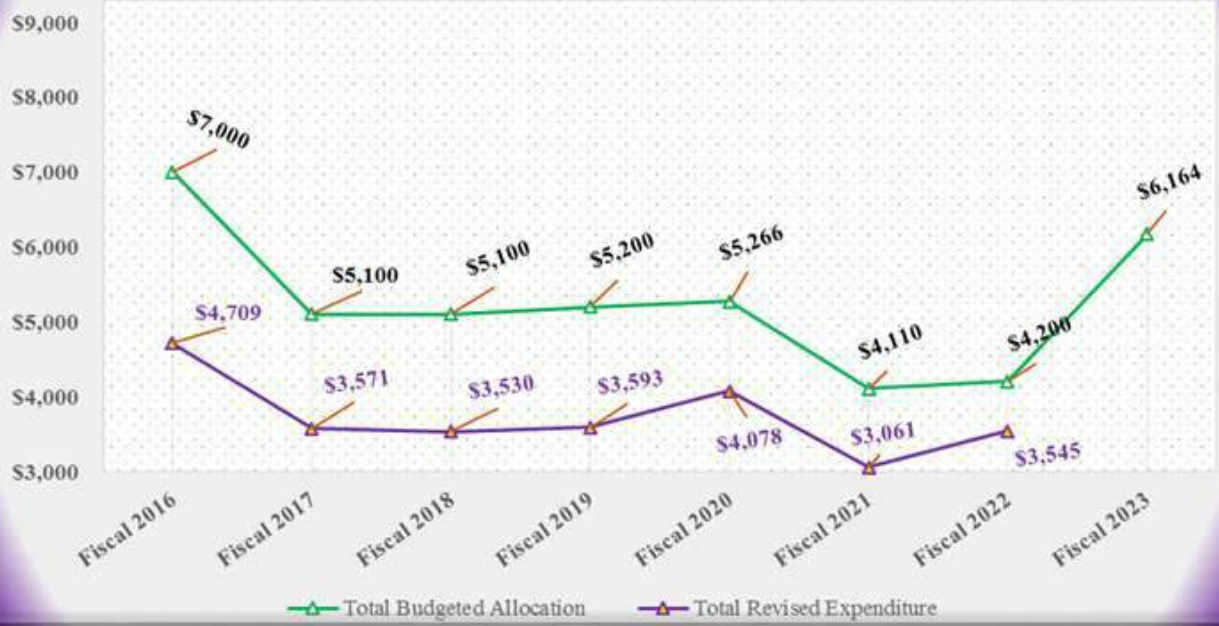


# PUBLIC SECTOR INVESTMENT PROGRAMME 2023

NO.	VISION 2030	PUBLIC SECTOR INVESTMENT PROGRAMME 2023 BY THEMATIC AREA
1	Improving Productivity Through Quality Infrastructure and Transportation	The largest <i>allocation</i> of \$2,366.5 million or 39.0 percent will fund critical programmes and projects in the following sectors: Roads and Bridges, Transportation, Information Technology and Infrastructure, Drainage and Water Security.
2	Putting People First: Nurturing our Greatest Asset	A significant <i>allocation</i> of \$1,921.7 million or 31.0 percent of the total PSIP will be directed towards: Health/HIV Aids, Community Development, Tertiary Education, Housing and Shelter, Sport and Recreation and Primary Education.
3	Delivering Good Governance and Service Excellence	Funds totalling \$1,058.8 million or 17.0 percent, will enhance the following areas: Administration, Law Enforcement, Public Safety and Citizen Security and Capacity Building/Institutional Strengthening.
4	Building Globally Competitive Businesses	Youth Development and Entrepreneurship, Economic Restructuring and Transformation and Agriculture remained the top three sectors under which the highest <i>allocations</i> were recorded for this thematic area. Of the total PSIP <i>allocation</i> , this thematic area received the sum of \$762.3 million or 12.0 percent to further develop works on these programmes and projects.
5	Placing the Environment at the Centre of Social and Economic Development	Environment and Energy/Renewable Alternatives will benefit from an investment of \$55.0 million for environmental conservation.

In fiscal 2023, an overall PSIP allocation of \$6,164.3 million is proposed for the implementation of programmes and projects. This overall allocation comprise \$3,178.9 million or 51.6 percent to be sourced from the Consolidated Fund (CF) for programmes and projects to be implemented by Central Government Ministries, Agencies and Departments, Local Government Bodies and the Tobago House of Assembly (THA). A balance of \$2,985.4 million or 48.4 percent will be disbursed from the Infrastructure Development Fund (IDF) for initiatives being implemented by Special Purpose State Enterprises (SPSEs).

**Chart V: Budgeted Allocation vs Revised Expenditure 2016 - 2023  
(TTS Million)**



# PUBLIC SECTOR INVESTMENT PROGRAMME 2023 - TOBAGO<sup>8</sup>

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.

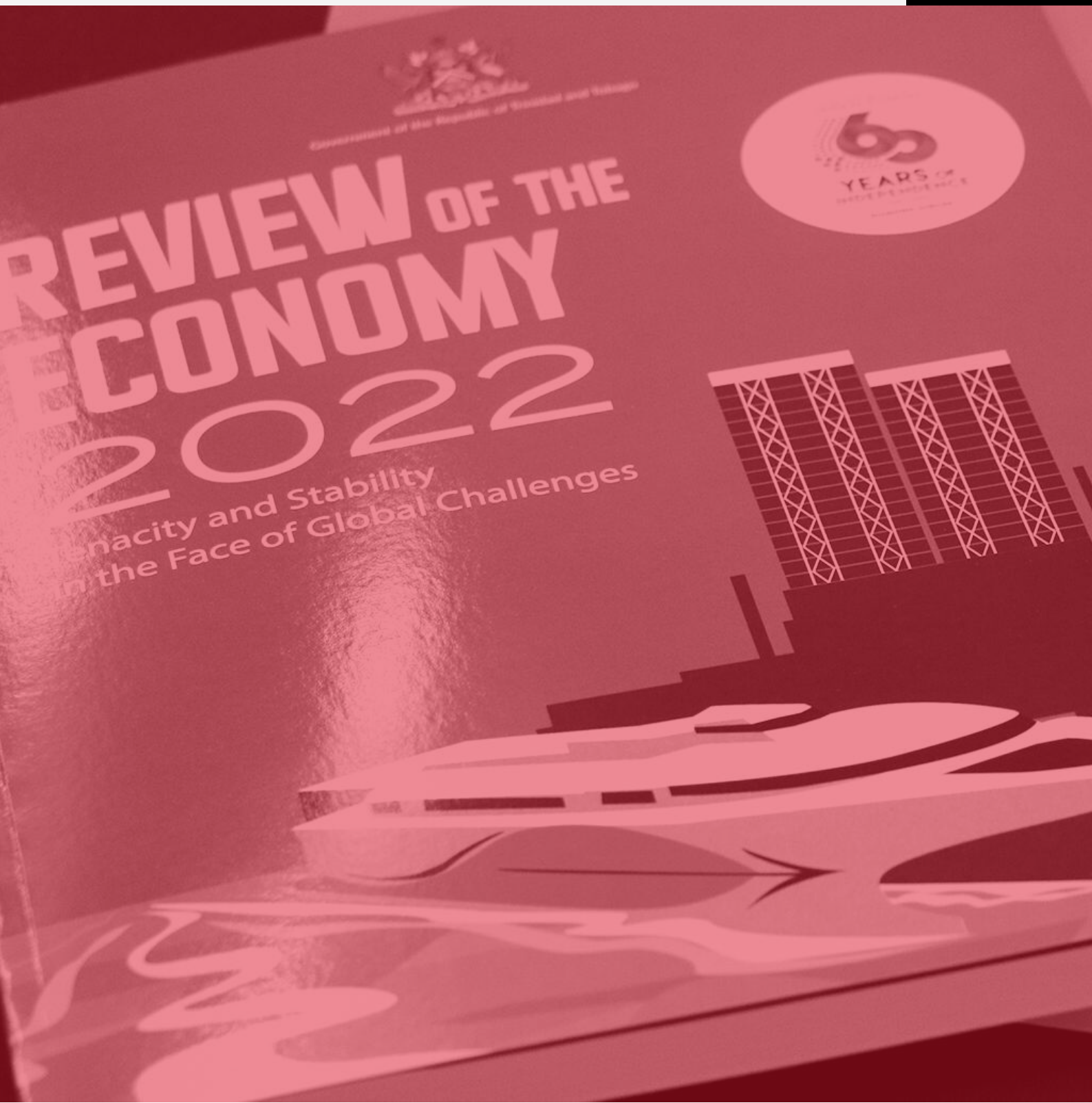
DIVISION	NO. OF PROJECTS	PARLIAMENTARY APPROPRIATION 2021-2022	REVISED ALLOCATION
Assembly Legislature	6	\$1,619,500	\$1,619,500
Community Development Youth Development and Sport	75	\$24,932,300	\$29,932,300
Education Research and Technology	106	\$45,850,000	\$45,850,000
Finance Trade and the Economy	10	\$12,458,950	\$12,458,950
Food Security, Natural Resources the Environment and Sustainable Development	63	\$23,352,800	\$31,952,800
Health, Wellness and Social Protection	56	\$38,875,200	\$38,875,200
Infrastructure, Quarries and Urban Development	56	\$74,142,800	\$106,140,600
Office of the Chief Secretary/Labour	25	\$6,900,400	\$6,900,400
Settlements, Public Utilities and Rural Development	25	\$17,703,050	\$17,703,050
Tourism, Culture Antiquities and Transportation	39	\$18,300,000	\$43,300,000

<sup>8</sup> Ministry of Finance website- Public Sector Investment Programme 2023-Tobago accessed on September 27, 2022: [Public-Sector-Investment-Programme-Tobago-2023.pdf \(finance.gov.tt\)](#)

SECTOR	2023 ALLOCATION	
	TT\$MN	%
<b>Building Globally Competitive Businesses</b>	<b>79.750</b>	<b>11.8%</b>
Economic Restructuring and Transformation	21.000	3.1%
Agriculture	25.500	3.8%
Tourism	24.500	3.6%
Youth Development and Entrepreneurship	8.750	1.3%
<b>Putting People First: Nurturing our Greatest Asset</b>	<b>162.700</b>	<b>24.2%</b>
Social Development	19.800	2.9%
Health/HIV AIDS	34.500	5.1%
Community Development	8.600	1.3%
Sport and Recreation	30.150	4.5%
Housing and Shelter	34.000	5.1%
Educational Services	3.500	0.5%
Early Childhood Education	1.000	0.1%
Primary Education	11.950	1.8%
Secondary Education	10.000	1.5%
Skills Development	2.500	0.4%
Special Education	2.000	0.3%
Special Education	3.100	0.5%
Tertiary Education Culture	1.600	0.2%
<b>Improving Productivity through Quality Infrastructure and Transportation</b>	<b>385.350</b>	<b>57.3%</b>
Information Technology and Infrastructure	6.350	0.9%
Transportation	225.000	33.4%
Purchase of Vehicles and Equipment	3.000	0.4%
Roads and Bridges	40.000	5.9%
Drainage	16.000	2.4%
Water Security	92.000	13.7%
Electricity	3.000	0.4%
<b>Delivering Good Governance and Service Excellence</b>	<b>41.200</b>	<b>6.1%</b>
Public Safety and Citizen Security	2.100	0.3%
Law Enforcement	3.000	0.4%
Administration	24.400	3.6%
Public Building	10.500	1.6%
Capacity Building/Institutional Strengthening	1.200	0.2%
<b>Placing the Environment at the Centre of Social and Economic Development</b>	<b>4.000</b>	<b>0.6%</b>
Environment	4.000	0.6%
<b>TOTAL</b>	<b>673.000</b>	<b>100%</b>

GUIDE TO THE BUDGET 2023

# SOCIAL SECTOR INVESTMENT PROGRAMME 2023<sup>9</sup>



# LEGISLATIVE ACTION AND STATUS BY MINISTRY - FISCAL 2022

MINISTRY/AGENCY	ACTION REQUIRED	STATUS
Ministry of Social Development and Family Services	Amendments to Senior Citizens' Pension Act, Chapter 32:02	The draft bill is under review by the MSDFS and the Office of the Attorney General
	Amendments to Public Assistance Act, Chapter 32:02	Currently under review by an Internal Ministerial Team
	Amendments to Socially Displaced Persons Act, Act No. 59 of 2000	The Street Dwellers Draft Policy is being reviewed internally by the MSDFS.
	<b>Proclamation of:</b> The Homes for Older Persons Act (No. 20 of 2007) The Homes for Older Persons Regulations 2009	Currently under review by the internal Ministerial Team
Ministry of Labour	Submitted the Draft Policy Position Paper on the Industrial Relations Act to Cabinet in May 2021.	Under review by Cabinet's Financial and General Purposes Committee (F&GP).
	Finalisation of the Draft Cipriani College of Labour and Co-operative Studies Bill 2021.	Under review by the MOL and the Office of the Attorney General and Ministry of Legal Affairs
	Amendments to Occupational Safety and Health Act, Chap. 88:08	Draft Policy under review by the MOL
	Repeal of the Foreign Labour Contracts Act, Chap. 88:11	The Act was repealed in March 2022 given its archaic position
Office of the Attorney General	The Evidence (Amendment) Bill, 2020 - to amend the Evidence Act, chap. 7:02	<b>Assent:</b> 25 February 2021. Awaiting Proclamation
	The Evidence (Amendment) Bill, 2020 - to amend the Evidence Act, chap. 7:02	<b>Assent:</b> 28 April 2021. Awaiting Proclamation
	The Anti-Gang Bill, 2021	<b>Assent:</b> 6 July 2021
	The Firearms (Amendment) Bill, 2021 - to amend the Firearms Act, Chap. 16:01	Assented to on 12 July 2021. Awaiting Proclamation
	The Sexual Offences (Amendment) Bill, 2021 - to amend the Sexual Offences Act, Chap. 11:28	Committee Report Laid in Parliament

# SUSTAINABLE DEVELOPMENT GOALS BASED ON ESTIMATES OF EXPENDITURE FOR FISCAL 2022<sup>10</sup>

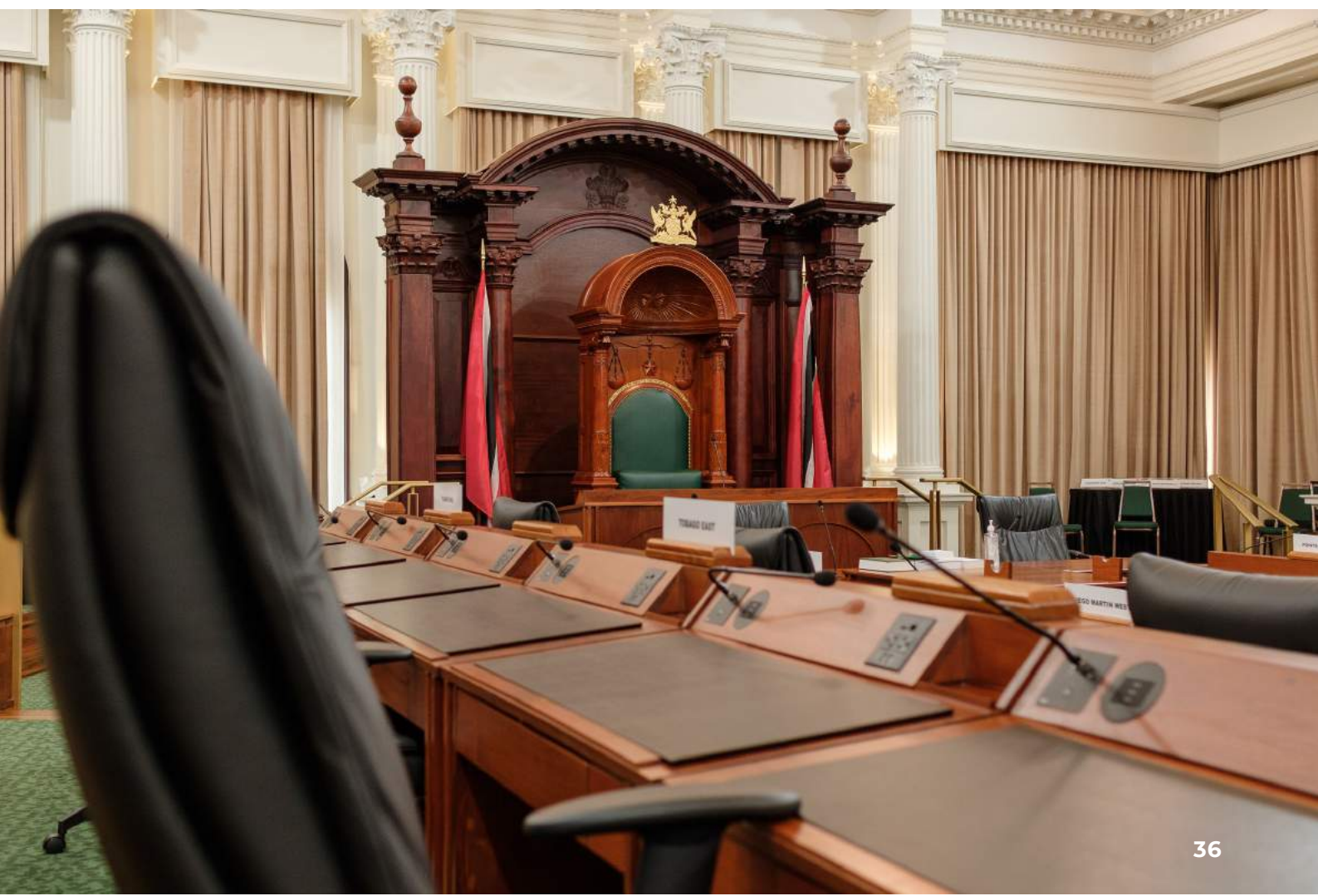
NO.	STATUS	ESTIMATES OF EXPENDITURE FOR 2022 (TTD)
1	No Poverty	5,410,251.684
2	Zero Hunger	290,629.200
3	Good Health and Wellbeing	346,296.069
4	Quality Education	793,318.370
5	Gender Equality	25,000
6	Clean Water and Sanitation	5,000,000
7	Decent Work and Economic Growth	962,466.510
8	Reduced Inequalities	49,878.427
9	Sustainable Cities and Communities	28,300.000
10	Climate Action	20,000.000
	<b>Grand Total</b>	<b>7,906,196.260</b>

<sup>10</sup> Ministry of Finance website- Social Sector Investment Programme 2023 accessed on September 27, 2022, pg 39.: <https://www.finance.gov.tt/wp-content/uploads/2022/09/Social-Sector-Investment-Programme-2023.pdf>

# REVIEW OF SOCIAL PROGRAMMES

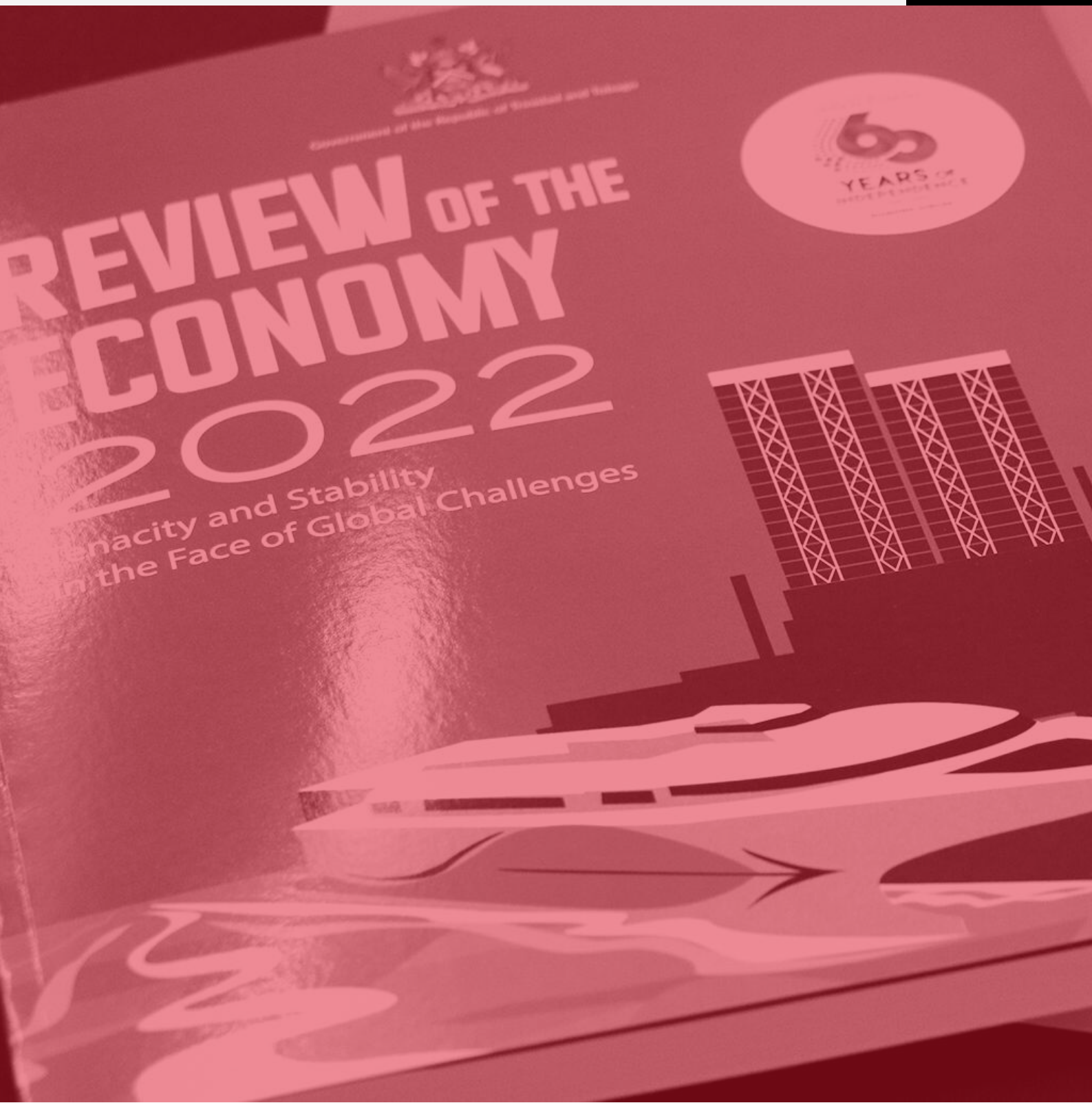
PROGRAMME	ACTUAL EXPENDITURE 2017	ACTUAL EXPENDITURE 2018	ACTUAL EXPENDITURE 2019	ACTUAL EXPENDITURE 2020	ACTUAL EXPENDITURE 2021	REVISED ESTIMATES OF EXPENDITURE FOR 2022
Community-based Environment Protection and Enhancement Programme (CEPEP)	450,000,000	447,997,789	353,540,125	400,400,000	443,873,623	425,755,000
Disability Assistance Grant (DAC)	523,754,942	513,471,887	565,697,681	613,071,082	622,603,199	620,000,000
Government Assistance for Tertiary Expenses (GATE)	504,940,251	434,300,000	435,000,000	435,000,000	320,000,000	400,000,000
National Schools Dietary Services Limited	200,000,000	203,301,570	239,200,000	179,557,905	12,000,000	88,908,500
On the Job Training (OJT) Programme	228,083,000	175,895,662	237,721,728	313,595,184	271,803,675	260,656,872
Public Assistance Grant (PAG)	404,253,153	391,385,916	356,875,829	488,250,684	353,121,459	356,000,000
Senior Citizens' Pension (SCP)	3,506,374,482	3,553,245,345	3,846,556,192	4,062,735,944	4,236,563,433	4,300,000,000
Food Support Programme	158,103,630	139,930,450	153,125,151	314,033,570	217,949,603	177,150,000
Unemployment Relief Programme (URP)	299,901,474	272,154,782	281,472,096	281,472,096	258,719,287	280,000,000
<b>TOTAL</b>	<b>6,275,410,932</b>	<b>6,131,683,401</b>	<b>6,469,188,802</b>	<b>7,088,119,465</b>	<b>6,736,634,279</b>	<b>6,908,470,372</b>

Source: Figures supplied by the Budget Division, Ministry of Finance



GUIDE TO THE BUDGET 2023

# ECONOMIC ANALYSIS 2023



# 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.

Fiscal Year	Population '000	Percentage change constant GDP	GDP Per Capita (US\$)	Inflation (%)	Unemployment %	Fiscal Balance (% of GDP) <sup>1</sup>	Import Cover Ratio (Months) <sup>2</sup>	Public Sector External Debt (US \$Mn) <sup>3</sup>
2010	1,317.7	3.3	16,888.3	10.5	5.9	0.1	13.3	2,038.4
2011	1,328.0	-0.3	19,180.2	5.1	4.9	-0.7	13.7	2,227.0
2012	1,335.2	1.3	19,374.8	9.3	5.0	-1.3	10.6	1,980.9
2013	1,340.6	2.2	20,427.0	5.2	3.7	-2.8	12.2	2,533.7
2014	1,345.3	-0.9	20,604.7	5.7	3.3	-2.5	12.9	2,537.5
2015	1,349.7	1.5	18,562.4	4.7	3.4	-1.7	11.2	2,553.0
2016	1,353.9	-5.6	16,598.5	3.1	4.0	-5.3	10.5	3,518.8
2017	1,356.6	-3.0	16,563.2	1.9	4.8	-9.0	9.7	3,896.0
2018	1,359.2	0.1	17,458.4	1.0	3.9	-3.6	8.0	4,096.2
2019	1,364.0	-1.2	17,012.6	1.0	4.3*	-2.6	7.7	4,221.6
2020	1,366.7	n.a.	n.a.	0.6	n.a.	-11.2	8.5	4,803.4
2021	1,367.6	n.a.	n.a.	2.1	n.a.	-8.6	8.4	4,868.5

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

<sup>1</sup> The Central Bank of Trinidad and Tobago website (<https://www.central-bank.org.tt/statistics/handbook-key-economic-and-financialstatistics>) accessed on 03 Aug 21 are readily available to and controlled by monetary authorities for direct financing of payments imbalances.

Data are in fiscal years. GDP data used for ratios to GDP indicators for FY2017-FY2020 are sourced from the CSO; data for FY2021 are Central Bank estimates based on CSO's quarterly GDP for Q1-21 to Q3-21.  
pr Preliminary.

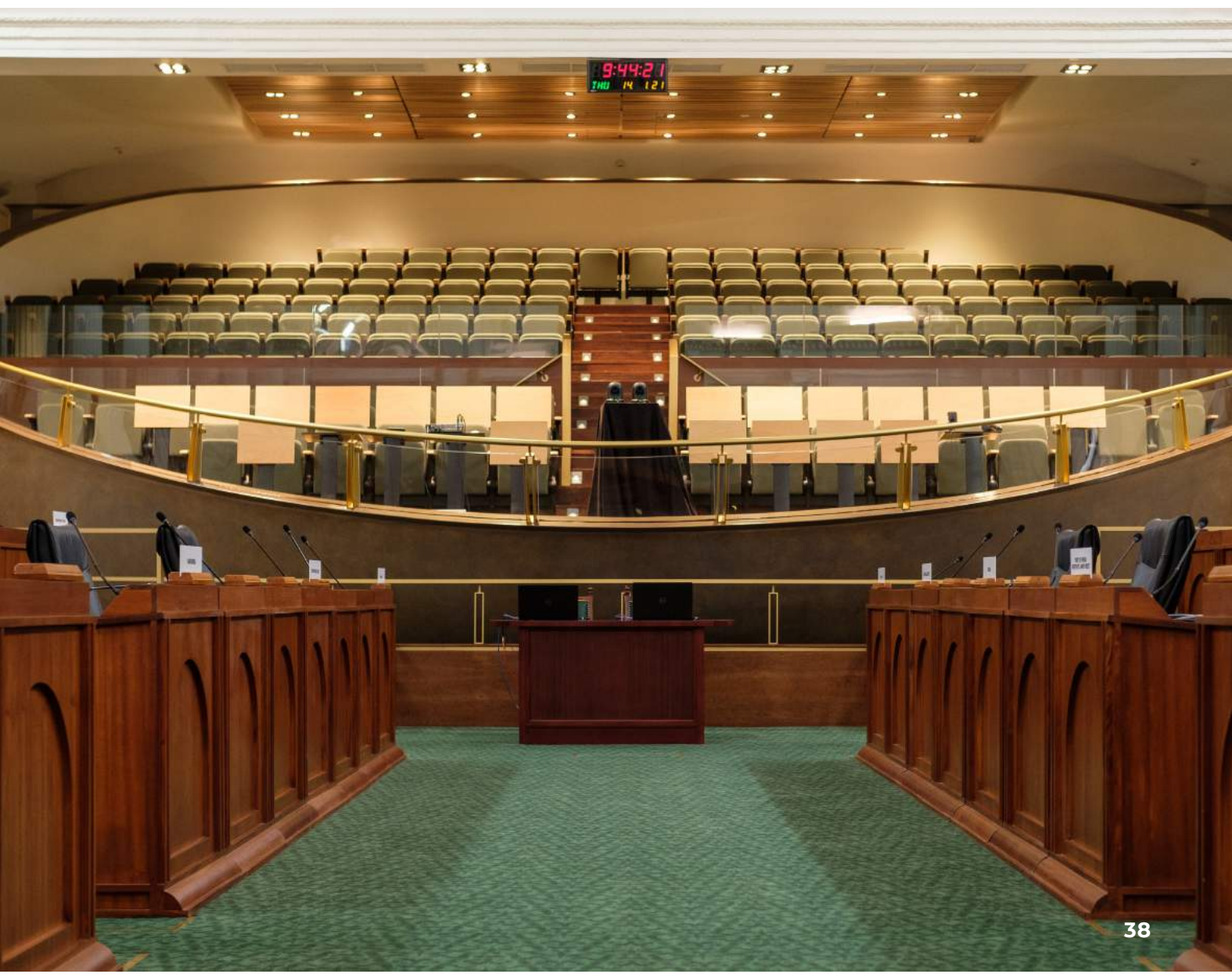
n.a.. Not available.

DATE	REAL GDP (2012=100) GROWTH - TOTAL (%)	UNEMPLOYMENT RATE (%)	HENRY HUB NATURAL GAS PRICE (US\$/MMBTU)	NET OFFICIAL RESERVES (US \$MMN)	CENTRAL GOVERNMENT TOTAL REVENUE (TT \$MN)	CENTRAL GOVERNMENT TOTAL EXPENDITURE (TT \$MN)	OVERALL FISCAL BALANCE (TT \$MMN)	GROSS PUBLIC SECTOR DEBT OUTSTANDING (TT\$MMN)	GROSS PUBLIC SECTOR DEBT GDP RATIO (%)	COMMERCIAL BANKS MEDIAN BASIC PRIME LENDING RATE (END OF PERIOD; %)	REPO RATE (END OF PERIOD; %)
2021	-1	5.4	3.9	6879.6	n.d	n.d	n.d	n.d	n.d	7.5	3.5
2020	-7.7	5.7	2	6953.8	33398.3	50742	-17343.7	133858	83.9	7.5	3.5
2019	0.1	4.3	2.6	6929	45402.2	50760.8	-5358.6	122558	83.4	9.25	5
2018	-0.9	3.9	3.2	7575	44540.1	48720.9	-4180.8	124665	77	9.25	5
2017	-4.7	4.8	3	8369.8	37223.4	48529.9	-11306.5	120567	73.6	9	4.75
2016	-6.8	3.9	2.5	9465.8	41752.5	51381	-9628.5	119705	74.7	9	4.75
2015	-0.8	3.4	2.6	9933	55703.4	59516.9	-3813.4	109358	68.2	8.93	4.75
2014	3.3	3.3	4.4	11497.1	55686.2	63950.4	-8264.1	109222	66.5	7.75	3.25
2013	3.8	3.7	3.7	10175.9	57617.8	58369.8	-752	94635.7	53.6	7.5	2.75
2012	n.d	4.9	2.8	9370.7	47062	52284.2	-5222.2	89904.3	51.9	7.5	2.75

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

n.a.. Not available.

1 The Central Bank of Trinidad and Tobago website (<https://www.central-bank.org.tt/statistics/data-centre/selected-econ-indics-annual>) accessed on September 28, 2022



# 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.

**Repo rate** remained unchanged at 3.50% during the first half of 2022 in support of the domestic economic recovery.



# MONETARY POLICY CONSIDERATIONS



The Central Bank Monetary Policy Report May 2022, . Central Bank of Trinidad and Tobago website (<https://www.central-bank.org.tt/latest-reports/monetary-policy-report> ) accessed on 3Aug22

# MONETARY POLICY CONSIDERATIONS

AUGUST 2022

**US\$6.8Bn**

GROSS OFFICIAL RESERVES

BUSINESS SECTOR  
CREDIT GROWTH  
y-o-y, JUNE 2022

**12.2%**

REPO RATE

**3.50%**

Maintained in  
June 2022

CENTRAL GOV'T  
SURPLUS  
JUNE 2022

**\$3.0 Bn**



DEBT-TO-GDP  
RATIO  
JUNE 2022

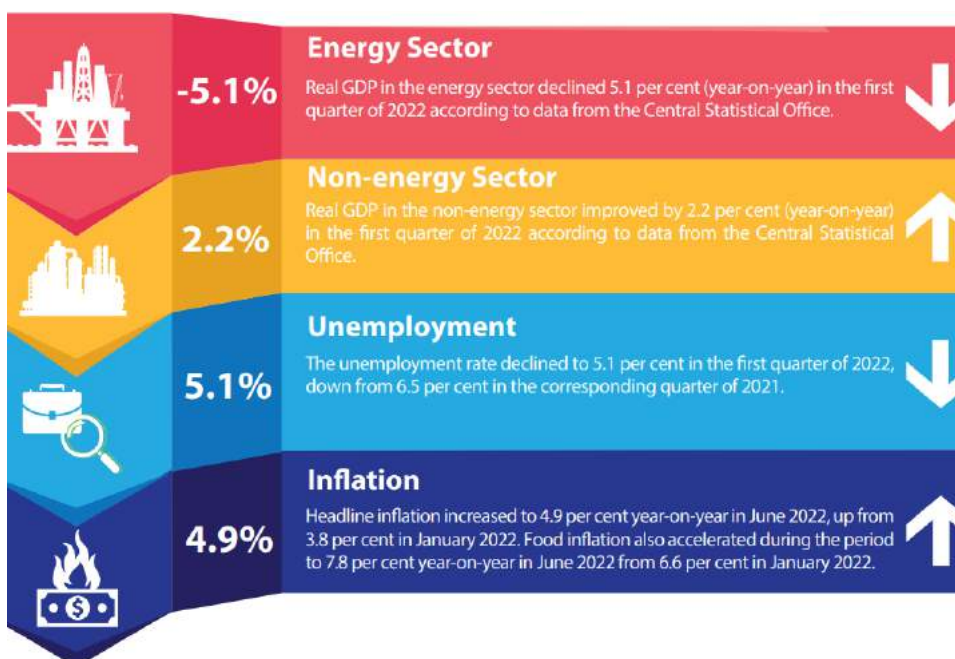
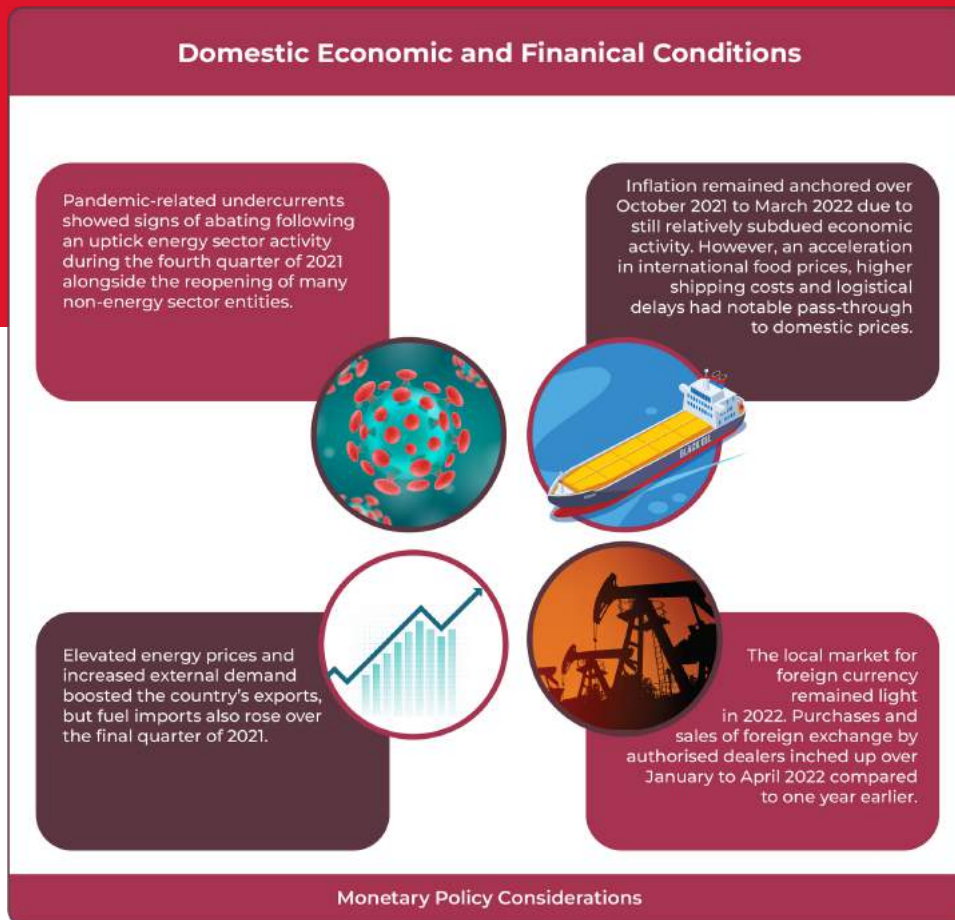
**71.8%**

CONSUMER SECTOR  
CREDIT GROWTH  
y-o-y, JUNE 2022

**2.9%**

# DOMESTIC DEVELOPMENTS<sup>12</sup>

## DOMESTIC ECONOMIC AND FINANCIAL CONDITIONS



11 Central Bank of Trinidad and Tobago Website- Highlights Central Bank of Trinidad and Tobago Economic Bulletin, July 2022 accessed on September 27, 2022 : **EB VISUAL SUMMARY July 2022 FOR WEB (central-bank.org.tt)**

12 Central Bank of Trinidad and Tobago Website- Highlights Central Bank of Trinidad and Tobago Economic Bulletin, July 2022 accessed on September 27, 2022 : **EB VISUAL SUMMARY July 2022 FOR WEB (central-bank.org.tt)**

# INTERNATIONAL DEVELOPMENTS



The **International Monetary Fund (IMF)**, in its April 2022 World Economic Outlook (WEO), projects the world economy to **expand by 3.6 per cent in 2022**.



Despite a slowdown thus far in 2022, the **United States** economy expanded moderately, and the **Euro Area** continued to recover.



**Crude oil prices surged** in the **first four months of 2022**, on the heels of higher demand and geopolitical tensions.



**Real GDP** in the **Latin American** region recorded positive outturns during the **fourth quarter of 2021**.

## EXTERNAL DEVELOPMENTS



**Global growth** was constrained in the first half of 2022.



The growth momentum in **Emerging Market and Developing Economies** slowed in the second quarter of 2022.



**Crude oil and natural gas prices** surged during January to July 2022, reflecting geopolitical tensions and restricted supply.



**Inflation rates** remained above target in several Advanced Economies.

# TRINIDAD AND TOBAGO CREDIT RATINGS

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). Due to differing methodologies employed by the various agencies, Trinidad and Tobago is currently assigned ratings of investment grade by S&P (BBB-/A-3) and non-investment grade by Moody's (Ba1 and Ba2). CariCRIS has not yet issued its 2022 rating for Trinidad and Tobago. Therefore, the 2021 investment-grade rating of CariAA holds.

## Trinidad and Tobago Credit Rating History by Moody's Investors Service: 2008 - 2021

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
2021	Stable	Ba1	...	...	...	Ba2	Ba2
2020	Negative	Baa3	...	Ba2	...	Ba1	Ba1
2019	Stable	Baa3	P-3	Ba2	NP	Ba1	Ba1
2018	Stable	Baa3	P-3	Ba2	NP	Ba1	Ba1
2017	Stable	Baa3	P-3	Ba2	NP	Ba1	Ba1
2016	Negative	Baa2	P-3	Baa3	P-3	Baa3	Baa3
2015	Negative	A3	P-2	Baa2	P-3	Baa2	Baa2
2014	Stable	A1	P-1	Baa1	P-2	Baa1	Baa1
2013	Stable	A1	...	Baa1	...	Ba1	Ba1
2012	Stable	A1	...	Baa1	...	Baa1	Baa1
2011	Stable	A1	...	Baa1	...	Baa1	Baa1
2010	Stable	A1	...	Baa1	...	Baa1	Baa1
2009	Stable	A1	...	Baa1	...	Baa1	Baa1
2008	Stable	A1	...	Baa1	...	Baa1	Baa1

13 The Review of the Economy 2022 accessed on September 27, 2022, pages 131, 133, 135, 136: **Review-of-the-Economy-2022.pdf (finance.gov.tt)**



**Trinidad and Tobago Credit Rating History by Standard and Poor's Ratings Services: 2009 - 2022**

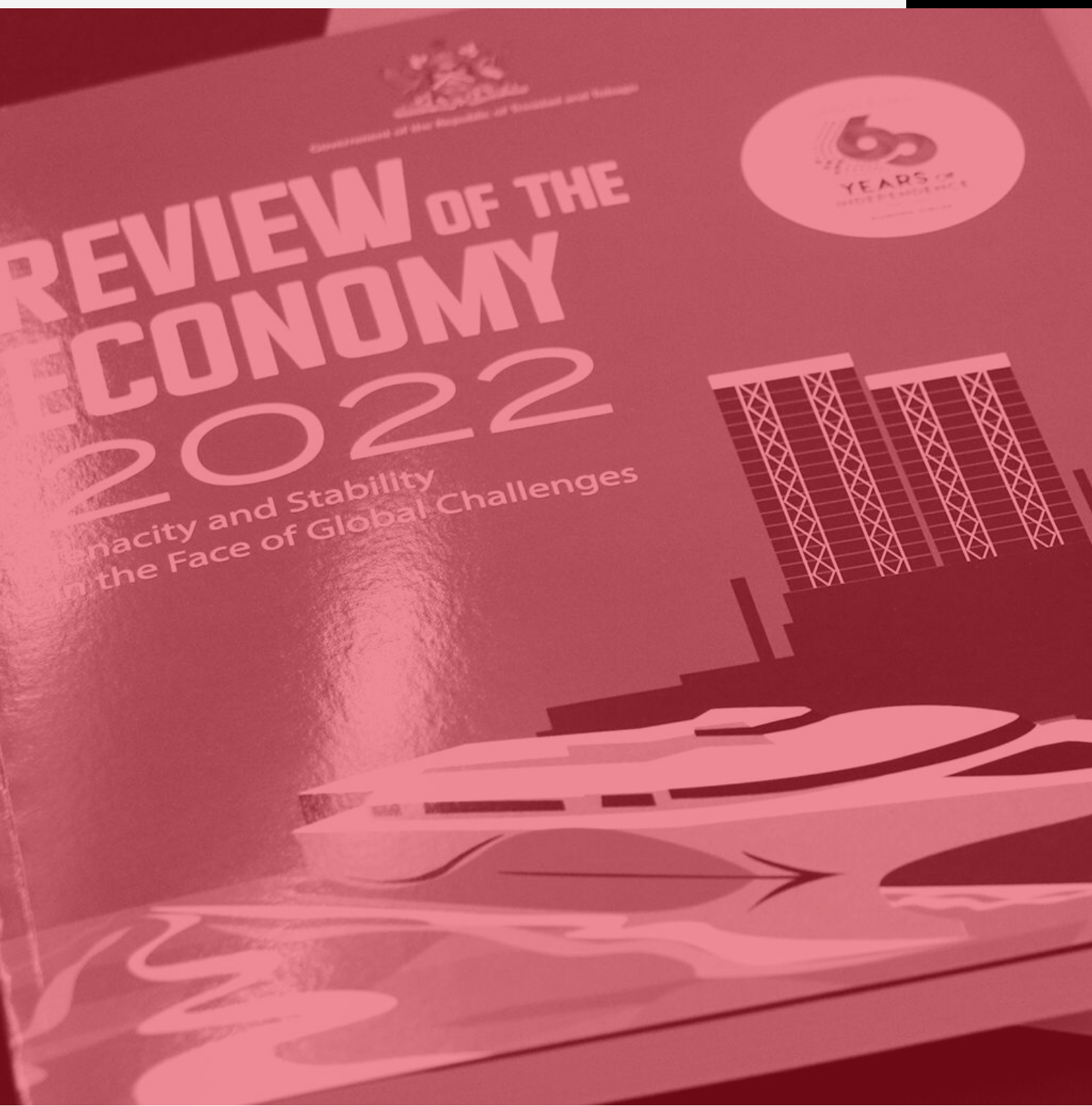
YEAR	OUTLOOK	FOREIGN CURRENCY CEILING		LOCAL CURRENCY	
		Long Term	Short Term	Long Term	Short Term
July 2022	Stable	BBB-	A-3	BBB-	A-3
July 2021	Negative	BBB-	A-3	BBB-	A-3
March 2020	Stable	BBB-	A-3	BBB-	A-3
July 2019	Stable	BBB-	A-2	BBB	A-2
Apr 2018	Negative	BBB+	A-2	BBB+	A-2
Apr 2017	Stable	BBB+	A-2	BBB+	A-2
Apr 2016	Negative	A-	A-2	A-	A-2
Dec 2015	Negative	A	A-1	A	A-1
Dec 2014	Stable	A	A-1	A	A-1
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

**Trinidad and Tobago Credit Rating History by Caribbean Information and Credit Rating Services Limited: 2013 – 2021**

YEAR	REGIONAL SCALE		TRINIDAD AND TOBAGO National Scale
	Foreign Currency	Local Currency	
2021	CARIAA	CARIAA	ttAAA
2020	CARIAA+	CARIAA+	ttAAA
2019	CARIAA+	CARIAA+	ttAAA
2018	CARIAA+	CARIAA+	ttAAA
2017	CARIAA+	CARIAA+	ttAAA
2016	CARIAA+	CARIAA+	ttAAA
2015	CARIAAA	CARIAAA	ttAAA
2014	CARIAAA	CARIAAA	ttAAA
2013	CARIAAA	CARIAAA	ttAAA

GUIDE TO THE BUDGET 2023

# OPPORTUNITIES AND THREATS TO THE TRINIDAD AND TOBAGO ECONOMY FOR FY 2023



POTENTIAL OPPORTUNITIES	POSSIBLE BENEFITS
<p><b>1) RISING PRICES OF OIL, GAS AND PETROCHEMICALS.</b></p> <p>After a slump in prices in 2020 at the onset of the COVID-19 pandemic, oil and prices gradually recovered over the course of 2021. This rebound was accelerated at the outbreak of the war in Ukraine in early 2022<sup>14</sup>.</p> <p>Petrochemical prices recently spiked in April 2022 and currently remain higher than they were at the same time last year.</p>	<p><b>REVENUES FROM MAJOR OIL AND GAS PROJECTS</b></p> <p>According to the International Monetary Fund (IMF), “stronger-than-projected global recovery could result in higher energy prices, improving the fiscal and external positions”<sup>15</sup> of Trinidad and Tobago.</p> <p>Both oil and natural gas production are forecasted to increase steadily. By the start of the second quarter of the 2023 financial year (i.e. January 2023), oil production is expected to have increased by over 10% compared to January 2022. Gas prices are expected to be at least 5% higher.</p> <p>This is expected to improve the country’s oil rents* which, as a percentage of Gross Domestic Product (GDP), declined sharply in 2020<sup>16</sup><sup>17</sup>.</p> <p><i>*NB: in economics “rent” refers to the income derived from the ownership of elements of nature<sup>18</sup>.</i></p>
<p><b>2) CARICOM-AFRICA TRADE LINKS</b></p> <p>The first AfriCaribbean Trade and Investment Forum (ACTIF) was held in September 2022<sup>19</sup>. The goal is to strengthen cooperation between African and CARICOM countries. ACTIF builds on cooperation launched a year ago when the first CARICOM-Africa summit was held in September 2021.</p>	<p><b>GREATER TRADE VOLUMES WITH AFRICAN COUNTRIES EXPANSION OF TT PRIVATE SECTOR ACTIVITY IN AFRICA</b></p> <p>Over the past decade, only one African country – Gabon, from which crude oil was imported to be refined<sup>21</sup> – has featured among Trinidad and Tobago’s major trading partners.</p> <p>Trinidad and Tobago will be able to pursue new markets in Africa for its exports. Companies based in Trinidad and Tobago will also have the opportunity to establish a new presence or expand their already existing operations in African markets.</p>

14 Ministry of Finance, Spotlight on the Economy. Accessed September 21, 2022: <https://www.finance.gov.tt/wp-content/uploads/2022/09/Presentation-by-the-Hon.-Colm-Imbert-Minister-of-Finance-Spotlight-on-the-Economy-2022.pdf>

15 International Monetary Fund, Trinidad and Tobago: Staff Concluding Statement of the 2021 Article IV Mission. Accessed September 21, 2022: <https://www.imf.org/en/News/Articles/2021/11/19/trinidad-and-tobago-staff-concluding-statement-of-the-2021-article-iv-mission>

16 The World Bank Data, Oil rents (% of GDP) – Trinidad and Tobago. Accessed September 21, 2022: <https://data.worldbank.org/indicator/NY.GDP.PETR.RT.ZS?locations=TT>

17 Ministry of Finance, Spotlight on the Economy.

18 Encyclopaedia Britannica, Rent. Accessed September 21, 2022: <https://www.britannica.com/topic/rent-economics>

19 CARICOM, Remarks by CARICOM Secretary-General. Accessed September 21, 2022: <https://caricom.org/remarks-by-caricom-secretary-general-at-opening-first-africaribbean-trade-and-investment-forum-barbados-1-september-2022/>

The African Continental Free Trade Area (AfCFTA) was created in 2019 and operationalised in 2021. The AfCFTA aims to set up a Continental Common Market by creating a single market for goods and services, facilitating the movement of persons within the continent and promoting industrial development as well as sustainable and inclusive growth. This is similar to the Caribbean Single Market and Economy (CSME).

In order to achieve greater economic cooperation between increasingly integrating African and CARICOM countries, ACTIF's focus areas include:

- Accelerating industrialization and manufacturing;
- Developing special economic zones (SEZs) and industrial parks;
- Improving infrastructure, financing and trade logistics;
- Facilitating the growth of private sector investment;
- Promoting trade and tourism between the two regions; and
- Agricultural productivity and agribusiness.

#### **FUTURE INWARD INVESTMENTS**

At the ACTIF event, the African Export-Import Bank (Afreximbank) announced<sup>22</sup> plans to establish a Caribbean branch, as it would commit to an investment of US\$700 million in the Caribbean.

Trinidad and Tobago's track record as a destination for investment, the incentives available to investors and the country's well-developed industrial infrastructure, including numerous industrial parks make the country a prime destination to benefit from the Afreximbank's investment. The newly launched Special Economic Zones Policy<sup>23</sup>, in place of the previous Free Zones Programme, is another advantage in bringing inward investments.

20 African Union, Press briefing on the status of the AfCFTA. Accessed September 26, 2022:

<https://au.int/en/newsevents/20210112/press-briefing-status-afcfta>

21 World Integrated Trade Solution, Trinidad and Tobago trade balance, exports and imports by country. Accessed September 26, 2022:

<https://wits.worldbank.org/CountryProfile/en/Country/TTO/Year/LTST/TradeFlow/EXPIMP/Partner/by-country>

22 African Export-Import Bank, Afreximbank reveals plans for Caribbean Exim Bank as AfriCaribbean Trade and Investment Forum opens. Accessed September 26, 2022: <https://www.afreximbank.com/afreximbank-reveals-plans-for-caribbean-exim-bank-as-africaribbean-trade-and-investment-forum-opens/>

23 Ministry of Trade and Industry, New Board of Trinidad and Tobago Special Economic Zones Authority Appointed. Accessed September 26, 2021: [https://tradeind.gov.tt/new-board-of-trinidad-and-tobago-special-economic-zones-authority-appointed/#:~:text=](https://tradeind.gov.tt/new-board-of-trinidad-and-tobago-special-economic-zones-authority-appointed/#:~:text=The%20SEZ%20Act%202022%2C%20creates,and%20security%20for%20their%20investments.)

[The%20SEZ%20Act%202022%2C%20creates,and%20security%20for%20their%20investments.](https://tradeind.gov.tt/new-board-of-trinidad-and-tobago-special-economic-zones-authority-appointed/#:~:text=The%20SEZ%20Act%202022%2C%20creates,and%20security%20for%20their%20investments.)

THREAT	MITIGATING STRATEGIES
<p><b>1) GLOBAL FOOD CRISIS</b></p> <p>Since 2020, there has been a global food crisis. Less food has been available. This has been the result of persistent conflict (including the war in Ukraine), economic shocks related to COVID-19, and falling agricultural output due to weather extremes including the severe drought and heatwaves occurring around the world in 2022.</p> <p>According to the United Nations World Food Programme (WFP), higher international food and fuel prices will continue to put pressure on countries with high levels of food imports<sup>24</sup>.</p> <p>World Bank statistics show that, in 2021, food accounted for 18% of Trinidad and Tobago's total merchandise imports. This is the highest level since 1994, when it was 19%<sup>25</sup>. The United Nations Food and Agriculture Organisation's Food Price Index<sup>26</sup> dropped for the fifth consecutive month in August 2022. However, the World Bank forecasts<sup>27</sup> that the effects of food price inflation caused by the war in Ukraine are likely to last for several years.</p>	<p>The World Bank's April 2022 Commodity Markets Outlook advised that:</p> <p><i>“For policymakers, a short-term priority is to provide targeted support to poorer households facing higher food and energy prices. Over the longer term, they can encourage energy efficiency improvements, facilitate investment in new sources of zero-carbon energy, and promote more efficient food production.”</i></p> <p>The Ministry of Trade has implemented the following strategies to enhance food price inflation:</p> <ul style="list-style-type: none"> <li>• Zero-rating of VAT on numerous basic food items;</li> <li>• Suspension of the CARICOM Common External Tariff (CET) on 20 basic food items;</li> <li>• Comprehensive review of the CET to reflect current realities;</li> <li>• Increased supply of foreign exchange via the EXIMBANK;</li> <li>• A \$500 million agricultural stimulus package;</li> <li>• Strengthening of supply linkages between industry and local agriculture; and</li> <li>• Food price monitoring mechanism, with monthly and quarterly price surveys.</li> </ul>

24 World Food Programme, 2022 Global Report on Food Crises. Accessed September 26, 2022:

[https://docs.wfp.org/api/documents/WFP-0000138913/download/?\\_ga=2.229819484.1369812926.1662402327-1682610530.1662402327](https://docs.wfp.org/api/documents/WFP-0000138913/download/?_ga=2.229819484.1369812926.1662402327-1682610530.1662402327)

25 The World Bank, Data – Food imports (% of merchandise imports) – Trinidad and Tobago. Accessed September 26,

2022: <https://data.worldbank.org/indicator/TM.VAL.FOOD.ZS.UN?locations=TT>

26 Food and Agriculture Organisation, World Food Situation. Accessed September 26, 2022:

<https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

27 The World Bank, Food and Energy Price Shocks from Ukraine War Could Last for Years. Accessed September 26, 2022:

<https://www.worldbank.org/en/news/press-release/2022/04/26/food-and-energy-price-shocks-from-ukraine-war>

28 The World Bank, Commodity Markets Outlook, April 2022: the Impact of the War in Ukraine on Commodity Markets.

Accessed September 26, 2022: <https://openknowledge.worldbank.org/handle/10986/37223>

29 Ministry of Trade and Industry, Government proactive in mitigating impact of rising global food prices. Accessed

September 26, 2022: <https://tradeind.gov.tt/government-proactive-in-mitigating-impact-of-rising-global-food-prices/>

# 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".

# GLOSSARY OF TERMS

### **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 deputed 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.

# GLOSSARY OF TERMS

## **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.

## **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.

# GLOSSARY OF TERMS

## **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.

## **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 to 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 the Parliament.

# GLOSSARY OF TERMS

## **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.

## **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.

## **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

# GLOSSARY OF TERMS

## **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 subheads:

- 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.

# GLOSSARY OF TERMS

**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.