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1979

TRINIDAD AND TOBAGO

This preliminary version of the Economic Survey of Latin America, 1979 is being distributed in 27 separate parts: an Introduction of a general nature, bearing the symbol E/CEPAL/R.227, and 26 Addenda to this document, each containing a study of the economic development of a country of the region. These Addenda will not appear in alphabetical order, but in order of completion. The complete Survey will be published in the usual printed version when the comments arising out of this preliminary version have been collected.



## TRINIDAD AND TOBAGO

### 1. Recent economic trends: Introduction and summary

In 1979 the Trinidad and Tobago economy, boosted by the foreign exchange earnings from the sale of petroleum and petroleum products, grew by some 15% at current prices. Real growth is thought to have been much lower, however.

Construction activity was given an impulse by the drive in both the public and private sectors to expand the number of housing units and to provide other elements of social infrastructure. Growth in the manufacturing sector, on the other hand, was severely retarded by port congestion and industrial unrest. The agricultural sector continued to perform unevenly, although higher world prices for some products exported by the country provided increases in foreign-exchange earnings.

Despite the loss of intra-regional and other markets to cheaper sources of supply, the economy recorded surpluses on the trade, current and overall accounts of the balance of payments in 1979 (see table 1).

A bulging domestic money supply induced more inflationary influences and forced the monetary authorities to take measures and enact new legislation to contain the resultant rise in domestic prices, which amounted to some 15% during the year. The restriction of bank credit for consumption-oriented purchases in favour of business loans in 1979 was designed to modify a situation in which growth in the services sectors has outstripped that of the goods-producing sectors.

The rate of unemployment has declined steadily over the last four years and is estimated to have been about 12% for the period January to June 1979 (see table 1). This decline was due mainly to increases in the numbers employed in the construction, commerce and service sectors. In contrast, the drop of employment in the agricultural sector by some 5,000 jobs exemplifies the extent of the drift of labour out of that sector into construction and service activities.

/Recognizing the

Recognizing the need to initiate a policy of energy conservation, the government increased the retail price of petroleum products. It also granted tax relief in a number of areas with the aim of securing a more equitable distribution of income and fostering agricultural production.

## 2. Sectoral trends

### (a) Mining and refining

The production of crude petroleum fell by an estimated 7% in 1979, partly because of the natural decline in production of existing oilfields that have reached maturity, and partly because of an absence of new and significant oil discoveries (see table 2).

Refinery throughput and output fell for the third successive year, affecting the quantity of refined products exported. At the same time, however, natural gas production rose by some 8% in 1979. The major purchasers of natural gas are the Trinidad and Tobago Electricity Commission and two large petrochemical plants. Together they account for roughly 95% of total sales.

Although Trinidad and Tobago is a net oil exporter, the existing resources have a relatively short projected useful life. In 1979, the government reduced the subsidy on domestic prices for petroleum products in order to encourage more rational use of energy, while the employment of natural gas for energy-intensive industries frees considerable amounts of other fuel that can be sold externally. Work aimed at piping gas from the east coast offshore fields to an area that will accommodate new heavy industry continued in 1979.

### (b) Manufacturing (excluding petroleum refining)

Indicators of manufacturing production for the period January to June 1979 show an increase of 7% over the 1978 level (see table 3). The factors mainly responsible for this performance were increases in food production, printing and publishing, wood and related products, chemical and non-metallic mineral products and miscellaneous activities. In the food processing industries, fruit and vegetable processing has been the most dynamic subsector, though production suffered somewhat in 1979 because of the adverse effects of floods on vegetable crops. Manufacturing activity in this area

/could benefit

could benefit from increased demand resulting from the government's school feeding programme. The assembly subsector, for its part, suffered an estimated 3% decline in production as a result of industrial unrest; the closure of one industrial plant and the destruction of another by fire; inadequate port facilities; reduced intra-Caribbean Community trade, and tightened domestic liquidity (see tables 3 and 4).

(c) Agriculture

Sugar production continued to decline, falling to 143,000 tons, i.e., almost 3% below the 1978 level (see table 5). Continuing problems of unregulated cane burning, disease, technical problems and worker absenteeism played their part in this poor performance. Whereas local sales of sugar rose in 1979, the volume of exports declined, reflecting the reduced exportable surpluses for established foreign markets such as the Caribbean Community, the EEC and the free market (in accordance with the International Sugar Agreement). In order to revitalize the industry, a Sugar Rationalization Committee has identified new directions for this branch of activity, the major recommendations made being the following: (i) concentration on white sugar for export; (ii) diversification of the industry into food crops and livestock, especially in the context of the school feeding programme; (iii) greater emphasis on the mechanization of cultivation; and (iv) priority attention to displaced sugar workers in agricultural resettlement for the production of food.

As regards other areas of agriculture, preliminary data reveal that production fell in most of the subsectors in 1979. A 34% increase in the output of oranges and a significant increase in the production of meat were among the few encouraging achievements in the sector (see table 5). The production of coffee beans showed little change in 1979, but there was a substantial fall in the average export price of this item from US\$ 9.74 to US\$ 6.26 per kilogramme. With the continuing decline in the production of cocoa in the West African countries due either to weather conditions or to a shift of the labour force out of agriculture into more remunerative activities, the average export price of cocoa has been relatively high in recent years, and indications are that despite the sharp fall in production of cocoa beans, foreign earnings from their export rose some 13% in 1979. In order

/to take

to take advantage of the relatively good external market and price situation for cocoa and coffee, a National Rehabilitation Programme for cocoa and coffee has been proposed in an attempt to revitalize these subsectors.

(d) Construction

Performance in this sector outstripped that of any other sector in 1979, despite problems of supply of building materials due to port congestion, and deficient local production. Public sector activity in construction was directed towards housing, infrastructural development for housing, and the construction of the East-West road corridor. Private sector activity, mainly aimed at home construction, was dampened somewhat by tightened credit in the banking sector, and to a lesser extent by the effects of competition with the public sector for relatively scarce materials (such as cement) and relatively scarce skilled manpower.

3. The external sector

The volume of petroleum exports, coupled with higher world prices, helped to generate a record current account surplus in 1979 (see table 6). There also was a large overall balance-of-payments surplus for the sixth consecutive year.

In 1979 the value of exports expanded by 18% (see table 7), and this, coupled with the virtual stagnation of the national import bill, gave a merchandise trade surplus of US\$ 870 million, nearly double the figure recorded in the previous year.

Notwithstanding the healthy trade position, the economy displays a certain vulnerability because the petroleum sector accounts for 90% of the value of exports (see table 8) and output has lagged due to the apparent declining potential of existing wells. Moreover, the steady import bill in 1979 was due to a substantial fall in imports of crude petroleum for refining purposes and hides the fact that there was an increase of nearly 30% in non-oil imports (see table 9).

/As for

As for the country's public sector external indebtedness, this rose by some 19% in 1979 (see table 10). Nevertheless, debt service represented a very small fraction of total exports.

#### 4. Prices and wages

The rate of inflation (annual average) as measured by the retail price index was 14.7% in 1979 compared with 10.2% in 1978 (see table 11). The greatest relative price increases were observed in housing, services, food and household supplies. The price rises in housing reflected the difficulties in the construction sector and the increase in the price of building materials, as well as substantial increases in rents.

The upward pressure on the food component reflects both internal and external factors. Some of the external effects originate from the indirect impact of world petroleum price increases on the prices and cost of transport of food imports, while a major internal factor is the continuing drift of manpower out of agriculture into relatively more remunerative but low-productivity non-goods-producing sectors.

As for wages, the data suggest that there were substantial real gains by workers in 1979 (see table 12).

#### 5. Monetary and fiscal policy

Government revenue is estimated to have increased by 23% in 1979, while expenditure is estimated to have risen by around 65%, the increase in capital expenditure (81%) - especially in financial investments - being much greater than the growth of approximately 49% in current expenditure, although the latter figure is nevertheless a good deal higher than the growth rates recorded in 1977 and 1978 (see table 13).

In line with the strong surplus fiscal position, the authorities provided numerous tax rebates and concessions in 1979. For instance, tax relief was granted in the area of medical expenses and tax rebates were given to low income groups, while increased concessions were granted on income earned from interest, and rental income from houses approved under the Housing Act was exempted from taxes provided that it did not exceed 750 Trinidad and Tobago dollars per month. The government also granted relief on corporation tax, estate duties and on the purchase tax for durable consumer goods.

/Customs duties

Customs duties for a number of food items were abolished, and extensive subsidies and tax exemptions aimed at encouraging agricultural production were instituted. In the fishing sector, tax reductions on fuel and lubricating oil used in the inshore fishing industry were granted, together with concessions permitting the duty-free acquisition of boats.

Turning to monetary affairs, within recent years policy has been aimed at containing the rapid growth of the money supply and securing efficient distribution of bank credit among the various sectors of production. The Central Bank has sought to encourage the redirection of loans away from consumption into productive activities. In 1979 credit expansion was checked, while deposits grew in response to better interest rates (see table 14).



Table 1

## TRINIDAD AND TOBAGO: MAIN ECONOMIC INDICATORS

	1975	1976	1977	1978	1979(a)
<u>Basic economic indicators</u>					
Gross domestic product at factor cost (millions of 1970 US dollars)	962	1 063	1 148	1 218	...
Population (millions of inhabitants)	1.01	1.02	1.03	1.04	1.05
Per capita gross domestic product (in 1970 US dollars)	952	1 042	1 115	1 171	...
	<u>Growth rates</u>				
<u>Short-run economic indicators</u>					
Gross domestic product	7.0	10.5	8.0	6.1	...
Per capita gross domestic product	5.9	9.5	7.0	5.0	...
Terms of trade	-1.7	1.0	-0.9	-5.7	5.2
Current value of exports of goods and services	-11.7	22.1	20.7	-16.5	16.1
Current value of imports of goods and services	-18.1	33.7	8.5	-4.7	2.0
Consumer price index					
December to December	13.4	12.0	11.4	8.8	19.6
Annual average variation	18.8	8.7	11.8	10.2	14.7
Money	48.4	46.5	25.3	26.0	18.6
Rate of unemployment (b)	16.0	15.0	14.1	12.8	12.0
Total revenue of government	...	26.0	45.0	-3.5	22.7
Total expenditure of government	...	22.4	50.8	-9.2	65.0
Fiscal surplus/total expenditure of government (c)	5.2	7.6	1.1	7.4	20.2(d)
	<u>Millions of US dollars</u>				
<u>External sector</u>					
Trade balance (goods and services)	565	502	868	447	835
Balance on current account	283	205	288	56	415
Variation in net international reserves	458	201	444	321	333
External debt	103	53	208	315	375

Source: CEPAL, on the basis of official data.

a) Preliminary figures.

b) Percentage.

c) Coefficient.

d) Deficit.

Table 2

## TRINIDAD AND TOBAGO: PRODUCTION OF THE OIL INDUSTRY

	Millions of barrels				Growth rates		
	1976	1977	1978	1979	1977	1978	1979
Crude petroleum	77.7	83.6	83.8	79.4	7.6	0.2	-5.3
Natural gas (a)	3.9	4.2	4.5	4.8	8.4	4.6	7.5
Asphalt (b)	65.6	44.3	62.4	55.9	-32.5	-34.3	-10.5
Motor gasoline	19.9	18.9	16.8	14.8	-5.0	-11.1	-11.9
Aviation gasoline and turbine fuel	4.5	2.7	2.5	2.8	-40.0	-7.4	12.0
Kerosene	6.8	5.8	4.5	3.2	-14.7	-22.4	-28.9
Gas oil/diesel oil	12.1	10.7	10.1	11.7	-11.6	-5.6	15.8
Fuel oil	66.7	56.3	45.5	43.5	-15.6	-19.2	-4.4

Source: Central Statistical Office Trinidad and Tobago, Quarterly Economic Report, April-June 1978 and CEPAL, on the basis of official data.

(a) Millions of cubic metres.

(b) Thousands of metric tons.

Table 3

TRINIDAD AND TOBAGO: INDICATORS OF MANUFACTURING PRODUCTION  
(Index 1977 = 100)

	1976	1977	1978	1979(a)	Growth rates		
					1977	1978	1979(b)
<u>Index of manufacturing production (c)</u>	<u>91</u>	<u>100</u>	<u>109</u>	<u>113</u>	<u>10.0</u>	<u>9.1</u>	<u>6.9</u>
Food processing	100	100	106	119	-0.4	5.8	11.5
Drink and tobacco	103	100	96	94	-3.1	-2.7	-0.9
Textiles, knitted garments and footwear	108	100	99	96	-7.6	-0.9	0.8
Printing, publishing and paper converters	75	100	98	107	34.0	-2.3	23.4
Wood and related products	103	100	95	113	-2.5	-5.5	21.2
Chemical and non-metallic mineral products	110	100	126	126	-9.1	26.1	10.2
Assembly-type and related industries	80	100	113	110	25.0	13.4	-3.1
Miscellaneous manufacturers	134	100	104	128	-25.3	3.8	14.3

Source: CEPAL, on the basis of official data.

(a) January-June 1979.

(b) January-June 1979 with respect to the same period of 1978.

(c) Excludes oil and sugar.

Table 4

## TRINIDAD AND TOBAGO: OUTPUT OF SELECTED INDUSTRIAL PRODUCTS

		1976	1977	1978	1979	Growth rates		
						1977	1978	1979
Sugar	Thousands of tons	203.6	176.0	147.0	142.6	-13.6	-16.5	-3.0
Rum	Millions of proof gals.	4.1	4.23	4.7	2.0(a)	3.1	10.4	-(c)
Beer and stout	Millions of liquid gals.	6.6	6.7	5.4	3.1(a)	0.9	-18.8	30.7(c)
Cigarettes	Tons	1.0	1.0	1.0	...	-2.7	1.4	...
Edible oil	Millions of litres	8.5	8.7	7.3	3.8(a)	2.1	-15.5	2.5(c)
Margarine, lard and butter substitute	Tons	7.6	6.8	7.6	3.8(a)	-10.5	11.1	10.4(c)
Soap	Tons	6.1	4.5	4.4	1.8(a)	-26.5	-0.6	-16.0(c)
Cement	Thousands of tons	241.5	218.1	223.4	217.6	-9.7	2.4	-2.6
Bricks and blocks	Millions of units	20.9	25.7	25.4	22.4(b)	22.9	-0.8	-4.5(d)
Fertilizers	Thousands of tons	337.9	342.1	632.0	677.5	1.2	84.7	7.2
Assembly industries	Thousands of units							
Motor vehicles		11.6	14.3	16.2	15.2	23.9	12.9	-5.8
Radios		17.7	15.1	10.0	8.0	-14.9	-33.4	-20.3
Television sets		12.7	13.5	12.0	10.5	6.0	-10.8	-12.3
Gas cookers		18.6	27.1	22.3	15.3	45.7	-17.5	-31.7
Refrigerators		27.8	23.0	25.0	21.1	-17.5	9.0	-15.6

Source: Central Statistical Office, Trinidad and Tobago, Quarterly Economic Report, January-March 1979; and CEPAL, on the basis of official data.

- (a) January-June.  
 (b) January-November.  
 (c) January-June 1979 with respect to the same period of 1978.  
 (d) January-November 1979 with respect to the same period of 1978.

Table 5

## TRINIDAD AND TOBAGO: AGRICULTURAL PRODUCTION

	Thousands of tons				Growth rates		
	1976	1977	1978	1979(a)	1977	1978	1979(b)
Sugar	203.6	176.0	147.0	143.0(c)	-13.6	-16.5	-2.7
Cocoa beans	3.2	3.3	3.4	2.5	2.9	1.2	-14.7
Coffee beans	2.7	2.9	2.5	2.2	9.3	-14.3	-0.1
Oranges	6.2	0.7	2.2	3.0	-88.1	201.1	34.0
Grapefruit	8.8	2.7	5.6	3.4	-69.6	109.8	-37.2
Copra	9.1	9.0	7.4	4.6	-1.1	-17.8	-17.9
Meat							
Beef	1.3	1.3	1.4	1.4	1.2	9.5	31.1
Pork	2.4	2.6	2.2	1.8	9.8	-17.5	14.4
Poultry (d)	27.1	33.0	33.7	21.5	21.9	1.9	-16.2
Fish	2.7	3.2	2.9	1.9	16.0	-7.0	-10.5
Eggs	2.3	3.0	3.5	1.9	28.1	-11.9	-45.1
Milk (e)	6.3	5.9	5.9	3.2	-7.1	-1.0	-26.8

Source: Central Statistical Office, Trinidad and Tobago, Quarterly Economic Report, January-March 1979, and CEPAL, on the basis of official data.

(a) January-September.

(b) January-September 1979 with respect to January-September 1978.

(c) Whole year.

(d) Live weight.

(e) Millions of litres.

Table 6

TRINIDAD AND TOBAGO: BALANCE OF PAYMENTS  
(Millions of dollars)

	1974	1975	1976	1977	1978	1979(a)
<b>Current account</b>						
Exports of goods and services	2 469	2 180	2 662	3 212	2 682	3 155
Goods FOB (b)	2 187	1 901	2 367	2 372	2 312	2 720
Services	282	279	295	443	370	395
Transport	178	154	170	233	169	180
Travel	55	75	76	106	111	115
Imports of goods and services	1 972	1 615	2 160	2 344	2 235	2 280
Goods FOB (b)	1 686	1 368	1 845	1 947	1 837	1 850
Services	286	247	315	397	398	430
Transport	195	164	215	244	230	245
Travel	26	33	37	60	67	70
Net payment of profits and interest on foreign capital	-280	-271	-286	-440	-370	-400
Profits	-280	-295	-330	-508	-453	-490
Interest	-	24	44	68	83	90
Net private transfer payments	-8	-11	-11	-19	-21	-20
Balance on current account	209	283	205	288	56	415
<b>Capital account</b>						
Net external financing (a+b+c+d)	-209.	-283	-205	-288	-56	-415
(a) Long-term capital	75	176	-24	276	246	} 223
Direct investment	119	203	107	140	140	
Private sector	12	-	-22	-1	...	
Loans	23	2	1	-	...	
Amortization payments	-11	-2	-23	-1	...	
Other liabilities and assets (net)	-	-	-	-	-	
Official sector	-56	-27	-109	137	106	
Loans	23	5	5	156	106	
Amortization payments	-30	-14	-40	-5	...	
Other liabilities and assets (net)	-49	-18	-74	-14	...	
(b) Short-term capital (net)	14	9	39	-105	36	} -305
Private sector	-12	-8	-16	-3	-6	
Official sector	1	1	-	-	-	
(c) Official transfer payments	25	16	55	-102	42	
(d) International reserves	-10	-10	-19	-15	-17	
(minus sign indicates an increase)	-288	-458	-201	-444	-321	-333
Use made of IMF credit	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Monetary gold	-	-	-	-	-	-
Special Drawing Rights	-1	1	-	-5	-6	-19
IMF reserve position	-6	-17	-11	-	-2	-11
Foreign exchange and other assets	-281	-442	-180	-439	-313	-303

Source: International Monetary Fund, Balance of Payments Yearbook, Vol.30; 1979 data are estimates prepared by CEPAL on the basis of official data.

(a) Provisional figures.

(b) Including non-monetary gold.

Table 7

## TRINIDAD AND TOBAGO: MAIN FOREIGN TRADE INDICATORS

	1974	1975	1976	1977	1978	1979(a)
	<u>Growth rates</u>					
Exports of goods						
Value	203.8	-13.1	24.5	0.2	-2.6	17.6
Volume	1.8	-20.6	17.4	-5.4	-2.6	-0.2
Unit value	198.5	9.5	6.0	6.0	-	17.9
Imports of goods						
Value	134.9	-18.9	34.9	-9.6	10.2	0.7
Volume	6.0	-27.2	28.5	-15.5	4.0	-10.1
Unit value	121.7	11.4	5.0	7.0	6.0	12.0
Terms of trade	34.7	-1.7	1.0	-0.9	-5.7	5.2
	<u>Indexes (1970 = 100)</u>					
Terms of trade	152.4	149.8	151.3	149.9	141.4	148.8
Purchasing power of exports of goods	155.1	121.0	143.6	134.5	123.6	129.8
Purchasing power of exports of goods and services	176.6	143.8	161.2	166.6	149.8	158.9

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

Table 8

## TRINIDAD AND TOBAGO: SELECTED EXPORTS OF GOODS

	Millions of Trinidad and Tobago dollars (FOB)			Percentage breakdown		Growth rates		
	1977	1978	1979(a)	1970	1979(a)	1977	1978	1979(b)
Total domestic exports (c)	5 189	4 803	4 278	100.0	100.0	-2.7	-7.4	16.4
<u>Main traditional exports</u>	<u>4 870</u>	<u>4 426</u>	<u>3 955</u>	<u>85.0</u>	<u>92.4</u>	<u>-2.6</u>	<u>-9.1</u>	<u>16.6</u>
Petroleum products	2 731	2 343	2 273	70.8	53.1	-10.9	-14.2	25.5
Crude petroleum (d)	2 056	2 029	1 598	9.1	37.3	12.9	-1.3	4.5
Sugar (e)	83	54	84	4.5	2.0	-28.7	-35.6	57.6
<u>Main non-traditional exports</u>	<u>149</u>	<u>205</u>	<u>149</u>	<u>9.2</u>	<u>3.5</u>	<u>12.9</u>	<u>37.6</u>	<u>-3.2</u>
Petrochemicals	67	56	39	2.5	0.9	4.8	-16.2	6.5
Fertilizers and ammonia	61	122	88	4.5	2.1	6.1	99.3	0.7
Cocoa beans	21	27	22	1.0	0.5	105.9	28.4	12.6
<u>Other</u>	<u>170</u>	<u>172</u>	<u>174</u>	<u>5.8</u>	<u>4.1</u>	<u>-14.6</u>	<u>1.2</u>	<u>35.9</u>

Source: Central Statistical Office, Trinidad and Tobago, Quarterly Economic Report, and CEPAL, on the basis of official data.

- (a) January-September.
- (b) January-September with respect to the same period of 1978.
- (c) Data are not directly comparable to those presented in table 6 because different sources were used.
- (d) Crude and partly refined petroleum.
- (e) Refined and partly refined sugar.



TABLE 9

## TRINIDAD AND TOBAGO: IMPORTS OF GOODS

	Millions of Trinidad and Tobago dollars (CIF)			Percentage breakdown		Growth rates		
	1977	1978	1979(a)	1970	1979	1977	1978	1979(b)
<u>Total imports (c)</u>	<u>4 324</u>	<u>4 721</u>	<u>3 637</u>	<u>100.0</u>	<u>100.0</u>	<u>-10.3</u>	<u>9.2</u>	<u>-23.0</u>
<u>Consumer goods</u>	<u>731</u>	<u>783</u>	<u>586</u>	<u>17.7</u>	<u>16.1</u>	<u>24.9</u>	<u>7.0</u>	<u>1.1</u>
Non-durable	358	462	379	9.8	10.4	25.0	28.9	13.7
Semi-durable	207	152	99	6.0	2.7	15.2	-26.5	-18.2
Durable	166	169	108	1.9	2.9	39.4	1.6	-36.2
<u>Intermediate goods</u>	<u>2 992</u>	<u>3 086</u>	<u>1 983</u>	<u>72.9</u>	<u>54.5</u>	<u>-15.8</u>	<u>-3.1</u>	<u>-35.8</u>
Crude petroleum	2 048	1 900	886	48.2	24.3	-25.1	-7.2	-53.4
Steel materials	241	234	121	4.7	3.3	19.3	-3.2	-48.1
Fuels, lubricants, blending agents and asphalt	29	32	31	1.4	0.1	20.5	7.8	-1.3
Others	673	920	944	18.6	26.0	14.2	36.7	2.6
<u>Capital goods</u>	<u>601</u>	<u>852</u>	<u>1 068</u>	<u>9.4</u>	<u>29.4</u>	<u>-12.2</u>	<u>41.7</u>	<u>25.3</u>

Source: Central Statistical Office, Trinidad and Tobago, Quarterly Economic Report, January-March 1979, and CEPAL, on the basis of official data.

(a) January-September.

(b) January-September 1979 with respect to the same period of 1978.

(c) Data are not directly comparable to those presented in table 6 because different sources were used.

Table 10

TRINIDAD AND TOBAGO: INDICATORS OF EXTERNAL INDEBTEDNESS  
(Millions of US dollars)

	1974	1975	1976	1977	1978	1979(a)
Total external public debt	118	103	53	208	315	375
Servicing of external debt	43	23	42	11	23	31
Amortization payments	31	14	37	6	6	7
Interest payments	12	9	6	4	19	25
Management of loans	-	-	-	1	1	-
Debt service as a percentage of exports	1.7	1.1	1.6	-	-	1.0

Source: Central Bank of Trinidad and Tobago and Ministry of Finance.

(a) Preliminary figures.

Table 11

TRINIDAD AND TOBAGO: EVOLUTION OF CONSUMER PRICE INDEX  
(Percentage variation)

	1977	1978	1979
	<u>Variation between December-December</u>		
<u>Total</u>	11.4	8.8	19.6
Food	11.2	6.8	22.9
Drink and tobacco	10.6	11.7	19.3
Housing	14.8	14.1	21.8
Services	13.9	13.9	26.8
Household supplies	10.7	11.3	15.1
Clothing	10.4	6.1	13.0
	<u>Variation between annual averages</u>		
<u>Total</u>	11.8	10.2	14.7
Food	6.9	9.1	13.8
Drink and tobacco	10.5	15.0	11.6
Housing	12.8	16.0	20.2
Services	10.6	18.3	17.4
Household supplies	12.2	10.9	13.8
Clothing	14.7	8.3	8.8

Source: Central Statistical Office, Trinidad and Tobago, Quarterly Economic Report, April-June 1978, and CEPAL, on the basis of official data.

Table 12

TRINIDAD AND TOBAGO: EVOLUTION OF WAGES AND SALARIES  
(Index 1976 = 100)

	1977	1978	May 1978	May 1979	Growth rates		
					1977	1978	1979(a)
Wages and salaries (b)							
Nominal	113.2	140.8	136.9	163.7	13.2	24.4	19.6
Real	101.3	114.3	97.9	115.9	1.3	12.8	18.4

Source: Central Statistical Office, Trinidad and Tobago, Quarterly Economic Report, April-June 1979, and CEPAL, on the basis of official data.

(a) Variation between May 1978 and May 1979.

(b) Data represented averages at May and November.

Table 13

## TRINIDAD AND TOBAGO: CENTRAL GOVERNMENT REVENUE AND EXPENDITURE

	Millions of Trinidad and Tobago dollars				Growth rates		
	1976	1977	1978	1979(a)	1977	1978	1979(a)
<u>Total revenue</u>	<u>2 214</u>	<u>3 212</u>	<u>3 099</u>	<u>3 801</u>	<u>45.0</u>	<u>-3.5</u>	<u>22.7</u>
Income tax	1 374	1 838	1 833	2 429	33.7	-0.3	-32.5
Oil royalties	226	263	273	418	16.6	3.8	52.9
Customs and excise	186	248	287	332	32.9	16.1	15.4
Purchase tax	61	57	67	79	-7.0	17.3	18.5
Others	367	806	639	543	119.6	-20.9	-14.8
<u>Current expenditure</u>	<u>969</u>	<u>1 127</u>	<u>1 433</u>	<u>2 142</u>	<u>19.0</u>	<u>27.2</u>	<u>49.4</u>
General services	235	247	341	542	15.1	38.1	59.0
Community services	52	75	87	145	18.9	15.1	66.7
Social services	372	475	575	754	31.8	21.1	31.1
Economic services	155	185	236	386	19.1	27.9	63.4
Unallocated expenditure	155	145	194	315	-6.4	33.7	62.2
<u>Current surplus</u>	<u>1 156</u>	<u>1 622</u>	<u>1 336</u>	<u>1 463</u>	<u>38.1</u>	<u>-17.6</u>	<u>9.5</u>
<u>Capital expenditure (b)</u>	<u>1 090</u>	<u>2 050</u>	<u>1 453</u>	<u>2 621</u>	<u>79.0</u>	<u>-29.9</u>	<u>80.5</u>
<u>Total expenditure</u>	<u>2 058</u>	<u>3 177</u>	<u>2 886</u>	<u>4 763</u>	<u>50.8</u>	<u>-9.2</u>	<u>65.0</u>
<u>Fiscal surplus or deficit</u>	<u>157</u>	<u>35</u>	<u>213</u>	<u>-962</u>	<u>-30.7</u>	<u>505.4</u>	<u>-552.6</u>

Source: Minister of Finance, 1979 Budget Speech, and CEPAL, on the basis of official data.

(a) Preliminary data.

(b) Includes financial investments at home and abroad.

Table 14

## TRINIDAD AND TOBAGO: MONETARY BALANCE

	Balance at end of: (millions of Trinidad and Tobago dollars)				Growth rates		
	1976	1977	1978	1979(a)	1977	1978	1979(b)
Money	630	790	996	1 099	25.3	26.0	18.6
Currency outside banks	177	231	296	354	30.3	28.0	27.8
Demand deposits	430	540	696	732	25.4	28.9	14.0
Factors of expansion	2 168	2 623	3 431	4 398	21.0	30.8	29.8
Foreign assets (net)	2 426	3 536	4 275	4 475	45.8	20.9	4.5
Domestic credit	-258	-913	-845	-77	253.2	-7.5	-91.4
Government (net)	-1 549	-2 711	-3 258	-2 901	75.0	20.2	-7.6
Official entities	44	38	77	89	-14.3	102.9	194.1
Private sector	1 247	1 760	2 337	2 735	41.2	32.8	23.5
Factors of absorption	1 537	1 834	2 435	3 299	19.3	32.8	34.1
Quasi-money (savings and time deposits)	1 314	1 661	2 027	2 530	26.4	22.1	30.3
Foreign borrowing							
Other items (net)	223	173	408	769	-22.6	135.7	48.4

Source: International Monetary Fund, International Financial Statistics, March 1980.

(a) October.

(b) Variation between October 1978 and October 1979.

