Peering out of the Recession

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Structure of Presentation

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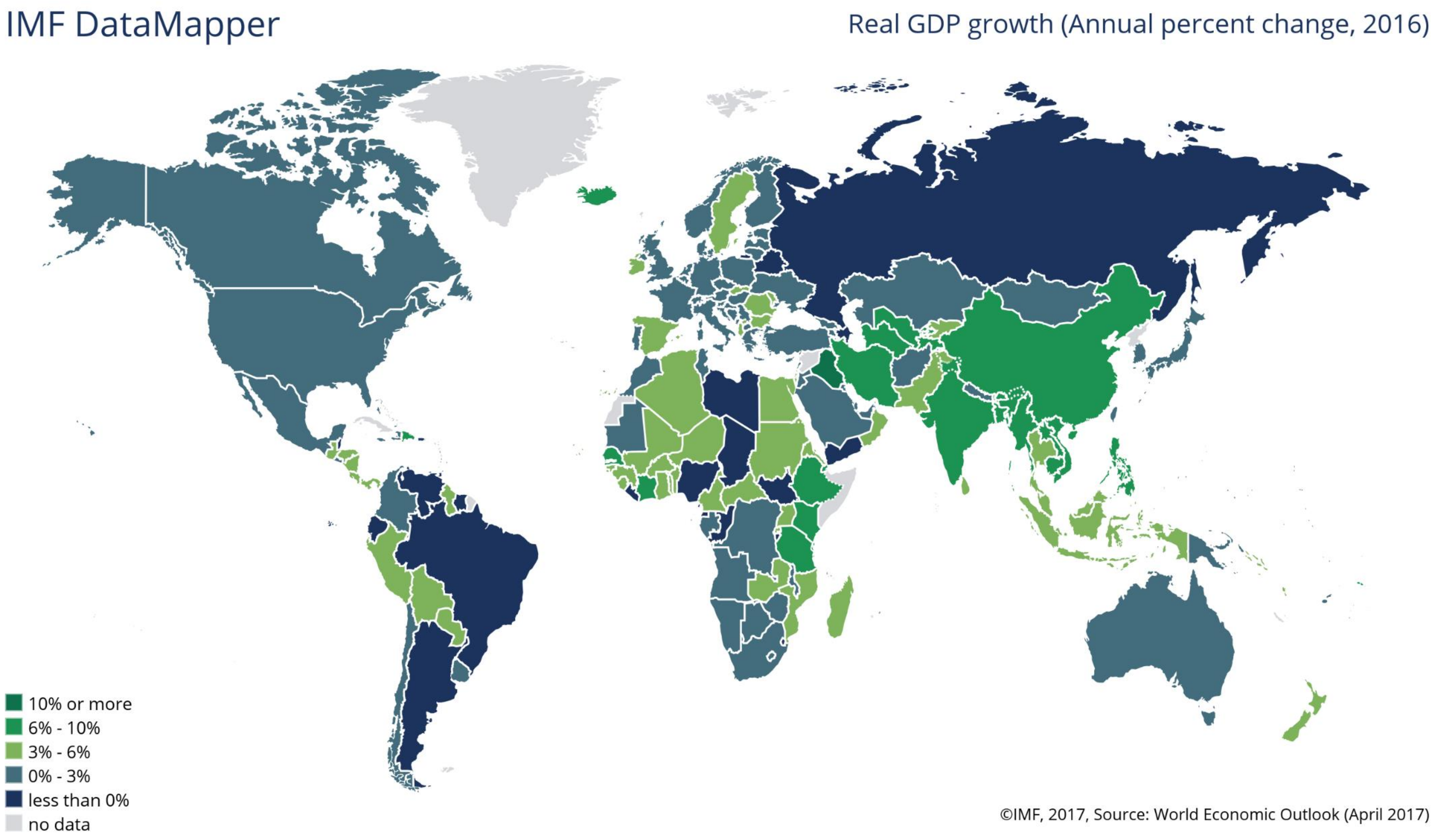
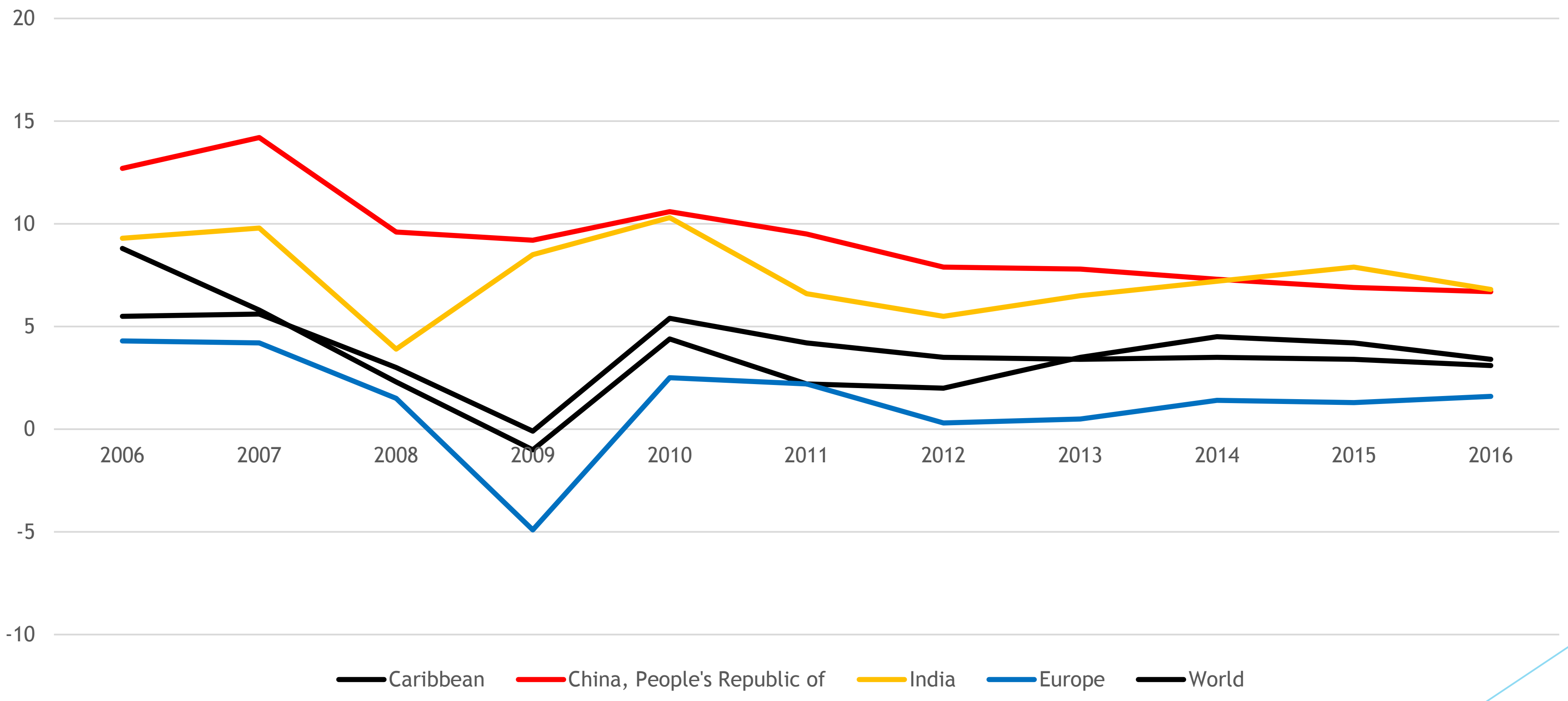
- Overview of economic context of T&T
- The transition out of the reliance on exports of oil and gas
- The labour market within which Contract work and other forms of employment will emerge

Tectonic Shifts in the International Economy

- The North Atlantic Motor
- BRICs? China and India
- What has been happening lately


IMF DataMapper
Real GDP growth (Annual percent change, 2016)
10% or more
6% - 10%
3% - 6%
0% - 3%
less than 0%
no data
©IMF, 2017, Source: World Economic Outlook (April 2017)

Real GDP Growth Annual Percentage Change



Making Countries Great Again

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- Trump withdraws from the Trans-Pacific Partnership
- China in May last announces the revival of the Silk Road Project with mega-infrastructure – $124 Billion for the Belt and Road Initiative = peace, inclusiveness and free trade
- In January 2017, rail freight service started between Beijing and London through Asia and Europe

Moral of the Story

- Lessons for the future
- T&T Exports will have to make their way in vastly changed international economy
- North Atlantic no longer dominant
- But what will be exporting anyway?

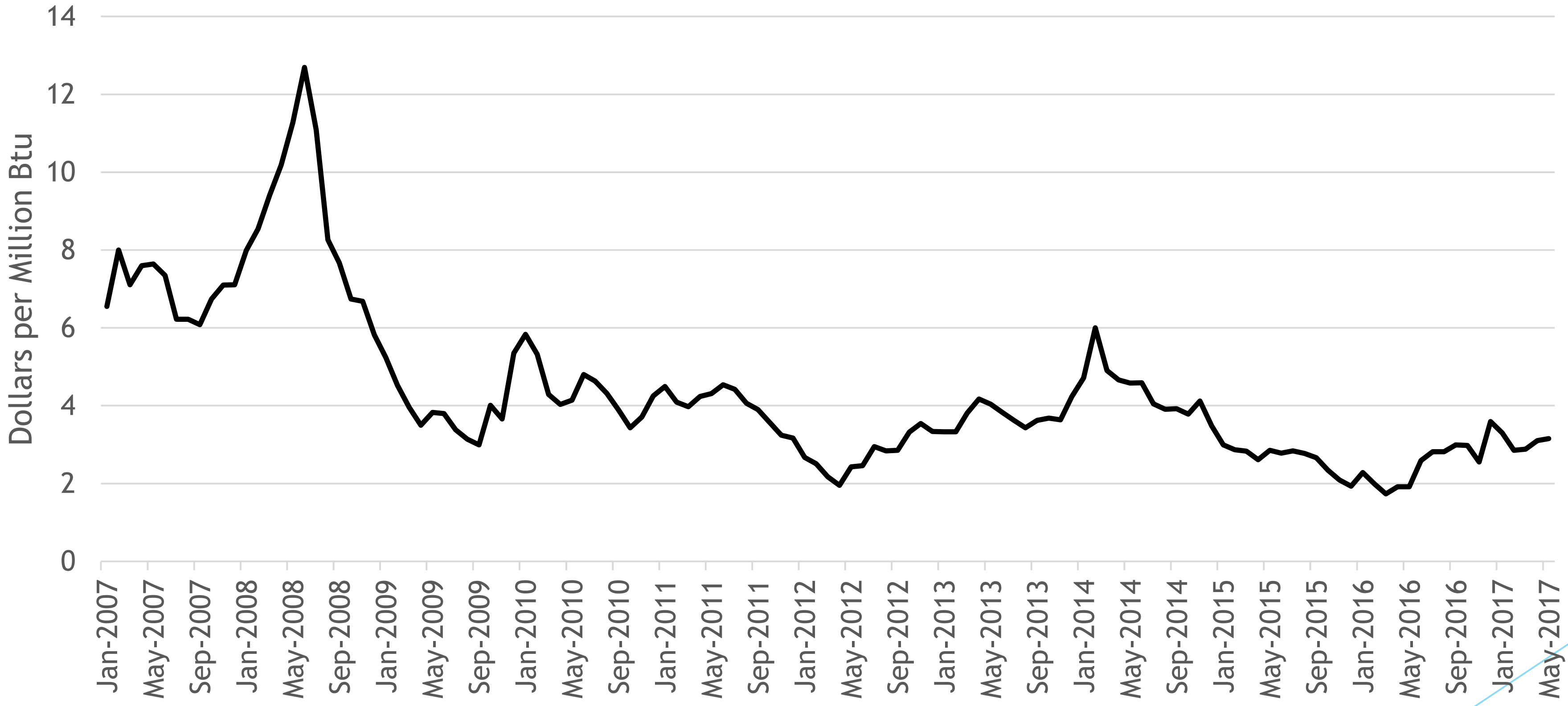
Europe Brent Spot Price FOB

Trinidad and Tobago Crude Oil Production and Prices

Year	CRUDE OIL PRODUCTION		REFINERY THROUGHPUT		CRUDE PRICES US$/BBL
	000 Barrels	000 b.p.d.	000 Barrels	000 b.p.d.	
2006	52,359.3	143.5	55,601.8	152.3	66.1
2007	44,261.6	121.3	56,131.8	153.7	72.3
2008	41,826.1	114.3	55,277.9	151.0	99.6
2009	38,966.0	106.8	55,416.0	151.8	61.7
2010	35,836.6	98.2	46,166.5	126.7	79.4
2011	33,550.3	91.9	50,097.6	137.3	95.1
2012	29,914.9	81.7	39,060.4	106.7	94.2
2013	29,617.1	81.1	48,177.6	132.2	97.9
2014	29,659.3	81.3	38,211.7	104.3	93.1
2015	28,709.5	78.7	45,765.5	125.3	48.7
2016	26,164.0	71.5	54,256.5	148.3	43.2

Sources: Central Bank of Trinidad and Tobago and Ministry of Energy and Energy Industries.

Henry Hub Natural Gas Spot Price



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Trinidad and Tobago Natural Gas Production and Prices

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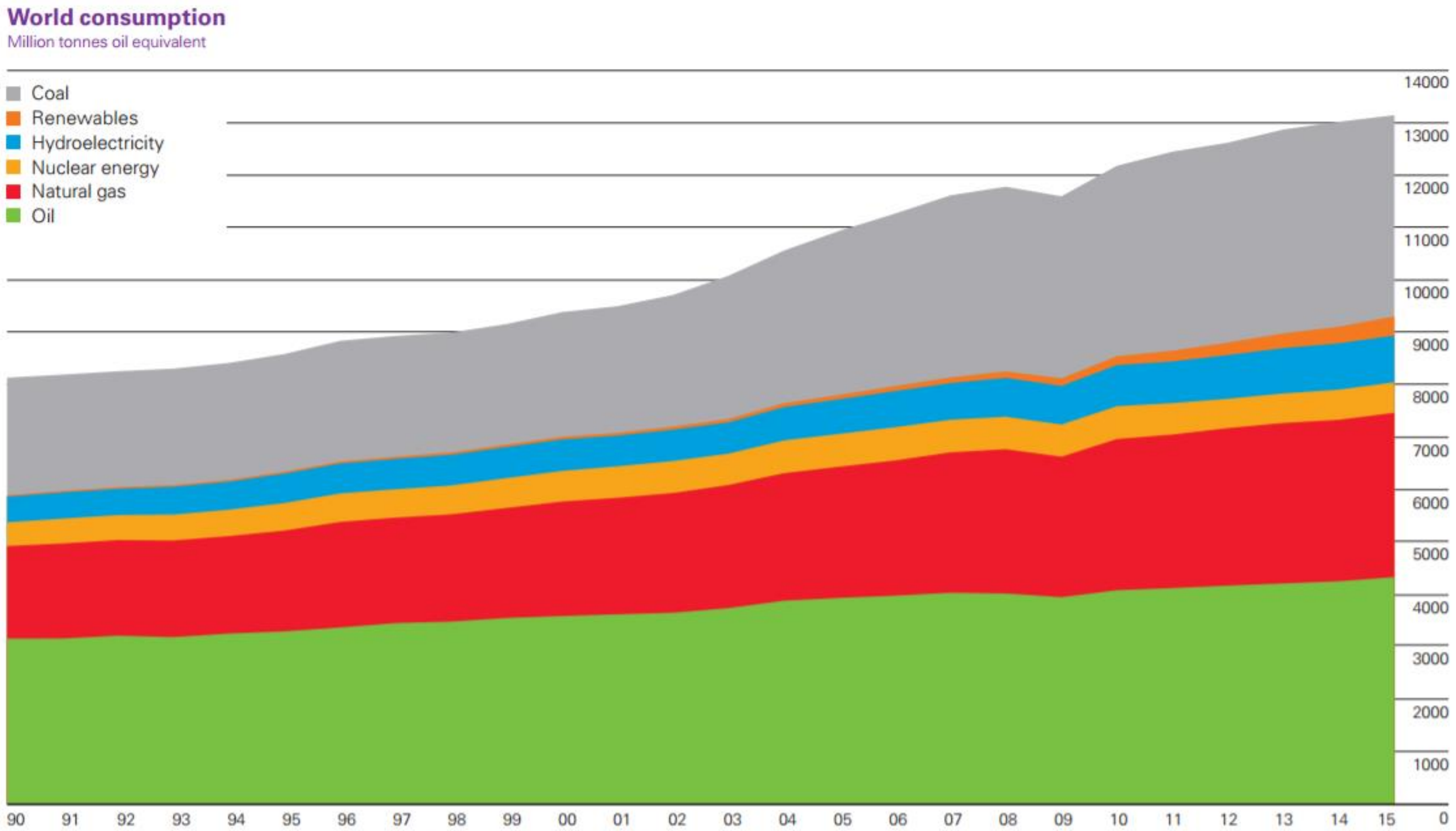
Year	Natural Gas production (M.cu. Metres)	of which		Henry Hub price (US$ per MMBtu)
		Natural Gas Used for Processing (M.cu. Metres)	Natural Gas Used for LNG (M.cu. Metres)	
2006	39,630.6	15,595.7	20,542.2	6.7
2007	41,791.3	16,300.9	22,044.5	7.0
2008	41,483.9	15,515.5	22,504.6	8.9
2009	42,749.9	15,953.4	23,260.7	3.9
2010	44,247.5	17,261.6	23,720.6	4.4
2011	42,399.4	17,179.8	22,177.4	4.0
2012	42,245.9	16,888.7	22,289.4	2.8
2013	42,361.1	16,760.8	22,627.1	3.7
2014	41,571.3	16,444.0	22,259.2	4.4
2015	39,163.5	16,463.8	20,093.4	2.6
2016	34,091.2	14,892.8	16,913.5	2.5

Sources: Central Bank of Trinidad and Tobago and Ministry of Energy and Energy Industries.



World primary energy consumption grew by a below-average 1.0% in 2015, the slowest rate of growth since 1998 (other than the decline in the aftermath of the financial crisis). Growth was below average in all regions except Europe & Eurasia. All fuels except oil and nuclear power grew at below-average rates. Oil remains the world's dominant fuel and gained global market share for the first time since 1999, while coal's market share fell to the lowest level since 2005. Renewables in power generation accounted for a record 2.8% of global primary energy consumption.

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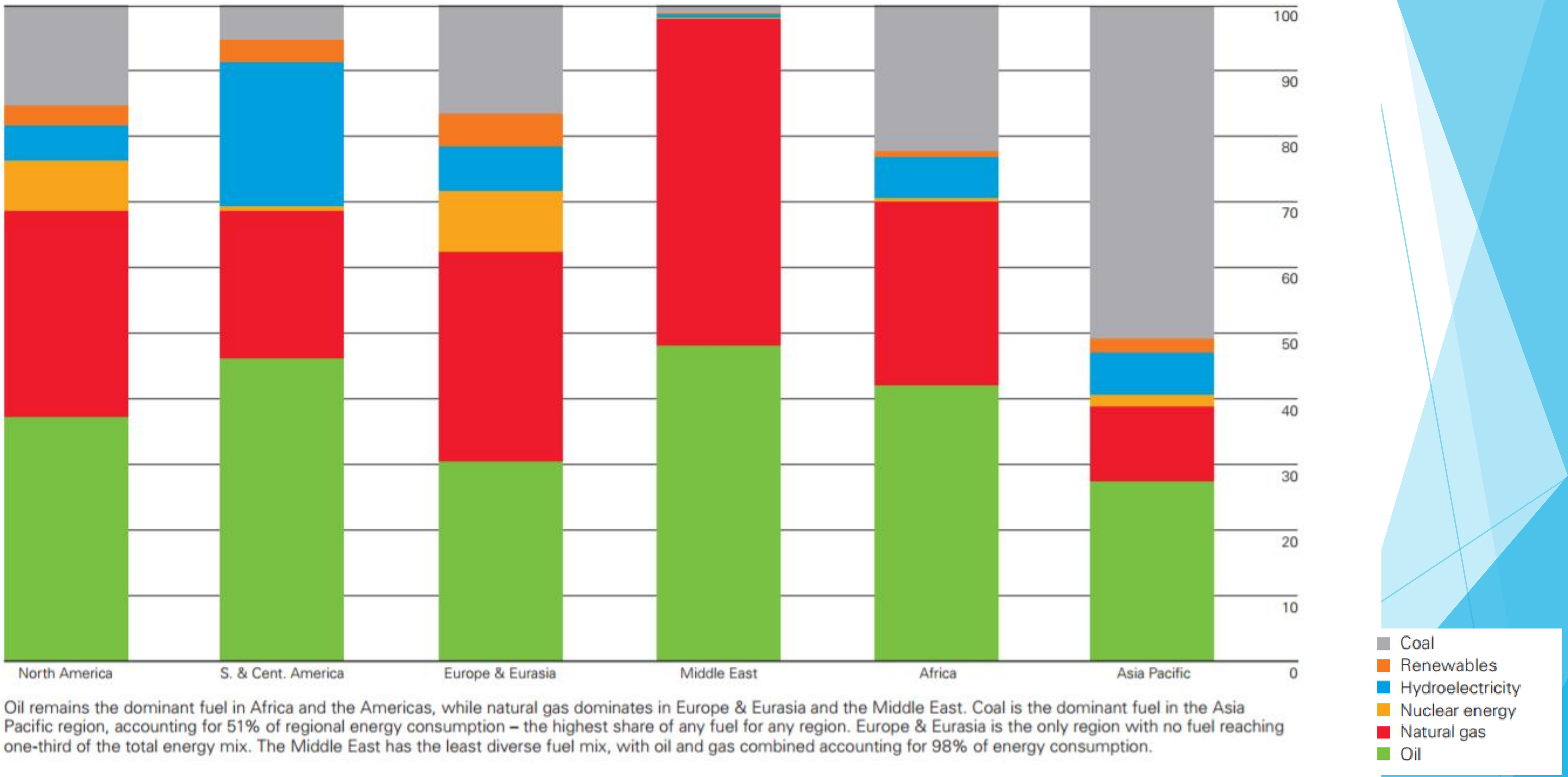
Regional consumption by fuel 2015

Percentage



Oil remains the dominant fuel in Africa and the Americas, while natural gas dominates in Europe & Eurasia and the Middle East. Coal is the dominant fuel in the Asia Pacific region, accounting for 51% of regional energy consumption – the highest share of any fuel for any region. Europe & Eurasia is the only region with no fuel reaching one-third of the total energy mix. The Middle East has the least diverse fuel mix, with oil and gas combined accounting for 98% of energy consumption.

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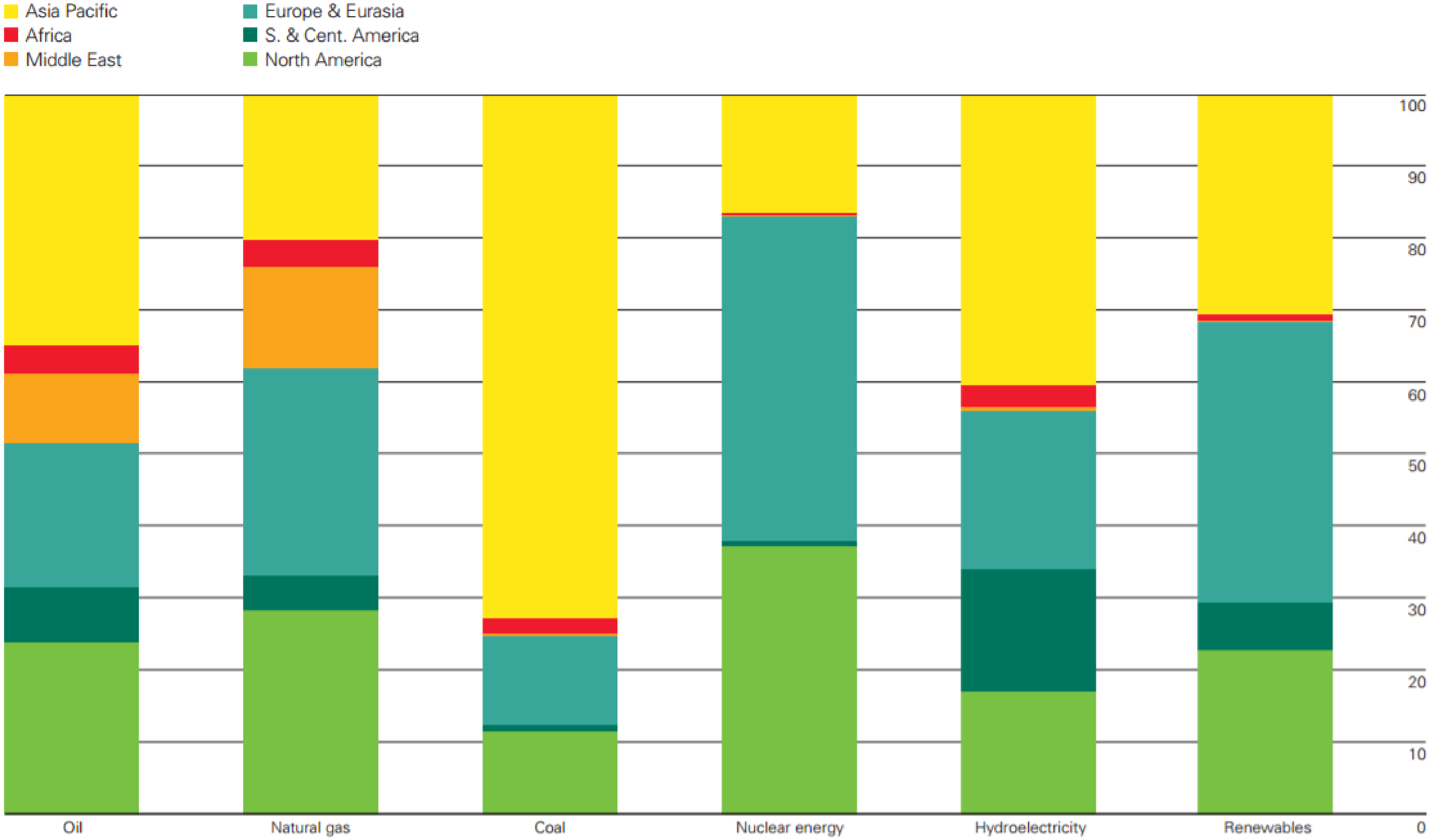
Fuel consumption by region 2015

Percentage



Asia Pacific is the leading consumer of oil, coal, and hydroelectricity, while Europe & Eurasia is the leading consumer of natural gas, nuclear power, and renewables in power generation. Asia Pacific dominates global coal consumption, accounting for 72.9% of global consumption. Natural gas is the only fuel for which no region accounts for more than 30% of global consumption (with Europe & Eurasia accounting for 28.8% of global consumption).

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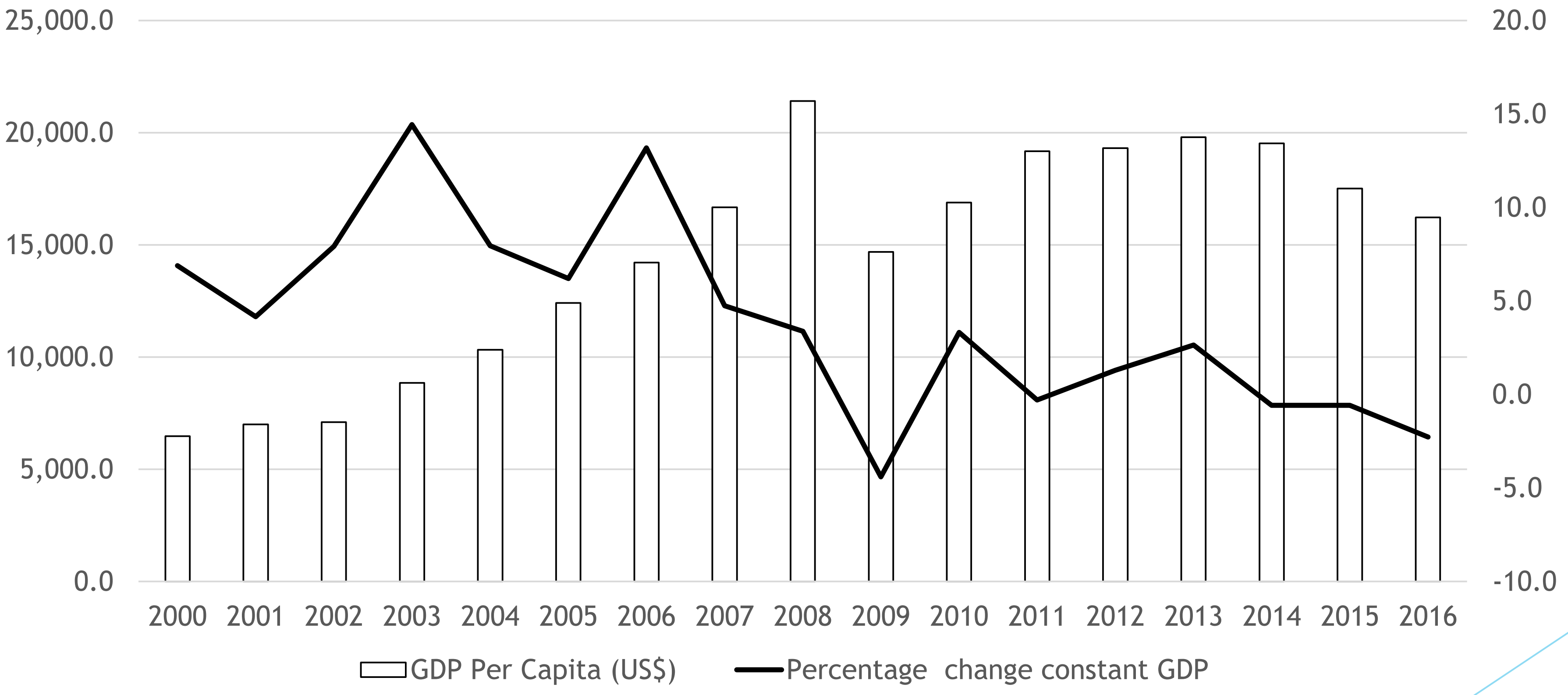
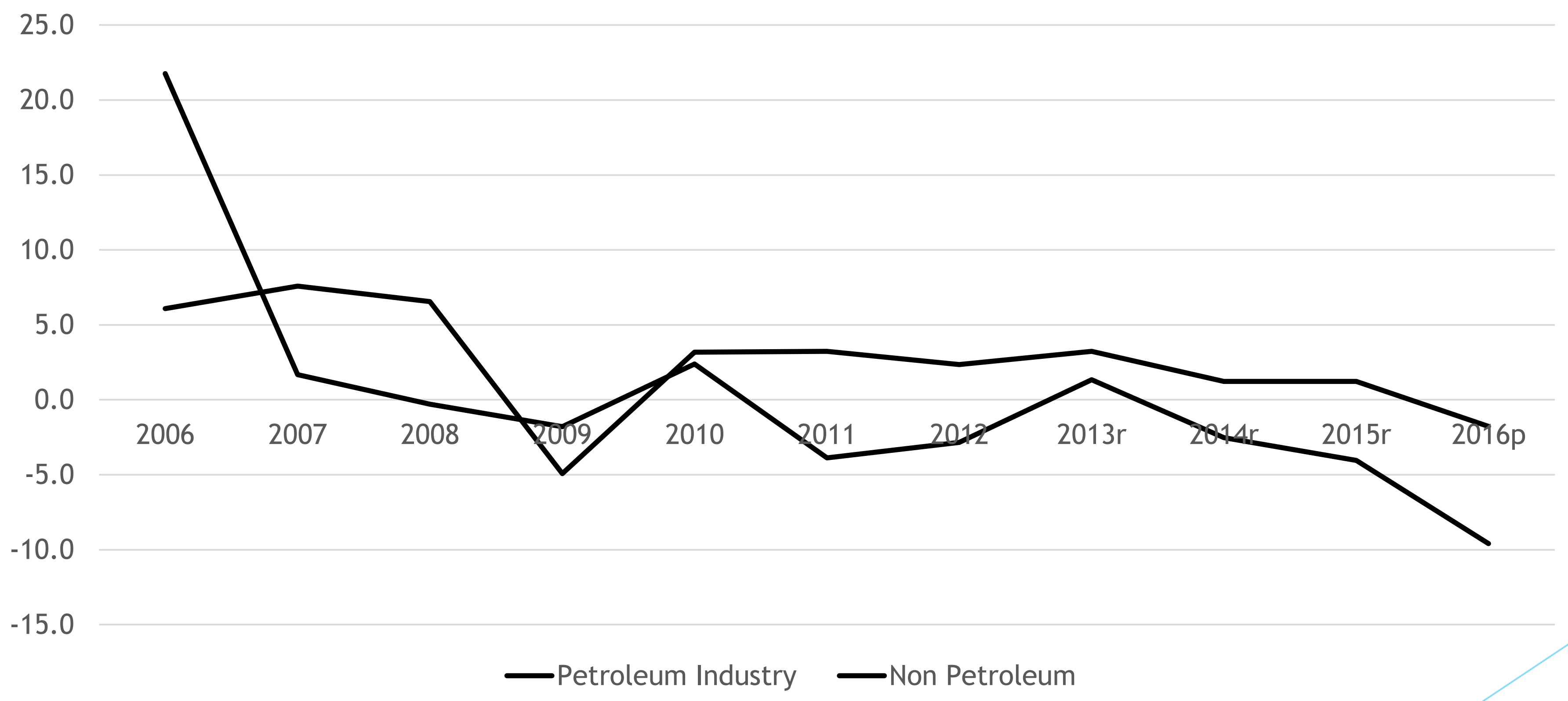
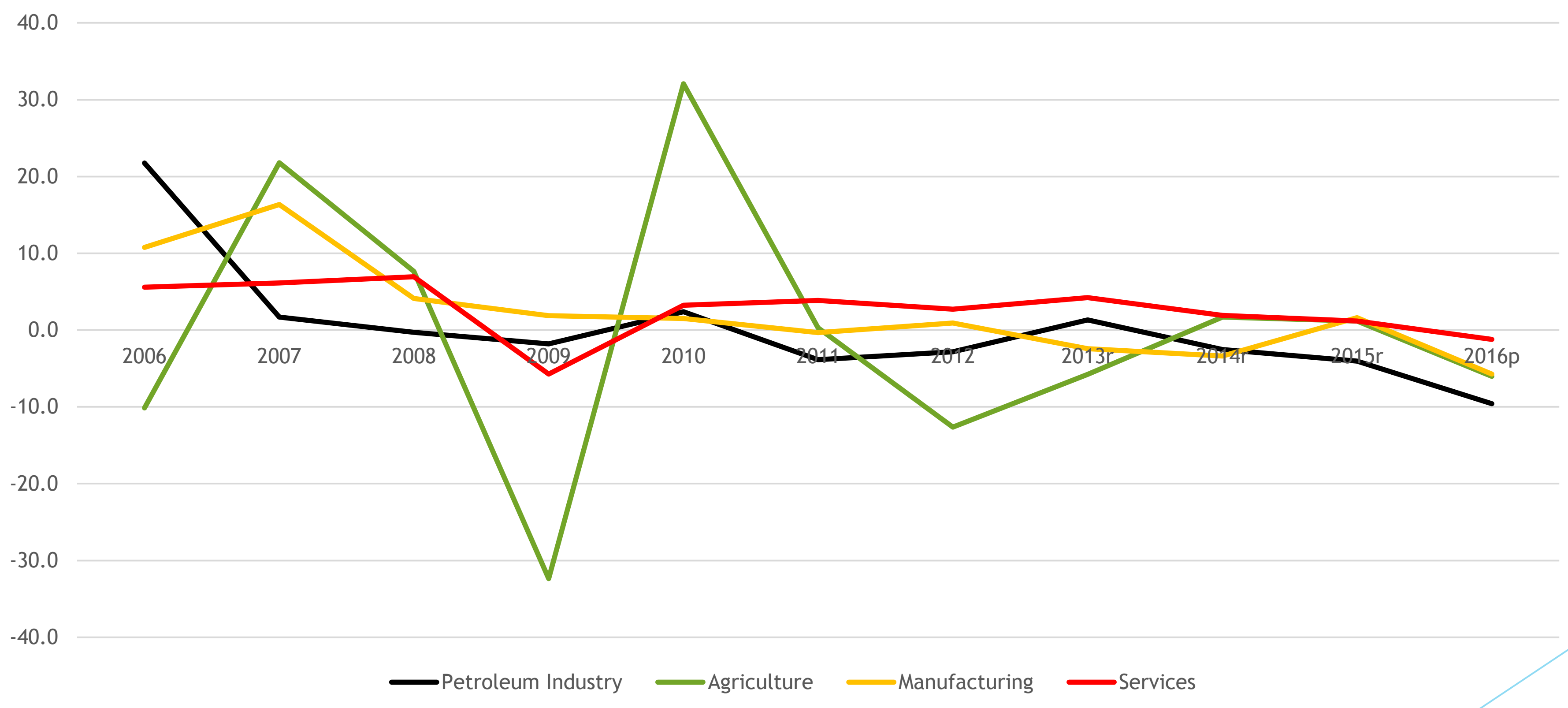
Real GDP Growth Trinidad and Tobago



Gross Domestic Product At Constant (2000) Prices (Percentage Change)



Gross Domestic Product At Constant (2000) Prices (Percentage Change)



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Central Government Fiscal Operations - Calendar Years 2006- 2016 (TT$ M)

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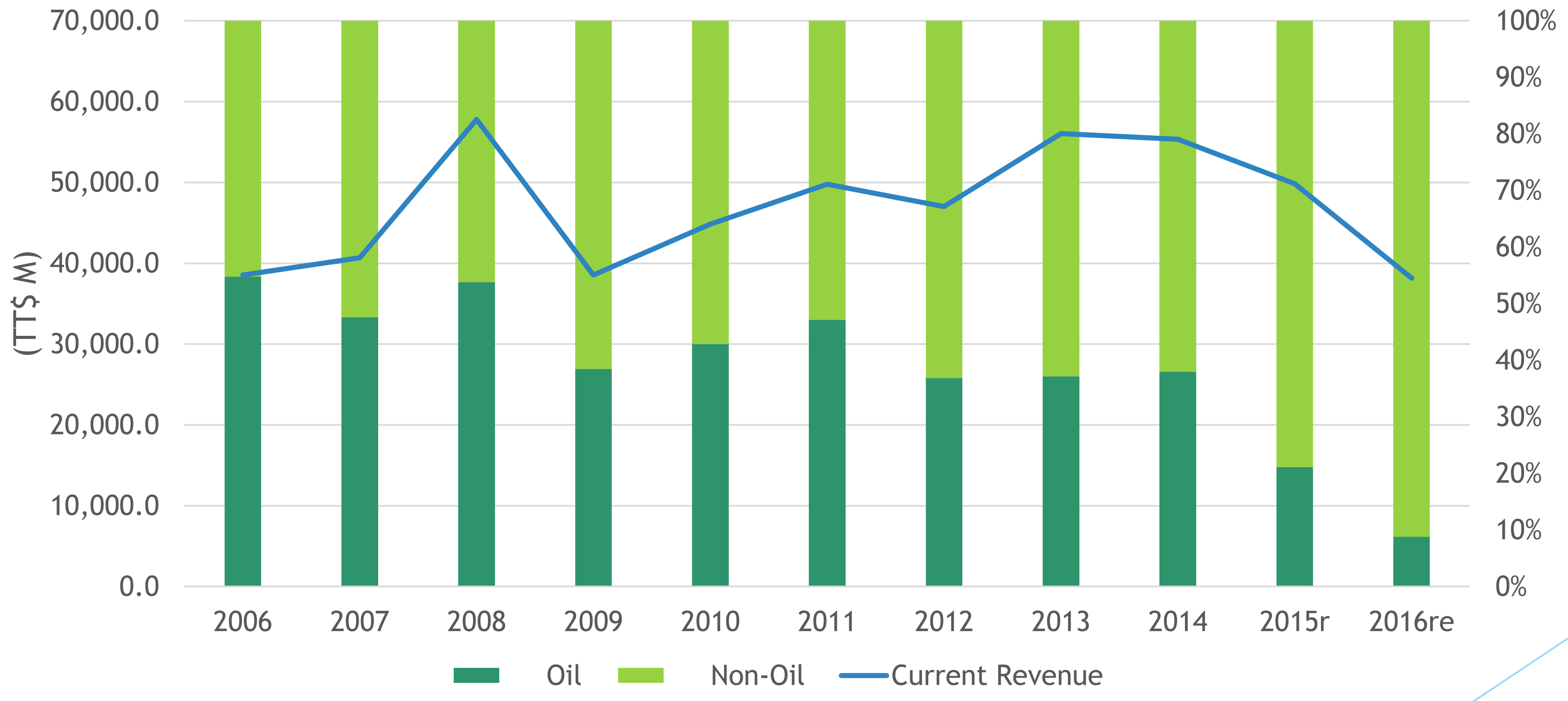
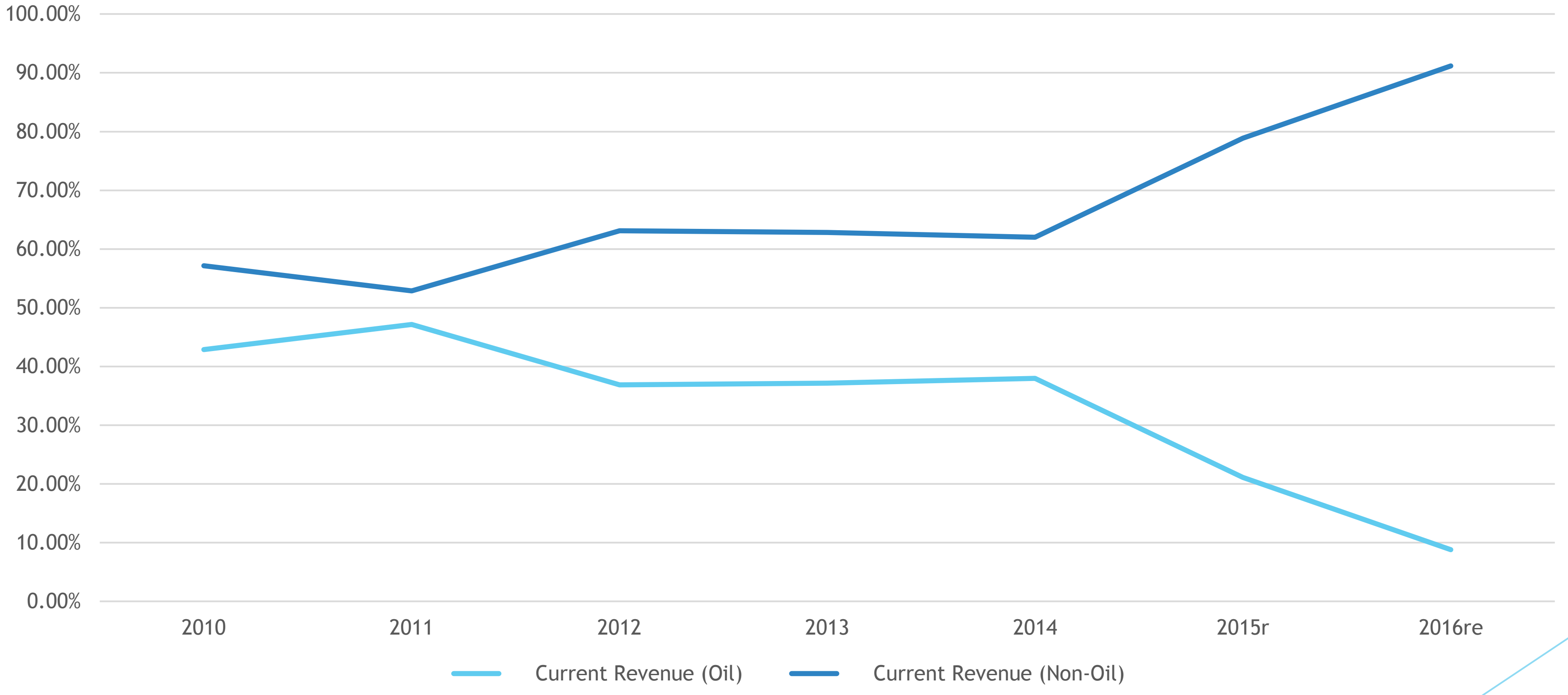
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015[r]	2016[re]
Current Revenue	38,553.5	40,666.2	57,784.6	38,543.5	44,835.4	49,784.2	47,030.2	56,048.5	55,351.9	49,841.6	38,170.8
Oil	21,111.5	19,365.4	31,100.5	14,825.5	19,216.4	23,471.0	17,349.2	20,837.8	21,025.6	10,530.5	3,364.3
Non-Oil	17,442.0	21,300.8	26,684.0	23,718.0	25,619.0	26,313.2	29,681.0	35,210.7	34,326.3	39,311.1	34,806.5
Income	7,627.4	9,767.6	13,605.5	10,366.4	12,554.3	15,067.4	15,550.2	17,189.7	18,203.5	17,553.3	154,023.0
Property	72.8	76.0	83.0	72.4	17.8	10.3	4.1	4.3	3.0	3.5	2.6
Goods & Services	5,776.5	6,794.4	7,556.2	6,891.9	7,194.2	6,777.5	8,229.7	7,926.0	7,780.3	9,863.9	8,448.5
International Trade	1,970.2	2,021.0	2,172.9	1,715.2	1,986.1	2,152.8	2,374.2	2,736.8	2,757.6	3,240.0	2,876.7
Non-tax revenue	1,995.2	2,641.7	3,266.4	4,672.2	3,866.6	2,305.2	3,522.8	7,353.9	5,582.1	8,650.4	8,455.6
Current Expenditure	27,142.7	31,573.3	36,097.9	36,752.8	37,700.0	42,105.5	45,193.1	50,333.5	55,069.4	52,457.4	46,247.0
Wages & Salaries	5,492.7	6,564.5	6,915.2	6,684.9	6,676.2	7,246.0	7,291.9	9,469.5	8,653.0	10,186.9	9,809.6
Goods & Services	3,941.6	4,459.8	5,287.9	6,146.8	6,254.1	6,524.7	6,994.2	7,530.7	8,065.5	7,855.4	7,153.2
Interest	2,412.0	2,815.8	3,183.2	3,389.9	3,085.3	2,842.8	2,745.7	3,018.2	3,023.2	3,570.0	2,984.8
Transfers & Subsidies	15,296.4	17,733.3	20,711.5	20,531.2	21,684.4	25,491.9	28,161.3	30,315.4	35,327.7	30,845.1	26,299.4
Current Account Surplus (+) / Deficit (-)	11,410.8	9,092.9	21,686.7	1,790.7	7,135.4	7,678.7	1,837.1	5,715.0	282.5	-2,615.8	-8,076.2
Overall Surplus (+) / Deficit (-)	6,657.8	632.7	11,846.6	-6,529.8	1,457.4	1,090.4	-5,222.0	-752.0	-8,264.2	-3,813.4	-8,986.0
Overall Surplus (+) / Deficit (-) (Per cent of GDP)	5.7	0.5	6.8	-5.4	1.0	0.7	-3.2	-0.4	-4.9	-2.5	-6.2

Current Revenue (Oil vs Non-Oil)



Current Revenue 2010-2016



Sources: Ministry of Finance and Central Bank of Trinidad and Tobago. r Revised. re Revised Estimate.

Total Labour Force And Unemployment Rate (000 persons)

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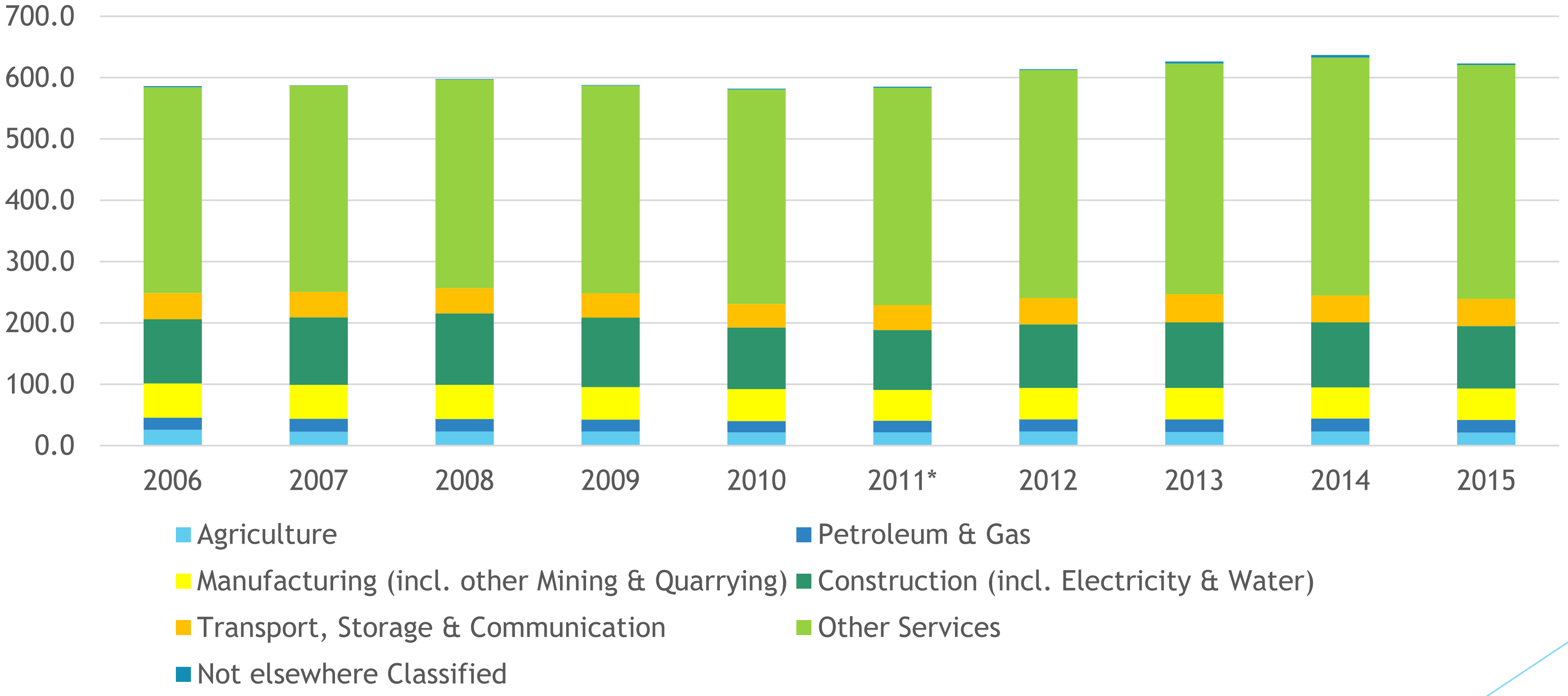
Year	BOTH SEXES			
	Total Labour Force	Persons with Jobs	Total Unemployed	Unemployment Rate %
2006	625.2	586.2	39.0	6.2
2007	622.3	587.8	34.5	5.6
2008	626.6	597.7	29.0	4.6
2009	621.0	588.4	32.6	5.3
2010	618.8	582.1	36.7	5.9
2011	611.6	581.9	29.7	4.9
2012	646.0	614.0	32.0	5.0
2013	650.2	626.3	23.9	3.7
2014	658.6	636.9	21.8	3.3
2015	645.3	623.3	22.0	3.4

Source: Central Statistical Office.

Sectoral Distribution of Employment (000 persons)



Global Competitiveness Index 2016-2017

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GCI Score and Rank 2016-2017

Country	Score	Rank
Barbados	4.187575518	72
Dominican Republic	3.939260669	92
Jamaica	4.131520594	75
Trinidad and Tobago	3.927753679	94

Key Findings

- Large part of world is still excluded from globalization
- Largest economies offer limited market access
- ASEAN market more accessible than European Union and USA Markets
- DR, Jamaica and T&T
- DR 78th, Jamaica 89th and T&T 106th

Comparison of National Development Strategies

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Vision 2020	Medium Term Policy Framework	Vision 2030
The 5 Development Priorities	Seven Interconnected Pillars of Development	Development Themes to 2030
➢ Developing Innovative People	➢ People-Centered Development	➢ Putting People First: Nurturing Our Greatest Asset
➢ Nurturing a Caring Society	➢ Poverty Eradication and Social Justice	➢ Improving productivity through Quality Infrastructure and Transportation
➢ Governing Effectively	➢ Good Governance	➢ Promoting Good Governance and Service Excellence
➢ Enabling Competitive Businesses	➢ A More Diversified, Knowledge Intensive Economy	➢ Building Globally Competitive Businesses; and
➢ Investing in Sound Infrastructure & Environment	➢ Information and Communication	➢ Valuing and Enhancing Our Environment
	➢ National and Personal Security	
	➢ Foreign Policy	

The World of Work in the Emerging Competitive Environment

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- Technological Change
- Changes in product and service Markets
- Education and Training for Flexibility – Nimbleness in industrial structure
- Trajectory of the future – share of public and private sector employment
- FDI – large scale
- Life time employment in large growing enterprises?
- SMEs in the short to medium terms with access to credit and development finance?
- Contract Work – Fixed Term here to stay? and conflict of dressing and undressing will be par for the course.

Challenge to the Existing Institutional Infrastructure

- Dressing and Undressing Contract Employment

Thank you!

Questions and Comments