

# Responding to the Challenging Economic Environment

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# Outline

- Budget Highlights
- Concerns
- Key Economic Indicators
- Strategies

# Main Budget Highlights

- Total expenditure \$50.5bn
- Rev. \$45.7bn; core rev. \$39.3bn
- Deficit \$4.8bn / 3.1% GDP
- Increased taxes & duties
- Cut fuel subsidy – diesel up 48% to \$3.41; super now \$3.97
- Business Development Fund

# Concerns

- Government Expenditure
- Exchange Rate
- Credit Ratings - S&P BBB+, Moody's Ba1
- Institutional Strengthening
- Business Environment
- Unemployment



# T&T: Key Indicators

	2014	2015	2016	2017 e
Real GDP growth (% change)	-0.3	1.5	-6	-2.3
Inflation (% change)	5.7	4.7	3.1	2.3
Unemployment rate (%)	3.3	3.5	4.0	4.2
Public sector debt / GDP (%)	40.2	50.9	56.9	62.6
Fiscal deficit /GDP (%)	-2.7	-1.8	-5.0	-8.4
Crude oil price – WTI (US\$/b)	93.17	48.67	43.33	48.83
Gas Price – Henry Hub (US/mmbtu)	2.60	4.42	2.51	3.05

Source: CBTT, Min. of Finance ROE, Min. of Energy, EIA, EIU RBL

# Strategies

- Strive for operational efficiency
- Stand out from the crowd
- Be proactive
- Be flexible & creative
- Focus on the big picture/global competition
- Think long term
- Don't Panic

# Trivia

- What do the following companies have in common?

**Microsoft**

**Federal Express**

**Hyatt Hotels**

**General Electric**

**Revlon Cosmetics**

**Disney**

- They all began during a recession



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