

# Assessment of the Social and Economic Impact of COVID-19 in Trinidad and Tobago

Strengthening integrated recovery  
planning and policy coherence towards  
the Sustainable Development Goals  
(SDGs) in selected Caribbean States





# Snapshot of Trinidad and Tobago



# Trinidad and Tobago – Socio-Economic Impacts and Challenges of COVID-19

- For 2020, GDP declined by about 7.8 per cent mainly reflecting the impact of the measures to curb the spread of COVID-19, declines in global demand and falling prices in the energy sector. The fall in revenue from the energy sector contributed to a fall in total revenue of 23 per cent of GDP in fiscal year 2020 down from 28.2 per cent of GDP in fiscal year 2019.
- The economy is expected to rebound in 2022, after 2021's contraction. Lighter COVID-19 restrictions and supportive fiscal spending should fuel domestic demand, while high fuel and fertilizer costs bode well for government revenue.
- A Joint Survey conducted by the Trinidad and Tobago Coalition of Service Industries (TTC SI) and the Trinidad and Tobago Manufacturing Association (TTMA) indicated that due to the implementation of the national COVID-19 mitigation measures, businesses within their membership terminated 36 to 55 per cent of full time and part time/contractual employees, respectively.
- The economic fallout has disproportionately disrupted the livelihoods of various groups, including micro, small and medium-sized enterprises (MSMEs), farm workers, tourism workers and those employed in the energy sector.
- Significant social impacts were evident particularly on the most vulnerable in the society. The closure of education institutions disrupted learning outcomes as well as children who benefitted from meal or subsidy programmes such as the School Feeding Programme.



# Responses

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## **Trinidad & Tobago Responses to the COVID-19 Pandemic**

**Increase in health spending**

**Expansion of social safety net programmes**

**Providing food vouchers and meals for vulnerable children**

**Closure of Borders**

**Curfews**

**Restricting activities to only essential services**

**Support to the private sector, including reduction in corporate tax rates**

**Distribution of educational/computer devices to schools**

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# Some Specific Responses

- The Government implemented an economic stimulus package, which leveraged the existing Social Sector Investment Programme (SSIP) and included several fiscal policy measures to keep supply chains active, support hotels to keep them afloat as well as tax credit and tax deferrals.
- On the monetary policy side, the Government reduced the reserve requirement for commercial banks from 17% to 14% and the repo rate by 150 basis points from 5% to 3.5%, which injected TTD2.6Bn in increased liquidity into the commercial banking system.
- Commercial banks were also encouraged to provide moratorium for repayment of loans.
- The Government provided food cards, food vouchers and cash vouchers to ensure vulnerable children have access to food, given the closure of schools, especially those that were part of the national school feeding programme.
- The Government provided a salary relief grant of up to TTD1,500 (~US\$225) per month to workers who experienced income loss, for a maximum period of three months.
- Income support to 46,533 persons who were identified as retrenched/terminated/income-reduced persons
- Income tax refunds totalling TT\$240.0 million to individuals
- Providing financial support to Community Based Organizations and Faith-Based Organizations to distribute to their members.
- The government also provided TTD2,000 (~US\$285) per month fuel subsidy to each maxi taxi owner as part of the relief initiatives for self-employed citizens who have lost their income due to the COVID-19 restrictions.







# COVID-19 Recovery Plans and Related Opportunities for Trinidad and Tobago

- According to the IMF, real GDP growth in 2022 is estimated at 5.7 percent, reinforced by the continued policy support and the anticipated recovery in oil and gas production.
- Output is expected to remain below pre-COVID-19 levels well into the medium-term.
- The Government has signaled its intent to undertake comprehensive structural reforms to promote the non-energy sector, towards reducing the dependence on energy and boosting potential economic growth. This is envisaged as key to supporting medium-term inclusive and sustainable growth and enhancing resilience. In addition to the pandemic, Trinidad and Tobago was impacted by unstable oil prices over the period as well as the impacts of several excess rainfall events.
- The move to develop non-energy related sectors will also require reforms for example to improve the ease of doing business and stimulate entrepreneurship.
- Efforts to build a climate-resilient economy also are being considered, including upgrading to climate-resilient infrastructure and developing the regulatory framework for green financing and renewable energy