

**TRADE PERFORMANCE
REPORT
FOR
TRINIDAD AND TOBAGO
JANUARY TO DECEMBER 2006**



Ministry of Trade and Industry

2007

INTRODUCTION

This report analyzes Trinidad and Tobago's trade performance for the period July to September 2006 with specific attention paid to the Non – Energy Domestic Sector¹. The report seeks to examine the domestic trade balance, domestic exports² and imports, explain the associated trends and identify major or prospective trading partners.

Highlights at a Glance

Some of the main highlights for the period January to March 2006 are:

- A Non – Energy domestic trade deficit of TT\$Mn was recorded, a TT\$279Mn or 10.1% incline from the period January to March 2005.
- A comparison of trade data for January to March 2005/2006 showed that there was an increase in non – energy domestic exports of TT\$420Mn or 33.4%.
- Additionally, non – energy imports also increased by TT\$700Mn or 17.4% over the same period.
- Trinidad and Tobago's domestic exports to Latin America increased significantly, particularly within the Central America Common Market (CACM) and the Andean Community (ANCOM) over the period January to March 2006 compared with 2005 for the same period.
- Coupled with this, Trinidad and Tobago's Non – Energy Domestic Exports to CARICOM increased by 5.9% for the period under review. However, taking the Energy Sector into consideration shows that there was a 106.9% increase in Total Domestic Exports.
- Domestic Exports to Bilateral trading partners such as Colombia, Costa Rica, Dominican Republic and Venezuela has increased over the period.

¹ The non-energy domestic sector, given the Standard International Trade Classification Revision 3 (S.I.T.C. Rev.3) sections, is that part of the classification that includes the following sections – Food and Live Animals; Beverages and Tobacco; Crude Materials (Inedible); Animal & Vegetable Oils, Fats & Waxes; Manufactured Goods Classified Chiefly by Materials; Machinery & Transport Equipment; Miscellaneous Manufacturing; and Commodities & Transactions.

² Domestic exports are exports of products strictly originating from Trinidad and Tobago as opposed to products that are imported only to be re-exported to other countries.

DOMESTIC TRADE BALANCE

This section refers to data from Table 1, Figures 1 & 2, as well as other supporting data in the Appendices.

Domestic Trade Balance

Trinidad and Tobago recorded a Domestic Trade Surplus of **TT\$14,337Mn** for the period January to March 2006. This surplus comprised of TT\$17,381Mn from the Energy Sector, and TT\$-3,044Mn from the Non – Energy Sector. Although there was an overall domestic trade surplus, Trinidad and Tobago recorded a trade deficit in the Non – Energy Sector. Examination of both domestic exports and imports within the Non – Energy Sector should give reasons as to the causes of this negative performance.

Domestic Exports

Trinidad and Tobago's domestic exports over the period January to March 2006 amounted to approximately TT\$22,580Mn. Of this amount, TT\$20,900Mn was of the Energy Sector whilst the difference of TT\$1,680Mn was of the Non – Energy Sector. The major contributors to domestic exports of the latter amount were:

- Manufacturing which represented TT\$1,065Mn or 4.7% of total domestic exports. The greatest export values for this section by S.I.T.C. division were iron and steel with a recorded TT\$810Mn; paper manufactures with TT\$74Mn; and miscellaneous manufactured articles with TT\$53Mn.
- Food and Live Animals was TT\$260Mn or 1.2% of total domestic exports. Again, the major export values for this section by S.I.T.C. division were cereals and cereal preparations for TT\$75Mn; sugar, sugar preparations and honey for TT\$60Mn; and vegetables and fruits for TT\$60Mn.
- Beverages and Tobacco exports totalled TT\$185Mn or 0.8% of total domestic exports. The major export value for this section by S.I.T.C. division was beverages which recorded TT\$142Mn.

Figure 1 shows Non-Energy imports as a percentage of total imports summarized by division of S.I.T.C. (REV.3) for January to March 2006. Appendix I shows the value of the major section contributors to non – energy domestic exports summarized by divisions of the S.I.T.C. (REV.3) for January to March 2005/2006.

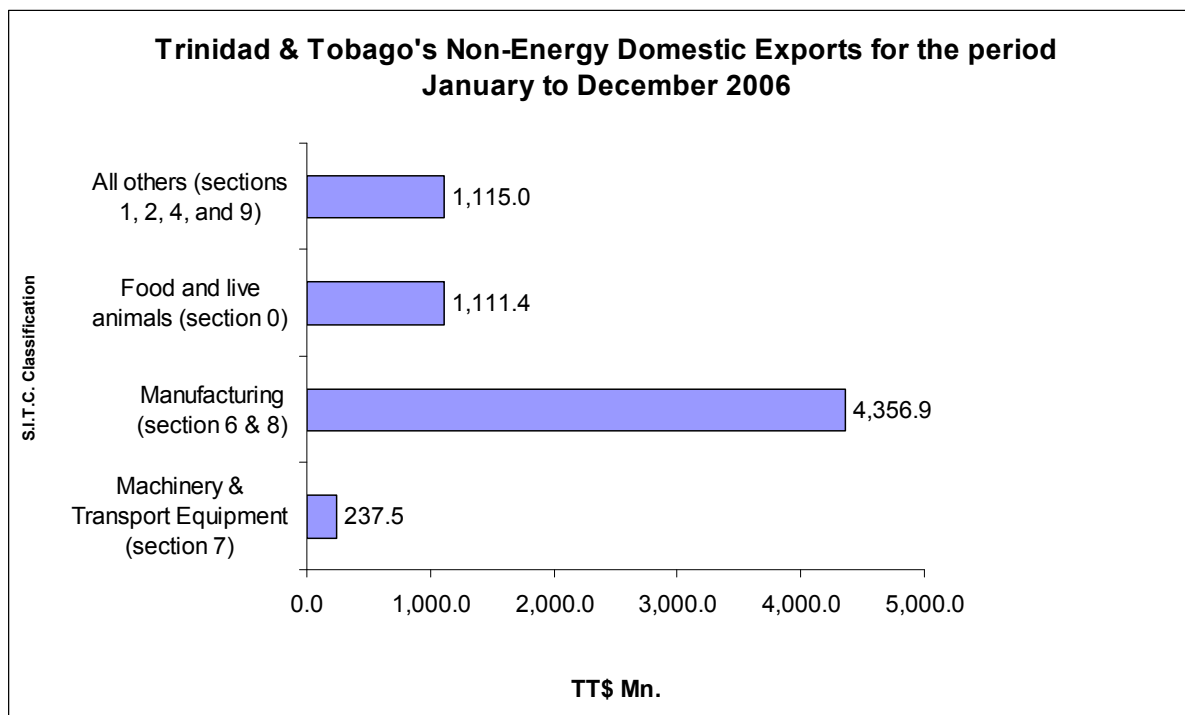


Figure 1

Source: Central Statistical Office

Imports

Trinidad and Tobago's imports over the period January to March 2006 amounted to approximately TT\$8,243Mn. Of this amount, TT\$3,519Mn was of the Energy Sector whilst the difference of TT\$4,724Mn was of the Non – Energy Sector. The major contributors to imports of the latter amount were:

- Machinery & Transport Equipment which represented TT\$2,300Mn or 27.9% of total imports. The greatest import values for this section by S.I.T.C. division were road vehicles with a recorded TT\$528Mn; general industrial machinery, equipment and machine parts with TT\$509Mn; telecom apparatus and equipment with TT\$347Mn; and machinery specialized for particular industries with TT\$317Mn.
- Manufacturing was TT\$1,613Mn or 19.6% of total imports. The major import values for this section by S.I.T.C. division were iron and steel with a recorded TT\$366Mn; manufactures of metal with TT\$239Mn; miscellaneous manufactured articles with TT\$183Mn; and paper manufactures with TT\$170Mn.
- Food and Live Animals imports amounted to TT\$594Mn or 7.2% of total imports. Again, the main categories of imports for this section by S.I.T.C. division were

vegetables and fruits with a recorded TT\$113Mn; cereals and cereal preparations with TT\$95Mn; dairy products and birds' eggs with TT\$95Mn; and miscellaneous food preparations with TT\$76Mn.

- Crude Materials (Inedible) was TT\$137Mn or 1.6% of total imports. The greatest import values for this section by S.I.T.C. division were metal ores and scrap; cork and wood; and crude fertilizers which recorded TT\$57Mn, TT\$46Mn and TT\$18Mn respectively.

Figure 2 shows Non-Energy exports as a percentage of total domestic exports summarized by division of S.I.T.C. (REV.3) for January to March 2006. Appendix II shows the value of the major section contributors to non – energy imports summarized by divisions of the S.I.T.C. (REV.3) for January to March 2005/2006.

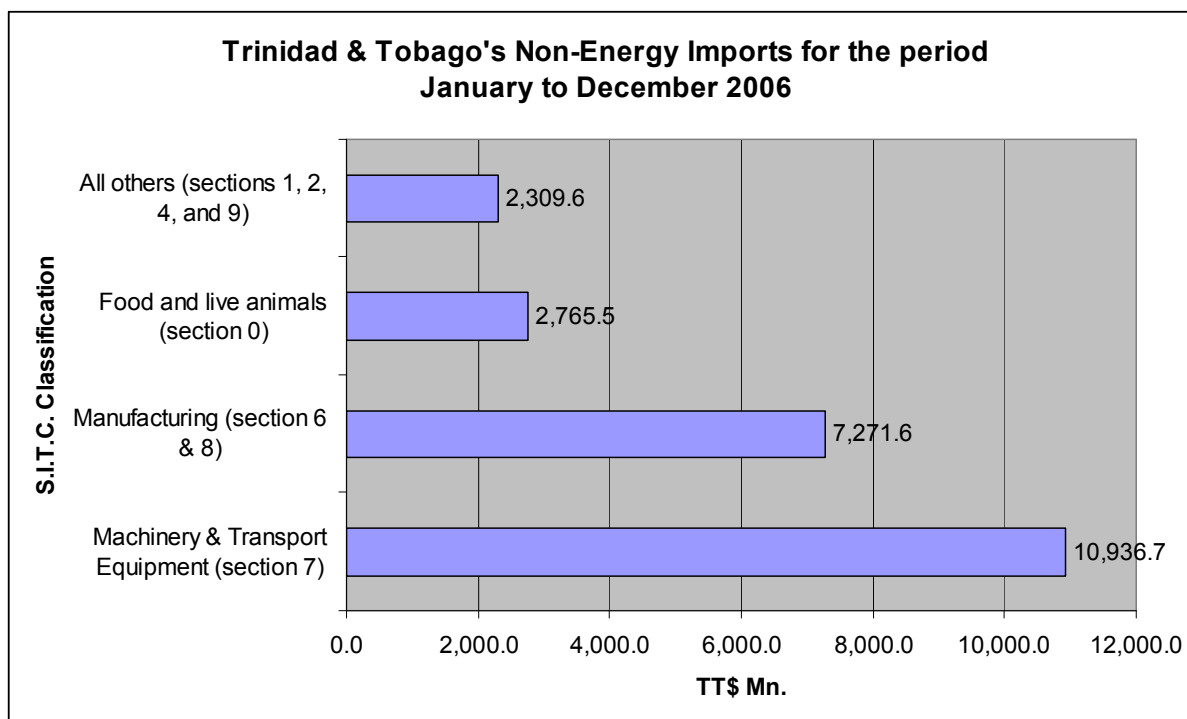


Figure 2

Source: Central Statistical Office

Analysis and Conclusions

The major non – energy domestic export items for the period January to March 2006 was iron and steel for TT\$810Mn. Other major non – energy domestic export items were beverages for TT\$142Mn; cereal and cereal preparations for TT\$75Mn; and paper manufactures for

TT\$74Mn. Given this range of exported manufactured products, one may conclude that Trinidad and Tobago is well diversified in its domestic export market.

Of Trinidad and Tobago's imports the major contributors to the non – energy domestic sector originated from the Machinery & Transport Equipment Section. For the period January to March 2006, the major import item was road vehicles which recorded TT\$528Mn. Other major non – energy sector imports were general industrial machinery, equipment and parts for TT\$509Mn; iron and steel for TT\$366Mn; and telecom apparatus and equipment for TT\$347Mn.

Further analysis showed that Trinidad and Tobago recorded a Non –Energy trade deficit of TT\$3,044Mn for the period January to March 2006, that is non- energy imports had exceeded non – energy domestic exports. More specifically, this deficit may emphasize the need to further expand and develop the productive capacity within the non – energy sector. Further research in areas of export trade competitiveness pertaining to international markets may result in increased domestic exports.

TABLE 1
VALUE OF IMPORTS, DOMESTIC EXPORTS AND DOMESTIC TRADE BALANCE
JANUARY TO DECEMBER 2006 / TTS Mn.

SITC SECTION	IMPORTS JAN - DEC 2006	DOMESTIC EXPORTS JAN - DEC 2006	INCREASE/DECREASE FROM 2005		DOMESTIC TRADE BALANCE JAN - DEC 2005	DOMESTIC TRADE BALANCE JAN - DEC 2006
			IMPORTS	DOMESTIC EXPORTS		
TOTAL	40,934.3	87,956.4	5,046.3	27,431.6	24,637.1	47,022.1
Energy (Sect. 3& 5)	17,650.8	81,135.6	2,532.8	25,871.5	40,146.3	63,484.8
Non – Energy (Excluding Sections 3 & 5)	23,283.5	6,820.8	2,513.5	1,560.1	-15,509.2	-16,462.7
Manufacturing (Sections 6 & 8)	7,271.6	4,356.9	805.5	1,196.9	-3,306.2	-2,914.7
0. Food and Live Animals	2,765.5	1,111.4	41.1	133.5	-1,746.5	-1,654.1
1. Beverages and Tobacco	252.3	857.0	-12.3	73.8	518.7	604.7
2. Crude Materials (Inedible)	1,877.4	242.4	211.8	143.3	-1,566.4	-1,635.0
3. Mineral Fuels, Lubricants & Related Materials	14,329.7	68,024.0	1,846.3	24,530.8	31,009.8	53,694.3
4. Animal & Vegetable Oils, Fats & Waxes	132.8	14.9	19.9	-34.3	-63.6	-117.9
5. Chemicals	3,321.1	13,111.6	686.5	1,340.7	9,136.5	9,790.5
6. Manufactured Goods Classified chiefly be materials	5,025.6	3,948.6	520.4	1,191.9	-1,748.6	-1,077.0
7. Machinery & Transport Equipment	10,936.7	237.5	1,441.3	47.4	-9,305.3	-10,699.2
8. Miscellaneous Manufacturing	2,246.0	408.3	285.1	5.0	-1,557.6	-1,837.7
9. Commodities & Transactions	47.2	0.7	6.2	-0.5	-39.9	-46.5

Source: Central Statistical Office

DOMESTIC TRADE BALANCE TRENDS

This section refers to data from Tables 2 to 4, figure 3, as well as other supporting data in the Appendices.

Trends of the Domestic Trade Balance

For each year over the period January 2001 to March 2006, Trinidad and Tobago had recorded a domestic trade surplus. The domestic trade balance in 2001 was TT\$2,824Mn and although it had declined to TT\$1,109Mn in 2002, by 2003 Trinidad and Tobago experienced an expansion in its domestic trade surplus of TT\$6,225Mn (TT\$7,333Mn from TT\$1,108Mn in 2002). In 2004 the domestic trade surplus continued to expand by 27.4%, from TT\$7,333Mn to TT\$9,342Mn. The largest increase of 148.4% or TT\$13,863Mn in the domestic trade surplus was recorded in 2005. For the period under review January to March 2005/2006, Trinidad and Tobago recorded an expansion in the domestic trade surplus of TT\$7,738Mn or 117.2% from TT\$6,599Mn to TT\$14,337Mn.

TABLE 2
DOMESTIC TRADE BALANCE SUMMARIZED BY
NON – ENERGY AND ENERGY SECTORS
JANUARY 2001 TO DECEMBER 2006 TT\$ / Mn.

YEAR	NON-ENERGY SECTOR TRADE BALANCE	ENERGY SECTOR TRADE BALANCE	DOMESTIC TRADE BALANCE
2001	-10,093.2	12,917.0	2,823.8
2002	-10,080.0	11,188.6	1,108.6
2003	-11,395.3	18,728.3	7,333.0
2004	-15,686.8	25,029.2	9,342.4
2005	-15,509.2	40,146.3	24,637.1
2006	-16,462.7	63,484.8	47,022.1

Source: Central Statistical Office

However, the domestic trade balances for the Non – Energy Sector were all deficits for the same period (January 2001 to March 2006). There were marked increases in the

domestic trade deficit from 2002 to 2004. The Non – Energy Sector Trade Deficit increased from TT\$10,080Mn in 2002 to TT\$11,395Mn in 2003, a 13% increase. This was followed by a relatively larger change in 2004 as the non – energy domestic trade deficit recorded a 37.7% increase from TT\$11,395Mn to TT\$15,687Mn. In 2005 the non–energy domestic trade balance had appeared to improve with a recorded decline in its deficit of TT\$195Mn. Nonetheless, a comparative analysis of the non – energy trade balance for January to March 2005/2006 suggested an increasing trend or worsening of the domestic trade deficit. The deficit at the end of March 2006 had increased by TT\$279Mn from TT\$2,765Mn in March 2005 to TT\$3,044Mn. Appendix III shows the imports, domestic exports and domestic trade balances for the period January 2001 to March 2006 summarized by Energy and Non – Energy Sectors.

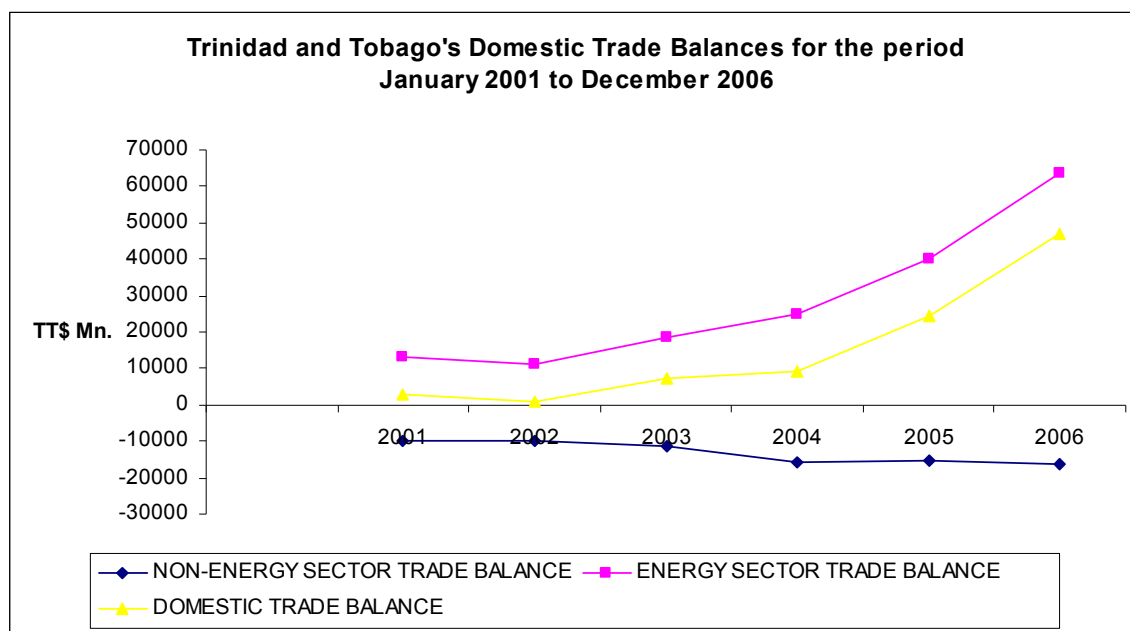


Figure 3

Source: Central Statistical Office

Trends of Non – Energy Sector Exports

As illustrated in Table 3, there is a positive trend or general increase in total domestic exports over the period January 2002 to March 2006. Although domestic exports declined in 2002, in 2003 there was a recorded 38.4% increase (TT\$22,994Mn to TT\$31,834Mn). In 2004 domestic exports was recorded at TT\$40,016Mn, a 25.7% increase and in 2005 at TT\$59,074Mn, a 47.6% increase. An examination of the period January to March 2005/2006 showed a continuation of the trend, as total domestic exports had increased by

TT\$8,568Mn or 61.1% in March 2006 (TT\$14,012Mn to TT\$22,580Mn). However, these increases in domestic exports were largely a result of the Energy sector.

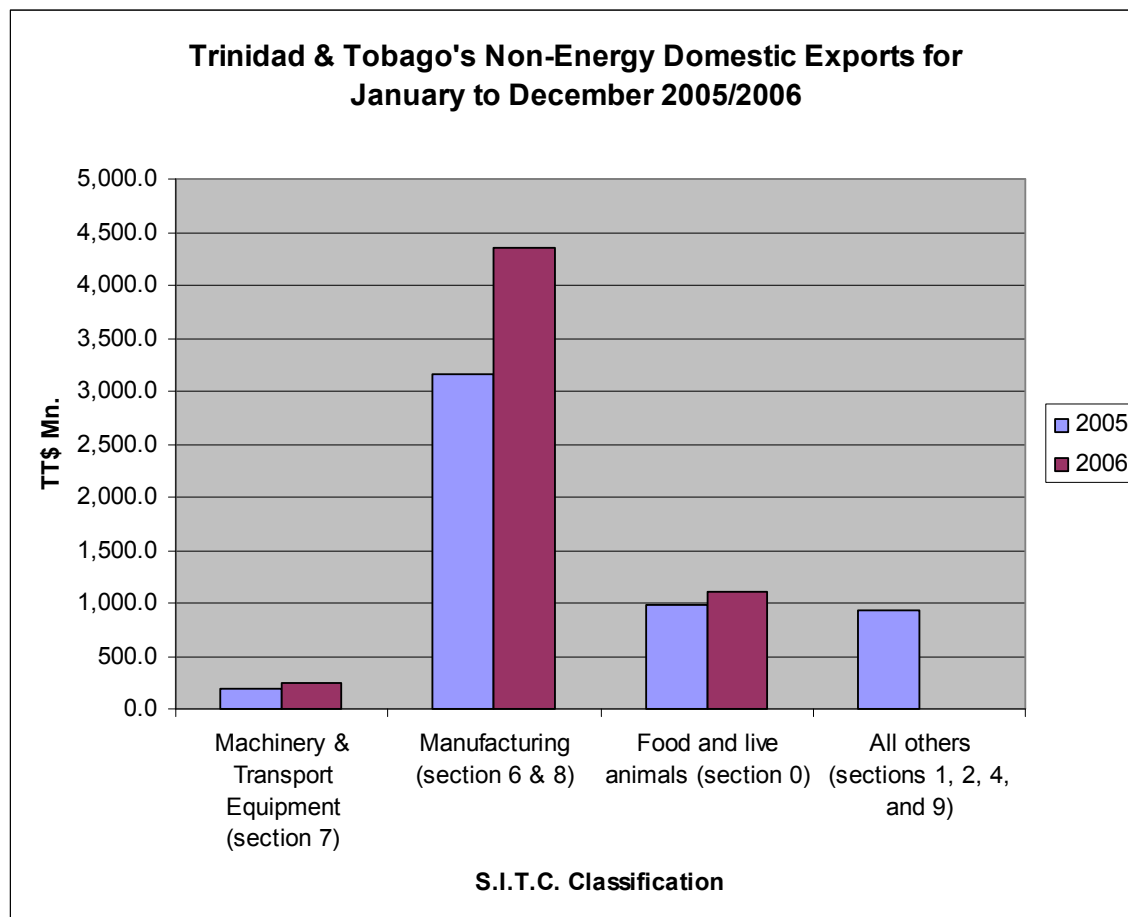


Figure 4

Source: Central Statistical Office

The Non – Energy domestic exports exhibited a fluctuating trend over the period January 2001 to March 2006. There were minor increases and decreases in domestic exports recorded each year for the period mentioned above. A comparative trade analysis of the non – energy domestic exports for January to March 2006 with the same period for 2005 showed increases of TT\$420Mn or 33.4% (TT\$1,260Mn to TT\$1,680Mn). Further analysis showed that the Manufacturing section was the major contributor to non–energy domestic exports.

In March 2006 the Manufacturing section domestic exports expanded by TT\$298Mn or 38.8% from TT\$767Mn in March 2005. Of the contributors to this incline, domestic

exports of textile yarn and fabrics increased by 66.2%; rubber manufactures by 98.5%; iron and steel by 74.6%; and non – metal mineral manufactures by 33.8%. Appendix I shows the value of the major section contributors to non – energy domestic exports summarized by divisions of the S.I.T.C. (REV.3) for January to March 2005/2006.

Other sections that contributed significantly to the expansion of domestic exports were the Food and Live Animals and Beverages and Tobacco sections. The Food and Live Animals’ domestic exports expanded by TT\$11Mn in March 2006 (from TT\$250Mn in March 2005 to TT\$260Mn). Of the contributors to this incline, domestic exports of dairy products and birds’ eggs expanded by 20.5%; coffee, tea, cocoa and spices by 20.1%; miscellaneous food preparations by 19.2%; and cereal and cereal preparations by 18.8%.

TABLE 3
COMPOSITION OF EXPORT TRADE
JANUARY 2002 –DECEMBER 2006 /TT\$/Mn.

S.I.T.C. CLASSIFICATION	2002		2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%	\$	%
Machinery & Transport Equipment (section 7)	123.0	0.5%	123.4	0.4%	172.5	0.4%	190.1	0.3%	237.5	0.3%
Manufacturing (section 6 & 8)	3,073.3	13.4%	2,985.6	9.4%	3,792.4	9.5%	3,160.0	5.2%	4,356.9	5.0%
Energy (sections 3 & 5)	18,321.5	79.7%	27,336.1	85.9%	34,574.9	86.4%	55,264.2	91.3%	81,135.7	92.2%
Food and live animals (section 0)	855.2	3.7%	739.7	2.3%	855.1	2.1%	977.9	1.6%	1,111.4	1.3%
All others (sections 1, 2, 4, and 9)	621.1	2.7%	649.6	2.0%	620.7	1.6%	932.7	1.5%	1,115.0	1.3%
TOTAL	22,994.10	100%	31,834.40	100%	40,015.60	100%	60,524.90	100%	87,956.50	100%

Source: Central Statistical Office

With respect to the Beverages and Tobacco section, an expansion of TT\$10Mn was recorded in March 2006 (from TT\$175Mn in March 2005 to TT\$185Mn). In March 2006 domestic exports of Beverages increased by 7.7% and tobacco and manufactures by

8.8%. Therefore, the expansion in these domestic exports would have impacted favourably on the trade balance. Figure 3 shows the imports, domestic exports and domestic trade balances of the Non-Energy sector for the period January to March 2005/2006.

Trends of Non – Energy Sector Imports

As illustrated in Table 4, there is a positive trend or general increase in total imports over the period January 2002 to March 2006 with the highest percentage increase recorded in 2004 at 25.2% (TT\$30,673Mn in 2004 from TT\$24,502Mn in 2003). A comparative trade analysis of total imports for January to March 2005/2006 showed an increase in total imports of TT\$830Mn. With respect to the Non – Energy Sector, there was a general fluctuating trend in imports for the period January 2002 to March 2006. The main contributors to this trend were the Manufacturing and Machinery & Transport Equipment sections.

As an example, the Machinery & Transport Equipment section's contribution to imports fluctuated over the period with the largest increase in 2004; a 43.6% increase from TT\$7,871Mn in 2003 to TT\$11,306Mn. A comparison of imports for the period January to March 2006 with 2005 for the same period showed an increase of TT\$451Mn within the Machinery & Transport Equipment section. Of the contributors to this incline, telecom apparatus and equipment increased by 197.1%; power-generating machinery and equipment imports by 177.3%; electrical machinery and parts by 54.2%; office machinery and data processing equipment by 30.7%; and road vehicles by 26.3%. This expansion of imports within the Machinery & Transport Equipment section resulted in the worsening or increase of this section's trade deficit. The trade deficit for the Machinery & Transport Equipment section at the end of March 2006 was a recorded TT\$2,247Mn from TT\$1,813Mn in March 2005.

There were similar increases in total imports recorded for both the Manufacturing and Food and Live Animals sections in March 2006. Of the contributors to this incline within the Manufacturing section, non-ferrous metals increased by 168.4%; manufactures of metal by 41.4%; and travel goods and handbags by 40.5%. With respect to the Food and Live Animals section, fish and fish preparations imports increased by 82.1%; feeding

stuff for animals by 73.9%; and cereal and cereal preparations by 32.8%. This would have contributed to the worsening of the domestic trade deficit for the period January to March 2006.

TABLE 4
COMPOSITION OF IMPORT TRADE
JANUARY 2002 –DECEMBER 2006/TT\$/Mn.

S.I.T.C.	2002		2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%	\$	%
Machinery & Transport Equipment (section 7)	7,925.20	36.2%	7,871.40	32%	11,305.80	37%	9,495.40	26%	10,936.70	26.7%
Manufacturing (section 6 & 8)	4,131.90	18.9%	4,779.90	20%	6,578.40	21%	6,466.20	18%	7,271.60	17.8%
Energy (sections 3 & 5)	7,132.90	32.6%	8,607.80	35%	9,545.70	31%	15,118.00	42%	17,650.80	43.1%
Food and live animals (section 0)	1,681.30	7.7%	1,919.20	8%	2,215.60	7%	2,724.40	8%	2,765.50	6.8%
All others (sections 1, 2, 4, and 9)	1,014.10	4.6%	1,323.10	5%	1,027.70	3%	2,084.00	6%	2,309.60	5.6%
TOTAL	21,885.40	100%	24,501.40	100%	30,673.20	100%	35,888.00	100%	40,934.20	100%

Source: Central Statistical Office

However, there were some sections with decreases in imports that positively impacted on their trade balances; that is, improved or decreased the trade deficit for those sections. Such were the Crude materials (inedible) which decreased by TT\$86Mn; and Animal & Vegetable Oils, Fats & Waxes by TT\$10Mn.

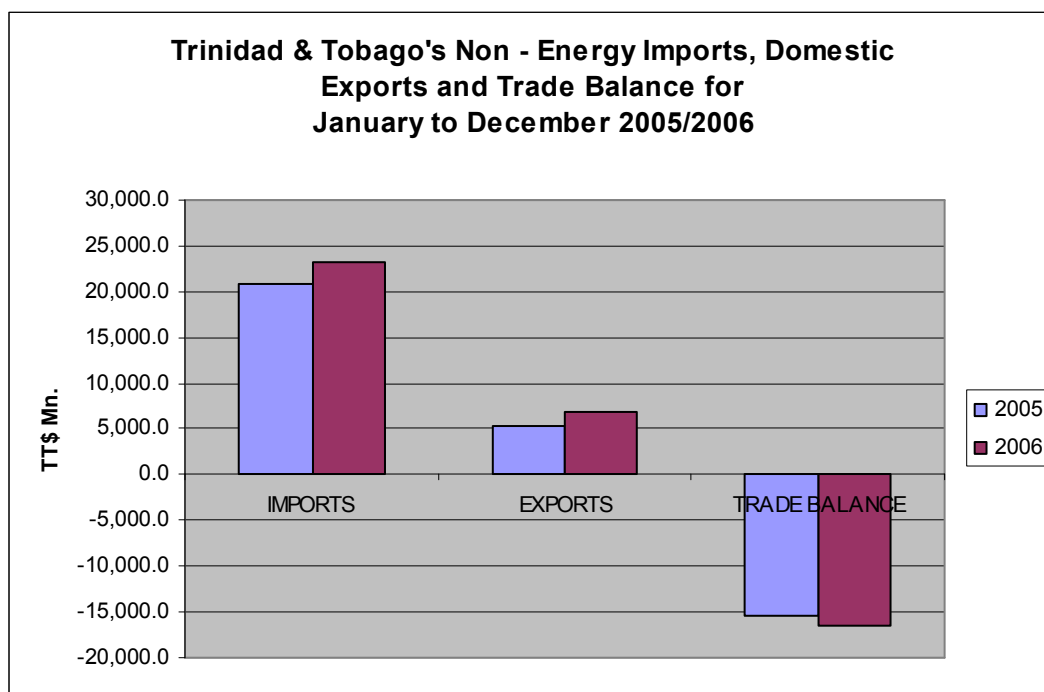


Figure 5

Source: Central Statistical Office

Analysis and Conclusions on the Trends

The trend analysis for the period January 2002 to March 2006 indicated that Trinidad and Tobago experienced an expansion in the domestic trade surplus. However, the Non – Energy domestic trade balances were all deficits with an overall increasing trend. Further analysis of the non – energy sector showed that imports increased by more than 40% and exports by 16% for the period January 2001 to December 2005, for this reason continuous deficits were recorded. Similarly, for the period under review January to March 2005/2006, there were also increases in imports of 17.4% and exports of 33.4% in the Non-Energy sector.

Although there was a positive trend or general increase in total domestic exports over the period January 2002 to March 2006, this was largely accounted for by the Energy sector. With respect to non – energy domestic exports, a fluctuating trend was exhibited over the period. The significant increases in domestic exports occurred in the Manufacturing; Food and Live Animals; and Beverages and Tobacco sections. The increase within these sections would have contributed to the improvement of the non – energy trade balance for the period January to March 2005/2006.

Nevertheless, there was also an increasing trend in total imports over the period January 2002 to March 2006. However, with respect to Non – Energy imports, there was a fluctuating trend recorded for the same period. For the period under review, January to March 2005/2006, increases in imports were recorded in the Manufacturing; Machinery and Transport Equipment; and Food and Live Animals sections. The decline recorded in the imports of the Crude materials (inedible); and Animal and Vegetable Oils, Fats and Waxes sections were not sufficient to offset the other sections' increases.

Further analysis of these sections' imports showed that some items recorded a significantly higher import figure for the period January to March 2006. For example, the 197.1% increase in imports for Telecom Apparatus and Equipment from TT\$117Mn to TT\$347Mn in March 2006. This may indicate that the introduction of an additional telecommunications company may have brought about this drastic increase for these items. With respect to the Manufacturing section, imports of clothing items increased significantly by 272.7% in March 2006 from TT\$30Mn to TT\$111Mn. This indicates that there is a higher demand for foreign clothing as quantity increased more considerably than price.

TRADE WITH MAJOR TRADING PARTNERS

This section refers to data from Tables 5A & 5B, figures 4 & 5, as well as other supporting data in the Appendices.

Main Highlights for the period January to December 2006

Trinidad & Tobago's Top 4 Export Markets (excluding CARICOM)

EXPORTS	TT\$ Mn.	%
United States of America	50,553.2	56.6
Spain	4,774.9	5.3
Hungary	1,405.6	1.6
Mexico	1,402.2	1.6

Source: Central Statistical Office

Trinidad & Tobago's Top 4 Import Markets (excluding CARICOM)

EXPORTS	TT\$ Mn.	%
United States of America	11,152.5	27.2
Brazil	5,678.1	13.9
Colombia	2,430.6	5.9
Nigeria	2,424.6	5.9

Source: Central Statistical Office

Exports to Major Trade Partners

Trinidad and Tobago's export trade for the period January to March 2006 was concentrated among these countries/groups:

- U.S.A., TT\$11,756Mn or 52.1% of domestic exports;
- CARICOM, TT\$4,052Mn or 17.9% of domestic exports;
- European Union (excluding U.K.), TT\$2,935Mn or 13% of domestic exports;
- The Andean Group, TT\$428Mn or 1.9% of domestic exports;

- The Dominican Republic, TT\$257Mn or 1.1% of domestic exports;

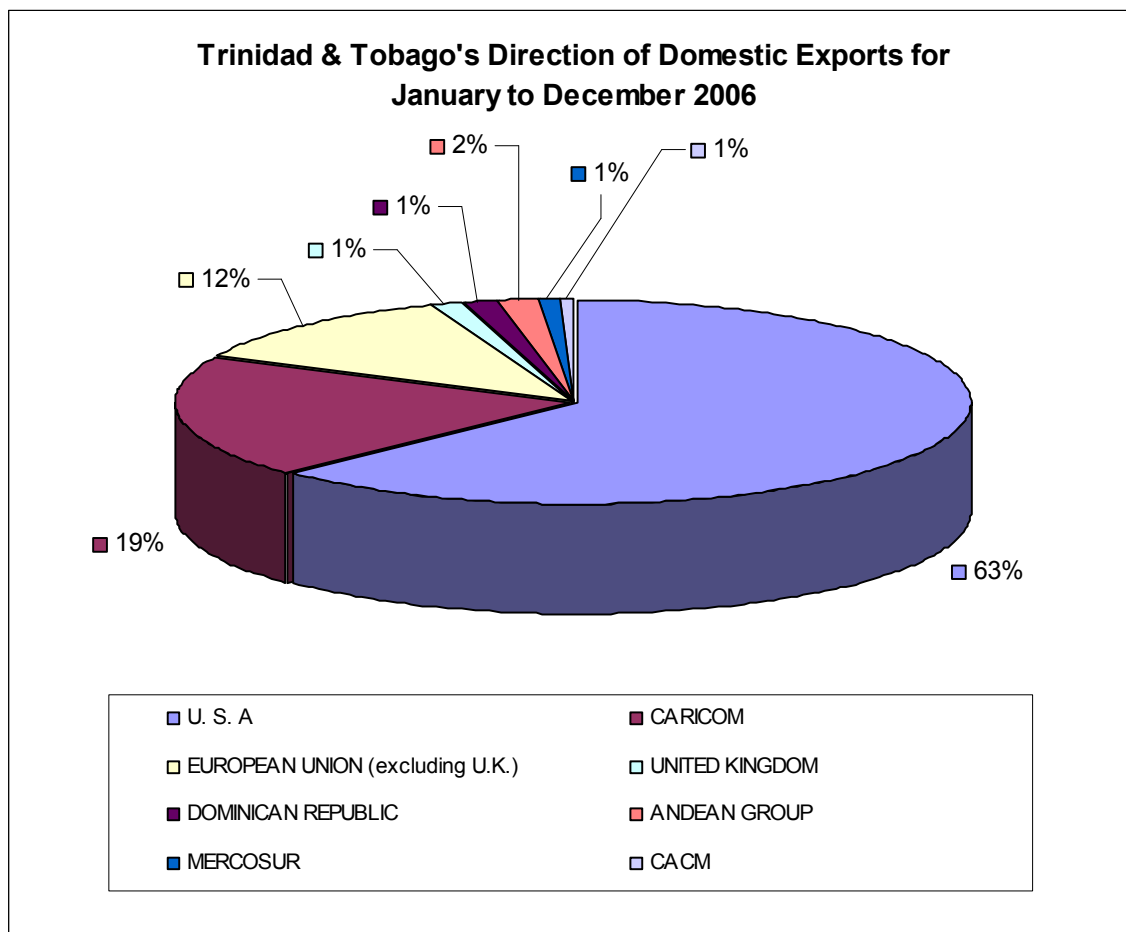


Figure 6

Source: Central Statistical Office

An examination of the major exports to these countries or trading groups over the period January 2002 to March 2006 showed the following trade trends. Firstly, Trinidad and Tobago's major non – energy export items into the U.S.A. are iron and steel, other bars and rods and machinery for specialized industries. Additionally, there is an increasing trend in domestic exports to U.S.A. over the period 2002 to 2005. In 2004 domestic exports to U.S.A. increased by 61.4% from the recorded TT\$17,177Mn in 2003. In 2005 there was a continuation of this trend with a 23.4% increase (to TT\$34,236Mn in 2005 from TT\$27,734Mn in 2004). For the period under review January to March 2005/2006 there was also an increase in domestic exports to U.S.A. by 18.7% (from TT\$9,901Mn to TT\$11,756Mn in March 2006).

TABLE 5 A
TRINIDAD AND TOBAGO'S DOMESTIC EXPORTS TO ITS MAJOR TRADING PARTNERS
JANUARY 2002 TO DECEMBER 2006 / TT\$ / Mn.

COUNTRY	2002	2003	2004	2005	2006
U. S. A	10,696.70	17,177.70	27,734.20	35,635.34	49,901.83
CARICOM	4,796.30	6,300.20	5,366.90	12,807.60	15,223.88
EUROPEAN UNION (excluding U.K.)	2,688.00	2,465.10	1,716.20	3,705.29	9,604.13
UNITED KINGDOM	375.50	390.20	1,010.30	1,126.26	1,141.28
DOMINICAN REPUBLIC	488.10	527.50	609.10	770.60	987.12
ANDEAN GROUP	490.50	509.80	328.20	1,194.40	1,275.66
MERCOSUR	118.20	188.50	258.80	470.30	655.12
CACM	2,148.50	147.20	279.50	1,056.10	535.79

Source: Central Statistical Office

With respect to the Latin American markets, domestic export trade with the Mercosur³ has increased over the period January 2002 to March 2006. However, export trade with the Andean⁴ and CACM⁵ group has fluctuated over the same period. In 2004 domestic exports to Mercosur increased by 37.3% from the recorded TT\$189Mn in 2003. In 2005 domestic exports to Mercosur countries continued to increase by 81.7% from TT\$259Mn in 2004. In March 2006 domestic exports continued to increase by 79.6% from TT\$90Mn in March 2005. Trinidad and Tobago's major export items to Mercosur are other bars and rods of non-alloy steel; other refrigeration equipment; air-conditioning machinery; and parts for other machinery.

³ The Mercosur group consists of Argentina, Brazil, Paraguay and Uruguay. Venezuela joined on 5th July, 2006.

However, the domestic export trade with the Andean⁴ group has experienced a fluctuating pattern over the period January 2002 to March 2006. Domestic exports decreased by 35.6% (TT\$328Mn in 2004 from TT\$510Mn in 2003). Nevertheless, there was an improvement in domestic export trade with the Andean group as a large increase of 263.9% was recorded in 2005 (TT\$1,194Mn in 2005 from TT\$328Mn in 2004). Also, in March 2006 there was a recorded increase of 77.4% in domestic exports from TT\$241Mn in March 2005.

Domestic export trade with the CACM⁵ (Central American Common Market) has experienced fluctuations in domestic exports for the period January 2002 to March 2006. Domestic exports had decreased by 93.1% (from TT\$2,149Mn in 2002 to TT\$147Mn in 2003). Then, an increase of 89.9% was recorded in 2004 and a further increase of 277.9% was recorded in 2005 (from TT\$280Mn in 2004 to TT\$1,056Mn in 2005). For the period January to March 2005/2006 domestic exports expanded by 310.8% from TT\$48Mn to TT\$198Mn.

Thirdly, trade with the Dominican Republic has shown a steady incline in domestic exports for the period January 2002 to March 2006. In 2004 domestic exports expanded by 15.5% from TT\$528Mn in 2003. In 2005 domestic exports further increased by 27.8% (TT\$771Mn in 2005 from TT\$603Mn in 2004). Domestic exports for the period January to March 2005/2006 continued to increase by 8.2% from TT\$238Mn to TT\$257Mn. Some of the common non – energy export items to the Dominican Republic are other bars and rods of non-alloy steel; baby paper napkins and liner; and toilet paper tissue.

With regard to countries in which Trinidad and Tobago are in current bilateral agreements, export trade has increased. For example, for the period January to March 2005/2006, domestic exports to Colombia has improved by TT\$400Mn; Costa Rica by TT\$28Mn; Dominican Republic by TT\$20Mn; and Venezuela by TT\$3Mn.

⁴ The Andean group consists of Bolivia, Colombia, Ecuador, Peru and Venezuela. Venezuela withdrew in 2006.

⁵ The CACM group consists of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua

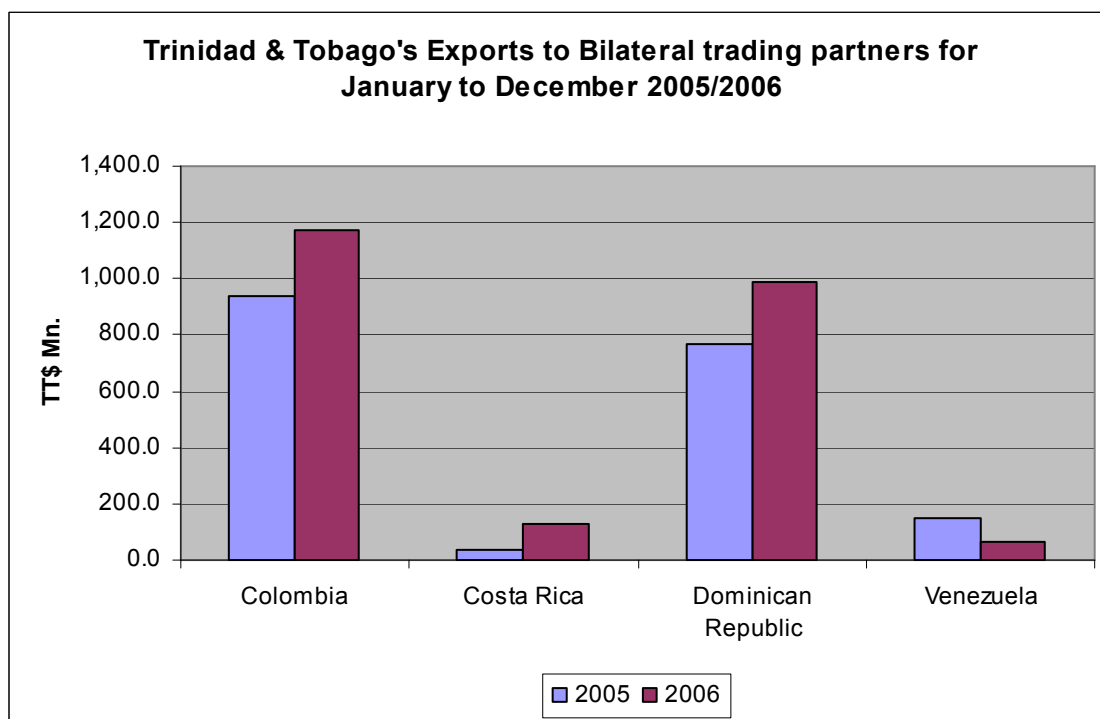


Figure 7

Source: Central Statistical Office

Lastly, export trade with CARICOM displayed similar fluctuations over the period January 2002 to March 2006. Domestic exports decreased by 18% (TT\$5,141Mn in 2004 from TT\$6,300Mn in 2003). Then, in 2005 there was an increase of 149.1% in domestic exports from TT\$5,141Mn in 2004 to TT\$12,808Mn. The major CARICOM domestic export markets (excluding energy products) for the period January to March 2005/2006 were Jamaica with TT\$187Mn in domestic exports, Barbados for TT\$2,542Mn and Guyana with TT\$98Mn. The major exports to the CARICOM countries are mainly non-metallic mineral manufactures of the Manufacturing section, aerated beverages and tobacco manufactures of the Beverages and Tobacco section, and cereal and cereal preparations of the Food and Live Animals section. Appendices VI, VIII, X, and XII show the items and values of some of the top major exports to the above mentioned trade partners for January to December 2002 to 2005.

Imports from Major Trade Partners

The following countries/groups accounted for about 51% of Trinidad and Tobago's total imports for the period January to March 2006:

- U.S.A., TT\$2,252Mn or 27.3% of total imports;

- The Andean group, TT\$929Mn or 11.3 of total imports%;
- European Union (excluding U.K.), TT\$769Mn or 9.3% of total imports;
- The United Kingdom, TT\$278Mn or 3.4% of total imports

TABLE 5 B
TRINIDAD AND TOBAGO'S IMPORTS FROM ITS MAJOR TRADING PARTNERS
JANUARY 2002 TO DECEMBER 2006 TT\$ / Mn.

COUNTRY	2002	2003	2004	2005	2006
U. S. A	7,679.80	7,388.70	10,397.20	10,307.20	11,152.52
EUROPEAN UNION (excluding U.K.)	3,024.30	3,576.50	5,595.50	3,099.46	3,260.32
MERCOSUR	1,274.70	2,337.20	3,432.00	5,103.45	7,667.27
UNITED KINGDOM	817.20	883.30	1,637.40	1,419.69	1,097.15
ANDEAN GROUP	2,695.50	2,544.10	1,500.30	4,535.05	2,575.21
CARICOM	515.30	588.90	463.40	700.24	611.89
CACM	2,148.50	147.20	136.50	174.49	178.45

Source: Central Statistical Office

Firstly, the majority of Trinidad and Tobago's non – energy imports from the Machinery & Transport Equipment section originates from U.S.A. More specifically, over 2002 to 2005 the items usually imported from the U.S.A. are general industrial machinery and equipment; other transport equipment; and machinery specialized for particular industries. Similarly, for the period January to March 2006, imports originating from the Machinery and Transport equipment section continued to rise. Examples of items that specifically increased were telecom apparatus and equipment; power generated machinery and equipment; and road vehicles.

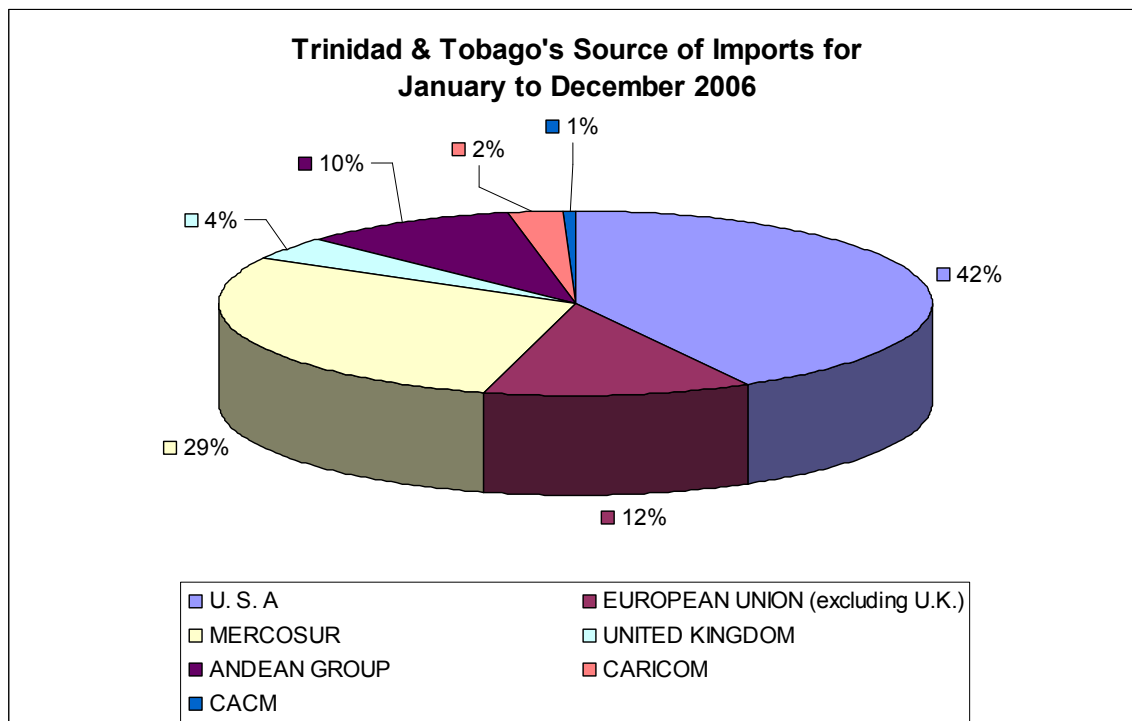


Figure 8

Source: Central Statistical Office

Secondly, there was a recorded decline in total imports from the European Union (excluding the U.K.) by 165.2%, United Kingdom by 60.5% and Mercosur by 0.7%. The major imports from the Mercosur, Andean and CACM groups are paper and paperboard products, toilet and facial tissue, baby napkins, corned beef, condensed milk, bottles for drinks and tobacco products. Appendices V, VII, IX and, XI show the items and values of some of the top major imports from the above mentioned trade partners for January to December 2002 to 2005.

Conclusion

Although Trinidad and Tobago's economy experienced an overall domestic trade surplus, the Non-Energy trade sector recorded a deficit for the period January to March 2006. That is Non-Energy imports had exceeded Non-Energy domestic exports. Nevertheless, the economy seems well diverse given its wide range of domestic items exported to extra regional markets. Trinidad and Tobago's export trade with its major trading partners, such as Latin America and the Dominican Republic has improved for the period January to March 2006. However, there still exists the need to further invest and develop new sectors within the economy.