

# MARKET CONDITIONS

G.A. Farrell and Associates Limited

Trinidad and Tobago's economic environment continues to reflect both resilience and uncertainty amid shifting global and domestic developments. The country has recently undergone a significant political transition following general elections held on April 28, 2025. The United National Congress (UNC), led by the Honourable Mrs. Kamla Persad-Bissessar, secured a parliamentary majority and has formed the new government. This political development is expected to give rise to revisions of fiscal priorities, economic policies, and public sector programmes, as the administration moves to implement its agenda in the months ahead.

Trinidad and Tobago remains classified by the International Monetary Fund (IMF) as an emerging market and developing economy. According to the IMF's April 2025 World Economic Outlook, real GDP growth is forecasted at 2.4 percent, supported primarily by public investment and contributions from the non-energy sector. Headline inflation is expected to remain modest at 1.3 percent. Notably, global economic activity is projected to slow to 2.8 percent due to softening growth in advanced economies, re-escalated geopolitical tensions, and supply-side constraints affecting energy markets.



Source: IMF World Economic Outlook Database, April 2025

The local energy sector continues to play a pivotal role in supporting government revenues, trade activity, and investor sentiment. In early April 2025, BP Trinidad and Tobago (bpTT) announced that gas production commenced at its Cypré development off Trinidad's southeast coast. Peak production is expected to reach approximately 250 million standard cubic feet per day (mmscf/d), providing much-needed reinforcement to local gas supply chains. This comes at a time when the country's gas output had been on a declining trend, from an average of 3.1 billion standard cubic feet per day in 2022 to just under 2.6 billion in late 2023.

## WE VALUE



Residential Properties



Commercial Properties



Land - Residential / Agricultural



Industrial Properties



Special-Purpose Properties



Current Replacement Cost

## OUR BRANCHES:

### Port of Spain

#23 Ariapita Avenue,  
Woodbrook,  
Port of Spain  
Tel: (868) 624-8628 / 624-6629

### San Fernando

#51 Harris Street,  
San Fernando  
Tel: (868) 657-7162 / 657-5630

### Chaguanas

#9 Mulchan Seuchan Road,  
Chaguanas  
Tel: (868) 238-3697 / 239-2764

### Arima

Shops of Arima, #51-59  
Tumpuna Road,  
Arima  
Tel: (868) 230-5321

### Tobago

Unit #5, TATECO Building,  
Wilson Road,  
Scarborough,  
Tobago  
Tel: (868) 639-3077

# MARKET CONDITIONS (CONT'D)

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Conversely, the revocation of U.S. licenses relating to the Dragon and Manakin-Cocuina cross-border gas fields has introduced renewed uncertainty into Trinidad and Tobago's energy diversification strategy. These projects, previously approved under a special sanctions waiver by the U.S. Office of Foreign Assets Control (OFAC), were expected to supplement domestic feedstock volumes for LNG and petrochemical processing. The revocation followed Venezuela's failure to meet electoral reform benchmarks stipulated under the 2023 Barbados Agreement. While the full implications of this decision are yet to unfold, any sustained disruption to future upstream developments may hinder long-term energy sector stability.

On the trade front, a reciprocal tariff regime introduced by the United States on April 2, 2025, imposes duties ranging from 10 to 50 percent on imports from over 180 countries, including Trinidad and Tobago. While the Ministry of Trade and Industry indicated that 47 percent of T&T's U.S.-bound exports are not directly affected, the tariff regime could affect local exporters' competitiveness, particularly in the manufacturing and agri-processing sectors. Regional trade within CARICOM has remained steady, although shipping costs continue to fluctuate in response to elevated insurance premiums in Trans-Atlantic and Middle Eastern shipping routes.

Foreign exchange (forex) availability remains a key challenge for local businesses and investors. In response, the Export-Import Bank of Trinidad and Tobago (EximBank) launched a new SME Forex Window in April 2025. This facility enables qualified small and medium enterprises to access up to US \$50,000 per month to satisfy international payment obligations. The measure is part of a broader strategy to stabilize forex allocation while mitigating disruptions to trade, inventory sourcing, and capital equipment procurement.

Government infrastructure spending continues to support construction-related activity. Programmes related to road rehabilitation, transportation linkages, and flood mitigation remain underway, including the Cumuto to Sangre Grande Highway segment and the Diego Martin Vehicular Overpass. These initiatives are expected to contribute to employment generation and demand for aggregates, asphalt, and civil engineering services. While the Public Sector Investment Programme (PSIP) remains under review following the political transition, projects that have already commenced are likely to continue through to completion.

In the financial sector, the Central Bank of Trinidad and Tobago has maintained its repo rate at 3.50 percent. Credit expansion remains moderate, with growth in mortgage lending, personal loans, and commercial credit reflecting cautious optimism among both consumers and businesses. The commercial banks' median prime lending rate has remained stable at 7.50 percent. It is also worth noting that the Trinidad and Tobago Mortgage Bank (TTMB), a consolidated entity formed from the merger of TTMF and HMB, continues to play a key role in housing finance. As of the end of 2024, TTMB had raised TT \$797 million in capital and approved TT \$403 million in new loans.

The residential property market has remained relatively stable, particularly within established urban and suburban areas. While affordability remains a concern in some segments, government-subsidized housing, mortgage assistance, and the ongoing availability of private financing have helped to support transaction volumes. Commercial rental activity remains subdued in certain Class B and fringe locations but stable in high-demand corridors such as Port of Spain's central core, St. Clair, and Chaguanas.

From a macroeconomic perspective, local food import bills remain elevated, recorded at approximately TT \$7.3 billion in 2023. The Government has reiterated its commitment to food security, identifying it as a top national priority. In line with CARICOM's goal to reduce regional food import dependency by 25 percent by 2025, the national strategy focuses on enhancing output in key subsectors including cocoa, livestock, fisheries, rice, coffee, and coconuts. Initiatives include the distribution of land leases and agricultural incentives, infrastructure improvements for roads and irrigation, targeted pest mitigation, and investments in agro-processing through NAMDEVCO. Additionally, the government is pursuing climate-smart agriculture via renewable energy systems and digital platforms aimed at improving agricultural efficiency and resilience.

Internationally, the election of Donald Trump as President of the United States in November 2024 has prompted renewed discussion on American trade and foreign policy. Of relevance to Trinidad and Tobago is the possibility of a return to a more protectionist U.S. trade stance, as well as a more hardline posture towards Latin American states such as Venezuela. The interplay of these dynamics may have indirect effects on T&T's energy diplomacy, regional stability, and foreign investment sentiment.

In conclusion, the local economy is expected to benefit from modest growth supported by public sector initiatives, energy production, and consumer confidence. However, global uncertainties—particularly those surrounding trade, energy market disruptions, and fiscal recalibrations under a new administration—necessitate careful monitoring. The performance of the real estate sector is likely to reflect these macroeconomic undercurrents, with stable but cautious activity projected over the medium term.

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