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MEDIA RELEASE

TT CHAMBER: FISCAL PROGRESS MUST NOW TRANSLATE INTO BUSINESS GROWTH

The Trinidad and Tobago Chamber of Industry and Commerce welcomes the positive fiscal and institutional progress outlined in the Minister of Finance's 2026 Mid-Year Review. The improvement in the country's fiscal position, strengthened revenue performance, movement towards primary fiscal balance and renewed engagement with international development partners are encouraging indicators that Trinidad and Tobago is rebuilding macroeconomic stability and strengthening investor confidence.



The Mid-Year Review presents one of the strongest fiscal signals in recent years. Revenue has outperformed budget expectations, expenditure has remained below projections, the fiscal deficit has narrowed, and the primary deficit has improved dramatically from approximately \$2.93 billion last year to just \$101 million at mid-year. Together with the upward revision in energy price assumptions, these developments demonstrate a more stable fiscal outlook and provide the Government with greater capacity to advance its economic agenda.

The Chamber also welcomes the positive international signals emerging over recent months. Moody's revision of Trinidad and Tobago's outlook from Negative to Stable, the country's removal from the European Union blacklist, stronger financial performance by NGC, and renewed engagement by CAF, the World Bank and the Inter-American Development Bank all reinforce confidence in Trinidad and Tobago's economic direction. These developments strengthen the country's reputation among investors and create opportunities to attract new investment and support sustainable growth.

Equally encouraging is the Government's continued emphasis on public sector modernisation, digital transformation and institutional reform. Businesses have consistently advocated for faster, more transparent and predictable government services. The modernisation of revenue agencies, expansion of digital public services and proposed investments in digital infrastructure, including the Tier IV Data Centre, are important initiatives that can improve efficiency, reduce transaction costs and position Trinidad and Tobago as a competitive regional digital economy. The Chamber believes these achievements deserve recognition.

However, macroeconomic stability is not an end in itself. Its value lies in creating the conditions for businesses to invest, expand, employ more people and compete successfully at home and abroad.

Today, many businesses continue to face significant operational constraints. Access to foreign exchange, prolonged VAT refund delays, liquidity shortages, crime, regulatory bottlenecks and lengthy approval processes continue to inhibit investment, constrain expansion and reduce competitiveness. While confidence in the economy is improving, businesses must also experience meaningful improvements in the day-to-day operating environment.

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Improving private sector liquidity should therefore be an immediate priority. The Chamber continues to advocate for a structured and transparent programme to eliminate the VAT refund backlog through clear repayment schedules, prioritisation of SMEs and businesses experiencing cash flow constraints, and practical mechanisms that allow approved VAT refunds to be offset against other tax obligations where appropriate. For many businesses, VAT refunds represent essential working capital needed to pay employees, purchase inventory, meet supplier obligations and finance growth.

Similarly, the accelerated settlement of outstanding payments owed to contractors, suppliers and service providers would inject liquidity directly into the economy, strengthen business confidence and stimulate economic activity without creating new programmes or administrative complexity.

The Chamber is encouraged by Government's commitment to review the operations of EXIMBANK and strengthen support for productive sectors. Foreign exchange availability remains one of the most significant challenges facing exporters, manufacturers, distributors, retailers and SMEs. Greater transparency, efficiency and access within the foreign exchange system will be critical to improving business confidence and export competitiveness. The Chamber has previously outlined its position on foreign exchange reform in a dedicated position paper available on its website,

While developments within the energy sector remain positive, Trinidad and Tobago's long-term prosperity must increasingly be driven by a diversified economy. Manufacturing, agriculture, tourism, logistics, digital services, professional services and the creative industries all possess significant potential to generate employment, increase exports and expand foreign exchange earnings. Achieving this requires more than sound fiscal management. It requires a national competitiveness agenda.

The Chamber continues to advocate for coordinated action to improve productivity, reduce regulatory burdens, strengthen trade facilitation, accelerate investment approvals, encourage innovation, expand export capacity and develop internationally competitive businesses. These reforms will determine whether improved fiscal conditions translate into sustained economic growth.

The Chamber also sees significant opportunity to leverage the growing engagement of CAF, the IDB, the World Bank and other international partners to accelerate diversification, SME internationalisation, cluster development, productivity enhancement and private sector competitiveness. These institutions offer not only financing but also technical expertise, implementation support and global best practice that can accelerate Trinidad and Tobago's economic transformation.

The Minister correctly observed that confidence is one of the most important drivers of economic activity. The Chamber agrees. Confidence, however, is sustained not only by sound fiscal indicators, but by visible improvements in the business environment. Businesses gain confidence when foreign exchange becomes more accessible, approvals become faster, VAT refunds are paid on time, government services become more efficient, infrastructure improves, crime declines and investment decisions become easier to make.

The Mid-Year Review demonstrates that Trinidad and Tobago is moving onto stronger fiscal footing. The

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next phase must be translating that fiscal progress into measurable gains in productivity, competitiveness and private sector growth. Ultimately, businesses will judge success by outcomes rather than announcements. Increased investment, stronger exports, improved liquidity, more efficient public administration, better access to foreign exchange, faster regulatory approvals, growing employment and measurable improvements in the ease of doing business will determine whether confidence evolves into sustained economic prosperity.

The Trinidad and Tobago Chamber of Industry and Commerce remains committed to working collaboratively with Government, labour, development partners and civil society to advance practical solutions that strengthen competitiveness, support enterprise, expand exports, attract investment and improve the quality of life for every citizen.

Trinidad and Tobago has an opportunity to build on a stronger fiscal foundation. Converting that progress into lasting prosperity will depend on disciplined implementation, policy certainty and an unwavering commitment to making Trinidad and Tobago one of the most competitive places to do business in the Caribbean.

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