



Leveraging our Strength for an International Financial Centre

Hyatt Regency Hotel

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1. Strong Macroeconomic Fundamentals

	2003	2004	2005	2006	2007 ^p
Real GDP (%)	14.4	7.8	6.1	12.2	5.5
Energy (%)	31.4	8.2	8.4	21.4	4.4
Non-Energy (%)	6.7	6.7	5.0	6.6	6.7
GDP per capita (US\$)	8,860	10,234	11,762	14,788	16,090
Unemployment Rate (%)	10.5	8.4	8.0	6.2	5.9
Public Sector Debt/GDP	49.9	44.6	37.6	30.5	28.3
External Debt/GDP (%)	13.2	9.9	8.4	6.3	5.6
Current Account Surplus/GDP (%)	8.9	13.4	23.7	25.5	16.2
Gross Official Reserves (US\$ Mn)	2,007.5	2,539.1	4,014.9	5,134.1	6,673.5
International Ratings Standard & Poor's	BBB-	BBB+	A-	A-	A-

2. Macroeconomic Fundamentals

	Non-Energy GDP /per cent/				
	2003	2004	2005	2006	2007 ^p
Non-Energy GDP	6.7	6.7	5.0	6.6	6.7
of Which:					
<i>Agriculture</i>	-15.3	-34.2	-9.2	-0.9	-5.9
<i>Manufacturing</i>	12.0	5.2	12.6	9.4	8.0
<i>Construction</i>	23.4	8.1	13.4	4.3	5.2
<i>Finance, Insurance & Real Estate</i>	7.3	21.7	0.4	1.2	10.5
Memo: Contribution of Financial Sector to Total Employment	8.4	8.3	7.8	8.2	8.3

3. Financial System Soundness Indicators

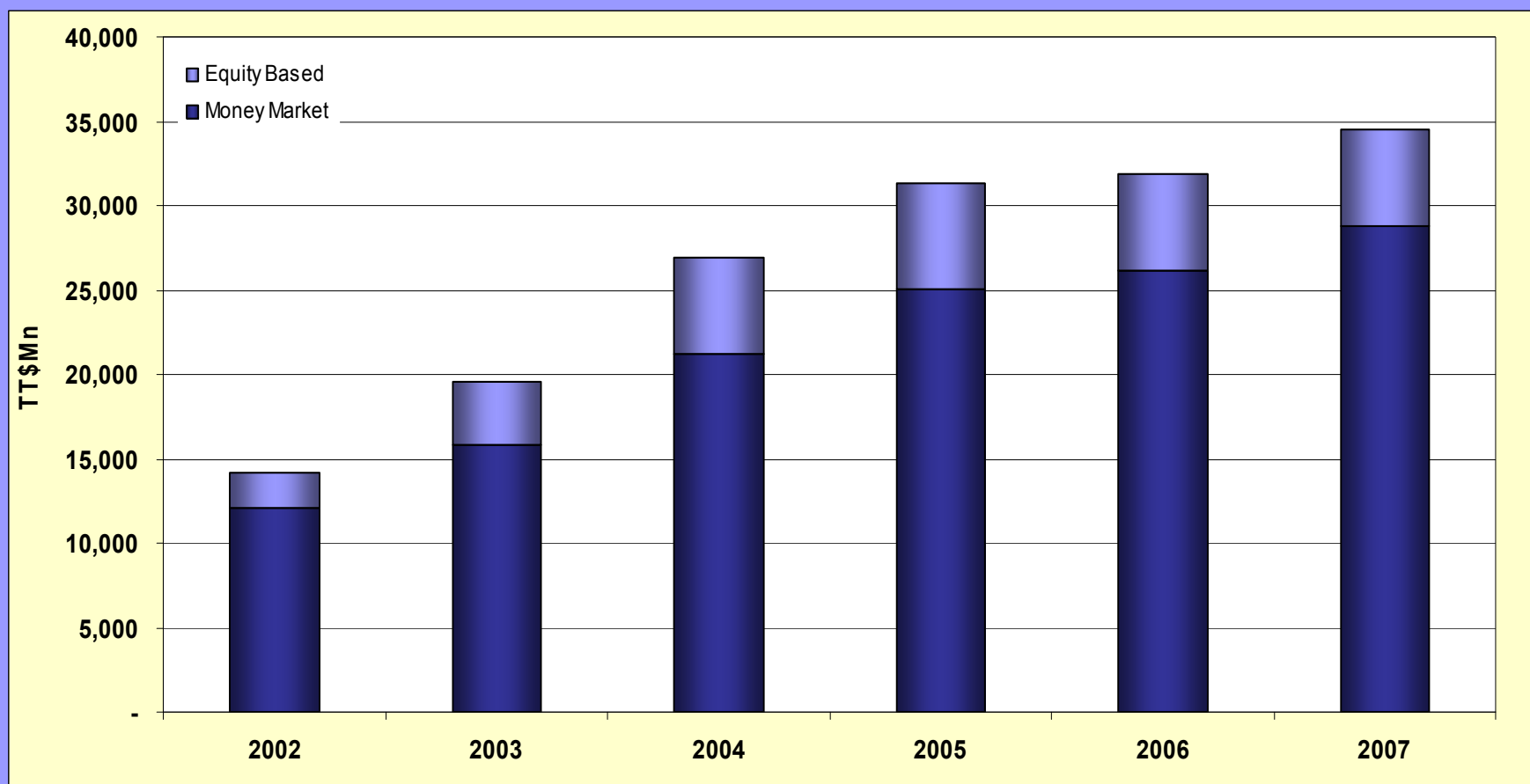
	2003	2004	2005	2006	2007
Total Assets (TT\$Bn)	62.8	71.2	82.9	92.9	103.9
Annual Growth in Total Assets (%)	11.2	12.9	16.5	11.9	11.8
<u>Asset Quality:</u>					
Nonperforming Loans to Gross Loans (%)	2.6	3.7	2.7	2.7	1.4
<u>Earnings and Profitability</u>					
Return on Assets (%)	4.0	5.2	3.6	4.6	4.8
Return on Equity (%)	29.9	36.1	25.0	31.8	33.9
<u>Capital Adequacy:</u>					
Core Capital to Risk Adjusted Assets (%)	19.1	18.3	18.8	18.6	17.9

4. Banking System Credit:

Domestic and Offshore

Trinidad & Tobago			
/per cent/			
	Dec-05	Dec-06	Dec-07
Domestic	76.0	75.3	79.3
CARICOM	20.0	16.3	14.6
of which: Barbados	2.8	2.3	2.5
Dominican Republic	0.6	0.4	0.3
Grenada	0.6	0.5	0.4
Jamaica	4.6	2.9	2.0
St. Lucia	5.0	4.7	4.5
Suriname	0.5	0.5	0.4
Belize	0.6	0.5	0.1
Guyana	0.5	0.4	0.4
Rest of the World	4.0	8.4	6.1
of which: United States of America	3.0	6.0	4.4
Total	100.0	100.0	100.0

5. Mutual Funds – Aggregate Fund Value



6. Regional Bond Placements (US\$ Mn)

	Bond Placements		
	Sovereign	Other	Total
2000	30.0	-	30.0
2001	39.6	166.7	206.3
2002	70.1	-	70.1
2003	177.8	368.2	546.0
2004	230.4	196.9	427.3
2005	93.0	171.2	264.2
2006	5.0	215.8	220.8
2007	11.0	241.0	252.0

7. Financial Infrastructure

- Development of Inter-bank Payments System
 - Real Time Gross Settlement System (RTGS)
 - Government Securities System (On-line Auction System and Integrated Securities Depository)
- Introduction of Electronic Trading on Stock Exchange
- Introduction of Regional Credit Rating Agency (CariCris)
- Introduction of Automated Credit Bureau
- Introduction of electronic auction for primary issuance of government securities

8. Legislative Agenda

■ Financial Sector Reform

- Upgrade of Regulatory and Legislative Infrastructure

Financial Legislation

- New Financial Institutions Act (FIA) draft completed
- New Securities Industries Act (SIA) draft completed
- New Insurance Act currently being drafted
- New legislation for Pension Funds in train
- New legislation for Credit Unions in train

Other Legislation

- Proceeds of Crime Act
- Electronic Transfer of Funds Crime Act
- Computer Misuse Act

Establishment of Regulatory Policy Council

9. Challenges for emerging markets with IFCs

- Avoid negative contagion between the IFC and the domestic economy
- IFC may increase competition for the scarce technical and managerial resources
- Can constrain the economic and financial policies of the home country to those consistent with the IFC status
- IFCs can produce a new high wage elite

The end