

Operating surplus at energy SoEs jumps 37%



Heritage Petroleum Company contributed significantly to the total operating surplus generated by energy state owned enterprises (SoEs) in the first eight months of the 2026 financial year.



Trinidad and Tobago's non-financial public sector recorded an operating surplus of \$1.27 billion during the first eight months of fiscal 2026, almost doubling the \$662 million recorded over the corresponding period a year earlier, as improved cash operations among energy state enterprises helped offset weaker balances elsewhere in the public sector.

The Ministry of Finance's October 12 review of the economy shows that the Rest of the Non-Financial Public Sector generated an operating surplus of \$1,273.6 million for the period October 2025 to May 2026. Total operating revenue increased by 6.6 per cent to \$40,626.1 million, while operating expenditure rose by a slower 5 per cent to \$39,352.5 million.

The difference between revenue and expenditure produced an improvement of \$611.6 million in the operating surplus compared with the same eight-month period in fiscal 2025.

The performance was driven primarily by state enterprises, particularly companies in the energy sector, where stronger operating results helped improve the overall cash position. However, the wider figures reveal a more mixed picture, with the public sector's overall cash surplus contracting and capital transfers from Central Government falling sharply.

The report also points to continued pressure in the foreign exchange market during the first ten months of fiscal 2025/2026, as authorised dealers sold less foreign currency to the public than in the corresponding period a year earlier.

Energy companies drive improvement

State enterprises recorded a \$1,060.7 million improvement in their operating balance over the October 2025 to May 2026 period, compared with the corresponding period in fiscal 2025.

Energy state enterprises generated an operating surplus of \$3.45 billion, up from \$2.52 billion a year earlier, an increase of 37 per cent. Non-energy state enterprises, meanwhile, recorded a smaller operating deficit of \$308.1 million.

The energy sector's improvement was supported by Trinidad Nitrogen Company Limited (Tringen), which recorded an operating surplus of \$445.6

million, representing a turnaround of \$500.5 million from the operating deficit of \$54.8 million recorded during the corresponding period of fiscal 2025.

The Ministry of Finance attributed Tringen's performance to higher sales volumes, increased international market prices and stronger demand for its products in key markets during the first eight months of fiscal 2026.

Majority state-owned National Enterprises Ltd owns 51 per cent of Tringen, while Yara Caribbean (2002) owns 49 per cent. Other energy companies also recorded operating surpluses.

Heritage Petroleum Company generated \$2.49 billion, PariaFuel Trading Company Limited recorded \$898.7 million, Trinidad Generation Unlimited posted \$364.8 million, and National Energy Corporation of Trinidad and Tobago recorded \$136.5 million.

Heritage Petroleum's operating revenue declined marginally because of lower realised oil prices.

However, reduced operating costs more than offset the revenue decline, improving the company's cash operations by \$175.4 million during the review period.

Paria's operating surplus benefited from revenue growth of \$2.03 billion, which exceeded the \$1.90 billion increase in operating expenditure. The company's improved margins also reflected its pricing strategy and cost management, according to the 2025 Review of the Economy..

Trinidad Generation Unlimited and National Energy also recorded stronger operating surpluses, supported by reductions in operating expenditure of \$121.3 million and \$46 million, respectively.

Not every energy company generated a surplus. Lake Asphalt of Trinidad and Tobago (1978) and Petroleum Company of Trinidad and Tobago Limited, commonly known as Petrotrin, continued to record operating deficits. However, their positions improved compared with the previous fiscal period. Lake Asphalt's operating deficit narrowed by 47.3 per cent, while Petrotrin's declined by 7.7 per cent.

The energy companies' results helped strengthen operating performance across the state enterprise sector. However, an operating surplus does not

necessarily mean that a company has an equivalent amount of cash available after accounting for capital spending, debt repayments and other cash movements.

Capital spending falls sharply

Despite the improvement in operating results, capital transfers from Central Government to the Rest of the Non-Financial Public Sector declined by 53.9 per cent to \$2.24 billion during the eight months ended May 2026.

That represented a reduction of \$2.62 billion from the \$4.87 billion recorded during the corresponding period in fiscal 2025.

Non-energy state enterprises and public utilities received 70.1 per cent and 29.9 per cent of the capital transfers, respectively. No capital transfers were made to energy state enterprises during the review period.

Capital expenditure also contracted, falling by \$2.00 billion, or 49.1 per cent, to \$2.08 billion over the first eight months of fiscal 2026.

Capital revenues and grants, together with other income, totalled \$3.88 billion between October 2025 and May 2026, down from \$5.68 billion a year earlier.

Current transfers from Central Government moved in the opposite direction, increasing by 9.2 per cent to \$2,380.6 million, compared with \$2.17 billion over the corresponding period in fiscal 2025. Principal repayments received from clients also contributed to the sector's receipts, amounting to \$308.7 million during the review period.

The decline in capital transfers and expenditure is significant because these figures capture funding and spending associated with capital activities across the public sector. However, the review does not establish that the lower expenditure resulted from a single cause, nor does the reduction alone indicate whether individual projects were delayed, completed, or subject to changes in their funding requirements.

The figures point to a substantial contraction in capital activity during the period, even as current transfers increased and operating performance improved.

The distinction between capital and current transfers is important.

Current transfers help meet ongoing requirements, while capital transfers support investment-related activities. Changes in these categories can affect the timing and distribution of public-sector spending.

Overall cash surplus contracts

The rest of the non-financial public sector recorded an overall cash surplus of \$3.42 billion between October 2025 and May 2026. Although the sector remained in surplus, the balance was 17.2 per cent below the \$4.13 billion recorded during the corresponding period of fiscal 2025.

The contraction reflected declines in the overall cash balances of state enterprises and public utilities, which fell by \$356.2 million and \$355.7 million, respectively.

State enterprises recorded an overall cash surplus of \$2.95 billion, representing a 10.8 per cent contraction from the corresponding period a year earlier.

The decline was linked to a \$1.44 billion deterioration in the overall balance of non-energy state enterprises.

Several non-energy state enterprises experienced reductions in their overall cash balances. The Urban Development Corporation of Trinidad and Tobago (Udecott) recorded a decline of \$853.5 million, while the National Infrastructure Development Company Limited (Nidco) registered a reduction of \$261.8 million.

Smaller contractions were recorded by the National Helicopter Services Limited, down \$8.2 million; the Point Lisas Industrial Port Development Corporation Limited, down \$6.5 million; the Solid Waste Management Company Limited, down \$1.5 million; and e TecK, down \$0.4 million.

Three other non-energy state enterprises moved from overall cash surpluses in the October 2024 to May 2025 period to overall cash deficits in the corresponding fiscal 2026 period. The Trinidad and Tobago Mortgage Bank recorded a deficit of \$87 million, the Agricultural Development Bank posted a deficit of \$17.9 million, and the Vehicle Management Corporation of Trinidad and Tobago recorded a deficit of \$0.5 million.

The overall cash balance provides a broader picture than the operating

balance because it reflects cash movements beyond day-to-day operating revenue and expenditure. A company can therefore record an operating surplus while its overall cash position weakens.

Foreign exchange sales remain lower

The review also highlights continued tightness in the local foreign exchange market during the first ten months of fiscal 2025/2026.

Between October 2025 and July 2026, authorised dealers sold US\$4.61 billion in foreign exchange to the public. This was 2.5 per cent below the US\$4.72 billion sold during the same period a year earlier.

Credit card transaction settlements accounted for the largest share of foreign currency sales.

Reports submitted by dealers on transactions exceeding US\$20,000 identified significant recipients among companies operating in the retail and distribution, manufacturing and automobile sectors.

Foreign exchange purchases by authorised dealers from the public, excluding the Central Bank, also declined. These purchases amounted to US\$3.35 billion over the ten months, down 7.1 per cent from US\$3.61 billion in the corresponding period of the previous fiscal year.

The Central Bank sold US\$1,005.6 million to authorised dealers during the review period, a reduction of 7.7 per cent from the US\$1,089.5 million sold a year earlier.

In addition, US\$251 million was sold through the EximBank foreign exchange facility over the nine months ending June 2026.

The facility is designed to facilitate the allocation of US dollars to local manufacturing and exporting companies.