

Mixed Budget bag from Tancoo

Govt gives and takes in \$63B fiscal package



Minister of Finance Davendranath Tancoo during his presentation of the 2027 Budget yesterday. PHOTO COURTESY OFFICE OF THE PARLIAMENT

GAIL ALEXANDER SENIOR POLITICAL REPORTER

There was a mixed 2027 Budget bag yesterday, with Government giving and taking.

Senior citizens' pension and other grants will be increased by \$250 in 2027, taxation on locally produced alcohol will be reduced and the forex threshold will be increased to US\$10,000.

But 2027 will also bring a higher “luxury” tax on imported alcohol—and an

electricity surcharge for high consumption residential households.

These were among measures in Finance Minister Davendranath Tancoo's \$63.368 billion Budget for 2027.

"We recognise that much remains to be done," Tancoo said yesterday in the House of Representatives.

"Progress must be accelerated, implementation strengthened and results felt more directly in citizens' homes and communities. This budget marks the next phase of our national agenda—to attract investment, expand production, create employment, strengthen resilience and open new opportunities for citizens and businesses. We promised, we delivered — more to come!"

In his two-and-a-half-hour address, Tancoo delivered a budget themed "A People-Centered Approach: Investing in Communities, Transforming the Economy and Securing a Sustainable Future."

It was topped by 35 fiscal measures comprising concessions, improvements, penalties and increased conditions for some areas, including business.

The \$63.368 billion Budget was larger than Tancoo's 2026 package, which was \$59.232 billion.

The 2027 Budget is now Trinidad and Tobago's largest. Its size is slightly more than the People's National Movement government's 2016 Budget, which was \$63.048 billion due mainly to paying \$5 billion in arrears to public servants.

The budget is based on a projected oil price of US\$77.00 per barrel, compared with US\$73.25 per barrel in 2026. The natural gas price basis for 2027 is projected at US\$5 per MMBtu, compared with US\$4.25 per MMBtu in 2026.

Education and Training received the biggest allocation among ministries—\$8.033 billion.

Tobago received \$3.473 billion, or 5.48 per cent of the Budget.

\$250 increase, other relief for pensioners

Among positives, Tancoo said the last time Senior Citizens' Pension was increased was 12 years ago, under then- Prime Minister Kamla Persad-Bissessar's People's Partnership government.

He added, "Today, this Persad-Bissessar Government will increase the Senior Citizens' Grant by \$250 per month from January 1, 2027, putting more money into the pockets of 124,000 senior citizens."

He said the Public Assistance Grant will be increased by \$250 in each tier, benefiting 13,637 recipients, and the Disability Assistance Grant for adults and eligible children will also be increased by \$250, benefiting 28,000.

"More than 10 per cent of the population will benefit from these grants, which cost a total of \$555 million. These increases will put more money directly into the hands of those who need it the most ... We promised. We delivered. More to come!"

After exempting private pensions from tax last year, Tancoo yesterday said many pensioners, particularly retired public officers, remain subject to tax on pension income exceeding \$90,000.

"Our public officers have given decades of service to T&T and deserve greater financial security in retirement.

I propose to increase the Personal Allowance for pensioners from \$90,000 to \$102,000 per year from January 1."

Tancoo said Government believes the existing US\$5,000 foreign currency declaration threshold should be updated to better reflect present-day travel and commercial realities, while allowing Customs to remain focused on higher-risk movements of currency.

"I propose to increase the foreign currency declaration threshold from US\$5,000 to US\$10,000."

\$2.5B set aside for public servants

Tancoo detailed allocations within a total of \$2.5 billion to cover arrears to current/retired public officers affiliated to the National Union of Government and Federated Workers' Union and in the Port-of-Spain and San Fernando City Corporations and the T&T Defence Force On the Public Services Association, Tancoo said based on the Chief Personnel Officer's proposal to

pay 40 per cent of outstanding arrears in cash, “we have an allocation in fiscal 2027 to meet this obligation.”

Government intends engaging other unions with unresolved negotiations, including the Oilfields Workers’ Trade Union, the Transport and Industrial Workers’ Union, T&T Postal Workers’ Union and the Contractors and General Workers’ Trade Union.

Electricity, luxury alcohol tax

Tancoo announced the introduction, from January 1, of an electricity surcharge of five cents per kilowatt-hour on residential consumption above 3,000 kilowatt-hours per billing period.

“This threshold will ensure average households with moderate levels of electricity usage remain unaffected; 90 per cent of households fall below the threshold.

So, this will affect 10 per cent of services using more than average amount of electricity,” he said.

On changes to taxation on alcoholic beverages, Tancoo said, “Government has reviewed the effect of the increase in excise duties on alcoholic beverages with the objective of achieving a fairer balance between supporting local production, ensuring consistent treatment of imported products and maintaining an appropriate contribution to the State’s revenues. I propose to reduce the applicable excise rates by 25 per cent.”

Tancoo said the revised excise rates extend to imported alcoholic beverages, establishing a more consistent excise treatment between locally produced and imported products.

He said Government will also reform the Customs duty structure on imported alcoholic beverages by moving from the existing specific duties charged by volume to rates based on product value.

Tancoo said, “This means luxury items will now attract higher duty—champagne will cost more than regular items; this is a luxury tax.

“It affects imported alcoholic beverages which don’t benefit from preferential customs treatment under T&T’s existing trade agreements, with higher-value imports bearing higher Customs duty.

“These measures will provide some relief to local manufacturers, establish greater consistency in application of Customs duties, creating a more appropriate customs duty structure for imported alcoholic beverages.”

Also, the possession of 10,000 or more tobacco products will now constitute prima facie evidence of distribution.

The importation of 800 or more cigarettes will require an appropriate import licence, he said. A 20 per cent Customs duty rate will apply to vaping devices/products.

Refinery, US investment

Tancoo said following receipt of the comprehensive report of the Refinery Restart Committee, Government is evaluating proposals from a shortlist of serious local and international investors.

Saying Government’s efforts will create a “job boom,” Tancoo said Pinnacle Steel and Vanadium Corporation and Ibis Steel—which will refurbish the former ArcelorMittal plant—are targeting first production for the end of 2027, with 1,000 new permanent jobs expected.

“We have 45 potential projects valued at approximately US\$2.17 billion in our investment pipeline at various stages of readiness. These have the potential to generate over 7,100 new jobs, strengthening economic diversification and future Forex earnings.”

Tancoo detailed Government’s achievements painting an optimistic economic picture.

The Budget debate continues from 9.30 am on Friday with Opposition Leader Penelope Beckles’ reply.