

Tancoo welcomes IMF assessment of T&T



Finance Minister Davendranath Tancoo

The Government has welcomed a positive assessment of the T&T economy from the International Monetary Fund (IMF), describing the findings as a sign of renewed international confidence in the country's economic direction and a validation of its policy agenda.

The statement follows the successful completion of the IMF's 2026 Article IV Consultation, a routine evaluation of a country's economic health and policy framework.

Finance Minister Davendranath Tancoo, in a news release yesterday, said the IMF's conclusions highlight a stabilising economy that is showing early signs of recovery just over a year after the current administration took office.

According to the report, inflation has returned to low levels, the country's external accounts remain in surplus and the banking sector continues to be well-capitalised with steady credit growth.

These indicators, the minister noted, signal improved macroeconomic conditions and a strengthening financial system.

The IMF also found that T&T's foreign reserves remain at adequate levels, estimated at approximately five and a half months of import cover.

This position is further reinforced by significant savings held in the Heritage and Stabilisation Fund, which stands around 25 per cent of the country's gross domestic.

The release said these buffers are crucial in helping the country withstand external shocks while supporting economic recovery.

“In just over one year into our term, we have stabilised the decline, rebuilt international credibility, and repositioned Trinidad and Tobago as a nation with strong, sustainable recovery potential,” Tancoo added.

However, the Government underscored that these improvements must be viewed against what it described as a challenging economic situation inherited upon taking office.

The finance minister pointed to a sharp decline in official reserves over the past decade, falling from over US\$10 billion in 2015 to just above US\$5 billion by early 2025, alongside a near doubling of public debt.

Employment also declined during that period, while significant withdrawals were made from the Heritage and Stabilisation Fund, placing additional strain on national finances.

Tancoo also emphasised that rising global energy prices present a limited opportunity for the country to rebuild its financial buffers and strengthen fiscal resilience.

He also welcomed the IMF's endorsement of ongoing fiscal reforms, including efforts to improve revenue collection, enhance public spending efficiency, and protect vulnerable populations.

In addition, the IMF acknowledged T&T's removal from the European Union's list of non-cooperative tax jurisdictions, a development the Government views as a significant step in restoring international credibility.

The consultation further highlighted the importance of continued reforms in areas such as digitalisation, labour market flexibility, and improvements to the business environment in order to sustain growth momentum.

While noting risks such as global economic uncertainty, energy sector volatility and foreign exchange constraints, the finance minister said these issues are actively being addressed through targeted policy measures.

The ministry added that the IMF report marks a turning point, reflecting progress towards economic stability and a broader agenda of national renewal, with continued efforts aimed at expanding opportunities for businesses and improving the quality of life for citizens.