

‘Govt must cut non-energy fiscal balance’



UWI professor of economics, Roger Hosein

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As the country prepares for the upcoming national 2026 budget expected to be delivered early next month, UWI professor of economics Roger Hosein says there needs to be a strategic economic push to take the country forward.

Speaking on CNC3’s Morning Brew programme yesterday, Hosein outlined the areas that he believes Finance Minister Dave Tancoo must take into consideration, including lowering the non-energy fiscal balance, improving non-energy export revenues and enhancing the labour force participation rate.

“If he focuses on reducing the non-energy fiscal balance and focusing on increasing non-energy export revenues and improving the labour force participation rate, he is well on the way to having the right methodology in terms of a strategic plan to fix the economy. So, it requires that type of

high-level thinking being brought to bear on where he places his first step in preparation for where he places his second, third, fourth and fifth steps as he pushes forward,” Hosein explained.

While acknowledging ongoing efforts to forge new energy-related relationships, Hosein questioned their potential for a substantive, long-term fix, asserting, “the substantive bailout of the Trinidad and Tobago economy over the next 15 years will have to come from non-energy exports, trade and from tourism, other service exports and from remittances.”

He argued that any short-term energy revenue should be sterilised—placed into the Heritage and Stabilisation Fund—to provide a much-needed “smoothing of consumption.”

Hosein said the recent cuts to social programmes, such as CEPEP and URP, were “absolutely necessary,” as they were driven by a significant decline in the nation’s primary revenue source. He recalled that natural gas production has fallen from 4,400 million cubic feet per day (MMCF/d) in 2010 to 2,600 MMCF today.

Hosein equated the upcoming budget’s importance to the pivotal budgets of the mid-1980s, a time of deep economic crisis, noting that when external debt is subtracted from usable reserves, the nation projects a deficit of roughly minus US\$3B by the end of 2026.

CEO of Amcham T&T Nirad Tewarie, who was also on Morning Brew, said Government does not have much wiggle room when it comes to borrowing.