

T&T economy flashing red lights, says top accountant



Finance Minister Davendranath Tancoo, right, receives a token of appreciation from the TTMA president Dale Parson, at the TTMA Post-Budget Presentation at the Hyatt Regency, Port-of-Spain, on Tuesday. PHOTO BY ANISTO ALVES

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T&T's economy is flashing red, and decisive leadership is urgently needed.

That was the message from EY executive chairman Wade George during the T&T Manufacturers'

Association (TTMA) post-budget forum at the Hyatt Regency on Tuesday.

George painted a sober picture of the country's financial position during his contribution, noting that the economy remains under strain with GDP down 2.1 per cent in the first quarter; the All-TT Stock Index slipping eight per cent for the year, and foreign reserves falling to US\$4.6 billion in August, the lowest in decades.

The debt-to-GDP ratio, he added, has climbed to 84.6 per cent.

"These are not just empty numbers," George said. "They are flashing red lights. The time for bold, accountable fiscal leadership is now."

Still, he acknowledged that the government has taken several long-delayed but necessary steps, describing the 2026 budget as "a realistic response to our economic reality."

Among the major initiatives he highlighted were National Insurance reform, calling the decision to raise contribution rates and the retirement age "courageous," and the phasing out of the Community-Based Environmental Protection and Enhancement Programme Company Ltd (CEPEP) and the Unemployment Relief Programme (URP) in favour of more sustainable employment programmes as appropriate.

George also commended the government's renewed focus on international tax reform, including long-awaited transfer-pricing legislation, and applauded plans for state-backed real estate investment trusts as a way to deepen capital markets and give citizens greater access to national wealth creation.

At the same time, he expressed concern over the asset levy on banks and insurance companies, describing it as a practical but potentially counterproductive measure.

"We should be philosophically opposed to taxing assets instead of income," he explained, noting that similar policies in other Caribbean economies have proven difficult to reverse.

The executive chairman also described the electricity surcharge and the new rental income tax as measured fiscal tools that can help close the deficit if properly structured. On the foreign exchange system, George said maintaining the fixed exchange rate offers shortterm stability but does not fully address structural imbalances in supply and demand. If those conditions persist, he said, a gradual shift towards a more market-based mechanism could eventually become necessary. Describing the 2026 budget as "a bold step toward restoring economic fairness and fiscal sustainability," George outlined that the real test will lie in how effectively the state can foster growth and rebuild confidence.

He emphasised that sustained progress would depend on improving the business environment, removing bureaucratic barriers, and boosting export performance.

"If we approach this moment with clarity and courage," George concluded, "we won't just stabilise the economy, we'll redefine it."

TTMA welcomes land allocation

The TTMA stated that the Government's decision to allocate 25 acres of land at the old Caroni horse racing track for the creation of a world-class Trade and Convention Centre represents a significant step toward positioning Trinidad and Tobago as the manufacturing hub of the Caribbean.

TTMA president Dale Parson described the initiative as a strong example of public-private partnership, noting that collaboration between the state and the business community is vital for national development.

He also highlighted several budget measures that support non-energy growth, including increased funding for National Security, the Tobago House of Assembly, and Infrastructure, with \$1.1 billion earmarked for road works, along with new construction incentives.

Parson stressed, however, that the success of these plans depend on timely implementation, saying that delays could undermine their impact. “We cannot afford procrastination,” he said. “Manufacturers know how to make things happen as time is money.”

He acknowledged the country’s current economic headwinds, including negative growth in the first quarter, and the negative outlook by Standard & Poor’s. But he said this period presents an opportunity for transformation through productivity and partnership.

According to Parsons, the manufacturing sector contributes 16.4 percent of GDP and employs more than 60,000 people, supported by initiatives such as the Eximbank Forex Facility and Export Booster Programme, which have helped exports grow 18 per cent year-on-year since 2020.