

## Tancoo: Economic diversification no longer optional

FINANCE MINISTER Davendranath Tancoo says S&P's decision to affirm Trinidad and Tobago's investment grade rating while cutting its outlook to negative underscores both the country's resilience and the urgent need for reforms to revive growth.

Tancoo said S&P's warning makes clear that economic diversification is no longer optional for Trinidad and Tobago, and he pledged to tackle the issue in next month's national budget.

His comments came yesterday as S&P revised Trinidad and Tobago's outlook to negative from stable, warning that the country's credit rating could be downgraded as early as next year.

S&P cited weakening Government finances, declining oil and gas output, and sluggish economic growth as key risks.

'The S&P report emphasises Trinidad and Tobago's resilience and underscores its position as a trusted place for international investors, particularly during periods of global uncertainty. At the same time, the revised outlook highlights the need for transformative reforms to advance economic diversification, strengthen fiscal discipline, and ensure longterm growth,' Tancoo said in a release from the Ministry of Finance.

'Accelerating economic diversification is no longer optional. It requires a comprehensive strategy and coordinated efforts, which are central to our manifesto. In the upcoming budget, I will announce key measures to support this agenda and tackle bottlenecks to long-term growth,' he said.

Tancoo said the affirmation of Trinidad and Tobago's investment grade reflects its long-established democratic institutions, economic stability, and favourable external buffers, particularly the Heritage and Stabilisation Fund.

But the shift in outlook, he said, signals the need for reforms to strengthen fiscal sustainability and improve growth prospects.

'The Government recognises S&P's assessment as both a confirmation of Trinidad and Tobago's economic resilience and a call to action to address structural challenges, including stagnant GDP growth and the limited effectiveness of past policies to diversify the economy,' the Ministry of Finance release stated.

Tancoo said the Prime Minister Kamla Persad-Bissessar administration was committed to 'decisive action to address challenges and build a stronger Trinidad and Tobago in a way that is shared by all and sustainable for future generations'.