

# ...US\$ credit card spending triples in 10 years

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Foreign exchange spending via credit card usage has increased by over US\$1.5 billion dollars in the past decade.

This was revealed by Central Bank Governor Larry Howai during his engagement with the media at the Central Bank yesterday.

He said, “What I have to say is that credit cards were using US\$765 million a year of our foreign exchange reserves back in 2015. It is now (2024) US\$2,317 million. Now \$2,000 million is plenty money, right? And that is US dollars that we are spending abroad as citizens on an ongoing basis. So this has been a very significant increase.”

That would represent close to 40 per cent of T&T’s foreign exchange demand annually.

The governor said the increase in use of credit card also reflected the shift in the consumption patterns concerning foreign exchange in the country.

“Now to be fair, a lot of it also reflects movements from other sectors. And what I mean by that is that if you look at retail and distribution, it was US\$1.7 billion in 2015 and it was US\$861 million in 2024. But a lot of it is also now going through credit cards as opposed to going through here (commercial banks).”

Last November, former Finance Minister Colm Imbert noted that credit card usage has increased by 50 per cent since 2019. Imbert revealed this after he began to seek information concerning the foreign exchange situation after several local banks announced foreign exchange limit reductions last year.

Banks have continued to reduce the foreign exchange limit on their credit cards this year, with Republic Bank reducing its limit by 50 per cent to US\$2500 last month.

Howai could not state if there would be any adjustments made by the Central Bank ahead of the Divali and Christmas period which could see further demand for foreign exchange ahead of the shopping seasons associated with those periods.

However he acknowledged that those were seasons of high demand. He, however, was hopeful the country would receive positive inflows that could address the demand during those periods.