

Trinidad and Tobago

Political and Economic Environment

Trinidad and Tobago, the second-most-populous English-speaking Caribbean nation after Jamaica, is located in the southeast Caribbean, just seven miles from Venezuela at its closest point. The country's population is largely of African and East Indian descent, each comprising about 35% of the total, with those of mixed descent and other ethnic groups comprising the remainder. In 1962, the country became one of the first British territories in the Caribbean to attain independence, retaining the parliamentary political system it inherited from the United Kingdom (UK). In 1976, Trinidad and Tobago became a parliamentary republic, with a president elected by parliament as head of state (in a largely ceremonial role) replacing the British monarch.

and Tobago is classified by the World Bank as a high-income economy because of its relatively high per capita income level, estimated at over \$15,000 in 2021. Even before the pandemic, however, the country's energy-based economy (especially natural gas and petrochemicals, accounting for about half of gross domestic product [GDP]) was negatively affected by the global decline in commodity prices. With the pandemic's onset, the economy contracted 7.4% in 2020 and an estimated 1.0% in 2021, according to the International Monetary Fund (IMF).

Figure 1. Trinidad and Tobago Map



Source: CRS

Note: The large majority of the population lives on Trinidad.

Current Prime Minister Keith Rowley, of the center-left People's National Movement (PNM), is serving his second consecutive term as head of government since 2015. He was most recently reelected in 2020. In the 2020 elections, the PNM maintained a slight majority in parliament after securing 22 out of 41 seats in the House of Representatives. The opposition center-left United National Congress (UNC) won the remaining 19 seats, with Kamla Persad-Bissessar, the country's first female prime minister (2010-2015), serving as leader of the opposition. The PNM and the UNC are Trinidad and Tobago's two major political parties, and political affiliations are often tied to ethnicity. The PNM, first established in 1955, tends to receive its support from Afro-Trinidadians, and the UNC, established in 1989, receives a majority of its support from Indo-Trinidadians.

Among the principal challenges facing the Rowley administration are the economic and health effects of the Coronavirus Disease 2019 (COVID-19) pandemic. Trinidad

Trinidad and Tobago at a Glance

Population:	1.41 million (2021, IMF est.)
Area (square miles):	1,980, slightly smaller than Delaware
GDP (current prices):	\$21.4 billion (2021, IMF est.)
Real GDP Growth:	-7.4% (2020, IMF); -1.0% (2021, IMF est.); 5.5% (2022, IMF projected)
Per Capita Income (current prices):	\$15,201 (2021, IMF est.)
U.S. Trade:	U.S. Imports, \$4.2 billion (2021, oil, natural gas, and petrochemicals, 77%); U.S. Exports, \$2.7 billion (2021, petroleum products 29%) (TDM)
Legislature:	Bicameral Parliament, with 41-member elected House of Representatives and 31-member appointed Senate

Sources: International Monetary Fund (IMF), *World Economic Outlook Database*, April 2022; World Bank (WB); and Trade Data Monitor (TDM), which presents U.S. trade statistics.

The IMF commended the government for decisively responding to the pandemic by implementing public health restrictions, enacting a robust relief package, and easing monetary policy, although the IMF noted concerns about large fiscal deficits. Looking ahead, the IMF projects 5.5% growth in 2022 as the economy begins to recover, with an anticipated increase in domestic demand and energy production from new oil and gas fields. Over the longer term, the government has plans to diversify the economy through efforts to improve the business climate and to attract new industries beyond energy, including in the agriculture and manufacturing sectors.

Trinidad and Tobago has reported 3,803 COVID-19-related deaths since the pandemic began as of April 18, 2022, equating to a mortality rate of 273 deaths per 100,000 people, according to Johns Hopkins University statistics. The government also reported that almost 51% of the population was fully vaccinated. Vaccine hesitancy remains

a challenge. Trinidad and Tobago has acquired vaccines through the COVID-19 Vaccines Global Access (COVAX) Facility and other purchases. It also has received vaccine donations from other Caribbean countries, China, India, and, most significantly, the United States (see below).

Another challenge for the Rowley government is contending with persistently high crime rates, including homicides and other violent crimes. In 2021, Trinidad and Tobago reported 448 murders, a 12% increase over 2020; this figure equates to about 32 murders per 100,000 people, the fourth-highest rate in Latin America and the Caribbean.

In terms of foreign relations, Trinidad and Tobago has been a major proponent of Caribbean economic integration and plays a leading role in the Caribbean Community (CARICOM). Relations with the People's Republic of China (PRC) also increased over the past decade, with Trinidad and Tobago signing on to the PRC's Belt and Road Initiative, focused on infrastructure development, in 2018. Trinidad and Tobago also has continued relations and bilateral cooperation with neighboring Venezuela under the government of Nicolás Maduro.

U.S. Relations with Trinidad and Tobago

According to the Department of State, U.S. relations with Trinidad and Tobago are cordial and cooperative, characterized by a shared commitment to democracy, mutually beneficial trade, and close security cooperation. Cultural ties are strong in part because of large Trinidadian communities in New York and Florida and more than 12,500 U.S. citizens residing in the country.

Economic Linkages. The United States has traditionally run a trade deficit with Trinidad and Tobago because of the country's energy exports to the United States. In 2021, the United States imported \$4.2 billion in goods, with oil, natural gas, and petrochemicals accounting for almost 77%; in the same year, the United States exported \$2.7 billion in goods, with refined petroleum products making up nearly 29%. Since 1984, Trinidad and Tobago has been a beneficiary of the Caribbean Basin Economic Recovery Act (P.L. 98-67, as amended, with no expiration), a U.S. preferential trade program for Caribbean imports. Since 2001, it has been a beneficiary of the Caribbean Basin Trade Partnership Act (Title II of P.L. 106-200, extended through September 2030), which expanded preferential tariff treatment for petroleum products and qualifying textile and apparel products. U.S. foreign direct investment in Trinidad and Tobago amounted to almost \$5 billion in 2020. The United States and CARICOM countries, including Trinidad and Tobago, signed a Trade and Investment Framework Agreement in 2013 that provides a forum for discussing commercial issues.

Drug Trafficking Issues. The State Department's 2022 *International Narcotics Control Strategy Report* (INCSR) describes Trinidad and Tobago as a transshipment point for illegal drugs (cocaine and marijuana) destined for Europe, North America, and the rest of the Caribbean. Drug trafficking organizations reportedly take advantage of the country's proximity to Venezuela; porous borders; limited

law enforcement capacity and resources; and corruption in the ranks of law enforcement, border security entities, and the postal system. Nevertheless, the State Department maintains that Trinidad and Tobago continues to make progress in efforts to investigate and dismantle drug networks and notes that drug seizures increased in 2021 from the previous year. The State Department characterizes bilateral cooperation with Trinidad and Tobago on drug trafficking and transnational crime as productive and recommends that the government continue to strengthen border security and increase efforts to combat public corruption, which facilitates such crime.

U.S. Foreign Aid. The United States provided \$5.8 million in aid to Trinidad and Tobago in FY2020 from all U.S. agencies (<https://foreignassistance.gov/cd/trinidadtobago/>, latest full-year data available). Top sectors included humanitarian assistance, peace and security, health, and the environment. Slightly more than half of the bilateral funding was humanitarian assistance aimed at supporting Venezuelan migrants residing in the country, currently estimated at around 28,500. Trinidad and Tobago has received U.S. assistance for a number of years to combat HIV/AIDS through the President's Emergency Plan for AIDS Relief (PEPFAR); the aid has included support to expand access to treatment for those living with HIV.

Since FY2010, Trinidad and Tobago has received assistance through the Caribbean Basin Security Initiative (CBSI), a U.S. regional initiative supporting the efforts of Caribbean nations to reduce illicit trafficking, increase public safety and security, and promote social justice through crime-prevention programs. Under the CBSI, Trinidad and Tobago has received law enforcement training; support for increasing port security and maritime interdiction capabilities; and assistance for the criminal justice sector, including judicial mechanisms for juveniles and educational opportunities for at-risk youth.

U.S. COVID-19-related assistance to Trinidad and Tobago has most significantly included the delivery of almost 685,000 donated vaccine doses. This is about three-quarters of the 908,000 vaccine doses that the United States has committed to Trinidad and Tobago.

Trafficking in Persons. The State Department placed Trinidad and Tobago on its Tier 2 Watch List in its 2021 *Trafficking in Persons Report*, downgrading the country from Tier 2. The State Department maintained that Trinidad and Tobago is making significant efforts to counter human trafficking, including developing an anti-trafficking national action plan and streamlining trafficking-related court cases. Nevertheless, the State Department maintained that the government conducted fewer investigations and identified fewer victims compared with the previous reporting period and that it has never convicted a trafficker under its 2011 anti-trafficking law.

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