

## Trinidad and tobago demand response

TT, ONCE a shining beacon of economic promise in the Caribbean, now finds itself at a critical juncture. Beneath the surface of its energy-rich economy lies a precarious dependency on oil and gas, exacerbated by decades of missed opportunities for diversification and fiscal reform.

The persistent challenges faced by the nation, from dwindling foreign reserves to mounting debt, demand not just acknowledgement, but bold and transformative action.

At the forefront of this economic quandary are Prime Minister Rowley and Finance Minister Colm Imbert, figures whose leadership has been both criticised and scrutinised in equal measure. Dubbed by detractors as the "Diego Martin dinosaurs," their governance is often seen as emblematic of an era overly reliant on fossil fuels.

While TT has long enjoyed the benefits of its energy resources, this reliance has also left the nation exposed to the volatility of global oil and gas markets - a reality laid bare during the dramatic downturn in energy prices over the past decade.

Unlike neighbouring Barbados, which has managed to maintain currency stability despite limited natural resources, Trinidad's dollar has faced significant devaluation pressures.

The combination of declining energy revenues and insufficient diversification has led to a foreign exchange crisis that continues to cripple businesses and hinder growth.

Dr Rowley's recent attribution of the forex challenges to citizens' spending habits - such as increased credit card use and demand for imported goods - feels misplaced. Such statements risk oversimplifying a deeply systemic issue.

The fact remains: the failure to diversify the economy during periods of prosperity, such as when reserves peaked at US\$10.5 billion in 2015, has left the nation ill-prepared for leaner times.

Instead of strategic investment in other sectors, TT doubled down on its energy dependency, a choice now yielding diminishing returns. The government's reliance on borrowing to sustain the country's standard of living has added another layer of fragility to the economy.

While borrowing can serve as a short-term buffer during economic downturns, it is not a sustainable strategy. As national debt balloons and reserves dwindle, the risk of a full-blown fiscal crisis looms larger.

History offers countless examples of nations that have borrowed their way into deeper economic despair.



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Without a clear plan for growth and repayment, borrowing becomes a bandage on a wound that requires surgery.

Unfortunately, TT seems to be treading this perilous path, with little indication of a comprehensive long-term strategy to reverse course. The stagnation of the oil and gas sector, as highlighted by the Minister of Energy, underscores the urgent need for reform.

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