Republic Economic NEWSLETTER

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Positive Developments

OVERVIEW

While they have been both growing since the second half of 2017, increased gas output and higher oil prices combined to make the first quarter of 2018 Trinidad and Tobago's best quarter in some time; at least in terms of economic growth. The distinction is necessary, because although there have undoubtedly been improvements in other areas, such as maternal deaths, the average citizen can be excused for not being able to see beyond the torrent of violent crime being experienced.

Preliminary information suggests the energy sector was the main beneficiary of the growth impetus with spillover effects yet to significantly impact the non-energy sector. Republic Bank estimates that the economy expanded by 2 percent in the first quarter relative to the previous one. With the Central Statistical Office (CSO) having reported that the unemployment rate climbed to 5.3 percent in the second quarter of 2017, the rate is likely to have increased to 6 percent in the January – March period, with construction being one of the most impacted sectors. Inflationary pressures remained low, and stock market activity remained weak, with a 0.2 percent contraction in the Composite Price Index to 1,263.9.

TRINIDAD AND TOBAGO KEY ECONOMIC INDICATORS

INDICATOR	2017	2017.1	2018.1 p/e
Real GDP (% change)	-2.3	-1.5e	2.0
Retail Prices (% change)	1.9	0.6	0.0
Unemployment Rate (%)	5.4	4.5	6.0
Fiscal Surplus/Deficit ($M)	-12,643.5	-4,436.5	Deficit
Bank Deposits (% change)	-1.9	-1.4	-1.4
Private Sector Bank Credit (% change)	5.1	0.3	1.7
Net Foreign Reserves (US$M)	11,143.1	11,939.2	10,798.8
Exchange Rate (TT$/US$)	6.73 / 6.78	6.72 / 6.77	6.73/ 6.78
Stock Market Comp. Price Index	1,266.4	1,233.8	1,263.9
Oil Price (WTI) (US$ per barrel)	50.79	51.64	62.90
Gas Price (Henry Hub) (US$ per mmbtu)	2.99	3.01	3.02

Source:
Central Bank of Trinidad and Tobago, TTSE, Energy Information Administration
p – Provisional data
e – Republic Bank Limited estimate

ENERGY SECTOR

The energy sector is still being lifted by favourable developments, both domestic and international. Still benefitting from projects rolled out in 2017, average natural gas production continued to rise, growing by 7.7 percent in the first quarter of 2018 to reach 3,756.3 million standard cubic feet per day (mmscf/d), a figure 13.3 percent higher than a year ago. This improved gas supply has boosted mid-stream and downstream output. In the first quarter, although production of ammonia and methanol dipped marginally compared to the previous quarter by 1.1 percent and 0.5 percent respectively, the growth trend has been such that these levels are 7 percent (ammonia) and 19.5 percent (methanol) higher than they were in the first quarter of 2017. LNG has been an even bigger beneficiary, with production growing by 11.4 percent in the first quarter compared to the previous one and 20.6 percent year-on-year. International gas prices however, have been a model of consistency, with the average quarterly Henry Hub price changing by no more than US 12 cents over the last five quarters. In this first quarter, the average price increased by 4 percent to US$ 3.02 per million British thermal units (mmBtu). Oil prices on the other hand, buoyed by output challenges in some important producers and the ongoing production cuts by Russia and OPEC members (Organisation of Petroleum Exporting Countries), have had the most consistent rally in four years. Prices have been increasing over the last four quarters, and the average price of West Texas Intermediate crude oil for the January-March period jumped by 13.8 percent to US$ 62.90 per barrel. Frustratingly however, the benefits from the higher oil prices were muted somewhat, as domestic output not only remained weak, but contracted further. Due largely to production declines at BPTT, Petrotrin – IPSC (incremental production sharing contracts) and BHP Billiton, oil production averaged 68,179 barrels per day in the first quarter 2018, 3.5 percent lower than the previous quarter and 8.3 percent lower than the corresponding 2017 period (Chart 1).

Notwithstanding the favourable developments impacting the energy sector, problems persist. While gas shortages are less of an issue now, contention between the downstream gas users and upstream producers over the price of the gas, has come to the fore, with some users claiming that the high price is threatening their viability. Despite the fall in oil production, indications are that the energy sector grew in this quarter. This growth would have occurred in spite of reduced activity in the exploration sub-sector, highlighted by contractions in rig days and depth drilled of 70 percent and 82 percent, respectively.

NON-ENERGY

According to the Central Bank's Monetary Policy Report of May 2018, the non-energy sector was sluggish in the fourth quarter of 2017, with contractions estimated for most key sectors such as distribution, manufacturing and finance, insurance and real estate. The construction sector was also estimated to have shrunk as the long anticipated increase in government's construction and infrastructure spending is yet to materialize. Without the benefit of recent information, it can be reasonably suggested that segments

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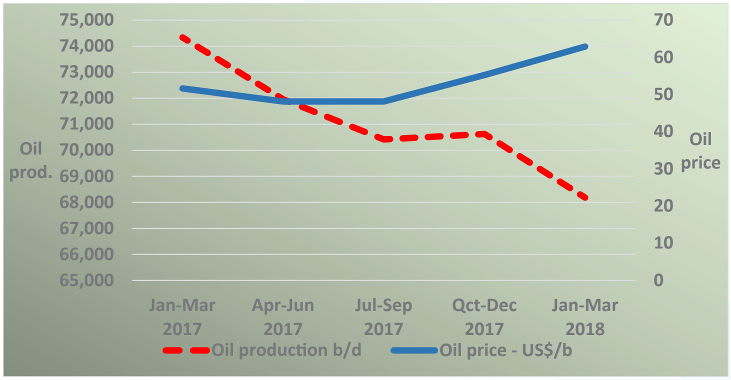
of the non-energy sector would have benefitted from the increased activity in, and revenue generated by, the energy sector in recent months. Positive developments in some aspects of distribution can be inferred from trends in vehicle sales. Though the monthly average of 1,228 new vehicle sales in the first quarter was 9.3 percent lower than the previous quarter, it was 15 percent higher than the similar 2017 period. The likely story for the construction sector is different. Although a 6.3 percent increase in cement sales in the first quarter was encouraging, it could largely be attributed to seasonality. The fact that the monthly average of 39,777 tonnes of cement sold locally was 4.5 percent lower than the corresponding 2017 figure, suggests that the sector continued to contract.

FISCAL POSITION

According to the Central Bank, preliminary data from the Ministry of Finance puts the fiscal balance for the first seven months of the current fiscal year (October 2017 – April 2018) at a deficit of $2,900m. With a fiscal balance of -$228.3m for the first quarter (October – December 2017), the balance for the January – April 2018 period is approximately -$2,671.7m. While this deficit is significant, it is a vast improvement on the $6,532m deficit ($9,000m - $2,468m) of the corresponding January – April 2017 period. The smaller deficit reflects recent instances of lower government expenditure and higher revenues from both the energy and non-energy sectors, and augurs well for a lower deficit at the end of the fiscal year.

Chart 1: Oil production and price



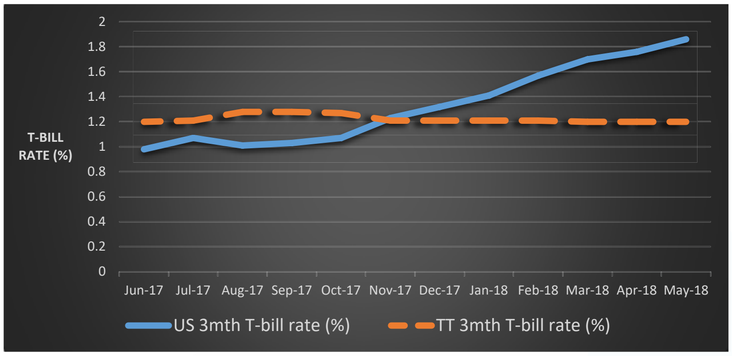
Sources: Ministry of Energy and Energy Industries, Energy Information Administration (EIA)

MONETARY POLICY

The low-inflation trend continued into 2018. Core inflation (year-on-year) was a very low 0.5 percent for each month in the first quarter, while food price inflation was 2.6 percent in both January and February before falling to 2.1 percent in March. Overall, average prices were just 0.9 percent higher in the first quarter this year than the same period in 2017. Private sector credit increased by 1.7 percent during the first quarter, with the March ending balance of $57,001.8m, some 6.6 percent higher than a year ago. Consumer credit grew by just 0.5 percent in the quarter but was 6.8 percent higher than in March 2017. Notwithstanding a 1 percent decline in deposits, liquidity fluctuated, with commercial banks' excess reserves averaging $2.28 billion in January, $3.72 billion in February and $2.66 billion in March.

For several months now, this country's monetary policy decision-makers have grappled with the dilemma of maintaining an accommodating interest rate environment, in the context of steadily rising US interest rates. Preference has been given to supporting economic growth, with the 'Repo' rate being maintained at 4.75 percent since December 2015. Even with the June 13th increase in the US Federal Funds rate to a range of 1.75 to 2 percent, there is still some distance between the two benchmark rates. Capital flight is increasingly becoming a more urgent prospect however, as US 3-month Treasury bill rates have moved past the TT equivalent more than seven months ago, with the gap set to keep growing (Chart 2). Citing this and the encouraging growth in loans and vehicle sales mentioned earlier, on June 21st, Central Bank Governor, Alvin St. Hilaire, hinted at the prospect of an increase in interest rates.

Chart 2: TT & US 3-month Treasury bill rates



Sources: Central Bank of Trinidad and Tobago, Y charts

RESERVES

While conditions remained tight in the foreign exchange market, increased inflows from the energy sector saw a reversal thus far of some trends. While annual purchases of foreign exchange from the public have been declining steadily since 2013, for the first five months of this year purchases of foreign exchange by authorised dealers from the public amounted to US$1,588.8 million, a 13.6 percent increase over the January – May 2017 period. Sales of foreign exchange to the public grew by 4.2 percent over the same time frame, bucking the annual trend of recent years. Trinidad and Tobago's foreign reserves, as represented by the net foreign position, fell from US$11,143.1m in December 2017 to US$10,798.8m in March, before increasing to US$10,943.3m in April.

OUTLOOK

With the increased gas output and favourable oil prices expected to continue over the next six months, the positive developments currently being enjoyed should persist. The energy sector is likely to see increased activity and generate higher revenues, although this will be curbed if oil production continues to fall. While government appears to be setting the stage for the long-anticipated ramping up of its infrastructure programme, the just-started rainy season could put a damper on the extent to which the construction sector benefits from it in the near term. Sectors such as distribution and manufacturing are likely to benefit from increased energy sector activity. If however, interest rates are increased sooner rather than later, overall economic activity is likely to be curbed somewhat. Regardless, the state of the economy will probably mean little to many citizens without an improvement in their socio-political reality.

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How Will Things Unfold?

OVERVIEW

Looking at the recent performance of the region, there are some positive signs, but there is also uncertainty about how specific key developments will unfold. Barbados is seeking to revitalize its economy with a new Prime Minister at the helm, but will this change in leadership boost its chances of success? Cuba was experiencing some ease with small but notable steps to rapprochement by the former US Obama-led administration, but now with Donald Trump at the helm, it's a whole new ballgame. This year, Grenada is expected to be one of the top performers in the Caribbean and the country has worked admirably to reduce its high debt burden. However, Grenada, like the rest of the Caribbean, is still vulnerable to external shocks. Guyana is primed to receive a windfall of wealth when crude oil production commences in 2020. Will they flourish from future hydrocarbon wealth or will they suffer from the resource curse? It seems as though Suriname is slowly recovering from an economic crisis, but will the government rue the decision to cancel the two-year Stand-By Arrangement (SBA) with the International Monetary Fund (IMF)? Would they have been on a more solid footing today if they had stayed the course? Some tourism-dependent nations are slowly rebuilding from the wreckage caused by Hurricanes Irma and Maria, but can more be done to bolster their resilience to natural disasters and is this reliance on tourism curbing future growth? While these questions can't be answered at this juncture, the region could take heart that the short term outlook is generally positive despite some challenges.

BARBADOS

On May 25, 2018, Mia Mottley was sworn in as Barbados' first female Prime Minister after leading the Barbados Labour Party (BLP) to a landslide victory over Freundel Stuart and his Democratic Labour Party (DLP). The new administration revealed the details of its Economic Recovery and Transformation Plan, which aims to address critical issues such as the country's low foreign reserves, high public debt and weak growth. An economic contraction of 0.7 percent in the first quarter of 2018 was mainly attributed to a decline in the tourism sector and a slowdown in construction activity. By the end of May 2018, international reserves stood at only US$212 million, which was equivalent to seven weeks of import cover, well below the recommended benchmark of twelve weeks. Government fiscal operations improved, but the deficit of 4.2 percent of GDP in fiscal 2017/2018 fell short of the target due to lower-than-expected revenues from the National Social Responsibility Levy (NSRL) and Value Added Tax (VAT). The government is seeking to broaden the tax base and ensure that the fiscal burden is shared equally among all citizens. The new government has already turned to the IMF for assistance, the details of which remain to be seen. However, the Prime Minister announced her government's decision to seek to restructure debt and suspend outstanding payments to external creditors, just a few days after assuming power. In light of this, as at June 6, Standard and Poor's (S&P) lowered Barbados' long-term foreign currency rating to "selective default" and its long-term local currency rating from "CCC" to "CC".

CUBA

In spite of setbacks from Hurricane Irma, Cuba's tourism sector had a record-setting year, as the country welcomed 4.7 million visitors in 2017. However, in the first quarter of 2018, Cuba registered a 7 percent year-on-year decline in tourist arrivals. This contraction came as a result of restrictions placed on US travellers by the Donald Trump-led administration. However, cruise arrivals nearly doubled for the period, as these restrictions were not applicable to sea travel. Over the last four years, the cruise sector has impressed, with visitors increasing from a mere 19,000 in 2014 to 438,000 in 2017. Cuba hopes to build on this success with the construction of four new cruise terminals at the port of Havana by 2024. In the short-term, the current administration needs to address the foreign currency shortage, which has negatively impacted firms engaged in foreign trade. Post-hurricane rehabilitation and construction work have also been delayed due to the low availability of foreign currency required for the purchasing of construction materials. This problem was further compounded by the ongoing economic crisis in Venezuela, a country that was a major source of financial aid and supplier of oil for Cuba. President Miguel Dìaz-Canel is proactively seeking new and innovative ways to attract much-needed foreign direct investment (FDI), which could be vital to the nation's ability to diversify the economy and expand its range of exports.

GRENADA

Grenada's economy expanded by 4.5 percent in 2017, with the construction, tourism and education sectors being the main drivers of growth. Tourism continued to show signs of healthy growth in 2018, with 55,022 arrivals during the first four months of the year. This represented a 10.6 percent annual increase in visitors and was led by the US market, which contributed a total of 25,170 visitors. Grenada also recorded a respectable 25.5 percent upsurge in cruise arrivals for the period, which was one of the best performances in the region. The completion of Silversands Grenada later this year and the planned opening of Kimpton, Kawana Bay hotel in 2019 are expected to boost the tourism sector. Last year, higher tax revenues and improved tax administration continued to bolster public finances. Sustained fiscal consolidation efforts, as well as the completion of the final phase of bond restructuring and the restructuring of some domestic debt have all contributed to the reduction of the public debt to 71 percent of GDP in 2017, down from 82 percent of GDP in 2016. There is much optimism with regard to the nation's future debt consolidation efforts via ongoing negotiations with three bilateral creditors.

GUYANA

Lower-than-projected growth in the mining sector, coupled with the continuous slump in the sugar industry led to a slowdown in economic expansion in 2017. The construction sector provided the main impetus for growth, as a result of ongoing private and public investments. This improvement in construction activity came with little surprise, as investors and businesses are being proactive to potentially profit from the future trickle-down effects from Guyana's oil resources. ExxonMobil's drilling programme has been extremely successful, with a number of wells resulting in commercial discoveries. However, a number of observers expressed concern at the extremely favourable terms and conditions secured by ExxonMobil, and questioned Guyana's ability to adequately seek its interests when negotiating with the multinational oil companies. In light of this, the IMF advised the Guyanese authorities to amend their tax laws to ensure that the state receives an equitable share from its crude proceeds. Modest growth in the agriculture sector was mainly propped up by the rice industry and the first yield for 2018 seems promising. The sugar industry continued to face challenges due to mismanagement, low productivity and outdated machinery and equipment. In 2018, these challenges will continue to negatively impact the flailing sub-sector, despite initiatives to restructure the sugar industry which include, infrastructure improvements and severance payments for displaced workers.

SURINAME

While Suriname's economy seems to be on the mend, they are not out of the woods yet. The opening of the Newmont Suriname Merian gold mine in October, 2016, helped to bolster Suriname's export earnings and as at February, 2018, foreign reserves stood at US$444 million. This was an improvement from the US$424.4 million recorded in December, 2017 and as a result, the currency stabilised with year-on-year inflation falling to 8.6 percent in March, 2018 after peaking at 77 percent in September, 2016. This year, investment in new bauxite operations remain uncertain due to weak global prices for bauxite. There is potential for some growth in the agriculture sector, with planned future investments in banana and palm oil. However, competition from Latin American countries will provide a downside risk for the sector. Drilling activity is expected to increase this year, as ExxonMobil, Statoil and Hess have all planned to increase exploration efforts in Suriname's offshore. The government optimistically projected a fiscal deficit of 5 percent of GDP for 2018 in anticipation of increased government revenue via the introduction of VAT and the reintroduction of a vehicle tax. Nevertheless, it has not been smooth sailing, as the current administration has already delayed the introduction of VAT, which was scheduled to commence on July 1, 2018. It was highly speculated that the government only agreed to introduce VAT to appease investors and ratings agencies. Based on these developments, it looks like the Bouterse-led government is finding it difficult to appease the general public while enforcing sound fiscal management.

REGION

Jamaica continues to make measured progress under its economic reform programme supported by the IMF's precautionary SBA. An economic expansion of 1.2 percent in the first quarter of 2018 was fuelled by growth in the mining and quarrying industry. Economic growth was also supported by a yearly 6.6 percent increase in annual tourist arrivals. Sustained fiscal discipline helped to lower the nation's public debt to around 104 percent of GDP as at the end of March 2018, from a high of 145 percent of GDP five years ago.

Members of the Organisation of Eastern Caribbean States (OECS) are making progress and some countries are slowly recovering from hurricane devastation which occurred in September, 2017. However, Dominica's recovery period is expected to last a little longer than other OECS countries, and the IMF has forecasted a contraction this year before a return to growth in 2019. Looking ahead, global compliance will remain a high priority for the region as some OECS nations were placed on the European Union's (EU's) tax-haven "grey list".

OUTLOOK

With the global upswing gathering some momentum, the short-term growth prospects for the region are positive and the tourism-dependent countries are expected to register higher growth than the commodity exporters. Stronger growth in the US could boost remittances and tourism demand for the Caribbean. Slight improvements in commodity prices would provide a modest boost in export earnings for some commodity exporters. Nonetheless, there are downside risks for the region including the negative impacts of climate change and the occurrence of natural disasters provide serious threats to tourism revenue inflows. Moreover, high debt and increasing crime rates in certain jurisdictions could potentially deter FDI, which is needed to further develop the region.

Creating a Business-friendly Environment

With the precipitous fall in energy revenue over the last four years, from $19 billion in fiscal 2013/14 to $2 billion in 2016/17, the theme of engendering sustainable growth in the domestic economy through diversification, has dominated the national conversation. Given the economic hardships imposed by the fall-off in revenue, the increased focus on developing other sectors is indeed warranted. However, it sometimes seem like we place all the emphasis on birthing new industries or developing existing ones without acknowledging how critical a business-friendly environment is to the process. Without the appropriate environment, all efforts to incentivize key sectors, foster innovation and nurture SMEs will likely yield decidedly sub-optimal results. For instance, it is very easy for new innovations to perish and incentives to go unused in unfavourable settings, where there is a high level of apprehension among investors. For this reason, and also because such initiatives are normally quite costly, it is in our interest to seek to maximize the probability that they will bear fruit. In this regard, a business friendly environment can be seen as fertile soil, because it not only encourages investment, but also allows businesses to grow, both of which are necessary for diversification.

Although diversification must be facilitated by government, it will be most successful when led by the private sector. For this reason, it is important to remember that investment is in a sense a living thing, since it goes where it feels welcomed. Nations which fail to create an environment that is conducive to investment and by extension business, consign themselves to long term economic hardship. This note discusses a few key elements of a business-friendly environment and how they apply to Trinidad and Tobago.

For commercial activity to thrive over the long term, it is essential to have strong and efficient support institutions. Establishments such as registries, statistical offices and tax offices provide critical services to society in general and play a major role in determining how smoothly businesses can conduct their affairs. Inordinate delays for simple transactions or burdensome bureaucratic red tape are not only a source of great annoyance, but can also be a major hindrance to commerce. Moreover, when the operations of these institutions are inefficient, opportunities are created for corrupt practices to flourish, since individuals will be more likely to try to circumvent processes. For these reasons, for countries like Trinidad and Tobago, institutional strengthening is a vital component of diversification. Without taking action to augment the capacity and efficacy of support institutions, it will be foolhardy to expect to achieve economic transformation.

In terms of the current state of this country's support institutions, if the repeated complaints from businesses regarding delayed VAT refunds are anything to judge by, then we can certainly do better. Similarly, concerns raised by the International Monetary Fund (IMF) and international credit rating agencies about the quality of macroeconomic data available domestically, paint a troubling picture about the plight of the Central Statistical Office (CSO). Further, over the last five years, Trinidad and Tobago has seen its position on the World Bank's Doing Business ranking consistently fall. A major reason for this fall is the length of time it takes to secure construction permits, with the country ranking 119th out of 190 countries in this area. According to the report, it takes 253 days and 16 procedures to gain full permission to build in this country. A lot can also be said of the challenges citizens face when accessing key public services. To be fair, the authorities have acknowledged that there is need to reform key institutions and are thus taking step to inter alia, implement the Revenue Authority, enhance the operations of the CSO and to automate the process for granting construction permits. However, if we are honest with ourselves, we will admit that we often have problems with implementation and more specifically, the speed thereof. Accordingly, it will surprise no one if some key reforms, which have supposedly been underway for years, continue to be delayed, while other new initiatives join the queue.

A supportive legislative framework is also another important ingredient of a healthy business environment. To the extent that there are regulations in place to provide adequate protection for key stakeholders, the incentive to take part in commercial activity will be high. For this reason, it is essential to have legislation that provides appropriate protection for the environment, investors and consumers, to name a few. While the legislative environment in Trinidad and Tobago continues to improve, a bit more attention needs to be paid to the rights of consumers and the environment. For instance, in the World Economic Forum's 2017 Travel & Tourism Competitiveness Index, this country ranked near the bottom of the pile with regard to environmental sustainability. With regard to the stringency of environmental regulations, it was ranked 124th out of 136 countries, while it was 132nd in terms of enforcement of environmental regulations.

An issue that is very much related to legislation and indeed law enforcement is the level of crime. It goes without saying that both investors and consumers require a certain level of security as they go about their daily activities, all of which cannot be provided by the state. In this way, high crime rates can increase both business and household costs, as the demand for security related goods and services normally increases in such environment. Crime can also directly affect economic activity if it is allowed to deteriorate to critical levels. For instance, the entertainment and restaurant sectors could suffer if citizens curtail their nighttime activity for fear of being robbed or worse. Consequently, the high murder count (257 as at mid-June 2018) continues to be a cause for major concern. However, violent crimes are not the only form of illegal activity that worries investors, since white collar crime can also be a bane to business. The more bribes investors have to pay to complete what should be simple transactions, or the higher the level of fraud and bid rigging, the smaller may be the incentive to invest.

The fiscal health of a country can influence its ability to attract new investment. If public finance is at a place where the fiscal deficit is large and recurring and government has accumulated a very large debt stock, this can undermine investment, especially against a backdrop of low GDP growth. For developing countries, such a state of affairs could lead to the adoption of IMF programmes, debt restructuring and downgrades of their sovereign credit ratings. Further, the reforms required to bring fiscal accounts back to some measure of rectitude, normally curtail growth over the medium term. In this situation, the motivation to invest may be limited, since it may be difficult for businesses to experience consistent growth in such an environment. In the case of a sovereign rating downgrade, businesses domiciled in the affected country could themselves be subject to credit rating downgrades and will likely face an increase in the cost of credit. Over the last two years the country's deteriorating fiscal position was partly responsible for the downgrade of its credit rating by Standard and Poor's and Moody's. Despite this, the fiscal accounts are not yet in a place where an IMF programme is needed, but persistent deficits remain a cause for major concern. Public debt remains at manageable levels, despite rising from 58.8 percent of GDP to 61.6 percent in 2017, while the fiscal deficit expanded to 8.5 percent of GDP in 2017 from 5.3 percent.

Finally, to be defined as truly business friendly, a country should be able to supply industries with trained labour. While it is expected that some talent may have to be imported, the aim is for such occurrences to be in the minority. With increased government spending on education subsidies, the student participation rate in tertiary education increased from 8 percent in 2002 to 65 percent in 2015 according to the 2017/2018 Budget Statement. During the period, government expenditure on technical vocational education also increased significantly. However, with government now facing severe fiscal challenges, it is an opportune time to enhance the effectiveness of programmes such as the Government Assistance for Tuition Expenses (GATE). It is important to establish greater linkages between these programmes and the needs of employers and also with the diversification goals of the country. After all, it can't be a pleasant experience for graduates to be without jobs for long periods after completing their studies or to be forced to accept jobs well below their competence. For businesses, the absence of that nexus may mean significant delays in filling key positions or having to facilitate extensive training themselves. As a result, the level of productivity in the country may be negatively affected. With regard to diversification, government spending on tertiary education should help to guide students toward courses aligned with the process. For instance, GATE can be transformed so that areas of study which are related to the country's diversification thrust receive a greater percentage of tuition support than other areas. In addition to the incentives being directed at those sectors, an adequate supply of appropriately trained human resource is also essential.

> "...to be defined as truly business friendly, a country should be able to supply industries with trained labour."

Given the key role the environment plays in determining a country's economic prospects, it would be a good idea to devote a greater level of focus on pushing through key reforms in the areas identified above. However, the areas dealt with here are not an exhaustive list, but represent only a subset of the issues we need to address. It should also be noted that the responsibility to create a business-friendly environment does not rest entirely on government, since businesses themselves, trade unions and citizens all have important roles to play. As we go forward, a good practice will be to continually track how we measure up against other nations in terms our business environment. For instance, Trinidad and Tobago's ranking on the 2017/2018 Global Competitiveness Index improved to 83rd (out of 137 nations) from 94th a year earlier, but was only one spot higher that the position the country held in the 2012/2013 index. With regard to its Ease of Doing Business ranking, the country fell over the last five years from 66th to 102nd out of 136 countries. This is an indication of the significant work we still have to do as a nation.