Republic Economic Newsletter

Mar 2015 Vol. 23 - No. 2. ISSN 1027-5215

Low Oil Prices Dampen Growth and Heighten Fears

Overview

The fourth quarter of 2014 marked the onset of what is shaping up to be a very challenging period for the domestic economy. International oil prices plunged by more than 25 percent between October and December, restricting revenue from the Trinidad and Tobago energy sector. Against this backdrop, domestic economic activity is estimated to have remained flat during the quarter, with growth in the non-energy sector marginally outweighing the contraction that occurred in the energy sector. Inflation advanced notably, driven largely by increases in the food price component. The local stock market registered weak growth between September and December 2014, with the Composite Price Index increasing by only 0.5 percent. On the positive side, unemployment was estimated at 3.7 percent, slightly above the historic low of 3.1 percent, recorded in the first quarter of 2014. The country's reserves of foreign currency increased despite the slide of oil prices.

Trinidad and Tobago Key Economic Indicators

Indicator	2013	2013.4	2014.4 p/e
Real GDP (% change)	1.7	2.2	0.2
Retail Prices (% change)	5.2	1.8	3.5
Unemployment Rate (%)	3.7	3.8	3.7
Fiscal Surplus/ Deficit ($M)	-4,175.2	4,150.4	328.4
Bank Deposits (% change)	12.4	0.4	5.8
Private Sector Bank Credit (% change)	3.7	-1.7	0.2
Net Foreign Reserves (US$M)	12,329.2	12,329.2	13,592.7
Exchange Rate (TT$/US$)	6.39/6.44	6.40/6.45	6.32/6.37
Stock Market Comp. Price Index	1,185	1,185.05	1,150.91
Oil Price (WTI) (US$ per barrel)	97.91	97.34	73.16
Gas Price (Henry Hub) (US$ per mmbtu)	3.73	3.85	3.80

Source: Central Bank of Trinidad and Tobago, TTSE, EIA
p - Provisional data
e - Republic Bank Limited estimate

Energy Sector

The marginal growth of oil production from 82,588 barrels per day (b/d) to 82,935 b/d in the fourth quarter of 2014 was dwarfed by the 25 percent drop in price. The West Texas Intermediate oil price averaged US$97.78 per barrel in the third quarter, but tumbled to US$73.16 in the succeeding quarter. In the first quarter of 2015, prices plummeted by over 30 percent and generally fluctuated between US$40 and US$50 per barrel. The fall in price was the result of weaker global demand occurring simultaneously with increased supply. In the low price environment, energy companies have already began to rationalize their expenditure, with BPTT offering voluntary separation packages to its staff. Gas production fell to 3.9 billion cubic feet per day (Bcf/d) between October and December 2014, down from 4.1 Bcf/d in the previous quarter. The decline in gas prices was minuscule relative to crude prices, with Henry Hub prices (which define the US market) averaging US$3.80 per million British thermal units (MMBTU) compared to US$3.96. During the period, domestic gas exports fetched a higher average price, since the bulk of the country's gas is sold to markets outside of the US.

Exploration activity cooled somewhat, as rig days fell to 536 from 576 in the third quarter, while depth drilled fell by 6 percent to 88,715 feet. In February 2015, the governments of Trinidad and Tobago and Venezuela signed bilateral agreements for energy sector cooperation between both countries and development and exploration of the cross-border Manakin-Cocuina gas field. This has the potential to boost domestic production and reserves over the medium to long term. Even so, these agreements could be complicated by the recent foreign policy decision by the US to declare Venezuela a threat to national security and to impose sanctions on specific top officials. This is generally the first step before full country sanctions are imposed, which not only dries up the flow of goods, services and finance into a country, but also isolates it from the global community. If the US intensifies its sanctions against Venezuela, Trinidad and Tobago may have to walk a very tricky diplomatic tightrope to keep these deals alive.

The inconsistent gas supplies, which have characterized the downstream energy sector in recent times, were again prominent during the fourth quarter of 2014. This negatively affected output from the sector, with production of ammonia, methanol and liquid natural gas contracting by 8.5 percent, 1.2 percent and 3.4 percent, respectively. The downstream sector is expected to contend with this challenge for some time, with gas supply problems not expected to be resolved before 2018.

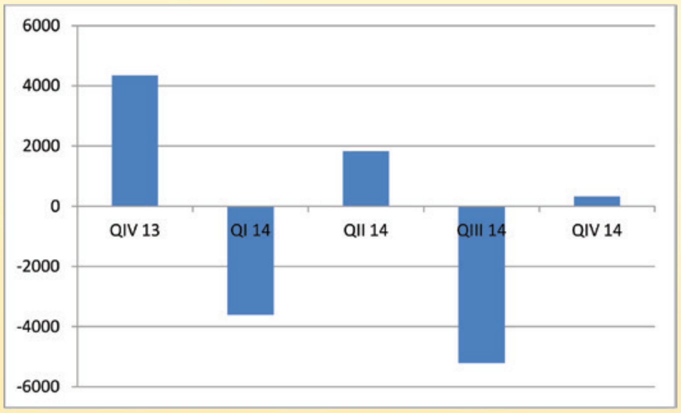
Non-energy Sector

The non-energy sector recorded a solid performance during the fourth quarter of 2014, following growth of 1.4 percent during the previous quarter. The impetus for growth was provided by upbeat activity in the distribution and finance sectors, while anecdotal evidence suggest improved showings in both the manufacturing and construction sectors. The distribution sector benefitted from seasonal spending during the period and as such is estimated to have expanded further after growing by 3.8 percent in the third quarter. Construction on the other hand, was likely boosted by ongoing public projects, including work to repair major damage on the Manzanilla/Mayaro Road, caused by flooding. Activity in the non-energy sector is expected to remain positive in the lead-up to general elections, later in 2015.

Fiscal Policy

Between October and December 2014, government expenditure increased by 10 percent year-on-year to $12,424 million, while revenue fell by 17 percent to $12,758 million. This produced an overall fiscal surplus of $328 million during the period (Figure 1). In response to low energy prices, in January the government revised its 2014/2015 budget, basing its revenue and expenditure projections on a crude oil price of US$45 per barrel and a natural gas price of US$2.25 per mmbtu. The government also announced plans to cut expenditure in order to offset the projected revenue shortfall by reducing allocations to specific ministries, cutting expenditure on non-essential goods and services, and rationalizing infrastructure spending.

Figure 1: Central Government Overall Fiscal Balance (TT$mn)

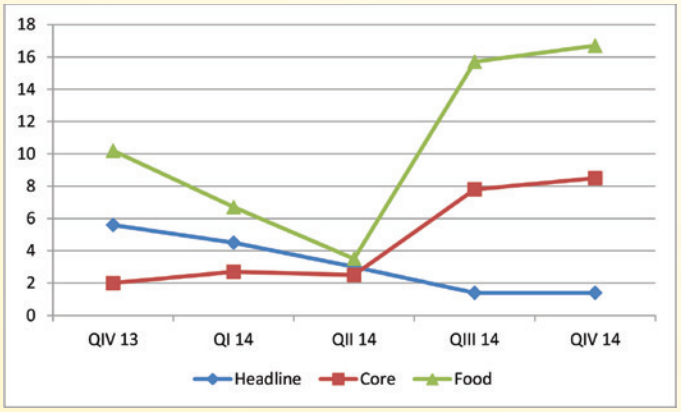


Source: CBTT

Monetary Policy

In January 2015, the Central Bank increased the ‘Repo’ rate for the third consecutive time by 25 basis points to 3.5 percent. This decision was taken partly to enhance the attractiveness of investments denominated in TT dollars relative to US investments, with US interest rates expected to increase later in 2015. The decision was also based on the positive outlook for the non-energy sector and evidence that the domestic economy is approaching full employment. One sign of full employment is the rise of headline inflation, which reached 8.5 percent in December 2014, compared to 7.8 percent in September (Figure 2). The food component accounted for the bulk of the increase, rising by 16.7 percent in December, up from 15.7 percent, while core inflation remained largely stable at 1.4 percent. Commercial banks average basic prime lending rates increased to 7.78 percent in December from 7.69 percent in September. During the fourth quarter, private sector credit grew marginally (0.2 percent) when compared to the previous three-month period, but expanded 5.8 percent on a year-on-year basis. Meanwhile consumer credit increased by 4 percent.

Figure 2: Year-on-year Inflation Rate (end of period)



Source: CBTT

Reserves

The latest available data indicates that the country’s foreign currency reserves were sufficient to cover 12.7 months of imports in December 2014. Reserves, represented by the net foreign position, reached US$13,592 million in December, compared to US$12,578 in September. Demand for foreign currency intensified, with the net sales of foreign currency to the public by the Central Bank reaching US$475 million in the fourth quarter. This was 12 percent higher than the previous quarter and 9 percent higher than fourth quarter 2013. During the first two months of 2015 the Central Bank sold US$650 million.

Outlook

The outlook for the energy sector for the first half of 2015 envisages relatively low oil revenues, given that prices are not expected to rise significantly during the period. The Energy Information Administration anticipates that crude prices will average US$51.83 per barrel in the second quarter, after falling to US$47.74 in the first. In this context, the energy sector is expected to struggle for growth during the period, while foreign reserves are likely to decline, but still remain healthy. The non-energy sector on the other hand is expected to remain fairly vibrant, fuelled in part by construction sector growth, as government seeks to complete several projects in the run-up to elections. Election-related expenditure should also provide impetus for distribution, advertising and transport. The manufacturing sector may also see gains during the period from increased demand from the wider Caribbean, as cheaper fuel and improving economic conditions in major source markets stoke regional tourist arrivals.

Caribbean Update

Breathing Room

Due largely to continued economic recovery in key source markets, declining fuel costs and increases in airlift, the Caribbean region saw record numbers of tourists in 2014. According to statistics released by the Caribbean Tourism Organisation (CTO), 26.3 million people visited the region in 2014, a 5 percent increase over 2013. While the number and growth rate is indeed impressive, one should be mindful that the lion's share of visitors headed to countries that by and large fall outside of the Caricom bloc (see Table 1). Many of the United States (US) visitors flocked to four mass-market destinations: Jamaica, Bahamas, the Dominican Republic and Puerto Rico. Cuba on the other hand attracted some 3 million visitors from mainly Canada and Europe. Little wonder many Caribbean destinations are pondering the possible impact of the relaxation of travel restrictions between the US and Cuba. Nonetheless, regardless of the current and trending power dynamics in regional tourism, undoubtedly Caricom states welcome the upsurge in tourist activity. Beyond the hope or anticipation that a resurgent tourism sector can drive activity in construction, agriculture and investment over the medium term; for cash-strapped and highly indebted regional states, the combination of increased tourist arrivals and lower fuel prices provides something they haven't enjoyed for a while… breathing room.

Table 1: 2014 Tourist Arrivals

Country	Period	Tourist Arrivals	Percentage change from 2013
Anguilla	Jan - Nov	62,353	2.2
Antigua Barbuda	Jan - Dec	249,316	2.5
Aruba	Jan - Dec	1,072,082	9.5
Bahamas	Jan - Jul	924,898	3.5
Barbados	Jan - Dec	491,687	1.2
Belize	Jan - Dec	321,217	9.2
Cayman Islands	Jan - Dec	382,816	10.8
Cuba	Jan - Dec	3,003,000	5.3
Dominica	Jan - Dec	81,159	3.7
Dominican Republic	Jan - Dec	5,141,377	9.6
Grenada	Jan - Dec	133,521	18.4
Haiti	Jan - Dec	465,174	10.8
Jamaica	Jan - Dec	2,080,181	3.6
Montserrat	Jan - Oct	6,293	13.5
Puerto Rico	Jan - Oct	1,405,390	6.6
St. Lucia	Jan - Dec	338,158	6.1
St. Kitts Nevis	Jan - Aug	74,317	3.1
St. Vincent and the Grenadines	Jan - Nov	61,684	-1.2
Suriname	Jan - Jul	140,878	1.4
Trinidad and Tobago	Jan - Dec	412,537	N/A
Turks & Caicos Islands	Jan - Nov	368,164	40.6

Sources: Caribbean Tourism Organisation, Barbados Central Bank
N/A – Not Available

Barbados

Barbados capped off another challenging year with international credit rating agencies remaining less than impressed. On December 19th, Standard & Poor's downgraded the island's long-term sovereign rating from 'BB-' to 'B' but affirmed the short-term rating at "B". Making reference to Barbados' wide fiscal deficit, the ratings outlook was lowered to 'negative', suggesting another downgrade could be on the cards. Notwithstanding, developments have been more encouraging recently, with the positives outweighing the negatives. According to the Central Bank of Barbados, economic activity increased by an estimated 0.3 percent in 2014, driven by 1 percent growth in the construction sector and a 1 percent increase in tourism value-added. While construction was bolstered by $152 million in tourism-related projects, tourist arrival numbers improved by an estimated 1.2 percent, as increased visitors from the UK (10.2 percent) more than offset declines from the US (3.1 percent) and Canada (4 percent). Barbados' foreign reserves stood at $1,052.2 million (US$526 million) as at December 2014, representing 14.6 weeks of import cover and a $92 million decline from 2013's $1,144.2 million. Barbados' Minister of Finance has stated that the country is on course to register a fiscal deficit of 7.2 percent of GDP for the April 2014-March 2015 period. While still high, achieving this figure would be a notable improvement on the previous year's deficit of 12.5 percent and should find favour with the credit rating agencies.

Cuba

Perhaps no other country on earth currently typifies change to the extent that Cuba has and will continue to do in the near future. In addition to planning for the dismantling of its dual currency system, the communist state has, in recent years, committed to a sea change in its economic structure that has seen hundreds of thousands of workers separated from state employment to pursue dozens of new entrepreneurial ventures in the private sector. As if that wasn't enough, on December 17th 2014, US President Barack Obama and Cuban leader Raul Castro simultaneously announced to their citizens, a new era in US-Cuba relations. The two leaders had reached an agreement that would see both countries working to normalise relations with each other, restoring diplomatic ties and reopening their embassies in each others' capitals for the first time since 1961.

Cuba's economy is estimated to have grown by a lower-than-expected 1.3 percent in 2014, which was attributed to lower manufacturing output and a subpar sugar harvest. Tourism remained buoyant, with a record 3.003 million tourists entering the island in 2014. The trend continued into 2015 with a 16 percent increase in January visitors to 371,160. Cuba also attracted US$7.1 billion in investments last year, 57 percent of which was in productive investments. Continuing its pattern of engaging with world leaders and selected international bodies, in March Cuban authorities held discussions in Havana with representatives from the European Union with a view to normalizing relations with that group of countries. Negotiations were also held with the visiting President of the Paris Club, Bruno Bezard, as both parties try to come to a deal to reduce Cuba's debt to the creditor countries, estimated to be in the region of US $16 billion dollars.

Grenada

Grenada's economy grew by an estimated 2.6 percent in 2014, buoyed primarily by expansions in agriculture, tourism and education. During the first 9 months of the year, agriculture was boosted by strong growth in provisions, fruits and vegetables, a 50 percent increase in nutmeg production and a smaller increase in cocoa output; trends that likely carried through to December. While construction activity fell off, the tourism sector remained encouraging with stay-over arrivals to the island increasing by 18.4 percent to 133,521 in 2014. According to the 2014 Labour Force Survey, unemployment on the island declined to 29.5 percent. Grenada's 2014 fiscal deficit was recorded at 5.6 percent of GDP, while its total debt as of December stood at $2.56 billion, equivalent to 107 percent of GDP, a slight improvement on the 109 percent of 2013. Late November saw the presentation of Grenada's $1.15 billion 2015 National Budget.

In January, the Grenada government announced that it had come to an agreement to resolve its $98.8 million (US$36.6 million) debt to the Export-Import Bank (Eximbank) of Taiwan. Under the agreement the principal outstanding on the US$36.6m loan has been reduced by 50 percent and the balance will be repayable over a 15-year period with a grace period of three and a half years, at an interest rate of 7 percent. The agreement also includes a "hurricane clause", which gives Grenada the option of deferring payments for a predetermined period should a natural disaster impact the country's ability to service its debt. Also in January, Grenada like the rest of its fellow Organisation of Eastern Caribbean States (OECS) members, joined the Hugo Chavez-created bloc ALBA (Bolivarian Alliance for the Peoples of our America), a move that could prove to be tricky going forward, given the recent escalation of animosity between the United States and founding ALBA member-country Venezuela.

Guyana

Guyana's economy grew by an estimated 4.1 percent in 2014. While this is a relatively solid performance, it fell short of government's expectations and we (EIU-RBL) feel, short of the country's potential. On an encouraging note, the ongoing challenges in the country's sugar sector seem to have abated somewhat as the Guyana Sugar Corporation (GUYSUCO) reported that it surpassed its 2014 production target of 216,000 tonnes, the highest production level since 2005. In the absence of recent data, anecdotal evidence suggests that the country's rice sector continued to be buoyant, while activity in the mining sector remained relatively flat with the continued weak gold prices on the international market.

Unfortunately, in recent months, news of Guyana's economic activity has been largely supplanted by developments in its protracted political impasse. In January, President, Donald Ramotar, announced the general elections date of May 11th, exactly six months after suspending the country's parliament in order to avoid a no-confidence motion brought against him, by the opposition, which holds a one-seat majority in the country's 65-member National Assembly. In addition to this, in February, Guyana's High Court ruled that government expenditure of G$4.5bn (US$217m) made in 2014 without parliamentary approval, was illegal under the constitution. In another matter, in March an oil platform owned by US company Exxon Mobil began oil extraction operations in Guyana waters which Venezuela claims as its own and is currently disputing. The US$200 million project with an expected duration of 10 years, was agreed between Exxon Mobil and the Government of Guyana. It is difficult to forecast how these developments will ultimately play out, but certainly, the current legislative stasis and continued political wrangling cannot be good for economic activity, the socio-political environment and charting the way forward for Guyana.

Region

Jamaica's recent economic performance has been encouraging. Despite a 0.3 percent economic contraction in the fourth quarter of 2014, the Planning Institute of Jamaica (PIOJ) expects to see a recovery of up to 1.5 percent over the January to March 2015 period. Coming out of the parliamentary debate on the country's $641 billion 2015 budget presented in February, it was disclosed that Jamaica is in talks with financial institutions on a plan to pay off its Petrocaribe debt. Following a deal struck by the Dominican Republic in which it will pay US$1.9 billion for nearly all of the US$4.1 billion it owed Petroleos de Venezuela SA, which administers Petrocaribe, Jamaica appears to be seeking a similar arrangement for its Petrocaribe debt, which is reported to be in the region of US$3.8 billion.

Haiti's tourism sector was boosted by the opening of their 175 room Marriott Hotel in February. The contraction in tourist arrivals to St. Vincent and the Grenadines (-1.2 percent) was the only exception, with all other OECS members enjoying increased visitor numbers in 2014. Any improvement in what for many countries is their main economic pillar, with the bonus of lower oil prices, is surely welcomed as in many instances, the recovery in other sector's such as agriculture and construction is still some way off.

Outlook

The breathing room currently being enjoyed is likely to persist in the near term, as over the next six months oil prices are likely to remain low and the surge in tourism is expected to gather momentum. Beyond the additional revenue, a resurgent tourism sector could spur some increase in investment and construction activity, while lower oil prices translate to savings for the state and public alike. The countries whose economies are driven primarily by mineral extraction are not likely to fare as well over the short term.

TIME FOR THE REGION TO GET IN SHAPE

At the beginning of each year, many individuals from all walks of life try to make positive changes in the form of New Year resolutions. However, due to a lack of discipline or poor goal management, some individuals never remain committed and end up reverting to their old habits. One good example of this is persons who set themselves unrealistic fitness goals and wound up quitting in a relatively short space of time. When setting goals, one should consider the old adage, "Rome was not built in a day". On the other hand, there are individuals who manage to stay the course and reap the rewards in the end. The same principle applies to the region, as only through dedicated efforts would it be able to achieve long term goals. There are strategies that the Caribbean could employ to enhance its prospects for growth and development in a world where there is an ever-increasing number of challenges. In one way or another, one would realize that these strategies are not so different from those used by individuals who were successful in achieving their fitness goals.

Firstly, the Caribbean should "Clearly Define and Communicate a Compelling Vision" for its citizens. Persons, who often fail at achieving their fitness goals, would usually get it wrong from the planning stage because they are too focused on achieving a particular end result instead of concentrating on the process. For instance, some people are too caught up on image and aesthetics instead of being healthy from the inside out. On the other hand, individuals who are successful in achieving their fitness goals would pay more attention to deep intrinsic goals such as, improving their heart rate, blood pressure, blood sugar levels, cholesterol levels or metabolic rate. In the same way, the region should not set superficial goals that are skewed towards making the region look good on the outside when in fact, they are creating potential bubbles that could send its economies crashing. For example, aiming for a high GDP per capita is not viable if this creates a large wage disparity between the rich and poor. In the same way, attaining a lower unemployment rate, yields little profit to a country if the work force is characterized by low productivity. Instead, the region should seek to attain meaningful goals such as sustainable development. This requires visionary leadership, which will inspire Caribbean citizens to seek goals that are both captivating and attainable. Such leaders are able to identify opportunities even in challenging environments and encourage their followers to do the same.

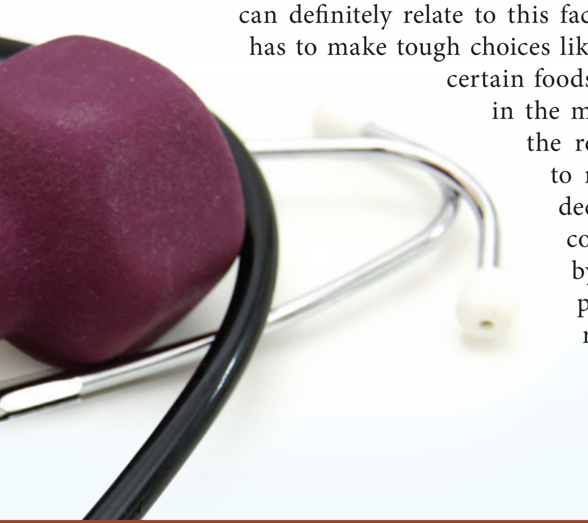
The region also needs to "Be Proactive". People who manage to stay fit are not just dreamers. They are doers or go-getters. Many people are successful in making plans but often fail when it comes down to implementing them. Likewise, the region needs to take more meaningful action over a sustained period to increase its chances of generating growth over the long term. Too often, the Caribbean has been guilty of identifying problems and developing theoretical solutions to these problems, with no credible action to follow. In addition, the region has also been guilty of failing to take advantage of key developments which could significantly benefit the Caribbean. The Panama Canal expansion is scheduled to be completed by the first quarter of 2016. This is expected to boost global trade as this enhanced shipping route will cater for larger ships carrying double the amount of cargo. In addition, it will reduce the travel time for ships going to countries in the eastern hemisphere. Most ports in the Caribbean are not large enough to accommodate these huge ships so this is a great opportunity to be proactive by building deeper harbors, installing taller cranes and expanding warehouses. If the Caribbean fails to capitalize on this opportunity, it could undermine the future growth of trade for the region.

The Caribbean should also, "Mix it up before it's too late". Individuals who attain a high level of fitness would usually achieve this by participating in multiple activities geared toward developing their strength, power, speed, agility and endurance. It is better to be balanced than to be one dimensional, as this could render one ineffective or ill-prepared to deal with new challenges. Most countries within the region can be defined as mono-crop economies and this has left them vulnerable to external shocks. Therefore, Caribbean countries must aim to diversify their economies to generate revenue from a larger number of sources. This will help to safeguard their long-term growth prospects. Currently, there are some encouraging signs, as some Caribbean countries are exploring renewable energy alternatives, while Guyana and Trinidad and Tobago are both venturing into aquaculture. There are also other areas that are worth

exploring. Over the last several years, there has been an increased demand for Information and Communications Technology (ICT) as businesses are embracing more mobile phone technology, telecommunications and outsourcing. ICT jobs are available in fields such as mobile phone applications, web design, network security and software testing. The Caribbean could take advantage of this global trend by offering training and educational programmes in these specific fields. Additionally, governments should provide incentives for entrepreneurs seeking to enter the IT business sector. Providing incentives for international IT companies to set up businesses in the Caribbean could also create jobs in ICT for the region.

The region also needs to, "Go the extra Mile". Individuals who are successful in attaining their fitness goals would have challenged themselves to make one more lap, one more set or one more repetition. In other words, doing the bare minimum brings little reward. The aim of the Caribbean should not be just to have a presence in certain industries, but to set the benchmark or at least equal the highest quality standards that already exist. Its structure does not allow it to adopt a mass marketing strategy for tourism and manufacturing. Hence, the Caribbean can go the extra mile by enhancing the quality of goods and services offered in its main sectors. For instance, in the tourism industry, the region could explore sub-sectors such as medical and sports tourism. In addition, it should improve the quality of its tourism product by creating a culture that is more customer service oriented. This could be achieved through proper training of hotel staff, immigration officers, store clerks and even taxi drivers. Likewise, in the manufacturing sectors, the goods that are produced domestically should be aiming to meet international standards.

Going forward, the Caribbean must be prepared to "Make Sacrifices". Persons who have worked hard to look their best in that special wedding gown or carnival costume can definitely relate to this fact. Sometimes one has to make tough choices like abstaining from certain foods or training early in the morning. Similarly, the region would have to make some tough decisions when it comes to its finances by adopting fiscal prudence. The recent drop in global oil prices presents the Caribbean with a perfect opportunity to make some wise decisions that would benefit it in the long run. Most Caribbean islands are net importers of oil and pay high electricity bills, as electricity produced from oil is expensive. For this reason, the region should take full advantage of these savings for imported oil by seeking to pay down debt and reducing subsidies. Although investment in renewable energy would be less attractive at this time due to low oil prices, this is still a good opportunity for the region to continue its exploits in renewable alternatives, as it would provide a buffer when oil prices do go back up. In addition, the Caribbean should scale back spending on social programmes which tend to lower productivity. This includes make-work programmes, some of which should be removed altogether, as they are not adding any real benefit to the region. However, for political reasons, removing them is no easy task as such programmes have become entrenched. Governments would also need to review their current pension schemes due to population aging. In the not too distant future, the size of the labour force relative to the size of the elderly population will be notably smaller than it is today. This would result in a smaller contribution base to regional pension schemes. If governments do not align current pension schemes with this reality, the contributions of the working population will be insufficient to sustain old age pensions.



Finally, each Caribbean country should aim to "Be a Team Player". No island is truly an island and the Caribbean has to realize that the only way forward, is to do it together. This is true for the strategies mentioned earlier. Teamwork encourages the exchange of ideas and transfer of skills. In the past, CARICOM has been criticized for not having widespread support from member states and being too slow to implement certain policies. The CARICOM Single Market and Economy (CSME) never really lived up to its promise and as a result, the region is not economically integrated. Moreover, the level of trade among the islands is low. Consequently, some Caribbean islands, in trying to garner assistance, have joined the Bolivarian Alliance for the Peoples of our America (ALBA) as a corollary to receiving concessionary oil under Venezuela's PetroCaribe programme. Going forward, the region would be facing similar challenges namely, high debt, high unemployment, high crime rates and low productivity. New threats are emerging every day and we are witnessing an ever-increasing incidence of natural disasters, epidemics (such as Ebola and Chikungunya) and social unrest among nations. In order for the Caribbean to combat these issues effectively, they would have to understand that each island is just too small to cope by itself. However, there is strength in numbers and only through collaborative efforts, would the Caribbean be more effective in charting a successful pathway through the rough seas to come.

 Subscriptions, enquiries and other correspondence should be addressed to: The Economist, Republic Bank Limited, P.O. Box 1153, Head Office, 9-17 Park Street, Port of Spain, Trinidad and Tobago. Tel: 868 623 1056. Fax: 868 624 1323. E-mail: email@republictt.com