

Foreign Exchange Management



**Address at the UWI Conference :
“Accounting for the Petro-Dollar”**

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by

Ewart S Williams
Governor, Central Bank of Trinidad and Tobago

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1. Balance of Payments: Current Account

	2001	2002	2003	2004	Proj. 2005
Current account balance	445	76	961	1,788	2,775
Trade balance	718	238	1,293	1,509	2,802
Exports	4,304	3,920	5,205	6,403	9,519
Energy	3,386	2,874	4,243	5,143	7,900
Non-energy	918	1,046	962	1,260	1,619
Imports	3,586	3,682	3,912	4,894	6,717
Fuel imports	926	1,019	1,064	1,181	1,873
Capital	1,267	1,276	1,257	1,796	2,507
Other	1,393	1,388	1,591	1,917	2,336
Services and transfers (net)	-273	-161	-333	279	-27

2. Balance of Payments: Capital Account

	2001	2002	2003	2004	Proj. 2005
Capital and financial account (net)^{1/}	25	-28	-627	-1,053	-1,875
Official, medium and long-term (net)	-52	-51	-74	-230	-17
Direct Investment (net)	777	684	583	973	1,705
Commercial banks (net)	199	-22	94	-524	0
Other private sector capital (net) ^{1/}	-899	-639	-1,230	-1,272	-3,563
<i>Of which</i> : net errors and omissions	-342	-424	-121	-214	0
Overall balance	470	49	334	735	900
Change in gross official reserves (increase -)	-470	-49	-334	-735	-900
	(In percent of GDP, unless otherwise specified)				
Memorandum items:					
Current account	5.0	0.8	8.9	14.5	18.8
Gross international reserves (millions of US\$ end of period)	1,876	1,924	2,258	2,993	3,893
Oil prices (WEO, spot crude)	24.3	25.0	28.9	37.8	54.2
GDP (millions of US\$)	8,872	9,112	10,755	12,315	14,764

3. SOURCE AND USE OF FOREIGN RESERVES (US\$ Millions)

	2001	2002	2003	2004	2005*
Central Bank Inflows	697.7	724.5	1,223.6	1,577.9	1,939.5
Oil and Gas Receipts ₁	418.1	466.6	958.4	1,073.6	1,673.4
Other Inflows ₂	279.6	257.9	265.2	504.3	266.1
Central Bank Outflows	393.9	609.5	870.5	1,097.9	1,278.8
Government Debt Service	227.2	243.8	250.7	448.2	219.9
Gross Sales to Authorized Dealers	45.0	335.0	505.0	400.0	545.0
Other Payments ₃	26.2	30.7	27.0	46.1	93.6
Transfers to HSF**	95.5	0.0	87.8	203.6	420.3
<i>Residual</i>	<i>70.3</i>	<i>(65.3)</i>	<i>(106.5)</i>	<i>51.3</i>	<i>170.7</i>
Change in Reserves (Excluding HSF**)	374.1	49.7	246.6	531.3	831.4
Memo Item:					
Inflows from Energy Sector to Commercial Banks	n.a.	794.0	690.0	1,219.0	936.0

1 Oil Taxes, Royalties, Production Sharing, Rent

2 Multi-lateral Loan Disbursements, Central Bank Interest Earned, Collection Items

3 Bilateral Settlements, CBTT payments, IMF charges

**HSF: Heritage and Stabilization Fund

Purchases and Sales of Foreign Exchange

(US\$ Millions)

Year	Commercial Banks' Purchases	Commercial Banks' Sales	Central Bank Sales
2000	1,527	1,835	300
2001	2,135	2,314	(10)
2002	2,003	2,315	310
2003	2,070	2,625	505
2004	2,441	2,984	400
Jan – Oct 2004	1,946	2,375	305
Jan – Oct 2005	2,095	3,140	545

Selected Capital Outflows

US\$ Millions

	Foreign Acquisitions	Bond Placements			Total
		Sovereign	Other	Total	
2000	25.2	30.0	-	30.0	55.2
2001	58.1	39.6	166.7	206.3	264.4
2002	105.9	70.1	-	70.1	176.0
2003	200.0	177.8	368.2	546.0	746.0
2004	25.4	230.4	196.9	427.3	452.7
Oct. 2005	216.0	147.0	135.0	282.0	498.0

PURCHASES OF FOREIGN EXCHANGE GREATER THAN US\$100K

YEAR	ENERGY SECTOR*			NON ENERGY*	TOTAL PURCHASES**	TOTAL ENERGY/ TOTAL PURCHASES	TOTAL NON-ENERGY/ TOTAL PURCHASES
	SHARING	NON SHARING	TOTAL ENERGY				
2001	***	404.73	N/A	N/A	2135.45	N/A	N/A
2002		344.00	449.94	793.94	2003.10	39.6%	52.0%
2003		372.60	317.33	689.93	2070.41	33.3%	43.6%
2004							
I		125.50	146.73	272.23	534.80	50.9%	27.3%
II		142.70	194.50	337.20	583.90	57.7%	27.4%
III		140.80	175.90	316.70	647.30	48.9%	44.7%
IV		150.50	142.10	292.60	673.50	43.4%	28.0%
TOTAL		559.50	659.23	1218.73	2439.50	50.0%	32.1%
2005							
I		129.25	160.70	289.95	677.70	42.8%	37.0%
II		199.50	116.20	315.70	664.20	47.5%	54.0%
III		163.50	103.30	266.80	604.40	44.1%	33.9%
TOTAL		492.25	380.20	872.45	1946.30	44.8%	41.8%
Oct-05		39.50	24.10	63.60	146.50	43.4%	62.7%

The end