

**Trinidad & Tobago**  
**2021/2022 Budget Highlights**  
**Key Macroeconomic Indicators**

- Real GDP contracted by 7.4 percent in 2020 as a result of a 12.2 percent fall in energy sector activity and 5.6 percent decline in non-energy sector activity
- Real GDP is estimated to fall by 1.0 percent in 2021
- Real GDP is expected to increase by 5 percent in 2022, as the energy sector and non-energy sector are expected to increase by 13.0 percent and 2.3 percent, respectively
- Expenditure is based on an oil price of US\$65.00 per barrel and a gas price of \$3.75 per mmbtu
- Total Revenue for the fiscal year 2022 is expected to be \$43.333 billion. Expenditure for 2022 is expected to measure \$52.429 billion
- A fiscal deficit of \$9.096 billion (5.8 percent GDP) is expected for 2022

***Areas of Interest***

**Gambling Industry**

- Parliament to pass the Gambling (Gaming and Betting) Control Act, 2021 with expectations of receiving the first streams of proper gaming revenue in financial year 2022

**Mortgage Bank**

- In 2022 the Government will seek to restructure the HDC to make a clear distinction between its landlord function, and its developmental function.
- By the first half of fiscal 2022, the Government will create the Trinidad and Tobago Mortgage Bank by merging the Trinidad and Tobago Mortgage Finance Company Limited and the Home Mortgage Bank, with the intention to make an Initial Public Offer of the government shares in the new entity.

**Procurement**

- The Public Procurement and Disposal of Public Property Act would become operational in 2022.

**Digital Transformation**

- Expansion of technological products: roll out additional TT-WIFI sites at all transport hubs, all libraries, all schools and at all health sites
- ICT Access Centres will increase from 6 to 50
- Digital Skills Training
  - 10,000 persons will be provided with digital skills training.
  - 2,000 under an arrangement with the Microsoft Philanthropic Group.

- Broadband service will be provided to at least twenty-five underserved communities.
- The aim is to enhance the contribution of the telecommunications sector to GDP from 4 percent to 8 percent.
- The Cybercrime Bill will be finalised and the Telecommunications Act will be amended.
- Legislation to be introduced to enable a National Digital Identity

### Construction

- The first phase of the Churchill Roosevelt Highway extension to Manzanilla to be completed in 2022.
- The Valencia to Toco Road is expected to begin in 2022
- The Solomon Hochoy Highway Extension to Point Fortin: The priority link is scheduled to be completed in 2022: Dumfries to Dunlop and Fyzabad to Mon Desir
- A vehicular and pedestrian Bridge Overpass in Diego Martin to be completed in 2022
- Construction of the Macoya interchange is expected to begin in 2022
- Construction of the new terminal at the ANR Robinson International Airport is scheduled to commence in 2022.
- Coastlines are being protected with a scheduled completion date of October 2022: Cap-de-Ville shoreline, Matelot - along the Paria main road, Mayaro – Guayaguayare.

### Agriculture

- For fiscal 2022, \$300 million will be allocated to the Ministry of Agriculture, Lands and Fisheries to expand in production and marketing of selected high-demand commodities
- An access road repair programme to commence in 2022, will provide relief for over four hundred farmers.

### Manufacturing

- A new “Catalytic Fund” to be created at the EximBank where export-oriented companies (manufacturing and service sectors), will be able to access financial support
- The Government is accelerating the implementation of the National Quality Policy
- The Government intends to set up a national vocational training strategy which would create skilled employees for the manufacturing sector
- \$50 million to support to small and medium enterprises specifically in the areas of accounting services, record-keeping, training, management, inventory control, health and safety and to ensure that they meet their statutory obligations
- The Phoenix Park Industrial Estate will be completed in April 2022

### Tourism and Cultural Industries

- KLM Airlines is to begin a new service before the end of the year
- Superior Hotels (Trinidad and Tobago) Limited is reconfiguring the 55 apartment-style guestroom hotel at the former Carlton Savannah
- The new hotel, the Brix by Marriott, will offer 163 4-star global standard guestrooms upon its opening before the end of 2021

- Towers Hospitality Group Limited is constructing a new hotel in Tobago, the Comfort Inn and Suites and it will offer seventy-four guestrooms upon its opening before the end of the year
- The Financial Complex Suites Limited with seventy-nine guestrooms is scheduled for opening in April 2022

### Health

- The new 106-bed Sangre Grande Hospital is at an advanced stage and scheduled for completion in 2022

### Sport

- The Government has approved the submission of a bid to host matches in January 2022 of the ICC Men's Under-19 Cricket World Cup
- Consideration being given to hosting some games during England's Tour of the West Indies in February 2022
- Supporting the Trinidad and Tobago Power Boat Association's International P1 Circuit Event, which is scheduled for February 2022

### Utilities

- In the final stages of completing a Transformation Plan to establish WASA as a modern, technology-driven water management company. Implementation of the plan will commence in Fiscal 2022

### Energy

- Construction will commence in 2022 on the two solar photo voltaic plants which are intended to feed power onto the national grid; with 92.2 megawatts solar photo voltaic at Couva and twenty megawatts solar photo voltaic at Trincity

### Tobago

- The budgetary allocation to the Tobago House of Assembly is \$2.357 billion (4.5 percent of the national budget):
  - \$2.075 billion would be for recurrent expenditure
  - \$264 million for capital expenditure
  - \$18 million for the Unemployment Relief Programme (URP)
- \$50 million to provide financial assistance to hoteliers and tourism businesses
- \$30 million for farmland development
- \$20 million for the development of green spaces
- \$788 million is allocated to be spent by various government Ministries and Statutory Authorities

## *Fiscal Measures for 2022*

### COVID-19 Relief Measures

- Reduction in tax rate by 5 percent for significant exporters of local goods with annual revenue of over \$500,000.
- Reduction in tax rate by 5 percent for small and medium companies where 50 percent of their annual revenue come from any one of the following fields: 1) Technology Solutions 2) Digitization and 3) Construction.

### Digital Sector

- New digitization and technology-based companies solutions - a 50 percent tax exemption to be given on the first \$100,000 of chargeable income for the first year and for the first \$200,000 of chargeable income in the second year

### Research and Development Capital Allowance

- Research and Development Capital Allowance up to forty percent of expenditure (in calculating taxable profits) incurred by companies in Research and Development

### Carbon Capture and Storage and Enhanced Oil Recovery

- Tax credit of thirty percent of the cost of investment in carbon capture and storage and enhanced oil recovery up to a maximum of five hundred thousand dollars (\$500,000) for companies that make such investments

### SME Mentorship Programme

- Assistance will be provided to the TTSE to implement the SME Mentorship Programme which will focus on the following:
  - 1) Supporting the re-drafting of the listing rules to include the SME Mentor and the subsequent approval process with the TTSE
  - 2) Assist in identifying, assessing and maintaining a stable list of 'highly competent and experienced' SME Mentors
  - 3) Integration of the SME Mentorship Programme into the government's existing support infrastructure for SMEs.

### Overweight Trucks Penalty

- Penalties for Overweight Trucks to increase from \$700 to \$8,000

### Development and Expansion Incentive (DEI)

- An incentive of 5 percent reduction in tax rate for companies in information technology and digitization, manufacturing and technology development

### Withholding Tax Rate

- Reduction in Withholding Tax on any distribution made, from 10 percent to 8 percent and in the case that such distribution is made to a parent company, the rate will be reduced from 5 percent to 3 percent. This measure is designed to encourage more Foreign Direct Investment (FDI) as it reduces the tax burden for foreign investor companies.

### First Time Homeowners Tax Allowance

- Tax allowance for first-time homeowner: Limit to increase from \$25,000 to \$30,000

### Contributions to Approved Pension Fund Plan/Scheme/Approved Deferred Annuity/Tax Saving Plan/Widows' And Orphans' Fund/National Insurance Payment

- With respect to the above, the government is proposing to increase the relief granted from \$50,000 to \$60,000

### Electric Vehicles

- Removal of all custom duties, motor vehicle tax and value-added tax on the importation of battery-powered electric vehicles with an age limit on imported used battery powered electric vehicles of 2 years

### Heritage Conservation

- 150 percent tax allowance of up to \$1 million on corporate sponsorship of Heritage properties under the oversight of the National Trust

### Support for Disabled Persons

- Removal of VAT and Custom Duties: Specified Therapy Equipment, Hearing Impaired, Visually Impaired, Physical Mobility Disabilities, Disability Safety Peripheral and Communication Devices

### Utility Rebates

- T&TEC and WASA - increase the rebate from 25 percent to 35 percent on bills that are \$300 or lower. Plans to offset the cost of water for the same group of households receiving the T&TEC bill rebate

### Stimulating the Digital Economy

- ALL computer hardware, software and peripherals: Removal of ALL import duties and Taxes (VAT & Online Purchase Tax)

### VAT Removal on Basic Food Items

- Biscuits, cooking oil, canned vegetables, cornflakes, canned fish, canned meat, curry, juice, sausages, ham, ketchup, bottled water and pigtail. Luxury food items, such as imported lobster, clams and strawberries, subject to VAT

**NB:** All fiscal measures are effective January 1, 2022, except for VAT removal on basic food items, which is effective November 1<sup>st</sup>, 2021.

### *Major Fiscal Allocations*

- *Education and Training - \$6.886 billion*
- *Health - \$6.395 billion*
- *National Security - \$5.664 billion*
- *Works and Transport - \$3.577 billion*
- *Public Utilities - \$2.671 billion*
- *Rural Development and Local Government - \$1.656 billion*
- *Agriculture - \$1.249 billion*
- *Housing - \$0.610 billion*