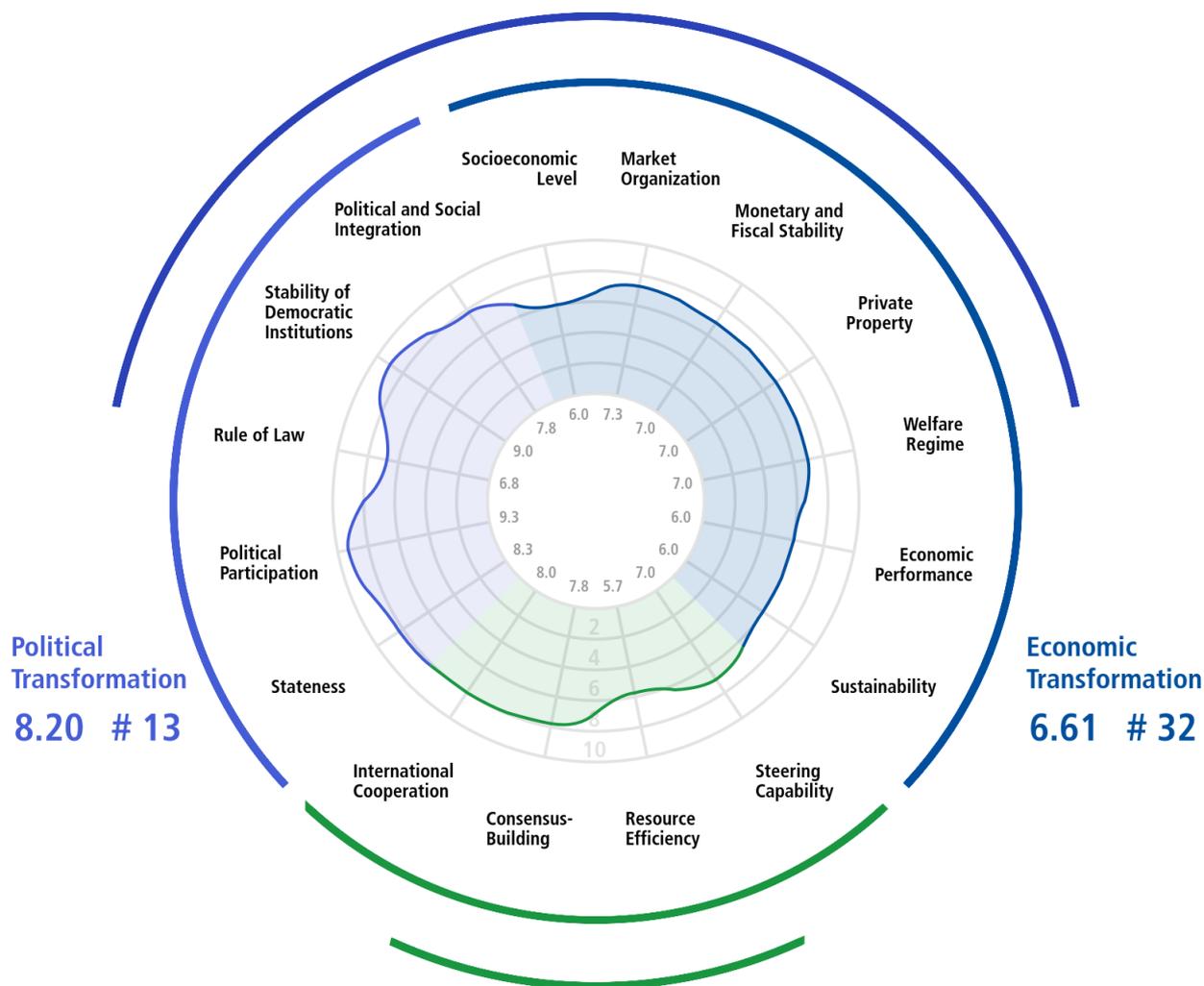


Trinidad and Tobago

Status Index

7.40 # 18

on 1-10 scale out of 137



Governance Index

5.99 # 25

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	1.4	HDI	0.807	GDP p.c., PPP \$	36021
Pop. growth ¹	% p.a.	0.1	HDI rank of 193	72	Gini Index	-
Life expectancy	years	73.5	UN Education Index	0.755	Poverty ³	% -
Urban population	%	53.6	Gender inequality ²	0.262	Aid per capita	\$ -

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

During the review period, Trinidad and Tobago (TTO) pursued a transformative agenda focused on advances in democratic governance and economic progress while grappling with ongoing challenges that influence the nation's direction. In 2023, the issue of judicial independence was cast into the spotlight when the U.K.-based Judicial Committee of the Privy Council overturned a government decision to prolong the terms of local government representatives, reinforcing the separation of powers. Although there was growing momentum to establish the Caribbean Court of Justice (CCJ) as the country's final appellate court, this change had not been ratified as of January 2025. Moreover, although general elections took place after the review period in April 2025, the Elections and Boundaries Commission (EBC) generally acts impartially and is highly professional, ensuring fair elections. The Caribbean Community's (CARICOM) commitment to monitoring the 2025 elections has also helped to maintain international trust.

However, several challenges jeopardize political transformation. Political divisions persist; narrow margins in both the 2020 general elections and the closely fought 2023 local government elections between the People's National Movement (PNM) and United National Congress (UNC) reflect ongoing party polarization and ethnic rifts. Efforts for greater autonomy in Tobago have stalled in Parliament, highlighting internal governance tensions. Furthermore, anti-gang measures, including the Anti-Gang Act of 2021, have not produced the desired effects, and gang-related violence continues to escalate. In 2024, the number of homicides reached a record for a single calendar year. Under pressure, the government took the expedient measure of declaring a state of emergency in December 2024 and extended it in January 2025.

Furthermore, efforts toward decolonization – reflected in the redesign of the national coat of arms – reinforced ethnic and cultural tensions between East Indian and African-descendant communities. Ongoing debates over the Concordat, an agreement between the state and religious bodies on education issues, reveal tensions between state authority and religious practice, illustrating how a secular state seeks to maintain a fragile balance while imposing restrictions on

assembly and expression through permits and security protocols. Recent sedition charges against Canadian vlogger Christopher Hughes for videos featuring gang members criticizing the government illustrate the complex relationship between free speech rights and state security concerns.

On the economic front, TTO entered a phase focused on diversification and recovery. Significant developments in ongoing energy projects such as the Manatee gas field have reinforced revenue prospects. Infrastructure upgrades such as the ANR Robinson Airport expansion are also underway. These initiatives have stimulated growth across non-energy sectors, with GDP rising 1.9% in 2024 after three consecutive years of growth following the COVID-19 pandemic. Government initiatives like the CARICOM Trade Support Program (CTS) and National Trade Strategy (2024 – 2029) have further strengthened regional economic collaboration within the CARICOM Single Market and Economy (CSME) strategy.

Socioeconomic inequalities persist, with about 20% of the population living below the poverty line, as do urban-rural divides. Fiscal concerns are apparent, with the budget deficit climbing to 3.5% of GDP and national debt surpassing \$20 billion, sparking public discontent over proposed salary raises for politicians and judges discussed in December 2024. Slow judicial proceedings, concentrated media ownership patterns and unaddressed governance reforms highlight an urgent need for greater transparency and accountability measures. While TTO has made advances in democratization efforts and economic diversification strategies, addressing enduring challenges will be vital to achieving long-term stability and development.

History and Characteristics of Transformation

The roots of Trinidad and Tobago's transformation into a stable democracy stretch back into the country's colonial history, with the process having been influenced by numerous political and economic reforms over the years. Since independence in 1962, the country has experienced democratic governance that has laid the groundwork for its current sociopolitical and economic environment.

During the colonial period, Trinidad and Tobago (TTO) was initially under Spanish control, and was subsequently under British rule. By the early 1800s, the British Empire had solidified its dominance over the islands, leaving a lasting impact on the nation's political structure and demographic makeup. Following the near-eradication of Indigenous peoples, forced labor was provided first by enslaved Africans, then, after emancipation, by South Asian indentured laborers. This legacy has resulted in a rich plurality of identities. Approximately 38% of the population identify as East Indian, while 36% identify as African. Many others have mixed ethnic backgrounds. This diversity continues to be a significant influence on the cultural and political aspects of life.

TTO gained independence in 1962 and, in 1976, adopted a republican constitution that replaced the British monarch with a president elected by Parliament and a cabinet headed by a prime minister. However, the Judicial Committee of the Privy Council was retained as the highest court. The largely Afro-descendant People's National Movement (PNM), which governed undefeated from 1956 – 1986, established democratic institutions. The dominance of the PNM was broken when the National Alliance for Reconstruction (NAR), formed from PNM dissenters and other opposition groups, won the 1986 elections and brought the first change of government. This change marked the emergence of a more competitive political environment. The PNM returned to office in 1991, but following a tie with the United National Congress (UNC) in the 1995 elections, the head of the UNC (an Indo-Trinidadian) became prime minister for the first time, based on a coalition with the NAR, which had won two seats. A broader coalition government consisting of the UNC and four other political parties (the People's Partnership) took power in 2010, yet the PNM returned to power in 2015 and retained its position in 2020.

A major incident was the 1990 coup attempt by an extremist Black Muslim group, Jamaat al Muslimeen, which seized Parliament and the national television broadcasting service for six days in an effort to overthrow the NAR government. Although the coup attempt failed, the group negotiated an amnesty during the crisis. The 2000s then saw further democratic stabilization, though several problems (e.g., corruption and crime) have persisted.

Economically, TTO developed an undiversified economy without economies of scale. Overdependence on oil and gas impeded further private sector development. In the early 1970s, the establishment of major entities such as the National Petroleum Marketing Corporation (1972), along with the nationalization of the Shell Oil Refinery (1974) and the formation of the National Gas Company (1975), contributed to the solidification of a resource-driven economy during the oil boom. However, while high oil prices in the 1970s enabled considerable state-financed development, their decline in the 1980s fundamentally shook the economy. Neoliberal market restructuring began as the country was forced to accept neoliberal policies embedded in structural adjustment loans from the IMF in the wake of declining oil prices and the subsequent adverse effects on the economy. In the 2000s, TTO benefited from another oil boom, which confirmed the petroleum industry as the most important sector of the economy (about 40% of GDP) and contributed to the establishment of the Heritage & Stabilization Fund in 2007. Efforts to diversify the economy have been placed on the government's agenda, as have occasional privatizations and public offerings of various state-owned enterprises. The government's decision to close the state oil company, Petrotrin, in 2018, and its uncertain decision-making regarding the sale of the refinery to a company owned by the union that represented Petrotrin's former employees, are indicative of a botched privatization mechanism.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state largely retains a monopoly over the use of force throughout the country. However, there are small areas in which gangs battle for control. Growing challenges from gang-related activities led to the passage of the Anti-Gang Act in 2021, but this has neither curbed these activities nor reduced homicide rates. Official figures for 2024 record 624 murders. This was the highest number of homicides recorded in a calendar year, and only the second time the figure has surpassed 600 (the other year was 2022, with 605 murders). The government declared a three-month state of emergency (SOE) on December 30, 2024, citing gang-related violence involving sophisticated illegal firearms that endangered public safety. The SOE was extended for an additional three months in January 2025. Critics claim that the SOE is not effective as a long-term or sustainable crime-fighting strategy.

The population accepts the nation-state as legitimate. The constitution grants automatic citizenship to all persons born in the country, and all groups enjoy this right without discrimination. Citizenship may also be acquired through descent, marriage or extended residence. While the overwhelming majority of the population sees themselves as Trinidadians, ethnicity plays a key role in identity formation, with ethnic identity preceding national identity.

Political organizations such as the PNM and the UNC are often perceived as being aligned with specific ethnic groups, a fact that potentially undermines inclusivity and legitimacy, especially when some groups feel marginalized or excluded from national policymaking. Likewise, despite efforts to reduce socioeconomic disparities and inequalities, these conditions persist and have contributed to the emergence of disadvantaged communities, some of which face restricted access to vital services.

As a separate island, Tobago adds another dimension to this situation, as its unique cultural and historical identity often drives demands for greater self-governance. Although the Tobago House of Assembly (THA) oversees local administration,

Question
Score

Monopoly on the
use of force

8



State identity

9



residents of Tobago regularly express concerns about inadequate representation and the fair distribution of resources from the central government in Trinidad. These conflicts highlight the difficulty of promoting national cohesion while honoring the distinct identities and ambitions of each island.

In 2024, the central government introduced two bills in Parliament that it claimed would have granted greater autonomy through the creation of a self-governing body on Tobago. The bills failed to garner enough votes in Parliament to satisfy the special majority requirement for a constitutional amendment. The failure was not disappointing to Tobagonians, as many felt that Tobago was not adequately consulted in the drafting process. There was also a claim that, while granting some political autonomy (legislation-making powers), the bills did not sufficiently address economic autonomy. The proposal and its subsequent rejection did not concern questions of citizenship or challenge the legitimacy of the nation-state.

While Tobago may seek greater autonomy in governing the island’s affairs – and Tobago nationalism is gaining strength – there is consensus that the island remains within the nation-state of TTO. The solidarity between Trinidad and Tobago as the nation-state was reflected in a recent redesign of the national coat of arms in which the colonial imagery (three ships representing Columbus’ ships) was replaced with a steel pan, the national instrument of TTO. Some, including political actors, however, view the steel pan as aligning with a specific group of Trinidadians.

TTO laws underscore the separation of state and church. Religious dogma has no noteworthy influence on the legal system or political institutions. Public sentiment generally favors keeping religion separate from political decisions. Still, religious groups actively engage in discussions of issues deemed to have moral relevance, such as abortion and homosexuality. In 2018, LGBTQ+ activists secured a high court ruling that the criminalization of same-sex acts was unconstitutional; the government appealed the ruling in 2023, and the outcome is pending. However, the legal structure and political institutions are largely characterized by secular principles and positive law. When entities attempt to shape legislation on the basis of religious views, such matters are handled through democratic channels to ensure that the legal system remains inclusive and considerate of varying perspectives.

State administrative structures provide most basic public services throughout the country, yet challenges persist in their capacity and capability to deliver services to citizens. A case in point was tax collection. Until November 2024, only two of 14 district revenue offices were equipped to handle non-cash transactions. Access to services is not always equitable for low-income communities and vulnerable people due to nepotism, favoritism and corruption, including bribery.

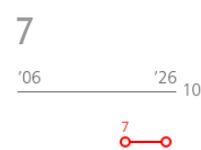
With respect to the delivery of basic services such as health care and education, locations are fairly dispersed across the country, but service delivery and the physical maintenance of facilities are inadequate. This is compounded by urban-rural

No interference of religious dogmas



1

Basic administration



1

disparities. Largely because of underfunding, the health care system features outdated facilities, limited access to essential medications and long waits for medical services. The state has undertaken major infrastructure projects in the health sector, but these have largely been limited to building tertiary health institutions such as the Sangre Grande Hospital and the central block of the Port of Spain Hospital, while primary health care facilities remain in need of investment.

There has been some progress in water provision and waste management. In 2022, only 16% of the population received a continuous water supply. In 2024, the Water and Sewerage Authority alleged that 80% of the population received a piped water supply at least three days a week. However, many communities still lack access to potable water. In 2024, a policy framework for integrated waste management, recycling and a deposit-based beverage container return system was launched to improve waste collection and disposal and promote a circular economy.

Regarding infrastructure, the government has made investments aiming to improve communications, transportation and other essential services. A key development is the anticipated opening of the upgraded ANR Robinson International Airport in Tobago by March 2025. This initiative is designed to triple the airport's capacity, boosting tourism and economic growth. The project's actual price tag has been claimed to exceed the initial estimate of TTD 1.2 billion, raising questions about excessive spending and corruption. Moreover, although the World Bank's World Development Indicators report universal electricity access, power supplies are unreliable in some areas, and infrastructure issues persist.

2 | Political Participation

Elections are regularly held and have mostly been free and fair, featuring universal suffrage and secret ballots. TTO has never deviated from holding scheduled elections, as underscored by the 2020 election that proceeded amid the COVID-19 pandemic. The conduct of the general election was free and fair, with equal media access for all. The opposition party, the United National Congress (UNC), requested recounts, which were conducted. Subsequently, the official results were tabulated, and People's National Movement (PNM) Prime Minister Keith Rowley, who was reappointed along with his cabinet, was sworn in. The next general election was planned for April 28, 2025.

The Elections and Boundaries Commission (EBC), a constitutionally defined institution, manages the entire electoral process, including voter registration, the definition and demarcation of electoral districts, and oversight of the voting process. In general, the EBC acts impartially and effectively and is trusted by the public and political parties. However, there have been isolated instances in which the EBC was criticized for breaching laws or manipulating boundary shifts to favor a particular party. Because of the pandemic, no foreign observer teams were present in person for

Free and fair elections

10



the 2020 elections, yet at least one observer team is expected to be present for the 2025 elections. CARICOM accepted the government's request to observe the elections.

In a Westminster system of government, the majority party in the legislature controls the executive branch. Control of both the legislature and the executive confers effective power to govern. In this model, except for the judiciary, all other state institutions, such as the bureaucracy and the military, are either directly or indirectly under government control. Outside the institutions of the state, various societal groups – economic, religious, political and social – seek to influence the government. Those in economically advantaged positions, such as political financiers, have some leverage. This influence is informal, driven by access, persuasion and shared interests rather than formal authority, and it does not threaten the power to govern.

The constitution guarantees the freedoms of association and assembly, and the government generally respects these rights. Groups can operate free from unwarranted state intrusion or interference in their affairs. No government has used intimidation, harassment or threats of retaliation to prevent citizens from exercising the rights of association and assembly. However, there are specific legal stipulations and limitations in place to reconcile individual liberties with concerns regarding national security and public order, as seen in Section 5 of the constitution, the Police Service Act and the Sedition Act. For instance, a permit must be secured for public events. Applications to hold public protests are rarely refused.

Toward the end of the reporting period, on December 30, 2024, the government imposed a nationwide state of emergency (SOE) because of escalating gang violence. The SOE suspended several constitutional rights and gave security forces the power to search and seize assets, although no curfew was implemented. The SOE was extended for an additional three months in January 2025, and was lifted after the close of the review period, in April 2025.

The constitution protects the right to free speech. However, this freedom is not absolute and is subject to specific constraints aimed at safeguarding public order, national security, public health and ethical standards. The legal system includes laws on libel and defamation that penalize false statements damaging a person's reputation. Although these regulations aim to protect individuals from defamation, they may also be seen as instruments to silence opposing views, particularly when directed at journalists or media organizations. In 2024, Canadian vlogger Christopher Hughes was accused of sedition for sharing videos featuring alleged gang members criticizing the government. He was arrested and subsequently released on bail.

The Freedom of Information Act allows individuals to request information from government agencies. The law is intended to enhance openness and responsibility in government operations. Nonetheless, its effectiveness may be hindered by administrative obstacles and delays in providing information. In addition, the media

Effective power to govern



Association / assembly rights



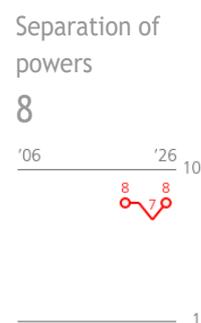
Freedom of expression



environment in TTO is diverse, with numerous privately owned newspapers, TV channels and radio stations that offer a wide range of views. However, media ownership concentration may occasionally limit the range of viewpoints available to the audience.

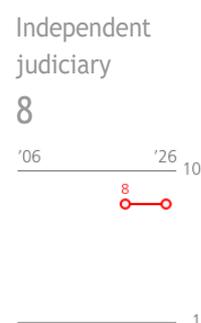
3 | Rule of Law

The constitution provides for the separation of powers, with a single point of overlap between the legislature and the executive. The prime minister is selected from among elected members of Parliament in the House of Representatives. Additional ministers are chosen either from the ranks of elected members of Parliament or the appointed senators. The constitution also establishes several independent offices and commissions and a judiciary that ensures checks and balances.



The executive tends to dominate Parliament. This is due on the one hand to the large number of governing-party members in Parliament who also hold government posts and, on the other hand, to an organizational discrepancy between the two branches that results in de facto weakness in Parliament’s oversight of the government. Despite recent improvements, this oversight is considered to be only moderately effective. Supervision is perceived as being insufficiently independent, partly due to the relatively strong party discipline.

Courts function independently of the executive and the legislature, safeguarding impartiality in judicial matters. This independence serves to uphold the rule of law by allowing the judiciary to check the powers of the other branches and protect citizens’ rights against potential misuse of authority. Moreover, legal provisions require special legislative majorities to pass certain types of laws, especially those bearing on the rights and freedoms of the citizenry, and to amend specific aspects of the constitution. A case in point was the government’s failure in 2024 to pass into law the Tobago Self-Government Bill, which took the form of a constitutional amendment. In 2023, TTO’s highest court, the U.K.-based Judicial Committee of the Privy Council, struck down a government attempt to extend the terms of local government representatives by a year.



The judiciary is constitutionally independent and charged with upholding the rule of law through impartial interpretation and application of legislation. The legal system is based on the common-law tradition, and the judiciary is organized into several levels, including the magistrates’ courts, the High Court, the Court of Appeal and the Privy Council as the final appellate court. In many instances, the higher courts identify pitfalls and shortcomings in the interpretation and application of the law. Because the highest court of appeal, the Judicial Committee of the Privy Council (JCPC), is staffed by U.K. judges, there is no concern about its integrity or independence. However, there are concerns about the cost of appealing to this court, along with the widely held belief that this “foreign” court does not fully appreciate

or understand the culture and nuances of TTO's society. On this basis, the case has been made to adopt the Caribbean Court of Justice (CCJ) as the final court of appeal. However, as of January 2025, no such proposal had been ratified.

The constitution safeguards the autonomy of the judiciary, guarantees job security for judges, and details the processes for their appointment and dismissal. The Judicial and Legal Service Commission (JLSC) helps to preserve judicial independence by making merit-based selections free of political interference. Nonetheless, there have been discussions about the need for greater financial and administrative independence for the judiciary. Chief Justice Ivor Archie has noted that the judiciary operates on approximately 1.07% of the national budget, of which only 88% was released by the Ministry of Finance in fiscal 2024. Resource constraints have led to staff shortages, inadequate compensation and high attrition rates among judicial officers.

The public's view of the judiciary's autonomy has prompted debate, especially following findings like those of Transparency International's Corruption Perceptions Index (CPI). In February 2024, the judiciary of TTO firmly challenged statements in the 2023 CPI that suggested it had failed to monitor other branches of government effectively. The judiciary denied these allegations, highlighting its dedication to enforcing the rule of law and preserving checks and balances in governance. The CPI also suggested that the judiciary was frequently susceptible to bribery and political interference.

The judiciary faces obstacles that could affect its autonomy and effectiveness. Concerns persist about slow case processing. Some civil and criminal cases remain unresolved even after several years, resulting in extended periods of pretrial detention for accused individuals. Initiatives to resolve these problems include demands for financial independence, with the aim of improving resource allocation and administrative effectiveness. Moreover, the timely appointment of judicial officers remains a concern. Chief Justice Ivor Archie said that many judges have been performing dual roles since 2020 due to unfilled positions, awaiting staff approvals that have not materialized.

Corruption and abuse of position among public officials in TTO continue to be a major concern, with allegations of unethical behavior across multiple government divisions. Legal structures exist to combat such misconduct, and some actions have been taken against corrupt officials. Yet it is rare to see the prosecution and punishment of officials who misuse their authority, and such processes are often hampered by systemic obstacles. Nonetheless, ongoing initiatives aimed at enhancing investigative capacities reflect acknowledgment of these challenges and a determination to address them.

During the period under review, several allegations against public servants were made, but with few repercussions. Allegations of abuse of public office were made against several police officers and licensing officers, yet some of the charges were

Prosecution of
office abuse

4

'06 '26 10

5
4

1

dismissed. In one instance, seven police officers were charged after a Professional Standards Bureau investigation following a widely circulated video showing the officers allegedly seizing cash at a business in Sangre Grande in March 2023. Eighteen months later, when the matter was again before the courts, the master of the court noted various prosecutorial missteps and repeated non-compliance with court orders. Moreover, neither a complainant nor a prosecutor was present, which led to the dismissal of the case. While this case reached the courts, many other instances of corruption seemingly vanish after being reported. For example, the 2022 Auditor-General's report uncovered irregularities in the Ministry of Social Development and Family Services (MSDFS) related to improper pension disbursements. In mid-2024, in an effort to contribute to the Whistleblower Protection Bill, the minister of MSDFS disclosed that the MSDFS was plagued by instances of fraudulent applications, misallocation of funds, conflict of interest in awarding grants, bribery, discrimination and nepotism. More than 200 fraud cases against the MSDFS were filed with the police for investigation. As of the close of the review period, no one had been charged.

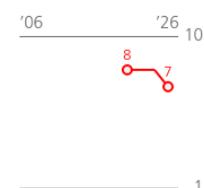
Recognizing the need for stronger anti-corruption strategies, TTO has implemented capacity-building workshops to improve the skills of those responsible for detecting and prosecuting corruption. In May 2024, a workshop organized by the United Nations Office on Drugs and Crime (UNODC) and the Office of the Attorney General sought to enhance collaboration among key national entities. A month later, Prime Minister Rowley acknowledged the prevalence of corruption across numerous sectors in TTO and reiterated his government's dedication to fighting it through proposals such as the 2022 Whistleblower Bill, designed to promote the reporting of unethical conduct in both the private and public spheres. The Whistleblower Bill was passed in Parliament in 2024.

Civil rights are protected by Section 4 of the constitution. However, the SOE declared in December 2024 due to rising gang violence suspended certain civil liberties, highlighting tensions between security measures and civil freedoms. Moreover, gender-based violence and discrimination against members of certain sectors of society persist. There were also reports of unlawful killings involving police. For instance, in early 2023, a man was murdered by individuals posing as officers, resulting in the arrest of members of the Trinidad and Tobago Defense Force.

Discrimination and gender-based violence against marginalized communities remain significant issues. In one prominent discrimination case, a senior health care administrator sued the Northwest Regional Health Authority (NWRHA) after not being shortlisted for a position; however, the court dismissed the suit in 2024 because it found insufficient evidence to support claims of bias. This incident highlights the difficulties faced by plaintiffs trying to prove employment discrimination. On another front, in October 2024, the Equal Opportunity Tribunal (EOT) addressed case No. 0006 concerning allegations of racial discrimination. The tribunal's activities reflect

Civil rights

7



1

ongoing attempts to tackle racial inequities within society. Furthermore, the Inter-American Commission on Human Rights raised concerns about gender-based violence in TTO, citing at least four cases of femicide in 2024. Official data recorded more than 1,227 cases of domestic violence between January and August 21, 2024. Most offenses were carried out with impunity. Comprehensive protections for LGBTQ+ individuals are lacking, a fact which compounds their marginalization amid societal prejudice.

NGOs and media outlets report lengthy and arbitrary detentions of asylum-seekers and refugees by state authorities. They also report unlawful deportations, ill treatment and inhumane detention conditions. TTO also faces systemic problems, including human trafficking, which predominantly affects vulnerable groups such as women and migrants. Although laws exist to protect against such violations, enforcement remains uneven.

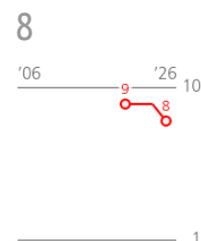
4 | Stability of Democratic Institutions

Democratic institutions are well established in TTO and generally effective in fulfilling their roles. The nation is a parliamentary democracy with regular elections and a legacy of peaceful transfers of power. The judiciary operates largely independently, and an engaged civil society plays a significant role in promoting democratic governance.

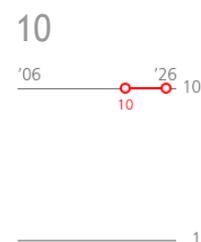
Concurrently, the stability of democratic institutions is threatened by sluggishness and other inefficiencies in their internal bureaucracies – partly due to underfunding – as well as persistent nepotism and systemic corruption, including fraud, extortion and bribery. Patronage-driven appointments and obscure decision-making mechanisms erode public trust. Politicized processes misallocate resources and delay critical services. Weak oversight and partisan exploitation perpetuate unfairness and inefficiency by prioritizing political loyalty over meritocracy. The government is actively seeking to counter this through its Integrity Commission and its participation in international agreements, such as the U.N. Convention against Corruption and the accompanying Regional Anti-corruption Platform.

All relevant actors accept all democratic institutions as legitimate.

Performance of democratic institutions



Commitment to democratic institutions



5 | Political and Social Integration

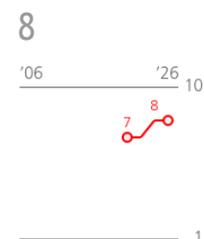
There is a de facto two-party system dominated by the People’s National Movement (PNM) and the United National Congress (UNC). Both parties have strong ethnic bases, with the PNM drawing support mainly from the Afro-descendant population while the UNC’s support comes from the Indo-descendant population. The ethnic affiliations of the PNM and UNC parties underscore the significant political division along racial lines in Trinidad and Tobago. This division reinforces identity-based voting, limiting opportunities for issue-focused politics or the emergence of third-party candidates. The narrow gap between the two parties’ vote totals is a reflection of the competitive yet fragmented and polarized political landscape. While there are many smaller parties, they realistically have no chance of winning representation in Parliament, given the majority/winner-take-all electoral system (first-past-the-post voting in single-member constituencies).

In the 2020 general elections, the PNM won 22 parliamentary seats, while the UNC won 19, for a total of 41 seats. Accordingly, the effective number of parties in Parliament is only 2.05, indicating low levels of fragmentation. However, the overall voter turnout rate was only 58.04%, which could be symptomatic of broader voter disaffection. The political agendas of the two major parties are difficult to distinguish; both are roughly center-left. Racial differences do not play a dominant role, although they are occasionally raised, especially during election campaigns; issues of economics and security are more decisive. Although voting behavior has shown some racial preferences, there are swing voters in marginal constituencies who can make the difference from one election to the next.

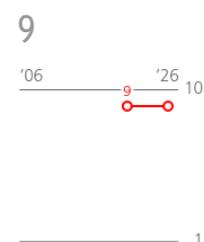
There is a broad range of civil society organizations (CSOs) and interest groups that serve as links between the population and the political system. The Inter-Religions Organization (IRO), the Fishermen and Friends of the Sea (FFOS), the Network of NGOs, and the Trinidad and Tobago Transparency Institute, among many other CSOs, reflect a broad range of social interests and often come together to pursue common goals. Trade unions, social movements, community organizations and professional bodies also play a vital role in representing a wide range of societal interests. For example, long-standing groups include the Trinidad and Tobago Chamber of Industry and Commerce as well as the Trinidad and Tobago Field Naturalists Club.

In recent years, business associations have overtaken trade unions in their ability to influence society and governance. Today, various other “independent” chambers represent the business community in urban centers across the country. Alongside the rise of these chambers, the power of trade unions has declined. Unions have alleged a union-busting agenda, largely stemming from the state’s closure of Petrotrin and the subsequent firing of all workers, actions that have severely weakened the Oilfield Worker Trade Union.

Party system

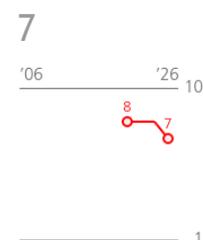


Interest groups



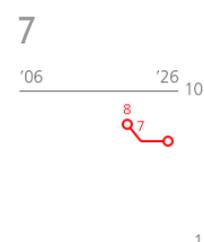
The 2023 Americas Barometer report revealed that while levels of support for democracy declined sharply in the last decade, down to 58% for TTO in 2023, just below the regional average of 59%, a considerable portion of the country’s population still regards democracy as the most appropriate system of governance. At the same time, over 40% of survey respondents either disagreed that it was the best system or felt neutral about democracy. Only about 25% expressed satisfaction with democracy, the fourth-lowest such figure in the Latin America and the Caribbean region; this result was just behind Ecuador (26%), but ahead of Peru (19%), Suriname (13%) and Haiti (12%). TTO was also listed among the LAC countries with particularly low proportions of citizens expressing both high levels of system support and high levels of tolerance, a combination that survey authors associate with “stable democracy.” In TTO, just 14% of survey respondents expressed these attitudes, a level similar to that found in Argentina (14%), Chile (14%), Peru (14%) and Suriname (13%). The report cited rising crime and corruption as sources of democratic instability. As was the case in other countries in most of the region, the share of the public expressing trust in the executive (23%) surpassed that expressing trust in the legislature (20%). Low levels of trust were reported in the judicial system, as seen in the following: Fewer than 25% of citizens said they believed that the courts guarantee a fair trial; 20% said that basic rights were protected, and 72% said they had little or no trust that the judicial system would punish perpetrators of crime. Major factors contributing to disenchantment among Trinidadians include crime, corruption and economic disparity.

Approval of democracy



Social organizing in TTO has its origins in the labor movements of the 1930s. Trade unions emerged to address employment and social issues. Over time, organizations expanded to address wider social and political issues. Starting in the 1970s, the work of NGOs in the development process became increasingly prominent in the Caribbean as they sought to address the adverse impact of the economic crisis of the 1970s and early 1980s on the lives of ordinary people. Today, organized groups are working on almost every issue in the social, political, economic and cultural realms. A 2018 estimate put the number of registered NGOs in the country at almost 7,500. Umbrella associations such as the Association of Civil Society Organizations of Trinidad and Tobago (ACSOTT), the Consortium of Disability Organizations (CODO) and the Network of NGOs for the Advancement of Women have been established for coordination purposes.

Social capital



Since the late 1990s, many NGOs in TTO have shifted from grassroots membership models to one in which specialized teams focus on specific issues. This change has improved access to professional skills and funding, but has raised concerns about diminished community engagement and dependence on state or donor support, thereby threatening organizational independence. However, some NGOs have effectively used digital tools and social media to sustain community connections and expand their outreach, indicating that professionalization and community involvement can coexist.

II. Economic Transformation

6 | Level of Socioeconomic Development

According to TTO's Ministry of Planning and Development, about 20% of the population lives below the national poverty line. The 2024 Multidimensional Poverty Index estimates that in 2022, 0.5% of the population was multidimensionally poor, and an additional 0.8% was vulnerable to multidimensional poverty. The MPI value, which reflects the proportion of the population that is multidimensionally poor, adjusted for the severity of deprivations (38.8% in TTO), is calculated at 0.002, the same as the previously reported figure for 2011. Higher levels of severe multidimensional poverty have been reported for TTO's Caribbean counterparts including Jamaica (0.018, 2014), the Dominican Republic (0.111, 2019) and Haiti (0.192, 2016/17).

Recent increases in inflation rates and the cost of living have disproportionately affected those in lower-income brackets, exacerbating social inequality. Wealth is distributed unevenly in TTO, with a significant gap between the wealthy minority and those facing poverty. Reports from the Caribbean Development Bank (CDB) and various local financial journals highlight this disparity. Income disparities were further exacerbated after December 2024, when the government increased salaries for political officials and members of the judiciary. For instance, the prime minister received a 47% salary increase relative to 2023, bringing his salary to \$87,000 per month. The president, ministers, parliamentarians, members of the judiciary and the upper echelon of the public service received salary increases ranging from 25% to 35%. Meanwhile, the administration has been criticized for offering a meager \$2 increase in the minimum wage for public sector workers. TTO's Human Development Index (HDI) score showed a 0.010 gain between 2020 and 2022 (0.814), thus surpassing the global HDI average score of 0.727 and showing a 24.1% improvement since 1990. TTO is placed within the category of very high human development, and its overall HDI rank is 60 out of 193 countries and territories. No HDI data adjusted for inequality are available for TTO.

In 2022, TTO's Gender Inequality Index (GII) score remained largely unchanged at 0.264, compared with 0.267 in 2021. However, the country's global ranking fell from 57th to 64th out of 166 countries in 2022. Still, only Chile, Costa Rica and Uruguay surpassed TTO's GII score, and the country has seen a slight improvement (0.06) over the last decade.

Question
Score

Socioeconomic
barriers

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Economic indicators		2021	2022	2023	2024
GDP	\$ M	24177.3	28510.3	25489.4	26429.0
GDP growth	%	-0.9	1.1	1.4	1.7
Inflation (CPI)	%	2.1	5.8	4.6	0.5
Unemployment	%	4.4	4.4	4.2	4.5
Foreign direct investment	% of GDP	-3.9	-3.2	-6.1	-3.9
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	2629.3	4966.9	2948.5	1232.9
Public debt	% of GDP	60.5	53.2	60.2	64.6
External debt	\$ M	-	-	-	-
Total debt service	\$ M	-	-	-	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public education spending	% of GDP	3.0	2.7	3.0	-
Public health spending	% of GDP	3.3	2.9	-	-
R&D expenditure	% of GDP	0.1	0.0	-	-
Military expenditure	% of GDP	0.9	0.7	0.9	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

There is a generally sound institutional framework for market competition, yet the rules are not always consistent or uniform for all market participants. The institutional framework for market competition is the Trinidad and Tobago Fair Trade Act of 2006, which establishes the Fair Trading Commission to promote and maintain fair competition in business and related matters. Part II of the act outlines the establishment, powers and functions of the Fair Trading Commission, while Part III addresses mergers, anti-competitive agreements or practices and monopolies. There are no restrictions on foreign ownership. According to the Foreign Investment Act of 1990, foreign investors can own all the shares of a private company but must obtain a license if they wish to own more than 30% of a public company's shares.

TTO has significantly liberalized its foreign trade policies, which are characterized by consistently low tariffs and few non-tariff barriers. Most goods either do not require import licenses or are subject to only minimal surcharges, although certain items, such as poultry, seafood, oil products and pharmaceuticals, do face some restrictions. The process for acquiring import permits has improved over time, yet the time frame to secure a permit can fluctuate, with occasional obstacles arising from the implementation of CARICOM directives. Some U.S. businesses have reported challenges when registering cosmetic and pharmaceutical products because TTO authorities mandate disclosure of active ingredients even when none exist.

In various industries, market dynamics typically set prices. However, several sectors experience price distortions due to subsidies, particularly for production inputs. Water, electricity and waste management – including collection, disposal and treatment – are all subsidized. There are minimal obstacles to entering or exiting the market, and there is generally strong assurance of the ability to invest or divest. The government offers incentives and streamlined processes through InvesTT, the investment promotion agency, with the aim of attracting foreign direct investment (FDI). U.S.-based investors have reported varied experiences with InvesTT. Some have successfully used its facilitation services to launch ventures, while others report that bureaucratic hurdles result in higher entry costs compared with competing locations.

While efforts have been made to modernize bureaucratic procedures and improve infrastructure, regulatory uncertainty and a lack of transparency are reported by both domestic and international investors. According to the U.S. 2024 Investment Climate Statements, there was a modest increase in net investment flows in 2022, driven by interest in the energy sector and government efforts to boost renewable energy. Nonetheless, robust policies and regulations have not yet been developed in this area, creating uncertainty among investors. Elevated crime rates, a continued lack of hard currency and excessive dependence on export revenues tied to fluctuating commodity

Market
organization

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prices also pose ongoing obstacles for foreign investors. Additionally, international developments, including Russia's ongoing military aggression against Ukraine, affect TTO's primary energy sector by influencing global energy demand and commodity prices and creating supply chain disruptions, thereby intensifying inflationary pressures within the country's import-reliant economy.

The informal economy is estimated to account for 29.4% of GDP, with 26% to 33% of the workforce active within it. Since May 2019, the labor market has diversified by formally incorporating Venezuelan migrants and refugees into the economy. ACAPS, an independent monitor, estimates that about 44,800 Venezuelans lived in TTO as of November 2023. While this figure has decreased from the 60,000 estimated in May 2019, Venezuelan migrants have made the marketplace more competitive.

The Fair Trading Act (FTA), implemented in 2006 and revised in 2020, addresses key competition concerns such as monopolistic practices, anti-competitive mergers and collusive agreements. It bans actions such as maintaining resale prices, price fixing, collusion, forming cartels and bid rigging. Section 3 of the FTA outlines merger control regulations mandating that entities inform the Trinidad and Tobago Fair Trade Commission (TTFTC), which oversees the FTA's enforcement, about proposed mergers that meet certain thresholds. The TTFTC enforces the FTA through investigations, inquiries and legal actions against companies involved in anti-competitive practices. These regulations are designed to prevent mergers likely to create significant reductions in competition. As a member of the International Competition Network (ICN), Trinidad and Tobago demonstrates its commitment to international standards in enforcing competition laws.

The FTA applies equally across all sectors to ensure fairness for all market participants, domestic and foreign. The government consistently promotes competition while making minimal use of subsidies, tax incentives or sector-specific exemptions for clientelist purposes. Nevertheless, only select provisions of the FTA were implemented from 2014 to 2020. According to the Global Competition Review, as of October 2023 the FTA has neither blocked proposed mergers nor imposed conditions on them. It has not yet pursued a company based outside its jurisdiction for involvement in a cartel offense. Additionally, the TTFTC has no immunity and leniency program, and lacks its own prosecution division.

To meet established standards and advance competition policy, TTO's Ministry of Trade and Industry established a Partial Scope Trade Agreement (PSTA) with Curaçao in December 2024. This agreement enhances discussions on market access, rules of origin, competition policy and investment, among other areas. Additionally, developments in November 2024 underscored the importance of adopting green and sustainable practices for local businesses to remain competitive internationally, particularly through initiatives such as the Fit4Europe II project, which aims to improve export readiness for EU markets. In 2024, more than 100 companies

Competition policy

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submitted applications, with 20 selected from various sectors including food production, fashion design, renewable energy solutions and gaming industry ventures. The state has not yet developed robust policies and regulations have not yet been developed for renewable energy. TTO also established the Trade and Investment Promotion Agency (TIPA) in 2024 through the amalgamation of export and investment promotion services previously managed by InvesTT, Creative and ExporTT. This new unified agency represents a significant step forward in transforming and enhancing the competitive business environment.

TTO has significantly liberalized its foreign trade policies, with consistently low tariffs and few non-tariff barriers. Most trade barriers have been removed, with only a limited number of merchandise items – including poultry, seafood, oil products and pharmaceuticals – requiring import licenses or being subject to import surcharges. A value-added tax (VAT) of 12.5% is imposed on dutiable goods. However, customs procedures can be protracted and occasionally lack transparency.

In addition to deriving a significant share of its wealth from energy exports, which account for approximately 40% of its GDP, TTO is one of the world's major exporters of ammonia, methanol and liquefied natural gas. As a member of CARICOM, TTO adheres to the CARICOM Common External Tariff (CET), with selected exceptions. As of 2021, the simple average most-favored-nation (MFN) applied tariff was 8.2%, with a rate of 19.1% for agricultural products and 6.4% for non-agricultural products.

TTO's trade liberalization efforts have derived from its involvement in the multilateral trading system, specifically its membership in the World Trade Organization (WTO) and various regional and bilateral free-trade agreements. These agreements aim to promote free trade by reducing tariffs, eliminating non-tariff barriers and addressing other restrictive commercial regulations including non-discriminatory practices, among other measures. Such initiatives are intended to enhance TTO's integration into the global trading system. Additionally, trade liberalization is supported through regional frameworks such as the CARICOM Single Market & Economy (CSME) group and the CARIFORUM-EU Economic Partnership Agreement (EPA). Furthermore, TTO has signed free-trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Panama and Venezuela. Shortly after the close of the review period, the United States revoked licenses for joint natural gas projects between TTO and Venezuela, and imposed global import tariffs ranging from 10% on TTO to 38% on other Caribbean islands. These developments will have implications for the next BTI reporting period.

Liberalization of
foreign trade

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TTO has established a strong banking framework and an operational capital market that meets global benchmarks such as the Basel Accords. The banking industry maintains substantial capital reserves, with capital adequacy ratios (CARs) consistently above regulatory standards. As of December 2023, the ratio of regulatory capital to risk-weighted assets was 21.4%, significantly above the minimum requirement, reflecting the sector's ability to withstand potential financial disturbances. Asset quality has improved, as shown by a reduction in the ratio of non-performing loans (NPLs) to 2.8% as of December 2023, down from 3.4% in 2019. This drop indicates effective credit risk management and prudent lending practices within the banking sector.

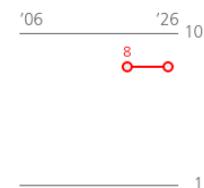
To ensure transparency and adherence to international banking norms, the Central Bank of Trinidad and Tobago (CBTT) imposes strict disclosure regulations, and the Financial Institutions Supervision Department (FISD) conducts supervision. Generally, the CBTT aligns its supervisory practices with standards established by the Basel Committee, the Financial Action Task Force (FATF) and the Organization for Economic Cooperation and Development (OECD). However, the IMF's 2020 Financial Stability Assessment concluded that regulatory and resolution frameworks do not align with best practices, specifically citing a lack of binding powers. With regard to anti-money-laundering measures, the country was removed from the FATF list of countries with strategic deficiencies in February 2020. According to the FATF, TTO is actively collaborating with the FATF to address the country's strategic deficiencies. Between June 10 and 14, 2024, the Caribbean Regional Technical Assistance Center (CARTAC) provided preliminary training on the net stable funding ratio (NSFR) concept to the central bank, with implementation of this Basel III requirement targeted for 2026. Furthermore, in collaboration with the Office of the Attorney General and Legal Affairs, the central bank, along with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the Financial Intelligence Unit of Trinidad and Tobago (FIUTT), worked on legislation proposing monetary penalties for violations of money-laundering and terrorist financing laws. This bill aims to address an unresolved issue highlighted in Trinidad's 2016 Caribbean Financial Action Task Force (CFATF) Fourth Round Mutual Evaluation Report while further strengthening regulators' enforcement capabilities.

The National Financial Inclusion Survey Report indicates that a quarter of the population lacks access to basic financial accounts. It also found that 77% of micro-to medium-sized enterprises lack business bank accounts or the ability to accept digital payments, hindering their growth prospects in digital markets.

To tackle these issues, a National Financial Inclusion Strategy Roadmap is being formulated to ensure equitable access to financial services such as loans, credit unions, banks and fintech options. Furthermore, both the Trinidad and Tobago Bureau of Standards (TTBS) and the Ministry of Agriculture have engaged with the Trinidad and Tobago International Financial Center (TTIFC) – a state agency tasked

Banking system

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with promoting financial services – to enhance their payment infrastructures. The TTIFC has also implemented several online payment solutions that are now available across various public sector projects to local citizens and to businesses internationally. These initiatives illustrate ongoing developments in the banking system and collaboration between government and private sectors to promote financial innovation. However, there is an urgent need for enhanced efficiency, accessibility and regulatory compliance to foster greater financial inclusion and resilience.

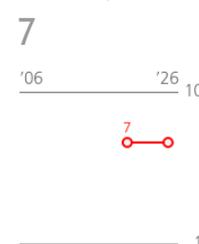
8 | Monetary and fiscal stability

Monetary stability has not been pursued consistently over time. The central bank is largely independent but at times is compromised by political influence. In 2024, TTO's macroeconomic environment has been shaped by efforts to balance inflation management and foreign exchange market dynamics. The central bank has kept its repo rate steady at 3.5% since March 2020 to aid the post-COVID-19 economic recovery. Inflation remained exceptionally low and steady throughout 2024 at a rate of under 1%. It reached a historic low of 0.3% in both January and July, a level not seen since November 2019, before the pandemic. Core inflation followed a similar pattern, decreasing from a rate of 1.2% in December 2023 to 0.0% by July 2024 before experiencing a slight rise. These minimal inflation figures indicate the effectiveness of the CBTT's monetary policy as well as the influence of moderate demand-side pressures within the economy. Nevertheless, small variations in inflation over the year, primarily influenced by food prices, underscore persistent vulnerabilities in the supply chain.

Foreign exchange (FX) shortages remain a significant concern. Although the central bank's actions in 2023 helped restore market confidence, fundamental discrepancies in the FX market persist. In the October 2023 – August 2024 period, authorized dealers sold a total of \$5.36 billion in FX, down 9.6% from a year earlier. Dealer purchases of FX fell 8.3%, indicating an imbalance between supply and demand in the market. In response to this deficit, the central bank increased its interventions, selling \$1.2 billion, up 4% from the previous fiscal year. Despite these actions, foreign exchange conditions remain tight. The average exchange rate of the Trinidad and Tobago dollar (TTD) edged down from USD 1 = TTD 6.7790 in October 2023 to USD 1 = TTD 6.7817 in August 2024. Additionally, the TTD weakened against several key currencies, such as the British pound (-6.6%), the euro (-5.2%) and the Canadian dollar (-1.2%), reflecting global currency trends and limitations within the local market. Ongoing FX shortages and the threat of capital flight may require monetary policy adjustments, possibly including hikes in the repo rate.

The CBTT needs to stay alert in managing inflation and stabilizing the FX market. The CBTT's control over inflation has helped ease upward pressure on the exchange rate and curb speculative actions that might worsen FX shortages. However,

Monetary stability



achieving low inflation rates has not resolved the underlying foreign exchange imbalance, as evidenced by the ongoing decline in dealer transactions and the need for central bank intervention. In addition, the tightening of U.S. monetary policy has increased the gap between U.S. and TTO interest rates, introducing another hurdle. Although these differentials have recently narrowed, they have prompted potential capital outflows, posing a threat to the FX market. The CBTT's stable policy rate may need adjustment to address these broader macroeconomic challenges. Furthermore, implementing structural reforms to improve FX availability and tackle market inefficiencies will be vital for achieving lasting economic stability.

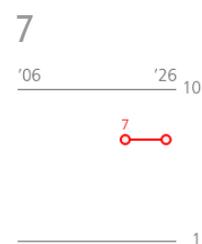
The government's budget policies generally promote fiscal stability but are prone to ad hoc, permissive policy changes. Fiscal policies announced in the annual national budget are subject to revision midway through the year, at the finance minister's midyear review. This can lead to the announcement of new fiscal measures and to Parliament's approval of changes in planned appropriations or supplementary appropriations.

TTO relies heavily on its energy export industry, leaving it exposed to fluctuations in international oil and gas prices. To mitigate this risk, the Heritage and Stabilization Fund (HSF) was created in 2007, replacing the Revenue Stabilization Fund. The HSF is a resource-revenue fund designed to cushion revenue declines caused by falling oil or natural gas prices, enabling steady spending to be maintained during such periods. According to the IMF, the HSF operates under well-defined goals, robust governance structures and a conservative investment approach.

The fiscal deficit that emerged after 2015 was lowered to 2.5% of GDP by 2019. However, the pandemic caused deficits to rise sharply, reaching 11.0% of GDP in 2020 and 8.8% in 2021. In September 2022, the finance minister said that higher prices for all petrochemical exports had notably improved fiscal results, bringing the 2022 budget deficit down to about 0.2% of GDP. Revised data for fiscal 2023 indicate a fiscal deficit of 1.7% of GDP, which rose to 3.5% in 2024 because of an energy-sector revenue shortfall caused by low oil and gas prices and low production volumes.

The central bank reported that in June 2019, the net public sector debt-to-GDP ratio stood at 62.3%. It reached a high of 82.7% in September 2020. Public debt sank to 50.7% of GDP in 2022 but rose again to 56.09% in 2023. The recent rise in public debt underscores the ongoing fiscal challenges faced by the country despite efforts to stabilize its budgetary position. The relationship between budget deficits and public debt is evident in the government's reliance on borrowing to bridge fiscal gaps. While the reduced deficit in 2022 represented progress, the cumulative effect of prior deficits and increased borrowing during the pandemic contributed to the outstanding public debt.

Fiscal stability



9 | Private Property

Rights and regulations governing the acquisition, benefits, use and sale of property are well defined, but implementation and enforcement sometimes fall short. According to the U.S. Investment Climate Statements 2024, most of TTO's land (80%) is not reliably recorded under the complicated common-law system to which it is subject. Squatting, or adverse possession, as well as communal ownership of land are both relatively common in TTO. There are more than 60,000 squatter households, an issue the government is seeking to address through the squatter regularization program. However, the Land Settlement Agency (LSA) has received only 23,000 applications for "certificates of comfort" aimed at regularization. Additionally, there are about 37,000 individuals squatting on state lands across the country. The absence of legislation to address the issue of ongoing squatting is a significant concern. The LSA lacks the authority to manage squatting, allowing squatters to act without restrictions, with about 400 to 500 new squatters added each year.

The judiciary plays a crucial role in adjudicating disputes over property rights. However, overlapping tenure systems and enforcement gaps can lead to inefficiencies. Resolving legal cases takes a long time, and court backlogs are significant, making property disputes unappealing. The legal framework for protecting intellectual property rights is strong, but enforcement is weak because of a lack of judicial specialization and capacity in this field.

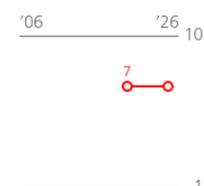
Private companies operate within a legal system that promotes and protects private business activities. The Companies Act sets the legal requirements for starting, managing and dissolving companies while ensuring compliance with corporate governance standards.

The Data Protection Act (DPA) contains regulations governing how private businesses may collect and handle personal data to protect individuals' privacy rights. However, some aspects of the DPA are not yet active. In the budget proposal for 2020 – 2021, the finance minister announced plans to privatize National Petroleum's (NP) gas stations and hand over the management of commercial functions at the Port Authority of Trinidad and Tobago to private entities. However, according to the Trinidad Guardian, these plans had not been executed by the end of the review period. NP Chairman Sahid Hosein said in a 2024 Newsday article that more than half of its stations are unprofitable, indicating a need for restructuring. Regarding the Port Authority's operations, discussions with potential private partners are still underway. The Port Authority has vetted two bidders for a public-private partnership aimed at improving port services and was expected to choose a preferred partner by 2025.

The government has increasingly focused on public-private partnerships (PPPs) to attract private, especially foreign, investment into state enterprises. This strategy aims to reduce capital expenditures, enhance infrastructure services and leverage private

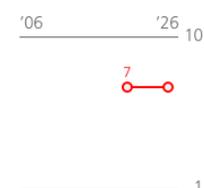
Property rights

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Private enterprise

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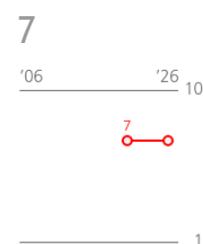


sector expertise for national development projects. For instance, the 2024 Budget Statement highlights the construction of 600 housing units under the Design-Build-Finance Program, using PPPs to address housing needs. The World Bank says the government’s draft PPP policy underscores the role of PPPs in providing alternative financing sources for infrastructure investments, thereby alleviating the fiscal burden on the state and improving service delivery.

10 | Welfare Regime

Social safety nets are well developed, yet they fail to address all risks across demographic groups. A significant portion of the population remains vulnerable to poverty. In principle, the system is quite comprehensive and combines social insurance, mandatory occupational programs, and assistance systems related to pensions and health care. Access to social safety nets is generally restricted to citizens and legal residents. However, noncitizens have limited access to certain benefits, depending on their legal status and the specific program’s eligibility criteria.

Social safety nets

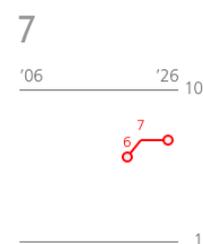


The Pensions Act of 1934 regulates pensions, benefits and other payments intended for public service workers. Health care is offered free of charge to everyone, including most noncitizens. The National Health Insurance system provides coverage for illness and work-leave compensation, plus a monthly income after retirement. Different tiers of care and services can be accessed through health centers, district health facilities and hospitals. However, there are frequent complaints about slow treatment times and poor conditions in public health care facilities, which are often overwhelmed. Consequently, many people choose private health care options.

Legislation related to the labor force includes the Minimum Wage Law, the Occupational Health and Safety Law, the Workers’ Compensation Law and the Maternity Protection Law. The state does not offer unemployment insurance, but job seekers receive assistance in finding new jobs. The health and safety standards mandated by the Occupational Safety and Health Administration (OSHA) apply to all workers, regardless of their nationality.

Sections 4 and 5 of the constitution uphold the principle of equal opportunity. Women and members of various ethnic, religious and other groups have nearly equal access to education, public office and employment. Nevertheless, the implementation of legal provisions against discrimination is sometimes insufficient, and societal attitudes also pose hindrances.

Equal opportunity



The Equal Opportunity Act (2000) was enacted to counter discrimination, including with regard to access to public office. The measure established an Equal Opportunity Commission (EOC) and an Equal Opportunity Tribunal (EOT). Since their inception in 2008, the EOC and the EOT have focused on tackling discrimination and fostering equality. The former’s responsibilities encompass eradicating discrimination,

promoting equal opportunities, and improving relations among different ethnic and religious communities. Over time, the Commission's influence and effectiveness have improved. The LGBTQ+ community still is not covered by the EOT's protections. Human rights organizations have pointed to the government's hesitance to confront discrimination and violence against LGBTQ+ individuals as obstacles to the attainment of truly equal opportunities.

Discrimination issues also persist in other areas. In October 2024, for instance, a case dealing with racial discrimination at major ammonia producer Yara Trinidad came before the EOT, a reminder that racial bias remains an issue. The chair of the EOT also authored an article in 2024 highlighting the continued problem of age-based discrimination, particularly for older adults who frequently encounter difficulties securing fair job prospects, and advocated for legislation to combat the issue. Individuals in the LGBTQ+ community and people with disabilities also lack equal opportunities to hold public office and often face physical abuse.

Venezuelan migrants face significant barriers to equality. While the 2019 Migrant Registration Framework regularizes the migratory status of thousands of Venezuelans, this status is limited to a one-year period and must be renewed each year. This time limit hinders long-term employment and housing stability for those affected. Children of Venezuelan migrants were also blocked from enrolling in public schools until September 2024, and could do so only after Trinidadian and Tobagonian students were placed.

As of February 2024, women held 28.6% of the seats in Parliament. According to World Bank figures, women made up 42.9% of the total labor force in 2023, a reduction of 0.07 percentage points from the record high in 2021. In 2025, 35% of male tertiary graduates in TTO earned degrees in STEM programs compared with 17% of female tertiary graduates. Enrollment rates are at parity between the sexes at the primary education level, while girls outnumber boys at the secondary (ratio of 1.1) and tertiary (1.2) levels, according to the Gender Parity Index. In 2024, strides were made toward gender parity in education, with girls consistently outperforming boys academically and more females accessing education, including scholarships for advanced studies.

11 | Economic Performance

Trinidad and Tobago's economy has gradually recovered from the pandemic and shown resilience, particularly with regard to GDP growth and fiscal management. In a 2024 report, the IMF noted that, for the first time in a decade, the country is experiencing gradual and sustained economic recovery. The Ministry of Finance forecasted real GDP growth of 1.9% for 2024, following a 1.5% rebound in 2022 and a further expansion to 2.1% in 2023, according to IMF figures. This growth was primarily driven by a 2.4% expansion in the non-energy sector, indicating progress

Output strength

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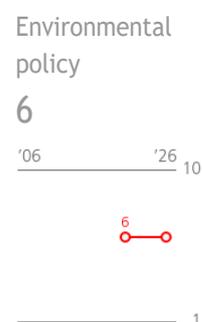
in economic diversification efforts. The energy sector was expected to contract by 0.7% in 2024, reflecting challenges in the country’s traditional industries. Oil and gas account for a significant part of GDP, making the country highly dependent on global commodity prices. Revised data for FY 2023 indicate a fiscal deficit of 1.7% of GDP, which is projected to increase to 3.5% in 2024 due to a shortfall in energy sector revenue caused by low oil and gas prices and declining production. The current account surplus was \$354.6 million in the third quarter of 2024. The labor force participation rate increased to 55.1% in the third quarter of 2024 from 54.5% in the second quarter of 2024. The unemployment rate declined to 4.1% in the third quarter of 2024 from 4.8% in the previous quarter. The IMF recommends sustaining structural reform to diversify the economy and promote resilience.

TTO sustained a strong external position and recorded a sharp decline in inflation in 2023. Inflation has remained low, with the year-over-year headline inflation rate below 1% in the first eight months of 2024, reaching a low of 0.3% in January and July. Stable prices have bolstered consumer purchasing power and economic stability. Shell’s decision to develop the Manatee natural gas field, with production expected by 2027, signifies a substantial foreign investment that could enhance future economic performance.

12 | Sustainability

TTO’s environmental policies include the 2018 National Environmental Policy (NEP), the National Council for Sustainable Development (NCSD), the National Tourism Policy, the National Climate Change Policy and the National Protected Areas Policy, among others. These policies aim to integrate environmental considerations into national development planning and promote sustainable practices across various sectors. Adherence to these policies is at times diminished by a focus on growth, and enforcement is sporadic. However, the government is making efforts to improve environmental policies and their implementation.

In March 2024, the NCSD was reappointed to review and update the 2018 NEP Action Plan. According to government sources, during its first three years the NCSD made progress in identifying and recommending top-priority thematic areas and developing action plans. Also in 2024, the National Integrated Solid Waste/Resource Management Policy was developed with the goal of setting a clear direction for integrated and sustainable management of municipal solid waste. The Environmental Management Authority oversees implementation of these policies and has introduced a new customer portal for all certificate of environmental clearance (CEC) applications and payments, effective October 2024. A CEC is required for any major industrial or development activity, yet processing times can be lengthy and complicated, posing a major hurdle to investment. Additionally, the 2024 National Adaptation Plan aims to provide guidance in navigating climate change impacts by highlighting climate-resilient development pathways.



TTO aims to generate 30% of its energy from renewable sources by 2030, while effecting a 15% reduction in carbon emissions across the power generation, transport and industry sectors under the Paris Agreement. The government has offered a \$25,000 rebate for farmers who use renewable energy. The government has announced the construction of a 112 MW solar photovoltaic project, known as Project Lara. Nevertheless, according to the Green Climate Fund, TTO has limited knowledge and skills to promote climate resilience in the water and agriculture sectors. There is a lack of coordination mechanisms between the state and non-state actors with regard to adopting sustainable practices in these areas.

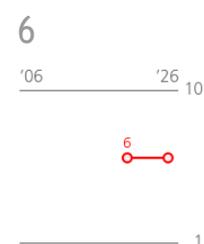
The Education Policy 2023 – 2027 is the country’s strategic roadmap for transforming the education sector by addressing existing challenges and aligning with national developmental priorities, the SDGs and other international mandates. In FY 2024, education and training were allocated \$7.512 billion, a decrease of \$510 million from the 2023 allocation. According to the World Bank, TTO’s expenditure on education has decreased since 2020, from 4.3% of GDP to 2.9% in 2022. With 81.6% of primary level and 86.7% of secondary level teachers fully trained, the country has a solid foundation of educators. However, challenges persist that affect the overall educational experience.

The country’s overall literacy rate is 98%, but structural issues such as inadequate school infrastructure, limited resources and socioeconomic barriers continue to affect educational outcomes. Security concerns in some areas further exacerbate challenges for students and teachers. In the 2022 secondary school entrance exam, just over 50% of students achieved the minimum required score, and just over 50% of students graduated from secondary school. Furthermore, in 2024, overall tertiary education enrollment fell by 5.3% relative to 2023. This may have been partly due to the reduction in the Government Assistance for Tuition Expenses program.

To address these challenges, the Ministry of Education has undertaken several initiatives, including launching a remediation program in 2023 to help 106 schools improve student performance. Additionally, the government has introduced measures to improve food security for students through the Nutrition Program, providing more than 14 million meals across more than 800 schools during the 2023 – 2024 academic year. Furthermore, in 2024, a School Supplies and Book Grant of \$1,000 was established to assist economically disadvantaged students.

TTO’s R&D efforts remain underdeveloped compared with the global standard, with spending in this area totaling just 0.05% of GDP in 2021. The government is working to address this with specific initiatives focused on energy and digital transformation. In July 2024, the country secured funding from the Green Climate Fund (GCF) for a pioneering carbon capture and storage project, the first of its kind funded by the GCF. This initiative involves collaboration with local universities to establish a research hub centered on carbon capture, utilization and storage (CCUS), marking a significant step toward enhancing R&D in the country.

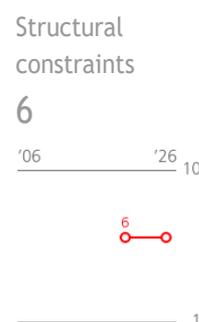
Education policy /
R&D



Governance

I. Level of Difficulty

TTO faces a high level of structural constraints on governance – including poverty, a lagging level of education in the labor force, infrastructural deficiencies and natural disasters – as well as a geographical location that makes it prone to significant levels of criminal activity. Although TTO is a high-income country, the most recent publicly available data from 2022 estimate that 0.5% of the population live under conditions of multidimensional poverty, while an additional 0.8% are vulnerable to it. Despite high literacy rates and good access to education, there is a shortage of skilled workers, especially in the health care, technology and energy sectors. This is partly due to the removal of technical subjects from secondary schools, high levels of emigration and an overall lack of educational preparation. Currently, about 148,000 people have advanced degrees, an increase of 6% since 2021.



Shortfalls in infrastructure and transportation networks affect daily life, business and economic development. In December 2024, the CAF – Development Bank of Latin America and the Caribbean approved \$250 million in financing to support improvement to road and educational infrastructure, and to enhance resilience to climate change. Lying at the southernmost edge of the hurricane belt, TTO is rarely affected by severe storms. However, the country is prone to flooding, extreme dry spells and the influence of Saharan dust. Public works projects have been delayed because of excessive rainfall. Additionally, TTO is a transshipment point for drugs and firearms trafficked between South America and the United States, posing a serious threat to islanders. The country’s proximity to Venezuela has also made it a hot spot for mass migration, straining social infrastructure and exacerbating insecurity.

TTO has a vibrant community of civil society organizations (CSOs), with roots in the labor movements of the 1930s that emerged in response to worker exploitation and disparity. This movement later expanded to include a diverse set of organizations working on issues such as racism, economic disparity and human rights. These groups were generally not membership-based, as was the case with trade unions, and they took a project-oriented approach, working on specific issues. Only a few have progressive political agendas and seek broader societal structural transformation. The government supports the work of civil society through subventions; this is complemented by funding provided by international development agencies. External funding can lead civil society to undertake work in areas where funding is available

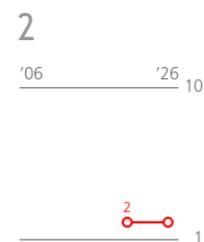


and accessible, which may not always align with national priorities. Official 2018 data suggest there are just under 7,500 registered organizations, representing nearly every sector of society. However, questions remain about the level of actual participation and social trust.

There are no data on the number of people involved in CSOs in TTO, nor are there any firm references to levels of social trust. However, levels of trust in government institutions, trade union membership figures and voter turnout rates have all declined. As of June 2024, only about 25% of the workforce was unionized. This is notably low, considering that in the 1970s, over 60% of workers were unionized. Moreover, in the most recent local government elections in Trinidad (2023), only 30.55% of the electorate voted, marking the lowest recorded voter turnout rate in over three decades. The country's low levels of trust are largely attributed to corruption and ethnic tensions, which undermine citizens' faith in government structures and hamper effective governance. This deficit complicates policy formulation and implementation efforts.

Conflict intensity is very low, as most disagreements remain on the rhetorical level. There is no tradition of regular violence or social upheaval. Demonstrations are motivated mainly by social discontent, not by religious or ethnic interests. Recent events show that although tensions remain, mass mobilization is rare and violent incidents are isolated. Regarding religious conflict, despite the multiplicity of religions and sects, there is no institutionalized conflict. Nonetheless, there have been isolated instances of desecration of churches and temples that have not been limited to any one religion or linked to a particular group. The two-party political system in Trinidad – reinforced by an ethnic-racial overtone – can at times sink to the use of caustic language. Racial and ethnic tensions are usually highest around elections because support for the two main political parties is largely, but not solely, based on race. No violent escalation has occurred.

Conflict intensity



II. Governance Performance

14 | Steering Capability

The government has a mixed record with regard to establishing and sustaining strategic priorities. Initiatives such as Vision 2030 and the Roadmap to Recovery reveal a record in which long-term strategic development plans are designed, but implementation is often hindered by political cycles and institutional inefficiencies. Changes in government typically shift priorities, undermining continuity in programs and policies.

Vision 2030 serves as the government's comprehensive strategic framework, setting long-term, medium-term and short-term objectives across sectors. This initiative prioritizes socioeconomic stability, efforts to attract investment and the transition to a digital economy. Its execution faces notable challenges, including insufficient training resources, financial limitations, inadequate ICT infrastructure and a public sector resistant to change. These issues highlight persistent difficulties in translating strategy into tangible results.

Specialized units have been established to improve capabilities and enhance evidence-driven policymaking. The Strategic Management and Execution Office in the Ministry of Finance handles budgetary measures, financial management and project coordination. Likewise, the Central Planning Unit in the Ministry of Works and Transport serves as a center for policy research, planning activities and portfolio oversight. The Policy and Strategy Directorate in the Ministry of Trade and Industry formulates trade and industrial policy through research-focused teams working on business reform and strategy development. While these organizations reflect the government's commitment to prioritizing evidence-based planning, ongoing inefficiencies in public institutions continue to impede their success.

In 2024, the Midyear Budget Review process resulted in the introduction of the Public Sector Investment Program (PSIP), which is aimed at fostering economic growth while promoting sustainable development. The PSIP focuses on enhancing infrastructure and public services in line with Vision 2030's long-range goals. Stakeholders such as the Trinidad and Tobago Chamber of Industry and Commerce welcomed these initiatives for their potential to advance economic progress.

Question
Score

Prioritization

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The government’s policy implementation shows mixed results, although the government has made advancements in tackling pressing issues. The implementation of various policies has been hindered by political dynamics, civil society resistance and institutional issues. While some strategic priorities advanced, many policies stalled or failed, revealing systemic execution problems.

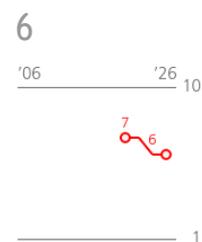
The country’s overarching strategic priorities can be found in the Vision 2030 agenda, a national development strategy (2016 – 2030) aligned with the SDGs that also serves as an extension of the older Vision 2020 agenda. The most recent assessment of the strategy was in 2020, and concerned Vision 2020. The assessment noted that evidence-based decision-making and efforts to build a culture of monitoring and evaluation needed improvement. Moreover, data collection and retrieval mechanisms were reported to be outdated. Despite some notable achievements in education, such as increases in overall enrollment, tertiary participation and literacy rates, the education system was deemed “progress-resistant” and limited in its ability to produce innovators and entrepreneurs. A poor work ethic and low levels of productivity hinder development potential. Corruption levels also remain relatively high.

The implementation of procurement legislation initially passed in 2015 illustrates the delays often experienced in translating written policy into effective practice. The Rowley administration promised to implement the law following a minor amendment in 2016. In 2020, further amendments followed, yet implementation lagged. Finally, in 2023, the law was rolled out, and all state agencies were required to adopt and implement the procurement procedures and to report to the Office of Procurement Regulator. In 2024, the first annual report stated that the reporting rate was “unsatisfactory” and “mediocre,” with less than 50% of the required reports submitted. Moreover, the report noted that some \$5 billion in contracts had been awarded by public bodies without the use of fully competitive tender and procurement methods. Challenges were both institutional and political.

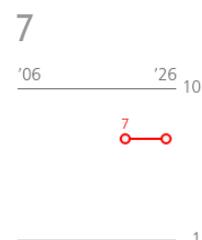
Another case of poor implementation relates to the collection of property taxes. Since 2021, the government has indicated that property taxes would be collected. Yet by September 30, 2024, the end of the financial year, a significant proportion of residents had yet to receive notices with the correct valuations. Moreover, the revenue offices where the taxes were to be paid had not been configured to receive non-cash payments.

The government has demonstrated creativity and adaptability in policy development. Nevertheless, the administration’s ability to learn from past experience is limited. Challenges such as a choice-driven policy learning approach, slow reform implementation and poor coordination among agencies highlight governance flaws. Moreover, while some sectors show instances of policy learning, such learning is not ingrained in the public administration, which often shifts with political changes. The Westminster model and majoritarian framework create conflict between the government and the opposition, hindering the integration of insights from past

Implementation



Policy learning



governments' policies and complicating efforts to find consensus between the two main parties. To enhance policy innovation, it is crucial to improve management commitment and monitoring systems, and to foster the political cooperation needed to tackle emerging challenges effectively.

The government has adapted its policies in response to the COVID-19 pandemic, revising the Vision 2030 framework with a “Roadmap to Recovery” that outlines short- and medium-term objectives aligned with long-term goals. This proactive approach reflects lessons learned from past crises. In addition, the launch of the Public Sector Investment Program (PSIP) in 2024 focuses on infrastructure and public sector reforms, demonstrating the government’s commitment to building a more resilient economy through targeted investments. Advisory services have also shaped recent government programs including the National Infrastructure Master Plan and the Fiscal Responsibility Framework, which involved consultations with experts to ensure that policies align with international standards.

Despite advances, the government’s capacity to learn from policies and adopt new ones remains limited. The policymaking process tends to favor best practices mainly because of external pressures – such as loan conditions – that restrict the integration of innovation into governance. Although monitoring and evaluation units exist in ministries, it is not clear that they are either effective or sufficiently timely. A lack of accessible reports and reliance on external pressure for recommendations hinder the development of a reflective and adaptable policy environment.

That said, TTO has adapted to challenges by leveraging global insights, particularly in the areas of the energy transition and digital transformation. The government studies countries such as Norway, the United Arab Emirates, Estonia and Singapore to incorporate best practices into its policies. The 2024 Energy Transition Policy aims to reduce the country’s dependence on fossil fuels through renewable energy strategies. Similarly, the delayed National Digital Transformation Strategy reflects a commitment to improving public services by adopting successful e-governance models from abroad.

15 | Resource Efficiency

The TTO government uses its human, financial and organizational resources with mixed results. While the state has initiated efforts to improve public administration and budget management processes and advance decentralization, significant challenges remain in achieving optimal efficiency. The government’s commitment to reenergizing the public service is evident in the initiatives outlined in the Budget Guide 2024. These reforms aim to enhance administrative efficiency by promoting professional rationality in management. However, challenges persist, particularly with regard to accountability. For instance, a lack of documentation for payments, as reported by the Ministry of Finance, undermines trust and exposes inefficiencies in

Efficient use of assets

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personnel oversight and compliance. Recruitment and appointment processes in the public sector also face scrutiny. Although steps have been taken to promote competitive recruiting procedures, concerns continue to surface about politically motivated dismissals and appointments that can detract from efficiency and morale in the civil service.

The government's ability to manage its financial resources has shown both progress and setbacks. According to the IMF, the economy is gradually recovering, with GDP growing 2.1% in 2023, largely driven by the non-energy sector. However, public debt increased by 3.6% in fiscal 2023, signaling the need for stronger fiscal discipline. The Ministry of Finance projected real GDP growth of 1.9% in 2024, up from 1.3% in 2023, driven by a 2.4% expansion in the non-energy sector. However, the energy sector was expected to contract by 0.7%. The fiscal deficit, revised to 1.7% of GDP for 2023, was projected to rise to 3.5% in 2024 due to lower energy revenues from declining production and prices.

The controversy surrounding a \$2.6 billion understatement of revenue and the delayed submission of the annual financial report in 2023 highlights gaps in transparency and accountability. These issues are exacerbated by inefficiencies in budget planning and execution, with actual expenditures deviating from plans. While \$75 billion was earmarked for FY 2022/2023, the total expenditure by 42 state bodies amounted to \$69.4 billion, highlighting discrepancies in resource allocation and utilization.

Effective auditing remains a critical area for improvement. Despite plans to operationalize the Trinidad and Tobago Mortgage Bank by December 31, 2023, with the goal of improving resource mobilization, systemic inefficiencies persist. Independent auditing mechanisms must be strengthened to address issues such as missing documentation and revenue misreporting.

Efforts to modernize the public administration are evident in the government's 2024 Public Sector Investment Program, which emphasizes performance management systems. These initiatives reflect a commitment to improving organizational efficiency, particularly through digital transformation and streamlined operations. However, persistent challenges in accountability and documentation have hindered full realization of these goals.

The government attempts to reconcile conflicting objectives, but significant friction, redundancies and gaps in task assignment persist. Trinidad and Tobago's Vision 2030 and alignment with the United Nation's Sustainable Development Goals (SDGs), which aim to balance economic growth with efforts to reduce the environmental impact of traditional industries, are a case in point. The policy's implementation has faced coordination and execution challenges, resulting in slow progress and unmet objectives. This highlights the difficulty of aligning environmental goals with the needs of a fossil-fuel-dependent economy. Tensions between economic development and environmental sustainability are exemplified by the contentious LNG production

Policy
coordination

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in La Brea, where LNG facilities process natural gas for export. Although LNG production in La Brea aims to enhance industrial growth and generate jobs, operations face significant backlash due to the potential environmental concerns involved, such as air pollution and ecosystem damage, and due to the sector's role in reinforcing the country's economic dependence on natural gas. This raises critical questions about the government's prioritization of economic over ecological concerns, highlighting challenges in balancing competing policy goals.

The Public Sector Investment Program 2024 outlines initiatives intended to modernize the public administration, including the Digital Government Portal, as well as to enhance interdepartmental communication and public service delivery. However, inconsistent rollout across ministries has impeded progress, with cohesive implementation facing ongoing challenges. Despite the potential of digital transformation, lack of coordination among government departments has limited these projects' effectiveness in improving service delivery.

Centralized coordination is prominent in complex areas such as fiscal management and energy regulation, where authority is crucial. The Ministry of Finance plays a key role in resource allocation and in maintaining a cohesive policy framework. However, this centralization can create inefficiencies when flexibility is needed in local governance and community development. The drive to expand decentralized decision-making has been evident in the government's Local Government Reform, which seeks to give local authorities more autonomy. Yet inconsistent implementation and resource challenges have led to friction and policy inconsistencies.

Legislative instruments that aim to combat corruption include the Integrity in Public Life Act, the Freedom of Information Act, the Police Complaints Authority Act and the Prevention of Corruption Act. Notably, these laws do not extend to family members of public servants or to political parties. Corruption cases are seldom pursued, and NGOs involved in such inquiries receive no dedicated legal protection.

The Integrity in Public Life Act requires public officeholders to declare their assets, but concerns persist regarding slow processing, lack of enforcement and political interference within the Integrity Commission (IC). In 2023, the IC faced criticism for failing to act on key corruption cases in a timely manner, with investigations sometimes stalling. Moreover, while asset declarations are mandatory, they are not always transparent, leading to concerns that public officeholders may not be fully complying with the law. In 2022, only 41% of officeholders filed declarations. Fifty-seven complaints were filed in 2021 – 2023, of which only 36 were resolved, according to the IC report. TTO also struggles with inadequate regulation of party financing, as the system lacks the robustness needed to prevent misuse of political donations, particularly from private sector entities. Despite ongoing discussions about reform, no significant changes to party financing laws have been made.

Anti-corruption
policy

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Regarding state spending, the Auditor-General's Department audits public expenditures, and annual audit reports are submitted to Parliament. However, delays in submitting documents are common, and audit findings often result in no further action. For instance, in 2022 – 2023, the Ministry of Finance delayed providing the necessary documents to support more than \$386 million in public spending, raising concerns about the credibility of state expenditure oversight.

The Freedom of Information Act (FOIA) was intended to give citizens and the media access to government documents, thereby promoting transparency and accountability. However, implementation has been inconsistent. Investigations in 2023 found that requests for information – particularly about state contracts and expenditures – were often delayed, hindering the ability of the public and the media to scrutinize government actions. Such limited access to information undermines efforts to expose corruption and hold government officials accountable.

Despite adherence to the U.N. Convention against Corruption, a lack of transparency in procurement processes and weak enforcement of anti-corruption laws remain obstacles to FDI. The government has introduced measures such as publicly available tender submissions and increased scrutiny. However, concerns about cronyism and favoritism persist, particularly in the awarding of large contracts. The Public Procurement and Disposal of Public Property Act was enacted to address these issues, but its implementation has been inconsistent. Reported cases of contracts being awarded without full transparency or competitive bidding further highlight the need for stronger oversight and reform of the procurement system. According to the U.S. Investment Climate Statements 2024, there are no regulations addressing conflicts of interest in government procurement.

16 | Consensus-Building

There is broad consensus among major political actors on the value of liberal democracy as a long-term goal. Although the two major political parties endorse the same democratic principles, their adversarial approach to governance often undermines collaborative decision-making. Bipartisan policy consensus is sometimes lacking in Parliament when legislation requires a special majority, such as for constitutional amendments. For example, in 2024, the Tobago Self-Government Bill, which would have involved a constitutional amendment, failed to garner support from the opposition and therefore did not pass.

There is a consensus among political actors that the market economy is central to TTO's development strategy. However, there are frequent calls to temper it with social and economic justice considerations in its implementation. This stance tends to surface when a party is out of power. For instance, the PNM government's 2018 closure of Petrotrin, the state-owned oil refinery, was framed as a necessary measure

Consensus on goals

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to address inefficiencies and debt. The UNC has persistently criticized the move and advocated reopening the refinery, citing its importance to employment and national economic stability. Contestation of the market economy primarily comes from minor political parties, such as the Movement for Social Justice. Additional challenges come from the trade union movement and segments of civil society, which emphasize issues of social and economic justice and redistribution in response to market-liberalization policies. In 2023, the Oilfield Workers’ Trade Union continued lobbying against the government’s hesitation to reopen the refinery, asserting that the refinery’s closure has exacerbated unemployment and economic hardship. Similarly, debates over foreign investment, such as the sale of Atlantic LNG’s Train 1 infrastructure to external entities, have raised concerns about sovereignty and economic dependence.

TTO has no significant anti-democratic veto actors such as the military or influential economic groups that actively oppose democratic principles. One possible exception is Jamaat al Muslimeen (JAM), which has a history of anti-democratic actions in TTO, including a coup attempt in 1990. Although JAM’s influence seems to have waned, concerns about its potential to engage in anti-democratic actions remain. As of 2025, however, there is little evidence that JAM continues to pose a significant threat.

Reformers in TTO, including government and non-government actors, have focused on strengthening democratic institutions and promoting transparency. Efforts include constitutional reform initiatives intended to enhance governance structures. Civil society organizations also call for upholding democratic values and holding leaders accountable.

Cleavages have developed along lines of race, religion, class, culture, political affiliation, and modes of governance and administration. However, residents live in relatively peaceful coexistence. As policymakers are aware of the various social cleavages, state institutions and mechanisms have been developed to minimize overt conflicts among different groups. Institutions such as the Integrity Commission, the Police Complaints Authority (PCA) and the Office of the Ombudsman are designed to promote accountability while mitigating potential conflicts arising among groups in society.

Regarding the political administration of the twin-island country, concerns have arisen about possible separatist sentiment, particularly from Tobago. These concerns stem from calls for greater autonomy for Tobago. However, advocates of this position have stopped short of seeking complete autonomy.

Anti-democratic actors

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Cleavage / conflict management

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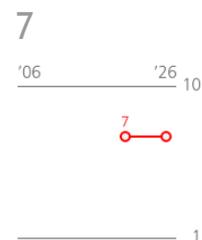
The government has sought to involve civil society representatives in policy creation, acknowledging their role in influencing policy development, promoting transparency and enhancing accountability. These interactions occur at different stages of policymaking. However, these consultations are sometimes dismissed or undercut, and those with local actors tend to concentrate on the implementation phase of the policy process rather than engaging communities during the early stages of agenda formulation or decision-making.

In July 2024, the government organized national discussions in Port of Spain to assess the nation’s eTrade Readiness Assessment and improve its e-commerce strategy. The event brought together participants from CSOs, private sector groups and government bodies to help shape the national digital trade agenda. Active stakeholder participation underscored the government’s intent to integrate diverse viewpoints into strategic planning for the digital economy. Another significant example occurred in November 2024, when the Office of the Attorney General and Ministry of Legal Affairs held public consultations focusing on the country’s domestic violence policies. These meetings included participants from women’s organizations, NGOs and advocacy groups. The consultations underscored the government’s commitment to fostering dialogue and inclusivity on important social issues. The Office of Procurement Regulation (OPR) has also demonstrated a commitment to engaging civil society in governance oversight. In its 2023 – 2024 Annual Report to Parliament, OPR outlined its partnership with civil society as manifested through training workshops and public awareness initiatives.

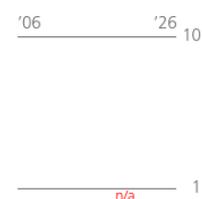
However, substantial challenges persist. A common concern is the perceived gap between civil society contributions during consultations and final policy outcomes. Numerous CSOs have voiced frustration that their insights are often minimized or disregarded entirely. This perception has undermined trust in the consultation process. For example, feedback from communities on regional development plans has sometimes been overlooked in favor of political or economic priorities. Smaller CSOs often lack the financial and technical resources required for substantial participation, leading to the underrepresentation of marginalized communities in the consultation process. Attempts to bridge this gap through capacity-building programs have been inconsistent.

The closest TTO has come to undertaking reconciliation efforts between victims and perpetrators of injustices is an isolated case arising from the 1990 JAM coup.

Public consultation



Reconciliation
n/a



17 | International Cooperation

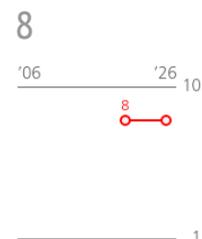
The political leadership has actively sought collaboration with international partners to execute its long-term development plan, particularly Vision 2030, which incorporates the United Nation’s Sustainable Development Goals (SDGs). Furthermore, the European Union assists TTO in pursuing sustainable and inclusive growth in alignment with its Global Gateway Strategy. The Samoa Agreement delineates the aims of Caribbean-EU cooperation within this context. In addition, the United Nations Development Programme (UNDP) works alongside TTO authorities to reduce poverty, fulfill commitments under the Paris Agreement concerning climate change, and realize the SDGs. The UNDP office in Trinidad serves as a multicountry hub that also manages operations in Aruba, Curaçao and Sint Maarten while engaging various national stakeholders across different societal levels. In September 2024, India’s National Payments Corporation (NPCI) entered into an agreement with Trinidad and Tobago’s Ministry of Digital Transformation to create a digital payment system based on India’s Unified Payments Interface (UPI). This project is intended to improve the nation’s digital infrastructure by facilitating transactions between individuals and between individuals and merchants.

Some initiatives, while ambitious, face hurdles in implementation because of bureaucratic inefficiencies and inadequate institutional capacity. For instance, despite progress on digital transformation and climate resilience projects, the digital divide and disparities in access among rural and marginalized communities remain unresolved. Moreover, there are concerns about overreliance on external funding and expertise, which could limit the development of local capacity and self-reliance in the long run.

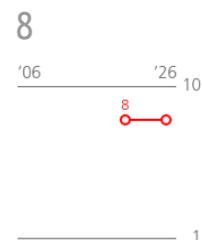
TTO is a strong supporter of multilateralism and the use of international cooperation to resolve conflicts and foster development. This is evident in its leadership in negotiating global agreements such as the Arms Trade Treaty. Furthermore, it has demonstrated its commitment to being a credible partner within the international community by engaging in and upholding various international agreements. This dedication spans areas such as trade, tax compliance and anti-corruption efforts, and showcases the government’s resolve to align its policies with global standards and foster cooperation.

In November 2024, the government took a significant step on tax compliance by joining the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The move strengthens the government’s ability to combat tax evasion and avoidance, reflecting a strong commitment to transparency and accountability in financial transactions. During the previous reporting period, the country had been blacklisted by the European Union and was deemed a “non-cooperative jurisdiction for tax purposes.”

Effective use of support



Credibility



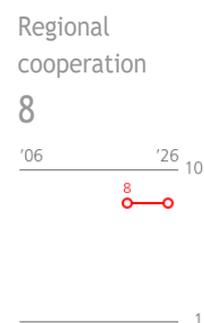
TTO's membership in the Regional Anti-corruption Platform reflects its determination to create a shared framework to enhance anti-corruption measures in priority areas. TTO also engages with international monitoring institutions and is an active member of the Caribbean Financial Action Task Force (CFATF). It is implementing measures to counter money-laundering and terrorist financing. However, corruption does remain an issue of concern in TTO. Separately, the IMF has provided technical assistance to strengthen cybersecurity in the country's financial institutions, demonstrating the government's openness to leveraging external expertise to bolster domestic resilience.

Some challenges persist. For example, the European Union's Carbon Border Adjustment Mechanism (CBAM) has posed compliance challenges for smaller economies such as TTO, which often face resource and technical capacity constraints. Adapting to such stringent environmental regulations remains a key area in which further improvement is needed.

Policymakers have consistently demonstrated a proactive, collaborative approach to fostering good neighborly relations and engaging with regional organizations, particularly within the framework of CARICOM and the CSME. To further bolster economic integration, the government established the CARICOM Trade Support Program (CTS), which provides a \$16.5 million loan facility to help CARICOM member states enhance their economic performance. TTO's commitment to regional cooperation is also evident in its membership in and participation in broader regional and hemispheric arrangements such as the Association of Caribbean States, the Community of Latin American and Caribbean States, and the Organization of American States. This commitment underscores the country's role as a key actor in advancing regional integration, economic development and security cooperation in the Caribbean region.

TTO has also played a significant role in enhancing regional security efforts. In October 2024, the country hosted a high-level meeting involving the CARICOM Implementation Agency for Crime and Security (IMPACS), the U.S. Embassy, and other stakeholders. The discussions centered on combating transnational organized crime, with a focus on firearms trafficking and intelligence sharing. The CARICOM Crime Gun Intelligence Unit (CGIU), based in TTO, has been instrumental in dismantling criminal networks involved in gun smuggling, demonstrating the country's commitment to regional security.

While TTO has demonstrated a strong commitment to regional integration and cooperation within CARICOM, several challenges hinder full realization of these efforts. Bureaucratic inefficiencies, such as delays in issuing certificates of recognition within the CARICOM Skills Qualification program, undermine the goals of the CSME by creating barriers to the free movement of labor. Economic constraints, exacerbated by global crises like the pandemic, have strained the country's capacity to balance domestic recovery with regional obligations, and have raised concerns about the sustainability and equitable distribution of initiatives within frameworks such as the CARICOM Trade Support Program.



Strategic Outlook

Trinidad and Tobago experienced an economic upturn following the COVID-19 pandemic, but the recent decline in oil and gas prices could significantly diminish projected revenues for 2023 – 2025. The government is under increasing pressure either to cut proposed spending or seek alternative funding avenues. This could include a new property tax system as well as possible hikes in electricity and water rates. These challenges are exacerbated by disruptions in the global economy and the spillover effects of the wars in Ukraine and the Middle East. Importantly, the policies of U.S. President Donald Trump – including those relating to tariffs, migration, China, Cuba and Venezuela – promise to have direct and indirect effects on Trinidad and Tobago’s prospects. Among the most notable developments that could have a significant adverse impact on TTO’s future prospects is the country’s Dragon Gas Deal with Venezuela. At the time of writing, the prime minister reported that the deal was not currently under threat after his meeting with Secretary of State Marco Rubio, but the situation remains volatile in light of Trump’s hard-line policies against countries and companies that trade with Venezuela.

TTO should expedite its shift toward renewable energy for domestic use, thus allowing the government to conserve fossil fuel resources primarily for export. Progress in this sector has been sluggish, underscoring the need for policy changes. Collaborating with CARICOM and forming strategic alliances with global energy organizations could provide the expertise and financial support needed to accelerate this transition.

To mitigate political division and uphold democratic governance, the government should consider constitutional amendments to introduce term limits, fixed election dates, and electoral and judicial reform. Such reforms could serve to rejuvenate the political leadership. In addition, enhancing judicial independence by providing increased funding and effecting technological improvements in court operations will fortify the rule of law and restore public trust.

It remains imperative to address corruption and enhance transparency in the country. Despite repeated calls since 2014 to revise the Integrity in Public Life Act, anti-corruption measures remain inadequate. Creation of a comprehensive anti-corruption framework will be necessary to improve governance and foster public confidence. Other measures that would help curb corrupt activities include establishing an independent oversight body with investigative authority, boosting transparency in public procurement practices, continuously reforming whistleblower protection laws and instituting regulations on campaign financing.

The country’s infrastructure must be upgraded in the interests of sustainable development. Top priorities include improving transportation systems, expanding access to affordable housing and enhancing digital connectivity in order to eliminate urban-rural disparities. Simultaneous investment in health care services and education is of paramount importance. Health facilities and community-based health programs both are in need of modernization. In the education sector, partnerships with global institutions may help to introduce innovative curricula and vocational training programs.

Developments in the United States highlight the need for TTO to further solidify its support for and participation in regional integration frameworks. It must cooperate with other external actors in order to advance the country's development. For similar reasons, there is a need to deepen and expand substantial partnerships with Africa and other parts of the Global South. By implementing these strategic measures effectively, TTO can tackle its challenges directly while building on previous progress.