



▲EGIS

BUDGET NEWSLETTER 2025

ANCHORED AT HOME

REACHING THE WORLD



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Acknowledgements



We extend our heartfelt gratitude and deep appreciation to our dedicated Aegis team for their remarkable contributions in producing this National Budget Newsletter.

We would like to take a moment to acknowledge the exceptional teamwork, leadership, and unwavering commitment demonstrated by the following team members, whose efforts have ensured the delivery of timely and valuable information to both our colleagues and valued clients:

Our esteemed authors and diligent editors: Adrian Parbhoo, Aleema Ogeer-Ali, Anderson Nelson, Anisha Mohammed, Ashta Beharry, Ayana Gift, Brent Ramsumair, Britany Walcott, Chelsie Cedeno, Cheyenne Cedeno, Cherylon Ramkissoo, Jaiylon Babb, Jayne Walker, Jenna Marie Pollard, Joanne Webb, Joanna Debydeen, John Morrison, Josiah John, Kathy-Ann Newallo, Kaveen Siew, Keston James, Lia Pereira, Lisa Creese, Mark Baptiste, Melissa Cobham, Nirmala Baboolal, Nirmala Ramdass, Reina Ruiz, Sabrina Ramgattie, Timia Fraser, Wayneisha Wilson and Wendy Wong Won.

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Your collective efforts, mutual support, and dedication have made this newsletter possible. Thank you all for your outstanding contributions and for standing together to support one another throughout this project.



MESSAGE FROM OUR CHAIR

“*The phrase, "Anchored at Home, Reaching the World," highlights the commitment we make to our residents, giving us the ability to increase our global impact and unlocking opportunities to engage with the world.*”

-Angela Lee Loy, Chairman, Aegis Business Solutions Limited

Table of Contents



1. Message From Our Chair.....	6
2. Executive Summary.....	7
3. Education Investment Highlights.....	13
4. Estimates of Revenue And Expenditure.....	14
5. Fiscal Measures.....	17
6. Trade, Social And Other Initiatives.....	20
7. Tobago Highlights.....	22
8. Contact Us.....	24

Message From Our Chair



As we navigate the complexities of a dynamic global economy, Trinidad and Tobago is committed to fostering sustainable growth and prosperity. The 2025 Budget, themed "Steadfast and Resolute: Forging Pathways to Prosperity," underscores our dedication to resilience, diversification, and innovation.

I am pleased to introduce our focus "Anchored at Home, Reaching the World." This initiative emphasises our investment in education, sports, and public services, positioning Trinidad and Tobago to expand its global influence and opportunities.

Over the past decade, we have faced global economic challenges, including the COVID-19 pandemic and fluctuating energy prices. Despite these hurdles, our economy has rebounded, achieving a 1.9% GDP growth in 2024.

Both the Energy and Non-Energy sectors have shown remarkable resilience, with key industries like manufacturing, trade, and financial services driving our progress.

While we recognise the critical role of the energy sector, we are equally committed to diversifying our economy. Significant investments in infrastructure, including roads, highways, and the new Tobago airport terminal, will further stimulate economic activity.

The establishment of the Trinidad and Tobago Revenue Authority and the expansion of affordable housing through the Trinidad and Tobago Mortgage Bank highlight the Government's focus on fiscal discipline and social equity.

Looking ahead, we will prioritise innovation, digital transformation, and financial inclusivity. Together, we are building a forward-thinking and resilient economy for the benefit of all citizens.

I extend my heartfelt gratitude to our team for their dedication in providing exceptional service within our hybrid model.

To our readers, we hope you find this publication insightful and encourage you to reach out with any questions or feedback as we strive for excellence.



Executive Summary

Executive Summary



The Honourable Minister of Finance, Colm Imbert, delivered a comprehensive review of his nine-year stewardship of Trinidad and Tobago's economy, underscoring the nation's achievements amid global challenges. The Minister highlighted the impacts of major global events, including the COVID-19 pandemic, the Russia–Ukraine war, and fluctuating energy prices. Despite these challenges, the T&T economy has not only rebounded but has emerged more resilient, recovering from a 9.8% contraction in 2020. By 2023,

government revenue had grown by TT\$19.4BN, a 56% increase. Against this backdrop, the theme for the 2025 National Budget, **"Steadfast and Resolute – Forging Pathways to Prosperity"**, effects the government's commitment to sustained growth.

GLOBAL OUTLOOK

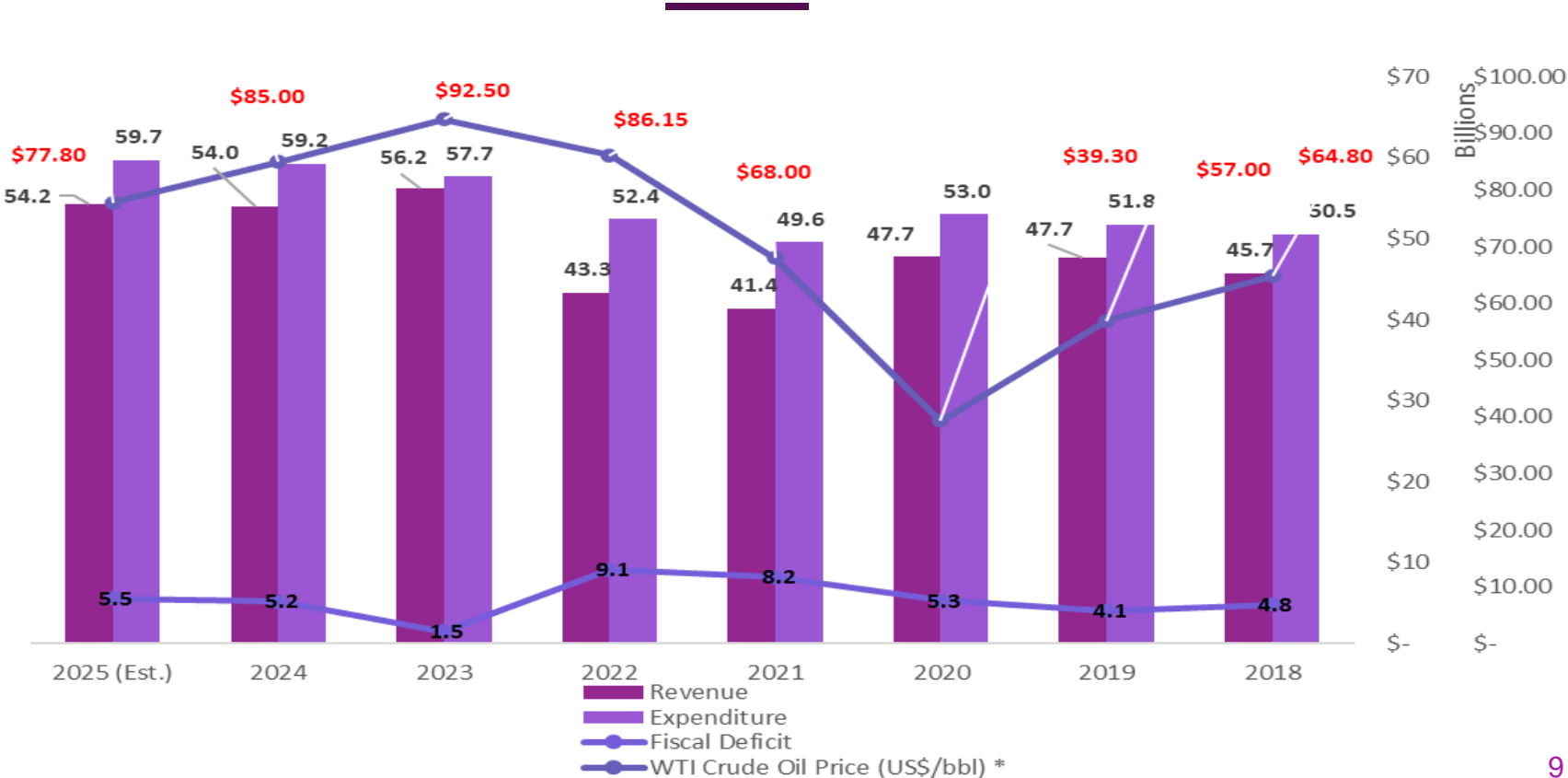
The global economy is expected to grow by 3.2% in 2024, with Trinidad and Tobago projected to achieve real GDP growth of 1.9%, building on the 1.3% growth in 2023. This

positive trajectory has been supported by changes in petroleum taxation, including a 12.5% royalty on oil and gas production, alongside a 2.4% expansion in the non-energy sector and ongoing tax reforms.

ENERGY PRICE ASSUMPTIONS

The 2025 Budget is built on energy price assumptions of US\$77.80 per barrel of oil and US\$3.59 per MMBtu for natural gas, reflecting cautious optimism given current market volatility.

Revenue, Expenditure, Fiscal Deficit & Oil Prices (2018-2025)



Executive Summary



ENERGY SECTOR

The Minister underscored the central role of the energy sector in the country's economic landscape. The upcoming Manatee Project, expected to commence production in 2027, will contribute 700 mmscf/d, or 25% of the country's daily natural gas consumption. The restructuring of Atlantic LNG, new revenue-sharing agreements effective from October 2024, and a revised natural gas pricing formula are expected to drive significant revenue growth. Recognising the volatility of energy markets, the government is also prioritising the

development of non-energy sectors, focusing on innovation, asset sales, and prudent public expenditure to diversify the revenue base.

MANUFACTURING

The manufacturing sector, contributing 17% to GDP, received recognition for its robust performance. The successful completion of the T&T-Chile Partial Scope Trade Agreement in May 2024 is set to deliver significant benefits, granting exporters preferential access to 19.2 million consumers and providing

manufacturers with more competitive raw material sourcing options. This agreement is expected to strengthen the country's industrial capabilities.

ESTIMATES OF REVENUE AND EXPENDITURE

Projected revenue for 2025 is TT\$54.224BN, with expenditure estimated at TT\$59.741BN, resulting in a fiscal deficit of TT\$5.517BN, which remains within the internationally accepted benchmark of 3% of GDP.

Executive Summary



FISCAL MEASURES

Key fiscal measures introduced in the 2025 Budget aim to stimulate growth and attract investment. Major projects include the sale or lease of the Magdalena Hotel and the Pointe-a-Pierre refinery, alongside new developments such as a five-star resort and yachting marina in Tobago. These projects are poised to create significant investment opportunities in the tourism and hospitality sectors. The issuance of TT\$3BN in VAT bonds and cash VAT returns for SMEs by December 2024 will provide

liquidity relief to businesses, while an increase in the minimum wage and a tentative 5% salary raise for public servants are expected to boost consumer spending. The government is also promoting digital transformation through initiatives like the National Digital Literacy Programme for rural communities and tax exemptions on electric vehicle charging equipment to drive green technology investments.

SAFETY AND SECURITY

Addressing crime remains a top priority for both citizens and

businesses. The 2025 Budget commits to enhancing national security by bolstering border security and surveillance through the acquisition of new patrol launches, interceptors, and advanced technologies, including drones. Anti-crime efforts will be further supported by initiatives like Project Building Blocks to combat gang violence.

Businesses will also benefit from a temporary tax and NIS amnesty, providing much-needed relief as the country continues its economic recovery.

Executive Summary



CONCLUSION

The 2025 National Budget reflects the government's commitment to both strengthening Trinidad and Tobago's domestic foundations and expanding its global reach—aligning with the theme "Anchored at Home, Reaching the World." Through strategic investments in digital transformation, manufacturing, and energy, the government is building a resilient economy that leverages local resources while positioning the nation for greater global competitiveness. With a focus on innovation, sustainability, and growth across key sectors, Trinidad and Tobago is set to secure a prosperous future both at home and on the world stage.





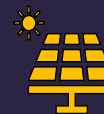
Education Investment Highlights



Online Numeracy Programme (TT\$ 3.2MN)



National Digital Literacy Project (TT\$ 5.0MN)



Solar Powered Sustainability Project (TT\$ 2.6MN)



Digital Literacy Certification for Students (TT\$ 2.9MN)



Agriculture Internship Programme (TT\$ 2.2MN)



CSEC Remedial Mathematics Programme (TT\$ 3.5MN)



Continuation of Book Grant (TT\$ 20MN)

Prioritising Investment in Education – addressing the nation's educational challenges while promoting digital inclusion, stability, and skills development, ensuring that Trinidad and Tobago's youth are well equipped to thrive in the future.



Estimates Of Revenue & Expenditure

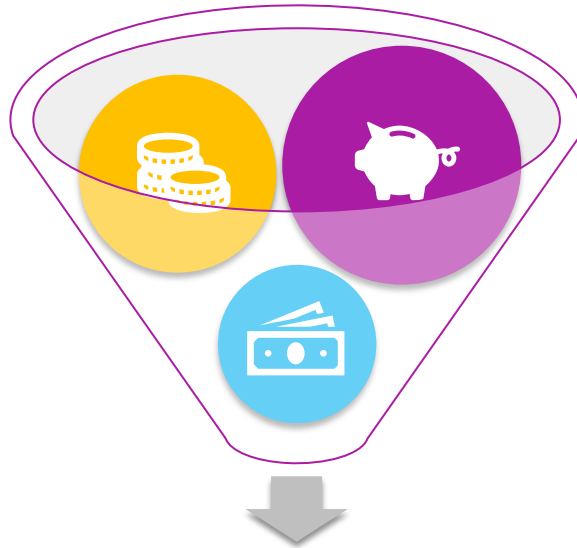
Revenue



Estimate Total

A revenue of **TT\$ 54.012 BN** is estimated for the next fiscal year, marking a **0.40% increase** from the 2024 estimate. The Finance Minister cites a conservative stance on 2024's oil and gas prices as the reason.

Oil is projected at **US\$ 77.80** per barrel, down from 2024's **US\$ 85.00**, and natural gas at **US\$ 3.59** per MMBtu, compared to **US\$ 5.00** in 2024.



\$ Oil Revenue

TT\$ 14.174 BN

\$ Non-Oil Revenue

TT\$ 35.039 BN

\$ Capital Revenue

TT\$ 4.011 BN

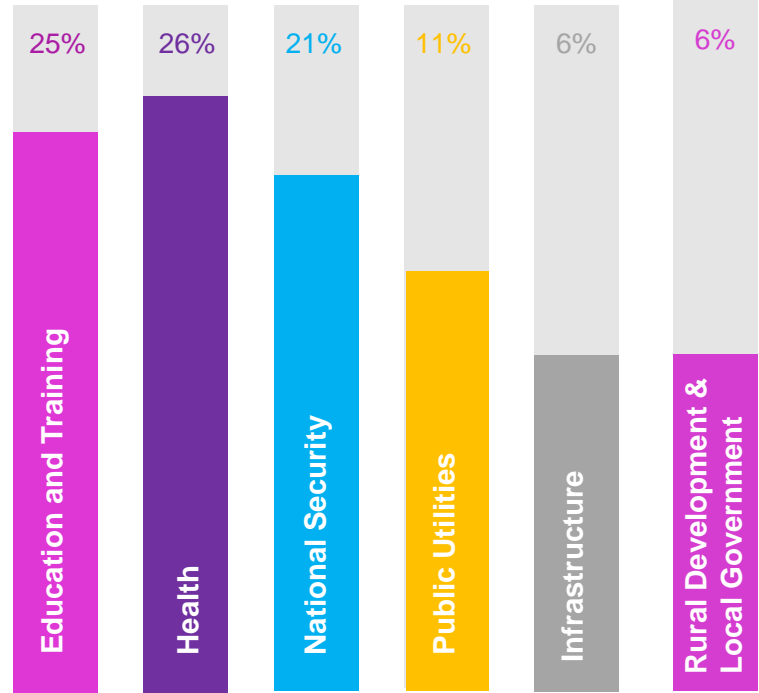
Expenditure









Net Deficit The fiscal deficit for 2025 is projected at TT\$ 5.517 BN, equating to 2.9% of the GDP. This figure is notably within the international benchmark of 3%, as highlighted by the Finance Minister.

10.17%

For 2025, the total estimated expenditure is TT\$59.741BN. Of this, 72% is allocated to key sectors such as education and training, health, and national security. An additional TT\$3.22BN is designated for public utilities, while TT\$5.115BN will be directed towards other initiatives, including rural development, local government, agriculture, and housing.



-  **Education and Training**
TT\$ 7.512 BN
-  **Health**
TT\$ 7.571 BN
-  **National Security**
TT\$ 6.113 BN
-  **Public Utilities**
TT\$ 3.221 BN
-  **Infrastructure**
TT\$ 1.862 BN
-  **Rural Development and Local Government**
TT\$ 1.771 BN

Fiscal Measures

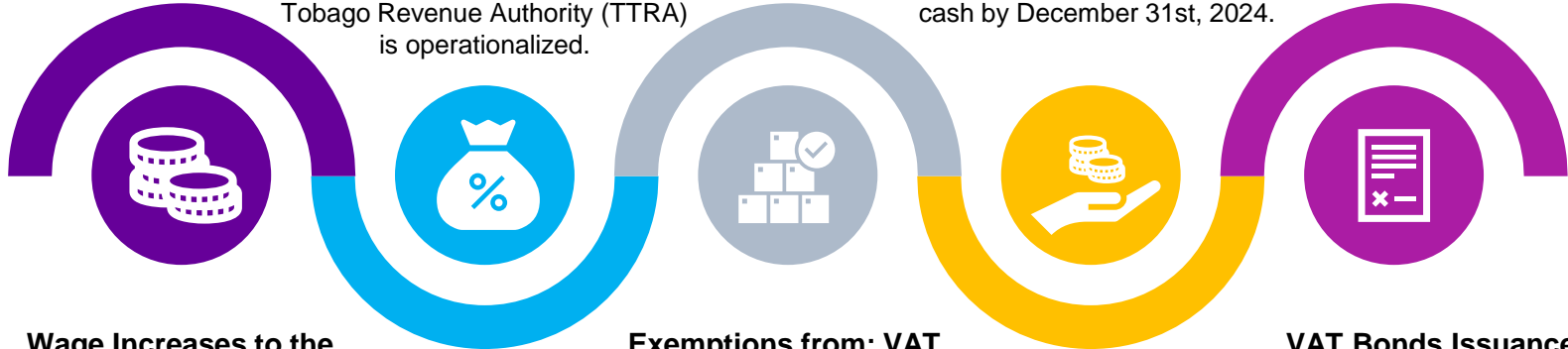
Fiscal Measures

Amnesty on Tax and NIS

Taxpayers will be granted a tax amnesty period from October 1st to December 31st, 2024. This amnesty will allow all taxpayers to meet their tax obligations until the Trinidad and Tobago Revenue Authority (TTRA) is operationalized.

VAT Refunds

TT\$ 3BN in interest-bearing VAT bonds to be issued by January 1st, 2025 to address VAT refunds. Small and Medium Entities (SMEs) will receive their VAT refunds in cash by December 31st, 2024.



Wage Increases to the Public Sector

Effective November 1st, 2024, all public sector workers will receive an increase in their minimum wage to TT\$ 22.50. Also, public sector workers will receive a 4.0% wage increase for the period 2014 to 2019.

Exemptions from; VAT, Duties and Taxes:

There will be a TT\$ 20MN exemption of duties and taxes on sporting equipment effective January 1st, 2025. Agriculture to become a tax-free industry effective first quarter of 2025. Electric vehicle charging equipment and accessories will be exempt from duties and taxes effective January 1st, 2025.

VAT Bonds Issuance

TT\$ 3BN interest-bearing VAT bonds to be issued by January 1st, 2025 to address VAT refunds. SMEs to receive cash VAT refunds by December 31st, 2024.

Fiscal Measures



EV Tax Exemption

Effective January 1st, 2025, electric vehicle charging equipment and accessories will be exempt from duties and taxes.



Tax-Free Agriculture

Effective first quarter 2025, Agriculture to become a tax-free industry



Trade, Social & Other Initiatives

Trade Initiatives



Home Improvement Subsidies TT\$31M for 1,571 home improvement projects and TT\$23M for 610 home constructions.

Deposit Insurance Coverage Increasing from TT\$125K to TT\$200K starting October 2024.

Special Economic Zones (SEZ) Development of eight industrial parks and two specialized zones, including Tobago Cove Eco-Industrial and Business Park.

Digital Technology Support In 2025, over 150 companies will receive digital technology assistance, while 500+ public service employees will receive training in digital services.

Solar Installations Solar photovoltaic systems will be installed in 25 schools and community centers by December 2024.

E-Initiatives Programs include an E-Book platform for schools, a transition to e-Passports, and digital health and payment systems targeting the unbanked and social benefit recipients, supported by India's UPI system.

Utilities and Roadworks Ongoing improvements to highways, major arteries, and secondary roads.

Tourism Growth Air Service Agreements signed with UAE, Qatar, and the Netherlands, with future plans for Ghana and Nigeria to boost aviation and tourism.



Tobago

Tobago Allocation



Expenditure

4.35%

The budgetary allocation for the upcoming fiscal period stands at TT\$ 2.6 BN, marking a growth of 2.5% from the previous year's allocation of TT\$ 2.5 BN. This sum constitutes 4.35% of the national budget.

Beyond the main budget, an extra TT\$ 678.5 MN has been designated for multiple ministries and state agencies with the aim of spearheading significant projects. A noteworthy inclusion in this allocation is the Tobago Airport Terminal Project, which has been allotted a substantial TT\$ 400 MN.



Recurrent Expenditure

TT\$ 2.376 BN



THA Development

TT\$ 205 MN



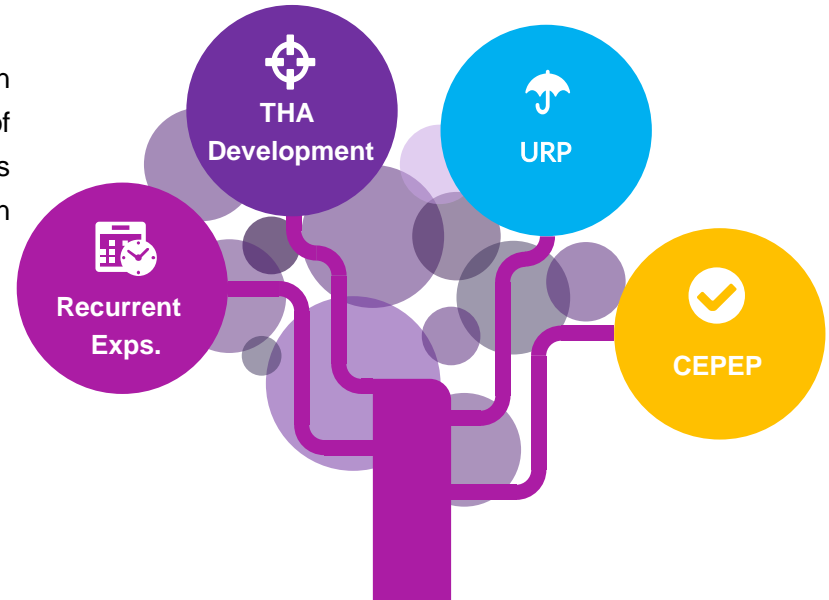
URP

TT\$ 18 MN



CEPEP

TT\$ 9.2 MN





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Assurance

Evaluating processes and performance to increase efficacy



Corporate & Governance

Keeping you compliant, organised, and efficient



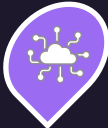
Accounting & Taxation

Keeping an eye on the numbers and maintaining your tax compliance



Human Resource

Talent management, workforce contingency, people focused



Information Technology

Leveraging IT systems and technology to propel your business



Payroll

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