

June 26, 2018

Trinidad and Tobago

Political and Economic Environment

Trinidad and Tobago, the second-most-populous English-speaking Caribbean nation after Jamaica, is located in the southeast Caribbean, just seven miles from Venezuela at its closest point (see **Figure 1**). The country's population is largely of African and East Indian descent, each comprising about 35% of the total, with the remainder including those of mixed descent and other ethnic groups. In 1962, the country became one of the first British colonies in the Caribbean to attain independence, and it retained the parliamentary political system that it inherited from the United Kingdom. Although Trinidad and Tobago traditionally has had a stable political system, the government withstood a coup attempt in 1990 by a radical Islamic sect, the Afro-Trinidadian-based Jamaat al Muslimeen, which held the prime minister and members of parliament hostage for five days.

Figure 1. Trinidad and Tobago Map



Source: CRS

Current Prime Minister Keith Rowley's center-left People's National Movement (PNM) won the September 2015 election, capturing a majority of 23 out of 41 seats in the House of Representatives. The PNM defeated the ruling center-left United National Congress (UNC), which was led by then-Prime Minister Kamla Persad-Bissessar, the country's first female prime minister, who had ruled since 2010 in a UNC-led coalition government. Persad-Bissessar now serves as leader of the opposition in parliament. The PNM and UNC have long been Trinidad and Tobago's two major political parties. The PNM tends to receive its support from Afro-Trinidadians, and the UNC receives a majority of its support from Indo-Trinidadians.

Among the challenges facing the Rowley government are increasing violent crime and a weak economy. According to the State Department's 2018 *Crime and Safety Report* on

Trinidad and Tobago, there were 496 murders in 2017 (7% higher than 2016), reflecting a murder rate of about 36 per 100,000. Homicide rates in several Caribbean countries, including Trinidad and Tobago, have increased in recent years because of gangs and organized crime, competition between drug trafficking organizations, and the availability of firearms, according to a 2017 Inter-American Bank study. In April 2018, Trinidad and Tobago's parliament approved anti-gang legislation, which criminalizes being a gang member or participating in or contributing to gang activities.

Trinidad and Tobago at a Glance

Population:	1.37 million (2017 est., IMF)
Area (square miles):	1,980, slightly smaller than Delaware
GDP (current prices):	\$21.6 billion (2017 est., IMF)
Real GDP Growth:	-6.0% (2016), -2.6% (2017 est., IMF)
Per Capita Income:	\$15,769 (2017 est., IMF)
U.S. Trade:	U.S. Imports: \$3.3 billion; U.S. Exports: \$1.8 billion (2017, DC)
Legislature:	Bicameral Parliament, with 41-member elected House of Representatives and 31-member appointed Senate

Sources: International Monetary Fund (IMF); U.S. Department of Commerce (DC), as presented by Global Trade Atlas.

Trinidad and Tobago's energy-based economy has been in recession over the past four years, with economic contractions of 6% in 2016 and 2.6% (est.) in 2017, according to the International Monetary Fund (IMF), which is forecasting that growth in 2018 will be flat at 0.2%. In the mid-2000s, the economy had been booming because of the country's energy production of both gas and oil, but the global financial crisis and the subsequent decline in energy prices beginning in 2014 severely affected the economy.

With a per capita income of \$15,769 (2017), Trinidad and Tobago is classified by the World Bank as a high-income economy and is among the wealthiest countries in the Caribbean because of its energy sector. Nevertheless, the country's natural gas reserves have been declining significantly in recent years. In 2017, proven natural gas reserves were estimated to be 11 trillion cubic feet (tcf) compared to 26 tcf in 2006, according to the U.S. Energy Information Administration. Some new discoveries are expected to boost future production after 2020.

Relations with Venezuela have been generally friendly, but the political and economic crisis in Venezuela has caused concern in Trinidad and Tobago because of the influx of

Venezuelan migrants. In 2017, the U.N. High Commissioner for Refugees (UNHCR) estimated that there were more than 40,000 Venezuelans in Trinidad and Tobago; as of April 2018, UNHCR reported almost 3,300 Venezuelan asylum seekers. In April 2018, UNHCR expressed concern over the alleged deportation of 82 Venezuelan asylum seekers; the Rowley government maintains the repatriations were voluntary.

Trinidad and Tobago has worked with Venezuela on energy issues. The two countries signed a preliminary agreement in 2017 for the construction of a gas pipeline from Venezuela to Trinidad and Tobago that would supply natural gas for Trinidad's domestic consumption and for export. This year, the two countries have advanced plans for the joint development of cross-border hydrocarbon reserves.

The Rowley government has not supported efforts at the Organization of American States (OAS) to press the Venezuelan government to take action to resolve its crisis. At a June 4, 2018, OAS General Assembly meeting, Trinidad and Tobago abstained on a resolution presented by the United States and nine other countries that was framed as an initial step that could lead to Venezuela's suspension from the OAS; the measure passed with 19 votes, since only a simple majority was needed, but suspension of Venezuela's OAS participation would take 24 votes out of 34 participating members.

U.S. Relations with Trinidad and Tobago

According to the Department of State, U.S. relations with Trinidad and Tobago are cordial and cooperative, characterized by a shared commitment to democracy, mutually beneficial trade, and close security cooperation. Cultural ties are strong in part because of large Trinidadian communities in New York and Florida and more than 11,500 U.S. citizens residing in the country.

Economic Linkages. The United States traditionally has run a trade deficit with Trinidad and Tobago because of the country's energy exports to the United States. In 2017, the United States imported \$3.3 million in goods, with oil, gas, and chemical products accounting for 62%; in the same year, the United States exported \$1.8 billion in goods, with machinery and electrical machinery accounting for 31%. Since 1984, Trinidad and Tobago has been a beneficiary of the Caribbean Basin Initiative, the U.S. preferential trade program for Caribbean imports. Since 2001, it has been a beneficiary of the Caribbean Basin Trade Partnership Act, which expanded preferential tariff treatment for petroleum products and qualifying textile and apparel products. For many years, Trinidad and Tobago has been the largest foreign supplier of liquefied natural gas (LNG) to the United States, although U.S. LNG imports have decreased significantly in recent years, as the United States has produced more natural gas domestically.

U.S. direct foreign investment in Trinidad and Tobago amounted to \$5.3 billion in 2016 in such sectors as banking, aviation, energy, and manufacturing, according to the

Department of Commerce. The United States and Caribbean Community (CARICOM) countries, including Trinidad and Tobago, signed a Trade and Investment Framework Agreement in 2013 providing a forum for discussing commercial issues.

Security Concerns. In 2016, U.S. officials raised concerns about the flow of foreign fighters from the Caribbean to Syria and Iraq in support of the Islamic State (ISIS), although the flow appears to have stopped after military successes of the U.S.-led coalition. The bulk of the foreign fighters from the Caribbean reportedly were from Trinidad and Tobago. According to Admiral Kurt Tidd, the commander of the U.S. Southern Command, in a March 2018 press briefing, Trinidad and Tobago had around 100 foreign fighters travel to the Middle East. Previously, in April 2017 congressional testimony, Admiral Tidd asserted that "violent extremist organizations like ISIS seek to radicalize and recruit vulnerable populations in the Caribbean." He cited an Islamic State publication (DABIQ) featuring an interview with a Trinidadian foreign terrorist fighter who encouraged ISIS supporters to attack the U.S. and Trinidadian governments.

U.S. Foreign Aid. U.S. foreign aid to Trinidad and Tobago amounted to \$1.3 million in FY2016 for anti-terrorism assistance training, International Military Education and Training assistance, Foreign Military Financing, and health assistance (most recent year available; aid obligation statistics are drawn from the U.S. Agency for International Development's online Foreign Aid Explorer).

Trinidad and Tobago has received U.S. assistance for a number of years to combat HIV/AIDS through the President's Emergency Plan for AIDS Relief (PEPFAR). This aid has included support to expand access to treatment for those living with HIV. According to U.N. statistics, the country's HIV adult prevalence rate is 1.2% (2016).

Since FY2010, Trinidad and Tobago has received assistance through the Caribbean Basin Security Initiative (CBSI), a U.S. regional initiative supporting the efforts of Caribbean nations to reduce illicit trafficking, increase public safety and security, and promote social justice through crime prevention programs. Under the CBSI, Trinidad and Tobago has received law enforcement training; support for increasing port security and maritime interdiction capabilities; and assistance for the criminal justice sector, including judicial mechanisms for juveniles and educational opportunities for at-risk youth.

The Department of Defense also is providing security-related assistance to Trinidad and Tobago. In FY2017, it initiated a \$6.3 million train and equip program to enhance the counterterrorism capabilities of the security forces.

Mark P. Sullivan, Specialist in Latin American Affairs

IF10914

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.