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Trinidad and Tobago

Political and Economic Environment

Trinidad and Tobago, the second-most-populous English-speaking Caribbean country after Jamaica, is located in the southeast Caribbean, just seven miles from Venezuela at its closest point. The country's population is largely of African and East Indian descent, each comprising about 35% of the total, with those of mixed descent and other ethnic groups comprising the rest. In 1962, the country gained independence from the United Kingdom (UK), becoming one of the first British territories in the Caribbean to do so and retaining the parliamentary political system it inherited from the UK. In 1976, Trinidad and Tobago became a parliamentary republic, with a president elected by parliament replacing the British monarch as head of state (a largely ceremonial role).

Figure 1. Trinidad and Tobago Map



Source: CRS

Note: The large majority of the population lives on Trinidad.

Current Prime Minister Keith Rowley, of the center-left People's National Movement (PNM), is serving his second consecutive term as head of government since 2015. He was most recently reelected in 2020. In the 2020 elections, the PNM maintained a slight majority in parliament after securing 22 out of 41 seats in the House of Representatives. The opposition center-left United National Congress (UNC) won the remaining 19 seats, with Kamla Persad-Bissessar, the country's first female prime minister (2010-2015), serving as leader of the opposition. The PNM and the UNC are Trinidad and Tobago's two major political parties, and political affiliations are often tied to ethnicity. The PNM, first established in 1955, tends to receive its support from Afro-Trinidadians, and the UNC, established in 1989, receives a majority of its support from Indo-Trinidadians. Next elections in Trinidad and Tobago are slated for 2025.

Among the principal challenges facing the Rowley administration are the lingering economic effects of the Coronavirus Disease 2019 pandemic and fluctuating natural gas revenues. The World Bank classifies Trinidad and Tobago as a high-income economy due to its relatively high per capita income level, estimated at \$15,000 in 2021. Even before the pandemic, however, the global decline in commodity prices negatively affected the country's energy-based economy (especially natural gas and petrochemicals, which account for nearly half of gross domestic product [GDP]). With the pandemic's onset, the economy contracted 7.4% in 2020, followed by an estimated 1% contraction in 2021, according to the International Monetary Fund (IMF).

Trinidad and Tobago at a Glance

Population: 1.42 million (2023, IMF est.)

Area: 1,980 square miles, slightly smaller than Delaware

GDP: \$28.2 billion (2023, est., current prices, IMF)

Real GDP Growth: -7.7% (2020), -1.0% (2021); 2.5% (2022); 3.2% (2023, forecast) (constant prices, IMF)

U.S. Imports: \$5.4 billion (2022) (TDM)

U.S. Exports: \$3.6 billion (2022) (TDM)

Legislature: Bicameral Parliament, with 41-member elected House of Representatives and 31-member appointed Senate

Sources: Sources: International Monetary Fund (IMF); World Economic Outlook Database, April 2023; World Bank (WB); and Trade Data Monitor (TDM), which presents U.S. trade statistics.

The economy grew 2.5% in 2022, and the IMF projects 3.5% growth in 2023. To respond to the ebbs and flows of revenue from the natural gas sector—and to prevent overreliance on energy—over the longer term, the government has plans to diversify the economy through efforts to improve the business climate and attract new industries, including in the agriculture and manufacturing sectors.

Another challenge for the Rowley government is contending with persistently high crime rates, including homicides and other violent crimes. In 2022, Trinidad and Tobago reported 502 murders, a 22% increase over 2021 and equivalent to about 39 murders per 100,000 people, the sixth-highest rate in Latin America and the Caribbean.

In terms of foreign relations, Trinidad and Tobago has been a major proponent of Caribbean economic integration and plays a leading role in the Caribbean Community (CARICOM). Relations with the People's Republic of China (PRC) have increased over the past decade, with Trinidad and Tobago signing on to the PRC's Belt and

Road Initiative, focused on infrastructure development, in 2018. Trinidad and Tobago also has continued relations and bilateral cooperation with neighboring Venezuela under the government of Nicolás Maduro.

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. The Biden Administration cites mutually beneficial trade, and close security cooperation via the Caribbean Basin Security Initiative (CBSI). Cultural ties are strong in part because of large Trinidadian communities in New York and Florida and more than 13,000 U.S. citizens residing in the country.

Economic Linkages. The United States has traditionally run a trade deficit with Trinidad and Tobago because of the country's energy exports to the United States. In 2022, the United States imported \$5.4 billion in goods, with mineral fuels and mineral oils accounting for 46.6%. In the same year, the United States exported \$3.6 billion in goods, with refined petroleum products making up nearly 29%. Since 1984, Trinidad and Tobago has been a beneficiary of the Caribbean Basin Economic Recovery Act (P.L. 98-67, as amended, with no expiration), a U.S. preferential trade program for Caribbean imports. Since 2001, it has been a beneficiary of the Caribbean Basin Trade Partnership Act (Title II of P.L. 106-200, extended through September 2030), which expanded preferential tariff treatment for petroleum products and qualifying textile and apparel products. The United States and CARICOM countries, including Trinidad and Tobago, signed a Trade and Investment Framework Agreement in 2013 that provides a forum for discussing commercial issues.

Gas Development. In January 2023, Trinidad and Tobago received a two-year license from the U.S. Treasury Department to engage with Venezuela on developing the Dragon natural gas field, which is in Venezuelan waters. The Maduro government, which is subject to U.S. sanctions, is not permitted to receive any cash payments from the project and is to be paid in humanitarian supplies. Trinidad reportedly is petitioning the U.S. Treasury Department to be allowed to pay the Venezuelan state-owned oil and natural gas company (PdVSA) in cash.

Environment. In June 2023, Vice President Kamala Harris announced new initiatives to strengthen relations with the Caribbean—notably the U.S.–Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030). Through PACC 2030, the United States aims to help promote Caribbean energy security and advance clean energy. Trinidad and Tobago seeks to reduce greenhouse gas emissions by at least 15% in 2030; the United States recently announced support for renewable energy and solar integration initiatives in Trinidad and Tobago.

Drug Trafficking Issues. The State Department's 2022 *International Narcotics Control Strategy Report* (INCSR) describes Trinidad and Tobago as a transshipment point for illegal drugs (cocaine and marijuana) destined for Europe,

North America, and the rest of the Caribbean. Drug trafficking organizations reportedly take advantage of the country's proximity to Venezuela; porous borders; limited law enforcement capacity and resources; and corruption within the ranks of law enforcement, border security entities, and the postal system.

Nevertheless, the State Department maintains that Trinidad and Tobago continues to make progress in efforts to investigate and dismantle drug networks. The State Department characterizes bilateral cooperation with Trinidad and Tobago on drug trafficking and transnational crime as productive and recommends that the government continue to strengthen border security and increase efforts to combat public corruption, which facilitates such crime.

U.S. Foreign Aid. The United States provided \$2.8 million in aid to Trinidad and Tobago in FY2021 from all U.S. agencies (<https://www.foreignassistance.gov>, latest full-year data available). Top sectors included peace and security, health, and humanitarian assistance aimed at supporting Venezuelan migrants; there are currently an estimated 35,300 Venezuelan migrants residing in the country. In September 2022, the U.S. Agency for International Development (USAID) established a permanent office in Port of Spain to bolster Eastern and Southern Caribbean efforts to promote climate resilience and citizen security.

Since FY2010, Trinidad and Tobago has received assistance through the CBSI, a U.S. regional initiative supporting the efforts of Caribbean countries 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. In June 2023, the State Department announced its support for the Crime Gun Intelligence Unit (CGIU) in Trinidad and Tobago, which facilitates regional efforts against arms trafficking.

Trafficking in Persons. The State Department kept Trinidad and Tobago on its Tier 2 Watch List in its 2023 *Trafficking in Persons Report*. The State Department maintained that Trinidad and Tobago expanded its counter-trafficking unit, opened shelters for adult trafficking victims and female child trafficking victims, and tried to prevent trafficking of Venezuelan migrants and other vulnerable groups. Nevertheless, the government has never convicted a trafficker under its 2011 anti-trafficking law.

For additional information, see CRS In Focus IF10789, *Caribbean Basin Security Initiative*, and CRS Report R47432, *Caribbean Trade Preference Programs*.

This In Focus updates an earlier version written by former CRS Specialist Mark Sullivan.

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