

# 2025

## BUDGET REVIEW



## Caveat

This review and its content do not constitute advice. Clients should not act solely based on the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, proper consultation should be obtained prior to acting on any issue dealt with in this update.

## Budget Statement Overview

The Budget statement for the year 2025 was laid in Parliament on September 30, 2024, by the Honourable Minister of Finance and is the tenth budget of the current administration's term in office. This Budget statement has been prepared at a time when the global economic outlook is uncertain, and it is befitting that the theme of this year's presentation is "**Steadfast and Resolute Forging Pathways to Prosperity.**"

## Featured Article

Unveiling today's cybersecurity landscape: The cybersecurity market has been experiencing rapid expansion and transformation, fueled by escalating cyber threats, geopolitical instability, regulatory pressures, and technological advancements. As of 2024, the global cybersecurity market is estimated to be worth approximately US\$186 billion, with projections to exceed US\$270 billion by 2028, according to various market reports. This substantial growth trajectory underscores the critical importance of cybersecurity in today's digital landscape.

## Budget Highlights

The **2025 budget highlights** key revenue and expenditure allocations, reflecting the Government's financial priorities for the year. Total revenue is projected at \$54.224 billion, with \$14.174 billion from oil, \$35.039 billion from non-oil sources, and \$4.011 billion from capital revenue. Meanwhile, total expenditure is set at \$59.741 billion, focusing on key sectors such as Health (\$7.571 billion), Education and Training (\$7.512 billion), and National Security (\$6.113 billion). Other significant allocations include Public Utilities (\$3.221 billion), Infrastructure (\$1.862 billion), and Agriculture (\$1.184 billion).

Our analysis addresses the following:



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# Budget Statement Overview



The Trinidad and Tobago economy is forecasted to register real GDP growth of **1.9% in 2024** following moderate growth of **1.3% in 2023**. In a challenging global landscape this growth whilst modest is indicative of the Economy's resilience and continued public and private sector efforts with respect to diversification.

Coming out of the COVID pandemic of 2020 and the significant shortfall in revenues, the Minister is forecasting continued growth with expected Revenue up 8% from their pre Covid revenues of 2019.

These Revenues are expected to fund expenditure to be used in creating an environment of economic sustainability with a focus on the social services, education and infrastructural development. The Government is eager to satisfy the needs of the national community especially those that are most vulnerable.

Whilst the Government continues to look at methods of diversification, there is no doubt that energy will continue to play a dominant role and contributor to our country's economic survival. However, we must continue to look at other avenues to release this dependence. In his presentation, he has reflected that there is a continuing need to look at areas of innovation and creativity to stimulate Revenue from the non-energy sector as well as careful allocation of the public purse.

The impact of the volatility in the Energy sector was evident in 2023 with a contraction of **5.6%** and a rebound in 2024 of **2.6%**. It was noteworthy though, that the non-energy sector has been growing with a **2.5%** improvement in this area, with accommodation and food services being the main contributors.

With respect to fiscal outturn, the economic data indicates a fiscal deficit of **1.7% of GDP** with projected increase to **3.5% in 2024**, mainly as a result of the shortfall in energy sector revenue. Notwithstanding the fiscal deficits, the external fiscal buffers remain healthy with the Heritage and Stabilization Fund which stands at **US\$6.1billion** and official reserves of **US\$5.5billion or 7.7 months import cover**.

The budget statement also outlined several social initiatives in keeping with their theme of Forging Pathways to Prosperity. These initiatives includes various expenditure allocations as well as tax measures to be implemented for 2025.

In closing it is anticipated that there will be strong economic and macroeconomic performance with sustained GDP growth, with stable employment and inflation. The Budget is predicated on an oil price of **US\$77.80 per barrel** and the natural gas assumption is **US\$3.59 per MMBtu**, a significant reduction from the 2024 budget. The expectation therefore being Total Revenue of **\$54.2 billion** and Expenditure of **\$59.7 billion** reflecting in a deficit of **\$5.517 billion**.

Nicole Lawrence  
Managing Partner,  
Grant Thornton ORBIT Solutions Limited

# Unveiling today's Cybersecurity landscape



## Unveiling today's cybersecurity landscape

The cybersecurity market has been experiencing rapid expansion and transformation, fueled by escalating cyber threats, geopolitical instability, regulatory pressures, and technological advancements. As of 2024, the global cybersecurity market is estimated to be worth approximately US\$186 billion, with projections to exceed \$270 billion by 2028, according to various market reports. This substantial growth trajectory underscores the critical importance of cybersecurity in today's digital landscape.

### The main drivers of Market Growth

Several factors drive this robust market expansion. However, the increasing frequency and sophistication of cyberattacks is undoubtedly the main cause. High-profile breaches targeting major corporations, Governmental bodies, and even critical infrastructure have highlighted vulnerabilities and the dire consequences of inadequate cybersecurity measures. As organizations become more digitized, the attack surface expands, providing more opportunities for malicious actors.

Moreover, the proliferation of connected devices and the IoT (Internet of Things) has introduced new security challenges. Each connected device represents a potential entry point for cyber threats, necessitating comprehensive security solutions. The rise of remote work, accelerated by the COVID-19 pandemic, further complicates the security landscape. Many SME lack the stringent security controls typical of centralized corporate networks, making them attractive targets for cybercriminals.

## Regulatory Environment

The regulatory landscape is another critical driver. Governments worldwide are stepping up efforts to mandate stronger cybersecurity frameworks. Regulations such as the General Data Protection Regulation (GDPR) in Europe, the California Consumer Privacy Act (CCPA) in the United States, and various others compel organizations to adopt rigorous data protection and privacy measures.

## Technological Innovations

The cybersecurity market is also being shaped by technological advancements. Artificial Intelligence (AI) and Machine Learning (ML) are revolutionizing threat detection and response. These technologies enable the development of advanced security solutions that can predict, detect, and mitigate threats in real-time, enhancing the overall security posture of organizations. Additionally, Blockchain technology is being explored for its potential to provide immutable and transparent security frameworks, particularly in protecting sensitive data.

Cloud security is becoming increasingly significant as more businesses migrate to cloud services. Cloud security solutions are essential to protect data stored and processed in the cloud, addressing concerns around data breaches, loss, and compliance. The demand for cloud-native security solutions that integrate seamlessly with hybrid and multi-cloud environments is surging.

## Market Segmentation

The cybersecurity market is diverse, encompassing various segments such as network security, endpoint security, application security, data security, and identity and access management (IAM). Each segment addresses different aspects of the security ecosystem, offering specialized solutions to meet unique challenges.

Network security remains pivotal, focusing on protecting data during transmission and preventing unauthorized access to networks. Endpoint security is crucial given the increased use of personal devices for work; it aims to secure all endpoints connecting to an organization's network. Application security ensures that software applications are secure from vulnerabilities throughout their lifecycle, while data security prioritizes the protection of data at rest and in transit. IAM solutions manage user identities and access rights, ensuring only authorized individuals have access to sensitive resources.

## Market Challenges

Despite the promising growth, the cybersecurity market faces several challenges. The shortage of skilled cybersecurity professionals is a significant impediment. The demand for qualified experts far outstrips supply, leaving many organizations struggling to find and retain talent.

Additionally, the evolving nature of cyber threats means that security solutions must continually adapt, requiring constant innovation and investment. AI applications also have a mirroring effect on cybercrime, increasing exponentially their operational capacity and efficiency, enabling to create highly refined threats.

Another challenge is the complexity of managing disparate security solutions. Many organizations employ a patchwork of security tools that may not integrate well, resulting in gaps that can be exploited by cybercriminals.

## Conclusion

Organizations must remain vigilant and proactive, adopting comprehensive and integrated security strategies to safeguard their digital assets, their reputation and ensure businesses continuity in an ever-evolving threat landscape. The cybersecurity market is poised for continued growth and Grant Thornton is positioned to support entities against increasingly sophisticated cyber threats, leverage cutting-edge technologies and be in line with international regulations.

# Budget Highlights



**Total Revenue: \$ 54.224 billion**

**Total Expenditure: \$ 59.741 billion**

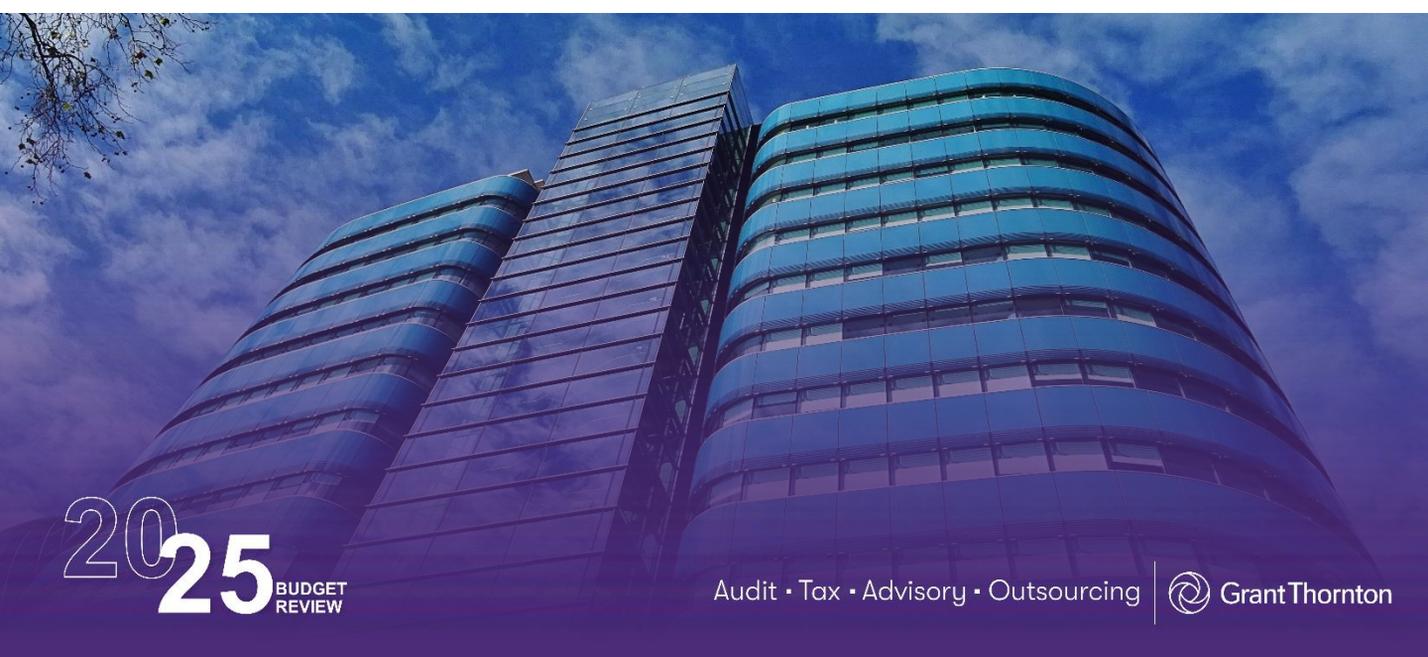
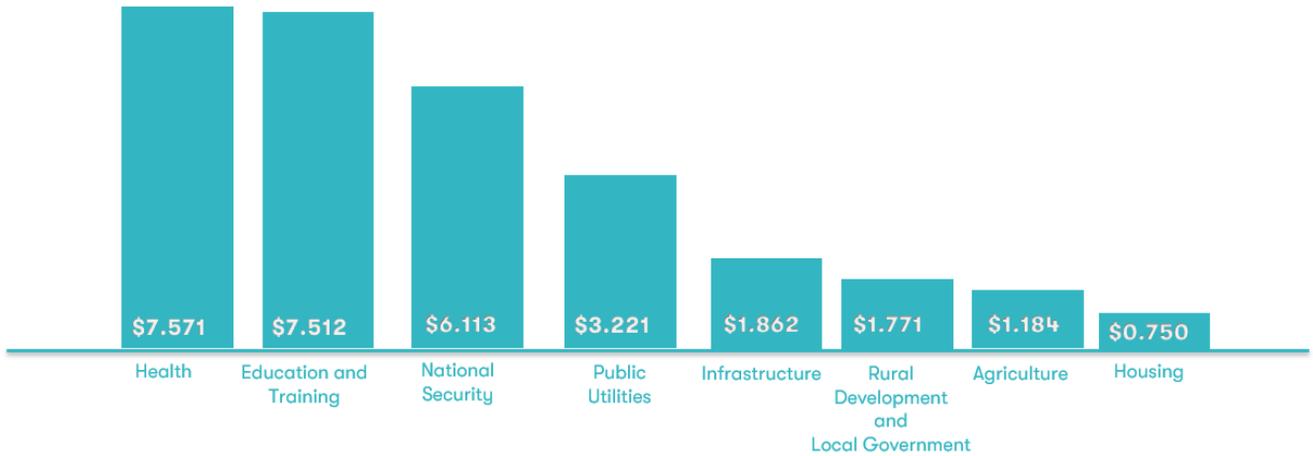
The budget is based on an anticipated oil price of US\$77.80 per barrel and Natural Gas price of US\$3.59 per MMBtu\*

Fiscal Deficit

**\$ 5.517 billion**

This represents 2.91% of GDP.

**Budget Allocation (in Billions)**



- ❖ Fiscal Deficit projected to increase from **1.7%** from 2023 to **3.5%** in 2024.
- ❖ Economic growth estimated at **1.9%** of GDP for 2024 based on forecasted growth of **2.4%** in non-energy sector activity.
- ❖ Inflation declined to **0.3%** in July 2024 from **8.0%** in December 2022.
- ❖ The allocation to the Tobago House of Assembly of \$2.599bn; an increase of \$22.756 million or **4.35%** from fiscal year 2024.
- ❖ Online Numeracy Programme for Adults.
- ❖ Increase of minimum wage for Public Sector employees from **\$20.50** per hour to **\$22.50** per hour.
- ❖ Draft Transfer pricing Legislation to be finalized.
- ❖ Freezone benefits to continue until **December 31, 2024**.
- ❖ Proclamation of the Special Economic Zone SEZ Act, 2022.
- ❖ Government proposes wage negotiation of **5%** for the period 2020-2022.
- ❖ Tax and National Insurance Amnesty effective **October 1st to December 31, 2024**.

- ❖ Grants of \$1,000 for purchase of Books and School supplies will be provided for Primary and Secondary students for fiscal year 2025.
- ❖ Special projects - The sale or lease of the Magdalena Hotel in Tobago, development of a new 5 Star internationally branded resort hotel in the Tobago Buccoo Estate, a Yachting Marina in Lowlands Tobago, sale or Lease of the Point-a-Pierre refinery plant and sale of the Government's share of 49% of the shareholding of CLICO.
- ❖ Import cover stands US 5.5b or 7.7 months.
- ❖ Issuance of Interest-bearing VAT Refund Bonds
- ❖ Housing and Village Improvement Programme.
- ❖ Exemption of duties and taxes for all electric vehicle charging equipment and accessories.
- ❖ Exemption of duties and taxes on all sporting equipment.
- ❖ Various programmes and internship for secondary schools and tertiary level students.

# Fiscal Measures



## Special Economic Freezone Act 2022

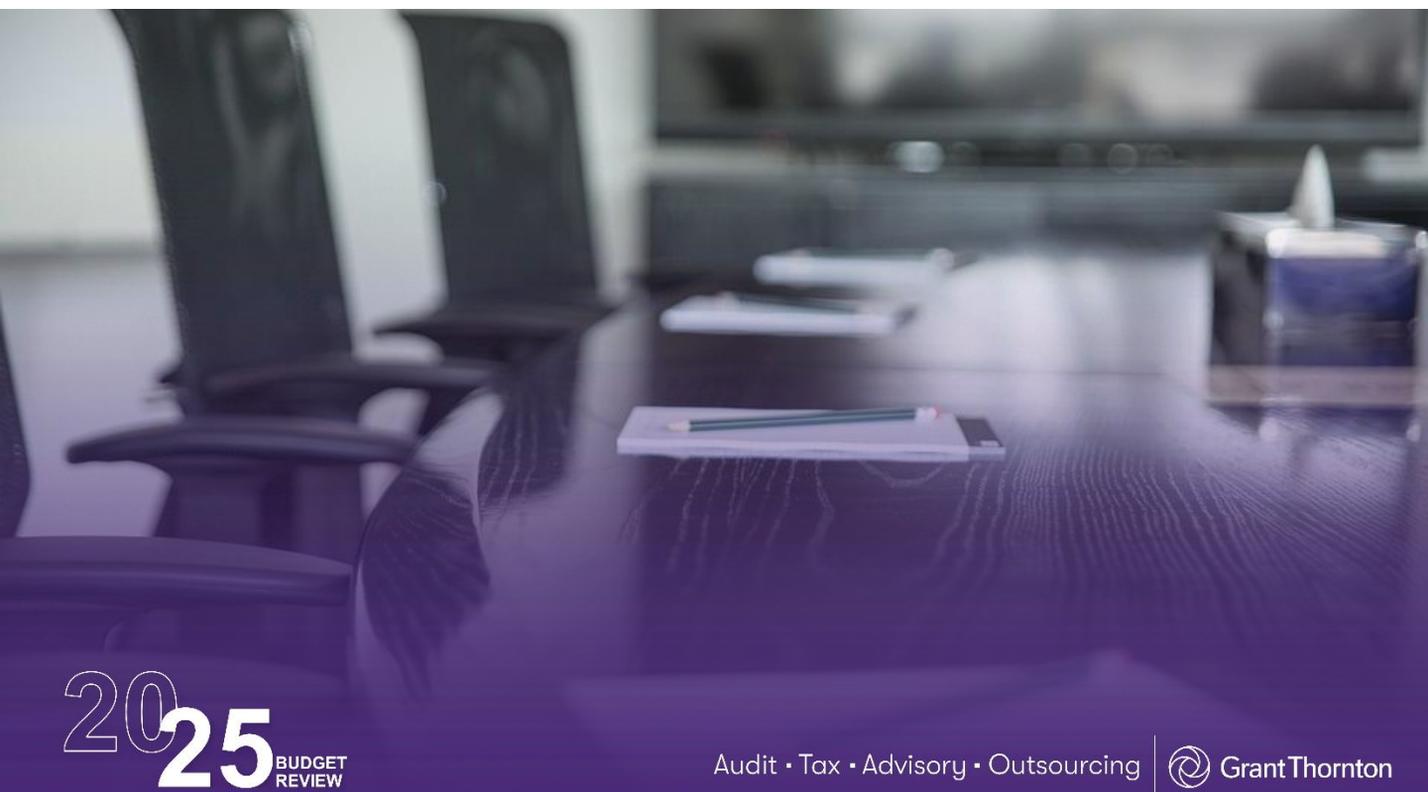
The Honourable Minister, during the reading of the annual budget, discussed the proclamation of the Special Economic Freezone Act 2022, which came into effect on July 05, 2024. This legislation replaces the Free Zones Act which previously provided for a 100% exemption from ALL taxes. This proclamation grants pre-existing entities a six-month transition period to determine if they wish to register under the new regime.

The Special Economic Freezone regime was developed to enhance Trinidad and Tobago's attractiveness as a business destination by creating different types of Special Economic Zones (SEZs), each catering to specific activities. These include Free Ports, which are duty-free areas at ports of entry; Free Trade Zones, which accommodate activities geared toward international trade; Industrial Parks, designed to attract domestic and foreign direct investment in value-added, export-oriented manufacturing; Specialized Zones for specific activities; and Development Zones focused on geographic regional development.

Entities operating within these zones can benefit from a reduced Corporation Tax rate of 15%, as well as exemptions and waivers on customs duties, value-added tax (VAT), and other taxes. Additionally, non-fiscal incentives such as streamlined regulatory approvals will improve the ease of doing business.

The Government of Trinidad and Tobago has allocated several sites as approved SEZs, including [Phoenix Park Industrial Estate](#), [Dow Village Industrial Estate](#), [Factory Road Industrial Park](#), [Debe Industrial Park](#), [Point Fortin Industrial Park](#), [Tobago Cove Eco-Industrial and Business Park](#), and [Piarco AeroPark for Industrial Parks](#). For Specialized Zones, the designated sites are [Moruga Agro-processing and Light Industrial Park](#), and [Chaguaramas](#).

It is important to note that although the Free Zones Act has been repealed, enterprises approved under section 15(2) of the Free Zones Act before December 31, 2018, will continue to enjoy the benefits of the Act, as outlined in section 88(2) of the SEZ Act, 2022. These benefits will remain available until [December 31, 2024](#), under a [Legal Order](#).



## Tax and NIS Amnesty

The Government proposed a Tax and NIS Amnesty which will take effect from **October 01, 2024, to December 31, 2024**. This measure seeks to give taxpayers an opportunity to bring their outstanding tax filings and payments up to date before the TTRA is in full operation, without being subject to penalties and interest.

## VAT Bonds

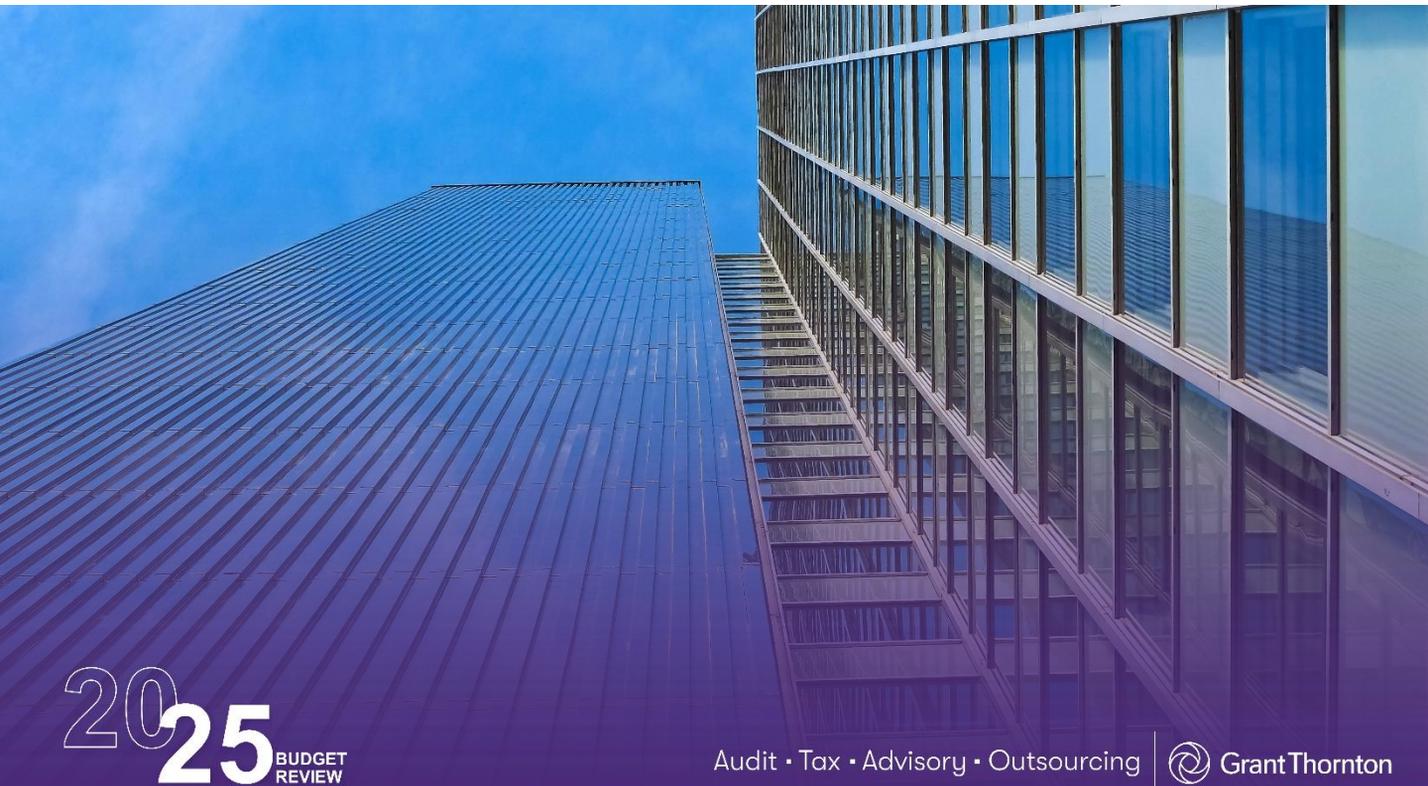
The Government recognizes that there is a significant sum of VAT Refunds outstanding to companies, particularly those in the energy sector. To reduce the large quantity of VAT Refund due to taxpayers the Government proposes to issue interest-bearing VAT Bonds in fiscal year 2025 in the sum of **\$3 billion** with a target date for issuance of **January 31, 2025**.

The Government also proposes to issue VAT Refunds to Small and Medium enterprises in cash by **December 31, 2024**.

## Agriculture

The Government proposes to conduct a comprehensive review of all items used in the Agricultural Industry. This move seeks to address any ambiguities and nuances in the tax laws pertaining to tax concessions for agriculture in an aim to make the industry completely tax free.

This review is anticipated to be conducted by **December 31, 2024**, with amendments anticipated to take effect in the first quarter of 2025.



## Customs and Excise Measures

### Sporting Equipment

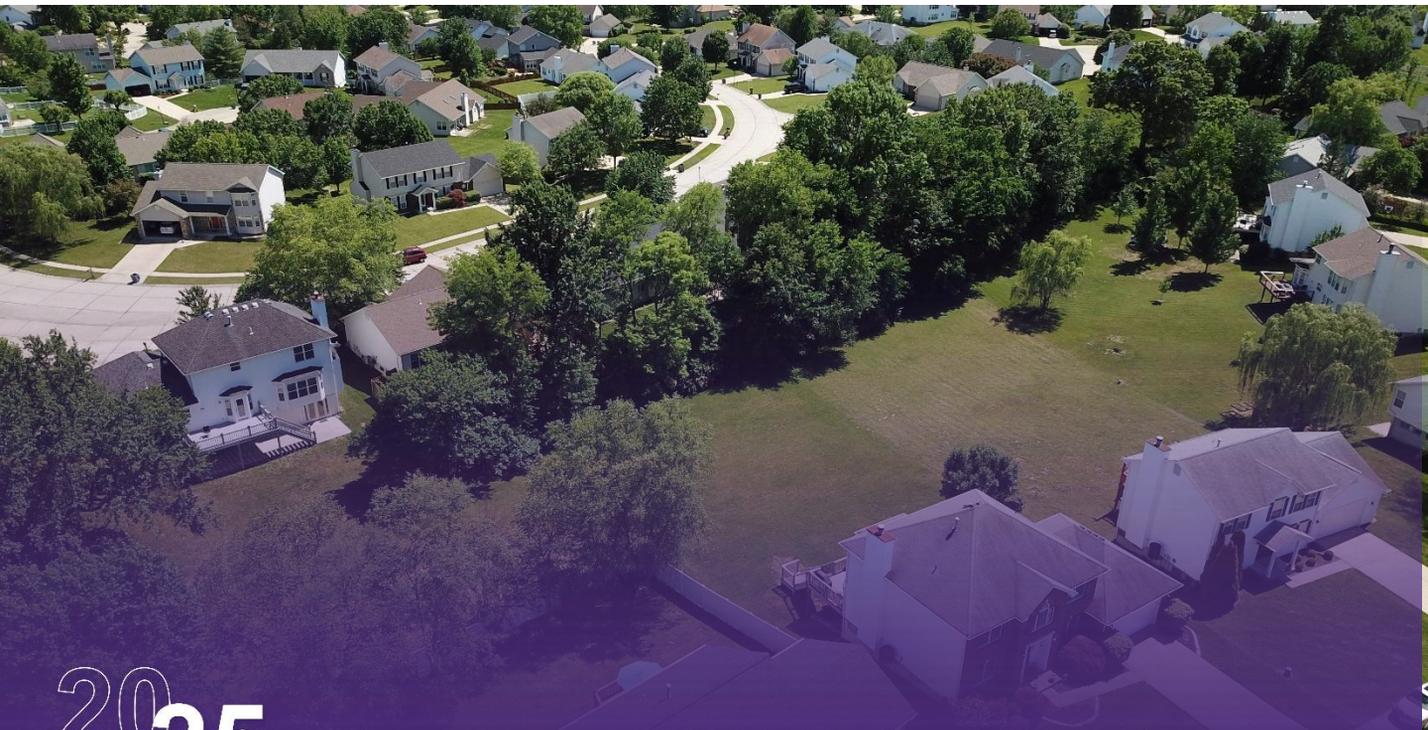
The Government proposed to exempt all sporting equipment from taxes and duties with the exception of clothing effective **January 01, 2025**.

This measure is in line with the Governments policy to encourage healthy lifestyles.

### Electric Vehicle Charging Equipment

To further encourage the switch to electric vehicles, to assist in the reduction of carbon emissions and to meet climate change undertakings, the Government proposed to exempt all electric vehicle charging equipment and related accessories from all duties and taxes.

This measure is expected to take effect from **January 01, 2025**.



# Other Measures



## Online Numeracy Program for Adults

The Honorable Minister in his budget reading proposed through the Ministry of Education an online numeracy classes via the Ministry of Education's School Learning Management System. This program will seek to provide numeracy skills to individuals in various literacy programmes to bridge gaps in learning. This initiative was allocated **\$3.2million** for implementation for **fiscal year 2025**.

## National Digital Literacy Program

In seeking to bridge the gap in digital skills the Government proposes to collaborate with a suitable NGO to provide essential digital skills and knowledge to vulnerable groups under a National Digital Literacy Programme. This programme seeks to foster an environment of inclusivity and empowerment targeting communities who face disparities in Information and Communication Technologies (ICT) development across various rural and underserved communities

This initiative will benefit approximately 18 communities and cost approximately **\$5million** for implementation for **fiscal year 2025**.

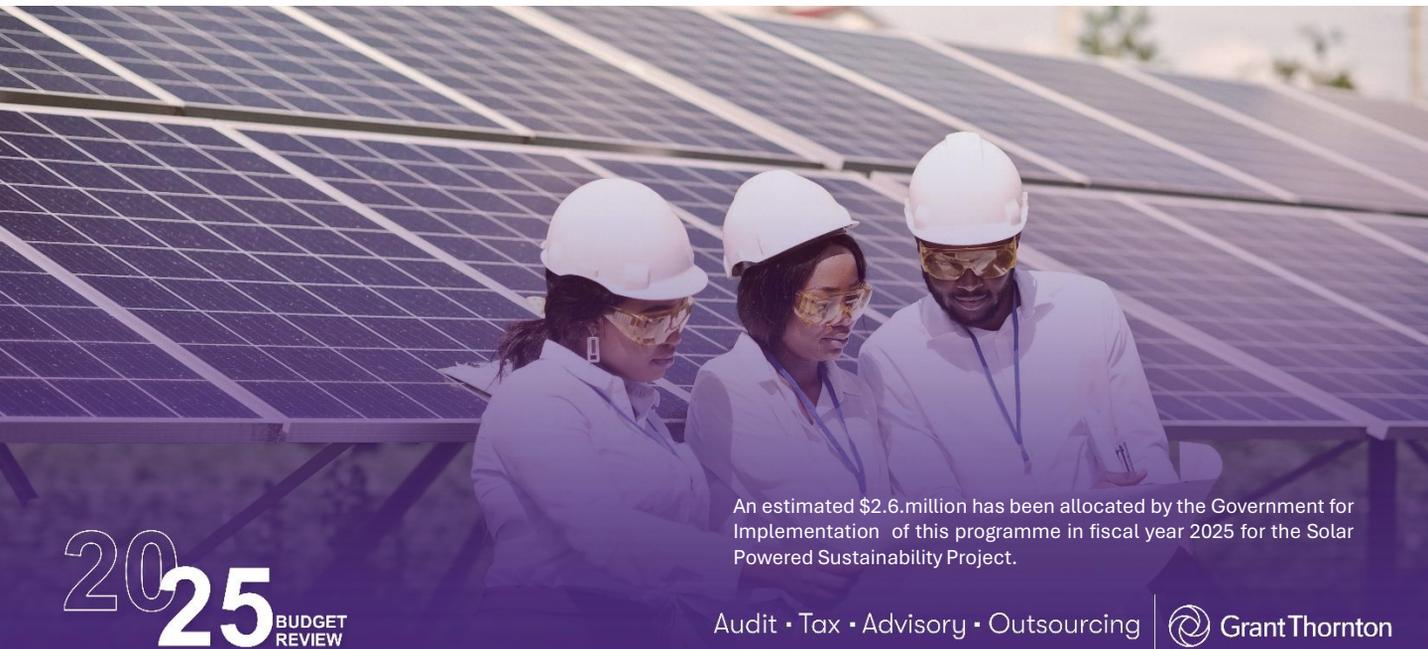
## Digital Literacy Certification for Students

To aid the future generation with the requisite skills for success in an increasingly digital landscape the Government proposes through the Ministry of Finance the implementation of a comprehensive digital literacy certification programme for students at various levels of the education system. This program seeks to enhance the development of the human capital of Trinidad and Tobago (T&T) fostering global competitiveness in emerging digital sectors. This initiative was allocated **\$2.9 million** for implementation for **fiscal year 2025**.

## Solar Powered Sustainability Project

The Government proposes to introduce through the Ministry of Education Solar Powered Sustainability Project to Secondary Schools in the first instance. This program seeks to educate students on the need for sustainable development practices to address global challenges such as climate change, resource depletion and economic inequality.

26 Secondary School stands to benefit from this initiative which intends to shape future generations' understanding and practices as it relates to technology and environmental stewardship.



An estimated \$2.6million has been allocated by the Government for Implementation of this programme in fiscal year 2025 for the Solar Powered Sustainability Project.

## Agriculture Internship Programme

To foster an exchange of new theoretical ideologies and practical real-world agricultural experiences the Government proposes to establish an Agriculture Internship Programme.

This program seeks to provide opportunities for 30 Associate Degree graduates of Eastern Caribbean Institute of Agriculture and Forestry (ECIAF) and enhance their skills which will in turn support the preservation of the Agriculture and Forestry Sectors. This initiative was allocated **\$2.2 million** for implementation for **fiscal year 2025**.

## CSEC Remedial Mathematics Programme

To aid in addressing the growing concern in the decrease in percentage of CSEC Students passing Mathematics in T&T, the Government proposed to introduce through the Ministry of Education an after school CSEC Mathematics Tuition Project at 26 Secondary Schools.

This initiative is intended to be a strategic intervention and is estimated to cost the Government **\$3.5 million**.

## Housing Measures

### Housing and Village Improvement Programme

The Housing and Village Improvement Programme (HVIP) has aided persons at the lowest end of the income scale by providing free of charge starter homes.

The Government anticipates up to **500 HVIP houses** will be constructed in 2025 at a cost of **\$100 million** and the funding for this increased cost will be financed off budget.

In addition, the Government proposes to pay contractors **\$200,000 per home** constructed which is \$50,000 more than the cost previously paid.

## Increase in Minimum Wages of Government Workers

The Government proposes to increase the minimum wage from **\$20.50** to **\$22.50 per hour**, an increase of **\$2.00 per hour** for Public Sector Workers. This measure is aimed at bringing comfort and an improved standard of living for Government workers at the bottom of the income scale seeking to provide at least an additional **\$500 per month** of tax-free income to these individuals

This initiative will benefit approximately 5,100 workers at MTS, 6,900 workers in CEPEP and 6,200 workers in URP, among other minimum wage workers in the public sector workforce and will take effect from **November 01, 2024**.

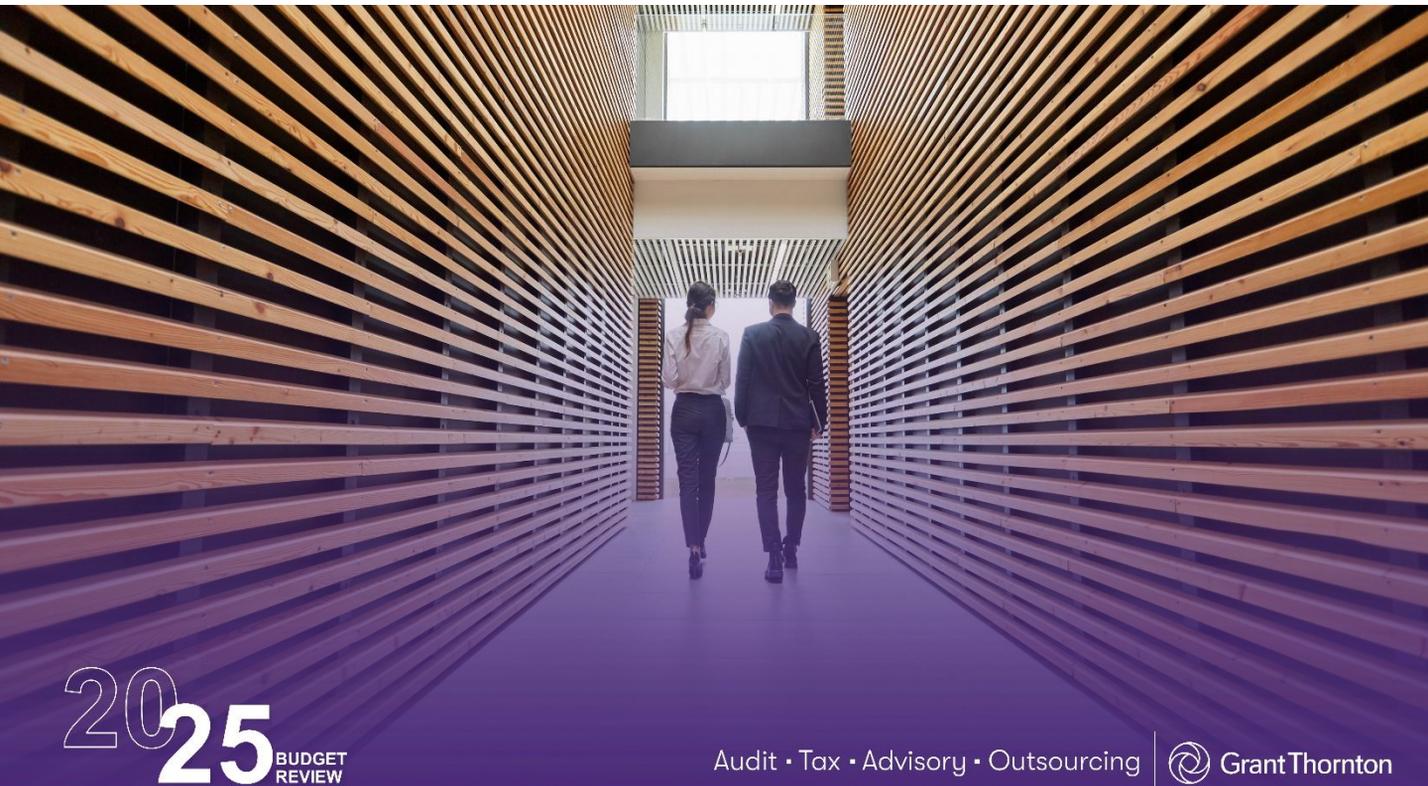
## Public Sector Wage Negotiations

The Government proposed to commence negotiations with Public Sector Trade unions for a **5% wage increase** covering the 3-year period **January 2020 to December 2022**.

This proposal seeks to offer public sector workers **an additional 1% increase** in wages from the 4% offered in the prior period January 2014 – December 2019.

## Book Grant

The Government proposed a One Thousand Dollar (**\$1,000**) book grant to assist needy students with the purchase of schoolbooks and supplies to be implemented in the next academic year. This measure intends to further assist approximately **20,000** students for the **fiscal year 2025**.



# About us





“The Grant Thornton culture is one of our **most valuable** assets and has steered us in the right direction for more than 100 years. Today's world demands a culture that embraces change.”

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## Americas

44 markets

USD3.3bn revenue (+9.3%)\*

20,252 people

## EMEA

86 markets

USD2.8bn revenue (+12.8%)

27,685 people

## APAC

19 markets

USD1.3bn revenue (+11.2%)

24,921 people

\*In adjusted constant currency terms, reflecting practice disposals by member firms.

Grant Thornton's global footprint spans across three key regions: the Americas, EMEA (Europe, Middle East, and Africa), and APAC (Asia-Pacific). In the Americas, Grant Thornton operates in 44 markets, generating USD 3.3 billion in revenue, with a workforce of 20,252 people. Meanwhile, the EMEA region comprises 86 markets, contributing USD 2.8 billion to global revenue, driven by a team of 27,685 people.

The APAC region, although smaller in market count, operates in 19 markets and generates USD 1.3 billion in revenue with 24,921 employees. In the Caribbean, Grant Thornton has a notable presence, offering a range of services tailored to the unique needs of the region. With offices in key Caribbean markets, the firm provides expert guidance in areas such as audit, tax, advisory, and business consulting.

The Caribbean market is an essential part of Grant Thornton's American operations, contributing to the firm's growth and expanding its influence within emerging economies. By leveraging local expertise and global resources, Grant Thornton is well-positioned to support businesses across various sectors, including tourism, financial services, and trade, helping them navigate challenges and achieve sustainable growth.

# Our services



## At Grant Thornton, we offer a wide range of services tailored to support businesses across various sectors.

**Assurance and Advisory Services** - In our Assurance and Advisory team, we focus on providing you with clear and accurate audits using advanced technology and proven processes. Whether it's a financial audit or an advisory service, our goal is to help you enhance transparency and build trust with your stakeholders. We also assist with managing risks and improving your overall business performance.

**Business Process Outsourcing (BPO)** - Our BPO services are designed to take the burden of daily financial and accounting tasks off your hands. We manage everything from bank accounts and invoicing to general ledgers and financial statements. By letting us handle the operational details, including tax returns and bookkeeping, you'll have more time to focus on growing your business.

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**Human Resource Outsourcing** - We understand the complexities involved in managing your human resources, which is why we offer HR outsourcing solutions. Our services help streamline your HR functions, including recruitment, employee benefits management, and compliance with employment regulations. By allowing us to handle these operational tasks, you can focus on your team's development and strategic goals.

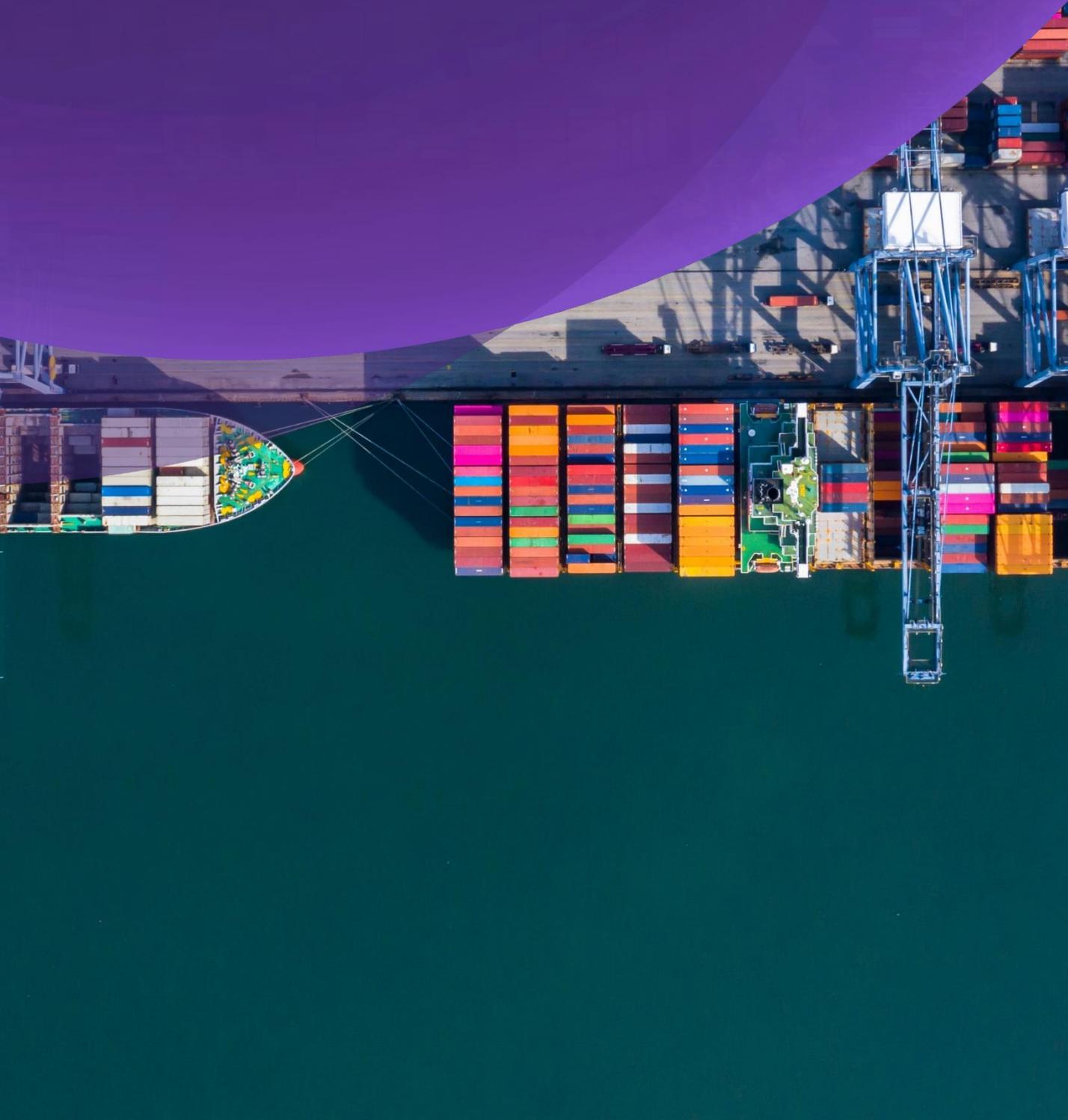
**Payroll Outsourcing** - Our Payroll Outsourcing services ensure that your payroll processing is accurate, timely, and compliant with local regulations. We manage everything from salary calculations and statutory deductions to the distribution of employee pay slips, providing you with peace of mind that your employees are compensated correctly and on time.

**Taxation and Compliance Services** - Our Taxation and Compliance Services are here to help you navigate the complexities of corporate tax planning, VAT returns, and local regulations. We work closely with you to develop tax strategies that not only optimize your tax liabilities but also ensure full compliance with Trinidad and Tobago's tax laws.

**Corporate Secretarial** - Our Corporate Secretarial team ensures your company remains compliant with the legal requirements of the Companies Act. Whether you need help with company formation, filing statutory documents, managing shareholder records, or corporate restructuring, we offer full support to keep your business in good standing.

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# A message from our Tax team



As Trinidad and Tobago's tax laws evolve in response to new fiscal policies, our tax compliance and consulting teams are fully prepared to guide you through the latest changes introduced in the 2025 budget. With significant updates such as the tax and national insurance amnesty, issuance of VAT refund bonds, and the finalization of transfer pricing legislation, it is crucial to stay informed and ensure your business remains compliant with the evolving tax landscape. The 2025 budget introduces various fiscal measures, including exemptions on duties and taxes for electric vehicle charging equipment, sporting goods, and Government proposals for wage negotiations, all of which could impact your operations.

Understanding how these updates affect your tax obligations and business strategies is essential for maintaining competitiveness and avoiding potential penalties. We are committed to keeping you abreast of these developments and helping you navigate the complexities of the Trinidad and Tobago tax system. Whether you need advice on managing your tax liabilities considering new legislation, assistance with taking advantage of amnesty opportunities, or support with VAT refunds, our team is here to provide expert, personalized guidance.

Please feel free to reach out to us for assistance with any questions related to the [2025 budget](#), or any other tax matter. We are pleased to offer our expertise and help you optimize your business operations in this changing regulatory environment.

[Click here to contact our tax team.](#)



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