

Group Members (K): Ashley Jacob, Faith Shim, Monique Britto, Victor Solano

Problem Statement

Caribbean economies can be characterised as small-sized, highly indebted, poorly diversified, and potentially vulnerable to large business cycle swings that originate from the external environment (Roopnarine, et al, 2019). Trinidad and Tobago specifically is the largest crude oil and natural gas producer within the Caribbean. Due, to this market being highly volatile, the country's economic growth often fluctuates, a direct relation to its dependency on the extraction of hydrocarbons.

Proposed Solution

Our team aims to conduct an analysis of the economic growth within Trinidad and Tobago between the years 2000 and 2022 with the intent of showcasing the connections between crude oil and natural gas prices and our GDP. In addition to this we will identify other key industries our economy should invest in to cushion economic fluctuations due to crude oil and natural gas.

Datasets

World Bank Open Data:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=TT> Provides data on Trinidad and Tobago's GDP from 1961-2022. Also provides data on the GDP of many other countries

Central Statistics Office of Trinidad and Tobago (CSO):

<https://cso.gov.tt/subjects/nationalaccounts/> Details the contributions of each sector toward the country's GDP. It offers yearly statistics from 2012-2022.

Trading Economics: <https://tradingeconomics.com/commodity/crude-oil>

This website provides daily data on global oil prices and many other exports. It details price increases and other factors affecting the market.

Analysis methods

Exploratory data analysis for creating visuals of the data and to understand the industries that contribute to our GDP in Trinidad and Tobago. This will also allow us to identify outliers in the dataset and any key industries which should be capitalized.

Correlation analysis will determine the intensity of the relationship between global oil prices and the country's GDP.

Expected Outcomes & Deliverables

A comprehensive report outlining the research methodology, findings and conclusions. A website displaying useful data visualizations that effectively communicate the relationship between global oil prices and Trinidad and Tobago's GDP.

Suggestions for alternative exports that can grow the country's GDP and diversify the economy.

Bibliography

Khadan, Jeetendra. “An Econometric Analysis of Energy Revenue and Government Expenditure Shocks on Economic Growth in Trinidad and Tobago.” *IDB Publications*, 19 Dec. 2016, publications.iadb.org/en/publication/12626/econometric-analysis-energy-revenue-and-government-expenditure-shockseconomic#:~:text=Energy%20revenues%20represent%20roughly%2045. Accessed 21 Mar. 2024.

Roopnarine, Karen, et al. *JEL Classification Numbers: C22; E32; F41 the Impact of External Conditions on a Small Open Economy: A Structural-VAR Approach for Trinidad and Tobago*.