

The Key Sectors

Petroleum. Trinidad and Tobago's petroleum industry is the mainstay of the local economy, with crude oil exports being the major foreign exchange earner. Efforts are under way to stem a decline in oil production and boost gas reserves in order to support enhanced petrochemical capacity.

Trinidad's oil fields produce approximately 160 000 bopd of crude annually. Production comes from the following state-owned companies, TRINTOC, TRINTOPEC and TRINMAR. In addition, AMOCO (U.S.) and P.C.L.O. (U.K.) are producers. Oil exploration is carried out on land and offshore; the marine fields contribute approximately 73 per cent of the country's total oil production.

In the first nine months of 1988, crude oil production was 6.5 mcm, down 4.4 per cent from the same period in 1987. Production from offshore wells dropped from 5.1 million m³ (75.5 per cent of total output) to 4.8 million m³ (74.1 per cent of total output). This drop has been ascribed to a number of factors, including the maturation of existing wells, the high cost of secondary recovery in marine fields and the non-discovery of new offshore deposits. Total production, therefore, has declined from a peak of 13.3 million m³ in 1978 to 8.78 million m³ in 1988.

The significance of petroleum exports to the economy is apparent in the relatively high petroleum export/GDP ratio. The high proportion of income earned from the production and export of petroleum has been a longstanding feature of Trinidad and Tobago's economy. Against this backdrop, therefore, specific objectives have been identified that will determine the thrust of the petroleum sector over the medium term. These initiatives include:

- Sustaining the level of production from existing fields by applying enhanced oil recovery techniques;
- Planning a land exploration program aimed at recovering 64.3 million barrels of heavy oil, by means of reactivating some 743 wells over the next five years;
- Encouraging further land and marine exploration, i.e. three offshore blocks consisting of 168 224 ha to be offered via international tenders;
- Implementing refinery rationalization with a view to achieving long-term viability; and
- Developing an Institute of Petroleum with research and development capabilities to support industry activities.