
Debt Watch - Caribbean

Issue No. 1: April 2008

News

Government of Jamaica announces its 2008-09 debt strategy

In tabling its 2008-09 budget in Parliament in April, the Government of Jamaica, in its Budget Memorandum, also announced its debt strategy for the new 2008-09 budget year. As in previous years, the key debt management objective of the Government of Jamaica is to minimise costs and achieve long term debt sustainability.

The Government plans to pursue an eight-pronged strategy that involves:

- Increase the fixed rate proportion of the domestic debt portfolio;
- Minimise foreign currency exposure of the domestic debt portfolio;
- Maintain the use of the auction mechanism for issuance of domestic securities;
- Increase the transparency and predictability of debt issuance and operations;
- Foster a more interactive relationship with the market;
- Engage the multilateral institutions to seek more cost effective borrowing;
- Issue debt in the external markets to seek more cost effective borrowing; and,
- Include aspects of liability management towards market-based reorganization of the maturity structure and interest rate profile.

Source: *Ministry of Finance & Planning, Jamaica*

US\$32.9mn in IADB loans to Guyana

The Government of Guyana has signed two loan agreements totaling US\$32.9 million with the Inter-American Development Bank (IADB).

The loan agreements are in support of Guyana's Agricultural Export Diversification Programme and the power Sector support Programme.

The agreements were signed by Guyana's Minister of Finance, Dr. Ashni Singh, and the President of the IADB, Luis Alberto Moreno.

Source: *Caribbean Net News*

UK writes-off £5mn of Jamaica's debt

The UK Government has written off a £5 million debt owed to it by Jamaica. The UK minister for International Development, Shahid Malik, says that the debt write-off will allow Jamaica to spend more

on improving public services and tackling poverty. Since 1998 the UK government has written off £51 million in debt owed by Jamaica.

Source: *Caribbean360.com*

IADB US\$27mn for Haiti's food crisis

The Inter-American Development Bank (IADB) has announced that it will give US\$27 million in grant funds to assist Haiti in alleviating its food crisis.

During April, Haiti was affected by riots to protest the rise in food prices and the higher cost of living.

Source: *Caribbean Net News*

Feature

CariCRIS

CariCRIS or Caribbean Information and Credit Rating Services Limited is the regional credit rating agency of the Caribbean. Its primary objective is to foster and support the development of Caribbean capital markets.

CariCRIS was established in 2004 with a mandate to "contribute to a vibrant, integrated Caribbean capital market." Its role is to provide independent risk assessments of entities and the debt they issue so as to improve the ability of investors to make informed decisions.

CariCRIS undertakes ratings at both the regional and the national level. Regional ratings compare an entity's creditworthiness to all debt-issuing entities in the Caribbean region – the Caribbean defined as the English-speaking Caribbean as well as the Central American countries of Costa Rica, Panama and Suriname. Haiti and the Dominican Republic are also included. National ratings compare an entity's creditworthiness to all debt-issuing entities in the financial markets of a single Caribbean nation.

The long-term rating scales and the related definitions shown in the table below apply to debt instruments with a maturity of over one year.

Regional	National	Definitions
CariAAA	**AAA	Highest
CariAA	**AA	High
CariA	**A	Good
CariBBB	**BBB	Adequate
CariBB	**BB	Speculative
CariB	**B	Weak
CariC	**C	Very weak
CariD	**D	Default

The regional scale uses the listed rating symbols with the prefix 'Cari' while the national rating scale uses the prefix '**' applicable to the specific country, for example 'bb' for Barbados.

CariCRIS rates sovereigns, financial institutions, as well as manufacturing and service entities. In the case of sovereigns, ratings are determined by analysing five broad areas: income and economic structure; fiscal policies; monetary policies; balance of payments and external liquidity, and political risk.

CariCRIS released its first rating in April 2005. The year 2007 was a landmark year as CariCRIS issued ratings for the first time to a sovereign issuer and to an OECS member.

CariCRIS is based in Port of Spain, Trinidad, WI.

Source: Caribbean information & Credit Rating Services Limited

Debt Statistics

Regional

The table below provides data on the long-term public external debt of selected Caribbean countries for the period 2001 - 2004.

Caribbean: Long-Term Public External Debt Outstanding/Gross Domestic Product

	In percentage			
	2001	2002	2003	2004
Bahamas, The	9.6	13.4	14.4	13.1
Belize	75.6	86.2	95.5	91.6
Barbados	26.7	27.2	24.7	23.7
Guyana	170.0	172.7	147.2	137.8
Jamaica	51.3	52.0	52.4	59.5
Trinidad & Tobago	18.9	17.4	14.7	11.8
Member countries of the Organisation of Eastern Caribbean States (OECS)				
Antigua & Barbuda	59.5	62.4	63.2	63.8
Dominica	47.9	59.5	64.5	65.6
Grenada	38.7	64.4	63.7	75.6
Montserrat	15.4	10.4	8.5	8.0
St. Kitts & Nevis	62.8	73.4	85.5	76.3
St. Lucia	18.4	32.1	41.2	40.4
St. Vincent & the Grenadines	49.1	46.5	45.2	41.7

Source: Caribbean Development Bank

National

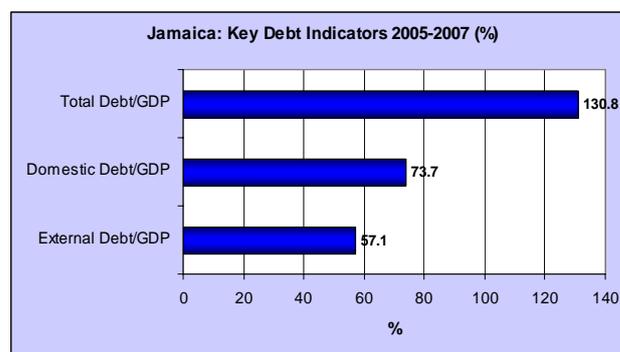
Jamaica 

The table below provides data on key debt indicators in relation to the long-term public and publicly guaranteed external debt of Jamaica.

Jamaica: Key External Debt Indicators

in percentage terms

	2005	2006	2007
Total Debt/GDP	136.7	135.8	130.8
External Debt/GDP	57.4	57.1	57.1
Domestic Debt/GDP	79.3	78.7	73.7



Source: Ministry of Finance & Planning, Jamaica

Upcoming Events

May 2008

- May 21-23 – Annual G6 Forum of Deputy Governors and Chief Secretaries of the UK's Caribbean Overseas Territories in Anguilla. Agenda topics will include territorial updates on public sector reform.
- May 14-16 – The Fourth Annual Meeting of the Group of Latin American and Caribbean Debt Management Specialists at the Hotel Hyatt Regency, Port of Spain, Trinidad West Indies. Agenda topics will include Debt Management Offices (DMOs) and their interaction with the markets.

If you have information about an important event or development related to public debt management in or relevant to the Caribbean, please email Michele Robinson at:

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