



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE

CORPORATE COMMUNICATIONS UNIT

For immediate release

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PRESS RELEASE

Erroneous Assumption in Moody's Investor Service Issuer Comment (published by Moody's on June 30th 2017) on the Government's Mid-Year (May 10th 2017) Budget Review

The Minister of Finance, the Hon. Colm Imbert, has taken note of statements made by Moody's Investor Service (Moody's) in its Issuer Comment dated June 30th 2017 on the mid-year budget review of the Trinidad and Tobago Government, which was presented on May 10th 2017.

In its Issuer Comment, Moody's made the following statement:
"Further spending reductions could materialize during the rest of the year as the government plans to cut TT\$3 billion from public salaries this year."

This statement by Moody's has quite naturally caused some concern, but it is clearly a misunderstanding of the facts.

The Minister of Finance wishes to make it absolutely clear that **the Government has no plan to cut public servant's salaries or public salaries by \$3 billion.**

The reality is that the Government is no longer faced with the \$5 billion plus backpay bill for public officers which it was confronted with in September 2015, since most of this backpay was paid in 2016 and the first half of 2017.



(868) 612-9700
ext. 2804-2809



(868) 612-9700
ext. 2810



comm.finance@gov.tt



www.finance.gov.tt

Accordingly, in the next fiscal year, the Government will not be saddled with this huge liability. Moody's clearly misconstrued the reference to the absence of a requirement for an allocation of \$3 billion in backpay in fiscal 2018 and strangely characterized this reduction in backpay liability as a "cut" in "public salaries".

However, it is not a cut in salaries but rather a natural reduction in the requirement for backpay.

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Hon. Colm Imbert
Minister of Finance