



Government of the Republic of Trinidad and Tobago

## **MINISTRY OF FINANCE**

Communications Unit

### **MEDIA RELEASE**

4<sup>th</sup> August, 2011

#### **Attention: All Editors**

#### **Trinidad and Tobago Economy Stable says Finance Minister**

Finance Minister Winston Dookeran maintains that Trinidad and Tobago Economy remains Stable even though Standard & Poor's Rating Agency having lowered this country's long-term local-currency sovereign credit rating to 'A/A-1' from 'A+/A-1'; and the same time affirmed the country with an 'A/A-1' foreign-currency ratings.

He says this new development is based on methodology rather than a change in perception. He noted that the change will still leave the country with an 'A' Grade and in his views it reflects the stringent measures taken by the rating agency in the aftermath of challenges facing the US Economy.

According to the release:

"Under the revised methodology, the gap between the local- and foreign-currency ratings on most sovereigns we rate worldwide is narrowing. This is because we believe that given the increasing globalization of markets, governments are likely to have fewer incentives to differentiate between their local- and foreign-currency debt in the event of debt restructuring." It also added that,

" The stable outlook reflects our expectation that the government's cautious macroeconomic policies should keep its fiscal and external debt burdens steady, which includes the expectation of no further erosion of the balance sheet because of the resolution of CL Financial Group bankruptcy."

Minister Dookeran added, he supports the views expressed by Standard and Poor's and said that Government will continue in its efforts to exercise prudent macro- financial management of the economy.

End

Regards,

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