



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE

17th January, 2011

Attn: All Editors

MEDIA RELEASE

For Immediate Release

Standard and Poor's: 'A' Rating Affirmed on Trinidad and Tobago

In its Annual report published on January 14th 2011 International Rating Agency Standard and Poor's (S&P), Trinidad and Tobago was affirmed with an 'A' foreign currency and 'A+' local currency long-term sovereign credit ratings. At the same time, the country received an 'A-1' short-term ratings. With the long-term rating outlook remains stable, while 'AA' transfer and convertibility assessment is unchanged.

The report indicated that the ratings on the country “reflect a solid external and fiscal profile resulting from several years of high energy prices, as well as significant off-budget and contingent. The Government's external and fiscal flexibility gives it room to deal with the global economic crisis and the bankruptcy of one of the country's largest financial conglomerates, the CL Financial Group (CLFG)”. With the Government's planned bailout of CLFG, Standard and Poor's expect net general government debt will rise to 28% of GDP in fiscal 2011 from 15% in fiscal 2010, though it will remain below the 36% median for 'A' rated sovereigns.

However, the agency cautioned, “fiscal deterioration, as well as further slippages in the pace of restructuring government-owned entities, could lead them to lower the country's ratings.” It added, “the stable outlook reflects Standard & Poor's expectation that the Government will be able to muddle through its intervention in the CLFG bankruptcy without further eroding its balance sheet. Improvements in transparency, governance, and regulation in the financial industry and among public-sector enterprises, in particular, could lead Standard & Poor's to raise its ratings on Trinidad and Tobago over the medium term.”

In his response to the Standard and Poor's Report Finance Minister Winston Dookeran said that the report highlighted satisfaction with the management of the economy.

Ratings Affirmed

Trinidad and Tobago (Republic of) Sovereign Credit Rating

- Foreign Currency A/Stable/A-1
- Local Currency A+/Stable/A-1
- Transfer & Convertibility Assessment AA
- Senior Unsecured A
- Senior Unsecured A+

End

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