

Howai calls for a more proactive approach by G24 countries

The Finance and the Economy Minister, Larry Howai has issued a call for the G24 group of countries to take a leadership role in formulating an appropriate mechanism to facilitate an orderly and predictable restructuring of sovereign debt at a meeting of the G24 countries, today in Washington D.C.

At the meeting of the G24 countries, of which Trinidad & Tobago is a member, Minister Howai made a statement on the need for special consideration to be given to the needs of small island Caribbean States.

The Minister stated that Caribbean economies are locked in a vicious cycle of low growth and high debt and because of their middle-income status, concessional financing is generally unavailable. He further added that even though some countries have entered into debt restructuring programs with the IMF, the outcome of such restructuring can be described as "too little to late".

"Given the limited progress in advancing a comprehensive debt workout framework, we are calling on the G24 (as the representative body for emerging market and developing economies) to take a leadership role in formulating an appropriate mechanism to facilitate an orderly and predictable restructuring of sovereign debt."

Minister Howai further urged that a collaborative approach should also be undertaken with the International Financial Institutions and other stakeholders to generate the best possible outcome for the restructuring of sovereign debt within the Caribbean.

The Minister also highlighted the risks and setbacks on economic development faced by EMDCs and LDCS as a result of disasters both anthropogenic and natural.

While noting that greater financial assistance is available from Development Partners for Mitigation of Climate Change than for Disaster Risk Management, the Minister also called for the establishment of a special fund, on concessional terms to assist with natural disasters.

He further stated that the establishment of such a fund would be a welcomed initiative by the Caribbean Region.

The Minister made these calls today in his capacity as a member of the Board of Governors of the International Monetary Fund ("IMF") at the annual Spring meetings of the IMF and the World Bank Group in Washington D.C.