



Government of the Republic of Trinidad and Tobago  
**MINISTRY OF FINANCE**

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## **MEDIA RELEASE**

### **TRINIDAD AND TOBAGO CONTINUES TO TOP CARICRIS SOVEREIGN RATINGS**

**Port of Spain:** The Caribbean credit rating agency CariCRIS has announced its 2021 rating of Trinidad and Tobago at *CariAA*, the second highest rating on its scale.

At *CariAA*, Trinidad and Tobago remains at the top of CariCRIS' published sovereign ratings in the Region. In fact, CariCRIS agrees that the 'level of creditworthiness of the GORTT, adjudged in relation to other rated sovereigns in the Caribbean, is "HIGH" and that "the ratings convey investment grade quality for the GORTT as an issuer, both on the CariCRIS regional rating scale and on the global rating scale, when mapped".

"We have taken note of the decision by CariCRIS to keep Trinidad and Tobago well into investment grade territory, although reducing our rating by one notch because of our active use of fiscal policy to soften the COVID-related blow to the economy", says Finance Minister Colm Imbert.

The rating agency has put a stable outlook to the rating of Trinidad and Tobago. "This", concluded the Minister, "shows that CariCRIS believes in our determination to bring our public finances under control".

"Although our debt level has indeed increased, we believe that we took the appropriate decisions, in the short and long term interest of the population", the Minister added. "This is because we have patiently built a strong fiscal position that we are able to help our economy in truly exceptional circumstances".

The CariCRIS Report also identified a number of Trinidad and Tobago's key strengths including the following:

- Satisfactory financial sector, monetary and exchange rate conditions;
- Comfortable debt service coverage when compared to its regional peers;

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- The slower rate of GDP decline expected in 2021 and a return to growth in 2022;
- Robustness in T&T's sovereign wealth fund despite drawdowns for budgetary support;
- Anticipated improvement in fiscal balances as COVID-19 impacts draw to a close given; vaccinations domestically and globally, along with some positive tax and expenditure measures; and
- Continued financial sector soundness and strength in international reserves and import cover.

Whilst noting that 'increased fiscal spending in response to COVID-19 in 2020 and 2021 is being financed through a combination of external debt (bond issues, multilateral agencies and bilateral partners), local debt through commercial banks, and drawdowns from T&T's sovereign wealth fund, the Heritage and Stabilisation Fund (HSF)', CariCRIS stated that 'the use of the HSF is prescribed for such situations as currently being faced and helps to contain the accumulation of debt. Its prudent portfolio management and continued sizeable balance of US \$5.6 billion (May 2021) represents a key credit strength for the GORTT.'

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