



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

For immediate release

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## **MEDIA RELEASE**

### **Moody's Decision on Trinidad and Tobago's Ratings Clashes with IMF recommendation on Debt Management under COVID**

In May 2020, in the midst of the pandemic and in a context of wreckages in the oil and gas markets, Moody's put a negative outlook to Trinidad and Tobago's credit rating. This was mainly based on COVID-related fiscal slippages.

Today, Moody's announces that they brought the rating down by one notch, with a stable outlook.

The Honourable Colm Imbert, MP. Minister of Finance, has noted that "*This decision by Moody's collides with the policy advice we have received from all international organisations to protect our country and support the recovery in the current circumstances*".

Minister Imbert added "*At the time of the negative outlook in 2020, the Ministry of Finance had countered that the use of fiscal policy to cushion the impact of COVID on the economy and the population was a responsible policy response. It helped avoid destruction of the economic and social fabric and was both sensible and sensitive in our view. What subsequently matters is the determination to bring public debt back under control in a credible manner*".

The Ministry of Finance's view on the active use of policy tools, when available, **is unreservedly shared by the IMF.**

The IMF has itself finished its own Article IV Consultation with Trinidad and Tobago, and, today has published its conclusions (<https://www.imf.org/en/News/Articles/2021/11/19/trinidad-and-tobago-staff-concluding-statement-of-the-2021-article-iv-mission>).

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The IMF has praised “***the decisive policy response of the Authorities which helped contain COVID-19’s spread, protect lives and livelihoods, and pave the way for a strong recovery...The immediate priorities are to accelerate vaccinations and support the economic recovery*”**

In fact, the IMF team has wondered whether the pace of fiscal adjustment might not be too ambitious with regard to potential downside risks in a fragile global recovery.

While being attentive to this advice, the Minister noted that there is a balancing act: “*We think it is important to set a limit to public debt increase and use the windfalls of much higher oil and gas prices in a responsible way. This is the condition for affordable financing conditions over the long-term*”.

In this context, added the Minister, “*I am confident Moody’s, the other rating agencies, and ultimately international investors, will take note of our sense of priorities and responsibilities*”.

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