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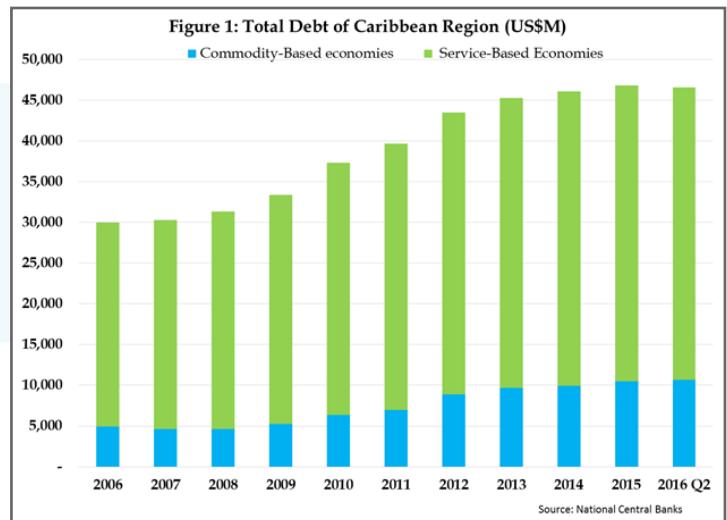
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THE STATE OF DEBT IN THE CARIBBEAN

Low- and middle-income countries have, for the first time in more than two decades, reported a decline in their external debt stock. Very importantly, high-income countries' quarterly external debt levels are, on average, much higher than in low- and middle-income¹ countries. However, debt levels in both groupings are still high with total global debt reported to be a record high of US\$152 trillion² for 2015, an estimated 225 per cent of global GDP. These universally high debt levels represent a serious challenge for policy makers. The International Monetary Fund (IMF), in its October 2016 Fiscal Monitor, warned that this high global debt level will restrain economic growth and increase the risk that a recovery could turn into stagnation or even recession. They also warned that a combination of low growth, high debt and weak banks could push the world economy in a dangerous financial and political direction.

In the Caribbean, high debt has become a defining characteristic for the region (Figure 1). The Caribbean region's high debt dilemma is inherently linked to the structure of Caribbean economies, with their high exposure to a variety of external shocks and limited capacity to respond to these shocks. Caribbean economies view borrowing as a tool for achieving their economic growth and development objectives but excessive borrowing can lead to an unsustainable fiscal situation, which compromises the achievement of these objectives.

The most recent data on debt for the Caribbean (Figure 1) indicate that the total debt stock is US\$46.6 billion (June 2016), of which US\$10.7 billion is held by commodity-based economies and US\$35.9 billion is held by their service-based counterparts. The debt levels of commodity-based economies have been increasing significantly since



2012 due to the drastic decline in commodity prices and the need for governments to borrow to finance budget deficits. Suriname entered into a 24-month Stand-by Arrangement with the IMF of US\$478 million in May 2016 and has also received financing from the Caribbean Development Bank, Inter-American Development Bank, and the World Bank. The service-based economies have also been struggling to lower their debt burden, and at times have restructured their debts. The economies of Antigua and Barbuda (2010), Belize (2007, 2013), Dominica (2004), St. Kitts and Nevis (2011/2012), Grenada (2006, 2010, 2013) and Jamaica (2010, 2013) had to engage in debt restructuring³.

The current state of debt in the Caribbean is therefore still one of the main challenges for the region (Table 1). The prospects for lower debt burdens in the Caribbean are also not very good. The projected debt-to-GDP ratios remain very high for both commodity-based and service-based economies. In particular, by 2021 most economies will still

THE STATE OF DEBT IN THE CARIBBEAN cont'd

Table 1: Total Public Debt (% of GDP))

		Actual								Projections			
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2021
Commodity-Based Economies	Guyana	62.5	67.1	67.7	66.8	63.7	57.9	51.9	48.6	52.3	53.8	53.9	59.9
	Suriname	15.8	15.7	18.6	20.1	21.6	29.9	26.8	39.8	74.9	68.5	65.2	68.9*
	Trinidad and Tobago	23.9	35.5	33.8	30.9	41.4	41.0	41.9	47.2	48.4	58.5	68.2	97.9
Service-Based Economies	Bahamas	33.6	42.5	47.1	48.3	52.4	58.5	64.7	66.6	65.9	67.0	66.8	64.4
	Barbados**	52.6	63.2	71.9	78.0	83.5	94.4	100.1	104.9	106.0	106.7	107.7	114.2
	Belize	82.1	87.9	85.5	81.5	76.9	79.0	77.4	82.7	93.3	94.0	94.9	100.8
	ECCU***	74.1	80.1	82.0	85.1	86.6	85.8	81.8	75.6	75.4	71.8	69.4	64.17
	Haiti	37.5	32.7	28.4	23.7	27.9	30.3	33.9	36.7	n.a.	n.a.	n.a.	n.a.
	Jamaica	103.0	125.6	133.4	130.9	129.7	145.3	137.6	120.2	118.3	110.8	105.4	82.5

Source: National Central Banks and IMF Article IV Country Reports, 2016.

Note: * : Projection for 2020

** : Excludes NIS Holdings

*** : Represent an average of the ECCU members Public Debt to GDP ratios for 2016 to 2021

have debt-to-GDP ratios above the critical threshold of 55 per cent as defined by Greenidge et al. (2012)⁴. The inability to lower debt below this threshold in the long term therefore has serious negative consequences for economic growth and the attainment of broader development objectives in the region.

There have however been some positive developments in terms of efforts to lower the debt burden and enhance debt sustainability in the region recently as in the case of Jamaica and St. Kitts and Nevis. Jamaica has been able to maintain remarkable fiscal discipline since 2013. This has resulted in a decline in their debt-to-GDP ratio from 145.3 per cent in 2013 to 120.2 per cent in 2015. Jamaica's economic transformation has helped to restore its access to domestic and international capital markets and prompted the IMF's announcement on 15th November 2016 that Jamaica no longer has need for IMF financing support via its Extended Fund Facility. Nevertheless, the IMF approved a new US\$1.64 billion loan for Jamaica, intended as insurance to support the country's ongoing reform programme. This new precautionary IMF loan supports the government's growth and employment-focused reform agenda by providing insurance against any unanticipated external shocks such as a sharp increase in oil prices, global market volatility, or natural disasters. The precautionary IMF arrangement also helps provide certainty of policy continuity and macroeconomic discipline. St. Kitts and Nevis's high debt-to-GDP ratio of 159.3 per cent in 2010 was drastically reduced to 67.8 per cent of

GDP by 2015. This significant decline in its debt-to-GDP ratio was due to home-based policies of fiscal adjustment starting in July 2010 followed by an IMF three-year support programme of US\$84 million in July 2011. Important fiscal reforms and larger-than-expected savings accumulated under the government's Citizenship by Investment programme (CBI) contributed significantly to the improvements to date in the St. Kitts and Nevis economy. In October 2015, St. Kitts and Nevis exited the IMF's Post-Program Monitoring Framework having maintained a favourable macroeconomic performance and a stable financial system along with its debt-to-GDP ratio on a downward trajectory.

Caribbean economies have a history that is tainted by debt rescheduling, debt forgiveness and IMF-imposed stringent policies dating back to the 1980's. The past and more recent experiences show that the state of debt in the Caribbean can be alleviated if governments are committed to managing their fiscal affairs prudently. They have demonstrated the ability to reduce their borrowing, improve their fiscal and economic policies and engage in sustainable debt management policies when the political will is there. Unfortunately, policymakers in the Caribbean region have generally preferred to avoid taking pre-emptive action where fiscal consolidation efforts are concerned. According to Seerattan (2014)⁵ they tend to put off fiscal adjustments until there is little room to manoeuvre resulting in a situation where fiscal policy is then pro-cyclical in nature and this tends to accentuate the

THE STATE OF DEBT IN THE CARIBBEAN cont'd

impact of shocks. The projected state of debt for Caribbean economies implies that more sustained efforts are needed to deal with the fiscal and debt sustainability challenges facing the region. In this regard, there is ample evidence that these challenges can be successfully addressed if there is political will and consensus to confront this problem.

¹ The International Debt Statistics 2017, released in December 2016.

² October 2016, IMF Fiscal Monitor.

³ IMF Country Reports of the various years.

⁴ The results indicated that debt contributes positively to growth when it is below 30 per cent of GDP but becomes a main concern

for output beyond 55 per cent of GDP. Greenidge et al., 2012. "Threshold Effects of Sovereign Debt: Evidence from the Caribbean." IMF Working Paper, WP/12/157.

⁵ D. Seerattan. 2014. "Sovereign Debt and Growth in the Caribbean." CCMF Newsletter, Volume 7, Number 9.

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TRIBUTE TO SIR K DWIGHT VENNER (1946-2016)



Sir Kenneth Dwight Vincent Venner, KBE, CBE, SLC, former Governor of the Eastern Caribbean Central Bank (ECCB) passed away on Thursday 22nd December 2016. He is the longest-serving governor of any central bank, monetary authority, or federal reserve, having served from 1989 to 2015.

Sir Dwight was an Economist by training and was educated at the Mona Campus of The University of the West Indies (UWI) Jamaica where he obtained both Bachelor and Master of Science degrees in Economics. He served as a Junior Research Fellow at the Institute of Social and Economic Research at The University of the West Indies and then as a Lecturer in Economics from 1974 to 1981. Prior to becoming Governor of the Central Bank, he served in the position of Director of Finance and Planning in the St. Lucia government between November 1981 and November 1989.

During Sir Dwight's tenure as Governor, the ECCB grew in stature and service. The banking and financial system expanded and remained stable throughout various financial crises. Above all, the EC dollar remained strong. He wrote and published extensively in the areas of monetary and international economics, central banking, The Eastern Caribbean Currency Union, public finance, economic development, political economy and international economic relations. Sir Dwight's contribution and commitment to the work of the CCMF was a perfect example of his passion and desire for the development of collaborative regional institutions in the Caribbean. He always spoke with passion about the examples of collective action in the OECS which were not being replicated and expanded into the wider CARICOM region.

Sir Dwight received the award of Commander of the British Empire (CBE) in 1996 in St Lucia and was recognised as a Distinguished Graduate of The University of the West Indies on its 50th Anniversary in July 1998. In June 2001, he was awarded Knight Commander of the Most Excellent Order of the British Empire (KBE) in St. Vincent and the Grenadines for services to the financial sector. Sir Dwight received an honorary degree of Doctor of Laws from The University of the West Indies in October 2003. In December 2011, he was awarded the St. Lucia Cross for distinguished and outstanding service of national importance to St. Lucia.

Sir Dwight demitted office on 1 December 2015 after 26 years as Governor. Following his retirement, he continued to serve as Chairman of the Eastern Caribbean Stock Exchange and the Eastern Caribbean Home Mortgage Bank. He was recently re-appointed as the Chairman of the Eastern Caribbean Stock Exchange.

He is survived by his wife Lynda Arnolde Winville Venner née St Rose and his seven children. The Caribbean has lost one of its sons but the legacy of Sir Dwight lives on with the invaluable contributions he has made not only to the ECCU but to the wider Caribbean region. May his soul rest in peace.

PUBLICATIONS OF INTEREST

De-risking in the Caribbean: The Unintended Consequences of International Financial Reform

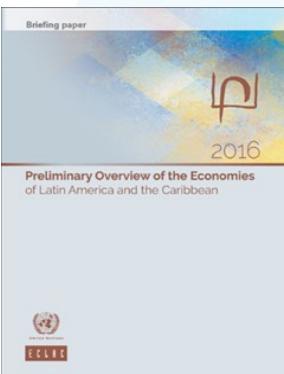
The Working Paper of the Central Bank of Barbados analyses the potential causes and consequences in the Caribbean of de-risking strategies adopted by international banks in response to recent changes in bank regulation, reporting requirements and judicial pursuits. These include the initiatives adopted by the Basel Committee, the Financial Action Task Force, the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, the US FATCA, and the increasing judicial scrutiny faced by international banks. The impact to date has been felt in the Caribbean across-the-board, including in jurisdictions with competitive, well-regulated and transparent international financial centres which provide high quality financial services. Some small Caribbean jurisdictions have suffered disruptions in their external payments system, as money transfer and other services that are presumed to be high risk have had their operations curtailed. The de-risking strategies that produce these results are adopted very reluctantly by a number of international banks, which see no other way to protect their franchise value in the face of costly procedures required for transactions in small markets and international financial centres. This paper contributes to the ongoing research on a global phenomenon of troubling proportions, one which is still intensifying and not widely understood.

Date of Publication: December 2016

Authors: Delisle Worrell, Michael Brei, Lauren Cato, Sadie Dixon, Bradley Kellman and Shamika Walrond, Assisted by Ke-Anne Evans

Available at: <http://www.centralbank.org.bb/news/article/9112/de-risking-in-the-caribbean-the-unintended-consequences-of-international-financ>

Preliminary Overview of the Economies of Latin America and the Caribbean 2016.



The Preliminary Overview of the Economies of Latin America and the Caribbean, one of ECLAC's most important annual reports, analyses, in its 2016 edition the economic performance of the region throughout the year, the international context and macroeconomic policies implemented by countries, while also providing an outlook for 2017.

Date of Publication: December 2016

Authors: ECLAC

Available at: <http://www.cepal.org/en/publications/40826-preliminary-overview-economies-latin-america-and-caribbean-2016-briefing-paper>

Caribbean Region Quarterly Bulletin: Volume 5: Issue 4: December 2016



The Inter-American Development Bank (IDB) published its December 2016 Caribbean Region Quarterly Bulletin report which stated that the macroeconomic performance of the countries in the Country Caribbean Department on average worsened in 2016 but is expected to improve in 2017. However, downside risks remain, including heightened uncertainty related to Brexit, the performance of the world economy and the new United States administration. The average performance in 2016 was driven by the weak economic performance of the commodity-producing countries while tourism-dependent countries benefited from lower oil prices and strong tourism demand. However, the fiscal situation remains challenging for all countries and the Caribbean has become one of the most indebted regions in the world. This edition of the Quarterly Bulletin discusses recent economic developments in the Caribbean and provides an outlook for 2017 and beyond. In addition, given weak economic growth accompanied by fiscal challenges, it explores whether changes in fiscal policy could accelerate growth. The bulletin spans the six IDB-member Caribbean countries as well as the Organisation of Eastern Caribbean States. The countries are The Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago.

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Authors: IDB

Available at: <https://publications.iadb.org/handle/11319/8029?locale-attribute=en>

REGIONAL ECONOMIC NEWS

Aruba

- A consortium formed by France's Technip and Venezuela's Tecnoconsult and Y&V Group was picked to refurbish Aruba's 225,000-barrel-per day refinery. The facility will be overhauled in a \$700 million project that is expected to take 18 months starting in early 2017. The Aruba refinery's new operator, Venezuelan-owned Citgo Petroleum, plans to process up to 209,000 barrels per day (bpd) of Venezuelan diluted crude for shipment to its U.S. Gulf refineries in Corpus Christi, Texas, and Lake Charles, Louisiana. (Reuters, 9 December, 2016)

The Bahamas

- An International Monetary Fund team led by Jarkko Turunen visited The Bahamas from December 7-13, 2016, to update the economic and financial outlook following Hurricane Matthew. At the conclusion of the staff visit, Turunen issued the following statement: "A close-to-direct hit, Hurricane Matthew has caused significant damage to housing, businesses, and infrastructure, and is expected to have a negative impact on near-term growth, as well as on fiscal and external accounts. Real GDP growth is nevertheless expected to resume next year, supported by construction activity related to the repair of Hurricane damage and work towards completion of the Baha Mar resort." (CNNNow, 14 December, 2016)
- Standard & Poor's downgraded The Bahamas' sovereign credit rating to sub investment-grade level, widely considered "junk status," in a grim economic report on the country's fiscal health and future. The international ratings giant dropped the credit rating by one notch to "BB+/B" from "BBB-/A-3", along with a threat to lower the rating over the next two years if public finances continue to "deteriorate." However, it did elevate the country's outlook from negative to stable. (CNNNow, 22 December, 2016)

Barbados

- The Tourism sector is on course to grow four per cent according to projections from the Barbados Hotel and Tourism Association. Outgoing Chief Executive Officer, Sue Springer, reported that airlift was up in almost all major markets, and cruise visitor numbers also continued to trend upwards with a record 14 ships scheduled to make inaugural calls that winter. At the same time, she said that the latest report indicated that the average occupancy had decreased by 1.1 per cent, a situation she stated could be attributed to bookings via Airbnb. (CNNNow, 8 December, 2016)
- A US\$34 million Inter-American Development Bank loan will enhance Barbados' energy security and sustainability by diversifying its energy mix through promoting the use of cleaner fuels for power generation, increasing the use of renewable energy sources, and increasing energy efficient applications by Barbados' government and the private sector. (CNNNow, 9 December, 2016)
- The United Nations Economic Commission for Latin America and the Caribbean in its latest economic analysis and forecast, predicted that Barbados' economy will grow by 1.9 per cent next year, but this positive picture is likely to be spoilt by the "high" fiscal deficit and widening "debt stock." The report also said that Barbados' growth was heavily dependent on the resurgent tourism and construction sectors, but cautioned that there were weaknesses in other areas. (Nation News, 24 December, 2016)
- Minister of Small Business Development, Donville Inniss, is optimistic that there will be "better business" in 2017 for micro, small and medium-sized enterprises. Furthermore, with the official launch of the new micro, small and medium enterprise strategic

plan and policy guidelines set to take place, Inniss said the operators in the sector would be made aware of the incentives, "the kind of facilitation from the state's end" and "a broader look at the kinds of matters" being addressed that would help the sector grow. The Minister said that together both businesses and the Government have to focus on better access to financing. (Nation News, 31 December, 2016)

Belize

- The Caribbean Development Bank's Board of Directors approved a loan of US\$10 million to Belize which will be used to expand the services of the Belize Social Investment Fund (BSIF). The BSIF, which was established in 1996, is responsible for promoting, appraising, financing and supervising the implementation of small and medium-sized sub-projects designed to benefit underserved communities. (CNNNow, 15 December, 2016)
- The Caribbean Development Bank has approved a grant of US\$1.24 million to assist in financing a technical assistance project for the rehabilitation of the Coastal Highway in Belize. The highway upgrade is expected to contribute to economic development, reducing travel time for goods moving to the country's ports. The road rehabilitation will also improve the agricultural and tourism sectors' access to these districts. (CNNNow, 16 December, 2016)

Curaçao and Sint Maarten

- The Parliament of Curaçao has adopted a motion for the Government to financially assist the local airline InselAir. The motion states that considering the importance of aerial connection between the islands of Curaçao, Aruba, Bonaire and also Saba, Statia, and Sint Maarten is extremely important for the mobility of the people. InselAir has had a major social-economic impact for the island, employing about 600 employees directly and 900 indirectly. The company contributes five to 10% of the GDP and brings more tourists to the island than any other airline. (Curacao Chronicle, 22 December, 2016)

Eastern Caribbean Currency Union

- Hotel developments such as the Park Hyatt St. Kitts- Christophe Harbour have provided sustainable, long-term economic benefits to the Federation of St. Kitts and Nevis for generations, says Mohammed Asaria, Vice Chairman of Range Developments. Asaria said that to date, the project has contributed US\$44 million to the treasury and has "paid money in government taxes." He said that, once completed, that figure is projected to rise to US\$55 million which is government payments and taxes through the various citizenship by investment fees. (CNNNow, 3 December, 2016)
- St. Kitts and Nevis Prime Minister, Dr. Timothy Harris, announced in the National Assembly that the Government has decided to create a growth and resilience fund as one of the fiscal policies it will implement in 2017. This mirrors the opinion of the IMF, which in its July 26, 2016 press release titled IMF Executive Board Concludes 2016 Article IV Consultation with St. Kitts and Nevis, said that, "Establishing a 'growth and resilience fund' can help preserve the accumulated savings from the CBI program, while providing a contingency buffer for future shocks, such as costly natural disasters." (CNNNow, 9 December, 2016)
- The Board of Directors of the Caribbean Development Bank approved financing of US\$1.4 million to the Government of Grenada, to support the establishment of a juvenile justice

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prevention and response system. Deidre Clarendon, Division Chief of the Social Sector Division, commented that, "Through this project, we hope...to teach new skills, thereby increasing employability. It is expected that this will contribute to the reduction of the high youth unemployment rate in Grenada." (CNNNow, 12 December, 2016)

- The Board of Directors of the Caribbean Development Bank (CDB) has approved a US\$10 million policy-based loan to further build growth and resilience in the Grenadian economy. It is the final of three such loans from CDB to the Government of Grenada, designed to support the country's 36-month, home-grown structural adjustment programme. (CNNNow, 19 December, 2016)
- The Prime Minister of Antigua and Barbuda, Gaston Browne, recently stated that, "The country's economy expanded by 4.25 per cent in 2016 making Antigua and Barbuda the fastest-growing economy within the Caribbean." They are also the fourth fastest-growing economy within the hemisphere. He said that the fiscal position of the country had improved significantly "so that we actually saw an increase in revenue in the region of 15 per cent not as the result of the introduction of any new taxes," recalling that in July 2016, his administration had eliminated personal income tax. (TTEExpress, 28 December, 2016)

Guyana

- Guyana will improve its public infrastructure and promote economic diversification and foreign trade with a US\$9 million Inter-American Development Bank loan that will help strengthen the economy and stimulate exports and investments. This project is expected to help reduce market access costs for non-traditional exporters and increase their shipments. Also, a trade and investment framework will be created and courses will be launched to train small- and mid-sized enterprises on quality and regulation issues. The program will strengthen quality-related infrastructure and improve the system's capabilities, keeping in line with Guyana's need to diversify its economy as laid out in the national competitiveness strategy aimed at accessing new markets. (CNNNow, 1 December, 2016)
- On 9 December 2016, the value of the Barbados dollar and the Trinidad dollar lost around 0.09 per cent and 1.2 per cent of their respective values against the Guyana dollar within the first hour of trading. Both currencies began to nosedive domestically after the Bank of Guyana reacted to an increased trend that showed that traders from both Caribbean states were dumping their currencies into the Guyanese financial system in exchange for U.S. currency that is currently difficult to access. Consequently, the Bank of Guyana made a decision to stop buying either currency from local commercial banks or private licensed currency traders. (CNNNow, 10 December, 2016)
- The Board of Directors of the Caribbean Development Bank (CDB) has approved a country strategy for Guyana for the period 2017 to 2021. The programme of assistance will drive social and economic development; support environmental sustainability; and promote good governance in Guyana. The approved strategy aligns with the CDB's strategic objectives of supporting inclusive and sustainable growth and development, and promoting good governance. (CNNNow, 14 December, 2016)
- The Government of Guyana has received funding of US\$12.3 million from the Caribbean Development Bank (CDB), to enhance access to, and improve the quality and effectiveness of the technical and vocational education and training system in Guyana.

According to Daniel Best, Director of the Projects Department of the CDB, "This project will assist the Government of Guyana in increasing economic competitiveness, and creating a labour force that can meet the demand for specialised skills in emerging sectors like tourism and hospitality." (CNNNow, 20 December, 2016)

Haiti

- Haiti's economy grew by more than one per cent in 2016, according to preliminary figures released by the Directorate of Economic Statistics of the Ministry of Finance. It said that the GDP grew by 1.4 per cent, well below the target of 3.6 per cent that the authorities had set at the beginning of the fiscal year, October 2015 to September 2016. The figures show that the agricultural sector, which had plagued the Haitian economy in 2015, was largely responsible for GDP growth in 2016. (TTEExpress, 28 December, 2016)

Jamaica

- Prime Minister, Andrew Holness, said that Jamaica and Cuba have pledged to identify ways to deepen collaboration and exchanges in the areas of trade, tourism, climate change and disaster mitigation as well as culture and education. Holness stated that, "Recently, we signed a multi-destination agreement because it appears that the plank of the new relationship between the U.S. and Cuba is on tourism, and we want to market the Caribbean as a product." (CNNNow, 9 December, 2016)
- Five new tourism subsectors have been added to the country's offerings as the government ramps up efforts to promote Jamaica as an ideal tourist destination. The new areas, which form part of the country's tourism linkages network, are sports and entertainment, shopping, knowledge, health and wellness, and gastronomy. They were established to further diversify the country's tourism offerings, create business opportunities and increase the use of local goods and services within the tourism sector. (CNNNow, 10 December, 2016)
- A sum of US\$250 million will be invested in the resuscitation of the country's cargo and passenger rail service. A non-binding memorandum of understanding to formalise the arrangement was signed by the Ministry of Transport and Mining, through the Jamaica Railway Corporation and Herzog Jamaican Limited. Portfolio Minister, Mike Henry, said that the revitalisation of the rail system has the potential to significantly transform the economic landscape along the rail corridor through tourism, freight, land development, communication and commuter services. (CNNNow, 12 December, 2016)
- Jamaica will boost its tax revenues and strengthen its fiscal sustainability program for economic growth with a \$50 million loan approved by the Inter-American Development Bank. The expected results of the operation are an increase in tax revenues through tax reform, annual audits performed by the Tax Administration of Jamaica and a steep rise in the percentage of self-financing public bodies with audited financial statements submitted on time. (CNNNow, 16 December, 2016)
- The Jamaica Tourist Board has signed a memorandum of understanding with U.S.-based online company Airbnb Inc. for the promotion of the country's tourism product, particularly in the area of accommodation. Minister of Tourism, Edmund Bartlett, said that the two-year agreement "establishes a framework for cooperation to further boost and diversify Jamaica's tourism product as we seek to attract five million arrivals in five years and

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to earn US\$5 billion." (CNNNow, 17 December, 2016)

Suriname

- The Board of Directors of the Caribbean Development Bank (CDB) has approved a loan of US\$65 million to the Government of Suriname. The financing will upgrade and expand sections of the country's transmission, sub-transmission and distribution networks, which will enable NV Energie Bedrijven Suriname to deliver a more reliable, efficient and sustainable electricity supply. The project aligns with the CDB's Suriname Country Strategy Paper (2014-2018), which identified the need for significant investments in the energy sector to support economic growth. (CNNNow, 10 December, 2016)
- Gillmore Hoefdraad, Minister of Finance of Suriname, made a special visit to Saudi Arabia where he signed a US\$30 million syndicated murabaha (non-interest-bearing) term sheet for supporting Suriname's economic development through financing strategic imports. The \$30 million financing extended to Suriname is to support the agricultural, medical and industrial sectors. (CNNNow, 20 December, 2016)

Trinidad and Tobago

- The Board of Directors of the Caribbean Development Bank (CDB) has approved a country strategy for Trinidad and Tobago for the period 2017 to 2021. The strategy proposes financial support of US\$436.7 million from the CDB. According to Dr. Justin Ram, Director of Economics with the CDB, "This strategy underscores the CDB's longstanding commitment to helping Trinidad and Tobago achieve its development priorities. It will provide focused support that aims to unlock the country's potential for economic and social development, improve competitiveness, promote good governance, and drive environmental sustainability." (CNNNow, 13 December, 2016)
- Trade Minister Paula Gopee-Scoone and Senior Ministry representatives met with European Union (EU) Heads of Mission at the Ministry's Port of Spain Head Office with the intention of furthering collaboration with the Member States of EU in the field

of economic diplomacy aimed at promoting trade, investment and strengthening the relationship between the private sector in Trinidad and Tobago and the EU. Gopee-Scoone underscored the importance of the manufacturing sector and outlined agriculture including cocoa, tourism, ICT, financial services, maritime and creative industries as the areas targeted for diversifying the economy. (TTExpress, 14 December, 2016)

- Trade Minister Paula Gopee-Scoone held discussions with Venezuela's Minister of Basic Industries, Juan Arias, to address areas in which both countries can further collaborate towards mutually-beneficial outcomes in trade and business. Gopee-Scoone expressed keen interest in exploring areas for collaboration including the possibility of Trinidad and Tobago serving as a distribution hub, both regionally and internationally, for products emanating from Venezuela. Both parties made a commitment to pursue the expansion of trade between the two countries through appropriate bilateral cooperation mechanisms. (TTExpress, 16 December, 2016)
- Growth prompted by a rise in the prices of oil and gas will spur economic development in Trinidad and Tobago almost immediately, but it is not sustainable. This was the opinion of Inter-American Development Bank economist Jeetendra Khadan after concluding his "Econometric Analysis of Energy Revenue and Government Expenditure Shocks on Economic Growth in Trinidad and Tobago." (TTExpress, 23 December, 2016)
- Economist, Valmiki Arjoon, is warning of an increase in unemployment and a worsening of the country's current account deficit, unless the Government makes a quantum leap in the policy environment to ensure economic stability and meaningful growth. He explained that the Government needs to embark on a "well thought-out strategy articulated to the public to foster diversification, business development, industrial activity and increased utilisation of productive capacity." (TTGuardian, 29 December, 2016)

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