



TRENDS IN INTERNATIONAL RESERVES IN THE CARIBBEAN

Small open Caribbean countries have always had to deal with a binding foreign exchange constraint that requires effective management of international reserves to ensure that there are adequate buffers against negative economic shocks and to boost confidence and stability. Indeed, the need to accumulate reserves may have intensified in the face of a very uncertain global economic environment. According to data from the IMF, international reserves in Latin America and the Caribbean, as a percentage of GDP, increased from seven per cent to 14 per cent between 2000 and 2012.¹

However, recent trends suggest that due to high commodity and tourism dependence, some Caribbean countries are unable to accumulate the level of reserves required to meet contingencies and boost confidence. Table 1 shows selected macroeconomic indicators which reflect the change in the economic environment that these countries have experienced from 2000 to 2016.

Data from Caribbean central banks indicate that the recent average pace of accumulation has slowed in CARICOM countries.² In particular, the average pace of accumulation of gross international reserves³ decreased from 21.2 per cent between 2000 and 2008 to 3.2 per cent between 2009 and 2016.⁴

From 2000-2008, commodity-based countries' average accumulation of reserves increased by 27.1 per cent. However, on account of external imbalances and substantial fall-out from commodity price shocks, between 2009 and 2016 the average pace of accumulation of these countries' reserve stock slowed to a significantly lower rate of 0.4 per cent. Service-based countries have always accumulated reserves at a much lower rate compared to commodity-based countries, with their average rate being 14.9 per cent between 2000 and 2008; however the following seven years saw their reserves

Table 1: Selected Macroeconomic Indicators

	Commodity-based Economies						Service-Based Economies											
	Guyana		Suriname		Trinidad and Tobago		Bahamas		Barbados		Belize		EC Currency Union		Haiti		Jamaica	
	2000	2016	2000	2016	2000	2016	2000	2016	2000	2016	2000	2016	2000	2016	2000	2016	2000	2016
Growth Rates of Real GDP (%)	-1.4	3.3	1.9	-10.4	6.9	-2.3	4.1	0.0	2.4	1.6	13.0	-0.6	n.a.	2.6	0.9	1.4	0.8	1.4
Inflation (Average for period %)	5.8	0.6	76.2	52.4	3.6	3.1	1.7	-0.1	2.4	1.3	0.6	0.7	0.8	-1.8	11.5 ⁴	13.9	8.2	1.7
Unemployment %	11.6 ²	8.0	14.0	10.0 ²	12.2	4.1	7.8	11.6	9.4	9.9	11.1	11.1	n.a.	n.a.	8.1 ²	13.2 ²	15.5	12.9
Overall Fiscal Balance (% of GDP)	-6.5	-4.5	-13.9 ³	-8.5 ³	1.6	-6.2	-0.2	n.a.	-1.2	6.0	-9.0	4.5 ⁰	-3.7	2.2	-2.2	-3.1	-8.3	-0.2
External Current Account (% of GDP)	-15.3	0.4	2.8	-4.3	6.8	-5.2	-1.9	-11.4	-5.3	-4.5	-18.7	-11.0	-13.5	-11.4	2.2	-1.2	-4.7	-2.7
Domestic Debt/GDP Ratio (%)	36.9	12.7	17.3	22.9	20.4	24.8	22.2	50.6 ⁵	22.6	88.5	10.2 ⁶	21.5	30.9	34.0	12.2	11.5	57.0 ⁷	51.0
External Debt/ GDP Ratio (%)	167.4	33.9	43.3	34.8	20.8	14.8	1.7	19.4 ⁵	16.9	47.5	36.7 ⁶	68.9	36.7	41.7	42.7	27.2	37.4	74.3
Gross International Reserves (US\$M)- Monetary Authorities	295.8	615.7	14.8 ⁸	381.1	1339.4	9462.9	342.6	904.0	484.3	359.1	122.8	379.8	383.7	1691.0	272.1	1977.0	1048.8	3291.5

Source: National Central Banks of countries May 2017

¹ IMF June 2004 Staff Monitored Program Report for Haiti

² World Bank database: modelled International Labour Organisation estimate

³ The Fiscal Balance is presented on a cash basis. For the Fiscal Balance on an accrual (commitment) basis see <http://www.gov.sr/ministerie-van-financiën/data.aspx>

⁴ IMF October 2016 Article IV Report for Belize

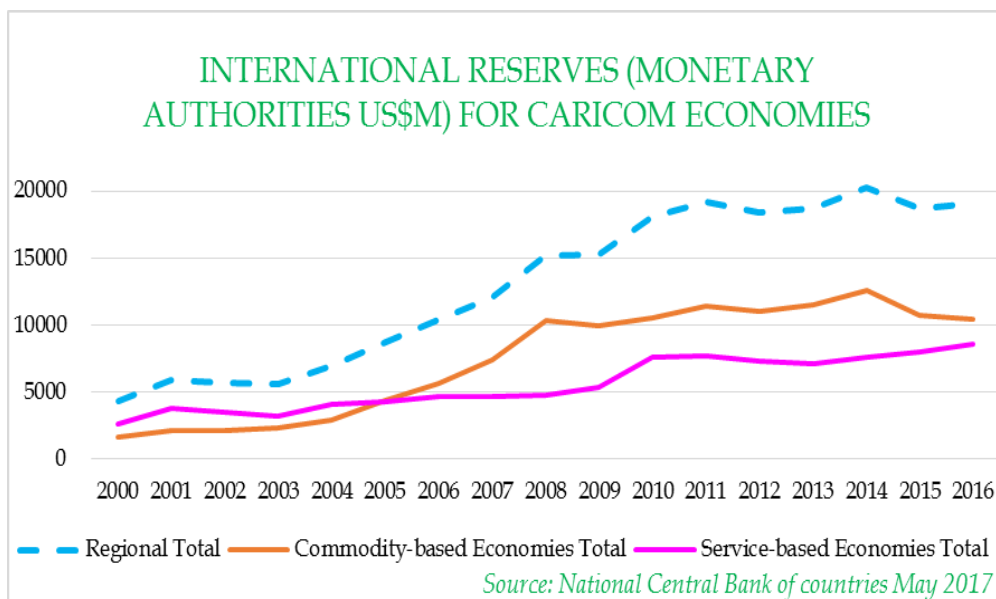
⁵ Provisional data from The Central Bank of The Bahamas Quarterly Statistical Digest, May 2017, Volume 26, No. 2

⁶ IMF September 2005 Selected Issues on Belize

⁷ Bank of Jamaica Statistical Digest, September 2002

⁸ Refers to Net Official Reserves. Suriname started compiling International Reserves on a gross basis from 2006 onwards

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increase at a higher average rate than the commodity-based countries, at 8.3 per cent as they have benefitted from lower energy costs.

This average overall performance of the service-based economies does however mask the problems in individual jurisdictions. In particular, Barbados' average pace of accumulation had declined from 18.7 per cent between 2000 and 2008, to -8.2 per cent between 2009 and 2016. The latest Central Bank of Barbados (CBB) report states that international reserves for 2016 were BBD\$681 million

which is below the three month import cover benchmark and is also the lowest in over a decade.⁵ According to the IMF's recent End-of-Mission Staff Visit to Barbados, key drivers of this decline were delayed official loan disbursements and privatisation in addition to lower private sector inflows.⁶ This in turn was a major contributing factor in the downgrading of Barbados' sovereign bonds by Standard and Poor's from a 'B-' to 'CCC+'.⁷ In terms of commodity-based countries, Trinidad and Tobago experienced a dramatic rate of decline, with the average rate of reserves collection falling from 29.6 per cent between 2000 and 2008, to 0.5 per cent between 2009 and 2016. There has been a sharp drop in foreign exchange inflows due to the continued decline in energy prices and volumes.

Because small states are more vulnerable to natural disasters and are open economies, they require larger amounts of international reserves as an insurance mechanism. Foreign currency also flows quite freely in and out of these countries therefore controlling its flow is difficult. Unlike developing Asia, the Caribbean has not accumulated exceptional levels of reserves and therefore regional central banks' have had to exercise a lot of caution in their reserve management activities.

There are two primary issues for central banks in this regard, that is, how to manage reserves in a low interest environment and how best to communicate the choices that they have made. Presently, rate of returns on central banks' international reserves are low and managers of these reserves are struggling to find other sources of income without taking unwarranted risks. One option is investing in securities that will yield a higher rate of return but in the

current, relatively uncertain market conditions, central banks are forced to focus on capital preservation and a high level of liquidity of their reserves at the expense of this high yield. While it is difficult for central banks to communicate why they have made certain choices, transparent and reliable communication about reserve management practices and choices do help financial markets and the public to comprehend the choices they have made.

According to the former Governor of the Central Bank of Barbados, Dr. DeLisle Worrell, international reserves are a safeguard against the devaluation of currency, and a country's inability to achieve a balance between foreign exchange outflows and inflows often results in an unstable economy.⁷ In light of the slowdown in economic growth in the region, it would be prudent for Caribbean countries to pursue economic policies designed to develop their foreign exchange earning capacity and to deal frontally with deficits on their fiscal and external accounts.

1 International Financial Statistics: World Economic Outlook database released in October 2013, <https://www.imf.org/external/pubs/ft/weo/2013/02/weodata/download.aspx>

2 Sebastian Vergara, "Is Latin America and the Caribbean at the turning point of international reserves?" World Economic Situation and Prospects, Weekly Highlight, 20 December 2013, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/wesp_wh40.pdf

3 Gross International Reserves is measured in US\$M

4 Data was unavailable for Haiti in 1999. For the period of 1999-2005, Suriname's data was based on Net Official Reserves

5 "Review of Barbados' Economic Performance for 2016," Central Bank of Barbados, 24 January 2017, <http://www.centralbank.org.bb/news/article/9141/review-of-barbados-economic-performance-for-2016>

6 "IMF Staff Concludes Visit to Barbados," Press Release No. 17/255, 29 June 2017, <http://www.imf.org/en/News/Articles/2017/06/29/pr17255-imf-staff-concludes-visit-to-barbados>

7 DeLisle Worrell, "We are the Craftsmen of our Economic Fate," Central Bank of Barbados Monthly Economic Newsletter, 3 January, 2017, <http://www.centralbank.org.bb/Portals/0/Files/Governor's%20Economic%20Letter%20-%20January.pdf>

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PUBLICATIONS OF INTEREST

Western Hemisphere Region: Regional Economic Outlook: Tale of Two Adjustments

Economies of Latin America and the Caribbean are recovering from a recession at the regional level in 2016. In a tale of two adjustments, growth has been held back by weak domestic demand. This reflects both the ongoing external adjustment to earlier terms-of-trade shocks and, in some cases, fiscal adjustment, in addition to other country-specific domestic factors. Regional activity overall is expected to pick up gradually this year and next, but the outlook is weaker than projected last fall. The projection for medium-term growth remains modest at about 2.6 per cent. The outlook is shaped by key shifts in the global economic and policy landscape, including a modest rebound in commodity prices and in partner demand and higher policy uncertainty at the global level. Domestic fundamentals and developments, however, will continue to play a significant role in determining growth in many economies. At the same time, risks to regional growth have widened in a setting of higher global policy uncertainty. In this challenging external context, countries should aim for completing fiscal and external adjustments to preserve or rebuild policy buffers. Charting a course toward higher, sustainable, and more equitable growth will also require strengthening structural reforms aimed at closing infrastructure gaps; improving the business environment, governance, and education outcomes; and encouraging female labour participation to boost medium-term growth and foster income convergence.

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Available for download at: <http://www.imf.org/en/Publications/REO/WH/Issues/2017/05/10/wreo0517>

Debt Limits and the Structure of Public Debt

This paper provides a tractable framework to assess how the structure of debt instruments – specifically by currency denomination and indexation to GDP – can raise the debt limit of a sovereign. By calibrating the model to different country fundamentals, it is clear that there is no one-size-fits-all approach to optimal instrument design. For instance, low income countries may find benefit in issuing local currency debt, while in advanced economies debt tolerance can be substantially enhanced through issuing GDP-linked bonds. By looking at the marginal impact of these instruments, the paper also provides insight into the optimal portfolio composition.

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Aruba

- Aruba succeeded in meeting the standards of financial supervision in 2016 in the face of economic adversity. Aruba realised a budget deficit of two per cent GDP, which is in accordance with the standard. However it is still confronted with enough challenges in the area of public finances, especially with regard to budgetary sustainability and financial management. These topics are thoroughly addressed in the CFT Annual Report over 2016. (Curacao Chronicle, 9 May, 2017)

The Bahamas

- Tourism Minister Dionisio D'Aguilar said that the Bahamas Government might move to strike a deal to authorise online hospitality service Airbnb to collect value-added tax on its behalf for vacation rental homes. D'Aguilar said that the government is "anxious" to and the beauty of Airbnb is that its economic impact filters down to residents of The Bahamas and has a GDP effect in locations where it would not necessarily have that effect. He also stated that, "We are not to get obsessed with the lost tax; while that is an issue we want to address, you have to balance that off with, hopefully, the increased economic activity these places are having in areas where the money would not have necessarily filtered down to." (CNNews, 29 May, 2017)
- The Central Bank identified a mixed outlook for the Bahamian economy, with increased domestic demand offset by a "subdued" tourism performance that saw air departures shrink by 3.6 per cent. The regulator, in its report on April economic developments, said the reduction in foreign passengers departing through Lynden Pindling International Airport was led by a 4.5 per cent U.S. drop-off. "Data available for the first four months of the year still reflected a subdued cumulative outcome for tourism," the Central Bank said. "Specifically, the number of passenger departures contracted by 3.6 per cent, in contrast to a 2.3 per cent increase in the comparable period of 2016. (The Tribune 242, 31 May, 2017)

Barbados

- An innovative trade initiative that is expanding opportunities for business, employment and prosperity in African, Caribbean and Pacific countries will be extended to February 2019. The Hub and Spokes Programme is a joint initiative of the European Union, ACP Group Secretariat,

Commonwealth Secretariat and Organisation Internationale de la Francophonie. Through the programme, trade advisers are placed in government ministries and regional organisations to provide support and build local capacity to develop trade policies. To kick-start the ambitious next phase of the aid-for-trade programme, 40 of the programme's main stakeholders, including 16 trade advisers, are gathering for a workshop in Bridgetown, Barbados. (CNNews, 23 May, 2017)

- "Unfortunate and unwarranted" is how Finance Minister, Christopher Sinckler, has described a decision by local banks in Barbados to suspend work on transactions for real estate and related activities. Their action comes amid concerns over recent amendments to the Barbados Revenue Authority (BRA) Act, which requires a tax clearance certificate to be issued by the BRA in order to complete these processes. In a statement, Sinckler insisted that some stakeholders in the legal and banking fraternity had not given the system time to work, "purely on the grounds that they did not want it in the first place." (CNNews, 26 May, 2017)
- The Expedia group, one of the world's leading travel companies, has reported that hotel partners in Barbados have seen an increase in package demand with nearly 15 per cent growth in 2016 year-on-year. Package bookings typically capture the attention of higher quality travellers that spend more money, have longer lengths of stay, and book further in advance. According to the Barbados Hotel and Tourism Board, the destination welcomed more than 630,000 tourists in 2016 - a 6.7 per cent increase compared to 2015. By working with the Expedia group, hotels in Barbados gain exposure to more than 200 websites in more than 75 countries worldwide in 35 languages, in addition to a myriad of mobile sites and apps. (CNNews, 30 May, 2017)

Belize

- Belizeans paid an average of \$2.20 more for goods and services for the month of April according to recent statistics. The Consumer Price Index for April 2017, released by the Statistical Institute of Belize (SIB), said that the average prices for goods and services were 2.2 per cent higher than they were in 2016. The All-Items consumer price index stood at 105.3 for the month, an increase from 102.9 during the same period in 2016. "The highest increase was

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seen in the price per gallon of Premium Gasoline, which rose by 31 per cent from \$8.29 in April 2016 to \$10.86 in April 2017," the SIB said. (Breaking News Belize, 31 May, 2017)

Curacao and Sint Maarten

- The CHATA will launch two new projects in 2017 with the aim of encouraging tourists to come and explore the island. It is about launching the "In Curaçao Travel Channel" and "Experiential Videos." The Travel Channel will highlight the different type of experiences one can have on the island. These videos will be used as promotional material by different stakeholders. In addition, CHATA will launch the project, "Curaçao Dine Around Program." Tourists can purchase in advance a dining plan at a fixed price that offers them the opportunity to eat at different restaurants during their stay on the island. Curaçao Ports Authority is also working hard on the construction of the second mega pier that is expected to be completed by 7 November, 2017. (Curacao Chronicle, 19 May, 2017)

Eastern Caribbean Currency Union

- The IMF has promised to assist the Government of Grenada with pension reform. The pledge from the IMF comes as the Mitchell administration has said that pension reform and the introduction of National Health Insurance are two areas being given top priority for 2017. The IMF pledged the continuation of technical assistance in the area of pension reform because they were concerned about the issue of pension. "They know we have a difficulty there," Mitchell reported. "They promise to provide all the technical support." The IMF has praised Grenada's economic gains under a structural adjustment programme and continues to praise its ongoing relationship with social partners on national issues. (CNNews, 2 May, 2017)
- A team from the International Monetary Fund (IMF) commended the St. Kitts and Nevis Government on its efforts to strengthen the citizenship-by-investment programme, the oldest of its kind in the world. "I would like to commend the government for strengthening the processes, particularly the due diligence processes," Inci Otker, the IMF Mission Chief on the 2017 Consultation to St. Kitts and Nevis, told the Prime Minister and Minister of Finance, Dr. Timothy Harris, and Members of the Federal Cabinet.

Otker characterised the strengthening of the due diligence processes as a "very welcome" step and noted that the reforms have helped to "reduce integrity/security risks, preserve the programme's credibility and reputation, and avoid a race to the bottom." (CNNews, 5 May, 2017)

- The Caribbean Community Secretariat, with support from the Hubs and Spokes II Programme, the World Bank Group and the Organisation of Eastern Caribbean States Commission has been working to implement the World Trade Organisation's agreement on trade facilitation (TFA) as the region continues improving the climate for doing business. Representatives also stressed the need for meaningful private-public dialogue at the national and regional levels to foster trust among all stakeholders and ensure effective co-ordination and implementation of the TFA and trade facilitation reforms on a whole. Representatives further emphasised the need for political will of the region's governments to undertake full and effective implementation of the TFA and other bilateral trade agreements to ensure that the "market access" negotiated leads to actual "market penetration." (CNNews, 5 May, 2017)
- Grenada is experiencing year-on-year growth in the German market and the Grenada Tourism Authority (GTA) is seeking more opportunities to increase its market share. In April, CEO of the GTA, Patricia Maher, visited Germany to meet with travel agents, tour operators and airlines that are Grenada's partners. The meeting with the decision-makers of Condor Airlines was especially enlightening as Grenada was commended for already being 20 per cent ahead of its bookings in 2016. As part of the visit, the CEO and German sales team representatives ensured that they paid visits to travel agents in Wiesbaden and at Frankfurt Airport to engage them on selling Grenada as a destination. (CNNews, 9 May, 2017)
- An International Monetary Fund mission visited St. Kitts and Nevis during April 18-May 4 to conduct the 2017 Article IV consultation. Notwithstanding a difficult international environment, St. Kitts and Nevis' economy is expected to grow again in 2017 for the fifth consecutive year. St. Kitts and Nevis' strong macroeconomic performance owes much to the robust Citizenship-by-Investment (CBI) inflows and their spillovers to the economy, as well as overall prudent macroeconomic policies. Against the

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background of elevated risks to CBI inflows and risks associated with completion of the debt-land swap, the mission focused on measures to safeguard macroeconomic and financial stability, including strengthening the fiscal policy framework and reducing reliance on CBI inflows, and necessary reforms to attain sustainable, inclusive growth. (CNNews, 15 May, 2017)

Guyana

- The Caribbean Court of Justice (CCJ) recently ordered Guyana to refund the Trinidad-based beverage company, SM Jaleel and its subsidiary in Guyana, a yet to be agreed large amount of Environmental Tax levied between 2011 and 2015 in violation of CARICOM's trade rules. "The Court holds that Guyana has been clearly unjustly enriched at the expense of SMJ and GBI (Guyana Beverages Inc.) having collected an unlawful tax directly from them in clear breach of the Articles of Revised Treaty of Chaguaramas," CCJ President, Sir Dennis Byron said in delivering a summary of the judgment. The Court ordered Guyana to pay to the companies "the aggregate sum paid by them in Environmental Tax" from March 7, 2011 to August 7, 2015 together with interest at four per cent per annum from the date of judgement. Guyana is also ordered to pay 70 per cent of the cost of the court proceedings which are to be taxed if not agreed. (Demerara Waves, 9 May, 2017)
- Guyana is refining its sugar industry, announcing major changes to operations that include a scale back on factories and production. Agriculture Minister Noel Holder disclosed the new plan that would see only three factories continuing operations and the production of 147,000 tonnes of sugar annually to meet the demands of its markets. According to Holder, the changes have been driven by the falling value of the sector to the Guyana economy and mounting debt at the state-owned Guyana Sugar Corporation (Guysuco) among other concerns. Holder also cited chronic problems, including the migration of skilled and experienced managers, exhaustion of cash reserves, deteriorating field infrastructure and factories, and adversarial industrial relations. (Caribbean360, 11 May, 2017)
- Coordinator of Guyana's first ever National Robotics Exhibition, Karen Abrams, has told Stabroek Business that the event provides the local private sector with "as

good an opportunity as is available to the business community to make a meaningful investment in the qualitative growth of the country, not for this year and the next but for generations to come. It would be unfortunate if the private sector stands on the side-lines on this initiative." (Starbroek News, 19 May, 2017)

- Guyana says it may have to revise earlier predictions of a 3.8 per cent economic growth this year as a result of developments within the sugar industry. Finance Minister Winston Jordan, addressing the 47th Annual Meeting of the Caribbean Development Bank Board of Governors, said that nevertheless, the projection is well above the regional average of 1.1 per cent. "Our economy was able to withstand the global slowdown in 2016, recording a growth rate of 3.3 per cent, an improvement on the three per cent achieved in 2015. This performance, notwithstanding, Guyana, with its small, highly undiversified and open economy, remains extremely susceptible to global shocks, especially unfavourable global commodity price movements. (Nation News, 27 May, 2017)

Haiti

- The European Investment Bank, the world's largest multilateral public donor, signed a loan agreement amounting to €3 million (± 230 million Gourdes) with Action for the Cooperation with Microenterprise (ACME in French) to expand access to finance for rural micro-borrowers, as well as for the population living in the areas affected by Hurricane Matthew. The loan was signed under the Caribbean and Pacific Impact Financing Facility, a €40 million lending facility that supports microfinance markets in African, Caribbean and Pacific countries to reduce poverty. (CNNews, 5 May, 2017)
- Managing Director of the Eastern Caribbean Telecommunications Authority (ECTEL), Embert Charles, has handed over a donation of electronic communications equipment and furniture to the Archaie community to the north of the Haitian capital, Port au Prince. Haiti was struck by Hurricane Mathew on October 4, 2016. Nearly 900 people were reported to have been killed and up to 90 per cent of some areas destroyed. The ECTEL

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Council of Ministers approved the sum of EC\$100,000 as a contribution from the member states to address the emergency rehabilitation of those who lost lives, property and livelihoods in the aftermath of the hurricane. Acting on the advice of CONATEL, these funds were used to purchase much needed equipment and furniture for the community. (CNNNews, 27 May, 2017)

Jamaica

- The Government will be giving up about US\$14.6 million, which equates to nearly \$1.9 billion annually, as a result of its decision to grant exemptions on the bauxite levy as part of a tax regime overhaul for extractive industries. This has left the bauxite sector undertaxed and potentially undermining the hard-earned gains from the elimination of a range of tax incentives in 2014, according to the International Monetary Fund, referring to one of the quantitative performance criterion under the then Extended Fund Facility. In its April 2017 Country Report on Jamaica, the Fund also noted that in January, the Government had to on-lend US\$27 million (\$3.5 billion), representing 0.2 per cent of gross domestic product, to settle the arrears of the Clarendon Alumina Production, further highlighting the need for better monitoring and control over public bodies. (The Jamaica Gleaner, 12 May, 2017)
- Tourism Minister, Edmund Bartlett, has set a target of 2021 when he expects US\$2 billion to flow directly into the Jamaican economy from tourism. Bartlett says Jamaica is poised to increase its retention rate from tourism earnings by over 300 per cent in the next four years. Currently, Jamaica earns just over US\$2 billion annually from tourism but retains 30 per cent of that amount or US\$600 million. Jamaica's 30 per cent retention rate compares favourably with the rest of the Caribbean where the rate is 20 per cent but is half of that of India, which sees a 60 per cent retention rate. (The Jamaica Gleaner, 23 May, 2017)
- Jamaica's macroeconomic indications have remained robust over the last nine months, displaying no overshooting or undershooting in response to global geopolitical and/or geo-economics occurrences. Prices (inflation) have remained stable on the books. The exchange rate has depreciated by less than one per cent since the start of year, moving from \$128.55

to \$129.6 per US dollar. The Bank of Jamaica has indicated that from an assessment of preliminary Balance of Payments data, Jamaica's current account recorded a deficit of US\$29.8 million for the June 2016 quarter, an improvement of US\$98.7 million relative to the corresponding period in 2015. (Jamaica Gleaner, 24 May, 2017)

Suriname

- A major boost to the housing sector of Suriname, the Islamic Development Bank (ISDB) has approved a US\$35 million loan to support the shortage of affordable housing in Suriname. The loan was recently approved in Jeddah, Saudi Arabia, where the 42nd Meeting of the Islamic Bank Governors is being attended by the Finance Minister of Suriname, Gilmore Hoefdraad, and alternative Governor of Suriname to the Islamic Bank, Dr. Anwar Lall Mohamed. Suriname, which is facing economic stagnation and inflation, is being assisted by the Islamic Bank and the IMF. Suriname has a long history with the Organisation of Islamic Cooperation and the ISDB. With this new loan, the bank has provided about US\$100 million of concessionary loans to Suriname. (CNNNews, 17 May, 2017)

Trinidad and Tobago

- The unemployment rate for T&T declined to four per cent in the third quarter of 2016 from 4.4 per cent in the second quarter, according to the Central Statistical Office's (CSO) Labour Force Survey. The CSO said the decrease is not "uncommon" for this period as the decrease is due to "seasonality" changes. "In terms of the unemployment situation, the data reflected a decrease of 3,000 or 10.5 per cent in the number of unemployed persons in T&T between second quarter and third quarter 2016. Furthermore, the survey data showed that the number of persons with jobs in the quarter under review increased by 1,200 or 0.2 per cent," the CSO said in news release. (TTGuardian, 13 May, 2017)
- Inter-American Development Bank economist Jeetendra Khadan says that the country should not expect any significant recovery of energy commodity prices for the foreseeable future, and as a result the private sector will have to play a greater role in leading any economic recovery for T&T. "Commodity related revenues are likely to be

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depressed for the next five years. In fact, even if there is an unexpected uptick in energy sector revenues, it is unlikely to have a significant impact or generate sustained growth," Khadan said. (TTGuardian, 14 May, 2017)

- Trinidad and Tobago is to expand bilateral cooperation with ECLAC. During a meeting with the Prime Minister of Trinidad and Tobago and the Executive Secretary of ECLAC, Alicia Bárcena, both officials agreed to increase bilateral cooperation and technical assistance, especially with regard to the economy and energy. The senior United Nations official indicated that special attention should be paid to the triple

vulnerability that Caribbean territories suffer, which is manifested in the fact that they are deeply affected by climate change, they have difficulties financing their economies, and they are burdened with a high public debt, which totals 70 per cent of the sub-regional gross domestic product on average. For that reason, she highlighted ECLAC's proposal to reduce the debt of English-speaking Caribbean island states, which consists of forgiving part of their debt to create a resilience fund that allows for financing climate change mitigation and adaptation efforts. (CNNNews, 31 May, 2017)

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