



REMARKS BY  
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AT THE LAUNCH OF  
**THE ECCU PUBLIC DEBT AND MARKET INFORMATION WEB  
PORTAL**  
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*(ECCB Headquarters, St Kitts and Nevis)*

## **Introduction**

Allow me to join our Master of Ceremonies, Mrs. Teresa Smith, Director of Statistics in welcoming all stakeholders to the launch of the ECCU Public Debt and Market Information Web Portal.

Here assembled, are the builders of this platform together with the suppliers and consumers of public debt information.

Today's launch marks another milestone in our ongoing enterprise to build out an ECCU financial market infrastructure that is fit for purpose – a modern, strong and diversified financial system.

## **Our Motivation**

The Eastern Caribbean Central Bank (ECCB) recognises that information is a public good and that the dissemination of relevant and timely information, by both the public and private sectors, is an indispensable element in our quest to transform the Eastern Caribbean Currency Union (ECCU).

The launch of the ECCU Public Debt and Market Information Web Portal is an important deliverable in the ECCB's Strategic Plan for this year. If you are not familiar with this Plan, I urge to visit the ECCB website, familiarise yourself with it and become an implementation partner.

This initiative was born of a desire to ensure that the public has the best (accurate and timely) information available to make informed decisions. Whether this is:

1. an investor considering the purchase of government security;
2. a credit rating agency assessing the creditworthiness of a government;
3. a financial institution requiring information to meet their IFRS 9 obligations;
4. a licensed broker providing advice to clients;
5. a regional or international financial institution undertaking surveillance;
6. an academic or student undertaking research; and of course,
7. the media, which is essential player in our liberal democracies.



Indeed, far too often our region is misrepresented because of a paucity of data and information for published reports. Furthermore, our public discourse is often characterised by far more heat than light because of missing or misrepresented facts.

One of the objectives of this particular effort is also to broaden the investor base for the Regional Government Securities Market (RGSM), a major component of the Eastern Caribbean Securities Market. The RGSM, now in its 18<sup>th</sup> year, has allowed governments to raise almost \$14 billion, delivering significant fiscal savings in the process.

### *Scope for Growth of RGSM*

The RGSM, which forms part of the capital market in the ECCU, is indicative of the benefits that can be derived from our Single Financial Space:

- a) A country with a small population like Dominica of 72,000 persons can expand its potential investor base to nearly 630,000 across the ECCU.
- b) Investors in any ECCU country can make an investment without worrying about the impact of a depreciation in the currency on their capital.
- c) Investors in any ECCU country can make an investment without worrying about exchange controls restricting repatriation of principal and interest.
- d) Also, investors in government securities do not have to worry about taxes on these investments.
- e) Licensed brokers can operate across the space without let or hindrance.

At this juncture, our data indicate that less than 1 per cent of the ECCU population is active on the RGSM. To put this in people terms, only about 350 persons are current investors in this market. When this low level of usage is juxtaposed with the longstanding situation of excess liquidity in our banking system, we cannot help but conclude that there is considerable scope to grow this market.

### *Ongoing Support for Debt Management*

We wish to record our gratitude to the Government of Canada for its sterling support of debt management in the ECCU through the funding of the Debt Management and Advisory Services Project. We have seen the benefits of the capacity building efforts of this project across the ECCU. It is now incumbent on the Participating Governments and the ECCB to build upon this solid foundation and create a legacy of professional debt management.

For its part, the ECCB remains fully committed to support member countries through capacity building in the following areas:

- a) debt recording and management;
- b) debt sustainability analyses;



- c) debt management strategies; and
- d) investor relations management.

Before I conclude my brief remarks, I should like to touch on two decisions of the Monetary Council.

First is the decision that all member countries should seek to attain a public sector debt to GDP ratio of 60 per cent by 2030. We note the progress made by member countries.

In 2014, debt to GDP for the ECCU stood at 80.2 per cent. At the end of 2018, the ratio had fallen to 68.5 per cent. While several countries remain above the ratio, we are encouraged that the debt trajectory is on the right path.

In pursuing this target, we understand that in some years, on account of natural disasters or major capital development projects, the ratio may temporarily rise. However, we continue to encourage our governments to enact fiscal resilience frameworks, thereby creating buffers and opportunities to pursue fiscal prudence with some enterprise.

Second, the Council has agreed that the respective governments would lay, in their respective parliaments, their Medium-Term Debt Management Strategies (MTDS) and also publish them to strengthen and enhance the transparency and the credibility of the debt management process.

## **Conclusion**

In conclusion, I wish to thank all my colleagues across the Bank and our several partners who have assisted with this Project.

I specifically recognise, Teresa Smith, our Director of Statistics, Mrs. Juleta Edinborough, Deputy Director (Debt), Ms. Rhina Meade, Project Lead and Mr. John Venner, Adviser.

I also thank: our developers: Ian Mitchell and colleagues at eImagine Solutions Inc. of Saint Lucia; and our partners: Diego Rivetti while he was at the IMF (now at the World Bank); Obert Nyawata and Thordur Jonasson from the IMF Money and Capital Markets Department.

Above all, I express gratitude to our member governments for your active participation and support for this Project.

We trust that you will find this debt information utility useful.

I thank you all.