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Prime Minister Rt. Hon. Dean Barrow's Announces First-Ever US Dollar-Denominated Treasury Note

June 4, 2020

My fellow Belizeans,

Last week, when I provided an update on Government's crisis response to COVID-19, I offered a reassurance of broad financial sector stability and, in particular, of continued commercial access to a sufficiency of foreign currency supply for essential imports.

The certitude I conveyed is sowed by a ceaseless, creative campaign to tap every available source of external financing in support of our economy.

In the next few days, the first disbursement from the IDB's package is expected; and thereafter, in rapid succession during the ensuing months, the flows will come from Taiwan, the World Bank and OFID, in a total amount of some US\$100 million. These fresh inflows will augment the Central Bank's official reserve position, which currently surpasses the traditional 3 months of import cover. And the renewal of tourism earnings will commence during the third or, at the latest, fourth quarter of this year.

Over and above these three distinct layers of foreign exchange supply, I am pleased to announce now a groundbreaking initiative by the Central Bank: the first-ever public placement of a U.S. dollar-denominated Treasury Note, backed by the full faith and credit of the Government of Belize.

With a face value of US\$30 million, a tenor of 5 years and a coupon of 6.5%, the special offering will be launched on June 05, 2020. Interest on the Note is to be paid semi-annually and principal redemption will be settled in three equal tranches at the close of Years 3, 4 and 5.

Proceeds of the Note are purposed to augment the stock of official Central Bank reserves while the maturity is tailor-made to span the crisis. Hence the affordable principal payoff dates, positioned well beyond what we believe to be the temporary economic slump caused by the COVID-19 lockdown.

To facilitate the remittance of interest and principal payments, successful purchasers of these Notes, whether individual, institutional or corporate, will of course be eligible for domestic U.S. dollar accounts. The Central Bank and our commercial banks will closely collaborate to ensure a subscription process that is both efficient and diligent.

It is widely acknowledged that U.S. dollar accounts have been held abroad by Belizean businesses and individuals from time immemorial. This tax-free Treasury Note now has been crafted as an exceptional, seamless opportunity to relocate this capital to a safe, fixed income asset of the highest credit quality available in Belize.

Beyond the innovation of this first-of-a-kind Treasury Note, Government and the Central Bank will continue to engage financial intermediaries and their customers, encouraging fair and timely measures that foster confidence, stimulate employment and protect equity.

I reaffirm, in closing, my unshakeable confidence that we will bridge this crisis. When our country reopens for transnational business, the medical success that together we continue to achieve in containing the COVID-19 virus, will unquestionably elevate the prestige and the premium of our Belizean brand.

I thank you.