



**Caribbean Information &
Credit Rating Services Limited**

CariCRIS ID: 018000000000

MEDIA RELEASE

October 1, 2019

CariCRIS reaffirms “adequate creditworthiness” ratings for The Government of Anguilla

***Cari*BBB+ (Regional Scale Foreign Currency)**
***Cari*BBB+ (Regional Scale Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the assigned ratings of *Cari*BBB+ (Foreign and Local Currency) to the notional debt of USD 25 million of the Government of Anguilla (GoA). These ratings include a significant uplift for the high likelihood of support from the United Kingdom (UK). The notched-up regional scale ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is **adequate**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is based on: (1) the strong received and still forthcoming recovery support from the international community and development partners, (2) the anticipated high economic growth, largely emanating from tourism and post-hurricane reconstruction, and (3) fiscal revenues remain comfortable to meet debt repayment.

The ratings continue to be supported by the country’s status as an Overseas Territory and as such, CariCRIS believes there is a strong moral and possibly legal incentive for the UK to assist Anguilla in the event of a financial crisis. Additionally, recovery efforts advance with continued support from the international community and development partners. Furthermore, fiscal performance remains carefully managed post-hurricane, with continued improvement budgeted in 2019. Constraining the ratings, however, is the small size of the country, characterised by significant capacity constraints, which were exacerbated by the hurricane. Also constraining the ratings, is the Territory’s continued breach of its debt management performance benchmarks and increased debt servicing requirements.

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About the Sovereign:

Anguilla is the most northerly of the Leeward Islands in the Eastern Caribbean. Apart from the main island of Anguilla itself, which is sixteen (16) miles long and a maximum of three (3) miles wide, the territory includes a number of smaller uninhabited islands and cays. The island is noted for its spectacular and ecologically important coral reefs. Anguilla is an internally self-governing Overseas Territory of the United Kingdom with a ministerial system of government. The 1982 Constitution (amended in 1990) provides for a Governor, an Executive Council and a House of Assembly. The Governor, His Excellency Mr. Tim Foy, is responsible for external affairs, offshore finance, defence and internal security (including the police force) and the public service.

Construction and tourism are the main sources of economic growth. Construction activity is driven by private sector investment in hotel development. Anguilla's economy is highly vulnerable to downturns in the global economy, high international oil prices and unfavourable weather conditions.

For more information on GoA's ratings, please visit www.caricris.com or contact:

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