



## PRESS RELEASE

### FOR IMMEDIATE RELEASE

#### **CDB sounds note of caution while projecting increased economic growth in 2020**

**February 11, 2020, BRIDGETOWN, Barbados** - The Caribbean Development Bank (CDB) is projecting regional economic growth to increase to 4.2% in 2020 from 1% in 2019, powered largely by stratospheric growth in Guyana where oil production begins this year.

**President** of the Bank, **Dr Wm. Warren Smith** noted that this growth will be uneven, and urged the borrowing member countries (BMCs) of the Bank to pursue policy reforms conducive to sustainable rates of growth.

Speaking at the Bank's annual news conference on Tuesday in Barbados, **Dr Smith** said:

*"Economic growth will remain lopsided and below the sustainable rates needed for long-term resilience. BMCs like Barbados, Grenada, Jamaica and St. Kitts and Nevis must stay on course with their home grown socio-economic reform programmes."*

*"Others should join the bandwagon and commence, with alacrity, implementation of their own adjustment programmes,"* he urged.

The Bank's **President** reported on the progress that several BMCs implementing economic adjustment programmes, noting improved fiscal performance and debt ratios in several states in 2019.

He pointed to Barbados' progress in bringing its debt ratio down from 127% of GDP in 2018 to under 120% last year.

The Bank President confirmed that the Bank was determined to assist the BMCs reach the 2030 Sustainable Development Goals. He cited the work which CDB did in 2019 to assist its BMCs in meeting these goals through modernising infrastructure and economic reform.

Highlights included:

- A USD110 million loan and GBP25.6 million grant from the CDB-administered United Kingdom Caribbean Infrastructure Fund to St. Vincent and the Grenadines for port modernisation;
- A USD75 million policy based loan to Barbados to support its ongoing fiscal reforms and;
- A USD50 million policy based loan to the Bahamas to assist with recovery post Hurricane Dorian and the continuation of the government's economic reform programme

The CDB head noted that even as the Bank focused on helping its BMCs to improve and modernise, CDB was also striving to "become better equipped to partner with BMCs" through its ongoing internal transformation programme which started in 2019.

"Some immediate tasks call for deepening our customer relationships and becoming more responsive to BMC needs; supporting capacity and institution building; and ramping up the



pace of disbursements so that the projects can deliver, even faster, the promised development impacts," he stated.

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### **About the Caribbean Development Bank**

The Caribbean Development Bank is a regional financial institution established in 1970 for the purpose of contributing to the harmonious economic growth and development of its Borrowing Member Countries (BMCs). In addition to the 19 BMCs, CDB's membership includes four regional non-borrowing members – Brazil, Colombia, Mexico and Venezuela and five non-regional, non-borrowing members; i.e., Canada, China, Germany, Italy, and the United Kingdom. CDB's total assets as at December 31, 2018 stood at USD3.24 billion (bn). These include USD1.75 bn of Ordinary Capital Resources and USD1.49 bn of Special Funds Resources. The Bank is rated Aa1 Stable with Moody's, AA+ Stable with Standard & Poor's and AA+ Stable with FitchRatings. Read more at [caribank.org](http://caribank.org).

### **Contact:**

Amanda Lynch-Foster  
Officer, Corporate Communications  
Office: (246) 431-1886  
Mobile: (246) 826-7107  
Email: [lyncha@caribank.org](mailto:lyncha@caribank.org)