



PRESS RELEASE

THE PARIS CLUB RESCHEDULES US\$ 117 MILLION OF ANTIGUA AND BARBUDA'S DEBT

Paris Club creditor countries met with representatives of the Government of Antigua and Barbuda on 16 September 2010 and agreed on a restructuring of its public external debt. This agreement follows the International Monetary Fund's approval of Antigua and Barbuda's Stand-By Arrangement on 7 June 2010.

This agreement reduces by over 86% the debt service due to the Paris Club creditors during the Fund supported programme under the Stand-By Arrangement. It rescheduled roughly US\$ 117 million consisting of arrears (roughly US\$ 98.1 million, including late interest) due as of 31 August 2010 as well as maturities falling due from 1st September 2010 up to 30 April 2013 (roughly US\$ 18.9 million) which will be repaid over 12 years including 5 years of grace. ODA loans will be rescheduled at a concessional rate.

Due to the uncertainties on the macroeconomic environment, Paris Club creditors agreed to consider Antigua and Barbuda's external financing situation if required.

Antigua and Barbuda agreed to seek comparable treatment from its other creditors. The principle of comparability of treatment aims to ensure a balanced treatment among all external creditors of the debtor country.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which participated in the reorganization of Antigua and Barbuda's debt were representatives of the governments of France, Japan, the Netherlands, the United Kingdom and the United States of America. Brazil also participated in this reorganization.

Observers at the meeting were representatives of the governments of Germany, the Russian Federation and Spain, as well as the International Monetary Fund (IMF), the International Bank for Reconstruction and Development, the European Commission and the Secretariat of the UNCTAD.

3. The delegation of Antigua and Barbuda was headed by Mr Harold E. LOVELL, Minister of Finance. The meeting was chaired by Mr Rémy RIOUX, Vice Chairman of the Paris Club, Deputy Assistant Secretary at the Directorate-General of the Treasury of the French Ministry of Economy, Finance and Employment.

Technical notes

1. Antigua and Barbuda's economic program is supported by a Stand-By Arrangement approved by the Executive Board of the International Monetary Fund (IMF) on 7 June 2010.

2. Antigua and Barbuda's public external debt was estimated to be USD 500 million as of end 2009 (source: IMF documents). The debt owed to Paris Club creditors was estimated to be USD 133 million as of 1st May 2010 (source: Paris Club).