STATEMENT BY

AMBASSADOR E. COURTENAY RATTRAY
PERMANENT REPRESENTATIVE

ON BEHALF OF
THE CARIBBEAN COMMUNITY (CARICOM)

ON

AGENDA ITEM 13 (a)

AT THE 102nd PLENARY MEETING OF THE
69TH SESSION OF THE UN GENERAL ASSEMBLY

NEW YORK
THURSDAY, 10 SEPTEMBER 2015
Mr. President,

I have the honour to deliver this statement on behalf of the fourteen (14) Member States of the Caribbean Community (CARICOM). We align our statement with those delivered by South Africa on behalf of the Group of 77 and China and the Maldives on behalf of the Alliance of Small Island States (AOSIS).

At the outset, CARICOM wishes to thank the Mission of Bolivia for its commitment and leadership during this process, which has culminated in the set of Principles that have just been adopted by this Assembly.

CARICOM believes that these Principles provide a useful framework for further discussions on debt restructuring towards the goal of making the process timely, orderly, effective and most importantly fair. It is therefore important that we agree to a basic set of principles that can underpin the negotiation of orderly, constructive and consensual restructuring of the debt of sovereign States.

Mr. President,

The matter of a multilateral framework for sovereign debt restructuring is of great interest to CARICOM Member States, in light of the fact that unsustainably high debt burdens remain among the major challenges to the economic development of the region. Indeed, the average current debt-to-GDP ratio in the region exceeds 70 percent with the most severely indebted countries having debt-to-GDP ratios in excess of 100 percent. In several CARICOM countries the primary surpluses required to reduce the stock of debt to sustainable levels range between 1.5% and 10% of GDP. This scenario has therefore fostered a situation where, across the region, debt servicing has far exceeded expenditure on social services including health and education, a fact that has had far reaching implications for our overall socio-economic development.
The situation becomes all the more critical as we move towards a Post-2015 world and prepare, in just mere weeks, to adopt in this very Assembly, Agenda 2030, an agreement of the international community to pursue a sustainable development agenda with the eradication of poverty at its core. By placing countries in debt distress on a sustainable debt path they would be able to achieve their prospects for economic recovery, while simultaneously improving their ability to effectively meet their creditor obligations.

CARICOM Member States’ efforts to effectively address their unsustainable debt burdens have been constrained by their categorisation as Middle Income Countries (MICs). This designation renders them ineligible for debt relief and severely limits their ability to access concessionary and grants-based financing. With a few exceptions, the region has not benefitted from recent global debt relief initiatives such as Highly Indebted Poor Countries (HIPC) or the Multi-lateral Debt Relief Initiative (MDRI).

Mr. President,

In closing, CARICOM is of the view that indebted countries must be given an opportunity to undertake orderly debt workout arrangements as a means of stabilising their economies and returning to a path of sustained, inclusive, economic growth. We believe that the Principles on Sovereign Debt restructuring are an important tool in arriving at this position and fully support this Resolution.

I thank you.