



BELIZE CHAMBER OF COMMERCE & INDUSTRY

Wednesday, September 8, 2021

- PRESS RELEASE -

BLUE BOND FINANCING

The Belize Chamber of Commerce and Industry (BCCI) commends the Government of Belize (GOB) for employing The Nature Conservancy (TNC)'s Blue Bonds for Ocean Conservation Program ("Blue Bond Financing") to restructure the Belize US-Dollar Bond 2034 ("SuperBond"). We also acknowledge the *in principle* agreement of the committee of institutional investors (the "Committee"), which represents close to 50% of the holders of the SuperBond's outstanding principal.

The BCCI's support is informed by and based on the extent of the details that have, thus far, been publicized and directly shared with the BCCI. Given the fact that Belize's high debt has for years been one of the primary driving forces behind a heightened tax burden placed on the business community and general public, the terms of the "Blue Bond Finance", which promises to free up more than BZ\$170 million in cash-flow relief over the next five years alone, is welcome.

Our support is also premised on the understanding of the general terms of the new instrument, which includes (i) a full redemption and cancellation of the SuperBond, (ii) the fact that the new principal will be approximately US\$330 million (down from the present instrument's approximate US\$570 million); (iii) following from *point (ii)*, this represents close to a 12% reduction in Belize's overall national debt; (iv) even with the "step-up" design of the coupon rate, the Belizean people shall enjoy a notable reduction in the annual coupon payments, thereby, alleviating the strain on the country's foreign assets; and (v) that the maturity date will be within 19 years, with amortized principal payments commencing in the year 2030.

Finally, given that the consummation of the deal is contingent on 75% of the holders of the outstanding principal of the current instrument agreeing to the terms, we are hopeful that this threshold will be reached within the set November 19th deadline. We trust that the Committee's expressed three-point "considerations" which—as outlined in their September 3rd, 2021, press release—informed their (*in principle*) agreement to the terms will likewise guide their counterparts.

As always, the BCCI stands ready to collaborate and partner with the government in any effort that serves the greater benefit of the Belizean public and the country's private sector.

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