

CREDIT RATING REPORT

The Government of the British Virgin Islands (GoBVI)

CariCRIS

Caribbean Information &
Credit Rating Services Limited

March 31, 2017

TYPE OF RATING	RATINGS ASSIGNED
Issuer Rating (Initial Rating)	CariAA- (Foreign & Local Currency)

RATING DRIVERS

Strengths

- Support from the British Government as an Overseas Territory
- Strong income and economic fundamentals
- Dollarization has supported strong economic fundamentals and trade stability
- Prudent fiscal policy guided by the PEFM resulting in low debt levels and a generally favourable overall fiscal position

Weaknesses

- Small, narrow economy increases risk of volatility of performance
- Lack of monitoring of the external sector may hinder targeted policymaking

Rating Sensitivity Factors

- A 5% annual decline in financial services value-added over 2 years
- A fall in air arrivals to below 95,000 persons per year sustained over the next 2 years
- A change in the island's status as a British overseas territory or a material change in the level of support rendered to The BVI

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SOVEREIGN BACKGROUND

The British Virgin Islands (BVI), officially the Virgin Islands, is a British overseas territory located in the Caribbean to the east of Puerto Rico. The 150 km² (58 mi²) British Virgin Islands consist of the main islands of Tortola, Virgin Gorda, Anegada, and Jost Van Dyke, along with over 50 other smaller islands and cays. About 15 of the islands are inhabited. The Territory operates as a parliamentary democracy. Ultimate executive authority in the BVI is vested in the Queen of England, and is exercised on her behalf by the Governor of the BVI. The Governor is appointed by the Queen on the advice of the British Government. Defence and most foreign affairs remain the responsibility of the United Kingdom.

The main industries in The BVI are international financial services and tourism. The BVI is one of the largest offshore financial centres in the world with a long history beginning in the early 1980s. Within tourism, the yachting sub-sector benefits from having some of the most calm sailing waters in the world. Overall, the Territory, though small with a population of just under 30,000, is one of the wealthiest in the Caribbean and the Western Hemisphere with GDP per capita of US \$33,983 (2016 estimated).

RATIONALE

Caribbean Information and Credit Rating Services Limited (CariCRIS) has assigned issuer ratings of *CariAA-* (Regional Scale Foreign and Local Currency) to the Government of the British Virgin Islands (GoBVI), with a **stable** outlook. These ratings include a 4-notch uplift for the likelihood of support from the United Kingdom (UK). The notched-up Regional Scale Ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean is **high**.

The stable outlook is based on our expectation for continued improvement in real GDP growth of between 1-2% for 2017, supported by good performance of the tourism sector but tempered by flat financial services value-added. Also supporting the stable outlook is anticipated good control over fiscal operations.

The factors supporting the ratings are:

Support from the British Government as an Overseas Territory

The UK Government has a broad responsibility to support its Caribbean Overseas Territories, including the British Virgin Islands (BVI), through the provision of technical assistance and funding for projects relevant to good governance, economic and public sector reform, environmental sustainability, and security. As such, there is a strong moral and possibly legal incentive for the UK to assist the BVI in the event of a financial crisis, since to do otherwise could seriously impact the UK's international and domestic reputation. Consistent with its strategy to maximise economic growth and promote self-sufficiency in its Overseas Territories, the UK Government has instituted 'Protocols for Effective Financial Management'¹ (PEFM) that is geared towards ensuring that Overseas Territories manage their fiscal affairs in a prudent manner. Further, the British Foreign and Commonwealth Office (FCO), through the representative Governor, provides oversight over all budgetary measures. Thus, notwithstanding the absence of any significant UK economic interests or expatriate population on the island, CariCRIS is of the view that there is a high likelihood that the UK government will extend extraordinary credit support to the BVI in the event of financial distress.

Given its direct link to the European Union (EU) as a British Overseas Territory, the BVI has, in the past, also benefitted from EU funding. CariCRIS is of the view, however, that the level of support by way of grants from the EU may diminish, given the decision taken by the UK to

¹ Signed by the BVI in April 2012

leave the European Union (Brexit). Moreover, we are uncertain as to whether the UK would have the capacity to provide a similar level of support to the BVI should they lose the EU funding.

Strong income and economic fundamentals

The BVI is one of the wealthiest domiciles in the Western Hemisphere. Latest comparable estimate of the BVI's gross domestic product (GDP) per capita is US \$33,983, only surpassed by Bermuda (US \$84,381), the USA (US \$57,300) and the Cayman Islands (US \$47,000). The high GDP per capita gives the country the ability to afford adequate investment and infrastructure for creating sustainable future growth. The BVI's high GDP per capita can also engender social stability and strong social welfare reflected in a very low unemployment rate of just 2.8%, based on latest available data. While these factors suggest very good income and economic strength, anecdotally², there is a concerning amount of income inequality, with the majority of income being concentrated in the hands of those directly employed in the financial services and related sectors; there is very little local participation in these sectors with an estimated 80% of the sector dominated by expatriate professionals³. Nominal GDP however, of US \$968.9 million in 2015 and projected at US \$1.0 billion in 2016, is the 5th largest in CariCRIS' sample of Caribbean peers. Real GDP growth over the last 5 years has slowed, averaging a modest 1.8% following strong growth in the previous 10 years of 6.4% on average. Growth in 2016 is projected to slow to 1.3% from 1.6% in the prior year.

Underpinning the Territory's wealth are the two main sectors, financial services and tourism, which accounted for 20.1% and 11.4% respectively of nominal GDP in 2016. The BVI has a long history in financial services beginning in the early 1980s when the Territory began taking advantage of a double taxation relief treaty with the US. Today, the BVI is one of the largest players in offshore company registrations with close to an estimated 1 million incorporated entities, accounting for nearly 45% of all offshore formations globally. However, the offshore financial services industry has come under pressure globally since the global financial crisis and economic recession in 2008, with major source markets such as the USA and members of the OECD pursuing policies and enacting legislation aimed at increasing domestic activity and increasing the tax revenue collected from global corporations. Additionally, the leak of the Panama Papers⁴ in April 2016 has heightened the curtailment policies aimed at the industry, especially for the BVI which was cited as the most commonly used tax haven by clients of

² No gini coefficient is available for the Territory.

³ IMF - *British Virgin Islands: Financial Sector Assessment Program Update – Financial System Stability Assessment*

⁴ *The Panama Papers* are 11.5 million leaked documents that detail financial and attorney client information for more than 200,000 offshore entities.

Mossack Fonseca⁵. These two factors have led to a stagnation of the BVI's earnings from financial services, with the latest information⁶ indicating a decline in revenue from new registrations over the past 2 years; however, re-registrations appear resilient for the time being. To combat this emerging trend, the GoBVI in 2014 commissioned a report by McKinsey & Company⁷ on the sector with the outcome being several recommendations made to (i) strengthen the legislation governing the sector, (ii) increase the level of investment in infrastructure to support it⁸, and (iii) to increase the level of participation of BVI Islanders⁹ in the sector.

The tourism and related sectors are the main sources of employment for BVI Islanders. The tourism plant is comprised of a mixture of small family-owned establishments and ultra high-end villas, both of which cater primarily to a high value clientele. The BVI is also a world renowned yachting destination offering some of the calmest, most well protected waters in the world. Despite its high quality product, the industry's long-stay (Overnight) arrivals are constrained by the limited air access. With no direct airlift from the major source markets of the USA and the UK, travellers from these markets must pass through the US Virgin Islands, Puerto Rico¹⁰ or Sint Maarten. Additionally, the largest aircraft currently serving the Territory is the 72-passenger ATR-72 600 flown by Leeward Islands Air Transport (LIAT). Furthermore, corporate jet traffic is limited by weight and size, as well as insurance requirements due to the airport's runway specifications¹¹.

Nevertheless, as seen in Table 1 above, non-air arrivals have increased in recent years. Cruise arrivals grew by 25.6% in the last 3 years largely due to the recently completed cruise pier expansion project in 2016 and the return of 2 major cruise lines¹². Overall, total arrivals grew by 15.2% on average in the last 3 years. However, expenditure growth has not risen commensurately due in part to the relatively greater increase in the low-spending cruise component.

⁵ A Panamanian law firm and corporate services provider. It is the 4th largest provider of offshore services in the world.

⁶ Medium Term Fiscal Plan 2017-2019

⁷ A worldwide management consulting firm.

⁸ The proposed airport runway expansion being one of these investments.

⁹ Citizen of the BVI.

¹⁰ American Airlines cut its service to the BVI in March 2014 and then closed the connecting hub in Puerto Rico.

¹¹ Overnight arrivals also include arrivals via ferry service from St. Thomas and the US Virgin Islands (USVI).

¹² Norwegian Cruise Lines and Disney Cruise Line

Table 1
BVI's Tourist Arrivals and Expenditure 2011-2016

	2011	2012	2013	2014	2015	2016
ARRIVALS						
Overnight	337,773	351,404	366,108	386,127	393,018	406,548
<i>Air Arrivals</i>	130,160	121,130	98,482	100,580	103,431	<i>n.a.</i>
Excursionists	8,946	11,165	8,377	8,366	12,918	17,570
Cruise	484,715	390,579	367,362	360,891	516,436	699,105
Total Arrivals	831,434	753,148	741,847	755,384	922,372	1,123,223
EXPENDITURE (\$ M)						
Overnight	345.50	363.15	388.34	426.55	437.56	443.47
Excursionists	0.68	0.85	0.63	0.65	1.01	<i>n.a.</i>
Cruise	41.99	33.75	31.54	31.70	45.72	60.31
Total Arrivals	388.17	397.76	420.52	458.90	484.29	503.78

Source: Ministry of Finance, PwC Business Case for Airport Runway Expansion

In keeping with the need to invest in infrastructure to support the financial services sector and also to improve air access, the GoBVI intends to extend the runway and upgrade the terminal building at the Terrance B. Lettsome International Airport. The project, which is expected to start in late 2017 and be completed in 2019 at a cost of US \$152.5 million, will be undertaken via a 'Design/Build/Finance' arrangement, with the preferred contractor being the China Communication Construction Company Limited (CCCC)¹³. Baseline forecasts indicate that air passenger traffic is likely to grow by 19.1% annually from 2019, when the project is completed, to 2024, and by 1.3% thereafter annually between 2024 and 2029. Other economic benefits expected during and after the project are depicted in Table 2 below.

CariCRIS is of the opinion that increasing air passenger arrivals to support the financial services and tourism sectors is of great importance to the continued income and economic health of the Territory. As such, the successful completion of the proposed airport expansion project is critical to the government's efforts to offset the flagging revenues from the financial services sector and arrest the decline in tourism-related expenditure.

¹³ CCCC, the largest port construction and design company in China, was incorporated in 2006, and is principally engaged in the design and construction of transportation infrastructure, dredging and heavy machinery manufacturing business. CCCC is traded on the Hong Kong Stock Exchange.

Table 2
Projected Economic Benefits of Airport Expansion Project

Employment	2020			2050		
	Tourism Sector	Financial Services Sector	Total	Tourism Sector	Financial Services Sector	Total
Direct	1,740	43	1,783	3,187	824	4,011
Indirect	856	12	868	1,567	174	1,741
Induced ¹	207	36	243	380	512	892
Total	2,803	91	2,894	5,134	1,510	6,644
Over the projected 2-year life of the Project						
Gross Value-Added (NPV, US \$ Millions)	Tourism Sector		Financial Services Sector	Total		
Direct	1,473		605	2,478		
Indirect	972		83	1,055		
Induced ¹	236		247	483		
Total	2,680		935	3,615		

Source: PwC's Business Case for Airport Expansion Project

¹ Induced impacts are those relating to supply chain and employee spending in addition to the direct impacts

Dollarization has supported strong economic fundamentals and trade stability

Dollarization has also supported the strong income and economic fundamentals of the Territory despite the loss of the monetary policy tool. The BVI has been a dollarized economy since 1959. This has promoted financial discipline in the management of the economy as fiscal decisions must be taken with considerable cognisance of the flow of US dollars to the economy. Further, while many of its Caribbean peers have had to contend with considerable volatility with their currencies' exchange rates with the US dollar, this has not been the case in the BVI, which has allowed for a stable and predictable trade with its major trading partner, the US. Also particularly beneficial for the BVI is the shared currency with the USVI, fostering open and free flowing trade. This is especially important as many visitors to the BVI access the islands via ferry from the US Virgin Islands (USVI). Interest rates in the BVI are market determined and the financial sector is in good health with low non-performing loans to gross loans of just 4.4% in 2016 and strong capital adequacy of 41.7%.

Prudent fiscal policy guided by the PEFM resulting in low debt levels and a generally favourable overall fiscal position

Table 3
GoBVI Fiscal Performance
FY2013-FY2016

	US \$ Million			
	Actual			Est.
	2013	2014	2015	2016
Total Revenue	302.40	318.60	317.62	310.47
Total Current Revenue	299.10	316.08	314.59	310.42
Total Tax Revenue	281.44	298.46	297.75	291.59
Payroll-Income Taxes	44.26	47.42	49.48	50.11
Property Tax	2.72	2.66	3.21	2.82
Taxes on Goods & Services	198.07	198.50	196.59	190.89
Taxes - International Trade	29.25	33.65	36.18	41.26
Other Tax Revenue	7.15	16.22	12.29	6.52
Other Current Revenue	17.66	17.62	16.84	18.83
Grants	3.30	2.52	3.02	0.05
Total Expenditure	300.00	284.33	322.16	308.36
Total Primary Expenditure	295.50	280.16	317.73	304.12
Total Recurrent Expenditure	257.08	252.66	278.58	288.64
Total Interest Payments	4.50	4.16	4.43	4.24
Interest payments - Domestic	3.97	3.66	3.96	3.80
Interest payments - Foreign	0.53	0.50	0.48	0.44
Total Non-Interest Recurrent Expenditure	252.58	248.50	274.15	284.39
Employee Compensation	114.30	113.17	120.22	119.57
Goods & Services	62.22	57.44	67.74	64.72
Subsidies & Transfers	64.52	64.19	67.49	89.33
Total Other Expenses	11.55	13.70	18.70	10.77
Total Capital Expenditure and Net Lending	42.91	31.67	43.58	19.72
Capital Expenditure	42.91	31.67	35.58	21.00
Net Lending	0.00	0.00	8.00	-1.28
Contribution to Reserve Fund	15.01	7.00	5.00	10.00
Total Surplus/(Deficit)	-12.60	27.27	-9.54	-7.89
RECURRENT BALANCE	45.32	65.94	39.03	21.83
RECURRENT BALANCE LESS RESERVE CONTRIBUTION	30.31	58.94	34.03	11.83
Total Surplus/(Deficit) w/o Contribution to Reserve Fund	2.41	34.27	-4.54	2.11
Financing	12.60	-54.00	9.54	7.89
Net Borrowing	-10.66	1.93	12.95	-0.16
Loan Disbursements	0.67	12.94	23.88	15.75
Loan Disbursements - Domestic	0.00	10.30	20.24	12.46
Loan Disbursements - Foreign	0.67	2.64	3.64	3.29
Principal Repayments	11.34	11.01	10.93	15.91
Principal Repayments - Domestic	8.51	8.32	8.32	13.32
Principal Repayments - Foreign	2.83	2.69	2.61	2.59
Unsecured Debt Flow- Change in Cash	23.26	-29.20	-3.40	8.05
Current Account % of GDP	5.05%	7.06%	4.03%	2.17%
Capital Account Balance % of GDP	4.78%	3.39%	4.50%	1.96%
Primary Balance % of GDP	0.77%	4.12%	-0.01%	0.63%
Overall Balance % of GDP	0.27%	3.67%	-0.47%	0.21%

Source: GoBVI's Medium Term Fiscal Plan 2017-2019

Fiscal policy pursued by the BVI is conducted within a debt management framework entitled PEFM that was designed by the British Foreign and Commonwealth Office for its overseas territories. The key policy principles of the PEFM are (i) effective medium term planning by way of annual rolling 3-year budgets, (ii) value for money assessments of all capital projects that exceed 5% of Government's annual budgeted revenue over the life of the project before decision making, (iii) effective management of risks and (iv) improved accountability in all public sector operations. In CariCRIS' opinion, the PEFM has imposed a level of fiscal responsibility in the BVI that has resulted in low levels of debt and small overall fiscal surpluses that averaged 1.1% of GDP over the last 3 years, with the latter expected to improve to 0.2% of GDP in 2016 from the small deficit of 0.5% of GDP in 2015 (Table 3); the average overall fiscal position was well above the -2.3% 3-year average for CariCRIS' sample of regional peers.

The improvement in the overall fiscal position in 2016 was driven by a reduction in total expenditure which exceeded the decline in total revenue during the year. Total expenditure of US \$308.4 million was US \$13.8 million or 4.3% lower than the previous year's outturn of US \$322.2 million. The decline in total expenditure was driven by a US \$23.9 million or 54.7% fall in total capital expenditure and net lending. The reduction in total expenditure exceeded the US \$7.2 million or 2.3% fall in total revenue to US \$310.5 million in 2016 from US \$317.6 million in the prior year. Reductions in tax receipts from goods and services and in other taxes of US \$5.7 million and US \$5.8 million respectively drove the decline in revenue. The Territory's revenues are underpinned by a very narrow tax base levied on a small population of around 30,000. Taxes on goods and services dominate revenues, comprising 65.5% of tax revenue and 61.5% of total revenue, underscoring the heavy reliance on financial services and tourism.

Consistent with the requirements of the PEFM, debt levels have been relatively low with total public sector debt at 24.4% of GDP in 2016 and averaging 22.2% over the last 3 years, the second lowest in CariCRIS' regional sample behind Montserrat. Debt service represented 7.2% of recurrent revenue which was well below the 10% maximum required by the PEFM. Notably, the GoBVI was in breach of 1 of its 3 debt management requirements, the ratio of liquid assets to recurrent revenue, which at 20.6% in 2016 was below the 25% minimum. The government expects to return to compliance with this ratio by the end of 2017.

PEFM borrowing limits notwithstanding, CariCRIS is of the view that the BVI's debt/GDP and debt service metrics suggest that the government has the capacity to comfortably incur and service the proposed US \$152.5 million debt required to finance the airport runway expansion project if required. Financing for the project is expected to be sourced by the BVI Airport Authority, a parastatal organization. The GoBVI will provide a guarantee for these borrowings.

Under the terms of the PEFM, the contingent liabilities created by the debt of parastatal organizations are required to be risk weighted for inclusion in the calculation of total public sector debt. The prescribed weights are listed in Table 4 below.

Table 4
Risk-Weighting of BVI's Parastatals' debt

Statutory Authority/Government Company	Risk Weight %
Tourist Board	100
BVI Health Authority	80
H L Stoutt Community College	80
Prospect Reef Management Company	80
BVI Airport Authority	50
National Bank of the Virgin Islands	20
BVI Electricity Corporation	20
Financial Services Commission	20
Port Authority	20
Social Security Board	20

Source: Protocols for Effective Financial Management

At 50% risk weighting, as prescribed by the PEFM, the GoBVI is comfortably able to comply with its PEFM requirements inclusive of the proposed US \$152.5 million bond issue¹⁴. In assessing the impact on debt/GDP however, CariCRIS assumed a 100% risk weighting since the GoBVI provides a US \$3 million annual subvention to support the operations of the Airport Authority and is providing a guarantee for the proposed bond issue. As Table 5 below shows, at a 100% risk weighting, total public debt to GDP would remain low, averaging 31.1% for the period 2017-2019 and debt servicing would average 10.2% of recurrent revenue for the period.

¹⁴ Assuming that the bond is issued at a coupon of 4% for 20 years with a moratorium on principal repayments for the first 2 years as per the GoBVI proposal.

Table 5
GoBVI Public Sector Debt Projections
50% Risk Weighted and 100% Risk Weighted
For new BVI Airport Authority Debt

	US \$ Million						
	Est.	Projected (Min. of Fin.)			Projected (CariCRIS revised)		
	2016	2017	2018	2019	2017	2018	2019
Total Disbursed Outstanding Central Government Debt	106.31	112.92	107.87	96.21	112.92	107.87	96.21
Unsecured Debt Stock	7.32	12.87	8.38	0.57	12.87	8.38	0.57
Total Disbursed Outstanding Central Government Debt and Unsecured Debt Stock	113.63	125.79	116.25	96.78	125.79	116.25	96.78
Total Disbursed Outstanding Debt of Parastatals	89.12	131.65	198.99	214.33	144.07	212.33	216.36
<i>Including: Borrowing for airport expansion</i>	-	68.39	73.44	11.17	68.39	73.44	11.17
Capitalized Value of Public Private Partnerships	41.83	38.25	33.29	28.10	38.25	33.29	28.10
Total Public Borrowings	244.58	295.69	348.53	339.21	308.11	361.87	341.24
Reserve Fund Balances/Liquid Assets	59.48	71.98	74.98	77.98	71.98	74.98	77.98
Parastatals' Interest Payments	4.02	4.64	7.61	9.73	5.43	10.35	12.59
<i>Interest Payments on Borrowing for airport expansion (50% and 100% weighting)</i>	-	0.79	2.74	2.86	1.58	5.48	5.71
Parastatals' Principal Payments	7.48	8.16	8.16	8.59	8.16	8.16	10.19
<i>Incl: Principal Payments on Borrowing for airport expansion (50% and 100% weighting)</i>	-	0.00	0.00	0.80	0.00	0.00	1.60
Parastatals' Risk-Weighted Debt Service	0.80	1.10	2.71	3.90	5.43	10.35	14.19
Total Debt Service of Central Government and Parastatals	22.46	28.32	24.50	26.58	33.44	34.88	39.72
Net Risk-Weighted Debt	113.81	133.40	152.00	135.06	145.81	165.35	137.10
Total Risk-Weighted Public Borrowings to Nominal GDP	17.25%	19.70%	20.96%	18.95%	20.89%	22.20%	19.13%
Total Public Borrowings to Nominal GDP	24.35%	28.36%	32.19%	30.17%	29.55%	33.42%	30.35%
Net Risk-Weighted Debt as % of Recurrent Revenue (max 80%)	36.66%	41.00%	45.64%	40.05%	44.81%	49.65%	40.65%
Risk-Weighted Debt Service as % of Recurrent Revenue (max 10%)	7.23%	8.71%	7.36%	7.88%	10.04%	9.65%	10.93%
Liquid Assets as % of Recurrent Expenditure (at least 25%)	20.61%	25.03%	25.35%	26.36%	25.03%	25.35%	26.36%

Source: GoBVI's Medium Term Fiscal Plan 2017-2019; CariCRIS' projections

Memo items:

Recurrent Revenue (US \$ Millions)	310.45	325.37	333.04	337.23	325.37	333.04	337.23
Recurrent Expenditure (US \$ Millions)	288.60	287.57	295.78	295.83	287.57	295.78	295.83

These rating strengths are tempered by the following:

Small, narrow economy increases risk of volatility of performance

The BVI has a small narrow economy with very little diversification. There is no manufacturing sector on the island and hence no goods export. The agriculture sector is also very small. The high reliance on international financial services has rendered the economy highly vulnerable to the changing international policy and regulatory environment as evidenced by the declining economic activity and tax revenues from this sector.

The country is also faced with severe capacity constraints, particularly in its human resources, similar to many small Caribbean islands. A great proportion of those employed in the financial services are expatriates as both the quantum and quality of the domestic labour is insufficient. A dramatic expansion of education and training is needed to equip the BVI labour force more adequately to participate in the sector, and even then labour will likely still be imported to meet the demand.

The islands of the BVI lie within the path of annual hurricanes and storms. These weather events when they occur can cause, at worst, catastrophic loss of life and property, but even without a direct strike, they can be responsible for flight cancellations as well as disruptions to yachting and maritime activities. The BVI does not participate in the Caribbean Catastrophe Risk Insurance Facility (CCRIF) but has maintained high building codes to mitigate against not only hurricanes, but earthquakes as well. Additionally, there is a Territory-wide tsunami warning system. Despite these efforts, the BVI remains highly susceptible to the physical and economic risks presented by a severe natural disaster such as a hurricane or earthquake.

Lack of monitoring of the external sector may hinder targeted policymaking

The BVI currently does not compile any Balance of Payments (BoP) data which may hinder the setting of supporting policy. The Territory's main export sectors are financial services and tourism, while its main import source market is the USA. The BVI and the USA both use the US dollar and inflation in the BVI, at just 1% for the 11 months to November 2016, does not suggest any BoP concerns. Additionally, since 2014, the BVI has benefited from the decline in international oil and gas prices which has lowered the cost of travel. However, since trade data is not collected, measuring the trends or any other dynamic phenomena of cross-border transactions is not immediately possible. Moreover, enacting policies to enhance external competitiveness is necessarily done in a partially-informed environment, which can serve to limit effectiveness.

Rating Sensitivity Factors

- A 5% annual decline in financial services value-added over 2 years
- A fall in air arrivals to below 95,000 persons per year sustained over the next 2 years
- A change in the island's status as a British overseas territory or a material change in the level of support rendered to The BVI

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