

Cuba Will Issue Sovereign Bonds to Finance Fiscal Deficit



Havana, July 3 (RHC) – Cuba will finance its 2013-2014 fiscal deficit by issuing sovereign bonds, which will be acquired by the country's commercial banks, the Cuban Finance and Prices Ministry announced on Wednesday.

During debates at the Parliament's Economic Commission, the Ministry's Budget Director, Jesus Matos, told Prensa Latina news agency that the initiative will finance the public debt without funneling money into circulation, but by using bonds payable in 20 years with redemption based on a 2.5-percent interest rate.

The official said the amount of bonds will reach 1.8 billion Cuban pesos (equivalent to 1.8 billion dollars at official exchange rate), which is the planned figure of the budget debt.

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