

U.S. DEPARTMENT OF THE TREASURY

Press Center



Government Of Tunisia Issues U.S. \$485 Million Bond With U.S. Guarantee

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WASHINGTON – Today, Banque Centrale de Tunisie (CBT), acting on behalf of the Republic of Tunisia, closed on its offering of a \$485 million sovereign bond, guaranteed by the United States of America, acting through the U.S. Agency for International Development. This guarantee reinforces the strong U.S. commitment to the people of Tunisia by strengthening the Government of Tunisia's ability to manage the transition to an economically sound and prosperous democracy. The closing of this loan guarantee marks the conclusion of an accelerated process that U.S. Treasury Secretary Tim Geithner and Tunisian Finance Minister Houcine Dimassi affirmed on April 20, 2012, when they signed a declaration of intent committing both sides to proceed as quickly as possible on this program.

The U.S. government is committed to helping Tunisia build an economic foundation that supports sustainable and inclusive economic and job growth, bolsters international confidence in the Tunisian market, and supports and expands U.S.-Tunisian economic relations. Today's issuance of a \$485 million, seven-year Tunisian sovereign bond was supported by a 100 percent guarantee of the repayment of principal and interest by the United States government. This issuance represents the beginning of Tunisia's re-integration into global capital markets, marking the first time the country has tapped international bond markets since 2007. With greater access to international capital, the Government of Tunisia will be able to provide its citizens with critical services, including job skills training, education, and programs that help banks provide financing to small businesses. International financing at affordable rates will also support the government's ability to implement programs designed to promote development and job creation, which will help create equitable economic opportunities for the Tunisian people.

"We welcome today's \$485 million bond issuance by Tunisia, an important milestone in its efforts to re-enter the international capital markets and advance its democratic transition," said Lael Brainard, Under Secretary for International Affairs at the U.S. Department of the Treasury. "This U.S.-backed issuance demonstrates the U.S. government's commitment to help restore Tunisia's economy and supports the Tunisian government's effort to finance key development goals at affordable rates, which is vital to its economic and political transition."

"Securing a successful transition to democracy in Tunisia with a strong economic foundation will set a clear example for other democratic transitions underway in the Middle East and North Africa region, and I cannot overstate its importance to the United States," said Mara Rudman, Assistant Administrator for the Middle East Bureau at the U.S. Agency for International Development, who signed the loan guarantee agreement in Washington on June 8 with Tunisian Ambassador Mohamed Salah Tekaya.

In December 2011, the U.S. Congress authorized the Tunisia loan guarantee program in the Fiscal Year 2012 Consolidated Appropriations Act. The CBT arranged for Merrill Lynch, Pierce, Fenner & Smith Incorporated and Natixis Securities Americas LLC to act as underwriters for the offering. The \$485 million issuance was priced at a coupon rate of 1.686%.

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