

# PriceSmart T&T raising up to US\$65M in debt



Facing a tight foreign exchange market, PriceSmart's Trinidad businesses have turned to the Jamaican capital markets and Trinidadian banks to source up to US\$65 million for the construction of its distribution centre and settlement of its outstanding payables.

The information was revealed in PriceSmart Inc's third quarter report for the period ending May 31. PSMT Trinidad/Tobago Limited (PSMT TT) has tapped GK Capital Management Ltd in Jamaica to arrange a US\$16 million bond which will be issued in Jamaican dollars and indexed to United States dollars (USD). PSMT TT could potentially place an additional US\$13.5 million equivalent of this bond which will bear a 7.25 per cent interest rate and a four-year tenure.

PSMT TT will pledge a TTD equivalent of 1.05 times the principal amount (US\$16.80 million) in a money market mutual fund at the Trinidad & Tobago Unit Trust Corporation or an entity approved

by the lenders. PSMT TT will allocate a minimum of US\$1.875 million to a sinking fund, to be maintained with GK Capital. The debt facility will be backed by a corporate guarantee from affiliate company PriceSmart Jamaica Ltd.

Another PriceSmart Trinidad subsidiary will enter into a fouryear cash-secured syndicated loan totalling US\$20.5 million, with US\$15 million in US dollars and the rest in Jamaican dollars, indexed to the US dollars. The loan will bear interest at 7.25 per cent.

Additionally, a PriceSmart Trinidad subsidiary entered into a threeyear term loan agreement for US\$15 million denominated in US dollars.

That loan is indexed to T&T dollars (TTD) and will be repaid in TTD at PriceSmart's Chaguanas branch an 11.5 per cent interest rate.

"In July 2025, the company entered into the following financing transactions, which we expect to fund in the fourth quarter of fiscal year 2025, to provide our Trinidad subsidiary with additional US dollar liquidity needed to meet its operational needs and help reduce the shortfall in US dollar sourcing due to continued illiquid foreign exchange conditions in that market," PriceSmart reported.

To tackle its forex constraints in T&T, the company's local subsidiaries borrowed a total of US\$23 million between 2021 and 2025, from financial institutions including CIBC Caribbean Bank (Trinidad & Tobago).

Over the past five years, PriceSmart's operations in Trinidad have faced ongoing challenges due to limited access to foreign exchange.

As of May 31, 2025, the company held US\$73.9 million in T&T dollar-denominated cash and shortterm investments that could not be easily converted to US dollars. This compares to US\$60.2 million in August 2024 and a peak of US\$100.5 million in November 2020.

PriceSmart has four clubs in Trinidad and completed the remodelling of its Port-of-Spain location around August 2024. The company plans to open distribution centres in Guatemala, Trinidad and Dominican Republic for its 2026 fiscal year, which starts on September 1.