

*GOVERNMENT OF
ST. VINCENT AND THE GRENADINES*

DEBT PORTFOLIO REVIEW 2019

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ACRONYMS

AFD	Agence Francaise de Developpment	IBRD	International Bank for Reconstruction and Development
ALBA	Bolivarian Alliance of the Americas	IDA	International Development Association
ATM	Average Time to Maturity	IMF	International Monetary Fund
ATR	Average Time to Re-fixing	KWD	Kuwait Dinars
BoSVG	Bank of St. Vincent and the Grenadines	LIAT	Leeward Island Air Transport
CDB	Caribbean Development Bank	NIS	National Insurance Services
CDF	CARICOM Development Fund	NPL	National Properties Limited
DMU	Debt Management Unit	OPEC	Organization of Petroleum Exporting Countries
CWSA	Central Water and Sewerage Authority	PDVSA	Petroleos de Venezuela S.A
DOD	Disbursed Outstanding Debt	RGSM	Regional Government Securities Market
EC	Eastern Caribbean	TECHVOC	Technical Vocational
ECCB	Eastern Caribbean Central Bank	UWI	University of the West Indies
EIB	European Investment Bank	USD	United States Dollar
FAA	Finance Administration Act	VINLEC	St. Vincent and the Grenadines Electricity Services
GOSVG	Government of St. Vincent and the Grenadines	XCD	Eastern Caribbean Dollar
GDP	Gross Domestic Product	XDR	Special Drawing Right
IADC	International Airport Development Company		

i. EXECUTIVE SUMMARY

The Debt Portfolio Review aims to provide a detailed overview of the total public debt portfolio of St. Vincent and the Grenadines for the year 2019. The Review compares the debt stock as at December 31, 2019 to that of 2018, categorizing the components into: - External¹ and Domestic debt and further disaggregated by Central Government and Public Corporations². Furthermore, the review analyses the debt by creditor category, instrument type, currency composition and economic sector. The interest rate structure and maturity profile of the Central Government's debt portfolio were also analyzed to determine the scope of the risks associated with the portfolio. The review also provides an overview of debt activities including new debt contracted and debt service during the year. All analysis in the review was done in Eastern Caribbean dollars unless stated otherwise.

As at 31st December 2019, the total disbursed outstanding public debt stood at \$1.67 billion or 75.2 percent of GDP. Of this amount, total external debt stock accounted for \$1.18 billion or 53.0 percent of GDP and total domestic debt stock amounted to \$493.2 million or 22.2 percent of GDP. Of the total public debt \$1.50 billion or 67.6 percent of GDP is attributable to the Central Government with the remaining \$168.3 million or 7.6 percent constituted Public Corporations debt.

Total external debt increased by 9.1 percent while total domestic debt decreased by 14.4 percent resulted in a marginal increase in total public debt of 0.9 percent. Central Government's debt increased by 7.0 percent while public corporation's debt decreased by 33.3 percent. The Public Corporations debt remains within the \$300.0 million limit specified by the Government Guarantee of Loans Act.

The main drivers of the increase in external debt was issuances of \$53.6 million in new securities to non-residents; disbursements of funds on new and existing projects such as the Fiscal Reform and Resilience Development Policy Credit Loan Facility; TECHVOC education and Training development;

¹ Debt owed to creditors outside of St. Vincent and the Grenadines

² Debt for which the Government has given an explicit guarantee

UWI open campus; Disaster Vulnerability Reduction Project; and the Agricultural and Feeder Roads Project. The decrease in domestic debt was as a result of reductions in the accounts payables and the overdraft facility; and the settlement in full of the National Properties Loan owed to the National Insurance Services which was guaranteed by Central Government.

During the year, Government successfully redeemed and reissued \$28.0 million in maturing treasury bills on the RGSM on a monthly basis and issued \$149.8 million in bonds and notes via a mixture of private placement and RGSM auctions. Additionally, a total of \$65.2 million in bullet bonds and notes were repaid.

The review of the Central Government's debt servicing³ cost over the period showed that the cost of servicing the debt increased by 9.5 percent from \$173.2 million in 2018 to \$189.8 million in 2019. Sinking Fund contributions increased by 45.7 percent from \$22.2 million in 2018 to \$32.4 million in 2019.

All Public Corporations/Government guaranteed institutions, with the exception of NPL, LIAT and UWI, met their debt servicing obligations as scheduled. These debt obligations have been settled by the government. The NPL loan has been re-financed via a debt-swap initiative and the UWI and LIAT loans are currently being serviced by the Government.

³ In keeping with international best practices, Sinking fund contributions were subtracted from debt servicing

ii. INTRODUCTION

The annual review of the Public Debt Portfolio of the Government of St. Vincent and the Grenadines (GoSVG) is done to promote debt transparency. The publication of this review is grounded in the government's stated debt management objective enshrined in the Medium term Debt Management Strategy which seeks to:

“Satisfy the financing needs of the public sector at minimum cost over the medium to long-term, in a prudent and sustainable manner thereby limiting the exchange rate risk and promoting the development of an efficient functioning money and capital market in the Eastern Caribbean Currency Union (ECCU)”.

The reporting period is the year ended 31st December 2019 and is compared with end of year data for 2018. The report seeks to review all components of debt including but not limited to external and domestic debt; central government; and public corporations' debt; and debt raising and RGSM activities. The evolution of the debt by creditor category and composition, instrument type, economic sector and interest rate structure are also addressed.

The Public Sector Investment Programme Loan Act No. 1 and Act No. 23 of 2019 provided the authority for debt raising activities in the sum of \$150.0 million whereas the Resolution of the Parliament passed in the House of Assembly on January 29, 2019 established the limit for the Overdraft. All external borrowing in 2019 were authorised by existing legislation and therefore did not require additional legal authority.

The document is divided into seven (7) sections, including the Executive Summary. The remainder of the document is organized as follows: Section II provides the introduction; and Section III presents the institutional framework that governs the debt management operation. Section IV details the transparency and accountability framework. Section V provides a detail general overview of the public debt profile and structure. Section VI focuses on the structure of Central Government Debt and discusses the risk indicators in the context of the Medium-Term Debt Management Strategy. Section VII deals with Public Corporations Debt. The document then concludes with appendices mainly in graphical and tabular form showing selected debt indicators over the eleven-year period 2009 - 2019. The Ministry of Finance records debt and generates

reports using the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS)⁴.

3. INSTUTIONAL FRAMEWORK

The Ministry of Finance, Economic Planning, Sustainable Development and Information Technology is headed by the Minister of Finance and comprises several departments over which the Director General, Finance and Planning has administrative control. Most debt management functions are centralized in the Cash, Debt, Investment Management Unit (CDIMU) of the Ministry of Finance and Economic Planning while others are undertaken by different departments. In addition to performing debt management activities, the CDIMU provides policy advice on the overall debt management strategy of St. Vincent and the Grenadines.

4. TRANSPARENCY AND ACCOUNTABILITY

The Government has adopted a system for strengthening the institutional framework for transparency, accountability and monitoring of fiscal matters. As a result, the fiscal position of the government is reported monthly to the Cabinet. Additionally, the fiscal and debt positions are reported annually in the Government's Estimates of Revenue and Expenditure and quarterly fiscal reports are available via the local media and the Government's website. The ECCB also conducts quarterly and annual economic and financial reviews, which are published across the region. Article IV Country Surveillance Reviews conducted by the IMF are also published and are available on the government's website and the Fund's external website as well. Further, efforts are being made to have the Audited Reports of the Government available on a timely basis. The latest Audited Reports of the Government for the fiscal year 2013 were laid before the Parliament on January 29, 2019.

⁴ The CSDRMS software records detailed information on debt instruments and other variables including exchange rates variable interest rates bases, and select economic data

The Ministry of Finance and Economic Planning seeks to establish a client-oriented environment conducive to the attainment of sustainable economic development and improvement of the quality of life of all citizens of St. Vincent and the Grenadines through sound economic management and the promotion of good governance. The main objective of the Government is to maintain a stable and productive economy, with a focus on education and training, enhanced business competitiveness, further tax reductions, prudent debt management and fiscal consolidation.

5. PUBLIC DEBT PROFILE

As at December 31, 2019 the total disbursed outstanding public debt stood at \$1.67 billion or 75.2 percent of GDP⁵, an increase of 0.9 percent from \$1.66 billion. Of this amount, Central Government debt accounted for \$1.50 billion, or 67.6 percent of GDP, an increase of 7.0 percent when compared with the amount of \$1.40 billion as at December 31, 2018. The remaining \$168.3 million, or 1.3 percent of GDP, is attributable to debt owed by Public Corporations.

TABLE 1: COMPOSITION OF PUBLIC DEBT

	2019	2018	change
	\$ million		
Ext Central Gov't	1,038.5	899.9	15.4%
Dom Central Gov't	465.0	504.8	-7.9%
Total Central Gov't	1,503.5	1,404.7	7.0%
Ext Public Corp	140.1	180.5	-22.4%
Dom Public Corp	28.2	71.6	-60.6%
Total Public Corp	168.3	252.2	-33.3%
TOTAL DEBT	1,671.8	1,656.9	0.9%
	% of GDP		
Ext Central Gov't	46.7%	41.1%	5.6%
Dom Central Gov't	20.9%	23.0%	-2.1%
Total Central Gov't	67.6%	64.1%	3.5%
Ext Public Corp	6.3%	8.2%	-1.9%
Dom Public Corp	1.3%	3.3%	-2.0%
Total Public Corp	7.6%	11.5%	-3.9%
TOTAL DEBT	75.2%	75.6%	0.4%

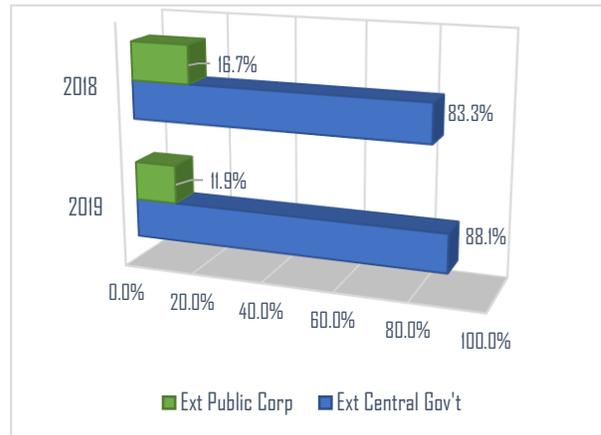
SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

⁵ Preliminary GDP of \$2225.3 million sourced from Economic Research and Policy Unit, Ministry of Finance Medium Term Economic and Fiscal Outlook (year????)

5.1 External Public Debt

As at 31st December 2019, total public external debt stock totaled \$1.18 billion or 53.0 percent of GDP. This represented an increase of 9.1 percent over \$1.08 billion in 2018. The Central Government's portion of the external debt represented 88.1 percent of total external debt, an increase of 4.8 percent. The remaining 11.9 percent represented external Public Corporation debt. This component decreased by 4.8 percent.

CHART 2: EXTERNAL DEBT BY CATEGORIES



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.1 Creditor Category

As at the end of December 2019, the data below (table 2) shows that 46.8 percent of the total external debt was financed on highly concessional terms by multi-laterals creditors, which equates to low interest rates and long repayment period. Continued efforts are being made to increase the average time to maturity of the public debt which is reflected in a 21.4 percent increase in debt owed to multi-lateral creditors. Debts owed to both multi-lateral and bi-lateral creditors accounted for 82.4 percent of total external debt. The remaining 17.6 percent of the external debt stock is attributed to securities holders. The portion of external commercial debt owed during the year 2018 was matured and repaid to the Bank of Nova Scotia (Canada) in 2019.

TABLE 1: TOTAL EXTERNAL DEBT BY CREDITOR CATEGORY

Category	2019 (\$M)	% of total	Category	2018 (\$M)	% of total	Change
Multilateral	551.7	46.8%	Multilateral	454.5	42.1%	21.4%
Bilateral	419.9	35.6%	Bilateral	442.1	40.9%	-5.0%
Securities	207.0	17.6%	Securities	180.2	16.7%	14.9%
Commercial	0.0	0.0%	Commercial	3.6	0.3%	-100.0%
Total	1178.6	100.0%	Total	1080.4	100.0%	9.1%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.2 Creditor Composition

The creditor composition of the external debt portfolio shows that 74.8 percent of the total debt is owed to the CDB, Securities holders, World Bank and Alba bank. The CDB constitute the largest creditor, accounting for 28.4 percent of the portfolio. During 2019, CDB disbursements was 26.6 percent of total central government disbursements, the majority of which was used to finance the national disaster management project; road rehabilitation and upgrade, UWI-open campus project and education and training development projects. The World Bank's share of debt went up by 117.5 percent occasioned by larger disbursements during the year. Of the total central government disbursements made during the year, 97.7 percent was channeled towards financing the Fiscal Reform and Resilience programme; the Caribbean Regional Communications Infrastructure Programme and the Regional Disaster Vulnerability Reduction Project. The share of debt owed to the IMF decreased by 46.6 percent as loans relating to disaster recovery and rehabilitation were repaid during the period.

TABLE 2: EXTERNAL DEBT OUTSTANDING BY CREDITOR

EXTERNAL DEBT BY CREDITORS	DDO 2019 \$M	% OF TOTAL	DDO 2018 \$M	% OF TOTAL	Change
Caribbean Development Bank	335.30	28.4	328.7	30.4	2.0%
Securities Holders	206.99	17.6	180.2	16.7	14.9%
World Bank	193.96	16.5	89.2	8.3	117.5%
ALBA Bank	144.70	12.3	156.3	14.5	-7.5%
Petroleos De Venezuela	109.55	9.3	108.9	10.1	0.6%
Republic of China	100.08	8.5	105.3	9.7	-4.9%
UK Export Finance	28.45	2.4	37.9	3.5	-25.0%
Damien Shipyard Group	11.94	1.0	12.2	1.1	-2.5%
International Monetary Fund	11.05	0.9	20.7	1.9	-46.6%
Government of Trinidad & Tobago	11.10	0.9	11.1	1.0	0.0%
Other [1]	25.50	2.2	29.8	2.8	-14.3%
TOTAL	1178.62	100.0	1080.4	100.0	9.1%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.3 Instrument type

The external debt portfolio principally consist of two types of instruments, loans and securities, with a trade credit facility instrument as well. At the end of the period under review, loans totaled \$971.6 million representing 82.4 percent of the total external debt portfolio, an increase of 7.9 percent when compared with \$900.2 million over the comparative period in 2018. The stock of debt under the rubric of securities during the period increased by 14.8 percent from \$180.2 million in 2018 to \$207.0 million in 2019. Of the total securities (excluding Treasury Bills) issued during the period, \$53.0 million was purchased by non-residents of which \$5.4 million was issued in USD currency.

TABLE 3: EXTERNAL DEBT BY INSTRUMENT TYPE

EXTERNAL DEBT BY INSTRUMENT TYPE	DOO 2019 \$M	% OF TOTAL	DOO 2018 \$M	% OF TOTAL	Change
Loans	971.6	82.4	900.2	83.3	7.9%
Securities	207.0	17.6	180.2	16.7	14.8%
Bonds & Notes	134.6	11.4	106.4	9.8	26.6%
T. Bills	72.4	6.1	73.9	6.8	-2.1%
TOTAL	1178.6	100.0	1080.4	100.0	9.1%

SOURCE: DML, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.4 Economic Sector

Table five below shows that the majority of the external debt portfolio was allocated to finance activities in the multi-sector component of the economy, which captured debt owed under Petro Caribe and bonds and notes issued during the year to finance a myriad of activities in the economy. The other major sectors are air transport; budget support and education. These sectors combined constitute 77.4 percent of all external debt. All sectors, with the exception of air transport recorded increases in their share of total external debt outstanding.

TABLE 5: EXTERNAL DEBT BY ECONOMIC SECTOR

	2019	% of Total	2018	% of Total	Change
Agriculture	2.9	0.3	2.6	0.2	13.2%
Air Transport	242.2	20.5	256.7	23.8	-5.7%
Balance of Payment	7.9	0.7	14.6	1.3	-45.2%
Budget Support	199.4	16.9	125.4	11.6	59.0%
Defense	12.0	1.0	13.9	1.3	-13.9%
Education & Training	138.9	11.8	119.1	11.0	16.6%
Energy (Electricity)	35.8	3.0	58.6	5.4	-38.9%
Finance, Insurance, Etc.	73.2	6.2	79.9	7.4	-8.4%
Health & Social Welfare	11.6	1.0	13.6	1.3	-14.1%
Multisector	332.9	28.2	289.0	26.8	15.2%
Roads and Bridges	98.7	8.4	85.9	7.9	15.0%
Telecommunication	20.9	1.8	16.5	1.5	26.3%
Other	2.2	0.2	4.7	0.4	-53.0%
TOTAL	1,178.6	100.0	1,080.4	100.0	9.1%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.5 CURRENCY COMPOSITION

The currency composition of the external debt remained relatively unchanged from its position at the end of 2018 with the major currencies being the USD, XCD and XDRs in that order. Altogether, debt denominated in USD and XCD accounted for 91.2 percent of the portfolio which translates into a low currency risk exposure of the external and by extension, the total public debt to changes in exchange rate. The currency grouping under the rubric of “other” is comprised of the Euro, Trinidad and Tobago dollar and the Kuwait Dinar. These represent a combined floating rate currency which is susceptible to changes in exchange rate.

TABLE 6: EXTERNAL DEBT OUTSTANDING BY CURRENCY COMPOSITION

	2019 (\$M)	% of Total	2018 (\$M)	% of Total	Change
US Dollars	897.7	76.2%	789.2	73.0%	13.8%
Eastern Caribbean Dollars	176.3	15.0%	157.4	14.6%	12.1%
Special Drawing Rights	103.8	8.8%	133.3	12.3%	-22.1%
Other	0.7	0.1%	0.6	0.1%	13.6%
Total	1178.6	100.0%	1080.4	100.0%	9.1%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.6 Interest Rate Structure

The interest rate structure of the external debt portfolio showed an increase in the nominal value of debt with fixed interest rate as at the end of 2019 compared to the previous year moving from 61.1 percent in 2018 to 65.0 percent in 2019. Consequently, the share of external debt with floating interest rates fell from 38.9 percent at the end of 2018 to 35.0 percent in 2019. The change in the interest rate structure was mainly due to new bonds and loans being contracted with fixed interest rate terms.

TABLE 7: EXTERNAL DEBT OUTSTANDING BY INTEREST RATE COMPOSITION

EXTERNAL DEBT BY INTEREST RATE COMPOSITION	DOD 2019 \$M	% OF TOTAL	DOD 2018 \$M	% OF TOTAL	CHANGE
Fixed Rate	766.1	65.0%	660.2	61.1%	16.0%
Floating Rate	412.6	35.0%	420.2	38.9%	-1.8%
<i>Of Which:</i>					
<i>Caribbean Development Bank DCR</i>	238.0	20.2%	237.9	22.0%	0.1%
<i>London Interbank Offer Rate (6mth)</i>	81.3	6.9%	86.3	8.0%	-5.8%
TOTAL	1178.6	100.0%	1080.4	100.0%	9.1%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.7 External Disbursements

Total disbursements on external debt amounted to \$281.1 million in 2019. IDA and CDB accounted for 76.2 percent, which funded projects and programs across several sectors. The largest disbursement was from the Fiscal Reform and Resilience credit financed by IDA in the amount \$81.0 million. The energy sector saw disbursements relating to geothermal energy totaling \$65.6 million in grants. Disaster management, education and road related projects also saw significant disbursements, see table 8.

TABLE 8: DISBURSEMENTS ON EXTERNAL DEBT BY CREDITOR AND SECTOR

External Sector	Road	Budget Support	Telecom	Human Service Delivery	Education	Multisector	Tourism	Sea Defense	Agriculture	Disaster Management	Energy	Total
Caribbean Development Bank	5,851,034	-	-	-	25,677,927	-	-	47,846	-	7,549,859	64,591,007	103,717,673
Caricom Development Fund	-	-	-	-	-	-	-	-	-	-	1,080,000	1,080,000
International Development Association	-	81,000,000	4,876,342	1,521,882	-	-	73,710	-	785,430	22,203,622	-	110,460,986
Intl Bank For Reconstruction	-	-	-	-	-	-	-	-	-	5,067,368	-	5,067,368
Various Creditors	-	-	-	-	-	53,589,000	-	-	-	-	-	53,589,000
Opec Fund for International Development	1,525,712	-	-	-	-	-	-	-	-	-	-	1,525,712
Kuwait Fund for Arab Development	5,617,341	-	-	-	-	-	-	-	-	-	-	5,617,341
Total	12,994,087	81,000,000	4,876,342	1,521,882	25,677,927	53,589,000	73,710	47,846	785,430	34,820,849	65,671,007	281,058,080

SOURCE: DMU MINISTRY OF FINANCE AND ECONOMIC PLANNING

Six new external loans were contracted during 2019 as follows:

1. A loan from CDB in the amount of US \$14.527 million for Natural Disaster Management Risk Reduction and Adaptation.
2. A loan from CDB in the amount of US \$7.6 million Natural Disaster Management Rehab and Reconstruction.
3. A loan from CDB in the amount of US \$0.489 million for Technical Assistance: Canouan Airport Runway Rehabilitation.
4. A loan from CDB in the amount of US \$13.467 million for the Sandy Bay Sea Defense Resilience Project.
5. A loan from EXIM Bank in the amount of US \$50.0 million for Hotel Development.

6. A loan from IDA in the amount of US \$30.0 million for Fiscal Reform and Resilience Development Policy Credit.

All conditions precedents to disbursement of these loans were fully satisfied making these loans effective. Disbursements on all loans however, did not commence in 2019.

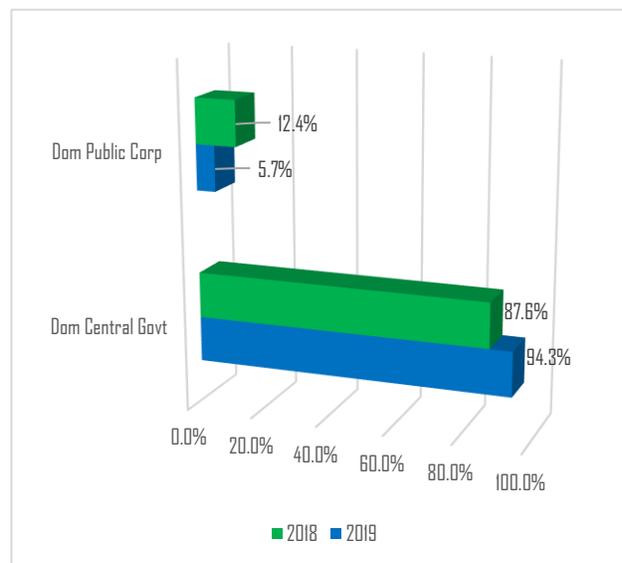
5.2 Domestic Public Debt

Total domestic debt at the end of December, 2019 stood at \$493.2 million or 22.2 percent of GDP. This represented a decrease in total domestic debt of 14.4 percent when compared to the corresponding period of 2018. Of the total domestic debt \$465.0 million or 94.3 percent was held by Central Government while the remaining \$28.2 million or 5.7 percent was held by the Public Corporations, these amounts represented 20.9 percent and 1.3 percent of GDP respectively.

5.2.1 Instrument Type

Table 7 shows the breakdown of domestic debt by instrument. As at the end of 2019, securities and insurance deposits increased in nominal value and represented an increase of 7.1 and 1.3 percent respectively. All other instruments decreased in nominal value which resulted in a reduction the total domestic debt outstanding. The value of loans decreased significantly by \$51.6 million or 29.5 percent as a result of the central government’s resolution of the \$42.7 million National Property Limited (NPL) loan with the National Insurance Services (NIS). A total share of 82.6 percent of the total debt was held in loans and securities instruments.

CHART 2: DOMESTIC DEBT BY CATEGORIES



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

TABLE 9: DOMESTIC DEBT BY INSTRUMENT

	2019	% of Total	2018	% of Total	Change
Loans	123.0	24.9%	174.6	30.3%	-29.5%
Overdraft	31.7	6.4%	40.9	7.1%	-22.4%
Accounts Payables⁶	31.1	6.3%	72.7	12.6%	-57.2%
Insurance Deposits	22.6	4.6%	22.3	3.9%	1.5%
Securities	284.8	57.7%	266.0	46.1%	7.1%
<i>Bonds</i>	<i>273.1</i>	<i>55.4%</i>	<i>255.8</i>	<i>44.4%</i>	<i>6.8%</i>
<i>T.Bills</i>	<i>11.7</i>	<i>2.4%</i>	<i>10.2</i>	<i>1.8%</i>	<i>14.8%</i>
TOTAL	493.3	100.0%	576.5	100.0%	-14.4%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.2.2 Creditor Composition

Outstanding debts owed to bond holders constituted more than half of the domestic portfolio. Apart from the category securities holders, the Bank of St. Vincent and the Grenadines continued to be the largest creditor in the domestic debt portfolio with 18.3 percent as at December 2019. As mentioned previously, Cabinet took the decision to settle the NPL loan of \$42.7 million with the National Insurance Services. This was the major driver in the reduction in debt outstanding to the National Insurance Services by 53.9 percent. An amount of \$37.5 million in short-term loans contracted from BOSVG and ECCB was repaid in full during this period.

TABLE 10: DOMESTIC DEBT BY CREDITOR

DOMESTIC CREDITOR	DEBT BY DOD 2019	% of Total	DOD 2018	% of Total	Change
Securities Holders	284.8	57.7%	266.0	46.1%	7.1%
ECCB	25.0	5.1%	22.5	3.9%	11.1%

⁶ In 2019 the government classification of accounts payables was revised to exclude transfers and subvention

Bank of St. Vincent and the Grenadines	90.5	18.3%	109.2	18.9%	-17.1%
Other Financial Institutions	1.1	0.2%	1.2	0.2%	-8.3%
Insurance Companies	22.6	4.6%	22.3	3.9%	1.3%
National Insurance Services	38.1	7.7%	82.6	14.3%	-53.9%
Accounts Payables	31.1	6.3%	72.7	12.6%	-57.2%
Total	493.3	100.0%	576.5	100.0%	-14.4%

Source: DMU, Ministry of Finance and Economic Planning

6. CENTRAL GOVERNMENT DEBT

The total Central Government debt at the end of 2019 increased by 7.0 percent to \$1.50 billion or 67.6 percent of GDP when compared to \$1.40 billion or 64.1 percent of GDP as at the same period in 2018. Of this amount, the external component increased by 15.4 percent and accounted for \$1.04 billion and the domestic component decreased by 7.9 percent to \$465.0 million.

The analysis of the Central Government debt using the Medium-Term Debt Strategy toolkit shows that at the end of 2019 the average time to maturity (ATM) and the average time to re-fixing (ATR) of the total portfolio was 6.6 years and 5.6 years respectively. Debt maturing in one year was 24.5 percent of the total portfolio and 16.8 percent of GDP. Debt with a fixed interest rate constituted 80.0 percent of the portfolio with Non-USD debt amounting to 19.8 percent of the total debt.

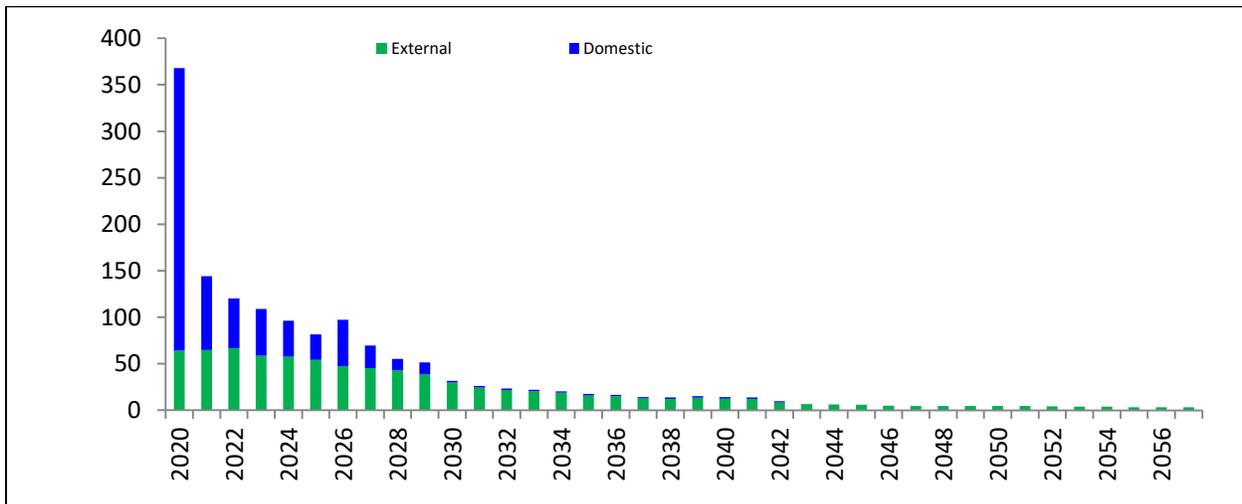
CENTRAL GOVERNMENT DEBT PORTFOLIO RISK INDICATORS

Risk Indicators		2019
Nominal debt as % of GDP		67.6
Present value debt as % of GDP		61.8
Interest payment as % of GDP		2.8
Implied interest rate (%)		4.1
Refinancing risk	Debt maturing in 1yr (% of total)	24.5
	Debt maturing in 1yr (% of GDP)	16.8
	ATM External Portfolio (years)	9.6
	ATM Domestic Portfolio (years)	2.9
	ATM Total Portfolio (years)	6.6

Interest rate risk	ATR (years)	5.6
	Debt re-fixing in 1yr (% of total)	42.1
	Fixed rate debt (% of total)	80.0
FX risk	Non USD debt as % of total	19.8
	ST FX debt as % of reserves	14.0

Figure 1 below depicts the redemption profile of the Central Government’s debt portfolio by remaining maturity. It shows that the external redemption profile is relatively smooth whereas short-term instruments⁷ and bullet bonds due to mature in the given year, in the domestic portfolio has resulted in a higher and more uneven redemption profile in 2020. The profile also shows a small spike in the domestic repayment schedule in 2026 as bullet bonds become due.

FIGURE 1: CENTRAL GOVERNMENT REDEMPTION PROFILE AT DECEMBER 31, 2019



SOURCE: MTDS ANALYTICAL TOOLKIT

⁷ Short term instruments consists of Accounts Payables, Treasury Bills, Insurance Deposits and the Overdraft

6.1 Securities issued during 2019

Total securities issued during the year amounted to \$149.8 million. Tenors on these instruments ranged from five (5) to ten (10) years with an average tenor of 7.9 years. The interest rate on the note issued by the Government was 6.25 percent with an average interest rate of 7.0 percent on longer term government bonds. These securities were issued through a mix of private placement and the RGSM in a 7:3 ratio, with 70.0 percent of the instruments offered being amortized, with the remainder being bullet bonds. Request for the listing of most private placement securities on the RGSM was done subsequently to facilitate potential liquidity needs of investors. The investor data on the securities issued showed a home (domestic) bias for bonds and notes versus treasury bills which were heavily biased towards foreign (external) investors. During the year \$65.2 million in bullet bonds and notes were matured and fully repaid.

TABLE II: SECURITIES ISSUED DURING 2019

Securities							
Platform	Instrument	Original Amount	Tenor	Rate	Issue Date	Maturity Date	Structure
		(\$ M)					
Private Placement	Bond	15.000	8 yrs	7.25	18-Mar-19	18-Mar-27	Bullet
Private Placement	Bond	10.000	10 yrs	7.50	17-Apr-19	17-Apr-29	Amortized
Private Placement	Bond	14.855	7 yrs	7.00	17-May-19	17-May-26	Bullet
Private Placement	Bond	10.000	8 yrs	7.25	14-Jun-19	14-Jun-29	Amortized
Private Placement	Bond	12.000	10 yrs	7.50	18-Jul-19	19-Jul-29	Amortized
Private Placement	Bond	9.450	10 yrs	7.50	18-Jul-19	18-Jul-29	Bullet
Private Placement	Bond	5.400	7 yrs	6.15	28-Nov-19	28-11-26	Amortized
RGSM (VCN080524)	Note	17.664	5 yrs	6.25	7-May-19	7-May-24	Amortized
RGSM (VCG070926)	Bond	25.000	7 yrs	7.00	13-Sept-19	13-Sept-26	Amortized
RGSM (VCG071226)	Bond	30.000	7 yrs	6.75	16-Dec-19	16-Dec-26	Amortized
Total		149.369					

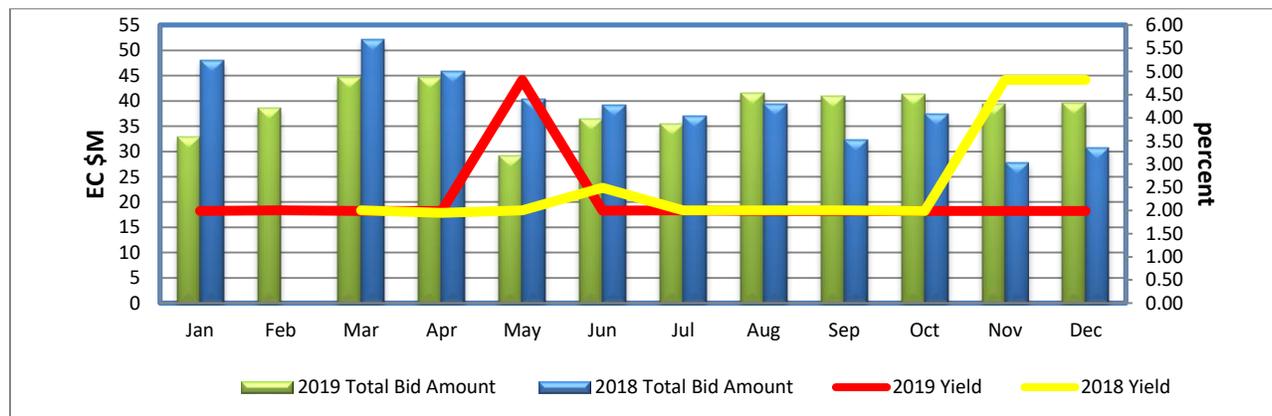
SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.2 Regional Government Securities Market

In 2019 the Government of St. Vincent continued to participate and contribute to the development of the RGSM by issuing \$28.0 million in 91-day treasury bills monthly, all of which were oversubscribed, 11 of which recorded discount rates significantly below the reserve price of 4.82 percent. Appendix 8 shows that there has been an increasing appetite for shorter term investment opportunities, which the government has responded to over this years, by increasing the issue amount of each T. bill offered from \$16.0 million at the inception of the market in 2002 to the present amount of \$28.0 million. The increased demand has also resulted in reductions in average discount rates significantly below the reserve price of 4.82 percent. As at December 2019, St. Vincent and the Grenadines had successfully issued 194 T-Bills on the RGSM.

For the period under review the weighted average discount rate decreased to 2.22 percent (average bid amount of \$38.1 million) compared with 2.53 percent (average bid amount of \$39.1 million) in 2018. The average number of bids per auction increased from 10.9 to 18.9 bids, average oversubscription per auction fell from \$11.1 million to \$10.7 million and the bid to cover ratio decreased slightly from 1.28 to 1.25. During 2018, 11 T-Bills were issued, of these November and December recorded discount rates at the reserve price. During 2019, May’s auction also closed at the reserve price, these accounted for the spikes in the yields. The data also showed that for each of the twelve auctions there were more non-resident investors participating in the auctions and as such they were allotted a larger portion of T-Bills than resident investors.

CHART 3: TREASURY BILLS YIELDS 2019 & 2018



Source: www.ecseonline.com

TABLE 12: OUTSTANDING TREASURY BILLS ON THE RGSM AS AT DECEMBER 31, 2019

Date of Issue	Redemption Date	Issue Amount	Value of Bids	Amount Accepted	No. of Bids		Interest Rate %
					Total	Successful	
		\$M	\$M	\$M			
18-Oct-19	20-Jan-20	28.000	41.300	28.000	19	14	1.998
14-Nov-19	14-Feb-20	28.000	39.400	28.000	20	13	1.999
19-Dec-19	20-Mar-20	28.000	39.155	28.000	17	14	1.999

TABLE 13: OUTSTANDING NOTES ON THE RGSM AS AT DECEMBER 31, 2019

Trading Symbol	Issue Amount	Amount Outstanding	Original Maturity	Remaining Maturity	Issue Date	Maturity Date	Coupon Rate
	\$M	\$M	(years)	(time)	Date	Date	%
VCND30720	35.000	35.000	3	6 mths	3-Jul-17	3-Jul-20	6.00
VCND80524	17.664	15.897	5	4.5 yrs	7-May-19	7-May-24	6.25

TABLE 14: OUTSTANDING BONDS LISTED ON THE RGSM AS AT DECEMBER 31, 2019

Trading Symbol	Issue Amount	Amount Outstanding	Original Maturity	Remaining Maturity	Date of Subscription	Final Redemption	Coupon Rate
	\$M	\$M	(years)	(years)	Date	Date	%
VCG100422	40.0	10.0	10	3	Apr-12	Apr-22	7.50
VCG100323	25.9	9.06	10	4	Mar-13	Mar-23	7.00
VCG070821	16.0	16.0	7	2	Aug-14	Aug-21	7.00
FVG100826	16.3	12.7	10	7	Aug-16	Aug-26	7.00
VCG100826	0.3	0.2	10	7	Aug-16	Aug-26	7.00
VCG070623	11.2	5.6	7	4	Jun-16	Jun-23	7.00
VCG080225	15.0	10.3	8	6	Feb-17	Feb-25	7.50
VCG0705AA	15.0	9.6	8	6	May-17	May-25	7.50
VCG070524	25.0	16.0	7	5	May-17	May-24	7.50
VCG070625	25.0	19.6	7	6	Jun-18	Jun-25	7.00
VCG070725	12.0	10.2	7	6	Jul-18	Jul-25	7.00

VCG0725AA	13.0	11.1	7	6	Jul-18	Jul-25	7.00
VCG081126	15.0	15.0	8	7	Nov-18	Nov-26	7.25
VCG100628	7.5	6.3	10	9	Jun-18	Jun-28	7.00
VCG101128	10.0	9.0	10	9	Nov-18	Nov-28	7.50
VCG070926	25.0	25.0	7	7	Sep-19	Sep-26	7.00
VCG071226	30.0	30.0	7	7	Dec-19	Dec-26	6.75

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.3. Central Government External Debt

As at December 31, 2019 Central Government disbursed outstanding external debt increased by 15.4 percent to \$1.04 billion. Of this amount, loans totaled \$831.5 million representing 80.1 percent with the remaining \$207.0 million or 19.9 percent in securities, of which bonds totaled \$134.6 million and T-Bills \$72.4 million.

TABLE 15: COMPOSITION OF EXTERNAL DEBT BY INSTRUMENTS

EXTERNAL C.G DEBT BY INSTRUMENT TYPE	DOO 2019 \$M	% OF TOTAL	DOO 2018 \$M	% OF TOTAL	Change
Loans	831.5	80.1	719.7	80.0	15.5%
Securities	207.0	19.9	180.2	16.7	14.8%
Bonds	134.6	13.0	106.4	9.8	26.6%
T. Bills	72.4	7.0	73.9	6.8	-2.0%
TOTAL	1038.5	100.0	899.9	100.0	15.4%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.3.1 Economic Sector

The air transport sector accounted for the highest proportion of external debt as at the end of 2019 accounting for 23.3 percent of total Central Government external debt. During this period commercial debt owing to Bank of Nova Scotia (Canada) was retired with no new loans contracted. The budget support category increased its share of outstanding debt by 59.0 percent due disbursements of \$81.0 million from IDA targeted at fiscal reform and resilience and to redeem high cost domestic debt in keeping with the 2019-2021 Medium Term Debt Management Strategy.

TABLE 16: COMPOSITION OF CENTRAL GOVERNMENT EXTERNAL DEBT BY ECONOMIC SECTOR

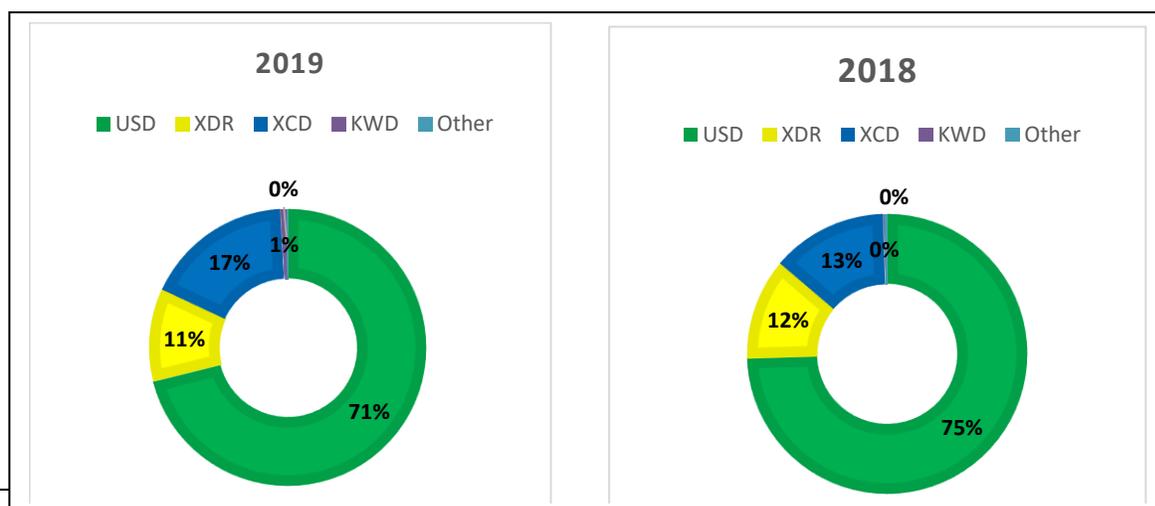
	2019	% of Total	2018	% of Total	Change
Agriculture	2.9	0.3	2.6	0.3	13.2%
Air Transport	242.1	23.3	256.7	28.5	-5.7%
Balance of Payment	8.0	0.8	14.6	1.6	-45.2%
Budget Support	199.4	19.2	125.4	13.9	59.0%
Defence	12.0	1.2	13.9	1.5	-13.9%
Education & Training	80.5	7.8	69.9	7.8	15.2%
Energy (Electricity)	12.9	1.2	14.4	1.6	-10.7%
Finance, Insurance, Etc.	73.2	7.0	79.9	8.9	-8.4%
Health & Social Welfare	11.6	1.1	13.6	1.5	-14.1%
Multisector	222.4	21.4	178.3	19.8	24.8%
Roads and Bridges	98.7	9.5	85.9	9.5	15.0%
Telecommunication	20.9	2.0	16.5	1.8	26.3%
Other	53.9	5.2	28.3	3.1	90.6%
TOTAL	1,038.5	100.0	899.9	100.0	15.4%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.3.2 Currency Composition

The United States (USD) currency continued to hold the higher share of the external debt at 71.0 percent in 2019. Special Drawing Rights (XDR) and local Eastern Caribbean Currency (XCD) represented 17.0 and 11.0 percent respectively. Each of these currencies increased their nominal share of the total external debt. The category ‘other’⁸ accounted for the remaining 1.0 percent of the debt. This category saw a decline in its nominal share of total debt.

CHART 4: CENTRAL EXTERNAL GOVERNMENT DEBT BY CURRENCY COMPOSITION



⁸ Other is comprised of Trinidad and Tobago Dollars and the Euro

6.4 Central Government Domestic Debt

Central government debt constitutes 94.3 percent of total domestic debt. As at December 31, 2019 total domestic central government debt decreased by 7.9 percent moving from \$504.8 million to \$465.0 million. A total of \$65.2 million in bullet bonds matured and was repaid during 2019, of which 82.2 percent was held by domestic investors. Of the total \$149.4 million issued in new bonds and notes, 64.5 percent was classified as domestic debt based on residency criterion. Disbursements on new contracted short-term domestic loans totaled \$37.5 million. The reduction in account payables by 57.2 percent contributed significantly to the reduction in central government's total debt.

TABLE 17: DOMESTIC DEBT RAISING ACTIVITY FOR 2019

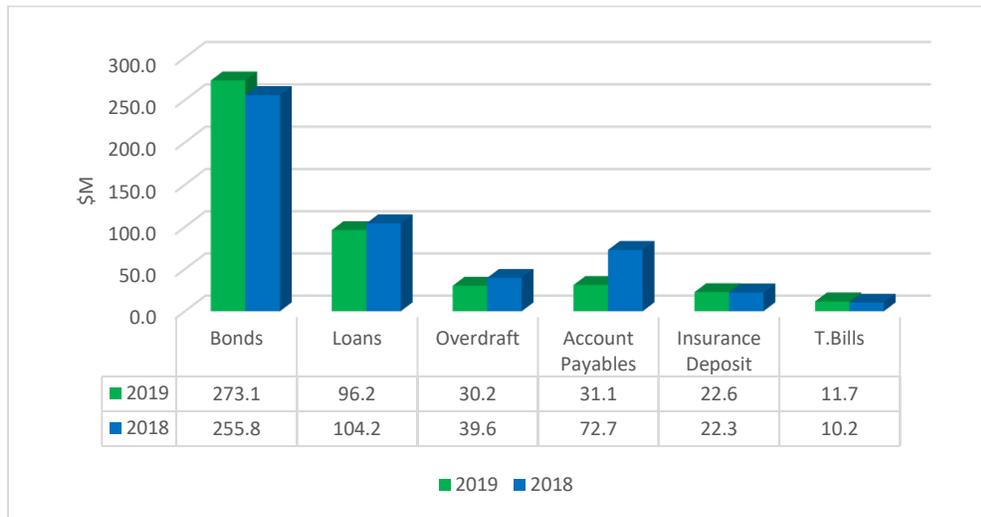
Loans					
Creditor	Loan Amount (EC \$M)	Tenor	Rate (%)	Issue Date	Maturity Date
BOSVG	12.5	4 mths	8.0	22-Mar-19	7-Aug-19
ECCB	25.0	1 yr	6.5	1-Nov-19	28-Oct-20
Total	37.5				

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.4.1 Domestic Debt Instrument Type

As at December 31, 2019 a total of thirty-six (36) securities (including treasury bills) with a value of \$284.7 million remained outstanding compared to twenty-nine (29) securities with a value of \$265.4 million in the corresponding period in 2018. The number of loans contracted by central government remained the same over the comparative period.

CHART 5: DOMESTIC DEBT BY INSTRUMENT



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.4.2. Domestic Debt by Creditor

The analysis of the data showed generally a consistency in the dispersion of total central government domestic debt by creditors as observed under the rubric of total domestic debt.

TABLE 18: DOMESTIC CENTRAL GOVERNMENT DEBT OUTSTANDING BY CREDITOR

DOMESTIC CREDITOR	DEBT BY DOD 2019	% of Total	DOD 2018	% of Total	Change
Securities Holders	284.8	61.3%	266.0	52.7%	7.1%
ECCB	25.0	5.4%	22.5	4.5%	11.1%
Bank of St. Vincent and the Grenadines	88.9	19.1%	107.4	21.3%	-17.3%
Other Financial Institutions	0.0	0.0%	0.0	0.0%	0.0%
Insurance Companies	22.6	4.9%	22.3	4.4%	1.3%
National Insurance Services	12.6	2.7%	13.9	2.8%	-9.6%
Account Payables	31.1	6.7%	72.7	14.4%	-57.2%
	465.0	100.0%	504.8	100.0%	-7.9%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.5. Central Government Debt Service

6.5.1 External

Total external debt service for 2019 varied from the budgeted amount by 1.7 percent and increased by 9.0 percent over 2018. The increase was driven by higher interest and amortization payments. The most significant increases in debt servicing was on external bonds, which registered increases in principal repayment of 10.6 percent and 43.0 percent on interest repayment over 2018.

TABLE 19: EXTERNAL DEBT SERVICING

EXTERNAL DEBT SERVICE	Budgeted	2019	2018	Change	Variance
	\$M			%	
Interest	31.0	29.2	24.0	21.9	5.85
Amortization	77.1	77.1	73.6	4.7	-0.01
TOTAL	108.1	106.3	97.6	9.0	1.67

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.5.2 Domestic Debt Servicing

Total domestic debt service for 2019 varied from the budgeted amount by 12.9 percent and increased by 10.3 percent over 2018. Increases were recorded in both interest and amortization payments. Similar to the narrative under external bonds, the most significant driver of domestic debt servicing was the payment of bonds and notes occasioned by higher amortization and interest repayments, which increased by 37.5 and 12.4 percent respectively. Sinking Fund contributions⁹ increased by 45.7 percent in 2019 over 2018, see table 20. During the year a total of \$65.2 million in bullet bonds matured and was repaid. These maturing instruments were medium to long-term in nature.

⁹ Sinking fund provisions are no longer added to total debt servicing as it is not a cost incurred but monies set aside to meet future bond obligations

TABLE 20: DOMESTIC DEBT SERVICING

DOMESTIC DEBT SERVICE	Budgeted	2019	2018	% Change	% Variance
Interest	35.6	24.7	23.3	6.0	30.5
Amortization	60.3	58.8	52.4	12.3	2.6
TOTAL	95.9	83.5	75.7	10.3	12.9
Sinking Fund	51.9	32.4	22.2	45.7	37.7

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.0 PUBLIC CORPORATION DEBT

At as December 31, 2019, total public corporations' debt stood at \$168.3 million, a decrease of 33.3 percent when compared with \$252.2 million at the end of 2018. Of the total public corporations' debt, the domestic component amounted to \$28.2 million, representing 16.8 percent compared with \$71.6 million in 2018, a decrease of 60.6 percent. The external component amounted to \$140.1 million or 83.2 percent. The level of government guaranteed public corporations' debt remains within the limit specified in the Government Guarantee of Loans Act Cap 255.¹⁰

7.1 Public Corporation Debt by Borrower and Creditor Categories

The NIS is the largest creditor for the domestic public corporations, accounting for 89.7 percent of the total domestic public corporations' debt and 15.0 percent of the total public corporation debt. As mentioned prior in the document, the NPL loan, that accounted for 59.8 percent of total domestic public corporations' debt in 2018, was settled by Central Government, and resulted in a significant reduction in domestic public debt outstanding by 60.8 percent.

Similarly, external debt owed by LIAT was taken over by central government via Cabinet Decision, granting the approval for the GOSVG to service the LIAT's CDB loan obligation on an ongoing basis. Furthermore, a similar Cabinet Decision, likewise granted approval for the GOSVG

¹⁰ The current limit specified for all guarantees issued by Government is ECD 300.0 million.

to take over the debt servicing of UWI's CDB loan obligation as part of a financing plan to settle outstanding contribution arrears to the institution.

The largest external creditor remained Petro Caribe, representing 78.2 percent of the external public corporations debt and 65.2 percent of the total public corporation debt in 2019.

TABLE 21: PUBLIC CORPORATIONS DEBT BY BORROWER AND CREDITOR

PUBLIC CORPORATION	2019	2018	% Change
<u>DOMESTIC</u>			
BOSVG			
CWSA	-	0.1	-100.0%
Agriculture Input Warehouse	0.1	0.3	-46.9%
Arrowroot Industry Association	-	0.0	-100.0%
Kingstown Town Board	0.2	0.2	14.0%
Financial Services Authority	0.1	0.0	188.6%
Int'l Airport Development Co.	0.2	0.2	13.9%
SVG Port Authority	-	0.0	-100.0%
SVG Postal Corporation	1.0	0.9	10.4%
Total	1.7	1.8	-5.7%
NIS			
National Lotteries	4.4	5.0	-11.7%
National Student Loan Company	21.0	21.0	0.0%
National Properties	-	42.8	-100.0%
Total	25.3	68.7	-63.1%
St. Vincent Corporative Bank			
Housing and Land Development Corp.	1.1	1.2	10.4%
Total	1.1	1.2	10.4%
TOTAL DOMESTIC	<u>28.1</u>	<u>71.7</u>	-60.8%

EXTERNAL			
CDB			
BOSVG	18.7	21.1	-11.5%
LIAT	-	15.2	-100.0%
LWI	-	12.2	-100.0%
VINLEC	3.9	8.5	-53.7%
Total	22.6	56.9	-60.4%
AFD			
CWSA	0.2	0.8	-78.6%
Total	0.2	0.8	-78.6%
Alba			
VINLEC	4.5	8.5	-47.5%
Total	4.5	8.5	-47.5%
EIB			
VINLEC	3.3	5.4	-38.5%
Total	3.3	5.4	-38.5%
Petro Caribe			
PDVSA	109.6	108.9	0.6%
Total	109.6	108.9	0.6%
TOTAL EXTERNAL	<u>140.1</u>	<u>180.5</u>	-22.4%
TOTAL PUBLIC CORP DEBT	<u>168.2</u>	<u>252.2</u>	-33.3%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.2 Instrument Type

Debt instruments for public corporation consisted of loans held with various banking institutions and the NIS as well as overdraft facilities with the BOSVG as shown in table 22 below.

TABLE 22: PUBLIC CORPORATION'S DEBT BY INSTRUMENT TYPE AND CREDITOR

	2019 \$M	2018 \$M	% Change
DOMESTIC			
<i>Loans</i>	26.6	70.4	-62.2%
BOSVG	0.1	0.4	-66.4%
NIS	25.3	68.7	-63.1%
<i>Overdraft</i>	1.5	1.3	14.0%
BOSVG	1.5	1.3	14.0%
Total Domestic	28.1	71.7	-60.8%
EXTERNAL			
<i>Loans</i>			
AFD	0.2	0.8	-78.6%
CDB	22.6	56.9	-60.4%
EIB	3.3	5.4	-38.5%
ALBA	4.5	8.5	-47.5%
Petro Caribe	109.6	108.9	0.6%
Total External	140.1	180.5	-22.4%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.3 Debt Service

During the year all Public Corporations/Government Guaranteed Institutions with the exception of NPL, UWI and LIAT met their debt servicing obligations as scheduled. These debt obligations have been settled by the Government, in the case of the NPL Loan or is being serviced by Central Government, in the case of UWI or in the case of LIAT is being serviced by the Government until further notice.

APPENDICES

Appendix I: Selected Public Debt Indicators 2009-2019

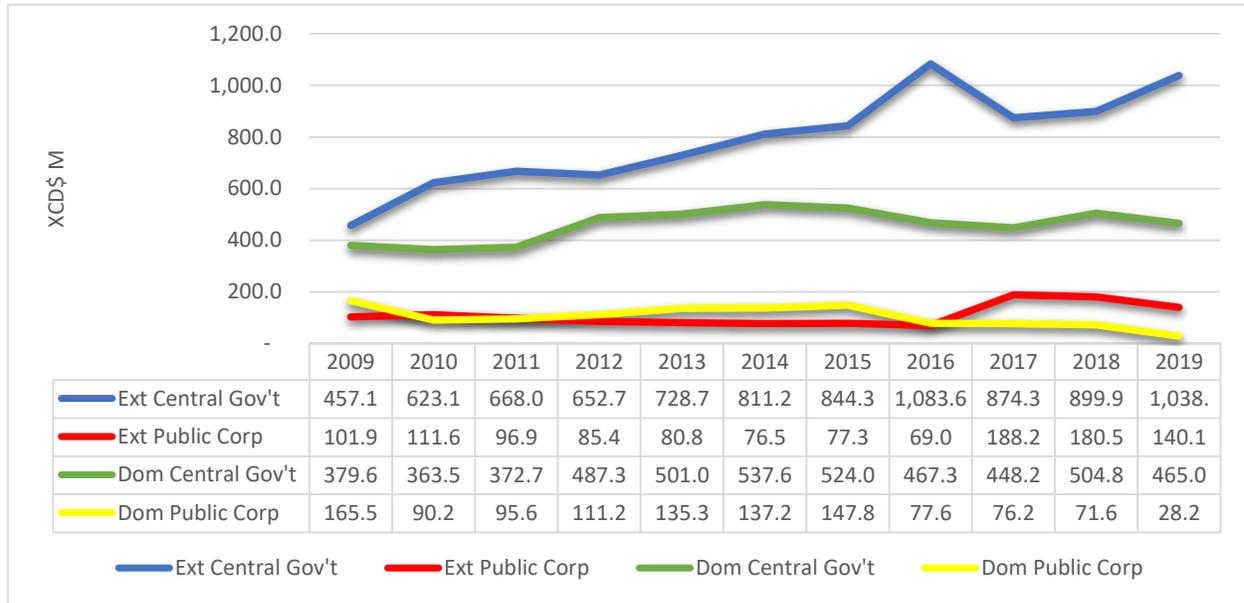
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	(\$m)										
Total Public Debt	1,104.1	1,188.5	1,233.2	1,336.6	1,445.8	1,562.5	1,594.4	1,746.5	1,572.0	1,657.0	1,673.97
Total Central Gov't	836.7	986.6	1,040.7	1,140.0	1,229.7	1,348.8	1,379.8	1,429.3	1,322.2	1,404.8	1,505.66
External Debt	559.0	734.8	764.9	738.1	809.5	887.7	922.5	1,201.8	1,003.6	1,080.4	1,180.77
Central Government	457.1	623.1	668.0	652.7	728.7	811.2	855.7	962.0	830.1	899.90	1,040.70
Public Corporations	101.9	111.6	96.9	85.4	80.8	76.5	66.8	239.7	173.5	180.55	140.07
Domestic Debt	545.1	453.7	468.3	598.5	636.3	674.8	671.8	544.7	568.41	576.51	493.20
Central Government	379.6	363.5	372.7	487.3	501.0	537.6	524.0	467.3	492.12	504.85	464.96
Public Corporations	165.5	90.2	95.6	111.2	135.3	137.2	147.8	77.4	76.30	71.66	28.24
Private Guaranteed External Debt			15.2	16.6	19.5	24.5	25.2	26.7			
Debt Service											
External	79.8	84.4	87.2	87.7	88.3	77.5	83.6	81.7	101.6	97.6	106.28
Central Government	70.7	71.7	74.6	72.7	72.7	60.8	62.9	65.1	83.3	76.83	90.80
Public Corporations	9.1	12.7	12.6	15.0	15.6	16.7	20.8	16.6	18.3	20.8	15.48
Domestic Debt Service											
Central Government	52.8	64.8	47.2	48.7	58.1	72.0	72.8	83.3	82.7	97.9	115.90
(of which sinking fund)	6.0	12.0	6.0	4.0	5.5	7.6	7.6	12.1	14.0	22.0	32.37
GDP (at market price)	1,822.1	1,839.3	1,825.5	1,871.0	1,947.3	1,963.5	2,038.9	2,082.7	2,123.7	2,189.0	2,273.40
Current Revenue	544.8	490.0	462.5	472.6	491.3	535.2	519.1	592.6	592.2	594.1	600.53
Central Gov't Debt/GDP	45.92	53.64	57.01	60.93	63.15	68.69	67.67	68.63	62.26	64.17	66.23
Total Debt/GDP (%)	60.6	64.6	67.6	71.4	74.2	79.6	78.2	83.9	74.0	75.7	73.63
External Debt/GDP (%)	30.7	39.9	41.9	39.4	41.6	45.2	45.2	57.7	47.3	49.4	51.94
Domestic Debt/GDP (%)	29.9	24.7	25.7	32.0	32.7	34.4	32.9	26.2	26.8	26.3	21.69
Central Gov't Debt Service, exclu Sinking Fund /Current Revenue (%)	21.6	25.4	25.0	24.8	25.5	23.4	24.7	23.0	25.7	25.7	29.03
External Debt Service, Central Gov't, excl SF/ Current Revenue (%)	13.0	14.6	16.1	15.4	14.8	11.4	12.1	11.0	14.1	12.9	15.12
Domestic Debt Service, Central Gov't, excl SF/ Current Revenue (%)	8.6	10.8	8.9	9.5	10.7	12.0	12.6	12.0	11.6	12.8	13.91
Guarantee Debt % of GDP	0.15	0.11	0.11	0.11	0.12	0.12	0.12	0.17	0.12	0.12	0.07

Source: Ministry of Finance

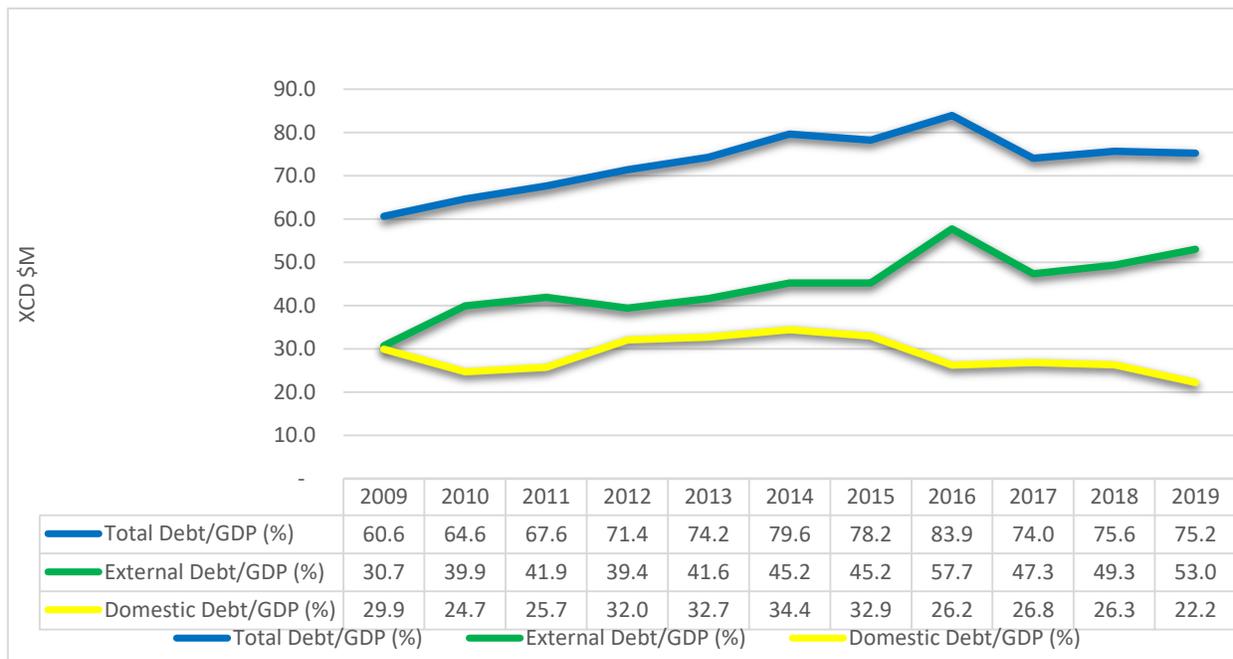
Appendix II: Disbursements on External Loans by Creditor and Project 2019

CREDITORS	Disbursed Amounts
	EC(\$)
Caribbean Development Bank	
NDM Disaster Risk Reduction and Climate Change Adaptation	\$783,880
TECHVOC Education and Training Development	\$15,061,921
UWI Open Campus	\$10,616,006
NDM - Hurricane Tomas/ North Wd. Highway	\$1,867,367
NDM- Rehabilitation and Reconstruction	\$4,946,458
South Leeward Highway Rehab and Upgrade Project	\$5,851,034
UWI Open Campus Development	\$10,616,006
Energy Efficiency Measures and Solar Photovoltaic Plant	50,372
Subtotal for Caribbean Development Bank	\$49,793,044
World Bank (IDA & IBRD)	
OECS Regional Tourism Competitive Project	\$73,710
OECS Regional Agriculture Competitiveness Project	785,430
Regional Disaster Vulnerability Project	\$20,859,156
OECS Human Development Delivery Service	\$1,521,882
Caribbean Regional Communication infrastructure Program	\$4,876,342
Fiscal Reform and Resilience Development Policy Credit	\$81,000,000
Subtotal for World Bank	\$109,116,520
OPEC Fund for International Development	
Agriculture and Feeder Road	\$1,525,712
Subtotal for OPEC Fund for International Development	\$1,525,712
Kuwait Fund for Arab Development	
Feeder and Agriculture Road	\$5,617,341
Subtotal for Kuwait Fund for Arab Development	\$5,617,341
Grand Total	\$166,052,617

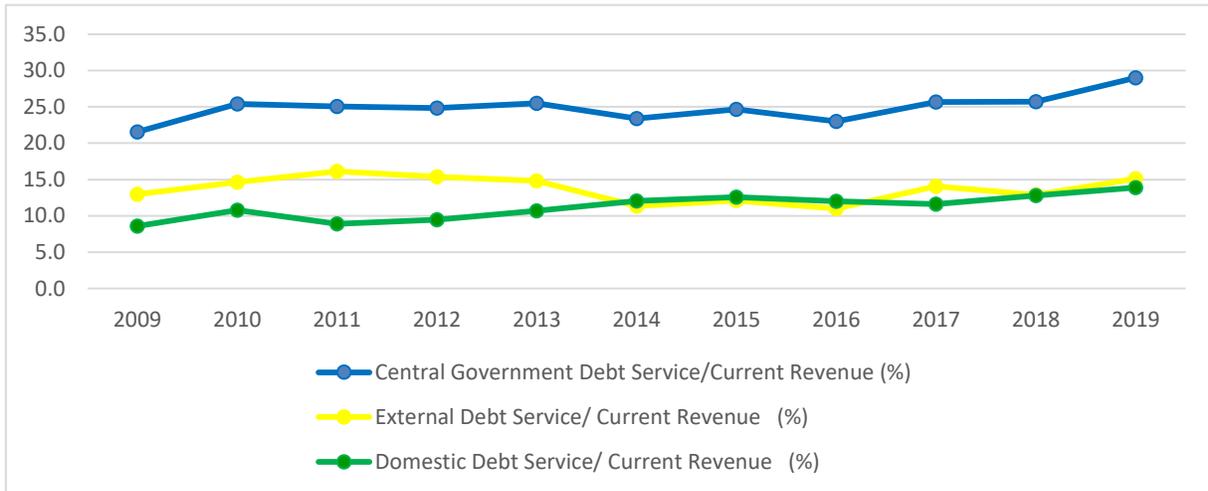
Appendix III: Composition of Total Public Debt 2009-2019



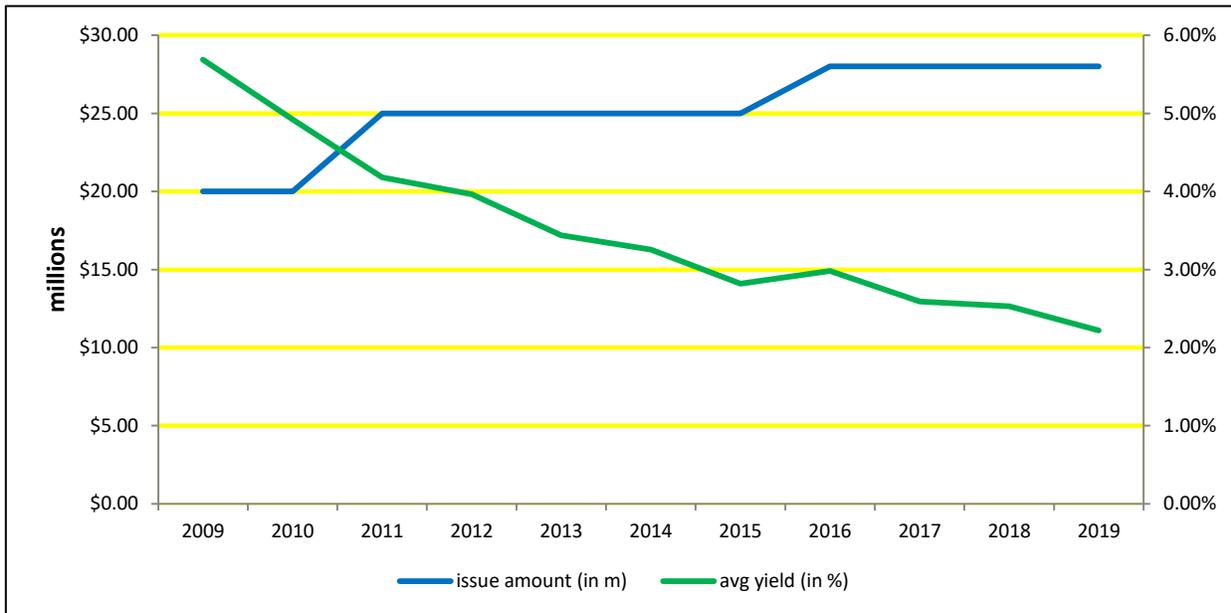
Appendix IV: Debt to GDP 2009 - 2019



Appendix V: Debt Service to Revenue 2009 – 2019



Appendix VI: Treasury Bills Average Rates 2009-2019



Appendix VII: LEGAL FRAMEWORK

Finance Administration Act (FAA) Cap 252.	The primary legislation which governs and explicitly authorizes the Government to borrow. The Act stipulates that no money shall be raised on the credit of the Government except under its authority or another Act of Parliament or a resolution of the House of Assembly ¹¹ . The Minister of Finance when authorized by resolution of the House of Assembly may borrow money in a financial year “To meet current requirements from a bank or other financial institution by means of advances to an amount not exceeding the aggregate the sum specified in the resolution.” The current limit ¹² on the advance is \$35.0m.
The Treasury Bills Act Cap 444	Governs the issuance of the T-bill. The Act authorizes the Minister of Finance to borrow money by the issue of Treasury Bills by the Accountant General or by a financial institution outside St. Vincent and the Grenadines. Section 3 (4) of the Treasury Bills Act provides that the principal sum of T-bills outstanding at any one time, shall not exceed 15.0 percent of the estimated annual revenue of St. Vincent and the Grenadines for the current financial year.
The Public Sector Investment Loan Act No.1 and No. 23 of 2019	Authorized the Government to borrow a total of \$150.0 million to finance the 2019 Public Sector Investment Programme.
The Caribbean Development Bank Loans Act Cap 89	Covers all loans from the CDB
The International Financial Organizations Act Cap 100	Authorizes the Minister of Finance to sign agreements with the World Bank and the International Monetary Fund
The Government Guarantee of Loans Act Cap 255	Gives Government the authority to guarantee loans by lending agencies to corporations. The current limit specified for all guarantees issued by Government is EC \$300.0 million.

¹¹ Sec 44, Finance Administration Act Cap 252

¹² Resolution of Parliament 29th January, 2016