

Government of St. Vincent and the Grenadines



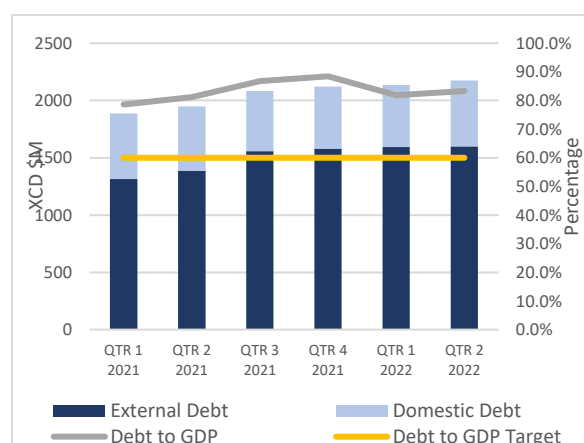
2nd Quarter Debt Bulletin June 30, 2022

1.0 Total Public Debt

Preliminary total public debt as at June 30, 2022 stood at \$2.150 billion or 82.4 percent of GDP¹. This represented a 9.0 percent increase over June 2021 and a 0.5 percent over Qtr 1 (as at March 31, 2022).

Central Government debt stock increased by 0.5 percent to \$2.013 billion, whereas total public corporation debt remained unchanged at \$136.2 million.

Chart 1: Total Debt to GDP

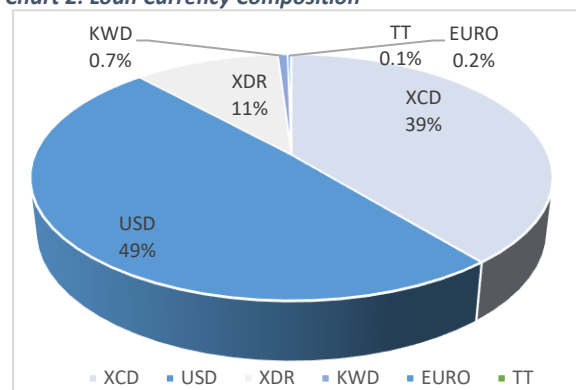


Source: DMU, Ministry of Finance

1.1 Currency Composition

The major currencies in the portfolio are the USD (49.6 percent) and the XCD (38.8 percent). However, 11.6 percent of the portfolio is susceptible to changes in exchange rates² due mainly to XDR's denominated debt which accounted for 10.6 percent.

Chart 2: Loan Currency Composition

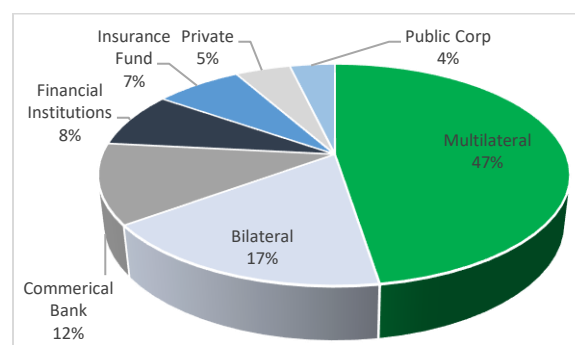


Source: DMU, Ministry of Finance

1.2 Creditor Category

Concessional debt financing represents the majority of the portfolio with 47.2 percent of the outstanding debt is due to multilateral creditors. Other major creditor categories are bilateral (17.3 percent) and commercial banks (11.6 percent). The major creditors are the International Development Association, World Bank (26.0 percent), Caribbean Development Bank (16.0 percent), ALBA Bank (6.0 percent) and BOSVG (6.0 percent).

Chart 3: Total Debt by Creditor Category



Source: DMU, Ministry of Finance

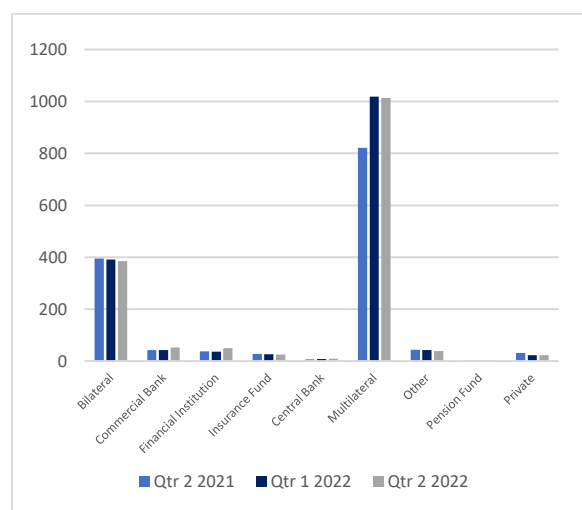
¹ 2022 Medium term Economic and Fiscal outlook GDP is \$2610.42 million

² The other currencies in the portfolio are the XDR, KWD, EURO, and the Trinidad and Tobago Dollar (TT)

2.0 External Debt

Total external debt stood at \$1.598 billion (61.2 percent of GDP); an increase of 0.5 percent when compared with Qtr 1, as at March 31, 2022 and 13.6 percent when compared to same period last year. Financial institutions, commercial banks, ECCB³ are the only creditor categories that recorded higher indebtedness due by the government which stemmed from the purchased of government securities issued during the quarter. Multilateral creditors remained the largest creditor category within the external debt portfolio accounting for 63.5 percent.

Chart 4: External debt by Creditor Category



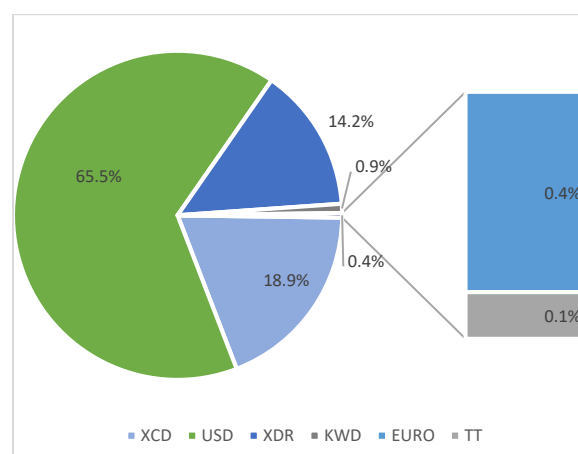
Source: DMU, Ministry of Finance

2.0.1 Currency Composition

The United States dollar (USD) is the dominant currency in the portfolio with 65.5 percent of all external debt denominated in this currency (recorded a marginal decrease of 0.3 percent over

Qtr1). With the exception of the Euro, which increased due to disbursement related to the VEEP⁴ and the School Improvement projects financed by CDB. There was also a marginal increase in the share of XCD due to government securities issuances in Qtr2. All other currencies share in the portfolio declined.

Chart 5: External Debt by Currency



Source: DMU, Ministry of Finance

3.0 Domestic Debt

Total domestic debt stood at \$551.6 million (21.1 percent of GDP) a decline of 0.9 percent over Qtr1. Treasury bills issued and held by domestic investors and the overdraft facility at Bank of St. Vincent were the only two instruments whose stock position increased over the previous Qtr. Principal repayments were mainly responsible for the reduction in domestic debt stock.

³ Includes ECCB purchasing securities on behalf of other government investing their sinking funds for a return

⁴ Volcanic Eruption Emergency Project from the Inter-American Development Bank, World Bank

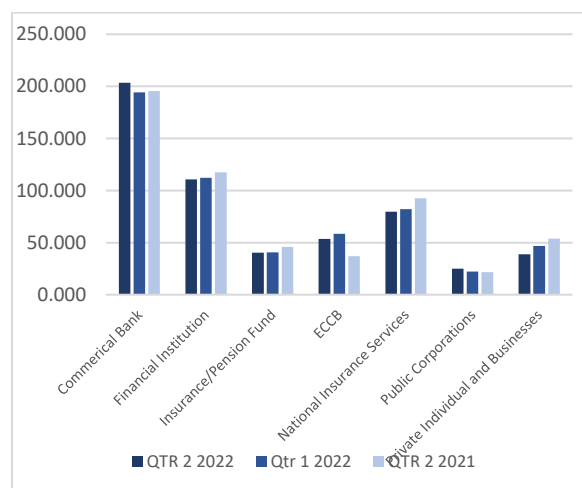
3.0.1 Currency Composition

All domestic debt is denominated in Eastern Caribbean dollars and contracted at fixed interest rates.

3.0.2 Creditor Category

Commercial banks comprised the largest creditor category (36.9 percent); followed by financial institutions (20.1 percent); NIS (14.4 percent), ECCB (9.7 percent); private individuals and businesses (7.0 percent); Life insurance companies (7.3 percent) and public corporations (4.6 percent).

Chart 6: Domestic Debt by Creditor



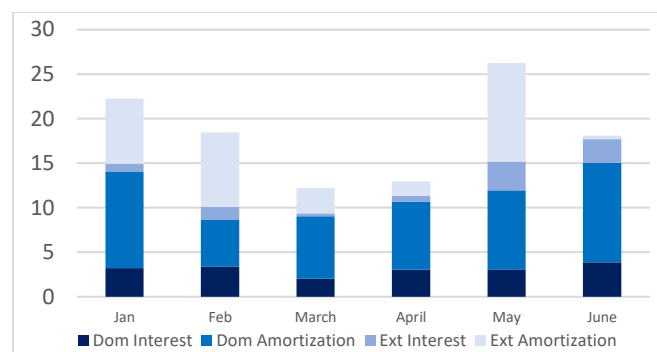
Source: DMU, Ministry of Finance

4.0 Total Debt Service

Central Government debt service amounted to \$57.3 million, which represented 33.5 percent of current revenue and 32.8 percent of current expenditure. External and domestic debt service represented \$19.6 million and \$37.7 million of the total debt service respectively. Interest payments amounted to \$16.5 million,

amortization was \$40.8 million. Sinking Fund contributions of 6.0 million was made during the Qtr.

Chart 7: Debt Service by Month, 2022

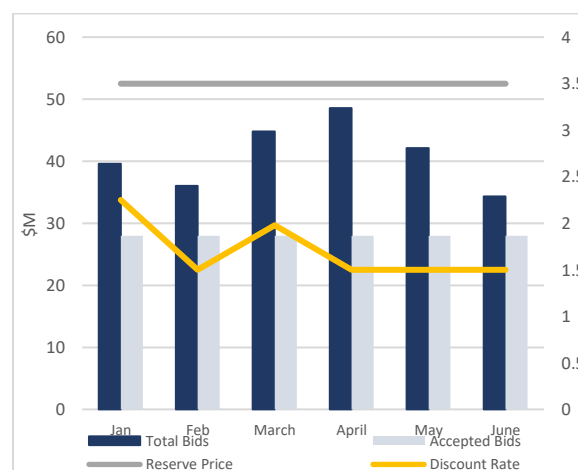


Source: DMU, Ministry of Finance

5.0 Treasury Bill Performance for the Quarter

An amount of \$84.0 million (\$28 m re-issuance monthly) was issued during the quarter. The average discount (interest rate) achieved was 1.5 percent (versus the ceiling benchmark of 3.5 percent) with an average bid to cover ratio of 1 to 1.49

Chart 8: Treasury Bill Performance by Month



Source: DMU, Ministry of Finance

6.0 Loans and Securities Disbursed

A total of \$17.7 million was disbursed in loans during the 2nd quarter.

- \$0.34 million from CDB;
- \$3.4 million from CDF;
- \$2.9 million from IADB;
- \$10.8 million from IDA;
- \$0.33 million from OPEC Fund for International Development.

Bonds and notes issued during the period was \$21.465 million with tenor:

- Ranging from 4 to 7 years and coupon interest rate of 4.5 to 6.75 percent.

7.0 State-Owned Enterprises/Guaranteed Debt

All Government state-owned enterprises debt is guaranteed. The total amount of explicit contingent liability in the form of state-owned guaranteed debt at the end of the Qtr was \$136.2 million.

Chart 9: Government Guarantee outstanding by SOE

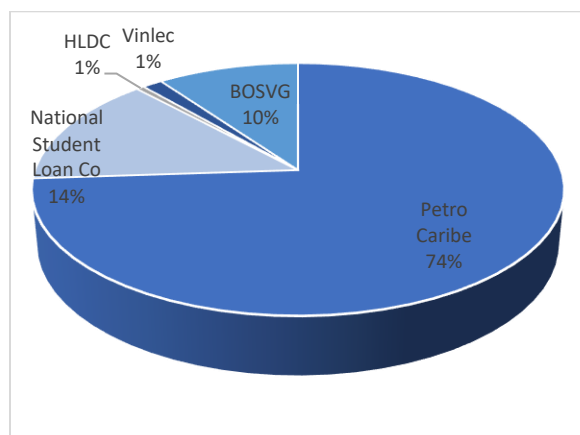
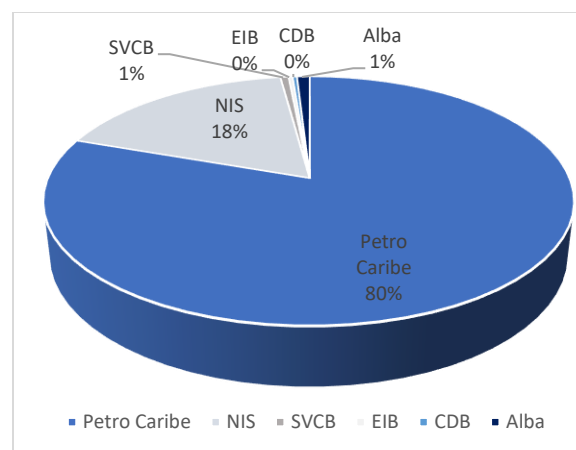


Chart 10: Government Guarantee by Creditor



8.0 Cost and Risk Indicators

8.0.1 Refinancing Risk

Refinancing risk is medium on the domestic portfolio with an average time to maturity of 4.0 years. Refinancing risk for the total portfolio remained unchanged at 10.4 years but with 16.7 percent of the debt due to mature in one year versus 17.3 percent in Qtr 1.

8.0.2 Interest Rate Risk

The ATR of the domestic portfolio is considerably lower at 1.9 years when compared to the external portfolio at 10.7 years. The interest rate risk is therefore high on the domestic portfolio for instruments that would become due for re-fixing within one year, of which 49.6 percent of the domestic debt is due to be re-fixed versus 32.7 percent of the total external debt. However, 81.3 percent of the portfolio is contracted at a fixed interest rate which makes the risk to changes in floating rates low.

8.0.3 Foreign Currency Risk

Foreign currency risk is low as reflected in the fact that 88.4 percent of the portfolio's debt is denominated in local currency (XCD) or USD.

Preliminary Total Debt Risk Indicators				
		Ext debt	Dom debt	Total debt
Total debt in XCD (\$M)		1,598.5	551.5	2,150.1
Total debt in USD (\$M)		592.0	204.3	796.3
Nominal debt as % GDP		61.2%	21.1%	82.4%
Refinancing risk	ATM (years)	12.2	4.0	10.4
	Debt maturin g in 1yr (% of total)	10.0	38.2	16.7
	Debt maturin g in 1yr (% of GDP)	5.7	9.8	13.8
Interest rate risk	ATR (years)	10.7	1.9	8.8
	Debt re-fixing in 1yr (% of total)	32.7	49.6	36.4
	Fixed rate debt (% of total)	74.9	100.0	81.3
FX risk	Non XCD or USD debt (% of total debt)			11.6

DEBT STATISTICS: QUARTER 2					
	30-Jun-22	31-Mar-22	30-Jun-21	June 22/ Mar 22	June 22/ Jun 21
Central Govt	2013.87	2003.71	1834.02	0.51%	9.8%
Public Corp	136.18	136.18	137.67	0.00%	-1.1%
Total Public Debt	2150.05	2139.89	1971.69	0.47%	9.0%
	30-Jun-22	31-Mar-22	30-Jun-21		
Total Public Debt	2150.05	2139.89	1971.69	0.47%	9.0%
External Debt	1598.51	1583.078	1407.64	0.97%	13.6%
Domestic Debt	551.55	556.815	564.05	-0.95%	-2.2%
Total Debt by Instrument	2150.05	2139.89	1971.69	0.47%	9.0%
Loans	1554.24	1523.449	1370.14	2.02%	13.4%
Securities	478.57	496.585	480.97	-3.63%	-0.5%
Overdraft	60.64	55.073	54.52	10.10%	11.2%
Accounts Payables	34.69	42.866	44.14	19.07%	-21.4%
Insurance				-	
Deposits	21.92	21.92	21.92	0.00%	0.0%
Total debt by Currency	2150.05	2139.89	1971.69	0.47%	9.0%
XCD	854.09	839.00	848.94	1.80%	0.6%
USD	1047.38	1049.99	885.26	-0.25%	18.3%
XDR	227.11	229.23	220.56	-0.92%	3.0%
KWD	14.32	15.54	12.75	-7.83%	12.3%
EURO	5.81	4.80	2.82	20.99%	106.0%
TT	1.35	1.35	1.35	0.00%	0.0%
Total Debt by Interest rate Type	2150.05	2139.89	1971.69	0.47%	9.0%
Floating	371.94	378.92	354.18	-1.84%	5.0%
Fixed	1778.12	1765.39	1617.50	0.72%	9.9%