

# ***Government of St. Vincent and the Grenadines***



## ***1<sup>st</sup> Quarter Debt Bulletin March 31, 2025***

## 1.0 Introduction

The purpose of this Bulletin is to provide timely and transparent information to the general public and other key stakeholders as to the performance of the Government's public debt management operations for the 1<sup>st</sup> Quarter ended March 31, 2025.

The Bulletin gives an overview of the country's total public debt position as at March 31, 2025 with comparative analysis to previous quarter. It further analyzes information on the central government debt stock: - by residency, creditor type, currency, instruments, interest rates and remaining maturity; as well as debt flows and risk indicators. Debt activities undertaken during the period are also stated.

The Government of St. Vincent and the Grenadines has maintained its B3 rating on its Credit Analysis Report for 2024 issued by Moody's Investor Services.

The Government undertakes its debt management operations to achieve the following objective:

*"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 both the interest rate and exchange rate risk and promote the development of an efficient functioning money and capital market in the Eastern Caribbean Currency Union".*

## 2.0 Total Public Debt

Preliminary data indicates that total public debt as at March 31, 2025 stood at \$3.271 billion, comprised of \$3.204 billion in Central Government debt and \$67.3 million in Public Corporation debt.

Total external debt stood at \$2.343 billion and total domestic debt of \$927.6 million. The total disbursed public debt increased by 4.6 percent over year end (2024) and by 19.9 percent over the corresponding quarter 1 figure in 2024. The debt stock continues to be driven primarily by the growth in the external central government component occasioned by significant disbursements on new and existing loans.

In terms of the risk profile of the debt portfolio. It is characterized by an average time to maturity (ATM) of 8.2 years and an average time to re-fixing (ATR) of 7.0 years. These indicators are within the benchmarks set for the portfolio of achieving an ATM and ATR, greater than 7 years respectively. The portfolio recorded an average interest rate of 2.8 percent, which is slightly higher than the benchmark of around 2.5 percent. Within the overall debt stock, short-term instruments account for a share of 12.2 percent

with the remaining 87.8 percent being long-term instruments.

Chart 1: Total debt by residency

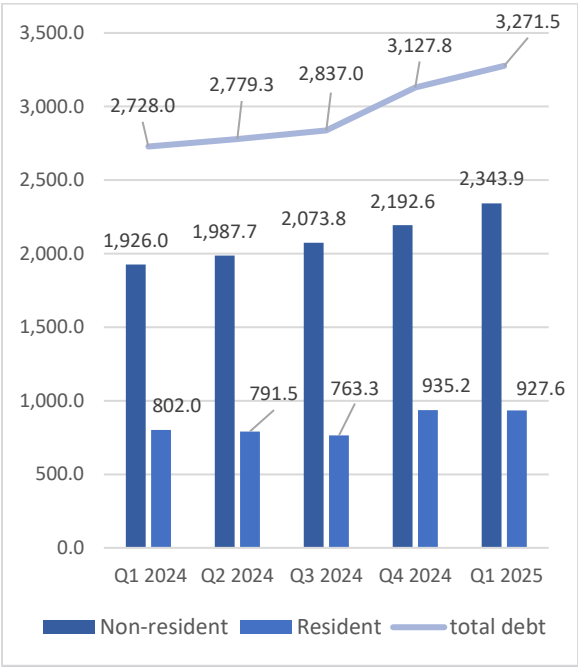


Chart 2: Comparative share of debt by residency

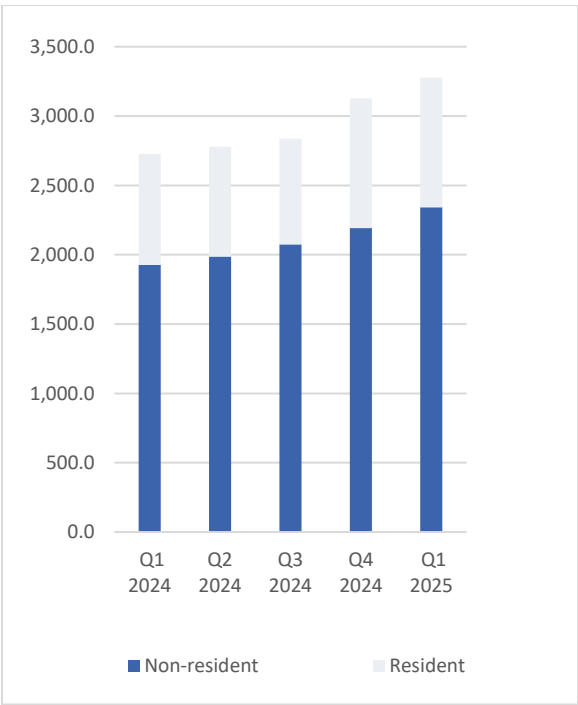
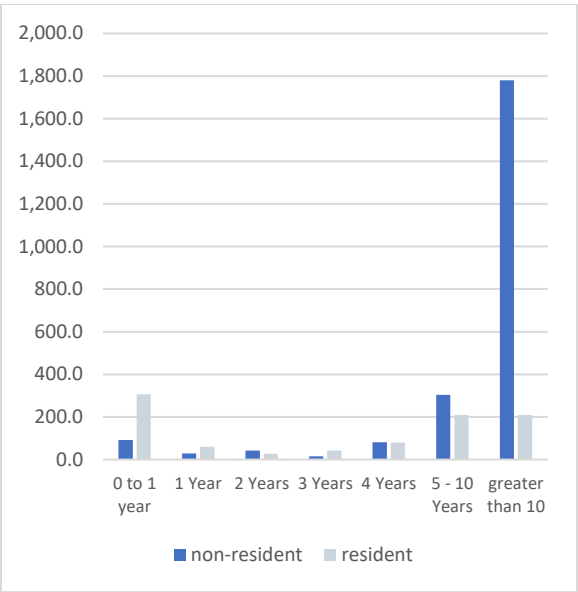


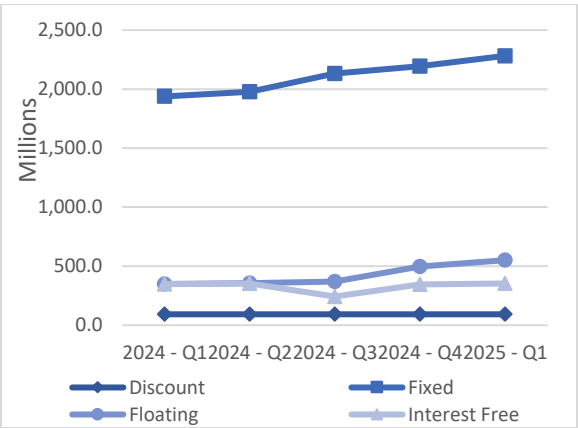
Chart 3: Total Debt by Remaining Maturity



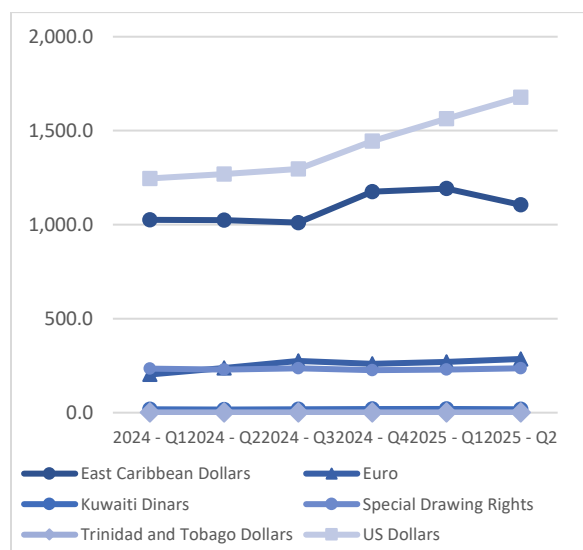
As depicted in chart 2 above, 60.7 percent of total debt is due to mature in over 10 years, 15.6 percent in 5 to 10 years with 23.7 percent of the debt being due in less than 5 years.

Short-term domestic debt continues to comprise the largest share of debt due to mature. Domestic debt due to mature in less than one year represented 77.0 percent of the total debt due in 0-1 year.

Chart 4: Total Debt by Interest rate type



**Chart 5: TOTAL DEBT BY CURRENCY**



The portfolio interest rate type consists of discounted instruments in the form of treasury bills, as well as fixed; floating and interest free (accounts payables) instruments. Within the debt portfolio, a share of 69.6 percent is made up of fixed rate debt versus 16.8 percent comprising floating rate instruments. Overall, fixed interest rate debt continues to dominate the portfolio with floating rate debt gradually increasing. Debt denominated in USD and XCD, altogether comprised 84.1 percent of the total outstanding debt.

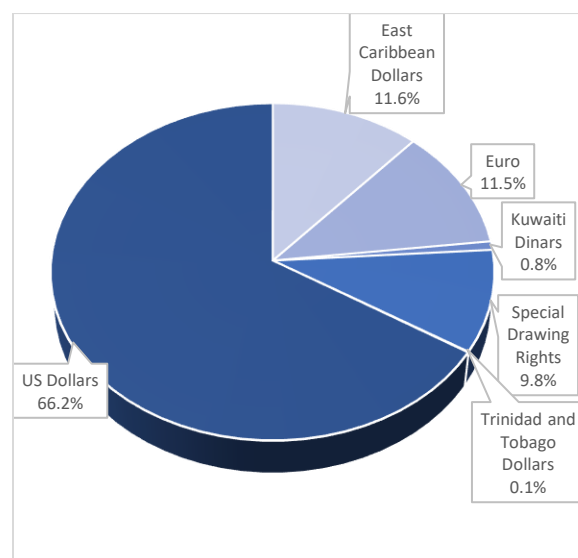
## 2.0 External Debt

Total external debt stood at \$2.343 billion, representing an increase of 6.8 percent when compared with \$2.192 billion in quarter 1, 2024. Central Government debt decreased by 6.9 percent to \$2.333 billion while public corporation debt decreased by 5.6 percent to \$8.6 million when compared with same period in 2024.

The external portfolio is concentrated in high indebtedness to both multilateral and bilateral creditors. Multilateral creditors' share of debt decreased from 64.1 percent in quarter 4, 2024, to 63.2 percent as at March 31, 2025. Whilst debt owed to bilateral creditors increased from 24.2 percent in Qtr 4 2024 to 25.1 percent as at March 31, 2025.

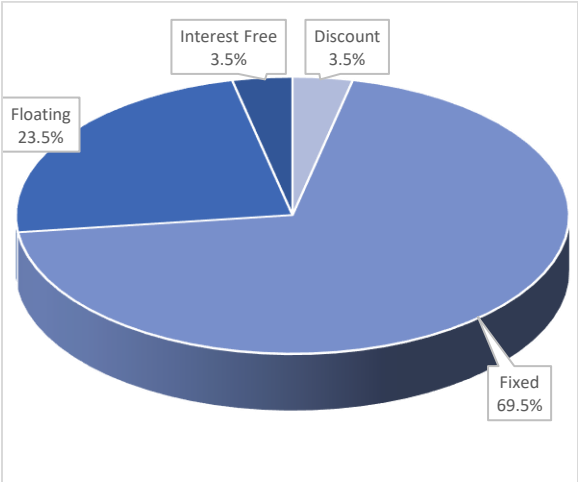
The United States dollar (USD) is the dominant currency in the portfolio with 66.2 percent of all external debt being denominated in this currency. Other major currencies are the XCD, Euro and SDR which represented 11.6 percent, 11.5 percent and 9.8 percent of the outstanding debt. The remaining currencies, the Kuwaiti Dinars and the TT dollars cumulatively represent 0.9 percent. There have been no disbursements on loans denominated in Saudi Arabia currency or United Arab Emirates dollars to date.

**Chart 6: EXTERNAL DEBT BY CURRENCY**



The share of the interest rate type within the external debt component is as follows: 69.5 percent is fixed rate and 23.5 percent is floating rate instruments respectively.

CHART 7: EXTERNAL DEBT BY INTEREST RATE TYPE



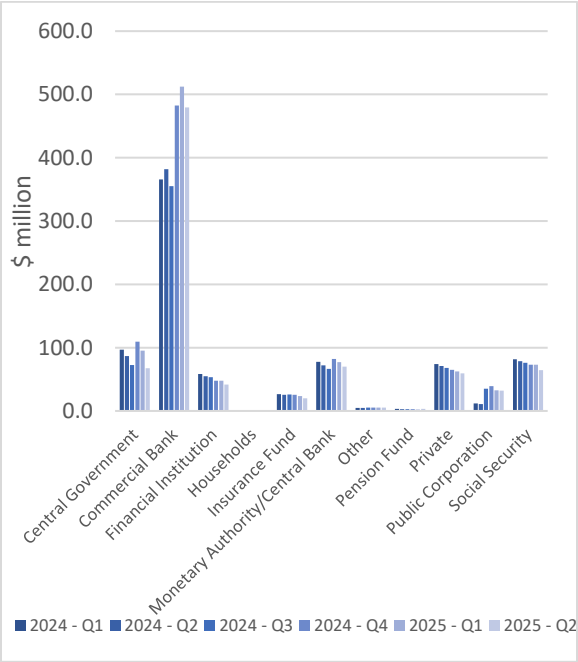
### 3.0 Domestic Debt

Total domestic debt stood at \$927.6 million, representing a marginal decrease of 0.7 percent from quarter 4, 2024. Central Government debt decreased by 2.4 percent from \$889.8 million to \$868.9 million. Public Corporation debt increased by 33.3 percent from \$44.0 million to \$58.7 million.

The majority of the debt is concentrated in debt owed to Commercial Banks (54.9 percent); followed by Central Government for outstanding monies owed for account payables and insurance deposits (10.2 percent); the ECCB (8.3 percent); and the NIS (7.8 percent). The domestic component of debt portfolio is heavily skewed in

local currency (XCD), where 98.5 percent of domestic debt is denominated in Eastern Caribbean dollars with the remaining 1.5 percent denominated in USD.

CHART 8: DOMESTIC DEBT BY CREDITOR CATEGORY

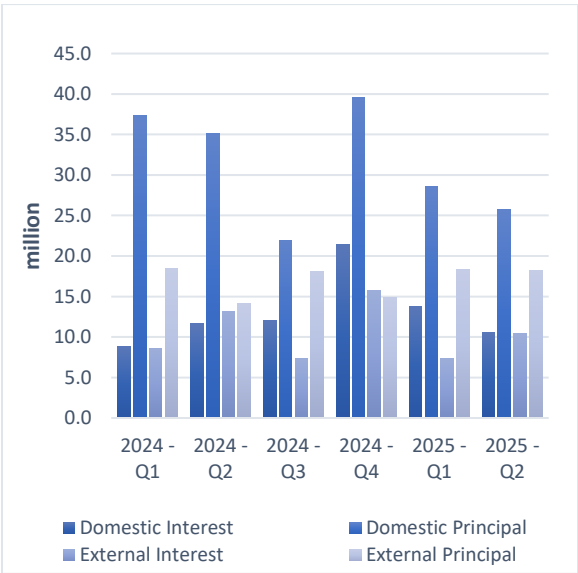


Source: DMU, Ministry of Finance

### 4.0 Total Debt Service

Central Government debt service amounted to \$68.1 million from \$73.1 million for same period in quarter 1 2024, representing a decrease of 6.8 percent. Total debt service represented 35.0 percent of current revenue and 33.7 percent of current expenditure. External and Domestic debt service amounted to \$25.7 million and \$42.3 million respectively. Interest payments was \$21.2 million and amortization was \$46.9 million. Debt service cost for January, February and March represented 29.3 percent, 50.8 percent and 19.9 percent respectively of the total debt servicing.

CHART 9: DEBT SERVICING COST

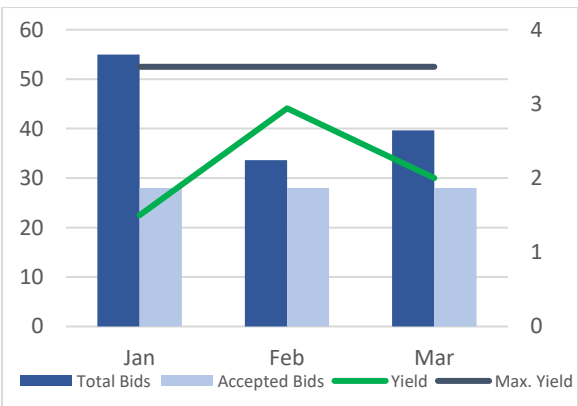


Source: DMU, Ministry of Finance

### 5.0 Treasury Bill Outturn 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 2.1 percent (versus the ceiling benchmark of 3.5 percent) with an average bid to cover ratio of 1.5.

CHART 10: Treasury Bill Outturn by Month



### 6.0 Loans and Securities Disbursements

A total of \$131.3 million was disbursed in loans to the Central Government from external creditors. These include the following:

- \$59.4 million from EXIM-Bank
- \$54.5 million from IDA
- \$17.4 million from CDB

Bonds issued during the period amounted to \$27.7 million as follows:

- February 26, 2025 - USD \$1.0 million
- February 28, 2025 - \$25.0 million

The Government provided a guarantee to the Port Authority for the issuance of two State-owned Enterprise bonds in the aggregate of \$20 million dollars via the BOSVG under the following terms:

- \$20 million, 5.75%, 15 years

### 7.0 Guaranteed Debt

Total guaranteed debt amounted to \$67.3 million with a breakdown as follows: domestic and external guaranteed debt totaled \$58.7 million and \$8.6 million respectively.