Government of St. Vincent and the Grenadines

2nd Quarter Debt Bulletin June 30, 2025

Issue Date: July 31, 2025

Produced by the Debt Management Unit, Ministry of Finance, Economic Planning and Information Technology

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 2nd Quarter ended June 30, 2025.

The Bulletin gives an overview of the country's total public debt position as at June 30, 2025 with comparative analysis to the previous quarter. It further analyzes information on the central government debt stock: - by residency, creditor type, currency, instruments, interest rate types 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 June 30, 2025 stood at $3.377 billion, comprised of $3.312 billion in Central Government debt and $65.6 million in Public Corporation debt.

Total external debt stock stood at $2.466 billion and total domestic debt of $911.1 million. The total disbursed public debt increased by 3.3 percent over quarter 1 2025 and by 21.8 percent over the corresponding quarter 2 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, the average time to maturity (ATM) increased to of 8.4 years while the average time to re-fixing (ATR) declined marginally to 6.9 years. These indicators are seen to be within the benchmarks set for the portfolio of achieving an ATM and ATR, greater than 7 years respectively. The portfolio recorded a slight increase in the average interest rate at 2.9 percent, which is slightly higher than the benchmark of around 2.5 percent. Within the overall debt stock, short-term instruments accounted for 10.0 percent with the remaining 90.0 percent being long-term instruments.

Chart 1: Total debt by residency

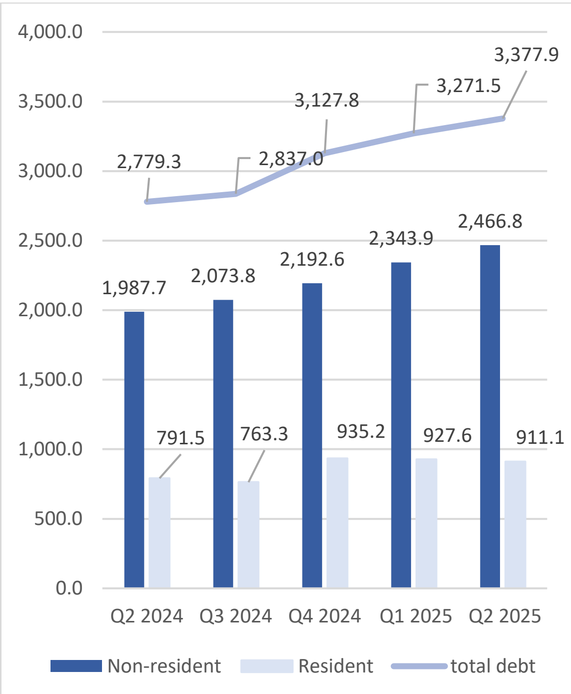


Chart 2: Comparative share of debt by residency

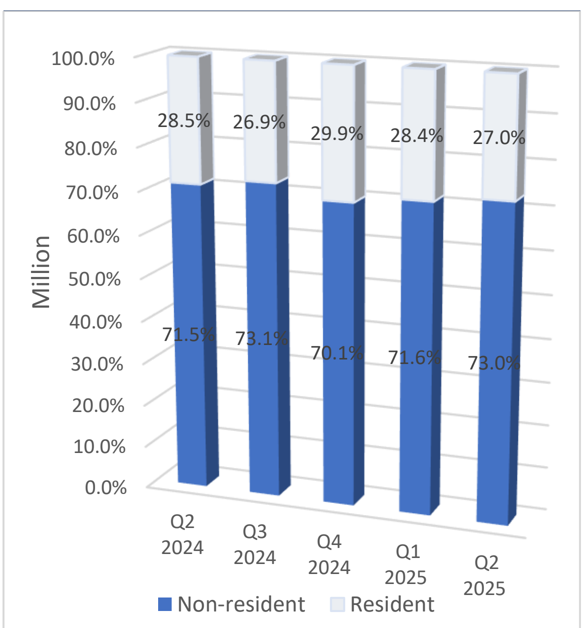
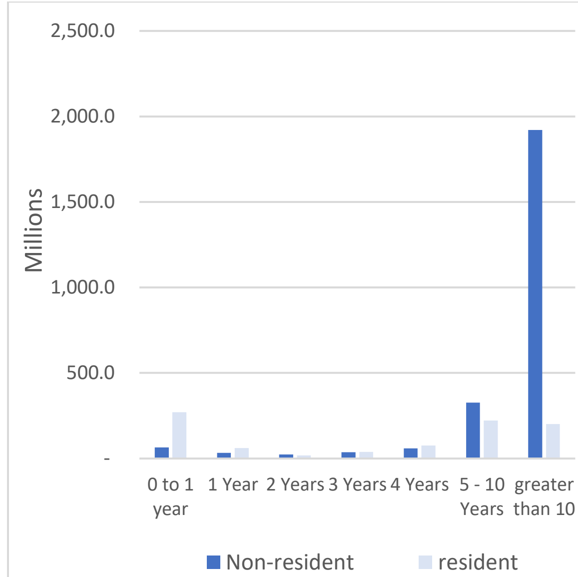


Chart 3: Total Debt by Remaining Maturity



As depicted in chart 3 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. Domestic debt due to mature in less than one year represented 80.8 percent of the total debt due in 0-1 year.

Chart 4: Total Debt by Interest rate type

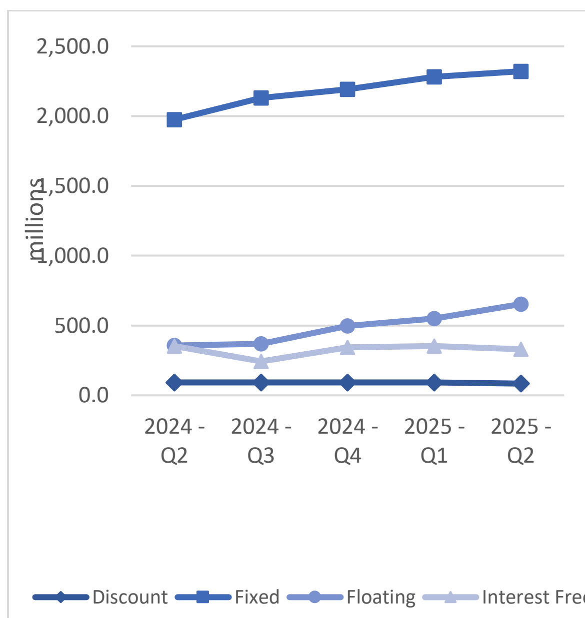
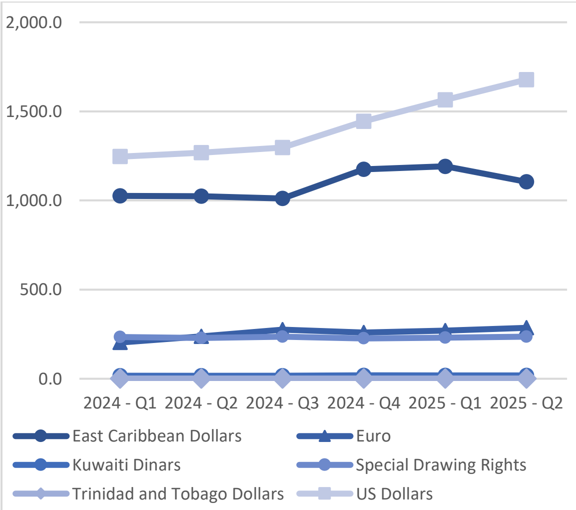


Chart 5: TOTAL DEBT BY CURRENCY



The portfolio interest rate type is made up of discounted instruments in the form of treasury bills, as well as fixed; floating and interest free (accounts payables) instruments. Within the debt portfolio, 68.5 percent is made up of fixed rate debt versus 19.3 percent comprising floating rate instruments. Overall, fixed interest rate debt constitute the dominant interest rate type within the portfolio with floating rate debt gradually increasing. Debt denominated in USD and XCD, altogether comprised 87.8 percent of the total outstanding debt.

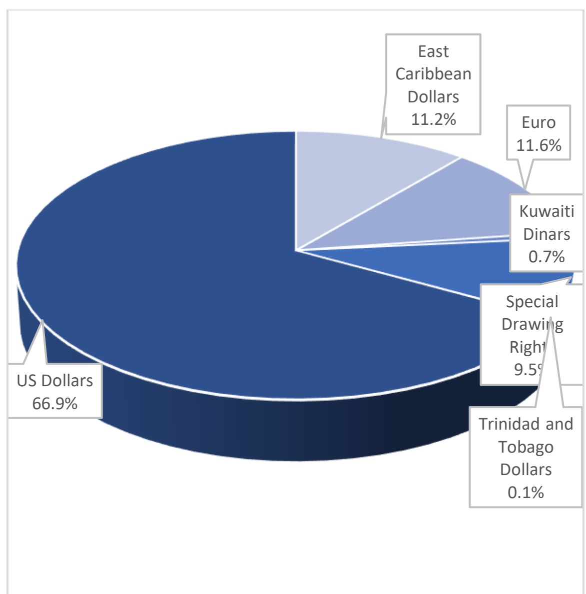
2.0 *External Debt*

Total external debt stood at $2.466 billion, representing an increase of 5.3 percent when compared with $2.343 billion in quarter 1, 2025. Central Government debt increased by 5.3 percent to $2.458 billion while public corporation debt decreased by 5.7 percent to $8.2 million when compared with same period in 2024.

The external debt portfolio is highly concentrated in indebtedness to both multilateral and bilateral creditors. Multilateral creditors' share of debt increased from 63.1 percent in quarter 1, 2025, to 64.4 percent as at June 30, 2025. Whilst debt owed to bilateral creditors decreased from 25.1 percent in Qtr 1 2025 to 24.4 percent as at June 30, 2025.

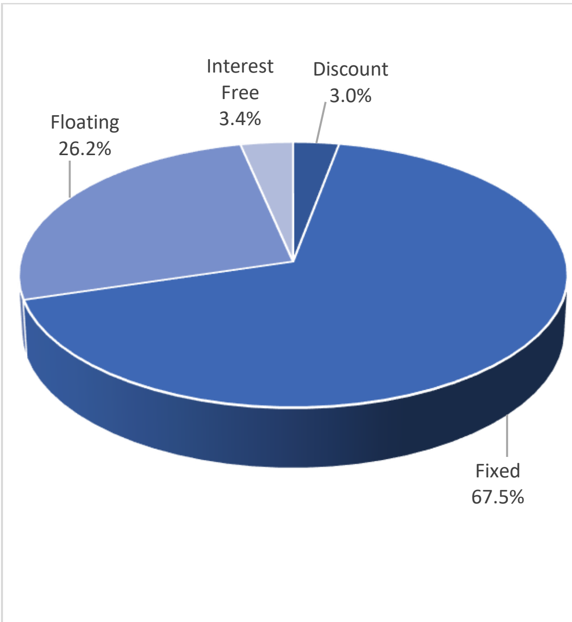
The United States dollar (USD) is the dominant currency in the portfolio with 66.9 percent of all external debt being denominated in this currency. Other major currencies are the XCD, Euro and SDR which represented 11.2 percent, 11.6 percent and 9.5 percent of the outstanding debt. The remaining currencies, the Kuwait dinar and the TT dollar cumulatively represent 0.8 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 composition of the various interest rate types within the external debt component is as follows: 67.5 percent is fixed rate and 26.3 percent is floating rate instruments respectively.

CHART 7: EXTERNAL DEBT BY INTEREST RATE TYPE

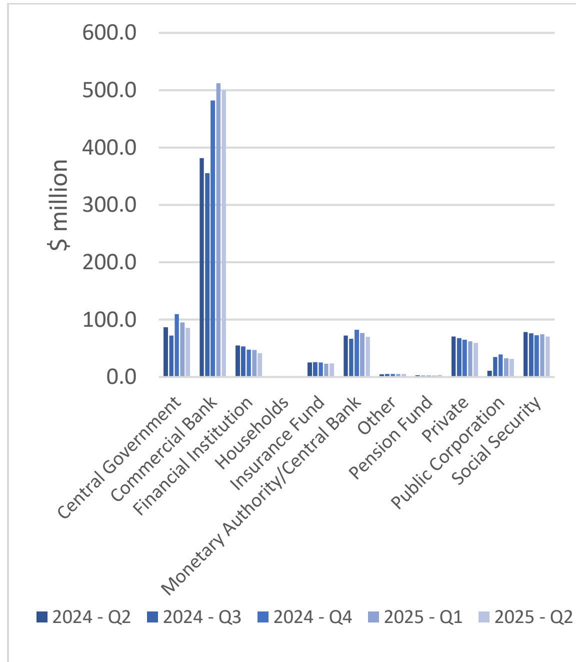


3.0 Domestic Debt

Total domestic debt stood at $911.1 million, representing a marginal decrease of 1.8 percent from quarter 1, 2025. Central Government debt decreased by 1.7 percent from $868.9 million to $853.7 million. Public Corporation debt decreased by 2.3 percent from $58.7 million to $57.4 million.

The majority of the debt is concentrated in debt owed to Commercial Banks (56.0 percent); followed by Central Government for outstanding monies owed under the category of account payables and insurance deposits (9.6 percent); NIS (7.9 percent) and the ECCB (7.8 percent). The domestic component of debt portfolio is heavily skewed in local currency (XCD), where 98.6 percent of domestic debt is denominated in Eastern Caribbean dollars with the remaining 1.4 percent denominated in USD.

CHART 8: DOMESTIC DEBT BY CREDITOR CATEGORY



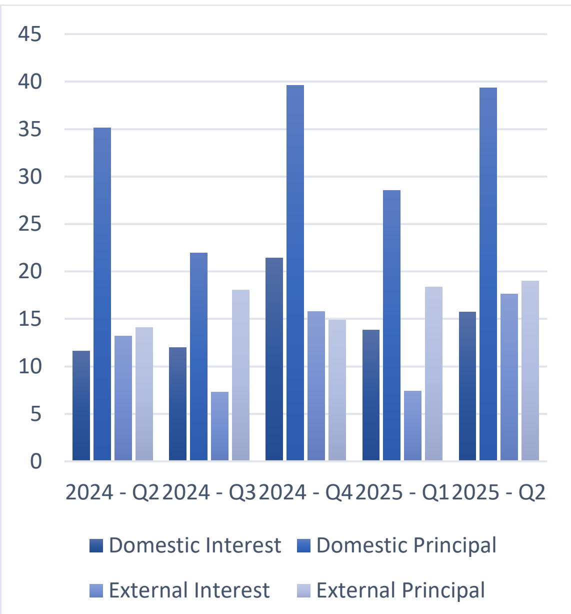
Source: DMU, Ministry of Finance

4.0 Total Debt Service

Central Government debt service amounted to $91.7 million from $68.1 million in quarter 1 2025, representing an increase of 34.6 percent driven by external interest payments for the Acute Referral Hospital and the Port Modernization Project financed by the EXIM-Bank and the CDB (Port Modernization). Contribution of $11.0 million to the Sinking Fund also drove the increase in domestic amortization.

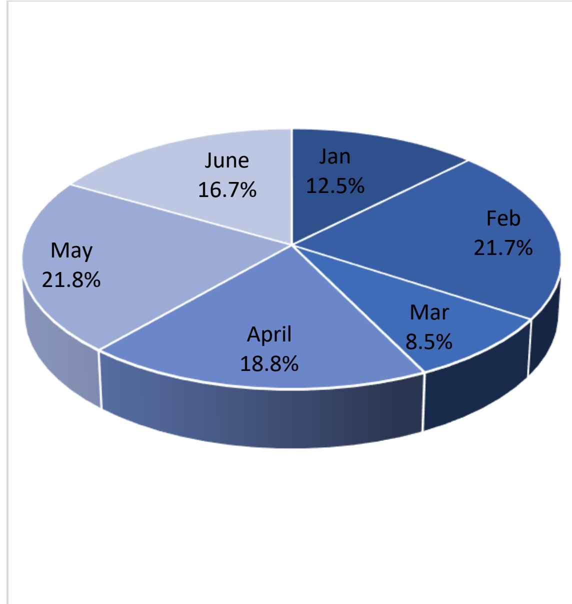
Total debt service represented 39.4 percent of current revenue and 40.7 percent of current expenditure. External and Domestic debt service amounted to $36.6 million and $55.1 million respectively. Interest payments was $33.3 million and amortization was $58.4 million. Debt service cost for April, May and June represented $30.1 million, $34.8 million and $26.7 million respectively of the total debt servicing.

CHART 9: DEBT SERVICING COST



Source: DMU, Ministry of Finance

Chart 10: DEBT SERVICING BY MONTH IN PERCENTAGE

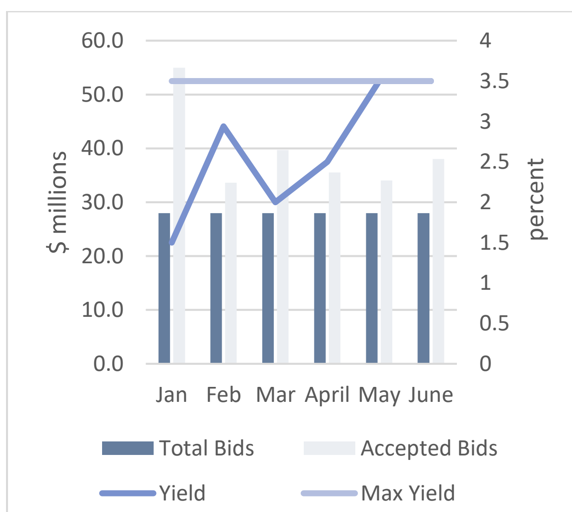


Source: DMU, Ministry of Finance

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 2.6 percent (versus the ceiling benchmark of 3.5 percent) with an average bid to cover ratio of 1.4.

CHART 10: Treasury Bill Outturn by Month



6.0 *Loans and Securities Disbursements*

A total of $160.4 million was disbursed in loans to the Central Government from domestic creditors (12.5 percent) and external creditors (87.5 percent).

They included the following:

- $90.7 million from CDB;
- $26.2 million from EXIM-Bank;
- $20.9 million from IDA;
- $2.6 million from OPEC;
- $20.0 million from 1st National Bank of St. Lucia (St. Vincent Branch);

Bonds issued during the period amounted to $46.4 million, with varying tranches and terms as follows:

- $20.6 million brokered through Bank of St. Lucia; and,
- $25.8 million brokered through FCIS.

7.0 *Guaranteed Debt*

Total guaranteed debt amounted to $65.6 million with a breakdown as follows: domestic and external guaranteed debt totaled $57.4 million and $8.2 million respectively.