

*GOVERNMENT OF
ST. VINCENT AND THE GRENADINES*



DEBT PORTFOLIO REVIEW 2022

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ACRONYMS

AFD	Agence Francaise de Developpement	IMF	International Monetary Fund
ALBA	Bolivarian Alliance of the Americas	KWD	Kuwait Dinars
BoSVG	Bank of St. Vincent and the Grenadines	NDM	National Disaster Management
CDB	Caribbean Development Bank	NIS	National Insurance Services
CDF	CARICOM Development Fund	NPL	National Properties Limited
CDIMU	Cash Debt and Investment Management Unit	OECS	Organizational of Eastern Caribbean States
CWSA	Central Water and Sewerage Authority	OPEC	Organization of Petroleum Exporting Countries
DOD	Disbursed Outstanding Debt	PDVSA	Petroleos de Venezuela S.A
ECCB	Eastern Caribbean Central Bank	RGSM	Regional Government Securities Market
EIB	European Investment Bank	SVG	St. Vincent and the Grenadines Electricity Services
EXIM	Export Import Bank of the Republic of China	TECHVOC	Technical Vocational
FAA	Finance Administration Act	UWI	University of the West Indies
GOSVG	Government of St. Vincent and the Grenadines	USAID	United States Agency for International Development
GDP	Gross Domestic Product	USD	United States Dollar
IADC	International Airport Development Company	VINLEC	St. Vincent and the Grenadines Electricity Services
IBRD	International Bank for Reconstruction and Development	XCD	Eastern Caribbean Dollar
IDA	International Development Association	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 position of the Government of St. Vincent and the Grenadines for the year 2022. The review compares the debt stock as at December 31, 2022 to that of 2021, categorizing the components into: - External¹ and Domestic debt and further disaggregated by Central Government and Public Corporations². Furthermore, the review also analyses the debt stock by creditor categories; instrument types; currency composition; and economic sectors. It also provides an overview of debt activities undertaken during the year which included the issuance of securities to the market and additional borrowings undertaken by the Central Government along with debt service payments. All analysis in the review was done in Eastern Caribbean dollars unless stated otherwise.

Total public debt outstanding at the end of 2022 increased by 6.4 percent to \$2.253 billion compared to \$2.118 billion for same period in 2021. This resulted in a total debt to GDP of 92.4 percent at the end of 2022. Notwithstanding the rise in the stock of debt which was mainly driven by significant disbursements related to the commencement of a number of government-financed projects, mainly the Port Modernization Project. It is expected over the medium-term that these projects will provide some impetus to economic growth and result in the stabilization of the debt.

Total loan disbursements received from external creditors amounted to \$231.1 million during the period under review. The major categories included: CDB 51.0 percent, World Bank (IDA) 21.5 percent, EXIM 18.5 percent, and CDF 4.4 percent. The remaining 4.6 percent was from OPEC and Kuwait Fund for Arab Development.

Total debt service for the year amounted to \$233.9 million, an increase of 11.6 percent when compared to 2021. Total interest cost increased by 10.5 percent to \$60.8 million while total principal repayments increased by 12.0 percent to \$173.1 million.

¹ Debt owed to creditors outside of St. Vincent and the Grenadines. That is, based on residency criterion classification.

² Debt for which the Government has given an explicit guarantee.

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 and accountability. 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 2022 and is compared with end of year data for 2021. 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 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 and legal framework that governs the debt management operations. Section IV details the transparency and accountability framework. Section V provides a 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 Guaranteed Debt of Public Corporations. The document then concludes and provides appendices mainly in graphical and tabular form showing selected debt indicators over the eleven-year period 2012 - 2022. The Ministry of Finance records debt and generates reports using the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS)³.

³ The CSDRMS software records detailed information on debt instruments and other variables including exchange rates variable interest rates bases, and select economic data.

3. INSTITUTIONAL AND LEGAL FRAMEWORK

The Ministry of Finance, Economic Planning, 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. All debt management functions are centralized in the Cash, Debt, Investment Management Unit (CDIMU) of the Ministry of Finance and Economic Planning. In addition to performing debt management activities, the CDIMU provides policy advice on the overall debt management strategy of St. Vincent and the Grenadines.

The majority of borrowing done during the year was authorized by existing legislation (see appendix II). Borrowing outside of this purview that required additional legal authority were the Public Sector Investment Programme Loan Act No. 2 of 2022, which provided the authority for debt raising activities in the sum of \$125.0 million passed in the House of Assembly on the 14th January, 2022 whereas the Resolution of the Parliament passed in the House of Assembly on December 12th, 2021 established the limit for the Overdraft. The Port Modernization Project Act No. 10 of 2022 authorised the government to secure a loan from the Export- Import Bank of the Republic of China for the amount of USD \$62.0 million. Whereas the Strengthening Health System Resilience Project loan Act No. 15 of 2022 authorised the government to secure a loan from the OPEC Fund for International Development in the amount of USD \$30.0 million.

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 and debt reports are available via the local media and the Government's website. Furthermore, efforts have been recently adopted to strengthen our fiscal oversight with the establishment of the "*FISCAL RESPONSIBILITY FRAMEWORK*" - *A rules-based fiscal framework for St. Vincent and the Grenadines*" published in the Government Gazette on the 7th day of January 2020 and update approved by Cabinet on May 13, 2020. 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 report of the Governments’ Accounts for the fiscal year 2018 was laid before the Parliament on February 23, 2023.

The Ministry of Finance, Economic Planning and Information Technology 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

Total disbursed outstanding public debt as at December 31, 2022 stood at \$2.253 billion. Central Government debt represented 98.3 percent with the remaining 1.7 percent attributable to debt owed by Public Corporations. Total domestic debt amounted to 27.0 percent of the total debt with total external debt representing 73.0 percent.

Total debt to GDP ⁴ increased by 4.1 percentage points from 88.3 percent to 92.4 percent, driven by a 12.6 percent increase in total Central Government debt (See Chart 1).

TABLE 1: COMPOSITION OF TOTAL PUBLIC DEBT

	2022	2021	
	\$ million		% Change
Ext Central Gov't	1632.65	1449.33	12.65%
Dom Central Gov't	581.86	517.20	12.50%
Total Central Gov't	2214.51	1966.53	12.61%
Ext Public Corp	13.60	126.40	-89.24%
Dom Public Corp	25.71	25.93	-0.85%
Total Public Corp	39.31	152.33	-74.19%
TOTAL DEBT	2253.82	2118.86	6.37%
	% of total		
Ext Central Gov't/GDP	72.44%	68.40%	4.04%
Dom Central Gov't/GDP	25.82%	24.41%	1.41%
Total Central Gov't/GDP	98.26%	92.81%	5.45%
Ext Public Corp/GDP	0.60%	5.97%	-5.36%
Dom Public Corp/GDP	1.14%	1.22%	-0.08%
Total Public Corp/GDP	1.74%	7.19%	-5.45%
TOTAL DEBT/ GDP	92.42%	88.31%	4.11%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

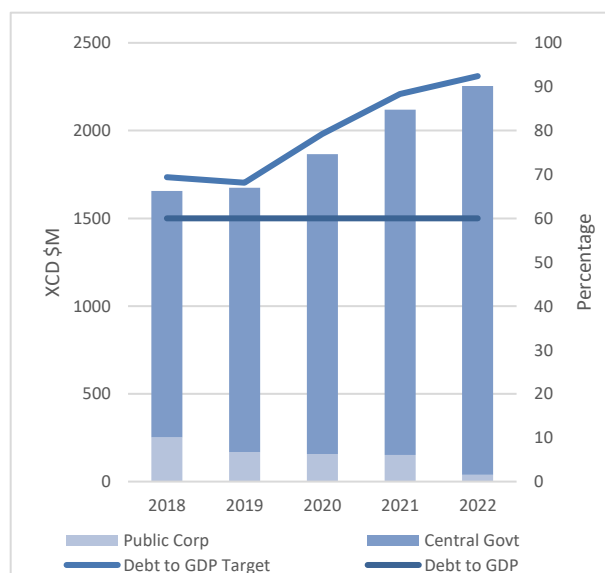
⁴Economic Research and Policy Unit Estimated GDP for 2022 –\$2,438.8 million

The major currencies in the portfolio are: USD 53.8 percent, XCD 35.5 percent, and XDR 9.0 percent. The Euro, Kuwait dinars and the Trinidad and Tobago dollar accounted for the remaining 1.8 percent.

The interest rate structure of the total debt portfolio is predominantly fixed rate debt, 79.6 percent with the remaining 20.4 percent being floating rate debt. Non-USD and local currency debt (XCD) totaled 14.3 percent. Interest rate and foreign exchange risk to the portfolio given the aforementioned is seen as low.

The ATM and the ATR of the total portfolio is 10.3 year and 8.0 years respectively, with 19.0 percent of debt maturing in 12 months and 45.6 percent due for re-fixing in 12 months as well. The overall risk profile of the portfolio as highlighted by its refinancing risk, interest rate risk and foreign currency risk of the portfolio remained within manageable limits.

CHART 1: THE EVOLUTION OF DEBT & GDP 2018-2022



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

TABLE 2: PORTFOLIO RISK INDICATORS

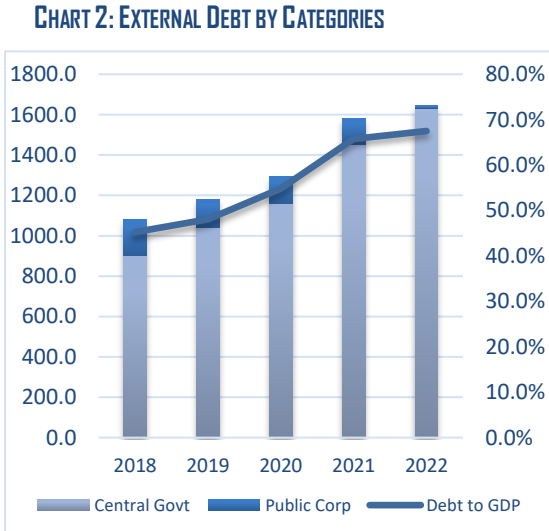
Preliminary Total Debt Portfolio Risk Indicators 2022		Ext debt	Dom debt	Total debt
Total debt in XCD (\$M)		1,646.3	607.6	2,253.9
Total debt in USD (\$M)		609.7	225.0	1,127.0
Nominal debt as % GDP		67.5	24.9	92.4
Refinancing risk	ATM (years)	12.2	4.0	10.3
	Debt maturing in 1yr (% of total)	10.0	44.2	19.0
	Debt maturing in 1yr (% of GDP)	6.8	11.0	17.6
Interest rate risk	ATR (years)	9.8	1.8	8.0
	Debt re-fixing in 1yr (% of total)	37.3	54.0	45.6
	Fixed rate debt (% of total)	70.5	100.0	78.1
FX risk	Non- XCD or USD debt (% of total debt)			10.7

The instruments in the portfolio consist of treasury bills; with a weighted average cost of funds⁵ of 2.37 percent, bonds with a weighted average of 5.72 percent, fixed rate loans; with a weighted average interest rate of 1.51 percent, floating rate loans; with an average weighted interest rate of 3.67 percent and other short-term obligations including the overdraft facility⁶, accounts payable (interest free) and statutory deposits (1.0 percent per annum).

Total disbursements realized in 2022 amounted to \$436.9, comprised of: domestic loan and securities receipts (excluding treasury bill re-issuances) of \$174.70 million and external inflows totaling \$262.2 million⁷. Total cost of debt service amounted to \$233.9 million, comprised of: principal repayments of \$173.1 million and interest costs of \$60.8 million. The Sinking Fund provision utilized for the retirement of bullet bonds and notes totaled \$6.0 million. However, the utilization of the Fund was not drawn upon in 2022 given that there were no redemption of maturing bullet bonds.

5.1 External Public Debt

At the end of 2022, total external debt amounted to \$1.646 billion from \$1.575 billion, an increase of 4.5 percent. The Central Government debt stood at \$1.632 billion (99.2 percent of total external debt and 66.9 percent of GDP). Central Government debt has been steadily increasing over the last five-years driven by increased borrowings from multilateral creditors. Conversely, public corporation outstanding debt stood at



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

⁵ Weighted averages taken from CSDRMS report. This report has some limitations to its scope

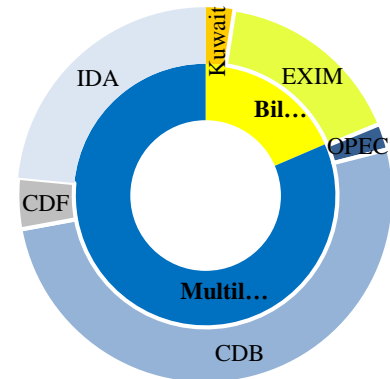
⁶ Central Government’s interest rate is 8.0 percent with varying interest rates for different Public Corporations

⁷ Inclusive of grant disbursements

\$13.6 million (0.8 percent of total debt and 0.6 percent of GDP).

Disbursements on loans during the year amounted to \$231.1 million; 79.1 percent of which was from multilateral creditors, and 20.9 percent from bilateral creditors. Of the multilaterals; The CDB represented 51.0 percent, World Bank 21.5 percent and CARICOM Development Fund and OPEC Fund for International Development the remaining 6.7 percent. Of the Bilateral creditors, The Export-Import Bank of China (Taiwan) represented 18.5 percent and Kuwait Fund for Arab Development 2.4 percent.

CHART 3: EXTERNAL DISBURSEMENT BY CREDITOR CATEGORIES AND CREDITORS



SOURCE: EDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

During 2022, the second largest capital project; the Port Modernization project commenced construction activity of which disbursements from CDB amounted to \$81.4 million and from EXIM totaling \$25.1 million respectively.

Other significant loan disbursements took place during the year in connection with the Volcano Eruption Emergency Project (VEEP) from IDA of \$30.9 million; \$16.1 million related to the Safety Nets for Vulnerable Population affected by Coronavirus Disease project (CDB); \$12.3 million on the School Improvement Project (CDB) and \$10.8 million on the Marriott Hotel Development Project (EXIM).

There was no new debt contracted by any Public Corporation during 2022. The vast majority of the Public Corporations serviced their debt obligations on a timely basis as they became due. However, there was a sizeable decline (89.2 percent in the stock of public corporation debt during the year which was attributed to debt relief from Petroleos De Venezuela of some 100.0 percent of the remaining Petro Caribe debt.

5.1.1 Creditor Category

As at December 31, 2022, a share of 67.8 percent of the external debt portfolio was outstanding to multilateral creditors. When combined with bilateral creditors, 86.4 percent of the external portfolio

represented debt financed on highly concessional terms. These terms translate into low-cost, low-risk debt instruments contributing to a longer and smoother external debt repayment profile.

Of the new debt contracted, 79.5 percent was from multilateral creditors which resulted in higher indebtedness under this category. The debt relief from Petroleos De Venezuela significantly impacted the reduction in the stock of bilateral debt by 22.2 percent. Securities increased by 16.0 percent while there continues to be no new contraction of commercial loans within the portfolio.

TABLE 3: TOTAL EXTERNAL DEBT BY CREDITOR CATEGORY

Category	2022 (\$M)	% of total	2021 (\$M)	% of total	Change
Multilateral	1115.92	67.79%	988.62	62.74%	12.88%
Bilateral	306.98	18.65%	394.53	25.04%	-22.19%
Securities	223.36	13.57%	192.58	12.22%	15.98%
Commercial	0.00	0.00%	0.00	0.00%	0.00%
TOTAL	1646.25	100.00%	1575.73	100.00%	4.48%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.2 Creditor Composition

The World Bank remained the largest external creditor, increasing its share to 35.8 percent of the portfolio compared to 35.2 percent in 2021. The CDB, which is our the second largest creditor, increased its share to 26.5 percent, with the most disbursements during the year in nominal terms and significant future expected disbursements over the medium-term, most notably for the financing of the Port Modernization Project.

The stock of debt owed to the CARICOM Development Fund increased to \$14.4 million from \$5.9 million. This was driven by disbursements related to the financing of construction activity on the Holiday Inn Express Hotel. Disbursements from Kuwait and OPEC grossed \$10.8 and were used for the on-going road construction and repair works under the Agriculture and Feeder Roads project.

Additionally, disbursements received from the ROC for Hotel Development, the Modern Court House and as a counter-part financing support loan for the Port Modernization project totaled in the aggregate \$42.7 million during 2022.

Noticeably, there was decreases recorded in the stock of outstanding debt owed to the Alba Bank, IMF, UK Export Finance, Damien Shipyard Group, and USAID's mostly due to a combination of debt

servicing on existing obligations and no new debt contracted from these creditors. Debt forgiveness from PDVSA and the maturing of the VINLEC’s power project loan (guaranteed facility) contracted from EIB resulted in zero indebtedness to these creditors in 2022.

TABLE 4: EXTERNAL DEBT OUTSTANDING BY CREDITOR

EXTERNAL DEBT BY CREDITORS	DOO 2022 \$M	% OF TOTAL	DOO 2021 \$M	% OF TOTAL	Change
World Bank	589.56	35.81%	554.79	35.21%	6.27%
Caribbean Development Bank	436.48	26.51%	348.41	22.11%	25.28%
Securities Holders	223.36	13.57%	192.58	12.22%	15.98%
ALBA Bank	126.01	7.65%	131.73	8.36%	-4.35%
Republic of China on Taiwan	123.18	7.48%	87.31	5.54%	41.09%
International Monetary Fund	75.45	4.58%	79.12	5.02%	-4.64%
Kuwait	17.64	1.07%	14.63	0.93%	20.55%
CARICOM Development Fund	14.42	0.88%	5.90	0.37%	144.29%
UK Export Finance	9.48	0.58%	18.97	1.20%	-50.01%
Damien Shipyard Group	8.62	0.52%	11.14	0.71%	-22.62%
Government of Trinidad & Tobago	11.10	0.67%	11.10	0.70%	0.00%
U S Agency for International Development (USAID)	3.09	0.19%	3.91	0.25%	-21.07%
OPEC Fund for International Development	7.86	0.48%	6.19	0.39%	26.90%
Petroleos De Venezuela	0.00	0.00%	109.55	6.95%	-100.00%
European Investment Bank	0.00	0.00%	0.39	0.02%	-100.00%
TOTAL	1646.25	100.00%	1575.73	100.00%	4.48%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.3 Instrument type

At the end of the period under review, loans totaled \$1.422 billion representing 86.4 percent of the total external debt portfolio, an increase of 2.9 percent when compared with \$1.383 billion over the comparative period in 2021. The stock of Securities during the period increased to \$223.4 million from \$192.6 million in 2021. Total outstanding treasury bills held by external investors at the end of the period increased by 9.9 percent. Of the outstanding treasury bills, 44.5 percent is due to Financial Institutions, 31.3 percent to Commercial Banks, investments by other Government’s Sinking Funds

totalled 8.9 percent, Non-Financial institutions totalled 8.7 percent with private individuals, small businesses and staff pension funds investment totalled 4.6 percent.

TABLE 5: EXTERNAL DEBT BY INSTRUMENT TYPE

EXTERNAL DEBT BY INSTRUMENT TYPE	DOO 2022 \$M	% OF TOTAL	DOO 2021 \$M	% OF TOTAL	Change
Loans	1422.89	86.43%	1383.15	87.78%	2.87%
Securities	223.36	13.57%	192.58	12.22%	15.98%
Bonds & Notes	154.67	9.40%	130.10	8.26%	18.88%
T. Bills	68.69	4.17%	62.48	3.97%	9.93%
TOTAL	1646.25	100.00%	1575.73	100.00%	4.48%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.4 Economic Sector

A breakdown of outstanding debt by economic sectors indicates that the categories Maritime Transport; Tourism and Hotel Industry; Other; Health and Social Welfare, Balance of Payment recorded significant increases due to disbursements that occurred during the year.

The commencement of the Port Modernization Project was solely responsible for the increase in the Maritime transport sector. Funding for this came from CDB (the main creditor) and the EXIM Bank (with a counter-part support loan) which was necessitated by increases in the project cost due to global inflationary pressures and supply chain constraints.

The Government's investment in Hotel Development in the form of the construction of a Marriott Hotel funded by EXIM-Bank necessitated the increase in the category Tourism and Hotel Industry. While the category 'Other' increased as a result of disbursements related to the Volcanic Eruption Emergency Project (funded by IDA) and on the Modern Court House Project (funded by EXIM-Bank).

Disbursements on projects related to Health and Social Welfare included The Safety Nets for Vulnerable Population affected by Coronavirus (CDB) which significantly contributed to a 34.0 percent increase in the stock of debt related to this category.

In nominal terms, the most significant reduction in a sector recorded was a 19.7 percent reduction in the Multisector category which included the extinguished PDVSA debt.

TABLE 6: EXTERNAL DEBT BY ECONOMIC SECTOR

	2022	% of Total	2021	% of Total	Change
Agriculture	2.65	0.16	3.05	0.19	-13.02%
Air Transport	194.66	11.82	207.10	13.14	-6.01%
Balance of Payment Support	42.06	2.55	47.76	3.03	-11.94%
Budget Support	403.75	24.53	401.64	25.49	0.52%
Defense	6.35	0.39	8.32	0.53	-23.76%
Education & Training	119.57	7.26	106.06	6.73	12.74%
Energy (Electricity)	15.00	0.91	16.70	1.06	-10.17%
Finance, Insurance, Etc.	58.06	3.53	64.57	4.10	-10.08%
Health & Social Welfare	68.01	4.13	50.75	3.22	34.00%
Maritime Transport	108.05	6.56	0.32	0.02	33350.46%
Multisector	369.86	22.47	460.88	29.25	-19.75%
Roads and Bridges	105.80	6.43	106.92	6.79	-1.05%
Telecommunication	39.85	2.42	37.72	2.39	5.63%
Tourism & Hotel Industry	24.20	1.47	1.91	0.12	1169.62%
Other	88.40	5.37	62.02	3.94	42.54%
TOTAL	1646.25	100.00	1575.73	100.00	4.48%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.5 CURRENCY COMPOSITION

Debt denominated in USD currency continue to comprise the largest percentage of the portfolio with its share increasing further by 10.0 percent. The XCD currency decreased by 26.1 percent as a result of the PDVSA's debt relief. Debt denominated in Euro currency increased mainly due to CDB disbursements during the year in Euro for the port modernization project as well as disbursements on the OCR portion of the loan related to the school improvement project. Debt denominated in Kuwait Dinar increased by 22.3 percent as disbursements were received on the agriculture and feeder road project.

TABLE 7: EXTERNAL DEBT OUTSTANDING BY CURRENCY COMPOSITION

	2022	% of Total	2021 (\$M)	% of Total	Change
US Dollars	1131.86	68.75%	1028.57	65.28%	10.04%
Eastern Caribbean Dollars	223.36	13.57%	302.13	19.17%	-26.07%
Special Drawing Rights	201.92	12.27%	226.87	14.40%	-11.00%
Euro	70.09	4.26%	2.36	0.15%	2888.78%
Kuwait	17.67	1.07%	14.44	0.92%	22.31%

Other	1.35	0.08%	1.35	0.09%	0.00%
Total	1646.25	100.00%	1575.73	100.00%	4.48%

Source: CDIMU, 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 fixed rate debt by 7.1 percent and a reduction in floating rate debt by 1.4 percent. The increase in Libor is due to disbursements received from EXIM-Bank on the Hotel Development Project, the Modern Court House and the Support Loan for Port Modernization Project.

TABLE 8: EXTERNAL DEBT OUTSTANDING BY INTEREST RATE COMPOSITION

EXTERNAL DEBT BY INTEREST RATE COMPOSITION	DOD 2022 \$M	% OF TOTAL	DOD 2021 \$M	% OF TOTAL	CHANGE
Fixed Rate	1160.867	70.52%	1083.71	68.78%	7.12%
Floating Rate	485.383	29.48%	492.02	31.22%	-1.35%
<i>Of Which:</i>					
<i>Caribbean Development Bank ODR</i>	208.877	12.69%	227.1	14.41%	-8.02%
<i>London Interbank Offer Rate (6mth)⁸</i>	81.873	4.97%	69.564	4.41%	17.69%
TOTAL	1646.25	100.00%	1575.73	100.00%	4.48%

Source: CDIMU, Ministry of Finance and Economic Planning

5.1.7 External Disbursements

Total disbursements from grants and loans within the external portfolio amounted to \$262.2 million. Total loan disbursements represented 88.2 percent, with grant disbursement representing the remaining 11.8 percent. A total of 50.1 percent of disbursements was channeled to the Transport Sector, 19.8 percent to the Multisector and 7.4 percent to the sector refer to as ‘Other’. The remaining disbursements went to other sectors, see table 8.

⁸ This reference rate will be replaced by Secure Overnight Financing Rate (SOFR in 2023)

TABLE 9: DISBURSEMENTS ON EXTERNAL DEBT BY CREDITOR AND SECTOR

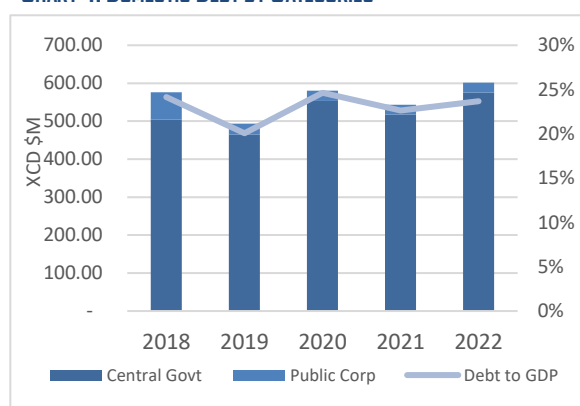
CREDITOR	Budget Support	Agriculture	Tourism	Communication	Education	Roads and Bridges	Energy	Health	Transport	National Disaster Management	Defence	Human Service Delivery	Multi Sector	Other	Total
Loans															
Caribbean Development Bank					12,619,316	237,638			81,695,353	6,393,855	13,149			840,663	101,799,974
CARICOM Development Bank														10,143,252	10,143,252
World Bank (IDA)			1,350,000	4,531,772				2,970,000				9,465,353	47,376,901		65,694,026
International Monetary Fund															-
Kuwait						5,597,275									5,597,275
OPEC						5,238,136									5,238,136
EXIM			10,800,000						25,110,000					6,750,000	42,660,000
Total Loans	-	-	12,150,000	4,531,772	12,619,316	11,073,049	-	2,970,000	106,805,353	6,393,855	13,149	9,465,353	47,376,901	17,733,915	231,132,663
Grants															
Caribbean Development Bank									24,683,238					354,519	25,037,757
Caribbean Development Fund														1,399,245	1,399,245
World Bank (IDA)													4,623,462		4,623,462
Total Grants	-	-	-	-	-	-	-	-	24,683,238	-	-	-	4,623,462	1,753,764	31,060,464
Total Loans and Grants	-	-	12,150,000	4,531,772	12,619,316	11,073,049	-	2,970,000	131,488,591	6,393,855	13,149	9,465,353	52,000,363	19,487,679	262,193,127

SOURCE: DMU MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.2 Domestic Public Debt

Total domestic debt as at December 31, 2022 stood at \$607.6 million (24.9 percent of GDP), an increase of 12.5 percent over same period last year. Of the total domestic debt, \$581.9 million (95.7 percent of total debt and 23.9 percent of GDP) was contracted by the Central Government while the remaining \$25.7 million by Public Corporations. The total domestic debt has fluctuated over the last five years driven mainly by movements in central government borrowings, whilst debt owed by Public Corporations has steadily declined.

CHART 4: DOMESTIC DEBT BY CATEGORIES



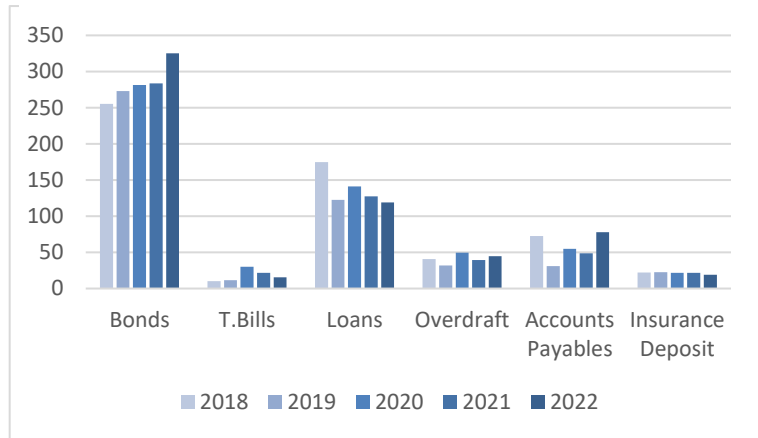
SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

For 2022 compared to 2021, increases in total debt was mainly driven by increases in the issuance of government securities in the form of bonds and notes as well as a build-up in the stock balance in accounts payables. During 2022, total domestic loan disbursements was \$20.0 million from the ECCB in the form of an advance. There was no new debt contracted by any Public Corporations during 2022. The vast majority of the Public Corporations serviced their debt obligations on a timely basis as they became due. This led to a decrease of 0.8 percent in disbursed outstanding debt attributed to public corporations.

5.2.1 Instrument Type

The domestic portfolio remains heavily concentrated in securities. Bonds and notes comprised 54.1 percent, loans accounted for 19.8 percent and short-term instruments constituted the remaining 26.1 percent of which accounts payables accounted for 12.9 percent.

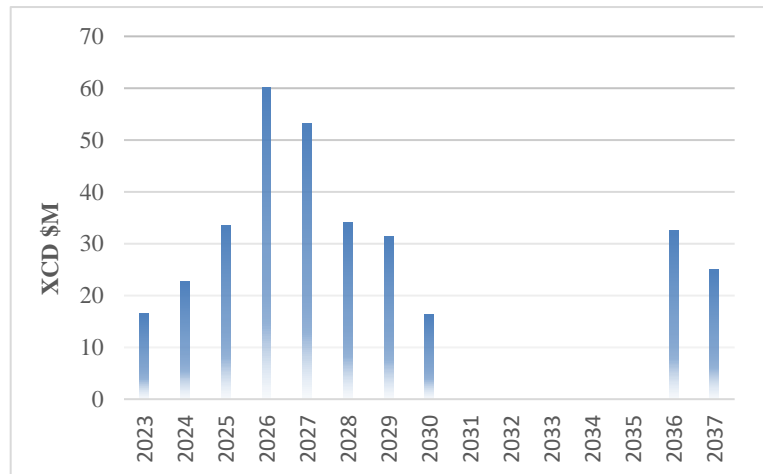
CHART 5: DOMESTIC INSTRUMENT COMPOSITION 2018-2022



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

The composition of the Bonds by remaining maturity shows that 57.1 percent of the total stock of bonds is maturing in the next five (5) years; with 18.5 percent of this maturing in 2026. As at the end of December 2022, there was no instruments set to mature between 2031 and 2035, with 17.7 percent of bonds maturing in 2036 and 2037.

CHART 6: DOMESTIC BONDS AND NOTES BY REMAINING MATURITY



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

The stock of securities increased in 2022 by 11.1 percent driven by an increase in bonds and notes of 14.1 percent. This increased the category of “Securities” share of the portfolio marginally by 0.2 percentage points. The category of “Loans” constitute the second major instrument in the portfolio, decreased by 6.0 percent due to the servicing of all loan obligations and the repayment of principal amounts on an amortized 10 year, \$50.0 million Accountant General Overdraft loan. Insurance deposits decreased by 13.2 percent due mainly to a refund in statutory deposit of \$2.8 million.

TABLE 10: DOMESTIC DEBT BY INSTRUMENT

	2022	% of Total	2021	% of Total	Change
Loans	118.90	19.77%	126.43	23.28%	-5.96%
Overdraft	44.85	7.46%	39.31	7.24%	14.10%
Account Payables	77.81	12.94%	48.69	8.96%	59.81%
Insurance Deposits	19.03	3.17%	21.92	4.04%	-13.17%
Securities	340.73	56.66%	306.77	56.48%	11.07%
<i>Bonds & Notes</i>	<i>325.41</i>	<i>54.12%</i>	<i>285.25</i>	<i>52.52%</i>	<i>14.08%</i>
<i>T.Bills</i>	<i>15.31</i>	<i>2.55%</i>	<i>21.52</i>	<i>3.96%</i>	<i>-28.84%</i>
TOTAL	601.32	100.00%	543.12	100.00%	10.72%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.2.2 Creditor Composition

Government’s indebtedness to the Bank of St. Vincent and the Grenadines increased due to larger stock balances recorded on the central government and public corporation’s overdraft facilities. An advance contracted in 2021 from the ECCB was fully repaid and a new Advance contracted in 2022 plus \$25.0 million in debenture bonds were issued during the period. Debt outstanding to Securities Holders and Accounts Payables also increased by 3.3 percent and 59.8 percent respectively.

TABLE 11: DOMESTIC DEBT BY CREDITOR

DOMESTIC DEBT BY CREDITOR	DDD 2022	% of Total	DDD 2021	% of Total	Change
Securities Holders	283.23	47.10%	274.27	50.50%	3.27%
ECCB	77.5	12.89%	52.5	9.67%	47.62%
Bank of St. Vincent and the Grenadines	108.65	18.07%	107.56	19.80%	1.01%
Other Financial Institutions	4.84	0.80%	4.90	0.90%	-1.27%
Insurance Companies	19.03	3.17%	21.92	4.04%	-13.17%
National Insurance Services	30.26	5.03%	33.28	6.13%	-9.07%
Accounts Payables	77.81	12.94%	48.69	8.97%	59.81%
Total	601.32	100.00%	543.10	100.00%	10.72%

Source: CDIMU, Ministry of Finance and Economic Planning

An examination of bonds and notes by holders showed that financial institutions (33.0 percent) are the largest investor in government’s medium to long-term securities. The National Insurance Services (NIS) account for 22.0 percent of the outstanding securities at the end of 2022. Commercial banks held 21.0 percent and the ECCB 13.0 percent in the form of debenture bonds. The remaining 11.0 percent is due to private individuals, public corporations and insurance funds.

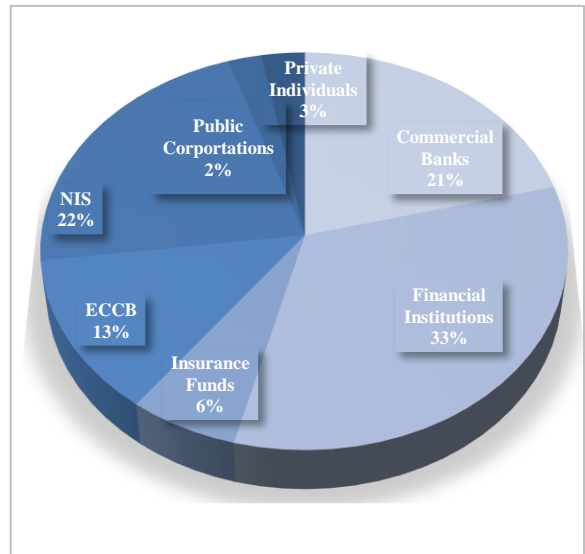
A disaggregation of treasury bills by creditor showed that jointly, Financial Institutions and Commercial Banks were the major investors in government’s treasury bills.

6.1 Securities issued during 2022

Total securities issued during the year amounted to \$154.7 million. Tenors on these instruments ranged from three (3) to fifteen (15) years. A fifteen year debenture bond was issued to the ECCB with interest rate of 2.0 percent with a two-year grace period. Two other securities issued at an interest rate of 2.0 percent were issued to two IADC land owners as settlement for outstanding payments for lands acquired during the building of the international airport at Argyle.

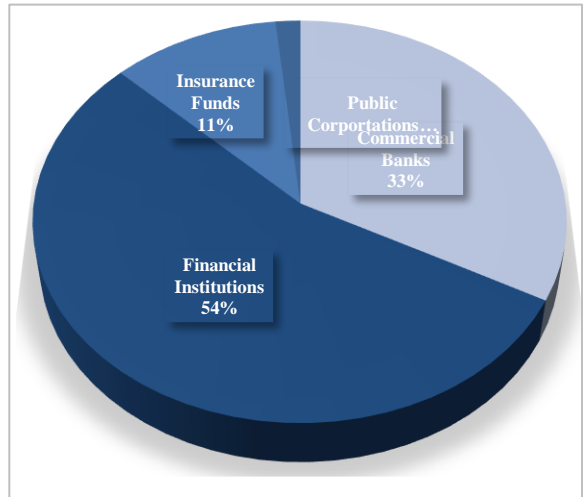
Securities issued to the market however were medium to long- term in nature, with tenors of five, six and seven offered in 2022. The exception was the issuance of a three-year note and a fifteen year ECCB debenture bond. No securities were issued via the RGSM but through private placement

CHART 7: DOMESTIC BONDS AND NOTES BY CREDITOR



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

CHART 8: DOMESTIC T. BILLS BY CREDITOR



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

arrangements. The Government continues to make Private Placement securities more marketable and transparent by applying to the Eastern Caribbean Central Securities Depository (ECCSD) on a timely basis to have these instruments listed, thus providing a benchmark for pricing purposes to investors and other market participants.

TABLE 12: SECURITIES ISSUED DURING 2022

Securities							
Platform	Instrument	Original Amount (\$ M)	Tenor (years)	Rate (%)	Issue Date	Maturity Date	Structure
Private Placement	Bond	7.000	7	6.75	08-April-22	08-April-29	Amortized
Private Placement	Bond	8.895	5	5.50	08-April-22	08-April-27	Amortized
Private Placement	Note	7.480	3	3.50	08-April-22	08-April-25	Amortized
Private Placement	Bond	3.000	5	5.50	12-April-22	12-April-27	Bullet
Private Placement	Bond	6.625	7	6.75	12-April-22	12-April-29	Bullet
Private Placement	Bond	6.000	6	5.75	27-May-22	27-May-28	Amortized
Private Placement	Bond	4.000	5	5.00	27-May-22	27-May-27	Bullet
Private Placement	Note	5.000	4	4.50	27-May-22	27-May-27	Amortized
Private Placement	Bond	4.930	7	6.75	10-Jun-22	10-Jun-29	Bullet
Private Placement	Bond	15.000	5	5.50	21-Mar-22	21-Mar-27	Amortized
Private Placement	Bond	0.218	5	2.00	30-Mar-22	30-Mar-27	Amortized
Private Placement	Bond	8.377	7	6.50	10-Jun-22	10-Jun-29	Amortized
Private Placement	Note	5.014	5	5.50	03-Jun-22	03-Jun-27	Bullet
Private Placement	Bond	6.909	5	5.00	03-Jun-22	03-Jun-27	Amortized
Private Placement	Bond	25.00	15	2/3.5	28-Aug-22	28-Aug-37	Amortized
Private Placement ⁹	Bond	6.249	5	2.00	01-Sep-22	01-Sep-27	Amortized
Private Placement	Note	10.000	4	4.50	28-Nov-22	28-Nov-26	Amortized
Private Placement	Bond	10.000	5	5.00	28-Nov-22	28-Nov-27	Amortized
Private Placement	Bond	8.000	6	5.75	28-Nov-22	28-Nov-28	Bullet
Private Placement	Bond	7.000	7	6.75	28-Nov-22	28-Nov-29	Amortized
Total		154.697					

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

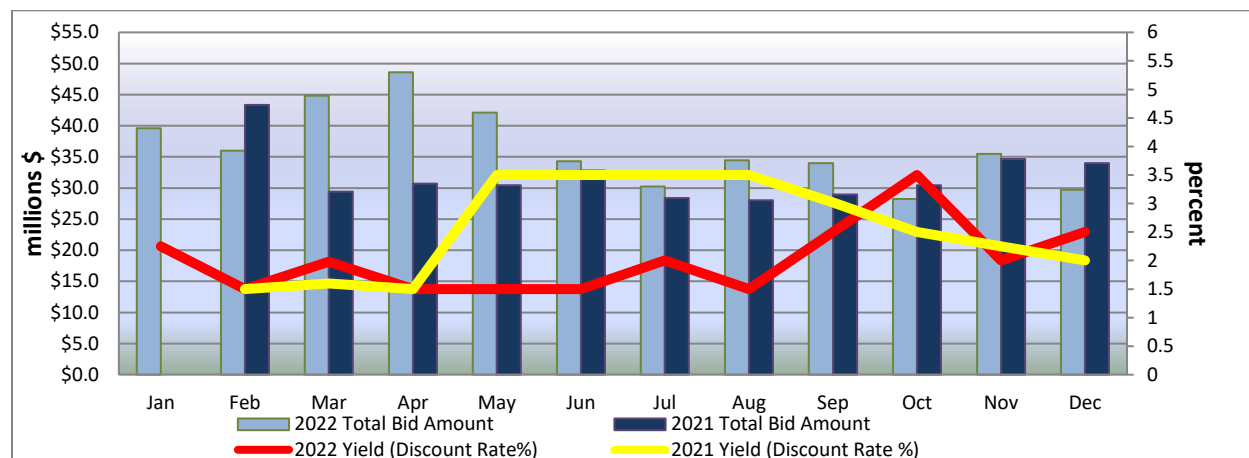
6.2 Regional Government Securities Market

In 2022, the Government of St. Vincent issued twelve (12), \$28.0 million, 91-day treasury bills on the RGSM.

⁹ Issued to settled 65.7 percent of IADC accounts payables to Land Holders with deeds

For the period under review the weighted average discount rate decreased to 2.0 percent (average bid amount of \$36.4 million) compared with 2.6 percent (average bid amount of \$31.9 million) in 2021. The average number of bids per auction increased from 15.6 to 18.4 bids, average oversubscription per auction increased from \$3.9 million to \$8.4 million and the bid to cover ratio increased from 1.14 to 1.30 percent.

Chart 9: Treasury Bills Yields 2022 & 2021



SOURCE: WWW.ECSEONLINE.COM

TABLE 13: OUTSTANDING TREASURY BILLS ON THE ECSE AS AT DECEMBER 31, 2022

Date of Issue	Redemption Date	Issue Amount	Value of Bids	Amount Accepted	No. of Bids		Interest Rate %
					Total	Successful	
28-Oct-22	30-Jan-23	28.000	28.212	28.000	18	18	3.500
28-Nov-22	28-Feb-23	28.000	35.457	28.000	15	12	2.000
22-Dec-22	24-March-23	28.000	29.712	28.000	16	14	2.500

SOURCE: WWW.ECSEONLINE.COM

TABLE 14: OUTSTANDING NOTES ON THE ECSE AS AT DECEMBER 31, 2022

Trading Symbol	Issue Amount	Amount Outstanding	Original Maturity	Remaining Maturity	Issue Date	Maturity Date	Coupon Rate
	\$M	\$M	(years)	(years)	Date	Date	%

The Government of St. Vincent and the Grenadines

VCN080524	17.664	5.296	5	2	7-May-19	7-May-24	6.25
VCN060724	30.000	15.000	4	2	06-Jul-20	06-Jul-24	4.50

SOURCE: WWW.ECSEONLINE.COM

TABLE 15: OUTSTANDING BONDS LISTED ON THE ECSE AS AT DECEMBER 31, 2022

Trading Symbol	Issue Amount \$M	Amount Outstanding \$M	Original Maturity (years)	Remaining Maturity (years)	Date of Subscription Date	Final Redemption Date	Coupon Rate %
VCG100323	25.9	1.3	10	1	Mar-13	Mar-23	7.00
FVG100826	16.3	8.0	10	4	Aug-16	Aug-26	7.00
VCG070623	11.2	0.8	7	1	Jun-16	Jun-23	7.00
VCG080225	15.0	4.7	8	3	Feb-17	Feb-25	7.50
VCG0705AA	15.0	3.2	8	3	May-17	May-25	7.50
VCG070524	25.0	5.3	7	2	May-17	May-24	7.50
VCG070625	25.0	8.9	7	3	Jun-18	Jun-25	7.00
VCG070725	12.0	5.1	7	3	Jul-18	Jul-25	7.00
VCG0725AA	13.0	5.6	7	3	Jul-18	Jul-25	7.00
VCG081126	15.0	15.0	8	4	Nov-18	Nov-26	7.25
VCG100628	7.5	4.1	10	6	Jun-18	Jun-28	7.00
VCG101128	10.0	6.0	10	6	Nov-18	Nov-28	7.50
VCG070926	25.0	14.2	7	4	Sep-19	Sep-26	7.00
VCG071226	30.0	17.1	7	4	Dec-19	Dec-26	6.75
VCG080327	15.0	15.0	8	5	Mar-19	Mar-27	7.25
VCG071226	30.0	17.1	7	4	Dec-19	Dec-26	6.75
FVG071126	5.4	3.09	7	4	Nov-19	Nov-26	6.15
VCG050225	6.18	6.18	5	3	Feb-20	Feb-25	5.75
VCG080728	7.0	7.0	8	6	Jul-20	Jul-28	6.75

SOURCE: WWW.ECSEONLINE.COM

6.2. Central Government External Debt

As at December 31, 2022 Central Government disbursed outstanding external debt increased by 12.7 percent to \$1.6 billion. Of this amount, loans totaled \$1.4 billion representing 86.3 percent with the remaining \$223.4 million or 13.7 percent in securities, of which bonds totaled \$154.7 million and T-Bills \$68.7 million.

TABLE 16: COMPOSITION OF EXTERNAL DEBT BY INSTRUMENTS

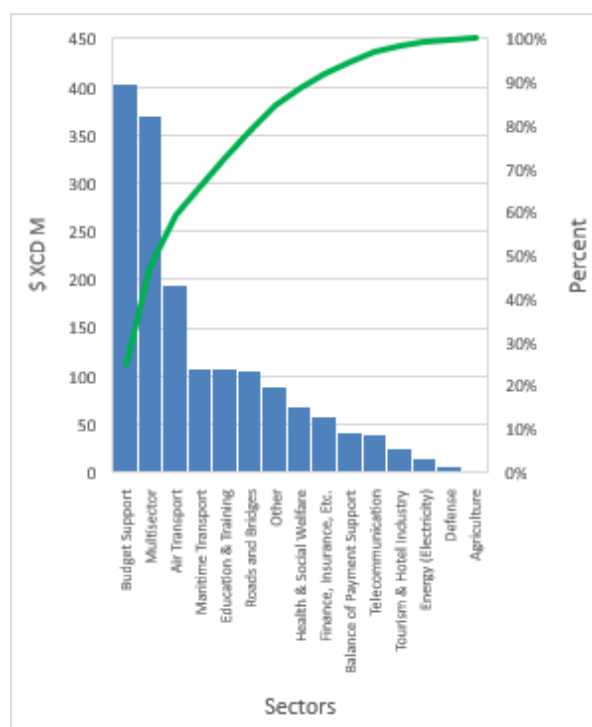
EXTERNAL CENTRAL GOVERNMENT DEBT BY INSTRUMENT TYPE	DOO 2022 \$M	% OF TOTAL	DOO 2021 \$M	% OF TOTAL	Change
Loans	1409.29	86.32%	1256.75	86.71%	12.14%
Securities	223.36	13.68%	192.58	13.29%	15.98%
Bonds	154.67	9.47%	130.10	8.98%	18.88%
T. Bills	68.69	4.21%	62.48	4.31%	9.93%
TOTAL	1632.65	100.00%	1449.334	100.00%	12.65%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.2.1 Economic Sectors

Budget Support, Multisector and Air Transport were the three largest sectors within the portfolio and collectively accounted for 60.1 percent of outstanding external debt. Previously Multi-sector, Budget support debt now accounts for the highest proportion of external debt recording a 23.6 percent of total Central Government external debt. Multisector debt declined mainly on account of the Petrocaribe debt forgiveness. The emergence of a new sector Maritime Transport, accounted for debt raised as spending for the Port Modernization project commenced.

CHART 10: DEBT BY ECONOMIC SECTORS



6.2.2 Currency Composition

The United States (USD) currency continued to account for the higher share of the external debt portfolio with 68.5 percent, an increase of 10.5 percent over its 2021 level. The Eastern Caribbean dollar (the local currency) comprised of securities held by external investor is the second largest currency in the portfolio and Special Drawing Rights (XDR) is now the third largest currency.

TABLE 17: CENTRAL GOVERNMENT EXTERNAL DEBT BY CURRENCY COMPOSITION

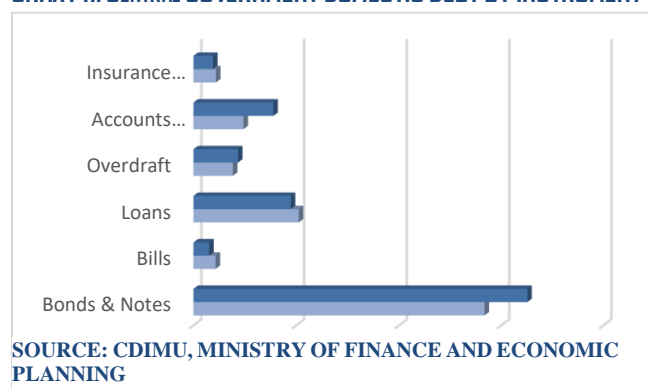
	2022	% of Total	2021 (\$M)	% of Total	Change
US Dollars	1118.27	68.49%	1011.73	69.81%	10.53%
Eastern Caribbean Dollars	223.36	13.68%	192.58	13.29%	15.98%
Special Drawing Rights	201.92	12.37%	226.87	15.65%	-11.00%
Euro	70.09	4.29%	2.36	0.16%	2868.78%
Kuwait	17.67	1.08%	14.44	1.00%	22.31%
TT	1.35	0.08%	1.35	0.09%	0.00%
Total	1632.65	100.00%	1449.334	100.00%	12.65%

Source: CDIMU, Ministry of Finance and Economic Planning

6.3 Central Government Domestic Debt

Central Government debt amounted to \$581.9 million and constituted 95.8 percent of total domestic debt; an increase of 12.5 percent over 2021. Loans decreased by 7.6 percent, treasury bills by 28.8 percent¹⁰ and insurance deposits by 13.2 percent. Conversely, bonds and notes increased by 14.8 percent, the overdraft by 12.9 percent and accounts payables by 59.8 percent (of which IADC account payables¹¹ to land owners decreased by 60.0 percent due to cash payments

CHART 11: CENTRAL GOVERNMENT DOMESTIC DEBT BY INSTRUMENT



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

¹⁰ This is a re-allocation of investors in t-bills from external to domestic, the stock of outstanding treasury bills remains constant.

¹¹ IADC Payables amount outstanding now stands at \$4.9

made in the amount of \$0.5 million and \$6.2 million in bonds issued to facilitate the settlement of these payables).

Domestic borrowings via loan issuance for the year totaled \$20.0 million. This was in the form of an advance from the ECCB. The interest rate on this facility remained at 2.0 percent from the standard 6.5 percent.

TABLE 18: DOMESTIC DEBT RAISING ACTIVITY FOR 2022

<u>Loan</u>					
<u>Creditor</u>	<u>Loan Amount (EC \$M)</u>	<u>Tenor</u>	<u>Rate (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>
ECCB	20.00	1 yr	2.0	26-Oct-22	26-Oct-23
<u>Total</u>	<u>20.00</u>				

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.3.1. Domestic Debt by Creditors

Government's indebtedness to ECCB increased by 47.6 percent over its 2021 level due to the issuance of \$25.0 million in debenture bonds during the year. No repayment has commenced on previously issued debenture bonds as they are all still within their grace period on repayment, this was also true of debt owed to VINLEC as well. Insurance companies reflected a 13.2 percent reduction in stock balance as refunds were repaid in the amount of \$2.8 million on statutory deposit paid in excess of the amount required. The increase in Bank of St. Vincent and the Grenadines stock balance was the result of a 12.9 percent increase in the overdraft balance as at the end of the period. The stock of debt due to NIS declined by 24.7 percent. The level of Accounts Payables increased by 59.8 percent.

TABLE 19: DOMESTIC CENTRAL GOVERNMENT DEBT OUTSTANDING BY CREDITOR

DOMESTIC C.G DEBT BY CREDITOR	DOO 2022	% of Total	DOO 2021	% of Total	Change
Securities Holders	283.23	49.20%	274.27	53.03%	3.27%
ECCB	77.50	13.46%	52.50	10.15%	47.62%
Bank of St. Vincent and the Grenadines	107.11	18.61%	106.62	20.62%	0.46%
VINLEC	4.05	0.70%	4.05	0.78%	0.00%
Insurance Companies	19.03	3.31%	21.92	4.24%	-13.17%
National Insurance Services	6.87	1.19%	9.13	1.77%	-24.73%
Accounts Payables	77.81	13.52%	48.70	9.42%	59.78%
Total	575.61	100.00%	517.19	100.00%	11.29%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

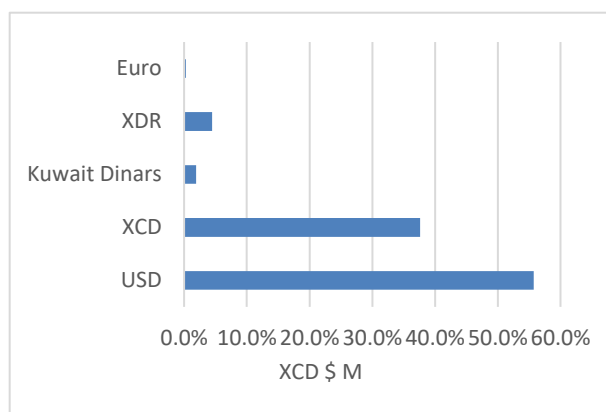
6.4. Central Government Debt Service

Total debt service cost for the year amounted to \$233.9 million, an increase of 11.6 percent when compared to 2021. Total interest cost increased by 10.5 percent to \$60.8 million while total principal repayments increased by 12.0 percent to \$173.1 million.

6.4.1 EXTERNAL DEBT SERVICE

External debt service for 2022 increased by 25.2 percent over 2021. The increase mainly represented the end of a USD \$11.3 million, 2-year CDB loan for which the proceeds were directly used to service the government’s CDB OCR loans; and there was also the end of the debt service suspension (DSSI) from the G20 Group and Paris Club Initiative for IDA eligible/ least developed countries who benefitted from debt service forbearance.

CHART 12: EXTERNAL DEBT SERVICING BY CURRENCY



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

Of the total debt service cost, repayments toward instruments contracted in USD and XCD totaled 55.7 percent and 37.6 percent respectively. Repayments to multilateral creditors accounted for 37.9 percent and repayments to bilateral creditors 27.7 percent respectively.

TABLE 20: EXTERNAL DEBT SERVICING

EXTERNAL DEBT SERVICING	Budgeted	2022	2021	Change	Variance
		SM		%	
Interest	39.04	25.43	23.31	9.10	53.54
Amortization	98.04	69.97	52.92	32.24	40.11
TOTAL	137.08	95.40	76.22	25.16	43.69

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.4.2 Domestic Debt Service

Total domestic debt service for 2022 increased by 3.9 percent over 2021 driven by increases in both interest and amortization payments. Actual contributions to the Sinking Fund decreased by 69.3

percent in 2022 when compared with 2021, see table 20. There was no bullet note or bond that matured during 2022.

TABLE 21: DOMESTIC DEBT SERVICING

DOMESTIC DEBT SERVICING	Budgeted	2022	2021	% Change	% Variance
		\$M			%
Interest	33.45	35.39	31.74	11.49	-5.46
Amortization	84.82	103.13	101.64	1.46	-17.75
TOTAL	118.28	138.51	133.38	3.85	-14.61
Sinking Fund	22.00	6.00	19.54	-69.29	266.67

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.0 PUBLIC CORPORATION DEBT

At as December 31, 2022, total public corporations' debt stood at \$39.3 million, a decrease of 74.2 percent when compared with \$152.3 million at the end of 2021. Of the total public corporations' debt, the domestic component amounted to \$25.7 million, representing 65.4 percent of the total public corporation's debt and a decrease of 1.0 percent from same period last year. The external component amounted to \$13.6 million or 34.6 percent of the total, a decrease of 89.2 percent over same period last year due to a 100.0 percent debt forgiveness from PDVSA. The level of government guaranteed public corporations' debt remains within the limit specified in the Government Guarantee of Loans Act Cap 255.¹²

7.1 Public Corporation Debt by Borrower and Creditor Categories

The NIS continues to be the largest creditor for the domestic public corporations, accounting for 91.2 percent of the total domestic public corporations' debt and 59.6 percent of the total public corporation debt. The outstanding indebtedness to the NIS by the National Student Loan Company, in the amount of \$20.9 million remains unchanged from 2017 to present, due mainly to its non-performing nature.

¹² The current limit specified for all guarantees issued by Government is ECD 300.0 million.

Outstanding disbursed debt owed to BOSVG is primarily for the operation of the overdraft facilities for the respective public corporations. The Kingstown Town Board, Housing and Land Development Corporation and the SVG Postal Corporation had overdraft balances at the end of 2021. The latter of which overdraft¹³ is a combination of three overdrafts.

The Housing and Land Development Corporation continues to service its loan with the St. Vincent Cooperative Bank. However, payments continue to be irregular and not in accordance with the loan agreement and repayment schedule¹⁴.

There has been a shift in the largest external creditor from PDVSA in 2021, to the CDB in 2022. Debt owed to the CDB totaled 96.9 percent of total external debt and 33.6 percent of total public corporation debt; of which debt owed by BOSVG¹⁵ to the CDB accounted for 97.1 percent of the outstanding CDB debt.

TABLE 22: PUBLIC CORPORATIONS DEBT BY BORROWER AND CREDITOR

PUBLIC CORPORATION	2022	2021	% Change
DOMESTIC			
BOSVG			
Housing and Land Development Corp	0.023	-	100.000%
Kingstown Town Board	0.278	-	100.000%
SVG Postal Corporation	1.176	0.939	25.240%
Total	1.477	0.942	56.808%
NIS			
National Lotteries	2.434	3.191	-23.723%
National Student Loan Company	20.955	20.955	0.000%
Total	23.389	24.146	-3.135%
St. Vincent Cooperative Bank			
Housing and Land Development Corp.	0.789	0.852	-7.447%
Total	0.789	0.852	-7.447%

¹³ The SVG Postal Corporation has three separate Overdraft Facilities at the BOSVG with a combined limited of \$1,275,000.

¹⁴ There have been no principal repayments made for the period October – December 2022

¹⁵ BOSVG debt is comprised mainly by monies borrowed to fund a national student loan scheme

TOTAL DOMESTIC	<u>25.655</u>	<u>25.939</u>	-1.096%
EXTERNAL			
CDB			
BOSVG	12.798	14.749	-13.228%
VINLEC	0.380	0.435	-12.644%
Total	13.178	15.184	-13.211%
Alba			
VINLEC	0.422	1.265	-66.650%
Total	0.422	1.265	-66.650%
EIB			
VINLEC	0.000	0.393	-100.000%
Total	0.000	0.393	-100.000%
PDVSA			
Petro Caribe Co. Ltd	0.000	109.550	-100.000%
Total	0.000	109.550	-100.000%
TOTAL EXTERNAL	<u>13.600</u>	<u>126.392</u>	-89.240%
TOTAL PUBLIC CORP DEBT	<u>39.255</u>	<u>152.3319</u>	-74.231%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.2 Instrument Type

Domestic debt instruments for public corporations consist of loans held with various banking institutions and the NIS as well as overdraft facilities with the BOSVG as shown in table 22 below. External public corporation's debt comprised of loans held with multilateral and bilateral creditors.

TABLE 23: PUBLIC CORPORATION'S DEBT BY INSTRUMENT TYPE AND CREDITOR

	2022	2021	% Change
	\$M	\$M	
DOMESTIC			
Loans	24.178	25.000	-3.290%
BOSVG	0.000	0.000	0.000%
NIS	23.389	24.146	-3.135%
St. Vincent Corp Bank	0.789	0.852	-7.447%
Overdraft	1.477	0.942	56.808%
BOSVG	1.477	0.942	56.808%
Total Domestic	25.655	25.939	-1.096%

EXTERNAL			
<i>Loans</i>			
CDB	13.178	15.184	-13.211%
EIB	0.000	0.393	-100.000%
ALBA	0.422	1.265	-66.650%
Petro Caribe	0.000	109.550	-100.000%
Total External	13.600	126.392	-89.240%
TOTAL PUBLIC CORP DEBT	39.255	152.332	-74.231%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.3 Debt Service

With the exception of National Student Loan Company and the Housing and Land Development Corporation, all other Public Corporations/Government Guaranteed Institutions met their debt servicing obligations as scheduled.

APPENDICES

Appendix I: Selected Public Debt Indicators 2012-2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
					(\$m)						
Total Public Debt	1,336.6	1,445.8	1,562.5	1,594.4	1,746.5	1,572.0	1,657.0	1,674.0	1,871.5	2,118.9	2,253.8
Total Central Gov't	1,140.0	1,229.7	1,348.8	1,379.8	1,429.3	1,322.2	1,404.8	1,505.7	1,714.0	1,966.5	2,214.5
External Debt	738.1	809.5	887.7	922.5	1,201.8	1,003.6	1,080.4	1180.8	1291.4	1575.7	1,646.3
Central Government	652.7	728.7	811.2	855.7	962.0	830.1	899.9	1040.7	1160.8	1449.3	1,632.7
Public Corporations	85.4	80.8	76.5	66.8	239.7	173.5	180.5	140.1	130.6	126.4	13.6
Domestic Debt	598.5	636.3	674.8	671.8	544.7	568.4	576.5	493.2	580.1	543.1	607.6
Central Government	487.3	501.0	537.6	524.0	467.3	492.1	504.9	465.0	553.2	517.2	581.9
Public Corporations	111.2	135.3	137.2	147.8	77.4	76.3	71.7	28.2	26.9	25.9	25.7
Private Guaranteed External Debt	16.6	19.5	24.5	25.2	26.7						
Debt Servicing											
External	87.7	88.3	77.0	78.1	80.2	98.0	91.3	103.2	100.2	78.6	96.8
Central Government	72.7	72.7	60.8	62.9	65.1	83.3	76.8	90.8	92.4	76.2	95.4
Public Corporations	12.1	18.6	16.2	15.3	15.1	14.7	14.4	12.4	7.8	2.4	1.4
Domestic											
Central Government	48.7	58.1	72.0	72.8	83.3	82.7	93.8	114.6	105.6	104.2	103.1
(of which sinking fund)	4.0	5.5	7.6	7.6	12.1	14.0	22.0	32.4	45.0	19.5	6.0
GDP (at market price)	1,971.1	2,064.9	2,081.4	2,123.7	2,198.6	2,288.6	2,387.7	2,457.4	2,354.8	2,399.4	2,438.8
Current Revenue	472.6	491.3	535.2	519.1	592.6	592.2	594.1	600.5	606.3	681.4	666.6
Central Gov't Debt/GDP	57.8	59.6	64.8	65.0	65.0	57.8	58.8	61.3	72.8	82.0	90.8
Total Debt/GDP (%)	67.8	70.0	75.1	75.1	79.4	68.7	69.4	68.1	79.5	88.3	92.4
External Debt/GDP (%)	37.4	39.2	42.6	43.4	54.7	43.9	45.3	48.0	54.8	65.7	67.5
Domestic Debt/GDP (%)	30.4	30.8	32.4	31.6	24.8	24.8	24.1	20.1	24.6	22.6	24.9
Central Government Debt Service/Current Revenue (%)	24.8	25.5	23.4	24.7	23.0	25.7	25.0	28.8	25.2	23.6	28.9
External Debt Service/ Current Revenue (%)	18.6	18.0	14.4	15.1	13.5	16.5	15.4	17.2	16.5	11.5	14.5
Domestic Debt Service/ Current Revenue (%)	9.5	10.7	12.0	12.6	12.0	11.6	12.1	13.7	10.0	12.4	14.6
Guarantee Debt % of GDP	0.11	0.11	0.11	0.11	0.16	0.11	0.11	0.07	0.07	0.06	0.02

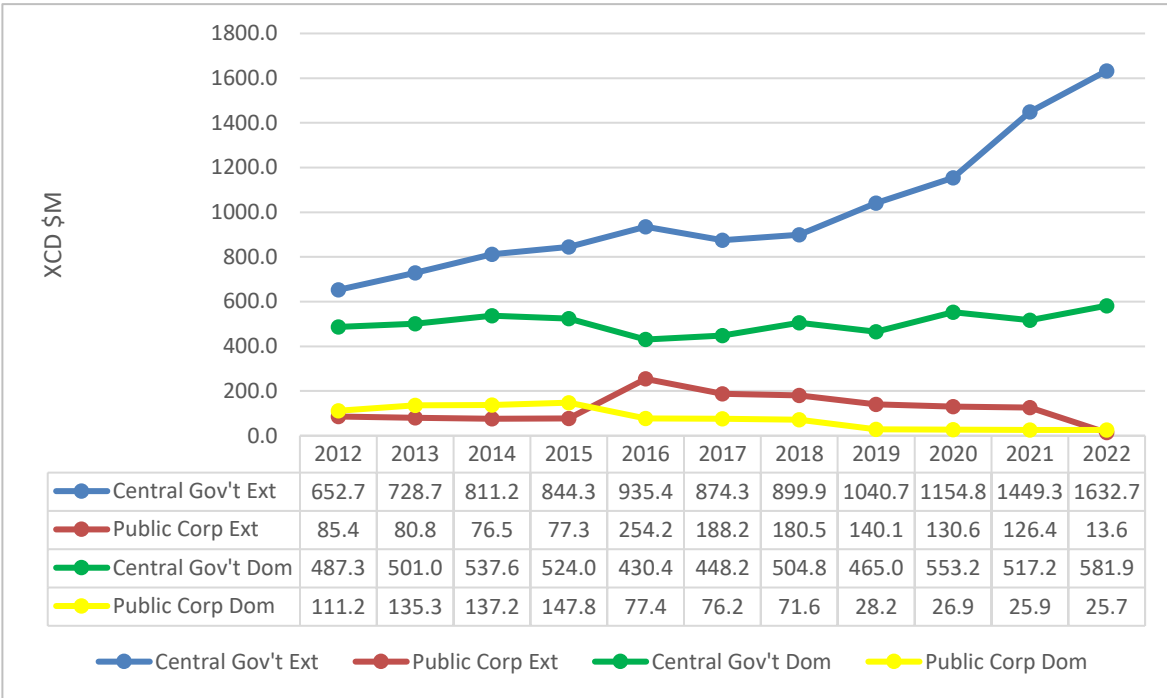
Appendix II: Disbursements on External Loans by Creditor and Project 2022

CREDITORS	PROJECT/ PROGRAMME	Disbursed XCD (\$)
LOANS		
Caribbean Development Bank	Port Modernization Project	81,414,886
	School Improvement Project - phase 1	12,311,641
	Technical and Vocational Education and Training Development	307,675
	NDM - Rehabilitation and Reconstruction (December 2013 trough event)	149,867
	Canouan Airport Runway Rehabilitation	280,467
	Energy Efficiency Measures and Solar Photovoltaic Plant	1,966,940
	Sandy Bay Sea Defenses Resilience Project	13,149
	NDM- Rehab. and Reconstruction - Hurricane Tomas/North Windward	2,298,218
	NDM - Disaster Risk Reduction and Climate Change Adaptation	1,978,830
	Project Management Support for the Ministry of Transport, Works etc	837,374
	South Leeward Highway Rehab and Upgrade	237,638
	Safety Nets for Vulnerable Population affected by Coronavirus Disease	16,081,200
	Port Rationalisation and Development Study	3,289
	Subtotal for Caribbean Development Bank	\$117,881,174
	Caribbean Development Fund	Country Assistance Programme
Subtotal for Caribbean Development Fund		\$10,143,252
World Bank (IDA)	OECS Human Development Delivery Service	9,465,353
	OECS Tourism Competitiveness Project	1,350,000
	OECS Regional MSME Guarantee Facility Project	327,839
	SVG Volcano Eruption Emergency Project (VEEP)	30,967,862
	SVG Regional Health Project	2,970,000
	SVG Digital Caribbean Project	4,531,772
Subtotal for World Bank	\$49,612,826	
OPEC Fund for International Development	Agriculture and Feeder Road	5,238,136
	Subtotal for OPEC Fund for International Development	\$5,238,136
Export Import Bank of China	Hotel Development Project	10,800,000
	Modern Court House	6,750,000

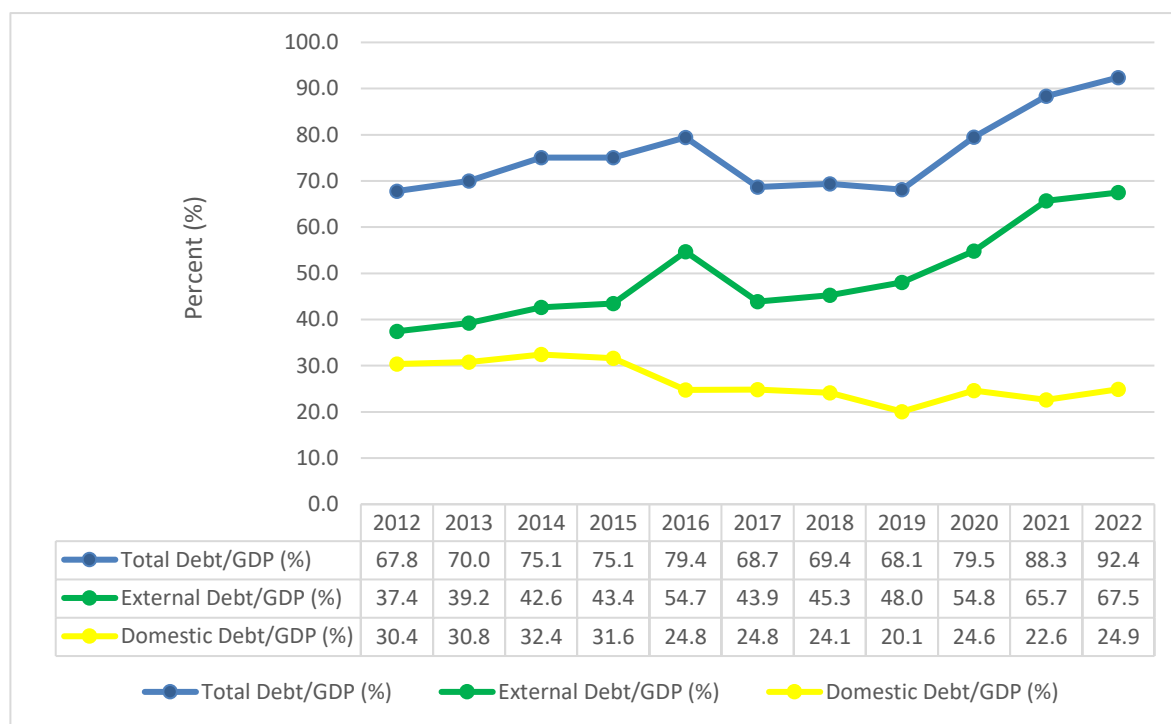
The Government of St. Vincent and the Grenadines

	Port Modernization Support Loan	25,110,000
	Subtotal for Export Import Bank of China	\$42,660,000
Kuwait Fund for Arab Development	Feeder and Agriculture Road	5,597,275
	Subtotal for Kuwait Fund for Arab Development	\$5,597,275
	TOTAL LOAN DISBURSEMENTS	<u>\$231,132,663</u>
<u>GRANTS</u>		
Caribbean Development Bank	Port Modernization Project	\$24,683,238
	National Standardization and Certification of Exportable Services Providers	\$354,519
	Subtotal for Caribbean Development Bank	\$25,037,757
Caricom Development Fund	Country Assistance Programme	1,399,245
	Subtotal for Caribbean Development Fund	\$1,399,245
World Bank (IDA)	Volcanic Eruption Emergency Project	4,623,462
	Subtotal for World Bank	\$4,623,462
	TOTAL GRANT DISBURSEMENTS	<u>\$31,060,464</u>
	TOTAL LOANS AND GRANTS DISBURSEMENTS	<u>\$262,193,127</u>

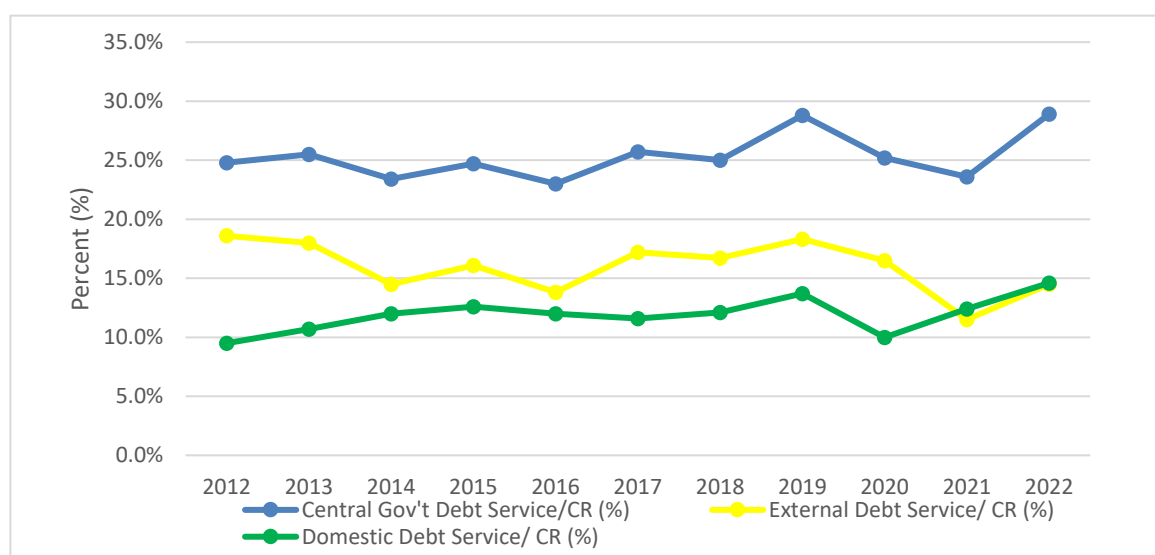
Appendix III: Composition of Total Public Debt 2012-2022



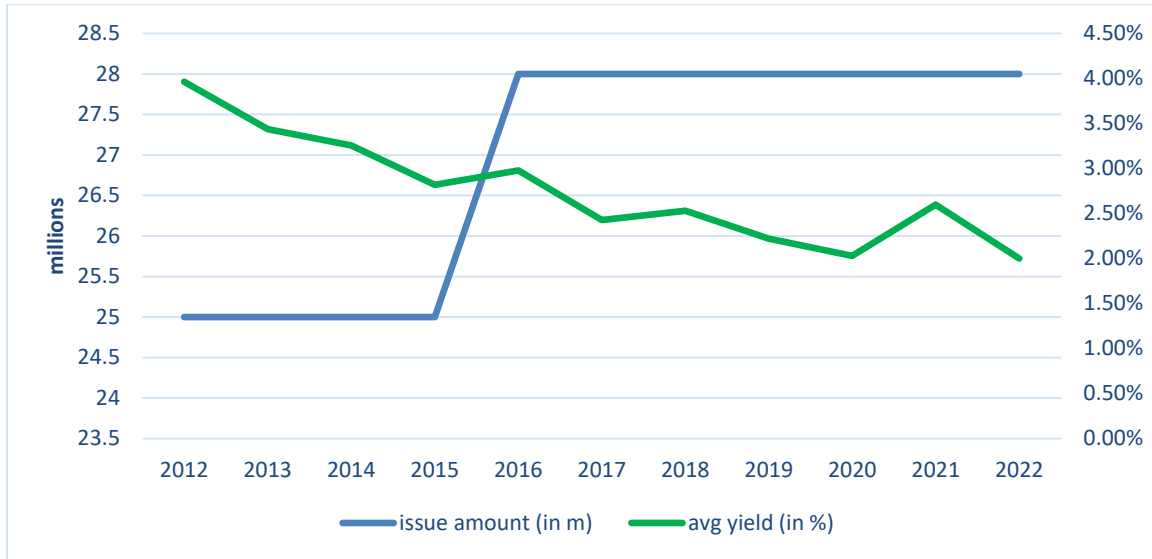
Appendix IV: Debt to GDP 2012 – 2022



Appendix V: Debt Service to Revenue 2012 – 2022



Appendix VI: Treasury Bills Average Rates 2012-2022



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 ¹⁶ . 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 ¹⁷ 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. 2 of 2022. Passed in the House of Assembly on 17 th January 2022.	Authorized the Government to borrow a total of \$125.0 million to finance the 2022 Public Sector Investment Programme.
The Port Modernization Project (loan authorization) Act No. 10 of 2022. Passed in the House of Assembly on 25 th July, 2022	Authorized the Government to borrow a total of USD \$62.0 million to assist in financing the construction of the Port Modernization Project.
The Strengthening Health System Resilience Project (loan authorization) Act No.15 of 2022. Passed in the House of Assembly on 17 th October, 2022	Authorized the Government to borrow a total of USD \$30.0 million to assist in financing the Strengthening Health System Resilience Project.
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

¹⁶ Sec 44, Finance Administration Act Cap 252

¹⁷ Resolution of Parliament 29th January, 2016

The Government Guarantee of Loans Act Cap 255	Gives Government the authority to guarantee loans by lending agencies to State-owned Corporations. The current limit specified for all guarantees issued by Government is EC \$300.0 million.
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