

Government of Saint Lucia Statistical Debt Bulletin



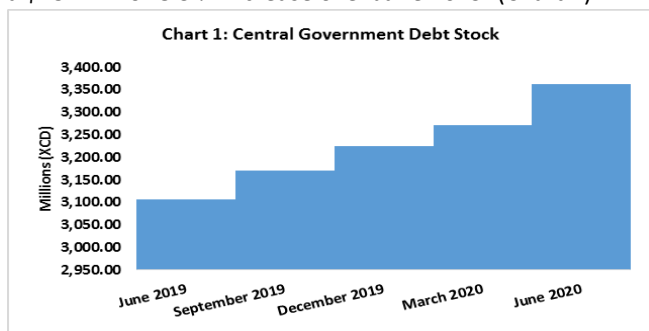
Debt and Investment Unit
Government of Saint Lucia
June 2020

The Debt and Investment Unit (DIU) in the Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service is the Government of Saint Lucia’s primary agent responsible for managing the country’s public debt. This issue of the Public Debt Bulletin covers the second quarter (April -June) of 2020 with comparisons to the previous quarter and the corresponding quarter of the previous year. For the purposes of the debt bulletin, debt is classified according to the residency of the creditors represented in the debt portfolio not the currency profile. Thus, domestic debt can include foreign currency debt.

1. Central Government Debt

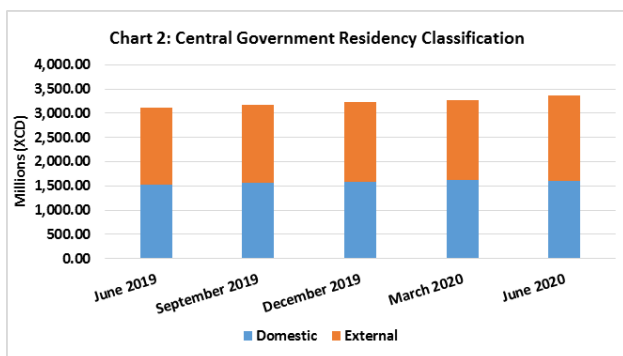
1.1 Central Government Debt Stock

Central Government debt is the total public debt stock minus government guaranteed debt. It stood at \$3,362.95M at end June 2020, a \$91.9M or 2.8 % increase from the March 2020 and a \$257.2M or 8.3 % increase over June 2019. (Chart 1)



1.2 Central Government Residency Classification

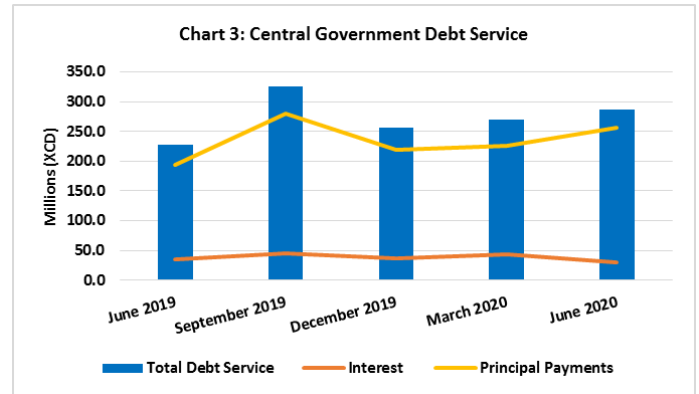
At the end of June 2020 Domestic debt stood at \$1,603.8M or 47.7% of the central government debt stock. Domestic debt decreased by \$25.4M from March 2020. External debt stood at \$1,759.2M at end June 2020 or 52.3% of the central government debt stock. This is an increase of \$117.3M over March 2020 (Chart 2)



1.3 Central Government Debt Service

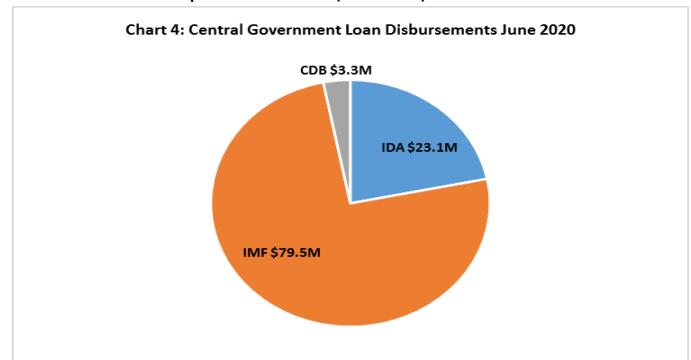
Total debt service for central government amounted to \$286.2M, a \$16.5M or 6.1 % increase over March 2020. Principal repayments amounted to \$256.19M, of which \$149.4M was external amortization and \$106.8M domestic repayments.

Interest payments totalled \$30.1M, which comprised \$11.2M external payments and \$18.9M domestic payments. (Chart 3)



1.4 Central Government Loan Disbursements

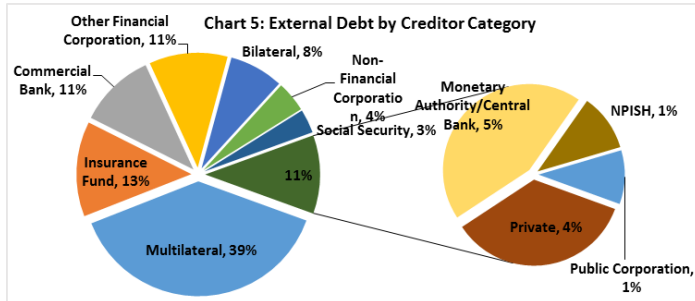
Total loan disbursements for the quarter amounted to \$105.88M, all from multilateral sources. \$23.1M from the International Development Association (IDA), \$79.5M from the International Monetary Fund (IMF) and \$3.3M from the Caribbean Development Bank. (Chart 4)



2. Central Government External Debt

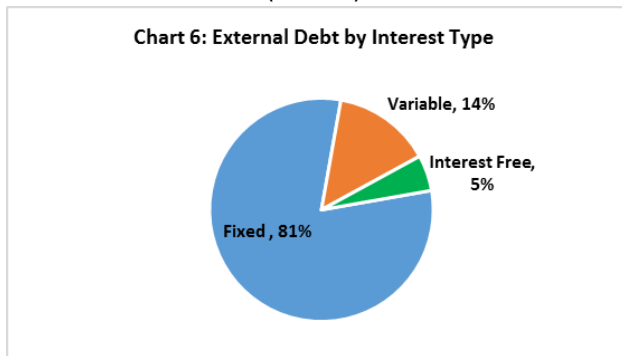
2.1 External Debt by Creditor Category

Multilateral creditors dominate the external debt portfolio with a 38.5% share. Insurance Funds next with 13.8% and Other Financial Corporations 11.03%. Other holders are Commercial Banks (10.73%), Bilateral (7.6%), Non-Financial Corporations (4.3%), and foreign social security (3.4%). (Chart 5)



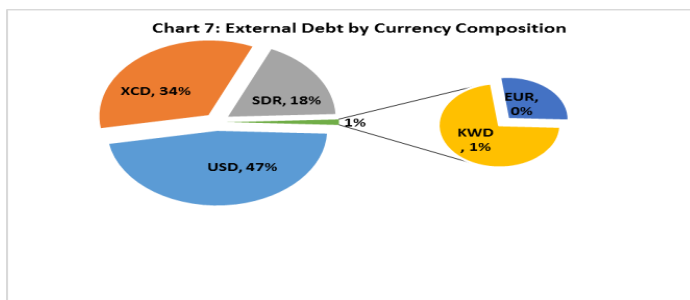
2.2 External Debt by Interest Type

The primary interest rate type of Government of Saint Lucia external debt is fixed; accounting for \$1,417.4M or 80.6 % of the portfolio. Loans contracted at variable interest rates accounted for \$250.5M or 14.2 % with the remaining \$91.3M or 5.2 % being interest free CIP bonds. (Chart 6)



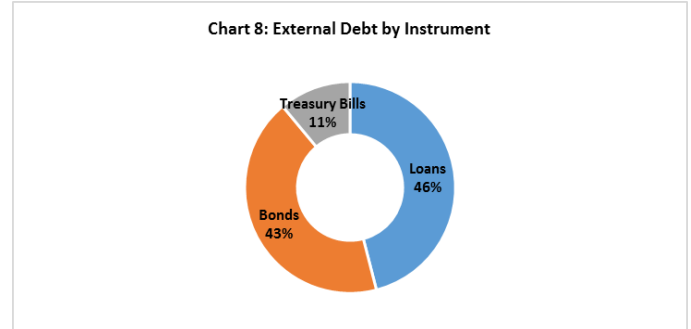
2.3 External Debt by Currency Composition

At the end of June 2020, the United States Dollar (USD) accounted for a 46.7 % share of the external debt stock. The Eastern Caribbean Dollar (XCD) accounted for 34.4 %, Special Drawing Rights (SDR) 17.8 %, Kuwaiti Dinars (KWD) 0.8 % and the EURO (EUR) 0.3 %. (Chart 7)



2.4 External Debt by Instrument

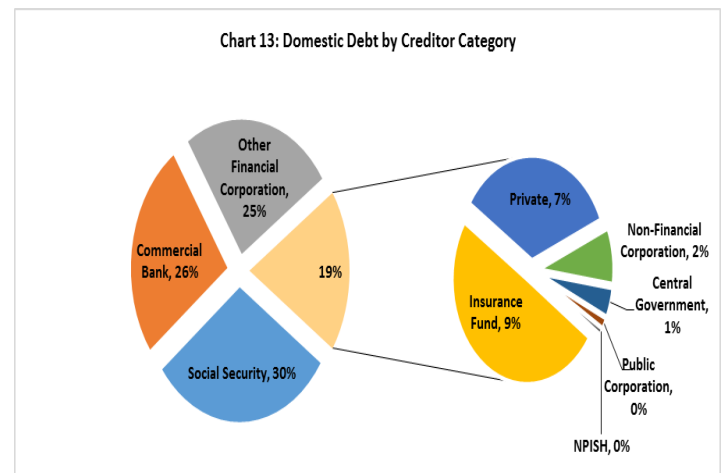
At the end of June 2020, Loans dominated the external central government portfolio and accounted for \$808.8M or 46.0 %, followed by \$755.7M or 43.0% for bonds and \$194.7M or 11.1% for treasury bills. (Chart 8)



4. Central Government Domestic Debt

4.1 Domestic Debt by Creditor Category

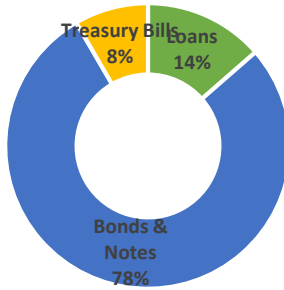
Central Government Domestic debt amounted to \$1,603.78M, a 1.6 % decrease from March 2020. Social Security and Commercial Banks are the leading contributors with 30.1 % and 26.0 %, respectively. Other Financial Corporations follow with 25.0 %, Insurance Funds 9.4 %, Private Individuals 6.5 % and Non-Financial Corporations 1.6 %. (Chart 13).



4.2 Domestic Debt by Instrument

Bonds and Notes dominated the domestic Central Government portfolio with 78.0 % followed by Loans (13.6 %) and Treasury Bills (8.4 %). (Chart 14)

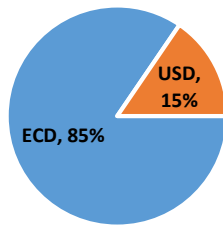
Chart 14: Domestic Debt by Instrument



4.3 Domestic Debt by Currency Composition

For the purposes of the Debt Bulletin, debt is categorised by residency, which includes both local and foreign currencies. Eastern Caribbean Dollar (ECD) accounted for 84.5 % of the domestic debt stock with United States Dollar (USD) accounting for 15.5 %. (Chart 15)

Chart 15: Domestic Debt by Currency Composition



4.4 Domestic Debt by Interest Type

Interest rates on all domestic instruments are fixed.

5. Regional Government Securities Market (RGSM) Activities

The Government of Saint Lucia issued four instruments using the RGSM platform for the second quarter of 2020. Two 91-day Treasury bills had bids worth XCD\$22.1M and two 180-day bills worth XCD\$34.5M. (Table 1)

Table 1: Quarterly RGSM Auctions

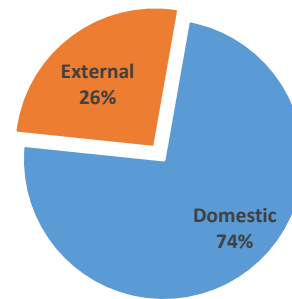
Auction Date	Issue	Tenor	Issue Amount (XCD)	Value of Bids (XCD)	Amount Accepted (XCD)	Over/Under Subscription	Coupon Rate %
April 07, 2020	LCB080720	91 day T-Bill	16,000,000	11,142,000	11,142,000	-4,858,000	3.50
April 14, 2020	LCB121020	180 day T-Bill	21,000,000	18,511,000	18,511,000	-2,489,000	3.00
April 16, 2020	LCB170720	91 day T-Bill	11,000,000	10,920,000	10,920,000	-80,000	3.50
June 29, 2020	LCB271220	180 day T-Bill	16,000,000	19,020,000	16,000,000	3,020,000.00	\$3.25

6. Government Guaranteed Debt

6.1 Government Guarantee Debt Composition

At June 2020, the Government’s guaranteed debt amounted to \$190.2M, a decrease of 1.3 % over March 2020. Domestic liabilities accounted for 73.9 % and external liabilities 26.1 %. (Chart 16)

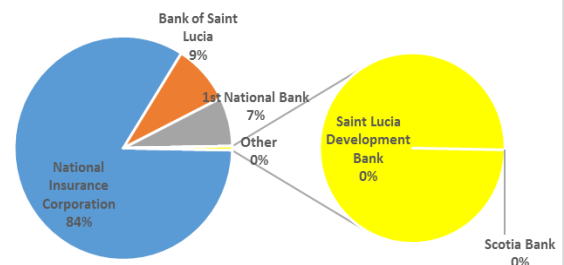
Chart 16: Guaranteed Debt by Residency



6.2 Domestic Guaranteed Debt by Creditor

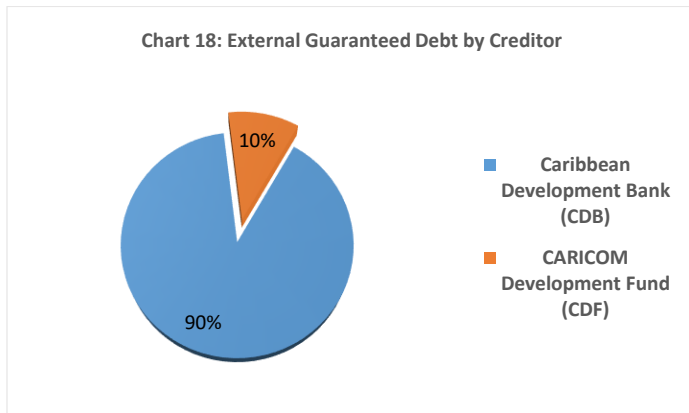
The National Insurance Corporation holds the greatest share of the guarantee portfolio with 83.6 % of the total or \$117.5M. Bank of Saint Lucia and the 1st National Bank of Saint Lucia have 8.7 % or \$12.2M and 7.1 % or \$9.9M, respectively. (Chart 17)

Chart 17: Domestic Guaranteed Debt by Creditor

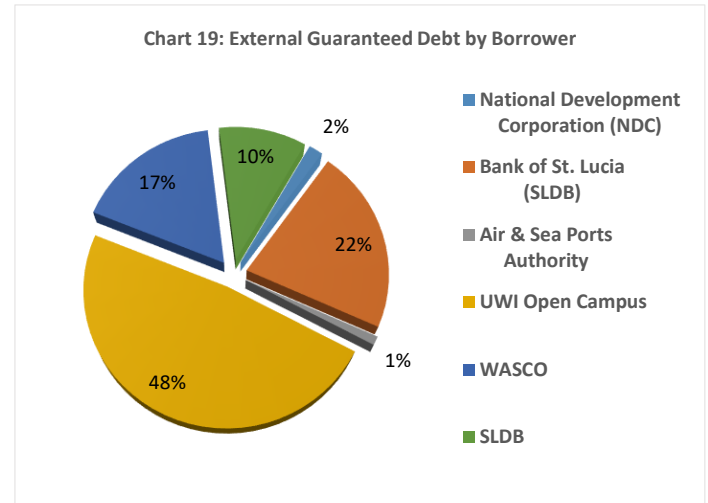


6.3 External Guaranteed Debt by Creditor /Borrower

These are external obligations by SEO'S guaranteed by the government. The creditors of these obligations are the Caribbean Development Bank (CDB) which holds the greatest share of 89.7 % and CARICOM Development Fund (CDF) 10.3 %. (Chart 18).



The UWI Open Campus is the largest borrower of the external guaranteed portfolio with 48.4 % or \$24.0M. Bank of Saint Lucia (SLDB) has 21.7 % share or \$10.8M, WASCO 17 % (8.45M) and SLDB 10 % or 5.10M. (Chart 19)



6. Portfolio Risk Indicators

The weighted Average Time to Maturity of the portfolio at end June 2020 was 5.2 years. This represents an 8.3 % increase from the previous quarter. The weighted Average Time to Refixing of the portfolio was also 5.2 years, an 8.3 % increase from the previous quarter. The Weighted Average Cost of Debt declined slightly compared to the previous period. (Table 2)

Cost and Risk Indicators	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
ATM	4.95	5.13	5.13	4.82	5.19
% Maturing in 1 year	22.98%	18.52%	18.24%	28.94%	24.44%
ATR	4.5	4.1	5.13	4.82	5.19
WACD	5.26%	5.21%	5.16%	5.13%	5.03%

Table 3: Quarterly Summary

Particulars	June 2019	September 2019	December 2019	March 2020	June 2020	Qtrly change %	Yrly Change %
Total Public Debt (XCD)	3,289.73	3,350.33	3,416.72	3,463.62	3,553.16	▲2.59	▲8.01
Central Government Debt	3,105.73	3,169.78	3,224.56	3,271.08	3,362.95	▲2.81	▲8.28
Government Guaranteed Debt	183.99	180.55	192.16	192.54	190.21	▼-1.21	▲3.38
Central Government Debt (XCD)	3,105.73	3,169.78	3,224.73	3,271.08	3,362.95	▲2.81	▲8.28
External Debt	1,588.49	1,612.04	1,640.52	1,641.86	1,759.17	▲7.14	▲10.74
Domestic Debt	1,517.24	1,557.74	1,584.22	1,629.22	1,603.78	▼-1.56	▲5.70
Government Guarantees (XCD)	183.99	180.55	192.16	192.54	190.21	▼-1.21	▲3.38
External Debt	38.18	37.82	49.13	50.54	49.69	▼-1.67	▲30.14
Domestic Debt	145.81	142.74	143.02	142.00	140.52	▼-1.04	▼-3.63
External Debt by Instrument (XCD)							
Loans	646.16	671.72	704.97	711.60	808.79	▲13.66	▲25.17
Bonds	739.35	740.80	733.15	726.59	755.72	▲4.01	▲2.21
Treasury Bills	202.98	199.52	202.40	203.67	194.66	▼-4.42	▼-4.10
Domestic Debt by Instrument (XCD)							
Loans	234.31	229.44	220.25	218.95	217.78	▼-0.53	▼-7.05
Bonds	1,212.70	1,208.35	1,222.58	1,260.00	1,251.56	▼-0.67	▲3.20
Treasury Bills	70.24	119.94	141.38	150.26	134.43	▼-10.54	▲91.40
Foreign Currency Risk (%)							
% of debt in Local Currency XCD	59.99	59.90	59.77	59.73	34.37	▼-42.45	▼-42.70
% of debt in USD	32.16	32.53	32.81	32.68	46.66	▲42.77	▲45.10
% of debt in EUR	0.24	0.23	0.20	0.20	0.32	▲60.40	▲31.99
% of debt in KWD	0.55	0.54	0.48	0.49	0.84	▲71.97	▲53.89
% of debt in SDR	7.07	6.80	6.74	6.90	17.81	▲158.09	▲152.05
Total Debt Service (XCD)							
External	140.80	175.70	135.10	138.50	160.55	▲2.52	▼-1.63
Domestic	87.30	149.70	120.80	131.20	125.69	▲8.61	▲50.29
Interest	35.20	45.40	36.50	43.50	30.05	▼-30.92	▼-14.63
Principal	192.90	280.00	219.40	226.20	256.19	▲13.26	▲32.81
Interest Rate Structure (%)							
Fixed Rate	93.77	92.89	92.11	92.58	89.84	▼-2.96	▼-4.19
Variable Rate	5.68	6.70	7.62	7.15	7.44	▲4.06	▲30.99
Interest Free	0.56	0.42	0.28	0.27	2.70	▲900.00	▲382.14
Risk Indicators							
ATM (Years)	5.13	5.13	4.82	4.82	5.19	▲7.68	▲1.17
Maturing in 1 year (%)	22.98	18.52	18.24	28.94	24.44	▼-15.55	▲6.35
ATR (Years)	4.08	5.13	4.82	4.82	5.19	▲7.68	▲27.21
WACD (%)	5.26	5.21	5.16	5.13	5.03	▼-1.95	▼-4.37