



GOVERNMENT OF SAINT LUCIA QUARTERLY DEBT BULLETIN



MARCH 2023



Table of Contents

GENERAL STATEMENT.....	3
1. TOTAL PUBLIC DEBT.....	4
1.1 Total Public Debt Composition.....	4
1.2 Total Public Debt by Residency.....	4
2. CENTRAL GOVERNMENT DEBT.....	5
2.1 Central Government Debt Portfolio by Residency.....	5
2.2 Central Government Debt by Instrument.....	5
2.3 Central Government Debt by Currency Composition.....	6
3. CENTRAL GOVERNMENT EXTERNAL DEBT.....	6
3.1 External Debt by Creditor Category.....	6
3.2 External Debt by Instrument.....	7
3.3 External Debt by Currency Composition.....	7
3.4 External Debt by Interest Rate Basis.....	8
4. CENTRAL GOVERNMENT DOMESTIC DEBT.....	8
4.1 Domestic Debt by Creditor Category.....	8
4.2 Domestic Debt by Instrument.....	9
4.3 Domestic Debt by Currency Composition.....	9
4.4 Domestic Debt by Interest Rate Basis.....	9
5. CENTRAL GOVERNMENT DEBT FLOWS.....	10
5.1 Central Government Debt Service.....	10
5.2 Central Government External Loan Disbursements.....	10
6. CENTRAL GOVERNMENT PORTFOLIO RISK INDICATORS.....	11
6.1 Average Time to Maturity.....	11
6.2 Average Time to Re-Fixing.....	11
6.3 Percentage of Debt maturing in One Year.....	11
6.4 Weighted Average Cost of Debt (WACD).....	11
7. GOVERNMENT-GUARANTEED DEBT.....	12
7.1 Government-Guaranteed Debt by Residency.....	12
7.2 Government-Guaranteed Debt by Currency.....	12
7.3 External Government-Guaranteed Debt by Creditor.....	12
7.4 Domestic Government-Guaranteed Debt by Creditor.....	12
8. GOVERNMENT SECURITIES.....	13
8.1 RGSM Securities.....	13
8.2 Private Placement Securities.....	13
ANNEX.....	14



GENERAL STATEMENT

The Debt and Investment Management Unit (DIU) in the Ministry for Finance, Economic Development, and Youth Economy is the Government of Saint Lucia's primary agent responsible for managing Saint Lucia's public debt. The dissemination of timely, consistent, comprehensive, and reliable public debt statistics represents a vital element of the government's commitment to promoting accountability and transparency in debt management activities.

The main objective of publishing this bulletin is to provide the public with relevant information and data regarding the country's domestic and external debt position. The Commonwealth Secretariat Meridian Database System (Meridian) records loans, produces aggregate data, and reports on public sector debt and is used in generating the data used in the analysis of this report.

This Public Debt Statistical Bulletin issue provides a statistical overview of the public debt portfolio for the first quarter (January - March) of 2023, contrasting the current quarter with the previous four quarters. The scope of the public debt bulletin is central government debt and government-guaranteed debt.

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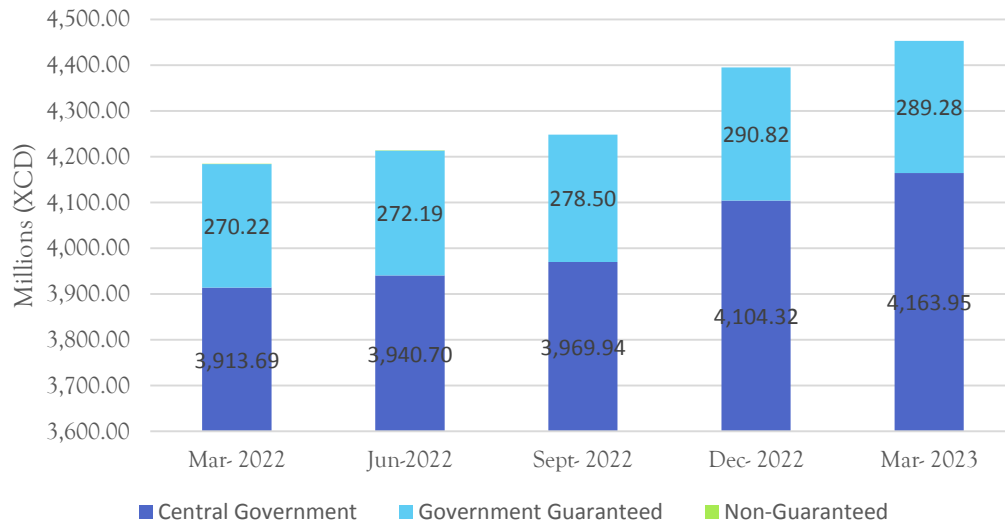


1. TOTAL PUBLIC DEBT

1.1 Total Public Debt Composition

Total Public Debt totaled \$4,453.23 million at the end of March 2023, a 1.3% increase over the last quarter, and a 6.4% increase over the corresponding quarter in 2022. Central government debt accounted for \$4,163.95 million or 93.5% of total public debt. Government-guaranteed debt totals \$289.28 million or 6.5% of the public debt stock. Non-guaranteed debt matured in September 2022. (Figure 1)

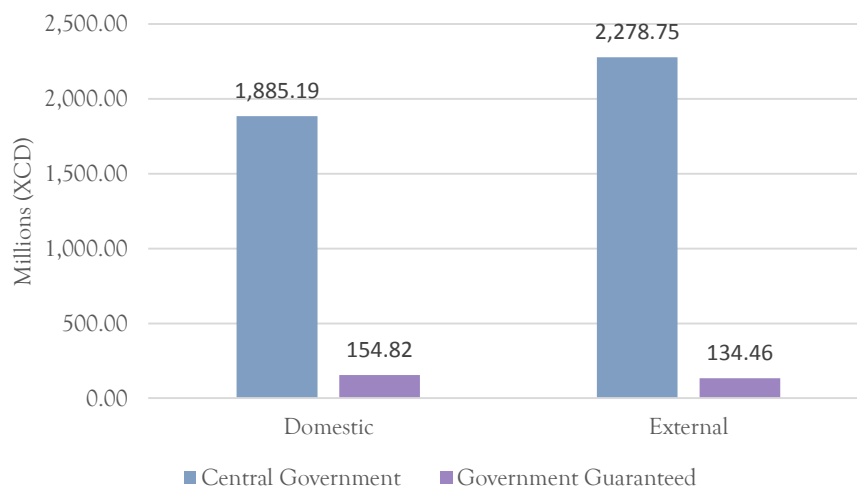
Figure 1: Total Public Sector Debt Composition as at March 2023



1.2 Total Public Debt by Residency

Domestic public debt at the end of March 2023 totaled \$2,040.02 million (preliminary), representing 45.8% of the total public debt portfolio. External public debt totaled \$2,413.22 million or a 54.2% share of public debt. (Figure 2)

Figure 2: Total Public Debt by Residency at March 2023





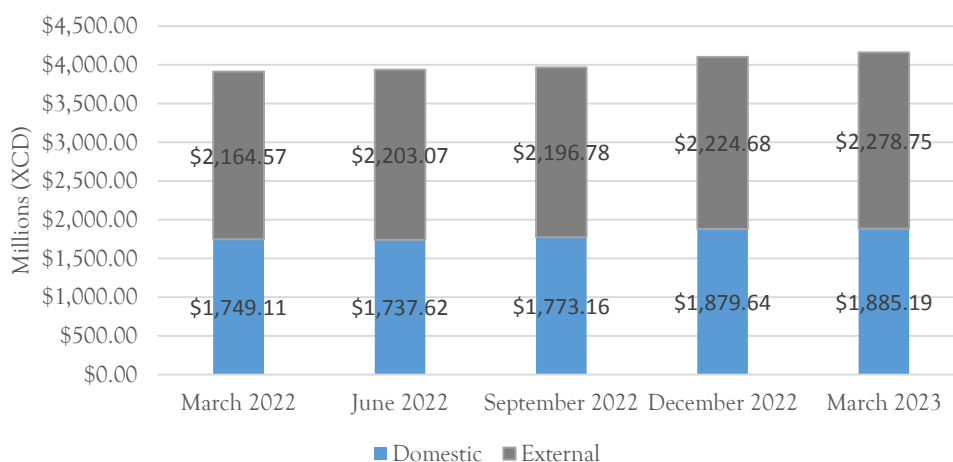
2. CENTRAL GOVERNMENT DEBT

2.1 Central Government Debt Portfolio by Residency

Central government debt accounts for 93.5% of the public debt portfolio, increasing \$59.62 million or 1.5% to \$4,163.95 million during the quarter ending March 2023 compared to the previous quarter and \$250.26 million or 6.4% over the corresponding quarter March 2022. This slight increase was mainly due to a 2.5% increase in loans from the last quarter.

At the end of March 2023, the domestic debt portfolio stood at \$1,885.19 million or 45.3% of the total central government debt stock, increasing by \$5.5 million from December 2022. External debt represents 54.7% of the total central government debt stock and totaled \$2,278.75 million at the end of March 2023, an increase of \$54.08 million over December 2022. (Figure 3)

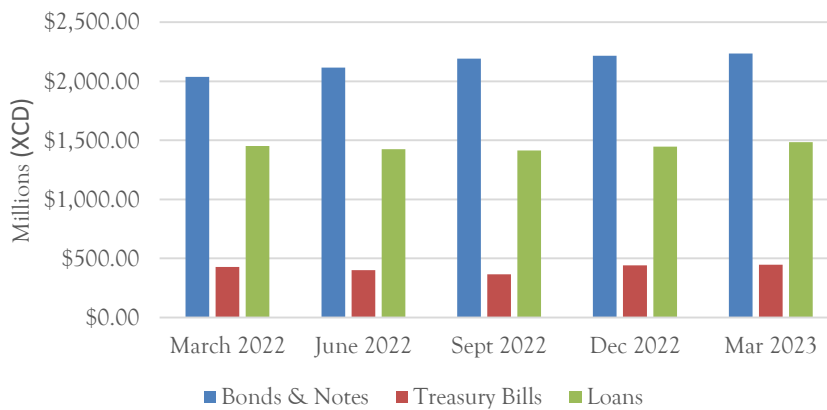
Figure 3: Central Government Debt by Residency at March 2023



2.2 Central Government Debt by Instrument

Bonds & Notes dominated the central government portfolio with \$2,235.14 million or 53.7% of the total central-government debt stock at the end of the quarter ending March 2023. Bonds & notes increased by 0.8% and 9.8% over the last quarter and the corresponding quarter of 2022 respectively. Loans had the second largest share of the central government debt stock with \$1,483.13 million (35.6%) at the end of March 2023; and decreased by 2.2% over the last year. The share of Treasury Bills accounted for \$445.68 million (10.7%), an increase of 1.0% over the previous quarter. (Figure 4)

Figure 4: Central Government Debt by Instrument at March 2023

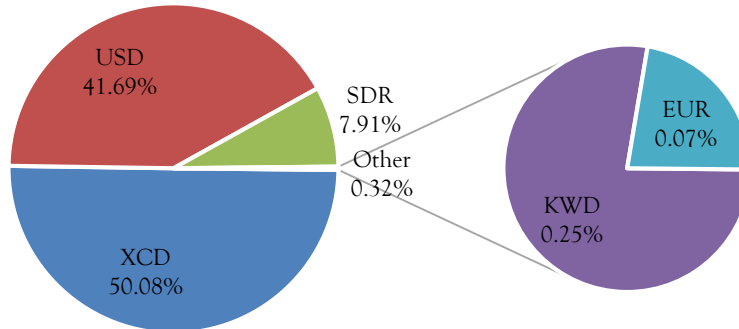




2.3 Central Government Debt by Currency Composition

Eastern Caribbean Dollars (XCD) dominated the Central Government Debt portfolio with \$2,085.13 million or 50.08% at the end of March 2023. The United States Dollars (USD) had the second-largest share with \$1,736.15 million or 41.69%. Special Drawing Rights (SDR) totaled \$329.30 million or 7.91%, Kuwaiti Dinars (KWD) \$10.37 million or 0.25% and Euros (EUR) \$3.01 million. (Figure 5)

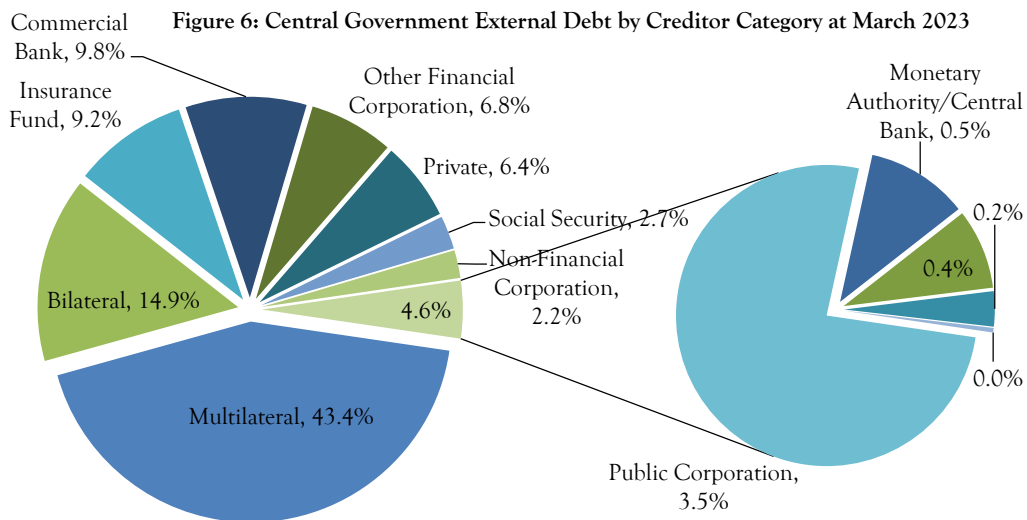
Figure 5: Central Government Debt by Currency Composition at March 2023



3. CENTRAL GOVERNMENT EXTERNAL DEBT

3.1 External Debt by Creditor Category

The leading creditor categories of the external central government debt portfolio are multilateral creditors, accounting for 43.4%, bilateral creditors with 14.9%, followed by Commercial Banks with 9.8%, Insurance Funds with 9.2% and Other Financial Corporations with 6.8%. (Figure 6)

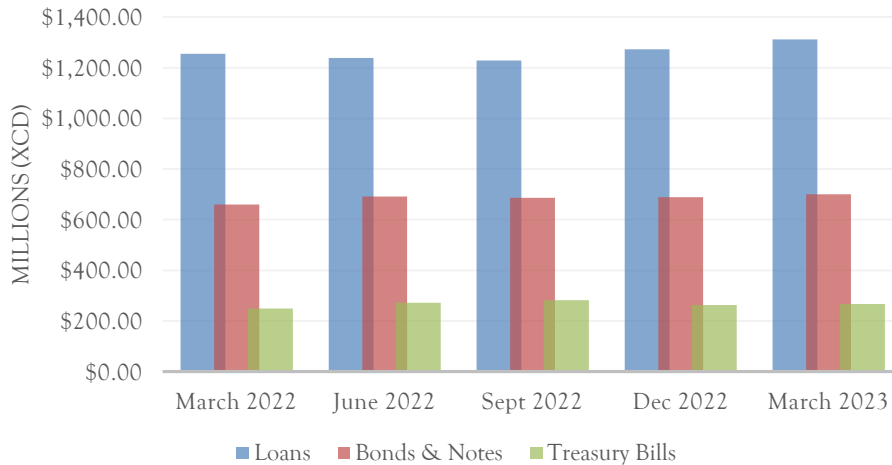




3.2 External Debt by Instrument

Loans accounted for the largest share of the Central Government's external debt portfolio with \$1,311.92 million (57.6%), increasing 3.1% from December 2022 and 4.5% from the previous year. Bonds & Notes totaled \$699.74 million (30.7%) of the external debt stock, increasing by 1.5% from the last quarter and by 6.1% over March 2022. Treasury bills accounted for a miniscule \$267.10 million (11.7%) of the external debt stock, a 1.5% increase over December 2022 and an increase of 7.1% over March 2022. (Figure 7)

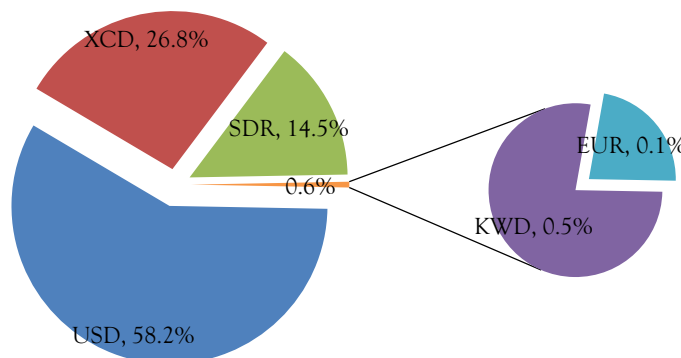
Figure 7: Central Government External Debt by Instrument at March 2023



3.3 External Debt by Currency Composition

United States Dollar (USD) denominated debt totaled \$1,326.42 million or 58.2% of the external debt stock. Eastern Caribbean Dollar (XCD) debt amounted to \$609.66 million (26.8%) and Special Drawing Rights (SDR) 329.30 million (14.5%) of the external debt portfolio. The other currencies in the portfolio are Kuwaiti Dinars (KWD) with 10.37 million (0.5%) and Euros (EUR) with 3.01 million (0.1%). The dominance of the USD and XCD means that the foreign exchange risk for the external debt portfolio is low due to the peg between the two currencies, thereby creating stability to exchange rate volatilities to other currencies in the portfolio. (Figure 8)

Figure 8: Central Government External Debt by Currency Composition at March 2023

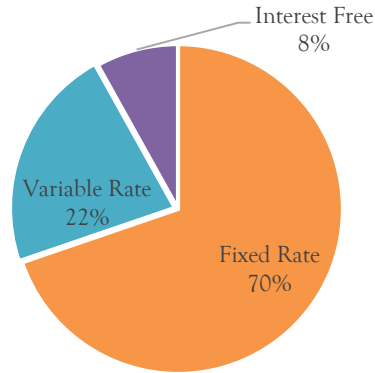




3.4 External Debt by Interest Rate Basis

Fixed-rate external debt totaled \$1,589.52 million or 69.8% share of the central government's external debt. Variable-rate loans amounted to \$504.97 million (22.1%) and interest-free instruments; which comprises of CIP bonds and IMF Loans amounted to \$184.27 million (8.0%). (Figure 9)

Figure 9: External Debt by Interest Rate Composition at March 2023

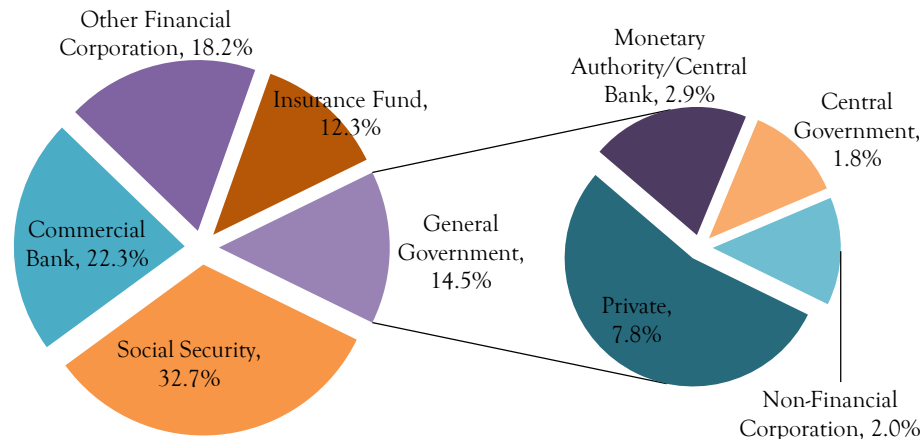


4. CENTRAL GOVERNMENT DOMESTIC DEBT

4.1 Domestic Debt by Creditor Category

Social Security, Commercial Banks, Other Financial Corporations and Insurance Funds are the dominant creditor categories in the Domestic debt portfolio as at March 2023. (Figure 10)

Figure 10: Central Government Domestic Debt by Creditor Category at March 2023

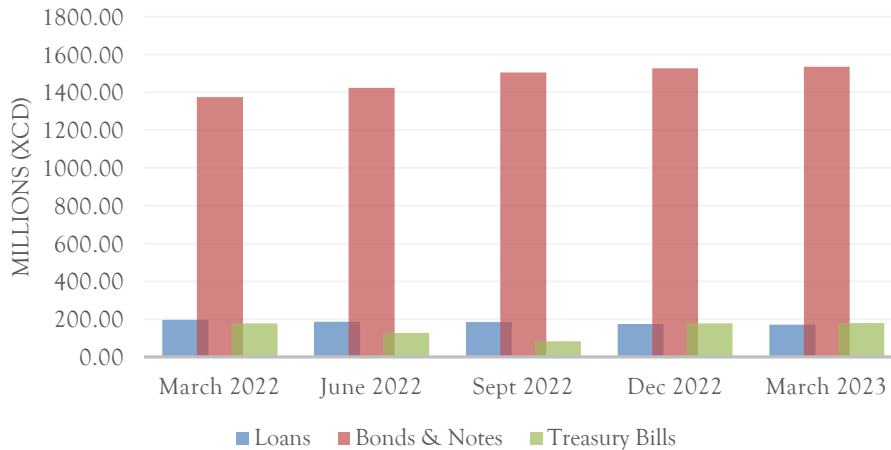




4.2 Domestic Debt by Instrument

Bonds & Notes amounted to \$1,535.40 million (81.4%), an increase of 0.5% and 11.6% over December 2022 and March 2022, respectively. Loans contributed \$171.20 million (9.1%) to the central government domestic portfolio, decreasing by 1.9% over December 2022 and 12.4% over March 2022. Treasury Bills totaled \$178.59 million at the end of March 2023, contributing 9.5% to the central government domestic debt portfolio. (Figure 11)

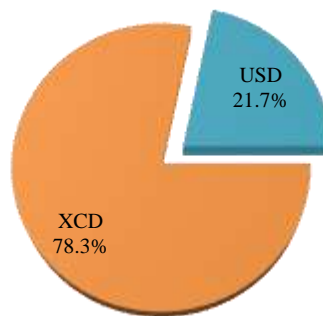
Figure 11: Central Government Domestic Debt by Instrument at March 2023



4.3 Domestic Debt by Currency Composition

The Eastern Caribbean Dollar (XCD) dominated the domestic debt portfolio with \$1,475.47 million (78.3%) and the United States Dollar (USD) debt amounted to \$409.72 million (21.7%). The foreign exchange risk inherent in the domestic debt portfolio is non-existent due to the peg between the USD and XCD. (Figure 12)

Figure 12: Central Government Domestic Debt by Currency Composition at March 2023



4.4 Domestic Debt by Interest Rate Basis

All domestic debt facilities carry a fixed interest rate averaging 5.7%.

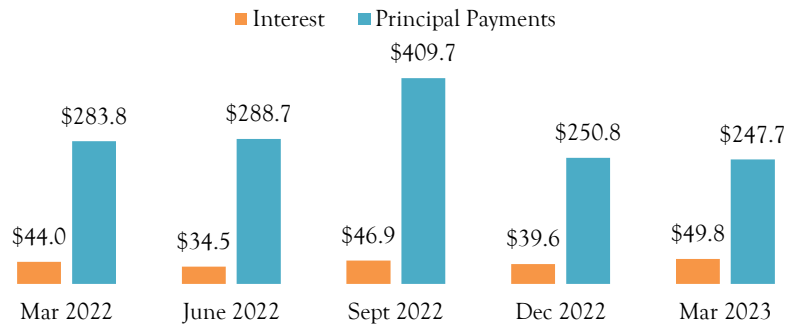


5. CENTRAL GOVERNMENT DEBT FLOWS

5.1 Central Government Debt Service

Debt service totaled \$297.55 million for the quarter ending March 2023, a 2.5% increase over the last quarter. Principal repayments amounted to \$247.74 million, of which \$179.98 million was external amortization and \$67.76 million was domestic amortization. Interest payments totaled \$49.81 million, of which external interest payments amounted to \$19.43 million and domestic interest payments \$30.38 million. (Figure 13)

Figure 13: Central Government Debt Service at March 2023



5.2 Central Government External Loan Disbursements

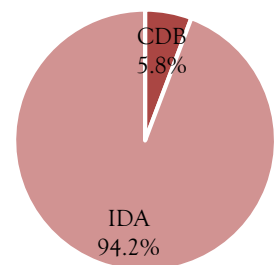
External loan disbursements for the quarter ending March 2023 amounted to \$19.26 million. The World Bank - International Development Association (IDA) disbursed a total of \$18.15 million (94.2%) to the following loans:

- Disaster Vulnerability Reduction Project,
- Health System Strengthening,
- OECS Regional Health Project and
- Digital Caribbean Project.

Figure 14: Central Government External Loan Disbursements for 1st Quarter Jan - Mar 2023

The Caribbean Development Bank (CDB) disbursed a total of \$1.11 million (5.8%) to the following loans:

- Sixth Water - Vieux-Fort Water Supply Redevelopment Project
- Saint Lucia Education Quality Improvement Project
- Settlement Upgrading Project
- Millennium Highway & West Coast Road Highway and
- Youth Empowerment Project. (Figure 14).





6. CENTRAL GOVERNMENT PORTFOLIO RISK INDICATORS

6.1 Average Time to Maturity

The Average Time to Maturity (ATM) estimates refinancing risk and indicates the average time in which the instruments in the portfolio will mature or come due. The current debt management strategy of the GOSL is to lengthen the ATM, which will ease the cash flow pressure, thereby allowing the timely payments of short-term obligations. The weighted ATM of the portfolio at the end of March 2023 was 4.54 years, an 8.7% decrease over the last quarter. This decrease is due to an increase in the percentage of debt maturing in one year from the previous quarter.

6.2 Average Time to Re-Fixing

The Average Time to Re-Fixing (ATR) measures the weighted average time until all principal payments in the debt portfolio become subject to a new interest rate. Interest rate risk is low given that 69.8% of the external debt and all domestic debt are of a fixed rate. There was a decrease in the ATR for the quarter ending March 2023 to 5.42 years, from 5.87 years, and approximately 21.56% of the total debt will be re-fix within one year.

6.3 Percentage of Debt maturing in One Year

The percentage of debt maturing in one year as a percentage of the total debt stock measures the refinancing risk of the portfolio. At the end of March 2023, the percentage of debt maturing in one year increased significantly from 15.33% to 21.68%. Notwithstanding, the government plans to reissue instruments towards the medium to long term to lengthen its maturity profile.

6.4 Weighted Average Cost of Debt (WACD)

The Weighted Average Cost of Debt (WACD) is the average interest rate for government borrowings. At the end of March 2023, it was 4.87%, an increase of 0.06% from the last quarter and 0.33% from March 2022.

Table 1: Cost and Risk Indicators					
	March-22	June-22	Sept-22	Dec-22	March-23
ATM	5.62	5.80	6.04	6.07	5.54
% Maturing in 1 year	23.91%	22.37%	15.34	15.33	21.68
ATR	4.67	4.86	5.00	5.87	5.42
WACD	4.54%	4.68%	4.72%	4.81%	4.87%

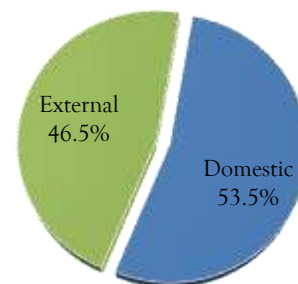


7. GOVERNMENT-GUARANTEED DEBT

7.1 Government-Guaranteed Debt by Residency

At the end of March 2023, the government's guaranteed debt stock amounted to \$289.28 million. Domestic contingent liabilities amounted to \$154.82 million (53.5% of the guaranteed debt portfolio) while external contingent liabilities totaled \$134.46 million (46.5%). The government's contingent liabilities comprised a minuscule 6.5% of the public debt portfolio. (Figure 15)

Figure 15: Government Guaranteed Debt by Residency at March 2023



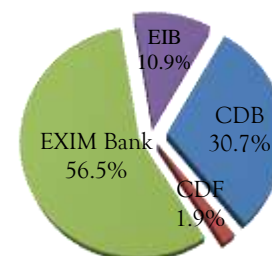
7.2 Government-Guaranteed Debt by Currency

All domestic guaranteed debt is in Eastern Caribbean Dollars (XCD). External guaranteed debt is United States Dollars (USD) denominated, thus buffering the guaranteed debt portfolio against foreign exchange risk.

7.3 External Government-Guaranteed Debt by Creditor

The Caribbean Development Bank (CDB) and the CARICOM Development Fund (SLDB on-lent Private Sector loan) contributed \$41.24 million (30.7%) and \$2.51 million (1.9%) respectively to the external guaranteed portfolio. The Hewannora International Airport Redevelopment Project loan from the Export-Import Bank of the Republic of China contributed \$76.01 million (56.5%), and the European Investment Bank (EIB) contributed \$14.70 million (10.9%) for the MSMES Covid-19 Loan. (Figure 16)

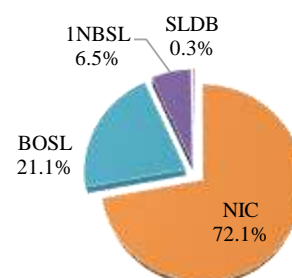
Figure 16: External Government-Guaranteed Debt by Creditor at March 2023



7.4 Domestic Government-Guaranteed Debt by Creditor

The National Insurance Corporation (NIC) dominates the domestic government-guaranteed portfolio with \$111.59 million (72.1%). The Bank of Saint Lucia (BoSL) and the 1st National Bank of Saint Lucia (1NBSL) contribute \$32.67 million (21.1%) and \$10.12 million (6.5%) respectively. The Saint Lucia Development Bank (SLDB) also contributed \$0.44 million (0.3%). (Chart 17)

Figure 17: Domestic Government-Guaranteed Debt by Creditor at March 2023





8. GOVERNMENT SECURITIES

8.1 RGSM Securities

The Government of Saint Lucia issued five (5) instruments on the RGSM platform for the first quarter, January - March 2023. (Table 2)

Auction Date	Issue	Tenor	Issue Amount (XCD)	Value of Bids (XCD)	Amount Accepted (XCD)	Over/Under Subscription	Closing Rate (%)
January 18, 2023	LCB180723	180 day	25,000,000.00	26,841,000.00	25,000,000.00	1,841,000.00	3.50
February 1, 2023	LCB040523	180 day	16,000,000.00	21,509,000.00	16,000,000.00	5,509,000.00	2.00
February 2, 2023	LCG100233	10-year	15,000,000.00	18,752,000.00	25,000,000.00	3,752,000.00	6.99
February 7, 2023	LCB070823	180 day	30,000,000.00	39,257,000.00	30,000,000.00	9,257,000.00	2.50
February 10, 2023	LCB150523	91 day	16,000,000.00	17,937,000.00	16,000,000.00	1,937,000.00	2.50

8.2 Private Placement Securities

The Government of Saint Lucia issued five (5) new private bonds for the quarter January - March 2023. Six (6) treasury notes and eight (8) treasury bills were also rolled-over via private placement for the quarter. (Table 3)

Auction Date	Issuance	Issue Amount	Coupon Rate
BONDS (New)			
23-Jan-23	CIP 7-year Bond	US\$0.25M	0.00%
27-Jan-23	CIP 6-year Bond	US\$0.25M	0.00%
17-Feb-23	CIP 6-year Bond	US\$0.25M	0.00%
28-Feb-23	CIP 6-year Bond	US\$0.25M	0.00%
28-Feb-23	CIP 7-year Bond	US\$0.25M	0.00%
NOTES (Rollovers)			
17-Jan-23	GOSLPP170125 2-year Note	EC\$15.16M	4.50%
8-Feb-23	GOSLPP080225 2-year Note	EC\$1.054M	4.50%
23-Feb-23	GOSLPP230225 2-year Note	US\$4.489M	4.50%
25-Feb-23	GOSLPP250225A 2-year Note	US\$3.177M	4.50%
25-Feb-23	GOSLPP250225B 2-year Note	EC\$1.634M	4.50%
Mar-23	GOSLPP160325 2-year Note	US\$3.16M	4.50%
TREASURY BILLS (Rollovers)			
17-Jan-23	GOSLPP170124 1-year Tbill	EC\$15.541M	4.00%
27-Jan-23	GOSLPP280423 91-day Tbill	EC\$2.50M	2.50%
7-Feb-23	GOSLPP070224 1-year Tbill	EC\$4.3M	4.00%
22-Feb-23	GOSLPP220224 1-year Tbill	US\$3.998M	4.00%
5-Mar-23	GOSLPP040623A 91-day Tbill	EC\$5.0M	2.50%
16-Mar-23	GOSLPP160324 1-year Tbill	US\$1.976M	4.00%
24-Mar-23	FCIS 91-day Tbill	EC\$25.0M	3.00%
27-Mar-23	GOSLPP260623 91-day Tbill	EC\$2.0M	2.50%



ANNEX
Summary

Table 4 March 2022 - March 2023 Summary							
Particulars	Mar 2022	June 2022	Sept 2022	Dec 2022	Mar 2023	Qrt. Change %	Yrly. Change %
Total Public Debt (XCD millions)	4,212.89	4,248.44	4,395.14	4,453.23	4,453.23	✗ 0.00	✗ 5.70
Central Government Debt	3,940.70	3,969.94	4,104.32	4,163.95	4,163.95	✗ 0.00	✗ 5.67
Government Guaranteed Debt	272.19	278.50	290.82	289.28	289.28	✗ 0.00	✗ 6.28
Non-Guaranteed Debt	0.20	0.20	0.00	0.00	0.00	✗ 0.00	✓ -100.00
Central Government Debt (XCD million)	3,913.69	3,940.70	3,969.94	4,104.32	4,163.95	✗ 1.45	✗ 6.39
External Debt	2,164.57	2,203.07	2,196.78	2,224.68	2,278.75	✗ 2.43	✗ 5.27
Domestic Debt	1,749.11	1,737.62	1,773.16	1,879.64	1,885.19	✗ 0.30	✗ 7.78
Central Government Debt by Instrument (XCD millions)	3,913.69	3,940.70	3,969.94	4,104.32	4,163.95	✗ 1.45	✗ 6.39
Loans	1,450.96	1,425.72	1,413.37	1,446.89	1,483.13	✗ 2.50	✗ 2.22
Treasury Bills	427.40	399.85	365.35	441.17	445.68	✗ 1.02	✗ 4.28
Bonds & Notes	2,035.33	2,115.13	2,191.22	2,216.26	2,235.14	✗ 0.85	✗ 9.82
External Debt by Instrument (XCD)							
Loans	1,255.48	1,239.17	1,228.30	1,272.34	1,311.92	✗ 3.11	✗ 4.50
Bonds & Notes	659.66	691.51	686.17	689.08	699.74	✗ 1.55	✗ 6.07
Treasury Bills	249.43	272.39	282.31	263.26	267.10	✗ 1.46	✗ 7.08
Domestic Debt by Instrument (XCD)							
Loans	195.49	186.55	185.07	174.55	171.20	✓ -1.92	✓ -12.42
Bonds & Notes	1,375.66	1,423.61	1,505.05	1,527.18	1,535.40	✗ 0.54	✗ 11.61
Treasury Bills	177.96	127.46	83.04	177.91	178.59	✗ 0.38	✗ 0.35
Government Guarantees (XCD)	270.40	272.40	278.50	290.82	289.28	✓ -0.53	✗ 6.98
External Debt	117.46	116.35	121.98	134.53	134.46	✓ -0.05	✗ 14.48
Domestic Debt	152.94	156.05	156.52	156.29	154.82	✓ -0.94	✗ 1.23
Foreign Currency Risk (%)							
% of debt in Local Currency XCD	52.12	52.56	52.20	52.19	50.08	✗ -4.05	✗ -3.92
% of debt in USD	38.60	38.44	39.30	39.70	41.69	✓ 5.02	✓ 8.02
% of debt in EUR	0.12	0.12	0.08	0.08	0.07	✓ -9.63	✓ -39.75
% of debt in KWD	0.33	0.32	0.30	0.29	0.25	✓ -14.13	✓ -24.54
% of debt in SDR	8.82	8.55	8.12	7.73	7.91	✗ 2.31	✓ -10.34
Total Debt Service (XCD)							
External	159.60	200.69	29.14	246.67	199.41	✓ -19.16	✗ 24.94
Domestic	88.58	127.06	293.99	209.96	98.14	✓ -53.26	✗ 10.79
Interest	35.12	43.98	46.89	39.61	49.81	✗ 25.75	✗ 41.83
Principal	213.06	283.77	409.74	250.76	247.74	✓ -1.20	✗ 16.28
Interest Rate Structure (%)							
Fixed Rate	82.80	83.96	84.64	83.79	83.50	✓ -0.35	✓ 0.85
Variable Rate	13.50	12.51	11.57	12.43	12.20	✓ -1.85	✓ -9.63
Interest Free	3.60	3.53	3.78	3.78	4.50	✓ 18.97	✓ 25.00
Risk Indicators							
Weighted ATM (Years)	6.23	5.62	5.80	6.04	5.54	✓ -8.28	✗ -11.08
Maturing in 1 year (%)	16.01	23.91	22.37	15.34	21.68	✗ 41.33	✗ 35.42
Weighted ATR (Years)	6.07	4.67	4.86	5.00	5.42	✓ 8.40	✗ -10.71
WACD (%)	4.49	4.54	4.68	4.72	4.87	✗ 3.18	✗ 8.46