Government of Saint Lucia

Debt and Investment Management Unit (DIU)

Annual Debt Portfolio Report

2024

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EXECUTIVE SUMMARY

Saint Lucia's public debt management aims to finance government needs at minimal cost while maintaining a prudent level of risk. To achieve this, the Ministry of Finance, Economic Development, and Youth Economy, together with the Debt and Investment Unit of the Department of Finance, implements a strategic debt management approach. The Annual Debt Portfolio Review (DPR) for 2024 assesses the government's debt stock, flows, and associated risks over the year. It compares trends over the past five years (2020–2024) and examines key components of the debt portfolio, including:

- **Debt Composition:** Analysis by debt holder residency, creditor category, instrument type, currency composition, and maturity profile.
- **Risk Factors:** Evaluation of exchange rate, interest rate, and refinancing risks (measured by average time to maturity and re-fixing).
- **Maturity Profile:** Projection of the central government debt's maturity over the next decade.
- **Fiscal and Debt Sustainability:** Review of indicators over the previous five years.

The review covers both central government debt and contingent liability debt, providing a comprehensive look at the country's public debt situation and management strategies.

Overview of the Saint Lucian Economy

At the end of December 2024, Saint Lucia's economy exhibited steady growth, with GDP expanding by an estimated 2.7% for the year. This growth was primarily driven by a strong rebound in the tourism sector, increased foreign direct investment, and strategic efforts to enhance economic diversification. Infrastructure development, particularly in renewable energy and digital transformation, also played a vital role in supporting economic expansion. While global inflationary pressures and supply chain disruptions posed challenges, government-led initiatives helped stabilize key economic indicators, maintaining a positive outlook for future growth. Fiscal policies remained focused on strengthening revenue collection and managing expenditures efficiently to sustain macroeconomic stability.

A major milestone in 2024 was the passage of new debt legislation aimed at enhancing Saint Lucia's debt sustainability framework. The legislation introduced stricter borrowing guidelines, improved transparency in public debt reporting, and established clear fiscal responsibility rules to prevent excessive debt accumulation. By formalizing a structured approach to debt management, the new law reinforced investor confidence and ensured that government financing needs were met at minimal cost and risk. The Ministry of Finance and the Debt and Investment Unit played a crucial role in implementing these reforms, actively monitoring risk factors such as exchange rate volatility and refinancing challenges. As a result, Saint Lucia ended the year with a more robust fiscal framework, positioning the country for long-term economic resilience and financial stability.

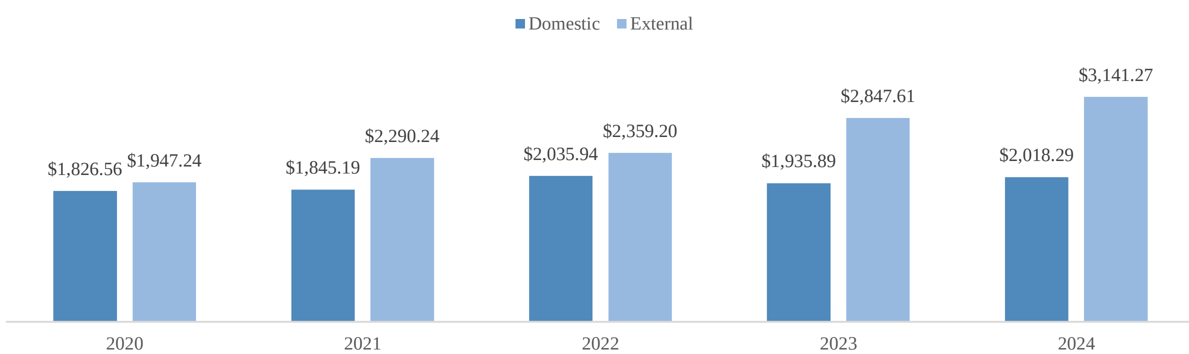
Public Sector Debt

Public Sector Debt by Residency (2020-2024)

Over the five-year period from 2020 to 2024, Saint Lucia's total public debt exhibited a steady upward trend, reflecting the government's ongoing financing needs and economic policy responses. Total debt increased from **$3,773.80 million in 2020** to **$5,159.56 million in 2024**, representing a cumulative increase of **36.7%** over the period. This rise was primarily driven by significant growth in external debt, while domestic debt showed moderate fluctuations.

External debt expanded consistently, increasing from **$1,947.24 million in 2020** to **$3,141.27 million in 2024**, a **61.3%** rise over five years. The sharpest increase occurred between 2022 and 2023, when external borrowing surged by **$488.41 million**, likely due to greater reliance on international financing for development projects or economic stabilization measures. Conversely, **domestic debt** experienced a more modest trajectory, fluctuating between **$1,826.56 million in 2020** and **$2,018.29 million in 2024**. After peaking at **$2,035.94 million in 2022**, domestic debt slightly declined in 2023 before rebounding in 2024. This pattern suggests the government increasingly favoring external borrowing. The overall trend highlights Saint Lucia's evolving debt management approach, balancing domestic and external sources to support economic growth while navigating fiscal challenges.

Figure 1: Public Sector Debt by Residency 2020-2024

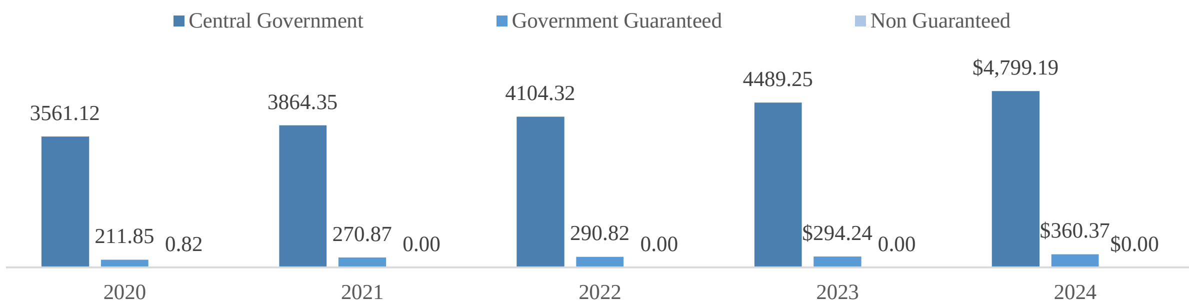


Public Debt by Borrower Category (2020–2024)

Over the five-year period from 2020 to 2024, growth in the borrower category was primarily driven by increasing **central government debt**, which accounted for the largest share of total debt each year. **Government-guaranteed debt** also grew steadily, while **non-guaranteed debt** remained negligible.

Central government debt increased from **$3,561.12 million in 2020** to **$4,799.19 million in 2024**, marking a **34.8%** increase. The most significant jump occurred between **2022 and 2023**, with an increase of **$384.93 million**, indicating heightened government borrowing during this period. **Government-guaranteed debt**, though a smaller portion of total public debt, rose sharply from **$211.85 million in 2020** to **$360.37 million in 2024**, a **70.1%** increase over five years. This suggests a growing reliance on government-backed borrowing, to support state-owned enterprises. **Non-guaranteed debt**, which was minimal in 2020, completely disappeared from 2021 onward, indicating a shift towards a more structured debt portfolio with a focus on direct government borrowing and guaranteed obligations.

Figure 10: Public Sector Debt by Borrower Category 2020-2024

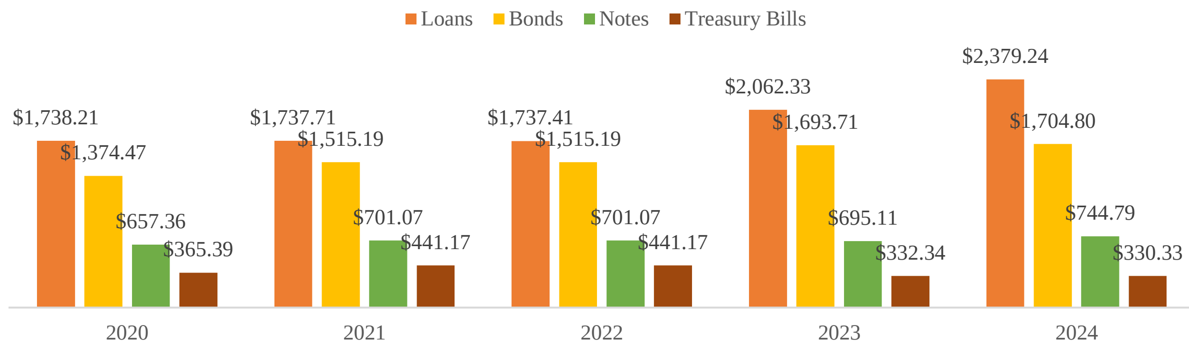


Public Debt by Instrument (2020-2024)

Over the five-year period from 2020 to 2024, the total value of **loans** saw the most significant increase, rising from **$1,738.21 million in 2020** to **$2,379.24 million in 2024**, representing a **36.9%** growth. This increase was particularly sharp between 2022 and 2023, when loans rose by **$324.92 million**, indicating greater reliance on long-term financing. **Bonds** also demonstrated steady growth, increasing from **$1,374.47 million in 2020** to **$1,704.80 million in 2024**, reflecting the government's continued use of capital markets for financing. **Notes** exhibited a moderate upward trend, rising from **$657.36 million in 2020** to **$744.79 million in 2024**, with a slight dip in 2023 before rebounding in 2024.

Between 2023 and 2024, the most notable change occurred in **loans**, which increased by **$316.91 million**, underscoring a shift towards long-term borrowing. **Bonds** experienced a modest increase of **$11.09 million**, maintaining a relatively stable trajectory. **Notes**, which had dipped slightly in 2023, rebounded with a **$49.68 million** increase in 2024. In contrast, **treasury bills** declined slightly from **$332.34 million in 2023** to **$330.33 million in 2024**, continuing a downward trend from 2021, indicating reduced reliance on short-term borrowing. Overall, the trends suggest a strategic shift towards longer-term debt instruments, balancing liquidity needs while managing refinancing risks.

Figure 19: Public Sector Debt by Instrument 2020-2024



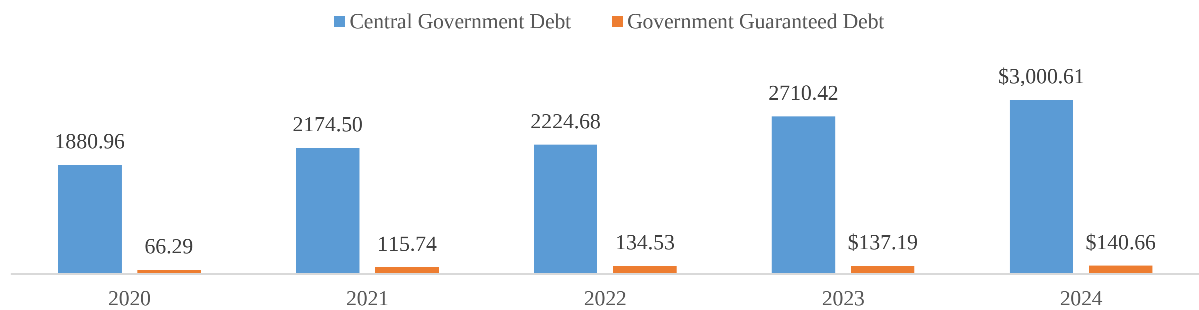
Public External Debt

Public External Debt by Borrower Category (2020–2024)

External public debt refers to the portion of a country's total debt that is borrowed from foreign creditors, including multilateral institutions, foreign governments, and international bond markets. In Saint Lucia, external public debt is categorized into **central government debt**—borrowings undertaken directly by the government—and **government-guaranteed debt**, which consists of loans taken by state-owned enterprises or other entities but backed by a government guarantee. Over the five-year period from 2020 to 2024, Saint Lucia's external public debt has shown a steady upward trajectory, reflecting the government's increasing reliance on foreign financing to meet fiscal and development needs.

Between **2023 and 2024**, **central government external debt** increased significantly from **$2,710.42 million** to **$3,000.61 million**, marking a substantial **$290.19 million** rise. This trend suggests a strategic shift toward external borrowing, leveraging concessional financing or more favorable interest rates compared to domestic borrowing. Meanwhile, **government-guaranteed external debt** also saw a steady increase, albeit at a slower pace, rising from **$137.19 million in 2023** to **$140.66 million in 2024**.

Figure 28: Public External Debt by Borrower Category 2020-2024



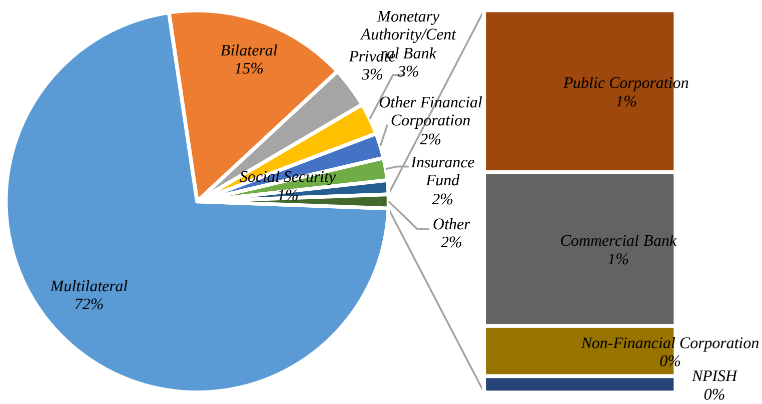
Public External Debt by Creditor Category (2020-2024)

Saint Lucia's **public external debt** is predominantly financed by **multilateral creditors**, which account for **72.06%** of the total external debt. This significant reliance on multilateral institutions—such as the International Monetary Fund (IMF), World Bank, and Caribbean Development Bank—suggests that the government prioritizes concessional financing, which typically offers lower interest rates and longer repayment periods. **Bilateral creditors**, including foreign governments providing direct loans, represent the second-largest category at **15.44%**, indicating a notable but smaller role in the country's external debt structure.

The remaining **12.5%** of external debt is spread across various private and institutional lenders. **Private creditors**, which include bondholders and commercial investors, account for **3.46%**, showing that Saint Lucia has limited exposure to private market financing. Debt owed to **monetary authorities/central banks** represents **2.68%**, while **other financial corporations** hold **2.12%**. **Insurance funds (1.89%)**, **social security institutions (1.18%)**, and **public corporations**

(0.50%) collectively contribute a small portion of the total external debt. **Commercial banks (0.47%)**, **non-financial corporations (0.15%)**, and **non-profit institutions serving households (NPISH) (0.05%)** have minimal participation, reflecting a financing strategy that leans heavily on institutional and concessional lenders. This composition highlights the government's focus on securing stable and cost-effective funding while minimizing reliance on high-risk commercial borrowing.

Figure 37: Public External Debt by Creditor Category 2020-2024

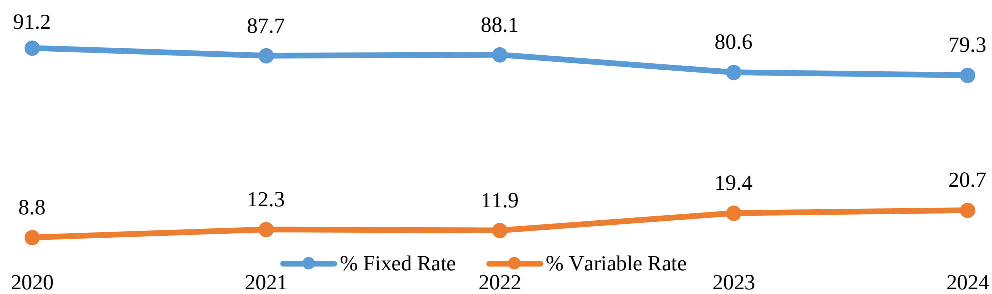


Public External Debt by Interest Type (2020–2024)

Over the five-year period from 2020 to 2024, Saint Lucia's **public external debt** has seen a gradual shift in its interest rate composition, with an increasing portion of debt subject to **variable interest rates**. In **2020**, **91.17%** of external debt carried a **fixed interest rate**, providing stability in debt servicing costs. However, by **2024**, this share had declined to **79.3%**, while **variable rate debt** rose from **8.83% in 2020** to **20.7% in 2024**. This trend indicates a growing exposure to interest rate fluctuations, which could pose risks in a high-interest rate environment.

The most significant change occurred between **2022 and 2023**, when variable rate debt jumped from **11.86% to 19.44%**, a shift of **7.58 percentage points** in a single year. This suggests that new external borrowings during this period were linked to market-based rates. The continued rise in **variable rate debt in 2024** further highlights the need for **prudent debt management**, as rising global interest rates could lead to higher debt servicing costs. Careful monitoring and a balanced approach to fixed and variable rate borrowing will be crucial in mitigating fiscal risks and ensuring long-term debt sustainability.

Figure 46: Public External Debt by Interest Type 2020-2024

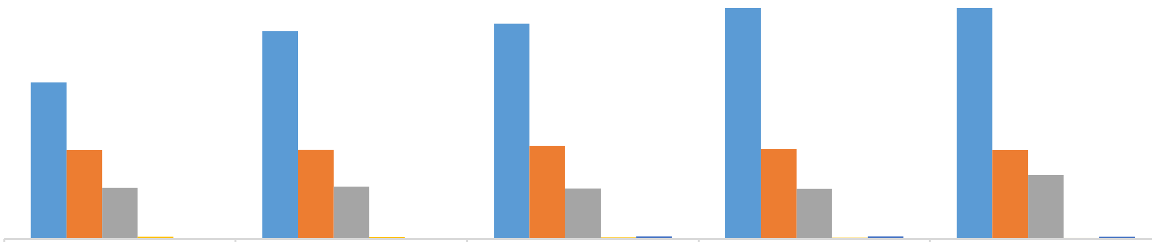


Public External Debt by Currency Composition (2020–2024)

Saint Lucia's **public external debt** has been predominantly denominated in **United States Dollars (USD)** and **Eastern Caribbean Dollars (XCD)**. The **XCD is pegged to the USD at a fixed exchange rate of 2.7 XCD per 1 USD**, ensuring stability in debt repayment for borrowings in either currency. Over the five-year period from 2020 to 2024, **USD-denominated debt** increased significantly, rising from **$1,017.25 million in 2020** to **$2,127.14 million in 2024**, more than doubling within this period. The most substantial increase occurred between **2022 and 2023**, when USD debt surged by **$512.37 million**, highlighting the government's growing reliance on international financing sources denominated in USD. Conversely, **XCD-denominated debt** remained relatively stable, fluctuating slightly but ultimately declining from **$604.70 million in 2022** to **$577.33 million in 2024**, suggesting a reduced reliance on domestic or regional borrowing.

Between **2023 and 2024**, a key development was the sharp increase in **Special Drawing Rights (SDR)-denominated debt**, which rose from **$326.60 million to $415.93 million**, an **$89.33 million increase**. This reflects greater borrowing from the **International Monetary Fund (IMF)**. Meanwhile, **Kuwaiti Dinar (KWD)-denominated debt** continued its steady decline, falling from **$14.83 million in 2020** to **$6.04 million in 2024**. **Euro (EUR) debt**, after peaking at **$17.20 million in 2023**, declined slightly to **$15.28 million in 2024**, showing minor fluctuations in European-based borrowing. The overall trends suggest a shift toward increased **USD and SDR exposure**, which, while beneficial due to access to international markets, also introduces **exchange rate risks**—especially for debt not covered by the USD/XCD peg.

Figure 55: Public External Debt by Currency Composition 2020-2024



	2020	2021	2022	2023	2024
USD	$1,017.25	$1,352.16	$1,399.80	$1,912.17	$2,127.14
XCD	$577.54	$579.81	$604.70	$583.44	$577.33
SDR	$332.66	$340.80	$327.67	$326.60	$415.93
KWD	$14.83	$12.71	$10.39	$8.20	$6.04
EUR	$4.96	$4.76	$16.64	$17.20	$15.28

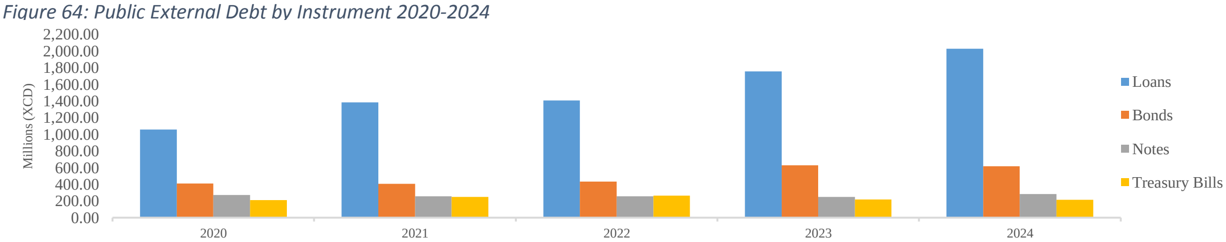
Public External Debt by Instrument (2020–2024)

Over the five-year period from **2020 to 2024**, there have been notable shifts in the relative proportions of each instrument. **Loans** have consistently been the largest component of the external debt portfolio, increasing from **$1,055.59 million in 2020** to **$2,026.25 million in 2024**, marking a **92% growth** over this period. This sharp increase, particularly between **2022 and 2023**, reflects the government's growing reliance on multilateral and bilateral lenders for financing, due to favorable interest rates and the longer repayment terms associated with loans.

In contrast, **bonds** have seen more modest growth, rising from **$410.48 million in 2020** to **$616.30 million in 2024**, with a slight decrease from **$626.37 million in 2023** to **$616.30 million in 2024**. **Notes** have remained relatively stable, with only slight fluctuations, rising from **$270.98 million in 2020** to **$284.01 million in 2024**. The dip in **notes** from **$256.02 million in 2022** to **$249.14 million in 2023** followed by the subsequent increase in 2024 reflects a modest increase in short-term debt. **Treasury bills**, which represent short-term borrowing, saw a decline from **$263.26 million in 2022** to **$217.00 million in 2023**, with only a slight reduction to **$214.72 million in 2024**, reflecting a decrease in the government's reliance on short-term market instruments for financing.

Between **2023 and 2024**, the most notable changes were in **loans**, which continued to increase sharply by **$271.16 million**, and **bonds**, which saw a slight decrease. The increase in loans indicates a strategic shift toward long-term, concessional financing, as part of a broader debt management strategy to mitigate refinancing risks. The overall trend suggests a move toward more stable and long-term borrowing strategies, balancing short-term instruments with long-term loans and bonds.

Figure 64: Public External Debt by Instrument 2020-2024



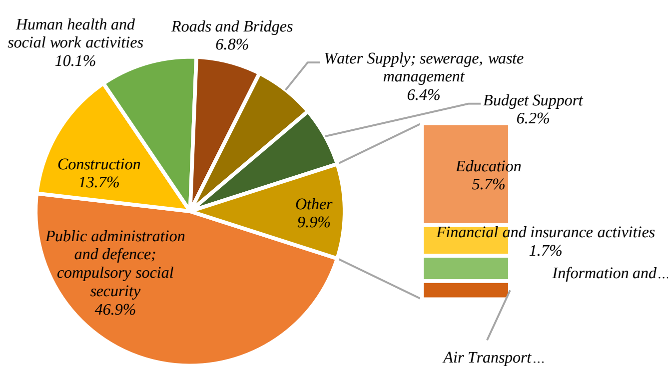
Public External Debt by Economic Sector (End of 2024)

At the end of **2024**, **public external debt** in Saint Lucia was primarily allocated to sectors crucial for national development, with the **Public Administration and Defence; Compulsory Social Security** sector receiving the largest share, accounting for **46.12%** of the total external debt. This large allocation reflects the government's significant borrowing to finance public sector operations, including social security initiatives. Following this, the **Construction** sector received **13.45%** of the external debt, highlighting the importance of infrastructure development, including the building of critical infrastructure like roads, bridges, and other public works, to support economic growth.

The **Human Health and Social Work Activities** sector, representing **9.96%** of external debt, underscores the priority placed on public health and social services, which were crucial during the ongoing recovery from the COVID-19 pandemic. The **Roads and Bridges** sector, with **6.65%**, also points to investments in transport infrastructure, necessary for boosting mobility and connecting key regions within the island. Other sectors, such as **Water Supply, Sewerage, and Waste Management** (**6.29%**), **Budget Support** (**6.15%**), and **Education** (**5.63%**), show the government's focus on improving essential public services and strengthening social and economic infrastructure.

Smaller allocations were made to sectors such as **Financial and Insurance Activities (1.70%)**, **Information and Communication (1.40%)**, and **Air Transport (1.00%)**, signaling moderate investments in diversifying the economy, expanding digital infrastructure, and enhancing transportation networks. Other sectors, including **Accommodation and Food Service Activities (0.69%)**, **Professional, Scientific and Technical Activities (0.42%)**, and **Disaster Management (0.28%)**, received relatively smaller shares, reflecting targeted investments to bolster tourism, professional services, and disaster resilience. The **Agriculture, Forestry, and Fishing** sector, receiving only **0.01%**, represents a minimal allocation, highlighting the lower prioritization of the sector in the context of external debt financing, despite its long-term importance to the economy. This breakdown reveals Saint Lucia's debt strategy focused on building robust infrastructure, improving essential services, and enhancing human capital development, while diversifying its investments across critical economic sectors.

Figure 73: Public External Debt by Economic Sector 2024



Public Domestic Debt

Public Domestic Debt by Borrower (2020–2024)

Public domestic debt refers to the portion of a country's total debt that is owed to domestic creditors, including commercial banks, pension funds, and other financial institutions within the country. Saint Lucia's public domestic debt comprises three main categories: **Central Government Debt**, **Government Guaranteed Debt**, and **Non-Guaranteed Debt**. Over the five-year period from **2020 to 2024**, there have been noticeable shifts in the composition of the debt, with **Central Government Debt** consistently representing the largest share.

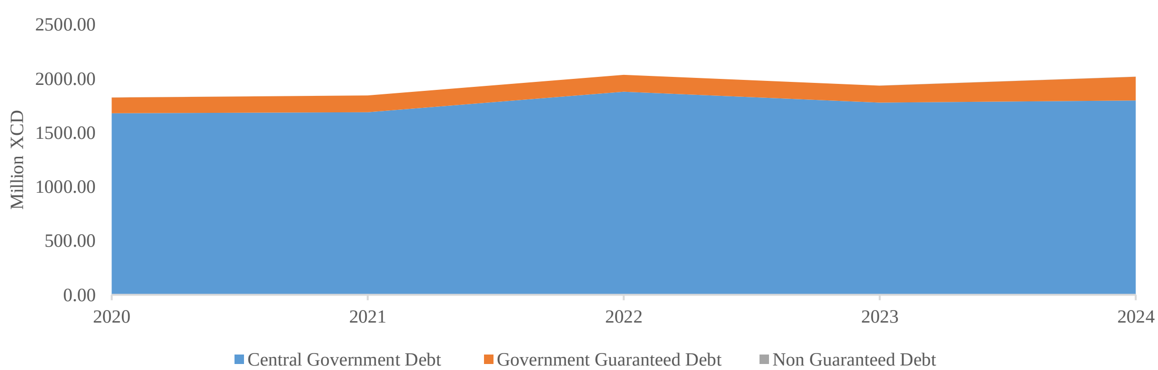
Central Government Debt has experienced steady fluctuations, rising from **$1,680.17 million in 2020** to **$1,798.58 million in 2024**, reflecting a **7.04% increase** over the five years. The most significant change occurred between **2022 and 2023**, when the debt decreased from **$1,879.64 million** to **$1,778.84 million**, a drop of **$100.80 million**. This could indicate a reduction in the government's domestic borrowing requirements in 2023. However, by 2024, the debt again increased, albeit slightly, to **$1,798.58 million**, signaling a moderate rise in domestic borrowing.

Government Guaranteed Debt has seen a notable increase over the five-year period, rising from **$145.58 million in 2020** to **$219.71 million in 2024**, an increase of **$74.13 million** or **50.9%**. This sharp rise suggests that the government has increasingly guaranteed loans for state-owned enterprises or other entities, which is reflected in the higher level of contingent liabilities. The increase from **$157.05 million in 2023** to **$219.71 million in 2024** is particularly striking, indicating a surge in government guarantees issued in the last year, linked to projects needing financial support.

On the other hand, **Non-Guaranteed Debt** has seen a reduction from **$0.82 million in 2020** to **$0 in 2024**, indicating a gradual elimination of non-guaranteed obligations.

Overall, the **public domestic debt** of Saint Lucia reflects a balance between stable government borrowing, an increase in government guarantees, and an elimination of non-guaranteed obligations. While **Central Government Debt** remains the largest component, the rising level of **Government Guaranteed Debt** highlights growing financial commitments that could become liabilities if not managed effectively.

Figure 82: Public Domestic Debt by Borrower 2020-2024



Public Domestic Debt by Instrument (2020–2024)

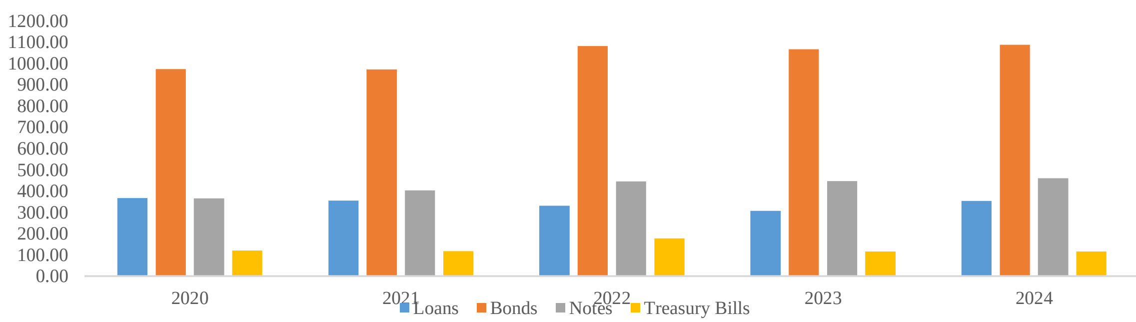
Over the five-year period from **2020 to 2024**, **Loans** have seen a steady decline from **$367.27 million in 2020** to **$307.24 million in 2023**, but there was a noticeable increase in **2024**, rising to **$353.39 million**. This suggests that, after a reduction in loan-based financing during the previous years, the government has returned to using loans as a more prominent part of its domestic debt strategy. The fluctuations likely reflect adjustments based on economic conditions, fiscal needs, and possibly more favorable borrowing terms in **2024** compared to prior years.

Bonds have been the largest portion of the domestic debt, rising consistently from **$973.10 million in 2020** to **$1,088.51 million in 2024**, despite a slight decrease from **$1,082.13 million in 2022** to **$1,067.34 million in 2023**. This suggests a relatively stable use of bonds as the primary vehicle for long-term government financing, with the slight dip in 2023 likely reflecting a slowdown in issuance, but the subsequent recovery in 2024 shows a resumption of bond issuance activity.

Notes have steadily increased from **$365.63 million in 2020** to **$460.78 million in 2024**, showing a consistent upward trend. The increase from **$445.97 million in 2023** to **$460.78 million in 2024** indicates that the government has increasingly relied on short-term debt to meet budgetary needs. Notes, being short-term instruments, provide the government with the flexibility to manage liquidity needs, especially in periods where fiscal pressure or unforeseen expenses arise.

Treasury Bills, while still an important component of the debt structure, have remained relatively stable over the five years. They peaked in **2022** at **$177.91 million**, but have decreased to **$115.61 million in 2024**, maintaining a low but stable share of domestic debt. This suggests that the government has relied less on short-term borrowing through treasury bills in recent years, due to improved fiscal management or a shift towards longer-term instruments like bonds and loans.

Figure 91: Public Domestic debt By Instrument 2020-2024



Public Domestic Debt by Creditor Category (2024)

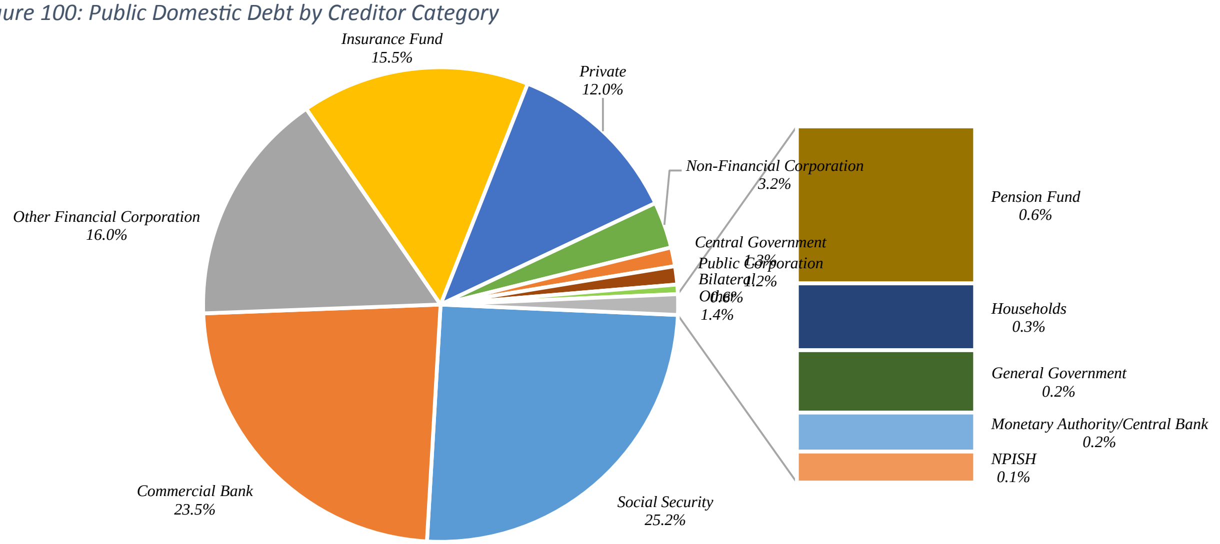
At the end of 2024, **Saint Lucia's public domestic debt** displayed a diversified creditor base, with significant contributions from both **financial institutions** and **social security-related entities**. The largest creditor category was **Social Security**, holding **25.22%** of the total domestic debt. This substantial share reflects the vital role of social security funds in the national economy, as these institutions often invest their resources in government debt instruments to ensure long-term financial stability and to generate returns on their investments.

The **Commercial Bank** sector follows closely, accounting for **23.49%** of the public domestic debt. Commercial banks are critical in financing the government through domestic debt instruments such as bonds, loans, and treasury bills, often using these investments to balance their portfolios and meet liquidity needs. **Other Financial Corporations** represent **16.03%** of the debt, signifying that non-bank financial institutions, including investment funds and trust companies, also play an important role in supporting public sector financing.

The **Insurance Fund** category holds **15.54%** of the debt, emphasizing the importance of the insurance sector in government debt markets. These funds typically invest in debt instruments to secure returns for policyholders. **Private creditors**, including individuals and private sector entities, account for **11.99%**, showcasing the government's reach into the broader economy for domestic financing. Other creditor categories such as **Non-Financial Corporations** (3.16%) and **Public Corporations** (1.24%) make smaller contributions to the overall debt, highlighting that while state-owned enterprises and the private sector are involved in financing, their roles are less significant compared to financial institutions.

On the smaller end of the spectrum, the **Central Government** itself holds **1.28%** of the debt, through its own treasury operations. The **Bilateral** sector, primarily consisting of loans from other governments, represents **0.65%**, and **Pension Funds** contribute **0.62%**. These percentages suggest that the government has limited reliance on these creditor categories compared to domestic financial institutions. Other minor creditors, such as **Households** (0.26%), **General Government** (0.25%), **Monetary Authority/Central Bank** (0.15%), and **NPISH** (Non-Profit Institutions Serving Households) (0.12%), together account for a small proportion of the debt, indicating that the government does not heavily rely on these sectors for domestic financing.

Figure 100: Public Domestic Debt by Creditor Category

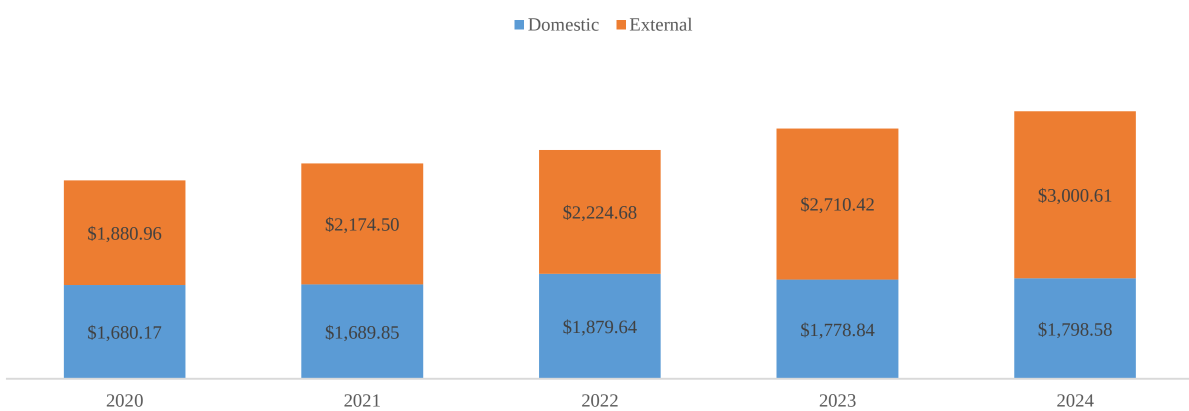


Central Government Debt (2020-2024)

Saint Lucia's **central government debt** has shown a steady upward trend over the past five years, increasing from **$3,561.12 million in 2020** to **$4,799.19 million in 2024**. This category represents the debt obligations directly undertaken by the government, distinguishing it from **total public debt**, which also includes **government-guaranteed and non-guaranteed debt**. The central government debt growth has been primarily driven by **external borrowing**, while domestic debt has remained relatively stable with moderate fluctuations.

Between **2023 and 2024**, the most significant change was in **external debt**, which increased by **$290.19 million**, reaching **$3,000.61 million** in 2024. This suggests a strategic shift towards international financing, benefiting from lower interest rates or concessional funding. Conversely, **domestic debt**, after a decline from **$1,879.64 million in 2022** to **$1,778.84 million in 2023**, saw only a modest increase of **$19.74 million** in 2024, indicating restrained reliance on local borrowing. The continued preference for external debt reflects efforts to diversify financing sources and manage liquidity, but it also raises considerations regarding foreign exchange risks and debt sustainability in the long term.

Figure 109: Central Government Debt 2020-2024



Contingent Liabilities

Contingent Liabilities by Guarantee Status (2020–2024)

Contingent liabilities refer to potential financial obligations that may arise depending on the occurrence of a particular event, such as the government's guarantee of loans for State-Owned Enterprises (SOEs). These obligations do not appear as direct liabilities on the government's balance sheet unless they are triggered, but they represent a risk that could affect public finances if the guaranteed entities fail to meet their debt obligations.

Over the past five years, **Saint Lucia's contingent liabilities** have primarily been associated with **government-guaranteed SOE loans**. These represent loans that the government has pledged to cover if the SOE's are unable to repay their debts. The **government-guaranteed SOE loans** have shown a consistent upward trend, rising from **$211.86 million in 2020** to **$360.37 million in 2024**, reflecting an increase of **$148.51 million** or **70.1%** over the period. This increase is particularly noteworthy between **2023 and 2024**, where the **guaranteed SOE loans** grew by **$66.13 million** from **$294.24 million in 2023** to **$360.37 million in 2024**.

On the other hand, **non-guaranteed contingent liabilities** have been minimal. These liabilities decreased from **$0.82 million in 2020** to **$0** in 2024, signaling an elimination of such obligations over time.

Saint Lucia's **contingent liabilities** have largely been driven by **government-guaranteed SOE loans**, which have risen significantly over the last five years, particularly in 2024. The trend highlights the growing fiscal risk associated with these guarantees, which could potentially strain public finances if the guaranteed entities face financial difficulties.

Figure 118: Contingent Liabilities by Guarantee Status 2020-2024

Contingent Liabilities by Residency (2020–2024)

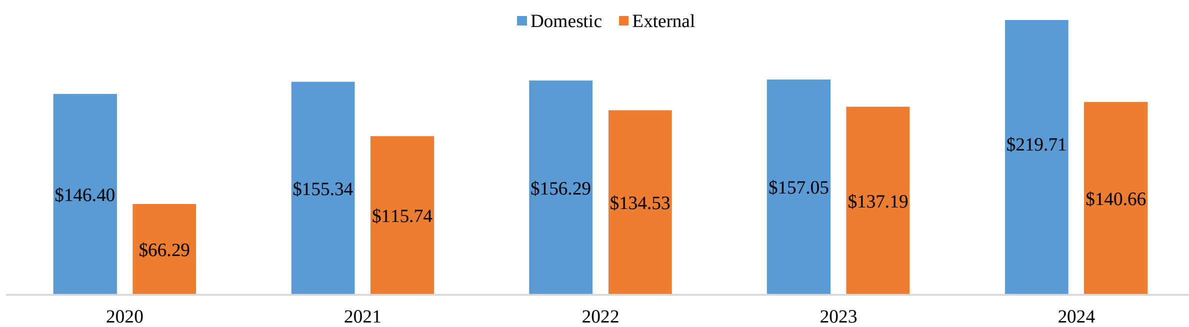
Contingent liabilities by residency refer to the classification of government guarantees based on whether the debt obligations are owed to domestic or external creditors. These liabilities represent a potential risk for the government, and their distribution by residency helps to understand the exposure to different markets and financial conditions.

Over the five-year period from **2020 to 2024**, Saint Lucia’s **contingent liabilities** have shown significant trends in both domestic and external categories. **Domestic contingent liabilities** have consistently been the larger share of the total, rising from **$146.40 million in 2020** to **$219.71 million in 2024**. This represents an increase of **$73.31 million** or **50.1%** over the period, with a noticeable rise from **$157.05 million in 2023** to **$219.71 million in 2024**.

On the other hand, **external contingent liabilities** have shown a more gradual increase over the five-year period. Starting at **$66.29 million in 2020**, these liabilities rose to **$140.66 million in 2024**, marking an increase of **$74.37 million** or **112.2%**. The sharp rise between **2023 and 2024** from **$137.19 million** to **$140.66 million** is a relatively modest increase compared to earlier years, but it still indicates a growing external exposure. This increase in external contingent liabilities reflects the government’s continued reliance on foreign financing sources, such as loans from multilateral institutions or external bond markets, to support the borrowing needs of state-owned enterprises (SOEs).

While **domestic contingent liabilities** remain the dominant category, increasing by **50.1%** from 2020 to 2024, **external contingent liabilities** have also grown significantly by **112.2%** over the same period, although at a slower pace in the most recent year. The trends suggest that the government of Saint Lucia has been increasingly reliant on both domestic and external sources for financing its guaranteed debt obligations, with a notable shift towards domestic liabilities in recent years. This distribution highlights a diversification of the risk across both local and international creditors, which could help mitigate the impact of currency fluctuations or changes in the global financial landscape on the government's financial stability.

Figure 127: Contingent Liabilities by Residency 2020-2024



Contingent Liabilities by Creditor (2023–2024)

Saint Lucia's **contingent liabilities** saw notable changes between **2023 and 2024**, indicating a shift in the composition of the government's financial obligations. The **National Insurance Corporation (NIC)**, which had been the largest creditor in 2023, experienced a significant reduction in its contingent liabilities, dropping from **$105.39 million in 2023** to **$64.70 million in 2024**. This represents a decrease of **$40.69 million** through increased principal repayments by the NIC.

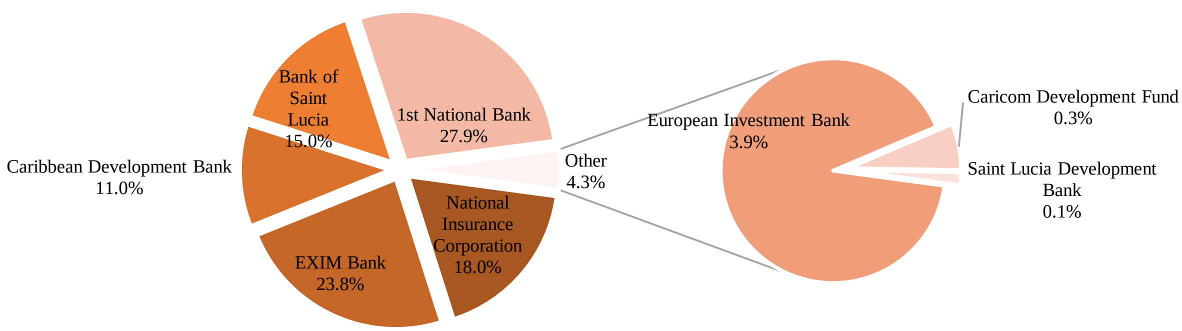
Conversely, other creditors saw an increase in their shares of contingent liabilities. The **EXIM Bank** had a modest increase, rising from **$80.21 million in 2023** to **$85.79 million in 2024**, which suggests continued stable support from this creditor. Similarly, the **Bank of Saint Lucia** saw a notable jump in its share, with its contingent liabilities increasing from **$30.22 million in 2023** to **$54.15 million in 2024**, reflecting a higher role for local financial institutions in government financing.

Other creditors like the **Caribbean Development Bank (CDB)** and the **European Investment Bank (EIB)** showed relatively stable levels, with the CDB's contingent liabilities decreasing slightly from **$40.20 million in 2023** to **$39.78 million in 2024**, and the EIB's obligations remaining minimal, moving from **$15.01 million to $14.06 million** over the same period. Meanwhile, the **1st National Bank** experienced a significant rise in contingent liabilities, surging from **$21.15 million in 2023** to **$100.57 million in 2024**.

Smaller creditors such as the **Caricom Development Fund** and **Saint Lucia Development Bank** saw minimal changes in their obligations, with the Caricom Development Fund dropping from **$1.78 million in 2023** to **$1.03 million in 2024**, and the Saint Lucia Development Bank maintaining its liability at **$0.29 million**. These entities continue to play a minor role in the overall contingent liability structure.

The period from **2023 to 2024** reveals a shift in Saint Lucia's **contingent liabilities** towards more significant participation from **local creditors** like the **1st National Bank** and the **Bank of Saint Lucia**, while the share of liabilities to the **National Insurance Corporation** declined. The overall stability from international creditors, such as the **EXIM Bank** and the **Caribbean Development Bank**, highlights a balanced approach to managing the country's external obligations.

Figure 136: Contingent Liabilities by Creditor 2024

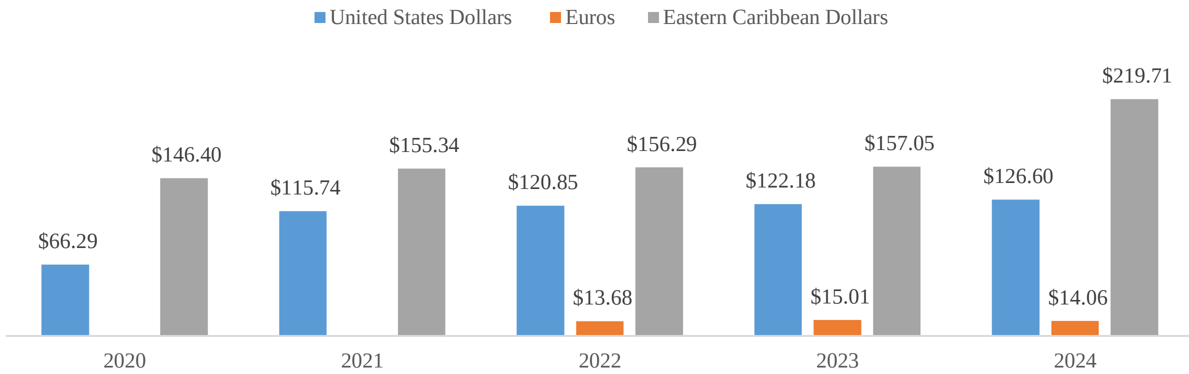


Contingent Liabilities by Currency (2020–2024)

Saint Lucia's **contingent liabilities by currency** reveal significant trends and shifts in the structure of its financial obligations over the past few years. The most prominent trend has been the **dominance of the Eastern Caribbean Dollar (XCD)** in the government's contingent liabilities portfolio. From **2020 to 2024**, contingent liabilities in **XCD** steadily increased from **$146.40 million** in 2020 to **$219.71 million** in 2024, reflecting a rise in government obligations in the local currency. This growth suggests a continued reliance on local financial institutions which minimizes exchange rate risks.

In contrast, **United States Dollars (USD)**, which have traditionally been a significant part of Saint Lucia's external liabilities, saw a steady increase from **$66.29 million in 2020** to **$126.60 million in 2024**. This rise is consistent with the government's continued borrowing in USD, likely to finance large-scale infrastructure or development projects, where external creditors may offer favorable terms in USD. This also reflects the broader trend of **increased external financing**, particularly from **international creditors**. The **Euro** component of contingent liabilities, though relatively smaller, remained stable between **2020 and 2024**, hovering around **$13.68 million in 2020** to **$14.06 million in 2024**, indicating that Saint Lucia's exposure to liabilities in Euros is modest, and it maintains limited borrowing from European creditors.

Figure 145: Contingent Liabilities by Currency Composition 2020-2024



RGSM and Private Placement Security Activity

RGSM Instruments (2020–2024)

Saint Lucia's **Regional Government Securities Market (RGSM) instruments** have shown a mix of stability and moderate fluctuations over the past five years, reflecting the government's financing strategy through **bonds, notes, and treasury bills**. The **total RGSM-issued debt** remained relatively stable between **2020 and 2023**, ranging from **$822.82 million in 2020** to **$817.50 million in 2023**. However, in **2024**, there was a noticeable increase to **$849.03 million**, indicating a renewed emphasis on financing through the RGSM.

Among the **three key instruments**, **bonds** continued to dominate Saint Lucia's RGSM portfolio, reflecting the government's preference for long-term financing. Bonds remained fairly stable between **2020 and 2023**, ranging from **$637.06 million in 2021** to **$641.58 million in 2023**, before increasing significantly to **$671.76 million in 2024**. This growth suggests increased investor confidence in Saint Lucia's bond market or a strategic shift toward longer-term debt financing.

Conversely, **notes** saw a consistent decline over the five years, from **$71.10 million in 2020** to **$45.91 million in 2024**, marking a shift away from this medium-term instrument. This decrease may indicate a preference for either shorter-term or longer-term instruments, as the government relies less on notes to meet financing needs.

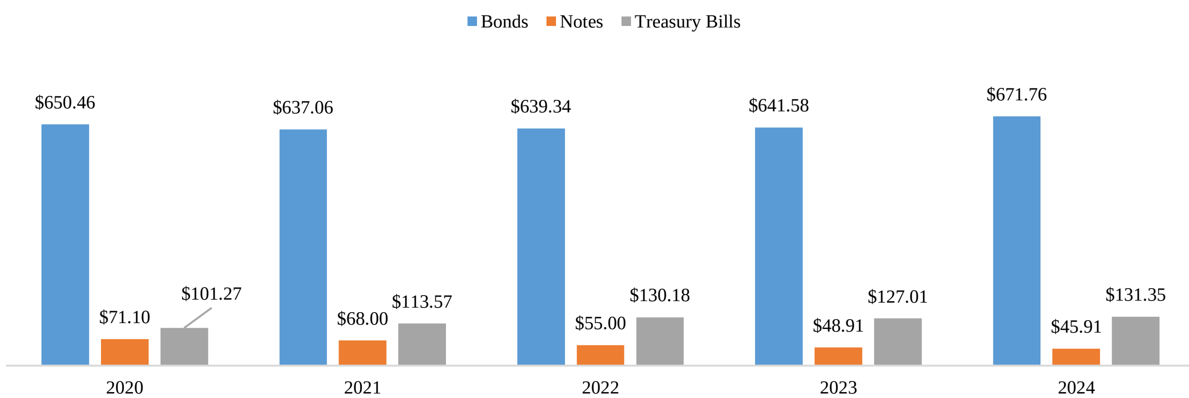
Treasury bills, which represent short-term borrowing, showed some fluctuations but remained a key part of the RGSM portfolio. After peaking at **$130.18 million in 2022**, treasury bill issuance slightly decreased in **2023** before rebounding to **$131.35 million in 2024**. This suggests a continued reliance on short-term financing to meet immediate fiscal obligations while balancing long-term borrowing through bonds.

- **Overall RGSM financing increased** from **$817.50 million in 2023** to **$849.03 million in 2024**, indicating an expansion in government borrowing through the regional market.

- **Bonds saw the most significant increase**, growing by **$30.18 million (4.7%)** from **$641.58 million in 2023** to **$671.76 million in 2024**.
- **Notes continued their downward trend**, decreasing from **$48.91 million in 2023** to **$45.91 million in 2024**, reinforcing a shift away from medium-term instruments.
- **Treasury bill issuance rebounded**, increasing from **$127.01 million in 2023** to **$131.35 million in 2024**, suggesting a renewed use of short-term financing.

Overall, the trends in Saint Lucia's RGSM instruments indicate **a strategic focus on long-term bonds** while reducing reliance on notes. The increase in total RGSM borrowing in 2024 suggests greater investor confidence and a growing need for government financing through the regional market.

Figure 154: RGSM Instruments 2020-2024



Private Placement Instruments (2020–2024)

Saint Lucia's **private placement instruments** have experienced notable shifts over the past five years, reflecting changing borrowing patterns and investment preferences. Private placement refers to the issuance of **bonds, notes, and treasury bills** directly to select investors though licensed brokers rather than through the RGSM. Overall, total private placement debt increased from **$1.54 billion in 2020** to a peak of **$2.04 billion in 2023**, before declining to **$1.93 billion in 2024**.

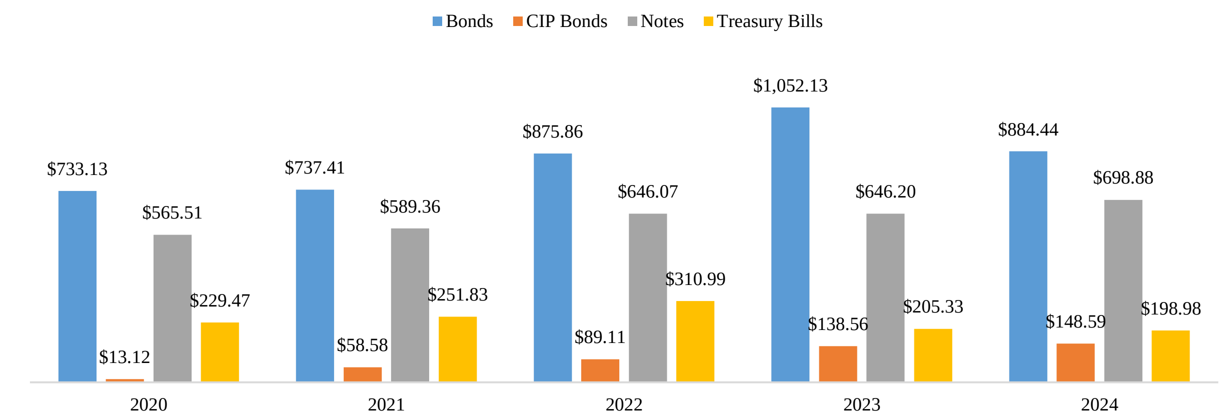
1. **Bonds** have played a dominant role in private placements, peaking at **$1.05 billion in 2023** before declining to **$884.44 million in 2024**. This decrease suggests a **shift away from large private bond placements**, possibly in favor of more structured debt instruments.
2. **CIP Bonds**, linked to the Citizenship by Investment Program (CIP), have seen consistent growth, rising from just **$13.12 million in 2020** to **$148.59 million in 2024**. This indicates **increasing reliance on CIP funding**, which provides a steady alternative revenue stream.
3. **Notes** have steadily increased, growing from **$565.51 million in 2020** to **$698.88 million in 2024**, reflecting a sustained appetite for medium-term private financing.
4. **Treasury Bills**, which are short-term instruments, peaked at **$310.99 million in 2022** but have since declined to **$198.98 million in 2024**, suggesting **a reduced reliance on short-term financing** in the private placement market. Contrasting 2023to 2024;

- **Total private placement debt declined** from **$2.04 billion in 2023** to **$1.93 billion in 2024**, a **5.5% decrease**, indicating a slight reduction in direct private borrowing.

- **Bonds saw the largest decline**, dropping by **$167.69 million (-15.9%)**, signaling a reduced reliance on private bond placements.
- **CIP Bonds increased by $10.03 million (7.2%)**, reinforcing the **growing role of citizenship-linked financing** in public debt management.
- **Notes increased by $52.68 million (8.2%)**, suggesting a continued preference for medium-term financing through private placements.
- **Treasury Bills declined slightly by $6.35 million (-3.1%)**, reflecting **a shift away from short-term debt instruments**.

Saint Lucia's private placement market has undergone significant changes, with **a peak in 2023 followed by a decline in 2024**. **CIP Bonds and notes continue to grow in importance** in response to evolving fiscal strategies and investor preferences.

Figure 163: Private Placement Instrument 2020-2024



Central Government Loan Portfolio (2020–2024)

Saint Lucia's **central government loan portfolio** grew significantly from **$1.21 billion in 2020** to **$2.02 billion in 2024**, indicating an increasing reliance on external financing, particularly from **multilateral and bilateral lenders**.

Key Trends Over Five Years (2020–2024)

1. **Decline in Domestic Commercial Loans**
   - Domestic commercial loans have steadily decreased, from **$207.64 million in 2020** to **$125.80 million in 2024**, marking a **39.4% reduction** over five years.
2. **Decline in National Insurance Corporation (NIC) Loans**
   - Borrowing from the NIC has **declined each year**, from **$13.24 million in 2020** to **$7.88 million in 2024**, a **40.5% decrease** over the period.
3. **Growth in Bilateral Loans**
   - Bilateral loans saw a sharp increase, rising from **$180.29 million in 2020** to **$584.92 million in 2024**, a **224.5% growth** over five years.
   - The most significant jump occurred between **2022 and 2023**, when bilateral loans nearly **doubled from $294.08 million to $593.65 million**, highlighting an **increased reliance on country-to-country financing agreements**.
4. **Steady Growth in Multilateral Loans**

- Multilateral loans have consistently increased, from **$809.02 million in 2020** to **$1.30 billion in 2024**, reflecting a **60.7% increase** over the period.
- The most substantial increase occurred **between 2023 and 2024**, when multilateral loans surged by **$276.42 million (27%)**, suggesting **greater engagement with international financial institutions such as the IMF, World Bank, or Caribbean Development Bank**.

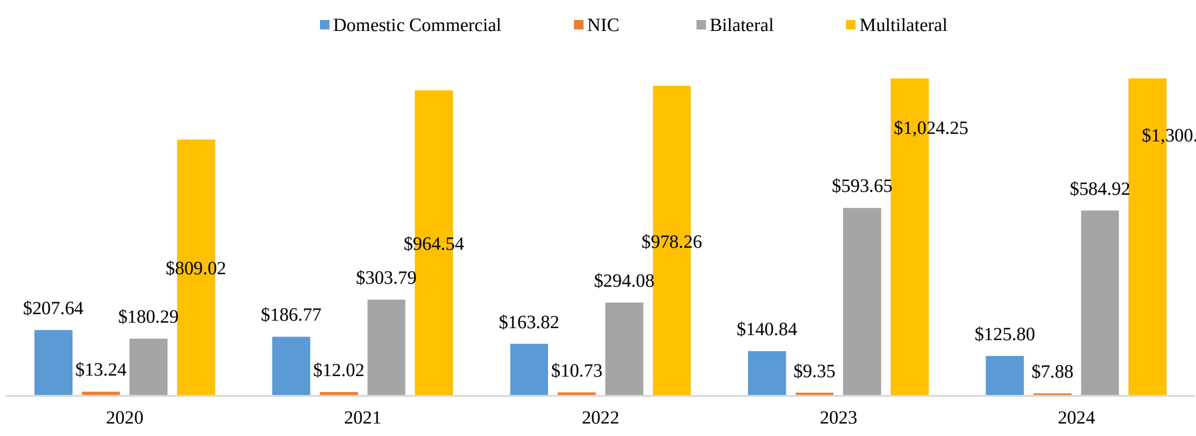
5. **Overall Loan Portfolio Growth**
    - The **total loan portfolio increased by 67%** over the five-year period, from **$1.21 billion in 2020** to **$2.02 billion in 2024**, underscoring **a growing debt burden**.
    - The sharpest increase occurred **between 2022 and 2023**, with loans rising by **$321.20 million (22.2%)**, followed by another substantial rise in **2024 (+$251.18 million, 14.2%)**.

Key Differences Between 2023 and 2024

- **Total loans increased by $251.18 million (14.2%)**, indicating continued growth in government borrowing.
- **Domestic commercial loans declined by $15.04 million (-10.7%)**.
- **NIC loans dropped by $1.47 million (-15.7%)**, continuing a downward trend.
- **Bilateral loans fell slightly by $8.73 million (-1.5%)**, suggesting stabilization after a significant increase in 2023.
- **Multilateral loans surged by $276.42 million (27%)**,

Saint Lucia's **loan portfolio has grown significantly**, with a clear trend toward **multilateral and bilateral borrowing**, while **domestic commercial and NIC loans continue to decline**. The sharp rise in **multilateral financing in 2024** suggests **greater engagement with international lenders**, for development projects, infrastructure, or budgetary support.

Figure 172: Central Government Loan Portfolio 2020-2024



Cost and Risk Indicators (2020–2024)

Cost and risk indicators measure the **sustainability and vulnerability of a country's debt portfolio**. These indicators include:

- **Average Time to Maturity (ATM)** – The average period remaining until all debt matures, indicating refinancing risks.
- **Maturing in 1 Year (%)** – The proportion of debt that must be repaid within a year, reflecting short-term liquidity risks.
- **Average Time to Refixing (ATR)** – The average time until interest rates on the debt are adjusted, measuring exposure to interest rate fluctuations.
- **Weighted Average Cost of Debt (WACD) (%)** – The overall cost of the country's debt, reflecting the average interest rate paid.
- **Debt Refixing in 1 Year (%)** – The proportion of debt subject to interest rate changes within a year, indicating sensitivity to market rate fluctuations.

Key Trends Over the Five Years (2020–2024)

1. **Average Time to Maturity (ATM) Fluctuations**
    - ATM has varied between **5.68 years (2020)** and **6.61 years (2024)**, indicating **some improvement in debt sustainability**.
    - However, the **6.61 years in 2024 remains below the target of ≥8 years**, suggesting **a higher-than-ideal refinancing risk**.
2. **Short-Term Maturities Declining but Above Target**
    - The percentage of debt maturing within one year dropped from **22.30% in 2020** to **17.07% in 2024**, reducing **short-term repayment pressures**.
    - Despite this decline, the 2024 level is still **above the target of <15%**, indicating **a need for further extension of debt maturities**.
3. **Average Time to Refixing (ATR) Remaining Below Target**
    - ATR has hovered between **4.26 years (2023)** and **4.99 years (2021)**, showing **moderate exposure to interest rate risk**.
    - The **4.86 years in 2024 is still significantly below the target of ≥7 years**, suggesting that **a large share of debt will have interest rates adjusted within a short period**.
4. **Weighted Average Cost of Debt (WACD) Fluctuations**
    - WACD has **increased from 4.84% in 2020 to 5.03% in 2023**, before **declining slightly to 4.94% in 2024**.
    - The cost of borrowing remains **higher than the <4% target**, which implies **that borrowing costs are still a concern for debt sustainability**.
5. **Rising Debt Refixing in One Year**
    - The percentage of debt subject to **interest rate changes within a year** has risen from **25.28% in 2020 to 37.15% in 2024**.
    - This increase suggests **greater exposure to interest rate fluctuations**, making Saint Lucia more vulnerable to global rate hikes.

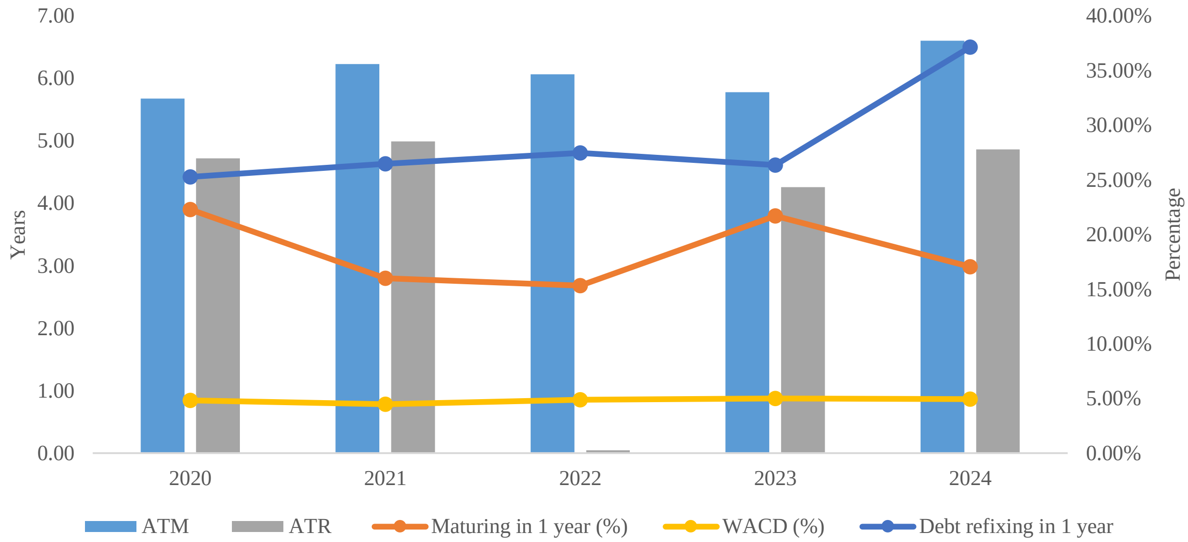
Key Differences Between 2023 and 2024

- **ATM increased from 5.78 to 6.61 years**, indicating **a positive move toward longer-term debt structures**.
- **Debt maturing in 1 year declined from 21.70% to 17.07%**, reducing immediate repayment pressures.

- **ATR rose from 4.26 to 4.86 years**, slightly improving interest rate risk management.
- **WACD dropped from 5.03% to 4.94%**, indicating a **marginal reduction in borrowing costs**.
- **Debt refixing in one year surged from 26.37% to 37.15%**, highlighting a **significant increase in interest rate exposure**.

While Saint Lucia has made progress in extending debt maturities and reducing short-term repayment pressures, key **risk indicators remain above target**. **Debt refixing within one year has increased significantly**, exposing the country to potential **higher interest payments if global rates rise**. Moreover, the **cost of borrowing remains elevated**, suggesting **a need for more concessional financing to lower WACD**. Moving forward, **policy measures should focus on further extending maturities, reducing short-term obligations, and securing lower-cost debt instruments to achieve a more sustainable debt profile**.

Figure 181: Cost and Risk Indictors 2020-2024



Currency Debt Stock, Composition, Risks, and Trends (2020–2024)

St. Lucia's debt stock has fluctuated over the past five years due to various economic factors, including **repayments, new disbursements, foreign exchange rate movements, and fiscal policy decisions**. The country's debt composition is primarily denominated in **Eastern Caribbean Dollars (XCD) and US Dollars (USD),** with smaller allocations in **Special Drawing Rights (SDR), Kuwaiti Dinars (KWD), and Euros (EUR).** Examining the five-year trends and recent shifts between **2023 and 2024** highlights the **debt burden, currency exposure risks, and financial stability of the nation.**

Five-Year Trends in Debt Stock (2020–2024)

1. US Dollar (USD) – Steady Increase in External Debt Exposure

- The **USD-denominated debt has grown consistently**, rising from **$1.24 billion in 2020 to $2.46 billion in 2024**, reflecting a **97.4% increase over five years**.
- The sharpest increase occurred between **2022 and 2023**, with a jump from **$1.80 billion to $2.24 billion**, indicating **significant external borrowing or new disbursements**.
- The continued rise in **2024 to $2.46 billion** suggests **ongoing dependence on USD-denominated loans**, due to St. Lucia's reliance on international lenders, development financing, and trade-related obligations.

2. Eastern Caribbean Dollar (XCD) – Stable Debt Stock with Moderate Growth

- XCD-denominated debt stock remained relatively stable, fluctuating **between $2.17 billion and $2.27 billion** over the five years.
- The debt level slightly declined in **2021 and 2023**, before **rebounding to $2.27 billion in 2024**, indicating **a stable domestic debt strategy within the Eastern Caribbean Currency Union (ECCU).**
- The **gradual increase in XCD debt suggests ongoing domestic borrowing**, from **local financial institutions, treasury bills, or government bonds**.

3. Special Drawing Rights (SDR) – Significant Increase in 2024

- SDR-denominated debt remained relatively stable between **2020 and 2023**, ranging from **$326 million to $340 million**.
- However, **2024 saw a substantial increase to $415.93 million (+27.3%)**, indicating **increased reliance on IMF funding or SDR-based loans**.
- This growth may reflect **disbursements under international financial assistance programs**, potentially aimed at economic recovery or fiscal stabilization.

4**. Kuwaiti Dinar (KWD) – Continuous Decline**

- KWD-denominated debt has been in a **steady decline, decreasing from $14.83 million in 2020 to $6.04 million in 2024**—a **59% reduction** over five years.
- This trend suggests **a shift away from Middle Eastern financing sources**, possibly due to loan repayments without significant new disbursements.

5. Euro (EUR) – Fluctuating Debt Stock

- EUR-denominated debt was relatively low in **2020 and 2021**, before surging to **$16.64 million in 2022** and peaking at **$17.20 million in 2023**.
- However, **2024 saw a decline to $15.28 million (-11.2%)**, suggesting **some repayments of Euro-denominated obligations** or changes in European funding arrangements.

Key Differences Between 2023 and 2024

Between **2023 and 2024**, notable changes in St. Lucia's debt stock include:

1. **USD debt increased from $2.24 billion to $2.46 billion (+9.9%)**, reinforcing the **dominance of USD-denominated borrowing**.
2. **XCD debt rose from $2.20 billion to $2.27 billion (+3.1%)**, maintaining **domestic debt stability within the ECCU framework**.
3. **SDR debt experienced a significant increase from $326.60 million to $415.93 million (+27.3%)**, indicating **greater IMF engagement and external support.**
4. **KWD debt declined further from $8.20 million to $6.04 million (-26.3%)**, continuing a **trend of reduced reliance on Kuwaiti financing.**
5. **EUR debt fell from $17.20 million to $15.28 million (-11.2%)**, suggesting **some repayments of Euro-denominated obligations.**

Currency Risk Considerations

The changing composition of St. Lucia's debt stock presents several **risks and implications**:

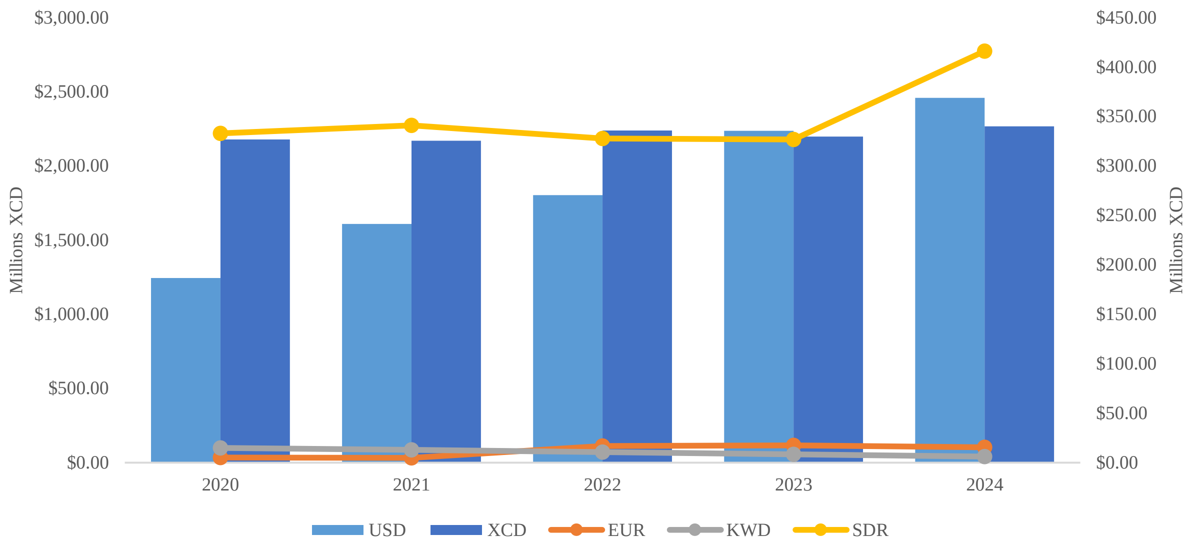
1. **Reliance on IMF and SDR-Based Financing**
    - The sharp increase in **SDR-denominated debt suggests greater IMF involvement**, possibly linked to financial stabilization programs.
    - While this may offer **low-interest financing**, it could also **indicate fiscal pressures** requiring external support.
2. **Stable Domestic Debt in XCD – Low Currency Risk**
    - The relatively **stable XCD debt stock minimizes foreign exchange risk**, as obligations are in the local currency.
    - However, continued **domestic borrowing could strain local financial markets if debt levels rise significantly**.
3. **Declining KWD Exposure – Shift in Funding Strategy**
    - The **steady decline in KWD debt suggests a strategic shift away from Middle Eastern financial sources**.
    - This may reduce exposure to currency fluctuations but could also limit **diversification of funding sources**.
4. **Fluctuations in Euro Debt – Impact on European Financing Relationships**
    - The **volatility in EUR-denominated debt suggests shifting trade or investment dynamics** with European lenders.
    - A **declining Euro debt stock may reflect loan repayments rather than active engagement in new European financing deals**.

St. Lucia's **currency debt stock has grown significantly over the past five years**, with **USD and XCD remaining dominant**, while **SDR debt increased sharply in 2024**, and **KWD and EUR exposure declined**.

- **SDR-based financing has grown significantly**, possibly reflecting **increased IMF support to strengthen fiscal stability**.
- **Domestic borrowing in XCD remains stable**, ensuring **low currency risk but requiring careful debt sustainability management**.

- **The decline in KWD debt highlights a reduced reliance on Middle Eastern financial instruments**, while **fluctuations in Euro debt indicate shifting financing strategies.**

Figure 190: Currency Composition and Risk 2020-2024



Redemption Profile (2025-2050)

Saint Lucia's **redemption profile** outlines the country's scheduled debt repayments over the next 25 years, highlighting both **domestic and external obligations**. The data indicates **significant near-term maturities**, particularly in **2025 and 2026**, when total redemptions are projected at **$823.88 million and $762.88 million, respectively**. These high repayment levels are primarily driven by **domestic debt**, which peaks at **$716.42 million in 2025** before tapering off in subsequent years.

From **2027 to 2030**, the redemption schedule remains **somewhat elevated but more balanced**, with annual repayments fluctuating between **$235 million and $570 million**, reflecting efforts to **smooth out debt service obligations**. Notably, the redemption of external debt remains **relatively stable** over this period, averaging **$100 million to $160 million per year**.

Post-2030, the overall redemption burden **declines significantly**, with repayments gradually decreasing to below **$100 million annually from 2035 onward**. Domestic debt obligations become **minimal beyond 2035**, with no recorded redemptions after **2050**. External debt redemptions, while extending further, are **comparatively modest**, ensuring **greater fiscal sustainability in the long term**.

The data suggests that **Saint Lucia faces a critical challenge in managing its short-term debt obligations**, particularly between **2025 and 2028**, when redemption volumes are highest. Effective **debt refinancing, extension of maturities, and prudent fiscal planning** will be essential to mitigating liquidity risks and ensuring **macroeconomic stability**.

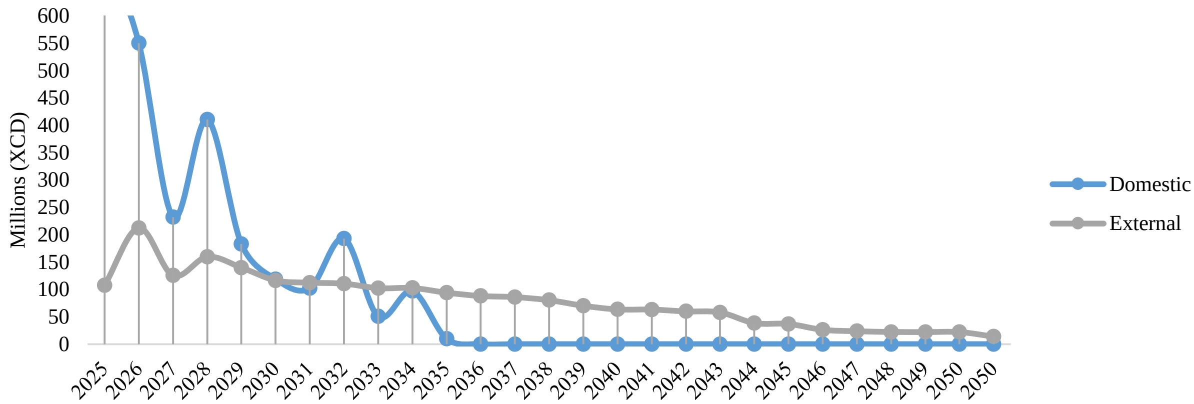
Weighted Average Cost of Debt (WACD) by Instrument (2020–2024)

Saint Lucia's **Weighted Average Cost of Debt (WACD)** reflects the overall cost of borrowing across various debt instruments. Over the past five years, the total WACD has exhibited **fluctuations**, peaking at **5.03% in 2023** before declining slightly to **4.94% in 2024**. This trend suggests a **moderate increase in borrowing costs**, particularly from 2021 onwards, influenced by changes in **global interest rates, risk premiums, and debt composition**.

- **Treasury Bills** have maintained relatively stable costs, fluctuating between **3.45% and 3.85%**, with a slight increase in 2024 (**3.67%**) after a drop in 2023.
- **Bonds** have experienced a **gradual decline in cost**, from **6.97% in 2020 to 6.55% in 2024**, indicating improved investor confidence and favorable market conditions.
- **Notes** have remained relatively stable, with WACD hovering around **5.03% to 5.09%**.
- **Loans** have shown **the most volatility**, reaching a low of **2.31% in 2021** before increasing significantly to **3.81% in 2023** and stabilizing at **3.75% in 2024**. This increase could be linked to **higher global lending rates** and shifts in the structure of loan agreements.

Overall, while the **total WACD declined slightly in 2024**, Saint Lucia must continue **managing its debt portfolio prudently** to minimize future borrowing costs, especially amid global financial uncertainties.

Figure 199: Redemption Profile 2025-2050



Central Government Debt Service Payments (2020–2024)

Saint Lucia's **debt service payments**, which include **principal repayments and interest payments on both external and domestic debt**, have fluctuated over the past five years, reflecting shifts in borrowing patterns and repayment schedules.

Total Debt Service Trends

Total debt service peaked at **$1,396.19 million in 2022**, before declining slightly in **2023 ($1,392.50 million)** and further in **2024 ($1,343.68 million)**. This decrease in 2024 suggests a **moderation in repayment obligations**.

External Debt Service

External debt service payments declined significantly from **$587.70 million in 2020 to $158.39 million in 2023**, but **rose slightly to $171.89 million in 2024**. This drop over the years is mainly attributed to **lower principal repayments**, which fell from **$528.41 million in 2020 to $104.44 million in 2023**, before increasing to **$129.72 million in 2024**. Interest payments have remained relatively stable, fluctuating between **$42.17 million and $59.29 million** over the period.

Domestic Debt Service

Domestic debt service has been the **primary driver** of Saint Lucia's total debt service burden, **consistently increasing until 2023** before **declining in 2024**.

- Principal repayments reached a high of **$1,096.65 million in 2023** before declining to **$1,040.73 million in 2024**, reflecting **reduced domestic debt obligations**.
- Interest payments on domestic debt have steadily increased over the years, peaking at **$137.46 million in 2023**, before a slight decline to **$131.06 million in 2024**.

1. **Total debt service fell in 2024** due to **lower domestic repayments**, despite a slight increase in external debt service.
2. **External debt service remains relatively low**, with principal repayments still below **pre-2022 levels**.
3. **Domestic debt continues to dominate Saint Lucia's repayment obligations**, accounting for the bulk of debt service costs.

Moving forward, **careful debt management** will be crucial to ensuring **sustainable debt servicing**, especially with rising interest costs and ongoing fiscal constraints.

Figure 208: Central Government Debt Service

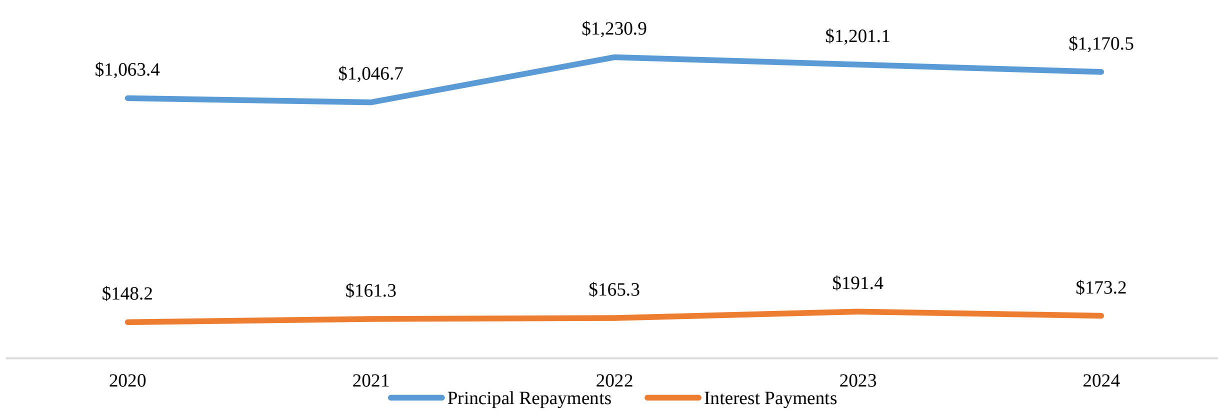
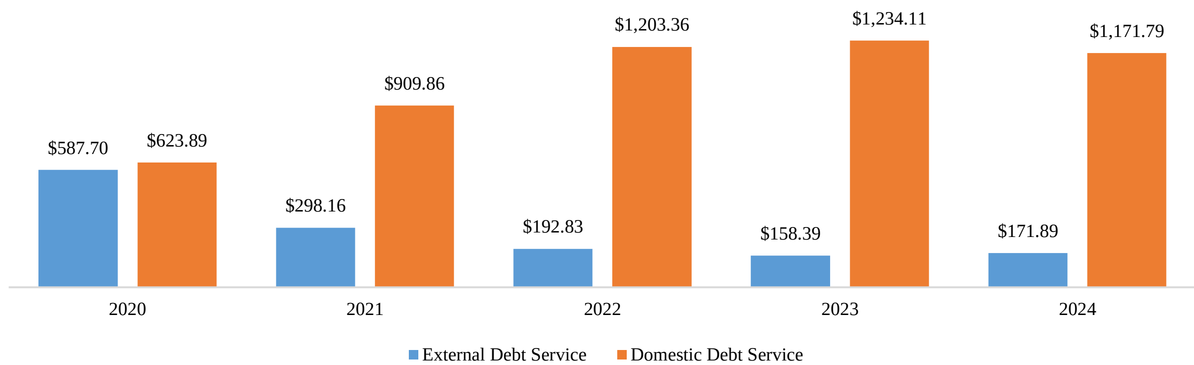


Figure 217: Total principal and Interest Payments 2020-2025



Loan Disbursements in 2024

In 2024, **total disbursements** to Saint Lucia were primarily sourced from **multilateral financial institutions**, with the **International Development Association (IDA) and the Caribbean Development Bank (CDB) accounting for nearly 98%** of all inflows. This distribution highlights the government's reliance on concessional financing from development institutions to support infrastructure, social programs, and economic development initiatives.

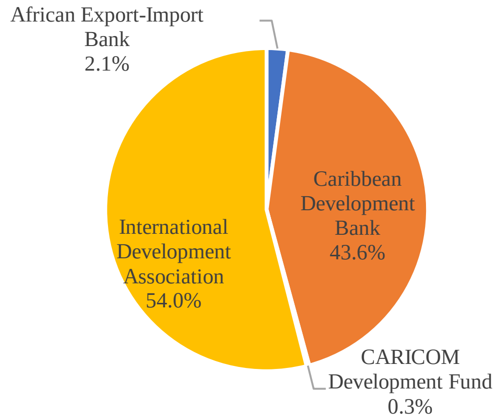
1. **International Development Association (IDA) – $165.17 million (54.0%)**
    - IDA was the **largest source of financing**, providing over half of all disbursements.
    - This funding is **highly concessional**, with **low interest rates and long repayment terms**, supporting **development-focused projects** such as education, healthcare, and climate resilience.
2. **Caribbean Development Bank (CDB) – $133.46 million (43.6%)**
    - The CDB was the **second-largest disbursement source**, contributing a significant portion of financing.
    - These funds are typically allocated to **infrastructure projects, social development, and disaster resilience programs**.
3. **African Export-Import Bank – $6.48 million (2.1%)**
    - A relatively small portion of funding came from **the African Export-Import Bank**, which generally provides **trade finance and investment-related loans**.
    - This indicates an effort to **diversify sources of external financing** beyond traditional lenders.
4. **CARICOM Development Fund – $0.81 million (0.3%)**
    - The CARICOM Development Fund contributed **minimal financing**, likely **targeted towards regional development projects**.
    - This small disbursement may reflect either **limited borrowing needs from this institution or project-specific constraints**.

- **Heavy reliance on concessional financing:** The dominance of **IDA and CDB funding** suggests a focus on **low-cost borrowing for long-term economic development**.

- **Infrastructure and social spending priorities:** Given the nature of these institutions, these funds are **likely directed towards infrastructure, climate resilience, social services, and economic reforms**.
- **Limited private sector borrowing:** The absence of significant disbursements from **commercial or private lenders** suggests that Saint Lucia is **prioritizing concessional financing over market-based borrowing**.

As Saint Lucia moves forward, **managing these disbursements effectively** to maximize **economic growth and debt sustainability** will be critical in ensuring **long-term fiscal resilience**.

Figure 225: Loan Disbursements 2024



ANNEX

Figure 229: Annex 1: Debt Statistics Summary

Particulars	2020	2021	2022	2023	2024	Annual Change
Total Public Debt by Residency (XCD)	**3,773.80**	**4,135.43**	**4,395.14**	**4,783.50**	**5,159.56**	
External Debt	1,947.24	2,290.24	2,359.20	2,847.61	3,141.27	
Domestic Debt	1,826.56	1,845.19	2,035.94	1,935.89	2,018.29	
Total Domestic Debt by Instrument (XCD)	**1,826.57**	**1,845.19**	**2,035.94**	**1,935.89**	**2,018.29**	
Loans	367.27	354.13	330.85	307.24	353.39	
Bonds	973.10	971.33	1,082.13	1,067.34	1,088.51	
Notes	365.63	402.87	445.06	445.97	460.78	
Treasury Bills	120.56	116.85	177.91	115.33	115.62	
Total External Debt by Instrument (XCD)	**1,947.24**	**2,290.24**	**2,359.20**	**2,847.61**	**3,141.27**	
Loans	1,055.59	1,384.07	1,406.86	1,755.09	2,026.25	
Bonds	410.48	403.14	433.06	626.37	616.30	
Notes	270.98	254.48	256.02	249.14	284.01	
Treasury Bills	210.19	248.54	263.26	217.00	214.72	
Central Government Debt by Residency(XCD)	**3,561.12**	**3,864.35**	**4,104.32**	**4,489.25**	**4,799.19**	
External Debt	1,880.96	2,174.50	2,224.68	2,710.42	3,000.61	
Domestic Debt	1,680.17	1,689.85	1,879.64	1,778.84	1,798.58	
Contingent Liabilities by Residency (XCD)	**212.69**	**271.08**	**290.82**	**294.24**	**360.37**	
External Debt	66.29	115.74	134.53	137.19	140.66	
Domestic Debt	146.40	155.34	156.29	157.05	219.71	
Foreign Currency Risk (%)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	
USD	32.98%	38.87%	41.00%	46.73%	47.62%	
EUR	0.13%	0.12%	0.38%	0.36%	0.30%	
KWD	0.39%	0.31%	0.24%	0.17%	0.12%	
SDR	8.81%	8.24%	7.46%	6.83%	8.06%	
XCD	57.68%	52.46%	50.93%	45.91%	43.90%	
Total Debt Service (XCD)	**1,211.59**	**1,208.02**	**1,396.19**	**1,392.50**	**1,343.68**	
External	587.70	298.16	192.83	158.39	171.89	
Domestic	623.89	909.86	1,203.36	1,234.11	1,171.79	
Interest	148.15	161.34	165.31	191.41	173.23	
Principal	1,063.44	1,046.68	1,230.88	1,201.09	1,170.45	
Risk Indicators						
ATM (Years)	5.68	6.23	6.07	5.78	6.61	
Maturing in 1 year (%)	22.3%	16.0%	15.3%	21.7%	17.1%	
ATR (Years)	4.72	4.99	0.05	4.26	4.86	
WACD (%)	4.84%	4.49%	4.90%	5.03%	4.94%	