

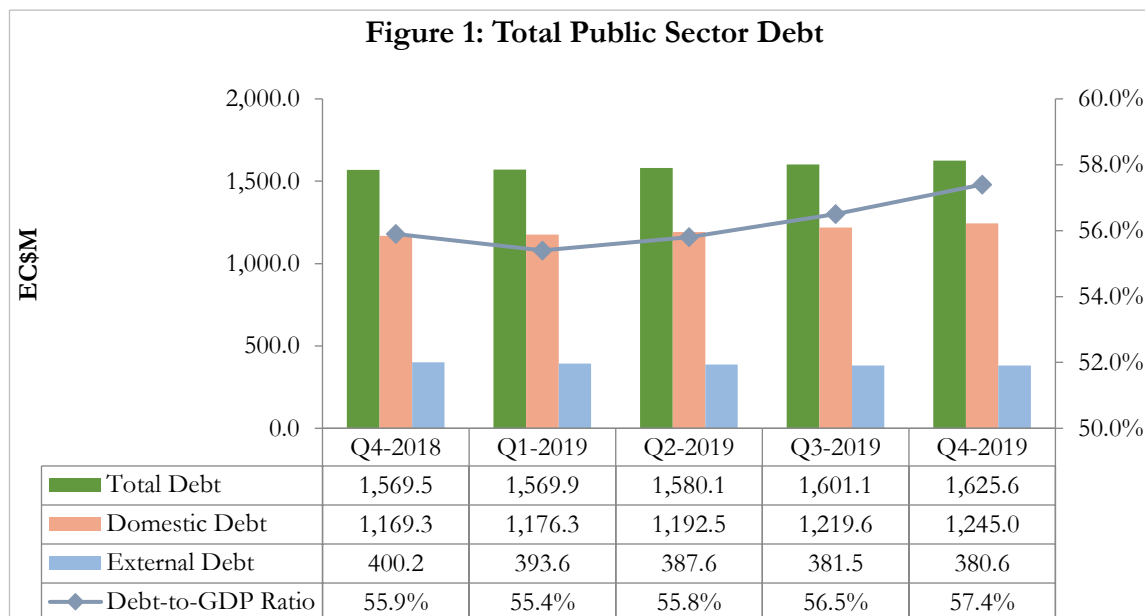


INTRODUCTION

This Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 31 December 2018 to 31 December 2019 in millions of EC currency. The data presented in the Bulletin covers the trend in the debt stock with a focus on External and Domestic Debt, Central Government’s Debt and Government Guaranteed Debt. The Bulletin also highlights Total Debt Service payments, Debt Disbursements and Debt Sustainability and Risk Indicators.

1.0 TOTAL PUBLIC SECTOR DEBT

Total Public Sector debt stood at \$1,625.6m (57.4 percent of GDP) at the end of December 2019 (See Figure 1). Over the review period, the debt stock increased by \$56.1m or 3.6 percent when compared to the comparative period of December 2018 (\$1,569.5m).



During the period under review, the stock of debt increased on a quarterly basis with the first quarter of 2019 increasing by \$0.4m (0.03 percent), the second quarter of 2019 by \$10.2m or 0.6 percent, the third quarter of 2019 by \$21.0m or 1.3 percent and the fourth quarter of 2019 by \$24.5m or 1.5 percent.

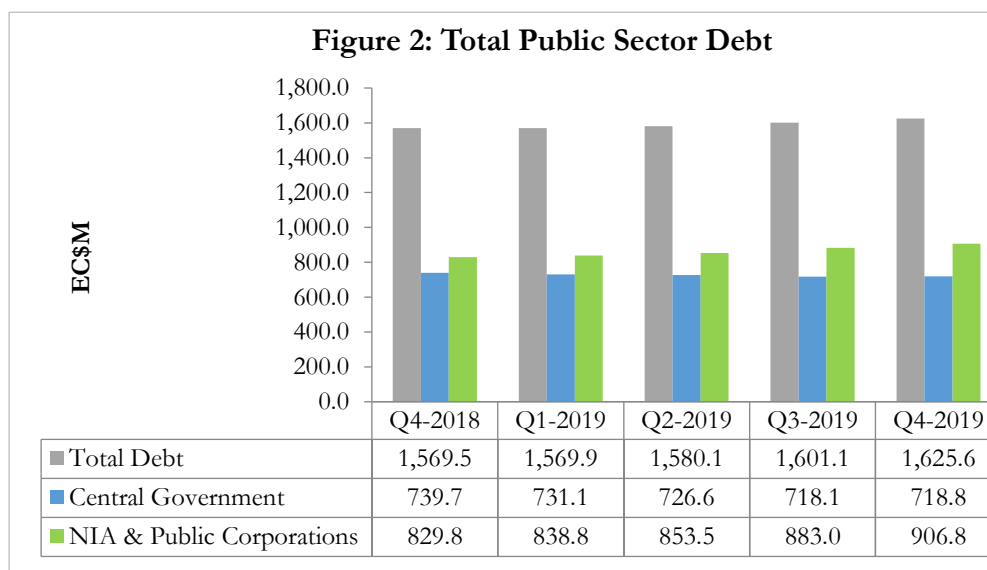


Public Sector Debt
Government of Saint Kitts and Nevis
Ministry of Finance

QUARTERLY DEBT BULLETIN AS AT 31 December 2019

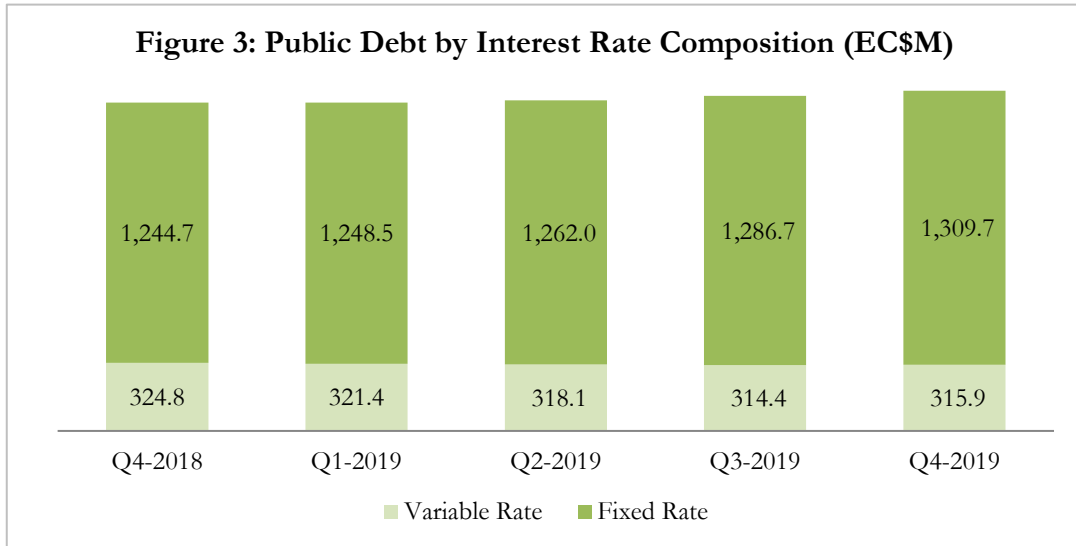
ISSUE NO: 4 | December 2019

Central Government’s share of the Total Public Sector Debt was 44.2 percent, a decrease of 2.9 percentage points compared to December 2018 (47.1 percent) (See Figure 2). Over the review period, Central Government’s Debt decreased by an average of 0.7 percent per quarter for a total decline of \$20.9m or 2.8 percent.

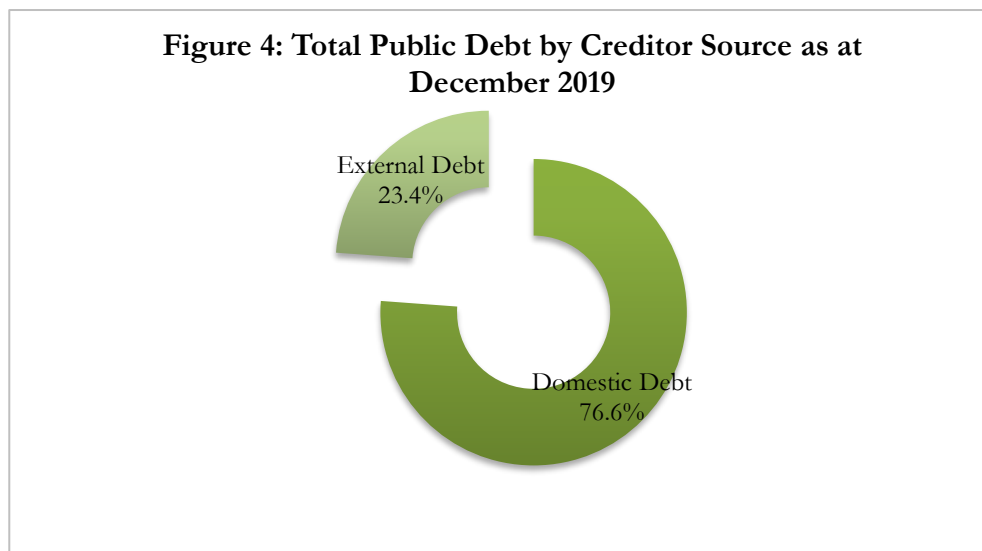


Conversely, Total Guaranteed Debt comprising debt of the Nevis Island Administration (NIA) and Public Corporations, increased by an average of 2.3 percent per quarter and an overall growth of 9.3 percent.

The interest rate composition of the Total Public Sector Debt showed an increase of \$65.0m in Fixed Rate debt from \$1,244.7m in December 2018 to \$1,309.7m by December 2019. On the other hand, Variable Rate debt declined by \$8.9m from \$324.8m in December 2018 to \$315.9m in December 2019 (See Figure 3).



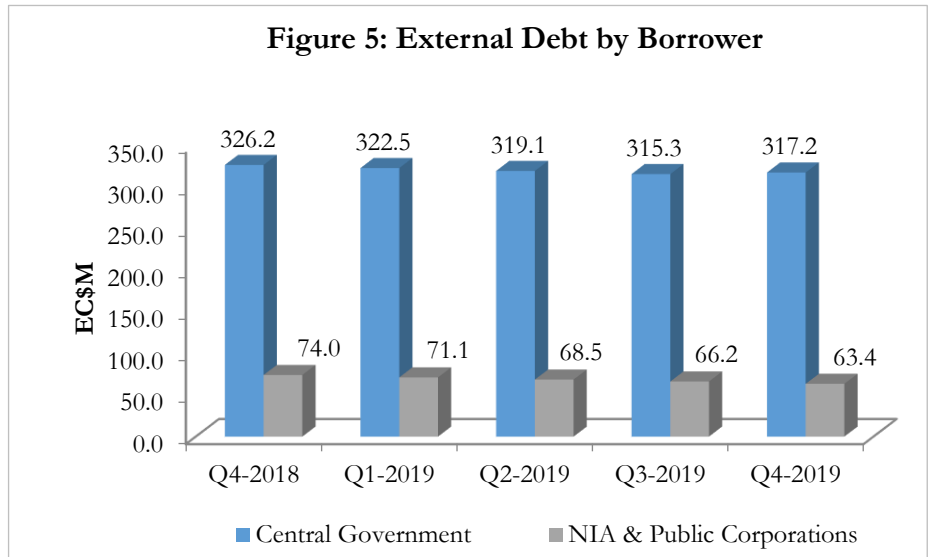
As at December 2019, domestic debt accounted for 76.6 percent of Total Public Debt while external debt accounted for the remaining 23.4 percent (See Figure 4).





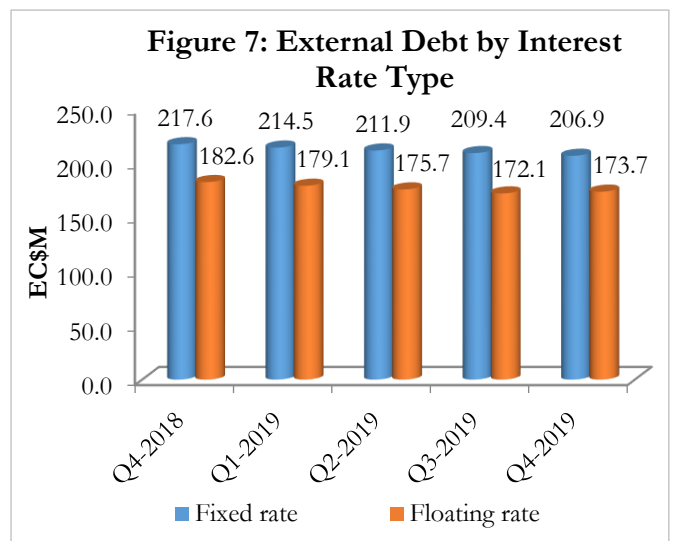
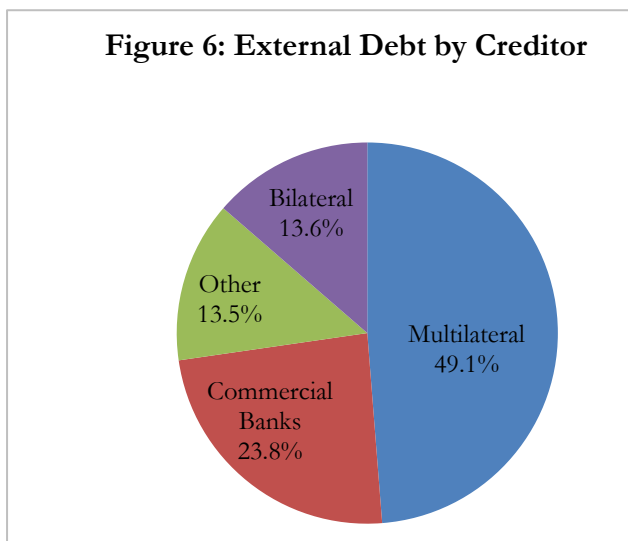
2.0 EXTERNAL PUBLIC SECTOR DEBT

Figure 5 shows that, as at 31 December 2019, total external debt stood at \$380.6m (13.1 percent of GDP). Over the review period, external debt declined by \$19.6m or 4.9 percent. Central Government’s external borrowing accounted for



83.3 percent of total external financing while external borrowing by the NIA and Public Corporations in St. Kitts and Nevis comprised the remaining 16.7 percent.

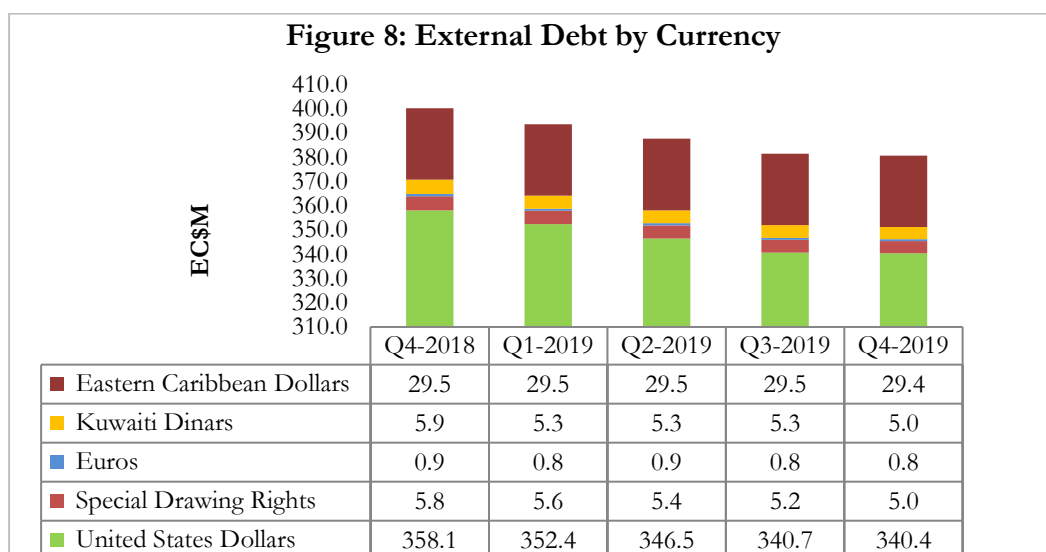
The main sources of external debt financing as at December 2019 were Multilateral Creditors (49.1 percent) followed by Commercial Banks (23.8 percent) with Other Creditors and Bilateral Creditors accounting for 13.5 percent and 13.6 percent respectively (See Figure 6).





Fixed rate debt represented \$206.9m or 54.4 percent of total external debt whereas variable rate debt accounted for the remaining \$173.7m or 45.6 percent (See Figure 7).

As at December 2019, the United States Dollar remained the most dominant currency in the external debt portfolio. It accounted for 89.4 percent of total external debt (See Figure 8). The EC Dollar comprised 7.7 percent of external debt, Kuwaiti Dinars and Special Drawings Rights (SDR) both totalled 1.4 percent each, and Euros 0.2 percent.

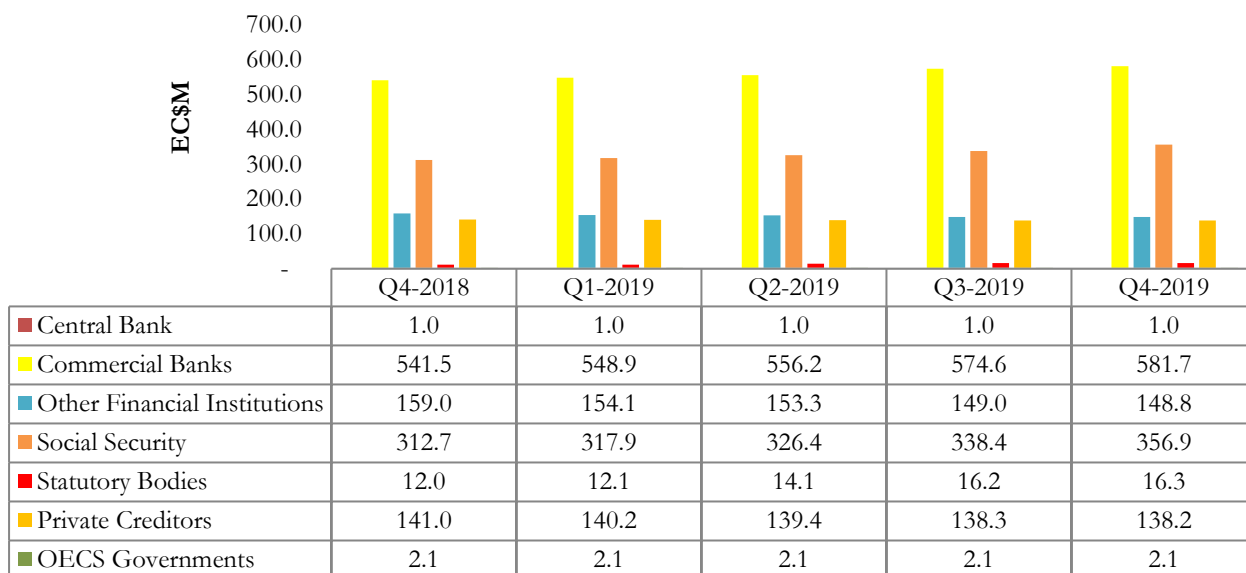


3.0 DOMESTIC PUBLIC SECTOR DEBT

At end of the review period, domestic debt was recorded at \$1,245.0m or 44.3 percent of GDP. This reflected a \$75.7m or 6.5 percent increase compared to the corresponding period in 2018 (\$1,169.3m). The growth in the domestic debt was mainly attributed to a \$44.2m surge in borrowing from the Social Security Board and a \$40.2m rise in new debt from Commercial Banks.



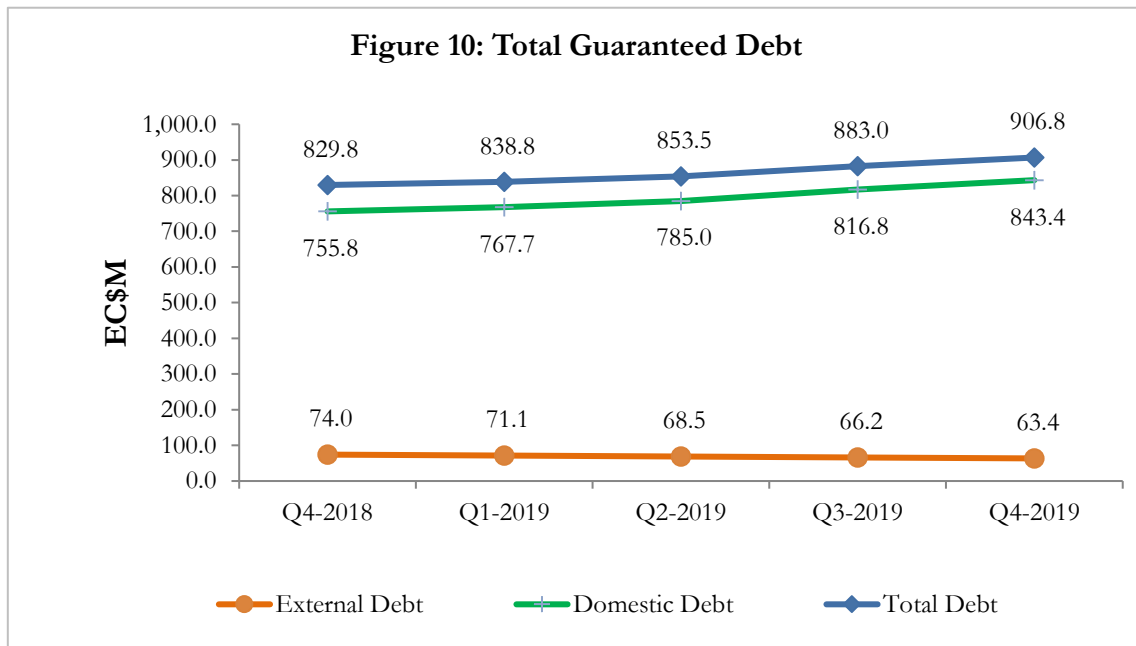
Figure 9: Domestic Debt by Creditor Category



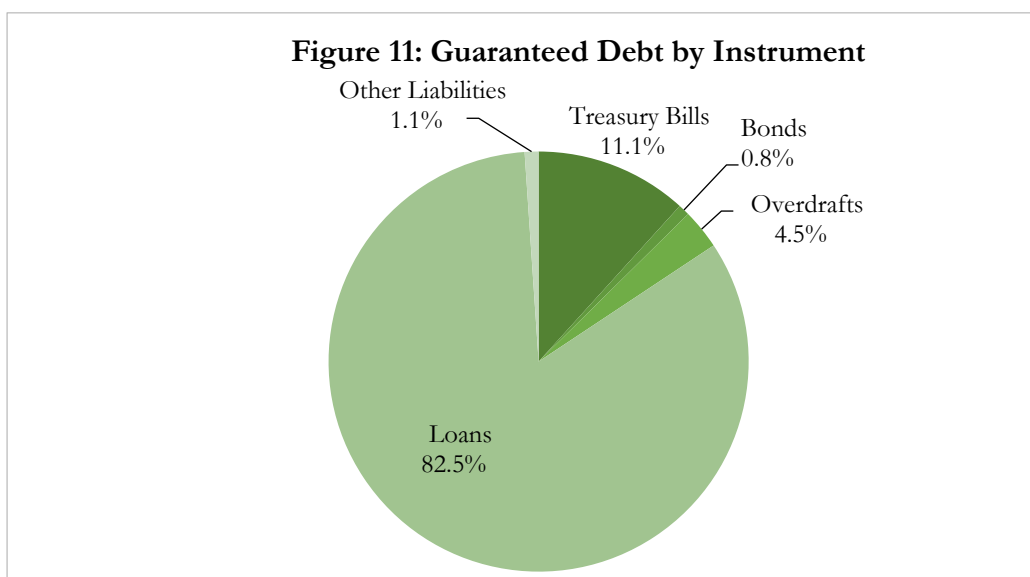
The main holders of domestic debt were Commercial Banks (46.7 percent), the Social Security Board (28.7 percent), Other Financial Institutions (12.0 percent), and Private Creditors (11.1 percent) (see Figure 9).

4.0 TOTAL GUARANTEED DEBT

Total Guaranteed Debt outstanding was comprised of debt contracted by the NIA and the Public Corporations in both St. Kitts and Nevis. Total Guaranteed Debt stood at \$906.8m at the end of December 2019 with domestic debt accounting for \$843.4m (93.0 percent) and external debt representing the remaining \$63.4m (7.0 percent) (See Figure 10).

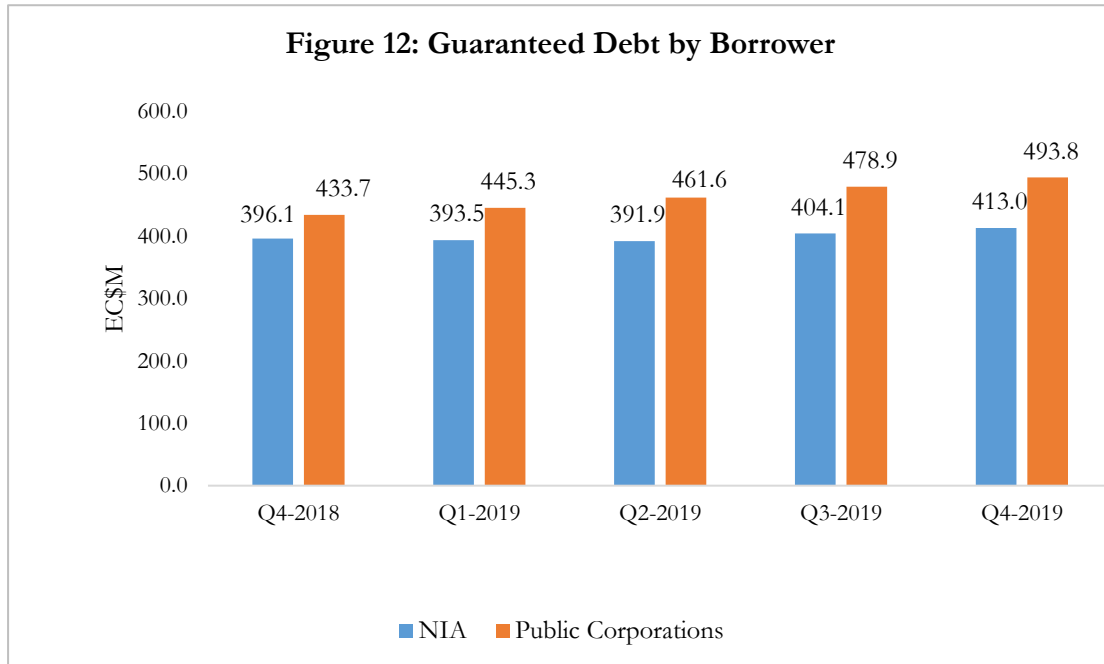


Loan instruments (82.5 percent) were the most dominant guaranteed type of debt for the period ending December 2019. Treasury Bills (11.1 percent), Overdrafts (4.5 percent), Other Liabilities (1.1 percent) and Bonds (0.8 percent) also contributed to the composition of guaranteed debt (see Figure 11).



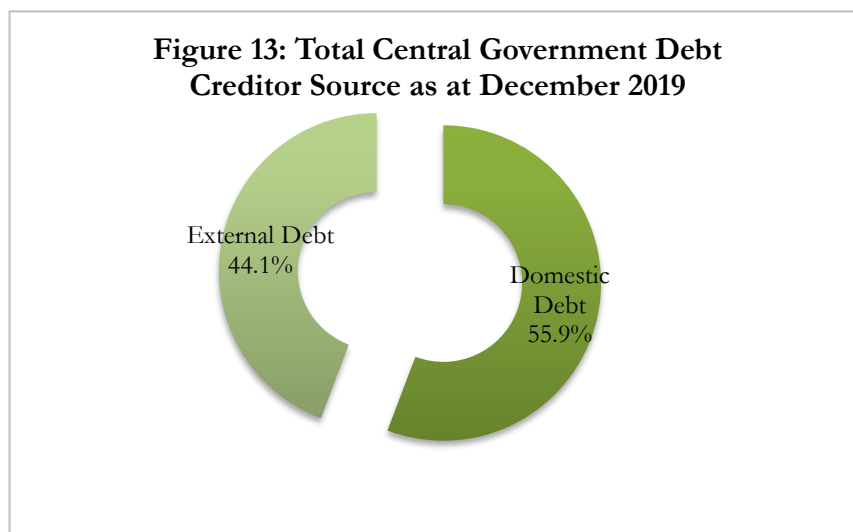


As at December 2019, the Public Corporations' debt accounted for \$493.8m or 54.5 percent of the Total Guaranteed Debt while the NIA's debt represented \$413.0m or 45.5 percent.



5.0 CENTRAL GOVERNMENT'S DEBT

Central Government's Debt was recorded at \$718.8m with domestic debt accounting for \$401.6m (55.9 percent) while external debt represented \$317.2m (44.1 percent).





6.0 TOTAL DEBT SERVICE

Debt Service Payments: Central Gov., NIA and Public Corps.					
(EC\$M)	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019
Total Debt Service	78.0	28.0	25.5	29.1	21.7
External Debt Service	9.7	10.2	9.7	9.1	9.6
<i>Principal Repayments</i>	7.0	7.4	7.0	6.6	7.0
<i>Interest Payments</i>	2.7	2.8	2.7	2.5	2.6
Domestic Debt Service	68.3	17.8	15.8	20.0	12.1
<i>Principal Repayments</i>	60.3	8.8	4.0	9.1	3.5
<i>Interest Payments</i>	8.0	9.0	11.8	10.9	8.6

7.0 DISBURSEMENTS

Total Public Sector					
New Financing (EC\$M)	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019
External	2.2	0.8	1.0	0.7	6.0
Multilateral	2.2	0.8	1.0	0.7	6.0
Domestic	19.1	16.9	21.9	26.4	17.9
Commercial	19.1	10.9	10.7	11.5	8.0
Statutory Bodies	-	6.0	9.2	7.9	5.5
Other Financial Institutions	-	-	2.0	7.0	4.4
Total	21.3	17.7	22.9	27.1	23.9



8.0 DEBT RATIOS

Debt Sustainability Indicators	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019
Total Debt to GDP	55.9%	55.4%	55.8%	56.5%	57.4%
<i>External Debt to GDP</i>	14.3%	13.5%	13.3%	13.1%	13.1%
<i>Domestic Debt to GDP</i>	41.6%	41.9%	42.5%	43.4%	43.3%
Debt Service Ratio	24.6%	11.0%	7.9%	11.5%	8.2%
<i>External Debt Service Ratio</i>	3.1%	4.0%	3.0%	3.6%	3.6%
<i>Domestic Debt Service Ratio</i>	21.5%	7.0%	4.9%	7.9%	4.6%
External Debt Service to exports	24.6%	29.7%	18.8%	20.3%	24.4%
Share of Short-Term Debt to Total Debt	22.8%	22.7%	22.5%	22.8%	22.8%
Share of Foreign Currency Debt	33.0%	32.9%	32.9%	32.4%	32.0%
Share of Floating Rate Debt	20.7%	20.5%	20.1%	19.6%	19.4%

9.0 RISK INDICATORS

Risk Indicators	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019
Weighted Average Interest Rate	4.3%	4.3%	4.3%	4.3%	4.3%
<i>External</i>	2.6%	2.6%	2.6%	2.6%	2.6%
<i>Domestic</i>	4.8%	4.8%	4.8%	4.8%	4.8%
Average Time to Maturity (years)	10.3	10.3	10.3	10.3	10.3
<i>External</i>	8.5	8.6	8.6	8.7	8.7
<i>Domestic</i>	10.9	10.8	10.8	10.8	10.7
Average Time to Re-fixing (years)	7.6	7.7	7.7	7.8	7.8
<i>External</i>	5.5	5.6	5.5	5.6	5.6
<i>Domestic</i>	8.4	8.4	8.4	8.5	8.5
Share of debt to be re-fixed within one year	27.0%	26.0%	25.0%	25.0%	25.0%