

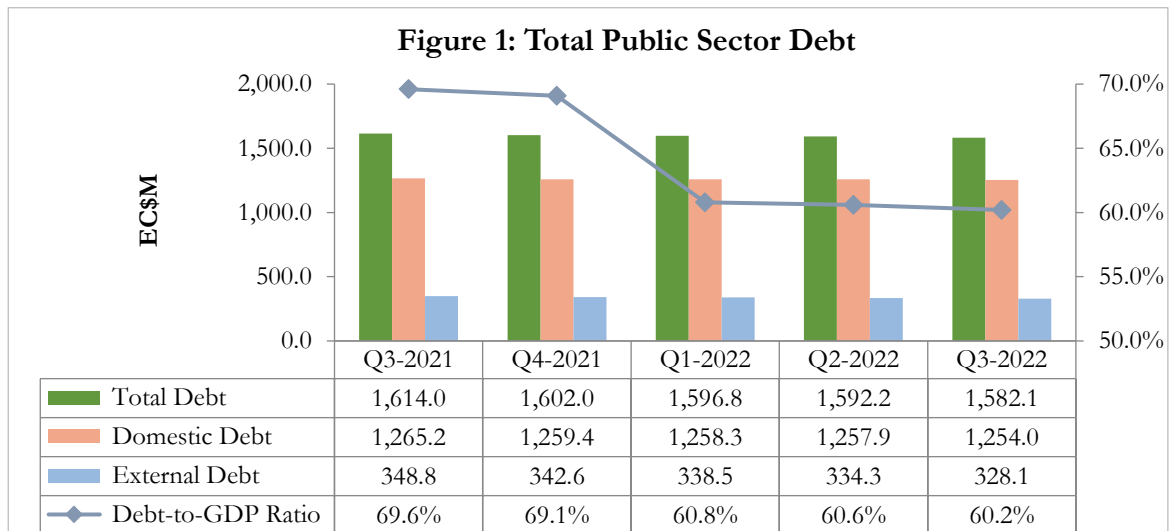


INTRODUCTION

This Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 30 September 2021 to 30 September 2022 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, Debt Sustainability and Risk Indicators.

1.0 TOTAL PUBLIC SECTOR DEBT

Total Public Sector debt was EC\$1,582.1m (60.2 percent of GDP) at the end of September 2022 (See Figure 1). This represented a decline of EC\$31.9m or 2.0 percent compared to the September 2021 debt stock of EC\$1,614.0m.



Total Public Sector Debt consistently declined between September 2021 and September 2022, having decreased by EC\$12.0m in Q4-2021, EC\$5.2m in Q1-2022, EC\$4.6m in Q2-2022 and a further EC\$10.1m in the current quarter.

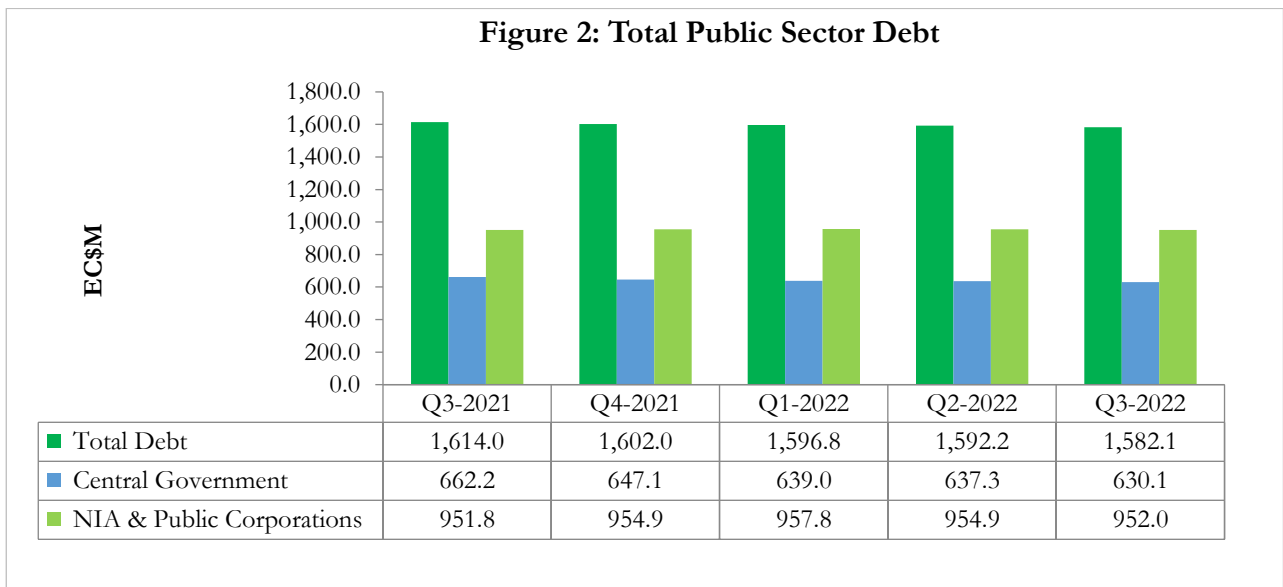


**Public Sector Debt
Government of Saint Kitts and Nevis
Ministry of Finance**

QUARTERLY DEBT BULLETIN AS AT 30 September 2022

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As at September 2022, Central Government’s Debt accounted for 39.8 percent of the Total Public Sector Debt, a decrease of 1.2 percentage points compared to September 2021 (41.0 percent) (See Figure 2). Over the review period, Central Government’s Debt decreased by an average of 1.2 percent per quarter for a total decline of EC\$32.1m or 4.8 percent.

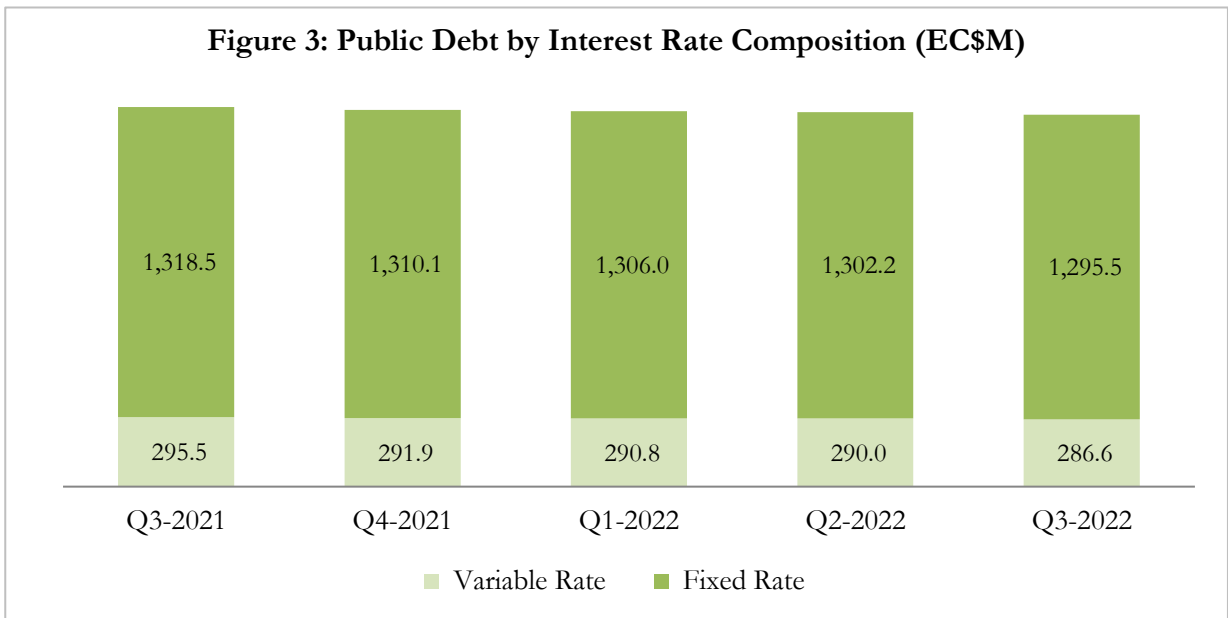


Total Guaranteed Debt, comprising debt of the Nevis Island Administration (NIA) and Public Corporations, increased by an average of 0.01 percent per quarter and exhibited an overall year-on-year growth of 0.02 percent.

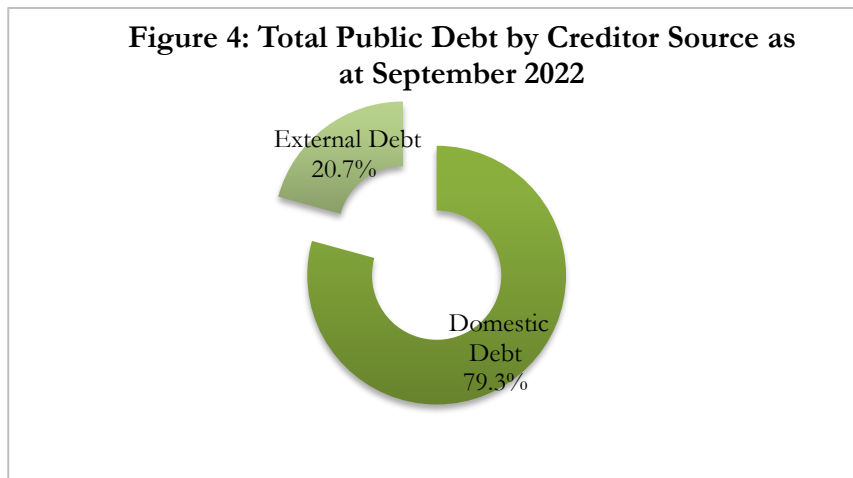


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As at September 2022, Total Public Sector Fixed Rate debt decreased by EC\$23.0m to EC\$1,295.5m from EC\$1,318.5m in September 2021. Similarly, Variable Rate debt decreased by EC\$8.9m from EC\$295.5m in September 2021 to EC\$286.6m in September 2022 (See Figure 3).



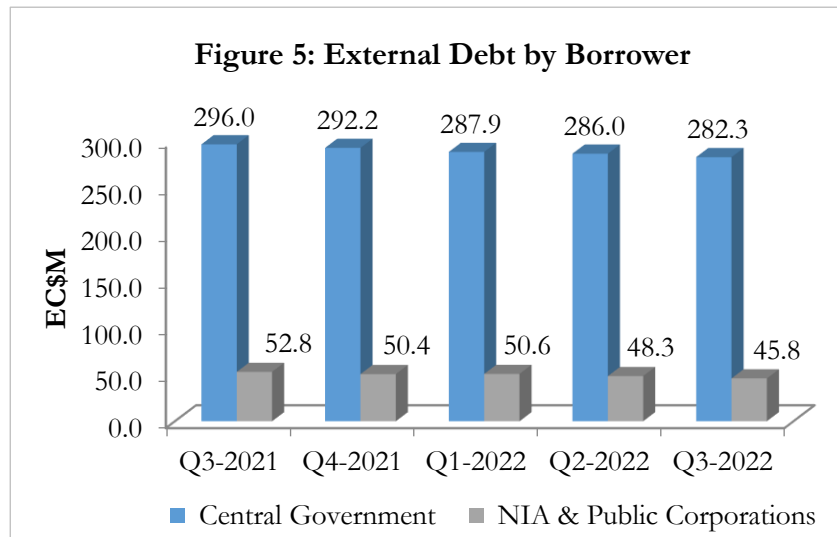
As at September 2022, Domestic Debt was 79.3 percent of Total Public Debt while External Debt accounted for the remaining 20.7 percent (See Figure 4).



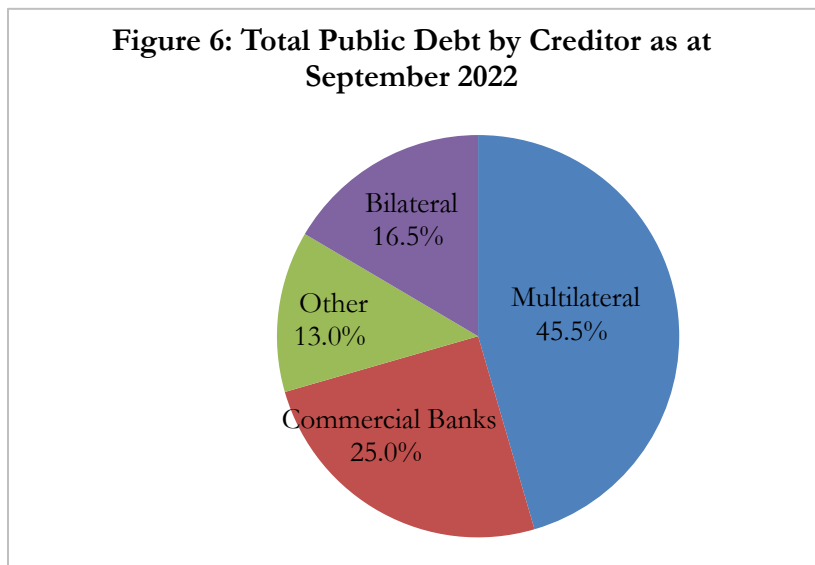


2.0 EXTERNAL PUBLIC SECTOR DEBT

Figure 5 illustrates a trend of decreasing External Debt. Central Government's debt exhibited average quarterly decreases of 1.2 percent contracting by 4.6 percent or EC\$13.7m over the review period. The debt of the NIA and Public Corporations also decreased by 13.3 percent or EC\$7.0m from September 2021 to September 2022.

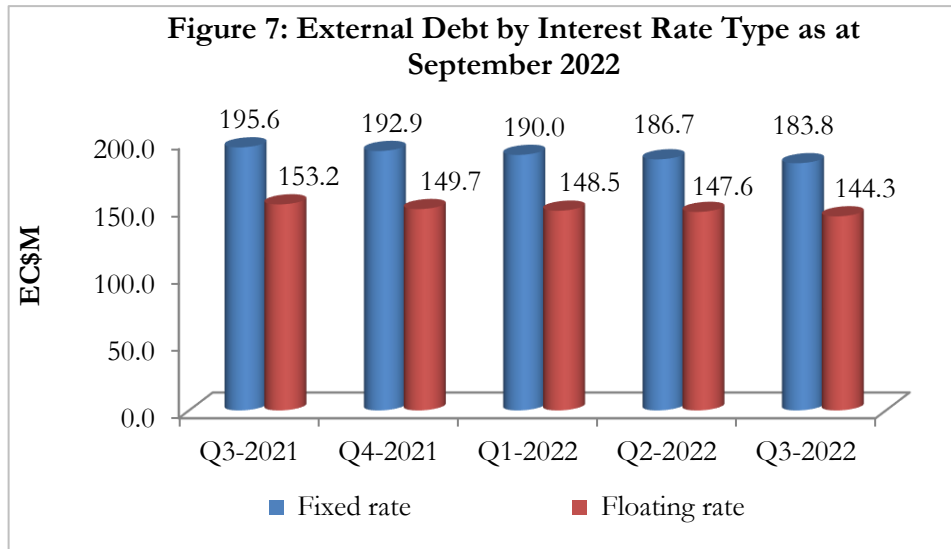


The primary source of the Public Sector's External Debt financing as at September 2022 was Multilateral Creditors (45.5 percent). External borrowing was also sourced from Commercial Banks (25.0 percent), Bilateral Creditors (16.5 percent) and Other Creditors (13.0 percent) (See Figure 6).

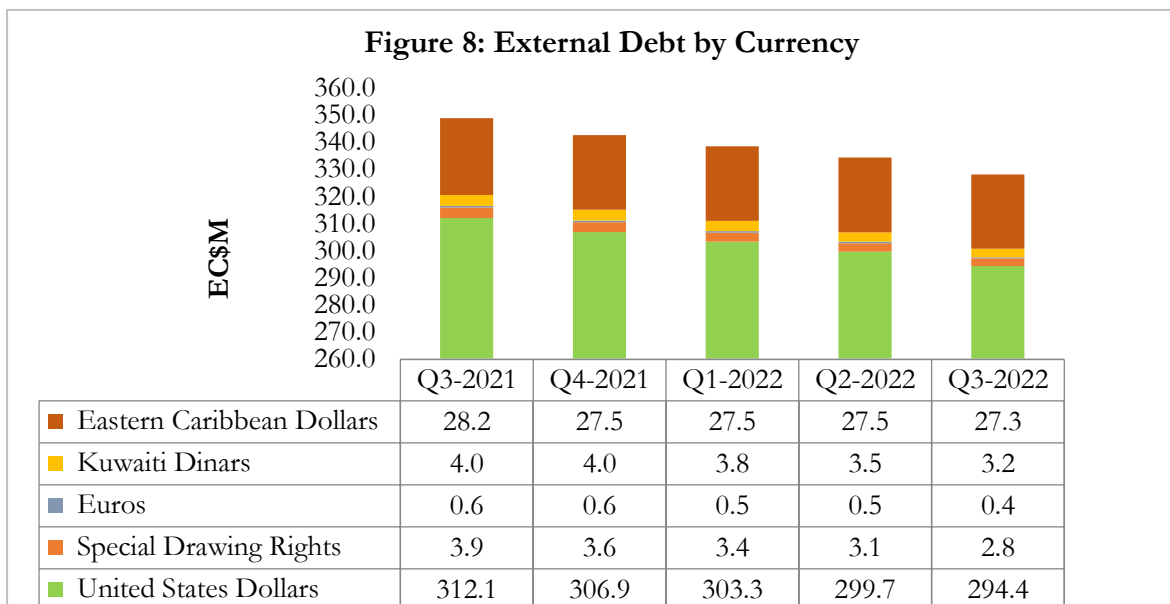




Debt contracted at fixed interest rates amounted to EC\$183.8m or 56.0 percent of total External Debt whereas variable rate debt accounted for the remaining EC\$144.3m or 44.0 percent (See Figure 7).



As at 30 September 2022, External Debt was primarily denominated in United States Dollars which comprised 89.8 percent or EC\$294.4m of total External Debt.

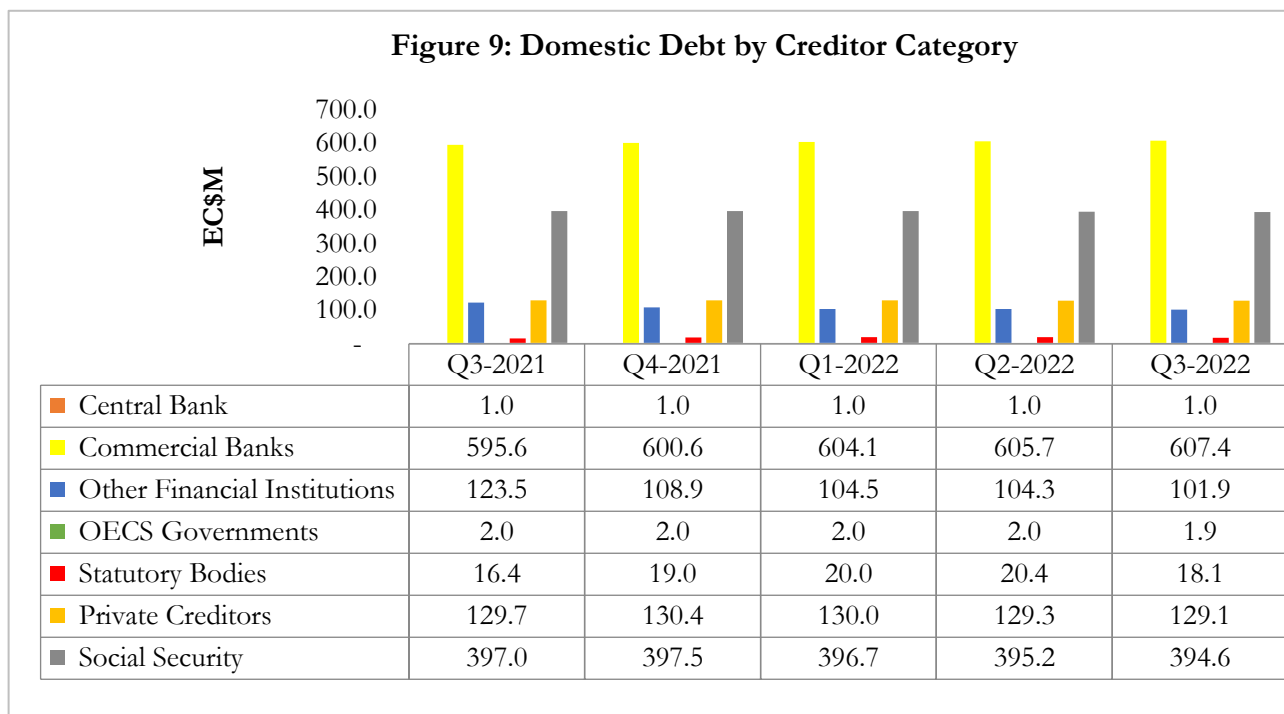




Other currencies including Eastern Caribbean Dollar (8.2 percent), Kuwaiti Dinars (1.0 percent), Special Drawing Rights (1.0 percent) and Euros (0.1 percent) accounted for the remaining External Debt.

3.0 DOMESTIC PUBLIC SECTOR DEBT

Domestic Debt as at end September 2022 totalled EC\$1,254.0m or 47.7 percent of GDP. This reflected an EC\$11.2m or 0.9 percent decline compared to the corresponding period in 2021 (EC\$1,265.2m). The reduction was mainly on account of decreases in debt owed to Other Financial Institutions (EC\$21.6m), Social Security (EC\$2.4m) and Private Creditors (EC\$0.6m).

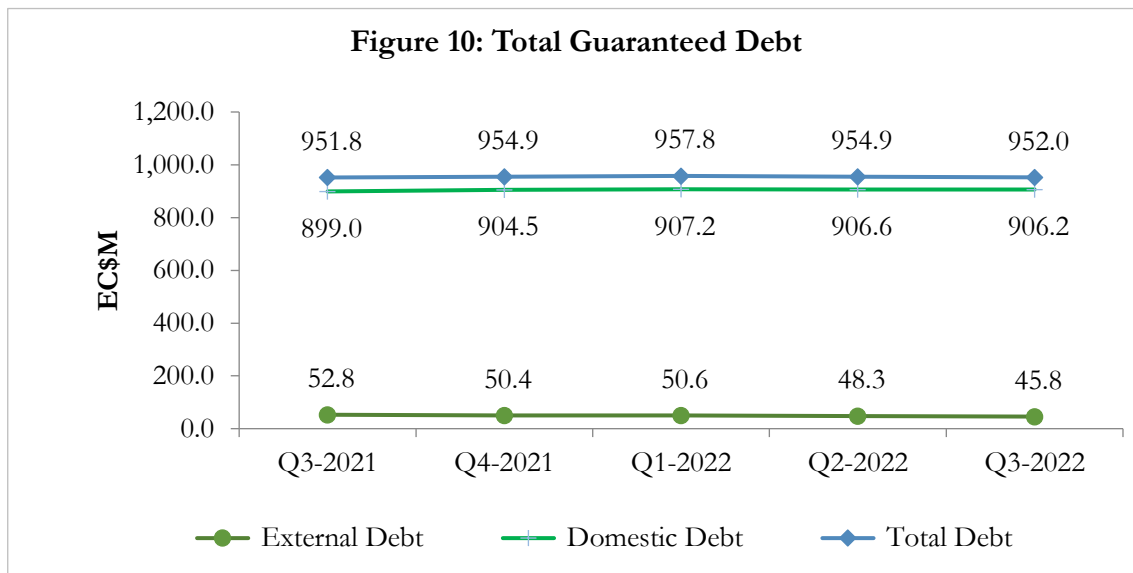


The Public Sector's Domestic Debt was mainly held by Commercial Banks (48.4 percent), the Social Security Board (31.5 percent), Private Creditors (10.3 percent) and Other Financial Institutions (8.1 percent) (see Figure 9).

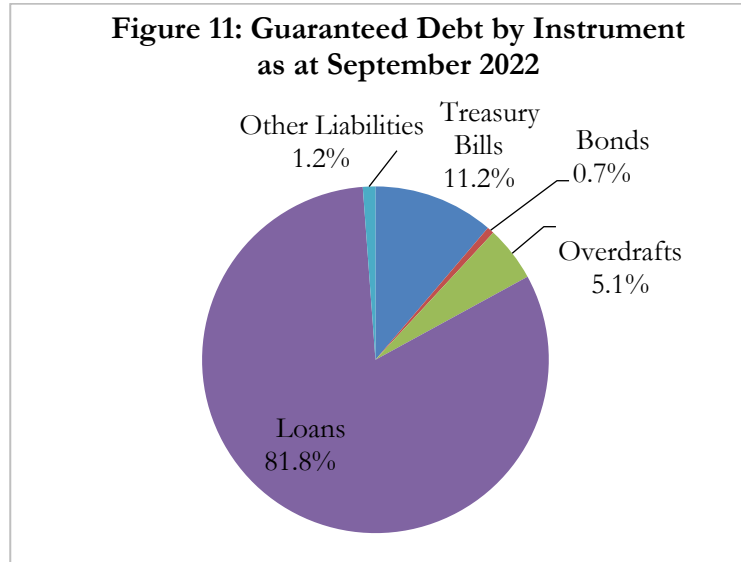


4.0 TOTAL GUARANTEED DEBT

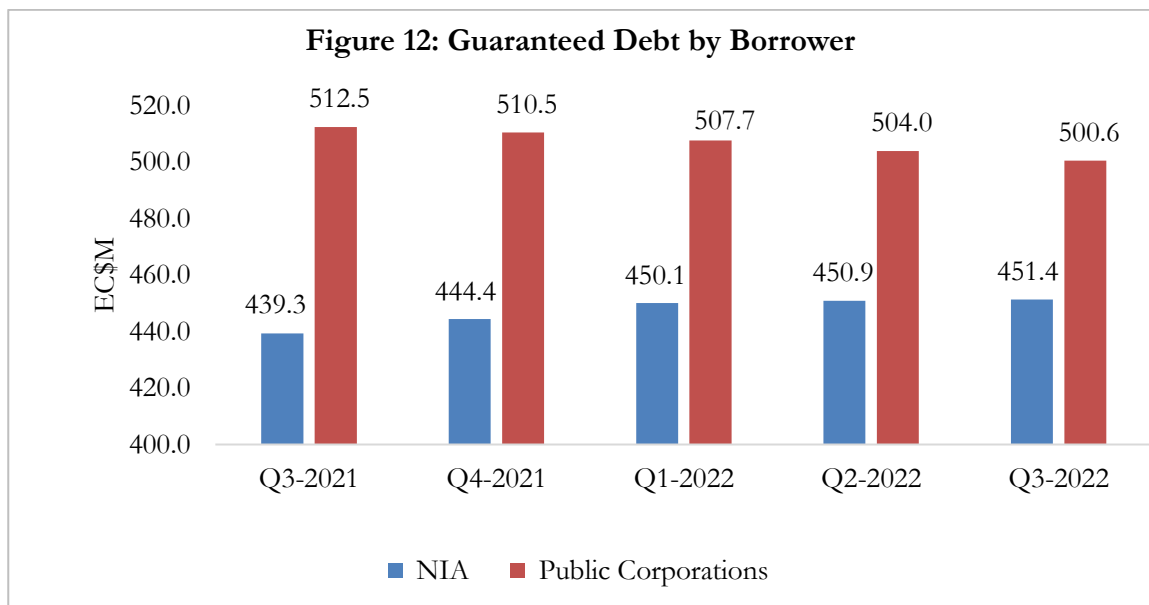
Total Guaranteed Debt outstanding was comprised of debt contracted by the NIA and the Public Corporations in both St. Kitts and Nevis. Total Guaranteed Debt stood at EC\$952.0m at the end of September 2022 with Domestic Debt accounting for EC\$906.2m and External Debt representing the remaining EC\$45.8m (See Figure 10).



As at September 2022, loans were the dominant instrument (81.8 percent) of guaranteed debt. Guaranteed debt was also comprised of Treasury Bills (11.2 percent), Overdrafts (5.1 percent), Other Liabilities (1.2 percent) and Bonds (0.7 percent) (see Figure 11).



As at September 2022, Public Corporations' debt accounted for EC\$500.6m or 52.6 percent of the Total Guaranteed Debt while the NIA's debt represented EC\$451.4m or 47.4 percent.

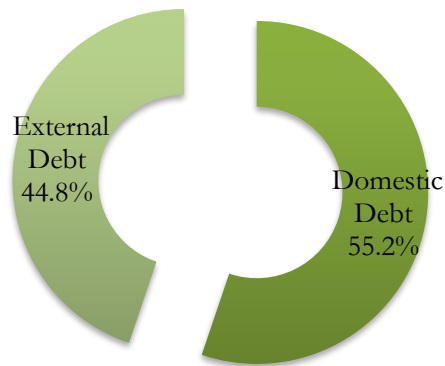




5.0 CENTRAL GOVERNMENT'S DEBT

The Central Government's Debt of EC\$630.1m was comprised of Domestic Debt amounting to EC\$347.8m (55.2 percent) and External Debt of EC\$282.3m (44.8 percent).

**Figure 13: Total Central Government Debt
Creditor Source as at September 2022**



6.0 TOTAL DEBT SERVICE

Debt Service Payments: Central Gov., NIA, and Public Corps.					
(EC\$M)	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
Total Debt Service	40.6	47.5	24.5	24.4	24.8
External Debt Service	13.2	12.9	8.6	8.8	9.4
<i>Principal Repayments</i>	<i>10.4</i>	<i>10.2</i>	<i>6.8</i>	<i>7.0</i>	<i>7.3</i>
<i>Interest Payments</i>	<i>2.8</i>	<i>2.7</i>	<i>1.8</i>	<i>1.8</i>	<i>2.1</i>
Domestic Debt Service	27.4	34.6	15.9	15.6	15.4
<i>Principal Repayments</i>	<i>9.6</i>	<i>20.5</i>	<i>7.6</i>	<i>4.4</i>	<i>6.4</i>
<i>Interest Payments</i>	<i>17.8</i>	<i>14.1</i>	<i>8.3</i>	<i>11.2</i>	<i>9.0</i>



7.0 DISBURSEMENTS

Total Public Sector New Financing (EC\$M)	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
External	2.6	1.6	3.0	2.9	1.2
Multilateral	2.6	1.6	0.4	2.9	1.2
Bilateral	-	-	2.6	-	-
Domestic	5.1	4.9	2.1	-	0.5
Commercial	2.1	3.1	1.5	-	-
Statutory Bodies	3.0	1.8	0.6	-	0.5
Total	7.7	6.5	5.1	2.9	1.7

8.0 DEBT RATIOS

Debt Sustainability Indicators	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
Total Debt to GDP	69.6%	69.1%	60.8%	60.6%	60.2%
<i>External Debt to GDP</i>	<i>15.0%</i>	<i>14.8%</i>	<i>12.9%</i>	<i>12.7%</i>	<i>12.5%</i>
<i>Domestic Debt to GDP</i>	<i>54.6%</i>	<i>54.3%</i>	<i>47.9%</i>	<i>47.9%</i>	<i>47.7%</i>
Debt Service Ratio	15.6%	16.5%	8.3%	9.4%	8.8%
<i>External Debt Service Ratio</i>	<i>5.1%</i>	<i>4.5%</i>	<i>2.9%</i>	<i>3.4%</i>	<i>3.3%</i>
<i>Domestic Debt Service Ratio</i>	<i>10.6%</i>	<i>12.0%</i>	<i>5.4%</i>	<i>6.0%</i>	<i>5.4%</i>
External Debt Service to exports	46.0%	41.2%	42.6%	35.6%	49.5%
Share of Short-term Debt to Long Term Debt	21.4%	21.8%	22.1%	22.3%	22.6%
Share of Foreign Currency to Domestic Currency	29.7%	28.9%	28.5%	28.3%	28.1%
Share of Fixed Rate Debt to Floating debt	18.3%	18.2%	18.2%	18.2%	18.1%



9.0 RISK INDICATORS

Risk Indicators	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
Weighted Average Interest Rate	4.0%	4.0%	4.0%	4.1%	4.1%
<i>External</i>	2.4%	2.5%	2.4%	2.5%	2.6%
<i>Domestic</i>	4.4%	4.4%	4.5%	4.5%	4.5%
Average Time to Maturity (years)	9.7	9.7	9.7	9.3	9.3
<i>External</i>	8.2	8.3	8.4	7.8	8.0
<i>Domestic</i>	10.1	10.1	10.1	9.7	9.7
Average Time to Re-fixing (years)	7.5	7.5	7.5	8.7	8.8
<i>External</i>	5.4	5.5	5.5	5.1	5.2
<i>Domestic</i>	8.1	8.1	8.1	9.7	9.7
Share of debt to be re-fixed within one year	24.0%	24.0%	24.0%	25.0%	25.0%