

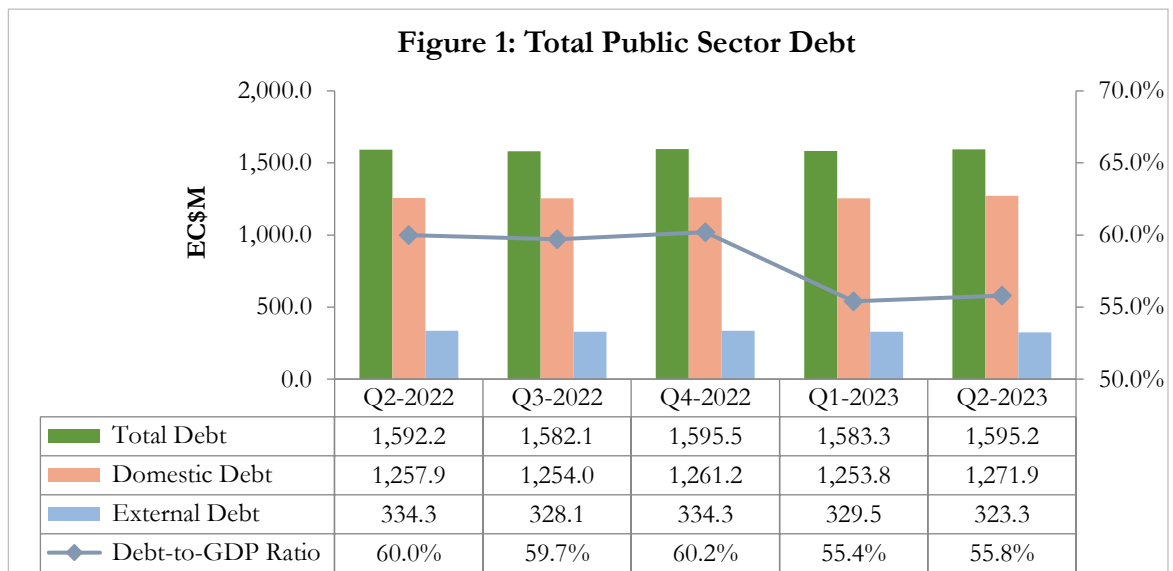


INTRODUCTION

This Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 30 June 2022 to 30 June 2023 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\$1,595.2m (55.8 percent of GDP) at the end of June 2023 (See Figure 1). This represented an increase of EC\$3.0m or 0.2 percent compared to the June 2022 debt stock of EC\$1,592.2m (60.0 percent of GDP).



Total Public Sector Debt declined in September 2022 by EC\$10.1m. The debt stock increased by EC\$13.4m in December 2022 then fell by EC\$12.2m in March 2023. For the current quarter, the Public Sector Debt grew by EC\$11.9m.

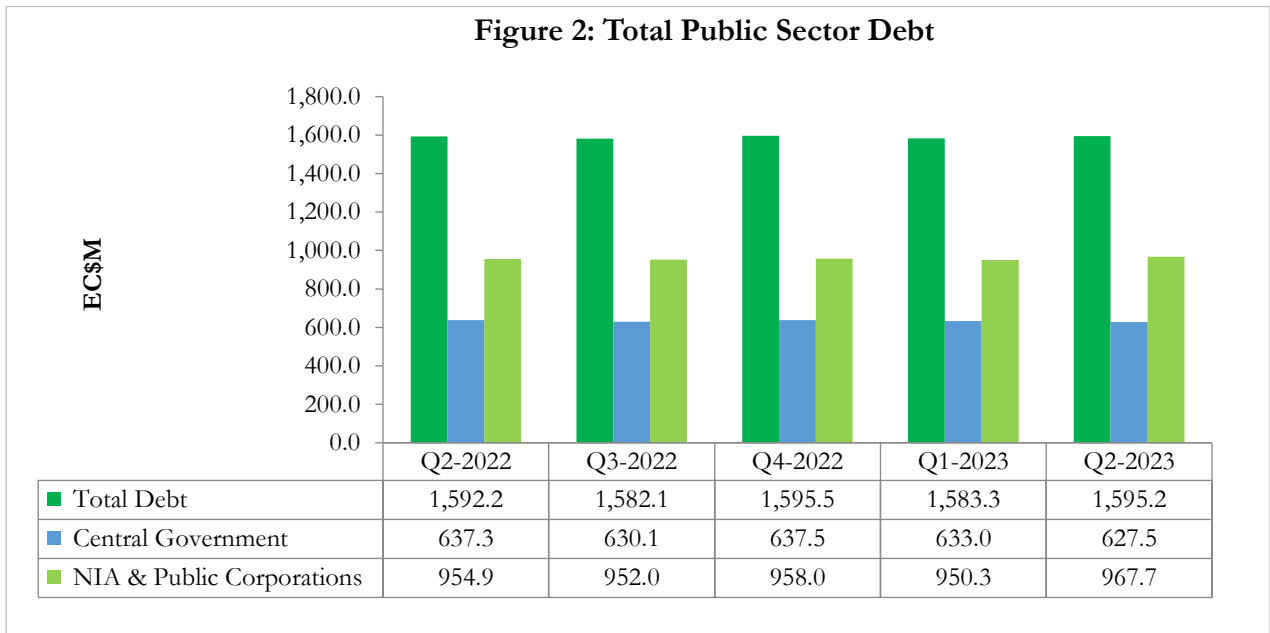


Public Sector Debt
Government of Saint Kitts and Nevis
Ministry of Finance

QUARTERLY DEBT BULLETIN AS AT 30 June 2023

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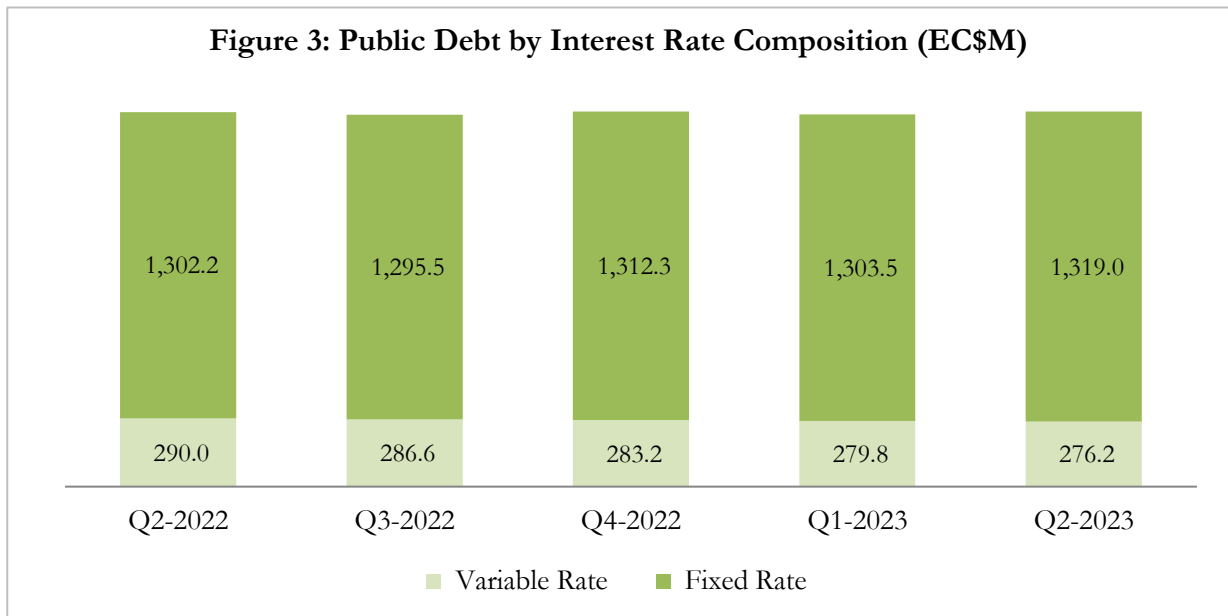
As at 30 June 2023, Central Government’s Debt accounted for 39.3 percent of the Total Public Sector Debt, decline compared to 40.0 percent in June 2022 (See Figure 2). Over the review period, Central Government’s Debt decreased by an average of 0.4 percent per quarter for a total decline of EC\$9.8m or 1.5 percent.



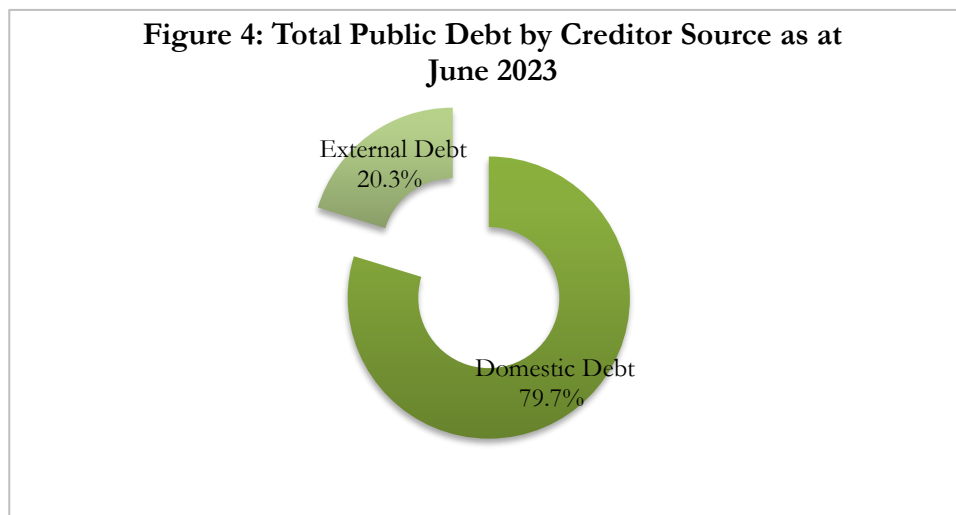
Total Guaranteed Debt, comprising debt of the Nevis Island Administration (NIA) and Public Corporations, declined by an average of 0.3 percent per quarter and exhibited an overall year-on-year increase of 1.3 percent.



As at June 2023, Total Public Sector Fixed Rate debt increased by EC\$16.8m to EC\$1,319.0m from EC\$1,302.2m in June 2022. The Variable Rate debt declined by EC\$13.8m from EC\$290.0m in June 2022 to EC\$276.2m in June 2023 (See Figure 3).



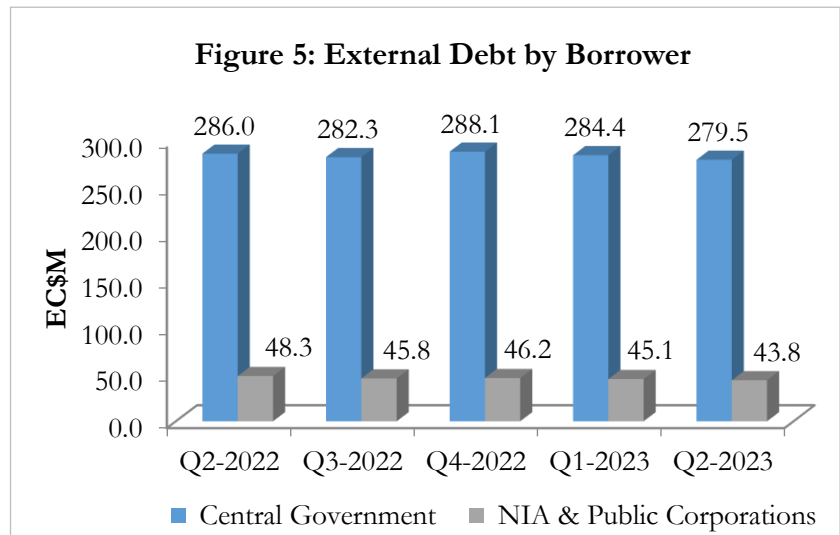
As at June 2023, Domestic Debt was 79.7 percent of Total Public Debt while External Debt accounted for the remaining 20.3 percent (See Figure 4).



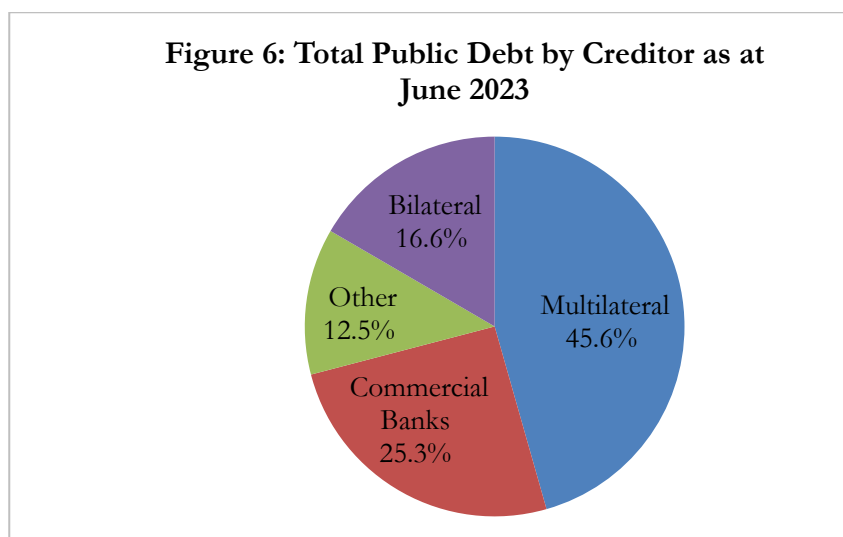


2.0 EXTERNAL PUBLIC SECTOR DEBT

Figure 5 illustrates a trend of decreasing External Debt. Over the review period, Central Government’s debt exhibited average quarterly decreases of 0.4 percent contracting by 2.3 percent or EC\$6.5m. The debt of the NIA and Public Corporations also declined by 9.3 percent or EC\$4.5m from June 2022 to June 2023.



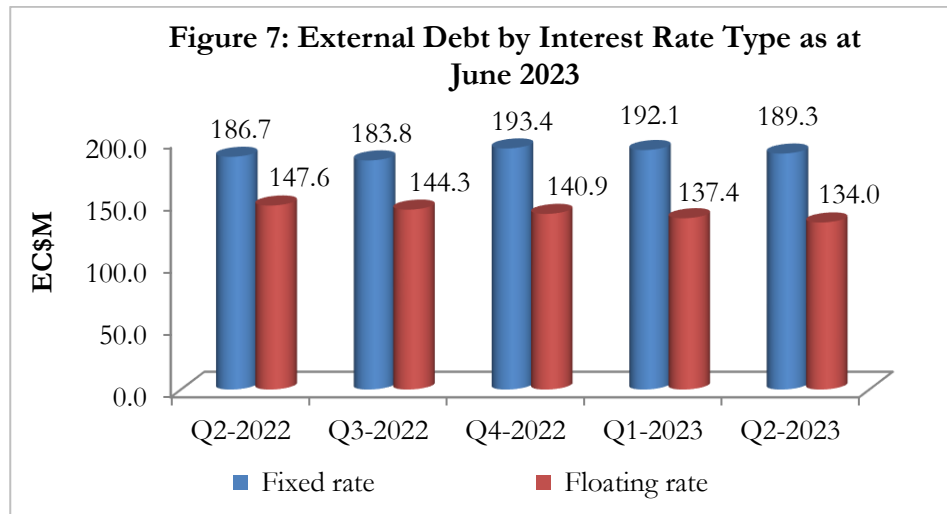
The primary source of the Public Sector’s External Debt financing as at June 2023 was Multilateral Creditors (45.6 percent). External borrowing was also sourced from Commercial Banks (25.3 percent), Bilateral Creditors (16.6 percent) and Other Creditors (12.5 percent) (See Figure 6).



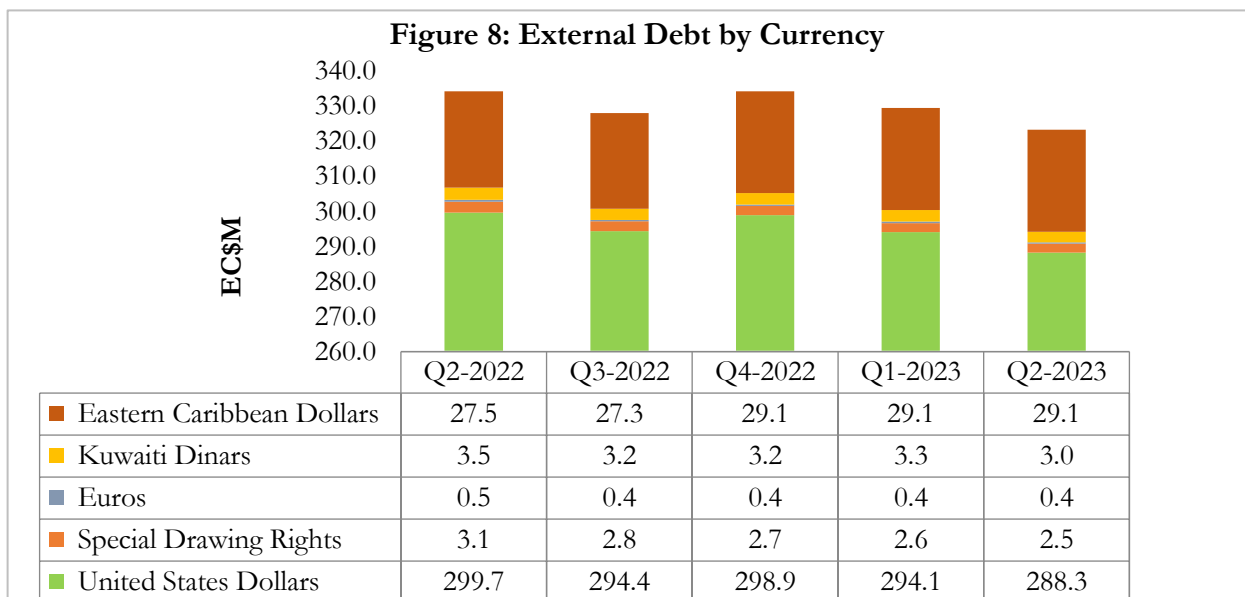


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For the current period, debt contracted at fixed interest rates amounted to EC\$189.3m or 58.6 percent of total External Debt whereas variable rate debt accounted for the remaining EC\$134.0m or 41.4 percent (See Figure 7).



As at 30 June 2023, total External Debt was primarily denominated in United States Dollars which comprised 89.2 percent or EC\$288.3m of total External Debt.

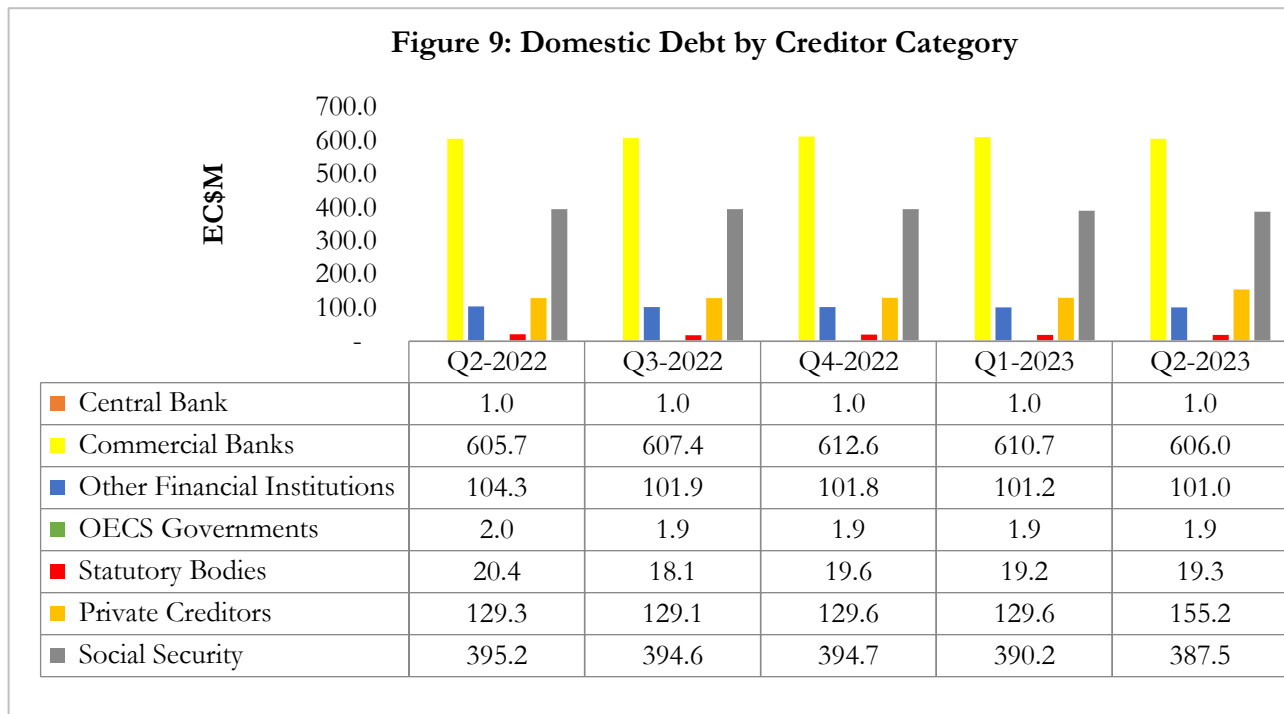




Other currencies including Eastern Caribbean Dollar (9.0 percent), Kuwaiti Dinars (0.9 percent), Special Drawing Rights (0.8 percent) and Euros (0.1 percent) accounted for the remaining External Debt.

3.0 DOMESTIC PUBLIC SECTOR DEBT

Domestic Debt as at end June 2023 totalled EC\$1,271.9m or 44.5 percent of GDP. This reflected an EC\$14.0m or 1.1 percent increase compared to the corresponding period in 2022 (EC\$1,257.9m). The increase was mainly on account of growth in debt owed to Private Creditors (EC\$25.8m).

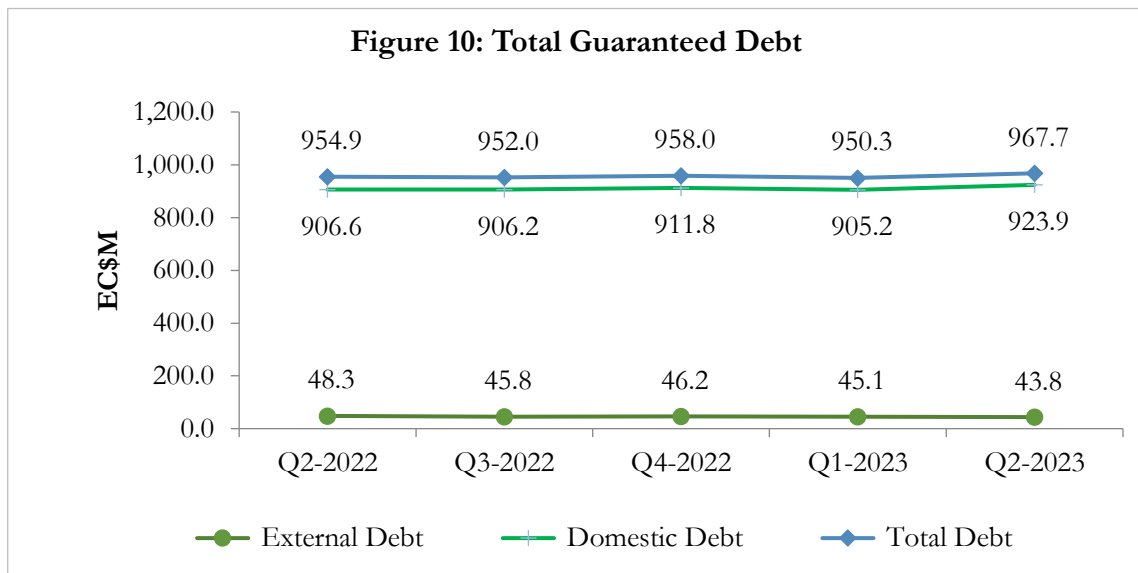


The Public Sector’s Domestic Debt was mainly held by Commercial Banks (47.6 percent), the Social Security Board (30.5 percent), Private Creditors (12.2 percent) and Other Financial Institutions (7.9 percent) (see Figure 9).

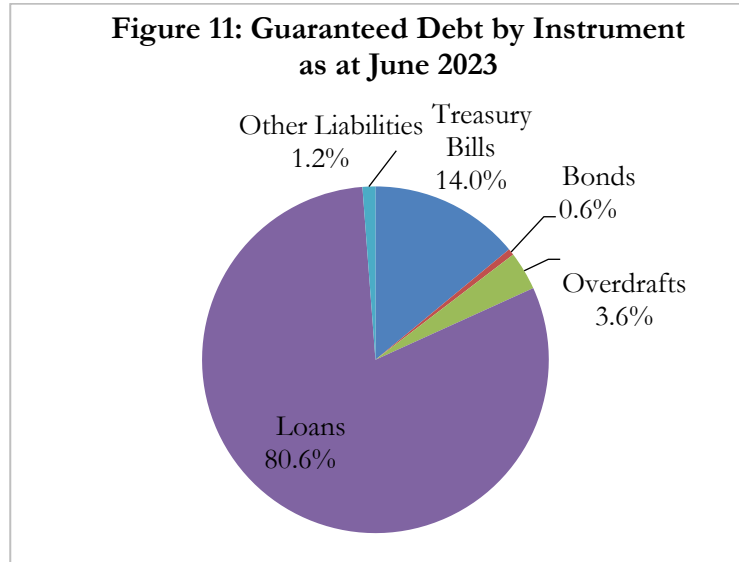


4.0 TOTAL GUARANTEED DEBT

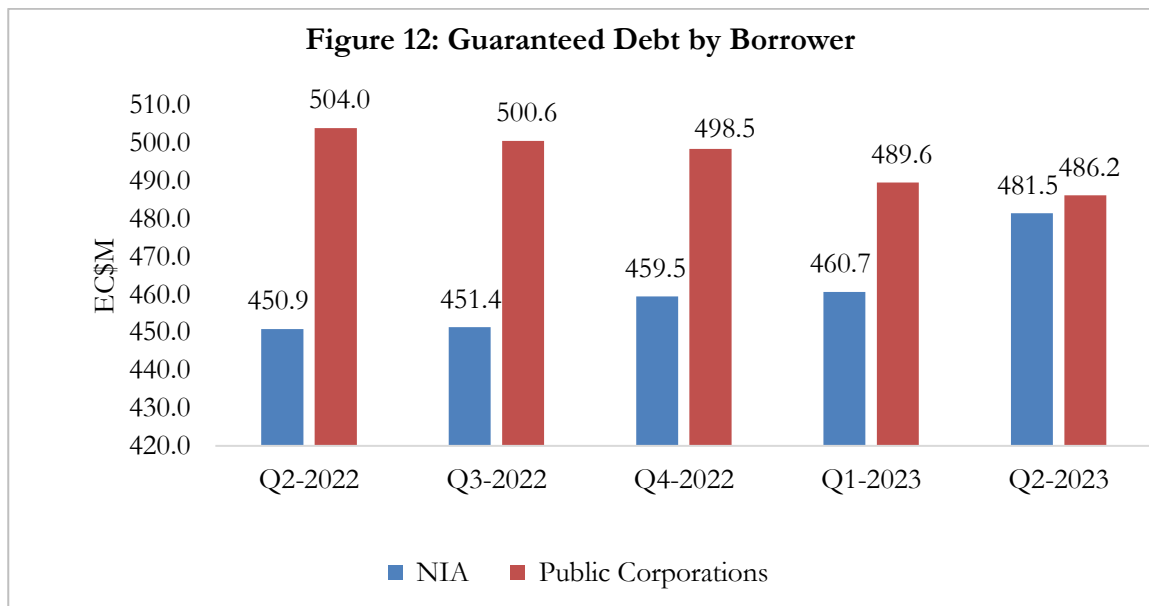
Total Guaranteed Debt outstanding was comprised of debt contracted by the NIA and the Public Corporations in both St. Kitts and Nevis. Total Guaranteed Debt stood at EC\$967.7 at the end of June 2023 with Domestic Debt accounting for EC\$923.9m and External Debt representing the remaining EC\$43.8m (See Figure 10).



As at June 2023, loans were the dominant instrument (80.6 percent) of guaranteed debt. Guaranteed debt was also comprised of Treasury Bills (14.0 percent), Overdrafts (3.6 percent), Other Liabilities (1.2 percent) and Bonds (0.6 percent) (see Figure 11).



As at June 2023, Public Corporations' debt accounted for EC\$486.2m or 50.2 percent of the Total Guaranteed Debt while the NIA's debt represented EC\$481.5m or 49.8 percent.

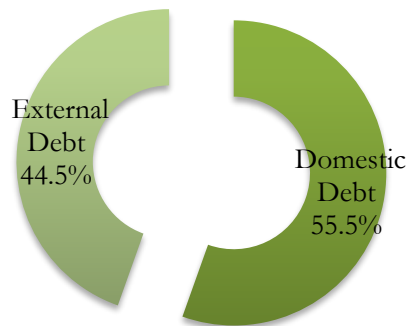




5.0 CENTRAL GOVERNMENT'S DEBT

The Central Government's Debt of EC\$627.5m was comprised of Domestic Debt amounting to EC\$348.0m (55.5 percent) and External Debt of EC\$279.5m (44.5 percent).

**Figure 13: Total Central Government Debt
Creditor Source as at June 2023**



6.0 TOTAL DEBT SERVICE

Debt Service Payments: Central Gov., NIA, and Public Corps.					
(EC\$M)	Q2-2022	Q3-2022	Q4-2022	Q1-2023	Q2-2023
Total Debt Service	24.4	24.8	21.8	29.7	27.0
External Debt Service	8.8	9.4	8.1	8.7	8.9
<i>Principal Repayments</i>	7.0	7.3	6.2	6.4	6.8
<i>Interest Payments</i>	1.8	2.1	1.9	2.3	2.1
Domestic Debt Service	15.6	15.4	13.7	21.0	18.1
<i>Principal Repayments</i>	4.4	6.4	5.8	13.3	6.3
<i>Interest Payments</i>	11.2	9.0	7.9	7.7	11.8



7.0 DISBURSEMENTS

Total Public Sector					
New Financing (EC\$M)	Q2-2022	Q3-2022	Q4-2022	Q1-2023	Q2-2023
External	2.9	1.2	10.5	1.2	0.1
Multilateral	2.9	1.2	10.5	1.2	0.1
Bilateral	-	-	-	-	-
Domestic	-	0.5	21.4	9.5	1.2
Commercial	-	-	20.6	8.9	1.2
Statutory Bodies	-	0.5	0.8	0.6	-
Total	2.9	1.7	31.9	10.7	1.3

8.0 DEBT RATIOS

Debt Sustainability Indicators	Q2-2022	Q3-2022	Q2-2022	Q1-2023	Q2-2023
Total Debt to GDP	60.0%	59.7%	60.2%	55.4%	55.8%
<i>External Debt to GDP</i>	<i>12.6%</i>	<i>12.4%</i>	<i>12.6%</i>	<i>11.5%</i>	<i>11.3%</i>
<i>Domestic Debt to GDP</i>	<i>47.4%</i>	<i>47.3%</i>	<i>47.6%</i>	<i>43.9%</i>	<i>44.5%</i>
Debt Service Ratio	9.4%	8.8%	8.3%	7.3%	9.2%
<i>External Debt Service Ratio</i>	<i>3.4%</i>	<i>3.3%</i>	<i>3.1%</i>	<i>2.1%</i>	<i>3.0%</i>
<i>Domestic Debt Service Ratio</i>	<i>6.0%</i>	<i>5.4%</i>	<i>5.2%</i>	<i>5.2%</i>	<i>6.2%</i>
External Debt Service to exports	35.6%	49.5%	51.9%	56.5%	35.7%
Share of Short-term Debt to Long Term Debt	22.3%	22.6%	21.7%	22.0%	23.3%
Share of Foreign Currency to Domestic Currency	28.3%	28.1%	28.0%	27.4%	26.8%
Share of Fixed Rate Debt to Floating debt	18.2%	18.1%	17.7%	17.7%	17.3%



9.0 RISK INDICATORS

Risk Indicators	Q2-2022	Q3-2022	Q4-2022	Q1-2023	Q2-2023
Weighted Average Interest Rate	4.3%	4.3%	4.4%	4.4%	4.5%
<i>External</i>	2.9%	3.0%	3.2%	3.4%	3.2%
<i>Domestic</i>	4.7%	4.7%	4.7%	4.7%	4.8%
Average Time to Maturity (years)	9.3	9.3	8.9	9.0	9.0
<i>External</i>	7.8	8	7.4	7.5	7.7
<i>Domestic</i>	9.7	9.7	9.2	9.4	9.4
Average Time to Re-fixing (years)	8.7	8.8	8.4	8.5	8.5
<i>External</i>	5.1	5.2	5.0	5.1	5.3
<i>Domestic</i>	9.7	9.7	9.2	9.4	9.4
Share of debt to be re-fixed within one year	25.0%	25.0%	27.0%	26.0%	26.0%