



# GOVERNMENT OF SAINT LUCIA QUARTERLY DEBT BULLETIN



**JUNE 2023**



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## GENERAL STATEMENT

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

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

This public debt statistical bulletin issue provides a statistical overview of the public debt portfolio for the second quarter (April - June) of 2023, contrasting the current quarter with the previous four quarters. The scope of the public debt bulletin is central government debt and government-guaranteed debt.

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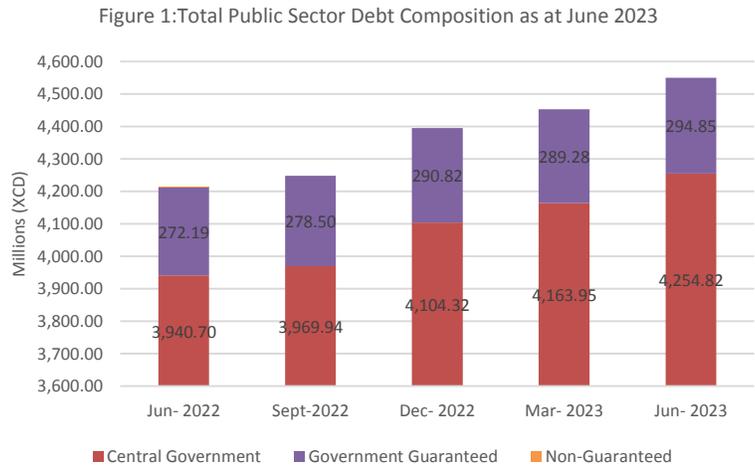
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## 1. TOTAL PUBLIC DEBT

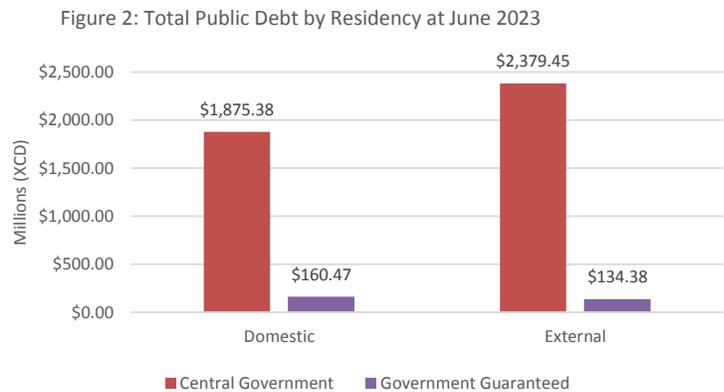
### 1.1 Total Public Debt Composition

Total Public Debt totalled \$4,549.67 million (preliminary) at the end of June 2023, a 2.2 percent increase over the last quarter and an 8.0 percent increase over the corresponding quarter in 2022. Central government debt accounted for \$4,254.82 million or 93.5% of total public debt. Government-guaranteed debt totals \$294.85 million (preliminary) or 6.5% of the public debt stock. Non-guaranteed debt was paid off in September 2022, compared to a balance of \$0.2 million at the end of June 2022. (Figure 1)



### 1.2 Total Public Debt by Residency

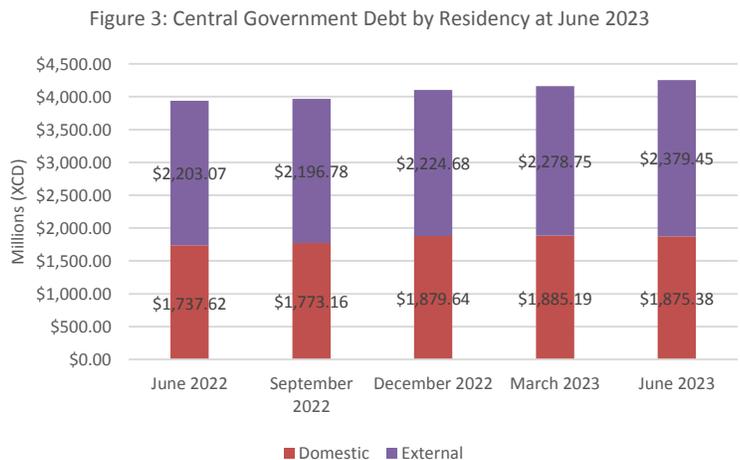
Domestic public debt at the end of June 2023 totalled \$2,035.84 million (preliminary), representing 44.7 percent of the total public debt portfolio. External public debt totalled \$2,513.83 (preliminary) million or a 55.3 percent share of public debt. (Figure 2)



## 2. CENTRAL GOVERNMENT DEBT

### 2.1 Central Government Debt Portfolio by Residency

At the end of June 2023, the stock of central government debt accounted for 93.5 percent of the public debt portfolio and increased by 2.2 percent to \$4,254.82 million from \$4,163.95 at the end of the last quarter; and \$314.13 million or 8.0 percent over the corresponding quarter June 2022. This \$90.87 million increase was mainly due to a 4.7 percent increase in Bonds & Notes from the last quarter.





Central government debt held by domestic creditors represents 44.1 percent of the total central government debt stock and decreased by 0.5 percent to \$1,875.38 million at the end of June 2023. The stock of central government’s external debt increased by 4.2 percent (\$100.69 million) to \$2,379.45 million at the end of June 2023 and represents 55.9 percent of the total central government debt stock. (Figure 3)

## 2.2 Central Government Debt by Instrument

The stock of Bonds & Notes dominated the central government debt by instrument type with \$2,340.95 million at the end of June 2023, representing a 55.0 percent share. Bonds and notes increased by 4.7 percent and 10.7 percent over the last quarter and the corresponding quarter of 2022 respectively. Debt owed in loans had the second largest share of the central government debt stock (34.6 percent) decreased by 0.7 percent to \$1,471.71 million at the end of June 2023; and increased by 3.2% over the last year. The stock of Treasury Bills decreased by \$3.51 million to \$442.17 million from the last quarter, accounting for a 10.4 percent share of central government debt. (Figure 4)

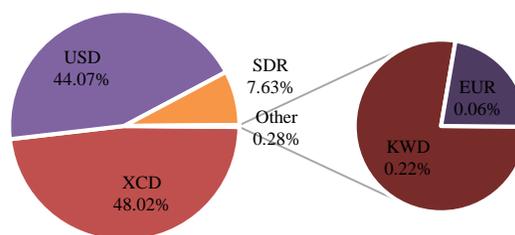
Figure 4: Central Government Debt by Instrument at June 2023



## 2.3 Central Government Debt by Currency Composition

At the end of June 2023, the Eastern Caribbean Dollars (XCD) dominated the Central Government Debt portfolio with \$2,043.26 million or 48.02 percent share. United States Dollars (USD) debt denominated had the second-largest share with \$1,875.13 million or 44.07 percent. Debt denominated in Special Drawing Rights (SDR) totalled \$324.49 million or 7.63 percent, Kuwaiti Dinars (KWD) \$9.26 million or 0.22 percent and Euros (EUR) \$2.68 million. (Figure 5)

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

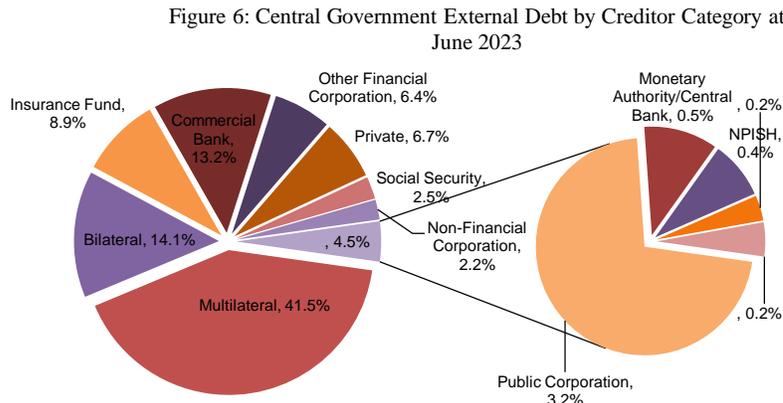




### 3. CENTRAL GOVERNMENT EXTERNAL DEBT

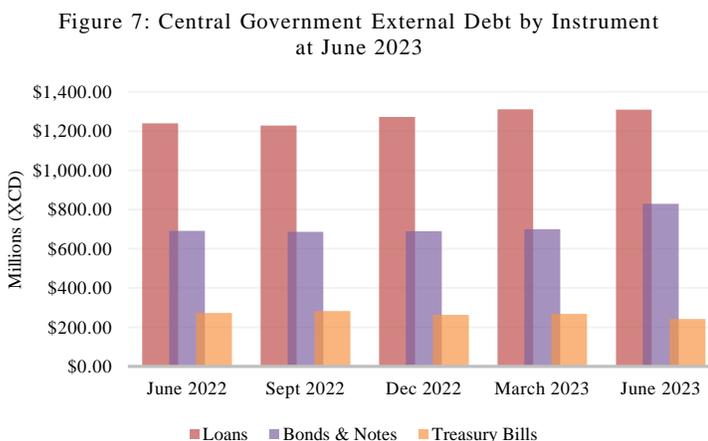
#### 3.1 External Debt by Creditor Category

The leading creditor categories of the external central government debt portfolio are multilateral creditors, accounting for 41.5 percent, bilateral creditors at 14.1 percent, followed by Commercial Banks at 13.2 percent, Insurance Funds at 8.9 percent and private individuals at 6.7 percent. (Figure 6)



#### 3.2 External Debt by Instrument

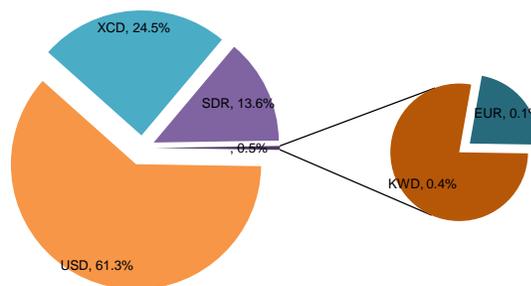
The largest share of the Central Government's external debt by instrument type was in the stock of loans (55.0 percent) which decreased by 0.2 percent to \$1,309.11 million at the end of June 2023 from the last quarter and increased by 5.6 percent from the previous year. Bonds and Notes totalled \$828.89 million (34.8 percent) of the external debt stock, increasing by 18.5 percent from the last quarter and by 19.9 percent over June 2022. Treasury bills accounted for a minuscule \$241.45 million (10.1%) of the external debt stock, a 9.6 percent decrease over March 2023 and a decrease of 11.4% over June 2022. (Figure 7)



#### 3.3 External Debt by Currency Composition

In the central government's external debt portfolio, United States Dollar (USD) denominated debt totalled \$1,459.61 million or 61.3 percent. Debt denominated in Eastern Caribbean Dollar (XCD) amounted to \$583.40 million (24.5 per cent) and Special Drawing Rights (SDR) 324.49 million (13.6%). The other currencies in the portfolio are Kuwaiti Dinars (KWD) with 9.26 million (0.4 percent) and Euros (EUR) with 2.68 million (0.1 percent). The dominance of the USD and XCD means that the foreign exchange risk for

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



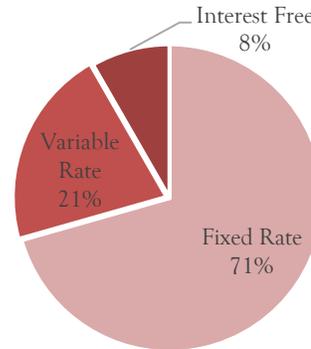


the external debt portfolio is low due to the peg between the two currencies, thus creating exchange rate stability to other currencies in the portfolio. (Figure 8)

### 3.4 External Debt by Interest Rate Basis

Fixed-rate external debt totalled \$1,679.55 million or 70.6 percent share of the central government's external debt. Variable-rate loans amounted to \$502.42 million (21.1 percent) and interest-free instruments such as CIP bonds and IMF loans amounted to \$197.47 million (8.3%). (Figure 9)

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



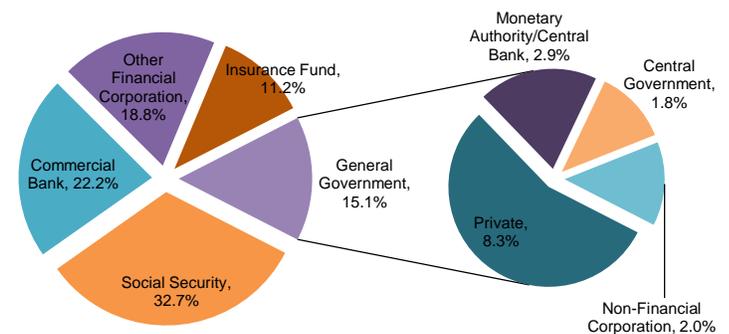
## 4. CENTRAL GOVERNMENT DOMESTIC DEBT

### 4.1 Domestic Debt by Creditor Category

#### Category

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

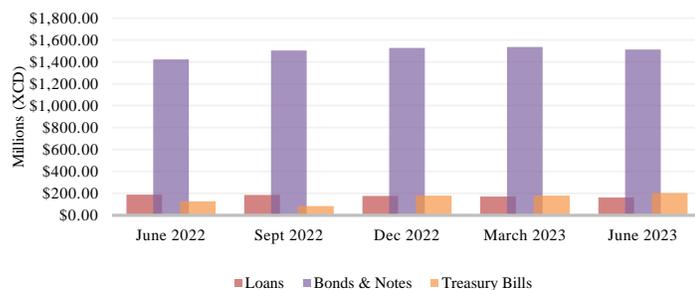
Figure 10: Central Government Domestic Debt by Creditor Category at June 2023



### 4.2 Domestic Debt by Instrument

The stock of Bonds and notes (80.6 percent) is the dominant instrument type in the domestic central government debt portfolio, decreased by 1.5 percent to \$1,512.06 million at the end of June 2023 and increased by 6.2 percent over June 2022. Loans contributed \$162.59 million (8.7 percent) to the central government's domestic portfolio, decreasing by 5.0 percent from March 2023 and 12.8 percent over June 2022. Treasury bills increased by 12.4 percent to \$200.72 million at the end of June 2023, contributing 10.7 percent to the central government's domestic debt portfolio. (Figure 11)

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

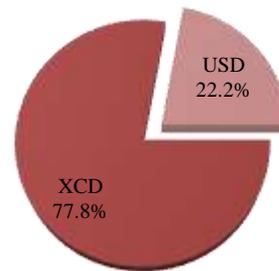




### 4.3 Domestic Debt by Currency Composition

The Eastern Caribbean Dollar (XCD) dominated the domestic debt portfolio with \$1,459.86 million (77.8 percent) and the United States Dollar (USD) debt amounted to \$415.52 million (22.2 percent). The foreign exchange risk inherent in the domestic debt portfolio is non-existent due to the peg between the USD and XCD. (Figure 12)

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



### 4.4 Domestic Debt by Interest Rate Basis

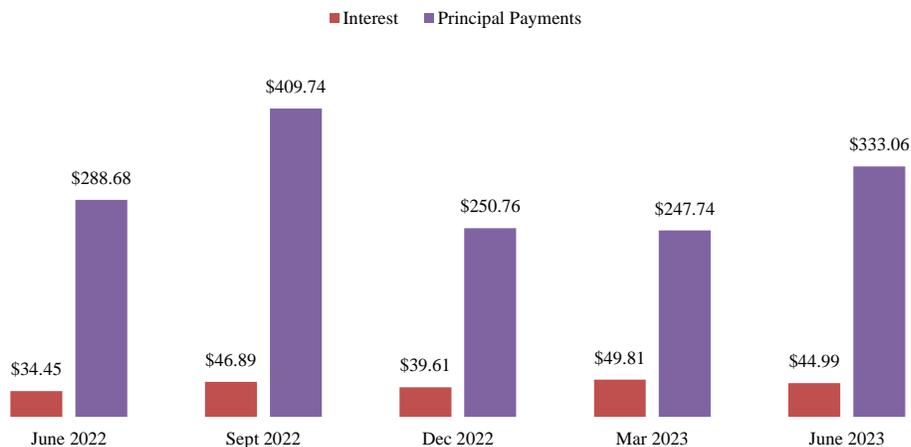
All domestic debt instruments carry a fixed interest rate averaging 5.69%.

## 5. CENTRAL GOVERNMENT DEBT FLOWS

### 5.1 Central Government Debt Service

For the quarter ending June 2023, total debt service payments increased by 27.1 percent to \$378.05 million due to an increase in principal payments on maturing bonds. Principal repayments amounted to \$333.06 million, of which \$153.95 million was external amortization and \$179.11 million was domestic amortization. Interest payments totalled \$44.99 million, of which external interest payments amounted to \$18.96 million and domestic interest payments \$26.03 million. (Figure 13)

Figure 13: Central Government Debt Service at June 2023





## 5.2 Central Government External Loan Disbursements

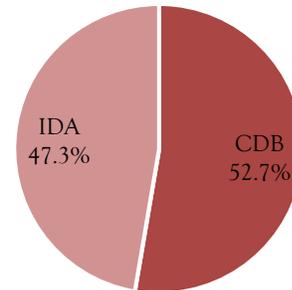
External loan disbursements for the quarter ending June 2023 amounted to \$11.38 million. The World Bank - International Development Association (IDA) disbursed a total of \$5.39 million (47.3 percent) to the following loans:

- Disaster Vulnerability Reduction Project,
- SLU Human Capital Resilience Project

The Caribbean Development Bank (CDB) disbursed a total of \$6.00 million (52.7 percent) to the following loans:

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

Figure 14: Central Government External Loan Disbursements for 1st Quarter April - June 2023



## 6. CENTRAL GOVERNMENT PORTFOLIO RISK INDICATORS

### 6.1 Average Time to Maturity

The Average Time to Maturity (ATM) estimates refinancing risk and indicates the average time in which the instruments in the portfolio will mature or come due. The current debt management strategy of the GOSL is to lengthen the ATM, which will ease the cash flow pressure, thereby allowing the timely payments of short-term obligations. The weighted ATM of the portfolio at the end of June 2023 was 5.69 years, a 2.7 percent increase over the last quarter. This increase is due to a reduction in the percentage of debt maturing in one year from the previous quarter.

### 6.2 Average Time to Re-Fixing

The Average Time to Re-Fixing (ATR) measures the weighted average time until all principal payments in the debt portfolio become subject to a new interest rate. Interest rate risk is low given that 70.6 percent of the external debt and all domestic debt are of a fixed rate. There was an increase in the ATR for the quarter ending June 2023 to 5.49 years, from 5.42 years, and approximately 19.44 percent of the total debt will be re-fix within one year.

### 6.3 Percentage of Debt Maturing in One Year

The percentage of debt maturing in one year as a percentage of the total debt stock measures the refinancing risk of the portfolio. At the end of June 2023, the percentage of debt maturing in one year decreased from 21.68 percent to 19.67 percent. Notwithstanding, the government plans to reissue instruments towards the medium to long term to lengthen its maturity profile.



#### 6.4 Weighted Average Cost of Debt (WACD)

The Weighted Average Cost of Debt (WACD) is the average interest rate for government borrowings. At the end of June 2023, it was 4.91 percent, an increase of 0.04 percent from the last quarter and 0.23 percent from June 2022.

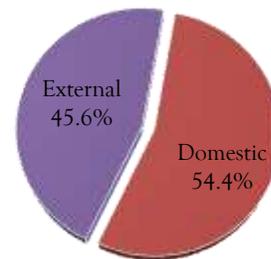
Table 1: Cost and Risk Indicators					
	June-22	Sept-22	Dec-22	March-23	June-23
ATM	5.80	6.04	6.07	5.54	5.69
% Maturing in 1 year	22.37%	15.34	15.33	21.68	19.67
ATR	4.86	5.00	5.87	5.42	5.49
% of Debt Refixing in 1 year	22.37%	15.49%	15.12%	21.56%	19.44%
WACD	4.68%	4.72%	4.81%	4.87%	4.91%

### 7. GOVERNMENT-GUARANTEED DEBT

#### 7.1 Government-Guaranteed Debt by Residency

At the end of June 2023, the government's guaranteed debt stock amounted to \$294.85 million (Preliminary), representing a minuscule 6.5 percent of the public debt portfolio. Domestic contingent liabilities amounted to \$160.47 million (54.0 percent of the guaranteed debt portfolio) while external contingent liabilities totaled \$134.38 million (46.0 percent). (Figure 15)

Figure 15: Government Guaranteed Debt by Residency at June 2023



#### 7.2 Government-Guaranteed Debt by Currency

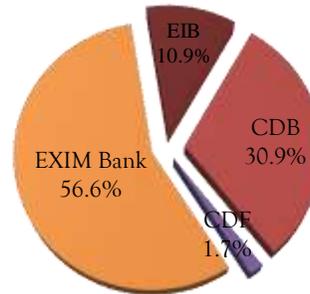
All domestic guaranteed debt is in Eastern Caribbean Dollars (XCD). External guaranteed debt is United States Dollars (USD) denominated, thus buffering the guaranteed debt portfolio against foreign exchange risk.



### 7.3 External Government-Guaranteed Debt by Creditor

The Caribbean Development Bank (CDB) and the CARICOM Development Fund (SLDB on-lent Private Sector loan) contributed \$41.47 million (30.9 percent) and \$2.27 million (1.7 percent) respectively to the external guaranteed portfolio. The Hewannora International Airport Redevelopment Project loan from the Export-Import Bank of the Republic of China contributed \$76.01 million (56.6 percent), and the European Investment Bank (EIB) contributed \$14.64 million (10.9 percent) for the MSMES Covid-19 Loan. (Figure 16)

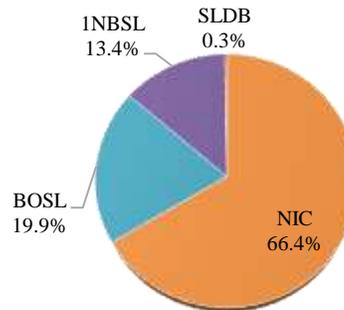
Figure 16: External Government-Guaranteed Debt by Creditor at June 2023



### 7.4 Domestic Government-Guaranteed Debt by Creditor

The National Insurance Corporation (NIC) dominates the domestic government-guaranteed portfolio with \$106.62 million (66.4 percent). The Bank of Saint Lucia (BoSL) and the 1st National Bank of Saint Lucia (1NBSL) contribute \$31.88 million (19.9 percent) and \$21.52 million (13.4 percent) respectively. The Saint Lucia Development Bank (SLDB) also contributed \$0.44 million (0.3 percent). (Chart 17)

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





## 8. GOVERNMENT SECURITIES

### 8.1 RGSM Securities

The Government of Saint Lucia issued four (4) instruments on the RGSM platform for the second quarter, April - June 2023. (Table 2)

Auction Date	Issue	Tenor	Issue Amount (XCD)	Value of Bids (XCD)	Amount Accepted (XCD)	Over/Under Subscription	Closing Rate (%)
April 17, 2023	LCB151023	180 days	20,000,000.00	32,285,000.00	20,000,000.00	12,285,000.00	2.02
May 5, 2023	LCB070823A	91 days	16,000,000.00	27,375,000.00	16,000,000.00	11,375,000.00	2.00
May 16, 2023	LCB160823	91 days	16,000,000.00	24,230,000.00	16,000,000.00	8,230,000.00	\$2.50
June 28, 2023	LCB261223	180 days	25,000,000.00	41,310,000.00	25,000,000.00	16,310,000.00	\$2.50

### 8.2 Private Placement Securities

The Government of Saint Lucia issued eighteen (18) new private bonds for the quarter of April - June 2023. Two (2) treasury notes and ten (10) treasury bills were also rolled-over via private placement for the quarter. (Table 3)

Auction Date	Issuance	Issue Amount	Coupon Rate
BONDS (New)			
13-Apr-23	CIP 5-year Bond	US\$0.250M	0.00%
13-Apr-23	CIP 5-year Bond	US\$0.300M	0.00%
24-Apr-23	CIP 5-year Bond	US\$0.250M	0.00%
27-Apr-23	CIP 5-year Bond	US\$0.300M	0.00%
27-Apr-23	CIP 6-year Bond	US\$0.250M	0.00%
27-Apr-23	CIP 7-year Bond	US\$0.500M	0.00%
4-May-23	CIP 7-year Bond	US\$0.250M	0.00%
15-May-23	CIP 7-year Bond	US\$0.250M	0.00%
17-May-23	CIP 5-year Bond	US\$0.300M	0.00%
17-May-23	CIP 6-year Bond	US\$0.250M	0.00%
18-May-23	CIP 5-year Bond	US\$0.300M	0.00%
22-May-23	CIP 5-year Bond	US\$0.300M	0.00%
30-May-23	CIP 7-year Bond	US\$0.250M	0.00%
5-Jun-23	CIP 5-year Bond	US\$0.300M	0.00%
9-Jun-23	GOSLPP090631 8-year Bond	EC\$0.585M	7.00%
15-Jun-23	CIP 5-year Bond	US\$0.300M	0.00%
16-Jun-23	LCG100631 8-year Bond	US\$40.00M	SOFR + 3.5%
21-Jun-23	CIP 5-year Bond	US\$0.300M	0.00%
NOTES (Rollovers)			
24-Apr-23	GOSLPP240425 2-year Note	EC\$4.072M	4.50%
26-May-23	GOSLPP260525 2-year Note	EC\$11.260M	4.50%



TREASURY BILLS (Rollovers)			
28-Apr-23	GOSLPP280723 91-day T-bill	EC\$0.500M	2.50%
30-Apr-23	GOSLPP271023 180-day T-bill	US\$10.00M	4.50%
2-May-23	GOSLPP020524A 1-year T-bill	EC\$23.019M	4.00%
24-May-23	GOSLPP201123 180-day T-bill	EC\$8.124M	3.00%
26-May-23	GOSLPP260524 1-year T-bill	EC\$0.468M	4.00%
4-Jun-23	GOSLPP040624A 1-year T-bill	EC\$10.778M	4.00%
4-Jun-23	GOSLPP030923 91-day T-bill	EC\$5.00M	2.50%
14-Jun-23	GOSLPP111223 180-day T-bill	US\$25.00M	4.50%
23-Jun-23	FCIS 91-day T-bill	EC\$25.00M	3.00%
26-Jun-23	GOSLPP250923 91-day T-bill	EC\$2.00M	2.50%



## ANNEX Summary

Table 4 June 2022 - June 2023 Summary							
Particulars	June 2022	Sept 2022	Dec 2022	Mar 2023	June 2023	Qrt. Change %	Yrly. Change %
<b>Total Public Debt (XCD millions)</b>	4,213.09	4,248.44	4,395.14	4,453.23	4,549.67	✗ 2.17	✗ 7.99
Central Government Debt	3,940.70	3,969.94	4,104.32	4,163.95	4,254.82	✗ 2.18	✗ 7.97
Government Guaranteed Debt	272.19	278.50	290.82	289.28	294.85	✗ 1.92	✗ 8.32
Non-Guaranteed Debt	0.20	0.00	0.00	0.00	0.00	✗ 0.00	✓ -100.00
<b>Central Government Debt (XCD million)</b>	3,940.70	3,969.94	4,104.32	4,163.95	4,254.82	✗ 2.18	✗ 7.97
External Debt	2,203.07	2,196.78	2,224.68	2,278.75	2,379.45	✗ 4.42	✗ 8.01
Domestic Debt	1,737.62	1,773.16	1,879.64	1,885.19	1,875.38	✓ -0.52	✗ 7.93
<b>Central Government Debt by Instrument (XCD millions)</b>	3,940.70	3,969.94	4,104.32	4,163.95	4,254.82	✗ 2.18	✗ 7.97
Loans	1,425.72	1,413.37	1,446.89	1,483.13	1,471.71	✓ -0.77	✗ 3.23
Treasury Bills	399.85	365.35	441.17	445.68	442.17	✓ -0.79	✗ 10.58
Bonds & Notes	2,115.13	2,191.22	2,216.26	2,235.14	2,340.95	✗ 4.73	✗ 10.68
<b>External Debt by Instrument (XCD)</b>							
Loans	1,239.17	1,228.30	1,272.34	1,311.92	1,309.11	✓ -0.21	✗ 5.64
Bonds & Notes	691.51	686.17	689.08	699.74	828.89	✗ 18.46	✗ 19.87
Treasury Bills	272.39	282.31	263.26	267.10	241.45	✓ -9.60	✓ -11.36
<b>Domestic Debt by Instrument (XCD)</b>							
Loans	186.55	185.07	174.55	171.20	162.59	✓ -5.03	✓ -12.84
Bonds & Notes	1,423.61	1,505.05	1,527.18	1,535.40	1,512.06	✓ -1.52	✗ 6.21
Treasury Bills	127.46	83.04	177.91	178.59	200.72	✗ 12.39	✗ 57.47
<b>Government Guarantees (XCD)</b>	272.40	278.50	290.82	289.28	294.85	✗ 1.92	✗ 8.24
External Debt	116.35	121.98	134.53	134.46	134.38	✓ -0.06	✗ 15.49
Domestic Debt	156.05	156.52	156.29	154.82	160.47	✗ 3.65	✗ 2.83
<b>Foreign Currency Risk (%)</b>							
% of debt in Local Currency XCD	52.56	52.20	52.19	50.08	48.02	✗ -4.11	✗ -8.64
% of debt in USD	38.44	39.30	39.70	41.69	44.07	✓ 5.71	✓ 14.65
% of debt in EUR	0.12	0.08	0.08	0.07	0.06	✓ -14.29	✓ -50.00
% of debt in KWD	0.32	0.30	0.29	0.25	0.22	✓ -12.00	✓ -31.25
% of debt in SDR	8.55	8.12	7.73	7.91	7.63	✓ -3.54	✓ -10.76
<b>Total Debt Service (XCD)</b>							
External	29.14	246.67	193.66	199.41	172.91	✓ -13.29	✗ 493.38
Domestic	293.99	209.96	96.71	98.14	205.14	✗ 109.03	✓ -30.22
Interest	34.45	46.89	39.61	49.81	44.99	✓ -9.68	✗ 30.60
Principal	288.68	409.74	250.76	247.74	333.06	✗ 34.44	✗ 15.37
<b>Interest Rate Structure (%)</b>							
Fixed Rate	83.96	84.64	83.79	83.50	83.55	✓ 0.06	✗ -0.49
Variable Rate	12.51	11.57	12.43	12.20	11.81	✓ -3.20	✓ -5.60
Interest Free	3.53	3.78	3.78	4.50	4.64	✓ 3.11	✓ 31.44
<b>Risk Indicators</b>							
Weighted ATM (Years)	5.62	5.80	6.04	5.54	5.69	✓ 2.71	! 1.25
Maturing in 1 year (%)	23.91	22.37	15.34	21.68	19.67	✗ -9.27	✗ -17.73
Weighted ATR (Years)	4.67	4.86	5.00	5.42	5.49	✓ 1.29	✓ 17.56
WACD (%)	4.54	4.68	4.72	4.87	4.91	✓ 0.82	✓ 8.15