

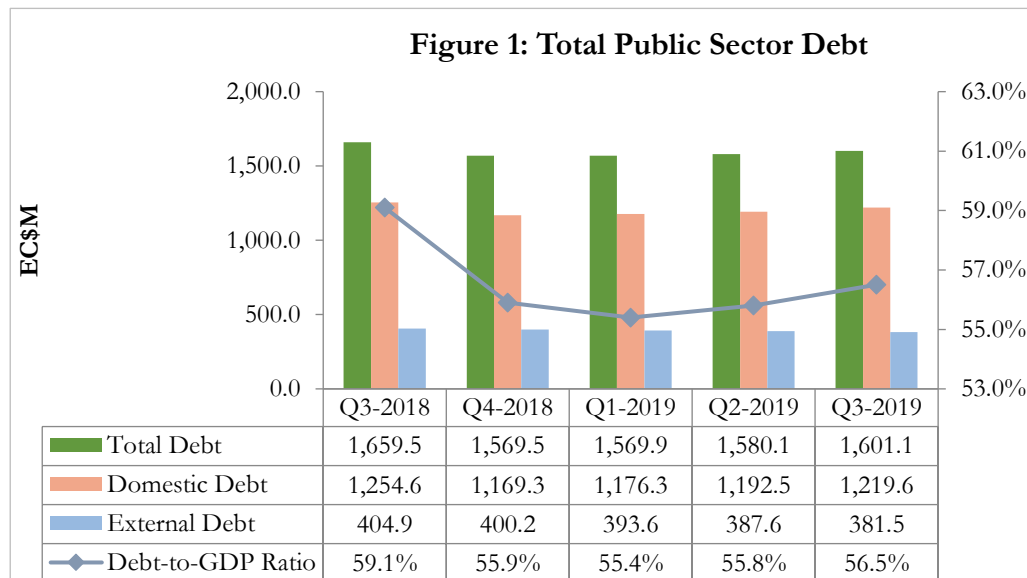


**INTRODUCTION**

This Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 30 September 2018 to 30 September 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 \$1,601.1m (56.5 percent of GDP) at the end of September 2019 (See Figure 1). Over the review period, the debt stock declined by \$58.4m or 3.5 percent when compared to the comparative period of September 2018 (\$1,659.5m).



The total debt stock for the quarter ending December 2018 recorded a 5.4 percent reduction. Conversely, the stock at the end of quarters March 2019, June 2019 and September 2019 reflected gradual increases of 0.03 percent, 0.6 percent and 1.3 percent respectively. During the period, the Total Public Debt increased by an average of 0.9 percent per quarter.

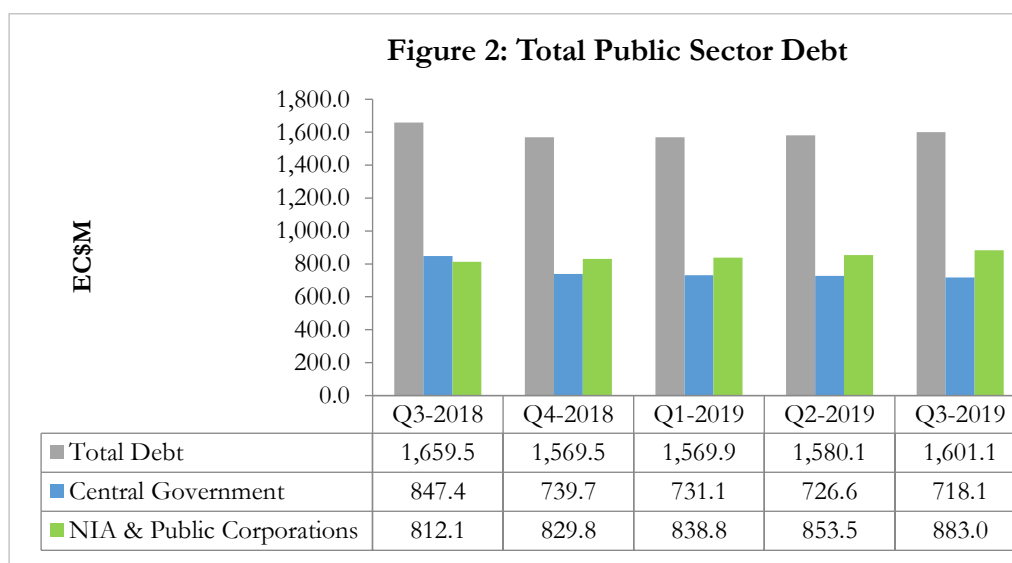


**Public Sector Debt**  
**Government of Saint Kitts and Nevis**  
**Ministry of Finance**

**QUARTERLY DEBT BULLETIN AS AT 30 September 2019**

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Central Government’s share of the Total Public Sector Debt was 44.9 percent, a decrease of 6.2 percentage points compared to September 2018 (51.1 percent) (See Figure 2). Over the review period, Central Government’s Debt fell by an average of 3.9 percent per quarter for a total decline of \$129.3m or 15.3 percent. The most notable quarterly reduction in the Central Government’s debt stock was in December 2018 with a decline of \$107.7m.

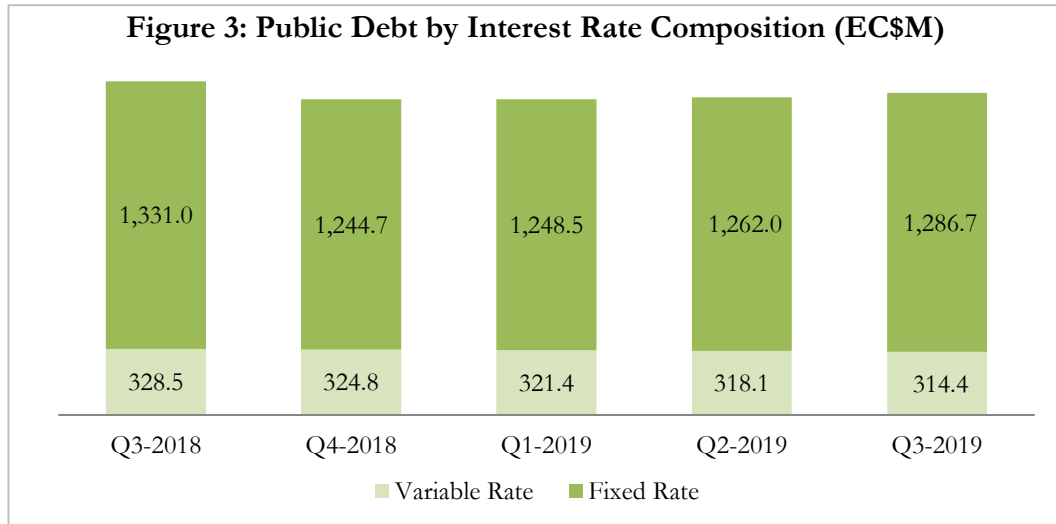


Conversely, Total Guaranteed debt, comprising debt of the Nevis Island Administration (NIA) and Public Corporations, increased by an average of 2.1 percent per quarter and an overall growth of \$70.9m or 8.7 percent.

The interest rate composition of the Total Public Sector Debt showed a decrease of \$44.3m in Fixed Rate debt from \$1,331.0m in September 2018 to \$1,286.7m by September 2019. Similarly, Variable Rate debt declined by \$14.1m from \$328.5m in September 2018 to \$314.4m in September 2019 (See Figure 3).

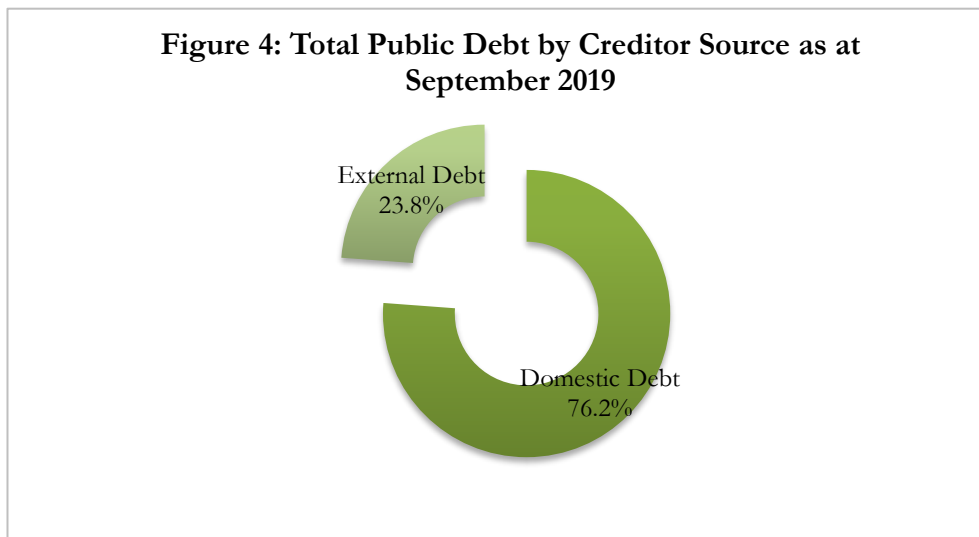


**Figure 3: Public Debt by Interest Rate Composition (EC\$M)**



As at September 2019, domestic debt accounted for 76.2 percent of Total Public Debt while external debt accounted for the remaining 23.8 percent (See Figure 4).

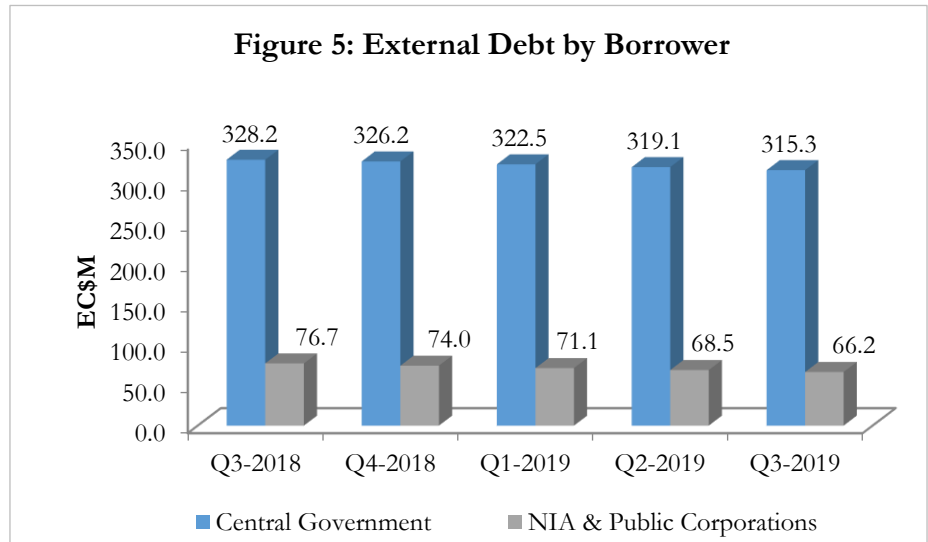
**Figure 4: Total Public Debt by Creditor Source as at September 2019**





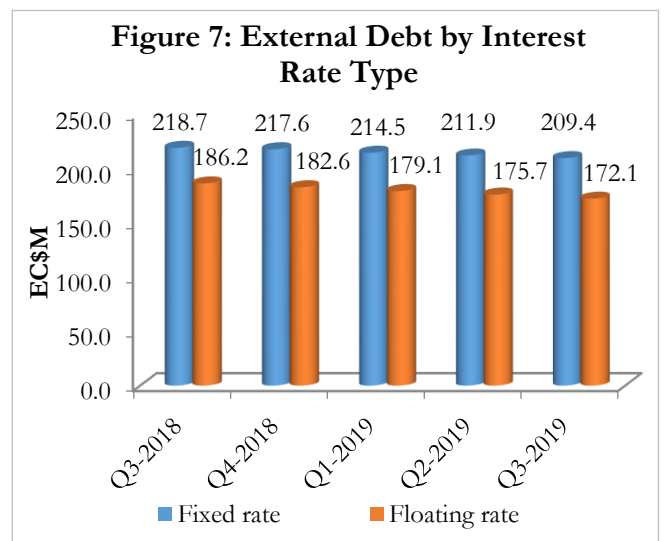
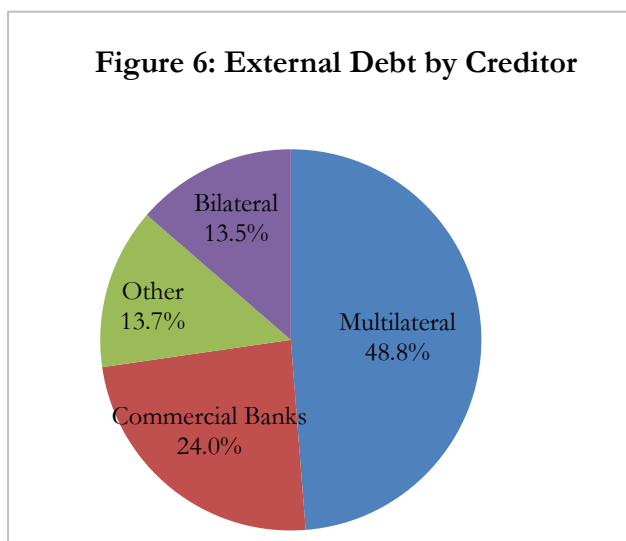
**2.0 EXTERNAL PUBLIC SECTOR DEBT**

Figure 5 shows that, as at 30 September 2019, total external debt stood at \$381.5m (13.1 percent of GDP). Over the review period, external debt declined by \$23.4m or 5.8 percent. Central Government’s external borrowing accounted for



82.6 percent of total external financing while external borrowing by the NIA and Public Corporations in St. Kitts and Nevis comprised the remaining 17.4 percent.

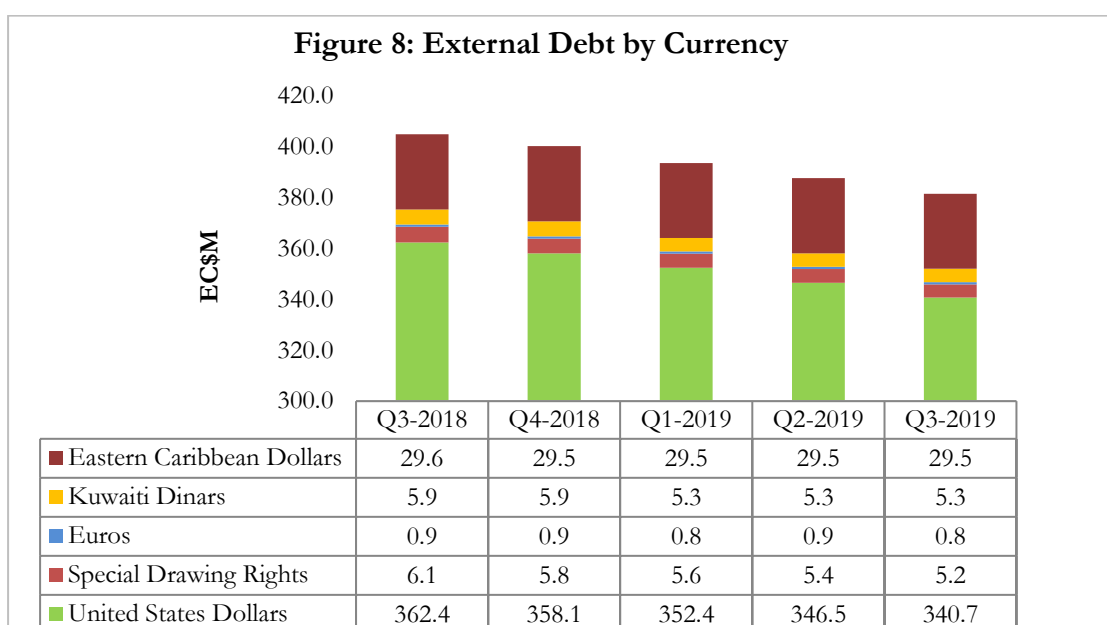
The main sources of external debt financing as at September 2019 were Multilateral Creditors (48.8 percent) followed by Commercial Banks (24.0 percent) with Other Creditors and Bilateral Creditors accounting for 13.7 percent and 13.5 percent respectively (See Figure 6).





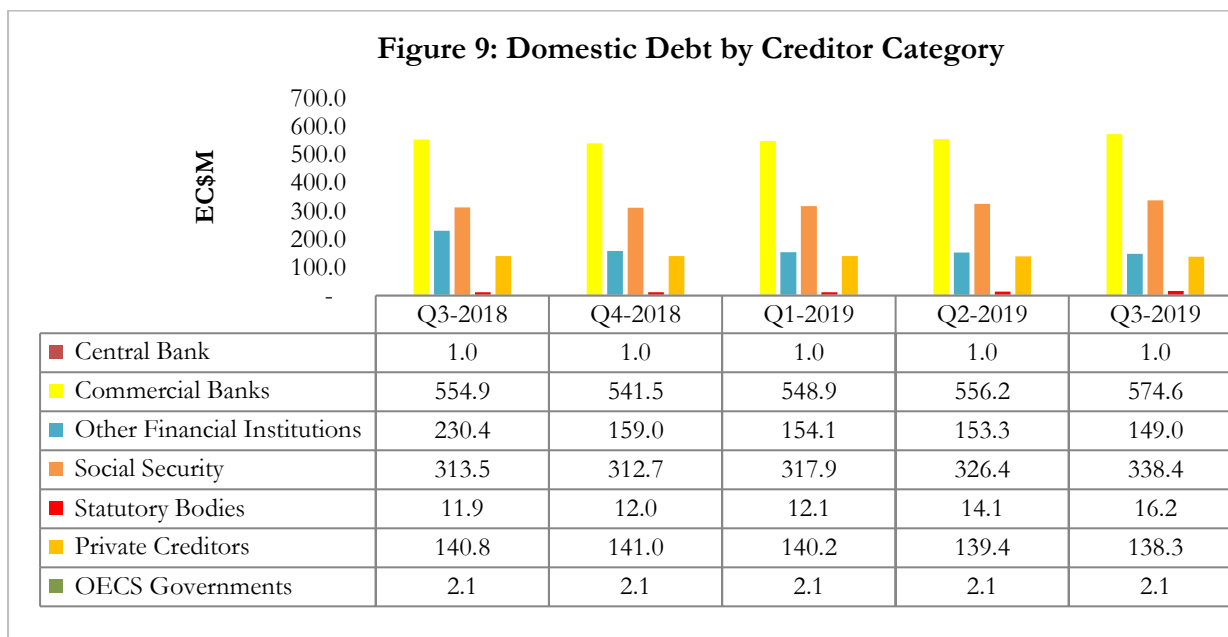
Fixed rate debt represented 54.9 percent of total external debt whereas variable rate debt accounted for the remaining 45.1 percent (See Figure 7).

As at September 2019, the United States Dollar remained the most dominant currency in the external debt portfolio. It accounted for 89.3 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

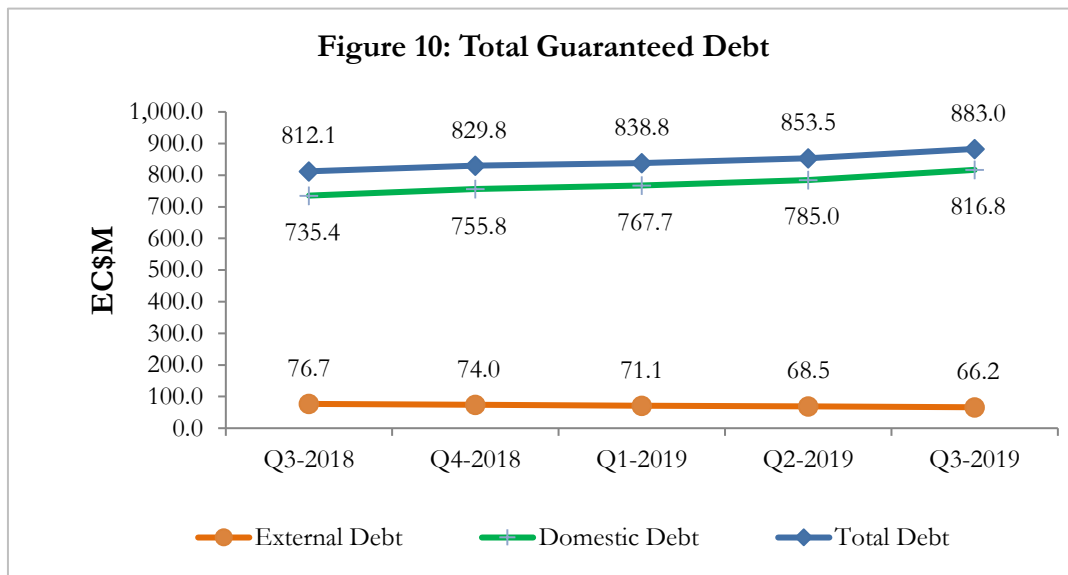
At the end of the review period, domestic debt was recorded at \$1,219.6m or 43.4 percent of GDP. This reflected a \$35.0m or 2.8 percent decrease compared to the corresponding period in 2018 (\$1,254.6m). The decline in the domestic debt was attributed to an \$81.4m decrease in debt held by Other Financial Institutions and a \$2.5m reduction in outstanding obligations to Private Creditors. The reduction in the domestic debt was moderated by a rise in borrowings from the Social Security Board, Commercial Banks and Statutory Bodies in the amount of \$24.9m, \$19.7m and \$4.3m respectively.



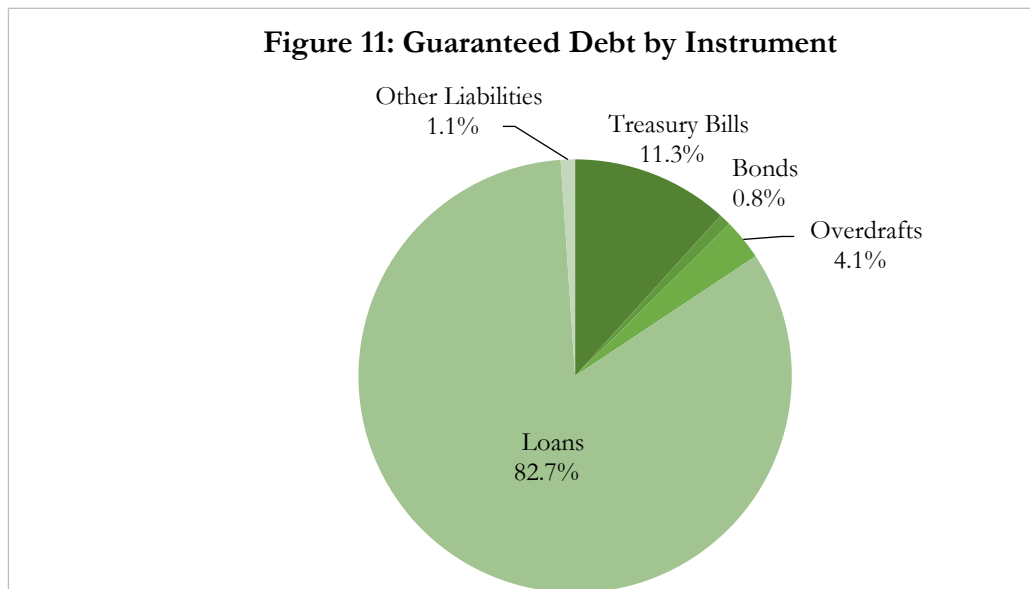
The main holders of domestic debt were Commercial Banks (35.9 percent), the Social Security Board (21.1 percent), Other Financial Institutions (9.3 percent), and Private Creditors (8.6 percent) (see Figure 9).

#### 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 \$883.0m at the end of September 2019 with domestic debt accounting for \$816.8m or 92.5 percent and external debt representing the remaining \$66.2m or 7.5 percent (See Figure 10).



Loan instruments (82.7 percent) were the most dominant guaranteed type of debt for the period ending September 2019. Treasury Bills (11.3 percent), Overdrafts (4.1 percent), Other Liabilities (1.1 percent) and Bonds (0.8 percent) also contributed to the composition of guaranteed debt (see Figure 11).



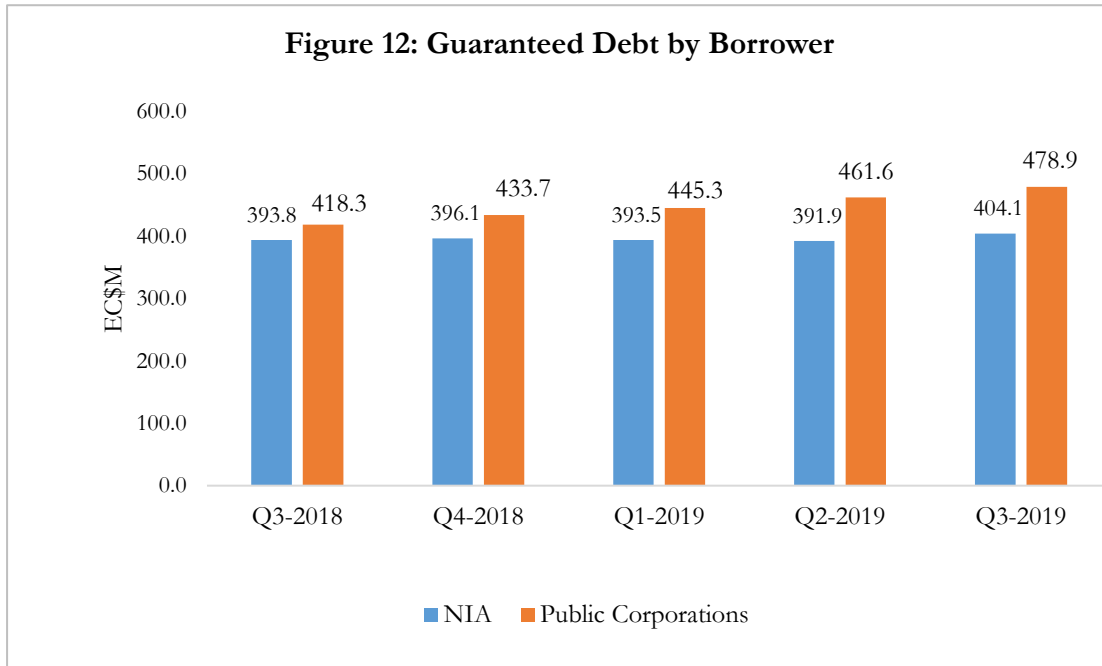


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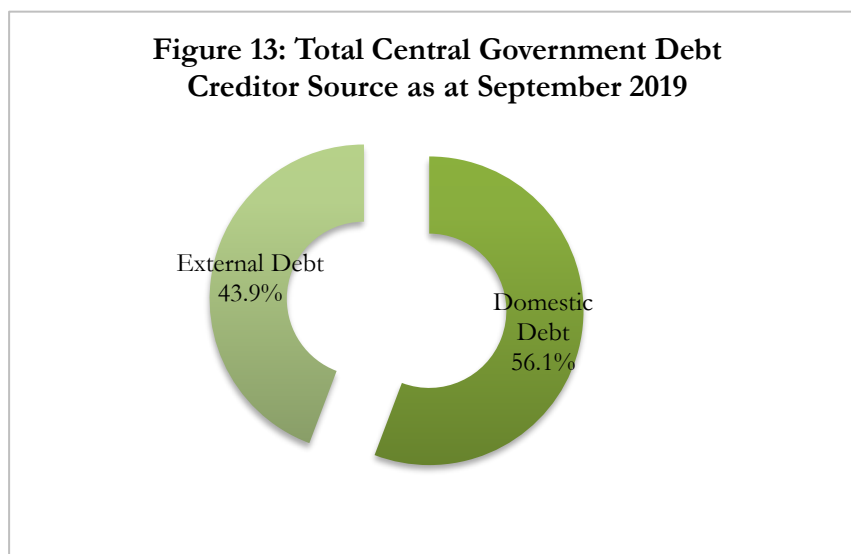
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As at September 2019, the Public Corporations' debt accounted for \$478.9m or 54.2 percent of the Total Guaranteed Debt while the NIA's debt represented \$404.1m or 45.8 percent.



## 5.0 CENTRAL GOVERNMENT'S DEBT

Central Government's Debt was recorded at \$718.1m with domestic debt accounting for \$402.8m (56.1 percent) while external debt represented \$315.3m (43.9 percent).







## 6.0 TOTAL DEBT SERVICE

Debt Service Payments: Central Gov., NIA and Public Corps. (EC\$M)					
	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019
<b>Total Debt Service</b>	<b>24.0</b>	<b>78.0</b>	<b>28.0</b>	<b>25.5</b>	<b>29.1</b>
<b>External Debt Service</b>	<b>9.5</b>	<b>9.7</b>	<b>10.2</b>	<b>9.7</b>	<b>9.1</b>
<i>Principal Repayments</i>	7.0	7.0	7.4	7.0	6.6
<i>Interest Payments</i>	2.5	2.7	2.8	2.7	2.5
<b>Domestic Debt Service</b>	<b>14.5</b>	<b>68.3</b>	<b>17.8</b>	<b>15.8</b>	<b>20.0</b>
<i>Principal Repayments</i>	4.6	60.3	8.8	4.0	9.1
<i>Interest Payments</i>	9.9	8.0	9.0	11.8	10.9

## 7.0 DISBURSEMENTS

Total Public Sector New Financing (EC\$M)					
	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019
<b>External</b>	<b>2.6</b>	<b>2.2</b>	<b>0.8</b>	<b>1.0</b>	<b>0.7</b>
Multilateral	2.6	2.2	0.8	1.0	0.7
<b>Domestic</b>	<b>181.0</b>	<b>19.1</b>	<b>16.9</b>	<b>21.9</b>	<b>26.4</b>
Commercial	163.0	19.1	10.9	10.7	11.5
Statutory Bodies	13.9	-	6.0	9.2	7.9
Other Financial Institutions	4.1	-	-	2.0	7.0
<b>Total</b>	<b>183.6</b>	<b>21.3</b>	<b>17.7</b>	<b>22.9</b>	<b>27.1</b>



## 8.0 DEBT RATIOS

Debt Sustainability Indicators	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019
<b>Total Debt to GDP</b>	<b>59.1%</b>	<b>55.9%</b>	<b>55.4%</b>	<b>55.8%</b>	<b>56.5%</b>
<i>External Debt to GDP</i>	14.4%	14.3%	13.5%	13.3%	13.1%
<i>Domestic Debt to GDP</i>	44.7%	41.6%	41.9%	42.5%	43.4%
<b>Debt Service Ratio</b>	<b>8.5%</b>	<b>24.6%</b>	<b>11.0%</b>	<b>7.9%</b>	<b>11.5%</b>
<i>External Debt Service Ratio</i>	3.4%	3.1%	4.0%	3.0%	3.6%
<i>Domestic Debt Service Ratio</i>	5.1%	21.5%	7.0%	4.9%	7.9%
External Debt Service to exports	30.1%	24.6%	29.7%	18.8%	20.3%
Share of Short-Term Debt to Total Debt	23.4%	22.8%	22.7%	22.5%	22.8%
Share of Foreign Currency Debt	34.6%	33.0%	32.9%	32.9%	32.4%
Share of Floating Rate Debt	19.8%	20.7%	20.5%	20.1%	19.6%

## 9.0 RISK INDICATORS

Risk Indicators	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019
<b>Weighted Average Interest Rate</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>
<i>External</i>	2.6%	2.6%	2.6%	2.6%	2.6%
<i>Domestic</i>	4.7%	4.8%	4.8%	4.8%	4.8%
<b>Average Time to Maturity (years)</b>	<b>10.2</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>
<i>External</i>	9.0	8.5	8.6	8.6	8.7
<i>Domestic</i>	10.7	10.9	10.8	10.8	10.8
<b>Average Time to Re-fixing (years)</b>	<b>7.6</b>	<b>7.6</b>	<b>7.7</b>	<b>7.7</b>	<b>7.8</b>
<i>External</i>	5.7	5.5	5.6	5.5	5.6
<i>Domestic</i>	8.3	8.4	8.4	8.4	8.5
<b>Share of debt to be re-fixed within one year</b>	<b>27.0%</b>	<b>27.0%</b>	<b>26.0%</b>	<b>25.0%</b>	<b>25.0%</b>