

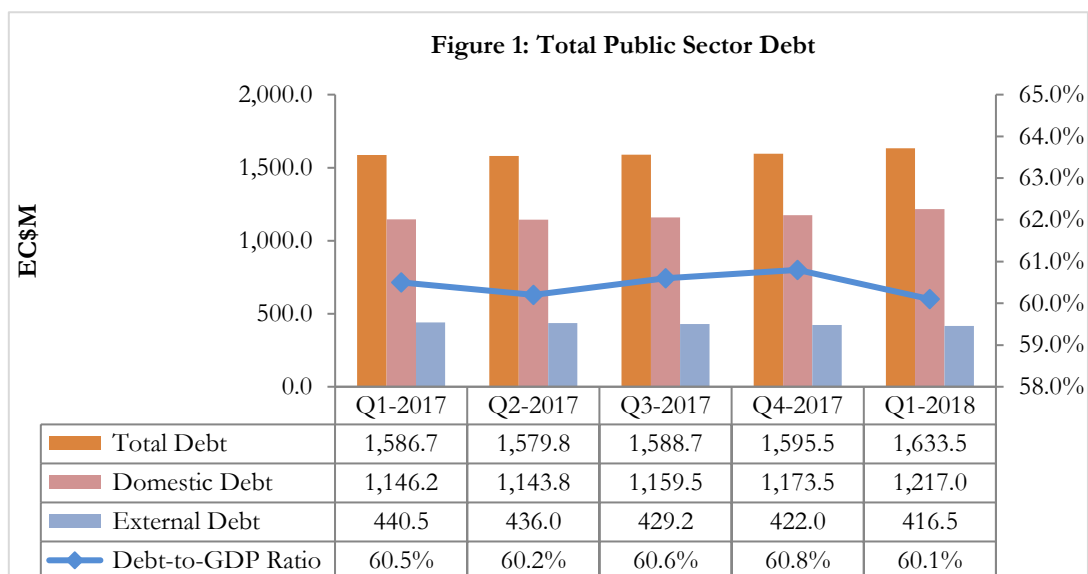


INTRODUCTION

The Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 31 March 2017 to 31 March 2018 in millions of EC currency. The Bulletin highlights 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 at the end of March 2018 stood at \$1,633.5m (60.1 percent of GDP) (See Figure 1). Over the review period, the debt stock increased by \$46.8m or 2.9 percent when compared to the 2017 level.



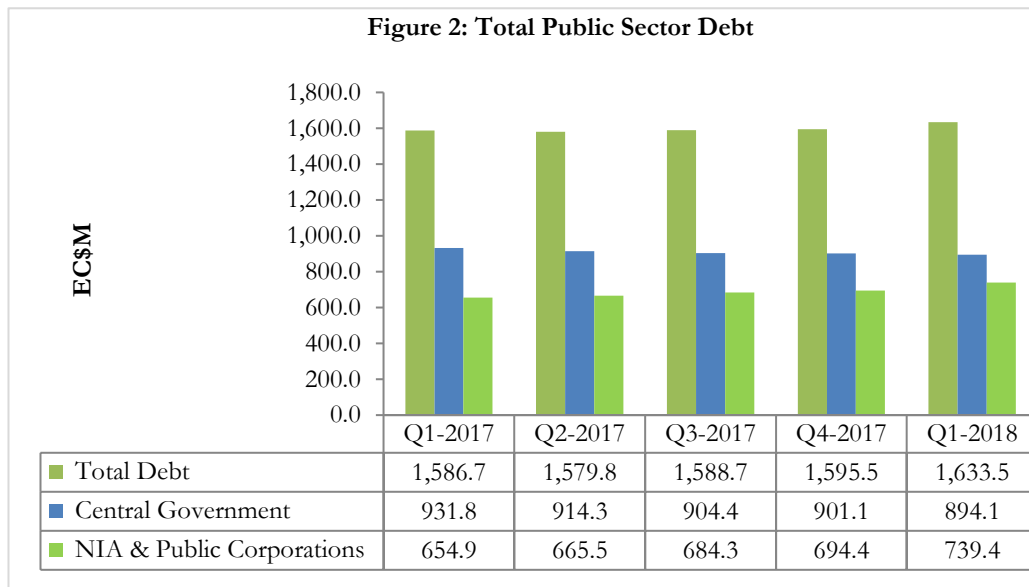


Public Sector Debt
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Ministry of Finance

QUARTERLY DEBT BULLETIN AS AT 31 March 2018

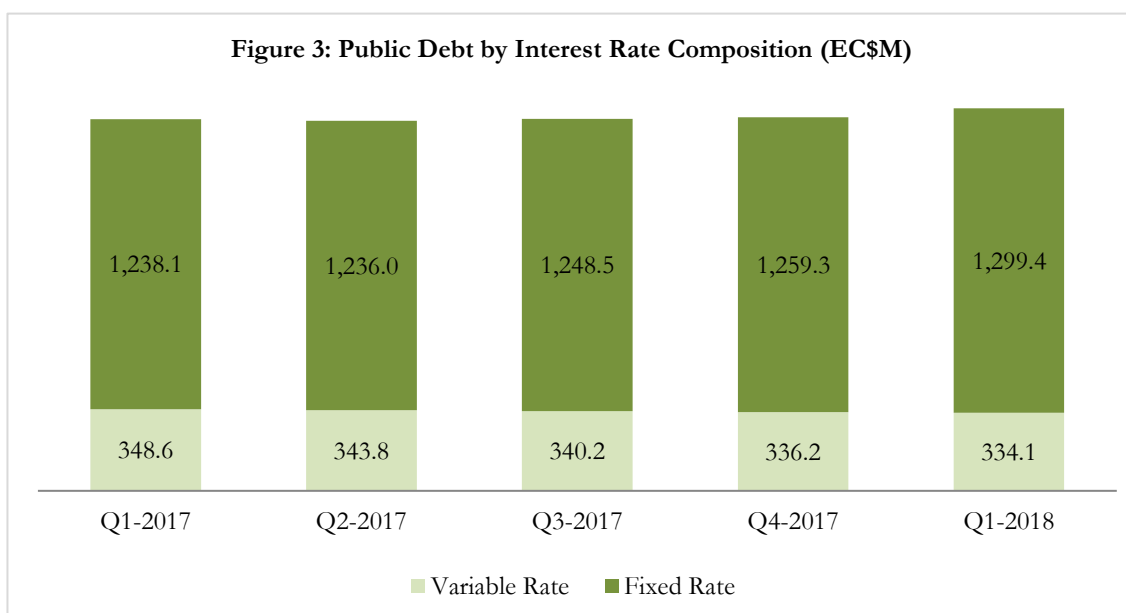
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Central Government’s share of the Total Debt was 54.7 percent, a decline of 4.0 percentage points compared to March 2017 (58.7 percent) (See Figure 2). Over the review period, the share of Central Government’s Debt decreased by an average of 1.0 percent per quarter.



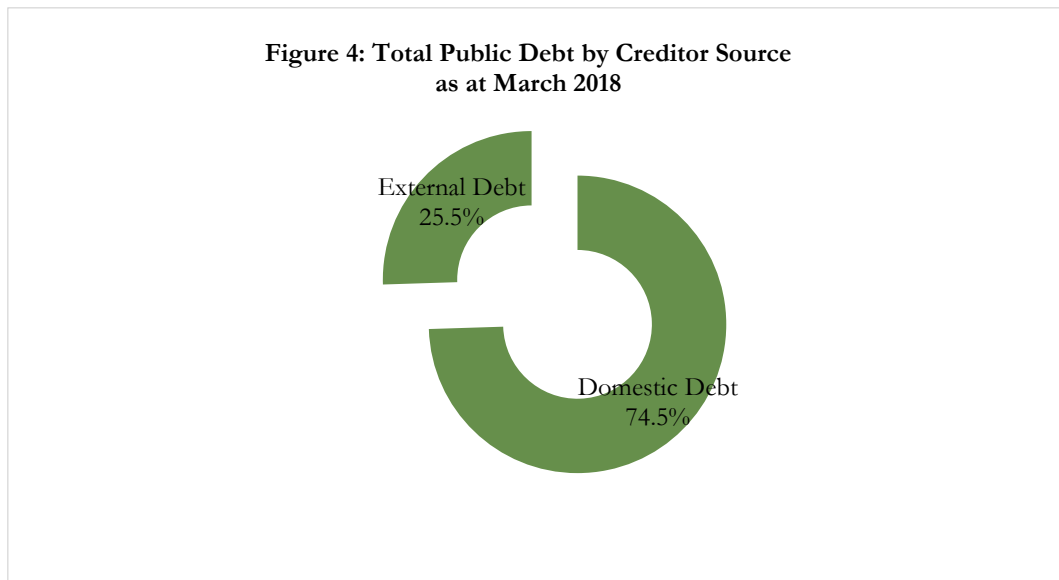
Conversely, total guaranteed debt comprising of debt contracted by the Nevis Island Administration (NIA) and Public Corporations increased by an average of 3.0 percent per quarter.

Fixed rate debt increased by \$61.3m from \$1,238.1m in March 2017 to \$1,299.4m by March 2018 whereas variable rate debt declined by \$14.5m from \$348.6m to \$334.1m (See Figure 3).





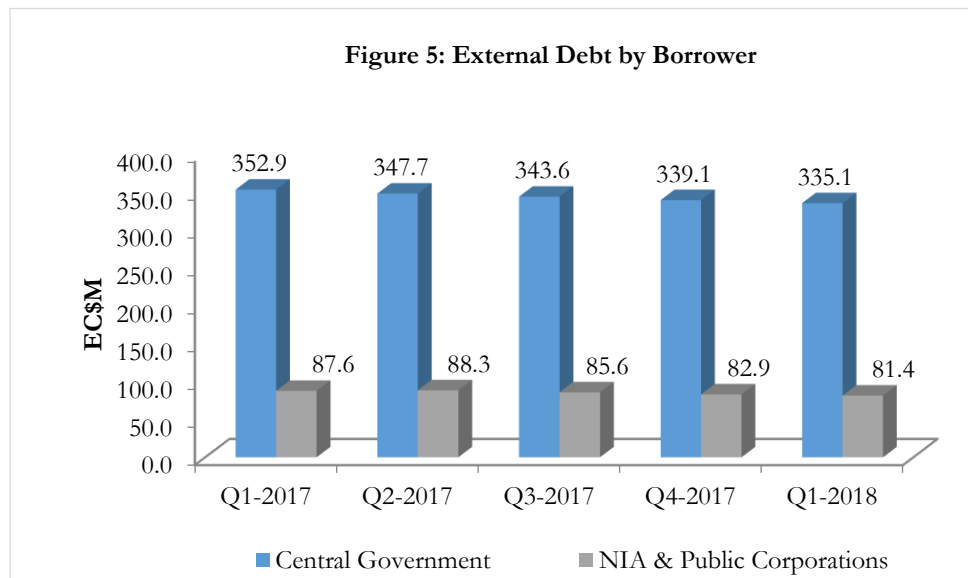
As at March 2018, domestic debt accounted for 74.5 percent of total public debt while external debt accounted for the remaining 25.5 percent (See Figure 4).



2.0 EXTERNAL PUBLIC SECTOR DEBT

For the quarter ending 31 March 2018, total external debt stood at \$416.5m (15.3 percent of GDP).

Over the review period, external debt declined by \$24.0m or 5.4 percent. Central Government's external borrowing accounted for 80.5 percent of total external financing



while external borrowing by the NIA and Public Corporations in St. Kitts and Nevis totalled 19.5 percent (see Figure 5).



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At the end of March 2018, the main sources of external debt financing were Multilateral Creditors (50.8 percent) followed by Commercial Banks (23.0 percent) with Other Creditors and Bilateral Creditors accounting for the 13.4 percent and 12.8 percent respectively (See Figure 6).

Fixed rate debt represented for 53.9 percent of total external debt whereas variable rate debt accounted for the remaining 46.1 percent (See Figure 7).

Figure 6: External Debt by Creditor as at March 2018

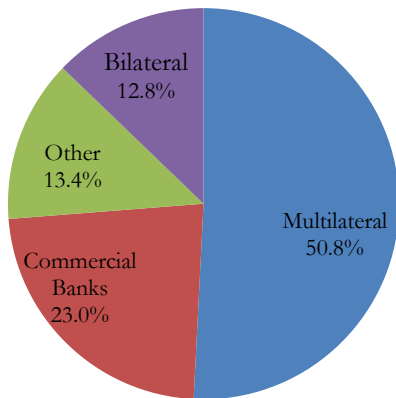
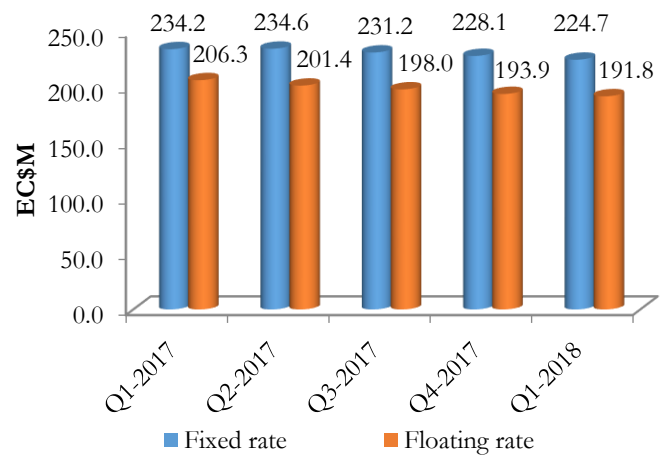
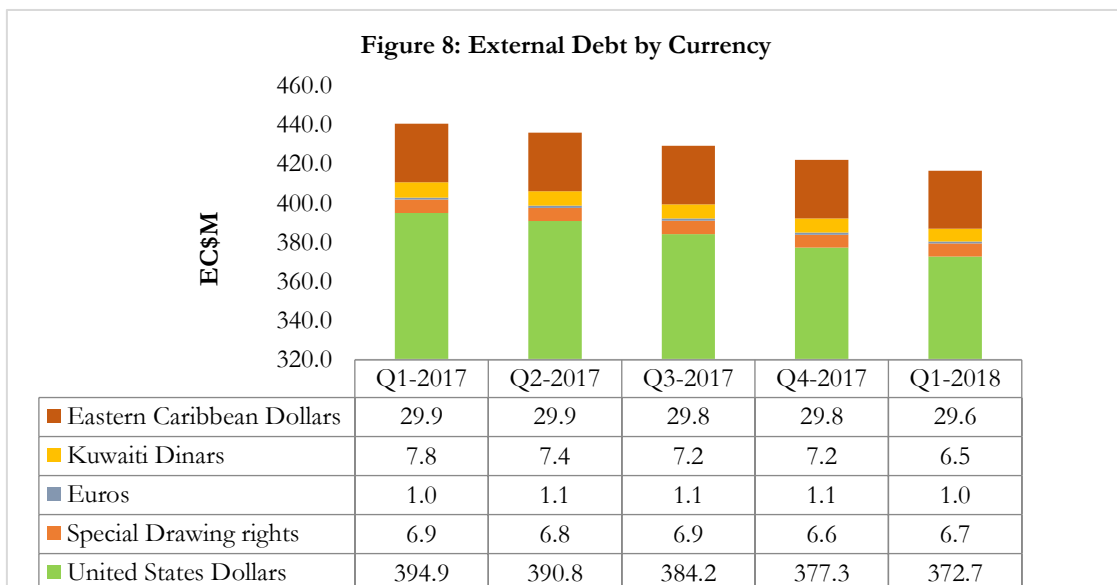


Figure 7: External Debt by Interest Rate Type



External debt was predominantly (89.5 percent) denominated in US dollars (See Figure 8). Local currency comprised 7.1 percent of external debt, Kuwaiti Dinars and Special Drawings Rights (SDR) 1.6 percent each and Euros 0.2 percent.

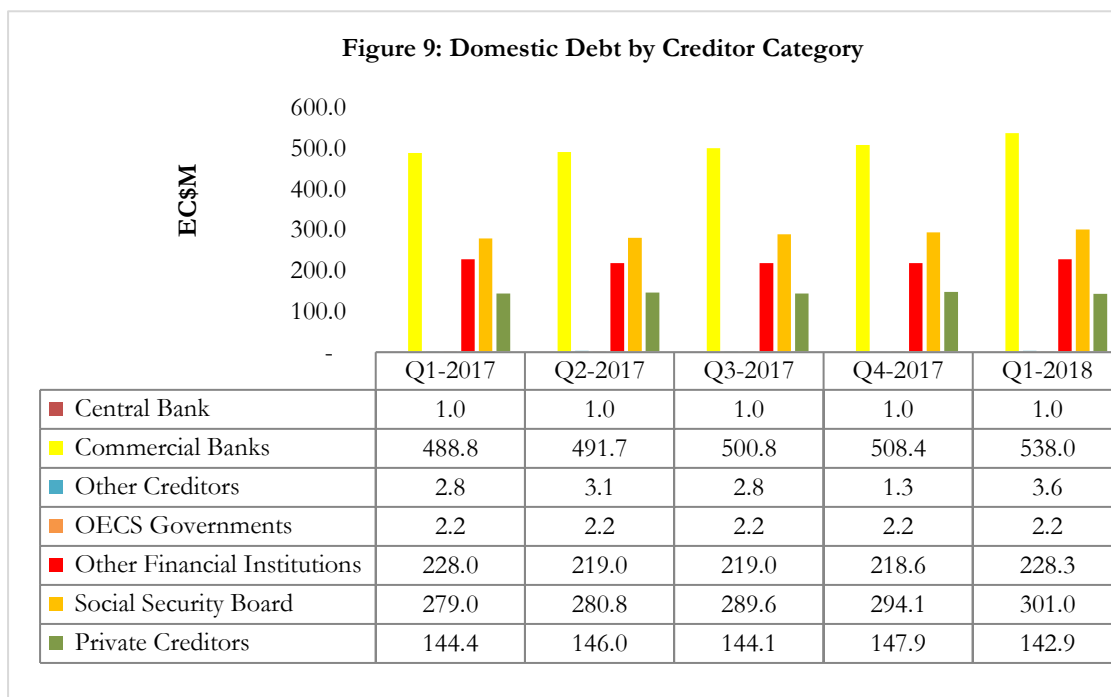
Figure 8: External Debt by Currency





3.0 DOMESTIC PUBLIC SECTOR DEBT

As at March 2018, domestic debt was recorded at \$1,217.0m or 44.8 percent of GDP, a \$70.8m or 6.2 percent increase compared to the corresponding period in 2017. The growth was mainly attributed to the scheduled disbursement of loans totalling \$46.6m during the first quarter of 2018.

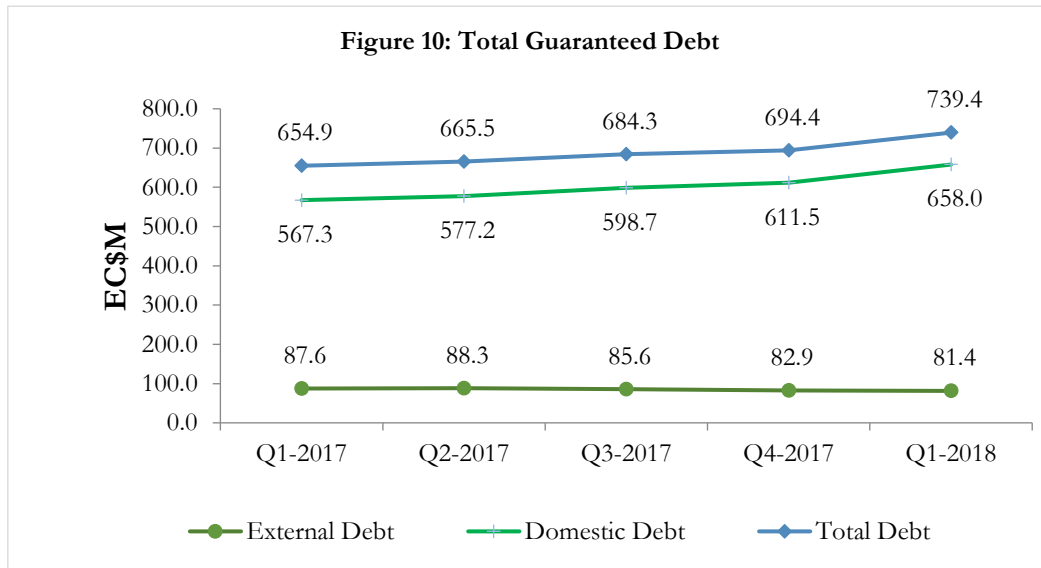


The main holders of domestic debt were Commercial Banks (44.2 percent), the Social Security Board (24.7 percent), Other Financial Institutions (18.8 percent), and Private Creditors (11.7 percent) (see Figure 9).

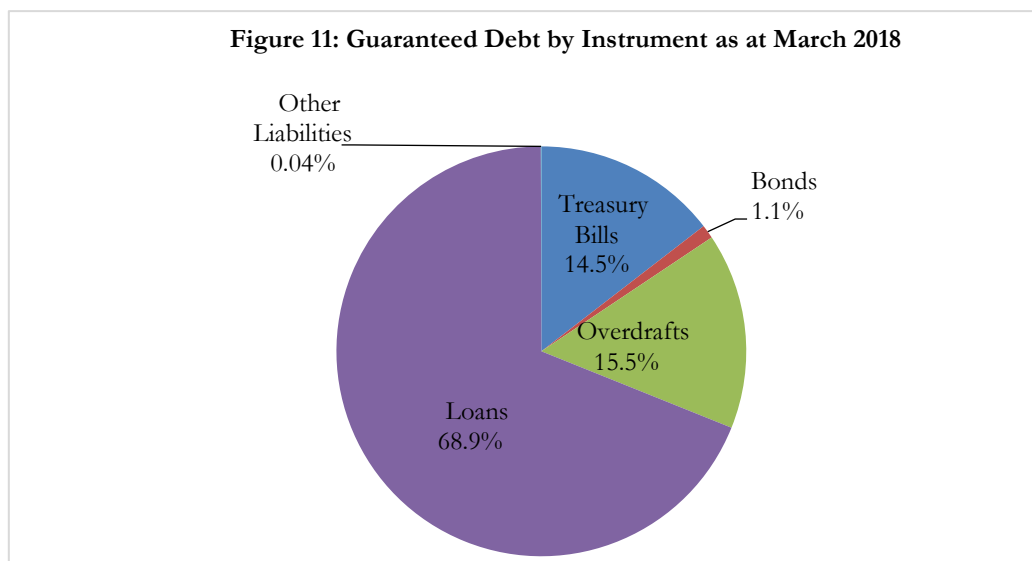


4.0 TOTAL GUARANTEED DEBT

Total Guaranteed Debt stood at \$739.4m at the end of March 2018 with external debt accounting for \$81.4m (11.0 percent) and domestic debt representing \$658.0m (89.0 percent) (See Figure 10).

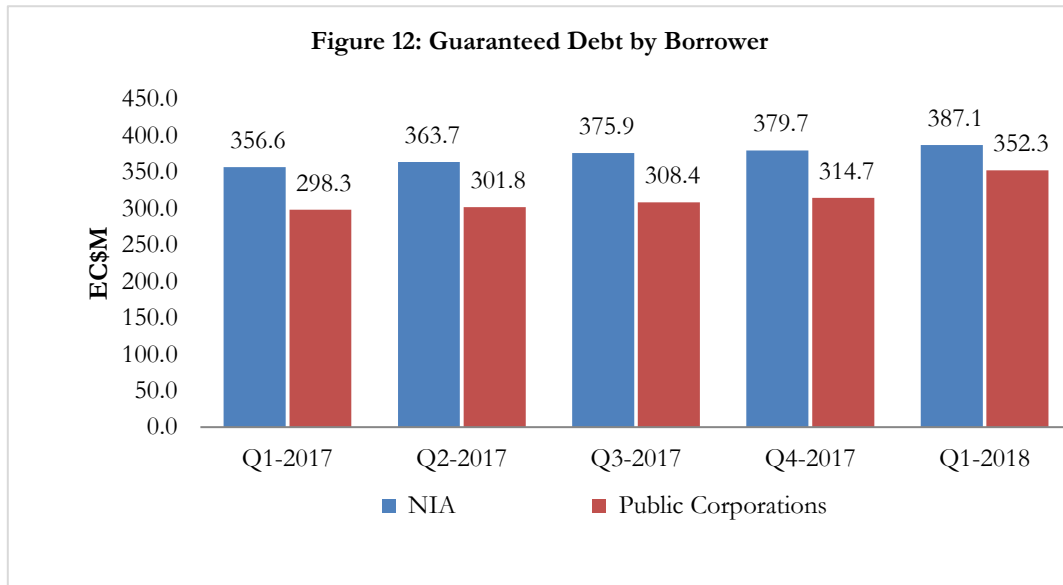


Total Guaranteed Debt was comprised of Loans (68.9 percent), Overdrafts (15.5 percent), Treasury Bills (14.5 percent), Bonds (1.1 percent), and Other Liabilities (0.04 percent) (see Figure 11).



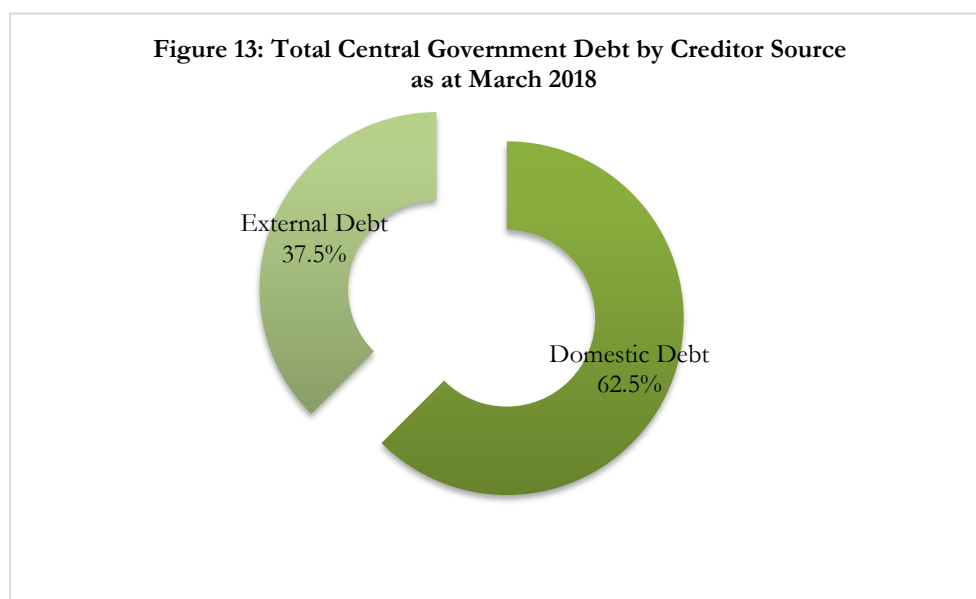


As at March 2018, the NIA's debt accounted for \$387.1m or 52.4 percent of total Guaranteed Debt while the debt of Public Corporations represented \$352.3m or 47.6 percent (see Figure 12).



5.0 CENTRAL GOVERNMENT'S DEBT

Central Government's Debt was recorded at \$894.1m with external debt accounting for \$335.1m (37.5 percent) while domestic debt represented \$559.0m (62.5 percent).





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6.0 TOTAL PUBLIC SECTOR DEBT SERVICE

Debt Service Payments: Central Gov., NIA and Public Corps.					
(EC\$M)	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018
Total Debt Service	30.9	35.6	21.2	21.5	20.2
External Debt Service	10.6	11.7	9.6	10.1	10.0
<i>Principal Repayments</i>	7.9	8.9	7.1	7.4	7.3
<i>Interest Payments</i>	2.7	2.8	2.5	2.7	2.7
Domestic Debt Service	20.3	23.9	11.6	11.4	10.2
<i>Principal Repayments</i>	15.0	12.6	1.9	2.9	3.4
<i>Interest Payments</i>	5.3	11.3	9.7	8.5	6.8

7.0 DISBURSEMENTS

Total Public Sector New Financing (EC\$M)	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018
External	0.1	4.1	0.1	0.2	1.5
Multilateral	0.1	4.1	0.1	0.2	1.5
Commercial	-	-	-	-	-
Domestic	10.3	5.0	13.4	6.0	46.6
Commercial	-	-	4.0	-	27.8
Statutory Bodies	10.1	2.5	9.4	6.0	8.1
Other Financial Institutions	0.2	2.5	-	-	10.7

8.0 DEBT RATIOS

Debt Sustainability Indicators	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018
Total Debt to GDP	60.5%	60.2%	60.6%	60.8%	60.1%
<i>External Debt to GDP</i>	16.8%	16.6%	16.4%	16.1%	15.3%
<i>Domestic Debt to GDP</i>	43.7%	43.6%	44.2%	44.7%	44.8%
Debt Service Ratio	18.2%	20.7%	10.3%	10.8%	10.2%
<i>External Debt Service Ratio</i>	6.3%	6.8%	4.7%	5.1%	5.1%
<i>Domestic Debt Service Ratio</i>	12.0%	13.9%	5.7%	5.7%	5.2%
External Debt Service to exports	33.1%	32.2%	30.3%	28.2%	31.9%
Share of Short Term Debt to Long Term Debt	47.1%	47.1%	47.1%	49.3%	47.1%
Share of Foreign Currency to Domestic Currency	11.5%	11.5%	11.5%	11.5%	10.2%
Share of Fixed Rate Debt to Floating Rate debt	3.5%	3.5%	3.8%	3.8%	3.8%



9.0 RISK INDICATORS

Risk Indicators	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018
Weighted Average Interest Rate	4.5%	4.5%	4.5%	4.6%	4.6%
<i>External</i>	2.6%	2.6%	2.6%	2.6%	2.6%
<i>Domestic</i>	5.2%	5.2%	5.2%	5.2%	5.2%
Average Time to Maturity (years)					8.9
<i>External</i>					8.8
<i>Domestic</i>					8.9
Average Time to Re-fixing (years)					6.3
<i>External</i>					5.6
<i>Domestic</i>					6.5
Share of debt to be re-fixed within one year					36.0%