

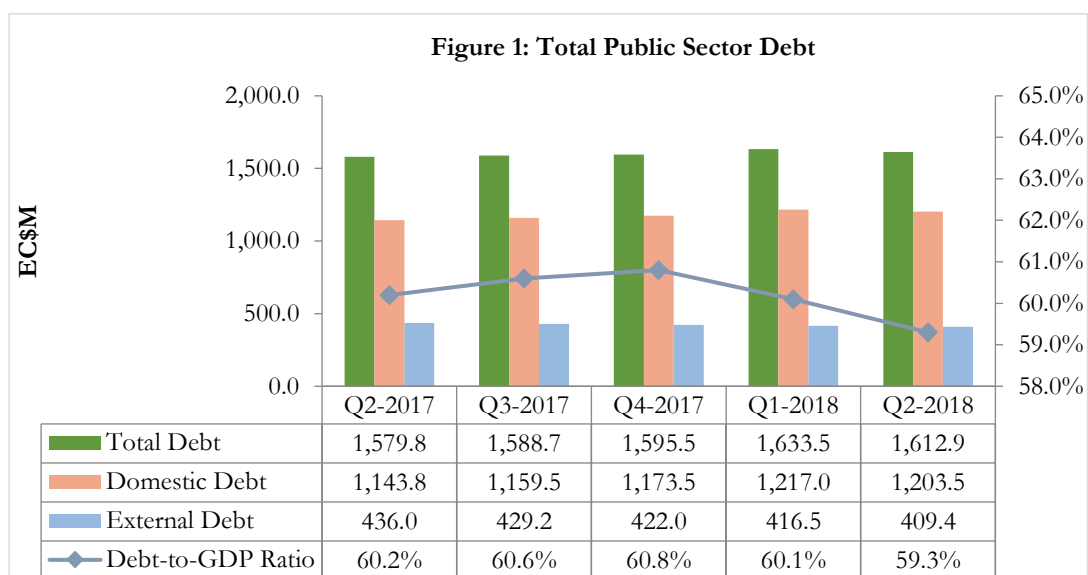


**INTRODUCTION**

The Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 30 June 2017 to 30 June 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 stood at \$1,612.9m (59.3 percent of GDP) at the end of June 2018 (See Figure 1). Over the review period, the debt stock increased by \$33.1m or 2.1 percent when compared to the comparative period in 2017 (\$1,579.8m).



The total amount of outstanding debt increased marginally for the quarters ending September 2017 (0.6 percent) and December 2017 (0.4 percent). However, quarter ending March 2018 experienced uptick in the debt stock of 2.4 percent. For the current quarter (June 2018) total public debt declined by 1.3 percent.

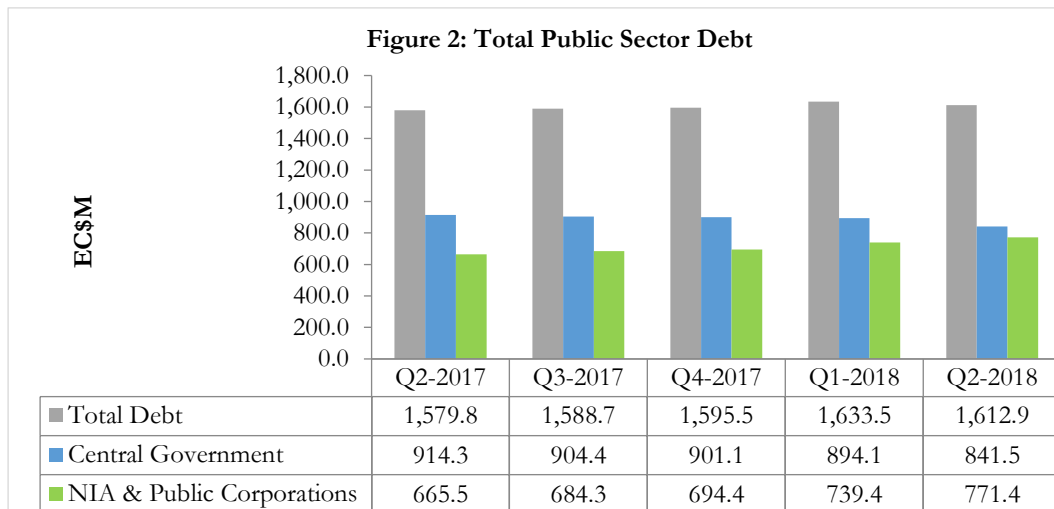


**Public Sector Debt**  
**Government of Saint Kitts and Nevis**  
**Ministry of Finance**

**QUARTERLY DEBT BULLETIN AS AT 30 June 2018**

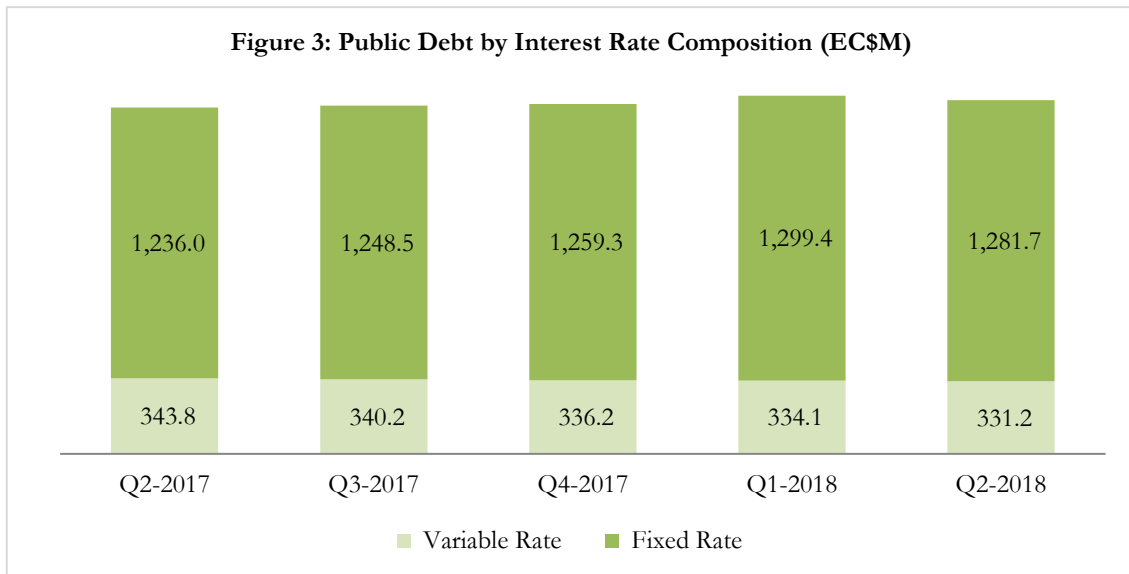
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Central Government’s share of the Total Debt was 52.2 percent, a decline of 5.7 percentage points compared to June 2017 (57.9 percent) (See Figure 2). Over the review period, Central Government’s Debt decreased by an average of 2.1 percent per quarter for a total decline of 8.0 percent.

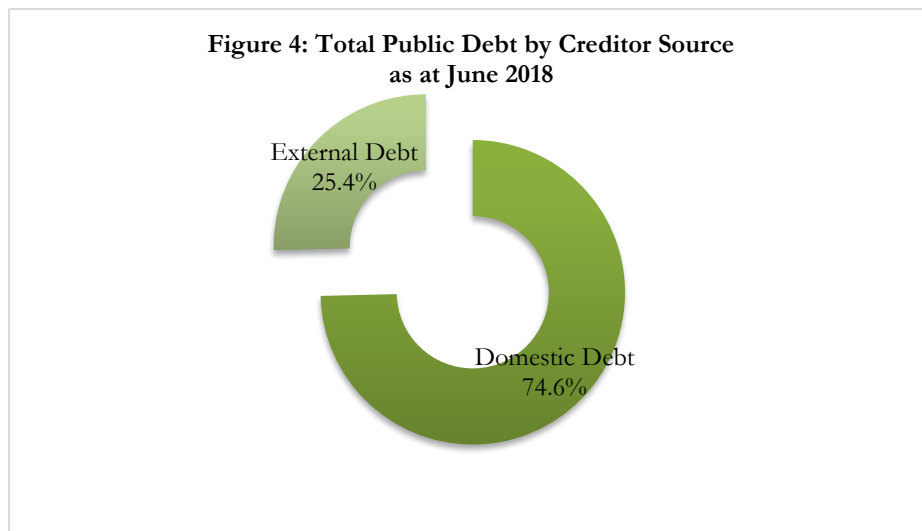


Conversely, total guaranteed debt comprising the Nevis Island Administration (NIA) and Public Corporations increased by an average of 3.5 percent per quarter and an overall growth of 15.9 percent.

The interest rate composition of the total public sector debt showed an increase in Fixed Rate debt of \$45.7m from \$1,236.0m in June 2017 to \$1,281.7m by June 2018. On the other hand, Variable Rate debt declined by \$12.6m from \$343.8m in June 2017 to \$331.2m in June 2018 (See Figure 3).



As at June 2018, domestic debt accounted for 74.6 percent of total public debt while external debt accounted for the remaining 25.4 percent (See Figure 4).

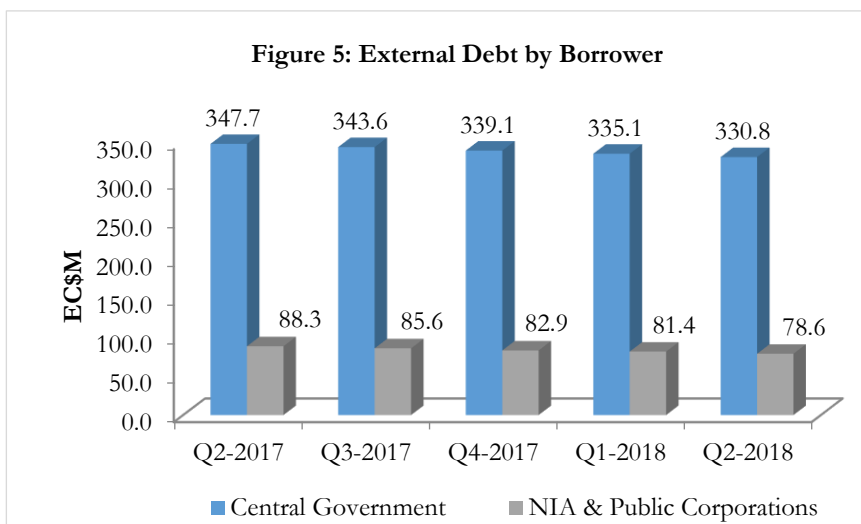




**2.0 EXTERNAL PUBLIC SECTOR DEBT**

For the quarter ending 30 June 2018, total external debt stood at \$409.4m (15.1 percent of GDP).

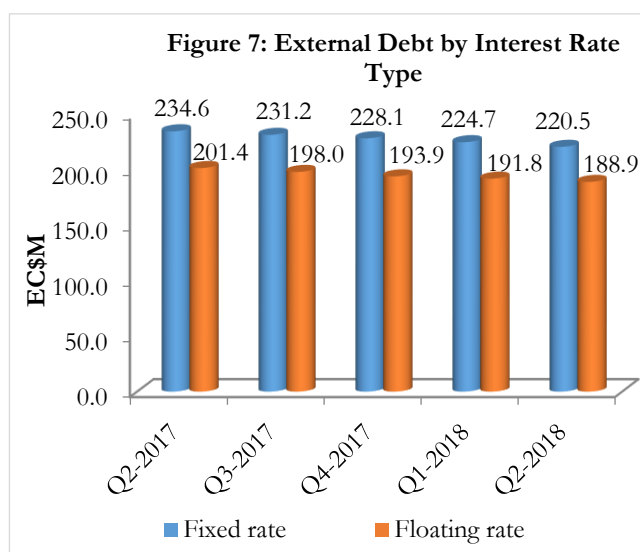
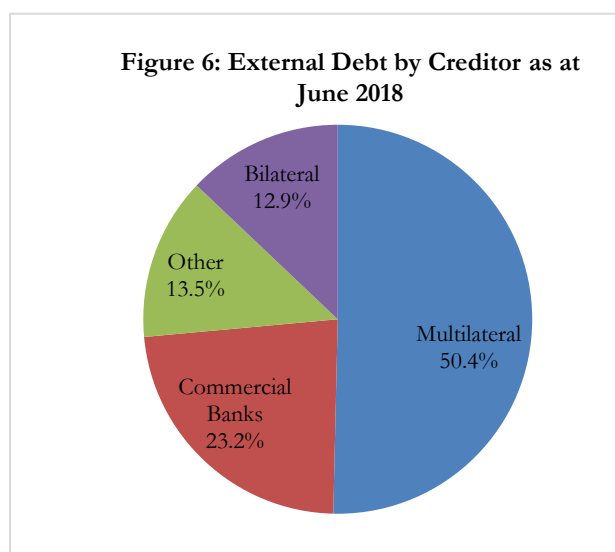
Over the review period, external debt declined by \$26.6m or 6.1 percent. Central Government's external borrowing accounted for (80.8 percent) of total external financing while external borrowing by the NIA and



Public Corporations in St. Kitts and Nevis comprised the remaining 19.2 percent (see Figure 5).

At the end of June 2018, the main sources of external debt financing were Multilateral Creditors (50.4 percent) followed by Commercial Banks (23.2 percent) with Other Creditors and Bilateral Creditors accounting for 13.5 percent and 12.9 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).



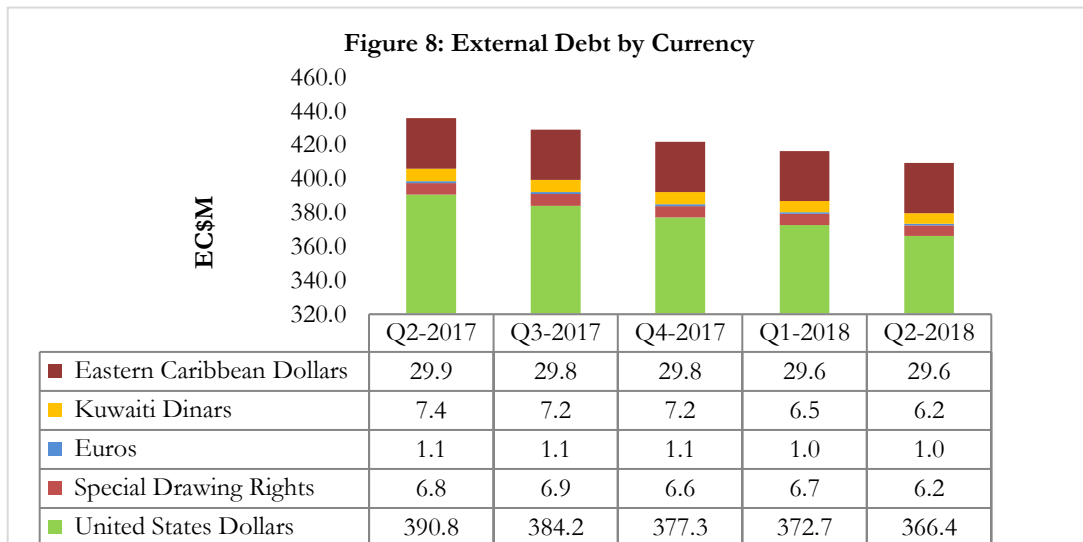


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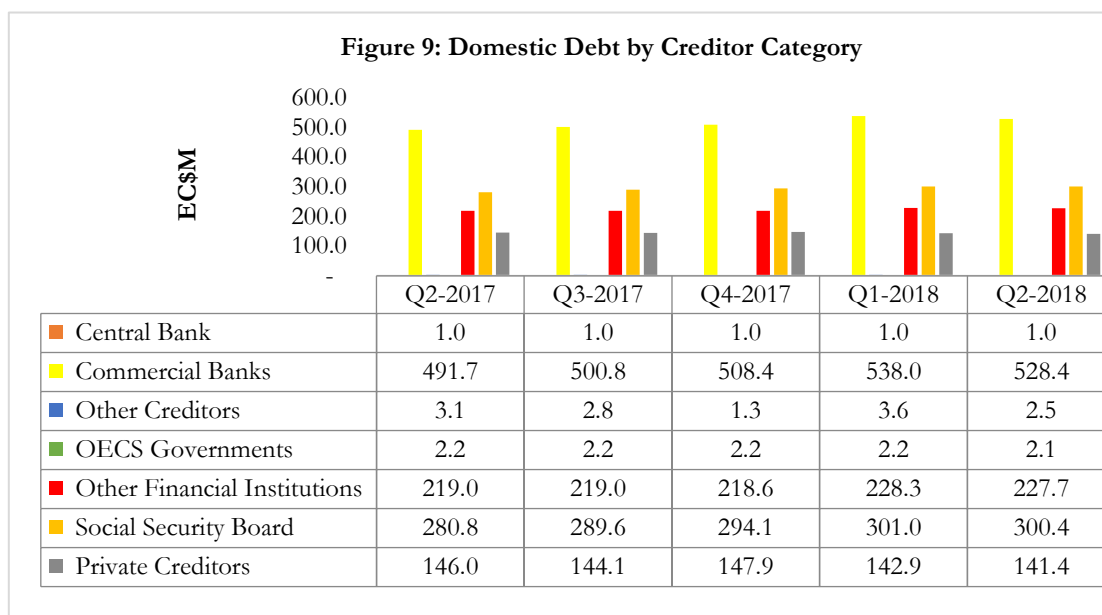
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External debt was predominantly (89.5 percent) denominated in US Dollars (See Figure 8). The EC Dollar comprised 7.2 percent of external debt whereas, Kuwaiti Dinars and Special Drawings Rights (SDR) totalled 1.5 percent each and Euros 0.2 percent.



### 3.0 DOMESTIC PUBLIC SECTOR DEBT

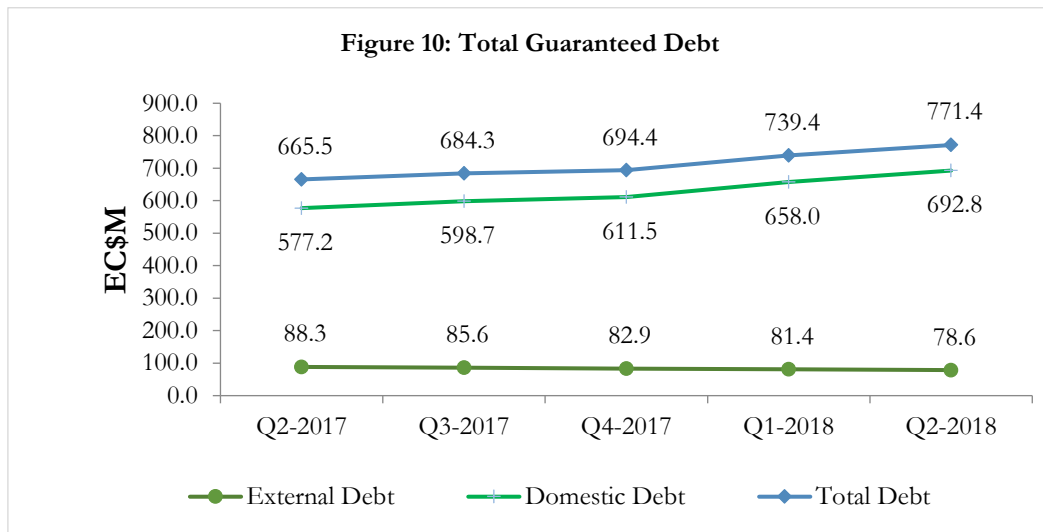
As at June 2018, domestic debt was recorded at \$1,203.5m or 44.2 percent of GDP, a \$59.7m or 5.2 percent increase compared to the corresponding period in 2017 (\$1,143.8m). The growth in the domestic debt was mainly attributed to disbursements totalling \$46.6m in March 2018 and \$34.7m in June 2018.



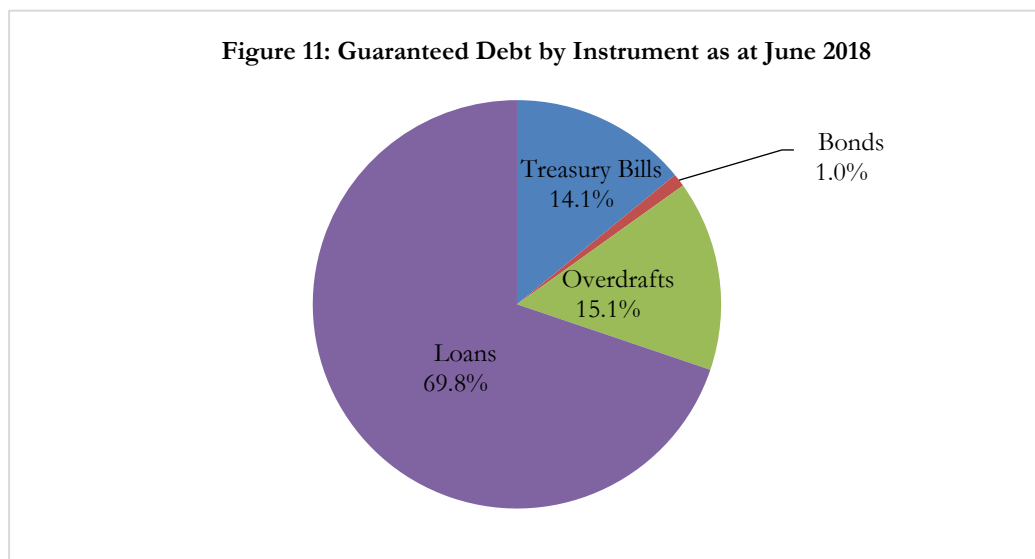
The main holders of domestic debt were Commercial Banks (43.9 percent), Social Security Board (25.0 percent), Other Financial Institutions (18.9 percent), and Private Creditors (11.7 percent) (see Figure 9). Commercial Banks (\$36.7m) and the Social Security Board (\$19.6m) were the main contributors towards the increase in domestic debt.

#### 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 \$771.4m at the end of June 2018 with external debt accounting for \$78.6m (10.2 percent) and domestic debt representing \$692.8m (89.8 percent) (See Figure 10).



The main instruments of guaranteed debt were Loans (69.8 percent), Overdrafts (15.1 percent), Treasury Bills (14.1 percent), and Bonds (1.0 percent) (see Figure 11).



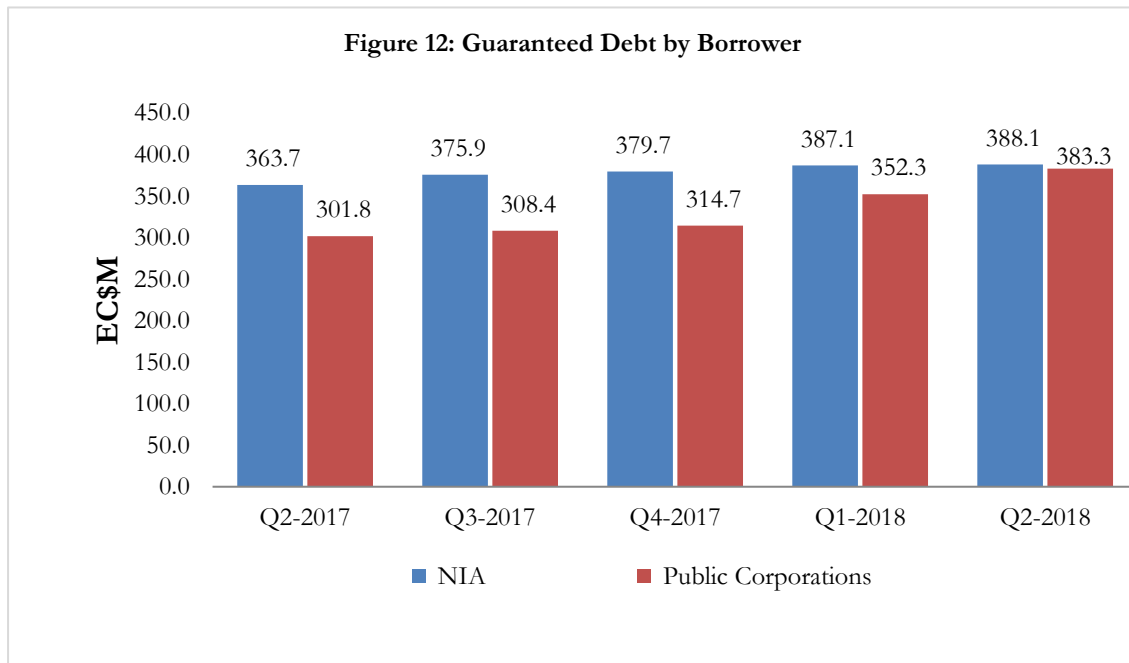


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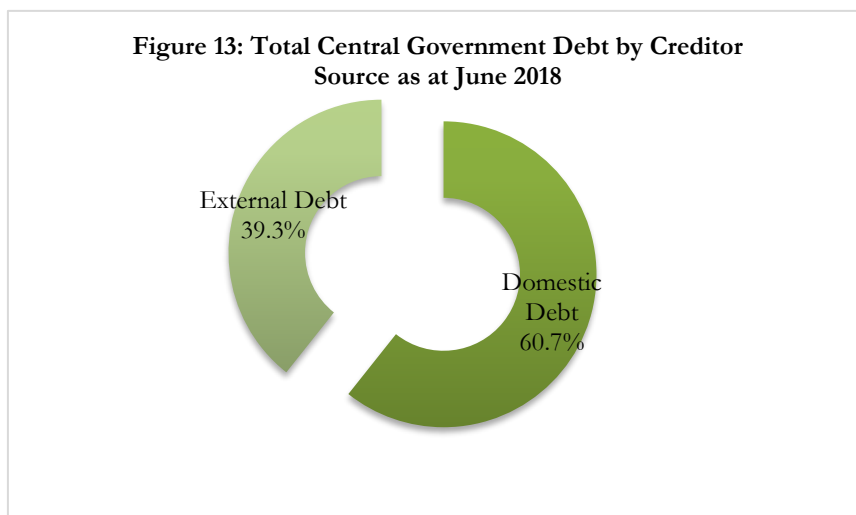
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As at June 2018, the NIA's debt accounted for \$388.1m or 50.3 percent of the Total Guaranteed Debt while the debt for the Public Corporations represented \$383.3m or 49.7 percent (see Figure 12).



## 5.0 CENTRAL GOVERNMENT'S DEBT

Central Government's Debt was recorded at \$841.5m with external debt accounting for \$330.8m (39.3 percent) while domestic debt represented \$510.7m (60.7 percent).







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QUARTERLY DEBT BULLETIN AS AT 30 June 2018

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**6.0 TOTAL DEBT SERVICE**

<b>Debt Service Payments: Central Gov., NIA and Public Corps.</b>					
<b>(EC\$M)</b>	<b>Q2-2017</b>	<b>Q3-2017</b>	<b>Q4-2017</b>	<b>Q1-2018</b>	<b>Q2-2018</b>
<b>Total Debt Service</b>	<b>35.6</b>	<b>21.2</b>	<b>21.5</b>	<b>20.2</b>	<b>26.4</b>
<b>External Debt Service</b>	<b>11.7</b>	<b>9.6</b>	<b>10.1</b>	<b>10.0</b>	<b>10.5</b>
<i>Principal Repayments</i>	8.9	7.1	7.4	7.3	7.6
<i>Interest Payments</i>	2.8	2.5	2.7	2.7	2.9
<b>Domestic Debt Service</b>	<b>23.9</b>	<b>11.6</b>	<b>11.4</b>	<b>10.2</b>	<b>15.9</b>
<i>Principal Repayments</i>	12.6	1.9	2.9	3.4	2.7
<i>Interest Payments</i>	11.3	9.7	8.5	6.8	13.2

**7.0 DISBURSEMENTS**

<b>Total Public Sector</b>					
<b>New Financing (EC\$M)</b>	<b>Q2-2017</b>	<b>Q3-2017</b>	<b>Q4-2017</b>	<b>Q1-2018</b>	<b>Q2-2018</b>
<b>External</b>	<b>4.1</b>	<b>0.1</b>	<b>0.2</b>	<b>1.5</b>	<b>0.7</b>
Multilateral	4.1	0.1	0.2	1.5	0.7
Commercial	-	-	-	-	-
<b>Domestic</b>	<b>5.0</b>	<b>13.4</b>	<b>6.0</b>	<b>46.6</b>	<b>34.7</b>
Commercial	-	4.0	-	27.8	34.7
Statutory Bodies	2.5	9.4	6.0	8.1	-
Other Financial Institutions	2.5	-	-	10.7	-



**8.0 DEBT RATIOS**

<b>Debt Sustainability Indicators</b>	<b>Q2-2017</b>	<b>Q3-2017</b>	<b>Q4-2017</b>	<b>Q1-2018</b>	<b>Q2-2018</b>
<b>Total Debt to GDP</b>	<b>60.2%</b>	<b>60.6%</b>	<b>60.8%</b>	<b>60.1%</b>	<b>59.3%</b>
<i>External Debt to GDP</i>	16.6%	16.4%	16.1%	15.3%	15.1%
<i>Domestic Debt to GDP</i>	43.6%	44.2%	44.7%	44.8%	44.2%
<b>Debt Service Ratio</b>	<b>20.7%</b>	<b>10.3%</b>	<b>10.8%</b>	<b>10.2%</b>	<b>10.1%</b>
<i>External Debt Service Ratio</i>	6.8%	4.7%	5.1%	5.1%	4.0%
<i>Domestic Debt Service Ratio</i>	13.9%	5.7%	5.7%	5.2%	6.1%
External Debt Service to exports	32.2%	30.3%	28.2%	31.9%	23.8%
Share of Short Term Debt to Long Term Debt	47.1%	47.1%	49.3%	47.1%	42.9%
Share of Foreign Currency to Domestic Currency	11.5%	11.5%	11.5%	10.2%	10.1%
Share of Fixed Rate Debt to Floating Rate debt	3.5%	3.8%	3.8%	3.8%	3.8%

**9.0 RISK INDICATORS**

<b>Risk Indicators</b>	<b>Q2-2017</b>	<b>Q3-2017</b>	<b>Q4-2017</b>	<b>Q1-2018</b>	<b>Q2-2018</b>
<b>Weighted Average Interest Rate</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.6%</b>	<b>4.6%</b>
<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%
<b>Average Time to Maturity (years)</b>				<b>8.9</b>	<b>9.1</b>
<i>External</i>				8.8	8.9
<i>Domestic</i>				8.9	9.2
<b>Average Time to Re-fixing (years)</b>				<b>6.3</b>	<b>6.4</b>
<i>External</i>				5.6	5.6
<i>Domestic</i>				6.5	6.7
<b>Share of debt to be re-fixed within one year</b>				<b>36.0%</b>	<b>34.0%</b>