

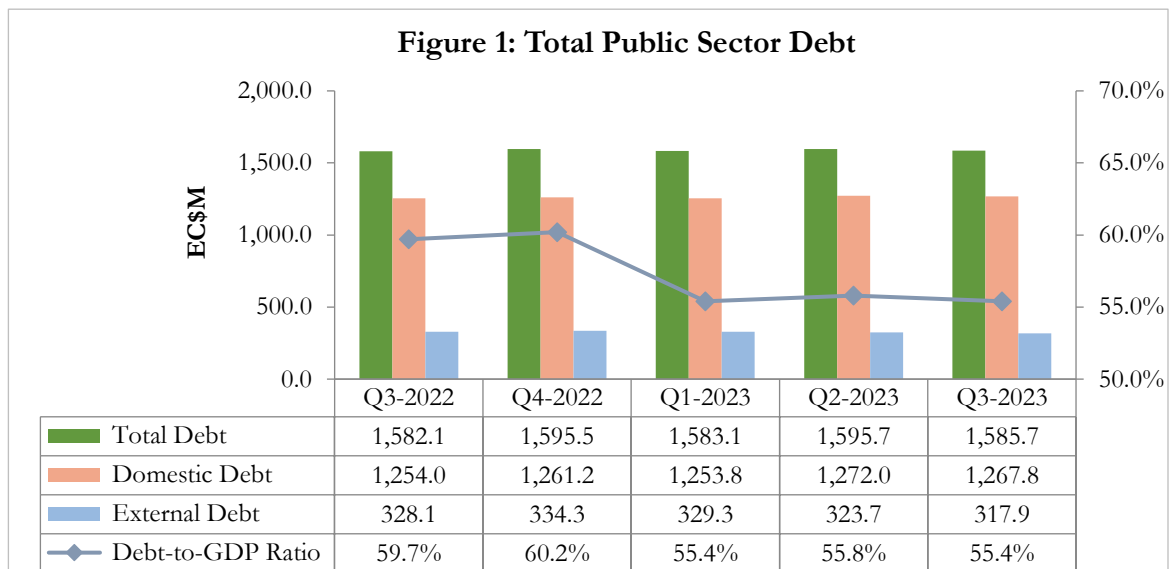


**INTRODUCTION**

This Quarterly Debt Bulletin summarises the Public Sector Debt position of St. Kitts and Nevis from 30 September 2022 to 30 September 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\$1,585.7m (55.4 percent of GDP) at the end of September 2023 (See Figure 1). This represented an increase of EC\$3.6m or 0.2 percent compared to the September 2022 debt stock of EC\$1,582.1m (59.7 percent of GDP).



Total Public Sector Debt increased in December 2022 by EC\$13.4m. The debt stock decreased by EC\$12.4m in March 2023 then increased again by EC\$12.6m in June 2023 and declined by EC\$10.0m in the current quarter.

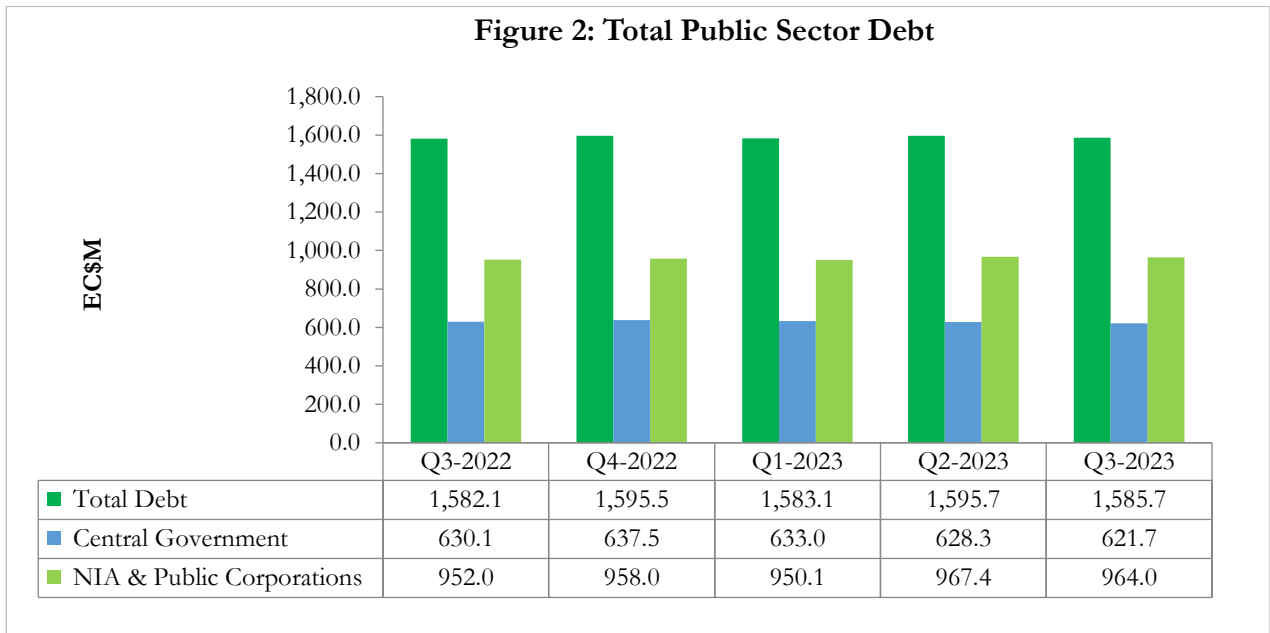


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As at September 2023, Central Government’s Debt accounted for 39.2 percent of the Total Public Sector Debt, a decline compared to 39.8 percent in September 2022 (See Figure 2). Over the review period, Central Government’s Debt decreased by an average of 0.3 percent per quarter for a total increase of EC\$8.4m or 1.3 percent.

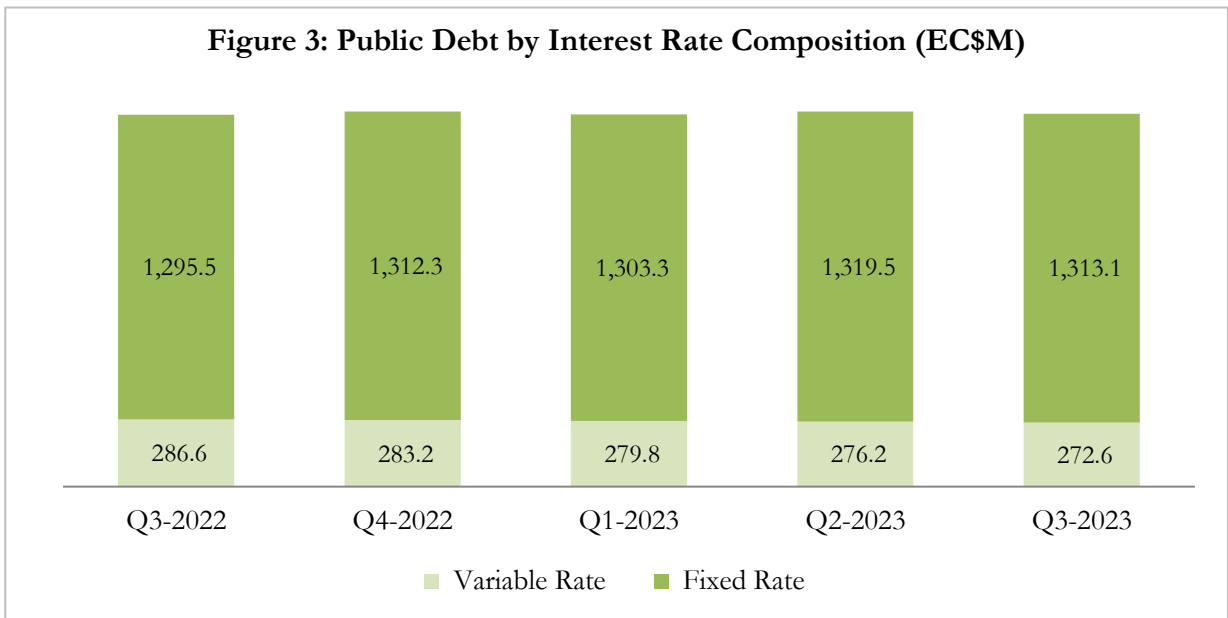


Total Guaranteed Debt, comprising debt of the Nevis Island Administration (NIA) and Public Corporations, increased by an average of 0.3 percent per quarter and exhibited an overall year-on-year growth of 1.3 percent.

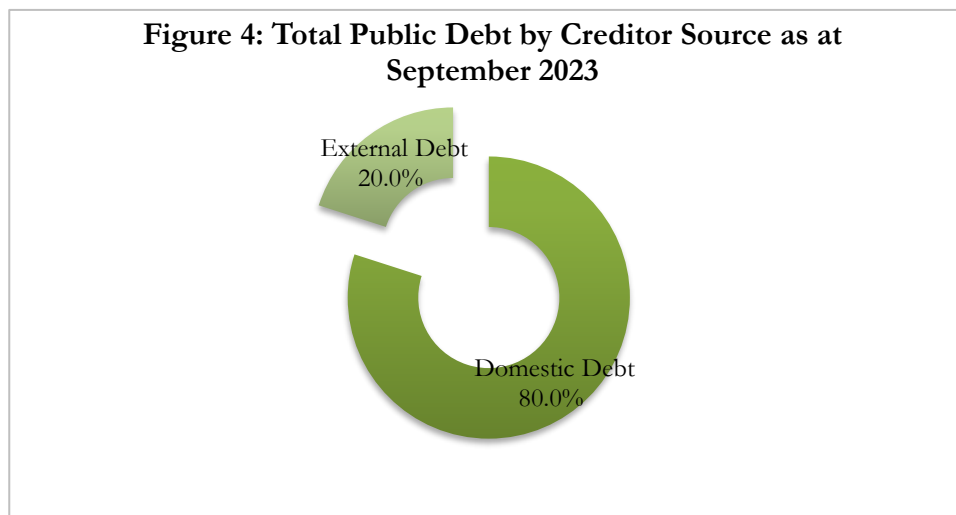


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As at September 2023, Total Public Sector Fixed Rate debt increased by EC\$17.6m to EC\$1,313.1m from EC\$1,295.5m in September 2022. The Variable Rate debt declined by EC\$16.0m from EC\$288.6m in September 2022 to EC\$272.6m in September 2023 (See Figure 3).



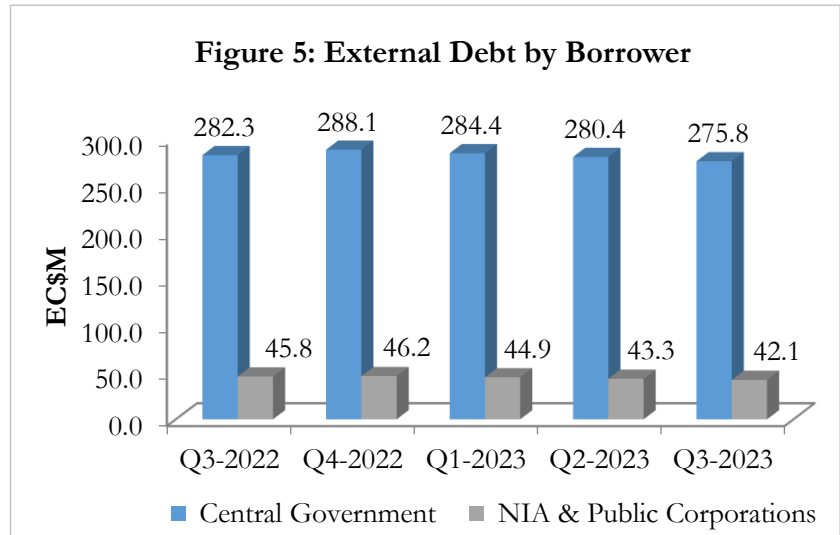
As at September 2023, Domestic Debt was 80.0 percent of Total Public Debt while External Debt accounted for the remaining 20.0 percent (See Figure 4).



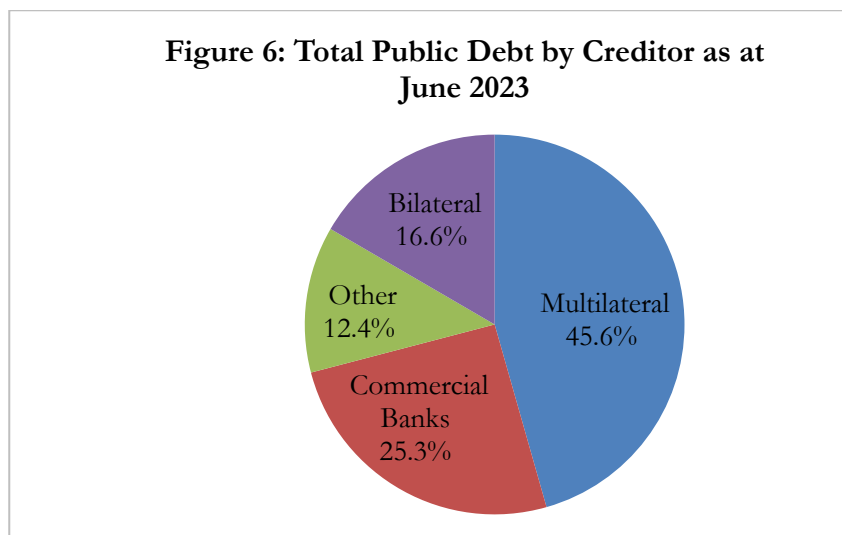


## 2.0 EXTERNAL PUBLIC SECTOR DEBT

Figure 5 illustrates a trend of decreasing External Debt. Central Government’s debt exhibited average quarterly decreases of 0.6 percent contracting by 2.3 percent or EC\$6.5m over the review period. The debt of the NIA and Public Corporations also declined by 8.1 percent or EC\$3.7m from September 2022 to September 2023.



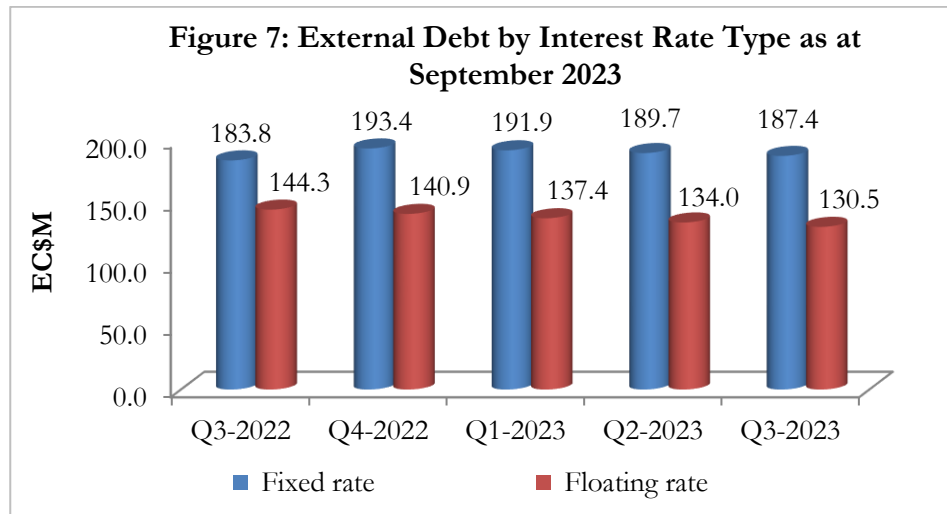
The primary source of the Public Sector’s External Debt financing as at September 2023 was Multilateral Creditors (45.3 percent). External borrowing was also sourced from Commercial Banks (25.4 percent), Bilateral Creditors (16.9 percent) and Other Creditors (12.4 percent) (See Figure 6).



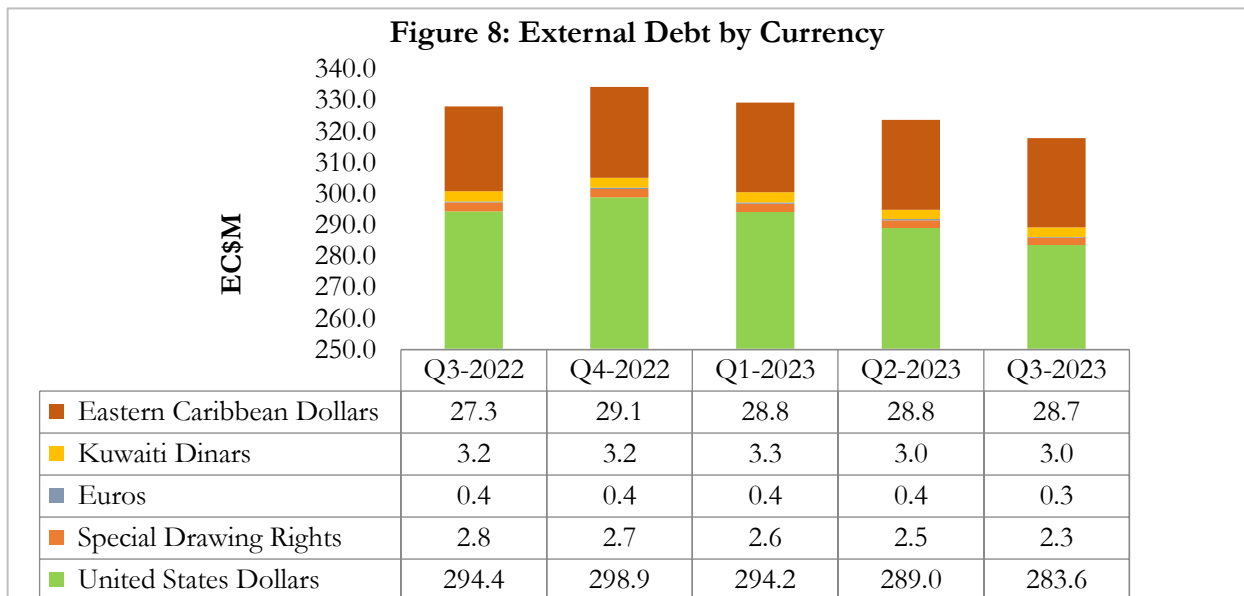


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For the current period, debt contracted at fixed interest rates amounted to EC\$187.4m or 58.9 percent of total External Debt whereas variable rate debt accounted for the remaining EC\$130.5m or 41.1 percent (See Figure 7).



As at 30 September 2023, total External Debt was primarily denominated in United States Dollars which comprised 89.2 percent or EC\$283.6m of total External Debt.



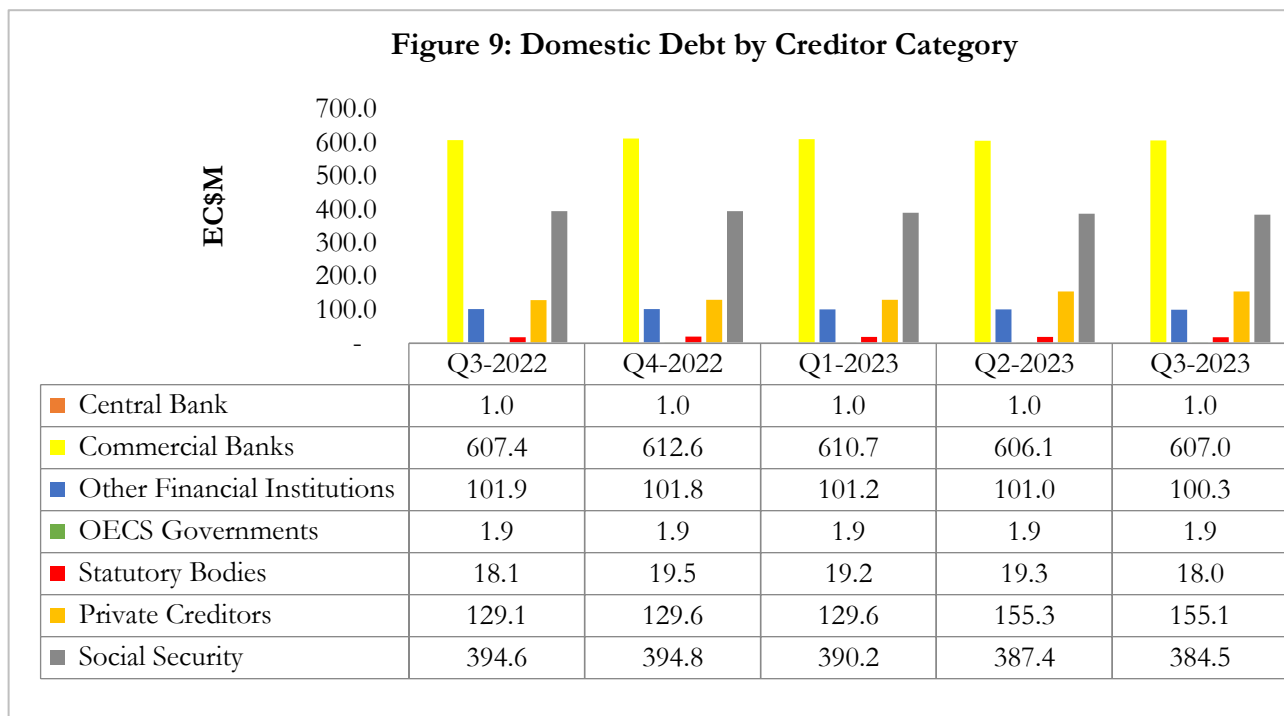


Other currencies including Eastern Caribbean Dollar (9.0 percent), Kuwaiti Dinars (0.9 percent), Special Drawing Rights (0.7 percent) and Euros (0.1 percent) accounted for the remaining External Debt.

### 3.0 DOMESTIC PUBLIC SECTOR DEBT

Domestic Debt as at end September 2023 totalled EC\$1,267.8m or 47.9 percent of GDP. This reflected an EC\$13.8m or 1.1 percent increase compared to the corresponding period in 2022 (EC\$1,254.0m). The increase was mainly on account of a growth in debt owed to Private Creditors (EC\$26.0m).

**Figure 9: Domestic Debt by Creditor Category**

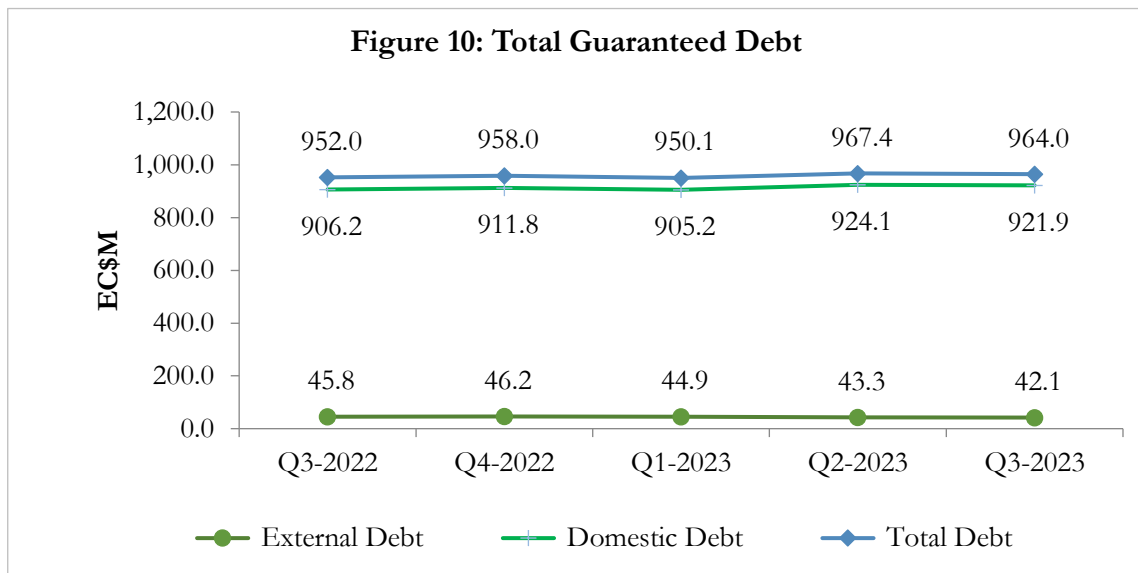


The Public Sector’s Domestic Debt was mainly held by Commercial Banks (48.4 percent), the Social Security Board (31.5 percent), Private Creditors (10.3 percent) and Other Financial Institutions (8.1 percent) (see Figure 9).

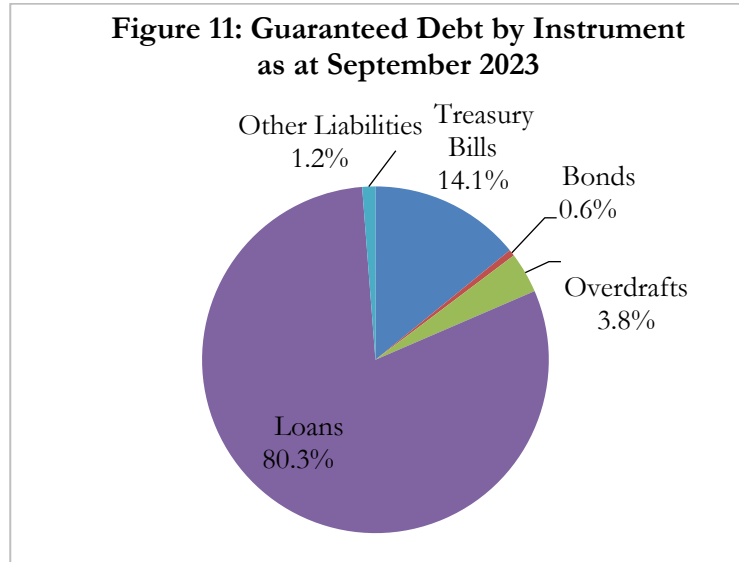


#### 4.0 TOTAL GUARANTEED DEBT

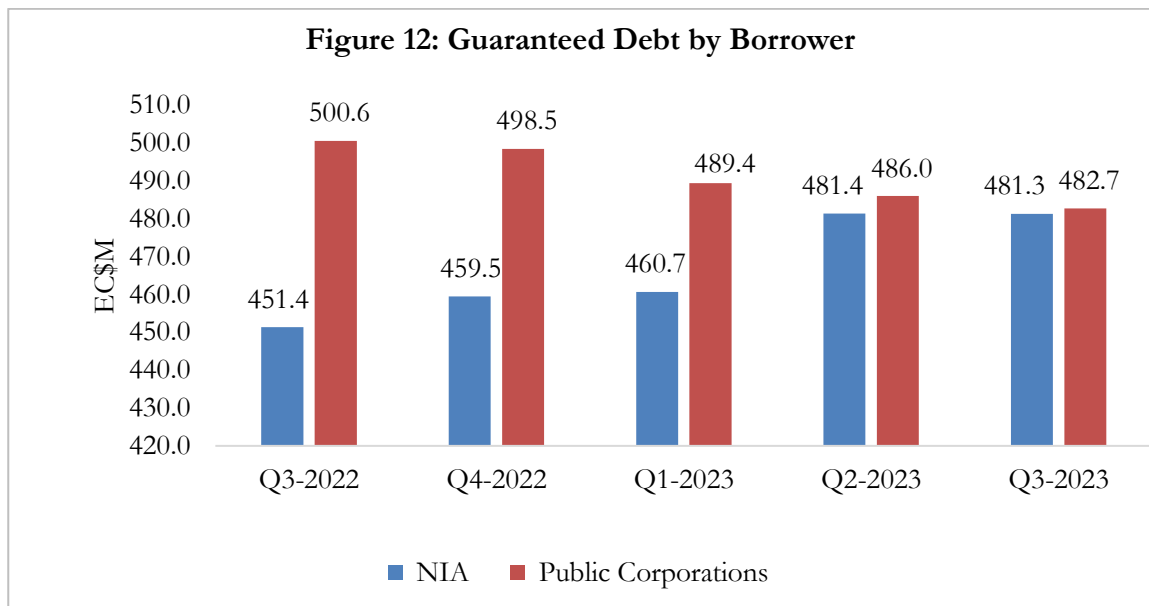
Total Guaranteed Debt outstanding was comprised of debt contracted by the NIA and the Public Corporations in both St. Kitts and Nevis. Total Guaranteed Debt stood at EC\$964.0 at the end of September 2023 with Domestic Debt accounting for EC\$921.9m and External Debt representing the remaining EC\$42.1m (See Figure 10).



As at September 2023, loans were the dominant instrument (80.3 percent) of guaranteed debt. Guaranteed debt was also comprised of Treasury Bills (14.1 percent), Overdrafts (3.8 percent), Other Liabilities (1.2 percent) and Bonds (0.6 percent) (see Figure 11).



As at September 2023, Public Corporations’ debt accounted for EC\$482.7m or 50.1 percent of the Total Guaranteed Debt while the NIA’s debt represented EC\$481.3m or 49.9 percent.



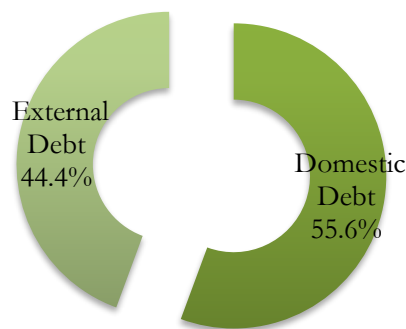




### 5.0 CENTRAL GOVERNMENT'S DEBT

The Central Government's Debt of EC\$621.7m was comprised of Domestic Debt amounting to EC\$348.0m (55.6 percent) and External Debt of EC\$275.8m (44.4 percent).

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



### 6.0 TOTAL DEBT SERVICE

<b>Debt Service Payments: Central Gov., NIA, and Public Corps.</b>					
<b>(EC\$M)</b>	<b>Q3-2022</b>	<b>Q4-2022</b>	<b>Q1-2023</b>	<b>Q2-2023</b>	<b>Q3-2023</b>
<b>Total Debt Service</b>	<b>23.0</b>	<b>20.7</b>	<b>28.1</b>	<b>25.5</b>	<b>19.8</b>
<b>External Debt Service</b>	<b>9.4</b>	<b>8.1</b>	<b>8.4</b>	<b>8.7</b>	<b>8.1</b>
<i>Principal Repayments</i>	7.3	6.2	6.1	6.6	6.1
<i>Interest Payments</i>	2.1	1.9	2.3	2.1	2.0
<b>Domestic Debt Service</b>	<b>13.6</b>	<b>12.6</b>	<b>19.7</b>	<b>16.8</b>	<b>11.7</b>
<i>Principal Repayments</i>	6.4	5.8	13.3	7.1	5.3
<i>Interest Payments</i>	7.2	6.8	6.4	9.7	6.4



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## 7.0 DISBURSEMENTS

<b>Total Public Sector</b>					
<b>New Financing (EC\$M)</b>	<b>Q3-2022</b>	<b>Q4-2022</b>	<b>Q1-2023</b>	<b>Q2-2023</b>	<b>Q3-2023</b>
<b>External</b>	<b>2.4</b>	<b>21.0</b>	<b>2.4</b>	<b>0.2</b>	<b>1.0</b>
Multilateral	2.4	21.0	2.4	0.2	1.0
Bilateral	-	-	-	-	-
<b>Domestic</b>	<b>1.0</b>	<b>42.8</b>	<b>19.0</b>	<b>2.4</b>	<b>3.8</b>
Commercial	-	41.2	17.8	2.4	3.8
Statutory Bodies	-	-	-	-	-
<b>Total</b>	<b>3.4</b>	<b>63.8</b>	<b>21.4</b>	<b>2.6</b>	<b>4.8</b>

## 8.0 DEBT RATIOS

<b>Debt Sustainability Indicators</b>	<b>Q3-2022</b>	<b>Q4-2022</b>	<b>Q1-2023</b>	<b>Q2-2023</b>	<b>Q3-2023</b>
<b>Total Debt to GDP</b>	<b>59.7%</b>	<b>60.2%</b>	<b>55.4%</b>	<b>55.8%</b>	<b>55.4%</b>
<i>External Debt to GDP</i>	<i>12.4%</i>	<i>12.6%</i>	<i>11.5%</i>	<i>11.3%</i>	<i>11.1%</i>
<i>Domestic Debt to GDP</i>	<i>47.3%</i>	<i>47.6%</i>	<i>43.9%</i>	<i>44.5%</i>	<i>44.3%</i>
<b>Debt Service Ratio</b>	<b>8.1%</b>	<b>7.9%</b>	<b>6.9%</b>	<b>8.7%</b>	<b>9.7%</b>
<i>External Debt Service Ratio</i>	<i>3.3%</i>	<i>3.1%</i>	<i>2.1%</i>	<i>3.0%</i>	<i>4.0%</i>
<i>Domestic Debt Service Ratio</i>	<i>4.8%</i>	<i>4.8%</i>	<i>4.8%</i>	<i>5.7%</i>	<i>5.7%</i>
External Debt Service to exports	49.5%	51.9%	54.5%	34.9%	57.0%
Share of Short-term Debt to Long Term Debt	22.6%	21.7%	22.0%	23.3%	23.6%
Share of Foreign Currency to Domestic Currency	28.1%	28.0%	27.4%	26.8%	26.6%
Share of Fixed Rate Debt to Floating debt	18.1%	17.7%	17.7%	17.3%	17.2%



**9.0 RISK INDICATORS**

<b>Risk Indicators</b>	<b>Q3-2022</b>	<b>Q4-2022</b>	<b>Q1-2023</b>	<b>Q2-2023</b>	<b>Q3-2023</b>
<b>Weighted Average Interest Rate</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.5%</b>	<b>4.5%</b>
<i>External</i>	3.0%	3.2%	3.3%	3.2%	3.2%
<i>Domestic</i>	4.7%	4.7%	4.7%	4.8%	4.8%
<b>Average Time to Maturity (years)</b>	<b>9.3</b>	<b>8.9</b>	<b>9</b>	<b>9.0</b>	<b>9.0</b>
<i>External</i>	8	7.4	7.5	7.7	7.8
<i>Domestic</i>	9.7	9.2	9.4	9.4	9.3
<b>Average Time to Re-fixing (years)</b>	<b>8.8</b>	<b>8.4</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>
<i>External</i>	5.2	5	5.1	5.3	5.3
<i>Domestic</i>	9.7	9.2	9.4	9.4	9.3
Share of debt to be re-fixed within one year	25.0%	27.0%	26.0%	26.0%	25.0%