

QUARTERLY DEBT BULLETIN

Prepared by the Debt Unit, Ministry of Finance, Government of Anguilla

The Quarterly Debt Bulletin summarises the public debt position, public debt structure and public debt ratios for Anguilla as at the end of quarter in review. The currency quoted is in millions of Eastern Caribbean Dollars (XCD/EC\$M). The data presented covers total public debt, both external and domestic, for central government and guaranteed and non-guaranteed debt of State-Owned Enterprises (SOEs).

1. **Total Public Debt** as at 30th September 2023 stood at \$382.21m. Total Public External Debt was 41.26% (\$157.70m) of total public debt. This represented a decrease of 3.16% (\$5.14m) and 10.87% (\$19.23m) when compared to Q2-2023 and Q3-2022 respectively. Total Public Domestic Debt accounted for 58.74% (\$224.52m) of total public debt. This amount decreased by 1.79% (\$4.09m) and 7.63% (\$18.54m) in comparison to Q2-2023 and Q3-2022 respectively. Central Government debt accounted for 95.98% of total public debt and the remaining 4.02% related to government guaranteed and non-guaranteed debt of SOEs.

Figure 3: PUBLIC DEBT BY BORROWER, Q3-2022 to Q3-2023

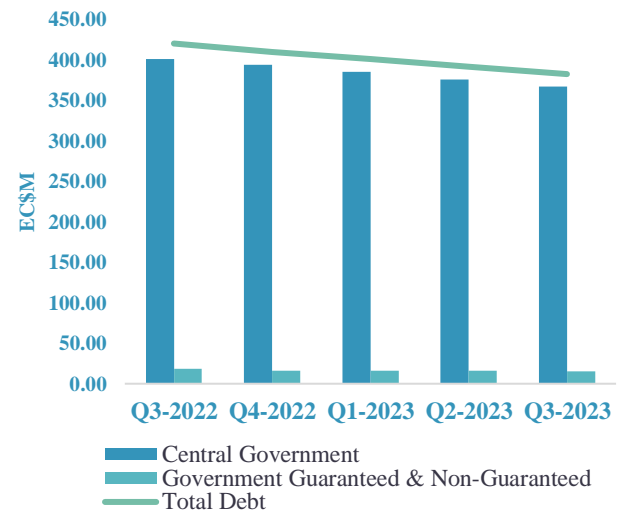


Figure 1: TOTAL PUBLIC DEBT, Q3-2022 to Q3-2023



2. **Central Government Debt** totalled \$366.83m at the end of Q3-2023, a decrease of \$8.93m (2.38%) and \$34.38m (8.57%) when compared to Q2-2023 and Q3-2022 respectively. Domestic debt accounted for 57.25% (EC\$210.00m) and external debt accounted for 42.75% (EC\$156.83m) respectively.

Figure 4: CENTRAL GOVERNMENT DEBT, Q3-2022 to Q3-2023

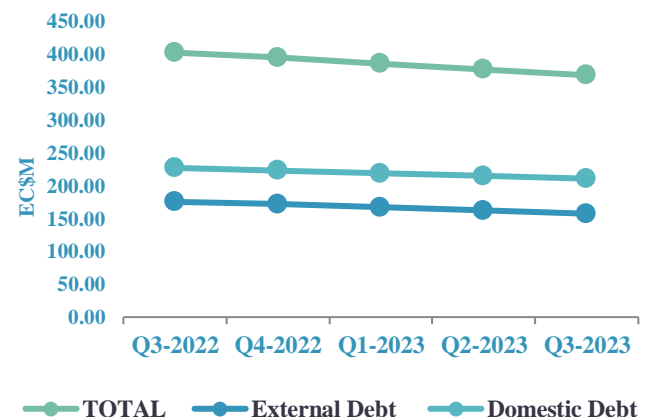


Figure 2: TOTAL PUBLIC DEBT COMPOSITION, Q3-2023

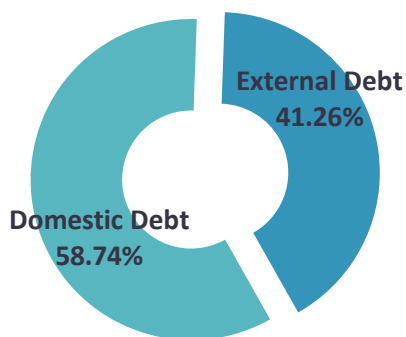


Figure 5: CENTRAL GOVERNMENT DEBT COMPOSITION, Q3-2023

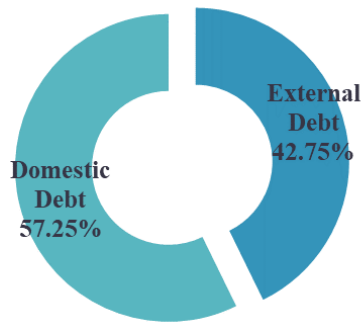
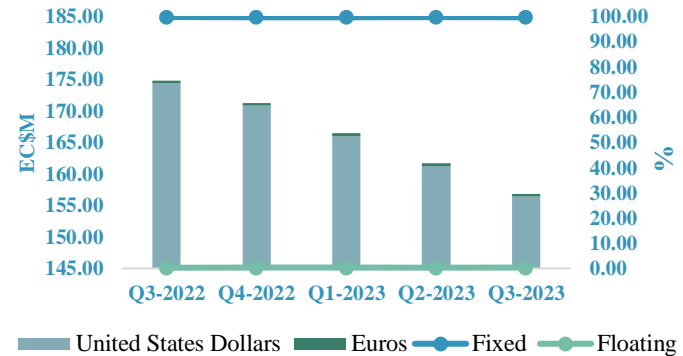


Figure 7: CENTRAL GOVERNMENT EXTERNAL DEBT BY CURRENCY AND CURRENCY TYPE, Q3-2022 to Q3-2023



2.1 Central Government External Debt accounted for 42.75% (EC\$156.83m) of Central Government debt at the end of Q3-2023. There was a decrease of \$4.84m (2.99%) and \$17.99m (10.29%) when compared to Q2-2023 and Q3-2022 respectively. The main external creditor was the Caribbean Development Bank (CDB) and the main loan currency was the United States Dollar, both corresponding to \$156.39m of the debt at the end of Q3-2023. The remaining portion of external debt amounted to \$0.44m, which was denominated in Euro. The variable interest rate debt accounted for \$155.07m (98.88%), while fixed interest rate debt accounted for \$1.76m (1.12%). There were no external debt arrears.

2.2 Central Government Domestic Debt was recorded at \$210.00m at the end of Q3-2023. This represented a decrease of \$4.10m (1.91%) and \$16.39m (7.24%), when compared to Q2-2023 and Q3-2022 respectively. The Eastern Caribbean Dollar was the main loan currency of Central Government Domestic Debt. The main creditor category was government related institutions, specifically the Anguilla Social Security Board (ASSB), which held 89.17% (\$187.25m) of debt. The remaining 10.83% (\$22.75m) is associated with a private arrangement, the Depositors’ Protection Trust² (DPT). In regard to domestic instruments, the ASSB Promissory Note accounted for 89.17% of the domestic debt portfolio and the DPT bond accounted for the remaining 10.83%. There was no debt associated with the overdrafts. Additionally, there were no arrears related to domestic debt.

Figure 6: CENTRAL GOVERNMENT EXTERNAL DEBT BY INTEREST RATE TYPE, Q3-2022 to Q3-2023

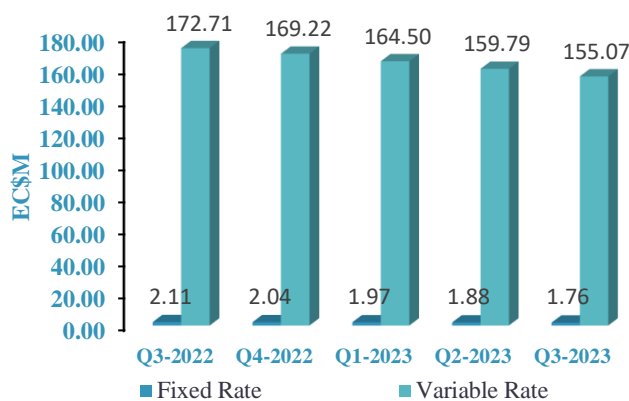
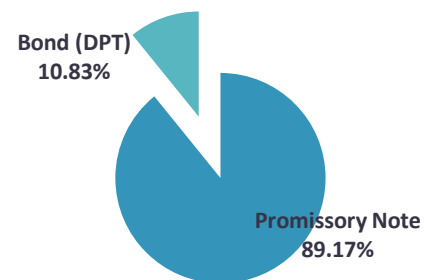


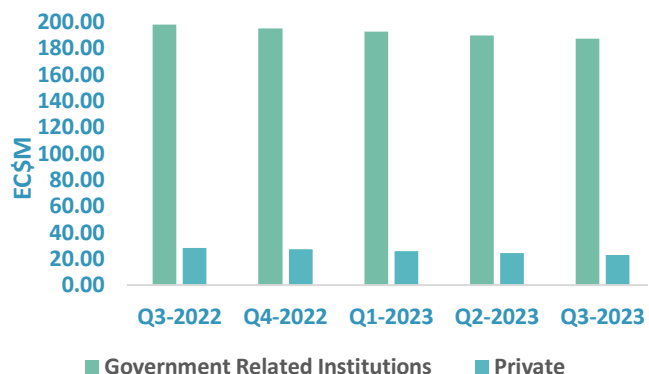
Figure 8: CENTRAL GOVERNMENT DOMESTIC DEBT BY INSTRUMENT, Q3-2023



¹ Fixed- Represents external debt denominated in foreign currencies to which the EC dollar is pegged and thus the exchange rate is fixed. The EC dollar is solely pegged to the US Dollar.
Floating- Represents external debt denominated in currencies to which the EC dollar is not pegged.

² DPT- an arrangement established under the Bank Resolution Obligations Act and executed to protect and repay persons holding large deposits at the former National Bank of Anguilla Ltd. & the Caribbean Commercial Bank (Anguilla) Ltd.

Figure 9: CENTRAL GOVERNMENT DOMESTIC DEBT BY CREDITOR, Q3-2022 to Q3-2023



2.3 Central Government Debt Service amounted to \$12.44m during Q3-2023, a decrease of 2.39% (\$0.31m) when compared to Q2-2023 and an increase of 2.20% (\$0.26m) when compared to Q3-2022. Interest payments accounted for \$3.52m and amortization accounted for \$8.92m, which is 28.28% and 71.72% of total debt service respectively. Domestic debt service represented 45.34% (\$5.64m) of the actual debt service for Q3-2023 and external debt service, the remaining 54.66% (\$6.80m).

Note that the table below does not present the repayment currency and all monies were converted to Eastern Caribbean Dollars.

TABLE 1: CENTRAL GOVERNMENT DEBT SERVICE PAYMENTS, Q3-2022 to Q3-2023

Debt Service Payments	Q3-2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023
Total Debt Service	12.18	13.00	12.52	12.75	12.44
Total Principal Repayments	8.90	8.90	8.90	8.90	8.92
Total Interest Payments	3.28	4.10	3.62	3.85	3.52
External Debt Service	6.43	6.60	6.82	7.08	6.80
Principal Repayments	4.80	4.80	4.80	4.80	4.83
Interest Payments	1.62	1.80	2.02	2.28	1.97
Domestic Debt Service	5.75	6.40	5.70	5.67	5.64
Principal Repayments	4.10	4.10	4.10	4.10	4.10
Interest Payments	1.65	2.30	1.60	1.57	1.55

2.4 Central Government Disbursements

There were no disbursements or new financing during Q3-2023.

TABLE 2: NEW FINANCING, Q3-2022 to Q3-2023

New Financing (EC\$M)	Q3-2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023
External	0.00	1.20	0.00	0.00	0.00
Multilateral	0.00	1.20	0.00	0.00	0.00
Domestic	-	-	-	-	-

3. Guaranteed and Non-Guaranteed Debt stood at \$15.38m at the end of Q3-2023. There was a decrease of \$0.31m (1.97%) and \$3.40m (18.09%) when compared to Q2-2023 and Q3-2022 respectively. External debt accounted for \$0.87m (5.64%) and domestic debt accounted for the remaining \$14.52m (94.36%). The main creditor of external debt was the CDB. Regarding domestic debt, Seven Seas Water was the main creditor through a Public-Private Partnership (PPP) arrangement. There were no disbursements made during Q3-2023.

Figure 10: TOTAL GUARANTEED AND NON-GUARANTEED DEBT, Q3-2022 to Q3-2023

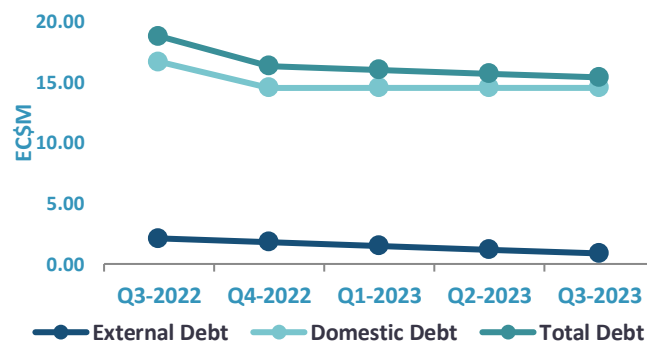
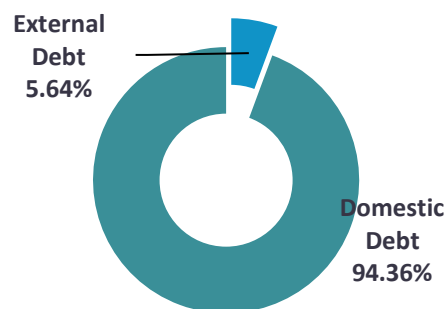


Figure 11: TOTAL GUARANTEED AND NON-GUARANTEED DEBT COMPOSITION, Q3-2023



4. Debt Ratios and Sustainability Indicators

One of the sustainability indicators, Debt/GDP for Q3-2023 reflects a decrease in nominal debt stock of 4.36 percentage points and 17 percentage points when compared to Q2-2023 and Q3-2022 respectively. At the end of Q3-2023, Anguilla remained in compliance with the ECCU Debt target of 60% by 34.56 percentage points. The Average Time to Maturity (ATM) stood at 6.05 years and the Average Time to Refixing (ATR) stood at 4.58 years. The share of interest rate subject to refixing within one year was 81.28%.

TABLE 3: SUSTAINABILITY INDICATORS

Sustainability Indicators	Q3-2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023
Public Sector Debt to GDP (%)	42.44	36.03	30.50	29.80	25.44
External Debt to GDP	17.88	15.21	12.79	12.40	10.50
Domestic Debt to GDP	24.56	20.82	17.72	17.40	14.95
Average Time to Maturity (ATM)(Yrs)	6.43	6.58	5.87	5.93	6.05
External Debt	4.57	4.66	3.91	4.02	4.10
Domestic Debt	7.78	7.99	7.28	7.30	7.42
Average Time to Refixing (ATR)(Yrs)	4.73	4.84	4.45	4.48	4.58
External Debt	0.53	0.54	0.52	0.52	0.52
Domestic Debt	7.78	7.99	7.28	7.30	7.42
Share of Interest Rate to be refixed within one year	82.88	83.10	82.52	81.91	81.28

Figure 12 portrays the maturity structure of Anguilla’s public debt stock at the end of Q3-2023. The maturity profile is the amount of debt falling due in each period. Anguilla’s existing debt is due to fully mature in 2041.

The graph illustrates that \$53.04m will mature in less than one year, \$165.47m within 5 years and \$163.70m over 5 years. Figure 12 indicates that external debt is due to fully mature in 2036 and domestic debt is due to fully mature in 2041.

Figure 12: TOTAL PUBLIC DEBT- MATURITY PROFILE

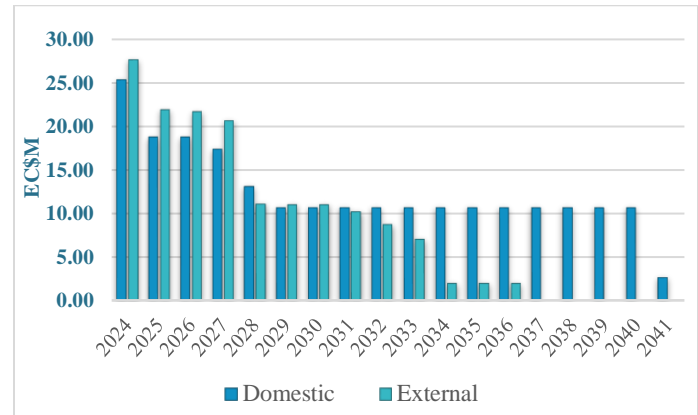


TABLE 4: FISCAL SUSTAINABILITY AND DEVELOPMENT BENCHMARKS (FFSD BENCHMARKS)

Borrowing Ratios	Targets	Quarterly Projections			
		Q4-2022	Q1-2023 ^a	Q2-2023	Q3-2023
Net Debt/Recurrent Revenue	≤80%	100.30%	103.70%	80.68%	51.75%
Variance		20.30%	23.70%	0.68%	-28.25%
Debt Service/Recurrent Revenue	≤10%	14.95%	18.48%	18.37%	13.42%
Variance		4.95%	8.48%	8.37%	3.42%
Liquid Assets/Recurrent Expenditure	≥25%	26.65%	40.89%	64.23%	73.06%
Variance		1.65%	15.89%	39.23%	48.06%
Debt/GDP	≤60%	36.03%	30.50%	29.80%	25.44%
Variance		-23.97%	-29.50%	-30.20%	-34.56%

At the end of Q3-2023 preliminary estimates indicated that the GoA remained in breach of one of the three FFSD targets/benchmarks as agreed with the United Kingdom Government and established under the Fiscal Responsibility Act. The debt service to recurrent revenue ratio breached its target of 10% by 3.42 percentage points. The others, being the liquid assets to recurrent expenditure ratio and net debt to recurrent revenue, comply by 48.06 and 28.25 percentage points to their benchmarks of 25% and 80% respectively.