

QUARTER
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PUBLIC DEBT **BULLETIN** **2024** | A PRODUCT OF THE DEBT MANAGEMENT UNIT MINISTRY OF FINANCE



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Acronyms & Abbreviations

ATM- Average Time to Maturity

ATR- Average Time to Re-fixing

CAT-DDO- Catastrophe Deferred Drawdown Option

CG – Central Government

CNY - Chinese Yuan Renminbi

EUR- Euro

GBP- Great Britain Pound

GDP- Gross Domestic Product

GG- Government-guaranteed

GoG- Government of Grenada

IDA- International Development Association

KWD- Kuwaiti Dinar

MTDS- Medium-Term Debt Management Strategy

RGSM- Regional Governments' Securities Market

SOE- State-owned Enterprise

USD- United States Dollar

XCD- Eastern Caribbean Dollar

XDR- Special Drawing Rights

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1.0 Central Government and Government-guaranteed Debt

At the end of quarter 3 (Q3) 2024, Central Government's (CG's) debt was EC\$2,175.1 million which was 57.2% of Gross Domestic Product (GDP)¹. It comprised 82.6% external debt² and 17.4% domestic debt³ (Chart 1). When compared to Q3 2023 and the previous quarter, total CG debt increased by 1.6% and 2.3% respectively. The increase in Q3 2024 was primarily due to the full disbursement of an external loan. Domestic CG debt decreased over the 1-year period Q3 2023 to Q3 2024, whilst external CG debt decreased marginally between Q3 2023 and Q2 2024 but increased in Q3 2024. Chart 2 shows the movement in domestic and external CG debt. At the end of Q3 2024 there was no government-guaranteed (GG) debt.

Chart 1: Central Government Debt (Q3 2024)

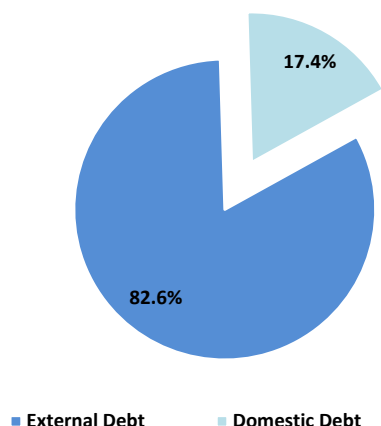
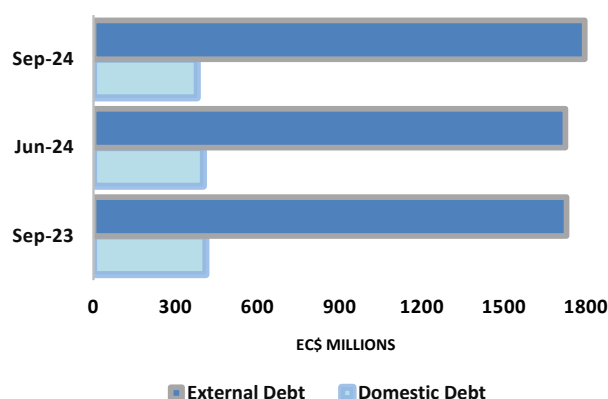


Chart 2: Movement in Central Government Debt



1.1 Central Government's External Debt

At the end of Q3 2024, CG's external debt was EC\$1,796.1 million (47.3% of GDP). It mainly consisted of concessional loans.

1.1.1 External Debt by Creditor Category

Government of Grenada's (GoG's) chief external creditors are its multilateral creditors. At the end of Q3 2024, CG's external debt comprised 68.7% of multilateral funding. Debt contracted from bilateral non-Paris Club creditors held the second highest share of 16.1% (Appendix 2) (Chart 3). The chief multilateral creditor in GoG's portfolio as at end Q3 2024 was the International Development Association (IDA) and the chief bilateral creditor was the People's Republic of China.

1.1.2 External Debt by Interest Type

The majority of GoG's loans have been contracted at fixed interest rates. These comprised 87.3% of the external portfolio at the end of Q3 2024. Loans at variable interest rates and interest-free loans held 7.7% and 5.0% of the external portfolio respectively (Chart 4).

¹ GDP: Ministry of Finance Staff estimated Gross Domestic Product (nominal, at Market Prices) for 2024 (EC\$3,799.7 million).

² External debt includes all debt contracted by creditors who do not reside in Grenada, a portion of which is denominated in the Eastern Caribbean Dollar (XCD).

³ Domestic debt includes all debt contracted by creditors who reside in Grenada.

Chart 3: External debt by Creditor

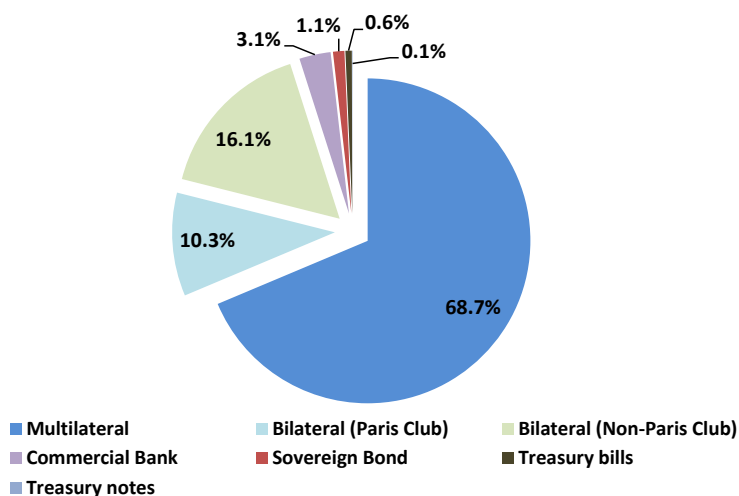
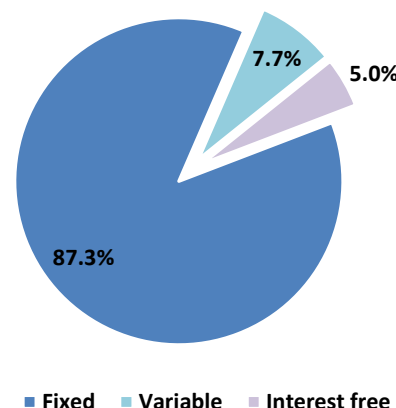


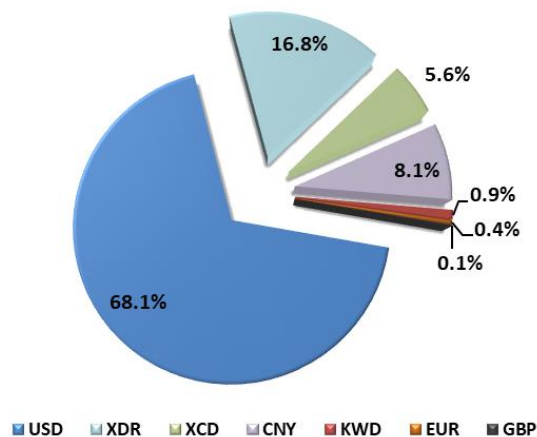
Chart 4: External Debt by Interest Type



1.1.3 Currency Composition of External Debt

At the end of Q3 2024, instruments denominated in United States Dollars (USD) held the highest share (68.1%) of GoG's external portfolio. Instruments contracted in Special Drawing Rights (XDR) held the second highest share of 16.8%. This was also the case in the periods under comparison. Chart 5 shows external debt by currency composition at the end of Q3 2024.

Chart 5: Currency Composition of External Debt



1.2 Central Government's Domestic Debt

At the end of Q3 2024, CG's domestic debt was EC\$379.0 million (10.0% of GDP). It decreased by 5.6% below the previous quarter chiefly because an over-the-counter Treasury bill in the amount of EC\$20.0 million was redeemed in August of 2024.

1.2.1 Domestic Debt by Instrument Type

Chart 6 shows domestic debt by instrument type. At the end of Q3 2024, bonds held the highest share of GoG's domestic portfolio (59.5%), and Treasury Bills held the second highest share (18.5%).

1.2.2 Domestic Debt by Holder

Non-bank financial institutions were the chief holders of CG's domestic debt (41.3%) at the end of Q3 2024 (Chart 7).

Chart 6: Domestic Debt by Instrument Type

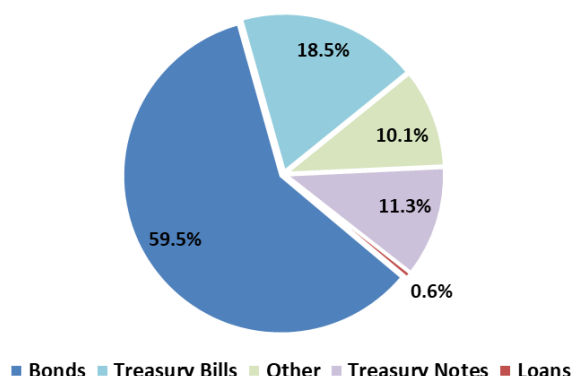
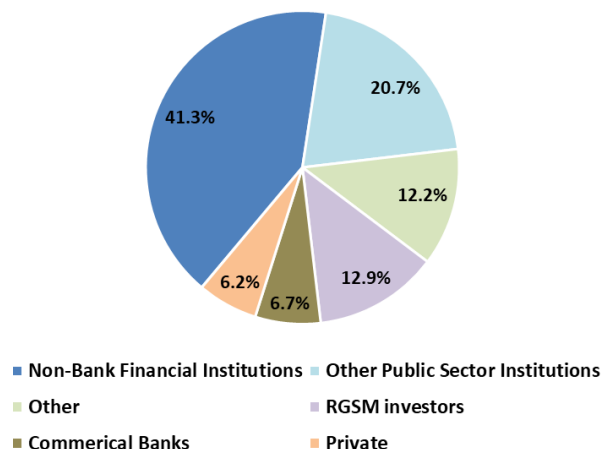


Chart 7: Domestic Debt by Holder



1.2.3 Domestic Debt by Interest Type

All domestic instruments have been contracted at fixed interest rates.

2.0 Debt of State-Owned Enterprises (SOEs)

At the end of 2023⁴, the total SOE debt stock (unaudited), with the exclusion of three (3) SOEs, was EC\$535.1 million (14.1% of GDP). It consisted chiefly of the debt obligations of Petro Caribe, which was EC\$372.1 million (9.8% of GDP) and all other debt reported by SOEs which amounted to EC\$163.0 million, 23.0% of which was external debt and 77.0% domestic debt. All non-guaranteed instruments contracted by SOEs are long-term loans and the major creditor is a local commercial bank.

3.0 Disbursements & New Borrowing

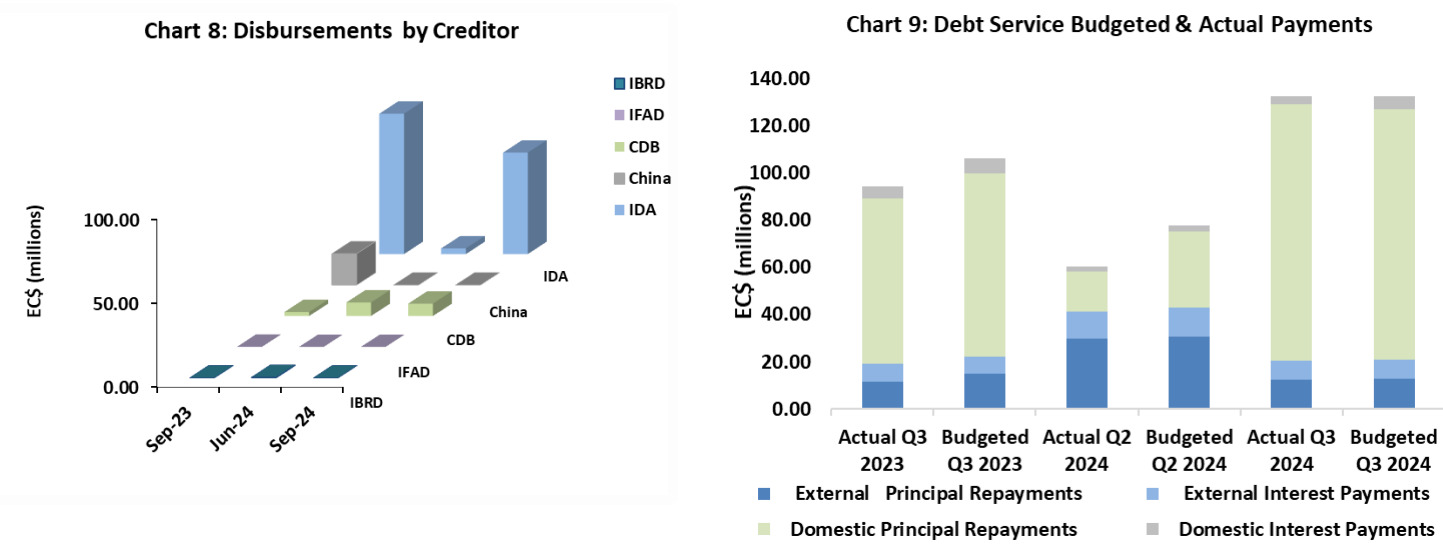
Total disbursements received in Q3 2024 was EC\$67.9 million. All disbursed funds were received from multilateral creditors. No new loans were contracted during the period, however, one (1) loan contracted in 2020, IDA's Disaster Risk Management Development Policy Financing, with a Catastrophe Deferred Drawdown Option (CAT-DDO), was fully disbursed due to the impact of Hurricane Beryl on Grenada, Carriacou and Petite Martinique. The loan consisted of a single withdrawal tranche in the amount of US\$20.0 million. Economic sectors for which funds were disbursed during Q3 2024 include agriculture, education and training, research and development, healthcare, tourism, construction and infrastructure. Funds were also disbursed for budget support. Chart 8 shows disbursements by creditor in the periods under comparison.

4.0 Debt Service

During Q3 2024, total actual debt service payments was EC\$132.6 million. Amortization was EC\$120.9 million and interest payments amounted to EC\$11.7 million. Actual debt service was only EC\$0.2 million higher than

⁴ SOE debt data as at end 2023 is the latest data available.

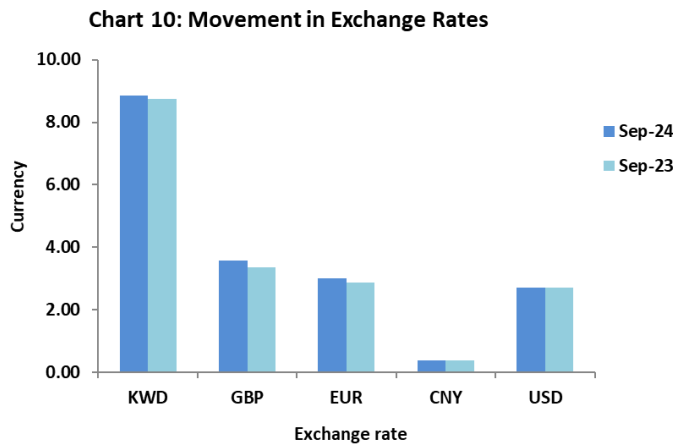
the budgeted amount. External and domestic debt service were 15.4% and 84.6% respectively. Chart 9 compares budgeted and actual debt service payments in the periods under comparison.



5.0 Risk Assessment of the Portfolio

5.1 Foreign Currency Risk

During the 1-year period September 2023 to September 2024, the Eastern Caribbean Dollar (XCD) depreciated against the Great Britain Pound (GBP) by 6.6%, the Kuwaiti Dinar (KWD) by 1.2%, the Euro (EUR) by 3.9% and the Chinese Yuan Renminbi (CNY) by 3.1%. Rates of depreciation, since relatively low, did not have a major impact on the portfolio. Chart 10 shows movements in exchange rates.



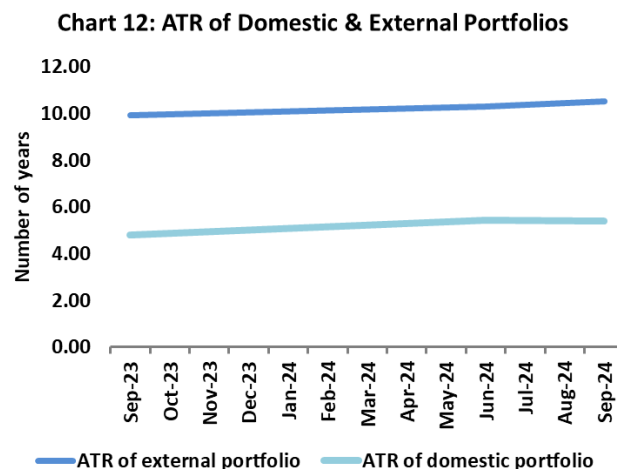
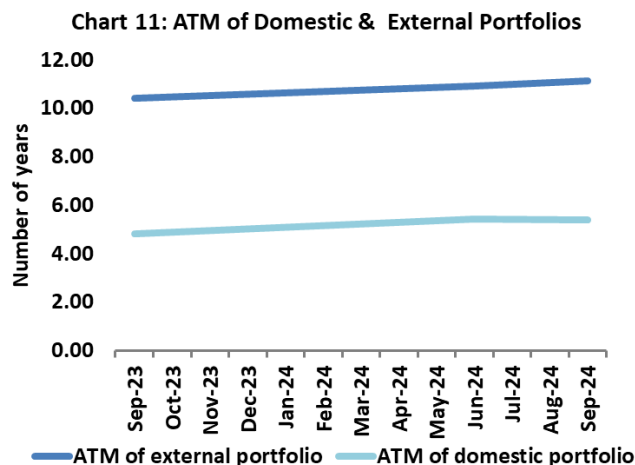
5.2 Average Time to Maturity (ATM⁵) & Average Time to Re-fixing (ATR⁶)

The ATM of the external portfolio was 11.1 years in Q3 2024. It increased over Q3 2023 by 0.7 years and over the previous quarter by 0.2 years. It remained in line with the Medium-term Debt Management Strategy (MTDS) benchmark of 8.0 years and above. The ATR of the external portfolio was 10.5 years. It increased over Q3 2023 by 0.6 years and over the previous quarter by 0.2 years. The ATM and ATR of the domestic portfolio were both

⁵ ATM shows how long it takes on average to roll over or refinance the debt portfolio.

⁶ ATR indicates the average time required to reset the interest rate in the debt portfolio.

5.4 years in Q3 2024, as they were in Q2 2024. They both decreased by 0.6 years when compared to Q3 2023 (Charts 11 and 12).



6.0 Regional Governments' Securities Market (RGSM) Activities

Two (2) RGSM Treasury bills were reissued in Q3 2024. They were both oversubscribed. Details are in Table 1 below.

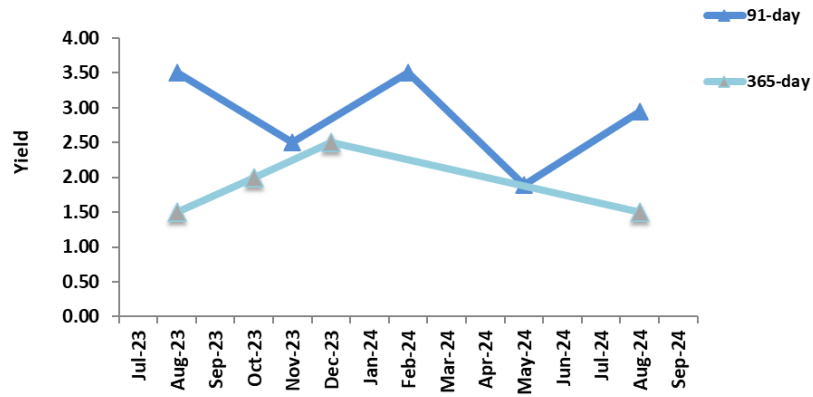
Table 1: RGSM Auction Results (Q3 2024)

Instrument type	Total units offered	Total Competitive Bids received	Total Payment Due	Total Discount	Discount Rate (%)	Bid to Cover Ratio
<i>In millions of EC\$ unless otherwise stated</i>						
91-day T-bill	15.00	23.80	14.89	0.11	2.95	1.59
365-day T-bill	25.00	36.57	24.63	0.37	1.50	1.46
TOTAL	40.00	60.37	39.52	0.48		

6.1 Yields on RGSM Treasury bills

Chart 13 shows the yields on RGSM Treasury bills during the period Q3 2023 to Q3 2024. Rates on 91-day Treasury bills fluctuated throughout the period, whereas rates on 365-day Treasury bills showed an upward trend in 2023 but decreased with the first reissuance in August 2024. These rates are based on the competitiveness of investors during the auctions.

**Chart 13: Interest Rate Fluctuations on Treasury Bills
(Q3 2023-Q3 2024)**



7.0 Government Guarantees

As of Q4 2023, there are no Government-guaranteed instruments in GoG's portfolio.

Appendices

Appendix 1: Central Government & Government-guaranteed Debt

Debt Category	Sep-23	Jun-24	Sep-24
<i>In millions of EC\$</i>			
External Debt	1,728.90	1,725.02	1,796.08
Domestic Debt (including government-guaranteed debt)	411.97	401.59	378.98
Total	2,140.87	2,126.61	2,175.06

Appendix 2: External Debt by Creditor

Creditor Category	Sep-23	Jun-24	Sep-24
<i>In millions of EC\$</i>			
Multilateral	1,165.10	1,167.55	1,233.03
Sovereign Bond	213.19	184.67	184.67
Bilateral (Non-Paris Club)	259.19	286.26	290.03
Treasury bills	54.28	54.42	55.92
Treasury notes	22.60	20.13	20.24
Bilateral (Paris Club)	13.63	11.07	11.27
Commercial Bank	0.91	0.91	0.91
Total	1,728.90	1,725.02	1,796.08

Appendix 3: External Debt by Currency Composition

Currency Composition	Sep-23	Jun-24	Sep-24
<i>In millions of EC\$</i>			
United States Dollar	1,173.91	1,164.20	1,222.37
Special Drawing Rights	308.45	295.81	301.79
Kuwaiti Dinar	19.00	17.80	16.56
Great Britain Pound	3.00	2.43	2.58
Chinese Yuan	112.64	139.53	144.54
Euro	5.20	5.14	6.52
Eastern Caribbean Dollar	106.70	100.11	101.72
Total	1,728.90	1,725.02	1,796.08

Appendix 4: Disbursement by Creditor

Creditor	Sep-23	Jun-24	Sep-24
<i>In millions of EC\$</i>			
Caribbean Development Bank	2.38	8.08	7.38
International Development Association	83.77	3.39	60.54
International Bank for Reconstruction & Development	0.00	0.37	0.00
International Fund for Agricultural Development	0.12	0.00	0.00
CARICOM Development Fund	0.44	0.00	0.00
Exim Bank of the Republic of China	18.65	0.00	0.00
Total	105.36	11.84	67.93

Appendix 5: Domestic Debt by Instrument Type

Domestic Debt by Instrument	Sep-23	Jun-24	Sep-24
<i>In millions of EC\$</i>			
Bonds	232.26	225.68	225.58
Treasury Bills	91.71	91.78	70.28
Other	43.85	38.67	38.18
Treasury Notes	40.90	43.37	42.87
Loans	2.45	2.10	2.08
Total	411.16	401.59	378.98

Appendix 6: Domestic Debt by Holder

Domestic Debt by Holder	Sep-23	Jun-24	Sep-24
<i>In millions of EC\$</i>			
Non-Bank Financial Institutions	169.97	169.77	156.49
Other Public Sector Institutions	81.67	78.48	78.48
Other	59.24	53.34	46.10
RGSM investors	47.67	50.21	48.71
Commercial Banks	28.20	25.58	25.58
Private	24.41	24.21	23.61
Total	411.16	401.59	378.98

Appendix 7: Debt Service

	Actual Q3 2023	Budgeted Q3 2023	Actual Q2 2024	Budgeted Q2 2024	Actual Q3 2024	Budgeted Q3 2024
<i>In millions of EC\$</i>						
Debt service						
Total Debt Service	94.44	105.98	60.49	77.60	132.63	132.39
External Debt Service	19.29	22.06	41.43	42.78	20.39	20.88
<i>External Principal Repayments</i>	11.50	15.01	29.69	30.82	12.25	12.82
<i>External Interest Payments</i>	7.80	7.05	11.74	11.96	8.14	8.06
Domestic Debt Service	75.15	83.92	19.06	34.82	112.24	111.51
<i>Domestic Principal Repayments</i>	69.96	77.74	16.97	32.39	108.63	106.21
<i>Domestic Interest Payments</i>	5.18	6.18	2.09	2.44	3.61	5.30

Debt Statistics Summary (In millions \$ unless otherwise stated)

Particulars	Sep-23	Jun-24	Sep-24	Qtrly change (%)	YTD change (%)
Central Government & Government-Guaranteed Debt (XCD)					
External Debt	1,728.90	1,725.02	1,796.08	4.12	3.89
Domestic Debt (including Government Guarantees (2023))	411.97	401.59	378.98	-5.63	-8.01
SOE non-guaranteed debt	154.20	163.00	163.00	0.00	5.71
Other Debt*	372.14	372.14	372.14	0.00	0.00
Central Government's Debt (XCD)					
External Debt	1,728.90	1,725.02	1,796.08	4.12	3.89
Domestic Debt	411.16	401.59	378.98	-5.63	-7.83
Central Government's Debt to GDP (%)					
External Debt	47.38	45.40	47.27	4.12	-0.24
Domestic Debt	11.27	10.57	9.97	-5.63	-11.49
Other Debt to GDP (%)	10.20	9.79	9.79	0.00	-3.97
Government Guarantees					
External	0.00	0.00	0.00	0.00	0.00
Domestic	0.80	0.00	0.00	0.00	-100.00
External debt by Creditor (XCD)					
Multilateral	1,165.10	1,167.55	1,233.03	5.61	5.83
Bilateral	272.82	297.34	301.31	1.33	10.44
Regional investors	76.88	74.55	76.16	2.16	-0.94
Commercial creditors	214.10	185.58	185.58	0.00	-13.32
External Debt by Instrument (XCD)					
T-bills/ T-notes	76.88	74.55	76.16	2.16	-0.94
Loans	1,438.83	1,465.80	1,535.25	4.74	6.70
Bonds	213.19	184.67	184.67	0.00	-13.38
Domestic Debt by instrument (XCD)					
T-bills	91.71	91.78	70.28	-23.43	-23.37
T-Notes	40.90	43.37	42.87	-1.15	4.81
Bonds	232.26	225.68	225.58	-0.04	-2.88
Loans	2.45	2.10	2.08	-1.30	-15.31
Other	43.85	38.67	38.18	-1.27	-12.94
Foreign Currency Risk (%)					
% of debt in USD	67.90	67.49	68.06	0.84	0.23
% of debt in XDR	17.84	17.15	16.80	-2.01	-5.82
% of debt in Kuwaiti Dinars	1.10	1.03	0.92	-10.65	-16.10
% of debt in GBP	0.17	0.14	0.14	1.97	-17.22
% of debt in Chinese Yuan	6.52	8.09	8.05	-0.51	23.52
% of debt in EUR	0.30	0.30	0.36	21.83	20.70
% of debt in XCD	6.17	5.80	5.66	-2.41	-8.24
% of foreign debt	80.79	81.12	82.58	1.80	2.21
Total Debt Service (XCD)					
External	19.29	41.43	20.39	-50.78	5.70
Domestic	75.15	19.06	112.24	488.82	49.36
Principal	81.46	46.66	120.89	159.08	48.40
Interest	12.98	13.83	11.75	-15.08	-9.52
Disbursements	105.36	11.84	67.93	473.84	-35.53
Fiscal indicators (%)					
Total Debt Service to Revenue	28.47	16.25	24.19	48.81	-15.05
Total Debt Service to GDP	2.59	1.59	3.49	119.26	34.86
Interest to Revenue	3.91	3.72	2.14	-42.34	-45.25
Interest to Expenditure	5.50	4.97	3.74	-24.83	-32.06
Total Public Sector Debt (% of GDP)	73.10	70.05	71.33	1.82	-2.43

* Includes the debt obligations of Petro Caribe

NB. FIGURES ARE SUBJECT TO CHANGE