



ANNUAL DEBT REPORT 2023

A PRODUCT OF THE
DEBT MANAGEMENT UNIT
MINISTRY OF FINANCE



FOR MORE CONTENT VISIT THIS LINK
FINANCE.GD

ACRONYMS & ABBREVIATIONS

ATM-	Average Time to Maturity
ATR-	Average Time to Re-fixing
BOSL-	Bank of St. Lucia
CDB-	Caribbean Development Bank
CG	– Central Government
CUB-	Committed Undisbursed Debt
FCIS-	First Citizens Investment Services Ltd
FRA-	Fiscal Responsibility Act
GARFIN-	Grenada Authority for the Regulation of Financial Institutions
GCB-	Grenada Cooperative Bank
GDB-	Grenada Development Bank
GDP-	Gross Domestic Product
GG-	Government-Guaranteed
GoG-	Government of Grenada
IBRD-	International Bank for Reconstruction & Development
IDA-	International Development Association
IMF-	International Monetary Fund
MOF-	Ministry of Finance
MTDS-	Medium-Term Debt Management Strategy
OTC-	Over-the-counter
PDMA-	Public Debt Management Act
PRC-	People’s Republic of China
RGSM-	Regional Governments Securities Market
SOE-	State-owned Enterprise
USD-	United States Dollar
XCD-	Eastern Caribbean Dollar

TABLE OF CONTENTS

1.0 INTRODUCTION & BACKGROUND	1
2.0 MACROECONOMIC CONTEXT	1
3.0 CENTRAL GOVERNMENT & GOVERNMENT-GUARANTEED DEBT	4
3.1 External Debt by Creditor Category	4
3.2 Domestic Debt by Holder & Instrument Type	5
3.3 Regional Governments' Securities Market (RGSM) activities.....	6
4.0 CONTINGENT LIABILITIES.....	6
4.1 Government-Guaranteed Debt of SOEs.....	6
4.2 On-Lent Loans	6
4.3 Non-Guaranteed Debt of SOEs.....	7
4.4 Other Public Sector debt	7
5.0 PUBLIC DEBT.....	8
6.0 MEDIUM-TERM DEBT MANAGEMENT STRATEGY IMPLEMENTATION.....	8
6.1 Total financing in 2023	8
6.2 External Borrowing in 2023.....	9
6.2.1 Disbursements by Creditor.....	9
6.3 Domestic Borrowing in 2023	10
6.3.1 Regional Governments' Securities Market (RGSM) activities	10
6.3.2 Non-RGSM Securities	10
6.4 Budgeted vs Actual Financing in 2023	11
7.0 COST AND RISK ANALYSIS OF THE EXISTING DEBT PORTFOLIO	12
8.0 SHORT AND MEDIUM-TERM DEBT FORECASTS	13
9.0 APPENDICES	14

1.0 INTRODUCTION & BACKGROUND

This report gives an analysis of Government of Grenada's (GoG's) total debt portfolio. It consists of both the domestic and external debt of Central Government (CG) and the debt obligations of Grenada's State-owned Enterprises (SOEs), which by the end of fiscal year 2023 were all non-guaranteed. Furthermore, GoG's debt management practices are highlighted, along with a summary of Grenada's macroeconomic performance for the year.

The ratio of external to domestic CG debt at the end of 2023 was 81:19. External debt consisted mainly of long-term, multilateral loans which are on highly concessional¹ terms. Domestic instruments on the other hand consisted chiefly of bonds followed by Treasury bills (T/bills), for which there exists a large investor base. Since most interest rates on debt instruments are fixed, the portfolio is susceptible to moderate interest rate risk. Additionally, the majority of external debt is contracted in United States Dollars (USD) to which the Eastern Caribbean Dollar (XCD) is pegged, minimizing foreign exchange risk.

GoG, with its decision to keep all new borrowing within the broad parameters of the approved Medium-Term Debt Management Strategy (MTDS) for 2023, managed to keep its debt at a sustainable level while meeting the benchmarks set forth. Costs and risks remained manageable as GoG continues to service its debt in a timely manner. Furthermore, the ratio of debt to Gross Domestic Product (GDP²) decreased in 2023 when compared to 2022.

2.0 MACROECONOMIC CONTEXT

Over the past three years, the Grenadian economy has faced significant challenges due to the impacts of the COVID-19 pandemic and the Russia-Ukraine war. In 2020, real GDP contracted by 13.8 percent. However, the Grenadian economy has resiliently navigated through these turbulent periods, achieving robust and sustained growth that has surpassed pre-pandemic levels in real terms. In 2023, estimated real GDP growth was 4.1 percent, driven primarily by the tourism, wholesale and retail trade, manufacturing, transport, and education sectors.

The recovery of the tourism sector is evident through increased hotel and restaurant activities as tourists resume regular travel and business activities. In 2023, stayover arrivals surpassed 2019 levels within the first nine months, and cruise passenger arrivals increased by 84.3 percent over 2022. As of December 2023, the tourism sector had grown by 15.8 percent. The wholesale and retail trade sector has benefitted from the positive spillover effects of growth in other sectors. The full resumption of face-to-face classes at St. George's University, coupled with increased visitor arrivals, has significantly boosted the wholesale and retail trade sector, achieving a 6.0 percent growth in 2023.

¹ A loan is considered concessional when it has a grant element of at least 35.0 percent. Grant element is calculated as the difference between the face value and the net present value of the loan, expressed as a percentage of the face value.

² Ministry of Finance staff projected Gross Domestic Product for 2023 - EC\$3,571.4 million.

The manufacturing sector experienced notable growth, particularly in the production of grain mill and bakery products, following the stabilization of wheat prices after the sharp increases in 2022. Additionally, animal feed production received a boost from government initiatives supporting poultry production. The chemical and paint production sectors also improved, driven by increased demand for construction materials in major private sector projects such as Silversands Beach House and Six Senses Hotel. Overall, the manufacturing sector grew by 11.0 percent, fueled by the strong performance in these production areas.

Data from the Airport Authority, Ports Authority, and travel agents indicate significant growth in the transport and storage sector. This growth is reflective of increased air traffic, robust cruise ship, ferry, and cargo vessel activities, and a heightened demand for road transport services.

The education sector experienced 3.8 percent growth in 2023, driven by the full resumption of face-to-face classes at St. George's University and the relaxation of COVID-19 protocols in May 2023. Over 8,300 students returned to the island for classes, contributing to this growth.

Despite data challenges in estimating the performance of the agriculture sector, the sector faced substantial difficulties in 2023. These included unfavorable climatic conditions, higher fertilizer costs, and limited access to farmlands. However, with ongoing efforts to improve data quality and government investments in climate-smart agriculture, the sector is expected to recover in the medium term, despite a 23.5 percent decline in 2023.

At the end of 2023, inflation rose from 2.6 percent in 2022 to 2.7 percent, reflecting persistent elevated food and fuel prices. Although fuel price declined significantly in 2023, it remains above normal and is expected to stay elevated in the medium term.

The strong growth and recovery of the Grenadian economy have led to robust fiscal performance. Tax collection increased by 10.7 percent over 2022, and non-tax revenue surpassed 2022 actual collections by 8.2 million, driven by the impressive performance of the Citizenship by Investment (CBI) program. Total expenditure in 2023 was slightly subdued compared to 2022, due to the government's return to the fiscal rules and the lower-than-budgeted employee compensation. Government's capital expenditure in 2023 exceeded its budget, reflecting investments in non-financial assets such as land and property for strategic purposes.

Overall, the performance of revenue and expenditure in 2023 resulted in a primary balance of 9.5 percent of GDP, significantly exceeding the budgeted amount, and an overall balance of 8.0 percent of GDP, which was 7.1 percentage points higher than 2022.

Table 1: Grenada's Key Macroeconomic Indicators 2019-2023

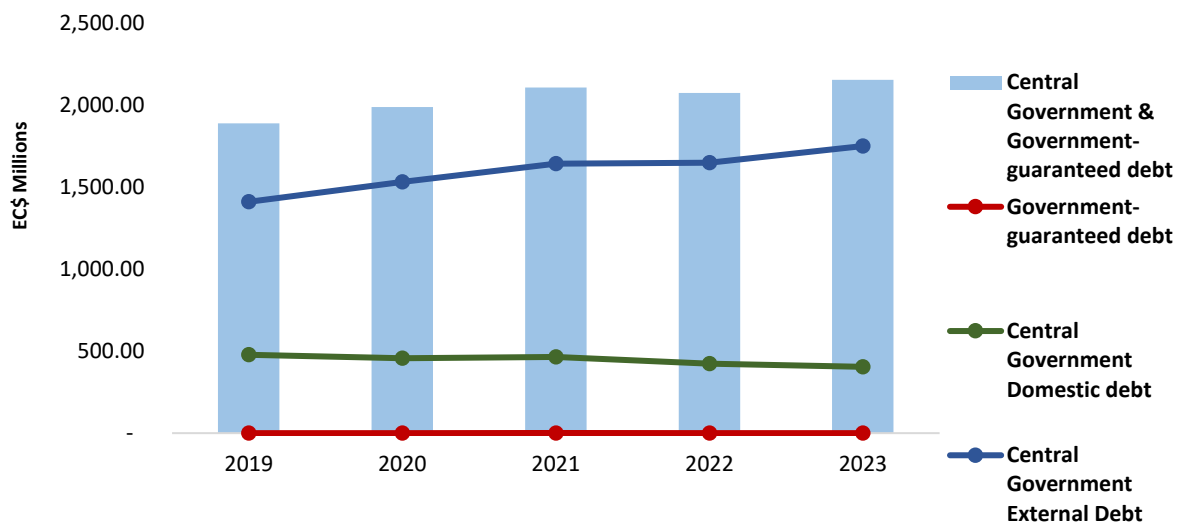
	2019	2020	2021	2022	2023
Real Sector	<i>(Annual Percentage Change Unless Otherwise Indicated)</i>				
Real GDP Growth	0.7	-13.8	4.7	7.3	4.1
Inflation (period average, %)	0.6	-0.7	1.2	2.6	2.7
Agriculture, Livestock and Forestry	-3.6	-15.0	15.0	-22.5	-23.5
Construction	-3.6	-20.5	25.7	25.5	-10.9
Education	4.2	-0.3	1.7	-4.1	3.8
Hotels and Restaurants	4.1	-68.2	37.6	60.9	15.8
Transport and Storage	4.2	-33.1	-13.5	26.7	13.1
Manufacturing	3.2	-10.2	11.1	8.3	11.0
Wholesale and Retail Trade	1.8	-15.4	6.5	0.1	6.0
Fiscal Account	<i>(As a Percentage of GDP)</i>				
Total Revenue & Grants	26.6	28.1	31.6	32.7	37.0
Tax Revenue	21.9	22.1	20.7	21.5	23.8
Non-tax Revenue	1.8	2.4	3.4	4.5	12.7
Grants	2.9	3.7	7.6	6.8	0.5
Total Expenditure	21.6	32.7	31.3	31.8	29.0
Current Expenditure	19.0	23.1	22.7	21.6	19.7
Capital Expenditure	2.6	9.6	8.6	10.2	9.3
Primary Balance	6.8	-2.6	2.1	2.8	9.5
Overall Balance	5.0	-4.5	0.3	0.9	8.0
Nominal GDP at Market Prices (EC\$ Millions)	3276.4	2817.2	3031.6	3324.9	3571.4

Source: Ministry of Finance (MOF)

3.0 CENTRAL GOVERNMENT & GOVERNMENT-GUARANTEED DEBT

At the end of 2023, there was no Government-guaranteed (GG) debt in GoG's portfolio. CG's debt at the time was EC\$2,155.6 million or 60.4 percent of GDP (Figure 1). It comprised 18.8 percent domestic debt and 81.2 percent external debt. Over the 5-year period 2019 to 2023 total CG debt increased on average by 11.6 percent between 2019 and 2021, primarily due to new borrowing necessary to grapple the effects of the Covid-19 pandemic. It then fell in 2022 by 1.6 percent and rose again in 2023 by 3.9 percent due to disbursements on new and existing loans (Figure 1). There was no GG debt in 2019 and 2020, but in 2021 one new GG loan was contracted by an SOE in the amount of EC\$1.0 million. This loan represented less than 1.0 percent of the portfolio and its balance was EC\$0.8 million at the end of 2022. By end-2023, the SOE holding GG debt underwent debt restructuring. As a result of the restructuring, its debt was consolidated into one (1) new instrument that is not Government guaranteed. GoG managed to service all its debt obligations as they fell due during 2023.

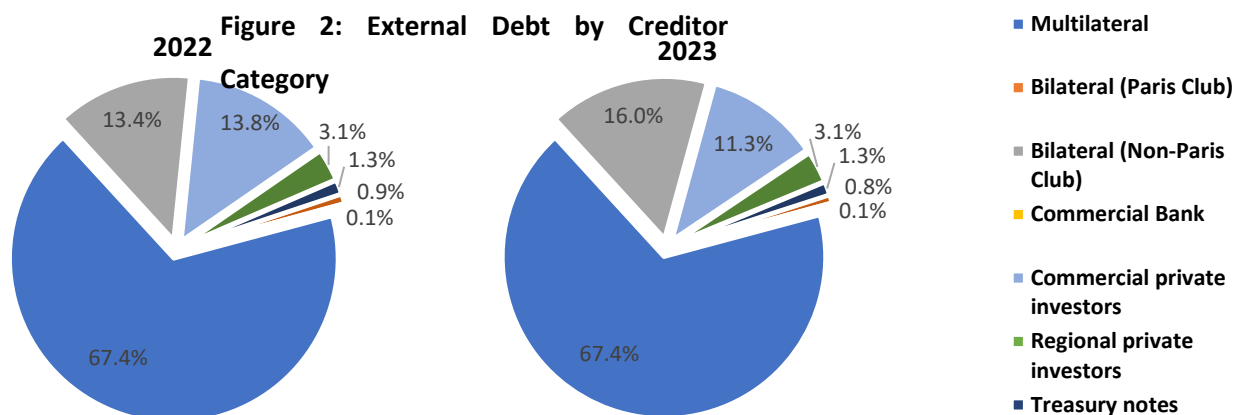
Figure 1: Central Government & Government-guaranteed debt 2019-2023



3.1 External Debt³ by Creditor Category

At the end of 2023, CG's external debt was EC\$1,751.0 million (49.0 percent of GDP). It increased by 6.1 percent over the previous year when it was EC\$1,650.1 million. GoG's chief source of external funding during 2023 was multilateral creditors (67.4 percent), followed by bilateral non-Paris Club creditors (16.0 percent). Commercial private investors accounted for 11.3 percent of the external portfolio and the remaining 5.3 percent was held by private regional investors, Paris Club creditors and a commercial bank (Figure 2). At the end of 2023, GoG's chief multilateral creditor was the International Development Association (IDA) and its chief bilateral creditor was the People's Republic of China (PRC).

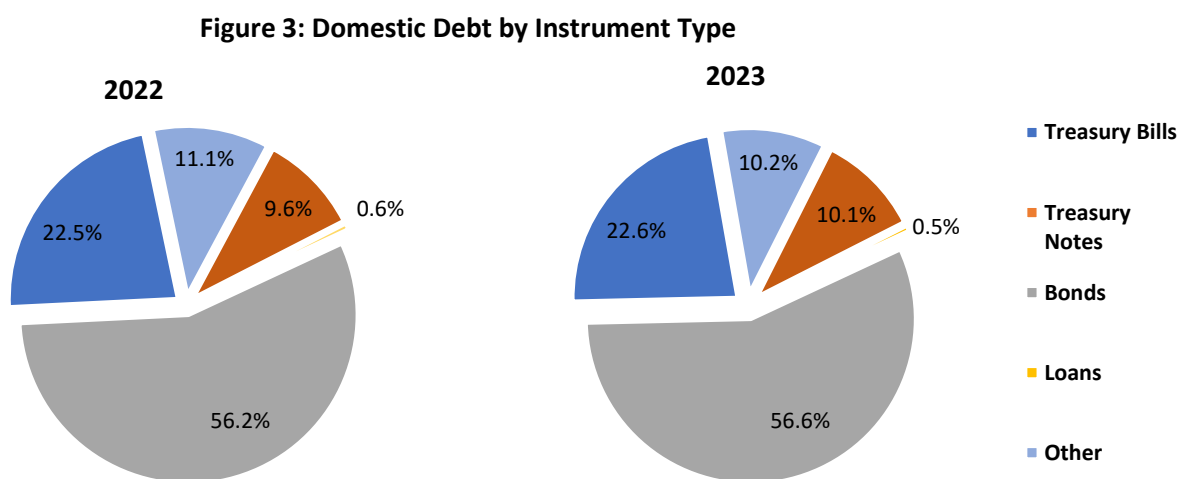
³ External debt is debt contracted from creditors who do not reside in Grenada



3.2 Domestic Debt⁴ by Holder & Instrument Type

Domestic CG debt was EC\$404.6 million or 11.3 percent of GDP at the end of 2023. It decreased by 4.7 percent when compared to 2022. The chief holders were non-bank financial institutions (42.0 percent), followed by a public sector institution (20.1 percent) and Regional Governments' Securities Market (RGSM) investors (11.7 percent). The remaining 26.2 percent was held by private investors, commercial banks and compensation claims (judgment debts).

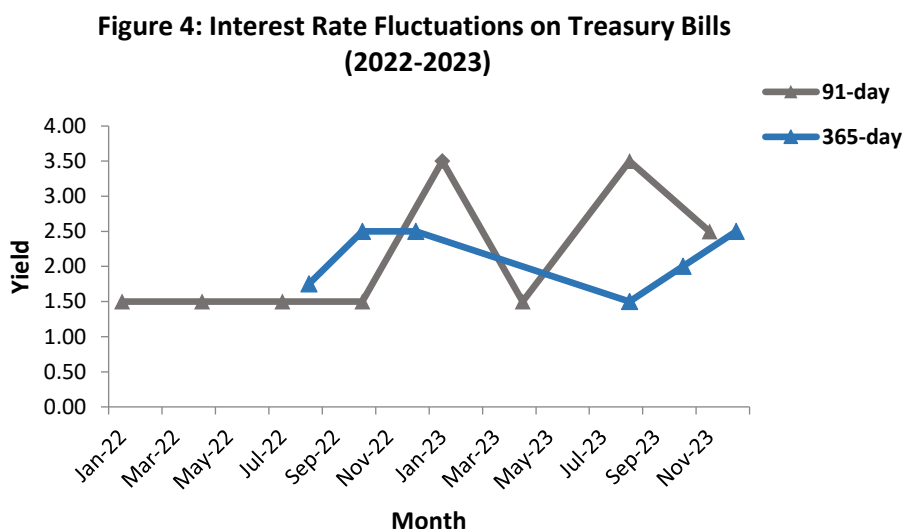
The instrument type that was most dominant in GoG's domestic portfolio at end-2023 was bonds (56.6 percent). T/bills followed at 22.6 percent. Other, consisting primarily of compensation claims held 10.2 percent. Treasury notes (T-notes) and loans from financial institutions accounted for 10.1 percent and 0.5 percent respectively (Figure 3). All domestic debts have been contracted in Eastern Caribbean Dollars (XCD) at fixed interest rates.



⁴ Domestic debt is debt contracted from investors who reside in Grenada

3.3 Regional Governments' Securities Market (RGSM) activities

A total of seven (7) RGSM auctions took place in 2023. GoG's sole 91-day T/bill of EC\$15.0 million was reissued four (4) times and its three (3) 365-day T/bills were also reissued. The lowest discount rate on both 91-day and 365-day T/bills was 1.5 percent. All instruments reissued were oversubscribed and in three (3) instances the oversubscription⁵ amount was greater than the amount of the auction. Figure 4 compares discount rates in 2022 and 2023. Discount rates were steady in 2022 on 91-day reissuances but fluctuated in 2023. Discount rates on 365-day T/bills showed similar trends in both 2022 and 2023. The rates are based on investors' appetites on the day of the auctions.



4.0 CONTINGENT LIABILITIES

4.1 Government-Guaranteed Debt of SOEs

Government contributes to the reduction in credit risk by making it possible for SOEs or Statutory Bodies to access funds at lower costs. However, GG loans are one form of explicit contingent liability that if called will directly affect CG's debt service cost. Like CG's debt, GG debt can be contracted in domestic or foreign currency and may be issued by external or domestic creditors. As at December 30, 2023 GoG had no GG debt.

4.2 On-Lent Loans

Based on the Public Debt Management Act (PDMA), 2015, Part III Section 9 (d) Government may from time-to-time contract loans from either external or domestic sources and in turn lend these funds to Statutory Bodies or SOEs to pursue a specific public policy purpose. As such, at the end of 2023, total disbursements on all on-lent loans to parastatals was EC\$197.1 million and the total outstanding balance on all on-lent loans was EC\$183.9 million (Table 2).

⁵ Oversubscription occurs when the demand for a security exceeds the amount being offered.

Table 2: Disbursements and balances of on-lent loans by Creditor Category (in EC\$ Millions)

Public Body	Creditor Category	Committed Amount EC\$	Disbursements to date 2022 EC\$	Disbursements to date 2023 EC\$	Balance as at end 2023	Economic Sector
Grenada Development Bank (GDB)	Multilateral	8.1	8.1	8.1	2.3	Multiple Sectors
Grenada Solid Waste	Multilateral	28.9	17.2	19.3	19.3	Environment
GDB	Multilateral	27.0	26.3	26.3	20.6	Multiple Sectors 21/SFR-GR-OCR
Gravel and Concrete	Commercial	4.4	4.4	4.4	2.7	Restructured
Grenada Airport Authority	Bilateral	189.0	67.3	139.0	139.0	Infrastructural Development
TOTAL		257.4	123.3	197.1	183.9	

Source: MoF

4.3 Non-Guaranteed Debt of SOEs

At the end of 2023, with the exception of (three) 3 SOEs, the outstanding non-guaranteed debt stock was EC\$153.1 million, an 8.9 percent decrease from the end of 2022 (Table 3). All non-guaranteed SOE loans are long-term loans.

Table 3: Summary of Non-Guaranteed Debt of State-owned Enterprises

Creditor	2022	2023	% change
	In EC\$ millions		
External Non-Guaranteed Debt	43.9	37.4	-14.8
Domestic Non-Guaranteed Debt	124.1	115.7	6.8
TOTAL	168.0	153.1	8.9

Source: MoF

**Represents stock of SOE debt as at end 2023 with the exception of three SOEs who are delayed in the filing of their financials.*

4.4 Other Public Sector debt⁶

The stock of other public sector debt stood at EC\$ 372.1 million or 10.4 percent of GDP at the end of 2023. This figure remains unchanged from the previous year and represents the stock of the PetroCaribe. Discussions are ongoing

⁶ Other Public Sector refers to Petrocaribe Grenada Ltd.

5.0 PUBLIC DEBT

Grenada's Fiscal Responsibility Act (FRA) 29 of 2015 was amended in 2023 and now includes a new definition of public debt. According to the new FRA, "public debt" includes all direct liabilities of central government, statutory bodies and state-owned enterprises, including advances, arrears, compensation claims, financial leases, government securities, loans, overdrafts, promissory notes, supplier credit agreements, contingent liabilities, including explicit contingent liabilities arising as a result of or in connection with public-private partnerships.

At the end of 2023, public debt, based on the FRA 2023, was EC\$2,680.8 million which was 75.1 percent of GDP. It comprised CG's domestic and external debt and all debt of Grenada's SOEs and statutory bodies, both guaranteed and non-guaranteed stated in sections 3 and 4.

6.0 MEDIUM-TERM DEBT MANAGEMENT STRATEGY IMPLEMENTATION

The Medium-Term Debt Management Strategy (MTDS) ensures a suitable debt portfolio is designed for Government by assessing the trade-offs between its costs and risks among other considerations. Through the MTDS, several alternative financing options are analyzed within the context of the macroeconomic and budget framework and the one that produces the most suitable borrowing plan for Government over the medium term is selected. The MTDS is prepared in fulfilment of the Requirements of Section 5(1) of the Public Debt Management (PDM) Act, No. 28 of 2015 and it facilitates the achievement of GoG's set strategic benchmarks. Further, the chosen strategy indicates how much of the total gross financing need will be met from external and domestic creditors, who these creditors should be, and the instrument types to be issued and/or reissued.

In 2023, the chosen strategy suggested that all new borrowing be contracted from GoG's usual external, multilateral creditors in USD and the drawdown of Committed Undisbursed Funds (CUB) from both multilateral and bilateral creditors. It also suggested a continued presence on the domestic and regional markets with no new issuances, only the reissuance of maturing instruments. This was largely achieved.

6.1 Total financing in 2023

In the year 2023, total financing⁷ raised was EC\$ 680.9 million. The ratio of external to domestic financing was 72:28. Domestic financing was contracted chiefly from the reissuance of T/bills and the greater portion of external financing was received from new borrowing. Of the total disbursements received, 57.5 percent was from existing loans and 42.5 percent from a new multilateral loan.

⁷ Financing includes new instruments contracted in 2023 (EC\$ 377.9 m), disbursements on existing facilities (EC\$109.7 m) and domestic instruments reissued during the year (EC\$193.3 m).

6.2 External Borrowing in 2023

Details of the three (3) new loans contracted in 2023 can be found in table 4. Two (2) of these newly contracted loans are concessional. The MTDS recommended that all new borrowing be contracted from multilaterals. Although one (1) of the new loans was contracted from a bilateral creditor it was not disbursed in 2023.

Table 4: Terms of new borrowing (2023)

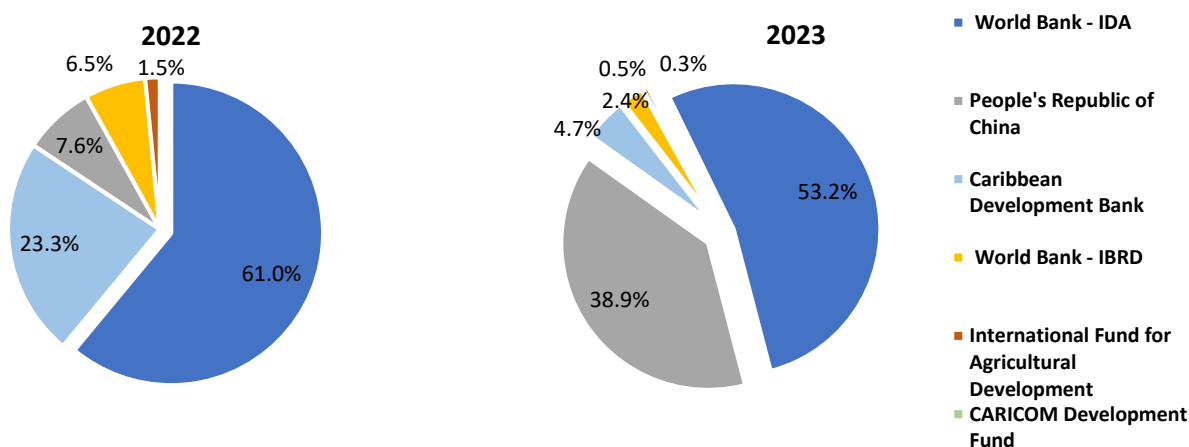
Grace period	Maturity	Interest type	Committed Amount (EC\$ millions)	Amount Disbursed	Interest rate (%)	Currency	Commitment charge (%)	Service charge (%)
The Saudi Arabia Fund for Development- Climate Smart Infrastructure Project								
5 years	25 years	Fixed	270.0	-	1.50	Saudi Riyals (SAR)	-	-
Caribbean Development Bank (CDB)- Health Sector Strengthening Project								
3 years	25 years	Variable	26.9	-	4.06	USD	1.0	-
IDA- Grenada Second Recovery and Resilience Development Policy Credit								
10 years	40 years	Fixed	81.0	81.0	1.19	USD	0.5	0.75

Source: MoF

6.2.1 Disbursements by Creditor

In 2023, total disbursements amounted to EC\$ 190.7 million. The greatest portion of disbursements GoG received was from IDA (53.2 percent). PRC disbursed the second highest amount which accounted for 38.9 percent of the external portfolio. All disbursements received on existing loans were from multilateral and bilateral creditors as suggested by the MTDS. Figure 5 compares disbursements received during 2022 and 2023 by creditor.

Figure 5: Disbursements by Creditors



6.3 Domestic Borrowing in 2023

6.3.1 Regional Governments' Securities Market (RGSM) activities

As suggested by the 2023 MTDS, GoG maintained its activity on the RGSM. A total of EC\$105.0 million was raised. RGSM 91-day and 365-day T/bill reissuances amounted to EC\$60.0 million and EC\$45.0 million respectively. RGSM T/bills were the chief source of domestic financing during the year.

6.3.2 Non-RGSM Securities

Treasury bills

The MTDS suggested the reissuance of all maturing domestic instruments. This occurred with the exception of two (2) over-the-counter (OTC) T/bills whose holder requested to have them redeemed. The amount of the redemption was EC\$0.9 million. Consequently, OTCs totaled EC\$44.4 million and held the second highest share of the domestic portfolio. OTCs were all reissued at the same rate of 3.0 percent.

Three (3) private placement T/bills were also reissued, two (2) held with BOSL totaling EC\$ 31.8 million of which one (1) slightly increased by EC\$0.1 million, and one (1) held with FCIS in the amount of EC\$10.0 million. The interest rate on BOSL's T/bills was 4.0 percent and the rate on FCIS' T/bill was 3.5 percent. The total of non-RGSM T/bills at the end of 2023 was EC\$86.2 million.

Treasury notes

One (1) 2-year, non-RGSM T-note matured in 2023 and was reissued at the same rate of 3.5 percent. It is held by Grenada Authority for the Regulation of Financial Institutions (GARFIN). Table 5 compares domestic financing for the years 2022 and 2023. Total domestic financing was higher in 2022 due to the number of instruments that fell due but were reissued during the year, in particular 2-year T-notes.

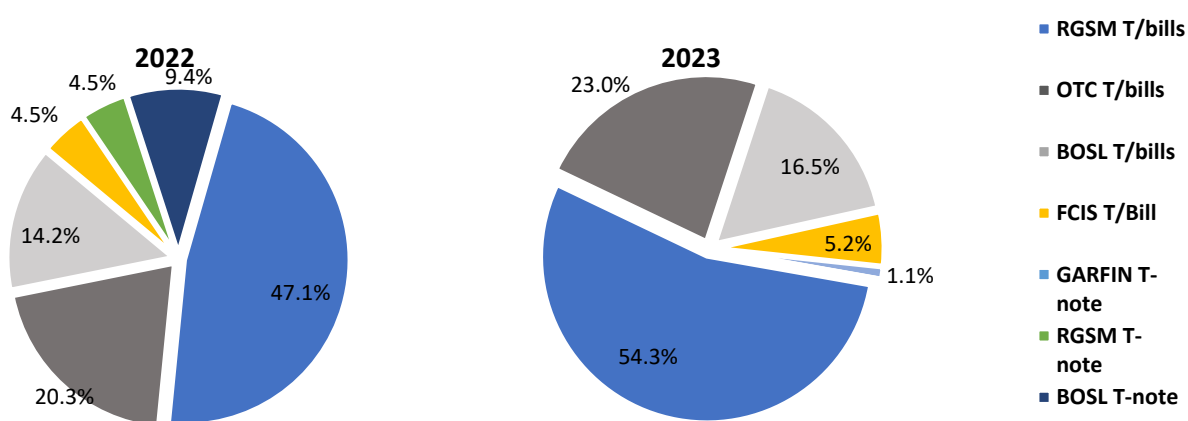
Table 5: Domestic Financing (in EC\$ millions)

Domestic Instrument		
	2022	2023
<u>RGSM</u>		
91-day	60.0	60.0
365-day	45.0	45.0
2-year note	10.0	-
<u>Sub-total</u>	<u>115.0</u>	<u>105.0</u>
<u>Non- RGSM</u>		
91-day	-	-
365-day	86.9	86.2
2-year notes	21.0	2.1
5-year notes	-	-
<u>Sub-total</u>	<u>107.9</u>	<u>88.3</u>
<u>Total</u>	<u>222.9</u>	<u>193.3</u>

Source: MOF

Figure 6 shows the composition of the domestic portfolio by creditor and instrument type for the years 2022 and 2023.

Figure 6: Domestic financing by creditor/instrument type



6.4 Budgeted vs Actual Financing in 2023

Budgeted financing for the year 2023 was EC\$ 359.0 million. Actual financing exceeded the budgeted amount by EC\$321.9

million. Though there is a significant difference, it is noteworthy that EC\$296.9 million of new financing was not disbursed during the year. If the undisbursed amount is excluded, total financing would actually be EC\$384.0 million which is only 7.0 percent higher than the financing need recommended by the MTDS. The actual ratio of external to domestic financing was 59:41 whereas the suggested ratio was 72:28. Interest payments and amortization on all existing debt were processed according to schedule.

7.0 COST AND RISK ANALYSIS OF THE EXISTING DEBT PORTFOLIO

In 2023, GoG's key cost and risk indicators remained consistent with the established medium-term targets set forth by the MTDS. They are listed in table 6, which compares them to the previous year. All targets were achieved with the exception of the Average Time to Re-fixing (ATR). It slightly deviated by a negligible 0.1 years below its set benchmark but was still higher than the previous year by 1.1 years.

The Average Time to Maturity (ATM) of the total portfolio increased by 1.2 years from 2022 to 2023 which is a move in the desired direction, and the target was again achieved. The weighted average interest rate of the total portfolio declined to 2.7 percent in 2023 from 2.8 percent in 2022 which was also negligible and the ratio of interest payments to GDP was favorable as it remained below 2.5 percent. Exchange rate risk remained subdued since the USD continues to be the dominant currency in GoG's portfolio. In 2023, debt denominated in USD was 66.8 percent of external debt. The foreign exchange debt benchmark of less than or equal to 80.0 percent was achieved

Table 6: Cost and Risk Indicators in 2022 and 2023

Indicators	2022	2023	Indicative targets according to the MTDS
Cost of Debt			
Interest payments as % of GDP	1.7	1.5	<=2.5%
Weighted Avg. (%)	2.8	2.7	No established Target
Refinancing Risk			
Debt maturing in 1 year (% of total)	15.7	13.8	<=20.0%
ATM External Portfolio (years)	10.8	12.2	No established target
ATM Domestic Portfolio (years)	5.1	4.8	No established target
ATM Total Portfolio (years)	9.2	10.4	>=8.0 years
Interest Rate			
Debt re-fixing in 1 year (% of total)	21.4	19.8	No established target
Fixed-rate debt (% of total)	93.6	93.3	No established target
ATR (years)	8.8	9.9	>=10.0 years
Foreign Exchange Risk			
FX debt (% of total debt)	72.7	75.8	<=80.0%

Source: MOF

8.0 SHORT AND MEDIUM-TERM DEBT FORECASTS

As at the end of 2023, CG debt amounted to \$2,155.6 million (60.3 percent of GDP) and is projected to decline over the medium term moving from 59.0 percent of GDP in 2024 to 57.1 percent in 2026 (Table 7). Government's commitment to debt management, through prudent financing and timely debt servicing remains unwavering. This is further supported by a well-entrenched debt and fiscal responsibility legal framework.

The economy remains open and vulnerable to external shocks (climatic, economic) and both upside and downside risks remain to the outlook. On the upside, further improvements in the fiscal position through enhanced revenue mobilisation, public and private sector investment, can continue to spur job creation and growth. Downsides risks relate primarily to the exposure to external factors such as, oil and food price volatility. Armed conflicts in source markets contribute significantly to inflationary pressures. Grenada's high vulnerability to natural disasters is an inherent risk and its susceptibility to the adverse effects of climate change can retard agricultural production.

Table 7: Key Medium- term Projections

Debt Stock	2024	2025	2026
Real GDP Growth (%)	3.6	3.0	4.2
Total Revenue (incl grants) (% of GDP)	34.4	29.9	29.6
Total Expenditure (% of GDP)	34.4	29.4	28.3
Primary Balance (after grants) (% of GDP)	1.5	185	2.5
Overall Bal (after grants) (% of GDP)	0.0	0.5	1.4
CG Debt (% of GDP)	59.0	58.1	57.1
Public Debt (% of GDP)	73.3	71.9	70.5
<i>Memo items</i>			
Nominal GDP	3,845.9	4,060.1	4,306.7

Source: MOF

9.0 APPENDICES

Appendix 1

GOVERNMENT OF GRENADA STATEMENT OF PUBLIC DEBT AS AT DECEMBER 31, 2023 (includes non-guaranteed debt of SOEs)	
	Ending Balance 2023
CURRENT LIABILITIES	
<i>Treasury Bills</i>	104,354,500.00
<i>Private Placements</i>	41,840,831.17
<i>Other</i>	3,655,595.88
Total	149,850,927.05
NON-CURRENT LIABILITIES	
<i>Commercial banks</i>	911,078.25
<i>Social Security</i>	-
<i>Multilateral</i>	1,179,758,982.49
<i>Bilateral</i>	280,813,806.40
<i>Paris-Club</i>	13,136,527.72
Total	1,474,620,394.86
SECURITIES	
<i>Treasury Notes</i>	63,497,761.62
<i>Bonds (Domestic)</i>	228,927,760.42
<i>Bonds (International)</i>	198,929,708.31
Total	491,355,230.35
OTHER⁸	39,724,160.00
TOTAL CENTRAL GOVERNMENT DEBT	2,155,550,712.26
CONTINGENT LIABILITIES	
<i>Guaranteed Debt</i>	-
<i>Non- Guaranteed Debt (SOEs)</i>	153,112,240.21
<i>Other Public Sector</i>	372,139,352.00
TOTAL PUBLIC SECTOR DEBT	2,680,802,304.47

⁸ OTHER refers to compensation claims

Appendix 2

CENTRAL GOVERNMENT DEBT SERVICE PAYMENTS 2023	
INTEREST PAYMENTS	
TREASURY BILLS:	
<i>Domestic</i>	1,402,063.00
<i>External</i>	1,554,807.00
RGSM	1,289,085.00
Sub-total	4,245,955.00
TREASURY NOTES:	
<i>Domestic</i>	73,252.00
<i>External</i>	1,540,892.00
RGSM	400,000.00
Sub-total	2,014,144.00
BONDS:	
<i>Domestic</i>	8,072,183.00
<i>External</i>	388,029.00
International Bonds	14,471,456.00
Sub-total	22,931,668.00
LOANS:	
<i>Domestic</i>	166,432.00
<i>External</i>	24,147,929.00
Sub-total	24,314,361.00
Other (statutory deposits)	151,959.00
Total Interest Payments	53,658,087.00
AMORTIZATION	
TREASURY BILLS:	

<i>RGSM</i>	103,710,915.00
<i>Domestic</i>	1,356,510.00
<i>External</i>	40,306,184.00
<i>Sub-total</i>	145,373,609.00
<i>TREASURY NOTES:</i>	
<i>Domestic</i>	2,092,906.00
<i>Sub-total</i>	2,092,906.00
<i>BONDS:</i>	
<i>Domestic</i>	8,609,903.00
<i>External</i>	935,008.00
<i>International</i>	28,515,185.00
<i>Sub-total</i>	38,060,095.00
<i>LOANS:</i>	
<i>Domestic</i>	360,809.00
<i>External</i>	52,554,134.00
<i>Sub-total</i>	52,914,943.00
<i>OTHER</i>	8,511,541.56
<i>Total Amortization Payments</i>	246,953,094.56
<i>TOTAL DEBT SERVICE</i>	300,611,181.56