

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

CBI- Citizenship by Investment

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

IMA- Investment Migration Agency

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

Table of Contents

1.0 Central Government and Government-guaranteed Debt	1
1.1 Central Government's External Debt.....	1
1.1.1 External Debt by Creditor Category	1
1.1.2 External Debt by Interest Type.....	1
1.1.3 Currency Composition of External Debt	2
1.2 Central Government's Domestic Debt	2
1.2.1 Domestic Debt by Instrument Type.....	2
1.2.2 Domestic Debt by Holder	3
1.2.3 Domestic Debt by Interest Type	3
2.0 Debt of State-Owned Enterprises (SOEs).....	3
3.0 Disbursements & New Borrowing.....	3
4.0 Debt Service.....	3
5.0 Risk Assessment of the Portfolio.....	4
5.1 Foreign Currency Risk	4
5.2 Average Time to Maturity (ATM) & Average Time to Re-fixing (ATR)	4
6.0 Regional Governments' Securities Market (RGSM) Activities	5
6.1 Yields on RGSM Treasury Bills	5
7.0 Government Guarantees.....	6
Appendices.....	7
Debt Statistics Summary.....	9

1.0 Central Government and Government-guaranteed Debt

Total Central Government (CG) debt at the end of 2024 was EC\$2,203.9 million. It was 57.5% of Gross Domestic Product (GDP)¹ and comprised 82.5% external debt² and 17.5% domestic debt³ (Chart 1). CG's debt was higher at end-2024 than end-2023. This is primarily because a loan with a Catastrophe Deferred Drawdown option was fully disbursed in 2024, with the principal purpose of rebuilding and recovery from the devastation caused by Hurricane Beryl on Grenada and its dependencies. Disbursements were also received on existing loans and one (1) new loan. External CG debt increased over the 1-year period quarter 4 (Q4) 2023 to Q4 2024, whereas domestic CG debt decreased between Q4 2023 and Q3 2024 but increased thereafter as there was also new domestic borrowing mainly in Q4 2024. Chart 2 shows the movement in domestic and external CG debt. There was no Government-guaranteed debt in Government of Grenada's (GoG's) portfolio at the end of 2024.

Chart 1: Central Government Debt (Q4 2024)

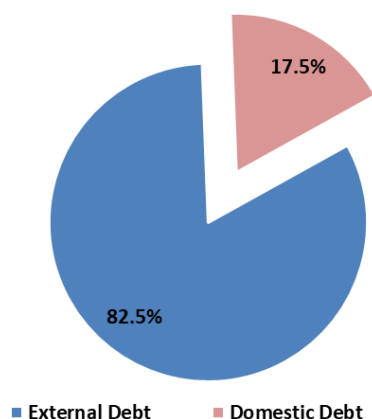
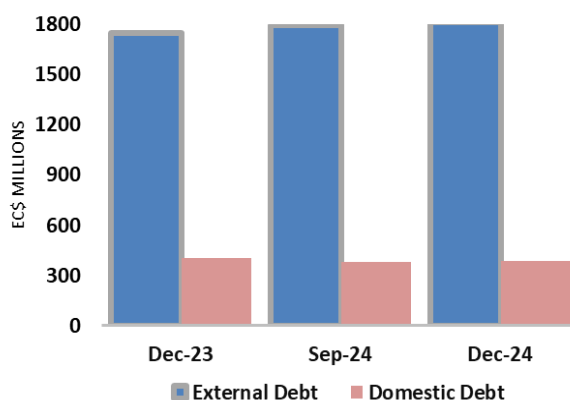


Chart 2: Movement in Central Government Debt



1.1 Central Government's External Debt

CG's external debt mainly consisted of concessional loans. It totaled EC\$1,817.1 million which was 47.4% of GDP.

1.1.1 External Debt by Creditor Category

Multilateral creditors are GoG's main source of funding, with the International Development Association (IDA) being the chief creditor. At end-2024, CG's external debt comprised 66.8% of multilateral funding. Debt contracted from bilateral non-Paris Club creditors held the second highest share of 16.7% (Appendix 2) (Chart 3). The chief bilateral creditor was the People's Republic of China at end-2024.

1.1.2 External Debt by Interest Type

GoG's external loans are predominantly contracted at fixed interest rates. These comprised 88.0% of the external portfolio at the end of 2024. Loans at variable interest rates and interest-free loans held 7.4% and 4.6% of the external portfolio respectively (Chart 4).

¹ GDP: Ministry of Finance Staff estimated Gross Domestic Product (nominal, at Market Prices) for 2024 (EC\$3,830.1 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

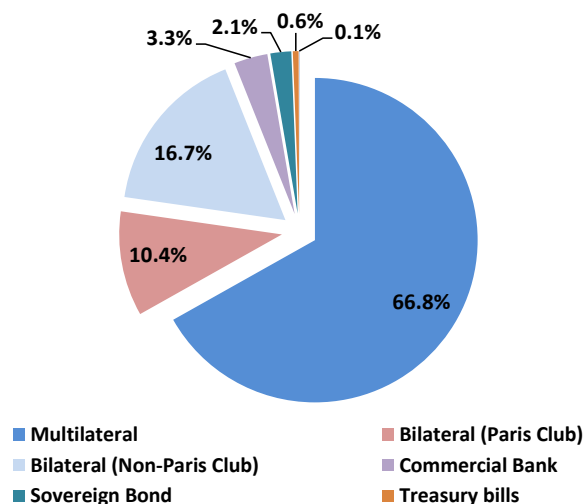
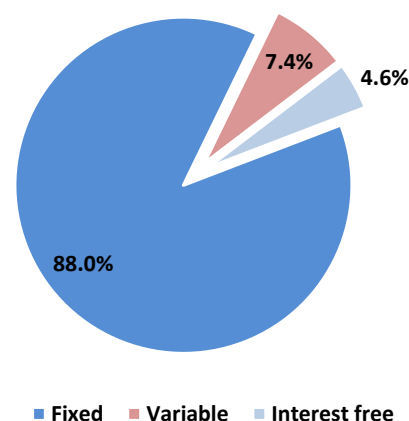


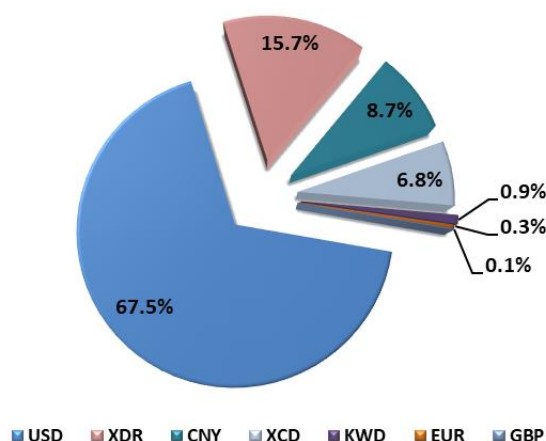
Chart 4: External Debt by Interest Type



1.1.3 Currency Composition of External Debt

The United States Dollar (USD) is the most dominant currency in GoG's external portfolio. Loans denominated in USD held 67.5% of GoG's external portfolio at end-2024. Instruments contracted in Special Drawing Rights (XDR) held the second highest share of 15.7%. Chart 5 shows the end-2024 currency composition of external debt.

Chart 5: Currency Composition of External Debt



1.2 Central Government's Domestic Debt

CG's domestic debt at the end of 2024 was EC\$386.8 million (10.1% of GDP).

1.2.1 Domestic Debt by Instrument Type

Bonds held the highest share of GoG's domestic portfolio at the end of 2024 (57.4%) and the periods under comparison. The second highest share, formerly held by Treasury bills, is now held by Treasury Notes (19.6% in Q4 2024). The switch came about as two (2) new Treasury Notes were issued in Q4 2024 totaling EC\$50.0 million.

1.2.2 Domestic Debt by Holder

Non-bank financial institutions were the leading holders of CG's domestic debt (35.3%) at the end of 2024 (Chart 7).

Chart 6: Domestic Debt by Instrument Type

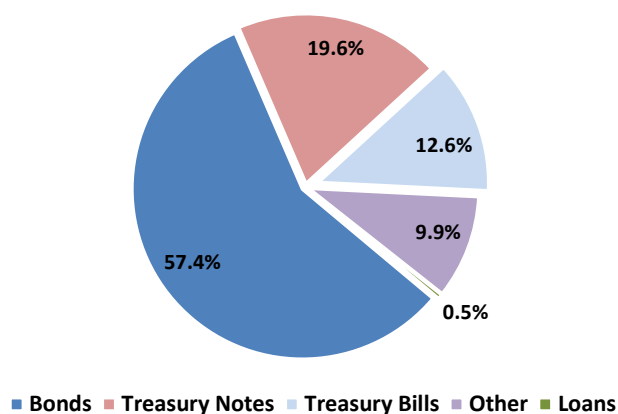
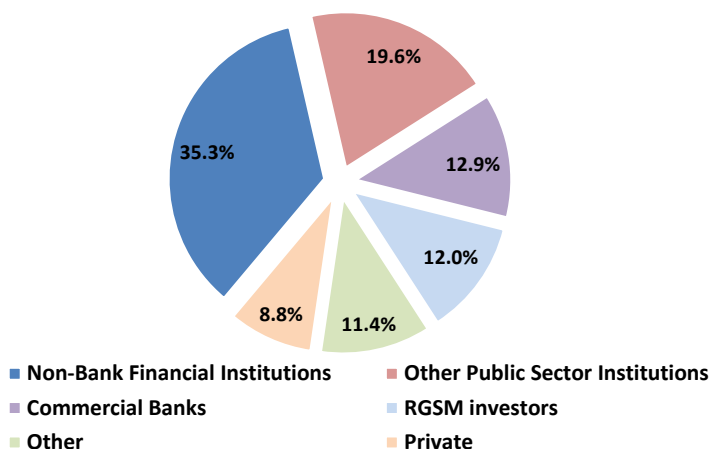


Chart 7: Domestic Debt by Holder



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 (14.8% of GDP). It consisted chiefly of the debt obligations of Petro Caribe, which was EC\$372.1 million (10.3% 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

In Q4 2024, a total of EC\$23.2 million in disbursements was received, 34.5% from multilaterals and 65.5% from a bilateral creditor. No new loans were contracted during the period. Economic sectors for which disbursements were received include agriculture, education and training, research and development, healthcare, tourism, construction and infrastructure. Funds were also disbursed for the management of natural resources, in particular the blue economy. Chart 8 shows disbursements by creditors in the period under comparison.

4.0 Debt Service

Total debt service payment in Q4 2024 was EC\$174.3 million with amortization of EC\$86.7 million and interest payments of EC\$87.6 million. In Q4 2024, for the first time, interest payments of the Investment Migration Agency (IMA), formerly Citizenship by Investment (CBI), amounting to EC\$78.4 million were recorded. This resulted in an increased debt service number. Total actual debt service was higher than budgeted debt service by

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

EC\$60.2 million for the period. External and domestic debt service were 54.5% and 45.5% respectively. Chart 9 depicts budgeted and actual debt service payments in the periods under comparison.

5.0 Risk Assessment of the Portfolio

Chart 8: Disbursements by Creditor

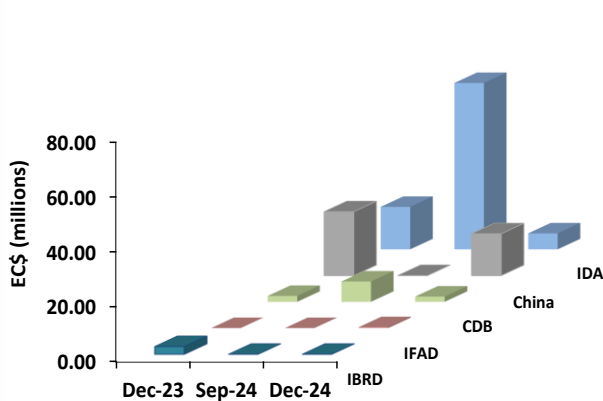
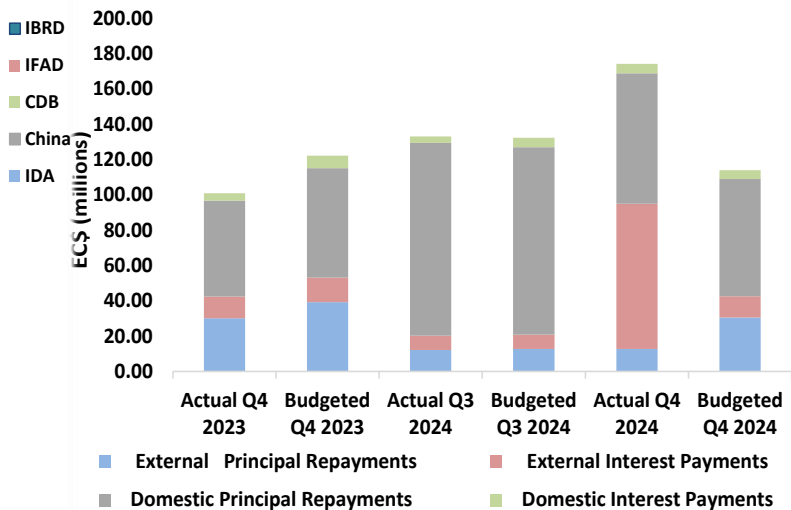


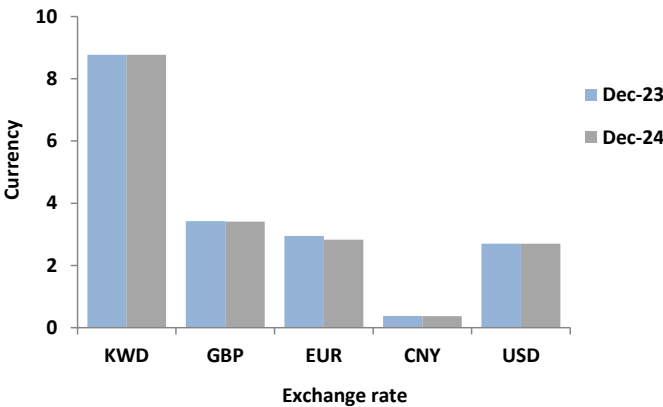
Chart 9: Debt Service Budgeted & Actual Payments



5.1 Foreign Currency Risk

There was no exchange rate depreciation at the end of 2024 when compared to 2023 (Chart 10). The Eastern Caribbean Dollar (XCD) appreciated against the Great Britain Pound (GBP) by 0.3%, the Euro (EUR) by 4.0% and the Chinese Yuan Renminbi (CNY) by 2.6%, over the 1-year period. The average exchange rate of the Kuwaiti Dinar (KWD) and the USD, which is pegged to the Eastern Caribbean Dollar (XCD), remained the same in December 2024 as they were in December 2023.

Chart 10: Movement in Exchange Rates



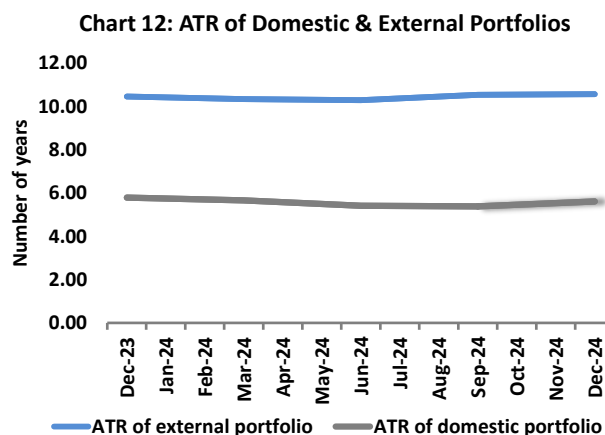
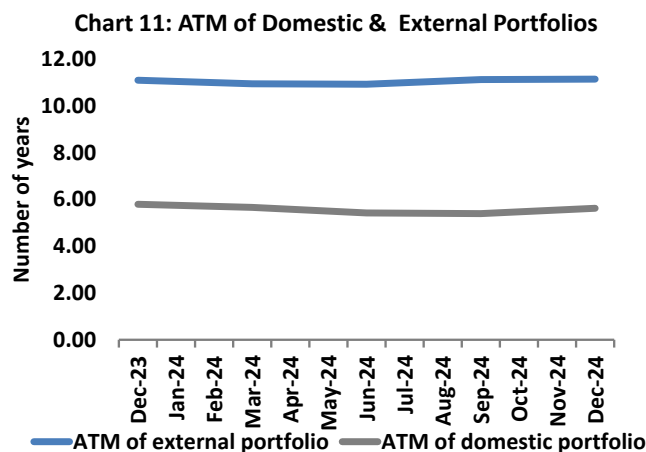
5.2 Average Time to Maturity (ATM⁵) & Average Time to Re-fixing (ATR⁶)

The ATM of the external portfolio was 11.1 years in both Q3 and Q4 2024 and increased over Q4 2023 by a negligible 0.1 years. It has 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 10.6 years as opposed to 10.5 years in Q3 2024. It also increased over Q4 2023 by 0.1 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.

5.6 years in Q4 2024, a tad higher (0.2 years) than Q3 2024 and 0.2 years lower than Q4 2023 (Charts 11 and 12). The portfolio's exposure to interest rate risk and refinancing risk remained manageable.



6.0 Regional Governments' Securities Market (RGSM) Activities

Three (3) RGSM instruments were reissued in Q4 2024, one (1) 91-day Treasury bill and two (2) 365-day Treasury bills. They were all oversubscribed. Details are in Table 1 below.

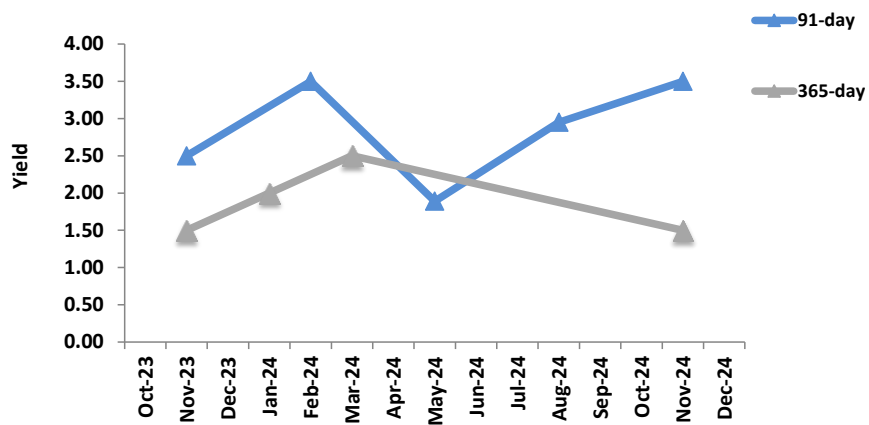
Table 1: RGSM Auction Results (Q4 2024)

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	15.69	14.87	0.13	3.50	1.05
365-day T-bill	10.00	26.90	9.80	0.20	2.00	2.69
365-day T-bill	10.00	25.91	9.71	0.29	3.00	2.59
TOTAL	35.00	68.50	34.38	0.62		

6.1 Yields on RGSM Treasury bills

Chart 13 shows the yields on RGSM Treasury bills during the period Q4 2023 to Q4 2024. Rates on both 91-day and 365-day Treasury bills fluctuated throughout the period based on the competitiveness of investors during the auctions (Chart 13).

**Chart 13: Interest Rate Fluctuations on Treasury Bills
(Q4 2023-Q4 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	Dec-23	Sep-24	Dec-24
<i>In millions of EC\$</i>			
External Debt	1,750.97	1,796.08	1,817.09
Domestic Debt	404.58	378.98	386.76
Total	2,155.55	2,175.06	2,203.85

Appendix 2: External Debt by Creditor

Creditor Category	Dec-23	Sep-24	Dec-24
<i>In millions of EC\$</i>			
Multilateral	1,179.76	1,233.03	1,214.46
Sovereign Bond	198.93	184.67	189.77
Bilateral (Non-Paris Club)	280.81	290.03	303.38
Treasury bills	54.82	55.92	60.58
Treasury notes	22.60	20.24	37.62
Bilateral (Paris Club)	13.14	11.27	10.36
Commercial Bank	0.91	0.91	0.91
Total	1,750.97	1,796.08	1,817.09

Appendix 3: External Debt by Currency Composition

Currency Composition	Dec-23	Sep-24	Dec-24
<i>In millions of EC\$</i>			
United States Dollar	1,169.43	1,222.37	1,225.61
Special Drawing Rights	310.19	301.79	284.91
Kuwaiti Dinar	19.09	16.56	16.39
Great Britain Pound	2.97	2.58	2.28
Chinese Yuan	138.98	144.54	158.06
Euro	5.41	6.52	6.04
Eastern Caribbean Dollar	104.90	101.72	123.80
Total	1,750.97	1,796.08	1,817.09

Appendix 4: Disbursement by Creditor

Creditor	Dec-23	Sep-24	Dec-24
<i>In millions of EC\$</i>			
Caribbean Development Bank	2.13	7.38	1.91
International Development Association	15.45	60.54	5.80
International Bank for Reconstruction & Development	2.82	0.00	0.00
International Fund for Agricultural Development	0.00	0.00	0.31
CARICOM Development Fund	0.12	0.00	0.00
Exim Bank of the Republic of China	23.24	0.00	15.21
Total	43.76	67.93	23.22

APPENDICES 2 TO 7 DO NOT REFLECT GOVERNMENT-GUARANTEED DEBT

Appendix 5: Domestic Debt by Instrument Type

Domestic Debt by Instrument	Dec-23	Sep-24	Dec-24
<i>In millions of EC\$</i>			
Bonds	228.93	225.58	222.10
Treasury Notes	40.90	42.87	75.89
Treasury Bills	91.38	70.28	48.83
Other	41.24	38.18	38.18
Loans	2.14	2.08	1.76
Total	404.58	378.98	386.76

Appendix 6: Domestic Debt by Holder

Domestic Debt by Holder	Dec-23	Sep-24	Dec-24
<i>In millions of EC\$</i>			
Non-Bank Financial Institutions	169.77	156.49	136.49
Other Public Sector Institutions	81.25	78.48	75.71
Commercial Banks	25.58	25.58	49.96
RGSM investors	47.34	48.71	46.30
Other	54.63	46.10	44.28
Private	26.01	23.61	34.02
Total	404.58	378.98	386.76

Appendix 7: Debt Service

	Actual Q4 2023	Budgeted Q4 2023	Actual Q3 2024	Budgeted Q3 2024	Actual Q4 2024	Budgeted Q4 2024
<i>In millions of EC\$</i>						
Debt service						
Total Debt Service	101.00	122.24	133.18	132.39	174.31	114.09
External Debt Service	42.53	53.21	20.39	20.88	95.01	42.68
<i>External Principal Repayments</i>	30.19	39.31	12.25	12.82	12.80	30.67
<i>External Interest Payments</i>	12.33	13.90	8.14	8.06	82.21	12.01
Domestic Debt Service	58.47	69.02	112.79	111.51	79.29	71.40
<i>Domestic Principal Repayments</i>	54.30	62.02	109.05	106.21	73.93	66.36
<i>Domestic Interest Payments</i>	4.17	7.00	3.73	5.30	5.36	5.04

APPENDICES 2 TO 7 DO NOT REFLECT GOVERNMENT-GUARANTEED DEBT

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

Particulars	Dec-23	Sep-24	Dec-24	Qtrly change (%)	YTD change (%)
Central Government & Government-Guaranteed Debt (XCD)					
External Debt	1,750.97	1,796.08	1,817.09	1.17	3.78
Domestic Debt	404.58	378.98	386.76	2.05	-4.40
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 to GDP (%)					
External Debt	48.53	46.89	47.44	1.17	-2.23
Domestic Debt	11.21	9.89	10.10	2.05	-9.94
Other Debt to GDP (%)	10.31	10.31	10.31	0.00	-0.03
Government Guarantees					
External	0.00	0.00	0.00	0.00	0.00
Domestic	0.00	0.00	0.00	0.00	0.00
External debt by Creditor (XCD)					
Multilateral	1,179.76	1,233.03	1,214.46	-1.51	2.94
Bilateral	293.95	301.31	313.75	4.13	6.74
Regional investors	77.42	76.16	98.20	28.93	26.84
Commercial creditors	199.84	185.58	190.68	2.74	-4.59
External Debt by Instrument (XCD)					
T-bills/ T-notes	77.42	76.16	98.20	28.93	26.84
Loans	1,474.62	1,535.25	1,529.12	-0.40	3.70
Bonds	198.93	184.67	189.77	2.76	-4.61
Domestic Debt by instrument (XCD)					
T-bills	91.38	70.28	48.83	-30.51	-46.56
T-Notes	40.90	42.87	75.89	77.03	85.55
Bonds	228.93	225.58	222.10	-1.54	-2.98
Loans	2.14	2.08	1.76	-15.18	-17.63
Other	41.24	38.18	38.18	0.00	-7.43
Foreign Currency Risk (%)					
% of debt in USD	66.78	68.06	67.45	-0.89	1.00
% of debt in XDR	17.72	16.80	15.68	-6.68	-11.51
% of debt in Kuwaiti Dinars	1.09	0.92	0.90	-2.17	-17.29
% of debt in GBP	0.17	0.14	0.13	-12.65	-26.04
% of debt in Chinese Yuan	7.94	8.05	8.70	8.09	9.56
% of debt in EUR	0.31	0.36	0.33	-8.43	7.55
% of debt in XCD	5.99	5.66	6.81	20.30	13.69
% of foreign debt	81.23	82.58	82.45	-0.15	1.50
Total Debt Service (XCD)					
External	42.53	20.39	95.01	365.95	123.42
Domestic	58.47	112.79	79.29	-29.70	35.62
Principal	84.49	121.31	86.74	-28.50	2.65
Interest	16.50	11.87	87.57	637.75	430.74
Disbursements	43.76	67.93	23.22	-65.81	-46.93
Fiscal indicators (%)					
Total Debt Service to Revenue	28.44	24.29	48.45	99.49	70.33
Total Debt Service to GDP	2.80	3.48	4.55	30.88	62.60
Interest to Revenue	4.65	2.16	24.34	1024.45	423.79
Interest to Expenditure	5.79	3.78	16.34	332.76	182.20
Total Public Sector Debt (% of GDP)	74.32	70.76	71.51	1.06	-3.78

* Includes the debt obligations of Petro Caribe

NB. FIGURES ARE SUBJECT TO CHANGE