



# **Annual Debt Report**

## **2020**

## 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

CPI- Consumer Price Index

DMU- Debt Management Unit

DSSI-Debt Service Suspension Initiative

ECCB- Eastern Caribbean Central Bank

ECRA- Eastern Caribbean Regulatory Authority

FY- Financial year

GDB-Grenada Development Bank

GDP- Gross Domestic Product

GGL- Government Guaranteed loans

GoG-Government of Grenada

IBRD- International Bank for Reconstruction & Development

IDA- International Development Association

IMF- International Monetary Fund

MTDS- Medium-Term Debt Management Strategy

OPEC- Organisation of Petroleum Exporting Countries

PDMA- Public Debt Management Act

RCF-Rapid Credit Facility

RGSM- Regional Governments Securities Market

SOE- State-owned Enterprise

USD- United States Dollar

XCD- Eastern Caribbean Dollar

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## 1.0 INTRODUCTION

This Debt Report provides an assessment of the Government of Grenada's (GoG) debt and debt management operations in the fiscal year 2020. The Report covers total debt as defined by the Government of Grenada, which includes the Central Government's (CG) debt and the Government guaranteed and non-guaranteed debt of all State-owned Enterprises (SOEs).

Government's debt portfolio has transformed over the years into one that is characterised by a lower concentration of short-term debt, moderate interest rate risk, relatively high concessionality, and an increasingly diversified regional and domestic investor base. These factors together mitigate inherent risks and contribute to long-term debt sustainability.

In 2020, the GoG faced increased financing requirements because of the COVID-19 crisis and contracted new external, mainly concessional loans. All new borrowings were maintained within the broad parameters of the approved Medium-Term Debt Management Strategy (MTDS) 2020-2022.

In 2020, the GoG continued to pursue prudent debt management activities to ensure that its budgetary requirements were financed consistently with the approved MTDS. This was achieved while maintaining risks and costs at manageable levels.

## 2.0 MACROECONOMIC CONTEXT

Consistent with global economic trends occasioned by the impact of the COVID-19 pandemic, preliminary estimates for real GDP indicate a decline of 12.2 percent in 2020. This estimate reflects steep contractions in major sectors including tourism, construction, agriculture, private education, transport and storage, and wholesale and retail trade. The tourism sector's decline is estimated at 51.0 percent owing to travel restrictions, which brought activity in the sector to a virtual halt. The sudden freeze in activities in the construction sector due to COVID-19 during the second quarter and the subsequent weakening of investor confidence brought on by the pandemic resulted in an estimated decline of 18.5 percent for the sector. The agricultural sector was affected by both demand and supply-side issues directly related to the coronavirus and is estimated to decline by 13.1 percent. St. George's University, the largest provider of private education on the island, decided in March 2020 to cease face-to-face classes. The international students returned to their respective countries and conducted their studies online. This measure was implemented as part of the university's strategy to cope with the COVID-19 pandemic. Therefore, a decline of 5.9 percent is estimated for private education in 2020. Preliminary estimates for the Wholesale and Retail Trade sector indicate a decline of 12.3 percent influenced by the temporary closure of hotels and SGU, the cancellation of carnival, and the overall slow-down in the economy.

Average inflation, as measured by the Consumer Price Index (CPI) was negative for 2020 and estimated at -1.0 percent, reflective of subdued global oil prices.

Public finances deteriorated drastically in 2020, with primary and overall deficits (including grants) of 2.6 percent and 4.5 percent of GDP respectively, compared to surpluses of 6.8 percent and 5.0 percent of GDP correspondingly in 2019. This weakened position was due to lower revenue collections and higher expenditures because of unavoidable COVID-19 -

**Table 1: Key Macroeconomic Indicators**

	2016	2017	2018	2019 (Est.)	2020 (Prel.)
<b>Real Sector</b>	<i>(Annual Percentage Change Unless Otherwise Indicated)</i>				
<b>Real GDP Growth</b>	3.7	4.4	4.3	2.0	-12.2
<b>Inflation (period average, %)</b>	1.7	0.9	0.8	0.6	-1.0
<b>Agriculture, Livestock and Forestry</b>	-13.9	-19.5	3.1	-7.3	-13.1
<b>Construction</b>	13.1	29.1	12.6	-0.6	-18.5
<b>Education</b>	3.1	4.6	-4.8	4.2	-5.9
<b>Hotels and Restaurants</b>	10.7	5.0	9.9	0.6	-51.0
<b>Fiscal Account</b>	<i>(As a Percentage of GDP)</i>				
<b>Total Revenue &amp; Grants</b>	26.2	25.6	27.0	26.6	28.2
<b>Tax Revenue</b>	20.9	21.4	22.4	21.9	22.1
<b>Non-tax Revenue</b>	1.8	1.6	1.6	1.8	2.4
<b>Grants</b>	3.5	2.6	3.0	2.9	3.7
<b>Total Expenditure</b>	23.9	22.6	22.1	21.6	32.7
<b>Current Expenditure</b>	19.7	19.9	19.3	19.0	23.1
<b>Capital Expenditure</b>	4.2	2.7	2.8	2.6	9.6
<b>Primary Balance</b>	5.2	5.7	6.9	6.8	-2.6
<b>Overall Balance</b>	2.3	3.0	4.9	5.0	-4.5
<b>Nominal GDP at Market Prices (in EC\$ millions)</b>	2,866.4	3039.4	3,149.6	3,276.4	2,814.1

***Source: ECCB and MOF***

related spending. Total revenue and grants were 9.0 percent lower than in 2019, while total expenditure was 30.0 percent higher when compared to 2019. Table 1 presents key macroeconomic indicators for the period 2016-2020.

### 3.0 TOTAL PUBLIC DEBT

Total disbursed outstanding debt at the end of 2020 was EC\$ 1,988.5 million or 70.6 percent of GDP, which consisted of CG debt only. Total debt decreased between 2016 and 2019 on average by 5.7 percent but increased in 2020 by 5.3 percent over 2019. The increase in the debt-to-GDP ratio was because of new borrowing from external creditors primarily for emergency spending because of the Covid-19 crisis as well as a decline in total output. The largest decline in public debt during the period 2016-2019 was in 2017 when GoG received EC\$ 158.3 million in principal reduction on external debt stock. This was part of the debt restructuring concluded during the International Monetary Fund (IMF)-supported Home-grown Structural Adjustment Programme. Debt repayment for 2020 totaled EC\$ 272.3 million (Interest \$55.9 million, Principal \$216.4 million) *Appendix 2*.

Figure 1 (a)

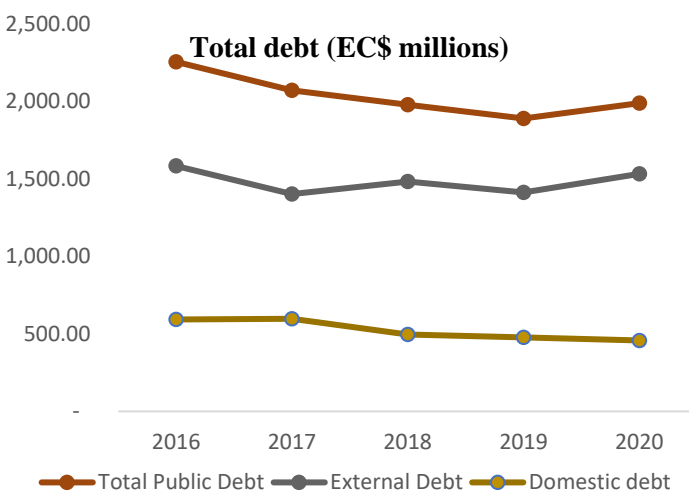
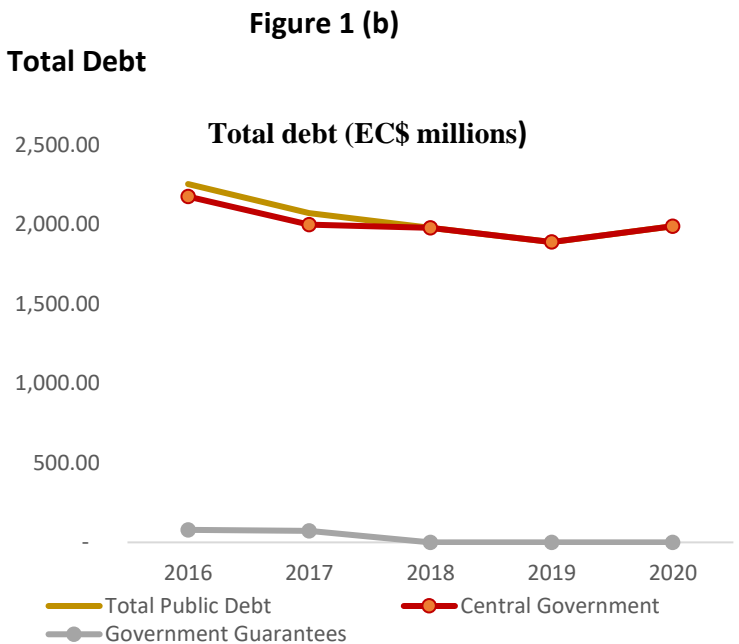


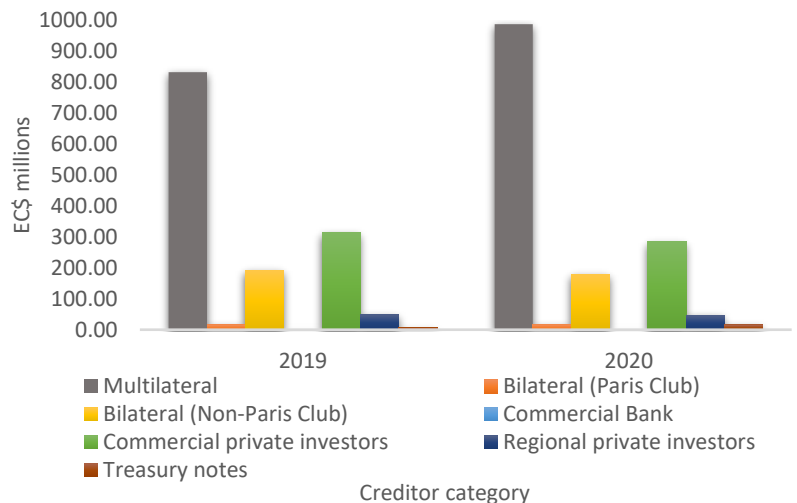
Figure 1: Total Debt



### 3.1 External Debt by Creditor Category

External CG debt increased by 8.5 percent to EC\$1,531.3 million in 2020, compared to the stock in 2019. Loans from multilateral creditors dominated the external portfolio (64.5 percent) followed by commercial private investors (18.6 percent) and bilateral non-Paris Club creditors (11.7 percent). Private regional investors, Paris Club creditors, commercial banks, and investors in Treasury notes (T-notes) altogether accounted for the remaining 5.2 percent of the external portfolio at the end of 2020. (Figure 2).

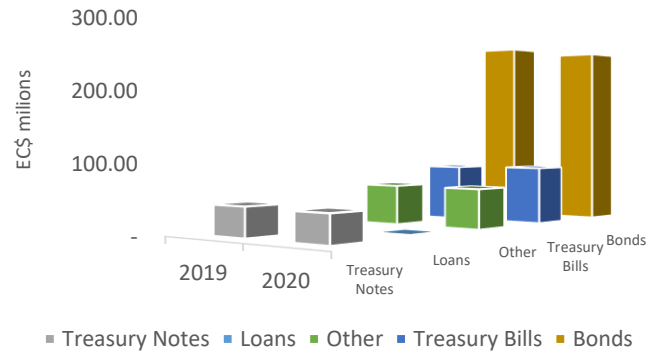
Figure 2: External debt by Creditor



### 3.2 Domestic Debt by Instrument

At the end of 2020, domestic debt fell by 4.3 percent to EC\$457.1 million from EC\$477.9 in 2019. Non-bank financial institutions were the leading holders of domestic CG debt and accounted for 40.9 percent of the domestic portfolio, followed by other<sup>1</sup> accounting for 21.4 percent. The remaining 37.7 percent included Regional Governments Securities Market (RGSM) investors, private investors, commercial banks and compensation claims (judgment debts). All domestic debts have been contracted in Eastern Caribbean Dollars (XCD) at fixed interest rates. The domestic portfolio is dominated by bonds (58.9 percent), followed by Treasury bills (18.6 percent) and Other that consists primarily of compensation claims (12.9 percent). T-notes and loans accounted for 9.0 percent and 0.6 percent respectively (Figure 3).

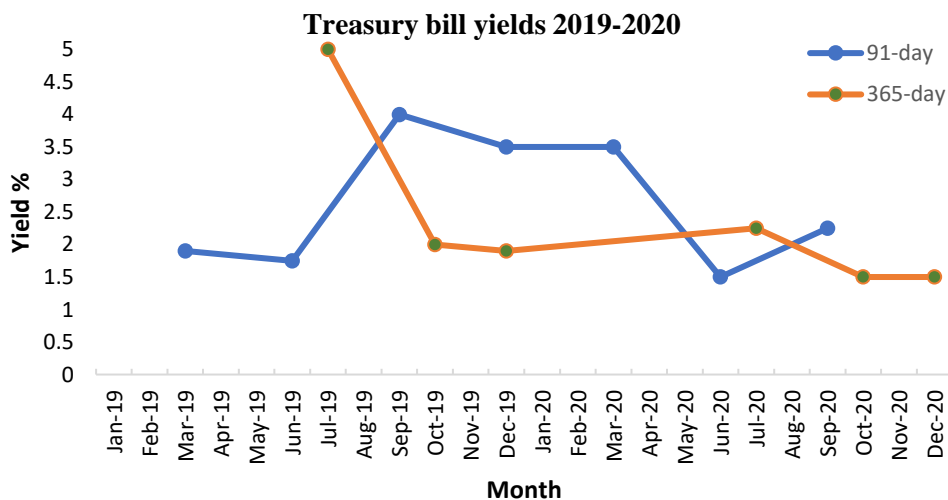
**Figure 3: Domestic debt by instrument type**



### 3.3 Regional Governments Securities Market (RGSM)

In June of 2020, GoG recorded its lowest discount rate ever on the RGSM of 1.5 percent on a 91-day Treasury bill valued at EC\$15.0 million. This rate was also received twice during the final quarter of 2020 when two EC\$10 million 365-Day Treasury bills were reissued. Before these auctions, the lowest discount rate received was 1.75 percent that was recorded in June of 2019. Discount rates on 91-day treasury bills fluctuated throughout the period but were lower in 2020 compared to 2019. Rates on 365-day Treasury bills were also significantly lower in 2020. Despite the uncertainty occasioned by the COVID-19 pandemic, Grenada witnessed increased investor confidence in its Treasury bill auctions. Figure 4 shows movements in discount rates of both 91-day and 365-day Treasury bills for 2019 and 2020.

**Figure 4**



<sup>1</sup> Other includes the debt obligations of PetroCaribe

## 4.0 CONTINGENT LIABILITIES

### 4.1 Government Guarantees

Government guaranteed loans are one form of contingent liability that if called will directly affect CG's debt service cost. The primary beneficiaries of Government guarantees are SOEs and Statutory Bodies. Government guaranteed debt may be denominated in domestic or foreign currency and may be issued by external and/or domestic creditors. Through the issuance of loan guarantees, the Government contributes to the reduction in credit risk by making it possible for an SOE or Statutory Body to access funds at a lower cost. At the end of 2020, GoG was free of guaranteed debt obligations. This was also the case at the end of 2019.

### 4.2 On-Lent Loans

The Public Debt Management Act (PDMA), 2015, Part III Section 9 (d) stipulates that the 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, total disbursements for all on-lent loans to parastatals at the end of 2020 were EC\$ 41.9 million. Disbursements were low in 2020 compared to 2019 due primarily to COVID-19 affecting implementation. Grenada Solid Waste Management Authority was the driver of SOE disbursements. Increased activity is expected in 2021.

**Table 2: Disbursement by Creditor Category (in EC\$ Millions)**

Public Body	Creditor Category	Committed Amount EC\$	Disbursement to date 2019 EC\$	Disbursement to date 2020 EC\$	Economic Sector
Grenada Development Bank (GDB)	Multilateral	8.1	8.1	8.1	Multiple Sectors
Grenada Solid Waste GDB	Multilateral	12.9	1.6	5.5	Environment
Gravel and Concrete	Commercial	4.4	4.4	4.4	Restructured
Grenada Airport Authority	Bilateral	189.0	0	0	Infrastructural Development
<b>TOTAL</b>		<b>241.4</b>	<b>36.7</b>	<b>41.9</b>	

Source: MoF

### 4.3 Implicit Contingent Liabilities

Contingent Liabilities also comprised of borrowings by SOEs and Statutory Bodies for which no explicit Government guarantees were issued but constitute a potential implied liability. That is, there may be a moral or expected obligation of the State with the materialization of an adverse event that hampers the SOE's ability to repay. As of the end of 2020, the outstanding non-guaranteed debt of SOEs stood at \$ 141.3 million, a 3.9 percent increase from the end of 2019. (Table 3).



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

Creditor	2019	2020	% change
	In EC\$ millions		
<b>External Non-Guaranteed Debt</b>	36.4	43.8	20.3
<b>Domestic Non-Guaranteed Debt</b>	99.6	97.5	-2.1
<b>TOTAL</b>	<b>136.0</b>	<b>141.3*</b>	<b>3.9</b>

*Source: MoF*

\*Represents stock of SOE debt as reported end of 2020 except for two SOEs

#### 4.4 Other Public Sector debt<sup>2</sup>

The stock of other public sector debt stood at EC\$ 372.1 million or 13.2 percent of GDP at the end of 2020. This figure remained unchanged from the end of last year.

## 5.0 MEDIUM-TERM DEBT MANAGEMENT STRATEGY IMPLEMENTATION

The global and domestic economies were faced with unanticipated challenges because of the Covid-19 pandemic. As such, GoG borrowed more than forecasted to finance emergency spending due to the setbacks encountered. Despite this increased financing gap, GoG's new borrowing was guided by the MTDS (2020-2022). The MTDS aims to ensure that Grenada designs a debt portfolio that is most suitable for its government by balancing the trade-offs between the costs and risks of alternative financing options. It ensures that the Government's financing requirements and payment obligations are met at the lowest cost, with a prudent degree of risk within the context of the Government's macroeconomic and budget framework.

In 2020, the strategy approved recommended the extension of the maturity of the domestic portfolio by gradually introducing longer-dated securities. The intent was to maintain activity on the RGSM but convert maturing short-term over-the-counter securities into two-year notes and introduce a 10-year bond on the RGSM. The strategy recommended the utilisation of committed undisbursed debt and that external multilateral creditors should be the target for concessional financing over the medium term.

### 5.1 Funding Strategy

In 2020, total financing<sup>3</sup> raised amounted to EC\$ 614.0 million. The chief funding sources were external multilateral creditors, and all external instruments were concessional. As a percentage of total disbursement received, 30.4 percent was from existing loans whilst the remaining 69.6 percent originated from new loans approved in 2020.

<sup>2</sup> Other Public Sector: refers to Petrocaribe Grenada Ltd.

<sup>3</sup> This total includes all new instruments contracted in 2020 (EC\$ 334.3 m) (some of which have not yet been disbursed), disbursements on existing loans (EC\$55.2 m) and domestic instruments reissued during the year (EC\$224.5 m).

## 5.2 External Borrowing

Nine (9) new loans were contracted in 2020 totaling EC\$334.3 million; two (2) were fully disbursed and two (2) partially disbursed during the year. Four (4) of these new loans totaling EC\$150.7 million, of which EC\$70.9 million was disbursed, were contracted because of the Covid-19 pandemic These include:

- The International Monetary Fund's (IMF) Rapid Credit Facility (RCF)- The IMF, in response to calls for emergency financing during the pandemic, provided financing to many countries, Grenada included, as part of its RCF. The RCF provides low-access, rapid and concessional financial assistance to low-income countries facing urgent balance of payment needs, without ex-post conditionality. It can provide support in a wide variety of circumstances including shocks, natural disasters, and emergencies resulting from fragility.
- Caribbean Development Bank's (CDB) Coronavirus Disease Emergency Response Loan- contracted from CDB to assist Grenada in meeting its financial obligations to the Bank.
- International Development Association's (IDA) Covid-19 Crisis Response & Fiscal Management Development Policy Credit contracted to provide financial support during the pandemic.
- IDA's Regional Health Project additional financing- This loan was contracted from IDA to strengthen health facilities in the case of an emerging disease outbreak, extreme weather event, or other disasters. Its agreement does not specifically state that the additional funding will be provided because of the pandemic but based on the terms of this loan it is included as such.

The additional five loans were contracted during 2020 to fund various ongoing public projects (Table 4).

**Table 4: External Financing 2020 (in ECS millions)**

<b>External instruments</b>	<b>Face value</b>	<b>Amount disbursed in 2020</b>	<b>Interest Rate/ Service fee</b>
<b><u>Loans contracted and disbursed in 2020 specifically for Covid-19 Relief</u></b>			
<b>IMF- Rapid Credit Facility</b>	60.5	60.5	Interest-free
<b>CDB- Coronavirus Disease Emergency Response</b>	15.9	10.4	1.0%
<b>IDA- Covid-19 Crisis Response &amp; Fiscal Management Development Policy</b>	67.5	0	0.75 (plus basis adjustment)
<b>IDA- OECS Regional Health Project additional financing</b>	6.8	0	0.75 (plus basis adjustment)
<b><u>Other loans contracted and disbursed in 2020</u></b>			
<b>IDA – Fiscal Resilience &amp; Blue Growth Development Policy Credit II</b>	54.0	54.0	0.75 (plus basis adjustment)
<b>IDA - Disaster Risk Management Development Policy Credit</b>	54.0	0	0.75 (plus basis adjustment)
<b>IDA- Caribbean Digital Transformation Project</b>	21.6	0	0.75 (plus basis adjustment)
<b>IDA- Caribbean Regional Air Transport</b>	45.9	0	0.75 (plus basis adjustment)
<b>IDA- Caribbean Regional Communications Infrastructure</b>	8.1	1.7	0.75 (plus basis adjustment)

Total disbursements received from external creditors during 2020 amounted to EC\$181.8 million. Of this amount, EC\$126.6 million was from new loans and EC\$55.2 was from existing facilities.

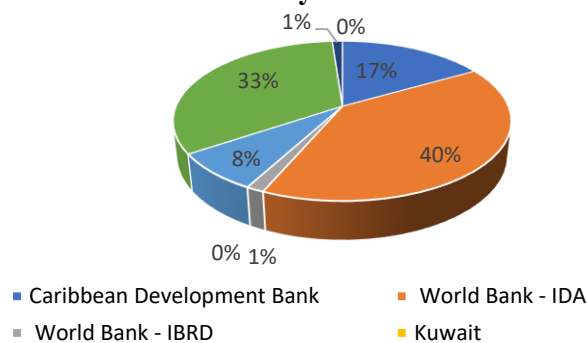
### 5.2.1 Terms of Borrowing

Loans from IDA have all been contracted in United States Dollars (USD) at fixed interest rates with an average grace period of 10 years and an average maturity period of 40 years. The IMF’s RCF is interest-free with a grace period of 5.5 years and a maturity period of 10 years. CDB’s Coronavirus Disease Emergency Response Loan has a grace period of 5.0 years and an average maturity period of 25 years.

### 5.2.2 Disbursement by Creditor

GoG’s chief creditor in 2020 was IDA followed by the IMF. Figure 5 depicts disbursements by creditors as of the end of 2020.

**Figure 5**  
**Disbursement by creditor as at end 2020**



## 5.3 Domestic Borrowing

### 5.3.1 Regional Governments Securities Market (RGSM) activities

GoG maintained its activity on the RGSM in 2020 as per the MTDS 2020-2022. Through a total of eight (8) auctions, 91-day and 365-day Treasury bills, as well as a 2-year Treasury note, were reissued. The reissues of the 91-day and 365-day Treasury bills amounted to EC\$60.0 million and EC\$45.0 million, respectively. A 365-day Treasury bill of EC\$20.0 million was reissued for EC\$10.0 million, however, the 91-day Treasury bill for EC\$15.0 million was reissued four (4) times in 2020. The 2-year Treasury note remained at EC\$10.0 million. Of the 8 auctions, seven (7) were oversubscribed.

### 5.3.2 Non-RGSM Securities

In 2020, EC\$45.2 million in over-the-counter treasury bills were rolled over from 2019. Additionally, Bank of St. Lucia's (BOSL) 365-day Treasury bill for EC\$26.6 million was reissued at EC\$26.8 million as there was one (1) new investor. BOSL's 2-year note that matured in 2020 was also reissued but two (2) investors redeemed whilst two (2) invested additional funds including the interest due to them upon maturity. This brought the amount of the instrument to EC\$14.3 million.

The intent of the chosen strategy, on the domestic side, was to convert maturing short-term over-the-counter securities into two-year notes and introduce a 10-year bond in 2020 on the RGSM. There was no extension of maturities on Treasury bills and two (2) additional non-RGSM Treasury bills were issued in the amounts of EC\$3.8 million and EC\$9.6 million. However, GoG secured a privately placed 5-year bond based on investors' preferences at the time (Table 5). This contributes to the extension of the maturity of the domestic portfolio by gradually introducing longer-dated securities as stated in the MTDS 2020-2022.

**Table 5: New Domestic Instruments Issued in 2020 (non-RGSM)**

Instrument type	Creditor	Issue amount (EC\$ millions)	Interest rate (%)
365-day Treasury bill	Bank of St. Lucia	3.8	4.0
365-day Treasury bill	First Citizens Investment Services	9.6	3.4
5-year note	Bank of St. Lucia	8.2	6.0

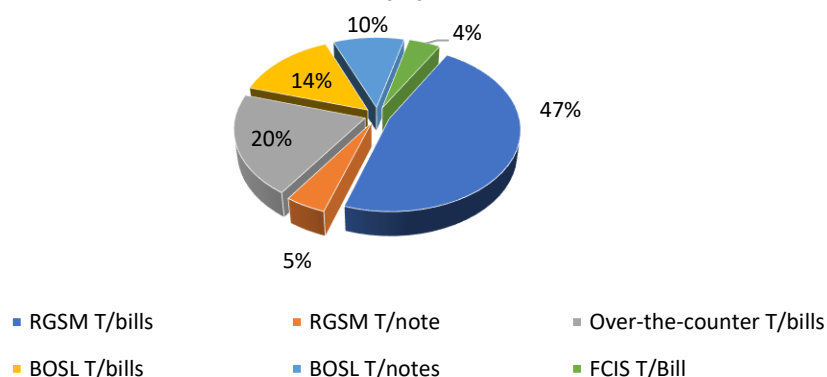
In Table 6, domestic financing received during 2020 on both new and reissued instruments is compared with 2019. Total domestic financing was higher in 2020 because of the additional issuances.

**Table 6: Domestic Financing (in EC\$ millions)**

Domestic Instruments	Year	
	2019	2020
91-day	43.1	45.0
365-day	45.0	60.0
2-year note	0	10.0
<b><u>Sub-total</u></b>	<b><u>88.1</u></b>	<b><u>115.0</u></b>
91-day	0	0
365-day	72.9	87.0
2-year notes	24.3	14.3
5-year notes	0	8.2
<b><u>Sub-total</u></b>	<b><u>97.2</u></b>	<b><u>109.5</u></b>
<b><u>Total</u></b>	<b><u>185.3</u></b>	<b><u>224.5</u></b>

RGSM Treasury bills were the lead source of domestic financing in 2020, followed by over-the-counter Treasury bills (Figure 6).

**Figure 6**  
Domestic financing by creditor/instrument type as at end 2020



Due to the unanticipated negative impact of the Covid-19 pandemic, GoG borrowed more than forecasted to finance emergency spending which resulted in the variances seen in Table 7. Subsequently, actual financing in 2020 was significantly higher than forecasted.

**Table 7: Summary of Net Financing (in EC\$ millions)**

<b>2020</b>	<b>External</b>	<b>Domestic</b>	<b>Surplus</b>	<b>Total</b>
<b>MTDS</b>	152.1	187.4	45.2	384.7
<b>Actual</b>	389.5	224.5	0	614.0
<b>Variance (+/-)</b>	-237.4	-37.1	45.2	-229.3

The variances in Table 7 can be attributed to the spike in borrowing due to the pandemic. It is noteworthy that although both domestic and external financing exceeded the amounts forecasted at the time of the MTDS' preparation, borrowing was still in line with the MTDS as RGSM issuances went according to the auction calendar and all external financing was concessional from multilateral creditors. Interest payments and amortisation went according to schedule for all loans except those from three (3) bilateral/ Paris club creditors under the Debt Service Suspension Initiative (DSSI).

On April 15, 2020, G-20 Finance Ministers endorsed the G20-DSSI, which came in response to the call by the World Bank and the IMF to grant amortization and interest payment suspension to all IDA countries, from bilateral creditors. Debt service was suspended once there was a formal request from countries that are already benefitting from the IMF's RCF. This has been done to help manage the severe impact of the pandemic. As a result, debt service payments to three (3) of GoG's bilateral/ Paris Club creditors were suspended for the duration of the DSSI, which was May 1st to December 30th, 2020. The total agreed debt service suspended was approximately EC\$ 3.9 million.

## 6.0 COST AND RISK ANALYSIS OF THE EXISTING DEBT PORTFOLIO

Table 8 compares key cost and risk indicators in the debt portfolio at the end of 2020 to the end of 2019 relative to established medium-term benchmarks outlined in the MTDS. Overall, the key cost and risk indicators remained consistent with medium-term targets, where established.

The Average Time to Maturity (ATM) of the total portfolio showed a slight decrease below 2019 of 0.1 years. The Average Time to Re-fixing (ATR) of the total portfolio also decreased marginally by 0.1 years when compared to 2019. The weighted average interest rate of the total portfolio decreased from 3.2 percent in 2019 to 3.0 percent in 2020 primarily due to the terms on new external borrowing as all new loans contracted were concessional at fixed interest rates. Exchange rate risk remained subdued since a commanding share of the external portfolio (65.9 percent) is denominated in USD to which the XCD is pegged.

Table 8: Cost and Risk Indicators in 2019 and 2020

Indicators	2019	2020	Indicative targets according to the strategy 2021-2023
<i>Cost of Debt</i>			
Interest payments as % of GDP	1.8	2.0	<=2.5%
Weighted Avg. (%)	3.2	3.0	No established Target
<i>Refinancing Risk</i>			
Debt maturing in 1 yr (% of total)	14.9	14.2	<=20%
ATM External Portfolio (years)	10.1	10.0	No established target
ATM Domestic Portfolio (years)	6.5	6.1	No established target
ATM (years)	9.0	8.9	>=8 years
<i>Interest Rate</i>			
Debt re-fixing in 1 yr (% of total)	21.2	20.1	No established target
Fixed-rate debt (% of total)	92.9	93.2	No established target
ATR (years)	8.6	8.5	>=10 years
<i>Foreign Exchange Risk</i>			
FX debt (% of total debt)	69.1	71.5	<=75%



## 7.0 SHORT AND MEDIUM-TERM DEBT FORECASTS

As at the end of 2020, total public debt amounted to \$1,988.5 million (70.6 percent of GDP). Based on a preliminary in-house debt sustainability analysis conducted, public debt is projected to decrease over the medium term (2021 – 2023) moving from 65.7 percent of GDP in 2021 to 62.7 percent in 2023 (Table 9). A mix of upside and downside risks remain for the outlook over the medium-term as uncertainty persists regarding the evolution of the pandemic. The projected contraction in global economic activity particularly in the economies of Grenada’s main trading partners will negatively affect tourist arrivals, remittances, and foreign direct investments. Additionally, vaccine hesitancy by the population and the protocols in place for visitors to the island will continue to affect the tourism sector, which contributes significantly to the local economy. Rising international oil prices is also a significant risk to the economic outlook. Despite these downside risks, the robust macro-fiscal position of Grenada before the pandemic offers some level of mitigation.

**Table 9: Key Medium- term Projections**

<b>Debt Stock</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Real GDP Growth (%)</b>	6.0	4.8	3.0
<b>Total Revenue (% of GDP)</b>	21.5	22.3	22.4
<b>Total Expenditure (% of GDP)</b>	30.8	26.5	21.9
<b>Primary Balance (after grants) (% of GDP)</b>	1.5	3.5	6.4
<b>Overall Bal (after grants) (% of GDP)</b>	-0.6	1.6	4.7
<b>Public Debt (% of GDP)</b>	<b>65.7</b>	<b>63.7</b>	<b>62.7</b>
<i>Memo items</i>			
<b>Nominal GDP</b>	3036.1	3259.6	3417.2

Source: Preliminary estimate, Ministry of Finance staff as of October 2020.

## 8.0 APPENDICES

### Appendix 1

#### GOVERNMENT OF GRENADA STATEMENT OF PUBLIC DEBT AS AT DECEMBER 31, 2020 (includes non-guaranteed debt of SOEs)

	Ending Balance 2020
<b>CURRENT LIABILITIES</b>	
<i>Bank Overdraft</i>	-
<i>Accounts Payable</i>	-
<i>Treasury Bills</i>	9,022,500
<i>Private Placement</i>	41,790,500
<i>Other</i>	3,101,711
<i>Total</i>	<b>135,119,711</b>
<b>NON-CURRENT LIABILITIES</b>	
<i>Commercial banks</i>	-
<i>Social Security</i>	-
<i>Multilateral</i>	987,825,714
<i>Bilateral</i>	180,393,038
<i>Paris-Club</i>	16,247,769
<i>Total</i>	<b>1,184,466,521</b>
<b>SECURITIES</b>	
<i>Treasury Notes</i>	56,767,726
<i>Bonds (Domestic)</i>	270,316,586
<i>Bonds (International)</i>	284,475,255
<i>Total</i>	<b>611,559,567</b>
<b>OTHER</b>	57,327,608
<b>TOTAL CENTRAL GOVERNMENT</b>	<b>1,988,473,748</b>
<b>CONTINGENT LIABILITIES</b>	
<i>Guaranteed Debt</i>	-
<i>Non- Guaranteed Debt (SOEs)</i>	141,307,152
<i>Other<sup>4</sup></i>	372,139,352
<b>TOTAL PUBLIC SECTOR</b>	<b>2,501,920,252</b>

<sup>4</sup> Other refers to the debt obligations of Petro Caribe.

## Appendix 2

### GOVERNMENT OF GRENADA DEBT SERVICE STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

<b>CENTRAL GOVERNMENT DEBT</b>	
<b>INTEREST PAYMENTS</b>	
<i>TREASURY BILLS -Domestic</i>	1,375,575.00
<i>TREASURY BILLS -RGSM</i>	1,972,105.00
<i>TREASURY BILLS -Private Placement</i>	1,067,564.19
<i>Sub-total</i>	<b>4,415,244.19</b>
<i>TREASURY NOTES -Private Placement</i>	1,913,592.00
<i>TREASURY NOTES -RGSM</i>	467,500.00
<i>Sub-total</i>	<b>2,381,092.00</b>
<i>BONDS - Domestic</i>	7,965,012.00
<i>BONDS - International</i>	20,486,645.00
<i>Sub-total</i>	<b>28,451,657.00</b>
<i>LOANS -Domestic</i>	342,876.00
<i>LOANS -External</i>	20,091,887.00
<i>Sub-total</i>	<b>20,434,763.00</b>
<i>OTHER</i>	<b>212,326.00</b>
<b>TOTAL</b>	<b>55,895,082.19</b>
<b>AMORTIZATION</b>	
<i>TREASURY BILLS -Domestic</i>	-
<i>TREASURY BILLS -RGSM</i>	103,027,895.00
<i>TREASURY BILLS -Private Placement</i>	-
<i>Sub-total</i>	<b>103,027,895.00</b>
<i>TREASURY NOTES -Private Placement</i>	299,468.28
<i>TREASURY NOTES -RGSM</i>	10,000,000.00
<i>Sub-total</i>	<b>10,299,468.28</b>
<i>BONDS - Domestic</i>	14,173,406.00
<i>BONDS - International</i>	28,515,184.00
<i>Sub-total</i>	<b>42,688,590.00</b>
<i>LOANS -Domestic</i>	6,525,366.00
<i>LOANS -External</i>	52,462,182.00
<i>Sub-total</i>	<b>58,987,548.00</b>
<i>OTHER</i>	<b>1,378,375.40</b>
<b>TOTAL</b>	<b>216,381,876.68</b>
<b>TOTAL DEBT SERVICE</b>	<b>272,276,958.87</b>
<b>GOVERNMENT GUARANTEED DEBT</b>	

<b><i>INTEREST PAYMENTS</i></b>	-
<b><i>AMORTIZATION</i></b>	-
<b><i>TOTAL</i></b>	-
<b><i>NON- GOVERNMENT NON- GUARANTEED DEBT</i></b>	
<b><i>INTEREST PAYMENTS</i></b>	4,114,597
<b><i>AMORTIZATION</i></b>	5,622,246
<b><i>TOTAL</i></b>	<b>9,736,843</b>