



QUARTERLY DEBT BULLETIN as at 30th September 2022

This report summarizes the Government's (GoT) debt position during the FY 2021/2022 and FY 2022/2023 from 30th September 2021 to 30th September 2022, in millions of Pa'anga. Comparisons have been made to March 2022, and to the previous year (September 2021). The information covers external, domestic, on-lent and guaranteed debt.

1. Total public disbursed outstanding debt (DOD) as at 30th September 2022 is estimated at \$501.2m (*at 37.4% of GDP*). **Total public debt decreased** by \$6.9m between March 2022 and September 2022. This was mainly due to appreciation of the Pa'anga against the major borrowing currencies: the **CNY** (3.8%), **SDR** (0.1%) and **EUR** (5.1%) and also principal repayment of \$7.9 made during the quarter.

2. External debt is recorded at \$433.8m (32.4% of GDP) with the **main creditors** of Export-Import Bank of China (EXIM) at \$230.2m (53.1%), the Asian Development Bank (ADB) at \$55.9m (12.9%) and IDA (International Development Agency, World Bank) at \$95.8m (22.1%). The **main outstanding loan currency denomination** is in the CNY at \$230.2 (53.1%), SDR at \$160.3m (37.0%). The **movement of the Pa'anga** against the borrowing currencies during September 2021 and September 2022, showed an appreciation of the **Pa'anga** against the **CNY** (2.7%), **SDR** (3.1%), **EUR** (9.8%) and depreciation of the Pa'anga against the **USD** (6.6%). There were **no external loan payment arrears**.

3. Domestic debt is recorded at \$67.3m (5.0% of GDP), for GoT bonds on issue. The **main bond holders** are Financial Institutions at \$38.5m (61.7%) and Retirement Fund Board at \$11.2m (17.9%). There were **no domestic loan payment arrears**.

4. Total debt service (expenditure) as at 30th September 2022 is at \$11.2m, for *external debt* at \$10.8m (96.6%) and *domestic debt* payment at \$0.4m (3.4%). This is equivalent to 0.84% of GDP (at \$1340.4m), in ratio to recurrent revenue (GoT) of 3.3% (at \$335.2) and in ratio to recurrent expenditure of 2.9% (at \$392.8m).

For *external debt*, the main repayment months as projected for *external debt* are March 2023 at \$10.2m (40.9% of total external debt service \$24.9) and September 2022 at \$9.9m (39.4% of total external debt service \$24.9m) and for *domestic debt* is May 2023 at 5.3m (30.9% of total domestic debt service \$17.0m) for bond maturing and interest payment.

Table 1: Sovereign Debt Sustainability Indicators

| Indicators | IMF (GoT) Threshold % | 2022-2023 |
|---------------------------------|-----------------------|------------|
| NPV of external debt as: | | |
| % of GDP | 40% | 33% |
| % of GDP & remittances | 36% | 26% |
| % of exports & remittances | 120% | 106% |
| % of government revenues | 250% | 133% |
| Debt Service as: | | |
| % of exports & remittances | 16% | 10% |
| % of revenues | 20% | 12% |

Chart 1: Total Public Debt to GDP as at 30th September 2022

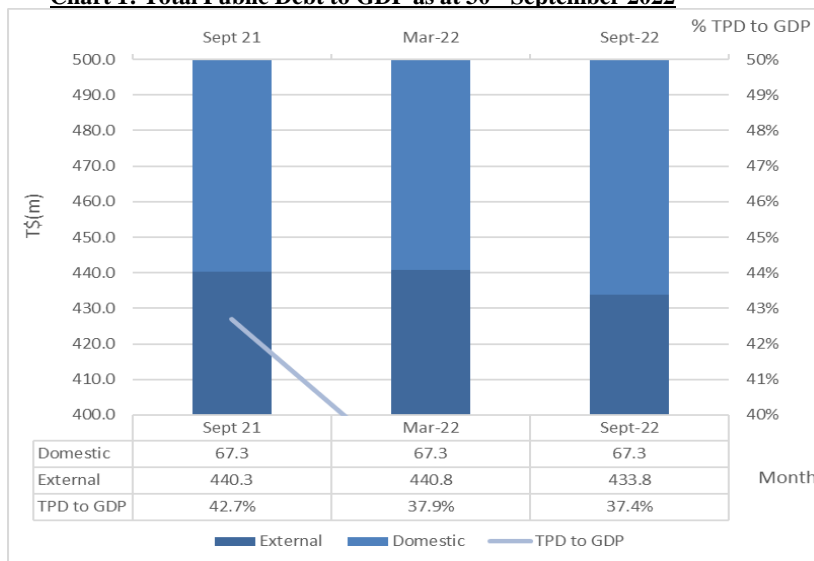


Chart 2: External DOD by Creditor as at 30th September 2022

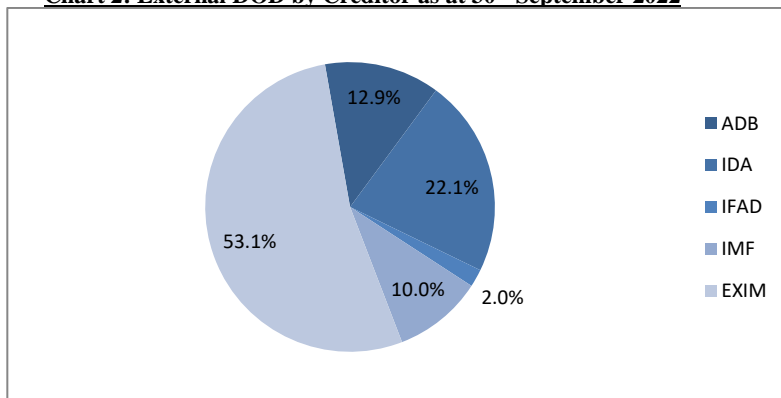
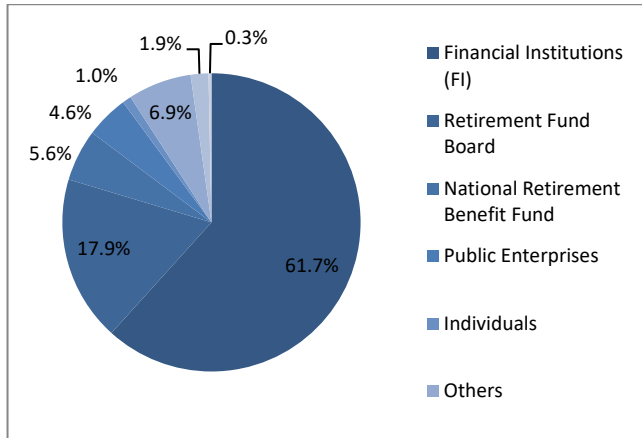


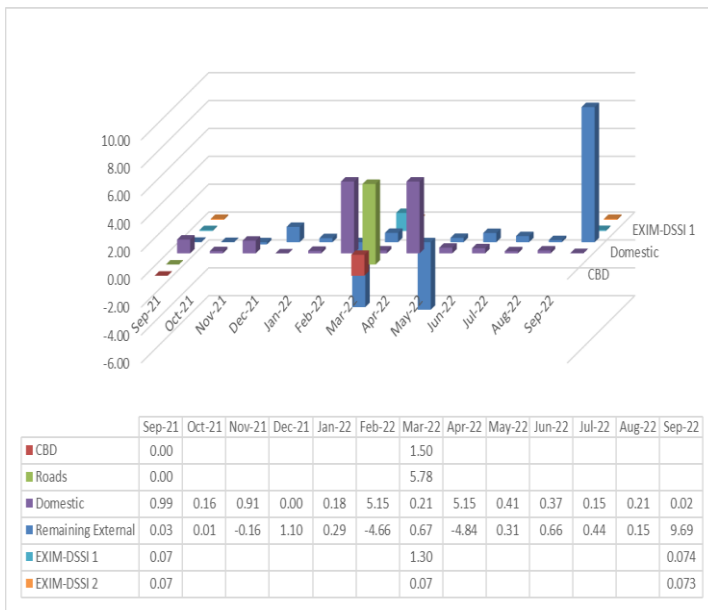


Chart 3: Domestic DOD by Creditor as at 30th September 2022



The following Chart shows position of the annual debt service over one year from September 2021 to September 2022, excluding any fluctuation of FC rates.

**Chart 5: Total Public Debt Service
September 2021 to September 2022 (TOPm)**



5. Total on-lent loans as at 30 September 2022 due to the GoT from various public and other enterprises, are estimated at \$47.3m (3.5% of GDP; and 11.0% of total external loans). The main Borrowers are for the CBD projects from EXIM China. **Total debt service (revenue)** as at 30 September 2022 is estimated at \$0.11m, for on-lent loan repayments from TDB \$0.05m (49.22%), and Royco Ltd at \$0.05m (50.78%).

6. Total guaranteed debt as at 30 September 2022 is estimated at \$15.4, for Cost Low Company \$5.7 (37.2%), Inter Pacific Ltd \$3.4m (22.4%), Lulutai Airlines \$3.4m (21.9%), Island Dredging \$2.1m (13.6%) and City Engineering and Constructions Ltd \$0.5m (3.43%).