

**Keeping an Eye on the People's Business:
Part 2 - Spotlight on Public Debt: DOMESTIC DEBT**

Part 2 of *Spotlight on Public Debt* takes a look at the outstanding domestic debt over the period 2015-2017:-

- Total domestic debt and debt service
- Main components of domestic debt
- Debt owing to National Insurance Scheme and Petrocaribe
- Domestic Bonds

Where possible, it notes how the debt has evolved in the restructuring process.

1. Domestic Debt and Debt Service:

The following table is a summary of domestic debt situation:-

Table: Summary of Domestic Debt and Debt Service (EC\$mn.)

Description	2015	2016	2017	Est. 2018
Total Public Debt	2,189.54	2,174.90	1,992.28	
Total Domestic Debt	594.36	592.68	599.34	
Total Debt Service	459.29	370.19	367.41	401.45
Domestic Debt Service	306.53	237.05	220.45	250.20
Interest	32.18	25.94	15.87	19.69
Principal	274.35	211.11	204.57	230..50

2. Total Domestic Debt:

The following table summarizes selected components of the public debt.

Table: Selected Components of the Public Debt(EC\$mn):

DESCRIPTION	o/s. 2015	o/s 2016	o/s 2017	NOTES/COMMENTS
TOTAL DOMESTIC DEBT	594.36m	592.68m	599.34m	
• Total Treasury Bills	318.24m	305.80m	207.10m	Treasury bills are being converted to longer term bonds, resulting in a decline re outstanding debt in respect of Treasury Bills.
• Total Bonds	182.93m	201.84	304.49	Bonds debt increasing as Treasury Bills being converted to bonds.
• National Insurance Board	31.15m	24.92m	18.69m	<ul style="list-style-type: none"> • Restructuring of contributions owed by GoG; cut off date October 2015; • 3 % interest; • Payable March 2016 to December 2020.
• RBL formerly National	5.91m	4.10m	3.81m	• o/s debt 2017 re Gravel

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Compiled by: Sandra C.A. Ferguson*

Commercial Bank				and Concrete Loan of EC\$8.5 m guaranteed by GoG; restructured to EC\$4.403m; interest rate 7%
<ul style="list-style-type: none"> Compensation Claims for Judgement Debts/Land Acquisition 	40.00m	43.42m	58.13m	

3. National Insurance Scheme:

The following is a summary of the exposure of the NIS re public debt:-

Table: Domestic Debt: Debt Outstanding re National Insurance Scheme(ECmn.):

DESCRIPTION	2015	2016	2017	NOTES/COMMENTS
Treasury Bills	40.0	40.0	40.0	<ul style="list-style-type: none"> Short term debt – 365 dys., issued at 6% Reissued at 3%
Restructuring of contributions owed by GoG ; cut off date October 2015	31.15	24.92	18.69	<ul style="list-style-type: none"> 3 % interest; Payable March 2016 to December 2020.
GoG Private Placement Bond (formerly 2014/2016 Serial Bond)- part of:-	25.28	25.28	25.2	Restructured 2014/2016 serial bond (\$23.2m)
<ul style="list-style-type: none"> Part of GoG Private Placement \$48.23 				Originally a private placement of \$20.63m ; Interest rate of 6% ;matures 2014/2016
2040 EC Bond Exchange(100.93m 2015-2040)	100.93	100.93	100.93	<ul style="list-style-type: none"> Restructured EC 2025 Bond; Interest rate 3% Maturity at 15/11/40
GoG 2022 (NIS Private Placement – \$20. 86m)	20.86	20.86	20.86	<ul style="list-style-type: none"> Restructured Treasury Bills \$19.66m, Nov. 2015; Interest rate 3% Payable June and Nov;
GoG 2030 (Grenada Ports Authority Bonds)	-	7.83	7.27	<ul style="list-style-type: none"> Restructured Treasury Bills of \$8.5m Feb. 16th, 2016 Interest rate 3.5%; Payable May and Nov. 2016-2030 (Originally Treasury Bills held by Grenada Ports Authority @8%. 365 dys.)
GoG 2040 (National Housing Authority)	-	6.72	6.72	<ul style="list-style-type: none"> Restructured NHA guaranteed loan(now part of Central Gov't debt); Interest rate 3% Payable 2016-2040

Note¹:

The following contribute to the debt held by the NIS:

- **March 2001:** Govt. Guarantee \$2.2 mn. for 5 years at 8%; for Marketing and National importing Board
- **April 2002:** Loan guarantee RDF Enterprises EC\$3.53 mn.; for the production of organically grown bananas on River Antoine Estate, St. Patrick's
- **November 2002:** Authorize the NIS in the list of lending institutions financing the US\$26.5 mn. for the construction of Melville Street Cruise Ship terminal.

4. Petrocaribe:

Table: Domestic Debt: Debt Outstanding to Petrocaribe

DESCRIPTION	2015	2016	2017	NOTES/COMMENTS
Treasury Bills	94.0	94.0	-	<ul style="list-style-type: none"> • Several short term debt instruments, 91 dys – 365dys; • issued at rates between 4.25 % and 6%; • reissued at 3% - 365 dys.
Treasury Note	-	-	4.0	<ul style="list-style-type: none"> • interest 4% • issued March 13, 2017; maturing March 13th, 2019
GoG Petrocaribe EC94m - 20 year Bonds	-	-	94.0	<ul style="list-style-type: none"> • Restructured Treasury bills Interest 3%
GoG Petrocaribe EC12.6m – 15 yr. bond – part of the following:-		-	12.6	Restructured 2014/2016 Serial bond (\$12.6M)
<ul style="list-style-type: none"> • Part of GoG Private Placement \$48.23 				Originally a private placement of \$20.63m

¹ Ref: Grenada Today, March 22nd, 2003: NNP Borrowing Spree
http://www.belgrafx.com/gtoday/2003news/Mar03/march22/call_center_scandal.htm

5. Other Bonds (EC\$ mill.):

Table: Outstanding Domestic Debt: Bonds(EC\$m):

DESCRIPTION	2015	2016	2017	NOTES/COMMENTS
Total Bonds	182.93	201.84	304.49	
Restructured Fincor Bonds 2013-2019 – comprised of the following restructured bonds:-	\$8.93m	6.38m	6.38m	Restructured using Paris Club agreement
• EC\$15M Bond Issue 2002-2013(Fincor)	-	-	-	<ul style="list-style-type: none"> Interest rate 9.75%; restructured Oct. 2005; converted into 2013-2019 bonds(\$8.9m)
• USD10.5m bond issue 2004-2014(Fincor)	-	-	-	<ul style="list-style-type: none"> Interest rate 7.5%; Restructured Oct. 2005; Converted to 2013-2019 bonds(\$8.9m)
GoG /Republic Bank (G'da) Ltd. Private Placement A (\$EC3.348m) - comprised of the following restructured debt		3.34	3.34	<ul style="list-style-type: none"> Restructured Treasury Bill \$3.30M; Interest rate 3% maturity 31/12/2022
• National Commercial Bank	3.30	-	-	<ul style="list-style-type: none"> Short term debt at 7% - 365 dys.; Restructured into Placement A bond \$3.348m 2022
GoG /Republic Bank (G'da) Ltd. Private Placement B (\$EC3.561m)	-	3.56	3.23	<ul style="list-style-type: none"> Restructured loans of EC\$5.073m & EC\$0.838m; Interest rate 7%; Maturity 31/12/2027
GoG RBTT Private Placement Bond – restructured Treasury Bills comprised as follows:-			9.53	<ul style="list-style-type: none"> Restructured RBTT Treasury Bills @3% maturity 31.12.2023
• RBTT formerly Grenada Bank of Commerce	6.32	6.32m	-	<ul style="list-style-type: none"> Short term debt @6%; Restructured into a 7 yr. bond, 2017-2023
• RBTT formerly Grenada Bank of Commerce	3.21m	3.21	-	<ul style="list-style-type: none"> Short term debt @6.5%, 365 dys.; Restructured into 7 year bond, 2017-2023
GoG Private Placement \$48.23 – comprised of the following restructured serial 2014/2016 private placement:		25.03	9.4	<ul style="list-style-type: none"> Interest rate of 6% - Matures 2014/2016 (NIS portion of \$23,200,000.00 restructured into new bond; & Petro Caribe restructured EC\$12.6M)
• Government of Grenada (Private Placement) \$20.630M²				<ul style="list-style-type: none"> Interest rate of 6% - Matures 2014/2016; o/s balance at 2011 - \$11,630,000; o/s balance at 2012 - \$45,630,000; o/s balance at 2013 - \$48,230,000

² Appendix F, pg. 445 - Estimates of Revenue and Expenditure 2015