PROSPECTUS

FOR TREASURY BILL ISSUES

FOR THE PERIOD

December 2020 - December 2021

BY

THE GOVERNMENT OF ST. VINCENT AND THE GRENADINES

Ministry of Finance

Administrative Centre

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ST. VINCENT AND THE GRENADINES

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ABSTRACT

During December 2020 to December 2021, the Government of St. Vincent and the Grenadines is seeking to issue the following government securities on the Regional Government Securities Market.

91 Day Treasury Bills

Twenty-eight million dollars (EC$28.0m) in each of twelve (12) issues

I. GENERAL INFORMATION

Issuer: The Government of St. Vincent and the Grenadines

Address: The Ministry of Finance, Economic Planning, Sustainable Development and Information Technology

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Mr. Edmond Jackson, Director General, Ministry of Finance

Ms. Debbie Antoine, Accountant General

Mr. Harold Lewis, Debt Manager

Date of Publication: November 2020

Purpose of Issue: To refinance the existing issues of Treasury Bills issued on the

Primary Market via the Regional Government Securities Market (RGSM)

Amount of Issue: Twelve issues of XCD 28.0 million each

Legislative Authority: The Finance Administration Act (FAA) Cap 252 governs and authorises borrowing and the Treasury Bills Act Cap 444 governs the Issuance. *This Prospectus is issued for the purpose of giving information to the public. The Government of St. Vincent and the Grenadines accepts full responsibility for the accuracy of the information given, and confirm having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts, the omission of which would make any statement in this prospectus misleading. All analyses and references made to currency, unless otherwise stated, refers to the Eastern Caribbean Dollar.*

II. INFORMATION ON THE TREASURY BILL ISSUE

a. The Government of St. Vincent and the Grenadines (GOSVG) proposes to auction twelve $28,000,000.00 91-day Treasury Bills during the period December 2020 to December 2021. The treasury bills will be issued on the Regional Government Securities Market and made available for trading as they will be listed on the ECSE:

Table 1: Calendar of Issues

Trading Symbol	Instrument ID	Issue	Amount	Interest Rate Ceiling	Tenor	Auction Date	Settlement Date	Maturity date
VCB	VCB010421	Treasury Bill	$28.0 M	3.50%	91 Days	December 30, 2020	December 31, 2020	April 1, 2021
VCB	VCB040521	Treasury Bill	$28.0 M	3.50%	91 Days	February 1, 2021	February 2, 2021	May 4, 2021
VCB	VCB010621	Treasury Bill	$28.0 M	3.50%	91 Days	March 1, 2021	March 2, 2021	June 1, 2021
VCB	VCB070721	Treasury Bill	$28.0 M	3.50%	91 Days	April 6, 2021	April 7, 2021	July 7, 2021
VCB	VCB050821	Treasury Bill	$28.0 M	3.50%	91 Days	May 5, 2021	May 6, 2021	August 5, 2021
VCB	VCB020921	Treasury Bill	$28.0 M	3.50%	91 Days	June 2, 2021	June 3, 2021	September 2, 2021
VCB	VCB081021	Treasury Bill	$28.0 M	3.50%	91 Days	July 8, 2021	July 9, 2021	October 8, 2021
VCB	VCB121121	Treasury Bill	$28.0 M	3.50%	91 Days	August 12, 2021	August 13, 2021	November 12, 2021
VCB	VCB071221	Treasury Bill	$28.0 M	3.50%	91 Days	September 6, 2021	September 7, 2021	December 7, 2021
VCB	VCB130122	Treasury Bill	$28.0 M	3.50%	91 Days	October 13, 2021	October 14, 2021	January 13, 2022
VCB	VCB150222	Treasury Bill	$28.0 M	3.50%	91 Days	November 15, 2021	November 16, 2021	February 15, 2022
VCB	VCB100322	Treasury Bill	$28.0 M	3.50%	91 Days	December 8, 2021	December 9, 2021	March 10, 2022

Source: CIDMU, Ministry of Finance

b. The price of the issue will be determined by a competitive Uniform Price Auction with open bidding.

c. The bidding period(s) will start at 9:00 am and end at 12:00 noon on auction days.

d. Each investor is allowed one (1) bid with the option of increasing the amount being tendered for until the close of the bidding period or reducing the interest rate.

e. The minimum bid quantity is $5,000.00.

f. The bid multiplier will be set at $1,000.

g. The date of issue for each auction is equivalent to the stated settlement date of that auction

h. The instruments would be issued at a discount with face value repaid on maturity

i. Yields will not be subject to any tax, duty or levy of the participating Governments of the Eastern Caribbean Currency Union (ECCU).

j. The Government of St. Vincent and the Grenadines has been maintained a rating of B3 stable by Moody's Investor Services on 27th February, 2020

k. The Treasury Bills will be issued on the Regional Government Securities Market (RGSM) and traded on the Eastern Caribbean Securities Exchange (ECSE).

l. Investors can participate in the issue through the services of any of the Licensed Intermediaries who are members of the Eastern Caribbean Securities Exchange.

The Current List of Licensed Intermediaries are:

- Bank of Nevis Limited
- Bank of St. Vincent and the Grenadines Ltd.
- Bank of St. Lucia Ltd.
- St. Kitts Nevis Anguilla National Bank Limited
- First Citizens Investment Services Ltd. – Located in Saint Vincent and the Grenadines and Saint Lucia
- Grenada Co-operative Bank Limited

III. MACRO-ECONOMIC PERFORMANCE

OVERVIEW OF ECONOMIC GROWTH

Preliminary data for 2019 indicates a marginal growth in real output of 0.3 percent. This performance was influenced mainly by major contractions in the manufacturing and wholesale and retail trade sectors while the tourism and transportation sectors experienced buoyant growth. The second largest contributor to gross value added was the wholesale & retail trade sector. The sector's contribution to gross value added declined by 8.2 percent on account of contraction in domestic activity evidenced by the 5.2 percent decline in merchandise imports.

The agriculture sector recorded a 0.6 percent increase in gross value added. The marginal improvement resulted from increase in livestock production. The manufacturing sector recorded a 13.7 percent negative growth in gross value added as a result of lower production of galvanise material as re-construction in hurricane affected islands wound-down and a sharp decline in beverage production due to operational challenges. The contribution of the real estate renting and business services sector increased marginally, in 2019, to 16.9 percent indicative of the limited activity in the sector.

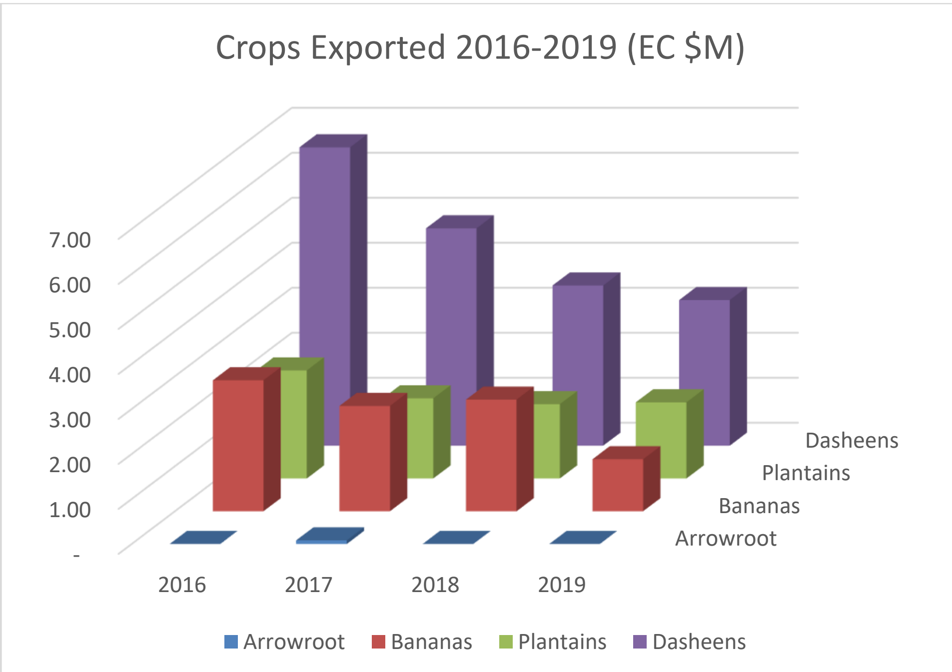
The hotels and restaurants sector, proxied by visitor arrivals, saw continued buoyant growth at 10.9 percent in 2019, following a growth of 15.3 percent in 2018. The 2019 performance is indicative of increased marketing of St. Vincent and the Grenadines by the Tourism Authority, enhanced by the ease of access due to the operation of the Argyle International Airport and the addition of direct flights from major tourism markets, the United States and Canada. Meanwhile, a slowdown in construction related activities in the private and public sectors accounted for the decrease in growth in the construction sector.

SECTORAL DEVELOPMENTS

AGRICULTURE

Real output in the agriculture sector increased marginally, at a rate of 0.6 percent in 2019. The weak performance in the agriculture sector was on account of negative growth recorded in the crops subsector. This was mainly due to severe drought conditions in the first quarter of the year which resulted in a low crop yield. Meanwhile, banana production declined further as exports remain limited to the region and an increase in competition in existing markets. Output from the forestry sub-sector also fell by 2.0 percent during the period. The fishing sector strengthened by 2.7 percent, as landings increased for most species including Conches, Dolphin, Lobsters, and Yellow Fin Tuna. In contrast, real growth in the livestock sub-sector was 12.4 percent in 2019, up from 10.3 percent in 2018. This expansion was driven by higher levels of egg, chicken and pork production.

Chart 1: Crops Exported 2016 – 2019



Source: Statistical Office, Ministry of Economic Planning

MANUFACTURING

The manufacturing sector in St. Vincent and the Grenadines is relatively small with production concentrated in brewery products, flour, animal feeds and construction material, particularly galvanize. The sector's contribution to gross value added stood at 3.8 percent in 2019, a 13.7 percent reduction from 2018. Real growth in the sector was recorded at negative 13.7 in 2019, relative to positive growth of 7.7 percent, in 2018. Lower real output in the sector reflected the 49.0 percent drop in galvanise production as regional markets demanded less galvanise for re-construction activity along with a fall-off in production of brewery products. Brewery production declined, by 10.0 percent on account of internal operational challenges. In contrast, flour, feeds and packaging material increase by 2.0 percent, 25.0 percent and 39.0 percent, largely reflecting increased exports to regional markets.

TOURISM

Value added in the tourism sector, as proxied by hotels and restaurants, remained positive with a 10.9 percent growth in 2019, down slightly from 15.3 percent in 2018. Although 2019 saw an increase in the frequency of international flights, particularly American Airlines and Air Canada, no new airlines commenced operation to the destination thus leading to reduced growth. Canadian and United States visitors increased by 10.4 percent and 11.5 percent respectively*, while Caribbean arrivals fell by 1.0 percent*. The United States and Europe are currently two of the major market sources of the destination with 11.5 percent and 5.6 percent respectively*. Despite the decrease of 1.0 percent, visitor arrivals from the Caribbean still remain a major market source.

Table 2: Visitor Arrivals by Visitor Type

VISITOR TYPE	JAN-DEC 2019	JAN-DEC 2018	ACTUAL CHANGE	% CHANGE
BY AIR				
STAY-OVER	83,976	80,080	3,896	4.9
SAME-DAY	1,311	1,287	24	1.9
SUB TOTAL	85,287	81,367	3,397	4.2
BY SEA				
YACHT	61,526	56,826	4,700	8.3
CRUISE SHIP	250,694	217,876	32,818	15.1
SUB TOTAL	312,220	274,702	37,518	13.7
TOTAL	**397,507**	**356,069**	**41,438**	**11.6**

Source: Statistical Office

*NB: For the time period January- November 2018 to January-November 2019

Visitors travelling by air registered an increase of 4.2 percent while those arriving by sea recorded an increase of 13.7 percent. Total visitor expenditure was estimated to have risen by approximately 12.6 percent from EC$281.84 million in 2018 to EC$317.26 million in 2019.

Total visitor arrivals increased by 11.6 percent to 397,507 in 2019, reflecting growth in stay-overs, same day visitors, yachties and cruise passengers. Stay over arrivals registered an increase of 4.9 percent. Arrivals from the key CARICOM markets showed that St. Lucia declined by 5.7 percent while Trinidad and Tobago increased by 2.5 percent. Cruise arrivals grew by 15.1 percent following a 25.0 percent increase in 2018. The number of cruise ships calls decreased from 261 calls in 2018 to 253 calls in 2019. The yachting sub-category, a small but growing segment, improved by 8.3 percent in 2019. Bequia continues to be the main port of entry for yachts; accounting for approximately 59.8* percent of visitors arriving via yachts.

*NB: Based on the time period January-November 2019

CONSTRUCTION

Growth in the construction sector contracted by 2.6 percent in 2019 on account of a slowdown in construction activity in the private and public sectors. This was reflected in the 2.7 percent decrease in imports of construction material. Despite the fall-off in construction activity, Mining and Quarrying grew by 0.9 percent in 2019.

MEDIUM TERM GROWTH OUTLOOK

Over the medium term, 2020-2023, the real economy is projected to grow at an average of 1.5 percent per annum. In 2020, economic activity is expected to drop by 4.8 percent, mainly due to the impact of the COVID-19 pandemic on a number of major sectors in the economy, namely, Tourism, Transportation, Wholesale & Retail Trade. Higher than normal growth (5.0 percent) is anticipated, in 2021, based on recovery in all sectors impacted by the pandemic. In the outer years, 2021-2022, real economic growth is expected to settle at 2.9 percent. This outlook is expected to be supported by buoyant economic activity in the Tourism, Construction and Fishing sectors, along with slower growth in Manufacturing, Wholesale and Retail Trade and Agriculture.

The agriculture sector is projected to grow modestly, averaging 1.4 percent over the medium term. Growth in banana production is anticipated to decline in the medium term as the country faces increased competition from regional exporters in key markets. The other crops and livestock subsectors are forecasted to grow consistently over the period with initiatives aimed at specific root crops expected to favour the production of other crops.

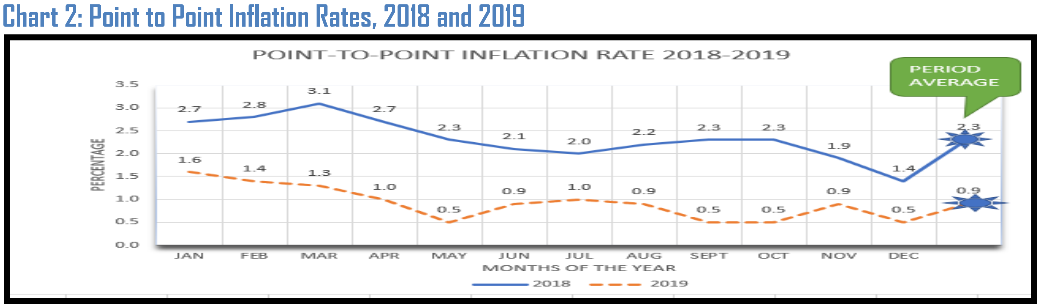
The tourism sector is expected to get a significant boost in activity over the medium term, with growth averaging 7.0 percent per annum. It is anticipated that stayover visitors will increase substantially upon the completion and opening of hotels currently under construction, such as the Marriot, Black Sands Resort and Holiday Inn Express. This will be supported by increased flights from international destinations such as the United States and Canada. Following the effects of the COVID-19 pandemic on the industry, growth in the cruise tourism is expected to plateau out to a modest 5.0 percent annually, from 2021. Value added in the construction sector is forecasted to increase from 2021, reaching 5.0 percent in 2022. This will be occasioned by the expected investments in tourism as well as the number of other projects in the Public Sector Investment Programme (PSIP) pipeline, including the Port Modernisation Project, the Natural Disaster Management Risk Reduction and Climate Change Adaptation Project, the School Development Programme, the Diamond Hotel Project and the Black Sands Resort Project are expected to contribute to growth in the sector.

Growth in the wholesale and retail trade sector is expected to average 2.0 percent per annum based on the anticipated improvement in the domestic economic activity. The manufacturing sector is expected to grow moderately at an average of 4.1 percent over the medium term mainly on account of proposed investment initiatives to increase output capacity for brewery products, flour and feeds.

INFLATION

The annual average point-to-point inflation rate, as measured by the change in the consumer price index, averaged 0.5 percent in 2019 compared with the recorded average of 1.4 percent in 2018. The monthly inflation rates recorded positive values and fluctuated throughout the year, with its lowest level rate 0.5 percent and the highest rate 1.6 (see table 2 below). The greatest movements between the months occurred between May to June and November to December. See chart 2.

Chart 2: Point to Point Inflation Rates, 2018 and 2019



Source: Statistical Office, Ministry of Finance and Planning

The "All Items" index was recorded at 111.3 for the month of December 2019 compared to 110.8 for 2018. Eight (8) groups recorded increases for 2019 compared to ten (10) groups in 2018, Within each group, specific items can be identified as having an upward or downward effect on the Index.

The "alcoholic beverages, tobacco & narcotics" index recorded an increase of 3.5 percent due mainly to higher prices for wines, whiskey and rums. The 2.0 percent growth in "Furnishings, Household Equipment and Household Maintenance" group was on account of significant increases for several items mainly, gas stove, matches, dining set and refrigerator. Similarly, the "transport" index rose by 0.9 percent on account of increases in the prices for diesel, truck tyres and the cost for passenger airfare. Five other groups experienced moderate increases, including "Restaurants and Hotels" (2.1%) "Education" (1.8%), "Miscellaneous Goods and Services" (1.5%), "Food and Non-Alcoholic Beverages" (0.9%), and "Clothing and Footwear" (0.1%)

A downward movement of 1.0 percent was recorded for the group index "Housing, Water, Electricity, Gas and Other Fuels" due mainly to a lower price for cooking gas. The 0.8 percent fall in the "Health" index was on account of a decrease in the price of a drug that is used for the treatment of cancer and diabetes. Meanwhile, "Communication" and "Recreation and Culture" were the two (2) groups that remained unchanged.

BALANCE OF PAYMENTS[1]

THE CURRENT ACCOUNT

Preliminary data points to a deterioration in the current account deficit which increased to $267.68 million (or 12.2 percent of GDP) in 2018 from $257.09 million (or 12.0 percent of GDP) in 2017 influenced mainly by developments in the goods and services account. The merchandise trade deficit expanded by 9.9 percent to $731.24 million on account of higher merchandise imports. On the services account, net inflows increased by 20.1 percent to $366.82 million largely attributed to increased inflows in construction services and other business services as inflows from travel services increased.

[1] Preliminary data from the statistics department. Most recent estimates are for the year ended December 31, 2018.

A 0.6 percent increase in the surplus on secondary income which moved from $118.15 million in 2017 to $118.85 million in 2018 along with 45.4 percent increase in the deficit in primary income which moved from $15.20 million in 2017 to $22.10 million in 2018 also contributed to the worsening of the current account balance. The deterioration in receipt on the primary income account was due to a net outflow of investment income, while the increase in the secondary income account was primarily due to a small increase in personal transfers between resident and non-resident households.

THE CAPITAL AND FINANCIAL ACCOUNT

The balance on the capital account also deteriorated moving from a surplus of $206.33 million in 2017 to a surplus of $23.49 million in 2018. This was due mainly to the lower amount of capital transfers recorded during the period. The balance on the current account along with the capital account balance yielded a net borrowing position of $244.18 million (11.1 percent of GDP). This was $193.42 million more than the net borrowing position of $50.76 million (2.3 percent of GDP) recorded in 2017.

The financial account recorded a net borrowing position of $187.97 million for 2018. This represents an increase of $42.85 million when compared to the net borrowing position of $145.12 million recorded in 2017. The main driver of this increase was due to a decrease in the net lending position of portfolio investment and other investment in the financial account. The net borrowing position on the balance from the current and capital account of $244.18 million was financed by a net borrowing position on the financial account of $187.97 million. This gave rise to a net errors and omissions item of $56.2 million. Net errors and omissions occur when a surplus/deficit in the current account together with the capital account is not offset by equally large capital inflows in the financial account.

FOREIGN TRADE

Merchandise Trade in St. Vincent and the Grenadines consists of a mix of exports and imports, with a heavier weighting on imports. Exports are mainly to countries such as the U.K., the U.S., Canada and countries within the CARICOM region and consist primarily of exports of agricultural and manufactured products. Items such as food, beverages, machinery and transport equipment, manufactured goods, chemicals, oils and fuels, are imported from countries such as the U.K., the U.S., CARICOM member countries and Japan.

As at December 31, 2019, export receipts totalled $103.03 million, reflecting a decrease (of 12.6 percent) in domestic exports. Domestic exports went down by 17.8 percent due to a substantial fall-off (50.3

percent) in the export of manufactured goods. Meanwhile, re-exports grew by 29.4 percent mainly attributed to the increase in the re-export of machinery and transport equipment (25.1 percent). This was partially offset by decreases in the export of manufactured goods etc. Import payments (f.o.b) fell by 5.2 percent to $905.14 million, mainly attributable to a 22.0 percent drop in the value of mineral fuel imports.

GOVERNMENT FISCAL OPERATIONS

The Central Government fiscal operations for the year ending December 31, 2019 deteriorated when compared to the previous year. An overall fiscal deficit of $66.03 million was recorded, compared to a deficit of $19.71 million in 2018. This was largely due to increases in Recurrent and Capital Expenditure during the period of 4.8 percent and 61.3 percent, respectively as Current Revenue increased marginally by 0.9 percent. This increase in Current Revenue coupled with the 4.8 percent growth in Current Expenditure resulted in a Current Surplus of $1.28 million, down from a surplus of $23.45 million in 2018.

Total revenue including grants amounted to $680.02 million in 2019. Revenue collected from direct taxes decreased by 5.1 percent to $140.29 million while indirect taxes rose by 2.8 percent to $373.70 million.[2] Non-tax revenue also grew, moving from $85.11 million to $87.73 million, largely as a result of greater collections of Property Income which increased by 25.9 percent to $9.00 million. Capital revenue and grants accounted for $78.30 million of total revenue in 2019, compared with $40.65 million in 2018, an increase in grant receipts in 2019 accounted for the majority of the difference. Spending on recurrent expenditure items went up by 4.8 percent in 2019 mainly on account of a 5.6 percent increase in compensation of employees, while capital expenditure grew by 61.3 percent. The net effect is a 13.1 percent increase in total expenditure.

Table 3: Summary of fiscal operations for the year ended December 31, 2018

	BUDGET 2019 $ M	ACTUAL 2019 $ M	ACTUAL 2018 $ M	% CHANGE
Current Revenue	**656.60**	**601.72**	**596.40**	0.9
of which:				
Taxes on Income & Profits	158.61	140.29	147.80	(5.1)
Taxes on Property	48.40	27.11	37.43	(27.6)
Taxes on Goods & Services	185.90	186.49	163.92	13.8
Taxes on International Trade	170.81	160.10	162.14	(1.3)
Sale of Goods & Services	71.09	65.70	66.94	(1.9)

[2] Direct taxes comprised of taxes on income & profits and indirect tax is made up of taxes on property, taxes on goods & services and taxes on international trade.

Current Expenditure	**655.44**	**600.44**	**572.96**	4.8
of which:				
Compensation Employees	319.13	304.15	288.09	5.6
Use of Goods & Services	92.39	290.75	76.67	3.9
Interest Payments	66.60	55.91	52.09	7.3
Transfers	177.32	160.75	156.10	3.0
Current Balance	**1.16**	**1.28**	**23.45**	(94.5)
Primary Balance (net CCF)	**(91.43)**	**(10.12)**	**32.39**	(131.3)
Capital Expenditure	**222.58**	**159.56**	**98.89**	61.3
Of which:				
Capitalisation of Contingency Fund (CCF)	**12.50**	**13.951**	**15.09**	(7.5)
Capital Revenue	**50.89**	**78.30**	**40.65**	92.6
Overall Balance (net CCF)	**(158.03)**	**(66.03)**	**(19.71)**	(235.0)

Source: ERPU, Ministry of Finance

REVENUE

Current revenue which is generated from a mix of direct and indirect taxes amounted to $601.72 million in 2019, representing a 0.9 percent increase when compared with the previous year. Tax receipts from the various categories turned in mixed performances when compared to the previous year. In 2019 revenue from taxes on income and profits decreased by 5.1 percent to $140.29 million due to lower collections from corporation (19.1 percent) and Non-Resident Taxes (13.3 percent) while receipts from Personal Income Taxes went up (by 6.3 percent) during the period. These performances were occasioned by the lower reported profitability of some companies. The increase in Personal Income Tax partly reflects the salary enhancement received by public servants for the period July-December 2018 and 2019.

Revenue from taxes on goods and services grossed $186.49 million, this figure was $22.57 million or 13.8 percent more than the amount collected during the same period in 2018. The improved receipt was mainly due to greater collections of Value Added Tax (22.4 percent) and Telecomm Broadcast Licence (61.5 percent). The uptick in Value Added Tax revenue during the period was due mainly to the implementation of the VAT reverse charge mechanism while Telecomm and Broadcast fees increased on account of revenue from domain name sales. The increase in revenue from this subcategory was however moderated by lower takings from Excise Duty on Imports, Yacht Licences and Interest Levy during the period.

Revenue from International Trade Taxes declined by 1.3 percent, to $160.10 million. Under this rubric, the main items responsible for this were Import Duty, which decreased by 3.3 percent and Vehicle Surtax which fell by 21.2 percent. The drop-in collections from Import duty and Vehicle Surtax reflects a 5.2 percent fall in the value of merchandise imports during the period.

Revenue from Sale of Goods and Services amounted to $65.70 million. This figure was 1.9 percent lower than the amount collected in 2018 as the performance of most major subcategories under this heading deteriorated during the year. Collections from International Financial Services Fees, CIPO Registration Fees and Customs Service Charge fell by 4.6 percent, 6.4 percent and 0.7 percent, respectively, while revenue from Drivers Licence went up by 1.7 percent.

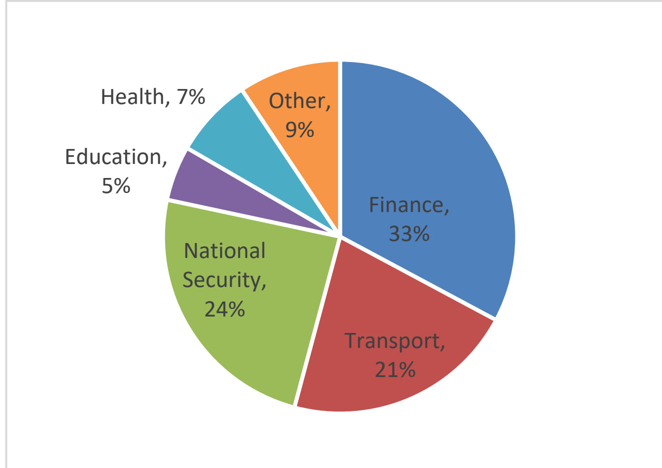
Capital inflows as at December 31, 2019 amounted to $78.30 million, up from the $40.65 million collected in the corresponding period in 2018. This was mainly because revenue from Grants increased by 86.7 percent to $74.09 million.

EXPENDITURE

As at December 31, 2019 current expenditure continued on an upward trend which amounted to $600.44 million compared to $572.96 million for the previous year, representing a 4.8 percent increase over 2018. A total of $290.75 million was spent on the payment of Wages and Salaries during the period and the Employer's Social Security Contribution amounted to $13.41 million; these were responsible for the overall 5.6 percent increase in Compensation of Employees. The increased spending on Wages and Salaries was mainly due to the 1.5 percent salary increase paid to public servants on top of the 1.0 percent for the period July-December 2018. This outturn was influenced by an increased spending on Compensation of Employees.

Interest Payments increased during the period by 7.3 percent to $55.87 million largely as a result of higher payments on the domestic component of the debt. Domestic interest payments increased by 11.2 percent while external interest payments increased by 1.3 percent. Outlays on Transfers increased by 3.0 percent to $160.75 million mainly due to higher amounts expended on pension benefits (6.3 percent). Grants to Local Authorities, Grants to Other Agencies and Social Welfare payments also increased by 3.6 percent, 5.0 percent and 1.6 percent, respectively.

Capital spending by the Central Government, which amounted to $159.56 million, increased by 61.3 percent from the $98.89 million. A significant share of capital spending was allocated to the Geothermal Project ($32.88 million) and the Regional Disaster Vulnerability Risk Reduction Programme ($21.73 million). Resources were also geared towards community development; particularly, upgrading of schools, modernization of the health care sector, and improving the country's roads.



Source: Ministry of Finance, ERPU

FINANCING

Below is a summary of the Central Government financing for the year ended December 31, 2019 with comparative figure for the same period in 2018.

Table 4: Central Government Financing 2019

	Actual 2019	Actual 2018
OVERALL BALANCE	**(66.0)**	**(19.71)**
FINANCING		
NET EXTERNAL	**40.4**	**(43.7)**
Loan Disbursement	113.4	19.9
Loan Amortisation	(73.0)	(63.6)
NET DOMESTIC	**25.6**	**(63.4)**
Loan Disbursement	186.9	130.1
Loan Amortisation	(79.6)	(66.9)
Sinking Fund Contribution	(32.4)	(22.2)
Change in Cash	(40.1)	(24.0)
Other Domestic	4.8	13.6

Source: Ministry of Finance, ERPU

FISCAL OUTTURN AS AT JUNE 30, 2020

Preliminary data as at June 30, 2020 indicated that the Central Government fiscal operations deteriorated when compared to the same period in 2019. Current Revenue decreased marginally by 0.1 percent to $282.84 million, while Current Expenditure increased by 4.0 percent to $307.19 million. Consequently, the Current deficit went from $12.03 million in 2019 to $24.35 million in 2020. The Overall Balance also worsened, moving from a deficit of $14.63 million in 2019 to a deficit of $51.69 million in 2020 mainly on account of increased capital spending.

Table 5: Summary of Fiscal Outturn June 2019 compared with June 2018

	BUDGET 2020 $ M	ACTUAL 2020 $ M	ACTUAL 2019 $ M	*% CHANGE*
Current Revenue	**307.14**	**282.84**	**283.25**	**(0.1)**
of which:				
Taxes on Income & Profits	74.48	66.70	65.28	2.2
Taxes on Property	15.29	11.22	11.46	(2.1)
Taxes on Goods & Services	94.08	96.99	87.91	10.3
Taxes on International Trade	80.46	68.84	75.68	(9.0)
Sale of Goods & Services	35.09	28.63	31.00	(7.7)
Current Expenditure	**327.27**	**307.19**	**295.28**	**4.0**
of which:				
Compensation Employees	163.65	158.77	151.08	5.1
Use of Goods & Services	40.42	37.41	32.65	14.6
Interest Payments	32.65	25.23	25.89	(2.5)
Transfers	90.55	85.78	85.66	0.1
Current Balance	**(20.13)**	**(24.35)**	**(12.03)**	(102.4)
Primary Balance (net CCF)	**(19.57)**	**(26.43)**	**11.25**	(335.1)
Capital Expenditure	**45.49**	**42.10**	**16.22**	159.5
Of which:				
Capitalisation of Contingency Fund (CCF)	6.43	7.01	6.02	16.5
Capital Revenue	**13.40**	**7.75**	**7.60**	1.9
Overall Balance (net CCF)	**(52.22)**	**(51.69)**	**(14.63)**	(253.2)

Source: Ministry of Finance, ERPU

Receipts from Taxes on Income and Profits increased by 2.2 percent to $66.70 million due to higher collections from Personal Income Tax and Corporate Income Tax. The increase in Personal Income Tax of 5.9 percent is partially reflective of the 2.0 percent salary enhancement received by public servants for 2020 while the greater collection from Corporate Income Tax was mainly on account of the improved profitability of some companies during the tax period. Non-Resident (Withholding) Tax receipts declined by 29.4 percent. This was related to a reduction in the number of audits conducted during the period.

Collections from Taxes on Goods and Services which totalled $96.99 million, increased by 10.3 percent. This resulted mainly from improved receipts from Excise Duty on Imports (72.9 percent), largely related to payments received in 2020 which were related to 2019 imports. Greater amounts were also collected from VAT on domestic transactions, Motor Vehicle Licences, Merchant Shipping International Fees and Interest Levy. The increase in revenue from Taxes on Goods and Services was however moderated by lower takings from Telecomm Broadcast Licence, Yacht Licence and Insurance Premium Tax during the period. Additionally, Revenue from International Trade Taxes fell by 9.0 percent, to $68.84 million. Under this rubric, revenue collection from all major subcomponents decreased; VAT receipts dropped by 8.6 percent, Import Duty decreased by 9.5 percent and Vehicle Surtax fell by 11.4 percent. The decline in revenue from Vehicle Surtax reflects a fall in vehicle imports during the period while the fall in revenue from VAT and Import Duty reflects the 5.9 percent fall-off in imports during the period.

Current Expenditure for the period ended June 30, 2020, amounted to $307.19 million. This figure represents an increase of 4.0 percent when compared to the amount spent during the same period in 2019. Payment of Wages and Salaries amounted to $151.92 million and the Employer's Social Security Contribution to $6.85 million, these were responsible for the overall 5.1 percent increase in Compensation of Employees. The 2.0 percent salary enhancement paid to public servants from January 2020 would have contributed to the increased spending on Wages & Salaries. Changes in increments and allowances also contributed to the growth in Wages and Salaries.

Interest Payments decreased during the period by 2.5 percent to $25.23 million as a result of a 6.5 percent drop in payments on the domestic component of debt. This reduction in payments was mostly due to moratorium being granted by some domestic creditors to the government on some debt instruments. External interest payments, however, increased by 4.9 percent, due to the contraction of new debt. Outlays on Transfers increased by 0.1 percent to $85.78 million mainly based on higher amounts expended on Social Assistance (18.0 percent) while pension benefits declined by 7.4 percent, moderating the increase of transfers. The data suggests that Capital Expenditure for the period amounted to $42.10 million, up from the $16.23 million recorded for the same period in 2019.The larger items of capital expenditure included improving the country's road, infrastructures and providing support to the education sector.

MONEY AND CREDIT

The total monetary liabilities (M2) of the banking system grew by 9.9 percent to $1,720.3 million during 2019. The expansion in M2 reflected mainly developments in quasi money, which grew by 8.6 percent to $580.45 million, reflecting an increase in Private Sector Savings Deposits (5.4 percent and Private Sector

Foreign Currency Deposits (71.3 percent). In contrast, Private Sector Time Deposits fell by 4.9 percent to $0.10 million.

The proportion of narrow money (M1) fell from 33.0 percent in 2018 to 32.5 percent in 2019 however there was an increase of 12.5 percent of narrow money to $580.45 million in 2019. This was primarily on account of increases in private sector demand deposits (10.0 percent). Currency with the public went up by 22.4 percent while EC$ Cheques and Drafts Issued grew by 6.7 percent.

Private sector credit fell by 0.3 percent during 2019 driven by the decrease in credit to non-bank financial institutions. Despite the decrease, lending to households, which accounts for more than three quarters of private sector credit, grew at a reduced rate of 0.4 percent during the period. Loans extended to businesses increased by 4.7 percent to $170.5 million, and the Central Government's net indebtedness decreased by 62.1 percent to $40.3 million in 2019.

An analysis of the distribution of bank credit by economic activity revealed that outstanding loans declined by 1.9 percent to $1,199.6 million during 2019, following 0.7 percent growth recorded during 2018. The contraction in credit was mainly attributable to declines of 16.9 and 80.9 percent in the Government & Statutory Bodies and Financial Institutions sectors, respectively. Credit to other sectors such as Tourism and Construction & Land Development also experienced contractions in credit. Activities in the category of personal lending decreased with contraction of 0.1 percent. Within the personal sector category, credit extended to home construction and renovation decreased by 31.2 percent while house and land purchases increase by 6.0 percent.

Net foreign assets of the banking system increased by 37.9 percent to $826.5 million in 2019, up from the 1.4 percent decline realised during 2018. This expansion was fuelled by an increase in Commercial Bank net foreign assets which grew significantly from $144.19, to $308.62 million while the imputed share of reserves of St Vincent and the Grenadines held at the Central Bank rose by 13.9 percent.

Liquidity in the commercial banking system rose during 2019 as evidenced by an increase in the ratio of liquid assets to total deposits plus liquid liabilities, which rose by 4.0 percentage points to 47.1 percent. The ratio of liquid assets to total assets also increased to 41.7 percent in 2019 from 38.1 percent in 2018, still well below the maximum threshold of 75.0 to 85.0 percent.

PUBLIC DEBT ANALYSIS

Total public debt[3] as at the end of June 30, 2020 stood at $1.75 billion or 76.8 percent of GDP[4]. Central Government total debt amounted to $1.59 billion or 69.7 percent of GDP while Government Guaranteed debt amounted to $162.4 million or 7.1 percent of GDP. Central Government debt comprised 90.7 percent of total debt while the remaining 9.3 percent was debt owed by Public Corporations and guaranteed by the government (Government Guaranteed debt).

Total Public Debt	*In $m*	
	Jun-20	**Jun-19**
Domestic		
Central Govt	520.0	566.1
Public Corporations	27.6	71.2
Total Domestic Debt	**547.6**	**637.2**
External		
Central Govt	1,068.7	889.5
Public Corporations	134.8	175.0
Total External Debt	**1,203.5**	**1,064.5**
Total Public Debt	**1,751.0**	**1,701.7**
Total Central Government	**1,588.6**	**1,455.6**
Total Public Corporation	**162.4**	**246.2**

External Public Debt increased by 13.1 percent to $1.2 billion correlating to increases in the issuance of securities and disbursement on loans. All external loan disbursements of $67.4 million was from multilateral creditors. Of this amount 86.0 percent was from International Development Association with 24.0 percent coming from the Caribbean Development Bank.

Domestic Public Debt decreased by 14.1 percent to $547.5 million primarily due to a significant reduction in accounts payables and the settlement of National Properties limited (a Public Corporation) debt owed to the National Insurance Services. Securities constitutes 56.7 percent of the debt outstanding with short-term obligations due within one year or less representing 24.0 percent of the total domestic portfolio.

[3] Total Public Debt includes central government, government guarantee and private debt

[4] Preliminary Gross Domestic Product (GDP) for 2020 is 2185.04

The Medium Term Debt Strategy (2020-22)[5] reveals that the average time to maturity of the total portfolio[6] is 7.34 years with 28.7 percent of the portfolio maturing in one year. Average time to refixing is 5.0 years with 48.7 percent of the portfolio due for refixing in one year.

2020 NEW BORROWINGS

As a proactive response to the global pandemic, the novel coronavirus disease (COVID -19), the Government borrowed USD $20.0 million from the IDA in the form of a Fiscal Reform and Resilience Development Policy Credit instrument to bolster the income support programs to protect vulnerable individuals who would have been affected from the debilitating impacts of the pandemic. The Government also secured a second Fiscal Reform and Resilience Development Policy Credit instrument with a Catastrophe Deferred Drawdown Option (CAT-DDO) of USD$20.0 million loan from IDA to be triggered in the event of a declaration of a natural (disaster) or health catastrophe.

Loan proceeds from CDB amounted to USD $11.3 million was secured to finance debt servicing obligations as a result of the spill-off effects related to the COVID-19 pandemic. The loan, a moratorium of sorts, allowed the Government to continue to service all CDB loans with a Special Funds Resources (SFR) component whilst the Ordinary Capital Resources (OCR) component was being directly serviced from the proceeds of this loan. This mechanism allowed the Government a greater degree of fiscal flexibility.

	20-Jun	19-Jun	18-Jun	Jun-20/ Jun-19	Jun-19/ Jun-18
Domestic Debt	**$M**	**$M**	**$M**	**% Change**	**% Change**
Central Government					
Bonds & Notes	291.4	289.6	241.6	0.6	19.9

[5] See publication on government website www.gov.vc

[6] Short term debt and debt owed to Petrocaribe is not included in this analysis

Loans	98.8	98.3	105.9	0.5	-7.2
Overdraft	55.0	56.0	47.9	-1.7	16.9
Accounts Payable	32.8	88.9	45.1	-63.1	97.1
Insurance Deposits	22.6	22.6	22.7	0.2	-0.4
Treasury Bills	19.3	10.7	9.1	80.5	17.6
Total Dom Central Govt	***520.0***	***566.1***	***472.4***	***-8.1***	***19.8***
Public Corporations					
Loans	26.1	69.8	73.0	-62.7	-4.4
Overdraft	1.5	1.4	1.0	7.4	40.0
Total Dom Public Corps	***27.6***	***71.2***	***74.0***	***-61.3***	***-3.8***
Total Domestic Debt	**547.5**	**637.2**	**546.4**	**-14.1**	**16.6**
External Debt					
Central Government					
Bonds and Notes	141.5	121.7	77.3	16.3	57.4
Treasury Bills	64.7	72.8	71.2	-11.1	2.2
Loans	862.5	695.0	774.6	24.1	-10.3
Total Ext Central Govt	***1068.7***	***889.5***	***923.1***	***20.1***	***-3.6***
Public Corporations					
Loans	134.8	175.0	181.0	-23.0	-3.3
Total Ext Public Corps	***134.8***	***175.0***	***181.0***	***-23.0***	***-3.3***
Total External Debt	**1203.5**	**1064.5**	**1104.1**	**13.1**	**-3.6**
Total Public Debt	**1751.0**	**1701.7**	**1650.4**	**2.9**	**3.1**
Total Central Government	**1588.6**	**1455.6**	**1395.5**	**9.1**	**4.3**
Total Public Corporation	**162.4**	**246.2**	**255.0**	**-34.1**	**-3.5**

SECURITIES ISSUED DURING 2020

TREASURY BILLS

The government has successful re-issued 9 treasury bills, one per month, as at September 30, 2020 receiving a sum of $278.5 million (discounted value of t-bills) from investors and paying out $280.0 million upon maturity. The average yield on these bills were 2.1 percent.

BONDS AND NOTES

As at September 30, 2020 the Government has issued $89.215 million in bonds and notes through private placement. In an effort to secure timely additional funding to respond to the COVID-19, the government issued $20.0 million in securities of varying tenors, raising $16.65 million. Bullet bonds repaid during the period amounted to $45.0 million.

Table 6: Securities issued during 2020

Instrument Type	Creditor	Amt (M $)	Tenor	Rate	Issue Date	Maturity Date
Bond- COVID 19	Private Placement (Various Investors)	1.650	3 years	3.25	April 21, 2020	April 2023
Bond- COVID 19	Private Placement (Various Investors)	8.000	5 years	4.25	April 21, 2020	April 21, 2025
Bond- COVID 19	Private Placement (Various Investors)	7.000	7 years	6.00	April 21, 2020	April 21, 2027
Bond	Private Placement (Various Investors)	13.486	10 years	7.25	February 21,2020	February 21, 2030
Note	Private Placement (Various Investors)	6.181	5 years	5.75	February 28, 2020	February 28, 2025
Bond	Private Placement (NIS)	10.000	10 years	2.50	March 26, 2020	March 26, 2030
Bond	Private Placement (NIS)	6.900	10 years	3.00	April 26, 2020	April 26, 2030
Note	Private Placement (Various Investors)	30.000	4 years	4.00	July 06, 2020	July 06, 2024
Bond*	Private Placement (Various Investors)	5.998	8 years	6.75	July 06, 2020	July 06, 2028
	Total	**89.215**				

Source: CDIMU, Ministry of Finance

*Issue amount is $10.0 m with an option for an additional $2.0 m. To date we have received $5.998 million. The auction is still open.

Below is the borrowing profile of all outstanding securities as of June 30, 2020 by maturity group.

2020 Securities[7] Borrowing Profile by Maturity Group

Instrument	Average Interest/ Yield	Maturity (In Years)	Gross Borrowing $m	Redemption $m	Net Borrowing $m
T.Bills	2.21	0.25	222.77	224.00	-1.23
Sub-Total		**-**	***222.77***	***224.00***	***-1.23***
Notes & Bonds					
1-2 yrs	-	-	-	0.55	-0.55
2-3 yrs	3.25	3.00	1.65	-	1.65
3-5 yrs	4.05	4.21	38.00	35.00	3.00
5-10 yrs	4.33	8.27	30.08	9.45	20.63
10+ yrs	7.25	10.00	13.49	-	13.49
Sub-Total		**-**	***83.22***	***45.00***	***38.22***
TOTAL		**-**	**305.99**	**269.00**	**36.99**

External Debt Portfolio

As at June 30, 2020, total public external debt stock stood at $1.2 billion compared with $1.0 billion for same period 2019. Central Government and Public Corporation external debt represented 88.8 percent and 12.2 percent of total debt respectively. Total loans accounted for 82.9 percent of the portfolio; bonds 11.8 percent; and treasury bills the remaining 5.4 percent. Fixed rate instruments constitute 66.0 percent of the portfolio with the remaining 34.0 percent being variable rate instruments. The average time to maturity of the total external portfolio is 8.36 years with 17.9 percent of the portfolio maturing in one year. Average time to refixing is 6.0 years with 51.1 percent of the portfolio due for refixing in one year.

[7] Does not include the $10.0 million Private Placement issue that is still open

External Debt by Creditor Category and Maturity Profile

The majority of the external public sector debt was contracted on concessional terms from multilateral and bilateral sources. Multilateral creditors were owed 48.9 percent while bilateral creditors and securities' holders held 33.1 percent and 17.1 percent respectively. The remaining 0.9 percent was held by export credit facilities. There was no debt owing to commercial banks. Consequently, the maturity profile of the debt continued to be dominated by long-term loans with 62.7 percent of the portfolio maturing in over ten years. Instruments with remaining maturity between 5-10 years accounted for 23.7 percent while instruments with remaining maturity less than 5 years accounted for 7.5 percent with the difference being instruments that were maturing in less than one year, which included bullet bonds of $7.8 million and $64.2 million in treasury bills.

External Debt by Currency

The currency composition continued to weigh in favour of the USD currency with 60.5 percent of the total debt being denominated in this currency. XCD[8] denominated debt accounted for 26.3 percent of the outstanding stock of debt. Since July 07, 1976, the XCD has been pegged to the USD at an exchange rate of US$1.00 being equivalent to EC$2.70. When combined, the XCD and USD denominated debt accounted for 86.8 percent of the total debt. Debt contracted in Special Drawing Rights (XDR) accounted for 12.5 percent, the remaining 0.7 percent consisted of Kuwait Dinars (KWD), Trinidad and Tobago Dollars (TTD) and Euro (EUR).

External Debt Disbursements

External Debt disbursement for the first half of 2020 stood at $89.9 million. The funds were channeled to finance a number of projects such as disaster management, education development, health, tourism and COVID-19 response. Of the total external disbursements 78.7 percent came from the World Bank with 76.2 percent of this given for budget support in the form of a Second Fiscal Resilience Development Policy Financing.

[8] East Caribbean Dollars (XCD)

Table 13: Total Disbursements as at 30 June 2020

Caribbean Development Bank	
NDM- Disaster Risk Reduction & Climate Change Adaptation	239,468
NDM Disaster Risk Reduction and Adaptation	302,118
NDM - Rehabilitation and Reconstruction	436,364
NDM - Hurricane Tomas/North Wd. Highway	985,253
TECHVOC Education and Training Development	342,384
South Leeward Highway Rehab and Upgrade (4th Road Proj)	2,509,513
UWI Open Campus Development Project	2,856,790
NDM - Rehabilitation and Reconstruction (Floods Dec 2013)	1,585,296
Energy Efficiency Measures and Solar Photovoltaic Plant	3,046,905
Sandy Bay Sea Defence Resilience Project	172,685
Coronavirus Disease 2019 Emergency Response	6,339,216
	18,815,992
World Bank	
Caribbean Regional Communications Infrastructure Program	699,350
OECS Regional Tourism Competitiveness Project	1,080,000
Human Delivery Service Delivery Project	1,377,000
OECS MSME Guarantee Facility Project	2,074,771
Second Fiscal Resilience Development Policy Financing	54,000,000
Caribbean Communication Infrastructure Program (CARCIP)	5,400,000
SVG Regional Health OECS Project	6,221,880
	70,853,001
OPEC	
Agriculture and Feeder Road	**267,860**
Kuwait	
Agriculture and Feeder Road	**49,812**
Total Loan disbursements	**89,986,665**

Source: CDIMU, Ministry of Finance

DOMESTIC DEBT PORTFOLIO

Total domestic debt for the period stood at $547.5 million or 24.0 percent of GDP. This represented a decrease in total domestic debt of 14.1 percent when compared to same period in 2019. The largest material changes to the portfolio were reduction in outstanding balances on accounts payables and public corporation loans of 63.1 percent and 62.7 respectively.

A total of $520.0 million or 95.0 percent of total domestic debt was held by Central Government while the remaining 5.0 percent was held by the Public Corporations, these amounts represented 22.8 percent and 1.2 percent of GDP respectively.

The domestic portfolio is dominated by debt owed to securities holders, which account for 56.7 percent of the total. Short term instruments accounts for 24.0 percent, while loans account for 22.8 percent of the total portfolio.

DOMESTIC DEBT BY CREDITOR CATEGORY AND MATURITY PROFILE

The domestic portfolio is dominated by domestic securities all of which were contracted at market rate. Commercial Bank[9] loans, also contracted at market rate accounted for 26.4 percent, combined market rate domestic debt accounted for 83.1 percent of total debt. Debt owed to the National Insurance Services (NIS) amounted to 6.7 percent, while accounts payables and Insurance Deposits accounted for 6.0 percent and 4.1 percent respectively.

The maturity profile of the domestic debt is skewed on the shorter end with instruments with remaining maturity less than one year[10] accounted for 40.1 percent of the portfolio. Debt with remaining maturity between 1-5 years accounted for 18.5 percent, debt with remaining maturity between 5 and 10 years accounted for 32.9 percent while debt with maturity 10 years and over accounted for 8.5 percent.

[9] Commercial Bank Loan is comprised of Loans and Overdrafts from BOSVG totaling 24.3 percent, ECCB totaling 1.9 percent and Other Banks totaling 0.2 percent.

[10] Includes $27.7 million in bullet bonds due to mature in July 2020

DOMESTIC LOAN DISBURSEMENT

There were no domestic loans contracted in QTR 2.

DEBT SERVICING AS AT JUNE 30 2020

Total Central Government Debt servicing at the end of QTR 2 totaled $44.3 million or 32.6 percent of current revenue. External debt servicing represented 43.3 percent and domestic accounted for 56.7 percent respectively of the total debt servicing.

Table 6: Summary of Central Government Debt Servicing as at June 30, 2020

	20-Jun	***20-Mar***	***Change***
	$M	**$M**	%
Central Government Debt Servicing	**92.46**	**48.18**	**91.91**
External	**40.00**	**25.42**	**57.35**
Interest	9.53	5.72	66.57
Amortization	30.47	19.7	54.67
Domestic	**52.46**	**22.76**	**130.51**
Interest	15.70	7.78	101.85
Amortization	36.76	14.98	145.39
Sinking Fund Contributions	**0.00**	**4.33**	**-100.00**
Current Revenue	**282.84**	**147.12**	**92.25**
Total Central Govt Debt Servicing /Revenue (%)	**32.69%**	**32.75%**	**-0.18**
Total Domestic Debt Servicing /Revenue (%)	18.55%	15.47%	3.08
Total External Debt Servicing /Revenue (%)	14.14%	17.28%	-3.14
Exports of Goods & Services	**51.81**	**30.71**	**68.69**
Total Debt Servicing/Exports of Goods & Services (%)	**178.47%**	**156.89%**	**21.59**
Total Domestic Debt Servicing/Exports of Goods & Services (%)	101.26%	74.11%	27.15
Total External Debt Servicing/Exports of Goods & Services (%)	77.21%	82.77%	-5.56

Source: CDIMU, Ministry of Finance

MEDIUM TERM DEBT STRATEGY INDICATIVE BORROWING PLAN

The Government's Borrowing Plan for 2020 and the medium-term is one heavily focused on external concessional borrowing which entails long maturity periods and low interest rates. A large proportion of funding over the medium-term would be derived from the CDB for the Port Modernisation Project; EXIM bank and CARICOM Development Fund will finance two major hotel development projects; and continued disbursements from on-going projects related to natural disaster management and the like. The Government will explore the option of issuing an additional treasury bill in the amount of $28.0 million on the RGSM and bonds and notes in various tenors both on the RGSM and through Private Placement. The Borrowing Plan does not foresee borrowing from any commercial sources (all else being equal), there would be less reliance on the overdraft and short-term commercial facilities. See table below.

	2020	2021	2022
Gross Financing Needs	463.9	435.6	409.0
Borrowing plan			
External Borrowing			
Official			
Multilateral loans	86.2	141.2	108.2
Bilateral loans	6.8	47.6	50.9
Commercial Loans	0.0	0.0	0.0
Total External Financing	92.9	188.8	159.0
Domestic Borrowing			
Loans			
Short term, including overdraft	187.0	54.8	73.0
Medium/long term	0.0	0.0	0.0
Securities			
Treasury bills (change in stock)	0.0	28.0	28.0
Treasury notes and bonds	100.0	80.0	65.0
3 year	*31.7*	*35.0*	*25.0*
5 year	*25.0*	*25.0*	*20.0*
10 year	*43.3*	*20.0*	*20.0*
Total Domestic Financing	287.0	162.8	166.0
Total borrowing	379.9	351.6	325.0
add treasury bill re-issuance	84.0	84.0	84.0
Total Gross Financing Needs	463.9	435.6	409.0

SPECIAL FUNDS

The Government is committed to meeting all of its debt service obligations to creditors. In keeping with this objective and at the same time providing an additional layer of fiscal buffers, the following Funds as detailed below provide for this purpose.

SINKING FUND

Most of the bonds in the portfolio are amortized with allocations for payments provided annually from the Consolidated Fund. Where the bonds are not amortized, a Sinking Fund is established for redemption at maturity. The Sinking Fund is funded by annual contributions allocated from the Consolidated Fund to achieve the targeted level at maturity. As at September 30, 2020 $45.0 million in bullet bonds were redeemed using provisions from the Fund.

CONTINGENCY FUND

This is a disaster based contingency fund that was established as part of the suite of disaster risk financing mechanisms used to leverage disaster risk financing. The Fund is financed by an increase in the Value Added Tax (VAT) from 15.0 percent to 16.0 percent; that is, a 1.0 percentage point disaster levy is imposed on consumption within the state. In 2020, $10.1 million of this was used by the government as support for vulnerable individuals affected by the COVID-19 pandemic. The balance in the Fund as at 30th September, 2020 is $38.6 million.

In the fiscal year 2019, the Finance Administration (Contingencies Fund) Regulation was passed in Parliament and the regulation governs the purpose for which the Fund may be utilized; minimum capital requirements; the management and control of the Fund; and the principles that must guide the investment of Fund resources.

CATASTROPHE DEFERRED DRAWDOWN OPTION (CAT-DDO)

The CAT-DDO is another layer of leveraging disaster risk financing and represents an add on to the Second Fiscal Reform and Resilience Development Policy Credit secured by the government from the International Development Association, in the amount of USD 20.0 million, that can be used to respond to an imminent or occurring disaster. The trigger for this financing can be a natural disaster or a public health emergency. To date no proceeds in this Fund has been accessed or utilized by the Government.

XI. LEGISLATIVE AUTHORITY

The primary legislation which governs and explicitly authorizes the Government to borrow is the *Finance Administration Act (FAA) Cap 252*. The Act stipulates that no money shall be raised on the credit of the Government except under the authority of the Finance Administration Act or another Act of Parliament or a resolution of the House of Assembly[11]. The Minister of Finance when authorized by resolution of the House of Assembly may borrow money in a financial year "to meet current requirements from a bank or other financial institution by means of advances to an amount not exceeding in the aggregate the sum specified in the resolution."

The Treasury Bills Act Cap 444 governs the issuance of the T-bills within St. Vincent and the Grenadines. The Act authorizes the Minister of Finance to borrow money by the issue of Treasury Bills. Further the Minister may direct that the Treasury Bills be issued by the Accountant General or by a financial institution outside St. Vincent and the Grenadines. Section 3 (4) of the Treasury Bills Act provides that the principal sum of T-bills outstanding at any one time, shall not exceed 15.0 percent of the estimated annual current revenue of St. Vincent and the Grenadines for the current financial year.

In relation to the authority to borrow from multilateral institutions, the Caribbean Development Bank Loans Act Cap 89 covers all loans from the CDB and the International Financial Organizations Act Cap 100 authorizes the Minister of Finance to sign agreements with the World Bank and the International Monetary Fund. Similar acts authorizing borrowing from other multilaterals also exist including OPEC Fund for International Development. There is no Act that limits the amount that can be borrowed by the government.

The Government Guarantee of Loans Act Cap 255 gives government the authority to guarantee loans by lending agencies to corporations. The current limit specified for all guarantees issued by government is $300.0 million.

[11] Sec 44, Finance Administration Act Cap 252

XII. BANKING AND FINANCIAL INSTITUTIONS

OVERVIEW

The financial sector in St. Vincent and the Grenadines consists of four banks: the Bank of St. Vincent and the Grenadines, as well as branches of three foreign banks including First Caribbean International, RBTT Bank and Republic Bank; two non-bank financial institutions, several credit unions; a Building and Loan Society (BLS) and 22 active insurance companies. The banks are regulated by the ECCB while the non-banking institutions, including the credit unions, BLS, the insurance companies and Money Services Business are regulated by the Financial Services Authority.

FOREIGN EXCHANGE AND INTERNATIONAL RESERVES

The ECCU of which St Vincent and the Grenadines is a member, has adopted a fixed exchange rate regime whereby exchange rates for the sale of EC dollars into other currencies are determined by the ECCB. Since 1976, the EC dollar has been pegged to the U.S. dollar at a rate of EC$2.70 to U.S.$1.00.

MONEY TRANSFER COMPANIES

The Money Transfer business is governed by the Money Services Business Act Cap 260 of the 2009 Revised Laws of St. Vincent and the Grenadines. The Financial Services Authority (FSA) is responsible for the general administration of this Act and the supervision of these operations.

“Money services business” includes (a) the business of providing (i) transmission of money or monetary value in any form, (ii) check cashing, (iii) currency exchange, (iv) issuance or sale of money orders or traveler’s checks; and (v) any other services that may be specified by notice published in the Gazette; or (b) the business of operating as agents for money transfer business and their principals.

The following companies currently act as agents for money transfer businesses and their principals:

Grace Kennedy Money Transfer - Western Union

Going Places Money Transfer - MoneyGram

Postal Corporation - MoneyGram

St Vincent Building and Loan Association Money Transfer - Jamaica National Money Transfer Services

XIII. INSURANCE SECTOR

The domestic insurance sector continues to be a significant component of the insurance industry and the non-bank financial sector in St. Vincent and the Grenadines, comprising insurance companies and intermediaries and pension fund plans. Companies conducting business are either indigenous or domestically incorporated companies or incorporated in CARICOM countries and operating through local agencies or branches. Insurance business is written directly with those companies or through brokers and agents.

The sector is governed by the Insurance Act, Chapter 306 of the Laws of St. Vincent and the Grenadines, Revised Edition 2009 ("the Act") and the Motor Vehicle Insurance (Third Party Risk) Act Chapter 309 of the 2009 Revised Laws of St. Vincent and the Grenadines. The Financial Services Authority (FSA) established by Act #33 of 2011 is responsible for the regulatory and supervisory frameworks of the sector. The Insurance laws and Regulations apply equally to both domestic and CARICOM-based companies.

As at December 31 2019, there were twenty-four (24) companies registered under Section 8 of the Act, to conduct insurance business in St. Vincent. Of these companies, British American Insurance Company ("BAICO") and CLICO International Life Insurance Company ("CLICO") remained under Judicial Management.

There were fourteen (14) insurance companies registered to undertake short-term (also referred to as Property and Casualty) insurance business. Four (4) of these companies were locally incorporated while the other ten (10) were branches and agencies of CARICOM-based/ foreign owned companies. Ten (10) companies were registered to undertake long-term insurance business. Of these ten (10), two (2) were registered to write life business only, while the other eight (8) were registered to conduct business in both segments of the market.

Table 7: Insurers by License Class 2019

Short –Term(only)	**Long-Term(only)**	**Long & Short-Term/ Composite***
Locally Incorporated		➢ Sagicor Life Inc.

➢ Metrocint General Insurance Company Ltd. ➢ St. Hill Insurance Company Ltd. ➢ St. Vincent Insurances Limited ➢ West Indian Insurances Ltd. ***Foreign Incorporated*** ➢ Beacon Insurance Company Limited ➢ Caribbean Alliance Insurance Company Ltd. ➢ Sun General Insurance Inc. ➢ G.T.M Fire Insurance Company Ltd. ➢ Guardian General Insurance Limited ➢ Gulf Insurance Limited ➢ Island Heritage Insurance Company Ltd. ➢ Massy United Insurance ➢ M & C General Insurance ➢ GK Insurance (Eastern Caribbean) Limited	➢ Demerara Mutual Life Assurance Society Ltd. ➢ CUNA Caribbean Insurance Society (OECS) Ltd.	➢ Sagicor Life (EC) Inc. ➢ Guardian Life of the Caribbean ➢ Pan American Life of the Eastern Caribbean ➢ G.T.M Life Insurance Company Ltd. ➢ Scotia Insurance Eastern Caribbean Limited ➢ British American** ➢ CLICO Int'l Life Insurance Company**

Source: Financial Service Authority

In 2019, Gross Premium income in the insurance industry totaled EC$107.5 million. This represented approximately 4.8 percent of Gross Domestic Product[12] at market price and an increase of 19.9 percent over the gross premium income of EC$89.7 million in 2018. At the end of 2019, long-term insurance premiums were approximately EC$39.2 million; reflecting an increase of EC$15 million or 61.9 percent

[12] GDP at market price for SVG for 2019 was forecasted at EC$2,225.35m.

when compared with the previous year. The leading long-term insurer held approximately 72.5 percent of total premiums written.

Gross premium income for the short-term segment of the market totaled EC$68.3 million in 2019; an increase of 4.3 percent when compared with the 2018 figure of EC$65.5 million.

Total assets for the domestic insurance sector stood at EC$281.0 million as at December 31, 2019, an increase of 14.7 percent when compared with EC$245.0 million for the same period in 2018. Government securities of 34.4 percent, and cash and deposits of 20.5 percent represented the largest proportion of the industry's assets. At the end of 2019, total liabilities stood at EC$184.1 million (2018:EC$169.5 million) while capital was EC$96.9 million (2018: EC$75.4 million).

As at December 31, 2019, total liabilities and contingency reserves of all insurance companies (excluding those under judicial management) amounted to approximately EC$136.0 million. Total assets pledged or identified by those companies for inclusion in their Insurance Fund as at December 31, 2018 was approximately 107.1 percent of insurance liabilities. In addition, total assets pledged to the Authority exceeded the deposit requirement of the insurance industry as a whole as at the end of December 2019. The industry's statutory deposits held by the Authority during the year amounted to $48.7million which comprised of $20.1 million in Government Securities and $28.6 million in cash.

There was an increase in total claims paid in the short-term insurance sub- sector (9.4 percent). Claims continue to be a significant component of insurance companies' expenditure, amounting to 68.4 percent of expenses for the short-term insurance sub- sector.

Policyholder Benefits (which includes claims, annuity payments, policy surrenders etc.) in the long-term insurance sub-sector for the period under review amounted to EC$28.1 million, which represented 65.7 percent of the total expenses.

Life insurance companies traditionally reinsure only a small portion of their insurance business. The level of retention within this sector remained relatively stable. In 2019, EC$2.3 million was ceded to reinsurers representing a retention ratio of 94.2 percent compared with 90.6 percent in 2018. Meanwhile, the General Insurance companies collected EC$68.3 million in gross premium, of this amount EC$36.9 million was ceded to reinsurers representing 53.9 percent.

The loss ratio (ratio of net claims to gross premium) increased to 26.4 percent in 2019 from 25.2 percent in 2018 for the short-term insurance segment of the industry. With respect to the long-term insurance sector, life claims expenses increased by 23.0 percent in 2019 compared with 2018, the net effect was a decrease in the loss ratio to 11.0 percent in 2019 compared with the 14.5 percent reported in 2018 due to an overall increase (61.9 percent) in gross premiums written.

Insurance penetration, is used as an indicator of insurance sector development and is calculated as the ratio of total insurance premiums to gross domestic product. In 2019, the premiums ratio to GDP for the sector as a whole was 4.8 percent compared to 4.1 percent in 2018. The short-term segment of the industry recorded a ratio of 3.0 percent while that of the long-term sector was 1.8 percent.

XV. CURRENT ISSUES OF GOVERNMENT SECURITIES

1. TREASURY BILLS GENERAL INFORMATION

- Issues Outstanding 3
- Amount offered $84.0 m
- Maturity in days 91 days
- Date of Issues Every 91 days
- Redemption Date Every 91 days
- Discount rate N/A
- Yields Weighted Avg. 1.71 percent

As at the 30th September 2020, the Government's outstanding securities traded on the Regional Government Securities Market are listed hereunder**:**

Table 8: Outstanding Treasury Bills listed on the RGSM

Date of issue	Redemption Date	Issue Amount	Value of Bids	Amount Accepted	No. of Bids		Interest Rate percent
					Total	**Successful**	
		$M	**$M**	**$M**			**%**
27-Jul-20	26-Oct-20	28.00	45.311	28.00	24	10	1.50
24-Aug-20	24-Nov-20	28.00	43.022	28.00	14	5	1.75

28-Sep-20	29-Dec-20	28.00	41.55	28.00	24	11	1.89

Source: CDIMU, Ministry of Finance

Table 9: Outstanding Notes and Bonds on the RGSM

Trading Symbol	Issue amount	Amount Outstanding	Original Maturity	Remaining Maturity	Date of Subscription	Final Redemption	Coupon rate
	$M	**$M**	**(years)**	**(years)**	**Date**	**Date**	**percent**
VCG100422	40.0	8.0	10	2	Apr-12	Apr-22	7.50
VCG100323	25.9	7.8	10	3	Mar-13	Mar-23	7.00
VCG070821	16.0	16.0	7	1	Aug-14	Aug-21	7.00
VCG070623	11.2	4.8	7	3	Jun-16	Jun-23	7.00
FVG100826	16.6	9.9	10	6	Aug-16	Aug-26	7.00
VCG100826	0.3	0.18	10	6	Aug-16	Aug-26	7.00
VCG080225	15.0	9.3	8	5	Feb-17	Feb-25	7.50
VCG070524	25.0	14.2	7	4	May-17	May-24	7.50
VCG070625	25.0	17.8	7	5	Jun-18	Jun-25	7.00
VCG0725AA	13.0	9.2	7	5	Jul-18	Jul-25	7.00
VCG070725	12.0	10.3	7	5	Jul-18	Jul-25	7.00
VCG101128	10.0	8.5	10	8	Nov-18	Nov-28	7.50
FVG101228	8.1	6.4	10	8	Dec-18	Dec-28	7.50
VCG081126	15.0	15.0	8	5	Nov-18	Nov-26	7.25
VCG101228	8.1	6.4	10	8	Dec-18	Dec-28	7.50
VCG080327	15.0	15.0	8	7	Mar-19	Mar-27	7.25
VCN080524	17.6	14.1	5	4	May-19	May-24	6.25
VCG070926	25.0	21.4	7	6	Sep-19	Sep-26	7.00

Source: CDIMU, Ministry of Finance

Table 10: Performance of Treasury bill traded on the RGSM during 2019

Auction Date	Trading Symbol	Issue Amt($M)	Value of Bids ($M)	Amount Accepted	No. of Bids		Interest Rate	No. of Brokers
					Total	Successful		
10-Jan-19	VCB120419	28.0	32.82	28.0	16	13	1.99	4
6-Feb-19	VCB090519	28.0	38.63	28.0	17	12	2.00	3
13-Mar-19	VCB130619	28.0	44.71	28.0	20	13	1.99	3
15-Apr-19	VCB160719	28.0	44.58	28.0	23	11	1.99	4
10-May-19	VCB120819	28.0	29.12	28.0	18	16	4.82	4
14-Jun-19	VCB160919	28.0	36.42	28.0	16	12	1.99	3
17-Jul-19	VCB171019	28.0	35.37	28.0	22	15	2.00	4

13-Aug-19	VCB131119	28.0	41.60	28.0	20	16	1.99	4
17-Sep-19	VCB181219	28.0	40.95	28.0	19	14	1.99	3
18-Oct-19	VCB200120	28.0	41.37	28.0	19	14	1.99	4
14-Nov-19	VCB140220	28.0	39.41	28.0	20	13	1.99	3
19-Dec-19	VCB200320	28.0	39.16	28.0	17	14	1.99	3

Source: CDIMU, Ministry of Finance

XVI. SECURITY ISSUANCE PROCEDURES, CLEARING AND SETTLEMENT, REGISTRATION OF OWNERSHIP AND SECONDARY MARKET ACTIVITY

The Treasury bills will be issued and listed on the Regional Government Securities Market (RGSM). This market operates on the Eastern Caribbean Securities Exchange (ECSE) trading platform for both primary issuance and secondary trading. The pricing methodology to be used for selling the securities will be a Competitive Uniform Price auction with open bidding. The ECSE is responsible for dissemination of market information, providing intermediaries with market access, administering the auction process and monitoring and surveillance of the auctions.

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), is responsible for facilitating clearance and settlement for securities allotted. The ECCSD ensures that funds are deposited to the issuing government's account. The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), records and maintains ownership of government securities in electronic book-entry form. The ECCSD mails confirmation of proof of ownership letters to all investors who were successful in the auction. The ECCSD will also process corporate action on behalf of issuing governments.

Intermediaries are responsible for interfacing with prospective investors, collecting applications for subscription and processing the same for bidding on the ECSE platform. Investors must provide the intermediaries with funds to cover the cost of the transaction. A list of licensed intermediaries is provided in Appendix 1. Clients that are successful will be informed of their payment obligations and funds deducted from their respective accounts with the intermediary.

As an issuer in the RGSM, the Government of St Vincent and the Grenadines will be subject to the rules, guidelines and procedures developed by the Regional Debt Co-ordinating Committee (RDCC) for the operation of the market including ongoing reporting and disclosure requirements.

XVII. DEMOGRAPHICS

The results of the population census for St. Vincent and the Grenadines which was conducted in 2012 estimates the population at one hundred and nine thousand nine hundred and ninety one (109,991). Males account for 51.3 percent of the population while females account for 48.7 percent. This represents a change from the 2001 census when the sex ratio of the population was 50.9 percent males and 49.1 percent females. St. Vincent and the Grenadines has an area of 388 sq. km and population density per sq. km of 732. Life expectancy at birth is 72.3 years for males and 76.1 for females. The infant mortality rate, per thousand live births is 21.8. Table 1 shows the population size and growth over the period 1871-2012. The population census is conducted every ten years.

Table 2: Population Size and Growth, 1871 - 2012

Date of Census	Male	Female	Population	Sex Ratio	Average Annual Increase
1871	16,865	18,823	35,688	0.9	-
1881	19,047	21,501	40,548	0.89	486
1891	18,780	22,274	41,054	0.84	51
2-Apr-11	18,345	23,532	41,877	0.78	82
24-Apr-21	19,155	25,292	44,447	0.76	257
24-Apr-31	21,208	26,753	47,961	0.79	351
9-Apr-46	27,901	33,746	61,647	0.83	912
7-Apr-60	37,561	42,387	79,948	0.89	1307
7-Apr-70	41,150	45,794	86,944	0.9	700
12-May-80	47,409	50,436	97,845	0.94	1090
12-May-91	53,165	53,334	106,499	1	787
12-Jun-01	55,456	53,566	109,022	1.04	252
12-Jun-12	56,419	53,572	109,991	1.05	88

Source: Statistical Office, Ministry of Economic Planning

APPENDIX 1: LIST OF LICENSED ECSE MEMBER BROKER DEALERS

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
Grenada		
Grenada Co-operative Bank Limited	No. 8 Church Street St. George's **Tel: 473 440 2111** Fax: 473 440 6600 Email: info@grenadaco-opbank.com	**Principal** Aaron Logie Allana Joseph **Representatives** Keisha Greenidge Kishel Francis
St Kitts and Nevis		
St Kitts Nevis Anguilla National Bank Ltd	P O Box 343 Central Street Basseterre **Tel: 869 465 2204** Fax: 869 465 1050 Email: national_bank@sknanb.com	**Principals** Anthony Galloway Petronella Edmeade-Crooke **Representatives** Angelica Lewis Marlene Nisbett
The Bank of Nevis Ltd	P O Box 450 Main Street Charlestown **Tel: 869 469 5564 / 5796** Fax: 869 469 5798 E mail: info@thebankofnevis.com	**Principals** Monique Williams Judy Claxton **Representatives** Denicia Small Nikesia Pemberton
St Lucia		
Bank of Saint Lucia	5th Floor, Financial Centre Building 1 Bridge Street Castries **Tel: 758 456 6826 / 457 7233** Fax: 758 456 6733	**Principals** Medford Francis Lawrence Jean Cedric Charles **Representatives** Deesha Lewis Shaiiede Kallicharan

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
First Citizens Investment Services Limited	P.O. Box 1294 John Compton Highway Sans Souci Castries **Tel: 758 450 2662** Fax: 758 451 7984 Website: www.firstcitizenstt.com/fcis E-mail : invest@firstcitizensslu.com	**Principals** Omar Burch-Smith **Representative** Temelia Providence
St Vincent and the Grenadines		
Bank of St Vincent and the Grenadines Ltd	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown **Tel: 784 457 1844** Fax: 784 456 2612/ 451 2589 Email: info@bosvg.com	**Principal** Monifa Latham Laurent Hadley **Representatives** Patricia John Chez Quow

APPENDIX 2: SELECTED PUBLIC DEBT INDICATORS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
		($m)									
Total Public Debt	1,104.1	1,188.5	1,233.2	1,336.6	1,445.8	1,562.5	1,594.4	1,746.5	1,572.0	1,657.0	1,671.80
Total Central Gov't	836.7	986.6	1,040.7	1,140.0	1,229.7	1,348.8	1,379.8	1,429.3	1,322.2	1,404.8	1503.5
External Debt	559.0	734.8	764.9	738.1	809.5	887.7	922.5	1,201.8	1,003.6	1,080.4	1,178.6
Central Government	457.1	623.1	668.0	652.7	728.7	811.2	855.7	962.0	830.1	899.90	1038.5
Public Corporations	101.9	111.6	96.9	85.4	80.8	76.5	66.8	239.7	173.5	180.5	140.1
Domestic Debt	545.1	453.7	468.3	598.5	636.3	674.8	671.8	544.7	568.41	576.55	493.2
Central Government	379.6	363.5	372.7	487.3	501.0	537.6	524.0	467.3	492.12	504.85	465.0
Public Corporations	165.5	90.2	95.6	111.2	135.3	137.2	147.8	77.4	76.30	71.70	28.2
Private Guaranteed External Debt			15.2	16.6	19.5	24.5	25.2	26.7			
Debt Servicing											
External	79.8	84.4	87.2	87.7	88.3	77.5	83.6	81.7	101.6	97.6	106.3
Central Government	70.7	71.7	74.6	72.7	72.7	60.8	62.9	65.1	83.3	76.83	90.8
Public Corporations	9.1	12.7	12.6	15.0	15.6	16.7	20.8	16.6	18.3	20.8	15.48
Domestic											
Central Government	52.8	64.8	47.2	48.7	58.1	72.0	72.8	83.3	82.7	97.9	115.9
(of which sinking fund)	6.0	12.0	6.0	4.0	5.5	7.6	7.6	12.1	14.0	22.0	32.4
GDP (at market price)	1,822.1	1,839.3	1,825.5	1,871.0	1,947.3	1,963.5	2,038.9	2,082.7	2,123.7	2,190.5	2225.3
Current Revenue	544.8	490.0	462.5	472.6	491.3	535.2	519.1	592.6	592.2	596.4	601.1
Central Gov'T Debt/GDP	45.92	53.64	57.01	60.93	63.15	68.69	67.67	68.63	62.26	64.13	67.60
Total Debt/GDP (%)	60.6	64.6	67.6	71.4	74.2	79.6	78.2	83.9	74.0	75.6	75.2
External Debt/GDP (%)	30.7	39.9	41.9	39.4	41.6	45.2	45.2	57.7	47.3	49.3	53.0
Domestic Debt/GDP (%)	29.9	24.7	25.7	32.0	32.7	34.4	32.9	26.2	26.8	26.3	22.2
Central Government Debt Service/Current Revenue (%)	21.6	25.4	25.0	24.8	25.5	23.4	24.7	23.0	25.7	25.7	29.0
External Debt Service/ Current Revenue (%)	13.0	14.6	16.1	15.4	14.8	11.4	12.1	11.0	14.1	12.9	15.1
Domestic Debt Service/ Current Revenue (%)	8.6	10.8	8.9	9.5	10.7	12.0	12.6	12.0	11.6	12.8	13.9
Guarantee Debt % of GDP	0.15	0.11	0.11	0.11	0.12	0.12	0.12	0.17	0.12	0.12	0.08

***Sinking Fund excluded from Central Government debt servicing**

APPENDIX 3: SUMMARY OF TOTAL PUBLIC DEBT BY RESIDENCY AND INSTRUMENT

	20-Jun	19-Jun	18-Jun	Jun-20/ Jun-19	Jun-19/ Jun-18
Domestic Debt	**$M**	**$M**	**$M**	**% Change**	**% Change**
Central Government					
Bonds & Notes	291.4	289.6	241.6	0.6	19.9
Loans	98.8	98.3	105.9	0.5	-7.2
Overdraft	55.0	56.0	47.9	-1.7	16.9
Accounts Payable	32.8	88.9	45.1	-63.1	97.1
Insurance Deposits	22.6	22.6	22.7	0.2	-0.4
Treasury Bills	19.3	10.7	9.1	80.5	17.6
Total Dom Central Govt	***520.0***	***566.1***	***472.4***	***-8.1***	***19.8***
Public Corporations					
Loans	26.1	69.8	73.0	-62.7	-4.4
Overdraft	1.5	1.4	1.0	7.4	40.0
Total Dom Public Corps	***27.6***	***71.2***	***74.0***	***-61.3***	***-3.8***
Total Domestic Debt	**547.5**	**637.2**	**546.4**	**-14.1**	**16.6**
External Debt					
Central Government					
Bonds and Notes	141.5	121.7	77.3	16.3	57.4
Treasury Bills	64.7	72.8	71.2	-11.1	2.2
Loans	862.5	695.0	774.6	24.1	-10.3
Total Ext Central Govt	***1068.7***	***889.5***	***923.1***	***20.1***	***-3.6***
Public Corporations					
Loans	134.8	175.0	181.0	-23.0	-3.3
Total Ext Public Corps	***134.8***	***175.0***	***181.0***	***-23.0***	***-3.3***
Total External Debt	**1203.5**	**1064.5**	**1104.1**	**13.1**	**-3.6**
Total Public Debt	**1751.0**	**1701.7**	**1650.4**	**2.9**	**3.1**
Total Central Government	**1588.6**	**1455.6**	**1395.5**	**9.1**	**4.3**
Total Public Corporation	**162.4**	**246.2**	**255.0**	**-34.1**	**-3.5**

Source: CIDMU, Ministry of Finance

APPENDIX 4: GDP AT CURRENT PRICES

ST. VINCENT & THE GRENADINES
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY
AT BASIC PRICES, IN CURRENT PRICES: 2019 -2023 (EC$ Million)

SECTOR	2018 Rev	2019 Prel	2020 Proj	2021 Proj	2022 Proj	2023 Proj
Agriculture, Hunting & Forestry	**149.70**	**157.78**	**158.42**	**165.91**	**173.82**	**182.44**
Crops	126.48	131.41	131.81	139.05	146.71	154.81
Bananas	1.19	0.67	0.48	0.39	0.32	0.26
Other Crops	125.29	130.75	131.33	138.66	146.39	154.55
Livestock	22.38	25.55	25.80	26.06	26.32	26.85
Forestry	0.84	0.82	0.81	0.80	0.79	0.79
Fishing	**16.13**	**14.29**	**14.86**	**15.69**	**18.50**	**20.38**
Mining & Quarrying	**3.41**	**3.44**	**3.19**	**3.28**	**3.44**	**3.62**
Manufacturing	**112.65**	**96.26**	**90.70**	**102.54**	**107.41**	**112.05**
Electricity & Water	**72.49**	**76.31**	**77.81**	**79.84**	**81.92**	**85.39**
Electricity	57.55	60.54	62.36	64.23	66.16	69.47
Water	14.94	15.77	15.45	15.61	15.76	15.92
Construction	**149.85**	**147.11**	**139.86**	**147.52**	**158.76**	**170.87**
Wholesale & Retail Trade	**246.95**	**228.70**	**213.82**	**236.69**	**253.49**	**271.48**
Hotels & Restaurants	**50.41**	**59.32**	**42.21**	**55.07**	**61.30**	**67.66**
Hotels	26.28	29.88	18.65	27.98	32.18	36.36
Restaurants	24.13	29.44	23.55	27.09	29.12	31.30
Transport, Storage and communications	**253.89**	**271.69**	**223.01**	**258.18**	**273.43**	**291.04**
Transport and Storage	**188.46**	**205.66**	**155.54**	**189.23**	**202.97**	**219.03**
Road	122.53	134.72	94.89	125.08	135.02	146.39
Sea	22.12	24.33	24.69	25.82	26.99	28.38
Air	16.60	16.75	9.65	10.65	11.78	13.13
Supporting and auxiliary transport activities	27.21	29.86	26.30	27.69	29.17	31.13
Communications	***65.43***	***66.02***	***67.47***	***68.95***	***70.46***	***72.01***
Financial Intermediation	**127.54**	**135.86**	**138.96**	**144.08**	**148.91**	**153.99**
Banks & Other Financial Institutions	81.22	88.27	89.48	92.64	95.43	98.31
Insurance and pension funding	39.28	40.42	42.05	43.75	45.52	47.35
Activities auxiliary to financial intermediation	7.04	7.17	7.43	7.69	7.96	8.32
Real Estate, Renting and Business Activities	**274.29**	**280.56**	**290.45**	**300.69**	**311.29**	**322.26**
Owner Occupied Dwellings	184.61	186.46	193.03	199.83	206.88	214.17
Real estate activities	31.04	31.32	32.42	33.57	34.75	35.97
Renting of machinery and equipment	7.43	9.12	9.45	9.78	10.12	10.48
Computer and related activities	6.76	7.28	7.53	7.80	8.08	8.36
Business Services	44.45	46.38	48.02	49.71	51.46	53.28
Public Administration, Defence & Compulsory Social Security	**222.72**	**233.33**	**241.86**	**246.03**	**250.27**	**254.60**
Central	211.32	221.53	229.58	233.25	236.98	240.78
Local	4.32	4.34	4.51	4.70	4.89	5.08
NIS	7.08	7.46	7.76	8.08	8.40	8.74
Education	**107.49**	**112.74**	**100.60**	**102.56**	**104.57**	**106.63**
Public	94.52	98.86	86.15	87.53	88.93	90.35
Private	12.97	13.89	14.45	15.03	15.64	16.27
Health and Social Work	**58.44**	**64.74**	**66.21**	**67.72**	**69.28**	**70.88**
Public	42.16	46.79	47.54	48.30	49.07	49.86
Private	16.28	17.94	18.67	19.42	20.21	21.02
Other community, social & personal services	**38.09**	**39.62**	**41.22**	**42.88**	**44.61**	**46.42**
Private Households with Employed Persons	**5.11**	**5.21**	**5.39**	**5.58**	**5.78**	**5.98**
Less FISIM	**19.54**	**23.17**	**23.49**	**24.32**	**25.05**	**25.81**
Gross Value Added at Basic Prices	**1,869.61**	**1,903.79**	**1,825.08**	**1,949.94**	**2,041.73**	**2,139.88**
GROWTH RATE	**3.92**	**1.83**	**-4.13**	**6.84**	**4.71**	**4.81**
Taxes on products	*369.31*	*380.16*	*371.80*	*414.71*	*433.79*	*455.50*
Less Subsidies	*1.08*	*1.38*	*1.10*	*1.10*	*1.10*	*1.10*
GDP at Market Prices	**2,237.84**	**2,282.57**	**2,195.78**	**2,363.56**	**2,474.42**	**2,594.28**
GROWTH RATE	**3.80**	**2.00**	**-3.80**	**7.64**	**4.69**	**4.84**

APPENDIX 5: GDP AT CONSTANT PRICES

ST. VINCENT & THE GRENADINES GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY, AT BASIC PRICES, IN CONSTANT (2006) PRICES: 2013 -2018 (EC$ Million)						
SECTOR	**2018 Rev**	**2019 Prel**	**2020 Proj**	**2021 Proj**	**2022 Proj**	**2023 Proj**
Agriculture, Hunting & Forestry	**101.72**	**102.31**	**100.75**	**103.15**	**105.65**	**108.48**
Crops	80.43	78.47	76.69	78.87	81.14	83.49
Bananas	1.33	0.76	0.53	0.42	0.34	0.27
Other Crops	79.10	77.71	76.16	78.45	80.80	83.22
Livestock	20.58	23.14	23.37	23.60	23.84	24.32
Forestry	0.71	0.70	0.69	0.68	0.67	0.67
Fishing	**8.60**	**8.83**	**8.97**	**9.23**	**10.62**	**11.42**
Mining & Quarrying	**3.66**	**3.70**	**3.43**	**3.53**	**3.70**	**3.89**
Manufacturing	**66.98**	**57.82**	**54.48**	**61.60**	**64.52**	**67.31**
Electricity & Water	**61.98**	**64.07**	**65.17**	**66.80**	**68.48**	**71.24**
Electricity	46.33	47.56	48.98	50.45	51.97	54.57
Water	15.65	16.52	16.19	16.35	16.51	16.68
Construction	**126.21**	**122.97**	**114.06**	**117.37**	**123.24**	**129.40**
Wholesale & Retail Trade	**225.02**	**206.53**	**188.37**	**203.44**	**212.56**	**222.09**
Hotels & Restaurants	**34.64**	**38.40**	**26.34**	**35.74**	**40.17**	**44.66**
Hotels	23.18	24.94	15.57	23.35	26.86	30.35
Restaurants	11.47	13.47	10.77	12.39	13.32	14.32
Transport, Storage & Communication	**196.64**	**208.83**	**167.80**	**191.46**	**197.93**	**205.66**
Transport, Storage	**153.27**	**165.02**	**124.13**	**147.92**	**154.52**	**162.39**
Road	106.14	115.36	79.27	101.94	107.37	113.56
Sea	20.67	20.97	20.76	21.17	21.59	22.16
Air	1.79	1.88	1.06	1.14	1.23	1.33
Supporting and auxiliary transport activities	24.67	26.82	23.05	23.67	24.33	25.33
Communications	**43.37**	**43.80**	**43.67**	**43.54**	**43.41**	**43.28**
Financial Intermediation	**115.16**	**117.64**	**117.41**	**118.78**	**119.78**	**120.85**
Banks & Other Financial Institutions	73.28	75.56	74.73	75.48	75.85	76.24
Insurance and pension funding	37.08	37.22	37.78	38.35	38.92	39.51
Activities auxiliary to financial intermediation	4.81	4.86	4.90	4.95	5.00	5.10
Real Estate, Renting & Business Services	**252.21**	**257.43**	**260.01**	**262.61**	**265.23**	**267.88**
Owner Occupied Dwellings	180.18	181.98	183.80	185.64	187.50	189.37
Real estate activities	30.30	30.57	30.87	31.18	31.49	31.81
Renting of machinery and equipment	7.90	9.70	9.80	9.90	10.00	10.10
Computer and related activities	4.37	4.60	4.65	4.69	4.74	4.79
Business services	29.46	30.58	30.88	31.19	31.50	31.82
Public Administration, Defence and	**176.77**	**182.36**	**189.48**	**192.50**	**195.57**	**198.69**
Compulsory Social Security						
Central	167.36	172.54	179.51	182.38	185.30	188.26
Local	2.93	3.00	3.05	3.09	3.14	3.19
NIS	6.48	6.83	6.93	7.03	7.14	7.25
Education	**73.47**	**74.15**	**74.87**	**76.06**	**77.27**	**78.49**
Public	63.62	64.16	64.73	65.76	66.81	67.88
Private	9.85	10.00	10.15	10.30	10.45	10.61
Health and Social Work	**44.27**	**48.40**	**49.16**	**49.94**	**50.72**	**51.52**
Public	33.44	36.59	37.17	37.77	38.37	38.98
Private	10.83	11.81	11.99	12.17	12.35	12.54
Other community, social & personal services	**39.65**	**40.44**	**41.05**	**41.66**	**42.29**	**42.92**
Private Households with Employed Persons	**3.38**	**3.42**	**3.45**	**3.48**	**3.52**	**3.55**
Less FISIM	**13.96**	**16.64**	**16.46**	**16.62**	**16.71**	**16.79**
Gross Value Added at Basic Prices	**1,516.41**	**1,520.59**	**1,448.34**	**1,520.73**	**1,564.55**	**1,611.28**
GROWTH RATE	**2.11**	**0.28**	**-4.75**	**5.00**	**2.88**	**2.99**

APPENDIX 6: BALANCE OF PAYMENTS

St. Vincent & the Grenadines
Balance of Payments Transactions
BPM6 (F16) in EC$M 2017-2018

Description	2017 Prelim			2018 Prelim		
	Credit	*Debit*	*Net*	*Credit*	*Debit*	*Net*
1. Current Account	983.18	1,240.27	(257.09)	1,047.08	1,314.75	(267.68)
1.A Goods and Services	794.88	1,154.92	(360.04)	853.15	1,217.57	(364.42)
1.Aa Goods	119.93	785.49	(665.56)	108.90	840.14	(731.24)
1.Ab Services	674.96	369.44	305.52	744.25	377.43	366.82
1.Ab.12 Government good and Services	4.23	8.32	(4.10)	4.41	8.68	(4.27)
1.B Primary Income	18.04	33.24	(15.20)	18.81	40.91	(22.10)
1.B.1 Compensation of Employees	4.29	10.67	(6.39)	4.47	11.13	(6.66)
1.B.2 Investment Income	13.75	22.57	(8.81)	14.34	29.79	(15.44)
1.B.2.1 Direct Investment	0.47	38.00	0.09	0.49	6.66	(6.17)
1.B.2.2 Portfolio Investment	10.17	0.03	10.13	10.59	0.03	10.56
1.B.2.3 Other Investment	3.12	22.15	(19.04)	3.26	23.09	(19.83)
1.B.2.4 Reserve Assets (Credit)	-	-	-	-	-	-
1.B.3 Other Primary Income	-	-	-	-	-	
1.C Secondary Income	170.26	52.10	118.15	175.11	56.27	118.85
1.C.1 General Government	48.79	14.75	34.04	50.85	15.38	35.48
1.C.2 Financial Corportations, Nonfinancial Corporations, households and NPISHs	121.46	35.47	86.00	124.26	38.93	85.33
1.C.2.1 Personal Transfers (Current transfers between resident and nonresident households)	119.07	22.46	96.61	121.81	23.41	98.40
1.C.2.2 Other Current Transfers	2.39	13.00	(10.61)	2.45	13.55	(11.11)
2. Capital Account	206.33	-	206.33	23.49	-	23.49
2.1 Gross Acquisitions (DR.)/ Disposals (CR.) of nonproduced nonfinancial assets	-	-	-	-	-	-
2.2 Capital Transfers	206.33	-	206.33	23.49	-	23.49
2.2.1 General Government	206.33	-	206.33	23.49	-	23.49
2.2.1.1. Debt Forgiveness	193.35	-	193.35	-	-	-
2.2.1.2. Other Capital Transfers	12.98	-	12.98	23.49	-	23.49
2.2.2 Financial Corportations, Nonfinancial Corporations, households and NPISHs	-	-	-	-	-	-
Net Lending (+)/Net Borrowing (-) (Balance from current and capital account)			-50.76			-244.18
	Net Acquisition of Financial Assets		**Net Incurrence of Financial Liabilities**		**Net Lending(+)/ Net Borrowing (-)**	
	2017	*2018*	*2017*	*2018*	*2017*	*2018*
3. Financial Account						
Net Lending (+)/Net Borrowing (-) (Balance from financial account)					(145.12)	(187.97)
3.1 Direct Investment	27.43	39.28	413.40	297.14	(385.97)	(257.86)
3.1.A.1. Equity and Investment fund shares	1.36	4.42	388.21	270.88	(386.85)	(266.46)
3.1.A.2 Debt Instruments	26.07	34.86	25.19	26.26	0.88	8.60
3.2 Portfolio Investment	84.23	43.62	(0.33)	(0.34)	84.56	43.96
3.2.A.1. Equity and Investment fund shares	9.06	13.90	(0.33)	(0.34)	9.39	14.24
3.2.A.2 Debt Instruments	75.17	29.72	-	-	75.17	29.72
3.3 Financial Derivatives (other than reserves) and employee stock options	-	-	-	-	-	-
3.3.1 Central Bank	-	-	-	-	-	-
3.3.2 Deposit-taking corporations, except Central Bank	-	-	-	-	-	-
3.3.3 General Government	-	-	-	-	-	-
3.3.4 Other Sectors	-	-	-	-	-	-
3.4 Other Investment	(66.20)	(0.02)	(250.27)	(59.56)	184.07	59.54
0 **3.4.1 Other Equity**	-	-	-	-	-	-
3.4.2 Currency and Deposits	(62.29)	6.94	(23.47)	(23.74)	(38.82)	30.68
3.4.3 Loans	(4.25)	(16.37)	(217.03)	(32.25)	212.79	15.88
3.4.4 Insurance, pension and standardized guarantee sche	(8.56)	6.13	(1.50)	(1.53)	(7.06)	7.66
3.4.5 Trade credit and advances	1.40	(2.06)	(7.12)	(6.44)	8.52	4.38
3.4.6 Other accounts receivable/payable	7.50	5.34	(1.15)	4.40	8.65	0.94
3.4.7 Special drawing rights(Net incurrence of liabilities)	-	-	-	-	-	-
3.5 Reserve Assets	27.78	33.62	0.00	0.00	27.78	33.62
Net Errors and Omissions					(94.36)	56.21