



**PROSPECTUS  
FOR XCD 75.0 MILLION TREASURY BILL ISSUE  
AND XCD 40.0 MILLION BOND ISSUE  
FOR THE PERIOD  
NOVEMBER 2012 – OCTOBER 2013**

**BY THE GOVERNMENT OF  
ST. VINCENT AND THE GRENADINES**

Ministry of Finance and Economic Planning  
Administrative Centre  
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*The Prospectus has been drawn up in accordance with the rules of the Regional Government Securities Market. The Regional Debt Co-ordinating Committee and Eastern Caribbean Central Bank accept no responsibility for the content of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus. If you are in doubt about the contents of this document or need financial or investment advice you should consult a person licensed under the Securities Act or any other duly qualified person who specialises in advising on the acquisition of government instruments or other securities.*

## I. GENERAL INFORMATION

- Issuer:** The Government of St. Vincent and the Grenadines
- Address:** The Ministry of Finance and Planning  
Administrative Centre  
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**Facsimile No.:** (784) 457-2943
- Contact Persons:** Hon. Dr. Ralph E. Gonsalves, Prime Minister and Minister of Finance  
Mr. Maurice Edwards, Director General, Ministry of Finance  
Mrs. Ingrid Fitzpatrick, Accountant General  
Ms. Deirdre Anthony, Debt Manager
- Date of Publication:** September 2012
- Registration:** This prospectus will be registered with the Regional Debt Coordinating Committee (RDCC).
- Purpose of Issue:** To refinance the existing issues of Treasury Bills issued on the Primary Market via the Regional Government Securities Market (RGSM) and to raise an amount of XCD\$40.0 million to finance the Public Sector Investment Programme
- Amount of Issue:** Treasury Bills - Monthly issues of XCD25.0 million each  
Bond – 10 year issue of XCD40.0 million
- Arranger:** Bank of St. Vincent and the Grenadines
- Legislative Authority:** The Treasury Bills Act Chapter 320 as amended

*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.*

**The purpose of this addendum is to add to the schedule of issues listed in the Government of St. Vincent and the Grenadines Prospectus dated September 2012 two (2) Treasury Bills in the amount of EC\$ 25.0 million each to be auctioned on November 20 and December 19, 2013.**

## **II. INFORMATION ON THE TREASURY BILL**

- a.** The Government of St. Vincent and the Grenadines (GOSVG) proposes to auction XCD 25,000,000.00 91-day treasury bills during the period November 20, 2012 and December 19, 2013.

**The treasury bills will be auctioned on the following dates:**

20 November 2013 - Trading Symbol VCB200214  
19 December 2013 - Trading Symbol VCB210314

**The Treasury bills will be settled on the following dates:**

21 November 2013 - Trading Symbol VCB200214  
20 December 2013 - Trading Symbol VCB210314

**The Treasury Bills will mature on the following dates:**

20 February 2014 - Trading Symbol VCB200214  
21 March 2014 - Trading Symbol VCB210314

- 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 maximum bid price is \$98.55 or 5.82 per cent
- h. Yields will not be subject to any tax, duty or levy of the participating Government of the Eastern Caribbean Currency Union (ECCU)
- i. Investors can participate in the issue through the services of any of the Licensed Intermediaries who are members of the Eastern Caribbean Securities Exchange.
- j. The Government of St. Vincent and the Grenadines has been assigned a rating of B1 by Moody's Investor Services
- k. The Treasury Bills will be issued on the Regional Government Securities Market (RGSM) and traded on the Eastern Caribbean Securities Exchange (ECSE).

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 is:**

- ABI Bank Limited
- Bank of Nevis Limited
- Bank of St. Vincent and the Grenadines Ltd.
- ECFH Global Investment Solutions Limited
- St. Kitts Nevis Anguilla National Bank Limited
- First Citizens Investment Services Ltd. – Saint Lucia

**ECONOMIC GROWTH**

Preliminary data for 2012 indicates that St. Vincent and the Grenadines recorded a 1.59 percent growth in real output building on the slight recovery in 2011 after three consecutive years of negative growth. The increase in economic activity was influenced mainly by developments in the Agriculture, Wholesale & Retail Trade, Financial Intermediation and Public Administration

sectors. The Real Estate Renting & Business Services sector remained the largest contributor to Gross Value Added in 2012, accounting for 16.4 percent of real output.

Following three consecutive years of negative growth, the Wholesale & Retail Trade sector improved in 2012 growing by 1.53 percent, indicative of a mild recovery in the domestic business activities. The Financial Intermediation sector grew by 8.38 per cent in 2012 and was led by movements in the pension and insurance sub-sectors. Notwithstanding the slower growth in the Real Estate Renting & Business Services sectors for 2012 the sector remained the largest contributor to Gross Value Added accounting for 16.4 percent of real output.

## **GOVERNMENT FISCAL OPERATIONS**

In 2012 Central Government fiscal operations improved when compared with 2011. Current revenue increased slightly by 2.2% to \$472.62 million, while current expenditure decreased by 1.3% to \$488.92 million. Consequently, the Central Government current account improved, moving from a deficit of \$32.71 million (1.8 percent of GDP) in 2011 to a deficit \$16.29 million (0.9 percent of GDP) in 2012. The overall balance improved by 34.4 percent to \$38.48 million on account of lower capital expenditure and improvement in current balance.

## **PUBLIC DEBT**

As at December 31, 2012, total outstanding public debt stood at EC\$1,353 million or 72.1 percent of GDP, compared with \$1,246 million (68.2.0 percent of GDP) for 2011. Of the total debt Central Government accounted for 84.6 percent (EC\$1,147.7 million), with the remaining 15.4 percent (\$207.9 million) attributable to Public Corporations.

In 2012, Central Government debt service payments decreased marginally by 0.3 percent, from \$121.8 million in 2011, to \$121.4 million. Of this amount, amortization accounted for 60.2 percent, increasing by 5.0 percent from \$69.5 million in 2011 to \$73.0 million in 2012. The marginal increase in amortisation was offset by declines in interest payments of 3.4 percent and sinking fund contributions of 33.3 percent. Debt service as a percentage of revenue declined marginally by 0.1 percent from 25.0 percent in 2011 to 24.9 percent in 2012

## **RECENT DEVELOPMENTS– FINANCIAL SECTOR**

### **St. Vincent Building and Loan Association**

Following an examination of the St. Vincent Building and the Loan Association (BLA) which revealed several deficiencies including poor asset quality and weak corporate governance, the Financial Services Authority (FSA) on February 1, 2013 assumed management and control of the BLA. The action was undertaken to protect the interest of shareholders, members and depositors and to ensure that the BLA remained operational and financially sound. The FSA commenced implementation of measures geared towards addressing liquidity, solvency and operational management. The government has in place a contingency plan through a loan amounting to \$15.0 m to assist the BLA in the event the need arises. Significant strides in addressing some of the deficiencies resulting in better financial management and reporting and effective NPL recoveries have been reported by the FSA since its intervention in the BLA.

**ALL OTHER INFORMATION IN THE PROSPECTUS REMAINS THE SAME**