

**ADDENDUM II (2021)**



**PROSPECTUS  
FOR TREASURY BILLS  
FOR THE PERIOD**

**DECEMBER 2020 – NOVEMBER 2021**

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

Ministry of Finance and Economic Planning  
Administrative Centre  
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**ST. VINCENT AND THE GRENADINES**

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July 2021

## 1.0 GENERAL INFORMATION

- Issuer:** The Government of St. Vincent and the Grenadines
- Address:** The Ministry of Finance, Economic Planning, Sustainable  
Development and Information Technology  
Administrative Centre  
P.O. Box 608  
Bay Street  
Kingstown  
St. Vincent and the Grenadines
- E-mail:** [office.finance@mail.gov.vc](mailto:office.finance@mail.gov.vc)
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- Contact Persons:** Hon. Camillo Gonsalves, Minister of Finance & Economic Planning etc  
Mr. Edmond Jackson, Director General, Ministry of Finance & Economic  
Planning  
Ms Debbie Antoine, Accountant General  
Mr. Harold Lewis, Debt Manager
- Date of Publication:** 5<sup>th</sup> July, 2021
- Purpose of Issue:** To modify the auction date of the Treasury Bill (VCB081021) to a new  
date of the 12<sup>th</sup> July, 2021 under instrument ID (VCB121021).
- Amount of Issue:** 91 Day Treasury Bill - \$28.0 million
- Legislative Authority:** The Treasury Bill Act Chapter 444

*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 confirms 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 references made to currency, unless otherwise stated, refer to the Eastern Caribbean Dollar.*

## ABSTRACT

The purpose of this Addendum is to modify the date of Treasury Bill VCB081021 slated to be auctioned on July 08, 2021 to a new auction date of July 12, 2021 under instrument ID VCB121021

## 2.0. INFORMATION ON THE SECURITIES

The Government of St. Vincent and the Grenadines (GOSVG) proposes to auction a Treasury Bill in the amount of \$28.0 million on the 12<sup>th</sup> July, 2021 as follows:

*Table 1: SVG's Prospectus Treasury Bill Schedule 2020-21*

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	VCB080721	Treasury Bill	\$28.0 M	3.50%	91 Days	April 7, 2021	April 8, 2021	July 8, 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	VCB121021	Treasury Bill	\$28.0 M	3.50%	91 Days	July 12, 2021	July 13, 2021	October 12, 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

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

- c. The minimum bid quantity is \$5,000.00.
- d. The bid multiplier will be set at \$1,000.00.
- e. The date of issue for each auction is equivalent to the stated settlement date of that auction.
- f. The maximum yield on treasury bills will be 4.82 percent
- g. The price of the issue will be determined by a Uniform Competitive Price Auction.
- h. Payment of principal and interest on Treasury Bills will be made at maturity for each bill
- i. Yields will not be subject to any tax, duty or levy of the participating Governments of the Eastern Caribbean Currency Union (ECCU).
- j. Investors can participate in the issue through the services of any of the Licensed Intermediaries who are members of the Eastern Caribbean Securities Exchange.
- k. In 2020 Moody's Investor Services maintained the Government of St. Vincent and the Grenadines outlook at stable and affirmed the rating of B3.
- l. The Treasury Bills will be issued on the Regional Government Securities Market (RGSM) and listed on the Eastern Caribbean Securities Exchange (ECSE).

**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 Lucia
- Grenada Co-operative Bank Limited

**3.0 GOVERNMENT FISCAL OPERATIONS AS AT MARCH 31, 2021**

Preliminary data as at March 31, 2021 indicated that the Central Government fiscal operations deteriorated when compared to the same period in 2020. Current Revenue decreased by 4.0 percent to \$141.26 million, while Current Expenditure increased marginally, by 0.2 percent, to \$147.29 million. Consequently, the Current balance recorded a deficit of \$6.03 million compared to a surplus of \$0.10 million recorded in 2020. The Overall Balance also worsened, moving from a deficit of \$8.80 million in 2020 to a deficit of \$12.67 million in 2021.

*Table 2: Summary of fiscal operations for the March 31, 2021*

	Budget	Actual	Actual	%
	2021	2021	2020	Change
	\$ m	\$ m	\$ m	
<b>Current Revenue</b>	<b>141.50</b>	<b>141.26</b>	<b>147.12</b>	<b>(4.0)</b>
<b>of which:</b>				
Taxes on Income & Profits	28.57	28.51	27.96	2.0
Taxes on Property	8.68	15.68	9.25	69.6
Taxes on Goods & Services	45.89	45.01	55.07	(18.3)
Taxes on International Trade	37.25	34.73	35.47	(2.1)
Sale of Goods & Services	18.12	13.73	15.74	(12.7)
<b>Current Expenditure</b>	<b>161.60</b>	<b>147.29</b>	<b>147.02</b>	<b>0.2</b>
<b>of which:</b>				
Compensation Employees	85.36	82.20	79.10	3.9
Use of Goods & Services	16.77	17.77	15.47	14.9
Interest Payments	16.92	11.07	13.50	(18.0)
Transfers	42.55	36.25	38.94	(6.9)
<b>Current Balance</b>	<b>(20.09)</b>	<b>(6.03)</b>	<b>0.10</b>	<b>(6,006.7)</b>
<b>Primary Balance (net CCF)</b>	<b>(7.89)</b>	<b>(1.60)</b>	<b>4.70</b>	<b>(134.1)</b>
<b>Capital Expenditure</b>	<b>10.90</b>	<b>11.30</b>	<b>9.72</b>	<b>16.2</b>
<b>Of which:</b>				
Capitalisation of Contingency Fund (CCF)	3.21	-	0.21	(100.0)
<b>Capital Revenue</b>	<b>2.97</b>	<b>4.65</b>	<b>0.61</b>	<b>660.2</b>
<b>Overall Balance (net CCF)</b>	<b>(24.81)</b>	<b>(12.67)</b>	<b>(8.80)</b>	<b>44.0</b>

Source: Ministry of Finance, ERPU

Receipts from Taxes on Income and Profits increased by 2.0 percent to \$28.51 million due to higher collections from Personal Income Tax and Non-Resident (Withholding) Income Tax. Collection of Personal Income tax increased by 0.7 percent to \$21.29 million. Revenue from Non-Resident (Withholding) Tax went up by 14.8 percent when compared to the same period in 2020 mainly on account of arrears collected during the period.

Revenue from Taxes on Property grew by 69.6 percent to \$15.68 million during the period. This resulted mainly from higher receipts from Stamp Duty on Property (which went up by \$3.16 million) and Alien Land Holding Licence (which went up by \$3.26 million). The improved collection from the above mentioned categories reflects greater land sales during the quarter.

Taxes on Goods and Services which totalled \$45.01 million, decreased by 18.3 percent as of 31st March 2021. This was mainly as a result of a 17.6 percent decline in the receipts from Value Added Tax and is reflective of the overall decline in economic activity projected for the year 2021. Excise Duty (on imports) fell by 26.8 percent largely due to timing issues in the recording of payments. More specifically, some payments for fuel imported in 2019 were recorded in 2020. Revenue from Yacht Licence and Excise Duty on Domestic Transactions also fell by 85.6 percent and 5.5 percent, respectively. The 85.6 percent decline in collections from Yacht Licence reflects the continued fall in yacht arrivals. The fall in revenue from taxes on Goods and Services was however moderated by higher receipts from Insurance Premium Tax, Motor Vehicle Licence, Telecommunications and Broadcast Licence, Merchant Shipping International Fees and the Interest Levy.

Revenue from International Trade Taxes fell by 2.1 percent, to \$34.73 million. Under this rubric, revenue collection from all major subcomponents decreased. VAT receipts and Vehicle Surtax went down marginally by 0.3 percent and 0.2 percent, respectively while Import Duty dropped by 5.0 percent as a result of the 4.3 percent fall in merchandise imports during the period.

Revenue from Sales of Goods and Services grossed \$13.73 million. This represents a 12.7 percent reduction on the amount collected in 2020. Collection from all major subcomponents decreased; International Financial Services, CIPO Registration Fees, Driver's Licence fees and Customs Service Charges declined by 6.5 percent, 29.8 percent, 13.5 percent and 8.5 percent, respectively. The fall-off in receipts from Sales of Goods & Services further demonstrates the slowdown in business activity during the period.

Capital inflows as of March 31, 2021 amounted to \$4.65 million, up from the \$0.61 million collected in the corresponding period in 2020. This was due mainly to the \$2.65 million collected in other capital receipts, along with \$1.74 million received in grants compared to \$0.30 million received in the first quarter of 2020.

As at March 31, 2021, Current Expenditure amounted to \$147.29 million. This figure represents an increase of 0.2 percent when compared to the amount spent during the same period in 2020. Payment of Wages and Salaries amounted to \$78.67 million and the Employer's Social Security

Contribution to \$3.53 million, these were responsible for the overall 3.9 percent increase in Compensation of Employees. The increased spending on Wages and Salaries was mainly due to changes in increments and allowances during the period.

Preliminary data indicates that Capital Expenditure for the quarter amounted to \$11.30 million, up from the \$9.72 million recorded for the same period in 2020. The improvement in capital spending was mainly related to the Caribbean Regional Communication Infrastructure Project (\$2.59 million), the Employment Support and Training Programme (\$1.52 million), and Port Redevelopment project (\$1.26 million).

#### **4.0 PUBLIC DEBT AS AT March 31, 2021**

Total public debt outstanding as of March 31, 2021, stood at \$1.88 billion or 88.6 percent of GDP. Of this amount, Central Government debt accounted for \$1.73 billion or 81.3 percent of GDP while the remaining \$156.6 million or 7.24 percent of GDP, is attributable to debt owed by Public Corporations.

Total Central Government debt outstanding amounted to \$1.73 billion or 81.3 percent of GDP and accounting for 91.7 percent of the total debt. Public Corporation's debt accounted for the remaining \$156.6 million or 7.2 percent of GDP and 8.4 percent of the debt portfolio.

Total external debt stood at \$1.31 billion or 61.8 percent of GDP; representing 69.7 percent of total debt. Total domestic debt outstanding amounted to \$571.2 million or 26.9 percent of GDP, 30.3 percent of the total debt. Disbursements on new loans, coupled with increased draw-downs from existing loan is the main contributor to the increase in total public debt from December 30, 2020, to March 31, 2021.

Securities issued during this period were done through private placement to various investors and totalled \$38.03 million. All securities issued in the first quarter carried a maturity ranging from five (5) years to fifteen (15) years with corresponding interest rates listed below in table 3. The ECCB Long-term Loan Facility in the form of a Debenture Bond listed below is the only

instrument done with a stepped-up interest rate beginning at 2.0 percent in year one and increasing to 6.5 percent in year two until maturity. The details of the instruments raised are shown below:

- A \$13.03 million, 5-year note with a coupon rate of 5.5 percent.
- A \$10.0 million, 5-year bond with a coupon rate of 5.5 percent
- A \$15.0 million 15-year bond with a step-up rate from 2 to 6 percent

**Table 3: Securities issued Jan 1, 2021- March 31, 2021**

	<i>Amount</i>	<i>Rate</i>	<i>Tenor</i>
<i>Private Placement</i>	<b>\$M</b>	<b>%</b>	
<i>Various</i>	13.03	5.50	5yr
<i>Various</i>	10.00	5.50	5yrs
<i>ECCB</i>	15.00	2-6	15yrs
	<b>38.03</b>		

As a result, new domestic borrowings during the first quarter of the year totalled \$38.03 million.

Disbursements on existing external loans during the first quarter of 2021 amounted to \$67.7 million, disbursements on grants amounted to \$0.3 million. Significant disbursements were received from World Bank, CDB and Kuwait fund for international development for:

- 2<sup>nd</sup> Fiscal Resilience Development Policy for Catastrophe.
- Agriculture and Feeder Road Development.
- Coronavirus Disease 2019 Emergency Response Support loan.
- Creating Energy efficiency through solar photovoltaic plans

The World Bank disbursements were linked to the Second Fiscal Resilience Development Policy Financing. Disbursements from Kuwait amounted to \$2.21 million for Agriculture and Feeder Roads with the remaining covering various projects from the Caribbean Development Bank.

#### **4.2 DEBT SERVICING AS AT MARCH 31, 2021**

Total Central Government Debt servicing for the 1<sup>st</sup> QTR of 2021 totalled \$48.32 million or 34.2 percent of current revenue, external and domestic debt servicing represented 37.5 percent and 62.5



percent respectively of the total debt servicing; and 12.8 percent and 21.4 percent of current revenue, respectively. There were no allocations made to the Sinking Fund during the quarter.

**Table 3: Comparative Summary of Central Government Debt Servicing  
2020 and 2021**

	<b>QTR 4, 2020</b>	<b>QTR 1, 2021</b>	<b>Change</b>
	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<b>Central Government Debt Servicing</b>	<b>36.22</b>	<b>48.32</b>	<b>-33.40</b>
<b>External</b>	<b>13.80</b>	<b>18.10</b>	<b>-3.11</b>
Interest	5.05	4.06	34.20
Amortization	8.75	14.04	-60.45
<b>Domestic</b>	<b>22.42</b>	<b>30.22</b>	<b>-34.79</b>
Interest	6.67	8.08	-21.13
Amortization	15.75	22.14	-40.57
<b>Sinking Fund Contributions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Current Revenue</b>	<b>175.72</b>	<b>141.25</b>	<b>19.6</b>
<b>Total Central Govt Debt Servicing /Revenue (%)</b>	<b>20.61%</b>	<b>34.20%</b>	<b>33.40</b>

Source: CDIMU, Ministry of Finance

## APPENDIX 1: SUMMARY OF TOTAL PUBLIC DEBT- AS AT MARCH 31, 2021

	20-Dec	21-Mar	Change
<b>Domestic Debt</b>	<b>\$M</b>	<b>\$M</b>	<b>%</b>
<i>Central Government</i>			
Bonds & Notes	281.19	264.91	-5.79
Loans	114.38	96.11	15.97
Overdraft	48.13	51.50	7.00
Accounts Payable	54.69	44.13	19.30
Insurance Deposits	21.92	21.92	0.00
Treasury Bills	30.00	29.00	3.33
<b>Total Dom Central Govt</b>	<b><u>550.31</u></b>	<b><u>514.72</u></b>	<b><u>6.47</u></b>
<i>Public Corporations</i>			
Loans	25.65	26.42	-3.00
Overdraft	1.30	1.57	-20.77
<b>Total Dom Public Corps</b>	<b><u>26.95</u></b>	<b><u>27.99</u></b>	<b><u>-3.86</u></b>
<b>Total Domestic Debt</b>	<b><u>577.26</u></b>	<b><u>542.71</u></b>	<b><u>5.99</u></b>
<i>External Debt</i>			
<i>Central Government</i>			
Bonds and Notes	128.84	151.66	-17.71
Treasury Bills	54.00	55.00	-1.85
Loans	977.99	977.38	0.06
<b>Total Ext Central Govt</b>	<b><u>1160.83</u></b>	<b><u>1184.05</u></b>	<b><u>2.00</u></b>
<i>Public Corporations</i>			
Loans	130.60	129.24	1.04
<b>Total Ext Public Corps</b>	<b><u>130.60</u></b>	<b><u>129.24</u></b>	<b><u>1.04</u></b>
<b>Total External Debt</b>	<b><u>1291.43</u></b>	<b><u>1313.29</u></b>	<b><u>-1.69</u></b>
<b>Total Public Debt</b>	<b><u>1868.68</u></b>	<b><u>1884.50</u></b>	<b><u>-0.05</u></b>
<b>Total Central Government</b>	<b><u>1711.13</u></b>	<b><u>1728.60</u></b>	<b><u>-1.02</u></b>
<b>Total Public Corporation</b>	<b><u>157.55</u></b>	<b><u>157.23</u></b>	<b><u>0.02</u></b>
<b>Preliminary 2021 GDP is 2126.40</b>			

Source: CIDMU, Ministry of Finance

**APPENDIX 2: LIST OF LICENSED ECSE MEMBER BROKER DEALERS**

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
<b>Grenada</b>		
Grenada Co-operative Bank Limited	No. 8 Church Street St. George's  <b>Tel: 473 440 2111</b> Fax: 473 440 6600 Email: <a href="mailto:info@grenadaco-opbank.com">info@grenadaco-opbank.com</a>	<b>Principals</b> Aaron Logie Allana Joseph  <b>Representatives</b> Carla Sylvester Keisha Greenidge Kishel Francis
<b>St Kitts and Nevis</b>		
St Kitts Nevis Anguilla National Bank Ltd	P O Box 343 Central Street Basseterre  <b>Tel: 869 465 2204</b> Fax: 869 465 1050 Email: <a href="mailto:national_bank@sknanb.com">national_bank@sknanb.com</a>	<b>Principal</b> Anthony Galloway  <b>Representatives</b> Petronella Edmeade-Crooke Angelica Lewis Marlene Nisbett
The Bank of Nevis Ltd	P O Box 450 Main Street Charlestown  <b>Tel: 869 469 5564 / 5796</b> Fax: 869 469 5798 E mail: <a href="mailto:info@thebankofnevis.com">info@thebankofnevis.com</a>	<b>Principals</b> Brian Carey Monique Williams  <b>Representatives</b> Judy Claxton Denicia Small
<b>St Lucia</b>		
Bank of Saint Lucia	5 <sup>th</sup> Floor, Financial Centre Building 1 Bridge Street Castries  <b>Tel: 758 456 6826 / 457 7233</b> Fax: 758 456 6733	<b>Principals</b> Medford Francis Lawrence Jean  <b>Representatives</b> Deesha Lewis Cedric Charles
First Citizens Investment Services Limited	P.O. Box 1294 John Compton Highway Sans Souci Castries  <b>Tel: 758 450 2662</b> Fax: 758 451 7984	<b>Principals</b> Omar Burch-Smith Temelia Providence  <b>Representative</b> Samuel Agiste Shaka St Ange

**ALL OTHER INFORMATION IN THE PROSPECTUS 2020/21 REMAINS THE SAME**