PROSPECTUS

FOR TREASURY BILL ISSUES

FOR THE PERIOD

February 2025 - February 2026

BY

THE GOVERNMENT OF ST. VINCENT AND THE GRENADINES

Ministry of Finance

Administrative Centre

P.O. Box 608

Kingstown

ST. VINCENT AND THE GRENADINES

e-mail: office.finance@gov.vc

Tel: (784) 457-2775

Fax: (784) 457-2943

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 specializes in advising on the acquisition of government instruments or other securities.

CONTENTS

ABSTRACT

During February 2025 to February 2026, 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

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@gov.vc

Telephone No.: (784) 457-2775

Facsimile No.: (784) 457-2943

Contact Persons: Hon. Camillo Gonsalves, Minister of Finance

Mr. Edmond Jackson, Director General, Ministry of Finance

Ms. Debbie Antoine, Accountant General

Mr. Harold Lewis, Debt Manager

Date of Publication: October 15, 2024

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.

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 February 2025 to February 2026. 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

Instrument ID	Issue	Amount	Interest Rate Ceiling	Tenor	Auction Date	Settlement Date	Maturity date
VCB270525	Treasury Bill	$28.0 M	3.50%	91 Days	24-Feb-25	25-Feb-25	27-May-25
VCB240625	Treasury Bill	$28.0 M	3.50%	91 Days	24-Mar-25	25-Mar-25	24-Jun-25
VCB230725	Treasury Bill	$28.0 M	3.50%	91 Days	22-Apr-25	23-Apr-25	23-Jul-25
VCB280825	Treasury Bill	$28.0 M	3.50%	91 Days	28-May-25	29-May-25	28-Aug-25
VCB250925	Treasury Bill	$28.0 M	3.50%	91 Days	25-Jun-25	26-Jun-25	25-Sep-25
VCB241025	Treasury Bill	$28.0 M	3.50%	91 Days	24-Jul-25	25-Jul-25	24-Oct-25
VCB021225	Treasury Bill	$28.0 M	3.50%	91 Days	1-Sep-25	2-Sep-25	2-Dec-25
VCB301225	Treasury Bill	$28.0 M	3.50%	91 Days	29-Sep-25	30-Sep-25	30-Dec-25
VCB280126	Treasury Bill	$28.0 M	3.50%	91 Days	28-Oct-25	29-Oct-25	28-Jan-26
VCB050326	Treasury Bill	$28.0 M	3.50%	91 Days	3-Dec-25	4-Dec-25	5-Mar-26
VCB070426	Treasury Bill	$28.0 M	3.50%	91 Days	5-Jan-26	6-Jan-26	7-Apr-26
VCB050526	Treasury Bill	$28.0 M	3.50%	91 Days	2-Feb-26	3-Feb-26	5-May-26

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 maintained a rating of B3 stable by Moody's Investor Service

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 Lucia
- Grenada Co-operative Bank Limited

FINANCIAL ADMINISTRATION AND MANAGEMENT

The Ministry of Finance is headed by the Minister of Finance and comprises several departments over which the Director General has administrative control. Debt management functions have been centralized in the Cash Debt and Investment Management Unit (CDIMU) of the Ministry of Finance. The CDIMU performs all debt management activities and provides policy advice on the overall debt management strategy of St. Vincent and the Grenadines. The main debt management objective of the CDIMU is to satisfy the financing needs of the public sector at minimum cost over the medium to long term, in a prudent and sustainable manner.

The Ministry of Finance seeks to establish a client-oriented environment conducive to the attainment of sustainable economic development and improvement of the quality of life of all citizens of St. Vincent and the Grenadines through sound economic management and the promotion of good governance. The main objective of the Government is to maintain a stable and productive economy, with a focus on education and training, sharpened business competitiveness, sensible debt management and fiscal consolidation. The Government aims to build a modern, competitive, post-colonial economy with the following central elements:

i) maintaining macro-economic fundamentals of a stable currency: low inflation, fiscal prudence, enhanced competitiveness, and increased productivity;
ii) placing social equity at the center of the considerations in the fashioning of economic policy;
iii) pursuing a policy of balanced economic growth which is sustainable and which generates quality employment;
iv) establishing partnerships with the Private Sector for creating wealth and to boost economic activity;
v) implementing a Public Sector Investment Programme to create, among other things, a fiscal stimulus to the economy;
vi) providing an appropriate balance between the conflicting objectives of injecting a fiscal stimulus and maintaining a sustainable debt path.

TRANSPARENCY AND ACCOUNTABILITY

The Government has adopted a system for strengthening the institutional framework for transparency, accountability and monitoring of fiscal matters. As a result, the fiscal position of the government is reported monthly to the Cabinet. Additionally, the fiscal and debt positions are reported annually in the Government's Estimates of Revenue and Expenditure and quarterly fiscal reports and debt reports are available via the local media and the Government's website. Furthermore, efforts have been recently adopted to strengthen our fiscal oversight with the establishment of the *"FISCAL RESPONSIBILITY FRAMEWORK" - A rules-based fiscal framework for St. Vincent and the Grenadines"* published in the Government Gazette on the 7th day of January 2020 and update approved by Cabinet on May 13, 2020. The ECCB also conducts quarterly and annual economic and financial reviews, which are published across the region. Article IV Country Surveillance Reviews conducted by the IMF are also published and are available on the government's website and the Fund's external website as well. Further, efforts are being made to have the Audited Reports of the Government available on a timely basis. The Government's Accounts for fiscal year

2018, 2019 and 2020 was laid before the Parliament on 23rd February 2023, 3rd October 2023 and 22nd February 2024 respectively with 2021 already submitted to be laid.

The Ministry of Finance, Economic Planning and Information Technology seeks to establish a client-oriented environment conducive to the attainment of sustainable economic development and improvement of the quality of life of all citizens of St. Vincent and the Grenadines through sound economic management and the promotion of good governance. The main objective of the Government is to maintain a stable and productive economy, with a focus on education and training, enhanced business competitiveness, further tax reductions, prudent debt management and fiscal consolidation.

MACRO-ECONOMIC PERFORMANCE

OVERVIEW OF ECONOMIC GROWTH

St. Vincent and the Grenadines' economic outlook appears promising, notwithstanding the aftermath of the April 2021 volcanic eruption, economic difficulties caused by the global conflicts in Ukraine and the Middle East, and the recent passage of Hurricane Beryl which caused major damage across all islands and devastated the majority of the Southern Grenadines. Preliminary data for 2024 indicate that real output growth is estimated at 4.7 percent from 5.4 percent in 2023. The growth in economic activity is anticipated on account of moderate to strong growth in most sectors, particularly Tourism (15.2 percent), Wholesale and Retail (12.8 percent), Transportation and Storage (8.0 percent), Construction (6.0 percent), Financial & Insurance activities (3.6 percent) and Manufacturing (2.9 percent).

Table 1. Domestic Macroeconomic Assumptions					
	Estimate	**Estimate**	**Forecast**	**Forecast**	**Forecast**
	2023	**2024**	**2025**	**2026**	**2027**
GDP at Mkt Prices ($m)	**2,845.78**	**3,051.80**	**3,272.20**	**3,436.30**	**3,588.12**
GDP at Mkt Prices (%)	6.6	7.2	7.2	5.0	4.4
GDP Deflator	1.1	1.1	1.2	1.2	1.2
Real GDP	**2,553.02**	**2,673.51**	**2,797.77**	**2,878.86**	**2,946.45**
Real GDP (%)	5.4	4.7	4.6	2.9	2.3
CPI (%)	4.5	3.8	2.0	2.0	2.0
Population ('000)	110	110	110	110	110
GDP per capita ($m)	0.023	0.024	0.025	0.026	0.027

Tourism activity, proxied by accommodation and food service activities, is projected to grow by 15.2 percent in 2024. The forecasted increase is mainly on account of an estimated 36.9 percent rise in total stayover visitors resulting from the increase in frequency of international flights and the opening of new hotels. Cruise ship passenger arrivals are also forecasted to increase significantly, by 119.7 percent, as cruise travel resumed fully in 2023. Moreover, cruise passenger arrivals are projected to surpass pre-pandemic levels by 1.3 percent.

Economic activity in the Manufacturing sector is expected to contribute 4.5 percent to gross value added with increased consumption in the local and external markets for brewery products. In addition, the production of mill products is expected to benefit from the operation of a new flour mill from the last quarter of 2024.

The Wholesale & Retail Trade sector remains one of the largest contributors to GDP in the economy. In 2024, the sector is expected to contribute 14.0 percent of gross value added, reflecting a growth of 12.8 percent. This growth is mainly related to the projected 12.0 percent increase in merchandise imports during 2024, indicative of rising consumer demand and growth in economic activities. In addition, the construction sector is expected to expand, growing at a rate of 6.0 percent in 2024 following a moderate growth of 1.6 percent in 2023. This growth can be attributed to the start and continuation of major public infrastructure projects such as the Port Modernization project, post-eruption rebuilding activities, and private sector developments.

The Agriculture Sector is expected to record negative growth of 14.4 percent in 2024 after a 5.1 percent decline recorded in 2023. The projected decline in 2024 is mainly due to the forecasted 20.0 percent drop in crop production, mainly reflecting the destruction of some crops during the passage of Hurricane Beryl and a large fall-off in the fishing sector, by 29.0 percent, due to the impact of Hurricane Beryl on the fishing grounds and the boats of many fishers.

MEDIUM TERM GROWTH OUTLOOK

Over the medium term, real economic activity is projected to grow at an average 3.3 percent per annum. This outlook is expected to be supported mainly by buoyant economic activity in the Construction, Tourism, Transportation & Storage and Wholesale & Retail sectors. Growth in the Manufacturing and Agriculture sectors is also expected to contribute to the outlook.

The Tourism Sector is projected to grow at an average of 9.0 percent per annum over the medium term. A substantial increase in stay-over visitors during the medium term is anticipated, given the addition to the room stocks with the opening of Myah's Suites (2021) and Sandals Resort (2024), and the anticipated completion and opening of other hotels such as Holiday Inn and Marriot Hotel. Additionally, hosting international sporting events such as the ICC T20 Cricket World Cup is expected to added value to Tourism sector by potentially increasing stay-over visits due to greater global awareness of St. Vincent and the Grenadines. Stay-over visitors are further expected to increase as two new airlines (JetBlue Airways and United Airlines) will commence operations in 2024. Cruise and Yacht passenger arrivals are projected to return to growth trends in the medium term, with average projections of 4.7 percent and 6.3 percent increase respectively.

Value added in the Construction Sector is forecasted to increase throughout the medium term at an average of 4.7 percent yearly. This growth is anticipated to be driven by several key projects, including the commencement of construction on the Arnos Vale Acute Care Hospital and continued investments in hotel development to support the expanding tourism sector. Additionally, several other projects in the PSIP pipeline, such as the construction and rehabilitation of secondary, village and feeder roads, along with volcano-related and hurricane-related reconstruction efforts, are expected to contribute to sustained activity within the sector.

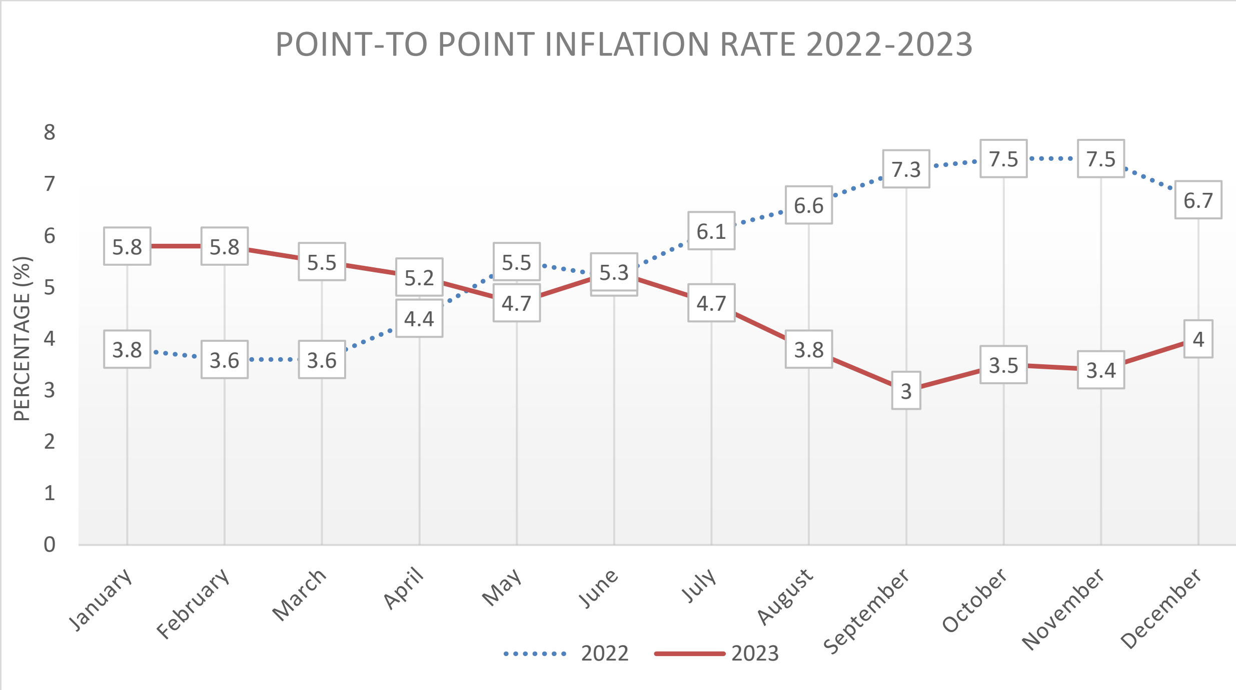
Moderate growth is projected in the Agriculture Sector, averaging 2.0 percent over the medium term. The crops subsector is forecasted to grow at approximately 2.0 percent per annum. This recovery is anticipated as a result of the various initiatives aimed at recovery and support to the crops sub-sector. Growth in the fishing sub-sector is anticipated to rebound, at an average of 5.0 percent, in the medium term, given the government's fleet expansion initiative, the increase in the number of Fish Aggregate Devices (FADs) being installed and growth in the private sector's capacity to process and export fish products.

Growth in the Wholesale and Retail Trade Sector is expected to continue at an average of 7.2 percent per annum over the medium term. This projection is based on the anticipated improvement in the domestic economic activity and rising consumer demand. The manufacturing sector is projected to grow at an average of 3.0 percent over the medium term. This is mainly on account of the various planned investments and expansion aimed at bolstering capacity of manufacturing companies and increased consumer spending fuelled by a more buoyant economy.

INFLATION

The annual average point-to-point inflation rate, as measured by the change in the consumer price index, averaged 4.6 percent in 2023 compared with the recorded average of 5.7 percent in 2022. The highest inflation rate of 5.8 percent was recorded in the months of January and February and the lowest rate of 3.0 in the month of September of 2023. The monthly inflation rates fluctuated throughout the year with a high of 1.1 percent in June and a low of -0.2 percent in January and August.

Chart 1: Point to Point Inflation Rates, 2022 and 2023



Source: Statistical Office, Ministry of Finance and Planning

The average "All Items" index was recorded at 124.3 in December 2023, 4.5 percent up from 118.9 recorded in December 2022. All categories saw growth for the year except for Transport which declined by 0.6 percent.

The largest movement was recorded in the "Furnishings, Household Equipment and Household Maintenance" index which went up by 9.4 percent. This was due mainly to increases in the prices of dinner forks (94.0 percent), dinner plates (90.2 percent), bath towels (72.5 percent), etc. Also, the "Food and Non-Alcoholic Beverages" index, recorded an increase of 8.0 percent due to higher prices of several food items including: local carrots (75.0 percent), cauliflower (69.4 percent), sweet peppers (58.4 percent), etc. Higher prices for services such as haircuts for boys (100.0 percent) and men (50 percent), sanitary napkins with wings (48.9 percent), and baby diapers (38.5 percent), etc. accounted for the 7.9 percent growth in the "Miscellaneous Goods and Services" grouping. Increases in the prices for pizza (21.4%), chicken sandwiches (18.6%), fruit juices (18.4%), a small chicken lunch (8.3%) and a small fish lunch (7.7%), were the main contributors to the increase of 5.2 percent in the group index for "Restaurants and Hotels" The group index for "Clothing and Footwear" grew by 5.1 percent as a result of an increase in the price of men's boxer briefs (121.4%), girls' panties (66.7%), textile material – cotton (41.6%), etc. "Recreation and Culture" increased by 4.4 percent on account of higher prices for a 43" television (40.8%), a mathematics textbook for secondary schools (25.1%), a tin of cat food (14.0%), a can of dog food (13.2%), etc. The indices for "Alcoholic Beverages, Tobacco and Narcotics", "Communication", "Health" and "Housing, Water, Electricity, Gas and Other Fuels" grew by a lesser extent.

The decline of 0.6 percent was due mainly to lower prices for passenger airfare from St Vincent and the Grenadines to several destinations which included Toronto - Canada (33.8%), Miami - U.S.A (32.3%) and London - United Kingdom (19.1%). Higher prices for car tyres (28.9%), front disc pads (17.6%) and diesel (6.6%) also contributed to the decline.

BALANCE OF PAYMENTS[1]

THE CURRENT ACCOUNT

Preliminary data points to an increase in the current account deficit from $385.46 million (or 13.4 percent of GDP) in 2023 to $466.05 million (or 14.9 percent of GDP) in 2024, influenced mainly by developments in the goods and services account. The merchandise trade deficit widened by 9.3 percent to $1,024.48 million mainly on account of higher merchandise imports. On the services account, net inflows increased by 1.5 percent from $347.32 million in 2023 compared to $352.45 Million in 2024. This was largely attributed to an increase in net inflows from Travel Services.

Net outflows from primary income ($19.84 million) also contributed to the deficit while secondary income ($225.82 million) moderated the current account deficit. The slight increase in outflows on the primary income account was due to a net outflow of investment income, while inflows in the secondary income account primarily comprised of financial corporations, nonfinancial corporations, households and personal transfers between resident and non-resident households.

THE CAPITAL AND FINANCIAL ACCOUNT

The balance on the capital account registered a surplus of $42.07 million in 2024, an increase from a surplus of $24.86 million in 2023 due to higher capital transfers recorded during the period. The balance on the current account along with the capital account balance yielded a net borrowing

[1] Preliminary data from the ECCB.

position of $423.99 million (13.5 percent of GDP). This was $63.39 million more than the net borrowing position recorded in 2023.

The financial account recorded a net borrowing position of $353.93 million for 2024. This represents a decrease of $96.42 million when compared to the net borrowing position of $450.35 million recorded in 2023. The main drivers of this decrease were due to the change in Reserve Assets-Net which increased from a net borrowing position of $102.44 million in 2023 to a net lending position of $84.68 million in 2024. Despite the decrease in Portfolio Investment from $402.39 million in 2023, to $8.21 million in 2024, changes in Other Investments (463.46 million) contributed to the improvement in the net borrowing position on the financial account. The net borrowing position on the current and capital account of $423.99 million was financed by a net borrowing position on the financial account of $353.93 million. This gave rise to a net errors and omissions item of $70.06 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 June 2024, Total export receipts grew by 68.2 percent to $89.18 million reflecting the significant increase in re-exports which moved from $5.97 million in 2023 to $47.35 million in 2024. This was mainly as a result of the re-export of Machinery & Transport Equipment and Manufactured Goods. Domestic exports went down by $5.24 million (11.1 percent) mainly related to a decrease in the export of food and live animals. Also, import payments increased by 24.4 percent to $692.78 million as most categories of imports went up with the exception of Animal and Vegetable Oils, Fats and Waxes, and Chemicals and Related Products.

GOVERNMENT FISCAL OPERATIONS

Data as at December 31, 2023 indicated that overall, the Central Government fiscal operations worsened when compared to the same period in 2022. Current Revenue increased by 5 percent to $703.51 million, while Current Expenditure increased by 10.87 percent to $747.92 million. Consequently, the Current Balance recorded a deficit of $44.41 million compared to a deficit of $5.15 million recorded in 2022. The Overall deficit increased, moving from $244.92 million in 2022 to $345.55 million in 2023.

Table 2: Summary of fiscal operations for the year ended December 31, 2023

	Budget	Actual	Actual	%
	2023	**2023**	**2022**	*Change*
	$ m	**$ m**	**$ m**	
Current Revenue	**761.43**	**703.51**	**669.46**	*5.1*
of which:				
Taxes on Income & Profits	**164.44**	**152.13**	**156.64**	*(2.9)*
Taxes on Property	**52.94**	**39.32**	**29.74**	*32.2*
Taxes on Goods & Services	**212.14**	**192.99**	**190.91**	*1.1*
Taxes on International Trade	**214.93**	**190.55**	**191.89**	*(0.7)*
Sale of Goods & Services	**95.87**	**91.30**	**83.83**	*8.9*
Current Expenditure	**771.71**	**747.92**	**674.61**	*10.9*
of which:				
Compensation Employees	**373.98**	**352.27**	**332.76**	*5.9*
Use of Goods & Services	**125.22**	**120.29**	**104.38**	*15.2*
Interest Payments	**78.65**	**74.42**	**60.81**	*22.4*
Transfers	**193.86**	**200.95**	**176.67**	*13.7*
Current Balance	**(10.28)**	**(44.41)**	**(5.15)**	*(762.0)*
Primary Balance (net CCF)	**(321.55)**	**(271.13)**	**(184.11)**	*(47.3)*
Capital Expenditure	**471.56**	**391.88**	**300.87**	*30.3*
Of which:				
Capitalisation of Contingency Fund (CCF)	**12.00**	**14.00**	**14.70**	*(4.8)*
Capital Revenue	**69.65**	**76.74**	**46.40**	*65.4*
Overall Balance (net CCF)	**(400.19)**	**(345.55)**	**(244.92)**	*(41.1)*

Source: ERPU, Ministry of Finance

REVENUE

Receipts from Taxes on Income and Profits fell by 2.9 percent to $152.13 million due to lower collections from the taxes under this category. The main source of the decline was Non-Resident (Withholding) Tax which fell by 16.5 percent to $15.35 million during the period. This drop in revenue mainly resulted from large payments of arrears by some corporate entities in 2022, which were not repeated in 2023. Additionally, Individual Income Tax and Corporate Income Tax fell by 1.5 percent and 0.1 percent respectively.

Revenue from Taxes on Property increased by 32.2 percent to $39.32 million during the period. This resulted mainly from higher receipts of Alien Land Holding Licence (which amounted to $8.10 million, compared to $4.8 million in 2022) and Stamp Duty on Property (which went up by 20.9 percent). Greater land sales was mainly responsible for the higher collection of Stamp Duty and Alien Land Holding Licence during the period.

As at 31st December, 2023, Taxes on Goods and Services totalled $192.99 million, a 1.1 percent increase when compared to 2022. Under this rubric, collections from Telecomm Broadcast Licence increased by

$6.10 million (237.9 percent). Additional increases were recorded as follows: Insurance Premium Tax (24.1 percent), Yacht Licences (5.6 percent), Excise Duty on Domestic Transactions (4.7 percent) and Motor Vehicle Licence (2.6 percent). The collection from Telecomm Broadcast Licence benefited from earnings for domain name sales. The rise in revenue from Taxes on Goods and Services was however moderated by lower takings from Merchant Shipping International Fees (20.1 percent), Interest Levy (7.6 percent), Value Added Tax (4.5 percent) and Excise Duty on Imports (2.0 percent).

Revenue from International Trade Taxes declined marginally by 0.7 percent, to $190.55 million. The main sub-taxes under this heading that were responsible for this decline were Vehicle Surtax which fell by 6.5 percent, Import Duty which decreased by 0.8 percent and VAT which fell by 0.3 percent. The marginal decline in Import Duty and VAT was in part associated with a significant (16.7 percent) increase in the level of concessional imports during the period. Meanwhile, revenue from Vehicle Surtax decreased due to a reduction in vehicle imports of 3.1 percent.

Takings from Sale of Goods and Services grossed $91.30 million, this represents an 8.9 percent improvement over the amount collected in 2022. The main contributors to this performance were; Customs Service Charge which went up by 11.8 percent and Drivers Licence which increased by 5.2 percent. These increases were however moderated by the lower takings from Business Registration (CIPO) fees which decreased by 27.4 percent to $0.78 million and International Financial Services fees which fell by 15.4 percent to $2.88 million.

During the period under review, collections from Property Income increased significantly to $26.25 million from the $5.57 million collected during the corresponding period in 2022. The increase was mainly due to an amount of $20.0 million received by the government from Aecon Group Inc. as payment for the dredging of sand that was used in the Port Redevelopment Project.

Capital inflows as at December 31, 2023 amounted to $76.74 million, up from the $46.39 million collected over the corresponding period in 2022. This was principally related to higher revenue from Grants which went up by 69.6 percent to $74.95 million. Of this amount, $38.93 million was sourced from the United Kingdom Caribbean Infrastructure Partnership Fund to assist with funding the Port Redevelopment Project.

EXPENDITURE

Current Expenditure amounted to $747.93 million, as at December 31, 2023. This figure represents an increase of 10.9 percent when compared to the amount spent during the same period in 2022. Payment of Wages and Salaries amounted to $336.76 million and the Employer's Social Security Contribution to $15.52 million, these were responsible for the overall 5.9 percent increase in Compensation of Employees. The 2.5 percent salary enhancement received by public servants from January 1st 2023 and changes in increments and allowances during the period.

Interest Payments increased during the period by 22.4 percent to $73.08 million as a result of increased payments on both the external and domestic component of the debt. The external interest payments moved from $25.43 million in 2022 to $36.86 million while domestic interest payments moved from $35.39 million to $37.56 million. These increases are consistent with higher global interest rates and higher disbursements of debt. Outlays on Transfers went up by 13.7 percent to $200.95 million, mainly due to the higher amounts that were expended on Grants to Other Agencies (17.3 percent).

Preliminary data indicates that Capital Expenditure for the year ended December 31, 2023 amounted to $391.88 million, up from the $300.87 million recorded for the same period in 2022. Some of the major capital projects undertaken in 2023 included: The Port Redevelopment Project ($162.73 million), the National Road Rehabilitation Project ($28.93 million), the Volcano Eruption Emergency Project ($18.86 million), the Housing Reconstruction Rehabilitation Project ($ 9.19 million), Improving of Arnos Vale Sporting Complex ($8.49 million). Other significant expenditure was recorded under the Diamond Hotel Project ($8.49 million).

FINANCING

Table 3 below shows a deficit of $345.55 million for the period financed from a mix of domestic and external sources. The main categories of domestic financing were the disbursement of domestic loans amounting to $81.00 million and bond issuance of $121.58 million. The deficit was also financed by inflows of external loans ($283.97 million).

Table 3: Central Government Financing 2023

	Actual 2023	Actual 2022
OVERALL BALANCE	**(345.55)**	**(244.92)**
FINANCING		
NET EXTERNAL	**198.16**	**170.29**
Loan Disbursement	283.97	240.26
Loan Amortisation	(85.81)	(69.97)
NET DOMESTIC	**147.40**	**74.63**
Loan Disbursement	202.58	166.60
Loan Amortisation	(134.87)	(103.13)
Sinking Fund Contribution	(7.33)	(6.00)
Capitalisation of Contingency Fund	(14.00)	(14.70)
Change in Cash	18.97	(5.69)
Other Domestic	82.04	37.55

Source: Ministry of Finance, ERPU

FISCAL OUTTURN AS AT JUNE 30, 2023

The fiscal performance of the Central Government deteriorated in the first half of 2024 compared to the same period last year. Current Revenue rose by 1.8 percent to $361.52 million, while Current Expenditure increased by 5.7 percent to $373.59 million. As a result, a Current Deficit of $12.07 million was recorded in 2024, as opposed to a surplus of $1.40 million in 2023. Consequently, the

Overall Deficit increased, moving from $28.24 million in 2023 to $91.01 million in 2024. The outturn was driven mostly by the significant increase in Capital Expenditure during the period.

Table 4: Summary of Fiscal Outturn June 2024 compared with June 2023

	Budget 2024 $ m	Actual 2024 $ m	Actual 2023 $ m	% Change
Current Revenue	**395.59**	**361.52**	**354.96**	**1.8**
of which:				
Taxes on Income & Profits	74.97	76.88	69.93	9.9
Taxes on Property	21.01	18.91	10.06	87.9
Taxes on Goods & Services	141.51	114.36	124.13	(7.9)
Taxes on International Trade	99.78	94.30	83.92	12.4
Sale of Goods & Services	44.23	44.88	38.06	17.9
Current Expenditure	**377.89**	**373.59**	**353.55**	**5.7**
of which:				
Compensation Employees	191.54	183.90	173.99	5.7
Use of Goods & Services	49.03	49.91	48.57	2.8
Interest Payments	37.08	42.14	34.44	22.3
Transfers	100.25	97.65	96.55	1.1
Current Balance	**17.71**	**(12.07)**	**1.40**	960.8
Primary Balance (net CCF)	**(45.66)**	**(48.87)**	**6.20**	888.5
Capital Expenditure	**125.62**	**99.57**	**62.93**	58.2
Of which:				
Capitalisation of Contingency Fund (CCF)	**9.63**	**11.29**	**9.82**	14.9
Capital Revenue	**15.55**	**9.35**	**23.46**	(60.1)
Overall Balance (net CCF)	**(82.74)**	**(91.01)**	**(28.24)**	(222.2)

Source: Ministry of Finance, ERPU

Revenues from Taxes on Income and Profits increased by 9.9 percent to $76.88 million. All the direct tax subgroups recorded increases: Individual Income Tax (1.5 percent), Corporate Income Tax (25.0 percent) and Non-Resident (Withholding) Tax (28.2 percent). The increase in Corporate Income Tax was on account of a timing issue which resulted in some collections for the previous period being recorded in this period. The rise in Non-Resident (Withholding) Tax collection was related to stronger collections of arrears in 2024.

Revenue from Taxes on Property increased significantly, moving from $10.06 million in 2023 to $18.91 million in 2024. This performance was mainly driven by higher receipts from Stamp Duty on Property (which increased by $6.04 million) and Alien Land Holding License (which increased by $2.76 million) due largely to greater land sales to non-nationals over the period. Collections of

Property Tax at the Inland Revenue Department also increased by 15.1 percent in keeping with the Department's efforts to collect the tax including outstanding amounts.

Taxes on Goods and Services which totalled $114.36 million, decreased by 7.9 percent when compared to 2023. Lower collections from Telecommunications & Broadcast Licences and Interest Levy were the main sources responsible for the above-mentioned decline. The drop in collections from Telecommunications & Broadcast Licences and Interest Levy was due to timing issues related to the receipt of the licences and levies. In relation to the Telecommunications & Broadcast Licences, the figure for 2023 included amounts collected for the fourth quarter of 2022 but was recorded in 2023 thus inflating the amount for 2023. Regarding Interest Levy, the bulk of the levy is normally received either in June or July, in 2023 the amounts were collected in June while as at June 2024, there were no collections of Interest Levy. Excise Duty on Domestic Transactions also experienced a small decline of 1.2 percent. Notwithstanding the above, other sub-categories under this rubric recorded increased takings, including Merchant Shipping International Fees (94.1 percent), Excise Duty on Imports (30.3 percent) and VAT (3.0 percent). Higher receipts from Excise Duty on Imports were mainly due to issues related to timing of payment where receipts for some transactions which occurred in 2023 were actually recorded in the first half of 2024.

Revenue from International Trade taxes grew by 12.4 percent to $94.30 million during the review period. The main impetus behind this improved performance were:

- VAT $56.88 million (up 12.7 percent)
- Vehicle Surtax $3.33 million (up 33.5 percent)
- Import Duty $33.82 million (up 10.0 percent)

Revenue from Sales of Goods and Services grossed $44.88 million. This represents a 17.9 percent increase on the amount collected for the same period in 2023, as most of the major subcategories turned in improved performances. The most noteworthy being:

- Customs Service Charge of $30.58 million (up 21.2 percent)
- Drivers Licences of $2.38 million (up 19.2 percent)

Capital inflows as at June 30, 2024 amounted to $9.35 million, a significant decline from $23.46 million collected in the corresponding period in 2023. This was due mainly to the decline in capital grants from foreign governments and international organisations. Conversely, the sale of crown lands increased significantly to $4.88 million as compared to $0.78 million in 2023.

As of June 30, 2024, Current Expenditure amounted to $373.59 million, an increase of 5.7 percent when compared to the amount spent during the same period in 2023. Wages & Salaries went up by 5.8 percent to $175.83 million partly on account of the 2.0 percent salary increase paid to public servants from January 1, 2024. Also included is an allowance to nurses amounting to 5.0 percent of their salaries for a six-month period also beginning January 1, 2024. The wage component also increased due mainly to the introduction of the new minimum wage regulation. A 4.1 percent increase in spending on Employer's Social Security Contribution also contributed to the overall increase in Compensation of Employees.

Interest payments jumped by 22.3 percent during the period to reach $42.14 million as higher payments on both the external and domestic components of the debt occurred during the review period. The external and domestic interest payments increased by 35.0 percent and 11.3 percent, respectively. This is reflective of the increased debt service cost due mainly to the Port Modernization Project and the rising global interest rates from major creditors during the period. Outlays on Transfers increased by 1.1 percent to $97.65 million mainly due to the higher amounts that were expended on Grants to Local Authorities, Grants to Other Agencies, and Employment Related Social Benefit, which increased by 4.7 percent, 9.7 percent and 5.1 percent respectively.

Preliminary data indicates that Capital Expenditure for the period ended June 30, 2024 amounted to $99.57 million, up from the $62.93 million recorded for the same period in 2023. It is important to note that the capital projects implementation rate has been increasing over the past few years. Some of the projects responsible for the increase in capital spending during the period are: the improvement to Arnos Vale Sporting Complex ($21.75 million) in preparation for the Cricket World Cup in June 2024, the Diamond Hotel project ($17.55 million), the Port Redevelopment Project ($10.08 million), the National Road Rehabilitation Project ($5.79 million), the Natural Disaster Management Risk Reduction and Climate Change Project ($4.12 million) and the Volcanic Eruption Emergency Project (VEEP) ($3.07 million).

MONEY AND CREDIT

The total monetary liabilities (M2) of the banking system grew marginally by 4.5 percent to $1,931.48 million during 2023. The expansion in M2 reflected mainly by developments in narrow money (M1), which increased by 9.4 percent in 2023 to $888.64 million. This was primarily on account of an increase in transferable deposits (9.5 percent). Current outside the Depository Corporation (mainly Currency in Circulation) also went up by 7.4 percent.

The proportion of quasi money, increased marginally by 0.7 percent to $1,042.85 million, reflecting an increase in Other Deposits and a decrease in Foreign Currency Deposits of 6.2 percent and 36.5 percent respectively.

Overall, Claims on Private Sector went up by 4.5 percent when compared to the previous year. This was mainly related to an increase in loans extended to businesses which grew by 32.0 percent to $264.16 million. Meanwhile, lending to households and Non-Profit Institutions, which accounts for more than three quarters of private sector credit, contracted by 1.6 percent, when compared to the previous year, moderating the overall increase in Claims on the Private Sector. The net liability to General Government increased by 4.83 percentage points to $112.55 million in 2023.

An analysis of the distribution of bank credit by economic activity revealed that outstanding loans increased by 6.2 percent to $1,315.28 million during 2023, following a 0.7 percent contraction during 2022. The increase in credit was mainly attributable to an increase of 36.9 percent in loans to private households. This was further exacerbated by the sizeable increase in loans for public administration and social security which increased by 42.6 percent.

Net foreign assets of the banking system decreased by 15.6 percent to $921.71 million in 2023, compared with a 11.7 percent decrease in 2022. This contraction was on account of a drop in Central Bank Claims on Non-Residents (Net) which went down from $737.71 million to $636.25 million while Commercial Bank net foreign assets had a decrease of 19.5 percent.

Liquidity in the commercial banking system tapered off in 2023 as evidenced by downwards movements in liquidity indicators. The ratio of liquid assets to short term liabilities declined by 11.3 percent to 46.14 percent and the ratio of liquid assets to total assets also declined to 43.05 percent in 2023 from 48.36 percent in 2022, dropping further below the maximum threshold of 75.0 to 85.0 percent.

PUBLIC DEBT ANALYSIS

Table 5: Total Public Debt

	2023 - Q2	2024 - Q2	Change
External			
Borrowing	1,733.41	1,974.68	13.9%
Guarantees	12.18	10.17	-16.5%
SUBTOTAL	**1,745.58**	**1,984.85**	**13.7%**
Domestic			
Borrowing	582.59	763.17	31.0%
Guarantees	25.62	38.24	49.3%
SUBTOTAL	**608.20**	**801.41**	**31.8%**
GRAND TOTAL	**2,353.79**	**2,786.27**	**18.4%**

Preliminary total public debt as at June 30, 2024 stood at $2.78 billion (91.3 percent of GDP[2]), comprised of $2.74 billion in Central Government debt and $48.4 million in Public Corporation debt, representing 89.7 percent and 1.6 percent of GDP respectively.

Total external debt outstanding increased by 13.7 percent to $1.98 billion which represented 65.0 percent of GDP and 71.2 percent of the total debt. Total domestic debt outstanding increased by 31.8 percent to $801.4 million which represented 26.3 percent of GDP and 28.8 percent of the total debt. Total public debt increased by 18.4 percent at the end of the quarter 2 compared to $2.35 billion for same period 2023, driven by an increase in central government debt.

The debt continued to be driven primarily by the growth in external central government debt from disbursements on new and existing loans. The portfolio has an Average Time to Maturity of 8.47 years and an ATR of 7.88 years. 26.0 percent of the debt is concentrated in instruments with remaining maturities of 4 years or less, of which 15.9 percent are instrument with maturities of one year or less, with the remaining 73.9 percent being long term instruments with maturities 5 years and above. Fixed rate and floating rate debt accounted for 78.0 and 13.0 percent respectively. Discount rate debt (treasury bills) accounted for 3.1 percent, while interest free debt (IMF loans, accounts payables and LIAT loans) accounted for 6.0 percent.

Domestic debt increased by 31.8 percent from $608.2 million to $801.4 million at the end of June 2024 driven primarily by a 106.6 percent increase in the outstanding balance on the Overdraft facility. Additional, total loans increased by 45.9 percent, bonds and notes by 12.2 percent and

[2]Economic Research and Policy Unit Preliminary GDP for 2024 is $3051.8 million

Treasury Bills by 80.0 percent. Accounts Payables increased by 33.0 percent. Central government outstanding loans increased by 39.6 percent as new commercial borrowings was done to restructure a portion of the overdraft facility and to facilitate the upgrading of the Arnos Vale Sporting Complex while Public Corporation outstanding loans increased by 66.7 percent driven by new debt contracted by the Carnival Development Corporation, National Properties and the National Telecommunication Regulatory Commission totaling $6.0 million during the period from Bank of St. Vincent. Public Corporation debt also increased due to issuance of guaranteed bonds by Vinlec to the Bank of St. Vincent and the Grenadines with an outstanding amount of $10.5 million as at the end of June 2024. Most of the domestic debt is concentrated in debt owed to Commercial Banks (46.8 percent); followed by Private Individuals (19.2 percent); the ECCB (11.1 percent); and the NIS (9.0 percent).

Total Securities continue to account for the greatest proportion of the domestic debt portfolio totaling $377.4 million or 47.1 percent of the total domestic debt. Short-term obligations due in one year or less totaled 37.4 percent of the total domestic portfolio. Central government debt increased by 31.0 percent while public corporation's debt increased by 49.3 percent compared to the balances at year end December 2023.

External debt increased by 13.7 percent from $1.74 billion to $1.98 billion driven primarily by disbursements from new and existing loans contracted by the Government. Central government debt increased by 13.9 percent from $1.73 billion to $1.97 billion while public corporation's debt decreased by 16.5 percent from $12.2 million to $10.2 million. External bonds and treasury bills decreased by 17.9 percent and 2.2 percent while loans increased by 18.5 percent, these instruments representing 7.8 percent, 3.7 percent and 88.6 percent of the portfolio respectively.

For the first half of the year $144.1 million was disbursed on several external central government loans with 75.9 percent of these disbursements coming from Multilateral and Bilateral Creditors. Of the multilateral creditors 46.2 percent of disbursements were from the Caribbean Development Bank (CDB). The CDB projects with the most significant disbursements were the Port Modernization Project($46.0 million) and the Strengthening Response, Recovery and Resilience in the Health Sector Project($14.4 million). There was also $40.5 million in disbursements from the Export Import Bank of China (on Taiwan) for the Country Roads Project and $20.4 million from the World Bank (International Development Association) for the SVG Digital Caribbean

Project. $45.2 million in private placement bonds and notes were also issued during this period, with tenors ranging from 3 years to 15 years.

New Public Corporation loans disbursed during this period amounted to $1.4 million; $400,000 to the Carnival Development Committee and $1.0 million to the National Telecommunication Regulatory Commission. Both were contracted from the Bank of St. Vincent and the Grenadines.

2024 NEW BORROWINGS

As at September 30, 2024, total new borrowings contracted amounted to $163.4 million. New borrowings were related to Energy, Disaster Management, Sports and Tourism. Most of these new borrowings were contracted through Commercial Banks however the most significant borrowing was $135.0 million from the Saudi Fund for Development.

SECURITIES ISSUED DURING 2024

TREASURY BILLS

As at September 17, 2024, the Government has successful re-issued 9 treasury bills receiving total bids of $311.7 million, accepting $252.0 million at an average yield of 2.8 percent.

BONDS AND NOTES

The Public Sector Investment Loan Act No. 31 of 2023 passed in the House of Assembly on December 20, 2023 authorized the government to borrow an amount not exceeding $155.0 million to assist in funding the 2024 Public Sector Investment Programme. In the House of Assembly on the July 19, 2024, this act was amended by the Public Sector Investment Programme Act No. 12 of 2024 which authorized the government to borrow $225.0 million. As at September 17, 2024, the Government had issued $71.6 million in securities through private placement, of which 15.0 percent were bullet repayment instruments with the remainder being amortized instruments. It is expected that the remaining issuance of securities in the form of notes and bonds will take place before year end.

Table 6: Securities Issued During 2024

Instrument Type	Creditor	Amt ($)	Tenor	Rate	Issue Date	Maturity Date
Bond	Private Placement	25.000	15 years	7.50	30-Sep-24	30-Sep-29
Bond	Private Placement	8.500	6 years	5.75	28-Mar-24	28-Mar-30
Bond	Private Placement	10.500	7 years	6.50	28-Mar-24	28-Mar-31

Bond	Private Placement	7.000	10 years	7.50	28-Mar-24	28-Mar-34
Bond	Private Individual (IADC Land Compensation	0.347	5 years	2.00	1-Sept-24	1-Sept-29
Note	Private Placement	3.000	3 years	3.50	12-Apr-24	12-Apr-27
Bond	Private Placement	3.000	5 years	5.50	12-Apr-24	13-Apr-29
Bond	Private Placement	0.776	7 years	6.25	12-Apr-24	12-Apr-31
Bond	Private Placement	13.465	10 years	6.25	12-Apr-24	12-Apr-34
	Total	**71.588 m**				

Source: CIDMU, Ministry of Finance

EXTERNAL DEBT PORTFOLIO

As at June 30, 2024, total public external debt stock stood at $1.984 billion compared with $1.745 billion for same period in 2023, an increase of 13.7 percent. Central Government amounted to $1.974 billion an increase of 13.9 percent and Public Corporation external debt amounted to $10.2 million to $12.2 million, a decrease of 16.5 percent. They represented 99.5 percent and 0.5 percent of total debt respectively. Fixed rate instruments accounted for 77.8 percent of the portfolio, variable rate instruments 18.0 percent and the remaining 4.2 percent representing instruments that were interest free. The average time to maturity of the total external debt portfolio is 9.7 years with 13.1 percent of the portfolio maturing in one year. Average time to re-fixing is 8.9 years with 26.6 percent of the portfolio due for re-fixing in one year. Most external securities are denominated in local currency, whereas all loans are denominated in foreign currency.

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 accounted for 68.4 percent while bilateral creditors accounted for 19.3 percent, together these accounted for 87.7 percent of the portfolio. The maturity profile of the debt continued to be dominated by long-term loans with 75.9 percent of the portfolio maturing in over ten years. Instruments with remaining maturity between 5-10 years accounted for 17.1 percent while instruments with remaining maturity of 5 year or less accounted for 11.1 percent.

EXTERNAL DEBT BY CURRENCY

The United States dollar (USD) is the dominant currency in the portfolio with 65.0 percent of all external debt being denominated in this currency. Other major currencies are the XCD, SDR and the Euro representing 12.3 percent, 10.9 percent and 10.9 percent of the outstanding debt. The remaining currencies are the Kuwaiti Dinars and the TT dollars cumulatively represent 0.98 percent. There have been no disbursements on loans denominated in Saudi Arabi or United Arab Emirates dollars as at the end of June 2024.

EXTERNAL DEBT DISBURSEMENTS

External loan disbursement as at June 30, 2024 stood at $144.1 million. Multilateral loan disbursements totaled $100.0 million or 69.4 percent while bilateral loan disbursements were $44.1 million or 30.6 percent of the total. Disbursements from CDB totaled 46.3 percent of the total but disbursements on the Port Modernization Project ($46.0 million) from CDB and Country Roads Projects ($40.5 million) from EXIM were the projects with the most significant disbursements, combined they equaled 60.0 percent of total disbursements, see appendix 3.

DOMESTIC DEBT PORTFOLIO

Total domestic debt as at the end of June 2024 stood at $801.4 million (26.3 percent of GDP), an increase of 31.8 percent compared $608.2 million as at the end of June 2023. Of the total debt outstanding, $763.2 million or 95.2 percent of total domestic debt was held by Central Government while the remaining 38.2 million, 4.8 percent, was held by the Public Corporations, these amounts represented 25.0 percent and 1.3 percent of GDP respectively.

With the exception of Insurance deposits, which remained constant, all instruments in the portfolio registered increases over their balance as at the end of June 2023. Bonds and Notes increased by 15.4 percent totaling $369.9 million, the Overdraft Facility increased by 104.6 percent, totaling $184.4 million, Accounts Payables increased by 33.0 percent, totaling $64.2 million, total loans increased by 35.7 percent totaling $140.0 million and Treasury Bills increased by 80.0 percent to $18.0 million.

DOMESTIC DEBT BY CREDITOR CATEGORY AND MATURITY PROFILE

The domestic portfolio continues to be dominated by domestic securities (local investors). Securities amounted to $387.9 million (47.9 percent of the total domestic portfolio). Commercial debt owed to Bank of St. Vincent and the Grenadines amounted to $278.6 million (34.4 percent of the total). Debt owed to the National Insurance Services (NIS) amounted to $25.7 million (3.2 percent of total), while Accounts Payables and Insurance Deposits accounted for 8.4 percent and

2.3 percent respectively. The remaining 3.8 percent was owed to the ECCB, the St. Vincent Electricity Company, St. Vincent Cooperative Bank and 1st National Bank of St. Lucia.

Instruments with remaining maturity between 0-4 years accounted for 64.3 percent of the total domestic portfolio. Debt with remaining maturity of 5 years and over accounted for the remaining 35.7 percent. There are no bullet bonds due for repayment within this fiscal. However, in 2025 and 2026, $6.181 million and $14.855 million respectively would be falling due.

DOMESTIC LOAN DISBURSEMENT

For the first half of the year a new domestic central government loan in the amount of $10.0 million was contracted and disbursed for the upgrading of the Arnos Vale Sporting Complex from 1st National Bank of St. Lucia. $18.0 million was guaranteed by the government but contracted by Vinlec for a Metering Infrastructure Project. Government also guaranteed a new loan facility in the amount of $400,000 for the Carnival Development Committee from the Bank of St. Vincent.

DEBT SERVICING AS AT JUNE 30, 2024

Total Central Government debt service at the end of quarter 2 amounted to $74.0 million from $73.1 million in Qtr 1 2024, an increase of 1.2 percent. External and domestic debt service represented $27.3 million and $46.7 million of total respectively. Total interest payments were $24.8 million, total amortization was $49.2 million.

Table 7: Summary of Central Government Debt Service as at June 30, 2024

	QTR 1, 2024	***QTR 2, 2024***	***Change***
	$M	**$M**	%
Central Government Debt Servicing	**73.11**	**74.01**	**1.24%**
External	**26.99**	**27.29**	**1.11%**
Interest	8.53	13.17	54.36%
Amortization	18.46	14.12	-23.5%
Domestic	**46.11**	**46.72**	**1.31%**
Interest	8.82	11.61	31.57%
Amortization	37.29	35.11	-5.85%
Sinking Fund Contributions	**0.00**	**0.00**	**0.00%**

Source: CIDMU, Ministry of Finance

SPECIAL FUNDS

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. The balance in the Fund as at August 31, 2024 was $12.8 million.

CONTINGENCY FUND

This is a disaster-based Fund that was established as part of the suite of disaster risk financing mechanisms used to leverage options for 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. The balance as at August 31, 2024 was $13.4 million.

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[3]. 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

[3] Sec 44, Finance Administration Act Cap 252

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 Public Corporations. The current limit specified for all guarantees issued by government is $300.0 million.

XII. BANKING AND FINANCIAL INSTITUTIONS

OVERVIEW

The financial system in St. Vincent and the Grenadines currently consists of three (3) commercial banks: the Bank of St. Vincent and the Grenadines, as well as branches of two foreign banks including 1st National Bank St. Lucia Ltd. and Republic Bank (EC) Limited; one (1) indigenous bank, namely; St. Vincent Co-operative Bank, twenty-one (21) active insurance companies, four (4) credit unions; one (1) Building Society (BS), fifteen (15) registered Friendly Societies, three (3) Money Services Businesses and four (4) microfinancing entities. The banks are regulated by the Eastern Caribbean Central Bank (ECCB) while the non-banking institutions, including the credit unions, the building society, the insurance companies, money service businesses and micro-financing entities are regulated by the Financial Services Authority (FSA).

FOREIGN EXCHANGE AND INTERNATIONAL RESERVES

The Eastern Caribbean Currency Union (ECCU), of which St Vincent and the Grenadines is a member, has adopted a fixed exchange rate regime whereby exchange rates for the EC dollar is 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 BUSINESS

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, and the Money Services Business (Amendment) Act, No. 25 of 2022. 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 any or all of the following services- (i) transmission of money or monetary value in any form, including electronic money, mobile money or mobile payment of money (ii) check cashing, (iii) currency exchange, (iv) the issuance, sale or redemption of money orders or traveler's checks, (v) micro-financing and lending; and (vi) any other services the Minister may specify by Order in the Gazette; and (b) the business of operating as an agent, sub-agent or franchise holder of a business mentioned in paragraph (a).

In addition to the SVG Postal Corporation the following companies currently act as agents for money transfer businesses and their principals:

Grace Kennedy Money Transfer Services - Western Union

Going Places Travel - MoneyGram

Massy Remittances Services (St. Vincent) Ltd. - MoneyGram

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 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 Insurance Act") and the Motor Vehicle Insurance (Third Party Risk) Act Chapter 309 of the 2009 Revised Laws of St. Vincent and the Grenadines. The FSA, established by Act No.33 of 2011, is responsible for the regulatory and supervisory frameworks of the sector. The insurance laws apply equally to both domestic and CARICOM-based companies.

As at December 31, 2023, there were twenty-one (21) active companies licensed under Section 9 of the Insurance Act, to conduct domestic insurance business in St. Vincent and the Grenadines. Fourteen (14) companies were licensed to conduct short-term/general (also referred to as property and casualty) insurance business. Four (4) of these companies were locally incorporated while the other ten (10) were branches of Caricom-based/foreign-owned companies. General insurance business and policies of insurance typically do not exceed one (1) year and fall into six (6) categories, namely: liability insurance, motor vehicle insurance, pecuniary loss insurance, personal accident insurance, property insurance, and marine, aviation and transport of insurance business.

Seven (7) companies were licensed to undertake long-term insurance business. Two (2) companies were licensed to write life business only, while the other five (5) were licensed to conduct business in both segments of the market. Long-term insurance policies exceed one (1) year and comprise ordinary long-term, creditor life, group life and annuity business. Additionally, two (2) companies, namely: British American Life Insurance Company Limited ("BAICO") and CLICO International Life Insurance Company Limited ("CLICO") remained under judicial management.

There were ninety-seven (97) Insurance Sales Representatives, seven (7) Insurance Brokers, fifteen (15) Insurance Agents, two (2) Insurance Adjusters and one (1) Association of Underwriters recorded for the review period.

The sector has contributed substantially to the local economy and thus plays a vital role in contributing to economic development. In 2023, the sector contributed $6.9M in insurance premium taxes to the government, an increase of $1.3M or 24.1% compared with the previous year's figure of $5.5M. The sector also generated $0.1M in registration and licence fees in 2023 and 2022.

The table below summarizes the composition of the domestic insurance sector.

Number of Licensees in the Insurance Industry for the period 2019-2023

As at December 31	2023	2022	2021	2020	2019
Insurance companies	21	21	22	22	22
Brokers	7	6	6	8	8
Agents	15	15	17	15	16
Sales Representatives	97	99	114	116	127
Association of Underwriters	1	1	1	1	1
Insurance adjusters	2	3	3	1	2
Total Insurance Licences	**143**	**145**	**163**	**163**	**176**
Pension Fund Plans	34	31	30	28	28

Source: Financial Service Authority

In 2023, Gross Premium income in the insurance industry totaled approximately $127.9M[4]. This represented roughly 4.5% of Gross Domestic Product[5] at market prices and an increase of 2.4% when compared with gross premium income of $124.9M reported in 2022. More specifically, the gross premiums written for the long-term insurance sector increased by 5.7% to $35.6M (2022- $33.7M). The leading long-term insurer held approximately 64.2% of total premiums written. Similarly, gross premiums written for the general insurance segment of the market exhibited a slight increase of 1.2% and amounted to $92.3M (2022 - $91.2M).

Total assets for the domestic insurance sector stood at $322.8M as at December 31, 2023, an increase of 1.4% when compared with $318.3M for the previous year. Additionally, there was a 5.2% increase in total investment assets over the previous year. For the industry, government securities and cash and deposits continue to be the largest components of assets and accounted for 41.4% (2022 – 36.2%) and 23.8% (2022 – 25.7%) of total assets respectively.

For the short-term segment of the industry, total assets amounted to $123.2M. Investment assets represented 63.4% of total assets. Cash and deposits (46.1%) and government securities (33.7%) accounted for the majority of investment assets. Total assets, including statutory deposits for companies registered to conduct long-term insurance business, stood at $199.6M, an increase of

[4] All figures for 2023 are preliminary, while 2022 figures have been restated based on the annual returns.

[5] GDP at market price for St. Vincent and the Grenadines for 2023 was forecasted at EC$2.9b. Source: Ministry of Finance and Economic Planning.

2.4%, when compared with the previous year's figure of $194.9M. Investment assets accounted for 92.1% of total assets. Government securities accounted for 58.3% of total cash and investments, while cash and deposits accounted for 22.3%.

Total liabilities amounted to $210.9M, which resulted in net assets of $111.9M. Total insurance liabilities as well as total liabilities declined by 3.5% and 9.0% respectively in 2023.

Life insurance companies traditionally reinsure only a small portion of their insurance business. As at December 31, 2023 of the $35.6m received in gross premiums for the long-term insurers, only EC$1.0m was ceded to reinsurers. This represented a retention ratio of 97.2% compared with a retention ratio of 96.9% the previous year. Meanwhile, for general insurers, reinsurance plays a vital role in maintaining financial soundness and forms an integral part of their risk transfer strategy. Consequently, as at December 31, 2023, of the $91.5m collected in gross premium, EC$49.6m was ceded to reinsurers. This represented a retention ratio of 45.8%, a slight increase compared with a retention ratio of 41.4% for the same quarter of the previous year. The ratios are relatively stable and are in keeping with general industry norms.

The profitability of the insurance sector as measured by the combined ratio indicated that both segments of the market were profitable. The combined ratio represents, as a percentage, incurred losses plus expenses to net premiums earned. A ratio below 100 percent indicates that a company is making an underwriting profit, while a ratio above 100 percent means that it is paying out more money in claims than it is receiving from premiums. As at December 31, 2023, the combined ratio for the short-term segment of the market was 75.9% while that for the long-term segment was 62.7% compared with 79.3% and 59.9% respectively as at the end of 2022.

In the insurance industry, claims have historically been the largest component of insurance expenditure. The claims/loss ratio is a very reliable indicator of underwriting performance, particularly for general insurers. The claims/loss ratio represents, as a percentage, the proportion of annual claims paid by an insurer in comparison to the premiums received. While there is no set standard of an acceptable range, lower claims/loss ratios indicate better underwriting performance.

In the short-term insurance segment of the market, the claims/loss ratios are typically higher, given the nature of the business and the levels of claims. The claims/loss ratio as at December 31, 2023 stood at 49.8% compared with 58.2% the previous year.

In the long-term segment of the market, the same factors are relevant to the interpretation of the claims/loss ratio as for the short-term segment. However, the incidence of claims in this segment is not as prevalent as in the short-term segment of the market, hence the claims/loss ratio tends to be lower. As at December 31, 2023, the loss ratio stood at 17.1% compared with 18.5% for the previous year.

Insurance penetration is an indicator of the level of development and reach of the insurance sector in a country. It measures the level of insurance market development relative to the size of the economy. As at December 31, 2023, the average penetration of insurance as a percentage of GDP for the industry as a whole was 4.5%, 0.3 percentage points lower than that of 2022.

Dissecting the ratio into long-term and short-term insurance shows an average penetration ratio of 1.4% and 3.2% respectively, over the five-year period 2019-2023. Lower insurance penetration ratios are characteristic of lower levels of economic development, which may have resulted in a lower demand for insurance cover. Also, the higher penetration in the short-term segment of the market may be attributable to the compulsory nature of certain classes of general insurance products such as motor insurance and to a lesser extent property insurance, in cases where it is a requirement for a mortgage loan. The result, however, suggests that the insurance sector still has significant room for expansion.

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. 2.90 percent

As at the September 17, 2024, 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**			**%**
28-July-24	11-Oct-24	28.00	36.032	28.00	13	13	3.50
19-Aug-24	19-Nov-24	28.00	40.738	28.00	19	11	3.20
17-Sep-24	18-Dec-24	28.00	28.969	28.00	20	16	2.00

Source: CDIMU, Ministry of Finance

Table 9: Outstanding Notes and Bonds issued on the RGSM as at September 17, 2024

Trading Symbol	Issue amount	Amount Outstanding	Original Maturity	Remaining Maturity	Date of Subscription	Final Redemption	Coupon rate
	$M	**$M**	**(years)**	**(years)**	**Date**	**Date**	**percent**
FVG100826	16.6	3.32	10	2	Aug-16	Aug-26	7.00
VCG100826	0.3	0.06	10	2	Aug-16	Aug-26	7.00
VCG080225	15.0	1.87	8	1	Feb-17	Feb-25	7.50
VCG070625	25.0	3.57	7	1	Jun-18	Jun-25	7.00
VCG0725AA	13.0	1.85	7	1	Jul-18	Jul-25	7.00
VCG070725	12.0	1.71	7	1	Jul-18	Jul-25	7.00
VCG101128	10.0	4.0	10	4	Nov-18	Nov-28	7.50
FVG101228	8.1	3.24	10	4	Dec-18	Dec-28	7.50
VCG081126	15.0	15.0	8	2	Nov-18	Nov-26	7.25
VCG080327	15.0	15.00	8	3	Mar-19	Mar-27	7.25
VCG070526	14.885	14.885	7	2	May-19	May-26	7.00
VCG070926	25.0	7.14	7	2	Sep-19	Sep-26	7.00

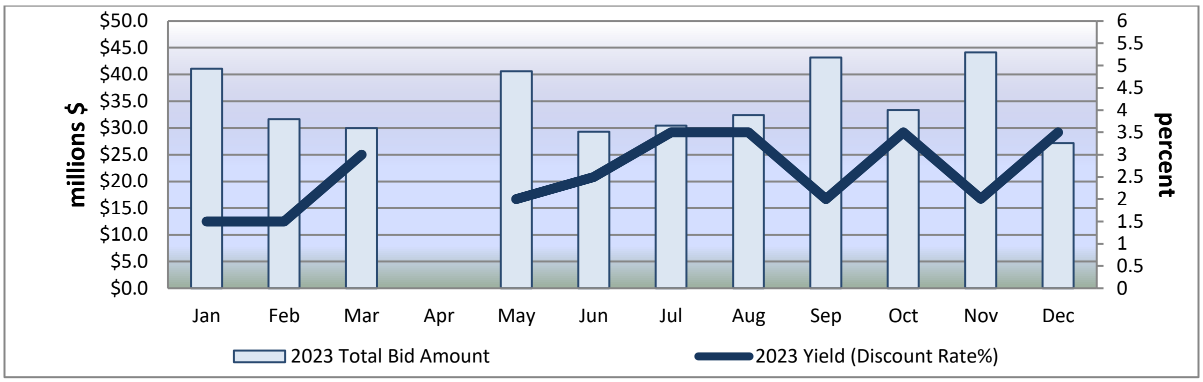
FVG071126	5.4	1.54	7	2	Nov-19	Nov-26	6.15
VCG071226	30.0	8.57	7	2	Dec-19	Dec-26	6.75
VCG050225	6.18	6.18	5	1	Feb-20	Feb-25	5.75
VCG080728	7.04	7.04	8	4	Jul-20	Jul-28	6.75

Source: CIDMU, Ministry of Finance

TREASURY BILL PERFORMANCE FOR 2023

In 2023, the Government of St. Vincent issued eleven (11), $28.0 million, 91-day treasury bills on the RGSM. Except for the December auction all other auctions were fully subscribed. For the period under review the weighted average discount rate increased to 2.6 percent with an average bid amount of $34.8 million and a bid to cover ratio of 1.24 percent.

Chart 2: Performance of Treasury bill traded on the RGSM during 2023



Source: CIDMU, Ministry of Finance

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 Ltd (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 ECCSR 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.

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	**Principals** Aaron Logie Allana Joseph Kishel Francis **Representatives** Laurian Modeste Vonlyn Pope Aquila Pierre
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: donellec@sknanb.com	**Principal** 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** Kimala Swanston **Representatives** Denicia Small
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 Arleta Rate-Mitchel **Representatives** Yasmane St. Marthe Marcia Jn Baptiste

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** Margaret Cox Gale Cumberbatch **Representative** Nayeebah St. Prix Dominic Mauricette Michelle Casseau-Felicien Trecia Anne Henry

APPENDIX 2: SELECTED PUBLIC DEBT INDICATORS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
				($m)							
Total Public Debt	**1,445.8**	**1,562.5**	**1,594.4**	**1,746.5**	**1,572.0**	**1,657.0**	**1,674.0**	**1,871.5**	**2,118.9**	**2,238.4**	**2,593.4**
Total Central Gov't	**1,229.7**	**1,348.8**	**1,379.8**	**1,429.3**	**1,322.2**	**1,404.8**	**1,505.7**	**1,714.0**	**1,966.5**	**2,199.1**	**2,556.6**
External Debt	**809.5**	**887.7**	**922.5**	**1,201.8**	**1,003.6**	**1,080.4**	**1180.8**	**1291.4**	**1575.7**	**1,636.8**	**1,864.3**
Central Government	728.7	811.2	855.7	962.0	830.1	899.9	1040.7	1160.8	1449.3	1,623.2	1,853.1
Public Corporations	80.8	76.5	66.8	239.7	173.5	180.5	140.1	130.6	126.4	13.6	11.2
Domestic Debt	**636.3**	**674.8**	**671.8**	**544.7**	**568.4**	**576.5**	**493.2**	**580.1**	**543.1**	**601.6**	**729.1**
Central Government	501.0	537.6	524.0	467.3	492.1	504.9	465.0	553.2	517.2	575.9	703.5
Public Corporations	135.3	137.2	147.8	77.4	76.3	71.7	28.2	26.9	25.9	25.7	25.6
Private Guaranteed External Debt	**19.5**	**24.5**	**25.2**	**26.7**							
Debt Servicing											
External	**88.3**	**77.0**	**78.1**	**80.2**	**98.0**	**91.3**	**109.2**	**81.9**	**81.1**	**99.2**	**125.8**
Central Government	72.7	60.8	62.9	65.1	83.3	76.8	93.5	71.4	76.2	95.4	122.8
Public Corporations	18.6	16.2	15.3	15.1	14.7	14.4	15.7	10.5	4.9	3.8	3.0
Domestic											
Central Government	**63.6**	**72.0**	**72.8**	**83.3**	**82.7**	**93.8**	**115.0**	**105.6**	**141.2**	**138.5**	**135.1**
Sinking Fund	5.5	7.6	7.6	12.1	14.0	22.0	32.4	45.0	19.5	6.0	7.3
GDP (at market price)	**2,064.9**	**2,081.4**	**2,123.7**	**2,198.6**	**2,288.6**	**2,387.7**	**2,459.1**	**2,334.3**	**2,399.4**	**2,670.8**	**2,845.8**
Current Revenue	491.3	535.2	519.1	592.6	592.2	594.1	600.5	606.3	681.4	669.5	703.1
Central Gov'T Debt/GDP	59.6	64.8	65.0	65.0	57.8	58.8	61.2	73.4	82.0	82.3	89.8
Total Debt/GDP (%)	70.0	75.1	75.1	79.4	68.7	69.4	68.1	80.2	88.3	83.8	91.1
External Debt/GDP (%)	39.2	42.6	43.4	54.7	43.9	45.3	48.0	55.3	65.7	61.3	65.5
Domestic Debt/GDP (%)	30.8	32.4	31.6	24.8	24.8	24.1	20.1	24.8	22.6	22.5	25.6
Central Government Debt Service/Current Revenue (%	29.7	27.9	27.6	25.3	28.1	30.6	34.2	32.4	31.9	36.8	37.1
External Debt Service/ Current Revenue (%)	17.2	16.7	16.1	12.1	14.3	14.1	15.1	14.9	11.2	14.2	17.5
Domestic Debt Service/ Current Revenue (%)	13.7	12.5	15.5	11.1	13.8	16.6	19.0	17.5	20.7	20.7	19.7
Guarantee Debt % of GDP	11.41	11.45	11.29	15.64	10.91	10.56	6.84	6.75	6.35	1.47	1.29

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

APPENDIX 3: CENTRAL GOVERNMENT DISBURSEMENTS FOR JAN – JUNE 2024

Creditor Residency / Portfolio Type / Creditor Name / Instrument Title	2024 - Q1	2024 - Q2	Total
External Borrowing			
Caribbean Development Bank			
20 SFR/OR-STV NDM Disaster Risk Reduction and Adaptation	11,725.64	11,869.25	23,594.89
21 SFR-OR-STV Sandy Bay Sea Defences Resilience Project (CDB Sandy Bay Sea Defense SFR)	80,285.17	442,384.42	522,669.59
21 SFR-OR-STV Sandy Bay Sea Defences Resilience Project (CDB Sandy Sea Defence)	236,936.41	652,906.24	889,842.65
65/SFR-STV NDM- Disaster Risk Reduction & Climate Change Adoptation	795,060.61	1,931,116.25	2,726,176.86
CDB 17/OR-STV Strengthening Response, Recovery and Resilience in the Health Sector	-	14,442,372.90	14,442,372.90
CDB 23 / - SFR-OR.STV - SCHOOL IMPROVEMENT PRO... (CDB 23 - SFR-OR.STV SCHOOL IMPROVEMENT PROJEC...)	59,188.51	58,526.09	117,714.60
CDB 23 / - SFR-OR.STV - SCHOOL IMPROVEMENT PRO... (CDB 23- SFR-OR.STV - SCHOOL IMPROVEMENT PROJE...)	17,910.88	17,955.67	35,866.55
CDB 68-SFR-STV Project Management Support for MTW lands and Physical planning	200,692.77	179,586.31	380,279.08
CDB PORT MODERNISATION PROJECT 22/SFR-OR-STV (CDB Port Modernisation Project - SFR Portion)	10,016,117.89	35,953,937.84	45,970,055.73
CDB-71/SFR-STV Improving Response and resilence of the Health Sector	45,339.07	106,769.50	152,108.57
LA/66/SFR-STV - Technical Assistance - Canouan Airport Runway Rehabilitation	1,562.97	863.05	2,426.02
NDM - Hurricane Tomas/North Wd. Highway 17/SFR-OR-STV (OCR Portion)	58,009.47	134,083.17	192,092.64
NDM - Hurricane Tomas/North Wd. Highway 17/SFR-OR-STV (SFR Portion)	512,667.88	312,860.76	825,528.64
NDM Rehab and Reconstruction 19 SFR/OR-STV Add Loan (NDM Reb and Reconstruction)	76,424.68	155,527.14	231,951.82

NDM Rehab and Reconstruction 19 SFR/OR-STV Add Loan (NDM Rehad and Reconstruction)	278,730.16	-27,559.07	251,171.09
SUBTOTAL	**12,390,652.11**	**54,373,199.52**	**66,763,851.63**
CARICOM Development Fund			
Loan Agreement No: SVG/L0003 - CDF - CAP	6,750,000.00	-	6,750,000.00
SUBTOTAL	**6,750,000.00**	**-**	**6,750,000.00**
Demerara Bank Limited			
Demerara Bank Ltd - US2.2 M Line of Credit - Prefabricated Housing Project	-	818,644.05	818,644.05
SUBTOTAL	**-**	**818,644.05**	**818,644.05**
Export-Import Bank of China			
EXIM Loan 6020551010 Country Road Project	40,500,000.00	-	40,500,000.00
SUBTOTAL	**40,500,000.00**	**-**	**40,500,000.00**
INTERNATIONAL DEVELOPMENT ASSOCIATION			
OECS MSME GURANTEE FACILITY PROJECT - 62640 - SV	-	150,670.80	150,670.80
OECS REGIONAL TOURISM COMPETITIVENESS PROJECT - 60010	-	2,581,200.00	2,581,200.00
SVG Digital Caribbean Project IDA-66910	5,254,650.90	15,140,964.82	20,395,615.72
SVG Volcanic Eruption Emergency Project (VEEP) 70060-VC	-	3,347,010.53	3,347,010.53
SUBTOTAL	**5,254,650.90**	**21,219,846.15**	**26,474,497.05**
KUWAIT FUND FOR ARAB ECONOMIC DEV.			
KUWAIT - Feeder and Agriculture Road Project	519,199.85	472,179.05	991,378.90
SUBTOTAL	**519,199.85**	**472,179.05**	**991,378.90**
OPEC FUND FOR INTERNATIONAL DEVELOPMENT			
Loan No. 12484PB - OPEC - Agriculture and Feeder Road	1,808,684.14	-	1,808,684.14
SUBTOTAL	**1,808,684.14**	**-**	**1,808,684.14**
Total External Disbursements	**67,223,187.00**	**76,883,868.77**	**144,107,055.77**

APPENDIX 4: GDP AT CURRENT PRICES

Table 1							
ST. VINCENT AND THE GRENADINES							
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY							
IN CURRENT PRICES: 2020 -2026 (EC$ Million)							
Industry	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Agriculture, forestry and fishing	**201.7**	**126.2**	**118.6**	**134.1**	**156.6**	**186.9**	**198.2**
Crops	151.1	78.11	68.13	81.71	101.34	129.84	139.74
Animal production	32.6	32.97	33.30	33.64	33.97	34.31	34.66
Forestry and logging	0.8	1.18	1.17	1.16	1.14	1.13	1.12
Fishing and aquaculture	17.3	13.88	15.96	17.55	20.19	21.60	22.68
Mining and quarrying	**3.5**	**3.6**	**4.2**	**4.8**	**5.2**	**5.3**	**5.5**
Manufacturing	**86.9**	**81.3**	**90.7**	**96.5**	**102.4**	**108.1**	**114.2**
Electricity, gas, steam and air conditioning supply	**53.7**	**56.7**	**58.8**	**60.5**	**62.0**	**63.5**	**64.7**
Water supply, sewerage, waste management and remediation activities	**19.6**	**21.3**	**21.5**	**21.7**	**21.9**	**22.1**	**22.3**
Construction	**131.9**	**151.9**	**183.8**	**216.6**	**239.4**	**252.6**	**264.0**
Wholesale and retail trade; repair of motor vehicles and motorcycles	**223.3**	**243.2**	**272.8**	**311.4**	**346.5**	**372.9**	**401.4**
Transportation and storage	**143.9**	**121.1**	**182.7**	**228.3**	**255.5**	**280.5**	**301.8**
Land transport	94.2	82.4	105.7	129.2	141.8	154.1	165.1
Water transport	18.8	17.1	28.2	33.4	36.5	38.8	40.8
Air transport	9.5	7.1	18.7	27.1	32.7	39.0	44.0
Warehousing and support activities for transportation	18.7	11.7	27.2	35.8	41.5	45.6	48.9
Postal and courier activities	2.7	2.7	2.8	2.9	2.9	3.0	3.1
Accommodation and food service activities	**74.5**	**55.93**	**88.78**	**102.70**	**115.98**	**125.26**	**135.34**
Accommodation	26.1	23.9	50.3	60.4	69.5	76.4	84.0
Food and beverage service activities	48.4	32.0	38.5	42.3	46.5	48.9	51.3
Information and communication	**61.0**	**66.33**	**68.66**	**71.08**	**73.59**	**76.18**	**78.87**
Publishing activities	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Motion picture, video and television programme production, sound recording	4.7	4.7	4.9	5.1	5.2	5.4	5.6
Telecommunications	55.9	61.3	63.5	65.7	68.0	70.4	72.9
Financial and insurance activities	**164.6**	**183.95**	**179.57**	**183.86**	**191.41**	**198.26**	**205.37**
Financial service activities, except insurance and pension funding	145.7	164.8	159.6	163.1	169.8	175.8	182.0
Insurance, reinsurance and pension funding, except compulsory social secur	18.8	19.2	20.0	20.8	21.6	22.5	23.4
Real estate activities	**234.8**	**241.6**	**250.1**	**258.9**	**268.1**	**277.5**	**287.3**
Professional, scientific and technical activities	**27.8**	**26.0**	**26.9**	**27.8**	**28.8**	**29.8**	**30.9**
Administrative and support service activities	**48.9**	**41.1**	**42.6**	**44.1**	**45.6**	**47.2**	**48.9**
Public administration and defence; compulsory social security	**202.4**	**210.2**	**177.4**	**184.8**	**191.5**	**199.4**	**202.6**
Education	**189.51**	**197.60**	**184.34**	**191.88**	**199.23**	**204.81**	**210.58**
Public Sector Education	104.4	110.4	93.6	97.5	101.0	102.6	104.3
Private Sector education	85.1	87.2	90.7	94.4	98.2	102.2	106.3
Human health and social work activities	**70.60**	**73.86**	**68.02**	**70.82**	**73.47**	**76.49**	**78.22**
Public Sector Health	52.8	55.9	49.3	51.3	53.2	55.4	56.3
Private Sector Health	17.8	18.0	18.7	19.5	20.3	21.1	21.9
Arts, entertainment and recreation	**21.5**	**16.9**	**17.6**	**18.3**	**19.0**	**19.8**	**20.6**
Other service activities	**16.2**	**17.2**	**17.9**	**18.6**	**19.4**	**20.2**	**21.0**
Activities of households as employers; undifferentiated goods- and servi	**6.6**	**6.1**	**6.3**	**6.5**	**6.7**	**7.0**	**7.2**
Gross Value Added at Basic Prices	**1,982.9**	**1,941.9**	**2,061.1**	**2,253.2**	**2,422.4**	**2,573.9**	**2,698.9**
GROWTH RATE	**-5.2**	**-2.1**	**6.1**	**9.3**	**7.5**	**6.3**	**4.9**
Taxes on Products	364.8	415.1	425.1	428.7	461.4	486.7	512.3
Less Subsidies on Products	-1.1	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0
GDP at Market Prices	**2,346.6**	**2,355.0**	**2,484.1**	**2,679.9**	**2,881.8**	**3,058.6**	**3,209.2**
GROWTH RATE	**-4.6**	**0.4**	**5.5**	**7.9**	**7.5**	**6.1**	**4.9**

APPENDIX 5: GDP AT CONSTANT PRICES

Table 2							
ST. VINCENT & THE GRENADINES							
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY,							
IN CONSTANT (2018) PRICES: 2000 -2025 (EC$ Million)							
SECTOR	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Agriculture, forestry and fishing	**169.7**	**119.8**	**112.4**	**124.8**	**142.9**	**165.8**	**172.7**
Crops	113.7	69.2	58.9	68.9	83.4	104.2	109.5
Animal production	33.5	32.35	32.67	33.00	33.33	33.66	34.00
Forestry and logging	0.8	0.79	0.78	0.77	0.76	0.76	0.75
Fishing and aquaculture	21.6	17.5	20.1	22.1	25.4	27.2	28.5
Mining and quarrying	**3.5**	**3.6**	**4.2**	**4.8**	**5.2**	**5.4**	**5.5**
Manufacturing	**94.3**	**94.2**	**102.5**	**106.4**	**110.1**	**113.5**	**116.9**
Electricity, gas, steam and air conditioning supply	**56.8**	**55.4**	**57.3**	**59.1**	**60.5**	**61.9**	**63.2**
Water supply, sewerage, waste management and remediation activities	**23.8**	**25.4**	**25.6**	**25.9**	**26.1**	**26.4**	**26.7**
Construction	**126.9**	**145.6**	**171.8**	**197.6**	**213.1**	**219.4**	**223.7**
Wholesale and retail trade; repair of motor vehicles and motorcycles	**222.3**	**239.1**	**261.7**	**291.4**	**316.4**	**332.2**	**348.8**
Transportation and storage	**146.6**	**131.5**	**202.1**	**246.9**	**270.2**	**288.3**	**301.6**
Land transport	93.7	81.2	101.6	121.1	129.7	137.5	143.7
Water transport	21.4	19.9	32.1	37.0	39.5	40.9	42.0
Air transport	5.7	4.2	10.8	15.3	18.0	20.9	23.0
Warehousing and support activities for transportation	24.4	24.8	56.2	72.1	81.6	87.6	91.5
Postal and courier activities	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Accommodation and food service activities	**72.2**	**48.2**	**73.9**	**85.0**	**95.7**	**103.1**	**111.0**
Accommodation	25.0	17.6	37.1	44.6	51.3	56.4	62.0
Food and beverage service activities	47.2	30.6	36.7	40.4	44.4	46.7	49.0
Information and communication	**81.0**	**87.0**	**87.8**	**88.7**	**89.6**	**90.5**	**91.4**
Publishing activities	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Motion picture, video and television programme production, sound recording	8.2	8.2	8.2	8.3	8.4	8.5	8.6
Telecommunications	72.3	78.4	79.2	80.0	80.8	81.6	82.4
Financial and insurance activities	**164.1**	**166.6**	**158.9**	**158.8**	**161.3**	**163.0**	**164.7**
Financial service activities, except insurance and pension funding	143.7	146.1	138.0	137.6	139.8	141.2	142.6
Insurance, reinsurance and pension funding, except compulsory social secur	20.5	20.6	20.9	21.2	21.5	21.8	22.1
Real estate activities	**239.1**	**241.1**	**243.5**	**245.9**	**248.4**	**250.9**	**253.4**
Professional, scientific and technical activities	**25.1**	**22.9**	**23.1**	**23.4**	**23.6**	**23.8**	**24.1**
Administrative and support service activities	**48.3**	**47.4**	**47.9**	**48.4**	**48.8**	**49.3**	**49.8**
Public administration and defence; compulsory social security	**195.9**	**202.5**	**179.5**	**186.9**	**193.7**	**196.8**	**200.0**
Education	**174.6**	**179.9**	**178.2**	**183.5**	**188.4**	**191.3**	**194.3**
Public Sector Education	98.4	101.8	98.9	103.0	106.7	108.4	110.2
Private Sector Education	76.2	78.1	79.3	80.5	81.7	82.9	84.1
Human health and social work activities	**67.6**	**70.6**	**70.9**	**73.3**	**75.6**	**76.8**	**78.0**
Public Sector Health	51.0	54.0	54.0	56.3	58.3	59.3	60.2
Private Sector Health	16.6	16.6	16.8	17.1	17.3	17.6	17.8
Arts, entertainment and recreation	**22.8**	**21.3**	**21.6**	**21.9**	**22.2**	**22.6**	**22.9**
Other service activities	**13.0**	**13.3**	**13.5**	**13.7**	**13.9**	**14.1**	**14.3**
Activities of households as employers; undifferentiated goods- and servi	**7.2**	**6.9**	**7.0**	**7.1**	**7.1**	**7.2**	**7.3**
Gross Value Added at Basic Prices	**1,955.0**	**1,922.2**	**2,043.4**	**2,193.3**	**2,312.9**	**2,402.3**	**2,470.2**
GROWTH RATE	**-4.4**	**-1.7**	**6.3**	**7.3**	**5.5**	**3.9**	**2.8**
Taxes on products	351.7	*410.9*	*421.4*	*417.3*	*440.6*	*454.2*	*468.8*
Less Subsidies	-1.0	*-2.0*	*-2.0*	*-1.9*	*-1.9*	*-1.9*	*-1.8*
GDP at Market Prices	**2,313.6**	**2,331.1**	**2,462.8**	**2,608.6**	**2,751.6**	**2,854.6**	**2,937.2**
GROWTH RATE	**-3.7**	**0.8**	**5.7**	**5.9**	**5.5**	**3.7**	**2.9**
SOURCE: St. Vincent & the Grenadines Statistical Office / ERPU							

APPENDIX 6: BALANCE OF PAYMENTS

Saint Vincent and the Grenadines			
Balance of Payments Transactions BPM6 in EC$M			
2020 to 2022			
Description	2020 Rev	2021 Prelim	2022 Est
	TOTAL	TOTAL	TOTAL
1. Current account	(367.98)	(533.85)	(498.95)
1.A Goods and services	(514.10)	(769.65)	(664.33)
1.A.a Goods	(606.99)	(783.36)	(921.08)
1.A.b Services	92.89	13.71	256.75
1.A.b.1 Manufacturing services on physical inputs owned by others	-	-	-
1.A.b.2 Maintenance and repair services n.i.e.	(0.24)	(0.25)	(0.28)
1.A.b.3 Transport	(72.91)	(95.75)	(115.56)
1.A.b.4 Travel	209.75	145.51	428.68
1.A.b.5 Construction	(4.92)	(5.35)	(6.77)
1.A.b.6 Insurance and pension services	(27.17)	(22.91)	(28.19)
1.A.b.7 Financial services	6.86	4.20	3.60
1.A.b.8 Charges for the use of intellectual property n.i.e.	(6.98)	(7.33)	(8.17)
1.A.b.9 Telecommunications, computer, and information services	1.14	(1.31)	(2.61)
1.A.b.10 Other business services	(16.46)	(9.72)	(10.83)
1.A.b.11 Personal, cultural, and recreational services	7.42	9.37	(0.06)
1.A.b.12 Government goods and services n.i.e.	(3.60)	(2.74)	(3.05)
1.B Primary income	(18.26)	(47.65)	(59.13)
1.B.1 Compensation of employees	(2.13)	0.08	0.09
1.B.2 Investment income	(16.14)	(47.73)	(59.22)
1.B.3 Other primary income	-	-	-
1.C Secondary income	164.39	283.45	224.51
1.C.1 General government	43.39	31.67	23.58
1.C.2 Financial corporations, nonfinancial corporations, households, and NPISHs	121.95	251.29	200.39
2. Capital account	13.12	24.08	20.18
2.1 Gross acquisitions (DR.) / disposals (CR.) of nonproduced nonfinancial assets	-	-	-
2.2 Capital transfers	13.12	24.08	20.18
2.2.1 General government	13.12	24.08	20.18
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	-	-	-
Net lending (+) / net borrowing (-) (balance from current and capital account)	(354.86)	(509.78)	(478.77)
3. Financial account	-	-	-
Net lending (+) / net borrowing (-) (balance from financial account)	(179.63)	(350.11)	(485.02)
3.1 Direct investment	(171.34)	(426.76)	(216.19)
3.1.A.1 Equity and investment fund shares	0.28	-	5.86
3.1.A.2 Debt instruments	4.54	6.14	11.14
3.2 Portfolio investment	53.71	10.86	(58.06)
3.2.A.1 Equity and investment fund shares	7.64	15.03	8.66
3.2.A.2 Debt securities	54.94	4.04	(57.57)
3.3 Financial derivatives (other than reserves) and employee stock options	-	-	-
3.4 Other investment	(93.82)	(160.21)	(211.90)
3.4.1 Other equity	-	-	-
3.4.2 Currency and deposits	63.72	99.43	(67.07)
3.4.3 Loans	(169.93)	(267.24)	(166.80)
3.4.4 Insurance, pension, and standardized guarantee schemes	8.24	9.37	9.57
3.4.5 Trade credit and advances	15.95	4.41	3.83
3.4.6 Other accounts receivable/payable	(11.79)	36.82	8.57
3.4.7 Special drawing rights (Net incurrence of liabilities)	-	42.99	-
3.5 Reserve assets	31.82	226.01	1.14
Net errors and omissions	175.23	159.66	(6.24)
Source: Eastern Caribbean Central Bank and Central Statistical Office, St. Vincent and the Grenadines			