



Quarterly Debt Bulletin | Q3 2024

Overview of Current Debt Profile

As illustrated in the table below, by the end of the third quarter of 2024, total debt stood at 59.5% of GDP. The overall debt stock fell by SCR 100m or 0.5% in comparison to the end of the second quarter. This is mainly attributed to a decrease in the total domestic debt stock, which fell by SCR 302m as a result of maturing T-Bonds during the month of July 2024. This was partially offset by an increase of SCR 201m in the total external debt stock following disbursements that took place from multilateral creditors, including the Fiscal Sustainability and Climate Resilience Program and the Southern Africa and Indian Ocean SMERF.

As further illustrated, as at the end of September there is an almost equal split between the domestic debt stock and the external debt stock, with a debt to GDP ratio of 29.8% and 29.7% respectively in comparison to the previous quarter, whereby it was 30.3% and 28.7% correspondingly.

Table 1: Total Debt by residency of creditors

| Description | Q2 2024 (SCR' M) | Q3 2024 (SCR' M) | % Diff | Q3 2024 % of GDP |
|-------------------|---------------------|---------------------|-------------|---------------------|
| Domestic | 9,546 | 9,244 | -3.2 | 29.8 |
| o.w. Government | 8,892 | 8,672 | -2.5 | 27.9 |
| o.w. Guarantees | 654 | 572 | 12.4 | 1.9 |
| External | 9,024 | 9,225 | 2.2 | 29.7 |
| o.w. Government | 8,904 | 9,025 | 1.4 | 29.1 |
| o.w. Guarantees | 120 | 201 | 66.6 | 0.6 |
| Total Debt | 18,570 | 18,469 | -0.5 | 59.5 |

Source: Ministry of Finance, National Planning & Trade

Table 2: Comparison of Total Debt by Guarantee Status

| Description | Q2 2024 (SCR' M) | Q3 2024 (SCR' M) | % Diff |
|-------------------|---------------------|---------------------|-------------|
| Government | 17,796 | 17,696 | -0.6 |
| Guarantees | 774 | 773 | -0.1 |
| Total Debt | 18,570 | 18,469 | -0.5 |

Source: Ministry of Finance, National Planning & Trade

Table 2 summarizes the total Government and Government Guaranteed debt. As illustrated, Government debt represents the largest share of the total domestic debt stock at 95.8% whereas Government

Guaranteed debt accounts for approximately 4.2%. Government debt decreased by SCR 100m or 0.6% while Guaranteed debt at SCR 1m, equivalent to a fall of 0.1%.

External Debt Profile

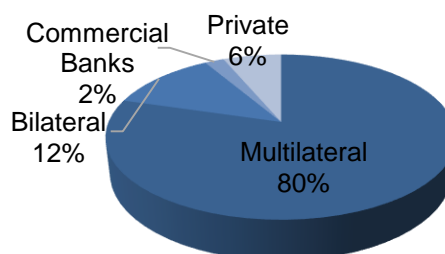
The section below gives a more detailed breakdown of the external debt stock. As at the end of September 2024, the total external debt stock amounted to SCR 9.2bn in comparison SCR 9.0bn as at the end of June 2024. The significant increase of SCR 201m or 2.2%, resulted mainly from disbursements under multilateral loans including the Fiscal Sustainability and Climate Resilience Program from OFID¹, and the Southern Africa and Indian Ocean SMERF guarantee to the Development Bank of Seychelles. The depreciation in the Seychelles rupee further contributed to the increase in the total external debt stock over the aforementioned period.

Figure 1 illustrates the total external debt stock categorized by creditor category. Multilateral creditors remain as the main component at 80% whereas bilateral creditors stands at 12%. Private creditors as well as Commercial Banks represents the remaining 6% and 2% of the total external debt stock respectively.

Table 3: Total debt by Creditor Category

| Description | Q2 2024 (SCR' M) | Q3 2024(SCR' R' M) | % Diff |
|-----------------------------|---------------------|--------------------------|--------------|
| Multilateral | 7,011 | 7,337 | 4.6 |
| Bilateral o.w. | 1,057 | 1,102 | 4.2 |
| Paris Club | 485 | 543 | 12.0 |
| Non-Paris Club | 572 | 558 | -2.4 |
| Commercial Banks | 243 | 196 | -19.4 |
| Private | 713 | 591 | -17.1 |
| Total | 9,024 | 9,225 | 2.2 |

Figure 1: Percentage distribution by Creditor Category



Source: Ministry of Finance, National Planning & Trade

Table 4 below provides a summary of the loans and securities components within the total external debt stock. Similarly to the previous quarter, external loans remain as the main constituent at 92.9% whereas securities accounts for only 7.1%

¹ OPEC Fund for International Development

Table 4: External Debt by Instrument Type

| Description | Q2 2024 (SCR' M) | Q3 2024 (SCR' M) | % Diff |
|-------------------|---------------------|---------------------|------------|
| Loans | 8,244 | 8,567 | 3.9 |
| Securities | 780 | 658 | -15.6 |
| Total Debt | 9,024 | 9,225 | 2.2 |

Source: Ministry of Finance, National Planning & Trade

Domestic Debt Profile

At the end of the third quarter of 2024, the total domestic debt stock amounted to SCR 9.2bn compared to SCR 9.5bn at the end of the second quarter. The overall decline of SCR 302m is associated with components within the securities category, primarily a SCR 427m or 7.0% fall in T-bonds following the maturity of a 5.75% 3-year T-bonds. This was partially offset by the issuance of two new bonds, including a 4.50% 5-year and 5.50% 7-year T-bonds, worth a total of SCR 121m. The ongoing repayments of domestic loans as well as Other Debt Liabilities further contributed to the decrease in the total domestic debt stock.

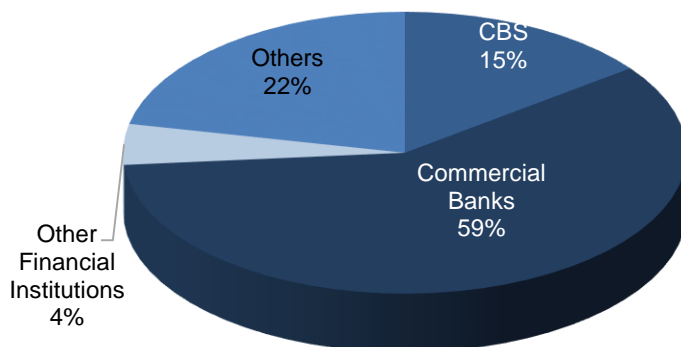
Table 5: Domestic Debt by Instrument Type

| Description | Q2 2024 (SCR' M) | Q3 2024 (SCR' M) | % Diff |
|-------------------------------|---------------------|---------------------|-------------|
| Loans | 867 | 782 | -9.8 |
| Securities of which; | 8,630 | 8,416 | -2.5 |
| <i>T-bills</i> | 2,074 | 2,337 | 12.7 |
| <i>T-bonds</i> | 6,136 | 5,709 | -7.0 |
| <i>Deposits</i> | 45 | 45 | -0.2 |
| <i>Others</i> | 375 | 325 | 13.3 |
| Other Debt Liabilities | 48 | 46 | -5.8 |
| Total Debt | 9,546 | 9,244 | -3.2 |

Source: Ministry of Finance, National Planning & Trade

Figure 2 below summarizes the distribution of Government securities as at the end of September 2024. Commercial banks represents the largest share at 59%, followed by the 'Others' category and CBS at 22% and 15% respectively. The remaining 4% of the total domestic debt stock is distributed with Other Financial Institutions.

Figure 2: Percentage distribution of Government Securities



Source: Ministry of Finance, National Planning & Trade

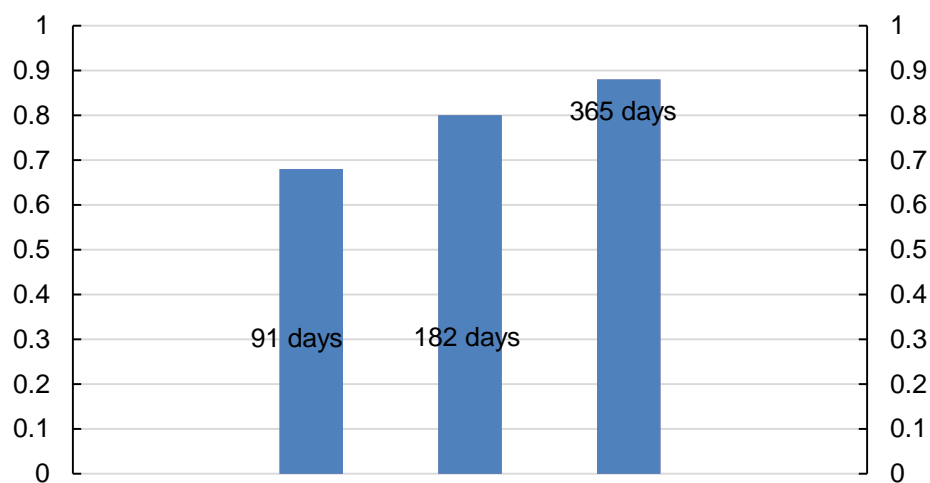
Interest Rates on T-bills

The table below summarizes the changes in interest rates between the second quarter and third quarter of 2024. Across all three tenors, there was an average increase of approximately 79 basis points which is mainly attributed to bidders bidding at a lower tender price.

Table 6: Interest Rates on T-bills

| T-bills | Interest Rates (%) | | Diff |
|----------|--------------------|---------|------|
| | Q2 2024 | Q3 2024 | |
| 91 Days | 2.06 | 2.74 | 0.68 |
| 182 Days | 2.22 | 3.02 | 0.8 |
| 365 Days | 2.40 | 3.28 | 0.88 |

Source: Ministry of Finance, National Planning & Trade

Figure 3: % change in average T-bills Rate (Q2 2024 vs Q3 2024)

Source: Ministry of Finance, National Planning & Trade

Debt in Q3

As per table below, during the third quarter of 2024, the Government issued two new T-bonds with 5-year and 7-year tenors, worth SCR 200m. As illustrated, both bonds were undersubscribed by approximately SCR 80m. This can be explained by the low yield being offered on the T-bonds.

Table 7: T-bond issued in Q3

| Description | Amount (SCR' M) | Coupon Rate (%) |
|--------------|-----------------|-----------------|
| 7-yr T-bond | 69.5 | 5.5 |
| 5-yr T-bond | 51.2 | 4.5 |
| Total | 120.7 | |

Source: Ministry of Finance, National Planning & Trade

External Borrowings

As at the end of September 2024, a new loan, worth USD 20m, was undertaken by the Government, identified as Seychelles Fiscal Sustainability and Climate Resilience from OFID. Additionally, there was

disbursement under the DBS Guaranteed loan with the European Investment Bank under the Southern Africa and Indian Ocean SMERF line, valued at EUR 4.9m.

Table 8: External borrowings as at September 2024

| Description | Loan Amount (USD' M) | Amount Disbursed (USD' M) | Amount Disbursed (% of GDP) |
|--|----------------------|---------------------------|-----------------------------|
| OFID-Seychelles Fiscal Sustainability and Climate Resilience Program | 20.00 | 20.00 | 0.06 |
| | | 20.00 | 0.06 |

Source: Ministry of Finance, National Planning & Trade