



Quarterly Debt Bulletin | Q2 2022

Overview of Current Debt Profile

As per table 1 below, the total Government and Government guaranteed debt at the end of Q2 amounted to SCR 17.2bn, which represents a decrease of 1.7% compared to the previous quarter. Similarly to Q1, the stock of domestic debt accounts for the majority of the total debt stock, at SCR 9.7bn, or 56.7%, whilst external debt accounts for SCR 7.5bn, or 43.2%. As further illustrated, there has been a reduction in both external debt and the Central Government domestic debt as at June 2022, thus resulting in the debt to GDP ratio declining to 61.9%.

Table 1: Total Debt by residency of creditors

Description	Q1 2022 (SCR' M)	Q2 2022 (SCR' M)	% Diff	Q2 2022 % of GDP
Domestic	9,710	9,778	0.7	35.1
o.w. Government	8,932	8,901	-0.3	32.0
o.w. Guarantees	778	877	12.7	3.1
External	7,817	7,454	-4.6	26.8
o.w. Government	7,688	7,329	-4.7	26.3
o.w. Guarantees	129	125	-3.1	0.4
Total Debt	17,527	17,232	-1.7	61.9

Source: Ministry of Finance, National Planning & Trade

Table 2 below illustrates a more focused view in terms of the total amount of Central Government and Government guaranteed debt for Q2 in comparison to Q1. As at the end of June 2022, the Central government debt accounts for 94.2% of the total public debt, or SCR 16.2bn, whereas Government guaranteed debt represents only 5.8%. Regardless of the 10.5% increase for the Government guaranteed debt, attributed to new Bond guarantee to DBS, the reduction in Central Government debt by 2.3% resulted in an overall SR 295m, or 1.7% decrease in the total debt stock.

Table 2: Comparison of Total Debt by Guarantee Status

Description	Q1 2022 (SCR' M)	Q2 2022 (SCR' M)	% Diff
Government	16,620	16,230	-2.3
Guarantees	907	1,002	10.5
Total Debt	17,527	17,232	-1.7

Source: Ministry of Finance, National Planning & Trade

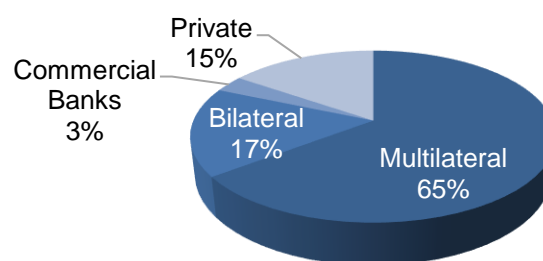
External Debt Profile

As at the end of June 2022, the total external debt stock amounted to SCR 7.4bn, which is equivalent to about 26.8% of GDP. This represents a reduction of SCR 363m, or 4.6% compared to the first quarter and is mainly due to the ongoing repayments of the external outstanding debt. The greatest reduction was on bilateral loans, which declined by 9.2% at the end of Q2 in comparison to the other creditor categories. As per figure 1 below, multilateral loans accounts for the largest share of total external debt stock, representing 65%, whereas commercial banks accounts for the smallest share of the total external debt, representing only 3%.

Table 3: Total debt by Creditor Category

Description	Q1 2022 (SCR' M)	Q2 2022 (SCR' M)	% Diff
Multilateral	5,017	4,821	-3.9
Bilateral o.w.	1,374	1,248	-9.2
<i>Paris Club</i>	706	625	-11.5
<i>Non-Paris Club</i>	667	623	-6.6
Commercial Banks	248	234	-5.6
Private	1,179	1,150	-2.5
Total	7,817	7,454	-4.6

Figure 1: Percentage distribution by Creditor Category



Source: Ministry of Finance, National Planning & Trade

Table 4 below shows the external debt by instrument type. The majority of the external debt stock remains in the form of loans.

Table 4: External Debt by Instrument Type

Description	Q1 2022 (SCR' M)	Q2 2022 (SCR' M)	% Diff
Loans	6,572	6,239	-5.1
Securities	1,244	1,215	-2.4
Total Debt	9,348	7,454	-20.3

Source: Ministry of Finance, National Planning & Trade

Domestic Debt Profile

As at the end of the second quarter, the stock of domestic debt amounted to SCR 9.7bn, which signifies an increase of 0.7% from the previous quarter. The rise is attributed to the newly issued and guaranteed bonds within Q2, which amounts to SCR 670m. As per Table 5 below, securities are the main components of the domestic debt stock, with treasury bonds representing 67.5%. A similar profile can be observed from the previous quarter, with the majority of the stock of domestic debt being in the form of securities and the least being other debt liabilities.

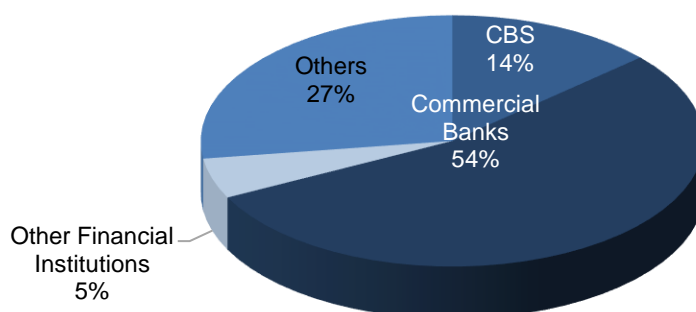
Table 5: Domestic Debt by Instrument Type

Description	Q1 2022 (SCR' M)	Q2 2022 (SCR' M)	% Diff
Loans	1,099	1,062	-3.4
Securities of which;	8,420	8,532	1.3
<i>Treasury Bills</i>	2,933	2,382	-18.8
<i>Treasury Bonds</i>	5,226	5,755	10.1
<i>Deposits</i>	45	45	0.0
<i>Others</i>	216	350	62.0
Other Debt Liabilities	191	183	-4.2
Total Debt	9,710	9,778	0.7

Source: Ministry of Finance, National Planning & Trade

Figure 2 below depicts a more detailed view of the distribution of Government securities for Q2. Commercial banks represents the largest share of such securities at 54%, followed by the 'Others' category, of which includes private individuals and others at 27%, CBS at 14% and the least being other financial institutions, holding only 5% of the securities.

Figure 2: Percentage distribution of Government Securities



Source: Ministry of Finance, National Planning & Trade

Interest Rates on Treasury Bills

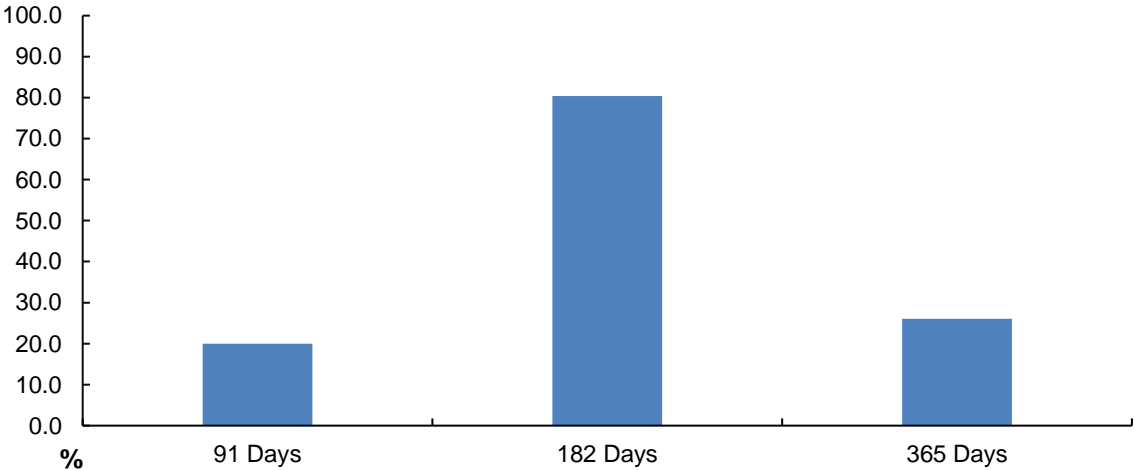
During the second quarter of 2022, the average interest rates were observed to be higher compared to that of the previous quarter. As per Table 6 and Figure 3 below, it can be observed that the average interest rates increased significantly for the 182 days Bills, at 80.36% in comparison to 91 and 365 days bills. This is associated with the increase in the tender prices bids following the auction.

Table 6: Interest Rates on Treasury Bills

Treasury Bills	Interest Rates (%)		% Change
	Q1 2022	Q2 2022	
91 Days	0.40	0.48	20.00
182 Days	0.56	1.01	80.36
365 Days	1.15	1.45	26.09

Source: Ministry of Finance, National Planning & Trade

Figure 3: % change in average T-Bills Rate (Q1 2022 vs Q2 2022)



Source: Ministry of Finance, National Planning & Trade

New Debt in Q2

In line with Government's strategy to issue bonds on a quarterly basis with the goal of lengthening the maturity of the domestic debt profile, a second set of bonds were issued in the second quarter. The table below summarizes the newly issued bonds for Q2. This includes three T-bonds worth of SCR 534.4m in aggregate, as well as a 5-yr DBS Guaranteed Bond. The main aim of issuing a further guarantee for the DBS Bond was to compensate for the under-subscription that occurred in Q1. This bond was worth SCR 200m, however, only SCR 57.2m was subscribed in Q1, hence the reason for the re-issuance in Q2.

Table 7: New Debt accumulated in Q2

Description	Amount (SCR' M)	Coupon Rate (%)
3-yr T-Bond	166.8	2.70
5-yr T Bond	151.3	4.30
5-yr DBS Guaranteed Bond	135.6	4.25
7-yr T-Bond	216.3	5.90
Total	670.0	

Source: Ministry of Finance, National Planning & Trade