



## Quarterly Debt Bulletin | Q1 2021

### Overview of Current Debt Profile

At the end of March 2021, the total Government and Government guaranteed debt amounted to SCR 20.0Bn, representing about 90% of GDP. As illustrated in Table 1 below, the total stock of domestic debt amounted to SCR 10.7Bn, or 53.3% of the total debt stock, whilst the external debt stock amounted to about SCR 9.3Bn, equivalent to 46.7% of the debt stock. In comparison to the end of Q4 2020, domestic debt increased by SCR 1.2Bn whilst external debt decreased by SCR 709m.

**Table 1: Total Debt by residency of creditors**

Description	Q4 2020 (SCR' M)	Q1 2021 (SCR' M)	% Diff	Q1 2021 % of GDP
<b>Domestic</b>	<b>9,472</b>	<b>10,676</b>	<b>12.7</b>	<b>47.7</b>
o.w. Government	8,607	9,786	13.7	43.8
o.w. Guarantees	865	890	2.9	4.0
<b>External</b>	<b>10,057</b>	<b>9,348</b>	<b>-7.0</b>	<b>41.8</b>
o.w. Government	9,847	9,146	-7.1	40.9
o.w. Guarantees	210	201	-4.3	0.9
<b>Total Debt</b>	<b>19,529</b>	<b>20,024</b>	<b>2.5</b>	<b>89.5</b>

Source: Ministry of Finance, Economic Planning & Trade

Table 2 below provides the nature of public debt. The Central Government debt accounts for about 94.6% of the total debt. By the end of the first quarter of 2021, Government guaranteed debt and Central Government debt has increased by 1.5% and 2.6% respectively compared to the last quarter of 2020. The small increase in guaranteed debt reflects the guarantees under the Private Sector Credit Line Facility with the Central Bank whilst the increase in Central Government debt is attributed to the issuance of three new Treasury Bonds in the first quarter of 2021 in addition to an increase in Treasury-Bills issuance aimed to finance the Budget deficit.

**Table 2: Comparison of Total Debt by Guarantee Status**

Description	Q4 2020 (SCR' M)	Q1 2021 (SCR' M)	% Diff
Government	18,454	18,932	2.6
Guarantees	1,075	1,091	1.5
<b>Total Debt</b>	<b>19,528</b>	<b>20,024</b>	<b>2.5</b>

Source: Ministry of Finance, Economic Planning & Trade

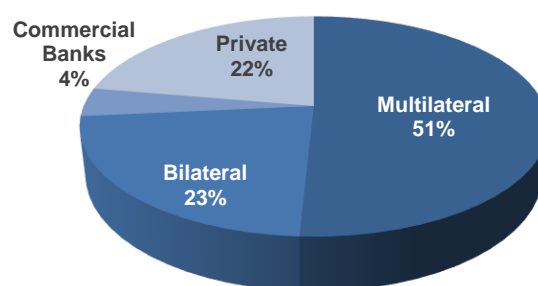
## External Debt Profile

At the end of March 2021, the total stock of external debt amounted to SCR 9.3Bn, equivalent to 42% of GDP. This represents a decrease of SCR 709m, or 7% when compared to the last quarter of 2020. As depicted below, outstanding debt to multilateral creditors accounts for the largest share of the total external debt stock, representing about 51%. Private and Bilateral debt make up for 22% and 23% of the total external debt stock respectively. Debt owed to Commercial Banks accounts for the smallest share of the total external debt at only 4%. No new external loans or external guarantees were taken in the first quarter of 2021. Rather, the decrease in stock reflects repayments on previous stock in addition to more favorable exchange rates when compared to Q4 last year.

**Table 3: Total debt by Creditor Category**

Description	Q4 2020 (SCR' M)	Q1 2021 (SCR' M)	% Diff
<b>Multilateral</b>	<b>5,207</b>	<b>4,750</b>	<b>-8.8</b>
<b>Bilateral o.w.</b>	<b>2,292</b>	<b>2,122</b>	<b>-7.4</b>
<i>Paris Club</i>	1,222	1,128	-7.7
<i>Non-Paris Club</i>	1,070	993	-7.2
<b>Commercial Banks</b>	<b>405</b>	<b>393</b>	<b>-3.0</b>
<b>Private</b>	<b>2,332</b>	<b>2,084</b>	<b>-10.6</b>
<b>Total</b>	<b>10,057</b>	<b>9,348</b>	<b>-7.0</b>

**Figure 1: Percentage distribution by Creditor Category**



Source: Ministry of Finance, Economic Planning & Trade

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

**Table 4: External Debt by Instrument Type**

Description	Q4 2020 (SCR' M)	Q1 2021 (SCR' M)	% Diff
Loans	7,625	7,168	-6.0
Securities	2,432	2,180	-10.4
<b>Total Debt</b>	<b>10,057</b>	<b>9,348</b>	<b>-7.0</b>

Source: Ministry of Finance, Economic Planning & Trade

## Domestic Debt Profile

The stock of domestic debt comprises of all debt liabilities owed to residents of the Seychelles economy. As at end of March 2021, the total domestic debt amounted to SCR 10.7Bn, representing a SCR 1.2Bn, or 13.5% increase compared to the 2020 Q4 domestic debt stock. The increase is primarily attributed to the issuance of the three new T-Bonds as previously mentioned. A total of SCR 1.5bn was made available in Bonds, of which marginally above SCR 1.1bn had been subscribed by the end of March. Additionally, there has been a slight increase of SCR 170m, or 3% in the stock of T-bills.

Securities and loans are the main components of domestic debt, accounting for about 84% and 13% of the domestic debt stock respectively. The securities category is mostly made up of T-Bills, which in itself accounts for over 54% of the total domestic debt.

**Table 5: Domestic Debt by Instrument Type**

Description	Q4 2020 (SCR' M)	Q1 2021 (SCR' M)	% Diff
<b>Loans</b>	<b>1,470</b>	<b>1,397</b>	<b>-5.0</b>
<b>Securities of which;</b>	<b>7,880</b>	<b>8,943</b>	<b>13.5</b>
<i>Treasury Bills</i>	5,626	5,796	3.0
<i>Treasury Bonds</i>	2,000	3,101	55.1
<i>Deposits</i>	46	46	0.0
<i>Others</i>	208	208	12.7
<b>Other Debt Liabilities</b>	<b>121</b>	<b>129</b>	<b>-5.0</b>
<b>Total Debt</b>	<b>9,472</b>	<b>10,676</b>	<b>13.5</b>

Source: Ministry of Finance, Economic Planning & Trade

The heavy reliance on T-Bills remains a major source of risk for the Government due to its short-term maturities and the high likelihood of roll-over risk. In an attempt to manage this, the Government will be undertaking a Liability Management Operation in the second half of the year, whereby a portion of its outstanding T-Bills will be converted into T-Bonds.

## New Debt in Q1

The table below summarizes the new Debt accumulated in the first quarter of 2021. The figure excludes new T-Bills issued over the period as well as the guarantees under the Private Sector Credit Line Facility. As previously stated, three T-Bonds were issued at the beginning of the year to help finance the budget deficit.

**Table 6: New Debt accumulated**

Description	Amount (SCR' M)	Coupon Rate (%)
3-yr Bond	300	7.0
5-yr Bond	441	8.0
7-yr Bond	500	10.0
<b>Total</b>	<b>1,241</b>	

Source: Ministry of Finance, Economic Planning & Trade