



## Quarterly Debt Bulletin | Q3 2023

### Overview of Current Debt Profile

Table 1 below illustrates the total debt stock as at the end of September 2023. In comparison to the previous quarter, the stock decreased by SCR 153m, or 0.9%. This is mainly attributed to components within the domestic debt profile, whereby the three-year solidarity bond matured within the period. On the other hand the external debt stock fell at a much slower rate, by SCR 34m or 0.4% as a result of the ongoing repayments, despite additional disbursements under ongoing projects. The decrease in debt stock coupled with the upward revision to the nominal GDP forecast, resulted in a reduction of debt to GDP from 63.9% to 60.2%. As further illustrated in the table, the domestic debt stock remains the main component of debt stock at 53.3% in comparison to external debt stock which accounts for the remaining 46.7%.

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

Description	Q2 2023 (SCR' M)	Q3 2023 (SCR' M)	% Diff	Q3 2023 % of GDP
<b>Domestic</b>	<b>9,460</b>	<b>9,341</b>	<b>-1.3</b>	<b>32.1</b>
o.w. Government	8,832	8,718	-1.3	30.0
o.w. Guarantees	628	624	-0.6	2.1
<b>External</b>	<b>8,219</b>	<b>8,185</b>	<b>-0.4</b>	<b>28.1</b>
o.w. Government	8,100	8,063	-0.5	27.7
o.w. Guarantees	119	122	2.5	0.4
<b>Total Debt</b>	<b>17,679</b>	<b>17,526</b>	<b>-0.9</b>	<b>60.2</b>

Source: Ministry of Finance, National Planning & Trade

Table 2 below summarizes the total Government and Government guaranteed debt as at September 2023. Similarly to the previous quarter, Government debt remains dominant at 95.7% of the debt stock compared to 4.3% for guaranteed debt. As illustrated, Government debt was the major contributor to the overall decline in total debt stock. It decreased by SCR 152m or 0.9% compared to the Government guaranteed debt, which decline by only SCR 1m, or 0.1%.

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

Description	Q2 2023 (SCR' M)	Q3 2023 (SCR' M)	% Diff
Government	16,932	16,780	-0.9
Guarantees	747	746	-0.1
<b>Total Debt</b>	<b>17,679</b>	<b>17,526</b>	<b>-0.9</b>

Source: Ministry of Finance, National Planning & Trade

## External Debt Profile

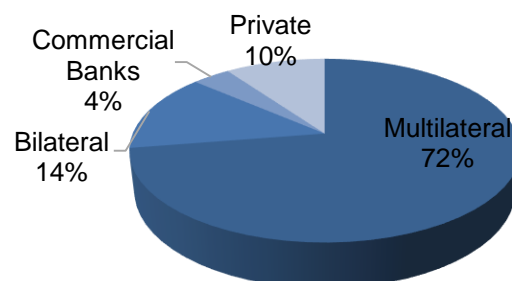
As at the end of the third quarter, the total external debt stock stood at SCR 8.19bn in comparison to SCR 8.22bn from the previous quarter. Compared to the other components within the external debt stock, multilateral loans observed an increase of SCR 103m, or 1.8%. This is mainly associated to a depreciation in the Seychelles Rupees from SCR 13.80 as at June 2023 to SCR 14.18 as at the end of September 2023. The slight depreciation impacted only the stock of loans from multilateral creditors as it dominates the external portfolio and accounts for the largest portion of loans in USD. The increase was counterbalanced by ongoing repayments to other creditors which resulted in an overall reduction of SCR 34m, or 0.4% to the stock.

Figure 1 below shows the pattern of distribution by creditor categories. Debt owed to multilateral creditors remains dominant at 72%, followed by Bilateral creditors at 14% and private creditors at 10%. Similarly to the previous quarter, Commercial Banks represents the smallest share at 4%.

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

Description	Q2 2023 (SCR' M)	Q3 2023 (SCR' M)	% Diff
<b>Multilateral</b>	<b>5,829</b>	<b>5,932</b>	<b>1.8</b>
<b>Bilateral o.w.</b>	<b>1,140</b>	<b>1,135</b>	<b>-0.4</b>
<b>Paris Club</b>	555	548	-1.3
<b>Non-Paris Club</b>	585	587	-0.3
<b>Commercial Banks</b>	<b>344</b>	<b>307</b>	<b>-10.8</b>
<b>Private</b>	<b>906</b>	<b>811</b>	<b>-10.5</b>
<b>Total</b>	<b>8,219</b>	<b>8,185</b>	<b>-0.4</b>

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



Source: Ministry of Finance, National Planning & Trade

Table 4 below provides a summary of the total external debt categorized by instrument type during the third quarter compared to the second quarter of 2023. The external debt stock comprises mainly of external loans at 89.2% whereas securities accounts for the remaining 10.7%. As further demonstrated, the external loans increased by SCR 59m, associated with ongoing disbursements which took place during the third quarter and also partly related to the depreciation in the value of the Seychelles Rupee vis-à-vis the USD. On the contrary the stock of securities decreased by SCR 93m, or 9.6%.

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

Description	Q2 2023 (SCR' M)	Q3 2023 (SCR' M)	% Diff
Loans	7,249	7,308	0.8
Securities	970	877	-9.6
<b>Total Debt</b>	<b>8,219</b>	<b>8,185</b>	<b>-0.4</b>

Source: Ministry of Finance, National Planning &amp; Trade

## Domestic Debt Profile

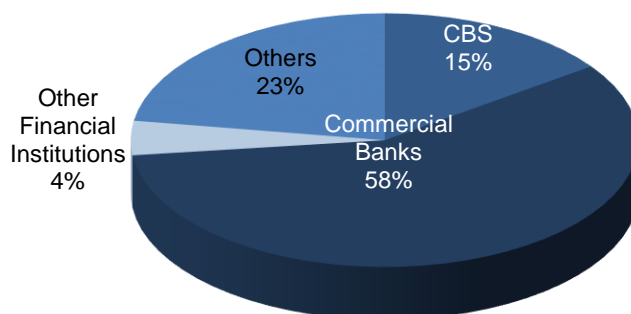
As at the end of September 2023, the domestic debt stock observed a fall of SCR 119m, from SCR 9.46bn in June to SCR 9.34bn. The difference is primarily attributed to a fall in government securities, whereby the second portion of the 3-year Solidarity Bond (equivalent to SCR 166m) matured in July. Furthermore, the continuous repayments of domestic loans contributed to the reduction in the domestic debt stock.

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

Description	Q2 2023 (SCR' M)	Q3 2023 (SCR' M)	% Diff
<b>Loans</b>	<b>937</b>	<b>908</b>	<b>-3.1</b>
<b>Securities of which;</b>	<b>8,434</b>	<b>8,341</b>	<b>-1.1</b>
<i>T-bills</i>	2,077	2,050	-1.3
<i>T-bonds</i>	6,012	5,946	-1.1
<i>Deposits</i>	45.0	45.0	0.0
<i>Others</i>	300	300	0.0
<b>Other Debt Liabilities</b>	<b>89</b>	<b>92</b>	<b>3.3</b>
<b>Total Debt</b>	<b>9,460</b>	<b>9,341</b>	<b>-1.3</b>

Source: Ministry of Finance, National Planning &amp; Trade

Figure 2 below illustrates the distribution of Government securities across different categories for the third quarter of 2023. The largest share of the Government securities is held by commercial banks at 58%, followed by the others category at 23%. The latter represents private individuals as well as others. On the other hand, CBS represents the third largest share at 15% and other financial institutions holds the remaining 4% of the total Government securities.

**Figure 2: Percentage distribution of Government Securities**

Source: Ministry of Finance, National Planning & Trade

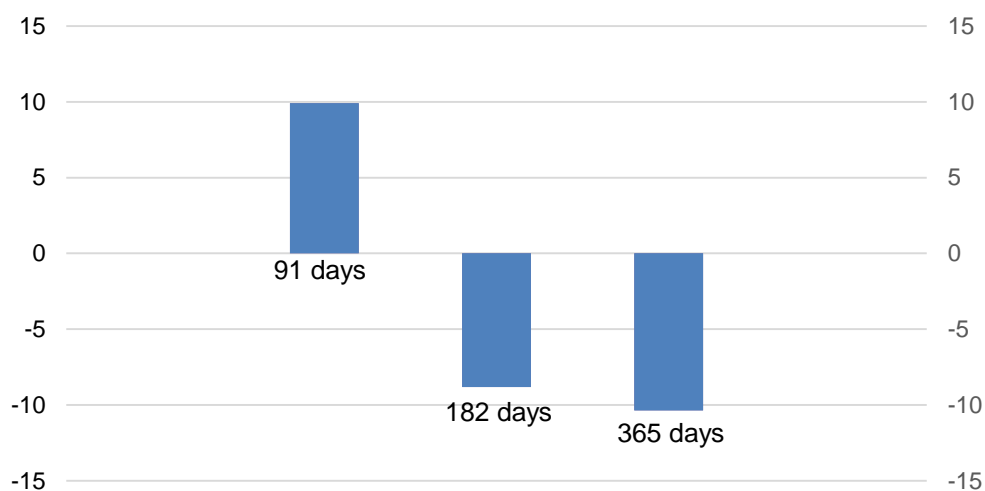
### Interest Rates on T-bills

Table 6 below provides an illustration of the interest rates in regards to T-bills as at the end of September 2023. The 182 and 365-days T-bills experienced a fall of 0.14 and 0.23 percentage points respectively whereas the 91-days interest rates increased by 0.12 percentage points in comparison to end of June 2023. The observation reflect fluctuations in the tender prices within the auction process.

**Table 6: Interest Rates on T-bills**

T-bills	Interest Rates (%)		% Change
	Q2 2023	Q3 2023	
91 Days	1.21	1.33	9.92
182 Days	1.59	1.45	-8.81
365 Days	2.22	1.99	-10.36

Source: Ministry of Finance, National Planning & Trade

**Figure 3: % change in average T-bills Rate (Q2 2023 vs Q3 2023)**

Source: Ministry of Finance, National Planning & Trade

## Debt in Q3

During the month of September 2023, the Government of Seychelles issued another 10-year T-bond following investors' appetite for longer tenor bonds. The bond was auctioned for SCR 75m and was over-subscribed and a total of SCR 100.8m was allotted as shown below.

**Table 7: T-bond issued in Q3**

Description	Amount (SCR' M)	Coupon Rate (%)
10-yr T-bond	100.8	7.8
<b>Total</b>	<b>100.8</b>	

Source: Ministry of Finance, National Planning & Trade

Table 8 overleaf shows the total amount of external funds disbursed during the third quarter of 2023. As can be seen, a total of USD 1.37m were disbursed under three current project loans. These includes the Saudi Fund-Electrification of South Mahe, Abu Dhabi Fund Ile de Romainville and IBRD-SWIOFish 3.

**Table 8: New External borrowings as at September 2023**

Description	Loan Amount (USD' M)	Amount Disbursed (USD' M)	Amount Disbursed (% of GDP)
Saudi Fund-Electricity Project for South Mahe	75.0	0.04	0.02
Abu Dhabi Fund-Ille de Romainville	31.2	0.97	0.47
IBRD-SWIOFish 3	5.0	0.36	0.18
<b>Total</b>		<b>1.37</b>	<b>0.67</b>

Source: Ministry of Finance, National Planning &amp; Trade