



## Quarterly Debt Bulletin | Q4 2021

### Overview of Current Debt Profile

As at the end of December 2021, the total Government and Government guaranteed debt amounted to SCR 18.5bn, representing about 74% of GDP<sup>1</sup>. As illustrated in Table 1 below, the total stock of domestic debt amounted to about SCR 10.3bn, or 55.5% of the total debt stock, whilst the external debt stock amounted to about SCR 8.2bn, equivalent to 44.5% of the total debt stock. In comparison to the end of Q3 2021, domestic debt has decreased by about SCR 518m, whilst the external debt increased by about SCR 1.4bn.

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

Description	Q3 2021 (SCR' M)	Q4 2021 (SCR' M)	% Diff	Q4 2021 % of GDP
<b>Domestic</b>	<b>10,806</b>	<b>10,288</b>	<b>-4.8</b>	<b>41.1</b>
o.w. Government	10,001	9,474	-5.3	37.8
o.w. Guarantees	805	814	-1.1	3.3
<b>External</b>	<b>6,838</b>	<b>8,235</b>	<b>20.4</b>	<b>32.9</b>
o.w. Government	6,704	8,102	20.9	32.4
o.w. Guarantees	134	133	-0.7	0.5
<b>Total Debt</b>	<b>17,644</b>	<b>18,523</b>	<b>5.0</b>	<b>74.0</b>

Source: Ministry of Finance, Economic Planning & Trade

Table 2 below provides the nature of total public debt. As at December 2021, the Central Government debt accounts for the majority of the total debt, representing about 94.9% of the total debt stock. By the end of the fourth quarter of 2021, the Central Government debt and the Government guaranteed debt increased by 5.2% and 0.9% respectively compared to the third quarter.

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

Description	Q3 2021 (SCR' M)	Q4 2021 (SCR' M)	% Diff
Government	16,705	17,576	5.2
Guarantees	939	947	0.9
<b>Total Debt</b>	<b>17,644</b>	<b>18,523</b>	<b>5.0</b>

Source: Ministry of Finance, Economic Planning & Trade

<sup>1</sup> The amount excludes the SDR Allocation provided by the IMF

## External Debt Profile

As at the end of December 2021, the total external debt amounted to SCR 8.2bn, equivalent to 32.9% of GDP. This represents an increase of about SCR 1.4bn, or 20.4% in comparison to the third quarter of 2021. This is directly attributed to an increase in the multilateral external debt following some significant disbursements in the fourth quarter as illustrated in the table below.

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

Description	Amount (USD' M)	Amount (SCR' M)	% of GDP
ADB- GERSP <sup>2</sup>	20.0	288.3	1.2
IMF-EA-EFF <sup>3</sup>	34.7	491.6	2.0
IBRD- DPO <sup>4</sup>	35.0	509.0	2.0
IBRD- Program for Result under social protection	9.0	129.8	0.5
<b>Total</b>	<b>98.7</b>	<b>1,418.7</b>	<b>5.7</b>

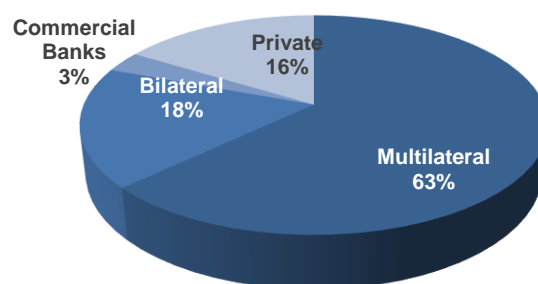
Source: Ministry of Finance, Economic Planning & Trade

As depicted in Figure 1, outstanding debt to multilateral creditors accounts for the largest share of the total external debt stock, representing about 63%. Private and Bilateral debt make up for 16% and 18% of the total external debt stock respectively. Debt owed to Commercial Banks accounts for the smallest share of the total external debt at only 3%.

**Table 4: Total debt by Creditor Category**

Description	Q3 2021 (SCR' M)	Q4 2021 (SCR' M)	% Diff
<b>Multilateral</b>	<b>3,776</b>	<b>5,184</b>	<b>37.3</b>
<b>Bilateral o.w.</b>	<b>1,457</b>	<b>1,458</b>	<b>0.07</b>
<i>Paris Club</i>	773	751	-2.8
<i>Non-Paris Club</i>	684	707	3.4
<b>Commercial Banks</b>	<b>268</b>	<b>255</b>	<b>-4.9</b>
<b>Private</b>	<b>1,336</b>	<b>1,338</b>	<b>0.1</b>
<b>Total</b>	<b>6,838</b>	<b>8,235</b>	<b>20.4</b>

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



Source: Ministry of Finance, Economic Planning & Trade

<sup>2</sup> Governance and Economic Reforms Support Program

<sup>3</sup> Extended Arrangement- Extended Fund Facility

<sup>4</sup> Development Policy Operation

Table 5 below shows the external debt by instrument type where the majority of the external debt stock remains in the form of loans.

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

Description	Q3 2021 (SCR' M)	Q4 2021 (SCR' M)	% Diff
Loans	5,434	6,829	25.7
Securities	1,404	1,405	0.07
<b>Total Debt</b>	<b>6,838</b>	<b>8,235</b>	<b>20.4</b>

Source: Ministry of Finance, Economic Planning & Trade

## Domestic Debt Profile

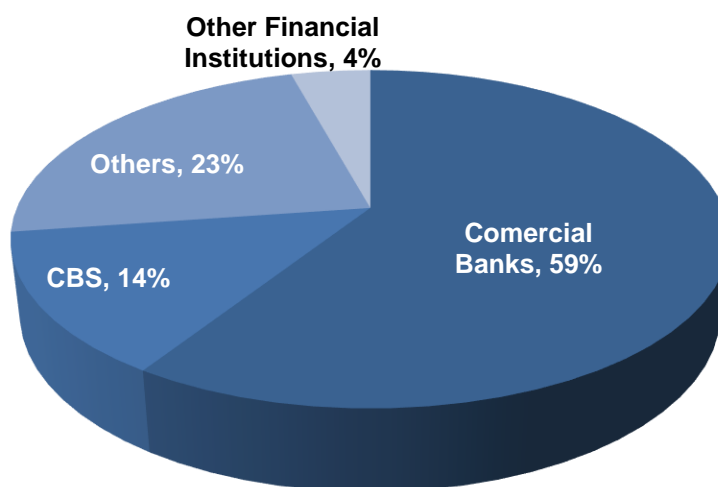
As at end of the fourth quarter of 2021, the total domestic debt amounted to SCR 10.3bn, representing a SCR 518m, or 5.3% decrease compared to the third quarter's domestic debt stock. Securities and loans are the main components of domestic debt, accounting for 86.2% and 11.5% of the domestic debt stock respectively. The securities category is mostly made up of T-Bills and T-Bonds, which each accounts for around 36.1% and 48.2% of the total domestic debt.

**Table 6: Domestic Debt by Instrument Type**

Description	Q3 2021 (SCR' M)	Q4 2021 (SCR' M)	% Diff
<b>Loans</b>	<b>1,197</b>	<b>1,178</b>	<b>-1.6</b>
<b>Securities of which;</b>	<b>9,364</b>	<b>8,871</b>	<b>-5.3</b>
<i>Treasury Bills</i>	4,713	3,710	-21.3
<i>Treasury Bonds</i>	4,459	4,956	11.1
<i>Deposits</i>	47	47	
<i>Others</i>	145	158	9.0
<b>Other Debt Liabilities</b>	<b>245</b>	<b>239</b>	<b>-0.4</b>
<b>Total Debt</b>	<b>10,806</b>	<b>10,288</b>	<b>-5.3</b>

Source: Ministry of Finance, Economic Planning & Trade

Figure 2 overleaf shows the breakdown of the distribution of Government securities. Commercial banks holds the majority of securities, about 59% of the stock whilst the 'Others' category, which includes private individuals and others, holds 23% of the securities.

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

Source: Ministry of Finance, Economic Planning & Trade

### New T-Bond Issuance

Despite the SCR 518m drop in domestic debt in Q4 compared to Q3, in November 2021, the Seychelles Government issued two new bonds with 4 and 6 years' tenor at a coupon rate of 3.5% and 4.5% respectively. A total of SCR 497m worth of T-bonds were issued as illustrated representing about 2% of GDP (See Table 7). The repayment on domestic debt was much higher than the new issuance, resulting in the overall decline in domestic debt as previously highlighted.

**Table 7: Domestic Debt by Instrument Type**

Description		Amount (SCR' M)	% of GDP
Treasury Bonds	4yr 3.5% Bond	279.9	1.1
	6yr 4.5% Bond	217.4	0.9
<b>Total</b>		<b>497.3</b>	<b>2.0</b>

Source: Ministry of Finance, Economic Planning & Trade and Central Bank of Seychelles

## Interest Rates on Treasury Bills

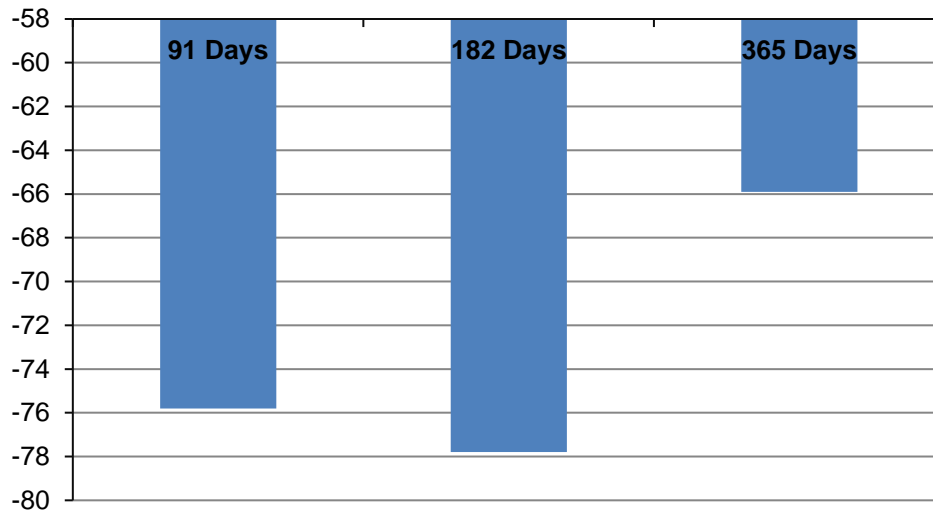
In the third quarter of 2021, the average interest rates for the 91, 182 and 365 Days T-Bills were higher in comparison to the fourth quarter of 2021. As depicted in Table 8 and Figure 3 below, the interest rates decreased by 209 basis points, or 75.8% on the 91 Days Bills, and by 292 basis points or 77.8% and 289 basis points or 65.9% on the 182 and 365 Days Bills respectively.

**Table 8: Interest Rates on Treasury Bills**

Treasury Bills	Interest Rates (%)		% Change
	Q3 2021	Q4 2021	
91 Days	2.76	0.67	-75.8
182 Days	3.75	0.83	-77.8
365 Days	4.38	1.49	-65.9

Source: Ministry of Finance, Economic Planning & Trade

**Figure 3: % change in average T-Bills Rate (Q4 vs Q3 2021)**



Source: Ministry of Finance, Economic Planning & Trade