

**Keeping an Eye on the People's Business:
Part 1 - Spotlight on The Public Debt: Total Debt and Debt Service**

The following takes a look at the trajectory of the Public Debt over the period 2011 to end of 2017. Information has been extracted from the Estimates of Revenue and Expenditure 2013 to 2018, noting particularly the following in each of the Estimates-

- Abstract of Recurrent Revenue
- Vote 22: Charges on the Public Debt
- Appendix C: Analysis of Recurrent Expenditure Actual Provisional
- Appendix F: Debt Outstanding¹

1. Public Debt: 2012 – 2017 (EC\$ mill.):

Year/ Debt	o/s 2012	o/s 2013	o/s 2014	o/s 2015	o/s 2016	o/s 2017
Total Public Debt	1,925.03	2,058.23	2,121.45	2,189.54	2,174.90	1,992.28
Total External Debt	1,497.50	1,580.34	1,639.03	1,595.17	1,582.22	1,392.93
Total Domestic Debt	427.53	477.88	482.42	594.36	592.68	599.34
External Debt/Total Debt	78%	77%	77%	73%	73%	70%
Domestic Debt/Total Debt	22%	23%	23%	27%	27%	30%

Comments:

- **Total Public Debt:** Outstanding public debt at the end of 2017 is estimated to be EC\$1,992.28bn, declining from EC\$2,058.23bn. at the end of 2013.
- **External Debt:** Outstanding external debt at end of 2017 is estimated to be 1, 392.23bn., declining from EC\$1,580.34 in 2013.
- **Domestic Debt:** Domestic debt has risen steadily and significantly, from EC\$ 477.88mn. at the end of 2013 to an estimated EC\$599.34 mn. at the end of 2017. Short term instruments such as Treasury Bills have been rolled over or restructured into longer terms bonds.
- **Regional Government Securities Market:** Re government financing, greater use is being made of Treasury Bills traded on regional government securities market to replace the more expensive bank overdraft facilities.

Source: Appendix F, Estimates of Revenue and Expenditure 2013 to 2018.

2. Debt Servicing:

The following table shows the debt service for external and domestic debt:-

- interest payments, principal repayments and arrears re interest and principal over the period 2012-2017;
- the amount allocated for debt servicing, interest and principal repayments, in 2018.

¹ the most recent figures on each year are the figures used; e.g. the figure for 2013 is taken from the 2015 Estimates of Revenue and Expenditure

DEBT SERVICING: Interest And Principal Repayments- 2012 – 2017 & Scheduled 2018							
	Actual Provisional 2012 EC\$m	Actual Provisional 2013 EC\$m	Actual Provisional 2014 EC\$m	Actual Provisional 2015 EC\$m	Actual Provisional 2016 EC\$m	Actual Provisional 2017 EC\$m	Estimates 2018 EC\$m
Debt Service	379.45	308.49	394.05	459.29	370.19	367.41	401.45
Domestic Debt Service	323.98	260.57	257.42	306.53	237.05	220.45	250.20
Interest	21.63	23.78	22.73	32.18	25.94	15.87	19.69
Principal	302.34	236.79	232.93	274.35	211.11	204.57	230.50
Arrears - Principal	-	-	1.27	-	-	-	-
Arrears - Interest	-	-	0.48	-	-	-	-
External Debt Service	55.44	47.91	136.63	152.75	133.14	146.96	151.25
Interest	39.55	14.11	63.06	68.10	62.80	59.38	48.08
Principal	15.91	26.87	56.23	71.17	70.33	87.57	103.16
Arrears - Principal	-	4.59	12.27	11.73	-	-	-
Arrears - Interest	-	2.33	5.05	1.73	-	-	-
% Debt Service to Recurrent Expenditure	50%	44.4%	49.6%	55.5%	49.7%	41.6%	42.7%
Recurrent Expenditure	759.01	694.48	794.32	828.04	744.54	882.94	940.71
Current Expenditure (excluding Amortization)	440.75	426.22	491.60	470.77	463.09	590.78	607.04
Recurrent Revenue	432.81	437.72	488.52	550.35	641.23	678.65	710.41
% Debt Service to Recurrent Revenue²	75%	60%	53%	56%	37%	32%	35%
2.1. Comments:							
<ul style="list-style-type: none"> • Debt Service as a Percentage of Recurrent Expenditure: Over the period, 2013-2017, debt service represents over 40 percent of recurrent expenditure • Debt Service as a Percentage of Recurrent Revenue: There has been a steady decline in debt service as a percentage of recurrent revenue. Recurrent revenue increased as a result of the “revenue enhancing measures” implemented as a part of the Structural Adjustment Programme – i.e. increases in various taxes etc • Debt Service vis-à-vis Domestic Debt: Debt service re domestic debt is significantly higher than for external debt and consists primarily of interest and principal repayments in respect of short term treasury bills and longer term bonds including the restructured debt. 							

² own calculations