
COOPERATIVE
REPUBLIC OF GUYANA

# PUBLIC DEBT
## ANNUAL REPORT 2018

FINANCE.GOV.GY

# MINISTRY OF FINANCE

*as at December 31, 2018*


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Minister of Finance

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Guyana Public Debt Annual Report 2018, Ministry of Finance, Cooperative Republic of Guyana, Issue4

**Website:** finance.gov.gy

## Message from the Minister of Finance

I am pleased to present Guyana's Public Debt Annual Report for 2018. This fourth Annual Report provides a detailed assessment of the country's public debt as well as debt management activities and operations during the review year. Dissemination of information on public debt operationssignifies Government's continued commitment to improving transparency, accountability and good governance, all of which are important in our quest for sustainable economic growth and development.

Guyana had a successful year in debt management operations, marked by the historic issuance of a $30 billion bond in May 2018. The bond was arranged by Republic Bank on a five-year term, at an interest rate of 4.45 percent per annum, for the purpose of financing investments in the Guyana Sugar Corporation (GUYSUCO). This instrument was the first of its kind to be issued in Guyana, signalling the country's entry into the capital markets.

During 2018, Guyana maintained sustainable debt levels through prudent debt management activities, which ensured government operations were financed at minimum cost, within acceptable risk parameters. The stock of total public debt has remained manageable, increasing by 3.2 percent, from $345 billion, at end-2017 to $356 billion, at end-2018. This increase resulted primarily from a rapid rise in disbursements, relative to 2017; and the contracting of new loans to fund government's development initiatives. External debt accounted for 77.4 percent of total public debt, at end-2018, while domestic debt accounted for the remaining 22.6 percent.

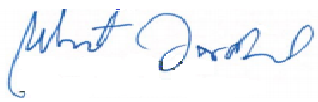
Notably, the total debt to GDP ratio declined by 1.9 percentage points, from 46.1 percent for 2017, to 44.2 percent for 2018, on account of faster growth in nominal GDP compared to total public debt. The total debt service to revenue ratio remained stable, increasing by 0.6 percentage points to 8.2 percent in 2018, mainly due to a 0.9 percentage-point increase in the external debt service to revenue ratio to 7.4 percent, in 2018. These marginal increases in the indicators have not diminished Guyana's strong debt sustainability position.

The national economy continued to register strong growth, expanding by 4.1 percent in 2018. Contributory factors included significant increases construction, manufacturing and services, coupled with heightened production of bauxite, livestock and forestry. However, declines in rice, sugar and fish production had a dampening effect on the growth rate. Going forward, Guyana's economic prospects are bright, with oil production set to come on stream in early 2020. This development is expected to catalyse economic growth and engender buoyant growth in government revenues.

The anticipated economic expansion would increase Guyana's debt carrying capacity. However, government is mindful of the vulnerabilities associated with excessive accumulation of debt and is very committed to long-term debt sustainability. To this end, a Public Debt Management Bill (PDMB) is being finalised. Once enacted, this critical piece of legislation would support long-term debt sustainability, by enshrining key considerations such as the authority to borrow and debt ceilings. The Bill would also mandate the formulation and implementation of a Medium-term Debt Management Strategy (MTDS), thereby ensuring that financing decisions are underpinned by a rigorous, comprehensive and cutting-edge methodology.

Importantly, proceeds from impending crude oil production would be deposited into the Natural Resources Fund –which was passed and assented to in January 2019 - and injected into the economy through the budgetary process, based on a fiscal rule. These injections are likely to supplant much of the current external borrowing as well as enable the retirement of expensive debt, leading to a reduction of debt levels, and concomitant reduction of exposure to interest rate and exchange rate risks. In the near-to-medium-term, Government intends to design and commence issuance of more domestic borrowing instruments such as treasury notes, in order to further mitigate risks associated with external borrowing. An increase in public issuance of domestic debt instruments would also promote domestic financial market development, by serving as a benchmark for private security issuances, and by encouraging wider participation in the domestic non-bank financial market.

Recent events, especially the discovery of vast crude oil deposits, have positioned Guyana for rapid economic and social advancement. Through sound macroeconomic management, government intends to successfully usher Guyana into this new and exciting chapter. Effective public debt management would play a crucial role in government's overall macroeconomic governance framework.



**Hon. Winston D. Jordan, MP**
**Minister of Finance**
**Cooperative Republic of Guyana**

# Acknowledgement

It is our distinct privilege to present Guyana’s 2018 Public Debt Annual Report. This report is the fourth consecutive edition, since its inception in 2015. Its presentation, which is not required under any existing law or regulation, reflects government’s unwavering commitment to transparency and accountability in public debt management. Its preparation and publication were made possible through the tireless efforts of those involved, including the Debt Management Division team comprising Ms. Eleeni Komal-Persaud, Mr. Joel Joseph, Mr. Shaquille Pompey, Ms. Drecina Fraser, Ms. Lavern Lawrence and Ms. Dawn Browman. Their collective role and effort in ensuring that this publication accurately reflects Guyana's public debt operations for the period under review, is hereby acknowledged with thanks and gratitude.

I also wish to recognise and thank other officials of the Ministry of Finance and relevant sub-agencies, who were instrumental in the preparation of this report. Special mention must be made of Dr. Vilas Gobin, Senior Economic and Financial Analyst, Economic Policy Analysis Unit (EPAU) and Ms. Sonya Roopnauth, Director of the Office of the Budget who made invaluable contributions to further improve the 2018 Public Debt Annual Report. Ms. Wanita Huburn, Public Relations Officer is recognised for assisting with the design and layout of the cover for the report.

I sincerely hope that this publication serves to augment understanding of all aspects of public debt management in Guyana. It may also be accessed on the Ministry of Finance’s website: finance.gov.gy

Dmyearwood

Ms. Donna Yearwood
Head
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## Abbreviations and Acronyms

| | |
|---|---|
| AG | Attorney General |
| AOG | Audit Office of Guyana |
| BO | Back-Office |
| BOG | Bank of Guyana |
| BOP | Balance of Payments |
| BOS | Bureau of Statistics |
| CARICOM | Caribbean Community |
| CDB | Caribbean Development Bank |
| CEMLA | Centre for Latin American Monetary Studies |
| CLICO | Colonial Life Insurance Company |
| CMCF | CARICOM Multilateral Clearing Facility |
| COMSEC | Commonwealth Secretariat |
| CPIA | Country Policy and Institutional Assessment (World Bank) |
| CS-DRMS | Commonwealth Secretariat Debt Recording and Management System |
| CSP | Country Strategic Plan |
| DAM | Demand Assessment Mission |
| DEMPA | World Bank's Debt Management Performance Assessment |
| DMD | Debt Management Division, Ministry of Finance |
| DRI | Debt Relief International |
| DSA | Debt Sustainability Analysis |
| DSF | Debt Sustainability Framework |
| DSTWG | Debt Strategy Technical Working Group |
| EIB | European Investment Bank |
| EU | European Union |
| FDI | Foreign Direct Investment |
| FMD | Fiscal and Monetary Division, Ministry of Finance |
| FO | Front-Office |
| GDP | Gross Domestic Product |
| GEA | Guyana Energy Authority |
| GNPL | Guyana National Printers Limited |
| GPL | Guyana Power and Light Incorporated |
| GRDB | Guyana Rice Development Board |
| GUYSUCO | Guyana Sugar Corporation Incorporated |
| HCBP | HIPC Capacity Building Programme |
| HIPC | Heavily Indebted Poor Countries |
| IBRD | International Bank for Reconstruction and Development |
| IDA | International Development Association (World Bank) |
| IDB | Inter-American Development Bank |
| IFAD | International Fund for Agricultural Development |
| IMF | International Monetary Fund |
| IsDB | Islamic Development Bank |
| KIA | Kuwait Investment Authority |
| LIC | Low-Income Country |
| MO | Middle-Office |
| MOF | Ministry of Finance |
| MOFA | Ministry of Foreign Affairs |

## Abbreviations and Acronyms

| | |
|---|---|
| MOLA | Ministry of Legal Affairs |
| MTDS | Medium-Term Debt Strategy |
| NGO | Non-Governmental Organisation |
| NICIL | National Industrial and Commercial Investment Limited |
| NIS | National Insurance Scheme |
| NPV | Net Present Value |
| OAI | Ogle Airport Incorporated |
| PCMD | Project Cycle Management Division, Ministry of Finance |
| PDMB | Public Debt Management Bill |
| PDP | Public Debt Capacity Building Programme |
| PDVSA | Petróleos de Venezuela South America |
| PSIP | Public Sector Investment Programme |
| PV | Present Value |
| SDR | Special Drawing Rights |
| SECO | Swiss State Secretariat for Economic Affairs |
| SOE | State-Owned Enterprise |
| T-Bills | Treasury Bills |
| WBDRS | World Bank Debt Reporting System |
| XGS | Exports of Goods and Service |

# Chapter 1 – Introduction

## 1.1 The Economic Environment

The pace of expansion in the global economy remained steady in 2018. The International Monetary Fund (IMF) estimated global economic growth for 2018 at about the same as 2017. The performance of Advanced economies was slightly weaker than expected, with growth at 2.3 percent, reflecting a slowdown in the Euro Area and the UK. In 2018, growth in emerging and developing economies was 4.6 percent, slightly lower than the 4.7 percent in 2017. This was largely on account of slower growth in the Association of Southeast Asian Nations (ASEAN-5 Countries). Economic growth in the Latin American and Caribbean region declined marginally, from 1.3 percent in 2017 to 1.1 percent in 2018, mainly due to the economic challenges in Venezuela.

Guyana's economy grew at 4.1 percent in 2018, almost twice the 2017 growth rate of 2.1 percent. This outturn was attributable to improvements in production across all major sectors, such as bauxite, livestock, forestry and other crops, as well as increases in construction, manufacturing and service activities. Favourable commodity prices, greater investment expenditures and growing domestic demand were all factors which influenced growth in the economy. Notably, Guyana's medium-term economic prospects are bright, with oil production set to commence in early 2020.

## 1.2 The Global Economy

The IMF estimated global economic growth for 2018 as equivalent to the 2017 rate of 3.7 percent, despite declining performance in major regions such as Europe and Asia. Projected global economic growth rates have been revised downward to 3.5 percent in 2019 and 3.6 percent in 2020, due to weakening confidence in financial markets, regulation-induced slowdowns, uncertainty in trade policy and concerns about China's prospects.

Advanced economies grew by an estimated 2.3 percent in 2018 and are expected to grow at 2 percent and 1.7 percent for 2019 and 2020, respectively. This projected slowdown is attributable to declining prospects for the Euro Area and the UK. Growth in the Euro Area is expected to decline from 1.8 percent in 2018 to 1.6 percent in 2019, then rebound marginally to 1.7 percent in 2020. The relatively low growth rates forecasted for this region stem primarily from reduced prospects in Germany, due to weak private consumption; Italy, as a result of sluggish domestic demand and higher borrowing costs; and France, on account of street protests and industrial action. The United Kingdom (UK) experienced weak economic growth performance 2018. This outcome is expected to persist over the medium-term, as a result of effects associated with Brexit. The USA experienced 2.5 percent economic growth in 2018, with growth in that economy expected to decelerate by 0.7 percentage points to 1.8 percent in 2019. Elsewhere, Japan's economy expanded by a modest 0.9 percent, due to adverse effects of natural disasters on several supply lines in that country. The economic growth rate of this Asian powerhouse is projected to rise slightly to 1.1 percent in 2019, then relapse to 0.5 percent growth in 2020.

Meanwhile, growth in Emerging Markets and Developing Economies was 4.6 percent in 2018, compared to growth rate of 4.7 percent in 2017. This marginal slowdown occurred mainly on account of slower growth in the ASEAN-5 countries.  Growth in that region is expected to experience a slight decline in 2019 to 4.5 percent, then rebound to 4.9 percent in 2020. The Latin American and Caribbean region experienced economic growth of 1.1 percent in 2018, marginally lower than the 1.3 percent growth rate for 2017. One of the main contributors to the lower growth rate of 2018 was the protracted economic downturn in Venezuela. Nonetheless, economic activity in Latin America is expected to pick up over the next two years, with growth projected at 2 percent in 2019, then 2.5 percent in 2020. A key driver of the region’s growth prospects is the forecast for Brazil’s continued recovery from its 2015/2016 slump.

## 1.3 The Domestic Economy

Guyana’s economy grew by 4.1 percent in 2018, almost twice the growth rate which obtained in 2017. The improved economic performance of 2018 was driven by increases in the production of bauxite, livestock, forestry and other crops, as well as growth in the construction, manufacturing and services sectors. Factors which influenced growth in the aforementioned areas included favourable prices for Guyana’s commodity exports, higher investment expenditure and growing domestic demand. Conversely, sugar, rice and fish production declined on account of poor weather and road conditions, and lower domestic demand due to regulatory requirements. Construction was the fastest growing sector in 2018 at 11 percent, followed by the services sector at 4.5 percent. The electricity and water sector grew by 2 percent, the agriculture, fishing and forestry sector by 1.5 percent, and manufacturing by 1 percent. Notably, the mining and quarrying sector rebounded from an 8.8 percent decline in 2017 to 2.9 percent growth in 2018. This turnaround was fuelled by a 24 percent rise in output from the bauxite sector and45.9 percent growth in ‘other mining and quarrying’ activities, which together offset a 6.2 percent contraction in gold production. The inflation rate, as measured by the Consumer Price Index, was 1.6 percent in 2018, representing a 0.1 percentage point increase from the 2017 rate. The expenditure categories which drove inflation in 2018 were domestic food, housing, transportation and communications, medical care and health services, and miscellaneous goods and services.

The non-financial public sector deficit in 2018 was $44.6 billion, or 5.5 percent of GDP, primarily as a result of lower revenue collection and poor performance by public enterprises. Central government recorded a fiscal deficit of $27.3 billion in 2018, or 3.4 percent of GDP. This represented an 18 percent decrease when compared to the previous year.

The balance of payments deficit increased in 2018; this was due to growth of the current account deficit, which reflected a rise in imports of goods and services related to foreign direct investment (FDI) into the nascent oil and gas sector. Otherwise, there was a capital account surplus, caused by FDI inflows to the private sector and inflows to the non-financial public sector in the form of disbursements. The overall balance of payments deficit was financed by gross foreign reserves of the Bank of Guyana and debt forgiveness. The total volume of foreign exchange transactions increased by 19.6 percent to US$8,548.1 million, mainly due to increases in transactions in most segments, including licensed bank and non-bank cambios, as well as hard currency and foreign currency accounts.

Yields on 182-day and 364-day Treasury Bills (T-Bills) declined by 16 basis points to 0.96 percent, and 2 basis points to 1.23 percent, respectively, due to the competitiveness of the bidding process. Meanwhile, the 91-day T-Bill yield remained constant at 1.54 percent, as a result of the non-issuance of these bills in 2018.The weighted average lending rate decreased by 17 basis points to 10.02percent in 2018, while the small savings rate fell by 7 basis points to 1.04 percent. The prime lending rate remained stable at 13 percent. Therefore, the spread between the small savings rate and the prime lending rate for 2018 was 11.96 percent. This high spread was indicative of the strategy employed by commercial banks to maintain profit margins.

The official weighted mid-rate of the Guyana dollar to US dollar, as published by the Bank of Guyana, remained stable at $208.5 as at end-December 2018, while the unweighted mid-rate depreciated marginally by 0.85 percent, from $210.92 in 2017, to $212.72 in 2018.

Guyana's medium-term prospects are bright, with oil production set to commence in early 2020. The significant revenue expected from this development offers the opportunity to invest in bridging the infrastructural gap and heighten social spending. Importantly, Guyana's medium-term economic prospects are also likely to have a positive impact on debt sustainability. Substantial expansion of the economy would greatly enhance debt carrying capacity, while increased government revenues would bolster debt servicing capacity. Notably, such developments carry with them the enticement of accumulating debt. However, ongoing institutional strengthening initiatives, such as the Public Debt Management Bill (PDMB), would play a vital role in mitigating against future accumulation of excessive debt.

# Chapter 2 – Legal Framework and Institutional Developments

## 2.1 Introduction

Sound governance is essential to improving a country's debt management architecture. For public debt management functions to be effective, a strong governance structure is vital in shaping and directing the activities of debt managers. Furthermore, robust laws and institutions are the foundation of effective governance. Therefore, improved governance requires a sound legislative framework which clearly defines the powers and responsibilities of a debt management unit and promotes competence and operational efficiency. Over the past year, Guyana made significant progress towards modernising and improving the legal and institutional framework for debt management, primarily through advancing work on the draft Public Debt Management Bill (PDMB).

## 2.2 Legal Framework

Key components of a robust legal framework for debt management include: a clear definition of the scope of public debt, (that is, what constitutes public debt in terms of coverage of institutions and instruments); establishment of the authority of government to borrow; assurance for debt service; specification of borrowing purposes; clear debt management objectives; a requirement of a Medium-Term Debt Management Strategy; specified roles and responsibilities of agencies involved in public debt management; prescriptions for the management of guarantees and related lending or investment; provision for oversight by a through a Public Debt Management Committee; and the specification of audit, reporting, and accountability processes. Hence, these are the barometers against which relevant progress could be gauged.

In 2018, Guyana advanced initiatives geared at strengthening its legal and institutional framework for public debt management. To this end, a team of stakeholders continued the drafting of the PDMB, which was initiated in 2016, through technical assistance from the Commonwealth Secretariat. Exchanges between Guyana and the Commonwealth Secretariat continued, in order to clarify areas of concern. In addition, comments and perspectives on the draft PDMB were sought from other development partners such as the World Bank, Debt Relief International (DRI), the Centre for Latin American Monetary Studies (CEMLA) and international consultants. Input received from these partners would be considered in finalising the PDMB, so that it is consistent with international best practice, and well-suited to Guyana's context and needs. Once enacted, the PDMB would supplant the existing limited and fragmented legal framework for public debt management with a modern and comprehensive framework.

Critical areas of weakness that the new PDMB would serve to strengthen are: the current fragmented legislative architecture; the need for more detail and clarity in the existing legislative framework; future-proofing and increased depth of coverage in the legislation; the need for further clarity of institutional arrangements; the establishment of clear debt management objectives and strategy; and a debt management policy committee.

Government signalled its intention to enact the PDMB in Parliament in the near future, and prioritise the crafting of a National Debt Management Strategy and Annual Borrowing Plan, which would establish "the optimal mix of financing mechanisms in the short-to-medium-term" needed to fund development initiatives.

## 2.3 Institutional Developments

The review period witnessed several institutional developments in relation to the reporting, operational and capacity building aspects of debt management.

### 2.3.1 Reporting and Capacity Building

Transparency in debt reporting plays an essential role in supporting sustainable borrowing and lending.

Benefits of increased transparency include reduced market uncertainty as to the objectives of government's debt management policy. This promotes the policy predictability and consistency necessary for fostering a good investment climate. Regular reporting on debt management operations and activities is a vital element of transparency and accountability in public debt management. In this regard, Guyana has made progress by successfully accomplishing the following:

- To-date, the DMD has prepared three *Public Debt Annual Reports* for the years 2015, 2016 and 2017, which were all reported to Parliament and published on the website of Guyana's Ministry of Finance. The same is expected for this year's Annual Report. The *Public Debt Annual Report for 2019*is earmarked for completion in the first half of 2020.

- In June 2018, the DMD prepared and published its first *Public Debt Quarterly Statistical Report.* By the end of 2018*,* three (3) such reports were prepared and published on the Ministry of Finance's website. For 2019, the DMD intends to continue preparation and publication of its Public Debt Quarterly Statistical Report at the end of each quarter.

With respect to capacity building, in 2018, DMD officials participated in one (1) international and two (2) regional training workshops that addressed issues such as the fundamentals of public debt management, sustainable funding strategy, medium-term public debt management strategy, debt sustainability analysis, and self-assessment performance. Officials were also trained in the use of tools, facilities and new features in the latest version of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS). Nonetheless, there remains the need for external assistance to prepare a Procedures Manual to cover the operational aspects of the Middle and Front Office functions, as well as facilitate further training on preparation of Medium-Term Debt Strategies and Annual Borrowing Plans.

The Head, DMD attended the Ninth Debt Management Facility (DMF) Stakeholders' Forum from May 28 to 29, 2018, in Brussels, Belgium, themed: ***"Rising Tide of Debt: Risk, Resilience, Responsibility".*** The forum, which was jointly organised by the European Commission and the World Bank, brought together 130 participants from 44 countries and 27 institutions to share their experiences on current challenges faced by debt managers in developing countries, and contemplate innovative debt management reforms. The participating group comprised high-level policy makers and government officials from developing countries, multilateral and bilateral donors, providers of technical assistance and NGOs.

Some salient takeaways from the forum were as follows:

- Currently, 40 percent of IDA-eligible countries are either at high risk of debt distress or already in distress. Increases in debt levels, and changes in the composition of debt from concessional to market-based financing, are the two primary factors which have caused the rise in debt vulnerabilities.

- Several country representatives highlighted that exceptionally low funding costs and relatively low market volatility over an extended period, provided unprecedented opportunities for developing countries to close infrastructure gaps or other needs, by accessing market-based financing. This phenomenon has led to the current high debt levels among developing countries.

- Participants recognised that accurate and comprehensive debt data is a cornerstone of sound borrowing and lending practices. Policy makers require this information to make informed and appropriate borrowing decisions, in order to safeguard debt sustainability and macroeconomic stability. Creditors, donors, analysts, and rating agencies require it to make accurate assessment of sovereign financing needs and creditworthiness, and to appropriately price debt instruments.

### 2.3.2 Staffing Development

The DMD began 2018 with four (4) technical staff members, including the Head of Division. However, a Senior Economic and Financial Analyst resigned in August, while an Economic and Financial Analyst departed to the United Kingdom (UK) in September, to pursue a Master's Degree in Economics and Finance for Development at the University of Bradford. Nonetheless, three (3) new technical staff members were added to the department in 2018. The first was an Economic and Financial Analyst, who commenced service in September, while a Senior Economic and Financial Analyst joined the ranks in October. Another Economic and Financial Analyst also started out in October, increasing the technical staff complement to five (5). Further, the Economic and Financial Analyst pursuing studies in the UK is expected to return in October 2019. This would increase the technical staff complement to six (6), bolstering the DMD's capacity to effectively and efficiently achieve its mandate. In addition, the availability of more technical personnel would allow greater specialisation by staff between analytical and operational functions, leading to more timely and comprehensive debt recording, administration, reporting and analysis.

### 2.3.3 Sovereign Debt Management Inter-Agency Committee

Following Guyana's identification as a prospective pilot country for the Commonwealth Secretariat's Meridian Public Debt Management System, the Minister of Finance established a Sovereign Debt Management Inter-Agency Committee, chaired by the Head, Debt Management Division (DMD). Its primary objective was to formulate a roadmap for the upgrading, updating and validation of the Commonwealth Secretariat's Debt Recording and Management System (CS-DRMS), in preparation for the transition to the new state-of-the-art Meridian System. The Meridian upgrade is a significant one, as it is web based, and incorporates workflow driven by sovereign debt engineered business processes to more effectively manage public debt within Public Financial Management (PFM).

The Committee comprised officials from the Ministry of Finance and the Bank of Guyana, and had its inaugural meeting in July 2018. Thereafter, meetings were held bi-weekly. The work of the Committee is to be guided by Guyana's emerging 21st Century PFM Framework.

**Table 1: Participation of Debt Management Division Staff in Seminars and Workshops in 2018**

| No | Training | Person(s) Attended | Location | Date |
|---|---|---|---|---|
| 1 | Debt Sustainability Analysis In-house Workshop | Donna Yearwood<br>Eleeni Komal-Persaud<br>Hsing Wong<br>Drecina Fraser<br>Dawn Browman | Georgetown, Guyana | 6 – 9 March |
| 2 | Joint IMF-World Bank Workshop on the Revised Debt Sustainability Framework for Low-Income Countries | Hsing Wong<br>Drecina Fraser | Basseterre, St. Kitts | 30 April – 4 May |
| 3 | Medium-Term Debt Management Strategy In-house Workshop | Donna Yearwood<br>Eleeni Komal-Persaud<br>Hsing Wong<br>Drecina Fraser<br>Dawn Browman | Georgetown, Guyana | 14 – 16 August |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

### 2.3.4 Photos taken at Workshops and Seminars

**Debt Sustainability Analysis In-house Training Workshop**
**Georgetown, Guyana. March 6 – 9, 2018**

**MEDIUM TERM DEBT MANAGEMENT**
**STRATRGY WORKSHOP**

## Chapter 3 – Total Public Debt

As at end December 2018, Guyana's total public debt (external and domestic) amounted to $356.2 billion, reflecting an increase of 3.2 percent when compared to its 2017 level. This increase was mainly attributable to higher disbursements from existing loans, and disbursements from new loans contracted in 2018. Total disbursements increased by about 50.6 percent. Noteworthy, disbursements from multilateral creditors increased by about 92.2 percent due to higher disbursements by both IDA and IDB when compared to 2017.

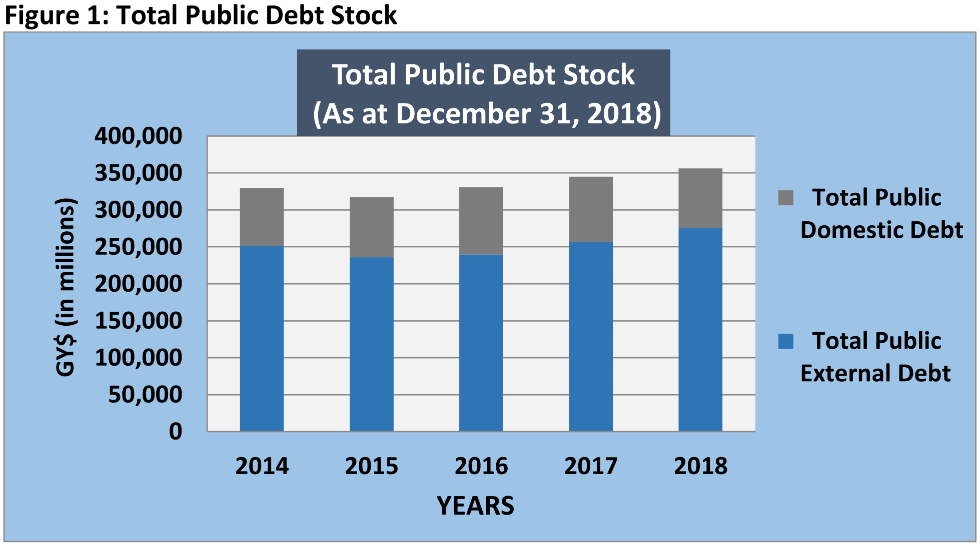
As at December 2018, total external debt amounted to $275.6 billion or 77.4 percent of total public debt, while domestic debt stood at $80.6 billion or 22.6 percent of total public debt.

**Table 2: Total Public Debt Stock**

| Total Public Debt Stock<br>In millions of Guyana dollars<br>(As of December 31) | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **Total Public Debt Stock** | **329,619.9** | **317,739.6** | **330,606.3** | **344,995.4** | **356,201.1** |
| Total Public External Debt | 251,182.2 | 236,046.2 | 240,034.6 | 256,181.8 | 275,649.5 |
| Total Public Domestic Debt | 78,437.7 | 81,693.3 | 90,571.6 | 88,813.6 | 80,551.6 |
| **In Percent of Total Public Debt** | | | | | |
| External | 76.2% | 74.3% | 72.6% | 74.3% | 77.4% |
| Domestic | 23.8% | 25.7% | 27.4% | 25.7% | 22.6% |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

**Figure 1: Total Public Debt Stock**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The share of external debt to total public debt increased from 74.3 percent at end-2017 to 77.4 percent at end-2018, while the share of domestic debt to total debt decreased from 25.7 percent to 22.6 percent of total debt over the same period. The decline in the domestic debt stock was due to a decrease in the issuances of domestic securities (Treasury Bills) and the repayment of the first National Insurance Scheme Debenture Certificate for about $244 million. The domestic debt market in Guyana is underdeveloped. However, there is an intention to develop the government securities market, given that this would be used as a benchmark in the local capital market development.

**Figure 2: Composition of Total Public Debt Stock 2017**

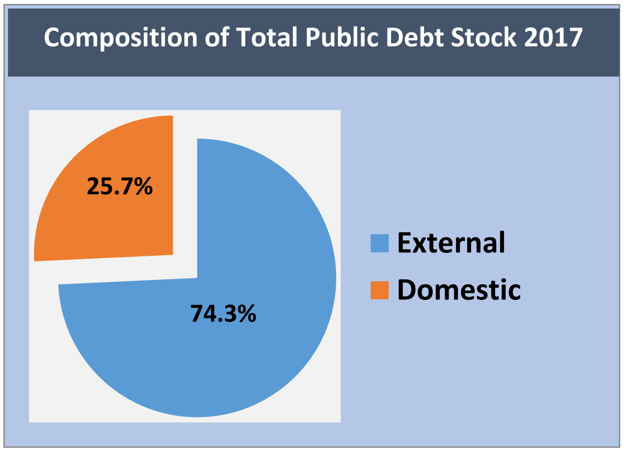
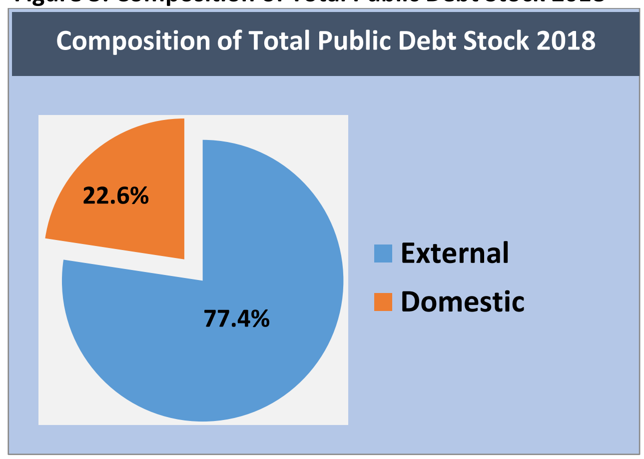



**Figure 3: Composition of Total Public Debt Stock 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## 3.1 Total Public Debt by Maturity Structure and by Currency Composition

The maturity and currency composition follow a similar trend as that of the public external and domestic debt composition. The short-term instruments on the public debt portfolio are all domestic T-Bills debt instruments. At the end-2018, these instruments, with a tenor of one year and less, account for about 20.2 percent of the total public debt portfolio.

With respect to the currency composition, the public debt portfolio is predominantly foreign currency denominated. At the end-2018, about 77.5 percent of the portfolio was denominated in foreign currency comprising largely of the US dollar. The Guyana dollar comprised 22.5 percent of the portfolio, for which the instruments are all government securities.

As would be discussed later in Chapter 9, the currency composition of Guyana's debt portfolio underscores potential vulnerabilities to solvency and liquidity risks. A depreciation in the Guyana dollar against foreign currencies, especially the US dollar, would increase debt service payments significantly, in Guyana dollar terms.

## 3.2 Debt Relief Initiatives

Over the last year, Guyana continued to proactively seek debt relief from its bilateral, non-Paris Club creditors, under the enhanced Heavily Indebted Poor Counties (enhanced HIPC) Initiative Framework, which was intended to guarantee equal burden-sharing amongst all creditors. This means that all bilateral creditors are to provide the same degree of debt reduction. Guyana is also guided by the Agreed Minutes of the Paris Club and, therefore, is obliged to seek comparable terms from its bilateral external creditors, including the non-Paris Club member countries: Argentina, Kuwait, Libya, Serbia and United Arab

Emirates. The Paris Club Agreed Minutes stipulate that any settlement with a Non-Paris Club creditor must be strictly comparable with the debt rescheduling terms offered by Guyana's Paris Club group of creditors. Until such a bilateral agreement is reached, it would be difficult to service debts to these creditors.

In June 2018, the Guyanese and Kuwaiti delegations met at the Ministry of Finance and Bank of Guyana to discuss and negotiate a settlement of Guyana's outstanding debt to the Kuwaiti Investment Authority (KIA), State of Kuwait. The issues addressed included the debt coverage, cut-off-date at which the debt consolidation may apply, the reconciliation and agreement of the debt numbers and the size of the debt relief. In September 2018, the Honourable Winston Jordan, Minister of Finance, and the Honourable David Patterson, Minister of Public Infrastructure, along with a technical team from the Ministry of Finance, paid a return visit to Kuwait. This visit served the dual purposes of marketing Guyana as an emerging investment hotspot, and to facilitate a formal request for Kuwait to write-off of all accrued interest on the outstanding debt.

After many discussions and several rounds of negotiations during the above-mentioned visits, an amicable settlement was reached. It was agreed that the debt, totalling US$77,592,840.90, would be settled through a combination of debt reduction, cash payment and a debt swap. The final proposed option provided a debt stock relief of 83.6 percent or US$64,860,594.20 in nominal terms.

It was expected that before the end of the first quarter of 2019, Guyana and Kuwait would sign off on a mutually beneficial bilateral debt settlement agreement. At end-2018, the bilateral debt settlement agreement was drafted and was in the progress of being reviewed.

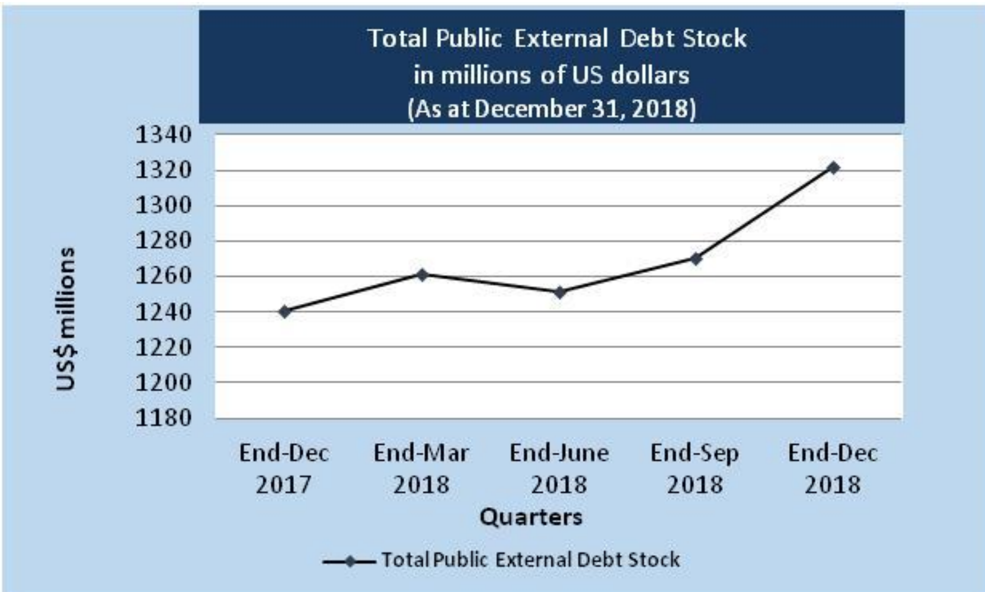
Apart from Kuwait, the Minister of Finance officially wrote to Serbia (through its state entity, Jugoimports-SDPR), Argentina, Libya and the United Arab Emirates (UAE) about the settlement of Guyana's debt. In proactively engaging these Non-Paris Club creditors, whose debts have been in arrears since the 1970s, the Minister of Finance proposed options that were in keeping with the Paris Club Agreed Minutes to which Guyana is a signatory.

During the year, these creditors have all responded to the Minister's proposals, indicating their willingness to negotiate. At the end of 2018, the Minister and his team were still in negotiations with these creditors, with a view to reaching a mutually beneficial debt settlement agreement.

## Chapter 4 – Public External Debt

Guyana's public external debt amounted to US$1,322.1 million at the end of 2018, a US$81.5 million or 6.6 percent increase from the US$1,240.6 million recorded at end-December 2017. This growth in the public external debt stock was attributable to increased disbursements especially from Guyana's major creditors–the Inter-American Development Bank (IDB) and the Export-Import Bank of China.

**Figure 4: Public External Debt Stock**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The total external public debt to GDP ratio decreased by 0.1 percentage point, from 34.3 percent at the end of 2017, to 34.2 percent at end- December 2018. Nominal GDP recorded at the end of 2018 increased by 6.7 percent compared to 2017, while public external debt increased at a slightly lower rate of 6.6 percent in 2018 relative to the preceding review period.

## 4.1 Creditor Category and Creditor

The external debt portfolio consists of official creditors and private creditors. The official creditor category is made up of multilateral and bilateral lenders while the private creditor category comprises commercial banks, suppliers' credit, other creditors, and debt obligations transferred to the public sector due to nationalisation.

**Table 3: Public External Debt Stock by Creditor Category and Creditor**

| Outstanding Public External Debt Stock by Creditor Category (As of December 31, 2018) In millions of US Dollars | |
|---|---|
| **Total Public External Debt Stock (1+2)** | **1,322.1** |
| | |
| **1. Official (1.1+1.2)** | **1,287.7** |
| **1.1 Multilateral** | 787.9 |
| CDB | 150.0 |
| IDA | 75.5 |
| CDF | 11.2 |
| IADB | 524.9 |
| IFAD | 8.8 |
| Other[1] | 17.6 |
| **1.2 Bilateral** | 499.8 |
| India | 15.6 |
| Venezuela | 114.7 |
| T&T | 4.3 |
| China | 212.9 |
| Other[2] | 152.3 |
| **2. Private** | **34.3** |
| Banking Sector | 18.2 |
| Suppliers Credit | 12.5 |
| Other[3] | 3.6 |

Notes:

1. Includes: OPEC Fund, EEC
2. Includes: USA, Italy, Argentina, Kuwait, Libya, UAE and Serbia
3. Includes: Bonds, Perpetual Railway Stock and Nationalisation

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

At the end of December 2018, though its share had declined, multilateral creditors remained the predominant creditor category, accounting for 59.6 percent of the external debt portfolio, compared to 62.4 percent in 2017. Additionally, bilateral and private lenders accounted for 37.8 percent and 2.6 percent of the public external debt portfolio, respectively. Overall, 2018 saw nominal increases in both the multilateral and bilateral public external debt stocks. However, external debt outstanding to private external creditors decreased slightly to US$34.3 million, from US$35.2 million in 2017.

### 4.1.1 External Debt by Major Creditor

**Figure 5: Creditor Composition of External Public Debt 2017**

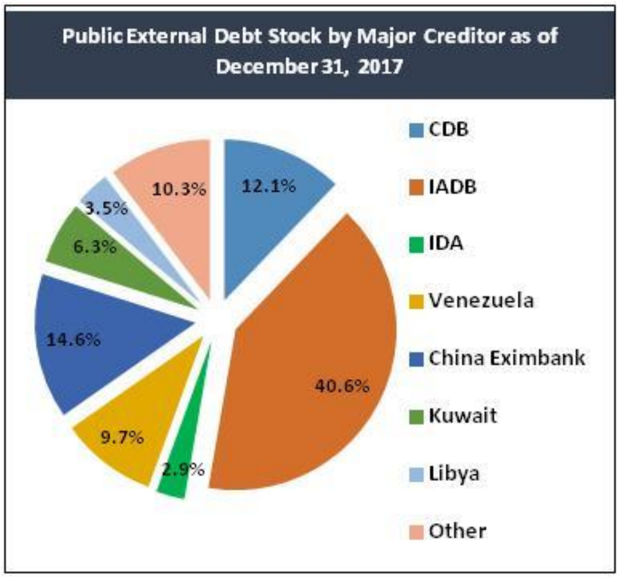
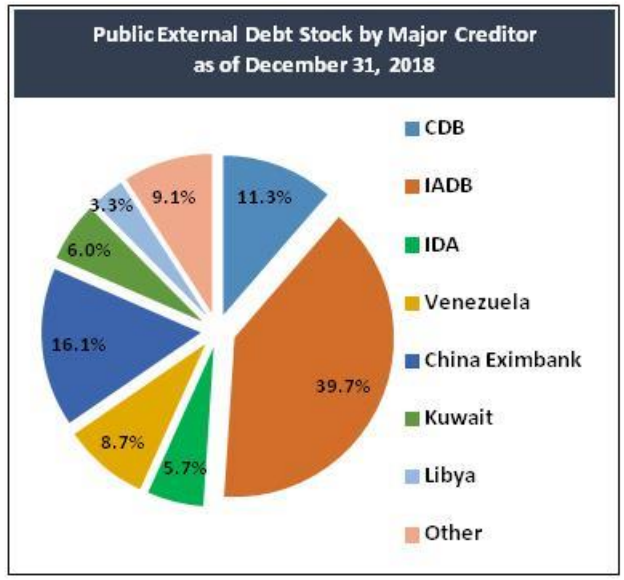



**Figure 6: Creditor Composition of External Public Debt 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

At end December 2018, Guyana's four (4) largest creditors remained the Inter-American Development Bank (IDB), the Export-Import Bank of China, the Caribbean Development Bank (CDB) and the Government of Venezuela, constituting an accumulated US$1,002.5 million or 75.8 percent of Guyana's public external debt stock. Of these creditors, the IDB continued to be the most dominant, with 39.7 percent of the debt stock being owed to this multilateral institution at the end of 2018. The Export-Import Bank of China accounted for 16.1 percent or US$212.9 million of the total public external debt stock. This creditor has maintained its position as Guyana's second largest external creditor since displacing the Caribbean Development Bank in 2017. The CDB accounted for 11.3 percent or US$150 million of the external debt portfolio, while the Government of Venezuela's total share of external public debt was 8.7 percent or US$114.7 million.

Kuwait and Libya, whose debts are in arrears, remained among Guyana's largest Non-Paris Club bilateral creditors and collectively accounted for 9.4 percent of the public external debt stock at the end of the review period. Guyana is currently engaging its Non-Paris Club Creditors in arrears, with the intention of obtaining debt relief. In that regard, a Debt Settlement Agreement with KIA is expected to be finalised in early 2019.

### 4.1.2 Other

In 2016, Guyana became the 57th member of the Islamic Development Bank (IsDB). This move saw the establishment of another avenue from which development financing may be accessed. Furthermore, the IsDB availed a resource envelope to Guyana of up to US$900 million, commencing from 2018 and concluding in 2022. These funds are intended for key development areas, including economic infrastructure, rural development, human development and trade and competitiveness.

In September 2018, prior to the visit to Kuwait, the Honourable Winston Jordan Minister of Finance, along with the Minister of Public Infrastructure, Hon. David Patterson and a technical team from the Ministry of Finance, visited the IsDB Headquarters in Jeddah, Saudi Arabia. The primary objectives of the visit were for the team to familiarise themselves with the operations of the IsDB, and to consolidate the nascent partnership with the Bank. During the visit, Minister Jordan also activated the resource envelope with the signing of a US$20 million Loan, to support the Guyana Power and Light's (GPL) Power Utility Upgrade Programme. However, no disbursements were made as at end-2018.

## 4.2 Borrower Category

**Table 4: Public External Debt Stock by Borrower Category in millions of US dollars**

| Total External Debt Stock by Borrower Category in millions of US dollars (As of December 31, 2018) | | |
|---|---|---|
| | **2017** | **2018** |
| Total Public External Debt Stock | **1,240.6** | **1,322.1** |
| Central Government | 1,224.6 | 1,306.1 |
| Central Bank | 16.01 | 15.98 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The categorisation of borrowers remained unchanged from the previous review period of 2017. Central Government remained the primary beneficiary of external financing, accounting for US$1,306.1 million or 98.8 percent of the total external debt stock at the end of 2018, a US$81.5 million increase from 2017's figure of US$1,224.6 million. On the other hand, Bank of Guyana's share of public external debt in 2018 amounted to US$15.9 million or 1.21 percent, a marginal decrease from 2017's figure of US$16 million.

## 4.3 Currency Composition

**Figure 7: Public External Debt Currency Composition 2017**

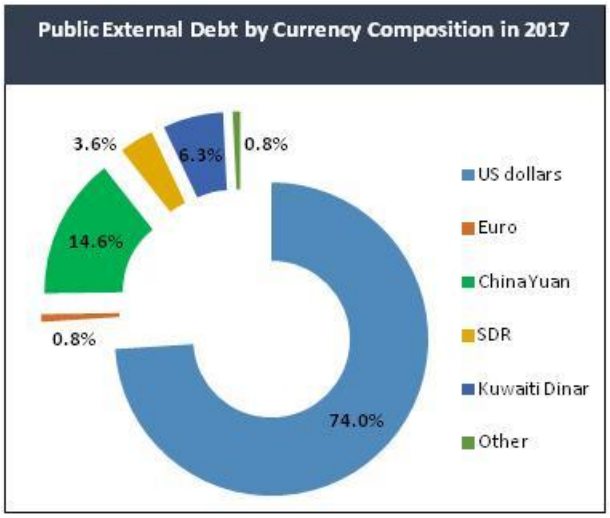
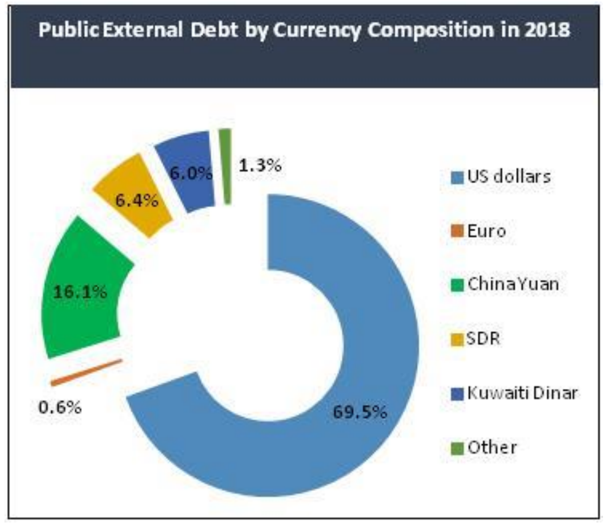



**Figure 8: Public External Debt Currency Composition 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

At the end of December 2018, external loans continued to be primarily denominated in US dollars. As a result, Guyana remains susceptible to volatility in the exchange rate between the Guyana and US dollars. External loans are also denominated in Euros, Chinese Renminbi Yuan, Special Drawing Rights and Kuwaiti Dinars. The remaining currencies are categorized as "Other" and represent about 1.3 percent of the total external portfolio.

At end-2018, loans denominated in US dollars amounted to 69.5 percent of the external debt stock, a noticeable decrease of 4.5 percentage points compared to the previous year. The Chinese Renminbi Yuan remained the second largest currency denomination for external loans. Its share of public external debt increased by 1.5 percentage points, from 14.6 percent in 2017 to 16.1 percent in 2018. The increase in the share of Chinese Renminbi Yuan was attributed to higher disbursements from China EximBank to finance the East Coast Demerara Road Improvement Project, Cheddi Jagan International Airport Expansion Project and the Guyana National Broadband Project.

The percentage share of SDR denominated public external outstanding debt increased by 2.8 percentage points, from 3.6 percent in 2017 to 6.4 percent in 2018.Similarly, the basket of currencies categorised as "Other" increased by 0.5 percentage point, or from 0.8 percent in 2017 to 1.3 percent in 2018.

## 4.4 Interest Rate Structure

**Table 5: Public External Debt Stock by Interest Rate Structure**

| Total Public External Debt Stock by Interest Rate Structure in millions of US dollars (As of December 31) | | |
|---|---|---|
| | **2017** | **2018** |
| **Total Public External Debt Stock** | **1,240.6** | **1,322.1** |
| Fixed Rate | 1,063.2 | 1,139.5 |
| Floating Rate | 177.4 | 182.5 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The interest rate structure of Guyana's total public external debt stock saw incremental changes during the review period of 2018. At end-December 2018, approximately 86 percent of the total public external debt stock was contracted on a fixed-rate basis, representing a marginal increase of 0.5 percentage point relative to the previous year. Accordingly, the share of variable interest rate debt declined from 14.3 percent in 2017 to 13.8 percent in 2018. This decrease was due to increased disbursements of fixed rate loans contracted from the China EximBank and the concessional parts of IDB blended loans.

## 4.5 Maturity Structure

The maturity structure of the public external debt portfolio at end-December 2018 indicates Government's continued commitment to contracting external financing on highly concessional terms. Loans that are concessional are substantially more generous than market loans. Concessionality is achieved either through interest rate below those available on the market or by long grace and repayment periods, or a combination of these.

**Table 6: Public External Debt Stock by Remaining Maturity**

| Total Public External Debt Stock by Remaining Maturity in millions of US dollars (As of December 31) | | | | | |
|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Public External Debt Stock** | **1,216.4** | **1,143.1** | **1,162.4** | **1,240.7** | **1,322.1** |
| Less than 1 year | 9.4 | 5.7 | 0.1 | 0.1 | 20.7 |
| Between 1 and 5 years | 35.0 | 25.8 | 19.3 | 21.4 | 18.5 |
| More than 5 years | 1,172.0 | 1,111.5 | 1,143.0 | 1,219.2 | 1,282.9 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

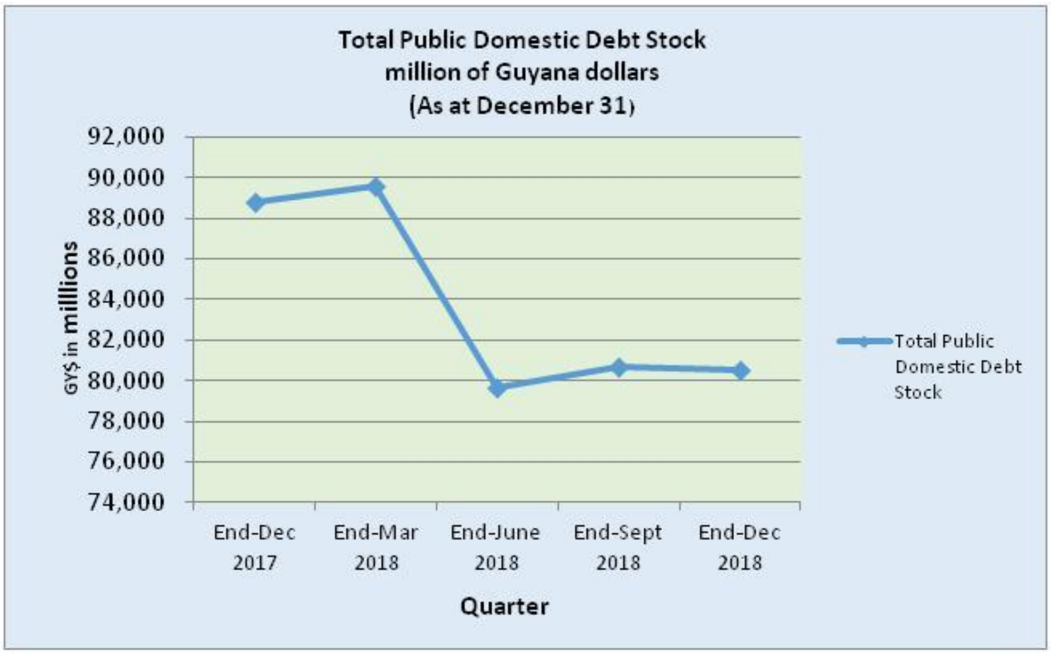
Public external debt with maturities less than 1 year increased by over US$ 20.6 million, from less than US$1 million in 2017 to US$ 20.7 million as at end-2018. The share of loans falling due in the 1 to 5 year category also increased by US$6.08 million, from US$12.4 million in 2017 to an estimated US$18.5 million in 2018. It should be noted that the increases in both categories are primarily due to several maturing loans from creditors such as International Development Association (IDA), IDB and Trinidad and Tobago.

Finally, loans with remaining maturity of more than 5 years accounted for the majority share of the public external debt portfolio. At end-2018, this category accounted for US$1,282.9 million of the external public debt stock, a 1.97 percent increase from 2017's figure of US$1,229.2 million. The lengthy maturity structure of the external public debt portfolio is attributable to Guyana’s strategy of contracting loans on highly concessional terms.

## Chapter 5 - Public Domestic Debt

As at end-December 2018, Guyana's public domestic debt stock stood at $80.6 billion. This represents a decrease of about 9.3 percent compared to $88.8 billion, at the end-December 2017. The decrease in the public domestic debt stock was mainly due to the lower issuance of T-Bills, causing the stock of T-Bills to decrease by 10 percent. Notably, the stock of 182-day T-Bills decreased by $5 billion or about 44 percent over the last year. The Government continues to repay the National Insurance Scheme (NIS) Debentures and the loan from the NIS for the CARICOM Building Project.

**Figure 9: Total Public Domestic Debt Stock 2017-2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

As seen in *Figure 9*above, total public domestic debt has declined between end-December 2017 and end-December 2018. Total public domestic debt reduced by an average of two percentage points in every quarter.

## 5.1 Domestic Debt by Instrument Category

**Table 7: Total Public Domestic Debt Stock by Instrument**

| Total Public Domestic Debt Stock by Instruments in millions of Guyana dollars (As of December 31) | | |
|---|---|---|
| | **2017** | **2018** |
| **Total Public Domestic Debt Stock** | **88,816.2** | **80,551.6** |
| **Domestic Securities** | **88,532.4** | **80,300.9** |
| Treasury Bills | 79,992.1 | 72,004.8 |
| 91-Day [1/] | 997.3 | 997.3 |
| 182-Day | 11,332.8 | 6,352.5 |
| 364-Day | 67,662.1 | 64,655.0 |
| Debentures | 8,536.9 | 8,292.7 |
| Republic Bank Debentures | 0.0 | 0.0 |
| Bank of Guyana Debentures [2/] | 3,898.5 | 3,898.5 |
| NIS Debenture (GOG/NIS No. 1/2016) [3/] | 4,638.3 | 4,394.2 |
| Bonds | 3.4 | 3.4 |
| Defence Bonds | 3.4 | 3.4 |
| **Domestic Loan** | **283.8** | **250.8** |
| National Insurance Scheme Loan | 283.8 | 250.8 |

Notes:

1/ Includes K-Series

2/ Excludes Bank of Guyana Non-Interest Bearing Debentures

3/ Payment to NIS to recover its investment in CLICO (Guyana) as per Debenture Agreement dated September 16, 2016.

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

As shown in *Table 7*, between end-December 2017 and end-December 2018, the stock of domestic securities decreased by about 9.3 percent, or from $88.5 billion to $80.3 billion. No new domestic loans were contracted in2018. The one existing domestic loan is repaid semi-annually, according to an amortisation schedule, and will mature in 2025. The balance on this loan has decreased by 12 percent, or from $283.8 million to $250.8 million.

The total outstanding stock of Treasury bills fell by 10 percent to $72 billion, mainly as a result of lower issuance of the 182-day and 364-day Treasury bills, during the review period. In contrast, the value of the outstanding 91-day bills remained unchanged.

**Figure 10: Public Domestic Debt by Instrument 2017**

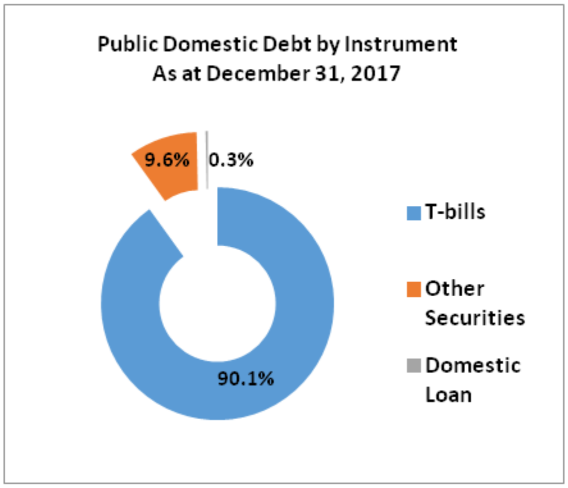
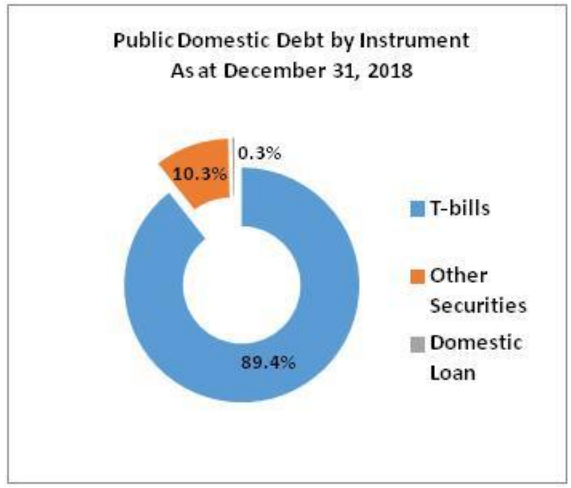



**Figure 11:Public Domestic Debt by Instrument 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Securities account for the greater share of the public domestic debt stock. At end-December 2018, domestic securities accounted for 99.7 percent of total public domestic debt, while the domestic loan accounted for the remaining 0.3 percent. This position was basically unchanged from that of 2017.

The securities in the domestic debt portfolio are primarily short-term instruments issued by the Bank of Guyana in the form of T-Bills. At end-December 2018, T-Bills accounted for 89.4 percent of total public domestic debt while the other securities and the domestic loan accounted for 10.6 percent. The share of T-Bills decreased by 7 basis points when compared to end-2017, while the share of other securities increased by 7 basis points.

## 5.2 Domestic Debt by Institutional Sector

**Table 8: Total Public Domestic Debt by Institutional Sector**

| Total Public Domestic Debt by Instiitutional Structure in millions of Guyana dollars (As of December 31) | | | | |
|---|---|---|---|---|
| | 2017 | 2017 Share | 2018 | 2018 Share |
| **Total Public Domestic Debt** | **88,816.18** | | **80,551.63** | |
| **Banking Sector** | **68,632.34** | **77.3%** | **62,355.84** | **77.4%** |
| Bank of Guyana | 4,895.8 | 5.5% | 4,895.84 | 6.1% |
| Commercial Banks | 63,736.50 | 71.8% | 57,460.00 | 71.3% |
| **Pension Fund [1/]** | **9,604.25** | **10.8%** | **7,769.96** | **9.6%** |
| **Other [2/]** | **10,579.59** | **11.9%** | **10,425.84** | **12.9%** |

1/ National Insurance Scheme only

2/ Public and Private Non-Bank Financial Institution

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

In the public domestic debt portfolio, the banking sector comprises the Central Bank and commercial banks, while the pension fund is currently made up of only the NIS. The "other category" comprises insurance companies, credit unions, public enterprises and private individuals. At end-2018, the banking sector continued to be the largest holder of public domestic debt, accounting for a 77.4 percent share. The remaining two institutional sectors - pension funds and the “other category” - accounted for 9.6 percent and 12.9 percent of total domestic public debt, respectively. From end-2017 to end-2018, the shares of the banking sector and the pension fund category as a percent of public domestic debt declined marginally, while the share of the "other category" increased marginally.

Most of the public domestic debt instruments are held by the banking sector, indicating a preference to hold liquid assets with risk-free returns on their balance sheets. Holding these liquid assets also aids in meeting the central bank reserve requirements. Given the underdeveloped domestic financial market, there is very little appetite from other institutional sectors, such as non-bank and non-financial corporations, to invest in Government securities.

Treasury Bills are a primary investment asset of commercial banks in Guyana. Given that the principal source of funding for commercial banks is short-term deposits (liabilities), T-Bills are preferred by commercial banks because they come closest to a risk-free investment, they are liquid in nature and, as assets, they most closely match the liabilities held on their balance sheets. Within the banking sector, commercial banks continued to retain the largest share of the outstanding stock of T-Bills with 79.8 percent, 12 basis points lower than one year earlier.

The Bank of Guyana held 6.1 percent of domestic debt instruments at end-2018. Its share-holding of domestic debt instruments marginally increased from end-2017 to end-2018, while in nominal value remains unchanged at $4.9billion. T-Bills and debentures are the two instruments held by the Bank. At end-2018, the Bank held about one percent of T-Bills and 47 percent of debentures. Over the review period, the total value of T-Bills held by the Bank remained at $997.3 million.

The only institution that is categorised under pension funds is the NIS. It is, therefore, the only holder of domestic securities in this institutional sector. The domestic debt instruments held by the NISare:1 domestic loan; 18 debenture certificates; and some T-Bills. At end-2018, the pension funds’ share of total public domestic debt was 9.6 percent, a marginal 1.2 percentage point decrease compared to end-2017.

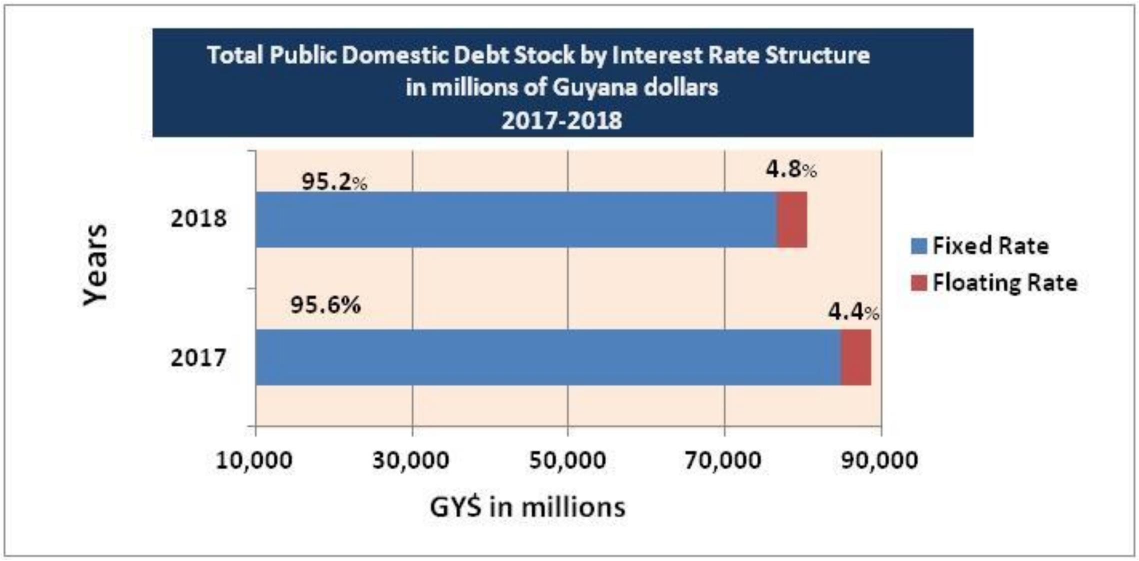
The "other sector", holds both T-Bills and Defense Bonds. At end-2018, the share of public domestic debt held by the "other sector" was 12.9 percent. From end-2017 to end-2018, the share of this sector increased marginally by about 1.5 percentage points. However, in nominal terms, the amount declined by about 1.5 percent or about $153.8 million.

At end-2018, Guyana Power and Light Inc (GPL) held $4 billion in T-Bills. This is the second consecutive year, after more than a decade, that a public enterprise is the holder of T-bills.

### 5.3 Domestic Debt by Interest Rate Structure

At end-2018, the share of public domestic debt with a fixed interest rate was 95.2 percent, while the share of floating interest rate debt was 4.8 percent. As shown in *Figure 12*, the share of fixed interest rate debt varied marginally over the two years.

**Figure 12: Total Public Domestic Debt Stock for 2017 and 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

T-Bills are not, by definition, fixed rate instruments. Instead, they are classified as zero-coupon instruments, since they do not carry a fixed coupon. However, the yield on T-Bills is the difference between the purchase price and the face value and is also the cost of issuing these bills. The yield on treasury bills is determined by a discount rate, which is fixed at the time of issuance. Therefore, for analytical purposes, T-Bills are classified as instruments with a fixed interest rate.

The continuous high share of fixed-rate debt in Guyana's domestic debt portfolio results in low susceptibility to interest rate fluctuations. Notwithstanding, domestic debt is still subject to roll-over risk because of the size of short-term debt. This means that interest rates for a large share of the domestic debt portfolio are reset when instruments mature and are rolled-over or replaced with new issues, which would be subject to new and possibly higher interest rates. The extent of this exposure is measured by the proportion of debt that is subject to interest rate re-fixing within a specified period. Guyana's domestic debt portfolio remains subject to high roll-over risk because of the short-duration (short maturity) of most of the domestic debt instruments. Since T-Bills are rolled over in 364 days or less, almost 90 percent of the domestic debt portfolio is subject to changes in domestic interest rates. Spikes in T-Bill rates would quickly have a large impact on total interest expenditures in the budget.

**Table 9: Treasury Bills Discount Rate 2017-2018**

| Treasury Bills Discount Rate 2017-2018 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2017 | | | | 2018 | | | |
| | Mar | Jun | Sept | Dec | Mar | Jun | Sept | Dec |
| 91-day | 1.54 | 1.54 | 1.54 | 1.54 | 1.54 | 1.54 | 1.54 | 1.54 |
| 182-day | 1.44 | 1.60 | 1.15 | 1.11 | 1.03 | 1.03 | 0.96 | 0.96 |
| 364-day | 1.60 | 1.38 | 1.23 | 1.20 | 1.07 | 0.99 | 1.14 | 1.23 |

*Source: Bank of Guyana*

Notably, throughout 2017 and 2018, the discount rates on Treasury bills have been well below 2 percent. As can be seen from *Table 9*, the discount rates on the 91-dayT-Bill remained unchanged throughout 2017 and 2018. Comparing December 2017 to December 2018, the discount rates on the 182-day T-Bills have declined marginally, by about 15 basis points. Meanwhile, the discount rate on 364-day T-Bills saw a marginal increase of 3 basis points.

The Bank of Guyana Debentures are the only public domestic debt instruments with a floating interest rate. These debentures are on-demand debt instruments and their interest rates are pegged to the 91-day T-Bill discount rate. This means that, with no fixed maturity date, interest costs are on-going until the debenture is called.

### 5.4 Domestic Debt by Maturity Structure

**Table 10: Maturity Structure of Total Public Domestic Debt Stock**

| Maturity Structure of Total Public Domestic Debt Stock in millions of Guyana dollars (As of December 31) | 2017 | 2018 |
|---|---|---|
| **Total Public Domestic Debt Stock** | **88,816.2** | **80,551.6** |
| | | |
| **Short Term** | **79,992.1** | **72,004.8** |
| Treasury Bills | 79,992.1 | 72,004.8 |
| 91-Day 1/ | 997.3 | 997.3 |
| 182-Day | 11,332.8 | 6,352.5 |
| 364-Day | 67,662.1 | 64,655.0 |
| | | |
| **Long Term** | **8,824.1** | **8,546.9** |
| Debentures 2/ | 8,536.9 | 8,292.7 |
| Bank of Guyana Debentures 2/ | 3,898.5 | 3,898.5 |
| NIS Debenture (GOG/NIS No. 1/2016) 3/ | 4,638.3 | 4,394.2 |
| Bonds | 3.4 | 3.4 |
| Defence Bonds | | |
| Domestic Loan | 283.8 | 250.8 |
| National Insurance Scheme Loan | | |

Notes:
1/ Includes K-Series
2/ Excludes Bank of Guyana Non-Interest Bearing Debentures
3/ Payment to NIS to recover its investment in CLICO (Guyana) as per Debenture

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Public domestic debt may be classified by three (3) types of maturities – short-term debt, which represents debt with a maturity of one year or less; medium-term debt with maturities greater than one year and up to five years; and long-term debt which represents maturities of over five years. Over the review period, no medium-term nor long-term domestic debt instruments were issued. As can be seen in *Table 10*, T-Bills accounted for 100 percent of short-term domestic debt, while long-term debt comprised a single domestic loan as well as debentures and bonds. The maturity structure of the domestic debt portfolio has remained the same over the last half a decade. Short-term debt has dominated the portfolio mainly as a result of the large share of T-Bills.

**Figure 13: Maturity Structure of Total Public Domestic Debt**

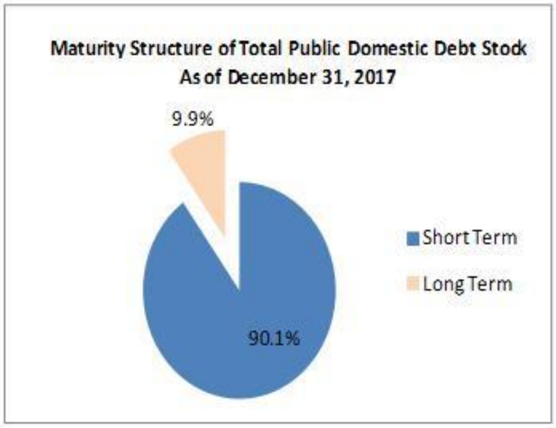
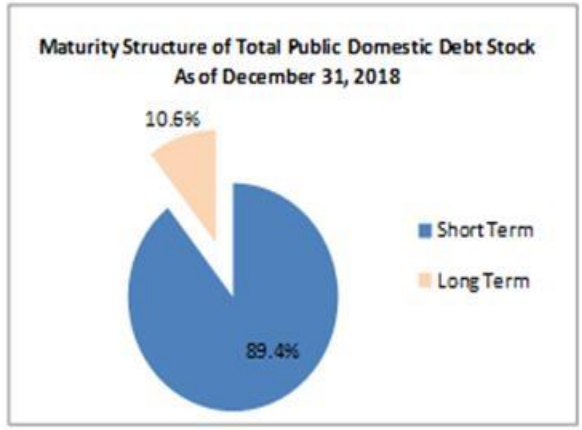


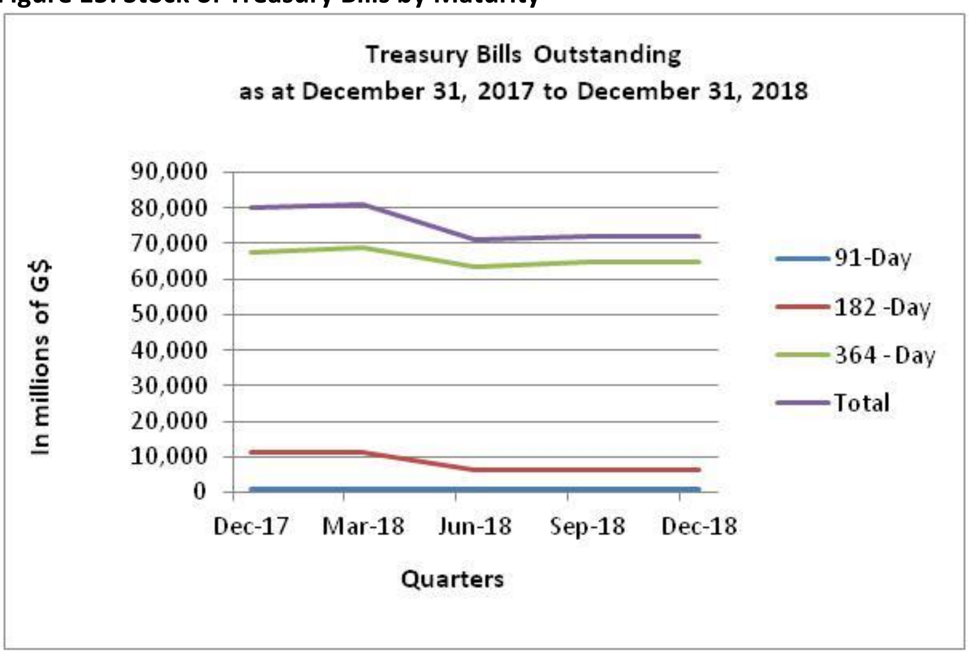

**Figure 14: Maturity Structure of Total Public Domestic Debt**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

At end-2018, short-term domestic debt accounted for89.4 percent of total public domestic debt. The share of short-term debt has remained relatively stable at around 92 percent over the past five years. In nominal terms, short-term debt has declined about 10 percent over the last year.

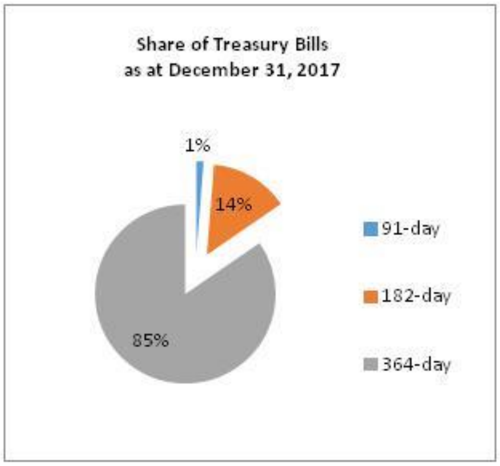
**Figure 15: Stock of Treasury Bills by Maturity**

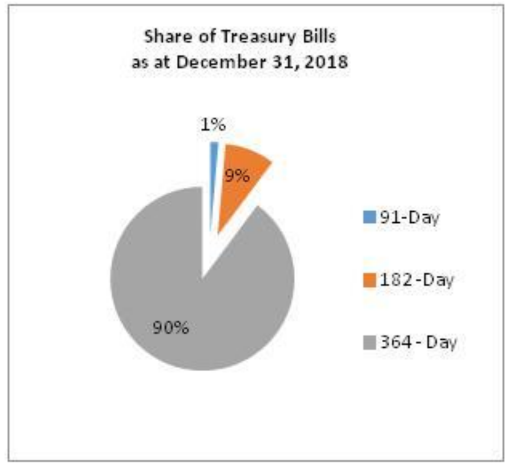



*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Over the review period, the 364-day T-Bill was the most issued bills. This tenor declined by about 4 percent. From end-December 2017 to end-June 2018, the outstanding bills on this tenor declined by about 6 percent or $4 billion, mainly as a result of matured monetary policy T-Bills that were not reissued. In July 2018, T-Bills increased by about 2 percent, or $1 billion, and remained unchanged for the rest of 2018.

**Figure 16: Maturity Structure of Treasury Bills2017** **Figure 17: Maturity Structure of Treasury Bills 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

In 2018, T-Bills were issued both for monetary and fiscal purposes; these bills were auctioned on various maturities (91-day, 182-day and 364-day) in the primary market.

T-Bills issued with a 364-day maturity remained the largest share of the suite of T-Bill instruments. As at end-2018, this tenor accounted for 90 percent of the stock of T-Bills and 80.5 percent of the total public domestic debt stock. The stock of 182-day T-Bills declined by 5 percentage points when compared the end-2017 position, while the share of the 364-day T-Bills increased by 5 percentage points. From 2017 to 2018, the stock of the 91-dayT-Bills remained unchanged.

The year 2018 was significant regarding 91-day T-Bills. There were no new bills issued, but the non-auctioned bills (K-series) held by the Bank of Guyana were rolled over. The share of this category of T-Bills declined to about 1 percent. From end-2017 to end-2018, the stock of 91-day T-Bill decreased by 83 percent. This sharp decline reflected a decreasing appetite to hold the 91-day T-Bills. It also signals commercial banks' preference for longer term T-Bills.

## 5.5 Purpose of Treasury Bills Issuance

During 2018, Treasury Bills were issued for both monetary and fiscal policy purposes. At end-2018, $49.2 billion or about 68.4 percent of the stock of T-Bills was issued for fiscal purposes. This is indicative of government's increased use of T-Bills to finance its operations.

**Table 11: Total Public Domestic Debt Stock by Instrument**

| Purpose of Treasury Bills Issuance ( in millions of Guyana dollar ) | | | |
|---|---|---|---|
| **Type of Treasury bills** | **Monetary Policy** | **Fiscal Policy** | **Total** |
| 91-day Treasury Bills | 997.3 | 0.0 | 997.3 |
| 182-day Treasury Bills | 0.0 | 6,352.5 | 6,352.5 |
| 364-day Treasury Bills | 21,760.0 | 42,895.0 | 64,655.0 |
| **Total** | **22,757.3** | **49,247.5** | **72,004.8** |

**Notes:**

* All of 91-day Treasury bills outstanding as at end December 31, 2018 represents the K-Series Treasury bills held by the Bank of Guyana

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

As can be seen from *Table 11*, 100 percent of the 182-day T-Bills and about 66 percent of 364-day T-Bills outstanding were issued for fiscal purposes. All the 91-day and about 34 percent of the 364-day T-Bills outstanding were issued to meet the Bank of Guyana's monetary policy objectives.

## Chapter 6 – Total Public Debt Service

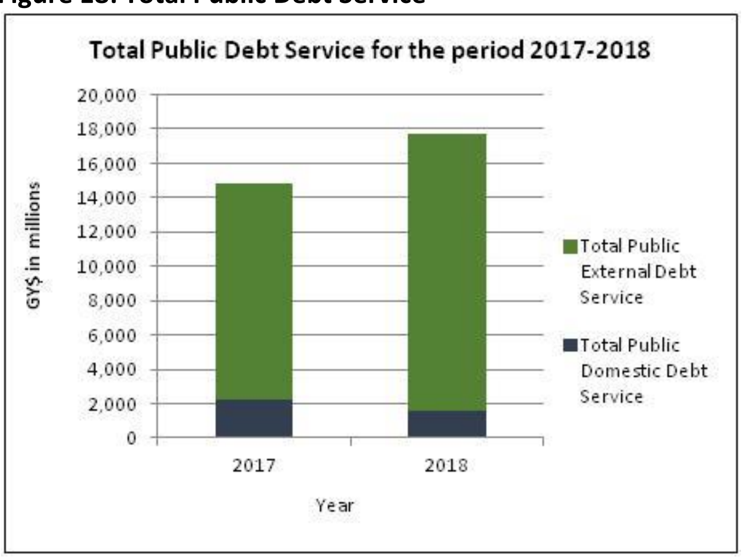
**Table 12: Total Public Debt Service**

| Total Public Debt Service during the period 2014-2018 in millions of Guyana dollars | | | | | |
|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| **Total Public Debt Service** | **36,100.5** | **22,149.0** | **13,019.6** | **14,828.3** | **17,732.3** |
| **Total Public Domestic Debt Service** | **1,580.4** | **1,751.9** | **1,920.3** | **2,249.9** | **1,612.5** |
| Principal | 35.5 | 35.5 | 35.5 | 279.6 | 279.9 |
| Interest | 1,544.9 | 1,716.5 | 1,884.8 | 1,970.3 | 1,332.6 |
| **Total Public External Debt Service** | **34,520.1** | **20,397.1** | **11,099.3** | **12,578.4** | **16,119.7** |
| Principal | 31,299.9 | 16,875.5 | 7,453.9 | 8,377.2 | 11,556.2 |
| Interest | 3,220.2 | 3,521.5 | 3,645.4 | 4,201.2 | 4,563.5 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Total public debt service amounted to $17.7 billion in 2018, an increase of 19.6 percent from $14.8 billion in 2017. This increase was mainly driven by the external side, given that domestic debt service payments contracted over the year. The rise in debt service was mainly attributable to increased payments to Venezuela under the Petrocaribe arrangement, commencement of principal repayments for several loans, and higher disbursements by major creditors.

**Figure 18: Total Public Debt Service**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## 6.1 Public External Debt Service

**Table 13: Total Public External Debt Service by Borrower Category**

| Total Public External Debt Service by Borrower Category in millions of Guyana dollars | | | | | |
|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Public External Debt Service** | **34,520.1** | **20,397.1** | **11,099.3** | **12,578.4** | **16,119.7** |
| **Principal** | **31,299.9** | **16,875.5** | **7,453.9** | **8,377.2** | **11,556.2** |
| Central Government | 28,965.2 | 15,003.4 | 6,652.1 | 8,377.2 | 11,556.2 |
| Bank of Guyana | 2,317.8 | 1,872.2 | 801.7 | 0.0 | 0.0 |
| Parastatals | 16.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Interest** | **3,220.2** | **3,521.5** | **3,645.4** | **4,201.2** | **4,563.5** |
| Central Government | 3,194.2 | 3,508.8 | 3,630.3 | 4,201.2 | 4,563.5 |
| Bank of Guyana | 24.6 | 12.8 | 15.1 | 0.0 | 0.0 |
| Parastatals | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 |

Notes:

1. Excludes payments made from Loan Resources
2. Includes payments to Guyana Perpetual Stock

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Total external debt service increased by 28.2 percent, from $12,578.4 million to $16,119.7 million, over the review period. Higher external debt service in 2018, when compared to 2017, was fuelled by several factors. First, debt service payments due for the period September to December 2017, were remitted until 2018, as a result of the United States sanctions on transferring monies to Venezuela. Second, the Promissory Notes for fuel shipments lifted in 2015 became due and payable in 2018. The other factors relate to the commencement of principal repayments for several loans and higher disbursements in 2018, compared to 2017, from IDB, CDB and China EximBank.

**Figure 19: Public External Debt Service 2017**

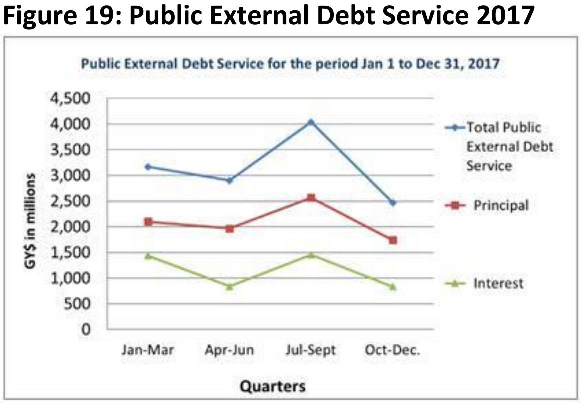
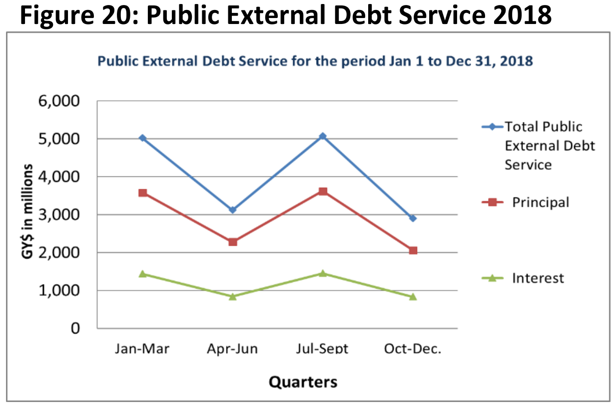



**Figure 20: Public External Debt Service 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Like 2017, external debt service payments remained the highest in the first and third quarters, as a result of payments to large creditors such as China EximBank, IDB and CDB during these periods. Notably, however, external debt service payments increased by 58.7 percent in quarter 1, 2018 compared to the same period in 2017. This is mainly attributable to the commencement of principal repayments for several loans to two (2) of Guyana's major creditors, IDB and China EximBank. Interest payments increased by 35.1 percent and 14.3 percent in quarters 1 and 4, respectively, compared to 2017, owing to higher disbursements. Nevertheless, interest payments remained stable over the year.

**Table 14: Total Public External Debt Service by Creditor Category**

| External Debt Service Payments by Creditor Category (in millions of Guyana dollars) | | |
|---|---|---|
| | **2017** | **2018** |
| **Total External Debt Service** | **12,578.4** | **16,119.7** |
| **Multilateral Creditors** | **7,180.3** | **8,191.4** |
| Principal Repayments | 4,443.7 | 5,159.8 |
| Interest Payments | 2,736.7 | 3,031.6 |
| **Bilateral Creditors** | **5,023.1** | **7,546.3** |
| Principal Repayments | 3,933.6 | 6,245.1 |
| Interest Payments | 1,089.5 | 1,301.1 |
| **Private Creditors** | **375.0** | **382.1** |
| Principal Repayments | 0.0 | 151.3 |
| Interest Payments | 375.0 | 230.8 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The external debt service payments to the multilateral creditors totalled $8.2billion, representing 50.8 percent of the total debt service payments. Bilateral creditors were paid $7.5 billion or 46.8 percent of the total debt service payments. The private creditors accounted for 2.3 percent or $0.4billion in total debt service payments.

## 6.2 Public Domestic Debt Service

**Table 15: Total Public Domestic Debt Service**

| Total Public Domestic Debt Service in millions of Guyana dollars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **Total Public Domestic Debt Service** | **1,566.7** | **1,751.9** | **1,920.3** | **2,249.9** | **1,612.5** |
| **Principal** | **35.5** | **35.5** | **35.5** | **279.6** | **279.9** |
| Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| K-Series | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| National Insurance Scheme | 35.5 | 35.5 | 35.5 | 35.5 | 35.8 |
| Debentures 1/ | 0.0 | 0.0 | 0.0 | 244.1 | 244.1 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Interest** | **1,531.3** | **1,716.5** | **1,884.8** | **1,970.3** | **1,332.6** |
| Treasury Bills | 1,452.2 | 1,612.1 | 1,776.1 | 1,699.3 | 1,067.9 |
| K-Series | 1.5 | 17.7 | 18.8 | 15.6 | 15.3 |
| Debentures 1/ | 60.9 | 71.4 | 72.6 | 134.0 | 129.7 |
| National Insurance Scheme Loan | 16.7 | 15.3 | 17.3 | 15.5 | 13.9 |
| Other 2/ | 0.0 | 0.0 | 0.0 | 105.9 | 105.9 |

Notes:

1. Excludes non-interest bearing debentures

2. Includes Unpaid Interest on Treasury Bills to BOG

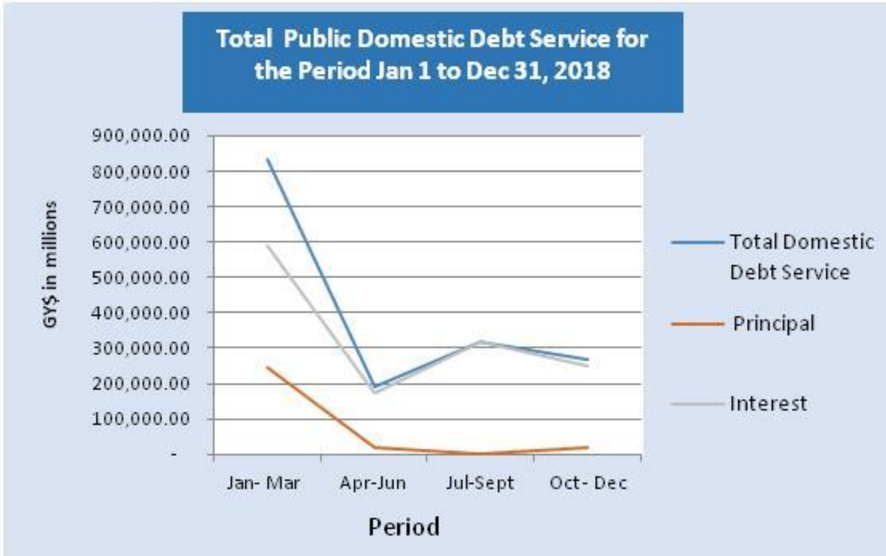
*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Public domestic debt service payments contracted in 2018, after increasing steadily over the previous 3 years. In 2018, domestic debt service payments decreased by 28.3 percent to $1.6 billion, from $2.2 billion in 2017. This decline was attributable to a 32.4 percent, or $631.4 million contraction, in total interest payments.

Interest payments on T-Bills declined by 34 percent to $1,189.0 million, mainly due to a 35.8 percent or $541 million reduction in interest charges on the 364-day bills. The lower interest charges for 2018 resulted from an average decline of 78 basis points in the yield for 364-day bills.

Similarly, interest charges for 182-day bills and 91-day bills fell by 33.6 percent or $50 million and 72.6 percent or $40 million, respectively, during the review period. The former was on account of a reduction in the average yield of 42 basis points coupled with lower redemption, while the latter was due to non-issuance of the 91-day bill in 2018. Interest cost for debentures and the CARICOM loan fell by 3.1 percent and 10.6 percent respectively, in 2018.

**Figure 21: Public Domestic Debt Service for 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

In 2018, interest payments on domestic debt were highest in the first quarter. During this period, payments were made on all T-Bills, Bank of Guyana Debentures and NIS Debentures. Meanwhile, interest payments were the lowest during the second quarter of the year.

Principal repayments remained the smallest contributor to domestic debt service. The first quarter saw a spike in principal repayment, resulting from the redemption of the second NIS Debenture Certificate. Principal repayments for the remaining quarters were relatively stable, given that the remaining principal repayments were only made to the NIS Loan for the CARICOM Building Project, semi-annually - in the second and fourth quarters of each year.

# Chapter 7 - Contingent Liabilities and Government Lending

## 7.1 Publicly Guaranteed Debt

During 2018, the Government issued 1 guarantee for a bond not exceeding $30 billion to the National Industrial and Commercial Investment Limited (NICIL). The issuance of this bond signalled Guyana's entry into the capital market arena. The bond arrangement was exclusively undertaken by Republic Bank Limited (Trinidad and Tobago) through its Investment Banking Division. There were two (2) tranches of funds raised in 2018 for a total amount of $17.6 billion. These funds are intended to be used for GUYSUCO's capital expenditures and general operations. The residual tranche of $12.4 billion would be issued as is needed by NICIL.

This government guaranteed bond has been issued with a maturity of5 years at a rate of return of 4.75 percent per annum. Republic Bank Limited (Trinidad and Tobago) was able to successfully tap into the local investor market to raise mutually beneficial financing for the Guyana Government.

The bond transaction was consummated entirely using Guyanese companies and legal counsel; Hand in Hand Trust Corporation acting as Trustee, Guyana Americas Merchant Bank Inc. (GAMBI) as paying agent, the Attorney General representing the Government of Guyana, the Ministry of Finance through its Debt Management Division, NICIL and Republic Bank Limited (Trinidad and Tobago) represented by London House Chambers.

It was the expectation that the remaining amount of $12.4 billion would be raised through a combination of local and regional investors, including those in Trinidad and Tobago and Jamaica.

**Table 16: Publicly Guaranteed Debt**

| **Government Guarantee as at December 31, 2018 (in billions of Guyana dollars)** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Institution | Purpose | Instrument Type | Agreement Date | Maturity Date | Interest Rate | Guaranteed Amount | Current Liability |
| National Industrial and Commercial Investments Limited (NICIL) | The net proceeds from the issuance of the Bonds shall be applied exclusively by the NICIL towards financing of the Guyana Sugar Corporation's long-term project and capital expenditure | Fixed Rate Bonds | May24, 2018 | May 24, 2023 | *4.75% per annum* | **30.0** | **17.6** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## 7.2 Legal Development for the Issuance of Government Guarantee

Prior to 2013, the Guarantee of Loans (Public Corporations and Companies) Act, Chapter 77:01 Sections 3 (1), 2(2) and 4 (1) specified that the aggregate amount of the liability of the Government in respect of guarantees given shall not exceed the sum of $1 billion. In 2013, it became necessary to amend this aggregate limit to $50 billion, to allow the Government to guarantee the payment obligations of the Guyana Power and Light (GPL) Inc. under the Amaila Falls Hydropower Project. On August 7, 2013, by Resolution No. 56 Parliament increased the guarantee limit to $50 billion and included a rider clause with respect to the Amalia Falls Hydropower Project only. This rider clause created a problem, since it meant, effectively, that Government guarantees for other developmental projects could not exceed the sum of $1 billion.

In 2018, it became necessary to rectify this problem, considering Government's impending guarantee of a $30 billion syndicated bond for NICIL. On May 12, 2018, under Section (4) of the Guarantee of Loans (Public Corporations and Companies) Act, Chapter 77:01 Parliament passed another motion to have the Limit of the Guarantee remain at $50 billion, but with the inclusion of the wording "other developmental projects to be determined" by Government in addition to the Amalia Falls Hydro Project.

## 7.3 Government Lending

The Government lends to State-Owned Enterprises (SOEs) and private entities by way of on-lending loans and loans given directly from the Treasury. At end-2018, GUYSUCO, GPL, GNPL and Ogle Airport Limited owed the Government a total of US$293.3 million or about $61.6 billion.

### 7.3.1 On-lent Loans to State-Owned Enterprises

**Table 17: Summary of On-lending Loan Agreements to State Owned Enterprises (SOEs)**

Summary of On-lending Loan Agreement to State Owned Enterprises
in millions of US dollars
As of December 31, 2018

| Year Contracted | Source of Financing | Purpose | Loan Amount | Disbursed Amt + Cap Interest | Repaid Amt | Total Amt Outstanding |
|---|---|---|---|---|---|---|
| **Guyana Sugar Corporation Inc.** | | | | | | |
| 2003 | CDB | Drainage and Irrigation | 5.1 | 4.8 | 0.8 | 4.0 |
| 2004 | CDB | Skeldon Sugar Modernisation Project | 28.2 | 25.5 | 0.0 | 25.5 |
| 2004 | World Bank and GoG Reserves | Skeldon Sugar Modernisation Project | 56.0 | 67.6 | 0.0 | 67.6 |
| 2005 | China Exim Bank | Skeldon Sugar Modernisation Project | 40.6 | 41.6 | 0.0 | 41.6 |
| **Sub-Total** | | | **130.0** | **139.4** | **0.8** | **138.6** |
| **Guyana Power and Light Inc.** | | | | | | |
| 2007 | PetroCaribe Fund | Infrastructure Development Project | 3.8 | 4.0 | 0.3 | 3.7 |
| 2008 | PetroCaribe Fund | Ten Megawatts of (10MW) of Interim Power Supply | 31.4 | 32.4 | 0.0 | 32.4 |
| 2010 | China Exim Bank | Infrastructure Development Project | 39.6 | 41.1 | 7.3 | 33.9 |
| 2011 | PetroCaribe Fund | Power Plant Turnkey Contract from Wartsila | 18.9 | 20.0 | 0.0 | 20.0 |
| 2012 | PetroCaribe Fund | Power Plant Turnkey Contract from Wartsila | 26.0 | 27.4 | 0.0 | 27.4 |
| 2013 | PetroCaribe Fund | Finance GPL's capital budget for fiscal year 2013 | 23.1 | 24.5 | 0.0 | 24.5 |
| 2014 | PetroCaribe Fund | Finance GPL's capital budget for fiscal year 2014 | 12.1 | 12.8 | 0.0 | 12.8 |
| **Sub-Total** | | | **154.8** | **162.3** | **7.6** | **154.7** |
| **Grand Total** | | | | | **8.4** | **293.3** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The two beneficiaries of on-lent loans were the Guyana Power and Light Incorporated (GPL) and the Guyana Sugar Corporation Incorporated (GUYSUCO). At end-2018, the Government had on-lent some US$284.8 million to these two entities. Of that amount, 54 percent was on-lent to the GPL. There are eleven (11) on-lending loan agreements, seven (7) of which are between the Government and the GPL and four (4) between the Government and the GUYSUCO.

On-lending is a means by which the Government can support strategically important projects that aid national development. When Government enters into an on-lending arrangement the primary loan proceeds are earmarked to fund capital expenditures for the State-Owned Enterprises (SOEs).

An on-lending arrangement is an arrangement whereby the Government obtains a loan, usually concessional financing from an international financial institution such as the World Bank or the Caribbean Development Bank, and then passes on the loan principal to another entity, usually a State-Owned Enterprise (SOE), known as the beneficiary. The loan between Government and the international financial institution is often referred to as a primary loan and the on-lent loan between Government and the beneficiary is called the subsidiary loan.

At end-2018, GPL and GUYSUCO had repaid 5 per cent and 1 percent of their debts, respectively, to the Government. GUYSUCO has, over the years, been billed for the debt service payments falling due, but has not made payments to the Government since 2010. On the other hand, GPL has been making payments on one (1) of the on-lending loans, that is, the China EXIM Bank loan for the GPL Infrastructure Development Project.

### 7.3.2 Loan to a Private Entity - Ogle Airport Incorporated

**Table 18: Summary of Loan to the Ogle Airport Incorporated**

| Summary of Loan to the Ogle Airport Incorporated<br>in millions of Guyana dollars<br>As of December 31, 2018 | | | | | |
|---|---|---|---|---|---|
| **Ogle Airport Incorporated** | | | | | |
| **Year Contracted** | **Source of Financing** | **Purpose** | **Loan Amount** | **Repaid Amount** | **Total Amount Outstanding** |
| 2013 | European Development Fund, Caribbean Integration Support Programme | Phase Two of the Ogle Airport Runway Extension and Equipment Project | **402.3** | **69.2** | **333.0** |
| **Total** | | | **402.3** | **69.2** | **333.0** |
| ***US dollar equivalent*** | | | ***1.9*** | ***0.3*** | ***1.6*** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The Government of Guyana and the Ogle Airport Incorporated (OAI) entered into an agreement on September 9, 2013, for an amount of $402,250,870.00 for the purpose of completing Phase Two of the Ogle Airport Runway Extension and Equipment Project. This loan is interest free and repayable in thirteen (13) annual instalments, commencing on May 15, 2016 and ending on May 15, 2028. This was a complementary agreement to an earlier one between the Government of Guyana and the Ogle Airport Inc. dated February 17, 2009 for the abovementioned project. In the earlier agreement, known as the 'Principal Agreement', both parties agreed *inter alia* to treat the sum of one million five hundred thousand Euros (€1,500,000) as the loan amount, which was funded under the European Development Fund, Caribbean Integration Support Programme. The sum of $402,250,870 as stated in agreement dated September 9, 2013 was agreed by the parties to be the equivalent.

Notably, OAI defaulted on the payment of $30,942,374.62, due in May 2017, and requested an adjustment to the repayment schedule. The adjustment granted by Government required OAI to make a "good faith" payment of $5 million, with the remaining unpaid sum of $25,942,347.62 rescheduled and spread over eleven (11) equal annual instalments, beginning from May 15, 2018 and ending May 15, 2028. To date, OAI has made all subsequent payments on schedule.

### 7.3.3 Lending from the Treasury

**Table 19: Summary of Loan to the Guyana National Printers Limited**

| Summary of Loan to the Guyana National Printers Limited.<br>in millions of Guyana dollars<br>As of December 31, 2017 | | | | | |
|---|---|---|---|---|---|
| **Guyana National Printers Limited** | | | | | |
| **Year Contracted** | **Source of Financing** | **Purpose** | **Loan Amount** | **Repaid Amount** | **Total Amount Outstanding** |
| 2017 | Government of the Cooperative Republic of Guyana | Funding for machinery and rehabilitation of Guyana Printers Limited | 100.0 | 0.0 | 100.0 |
| **Total** | | | **100.0** | **0.0** | **100.0** |
| ***US dollar equivalent*** | | | ***0.48*** | ***0.00*** | ***0.48*** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

No new loans were given directly by the Government for 2018. In 2017, there was one (1) loan given directly by the Government for which funds originated from the Treasury. This loan was given to the Guyana National Printers Limited (GNPL) for an amount of $100 million or about US$0.48 million. The purpose of this loan was to finance the purchase of machinery and rehabilitation of the GNPL building.

The first principal repayment on this loan for$10 million was scheduled to be made in July 2018. However, GNPL was unable to meet this debt service obligation. In December 2018, GNPL was provided with a billing statement for January 2019, which takes into consideration all overdue payments for 2018. It is expected that GNPL would fulfil its outstanding debt obligations in 2019.

### 7.3.4 Government Transfers to State-Owned Enterprises

As at end-December 2018, ten (10) State-Owned Enterprises (SOEs) were in operation. Of these, six (6) registered financial deficits in 2017, while seven (7) registered deficits in 2018. The aggregate deficit for these Corporations in 2018 was $17.3 billion, representing a 34 percent increase from the 2017 deficit of almost $13 billion. The total deficit accumulated in 2018 was primarily attributable to the $8.3 billion and $7.5 billion deficits registered by GPL and GUYSUCO, respectively. Collectively, these two public enterprises accounted for 91 percent of the overall deficit in 2018. In addition, the GNPL registered a 2018 deficit of $1.6 billion.

The adverse performance of SOEs may have significant budgetary implications, since the accumulation of deficits by these entities often necessitates sizeable government transfers to keep them afloat. Notably, GUYSUCO has been a major beneficiary of government transfers in the recent past, since this entity regularly records financial deficits. From 2014 to 2018, $48.7 billion was transferred by government to buttress GUYSUCO's operations.

Such transfers exert significant demands on government revenues, contributing to larger budget deficits which would, in turn, increase financing needs. In addition, if SOEs undertake poor investments this may give rise to implicit contingent liabilities. Should these investments fail, it is likely that the government would have to cover resulting losses. A clear example of this is NIS losses incurred from investment in the now defunct CLICO, which had to be borne by government to the tune of more than $5 billion.

Currently, the debt coverage captures explicit contingent liabilities (also known as government guarantees). The $30 billion bond issued by NICIL for the benefit of GUYSUCO represents a prime example of an explicit contingent liability to the government. If NICIL is unable to meet bond repayments when they become due, government would be legally obliged to cover the debt obligation.

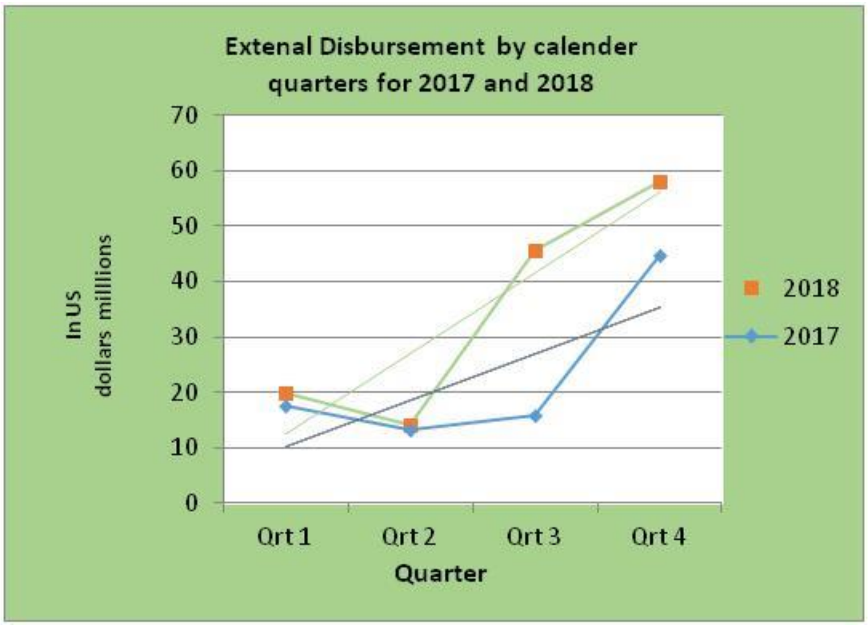
Notwithstanding, there is room for improvement on the coverage of implicit contingent liability.

## Chapter 8 – Disbursements and Net Transfers

### 8.1 Disbursements

Total disbursements for 2018 amounted to US$137.6 million, a 51 percent increase from the 2017 figure of US$91.4 million. Disbursements over the first half of 2018 were 10 percent higher than disbursements for the corresponding period in 2017. However, disbursements in the second half of 2018 were 71 percent higher than disbursement for the same period in 2017. The upsurge in disbursements for the second half of 2018 was mainly due to improved project execution and implementation, as well as the contracting of new loans.

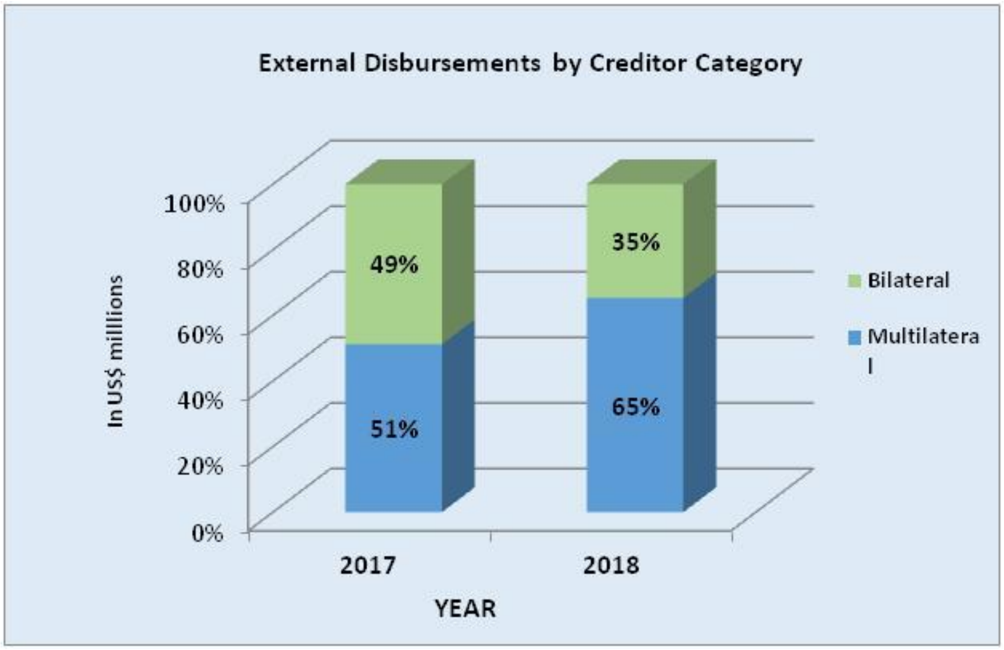
**Figure 22: External Disbursements by Calendar Quarters for 2017 and 2018**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Specifically, the rise in disbursements over the second half of 2018 was mainly attributable to increased disbursements from the China EximBank, under the Cheddi Jagan International Airport Extension Project, the East Coast Demerara Road Improvement Project, and the National Broadband Project. Additionally, a US$34.9 million Policy-Based loan from IDA was fully disbursed in the second half of 2018. Substantial disbursements were also made under several IDB loans, such as the Power Utility Upgrade Programme, the Citizen Security Programme and the Energy Matrix and Energy Security in Guyana Programme.

**Figure 23: External Disbursement by Creditor Category**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

The share of disbursements attributable to multilateral creditors grew by 14.2 percentage points, from 51.2 percent in 2017 to 65.4 percent in 2018. Consequently, disbursements from bilateral creditors accounted for 34.6 percent of aggregate disbursements in 2018, representing a 14.2 percentage point decline from 2017. The increased share of multilateral creditors in total disbursements for 2018 reflects the faster pace of disbursements from this creditor category. Additionally, more new loans were contracted from multilateral creditors than from bilateral creditors, in 2018.

**Table 20: Actual Disbursements by Creditors**

| Actual Disbursements by Creditors for 2017 and 2018 | | | |
|---|---|---|---|
| **CREDITORS** | **2017** | **2018** | **% Change** |
| **Grand Total** | **91.4** | **137.6** | **51%** |
| **Multilateral** | **46.8** | **90.0** | **92%** |
| IDA | 8.4 | 42.7 | 410% |
| IADB | 25.1 | 36.1 | 44% |
| IFAD | N/A | 0.8 | N/A |
| CDB | 11.0 | 6.7 | -39% |
| CDF | 2.3 | 3.6 | 57% |
| **Bilateral** | **44.6** | **47.7** | **7%** |
| China Eximbank | 44.6 | 46.9 | 5% |
| India Eximbank | N/A | 0.7 | 0.0% |

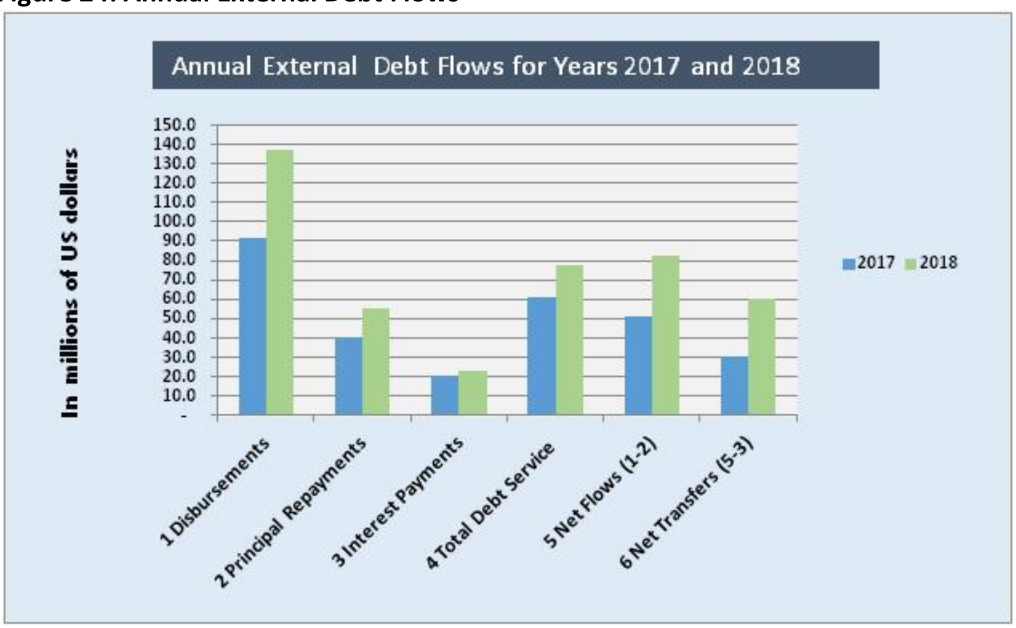
*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

As is illustrated in *Table 20*, multilateral disbursements grew by about 92 percent in 2018, more than 13 times the growth rate of disbursements from bilateral creditors. The World Bank's International Development Association (IDA) accounted for the largest share of multilateral disbursements for 2018, at 47.4 percent. The IDB was the second largest contributor to multilateral disbursements in 2018, at 40.2 percent. China EximBank was responsible for the lion's share of bilateral disbursements for 2018, at 98.5 percent, while the remaining 1.5 percent was attributable to the India EximBank.

In 2018, disbursements from IDA grew the fastest of all creditors at a rapid 410 percent. This was mainly attributable to a one-shot disbursement of US$34.9 million under the IDA Policy-Based Loan. Disbursements from the CARICOM Development Fund (CDF) grew the second fastest, at 57 percent. Notably, disbursements from the Caribbean Development Bank (CDB) contracted by 39 percent, from US$11 million in 2017 to US$ 6.7 million in 2018.This substantial decrease was due to the completion of the Fourth Road Project - West Coast Demerara Road Improvement and lower disbursement on other CDB-financed projects.

## 8.2 External Debt Flows

**Figure 24: Annual External Debt Flows**

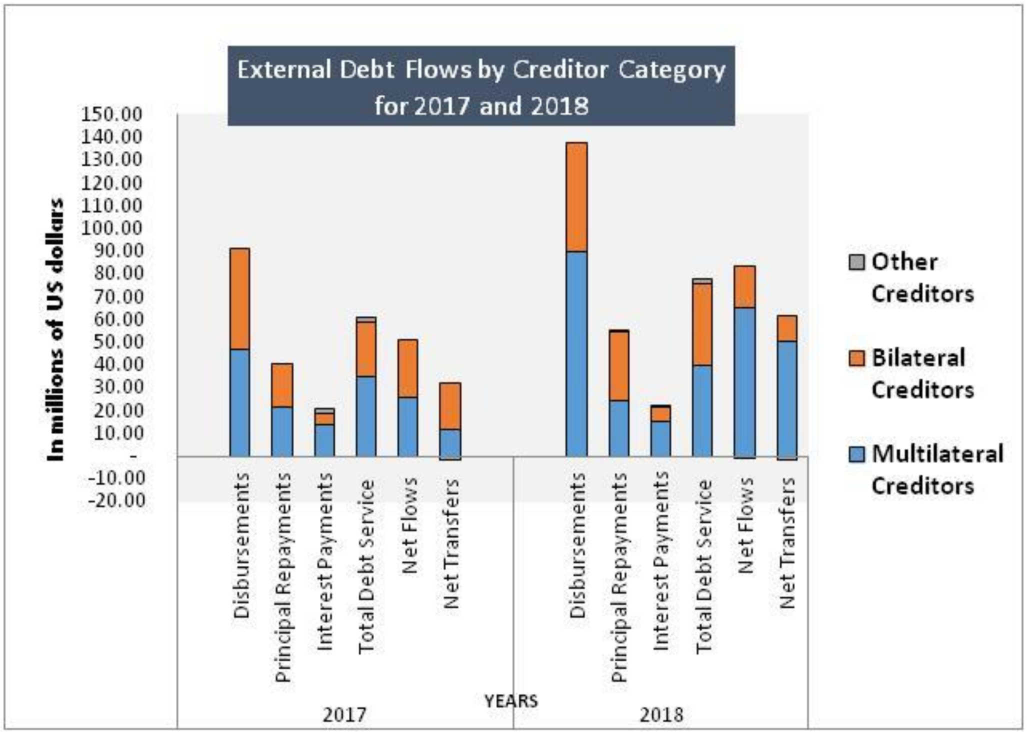



*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Net Flows increased by 61 percent in 2018, due to higher disbursements of loans relative to repayments of principal. Disbursements for 2018 were 2.5 times larger than principal repayments, while 2017 disbursements were 2.3 times the value of principal repayments. Furthermore, the 51 percent growth of disbursements in 2018 surpassed the 37 percent growth of principal repayments in the same year.

Net transfers almost doubled, from US$30.6 million in 2017 to about US$60 million in 2018. Guyana's positive and increasing net transfers indicate that the level and growth rate of disbursements (inflows) is consistently surpassing total debt service payments of principal plus interest (outflows). This would in turn have a positive impact on the country's balance of payments.

**Figure 25: External Debt Flows by Creditor Category for 2016 and 2017**




*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Net transfers for multilateral creditors increased by 322 percent in 2018, while net transfers for bilateral creditors contracted by 43 percent, resulting in a 96 percent overall increase in net transfers. In 2017, the contribution of bilateral creditors to net transfers was 1.7 times that of multilateral transfers. However, there was a seismic shift in 2018, wherein the contribution of multilateral creditors to net transfers was 4.3 times that of bilateral creditors.

# Chapter 9 – Risk Indicators and Public Debt

## 9.1 Debt Indicators

**Table 21: Debt Indicators for the period 2014-2018**

| Debt Indicators for the period 2012-2018 | | | | | |
|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Debt to GDP** | **51.9%** | **48.4%** | **45.7%** | **46.1%** | **44.2%** |
| External Debt to GDP | 39.5% | 36.0% | 33.2% | 34.3% | 34.2% |
| Domestic Debt to GDP | 12.3% | 12.4% | 12.5% | 11.9% | 10.0% |
| **Total Debt Service to Revenue** | **26.4%** | **13.7%** | **7.2%** | **7.6%** | **8.2%** |
| Total External Debt Service to Revenue | 25.3% | 12.6% | 6.2% | 6.5% | 7.4% |
| Total Domestic Debt Service to Revenue | 1.1% | 1.1% | 1.1% | 1.2% | 0.7% |
| **Total External Debt Service to Exports** | **13.2%** | **7.5%** | **3.4%** | **3.8%** | **5.1%** |
| **Total Public Debt Service to GDP** | **6.1%** | **3.4%** | **1.8%** | **2.0%** | **2.2%** |
| **(In millions of Guyana dollars, unless otherwise indicated)** | | | | | |
| **Memorandum Items:** | | | | | |
| **Total Public Debt** | **329,619.9** | **317,724.4** | **330,606.3** | **344,997.3** | **356,201.1** |
| Total External Debt | 251,182.2 | 236,031.1 | 240,034.6 | 256,181.1 | 275,649.5 |
| Total Domestic Debt | 78,437.7 | 81,693.3 | 90,571.6 | 88,816.2 | 80,551.6 |
| **Total Public Debt Service** | **38,471.1** | **22,078.9** | **13,019.6** | **14,810.2** | **17,732.2** |
| Total External Debt Service | 36,890.6 | 20,326.9 | 11,099.3 | 12,560.3 | 16,119.7 |
| Total Domestic Debt Service | 1,580.4 | 1,751.9 | 1,920.3 | 2,249.9 | 1,612.5 |
| **Gross Domestic Product at Current Purchaser Prices** | **635,262.0** | **656,485.0** | **723,581.0** | **747,746.0** | **805,662.7** |
| **GDP (US$)** | **3,076.3** | **3,166.0** | **3,504.02** | **3,621.05** | **3,864.09** |
| **Total Current Revenue** | **145,725.8** | **161,710.2** | **179,882.0** | **194,688.0** | **216,725.6** |
| **Exports of Goods and Non-Factor Services** | **278,444.6** | **269,730.3** | **330,436.9** | **332,203.9** | **317,591.4** |
| **Exports (G & NFS) (US$)** | **1,348.4** | **1,306.2** | **1,600.2** | **1,608.7** | **1,523.2** |
| **Guyana dollar/U.S. dollar (End of Period)** | **206.5** | **206.5** | **206.5** | **206.5** | **208.5** |
| **Guyana dollar/U.S. dollar (Period Average)** | **206.5** | **206.5** | **206.5** | **206.5** | **208.5** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance and Bank of Guyana*

### 9.1.1 Total Public Debt to GDP

Guyana's public debt continues to be sustainable, averaging 47.3 percent of GDP over the last 5 years. This is testament to the prudence exercised by policy makers in the post-Heavily Indebted Poor Country (HIPC) era. Total public debt to GDP declined from 46.1 percent at the end of 2017 to 44.2 percent at end-2018, due to higher GDP growth in 2018 than growth in the total public debt stock. External debt to GDP was stable from 2017 to 2018, decreasing by 0.1 percentage point. Total domestic debt to GDP shrank from 11.9 percent in 2017 to 10.0 percent in 2018, primarily because of a 9.3 percent decrease in the stock of treasury bills, from $88.8 billion at end-2017 to $80.6 billion at end-2018.

The prospect of significant oil wealth, soon, may create an incentive to accumulate more debt, as Guyana's ability to repay would rise in tandem with GDP, export earnings and government revenues. Therefore, it is imperative that Government maintains good fiscal discipline, in order to keep public debt along a sustainable path. The impending Public Debt Management Bill would support the quest for debt sustainability over the long-run, by establishing prudent procedures and limits for borrowing activities.

### 9.1.2 Total Debt Service to Revenue

The ratio of total debt service to central government revenue increased by 0.6 percentage point to 8.2 percent in 2018.This increase was primarily due to a 0.9 percentage point increase in external debt service to revenue, from 6.5 percent in 2017 to 7.4 percent in 2018. Meanwhile, domestic debt service to revenue declined by 0.5 percentage points, from 1.2 percent in 2017 to 0.7 percent in 2018.

Notably, total debt service to revenue has declined significantly over the last five years. In 2014, nearly 25 cents of every dollar of government revenue went towards servicing public debt. However, by 2018, this had been reduced to about 8 cents of every revenue dollar. This reduction expanded the fiscal space for government to increase spending on social services, infrastructure, and other areas of national importance.

### 9.1.3 Total External Debt Service to Exports

The total external debt service to exports ratio indicates the extent to which Guyana utilises export earnings to meet external debt obligations. It serves as a measure of liquidity. Total external debt service to exports has reduced over the past five years, from 12.4 percent in 2014, to a period minimum of 3.4 percent in 2016. The ratio has since grown, increasing to 3.8 percent in 2017, then again to 5.1 percent in 2018. Growth in external debt service to exports from 2017 to 2018 was driven by a 28.3 percent increase in external debt service, coupled with a 4.4 percent contraction in exports of goods and non-factor services. Notwithstanding, Guyana remains able to comfortably service external debt obligations from the current level of export earnings.

### 9.1.4 Total Public Debt Service to GDP

From 2014 to 2018, Guyana's total public debt service to GDP ratio evolved similarly to that of total external debt service to exports. Total public debt service to GDP declined from 5.7 percent in 2014 to 1.8 percent in 2016, then increased at a constant rate of 0.2 percentage point for 2017 and 2018, respectively.

## 9.2 Risk Indicators

**Table 22: Risk Indicators for the period 2014-2018**

| Risk Indicators for the period 2014-2018 | | | | | |
|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Share of Short Term Debt to Total Debt** | **22.5%** | **24.4%** | **24.6%** | **24.0%** | **20.2%** |
| **Total Share of Short Term Debt to Domestic Debt** | **94.5%** | **94.8%** | **89.9%** | **90.1%** | **89.4%** |
| **Total Share of US dollar Debt to Total External Debt** | **76.2%** | **75.9%** | **74.5%** | **75.0%** | **69.5%** |
| **Total Share of Foreign Currency Debt to Total Debt** | **76.3%** | **74.4%** | **72.7%** | **77.0%** | **77.5%** |
| **Total Share of Floating Rate Debt to Total Debt** | **10.0%** | **10.7%** | **10.8%** | **11.3%** | **10.7%** |
| **(In millions of Guyana dollars, unless otherwise indicated)** | | | | | |
| **Memorandum Items:** | | | | | |
| **Total Public Debt** | **329,619.9** | **317,724.4** | **330,606.3** | **332,884.2** | **356,201.1** |
| Total External Debt | 251,182.2 | 236,031.1 | 240,034.6 | 256,181.1 | 275,649.5 |
| Total Domestic Debt | 78,437.7 | 81,693.3 | 90,571.6 | 88,816.2 | 80,551.6 |
| **Short Term Debt** | **74,145.5** | **77,436.6** | **81,468.0** | **79,992.1** | **72,004.8** |
| **US dollar Debt** | **191,502.0** | **179,127.8** | **178,784.3** | **192,246.4** | **191,547.2** |
| **US dollar Debt (US$ millions)** | **927.4** | **867.4** | **865.8** | **931.0** | **918.7** |
| **Foreign Currency Debt** | **251,572.3** | **236,385.8** | **240,353.9** | **256,465.0** | **275,900.3** |
| **Floating Rate Debt** | **32,955.5** | **33,963.7** | **35,652.68** | **37,647.62** | **38,059.66** |
| Guyana dollar/U.S. dollar (End of Period) | 206.5 | 206.5 | 206.5 | 206.5 | 208.50 |
| Guyana dollar/U.S. dollar (Period Average) | 206.5 | 206.5 | 206.5 | 206.5 | 208.50 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance and Bank of Guyana*

In 2018, Guyana continued to exercise prudent management of the risks associated with the public debt portfolio. However, due to recent changes in creditor practices, some elements of portfolio risk have inevitably increased.

### 9.2.1 Interest Rate Risk

Guyana's progression along the development continuum over time has given rise to new challenges in concessional borrowing. Notably, in 2016, Guyana was reclassified by the World Bank from Lower-Middle Income status to Upper-Middle Income. Such a change would increase the country's exposure to interest rate risk, since concessional, fixed interest rate loans typically dwindle with improved economic rankings. Therefore, an increasing share of Guyana's external borrowings may have to be contracted at higher and variable interest rates. Under such circumstances, a rise in interest rates could significantly increase debt servicing costs. Nonetheless, the share of variable interest rate debt in total external debt declined by 0.6 percentage points, from 11.3 percent at end-2017 to 10.7 percent at end-2018. This reduction was mainly influenced by large positive net flows (disbursements minus principal repayments) from the International Development Association (IDA), which provides loans at concessional, fixed interest rates. IDA accounted for 51.4 percent of net flows in 2018. In other words, just above half of the growth in the external public debt between end-2017 and end-2018 was attributable to IDA. The effect of IDA's net flows on the share of variable interest rate debt illustrates the soundness of Guyana's policy of sourcing funds on the most concessional terms possible. However, with the nascent oil industry expected to cause rapid economic growth, it is likely that concessional, fixed-rate financing would diminish. As such, Guyana will have to formulate alternative, innovative strategies to secure financing in a sustainable and prudent manner.

### 9.2.2 Exchange Rate Risk

The external debt portfolio is currently denominated entirely in foreign currencies. Furthermore, foreign currencies constituted 77.5 percent of total public debt as at end-2018, representing a slim 0.5 percentage point increase from the end-2017 position of 77 percent. In addition, 69.5 percent of the external debt portfolio is denominated in US dollars. This portfolio's composition renders Guyana susceptible to exchange rate risk. Depreciation in the value of the Guyana dollar relative to foreign currencies in the portfolio, particularly the US dollar, could significantly increase debt servicing costs in Guyana dollar terms. In fact, the exchange rate of Guyana dollar to US dollar depreciated from $208.44 to $210.45 in the second half of 2018, resulting in higher debt servicing cost in Guyana dollar terms. Conversely, appreciation in the value of the Guyana dollar relative to foreign currencies in the portfolio would result in reduced debt servicing costs in Guyana dollar terms. Significantly, the risk of appreciation in the exchange rate of Guyana dollars to US dollars is likely to increase, due to imminent oil production and exports.

### 9.2.3 Refinancing Risk

Short-term debt constituted 20.2 percent of total public debt at the end of 2018, a 3.8 percentage point reduction from the end-2017 level of 24 percent. This low and yet declining share of short-term debt in the total public debt portfolio implies low exposure to refinancing risk.

However, short-term debt has consistently comprised the majority share of the domestic debt portfolio. At the end of calendar year 2018, 89.4 percent of domestic debt was short-term in nature, a marginal reduction from the end-2017 position of 90.1 percent. Additionally, over the period 2014 to 2018, short-term debt comprised 91.7 percent of the domestic portfolio on average. Therefore, Guyana's domestic debt portfolio is significantly exposed to refinancing risk.

## Chapter 10 – Debt Sustainability Evaluation

### 10.1 Introduction

The Government continued its efforts to further strengthen capacity in public debt management and ensure that borrowing practices are consistent with maintaining sustainable debt levels.

To maintain debt sustainability in Guyana, there needs to be a balance between maintaining sustainable debt levels, fulfilling the Green State Development Strategy (GSDS) and meeting the Sustainable Development Goals (SDGs). Guyana needs to sustain efforts at maintaining or even improving its rating from a moderate risk of debt distress. In doing so, its risks from contingent liabilities and natural disasters (drought or flooding) need to be adequately captured.

The Government recognises debt sustainability as an integral part of a sound macroeconomic policy framework. Government borrowing is an important tool for financing investments critical to achieving sustainable development, as well as for covering short-term imbalances between revenues and expenditures. However, high debt burdens can impede growth and sustainable development. Therefore, it is important for public debt to be managed prudently.

The expected revenues from impending oil production in Guyana may give rise to the temptation of rapidly scaling up capital and current spending to address infrastructure gaps and human development needs. However, in the absence of responsible management and oversight, such an endeavour could cause the debt to rise to unsustainable levels. Importantly, the government has remained committed to sustainable borrowing and the maintenance of good fiscal responsibility.

This Annual Report uses the term "debt sustainability" to refer to Guyana's ability to meet its debt obligations without requiring debt relief or accumulating arrears. More specifically, Guyana's debt would continue to be sustainable if the country (or the Government) does not, in the future, need to default on its debt; renegotiate its debt; restructure its debt; or make implausibly large policy adjustments.

In evaluating debt sustainability in developing countries, like Guyana, the most commonly used method is to utilise a tool jointly developed by the World Bank-International Monetary Fund, known as the new debt sustainability framework (DSF) for Low-Income Countries (LICs), implemented since July 2018. The debt-carrying capacity is classified using a country-specific composite indicator (CI) derived from three (3) macroeconomic indicators and the World Bank's Country Policy and Institutional Assessment (CPIA). Guyana's capacity is assessed as "moderate" using the CI based on the April 2019 WEO and the 2017 CPIA[1].

1Box 1 at the end of Chapter 10 provides a detail breakdown the threshold under each debt indicator.

## 10.2 Findings from the International Monetary Fund (IMF) Staff Report for Article IV Consultation on the Debt Sustainability Analysis (DSA)

The International Monetary Fund (IMF) Staff Report for 2019 Article IV Consultation on Debt Sustainability Analysis (DSA) indicated that Guyana remains at a moderate risk of debt distress, but debt dynamics will improve markedly with the start of oil production in 2020.

The Report stated that all external debt indicators remain below the relevant indicative vulnerability thresholds under the baseline scenario which incorporates the average long-term effects of oil on economic growth, the fiscal balance, and the current account position. The PV of external debt-to-GDP is projected to decline to 3.5 percent over the long-term as the need for external borrowing is offset by the accumulation of external assets.

Stress tests conducted by the IMF in the DSA point to susceptibility of Guyana's external public debt in a very extreme shock which combines simultaneous shocks to real GDP growth, primary balance, exports, other flows (current transfers and FDI), and nominal exchange rate depreciation, as well as second order effects arising from interactions among these shocks. The combined effects of these shocks and their second order effects cause temporary but significant breaches in the external debt thresholds, prompting a moderate risk rating. Nonetheless, Guyana has substantial space to absorb shocks, reflecting the current low level of external debt.

Notwithstanding, Guyana's medium and long-term outlook is very favourable, given the upcoming oil production and revenues, which will eventually underpin fiscal surpluses and a reduction in external indebtedness.

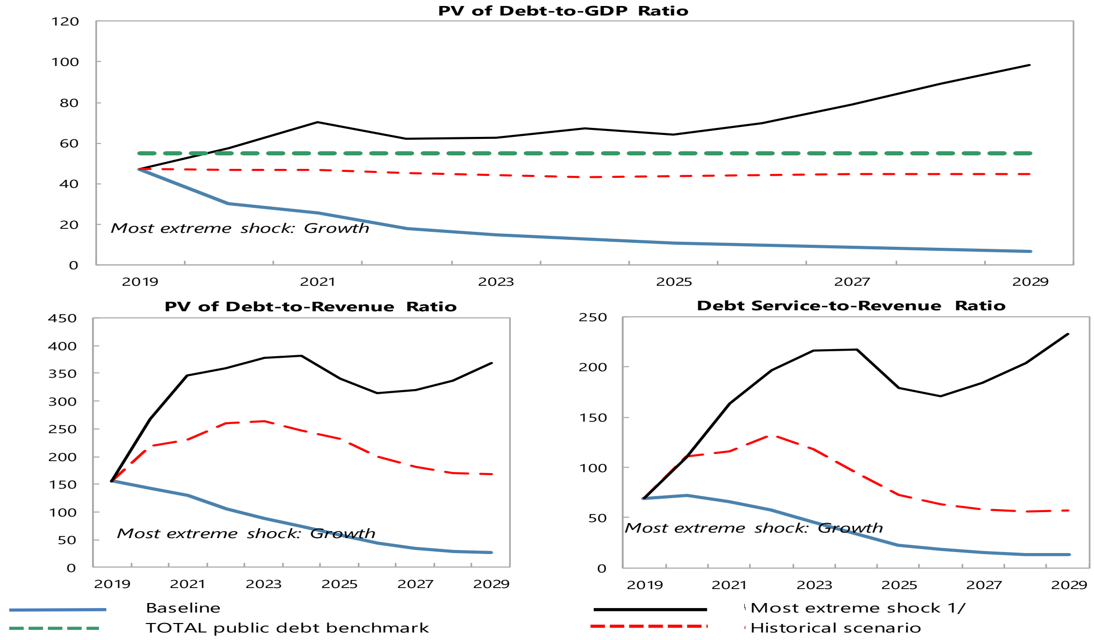
### 10.2.1 Total Public Debt Sustainability Evaluation

The DSA coverage of public sector debt used central government debt (external and domestic) as well as government-guaranteed debt.

The IMF analysis shows that under the baseline scenario, the present value (PV) of public debt-to-GDP ratio does not breach the 55 percent vulnerability threshold *(page 58, Box 1)*. The PV of debt-to-GDP ratio is expected to decline gradually from 47.1 percent in 2019 to 6.9 percent in 2029as existing debt is amortised. Additionally, the need to incur substantial new external debt is expected to reduce significantly with increasing oil revenues, coupled with a fiscal responsibility framework that targets an overall balanced budget.

The standardised stress test shows that the largest shock that leads to the highest PV of debt-to-GDP ratio in 2029 is the shock to real GDP growth. Under this shock, the debt ratio could reach 98.2 percent of GDP in 2029. In addition, commodity price shocks could result in a breach of the vulnerability threshold in 2026, pushing the PV of debt-to-GDP ratio to 89 percent in 2029. The vulnerability to such a shock highlights the importance of undertaking structural reforms to diversify the domestic economy and avert over-reliance on oil, which could lead to large volatility in economic growth. The susceptibility to these shocks also underscores the importance of adopting a fiscal responsibility framework to safeguard long-term debt sustainability.

**Figure 26: Indicators of Public Debt under Alternative Scenarios**




| Borrowing assumptions on additional financing needs resulting from the stress tests* | Default | User defined |
|---|---|---|
| **Shares of marginal debt** | | |
| External PPG medium and long-term | 9% | 9% |
| Domestic medium and long-term | 0% | 0% |
| Domestic short-term | 91% | 91% |
| **Terms of marginal debt** | | |
| External MLT debt | | |
| Avg. nominal interest rate on new borrowing in USD | 1.2% | 1.2% |
| Avg. maturity (incl. grace period) | 26 | 26 |
| Avg. grace period | 5 | 5 |
| Domestic MLT debt | | |
| Avg. real interest rate on new borrowing | 0.0% | 0.0% |
| Avg. maturity (incl. grace period) | 1 | 1 |
| Avg. grace period | 0 | 0 |
| Domestic short-term debt | | |
| Avg. real interest rate | -6.4% | -6.4% |

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2029. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

*Source: International Monetary Fund*

### 10.2.2 External Debt Sustainability Evaluation

The IMF's analysis of Guyana's external debt shows that under the baseline scenario, all external PPG debt indicators remain below the policy relevant thresholds for the next ten years *(Figure 27)*. The PV of debt-to GDP ratio is expected to decline gradually from 23.2 percent in 2019 to 3.5 percent in 2029 as existing debt is being amortized and the need to incur additional new external debt is significantly reduced with the incoming oil revenues to the central government starting from 2020 onwards.

From the Report, the standardised stress test shows that combined shocks have the largest negative impact on the debt trajectory, causing a breach of the threshold for the PV of debt-to-GDP ratio in the immediate-term which normalises in the medium-term. The combined shocks included temporary shocks to real GDP growth, primary balance, exports, other flows (including current transfers and FDI), and nominal exchange rate depreciation. Under these shocks, the PV of debt-to-GDP ratio could increase to 69.1 percent in the first year after the shocks, rising to 91.8 percent in the second year before declining gradually back below the vulnerability threshold in 2027. Shocks to exports could also potentially lead to a temporary breach in the PV of debt-to-exports ratio in 2021.

The consolidated results based on the Report suggested that the risk of external debt distress remains moderate although in the baseline scenario, all sustainability indicators remained below their vulnerability thresholds. It is important to note that the breaches in the PV of debt-to-GDP ratio and PV of debt-to-exports ratio are caused by shock assumptions which, under current and anticipated developments in Guyana, may be less relevant and probable.

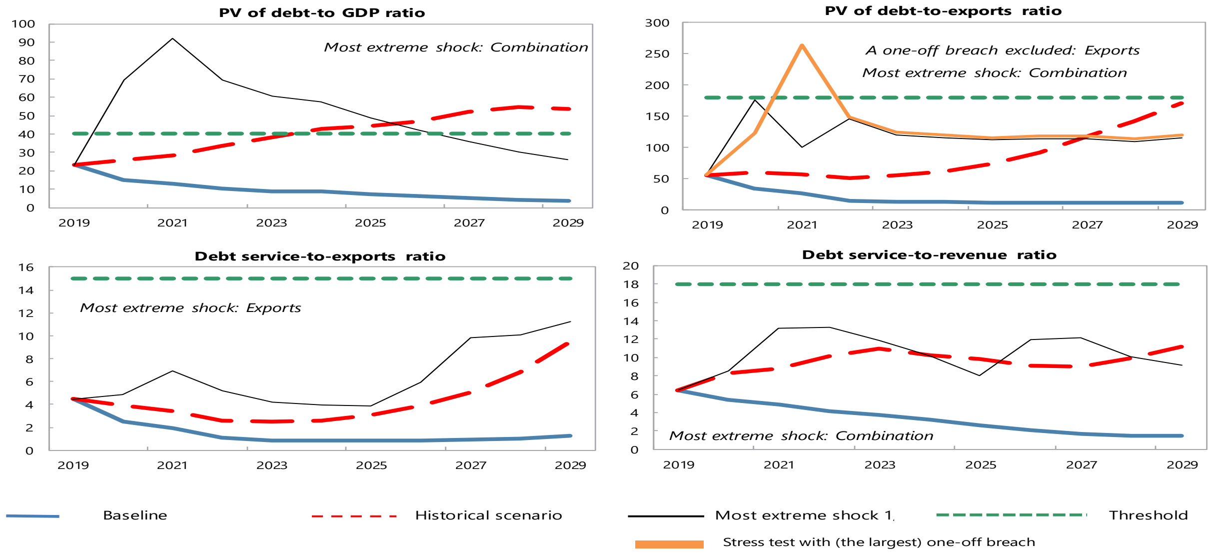
To further explain the results of the stress test the Report highlights the following:

- External debt-to-GDP: One reason for the PV of debt-to-GDP ratio threshold breach is that the sensitivity analysis neglects the high real GDP growth in 2020 (as if oil production in Liza Phase I did not start). The historical standard deviation may be distorted by the underestimation of GDP, imports, and FDI in years prior to the start of oil production as the authorities' current data on the national accounts and balance of payments do not reflect foreign companies' investments in developing Guyana's offshore oil resources during the preparatory phase. Thus, while this scenario is meant to capture large but plausible adverse shocks, in this case it is mainly removing the level effect on GDP of going from no oil production to becoming an oil producer. Moreover, the assumption of a one-time 30 percent nominal exchange rate devaluation in 2020 is not reflective of Guyana's current economic cycle and past exchange rate path (the steepest exchange rate depreciation since 1990 was 11 percent, in 1998). On the contrary, the start of oil production in 2020 will substantially increase international reserves and may create significant appreciation pressures on the Guyanese dollar.

- Debt-to-exports: The shock on exports is distorted by the high standard deviation of export growth in the historical data due to the high share of commodity exports (85 percent of total exports), high volatility of commodity prices, and a few idiosyncratic shocks (e.g. the suspension of rice exports to Venezuela, and the collapse of the sugar sector).

Guyana has substantial space to absorb shocks, reflecting the current low level of external debt. All debt burden indicators in the baseline scenario are well below their respective thresholds. Only shocks in the upper quartile of the observed distribution of shocks would downgrade the country to high risk of debt distress.

**Figure 27: Guyana Indicators of Public and Publicly Guaranteed External Debt under Alternatives Scenarios, 2019-2029**




| Customization of Default Settings | Size | Interactions |
|---|---|---|
| **Tailored Stress** | | |
| Combined CL | No | |
| Natural disaster | n.a. | n.a. |
| Commodity price | No | No |
| Market financing | n.a. | n.a. |

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

| Borrowing assumptions on additional financing needs resulting from the stress tests* | Default | User defined |
|---|---|---|
| **Shares of marginal debt** | | |
| External PPG MLT debt | 100% | |
| **Terms of marginal debt** | | |
| Avg. nominal interest rate on new borrowing in USD | 1.2% | 1.2% |
| USD Discount rate | 5.0% | 5.0% |
| Avg. maturity (incl. grace period) | 26 | 26 |
| Avg. grace period | 5 | 5 |

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2029. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

*Source: International Monetary Fund*

In conclusion, IMF analysis states that while the Guyana's debt dynamics would improve considerably under the baseline, it remains vulnerable under the standardized stress test. In the baseline scenario, debt indicators remained well below their respective vulnerability thresholds over the projection period. The PV of external debt-to-GDP ratio is projected to decline to around 3.5 percent in the long-run as the need for external borrowing is eliminated by the accumulation of external assets. However, stress tests indicate that Guyana's external public debt ratio is vulnerable to an extreme shock which combines simultaneous shocks to real GDP growth, primary balance, exports, other flows (current transfers and FDI), and nominal exchange rate depreciation as well as second order effects arising from interactions among these shocks. While some of these shocks are less probable given the distortions in the historical standard deviations used in the stress test, it highlights the importance of structural reforms to diversify and strengthen the domestic economy and reduce over-dependence on oil which could exacerbate economic growth volatility.

At present, Guyana has substantial space to absorb shocks, reflecting the current low level of external debt. While the Natural Resources Fund (NRF) Act enshrines a budget transfer rule that ensures fiscal transfers are determined by the expected financial return on the NRF in the long-run, a complementary fiscal responsibility framework is needed to ensure that fiscal policies remain disciplined in line with the principle underlying the budget transfer rule, which in turn is necessary to safeguard debt sustainability and the accumulation of net wealth (that is, asset accumulation without a corresponding accumulation of public debt).

**Threshold for Debt Sustainability Indicators as referenced in the analysis above.**

**Box 1: Joint World Bank-IMF Debt Sustainability Framework for Low-Income Countries**

The Debt Sustainability Framework (DSF) was introduced in April 2005 and is periodically reviewed. The current framework was approved by IMF and World Bank Executive Boards in September 2017 and has been implemented since July 2018.

Countries with different policy and institutional strengths, macroeconomic performance, and buffers to absorb shocks, have different abilities to handle debt. The DSF, therefore, classifies countries into one of three debt-carrying capacity categories (strong, medium, and weak), using a composite indicator, which draws on the country's historical performance and outlook for real growth, reserves coverage, remittance inflows, and the state of the global environment in addition to the World Bank's Country Policy and Institutional Assessment (CPIA) index. Different indicative thresholds for debt burdens are used depending on the country's debt-carrying capacity.

Thresholds corresponding to strong performers are highest, indicating that countries with good macroeconomic performance and policies, can generally handle greater debt accumulation.

**Key reforms that took effect in July 2018 include:** (i) moving away from relying exclusively on the CPIA to classify countries' debt-carrying capacity, and instead using a composite measure based on a set of economic variables; (ii) introducing realism tools to scrutinize baseline projections; (iii) recalibrating standardized stress tests while adding tailored scenario stress tests on contingent liabilities, natural disasters, commodity prices shock, and market-financing shock; and (iv) providing a richer characterization of debt vulnerabilities (including those from domestic debt and market financing) and better discrimination across countries within the moderate risk category.

**Debt Burden Thresholds and Benchmarks Under the Revised 2018 DSF**

| | PV of external debt in percent of | | External Debt service in percent of | | PV of total public debt in percent of |
|---|---|---|---|---|---|
| | GDP | Exports | Export | Revenue | GDP |
| Weak | 30 | 140 | 10 | 14 | 35 |
| Medium | 40 | 180 | 15 | 18 | 55 |
| Strong | 50 | 240 | 21 | 23 | 70 |

**Risk Levels as reference in the analysis above.**

**Box 2: Classifications of Risk of Debt Distress**

| Classification | Condition of Classification |
|---|---|
| Low Risk | All debt burden indicators are below the relevant thresholds under baseline and stress tests |
| Moderate Risk | Debt burden indicators are below thresholds under baseline, but may breach thresholds under stress tests. |
| High Risk | Debt burden indicators may breach thresholds under baseline. |
| In Debt Distress | Current debt stock and service ratios are in significant and/or sustained breach of thresholds |

## Chapter 11 – Outlook for Public Debt Management Beyond 2018

Guyana's public debt management landscape is set to undergo significant changes, soon, due to a combination of institutional initiatives and macroeconomic developments.

The impending new era would see increased use of technology in debt management. In this regard, Guyana would soon be transitioning to Meridian, the Commonwealth Secretariat's new Debt Recording and Management System. In preparation for this transition, a comprehensive data reconciliation and validation exercise would be undertaken to provide assurances about the integrity of the database. This systemic upgrade would improve efficiency of debt data recording and retrieval, enable faster, more accurate report generation, and bolster the DMD's capacity to undertake rigorous debt analysis.

Notably, it is expected that the Public Debt Management Bill (PDMB) would be enacted in 2020, resulting in a transformation of the institutional framework for public debt management in Guyana. Enactment of the PDMB would strengthen and streamline debt management practices by reinforcing the exclusive right of the Minister of Finance to borrow, mandating the formulation and implementation of a Medium-Term Debt Management Strategy (MTDS), clearly establishing high level debt management objectives, establishing debt ceilings based on macroeconomic performance, among other benefits.

Going forward, Guyana intends to develop a formal Debt Management Strategy based on the following principles:

- Implementation of an aggressive resource mobilisation strategy in order to increase availability of concessional funding sources.
- Domestic debt market development to reduce vulnerability to exchange rate fluctuations associated with external borrowing
- Careful monitoring and minimisation of contingent liabilities, especially in the context of the growing popularity of Public – Private Partnerships (PPPs).
- Continuation of prudent monetary and exchange rate policies in order to maintain low inflation and stable exchange rate.
- Maintenance of strong fiscal discipline.
- Increased use of analytical tools such as the World Bank DSA and MTDS, and ensuring that the outputs feed into the budget preparation process

Oil production is expected to commence in early 2020, and promises to stimulate significant growth of GDP and government revenues, leading to an expansion of Guyana's debt-carrying capacity. Revenues from oil production would also reduce the country's dependence on external sources of development financing. Consequently, debt levels are expected to decline over time. In addition, domestic financing is projected to play a greater role in Guyana's financing mix. T-bills, which have a maturity of one (1) year or less, are currently the only domestic instruments being used for fiscal purposes. However, instruments with longer maturities are being considered for future issuance. Once these instruments of longer maturity are developed and issued, they would aid in diversifying the menu of domestic instruments used to raise development financing, and increase the proportion of domestic debt in the Total Public Debt portfolio. This may reduce exposure to the exchange rate and interest rate risks associated with external borrowing. Furthermore, increased issuance of domestic debt would stimulate financial market development in Guyana by establishing benchmarks for use by investors in valuing privately issued debt instruments.

Also, on the horizon is an initiative which would see the Debt Management Division (DMD) being restructured along functional lines. This would engender greater specialisation among staff, and is expected to result in more efficient and comprehensive debt recording, debt reporting and debt analysis.

Overall, the economic and institutional transformation anticipated in the near to medium-term is expected to have a profound impact on public debt management in Guyana. Key impending initiatives such as the enactment of the PDMB, restructuring of the DMD, the transition to Meridian, and a greater utilisation of domestic debt financing, are all expected to contribute substantially to the quest of maintaining debt sustainability.

# APPENDICES

## Appendix 1 – Total Public Debt Stock

| Total Public Debt Stock in millions of Guyana dollars (As of December 31) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Public Debt Stock** | **371,295.5** | **355,809.5** | **329,619.8** | **317,739.6** | **330,606.3** | **344,995.4** | **356,201.1** |
| Total Public External Debt | 277,833.7 | 256,994.1 | 251,182.1 | 236,046.2 | 240,034.6 | 256,181.8 | 275,649.5 |
| Total Public Domestic Debt | 93,461.9 | 98,815.4 | 78,437.7 | 81,693.3 | 90,571.6 | 88,813.6 | 80,551.6 |
| **In Percent of Total Public Debt** | | | | | | | |
| External | 74.8 | 72.2 | 76.2 | 74.3 | 72.6 | 74.3 | 77.4 |
| Domestic | 25.2 | 27.8 | 23.8 | 25.7 | 27.4 | 25.7 | 22.6 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## Appendix 2 – Total Public External Debt Stock by Creditor Category and Creditor

| Total Public External Debt Stock by Creditor Category and Creditor In millions of US dollars (As of December 31) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Public External Debt Stock (1+2)** | **1,358.6** | **1,246.0** | **1,216.4** | **1,143.1** | **1,162.4** | **1,240.6** | **1,322.1** |
| **1. Official (1.1+1.2)** | **1,339.0** | **1,226.8** | **1,197.4** | **1,125.1** | **1,144.7** | **1,205.5** | **1,287.7** |
| 1.1 Multilateral | 673.6 | 716.6 | 691.8 | 692.2 | 693.8 | 725.5 | 787.9 |
| CDB | 139.8 | 139.8 | 143.1 | 143.6 | 146.8 | 150.7 | 150.0 |
| IDA | 11.0 | 12.9 | 14.2 | 20.4 | 25.0 | 35.6 | 75.5 |
| IMF | 37.0 | 25.7 | 13.4 | 3.8 | 0.0 | 0.0 | 0.0 |
| IDB | 415.3 | 469.1 | 486.3 | 489.3 | 487.7 | 503.3 | 524.9 |
| IFAD | 9.3 | 9.9 | 9.3 | 9.0 | 8.4 | 8.6 | 8.8 |
| Other [1] | 61.2 | 59.3 | 25.5 | 26.0 | 25.9 | 27.3 | 28.7 |
| 1.2 Bilateral | 665.4 | 510.2 | 505.5 | 432.9 | 451.0 | 479.9 | 499.8 |
| Paris Club | 45.0 | 40.7 | 35.3 | 29.2 | 22.6 | 15.8 | 7.6 |
| T&T | 39.7 | 35.6 | 30.8 | 25.3 | 19.1 | 12.1 | 4.3 |
| Italy | 4.1 | 4.3 | 3.8 | 3.2 | 2.9 | 3.2 | 2.8 |
| USA (PL 480) | 0.8 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 |
| Russian Federation | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-Paris Club | 620.4 | 469.5 | 470.2 | 403.7 | 428.3 | 464.1 | 492.2 |
| India | 21.8 | 22.3 | 21.8 | 20.0 | 18.4 | 16.8 | 15.6 |
| Venezuela | 364.2 | 198.3 | 184.0 | 120.9 | 123.1 | 120.4 | 114.7 |
| China | 97.0 | 111.4 | 126.4 | 124.2 | 145.6 | 181.3 | 212.9 |
| Kuwait | 70.1 | 72.3 | 72.1 | 72.0 | 74.0 | 77.6 | 79.8 |
| Libya | 42.1 | 42.4 | 42.7 | 42.9 | 43.2 | 43.5 | 44.0 |
| Other [2] | 25.2 | 22.8 | 23.3 | 23.7 | 24.0 | 24.5 | 25.1 |
| **2. Private Creditors** | **19.6** | **19.2** | **19.0** | **18.0** | **17.6** | **35.1** | **34.3** |
| Banking Sector [3] | 6.2 | 5.7 | 5.5 | 5.4 | 5.1 | 22.5 | 21.68 |
| Suppliers Credit (EPDS) | 13.4 | 13.4 | 13.5 | 12.6 | 12.5 | 12.5 | 12.5 |
| Other [4] | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:

1. Includes: OFID, EIB, EEC, CMCF and CDF loans
2. Includes: Argentina, UAE, Serbia
3. Includes: Republic Bank Limited (T&T), Lloyds Bank and Barclays Bank
4. Includes: Ruston Bucyrus Bonds and Perpetual Railway Stock

**Appendix 3 – Total External Debt Stock by Borrower Category**

| Total External Debt Stock by Borrower Category in millions of US dollars (As of December 31) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Public External Debt Stock** | **1,358.6** | **1,246.0** | **1,216.4** | **1,143.1** | **1,162.4** | **1,240.6** | **1,322.1** |
| Central Government | 1,273.8 | 1,173.1 | 1,186.9 | 1,123.2 | 1,146.4 | 1,224.6 | 1,306.1 |
| Central Bank | 84.2 | 72.9 | 29.5 | 19.9 | 16.0 | 16.0 | 16.0 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

**Appendix 4 – Currency Composition of Total Public External Debt**

| Currency Composition of Total Public External Debt in millions of US dollars (As of December 31) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Public External Debt Stock** | **1,358.6** | **1,246.0** | **1,216.4** | **1,143.1** | **1,162.4** | **1,240.6** | **1,322.1** |
| US dollars | 1,070.0 | 951.7 | 927.4 | 867.4 | 865.8 | 917.9 | 918.7 |
| Euro | 38.5 | 37.9 | 31.4 | 25.9 | 24.1 | 9.9 | 8.6 |
| China Yuan | 97.0 | 111.4 | 126.4 | 124.2 | 145.6 | 181.3 | 212.9 |
| SDR | 57.3 | 48.4 | 37.0 | 33.3 | 33.4 | 44.2 | 84.3 |
| Kuwaiti Dinar | 70.1 | 72.3 | 72.1 | 72.0 | 74.0 | 77.6 | 79.8 |
| Other | 25.7 | 24.3 | 22.2 | 20.3 | 19.5 | 9.8 | 17.8 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

**Appendix 5 – Currency Composition of Total Public External Debt**

| Currency Composition of Total Public External Debt<br>in percentage<br>(As of December 31) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |
| US dollars | 78.8 | 76.4 | 76.2 | 75.9 | 74.5 | 74.0 | 69.5 |
| Euro | 2.8 | 3.0 | 2.6 | 2.3 | 2.1 | 0.8 | 0.6 |
| China Yuan | 7.1 | 8.9 | 10.4 | 10.9 | 12.5 | 14.6 | 16.1 |
| SDR | 4.2 | 3.9 | 3.0 | 2.9 | 2.9 | 3.6 | 6.4 |
| Kuwaiti Dinar | 5.2 | 5.8 | 5.9 | 6.3 | 6.4 | 6.3 | 6.0 |
| Other | 1.9 | 2.0 | 1.8 | 1.8 | 1.7 | 0.8 | 1.3 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

**Appendix 6 – Total Public External Debt Stock by Remaining Maturity**

| Total Public External Debt Stock by Remaining Maturity<br>in millions of US dollars<br>(As of December 31) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| **Total Public External Debt Stock** | **1,358.6** | **1,246.0** | **1,216.4** | **1,143.1** | **1,162.4** | **1,240.7** | **1,322.1** |
| Less than 1 year | 0.3 | 0.1 | 9.4 | 5.7 | 0.1 | 0.1 | 20.7 |
| Between 1 and 5 years | 40.4 | 27.4 | 35.0 | 25.8 | 19.3 | 21.4 | 18.5 |
| More than 5 years | 1,317.9 | 1,218.5 | 1,172.0 | 1,111.5 | 1,143.0 | 1,219.2 | 1,282.9 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## Appendix 7 – Total Public External Debt Stock by Interest Rate Structure

| Total Public External Debt Stock by Interest Rate Structure in millions of US dollars (As of December 31) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Public External Debt Stock** | **1,358.6** | **1,246.0** | **1,216.4** | **1,143.1** | **1,162.4** | **1,240.6** | **1,322.1** |
| Fixed Rate | 1,252.5 | 1,117.8 | 1,075.7 | 997.5 | 1,008.6 | 1,063.2 | 1,139.5 |
| Floating Rate | 106.1 | 128.2 | 140.7 | 145.6 | 153.8 | 177.4 | 182.5 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## Appendix 8 – Total Public Domestic Debt Stock by Instruments

| Total Public Domestic Debt Stock by Instruments in millions of Guyana dollars (As of December 31) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Public Domestic Debt Stock** | **93,461.9** | **98,815.4** | **78,437.7** | **81,693.3** | **90,571.6** | **88,816.2** | **80,551.6** |
| **Domestic Securities** | **93,005.7** | **98,390.7** | **78,047.4** | **81,338.5** | **90,252.3** | **88,532.4** | **80,300.9** |
| Treasury Bills | 88,128.8 | 94,488.8 | 74,145.5 | 77,436.6 | 81,468.0 | 79,992.1 | 72,004.8 |
| 91-Day [1/] | 4,496.9 | 7,997.1 | 6,997.4 | 8,884.5 | 5,997.7 | 997.3 | 997.3 |
| 182-Day | 4,253.5 | 6,753.3 | 4,253.6 | 253.6 | 7,151.6 | 11,332.8 | 6,352.5 |
| 364-Day | 79,378.4 | 79,738.5 | 62,894.5 | 68,298.6 | 68,318.8 | 67,662.1 | 64,655.0 |
| Debentures | 4,873.5 | 3,898.5 | 3,898.5 | 3,898.5 | 8,781.0 | 8,536.9 | 8,292.7 |
| Republic Bank Debentures | 975.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bank of Guyana Debentures [2/] | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 |
| NIS Debenture (GOG/NIS No. 1/2016) [3/] | 0.0 | 0.0 | 0.0 | 0.0 | 4,882.4 | 4,638.3 | 4,394.2 |
| Bonds | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Defence Bonds | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| **Domestic Loan** | **456.2** | **424.7** | **390.3** | **354.8** | **319.3** | **283.8** | **250.8** |
| National Insurance Scheme Loan | 456.2 | 424.7 | 390.3 | 354.8 | 319.3 | 283.8 | 250.8 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:

1/ Includes K-Series

2/ Excludes Bank of Guyana Non-Interest Bearing Debentures

3/ Payment to NIS to recover its investment in CLICO (Guyana) as per Debenture Agreement dated September 16, 2016.

## Appendix 9 – Total Public Domestic Debt by Institutional Structure

| Total Public Domestic Debt by Instiitutional Structure in millions of Guyana dollars (As of December 31) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| **Total Public Domestic Debt** | **93,461.9** | **98,815.4** | **78,437.7** | **81,693.3** | **90,571.6** | **88,816.2** | **80,551.6** |
| Banking Sector | 75,127.0 | 87,723.8 | 67,438.6 | 69,637.0 | 72,049.6 | 68,632.3 | 62,355.8 |
| Pension Fund 1/ | 7,267.6 | 6,905.2 | 6,100.8 | 5,161.9 | 11,538.1 | 9,604.2 | 7,770.0 |
| Other 2/ | 11,067.2 | 4,186.4 | 4,898.3 | 6,894.4 | 6,984.0 | 10,579.7 | 10,425.8 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:
1/ National Insurance Scheme only
2/ Private Non-Bank Financial Institution

## Appendix 10 – Total Public Domestic Debt Stock by Interest Rate Structure

| Total Public Domestic Debt Stock by Interest Rate Structure in millions of Guyana dollars (As of December 31) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| **Total Public Domestic Debt Stock** | **96,904.2** | **102,289.2** | **81,946.0** | **85,237.1** | **90,571.6** | **88,816.2** | **80,551.6** |
| **Fixed Rate** | **92,030.7** | **98,390.7** | **78,047.4** | **81,338.5** | **86,673.1** | **84,917.7** | **76,653.1** |
| Treasury Bills 1/ | 88,128.8 | 94,488.8 | 74,145.5 | 77,436.6 | 81,468.0 | 79,992.1 | 72,004.8 |
| Bonds | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Debentures 3/ | 0.0 | 0.0 | 0.0 | 0.0 | 4,882.4 | 4,638.3 | 4,394.2 |
| Loan | 456.2 | 424.7 | 390.3 | 354.8 | 319.3 | 283.8 | 250.8 |
| **Floating Rate** | **4,873.5** | **3,898.5** | **3,898.5** | **3,898.5** | **3,898.5** | **3,898.5** | **3,898.5** |
| Debenture 2/ | **4,873.5** | **3,898.5** | **3,898.5** | **3,898.5** | **3,898.5** | **3,898.5** | **3,898.5** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:
1/ Includes K-Series
2/ Excludes Bank of Guyana Non-Interest Bearing Debentures
3/ Payment to NIS to recover its investment in CLICO (Guyana) as per Debenture Agreement dated September 16, 2016.

## Appendix 11 – Maturity Structure of Total Public Domestic Debt Stock

| Maturity Structure of Total Public Domestic Debt Stock in millions of Guyana dollars (As of December 31) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Public Domestic Debt Stock** | **93,461.9** | **98,815.4** | **78,437.7** | **81,693.3** | **90,571.6** | **88,816.2** | **80,551.6** |
| **Short Term** | **88,128.8** | **94,488.8** | **74,145.5** | **77,436.6** | **81,468.0** | **79,992.1** | **72,004.8** |
| Treasury Bills | 88,128.8 | 94,488.8 | 74,145.5 | 77,436.6 | 81,468.0 | 79,992.1 | 72,004.8 |
| 91-Day 1/ | 4,496.9 | 7,997.1 | 6,997.4 | 8,884.5 | 5,997.7 | 997.3 | 997.3 |
| 182-Day | 4,253.5 | 6,753.3 | 4,253.6 | 253.6 | 7,151.6 | 11,332.8 | 6,352.5 |
| 364-Day | 79,378.4 | 79,738.5 | 62,894.5 | 68,298.6 | 68,318.8 | 67,662.1 | 64,655.0 |
| **Long Term** | **5,333.1** | **4,326.6** | **4,292.2** | **4,256.7** | **9,103.7** | **8,824.1** | **8,546.9** |
| Domestic Loan | 456.2 | 424.7 | 390.3 | 354.8 | 319.3 | 283.8 | 250.8 |
| National Insurance Scheme Loan | 456.2 | 424.7 | 390.3 | 354.8 | 319.3 | 283.8 | 250.8 |
| Debentures 2/ | 4,873.5 | 3,898.5 | 3,898.5 | 3,898.5 | 8,781.0 | 8,536.9 | 8,292.7 |
| Republic Bank Debentures | 975.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bank of Guyana Debentures 2/ | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 | 3,898.5 |
| NIS Debenture (GOG/NIS No. 1/2016) 3/ | 0.0 | 0.0 | 0.0 | 0.0 | 4,882.4 | 4,638.3 | 4,394.2 |
| Bonds | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Defence Bonds | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:
1/ Includes K-Series
2/ Excludes Bank of Guyana Non-Interest Bearing Debentures
3/ Payment to NIS to recover its investment in CLICO (Guyana)

## Appendix 12 – Total Public Debt Service

| Total Public Debt Service during the period 2012-2018 in millions of Guyana dollars | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Public Debt Service** | **12,314.2** | **43,405.2** | **36,100.5** | **22,149.0** | **13,019.6** | **14,828.3** | **17,732.3** |
| **Total Public Domestic Debt** | **3,597.9** | **2,759.1** | **1,580.4** | **1,751.9** | **1,920.3** | **2,249.9** | **1,612.5** |
| Principal | 1,010.7 | 1,010.4 | 35.5 | 35.5 | 35.5 | 279.6 | 279.9 |
| Interest | 2,587.2 | 1,748.8 | 1,544.9 | 1,716.5 | 1,884.8 | 1,970.3 | 1,332.6 |
| **Total Public External Debt** | **8,716.3** | **40,646.1** | **34,520.1** | **20,397.1** | **11,099.3** | **12,578.4** | **16,119.7** |
| Principal | 6,036.7 | 37,753.1 | 31,299.9 | 16,875.5 | 7,453.9 | 8,377.2 | 11,556.2 |
| Interest | 2,679.6 | 2,892.9 | 3,220.2 | 3,521.5 | 3,645.4 | 4,201.2 | 4,563.5 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## Appendix 13 – Total Public External Debt Service by Borrower Category

| Total Public External Debt Service by Borrower Category in millions of Guyana dollars | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Public External Debt Service** | **8,716.3** | **40,646.1** | **34,520.1** | **20,397.1** | **11,099.3** | **12,578.4** | **16,119.7** |
| **Principal** | **6,036.7** | **37,753.1** | **31,299.9** | **16,875.5** | **7,453.9** | **8,377.2** | **11,556.2** |
| Central Government | 3,627.0 | 35,353.1 | 28,965.2 | 15,003.4 | 6,652.1 | 8,377.2 | 11,556.2 |
| Bank of Guyana | 2,324.0 | 2,312.8 | 2,317.8 | 1,872.2 | 801.7 | 0.0 | 0.0 |
| Parastatals | 85.6 | 87.2 | 16.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Interest** | **2,679.6** | **2,892.9** | **3,220.2** | **3,521.5** | **3,645.4** | **4,201.2** | **4,563.5** |
| Central Government | 2,629.2 | 2,866.3 | 3,194.2 | 3,508.8 | 3,630.3 | 4,201.2 | 4,563.5 |
| Bank of Guyana | 34.5 | 20.3 | 24.6 | 12.8 | 15.1 | 0.0 | 0.0 |
| Parastatals | 15.8 | 6.3 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:
1. Excludes payments made from Loan Resources

## Appendix 14 – Total Public Domestic Debt Service

| Total Public Domestic Debt Service in millions of Guyana dollars | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Public Domestic Debt Service** | **3,597.9** | **2,759.1** | **1,566.7** | **1,751.9** | **1,920.3** | **2,249.9** | **1,612.5** |
| **Principal** | **1,010.7** | **1,010.4** | **35.5** | **35.5** | **35.5** | **279.6** | **279.9** |
| Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| K-Series | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| National Insurance Scheme | 35.1 | 35.4 | 35.5 | 35.5 | 35.5 | 35.5 | 35.8 |
| Debentures [1/] | 975.0 | 975.0 | 0.0 | 0.0 | 0.0 | 244.1 | 244.1 |
| Other | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Interest** | **2,587.2** | **1,748.8** | **1,531.3** | **1,716.5** | **1,884.8** | **1,970.3** | **1,332.6** |
| Treasury Bills | 2,417.6 | 1,645.6 | 1,452.2 | 1,612.1 | 1,776.1 | 1,699.3 | 1,067.9 |
| K-Series | 19.1 | 13.4 | 1.5 | 17.7 | 18.8 | 15.6 | 15.3 |
| Debentures [1/] | 131.0 | 72.0 | 60.9 | 71.4 | 72.6 | 134.0 | 129.7 |
| National Insurance Scheme Loan | 19.5 | 17.8 | 16.7 | 15.3 | 17.3 | 15.5 | 13.9 |
| Other [2/] | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 105.9 | 105.9 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

Notes:
1. Excludes non-interest bearing debentures
2. Includes Unpaid Interest on Treasury Bills to BOG

## Appendix 15 – Summary of On-lending Loan Agreements to State-Owned Enterprises

Summary of On-lending Loan Agreements to State-Owned Enterprises
in millions of US dollars
As of December 31, 2018

**Guyana Sugar Corporation Inc.**

| Year Contracted | Source of Financing | Purpose | Loan Amount | Disbursed Amt + Cap Interest | Repaid Amt | Total Amt Outstanding |
|---|---|---|---|---|---|---|
| 2003 | CDB | Drainage and Irrigation | 5.1 | 4.8 | 0.8 | 4.0 |
| 2004 | CDB | Skeldon Sugar Modernisation Project | 28.2 | 25.5 | 0.0 | 25.5 |
| 2004 | World Bank and GoG Reserves | Skeldon Sugar Modernisation Project | 56.0 | 67.6 | 0.0 | 67.6 |
| 2005 | China Exim Bank | Skeldon Sugar Modernisation Project | 40.6 | 42.9 | 0.0 | 42.9 |
| **Sub-Total** | | | **129.98** | **140.80** | **0.84** | **139.96** |

**Guyana Power and Light Inc.**

| Year Contracted | Source of Financing | Purpose | Loan Amount | Disbursed Amt + Cap Interest | Repaid Amt | Total Amt Outstanding |
|---|---|---|---|---|---|---|
| 2007 | PetroCaribe Fund | Infrastructure Development Project | 3.8 | 4.0 | 0.3 | 3.7 |
| 2008 | PetroCaribe Fund | Ten Megawatts of (10MW) of Interim Power Supply | 31.4 | 32.4 | 0.0 | 32.4 |
| 2010 | China Exim Bank | Infrastructure Development Project | 39.6 | 38.9 | 2.9 | 36.0 |
| 2011 | PetroCaribe Fund | Power Plant Turnkey Contract from Wartsila | 18.9 | 20.0 | 0.0 | 20.0 |
| 2012 | PetroCaribe Fund | Power Plant Turnkey Contract from Wartsila | 26.0 | 27.4 | 0.0 | 27.4 |
| 2013 | PetroCaribe Fund | Finance GPL's capital budget for fiscal year 2013 | 23.1 | 24.5 | 0.0 | 24.5 |
| 2014 | PetroCaribe Fund | Finance GPL's capital budget for fiscal year 2014 | 12.1 | 12.8 | 0.0 | 12.8 |
| **Sub-Total** | | | **154.80** | **159.98** | **3.16** | **156.82** |

**Guyana National Printers Limited.**

| Year Contracted | Source of Financing | Purpose | Loan Amount | Disbursed Amt + Cap Interest | Repaid Amt | Total Amt Outstanding |
|---|---|---|---|---|---|---|
| 2017 | Government of the Cooperative Republic of Guyana | Funding for machinery and rehabilitation of Guyana Printers Limited | 0.48 | 0.48 | 0 | 0.48 |
| **Sub-Total** | | | **0.48** | **0.48** | **0.00** | **0.48** |
| **Grand Total** | | | **285.26** | **301.26** | **3.99** | **297.27** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

## Appendix 16 – Debt Indicators for the period 2012-2018

| Debt Indicators for the period 2012-2018 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Debt to GDP** | **63.7%** | **57.9%** | **51.9%** | **48.4%** | **45.7%** | **46.1%** | **44.2%** |
| External Debt to GDP | 47.7% | 41.8% | 39.5% | 36.0% | 33.2% | 34.3% | 34.2% |
| Domestic Debt to GDP | 16.0% | 16.1% | 12.3% | 12.4% | 12.5% | 11.9% | 10.0% |
| **Total Debt Service to Revenue** | **9.4%** | **31.7%** | **26.4%** | **13.7%** | **7.2%** | **7.6%** | **8.2%** |
| Total External Debt Service to Revenue | 6.7% | 29.7% | 25.3% | 12.6% | 6.2% | 6.5% | 7.4% |
| Total Domestic Debt Service to Revenue | 2.8% | 2.0% | 1.1% | 1.1% | 1.1% | 1.2% | 0.7% |
| **Total External Debt Service to Exports** | **2.5%** | **12.8%** | **13.2%** | **7.5%** | **3.4%** | **3.8%** | **5.1%** |
| **Total Public Debt Service to GDP** | **2.1%** | **7.1%** | **6.1%** | **3.4%** | **1.8%** | **2.0%** | **2.2%** |
| **(In millions of Guyana dollars, unless otherwise indicated)** | | | | | | | |
| **Memorandum Items:** | | | | | | | |
| **Total Public Debt** | **371,295.5** | **355,809.5** | **329,619.9** | **317,724.4** | **330,606.3** | **344,997.3** | **356,201.1** |
| Total External Debt | 277,833.7 | 256,994.1 | 251,182.2 | 236,031.1 | 240,034.6 | 256,181.1 | 275,649.5 |
| Total Domestic Debt | 93,461.9 | 98,815.4 | 78,437.7 | 81,693.3 | 90,571.6 | 88,816.2 | 80,551.6 |
| **Total Public Debt Service** | **12,289.6** | **43,311.4** | **38,471.1** | **22,078.9** | **13,019.6** | **14,810.2** | **17,732.2** |
| Total External Debt Service | 8,692.3 | 40,552.3 | 36,890.6 | 20,326.9 | 11,099.3 | 12,560.3 | 16,119.7 |
| Total Domestic Debt Service | 3,597.3 | 2,759.1 | 1,580.4 | 1,751.9 | 1,920.3 | 2,249.9 | 1,612.5 |
| **Gross Domestic Product at Current Purchaser Prices** | **582,657.0** | **614,130.0** | **635,262.0** | **656,485.0** | **723,581.0** | **747,746.0** | **805,662.7** |
| **GDP (US$)** | **2,849.2** | **2,977.6** | **3,076.3** | **3,166.0** | **3,504.02** | **3,621.05** | **3,864.09** |
| **Total Current Revenue** | **130,228.6** | **136,494.8** | **145,725.8** | **161,710.2** | **179,882.0** | **194,688.0** | **216,725.6** |
| **Exports of Goods and Non-Factor Services** | **350,109.6** | **316,423.8** | **278,444.6** | **269,730.3** | **330,436.9** | **332,203.9** | **317,591.4** |
| **Exports (G & NFS) (US$)** | **1,713.2** | **1,540.6** | **1,348.4** | **1,306.2** | **1,600.2** | **1,608.7** | **1,523.2** |
| **Guyana dollar/U.S. dollar (End of Period)** | **204.5** | **206.3** | **206.5** | **206.5** | **206.5** | **206.5** | **208.5** |
| **Guyana dollar/U.S. dollar (Period Average)** | **204.4** | **205.4** | **206.5** | **206.5** | **206.5** | **206.5** | **208.5** |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance and Bank of Guyana*

## Appendix 17 – Risk Indicators for the period 2012-2018

| Risk Indicators for the period 2012-2018 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Total Share of Short Term Debt to Total Debt** | **23.7%** | **26.6%** | **22.5%** | **24.4%** | **24.6%** | **24.0%** | **20.2%** |
| **Total Share of Short Term Debt to Domestic Debt** | **94.3%** | **95.6%** | **94.5%** | **94.8%** | **89.9%** | **90.1%** | **89.4%** |
| **Total Share of US dollar Debt to Total External Debt** | **78.8%** | **76.4%** | **76.2%** | **75.9%** | **74.5%** | **75.0%** | **69.5%** |
| **Total Share of Foreign Currency Debt to Total Debt** | **75.0%** | **72.3%** | **76.3%** | **74.4%** | **72.7%** | **77.0%** | **77.5%** |
| **Total Share of Floating Rate Debt to Total Debt** | **7.2%** | **8.5%** | **10.0%** | **10.7%** | **10.8%** | **11.3%** | **10.7%** |
| **(In millions of Guyana dollars, unless otherwise indicated)** | | | | | | | |
| **Memorandum Items:** | | | | | | | |
| **Total Public Debt** | **371,295.5** | **355,809.5** | **329,619.9** | **317,724.4** | **330,606.3** | **332,884.2** | **356,201.1** |
| Total External Debt | 277,833.7 | 256,994.1 | 251,182.2 | 236,031.1 | 240,034.6 | 256,181.1 | 275,649.5 |
| Total Domestic Debt | 93,461.9 | 98,815.4 | 78,437.7 | 81,693.3 | 90,571.6 | 88,816.2 | 80,551.6 |
| **Short Term Debt** | **88,128.8** | **94,488.8** | **74,145.5** | **77,436.6** | **81,468.0** | **79,992.1** | **72,004.8** |
| **US dollar Debt** | **218,808.0** | **196,283.7** | **191,502.0** | **179,127.8** | **178,784.3** | **192,246.4** | **191,547.2** |
| **US dollar Debt (US$ millions)** | **1,070.0** | **951.7** | **927.4** | **867.4** | **865.8** | **931.0** | **918.7** |
| **Foreign Currency Debt** | **278,289.9** | **257,418.9** | **251,572.3** | **236,385.8** | **240,353.9** | **256,465.0** | **275,900.3** |
| **Floating Rate Debt** | **26,580.5** | **30,342.5** | **32,955.5** | **33,963.7** | **35,652.68** | **37,647.62** | **38,059.66** |
| Guyana dollar/U.S. dollar (End of Period) | 204.5 | 206.3 | 206.5 | 206.5 | 206.5 | 206.5 | 208.50 |
| Guyana dollar/U.S. dollar (Period Average) | 204.4 | 205.4 | 206.5 | 206.5 | 206.5 | 206.5 | 208.50 |

*Source: Debt Management Division, Office of the Budget, Ministry of Finance and Bank of Guyana*

# Appendix 18 – Loans Contracted during the period May 26, 2015 to December 31, 2018

| Creditor | Agreement Date | Loan Title | Currency | Loan Amount Approved | Disbursed as at December 31, 2018 | Committed Undisbursed Balance |
|---|---|---|---|---|---|---|
| **Loans Contracted during the period May 26, 2015 to December 31, 2018** | | | | | | |
| **MULTILATERAL** | | | | | | |
| International Development Association | December 29, 2015 | UG Science and Technology Support Project | USD | 3,664,000.00 | 3,709,503.89 | 0.00 |
| | June 22, 2017 | Guyana Payments System Project | USD | 6,000,000.00 | 647,999.99 | 5,352,000.01 |
| | June 22, 2017 | Guyana Education Sector Improvement Project | USD | 13,326,924.00 | 1,523,687.15 | 11,803,236.85 |
| | July 18, 2018 | Advance for Preparation of Guyana Oil and Gas Capacity Building Project | USD | 1,600,000.00 | 680,148.00 | 919,852.00 |
| | July 27, 2018 | First Programmatic Financial and Fiscal Stability Development Policy Program | USD | 35,000,000.00 | 34,214,168.00 | 0.00 |
| **Sub- Total** | | | **USD** | **59,590,924.00** | **40,775,507.03** | **18,075,088.86** |
| Caribbean Development Fund | December 14, 2016 | Rural Agricultural Infrastructure Development Project in Small Scale Farming Communities | USD | 6,625,000.00 | 5,962,500.00 | 662,500.00 |
| **Sub- Total** | | | **USD** | **6,625,000.00** | **5,962,500.00** | **662,500.00** |
| Caribbean Development Bank | May 26, 2015 | Sugar Industry Mechanisation Project (OCR) | USD | 662,000.00 | 5,182.15 | 656,817.85 |
| | May 26,2015 | Sugar Industry Mechanisation Project (SFR) [1/] | USD | 6,838,000.00 | 0.00 | 0.00 |
| | May 23, 2017 | Skills Development and Employability Project | USD | 11,700,000.00 | 29,142.00 | 11,670,858.00 |
| | September 4, 2018 | Water Sector Enhancement Project | USD | 1,265,000.00 | 0.00 | 1,265,000.00 |
| | September 18, 2018 | Transport Sector Enhancement Project | USD | 4,367,000.00 | 0.00 | 4,367,000.00 |
| **Sub- Total** | | | **USD** | **24,832,000.00** | **34,324.15** | **17,959,675.85** |
| Inter-American Development Bank | February 21, 2017 | Support to Improve Maternal and Child Health Project (OCR) | USD | 4,000,000.00 | 583,816.00 | 3,416,184.00 |
| | February 21, 2017 | Support to Improve Maternal and Child Health Project (SFR) | USD | 4,000,000.00 | 583,816.00 | 3,416,184.00 |
| | February 21, 2017 | Support for the Criminal Justice System Program (OCR) | USD | 4,000,000.00 | 579,197.50 | 3,420,802.50 |
| | February 21, 2017 | Support for the Criminal Justice System Program (SFR) | USD | 4,000,000.00 | 579,197.50 | 3,420,802.50 |
| | February 21, 2017 | Sustainable Agricultural Development Program (OCR) | USD | 7,500,000.00 | 927,714.00 | 6,572,286.00 |
| | February 21, 2017 | Sustainable Agricultural Development Program (SFR) | USD | 7,500,000.00 | 927,714.00 | 6,572,286.00 |
| | February 21, 2017 | Enhancing National Quality Infrastructure for Economic Development and Trade Promotion Progam (OCR) | USD | 4,500,000.00 | 708,393.95 | 3,791,606.05 |
| | February 21, 2017 | Enhancing National Quality Infrastructure for Economic Development and Trade Promotion Progam (SFR) | USD | 4,500,000.00 | 708,393.95 | 3,791,606.05 |
| | December 10, 2018 | Strengthening the Energy Sector Program (OC Regular) | USD | 5,820,000.00 | 2,910,000.00 | 2,910,000.00 |
| | December 10, 2018 | Strengthening the Energy Sector Program (OC Concessional) | USD | 5,820,000.00 | 2,910,000.00 | 2,910,000.00 |
| **Sub- Total** | | | **USD** | **51,640,000.00** | **11,418,242.90** | **40,221,757.10** |
| Islamic Development Bank | September 19,2018 | Guyana Power and Light Power Utility Program | USD | 20,000,000.00 | 0.00 | 20,000,000.00 |
| **Sub- Total** | | | **USD** | **20,000,000.00** | **0.00** | **20,000,000.00** |
| International Fund for Agricultural Development | March 21, 2017 | Sustainable Housing for Hinterland Project | USD | 7,960,000.00 | 800,000.00 | 7,160,000.00 |
| **Sub- Total** | | | **USD** | **7,960,000.00** | **800,000.00** | **7,160,000.00** |
| **Multilateral Sub-Total** | | | **USD** | **170,647,924.00** | **58,990,574.08** | **104,079,021.81** |
| **BILATERAL** | | | | | | |
| The Export-Import Bank of India | March 16, 2016 | East Bank East Coast Road Linkage Project | USD | 50,000,000.00 | 726,550.00 | 49,273,450.00 |
| | November 9, 2016 | Ocean Ferry Project | USD | 10,000,000.00 | 0.00 | 10,000,000.00 |
| | February 22, 2017 | High Capacity Fixed and Moble Drainage Pumps and Associated Strutures Project | USD | 4,000,000.00 | 0.00 | 4,000,000.00 |
| | July 19, 2017 | Up-gradation of three Hospitals (West Demerara Regional Hospital, Bartica Regional Hospital, Suddie Regional Hospital) in Guyana | USD | 17,500,000.00 | 0.00 | 17,500,000.00 |
| **Sub- Total** | | | **USD** | **81,500,000.00** | **726,550.00** | **80,773,450.00** |
| The Export-Import Bank of China | January 9, 2017 | East Coast Demerara Road Improvement Project | USD | 46,995,941.34 | 17,388,854.53 | 29,607,086.81 |
| | October 26, 2018 | Guyana National Broadband Project | USD | 37,600,000.00 | 11,314,721.25 | 26,285,278.75 |
| **Sub- Total** | | | **USD** | **84,595,941.34** | **28,703,575.78** | **55,892,365.56** |
| **Bilateral Sub-Total** | | | **USD** | **166,095,941.34** | **29,430,125.78** | **136,665,815.56** |
| **Grand Total (Mulitlateral + Bilateral)** | | | **USD** | **336,743,865.34** | **88,420,699.86** | **240,744,837.37** |

Footnotes:
1/ The SFR portion of the Sugar Industry Mechanisation Project was cancelled in full on August 1, 2017.

*Source: Debt Management Division, Office of the Budget, Ministry of Finance*

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