Ministry of Finance
GOVERNMENT OF THE COOPERATIVE REPUBLIC OF GUYANA

PUBLIC DEBT

ANNUAL REPORT 2017

MINISTRY OF FINANCE

as at December 31, 2017

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Minister of Finance

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Message from the Minister of Finance

It pleases me greatly to be presenting to this Honourable House, the third edition of the Public Debt Annual Report 2017. In keeping with Government's commitment to improve transparency and accountability, so as to ensure effective public debt management, this Administration recognises the need to report to Parliament, annually, on the developments in public debt. Accordingly, this 2017 Annual Report provides a comprehensive assessment of the country's public debt as well as debt management activities and operations during the review year.

For the year 2017, the total public debt-to-GDP increased marginally to 46.1 percent, from 45.7 percent at end-2016. Notwithstanding this increase, prudent macroeconomic management will ensure that Guyana's debt profile continues to remain stable and sustainable over the medium-term.

As a small open economy, Guyana is particularly vulnerable to the effects of globalisation. In recent times, we have been faced with new challenges, one of which is maintaining debt sustainability in a volatile and uncertain global economy. The recent Debt Sustainability Analysis indicates that, given the openness of the economy and its continued dependence on a narrow range of commodities for the bulk of its export earning, the country would continue to be susceptible to external shocks which, in turn, could affect the sustainability of our debt. Guyana is also highly vulnerable to commodity price shocks, as well as demand shocks, which originate in countries that purchase our goods and services.

Notably, there were contractions in the gold and sugar sectors that are traditional pillars of Guyana's economy. The sugar industry, in particular, which has long provided employment for many Guyanese citizens, has been in prolonged decline, in face of the loss of the European market preferential price, low productivity and poor management and decision-making, among other contributory factors. Government will continue to assist in the restructuring of the industry, including programmes to support employment and livelihood of workers in transition to industries with greater potential for long-term growth.

The Government is pursuing a Green Agenda, which spans social, environmental and economic sustainability issues. To ensure that our growth today does not come at the expense of future generations, the Government will be investing in renewable energy, in an effort to reduce its carbon footprint. This will complement investment in our people, and in infrastructure, health and education so as to realise Guyana's Green Agenda and achieve the Sustainable Development Goals (SDGs).

We are also faced with a number of development challenges including: infrastructure development in a largely isolated interior; the decline of traditional agriculture; and reduced access to grants, technical assistance and concessional lending, the latter of which presents a major challenge to debt sustainability.

We are exploring new strategies to reduce our reliance on external debt, including developing a domestic bond market. Reducing external debt would reduce Guyana's vulnerability to exchange rate risk, which is currently very high. A modest appreciation in the US dollar against the Guyanese dollar would result in a substantial increase in the cost of servicing Guyana's US dollar-denominated debt.

The Government recognises that effective public debt management plays a critical role in building a strong public financial sector that bolsters our economic stability and sustainable growth. As such, the Government is committed, through proactive action, to improve Guyana's performance in sovereign debt management and, by extension, the overall quality of governance.

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

Acknowledgement

In keeping with internationally recommended sound practices developed by the International Monetary Fund and World Bank Guidelines for public debt management, the Debt Management Division (DMD) has prepared its third edition of the Public Debt Annual Report. The Report reviews and highlights the public debt management operations in Guyana during the Review Year 2017.

I would like to express thanks to all who worked closely with the DMD team in a collaborative process, in the preparation and production of the Public Debt Annual Report 2017. I am extremely grateful and appreciative for the support of all my colleagues of the DMD, in particular, Ms. Eleeni Komal-Persaud, Mr. Shaquille Pompey, Ms. Drecina Fraser, Ms. Dawn Browman, Ms. Lavern Lawrence and Mr. Joel Joseph who all worked very hard in compiling the data, tables, charts, analysis, which were pivotal in the preparation of the chapters for the Report. The DMD team worked tirelessly to ensure that the Report is an accurate reflection of Guyana's public debt, its development and sustainability for the period under review.

I would like to recognise the Honourable Winston Jordan, Minister of Finance, for his invaluable input, comments and insights, which helped to shape the final version of the Public Debt Annual Report. I am also very thankful and appreciative to Ms. Wanita Huburn, Public Relations Officer for her contribution; and Ms. Sonya Roopnauth, Director, Office of Budget for her support in ensuring the final report was successfully produced in a timely manner.

I look forward to the continued support of all parties in the production and publication of the Public Debt Annual Report.

Donna M. Yearwood

Head, Debt Management Division

Table of Contents

List of Tables

List of Figures

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
CDB	Caribbean Development Bank
CEMLA	Centre for Latin American Monetary Studies
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
FMD	Fiscal and Monetary Division, Ministry of Finance
FO	Front-Office
GDP	Gross Domestic Product
GEA	Guyana Energy Authority
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
IDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association (World Bank)
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
LIC	Low-Income Country
MO	Middle-Office
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOLA	Ministry of Legal Affairs
MTDS	Medium-Term Debt Strategy
NPV	Net Present Value
PCMD	Project Cycle Management Division, Ministry of Finance
PDP	Public Debt Capacity Building Programme
PDVSA	Petróleos de Venezuela South America

PSIP	Public Sector Investment Programme
SDR	Special Drawing Rights
SECO	Swiss State Secretariat for Economic Affairs
T-bills	Treasury Bills
WBDRS	World Bank Debt Reporting System
XGS	Exports of Goods and Service

Chapter 1 - Introduction

1.1 The Economic Environment

In 2017, the world economy achieved better-than-expected results, following the U.S. tax policy reform and notable improvements that were observed in Europe and Asia. At the same time, accommodating commodity prices and better financial conditions sustained economic expansion in the Latin American and Caribbean region. In face of this global expansion, the Guyanese economy did not meet the expected growth, due to weaker-than-anticipated performances in the mining and quarrying and construction sectors as well as sugar and livestock. These were sufficiently large to offset better-than-projected growth in the other agriculture, fishing and forestry, manufacturing, and services sectors. The real economy grew by 2.1 percent in 2017, slightly below the 3.3 percent achieved in 2016. The risks noted in the 2018 Budget Speech—unpredictable commodity prices, climate change and international financial market disruptions—remain relevant since they have the ability to derail growth projections.

1.2 The Global Economy

In 2017, global economic growth reached 3.7 percent, an upward revision due to a stronger-than-expected, broad-based growth in the third quarter of 2017. Growth in advanced economies at the end of 2017 was 2.3 percent. The expansion within this group of countries was driven by robust global trade, reflecting a pickup in investment, and an increase in manufacturing output.

The growth prospects for emerging market and developing economies improved at the end of 2017 to 4.7 percent. The upward revision was on account of better-than-expected performances in, for example, Brazil, China and South Africa. The Latin American and the Caribbean region is estimated to have grown by 1.3 percent. This is against the backdrop of continually improving conditions in the global economy over the last few years.

The OECD suggested that the growth trend will continue in 2018 and may possibly reach an eight-year high. The improved outlook for 2018, reflects favourable commodity prices and easier financial conditions, which are expected to support greater vigour in consumption and investment.

1.3 The Domestic Economy

In 2017, Guyana achieved moderate growth, due to mixed performances in different sectors. The real economy grew by 2.1 percent. The mining and quarrying sector which contributes significantly to Guyana's economy contracted by 8.8 percent. Similarly, sugar, which is one of the main agricultural outputs, declined by 25.2 percent from 2016 to 2017. The Construction sector showed the largest growth of 11.4 percent followed by the electricity and water sector which grew by about 4.5 percent. There were also improvements in the manufacturing sector and service industries. The agriculture, fishing and forestry sector marginally grew by less than one percent.

Notably, the wholesale and retail trade of the service industry recorded an 8.7 percent growth rate which indicated an improvement in consumer confidence.

In 2017, the Non-financial Public Sector and the Central Government both recorded a deficit of $37.3 billion and $33.4 billion respectively. The Central Government collected revenues totalling $194.37 billion in 2017, an increase of 9.8 percent, whilst total expenditures were about $240.3 billion, an increase of 10.8 percent.

Guyana's balance of payments continues to face a deficit. At end-2017, this deficit was recorded at US$69.5 million, compared to the 53.3 million in 2016. This increased deficit was as a result of further decline in the current account. The current account deficit grew by US$275 million, largely due to an increase in the deficit for both merchandise trade and services accounts. The merchandise trade deficit amounted to US$196.2 million, US$165.4 million above the 2016 level. Net payments for services amounted to US$372.8 million, 23.4 percent or US$70.8 million above the level in 2016. The capital account recorded a surplus of US$228 million, from a deficit of US$13.2 million in 2016. This outturn reflected higher inflows to the private sector in the form of foreign direct investment inflows which increased by US$180.2 million to US$212.2 million in 2017 compared to US$32.0 million in 2016.

Inflation in Guyana remained stable for 2017. The 12-month inflation rate stood at 1.5 percent as at end-December 2017, an increase of about 10 basis points compared to 2016. Interest rates have remained low and stable, with a modest decline from 2016 to 2017. The exchange rate between the Guyana dollar and U.S. dollar at the Bank of Guyana was $206.5 and has not changed when compared to 2016. This stability in the exchange rate has been maintained by the Bank of Guyana's monetary policy, in line with creating an enabling environment for economic growth.

Chapter 2 – Legal Framework and Institutional Developments

In 2017, the Government continued to make progress in the area of public debt management, through initiatives aimed at enhancing our laws, and operational and governance practices. These actions were undertaken in an effort to improve transparency and accountability as they relate to public debt management in Guyana.

The Government benefitted from technical assistance provided by two of its main development partners, Commonwealth Secretariat (COMSEC) and the Centre for Latin American Studies (CEMLA). This included: continuation of the process of reviewing and modernising the legal framework for public debt management in Guyana; hosting national workshops and participating in a regional workshop that addressed issues such as the fundamentals in 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 the new features in the latest version of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS).

More specifically, the government team continued to review and comment on the draft Public Debt Management Bill (PDMB), with technical assistance from the COMSEC. This Bill, which is a work in progress, seeks to improve and modernise the legal framework for public debt management. It is expected to be completed, in 2018, and, subsequently, laid in Parliament.

2.1 Institutional Developments

The review period saw several institutional developments in the areas of reporting, and operational and staff capacity.

2.1.1 Reporting and Capacity Building

Transparency in reporting is an essential element in public debt management. There are many benefits to greater transparency, including reduced market uncertainty as to the objectives of debt management policy. This helps to create expectations about the consistency of future policy decisions. Transparency is integral to maintaining accountability and fostering a good investment climate. Hence, the need to regularly report on debt management operations and activities is essential to building sound debt management practices. Guyana has made progress in this area.

For the past four years, Guyana has worked with CEMLA, with funding from the Swiss Government under the Public Debt Management Capacity Building Programme (PDP). One of the main outputs from this collaborative effort has been the preparation of *Guyana Public Debt Management Procedures Manual*, as reported in the second edition of the *Public Debt Annual Report*. This Manual, which was formally approved, in December 2016, was implemented with effect from January 3, 2017. It has been adopted by the DMD as an official document of government and used as a tool when conducting debt management operations. It is a "stepping stone" for public debt management in Guyana as it aids in streamlining the back office operations with other relevant departments and institutions. These procedures are expected to be revised periodically, to ensure that they are relevant and are in keeping with the evolving nature of public debt management. In addition, a draft Public Debt Abstract for 2017 was prepared and is currently being reviewed prior to being published on MOF's website. It is hoped to make this a yearly feature of the debt management calendar.

In June 2017, the Government team also worked with CEMLA to conduct a National Workshop, in Georgetown, under the Public Debt Management Programme (PDP). Two outputs of the Workshop were the preparation of A National Sustainable Funding Strategy (SFS) and a draft Sustainable Funding Strategy (SFS) Report for 2017. The SFS comprises a Medium Term Debt Management Strategy (MTDS) and Debt Sustainability Analysis (DSA). These Reports are being reviewed prior to being published.

In October 2017, a second COMSEC Technical Assistance Mission was mounted in Georgetown, to: Review the draft Public Debt Management Act 2017; establish a new draft Public Debt Management Act 2017 with amendments; and agree a framework to develop supporting regulations and internal policy. The mission was conducted by two policy advisers from the Debt Management Advisory Services Unit of the COMSEC.

To-date, two Public Debt Annual Reports for the years 2015 and 2016, have been prepared and submitted to Parliament. This Annual Report is the third issue. The DMD intends to prepare and publish its fourth Annual Public Debt Management Report as well as a Public Debt Statistical Bulletin by end 2019. (For further information, please visit Ministry of Finance, Guyana ***website: www.finance.gov.gy.***

Further work is needed to prepare a Procedures Manual to cover the operational aspects of the Middle and Front Office functions as well as an Annual Borrowing Plan.

2.1.2 Staffing Development

At the beginning of 2017, there existed six (6) technical staff, including the Head of Division, who retired but is being retained on contract. However, in July and November 2017, the division staff complement was reduced by two. One of the two Senior Economic and Financial Analysts as well as one of the Economic and Financial Analysts resigned to take up positions in a public corporation and private sector, respectively. The former is a highly trained individual with over a decade of public debt management experience, who opted for an administrative position in a public corporation involved in the retail business. The latter is the current head of the Secretariat of the Private Sector Commission.

This adversely affected the productivity of the division in executing its day-to-day functions of debt management and added to the workload of the other staff. For several months, the division operated with four technical staff who were straddled between the analytical and operational aspects of debt management.

During 2017, the staff of Debt Management Division participated in several seminars and training workshops. The details of these are highlighted in **Table 1** below:

Table 1: Participation of Debt Management Division Staff in Seminars and Workshops in 2017

No	Training	Person(s) Attended	Location	Date
1	Basic Concepts and Terminologies of Debt Management	Donna Yearwood Shaundell Brotherson Eleeni Komal-Persaud Hsing Wong Drecina Fraser Richard Rambarran Dawn Browman	Georgetown, Guyana	30 January - 3 February
2	National Workshop on Sustainable Funding Strategy (SFS)	Donna Yearwood Shaundell Brotherson Eleeni Komal-Persaud Hsing Wong Drecina Fraser Richard Rambarran Dawn Browman	Georgetown, Guyana	12 - 16 June
3	Joint CEMLA - World Bank Regional Workshop on Debt Management Performance Assessment (DeMPA) Tool	Donna Yearwood Eleeni Komal-Persaud Drecina Fraser	Mexico City, Mexico	6 - 10 November

Source: Debt Management Division

2.1.3 Photos taken at Workshops and Seminars

National Workshop on Sustainability Funding Strategy
Georgetown, Guyana. June 12-16, 2017

National Workshop on Sustainability Funding Strategy
Georgetown, Guyana. June 12-16, 2017

Joint CEMLA - World Bank Regional Workshop on Debt Management Performance Assessment (DeMPA) Mexico City, Mexico. November 6-10, 2017

As the old adage goes: "all good things must come to an end sometime!!" It should be placed on record, that the closure of the CEMLA Public Debt Management Capacity Building Programme (PDP), in December 2017, marked the end of a very special collaborative effort Guyana has had with its long-standing development partner, CEMLA. This Programme was financed by the Swiss State Secretariat for Economic Affairs (SECO).

To summarise, under this CEMLA PDP, Guyana made notable progress in the areas of debt management. Among the many notable achievements were: (1) the formulation of a National Sustainable Funding Strategy in the years 2015, 2016 and 2017, inclusive of a Debt Sustainability Analysis and Public Debt Strategy; (2) a comprehensive Public Debt Management Procedures Manual, which has improved and ensured consistent debt management operations whilst reducing operational risks; (3) the first National Workshop on Debt Management Self-Evaluation and Improvement (DMSAI) in 2016, using the World Bank Debt Management Performance Assessment (DeMPA) Methodology to assess our debt management operations and chart a course for improvement and achievement of international best practices; and (4) the conduct of several Regional Training Workshops on DEMPA, DSA and Medium-Term Debt Management Strategy (MTDS), in Mexico.

We extend sincere gratitude and appreciation to CEMLA and SECO for their support over the past four years, specifically, Mr. Jaime Coronado, for his exemplary work, leadership and guidance under the PDP Strategic Country Plan for Guyana; Ms. Erendira Fuentes Hernandez, Ms. Laura Elena Sánchez Vázquez, Ms. Gabriella Palaacios Gomez; and Consultants (Dr. Javier Comboni, Mr. Juan Carlos Vilanova, Ms Michele Robinson and Mr. Errol La Cruez).

Chapter 3 - Total Public Debt

As at end December 2017, Guyana's total public debt (external and domestic) amounted to $335 billion, reflecting an increase of 4.4 percent compared to its 2016 level. This marginal increase was mainly attributed to higher disbursements from some multilateral creditors such as the IDB, IDA, CDB and the Export Import Bank of China which were made during 2017.

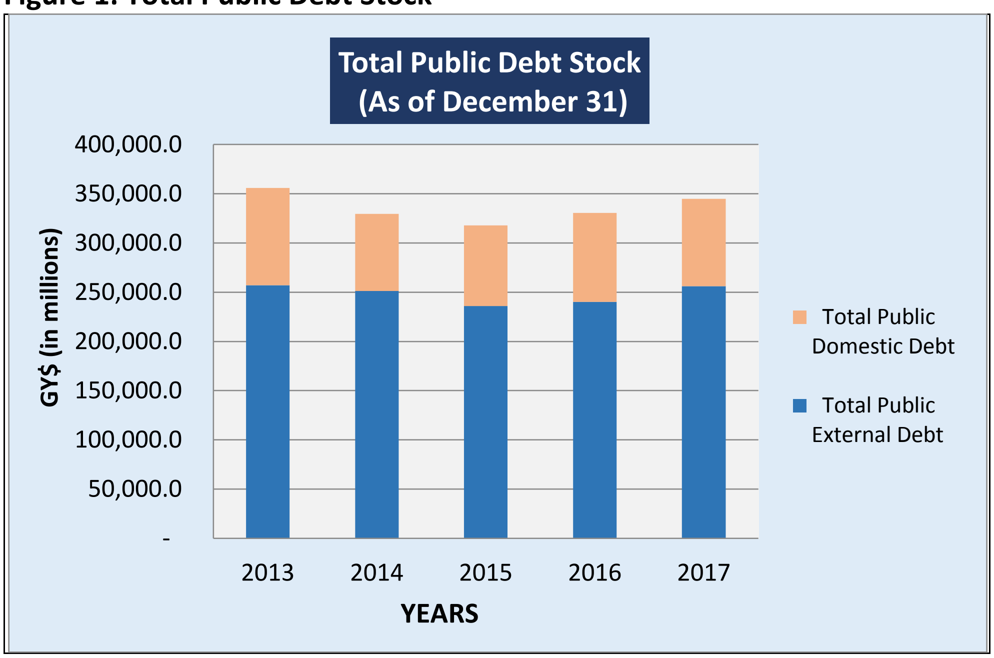
As at December 2017, total external debt amounted to $256.2 billion or 74.3 percent of total public debt, while domestic debt stood at $88.6 billion or 25.7 percent of total public debt.

Table 2: Total Public Debt Stock

Total Public Debt Stock in millions of Guyana dollars (As of December 31)					
	2013	**2014**	**2015**	**2016**	**2017**
Total Public Debt Stock	**355,809.5**	**329,619.9**	**317,724.4**	**330,606.3**	**344,997.3**
Total Public External Debt	256,994.1	251,182.2	236,031.1	240,034.6	256,181.1
Total Public Domestic Debt	98,815.4	78,437.7	81,693.3	90,571.6	88,816.2
In Percent of Total Public Debt					
External	72.2	76.2	74.3	72.6	74.3
Domestic	27.8	23.8	25.7	27.4	25.7

Source: Debt Management Division, Ministry of Finance

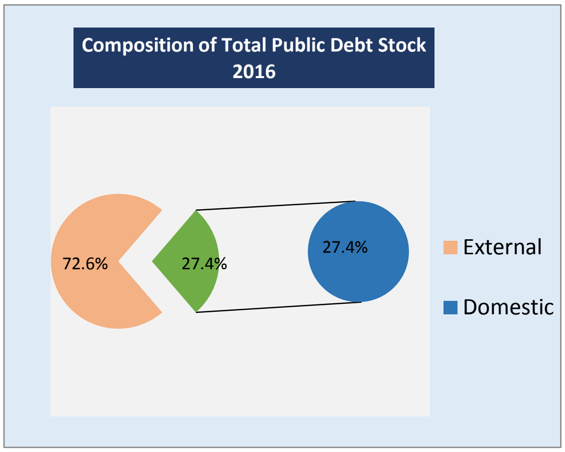
Figure 1: Total Public Debt Stock



Source: Debt Management Division, Ministry of Finance

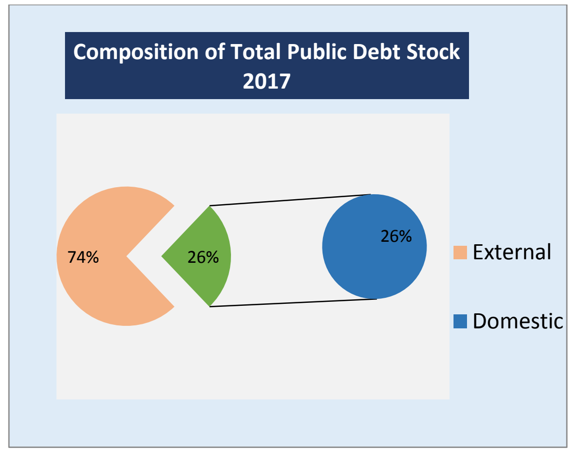
The share of external debt to total public debt increased from 72.6 percent at end-2016 to 74.3 percent at end-2017, while the share of domestic debt to total debt decreased from 27.4 percent to 25.7 percent of total debt over the same period. The decline in the domestic debt stock was due to a decrease in the issuances of domestic securities (Treasury Bills) and the repayment of first National Insurance Scheme Debenture Certificates for about $244 million. The domestic debt market in Guyana is undeveloped. In the future, we aim to develop the government securities market, given that this would be used as a benchmark in the local capital market.

Figure 2: Composition of Total Public Debt Stock 2016



Source: Debt Management Division, Ministry of Finance

Figure 3: Composition of Total Public Debt Stock 2017



Source: Debt Management Division, Ministry of Finance

3.1 Debt Relief Initiatives

Guyana continued to 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 meant that all bilateral creditors, alike, 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 non-Paris Club member countries such as 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, Guyana cannot service its debt to these creditors.

In February 2017, Guyana engaged Serbia, through its state entity, Yugoimport-SDPR about the settlement of Guyana's debt of US$1,333,078.88, which included principal arrears of US$587,719.72 and penalty interest of US$745,359.16 as at December 31, 2016. However, Yugoimport-SDPR and Guyana were unable to reach a mutually acceptable position on the debt settlement. We intend to make every effort to continue pursuing a debt settlement agreement with Yugoimport-SDPR.

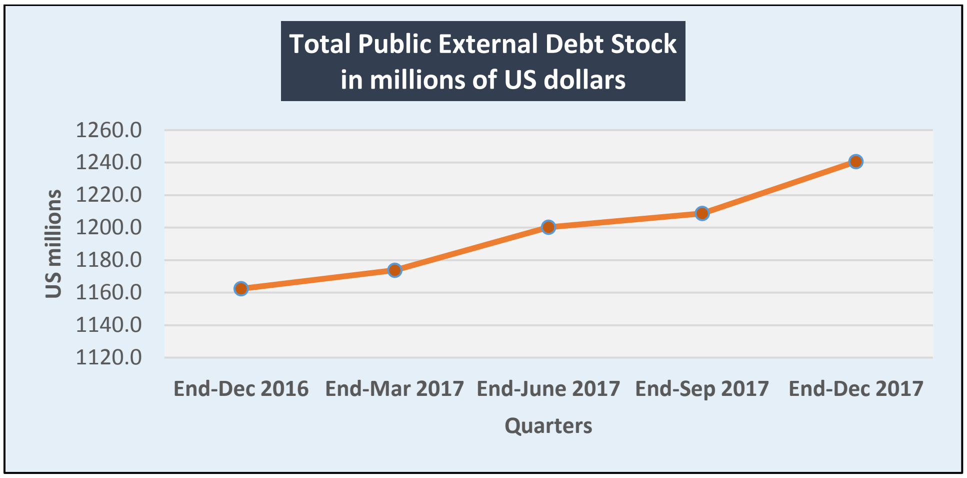
By way of a succinct background, in 1976, Guyana contracted a loan from ex-Yugoslavia for US$5,651,150.84. Payments totalling US$5,063,431.12 were made, with the last being in 1985. Currently, Guyana does not service its debt to Yugoimport-SDPR, and any other Non-Paris Club creditors that are in arrears, owing to the aforementioned requirement imposed by Paris Club as a condition for providing debt relief.

In 2018, the Government intends to proactively engage the other Non-Paris Club creditors whose debts are in arrears with a view to concluding a mutually agreed debt settlement agreement.

Chapter 4- Public External Debt

At end-December 2017, Guyana's public external debt stood at US$1,240.6 million, which represented an increase of about 7 percent when compared to the US$1,162.4 million recorded at end-December 2016. This increase was mainly due to a steady increase in disbursements from the Export-Import Bank of China, the Inter-American Development Bank and the Caribbean Development Bank, with a significant portion being made during the fourth quarter of 2017.

Figure 4: Public External Debt Stock



Source: Debt Management Division, Ministry of Finance

The total external public debt to GDP ratio increased from 33.2 percent, at the end of 2016, to 34.3 percent, at the end of 2017. The rate of debt accumulation grew faster the nominal growth in GDP. As mentioned above, external debt grew by about 7 percent while nominal GDP grew only about 3 percent.

4.1 Creditor Category and Creditor

The creditor composition of the external debt consists of official creditors and commercial creditors. The official creditor category is made up of bilateral and multilateral lenders while the commercial creditor category comprises commercial banks, supplier's credit and bondholders.

Table 3: Public External Debt Stock by Creditor Category and Creditor in millions of US dollars

Outstanding Public External Debt Stock by Creditor Category (As of December 31, 2017) In millions of US Dollars	
Total Public External Debt Stock (I+II)	**1,240.6**
1. Oficial (1.1+1.2)	**1,205.4**
1.1 Multilateral	725.5
CDB	150.7
IDA	35.6
CDF	8.0
IADB	503.3
IFAD	8.6
Other[1]	19.4
1.2 Bilateral	479.9
India	16.8
Venezuela	120.4
T&T	12.1
China	181.3
Other[2]	149.3
2. Commercial	**35.2**
Banking Sector	22.5
Suppliers Credit	12.5
Other[3]	0.1

Notes:

1. Includes: OPEC Fund, EEC

2. Includes: USA, Italy, Argentina, Kuwait, Libya, UAE and Serbia

3. Includes: Bonds, Perpetual Railway Stock

Source: Debt Management Division, Ministry of Finance

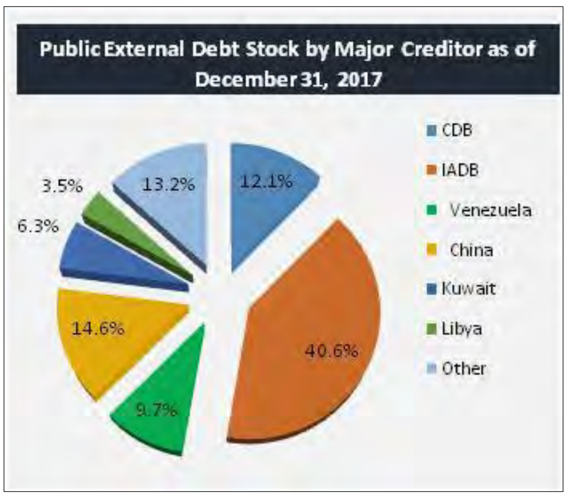
At end-December 2017, multilateral creditors continued to be the predominant creditor category, accounting for 58.5 percent of the external debt portfolio, down from 59.7 percent in 2016. Bilateral lenders and Commercial lenders represented 38.7 percent and 2.8 percent of the public external debt portfolio, respectively. The increase in commercial public debt from $17.6 million, as at end-2016 to $35.2 million as at end-2017, was primarily as a result of the decision taken by the Government, in April 2017, to transfer the Atlantic Hotel Incorporated (AHI)'s financial obligations to Republic Bank (Trinidad) to the Central Government. This was due to AHI's inability to meet its repayment obligations.

4.2 External Debt by Major Creditor

Guyana's four (4) main external creditors remain the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the Export-Import Bank of China and the Government of Venezuela, constituting 77 percent of Guyana's public external debt stock, at end December 2017. Of these, the IDB continued to be the dominant creditor, with an average share of 40.6 percent of the debt portfolio. The Export-Import Bank of China accounted for 14.6 percent compared to 12.5 percent, in 2016, replacing the Caribbean Development Bank (CDB) as Guyana’s second largest creditor, in 2017. The CDB accounted for 12.1 percent of total public external debt while the Government of Venezuela accounted for 9.7 percent.

Kuwait and Libya, whose debts are in arrears, remain the two largest non-Paris Club bilateral creditors of Guyana, accounting for a combined 9.8 percent of Guyana's public external debt stock, at end 2017. The Government is currently actively engaging these creditors with a view to obtaining debt relief.

Figure 5: Creditor Composition of External Public Debt Stock 2017



Source: Debt Management Division, Ministry of Finance

Figure 6: Creditor Composition of External Public Debt Stock 2016

Source: Debt Management Division, Ministry of Finance

4.3 Borrower Category

The public external debt stock by borrower category has remained relatively unchanged, in 2017. The Central Government is the main recipient of external financing, accounting for 99 percent of the debt portfolio, in 2017. This represents a 7.0 percent increase over the end-2016 position. On the other hand, the share of public external debt held by the Central Bank has remained the same.

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)		
	2016	**2017**
Total Public External Debt Stock	**1,162.4**	**1,240.6**
Central Government	1,146.4	1,224.58
Central Bank	16.0	16.01

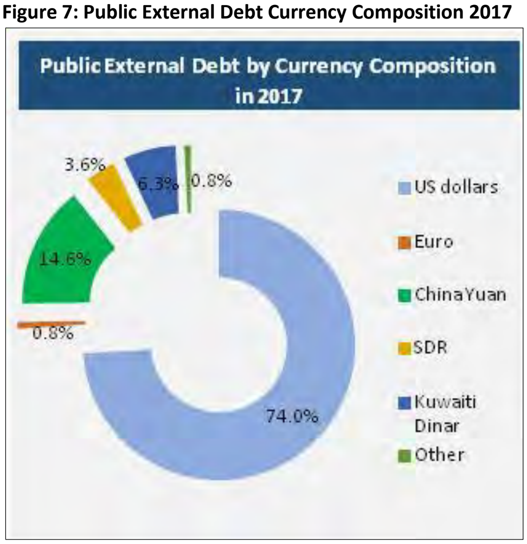
Source: Debt Management Division, Ministry of Finance

4.4 Currency Composition

At end-December 2017, external loans continued to be denominated primarily in US dollars. As a result, there is a high level of exposure to movements 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 less than 1 percent of the total external portfolio.

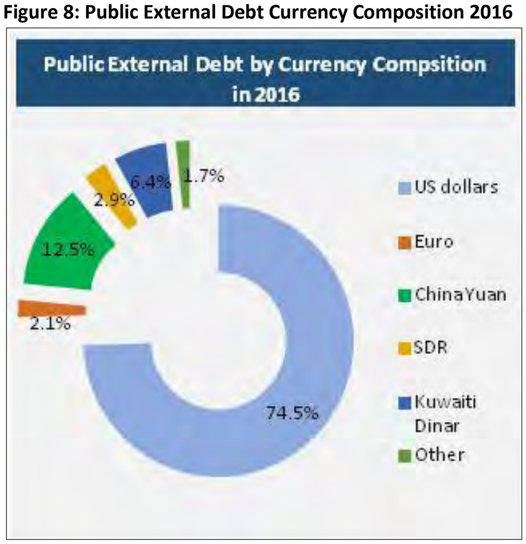
During the period under review, the US dollar loans represented 74 percent of the external portfolio, a decrease of 0.5 percentage points over the previous year. The SDR/US$ rate depreciated by 0.7 percentage points when compared to the end-2016 position. The Chinese Renminbi (Yuan) remained the second largest currency in the currency basket of public external debt and continues to increase as a share of the outstanding public external debt. The Chinese Yuan increased from 12.5 percent at the end of 2016 to 14.6 percent at the end of 2017. This mainly reflects the disbursements from China Eximbank to finance the Cheddi Jagan Expansion Project and the new East Bank-East Coast Road Linkage Project, for which a loan was contracted in 2016.

Figure 7: Public External Debt Currency Composition 2017



Source: Debt Management Division, Ministry of Finance

Figure 8: Public External Debt Currency Composition 2016



Source: Debt Management Division, Ministry of Finance

The basket of currencies under the "Other" category decreased by 0.9 percentage points, or from 1.7 percent, in 2016, to 0.8 percent, in 2017. This decline was due to the dollarisation of 11 IDB loans as at October 2, 2017. Guyana accepted the IDB's offer to convert all outstanding balances of loans denominated in freely convertible currencies to United States dollars. The aim of the dollarisation by the IDB is to reduce the transactional cost associated with various currency purchases, among others. The currencies converted under the dollarisation were the Danish Krone, Canadian dollars, Euros, British Pound Sterling and the Japanese Yen. The currency composition of Guyana's external debt portfolio is merely a reflection of the availability of funding and the currencies in which they are denominated.

4.5 Interest Rate Structure

A significant portion of Guyana's public external debt was contracted on a fixed-rate basis. The share of fixed-rate debt continues to decline steadily at an average rate of 1 percent per year. At the end of 2017, fixed rate public external debt was 85.7 percent of the external debt portfolio, representing a decline of 1.1 percentage points from the end-2016 position. Consequently, the share of variable rate debt has increased by the corresponding 1.1 percentage points to 14.3 percent, as at end-2017. The increase in the variable rate component of the debt in 2017 is attributable to the disbursements made on IDB and CDB variable rate loans.

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)		
	2016	**2017**
Total Public External Debt Stock	**100.00%**	**100.00%**
Fixed Rate	86.78%	85.71%
Floating Rate	13.23%	14.30%

Source: Debt Management Division, Ministry of Finance

4.6 Maturity Structure

The maturity structure of the public external debt portfolio at end-December 2017, still reflected the Government Strategy of borrowing long-term concessional loans.

As at the end-2017, public external debt with remaining maturities of 5 years and more remained constant from 2016 to 2017, at about 98.3 percent. Maturities falling due in the 1-5 year category remains the same at about 1.7 percent of the public external debt portfolio.

Notably, there are no loans with a remaining maturity of one year or less.

Table 6: Public External Debt Stock by Remaining Maturity

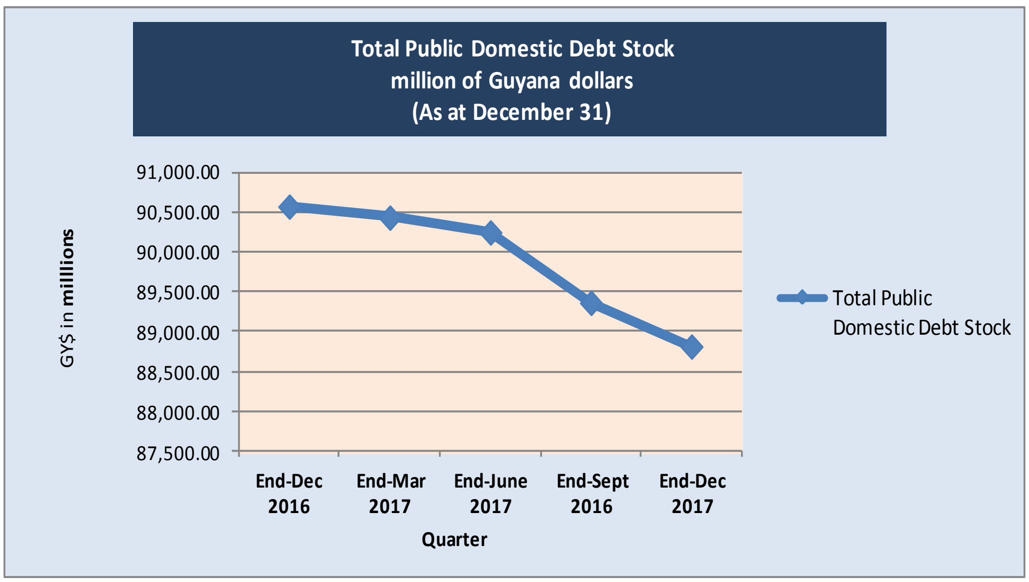
Total Public External Debt Stock by Remaining Maturity in millions of US dollars (As of December 31)					
	2013	**2014**	**2015**	**2016**	**2017**
Total Public External Debt Stock	**1246.0**	**1216.4**	**1143.1**	**1162.4**	**1240.6**
Less than 1 year	0.1	9.4	5.7	0.1	0.0
Between 1 and 5 years	27.4	35.0	25.8	19.3	21.4
More than 5 years	1218.5	1172.0	1111.5	1143.0	1219.2

Source: Debt Management Division, Ministry of Finance

Chapter 5 - Public Domestic Debt

As at end-December 2017, Guyana's public domestic debt stock stood at $88.8 billion. This represents a decrease of about 2 percent compared to $90.6 billion, at the end-December 2016. 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 1.8 percent. The first repayment of the National Insurance Scheme (NIS) Debentures was made in 2017 for amount of $244.1 million, and has caused the stock of Debentures to decrease by 3 percent, thereby contributing to the decrease in the public domestic debt stock. Notably, the stock of 91-day T-bills decreased by $5 billion.

Figure 9: Total Public Domestic Debt Stock 2016-2017



Source: Debt Management Division, Ministry of Finance

As seen in the Figure 9 above, over the period December 2016 to end-December 2017, the total public domestic debt showed a downward trend. The public domestic debt stock has continuously declined, on average by 50 basis points, 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)		
	2016	**2017**
Total Public Domestic Debt Stock	**90,571.6**	**88,816.2**
Domestic Securities	**90,252.3**	**88,532.4**
Treasury Bills	81,468.0	79,992.1
91-Day [1/]	5,997.7	997.3
182-Day	7,151.6	11,332.8
364-Day	68,318.8	67,662.1
Debentures	8,781.0	8,536.9
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/]	4,882.4	4,638.3
Bonds	3.4	3.4
Defence Bonds	3.4	3.4
Domestic Loans	**319.3**	**283.8**
National Insurance Scheme Loan	319.3	283.8

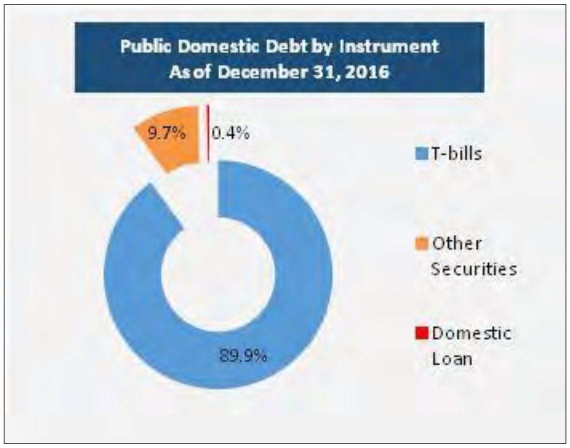
Notes:
1/ Includes K-Series
2/ Excludes Bank of Guyana Non-Interest Bearing Debentures
3/ Payment to NIS to recover its investment in CLICO (Guyana) as per Debenture Agreement dated September 16, 2016.

Source: Debt Management Division, Ministry of Finance

As shown in Table 7, between end-December 2016 and end-December 2017, domestic securities decreased by about 2 percent, or from $90.3 billion to $88.5 billion. There is only one domestic loan on the debt portfolio. It is repaid semi-annually according to an amortisation schedule. This loan will mature in 2025. Domestic loans has, therefore, decreased by 11 percent, or from $319.3 million to $283.8 million.

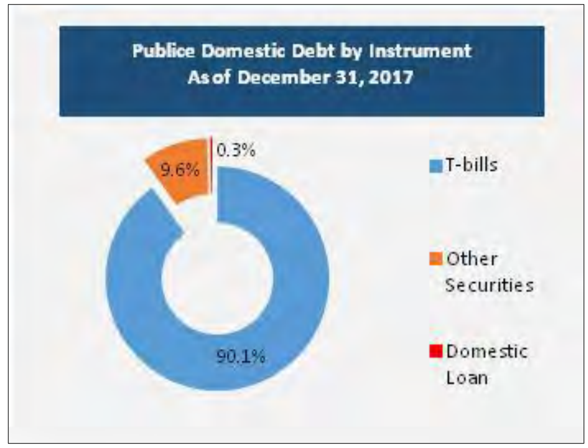
The total outstanding stock of Treasury bills fell by 1.8 percent to $79,992 million, mainly as a result of lower issuance of the 91-day and 364-day Treasury bills, during the review period. In contrast, the volume of outstanding 182-day bills increased by $4,181 million to $11,333 million one year later.

Figure 10 : Public Domestic Debt by Instrument



Source: Debt Management Division, Ministry of Finance

Figure 11: Public Domestic Debt by Instrument



Source: Debt Management Division, Ministry of Finance

At end-December 2017, domestic securities accounted for 99.7 percent while domestic loan accounted for 0.4 percent of total public domestic debt. This was basically unchanged from the share of domestic debt securities and loans in 2016.

Securities account for the greater amount of public domestic debt stock. These are primarily short-term securities issued by the Bank of Guyana in the form of Treasury bills. At the end-December 2017, T-bills accounted for 90.1 percent of total public domestic debt while the other securities and domestic loan accounted for 9.9 percent. Compared to end-2016, the share of T-bills increased by 2 basis points while the share of other securities increased by 1 basis point.

5.2 Domestic Debt by Institutional Sector

Table 8: Total Public Domestic Debt by Institutional Sector

Total Public Domestic Debt by Institiutional Structure in millions of Guyana dollars (As of December 31)				
	2016	**2016 Share**	**2017**	**2017 Share**
Total Public Domestic Debt	**90,571.64**		**88,816.20**	
Banking Sector	72,049.59	79.5%	68,632.30	77.3%
Pension Fund 1/	11,538.10	12.7%	9,604.20	10.8%
Other 2/	6,983.95	7.7%	10,579.70	11.9%

1/ National Insurance Scheme only

2/ Public and Private Non-Bank Financial Institution

Source: Debt Management Division, Ministry of Finance

In Guyana, 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-2017, the banking sector continued to be the largest holder of public domestic debt, accounting for a 77.3 percent share. The remaining two institutional sectors - pension funds and the “other category” - accounted for 10.8 percent and 11.9 percent of total domestic public debt, respectively. From end-2016 to end-2017, 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 by 4.2 percentage points.

The large share of domestic debt held by the banking sector is largely explained by the need to hold liquid assets on their balance sheet and to meet central bank reserve requirements. Treasury bills offer mostly risk free returns. With the underdeveloped domestic financial market, there is very little appetite from other institutional sectors, such as non-bank and non-financial corporations, to demand Government securities.

Treasury bills are the primary investment asset preference of commercial banks in Guyana. Given that the primary 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 79.7 percent, 2.75 percentage points lower from one year earlier.

The Bank of Guyana held 5.5 percent of domestic debt instruments at end-2017. It’s share-holding of domestic debt instruments marginally increased from end-2016 to end-2017. T-bills and debentures are the two instruments held by the Bank. At end-2017, the Bank held about 1.0 percent of T-bills and 45 percent of debentures. Over the review period, the Bank's holding of T-bill was maintained 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. It holds the one domestic loan, nineteen (19) debenture certificates and some T-bills in the domestic debt portfolio. At end-2017, the pension funds’ share of total public domestic debt was 10.8 percent. This share decreased by almost 2 percentage point at end-2017. The share of T-bills held by NIS decreased by about 2 percentage points.

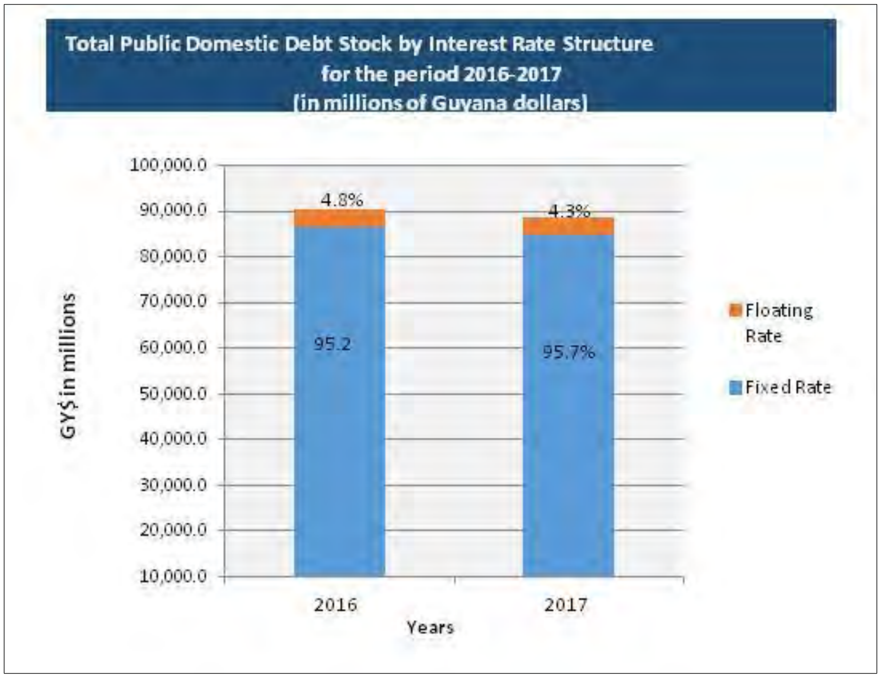
The "other sector", holds both T-bills and Defence Bonds. At end-2017, the share of public domestic debt held by the "other sector" was 11.9 percent. From end-2016 to end-2017, the share of this sector increased by about 4.2 percentage points. This increase resulted from the holdings of T-bills by a Public Enterprise.

After more than a decade, a Public Enterprise (Guyana Power and Light Inc.) is the holder of T- bills. At end-2017, GPL held $4 billion in T-bills.

5.3 Domestic Debt by Interest Rate Structure

At end-2017, the share of public domestic debt with a fixed interest rate was 95.6 percent while the share of floating interest rate debt was 4.4 percent. As shown in Figure 14, the share of fixed interest rate debt varied marginally over the two years.

Figure 12: Total Public Domestic Debt Stock for 2016 and 2017



Source: Debt Management Division, 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 but have their yield determined by the difference between the purchase price and the face value. The discount rate is fixed when the instrument is issued. The cost of issuing T-bills is the difference between the purchase price and the face value. This cost is fixed at the time of issuance. Given this, for analytical purposes, T-bills are classified as instruments with a fixed interest rate.

The continuous high share of fixed-rate debt in the domestic debt portfolio causes Guyana's domestic debt to be less susceptible to interest rate variability. Notwithstanding, domestic debt is still subject to interest rate risk because of the size of short-term debt. This means that a large share of the domestic portfolio has its interest rates reset when instruments mature and are rolled-over or replaced with new issues, as these become 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 interest rate risk because of the short-duration (short maturity) of the domestic debt. Since T-bills rollover 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.

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

5.4 Domestic Debt by Maturity Structure

Table 9: Maturity Structure of Total Public Domestic Debt Stock

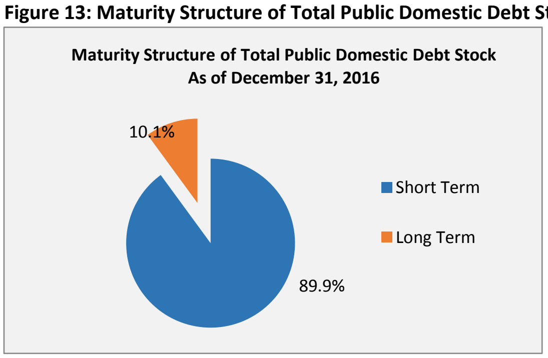
Maturity Structure of Total Public Domestic Debt Stock in millions of Guyana dollars (As of December 31)		
	2016	**2017**
Total Public Domestic Debt Stock	**90,571.64**	**88,816.19**
Short Term	**81,467.95**	**79,992.10**
Treasury Bills	81,467.95	79,992.10
91-Day [1/]	5,997.65	997.30
182-Day	7,151.55	11,332.75
364-Day	68,318.75	67,662.05
Long Term	**9,103.69**	**8,824.09**
Debentures [2/]	8,780.98	8,536.86
Republic Bank Debentures	0.00	0.00
Bank of Guyana Debentures [2/]	3,898.54	3,898.54
NIS Debenture (GOG/NIS No. 1/2016) [3/]	4,882.45	4,638.32
Bonds	3.40	3.40
Defence Bonds	3.40	3.40
Domestic Loan	319.31	283.83
National Insurance Scheme Loan	319.31	283.83

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, Ministry of Finance

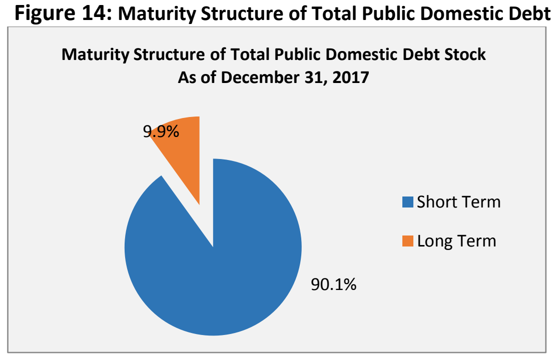
Public domestic debt may be classified by three types of maturities – short-term debt, which represents debt with a maturity of one year or less; medium-term debt with maturities of over one to five years; and long-term debt which represents maturities of over five years. Over the review period, there have been no medium-term domestic debt instruments. As can be seen in Table 9 T-bills accounted for 100 percent of domestic debt maturing in less than one year, while long-term instruments comprised a single domestic loan as well as debentures and bonds.

Figure 13: Maturity Structure of Total Public Domestic Debt Stock



Source: Debt Management Division, Ministry of Finance

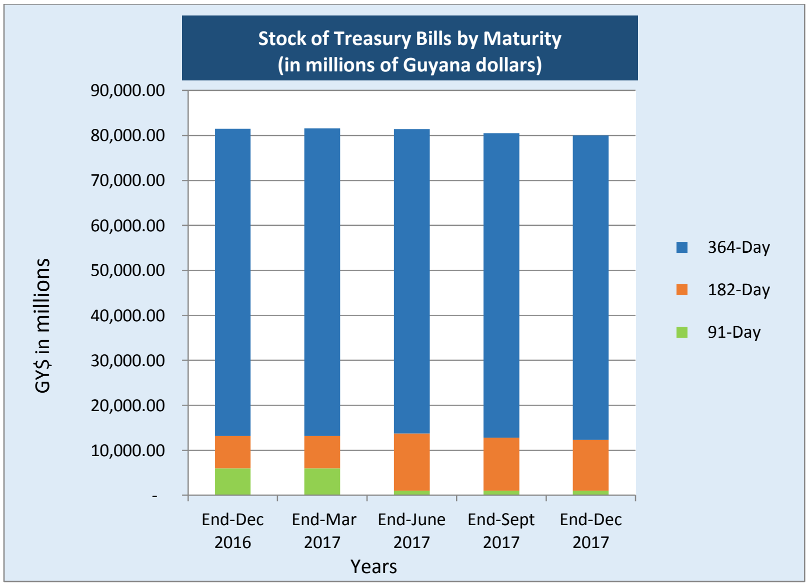
Figure 14: Maturity Structure of Total Public Domestic Debt Stock



Source: Debt Management Division, Ministry of Finance

At end-2017, domestic debt maturing within one year or less – short-term domestic debt - stood at 90.1 percent of the public domestic debt. The share of short-term debt has remained relatively stable at around 95 percent over the past five years. In nominal terms, short-term debt has declined marginally over the last year.

Figure 15: Stock of Treasury Bills by Maturity



Source: Debt Management Division, Ministry of Finance

As at end-December 2017, T-bills remained the Central Bank's principal instrument of monetary control, with the auctioning of T-bills with 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-2017, this accounted for 84.5 percent of the stock of T-bills and 76.2 percent of the total public domestic debt stock. Comparing this position to the end-2016, there was very little change in the composition of T-bills. Over the period, end-December 2016 to end-December 2017, the stock of the 364-day T-bills was fairly consistent.

The year 2017 was significant with regard to 91-day T-bills. The share of this category of T-bills declined to about one percent. From end- 2016 to end-2017, the stock of 91-day T-bill decreased by 83 percent. This sharp decline reflected the decreasing appetite to hold the 91-day T-bills. It also sent a signal of the commercial banks' preference for longer term T-bills.

In contrast to the 91-day T-bills, the 182-day T-bills have shown an upward trend. As at end-2017, the 182-day T-bills represented a 16.7 percent share of T-bills, an increase of about 8 percentage points from 2016. This increase reflects the shift by the Government from the 91-day T-bills to 182-day T-bills to finance its cash flow deficit when meeting its current expenditure.

Chapter 6 - Debt Service

Table 10: Total Public Debt Service

Total Public Debt Service during the period 2012-2017 in millions of Guyana dollars					
	2013	**2014**	**2015**	**2016**	**2017**
Total Public Domestic Debt Service	**2,759.1**	**1,580.4**	**1,751.9**	**1,920.3**	**2,249.9**
Principal	1,010.4	35.5	35.5	35.5	279.6
Interest	1,748.8	1,544.9	1,716.5	1,884.8	1,970.3
Total Public External Debt Service	**40,552.3**	**36,890.6**	**20,326.9**	**11,099.3**	**12,560.3**
Principal	37,621.3	31,264.0	16,817.2	7,453.9	8,299.4
Interest	2,931.0	5,626.6	3,509.7	3,645.4	4,260.8
Total Public Debt Service	**43,311.4**	**38,471.1**	**22,078.9**	**13,019.6**	**14,810.2**

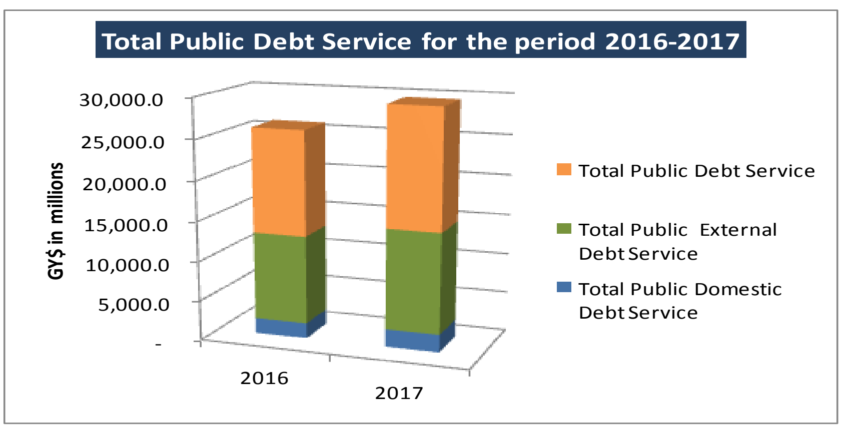
Notes:

1. Exchange rate of US$1=206.5 used.

Source: Debt Management Division, Ministry of Finance

Total public debt service amounted to $14.8 billion, in 2017, an increase of 13.8 percent from $13.0 billion, in 2016. This increase was due, in part, to the recommencement of debt service payments to Venezuela, under the Petrocaribe Arrangement. In addition, during 2017, Guyana made several payments to Republic Bank Limited since assuming the debt of Atlantic Hotel Incorporated. Higher debt service was, also, the result of higher payments to the Inter-American Development Bank and the China EXIM Bank. Of total public debt service, external debt service payments amounted to $12.6 billion whilst domestic debt service amounted to $2.2 billion. Domestic debt service increased by 17.2 percent, mainly due to the redemption of a NIS Debenture[1] Certificate by the NIS.

Figure 16: Total Public Debt Service



Source: Debt Management Division, Ministry of Finance

[1] In 2016, the Government issued twenty (20) debenture certificates to NIS to cover losses in its CLICO investments.

6.1 External Debt Service

Table 11: Total Public External Debt Service by Borrower Category

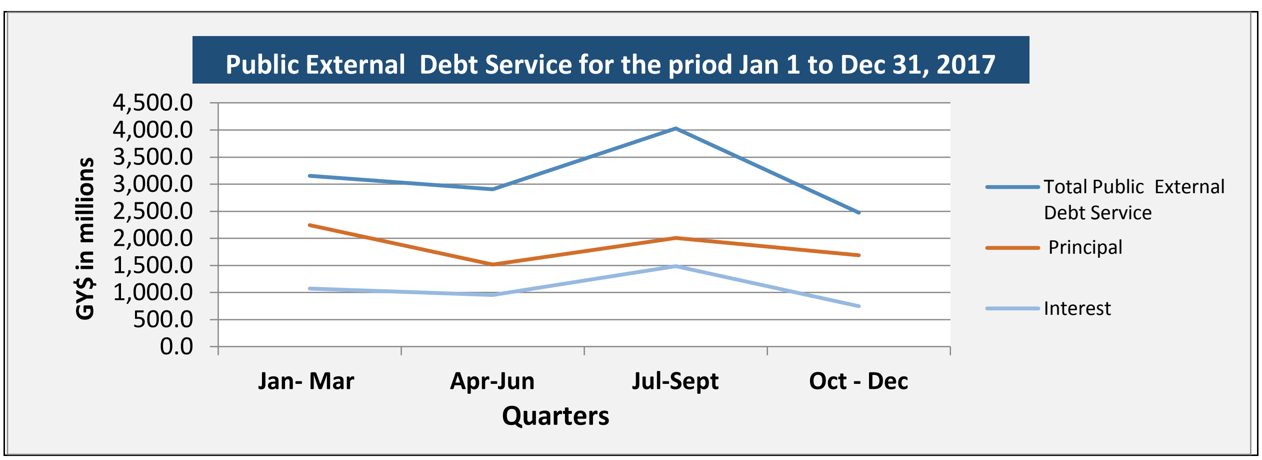
Total Public External Debt Service by Borrower Category in millions of Guyana dollars					
	2013	**2014**	**2015**	**2016**	**2017**
Total Public External Debt Service	**40,552.3**	**36,890.6**	**20,326.9**	**11,099.3**	**12,560.3**
Principal	**37,621.3**	**31,264.0**	**16,817.2**	**7,453.9**	**8,299.4**
Central Government	35,221.2	28,929.9	14,945.0	6,652.1	8,299.4
Bank of Guyana	2,312.8	2,317.2	1,872.2	801.7	0.0
Parastatals	87.2	16.9	0.0	0.0	0.0
Interest	**2,931.0**	**5,626.6**	**3,509.7**	**3,645.4**	**4,260.8**
Central Government	2,904.4	3,292.5	3,497.0	3,630.3	4,260.8
Bank of Guyana	20.3	2,317.2	12.8	15.1	0.0
Parastatals	6.3	16.9	0.0	0.0	0.0

Notes:
1. Excludes payments made from Loan Resources
2. Exchange rate of US$1=$206.5 used.

Source: Debt Management Division, Ministry of Finance

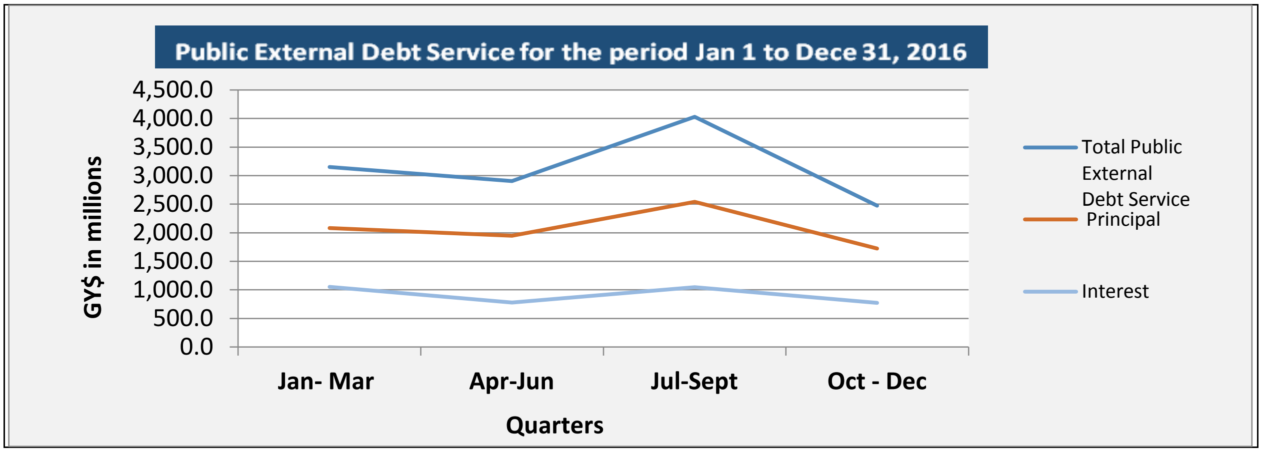
External debt service increased, in 2017, from $11.1 billion to $12.6 billion or by 13.2 percent, when compared to 2016. Interest payments accounted for a greater portion of the increase in debt service, rising by 16.8 percent, compared to 3.9 percent, in 2016. This reflects interest payments made to Republic Bank Limited and the commencement of interest payments for the China EXIM Bank East-Bank East Coast Road Linkage Project, among other new loans for which debt servicing commenced from 2017. In addition, principal repayments grew by 11.3 percent mainly due to the recommencement of debt service payments to Venezuela.

Figure 17: Public External Debt Service in 2017



Source: Debt Management Division, Ministry of Finance

Figure 18: Public External Debt Service in 2016



Source: Debt Management Division, Ministry of Finance

Over the review period, external debt service grew steadily, falling marginally in the second quarter and peaking in the third quarter. The trend of annual debt service remained the same as in past years, however. Debt service in the second and third quarters was significantly greater, in 2017, by 26.4 percent and 32.0 percent, respectively, when compared with the same quarters in 2016. The increase in debt service in the second quarter when compared to 2016 was mainly as a result of the commencement of debt service payments for IDA new loans, while it peaked in the third quarter as a result of payments to IDB, Guyana's largest multilateral creditor, and debt service payments to Venezuela.

6.2 Domestic Debt Service

Table 12: Total Public Domestic Debt Service

Total Public Domestic Debt Service in millions of Guyana dollars	2013	2014	2015	2016	2017
Total Domestic Debt	**2,759.1**	**1,580.4**	**1,751.9**	**1,920.3**	**2,249.9**
Principal	**1,010.4**	**35.5**	**35.5**	**35.5**	**279.6**
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	35.4	35.5	35.5	35.5	35.5
Debentures [1/]	975.0	0.0	0.0	0.0	244.1
Other	0.0	0.0	0.0	0.0	0.0
Interest	**1,748.8**	**1,544.9**	**1,716.5**	**1,884.8**	**1,970.3**
Treasury Bills	1,645.6	1,452.2	1,612.1	1,776.1	1,805.2
K-Series	13.4	15.2	17.7	18.8	15.6
Debentures [1/]	72.0	60.9	71.4	72.6	134.0
National Insurance Scheme Loan	17.8	16.7	15.3	17.3	15.5
Other	0.0	0.0	0.0	0.0	0.0

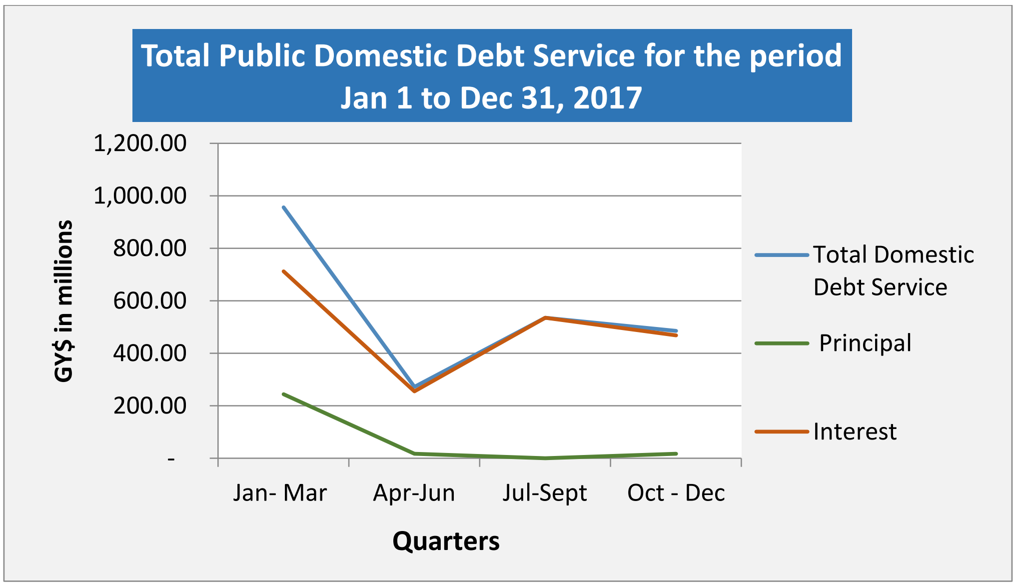
Notes:
1. Excludes non-interest bearing debentures

Source: Debt Management Division, Ministry of Finance

Public domestic debt service payments continued to increase steadily over the last three (3) years. In 2017, domestic debt service payments increased by 17.2 percent, compared to an 8.8 percent increase in 2016. Principal repayments increased by 688 percent, whilst interest payments increased by 4.5 percent.

The significant increase in principal repayments was attributed to, mainly, the redemption of the first NIS Debenture Certificate. An amount of $317.4 million was paid for this redemption.

Figure 19: Public Domestic Debt Service for 2017



Source: Debt Management Division, Ministry of Finance

The lowest interest payment on the domestic debt was recorded during the second quarter of the year, with payments being made on T-bills, Bank of Guyana Debentures and the NIS loan. However, the redemption of all T-bills (91-day, 182-day and 364-day) peaked during the third quarter. Principal repayments remained the smallest contributor to domestic debt service, after the spike in the first quarter, which was as a result of the first principal repayment made on the NIS Debenture Certificate. Principal repayments for the remaining quarters was relatively smooth, given that the usual principal repayments to the NIS Loan for the CARICOM Building Project are made semi-annually - in the second and fourth quarters of each year.

Chapter 7 - Contingent Liabilities and Government Lending

7.1 Publicly Guaranteed Debt

During 2017, the Government did not issue any guarantees, preferring to on-lend loans to public corporations rather than to issue guarantees. For the review period, the stock of publicly guaranteed debt remained relatively stable, totalling US$15.2 million at end-2017. Arrears continue to accumulate on the debt to Argentina (BICE), since Guyana is yet to receive comparable HIPC debt relief from this creditor.

Table 13: Publicly Guaranteed Debts

Publicly Guaranteed Debts in millions of US dollars (As of December 31)				
			Loan Balance	
Agency	**Purpose of Loan**	**Creditor**	**2016**	**2017**
Guyana Pharmaceutical Corporation	Construction of New Pharmaceutical Plant	Argentina (BICE)	14.9	15.2
GRAND TOTAL			**14.9**	**15.2**

Source: Debt Management Division, Ministry of Finance

The Guarantee of Loans (Public Corporations and Companies) Act, Chapter 77:01 Sections 3 (1), 2(2) and 4 (1) specifies 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 obligations of the Guyana Power and Light (GPL) Inc. to make payments to the Amalia Falls Hydropower Project. On August 7, 2013, by Resolution No. 56 Parliament increased the guarantee limit to $50 billion, and included a rider with respect to the Amalia Falls Hydropower Project only. This rider created a problem, since it meant, effectively, that the Government could not guarantee loans to any other public corporation for developmental projects that were consistent with Government's priorities.

Fast-forward to 2018, it became necessary to rectify this problem, in light of Government's impending guarantee of a $30 billion syndicated bond for the Guyana Sugar Corporation (GuySuCo). 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.

7.2 Government Lending

The Government lends to State- Owned Enterprises (SOEs) by way of on-lending loans and loans given directly from the Treasury. At end-2017, GUYSUCO, GPL and GNPL owed the Government a total of US$297.8 million or about $61.4 billion.

7.2.1 On-lent Loans

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

Table 14: Summary of On-lending Loan Agreements to State Owned Enterprises (SOEs)

Summary of On-lending Loan Agreements to State Owned Enterprises (SOEs)
in millions of US dollars
As of December 31, 2017

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 I	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**
Grand Total			**284.78**	**300.78**	**3.99**	**296.78**

Source: Debt Management Division, Ministry of Finance

7.2.2 Lending from the Treasury

In 2017, there was one 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 G$100 million or about US$0.48 million. The purpose of this loan was to finance the purchase of machinery and rehabilitation of the Guyana National Printers Limited (GNPL) building. This loan to GNPL matures in six (6) years and includes a grace period of one year and an interest rate of 2 percent. At end-2017, this loan was fully disbursed and the first repayment of the principal will commence in July 2018.

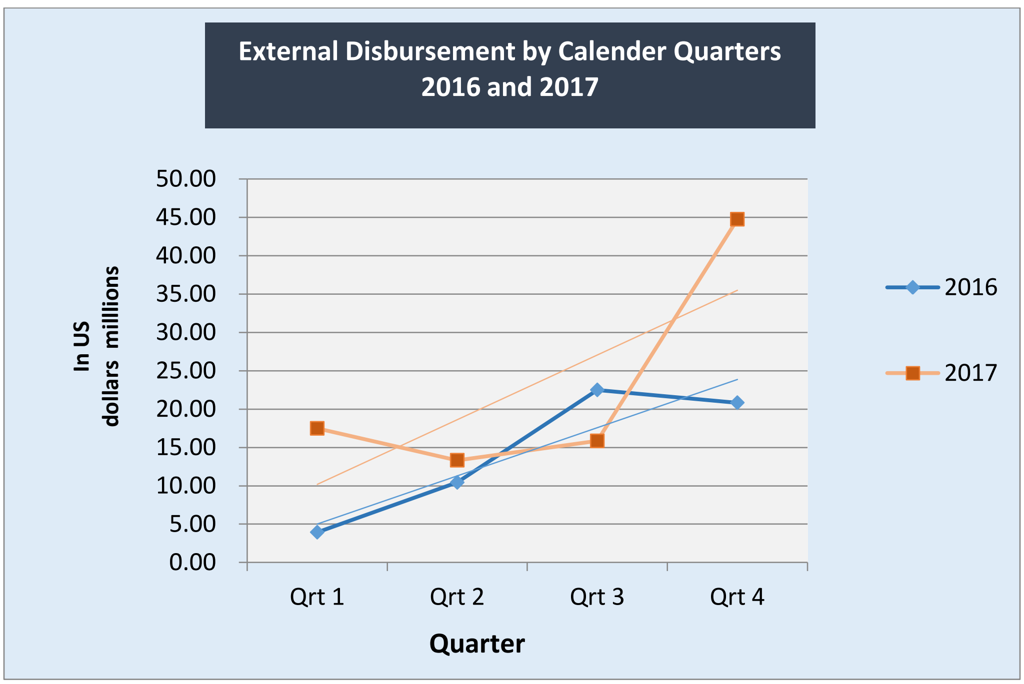
Chapter 8 – Disbursements and Net Transfers

8.1 Disbursements

Total disbursement, in 2017, amounted to US$91.4 million, a 58 percent increase over the 2016 value of US$57.7 million. As can be seen from Figure 20 below, there were higher disbursements for quarters one, two and four relative to 2016. For the years 2016 and 2017, there was an upward trend for disbursements by quarters.

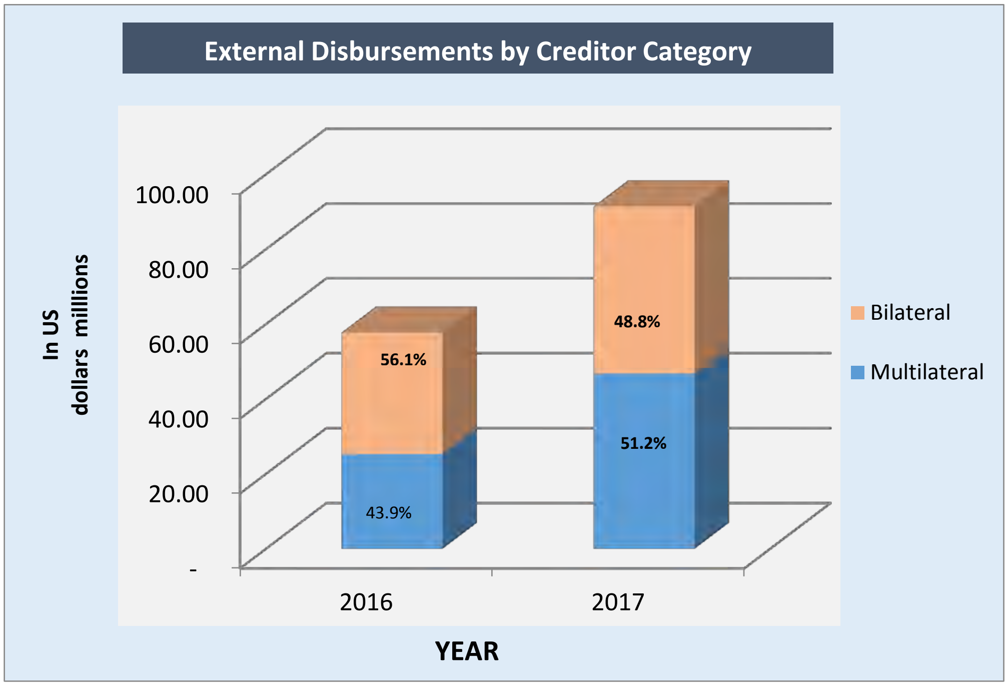
The loans disbursed, in 2017, were essentially the same loans disbursed in 2016. Therefore, it can be surmised that the higher level of disbursements in 2017, as compared to 2016, was mainly due to improved project execution.

Figure 20: External Disbursements by Calendar Quarters for 2016 and 2017



Source: Debt Management Division, Ministry of Finance

Figure 21: External Disbursement by Creditor Category



Source: Debt Management Division, Ministry of Finance

Unlike 2016, funds from multilateral creditors comprised the bulk of disbursements, amounting to US$46.8 million or 51.2 percent, in 2017 - an 85 percent increase from 2016. Additionally, bilateral disbursements of US$44.6 million constituted the remaining 48.8 percent of the total, a marked increase of 37.6 percent from the previous year.

This increased in disbursements, particularly from the multilateral institutions, is a reflection of the improved implementation of the Public Sector Investment Programme (PSIP). Improved planning and better project execution would improve project performance and project disbursements.

Table 15: Actual Disbursements by Creditors

Actual Disbursements by Creditors for 2016 and 2017			
CREDITORS	2016	2017	% Change
Grand Total	**57.7**	**91.4**	**58.4%**
Multilateral	**25.3**	**46.8**	**84.9%**
IDA	5.6	8.4	49.5%
IADB	8.1	25.1	208.5%
CDB	9.8	11.0	12.5%
CDF	1.8	2.3	29.1%
Bilateral	**32.4**	**44.6**	**37.6%**
China Eximbank	32.4	44.6	37.6%

Source: Debt Management Division, Ministry of Finance

As can be seen from Table 15, the IDB showed the largest change in disbursements, an increase of 209 percent. As at end-2017, there were thirteen (13) disbursing IDB loans, the highest for any creditor.

There was a marked improvement in the disbursement rates of IDA and China Eximbank, by 49.5 percent and 37.6 percent respectively. On the portfolio of IDA and China Eximbank, there were four (4) and two (2) disbursing loans, respectively.

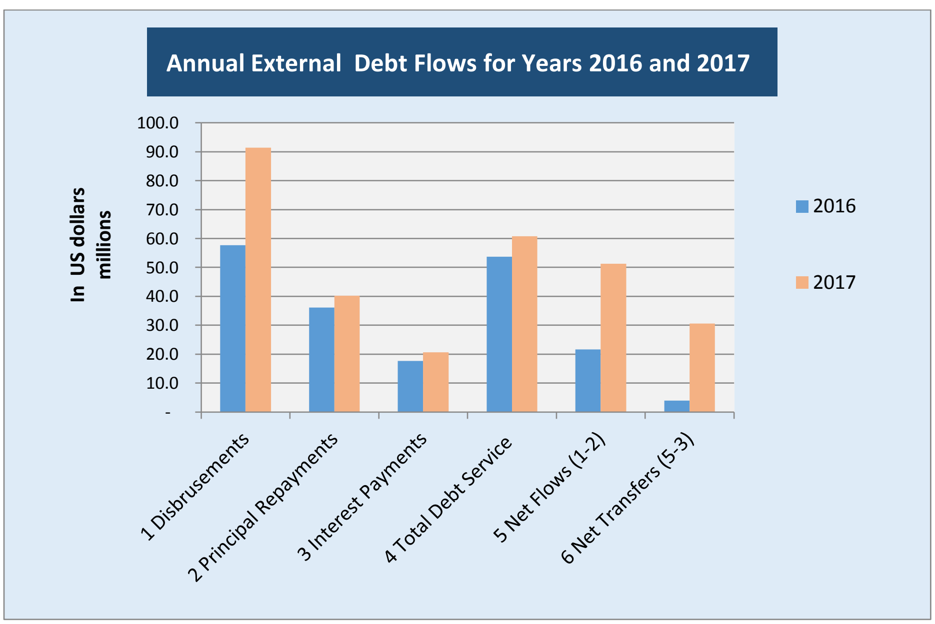
It should be noted that, at the end-2017, there were four (4) disbursing loans on the India Eximbank portfolio that were contracted in 2016 and 2017. Yet, no disbursement had been recorded for any of the loans.

8.2 External Debt Flows

For the year 2017, both net flows and net transfers had increased, significantly, by 137 percent and 669 percent, respectively. This increase was mainly the result of a greater increase in disbursements relative to debt service payments. As mentioned earlier, there was an improvement in the execution and implementation of projects.

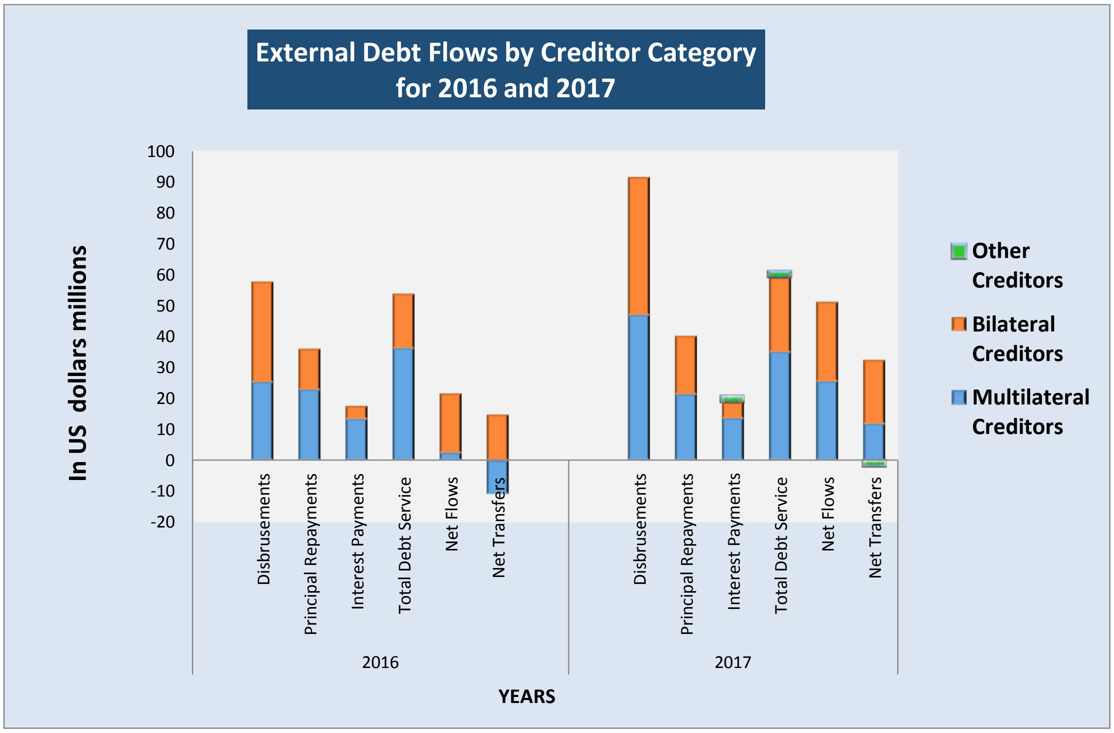
With respect to external debt, an increase of net transfers means that Guyana would have received more inflows than outflows. This, in turn, would have had a positive impact on the country's balance of payments.

Figure 22: Annual External Debt Flows



Source: Debt Management Division, Ministry of Finance

Figure 23: External Debt Flows by Creditor Category for 2016 and 2017



Source: Debt Management Division, Ministry of Finance

Over the review period, net transfers for both multilateral and bilateral creditors increased by 209 percent and 38 percent, respectively. Over the year 2017, net transfers for bilateral creditors were greater than that of multilateral creditors.

Chapter 9 - Risk Indicators and Public Debt

9.1 Debt Indicators

Table 16: Debt Indicators for the period 2013-2017

Debt Indicators for the period 2013-2017					
	2013	2014	2015	2016	2017
Total Debt to GDP	**57.9%**	**51.9%**	**48.4%**	**45.7%**	**46.2%**
External Debt to GDP	41.8%	39.5%	36.0%	33.2%	34.3%
Domestic Debt to GDP	16.1%	12.3%	12.4%	12.5%	11.9%
Total Debt Service to Revenue	**31.8%**	**24.8%**	**13.7%**	**7.2%**	**7.6%**
Total External Debt Service to Revenue	29.8%	23.7%	12.6%	6.2%	6.5%
Total Domestic Debt Service to Revenue	2.0%	1.1%	1.1%	1.1%	1.2%
Total External Debt Service to Exports	**12.8%**	**12.4%**	**7.6%**	**3.4%**	**3.8%**
Total Public Debt Service to GDP	**7.1%**	**5.7%**	**3.4%**	**1.8%**	**2.0%**
(In millions of Guyana dollars, unless otherwise indicated)					
Memorandum Items:					
Total Public Debt	**355,809.5**	**329,619.8**	**317,739.6**	**330,606.3**	**344,997.3**
Total External Debt	256,994.1	251,182.1	236,046.2	240,034.6	256,181.1
Total Domestic Debt	98,815.4	78,437.7	81,693.3	90,571.6	88,816.2
Total Public Debt Service	**43,405.2**	**36,100.5**	**22,149.0**	**13,019.6**	**14,810.2**
Total External Debt Service	40,646.1	34,520.1	20,397.1	11,099.3	12,560.3
Total Domestic Debt Service	2,759.1	1,580.4	1,751.9	1,920.3	2,249.9
Gross Domestic Product at Current Purchaser Prices	**614,130.0**	**635,262.0**	**656,485.0**	**723,581.0**	**747,746.0**
GDP (US$)	**2,977.6**	**3,076.3**	**3,166.0**	**3,504.02**	**3,621.05**
Total Current Revenue	**136,494.8**	**145,725.8**	**161,710.2**	**179,882.0**	**194,688.0**
Exports of Goods and Non-Factor Services	**316,423.8**	**278,444.6**	**269,730.3**	**330,436.9**	**332,203.9**
Exports (G & NFS) (US$)	**1,540.6**	**1,348.4**	**1,306.2**	**1,600.2**	**1,608.7**
Guyana dollar/U.S. dollar (End of Period)	**206.3**	**206.5**	**206.5**	**206.5**	**206.5**
Guyana dollar/U.S. dollar (Period Average)	**205.4**	**206.5**	**206.5**	**206.5**	**206.5**

Source: Debt Management Division, Ministry of Finance and Bank of Guyana

Guyana's debt ratios increased, marginally, in 2017. In spite of this, total public debt remained sustainable over the year, reflecting the Government's continued prudent management of the debt.

9.1.1 Total Public Debt to GDP

Guyana's total public debt-to-GDP increased from 45.7 percent, in 2016 to 46.2 percent, in 2017. Even though the GDP increased, the percentage increase in total public debt was higher, hence the higher public debt to GDP ratio. This marginal increase was due to an increase in public debt stock as a result of increased disbursements from Guyana’s external creditors such as IDB, IDA, CDB and China Eximbank. Of total public debt to GDP, external debt and domestic debt represented 34.3 percent and 11.9 percent, respectively, in 2017.

9.1.2 Total Debt Service to Revenue

Total debt service-to-revenue ratio increased from 7.2 percent in 2016 to 7.6 percent in 2017. This increase was primarily due to an increase in debt service payments. The cash debt service payments to Venezuela recommenced, in 2017. There was, also, new debt service payments to the Republic Bank

Limited (Trinidad and Tobago) for the Marriott Hotel - Atlantic Hotel Inc. arrangement and the China Eximbank.

9.1.3 Total External Debt Service to Exports

In 2017, the debt service-to-export ratio increased to 3.8 percent from 3.4 percent, in 2016. The ratio increased due to higher levels of debt service payments, as a result of the payments to the Republic Bank Limited (Trinidad and Tobago) and Venezuela .This ratio is considered to be a key indicator of a country's debt burden.[2] The increase in debt service to exports ratio over the last year shows that the country's debt is growing faster than exports, but would need to be reversed in the medium and long term.

[2] IMF, 2003, External Debt Statistics: Guide for Compilers and Users – Appendix III, Glossary, IMF, Washington DC.

9.2 Risk Indicators

Table 17: Risk Indicators for the period 2013-2017

Risk Indicators for the period 2013-2017	2013	2014	2015	2016	2017
Total Share of Short Term Debt to Total Debt	**26.6%**	**22.5%**	**24.4%**	**24.6%**	**24.0%**
Total Share of Short Term Debt to Domestic Debt	**95.6%**	**94.5%**	**94.8%**	**89.9%**	**90.1%**
Total Share of US dollar Debt to Total External Debt	**76.4%**	**76.2%**	**75.9%**	**74.5%**	**75.0%**
Total Share of Foreign Currency Debt to Total Debt	**72.3%**	**76.3%**	**74.4%**	**72.7%**	**77.0%**
Total Share of Floating Rate Debt to Total Debt	**8.5%**	**10.0%**	**10.7%**	**10.8%**	**11.3%**
(In millions of Guyana dollars, unless otherwise indicated)					
Memorandum Items:					
Total Public Debt	**355,809.5**	**329,619.8**	**317,739.6**	**330,606.3**	**332,884.2**
Total External Debt	256,994.1	251,182.1	236,046.2	240,034.6	256,181.1
Total Domestic Debt	98,815.4	78,437.7	81,693.3	90,571.6	88,816.2
Short Term Debt	**94,488.8**	**74,145.5**	**77,436.6**	**81,468.0**	**79,992.1**
US dollar Debt	**196,283.7**	**191,502.0**	**179,127.8**	**178,784.3**	**192,246.4**
US dollar Debt (US$ millions)	**951.7**	**927.4**	**867.4**	**865.8**	**931.0**
Foreign Currency Debt	**257,418.9**	**251,572.3**	**236,385.8**	**240,353.9**	**256,465.0**
Floating Rate Debt	**30,342.5**	**32,955.5**	**33,963.7**	**35,652.68**	**37,647.62**

Source: Debt Management Division and Bank of Guyana

Public debt management entails developing a framework to identify and manage the trade-offs between expected costs and risks in the debt portfolio. In 2017, the risks associated with Guyana’s total public debt portfolio were managed prudently; the risk indicators increased marginally as compared to 2016.

9.2.1 Interest Rate Risk

The total share of floating rate debt to total public debt was 11.3 percent, in 2017, compared to 10.8 percent in 2016. Floating rate debt has been acquired, predominantly, from external creditors such as IDB and CDB. Notably, the debt to the Republic Bank Limited for the Marriott Hotel - Atlantic Hotel arrangement, which was brought on to the books of the Government, in 2017, also attracts a variable interest rate. In addition, a portion of Guyana's debt to Libya, which is in arrears, attracts a variable interest rate. The interest arrears on this debt is calculated semi-annually and added to Guyana's external debt portfolio.

The total share of fixed rate debt continued to comprise the majority share of the debt portfolio, in 2017. Most of Guyana’s external debt portfolio comprised loans with low, fixed interest rates. The high share of fixed rate debt contracted from Guyana's external creditors has helped to minimise Guyana’s interest rate risk and keep the cost of debt servicing to a sustainable level.

The weighted average interest rate for the external debt portfolio, at end-December 2017, was 2.48 percent compared to 2.47 percent, in 2016.

The weighted average interest rate for the domestic debt portfolio, at end-December 2017, was 1.6 percent. The cost reflected the redemptions and issues throughout the year.

The cost of borrowing is expected to continue to rise, as Guyana is now classified as an upper middle income country and is slowly being phased out from concessional financing by its external creditors. Therefore, the risk associated with higher and floating interest rates in the future is also expected and will render the debt portfolio more vulnerable to interest rate shocks.

9.2.2 Exchange Rate Risk

Guyana's public debt portfolio is highly exposed to foreign currency debt, which can highlight potential vulnerabilities to solvency and liquidity risk. The total share of foreign currency debt to total debt was 77 percent, in 2017, as compared to 72.7 percent, in 2016. The total share of US dollar debt to total external debt was 75 percent, in 2017, as compared to 74.5 percent, in 2016. The US dollar has remained the dominant currency in Guyana's external debt portfolio. However, over the period the Chinese Yuan currency denominated debt increased by 19.7 percent, while all debt denominated in all other currencies either remained the same or declined.

The large share of foreign currency debt in the portfolio leaves Guyana highly vulnerable to exchange rate movements. Any depreciation in the Guyana dollar against foreign currencies, in particular, the US dollar, will contribute, significantly, to higher debt service payments in Guyana dollar terms. The movement of exchange rates adds volatility to debt servicing costs, increasing costs when there is a depreciation and lowering costs in the event of an appreciation.

9.2.3 Refinancing Risk

Guyana's total public debt portfolio is not highly exposed to refinancing risk, since total short term debt only accounted for 24 percent of the debt portfolio, in 2017. The share of short term public debt declined marginally, in 2016, by less than one basis points.

Notably, the domestic debt portfolio has a high level of refinancing risk since the majority of the portfolio consists of T-bills, which mature in one year or less. However, the share of short term debt in the domestic debt portfolio increased, marginally, to 90 percent, in 2017, compared to 89.9 percent, in 2016. This was as a result of a decrease in total domestic debt by about 2 percent.

Chapter 10 – Debt Sustainability Evaluation

10.1 Introduction

Debt sustainability is an essential aspect of good macroeconomic policies. Borrowing, by the government, is an important tool for financing investment; it is critical to achieving sustainable development, as well as for covering short-term imbalances between revenues and expenditures. Government borrowing can also allow fiscal policy to play a countercyclical role over economic cycles. However, high debt burdens can impede growth and sustainable development. Public debt, therefore, has to be well managed.

Maintaining debt sustainability is of paramount importance to the Government. Based on past experience, developing countries like Guyana have made considerable progress in reducing the external debt over the last three decades, which has led to them attaining debt sustainability.

This 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 once the country (or its 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 Low-Income Country Debt Sustainability Analysis (LIC-DSA). The results of the LIC-DSA are discussed in this chapter.

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 2018 Article IV Consultation on Debt Sustainability Analysis (DSA) indicated that Guyana remains at a moderate risk of debt distress; however, it recognized that the debt dynamics will improve markedly, with the start of oil production in 2020.

The 2018 update of the DSA shows that indicators of the risk of external debt distress remain under the relevant thresholds, once there are no external shocks.

Stress tests indicate the susceptibility of public debt to adverse shocks before oil revenues place the debt on a downward trajectory. Guyana’s external public debt ratio is sensitive to extreme shocks to exports and to the exchange rate. These shocks cause temporary but significant breaches in the external debt thresholds, prompting a moderate risk rating.

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

The appropriate threshold to asses debt sustainability is determined by the World Bank’s Country Policy and Institutional Assessment CPIA) of Guyana. In 2017, Guyana' rating remained at 3.3, which corresponds to a medium policy performance rating. ***(Box 3 at the end of Chapter 10 provides a detailed breakdown the threshold under each debt indicator)***

10.2.1 Total Public Debt Sustainability Evaluation

When considering Total Public Debt, the components of domestic debt and external debt are added and, as such, the fiscal deficit becomes a key driver in the assessment of sustainability. Therefore, the primary balance of the government must be considered.

The IMF's analysis of total gross public-sector debt shows that the risk of debt distress starts to decrease from 2020 with oil revenues. The PV of the public-sector debt-to-GDP ratio is projected to increase to 48 percent in 2018-19 and gradually decline thereafter, stabilising at around 20 percent of GDP in the long term. That long term level is driven by the assumption of the maintenance of domestic debt at 20 percent of GDP for capital market development and liquidity purposes.

10.2.2 Total Public Debt Under Stress Test

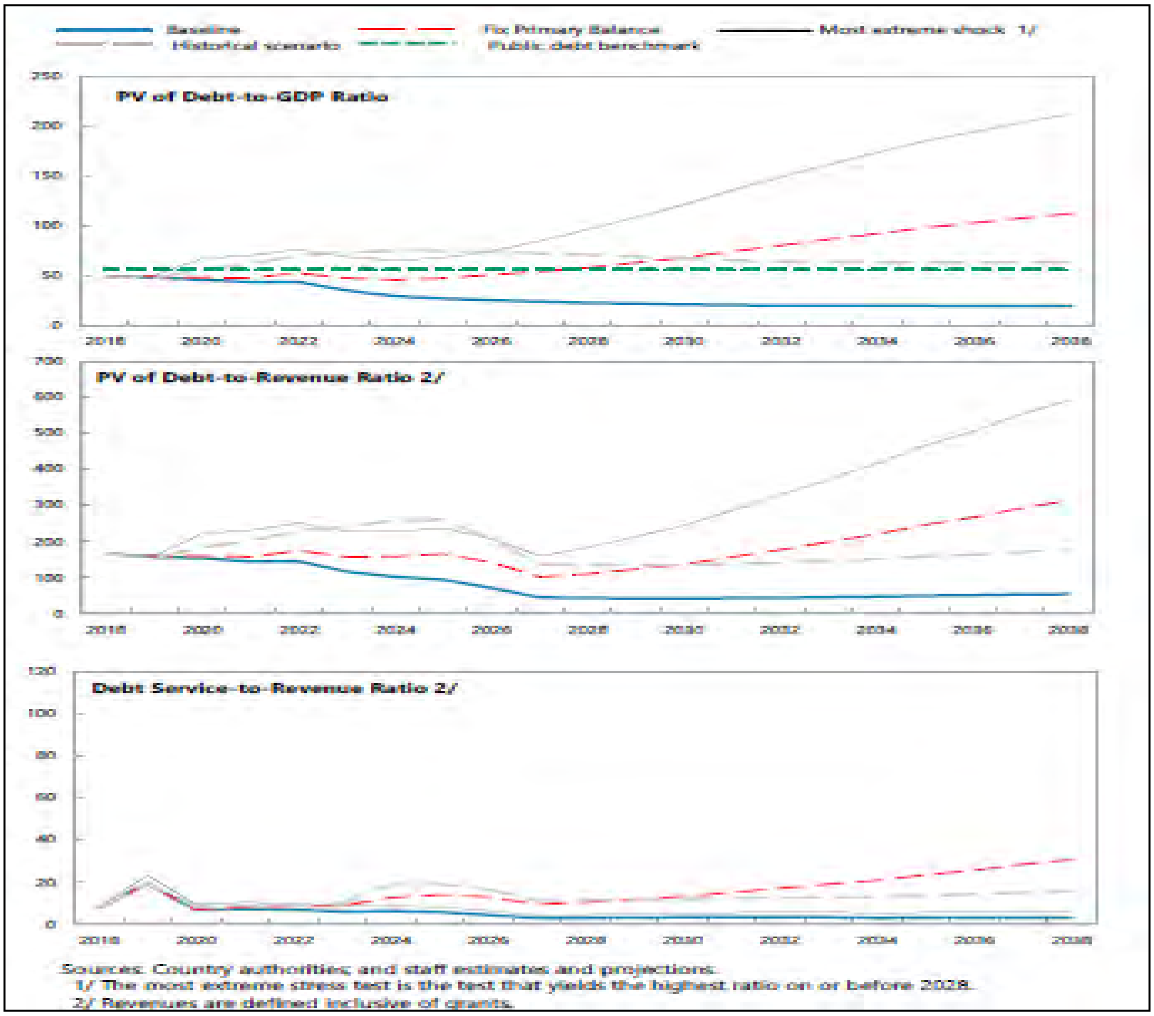
Stress tests indicate that total public debt is also susceptible to standard shocks. In an extreme scenario, which assumes real GDP growth at the 10-year historical average minus one standard deviation, the PV of debt-to-GDP ratio would breach the threshold from 2020 onwards, rising to 212 percent by 2038. One reason for this threshold breach is that the scenario eliminates the high real GDP growth in 2020 (so, in the scenario, it is as if oil production in Liza Phase I did not start).

According to the IMF, it is also worth noting that 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. For these reasons, this scenario is considered to be less informative since its likelihood is extremely low.

Another breach occurs in 2028, under a shock that assumes a fixed primary balance. Again, this shock is highly unlikely to materialize as it would involve running a 4 percent primary deficit at the peak of oil revenues, which are projected to swing the fiscal balance to an overall surplus by 2024.

Figure 24 shows the movement of the public debt indicators under the alternative scenarios as explained above.

Figure 24: Indicators of Public Debt under Alternative Scenarios



Source: International Monetary Fund Article IV Debt Sustainability Analysis 2018 Report

10.2.3 External Debt Sustainability Evaluation

The IMF's analysis of Guyana's external debt shows that external debt will remain sustainable under the Baseline 3 scenario. In the baseline, all debt burden indicators remain below their thresholds, as the advent of oil means that the need for new external borrowing is significantly reduced and surpluses could be used to service existing debts. The PV of the external debt-to-GDP ratio peaks at 27 percent of GDP, in 2018, due to the public guarantee of NICIL's $30 billion bond, but gradually declines to 2 percent in the long term (compared to 20 percent in the previous DSA).

While the ratio of external debt-to revenue is close to its threshold, the ratios of external debt-to-exports and external debt service-to exports are well below their respective thresholds. These ratios increase over the short term, due to a slight increase in principal payments, but will gradually decline from 2020 onwards with support from oil revenues.

10.2.3.1 External Debt Under Stress Test

Guyana's external public debt ratios to exports and the exchange rate, respectively, are vulnerable to extreme shocks, before the start of oil production.

10.2.3.2 Solvency Indicators

To stress test the solvency indicator, that is, the external public debt-to-GDP and external public debt-to-exports indicators, it was assumed that real GDP growth and nominal export growth, respectively, at 10-year historical averages minus one standard deviation, are distorted by the high standard deviation of export growth in the historical data. The large variability of exports in the historical data is attributed to the high share of commodity exports, high volatility of commodity prices, and a few idiosyncratic shocks (e.g. the collapse of the sugar sector).

According to the IMF, the application of this stress test reveals that the PV of the ratios of external debt-to-GDP and external debt-to-exports breach their sustainability thresholds in 2020-22 and 2020-21, respectively.

10.2.3.3 Liquidity Indicators

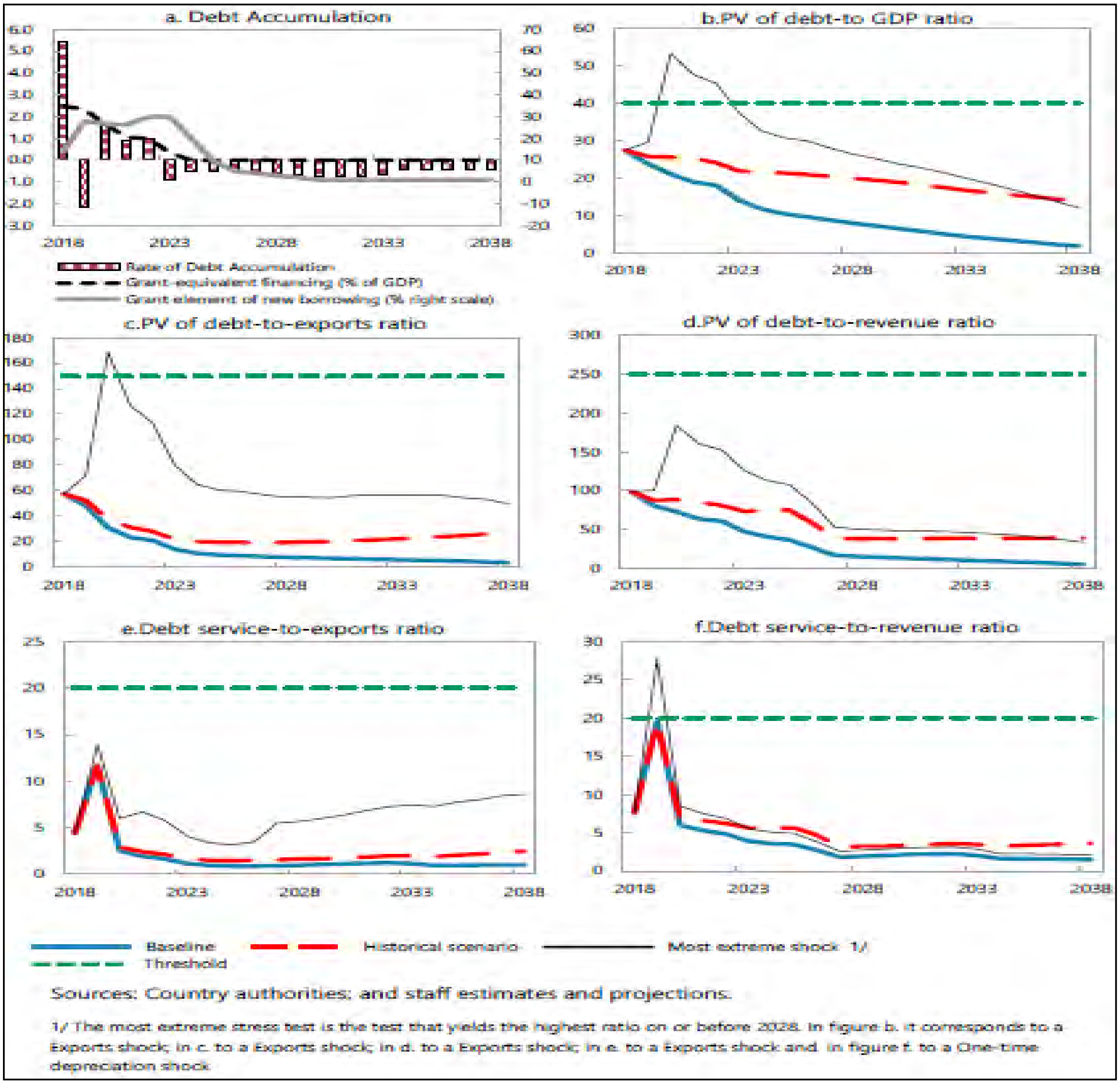
Applying the stress test to the liquidity indicator, that is, the external public debt service-to-revenue indicator, we make the assumption of a one-time, 30 percent nominal exchange rate depreciation relative to the baseline, during that year.

Under this stress test, the IMF warns that the PV of external debt service-to-revenue ratio breaches the sustainability threshold in 2019. Of note, the breach under this assumption, according to the IMF, 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). Moreover, the start of oil production, in 2020, will substantially increase international reserves, and may create significant appreciation pressures on the

[3] The baseline scenario refers to the most likely scenario to occur, on the current trajectory, with all reasonably expected factors taken into consideration.

Guyanese dollar. Figure 25 shows the charts which illustrate how external public debt deviates from the relevant threshold under the alternative scenarios of stress testing.

Figure 25: Indicators of External Public Debt under Alternative Scenarios



Source: International Monetary Fund Article IV Debt Sustainability Analysis 2018 Report

In conclusion, the IMF's Assessment indicates that Guyana's debt dynamics would improve considerably, under the baseline, though the risk of debt distress remains moderate. In the baseline scenario, debt indicators remain below their respective thresholds, over the projection period.
The PV of external debt-to-GDP ratio declines to around 2 percent in the long run, as the need for external borrowing is eliminated by the accumulation of external assets.

However, the IMF warns that the stress tests indicate that Guyana's external public debt ratio is vulnerable to an extreme shock to exports and the exchange rate before the start of oil production. The PV of total debt-to-GDP ratio also remains below the debt sustainability threshold in the baseline scenario and is on a downward trajectory, but is susceptible to (large) shocks to real GDP growth.

Financing the deficit projected in the short-term may require an increasing reliance on non- concessional debt, including domestic borrowing. These financing risks are not fully captured in this LIC
DSA and warrant close monitoring. In this regard, Guyana has already started to strengthen fiscal policy institutions prior to the start of oil production, for prudent and effective management of the anticipated large inflows.

Indicators for Debt Sustainability Analysis as referenced above.

Box 2: World Bank's Country Policy and Institutional Assessment (CPIA) Methodology

The World Bank's Country Policy and Institutional Assessment (CPIA) methodology assesses the conduciveness of a country's policy and institutional framework to poverty reduction, sustainable growth, and the effective use of development assistance. The CPIA rates the countries against a set of 16 criteria grouped in four clusters: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. Some criteria which are considered are the country's debt policy, macroeconomic management, social protection, gender equalities, quality of public administration etc.

The quality of the policies and institutions are assessed in the CPIA index which provides a rating. A three-year average of the rating from the CPIA index is used to determine the country's policy performance category. The country's policy performance category is then used for the indicative thresholds of the Public and Publicly Guaranteed External Debt. The following table represents the thresholds based on the country's policy performance category:

Quality of Policies and Institutions (CPIA)	Present Value of PPG External Debt in Percent of:			PPG External Debt Service in Percent of:	
	Exports	GDP	Revenue	Exports	Revenue
Weak CPIA <= 3.25	100	30	200	15	18
Medium 3.25<CPIA<3.75	150	40	250	20	20
Strong >=3.75	200	50	300	25	22
	With Remittances				
Weak CPIA <= 3.25	80	27	200	12	18
Medium 3.25<CPIA<3.75	120	36	250	16	20
Strong >=3.75	160	45	300	20	22

Risk Levels as reference in the analysis above.

Box 3: 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 2017

Guyana is moving into a new era of development, which requires changes in the way we do business and the way we handle our economic affairs. Modernising the institutional and legal frameworks for public debt management would be integral to improving Guyana's performance in sovereign debt management. It is also important that Guyana's legislative and institutional structures provide an effective basis for its debt managers.

In the last decade, a significant number of frontier market countries have taken the opportunity to tap international financial markets, while international investors were searching for higher returns in an environment of ample liquidity. The availability of increased levels of commercial financing at low cost, coupled with the emergence of new bilateral lenders with sizeable lending programmes, have provided the impetus for many developing countries to embark on ambitious investment programmes to meet their long-delayed infrastructure needs. This resulted in not only an increase in debt levels, but also a change in the composition of debt portfolios.

Guyana will draw from these experiences and avoid the debt trap of higher cost commercial borrowing. It is now more important that innovative and disciplined approaches are adopted to garnering the most concessional financing possible, given global and local conditions.

Contingent liabilities, in the form of government guarantees or Public Private Partnerships (PPPs) commitments, have also been rising in many developing countries. Good public debt management will be more crucial in an environment of rising debt and risks. Effective borrowing strategies, better communication with investors, combined with efforts to diversify the investor base and the set of instruments will be crucial in going forward.

The Government will continue to work with COMSEC and other Development Partners to complete the new PDMB. This reform, coupled with institutional developments, including the reorganisation of the Debt Management Unit along functional lines, as well as capacity building and training will chart a bright course for public debt management in Guyana.

APPENDICES

Appendix 1 - Total Public Debt

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

Source: Debt Management Division and Bank of Guyana

Appendix 2 - Total Public External Debt Stock by Creditor Category and Category

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**
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. Official (1.1+1.2)	**1,339.0**	**1,226.8**	**1,197.4**	**1,125.1**	**1,144.7**	**1,205.5**
1.1 Multilateral	673.6	716.6	691.8	692.2	693.8	725.5
CDB	139.8	139.8	143.1	143.6	146.8	150.7
IDA	11.0	12.9	14.2	20.4	25.0	35.6
IMF	37.0	25.7	13.4	3.8	0.0	0.0
IADB	415.3	469.1	486.3	489.3	487.7	503.3
IFAD	9.3	9.9	9.3	9.0	8.4	8.6
Other [1]	61.2	59.3	25.5	26.0	25.9	27.3
1.2 Bilateral	665.4	510.2	505.5	432.9	451.0	479.9
Paris Club	45.0	40.7	35.3	29.2	22.6	15.8
T&T	39.7	35.6	30.8	25.3	19.1	12.1
Italy	4.1	4.3	3.8	3.2	2.9	3.2
USA	0.8	0.8	0.7	0.7	0.6	0.6
Russian Federation	0.3	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
India	21.8	22.3	21.8	20.0	18.4	16.8
Venezuela	364.2	198.3	184.0	120.9	123.1	120.4
China	97.0	111.4	126.4	124.2	145.6	181.3
Kuwait	70.1	72.3	72.1	72.0	74.0	77.6
Libya	42.1	42.4	42.7	42.9	43.2	43.5
Other [2]	25.2	22.8	23.3	23.7	24.0	24.5
2. Commercial	**19.6**	**19.2**	**19.0**	**18.0**	**17.6**	**35.1**
Banking Sector	6.2	5.7	5.5	5.4	5.1	22.5
Suppliers Credit	13.4	13.4	13.5	12.6	12.5	12.5
Other [3]	0.0	0.0	0.0	0.0	0.0	0.0

Source: Debt Management Division, Ministry of Finance

Notes:

1. Includes: OPID Loans, EIB, EEC, CMCF,CDF
2. Includes: Argentina, Bulgaria, UAE ,Serbia,DPRK, Brazil
3. Includes: Bonds

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**
Total Public External Debt Stock	**1,358.6**	**1,246.0**	**1,216.4**	**1,143.1**	**1,162.4**	**1,240.6**
Central Government	1,273.8	1,173.1	1,186.9	1,123.2	1,146.4	1,224.6
Central Bank	84.2	72.9	29.5	19.9	16.0	16.0
Parastatal	0.5	0.1	0.0	0.0	0.0	0.0

Source: Debt Management Division, 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**
Total Public External Debt Stock	**1,358.6**	**1,246.0**	**1,216.4**	**1,143.1**	**1,162.4**	**1,240.6**
US dollars	1,070.0	951.7	927.4	867.4	865.8	917.9
Euro	38.5	37.9	31.4	25.9	24.1	9.9
China Yuan	97.0	111.4	126.4	124.2	145.6	181.3
SDR	57.3	48.4	37.0	33.3	33.4	44.2
Kuwaiti Dinar	70.1	72.3	72.1	72.0	74.0	77.6
Other	25.7	24.3	22.2	20.3	19.5	9.8

Source: Debt Management Division, Ministry of Finance

Appendix 5 - Currency Composition of Total Public External Debt

Currency Composition of Total Public External Debt in percentage (As of December 31)						
	2012	2013	2014	2015	2016	2017
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	
US dollars	**78.8**	**76.4**	**76.2**	**75.9**	**74.5**	**0.7**
Euro	**2.8**	**3.0**	**2.6**	**2.3**	**2.1**	**0.0**
China Yuan	**7.1**	**8.9**	**10.4**	**10.9**	**12.5**	**0.1**
SDR	**4.2**	**3.9**	**3.0**	**2.9**	**2.9**	**0.0**
Kuwaiti Dinar	**5.2**	**5.8**	**5.9**	**6.3**	**6.4**	**0.1**
Other	**1.9**	**2.0**	**1.8**	**1.8**	**1.7**	**0.0**

Source: Debt Management Division, Ministry of Finance

Appendix 6 - Total Public External Debt Stock by Remaining Maturity

Total Public External Debt Stock by Remaining Maturity in millions of US dollars (As of December 31)						
	2012	**2013**	**2014**	**2015**	**2016**	**2017**
Total Public External Debt Stock	**1358.6**	**1246.0**	**1216.4**	**1143.1**	**1162.4**	**1240.6**
Less than 1 year	0.3	0.1	9.4	5.7	0.1	0.1
Between 1 and 5 years	40.4	27.4	35.0	25.8	19.3	21.4
More than 5 years	1317.9	1218.5	1172.0	1111.5	1143.0	1219.2

Source: Debt Management Division, 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**
Total Public External Debt Stock	**1358.6**	**1246.0**	**1216.4**	**1143.1**	**1162.4**	**1240.6**
Fixed Rate	1252.5	1117.8	1075.7	997.5	1008.6	1063.2
Floating Rate	106.1	128.2	140.7	145.6	153.8	177.4

Source: Debt Management Division, 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
Total Public Domestic Debt Stock	**93,461.9**	**98,815.4**	**78,437.7**	**81,693.3**	**90,571.6**	**88,816.2**
Domestic Securities	**93,005.7**	**98,390.7**	**78,047.4**	**81,338.5**	**90,252.3**	**88,532.4**
Treasury Bills	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0	79,992.1
91-Day [1/]	4,496.9	7,997.1	6,997.4	8,884.5	5,997.7	997.3
182-Day	4,253.5	6,753.3	4,253.6	253.6	7,151.6	11,332.8
364-Day	79,378.4	79,738.5	62,894.5	68,298.6	68,318.8	67,662.1
Debentures	4,873.5	3,898.5	3,898.5	3,898.5	8,781.0	8,536.9
Republic Bank Debentures	975.0	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
NIS Debenture (GOG/NIS No. 1/2016) [3/]	0.0	0.0	0.0	0.0	4,882.4	4,638.3
Bonds	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
Domestic Loan	**456.2**	**424.7**	**390.3**	**354.8**	**319.3**	**283.8**
National Insurance Scheme Loan	456.2	424.7	390.3	354.8	319.3	283.8

Source: Debt Management Division, 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
Total Public Domestic Debt	**93,461.86**	**98,815.40**	**78,437.70**	**81,693.32**	**90,571.64**	**88,816.20**
Banking Sector	75,127.04	87,723.84	67,438.64	69,637.04	72,049.59	68,632.30
Pension Fund [1/]	7,267.60	6,905.21	6,100.76	5,161.88	11,538.10	9,604.20
Other [2/]	11,067.23	4,186.35	4,898.30	6,894.40	6,983.95	10,579.70

Source: Debt Management Division, Ministry of Finance
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**
Total Public Domestic Debt Stock	**96,904.2**	**102,289.2**	**81,946.0**	**85,237.1**	**90,571.6**	**88,816.2**
Fixed Rate	**92,030.7**	**98,390.7**	**78,047.4**	**81,338.5**	**86,673.1**	**84,917.7**
Treasury Bills [1/]	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0	79,992.1
Bonds	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
Loan	456.2	424.7	390.3	354.8	319.3	283.8
Floating Rate	**4,873.5**	**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**

Source: Debt Management Division, Ministry of Finance

Notes:

1/ Includes K-Series

2/ Excludes non-interest bearing debentures [2/]

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
Total Public Domestic Debt Stock	**93,461.9**	**98,815.4**	**78,437.7**	**81,693.3**	**90,571.6**	**88,816.2**
Short Term	**88,128.8**	**94,488.8**	**74,145.5**	**77,436.6**	**81,468.0**	**79,992.1**
Treasury Bills	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0	79,992.1
91-Day 1/	4,496.9	7,997.1	6,997.4	8,884.5	5,997.7	997.3
182-Day	4,253.5	6,753.3	4,253.6	253.6	7,151.6	11,332.8
364-Day	79,378.4	79,738.5	62,894.5	68,298.6	68,318.8	67,662.1
Long Term	**5,333.1**	**4,326.6**	**4,292.2**	**4,256.7**	**9,103.7**	**8,824.1**
Domestic Loan	456.2	424.7	390.3	354.8	319.3	283.8
National Insurance Scheme Loan	456.2	424.7	390.3	354.8	319.3	283.8
Debentures 2/	4,873.5	3,898.5	3,898.5	3,898.5	8,781.0	8,536.9
Republic Bank Debentures	975.0	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
NIS Debenture (GOG/NIS No. 1/2016) 3/	0.0	0.0	0.0	0.0	4,882.4	4,638.3
Bonds	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

Source: Debt Management Division, 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

Appendix 12 - Total Public Debt Service during the Period 2012-2017

Total Public Debt Service during the period 2012-2017
in millions of Guyana dollars

	2012	2013	2014	2015	2016	2017
Total Public Debt	**12,314.2**	**43,405.2**	**36,100.5**	**22,149.0**	**13,019.6**	**14,828.3**
Total Public Domestic Debt	**3,597.9**	**2,759.1**	**1,580.4**	**1,751.9**	**1,920.3**	**2,249.9**
Principal	1,010.7	1,010.4	35.5	35.5	35.5	279.6
Interest	2,587.2	1,748.8	1,544.9	1,716.5	1,884.8	1,970.3
Total Public External Debt	**8,716.3**	**40,646.1**	**34,520.1**	**20,397.1**	**11,099.3**	**12,578.4**
Principal	6,036.7	37,753.1	31,299.9	16,875.5	7,453.9	8,377.2
Interest	2,679.6	2,892.9	3,220.2	3,521.5	3,645.4	4,201.2

Source: Debt Management Division, Ministry of Finance

Notes:

1. There are no contracted Government guarantees.

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
Total Public External Debt Service	**8,716.3**	**40,646.1**	**34,520.1**	**20,397.1**	**11,099.3**	**12,578.4**
Principal	**6,036.7**	**37,753.1**	**31,299.9**	**16,875.5**	**7,453.9**	**8,377.2**
Central Government	3,627.0	35,353.1	28,965.2	15,003.4	6,652.1	8,377.2
Bank of Guyana	2,324.0	2,312.8	2,317.8	1,872.2	801.7	0.0
Parastatals	85.6	87.2	16.9	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**
Central Government	2,629.2	2,866.3	3,194.2	3,508.8	3,630.3	4,201.2
Bank of Guyana	34.5	20.3	24.6	12.8	15.1	0.0
Parastatals	15.8	6.3	1.5	0.0	0.0	0.0

Source: Debt Management Division, 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					
	2013	**2014**	**2015**	**2016**	**2017**
Total Public Domestic Debt Service	**2,759.1**	**1,566.7**	**1,751.9**	**1,920.3**	**2,249.9**
Principal	**1,010.4**	**35.5**	**35.5**	**35.5**	**279.6**
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	35.4	35.5	35.5	35.5	35.5
Debentures 1/	975.0	0.0	0.0	0.0	244.1
Other	0.0	0.0	0.0	0.0	0.0
Interest	**1,748.8**	**1,531.3**	**1,716.5**	**1,884.8**	**1,970.3**
Treasury Bills	1,645.6	1,452.2	1,612.1	1,776.1	1,699.3
K-Series	13.4	1.5	17.7	18.8	15.6
Debentures 1/	72.0	60.9	71.4	72.6	134.0
National Insurance Scheme Loan	17.8	16.7	15.3	17.3	15.5
Other 2/	0.0	0.0	0.0	0.0	105.9

Source: Debt Management Division, 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 Enterprise

Summary of On-lending Loan Agreement to State Owned Enterprise
in millions of US dollars
As of December 31, 2017

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 I	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**
Grand Total			**284.78**	**300.78**	**3.99**	**296.78**

Appendix 16 - Debt Indicators for the Period 2013 - 2017

Debt Indicators for the period 2013-2017					
	2013	2014	2015	2016	2017
Total Debt to GDP	**57.9%**	**51.9%**	**48.4%**	**45.7%**	**46.1%**
External Debt to GDP	41.8%	39.5%	36.0%	33.2%	34.3%
Domestic Debt to GDP	16.1%	12.3%	12.4%	12.5%	11.9%
Total Debt Service to Revenue	**31.8%**	**24.8%**	**13.7%**	**7.2%**	**7.6%**
Total External Debt Service to Revenue	29.8%	23.7%	12.6%	6.2%	6.5%
Total Domestic Debt Service to Revenue	2.0%	1.1%	1.1%	1.1%	1.2%
Total External Debt Service to Exports	**12.8%**	**12.4%**	**7.6%**	**3.4%**	**3.8%**
Total Public Debt Service to GDP	**7.1%**	**5.7%**	**3.4%**	**1.8%**	**2.0%**
(In millions of Guyana dollars, unless otherwise indicated)					
Memorandum Items:					
Total Public Debt	**355,809.5**	**329,619.8**	**317,739.6**	**330,606.3**	**344,997.3**
Total External Debt	256,994.1	251,182.1	236,046.2	240,034.6	256,181.1
Total Domestic Debt	98,815.4	78,437.7	81,693.3	90,571.6	88,816.2
Total Public Debt Service	**43,405.2**	**36,100.5**	**22,149.0**	**13,019.6**	**14,810.2**
Total External Debt Service	40,646.1	34,520.1	20,397.1	11,099.3	12,560.3
Total Domestic Debt Service	2,759.1	1,580.4	1,751.9	1,920.3	2,249.9
Gross Domestic Product at Current Purchaser Prices	**614,130.0**	**635,262.0**	**656,485.0**	**723,581.0**	**747,746.0**
GDP (US$)	**2,977.6**	**3,076.3**	**3,166.0**	**3,504.02**	**3,621.05**
Total Current Revenue	**136,494.8**	**145,725.8**	**161,710.2**	**179,882.0**	**194,688.0**
Exports of Goods and Non-Factor Services	**316,423.8**	**278,444.6**	**269,730.3**	**330,436.9**	**332,203.9**
Exports (G & NFS) (US$)	**1,540.6**	**1,348.4**	**1,306.2**	**1,600.2**	**1,608.7**
Guyana dollar/U.S. dollar (End of Period)	**206.3**	**206.5**	**206.5**	**206.5**	**206.5**
Guyana dollar/U.S. dollar (Period Average)	**205.4**	**206.5**	**206.5**	**206.5**	**206.5**

Source: Debt Management Division, Ministry of Finance and Bank of Guyana

Appendix 17 - Risk Indicators for the Period 2013 -2017

Risk Indicators for the period 2013-2017					
	2013	2014	2015	2016	2017
Total Share of Short Term Debt to Total Debt	**26.6%**	**22.5%**	**24.4%**	**24.6%**	**24.0%**
Total Share of Short Term Debt to Domestic Debt	**95.6%**	**94.5%**	**94.8%**	**89.9%**	**90.1%**
Total Share of US dollar Debt to Total External Debt	**76.4%**	**76.2%**	**75.9%**	**74.5%**	**75.0%**
Total Share of Foreign Currency Debt to Total Debt	**72.3%**	**76.3%**	**74.4%**	**72.7%**	**77.0%**
Total Share of Floating Rate Debt to Total Debt	**8.5%**	**10.0%**	**10.7%**	**10.8%**	**11.3%**
(In millions of Guyana dollars, unless otherwise indicated)					
Memorandum Items:					
Total Public Debt	**355,809.5**	**329,619.8**	**317,739.6**	**330,606.3**	**332,884.2**
Total External Debt	256,994.1	251,182.1	236,046.2	240,034.6	256,181.1
Total Domestic Debt	98,815.4	78,437.7	81,693.3	90,571.6	88,816.2
Short Term Debt	**94,488.8**	**74,145.5**	**77,436.6**	**81,468.0**	**79,992.1**
US dollar Debt	**196,283.7**	**191,502.0**	**179,127.8**	**178,784.3**	**192,246.4**
US dollar Debt (US$ millions)	**951.7**	**927.4**	**867.4**	**865.8**	**931.0**
Foreign Currency Debt	**257,418.9**	**251,572.3**	**236,385.8**	**240,353.9**	**256,465.0**
Floating Rate Debt	**30,342.5**	**32,955.5**	**33,963.7**	**35,652.68**	**37,647.62**

Source: Debt Management Division and Bank of Guyana

Appendix 18 – New Loans Contracted and Disbursed during the period 2015 – 2017

Loan Contracted and Disbursed during the period May 26, 2015 to December 31, 2017

Creditor	Agreement Date	Loan Title	Currency	Loan Amount Approved	Disbursed as at December 31, 2017	Committed Undisbursed Balance
MULTILATERAL						
International Development Association	December 29, 2015	UG Science and Technology Support	USD	3,664,000.00	3,710,356.11	0.00
	June 22, 2017	Guyana Payments System Projects	USD	6,000,000.00	0.00	6,408,585.00
	June 22, 2017	Guyana Education Sector Improvement Project	USD	13,326,924.00	1,163,341.00	12,935,284.54
Sub- Total			**USD**	**22,990,924.00**	**4,873,697.11**	**19,343,869.54**
Caribbean Development Fund	December 14, 2016	Rural Agricultural Infrastructure Development Project in Small Scale Farming Communities	USD	6,625,000.00	2,318,750.00	4,306,250.00
Sub- Total			**USD**	**6,625,000.00**	**2,318,750.00**	**4,306,250.00**
Caribbean Development Bank	May 26, 2015	Sugar Industry Mechanisation Project (OCR)	USD	13,977,348.76	13,983,886.86	0.00
	May 26,2015	Sugar Industry Mechanisation Project (SFR)	USD	13,965,568.37	13,972,563.15	0.00
	May 23, 2017	Skills Development and Employability	USD	11,700,000.00	0.00	11,700,000.00
Sub- Total			**USD**	**39,642,917.13**	**27,956,450.01**	**11,700,000.00**
Inter-American Development Bank	February 21, 2017	Support to Improve Maternal and Child Health Project (OCR)	USD	4,000,000.00	129,328.00	3,870,672.00
	February 21, 2017	Support to Improve Maternal and Child Health Project (SFR)	USD	4,000,000.00	129,328.00	3,870,672.00
	February 21, 2017	Support for the Criminal Justice System Program (OCR)	USD	4,000,000.00	222,901.50	3,777,098.50
	February 21, 2017	Support for the Criminal Justice System Program (SFR)	USD	4,000,000.00	222,901.50	3,777,098.50
	February 21, 2017	Sustainable Agricultural Development Program (OCR)	USD	7,500,000.00	500,602.50	6,999,397.50
	February 21, 2017	Sustainable Agricultural Development Program (SFR)	USD	7,500,000.00	500,602.50	6,999,397.50
	February 21, 2017	Enhancing National Quality Infrastructure for Economic Development and Trade Promotion Progam (OCR)	USD	4,500,000.00	150,000.00	4,350,000.00
	February 21, 2017	Enhancing National Quality Infrastructure for Economic Development and Trade Promotion Progam (SFR)	USD	4,500,000.00	150,000.00	4,350,000.00
Sub- Total			**USD**	**40,000,000.00**	**2,005,664.00**	**37,994,336.00**
International Fund for Agricultural Development	March 21, 2017	Sustainable Housing for Hinterland Project	USD	7,960,000.00	0.00	7,960,000.00
Sub- Total			**USD**	**7,960,000.00**	0.00	**7,960,000.00**
Multilateral Sub-Total			**USD**	**117,218,841.13**	**37,154,561.12**	**81,304,455.54**
BILATERAL						
The Export-Import Bank of India	March 16, 2016	East Bank East Coast Road Linkage Project	USD	50,000,000.00	0.00	50,000,000.00
	November 9, 2016	Ocean Ferry	USD	10,000,000.00	0.00	10,000,000.00
	February 22, 2017	High Capacity Fixed and Moble Drainage Pumps and Associated Strutures	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**	**0.00**	**81,500,000.00**
The Export-Import Bank of China	January 9, 2017	East Coast Demerara Road Improvement Project	USD	48,193,934.28	6,781,767.49	41,412,166.79
Sub- Total			**USD**	**48,193,934.28**	**6,781,767.49**	**41,412,166.79**
Bilateral Sub-Total			**USD**	**129,693,934.28**	**6,781,767.49**	**122,912,166.79**
Grand Total (Mulitilateral + Bilateral)			**USD**	**246,912,775.41**	**43,936,328.61**	**204,216,622.33**