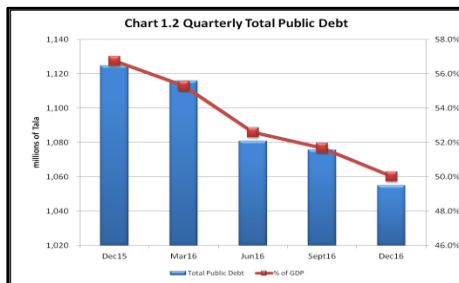
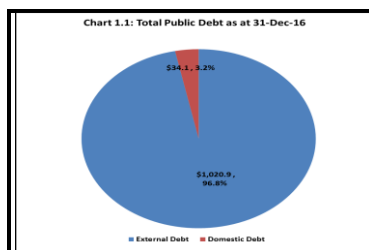


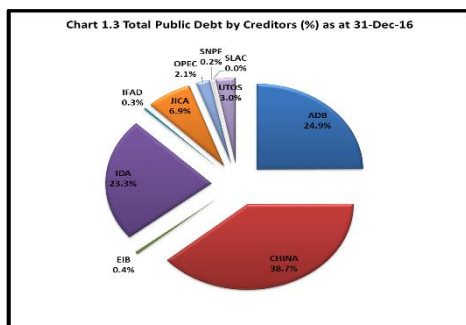


1. TOTAL PUBLIC DEBT

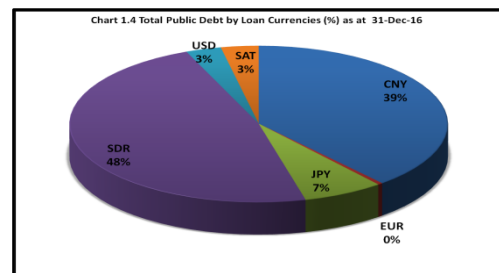
1.1 Total public debt as at end of December 2016 was SAT 1, 054.9 million, equivalent to 50.0% of GDP, with public external debt of SAT1, 020.9million and public domestic debt of SAT34.1million. Total public debt decreased by 1.9% compared to September 2016 quarter, and by 6.2% compared to December 2015 quarter.



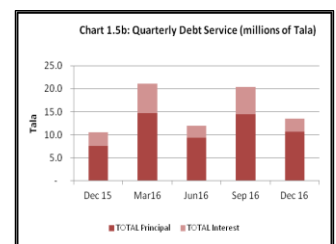
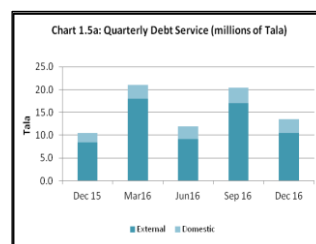
1.2 Creditors Composition of Total Public debt at the end of December 2016 (Chart 1.3) shows that EXIM Bank of PRC has the highest share of the total debt portfolio at 38.7%, ADB with 24.9%, IDA with 23.3%, JICA with 6.9%, UTOS with 3%, OPEC with 2.1% and the other creditors with less than 1%.



1.3 Loan Currency Composition: (Chart 1.4) shows that SDR (48%) and CNY (39%) are the main loan currencies in the total debt portfolio. The total public debt portfolio at the end of the quarter was 96.8% denominated in foreign currency and 3.2% denominated in Tala.



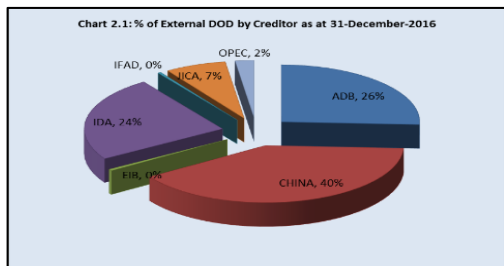
1.4 Total Debt Service for December 2016 quarter was SAT13.5million (external debt service SAT10.6m/domestic debt service SAT2.8m). The total service for the quarter decreased by 34.1% compared to September 2016 quarter, but increased by 28.3% compared to December 2015 quarter.



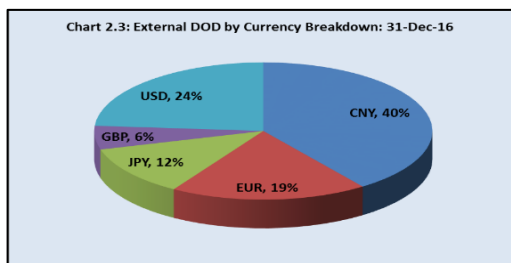
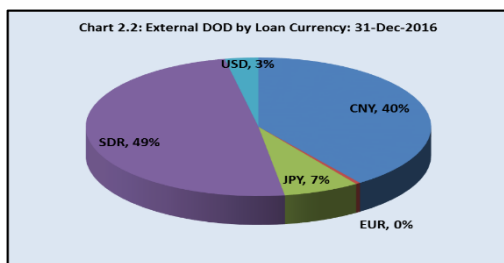
2. PUBLIC EXTERNAL DEBT

2.0 Total public external debt outstanding at the end of December 2016 was SAT 1, 020.9 million (53% multilateral creditors and 47% -bilateral creditors). The outstanding amount decreased by 1.8% and by 5.6% when compared to September 2016 quarter and December 2015 quarter respectively. One new public external borrowing contracted from World Bank and effective during the quarter, for additional financing of the Samoa Aviation Investment Project.

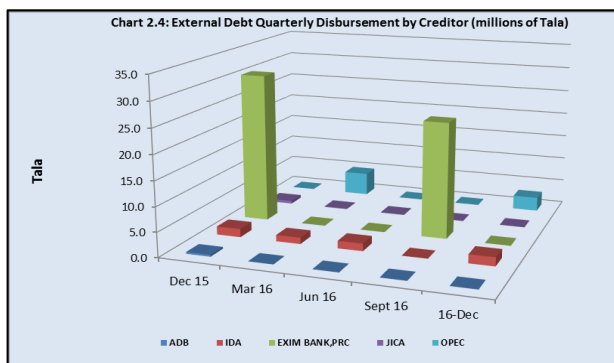
2.1 Creditors Composition of the public external debt portfolio (Chart 2.1) shows that the EXIM Bank of China (40%), ADB (26%) and IDA (24%) were the main creditors in the external debt portfolio.



2.2 Currency Composition of the public external debt at the end of December 2016 shows that the SDR¹ (49%) was the main loan currency (Chart 2.2). The breakdown of SDR (Chart 2.3) shows that CNY (40%) was the main foreign currency in the portfolio, then USD (24%) and Euro (19%) at the end of the quarter.



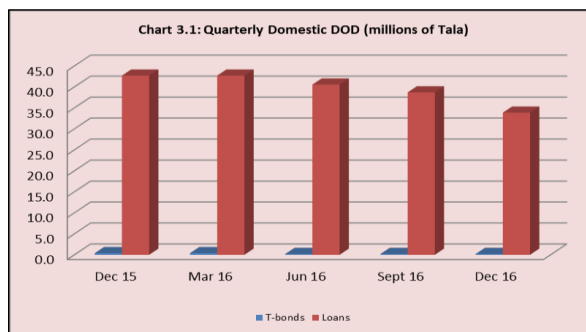
2.3 Total disbursements for public external debt during the quarter was SAT 4.7 million, of which pertained to the IDA SACEP, OPEC Petroleum Tank projects and ADB-EPC PSEP(Chart 2.4).



¹ Special Drawing Rights - USD 41.9%, Euro-37.4%, GBP-11.3%, JPY-9.4%

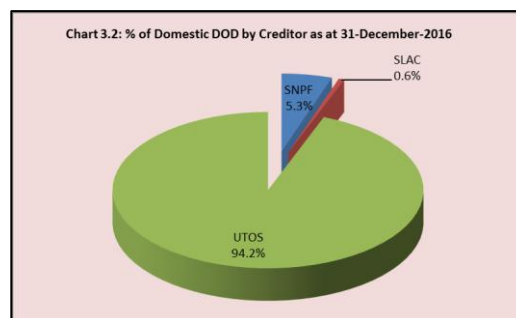
3. PUBLIC DOMESTIC DEBT

3.0 Total public domestic debt outstanding at the end of December 2016 was SAT 34.1 million, decreased by 6.3% and by 21.0% when compared to September 2016 and December 2015 quarters respectively. The composition of public domestic debt by instrument was 99.5% (SAT 33.1 million) Government loans and 0.5% (SAT 0.2 million) T-bonds (Chart 3.1). No new public domestic borrowing contracted during the quarter.



3.1 Creditors Composition of the public domestic debt portfolio at the end of December 2016 (Chart 3.2) shows that UTOS (94.2%) was the main creditor, SNPF (5.3%), and SLAC (0.6%) and also holder of outstanding T-bond.

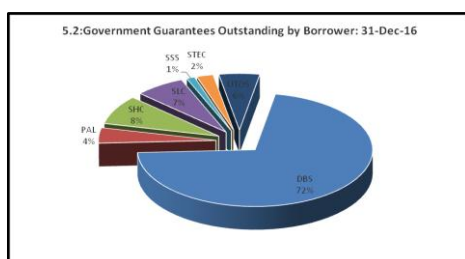
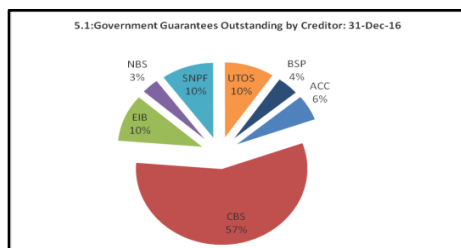
3.2 Currency composition of the domestic debt is 100% denominated in Tala.



4. GOVERNMENT GUARANTEES AND ON-LENDING

The total Government onlending outstanding at the end of December 2016, was SAT 152.5 million, decreased by 1.9% and 20% when compared to September 2016 and December 2015 quarter respectively. The Government on-lent to DBS (2%), SSCC (4%), UTOS (5%) and EPC(88%).

The total Government guarantees outstanding at end of December 2016 was SAT 178.9 million, decreased by 0.5% compared to September 2016 quarter but increased by 1.2% when compared to December 2015 quarter. The composition of outstanding Government guarantees is depicted in Chart 5.1 and Chart 5.2



5. COST AND RISK INDICATORS

Table 5.1: Cost and Risk Indicators for Total Public Debt 31 December 2016

Risk Indicators	External Debt	Domestic Debt	Total Debt
Amount (in millions of SAT)	1,020.9	34.1	1,054.9
Nominal debt as % GDP	48.4%	1.6%	50.0%
Cost of debt			
Av. IR (%)	1.3%	9.0%	2.0%
Refinancing risk			
ATM (years)	11.6	2.8	11.3
Debt maturing in 1yr (% of total)	4.3%	23.6%	4.9%
Interest rate risk			
ATR (years)	11.6	2.8	11.3
Debt refixing in 1yr (% of total)	4.3%	23.6%	4.9%
Fixed rate debt (% of total)	100%	100%	100%
FX risk			
FX debt (% of total debt)	100%	-	96.8%
ST FX debt (% of reserves)	21%	-	21%

Note: Av. IR - Average Interest Rate, ATM - Average Time To Maturity, ATR - Average Time to Refixing, FX - Foreign Currency, ST - Short Term

Cost of existing debt is average interest rate of 2% per annum, mainly driven by highly concessional interest external borrowing from the multilateral banks.

Refinancing risk is lower in the portfolio, with longer ATM at 11years and 4.9% of total debt to mature in 1year.

Interest rate risk exposures is minimal as the total debt portfolio is on fixed interest rate. Total debt with interest rate re-fix in 1years is about 4.9% and longer ATR of 11years.

Foreign currency risk is the main risk in the portfolio, with 96.8% of the total public debt portfolio is denominated in foreign currency. Short term foreign currency denominated debt-matured in 1year is about 21% of foreign reserves available at end of the period.

6. DEBT STATISTICS

Table 6.1: Summary of Debt Ratio

Particulars	31-Dec-15	30-Sep-16	31-Dec-16	Qtrly change	YTD change
Total Public Debt (SAT)	1,124.8	1,075.7	1,054.9	-1.9%	-6.2%
External Debt	1,081.7	1,039.3	1,020.9	-1.8%	-5.6%
Domestic Debt	43.1	36.4	34.1	-6.3%	-21.0%
Total Public Debt to GDP (%)	56.7%	51.7%	50.0%	-3.2%	-11.8%
External Debt to GDP	54.6%	49.9%	48.4%	-3.1%	-11.3%
Domestic Debt to GDP	2.2%	1.7%	1.6%	-7.5%	-25.7%
Total Debt Service (SAT)	10.5	20.4	13.4	-34.1%	28.3%
External	8.4	17.1	10.4	-38.9%	24.6%
Domestic	2.1	3.3	3.0	-9.7%	42.9%
Principal	7.6	14.4	10.6	-26.3%	40.1%
Interest	2.9	6.0	2.8	-52.8%	-2.7%
External Debt by Creditor(SAT)					
Multilateral	570.1	542.7	539.7	-1.5%	-2.6%
ADB	287.5	268.7	263.1	-2.1%	-8.5%
EIB	5.4	5.0	4.6	-9.3%	-14.6%
IDA	256.5	245.0	246.2	0.5%	-4.0%
IFAD	3.9	3.6	3.6	0.0%	-8.0%
OPEC	16.9	20.4	22.3	9.4%	32.5%
Bilateral	511.5	496.6	481.2	-12.4%	-4.1%
EXIM Bank (China)	441.1	415.0	408.4	-1.6%	-7.4%
JICA	70.4	81.6	72.7	-10.9%	3.3%
Domestic Debt by Creditor(SAT)					
SLAC	0.4	0.2	0.2	0.0%	-50.0%
SNPF	2.7	2.0	1.8	-12.0%	-34.5%
UTOS	40.0	34.1	32.1	-6.0%	-19.8%
External Debt by Loan Currency (SAT)					
% in CNY	41%	40%	40%	0.2%	-1.9%
% in SDR	50%	49%	49%	0.9%	-0.8%
% in USD	3%	3%	3%	9.1%	23.5%
% EURO	0%	0%	0%	-7.7%	-9.5%
% JPY	7%	8%	7%	-9.2%	9.5%
Government Guarantees (SAT)	176.8	179.8	178.9	-0.5%	1.2%
Government On-lending (SAT)	190.6	155.4	152.5	-1.9%	-20.0%

Table 6.2: Terms of Government Borrowings

Creditor	Interest rate %	Commitment fees (c)/ service fees (s)/	Grace Period (GP)	Maturity (including GP)
ADB	1% during GP & 1.5% thereafter p.a./fixed	-	8yrs	32yrs
EIB	0.75% average p.a./fixed	-	10yrs	40yrs
IDA	0.75% p.a./fixed	-	10yrs	40yrs
IFAD	1% p.a./fixed	-	10yrs	50yrs
JICA	0.45% p.a./fixed	0.1% (c) p.a.	10yrs	30yrs
OPEC	4.0% average p.a./fixed	1% (s) p.a.	5yrs	20yrs
PRC EximBank	2% p.a./fixed	0.67% av.(c)/0.67% av.(m)	5yrs	20yrs
SLAC	7% p.a./fixed	-	14yrs	15yrs
SNPF	11.3% average p.a./fixed	-	1yr	20yrs
UTOS	8.2% average p.a./fixed	-	0	7.7yrs

Sources: Ministry of Finance, Ministry of Public Enterprises, Samoa Bureau of Statistics, Central Bank of Samoa
Prepared by Aid Coordination & Debt Management Division