



0. OVERVIEW

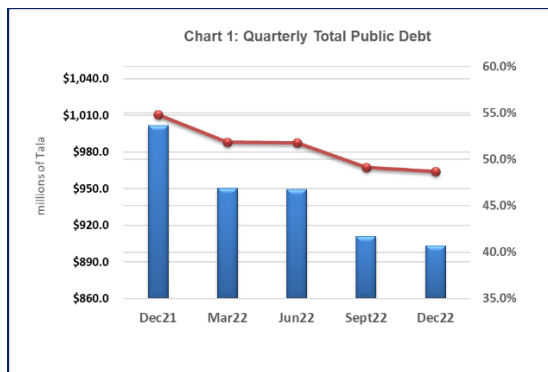
This Issue 42 reports on the Government debt portfolio for the quarter ending December 2022. In addition, the contingent liabilities reporting have been revised for clarity and emphasis on the coverage due to the risk exposure to Government.

1. TOTAL PUBLIC DEBT

1.1 Total public debt at the end of December 2022 quarter stood at \$903.5million (Tala), equivalent to 47.0% of GDP¹, and below the fiscal target of 50% of GDP. The total amount outstanding comprised of \$902.4million public external debt and \$1.1million public domestic debt. Total public debt decreased by 0.8% and by 9.8% when compared to September 2022 and December 2021 quarters respectively. The total public debt trend for the last four quarters continues to decline in nominal values and as % of GDP (Chart 1). There were no new loans contracted during the quarter and year to date.

Table 1: Total Public Debt by Residency in millions Tala and % of GDP

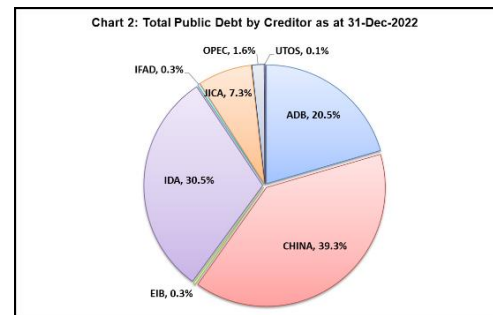
Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Public Debt	1,001.5	950.5	949.4	911.2	903.5
External	998.7	948.5	947.9	909.8	902.4
Domestic	2.9	2.0	1.6	1.3	1.1
% of GDP	54.8%	51.9%	51.8%	49.1%	47.0%



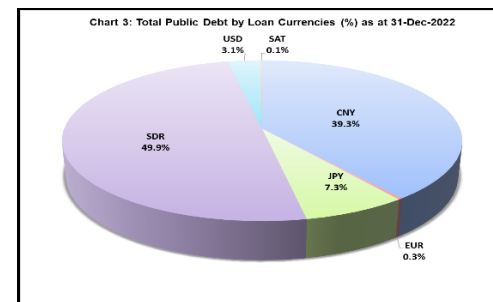
1.2 Creditors Composition: There are eight (8) creditors in the public debt portfolio. The three main creditors in the portfolio are EXIM Bank of PRC (39.3%), IDA (30.5%) and ADB (20.5%). The other creditors are JICA (7.3%), OPEC (1.6%), and UTOS (0.1%) with IFAD and EIB at less than 1%.

Table 2: Total Public Debt by Creditors in millions Tala

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
ADB	193.0	184.0	184.9	182.7	185.1
EXIMB-PRC	419.3	397.2	394.0	361.7	355.3
EIB	2.6	2.6	2.4	2.4	2.3
IDA	285.3	272.0	280.8	277.4	275.9
IFAD	2.8	2.6	2.7	2.6	2.6
JICA	79.2	73.9	67.3	66.1	66.3
OPEC	16.4	16.2	15.6	17.0	14.9
UTOS	2.9	2.0	1.6	1.3	1.1
Total	1,001.5	950.5	949.4	911.2	903.5



1.3 Loan Currency Composition: There are six (6) loan currencies in the portfolio including the SDR (49.9%), CNY (39.3%), JPY (7.3%), USD (3.1%), EUR (0.3%) and the Tala (0.1%). The total public debt is 99.9% denominated in foreign currency and 0.1% denominated in Tala.



1.4 Total Debt Service paid in December 2022 quarter was \$12.91million, consisted of \$12.62million external debt service and \$0.29million domestic debt service. The amount decreased by 61.7% when compared to September 2022 quarter, and increased by 12.8% when compared to December 2021 quarter. The increase was due to the resumption of debt service payments for loans supported under the G20 DSSI. The quarterly trend depicts high level of debt service in September and March quarters which are attributed mainly to the the dues for the EXIM Bank of PRC during the respective quaters.

¹ Nominal GDP at basic prices

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
External Debt Service	10.56	32.18	12.91	33.44	12.62
Principal	8.72	26.99	11.15	28.54	11.10
Interest	1.84	5.19	1.75	4.90	1.52
Domestic Debt Service	0.89	0.89	0.48	0.29	0.29
Principal	0.82	0.84	0.45	0.26	0.26
Interest	0.07	0.05	0.04	0.03	0.03
Total	11.45	33.07	13.39	33.73	12.91

2. PUBLIC EXTERNAL DEBT

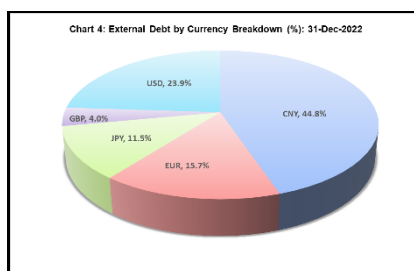
2.1 Public external debt outstanding at the end of December 2022 quarter was \$902.4million. The external debt consists of 53% multilateral creditors and 47% bilateral creditors. The outstanding amount decreased by 0.8% and by 9.6% when compared to September 2022 and December 2021 quarters respectively.

2.2 Creditors Composition (Table 4): EXIM Bank of PRC (39.4%), IDA (30.6%) and ADB (20.5%) are the main creditors in the external debt portfolio.

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
ADB	193.0	184.0	184.9	182.7	185.1	20.5%
EXIM-PRC	419.3	397.2	394.0	361.7	355.3	39.4%
EIB	2.6	2.6	2.4	2.4	2.3	0.3%
IDA	285.3	272.0	280.8	277.4	275.9	30.6%
IFAD	2.8	2.6	2.7	2.6	2.6	0.3%
JICA	79.2	73.9	67.3	66.1	66.3	7.3%
OPEC	16.4	16.2	15.6	17.0	14.9	1.6%
Total	998.7	948.5	947.9	909.8	902.4	100.0%

2.3 Currency Composition: The SDR (49.9%) remains the main loan currency in the external debt portfolio (Table 4). The currency composition (Chart 4) including the breakdown of SDR to its currencies shows CNY (44.8%), USD (23.9%), EUR (15.7%), JPY (11.5%), and GBP (4.0%).

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
CNY	419.3	397.2	394.0	361.7	355.3	39.4%
EUR	2.6	2.6	2.4	2.4	2.3	0.3%
JPY	79.2	73.9	67.3	66.1	66.3	7.3%
SDR	475.7	453.7	463.2	457.8	450.5	49.9%
USD	21.9	21.1	20.8	21.9	28.0	3.1%
Total	998.7	948.5	947.9	909.8	902.4	100%



2.4 Total Disbursements for external debt during the quarter was \$8.5million, specifically for the ADB Pacific Disaster Resilience Program, a standby facility triggered to assist with economic and fiscal recovery. The loan is US\$3.1million contracted in 2017, and terms are highly concessional terms- a maturity of 24 years including an 8 years grace period, and the interest rate of 1% during grace period and 1.5% thereafter.

3. PUBLIC DOMESTIC DEBT

3.1 Public domestic debt outstanding at the end of December 2022 quarter was \$1.1 million, decreased by 19.5% and by 62.6% when compared to September 2022 and December 2021 quarters respectively. There is only one remaining domestic debt instrument – a government loan with UTOS – previously a guaranteed loan. The trend of the domestic debt over the last four quarters showed a decline.

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
UTOS	2.9	2.0	1.6	1.3	1.1	0.1%
Total	2.9	2.0	1.6	1.3	1.1	0.1%

4. CONTINGENT LIABILITIES

4.1 The contingent liabilities consist of Government guarantees, SOEs other debt² and Government on-lending outstanding balances. The total contingent liabilities at the end of the quarter was \$367.2million, decreased by 2.2% and by 9.1% when compared to September 2022 and December 2021 quarters respectively. The outstanding amount consisted of Government guarantees (explicit contingent liabilities) of \$168.2million, SOEs other debt (implicit contingent liabilities) of \$23.4million; and the Government on-lending outstanding balance of \$175.6million.

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Contingent Liabilities	403.9	397.1	366.0	375.3	367.2
Government Guarantees	204.4	199.1	165.3	169.1	168.2
SOEs other debt	24.64	24.39	24.15	27.70	23.4
On-lending balances	174.8	173.6	176.6	178.6	175.6
% of GDP (Guarantees only)	11.2%	10.9%	9.0%	9.1%	8.8%

4.2 Total Guarantees outstanding are explicit contingent liabilities of Government. At the end of December 2022, the total outstanding balance was \$168.2million, equivalent to 8.8% of GDP and below the threshold of 10%. The amount decreased by 0.5% and 17.7% when compared to September 2022 and December 2021 quarters respectively. The composition of outstanding Government guarantees are detailed in Table 8, showing five Government SOEs in the guarantee portfolio at the end of the quarter. The DBS (53.1%) and SA (34.0%) have most of the guarantees issued and outstanding. Furthermore, Table 9 showed

² SOE direct borrowings that are not guaranteed by Government.

guarantees by creditors. The CBS (46.1%) and UTOS (43.8%) have the highest share of SOEs' loans guaranteed, then SAA (6.3%), SHC (6.0%), and SSS (0.6%). There were no new guarantees issued during the reporting quarter.

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
SHC	10.8	10.4	10.0	9.7	10.0	6.0%
DBS	93.9	92.8	92.3	91.5	89.3	53.1%
PAL/SA	93.7	94.8	53.0	56.2	57.2	34.0%
SSS	1.1	1.1	1.0	1.0	1.0	0.6%
UTOS	5.0	-	-	-	-	0.0%
SAA	-	-	9.0	10.6	10.6	6.3%
Total	204.4	199.1	165.3	169.1	168.2	100.0%
% of GDP	11.2%	10.9%	9.0%	9.1%	8.8%	

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
ACC	5.0	-	-	-	-	0.0%
CBS	81.1	80.5	79.7	78.7	77.5	46.1%
EIB	2.8	2.3	2.5	2.5	2.0	1.2%
SNPF	13.5	13.2	13.0	13.0	12.7	7.5%
UTOS	46.8	49.0	67.6	72.5	73.7	43.8%
BSP	3.2	2.7	2.6	2.5	2.3	1.4%
FAHE Ltd	52.1	51.3	-	-	-	0.0%
Total	204.4	199.1	165.3	169.1	168.2	100%

4.3 The SOEs other debt are implicit liabilities due to the fiscal risks they represent. The total amount was \$23.4million equivalent to 1.2% of GDP. There were two SOEs reported including SHC (45.8%) and SLC (54.2%). The amount decreased by 15.5% and by 0.5% when compared to September 2022 and December 2021 quarters respectively.

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
SHC	11.1	11.0	10.9	14.6	10.7	45.8%
SLC	13.6	13.4	13.3	13.1	12.7	54.2%
Total	24.64	24.39	24.15	27.70	23.40	100%
% of GDP	1.3%	1.3%	1.3%	1.5%	1.2%	

4.4 Government on lending outstanding at the end of the quarter was \$175.6million, decreased by 1.7% and by 0.5% when compared to September 2022 and December 2021 quarters respectively. The outstanding amount were for onlending to EPC (63.4%) for Power Sector Expansion Project, SSCC (34.4%) for the Samoa Submarine Cable Project, UTOS (1.6%) for capital share advance and the DBS (0.5%) for the credit line facility.

Name	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	%
DBS	1.6	1.5	1.3	1.1	0.9	0.5%
EPC	111.4	111.4	111.4	111.4	111.4	63.4%
SSCC	58.2	57.4	60.6	62.9	60.4	34.4%
UTOS	3.6	3.4	3.3	3.2	2.9	1.6%
Total	174.8	173.6	176.6	178.6	175.6	100.0%

5. COST AND RISK INDICATORS

Risk Indicators	External debt	Domestic debt	Total debt
Amount (in millions of Tala)	902.4	1.1	903.5
Nominal debt as % GDP	47.0%	0.1%	47.0%
Cost of debt	Weighted Av. IR (%)	1.4%	8.5%
Refinancing risk	ATM (years)	8.8	1.0
	Debt maturing in 1yr (% of total)	14%	100%
Interest rate risk	ATR (years)	8.8	1.0
	Debt refixing in 1yr (% of total)	14%	100%
	Fixed rate debt (% of total)	100%	100%
FX risk	FX debt (% of total debt)	100%	0%
	ST FX debt (% of reserves)	15.7%	0.0%

Cost of the existing debt is the average interest rate of 1.4% per annum, and mainly driven by highly concessional interest for external borrowing from the multilateral banks.

Refinancing risk is lower in the portfolio, with ATM of 8.8 years and 14% of the total debt to mature in 1 year.

Interest rate risk exposure is minimal as the total debt portfolio is on fixed interest rate. Total debt with interest rate to re-fix in 1 year is about 14% and ATR of 8.8 years.

Foreign currency risk is the main risk in the portfolio, with 99.9% of the total public debt portfolio denominated in foreign currency. Short-term foreign currency denominated debt to mature in 1 year is about 15.7% of foreign reserves at the end of the period.

6. TERMS OF BORROWING

Table 13 details the term of borrowings for the total public debt at end of December 2022. Most of the external borrowings are on highly concessional interest and longer grace period and maturity. The domestic debt borrowings have commercial terms with the highest interest rate of 8.5% in the portfolio.

Creditor	Interest rate %	Commitment fees (c)/ service fees (s)/ management fee (m)	Grace Period (GP)	Maturity (including GP)
ADB	1% during GP & 1.5% thereafter p.a /fixed	-	8yrs	32yrs
EIB	0.5% 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	3.98% average p.a./fixed	1% (s) p.a.	5yrs	20yrs
EXIMB-PRC	2% p.a./fixed	0.67% av.(c)/0.67% av. (m)	5yrs	20yrs
UTOS	8.5% p.a./fixed	-	1yr	7.7yrs

Abbreviations:

ACC	Accident Compensation Corporation
ADB	Asian Development Bank
ATM	Average Time to Maturity
ATR	Average Time to Refixing
BSP	Bank of the South Pacific
CBS	Central Bank of Samoa
CNY	Chinese Yuan
DBS	Development Bank of Samoa
DSSI	Debt Service Suspension Initiative
EIB	European Investment Bank
EPC	Electric Power Corporation
EUR	Euro Dollar
EXIMB-PRC	Export Import Bank of Peoples Republic of China
FAHE Ltd	Fly Aircraft Holdings Eighteen Limited
GBP	Great Britain Pound
GDP	Gross Domestic Product
IDA	International Development Association of the World Bank Group
IFAD	International Fund for Agricultural Development
JICA	Japan International Cooperation Agency
JPY	Japanese Yen
OPEC	Organisation of the Petroleum Exporting Countries
SA	Samoa Airways
SAA	Samoa Airport Authority
SDR	Special Drawing Rights
SHC	Samoa Housing Corporation
SLC	Samoa Land Corporation
SNPF	Samoa National Provident Fund
SOE	State Owned Enterprise(s)
SSCC	Samoa Submarine Cable Company Limited
SSS	Samoa Shipping Services
Tala	Samoa Tala
USD	United States Dollar
UTOS	Unit Trust of Samoa

Sources:

Ministry of Finance
Ministry of Public Enterprises
Samoa Bureau of Statistics
Central Bank of Samoa
Unit Trust of Samoa
Development Bank of Samoa
Samoa National Provident Fund

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