



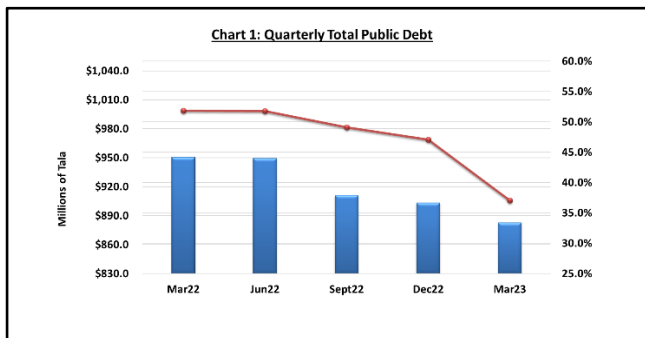
0. OVERVIEW

This Issue 42 reports on the Government debt portfolio for the quarter ending March 2023. 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

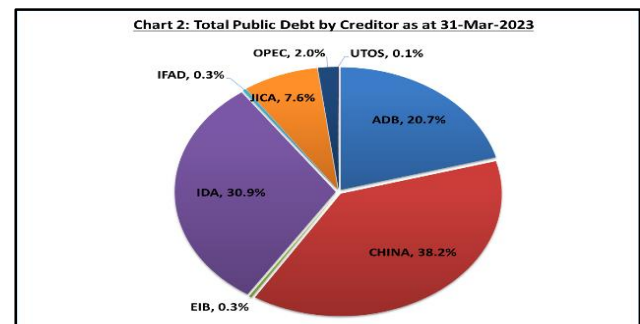
1.1 Total public debt at the end of March 2023 quarter stood at \$882.9million (Tala), equivalent to 37.1% of GDP¹, and below the fiscal target of 50% of GDP. The total amount outstanding comprised of \$882.1million public external debt and \$0.8million public domestic debt. Total public debt decreased by 2.3% and by 7.1% when compared to December 2022 and March 2022 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.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Public Debt	950.5	949.4	911.2	903.5	882.9
External	948.5	947.9	909.8	902.4	882.1
Domestic	2.0	1.6	1.3	1.1	0.8
% of GDP	51.9%	51.8%	49.1%	47.0%	37.1%

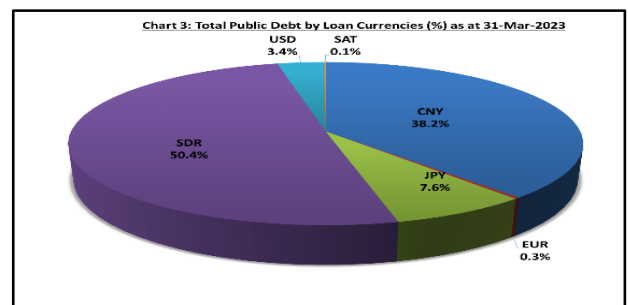


1.2 Creditors Composition: There are eight (8) creditors in the public debt portfolio. The three main creditors in the portfolio are EXIM Bank of PRC (38.2%), IDA (30.9%) and ADB (20.7%). The other creditors are JICA (7.6%), OPEC (2.0%), and UTOS (0.1%) with IFAD and EIB at less than 1%.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
ADB	184.0	184.9	182.7	185.1	183.0
EXIMB-PRC	397.2	394.0	361.7	355.3	337.5
EIB	2.6	2.4	2.4	2.3	2.4
IDA	272.0	280.8	277.4	275.9	272.4
IFAD	2.6	2.7	2.6	2.6	2.5
JICA	73.9	67.3	66.1	66.3	66.9
OPEC	16.2	15.6	17.0	14.9	17.4
UTOS	2.0	1.6	1.3	1.1	0.8
Total	950.5	949.4	911.2	903.5	882.9



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 March 2023 quarter was \$35.41million, consisted of \$35.12million external debt service and \$0.29million domestic debt service. The amount increased by 174.3% when compared to December 2022 quarter, and increased by 7.1% when compared to March 2022 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

¹ Nominal GDP at purchaser prices (Nominal GDP at basic prices plus Taxes less Subsidies on Products). All ratios to GDP for quarters reported in this issue have been revised for comparative and consistency purposes.

March quarters which are attributed mainly to the dues for the EXIM Bank of PRC during the respective quarters.

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
External Debt Service	32.18	12.91	33.44	12.62	35.12
Principal	26.99	11.15	28.54	11.10	30.61
Interest	5.19	1.75	4.90	1.52	4.51
Domestic Debt Service	0.89	0.48	0.29	0.29	0.29
Principal	0.84	0.45	0.26	0.26	0.27
Interest	0.05	0.04	0.03	0.03	0.02
Total	33.07	13.39	33.73	12.91	35.41

2. PUBLIC EXTERNAL DEBT

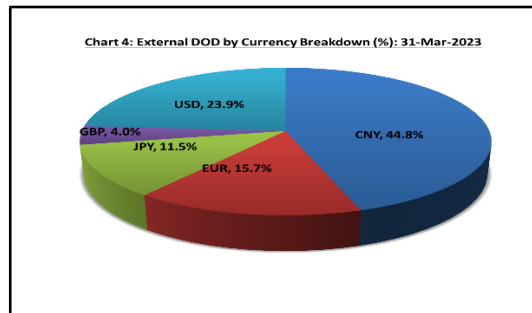
2.1 Public external debt outstanding at the end of March 2023 quarter was \$882.1million. The external debt consists of 54% multilateral creditors and 46% bilateral creditors. The outstanding amount decreased by 2.3% and by 7.0% when compared to December 2022 and March 2022 quarters respectively.

2.2 Creditors Composition (Table 4): EXIM Bank of PRC (38.3%), IDA (30.9%) and ADB (20.7%) are the main creditors in the external debt portfolio.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
ADB	184.0	184.9	182.7	185.1	183.0	20.7%
EXIM-PRC	397.2	394.0	361.7	355.3	337.5	38.3%
EIB	2.6	2.4	2.4	2.3	2.4	0.3%
IDA	272.0	280.8	277.4	275.9	272.4	30.9%
IFAD	2.6	2.7	2.6	2.6	2.5	0.3%
JICA	73.9	67.3	66.1	66.3	66.9	7.6%
OPEC	16.2	15.6	17.0	14.9	17.4	2.0%
Total	948.5	947.9	909.8	902.4	882.1	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	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
CNY	397.2	394.0	361.7	355.3	337.5	38.3%
EUR	2.6	2.4	2.4	2.3	2.4	0.3%
JPY	73.9	67.3	66.1	66.3	66.9	7.6%
SDR	453.7	463.2	457.8	450.5	445.1	50.5%
USD	21.1	20.8	21.9	28.0	30.1	3.4%
Total	948.5	947.9	909.9	902.4	882.1	100%



2.4 Total Disbursements for external debt during the quarter was \$2.38million, specifically for the OPEC Fund for the Petroleum Bulk Storage Facility Project (Phase IV) for enhancing Samoa's Energy Infrastructure and acquiring and upgrading Samoa's fuel facilities.

3. PUBLIC DOMESTIC DEBT

3.1 Public domestic debt outstanding at the end of March 2023 quarter was \$0.8 million, decreased by 24.8% and by 60.3% when compared to December 2022 and March 2023 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	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
UTOS	2.0	1.6	1.3	1.1	0.8	0.1%
Total	2.0	1.6	1.3	1.1	0.8	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 \$371.2million, increased by 1% and decreased by 7% when compared to December 2022 and March 2023 quarters respectively. The outstanding amount consisted of Government guarantees (explicit contingent liabilities) of \$165.8million, SOEs other debt (implicit contingent liabilities) of \$29.7million; and the Government on-lending outstanding balance of \$175.7million.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Contingent Liabilities	397.1	366.0	375.3	367.2	371.2
Government Guarantees	199.1	165.3	169.1	168.2	165.8
SOEs other debt	24.39	24.15	27.70	23.40	29.7
On-lending balances	173.6	176.6	178.6	175.6	175.7
% of GDP (Guarantees only)	10.9%	9.0%	9.1%	8.8%	7.0%

4.2 Total Guarantees outstanding are explicit contingent liabilities of Government. At the end of March 2023, the total outstanding balance was \$165.8million, equivalent to 7.0% of GDP and below the threshold of 10%. The amount decreased by 1.4% and

² SOE direct borrowings that are not guaranteed by Government.

16.7% when compared to December 2022 and March 2022 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 (52%) and SA (35%) have most of the guarantees issued and outstanding. Furthermore, Table 9 showed guarantees by creditors. The CBS (45%) and UTOS (45%) have the highest share of SOEs' loans guaranteed, then SNPF (7%), BSP (1%), and EIB (1%). There were no new guarantees issued during the reporting quarter.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
SHC	10.4	10.0	9.7	10.0	9.2	6%
DBS	92.8	92.3	91.5	89.3	86.7	52%
PAL/SA	94.8	53.0	56.2	57.2	58.3	35%
SSS	1.1	1.0	1.0	1.0	1.0	1%
UTOS	-	-	-	-	-	0%
SAA	-	9.0	10.6	10.6	10.6	6%
Total	199.1	165.3	169.1	168.2	165.8	100%
% of GDP	10.9%	9.0%	9.1%	8.8%	8.4%	

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
ACC	-	-	-	-	-	0.0%
CBS	80.5	79.7	78.7	77.5	75.2	45.3%
EIB	2.3	2.5	2.5	2.0	1.5	0.9%
SNPF	13.2	13.0	13.0	12.7	12.1	7.3%
UTOS	49.0	67.6	72.5	73.7	74.9	45.2%
BSP	2.7	2.6	2.5	2.3	2.1	1.2%
FAHE Ltd	51.3	-	-	-	-	0.0%
Total	199.1	165.3	169.1	168.2	165.8	100%

4.3 The SOEs other debt are implicit liabilities due to the fiscal risks they represent. The total amount was \$29.73million equivalent to 1.2% of GDP. There were two SOEs reported including SHC (41%) and SLC (59%). The amount increased by 27.0% and by 21.9% when compared to December 2022 and March 2023 quarters respectively.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
SHC	11.0	10.9	14.6	10.7	17.4	59%
SLC	13.4	13.3	13.1	12.7	12.3	41%
Total	24.39	24.15	27.70	23.40	29.73	100%
% of GDP	1.3%	1.3%	1.5%	1.2%	1.2%	

4.4 Government on lending outstanding at the end of the quarter was \$175.6million, increased by 0.1% and by 1% when compared to December 2022 and March 2022 quarters respectively. The outstanding amount were for onlending to EPC (63.4%) for Power Sector Expansion Project, SSCC (34.6%) for the Samoa Submarine Cable Project, UTOS (1.5%) for capital share advance and the DBS (0.5%) for the credit line facility.

Name	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	%
DBS	1.5	1.3	1.1	0.9	0.9	0.5%
EPC	111.4	111.4	111.4	111.4	111.4	63.4%
SSCC	57.4	60.6	62.9	60.4	60.8	34.6%
UTOS	3.4	3.3	3.2	2.9	2.7	1.5%
Total	173.7	176.6	178.6	175.6	175.7	100%

5. COST AND RISK INDICATORS

Risk Indicators	External debt	Domestic debt	Total debt	
Amount (in millions of Tala)	882.1	0.8	882.9	
Nominal debt as % GDP	45.9%	0.0%	46.0%	
Cost of debt	Weighted Av. IR (%)	1.4%	8.5%	1.4%
Refinancing risk	ATM (years)	9.1	1.0	9.0
	Debt maturing in 1yr (% of total)	6%	100%	6%
Interest rate risk	ATR (years)	9.1	1.0	9.0
	Debt refixing in 1yr (% of total)	6%	100%	6%
	Fixed rate debt (% of total)	100%	100%	100%
FX risk	FX debt (% of total debt)	100%	0%	99.9%
	ST FX debt (% of reserves)	6.1%	0.0%	6.1%

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 9.0 years and 6% 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 6% and ATR of 9 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 6.1% 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 March 2023. 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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