



Ministry of Finance
Government of the Cooperative Republic of Guyana

PUBLIC DEBT



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as at December 31, 2016

Hon. Winston Jordan, M.P.
Minister of Finance

Hon. Jaipaul Sharma, M.P.
Minister within the MoF

Dr. Hector C. Butts
Finance Secretary

Ms. Sonya Roopnauth
Director, Office of the Budget

Ms. Donna Yearwood
Head, Debt Management Division

Technical Staff of Debt Management Division

Shaundell Taylor-Brotherson

Eleen Komal-Persaud

Hsing Wong

Richard Rambarran

Drecina Fraser

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Website: www.finance.gov.gy

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Message from the Minister of Finance

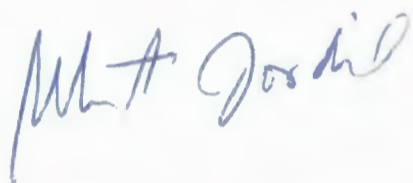
It is my distinct pleasure to present to this Honourable House, the 2016 Public Debt Annual Report - the second edition of this document. This 2016 Report presents the developments in public debt during the course of the year and, accordingly, stands as an important instrument of transparency and accountability before the Guyanese people. For the year 2016, the total debt as a percentage of Gross Domestic Product (GDP) declined to 46.4 percent, from 48.6 percent as at end-2015. As a result of prudent macroeconomic management, Guyana's debt indicators continue to depict a stable debt profile.

In 2016, there remained great uncertainty and adversity at the global level, including the lingering effects of the European crisis, Brexit and weak economic performance in the Latin American and Caribbean region. As a consequence, Guyana's growth continued to be thwarted by a challenging international economic environment. Expansion in output was primarily concentrated in the mining and quarrying sector, specifically gold production, which benefitted from higher international prices and increased production. Unfortunately, however, most of Guyana's important agricultural commodities – sugar and rice – as well as the forestry sector contracted. Disappointing performances in these key sectors coupled with poor weather conditions resulted in a growth rate of 3.3 percent in 2016. This performance, though commendable in the circumstances, indicates the urgency of sectoral reforms to diversify the economy.

Notably, in 2016, Guyana graduated to an upper middle-income country, which is indicative of our economic developments and progress in recent years. However, this graduation creates an array of new challenges for the country, foremost of which is the loss of highly concessional financing from development partners and greater risks associated with new sources of financing. As a policy measure, this administration has sought to widen the range of multilateral partners from which we can access concessional or near-concessional resources. These include the Islamic Development Bank and the OPEC Fund for International Development (OFID). The increasing cost of development finance for Guyana means that we must strive for increased efficiency in our administration of public resources, irrespective of the emergence of oil and gas and its promises of substantial inflows of resources.

Small open economies, such as Guyana's, in a globalised financial architecture, face great vulnerability to exogenous shocks, the impact of which cannot be underestimated. As such, while public debt is projected to remain stable and sustainable both in the medium and long-term, there remains susceptibility to adverse shocks. The recent experience of our Caribbean neighbours with shocks, in the form of extreme natural disasters, underscores the importance of considering these risks. Our Caribbean neighbours' experience with these hurricanes demonstrates the need for risk consideration to be made for Small Island Developing States (SIDS) in the assessment of debt sustainability and to have this reflected in the global framework for development financing and official development assistance.

Additionally, while the medium-term has a favourable outlook, with oil production expected to begin in 2020, Guyana's debt profile becomes exposed to additional risks arising from this new sector. However, these benefits are contingent upon relative stability in oil prices which may be threatened by global developments, particularly from turbulence in oil-producing nations, as well as global policy shifts towards renewable energy, especially among emerging economies such as India and China. These recent advances have the consequence of deepening Guyana's exposure to international developments in the future. These uncharted waters mean that Guyana must not become complacent, but must continue to ensure that debt levels remain sustainable and within prescribed parameters.

A handwritten signature in blue ink, appearing to read 'Winston D. Jordan'.

Hon. Winston D. Jordan, MP

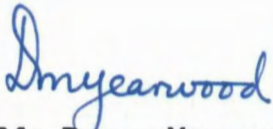
**Minister of Finance
Cooperative Republic of Guyana**

Acknowledgement

In keeping with internationally recommended best practices obtained from the International Monetary Fund and World Bank Guidelines for Public Debt Management, the Debt Management Division has prepared this second edition of the Public Debt Annual Report. This Report covers the operations of public debt management in Guyana for the year 2016.

I wish to express sincere gratitude and appreciation to the staff of the Debt Management Division, Office of the Budget, comprising Ms. Shaundell Taylor-Brotherson, Ms. Eeleni Komal-Persaud, Ms. Hsing Wong, Mr. Richard Rambarran, Ms. Drecina Fraser and Ms. Dawn Browman. The team worked diligently in preparing this second edition of the Public Debt Annual Report, demonstrating the Government's commitment to ensuring public debt management is transparent and accountable. The team worked assiduously to ensure that this Report depicts an accurate picture of Guyana's public debt, its development and sustainability for the period under review.

I also wish to recognise and thank especially, the Honourable Winston Jordan, Minister of Finance, Ms. Sonya Roopnauth, Director, Office of the Budget and Ms. Elizabeth Schultz, Economic and Financial Analyst, Economic Policy Analysis Unit, Office of the Budget, who, with their invaluable comments and insights, shaped this Public Debt Annual Report to this version of the document.



Ms. Donna Yearwood

**Head, Debt Management Division
Office of the Budget
Ministry of Finance**

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Abbreviations and Acronyms

AG	Attorney General
AOG	Audit Office of Guyana
BICE	Banco de Inversión y Comercio Exterior
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
PDVSA	Petróleos de Venezuela, South America
PPG	Public and Publicly Guaranteed
PSIP	Public Sector Investment Programme
PV	Present Value
SOE	State Owned Enterprises
SDR	Special Drawing Rights
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 2016, Guyana's economy performed moderately, despite continuing domestic and international challenges, including weak economic performance in the Latin American and Caribbean region, increased uncertainty in the global economy due to Brexit, and poor weather conditions that resulted in low production in Guyana's traditional agriculture industries. The real economy grew by 3.3 percent in 2016, slightly below the medium term growth rate but ahead of the 3.1 percent achieved in 2015.

1.2 The Global Economy

In 2016, global economic growth remained lackluster, as a result of the slowing of growth in advanced economies. Data from the International Monetary Fund (IMF) World Economic Outlook for January 2017 indicated that the global growth rate declined to 3.1 percent in 2016, down from 3.2 percent in 2015.

The growth rate for advanced economies declined to 1.6 percent in 2016, down from 2.1 percent in 2015. In the United States, the growth rate fell to 1.6 percent from 2.6 percent in 2015 despite stronger performance and improving labour market conditions in the latter half of the year. Growth also declined in the Euro Area and the United Kingdom. Although Brexit resulted in limited market volatility, and weighed less on growth than expected, growth in the United Kingdom declined to 2.0 percent in 2016, down from 2.2 percent in 2015.

Growth in developing economies and emerging markets remained at 4.1 percent in 2016, but performance was highly varied across countries and regions. Growth in China remained mostly stable, slowing slightly to 6.7 percent, down from 6.9 percent in 2015. Latin America and the Caribbean performed particularly poorly, with economic output contracting by 0.7 percent. This was largely driven by recession in Brazil, where output fell by 3.5 percent, but a number of other countries experienced negative growth as well, including Argentina, Ecuador, Suriname, Trinidad and Tobago, and Venezuela.

Low commodity prices were a major factor for many of the poorly-performing countries in Latin America and the Caribbean, although commodity prices showed signs of stabilisation, particularly late in 2016. According to the World Bank Commodity Price Outlook for January 2017, the price of crude oil averaged US\$43 per barrel in 2016, down from US\$51 in 2015. Gold prices rose by 7.6 percent to an average price of US\$1,249 per ounce in 2016, while aluminum prices fell by about 3.7 percent. Most international benchmark prices for sugar and rice increased, while international timber price movements were mixed.

1.3 The Domestic Economy

In 2016, Guyana achieved moderate growth, despite a challenging international economic environment, and disappointing performances in some key sectors. The real economy grew by 3.3 percent, slightly below the medium term growth rate but ahead of the 3.1 percent achieved in 2015. Economic growth was driven primarily by very strong performance in the gold industry, which benefitted from both

increased production levels and higher international gold prices. Real output in the gold industry increased by 45.3 percent in 2016. Output in the agriculture, fishing and forestry sector fell by 10.4 percent, due to contractions in the sugar and rice industries of 20.7 percent and 22.3 percent, respectively. Both industries suffered from unfavourable weather, including the lingering impact of El Niño early in the year. The manufacturing sector also recorded a contraction, with output falling by 9.5 percent, as sugar and rice manufacturing mirrored the performance of agricultural production. Construction grew by 6.3 percent, reflecting, in part better, execution of the Public Sector Investment Programme (PSIP) compared with 2015. The services sector had modest growth of 0.7 percent, despite a 1.8 percent contraction in wholesale and retail trade, a major component of the sector.

Both revenue collection and expenditures increased in 2016. The non-financial public sector collected a total of \$190.8 billion in tax and non-tax revenue, in 2016, an increase of 8.3 percent over 2015. Total expenditures were \$219.2 billion, an increase of 18.7 percent over 2015, a year in which spending was delayed by elections and a change of government. The total deficit of the non-financial public sector was \$20.6 billion in 2016, or 2.9 percent of GDP.

Guyana's balance of payments narrowed to a deficit of US\$34.4 million in 2016, from a deficit of US\$107.7 million in 2015. The current account balance improved to a surplus of US\$13.0 million in 2016, from a deficit of US\$181.5 million in 2015, notably the first current account surplus recorded in nearly four decades. This was largely due to a large decrease in the merchandise trade deficit from US\$340 million in 2015 to US\$7 million in 2016, reflecting a US\$330 million increase in gold exports, and a \$US23 million decline in fuel and lubricant imports, due to lower oil prices. The capital account weakened, from a surplus of US\$71.4 million to a deficit of US\$13.2 million, in part reflecting lower net inflows of foreign direct investment.

In 2016, prices remained stable in Guyana. The 12-month inflation rate stood at 1.4 percent as end-December 2016, reflecting moderate money growth rates. Interest rates remained low and stable through December 2016. The exchange rate between the Guyana dollar and the U.S. dollar at the Bank of Guyana remained stable at \$206.5 through December 2016, despite some indicators of increasing demand for foreign exchange at the end of 2016.

Chapter 2 – Legal Framework and Institutional Developments

In 2016, the Government continued its efforts to improve Public Debt Management through initiatives designed to improve its operational and governance mechanisms in public debt management practices. These measures were pursued with the aim of enhancing efficiency, improving accountability and increasing transparency of public debt management in the Co-operative Republic of Guyana.

In this context, the Government had a productive year, benefitting from technical assistance from two (2) main development partners, Center for Latin American Monetary Studies (CEMLA) and the Commonwealth Secretariat (COMSEC). This included the mounting of several workshops, which addressed issues such as minimising operational risk management, reviewing and modernising legislation for public debt management, debt management self-assessment performance and improvement as well as training in the tools and facilities in the latest version of Commonwealth Secretariat Debt Recording and Management System (CS-DRMS).

The review year also proved to be a major success as Guyana was able to compile and report its first Public Debt Annual Report (Public Debt Annual Report 2015) to Parliament, representing an important step to ensuring institutional transparency and accountability. With the assistance of CEMLA, a comprehensive Public Debt Management Operational Procedures Manual was compiled - marking yet another milestone in the public debt operations of our country. This Manual will provide clear policies and procedures that will allow systems and staff to operate more efficiently.

2.1 Current Legal Framework, Reform and Advancements

Currently, Public Debt Management in Guyana is governed by five (5) primary acts. Figure 1 below depicts these five acts:

Figure 1 – Primary Laws Governing Debt Management in Guyana

The General Local Loan Act	Financial Administration and Audit Act	Guarantee of Loans (Public Corporations and Companies) Act	External Loans Act	Fiscal Management and Accountability Act
1941 (Am. 1965, 1975, 1984)	1963	1974	1974	2003
Stipulates the authority of the Minister of Finance regarding internal borrowing and the role of the Bank of Guyana mainly regarding issuance and redemption of debentures.	Addresses short term local borrowing. Parts have been repealed and replaced by provisions under the FMAA	Stipulates the reporting requirements regarding details of new guarantees to the National Assembly.	Sets broad parameters for external borrowing, stipulates the authority to raise loans and procedures to be followed	Specifies the sources of finance available to the Government and reasons for borrowing. States that Government Guarantees may only be issued to a public entity and requires that all guarantees are monitored.

Source: Debt Management Division, Ministry of Finance

Sound public debt management policies and practices require robust legal underpinnings. Although the existing legislative framework contains some of the basic principles of public debt, it does not cover all the salient features of public debt management that promote sound debt management practice. The legislation relating to public debt management is distributed over several pieces of legislation, some dating back to the early years of last the century.

Cognisant of the need for improvement in this and other areas of debt management, the Government sought the assistance of the Commonwealth Secretariat (COMSEC), which offered to provide support to improve debt management capacity and overcome a number of institutional challenges. Some of the areas included training in Information Technology (IT) Support and advanced training in CS-DRMS for government officials.

In September 2016, as a follow-up to the request for technical assistance, the COMSEC conducted a mission to assist in the reform of the legal framework governing public debt management in Guyana. The mission was conducted by two policy advisers from the Debt Management Advisory Services Unit of the COMSEC. The team met with all stakeholders involved in debt management to assess the strengths and weaknesses of the existing legal framework, while garnering insights into the debt management operational activities, institutional arrangements and market overview.

During the COMSEC’s mission to Guyana, several weaknesses were identified in the current legal framework, which needs to be strengthened to improve the basic foundation of debt management. Some of the weaknesses identified include: the fragmentation of current legislation; the need for enhanced detail and clarity in legislation; future proofing and increased depth of legislation coverage; the creation of debt management objectives and strategy and; the development of the domestic government debt market. The weaknesses identified are depicted in Figure 2 below:

Figure 2 - Weaknesses Identified by COMSEC in the Legal Framework Governing Debt Management in Guyana



Source: Debt Management Division, Ministry of Finance

Emanating from this mission was a draft Report by the COMSEC which highlighted the findings and recommendations for improving public debt management in Guyana. The COMSEC is expected to produce Guidance Notes to aid in the drafting of the consolidated Public Debt Management Bill.

Notably, this mission represented the first step in aligning the existing debt management legislation with international best practice and consolidating the current fragmented pieces of public debt law into a single and enhanced Public Debt Management Act. This new Act is expected to be completed in 2017 and would modernise the legislation governing debt management.

2.2 Institutional Developments

The review period witnessed several institutional developments, especially in the operational and staff capacity areas.

2.21 Public Debt Management Operational Procedures Manual

Sound practice in public debt management requires that debt management offices implement strong internal controls and well-documented procedures in order to minimise operational risk. Sound practice guidelines recommend that a Debt Office has documented policies and procedures for maintaining financial records, recording debt and transaction data, validating data, data security, and monitoring audit trails, among other operational functions.

In recognition of this, the Government, in collaboration with CEMLA and other key stakeholders involved in public debt management, prepared and finalised a Public Debt Management Operational Procedures Manual, in October 2016. The compilation of this Public Debt Operational Procedures Manual was conducted during two missions which included several consultative sessions held in April and June of 2016. This Procedures Manual, which was approved by the Finance Secretary, would be implemented with effect from January 3, 2017. The primary objective of the Manual is to help to minimise operational risk as it pertains to debt management activities and align the operations of public debt management with international best practices. With an implemented Operational Procedures Manual, robust systems, strong internal controls and institutional continuity will be fostered, which improves public debt management at the core of the operations.

More specifically, the purpose of the Manual is to detail the procedures that the Debt Management Division should follow in undertaking their debt management operations. This Manual should provide a systematic approach to the implementation of work routines. It is expected that the adoption of these procedures will help to improve and ensure consistent debt management operations within the Debt Management Division and at the same time, reduce operational risk.

2.22 Capacity Building and Staffing Development

At the beginning of 2016, there existed five (5) technical staff, including the Head of Division. However, in March 2016, one (1) of the two Senior Economic and Financial Analysts resigned from the division. This adversely affected the capacity of the division to do the analytical functions of debt management and added to the workload of the other staff. For several months, the division operated with four (4) technical staff who were straddled between the analytical and operational aspects of debt management which hampered operations. In August 2016, two (2) additional staff were recruited, bringing the technical staff complement to six (6).

With the improvement of the human resources in the division, came associated requirements, including training of new staff. However, even with the new recruits, the staffing of the DMD remains small and a moderate turnover can quickly reduce its capacity. This small number of staff militates against the improvement and reorganisation of the division as recommended since there is inadequate technical staff to facilitate the restructuring along functional lines.

During 2016, the staff of Debt Management Division participated in several seminars and training workshops. The details of these are highlighted in Table 1 below:

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Table 1 - Participation of Debt Management Division Staff in Seminars and Workshops in 2016

No	Training	Person(s) Attended	Location	Date
1	COMSEC E-learning Course - External Debt Management Course	Dawn Browman Donna Yearwood	Guyana	30 May - 24 June
2	Training Workshop on CS-DRMS Version 2 SP2	Shaundell Brotherson Eeleni Komal-Persaud	St. Kitts	23 May - June 1
3	CEMLA-GOG National Workshop on Debt Management Self Assessment and Improvement (DMSAI)	Donna Yearwood Shaundell Brotherson Eeleni Komal-Persaud Hsing Wong Drecina Fraser Richard Rambarran Dawn Browman	Guyana	19 - 23 September
4	Effective Use of CS-DRMS Workshop	Donna Yearwood, Shaundell Brotherson Eeleni Komal-Persaud Hsing Wong Drecina Fraser Richard Rambarran Dawn Browman	Guyana	26 September - 7 October
5	Mini-IPDET Programme on Monitoring and Evaluation (Introductory Level Course)	Richard Rambarran Drecina Fraser	Guyana	14 - 18 November
6	COMSEC E-learning Course - Introduction to External Debt Management and Domestic Debt Management Concepts	Eeleni Komal-Persaud Drecina Fraser	Guyana	31 October - 9 December

2.3 Photos taken at Workshops and Seminars



CEMLA



**National Workshop on Debt Management Self-Assessment and Improvement (DMSAI)
Georgetown, Guyana. September 19-23, 2016**



**Effective Use of CS-DRMS Workshop
Georgetown, Guyana. September 26-October 7, 2016**



**Effective Use of CS-DRMS Workshop
Georgetown, Guyana. September 26-October 7, 2016**



**Mini-IPDET Programme on Monitoring and Evaluation (Introductory Level Course)
Georgetown, Guyana. November 14-18, 2016**

Chapter 3 - Total Public Debt

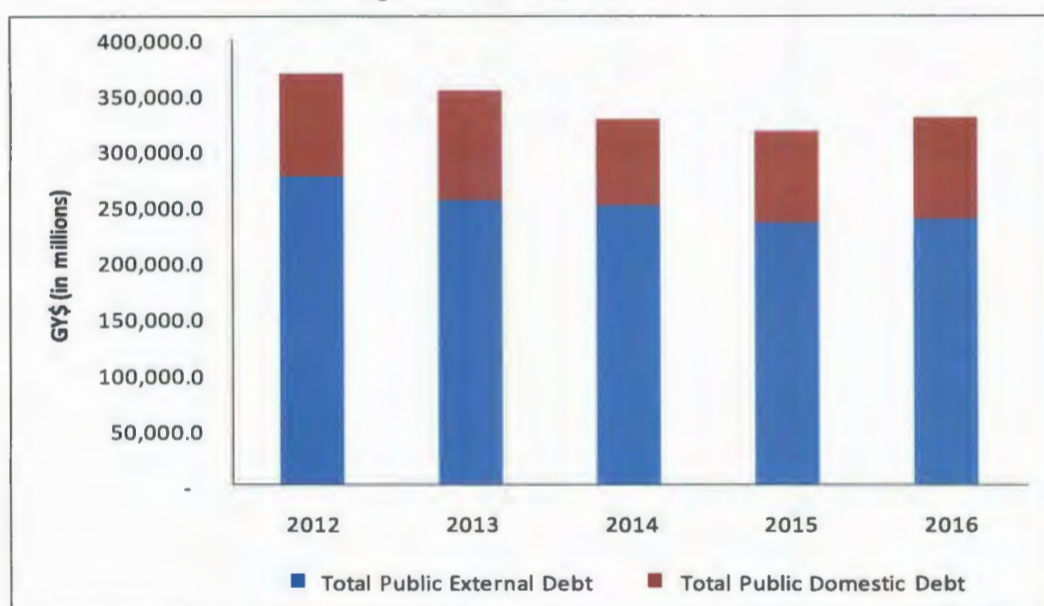
At the end of December 2016, Guyana's total public debt (external and domestic) amounted to \$330.6 billion (US\$1,601 million), reflecting an increase of 4.1 percent compared to its 2015 level. This marginal increase was mainly attributed to disbursements from some multilateral creditors and the Export Import Bank of China. As at end-December 2016, total external debt amounted to \$240.0 billion (US\$1,162.4 million) or 72.6 percent of total public debt, while domestic debt stood at \$90.6 billion (US\$438.6 million) or 27.4 percent of total public debt.

Table 2: Total Public Debt Stock

Total Public Debt Stock in millions of Guyana dollars (As of December 31)					
	2012	2013	2014	2015	2016
Total Public Debt Stock	371,295.5	355,809.5	329,619.9	317,724.4	330,606.3
Total Public External Debt	277,833.7	256,994.1	251,182.2	236,031.1	240,034.6
Total Public Domestic Debt	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
In Percent of Total Public Debt					
External	74.8	72.2	76.2	74.3	72.6
Domestic	25.2	27.8	23.8	25.7	27.4

Source: Debt Management Division, Ministry of Finance

Figure 3: Total Public Debt Stock



Source: Debt Management Division, Ministry of Finance

The share of external debt to total public debt decreased marginally from 74.3 percent at end-December 2015 to 72.6 percent at end-December 2016, while the share of domestic debt to total debt increased from 25.7 percent to 27.4 percent of total debt over the same period. The increasing share of the domestic debt in Guyana's total debt portfolio reflects Guyana's strides to have a diversified portfolio and debt instruments. The total public external debt stock continues to increase and reflects Guyana's preferences for obtaining concessional loans whilst domestic debt stock increased as a result of an increase in the issuances of domestic securities (Treasury Bills and Debentures) in 2016.

Figure 4: Composition of Total Public Debt Stock 2015

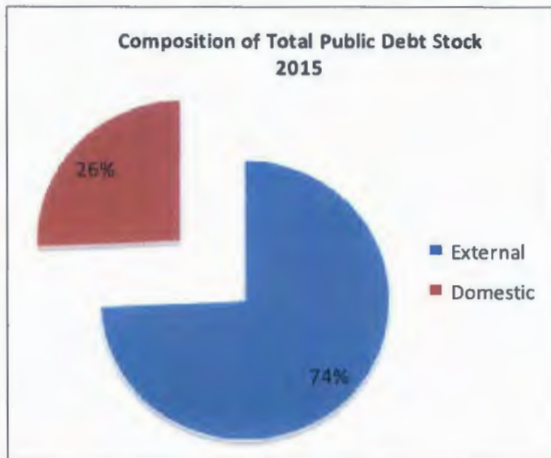
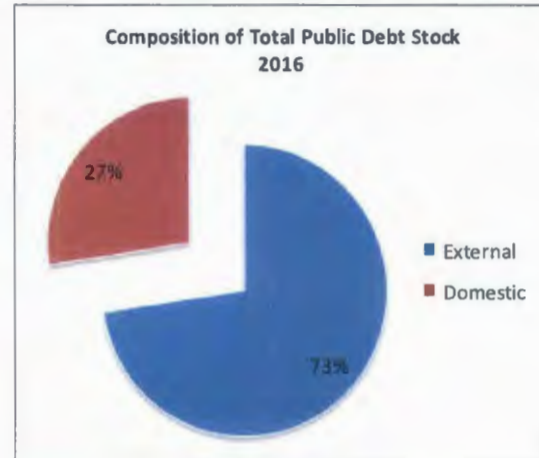


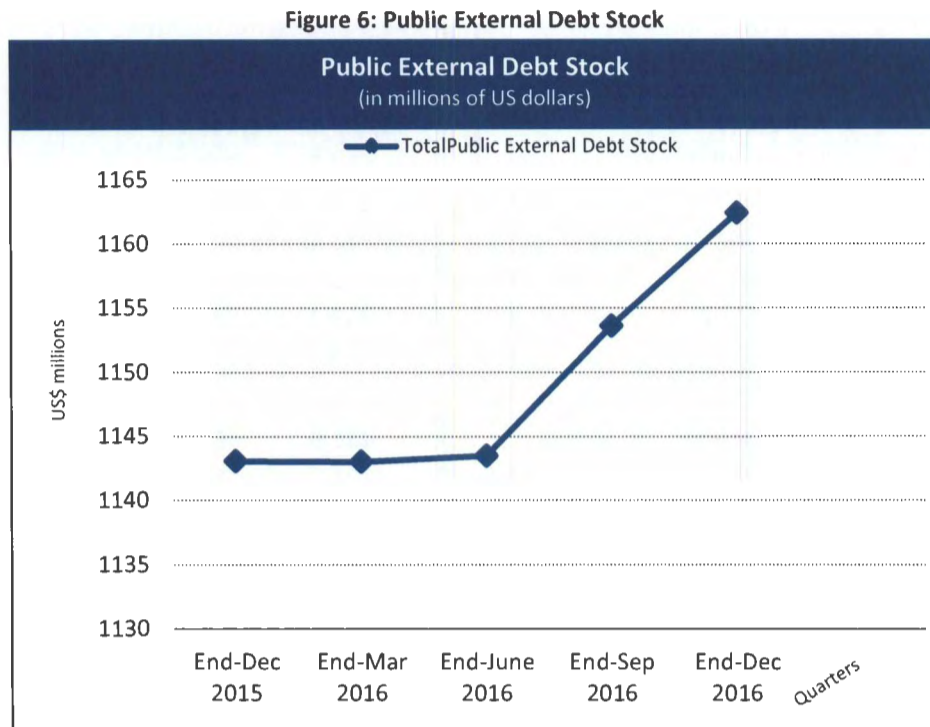
Figure 5: Composition of Total Public Debt Stock 2016



Source: Debt Management Division, Ministry of Finance

Chapter 4 - Public External Debt

At the end of December 2016, Guyana's public external debt stood at US\$1,162.4 million which represented an increase of 1.7 percent when compared to the US\$1,143.1 million recorded at end-December 2015. This increase was mainly due to disbursements from the Export-Import Bank of China - made during the third and fourth quarters in 2016 - for the Cheddi Jagan International Airport Expansion Project.



Source: Debt Management Division, Ministry of Finance

Although the nominal public debt increased, the total external public debt to GDP ratio declined from 36.1 percent as at end-December 2015 to 33.7 percent as at end-December 2016 as a result of GDP growth outstripping the rate of growth of public external debt stock.

4.1 Creditor Category and Creditor

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

Public External Debt Stock by Creditor Category and Creditor In millions of US dollars (As of December 31)		
	2015	2016
Public External Debt Stock (1+2)	1,143.1	1,162.4
1. Official (1.1+1.2)	1,125.1	1,144.7
1.1 Multilateral	692.2	693.8
CDB	143.6	146.8
IDA	20.4	25.0
IMF	3.8	0.0
IADB	489.3	487.7
IFAD	9.0	8.4
Other ¹	26.0	25.9
1.2 Bilateral	432.9	451.0
Paris Club	29.2	22.6
T&T	25.3	19.1
Italy	3.2	2.9
USA	0.7	0.6
Non-Paris Club	403.7	428.3
India	20.0	18.4
Venezuela	120.9	123.1
China	124.2	145.6
Kuwait	72.0	74.0
Libya	42.9	43.2
Other ²	23.7	24.0
2. Commercial	18.0	17.6
Banking Sector	5.4	5.1
Suppliers Credit	12.6	12.5
Other ³	0.0	0.0

Source: Debt Management Division, Ministry of Finance

Notes:

1. Includes: OPEC Fund, EIB, EEC, CDF

2. Includes: Argentina, Bulgaria, UAE and Serbia

3. Includes: Bonds

The composition of external debt comprises two (2) categories: Official and Commercial creditors. The Official creditor category is made up of bilateral and multilateral lenders while the Commercial creditor category consists of commercial banks, suppliers' credit and bondholders.

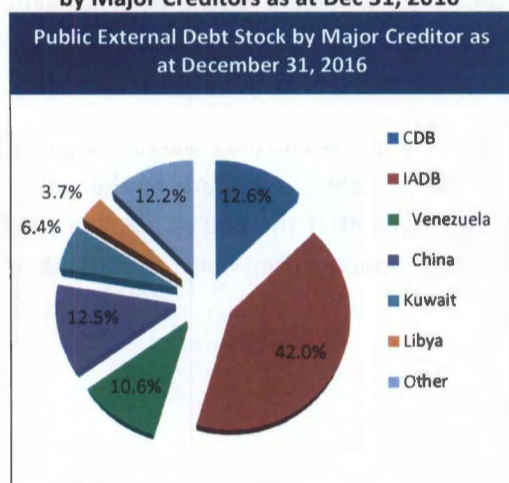
At end the of December 2016, multilateral creditors continued to be the predominant creditor category, accounting for 59.7 percent of the external debt portfolio, a slight decrease from the 2015 position of 60.6 percent. Bilateral lenders and Commercial lenders represented 38.8 percent and 1.5 percent of the public external debt portfolio, respectively.

4.2 External Debt by Major Creditors

Guyana's four (4) main external creditors - the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the Export-Import Bank of China (China EXIM Bank) and the Venezuela (PDVSA) - constituted 77.7 percent of Guyana's public external debt stock, as at end-December 2016. The IDB continued to be the dominant creditor, with an average share of 42.0 percent of the debt portfolio, while the CDB, Guyana's second largest creditor, accounted for 12.6 percent of total public external debt. The Export-Import Bank of China followed closely behind the CDB and accounted for 12.5 percent of external debt, while Venezuela accounted for 10.6 percent.

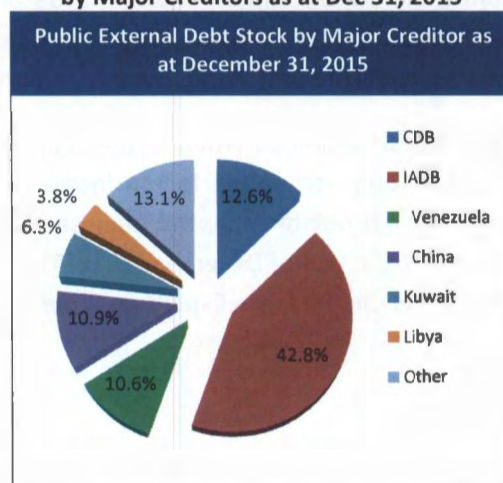
The debts to Kuwait and Libya, which are in arrears, remained Guyana's largest non-Paris Club bilateral creditors and accounted for 10.1 percent of Guyana's public external debt stock as at end-December 2016.

Figure 7: Public External Debt Stock by Major Creditors as at Dec 31, 2016



Source: Debt Management Division, Ministry of Finance

Figure 8: Public External Debt Stock by Major Creditors as at Dec 31, 2015



4.3 Borrower Category

The public external debt stock by borrower category remained unchanged, in 2016. The Central Government was the main beneficiary of external financing, accounting for 99.0 percent of the debt portfolio in 2016. This represents a 1.0 percent increase over the end- December 2015 position. On the other hand, the share of public external debt held by the Bank of Guyana decreased by 1.0 percent due to the IMF debt being fully repaid.

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)		
	2015	2016
Total Public External Debt Stock	1,143.1	1,162.4
Central Government	1,123.2	1,146.4
Bank of Guyana	19.9	16.0

Source: Debt Management Division, Ministry of Finance

4.4 Currency Composition

At the end of December 2016, external loans continued to be denominated primarily in US dollars. As a result, there was 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 categorised as "Other" and represent less than 2 percent of the total external portfolio.

During the period under review, the US dollar loans represented 74.5 percent of the external debt portfolio, a decrease of 1.4 percentage points over the previous year. Similarly, Euro, Kuwaiti Dinars and others also recorded a decline when compared to the end-2015 position.

The Chinese Renminbi (Yuan) remained the second largest currency in the currency basket of public external debt, accounting for an increasing share of public external debt. As a share of the public external debt outstanding, the Chinese Yuan increased from 10.9 percent at the end of 2015 to 12.5 percent at the end of December 2016. This mainly reflects the disbursements from China EXIM Bank to finance the Cheddi Jagan Expansion Project.

Figure 9 : Public External Debt Stock by Currency Composition in 2016

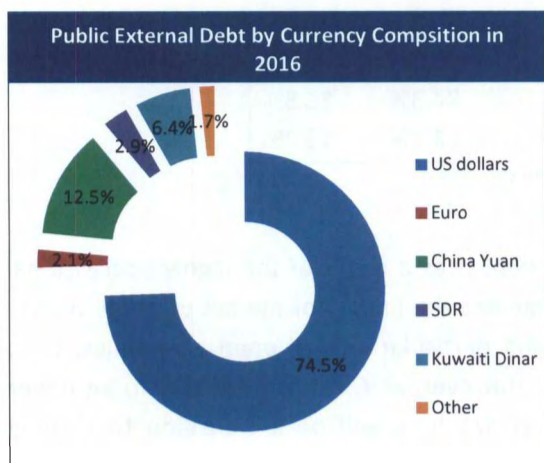
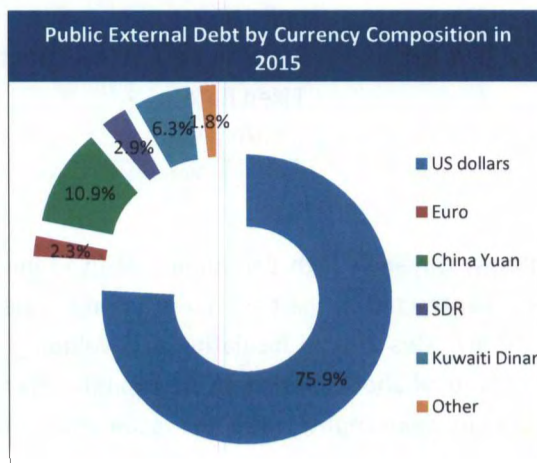


Figure 10: Public External Debt Stock by Currency Composition in 2015



Source: Debt Management Division, Ministry of Finance

It is noteworthy to mention that the currency composition of Guyana's external debt portfolio is a reflection of the availability of funding from development financing partners and the currencies in which they are denominated. However, in the near future, the portfolio may transform to reflect an increased dominance of US dollars and Chinese Yuan. This can be expected since there have been recent efforts by multilateral creditors, particularly the IDB, to 'dollarise'¹ their loans, as well as the increased usage of the Renimbi Yuan, as China increases its South-South Cooperation and grows in stature as a development partner in the Caribbean region.

4.5 Interest Rate Structure

A significant portion of Guyana's public external debt was contracted on a fixed interest rate basis. At the end of December 2016, fixed interest rate public external debt was 86.8 percent of the external debt portfolio, which represented a slight decline of 0.5 percentage points from the end of December 2015 position. Consequently, the share of variable interest rate debt increased by the corresponding 0.5 percentage points to 13.2 percent as at end-December 2016. The increase in the variable interest rate component of the debt in 2016 is due to the disbursements made on IDB and CDB variable rate loans.

¹ Dollarisation refers to a process where loans which have been granted in currencies other than the US dollars are converted to a single-currency (often the US dollar) on a specific date.

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)

	2015	2016
Total Public External Debt Stock	100.0%	100.0%
Fixed Rate	87.3%	86.8%
Floating Rate	12.7%	13.2%

Source: Debt Management Division, Ministry of Finance

Notably, Guyana's high percentage of fixed interest rate debt is as a result of the highly concessional loans contracted in the past. Fixed interest rate debt eliminates the impact of market volatility on the economy. This aids in insulating a developing country, and particularly small open economies, from international shocks which affect capital market stability. However, as Guyana graduates to an upper middle-income country and the economy continues to grow, there will be a transition to floating interest rate loans.

Already, Guyana is beginning to experience an increase in the prevalence of 'blended loans' where one portion of the loan is granted on a fixed interest rate basis and the other portion of the same loan is granted on a floating interest rate basis. With a fixed interest rate loan, the cash requirements for debt service can be accurately forecasted as the interest rate is set throughout the life of the loan. However, as the economy begins to transition to floating interest rate loans, cash projections become more complex and less accurate as market forces impute unpredictability and induce volatility.

4.6 Maturity Structure

The maturity structure of the public external debt portfolio as at end-December 2016 reflects the continued strategy of the Government to contract loans which are as concessional as possible. A prominent feature of a portfolio with concessional loans is that these loans have a longer maturity period. This reflects the "long time horizon" provided by the creditor to the Government to repay.

As at end-December 2016, public external debt with remaining maturities of five (5) years and more increased marginally to 98.3 percent, compared to 97.2 percent at the end of December 2015. Maturities falling due in the 1-5 years category decreased to 1.7 percent, from 2.3 percent at the end of December 2015, reflecting the maturing of a loan from the IMF.

Only the debt to Bulgaria, amounting to US\$0.1 million, which was subject to partial debt write-off, will mature in less than one (1) year, specifically, in the first quarter of 2017. However, this debt represents an insignificant share of the debt portfolio. When this loan is rounded to the nearest percentage, it tends to zero, as seen in Table 6 below.

Table 6: Public External Debt Stock by Remaining Maturity

Total Public External Debt Stock by Remaining Maturity (As of December 31)		
	2015	2016
Total Public External Debt Stock	100.0%	100.0%
Less than 1 year	0.5%	0.0%
Between 1 and 5 years	2.3%	1.7%
More than 5 years	97.2%	98.3%

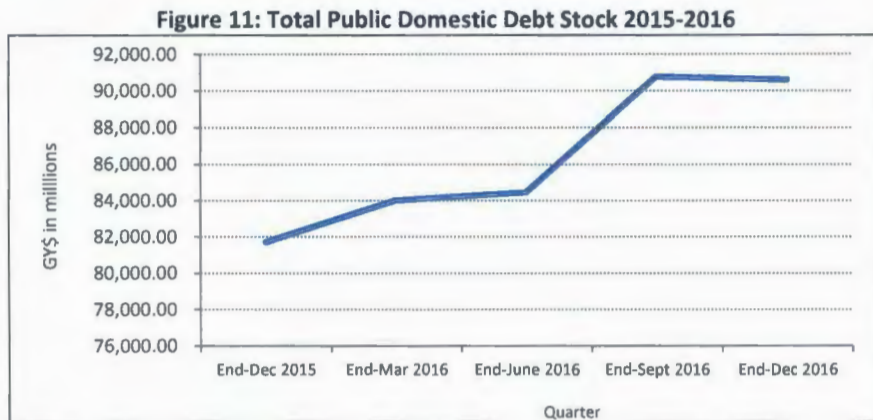
Source: Debt Management Division, Ministry of Finance

Loans with maturity of more than five (5) years, as reflected in Table 6 above, is expected to remain high in the medium-term, as a result of the volume of loans which have been contracted on concessional terms. However, as Guyana continues to lose concessional financing, by virtue of its increased economic stature, there may be a tendency in the future to have a portfolio dominated by shorter-term loans. These loans, which are 1-5 years in maturity, are usually provided by international capital markets.

Notwithstanding, as Guyana continues to explore new creditors, undertake innovative methods of financing, contract blended loans and seek to develop the domestic capital market, the onset of medium-term maturity loans is unlikely to occur in the near future.

Chapter 5 - Public Domestic Debt

As at end-December 2016, Guyana's public domestic debt stock stood at \$90.6 billion. This represents an increase of 10.9 percent, compared to \$81.7 billion at the end-December 2015. The increase in the public domestic debt stock was mainly due to the issuance of the National Insurance Scheme (NIS) Debentures, causing the stock of Debentures to increase by 55.6 percent. The increase in the stock of T-Bills by 5.2 percent has also contributed to the increase in the public domestic debt stock. Notably, the stock of the of 182-day T-bills increased by \$6.9 billion.



Source: Debt Management Division, Ministry of Finance

As seen in the Figure 11 above, for the review year, total public domestic debt has shown an upward trend. From end-December 2015 to end-September 2016, domestic debt increased by 11 percent or \$9.1 billion. This increase was mainly due to the issuance of National Insurance Scheme Debentures for an amount of \$4.9 billion. Public domestic debt peaked at the end-September 2016 before declining marginally at end-December 2016.

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)		
	2015	2016
Total Public Domestic Debt Stock	81,693.3	90,571.6
Domestic Securities	81,338.5	90,252.3
Treasury Bills	77,436.6	81,468.0
91-Day ^{1/}	8,884.5	5,997.7
182-Day	253.6	7,151.6
364-Day	68,298.6	68,318.8
Debentures	3,898.5	8,781.0
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/}	0.0	4,882.4
Bonds	3.4	3.4
Defence Bonds	3.4	3.4
Domestic Loans	354.8	319.3
National Insurance Scheme Loan	354.8	319.3

Source: Debt Management Division, Ministry of Finance

Notes:

^{1/}Includes K-Series

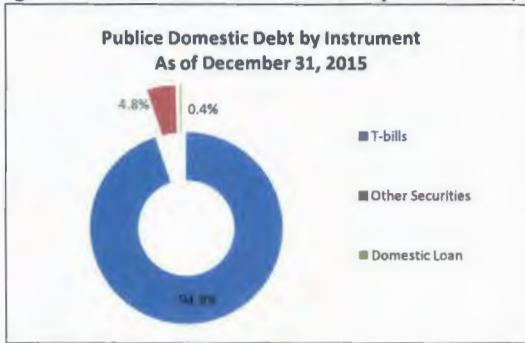
^{2/}Excludes Bank of Guyana Non-Interest Bearing Debentures

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

As shown in Table 7, for 2016, domestic securities increased by 11 percent, or from \$77.4 billion to \$81.5 billion, while the domestic loan decreased by 10 percent, or from \$354.8 million to \$319.3 million. The increase in domestic securities was due mainly to the issuance of a debenture to the NIS, which caused the stock of debentures to increase by 125 percent, or from \$3.9 billion to \$8.8 billion. In addition, the stock of T-bills have also increased by 5.2 percent primarily as a result of the increased issuance of the 182 day T-bills and the 364 day T-bills.

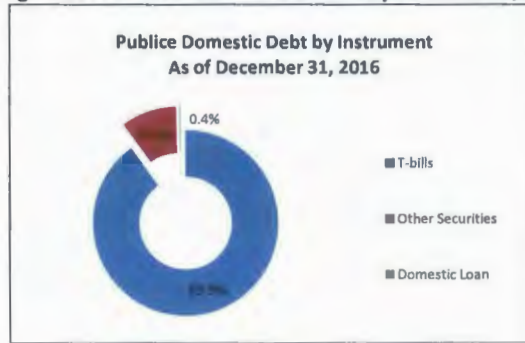
Of note, is the significant increase in the stock of 182-day T-bills which increased by a whopping 2,720 percent. This increased issuance of T-bills was in line with the Bank of Guyana's objective of mopping up excess liquidity in the financial system. The domestic loan will mature fully in 2025 and is paid according to an amortisation schedule. .

Figure 12: Public Domestic Debt Stock by Instruments, 2015



Source: Debt Management Division, Ministry of Finance

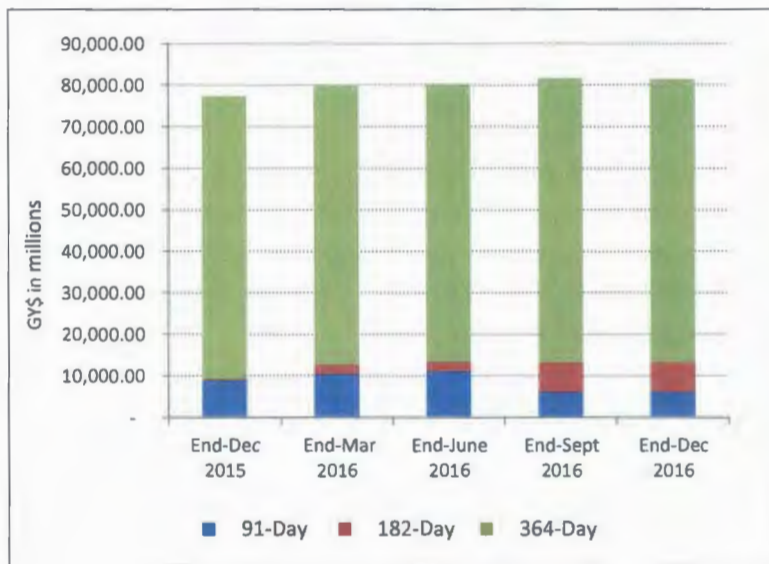
Figure 13: Public Domestic Debt Stock by Instruments, 2016



As at end-December 2016, domestic securities accounted for 99.6 percent while domestic loan(s) accounted for 0.4 percent of total public domestic debt. This was virtually unchanged from the share of domestic debt securities and loans in 2015.

Securities account for the greater amount of public domestic debt stock. These are primarily short-term securities issued by the Government in the form of Treasury bills. At end-December 2016, T-bills accounted for 89.9 percent of total public domestic debt while the other securities and domestic loan accounted for 10.1 percent. Compared to end-December 2015, the share of T-bills declined by 4.9 percent while the share of other securities increased by 4.9 percent.

Figure 14: Stock of Treasury Bills by Maturity



Source: Debt Management Division, Ministry of Finance

As at end-December 2016, T-bills remained the Bank of Guyana'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-December 2016, this accounted for 84 percent of the stock of T-bills and 75.4 percent of the total public domestic debt stock. Comparing this position to the end-December 2015, there was very little change in the composition of T-bills. However, the share of 364-day T-bills of the public domestic debt stock decreased by 8.2 percent. Over the quarters, end-December 2015 to end-December 2016, the stock of the 364-day T-bills was fairly consistent.

The year 2016 was significant with regard to 182-day T-bills. These T-bills increased to about 8.8 percent of the share of the total T-bills issued. From end-December 2015 to end-December 2016, the stock of 182-day T-bills increased by 2,700 percent. This sharp increase reflected the increased appetite to hold the 182-day T-bills. Over the quarters, end-December 2015 to end-June 2016, relative to the stock of T-bills, the share of the 182-day T-bills increased by 2.5 percentage points and increased by a further 6 percentage points at end-December 2016.

In contrast to the 182-day and 364-day T-bills, the 91-day T-bills have shown a downward trend. As at end-December 2016, the 91-day T-bills represented 7.4 percent of the share of T-bills and a decrease by about 4.1 percentage points from 2015. This decrease reflects a policy change by the Government to shift from the 91-day T-bills to 182-day T-bills to finance its cash-flow deficit when meeting current expenditure.

5.2 Domestic Debt by Institutional Sector

Table 8: Total Public Domestic Debt by Institutional Sector

Total Public Domestic Debt by Institutional Structure in millions of Guyana dollars (As of December 31)		
	2015	2016
Total Public Domestic Debt	81,693.32	90,571.64
Banking Sector	69,637.04	72,049.59
Pension Fund ^{1/}	5,161.88	11,538.10
Other ^{2/}	6,894.40	6,983.95

Source: Debt Management Division, Ministry of Finance

1/ National Insurance Scheme only

2/ Private Non-Bank Financial Institution

In Guyana, the banking sector comprises the Bank of Guyana and commercial banks while the pension fund is currently made up of only the National Insurance Scheme (NIS). The "other category" consists of insurance companies, credit unions, and private individuals. At end-December 2016, the banking sector

continued to be the largest holder of public domestic debt, accounting for a 79.5 percent share. The remaining two (2) institutional sectors - pension funds and the "other category" - accounted for 12.7 percent and 7.8 percent of total domestic public debt, respectively. From end- December 2015 to end- December 2016, the banking sector and the "other category" shares of public domestic debt both declined marginally, while the share of the pension funds increased by 6.4 percentage points.

In the banking sector, commercial banks are the largest holders of domestic debt instruments. At the end of December 2016, commercial banks holding these instruments stood at 74 percent. This share declined by about 5 percentage points when compared to end-2015. At the end of December 2016, commercial banks accounted for 82.4 percent of T-bills.

The large share of domestic debt held by the banking sector results from the need to hold liquid assets on the balance sheet and to meet Bank of Guyana's reserve requirements. This is an inherent property of the financial system in Guyana. Given the relatively underdeveloped state of the financial markets in Guyana, there is not much demand from other institutional sectors such as non-bank and non-financial corporations, as is popular in countries with more developed and complex financial markets.

In Guyana, T-bills are the primary investment asset preference of commercial banks. Given that the primary source of funding for commercial banks is short-term deposits (liabilities), T-bills are preferred by commercial banks since they come the closest to a risk-free investment. It is of note that T-bills are liquid in nature and, as assets, most closely match the liabilities held on their balance sheet.

The Bank of Guyana held 5.4 percent of domestic debt instruments at the end of December 2016. Their holdings of domestic debt instruments marginally declined from end- December 2015 to end- December 2016, with an approximate decrease of about 1 percentage point. T-bills and debentures are the two (2) instruments held by the Bank. At the end of December 2016, the Bank held about 1.2 percent of T-bills and 44 percent of debentures. Over the review period, the Bank's share of T-bills remained relatively constant. However, the share of debentures declined from 100 percent to 44 percent since the Bank is no longer the sole entity holding Government debentures since debentures were also issued to the NIS.

The only institution that is categorised as a "pension fund" is the NIS and, as a result, it is the only holder of domestic securities in this institutional sector. The NIS has been issued one (1) domestic loan which comprises twenty (20) debenture certificates, and also holds some T-bills in the domestic debt portfolio. At end- December 2016, the "pension fund" share of total public domestic debt was 12.7 percent, which represents an increase of about 6.4 percent.

The "other sector" are holders of both T-bills and Defence Bonds. At end- December 2016, the "other sector" share of public domestic debt was 7.7 percent. From end-December 2015 to end-December 2016, the share of this sector declined marginally by about 1 percent.

5.3 Domestic Debt by Interest Rate Structure

Table 9: 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)		
	2015	2016
Total Public Domestic Debt Stock	85,237.1	90,571.6
Fixed Rate	81,338.5	86,673.1
Treasury Bills	77,436.6	81,468.0
Bonds	3.4	3.4
Debentures	0.0	4,882.4
Loan	354.8	319.3
Floating Rate	3,898.5	3,898.5
Debenture	3,898.5	3,898.5

Source: Debt Management Division, Ministry of Finance

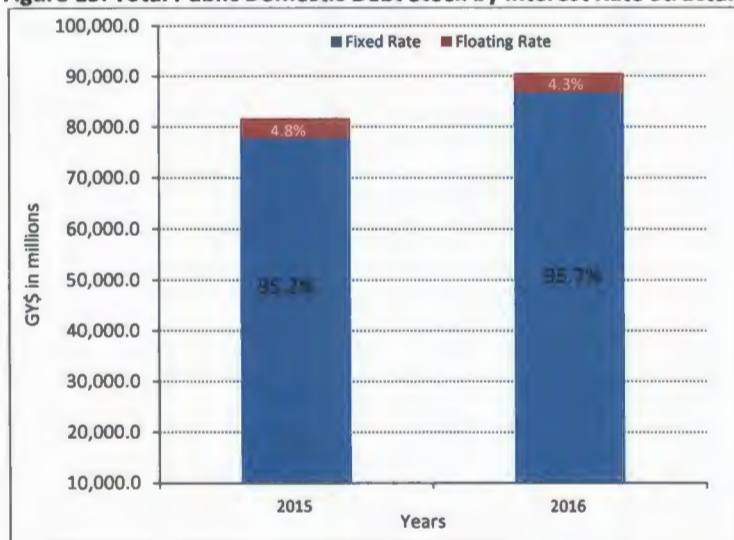
Notes:

1/ Includes K-Series

2/ Excludes non-interest bearing debentures ^{2/}

At end-December 2016, the share of public domestic debt with a fixed interest rate was 95.7 percent, while the share of floating interest rate debt was 4.3 percent. As shown in Figure 15, the share of fixed interest rate debt varied marginally over the two years.

Figure 15: Total Public Domestic Debt Stock by Interest Rate Structure



Source: Debt Management Division, Ministry of Finance

Treasury 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. However, 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. Therefore, 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 on a frequent basis. As such, when instruments mature and are rolled-over or replaced with new issues, they may be subject to higher interest rates.

Since T-bills are rolled-over in 364 days or less, almost 90 percent of the domestic debt portfolio is subject to interest rates variability. Spikes in T-bill rates would easily have a significant impact on the **interest expenditure** in the Budget. Such an increase would have the potential to reduce fiscal space and "crowd-out" spending on critical social sectors.

Apart from T-bills, the 20 debenture certificates that were issued to NIS, in 2016, have contributed to the increased share of fixed interest rate domestic debt. In addition, the Defence Bonds and the loan from the NIS are both fixed interest rate instruments. However, over the review period, their share to total fixed rate instruments remained consistently less than 1 percent.

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-bills discount rate. This means that with no fixed maturity date, interest costs are on-going.

5.4 Domestic Debt by Maturity Structure

Table 10: Maturity Structure of Total Public Domestic Debt Stock

Maturity Structure of Total Public Domestic Debt Stock in millions of Guyana dollars (As of December 31)		
	2015	2016
Total Public Domestic Debt Stock	81,693.32	90,571.64
Short Term	77,436.60	81,467.95
Treasury Bills	77,436.60	81,467.95
91-Day ^{1/}	8,884.45	5,997.65
182-Day	253.60	7,151.55
364-Day	68,298.55	68,318.75
Long Term	4,256.72	9,103.69
Debentures ^{2/}	3,898.54	8,780.98
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/}	0.00	4,882.45
Bonds	3.40	3.40
Defence Bonds	3.40	3.40
Domestic Loan	354.78	319.31
National Insurance Scheme Loan	354.78	319.31

Source: Debt Management Division, Ministry of Finance

Notes:

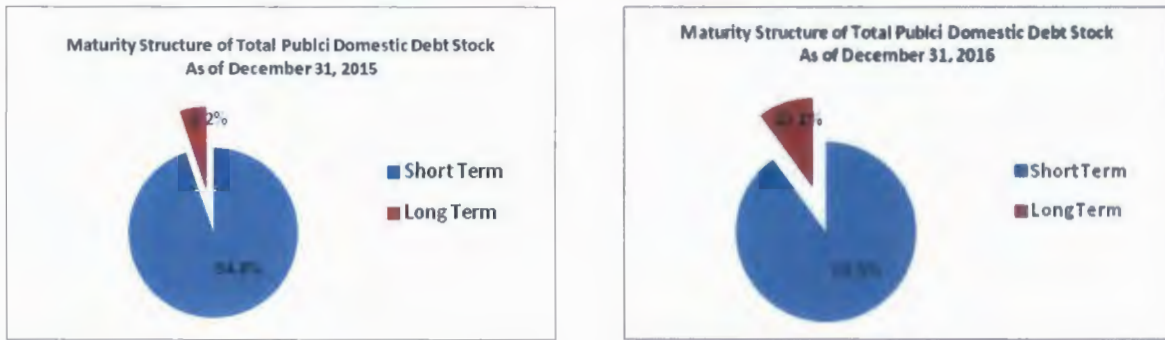
1/ Includes K-Series

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 16, 2016.

Public domestic debt can be classified by three (3) types of maturities – short-term debt, which represents debt with a maturity of one (1) year or less; medium-term debt with maturities of over one (1) to five (5) years; and long-term debt which represents maturities of over five (5) years. Over the review period, there were no medium-term domestic debt instruments issued. As shown in Table 10, T-bills accounted for 100 percent of domestic debt maturing in less than one (1) year, while long-term instruments comprised a single domestic loan, as well as debentures and bonds.

Figure 16: Maturity Structure of Total Public Domestic Debt Stock



Source: Debt Management Division, Ministry of Finance

At the end of December 2015, domestic debt maturing within one (1) year or less (short-term domestic debt) stood at 94.8 percent of the public domestic debt stock. The share of short-term debt has remained relatively stable, at around 95 percent, over the past five (5) years. In nominal terms, short-term debt has declined by an average of 5 percent annually.

Chapter 6 - Debt Service

Table 11: Total Public Debt Service

Total Public Debt Service during the period 2011-2016 in millions of Guyana dollars						
	2011	2012	2013	2014	2015	2016
Total Public Debt Service	13,211.4	12,289.6	43,311.4	38,471.1	22,078.9	13,019.6
Total Public Domestic Debt Service	5,051.9	3,597.3	2,759.1	1,580.4	1,751.9	1,920.3
Principal	1,010.1	1,010.1	1,010.4	35.5	35.5	35.5
Interest	4,041.8	2,587.2	1,748.8	1,544.9	1,716.5	1,884.8
Total Public External Debt Service	8,159.5	8,692.3	40,552.3	36,890.6	20,326.9	11,099.3
Principal	5,497.9	6,017.8	37,621.3	31,264.0	16,817.2	7,453.9
Interest	2,661.6	2,674.5	2,931.0	5,626.6	3,509.7	3,645.4

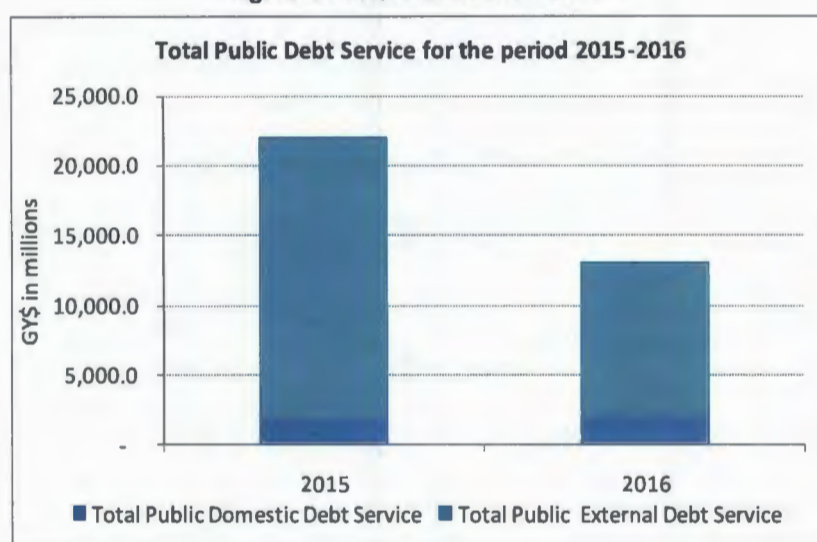
Source: Debt Management Division, Ministry of Finance

Notes:

1. There were no contracted Government guarantees.
2. Exchange rate of US\$1=\$206.5 can be used to convert

Total public debt service amounted to \$13.0 billion in 2016, a significant decrease of 41.2 percent from \$22.1 billion in 2015. Of total public debt service, external debt service payments amounted to \$11.1 billion whilst domestic debt service amounted to \$1.9 billion. Domestic debt service increased due to increased activities in the domestic market through open market operations.

Figure 17: Total Public Debt Service



Source: Debt Management Division, Ministry of Finance

6.1 External Debt Service

Table 12: Total Public External Debt Service by Borrower Category

Total Public External Debt Service by Borrower Category in millions of Guyana dollars						
	2011	2012	2013	2014	2015	2016
Total Public External Debt Service	8,159.5	8,692.3	40,552.3	36,890.6	20,326.9	11,099.3
Principal	5,497.9	6,017.8	37,621.3	31,264.0	16,817.2	7,453.9
Central Government	3,224.8	3,607.8	35,221.2	28,929.9	14,945.0	6,652.1
Bank of Guyana	1,499.0	2,324.4	2,312.8	2,317.2	1,872.2	801.7
Parastatals	774.0	85.6	87.2	16.9	0.0	0.0
Interest	2,661.6	2,674.5	2,931.0	5,626.6	3,509.7	3,645.4
Central Government	2,515.4	2,624.1	2,904.4	3,292.5	3,497.0	3,630.3
Bank of Guyana	122.3	34.5	20.3	2,317.2	12.8	15.1
Parastatals	23.9	15.8	6.3	16.9	0.0	0.0

Source: Debt Management Division, Ministry of Finance

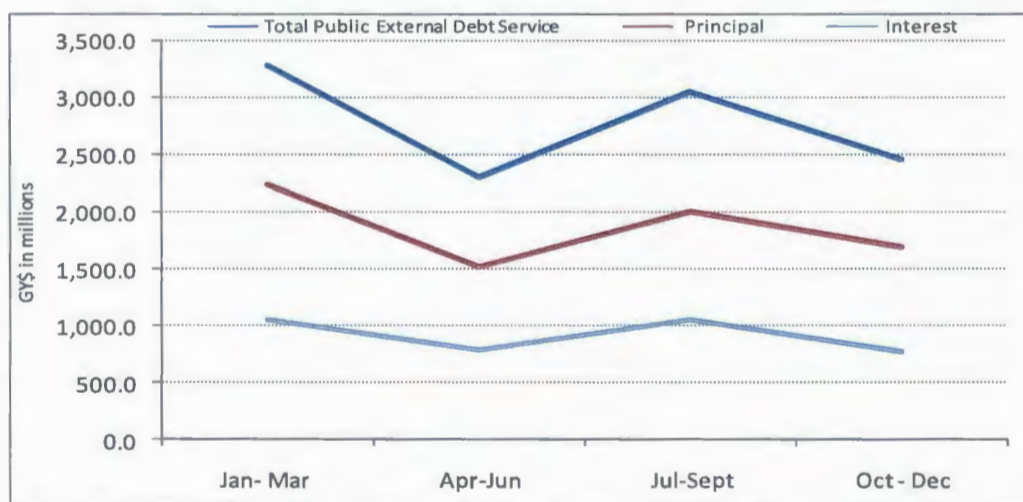
Notes:

1. Excludes payments made from Loan Resources

2. Exchange rate of US\$1=\$206.5 can be used to convert

External debt service significantly decreased in 2016, from \$20.3 billion to \$11.1 billion or by 45.4 percent compared to 2015. Principal repayments accounted for this sharp reduction in external debt service; this was due to the halt of the PetroCaribe Agreement and Guyana's Rice Trade Agreement, which resulted in principal repayments to Venezuela being stopped.

Figure 18: Public External Debt Service for 2016



Source: Debt Management Division, Ministry of Finance

Over the review period, external debt service continued to steadily decline, being driven by a reduction in principal repayments by 55.8 percent. However, interest payments were 3.9 percent higher when compared to 2015, increasing marginally over the review period as a result of new disbursements from Guyana's external creditors. Debt service payments fell in the second quarter. Owing to the payment profile of their loans, most multilateral creditors were not serviced during this time. However, debt service payments peaked in the third quarter, as a result of payments to IDB - Guyana's largest multilateral creditor.

6.2 Domestic Debt Service

Table 13: Total Public Domestic Debt Service

Total Public Domestic Debt Service						
in millions of Guyana dollars						
	2011	2012	2013	2014	2015	2016
Total Domestic Debt	5,051.9	3,597.3	2,759.1	1,580.4	1,751.9	1,920.3
Principal	1,010.1	1,010.1	1,010.4	35.5	35.5	35.5
Treasury Bills	0.0	0.0	0.0	0.0	0.0	0.0
K-Series	0.0	0.0	0.0	0.0	0.0	0.0
National Insurance Scheme	35.1	35.1	35.4	35.5	35.5	35.5
Debentures ^{1/}	975.0	975.0	975.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Interest	4,041.8	2,587.2	1,748.8	1,544.9	1,716.5	1,884.8
Treasury Bills	3,751.1	2,417.6	1,645.6	1,452.2	1,612.1	1,776.1
K-Series	27.9	19.1	13.4	15.2	17.7	18.8
Debentures ^{1/}	242.1	131.0	72.0	60.9	71.4	72.6
National Insurance Scheme Loan	20.7	19.5	17.8	16.7	15.3	17.3
Other	0.0	0.0	0.0	0.0	0.0	0.0

Source: Debt Management Division, Ministry of Finance

Notes:

1. Excludes non-interest bearing debentures

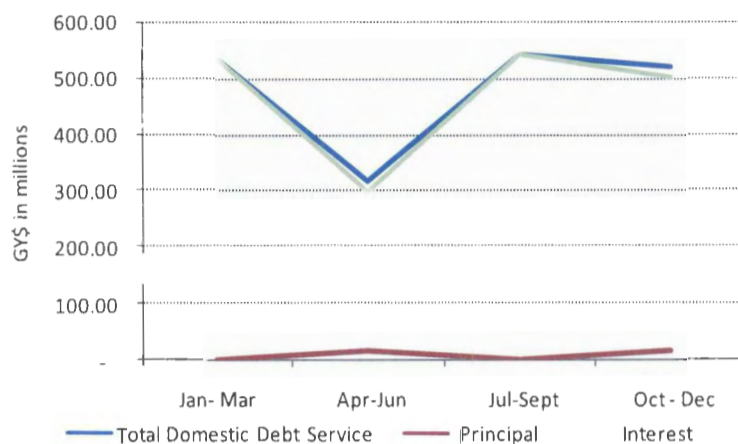
2. Exchange rate of US\$1=\$206.5 can be used to convert

Public domestic debt service payments continued to increase steadily over the last three (3) years. In 2016, domestic debt service payments increased by 9.6 percent, compared to an 11.8 percent increase in 2015. Principal repayments increased by 0.1 percent, whilst interest payments increased by 9.8 percent.

The increase in interest payments was attributed to, mainly, the higher issuance of 182-day and 364-day T-bills by the Bank of Guyana during the year. Increased issuance of T-bills is in keeping with the

Bank's monetary policy of mopping up excess liquidity in the economy, so as to curb inflationary bouts and prevent 'overheating.' It can be inferred, therefore, that these interest payments on T-bills represent the cost of maintaining a stable monetary condition of the economy.

Figure 19: Public Domestic Debt Service for 2016



Source: Debt Management Division, Ministry of Finance

Public domestic debt service recorded its lowest interest payments during the second quarter of the year, due to a decline in the redemption of 364-day T-bills. 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, since these are only made on one (1) domestic debt instrument - the NIS Loan for the CARICOM Building Project. These principal repayments are made semi-annually in the second and fourth quarters of each year.

Chapter 7 - On-lending, Government Guarantees and Contingent Liabilities

7.1 On-lent Loans

On-lending arrangements refer to arrangements whereby a government contracts a loan – typically a concessional loan from an international financial institution – and then lends the funds to a public entity within the borrowing country. On-lending is a means by which the Government can support strategically important projects that aid in national development. The Government usually enters into an On-lending arrangement with primary loan proceeds being earmarked to fund capital expenditure(s) for the State-Owned Enterprise (SOE). Often-times, the capital expenditure, for which money is on-lent, has a social benefit component to it, where its execution does not solely benefit the SOE.

Table 14: Summary of On-Lending Loan Agreements to State-Owned Enterprises

Summary of On-lending Loan Agreements to State Owned Enterprises in millions of US dollars (As of December 31, 2016)			
Guyana Sugar Corporation Inc.			
Year	Source of Financing	Purpose	Loan Amount
2003	CDB	Drianage and Irrigation	5.1
2004	CDB	Skeldon Sugar Modernisation Project	24.9
2004	World Bank and GoG Reserves	Skeldon Sugar Modernisation Project	56.0
2005	China Exim Bank	Skeldon Sugar Modernisation Project	41.6
Sub-total			127.6
Guyana Power and Light Inc.			
Year	Source of Financing	Purpose	Loan Amount
2007	PetroCaribe Fund	Infrastructure Development Project	3.8
2008	PetroCaribe Fund	Ten Megawatts of (10MW) of Interim Power Supply	31.1
2010	China Exim Bank	Infrastructure Development Project	39.6
2011	PetroCaribe Fund	Power Plan Turnkey Contract from Wartsila	18.9
2012	PetroCaribe Fund	Power Plan Turnkey Contract from Wartsila	26.0
2013	PetroCaribe Fund	Finance GPL's capital budget for fiscal year 2013	23.1
2014	PetroCaribe Fund	Finance GPL's capital budget for fiscal year 2014	12.1
Sub-total			154.6
Grand Total			282.11

Source: Debt Management Division, Ministry of Finance

In 2016, there were no new on-lending loans between the Government and the SOEs. Given the issues regarding the financial health of Guyana Sugar Corporation (GUYSUCO), this SOE was unable to make payments of principal and interest to the Government for the loans on-lent to them. On the other hand, GPL resumed servicing its debt to the Government. In 2016, GPL paid the Government \$1 billion towards the China EXIM Bank on-lent loan.

7.2 Publicly Guaranteed Debt and Contingent Liabilities

A Government Guarantee is an undertaking by a government to honour the obligations of a beneficiary (a third party) in circumstances where the beneficiary fails to honour its obligations and defaults on the loan. Therefore, a guaranteed loan is a contingent liability of the government. This means that a liability to the government is realised in the event that a particular event occurs, often times the beneficiary being unable to reach the debt service payments/payment obligations of the loan. Government

guarantees are categorised as explicit contingent liabilities because they are specific obligations to assume the liabilities by law or by contract should the event occur.

Government guarantees, like on-lending arrangements, are typically used to fund development projects that are a priority to the government. Entities benefitting from government guarantees are usually able to secure more favourable terms with government's support than had they negotiated on their own. While these funds are not a direct liability of the government and are not reflected in the accounts of the central government, they represent a potential risk to the government's balance sheet if the debt obligations are not honoured by the beneficiary. It is in this sense that a government guarantee is considered a contingent liability to the government.

During 2016, the Government did not issue any guarantees. For the period under review, the stock of publicly guaranteed debt remained relatively stable, totalling US\$14.9 million at the end of December 2016. Currently, there is only one (1) publicly guaranteed loan on the books of Central Government, that is, the debt to Argentina (BICE). Arrears continue to accumulate on this debt since Guyana is yet to receive comparable HIPC debt relief from this creditor.²

Notably, the Government has not issued guarantees for the past three (3) decades, due to conditions stemming from the IMF's Structural Adjustment Programme in 1988³. The current policy is to on-lend loans to public corporations rather than to issue guarantees.

Table 15: Publicly Guaranteed Debts

Publicly Guaranteed Debts in millions of US dollars (As of December 31)				
Agency	Purpose of Loan	Creditor	Loan Balance	
			2015	2016
Guyana Pharmaceutical Corporation	Construction of New Pharmaceutical Plant	Argentina (BICE)	14.5	14.9
GRAND TOTAL			14.5	14.9

Source: Debt Management Division, Ministry of Finance

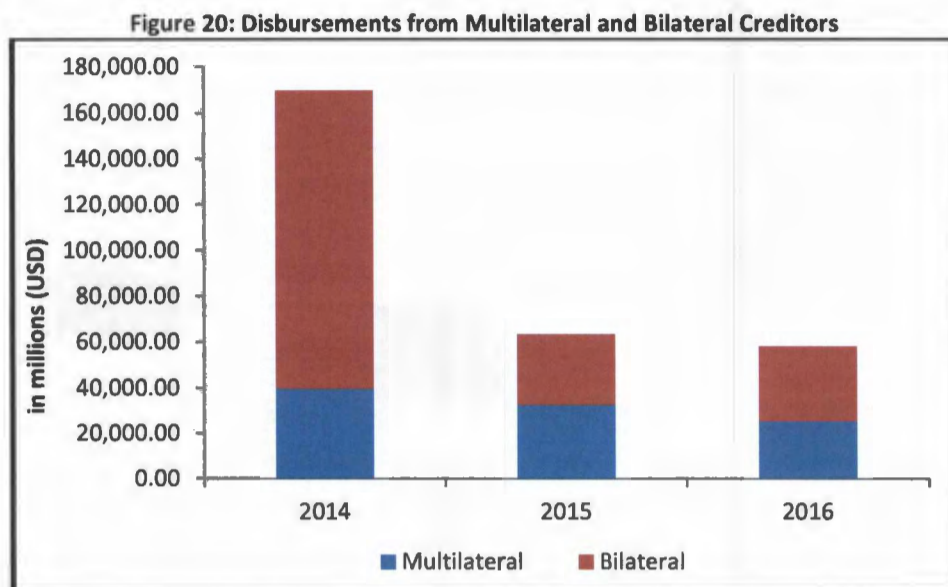
² Under the Paris Club Agreed Minute of 2004 to which Guyana is a signatory, as a condition of receiving debt write-off, the country receiving debt relief must seek debt write-off from Non-Paris Club creditors which is equal and comparable in treatment. This is commonly referred to as the *pari passu* clause of the Paris Club Agreed Minute which is a Latin phrase translated to mean "ranking equally" or "treated in equal force."

³ In Guyana, this Programme was known as the Economic Recovery Programme (ERP).

Chapter 8 – Disbursements and Net Transfers

8.1 Disbursements

In 2016, disbursements amounted to US\$57.7 million, declining from its 2015 value of US\$63.3 million. This decline of about US\$5.6 million or about 8.8 percent occurred with a concurrent change in the composition of creditors. Multilateral creditors accounted for the greater share of disbursements in 2015 at 52 percent, whereas bilateral creditors occupied the larger share in 2016.



Source: Debt Management Division, Ministry of Finance

This decline in disbursements, particularly from the multilateral institutions, is a reflection of the slow rate of implementation of the Public Sector Investment Programme (PSIP). For many development projects, the rate at which the projects are executed and project phases completed, determines the amounts disbursed. Poor planning, slow execution and other bottlenecks resulted in an underperformance of the PSIP and, by extension, lower disbursements.

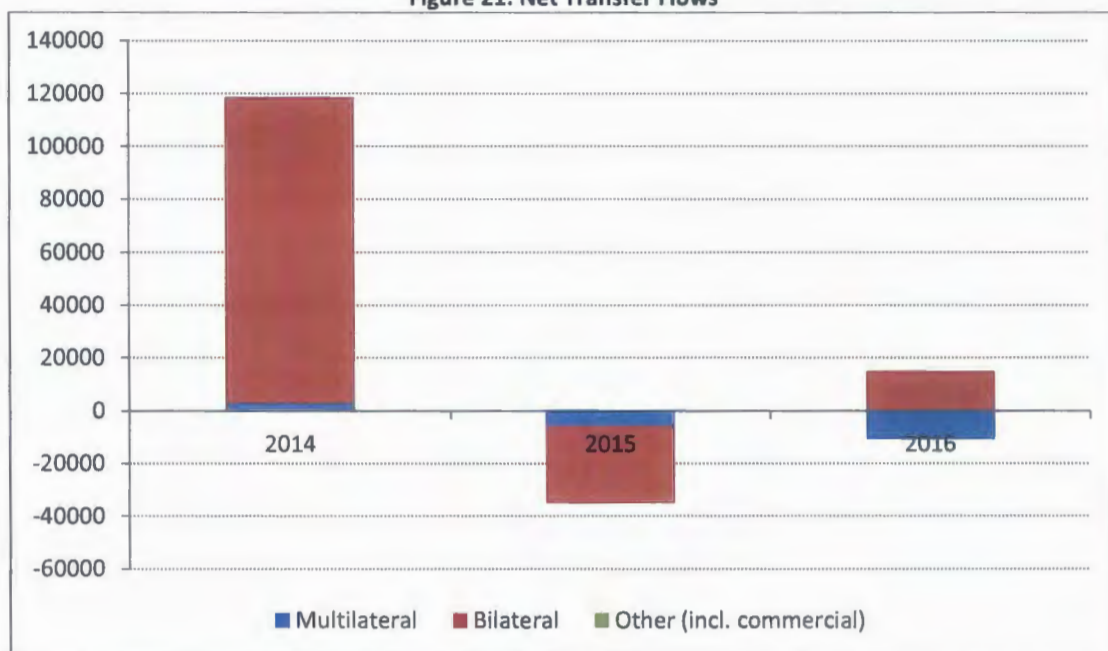
8.2 Net Transfers

For the year 2016, net transfers increased from a negative US\$35.1 million to a positive position of almost US\$4 million. Notably, however, net transfers of multilaterals remained strongly negative at US\$10.9 million. In other words, negative net transfers mean that Guyana was in the unacceptable state where more money was paid to the multilaterals than was received.

This weak result of a negative net transfer has its root in the low rate of disbursements and higher interest payments to multilaterals, with the latter increasing by about 8 percent.

Quite the opposite occurred for projects financed by the bilateral partners where, net transfers improved from the underwhelming negative position of US\$29.1 million, in 2015, to US\$14.8 million in 2016. This improvement in the bilateral net transfer performance was primarily driven by the Cheddi Jagan International Airport (CJIA) Expansion and Modernisation Project, whose completion will see larger transatlantic aircraft and significantly increased passenger flow.

Figure 21: Net Transfer Flows



Source: Debt Management Division, Ministry of Finance

Table 16: Disbursements, Net Inflows and Net Transfers

Items	2014	2015	2016
(1) Disbursements	169,397.67	63,318.88	57,727.17
Multilateral	39,842.06	32,670.74	25,313.90
Bilateral	129,555.61	30,648.13	32,413.27
(2) Principal Repayments	34,859.45	81,438.85	36,096.26
Multilateral	25,683.80	26,163.35	22,783.35
Bilateral	9,093.94	55,275.50	13,312.91
Other (including Commercial)	81.72	0.00	0.00
(3) Interest Payments	16,074.48	16,996.29	17,653.49
Multilateral	11,468.11	12,432.81	13,420.03
Bilateral	4,599.21	4,563.47	4,233.46
Other (including Commercial)	7.16	0.00	0.00
(4) Total Debt Service	50,933.94	98,435.14	53,749.75
Multilateral	37,151.91	38,596.17	36,203.38
Bilateral	13,693.15	59,838.97	17,546.37
Other (including Commercial)	88.88	0.00	0.00
(5) Net Inflows (1-2)	134,538.21	-18,085.67	21,630.92
Multilateral	14,158.26	6,507.39	2,530.56
Bilateral	120,461.67	-24,593.06	19,100.36
Other (including Commercial)	-81.72	0.00	0.00
(6) Net Transfer (5-3)	118,463.73	-35,081.95	3,977.42
Multilateral	2,690.15	-5,925.42	-10,889.47
Bilateral	115,862.46	-29,156.53	14,866.90
Other (including Commercial)	-88.88	0.00	0.00

Source: Debt Management Division, Ministry of Finance

Chapter 9 - Risk Indicators and Public Debt

9.1 Debt Indicators

Figure 22: Debt Indicators for the period 2012 - 2016

	2012	2013	2014	2015	2016
Total Debt to GDP	63.7%	57.9%	51.9%	48.4%	46.6%
External Debt to GDP	47.7%	41.8%	39.5%	36.0%	33.8%
Domestic Debt to GDP	16.0%	16.1%	12.3%	12.4%	12.8%
Total Debt Service to Revenue	9.5%	31.8%	24.8%	13.7%	7.3%
Total External Debt Service to Revenue	6.7%	29.8%	23.7%	12.6%	6.3%
Total Domestic Debt Service to Revenue	2.8%	2.0%	1.1%	1.1%	1.1%
Total External Debt Service to Exports	2.5%	12.8%	12.4%	7.6%	3.5%
Total Public Debt Service to GDP	2.1%	7.1%	5.7%	3.4%	1.8%

(In millions of Guyana dollars, unless otherwise indicated)

Memorandum Items:	2012	2013	2014	2015	2016
Total Public Debt	371,295.5	355,809.5	329,619.8	317,739.6	330,606.3
Total External Debt	277,833.7	256,994.1	251,182.1	236,046.2	240,034.6
Total Domestic Debt	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
Total Public Debt Service	12,314.2	43,405.2	36,100.5	22,149.0	13,019.6
Total External Debt Service	8,716.3	40,646.1	34,520.1	20,397.1	11,099.3
Total Domestic Debt Service	3,597.9	2,759.1	1,580.4	1,751.9	1,920.3
Gross Domestic Product at Current Purchaser Prices	582,657.0	614,130.0	635,262.0	656,485.0	709,663.0
GDP (US\$)	2,849.2	2,977.6	3,076.3	3,166.0	3,436.62
Total Current Revenue	130,228.6	136,494.8	145,725.8	161,710.2	177,289.0
Exports of Goods and Non-Factor Services	350,109.6	316,423.8	278,444.6	269,730.3	318,195.9
Exports (G & NFS) (US\$)	1,713.2	1,540.6	1,348.4	1,306.2	1,540.9
Guyana dollar/U.S. dollar (End of Period)	204.5	206.3	206.5	206.5	206.5
Guyana dollar/U.S. dollar (Period Average)	204.4	205.4	206.5	206.5	206.5

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

Guyana's debt ratios declined further, in 2016, and remained sufficiently low to indicate that total public debt has remained sustainable over the year.

9.1.1 Total Public Debt-to-GDP

The total public debt-to-GDP declined from 48.4 percent in 2015 to 46.6 percent in 2016. On the other hand, the nominal public debt stock grew from \$317,739.6 million to \$330,606.3 or by 4.05 percent. This marginal increase reflects increased disbursements from Guyana's external creditors. However, the nominal GDP increased by 8.1 percent, which exceeded by far the growth in total public debt in 2016.

External debt and domestic debt represented 33.8 percent of GDP and 12.8 percent of GDP, respectively, in 2016.

9.1.2 Total Debt Service-to-Revenue

Total debt service to revenue ratio decreased from 13.7 percent in 2015 to 7.3 percent in 2016. This significant decline was primarily due to a reduction in principal repayments to Venezuela combined with a 9.6 percent increase in government revenues. The increase in revenues was as a result of the growth in revenues obtained from income taxes, property taxes and taxes on international and trade transactions. An increase in the debt service to revenue indicator over time may indicate potential liquidity problems, that is, budgetary problems in servicing debt.⁴

9.1.3 Total External Debt Service-to-Exports

In 2016, the external debt service to exports ratio fell to 3.5 percent, from 7.6 percent in 2015, largely on account of the halt in principal repayments to Venezuela, on the one hand, and an increase in exports by 18 percent, on the other. This ratio is considered to be a key indicator of a country's debt burden.⁵ The declining debt service to exports ratio over the last four (4) years shows that exports are growing faster than the country's debt service.

⁴ IMF, 2003, External Debt Statistics: Guide for Compilers and Users – Debt Sustainability: Medium-Term Scenarios and Debt ratios, IMF, Washington DC

⁵ 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 2012-2016

Risk Indicators for the period 2012-2016					
	2012	2013	2014	2015	2016
Total Share of Short Term Debt to Total Debt	23.7%	26.6%	22.5%	24.4%	24.6%
Total Share of Short Term Debt to Domestic Debt	94.3%	95.6%	94.5%	94.8%	89.9%
Total Share of US dollar Debt to Total External Debt	78.8%	76.4%	76.2%	75.9%	74.5%
Total Share of Foreign Currency Debt to Total Debt	75.0%	72.3%	76.3%	74.4%	72.7%
Total Share of Floating Rate Debt to Total Debt	7.2%	8.5%	10.0%	10.7%	10.8%

(In millions of Guyana dollars, unless otherwise indicated)

Memorandum Items:					
Total Public Debt	371,295.5	355,809.5	329,619.8	317,739.6	330,606.3
Total External Debt	277,833.7	256,994.1	251,182.1	236,046.2	240,034.6
Total Domestic Debt	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
Short Term Debt	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0
US dollar Debt	218,808.0	196,283.7	191,502.0	179,127.8	178,784.3
US dollar Debt (US\$ millions)	1,070.0	951.7	927.4	867.4	865.8
Foreign Currency Debt	278,289.9	257,418.9	251,572.3	236,385.8	240,353.9
Floating Rate Debt	26,580.5	30,342.5	32,955.5	33,963.7	35,652.68

Source: Debt Management Division and Bank of Guyana

Public debt management entails developing a framework to identify and manage the tradeoffs between expected cost and risk in the debt portfolio. In 2016, as a consequence of following an informal debt management strategy of contracting loans on as concessional terms as possible, the risks associated with Guyana's total public debt portfolio were prudently managed. Risk indicators over the review period remained fairly stable and in some instances, reduced.

9.2.1 Interest Rate Risk

The total share of floating rate debt to total public debt was 10.8 percent in 2016 compared to 10.7 percent in 2015. Floating rate debt was acquired primarily from external creditors such as IDB and CDB. The share of floating rate debt has increased moderately by 0.9 percentage points in 2016, due to an increase in disbursements from CDB.

The share of fixed rate debt continued to dominate the debt portfolio in 2016. Most of Guyana's external debt portfolio comprises 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 kept the cost of debt servicing at a sustainable level.

The weighted average interest rate for the external debt portfolio, at end-December 2016, was 2.47 percent, compared to 1.15 percent in 2015. The increase in the weighted average interest rate was due

to an increase in IDB's OCR average interest rate⁶; this translated into higher interest payments for IDB and a higher cost of interest debt service payments in 2016. However, this is still considered a relatively low average interest rate, given current market conditions, and it reflects the high concessionality of existing loans in the portfolio.

The weighted average interest rate for the domestic debt portfolio at end-December 2016 was 1.6 percent. The cost reflected the redemptions and issues throughout the year. The government serviced interest for T-bills and debentures within the year, since all the instruments were short-term.

In analysing the interest rate risk over the medium-term, the macroeconomic developments of the country must be taken into account, since the two are inextricably linked. In Guyana's case, the cost of borrowing is expected to rise as the country graduates to an upper middle-income status and is phased-out of concessional financing from its external creditors. Notably, Guyana's previous status as a low-income and lower middle-income country allowed it to borrow on fixed interest rates.

As a result of Guyana's graduation, the financing envelope offered by development partners will be larger. However, the cost of accessing the financing will also increase and the terms will become harsher. This is as a result of the assumption made by development partners that as Guyana's economy grows, the capacity of the country to repay its debts improves.

As a consequence of the country's improved economic stature, development financing partners will seek to insulate themselves from the risks associated with the volatility in the international capital markets. These lenders insulate themselves by transferring the market risk from the lending institution to the country. This is primarily done through adjusting the loan terms from fixed interest rate loans to variable interest rate loans.

With a fixed interest rate loan, the lending agency would have to bear the cost of changes in the cost of borrowing as the interest rate adjusts on the international capital market, from the commencement of the loan throughout the life of the loan. However, with a variable interest rate loan, the interest rate charged, is subject to 'interest rate resetting' where the interest rate is recalculated at time intervals specified in the loan agreement. This increases the country's exposure to the volatility associated with the international capital markets.

Post-July 2016, Guyana's new status as an 'upper middle-income country,' would result in borrowing at higher and variable interest rates from lending partners. Increased risk associated with the greater prevalence of variable interest rate loans will render the debt portfolio more vulnerable to market volatility. This is expected to stem from interest rate resetting associated with changes in a 'benchmark rate' (such as the London Inter-Bank Offering Rate [LIBOR]) becoming more common.

The rate at which Guyana's portfolio transitions to variable interest rate debt is dependent upon multilateral agencies and other development financing partners providing loans to Guyana in a 'blended' package - that is, where the loan is provided with a combination of fixed interest rate and variable

⁶ IDB's OCR variable interest rate is referenced to the 3-month LIBOR

interest rate. This package of blended loans, currently being offered by many development financing partners, is intended to cushion Guyana's graduation process and increased exposure to international market volatility.

9.2.2 Exchange Rate Risk

In 2016, Guyana's public debt portfolio continued to be highly exposed to foreign currency debt. Such exposure highlights Guyana's potential vulnerabilities to solvency and liquidity risk. The total share of foreign currency debt to total debt decreased marginally, from 74.4 percent in 2015 to 72.7 percent in 2016. The total share of US dollar debt to total external debt was 74.5 percent in 2016, compared to 75.9 percent in 2015.

Over the review period, the US dollar currency denominated debt remained the dominant currency in the external debt portfolio. In particular, debt denominated in Chinese Renimbi Yuan increased by 15.3 percent in 2016. Notably, all debt denominated in the other currencies remained the same or declined.

Going forward, 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, US dollar, will significantly contribute to higher debt service payments in Guyana dollar terms. The movement of exchange rates will add volatility to debt servicing costs - increasing costs when there is 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 24.6 percent of the debt portfolio in 2016. The share of short-term public debt increased in 2016 by 1.1 percent, due to an increase in 182 day T-bills. Notably, the domestic debt portfolio has a high level of refinancing risk since the majority of the portfolio consists of T-bills which have a maturity of one (1) year or less. However, the share of short-term debt in the domestic debt portfolio reduced to 89.9 percent in 2016, compared to 94.8 percent in 2015. This increase stemmed from an increase in total domestic debt by 10.9 percent.

Chapter 10 – Debt Sustainability Evaluation

10.1 Introduction

Debt sustainability is often referred to as a country’s ability to meet its debt obligations without requiring debt relief or accumulating arrears. More specifically, debt is sustainable if 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, 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.

The International Monetary Fund (IMF) Staff Report for 2017 Article IV Consultation on Debt Sustainability Analysis (DSA) indicated that “Guyana remains at a **moderate risk of debt distress and the debt service is manageable**”. This rating means that the debt burden indicator is below the thresholds in the baseline scenario but stress tests indicate that thresholds could be breached. This may occur if there are external shocks from the international market or natural disasters and from drastic and abrupt changes in macroeconomic policies.

Box 1: 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.

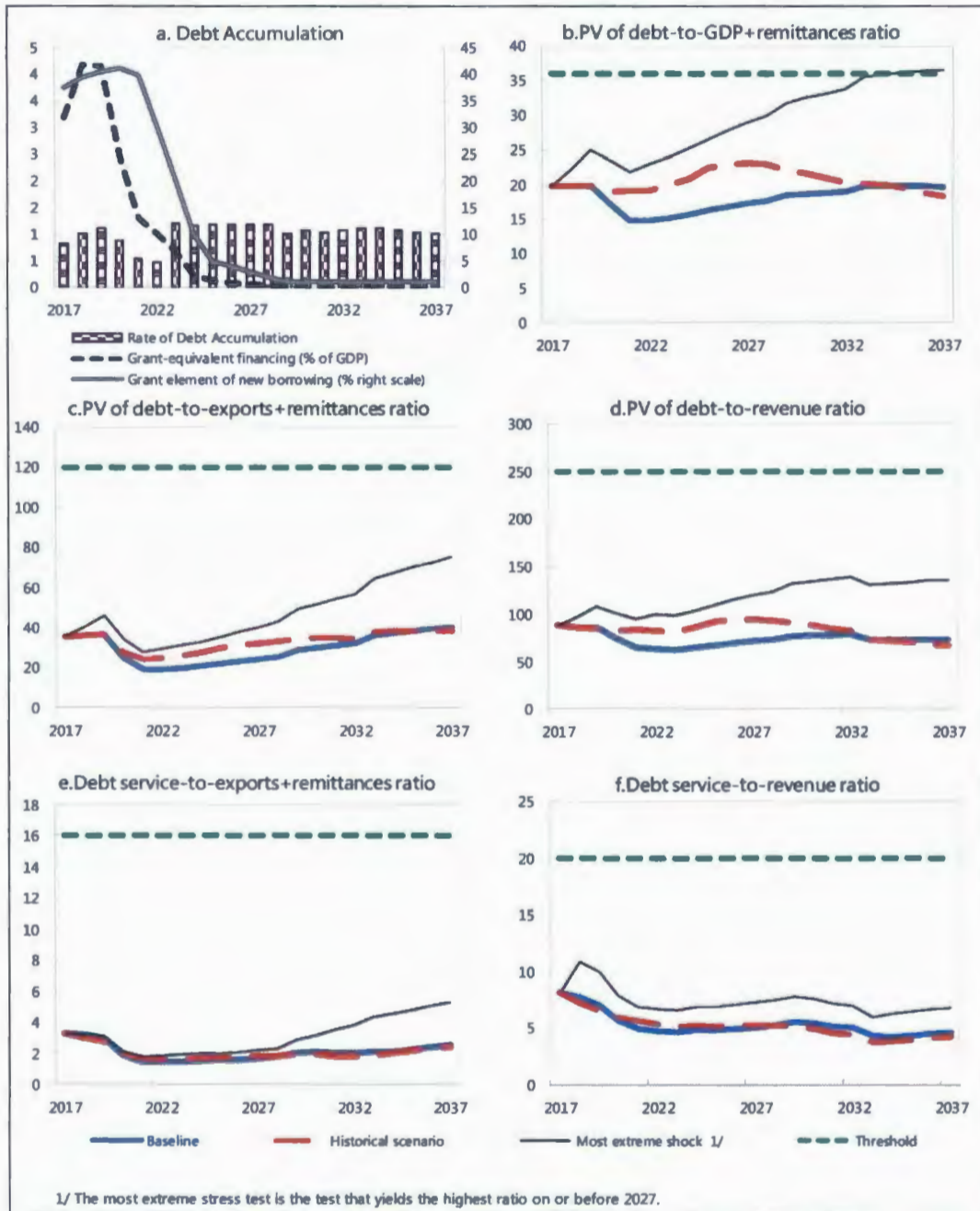
The quality of the policies and institutions are assessed in the CPIA index which provides a rating. A three-year average of the rating from the CPIA index is used to determine the country’s policy performance category. The country’s policy performance category is then used for the indicative thresholds 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

¹/-When the Remittances/GDP ratio >10 percent and the Remittances/Exports Ratio >20 percent then the Remittances figures are considered

The 2017 update of the DSA shows that indicators of the risk of external debt distress remain under the relevant threshold despite some deterioration. The World Bank's Country Policy and Institutional Assessment (CPIA) of Guyana remained at 3.3, which corresponds to a medium policy performance rating.

Figure 23: Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios



Source: International Monetary Fund Debt Sustainability Analysis 2017 Report

10.2 External Debt Sustainability Evaluation

The IMF Report suggested that Guyana's external debt remains sustainable under the baseline scenario⁷ and that the country faces a moderate risk of debt distress. As depicted in Figure 21, all sustainability indicators remain comfortably below their thresholds.

The Present Value (PV) of gross external debt-to-GDP gradually increases to 20 percent in the long-run as compared to 28 percent in the 2016 IMF DSA of 2015. This improvement is premised on the projection of oil export revenue on the deficit and the GDP. The IMF warns, however, that this should be interpreted with caution since only a fraction of the oil export revenue represents income that the Government could tap into to meet debt service obligations.

However, the external debt ratios are vulnerable to external shocks. In testing, a shock of a one-time depreciation of 30 percent in the exchange rate is utilised.

10.21 Solvency, Liquidity and Stress-testing External Public Debt

Stress testing External Public Debt reveals, however, that Guyana's external public debt-to-GDP ratio is vulnerable to an increase in non-concessional borrowing. This non-concessional borrowing is reflected in the fact that this shock, depreciation in the exchange rate by 30 percent, makes the loan more costly to service. In particular, the PV of debt to GDP plus remittances ratio (Panel B in Figure 21) breaches the sustainability threshold in 2037 under a stress test which assumes that new borrowing is on non-concessional terms.

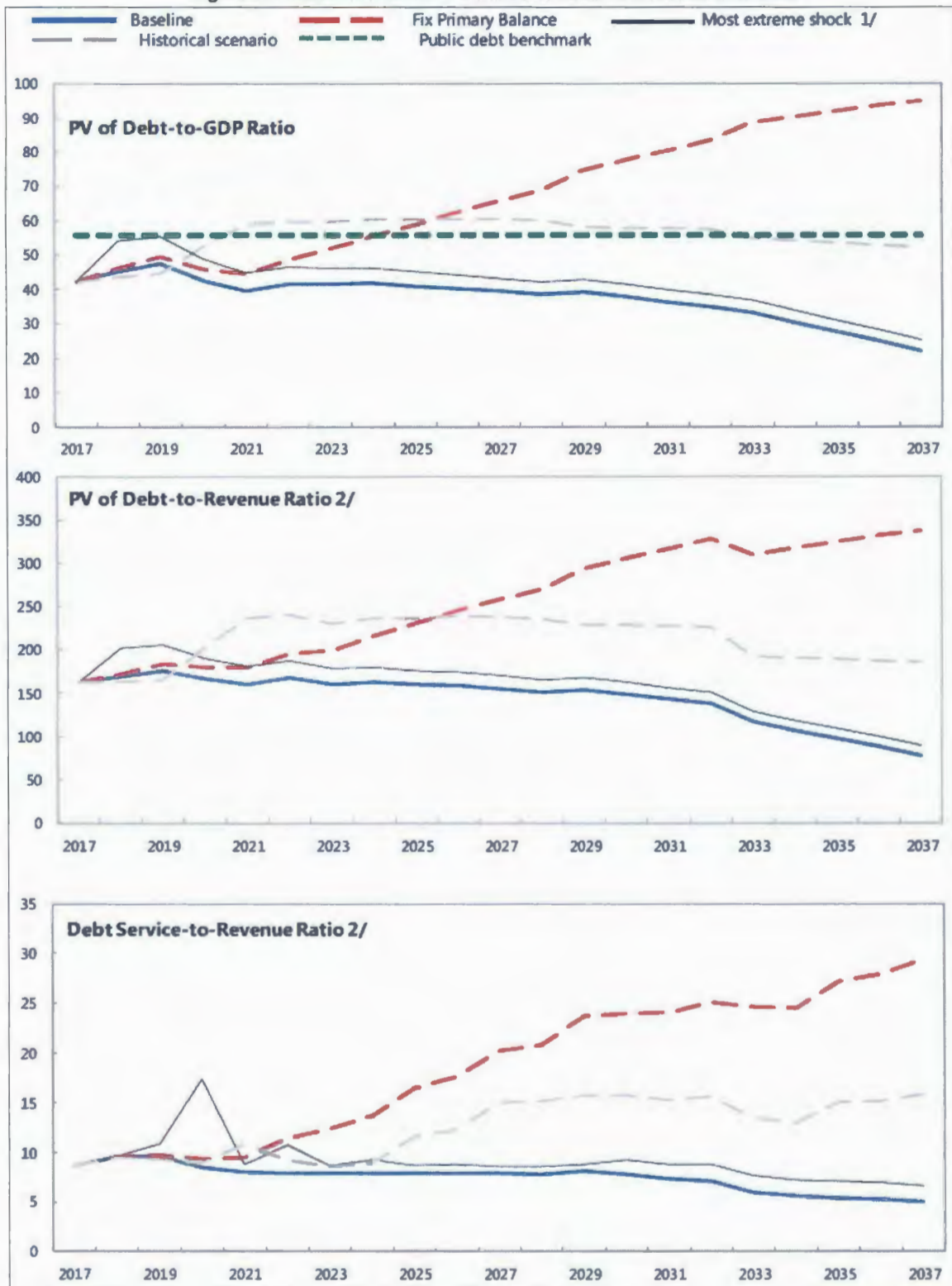
However, the other solvency indicators, the PV of external debt stock-to-exports and external debt stock-to-revenue, remain well below the threshold. Even when the stress test is conducted and the long-run is considered, the thresholds still are not breached. This position of solvency fundamentally indicates that the Government is able to service its current stock of debt from future streams of income.

Additionally, of note, is the fact that both liquidity indicators (debt service-to-exports and debt service-to-revenue ratios) remain well below their respective thresholds. This reflects the concessional nature of outstanding debt and new external borrowing in the near-term. It is, therefore, imperative that the government continue to seek financing from concessional sources, at least in the medium-term, irrespective of prospective oil revenues, to ensure a situation of continued liquidity.

With Guyana being reclassified as an upper middle-income country, in July 2016, seeking highly concessional sources from which Guyana had benefitted in the past, may prove to be increasingly more difficult. Should non-concessional sources dry up faster than expected, the results yielded by the stress test of non-concessional new borrowing do have the possibility of becoming the reality for Guyana. This situation, however, is unlikely in the near future.

⁷ The baseline scenario refers to the most likely scenario to occur, on the current trajectory with all reasonably expected factors taken into consideration.

Figure 24: Indicators of Total Public Debt under Alternative Scenarios



Source: International Monetary Fund Article Debt Sustainability Analysis 2017 Report

10.3 Total Public Debt Sustainability Evaluation

When considering Total Public Debt, the component of domestic debt is 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. This is reflected in Figure 22 above as an additional component.

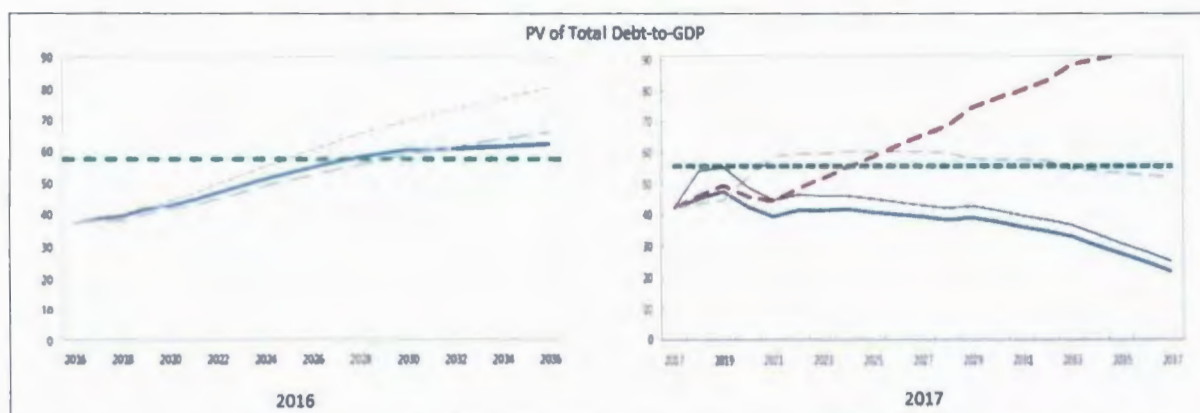
Box 2: Classifications of Risk of Debt Distress

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

Even under the new baseline, with oil production, Guyana remains vulnerable to stress test shocks and the risk of debt distress is moderate. However, with the projected oil production being considered, debt dynamics improve and the risk of debt distress declines. In the baseline scenario, debt indicators remain well below their respective thresholds over the projection period. Total public debt shows that the risk of debt distress remains moderate. Accordingly, the PV of the public sector debt to GDP ratio peaks in 2019 at 48 percent and decreases monotonically thereafter to 22 percent in 2037, based on the projected oil revenue.

Figure 23 below compares the PV of Total Debt-to-GDP in the years 2016 and 2017. In 2016, where oil production is not taken into consideration, a continuous increase in the PV of the Total Debt-to-GDP occurs, and a breach in the threshold occurs in 2027. In the updated Debt Sustainability Analysis done in 2017, when oil production is taken into consideration in the projection, a secular deterioration in the PV of Total Debt-to-GDP occurs throughout the medium and long-term horizon.

Figure 25: Comparison of PV of Total Debt-to-GDP in 2016 & 2017



Source: International Monetary Fund Debt Sustainability Analysis Report 2016 & 2017

10.31 Stress-Testing, Scenario Analysis and Risks associated with Total Public Debt

The IMF warns that Stress Tests reveal that total public debt is vulnerable to standard shocks. This indicates the continued importance of fiscal consolidation to Guyana’s sustainability.⁸ The PV of the Total Debt-to-GDP ratio is most vulnerable to a shock to the primary balance.

The IMF notes that Guyana’s debt profile is vulnerable to risks arising from oil production. The Report states that in an alternative scenario where oil revenues fail to materialize, total public debt increases to about 67 percent by 2022 and 80 percent of GDP by 2037, in the absence of fiscal consolidation. Notably, the IMF mentions that stabilizing public debt in this scenario at the same level as in the baseline scenario with oil requires a significantly deeper fiscal adjustment. However, in a scenario where oil revenues fail to materialise, Guyana is likely to receive more grants and concessional financing, which would facilitate stabilisation of debt, albeit with a higher deficit.

Financing the large deficits projected over the medium-term may require an increasing reliance on non-concessional debt, including domestic borrowing. The volatility of oil prices, which could negatively impact future oil revenue, is another important source of risk. The gross public debt to GDP ratio is projected to reach 61 percent by 2019, a relatively high level, which can bring heightened financing risks on the non-concessional component. These risks are not fully captured in this LIC DSA, and warrant close monitoring.

⁸ Fiscal Consolidation refers to the process by which fiscal deficits and public debt are lowered.

Chapter 11 - Outlook for Public Debt Management beyond 2016

Going forward, it is necessary that Guyana continues to dedicate efforts and resources to improving public debt management. Whilst Guyana has made marked progress over the last two decades in reducing the onerous debt burden which hampered economic growth in the past, we must be cognisant of the areas which can be improved. Our dismal performance in the Debt Management Performance Assessment (DeMPA) highlights there are legal and institutional weaknesses which must be addressed to ensure that public debt management in Guyana is aligned with sound debt management practice.

In this regard, with assistance from the Commonwealth Secretariat, Guyana will continue to work assiduously on drafting a new Public Debt Management Bill that will modernise and improve the legal framework for public debt management. This reform, coupled with institutional developments in reorganising the Debt Management Division along functional lines, as well as capacity-building and training will chart a bright course for public debt management in Guyana.

With the dwindling of concessional financing, Guyana will need to build capacity in areas such as risk assessment, assessing contingent liability, investment analysis, capital markets and negotiations of new debt instruments. Being at a stage of transition in our economic development, with the expectation of oil production in 2020, implies that public debt management will evolve to deal with new and emerging challenges.

APPENDICES

Appendix 1 – Total Public Debt Stock

Total Public Debt Stock in millions of Guyana dollars (As of December 31)						
	2011	2012	2013	2014	2015	2016
Total Public Debt Stock	350,575.1	371,295.5	355,809.5	329,619.8	317,739.6	330,606.3
Total Public External Debt	245,637.9	277,833.7	256,994.1	251,182.1	236,046.2	240,034.6
Total Public Domestic Debt	104,937.2	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
In Percent of Total Public Debt						
External	70.1	74.8	72.2	76.2	74.3	72.6
Domestic	29.9	25.2	27.8	23.8	25.7	27.4

Source: Debt Management Division, Ministry of Finance

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

Total Public External Debt Stock by Creditor Category and Creditor

In millions of US dollars

(As of December 31)

	2011	2012	2013	2014	2015	2016
Total Public External Debt Stock (1+2)	1,205.6	1,358.6	1,246.0	1,216.4	1,143.1	1,162.4
1. Oficial (1.1+1.2)	1,185.6	1,339.0	1,226.8	1,197.4	1,125.1	1,144.7
1.1 Multilateral	631.1	673.6	716.6	691.8	692.2	693.8
CDB	134.2	139.8	139.8	143.1	143.6	146.8
IDA	10.0	11.0	12.9	14.2	20.4	25.0
IMF	48.4	37.0	25.7	13.4	3.8	0.0
IADB	365.9	415.3	469.1	486.3	489.3	487.7
IFAD	9.3	9.3	9.9	9.3	9.0	8.4
Other ¹	63.3	61.2	59.3	25.5	26.0	25.9
1.2 Bilateral	554.5	665.4	510.2	505.5	432.9	451.0
Paris Club	48.6	45.0	40.7	35.3	29.2	22.6
T&T	43.3	39.7	35.6	30.8	25.3	19.1
Italy	4.1	4.1	4.3	3.8	3.2	2.9
USA	0.9	0.8	0.8	0.7	0.7	0.6
Russian Federation	0.3	0.3	0.0	0.0	0.0	0.0
Non-Paris Club	506.0	620.4	469.5	470.2	403.7	428.3
India	18.8	21.8	22.3	21.8	20.0	18.4
Venezuela	286.6	364.2	198.3	184.0	120.9	123.1
China	66.4	97.0	111.4	126.4	124.2	145.6
Kuwait	68.4	70.1	72.3	72.1	72.0	74.0
Libya	41.2	42.1	42.4	42.7	42.9	43.2
Other ²	24.5	25.2	22.8	23.3	23.7	24.0
2. Commercial	19.9	19.6	19.2	19.0	18.0	17.6
Banking Sector	6.5	6.2	5.7	5.5	5.4	5.1
Suppliers Credit	13.4	13.4	13.4	13.5	12.6	12.5
Other ³	0.0	0.0	0.0	0.0	0.0	0.0

Source: Debt Management Division

Notes:

1. Includes: OPEC Fund, EIB, EEC, CDF, CMCF

2. Includes: Argentina, Bulgaria, UAE and Serbia

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)

	2011	2012	2013	2014	2015	2016
Total Public External Debt Stock	1,205.6	1,358.6	1,246.0	1,216.4	1,143.1	1,162.4
Central Government	1,109.0	1,273.8	1,173.1	1,186.9	1,123.2	1,146.4
Central Bank	95.6	84.2	72.9	29.5	19.9	16.0
Parastatal	1.0	0.5	0.1	0.0	0.0	0.0

Source: Debt Management Division

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)

	2011	2012	2013	2014	2015	2016
Total Public External Debt Stock	1,205.6	1,358.6	1,246.0	1,216.4	1,143.1	1,162.4
US dollars	937.7	1,070.0	951.7	927.4	867.4	865.8
Euro	39.8	38.5	37.9	31.4	25.9	24.1
China Yuan	66.4	97.0	111.4	126.4	124.2	145.6
SDR	67.7	57.3	48.4	37.0	33.3	33.4
Kuwaiti Dinar	68.4	70.1	72.3	72.1	72.0	74.0
Other	25.6	25.7	24.3	22.2	20.3	19.5

Source: Debt Management Division

Appendix 5 - Currency Composition of Total Public External Debt

Currency Composition of Total Public External Debt						
in percentage						
(As of December 31)						
	2011	2012	2013	2014	2015	2016
Total	100.0	100.0	100.0	100.0	100.0	100.0
US dollars	77.8	78.8	76.4	76.2	75.9	74.5
Euro	3.3	2.8	3.0	2.6	2.3	2.1
China Yuan	5.5	7.1	8.9	10.4	10.9	12.5
SDR	5.6	4.2	3.9	3.0	2.9	2.9
Kuwaiti Dinar	5.7	5.2	5.8	5.9	6.3	6.4
Other	2.1	1.9	2.0	1.8	1.8	1.7

Source: Debt Management Division

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)						
	2011	2012	2013	2014	2015	2016
Total Public External Debt Stock	1205.6	1358.6	1246.0	1216.4	1143.1	1162.4
Less than 1 year	0.0	0.3	0.1	9.4	5.7	0.1
Between 1 and 5 years	3.6	40.4	27.4	35.0	25.8	19.3
More than 5 years	1202.0	1317.9	1218.5	1172.0	1111.5	1143.0

Source: Debt Management Division

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)						
	2011	2012	2013	2014	2015	2016
Total Public External Debt Stock	1205.6	1358.6	1246.0	1216.4	1143.1	1162.4
Fixed Rate	1113.1	1252.5	1117.8	1075.7	997.5	1008.6
Floating Rate	92.5	106.1	128.2	140.7	145.6	153.8

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)						
	2011	2012	2013	2014	2015	2016
Total Public Domestic Debt Stock	104,937.2	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
Domestic Securities	104,445.3	93,005.7	98,390.7	78,047.4	81,338.5	90,252.3
Treasury Bills	98,593.4	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0
91-Day ^{1/}	4,705.5	4,496.9	7,997.1	6,997.4	8,884.5	5,997.7
182-Day	9,754.4	4,253.5	6,753.3	4,253.6	253.6	7,151.6
364-Day	84,133.6	79,378.4	79,738.5	62,894.5	68,298.6	68,318.8
Debentures	5,848.5	4,873.5	3,898.5	3,898.5	3,898.5	8,781.0
Republic Bank Debentures	1,950.0	975.0	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	0.0	4,882.4
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	491.9	456.2	424.7	390.3	354.8	319.3
National Insurance Scheme Loan	491.9	456.2	424.7	390.3	354.8	319.3

Source: Debt Management Division

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 Institutional Structure in millions of Guyana dollars (As of December 31)						
	2011	2012	2013	2014	2015	2016
Total Public Domestic Debt	104,937.20	93,461.86	98,815.40	78,437.70	81,693.32	90,571.64
Banking Sector	79,396.34	75,127.04	87,723.84	67,438.64	69,637.04	72,049.59
Pension Fund ^{1/}	8,529.90	7,267.60	6,905.21	6,100.76	5,161.88	11,538.10
Other ^{2/}	17,010.96	11,067.23	4,186.35	4,898.30	6,894.40	6,983.95

Source: Debt Management Division

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)						
	2011	2012	2013	2014	2015	2016
Total Public Domestic Debt Stock	108,343.8	96,904.2	102,289.2	81,946.0	85,237.1	90,571.6
Fixed Rate	102,495.3	92,030.7	98,390.7	78,047.4	81,338.5	86,673.1
Treasury Bills ^{1/}	98,593.4	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0
Bonds	3.4	3.4	3.4	3.4	3.4	3.4
Debentures ^{3/}	0.0	0.0	0.0	0.0	0.0	4,882.4
Loan	491.9	456.2	424.7	390.3	354.8	319.3
Floating Rate	5,848.5	4,873.5	3,898.5	3,898.5	3,898.5	3,898.5
Debenture ^{2/}	5,848.5	4,873.5	3,898.5	3,898.5	3,898.5	3,898.5

Source: Debt Management Division

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)						
	2011	2012	2013	2014	2015	2016
Total Public Domestic Debt Stock	104,937.20	93,461.86	98,815.40	78,437.70	81,693.32	90,571.64
Short Term	98,593.40	88,128.76	94,488.75	74,145.50	77,436.60	81,467.95
Treasury Bills	98,593.40	88,128.76	94,488.75	74,145.50	77,436.60	81,467.95
91-Day ^{1/}	4,705.45	4,496.91	7,997.05	6,997.40	8,884.45	5,997.65
182-Day	9,754.40	4,253.45	6,753.25	4,253.60	253.60	7,151.55
364-Day	84,133.55	79,378.40	79,738.45	62,894.50	68,298.55	68,318.75
Long Term	6,343.80	5,333.10	4,326.65	4,292.20	4,256.72	9,103.69
Domestic Loan	491.90	456.20	424.71	390.26	354.78	319.31
National Insurance Scheme Loan	491.90	456.20	424.71	390.26	354.78	319.31
Debentures ^{2/}	5,848.50	4,873.50	3,898.54	3,898.54	3,898.54	8,780.98
Republic Bank Debentures	1,949.96	974.96	0.00	0.00	0.00	0.00
Bank of Guyana Debentures ^{2/}	3,898.54	3,898.54	3,898.54	3,898.54	3,898.54	3,898.54
NIS Debenture (GOG/NIS No. 1/2016) ^{3/}	0.00	0.00	0.00	0.00	0.00	4,882.45
Bonds	3.40	3.40	3.40	3.40	3.40	3.40
Defence Bonds	3.40	3.40	3.40	3.40	3.40	3.40

Source: Debt Management Division

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

Appendix 12 - Total Public Debt Service during the Period 2011-2016

Total Public Debt Service during the period 2011-2016						
in millions of Guyana dollars						
	2011	2012	2013	2014	2015	2016
Total Public Debt	13,856.6	12,314.2	43,405.2	36,100.5	22,149.0	13,019.6
Total Public Domestic Debt	5,051.9	3,597.9	2,759.1	1,580.4	1,751.9	1,920.3
Principal	1,010.1	1,010.7	1,010.4	35.5	35.5	35.5
Interest	4,041.8	2,587.2	1,748.8	1,544.9	1,716.5	1,884.8
Total Public External Debt	8,804.7	8,716.3	40,646.1	34,520.1	20,397.1	11,099.3
Principal	6,228.9	6,036.7	37,753.1	31,299.9	16,875.5	7,453.9
Interest	2,575.8	2,679.6	2,892.9	3,220.2	3,521.5	3,645.4

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						
	2011	2012	2013	2014	2015	2016
Total Public External Debt Service	8,804.7	8,716.3	40,646.1	34,520.1	20,397.1	11,099.3
Principal	6,228.9	6,036.7	37,753.1	31,299.9	16,875.5	7,453.9
Central Government	3,956.6	3,627.0	35,353.1	28,965.2	15,003.4	6,652.1
Bank of Guyana	1,498.5	2,324.0	2,312.8	2,317.8	1,872.2	801.7
Parastatals	773.8	85.6	87.2	16.9	0.0	0.0
Interest	2,575.8	2,679.6	2,892.9	3,220.2	3,521.5	3,645.4
Central Government	2,429.6	2,629.2	2,866.3	3,194.2	3,508.8	3,630.3
Bank of Guyana	122.3	34.5	20.3	24.6	12.8	15.1
Parastatals	23.9	15.8	6.3	1.5	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					
	2012	2013	2014	2015	2016
Total Public Domestic Debt Service	3,597.9	2,759.1	1,566.7	1,751.9	1,920.3
Principal	1,010.7	1,010.4	35.5	35.5	35.5
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	35.1	35.4	35.5	35.5	35.5
Debentures ^{1/}	975.0	975.0	0.0	0.0	0.0
Other	0.7	0.0	0.0	0.0	0.0
Interest	2,587.2	1,748.8	1,531.3	1,716.5	1,884.8
Treasury Bills	2,417.6	1,645.6	1,452.2	1,612.1	1,776.1
K-Series	19.1	13.4	1.5	17.7	18.8
Debentures ^{1/}	131.0	72.0	60.9	71.4	72.6
National Insurance Scheme Loan	19.5	17.8	16.7	15.3	17.3
Other	0.0	0.0	0.0	0.0	0.0

Source: Debt Management Division, Ministry of Finance

Notes:

1. Excludes non-interest bearing debentures

Appendix 15 - Summary of On-Lending Loan Agreements to State-Owned Enterprises

Summary of On-lending Loan Agreements to State-Owned Enterprises
in millions of US dollars
As of December 31, 2016

Guyana Sugar Corporation Inc.

Year	Source of Financing	Purpose	Loan Amount
2003	Caribbean Development Bank	Drianage and Irrigation	5.1
2004	Caribbean Development Bank	Skeldon Sugar Modernisation Project	24.9
2004	World Bank and GoG Reserves	Skeldon Sugar Modernisation Project	56.0
2005	China Exim Bank	Skeldon Sugar Modernisation Project	41.6
Sub-total			127.6

Guyana Power and Light Inc.

Year	Source of Financing	Purpose	Loan Amount
2007	PetroCaribe Fund	Infrastructure Development Project	3.8
2008	PetroCaribe Fund	Ten Megawatts of (10MW) of Interim Power Supply	31.1
2010	China Exim Bank	Infrastructure Development Project	39.6
2011	PetroCaribe Fund	Power Plan Turnkey Contract from Wartsila	18.9
2012	PetroCaribe Fund	Power Plan Turnkey Contract from Wartsila	26.0
2013	PetroCaribe Fund	Finance GPL's capital budget for fiscal year 2013	23.1
2014	PetroCaribe Fund	Finance GPL's capital budget for fiscal year 2014	12.1
Sub-total			154.6
Grand Total			282.11

Source: Debt Management Division, Ministry of Finance

Appendix 16 - Debt Indicators for the period 2012-2016

Debt Indicators for the period 2012-2016

	2012	2013	2014	2015	2016
Total Debt to GDP	63.7%	57.9%	51.9%	48.4%	46.6%
External Debt to GDP	47.7%	41.8%	39.5%	36.0%	33.8%
Domestic Debt to GDP	16.0%	16.1%	12.3%	12.4%	12.8%
Total Debt Service to Revenue	9.5%	31.8%	24.8%	13.7%	7.3%
Total External Debt Service to Revenue	6.7%	29.8%	23.7%	12.6%	6.3%
Total Domestic Debt Service to Revenue	2.8%	2.0%	1.1%	1.1%	1.1%
Total External Debt Service to Exports	2.5%	12.8%	12.4%	7.6%	3.5%
Total Public Debt Service to GDP	2.1%	7.1%	5.7%	3.4%	1.8%
(In millions of Guyana dollars, unless otherwise indicated)					
Memorandum Items:					
Total Public Debt	371,295.5	355,809.5	329,619.8	317,739.6	330,606.3
Total External Debt	277,833.7	256,994.1	251,182.1	236,046.2	240,034.6
Total Domestic Debt	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
Total Public Debt Service	12,314.2	43,405.2	36,100.5	22,149.0	13,019.6
Total External Debt Service	8,716.3	40,646.1	34,520.1	20,397.1	11,099.3
Total Domestic Debt Service	3,597.9	2,759.1	1,580.4	1,751.9	1,920.3
Gross Domestic Product at Current Purchaser Prices	582,657.0	614,130.0	635,262.0	656,485.0	709,663.0
GDP (US\$)	2,849.2	2,977.6	3,076.3	3,166.0	3,436.62
Total Current Revenue	130,228.6	136,494.8	145,725.8	161,710.2	177,289.0
Exports of Goods and Non-Factor Services	350,109.6	316,423.8	278,444.6	269,730.3	318,195.9
Exports (G & NFS) (US\$)	1,713.2	1,540.6	1,348.4	1,306.2	1,540.9
Guyana dollar/U.S. dollar (End of Period)	204.5	206.3	206.5	206.5	206.5
Guyana dollar/U.S. dollar (Period Average)	204.4	205.4	206.5	206.5	206.5

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

Appendix 17 - Risk Indicators for the period 2011 - 2016

Risk Indicators for the period 2011-2016

	2011	2012	2013	2014	2015	2016
Total Share of Short Term Debt to Total Debt	28.1%	23.7%	26.6%	22.5%	24.4%	24.6%
Total Share of Short Term Debt to Domestic Debt	94.0%	94.3%	95.6%	94.5%	94.8%	89.9%
Total Share of US dollar Debt to Total External Debt	77.8%	78.8%	76.4%	76.2%	75.9%	74.5%
Total Share of Foreign Currency Debt to Total Debt	70.2%	75.0%	72.3%	76.3%	74.4%	72.7%
Total Share of Floating Rate Debt to Total Debt	7.0%	7.2%	8.5%	10.0%	10.7%	10.8%
(In millions of Guyana dollars, unless otherwise indicated)						
Memorandum Items:						
Total Public Debt	350,575.1	371,295.5	355,809.5	329,619.8	317,739.6	330,606.3
Total External Debt	245,637.9	277,833.7	256,994.1	251,182.1	236,046.2	240,034.6
Total Domestic Debt	104,937.2	93,461.9	98,815.4	78,437.7	81,693.3	90,571.6
Short Term Debt	98,593.4	88,128.8	94,488.8	74,145.5	77,436.6	81,468.0
US dollar Debt	191,049.5	218,808.0	196,283.7	191,502.0	179,127.8	178,784.3
US dollar Debt (US\$ millions)	937.7	1,070.0	951.7	927.4	867.4	865.8
Foreign Currency Debt	246,129.8	278,289.9	257,418.9	251,572.3	236,385.8	240,353.9
Floating Rate Debt	24,691.7	26,580.5	30,342.5	32,955.5	33,963.7	35,652.68

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

Appendix 18 - Loans Contracted and Disbursed during the period May 26, 2015 to September 30, 2017

Creditors	Agreement Date	Loan Title	Currency	Loan Amount	Disbursements as at September 30, 2017	Committed Undisbursed Balance
MULTILATERAL						
International Development Association	December 29, 2015	UG Science and Technology Support	USD	3,664,000.00	3,708,970.96	1,384.10
	June 22, 2017	Guyana Payments System Project	USD	6,000,000.00	0.00	6,000,000.00
	June 22, 2017	Guyana Educaion Sector Improvement Project	USD	13,326,924.00	1,163,341.00	12,163,583.00
		Sub-total	USD	22,990,924.00	4,872,311.96	18,164,967.10
Caribbean Development Bank	May 26, 2015	Sugar Industry Mechanization Project (OCR)	USD	662,000.00	5,182.15	656,817.85
		Sugar Industry Mechanization Project (SFR)	USD	6,838,000.00	0.00	6,838,000.00
	May 23, 2017	Skills Development and Employability Project	USD	11,700,000.00	0.00	11,700,000.00
		Sub-total	USD	19,200,000.00	5,182.15	19,194,817.85
Inter-American Development Bank	February 21, 2017	Support to Improve Materal and Child Health (OCR)	USD	4,000,000.00	129,328.00	3,870,672.00
		Support to Improve Materal and Child Health (FSO)	USD	4,000,000.00	129,328.00	3,870,672.00
	February 21, 2017	Support for the Criminal Justice System (OCR)	USD	4,000,000.00	222,901.50	3,777,098.50
		Support for the Criminal Justice System (FSO)	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	125,000.00	7,375,000.00
		Sustainable Agricultural Development Program (FSO)	USD	7,500,000.00	125,000.00	7,375,000.00
	February 21, 2017	Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program (OCR)	USD	4,500,000.00	150,000.00	4,350,000.00
		Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program (FSO)	USD	4,500,000.00	150,000.00	4,350,000.00
	Sub-total	USD	40,000,000.00	1,254,459.00	38,745,541.00	
International Fund for Agricultural Development	March 21, 2017	Hinterland Environmentally Sustainable Agricultural Development 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
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
	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	47,244,972.00	4,699,595.00	42,545,377.00
		Sub-total	USD	47,244,972.00	4,699,595.00	42,545,377.00
TOTAL			USD	218,895,896.00	10,831,548.11	208,110,702.95

Source: Debt Management Division, Ministry of Finance