1. INTRODUCTION

The Debt Management Unit (DMU) was established in 2016 to minimize public debt management costs and borrowing in the long run. It promotes sustainable capacity for managing public debt and developing policies that respond to emerging debt issues. Public debt accumulates from government borrowing to finance recurrent and development operations. This quarterly Debt Bulletin covers central government and central government-guaranteed debt. All Government Bond holders are residents.

2. CENTRAL GOVERNMENT DEBT

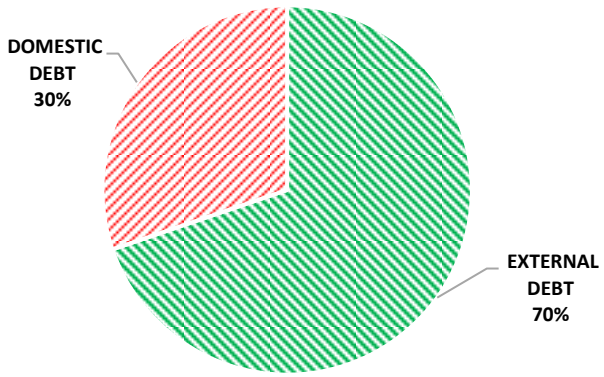
2.1 Total Public Debt

At the end of September 2024, total public debt was VUV 58 billion, equivalent to 44% of GDP[1]. The total amount outstanding comprised public external loans of VUV 39.8 billion, public domestic Bonds of VUV 16.6 billion, and Government Guarantees of VUV 1.9 billion. Continuous disbursement for external loans, domestic Bonds issuance, and depreciation of VATU against all the loan currencies were the main contributors to the increases.

Table 1. Government's Debt Flow and Stock (in VT million)

SEPTEMBER_2024				
	External Loans	*Domestic Bonds*	*Government Guarantees*	*Total Public Debt*
Drawdowns	*0*	*1,000*	*0*	*1,000*
Amortization	*641*	*1,046*	*3*	*1,690*
Interest payments	*136*	*369*	*NA*	*505*
Debt Stock Outstanding	*39,844*	*16,592*	*1,945*	**58,382**

Chart 2.1: Share of Total Public Debt as of September 2024



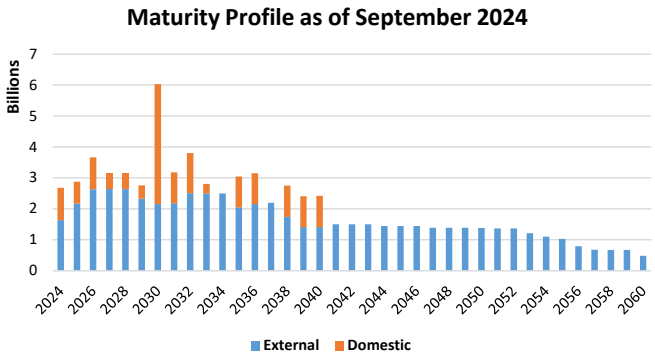
2.2 Total Disbursement

In this Quarter, the government drawdowns on both external loans and domestic bonds a total amount of VUV 1 billion.

2.3 Total Debt Service Payment

In this quarter, the total debt service was VUV 2.2 billion (Principal repayment VUV 1.7 billion/Interest Rate payment VUV 505 million).

2.4 Maturity Profile



3. EXTERNAL LOAN

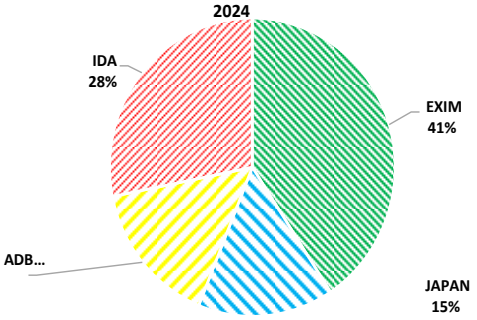
3.1 Total Public External Loan

The public external loan outstanding at the end of September 2024 was VUV 39.8 billion, equivalent to 30% of GDP.

3.2 Creditors Composition of External Loan

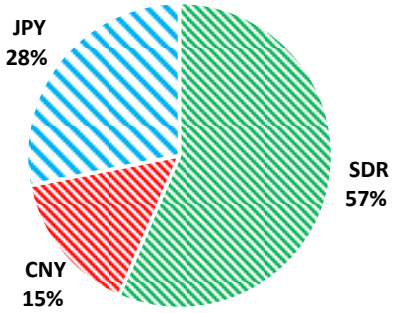
[1] Provisional: The 3rd Macroeconomic Committee (MEC) 2024 GDP Figures

Chart 3.2: % of External Debt Outstanding by creditors as at September 2024



3.3 Currency Composition of External Loans

Chart 3.3: External Debt Outstanding by Loan Currency (%) as at September 2024



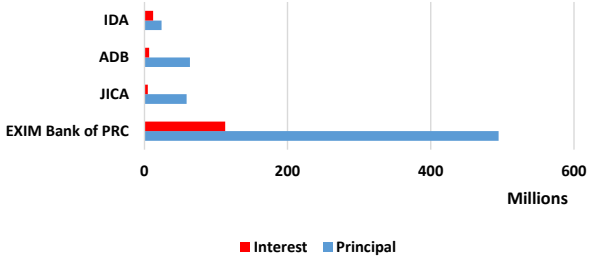
3.4 Disbursement of external loans

The total loan Disbursements in this quarter amount to VUV 0 million.

3.5 Debt Service payment of external loans

The total External Debt service in this quarter amounts to VUV 777 million. This figure includes principal repayments amounting to VUV 641 million and interest rate payments amounting to VUV 136 million. As shown below (Graph 3.5): EXIM Bank of PRC, ADB, and IDA are the creditors that the Government repaid some of its outstanding Principal this quarter.

Graph 3.5 : Debt Service Payment of External Loan (Million of VATU) September 2024



3.6 New Loan Contracted during the quarter

During this quarter, the government has not contracted any new external loans.

4. DOMESTIC BOND

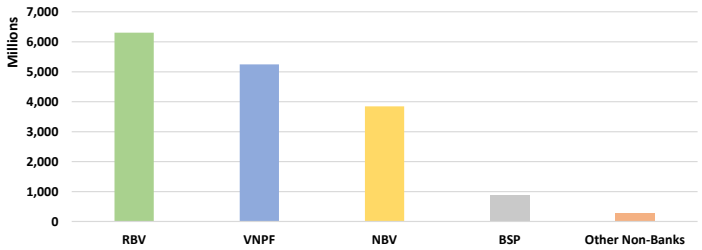
4.1 Total Public Domestic Bond

The total Public domestic bond outstanding at the end of September 2024 was VUV 16.6 billion, equivalent to 13% of GDP.

4.2 Creditors Composition of Domestic Bond

VNPF (32%) and RBV (38%) are the bondholders in the Domestic Debt portfolio. There are also other smallholders comprised of commercial banks and other non-banks as shown in Graph 3.2 below

Graph 4.2: Domestic Bond Outstanding by creditors as at September 2024



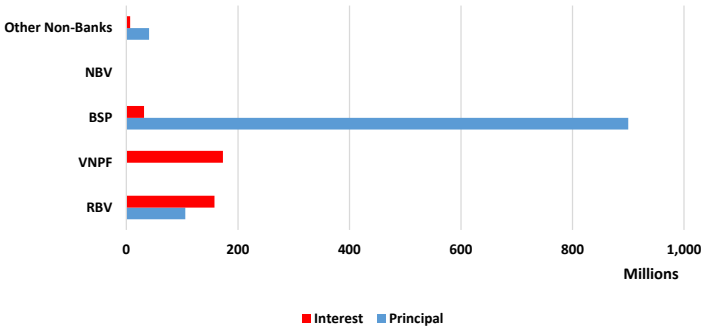
4.3 Issuance of Domestic Bond

The government has issued VUV 1 billion in the domestic market in this quarter of 2024.

4.4 Debt Service Payment of Domestic Bond

The Government has redeemed VUV 1042 million worth of Domestic Bond and paid interest payments amounting to VUV 369 million.

Graph 4.4: Debt Service Payment of Domestic Bond September 2024



5. GOVERNMENT GUARANTEES

The Government has guaranteed loans for some Government Business Enterprise Units and an intergovernmental authority.

The total outstanding Government Guarantees at the end of September 2024 was VT 1.9 billion

Chart 5.1: Government Guarantees Outstanding by Creditors (%): Sept 2024

