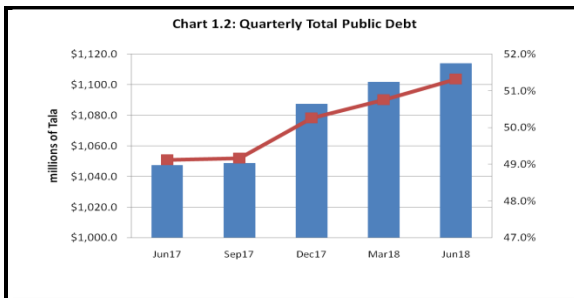
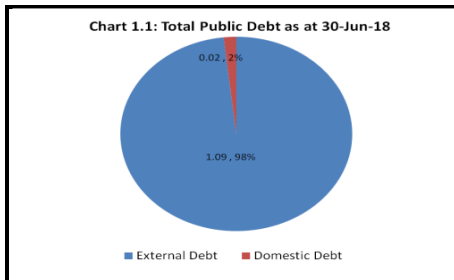


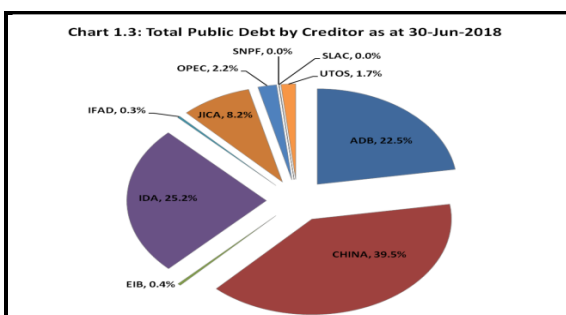


1. TOTAL PUBLIC DEBT

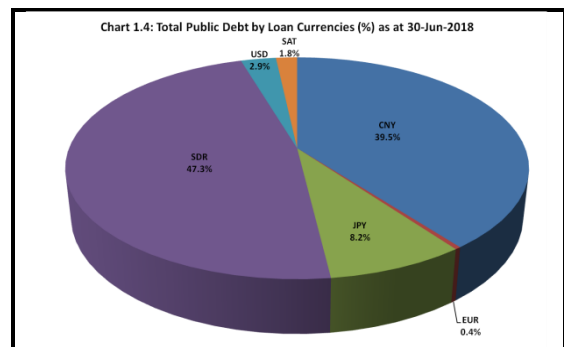
1.1 Total public debt as at end of June 2018 was SAT1.11 billion, equivalent to 50.3% of GDP¹. The total amount outstanding comprised of public external debt of SAT 1.09 billion and public domestic debt of SAT 0.02 billion. Total public debt increased by 1.1% and by 6.3% when compared to March 2018 and June 2017 quarters respectively. Continuous disbursements of external loan funded programs and depreciation of the Tala against the main the loan currencies were the main contributors to the increases.



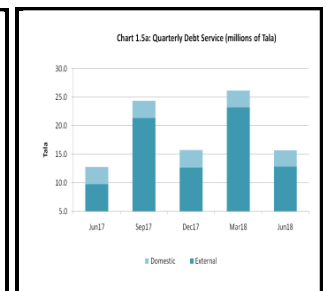
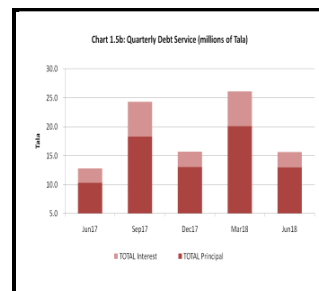
1.2 Creditors Composition: Chart 1.3: The three main creditors in the portfolio are EXIM Bank of PRC (39.5%), IDA (25.2%) and ADB (22.5%). The other creditors are JICA (8.2%), OPEC (2.2%), and UTOS (1.7%) with IFAD, EIB, SLAC and SNPF with less than 1%.



1.3 Loan Currency Composition: Chart 1.4: The SDR (47.3%) and CNY (39.5%) are the main loan currencies. The total public debt is 98.0% denominated in foreign currency and 2.0% denominated in Tala.



1.4 Total Debt Service for June 2018 quarter was SAT 15.7million (external debt service SAT12.8m/domestic debt service SAT2.8m). The amount for the quarter decreased by 40.1% when compared to March 2018 quarter but increased by 22.5% when compared to June 2017 quarter.

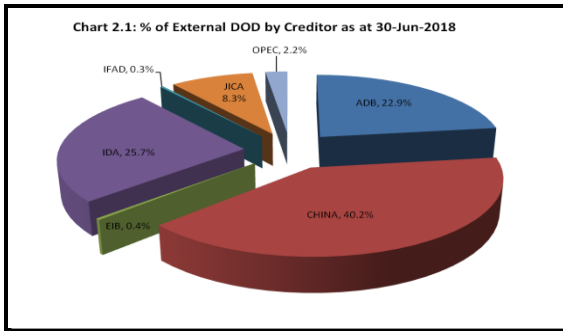


2. PUBLIC EXTERNAL DEBT

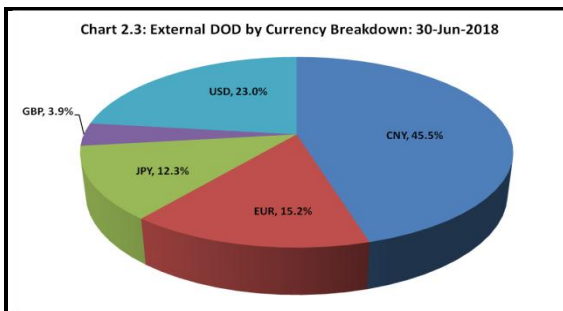
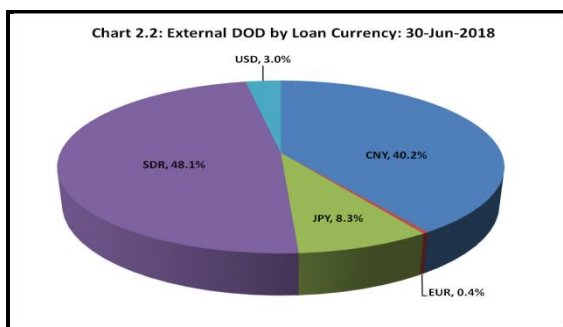
2.0 Total public external debt outstanding at the end of June 2018 was SAT 1.09 billion (51% multilateral creditors and 49% bilateral creditors). The outstanding amount increased by 1.3% and by 7.5% when compared to March 2018 and June 2017 quarters respectively.

2.1 Creditors Composition of the public external debt portfolio (Chart 2.1) shows that the EXIM Bank of PRC (40.2%), IDA (25.7%) and ADB (22.9%) are the main creditors in the external debt portfolio.

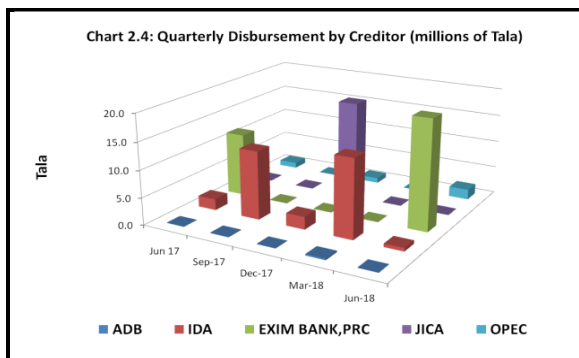
¹ SBS GFS June 2018



2.2 Currency Composition of the public external debt at the end of June 2018 shows that SDR² (48.1%) was the main loan currency (Chart 2.2). The currency breakdown (Chart 2.3) shows the external debt in foreign currencies composition in CNY (45.5%), USD (23.0%), EUR (15.2%), JPY (12.3%) and GBP (3.9%).



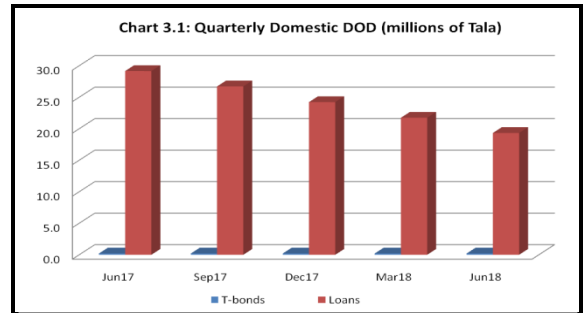
2.3 Total Disbursements for external debt during the quarter was SAT33.5 million, of which pertained to the EXIM Bank of China-Faleolo Airport Upgrade, IDA-SACEP, and OPEC-Petroleum Bulk Storage Facilities Project (Chart 2.4).



² Special Drawing Rights - USD 41.73%, Euro-30.93%, CNY 10.92%, JPY-8.33% and GBP-8.09%

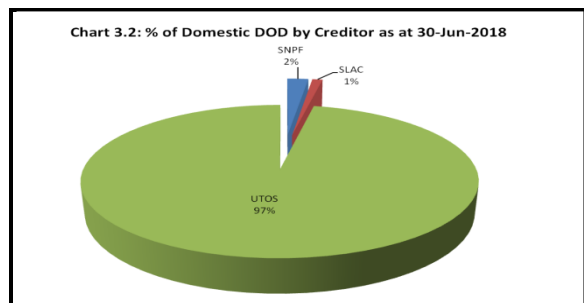
3. PUBLIC DOMESTIC DEBT

3.0 Public domestic debt outstanding at the end of June 2018 quarter was SAT19.5million, decreased by 11.0% and 33.5% when compared to March 2018 and June 2017 quarters respectively. The composition of public domestic debt by instrument was 99.0% (SAT19.3 million) Government loans and 1.0% (SAT0.2 million) Government bonds (Chart 3.1).



3.1 Creditors Composition (Chart 3.2) of the public domestic debt portfolio at the end of the quarter shows UTOS (96.9%), SNPF (2.1%), and SLAC (1.0%). SLAC is also the holder of the outstanding Government T-bond.

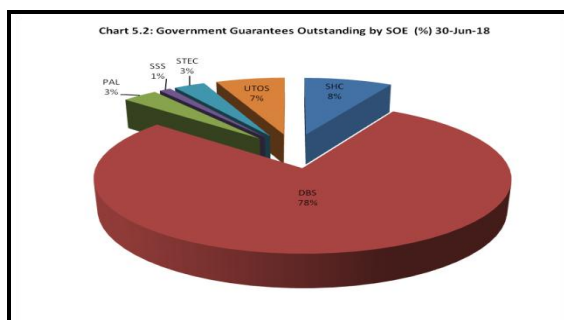
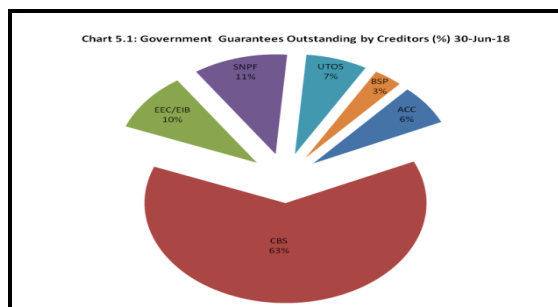
3.2 Currency composition of the domestic debt portfolio is 100% denominated in Tala.



5. GOVERNMENT GUARANTEES AND ON-LENDING

The total Government onlending outstanding at the end of June 2018 was SAT 204.0 million. The amount increased by 4.9% and 24.2% when compared to March 2018 and June 2017 quarters respectively. The increases were due to disbursements for the ongoing EPC PSEP and SSCC submarine cable project. The Government on-lent to DBS (1.4%), UTOS (3.1%) SSCC (27.1%), and EPC (68.4%).

The total Government guarantees outstanding at end of June 2018 was SAT 153.9 million, decreased by 1% when compared to March 2018 and decreased by 8.3% when compared to June 2017. The composition of outstanding Government guarantees is depicted in Chart 5.1 and Chart 5.2.



5. COST AND RISK INDICATORS

Table 1.1: Cost and Risk Indicators for Total Public Debt 30 June 2018

Risk Indicators		External Debt	Domestic Debt	Total Debt
Amount (in billions of SAT)		1.09	0.02	1.11
Nominal debt as % GDP		49.5%	0.9%	50.3%
Cost of debt	Av. IR (%)	1.5%	8.4%	1.6%
Refinancing risk	ATM (years)	10.2	1.9	10.0
	Debt maturing in 1yr (% of total)	5.1%	44.2%	5.8%
Interest rate risk	ATR (years)	10.2	1.9	10.0
	Debt refixing in 1yr (% of total)	5.1%	44.2%	5.8%
	Fixed rate debt (% of total)	100%	100%	100%
FX risk	FX debt (% of total debt)	100%	-	98.2%
	ST FX debt (% of reserves)	15.3%	-	15.3%

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

Cost of the existing debt is the average interest rate of 1.6% per annum, mainly driven by highly concessional interest external borrowing from multilateral banks.

Refinancing risk is lower in the portfolio, with longer ATM at 10 years and 5.8% of the total debt to mature in 1 year.

Interest rate risk exposure is minimal as the total debt portfolio is on fixed interest rate. Total debt with interest rate to re-fix in 1 year is about 5.8% and longer ATR of 10 years.

Foreign currency risk is the main risk in the portfolio, with 98.2% of the total public debt portfolio denominated in foreign currency. Short term foreign currency denominated debt-matured in 1 year is about 15.3% of foreign reserves at the end of the period.

6. Debt Statistics

Table 6.1: Summary of Debt Ratio

Particulars	30-Jun-17	31-Mar-18	30-Jun-18	Qtrly change	YTD change
Total Public Debt (SAT)	1.05	1.10	1.11	1.1%	6.3%
External Debt	1.02	1.08	1.09	1.3%	7.5%
Domestic Debt	0.03	0.02	0.02	-11.0%	-33.5%
Total Public Debt to GDP (%)	49.1%	50.8%	50.3%	-0.8%	2.5%
External Debt to GDP	47.7%	49.7%	49.5%	-0.6%	3.6%
Domestic Debt to GDP	1.4%	1.0%	0.9%	-12.7%	-35.9%
Total Debt Service (SAT)	12.8	26.1	15.7	-40.1%	22.5%
External	9.8	23.2	12.8	-44.7%	31.2%
Domestic	3.0	3.0	2.8	-3.9%	-6.0%
Principal	10.3	20.1	13.0	-35.3%	25.8%
Interest	2.5	6.0	2.7	-55.8%	8.6%
External Debt by Creditor(SAT)					
Multilateral	534.5	567.9	563.0	-6.7%	5.1%
ADB	256.1	256.0	250.6	-2.1%	-2.2%
EIB	4.3	4.4	4.0	-9.7%	-8.6%
IDA	247.4	281.3	281.0	-0.1%	13.6%
IFAD	3.5	3.4	3.4	0.0%	-1.4%
OPEC	23.2	22.8	24.0	5.2%	3.6%
Bilateral	483.5	511.8	531.3	2.5%	31.4%
EXIM Bank (China)	410.0	417.9	440.1	5.3%	7.3%
JICA	73.5	93.9	91.2	-2.8%	24.1%
Domestic Debt by Creditor(SAT)					
SLAC	0.2	0.2	0.2	0.0%	0.0%
SNPF	1.3	0.5	0.4	-20.6%	-67.8%
UTOS	27.9	21.2	18.9	-10.9%	-32.1%
External Debt by Loan Currency (SAT)					
% in CNY	40.3%	38.7%	40.2%	3.9%	-0.1%
% in SDR	48.9%	49.3%	48.1%	-2.4%	-1.6%
% in USD	3.2%	2.9%	3.0%	3.2%	-6.1%
% EURO	0.4%	0.4%	0.4%	-10.9%	-15.0%
% JPY	7.2%	8.7%	8.3%	-4.1%	15.4%
Government Guarantees (SAT)	167.9*	155.5*	153.9	-1.0%	-8.3%
Government On-lending (SAT)	164.3*	194.5*	204.0	4.9%	24.2%

Table 6.2: Terms of Government Borrowings

Creditor	Interest rate %	Commitment fees (c)/ service fees (s)/ management fee	Grace Period (GP)	Maturity (including GP)
ADB	1% during GP & 1.5% thereafter p.a /fixed	-	8yrs	32yrs
EIB	0.75% average. p.a./fixed	-	10yrs	40yrs
IDA	0.75% p.a./fixed	-	10yrs	40yrs
IFAD	1% p.a./fixed	-	10yrs	50yrs
JICA	0.45% p.a./fixed	0.1% (c) p.a.	10yrs	30yrs
OPEC	3.98% average p.a./fixed	1% (s) p.a.	5yrs	20yrs
PRC EximBank	2% p.a./fixed	0.67% av.(c)/0.67% av. (m)	5yrs	20yrs
SLAC	7% p.a./fixed	-	14yrs	15yrs
SNPF	11% p.a./fixed	-	1yr	20yrs
UTOS	8.2% average p.a./fixed	-	1yr	7.7yrs

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