



**GOVERNMENT OF SAINT LUCIA
P R O S P E C T U S**

5-Year, 6-Year and 7-Year Zero-coupon Government Bonds

– USD 250,000 and USD 300,000

**Ministry of Finance
Finance Administrative Centre
Pointe Seraphine,
Castries
SAINT LUCIA**

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PROSPECTUS DATE: July 15, 2020



NOTICE TO INVESTORS

This information Memorandum is designed to provide information to investors of the Government of Saint Lucia instruments. The Government of Saint Lucia (GOSL) accepts full responsibility for the accuracy of the information given and confirms having made all reasonable inquiries that to the best of its knowledge and belief there are no other facts, the omission of which would make any statement in this memorandum misleading.

The ultimate decision and responsibility to proceed with any transaction with respect to this offering rests solely with you. Therefore, prior to entering into the proposed investment, you should determine the economic risks and merits, as well as the legal, tax and accounting characteristics and consequences of these security offerings, and that you are able to assume those risks.

This memorandum and its content are issued for the specific government issues described herein. Should you need advice, consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government instruments or other securities.

ABSTRACT

The Government of Saint Lucia will issue 5-yr/6-yr/7-yr zero-coupon Government Bonds to prospective investors/applicants under the Citizenship by Investment Program (CIP). The Government of Saint Lucia shall be the registrar and paying agent for the securities. The amount of the investment will depend on the whether the investor is applying alone, with a spouse or otherwise as offered under the CIP.

The bond will be issued under the authority of the National Savings Development Bonds Act (Amendment) Section 3, Cap. 15.25, and by a resolution of Parliament No. 110 of July 6th 2020, which authorized the Minister for Finance to borrow monies for public uses of the state by the issue of securities.

The principal repayments are a direct charge to the Consolidated Fund.

I. GENERAL INFORMATION

Issuer: The Government of the Saint Lucia (GOSL)

Address: The Ministry of Finance, Economic Development, Growth
Job Creation, Public Service and External Affairs
Finance Administrative Centre
Pointe Seraphine, Castries
Saint Lucia (West Indies)

Email: debt.investment@govt.lc
Telephone No.: 1-758-468-5500/1, 468-5536, 468-3901
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Contact persons:

Ms. Esther Rigobert, Director of Finance (Ag.)
Mrs. Vera John-Emmanuel Deputy Director of Finance
(Debt & Investment)
Ms. Adria Sonson, Accountant General

Purpose of Issues: The security will be issued to assist with 2020/2021 debt re-financing

Amount of Issues: USD250,000 and USD300,000

Legislative Authority: The Bonds are being issued under the authority of :
1. The National Savings and Development Bonds (Amendment Act), Chapter 15.25 of 2005 and by resolution of Parliament No 110 of July 6th 2020.
2. The Citizenship by Investment (Amendment) Regulations No. 73 of 2020

Currency: United States Dollars (USD) unless otherwise stated.

Minimum Bid: USD 250,000

II. INFORMATION ABOUT THE ISSUE

Government of Saint Lucia 5-year, 6-year and 7-year Bond

Size of Issues: 250,000 and 300,000 United States Dollars

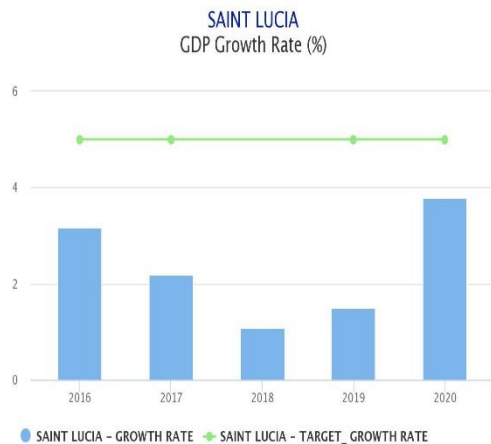
The minimum sums for participation is USD 250,000 and USD 300,000 for a family up to five (5) persons including the primary applicant and USD 15,000 for each additional qualifying dependent above the family of five (5).

Interest Rate:	Zero Interest
Tenor:	5 years, 6 years and 7 years
Issue Dates:	12th May, 2020 pursuant to the Citizenship by Investment (Amendment) Regulations No. 73 of 2020
Maturity Dates:	2025 (5 -year bond), 2026 (6 -year bond), 2027 (7 -year bond) The specific date in the year will be determined by the date which the investor purchased the Bond in accordance with their Bond Certificate issue date
Principal Payment:	The Principal will be repaid at maturity in, 2025 (5-year bond), 2026 (6-year bond) or 2027 (7-year bond) The Government of Saint Lucia is registrar and paying agent for the securities

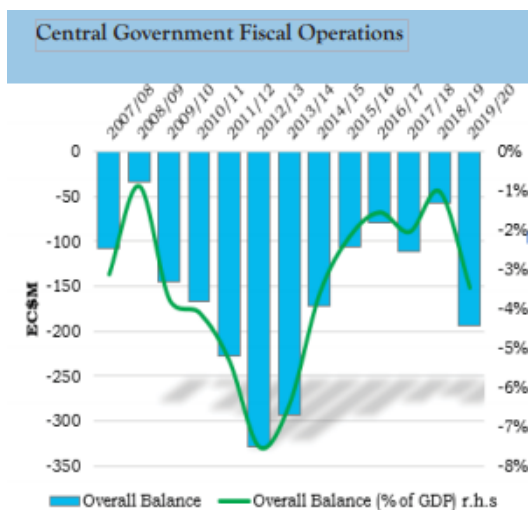
III. MACRO-ECONOMIC PERFORMANCE

During 2019, activity in the domestic economy continued to be influenced by the performance of the tourism sector, the key source of foreign exchange and employment. Preliminary estimates suggest that notwithstanding positive growth, real GDP growth slowed from 2.6 percent in 2018 to 1.7 percent in 2019. GDP growth in 2019 was driven by expansions in tourism, manufacturing and transport. However, this performance was tempered by declines in wholesale & retail, construction and agriculture.

Inflationary pressures within the domestic economy eased during the year relative to 2018, partly owing to comparatively lower global oil prices. Saint Lucia recorded inflation below that of its regional peers, as evidenced by a slowing of the percentage change in the monthly average of the consumer price index (CPI), from 2.6 percent in 2018 to 0.5 percent in 2019.



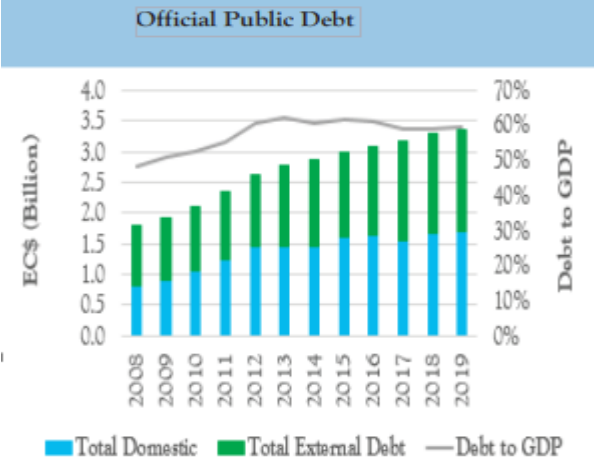
Preliminary data indicate that the central government’s fiscal position deteriorated in fiscal year 2019/20. The overall fiscal deficit increased from \$57.3 million (1.0 percent of GDP) in 2018/19 to \$193.8 million (3.5 percent of GDP).



IV. DEBT ANALYSIS

As at March 2020, the total stock of Central Government Debt outstanding increased by less than 1 percent to EC\$3,190.6M (excluding accounts payable) when compared to the same period in 2019. The existing debt portfolio is composed of 50.8 percent domestic and 49.2 percent of external debt. Domestic debt showed an increase of EC \$73.8M in Treasury Bills and an overall decrease of EC \$29.1 million in Bonds and Notes held by residents when compared to March 2019.

The largest component of domestic debt comprises Bonds and Notes with maturities of 2 to 10 years and a 15-year Bond. The stock of external debt increased by less than 0.5 percent from EC\$ 1,607.9M at end 2018/2019 to EC \$1, 615.8M in 2019/2020 contributed mainly by a decrease of EC\$ 22.8M in the Treasury Bills external debt stock and a net decrease in external bonds of EC\$ 16.8M. The external debt portfolio primarily consists of loans from multilateral sources (34.9 percent) of the total external debt, and 7.9 percent from bilateral sources.



Below is a summary of the public debt composition and risk indicators from March 2019 to March 2020.

Quarterly Debt Statistics March 2019 – March 2020

Particulars	March 2019	June 2019	September 2019	December 2019	March 2020	Qtrly change %	Yrly Change %
Total Public Debt (ECD)	3,354.60	3,303.20	3,353.73	3,417.58	3,383.47	▼-1.00	▲0.86
External Debt	1,643.70	1,626.67	1,647.84	1,689.65	1,664.96	▼-1.46	▲1.29
Domestic Debt	1,710.90	1,676.53	1,705.89	1,727.93	1,718.52	▼-0.54	▲0.45
Central Government Debt (ECD)	3,160.80	3,105.73	3,169.78	3,224.73	3,190.65	▼-1.06	▲0.94
External Debt	1,607.87	1,588.49	1,612.04	1,640.52	1,615.84	▼-1.50	▲0.50
Domestic Debt	1,552.92	1,517.24	1,557.74	1,584.22	1,574.81	▼-0.59	▲1.41
Contingent Liabilities (ECD)	193.83	197.47	182.10	192.82	192.82	▲0.00	▼-0.52
External Debt	35.86	38.18	37.82	49.12	49.12	▲0.00	▲36.96
Domestic Debt	157.97	159.29	144.28	143.70	143.70	▲0.00	▼-9.03
External Debt by Instrument (ECD)							
Loans	648.42	646.16	671.72	704.97	695.98	▼-1.27	▲7.34
Bonds	740.39	739.35	740.80	733.15	723.60	▼-1.30	▼-2.27
Treasury Bills	219.06	202.98	199.52	202.40	196.26	▼-3.04	▼-10.41
Domestic Debt by Instrument (ECD)							
Loans	243.06	234.31	229.44	220.25	220.25	▲0.00	▼-9.38
Bonds	1,233.35	1,212.70	1,208.35	1,222.58	1,204.29	▼-1.50	▼-2.36
Treasury Bills	76.51	70.24	119.94	141.38	150.26	▲6.28	▲96.40
Foreign Currency Risk (%)							
% of debt in Local Currency ECD	60.31	59.99	59.90	59.77	60.30	▲0.88	▼-0.03
% of debt in USD	31.88	32.16	32.53	32.81	32.25	▼-1.70	▲1.17
% of debt in EUR	0.27	0.24	0.23	0.20	0.20	▲0.93	▼-25.74
% of debt in KWD	0.58	0.55	0.54	0.48	0.49	▲1.01	▼-15.94
% of debt in SDR	6.96	7.07	6.80	6.74	6.76	▲0.38	▼-2.79
Total Debt Service (ECD)							
External	193.80	140.80	175.70	135.10	138.50	▲2.52	▼-28.53
Domestic	133.17	87.30	149.70	120.80	131.20	▲8.61	▼-1.48
Interest	44.07	35.20	45.40	36.50	43.50	▲19.18	▼-1.29
Principal	282.90	192.90	280.00	219.40	226.20	▲3.10	▼-20.04
Interest Rate Structure (%)							
Fixed Rate	95.68	93.77	92.89	92.11	92.80	▲0.75	▼-3.01
Variable Rate	3.77	5.68	6.70	7.62	6.92	▼-9.19	▲83.55
Interest Free	0.55	0.56	0.42	0.28	0.28	▼-0.03	▼-49.09
Risk Indicators							
ATM (Years)	4.87	4.95	5.13	5.13	4.81	▼-6.29	▼-1.23
Maturing in 1 year (%)	23.90	22.98	18.52	18.24	28.94	▲58.66	▲21.09
ATR (Years)	4.38	4.49	4.08	5.13	4.81	▼-6.15	▲9.82
WACD (%)	5.30	5.26	5.21	5.16	5.16	▲0.00	▼-2.64

V. The Redemption of Bond at Maturity of Holding Period shall be as follows:

1. The redemption of the Bond can be transacted by the citizen, an authorized agent or any other representative so selected by the citizen.
2. If the citizen uses a representative, that representative of the citizen must have a notarized letter of authorization.
3. The Original Bond Certificate is to be presented to the Accountant General's Office in Saint Lucia.
4. The detailed banking information of the citizen is to be provided for deposit of funds