



Government of Antigua and Barbuda

**ADDENDUM 5 – 11 October 2018
Government of Antigua and Barbuda**

Prospectus

**2018 RGSM Issuance Programme
for the Period January through December**

**180-day and 365-day EC\$ Treasury Bills
10-year EC\$ Bond**

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The Prospectus has been drawn up in accordance with the rules of the Regional Government Securities Market (RGSM). The Regional Debt Coordinating Committee and Eastern Caribbean Central Bank accept no responsibility for the content of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus.

This prospectus is issued for the purpose of giving information to the public interested in investing in Government of Antigua and Barbuda Bills and Bonds. The Government of Antigua and Barbuda 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 the Prospectus misleading. If you are in doubt about the contents of this document or need financial or investment advice you should 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.



Antigua and Barbuda Prospectus

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Notice to Investors

This Prospectus is issued for the purpose of giving information to the public and investors interested in purchasing Treasury bills, notes and bonds issued by the Government of Antigua and Barbuda through the RGSM. The Government of Antigua and Barbuda 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 Prospectus misleading.

Statements contained in this Prospectus describing documents are provided in summary form only, and such documents are qualified in their entirety by reference to such documents. The ultimate decision and responsibility to proceed with any transaction or investment with respect to this offering rests solely with you as an investor. 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 this Securities offering, and that you are able to assume those risks.

This Prospectus and its content are issued for the specific Securities issues described herein. Investors are strongly encouraged to seek consultation from a person qualified and licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government securities.

Abstract

The Government of Antigua and Barbuda (hereafter referred to as GoAB) is offering to raise financing through a series of issues on the RGSM between January and December of 2018. The GoAB's 2018 RGSM Issuance Programme is detailed in this Prospectus for consideration of investors and market participants in general.

Purpose of Addendum

The purpose of this addendum is to amend two of the upcoming auctions. The Government of Antigua and Barbuda maintains the option to take up to an additional EC\$5 million on each issue, in the event of an over subscription.

- 1. The 365-day Treasury Bill now scheduled for November 12, 2018 will be changed to November 13, 2018. And*
- 2. The 180-day Treasury Bill now scheduled for December 3, 2018 will be changed to December 4, 2018.*

ECSE Symbol	Instrument	Amount	Tenor	Auction Date
AGB090319	T-Bill	EC\$20 million	365-day	8-Mar-18
AGG100428	T-Bond	EC\$10 million	10 years	20-Apr-18
AGB010519	T-Bill	EC\$20 million	365-day	30-Apr-18
AGB191118	T-Bill	EC\$20 million	180-day	22-May-18
AGB021218	T-Bill	EC\$20 million	180-day	4-Jun-18
AGB190719	T-Bill	EC\$15 million	365-day	18-Jul-18
AGB240819	T-Bill	EC\$20 million	365-day	23-Aug-18
AGB261019	T-Bill	EC\$20 million	365-day	25-Oct-18
AGB141119	T-Bill	EC\$15 million	365-day	13-Nov-18
AGB200519	T-Bill	EC\$20 million	180-day	20-Nov-18
AGB030619	T-Bill	EC\$20 million	180-day	4-Dec-18

In the event there is an oversubscription, the GoAB is willing to accept up to an additional five million Eastern Caribbean Dollars (EC\$5m) of the oversubscription amount issued in each of the issues.

The securities are being offered to refinance maturing RGSM securities, assist with the Government's short-term cash flow management requirements and facilitate ongoing liability management operations to lower the public sector's interest burden. The proceeds will also be used to finance government infrastructure programme.

The securities will be issued under the authority of the Treasury Bills Act (2005) and the Finance Administration Act (2006). The securities will be governed under the laws of Antigua and Barbuda.

Bidding for the securities will open at 9:00 a.m. and will close at 12:00 noon. Settlement for successful bids will take place on the following business day after each auction.

Issuer Information

Issuer.....	The Government of Antigua and Barbuda (GoAB)
..	
Address.....	Ministry of Finance and Corporate Governance
...	Government Office Complex Parliament Drive St. John's Antigua and Barbuda
Email.....	atgdebt@ab.gov.ag
Telephone No.....	1 (268) 462-2469 or 1 (268) 462-5002
Facsimile No.....	1 (268) 462-5093/1622
	Contact Officials:
	Mr. Whitfield Harris, Financial Secretary – whitfield.harris@ab.gov.ag
	Mrs. Rasona Davis-Crump, Deputy Financial Secretary – rasona.davis@ab.gov.ag
	Mrs. Nadia Spencer-Henry, Debt Manager – nadia.spencer-henry@ab.gov.ag
	Dr. Cleopatra Gittens, Accountant General – cleopatra.gittens@ab.gov.ag
Arrangers.....	First Citizens Investment Services Ltd.
Address.....	First Citizens Investment Services Ltd. John Compton Highway Sans Souci Castries St Lucia
Telephone No.....	1-758-450-2662/ 1-758-458-6375
Facsimile No.....	1-758-451-7894
Date of Publication.....	July 2018
Purpose of the Issues.....	GoAB intends to use the net cash proceeds of the offerings to refinance maturing RGSM securities, assist in the management of the Government's short-term cash flow requirements and facilitate ongoing proactive liability management operations to lower the Government's interest burden. The proceeds will also be used to finance government's infrastructure programme.
Legislative Authority.....	Finance Administration Act (2006) and the Treasury Bills Act (2005), copies of which are available on the Government of Antigua and Barbuda's official website (www.ab.gov.ag)
Intermediaries.....	A complete list of Licensed Intermediaries who are members of the Eastern Caribbean Securities Exchange (ECSE) is available in Appendix I

Taxation.....	Yields will not be subject to any tax, duty or levy by the Participating Governments of the Eastern Caribbean Currency Union (ECCU). The countries are Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Lucia, St Kitts and Nevis and St Vincent and the Grenadines.
...	
Reference Currency.....	Eastern Caribbean Dollars (EC\$) for the T-bills
Listing and Admission to Trading...	The securities will be listed on the ECSE and will be available for trading on the secondary market using the platform of the ECSE.
Fiscal and Paying Agent.....	Eastern Caribbean Central Securities Registry (ECCSR)
Governing Law.....	The Regional Securities will be governed by the laws of Antigua and Barbuda

Information About the Securities

1. GoAB proposes to auction the securities on the RGSM and to have them listed on the ECSE platform.
2. The auction dates are listed in the table below
3. The instruments' will settle as listed in the table below
4. The instruments' maturity dates are listed in the table below
5. The securities will be identified by the trading symbols listed below

ECSE Symbol	Issue	Amount	Interest Rate	Tenor	Auction Date	Settlement Date	Maturity Date
AGB090319	T-Bill	EC\$20 million	5.5%	365-day	8 Mar 18	9 Mar 18	9 Mar 19
AGG100428	T-Bond	EC\$10 million	7.5%	10-year	20 Apr 18	23 Apr 18	23 Apr 28
AGB010519	T-Bill	EC\$20 million	5.5%	365-day	2 May 18	3 May 18	3 May 19
AGB191118	T-Bill	EC\$20 million	5%	180-day	22 May 18	23 May 18	19 Nov 18
AGB021218	T-Bill	EC\$20 million	5%	180-day	4 Jun 18	5 Jun 18	2 Dec 18
AGB190719	T-Bill	EC\$15 million	5.5%	365-day	18 Jul 18	19 Jul 18	19 Jul 19
AGB240819	T-Bill	EC\$20 million	5.5%	365-day	23 Aug 18	24 Aug 18	24 Aug 19
AGB261019	T-Bill	EC\$20 million	5.5%	365-day	25 Oct 18	26 Oct 18	26 Oct 19
AGB141119	T-Bill	EC\$15 million	5.5%	365-day	13 Nov 18	14 Nov 18	14 Nov 19
AGB200519	T-Bill	EC\$20 million	5%	180-day	20 Nov 18	21 Nov 18	20 May 19
AGB030619	T-Bill	EC\$20 million	5%	180-day	4 Dec 18	5 Dec 18	3 Jun 19

6. The interest payments for each security will be made as follows:
 1. At maturity for the T-bills.
 2. Semi-annually for the EC\$ T-Bond.
7. Principal repayments for each security will be made as follows:
 1. At maturity for the T-bills
 2. Bullet payment at maturity.
8. Each investor is allowed one (1) bid in each respective series with the option of increasing the amount being tendered until the close of the bidding period.
9. The minimum bid amount is EC\$5,000 for EC\$ T-bills.
10. The minimum bid amount is EC\$5,000 for EC\$ Bonds.
11. The Bid Multiplier will be set at EC\$1,000 for EC\$T-Bills
12. The Bid Multiplier will be set at EC\$1,000 for EC\$ Bonds.
13. The bidding period will be opened from 9 a.m. to 12 noon for EC\$ instruments on auction dates.
14. The price of the issue will be determined by Competitive Uniform Price Auction.

15. The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries that are members of the ECSE, is as follows:

St. Kitts Nevis Anguilla National Bank Limited

The Bank of Nevis Limited

Bank of St. Vincent and the Grenadines Limited

First Citizens Investment Services Limited – St. Lucia

Bank of St Lucia Limited

Grenada Co-operative Bank Limited

Economic Performance

The economy of Antigua and Barbuda continues to experience growth as the country embarks on numerous infrastructural development projects in the public and private sectors. Noteworthy development projects include the Road Rehabilitation and Reconstruction Projects across the main highways and in residential areas, St. John's Port Modernization Project, the Low Income Government Housing Project. Private Investment Projects include the Hodges Bay Club Resort and Spa, Royalton, Best Western Premier and the Yida project.

Road works on the Friars Hill Road and the Sir George Walter Highway are being implemented in two (2) phases. Upon completion approximately 18 miles of road would have been reconstructed in a more resilient manner. Further, preparatory works associated with the US\$90 million Port Modernization Project has commenced and works will continue into 2019 as the Government seeks to transform the Deep Water Harbour into a state-of-the-art transshipment port.

Recovery efforts from Hurricanes Irma and Maria are still on the way in Barbuda. Barbudans have returned home to assist in the recovery process. Activities such as road works, reconstruction of buildings (homes, schools, etc.), and utility services are underway as efforts are being put in place to restore the sister island. The National Office of Disaster Services continues to work along closely with the relevant authorities in Barbuda as they serve as the intermediary for agencies who have provided assistance for the reconstruction of the island. Meanwhile, the National Housing Project continues to construct two, three and four bedroom homes in key areas for the individuals in the society. To date, over 300 homes have been built with approximately 50 homes sold to homeowners in the Dredge Bay Area. Other sites such as Denfields and Paynters are still under construction with varying levels of completion; construction of these homes will continue and there are plans for expansion in other areas.

Antigua and Barbuda is expected to increase its hotel room stock by over 1,500 rooms through new hotel projects. Projects such as the Royalton Hotel, the Hodges Bay Resort and Spa, the Best Western Premiere, and the Yida Villa Development have commenced construction and will continue construction through 2019. Other hotel projects include the Callaloo Cay, Marriott, Valley Church Beach Hotel, Paradise Found, PLH Hotel and the new Half Moon Bay Hotel.

Debt Analysis

As at August 2018, the public sector debt for Antigua and Barbuda totaled EC\$3,116.36m (71.06 per cent of GDP). The amount includes debt to domestic creditors totaling EC\$1,678.94m and debt to external creditors totaling EC\$1,437.42m. Securities listed on the market account for 21.90 per cent of the Government's Total Debt or EC\$682.55m.

On the external side the government has relied on financing from the Caribbean Development Bank and the Peoples Republic of China (Exim Bank of China). Both creditors account for 47.25 per cent of the external portfolio. The external portfolio also includes debt to Paris Club Creditors including France, United States of America, the United Kingdom, Brazil, the Netherlands and Japan and debts to commercial creditors and other multilateral agencies. The loans to Paris Club Creditors total EC\$328.57m while the debt to Multilateral Agencies total EC\$347.50m. The Government has one commercial creditor in Credit Suisse and the amount that is outstanding is EC\$39.88m. Loans from the Kuwait Fund for Economic Development total EC\$50.73m.

Current Issues of Government Securities

Trading Symbol	Issue Date	Original Amount Issued	Outstanding Amount	Coupon (p.a.)	Tenor	Maturity Date
EC\$ RGSM Treasury Bonds						
AGG100721	29-Jul-11	EC\$5,530,000	EC\$4,424,000	7.75%	10-year	29-Jul-21
AGG051218	17-Dec-13	EC\$15,040,000 ¹	EC\$3,660,000	7.25%	5-year	17-Dec-18
AGN140919	14-Sep-16	EC\$20,000,000	EC\$20,000,000	6.5%	3-year	14-Sep-19
AGN031019	3-Oct-17	EC\$11,186,000	EC\$11,186,000	6.5%	2-year	3-Oct-19
US\$ RGSM Treasury Bond						
FAG070720	31-Jul-13	US\$13,100,000 EC\$35,370,000	US\$7,860,000 EC\$21,222,000	7.5%	7-year	31-Jul-20
FAG100923	26-Sep-13	US\$5,050,000 EC\$13,635,000	US\$5,050,000 EC\$13,635,000	7.75%	10-year	26-Sep-23
FAG070121	23-Jan-14	US\$7,500,000 EC\$20,250,000	US\$5,250,000 EC\$14,175,000	7.5%	7-year	23-Jan-21
FAN030822	2-Aug-17	US\$7,885,000 EC\$21,289,500	US\$7,885,000 EC\$21,289,500	7%	5-year	3-Aug-22
EC\$ RGSM Treasury Bills						
AGB070318	7-Mar-17	EC\$15,000,000	EC\$15,000,000	4%	365-day	3-Mar-18
AGB280418	28-Apr-17	EC\$25,000,000	EC\$25,000,000	5%	365-day	28-Apr-18
AGB130718	13-Jul-17	EC\$20,000,000	EC\$20,000,000	4%	365-day	13-Jul-18
AGB241018	24-Oct-17	EC\$25,000,000	EC\$25,000,000	5.5%	365-day	24-Oct-18
AGB101118	10-Nov-17	EC\$2,759,000	EC\$2,759,000	5.5%	365-day	10-Nov-18
AGB200518	21-Nov-17	EC\$23,065,000	EC\$23,065,000	5%	180-day	20-May-18
AGB030618	5-Dec-17	EC\$18,657,000	EC\$18,657,000	5%	180-day	3-Jun-18
US\$ Non-RGSM Treasury Bonds						
FAG150626	30-Jun-11	US\$13,729,680 EC\$37,070,136	US\$12,356,712 EC\$33,363,122	8%	15-year	30-Jun-26
FAG100724	29-Jul-14	US\$5,000,000 EC\$13,500,000	US\$5,000,000 EC\$13,500,000	8%	10-year	29-Jul-24
FAG071221	1-Dec-14	US\$2,500,000 EC\$6,750,000	US\$2,500,000 EC\$6,750,000	7.25%	7-year	1-Dec-21
FAG100325	11-Mar-15	US\$5,000,000 EC\$13,500,000	US\$5,000,000 EC\$13,500,000	5%	10-year	11-Mar-25
Trading Symbol	Issue Date	Original Amount Issued	Outstanding Amount	Coupon (p.a.)	Tenor	Maturity Date
TBD	16-Apr-15	US\$10,000,000 EC\$27,000,000	US\$10,000,000 EC\$27,000,000	5%	5-year	16-Apr-20
FAG100926	5-Sep-16	US\$7,566,000 EC\$20,428,000	US\$7,566,000 EC\$20,428,000	6.5%	10-year	5-Sep-26
FAG071023	31-Oct-16	US\$9,000,000 EC\$24,300,000	US\$9,000,000 EC\$24,300,000	6%	7-year	31-Oct-23

¹ The value of the bond has been reduced to \$14,640,000.

TBD	15-Dec-17	US\$600,000 EC\$1,620,000	US\$600,000 EC\$1,620,000	5%	5-year	15-Dec-22
TBD	29-Dec-17	US\$14,000,000 EC\$37,800,000	US\$14,000,000 EC\$37,800,000	7.5%	5-year	29-Dec-22
EC\$ Non-RGSM Treasury Bonds						
AGG151228	1-Jan-14	EC\$8,500,000	EC\$9,432,3712	7%	15-year	31-Dec-28
AGG050319	21-Mar-14	EC\$13,000,000	EC\$6,500,000	7.5%	5-year	21-Mar-19
AGG050619	26-Jun-14	EC\$25,000,000	EC\$25,000,000	7%	5-year	26-Jun-19
AGG151029	29-Oct-14	EC\$5,000,000	EC\$5,000,000	8%	15-year	29-Oct-29
AGN271119	27-Nov-14	EC\$10,000,000	EC\$10,000,000	7%	5-year	27-Nov-29
AGG151229	17-Dec-14	EC\$10,000,000	EC\$10,000,000	8%	15-year	17-Dec-29
AGG300740	28-Sep-10	EC\$330,000,000	EC\$223,530,000	1.0% (Step up) ³	30-year	1-Jul-40
AGN220320	22-Mar-15	EC\$10,000,000	EC\$10,000,000	7.0%	7-year	22-Mar-22
AGG100525	26-May-15	EC\$10,000,000	EC\$10,000,000	8.0%	10-year	26-May-25
AGG101225	11-Dec-15	EC\$10,000,000	EC\$10,000,000	3.0% (Step up) ⁴	10-year	11-Dec-25
TBD	16-Apr-16	EC\$157,000,000	EC\$141,000,000	2.0%	10-year	16-Apr-26
AGG0327AA	13-Mar-17	EC\$20,000,000	EC\$2,000,000	6.5%	10-year	13-Mar-27

2 Interest of \$617,071 for year 1 has been capitalized.

3 Step up Interest Rate: July 2010 – June 2013 @ 1%; July 2013 – June 2016 @ 2%; July 2016 – June 2017 @ 3%; July 2017 – June 2019 @ 4%; July 2019 – June 2021 @ 5%; July 2021 – June 2040

4 Step up Interest Rate: 2016 – 2018 @ 3%; 2019 – 2021 @ 6%; 2022 – 2025 @ 8%

Summary of Central Government Fiscal Operations (EC\$M)

CATEGORY NAME	ACTUALS Jan -Aug 2018
Total Revenue and Grants	542.17
Inland Revenue, Customs - Collections	463.68
Non - Tax Collections	44.80
CIP - Collections	31.63
Capital Revenue (including grants)	2.06
Total Expenditure	585.98
Salaries and Wages	245.77
Good and Services	79.20
Transfers and Grants (including Pensions)	149.11
Interest Payments - Debt	70.01
Capital	41.89
Current Account Balance	(3.97)
Primary Balance	26.20
Overall Balance	(43.81)

Source: Ministry of Finance and Corporate Governance
Data as at October 11, 2018 (Preliminary)

Public Sector Debt Stock (2018)

All figures in millions of Eastern Caribbean Dollars
as at 31 August 2018

	March 2018	June 2018	July 2018	August 2018
Total Public Sector Debt	3,123.32	3,116.85	3,098.80	3,119.36
of which: Central Government	2,663.53	2,664.89	2,649.30	2,671.44
of which: Public Sector Corporations	459.79	451.96	449.50	447.92
EXTERNAL	1,428.20	1,423.56	1,420.80	1,440.42
Central Government	1,311.32	1,308.47	1,306.50	1,325.64
Multilateral	293.73	292.82	296.70	298.56
Bilateral	910.61	890.70	879.34	877.49
of which: Bilateral Paris Club	329.65	328.61	328.71	328.57
of which: Bilateral non-Paris Club	580.96	562.10	550.63	548.92
Securities	106.98	124.94	130.46	149.59
Government Guaranteed Debt	116.88	115.10	114.30	114.78
Multilateral	51.53	50.35	49.11	49.10
Bilateral	22.79	23.79	24.79	25.79
of which: Bilateral Paris Club	-	1.00	2.00	3.00
of which: Bilateral non-Paris Club	22.79	22.79	22.79	22.79
Commercial	42.56	40.95	40.41	39.88
DOMESTIC	1,695.12	1,693.29	1,678.01	1,678.94
Central Government	1,352.21	1,356.42	1,342.80	1,345.80
Monetary Authority/Central Bank	65.47	65.04	59.54	59.54
Commercial Loans	346.57	364.76	363.60	362.51
Private	49.10	49.10	49.10	49.10
Securities	569.30	552.94	541.40	546.28
Vouchers	83.07	83.07	83.07	83.07
Overdraft	15.16	17.97	22.57	21.77
Obligations to Statutory Body	223.53	223.53	223.53	223.53
Public Sector Corporations	342.91	336.87	335.20	333.14
Commercial Loans	334.31	329.04	327.21	326.09
Overdraft	8.60	7.83	7.99	7.04

Source: Debt Management Unit, Ministry of Finance (October 11, 2018)

ALL OTHER INFORMATION IN THIS PROSPECTUS REMAINS THE SAME