



GOVERNMENT OF GRENADA

PROSPECTUS FOR GOVERNMENT SECURITIES

FOR THE PERIOD

DECEMBER 2018 – DECEMBER 2019

EC\$60 MILLION 91-DAY TREASURY BILLS

EC\$45 MILLION 365-DAY TREASURY BILLS

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DATE OF PROSPECTUS: DECEMBER 2018

Grenada Carriacou and Petite Martinique



ABOUT THE STATE OF GRENADA

The State of Grenada consists of three islands; Grenada, Carriacou and Petit Martinique situated between the Caribbean Sea and the Atlantic Ocean, 12.7 degrees north latitude and 61.4 degrees west longitude.

The Grenada Constitutional Order of 1973, which established the Constitution of Grenada, granted Grenada independence from the United Kingdom on 07 February 1974. A Governor General (Grenada's Head of State), is appointed by and represents the British Monarch and a Prime Minister is both leader of the majority party and the Head of Government. The Parliament is a bicameral legislature, consisting of an elected House of Representatives and an appointed Senate. The last general election was held in March 2018 and the New National Party (NNP), which was in power for the preceding five years contested and won 15 out of the 15 seats in the House of Assembly. Grenada's judicial system is based on the English system, including the principles and practice of English common law. Table 1 sets out selected social indicators for Grenada.

Table 1: Grenada Selected Social Development Indicators

<i>Human development rank out of 189 countries (2017)</i>	<i>75</i>
<i>Life expectancy at birth in years (2017)</i>	<i>73.8</i>
<i>Share of seats in Parliament (% held by women) (2018)</i>	<i>46.7 per cent</i>
<i>Gross National Income (GNI) per capita (2011 PPP\$) (2017)</i>	<i>12,864</i>
<i>Population rate of growth (per cent)(2016)</i>	<i>0.7 per cent</i>
<i>Infant mortality per 1,000 live births (2016)</i>	<i>14.4</i>
<i>Labour force participation rate (2015)</i>	<i>71.2 per cent</i>

Source: World Bank (WDI 2017), UNDP HDI 2018 and Ministry of Finance

NOTICE TO INVESTORS

The Government of Grenada is issuing this prospectus to provide information to the public. The Government accepts full responsibility for the accuracy of the information given and confirms having made all reasonable inquiries to ensure the accuracy of this. 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.

The Prospectus has been drawn up in accordance with the rules of the Regional Government Securities Market. The Regional Debt Co-ordinating 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 and its content are issued to cover the series of Government's securities to be issued over the period December 2018 to December 2019. If in need of financial or investment advice, please 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.

TABLE OF CONTENTS

1.0 ABSTRACT	6
2.0 INFORMATION ABOUT THE 2018-2019 SECURITY ISSUANCE	7
3.0 GENERAL INFORMATION	8
4.0 CURRENT ISSUES OF GOVERNMENT SECURITIES ON THE REGIONAL GOVERNMENT SECURITIES MARKET	10
5.0 UPCOMING ISSUES OF GOVERNMENT SECURITIES ON REGIONAL MARKET 2018	11
6.0 SELECTED MACROECONOMIC INDICATORS 2014-2019(E)	12

1.0 ABSTRACT

Purpose of Addendum

The purpose of the addendum is to reduce the issue size of a 365-day Treasury bill in the 2019 Prospectus. The 365-day Treasury bill, to be auctioned on 5th December 2019, will be reduced from XCD 20 million to XCD 10 million. The maximum yield of the Treasury-bill will be 5 percent.

During the period December 2018 to December 2019, the Government of Grenada is seeking to issue the following Government securities on the Regional Governments Securities Market to refinance its existing treasury bills currently on the market as follows:

91-Day Treasury bills

Four issues of fifteen million (EC\$15.0M) each.

The maximum coupon rate of the new bills being 4 per cent per annum.

365-Day Treasury bills

- Twenty-five million (EC\$25.0M) in 365 day treasury bills on July 25, 2019.
- Ten million (EC\$10.0M) in 365 day treasury bills on October 16, 2019.
- Ten million (EC\$10.0M) in 365 day treasury bills on December 05, 2019.

The maximum coupon rate of the new bills being 5 per cent per annum.

In this Prospectus, references to “Grenada” are to the State of Grenada and references to the “Government” are to the Government of Grenada. The Treasury bill issues are being raised under the authority of the Public Debt Management Act 2015, Part 3 Section 13, Laws of Grenada. The Constitution of Grenada stipulates that Principal and Interest payments are direct charges on the Consolidated Fund.

All Government of Grenada treasury bills will be opened for bidding at 9:00 a.m. and close at 12:00 noon on the respective auction dates. A competitive uniform price auction will be used.

2.0 INFORMATION ABOUT THE 2018-2019 SECURITY ISSUANCE

Table 2: Securities Details

<i>SYMBOL</i>	<i>AUCTION DATES</i>	<i>ISSUE/SETTLEMENT DATE</i>	<i>MATURITY DATE</i>	<i>ISSUE AMT. EC\$M</i>	<i>TENOR</i>	<i>INTEREST RATE CEILING</i>
GDB130319	11-Dec-18	12-Dec-18	13-Mar-19	15	91 Days	4%
GDB140619	14-Mar-19	15-Mar-19	14-Jun-19	15	91 Days	4%
GDB170919	17-Jun-19	18-Jun-19	17-Sep-19	15	91 Days	4%
GDB250720	25-Jul-19	26-Jul-19	25-Jul-20	25	365 Days	5%
GDB201219	18-Sep-19	20-Sep-19	20-Dec-19	15	91 Days	4%
GDB161020	16-Oct-19	17-Oct-19	16-Oct-20	10	365 Days	5%
GDB051220	05-Dec-19	06-Dec-19	05-Dec-20	10	365 Days	5%

ALL ISSUES ON THE MARKET ARE IN EC DOLLARS

SUBJECT TO REVISION BASED ON FINANCING METHOD EMPLOYED

ALL OTHER INFORMATION IN THE PROSPECTUS REMAINS THE SAME

3.0 GENERAL INFORMATION

Issuer:	Government of Grenada
Address:	Ministry of Finance Financial Complex Carenage St. George's Grenada
Email:	financegrenada@financegrenada.com
Telephone No.:	473-440-2731 / 440-2928
Facsimile No.:	473-440-4115
Contact Persons:	Dr. The Right Honorable Keith Mitchell, Minister for Finance, finance@gov.gd Ms. Patricia Clarke, Permanent Secretary Ag. psfinancegrenada@gmail.com Mr. Kendall Alexander, Deputy Permanent Secretary Ag. psfinancegrenada@gmail.com Ms. Quinta Charles, Accountant General qkcharles@agd.gd Mr. Kerry Pierre, Head Debt Management Unit kerrypierre@gmail.com ; kerrypierre@dmu.gov.gd
Date of Issue:	December 2018 – December 2019
Type of Security:	Treasury bills
Amount of Issue:	EC\$105 million
Purpose Security Issue:	The Treasury bills are being issued as part of Government's Debt Management Strategy to lower the cost of Government's borrowing by reducing reliance on the overdraft facility.
Legislative Authority:	Public Debt Management Act 2015, Part 3 Section 13, Laws of Grenada.

Bidding Period:	9:00 am to 12:00 noon on auction days
Method of Issue:	The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.
Listing:	The Treasury Bills will be issued on the Regional Government Securities Market (RGSM) and traded on the Secondary Market trading platform of the Eastern Caribbean Securities Exchange (ECSE).
Placement of Bids:	Investors will participate in the auction through the services of licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.
Maximum Bid Price:	\$95.00 (5.00 per cent).
Minimum Bid:	EC\$5,000
Bid Multiplier:	EC\$1,000
Bids per Investor:	Each investor is allowed one (1) bid with the option of increasing the amount being tendered for until the close of the bidding period.
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.
Licensed Intermediaries:	Investors will participate in the auction through the services of licensed intermediaries that are members of the Eastern Caribbean Securities Exchange. <ul style="list-style-type: none"> • Bank of Nevis Limited • Bank of Saint. Lucia Ltd. • Bank of St Vincent and the Grenadines Ltd. • St. Kitts Nevis Anguilla National Bank Limited • First Citizens Investment Services Ltd. (Saint Lucia) • Grenada Co-operative Bank Ltd.
Currency:	All currency references will be the Eastern Caribbean dollar unless otherwise stated.

4.0 CURRENT ISSUES OF GOVERNMENT SECURITIES ON THE REGIONAL GOVERNMENT SECURITIES MARKET

RGSM TREASURY BILLS AND BONDS

Issues Outstanding	EC\$ 80.0M
Type of Issue	Government of Grenada Treasury bills and bonds
Maturity in Days	91 and 365 Days
Maturity in Years	2 Years
Date of Issues	February 2018 to September 2019
Yields	Max 5.5 per cent
Discount Price	EC\$94.50

Treasury bills and bonds outstanding as at September 30, 2019 are listed in Table 3.

Table 3: Outstanding Treasury bills and bonds on RGSM as at September 30, 2019

Auction Name	Issue Date	Maturity Date	Tenor	Value of Bids (EC\$M)	Issue amount (EC\$M)	Yield (%)	Total bids	Successful bids
GDN090220	09-Feb-18	09-Feb-20	2 years	10.75	10	5.5	14	14
GDB151019	15-Oct-18	15-Oct-19	365 Day	17.49	10	2.0	15	5
GDB041219	4-Dec-18	4-Dec-19	365 Days	13.81	20	5.0	20	20
GDB250720	26-Jul-19	25-Jul-20	365 Days	25.0	25	5.0	21	21
GDB201219	20-Sep-19	20-Dec-19	91 Days	13.05	15	4.0	13	13

5.0 UPCOMING ISSUES OF GOVERNMENT SECURITIES ON REGIONAL MARKET 2018

<i>SYMBOL</i>	<i>AUCTION DATES</i>	<i>ISSUE/SETTLEMENT DATE</i>	<i>MATURITY DATE</i>	<i>ISSUE AMT. EC\$M</i>	<i>TENOR</i>	<i>INTEREST RATE CEILING</i>
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GDB051220	05-Dec-19	06-Dec-19	05-Dec-20	10	365 Days	5%

ALL ISSUES ON THE MARKET ARE IN EC DOLLARS. SUBJECT TO REVISION BASED ON FINANCING METHOD EMPLOYED

6.0 SELECTED MACROECONOMIC INDICATORS 2014-2019(e)

	2014	2015	2016	2017	2018	2019(e)
Real Sector*						
Real GDP Growth (Market Prices, %)	7.3	6.4	3.7	5.1	4.1	3.3
Inflation (period average, %)	-1.0	-0.6	1.7	0.9	0.8	1.0
Unemployment Rate (%)	29.3	29.0	28.2	23.6	16.7	
Nutmeg Production (million lbs)	1.2	1.3	1.1	1.3	1.2	0.5
MNIB Purchases of other crops (million lbs)	2.5	3.8	3.0	2.3	2.3	0.5
Imports of Building Material (EC\$ million)	91.9	95.7	112.1	145.1	164.8	33.8
Sales of Building Material (EC\$ million)	36.3	42.2	46.7	48.5	47.8	11.4
SGU Enrollment (no. of students)	6,586	7,026	7,479	7,703	7,846	
Stay Over Arrivals (no. of persons)	133,526	132,547	135,381	146,359	160,973	82,399
Cruise Ship Visitor Arrivals (no. of persons)	235,140	280,518	314,913	299,449	342,826	220,842
Fiscal Account						
Total Revenue & Grants (% of GDP)	24.5	24.1	26.4	25.6	26.4	13.0
Tax Revenue (% of GDP)	18.2	19.0	21.1	21.4	21.9	11.2
Non-tax Revenue (% of GDP)	2.2	2.2	1.8	1.6	1.6	0.9
Grants (% of GDP)	4.1	2.9	3.5	2.6	2.9	1.0
Total Expenditure (% of GDP)	29.2	25.6	24.0	22.6	21.6	10.3
Current Expenditure (% of GDP)	20.0	17.4	19.8	19.9	18.9	9.5
Capital Expenditure (% of GDP)	9.2	8.2	4.2	2.6	2.7	0.7
Primary Balance (including grants, % of GDP)	-1.2	1.9	5.2	5.7	6.8	3.6
Overall Balance (including grants, % of GDP)	-4.7	-1.5	2.3	3.0	4.8	2.8
<p>*2019 Nutmeg, MNIB & Building Material data up March Unemployment figures as at end of third quarter 2018 2019 Tourism data (Stayover Arrivals and Cruise Ship Visitors) as at end June 2019 Fiscal Account data preliminary as at end June</p>						
Public Sector Debt (% of GDP)	106.1	100.1	93.2	81.4	77.2	71.0
Principal Repayments (EC\$ million)	268.6	261.7	294.4	292.2	244.3	84.9
Interest Payments (EC\$ million)	86.8	91.7	82.3	75.3	63.2	27.1
External Account						
Exports of Goods & Services (EC\$ million)	1,292.1	1,379.1	1,413.6	1,561.2	1,754.4	1,873.5
Imports (EC\$ million)	1,330.9	1,369.1	1,427.5	1,616.5	1,740.7	1,847.1
Gross Imputed Reserves (EC\$ million)	427.3	509.0	543.7	526.1	623.2	631.2
Gross International Reserves (in months of total imports)	3.9	4.5	4.6	3.9	4.3	4.1
Money and Banking**						
Net Foreign Assets (EC\$ million)	582.2	852.5	1,003.2	1,097.9	1,315.0	1,399.9
Domestic Credit (EC\$ million)	1,526.9	1,320.1	1,240.9	1,206.8	1,101.8	1,067.4
o/w Households (EC\$ million)	1,119.4	1,073.6	1,054.6	1,038.0	1,055.9	1,050.9
Firms (EC\$ million)	485.4	469.5	485.3	514.1	539.2	549.4
Non-Bank Institutions (EC\$ million)	9.1	9.3	8.7	6.4	6.9	5.9
Other Public Sector (net, EC\$ million)	(104.3)	(166.4)	(248.9)	(231.1)	(298.9)	(325.3)
Central Government (EC\$ million)	17.3	(65.9)	(58.8)	(120.6)	(201.3)	(213.6)
Currency in Circulation (EC\$ million)	124.1	131.5	194.8	208.7	205.5	179.7
<p>2017 and 2018 External Account figures are preliminary whilst 2019 is projected ** 2019 Monetary and Banking data represent values as at February 28, 2019 Sources: CSO, ECCB, MOF</p>						