



# Ministry of Finance

## Government Debt Report

### Quarter 2, 2024-2025

#### 1.0 GOVERNMENT DEBT STOCK

As at 31 January 2025, Government debt stock stood at \$10,758.5 million, an increase of 1.7 percent over the quarter and 7.4 percent when compared to the same period last year. As a percentage of Gross Domestic Product (GDP), total debt stood at 76.7 percent and is projected to reach around 77.8 percent at the end of this fiscal year, FY2024/2025.

Government secured financing for a new infrastructure Critical Bridges Resilience Project (Project) co-financed with the World Bank and the Asian Development Bank (ADB) for a total sum of USD184.5 million (approximately \$432.4 million)<sup>1</sup>. The objective of the Project is to improve transport domestic activity in Fiji with climate and disaster resilient infrastructure. The ADB financing comprised of a concessional loan of USD 120.0 million (approximately \$281.2 million) and a grant of USD 14.5 million (approximately \$34.0 million) were signed on 3 December 2024.

On 21 January 2025, Cabinet approved the World Bank financing for the Project amounting to USD 50.0 million (approximately \$117.2 million) comprising an IBRD loan and an IDA concessional credit of USD 25.0 million each (approximately \$58.6 million per facility). Fiji Roads

Authority will be the implementing agency for the project with the objective to improve the resilience of Fiji's road network to natural hazards and climate change with a focus on critical bridges.

As a percentage of total debt, domestic debt comprises 63.7 percent (\$6,848.4 million) while external debt accounted for the remaining 36.3 percent (\$3,910.1 million).

Total borrowings for the quarter is \$70.9 million of which \$22.1 million were sourced from external loans and \$48.8 million from domestic sources while total debt servicing amounted to \$193.2 million (\$51.0 million in principal repayments and \$142.2 million in interest payments).

#### 2.0 DOMESTIC DEBT

At the end of January 2025, domestic debt stood at \$6,848.4 million equivalent to 48.8 percent of GDP, increasing by 1.6 percent from the previous quarter and 5.5 percent from the same period last year. Domestic debt comprises \$6,538.4 million in Government bonds and \$310.0 million in Treasury bills (T-bills).

Fiji Infrastructure Bond (FIB) issuances were consistent while T-bills were oversubscribed during the quarter. A total of \$48.0 million in

---

<sup>1</sup> Conversions are using 31/01/25 RBF USD/FJD of 0.4267

FIB and \$0.8 million in Viti Bonds while \$181.0 million in T-Bills were issued.

Investors demand in Viti Bonds increased significantly during the first quarter with 92 percent utilised from the approved Viti bonds borrowing limit.

Excess liquidity in the banking system, of \$2.2 billion at end of January 2025, has kept borrowing rates low. Yields on Government securities remain constant throughout the quarter.

During the quarter, the domestic debt servicing amounted to \$110.5 million (\$14.8 million in principal repayments and \$95.7 million in interest payments), decreased by 21.2 percent as compared to last quarter.

## 2.1 EXTERNAL DEBT

External debt stood at \$3,910.1 million or 27.9 percent of GDP, increasing by 1.9 percent over the quarter and by 10.8 percent when compared to the same period last year.

In terms of creditor composition, the ADB remains the largest external lender comprising 39.6 percent of the total external debt portfolio, followed by the World Bank Group at 34.5 percent, Japan International Cooperation Agency (JICA) at 9.7 percent, EXIM Bank of China at 7.4 percent and the Asian Infrastructure Investment Bank (AIIB) at 5.5 percent. The Australian Infrastructure Financing Facility for the Pacific (AIFFP) and European Investment Bank (EIB) trailed at 2.2 percent and 1.0 percent, respectively.

In terms of currency composition, the USD continues its dominance in the external debt portfolio at 81.6 percent, followed by Chinese

Renminbi Yuan (CNY) at 8.4 percent and 10.0 percent in the JPY currency.

A sum of \$22.1 million was disbursed during the quarter to finance various projects with \$13.8 million utilised under the roads infrastructure and the water supply and wastewater sanitation, around \$2.4 million towards Social Protection and COVID-19 recovery project and \$5.9 million for the Tourism Development projects in Vanualevu.

Debt servicing was recorded at \$82.6 million (\$36.2 million in principal repayments and \$46.4 million in interest payments).

## 3.0 COST AND RISK INDICATORS

**Table 1: End Target Indicators vs Results**

<b>Cost and Risk Indicators</b>		<b>MTDS Target FY2026</b>	<b>Oct-24</b>	<b>Jan-25</b>
Nominal debt as percentage of GDP		77.1	75.4	76.7
Cost of Debt	Weighted Av. IR (percent)	4.8	4.4	4.4
Refinancing Risk	ATM (years)	9.9	12.2	12.1
Interest rate risk	ATR (years)	9.1	11.1	11.0
FX risk	FX debt (percent of total debt)	33.6	36.3	36.3

Table 1 evaluates the key vulnerabilities that exist in the Central Government's Debt portfolio in line with the targets outlined in the 2024-2026 Medium Term Debt Strategy ("MTDS"). The debt to GDP as of January 2025 is well below 77.1 percent resulting from improved GDP. The downward trend in the cost of debt is attributed to new overseas borrowing at highly concessional terms and fixed interest rate structures. Additionally, new borrowing in the longer tenors in the domestic market has further improved the

average term to maturity mitigating the risks associated with refinancing. Whilst domestic borrowing translates to high-interest rate risks, it manages the risks associated with foreign currency borrowing at manageable levels.

#### **4.0 GOVERNMENT GUARANTEES**

As of 31 January 2025, Government guaranteed debt stood at \$953.8 million, equivalent to 6.8 percent of GDP. This represents a 1.1 percent decrease over the quarter and 4.6 percent over the year, attributed to the settlement of guaranteed loans.

Total contingent liabilities at the end of the quarter was recorded at \$1,624.3 million equivalent to 11.6 percent of GDP.

The Ministry will continue to manage the costs and risks associated with Government borrowings and Government guarantees to ensure that fiscal risks are prudently managed.

**Debt Management Unit  
Treasury Division  
March 2025**

## Appendix

<b><u>CENTRAL GOVERNMENT DEBT STATISTICS (FJ\$ MILLIONS)</u></b>					
<b>Particulars</b>	<b>Jan-24</b>	<b>Apr-24</b>	<b>Jul-24</b>	<b>Oct-24</b>	<b>Jan-25</b>
<b>Total Government Debt to GDP</b>	<b>77.1%(r)</b>	<b>77.3%(r)</b>	<b>79.4%(r)</b>	<b>75.4%</b>	<b>76.7%</b>
<b>TOTAL GOVERNMENT DEBT</b>	<b>10,019.6</b>	<b>10,037.0</b>	<b>10,309.2</b>	<b>10,575.7</b>	<b>10,758.5</b>
<b>DOMESTIC DEBT</b>	<b>6,492.1</b>	<b>6,526.4</b>	<b>6,587.9</b>	<b>6,739.4</b>	<b>6,848.4</b>
<b>BONDS:</b>	<b>6,142.1</b>	<b>6,196.4</b>	<b>6,308.9</b>	<b>6,504.4</b>	<b>6,538.4</b>
FNPF	3,717.2	3,751.8	3,846.8	4,002.3	4,026.35
FNPF Retirement Income Fund	354.8	357.8	357.8	359.8	359.8
FNPF Special Death Benefit Fund	70.2	63.2	78.2	83.2	83.2
Insurance companies	881.4	919.2	926.2	941.3	952.9
Commercial Banks	283.6	283.6	283.6	293.6	293.6
RBF	725.2	711.2	710.5	711.4	711.6
Trust Fund	20.6	20.0	19.8	20.3	20.1
Unit Trust of Fiji	24.1	24.1	23.9	23.9	23.4
Merchant Finance	0.8	0.8	0.8	0.8	0.8
Kontiki Finance Limited	7.6	7.6	7.6	7.8	7.8
Others	56.7	57.0	53.8	60.0	58.9
<b>T-BILLS:</b>	<b>350.0</b>	<b>330.0</b>	<b>279.0</b>	<b>235.0</b>	<b>310.0</b>
Commercial Banks	350.0	330.0	279.0	235.0	305.0
Others	0.0	0.0	0.0	0.0	5.0
<b>% of Domestic Debt to Total Debt</b>	<b>64.8%</b>	<b>65.0%</b>	<b>63.9%</b>	<b>63.7%</b>	<b>63.7%</b>
<b>% Domestic Debt to GDP</b>	<b>50.0%(r)</b>	<b>50.2%(r)</b>	<b>50.7%(r)</b>	<b>48.0%</b>	<b>48.8%</b>
<b>EXTERNAL DEBT</b>	<b>3,527.5</b>	<b>3,510.6</b>	<b>3,721.3</b>	<b>3,836.3</b>	<b>3,910.1</b>
<b>LOANS:</b>	<b>3,527.5</b>	<b>3,510.6</b>	<b>3,721.3</b>	<b>3,836.3</b>	<b>3,910.1</b>
Asian Development Bank (USD)	1,400.5	1,393.4	1,388.3	1,520.7	1,548.4
Asian Infrastructure Investment Bank (USD)	219.9	222.1	216.7	215.8	215.9
Australian Infrastructure Financing Facility for the Pacific (USD)	67.5	81.7	84.1	83.7	86.1
European Investment Bank (USD)	17.8	18.0	32.6	40.3	40.3
Exim Bank of China (CNY)	336.8	310.5	310.6	287.8	290.8
Japan International Cooperation Agency (JPY)	383.3	366.0	374.7	371.9	380.8
World Bank - International Bank for Reconstruction & Development (USD)	411.6	418.1	413.5	415.3	428.4
World Bank - International Development Association (USD)	690.0	700.8	900.8	900.8	919.5
<b>% of External Debt to Total Debt</b>	<b>35.2%</b>	<b>35.0%</b>	<b>36.1%</b>	<b>36.3%</b>	<b>36.3%</b>
<b>% External Debt to GDP</b>	<b>27.2%(r)</b>	<b>27.0%(r)</b>	<b>28.7%(r)</b>	<b>27.3%</b>	<b>27.9%</b>

DEBT SERVICING							
	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25		
TOTAL	267.1	752.0	1,013.1	221.8	193.2		
Domestic Bonds & Loans	190.9	513.0	699.0	140.4	110.5		
Principal	98.7	232.2	324.2	45.5	14.8		
Interest	92.2	280.9	374.8	94.9	95.7		
External Loans	76.2	239.0	314.1	81.4	82.6		
Principal	33.0	143.7	177.3	55.7	36.2		
Interest	43.2	95.3	136.9	25.7	46.4		
BORROWING							
TOTAL	254.3	586.2	1,040.2	420.7	70.9		
FIB Bonds/Viti Bonds/COVID	237.0	523.1	727.6	241.0	48.8		
External loans (Includes Cap. Interest)	17.3	63.1	312.7	179.7	22.1		
YIELDS ON GOVERNMENT SECURITIES							
3 months	0.03	0.10	0.10	0.15	0.15		
6 months	0.08	0.15	0.35	0.40	0.40		
12 months	0.17	0.30	0.93	1.14	1.14		
10 year	3.90	3.90	3.90	3.90	3.90		
15 year	4.15	4.15	4.15	4.15	4.15		
20 year	4.75	4.85	5.00	5.00	5.00		
GOVERNMENT GUARANTEES							
% of Government Guarantees to GDP	7.6%	7.7%	7.7%	6.8%	6.8%		
Total Government Guarantees	999.6	1,015.9	1,016.1	965.3	953.8		
Air Pacific Limited trading as Fiji Airways	440.7	432.9	427.7	421.2	414.2		
Fiji Development Bank	227.6	215.8	200.4	183.8	186.2		
Fiji Sugar Corporation	243.9	276.2	293.0	276.2	272.2		
Housing Authority	86.1	88.5	93.9	82.9	82.4		
Pacific Fishing Company Limited	1.6	2.5	1.1	(0.1)	(1.2)		
RISK INDICATORS							
		FY2023-2024			Jan - 25		
		External debt	Domestic debt	Total debt	External debt	Domestic debt	Total debt
Amount (in millions of FJD)		3,721.3	6,587.9	10,309.2	3,910.1	6,848.4	10,758.5
Amount (in millions of USD)		1,626.6	2,879.6	4,506.1	1,668.4	2,922.2	4,590.6
Nominal debt as percent of GDP		28.7 (r)	50.7 (r)	79.4 (r)	27.9	48.8	76.7
Refinancing risk	ATM (years)	12.9	10.8	11.7	13.4	11.2	12.1
	Debt maturing in 1 year (percent of total)	4.1	6.6	5.6	2.1	2.9	2.6
Interest rate risk	ATR (years)	10.1	10.8	10.5	10.7	11.2	11.0
	Debt re-fixing in 1 year (percent of total)	45.1	6.6	22.4	43.2	5.9	21.2
	Weighted Av. IR (percent)	4.4	5.8	5.1	2.53	5.7	4.4
Foreign Exchange rate ('FX') risk	FX debt (percent of total debt)	36.1			36.3		

\*r – revised due to revision in GDP in November 2024