



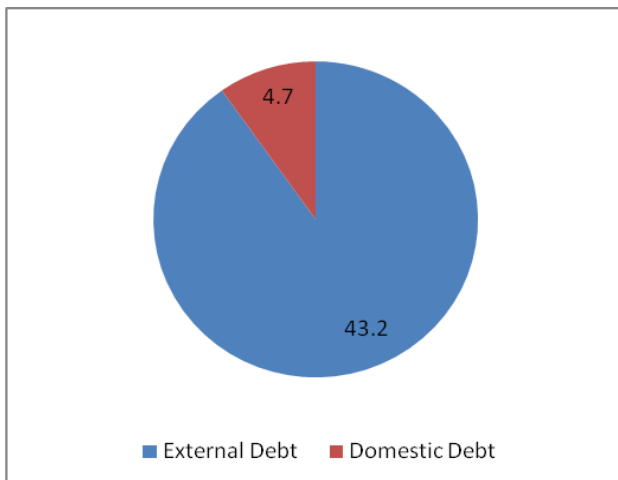
# Debt Bulletin

## Public Debt

As of December 31, 2024, total public debt stood at \$48.4 million or equivalent to 15.1 percent of GDP. Outstanding debt comprised of external debt and domestic debt of which \$43.7 million or 90.3 percent was for external debt and \$4.7 million or 9.7 percent was for domestic debt (refer to Chart 1). Of this, \$11.0 million was for government guarantees and \$12.0 million was for on-lending. All domestic debt is lines of credit at the FSM Development Bank (FSMDB) secured over assets of the National Government owned Petrocorp.

Public debt decreased by \$6.1 million or -11.2 percent when compared to December 2023. There was a significant annual decline in FY2021, because of principal repayments and US Rural Utilities Services writing off \$8.2 million in debt owed to them by the FSM Telecommunications Corporation.

Chart 1: Total Debt



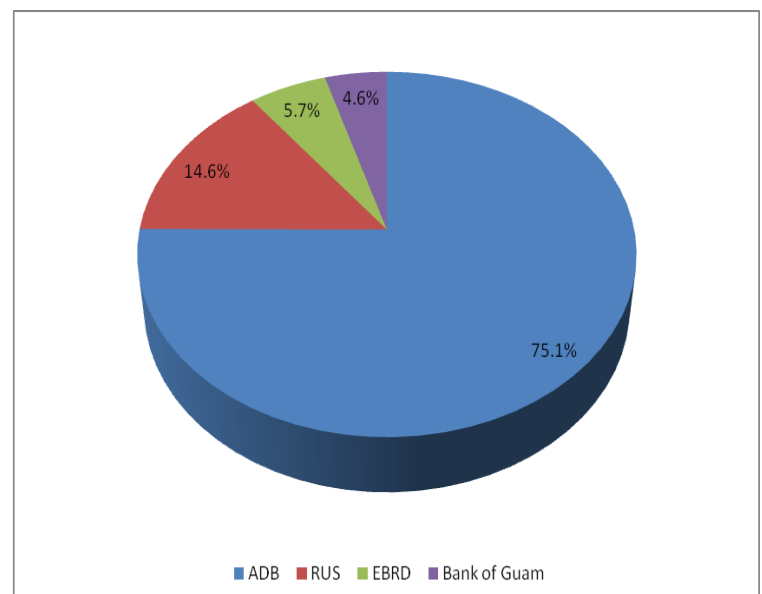
The external Debt-to-GDP ratio is low by developing country standards. Now with approve compact funding, FSM risk of debt distress has revised from high risk to moderate risk, however FSM stress the need to fully incorporate climate related investment needs into the DSA Framework.

## Debt by Lending Institution

### External Debt

Total outstanding external debt as of December 2024 stood at \$43.7 million. Of this, \$32.8 million (75.1 percent) is owed to the Asian Development Bank, a further \$6.4 million (14.6 percent) is owed to the US Rural Utilities Services (RUS), \$2.0 million (4.6 percent) is owed to the Bank of Guam, and \$2.5 million (5.7 percent) to the European Bank for Reconstruction and Development (refer Chart 2).

Chart 2: External Debt by institution



After a period of sizeable borrowing in the early 1990s, to finance development projects, external debt has fallen significantly, and in more recent times the FSM has maintained a prudent external debt profile.



## Domestic Debt

Total outstanding domestic debt as of December 31, 2024, stood at \$4.7 million. All domestic debt is owed to the FSMDB. The only entity currently borrowing in the domestic market is the National Government owned Petrocorp. The domestic debt is in the form of lines of credit, secured over the company's assets.

The FSM Government does not issue treasury bonds or other domestic debt instruments. There are no new loans contracted over the quarter. FSM is not planning to contract any new loans in the near term.

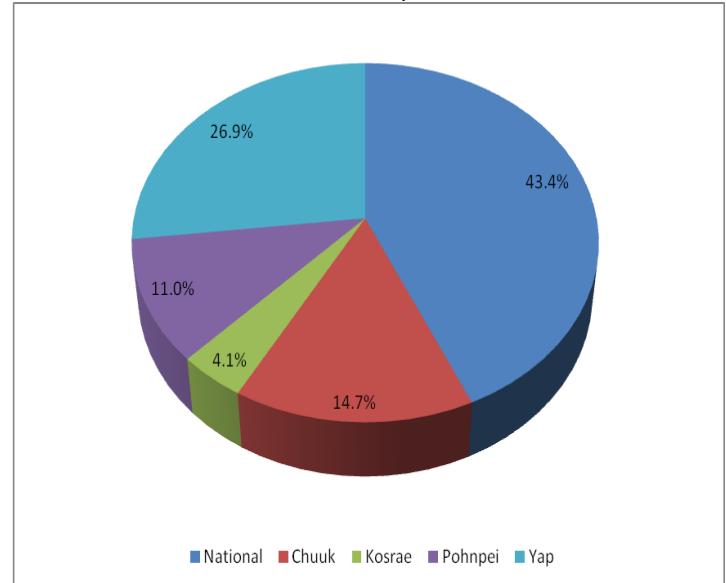
## Debt by Government

By government, as of December 31, 2024, the largest share of public debt, \$21.0 million (43.4 percent), is owed by the National Government and its component units, followed by Yap State Government with \$13.0 million (26.9 percent), then Pohnpei State with \$5.3 million (11.0 percent), then Chuuk State with \$7.1 million (14.7 percent) and Kosrae State \$2.0 million (4.1 percent) (refer Chart 3).

## Debt by State Owned Enterprises

Of the total external debt of \$43.7 million at the end of December 24, 2024, \$11.0 million was guaranteed debt and \$12.0 million was on-lent by the National Government. The national guaranteed debt includes FSM PetroCorp, FSM Telecommunication, and Yap State Public Service Corporation. At the State level, \$19.8 million of this debt is held by the utility companies.

Chart 3: External Debt by Government



## Debt Servicing

FSM's external debt service for the quarter ended December 31, 2024, was \$1.0 million, a slight decrease compared to September 2023 quarter.

Of the total debt servicing for the quarter ended December 31, 2024, \$0.6 thousand was for external debt servicing and \$0.4 thousand was for domestic.

A quarterly share of domestic revenue debt services for December 31, 2024 was 2.8 percent and will expect to be around an average of 4.0 percent annually.



FSM DEPARTMENT OF FINANCE & ADMINISTRATION

# Debt Bulletin

December, 2024  
Volume 7, Issue 7

## Debt Statistics \$m

	22-Dec	23-Mar	23-Jun	23-Sep	23-Dec	24-Mar	24-Jun	24-Sep	24-Dec	Annual % change
<b>Total Public Debt</b>	<b>59.6</b>	<b>58.7</b>	<b>58.2</b>	<b>56.5</b>	<b>54.5</b>	<b>52.9</b>	<b>51.4</b>	<b>50.1</b>	<b>48.4</b>	<b>-11.2%</b>
External debt	52.9	52.0	51.5	49.8	47.9	46.6	46.0	45.3	43.7	-8.8%
Guaranteed	12.8	12.5	12.4	12.0	11.9	11.7	11.4	11.3	11.0	-7.6%
On-lent	15.1	15.0	14.5	14.0	13.9	13.7	12.5	12.3	12.0	-13.7%
Domestic debt	6.7	6.7	6.7	6.7	6.6	6.3	5.4	4.8	4.7	-28.8%
<b>Debt to GDP %</b>	<b>17.8</b>	<b>17.3</b>	<b>17.0</b>	<b>16.9</b>	<b>16.4</b>	<b>15.8</b>	<b>15.5</b>	<b>15.3</b>	<b>15.1</b>	<b>-7.9%</b>
External debt to GDP	15.9	15.4	15.1	15.0	14.5	13.9	13.6	13.4	13.2	-9.0%
Domestic debt	1.9	1.9	1.9	1.9	1.9	1.8	1.6	1.4	1.4	0.0%
<b>Total Public Debt by Government</b>	<b>59.6</b>	<b>58.7</b>	<b>58.2</b>	<b>56.5</b>	<b>54.5</b>	<b>52.9</b>	<b>51.4</b>	<b>50.1</b>	<b>48.4</b>	<b>-11.2%</b>
National	27.0	27.0	26.9	25.5	24.1	24.0	23.0	22.0	21.0	-12.9%
Chuuk	9.1	8.9	8.7	8.7	8.3	8.0	7.8	7.7	7.1	-14.5%
Kosrae	2.4	2.3	2.3	2.2	2.2	2.1	2.0	2.0	2.0	-9.1%
Pohnpei	6.8	6.3	6.2	6.1	6.1	5.5	5.4	5.3	5.3	-13.1%
Yap	14.3	14.2	14.1	14.0	13.8	13.3	13.2	13.1	13.0	-5.8%
<b>External Debt by Creditor</b>	<b>52.9</b>	<b>52.0</b>	<b>51.5</b>	<b>49.8</b>	<b>47.9</b>	<b>46.6</b>	<b>46.0</b>	<b>45.3</b>	<b>43.7</b>	<b>-8.8%</b>
ADB	39.1	38.2	37.7	36.0	36.0	34.7	34.1	33.8	32.8	-8.9%
RUS	7.7	7.7	7.7	7.7	6.6	6.6	6.6	6.5	6.4	-3.0%
EBRD	3.0	3.0	3.0	3.0	2.8	2.8	2.8	2.6	2.5	-10.7%
Bank of Guam	3.1	3.1	3.1	3.1	2.5	2.5	2.5	2.4	2.0	-20.0%
<b>Domestic Debt by Creditor</b>										
FSMDB	6.7	6.7	6.7	6.7	6.5	6.3	5.4	4.8	4.7	-27.7%



