



དངུལ་ཚིས་ལྷན་ཁག།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG

MoF/DMEA/DSA/2022-23/1707

31st March 2023

Notification

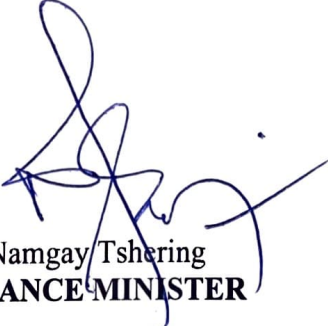
Re: Publication of second series of an in-house Public Debt Sustainability Analysis Report

In keeping with the international best practices, the Ministry of Finance of Bhutan is using the Debt Sustainability Analysis (DSA) as one of the risk assessment tools to gauge the fiscal risk stemming from the public debt management. It is used as one of the key anchors of the government's fiscal policy to maintain the debt trajectory at a sustainable level. The Public Financing Policy 2023, which replaces the Public Debt Policy 2016, stipulates the debt sustainability analysis (DSA) as one of the risk assessment and monitoring tools and requires the Ministry of Finance to conduct a periodic DSA to monitor the risks and potential vulnerabilities of Bhutan's public debt. Therefore, to assess the sustainability of public debt, the Ministry of Finance shall conduct an in-house DSA and publish it within the same FY. The first DSA was published on the Ministry of Finance website in March 2022.

The Ministry of Finance shall ensure the following while conducting and publishing the annual DSA:

- **Debt Coverage:** In order to enhance debt transparency, the DSA will cover the public and publicly guaranteed (PPG) debt, including the guaranteed and non-guaranteed debt of non-financial State Enterprises under the Ministry of Finance, Druk Holdings and Investments and other entities.
- **Cut-off Date:** The cutoff-point for existing debt stock is end-June of the previous fiscal year.
- **Publication Deadline:** The final DSA report shall be uploaded on the Ministry of Finance website by 31st March 2023 (i.e. FY2022-23).

The Department of Macro-Fiscal and Development Finance, Ministry of Finance, shall be the lead agency for conducting and publishing the annual DSA.



Namgay Tshering
FINANCE MINISTER