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U.S. VIRGIN ISLANDS (USVI)

LOCATION: Caribbean Sea, 1,000 miles from U.S. mainland

PHYSICAL SIZE: 134 square miles (three main islands)

POPULATION SIZE IN 2019
104,275

GROSS DOMESTIC PRODUCT (GDP) IN 2018
$4.0 billion

PRIMARY INDUSTRY
Tourism, Manufacturing, Rum Distilling

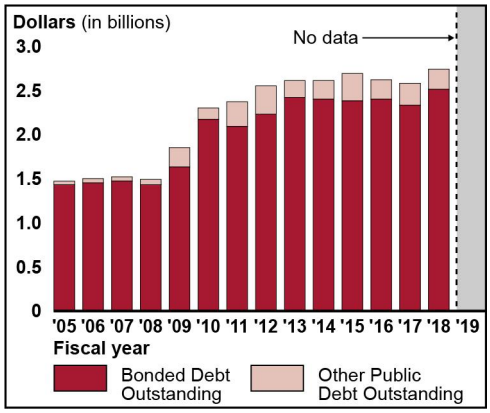
Source: GAO summary data. | GAO-21-508

KEY FINDINGS

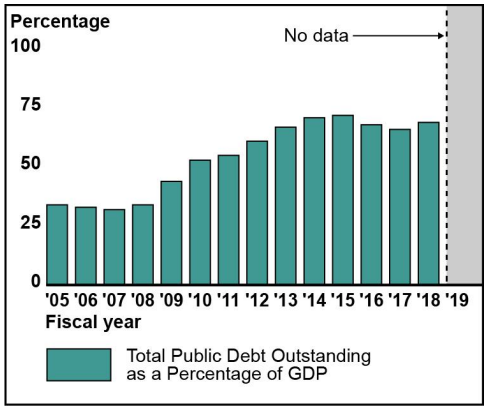
- USVI's Public Debt Increased Slightly between Fiscal Years 2016 and 2018
- USVI's Total Revenue Fluctuated between Fiscal Years 2016 and 2018
- USVI Continues to Face Several Significant Fiscal Risks, Including Significant Pension Liabilities

U.S. VIRGIN ISLANDS PUBLIC DEBT AND REVENUE, FISCAL YEARS 2005-2018

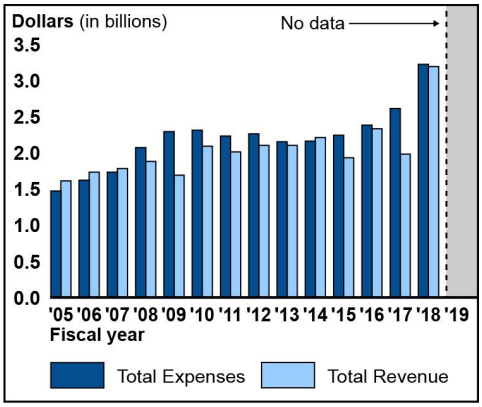
TOTAL PUBLIC DEBT OUTSTANDING



AS A SHARE OF GDP



REVENUE VS. EXPENSES



Source: GAO analysis of USVI's single audit reports and Bureau of Economic Analysis data for fiscal years 2005 - 2018. | GAO-21-508
Note: Total public debt outstanding is the sum of bonded debt outstanding and other debt held by the primary government and component units.

Repayment of Public Debt

As we reported previously, several factors may affect USVI's continued ability to repay public debt, including 1) USVI's ability to create sustained economic growth, 2) the integrity of USVI's lockbox provisions for repaying debt, 3) USVI's ability to access capital markets at favorable interest rates in the future, and 4) USVI's ability to address its pension liabilities. USVI's ability to create sustained economic growth may be hampered by the negative impact of the Coronavirus Disease 2019 (COVID-19) pandemic on its tourism industry.

Territory officials said the pandemic has underscored the need to diversify the economy beyond leisure-based tourism. As such, the government is developing plans to help grow and diversify the economy. For example, the government is formulating a 20-year economic development plan and target competitive industry analysis. The plan is intended to serve as a guide for future economic development in the territory.

USVI officials continue to project that the public pension system will reach insolvency by 2024 if there is no reduction in member benefits or infusion of cash into the system. In fiscal year 2018, USVI reported a total net pension liability for the primary government and component units of $4.3 billion, which was 110 percent of GDP in that year. Additionally, USVI reported an other post employment benefits (OPEB) liability of $884.4 million in fiscal year 2018. Together, USVI's net pension and OPEB liabilities were 132 percent of GDP in that year.

Total Public Debt Outstanding

Fiscal year	Bonded Debt Outstanding	Other Public Debt Outstanding
2005	$1,421,029,000	$44,489,000
2006	$1,444,347,000	$49,882,000
2007	$1,461,963,000	$47,618,000
2008	$1,418,175,000	$59,473,000
2009	$1,617,051,000	$220,939,000
2010	$2,155,447,000	$125,061,000
2011	$2,077,522,000	$284,840,000
2012	$2,217,476,000	$321,793,000
2013	$2,406,703,000	$187,733,000
2014	$2,394,708,000	$212,149,000
2015	$2,366,190,000	$306,759,000
2016	$2,385,013,000	$218,413,000
2017	$2,320,242,000	$250,499,000
2018	$2,497,324,000	$234,224,000
2019	n/a	n/a

As a Share of GDP

Fiscal year	Bonded Debt Outstanding as Percentage of GDP
2005	34%
2006	33%
2007	32%
2008	34%
2009	44%
2010	53%
2011	55%
2012	61%
2013	67%
2014	71%
2015	72%
2016	68%
2017	66%
2018	69%
2019	n/a

Revenue VS. Expenses

Fiscal year	Total Revenue	Total Expenses
2005	$1,606,937,000	$1,468,023,000
2006	$1,726,779,000	$1,616,329,000
2007	$1,781,171,000	$1,726,331,000
2008	$1,878,814,000	$2,072,292,000
2009	$1,686,176,000	$2,290,260,000
2010	$2,090,349,000	$2,307,240,000
2011	$2,007,830,000	$2,231,708,000
2012	$2,104,703,000	$2,264,325,000
2013	$2,099,956,000	$2,146,366,000
2014	$2,211,485,000	$2,155,563,000
2015	$1,927,595,000	$2,238,265,000
2016	$2,334,345,000	$2,379,295,000
2017	$1,984,182,000	$2,608,921,000
2018	$3,186,006,000	$3,215,437,000
2019	n/a	n/a