



# THE NATIONAL TREASURY & ECONOMIC PLANNING

## MONTHLY DEBT BULLETIN

### JULY 2024

#### I.1 Introduction

The total nominal public and publicly guaranteed debt stock as at end of July 2024 was Ksh. 10,615.85 billion (66.5 percent of GDP<sup>1</sup>) equivalent to USD 81.71 billion. The domestic debt stock was Ksh. 5,453.00 billion (34.2 percent of GDP), equivalent to USD<sup>2</sup> 41.97 billion, while the external debt stock was Ksh. 5,162.85 billion (32.4 percent of GDP) equivalent to USD 39.74 billion. Domestic and external debt stock accounted for 51.4 percent and 48.6 percent of total debt stock, respectively.

#### I.2 Movement in Exchange Rates

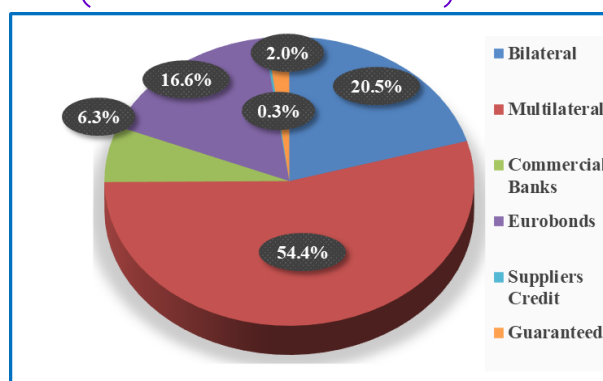
Kenya's public and publicly guaranteed debt is denominated in five major currencies, namely the US Dollar, Japanese Yen, Euro, Chinese Yuan and Sterling Pound. During the month under review, the Kenya shilling depreciated against the mentioned currencies by 0.3 percent, 4.2 percent, 1.1 percent, 0.5 percent and 1.8 percent respectively. The base<sup>3</sup> exchange rates for the aforementioned five currencies, notably the USD, Yen, Euro, Yuan and Sterling Pound were Ksh. 129.53, Ksh. 80.76, Ksh. 138.87, Ksh. 17.82 and Ksh. 163.90 respectively.

#### I.3 Size of Public and Publicly Guaranteed Debt

Overall, the National Government's external debt stock decreased by Ksh. 8.85 billion from Ksh. 5,171.70 billion as of the end June 2024 to Ksh. 5,162.85 billion as at July 2024. This was attributed to the maturing obligations during the month. Debt owed to bilateral creditors reduced by Ksh 32.95 billion from Ksh. 1,092.69 billion to Ksh. 1,059.74 billion while multilateral debt increased by Ksh. 19.61 billion from Ksh. 2,786.95 billion to Ksh. 2,806.55 billion following increased access to

concessional financing from multilateral lenders. Commercial debt remained stable, increasing only by Ksh. 3.08 billion from Ksh. 1,191.90 billion to Ksh. 1,194.98 billion during the same period. Publicly guaranteed external debt increased by Ksh 1.41 billion from Ksh. 100.17 billion in June 2024 to Ksh. 101.58 billion in July 2024 (Chart 1).

**Chart I: External Debt Composition as at end July 2024 (Percent of total External Debt)**



*Source: National Treasury*

#### I.4 Currency Composition of External Debt

The proportion of external debt denominated in USD, Euro, Yen, Yuan and Sterling Pound was at 62.8 percent, 24.8 percent, 4.0 percent, 5.5 percent and 2.6 percent respectively. Other currencies<sup>4</sup> accounted for 0.2 percent of total external debt (Chart 2). The Government is currently focusing on currency diversification with the aim of mitigating the exchange rate risk on external debt.

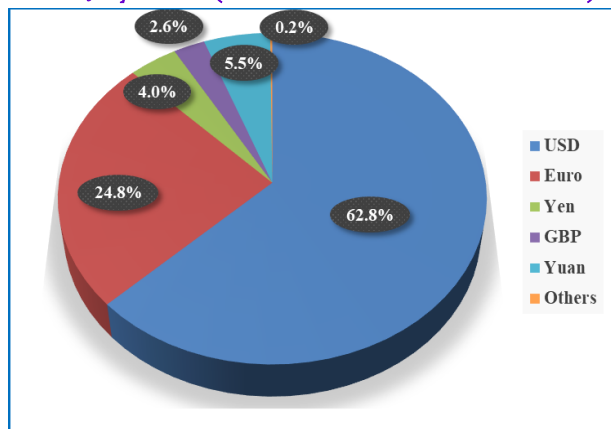
<sup>1</sup> Ksh. 15,960.43 billion

<sup>2</sup> Ksh. to USD 129.9225

<sup>3</sup> End June 2024 is the base month for all parameters

<sup>4</sup> Other currencies include Danish Kroner, Kuwait Dinar, Korean won, Indian Rupee, Canadian Dollar, Saudi Riyal, Swedish Kroner and Emirati Dirham

**Chart 2: External Debt by Currency Composition as at end July 2024 (Percent of Total External Debt)**



Source: National Treasury

### I.5 Actual Cumulative External Debt Service

The actual cumulative external debt service as at end July 2024 was Ksh. 75.86 billion against the financial year target of Ksh. 590.62 billion. This comprises cumulative interest and principal payments of Ksh. 25.88 billion and Ksh. 49.98 billion respectively. Debt service to bilateral creditors accounted for 88.6 percent of the total cumulative debt service while commercial and multilateral creditors accounted for 9.5 percent and 1.9 percent, respectively for the period ending July 2024.

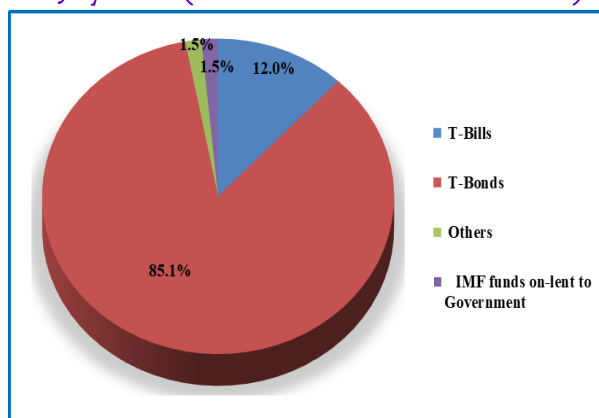
### I.6 Size of Domestic Debt

The domestic debt stock increased by Ksh. 42.72 billion from Ksh. 5,410.28 billion as at end June 2024 to Ksh. 5,453.00 billion as at end July 2024. The stock of Treasury bills increased by Ksh. 36.00 billion from Ksh. 615.89 billion to Ksh. 651.89 billion and the stock of Treasury bonds increased by Ksh. 10.76 billion from Ksh. 4,627.12 billion to Ksh. 4,637.89 billion during the same period. Domestic debt also includes pre-1997 Government debt, Government overdraft at the Central Bank of Kenya, advances from commercial banks and IMF funds on-lent to Government which decreased by Ksh 4.06 billion from Ksh. 167.27 billion to Ksh. 163.22 billion during the same period.

### I.7 Domestic Debt by Instruments

As at the end of July 2024, the ratio of bonds to bills as a percentage of total domestic debt was 85:12. The Government overdraft at the Central Bank of Kenya, pre-1997 Government debt and advances from commercial bank accounted for 1.5% percent while IMF funds on-lent to Government accounted for 1.5% percent of domestic debt stock during the same period (Chart 3).

**Chart 3: Stock of Domestic debt instruments as at end July 2024 (Percent of Total Domestic Debt)**

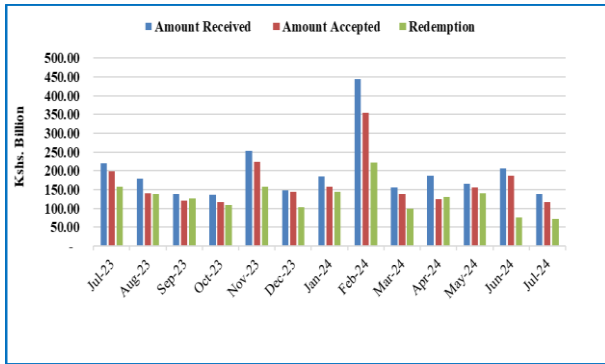


Source: National Treasury

### I.8 Domestic Borrowing

During the month of July 2024, Government securities amounting to Ksh. 170.00 billion were advertised, comprising Ksh. 120.00 billion and Ksh. 50.00 billion from Treasury bills and bonds respectively. Bids worth Ksh. 138.29 billion were received, comprising Ksh. 123.13 billion and Ksh. 15.17 billion from Treasury bills and bonds respectively. Bids worth Ksh. 116.13 billion were successful, out of which Ksh. 105.88 billion and Ksh. 10.25 billion were Treasury bills and bonds respectively. The monthly Treasury bills redemption at cost was Ksh. 71.73 billion (Chart 4).

**Chart 4: Government Securities Performance from July 2023 to July 2024 in Ksh. Billions**



Source: National Treasury

### 1.9 Net Domestic Financing

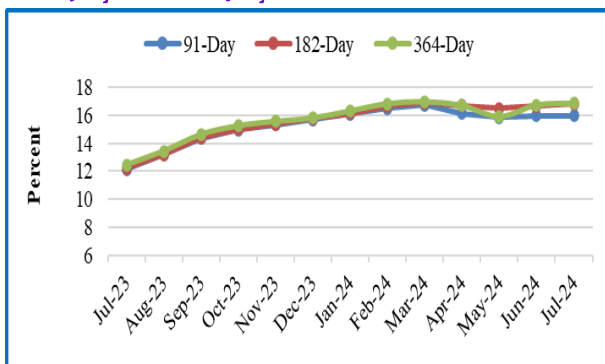
The net domestic financing as at end of July 2024 was Ksh. 135.83 billion against an annual target of Ksh. 413.09 billion for FY 2024/25 in supplementary I budget.

### 1.10 Average Interest rates for Treasury Bills

There was a marginal change in the average interest rate for Treasury bills during the month. The average interest rates for the 91-day, 182-day and 364-day Treasury bills increased by 2.6, 14.7 and 12.4 basis points, respectively between June 2024 and July 2024.

The average interest rates for 91-day, 182-day, and 364-day Treasury bills increased to 16.00 percent, 16.82 percent and 16.86 percent in July 2024 from 15.97 percent, 16.67 percent and 16.74 percent in June 2024, as shown in **Chart 5**.

**Chart 5: Average Interest rates for Treasury Bills from July 2023 to July 2024**



Source: National Treasury

### 1.11 Cumulative Domestic Interest Payments

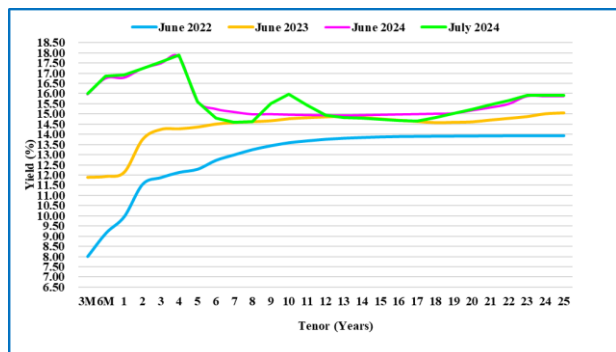
As at end of July 2024, the actual cumulative domestic interest payment amounted to Ksh. 52.69 billion against the cumulative target of Ksh. 749.97 billion for FY 2024/25 in supplementary I budget. This comprises cumulative interest payments of Ksh. 46.87 billion, Ksh. 5.02 billion and Ksh. 0.80 billion for Treasury bonds, Treasury bills and Pre-1997 Government debt & overdraft respectively.

### 1.12 Government Securities Yields

The interest rates have been on the rise both in the international capital markets and domestic market following monetary policy tightening by the Central Banks both in the advanced and developing economies to contain inflationary pressures.

The 91 Day Treasury bill interest rates increased from 8.0 percent at end June 2022 to 16.0 percent as at end July 2024 (799 basis points increase) as shown in **Chart 6**.

**Chart 6: Government Securities Yield Curve**



Source: Nairobi Stock Exchange

### 1.13 Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds during the month of July 2024 was 7.4 years.

ANNEX I: STOCK OF PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT BY SOURCE AS AT THE END JULY 2024 IN KSH (MILLIONS)

CREDITOR	Stock at the End June 2024	Stock at the End July 2024	CHANGE
<b>BILATERAL</b>			
BELGIUM	23,038.88	24,042.21	1,003.33
AUSTRIA	1,654.61	1,673.13	18.52
DENMARK	255.39	189.31	(66.09)
FINLAND	329.98	333.67	3.69
FRANCE	96,691.51	96,437.79	(253.73)
GERMANY	43,248.27	44,667.40	1,419.13
ITALY	32,913.06	28,877.74	(4,035.32)
JAPAN	80,500.03	83,878.65	3,378.62
USA	40,207.02	40,292.38	85.36
SPAIN	12,678.57	13,101.34	422.77
Other PARIS CLUB	1,519.90	1,524.54	4.64
Other NON -PARIS CLUB	21,740.37	22,135.80	395.42
CHINA	737,911.58	702,586.70	(35,324.88)
<b>Sub Total</b>	<b>1,092,689.17</b>	<b>1,059,740.65</b>	<b>(32,948.52)</b>
<b>MULTILATERAL</b>			
ADB/ADF	508,500.47	512,943.87	4,443.39
EEC/EIB	24,666.12	25,265.80	599.68
IDA	1,534,907.67	1,554,658.41	19,750.73
IFAD	33,459.72	34,056.17	596.45
IMF	421,186.09	414,813.05	(6,373.04)
Others	264,228.37	264,816.86	588.49
<b>Sub Total</b>	<b>2,786,948.45</b>	<b>2,806,554.16</b>	<b>19,605.71</b>
<b>COMMERCIAL</b>			
Commercial Bank	323,486.04	323,751.00	264.96
International Sovereign Bond	854,878.20	857,488.50	2,610.30
Suppliers Credit	13,536.83	13,743.44	206.61
<b>Sub Total</b>	<b>1,191,901.07</b>	<b>1,194,982.94</b>	<b>3,081.87</b>
<b>Total Central Government</b>	<b>5,071,538.69</b>	<b>5,061,277.75</b>	<b>(10,260.94)</b>
<b>GUARANTEED</b>			
JAPAN	69,576.61	70,882.22	1,305.60
GERMANY	1,449.20	1,465.43	16.22
Kenya Airways (Commercial Debt)	29,139.21	29,228.18	88.97
<b>Sub Total</b>	<b>100,165.02</b>	<b>101,575.82</b>	<b>1,410.80</b>
<b>CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT</b>	<b>5,171,703.72</b>	<b>5,162,853.57</b>	<b>(8,850.15)</b>

Source: National Treasury

Information in this publication may be reproduced  
Without restriction provided that due  
acknowledgment of the source is made