



THE NATIONAL TREASURY & ECONOMIC PLANNING

MONTHLY DEBT BULLETIN

SEPTEMBER 2024

I.1 Introduction

The total nominal public and publicly guaranteed debt stock as at end of September 2024 was Ksh. 10,790.08 billion (66.5 percent of GDP¹) equivalent to USD 83.52 billion. Domestic debt stock was Ksh. 5,601.71 billion (34.5 percent of GDP), equivalent to USD² 43.36 billion, while the external debt stock was Ksh. 5,188.36 billion (32.0 percent of GDP), equivalent to USD 40.16 billion. Domestic and external debt stock accounted for 51.9 percent and 48.1 percent of total debt stock, respectively.

I.2 Movement in Exchange Rates

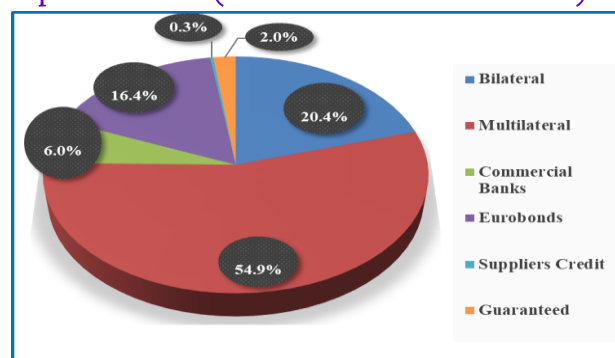
Kenya's public and publicly guaranteed debt is denominated in five major currencies, namely the US Dollar, Japanese Yen, Euro, Chinese Yuan and Sterling Pound. During the month under review, the Kenya shilling appreciated against the currencies by 0.02 percent, 2.3 percent, 0.8 percent, 1.2 percent and 1.8 percent respectively. The base³ exchange rates for the aforementioned five currencies, notably the USD Dollar, Yen, Euro, Yuan and Sterling Pound were Ksh. 129.17, Ksh. 88.91, Ksh. 143.04, Ksh. 18.21 and Ksh. 169.94 respectively.

I.3 Size of Public and Publicly Guaranteed External Debt

Overall, the National Government's external debt stock increased by Ksh. 12.26 billion from Ksh. 5,176.10 billion as of the end August 2024 to Ksh. 5,188.36 billion as at end September 2024. Debt owed to bilateral creditors reduced by Ksh. 9.91 billion from Ksh. 1,066.31 billion to Ksh. 1,056.40 billion due to maturing obligations while multilateral debt increased by Ksh. 21.92 billion from Ksh. 2,825.25 billion to Ksh. 2,847.17 billion due to

disbursements made during the month. Commercial debt reduced by Ksh. 0.46 billion from Ksh. 1,179.21 billion to Ksh. 1,178.75 billion during the same period due to maturing obligations. Publicly guaranteed external debt increased by Ksh 0.72 billion from Ksh. 105.34 billion in August 2024 to Ksh. 106.06 billion in September 2024 (**Chart I**).

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



Source: National Treasury

The external debt composition as at end of September 2024 composed of Multilateral 54.9 percent, Bilateral 20.4 percent, Eurobond 16.4 percent, Commercial 6.0 percent, Guaranteed debt 2.0 percent and Suppliers Credit 0.3.

I.4 Currency Composition of External Debt

The proportion of external debt denominated in USD, Euro, Yen, Sterling Pound and Yuan was at 62.1 percent, 25.5 percent, 4.2 percent, 2.6 percent and 5.5 percent respectively. Other currencies⁴ 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.

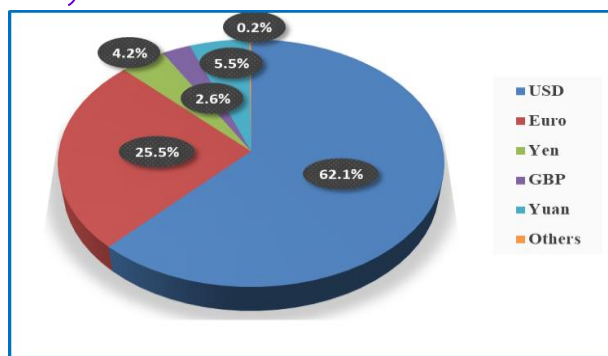
¹ Ksh. 16,228.45 billion

² Ksh. to USD 129.1957

³ End August 2024 is the base month for all parameters

⁴ 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 September 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 September 2024 was Ksh. 165.60 billion against the financial year target of Ksh. 590.62 billion. Debt service to bilateral creditors accounted for 53.3 percent of the total cumulative debt service while commercial and multilateral creditors accounted for 31.1 percent and 15.6 percent respectively. External debt service during the month of September 2024 was Ksh 38.44 billion, comprising principal repayments and interest payments of Ksh. 22.17 billion and Ksh. 16.27 billion respectively.

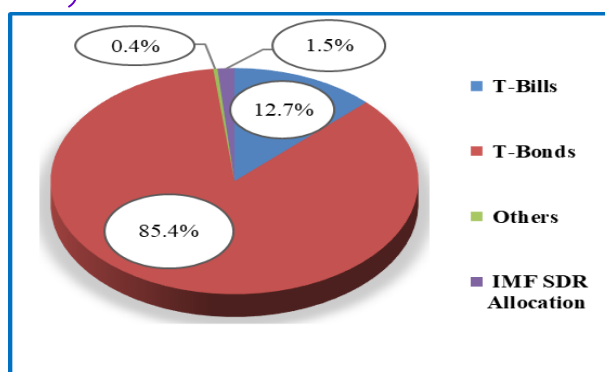
I.6 Size of Domestic Debt

The domestic debt stock increased by Ksh. 43.36 billion from Ksh. 5,558.35 billion as at end August 2024 to Ksh. 5,601.71 billion as at end September 2024. The stock of Treasury bills increased by Ksh. 38.50 billion from Ksh. 673.95 billion to Ksh. 712.45 billion while the stock of Treasury bonds increased by Ksh. 56.41 billion from Ksh. 4,729.22 billion to Ksh. 4,785.63 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 51.54 billion from Ksh 155.18 billion to Ksh 103.64 billion during the same period.

I.7 Domestic Debt by Instruments

As at the end of September 2024, the ratio of bonds to bills as a percentage of total domestic debt was 85:13. The Government overdraft at the Central Bank of Kenya and historical bank advances accounted for 0.4 percent while IMF SDR Allocation on lent to the 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 September 2024 (Percent of Total Domestic Debt)

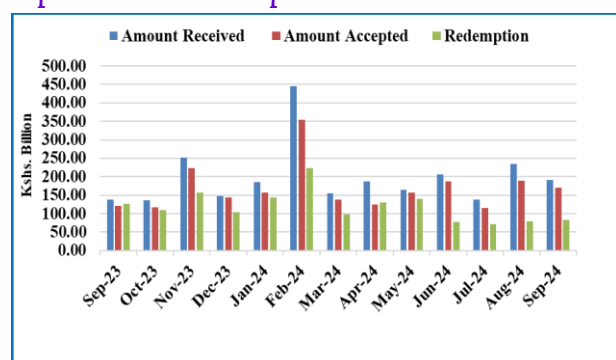


Source: National Treasury

I.8 Domestic Borrowing

During the month of September 2024, Government securities amounting to Ksh. 165.00 billion were advertised, comprising Ksh. 120.00 billion and Ksh. 45.00 billion from Treasury bills and bonds respectively. Bids worth Ksh. 190.46 billion were received, comprising Ksh. 135.80 billion and Ksh. 54.67 billion Treasury bills and bonds respectively. Bids worth Ksh. 169.84 billion were successful, out of which Ksh. 118.54 billion and Ksh. 51.30 billion were Treasury bills and bonds respectively. The monthly redemption at cost amounted to Ksh. 83.71 billion from Treasury bills (**Chart 4**).

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



Source: National Treasury

I.9 Net Domestic Financing

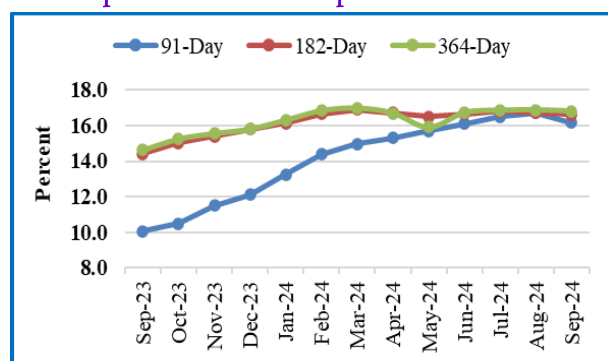
The net domestic financing as at end of September 2024 was Ksh. 204.23 billion against an annual target of Ksh. 413.09 billion for FY 2024/25 in supplementary I budget.

I.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 decreased by 9.8, 11.8 and 7.2 basis points respectively, between August 2024 and September 2024.

The average interest rates for 91-day, 182-day, and 364-day Treasury bills reduced to 15.8 percent, 16.6 percent and 16.8 percent in September 2024 from 15.9 percent, 16.7 percent and 16.9 percent in August 2024 respectively as shown in **Chart 5**.

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



Source: National Treasury

I.11 Cumulative Domestic Interest Payments

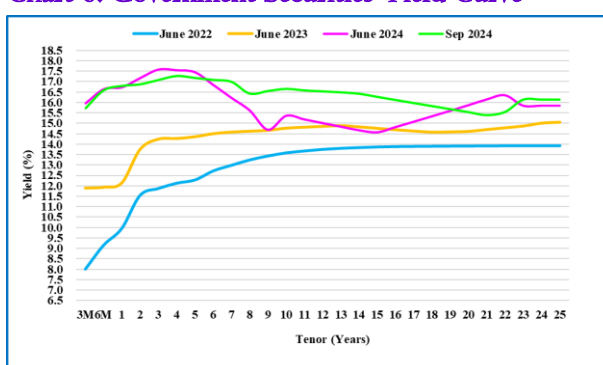
As at end of September 2024, the actual cumulative domestic interest payment amounted to Ksh. 176.83 billion against a cumulative target of Ksh. 749.97 billion for FY 2024/25 in supplementary I budget. Interest payments for Treasury bonds and bills in the month of September 2024 amounted to Ksh. 34.99 billion and Ksh. 4.56 billion, respectively. Total interest payment on the overdraft and interest on Pre-1997 Government debt & overdraft was Ksh. 0.61 billion.

I.12 Government Securities Yields

Interest rates remain elevated both in the advanced and developing economies to contain inflationary pressures.

The average 91 Day Treasury bill interest rates increased from 8.0 percent in June 2022 to 15.7 percent as at end September 2024 (771 basis points increase) as shown in **Chart 6**.

Chart 6: Government Securities Yield Curve



Source: Nairobi Stock Exchange

I.13 Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds during the month of September 2024 was 7.2 years.

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

CREDITOR	Stock at the End Aug 2024	Stock at the End September 2024	CHANGE
BILATERAL			
BELGIUM	24,338.67	24,252.98	(85.69)
AUSTRIA	1,691.74	1,705.92	14.18
DENMARK	192.92	194.58	1.66
FINLAND	339.90	171.38	(168.52)
FRANCE	98,259.42	98,106.01	(153.41)
GERMANY	44,956.34	45,333.14	376.80
ITALY	29,416.84	29,663.39	246.55
JAPAN	88,345.04	90,387.65	2,042.61
USA	39,985.56	32,128.68	(7,856.88)
SPAIN	13,830.04	13,865.53	35.49
Other PARIS CLUB	1,515.77	1,137.01	(378.76)
Other NON -PARIS CLUB	22,051.84	22,525.01	473.17
CHINA	701,381.41	696,926.90	(4,454.51)
Sub Total	1,066,305.51	1,056,398.18	(9,907.33)
MULTILATERAL			
ADB/ADF	514,863.75	517,038.60	2,174.85
EEC/EIB	25,737.47	25,317.79	(419.68)
IDA	1,568,696.08	1,585,012.28	16,316.20
IFAD	34,247.17	34,477.18	230.01
IMF	418,072.28	421,171.40	3,099.12
Others	263,632.24	264,148.25	516.01
Sub Total	2,825,248.99	2,847,165.50	21,916.51
COMMERCIAL			
Commercial Bank	312,750.36	312,063.40	(686.96)
International Sovereign Bond	852,553.02	852,691.62	138.60
Suppliers Credit	13,905.49	13,990.41	84.92
Sub Total	1,179,208.87	1,178,745.43	(463.44)
Total Central Government	5,070,763.37	5,082,309.11	11,545.74
GUARANTEED			
JAPAN	74,785.89	75,485.82	699.93
GERMANY	1,492.78	1,505.29	12.51
Kenya Airways (Commercial Debt)	29,059.95	29,064.68	4.73
Sub Total	105,338.63	106,055.79	717.16
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	5,176,101.99	5,188,364.90	12,262.91

Source: National Treasury

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