



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

Quarterly Economic and Budgetary Review

**Fourth Quarter, Financial Year 2024/2025
Period Ending 30th June, 2025**

August 2025 Edition

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AUGUST 2025 EDITION

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ACKNOWLEDGEMENT

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LIST OF ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
ADF	Asian Development Fund
A-I-A	Appropriation-in-Aid
AMISOM	African Union Mission in Somalia
ARUD	Agriculture, Rural and Urban Development
BAEA	Arab Bank for Economic Development of Africa
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CF	Contingency Fund
CFS	Consolidated Fund Services
EAPC	East African Portland Cement
EBUs	Extra Budgetary Units
EEC	European Economic Community
EIB	European Investment Bank
EI&ICT	Energy, Infrastructure and Information Communication Technology
EPW&NR	Environment Protection, Water and Natural Resources
ES	Equitable Share
Excl.	Exclude
DANIDA	Danish International Development Agency
FPE	Free Primary Education
FSE	Free Secondary Education
FY	Financial Year
GDP	Gross Domestic Product
GECA	General Economic and Commercial Affairs
GFSM	Government Finance Statistics Manual
GJLO	Governance, Justice, Law and Order
GOP	Gross Operating Balance
ICT	Information, Communication and Technology
IDA	International Development Association
IDF	Import Declaration Fee
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund

Incl.	Include
JKIA	Jomo Kenyatta International Airport
Jun.	June
KNBS	Kenya National Bureau of Statistics
KSh.	Kenya Shillings
M3	Broad Money Supply
MDAs	Ministries, Departments and Agencies
MIA	Mombasa International Airport
Mn	Million
NDA	Net Domestic Assets/Net Domestic Financing
NDF	Nordic Development Fund
NFA	Net Foreign Assets/Non-Financial Assets
NFB	Net Financing Balance
NIS	National Intelligence Service
NLB	Net Lending/ Borrowing
NOB	Net Operating Balance
NSE	Nairobi Securities Exchange
O & M	Operation and Maintenance
OPEC	Oil Producing and Exporting Countries
PAIR	Public Administration and International Affairs
PAYE	Pay as You Earn
PDL	Petroleum Development Levy
QEBR	Quarterly Economic and Budgetary Review
RDL	Railway Development Levy
RML	Road Maintenance Levy
SAGAS	Semi-Autonomous Government Agencies
SC	State Corporations
SDR	Special Drawing Rights
SMS	Short Message Services
SGR	Standard Gauge Railway
SOEs	State Owned Enterprises
SPC&R	Social Protection, Culture and Recreation
TARDA	Tana River Development Authority
UK	United Kingdom

US\$	United States Dollar
VAT	Value Added Tax
O/W	Of Which

LEGAL BASIS FOR THE QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORTS

The Quarterly Economic and Budgetary Review Report is Published in accordance with Section 83 of the Public Finance Management Act, 2012. It states as follows:

83. (1) An accounting officer for a national government entity shall prepare a report for each quarter of the financial year in respect of the entity.

(2) In preparing a quarterly report for a national government entity, the accounting officer shall ensure that the report—

(a) Contains information on the financial and non-financial performance of the entity; and

(b) Is in a form that complies with the standards prescribed and published by the Accounting Standards Board from time to time.

(3) Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

(4) The Cabinet Secretary responsible for an entity shall forward a copy of the report to the Cabinet Secretary and Controller of Budget.

(5) **Not later than forty five days after the end of each quarter**, the National Treasury shall—

(a) consolidate the quarterly reports and submit them to the National Assembly and a copy of the reports to the Controller of Budget, Auditor General and the Commission on Revenue Allocation; and

(b) Publish and publicize the reports.

(6) In the case of an entity that is a state corporation, the accounting officer for the corporation shall submit the quarterly report to the Cabinet Secretary responsible for the corporation who shall, upon approving it, forward a copy to the Cabinet Secretary.

HIGHLIGHTS OF THE FOURTH QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORT IN THE 2024/25 FINANCIAL YEAR

1. Economic growth

The economy remained strong and resilient in the first quarter of 2025 with a growth of 4.9 percent and a similar growth compared to the corresponding quarter of 2024. This growth was primarily underpinned by strong performance in the agriculture sector; a recovery of industrial activities; and the resilience of services sector. All economic sectors recorded positive growth rates in the first quarter of 2025, though the magnitudes varied across activities.

2. Inflation rate

Overall year-on year inflation declined and has remained below the mid-point of the policy target band of 5.0 percent since June 2024. The decline was mainly due to the lagged effect of the earlier tight monetary policy, declines in energy prices and continued easing of food prices. The year-on-year inflation declined to 3.8 percent in June 2025 from 4.6 percent in June 2024 and a peak of 9.6 percent in October 2022

3. Interest Rates

Interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 9.7 percent in June 2025 compared to 13.1 percent in June 2024 while the 91-day Treasury Bills rate also declined to 8.2 percent from 16.0 percent over the same period. The average lending rate declined to 15.3 percent in June 2025 from 16.9 percent in June 2024 while the average deposit rate also declined to 8.4 percent from 11.5 percent over the same period.

4. Money and Credit

Broad money supply, M3, grew by 7.5 percent in the year to June 2025 compared to a growth of 6.8 percent in the year to June 2024. The growth of M3 was due to an improvement in the growth of Net Domestic Assets (NDA) particularly domestic credit.

5. Current Account

The current account deficit was US\$. 2,098.2 million (1.5 percent of GDP) in June 2025 compared to US\$ 1,925.6 million (1.5 percent of GDP) in June 2024. The current account balance was supported by resilient goods exports, an improvement in net receipts on the services account and an increase in the net primary income and net secondary income balance.

6. Foreign Exchange Reserves

The official foreign exchange reserves held by the Central Bank stood at US\$. 11,876.7 million in June 2025 an improvement compared to US\$ 8,462.7 million in June 2024. This represented 5.2 months of import cover as compared to the 3.8 months of import cover in June 2024, respectively, and therefore provides adequate cover and a buffer against short term shocks in the foreign exchange market.

7. Capital Markets

Activity in the capital markets improved in the year to June 2025. The NSE 20 Share Index improved to 2,440 points in June 2025 compared to 1,657 points in June 2024 while Market capitalization also improved to KSh. 2,417 billion from KSh. 1,711 billion over the same period.

8. Revenue Collection

The National Government's cumulative revenue collection including A-I-A for the period between July 2024 and June 2025 amounted to KSh. 2,923.6 billion (17.0 percent of GDP) against a target of KSh. 2,985.6 billion. The revenue was below target due to shortfalls recorded in collection of ordinary revenue.

9. Expenditure and Net Lending

The total expenditure and net lending inclusive of transfers to County Governments for the period ending 30th June, 2025 amounted to KSh. 3,976.0 billion, against a target of KSh. 4,045.1 billion. The resultant under expenditure of KSh. 69.1 billion is mainly attributed to lower absorption recorded in both recurrent and development expenditures by the National Government.

10. Guaranteed Debt

During the period under review, the National Government serviced no Guaranteed Debt.

11. Fiscal Balance

The fiscal balance (on commitment basis and excluding grants) amounted to KSh. 1,052.4 billion (6.0 percent of GDP) against a targeted deficit of KSh. 1,059.5 billion (6.1 percent of GDP).

12. External Financing

The Net Foreign financing amounted to KSh. 179.7 billion (1 percent of the GDP) during the period ending 30th June, 2025.

13. Net Domestic Borrowing

Net domestic financing amounted to a net borrowing of KSh. 854.5 billion (4.9 percent of GDP) in the period ending 30th June, 2025.

14. Domestic Debt Stock

The stock of gross domestic debt increased by KSh. 915.7 billion from KSh. 5,410.3 billion in June 2024 to KSh. 6,326.0 billion in June, 2025.

15. External Debt Stock

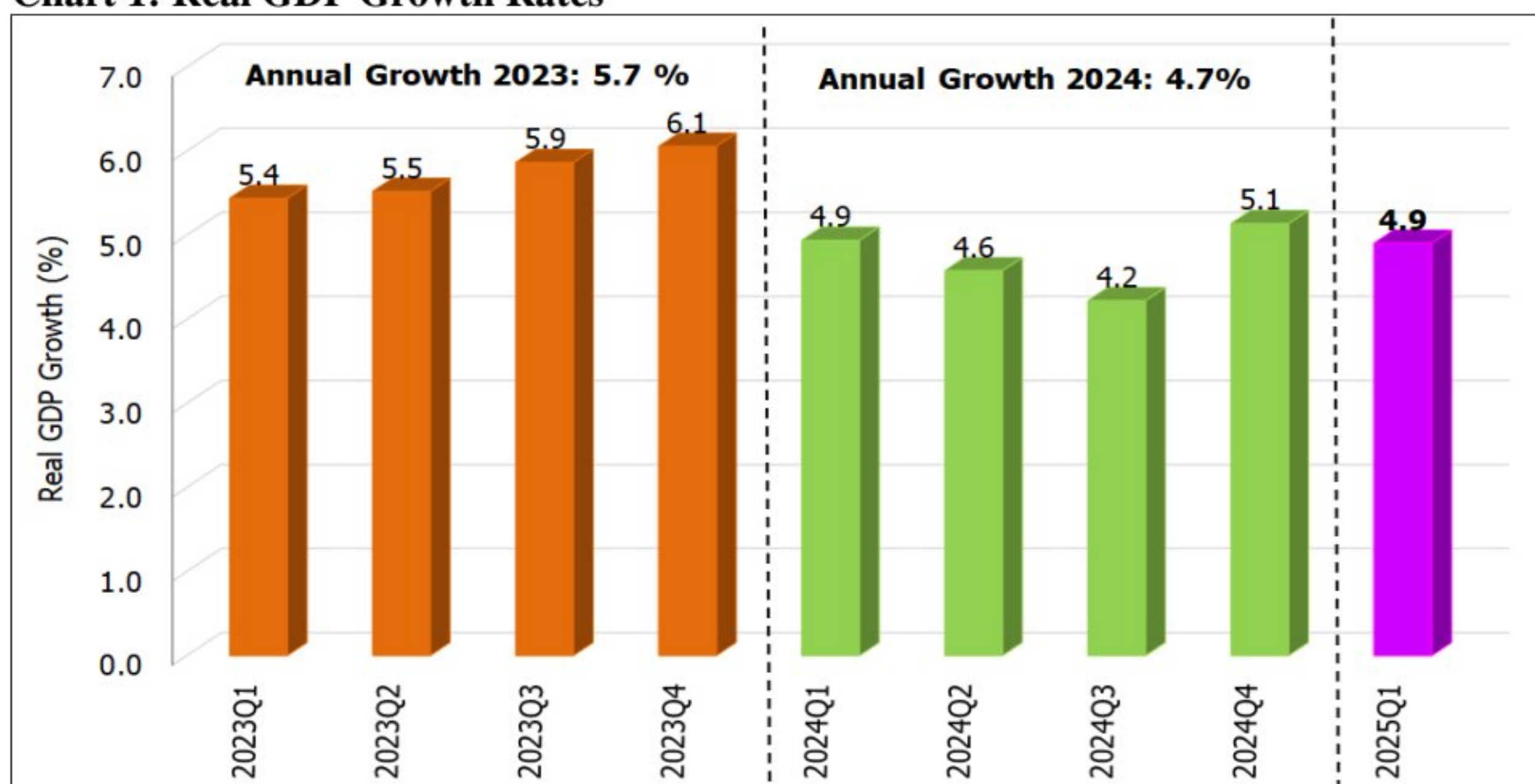
The total external debt stock, increased by US\$.2513.3 million to US\$. 42,440.97 million in June 2025 from US\$. 39,927.61 million in June 2024. This comprised debt owed to multilateral of 55.5 percent, commercial sources of 24.2 percent, bilateral of 20.3 percent, and Suppliers Credit of 0.3 percent.

1.0 RECENT ECONOMIC DEVELOPMENTS

1.1 Economic Growth

1. The Kenyan economy remained strong and resilient in the first quarter of 2025 with a growth of 4.9 percent, a similar growth compared to the corresponding quarter of 2024 (**Chart 1**). This growth was primarily underpinned by strong performance in the agriculture sector; a recovery of industrial activities; and the resilience of services sector. All economic sectors recorded positive growth rates in the first quarter of 2025, though the magnitudes varied across activities. The diversified structure of the economy remains a key source of resilience in withstanding domestic and external shocks.

Chart 1: Real GDP Growth Rates



Source of Data: Kenya National Bureau of Statistics

2. The primary sector grew by 6.2 percent in the first quarter of 2025 compared to a growth of 4.5 percent in the first quarter of 2024 (**Table 1**). This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector and a recovery in the mining and quarrying sub sector.

3. Activities in the agriculture, forestry and fishing sub-sector expanded by 6.0 percent in the first quarter of 2025 compared to a growth of 5.6 percent in a similar quarter in 2024. This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in production of sugarcane, milk deliveries and increased coffee exports. The sector's performance was further supported by improved external demand for cut flowers and vegetables. However, the sector's performance was somewhat curtailed by a decline in tea production.

4. The mining and quarrying sub-sector had a strong rebound of 10.0 percent in the first quarter of 2025 compared to a contraction of 16.1 percent over the same period in 2024. This reflected increased activity and renewed investment following a period of subdued performance in the previous year.

Table 1: Sectoral Real GDP Growth rate (Percent)

Sectors	Annual Growth Rates		Quartely Growth Rates		
	2023	2024	2023 Q1	2024 Q1	2025 Q1
1. Primary Industry	5.7	3.9	5.4	4.5	6.2
1.1. Agriculture, Forestry and Fishing	6.6	4.6	6.5	5.6	6.0
1.2 Mining and Quarrying	(6.5)	(9.2)	(10.6)	(16.1)	10.0
2. Secondary Sector (Industry)	2.6	1.5	2.1	1.5	2.6
2.1. Manufacturing	2.2	2.8	2.1	1.9	2.1
2.2. Electricity and Water supply	3.2	1.9	3.8	2.8	3.6
2.3. Construction	3.0	(0.7)	1.4	0.4	3.0
3. Tertiary sector (Services)	6.8	6.1	6.6	6.8	4.8
3.1. Wholesale and Retail trade	3.3	3.8	3.7	3.6	5.4
3.2. Accomodation and Restaurant	33.6	25.7	46.3	38.1	4.1
3.3. Transport and Storage	5.5	4.4	6.8	4.1	3.8
3.4. Information and Communication	10.3	7.0	10.4	9.2	5.8
3.5. Financial and Insurance	10.1	7.6	4.7	9.6	5.1
3.6. Public Administration	5.0	8.2	8.4	7.5	6.5
3.7. Others	6.1	5.2	5.7	5.8	4.4
of which: Professional, Admin & Support Services	9.4	9.4	8.6	9.4	4.6
Real Estate	7.3	5.3	6.6	6.9	5.3
Education	2.9	3.9	3.6	2.4	2.9
Health	4.5	6.3	4.8	5.4	4.8
Taxes less subsidies	3.2	4.4	2.7	2.9	5.7
Real GDP	5.7	4.7	5.4	4.9	4.9
of which Non-Agriculture	5.8	4.8	5.5	5.0	4.5

Source of Data: Kenya National Bureau of Statistics

5. In the first quarter of 2025, the industry sector recorded a growth of 2.6 percent, improving from 1.5 percent in the same quarter of 2024. This growth was driven by positive performance across manufacturing, electricity and water supply, and construction subsectors. The manufacturing sub-sector grew by 2.1 percent in the first quarter of 2025 compared to a growth of 1.9 percent in the first quarter of 2024. This growth was supported by both food and non-food manufacturing activities. In food manufacturing, activities benefitted from strong increases in coffee auctions, milk deliveries, sugar production, and soft drink output. Non-food manufacturing also performed well, with increased production in cement and galvanized sheets. However, the sector faced some constraints due to a decline in credit to manufacturing enterprises.

6. The electricity and water supply sub-sector grew by 3.6 percent in the first quarter of 2025, compared to a growth of 2.8 percent in the same period in 2024, largely due to a rise in total electricity generation. Renewable energy sources contributed significantly, with solar and wind generation increasing. Growth in the sub-sector was curtailed by an increase in thermal power generation (which is costly to generate) while hydro and geothermal generation declined. Construction sub-sector grew by 3.0 percent in the first quarter of 2025, up from 0.4 percent in the same period in 2024, as evidenced by increased consumption of key inputs such as cement and iron and steel. However, imported bitumen volumes declined, suggesting a potential slowdown in road construction activities.

7. In the first quarter of 2025, the services sector recorded a real GDP growth of 4.8 percent, a slowdown from the 6.8 percent growth posted in the corresponding quarter of 2024. The Transportation and Storage sub-sector expanded by 3.8 percent, slightly lower than

RECENT ECONOMIC DEVELOPMENTS

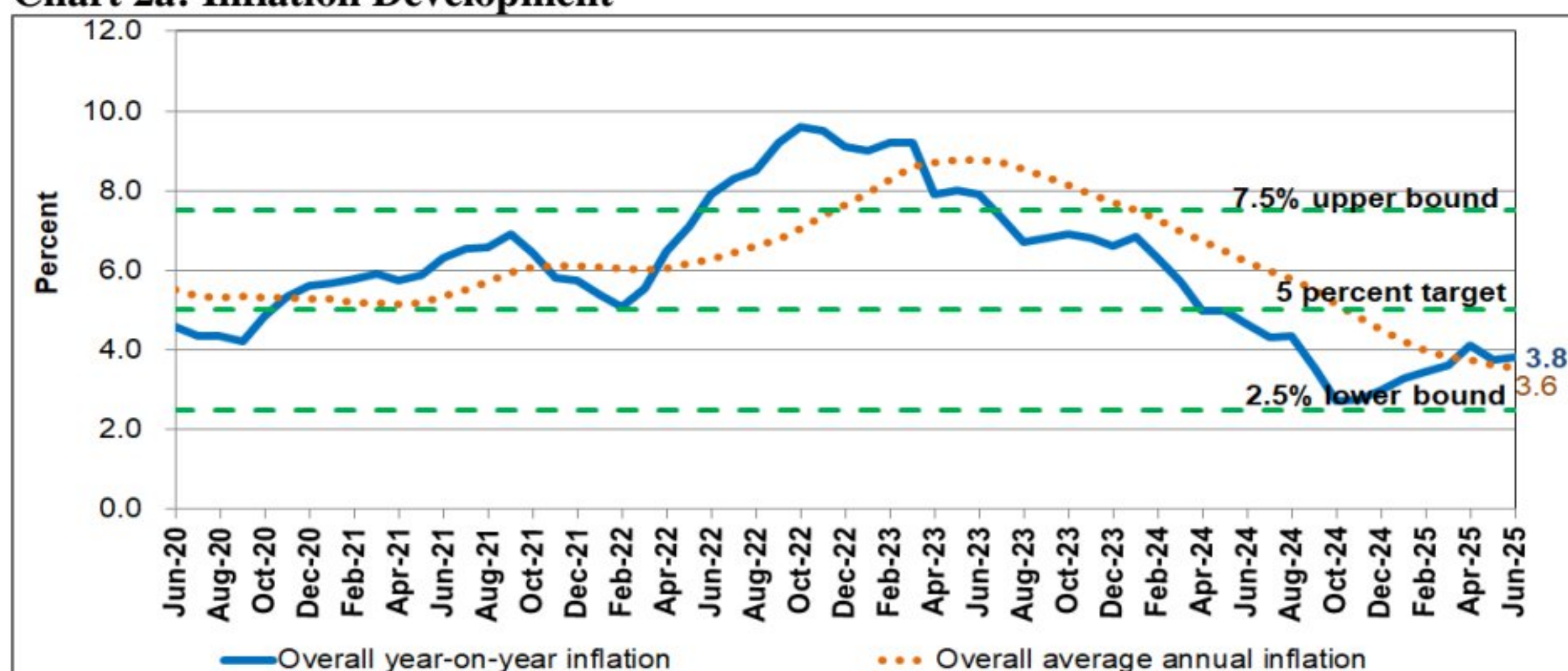
the 4.1 percent growth in the same quarter in 2024, supported by increased land transport and port activities. Accommodation and Food Service activities grew by 4.1 percent in the first quarter of 2025, a slowdown, compared to a growth of 38.1 percent in the first quarter of 2024. The number of visitor arrivals via the two major airports, the Jomo Kenyatta International Airport (JKIA) and Moi International Airport (MIA) increased by 0.5 percent in the first quarter of 2025 compared to a 10.4 percent growth in the first quarter of 2024.

8. The Information and Communication sub-sector grew by 5.8 percent in the first quarter of 2025, compared to 9.2 percent growth in the corresponding quarter of 2024. This performance was supported by an increase in the volume of outgoing domestic voice traffic; use of domestic Short Messaging Services (SMSs); and mobile money transactions. Similarly, the total utilized international bandwidth increased in the first quarter of 2025, mainly attributed to the launch of an additional internet service provider in the country. The Financial and Insurance sub-sector recorded a slower growth of 5.1 percent in the first quarter of 2025 compared to 9.6 percent growth in the corresponding quarter of 2024. Despite the overall slowdown, the sector remained buoyed by increased activities in financial transactions and improved credit conditions.

1.2 Inflation

9. Overall year-on-year inflation declined and has remained below the mid-point of the policy target range of 5.0 percent since June 2024. The decline was mainly due to the lagged effect of the earlier tight monetary policy; declines in energy prices; and continued easing of food prices. The year-on-year inflation declined to 3.8 percent in June 2025 from 4.6 percent in June 2024 and a peak of 9.6 percent in October 2022 (**Chart 2a**).

Chart 2a: Inflation Development



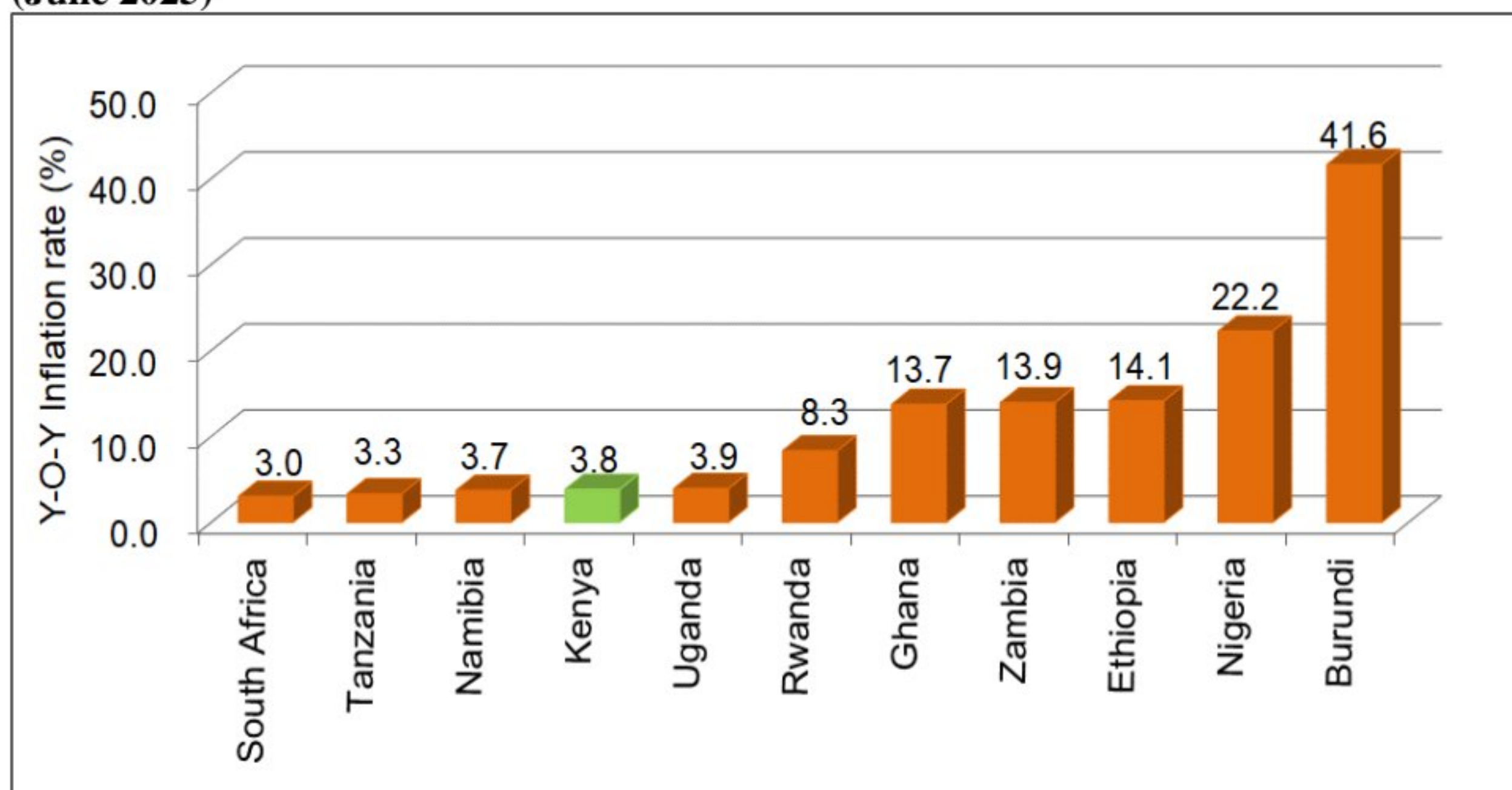
Source of Data: Kenya National Bureau of Statistics

10. Core inflation remained low at 3.0 percent in June 2025 from 2.8 percent in June 2024, mainly on account of muted demand pressures. Non-core inflation decreased to 6.2 percent in June 2025 from 10.1 percent in June 2024, reflecting relatively lower prices of food items. Additionally, lower energy and utilities prices continued to moderate non-core inflation, on account of lower electricity and pump prices. In June 2025, core inflation contributed 2.7 points while non-core inflation contributed 1.1 points to the overall y-o-y inflation.

RECENT ECONOMIC DEVELOPMENTS

11. The year-on-year inflation rate varied across countries in the Sub-Saharan Africa region. These differences reflect diverse economic conditions, monetary policies, and commodity/drought-related impacts across the region. Kenya's year on year inflation rate at 3.8 percent in June 2025 was much lower than that of majority of the countries in the Sub-Saharan Africa region while a highly significant number of the countries had double digits' year on year inflation (**Chart 2b**).

Chart 2b: Year on Year Inflation Rates of Selected Sub-Saharan Africa Countries (June 2025)



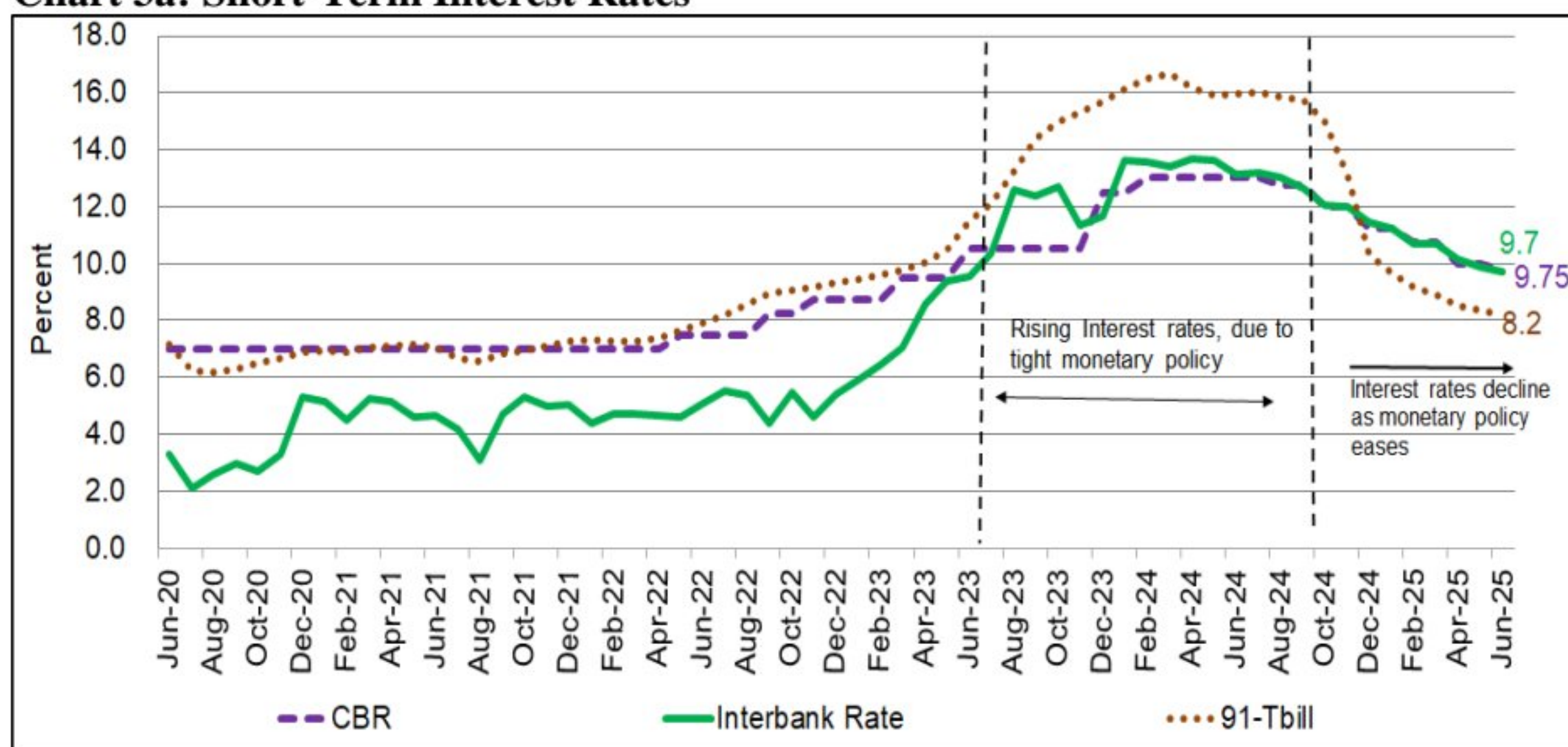
Source of Data: Kenya National Bureau of Statistics

1.3 Interest Rates

12. The Central Bank of Kenya through the Monetary Policy Committee (MPC) has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.75 percent in June 2025. This is meant to augment the previous policy actions aimed at stimulating lending by banks to the private sector and supporting economic activities, while ensuring inflationary expectations remain firmly anchored, and the exchange rate remains stable.

13. The short term interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 9.7 percent by June 2025 compared to 13.1 percent in June 2024 and has remained within the prescribed corridor around the CBR (set at CBR \pm 75 basis points). The 91-day Treasury Bills rate declined to 8.2 percent in June 2025 from 16.0 percent in June 2024 (**Chart 3a**). The 182-day Treasury Bills rate declined to 8.5 percent in June 2025 from 16.7 percent in June 2024 while the 364-day Treasury Bills also decline to 9.8 percent from 16.7 percent over the same period.

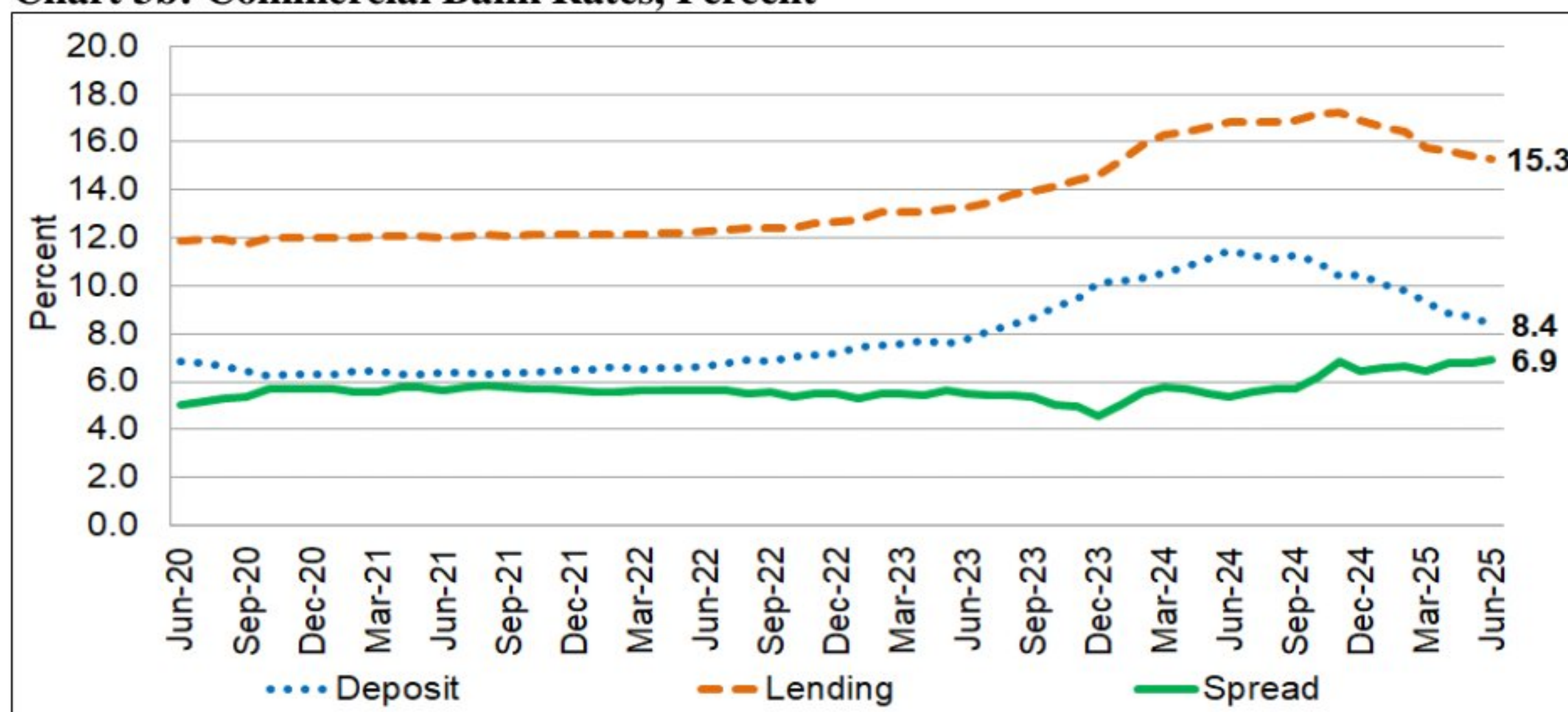
Chart 3a: Short-Term Interest Rates



Source of Data: Central Bank of Kenya

14. Commercial banks average lending and deposit rates decreased in the year to June 2025 in tandem with the easing of the monetary policy and reduction of the Cash Reserve Ratio (CRR). The average lending rate decreased to 15.3 percent in June 2025 from 16.9 percent in June 2024 while the average deposit rate also decreased to 8.4 percent from 11.5 percent over the same period. Consequently, the average interest rate spread increased to 6.9 percent in June 2025 from 5.4 percent in June 2024 (Chart 3b).

Chart 3b: Commercial Bank Rates, Percent



Source of Data: Central Bank of Kenya

1.4 Money and Credit

15. Broad money supply, M3, grew by 7.5 percent in the year to June 2025 compared to a growth of 6.8 percent in the year to June 2024 (Table 2). The growth of M3 was due to an improvement in the growth of Net Domestic Assets (NDA) particularly domestic credit. The NFA of the banking system slowed down to a growth of 17.7 percent in the year to June 2025 compared to a growth of 53.2 percent in the year to June 2024. Growth in the NFA was mainly due to an increase in Central Bank's foreign assets while commercial banks' foreign assets declined during the period.

Table 2: Money and Credit Developments (12 Months to June 2025 KSh. Billion)

				Absolute Change		Percent Change	
	2023 June	2024 June	2025 June	2023-2024 June	2024-2025 June	2023-2024 June	2024-2025 June
COMPONENTS OF M3							
1. Money supply, M1 (1.1+1.2+1.3)	2,098.2	2,063.6	2,342.3	(34.6)	278.7	(1.6)	13.5
1.1 currency outside banks (M0)	257.9	274.2	286.0	16.3	11.8	6.3	4.3
1.2 Demand deposits	1,680.7	1,630.6	1,930.8	(50.1)	300.2	(3.0)	18.4
1.3 Other deposits at CBK	159.6	158.9	125.5	(0.7)	(33.4)	(0.5)	(21.0)
2. Money supply, M2 (1+2.1)	3,852.2	4,041.6	4,519.6	189.4	478.0	4.9	11.8
2.1 Time and savings deposits	1,754.0	1,978.0	2,177.3	224.0	199.3	12.8	10.1
Money supply, M3 (2+3.1)	5,037.4	5,381.3	5,786.5	343.9	405.2	6.8	7.5
3.1 Foreign currency deposits	1,185.2	1,339.7	1,266.9	154.5	(72.8)	13.0	(5.4)
SOURCES OF M3							
1. Net foreign assets (1.1+1.2)	591.5	905.9	1,066.3	314.4	160.4	53.2	17.7
1.1 Central Bank	616.9	479.2	810.8	(137.7)	331.6	(22.3)	69.2
1.2 Banking Institutions	(25.4)	426.7	255.5	452.1	(171.2)	1,780.1	(40.1)
2. Net domestic assets (2.1+2.2)	4,445.9	4,475.4	4,720.2	29.5	244.7	0.7	5.5
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	5,820.2	6,170.1	6,655.5	349.9	485.4	6.0	7.9
2.1.1 Government (net)	2,083.9	2,287.7	2,713.3	203.7	425.6	9.8	18.6
2.1.2 Other public sector	83.7	84.9	61.4	1.3	(23.5)	1.5	(27.7)
2.1.3 Private sector	3,652.6	3,797.5	3,880.9	144.9	83.4	4.0	2.2
2.2 Other assets net	(1,374.3)	(1,694.7)	(1,935.4)	(320.4)	(240.7)	(23.3)	(14.2)

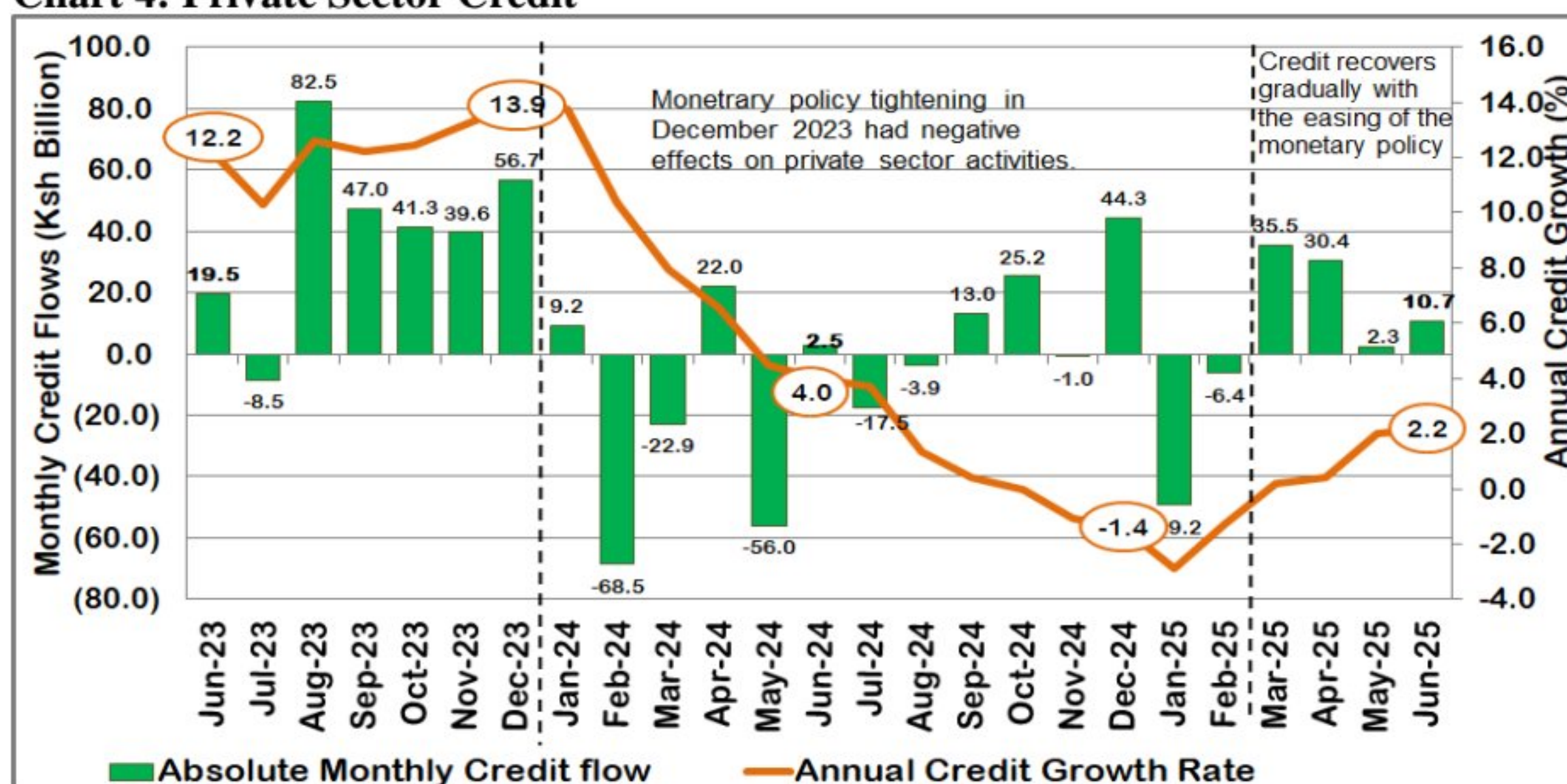
Source of Data: Central Bank of Kenya

16. Net Domestic Assets (NDA) grew by 5.5 percent in the year to June 2025, compared to a growth of 0.7 percent over a similar period in 2024. This growth was mainly due to an increase in the growth of the domestic credit to the Government. The domestic credit extended by the banking system to the Government grew by 18.6 percent in the year to June 2025 compared to a growth of 9.8 percent in the year to June 2024 while lending to other public sectors contracted by 27.7 percent compared to a growth of 1.5 percent over the same period.

17. Growth in private sector credit from the banking system recorded a growth of 2.2 percent in the year to June 2025 compared to a growth of 4.0 percent in the year to June 2024. This slowed growth reflects improved demand in line with the declining lending interest rates, and dissipation of exchange rate devaluation effects on foreign currency denominated loans following the appreciation of the Shilling. Reduced credit growth was observed in finance and insurance, trade (imports), mining and quarrying, business services and private households. These are some of the sub-sectors with significant foreign currency denominated loans.

18. The Monthly (month on month) credit flows to the private sector improved to KSh. 10.7 billion in June 2025 from KSh. 2.5 billion in June 2024. This is due to the easing of the monetary policy stance and the reduction of the Cash Reserve Ratio (CRR) to lower the cost of funds for banks (**Chart 4**). Sustained demand particularly for working capital due to resilient economic activities and the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs will continue to support private sector credit uptake.

Chart 4: Private Sector Credit



Source of Data: Central Bank of Kenya

1.5 Balance of Payments

19. The current account deficit was US\$. 2,098.2 million (1.5 percent of GDP) in June 2025 compared to US\$ 1,925.6 million (1.5 percent of GDP) in June 2024 (Table 3 and Chart 5). The current account balance was supported by resilient goods exports, an improvement in net receipts on the services account, net primary income and net secondary income balance. The current account deficit in the 12 months to June 2025 was more than fully financed by financial account inflows, resulting in an overall balance of payments surplus of US\$ 2,832.1 million.

Table 3: Balance of Payments (US\$ Million)

				Year to June 2025		Actuals as a Percent of GDP	
	Jun-23	Jun-24	Jun-25	Change	Percent Change	Jun-24	Jun-25
Overall Balance	1,096.5	658.0	(2,832.1)	(3,490.1)	(530.4)	0.5	(2.0)
A) Current Account	(3,602.5)	(1,925.6)	(2,098.2)	(172.6)	(9.0)	(1.5)	(1.5)
<i>Merchandise Account (a-b)</i>	<i>(10,440.4)</i>	<i>(9,215.0)</i>	<i>(10,381.9)</i>	<i>(1,166.9)</i>	<i>(12.7)</i>	<i>(7.4)</i>	<i>(7.3)</i>
a) Goods: exports	10,724.7	11,841.4	12,752.5	911.1	7.7	9.5	9.0
b) Goods: imports	21,165.1	21,056.4	23,134.4	2,078.0	9.9	16.8	16.3
<i>Net Services (c-d)</i>	<i>1,894.5</i>	<i>1,928.9</i>	<i>2,400.2</i>	<i>471.2</i>	<i>24.4</i>	<i>1.5</i>	<i>1.7</i>
c) Services: credit	7,754.0	7,182.7	8,082.0	899.3	12.5	5.7	5.7
d) Services: debit	5,859.5	5,253.7	5,681.8	428.1	8.1	4.2	4.0
<i>Net Primary Income (e-f)</i>	<i>(1,855.5)</i>	<i>(1,819.4)</i>	<i>(1,728.0)</i>	<i>91.3</i>	<i>5.0</i>	<i>(1.5)</i>	<i>(1.2)</i>
e) Primary income: credit	152.5	219.5	391.8	172.3	78.5	0.2	0.3
f) Primary income: debit	2,008.0	2,038.8	2,119.8	81.0	4.0	1.6	1.5
<i>Net Secondary Income</i>	<i>6,798.9</i>	<i>7,179.9</i>	<i>7,611.6</i>	<i>431.7</i>	<i>6.0</i>	<i>5.7</i>	<i>5.4</i>
g) Secondary income: credit	6,883.3	7,242.0	7,663.7	421.8	5.8	5.8	5.4
h) Secondary income: debit	84.4	62.0	52.1	(9.9)	(15.9)	0.0	0.0
B) Capital Account	125.8	155.3	257.8	102.5	66.0	0.1	0.2
C) Financial Account	(3,488.2)	(364.2)	(4,160.9)	(3,796.7)	(1,042.5)	(0.3)	(2.9)

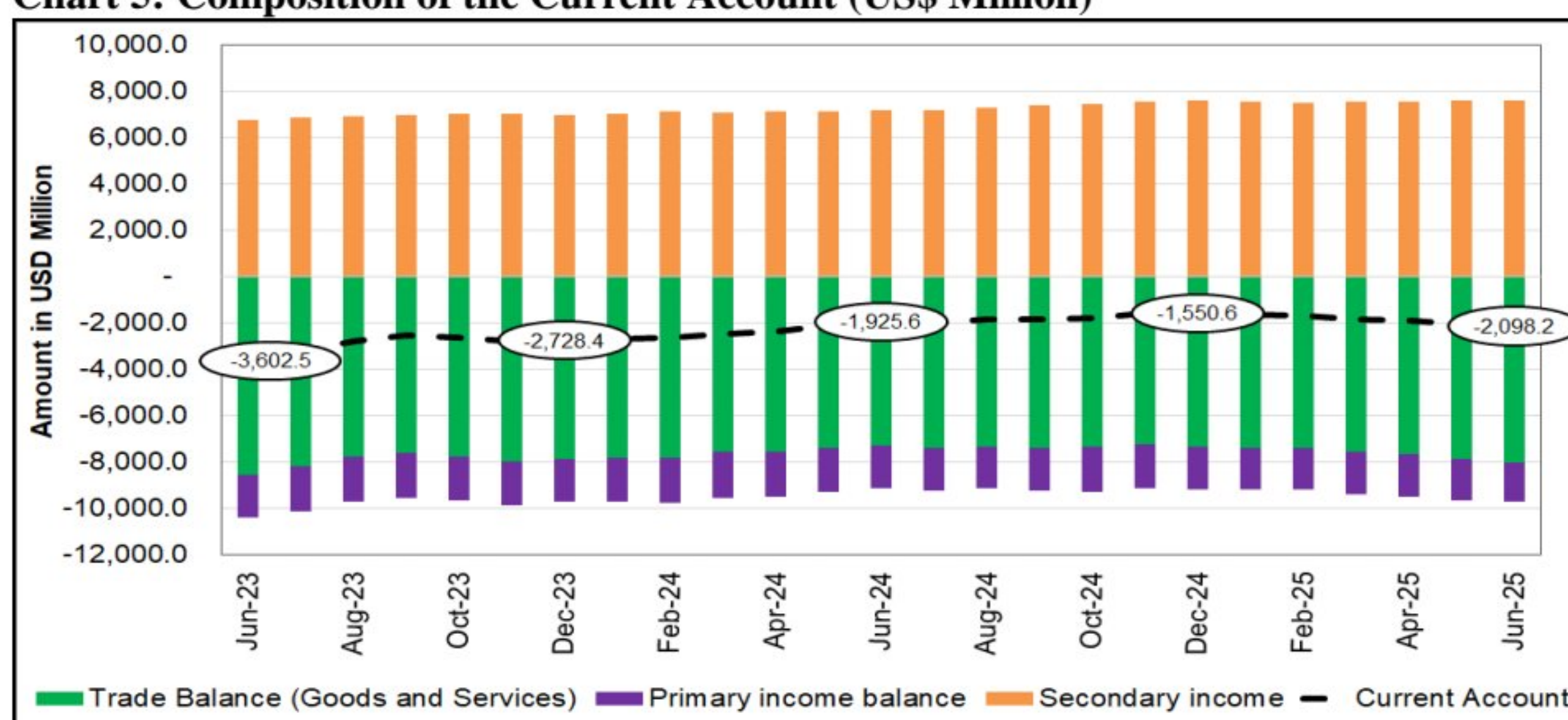
Source of Data: Central Bank of Kenya

RECENT ECONOMIC DEVELOPMENTS

20. The balance in the merchandise account deteriorated by US\$ 1,166.9 million to a deficit of US\$. 10,381.9 million in June 2025 mainly due to an increase in import bill that more than offset the increase in exports. Goods exports increased by 7.7 percent, due to higher domestic exports particularly of horticulture and coffee. Goods imports rose by 9.9 percent, reflecting increases in intermediate and capital goods imports. Services receipts increased by 24.4 percent, mainly, supported by increased receipts from transport and travel services. The deficit on the primary account narrowed by US\$. 91.3 million to a deficit of US\$. 1,728.0 million in the year to June 2025, compared to the same period last year.

21. Net Secondary income remained resilient and increased by US\$. 431.7 million during the review period owing to an increase in remittances. Diaspora remittances increased by 12.1 percent to US\$ 5,084 million in the 12 months to June 2025 compared to US\$ 4,536 million in a similar period in 2024. Remittances increased forex inflows into the country, with some going to investment while others support household consumption of our people.

Chart 5: Composition of the Current Account (US\$ Million)



Source of Data: Central Bank of Kenya

22. The capital account balance increased by US\$. 102.5 million to register a surplus of US\$ 257.8 million in June 2025 compared to a surplus of US\$. 155.3 million in the same period in 2024. Net financial inflows improved to US\$. 4,160.9 million in June 2025 compared to US\$. 364.2 million in June 2024. The net financial inflows were mainly in the form of other investments, direct investments and financial derivatives. However, portfolio investments registered a net outflow during the period partly due to global risk aversion, unattractive demand for high yields from investors amid fiscal strain, low investor appetite for sovereign credit, and political-financial instability.

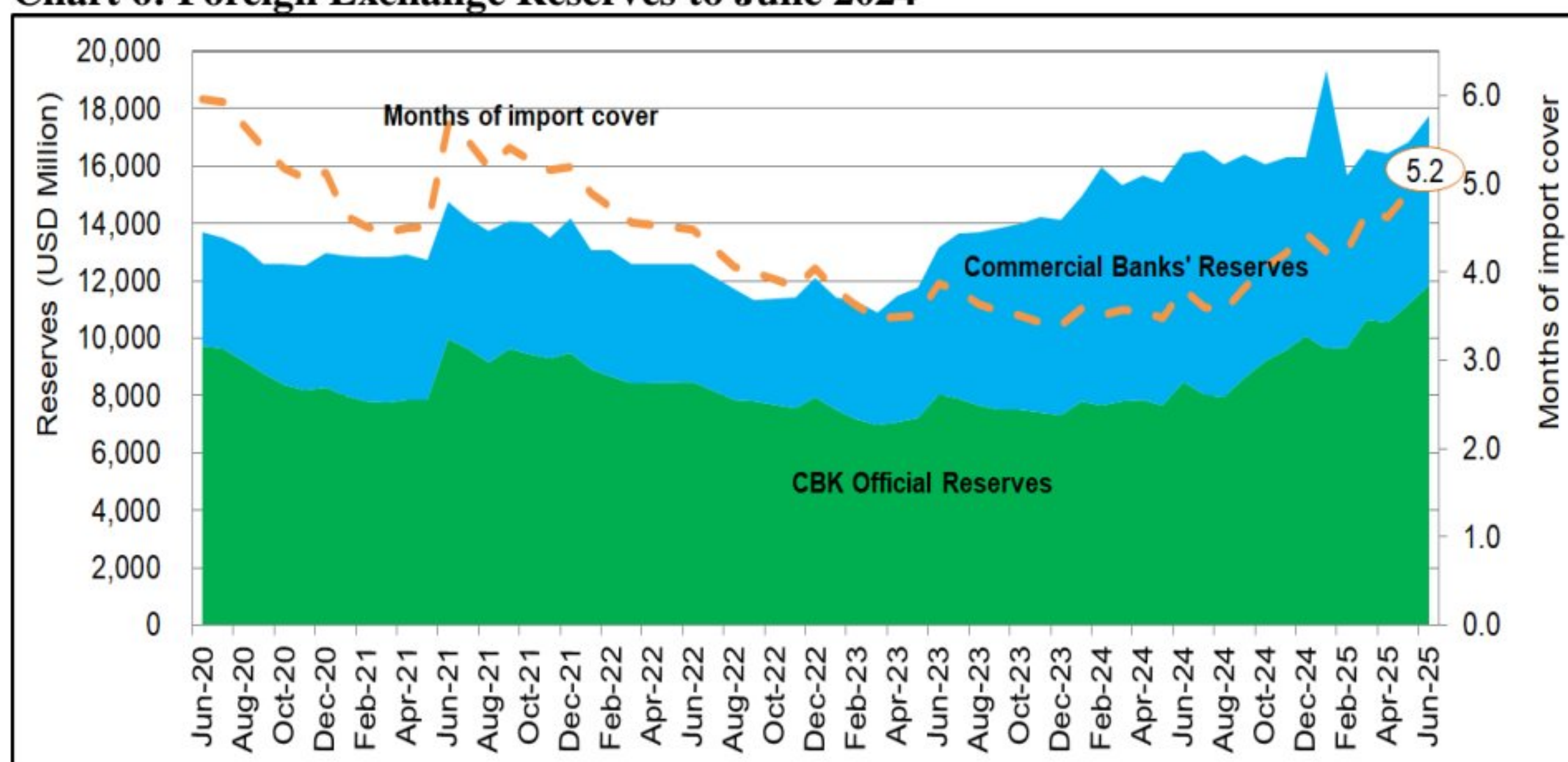
1.6 Foreign Exchange Reserves

23. The banking system's foreign exchange holdings remained strong at US\$. 17,762.1 million in June 2025 from US\$. 16,438.0 million in June 2024. The official foreign exchange reserves held by the Central Bank stood at US\$. 11,876.7 million compared to US\$ 8,462.7 million over the same period in 2024 (**Chart 6**). Commercial banks foreign exchange holdings decreased to US\$. 5,885.4 million in June 2025 from US\$. 7,975.3 million in June 2024.

RECENT ECONOMIC DEVELOPMENTS

24. The official reserves held by the Central Bank in June 2025 represented 5.2 months of import cover as compared to the 3.8 months of import cover in June 2024. These reserves continue to provide adequate cover and buffer against any short-term shocks in the foreign exchange market. It surpasses the requirement of a minimum requirement of a 4 Months of import cover.

Chart 6: Foreign Exchange Reserves to June 2024

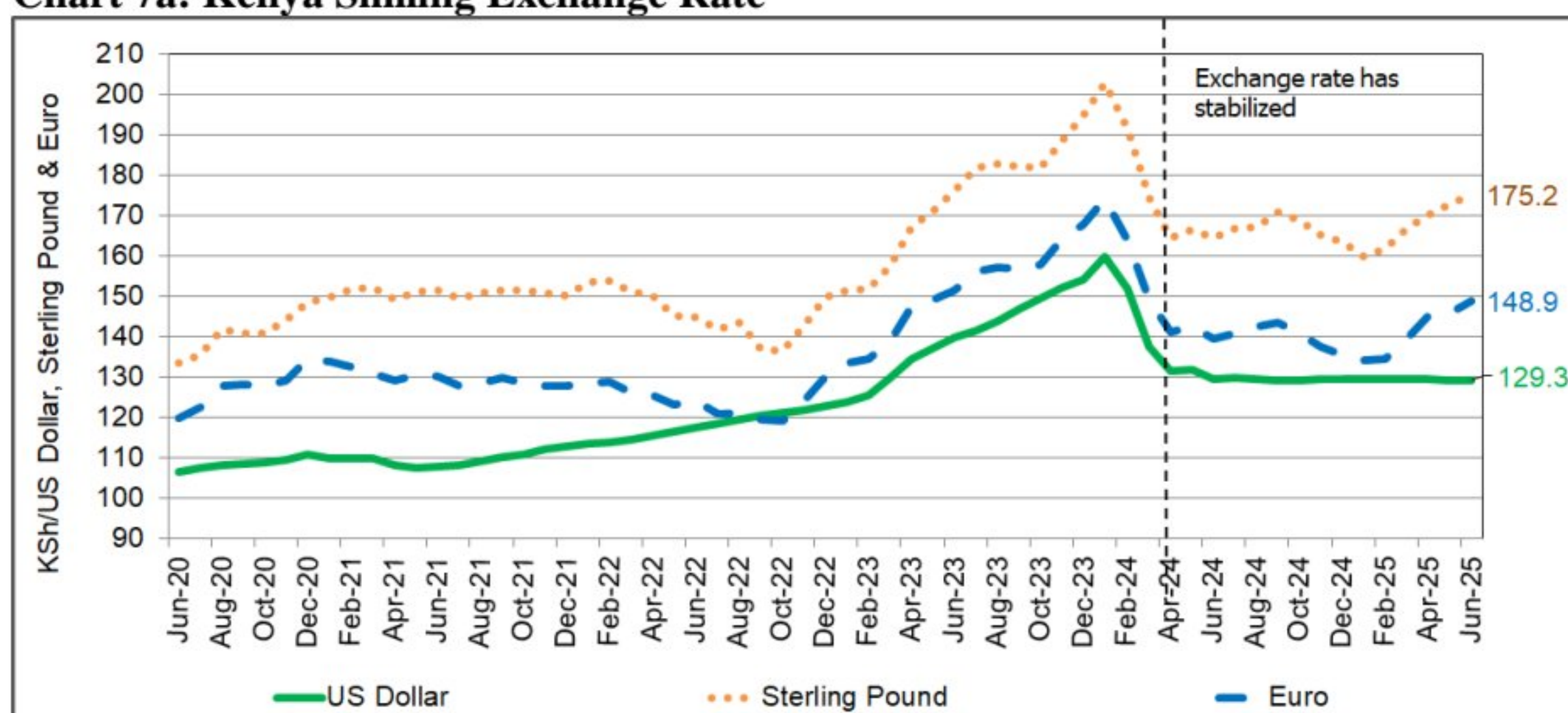


Source of Data: Central Bank of Kenya

1.7 Exchange Rates

25. The Kenya Shilling exchange rate has stabilized against major international currencies. In June 2025, the exchange rate against the US dollar averaged at KSh. 129.3 compared to an average of KSh. 129.4 in June 2024. Against the Euro, the Kenya Shilling exchange at an average of KSh. 148.9 in June 2025 compared to an average of KSh. 139.4 in June 2024 while against the Sterling Pound the Kenyan Shilling exchange at an average of KSh. 175.2 compared to an average KSh. 164.5 over the same period (**Chart 7a**).

Chart 7a: Kenya Shilling Exchange Rate

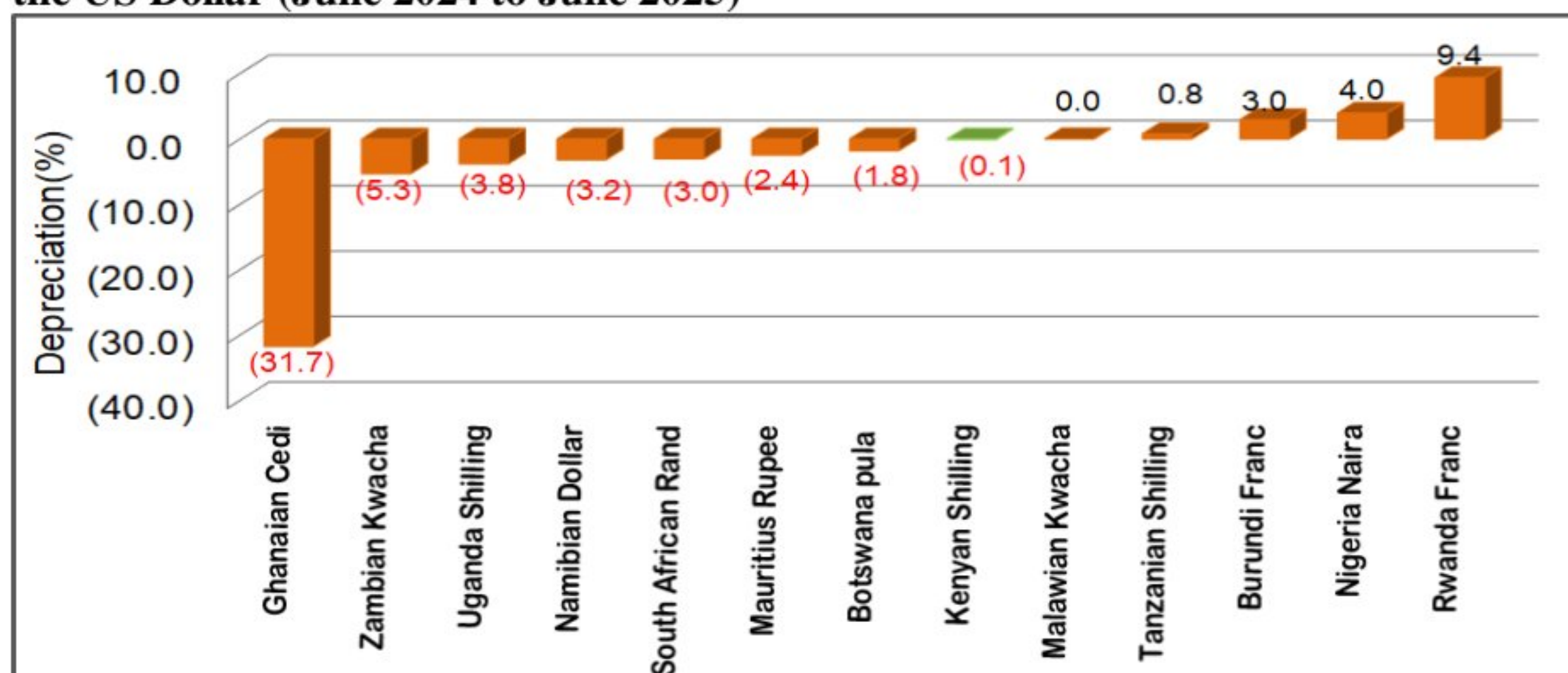


Source of Data: Central Bank of Kenya

RECENT ECONOMIC DEVELOPMENTS

26. In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low. The Kenya Shilling strengthened against the US Dollar at a rate of 0.1 percent in the 12 months to June 2025 compared to depreciations of 7.4 percent in the 12 months to June 2024 (**Chart 7b**). The stability of the Kenyan Shilling was supported by resilient remittances; adequate foreign exchange reserves; and strong exports receipts. Majority of the other Sub-Saharan Africa Currencies strengthened during the same period driven by commodity-driven foreign exchange inflows; improved macroeconomic fundamentals; and proactive monetary policy that supports currency stability.

Chart 7b: Performance of Selected Sub-Saharan Africa Countries' Currencies against the US Dollar (June 2024 to June 2025)



Source of Data: National Central Banks

1.8 Capital Markets

27. There has been notable improvement in the capital market as investors' activities at the Nairobi Securities Exchange increased leading to Foreign Direct Investment flows. The NSE 20 Share Index improved to 2,440 points in June 2025 compared to 1,657 points in June 2024 while Market capitalization also improved to KSh. 2,417 billion from KSh. 1,711 billion over the same period (**Chart 8**).

Chart 8: Performance at the NSE to end June 2025.



Source of Data: Nairobi Securities Exchange

2.0 FISCAL DEVELOPMENTS

2.1 Revenue

28. Total revenue collection by the end of June 2025, amounted to KSh. 2,923.6 billion against a target of KSh. 2,985.5 billion (**Table 4**). The collection was below target by KSh. 62.0 billion on account of a shortfall recorded in ordinary revenue. The total revenue inclusive of the ministerial A-I-A grew by 8.2 percent compared to a growth of 14.5 percent recorded in June 2024. Ordinary revenue collection was KSh. 2,420.1 billion against a target of KSh. 2,496.1 billion, KSh.76.0 billion below the target (**Chart 9**).

29. The Ministerial A-I-A collection was above target by KSh. 14.0 billion during the period under review. The Railway Development Levy collection amounted to KSh. 36.8 billion against a target of KSh. 37.2 billion. The revenue data in Government Finance Statistics Manual 2014 (GFSM 2014) format is shown in annex II.

Table 4: Government Revenue and External Grants, Period Ending 30th June, 2025 (KSh. Millions)

	2023/2024 Actual	2024/2025		Deviation KSh.	% Growth
		Actual*	Target		
Total Revenue (a+b)	2,702,662	2,923,551	2,985,568	(62,017)	8.2
(a) Ordinary Revenue	2,288,921	2,420,174	2,496,197	(76,023)	5.7
Import Duty	133,929	157,107	153,497	3,610	17.3
Excise Duty	276,722	292,468	296,942	(4,474)	5.7
PAYE	554,653	560,501	566,601	(6,099)	1.1
Other Income Tax	488,103	532,530	558,563	(26,032)	9.1
VAT Local	313,367	327,662	330,630	(2,968)	4.6
VAT Imports	332,122	333,067	329,972	3,095	0.3
Investment Revenue	80,716	84,828	97,604	(12,775)	5.1
Traffic Revenue	4,352	3,523	3,915	(393)	(19.1)
Taxes on Intl. Trade & Trans.(IDF Fee)	47,915	47,073	47,621	(547)	(1.8)
Others ¹	57,043	81,414	110,852	(29,438)	42.7
(b) Appropriation In Aid²	413,740	503,377	489,371	14,006	21.7
o/w Railway Development Levy	32,024	36,820	37,245	(425)	15.0
(c) External Grants	22,037	33,545	47,193	(13,648)	52.2
Total Revenue and External Grants	2,724,699	2,957,096	3,032,761	(75,665)	8.5
Total Revenue and External Grants as a percentage of GDP	16.9	17.0	17.4		

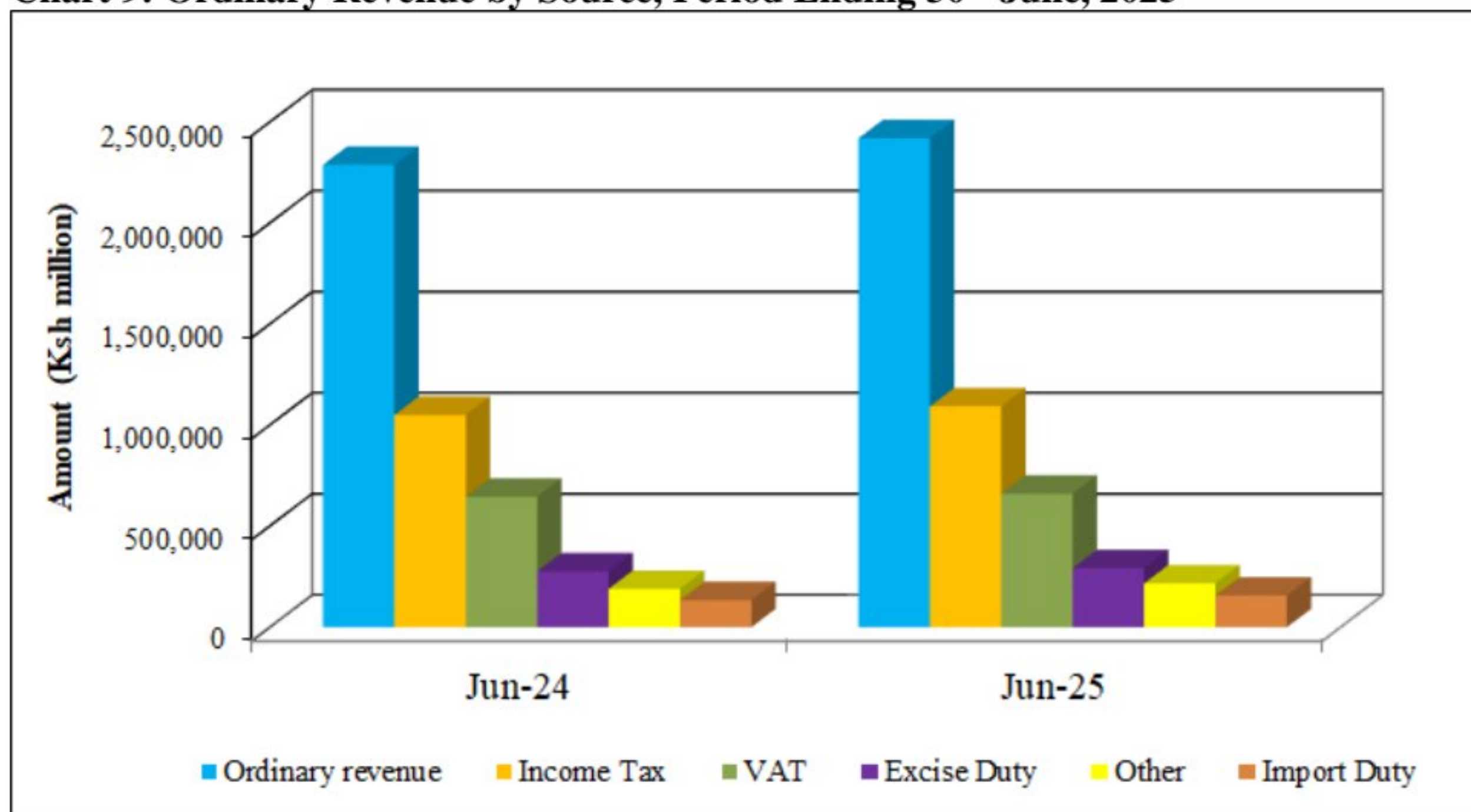
1/ includes rent on land/buildings, fines and forfeitures, other taxes, loan interest receipts reimbursements and other fund contributions, fees, and miscellaneous revenue.

2/ includes receipts from Road Maintenance Levy Fund and A-I-A from Universities

*Provisional

Source of Data: National Treasury

30. As a proportion of GDP, the total revenue and grants in the period under review was 17.0 percent compared to 16.9 percent in the corresponding period in the FY 2023/24. Total grants amounted to KSh. 33.5 billion against a target of KSh. 47.1 billion, recording an under performance by KSh. 13.6 billion.

Chart 9: Ordinary Revenue by Source, Period Ending 30th June, 2025

Source of Data: National Treasury

2.2 Expenditure

31. The total expenditure and net lending for the period under review amounted to KSh. 3,976.0 billion, against a target of KSh. 4,045.1 billion. The resultant under expenditure of KSh. 69.1 billion is mainly attributed to lower absorption recorded in recurrent and development expenditures by the National Government and below target equitable share transfers to the County Governments. Recurrent expenditure for National Government amounted to KSh. 2,948.4 billion against a target of KSh. 2,989.0 billion translating to a below target expenditure by KSh. 40.6 billion. The below target expenditure in recurrent category is mainly attributed to below target expenditure on Operation and Maintenance (O&M), foreign interest and pension payments (**Table 5 and Chart 10**).

FISCAL DEVELOPMENTS

Table 5: Expenditure and Net Lending, Period Ending 30th June, 2025 (KSh. Millions)

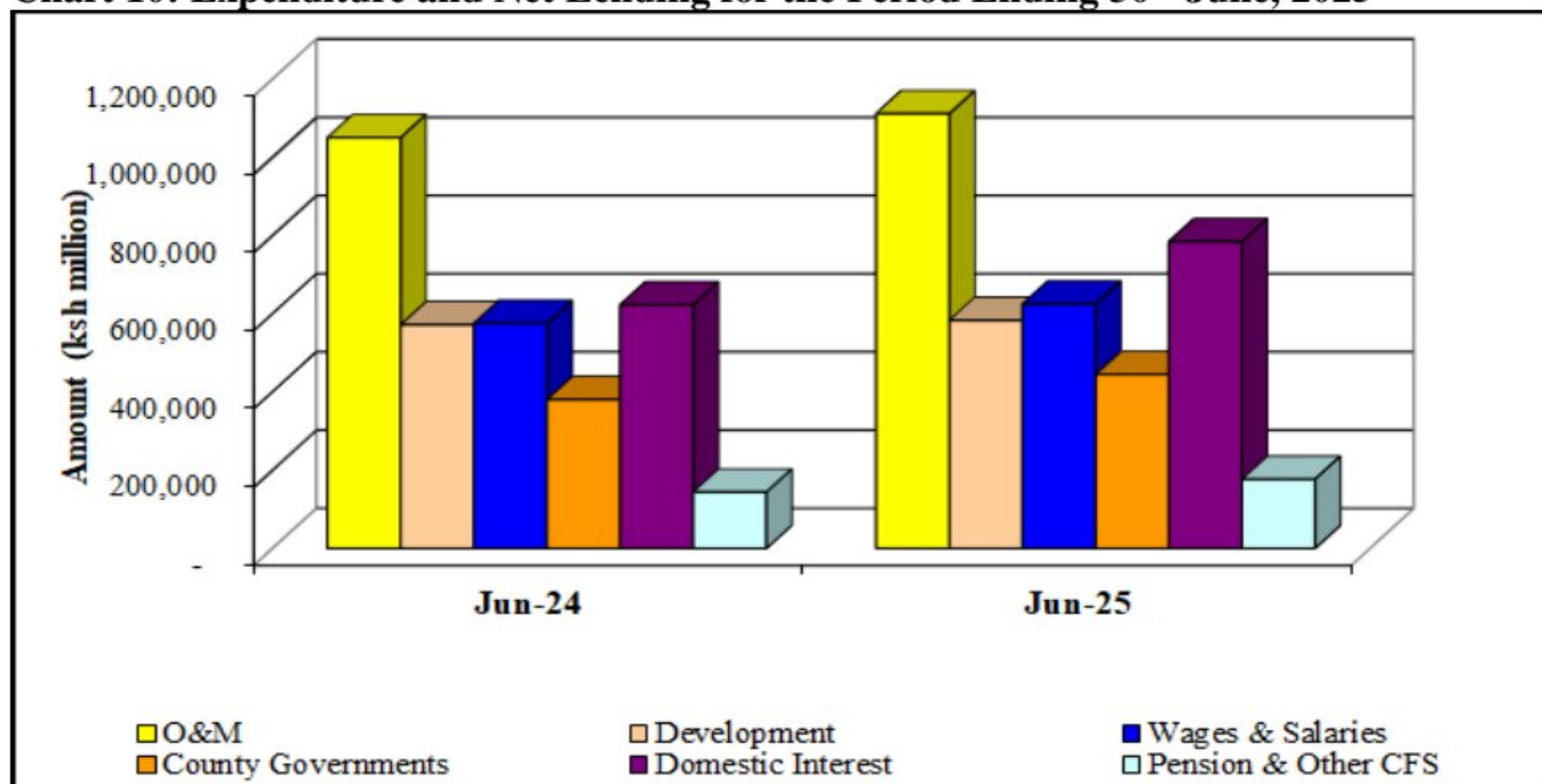
	2023/2024 Actual	2024/2025		Deviation	% Growth
		Actual*	Targets		
1. RECURRENT	2,644,217	2,948,431	2,989,053	(40,622)	11.5
Domestic Interest	622,544	784,117	768,485	15,632	26.0
Foreign Interest	218,188	211,002	228,372	(17,369)	(3.3)
Pensions & Other CFS	143,940	176,753	190,307	(13,554)	22.8
Contribution to Civil Servants' Pension	34,172	34,335	36,977	(2,642)	0.5
Wages and Salaries	575,269	624,689	627,102	(2,413)	8.6
Operation and Maintenance	1,050,104	1,117,534	1,137,809	(20,275)	6.4
O/W: Appropriation-in-Aid	286,896	300,755	321,416	(20,661)	4.8
2. DEVELOPMENT	571,855	582,937	602,053	(19,116)	1.9
Development Projects (Net)	427,575	392,864	414,413	(21,548)	(8.1)
Payment of Guaranteed Loans	17,436	19,685	19,685	-	12.9
Appropriation-in-Aid	126,844	170,387	167,955	2,432	34.3
3. County Governments	380,388	444,570	453,975	(9,404)	16.9
4. Parliamentary Service	37,257	41,552	42,580	(1,029)	11.5
5. Judicial Service	20,638	771	747	24	(96.3)
6. Equalization Fund	-	-	2,500	(2,500)	-
7. CF	1,200	-	-	-	-
TOTAL EXPENDITURE	3,655,555	3,975,938	4,045,080	(69,142)	8.8

*Provisional

Source of Data: National Treasury

32. Interest payments amounted to KSh. 995.1 billion, higher than the KSh. 840.7 billion paid over the same period in the FY 2023/24. The domestic interest payments totalled to KSh. 784.1 billion, while foreign interest payment amounted to KSh. 211.0 billion during the period under review. The expenditure data in GFSM 2014 format is shown in annexes III and IV.

Chart 10: Expenditure and Net Lending for the Period Ending 30th June, 2025



Source of Data: National Treasury

2.2.1 National Government Expenditures by Public Agencies

33. The total ministerial and other public agencies expenditure including A.I.A was KSh. 2,064.4 billion against a target of KSh. 2,382.9 billion. Recurrent expenditure was KSh. 1,536.2 billion against a target of KSh. 1,770.0 billion, while development expenditure amounted to KSh. 528.2 billion against a target of KSh. 613.0 billion. The percentage of total recurrent expenditure to the target was 86.6 percent while the percentage of total expenditures to the target for recurrent and development were 87.4 percent and 87.4 percent respectively, as at the end of the period under review. The discrepancy between actual and target expenditures is partly due to the non-capture of the parastatals and some other government entities expenditures. These ministerial expenditures are, therefore, provisional.

34. As at the period ending 30th June, 2025, recurrent expenditures by the State Department for Basic Education, Higher Education and Research; Teachers Service Commission; Vocational and Technical Training; Public Health and Professional Standards; labour and Skills Development; correctional service; Youth Affairs and Arts; and Sports; Social Protection and Senior Citizens; Immigration and Citizen Services and Medical Services (Social Sector) accounted for 47.8 percent of total recurrent expenditure. In addition, the security sector accounted for 25.1 percent of total recurrent expenditure.

35. Analysis of development outlay indicates that the State Department for Roads accounted for the largest share of the total development expenditure (19.8 percent) followed by the State Department for Housing and Urban Development (13.9 percent) and the State Department for Economic Planning (13.4 percent). The expenditures by large Ministries/State Departments were below target because of under reporting of expenditure from the sub-national, parastatals and some donor funded projects. **Table 6** shows the recurrent and development expenditures by Ministries, State Departments and other government entities for the period under review.

FISCAL DEVELOPMENTS

Table 6: National Government Expenditures by Public Agencies, Period Ending 30th June, 2025 (KSh. Millions)

MINISTRY/DEPARTMENT/COMMISSIONS	Jun-25									% of
	Recurrent			Development			Total			Total
	Actual*	Target	Variance	Actual*	Target	Variance	Actual*	Target	Variance	Exp. To
1011 Executive Office of the President	4,534	4,571	(37)	26	50	(24)	4,560	4,621	(62)	98.7
1012 Office of the Deputy President	3,139	3,219	(80)			-	3,139	3,219	(80)	97.5
1013 Office of the Prime Cabinet Secretary	1,000	893	107	59	65	(6)	1,058	958	100	110.5
1014 State Department for Parliamentary Affairs	360	323	37			-	360	323	37	111.5
1015 State Department for Performance and Delivery	629	628	1			-	629	628	1	100.2
1016 State Department for Cabinet Affairs	224	222	2			-	224	222	2	101.0
1017 State House	11,412	11,666	(254)	397	400	(3)	11,809	12,066	(257)	97.9
1023 State Department for Correctional Services	36,038	36,052	(14)	43	110	(67)	36,081	36,162	(81)	99.8
1024 State Department for Immigration and Citizen Services	13,022	13,122	(100)	7,483	7,099	384	20,505	20,221	284	101.4
1025 National Police Service	115,301	116,059	(758)	548	585	(37)	115,849	116,644	(795)	99.3
1026 State Department for Internal Security & National	37,934	36,942	992	2,878	2,870	8	40,812	39,812	1,000	102.5
1032 State Department for Devolution	1,253	1,457	(204)	610	1,672	(1,062)	1,863	3,129	(1,265)	59.6
1036 State Department for the ASALs and Regional	10,889	11,203	(314)	2,589	3,652	(1,063)	13,478	14,855	(1,377)	90.7
1041 Ministry of Defence	172,163	176,171	(4,008)	-	3,534	(3,534)	172,163	179,705	(7,542)	95.8
1053 State Department for Foreign Affairs	16,841	21,448	(4,607)			-	16,841	21,448	(4,607)	78.5
1054 State Department for Diaspora Affairs	605	614	(9)			-	605	614	(9)	98.5
1064 State Department for Vocational and Technical Training	27,692	32,093	(4,401)	3,293	3,895	(602)	30,985	35,988	(5,002)	86.1
1065 State Department for Higher Education and Research	81,701	139,160	(57,459)	374	488	(114)	82,075	139,648	(57,573)	58.8
1066 State Department for Basic Education	115,625	118,218	(2,593)	17,901	18,546	(645)	133,526	136,763	(3,237)	97.6
1071 The National Treasury	71,512	82,266	(10,754)	35,593	39,910	(4,317)	107,106	122,176	(15,071)	87.7
1072 State Department for Economic Planning	3,199	3,418	(219)	70,656	70,820	(164)	73,855	74,238	(383)	99.5
1082 State Department for Medical Services	51,939	76,467	(24,528)	22,600	26,256	(3,656)	74,539	102,724	(28,184)	72.6
1083 State Department for Public Health and Professional	23,237	27,777	(4,541)	4,233	4,689	(456)	27,470	32,467	(4,997)	84.6
1091 State Department for Roads	57,367	71,926	(14,559)	104,383	124,671	(20,288)	161,750	196,597	(34,847)	82.3
1092 State Department for Transport	2,529	18,720	(16,191)	10,412	29,316	(18,904)	12,941	48,036	(35,095)	26.9
1093 State Department for Shipping and Maritime Affairs	638	2,373	(1,736)	370	1,120	(750)	1,008	3,493	(2,486)	28.8
1094 State Department for Housing & Urban Development	1,463	3,409	(1,946)	73,476	79,034	(5,558)	74,940	82,443	(7,504)	90.9
1095 State Department for Public Works	3,055	3,995	(940)	246	324	(78)	3,301	4,319	(1,018)	76.4
1104 State Department for Irrigation	1,031	1,387	(356)	17,700	18,255	(555)	18,731	19,641	(910)	95.4
1109 State Department for Water & Sanitation	2,944	6,636	(3,692)	23,797	26,632	(2,835)	26,741	33,267	(6,527)	80.4
1112 State Department for Lands and Physical Planning	4,334	4,540	(205)	5,088	5,149	(61)	9,422	9,689	(266)	97.3
1122 State Department for Information Communication Technology & Digital Economy	2,605	2,805	(200)	11,989	13,652	(1,663)	14,594	16,457	(1,863)	88.7
1123 State Department for Broadcasting &	4,408	6,615	(2,208)			-	4,408	6,615	(2,208)	66.6
1132 State Department for Sports	2,933	3,035	(102)	15,259	16,506	(1,247)	18,192	19,541	(1,349)	93.1
1134 State Department for Culture and Heritage	2,471	3,229	(758)	70	70	(0)	2,541	3,299	(758)	77.0
1135 State Department for Youth Affairs and the Arts	2,170	2,222	(51)	785	1,033	(249)	2,955	3,255	(300)	90.8
1152 State Department for Energy	1,044	9,948	(8,904)	24,828	37,392	(12,564)	25,872	47,340	(21,468)	54.7
1162 State Department for Livestock Development	3,777	5,516	(1,739)	6,520	5,492	1,029	10,297	11,007	(710)	93.5
1166 State Department for the Blue Economy and Fisheries	2,851	2,980	(130)	8,819	8,872	(53)	11,669	11,852	(183)	98.5
1169 State Department for Crop Development	15,254	17,781	(2,527)	26,580	28,849	(2,269)	41,834	46,630	(4,797)	89.7
1173 State Department for Cooperatives	4,178	5,325	(1,147)	3,024	3,014	10	7,202	8,339	(1,136)	86.4
1174 State Department for Trade	3,627	5,292	(1,665)	290	290	-	3,917	5,582	(1,665)	70.2
1175 State Department for Industry	2,407	3,167	(761)	4,342	4,425	(82)	6,749	7,510	(761)	89.9
1176 State Department for Micro, Small and Medium	1,219	2,046	(827)	4,073	4,377	(304)	5,291	6,423	(1,131)	82.4
1177 State Department for Investment Promotion	1,097	1,863	(766)	845	945	(99)	1,942	2,808	(866)	69.2
1184 State Department for Labour and Skills Development	1,959	4,591	(2,632)	497	638	(141)	2,456	5,229	(2,773)	47.0
1185 State Department for Social Protection and Senior	45,043	45,984	(941)	2,073	1,808	265	47,116	47,792	(676)	98.6
1192 State Department for Mining	1,491	1,691	(200)	200	210	(10)	1,691	1,901	(210)	88.9
1193 State Department for Petroleum	330	27,363	(27,033)	3,126	3,191	(65)	3,456	30,554	(27,098)	11.3
1202 State Department for Tourism	719	13,588	(12,869)	118	870	(752)	838	14,458	(13,621)	5.8
1203 State Department for Wildlife	3,838	12,045	(8,207)	117	861	(744)	3,955	12,906	(8,951)	30.6
1212 State Department for Gender and Affirmative Action	1,840	1,983	(142)	2,842	2,836	6	4,682	4,818	(136)	97.2
1213 State Department for Public Service	16,273	19,045	(2,772)	482	762	(280)	16,755	19,807	(3,052)	84.6
1221 State Department for East African Community	859	844	16			-	859	844	16	101.9
1252 State Law Office	4,898	5,580	(682)	122	142	(20)	5,021	5,722	(701)	87.7
1261 The Judiciary	21,962	21,969	(7)	253	816	(563)	22,215	22,786	(570)	97.5
1271 Ethics and Anti-Corruption Commission	4,100	4,156	(55)	55	55	(0)	4,155	4,210	(55)	98.7
1281 National Intelligence Service	58,651	58,651	-			-	58,651	58,651	-	100.0
1291 Office of the Director of Public Prosecutions	4,169	4,177	(8)	48	49	(1)	4,216	4,226	(10)	99.8
1311 Office of the Registrar of Political Parties	1,734	1,724	10			-	1,734	1,724	10	100.6
1321 Witness Protection Agency	663	720	(57)			-	663	720	(57)	92.1
1331 State Department for Environment & Climate Change	2,523	3,719	(1,197)	1,185	1,704	(519)	3,708	5,423	(1,716)	68.4
1332 State Department for Forestry	9,448	9,447	1	2,741	2,776	(35)	12,190	12,223	(33)	99.7
2011 Kenya National Commission on Human Rights	487	486	1			-	487	486	1	100.2
2021 National Land Commission	2,249	2,255	(6)			-	2,249	2,255	(6)	99.7
2031 Independent Electoral and Boundaries Commission	3,866	3,811	56			-	3,866	3,811	56	101.5
2041 Parliamentary Service Commission	1,291	1,376	(85)			-	1,291	1,376	(85)	93.8
2042 National Assembly	24,730	25,716	(986)			-	24,730	25,716	(986)	96.2
2043 Parliamentary Joint Services	6,442	6,403	38	1,331	1,318	13	7,773	7,721	52	100.7
2044 Senate	7,758	7,767	(9)			-	7,758	7,767	(9)	99.9
2051 Judicial Service Commission	771	747	24			-	771	747	24	103.2
2061 Commission on Revenue Allocation	380	381	(1)			-	380	381	(1)	99.7
2071 Public Service Commission	3,591	3,656	(65)			-	3,591	3,656	(65)	98.2
2081 Salaries and Remuneration Commission	569	554	15			-	569	554	15	102.7
2091 Teachers Service Commission	368,342	368,751	(408)	762	835	(72)	369,105	369,585	(481)	99.9
2101 National Police Service Commission	1,003	1,007	(4)			-	1,003	1,007	(4)	99.6
2111 Auditor General	7,775	8,175	(400)	39	56	(17)	7,814	8,231	(417)	94.9
2121 Controller of Budget	644	634	10			-	644	634	10	101.5
2131 Commission on Administrative Justice	636	629	7			-	636	629	7	101.2
2141 National Gender and Equality Commission	451	438	13			-	451	438	13	103.0
2151 Independent Policing Oversight Authority	1,100	1,102	(2)			-	1,100	1,102	(2)	99.8
Total	1,536,235	1,769,962	(233,727)	528,171	612,984	(84,812)	2,064,406	2,382,863	(318,457)	86.6

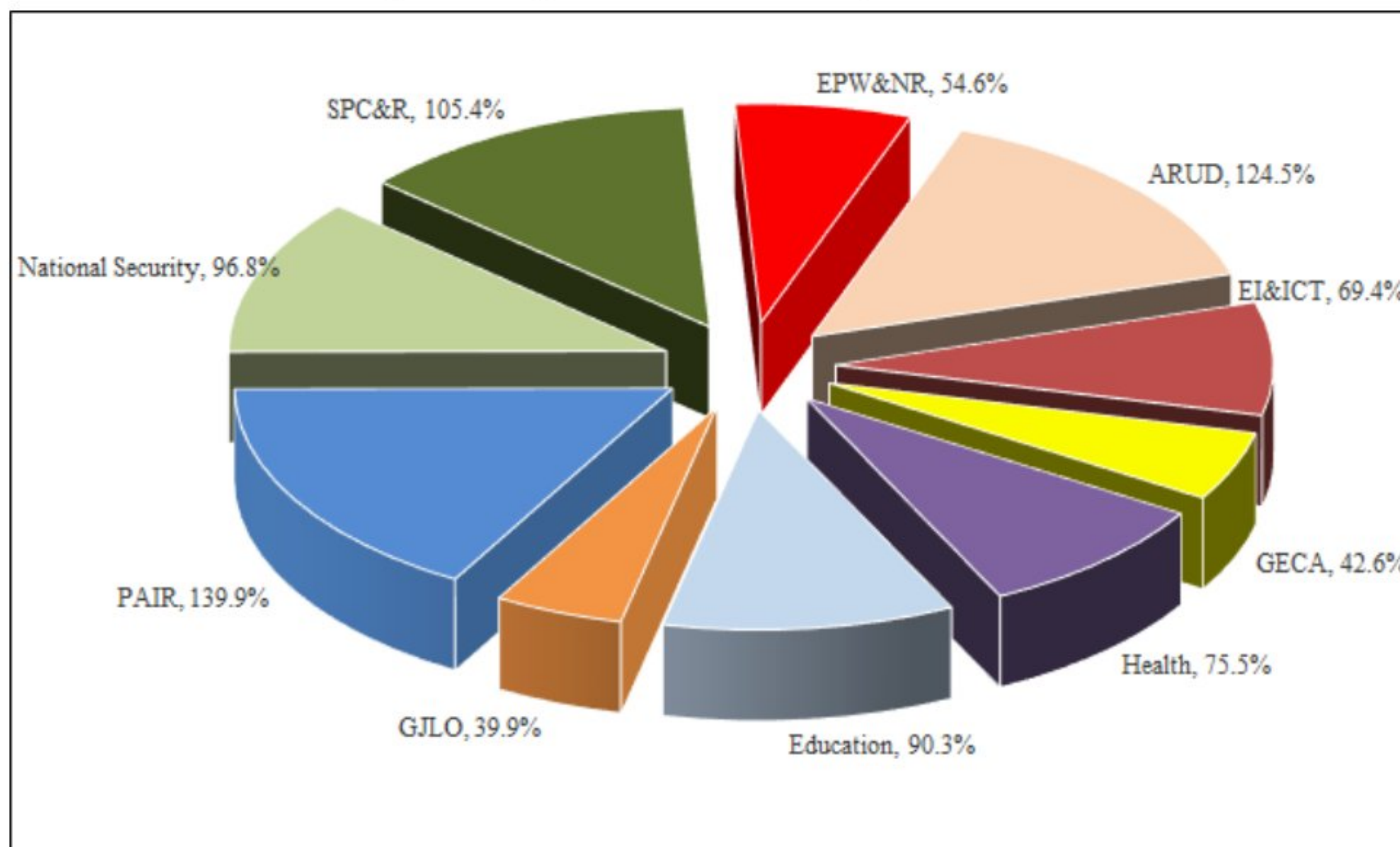
*Provisional

Source of Data: National Treasury

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36. During the period under review, the Public Administration & International Relations recorded the highest absorption of 139.9 percent, followed by Agriculture, Rural and Urban Development Sector at 124.5 percent of its budget. Governance, Justice, Law and Order recorded the lowest absorption of 39.9 percent (Chart 11).

Chart 11: Sectoral Budget Absorption as at 30th June, 2025



Source of Data: National Treasury

2.2.2 Pending Bills

37. The total outstanding national government pending bills as at 30th June, 2025 amounted to KSh. 525.9 billion. These comprise of KSh. 404.3 billion (76.9 percent) and KSh. 121.6 billion (23.1 percent) for the State Corporations (SCs) and Ministries/State Departments/other government entities respectively. The SCs pending bills include payment to contractors/projects, suppliers, unremitted statutory and other deductions, pension arrears for Local Authorities Pension Trust, and others. The highest percentage of the SCs pending bills (52.0 percent) are related to Development expenditure. Ministries/State Departments and other government entities pending bills constitutes mainly of the historical ones.

38. The National Government policy on clearance of pending bills continues to be in force. The National Treasury is currently developing a comprehensive strategy to clear outstanding stock of verified pending bills of the National Government over the medium term. In this strategy, deficiencies and lapses that led to accumulation of pending bills will be addressed. In the FY 2025/26 all MDAs are expected to clear all the expenditure carryovers from FY 2024/25 as a first charge before payment of commitments in the current financial year.

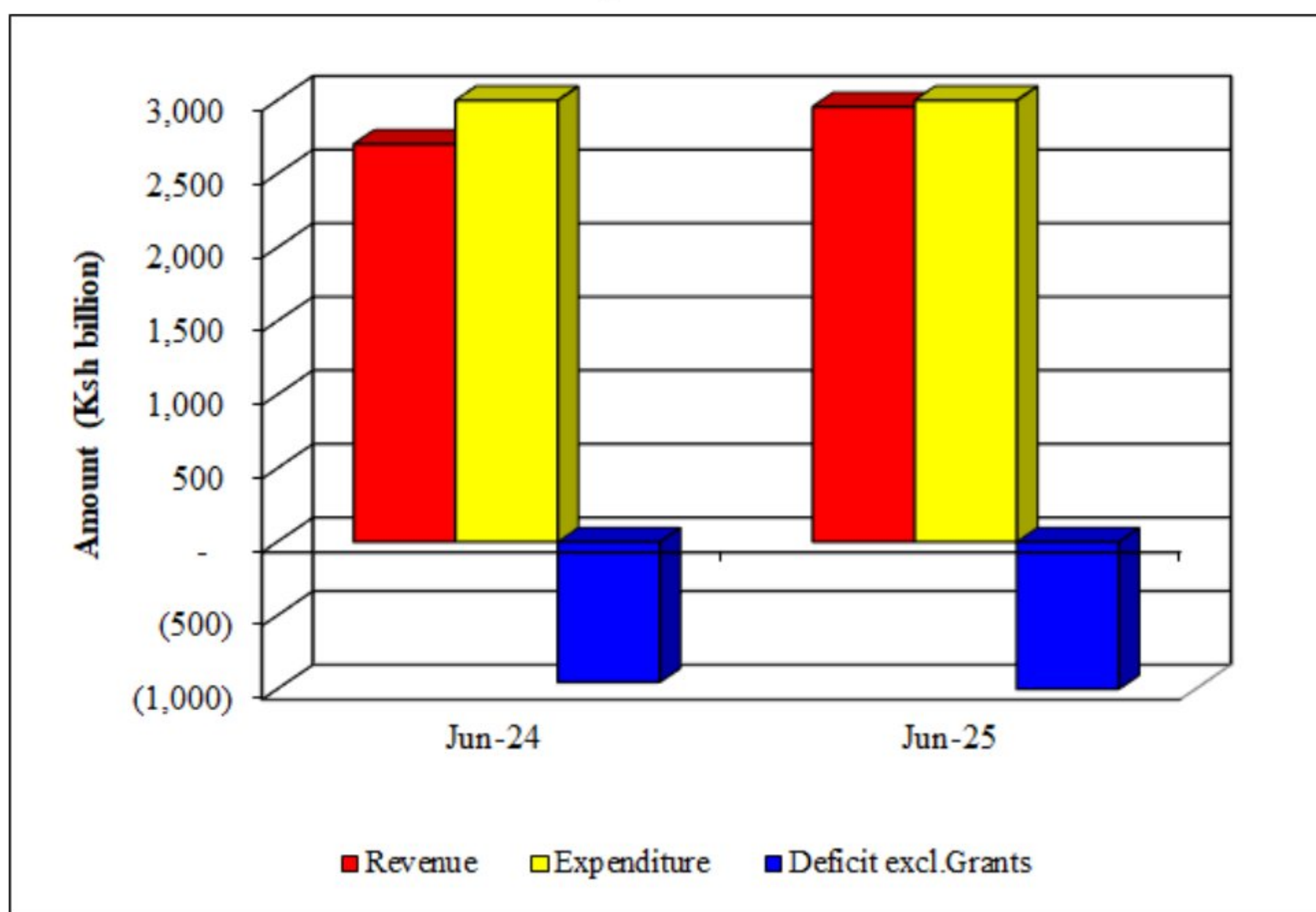
2.2.3 Guaranteed Debt Service

39. During the period under review, the National Government serviced no Guaranteed Debt.

2.3 Fiscal Outturn

40. In the FY 2024/25, the fiscal balance (on commitment basis and excluding grants) amounted to KSh. 1,052.4 billion (6.0 percent of GDP) against a targeted deficit of KSh. 1,059.5 billion (6.1 percent of GDP) (**Chart 12 and Table 8**). The fiscal balance (on a commitment basis and including grants) was KSh. 1,019.1 billion (5.8 percent of GDP) against a target of KSh. 1,012.3 billion (5.8 percent of GDP).

Chart 12: Fiscal Balance as at 30th June, 2025



Source of Data: National Treasury

41. Over the same period in FY2023/24, the fiscal deficit including grants (on commitment basis) stood at KSh. 952.9 billion (6.7 percent of GDP). The fiscal outturn in the last six FYs and the original and supplementary budgets in the FY 2024/25 are shown in **Annex I**. Further, GFSM 2014 Compliant Budgetary Central Government fiscal data for the FY 2024/25 are shown in annexes V and VI.

Table 8: Budget Outturn, Cumulative Ending 30th June, 2025 (KSh. Millions)

	2023/2024	2024/2025			% growth	2024/2025 as a % of GDP		2023/2024 Actual as a % of GDP
	Actual	Actual*	Targets	Deviation		Actual	Targets	
A. TOTAL REVENUE AND GRANTS	2,724,699	2,956,871	3,032,761	(75,890)	8.5	17.0	17.4	16.9
1. Revenue	2,702,662	2,923,551	2,985,568	(62,017)	8.2	16.8	17.1	18.9
Ordinary Revenue	2,288,921	2,420,174	2,496,197	(76,023)	5.7	13.9	14.3	16.0
Import Duty	133,929	157,107	153,497	3,610	17.3	0.9	0.9	0.9
Excise Duty	276,722	292,468	296,942	(4,474)	5.7	1.7	1.7	1.9
Income tax	1,042,756	1,093,032	1,125,163	(32,132)	4.8	6.3	6.5	7.3
VAT	645,489	660,729	660,602	127	2.4	3.8	3.8	4.5
Investment Revenue	56,146	84,828	97,604	(12,775)	51.1	0.5	0.6	0.4
Others	133,879	132,010	162,388	(30,378)	(1.4)	0.8	0.9	0.9
Appropriation-in-Aid	413,740	503,377	489,371	14,006	21.7	2.9	2.8	2.9
2. Grants	22,037	33,320	47,193	(13,873)	51.2	0.2	0.3	0.2
AMISOM Receipts	86	956	3,161	(2,205)	1,009.6	0.0	0.0	0.0
Revenue	13,463	18,922	24,835	(5,913)	40.6	0.1	0.1	0.1
Appropriation-in-Aid	8,488	13,442	19,197	(5,755)	58.4	0.1	0.1	0.1
B. EXPENDITURE AND NET LENDING	3,655,550	3,975,938	4,045,080	(69,142)	8.8	22.8	23.2	25.6
1. Recurrent	2,702,107	2,948,431	2,989,053	(40,622)	9.1	16.9	17.1	18.9
Domestic Interest	622,544	784,117	768,485	15,632	26.0	4.5	4.4	4.4
Foreign Interest	218,188	211,002	228,372	(17,369)	(3.3)	1.2	1.3	1.5
Pension & Other CFS	143,940	176,753	190,307	(13,554)	22.8	1.0	1.1	1.0
Contribution to Civil Servants' Pension	34,172	34,335	36,977	(2,642)	0.5	0.2	0.2	0.2
Wages and Salaries	575,269	624,689	627,102	(2,413)	8.6	3.6	3.6	4.0
O & M/Others	1,107,994	1,117,534	1,137,809	(20,275)	0.9	6.4	6.5	7.8
2. Development and Net Lending	571,855	582,937	602,053	(19,116)	1.9	3.3	3.5	4.0
O/W Domestically financed	402,479	397,657	395,130	2,527	(1.2)	2.3	2.3	2.8
Foreign financed	151,941	165,595	184,738	(19,143)	9.0	0.9	1.1	1.1
3. Net Lending	17,436	19,685	19,685	-	12.9	0.1	0.1	0.1
4. Equalization Fund	-	-	2,500.0	(2,500)	-	0.0	0.0	0.0
5. County Governments	380,388	444,570	453,975	(9,404)	16.9	2.5	2.6	2.7
5. CF	1,200	-	-	-	-	0.0	-	0.0
C. DEFICIT EXCL. GRANT (Commitment basis)	(952,888)	(1,052,387)	(1,059,512)	7,125	10.4	(6.0)	(6.1)	(6.7)
D. DEFICIT INCL. GRANTS (Commitment basis)	(930,851)	(1,019,067)	(1,012,319)	(6,748)	9.5	(5.8)	(5.8)	(6.5)
E. ADJUSTMENT TO CASH BASIS	121,528		-	-	(100.0)	0.0	-	0.9
F. DEFICIT INCL. GRANTS (Cash basis)	(809,323)	(1,019,067)	(1,012,319)	(6,748)	25.9	(5.8)	(5.8)	(5.7)
<i>Discrepancy</i>	<i>(42,320)</i>	<i>15,146</i>	<i>-</i>	<i>15,146</i>	<i>-</i>	<i>0.1</i>	<i>-</i>	<i>(0.3)</i>
G. FINANCING	767,002	1,034,213	1,012,319	21,893	34.8	5.9	5.8	5.4
1. Net Foreign financing	222,717	179,738	186,496	(6,758)	(19.3)	1.0	1.1	1.6
Disbursements	760,500	527,042	548,032	(20,990)	(30.7)	3.0	3.1	5.3
Programme Loans	317,837	113,683	118,223	(4,541)	(64.2)	0.7	0.7	2.2
Project Cash Loans	87,444	85,810	93,829	(8,019)	(1.9)	0.5	0.5	0.6
Project Loans AIA	68,343	65,633	74,492	(8,859)	(4.0)	0.4	0.4	0.5
OPEC Funds	0	8,847	8,418					
Commercial Financing	286,875	253,070	253,070	-	(12)	1	1.5	2.0
Debt repayment - Principal	(537,783)	(347,304)	(361,536)	14,232	(35.4)	(2.0)	(2.1)	(3.8)
2. Net Domestic Financing	544,286	854,474	825,823	28,651	57.0	4.9	4.7	3.8
Government Securities	596,560	853,121	817,301	35,820	43.0	4.9	4.7	4.2
Government Overdraft & Others	(28,168)	1,862	-	1,862	(106.6)	0.0	-	(0.2)
Movement in Government Deposits	8,715	24,789	-	24,789	184.4	0.1	-	0.1
Domestic Loan Repayments (Net Receipts)	1,429	8,048	9,632	(1,584)	463.3	0.0	0.1	0.0
Domestic Loan Repayment	-	(1,110)	(1,110)	-	-	0.0	(0.0)	0.0
Other Accounts Payable	(34,250)	(32,235)	-	-	-	(0.2)	-	(0.2)
MEMO ITEM								
GDP ESTIMATE	16,131,502	17,434,534	17,434,534	-	8.1	100.0	100.0	113.0

*Provisional

Source of Data: National Treasury

2.4 Financing

2.4.1 External Financing

42. During the period under review, net external financing amounted to KSh. 179.7 billion (**Table 9**). Total disbursements (inflows) including Appropriations-in-Aid amounted to KSh. 527.0 billion for the period ending 30th June, 2025 against a target of KSh. 548.0 billion. The total disbursement included KSh. 65.6 billion Project Loans A.I.A; KSh. 113.7

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billion program loans; and KSh. 85.8 billion Project Loans-Cash. The external repayments (outflows) of principal debt amounted to KSh. 347.3 billion. The amount comprised of principal repayments due to commercial institutions; bilateral sources; and multilateral sources amounting to, KSh. 142.3 billion, KSh. 150.7 billion and KSh. 54.3 billion respectively.

Table 9: External Financing, Period Ending June, 2025 (KSh. Millions)

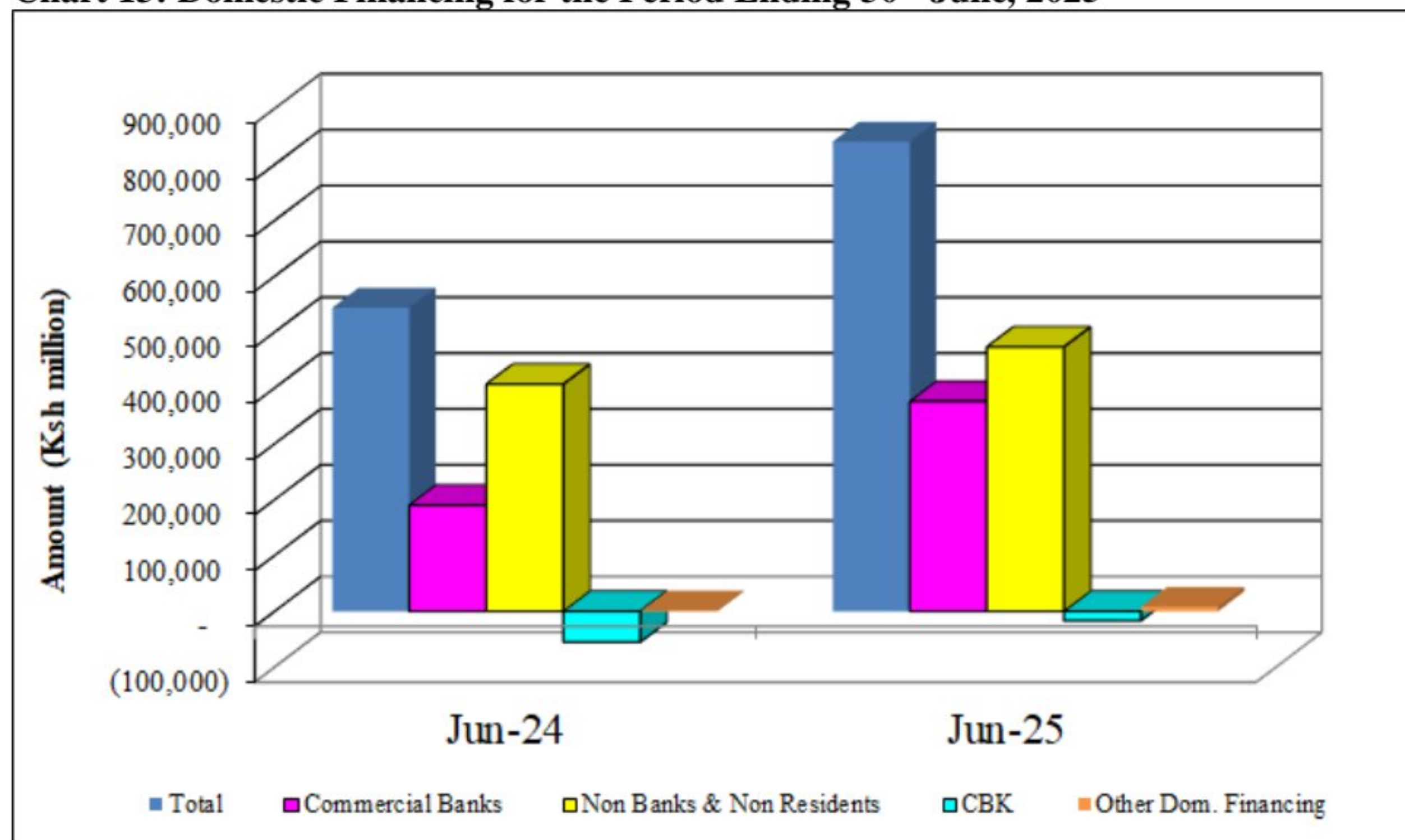
	FY2023/24	FY2024/25	
	Actual*	Actual*	Target
DISBURSEMENTS:	760,499	527,042	548,032
Project Cash loans	87,444	85,810	93,829
Project loans A-I-A	68,343	65,633	74,492
Commercial Financing	286,875	253,070	253,070
OPEC Funds	-	8,847	8,418
Programme Loans	317,837	113,683	118,223
EXTERNAL REPAYMENTS:	537,751	347,304	476,402
Bilateral(incl. Italy Debt SWAP)	147,432	150,685	148,955
Multilateral (excl. IMF)	52,643	54,291	57,794
Commercial	337,676	142,327	269,653
NET FOREIGN FINANCING	222,749	179,738	71,630

*Provisional

Source of Data: National Treasury

2.4.2 Domestic Financing

43. By the end of June 2025, net domestic borrowing amounted to KSh. 854.5 billion (**Table 10**) against a target borrowing of KSh. 825.8 billion (**Table 8**). The borrowing comprised of KSh. 474.6billion from Non-Banking Financial Institutions, KSh. 376.2 billion from commercial banks, net repayment of KSh. 1.0 billion to Non-Residents and net repayment of KSh. 3.3 billion to the Central Bank while the Government deposit to CBK amounted to KSh. 8.0 billion from other domestic sources. Comparatively, for the same period in FY 2023/24, the domestic borrowing amounted to KSh. 543.7 billion, comprising of KSh. 404.8 billion from Non-Banking Financial Institutions, KSh. 190.3 billion from Commercial Banks, a net repayment of KSh. 54.8 billion to the Central Bank of Kenya and KSh. 2.1 billion from the Non-Residents while the Government deposit to CBK amounted to KSh. 1.4 billion from other domestic sources (**Table 10 and Chart 13**).

Chart 13: Domestic Financing for the Period Ending 30th June, 2025

Source of Data: Central Bank of Kenya

44. The stock of Fixed Rate Bonds held by Non-Banks recorded an increase of KSh. 44.1 billion, those held by Commercial Banks recorded a decline of KSh. 64.5 billion, while those held by Non-Residents decreased by KSh. 2.0 billion. The stock of Treasury Bills held by Non-Banks and Non-Residents recorded a net increase of KSh. 59.7 billion and KSh. 5 million respectively while those held by commercial banks increased by KSh. 355.2 billion. (Table 10).

Table 10: Domestic Financing, Period Ending 30th June, 2025 (KSh. Millions)

DEBT INSTRUMENT	June 2023	September 2023	December 2023	March 2024	June 2024	September 2024	December 2024	March 2025*	June 2025*
1.CENTRAL BANK	41,348	7,632	18,888	(15,351)	(54,825)	(36,331)	(56,964)	(47,778)	(3,322)
Overdraft	17,955	(753)	17,671	15,724	(15,436)	(61,147)	(23,544)	25,486	6,608
IMF funds onlet to Govt	-	934	8,523	10,767	(12,180)	1,832	(3,030)	(3,906)	(2,052)
Treasury bills rediscounts	159	-	-	-	-	-	-	-	-
Fixed rate Bonds	437	-	-	-	-	-	-	-	-
Items on Transit	10	(10)	(39)	(36)	(33)	(6)	(7)	(7)	12
Frozen Account	(1,110)	-	-	(555)	(555)	(555)	(555)	(555)	(1,110)
Less Govt Deposits	23,898	7,460	(7,267)	(41,251)	(26,620)	23,545	(29,828)	(68,796)	(6,780)
2.COM. BANKS	76,975	(9,142)	16,245	104,967	190,262	123,141	215,177	304,814	376,228
Advances	854	(178)	(1,210)	(449)	(518)	1,023	716	398	(104)
Treasury bills	(18,081)	(43,491)	(56,493)	(85,989)	(63,055)	52,621	150,654	193,210	292,105
Fixed rate Bonds	(49,468)	33,958	38,287	1,939	61,729	513	28,194	3,356	(2,797)
Infrastructure Bonds	166,109	(2,486)	35,748	191,020	191,020	48,594	32,122	101,873	76,809
Savings and Development Bond	-	-	-	-	-	-	-	-	-
Less Govt Deposits	(22,439)	3,054	(87)	(1,554)	1,085	20,390	3,491	5,977	10,214
3. NON BANKS	338,243	92,397	172,364	292,984	404,809	133,845	238,816	357,129	474,570
Treasury bills	11,711	(11,496)	(11,659)	20,534	39,424	33,192	53,309	78,209	99,082
Fixed rate Bonds	147,740	110,082	115,093	144,585	237,519	28,966	126,443	159,389	281,604
Zero Coupon bonds	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	178,792	(6,189)	68,930	127,866	127,866	71,686	59,064	119,530	93,884
Savings and Development Bond	-	-	-	-	-	-	-	-	-
4. NON RESIDENTS	127	1,638	1,635	2,404	2,056	(3)	2,373	2,116	(1,049)
Treasury bills	(356)	5	2	(3)	(7)	(3)	(3)	(3)	(2)
Fixed rate Bonds	(446)	1,633	1,633	1,573	1,229	-	2,514	2,257	(742)
Infrastructure Bond	929	-	-	834	834	-	(138)	(138)	(306)
5. NET CREDIT	456,694	92,525	209,132	385,005	542,302	220,653	399,402	616,281	846,426
6. OTHER DOMESTIC FINANCING									
Domestic Loan Repayments (NetReceipts)	2,854	587	855	1,429	1,429	-	2,413	4,453	8,048
7. NET DOMESTIC FINANCING	459,548	93,111	209,987	386,434	543,731	220,653	401,815	620,734	854,474

Note: Treasury Bills as reflected here are given at cost value as opposed to Table 12 given at face value.

*provisional

Source of Data: Central Bank of Kenya

3.0 PUBLIC DEBT

3.1 Overall Debt Position

45. The total public and publicly guaranteed debt stock as at 30th June, 2025 amounted to KSh. 11,810.8 billion, an increase of KSh. 1,228.8 billion from KSh. 10,582.0 billion in June 2024. The increase is majorly attributed to increase in domestic debt. The public and publicly guaranteed debt stock comprised KSh. 5,484.8 billion (46.1 percent of total debt) external debt and KSh. 6,326.0 billion (53.9 percent of total debt) domestic debt. The net public debt was KSh. 11,220.3 billion during the period under review (**Table 11**).

Table 11: Kenya's Public and Publicly Guaranteed Debt, June 2023 to June 2025 (KSh. Millions)

DEBT SOURCE	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24*	Dec-25*	Mar-25*	Jun-25*
EXTERNAL									
BILATERAL	1,339,503	1,341,779	1,422,180	1,175,582	1,163,715	1,133,389	1,101,069	1,073,783	1,112,342
MULTILATERAL	2,654,934	2,827,123	3,061,108	2,654,283	2,786,948	2,847,166	2,777,571	2,876,953	3,045,391
COMMERCIAL BANKS	1,437,276	1,483,613	1,588,656	1,318,975	1,207,503	1,193,820	1,165,072	1,273,900	1,312,677
SUPPLIERS CREDIT	14,848	15,284	17,641	14,583	13,537	13,990	13,294	13,661	14,419
SUB - TOTAL EXTERNAL	5,446,561	5,667,799	6,089,585	5,163,423	5,171,704	5,188,365	5,057,006	5,238,297	5,484,830
DOMESTIC:									
CENTRAL BANK	198,314	198,485	224,468	202,428	170,109	107,612	142,043	189,642	172,637
O/W IMF FUNDS ON-LENT TO GOVERNMENT	95,721	96,655	104,245	84,702	83,541	82,626	79,582	78,705	80,559
COMMERCIAL BANKS	2,095,069	2,081,576	2,109,720	2,190,148	2,278,836	2,386,381	2,509,146	2,601,298	2,692,070
TOTAL BANKS	2,293,383	2,280,061	2,334,188	2,392,576	2,448,944	2,493,994	2,651,190	2,790,940	2,864,708
NON BANKS & NON RESIDENTS	2,538,935	2,634,386	2,715,920	2,842,612	2,961,340	3,107,717	3,217,083	3,335,626	3,461,302
SUB-TOTAL DOMESTIC	4,832,318	4,914,447	5,050,109	5,235,188	5,410,284	5,601,710	5,868,273	6,126,566	6,326,009
GRAND TOTAL GROSS	10,278,879	10,582,245	11,139,694	10,398,612	10,581,988	10,790,075	10,925,279	11,364,863	11,810,839
LESS ON-LENDING	-	-	-	-	-	-	-	-	-
LESS GOVERNMENT DEPOSITS	(484,584)	(429,162)	(464,321)	(525,843)	(526,226)	(504,180)	(493,980)	(533,706)	(590,555)
GRAND TOTAL NET	9,794,295	10,153,083	10,675,372	9,872,769	10,055,762	10,285,895	10,431,299	10,831,157	11,220,284

*Provisional

Source of Data: National Treasury

3.2 Domestic Debt

46. The stock of gross domestic debt increased by KSh. 915.7 billion from KSh. 5,410.3 billion in June 2024 to KSh. 6,326.0 billion in June, 2025. The net domestic debt was KSh. 5,735.5 billion by end of the period under review (**Table 12**).

Table 12: Stock of Domestic Debt by end of June, 2025 (KSh. Millions)

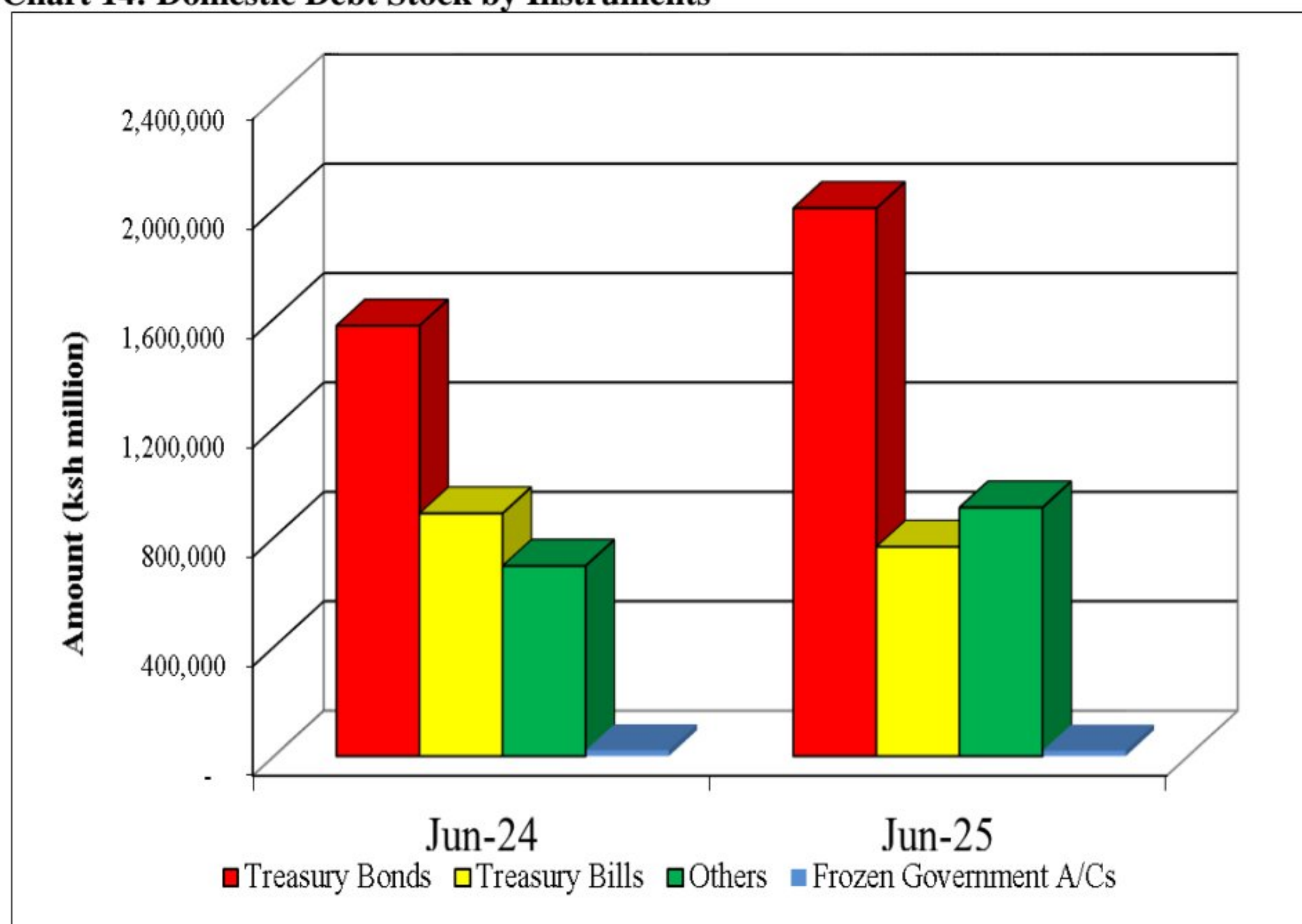
DEBT SOURCE	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24*	Mar-25*	Jun-25*
1.CENTRAL BANK	198,314	198,485	224,468	224,214	170,109	107,612	142,043	189,642	172,637
Overdraft	76,457	75,704	94,128	92,181	61,021	-	37,476	86,507	67,629
IMF funds onlet to Govt	95,721	96,655	104,245	106,488	83,541	82,626	79,582	78,705	80,559
Frozen Govt Accounts	17,789	17,789	17,789	17,234	17,234	16,679	16,679	16,124	16,124
Treasury bills / bonds rediscounts	230	230	230	230	230	230	230	230	230
Items on Transit	42	32	3	6	8	3	2	2	21
Fixed rate bonds	8,074	8,074	8,074	8,074	8,074	8,074	8,074	8,074	8,074
2.COM.BANKS	2,095,069	2,081,735	2,109,720	2,190,148	2,278,836	2,386,381	2,509,146	2,601,298	2,692,070
Advances	13,692	16,406	15,226	5,522	5,468	4,328	4,389	4,362	14,792
Treasury Bills	262,852	217,841	204,724	176,846	207,875	265,461	377,475	423,954	530,659
Fixed Rate T. Bonds	1,043,778	1,078,058	1,082,354	1,045,598	1,103,311	1,103,842	1,130,944	1,107,015	1,108,418
Special Bonds	-	-	-	-	-	-	-	-	0
Savings and Development Bond	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648
Infrastructure Bonds	767,099	761,782	799,769	954,534	954,534	1,005,102	988,690	1,058,318	1,030,553
3. NON BANKS	2,506,970	2,600,834	2,682,371	2,808,554	2,927,632	3,073,163	3,180,217	3,299,017	3,428,615
Treasury Bills	351,636	340,128	341,939	379,924	407,784	446,756	468,396	491,257	505,986
Fixed Rate T. Bonds	1,503,056	1,614,753	1,619,733	1,649,417	1,740,635	1,772,150	1,870,837	1,906,422	2,047,357
Tax Reserve Certificate	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	631,698	625,373	700,119	758,633	758,633	833,677	820,405	880,758	854,691
Savings and Development Bond	20,580	20,580	20,580	20,580	20,580	20,580	20,580	20,580	20,580
M- Akiba Bond	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0)	(0)	(0)	(0)
4. NON RESIDENTS	31,965	33,552	33,549	34,058	33,708	34,554	36,866	36,609	32,687
Treasury Bills	8	13	10	5	1	(2)	(2)	(2)	-1
Fixed Rate T. Bonds	18,499	20,174	20,174	20,113	19,768	19,768	22,217	21,960	18,961
Savings and Development Bond	9	9	9	9	9	9	9	9	9
Infrastructure Bonds	13,449	13,356	13,356	13,931	13,931	14,779	14,641	14,641	13,717
5. TOTAL GROSS DEBT	4,832,318	4,914,606	5,050,109	5,256,974	5,410,284	5,601,710	5,868,273	6,126,566	6,326,009
6. Less On-Lending	-	-	-	-	-	-	-	-	-
7. Less Govt Deposits	484,584	412,151	464,321	525,843	526,226	504,180	493,980	533,706	590,555
8. TOTAL NET DEBT	4,347,734	4,502,455	4,585,787	4,731,131	4,884,058	5,097,530	5,374,292	5,592,859	5,735,455

NOTE: Treasury Bills reflected here are at face value as opposed to Table 10, given at cost

*Provisional

Source of Data: Central Bank of Kenya

47. The stock of Treasury Bills held by Central Bank, Commercial Banks, Non-Banking Financial Institution and Non-Residents increased by KSh. 421.0 billion from KSh. 615.9 billion in June 2024 to KSh. 1,036.9 billion in June 2025. The total stock of Treasury Bonds, which include Floating, Fixed Rate, Special and Zero-Coupon Bonds, increased by KSh. 311.0 billion from KSh. 2,871.8 billion in June 2024 to KSh. 3,182.8 billion in June 2025 (Chart 14).

Chart 14: Domestic Debt Stock by Instruments

Source of Data: Central Bank of Kenya

3.3 External Public Debt

48. In dollar terms, external public and publicly guaranteed debt stock increased by US\$.2,513.36 million to US\$. 42,440.97 million in June 2025 from US\$. 39,927.61 million in June 2024. This comprised debt owed to multilateral of 55.5 percent, commercial banks of 24.2 percent, bilateral of 20.3 percent, and Suppliers Credit of 0.3 percent (**Table 13**).

Table 13: Kenya's External Public and Publicly Guaranteed Debt June, 2023 – June, 2025 (US\$ Millions)

CREDITOR	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25*
<u>BILATERAL</u>									
AUSTRIA	13.75	13.21	13.63	13.19	12.77	13.20	11.77	12.13	12.61
BELGIUM	182.15	173.00	179.21	178.92	177.87	187.72	171.85	175.11	196.87
DENMARK	3.07	2.46	2.58	1.99	1.97	1.51	1.40	0.93	1.01
FINLAND	5.17	3.75	3.96	2.57	2.55	1.33	1.23	-	-
FRANCE	780.81	722.00	753.72	723.60	746.50	759.36	697.88	704.88	784.39
GERMANY	336.34	341.34	349.60	350.44	345.08	362.54	393.56	401.07	433.55
ITALY	343.70	332.56	212.13	195.64	254.10	229.60	211.75	327.41	345.92
JAPAN	1,271.01	1,229.02	1,269.92	1,187.69	1,158.65	1,283.89	1,137.10	1,175.59	1,303.08
USA	8.53	7.64	7.43	310.65	310.41	248.68	248.47	186.72	185.47
CHINA	6,280.39	5,943.60	6,006.71	5,674.35	5,696.97	5,394.35	5,356.85	5,039.21	5,053.67
OTHERS	307.30	291.37	290.73	280.34	277.46	290.47	284.24	280.43	290.61
TOTAL BILATERAL	9,532.23	9,059.95	9,089.63	8,919.39	8,984.34	8,772.65	8,516.10	8,303.47	8,607.18
<u>MULTILATERAL</u>									
ADB/ADF	3,685.50	3,695.82	3,792.02	3,800.87	3,925.83	4,001.98	3,918.64	4,001.09	4,257.66
BADEA	52.19	51.70	53.69	53.38	54.01	53.33	53.01	52.33	52.03
EEC/EIB	207.53	194.28	204.58	192.68	190.43	195.96	181.93	195.52	230.71
IBRD	1,082.86	1,079.71	1,085.13	1,089.11	1,938.74	1,944.34	1,940.45	1,948.47	2,024.99
IDA/IFAD	11,424.85	11,333.07	11,685.80	11,696.69	12,108.42	12,535.17	12,092.83	12,432.93	13,181.46
IMF	2,388.16	2,684.95	2,694.19	3,257.39	3,251.72	3,259.95	3,252.51	3,574.48	3,704.88
OTHERS	52.08	49.77	49.15	48.52	47.21	46.89	43.45	42.56	113.15
TOTAL MULTILATERAL	18,893.17	19,089.28	19,564.57	20,138.64	21,516.35	22,037.62	21,482.81	22,247.38	23,564.88
COMMERCIAL¹	10,228.01	10,017.64	10,153.63	10,007.36	9,322.41	9,240.40	9,011.12	9,851.02	10,157.34
O/W International Sovereign Bond	7,100.00	7,100.00	7,100.00	7,156.97	6,600.00	6,600.00	6,600.00	7,518.86	7,913.54
EXPORT CREDIT	105.66	103.20	112.75	110.65	104.51	108.29	102.82	105.64	111.57
GRAND TOTAL	38,759.08	38,270.08	38,920.59	39,176.04	39,927.61	40,158.96	39,112.85	40,507.51	42,440.97
In percentage of total									
BILATERAL	24.6	23.7	23.4	22.8	22.5	21.8	21.8	20.5	20.3
MULTILATERAL	48.7	49.9	50.3	51.4	53.9	54.9	54.9	54.9	55.5
COMMERCIAL BANKS ¹	26.4	26.2	26.1	25.5	23.3	23.0	23.0	24.3	23.9
EXPORT CREDIT	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Provisional

** include IMF item

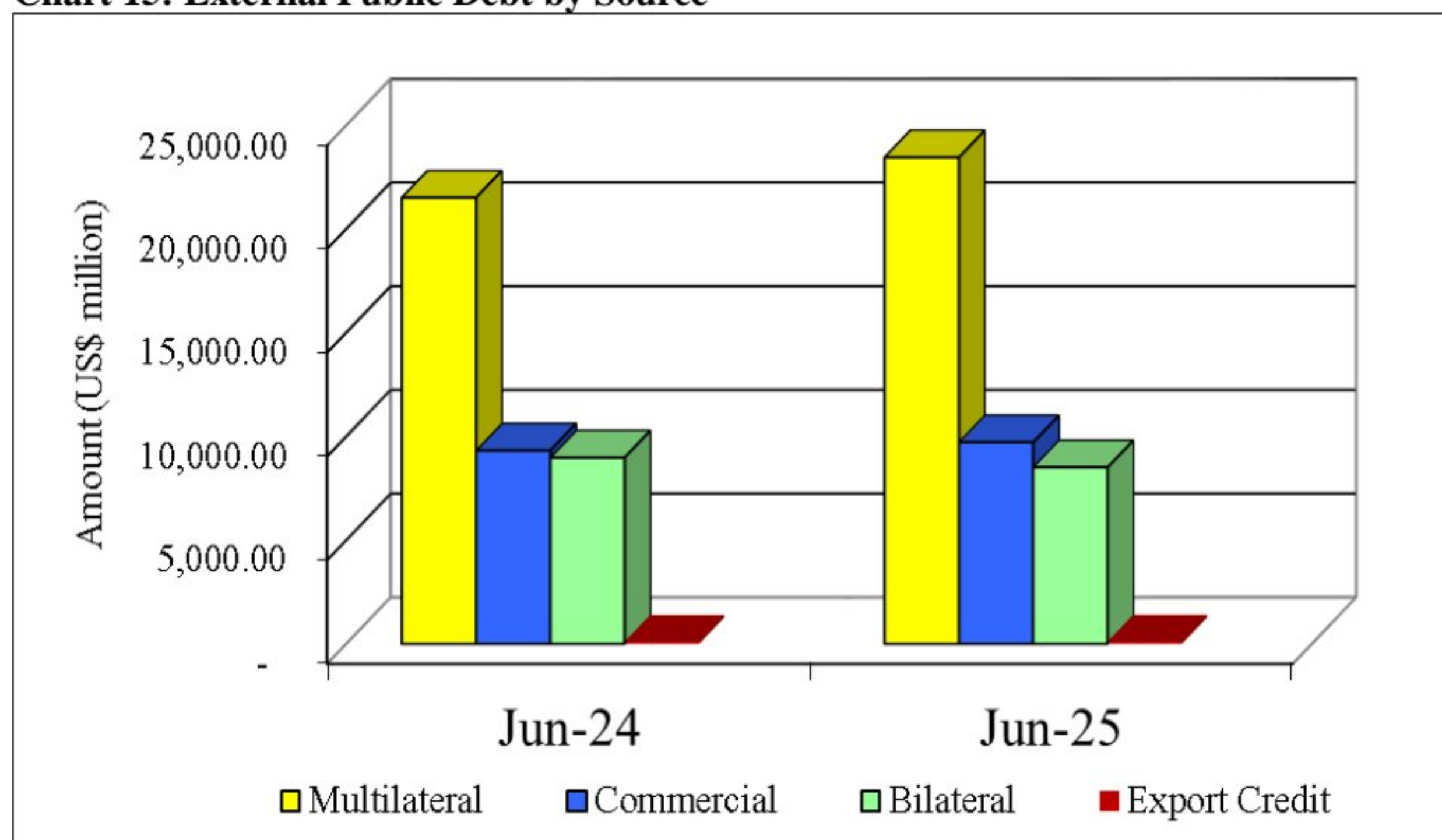
1/ incl. International Sovereign Bond

Note: The exchange rate as at end June 2024 was KSh. 129.5 per dollar.

Source of Data: National Treasury

49. Compared to the same period in FY 2023/24, external public debt stock from multilateral institutions; Supplier's Credit; bilateral; and commercial sources recorded an increase in the period ending June, 2025 (**Chart 15**).

Chart 15: External Public Debt by Source



Source of Data: National Treasury

3.3.1 External Debt Service

50. As at end June 2025, the total cumulative debt service payments to external creditors amounted to KSh. 579.0 billion. This comprised KSh. 367.8 billion (63.5 percent) principal and KSh. 212.00 billion (36.5 percent) interest (**Table 14**).

Table 14: External Debt Service, July 2024 – June 2025 (KSh. Million)

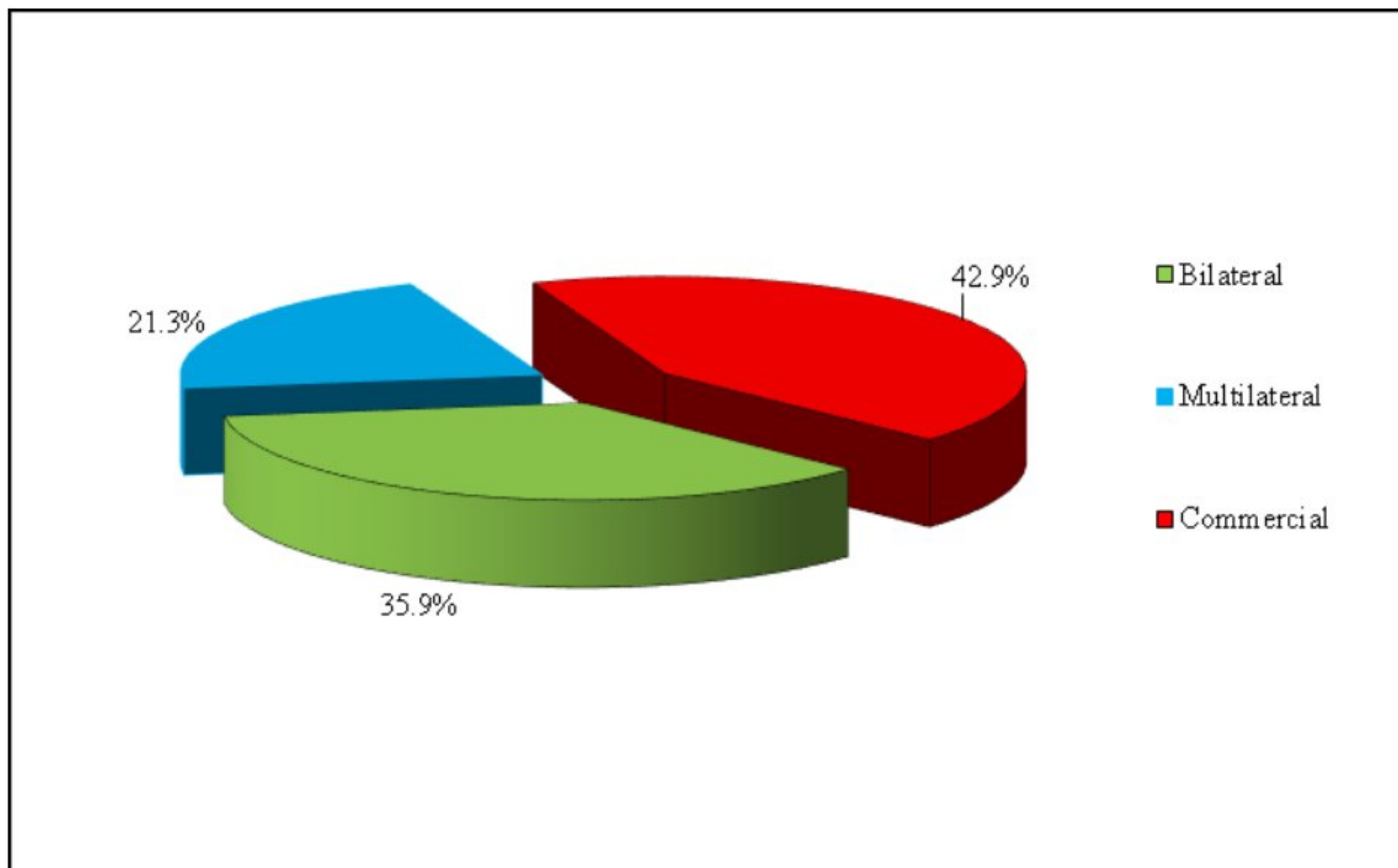
	Jun-25		
CATEGORY	PRINCIPAL*	INTEREST*	TOTAL*
BILATERAL			
ABU DHABI	179.47	26.71	206.18
AUSTRIA	168.43	24.02	192.45
BELGIUM	1,713.01	160.76	1,873.77
CHINA	88,613.15	40,739.05	129,352.21
DENMARK	142.25	-	142.25
FINLAND	336.85	7.57	344.42
FRANCE	11,711.21	1,873.95	13,585.16
GERMANY	5,560.45	893.36	6,453.81
POLAND	102.04	18.84	120.88
INDIA	1,060.49	226.56	1,287.05
ISRAEL	769.74	183.92	953.65
ITALY	16,192.27	3,112.27	19,304.54
JAPAN	4,945.76	561.11	5,506.88
KOREA	213.12	28.97	242.09
KUWAIT	332.03	32.99	365.02
SAUDI ARABIA	259.65	33.60	293.24
SPAIN	1,807.21	142.38	1,949.60
USA	16,251.28	2,197.74	18,449.02
TOTAL BILATERAL	150,358.41	50,263.80	200,622.2
MULTILATERAL			
ADB/ADF	10,262.55	14,187.80	24,450.35
BADEA	262.69	70.70	333.39
EIB/EEC	1,703.18	650.67	2,353.85
IDA	39,677.86	21,553.16	61,231.02
EEC	245.26	8.28	253.54
OPEC	752.03	90.47	842.50
NDF	111.97	22.59	134.56
IFAD	1,071.36	327.61	1,398.98
IMF	-	11,954.92	11,954.92
IBRD	1,345.80	14,607.61	15,953.40
TOTAL MULTILATERAL	55,432.69	63,473.80	118,906.50
COMMERCIAL	142,327.42	97,500.73	239,828.15
Guaranteed Debt	19,685.13	-	19,685.13
TOTAL	348,118.53	211,238.34	559,356.87
TOTAL INCL. GUARANTEED	367,803.66	211,238.34	579,042.00

* Provisional

Source of Data: National Treasury

51. By the end of June 2025, the total cumulative debt service payments to bilateral, commercial and multilateral creditors comprised of 35.9 percent, 42.9 percent and 21.3 percent of the total payments respectively (**Chart 16**).

Chart 16: External Debt Service by Creditors at end of June, 2025



Source of Data: National Treasury

4.0. ANNEXES

4.1. Annex I: Fiscal Results, 2020/21 – 20224/25 (KSh. Millions)

REVENUE/EXPENDITURE/FINANCING	2020/21	2021/22	2022/23	2023/24	2024/25			
	Actual	Actual	Prel. Actual	Prel. Actual	Revised Estimates III	Revised Estimates II	Revised Estimates I	Printed Estimates
A.TOTAL REVENUE	1,892,647	2,199,808	2,360,510	2,702,662	2,985,568	3,067,722	3,059,970	3,343,174
1.Ordinary Revenue	1,633,767	1,917,911	2,041,119	2,288,921	2,496,197	2,580,927	2,631,418	2,917,198
Income Tax	685,014	876,707	941,576	1,043,097	1,125,163	1,165,181	1,180,303	1,230,196
VAT	481,612	523,098	550,440	645,489	660,602	694,332	723,783	812,230
Import Duty	106,762	118,280	130,123	133,929	153,497	152,497	160,038	187,407
Excise Duty	241,378	252,094	264,509	276,722	296,942	314,986	324,762	429,561
Other Revenue	119,001	147,731	154,472	189,685	259,992	253,931	242,532	257,804
2.Appropriation –in –Aid	258,880	281,897	319,391	413,740	489,371	486,795	428,552	425,976
B.EXPENDITURE & NET LENDING	2,797,419	3,027,836	3,221,001	3,655,550	4,045,080	4,007,548	3,880,824	3,992,003
1.Recurrent	1,826,718	2,135,305	2,311,564	2,702,107	2,989,053	2,948,412	2,826,240	2,841,941
Wages and Salaries	481,665	520,033	547,157	575,269	627,102	624,712	602,711	613,647
Interest Payments	463,108	577,978	687,322	840,732	996,857	995,767	1,009,877	1,009,877
Domestic Interest	308,424	456,849	533,098	622,544	768,485	767,244	749,970	749,970
Foreign Interest Due	154,684	121,130	154,223	218,188	228,372	228,523	259,907	259,907
Pensions, etc	123,360	122,432	120,425	178,112	190,307	190,307	190,380	169,163
O & M/ Others	725,054	866,050	895,717	821,097	853,370.01	819,835.94	739,624.28	765,606.02
Of which Appropriation-in-Aid	177,177	197,524	240,165	286,896	321,416	317,791	283,647	283,647
2.Development & Net Lending	596,493	540,117	493,663	597,653	602,053	613,506	599,507	701,523
Development Projects	337,538	346,355	319,289	453,373	411,913	418,617	446,603	551,194
Appropriation-in-Aid	245,379	193,762	162,048	126,844	167,955	169,004	144,904	142,329
4. Transfer to County Governments	369,208	352,414	415,774	354,591	453,975	445,630	451,077	444,539
7. Net Lending	6,788	-	12,327	17,436	19,685	19,685	-	-
8. Equalization Fund	6,788	-	-	-	2,500	6,200	8,000	8,000
9. Contingency Fund	-	-	-	1,200	-	-	4,000	4,000
D.DEFICIT EXCL. GRANTS (Commitment Basis)	(904,772)	(828,028)	(860,491)	(952,888)	(1,059,512)	(939,826)	(820,855)	(648,829)
E.GRANTS	56,841	31,031	23,083	22,037	47,193	52,638	52,284	51,834
F.DEFICIT INCL.GRANTS (Commitment Basis)	(847,931)	(796,997)	(837,408)	(930,851)	(1,012,319)	(887,188)	(768,570)	(596,994)
G. ADJUSTMENT TO CASH BASIS		11,868	37,031	121,528	-	-	-	-
H.DEFICIT INCL.GRANTS (Cash Basis)	(847,931)	(785,129)	(800,377)	(809,323)	(1,012,319)	(887,188)	(768,570)	(596,994)
Discrepancy	(6,788)	(37,304)	(30,070)	(42,876)	-	-	-	-
IFINANCING	841,143	747,825	770,307	766,447	1,012,319	887,188	768,570	596,994
Net Foreign Financing	346,793	142,524	310,759	222,717	186,496	281,515	355,477	333,816
Net Domestic Financing	494,350	605,301	459,548	543,731	825,823	605,673	413,093	263,178
In Percentage of GDP								
A.TOTAL REVENUE	16.8	17.3	16.5	14.6	17.1	17.6	17.6	19.2
1.Ordinary Revenue	14.5	15.1	14.3	12.7	14.3	14.8	15.1	16.7
Income Tax	6.1	6.9	6.6	5.8	6.5	6.7	6.8	7.1
VAT	4.3	4.1	3.9	3.4	3.8	4.0	4.2	4.7
Import Duty	0.9	0.9	0.9	0.8	0.9	0.9	0.9	1.1
Excise Duty	2.1	2.0	1.9	1.6	1.7	1.8	1.9	2.5
Other Revenue	1.1	1.2	1.1	1.0	1.5	1.5	1.4	1.5
2.Appropriation –in –Aid	2.3	2.2	2.2	2.0	2.8	2.8	2.5	2.4
B. EXPENDITURE & NET LENDING	24.9	23.8	22.6	20.0	23.2	23.0	22.3	22.9
1.Recurrent	16.2	16.8	16.2	14.3	17.1	16.9	16.2	16.3
Wages and Salaries	4.3	4.1	3.8	3.4	3.6	3.6	3.5	3.5
Interest Payments	4.1	4.6	4.8	4.3	5.7	5.7	5.8	5.8
Domestic Interest	2.7	3.6	3.7	3.3	4.4	4.4	4.3	4.3
Foreign Interest Due	1.4	1.0	1.1	1.0	1.3	1.3	1.5	1.5
Pensions, etc	1.1	1.0	0.8	0.7	1.1	1.1	1.1	1.0
O & M/ Others	6.4	6.8	6.3	5.6	4.9	4.7	4.2	4.4
of which Appropriation-in-Aid	1.6	1.6	1.7	1.5	1.8	1.8	1.6	1.6
2.Development & Net Lending	5.3	4.3	3.5	3.1	3.5	3.5	3.4	4.0
Development Projects	3.0	2.7	2.2	2.0	2.4	2.4	2.6	3.2
Appropriation-in-Aid	2.2	1.5	1.1	1.0	1.0	1.0	0.8	0.8
4.Transfer to County Governments	3.3	2.8	2.9	2.6	2.6	2.6	2.6	2.5
5. Parliamentary Service	0.3	0.3	0.3	0.3	-	-	-	-
6. Judicial Service	0.0	0.1	0.1	0.1	-	-	-	-
7. Equalization Fund	0.1	-	-	0.1	0.1	0.1	-	-
D.DEFICIT EXCL. GRANTS (Commitment Basis)	(8.0)	(6.5)	(6.0)	(5.9)	0.0	(5.4)	(4.7)	(3.7)
E.GRANTS	0.5	0.2	0.2	0.1	-	0.3	0.3	0.3
F.DEFICIT INCL.GRANTS (Commitment Basis)	(7.5)	(6.3)	(5.9)	(5.3)	(6.1)	(5.4)	(4.7)	(3.7)
G.ADJUSTMENT TO CASH BASIS	-	0.1	0.3	0.1	0.3	0.3	0.3	0.3
H.DEFICIT INCL.GRANTS (Cash Basis)	(7.5)	(6.2)	(5.6)	(5.2)	(5.8)	(5.1)	(4.4)	(3.4)
IFINANCING	7.5	5.9	5.4	0.2	-	-	-	-
Foreign Financing	3.1	1.1	2.2	(5.0)	(5.8)	(5.1)	(4.4)	(3.4)
Net Domestic Financing	4.4	4.8	3.2	4.8	5.8	5.1	4.4	3.4
Memorandum Item:								
Nominal GDP at Market price (KSh. million)	11,256,082.0	12,698,001.0	14,274,419.5	16,131,502	17,434,534.4	17,434,534.4	17,434,534.4	17,434,534.4

Source: National Treasury

4.2. GFSM 2014 COMPLIANT TABLES FOR BUDGETARY CENTRAL GOVERNMENT

4.2.1 Annex II: Revenue (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1	Prel. Actual FY2024/25 Q2	Prel. Actual FY2024/25 Q3	Prel. Actual FY2024/25 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
1	Revenue	3,111,804	698,829	1,383,498	1,998,368	2,923,551
11	Taxes	2,692,387	587,795	1,208,319	1,784,208	2,501,425
111	Taxes on income, profits, and capital gains	1,244,523	274,848	566,359	799,887	1,166,230
1111	Payable by individuals	685,960	152,579	311,519	465,796	633,700
1112	Payable by corporations and other enterprises	558,563	122,268	254,840	334,091	532,530
114	Taxes on goods and services	1,194,240	257,911	529,317	811,531	1,088,977
1141	General taxes on goods and services	751,449	153,127	315,128	486,640	681,707
11411	Value-added taxes	723,783	151,332	304,080	471,006	660,729
11414	Taxes on financial and capital transactions ¹	27,666	1,795	11,048	15,634	20,978
1142	Excises ²	442,791	104,784	214,189	324,891	407,270
115	Taxes on international trade and transactions	253,624	55,036	112,644	172,790	246,219
1151	Customs and other import duties ³	253,330	54,866	112,644	172,552	246,219
1152	Taxes on exports	295	171	-	239	-
12	Social contributions	640	50	146	1,255	225
122	Other social contributions	640	50	146	1,255	225
1221	Employee contributions	640	50	146	1,255	225
13	Grants	51,834	1,353	14,751	14,751	33,320
131	From foreign governments	51,834	1,353	14,751	14,751	33,320
1311	Current					
1312	Capital	51,834	1,353	14,751	14,751	33,320
132	From international organizations	-	-	-	-	-
1321	Current					
1322	Capital	-	-	-	-	-
14	Other revenue	366,942	109,631	160,282	198,154	388,581
141	Property income	107,315	48,412	60,297	73,443	112,178
1411	Interest	1,622	-	1,789	2,631	3,428
1412	Dividends	104,340	44,428	58,330	70,328	107,956
1415	Rent	1,354	3,984	178	484	794
142	Sales of goods and services	253,291	59,570	98,042	120,737	268,061
1422	Administrative fees	253,291	59,570	98,042	120,737	268,061
143	Fines, penalties, and forfeits	2,829	547	1,163	1,735	2,829
144	Miscellaneous and unidentified revenue	3,507	1,101	779	2,239	5,514

1. Includes Capital Gains Tax and Stamp duty

2. Includes Ordinary excise, RML, PDL and Electricity levy

3. Includes Import duty, RDL and IDF

Source: National Treasury

4.2.2. Annex III: Expense (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1	Prel. Actual FY2024/25 Q2	Prel. Actual FY2024/25 Q3	Prel. Actual FY2024/25 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
2	Expense	3,798,021	877,828	1,955,517	2,627,264	3,975,938
21	Compensation of employees	641,773	155,026	308,440	456,309	662,893
211	Wages and salaries	600,587	143,459	293,335	440,254	624,689
212	Social contributions	41,186	11,567	15,105	16,055	38,204
2121	Actual social contributions	41,186	11,567	15,105	16,055	38,204
22	Use of goods and services	359,242	52,369	195,217	255,186	533,499
	O/W Free Secondary Education (FSE)	67,084	14,146	49,790	35,939	54,619
	Free Primary Education (FPE)	11,066	1,624	7,433	11,066	8,417
24	Interest	1,009,877	249,103	523,551	796,483	995,120
241	To nonresidents	259,907	72,269	101,691	171,454	211,002
242	To residents other than general government	749,970	176,834	421,860	625,029	784,117
25	Subsidies	27,000	3,087	13,612	17,816	24,300
251	To public corporations					
252	To private enterprises	27,000	3,087	13,612	17,816	24,300
26	Grants	1,561,242	359,591	811,449	985,917	1,563,330
262	To international organizations	29,057	1,132	14,529	25,600	32,364
2621	Current	29,057	1,132	14,529	25,600	32,364
2622	Capital					
263	To other general government units	1,532,185	358,459	796,921	960,317	1,530,967
2631	Current	955,021	221,435	571,178	642,102	955,701
	O/W Transfer to County Governments (ES)	287,584	44,517	191,615	255,540	418,259
	Transfer to Other levels of Government (Includes transfers to SOEs)	667,437	176,919	379,563	386,562	537,442
2632	Capital	577,164	137,024	225,742	318,215	575,266
	O/W Transfer to County Governments (ES)	123,250	19,079	19,079	19,080	133,455
	Transfer to Other levels of Government (Includes transfers to SOEs)	453,914	117,945	206,664	299,136	441,812
27	Social benefits	186,886	58,652	103,247	115,553	184,894
272	Social Assistance Benefits	-	-	-	-	-
273	Employer social benefits	186,886	58,652	103,247	115,553	184,894
28	Other expense	12,000	-	-	-	11,902
282	Miscellaneous other expense	12,000	-	-	-	11,902

Source: National Treasury

4.2.3. Annex IV: Transaction in Assets and Liabilities (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1	Prel. Actual FY2024/25 Q2	Prel. Actual FY2024/25 Q3	Prel. Actual FY2024/25 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
3	Change in Net Worth: Transactions	(676,843)	(32,016)	(390,931)	(620,763)	(861,534)
31	Net acquisition of nonfinancial assets	82,803	12,415	35,808	62,226	105,502
311	Fixed assets	82,803	12,415	35,808	62,226	105,502
3111	Buildings and structures	81,092	12,159	34,300	59,030	100,370
3113	Other fixed assets	1,711	256	1,508	3,196	5,132
32	Net acquisition of financial assets	4,687	64,334	9,229	63,559	31,726
3212	Currency and deposits (Domestic)	4,687	64,334	9,229	63,559	31,726
33	Net incurrence of liabilities	764,333	108,765	435,968	746,548	998,762
331	Domestic	408,406	165,068	444,098	683,837	819,024
3313	Securities other than shares	408,406	235,057	450,419	675,943	853,121
3314	Loans	-	(61,147)	(28,467)	25,486	(1,862)
3318	Other Accounts Payable	-	(8,842)	22,146	(17,591)	(32,235)
332	Foreign	355,927	(56,302)	(8,130)	62,711	179,738
3323	Securities other than shares	168,750	-	-	-	-
3324	Loans	187,177	(56,302)	(8,130)	62,711	179,738

Source: National Treasury

4.2.4. Annex V: Statement of Sources and Uses of Cash (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 5 Q1	Prel. Actual FY2024/25 Q2	Prel. Actual FY2024/25 Q3	Prel. Actual FY2024/25 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
	Cash Flows from Operating Activities:					
1	Cash receipts from operating activities	3,111,804	698,829	1,383,498	1,946,653	2,923,551
11	Taxes	2,692,387	587,795	1,208,319	1,697,291	2,501,425
12	Social contributions	640	50	146	1,255	225
13	Grants	51,834	1,353	14,751	14,751	34,277
14	Other receipts	366,942	109,631	160,282	233,356	387,624
2	Cash payments for operating activities	3,798,021	877,828	1,955,517	2,703,835	3,975,938
21	Compensation of employees	641,773	155,026	308,440	456,309	662,893
22	Purchases of goods and services	359,242	52,369	195,217	255,186	533,499
24	Interest	1,009,877	249,103	523,551	796,483	995,120
25	Subsidies	27,000	3,087	13,612	20,418	24,300
26	Grants	1,561,242	359,591	811,449	1,059,886	1,562,162
27	Social benefits	186,886	58,652	103,247	115,553	186,062
28	Other payments	12,000	-	-	-	11,902
	Net cash inflow from operating activities	(686,217)	(178,999)	(572,019)	(757,183)	(1,052,387)
	Cash Flows from Investments in Nonfinancial Assets (NFAs):					
31A	Purchases of nonfinancial assets	82,803	12,415	35,808	62,226	105,502
311A	Fixed assets	82,803	12,415	35,808	62,226	105,502
31	Net cash outflow: investments in NFAs (31=31.1-31.2)	82,803	12,415	35,808	62,226	105,502
	Cash surplus / deficit	(769,020)	(191,414)	(607,827)	(819,409)	(1,157,889)
	Cash Flows from Financing Activities:					
32x	Net acquisition of financial assets other than cash	4,687	64,334	116,210	1,529	8,048
321x	Domestic	4,687	64,334	116,210	1,529	8,048
322x	Foreign					
33	Net incurrence of liabilities	764,333	108,765	435,968	766,233	1,164,987
331	Domestic	408,406	165,068	444,098	683,837	819,024
332	Foreign	355,927	(56,302)	(8,130)	82,396	345,963
NFB	Net cash inflow from financing activities	769,020	173,099	552,178	767,762	1,173,035
	Net change in the stock of cash					
	Statistical Discrepancy⁴	0	(18,315)	(55,649)	(51,647)	15,146

⁴/Vertical check: Difference between cash surplus/deficit and total net cash inflow from financial activities

Source: National Treasury

4.2.5 Annex VI: Statement of Government Operations (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1	Prel. Actual FY2024/25 Q2	Prel. Actual FY2024/25 Q3	Prel. Actual FY2024/25 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
	Transactions Affecting Net Worth:					
1	Revenue	3,111,804	698,829	1,383,498	1,946,653	2,923,551
11	Taxes	2,692,387	587,795	1,208,319	1,697,291	2,501,425
12	Social contributions	640	50	146	1,255	225
13	Grants	51,834	1,353	14,751	14,751	32,235
14	Other revenue	366,942	109,631	160,282	233,356	389,666
2	Expense	3,798,021	877,828	1,943,506	2,703,836	3,975,938
21	Compensation of employees	641,773	155,026	308,440	456,309	662,893
22	Use of goods and services	359,242	52,369	183,206	329,155	533,499
24	Interest	1,009,877	249,103	523,551	796,483	995,120
25	Subsidies	27,000	3,087	13,612	20,418	24,300
26	Grants	1,561,242	359,591	811,449	985,917	1,562,162
27	Social benefits	186,886	58,652	103,247	115,553	186,062
28	Other expense	12,000	-	-	-	11,902
GOB	Gross operating balance	(686,217)	(178,999)	(560,008)	(757,183)	(1,052,387)
NOB	Net operating balance	(686,217)	(178,999)	(560,008)	(757,183)	(1,052,387)
	Transactions on Nonfinancial Assets:					
31	Net Acquisition of Nonfinancial Assets	82,803	12,415	(71,173)	62,226	105,502
311	Fixed assets	82,803	12,415	(71,173)	62,226	105,502
312	Change in inventories	-	-	-	-	-
314	Nonproduced assets	-	-	-	-	-
NLB	Net lending / borrowing	(769,020)	(191,414)	(488,835)	(819,409)	(1,157,889)
	Transactions on Financial Assets and Liabilities (Financing):	769,020	173,099	445,197	767,762	1,173,035
32	Net acquisition of financial assets	4,687	64,334	9,229	63,559	8,048
321	Domestic	4,687	64,334	9,229	63,559	8,048
322	Foreign					
33	Net incurrence of liabilities	764,333	108,765	435,968	704,203	1,164,987
331	Domestic	408,406	165,068	444,098	641,492	819,024
332	Foreign	355,927	(56,302)	(8,130)	62,711	345,963
	Statistical Discrepancy⁵	-	(18,315)	(43,638)	(51,647)	15,146

5/Vertical check: Difference between net lending/borrowing and financing

Source: National Treasury