



# THE NATIONAL TREASURY MONTHLY DEBT BULLETIN OCTOBER 2021

## I.1 Introduction

The total nominal public and publicly guaranteed debt stock as at end October 2021 was Kshs. 8,042.65 billion (65.0 per cent of GDP<sup>1</sup>). Domestic debt stock was Kshs. 3,959.52 billion (32.0 per cent of GDP) equivalent to USD 35.60 billion while the external debt stock was Kshs. 4,083.12 billion (33.0 per cent of GDP) equivalent to USD 36.71 billion. Domestic and external debt stock accounted for 49.2 and 50.8 per cent of total debt stock respectively.

## I.2 Movement in Exchange Rates

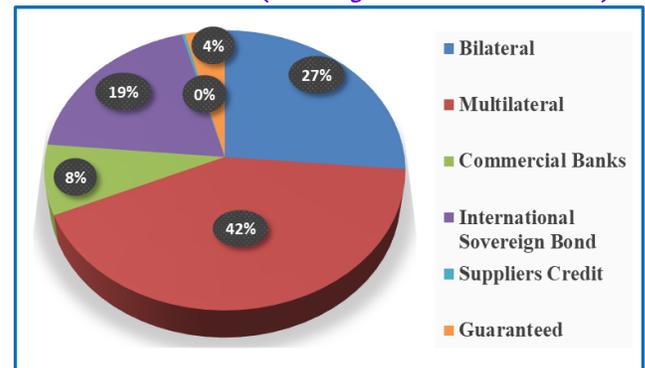
Kenya's public and publicly guaranteed debt is denominated in five major currencies namely the USD, Euro, Yen, Yuan and Sterling Pound. During the month, the Kenya shilling depreciated marginally against the US dollar, Euro, Chinese Yuan and Sterling Pound by 0.7 per cent, 0.1 per cent, 1.8 per cent and 2.2 per cent respectively. However, against the Japanese Yen, the Shilling appreciated marginally by 1.2 per cent. The base<sup>2</sup> exchange rate for the afore-mentioned currencies notably the USD, Euro, Yen, Yuan and Sterling Pound was Kshs. 110.49, Kshs. 129.01, Kshs. 99.15, Kshs. 17.09 and Kshs. 149.64 respectively.

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

Overall, the National Government external debt stock increased by Kshs. 20.62 billion from Kshs. 4, 062.50 billion in September 2021. Debt owed to bilateral creditors increased by Kshs. 5.14 billion from Kshs. 1,072.58 billion while multilateral debt increased by Kshs. 11.13 billion from Kshs 1,072.68

billion. Commercial debt increased by Kshs. 4.67 billion from Kshs. 1,126.92 billion during the same period. Publicly guaranteed external debt marginally decreased from Kshs. 160.32 billion in September 2021 to Kshs. 159.99 billion in October 2021.

**Chart I: External Debt Composition by Creditor Category as at end of October 2021 (Percentage of Total External Debt)**

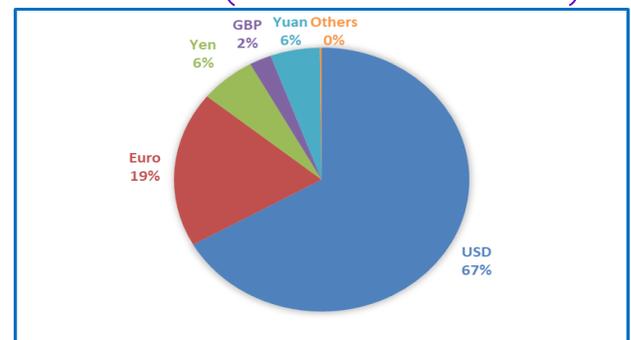


*Source: National Treasury*

## I.4 Currency composition of external debt

The proportion of external debt denominated in USD, Euro, Yen, Yuan and Sterling Pound was 67 per cent, 19 per cent, 6 per cent, 6 per cent and 2 per cent respectively. Other currencies accounted for 0.2 per cent of total external debt (Chart 2).

**Chart 2: External Debt by Currency Composition as at end October 2021 (Percent of Total External Debt)**



*Source: National Treasury*

<sup>1</sup> Kshs. 12,393.06 billion

<sup>2</sup> End September 2021 is the base month for all parameters

### 1.5 Actual Cumulative External Debt Service

The actual cumulative external debt service as at end October 2021 was Kshs. 93.55 billion. External debt service during the month of October 2021 was Kshs. 16.27 billion comprising principal and interest payments of Kshs. 12.53 billion and Kshs. 3.74 billion respectively. Cumulatively, debt service to bilateral creditors accounted for 37.1 per cent of the total debt service while commercial and multilateral creditors accounted for 46.4 per cent and 16.5 per cent respectively.

### 1.6 Government Domestic Borrowing

During the month of October 2021, Government securities amounting to Kshs. 156.00 billion were advertised. Bids worth Kshs. 111.09 billion were received comprising of Kshs. 55.61 billion and Kshs. 55.48 billion Treasury bills and bonds respectively. Bids worth Kshs. 104.17 billion were successful; out of which Kshs. 52.12 billion and Kshs. 52.05 billion were Treasury bills and bonds respectively. The monthly redemptions amounted to Kshs. 79.07 billion from Treasury bills (Chart 3). In aggregate, the exchequer received Kshs. 25.10 billion during the month.

**Chart 3: Government Securities Performance from October 2020 to October 2021 in Kshs. Billions**

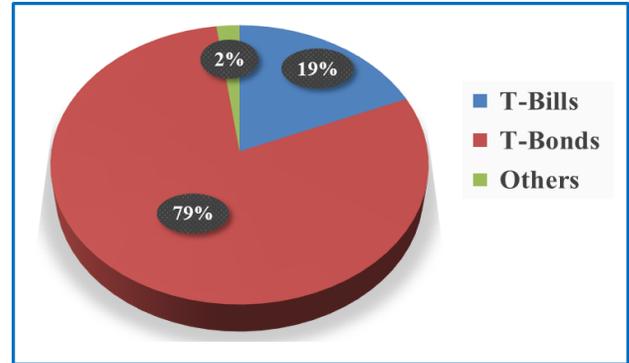


Source: National Treasury

### 1.7 Domestic Debt by Instruments

The distribution of domestic debt by instrument type shows that the ratio of bonds to bills was 79:19 while the Government overdraft at the Central Bank of Kenya, Tax Reserve Certificates and bank advances accounted for 2.0 per cent of domestic debt as at end October 2021 (Chart 4).

**Chart 4: Stock of Domestic debt instruments as at end October 2021 (Percentage of Total Domestic Debt)**



Source: National Treasury

### 1.8 Net Domestic Financing

The net domestic financing as at end October 2021 was Kshs. 344.61 billion against an annual target of Kshs. 661.29 billion for FY 2021/22.

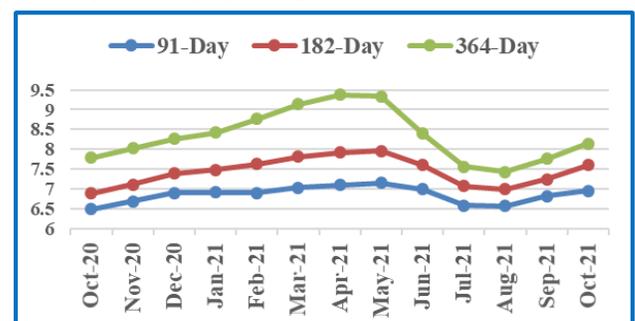
### 1.9 Cumulative Domestic Interest Payments

The actual cumulative domestic debt interest payment as at end October 2021 stood at Kshs. 141.84 billion. For the month of October 2021, interest payments for Treasury bonds and bills amounted to Kshs. 36.68 billion and Kshs. 3.97 billion respectively. The interest payment on overdraft was Kshs. 0.05 billion.

### 1.10 Average Interest rates for Treasury Bills

On average, interest rate for Treasury bills increased during the month. The 91-day, 182-day and 364-day Treasury bills increased to 7.0 per cent, 7.6 per cent and 8.1 per cent from 6.8 per cent, 7.3 per cent and 7.8 per cent in September 2021 respectively as shown in Chart 5.

**Chart 5: Average Interest rates for Treasury Bills from October 2020 to October 2021**



Source: National Treasury

The average interest rates for the 91-day, 182-day and 364-day T-bills increased marginally by 12, 35 and 38 basis points respectively.

### I. II Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds during the month of October 2021 was 8.90 years.

### ANNEX I: STOCK OF PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT BY SOURCE AS AT END OCTOBER 2021 IN KSHS MILLIONS

CREDITOR	Stock at the End September 2021	Stock at the End October 2021	CHANGE
<b>BILATERAL</b>			
BELGIUM	13,161.94	13,118.90	(43.04)
AUSTRIA	1,433.82	1,434.62	0.80
DENMARK	474,653,1528	476.16	1.51
FINLAND	1,072.94	1,073.54	0.60
FRANCE	92,366.21	92,443.82	77.61
GERMANY	32,143.04	32,195.91	52.87
ITALY	40,304.59	40,327.02	22.43
JAPAN	88,676.60	87,614.39	(1,062.21)
NETHERLANDS	-		
USA	1,374.21	1,383.28	9.06
SPAIN	15,171.74	14,792.97	(378.76)
Other PARIS CLUB	2,917.05	2,936.29	19.24
Other NON -PARIS CLUB	19,194.08	19,351.34	157.26
CHINA	764,287.42	770,571.34	6,283.93
<b>Sub Total</b>	<b>1,072,578.29</b>	<b>1,077,719.59</b>	<b>5,141.30</b>
<b>MULTILATERAL</b>			
ADB/ADF	339,071.61	340,842.96	1,771.36
EEC/EIB	22,525.39	22,714.85	189.47
IDA	1,095,241.96	1,104,501.25	9,259.28
IFAD	22,683.61	23,053.56	369.95
IMF	180,643.95	180,014.92	(629.04)
Others	42,512.22	42,681.09	168.87
<b>Sub Total</b>	<b>1,702,678.74</b>	<b>1,713,808.62</b>	<b>11,129.89</b>
<b>COMMERCIAL</b>			
Commercial Bank	330,192.29	329,664.80	(527.48)
International Sovereign Bond	784,449.89	789,624.37	5,174.48
Suppliers Credit	12,282.62	12,309.34	26.71
<b>Sub Total</b>	<b>1,126,924.80</b>	<b>1,131,598.51</b>	<b>4,673.71</b>
<b>Total Central Government</b>	<b>3,902,181.82</b>	<b>3,923,126.72</b>	<b>20,944.90</b>
<b>GUARANTEED</b>			
JAPAN	72,982.81	72,108.59	(874.22)
GERMANY	4,475.71	4,478.20	2.49
Kenya Airways (Commercial Debt)	82,864.43	83,411.03	546.60
<b>Sub Total</b>	<b>160,322.95</b>	<b>159,997.81</b>	<b>(325.13)</b>
<b>CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT</b>	<b>4,062,504.77</b>	<b>4,083,124.54</b>	<b>20,619.76</b>

Source: National Treasury

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