



THE NATIONAL TREASURY MONTHLY DEBT BULLETIN APRIL 2021

I.1 Introduction

The total nominal public and publicly guaranteed debt as at end of April 2021 was Kshs. 7,421.85 billion (65.8 per cent of GDP). Domestic debt stock was Kshs. 3,632.91 billion (32.2 per cent of GDP) equivalent to USD 33.69 billion while the External debt stock was Kshs. 3,778.94 billion (33.6 per cent of GDP) equivalent to USD 35.13 billion. Domestic debt accounted for 49 per cent of total debt while external debt accounted for 51 per cent.

I.2 Movement in Exchange Rates

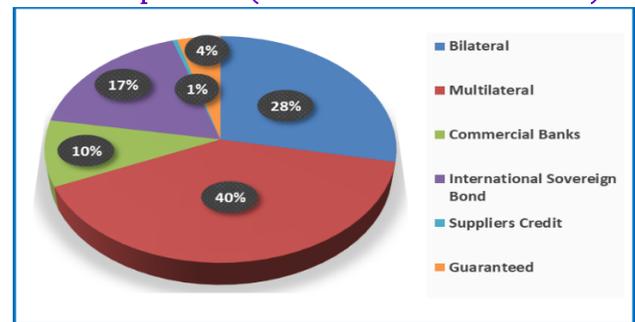
Kenya's public debt is denominated in five major currencies namely the USD, Euro, Yen, Yuan, and Sterling Pound. The Kenya Shilling remained relatively stable against the major world currencies. The Shilling depreciated marginally against the Euro by 1.6 per cent while against the Chinese Yuan, it remained relatively stable. However, against US Dollar, Japanese Yen and Sterling Pound, the Shilling appreciated marginally by 1.5, 0.3 and 0.3 per cent respectively. The base¹ exchange rate for the aforementioned currencies notably the USD, Euro, Yen, Yuan and Sterling Pound was Kshs. 109.51, Kshs. 128.60, Kshs. 99.22, Kshs. 16.67 and Kshs. 150.69 respectively.

I.3 Size of Public and Publicly Guaranteed External Debt

Overall, the National Government external debt increased by Kshs. 19.07 billion from Kshs. 3,769.87 billion in March 2021. Debt owed to bilateral creditors increased by Kshs. 5.68 billion from Kshs. 1,064.14 billion while multilateral debt increased by Kshs. 31.19 billion from Kshs 1,490.68 billion.

Commercial debt decreased by Kshs. 15.78 billion from Kshs. 1,049.41 billion during the same period. Publicly guaranteed external debt marginally decreased from Kshs. 165.64 billion in March 2021 to Kshs. 163.63 billion in April 2021.

Chart I: External Debt Composition by Creditor Category as at end April 2021 (Percent of Total External Debt)

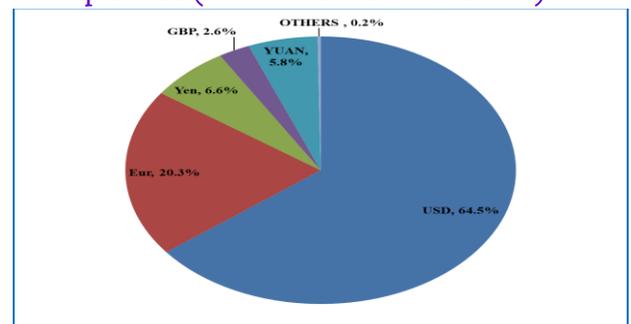


Source: National Treasury

I.4 Currency composition of external debt

The proportion of external debt denominated in USD, Euro, Yen, Yuan and Sterling Pound was 64.5 per cent, 20.3 per cent, 6.6 percent, 5.8 percent and 2.6 percent respectively. Other currencies combined accounted for 0.2 per cent of external debt.

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



Source: National Treasury

¹ End March 2021 is the base month for all parameters

I.5 Actual Cumulative External Debt Service

The actual cumulative external debt service as at end April 2021 was Kshs. 203.58 billion. External debt service during the month of April 2021 was Kshs. 19.66 billion comprising principal and interest payments of Kshs. 14.99 billion and Kshs. 4.66 billion respectively. Cumulatively, debt service to bilateral creditors accounted for 25.38 per cent of the total debt service while commercial and multilateral creditors accounted for 57.99 per cent and 16.63 per cent respectively.

I.6 Government Domestic Borrowing

During the month of April 2021, Government securities amounting to Kshs. 156.00 billion were advertised. Bids worth Kshs. 151.32 billion were received comprising of Kshs. 62.74 billion and Kshs. 88.58 billion Treasury Bills and Bonds respectively. Bids worth Kshs. 140.84 billion were successful; out of which Kshs. 58.90 billion and Kshs. 81.94 billion were Treasury Bills and Bonds respectively. The monthly redemptions amounted to Kshs. 92.18 billion; out of which Kshs. 72.64 billion and Kshs. 19.54 billion were Treasury Bills and Bonds respectively. In aggregate, the exchequer had a surplus of Kshs. 48.66 billion during the period under review.

Chart 3: Government Securities Performance from July 2020 to April 2021 in Kshs. Billions



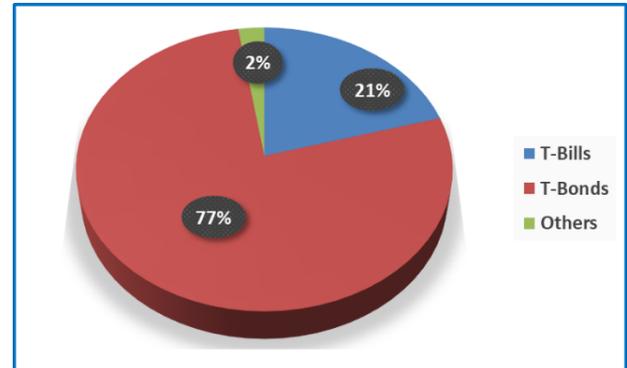
Source: National Treasury

I.7 Domestic Debt by Instruments

The distribution of domestic debt by instrument type shows that the ratio of Bonds to Bills was 77:21 while the Government overdraft at the Central Bank of Kenya, Tax Reserve Certificates and bank advances

accounted for 2.5 per cent of domestic debt as at end of April 2021.

Chart 4: Stock of Domestic debt instruments as at end April 2021 (Percent of Total Domestic Debt)



Source: National Treasury

I.8 Net Domestic Financing

The net domestic financing as at end April 2021 was Kshs. 542.77 billion against an annual target of Kshs. 544.46 billion for FY2020/21.

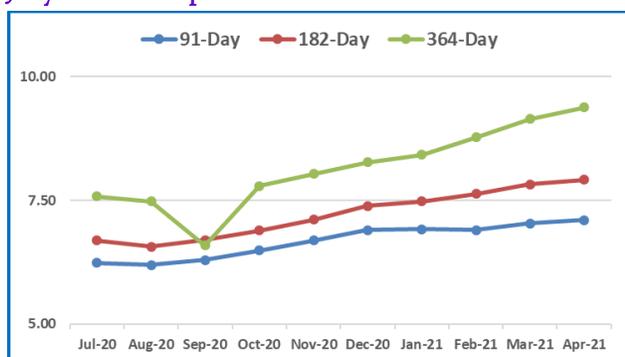
I.9 Cumulative Domestic Interest Payments

The actual cumulative domestic debt interest payment as at end of April 2021 stood at Kshs. 318.49 billion. For the Month of April 2021, interest payments for Treasury Bonds and Bills amounted to Kshs. 27.49 billion and Kshs. 4.84 billion respectively. The interest payment on overdraft was Kshs. 0.15 billion.

I.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 7.1 per cent, 7.9 per cent and 9.4 per cent from 7.0 per cent, 7.8 per cent and 9.1 per cent in March 2021 respectively as shown in Chart 5.

Chart 5: Average Interest rates for Treasury Bills from July 2020 to April 2021



Source: National Treasury

The average interest rates for the 91-day T-bills, 182-day and 364-day T-bills increased marginally by 7, 10 and 24 basis points respectively.

I. II Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds in the month of April 2021 was 8.6 years.

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

CREDITOR	Stock at the End March 2021	Stock at the End April 2021	CHANGE
BILATERAL			
BELGIUM	13,327.98	13,070.61	(257.37)
AUSTRIA	1,486.53	1,498.41	11.88
DENMARK	474.08	482.08	8.00
FINLAND	1,222.37	1,241.62	19.25
FRANCE	87,623.35	92,768.63	5,145.28
GERMANY	30,397.06	30,959.69	562.63
ITALY	40,177.81	40,810.36	632.55
JAPAN	85,037.17	88,873.22	3,836.05
NETHERLANDS	0.00	0.00	0.00
USA	1,288.63	1,269.00	(19.63)
SPAIN	13,675.16	13,858.51	183.35
Other PARIS CLUB	3,506.40	3,136.64	(369.76)
Other NON -PARIS CLUB	17,868.44	17,289.37	(579.07)
CHINA	768,051.72	764,557.86	(3,493.86)
Sub Total	1,064,136.68	1,069,815.98	5,679.30
MULTILATERAL			
ADB/ADF	316,092.18	318,322.04	2,229.86
EEC/EIB	20,264.78	19,988.19	(276.59)
IDA	983,830.22	981,282.17	(2,548.05)
IFAD	21,004.93	21,906.76	901.83
IMF	107,873.44	139,034.68	31,161.24
Others	41,612.44	41,329.79	(282.65)
Sub Total	1,490,678.00	1,521,863.63	31,185.63
COMMERCIAL			
Commercial Bank	363,261.34	357,930.55	(5,330.79)
International Sovereign Bond	668,021.98	657,849.01	(10,172.97)
Suppliers Credit	18,125.75	17,849.72	(276.03)
Sub Total	1,049,409.07	1,033,629.28	(15,779.79)
Total Central Government	3,604,223.74	3,625,308.90	21,085.16
GUARANTEED			
JAPAN	73,532.51	72,764.04	(768.47)
GERMANY	5,048.60	5,128.09	79.49
IDA (KR Concessionaire)	4,928.03	4,852.98	(75.05)
Kenya Airways (Commercial Debt)	82,133.85	80,883.08	(1,250.78)
Sub Total	165,642.99	163,628.19	(2,014.80)
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	3,769,866.74	3,788,937.09	19,070.35

Source: National Treasury

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