



THE NATIONAL TREASURY & ECONOMIC PLANNING

MONTHLY DEBT BULLETIN

OCTOBER 2024

I.1 Introduction

The total nominal public and publicly guaranteed debt stock as at end of October 2024 was Ksh. 10,813.85 billion (66.1 percent of GDP¹) equivalent to USD 83.70 billion. The domestic debt stock was Ksh. 5,693.54 billion (34.8 percent of GDP), equivalent to USD² 44.07 billion, while the external debt stock was Ksh. 5,120.31 billion (31.3 per cent of GDP), equivalent to USD 39.63 billion. Domestic and external debt stock accounted for 52.6 percent and 47.4 percent of total debt stock, respectively.

I.2 Movement in Exchange Rates

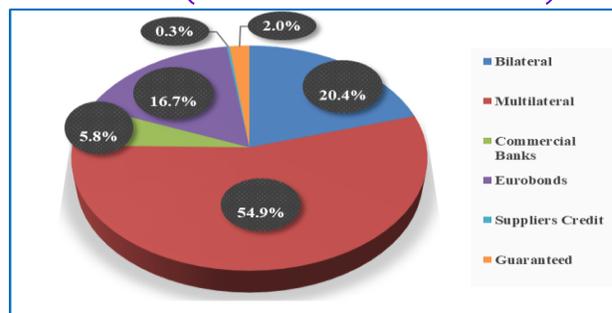
Kenya's public and publicly guaranteed debt is denominated in five major currencies, namely the US Dollar, Japanese Yen, Euro, Chinese Yuan and Sterling Pound. During the month under review, the US Dollar remained stable against Kenya shilling. However, the Kenya shilling appreciated against Japanese Yen, Euro, Chinese Yuan and Sterling Pound by 7.2 percent, 2.8 percent, 1.5 percent, and 3.3 percent respectively. The base³ exchange rates for the aforementioned five currencies, notably the USD Dollar, Yen, Euro, Yuan and Sterling Pound were Ksh. 129.20, Ksh 90.97, Ksh. 144.24, Ksh. 18.42 and Ksh. 173.03 respectively.

I.3 Size of Public and Publicly Guaranteed External Debt

Overall, the National Government's external debt stock decreased by Ksh. 68.05 billion from Ksh. 5,188.36 billion as at end September 2024 to Ksh. 5,120.31 billion as at end October 2024. This is majorly attributed to payment of maturing obligations. Debt owed to bilateral creditors reduced

by Ksh. 14.07 billion from Ksh. 1,056.40 billion to Ksh. 1,042.33 billion while multilateral debt reduced by Ksh. 34.84 billion from Ksh. 2,847.17 billion to Ksh. 2,812.32 billion. Commercial debt reduced by Ksh. 13.69 billion from Ksh. 1,178.75 billion to Ksh. 1,165.05 billion during the same period. Publicly guaranteed external debt reduced by Ksh 5.45 billion from Ksh. 106.06 billion in September 2024 to Ksh. 100.61 billion in October 2024 (**Chart I**).

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



Source: National Treasury

The external debt composition as at end of October 2024 composed of Multilateral 54.9 percent, Bilateral 20.4 percent, Eurobond 16.7 percent, Commercial 5.8 percent, Guaranteed debt 2.0 percent and Suppliers Credit 0.3.

I.4 Currency Composition of External Debt

The proportion of external debt denominated in USD, Euro, Yen, Sterling Pound and Yuan was at 61.7 percent, 24.9 percent, 5.3 percent, 2.6 percent and 5.3 percent respectively. Other currencies⁴ accounted for 0.2 percent of total external debt (**Chart 2**). The Government is currently focusing on

¹ Kshs. 16,362.46 billion

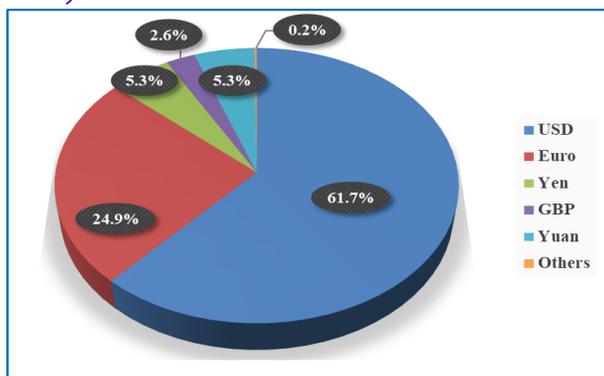
² Kshs. to USD 129.20

³ End September 2024 is the base month for all parameters

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

currency diversification with the aim of mitigating the exchange rate risk on external debt.

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



Source: National Treasury

1.5 Actual Cumulative External Debt Service

The actual cumulative external debt service as at end October 2024 was Ksh. 190.67 billion against the financial year target of Ksh. 590.62 billion. Debt service to bilateral creditors accounted for 48.1 percent of the total cumulative debt service while commercial and multilateral creditors accounted for 33.5 percent and 18.5 percent respectively for the period ending October 2024. External debt service during the month of October 2024 was Ksh 25.07 billion, comprising principal repayments and interest payments of Ksh. 15.89 billion and Ksh. 9.18 billion respectively.

1.6 Size of Domestic Debt

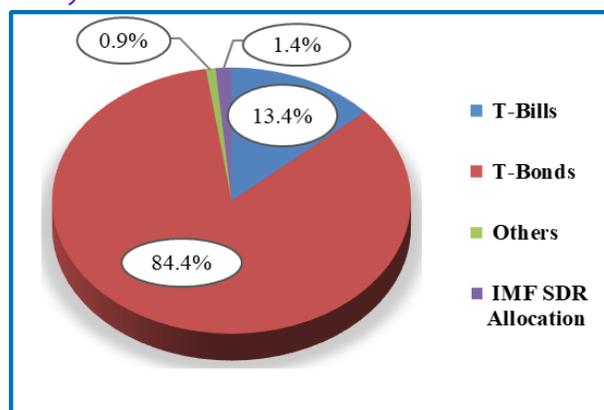
The domestic debt stock increased by Ksh. 91.83 billion from Ksh. 5,601.71 billion as at end September 2024 to Ksh. 5,693.54 billion as at end October 2024. The stock of Treasury bills increased by Ksh. 47.69 billion from Ksh. 712.45 billion to Ksh. 760.13 billion and the stock of Treasury bonds increased by Ksh. 17.13 billion from Ksh. 4,785.63 billion to Ksh. 4,802.75 billion during the same period. Domestic debt also includes pre-1997 Government debt, Government overdraft at the Central Bank of Kenya, advances from commercial banks and IMF funds on-lent to Government which

increased by Ksh. 27.01 billion from Ksh. 103.64 billion to Ksh. 130.65 billion during the same period.

1.7 Domestic Debt by Instruments

As at the end of October 2024, the ratio of bonds to bills as a percentage of total domestic debt was 84:13. The Government overdraft at the Central Bank of Kenya and historical bank advances from commercial bank accounted for 1.4 percent while IMF SDR Allocation on lent to the Government accounted for 0.9 percent of domestic debt stock during the same period (Chart 3).

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

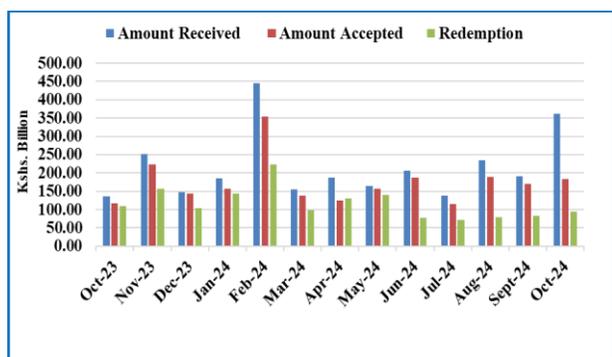


Source: National Treasury

1.8 Domestic Borrowing

During the month of October 2024, Government securities amounting to Ksh. 141.00 billion were advertised, comprising Ksh. 96.00 billion and Ksh. 45.00 billion from Treasury bills and bonds respectively. Bids worth Ksh. 361.15 billion were received, comprising of Ksh. 293.69 billion and Ksh. 67.46 billion Treasury bills and bonds respectively. Bids worth Ksh. 183.08 billion were successful, out of which Ksh. 136.71 billion and Ksh. 46.37 billion were Treasury bills and bonds respectively. The monthly redemption amounted to Ksh. 94.20 billion from Treasury bills. (Chart 4).

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



Source: National Treasury

I.9 Net Domestic Financing

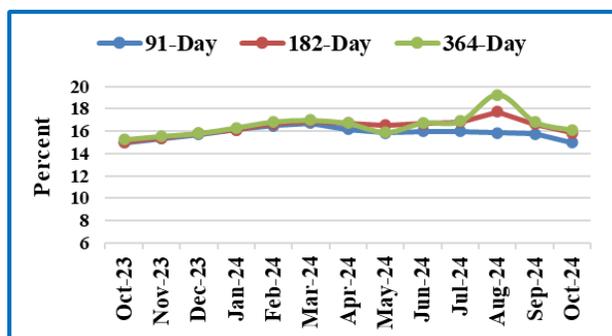
The net domestic financing as at end of October 2024 was Ksh. 272.40 billion against an annual target of Ksh. 605.67 billion for FY 2024/25 in supplementary II budget.

I.10 Average Interest rates for Treasury Bills

On average, there was a decrease in interest rate for Treasury bills during the month. The average interest rates for the 91-day, 182-day and 364-day Treasury bills decreased by 79, 77 and 71 basis points respectively, between September 2024 and October 2024.

The average interest rates for 91-day, 182-day, and 364-day Treasury bills reduced to 14.97 percent, 15.85 percent and 16.11 percent in October 2024 from 15.76 percent, 16.62 percent and 16.82 percent in September 2024 respectively as shown in Chart 5.

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



Source: National Treasury

I.11 Cumulative Domestic Interest Payments

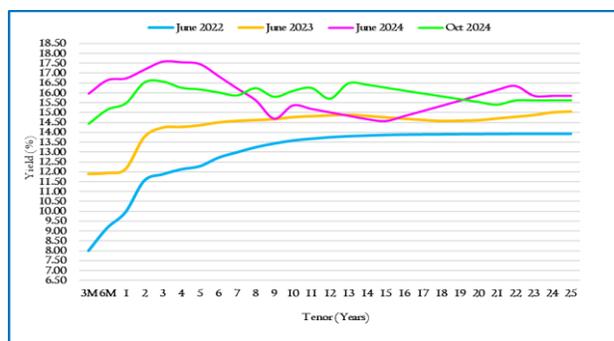
As at end of October 2024, the actual cumulative domestic interest payment amounted to Ksh. 227.23 billion against a cumulative target of Ksh. 767.24 billion for FY 2024/25 in supplementary II budget. Interest payments for Treasury bonds and bills in the month of October 2024 amounted to Ksh. 45.06 billion and Ksh. 4.80 billion, respectively. Total interest payment on the overdraft and interest on Pre-1997 Government & overdraft was Ksh. 0.53 billion.

I.12 Government Securities Yields

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

The average 91 Day Treasury bill interest rates increased from 8.0 percent in June 2022 to 14.4 percent as at end October 2024 (642 basis points increase) as shown in Chart 6.

Chart 6: Government Securities Yield Curve



Source: Nairobi Stock Exchange

I.13 Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds during the month of October 2024 was 7.07 years.

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

CREDITOR	Stock at the End September 2024	Stock at the End October 2024	CHANGE
BILATERAL			
BELGIUM	24,252.98	23,435.13	(817.85)
AUSTRIA	1,705.92	1,657.85	(48.07)
DENMARK	194.58	189.02	(5.56)
FINLAND	171.38	166.55	(4.83)
FRANCE	98,106.01	95,373.34	(2,732.67)
GERMANY	45,333.14	44,055.53	(1,277.61)
ITALY	29,663.39	28,823.03	(840.36)
JAPAN	90,387.65	83,914.93	(6,472.72)
USA	32,128.68	32,129.72	1.04
SPAIN	13,865.53	13,320.82	(544.71)
Other PARIS CLUB	1,137.01	1,137.05	0.04
Other NON -PARIS CLUB	22,525.01	22,972.89	447.88
CHINA	696,926.90	695,156.61	(1,770.29)
Sub Total	1,056,398.18	1,042,332.45	(14,065.73)
MULTILATERAL			
ADB/ADF	517,038.60	514,525.41	(2,513.19)
BEC/EIB	25,317.79	24,581.41	(736.38)
IDA	1,585,012.28	1,562,030.30	(22,981.98)
IFAD	34,477.18	34,137.59	(339.59)
IMF	421,171.40	413,503.49	(7,667.91)
Others	264,148.25	263,544.26	(603.99)
Sub Total	2,847,165.50	2,812,322.47	(34,843.03)
COMMERCIAL			
Commercial Bank	312,063.40	298,627.07	(13,436.33)
International Sovereign Bond	852,691.62	852,719.34	27.72
Suppliers Credit	13,990.41	13,704.71	(285.70)
Sub Total	1,178,745.43	1,165,051.12	(13,694.31)
Total Central Government	5,082,309.11	5,019,706.04	(62,603.07)
GUARANTEED			
JAPAN	75,485.82	70,080.23	(5,405.59)
GERMANY	1,505.29	1,462.87	(42.42)
Kenya Airways (Commercial Debt)	29,064.68	29,065.62	0.94
Sub Total	106,055.79	100,608.72	(5,447.07)
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	5,188,364.90	5,120,314.76	(68,050.14)

Source: National Treasury

ANNEX II: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END OF OCTOBER 2024 IN KSH (MILLIONS)

HOLDER	Stock at End September 2024	Stock at End October 2024	CHANGE
Commercial Banks	2,386,381.33	2,439,116.64	52,735.31
Insurance Companies	404,705.86	409,780.72	5,074.86
Pension Funds Including NSSF	1,650,948.17	1,662,465.70	11,517.53
Others ⁵	1,159,674.97	1,182,172.51	22,497.54
TOTAL DOMESTIC DEBT	5,601,710.32	5,693,535.56	91,825.24

Source: Central Bank of Kenya

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⁵ Others include Financial Institutions, Parastatals, Building Societies, Non-resident and Central Bank of Kenya.