



**Republic of Kenya**

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**THE NATIONAL TREASURY AND ECONOMIC PLANNING**

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# **Quarterly Economic and Budgetary Review**

**First Quarter, Financial Year 2024/2025  
Period Ending 30<sup>th</sup> September, 2024**

**November 2024 Edition**



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## TABLE OF CONTENTS

### II

<b>TABLE OF CONTENTS</b> .....	<b>III</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>IV</b>
<b>LIST OF ABBREVIATIONS AND ACRONYMS</b> .....	<b>V</b>
<b>HIGHLIGHTS OF THE FIRST QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORT IN THE 2024/25 FY</b> .....	<b>VIII</b>
<b>1.0 RECENT ECONOMIC DEVELOPMENTS</b> .....	<b>1</b>
1.1 ECONOMIC GROWTH .....	1
<b>1.1 INFLATION</b> .....	3
<b>1.2 INTEREST RATES</b> .....	5
<b>1.3 MONEY AND CREDIT</b> .....	7
<b>1.4 BALANCE OF PAYMENTS</b> .....	8
<b>1.5 FOREIGN EXCHANGE RESERVES</b> .....	10
<b>1.6 EXCHANGE RATES</b> .....	11
<b>1.7 CAPITAL MARKETS</b> .....	13
<b>2.0 FISCAL DEVELOPMENTS</b> .....	<b>14</b>
2.1 REVENUE.....	14
2.2 EXPENDITURE.....	15
2.2.1 NATIONAL GOVERNMENT EXPENDITURES BY PUBLIC AGENCIES.....	17
2.2.2 PENDING BILLS .....	19
2.2.3 GUARANTEED DEBT SERVICE.....	20
2.3 FISCAL OUTTURN .....	20
2.4 FINANCING .....	22
2.4.1 EXTERNAL FINANCING .....	22
2.4.2 DOMESTIC FINANCING .....	22
<b>3.0 PUBLIC DEBT</b> .....	<b>25</b>
3.1 OVERALL DEBT POSITION .....	25
3.2 DOMESTIC DEBT .....	25
3.3 EXTERNAL PUBLIC DEBT.....	27
3.3.1 EXTERNAL DEBT SERVICE.....	29
<b>4.0 ANNEXES</b> .....	<b>32</b>
4.1 ANNEX I: FISCAL RESULTS, 2018/19 – 2024/2025 (KSH. MILLIONS).....	32
4.2 GFSM 2014 COMPLIANT TABLES FOR BUDGETARY CENTRAL GOVERNMENT.....	33
4.2.1 ANNEX II: REVENUE (KSH. MILLIONS) .....	33
4.2.2 ANNEX III: EXPENSE (KSH. MILLIONS).....	34
4.2.3 ANNEX IV: TRANSACTION IN ASSETS AND LIABILITIES (KSH. MILLIONS).....	35
4.2.4 ANNEX V: STATEMENT OF SOURCES AND USES OF CASH (KSH. MILLIONS) .....	36
4.2.5 ANNEX VI: STATEMENT OF GOVERNMENT OPERATIONS (KSH. MILLIONS).....	37

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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
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
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

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KNBS	Kenya National Bureau of Statistics
KSh.	Kenya Shillings
MDAs	Ministries, Departments and Agencies
Mn	Million
NDA	Net Domestic Assets
NDF	Nordic Development Fund
NFA	Net Foreign Assets/Non-Financial Assets
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
SGR	Standard Gauge Railway
SOEs	State Owned Enterprises
SPC&R	Social Protection, Culture and Recreation
UK	United Kingdom
US\$	United States Dollar
VAT	Value Added Tax
O/W	Of Which

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## LEGAL BASIS FOR THE QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORT

**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.

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## **HIGHLIGHTS OF THE FIRST QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORT IN THE 2024/25 FY**

### **1. Economic growth**

The economy remained strong in the first half of 2024 and grew by 5.0 percent in the first quarter and 4.6 percent in the second quarter. Growth in the first half of 2024 was primarily underpinned by strong performance in the agriculture sector, a recovery of industry, and the resilience of services sector. The diversified structure of the economy remains a key source of resilience for the Kenyan economy to domestic and external shocks.

### **2. Inflation rate**

The overall year-on year inflation is under control and within the Government target range of  $5\pm 2.5$  percent. Inflation declined to 3.6 percent in September 2024 from 6.8 percent in September 2023, due to easing of food and energy prices. The appreciating Shilling produced a strong pass-through effect to lower domestic prices supported by a tight monetary policy stance and Government interventions to lower the cost of food production.

### **3. Interest Rates**

The interbank rate increased to 12.7 percent in September 2024 compared to 12.4 percent in September 2023. The 91-day Treasury Bills rate increased to 15.7 percent in September 2024 compared to 14.4 percent in September 2023 while the 364-day Treasury Bills rate also increased to 16.8 percent from 14.4 percent over the same period. This has increased the cost of borrowing by Government from the domestic market. Additionally, the average lending rate increased to 16.9 percent in September 2024 from 14.0 percent in September 2023 while the average deposit rate increased to 11.2 percent from 8.6 percent over the same period.

### **4. Money and Credit**

Broad money supply, M3, grew by 1.6 percent in the year to September 2024 compared to a growth of 19.5 percent in the year to September 2023. The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit.

### **5. Current Account**

The current account deficit was at US\$. 4,473 million (3.4 percent of GDP) in September 2024 compared to US\$ 3,974.5 million (3.9 percent of GDP) in September 2023. The current account balance was supported by an improvement in the net secondary income balance despite a deterioration in the net merchandise account, net primary income balance and the net receipts on the services account.

### **6. Foreign Exchange Reserves**

The official foreign exchange reserves held by the Central Bank stood at US\$. 8,602.6 million in September 2024 an improvement compared to US\$. 7,535.5 million in September 2023. This represented 4.4 months of import cover as compared to the 4.0 months of import cover, respectively, and therefore provides adequate cover and a buffer against short term shocks in the foreign exchange market.



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## **7. Capital Markets**

Activity in the capital markets improved in the year to September 2024. Economic recovery, appreciation of the Kenya Shilling and macroeconomic stability have created confidence and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 1,776 points in September 2024 compared to 1,509 points in September 2023 while Market capitalization also improved to KSh. 1,676 billion from KSh. 1,488 billion over the same period.

## **8. Revenue Collection**

The National Government's cumulative revenue collection including A-I-A for the period between July– September, 2024 amounted to KSh. 702.2 billion (3.9 percent of GDP) against a target of KSh. 691.9 billion. The revenue was above the set target by KSh. 10.2 billion on account of over performance of ordinary revenue and A-I-A.

## **9. Expenditure and Net Lending**

The total expenditure and net lending inclusive of transfers to County Governments for the period ending 30<sup>th</sup> September, 2024 amounted to KSh. 890.1 billion, against a target of KSh. 915.6 billion. The resultant below target expenditure of KSh. 25.5 billion is mainly attributed to below target absorption recorded in development expenditures and transfers to County Governments.

## **10. Guaranteed Debt**

The government did not serviced guaranteed debt on behalf of any parastatal during the period ending on September, 2024.

## **11. Fiscal Balance**

The fiscal balance excluding grants (on a commitment basis) amounted to a deficit of KSh. 192.6 billion (1.19 percent of GDP), as at the end of September, 2024.

## **12. External Financing**

The Net Foreign Repayment amounted to KSh. 56.3 billion (0.3 percent of the GDP) during the period under review.

## **13. Net Domestic Borrowing**

Net domestic financing amounted to a net borrowing of KSh 220.7 billion (1.2 percent of GDP) in the period ending 30<sup>th</sup> September, 2024.

## **14. Domestic Debt Stock**

The stock of gross domestic debt increased by KSh. 689.1 billion from KSh. 4,502.5 billion in September, 2023 to KSh. 6,061.5.1 billion in September, 2024

## **15. External Debt Stock**

The total external debt stock, including the International Sovereign Bond, stood at KSh. 5,188.3 billion by the end of September, 2024. The debt stock comprised of multilateral debt (54.9 percent), commercial debt (23.6 percent), bilateral debt (21.8 percent) and suppliers' credit (0.3 percent).





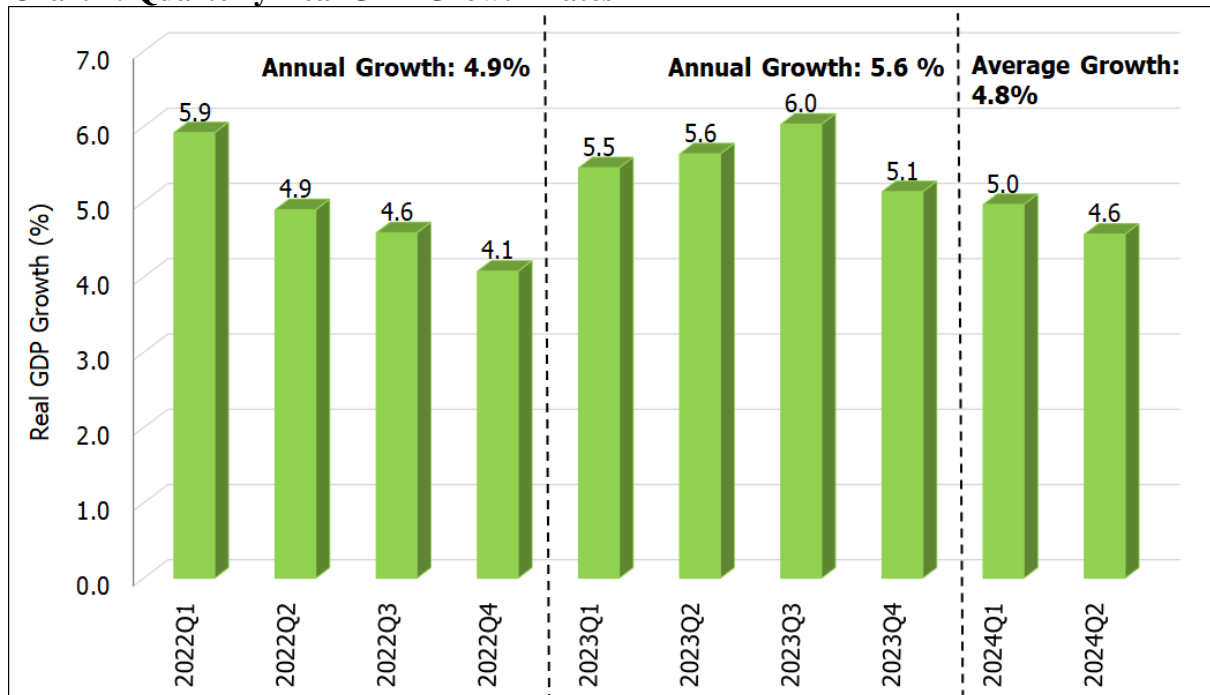
## 1.0 RECENT ECONOMIC DEVELOPMENTS

### 1.1 Economic Growth

1. The economy remained strong and resilient in the first half of 2024 with economic growth averaging 4.8 percent (5.0 percent Q1 and 4.6 percent Q2). This growth was primarily underpinned by strong performance in the agriculture sector, a slight recovery of industry sector, and the resilience of services sector. All the economic sub-sectors except mining and construction recorded positive growth rates in the first half of 2024, though the magnitudes varied across the economic activities. The diversified structure of the economy remains a key source of resilience for the Kenyan economy to domestic and external shocks

2. In the second quarter of 2024, the economy continued with the strong growth momentum, expanding by 4.6 percent compared to a growth of 5.6 percent in the second quarter of 2023 (**Chart 1**). The growth, albeit slower than the corresponding quarter in 2023, was supported by Accommodation and Restaurant; Information and Communication; Financial & Insurance activities; real estate; Agriculture, Forestry & Fishing; and Wholesale & Retail. However, the growth was somewhat hampered by contractions in the Mining & Quarrying and Construction sub-sectors.

**Chart 1: Quarterly Real GDP Growth Rates**



Source of Data: Kenya National Bureau of Statistics

3. The primary sector grew by 4.4 percent in the second quarter of 2024 compared to a growth of 6.9 percent in the second quarter of 2023. This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector despite a contraction in the mining and quarrying sub sector. Activities in the agriculture, forestry and fishing sub-sector expanded by 4.8 percent in the second quarter of 2024 compared to a growth of 7.8 percent in a similar quarter in 2023(**Table 1**). The performance was evident in the significant increase in production of sugarcane, milk and fruits exports during the quarter under review.

## RECENT ECONOMIC DEVELOPMENTS

However, the sub-sectors' performance was somewhat curtailed by heavy rains and floods, between March and June 2024, that led to loss of livestock and damage to croplands.

4. Mining and Quarrying sub-sector contracted by 2.7 percent in the second quarter of 2024 compared to a contraction of 8.3 percent over the same period in 2023. Despite the contraction, the sector improved as a result of the lifting of the four year freeze on mining permits that improved confidence in the industry driving up credit extended to the sub-sector.

**Table 1: Sectoral Real GDP Growth rate (Percent)**

Sectors	Annual Growth Rates		Quarterly Growth Rates			
	2022	2023	2023 Q1	2023 Q2	2024 Q1	2024 Q2
<b>1. Primary Industry</b>	<b>(0.8)</b>	<b>5.6</b>	<b>5.3</b>	<b>6.9</b>	<b>5.0</b>	<b>4.4</b>
1.1. Agriculture, Forestry and Fishing	(1.5)	6.5	6.4	7.8	6.1	4.8
1.2 Mining and Quarrying	9.3	(6.5)	(11.0)	(8.3)	(14.8)	(2.7)
<b>2. Secondary Sector (Industry)</b>	<b>3.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.1</b>	<b>1.0</b>	<b>0.8</b>
2.1. Manufacturing	2.6	2.0	1.7	1.5	1.2	3.2
2.2. Electricity and Water supply	5.5	2.8	3.7	2.8	2.4	1.0
2.3. Construction	4.1	3.0	3.0	2.7	0.1	(2.9)
<b>3. Tertiary sector (Services)</b>	<b>6.6</b>	<b>6.8</b>	<b>6.5</b>	<b>6.7</b>	<b>6.2</b>	<b>5.3</b>
3.1. Wholesale and Retail trade	3.5	2.7	2.9	2.1	4.9	4.4
3.2. Accomodation and Restaurant	26.8	33.6	47.1	42.7	28.0	26.6
3.3. Transport and Storage	5.8	6.2	6.6	4.6	3.9	3.6
3.4. Information and Communication	9.0	9.3	9.5	7.6	7.8	7.2
3.5. Financial and Insurance	12.0	10.1	5.9	13.2	7.0	5.1
3.6. Public Administration	5.1	4.6	7.6	3.2	5.8	5.1
3.7. Others	5.3	6.1	5.7	5.9	5.9	5.1
of which: Professional, Admin & Support Services	9.4	9.4	8.6	6.6	9.9	6.8
Real Estate	4.5	7.3	7.3	8.1	6.6	6.0
Education	5.2	3.1	2.0	3.1	4.0	3.1
Health	3.4	4.9	5.1	4.7	5.5	5.5
Taxes less subsidies	6.7	2.2	3.0	1.8	4.4	5.7
<b>Real GDP</b>	<b>4.9</b>	<b>5.6</b>	<b>5.5</b>	<b>5.6</b>	<b>5.0</b>	<b>4.6</b>

Source of Data: Kenya National Bureau of Statistics

5. Industrial sector performance remained subdued, with growth of the sector slowing down to 0.8 percent in the second quarter of 2024 from a growth of 2.1 percent in a similar quarter of 2023. This was mainly on account of a decline in activities in electricity & water supply and construction sub-sectors.

6. Manufacturing sub-sector expanded by 3.2 percent in the second quarter of 2024 compared to 1.5 percent growth in the corresponding quarter of 2023. The food-manufacturing activity registered significant growth, with notable contributions from production of soft drinks, sugar, and milk. The non-food manufacturing activity recorded varied performance with growth partly supported by the production of galvanized sheets. The activity's growth was curtailed by declines in assembly of motor vehicles and cement production

## RECENT ECONOMIC DEVELOPMENTS

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7. Electricity and water supply sub-sector recorded a decelerated growth of 1.0 percent in the second quarter of 2024 compared to a growth of 2.8 percent in the corresponding quarter of 2023. The slowed growth was due to a decline in generation of electricity from geothermal, wind and solar in the second quarter of 2024. The growth of the electricity subsector was supported by an increase in the generation of electricity from hydro, and a reduction in the generation of electricity from thermal.

8. Activities in the construction sub-sector registered a contraction of 2.9 percent in the second quarter of 2024, down from the 2.7 percent growth recorded in a similar quarter of 2023. The slowdown was reflected in the decline in the volume of cement consumption and imported bitumen. Additionally, the volume of iron and steel imported declined during the review period.

9. The activities in the services sector continued to sustain strong growth momentum in the second quarter of 2024 and grew by 5.3 percent compared to a growth of 6.7 percent in a similar period in 2023. Accommodation and restaurant service sub-sector sustained the growth momentum that started in the 2022 as recovery from the effects of COVID-19 pandemic even though the growth is slower compared to the corresponding quarter of 2023. The sub-sector grew by 26.6 percent in the second quarter of 2024 compared to a growth of 42.8 percent recorded in a similar quarter of 2023. The sub-sector benefited from several high-profile international conferences held in Nairobi between April and June 2024. These included the inaugural Connected Africa Summit 2024, which took place in April; Swift Connect Africa 2024, held in May; and the Global Peace Leadership Conference (GPLC) Africa 2024, held in June. These events attracted significant international participation, contributing to the growth of the accommodation and restaurant service sub-sector during the review period.

10. Financial and insurance sub-sector grew by 5.1 percent in the second quarter of 2024 compared to 13.2 percent in the corresponding quarter of 2023. The slowdown was due to the tight monetary policy that resulted to high cost of credit. Information and communication sub-sector grew by 7.2 percent compared to a growth of 7.6 percent, over the same period, in 2023. Growth in the information and communication sub-sector was supported by increased voice traffic, internet use and mobile money despite a decline in the use of domestic Short Messaging Services (SMSs).

11. Activities in Transportation and Storage sub-sector slowed down to a growth of 3.6 percent in the second quarter of 2024 compared to a growth of 4.6 percent in a corresponding period in 2023. The decelerated growth was reflected in the decline in consumption of light diesel, which is mainly used in passenger and freight road transport. In the railway subsector, growth was constrained by slowed demand with number of passengers ferried through the Standard Gauge Railway (SGR). In the air transport subsector, growth was curtailed by a decline in domestic passenger traffic.

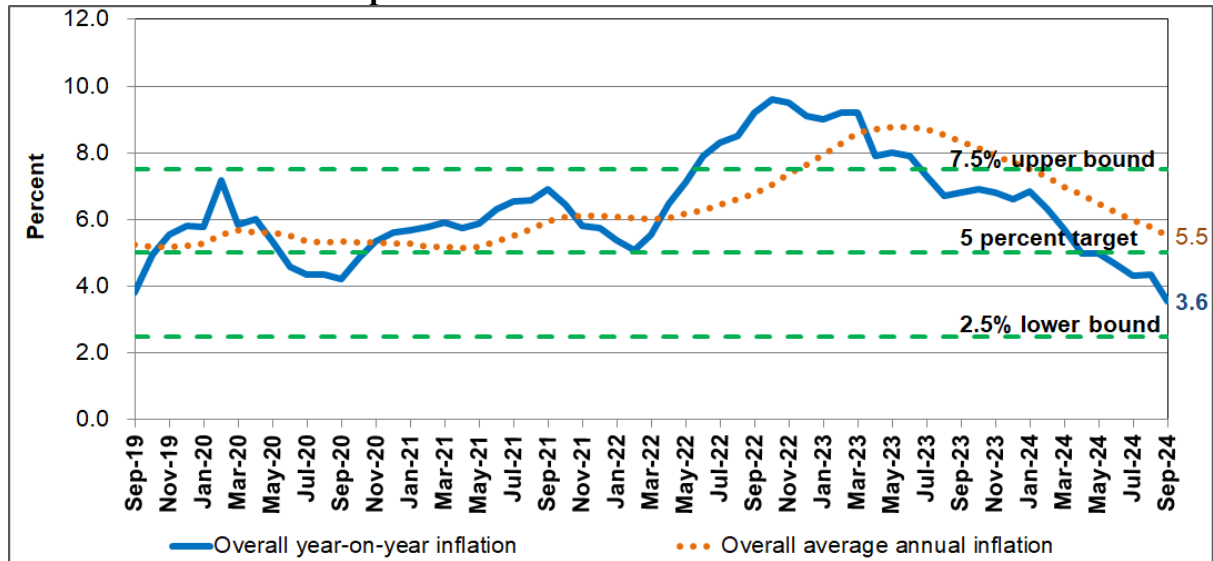
### 1.1 Inflation

12. The overall year-on year inflation is under control and within the Government target range of  $5\pm 2.5$  percent largely driven by easing food and fuel prices. Inflation declined to 3.6 percent in September 2024 from 6.8 percent in September 2023, thereby remaining below the mid-point of the target for four consecutive months (**Chart 2a**). The appreciating Shilling produced a strong pass-through effect of lowering domestic prices supported by a tight monetary policy stance. Additionally, interventions by Government in providing

## RECENT ECONOMIC DEVELOPMENTS

subsidized fertilizer and seeds continued to lower the cost of food production, and revitalized agricultural production.

**Chart 2a: Inflation Development**



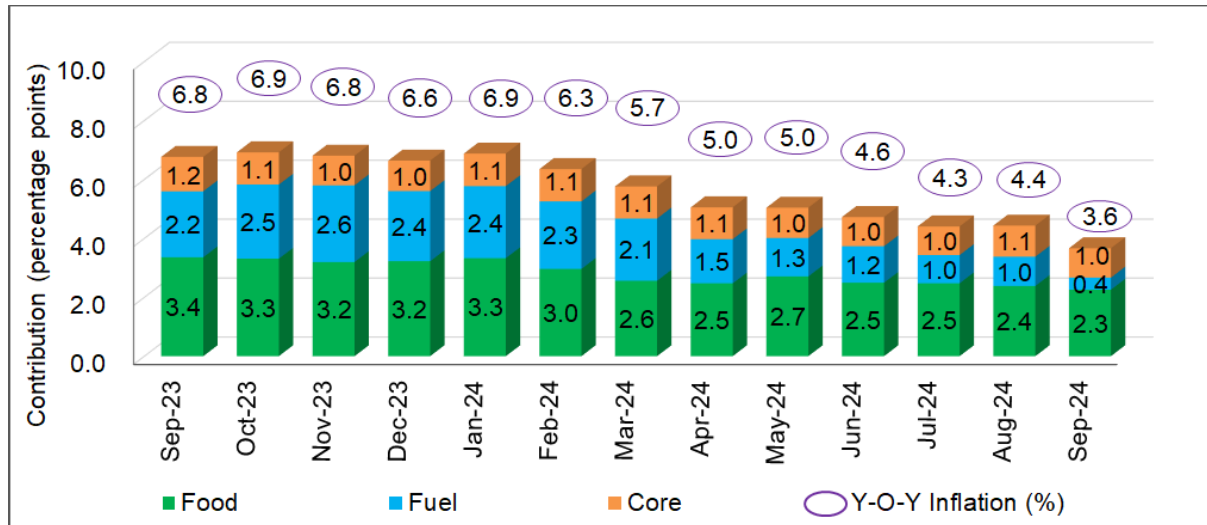
Source of Data: Kenya National Bureau of Statistics

13. Food inflation remained the main driver of overall year-on-year inflation in September 2024, contributing 2.3 percentage points, a decline, compared to a contribution of 3.4 percentage points in September 2023 (**Chart 2b**). The easing of food prices was supported by increased food supply arising from favorable weather conditions; continued Government interventions through subsidized fertilizer; and the general easing of international food prices. Prices of most vegetable food items increased in the month of September 2024 compared to the same period in 2023 while that of non-vegetable food items declined during the same period.

14. Fuel inflation declined to contribute 0.4 percentage points to the overall year-on-year inflation in September 2024 from a contribution of 2.2 percentage points in September 2023 mainly driven by decreases in pump and cooking gas/LPG prices. Additionally, the decline largely reflects the impact of the Kenya Shilling's appreciation which resulted in a decrease in electricity price. The contribution of core (non-food non-fuel) inflation to the overall year-on-year inflation has been low and stable. This is consistent with the muted demand pressures in the economy that is supported by prudent monetary policy.

## RECENT ECONOMIC DEVELOPMENTS

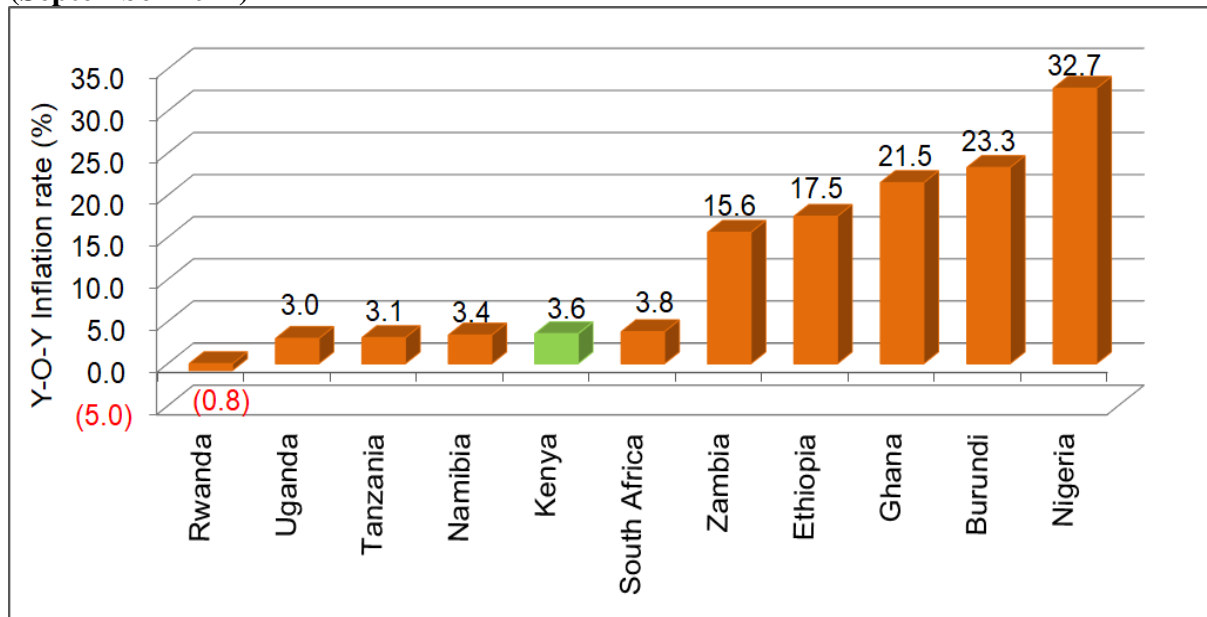
**Chart 2b: Contribution to the Overall Year-on-Year Inflation**



Source of Data: Kenya National Bureau of Statistics

15. Inflation rate remains high in some Sub-Saharan African economies fueled by rising energy prices; weakening currencies; and natural disasters. Kenya's inflation rate at 3.6 percent in September 2024 is much lower than that of majority of the countries in the Sub-Saharan African region that had double digits' inflation (**Chart 2c**).

**Chart 2c: Year on Year Inflation Rates of selected Sub-Saharan African Countries (September 2024)**



Source of Data: National Central Banks

### 1.2 Interest Rates

16. To anchor inflation expectations and address exchange rate pressures, the Central Bank of Kenya through the Monetary Policy Committee (MPC) tightened the monetary policy by raising the Central Bank Rate (CBR) from 10.5 percent in July 2023 to 13.0 percent in February 2024. In the MPC meeting held on August 6, 2024, the Committee decided to lower the CBR to 12.75 percent and further to 12.00 percent in their October 8, 2024 meeting (**Chart 3a**). The decision to lower the CBR was due to the fact that previous

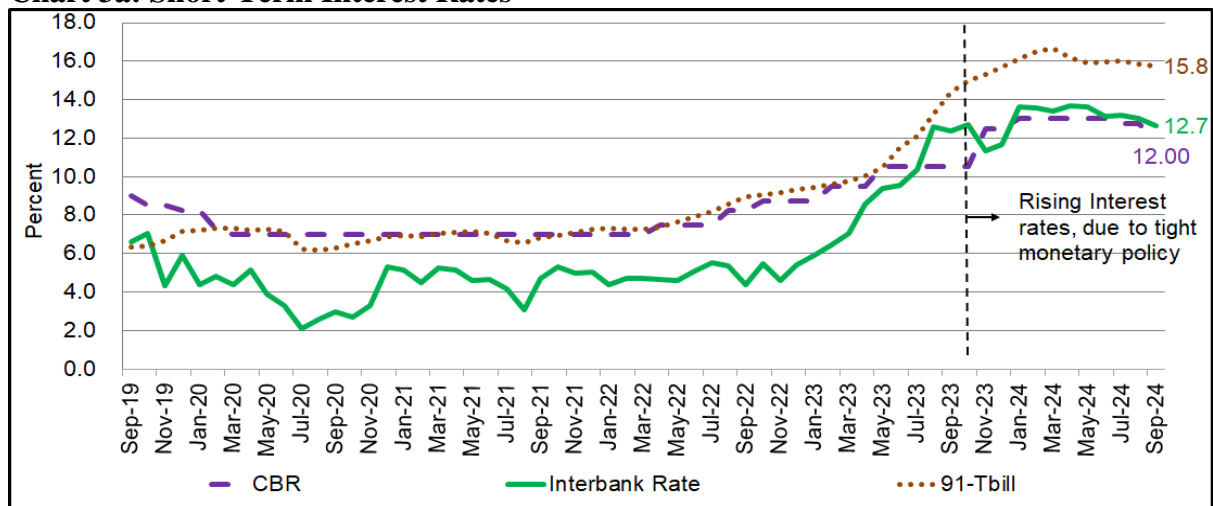


## RECENT ECONOMIC DEVELOPMENTS

measures had contributed to lowering overall inflation to below the mid-point of the target range, stabilized the exchange rate, and anchored inflationary expectations

17. The interbank rate increased to 12.7 percent in September 2024 compared to 12.4 percent in September 2023 and has remained within the prescribed corridor around the CBR (set at  $\text{CBR} \pm 250$  basis points). The 91-day Treasury Bills rate increased to 15.7 percent in September 2024 compared to 14.4 percent in September 2023. The 364-day Treasury Bills rate also increased to 16.8 percent from 14.4 percent over the same period. This has increased the cost of borrowing by Government from the domestic market.

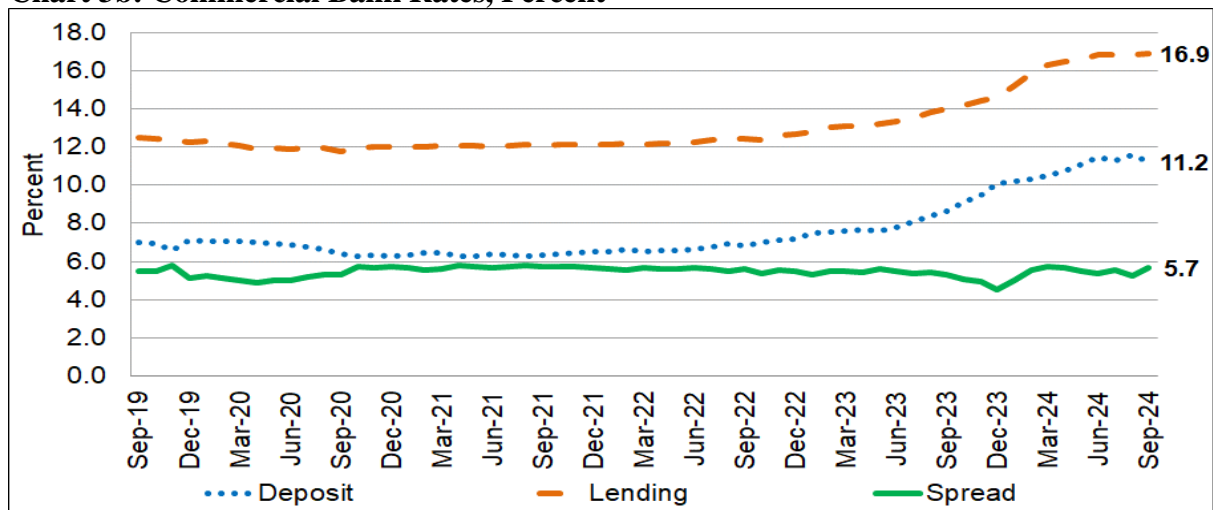
**Chart 3a: Short-Term Interest Rates**



Source of Data: Central Bank of Kenya

18. Commercial banks average lending and deposit rates increased in the year to September 2024 in tandem with the tightening of the monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 16.9 percent in September 2024 from 14.0 percent in September 2023 while the average deposit rate increased to 11.2 percent from 8.6 percent over the same period. Consequently, the average interest rate spread increased to 5.7 percent in September 2024 from 5.3 percent in September 2023 (Chart 3b).

**Chart 3b: Commercial Bank Rates, Percent**



Source of Data: Central Bank of Kenya

## RECENT ECONOMIC DEVELOPMENTS

### 1.3 Money and Credit

19. Broad money supply, M3, grew by 1.6 percent in the year to September 2024 compared to a growth of 19.5 percent in the year to September 2023 (**Table 2**). The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was the resilience in the Net Foreign Assets (NFA) of the banking system. The NFA of the banking system in the year to September 2024 expanded by 26.1 percent compared to a growth of 140.5 percent in the year to September 2023. The resilience in Net Foreign Assets, mainly reflected in the stability of commercial banks' Foreign Assets.

20. Net Domestic Assets (NDA) contracted by 2.2 percent in the year to September 2024, compared to a growth of 10.9 percent over a similar period in 2023. The slowdown in growth of the NDA was due to a decline in growth of the domestic credit to both the Government and the private sector. The domestic credit extended by the banking system to the Government decreased to a growth of 6.5 percent in the year to September 2024 compared to a growth of 16.0 percent in the year to September 2023. Lending to other public sectors contracted by 17.0 percent compared to a growth of 26.9 percent over the same period.

**Table 2: Money and Credit Developments (12 Months to September 2024 KSh. Billion)**

				Change		Percent Change	
	2022 September	2023 September	2024 September	2022-2023 September	2023-2024 September	2022-2023 September	2023-2024 September
<b>COMPONENTS OF M3</b>							
1. Money supply, M1 (1.1+1.2+1.3)	1,916.1	2,017.3	1,972.8	101.2	(44.5)	5.3	(2.1)
1.1 currency outside banks (M0)	251.7	267.5	268.2	15.7	0.7	6.3	0.3
1.2 Demand deposits	1,582.2	1,645.2	1,603.4	62.9	(41.8)	4.0	(2.5)
1.3 Other deposits at CBK	82.1	104.6	101.1	22.5	(3.5)	27.4	(3.3)
2. Money supply, M2 (1+2.1)	3,553.4	3,898.2	4,043.5	344.8	145.3	9.7	3.7
2.1 Time and savings deposits	1,637.4	1,881.0	2,070.8	243.6	189.8	14.877	10.1
<b>Money supply, M3 (2+3.1)</b>	<b>4,430.4</b>	<b>5,295.9</b>	<b>5,381.4</b>	<b>865.4</b>	<b>85.6</b>	<b>19.5</b>	<b>1.6</b>
3.1 Foreign currency deposits	877.0	1,397.6	1,337.9	520.7	(59.7)	59.4	(4.3)
<b>SOURCES OF M3</b>							
<b>1. Net foreign assets (1.1+1.2)</b>	<b>294.6</b>	<b>708.5</b>	<b>893.3</b>	<b>414.0</b>	<b>184.8</b>	<b>140.5</b>	<b>26.1</b>
1.1 Central Bank	568.8	516.2	472.1	(52.6)	(44.2)	(9.2)	(8.6)
1.2 Banking Institutions	(274.3)	192.3	421.2	466.6	228.9	170.1	119.1
<b>2. Net domestic assets (2.1+2.2)</b>	<b>4,135.9</b>	<b>4,587.4</b>	<b>4,488.2</b>	<b>451.5</b>	<b>(99.2)</b>	<b>10.9</b>	<b>(2.2)</b>
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	5,340.6	6,077.7	6,219.0	737.1	141.4	13.8	2.3
2.1.1 Government (net)	1,898.8	2,203.4	2,346.4	304.6	143.0	16.0	6.5
2.1.2 Other public sector	79.3	100.6	83.6	21.3	(17.1)	26.9	(17.0)
<b>2.1.3 Private sector</b>	<b>3,362.5</b>	<b>3,773.6</b>	<b>3,789.1</b>	<b>411.2</b>	<b>15.4</b>	<b>12.2</b>	<b>0.4</b>
2.2 Other assets net	(1,204.7)	(1,490.3)	(1,730.9)	(285.6)	(240.6)	(23.7)	(16.1)

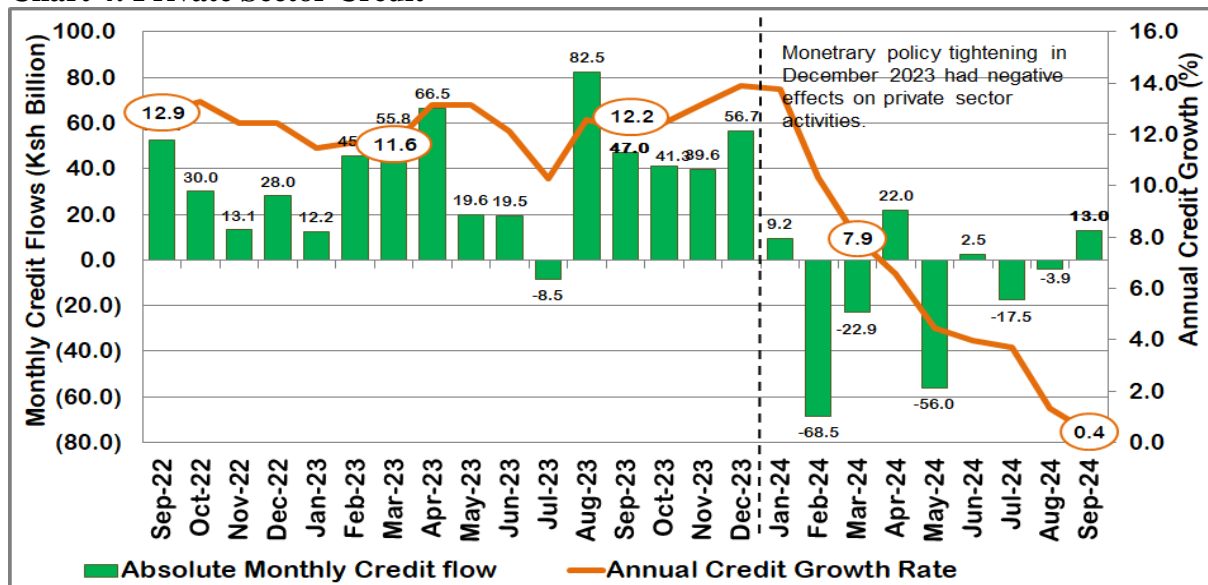
Source of Data: Central Bank of Kenya

21. Growth in private sector credit from the banking system declined to 0.4 percent in the year to September 2024 compared to a growth of 12.2 percent in the year to September 2023, was due to the impact of exchange rate appreciation on foreign currency denominated loans and the lagged effects of monetary policy tightening. Reduced credit growth was observed in manufacturing, trade (exports) and building and construction sub-sector. These are some of the sub-sectors with significant foreign currency denominated loans.

## RECENT ECONOMIC DEVELOPMENTS

22. The Monthly (month on month) credit flows to the private sector has slowed down since December 2023. This is because the consequences of fighting supply driven inflation is that it has negative effects on economic vibrancy in the short run (**Chart 4**). However, with the easing of the monetary policy stance in August 2024, credit to the private sector recovered to increase by Ksh 13.0 billion compared to a decline of Ksh 3.9 billion in August 2024. Credit to the private sector is expected to recover as lending rates decline due to the continued easing of the monetary policy stance in October 2024. Sustained demand particularly for working capital due to resilient economic activity, 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

### 1.4 Balance of Payments

22 The overall balance of payments position slowed down to a deficit of US\$. 396.1 million (0.3 percent of GDP) in September 2024 from a surplus of US\$. 1,063.3 million (1.0 percent of GDP) in September 2023. This was mainly due to a decline in the current and capital accounts in spite of an improvement in the financial account (**Table 3**).

## RECENT ECONOMIC DEVELOPMENTS

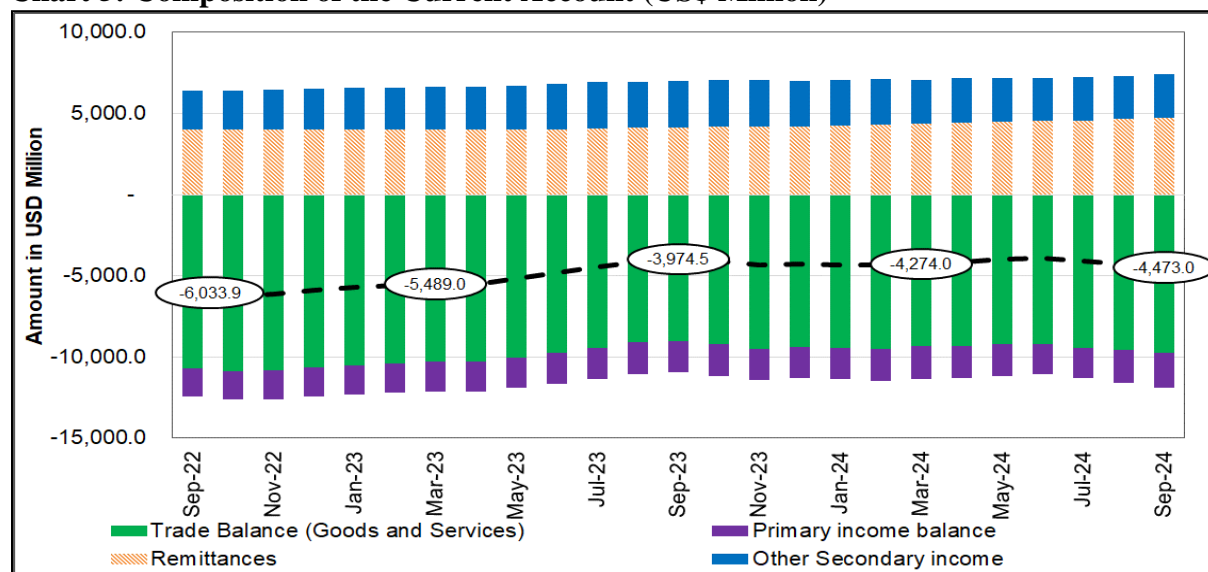
**Table 3: Balance of Payments (US\$ Million)**

	Year to September 2024					Actuals as a Percent of GDP	
	Sep-22	Sep-23	Sep-24	Change	Percent Change	Sep-23	Sep-24
<b>Overall Balance</b>	<b>2,214.2</b>	<b>1,063.3</b>	<b>(396.1)</b>	<b>(1,459.4)</b>	<b>(137.2)</b>	<b>1.0</b>	<b>(0.3)</b>
<b>A) Current Account</b>	<b>(6,033.9)</b>	<b>(3,974.5)</b>	<b>(4,473.0)</b>	<b>(498.4)</b>	<b>(12.5)</b>	<b>(3.9)</b>	<b>(3.4)</b>
<i>Merchandise Account (a-b)</i>	(12,376.8)	(9,916.8)	(10,322.1)	(405.3)	(4.1)	(9.7)	(7.8)
a) Goods: exports	7,431.6	7,267.3	8,016.7	749.4	10.3	7.1	6.1
b) Goods: imports	19,808.5	17,184.1	18,338.7	1,154.7	6.7	16.8	13.9
<i>Net Services (c-d)</i>	1,654.7	892.6	563.2	(329.4)	(36.9)	0.9	0.4
c) Services: credit	6,613.7	6,040.8	5,316.6	(724.2)	(12.0)	5.9	4.0
d) Services: debit	4,959.0	5,148.1	4,753.3	(394.8)	(7.7)	5.0	3.6
<i>Net Primary Income (e-f)</i>	(1,712.9)	(1,935.8)	(2,112.7)	(176.9)	(9.1)	(1.9)	(1.6)
e) Primary income: credit	149.7	185.9	261.2	75.3	40.5	0.2	0.2
f) Primary income: debit	1,862.6	2,121.7	2,373.9	252.2	11.9	2.1	1.8
<i>Net Secondary Income</i>	6,401.2	6,985.4	7,398.6	413.2	5.9	6.8	5.6
g) Secondary income: credit	6,488.3	7,068.9	7,495.3	426.4	6.0	6.9	5.7
h) Secondary income: debit	87.2	83.5	96.7	13.2	15.8	0.1	0.1
<b>B) Capital Account</b>	<b>130.8</b>	<b>144.3</b>	<b>142.3</b>	<b>(2.0)</b>	<b>(1.4)</b>	<b>0.1</b>	<b>0.1</b>
<b>C) Financial Account</b>	<b>(4,453.0)</b>	<b>(1,990.3)</b>	<b>(4,547.6)</b>	<b>(2,557.3)</b>	<b>(128.5)</b>	<b>(2.0)</b>	<b>(3.4)</b>

Source of Data: Central Bank of Kenya

23. The current account deficit was at US\$. 4,473 million (3.4 percent of GDP) in September 2024 compared to US\$ 3,974.5 million (3.9 percent of GDP) in September 2023 (Table 3 and Chart 5). The current account balance was supported by an improvement in the net secondary income balance despite a deterioration in the net merchandise account, net primary income balance and the net receipts on the services account.

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



Source of Data: Central Bank of Kenya

## RECENT ECONOMIC DEVELOPMENTS

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24. The balance in the merchandise account deteriorated by US\$. 405.3 million to a deficit of US\$. 10,322.1 million in September 2024 mainly due to an increase in import bill that more than offset the increase in exports (**Table 3**). Goods imports increased by 6.7 percent in the 12 months to September 2024, reflecting increases in machinery and transport equipment, crude materials, and miscellaneous manufactures. On the other hand, in the year to September 2024, goods exports increased by 10.3 percent in the 12 months to September 2024, reflecting increased exports of agricultural commodities and re-exports.

25. Net receipts on the services account declined by US\$. 329.4 million to US\$. 563.2 million in September 2024 compared to similar period in 2023. This was mainly on account of a decline in receipts due to transport in spite of an increase in receipts from tourism as international travel continued to improve. Net Secondary income remained resilient and increased by US\$. 413.2 million during the review period owing to an increase in remittances which amounted to US\$. 4,723 million in the 12 months to September 2024, and were 14.0 percent higher compared to a similar period in 2023. However, the balance on the primary account widened by US\$. 176.9 million to a deficit of US\$. 2,112.7 million in the year to September 2024, compared to the same period last year, reflecting higher interest related payments on other investments.

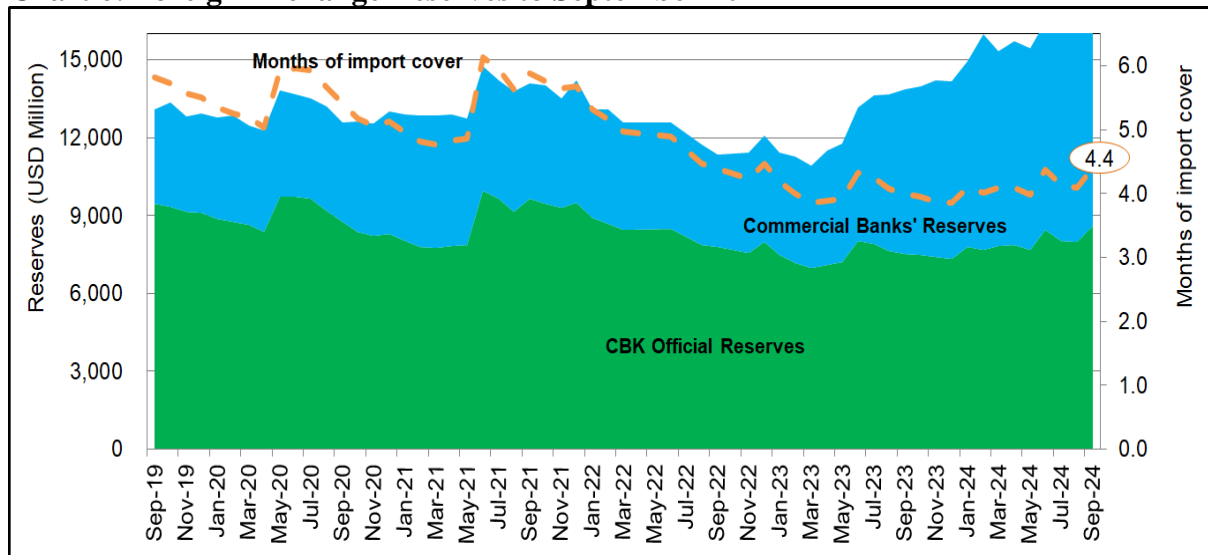
26. The capital account balance weakened by US\$. 2.0 million to register a surplus of US\$ 142.3 million in September 2024 compared to a surplus of US\$. 144.3 million in the same period in 2023. Net financial inflows improved to US\$. 4,547.6 million in September 2024 compared to US\$. 1,990.3 million in September 2023 reflecting a slowdown in inflows to the government and other sectors. The net financial inflows were mainly in the form of other investments and direct investments. However, portfolio investments and financial derivatives registered a net outflow during the period.

### 1.5 Foreign Exchange Reserves

27. The banking system's foreign exchange holdings remained strong at US\$. 16,391.4 million in September 2024, an improvement from US\$. 13,852.0 million in September 2023. The official foreign exchange reserves held by the Central Bank stood at US\$. 8,602.6 million compared to US\$ 7,535.5 million over the same period in 2023 (**Chart 6**). Commercial banks foreign exchange holdings increased to US\$. 7,788.8 million in September 2024 from US\$. 6,316.5 million in September 2023.

28. The official reserves held by the Central Bank in September 2024 represented 4.4 months of import cover as compared to the 4.0 months of import cover in September 2023. These reserves continue to provide adequate cover and buffer against any short-term shocks in the foreign exchange market.

**Chart 6: Foreign Exchange Reserves to September 2024**



Source of Data: Central Bank of Kenya

**1.6 Exchange Rates**

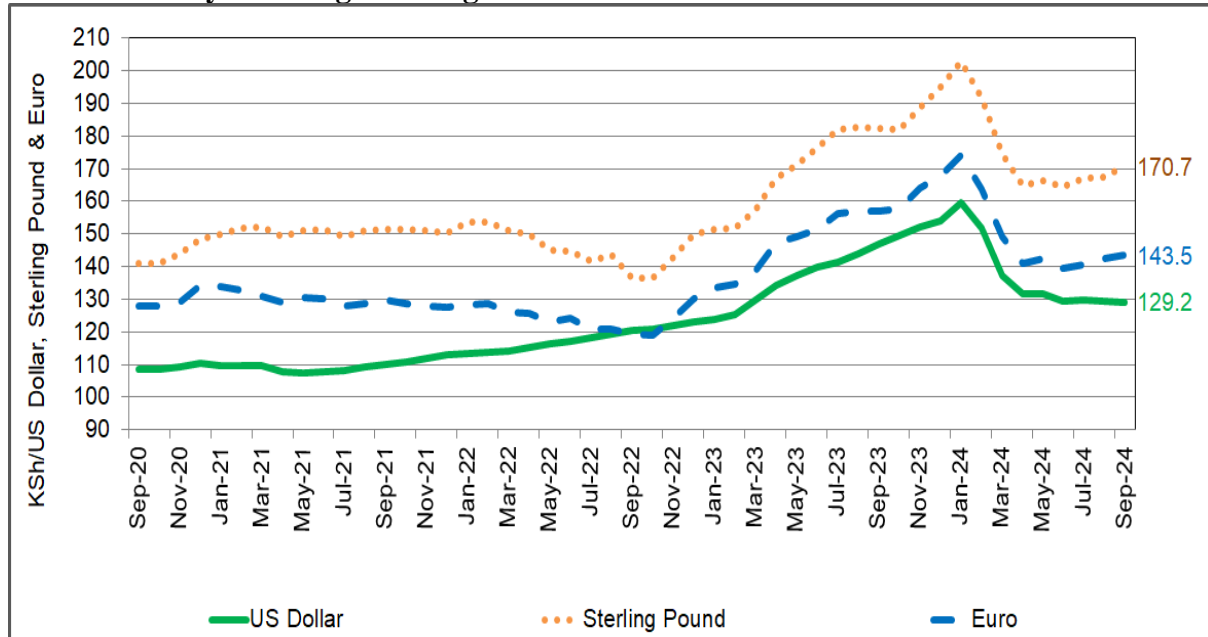
29. The Kenya Shilling exchange rate has stabilized against major international currencies. In September 2024, the exchange rate against the US dollar averaged at KSh. 129.2 compared to an average of KSh. 160.8 in January 2024, an appreciation of 19.1 percent. Against the Euro, the Kenya shilling also strengthened by 17.7 percent to exchange at an average of KSh. 143.5 in September 2024 compared to an average of KSh 174.3 in January 2024 while against the Sterling Pound the Kenyan Shilling strengthened by 15.8 percent to exchange at an average of KSh. 170.7 compared to an average KSh. 202.9, over the same period (**Chart 7a**).

30. The foreign exchange market was mainly supported by inflows from agricultural exports, remittances and portfolio investors while demand was driven by pickup in economic activities specifically in the manufacturing, wholesale, and retail sub-sectors. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates.



## RECENT ECONOMIC DEVELOPMENTS

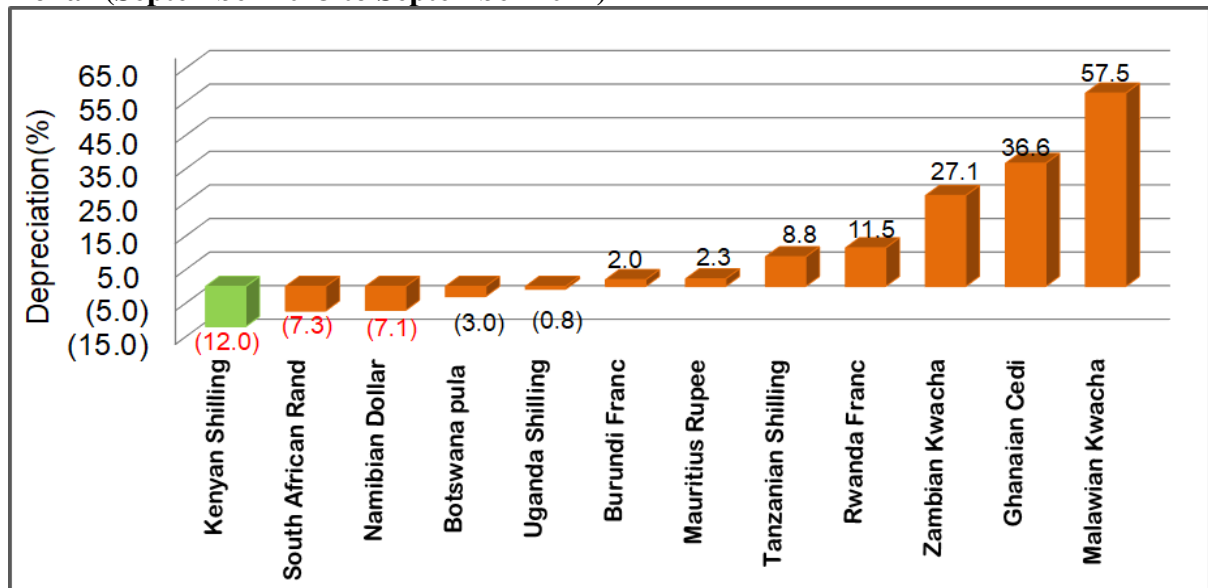
**Chart 7a: Kenya Shilling Exchange Rate**



Source of Data: Central Bank of Kenya

31. In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low amid high demand for the US dollar in the international markets. The Kenya Shilling strengthened against the US Dollar at a rate of 12.0 percent in the 12 months to September 2024 compared to depreciations of 21.9 percent in the 12 months to September 2023 (**Chart 7b**). The stability of the Kenyan Shilling was supported by resilient remittances, adequate foreign exchange reserves and strong exports receipts. Majority of other Sub-Saharan Africa Currencies depreciated during the same period, particularly: Rwanda Franc, Ghanaian Cedi, Zambian Kwacha and Malawian Kwacha had double-digit depreciation rates.

**Chart 7b: Performance of Selected Sub-Saharan Countries Currencies against the US Dollar (September 2023 to September 2024)**



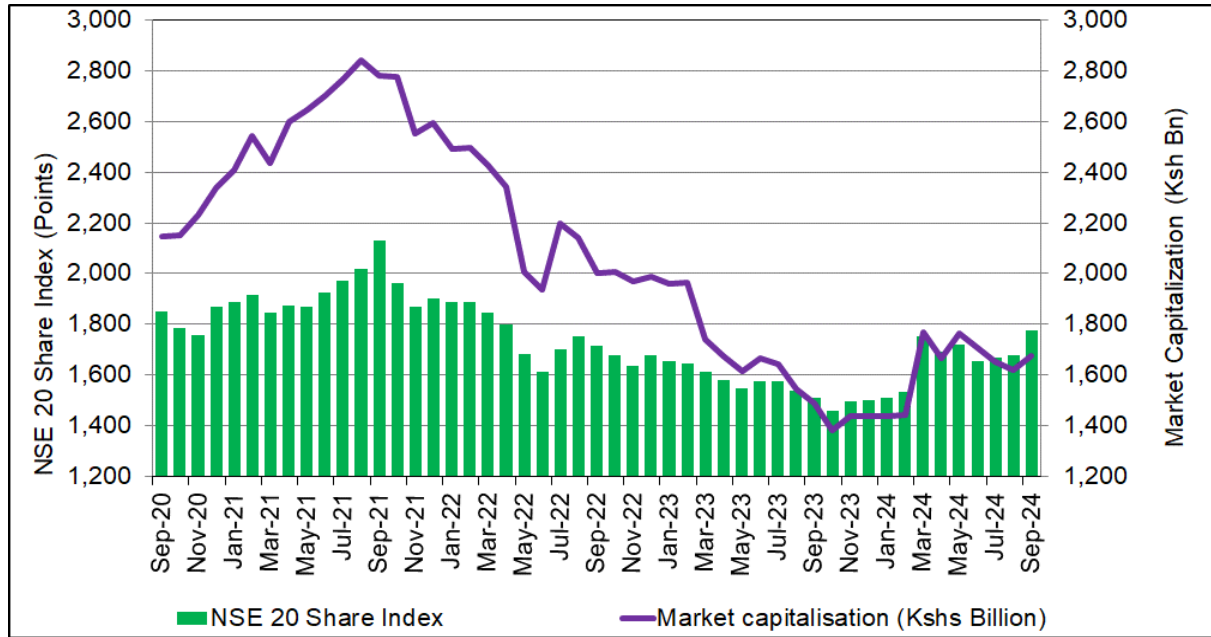
Source of Data: National Central Banks

## RECENT ECONOMIC DEVELOPMENTS

### 1.7 Capital Markets

32. Economic recovery, appreciation of the Kenya Shilling against major international currencies and macroeconomic stability have created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 1,776 points in September 2024 compared to 1,509 points in September 2023 while Market capitalization also improved to KSh. 1,676 billion from KSh. 1,488 billion over the same period (**Chart 8**).

**Chart 8: Performance at the NSE to end September 2024.**



Source of Data: Nairobi Securities Exchange



## FISCAL DEVELOPMENTS

### 2.0 FISCAL DEVELOPMENTS

#### 2.1 Revenue

33. By the end of September, 2024, total revenue collected including A-I-A amounted to KSh. 702.2 billion against a target of KSh. 691.9 billion (**Table 4**). The revenue collection was above target by KSh. 10.2 billion. This performance is attributed to over performance recorded in investment revenue of KSh 16 billion and in the ministerial A-I-A which was above target by KSh. 24.9 billion. The ordinary revenue collection was KSh. 590.9 billion against a target of KSh. 605.5 billion. All ordinary revenue categories recorded below target performance during the period under review except investment income which surpassed the target by KSh. 16.0 billion. The total revenue recorded a growth of 11.5 percent compared to a growth of 10.5 percent recorded in September 2023 (**Chart 9**).

34. The ministerial A-I-A collected amounted to KSh. 111.3 billion against a target of KSh. 86.4 billion, KSh. 24.9 billion above the target. The performance of A-I-A translated to a growth of 19.9 percent and was mainly due to improved reporting of SAGAs' A.I.A through their expenditure returns for the period under review. The Railway Development Levy collection amounted to KSh. 8.4 billion against a target of KSh. 7.2 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 30<sup>th</sup> September, 2024 (KSh. Millions)**

	2023/2024 Actual	2024/2025		Deviation KSh.	% Growth
		Actual*	Target		
<b>Total Revenue (a+b)</b>	<b>629,587</b>	<b>702,172</b>	<b>691,928</b>	<b>10,243</b>	<b>11.5</b>
<b>(a) Ordinary Revenue</b>	<b>536,760</b>	<b>590,875</b>	<b>605,499</b>	<b>(14,624)</b>	<b>10.1</b>
Import Duty	32,434	34,619	37,420	(2,800)	6.7
Excise Duty	68,570	68,133	73,779	(5,646)	(0.6)
PAYE	123,044	136,340	138,188	(1,849)	10.8
Other Income Tax	120,910	122,268	122,988	(720)	1.1
VAT Local	75,811	74,378	82,588	(8,211)	(1.9)
VAT Imports	77,216	76,955	83,910	(6,956)	(0.3)
Investment Revenue	15,017	44,428	28,380	16,048	195.8
Traffic Revenue	1,100	1,008	1,133	(124)	(8.3)
Taxes on Intl. Trade & Trans.(IDF Fee)	11,053	10,845	12,721	(1,876)	(1.9)
Others <sup>1</sup>	11,606	21,901	24,392	(2,491)	88.7
<b>(b) Appropriation In Aid <sup>2</sup></b>	<b>92,827</b>	<b>111,297</b>	<b>86,429</b>	<b>24,867</b>	<b>19.9</b>
o/w Railway Development Levy	7,857	8,438	7,169	1,269	7.4
<b>(c) External Grants</b>	<b>3,415</b>	<b>1,353</b>	<b>4,657</b>	<b>(3,304)</b>	<b>(60.4)</b>
<b>Total Revenue and External Grants</b>	<b>633,002</b>	<b>703,524</b>	<b>696,585</b>	<b>6,940</b>	<b>11.1</b>
<b>Total Revenue and External Grants as a percentage of GDP</b>	<b>3.89</b>	<b>3.90</b>	<b>3.86</b>		

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 among others

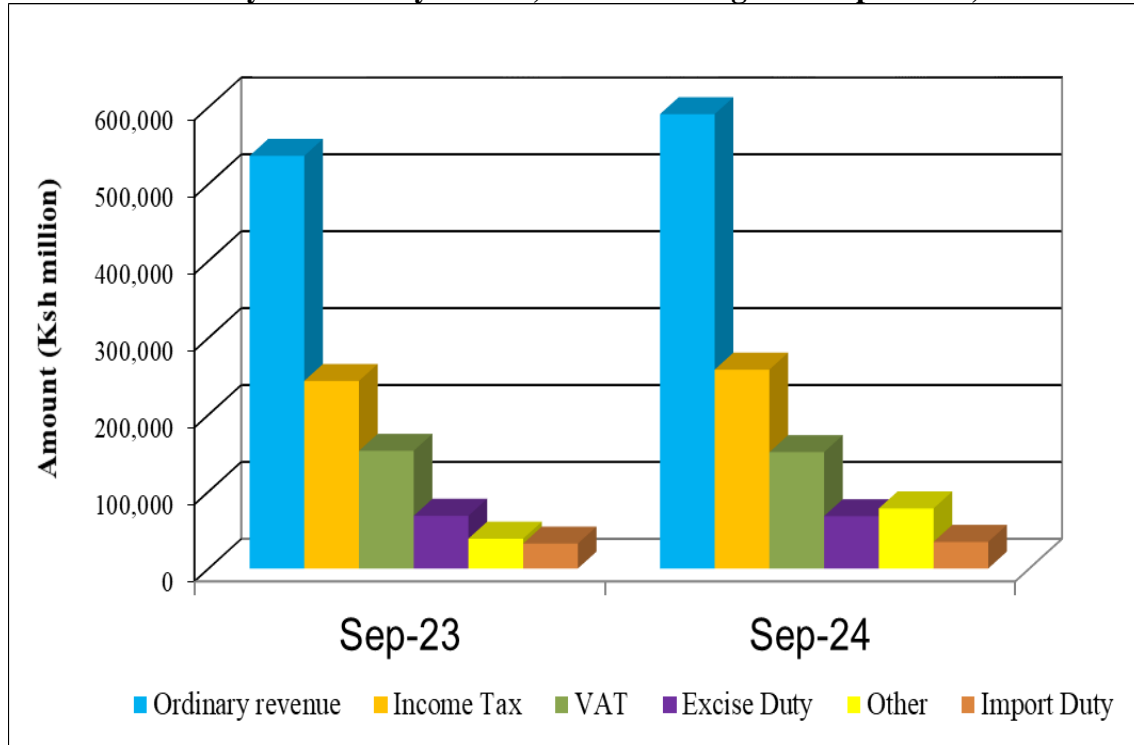
\*Provisional

Source of Data: National Treasury

## FISCAL DEVELOPMENTS

35. As a proportion of GDP, the total revenue and grants in the period under review was 3.9 percent compared to 3.9 percent recorded in the corresponding period in the FY 2023/24. Total external grants amounted to KSh 1.4 billion against a target of KSh.4.7 billion, translating to underperformance of KSh.3.3 billion.

**Chart 9: Ordinary Revenue by Source, Period Ending 30th September, 2024**



Source of Data: National Treasury

### 2.2 Expenditure

36. The total expenditure and net lending for the period under review amounted to KSh. 890.1 billion, against a target of KSh. 915.6 billion. The resultant below target expenditure of KSh. 25.5 billion is attributed to shortfall in recurrent expenditures mainly on domestic interest; wages and Saaries; and O&M by the National Government. Transfers to County Governments were below target by Ksh. 43.7 billion. Recurrent expenditure for National Government amounted to KSh. 678.1 billion (excluding KSh.11.6 billion for Parliament and Judiciary), against a target of KSh. 685.2 billion which was KSh. 7.1 billion below the set target. The under expenditure in recurrent category was mainly due to lower than targeted expenditures on domestic interest payment; wages and salary; and in operations and maintenance (**Table 5 and Chart 10**).

## FISCAL DEVELOPMENTS

**Table 5: Expenditure and Net Lending, Period Ending 30<sup>th</sup> September, 2024 (KSh. Millions)**

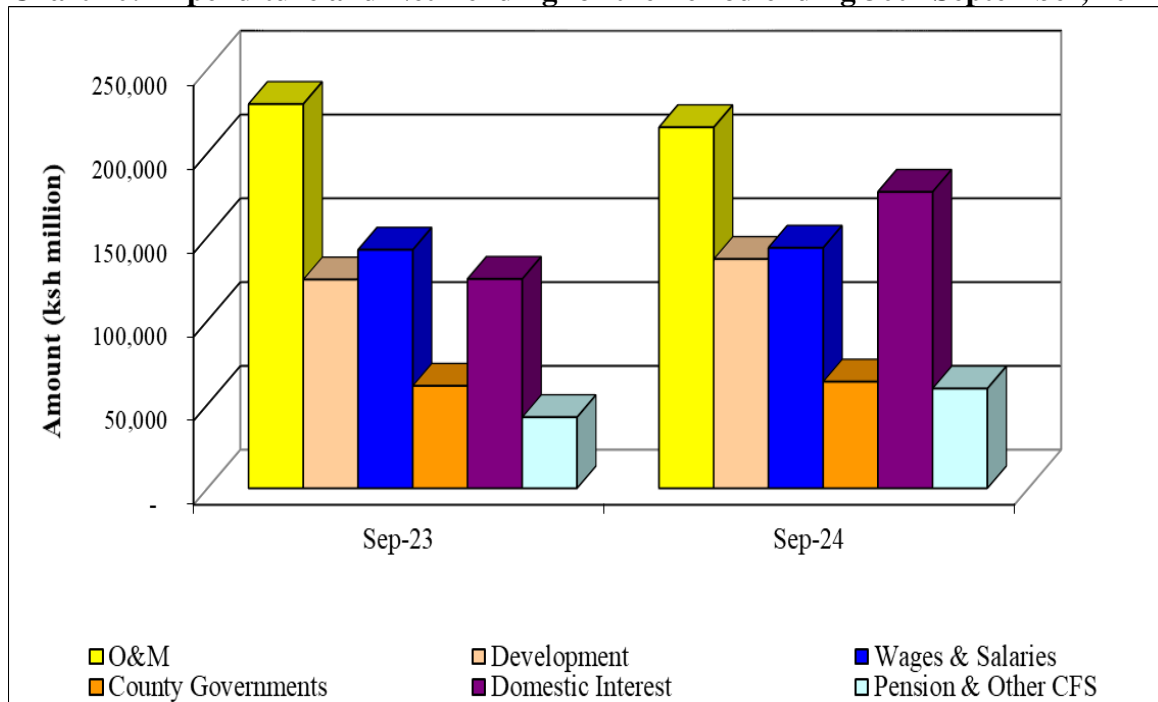
	2023/2024 Actual	2024/2025		Deviation	% Growth
		Actual*	Targets		
<b>1. RECURRENT</b>	<b>606,514</b>	<b>678,110</b>	<b>685,211</b>	<b>(7,102)</b>	<b>11.8</b>
Domestic Interest	124,913	176,834	191,945	(15,111)	41.6
Foreign Interest	63,093	72,269	73,149	(879)	14.5
Pensions & Other CFS	42,377	59,515	41,222	18,293	40.4
Contribution to Civil Servants' Pension	4,590	10,622	7,116	3,506	131.4
Wages and Salaries	142,295	143,459	150,147	(6,688)	0.8
Operation and Maintenance	229,245	215,411	221,633	(6,222)	(6.0)
O/W: Appropriation-in-Aid	65,703	71,843	54,692	17,151	9.3
<b>2. DEVELOPMENT</b>	<b>124,567</b>	<b>136,767</b>	<b>105,294</b>	<b>31,472</b>	<b>9.8</b>
Development Projects (Net)	87,809	98,559	73,557	25,002	12.2
Payment of Guaranteed Loans	2,365	-	-	-	(100.0)
Appropriation-in-Aid	34,393	38,207	31,737	6,470	11.1
3. County Governments	61,112	63,595	107,292	(43,697)	4.1
4. Parliamentary Service	7,198	7,420	9,937	(2,517)	3.1
5. Judicial Service	4,806	4,214	5,420	(1,205)	(12.3)
6. Equalization Fund	-	-	1,967	(1,967)	-
<b>7. CF</b>	-	-	500	(500)	-
<b>TOTAL EXPENDITURE</b>	<b>804,196</b>	<b>890,106</b>	<b>915,621</b>	<b>(25,515)</b>	<b>10.7</b>

\*Provisional

Source of Data: National Treasury

37. Foreign interest payments amounted to KSh. 72.2 billion, an increase from KSh. 14.5 billion paid over the same period in the FY2023/24. The domestic interest payments totalled to KSh. 176.8 billion, which was higher than the KSh. 124.9 billion paid in the corresponding period in the previous financial year. 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 September, 2024**



Source of Data: National Treasury

### 2.2.1 National Government Expenditures by Public Agencies

38. The total ministerial and other public agencies expenditure including A.I.A was KSh. 419.7 billion against a target of KSh. 558.2 billion. Recurrent expenditure was KSh. 313.8 billion against a target of KSh. 397.9 billion, while development expenditure amounted to KSh. 105.9 billion against a target of KSh. 160.3 billion. The percentage of total expenditures to the target was 75.2 percent while the percentage of total expenditures to the target for recurrent and development were 78.9 percent and 66 percent respectively, as at the end of the period under review.

39. As at 30th September, 2024, recurrent expenditures by the State Department for Basic Education, State Department for Higher Education and Research; Teachers Service Commission; State Department for Vocational and Technical Training and the State Department for Public Health and Professional Standards and the State Department for Medical Services (Social Sector) accounted for 44.4 percent of total recurrent expenditure. The Ministry of Defence and the National Police Service accounted for 11.6 percent and 9.1 percent of total recurrent expenditure respectively.

40. Analysis of development outlay indicates that the State Department for Roads accounted for the largest share of the total development expenditure (24.2 percent), followed by the State Department for Economic Planning (13.4 percent), State Department for Housing and Urban Development (7.7 percent) and the State Department for Basic Education (5.7 percent). The **Table 6** below 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 September, 2024 (KSh. Millions)**

MINISTRY/DEPARTMENT/COMMISSIONS	Sep-24									% of Total Exp. To
	Recurrent			Development			Total			
	Actual*	Target	Variance	Actual*	Target	Variance	Actual*	Target	Variance	
1011 Executive Office of the President	640	896	(256)			-	640	896	(256)	71.5
1012 Office of the Deputy President	422	650	(228)			-	422	650	(228)	64.9
1013 Office of the Prime Cabinet Secretary	188	180	8			-	188	180	8	104.2
1014 State Department for Parliamentary Affairs	61	91	(30)			-	61	91	(30)	67.4
1015 State Department for Performance and Delivery	79	127	(48)			-	79	127	(48)	62.5
1016 State Department for Cabinet Affairs	29	57	(28)			-	29	57	(28)	50.7
1017 State House	838	1,077	(239)			-	838	1,077	(239)	77.8
1023 State Department for Correctional Services	6,725	8,597	(1,872)		10	(10)	6,725	8,607	(1,882)	78.1
1024 State Department for Immigration and Citizen Services	2,611	2,469	142	3,156	1,099	2,057	5,767	3,568	2,199	161.6
1025 National Police Service	28,620	27,161	1,459		9	(9)	28,620	27,169	1,450	105.3
1026 State Department for Internal Security & National	8,750	6,956	1,794		90	(90)	8,750	7,046	1,704	124.2
1032 State Department for Devolution	265	361	(95)	504	663	(159)	769	1,024	(255)	75.1
1036 State Department for the ASALs and Regional	1,735	1,201	534	634	982	(347)	2,369	2,183	186	108.5
1041 Ministry of Defence	36,269	42,855	(6,585)		384	(384)	36,269	43,238	(6,969)	83.9
1053 State Department for Foreign Affairs	1,453	5,003	(3,550)			-	1,453	5,003	(3,550)	29.0
1054 State Department for Diaspora Affairs	82	159	(77)			-	82	159	(77)	51.4
1064 State Department for Vocational and Technical	6,567	5,774	792	1,318	1,278	40	7,885	7,052	833	111.8
1065 State Department for Higher Education and Research	35,580	29,811	5,770	17	305	(288)	35,598	30,116	5,482	118.2
1066 State Department for Basic Education	26,039	29,212	(3,173)	6,020	3,590	2,430	32,059	32,802	(743)	97.7
1071 The National Treasury	13,099	16,680	(3,581)	4,645	13,126	(8,481)	17,744	29,806	(12,062)	59.5
1072 State Department for Economic Planning	613	812	(199)	14,159	17,156	(2,997)	14,772	17,968	(3,196)	82.2
1082 State Department for Medical Services	10,030	16,061	(6,031)	4,851	6,935	(2,084)	14,881	22,995	(8,115)	64.7
1083 State Department for Public Health and Professional	2,749	5,646	(2,898)	1,611	1,072	538	4,359	6,719	(2,359)	64.9
1091 State Department for Roads	10,529	18,018	(7,489)	25,015	29,978	(4,963)	35,544	47,996	(12,452)	74.1
1092 State Department for Transport	367	4,084	(3,718)	217	8,002	(7,785)	583	12,086	(11,503)	4.8
1093 State Department for Shipping and Maritime Affairs	77	556	(479)		188	(188)	77	743	(667)	10.3
1094 State Department for Housing & Urban Development	248	326	(77)	8,181	21,299	(13,118)	8,429	21,625	(13,195)	39.0
1095 State Department for Public Works	627	920	(294)		56	(56)	627	976	(350)	64.2
1104 State Department for Irrigation	201	295	(94)	4,907	5,057	(150)	5,107	5,352	(244)	95.4
1109 State Department for Water & Sanitation	606	1,435	(829)	3,750	11,025	(7,276)	4,355	12,460	(8,105)	35.0
1112 State Department for Lands and Physical Planning	810	1,034	(224)	859	595	264	1,669	1,629	41	102.5
1122 State Department for Information Communication Technology & Digital Economy	416	877	(461)	2,178	4,122	(1,944)	2,594	4,999	(2,405)	51.9
1123 State Department for Broadcasting &	907	1,427	(520)			-	907	1,427	(520)	63.5
1132 State Department for Sports	175	273	(98)	1,991	4,116	(2,125)	2,166	4,389	(2,223)	49.4
1134 State Department for Culture and Heritage	459	689	(231)		18	(18)	459	707	(248)	64.9
1135 State Department for Youth Affairs and the Arts	353	476	(122)	25	384	(359)	379	860	(481)	44.0
1152 State Department for Energy	219	2,471	(2,252)	3,194	11,044	(7,851)	3,412	13,515	(10,103)	25.2
1162 State Department for Livestock Development	662	1,323	(661)	697	1,992	(1,294)	1,360	3,315	(1,955)	41.0
1166 State Department for the Blue Economy and Fisheries	563	612	(49)	4,903	1,973	2,930	5,467	2,585	2,882	211.5
1169 State Department for Crop Development	1,991	3,926	(1,935)	4,509	6,583	(2,074)	6,500	10,509	(4,009)	61.9
1173 State Department for Cooperatives	866	1,677	(812)	1,500	500	1,000	2,366	2,177	188	108.6
1174 State Department for Trade	213	768	(555)		73	(73)	213	840	(628)	25.3
1175 State Department for Industry	350	552	(202)	1,124	836	288	1,475	1,388	87	106.3
1176 State Department for Micro, Small and Medium	214	372	(158)	1,470	1,132	338	1,684	1,504	180	112.0
1177 State Department for Investment Promotion	85	291	(206)	600	300	300	685	591	94	115.8
1184 State Department for Labour and Skills Development	267	1,067	(800)	12	25	(13)	279	1,092	(813)	25.5
1185 State Department for Social Protection and Senior	7,840	8,315	(476)	416	477	(61)	8,256	8,792	(536)	93.9
1192 State Department for Mining	124	249	(125)		-	-	124	249	(125)	49.9
1193 State Department for Petroleum	3,143	6,830	(3,686)	414	875	(461)	3,557	7,705	(4,147)	46.2
1202 State Department for Tourism	87	2,461	(2,374)		118	(118)	87	2,579	(2,492)	3.4
1203 State Department for Wildlife	796	3,014	(2,217)	24	90	(66)	821	3,104	(2,283)	26.4
1212 State Department for Gender and Affirmative Action	418	500	(81)	1,622	896	725	2,040	1,396	644	146.1
1213 State Department for Public Service	3,946	4,665	(718)		91	(91)	3,946	4,756	(809)	83.0
1221 State Department for East African Community	84	143	(59)			-	84	143	(59)	58.6
1252 State Law Office	912	1,318	(406)		39	(39)	912	1,357	(445)	67.2
1261 The Judiciary	4,087	5,255	(1,168)		207	(207)	4,087	5,461	(1,375)	74.8
1271 Ethics and Anti-Corruption Commission	881	1,028	(147)	12	8	4	893	1,036	(143)	86.2
1281 National Intelligence Service	13,327	11,588	1,739			-	13,327	11,588	1,739	115.0
1291 Office of the Director of Public Prosecutions	801	990	(189)		7	(7)	801	996	(195)	80.4
1311 Office of the Registrar of Political Parties	472	482	(10)			-	472	482	(10)	98.0
1321 Witness Protection Agency	38	174	(136)			-	38	174	(136)	22.0
1331 State Department for Environment & Climate Change	473	788	(315)	120	327	(207)	594	1,115	(522)	53.2
1332 State Department for Forestry	1,115	2,258	(1,143)	209	762	(553)	1,324	3,020	(1,696)	43.8
2011 Kenya National Commission on Human Rights	110	120	(10)			-	110	120	(10)	91.8
2021 National Land Commission	581	446	136			-	581	446	136	130.5
2031 Independent Electoral and Boundaries Commission	714	954	(240)			-	714	954	(240)	74.9
2041 Parliamentary Service Commission	157	322	(165)			-	157	322	(165)	48.9
2042 National Assembly	4,650	6,217	(1,567)	960			5,610	6,217	(607)	90.2
2043 Parliamentary Joint Services	1,049	1,547	(497)		280	(280)	1,049	1,826	(777)	57.5
2044 Senate	1,563	1,851	(288)			-	1,563	1,851	(288)	84.5
2051 Judicial Service Commission	128	165	(37)			-	128	165	(37)	77.3
2061 Commission on Revenue Allocation	72	91	(19)			-	72	91	(19)	78.7
2071 Public Service Commission	790	869	(79)			-	790	869	(79)	90.9
2081 Salaries and Remuneration Commission	79	113	(35)			-	79	113	(35)	69.5
2091 Teachers Service Commission	58,502	86,873	(28,371)	70	99	(29)	58,572	86,972	(28,400)	67.3
2101 National Police Service Commission	136	252	(116)			-	136	252	(116)	54.1
2111 Auditor General	1,467	2,006	(540)	17	20	(3)	1,484	2,026	(542)	73.2
2121 Controller of Budget	121	176	(55)			-	121	176	(55)	68.9
2131 Commission on Administrative Justice	134	159	(25)			-	134	159	(25)	84.2
2141 National Gender and Equality Commission	88	102	(14)		3	(3)	88	104	(16)	84.2
2151 Independent Policing Oversight Authority	266	272	(6)			-	266	272	(6)	97.6
<b>Total</b>	<b>313,801</b>	<b>397,898</b>	<b>(84,096)</b>	<b>105,914</b>	<b>160,292</b>	<b>(55,338)</b>	<b>419,715</b>	<b>558,189</b>	<b>(138,474)</b>	<b>75.2</b>

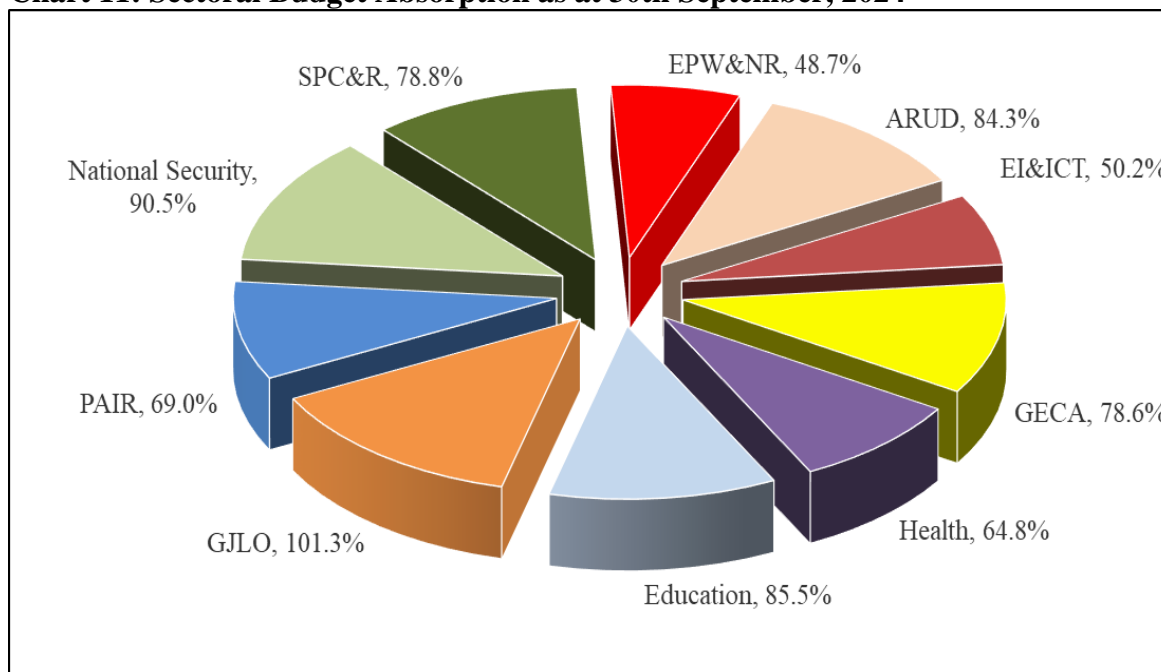
\*Provisional

Source of Data: National Treasury

## FISCAL DEVELOPMENTS

41. During the period under review, Governance, Justice, Law and Order (GJLO) sector recorded the highest absorption at 101.3 percent followed by National Security at 90.5 percent and Education at 85.5 percent. Environment Protection, water and Natural Resources (EPW&NR) sector recorded the lowest absorption of 48.7 percent (**Chart 11**).

**Chart 11: Sectoral Budget Absorption as at 30th September, 2024**



Source of Data: National Treasury

### 2.2.2 Pending Bills

42. The total outstanding national government pending bills as at 30<sup>th</sup> September, 2024 amounted to KSh. 528.4 billion. These comprise of KSh. 410.7 billion (77.7 percent) and KSh. 117.7 billion (22.3 percent) for the State Corporations (SC) and Ministries/State Departments/other government entities respectively. Out of the total pending bills, 53.3 per cent are development pending bills and 46.7 percent are recurrent pending bills.

43. The SC 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 (60.9) belong to Contractor/Projects (development) while 39.1 percent are recurrent pending bills. Ministries/State Departments and other government Agencies (MDAs) pending bills constitutes mainly of historical pending bills. However, out of the total MDAs pending bills, only 27.1 are development while the bulky 72.9 are recurrent pending bills.

44. The National Government policy on pending bills is that MDAs including the State Corporations should prioritize their payment as contained in the Treasury Circular No. 10 dated June 16, 2020. All MDAs are therefore, expected to continue settling them as a first charge in the current financial year budget in line with the Treasury guidelines for implementation of the financial year 2024/25 and the medium term budget, Treasury Circular No. 13/2023.

## FISCAL DEVELOPMENTS

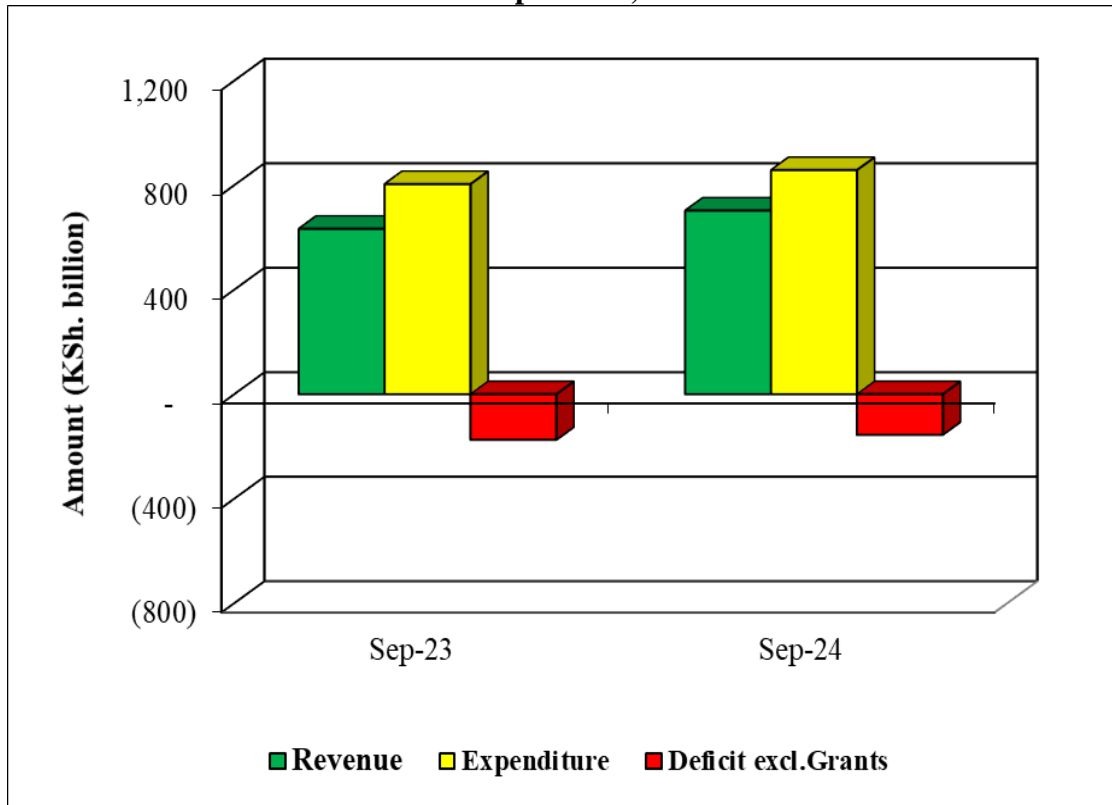
### 2.2.3 Guaranteed Debt Service

45 During the quarter ending September 2024, the National Government did not service any guaranteed debt on behalf of Government parastatals whether in terms of principal interest payment

### 2.3 Fiscal Outturn

45. During the period July 2024 to September 2024, the fiscal balance (on commitment basis and excluding grants) amounted to KSh 192.6 billion (1.1 percent of GDP) against a targeted deficit of KSh. 208.3 billion (1.2 percent of GDP) (**Chart 12 and Table 8**). The fiscal balance (on a commitment basis and including grants) also stood at 1.1 percent of GDP against a target deficit of 1.1 percent of GDP.

**Chart 12: Fiscal Balance as at 30<sup>th</sup> September, 2023**



Source of Data: National Treasury

46. Over the same period in FY2023/24, the fiscal deficit including grants (on commitment basis) stood at KSh. 171.2 billion (1.1 percent of GDP). The fiscal outturn in the last six (6) FYs and the Printed Estimates for the FY 2023/24 are shown in **Annex I**. Further, GFSM 2014 Compliant Budgetary Central Government fiscal data for the FY 2023/24 are shown in annexes V and VI.



## FISCAL DEVELOPMENTS

**Table 8: Budget Outturn, Cumulative Ending 30<sup>th</sup> September, 2024 (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	
<b>A. TOTAL REVENUE AND GRANTS</b>	<b>633,002</b>	<b>698,829</b>	<b>696,585</b>	<b>2,244</b>	<b>10.4</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>
<b>1. Revenue</b>	<b>629,587</b>	<b>697,476</b>	<b>691,928</b>	<b>5,548</b>	<b>10.8</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>
Ordinary Revenue	536,760	590,875	605,499	(14,624)	10.1	3.3	3.4	3.3
Import Duty	32,434	34,619	37,420	(2,800)	6.7	0.2	0.2	0.2
Excise Duty	68,570	68,133	73,779	(5,646)	(0.6)	0.4	0.4	0.4
Income tax	243,954	258,608	261,176	(2,568)	6.0	1.4	1.4	1.5
VAT	153,027	151,332	166,499	(15,166)	(1.1)	0.8	0.9	0.9
Investment Revenue	15,017	44,428	28,380	16,048	195.8	0.2	0.2	0.1
Others	23,760	33,755	38,246	(4,491)	42.1	0.2	0.2	0.1
Appropriation-in-Aid	92,827	106,601	86,429	20,172	14.8	0.6	0.5	0.6
<b>2. Grants</b>	<b>3,415</b>	<b>1,353</b>	<b>4,657</b>	<b>(3,304)</b>	<b>(60.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
AMISOM Receipts	0	0	0	(1,674)	-	-	0.0	-
Revenue	2,863	515	1,674	515	(82.0)	0.0	-	0.0
Appropriation-in-Aid	552	838	2,983	(2,145)	51.7	0.0	0.0	0.0
<b>B. EXPENDITURE AND NET LENDING</b>	<b>804,196</b>	<b>890,106</b>	<b>900,265</b>	<b>(10,159)</b>	<b>10.7</b>	<b>4.9</b>	<b>5.0</b>	<b>4.9</b>
<b>1. Recurrent</b>	<b>618,518</b>	<b>689,744</b>	<b>685,211</b>	<b>4,533</b>	<b>11.5</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>
Domestic Interest	124,913	176,834	191,945	(15,111)	41.6	1.0	1.1	0.8
Foreign Interest	63,093	72,269	73,149	(879)	14.5	0.4	0.4	0.4
Pension & Other CFS	42,377	59,515	41,222	18,293	40.4	0.3	0.2	0.3
Contribution to Civil Servants' Pension	4,590	10,622	7,116	3,506	131.4	0.1	0.0	0.0
Wages and Salaries	142,295	143,459	150,147	(6,688)	0.8	0.8	0.8	0.9
O & M/Others	241,248	227,045	221,633	5,412	(5.9)	1.3	1.2	1.5
<b>2. Development and Net Lending</b>	<b>124,567</b>	<b>136,767</b>	<b>107,261</b>	<b>29,505</b>	<b>9.8</b>	<b>0.8</b>	<b>0.6</b>	<b>0.8</b>
O/W Domestically financed	100,194	99,254	82,761	16,493	(0.9)	0.5	0.5	0.6
Foreign financed	22,007	37,512	22,533	14,979	70.5	0.2	0.1	0.1
3. Net Lending	2,365	0	0	-	(100.0)	0.0	-	0.0
4. Equalization Fund	-	-	1,966.8	(1,967)	-	0.0	0.0	0.0
5. County Governments	61,112	63,595	107,292	(43,697)	4.1	0.4	0.6	0.4
<b>5. CF</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>(500)</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>C. DEFICIT EXCL. GRANT (Commitment basis)</b>	<b>(174,610)</b>	<b>(192,629)</b>	<b>(208,336)</b>	<b>15,707</b>	<b>10.3</b>	<b>(1.1)</b>	<b>(1.2)</b>	<b>(1.1)</b>
<b>D. DEFICIT INCL. GRANTS (Commitment basis)</b>	<b>(171,194)</b>	<b>(191,277)</b>	<b>(203,680)</b>	<b>12,403</b>	<b>11.7</b>	<b>(1.1)</b>	<b>(1.1)</b>	<b>(1.1)</b>
<b>E. ADJUSTMENT TO CASH BASIS</b>	<b>101,901</b>				<b>(100.0)</b>	<b>0.0</b>		<b>0.6</b>
<b>F. DEFICIT INCL. GRANTS (Cash basis)</b>	<b>(69,293)</b>	<b>(191,277)</b>	<b>(203,680)</b>	<b>12,403</b>	<b>176.0</b>	<b>(1.1)</b>	<b>(1.1)</b>	<b>(0.4)</b>
<i>Discrepancy</i>	<i>(3,907)</i>	<i>(26,927)</i>	<i>46,199</i>	<i>(73,125)</i>		<i>-0.1</i>	<i>0.3</i>	<i>(0.0)</i>
<b>G. FINANCING</b>	<b>65,386</b>	<b>164,350</b>	<b>249,879</b>	<b>(85,529)</b>	<b>151.4</b>	<b>0.9</b>	<b>1.4</b>	<b>0.4</b>
<b>1. Net Foreign financing</b>	<b>(27,725)</b>	<b>(56,302)</b>	<b>14,904</b>	<b>(71,207)</b>	<b>103.1</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.2)</b>
<b>Disbursements</b>	<b>61,664</b>	<b>37,029</b>	<b>113,716</b>	<b>(76,687)</b>	<b>(40.0)</b>	<b>0.2</b>	<b>0.6</b>	<b>0.4</b>
Programme Loans	43,072	870	22,610	(21,740)	(98.0)	0.0	0.1	0.3
Project Cash Loans	11,874	9,543	11,722	(2,179)	(19.6)	0.1	0.1	0.1
Project Loans AIA	6,717	26,616	11,884	14,732	296.2	0.1	0.1	0.0
Use of IMF SDR Allocation	0	-	-	-	-	-	-	0.0
Commercial Financing	0	-	67,500	(67,500)	-	-	0.4	-
Debt repayment - Principal	(89,389)	(93,331)	(98,812)	5,481	<b>4.4</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>2. Net Domestic Financing</b>	<b>93,111</b>	<b>220,653</b>	<b>234,974</b>	<b>(14,322)</b>	<b>137.0</b>	<b>1.2</b>	<b>1.3</b>	<b>0.6</b>
Government Securities	82,017	235,057	234,728	329	186.6	1.3	1.3	0.5
Government Overdraft & Others	(6)	(61,147)	-	(61,147)	-	-0.3	-	(0.0)
Movement in Government Deposits	65,622	64,889	-	64,889	(1.1)	0.4	-	0.4
Domestic Loan Repayments (Net Receipts)	587	-	246	(246)	(100.0)	0.0	0.0	0.0
Domestic Loan Repayment	-	(555)	-	(555)	-	0.0	-	0.0
Other Accounts Payable	(55,108)	(17,591)	-	-	-	(0.1)	-	(0.3)
<b>MEMO ITEM</b>								
<b>GDP ESTIMATE</b>	<b>16,290,270</b>	<b>18,054,333</b>	<b>18,054,333</b>	<b>18,054,333</b>	<b>10.8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Provisional

Source of Data: National Treasury



## FISCAL DEVELOPMENTS

### 2.4 Financing

#### 2.4.1 External Financing

47. During the period ending September, 2024, net foreign repayment amounted to KSh. 93.3 billion (**Table 9**). Total disbursements (inflows) including Appropriations-in-Aid amounted to KSh 37 billion against a target of KSh. 46.2 billion. The actual total disbursement comprised of KSh 0.9 billion programme loans and KSh. 36.2 billion Project Loans. The External repayments (outflows) of principal debt amounted to KSh. 93.3 billion. The amount comprised of principal repayments due to bilateral sources, commercial institutions and multilateral sources amounting to KSh. 69.2 billion, KSh. 17.1 billion, and KSh. 13.7 billion, respectively.

**Table 9: External Financing, Period Ending September, 2024 (KSh. Millions)**

	FY2023/24	FY2024/25	
	Actual*	Actual*	Target
<b>DISBURSEMENTS:</b>	<b>61,664</b>	<b>37,029</b>	<b>46,216</b>
Project Cash loans	11,874	9,543	11,884
Project loans A-I-A	6,717	26,616	11,722
Commercial Financing	-	-	-
Use of IMF SDR Allocation	-	-	-
Programme Loans	43,072	870	22,610
<b>EXTERNAL REPAYMENTS:</b>	<b>89,389</b>	<b>93,331</b>	<b>98,812</b>
Bilateral(incl. Italy Debt SWAP)	58,435	64,554	67,462
Multilateral (excl. IMF)	13,288	12,818	13,282
Commercial	17,666	15,959	18,068
<b>NET FOREIGN FINANCING</b>	<b>(27,725)</b>	<b>(56,302)</b>	<b>(52,596)</b>

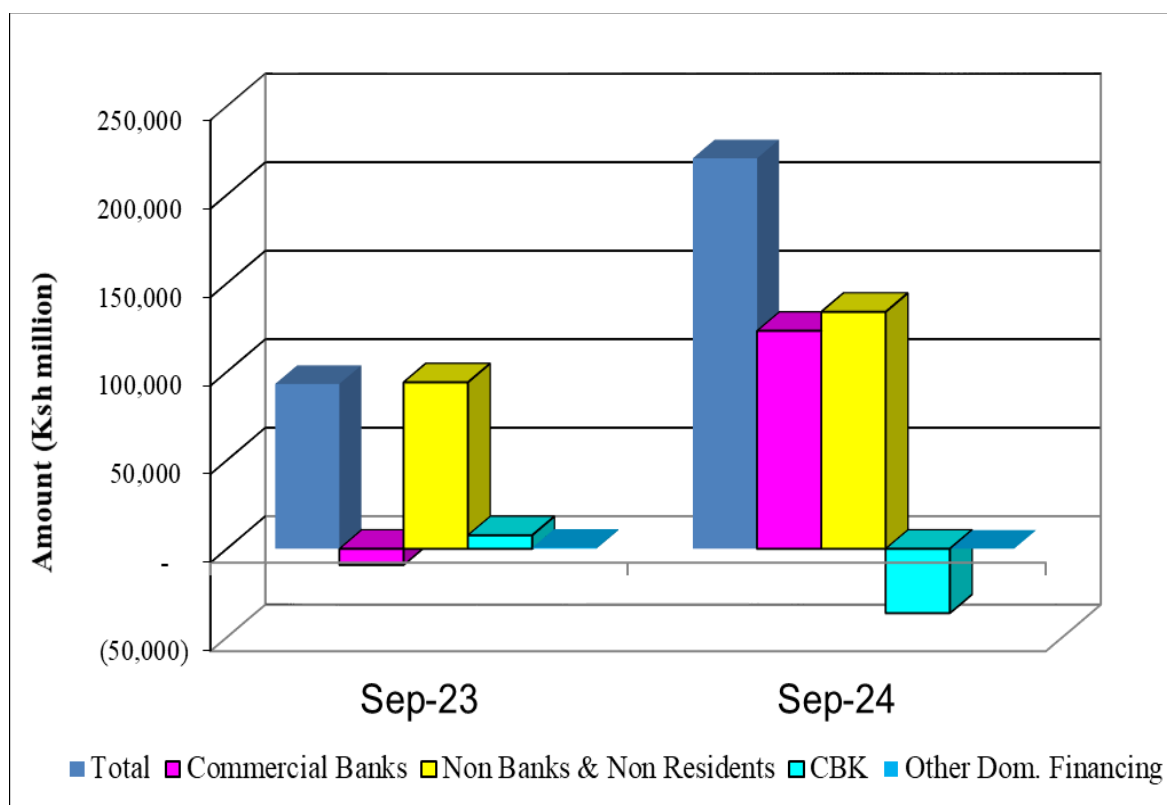
\*Provisional

Source of Data: National Treasury

#### 2.4.2 Domestic Financing

48. As at 30<sup>th</sup> September, 2024, net domestic borrowing amounted to KSh. 220.7 billion (**Table 10**) against a target of KSh. 188.8 billion. The borrowing comprised of KSh. 133.8 billion from Non-Banking Financial Institutions, KSh. 123.1 billion from commercial, a net repayment of KSh. 36.3 billion to the Central Bank of Kenya and a net repayment of KSh 3.0 billion to Non-Residents. During the same period in FY 2023/24, the net domestic borrowing amounted to KSh. 93.1 billion comprising of KSh. 92.4 billion from Non-Banking Financial Institutions, a net repayment of KSh. 9.1 billion to Commercial Banks, KSh. 7.6 billion from the Central Bank of Kenya and KSh. 1.6 billion from Non-Residents (**Table 10 and Chart 13**).

**Chart 13: Domestic Financing for the Period Ending 30th September, 2024**



Source of Data: Central Bank of Kenya

49. The stock of Treasury Bills held by commercial banks and Non-Banks recorded a net increase of KSh. 96.1 billion and Ksh 44.7 billion respectively while those held by non-residents declined by KSh 8 Million as compared to same period in the FY 23/24. The stock of Fixed Rate Bonds held by Non-Banks, commercial banks and Non-Residents recorded a net decrease of KSh 81.1 billion, KSh. 33.4 billion and KSh. 1.6 billion respectively as compared to same period in the FY 23/24 (**Table 10**).

## FISCAL DEVELOPMENTS

**Table 10: Domestic Financing, Period Ending 30<sup>th</sup> September, 2024 (KSh. Millions)**

DEBT INSTRUMENT	September 2023	December 2023	March 2024	June 2024*	September 2024*
<b>1.CENTRAL BANK</b>	<b>7,632</b>	<b>18,888</b>	<b>(15,351)</b>	<b>(2,983)</b>	<b>(36,330)</b>
Overdraft	(753)	17,671	15,724	(15,436)	(61,147)
IMF funds onlet to Govt	934	8,523	10,767	(12,180)	1,832
Treasury bills rediscounts	-	-	-	-	-
Fixed rate Bonds	-	-	-	-	-
Items on Transit	(10)	(39)	(36)	(33)	(6)
Frozen Account	-	-	(555)	(555)	(555)
Less Govt Deposits	7,460	(7,267)	(41,251)	25,222	23,545
<b>2.COM. BANKS</b>	<b>(9,142)</b>	<b>16,245</b>	<b>104,967</b>	<b>190,262</b>	<b>123,141</b>
Advances	(178)	(1,210)	(449)	(518)	1,023
Treasury bills	(43,491)	(56,493)	(85,989)	(63,055)	52,621
Fixed rate Bonds	33,958	38,287	1,939	61,729	513
Infrastructure Bonds	(2,486)	35,748	191,020	191,020	48,594
Savings and Development Bond	-	-	-	-	-
Less Govt Deposits	3,054	(87)	(1,554)	1,085	20,390
<b>3. NON BANKS</b>	<b>92,397</b>	<b>172,364</b>	<b>292,984</b>	<b>404,809</b>	<b>133,845</b>
Treasury bills	(11,496)	(11,659)	20,534	39,424	33,192
Fixed rate Bonds	110,082	115,093	144,585	237,519	28,966
Zero Coupon bonds	-	-	-	-	-
Infrastructure Bonds	(6,189)	68,930	127,866	127,866	71,686
Savings and Development Bond	-	-	-	-	-
<b>4. NON RESIDENTS</b>	<b>1,638</b>	<b>1,635</b>	<b>2,404</b>	<b>2,056</b>	<b>(3)</b>
Treasury bills	5	2	(3)	(7)	(3)
Fixed rate Bonds	1,633	1,633	1,573	1,229	-
Infrastructure Bond	-	-	834	834	-
<b>5. NET CREDIT</b>	<b>92,525</b>	<b>209,132</b>	<b>385,005</b>	<b>594,144</b>	<b>220,653</b>
<b>6. OTHER DOMESTIC FINANCING</b>					
Domestic Loan Repayments (NetReceipts)	587	855	1,429	1,429	-
<b>7. NET DOMESTIC FINANCING</b>	<b>93,111</b>	<b>209,987</b>	<b>386,434</b>	<b>595,572</b>	<b>220,653</b>

Notes:

\*provisional

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

Source of Data: Central Bank of Kenya

## FISCAL DEVELOPMENTS

### 3.0 PUBLIC DEBT

#### 3.1 Overall Debt Position

50. The gross public debt as at 30<sup>th</sup> September, 2024 increased by KSh. 209.8 billion to amount to KSh 10,792.1 billion compared to KSh. 10,582.2 billion as at end of September 2023. The gross public debt comprised of 48.1 percent external debt and 51.9 percent domestic debt. The increase in the public debt is attributed to external loan disbursements; exchange rate fluctuations; and uptake of domestic debt during the period. The net public debt was KSh. 10,334.3 billion by end of the period under review (Table 11).

**Table 11: Kenya's Public and Publicly Guaranteed Debt, September, 2022 to September, 2024 (KSh. Millions)**

DEBT SOURCE	Sep-22	Dec-22	Mar- 23	Jun- 23	Sep-23*	Dec-23	Mar-24	Jun-24*	Sep-24*
<b>EXTERNAL</b>									
BILATERAL	1,144,450	1,206,883	1,291,851	1,339,503	1,341,779	1,422,180	1,175,582	1,163,715	1,133,389
MULTILATERAL	1,957,899	2,213,756	2,244,087	2,654,934	2,827,123	3,061,108	2,654,283	2,786,948	2,847,166
COMMERCIAL BANKS	1,220,682	1,239,681	1,301,153	1,437,276	1,483,613	1,588,656	1,318,975	1,207,503	1,193,820
SUPPLIERS CREDIT	11,760	12,824	14,004	14,848	15,284	17,641	14,583	13,537	13,990
<b>SUB - TOTAL EXTERNAL</b>	<b>4,334,791</b>	<b>4,673,144</b>	<b>4,851,095</b>	<b>5,446,561</b>	<b>5,667,799</b>	<b>6,089,585</b>	<b>5,163,423</b>	<b>5,171,704</b>	<b>5,188,365</b>
<b>DOMESTIC:</b>									
CENTRAL BANK	114,229	147,380	195,567	198,314	198,485	224,468	202,428	170,109	109,430
O/W IMF FUNDS ON-LENT TO GOVERNMENT	60,348	62,789	90,965	95,721	99,523	104,245	84,702	83,541	84,444
COMMERCIAL BANKS	2,032,420	2,017,402	1,992,177	2,095,069	2,081,576	2,109,720	2,190,148	2,278,836	2,386,587
<b>TOTAL BANKS</b>	<b>2,146,649</b>	<b>2,164,782</b>	<b>2,187,744</b>	<b>2,293,383</b>	<b>2,280,061</b>	<b>2,334,188</b>	<b>2,392,576</b>	<b>2,448,944</b>	<b>2,496,017</b>
NON BANKS & NON RESIDENTS	2,279,978	2,370,845	2,442,166	2,538,935	2,634,386	2,715,920	2,842,612	2,961,340	3,107,717
<b>SUB-TOTAL DOMESTIC</b>	<b>4,426,627</b>	<b>4,535,627</b>	<b>4,629,910</b>	<b>4,832,318</b>	<b>4,914,447</b>	<b>5,050,109</b>	<b>5,235,188</b>	<b>5,410,284</b>	<b>5,603,733</b>
<b>GRAND TOTAL GROSS</b>	<b>8,761,418</b>	<b>9,208,771</b>	<b>9,481,005</b>	<b>10,278,879</b>	<b>10,582,245</b>	<b>11,139,694</b>	<b>10,398,612</b>	<b>10,581,988</b>	<b>10,792,098</b>
LESS ON-LENDING	-	-	-	-	-	-	-	-	-
LESS GOVERNMENT DEPOSITS	(404,154)	(470,558)	(384,704)	(484,584)	(429,162)	(464,321)	(525,843)	(526,226)	(457,769)
<b>GRAND TOTAL NET</b>	<b>8,357,263</b>	<b>8,738,213</b>	<b>9,096,301</b>	<b>9,794,294</b>	<b>10,153,083</b>	<b>10,675,372</b>	<b>9,872,769</b>	<b>10,055,762</b>	<b>10,334,329</b>

Note:

\* Provisional

Source of Data: National Treasury

#### 3.2 Domestic Debt

51. The stock of gross domestic debt increased by KSh. 689.1 billion from KSh. 4,914.6 billion in September, 2023 to KSh. 5,603.7 billion in September, 2024. The net domestic debt was KSh. 6,061.5 billion by end of the period under review (Table 12).

## FISCAL DEVELOPMENTS

**Table 12: Stock of Domestic Debt as at September, 2024 (KSh. Millions)**

DEBT SOURCE	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24*	Sep-24*
<b>1.CENTRAL BANK</b>	<b>114,229</b>	<b>147,226</b>	<b>195,073</b>	<b>198,314</b>	<b>198,485</b>	<b>224,468</b>	<b>224,214</b>	<b>170,109</b>	<b>109,430</b>
Overdraft	27,247	58,498	78,180	76,457	75,704	94,128	92,181	61,021	-
IMF funds onlet to Govt	60,348	62,789	90,965	95,721	96,655	104,245	106,488	83,541	84,444
Frozen Govt Accounts	18,899	18,344	18,344	17,789	17,789	17,789	17,234	17,234	16,679
Treasury bills / bonds rediscounts	67	112	109	230	230	230	230	230	230
Items on Transit	24	38	30	42	32	3	6	8	3
Fixed rate bonds	7,644	7,446	7,446	8,074	8,074	8,074	8,074	8,074	8,074
<b>2.COM.BANKS</b>	<b>2,032,420</b>	<b>2,017,402</b>	<b>1,992,177</b>	<b>2,095,069</b>	<b>2,081,735</b>	<b>2,109,720</b>	<b>2,190,148</b>	<b>2,278,836</b>	<b>2,386,587</b>
Advances	12,965	13,828	6,339	13,692	16,406	15,226	5,522	5,468	4,533
Treasury Bills	315,649	293,469	291,539	262,852	217,841	204,724	176,846	207,875	265,461
Fixed Rate T. Bonds	1,094,111	1,079,084	1,054,106	1,043,778	1,078,058	1,082,354	1,045,598	1,103,311	1,103,842
Special Bonds	-	-	-	-	-	-	-	-	-
Savings and Development Bond	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648
Infrastructure Bonds	602,047	623,374	632,545	767,099	761,782	799,769	954,534	954,534	1,005,102
<b>3. NON BANKS</b>	<b>2,248,031</b>	<b>2,339,242</b>	<b>2,411,375</b>	<b>2,506,970</b>	<b>2,600,834</b>	<b>2,682,371</b>	<b>2,808,554</b>	<b>2,927,632</b>	<b>3,073,163</b>
Treasury Bills	356,424	377,812	374,484	351,636	340,128	341,939	379,924	407,784	446,756
Fixed Rate T. Bonds	1,412,738	1,428,132	1,450,047	1,503,056	1,614,753	1,619,733	1,649,417	1,740,635	1,772,150
Tax Reserve Certificate	-	-	-	-	-	-	-	-	(0)
Infrastructure Bonds	458,288	512,717	566,264	631,698	625,373	700,119	758,633	758,633	833,677
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)	(0.0)	(0)
<b>4. NON RESIDENTS</b>	<b>31,947</b>	<b>31,757</b>	<b>32,471</b>	<b>31,965</b>	<b>33,552</b>	<b>33,549</b>	<b>34,058</b>	<b>33,708</b>	<b>34,554</b>
Treasury Bills	139	117	76	8	13	10	5	1	(2)
Fixed Rate T. Bonds	19,281	18,842	19,145	18,499	20,174	20,174	20,113	19,768	19,768
Savings and Development Bond	9	9	9	9	9	9	9	9	9
Infrastructure Bonds	12,519	12,790	13,241	13,449	13,356	13,356	13,931	13,931	14,779
<b>5. TOTAL GROSS DEBT</b>	<b>4,426,627</b>	<b>4,535,628</b>	<b>4,631,095</b>	<b>4,832,318</b>	<b>4,914,606</b>	<b>5,050,109</b>	<b>5,256,974</b>	<b>5,410,284</b>	<b>5,603,733</b>
6. Less On-Lending	-	-	-	-	-	-	-	-	-
7. Less Govt Deposits	404,154	470,558	386,099	484,584	412,151	464,321	525,843	526,226	(457,769)
<b>8. TOTAL NET DEBT</b>	<b>4,022,472</b>	<b>4,065,069</b>	<b>4,244,996</b>	<b>4,347,734</b>	<b>4,502,455</b>	<b>4,585,787</b>	<b>4,731,131</b>	<b>4,884,058</b>	<b>6,061,503</b>

NOTE:

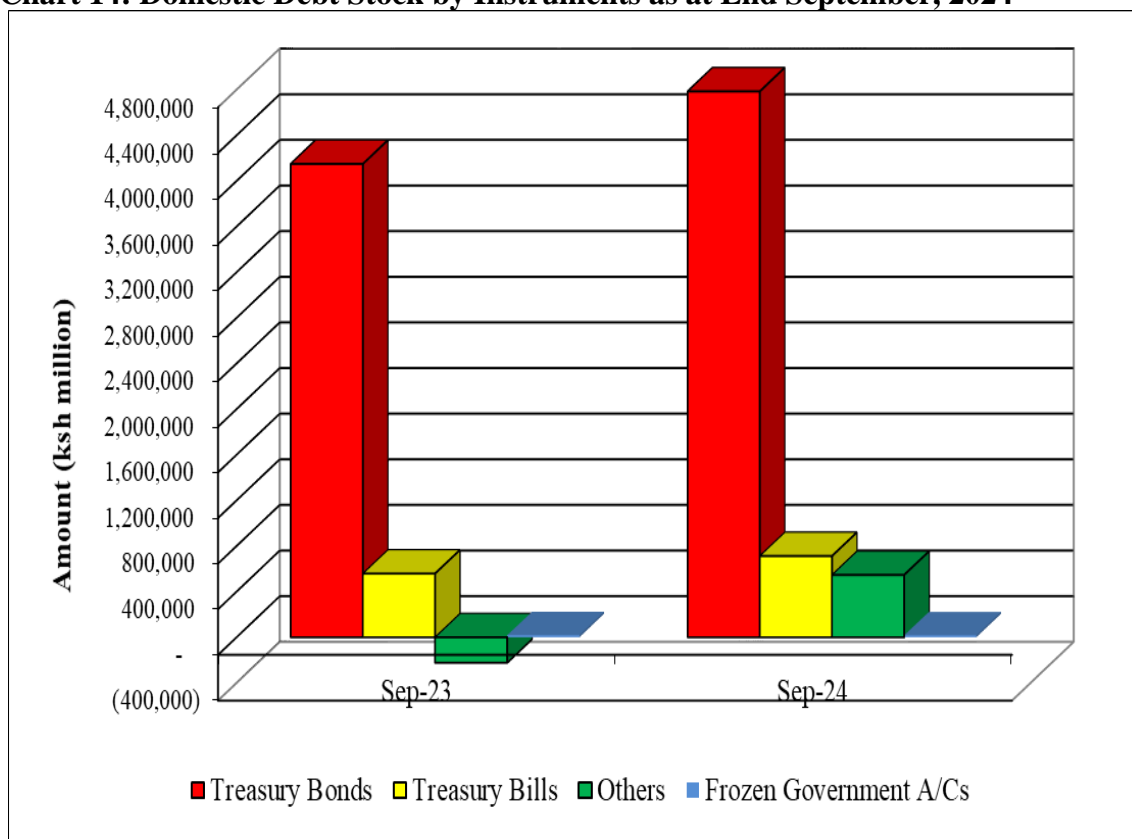
\* Provisional

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

Source of Data: Central Bank of Kenya

52. The stock of Treasury Bills held by Non-Banking Financial Institutions and Commercial Banks increased by KSh. 154.2 billion from KSh. 558.0 billion in September, 2023 to KSh. 712.2 billion in September, 2024 while those held by Non-Residents declined by KSh 15.0 billion from KSh 13 billion in September, 2023 to a net repayment of KSh. 3 billion in September, 2024. The stock of Treasury Bills held by central bank remained constant in September 2023/24 and September 2024/25. The total stock of Treasury Bonds, which include Floating, Fixed Rate, Special and Zero-Coupon Bonds, increased by KSh. 635.8 billion from KSh. 4,149.8 billion in September, 2023 to KSh. 4,785.6 billion in September, 2024 (**Chart 14**).

**Chart 14: Domestic Debt Stock by Instruments as at End September, 2024**



Source of Data: Central Bank of Kenya

### 3.3 External Public Debt

53. In dollar terms, external public debt stock increased by US\$. 1,969.5 million from US\$. 36,300.6 million in September, 2022 to US\$. 38,270.1 million by the end of September, 2023 (**Table 13**). This comprised debt owed to multilateral lenders (49.9%), commercial banks (26.2 %), bilateral sources (23.7%) and Suppliers Credit (0.3%). The increase is attributed to increase in external loans disbursements and exchange rate fluctuations during the period.

## FISCAL DEVELOPMENTS

**Table 13: Kenya's External Public and Publicly Guaranteed Debt September, 2022 – September, 2024 (US\$ Millions)**

CREDITOR	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24*	Sep-24*
<b><u>BILATERAL</u></b>										
AUSTRIA	11.04	13.06	13.82	14.07	13.75	13.21	13.63	13.19	12.77	13.20
BELGIUM	109.81	111.75	117.93	182.72	182.15	173.00	179.21	178.92	177.87	187.72
DENMARK	3.88	3.20	3.49	3.13	3.07	2.46	2.58	1.99	1.97	1.51
FINLAND	7.50	7.03	6.32	6.48	5.17	3.75	3.96	2.57	2.55	1.33
FRANCE	764.63	707.56	764.04	805.50	780.81	722.00	753.72	723.60	746.50	759.36
GERMANY	332.55	326.50	346.23	328.54	336.34	341.34	349.60	350.44	345.08	362.54
ITALY	328.79	309.28	333.82	344.47	343.70	332.56	212.13	195.64	254.10	229.60
JAPAN	1,245.99	1,217.67	1,304.89	1,453.84	1,271.01	1,229.02	1,269.92	1,187.69	1,158.65	1,283.89
USA	10.69	9.97	9.61	8.73	8.53	7.64	7.43	310.65	310.41	248.68
CHINA	6,830.10	6,594.56	6,569.52	6,307.40	6,280.39	5,943.60	6,006.71	5,674.35	5,696.97	5394.35
OTHERS	311.80	295.43	312.68	307.29	307.30	291.37	290.73	280.34	277.46	290.47
<b>TOTAL BILATERAL</b>	<b>9,956.78</b>	<b>9,596.01</b>	<b>9,782.35</b>	<b>9,762.17</b>	<b>9,532.23</b>	<b>9,059.95</b>	<b>9,089.63</b>	<b>8,919.39</b>	<b>8,984.34</b>	<b>8,772.65</b>
<b><u>MULTILATERAL</u></b>										
ADB/ADF	3,269.84	3,302.50	3,490.90	3,591.12	3,685.50	3,695.82	3,792.02	3,800.87	3,925.83	4,001.98
BADEA	41.10	45.99	45.20	47.70	52.19	51.70	53.69	53.38	54.01	53.33
EEC/EIB	176.12	158.66	170.90	182.11	207.53	194.28	204.58	192.68	190.43	195.96
IBRD	569.35	571.26	579.24	581.75	1,082.86	1,079.71	1,085.13	1,089.11	1,938.74	1,944.34
IDA/IFAD	10,474.77	10,252.69	10,692.09	10,828.01	11,424.85	11,333.07	11,685.80	11,696.69	12,108.42	12,535.17
IMF**	1,751.87	1,965.77	2,915.30	1,673.40	2,388.16	2,684.95	2,694.19	3,257.39	3,251.72	3,259.95
OTHERS	45.43	48.35	49.89	53.86	52.08	49.77	49.15	48.52	47.21	46.89
<b>TOTAL MULTILATERAL</b>	<b>16,328.48</b>	<b>16,345.22</b>	<b>17,943.52</b>	<b>16,957.95</b>	<b>18,893.17</b>	<b>19,089.28</b>	<b>19,564.57</b>	<b>20,138.64</b>	<b>21,516.35</b>	<b>22,037.62</b>
<b>COMMERCIAL<sup>1</sup></b>	<b>10,025.49</b>	<b>10,260.41</b>	<b>10,048.20</b>	<b>9,832.46</b>	<b>10,228.01</b>	<b>10,017.64</b>	<b>10,153.63</b>	<b>10,007.36</b>	<b>9,322.41</b>	9,240.40
O/W International Sovereign Bond	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,156.97	6,600.00	6,600.00
<b>EXPORT CREDIT</b>	<b>103.14</b>	<b>98.96</b>	<b>103.94</b>	<b>105.82</b>	<b>105.66</b>	<b>103.20</b>	<b>112.75</b>	<b>110.65</b>	<b>104.51</b>	108.29
<b>GRAND TOTAL</b>	<b>36,413.89</b>	<b>36,300.60</b>	<b>37,878.01</b>	<b>36,658.41</b>	<b>38,759.08</b>	<b>38,270.08</b>	<b>38,920.59</b>	<b>39,176.04</b>	<b>39,927.61</b>	40,158.96
In percentage of total										
BILATERAL	27.34	26.4	25.8	26.6	24.6	23.7	23.4	22.8	22.5	21.8
MULTILATERAL	44.84	45.0	47.4	46.3	48.7	49.9	50.3	51.4	53.9	54.9
COMMERCIAL BANKS <sup>1</sup>	27.53	28.3	26.5	26.8	26.4	26.2	26.1	25.5	23.3	23.0
EXPORT CREDIT	0.28	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
TOTAL	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\*Provisional

\*\* include IMF item

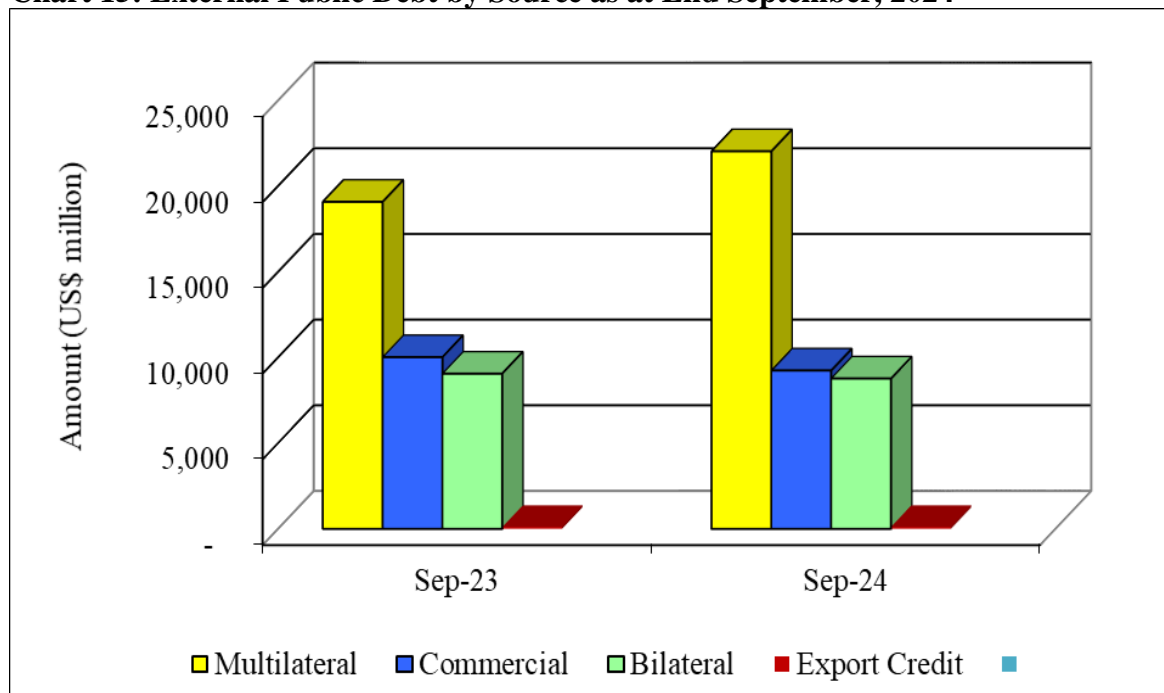
1/ incl. International Sovereign Bond

Note: The exchange rate as at end September, 2024 was KSh. 129.2 per dollar.

Source of Data: National Treasury

54. Compared to the same period in FY 2023/24, external public debt stock from bilateral sources and commercial banks recorded a decrease of US\$ 287.3 Million and US\$ 500 Million respectively in the period ending September, 2024. However, external public debt stock from multilateral institutions and suppliers' recorded an increase of US\$ 2.95 billion and US\$ 5.1 Million respectively in the period under review (**Chart 15**).

**Chart 15: External Public Debt by Source as at End September, 2024**



Source of Data: National Treasury

### 3.3.1 External Debt Service

55. By the end of September 2024, the total cumulative debt service payments to external creditors amounted to KSh. 165.6 billion. This comprised of KSh. 93.3 billion (56.4 percent) principal and KSh. 72.2 billion (43.6 percent) interest (**Table 14**).



**FISCAL DEVELOPMENTS**

**Table 14: External Debt Service, July 2024 – September, 2024 (KSh. Million)**

CATEGORY	Sep-24		
	PRINCIPAL*	INTEREST*	TOTAL*
<b>BILATERAL</b>			
ABU DHABI	-	-	-
AUSTRIA	12.86	7.74	20.60
BELGIUM	446.26	34.31	480.57
CHINA	44,392.70	20,985.71	65,378.41
DENMARK	69.00	-	69.00
FINLAND	172.50	4.97	177.47
FRANCE	4,284.41	573.34	4,857.75
GERMANY	924.68	232.20	1,156.87
POLAND	-	-	-
INDIA	483.84	113.76	597.60
ISRAEL	384.69	62.89	447.57
ITALY	4,472.58	188.62	4,661.20
JAPAN	286.90	136.39	423.29
KOREA	28.69	4.43	33.12
KUWAIT	145.27	0.52	145.79
SAUDI ARABIA	6.54	0.91	7.45
SPAIN	385.66	40.56	426.22
USA	8,057.08	1,284.50	9,341.58
<b>TOTAL BILATERAL</b>	<b>64,553.65</b>	<b>23,670.85</b>	<b>88,224.49</b>
<b>MULTILATERAL</b>			
ADB/ADF	1,787.25	4,787.13	6,574.38
BADEA	85.79	15.24	101.03
EIB/EEC	894.45	255.44	1,149.89
IDA	9,197.55	4,543.40	13,740.95
OPEC	169.60	32.76	202.36
NDF	37.70	11.45	49.15
IFAD	284.84	67.89	352.74
IMF	-	-	-
IBRD	361.01	3,381.39	3,742.40
<b>TOTAL MULTILATERAL</b>	<b>12,818.20</b>	<b>13,094.70</b>	<b>25,912.90</b>
<b>COMMERCIAL</b>	<b>15,959.47</b>	<b>35,503.80</b>	<b>51,463.27</b>
<b>GRAND TOTAL</b>	<b>93,331.31</b>	<b>72,269.35</b>	<b>165,600.66</b>

\* Provisional

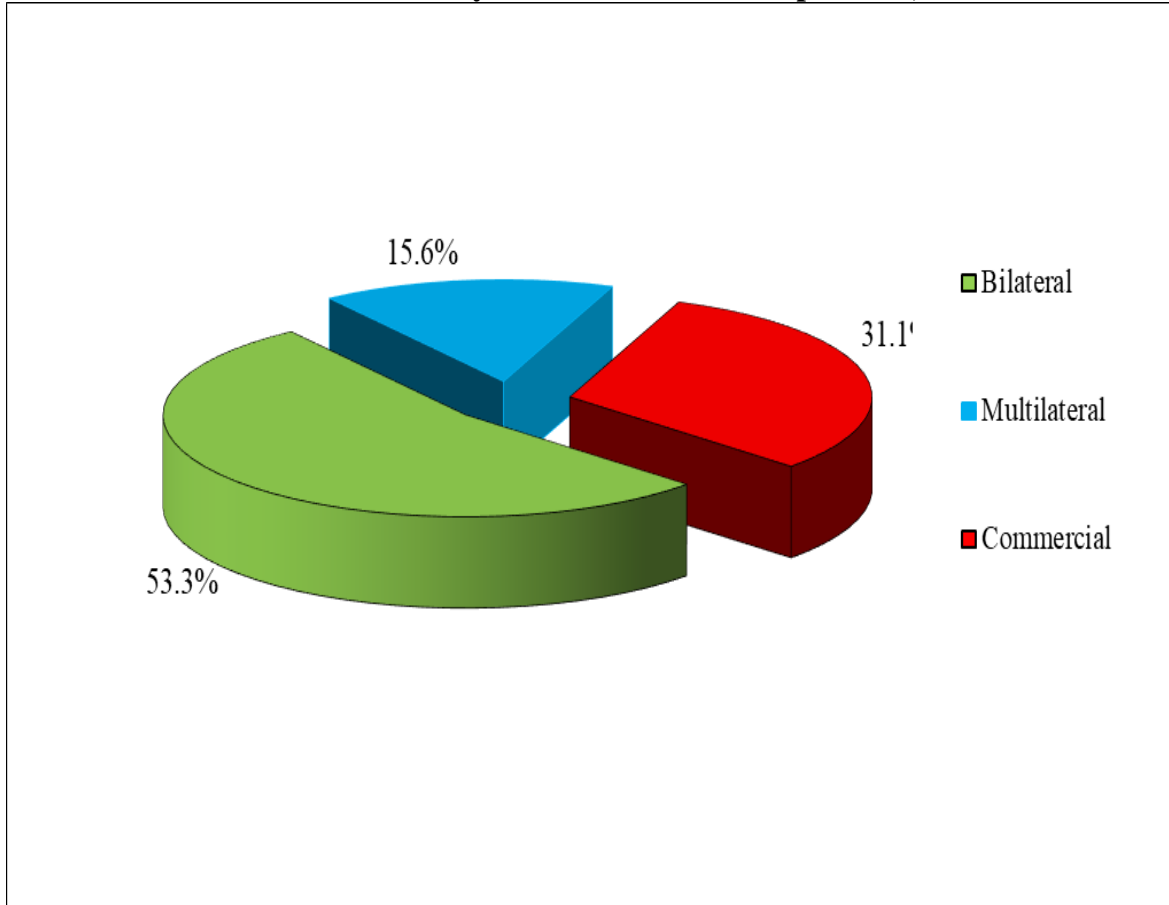
Source of Data: National Treasury

## FISCAL DEVELOPMENTS

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56. By the end of September 2024, the total cumulative debt service payments to external creditors comprised of 53.3 percent, 31.1 percent and 15.6 percent of the total payments to bilateral, commercial and multilateral creditors respectively (**Chart 16**).

**Chart 16: External Debt Service by Creditors at end of September, 2024**



Source of Data: National Treasury

## 4.0. ANNEXES

## 4.1. Annex I: Fiscal Results, 2018/19 – 2024/2025 (KSh. Millions)

REVENUE/EXPENDITURE/FINANCING	2022/23	2022/23	2022/23	2022/23	2023/24	2024/25	
	Printed Estimates	Revised Estimates	Revised II Estimates	Prel. Actual	Prel. Actual	Revised Estimates I	Printed Estimates
<b>A.TOTAL REVENUE</b>	<b>2,462,365</b>	<b>2,528,825</b>	<b>2,478,622</b>	<b>2,360,510</b>	<b>2,702,662</b>	<b>3,343,174</b>	<b>3,059,970</b>
<b>1.Ordinary Revenue</b>	<b>2,141,584</b>	<b>2,191,987</b>	<b>2,145,399</b>	<b>2,041,119</b>	<b>2,288,921</b>	<b>2,917,198</b>	<b>2,631,418</b>
Income Tax	997,340	1,004,340	982,140	941,576	1,043,097	1,230,196	1,180,303
VAT	584,666	587,666	580,616	550,440	645,489	812,230	723,783
Import Duty	144,876	145,876	142,676	130,123	133,929	187,407	160,038
Excise Duty	297,173	297,173	293,973	264,509	276,722	429,561	324,762
Other Revenue	117,529	156,931	145,994	154,472	189,685	257,804	242,532
<b>2.Appropriation –in –Aid</b>	<b>320,780</b>	<b>336,838</b>	<b>333,222</b>	<b>319,391</b>	<b>413,740</b>	<b>425,976</b>	<b>428,552</b>
<b>B.EXPENDITURE &amp; NET LENDING</b>	<b>3,358,601</b>	<b>3,384,261</b>	<b>3,366,561</b>	<b>3,221,001</b>	<b>3,605,209</b>	<b>3,992,003</b>	<b>3,880,824</b>
<b>1.Recurrent</b>	<b>2,270,982</b>	<b>2,351,819</b>	<b>2,367,671</b>	<b>2,311,564</b>	<b>2,678,437</b>	<b>2,841,941</b>	<b>2,826,240</b>
Wages and Salaries	537,155	539,552	539,552	547,157	575,269	613,647	600,587
Interest Payments	690,648	675,821	682,865	687,322	840,732	1,009,877	1,009,877
Domestic Interest	553,407	537,380	527,928	533,098	622,544	749,970	749,970
Foreign Interest Due	137,241	138,441	154,937	154,223	218,188	259,907	259,907
Pensions, etc	150,553	145,383	144,676	120,425	178,112	203,576	227,356
Civil Service Reform	-	-	-	-	-	-	-
O & M/ Others	828,870	927,307	915,571	895,717	797,427	731,193	704,772
Of which Appropriation-in-Aid	225,505	44,877	239,423	240,165	286,896	283,647	283,647
<b>2.Development &amp; Net Lending</b>	<b>676,583</b>	<b>594,097</b>	<b>560,545</b>	<b>493,663</b>	<b>546,385</b>	<b>701,523</b>	<b>596,353</b>
Development Projects	376,288	341,174	323,647	319,289	402,105	551,194	443,449
Appropriation-in-Aid	290,963	224,352	206,901	162,048	126,844	142,329	144,904
4. Transfer to County Governments	407,036	436,345	436,345	415,774	380,388	444,539	454,231
5. Parliamentary Service	28,695	28,695	38,260	41,187	37,257	-	-
6. Judicial Service	35,061	35,061	46,748	19,755	21,027	-	-
7. Net Lending	2,265	14,678	16,104	12,327	17,436	-	-
8. Equalization Fund	7,068	13,893	13,893	-	-	8,000	8,000
9. Contingency Fund	4,000	2,000	2,000	-	-	4,000	4,000
<b>D.DEFICIT EXCL. GRANTS (Commitment Basis)</b>	<b>(896,237)</b>	<b>(855,436)</b>	<b>(887,940)</b>	<b>(860,491)</b>	<b>(902,548)</b>	<b>(648,829)</b>	<b>(820,855)</b>
E.GRANTS	33,317	31,425	41,717	23,083	22,037	51,834	51,834
<b>F.DEFICIT INCL.GRANTS (Commitment Basis)</b>	<b>(862,920)</b>	<b>(824,011)</b>	<b>(846,223)</b>	<b>(837,408)</b>	<b>(880,511)</b>	<b>(596,994)</b>	<b>(769,020)</b>
G. ADJUSTMENT TO CASH BASIS	-	-	-	37,031	45,374	-	-
<b>H.DEFICIT INCL.GRANTS (Cash Basis)</b>	<b>(862,920)</b>	<b>(824,011)</b>	<b>(846,223)</b>	<b>(800,377)</b>	<b>(835,136)</b>	<b>(596,994)</b>	<b>(769,020)</b>
Discrepancy	0	-	-	(30,070)	(16,815)	-	-
<b>I.FINANCING</b>	<b>862,920</b>	<b>824,011</b>	<b>846,223</b>	<b>770,307</b>	<b>818,321</b>	<b>596,994</b>	<b>769,020</b>
Net Foreign Financing	280,730	395,757	362,665	310,759	222,749	333,816	355,927
Net Domestic Financing	582,190	428,254	483,558	459,548	595,572	263,178	413,093
<b>In Percentage of GDP</b>							
<b>A.TOTAL REVENUE</b>	<b>17.6</b>	<b>17.4</b>	<b>17.1</b>	<b>16.5</b>	<b>14.7</b>	<b>15.0</b>	<b>16.9</b>
<b>1.Ordinary Revenue</b>	<b>15.3</b>	<b>15.1</b>	<b>14.8</b>	<b>14.3</b>	<b>12.7</b>	<b>12.7</b>	<b>14.6</b>
Income Tax	7.1	6.9	6.8	6.6	5.8	5.8	6.5
VAT	4.2	4.0	4.0	3.9	3.4	3.6	4.0
Import Duty	1.0	1.0	1.0	0.9	0.8	0.7	0.9
Excise Duty	2.1	2.0	2.0	1.9	1.6	1.5	1.8
Other Revenue	0.8	1.1	1.0	1.1	1.0	1.1	1.3
<b>2.Appropriation –in –Aid</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>
<b>B. EXPENDITURE &amp; NET LENDING</b>	<b>24.0</b>	<b>23.3</b>	<b>23.2</b>	<b>22.6</b>	<b>20.0</b>	<b>20.0</b>	<b>21.5</b>
<b>1.Recurrent</b>	<b>16.2</b>	<b>16.2</b>	<b>16.3</b>	<b>16.2</b>	<b>14.4</b>	<b>14.8</b>	<b>15.7</b>
Wages and Salaries	3.8	3.7	3.7	3.8	3.4	3.2	3.3
Interest Payments	4.9	4.7	4.7	4.8	4.3	4.7	5.6
Domestic Interest	4.0	3.7	3.6	3.7	3.3	3.4	4.2
Foreign Interest Due	1.0	1.0	1.1	1.1	1.0	1.2	1.4
Pensions, etc	1.1	1.0	1.0	0.8	0.7	1.0	1.3
O & M/ Others	5.9	6.4	6.3	6.3	5.6	4.4	3.9
of which Appropriation-in-Aid	1.6	0.3	1.6	1.7	1.5	1.6	1.6
<b>2.Development &amp; Net Lending</b>	<b>4.8</b>	<b>4.1</b>	<b>3.9</b>	<b>3.5</b>	<b>3.1</b>	<b>3.0</b>	<b>3.3</b>
Development Projects	2.7	2.3	2.2	2.2	2.0	2.2	2.5
Appropriation-in-Aid	2.1	1.5	1.4	1.1	1.0	0.7	0.8
Payment of guaranteed loans	-	-	-	-	-	-	-
3. Drought Expenditures	-	-	-	-	-	-	-
4. Transfer to County Governments	2.9	3.0	3.0	2.9	2.6	2.1	2.5
5. Parliamentary Service	0.2	0.2	0.3	0.3	0.3	0.2	-
6. Judicial Service	0.3	0.2	0.3	0.1	0.1	0.1	-
7. Equalization Fund	0.1	0.1	0.1	-	0.1	0.1	-
<b>D.DEFICIT EXCL. GRANTS (Commitment Basis)</b>	<b>(6.4)</b>	<b>(5.9)</b>	<b>(6.1)</b>	<b>(6.0)</b>	<b>(5.6)</b>	<b>(3.6)</b>	<b>(4.5)</b>
E.GRANTS	0.2	0.2	0.3	0.2	0.1	0.3	0.3
<b>F.DEFICIT INCL.GRANTS (Commitment Basis)</b>	<b>(6.2)</b>	<b>(5.7)</b>	<b>(5.8)</b>	<b>(5.9)</b>	<b>(5.3)</b>	<b>(5.0)</b>	<b>(4.5)</b>
G.ADJUSTMENT TO CASH BASIS	-	-	-	0.3	0.1	0.1	0.3
<b>H.DEFICIT INCL.GRANTS (Cash Basis)</b>	<b>(6.2)</b>	<b>(5.7)</b>	<b>(5.8)</b>	<b>(5.6)</b>	<b>(5.2)</b>	<b>(4.9)</b>	<b>(4.3)</b>
<b>I.FINANCING</b>	<b>6.2</b>	<b>5.7</b>	<b>5.8</b>	<b>5.4</b>	<b>4.8</b>	<b>4.5</b>	<b>4.3</b>
Foreign Financing	2.0	2.7	2.5	2.2	1.9	1.2	2.0
Net Domestic Financing	4.2	2.9	3.3	3.2	2.9	3.3	2.3
Memorandum Item:							
Nominal GDP at Market price (KSh. million)	14,002,451.8	14,521,623.6	14,521,623.6	14,274,419.5	16,106,042	18,054,009	18,054,332.6

Source: National Treasury

## 4.2. GFSM 2014 COMPLIANT TABLES FOR BUDGETARY CENTRAL GOVERNMENT

### 4.2.1 Annex II: Revenue (KSh. Millions)

GFSM Code	Description	Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>
<b>1</b>	<b>Revenue</b>	<b>3,111,804</b>	<b>698,829</b>
11	Taxes	2,692,387	587,795
<b>111</b>	<b>Taxes on income, profits, and capital gains</b>	<b>1,244,523</b>	<b>274,848</b>
1111	Payable by individuals	685,960	152,579
1112	Payable by corporations and other enterprises	558,563	122,268
<b>114</b>	<b>Taxes on goods and services</b>	<b>1,194,240</b>	<b>257,911</b>
1141	General taxes on goods and services	751,449	153,127
11411	Value-added taxes	723,783	151,332
11414	Taxes on financial and capital transactions <sup>1</sup>	27,666	1,795
1142	Excises <sup>2</sup>	442,791	104,784
<b>115</b>	<b>Taxes on international trade and transactions</b>	<b>253,624</b>	<b>55,036</b>
1151	Customs and other import duties <sup>3</sup>	253,330	54,866
1152	Taxes on exports	295	171
<b>12</b>	<b>Social contributions</b>	<b>640</b>	<b>50</b>
<b>122</b>	<b>Other social contributions</b>	<b>640</b>	<b>50</b>
1221	Employee contributions	640	50
<b>13</b>	<b>Grants</b>	<b>51,834</b>	<b>1,353</b>
131	From foreign governments	51,834	1,353
1311	Current		
1312	Capital	51,834	1,353
132	From international organizations	-	-
1321	Current		
1322	Capital	-	-
<b>14</b>	<b>Other revenue</b>	<b>366,942</b>	<b>109,631</b>
<b>141</b>	<b>Property income</b>	<b>107,315</b>	<b>48,412</b>
1411	Interest	1,622	-
1412	Dividends	104,340	44,428
1415	Rent	1,354	3,984
<b>142</b>	<b>Sales of goods and services</b>	<b>253,291</b>	<b>59,570</b>
1422	Administrative fees	253,291	59,570
<b>143</b>	<b>Fines, penalties, and forfeits</b>	<b>2,829</b>	<b>547</b>
<b>144</b>	<b>Miscellaneous and unidentified revenue</b>	<b>3,507</b>	<b>1,101</b>

1. Includes Capital Gains Tax and Stamp duty

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

3. Includes Import duty, RDL, IDF

Source: National Treasury

## 4.2.2. Annex III: Expense (KSh. Millions)

Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1
<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>
<b>Expense</b>	<b>3,798,021</b>	<b>877,828</b>
<b>Compensation of employees</b>	<b>641,773</b>	<b>155,026</b>
Wages and salaries	600,587	143,459
<b>Social contributions</b>	<b>41,186</b>	<b>11,567</b>
Actual social contributions	41,186	11,567
<b>Use of goods and services</b>	<b>359,242</b>	<b>52,369</b>
O/W Free Secondary Education (FSE)	67,084	14,146
Free Primary Education (FPE)	11,066	1,624
<b>Interest</b>	<b>1,009,877</b>	<b>249,103</b>
To nonresidents	259,907	72,269
To residents other than general government	749,970	176,834
<b>Subsidies</b>	<b>27,000</b>	<b>3,087</b>
To public corporations		
To private enterprises	27,000	3,087
<b>Grants</b>	<b>1,561,242</b>	<b>359,591</b>
<b>To international organizations</b>	<b>29,057</b>	<b>1,132</b>
Current	29,057	1,132
Capital		
<b>To other general government units</b>	<b>1,532,185</b>	<b>358,459</b>
Current	955,021	221,435
O/W Transfer to County Governments (ES)	287,584	44,517
Transfer to Other levels of Government (Includes transfers to SOEs)	667,437	176,919
Capital	577,164	137,024
O/W Transfer to County Governments (ES)	123,250	19,079
Transfer to Other levels of Government (Includes transfers to SOEs)	453,914	117,945
<b>Social benefits</b>	<b>186,886</b>	<b>58,652</b>
Social Assistance Benefits	-	-
Employer social benefits	186,886	58,652
<b>Other expense</b>	<b>12,000</b>	<b>-</b>
Miscellaneous other expense	12,000	-

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
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>
<b>3</b>	<b>Change in Net Worth: Transactions</b>	<b>(676,843)</b>	<b>(32,016)</b>
<b>31</b>	<b>Net acquisition of nonfinancial assets</b>	<b>82,803</b>	<b>12,415</b>
<b>311</b>	<b>Fixed assets</b>	<b>82,803</b>	<b>12,415</b>
3111	Buildings and structures	81,092	12,159
3113	Other fixed assets	1,711	256
<b>32</b>	<b>Net acquisition of financial assets</b>	<b>4,687</b>	<b>64,334</b>
3212	Currency and deposits (Domestic)	4,687	64,334
<b>33</b>	<b>Net incurrence of liabilities</b>	<b>764,333</b>	<b>108,765</b>
<b>331</b>	<b>Domestic</b>	<b>408,406</b>	<b>165,068</b>
3313	Securities other than shares	408,406	235,057
3314	Loans	-	(61,147)
3318	Other Accounts Payable	-	(8,842)
<b>332</b>	<b>Foreign</b>	<b>355,927</b>	<b>(56,302)</b>
3323	Securities other than shares	168,750	-
3324	Loans	187,177	(56,302)

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 Q1
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>
	<b>Cash Flows from Operating Activities:</b>		
<b>1</b>	<b>Cash receipts from operating activities</b>	<b>3,111,804</b>	<b>698,829</b>
11	Taxes	2,692,387	587,795
12	Social contributions	640	50
13	Grants	51,834	1,353
14	Other receipts	366,942	109,631
<b>2</b>	<b>Cash payments for operating activities</b>	<b>3,798,021</b>	<b>877,828</b>
21	Compensation of employees	641,773	155,026
22	Purchases of goods and services	359,242	52,369
24	Interest	1,009,877	249,103
25	Subsidies	27,000	3,087
26	Grants	1,561,242	359,591
27	Social benefits	186,886	58,652
28	Other payments	12,000	-
	<b>Net cash inflow from operating activities</b>	<b>(686,217)</b>	<b>(178,999)</b>
	<b>Cash Flows from Investments in Nonfinancial Assets (NFAs):</b>		
<b>31A</b>	<b>Purchases of nonfinancial assets</b>	<b>82,803</b>	<b>12,415</b>
311A	Fixed assets	82,803	12,415
<b>31</b>	<b>Net cash outflow: investments in NFAs (31=31.1-31.2)</b>	<b>82,803</b>	<b>12,415</b>
	<b>Cash surplus / deficit</b>	<b>(769,020)</b>	<b>(191,414)</b>
	<b>Cash Flows from Financing Activities:</b>		
32x	Net acquisition of financial assets other than cash	4,687	64,334
321x	Domestic	4,687	64,334
322x	Foreign		
<b>33</b>	<b>Net incurrence of liabilities</b>	<b>764,333</b>	<b>108,765</b>
331	Domestic	408,406	165,068
332	Foreign	355,927	(56,302)
<b>NFB</b>	<b>Net cash inflow from financing activities</b>	<b>769,020</b>	<b>173,099</b>
	<b>Net change in the stock of cash</b>	<b>0</b>	<b>(18,315)</b>
	<b>Statistical Discrepancy<sup>4</sup></b>		

<sup>4</sup>/Vertical check: Difference between cash surplus/deficit and total net cash inflow from financing activities

Source: National Treasury

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

Description	Annual Budget Estimates FY2024/25	Prel. Actual FY2024/25 Q1
<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>
<b>Transactions Affecting Net Worth:</b>		
<b>Revenue</b>	<b>3,111,804</b>	<b>698,829</b>
Taxes	2,692,387	587,795
Social contributions	640	50
Grants	51,834	1,353
Other revenue	366,942	109,631
<b>Expense</b>	<b>3,798,021</b>	<b>877,828</b>
Compensation of employees	641,773	155,026
Use of goods and services	359,242	52,369
Interest	1,009,877	249,103
Subsidies	27,000	3,087
Grants	1,561,242	359,591
Social benefits	186,886	58,652
Other expense	12,000	-
<b>Gross operating balance</b>	<b>(686,217)</b>	<b>(178,999)</b>
<b>Net operating balance</b>	<b>(686,217)</b>	<b>(178,999)</b>
<b>Transactions on Nonfinancial Assets:</b>		
<b>Net Acquisition of Nonfinancial Assets</b>	<b>82,803</b>	<b>12,415</b>
Fixed assets	82,803	12,415
Change in inventories	-	-
Nonproduced assets	-	-
<b>Net lending / borrowing</b>	<b>(769,020)</b>	<b>(191,414)</b>
<b>Transactions on Financial Assets and Liabilities (Financing):</b>	<b>769,020</b>	<b>173,099</b>
<b>Net acquisition of financial assets</b>	<b>4,687</b>	<b>64,334</b>
Domestic	4,687	64,334
Foreign		
<b>Net incurrence of liabilities</b>	<b>764,333</b>	<b>108,765</b>
Domestic	408,406	165,068
Foreign	355,927	(56,302)
<b>Statistical Discrepancy</b> <sup>5</sup>	-	<b>(18,315)</b>

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

Source: National Treasury