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QUARTERLY DEBT STATISTICAL BULLETIN AND PUBLIC DEBT PORTFOLIO
ANALYSIS

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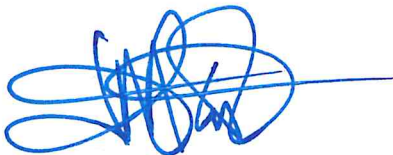
FOREWORD

Government of Uganda through the Ministry of Finance, Planning and Economic Development prepares and publishes the Quarterly Debt Statistical Bulletins (DSB) in compliance with the provisions of the Public Debt and other Financial Liabilities Management Framework (PDMF) 2018.

The Debt Statistical Bulletin is an important instrument for dissemination of public debt statistics. It enhances transparency and accountability for debt policy, management and operations. In addition, this publication provides a consistency check and accurate data on public debt.

I therefore commend this bulletin for use by the investors in Government debt instruments, Development Partners (DPs) and the general public.

For God and My Country



Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

PREFACE

This bulletin is the 27th in a series of publications of the debt statistics of the Republic of Uganda's debt management office and contains statistics up to the period ending December 2021. As public debt stock continues to grow, it calls for regular, timely and accurate reporting of debt statistics to ensure Government accountability and transparency of the borrowed funds.

In line with international good practices, the Ministry on a quarterly basis compiles and publishes Public Debt Statistics with the objectives highlighted below:

- a) To provide accurate, comprehensive, consistent, dependable, timely and internationally comparable debt statistics.
- b) To provide the debt status of the country, enhance policy making, transparency, accountability, and effective debt management for sustainable economic growth.
- c) To disseminate debt statistics i.e., parameters of external and domestic debt to policymakers, the general public, government officials, international organizations, investors in debt securities and other stakeholders for research and informed decision making.

This bulletin will enable more informed and effective policy formulation as well as decision-making by Government and other stakeholders. It will serve as Government's instrument for promoting financial accountability and transparency in the public sector, to create more public debt awareness among stakeholders, in Uganda and beyond.

A copy of this bulletin is available on the Ministry of Finance, Planning and Economic Development website www.finance.go.ug. We therefore invite all readers with valuable feedback mailed to DPI@finance.go.ug to facilitate improvements of future editions.



Maris Wanyera
ACTING DIRECTOR, DEBT AND CASH POLICY

LIST OF ACRONYMS

ADF	African Development Fund
AFD	French Development Agency
ATM	Average Time to Maturity
ATR	Average Time to Refixing
BC	Bilateral Creditor
BOU	Bank of Uganda
DD	Domestic Debt
DDCP	Directorate of Debt and Cash Policy
DeMPA	Debt Management and Performance Assessment
DMFAS	Debt Management and Financial Analysis System
DOD	Debt Disbursed and Outstanding (Debt Stock)
DPID	Debt Policy and Issuance Department
EBUs	Extra Budgetary Units
FV	Face Value
GDP	Gross Domestic Product
IDA	International Development Assistance
IDB	Islamic Development Bank
MC	Multilateral Creditor
MEPD	Macro-Economic Policy Department
MoFPED	Ministry of Finance, Planning and Economic Development
PB	Private Banks
PPAs	Power Purchase Agreements
PTA	Preferential Trade Area
SOEs	State Owned Enterprises
UDBL	Uganda Development Bank Ltd
UEDCL	Uganda Electricity Distribution Company Ltd
UEGCL	Uganda Electricity Generation Company Ltd
US	United States

CURRENCIES

AED	United Arab Emirates Dirham
AFU	African Unit of Accounting
CHF	Swiss Franc
CNY	Chinese Yuan
DKK	Danish Krone
EUR	Euro
GBP	British Pound Sterling
IDI	Islamic Dinar
JPY	Japanese Yen
KRW	Korea (South) Won
KWD	Kuwait Dinar
NOK	Norwegian Krone
SAR	Saudi Arabia Riyal
SDR	Special Drawing Rights
SEK	Swedish Krone
UGX	Uganda Shillings
USD	United States Dollar

PART 1: GENERAL INFORMATION

Management of public debt has significant implications on Government's budget and balance sheet. To achieve positive outcomes from a prudent public debt management, it is important to record debt statistics and analyse them in a timely and consistent manner with a wide scope as indicated below,

a) Scope:

- i) Central Government external debt
- ii) Central Government Domestic debt
- iii) Central Government Contingent liabilities
- iv) Total Central Government debt portfolio analysis

b) Data Source and Conversion of Debt Data to the Functional Currency:

Much of the external debt data specified in this bulletin is from the Debt Management and Financial Analysis System (DMFAS). The System is used to record all new Government loans, disbursements, debt service, loan guarantees and on-lent loans. The data is recorded as and when the transactions happen and are reconciled between the Bank of Uganda and MOFPED to ensure accurate recording and therefore credible statistics.

Despite different loans being contracted in different currencies, the data is converted into a common currency, usually the US dollar or Ugandan Shillings as follows:

- i) To convert stock figures into US dollars or Ugandan Shillings, the end period exchange rate is used; and,
- ii) To convert flow figures into US dollars or Ugandan Shillings, the day's exchange rate as at the day of the transaction is used.

c) Exchange Rates:

The exchange rates used for compiling debt data are obtained from the BoU (Daily Transaction Exchange Rates).

PART 2: MACROECONOMIC OVERVIEW

Table 1¹: Key Macroeconomic Indicators

	Jun-21	Sep-21	Dec-21
Headline	1.5	2.1	2.5
Core	2.3	2.3	2.5
Exchange rate (Shs/ US \$)			
End of Period	3,556.71	3,542.67	3,544.41
Period Average	3,573.03	3,539.80	3,561.77
Reserves			
Gross foreign exchange reserves (US \$ millions)	4,139.69	4,418.59	4,328.68
Gross foreign exchange reserves (months of imports)	4.4	4.5	4.2
Fiscal Statistics (Billion Shs)			
Revenue	5,390.1	4,502.3	5,710.7
Expenditure	9,538.2	7,116.8	7,394.7
Deficit	(4,148.1)	(2,614.5)	(1,684.0)
Total Debt Stock (Billions US \$)	19.5	20.1	20.74
External Debt Stock (US \$ Billions)	12.3	12.5	12.90
Domestic Debt Stock (US \$ Billions)	7.2	7.6	7.84
Total Debt Stock (Shs Trillions)	69,215.52	71,222.47	73,495.67
External Debt Stock (Shs Billions)	43,764.42	44,177.47	45,722.28
Domestic Debt Stock (Shs Billions)	25,451.10	27,045.00	27,773.40
Quarterly Gross Domestic Product (GDP)			
GDP (Billion Shs)	37,112.2	36,054.2	-
GDP (Billions US \$)	10.4	10.2	-
Interest Rates (%)			
Central Bank Rate	6.8	6.5	6.5
Lending Rate	18.2	17.9	19.4
Time Deposit Rate	8.3	8.4	8.0
91-Day Treasury Bill (TB)	7.1	7.2	6.7
182- Day TB	9.7	8.8	8.7
364- Day TB	10.8	9.9	10.4
2 Year Treasury Bond	12.3	10.0	11.0
3 Year	12.8	11.4	13.1
5 Year	16.6	13.4	13.7
10 Year	14.4	13.5	14.0
15 Year	14.4	14.1	15.5
20 Year	17.4	16.0	15.7

Source: MoFPED and BOU

¹ Quarter 2 GDP figures will be updated in the next issue of the Bulletin because they have not yet been produced by UBOS

Table 2²: Public Debt Cost and Risk Indicators

		Jun-21			Sep-21			Dec-21		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		29.5	17.2	46.7	29.9	18.3	48.1	30.9	18.8	49.7
PV as % of GDP		20.4	17.2	37.6	20.6	18.3	38.9	21.8	18.8	40.5
Cost of debt	Interest payment as % GDP	0.40	2.40	2.8	0.44	2.46	2.9	0.49	2.56	3.1
	Weighted Av. IR (%)	1.5	13.9	6.0	1.5	13.5	6.0	1.6	13.6	6.1
Refinancing risk	ATM (years)	11.8	5.5	9.4	11.7	5.6	9.4	11.4	6.0	9.4
	Debt maturing in 1yr (% of total)	3.3	30.0	13.1	3.9	29.1	13.4	4.2	25.7	12.3
	Debt maturing in 1yr (% of GDP)	1.0	5.2	6.1	1.2	5.3	6.5	1.3	4.8	6.1
Interest rate risk	ATR (years)	10.9	5.5	8.9	10.9	5.6	8.9	10.4	6.0	8.8
	Debt refixing in 1yr (% of total)	21.4	30.0	24.6	21.7	29.1	24.5	24.2	25.7	24.8
	Fixed rate debt (% of total)	80.9	100.0	87.9	80.8	100.0	88.1	78.3	100.0	86.5
FX risk	FX debt (% of total debt)			63.2	0.0	21.4	62.0			62.2
	STFX debt (% of reserves)			9.8			10.9			12.5

Source: MoFPED, DPID

PART 3: EXTERNAL DEBT STATISTICS

Table 3a : External Debt Stock by Creditor Type, Billion USD

Creditor Type	Jun-21		Sep-21		Dec-21	
	Stock	%	Stock	%	Stock	%
Bilateral Creditors (BC)	3.52	28.60	3.51	28.18	3.56	27.59
Non Paris Club	2.7	21.93	2.6	21.23	2.7	20.8
Paris Club	0.8	6.67	0.9	6.95	0.9	6.8
Multilateral Creditors (MC)	7.70	62.61	7.87	63.15	7.89	61.2
Major Multilaterals 1	5.8	47.08	6.7	53.91	6.7	52.0
Other Multilaterals	1.9	15.53	1.2	9.23	1.2	9.2
Private Bank (PB)	1.08	8.78	1.08	8.68	1.45	11.2
Other Financial Institutions	1.08	8.78	1.08	8.68	1.45	11.2
Grand Total	12.30	100.00	12.47	100.00	12.90	100.0

Source: MoFPED, DPI

² The GDP numbers used to compute the debt to GDP ratio for December 2021 were annual numbers published for FY2020/21

³ The major multilaterals include International Development Association (IDA) and African Development Fund (AfDF).

Table 3b: External Debt Stock by Concessionality Type

Concessionality	Debt stock by Concessionality			Share of Debt stock by Concessionality		
	Jun-21	Sep-21	Dec-21	Jun-21	Sep-21	Dec-21
Concessional	7.1	7.3	7.3	57.7%	58.36%	56.50%
Semi concessional	2.7	2.7	2.5	22.0%	21.68%	19.38%
Non Concessional	2.5	2.5	3.1	20.3%	19.96%	24.12%
Total debt stock	12.3	12.5	12.9	100.0%	100.0%	100.0%

Source: MoFPED, DPI

Table 3c: Central Government External Debt Outstanding and Transaction by Creditor Type, Billion USD

Creditor Type	Disbursement in Q1, FY 2021/22	Principal operations in Q1, FY 2021/22	Exchange rate variation/other adjustment	Total outstanding debt stock as at 30.09.2021	Disbursement in Q2, FY 2021/22	Principal operations in Q2, FY 2021/22	Exchange rate variation/other adjustment	Total outstanding debt stock as at 31.12.2021
Bilateral Creditors (BC)	0.06	0.11	0.05	3.51	0.05	0.02	0.01	3.56
Non Paris Club	0.04	0.11	0.02	2.65	0.04	0.00	0.01	2.69
Paris Club	0.02	0.01	0.03	0.87	0.02	0.02	0.00	0.87
Multilateral Creditors (MC)	0.23	0.04	(0.02)	7.87	0.12	0.03	(0.06)	7.89
Major Multilaterals 1	0.21	0.04	0.76	6.72	0.07	0.02	(0.07)	6.71
Other Multilaterals	0.02	0.01	(0.77)	1.15	0.05	0.01	0.01	1.19
Private Bank (PB)	0.00	0.02	0.02	1.08	0.40	0.00	(0.03)	1.45
Other Financial Institutions	0.00	0.02	0.02	1.08	0.40	0.00	(0.03)	1.45
Grand Total	0.29	0.17	0.05	12.47	0.57	0.05	(0.09)	12.90

Source: MoFPED, DPID

Table 4a: SDR Undecomposed, External Debt Stock by Currency Composition Billion USD

	Jun-21		Sep-21		Dec-21	
	Stock	%	Stock	%	Stock	%
USD	3.66	29.74	3.73	29.89	3.99	30.94
EUR	2.15	17.44	2.13	17.07	2.33	18.06
JPY	0.42	3.40	0.43	3.43	0.41	3.16
Others 1	0.34	2.78	0.34	2.72	0.34	2.61
SDR	5.37	43.64	5.49	44.01	5.46	42.34
CNY	0.37	3.00	0.36	2.88	0.37	2.89
Grand Total	12.30	100.00	12.47	100.00	12.90	100.00

Source: MoFPED, DPID

Table 4b⁴: SDR Decomposed, External Debt Stock by Currency Composition Billion USD

	Jun-21		Sep-21		Dec-21	
	Stock	%	Stock	%	Stock	%
USD	5.90	47.96	6.02	48.25	6.27	48.60
EUR	3.81	30.94	3.83	30.68	4.02	31.16
JPY	0.87	7.03	0.89	7.10	0.86	6.69
Others 1	0.78	6.31	0.78	6.28	0.78	6.03
CNY	0.96	7.76	0.96	7.69	0.97	7.51
Total	12.30	100.00	12.47	100.00	12.90	100.00

Source: MoFPED, DPI

⁴ Other currencies include United Arab Emirates dirham (AED), Korean won (KRW), Iraqi Dinar (IQD), Saudi riyal (SAR), British pound sterling (GBP), Islamic Dinar (IDI).

Table 5: External Debt Portfolio Currencies and end month Exchange Rates

Currency	UGX/Currency			Currency/USD		
	Jun-21	Sep-21	Dec-21	Jun-21	Sep-21	Dec-21
United Arab Emirates Dirham (AED)	973.03	968.95	970.39	3.67	3.67	3.67
African Unit of Account (AFU)	5,099.45	5,030.92	4,988.56	0.70	0.71	0.71
Swiss Franc (CHF)	3,889.51	3,832.34	3,901.81	0.92	0.93	0.91
China Yuan (CNY)	553.65	550.96	559.72	6.46	6.46	6.37
Danish Krone (DKK)	573.48	558.76	543.92	6.23	6.37	6.55
Euro (EUR)	4,264.49	4,151.90	4,045.28	0.84	0.86	0.88
Pound Sterling (GBP)	4,962.61	4,818.05	4,806.88	0.72	0.74	0.74
Islamic Dinar (IDI)	5,099.45	5,030.92	4,988.56	0.70	0.71	0.71
Japanese Yen (JPY)	32.33	31.93	31.01	110.54	111.45	114.94
Korea (South) Won (KRW)	3.16	3.00	3.01	1,130.63	1,187.18	1,185.66
Kuwait Dinar (KWD)	11,869.65	11,798.35	11,781.64	0.30	0.30	0.30
Norwegian Krone (NOK)	418.93	411.10	405.94	8.53	8.66	8.78
Saudi Arabia Riyal (SAR)	952.98	948.81	949.39	3.75	3.75	3.75
Special Drawing Rights (SDR)	5,099.45	5,030.92	4,988.56	0.70	0.71	0.71
Swedish Krone (SEK)	420.00	406.98	394.24	8.51	8.75	9.04
Uganda Shillings (UGX)	1.00	1.00	1.00	3,574.07	3,559.09	3,564.30

Source: MoFPED, DPID

Table 6 : External Debt Stock by Interest Rate Type, Billion USD

Interest Rate Type	Jun-21		Sep-21		Dec-21	
	Stock	%	Stock	%	Stock	%
Fixed Interest Debt	9.18	74.58	9.31	74.63	8.91	69.09
Bilateral	2.42	19.65	2.38	19.12	2.40	18.59
Multilateral	6.76	54.93	6.92	55.51	6.51	50.50
Private Bank	-	-	-	-	0.00	0.00
Variable Interest Debt	2.13	17.31	2.39	19.20	2.80	21.70
Bilateral	1.10	8.95	1.13	9.05	1.16	9.00
Multilateral	0.17	1.40	0.19	1.50	0.19	1.51
Private Bank	0.86	6.95	1.08	8.65	1.44	11.19
No Interest Rate	1.00	8.11	0.77	6.17	1.19	9.21
Bilateral	-	-	-	-	-	-
Multilateral	0.77	6.28	0.77	6.14	1.18	9.18
Private Bank	0.22	1.83	-	0.03	0.00	0.02
Total	12.30	100.00	12.47	100.00	12.90	100.00

Source: MoFPED, DPID

Table 7: Actual External Debt Service, Million USD

Creditor Type	July - September 2021					September - December 2021				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
Bilaterals	79.38	33.79	1.74	114.91	66.00	15.25	2.26	0.20	17.70	26.11
Paris Club	5.87	1.37	0.22	107.45	61.71	0.24	0.30	0.00	0.54	0.80
Non Paris Club	73.51	32.42	1.52	7.46	4.29	15.00	1.96	0.20	17.16	25.31
	0.00	0.00	0.00	0.00						
Multilaterals	28.21	12.71	0.50	41.41	23.78	32.52	10.28	0.68	43.48	64.12
Major	23.60	11.54	0.17	35.32	20.28	18.69	7.97	0.58	27.24	40.17
Other	4.61	1.16	0.32	6.09	3.50	13.83	2.31	0.11	16.24	23.95
	0.00	0.00	0.00	0.00						
Private Banks	0.00	8.92	8.88	17.80	10.22	1.14	5.36	0.12	6.62	9.77
Other financial institutions	0.00	8.92	8.88	17.80	10.22	1.14	5.36	0.12	6.62	9.77
Grand Total	107.59	55.42	11.12	174.12	100.00	48.91	17.89	1.00	67.80	100.00

Source: MoFPED, DPID

Table 8: External Undisbursed Debt, Billion USD

	Jun-21		Sep-21		Dec-21	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	1.99	34.00	1.89	32.32	1.24	28.15
Non Paris Club	0.79	13.56	0.71	12.14	0.68	15.41
Paris Club	1.20	20.45	1.18	20.17	0.56	12.74
Multilateral	3.80	64.93	3.68	62.91	3.12	70.85
Major Creditors	1.75	29.95	2.43	41.56	1.88	42.71
Other Multilaterals	2.05	34.98	1.25	21.34	1.24	28.14
Private Bank	0.06	1.07	0.28	4.78	0.04	1.00
	0.06	1.07	0.28	4.78	0.04	1.00
Total	5.85	100.00	5.86	100.00	4.40	100.00

Source: MoFPED, DPID

Table 9 : Gross Public and Private External Debt Position (Million USD)

	Dec-20	Mar-21	Jun-21
General Government	12,022.16	11,958.73	12,998.47
Short-term	9.03	42.68	106.73
Currency and deposits	-	-	-
Debt securities	9.03	42.68	106.73
Loans	-	-	-
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Long-term	12,013.14	11,916.05	12,891.75
Special drawing rights (allocations) 2	-	-	-
Currency and deposits	-	-	-
Debt securities	464.25	504.67	663.12
Loans	11,548.89	11,411.38	12,228.63
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Central Bank	608.97	599.05	608.93
Short-term	-	-	-
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	-	-	-
Long-term	608.97	599.05	608.93
Special drawing rights (allocations)2	249.29	245.21	249.25
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	359.68	353.84	359.68
Deposit-Taking Corporations, except the Central Bank	631.85	632.69	616.98
Short-term	184.42	180.04	204.11
Currency and deposits	184.42	180.04	204.11
Debt securities	-	-	-
Long-term	447.43	452.66	412.87
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	447.43	452.49	412.68
Other Sectors	1,546.29	1,537.38	1,752.72
Short-term	971.87	981.15	1,205.59
Loans	878.21	886.13	898.29
Trade credit and advances	93.66	95.02	307.30
Other debt liabilities 1	-	-	-
Long-term	574.43	556.23	547.13
Loans	574.43	556.23	547.13
Direct Investment: Intercompany Lending	2,898.23	2,996.37	3,050.80
Debt liabilities of direct investment enterprises to direct investors	2,898.23	2,996.37	3,050.80
Debt liabilities of direct investors to direct investment enterprises	-	-	-
Debt liabilities to fellow enterprises	-	-	-
Gross External Debt Position	17,707.51	17,724.23	19,027.91

Source: BOU

1) Other liabilities comprise of insurance, pension and standardised guarantee scheme and other accounts payable.

2) SDR allocation should be reported as long-term external debt liabilities.

3) This table has been published with lags of two quarters, it will be updated as data becomes available

PART 4: CONTINGENT LIABILITIES

Table 10: Guaranteed Debt Stock as at End-December 2021

Beneficiary	Project	Creditor	Guaranteed Amount	Tenure (Years)	Disbursed & Outstanding (USD)		Exposure Dec 2021	Performance
					Dec 2020	Dec-21		
Islamic University in Uganda	Student's hostel	Islamic Development Bank (IDB)	4,302,676	25	2,223,673	2,127,064	348,368	In arrears. The university has not met its repayment obligation since June 2020
Islamic University in Uganda	Student's hostel project additional financing	Islamic Development Bank (IDB)	983,888	20	718,990	685,518	72,773	In arrears. The university has not met its repayment obligation since June 2020
Islamic University in Uganda	Constructing faculty of engineering, upgrade the library and purchase ICT equipment	Islamic Development Bank (IDB)	13,790,000	18	100,000	100,000	-	Delayed disbursement
Uganda Development Bank Limited	Private sector projects and trade transaction in the Republic of Uganda	BADEA (Private Sector Development)	6,000,000	10	4,874,900	4,124,900		On schedule
Uganda Development Bank Limited	Private sector projects and trade transaction in the Republic of Uganda	Islamic Development Bank (IDB)	10,000,000	8	2,378,758	1,863,382		On schedule
Uganda Development Bank Limited	On-lending exclusively to eligible projects in various sectors in Uganda including in priority targeted sectors.	African Development Bank	15,000,000	10	15,000,000	14,062,500		On-schedule repayment starts in 2021
Uganda Development Bank Limited	To finance import of goods and services from India.	Exim India	5,000,000	7	3,052,857	3,928,471		On schedule
TOTAL			55,076,564		28,349,178	26,891,835	421,141	

Source: DPI, MoFPED

Table 11⁷: Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs, UGX Trillions

Amount (UGX Millions)	Financial Years	
	Jun-20	Jun-21
Domestic Borrowing	93,436	132,792
External Borrowing	611,754	146,306
Other debt (including lease contracts and overdrafts)	1,945,102	1,596,151
GoU On-Lent	7,623,475	5,210,151
Liabilities from grants and GoU contributions	3,239,667	304,227
Total outstanding debt excluding GoU on-lent loans	2,650,293	1,875,249
Total debt including GoU on-lent loans	10,273,768	7,085,400
Debt ratio (Total debt/total assets)[1]	46.54%	47.82%

Source: MoFPED, DPID

⁷ The Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs is reported on an annual basis - This analysis is conducted on 93% of total entities and does not include those such as UTL, due to unavailability of information.

PART 5: DOMESTIC DEBT STATISTICS

Table 12: Domestic Debt Stock at Original Maturity, Billion Shillings

Instruments Maturity period	Jun-21				Sep-21				Dec-21			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	74.8	75.4	76.0	0.3%	121.4	122.4	123.5	0.4%	110.4	111.3	112.2	0.4%
182	398.3	408.6	418.3	1.6%	439.7	449.0	459.5	1.6%	416.5	604.6	434.2	1.5%
364	5,253.7	5,594.4	5,892.7	20.6%	5,217.7	5,539.5	5,821.2	19.3%	4,726.5	4,823.7	5,242.5	17.0%
Total Bills	5,726.7	6,078.3	6,387.0	22.5%	5,778.8	6,110.9	6,404.2	21.4%	5,253.4	5,539.6	5,789.0	18.9%
2	1,198.6	1,477.0	1,244.9	4.7%	1,398.6	1,724.9	1,444.9	5.2%	1,456.1	1,754.2	1,502.0	5.2%
3	1,797.0	2,152.7	1,838.0	7.1%	2,030.2	2,402.9	2,038.0	7.5%	2,206.9	2,598.1	2,191.9	7.9%
5	4,489.4	4,021.6	4,470.3	17.6%	4,588.9	4,060.3	4,546.9	17.0%	4,614.1	4,155.6	4,543.7	16.6%
10	6,644.8	7,079.5	6,448.9	26.1%	7,086.8	7,523.8	6,810.5	26.2%	7,206.3	7,656.1	6,923.3	25.9%
15	4,560.1	4,809.0	4,632.0	17.9%	4,827.0	5,001.7	4,861.0	17.8%	5,101.8	5,363.2	5,107.7	18.4%
20	1,034.5	1,050.3	1,017.7	4.1%	1,334.8	1,411.3	1,287.1	4.9%	1,934.8	1,963.1	1,808.8	7.0%
Total Bonds	19,724.4	20,590.1	19,651.8	77.5%	21,266.2	22,124.8	20,988.3	78.6%	22,520.0	23,490.3	22,077.5	81.1%
Total Stock	25,451.1	26,668.4	26,038.8	100.0%	27,045.1	28,235.7	27,392.5	100.0%	27,773.4	29,030.0	27,866.5	100.0%

Source: MoFPED, DPID

Table 13: Stock of Government Securities at Cost by Holder, Billion Shillings

Holder Category	Jun-21		Sep-21		Dec-21	
	Cost	% Cost	Cost	% Cost	Cost	% Cost
Banks	4,527.8	17.8%	4,571.5	16.9%	4,077.0	14.7%
Pension & Provident Funds	68.9	0.3%	167.9	0.6%	53.0	0.2%
Offshore	340.4	1.3%	372.9	1.4%	348.1	1.3%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%
Insurance companies	120.6	0.5%	101.1	0.4%	95.3	0.3%
Other financial institutions	266.7	1.1%	212.4	0.8%	231.1	0.8%
Retail	151.4	0.6%	148.6	0.5%	127.6	0.5%
Other	250.9	1.0%	204.5	0.8%	321.3	1.2%
Total Bills	5,726.7	22.5%	5,778.8	21.4%	5,253.4	18.9%
Banks	5,179.4	20.4%	5,762.3	21.3%	6,283.7	22.6%
Pension & Provident Funds	8,753.8	34.4%	8,793.5	32.5%	8,763.8	31.6%
Offshore	2,367.2	9.3%	2,645.3	9.8%	2,519.0	9.1%
Bank of Uganda	489.7	1.9%	591.0	2.2%	690.4	2.5%
Insurance companies	407.4	1.6%	430.0	1.6%	470.6	1.7%
Other financial institutions	1,580.0	6.2%	1,948.5	7.2%	2,264.1	8.2%
Retail	633.0	2.5%	707.9	2.6%	779.7	2.8%
Other	313.8	1.2%	387.6	1.4%	748.8	2.7%
Total Bonds	19,724.4	77.5%	21,266.2	78.6%	22,520.0	81.1%
Total Stock	25,451.1		27,045.1		27,773.4	

Source: BOU

Table 14: Domestic Debt Service, Billion Shillings

Instruments	Apr-Jun2021				Jul-Sep 2021				Oct-Dec 2021			
	Maturity period	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption
91	1.48	-	77.45	78.9	1.30	-	74.80	76.1	2.13	-	121.41	123.5
182	9.99	-	211.36	221.3	10.80	-	205.20	216.0	9.21	-	193.08	202.3
364	98.70	-	787.50	886.2	174.40	-	1,444.30	1,618.7	186.70	-	1,451.49	1,638.2
Total Bills	110.2	-	1,076.3	1,186.5	186.5	-	1,724.3	1,910.8	198.0	-	1,766.0	1,964.0
2	-	63.79	-	63.8	-	-	-	-	-	55.8	-	55.8
3	-	63.56	66.6	130.2	-	59.3	-	59.3	-	41.4	-	41.4
5	0.1	102.77	215.1	317.9	-	134.4	-	134.4	-	105.0	369.3	474.3
10	-	191.03	-	191.0	-	277.8	-	277.8	-	293.1	-	293.1
15	-	68.53	-	68.5	-	318.9	-	318.9	-	112.6	-	112.6
20	-	54.6	-	54.6	-	-	-	-	-	136.5	-	136.5
Total Bonds	0.1	544.3	281.7	826.1	-	790.3	-	790.3	-	744.4	369.3	1,113.7
Total	110.2	544.3	1,358.0	2,012.6	186.5	790.3	1,724.3	2,701.1	198.0	744.4	2,135.3	3,077.7

*Source: MoFPED, DPID***Table 15: Domestic Debt Gross Issuances, Billion Shillings**

Instruments	Apr-Jun 2021				Jul-Sep 2021				Oct-Dec 2021			
	Maturity period	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount
91	74.8	76.0	1.3	2.6%	121.4	123.5	2.13	3.6%	110.4	112.2	1.81	3.7%
182	193.1	202.3	9.2	6.8%	246.6	257.2	10.56	7.2%	169.9	177.1	7.20	5.7%
364	1142.9	1267.3	124.4	40.1%	1408.4	1547.2	138.79	41.2%	960.2	1059.6	99.33	32.2%
Total Bills	1410.8	1545.6	134.9	49.5%	1776.4	1927.9	151.5	52.0%	1240.5	1348.9	108.3	41.6%
2	374.7	380.0	5.3	13.1%	200.0	200.0	-	5.9%	57.5	57.1	0.40	1.9%
3	160.6	150.0	10.6	5.6%	233.1	200.0	33.14	6.8%	176.7	153.9	22.79	5.9%
5	268.4	250.0	18.4	9.4%	199.5	176.6	22.89	5.8%	412.2	366.2	46.02	13.8%
10	323.8	270.0	53.8	11.4%	442.0	361.5	80.42	12.9%	119.5	112.8	6.72	7.4%
15	312.5	300.0	12.5	11.0%	266.9	229.0	37.81	7.8%	274.8	246.7	28.13	9.2%
20	0.0	0.0	-	0.0%	300.4	269.3	31.00	8.8%	600.0	521.8	78.18	20.1%
Total Bonds	1440.0	1350.0	90.0	50.5%	1641.8	1436.5	205.3	48.0%	1640.7	1458.5	178.2	58.4%
Total Issuance	2850.7	2895.6	44.9	100.0%	3418.2	3364.4	53.8	100.0%	2881.2	2807.4	69.9	100.0%

*Source: MoFPED, DPID***Table 16: Domestic Debt Financing, Billion Shillings**

	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021
Fiscal Financing	1,492.67	1,493.95	745.90
BoU Recapitalisation		100.00	100.00
Redemptions	1,358.03	1,824.24	2,135.35
Total Issuance	2,850.7	3,418.2	2,981.2

Source: MoFPED, DPID

Table 17: Central Government Domestic Debt by Interest Rate (End Period/Quarterly Average Primary Market Yields)

	Quarterly Average			End Period		
	Jun-21	Sep-21	Dec-21	Jun-21	Sep-21	Dec-21
91 Days	7.1	7.2	6.7	6.9	6.7	6.7
Treasury 182 Days	9.7	8.8	8.7	9.0	8.6	8.6
364 Days	10.8	9.9	10.4	9.7	10.2	10.4
2 Years	12.3	10.0	11.0	11.5	10.0	11.0
3 Years	12.8	11.4	13.1	12.8	11.4	13.1
Treasury 5 Years	16.6	13.4	13.7	16.6	13.4	14.4
10 Years	14.4	13.5	14.0	13.7	13.5	14.0
15 Years	14.4	14.1	15.5	14.4	14.1	15.5
20 Years	17.4	16.0	15.7	17.0	16.0	15.9

Source: MoFPED, DPID

PART 6: PUBLIC DEBT PORTFOLIO ANALYSIS

6.1 TOTAL PUBLIC DEBT

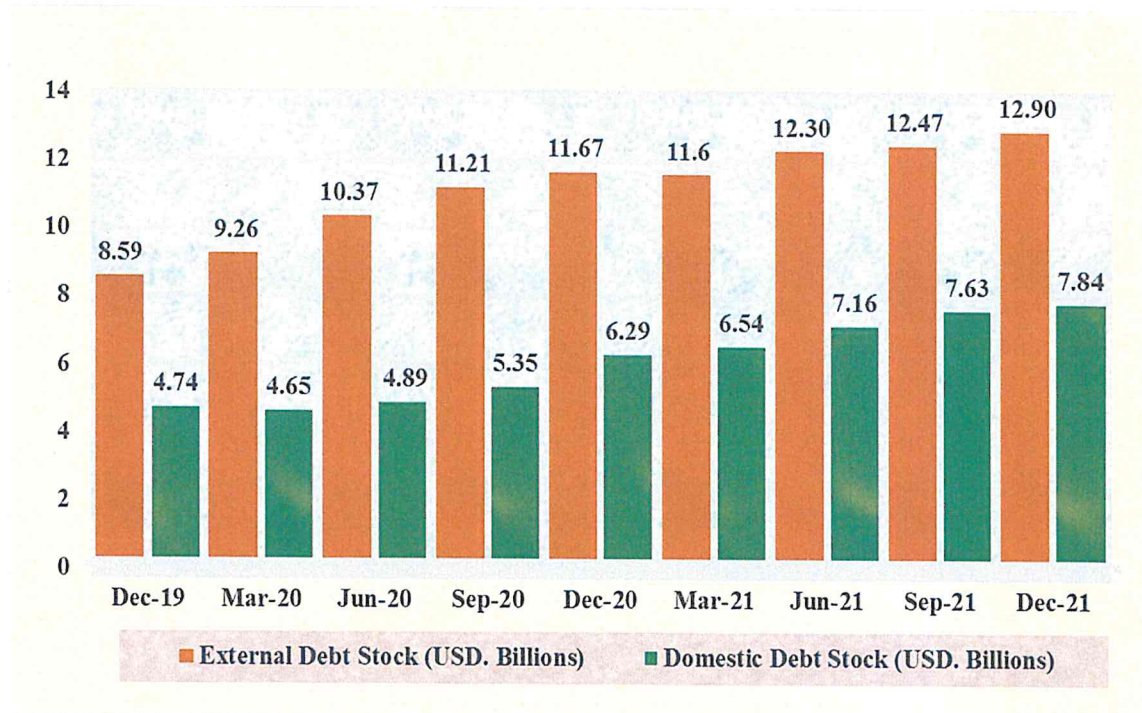
As at December 2021 the total public debt stock increased to USD 20.74 Billion from USD 20.10 Billion as at end September 2021. Of this total debt external debt constituted 62.2% (USD 12.90 Billion/UGX 45.72 trillion) while domestic debt constituted 37.8% (USD 7.84 billion/UGX 27.77 trillion).

For the period under review, the nominal value of public debt as a percentage of GDP stood at 49.7%. This was an increase from 48.1% recorded in September 2021. Of the 49.7%, 18.8% was on account of domestic debt to GDP while 30.9% for the external debt.

The increase in the debt to GDP ratio is mainly attributed to an increase in domestic debt issuances to meet Government financing requirements amidst low revenue performance. In addition, the increased disbursements of external debt commitments at USD 0.57 Billion during the Q2-FY2021/22 impacted on the increase in debt to GDP. Increased disbursements were as a result of the partial reopening of the economy after the COVID-19 pandemic which resulted in improved project performance.

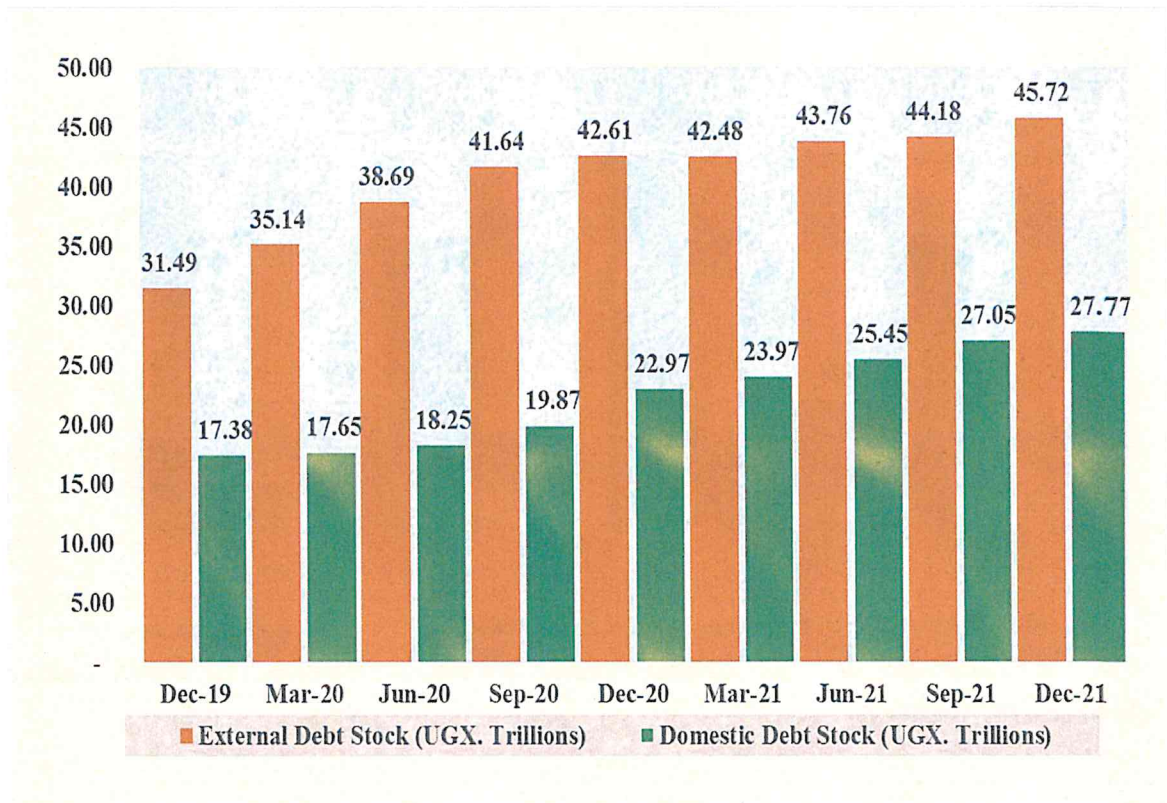
Figures 1a and 1b show the trends of public debt stock from December 2019 to December 2021 in both USD and UGX.

Figure 1a: Public debt stock, USD Billion (December 2019-December 2021).



Source: DPI (MoFPED)

Figure 1b: Public debt stock, UGX Trillion (December 2019-December 2021).



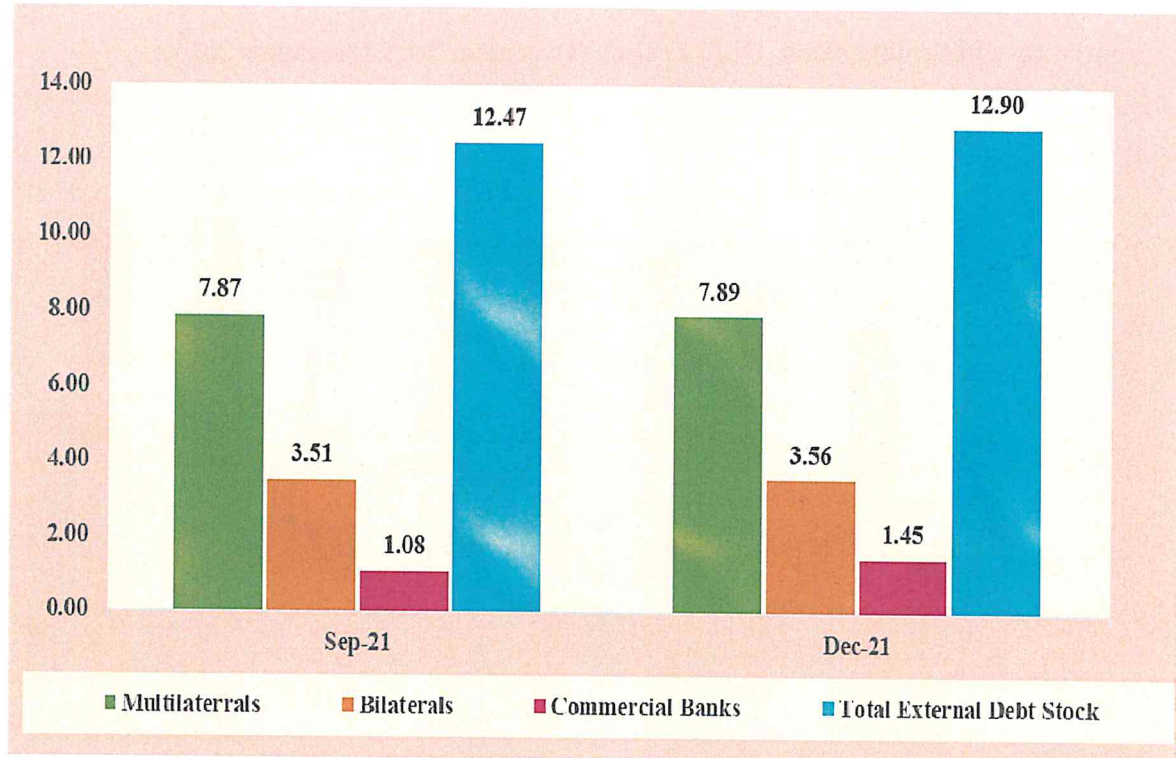
Source: DPI (MoFPED)

6.2 EXTERNAL DEBT

6.2a. External debt stock disbursed and outstanding

External debt stock increased from USD 12.47 Billion as at end September 2021 to USD 12.90 Billion in December 2021 while the ratios of the nominal and present value of external debt stock to GDP stood at 30.9% and 21.8% respectively. This was on account of the increased disbursements of external debt commitments of USD 0.57 Billion during the quarter under review. Figure 2 below illustrates the comparison of external debt stock in July - September 2021 and October -December 2021.

Figure 2: External Debt stock in USD Billions as at end September 2021 and December 2021

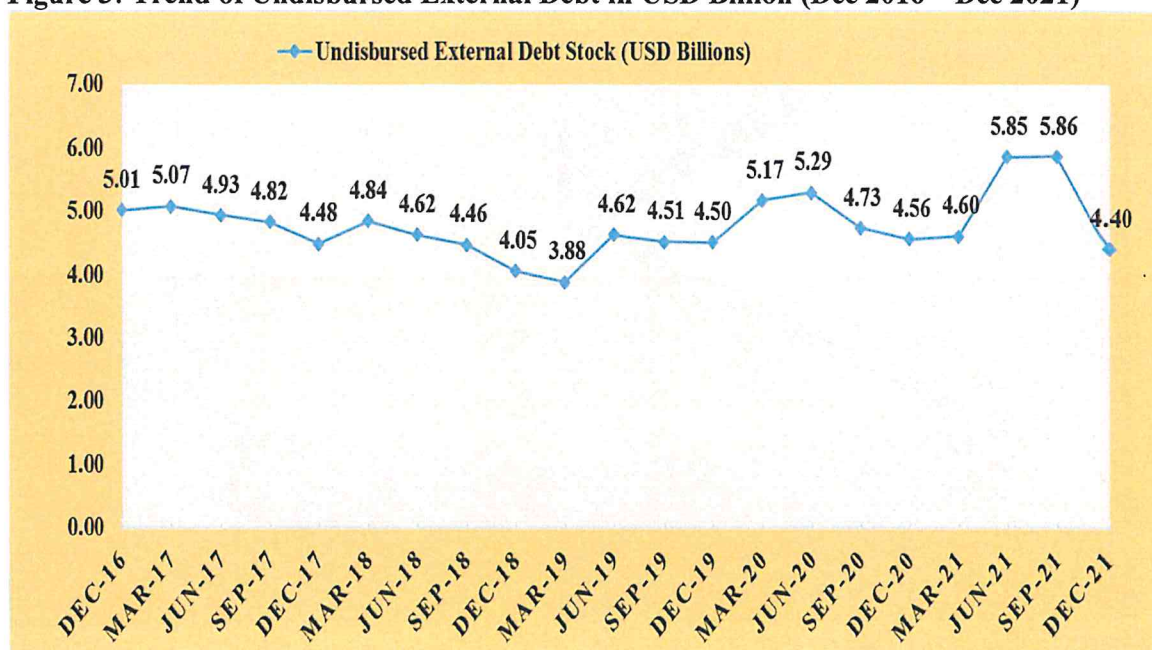


Source: DPI, MoFPED

There was a decrease of USD 1.46 Billion in undisbursed debt from USD 5.86 Billion as at end September 2021 to USD 4.40 Billion as at end December 2021. It was noted that all the creditor categories registered a decrease in undisbursed debt with multilateral reducing by 9.7% (USD 0.57 Billion), 11.2% (USD 0.65 Billion) by bilateral and commercial bank by 4.0% (USD 0.24 Billion) during the same period as illustrated in figure 3 below from December 2016 to December 2021.

This was not only attributed to the increased disbursements from 0.29 Billion in quarter one to 0.57 Billion in quarter two but also improved project performance which was as a result of partial reopening of the economy.

Figure 3: Trend of Undisbursed External Debt in USD Billion (Dec 2016 – Dec 2021)



Source: MoFPED, DPI

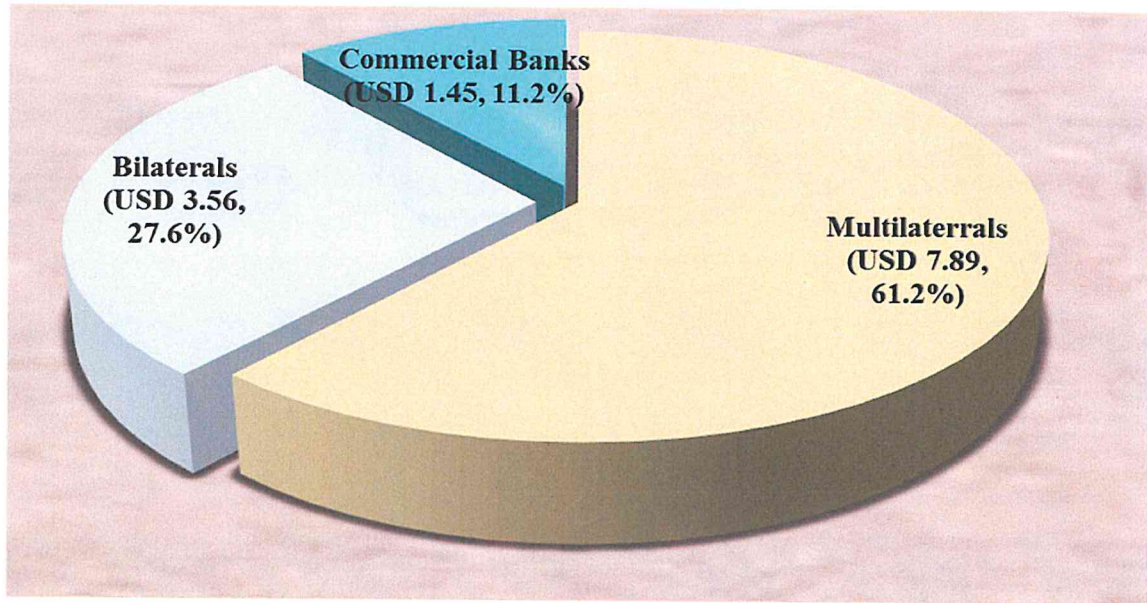
6.2b. Creditor Composition

The largest share of Uganda’s external debt stock was held by major multilateral creditors with 52.0% (USD 6.7 billion), while other multilateral creditors held 9.2%, equivalent to USD 1.2 billion as at end December 2021. Bilateral creditors categorised into Paris club and non-Paris club took up 6.8% (USD 0.9 billion) and 20.8% (USD 2.7 billion) respectively whereas commercial banks held a share of 11.2% an equivalent of USD 1.4 billion.

Multilateral debt is dominated by International Development Association (56.38%/USD 4.56 Billion) and African Development Fund (18.96%/USD 1.50 Billion), bilateral debt by the Exim Bank of China (72.83%/USD 2.59 Billion) and United Kingdom (9.53%/USD 0.34 Billion) while the debt from private banks is dominated by Afrexim (27.16% /USD 0.39 Billion) and Stanbic Bank (23.53%/USD 0.34 Billion).

The share of bilateral debt in the external debt portfolio decreased slightly to 27.59% (USD 3.56 Billion) as at end December 2021 from 28.18% (USD 3.51 Billion) in September 2021 while the share of multilateral debt stock also reduced to 61.19% (USD 7.89 Billion) from 63.15% (USD 7.87 Billion) in September 2021. In addition, private creditors’ share in the external debt stock increased to 11.22% (USD 1.45 Billion) from 8.68% (USD 1.08 billion) in September 2021.

Figure 4: External Debt stock (USD Billion) by creditor composition (%), December 2021

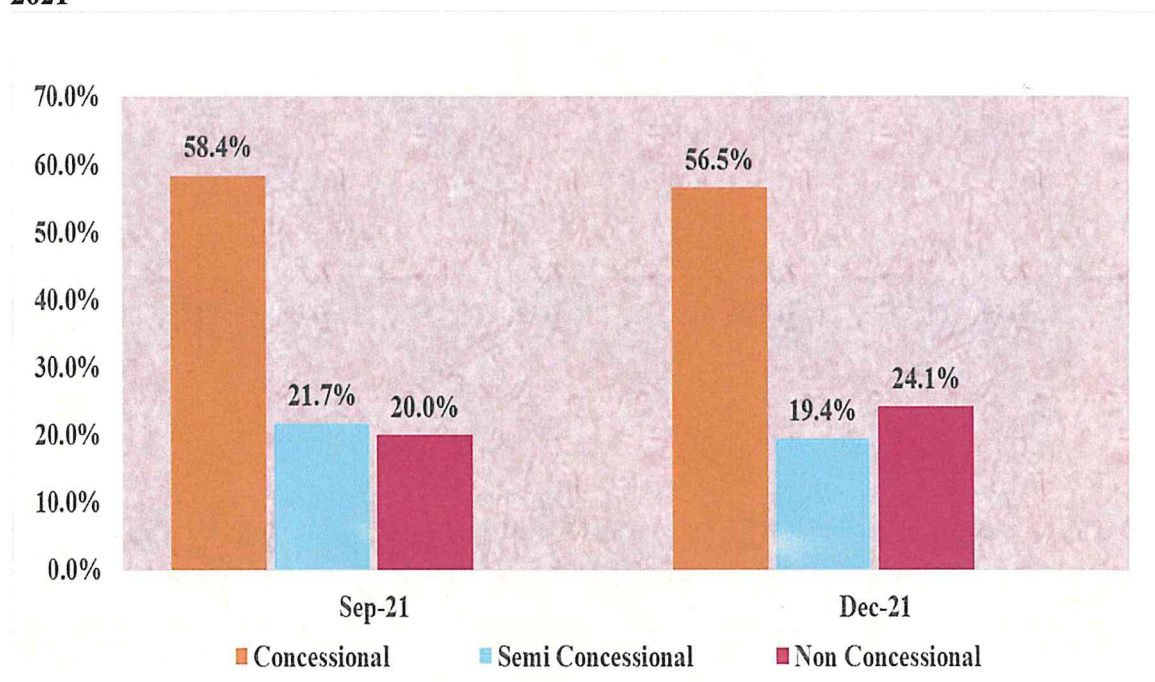


Source: DPI, MoFPED

6.2c. Concessional Type

Concessional debt takes up the largest share of Uganda's external debt stock.. However, the share of concessional debt slightly reduced to 56.50% in December 2021 from 58.4% in September 2021 while semi-concessional debt as a percentage of total external debt also reduced from 21.7% to 19.4% in the same period. This is on account of increased non-concessional financing during the quarter that was as a result of increased disbursements of these loans. Non concessional debt share indicated increase from 20.0% as at end September 2021 to 24.1% in December 2021. The increase in the share of non-concessional financing is due to the delayed disbursements of the Afrexim bank loan for FY 2020/21 budget support that was disbursed this financial year and increase in disbursement of Exim Bank of China loans.

Figure 5: External Debt Stock by Concessional Type as at September and December 2021



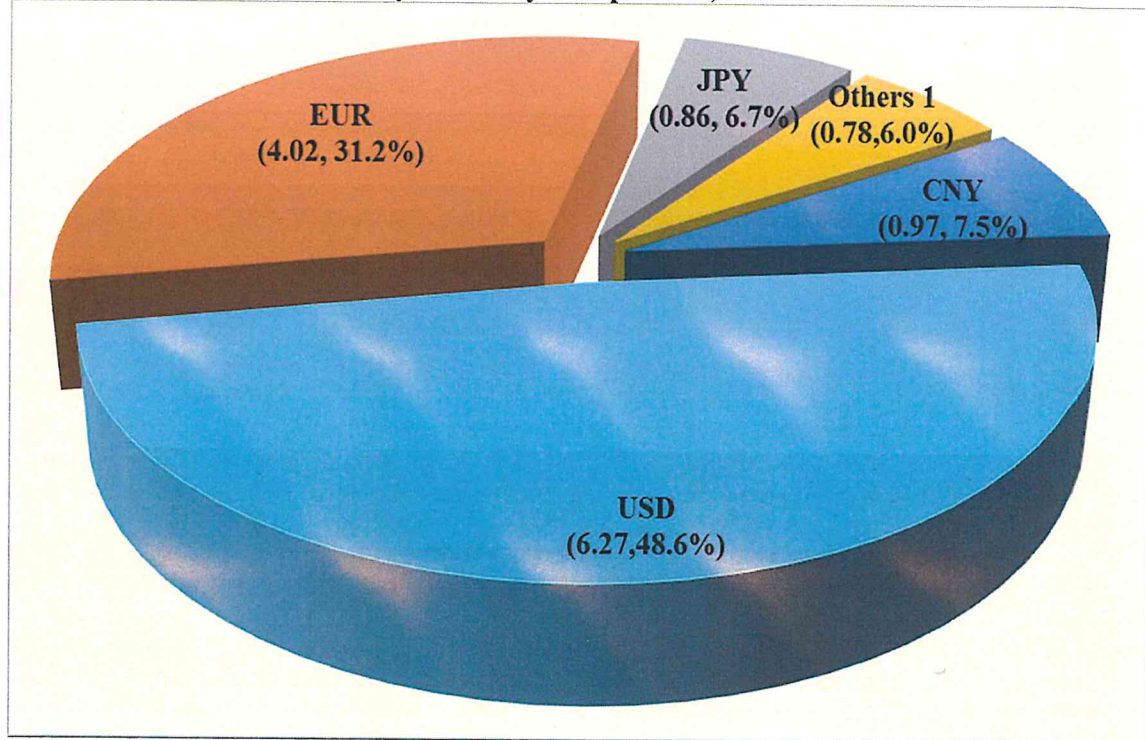
Source: DPI, MoFPED

6.2d. Currency Composition.

The currency composition of central Government external debt was dominated by four currencies namely; the USD, EUR, JPY, and CNY.

The share of external debt stock denominated in USD increased by 0.35 percentage points from 48.25% (USD 6.02 Billion) in September 2021 to 48.60% (USD 6.27 Billion) as at December 2021. On the other hand, the share of external debt denominated in Euros increased to 31.16% representing USD 4.02 Billion from 30.68% (USD 3.83Bn) by end September 2021. The currency composition of 6.03%/USD 0.78 Billion represented by others (AED, KRW, IQD, SAR, GBP and IDI) decreased by 0.25 percentage point from 6.28% (USD0.78 Billion) as at September 2021 as illustrated in figure 6 below.

Figure 6: External debt Stock by Currency Composition, end December 2021.



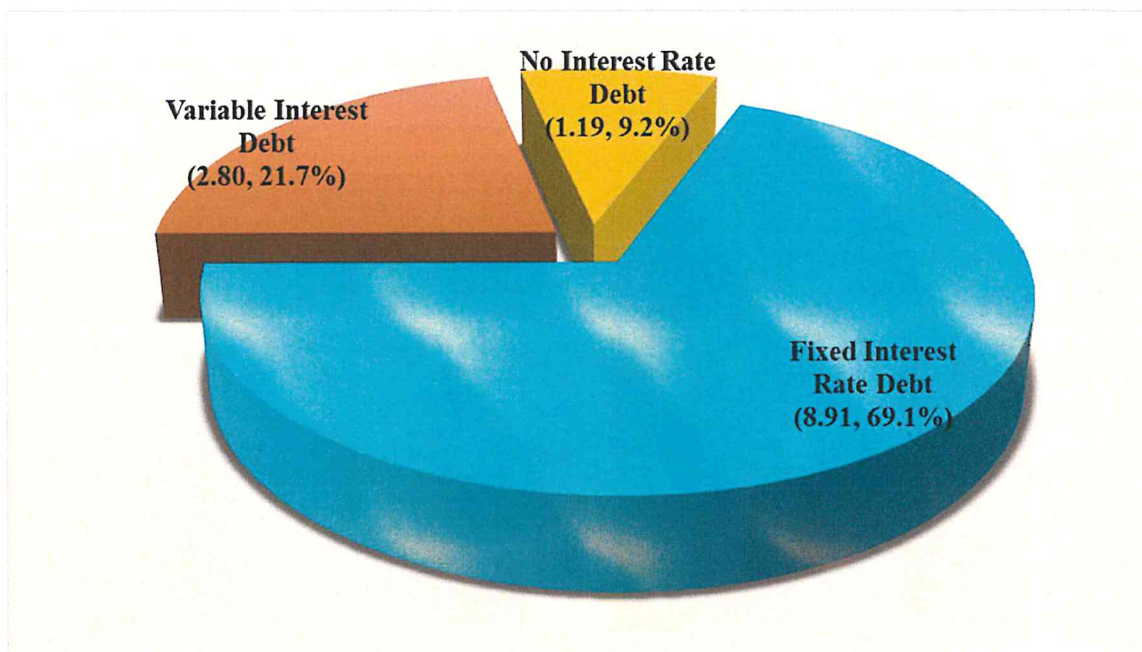
Source: MoFPED, DPID

6.2e. Interest rate type

About 78.30% (USD 10.10 Billion) of government's external debt stock had been contracted at fixed interest rates while variable interest-rate debt constituted 21.70% (USD 2.80 Billion) as at December 2021. This indicates a decrease in fixed debt rate by 2.51% from 80.81% (USD 10.07 Billion) while variable rate debt increased by 2.50% from 19.20% (USD 2.39 Billion) as at September 2021.

The largest stock of the variable-rate debt from Bilateral creditors is from China representing USD 870.50 Million followed by commercial banks, TDB (USD 554.47 Million) and Stanbic Bank (USD 340.48 Million) while the variable-rate debt from Multilateral creditors is from ADB representing USD 194.50 Million. The stock of variable rate debt has been increasing and the trend is expected to continue following a gradual shift from concessional to non-concessional and commercial loans which mainly offer variable interest rates. Figure 7 illustrates external debt stock by interest rate type as at end December 2021.

Figure 7: External Debt Stock by Interest Rate Type, end December 2021



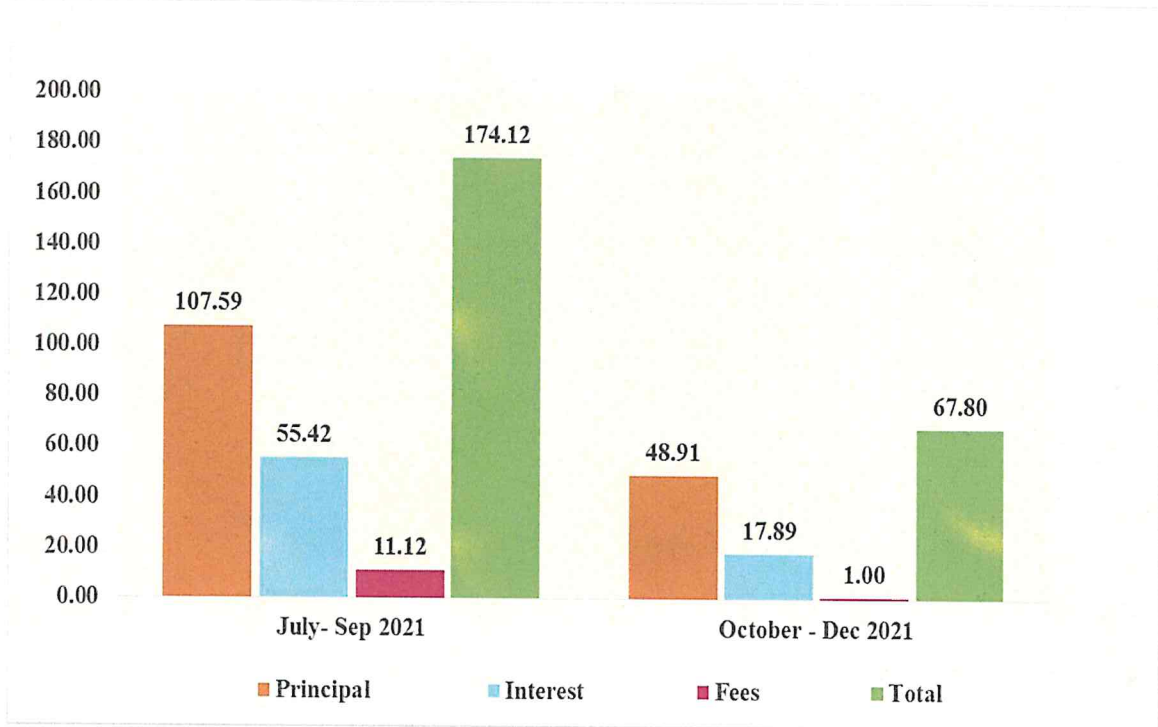
Source: MoFPED, DPID

6.2f. External debt service

There was a significant decrease in external debt service from USD 174.12 Million as at September 2021 to USD 67.80 Million in December 2021. This is because most external debt repayments for major flagship projects like Karuma hydro power project, industrial parks, upgrade and expansion of Entebbe International airport and oil roads, fall within the first quarter of the financial year as opposed to the subsequent quarter two.

There was a decrease in principal payments from USD 107.59 Million made in quarter two of FY2021/22 to USD 48.91 Million in quarter two of FY2021/22. In addition, interest payments and fees both decreased from USD 55.42 Million to USD 17.89 Million and USD 11.12 Million to USD 1.00 Million during the same period respectively.

Figure 8: External Debt Service in USD Million, July-September 2021 and October - December 2021



Source: MoFPED, DPID

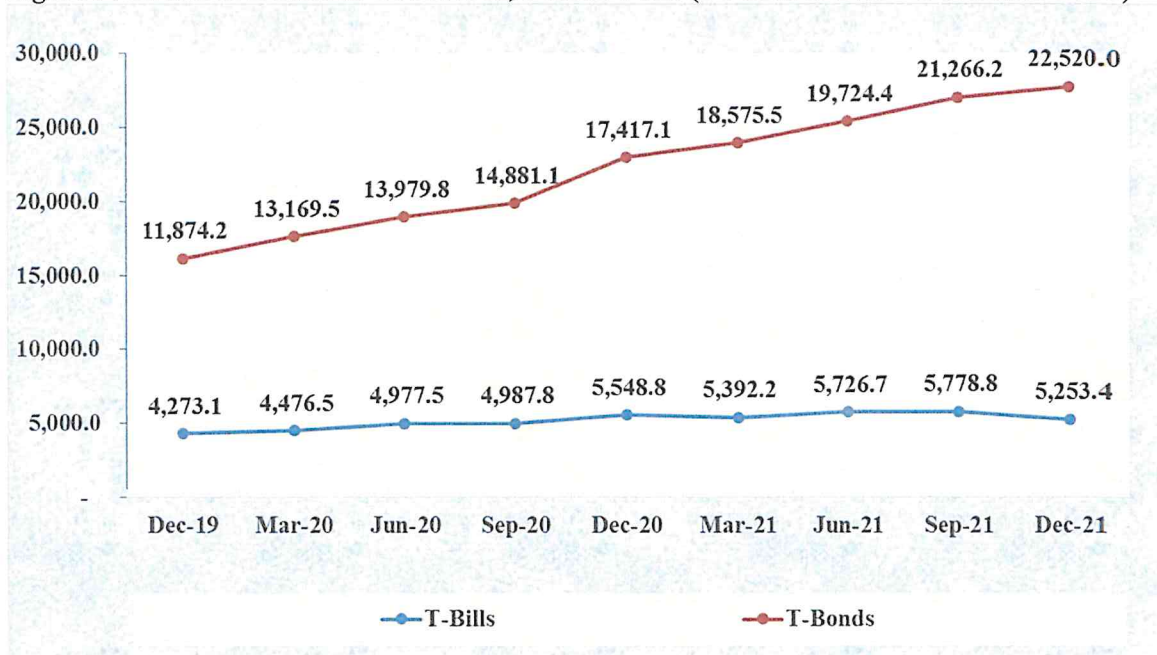
6.3 DOMESTIC DEBT

6.3a. Domestic Debt Stock Outstanding

In the period under review, securities issuances exceeded redemptions. This was to enable realisation of resources to cover part of the Government financing deficit for this FY. Consequently, the total domestic debt stock increased from UGX 27,045.1 Billion at cost in September 2021 to UGX 27,773.4 Billion at cost in December 2021.

T-Bills slightly decreased from UGX 5,778.8 Billion to UGX 5,253.4 Billion and T-Bonds rose from UGX 21,266.2 Billion to UGX 22,520 Billion. This is in line with Governments objective of lengthening the domestic debt maturity profile. The trend of Domestic debt stock is illustrated in Figure 9.

Figure 9: Trend of Domestic Debt stock, Billion UGX (December 2019 - December 2021)



Source: MoFPED, DPI

6.3b. Domestic Debt Issuances

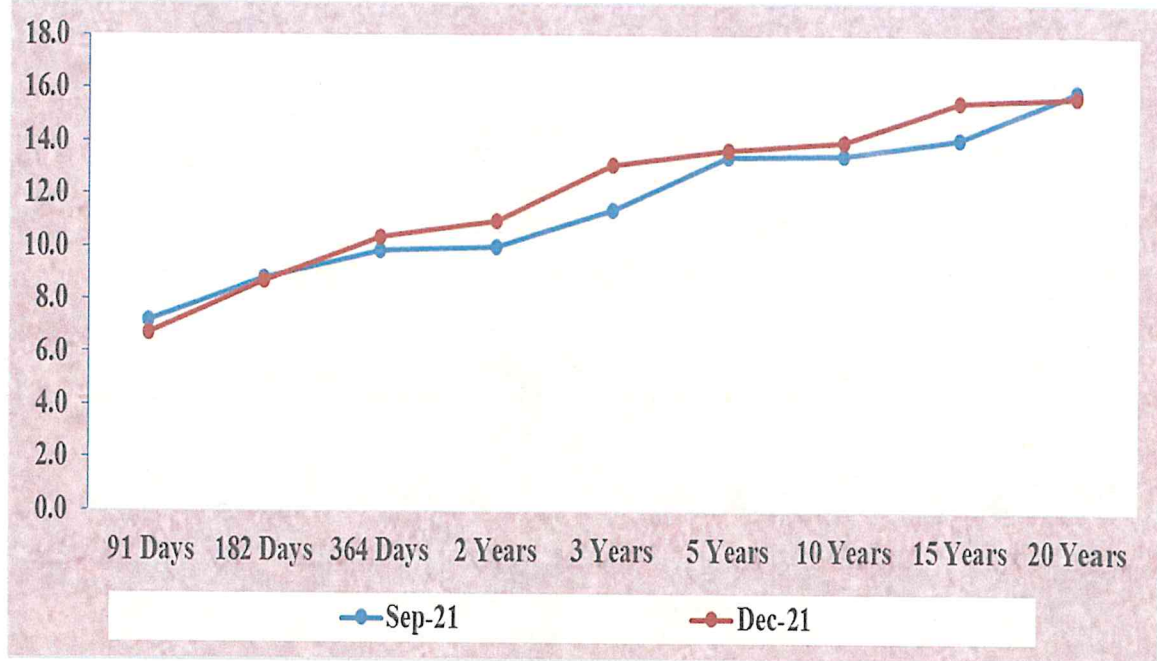
In a bid to lower the cost of domestic debt, highly priced bids especially in December 2021 were rejected. As a result, the total domestic debt issuances decreased by UGX 437 Billion; from UGX 3,418.2 Billion in September 2021 to UGX 2,981.2 Billion in December 2021. Of the UGX 2,981.2 Billion worth of Treasury securities issued during the period ending December 2021, UGX 745.9 Billion was for fiscal deficit financing and the surplus of UGX 2,135.35 Billion was issued for redemptions. UGX 100 Billion was also issued to recapitalize Bank of Uganda.

6.3c. Domestic debt Quarterly Average Primary Market Yields

Generally, there was continued high appetite for Government securities. This could be due to low uptake of private sector credit which resulted into increased liquidity in the market.

With the exception of the 91 day tenor whose yield edged downwards, there was an upward shift in the yield curve from the period of September 2021 to December 2021. The quarter was characterised by news of a forthcoming supplementary budget. Speculative tendencies from various market players that Government could be desperate for funds resulted into submission of highly priced bids. Despite the rejection of many bids deemed to be highly priced, the yield curve moved upwards. This upward movement of yields is illustrated in the figure 10 below.

Figure 10: Trend of Quarterly Average Primary Market Yields for September 2021 and December 2021



Source: DPI, MoFPED

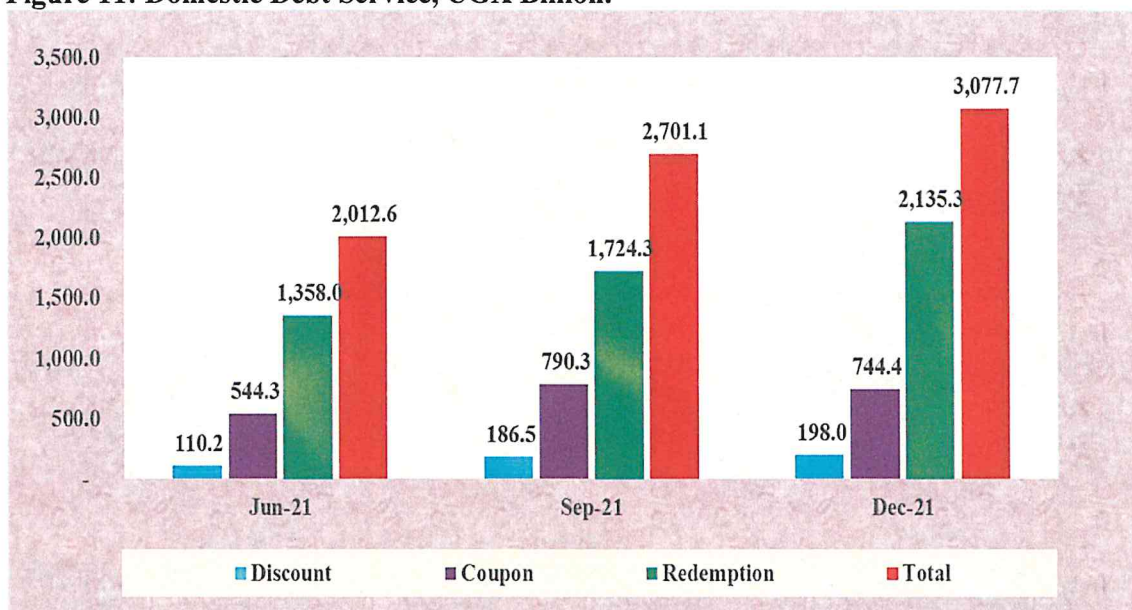
6.3d. Domestic Debt Service

The total domestic debt service comprises discount, coupon and redemptions. This increased by UGX 376.6bn: from UGX 2,701.1 Billion as at September 2021 to UGX 3,077.7 Billion in December 2021. Government set out to increase trading activity on Treasury bonds through reducing the fragmentation in the bond market. This was to be done through reopening benchmark bonds. This is eventually aimed at reducing the cost of Government borrowing.

The increment in debt service can be attributed to high maturities of the benchmark bonds that fell due during the period ending December 2021.

The trend of domestic debt service is depicted in Figure 11.

Figure 11: Domestic Debt Service, UGX Billion.



Source: MoFPED, DPID

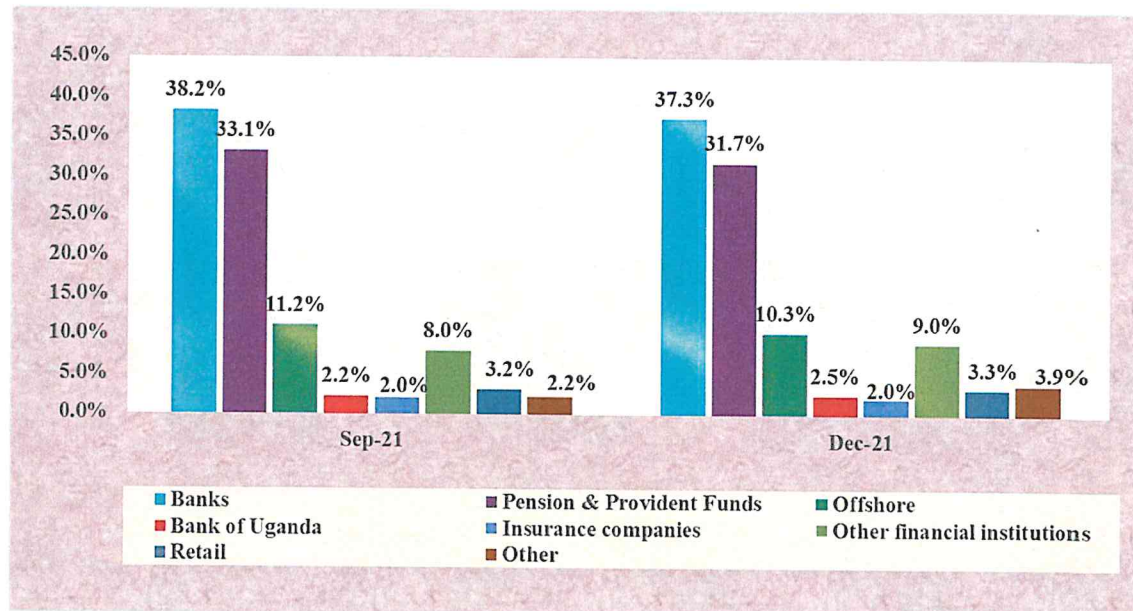
6.3e. Holders of Government Securities

Despite the 0.9% reduction in their holdings, Commercial banks continue to hold the biggest share of investments in Government Securities as at end December 2021. The reduction was on account of increased uptake by other players especially from the other financial institutions in the country. The better yield environment as opposed to the slow growth in other sectors of the economy during the period ended December 2021 attracted more institutional investors into the Bond Market.

The holdings of the Central Bank also increased from 2.2% to 2.5%. This is attributed to the issuance of recapitalization Bonds worth UGX 100 billion as at end December 2021.

Holder of Government securities are demonstrated in Figure 12.

Figure 12: Holders of Government securities at cost for September 2021 and December 2021



Source: BoU

6.4 CONTINGENT LIABILITIES

6.4a. GoU Loan Guarantees

The total size of outstanding loan guarantees issued by the GoU stands at a level of USD 55.1 million. These include guarantees issued to both public and publicly-aided institutions as well as private institutions. The current guarantee portfolio mainly consists of two entities; Islamic University in Uganda (IUIU) and Uganda Development Bank Ltd (UDBL).

As of December 2021, the exposure from loan guarantees stood at approximately USD 26.9 million (0.1% of GDP in nominal value terms). This indicates a sharp decrease of 5.14% from USD 28.3 million as at December 2020. The decrease was mainly due to total repayments of USD 2,202,875 by UDBL on their loans and counteracted by additional disbursement of relative to repayment of USD 875,614 on the Exim India loan. The additional decrease of USD 130,081 can be attributed the foreign exchange rate differences during the period under review as the loan is primarily quoted in Islamic Dinar.

The total exposure to government in case of default is USD 0.421 million, which represents 0.001% of GDP, this is the current amount in arrears due to non-payment by IUIU and it is what the Government will have to pay in case the guarantee is called.

The current portfolio of guaranteed loans also consists of long maturity periods ranging from 7 to 25 years with a weighted average maturity of 8 years, indicating a low annual exposure of Government in case of default as debt service is distributed across a longer maturity.

6.4b. Disbursed and Outstanding debt of State-Owned Entities and Extra Budgetary Units

As at end June 2021, the stock of debt (direct domestic and external borrowing plus on-lent) of public entities amounted to UGX 7,085.4 billion (USD 1.992 billion), indicating a 31% decrease from UGX 10,273.8 billion (USD 2.8 billion) as at end June 2020.

The decrease can be attributed to repayments done on previously existing borrowings and less borrowing done in FY2020/21 because of a moratorium placed on borrowing of state-owned enterprises due to the economic downturn caused by the COVID-19 pandemic.

6.5 COST AND RISK OF THE EXISTING DEBT PORTFOLIO.

The overall cost and risk exposure of the country's existing public debt portfolio (external and domestic debt) is significantly influenced by interest rates, repayment periods and currency denominations. Table 18 provides details about the cost and risk of the existing debt as at end December 2021.

Table 18: Cost and Risk indicators of Existing Debt as at December 2021⁸.

Risk Indicators	Jun-21			Sep-21			Dec-21				
	External	Domestic	Total	External	Domestic	Total	External	Domestic	Total		
Nominal debt as % GDP	29.5	17.2	46.7	29.9	18.3	48.1	30.9	18.8	49.7		
PV as % of GDP	20.4	17.2	37.6	20.6	18.3	38.9	21.8	18.8	40.5		
Cost of debt	Interest payment as % GDP		0.40	2.40	2.8	0.44	2.46	2.9	0.49	2.56	3.1
	Weighted Av. IR (%)		1.5	13.9	6.0	1.5	13.5	6.0	1.6	13.6	6.1
Refinancing risk	ATM (years)		11.8	5.5	9.4	11.7	5.6	9.4	11.4	6.0	9.4
	Debt maturing in 1yr (% of total)		3.3	30.0	13.1	3.9	29.1	13.4	4.2	25.7	12.3
	Debt maturing in 1yr (% of GDP)		1.0	5.2	6.1	1.2	5.3	6.5	1.3	4.8	6.1
Interest rate risk	ATR (years)		10.9	5.5	8.9	10.9	5.6	8.9	10.4	6.0	8.8
	Debt refixing in 1yr (% of total)		21.4	30.0	24.6	21.7	29.1	24.5	24.2	25.7	24.8
	Fixed rate debt (% of total)		80.9	100.0	87.9	80.8	100.0	88.1	78.3	100.0	86.5
FX risk	FX debt (% of total debt)				63.2	0.0	21.4	62.0			62.2
	ST FX debt (% of reserves)				9.8			10.9			12.5

Source: MoFPED, DPID

⁸ The fixed interest rate debt in the cost and risk table is the total of fixed rate debt and no interest rate debt.

6.5a. Refinancing and Rollover Risks

The weighted average time to maturity of all the principal payments in the external debt portfolio (ATM) is 11.4 years and 6.0 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 9.4 years and is attributed mainly to the increased commercial debt with shorter maturity in the external debt portfolio. The average time to maturity for external debt stock has been decreasing over time due to the contraction of external loans, mostly commercial with shorter maturities.

Domestic debt maturing in one year is 25.7% (USD 2.01 Billion) of the total domestic debt. This is a slight improvement from September 2021 where domestic debt maturing in one year as a percentage of total was 29.1% (USD 2.22 Billion) and is attributed to the deliberate efforts to issue longer dated instruments in the recent years. External debt maturing in one year as a percentage of the total as at end December 2021 has gone up to 4.2% (USD 0.54 Billion) from 3.9% (USD 0.48 Billion) as at end September 2021.

6.5b. Interest rate risk

As at end December 2021, a bigger proportion of Uganda's external debt stock (78.3%) equivalent to USD 10.10 billion had fixed interest rates. On average, it will take 8.8 years for all the principal payments in the total debt portfolio to be subjected to a new interest rate. For external debt, it will take on average 10.4 years for all the principal payments to be subjected to a new interest rate while for domestic debt 6.0 years. The total average time to re-fixing of interest rates reduced to 8.8% from 8.9% as at end September 2021.

Uganda's exposure to risk associated with interest rates for the entire public debt portfolio is still low given the time it takes on average to re-fix the interest rates for the aggregate public debt stock (domestic and external). This is majorly attributed to the greater share of concessional loans in the external debt portfolio. The exposure to interest rate risk of the domestic debt portfolio has slightly reduced as evidenced by the increase in average time to re-fixing from 5.6 years in September 2021 to 6.0 years in December 2021. This is as a result of deliberate efforts to issue longer dated instruments taken in recent years.

6.5c. Exchange rate risk

As at end December 2021, a greater share of Uganda's public debt representing 62.2% (USD 12.90 Billion) was denominated in foreign currency. Of this, USD denominated debt stock accounted for 30.2% (USD 6.27 Billion) of the total public debt which is 7.6 percentage

points lower than the share of local currency-denominated debt at 37.8% (USD 7.84 Billion) in the total debt. The remaining 32.0% (USD 6.63 Billion) is denominated in other foreign currencies which include the Chinese Yuan, Japanese Yen, Euros and the British Pound, among others.

Uganda is highly exposed to risks associated with exchange rate shocks as seen from this analysis. In addition, short term foreign currency debt as a share of reserves increased from 10.9% to 12.5% in Q2 of FY2021/22 on account of acquisition of external debt with shorter grace period and maturity profiles.

PART VII: GLOSSARY OF DEBT AND RELATED TERMS

Agency	An agency in a <i>creditor economy</i> that provides insurance, guarantees, or loans for the export of goods and services
Amortization	The repayment of the principal amount of a loan spread out over a period of time.
Amortization Schedule	The schedule for the repayment of principal and payment of interest on an on-going basis.
Arrears	Amounts that are both unpaid and past the due date for payment
Average time to Maturity	This is a measurement of the weighted time to maturity of all the principal payments in the portfolio. (See maturity)
Average time to Refixing	This is a measure of the average time until all the principal payments in the debt portfolio become subject to a new interest rate.
Bills	These are securities (usually short term) that give holders the unconditional rights to receive stated fixed sums on a specified date.
Bilateral Creditor	A type of creditor in the context of external debt. Official Bilateral creditors include governments and their agencies, autonomous public bodies, or official export credit agencies.
Borrower (the debtor)	The organization or the entity defined as such in the loan contract which usually is responsible for servicing the debt.
Bonds	These are long term securities (usually 2 years and above) that give holders the unconditional rights to receive stated fixed sums on a specified date.
Bullet Repayment	The repayment of principal in a single payment at the maturity of the debt.
Commercial Interest Reference Rates (CIRR)	A set of currency-specific interest rates for major OECD countries.
Commitment:	An obligation to furnish the resource of a given amount under specified financial terms and conditions.

Commitment Charge (fee)	Charge or fee made for holding available the undisbursed balance of a loan commitment.
Concessional Loans	These are loans extended on terms substantially more generous than market loans. Concessionality is achieved either through interest rates below those available on the market or by longer <i>grace periods</i> , or a combination of these. Concessional loans typically have long grace periods.
Contingent Liability	A possible obligation that arises from past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity.
Credit repayment.	An amount for which there is a specific obligation of repayment.
Creditor	The organization or entity that provides money or resources and to whom payment is owed under the terms of a loan agreement. It's an entity with a financial claim on another entity.
Creditor Country	The country in which the creditor resides.
Currency of denomination	The unit of account in which amounts of indebtedness are expressed in the general/loan agreement.
Currency of Reporting	The unit of account in which amounts are reported either to the compiling agency and/or to an international agency compiling debt statistics.
Currency of Settlement	The currency of settlement is determined by the currency in which the values of the flows and positions are settled. It is important for international liquidity and the measurement of potential foreign exchange drains. The currency of settlement may be different from the currency of denomination. Using a currency of settlement that is different from the currency of denomination simply means that a currency conversion is involved each time a settlement occurs.
Debt	All Liabilities that are debt instruments

Debt Conversion	The exchange of debt for a non-debt liability, such as equity, or for counterpart funds can be used to finance a particular project or policy.
Debt Default	Failure to meet a debt obligation payment, either <i>principal</i> or <i>interest</i> .
Debt Disbursed and outstanding	The amount that has been disbursed from a loan commitment but has not yet been repaid or forgiven.
Debt Instrument(s)	These are financial claims that require payments of interest and or/principal by the debtor to the creditor at a date or dates in the future.
Debt Prepayment	This consist of a repurchase, or early payment, of debt at conditions that are agreed between the debtor and the creditor
Debt Refinancing	Debt refinancing involves the replacement of an existing debt instrument or instruments including any arrears with a new debt instrument or instruments.
Debt Service	Refers to payments in respect of both <i>principal</i> and <i>interest</i> . Actual debt service is the set of payments actually made to satisfy a debt obligation, including principal, interest, and any late payment fees. Scheduled debt service is the set of payments, including principal and interest, which is required to be made through the life of the debt.
Debt-Service (-to-Exports) Ratio	The ratio of debt service (<i>interest</i> and <i>principal</i> payments due) during a year, expressed as a percentage of exports (typically of goods and services) for that year. Forward-looking debt-service ratios require some forecast of export. This ratio is considered to be a key indicator of an economy's debt burden.
Debtor Economy	The economy in which the debtor resides.
Deep Discount Bond	These are long term securities that require periodic coupon payments during the life of the instrument but the amount is substantially below the market rate of interest at issuance.
Disbursed Loans	The amount that has been disbursed from a loan but has not yet been repaid or forgiven.

Domestic Currency	Domestic currency is that which is legal tender in the economy and issued by the monetary authority for that economy, i.e., either that of an individual economy or, in a currency union, to which the economy belongs. All other currencies are foreign currencies.
Domestic Debt	Debt liabilities owed by residents to residents of the same economy
Export Credit	A loan extended to finance a specific purchase of goods services from within the <i>creditor economy</i> . Export credits extended by the supplier of goods— such as when the importer of goods and services is allowed to defer payment—are known as <i>supplier's credits</i> ; export credits extended by a financial institution, or an <i>export credit agency</i> in the exporting economy are known as <i>buyer's credits</i>
External Debt	At any given time, is the outstanding amount of that actual current, and not contingent, liabilities that require payment(s) of <i>interest</i> and/or <i>principal</i> by the <i>debtor</i> at some point(s) in the future and that are owed to non-residents by residents of an economy.
Face Value	Face value is the undiscounted amount of principal to be paid to the holder at maturity (e.g., the redemption amount of a bond).
Foreign Currency	Foreign currency is a currency other than the domestic currency (See domestic currency)
Foreign Debt	Same as External Debt
Fixed Interest Rate	A rate of interest that is defined in absolute terms at the time of the loan agreement.
Grace Period	The grace period for <i>principal</i> is the period from the date of signature of the loan or the issue of the financial instrument to the first repayment of principal.
Grant Element	The measure of concessionality of a loan, calculated as the difference between the face value of the loan and the sum of the discounted future <i>debt service</i> payments to be made by the borrower expressed as a percentage of the face value of the loan.

Gross Domestic Product (GDP)

Essentially, the sum of the gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies products, that is not included in the valuation of output.

Institutional Unit

An institutional unit is defined in the *2008 SNA* as “an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”

Interest

This is a form of investment income that is receivable by the owner of financial assets for putting such assets and other resources at the disposal of another institutional unit.

International Bank for Reconstruction and Development (IBRD)

The International Bank for Reconstruction and Development (IBRD) was set up as an intergovernmental financial institution in 1946 as a result of the Bretton Woods Accord. It is the original agency of the *World Bank Group* and is commonly referred to as the World Bank (see also *World Bank Group*).

International Development Association (IDA)

IDA, established in 1960, is the concessional lending arm of the *World Bank Group*. IDA provides low-income developing countries (economies) with long-term loans on highly concessional terms: typically, a ten-year grace period, a 40-year repayment period, and only a small servicing charge.

International Monetary Fund (IMF)

Following the Bretton Woods Accords and established in 1945, the IMF is a cooperative intergovernmental monetary and financial institution with 187-member countries. Its main purpose is to promote international monetary cooperation so to facilitate the growth of international trade and economic activity more generally. The IMF provides financial resources to enable its members to correct payments imbalances without resorting to trade and payment restrictions.

Issue Price

It is the price at which the investors buy the debt securities when first issued.

Line of Credit An agreement that creates a facility under which one unit can borrow credit from another up to a specified ceiling usually over a specified period of time. Lines of credit provide a guarantee that funds will be available, but no financial asset/liability exists until funds are actually advanced.

Loan A financial instrument that is created when a creditor lends funds directly to a debtor and receives a non-negotiable document as evidence of the asset

London Interbank Offered Rate (LIBOR)

LIBOR is a reference rate for the international banking markets and is commonly the basis on which lending margins is fixed. Thus, an original loan agreement or a *rescheduling agreement* may set the *interest* rate to the borrower at six-month dollar LIBOR plus 1.5 percent, with semi-annual adjustments for changes in the LIBOR rate.

Maturity (Defined and Undefined)

Defined maturity refers to a finite time (fixed) period at the end of which the financial instrument will cease to exist and the principal is repaid with interest. Undefined maturity refers to the absence of a contractual maturity. Undefined maturity deposits include demand deposits, checking interest accounts, savings accounts, and money market accounts. Other examples of undefined maturity debt instruments are perpetual bonds.

Multilateral Creditors

These creditors are multilateral financial institutions such as the IMF and the World Bank, as well as other multilateral development banks.

Net Present Value (NPV) of Debt

The nominal amount outstanding minus the sum of all future *debt-service* obligations (*interest* and *principal*) on existing debt discounted at an interest rate different from the contracted rate.

Nominal Value

The nominal value of a *debt instrument* is the amount that at any moment in time the *debtor* owes to the *creditor* at that moment; this value is typically established by reference to the terms of a contract the debtor and creditor. The nominal value

of a debt instrument the value of the debt at creation, and any subsequent economic flows, such as transactions (e.g., repayment of *principal*), valuation changes

Official Creditor Official creditors are international organizations, governments and government agencies including official monetary institutions.

Official Development Assistance (ODA):

Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount).

Official Development Assistance (ODA) Loans

Loans with a maturity of over one-year meeting criteria set out in the definition of ODA, provided by governments or official agencies and for which repayment is required in convertible currencies or in kind.

Original Maturity

The period of time from when the financial asset/liability was created to its final maturity date.

Paris Club Paris Club

An informal group of creditor governments that has met regularly in Paris since 1956 to provide debt treatment to countries experiencing payment difficulties; the French treasury provides the secretariat. Creditors reschedule a debtor country's public debts as part of the international support provided to an economy that is experiencing debt-servicing difficulties

Present Value (PV)

The present value (PV) is the discounted sum of all future *debt service* at a given rate of *interest*. If the rate of interest is the contractual rate of the debt, by construction, the *present value* equals the *nominal value*, whereas if the rate of interest is the market interest rate, then the present value equals the market value of the debt.

Present Value of Debt-to-Exports Ratio (PV/X)

Present value (PV) of debt as a percentage of exports (usually of goods and services) (X). In the context of the Paris Club and *HIPC Initiative*, sometimes present value is mis described as *net present value* (NPV).

Principal	the provision of economic value by the <i>creditor</i> , or the creation of debt creation of debt liabilities through other means, establishes a principal liability for the debtor, which, until extinguished, may change in value over time. For <i>debt instruments</i> alone, for the use of the principal, <i>interest</i> can, and usually does, accrue on the principal amount, increasing its value.
Principal Outstanding	The amount of principal disbursed and not repaid.
Principal Repayment	The payments which are made against the <i>drawn</i> and outstanding amount of the loan
Private Creditors	These are neither governments nor public sector agencies. Private financial institutions, and manufacturers, exporters and other suppliers of goods that have a financial claim.
Public Sector:	The public sector includes the general government, monetary authorities, and those entities in the banking and other sectors that are public corporations.
Public Sector Debt	Total public sector debt consists of all debt liabilities of resident public sector units to other residents and non-residents.
Public Sector External Debt	Total public sector external debt consists of all debt liabilities of resident public sector units to non-residents.
Public Debt	The debt obligation of the public sector.
Public External Debt	The external debt obligation of the public sector.
Publicly Guaranteed Debt	The external obligation of a private debtor that is guaranteed for repayment by a public entity.
Quarterly External Debt Statistics (QEDS)	The Quarterly External Debt Statistics (QEDS) database, jointly developed by the World Bank and the International Monetary Fund brings together detailed external debt data of Countries that Subscribe to the IMF's Special Data Dissemination Standard (SDDS) and of countries that

participate in the IMF's General Data Dissemination System (GDDS).

Redemption Price

It is the amount to be paid by the issuer to the holder at maturity.

Remaining (Residual) Maturity

The period of time until debt payments fall due. In the *Guide*, it is recommended that short-term remaining maturity of outstanding *external debt* be measured by adding the value of outstanding short-term external debt (original maturity) to the value of outstanding long-term external debt (original maturity) due to be paid in one year or less. These data include all arrears.

Short-Term Debt

Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis (see also *Original Maturity* and *Remaining Maturity*).

Spread (Margin):

A percentage to be added to some defined base interest rate, such as LIBOR, to determine the rate of interest to be used for a loan.

Sovereign Debt

Sovereign debt is often used by financial markets and fiscal analysts as debt that has been contracted by the national government. Unlike grouping of the public sector, which is based on institutional units, "sovereign" is defined on a functional basis. Normally "sovereign issuer" of debt is the government (usually national or federal) that de facto exercises primary authority over a recognized jurisdiction whose debt are being considered. Consequently, sovereign debt is debt that has been legally contracted by the national government.

Stock of Debt

The amount outstanding as of a moment of time.

Stock Figures

The value of financial assets and liabilities outstanding at a particular point in time.

Supplier's Credit

A financing arrangement under which an exporter extends credit to the buyer.

Treasury Bills	Negotiable securities issued by the government. In general, these are short term obligations issued with maturity of one year or less. They are traded on a discount bases.
Treasury Bonds	Longer Term Securities compared to Treasury Bills. Usually more than a year
Undisbursed	Funds committed by the creditor but not yet drawn by the borrower.
Yield-to-Maturity	The yield-to-maturity rate is the rate at which the present value of future interest and principal payments, i.e., all future cash flows from the bond, equals the price of the bond.

