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MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT

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Foreword

Reliable and timely debt statistics are a critical element for the detection of a country's debt vulnerabilities. The Government of Uganda has therefore, through the Ministry of Finance, Planning and Economic Development in collaboration with Bank of Uganda embarked on publication of Public Debt Statistical Bulletins (PDSB). This seventh edition of the PDSB presents Uganda's public debt status as at end December 2016.

Production of this bulletin is a fulfilment of the first dimension (the publication of a Statistical Bulletin on debt, loan guarantees and debt related operations) of the fourth Debt Performance Indicator (DPI 4 -Reporting and Evaluation) of the World Bank's Debt Management and Performance Assessment (DeMPA) 2015 Framework. It is also in adherence to the reporting framework stipulated in the 2013 Public Debt Management Framework published by the Ministry of Finance, Planning and Economic Development.

The Debt Statistical Bulletin is a useful instrument for dissemination of public debt statistics to investors in Government debt instruments, Development Partners (DPs) and the general public. Publication of this bulletin will enhance transparency and accountability for debt management policy and operations.

Enjoy your reading.

For God and My Country.



Keith Muhakanizi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Preface

In this December 2016 publication, the Directorate of Debt and Cash Policy presents you with half year Public and Publicly Guaranteed external and domestic debt statistics. Publication of debt statistics is critical in promoting transparency and accountability for debt management policy and operations.

This publication is premised against the following objectives,

- a) Produce accurate, comprehensive, consistent, reliable, timely and internationally comparable debt statistics.
- b) Provide the debt status of the country to enhance policy making, transparency, accountability and effective debt management for sustainable economic growth and development.
- c) Disseminate official debt statistics i.e. parameters of external & domestic debt to policy makers, the general public, government officials, international organizations, investors in debt securities and other stakeholders for research and informed decision making.

The bulletin is divided into five parts namely; General information, Macroeconomic Overview, External Debt Statistics, Domestic Debt Statistics and the Glossary of the Debt Terms. This publication has no analysis whatsoever other than a glossary of debt terms. The aim is to have the user make their own individual assessment though Government of Uganda intends to produce separate debt portfolio analytical reports in the coming financial year to be published alongside the DSBs

I wish to thank the team which put this bulletin together. The team was led by the Debt Policy and Issuance Department and comprised officials from Treasury Services and Asset Management and Macroeconomic Policy Departments of MoFPED and Statistics Department in the Bank of Uganda.

For further information or comments regarding the bulletin, contact the Debt Policy and Issuance Department at the Ministry of Finance, Planning and Economic Development.



Maris Wanyera

Ag. Director, Debt and Cash Policy

List of Acronyms

BC	Bilateral Creditor
BOU	Bank of Uganda
DD	Domestic Debt
DDCM	Directorate of Debt and Cash Management
DEMPA	Debt Management and Performance Assessment
DMD	Debt Management Department
DMFAS	Debt Management and Financial Analysis System
DOD	Debt Disbursed and Outstanding (Debt Stock)
ED	External Debt
FV	Face Value
GDP	Gross Domestic Product
MC	Multilateral Creditor
MoFPED	Ministry of Finance, Planning and Economic Development
PB	Private Banks

Currencies

AED	United Arab Emirates Dirham
AFU	African Unit of Accounting
CHF	Swiss Franc
CNY	Chinese Yuan Renminbi
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

PART I: GENERAL INFORMATION

The Public Finance Management Act (PFMA) 2015 stipulates in Part VI section 42 (1) that the Minister for Finance shall be responsible for management of public debt. One of the components of effective debt management under the Debt Management and Performance Assessment (DEMPA) Framework is proper debt recording and reporting to facilitate transparency and accountability. The debt statistical bulletin seeks to address this component.

Scope:

The scope of this bulletin is as follows,

- i) Central Government external debt
- ii) Domestic debt

The central Government external debt refers to all external loans contracted between external creditors and MoFPED, while Domestic debt covers Government issuances of Treasury Bonds & Treasury Bills from the domestic market.

Data Source & Conversion of Debt Data to the Functional Currency:

MoFPED and the BOU use the Debt Management and Financial Analysis System (DMFAS) to record detailed loan information and produce aggregated data and reports for public sector debt.

To produce summary tables, the debt data has to be reconciled & converted into a common currency, usually the US dollar or UGX as follows:

- i) To convert stock figures into US dollars or UGX the end period exchange rate is used.
- ii) To convert flow figures into US dollars or UGX the day's exchange rate as day of transaction is used.

Exchange Rates

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

PART II: MACRO ECONOMIC OVERVIEW

Table 1: Quarterly Key Macroeconomic Indicators

	Mar-16	Jun-16	Sep-16	Dec-16
Inflation (%)				
Headline	6.3	5.9	4.3	5.7
Core	7.0	6.9	4.2	5.9
Exchange rate (Shs/ US \$)				
End of Period	3,374.43	3,404.86	3,388.56	3,610.50
Period Average	3,365.50	3,367.99	3,381.41	3,598.17
Reserves				
Gross foreign exchange reserves (US \$ millions)	2,894.2	2,962.1	2,979.1	3,034.40
Gross foreign exchange reserves (months of imports)	4.7	4.5	4.5	4.3
Fiscal Statistics (Billion Shs)				
Revenue	2,808.4	3,460.6	2,988.3	3,678.4
Expenditure	3,688.0	4,271.6	4,292.9	3,988.7
Deficit	(879.6)	(811.0)	(1,304.6)	(310.3)
Total Debt Stock (Billions US \$)				
	8.2	8.5	8.9	8.7
External Debt Stock (US \$ Billions)	5.1	5.3	5.4	5.5
Domestic Debt Stock (US \$ Billions)	3.1	3.2	3.4	3.2
Total Debt Stock (Shs Billions)				
External Debt Stock (Shs Billions)	17,348.39	18,076.41	18,432.96	19,795.60
Domestic Debt Stock (Shs Billions)	10,365	10,884	11,561	11,712
Quarterly Gross Domestic Product (GDP)				
GDP (Billion Shs)	19,434.0	21,630.0	23,076.0	22,710.0
GDP (Billions US \$)	5.8	6.4	6.8	6.3
Interest Rates (%)				
Central Bank Rate	17.0	15.0	14.0	12.0
Lending Rate	24.4	23.5	23.7	22.7
Time Deposit Rate	13.7	12.2	11.9	12.1
91-Day Treasury Bill (TB)	19.4	15.0	15.0	14.1
182- Day TB	21.5	16.1	15.9	14.9
364- Day TB	21.7	16.5	16.7	15.5
2 Year Treasury Bond	19.9	15.7	16.6	15.9
3 Year	18.6	17.4	16.4	16.7
5 Year	19.8	16.5	17.2	16.7
10 Year	17.0	17.6	16.6	17.3
15 Year	19.2	16.9	17.5	16.9

Source: MoFPED and BOU

1. Domestic debt is at Cost

Table 2: Public Debt Cost and Risk Indicators, December 2016

		Jun-16			Sep-16			Dec-16		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		21.0	12.8	33.8	21.4	13.4	34.8	22.5	13.2	35.7
PV as % of GDP		11.7	12.8	24.6	12.0	13.4	25.4	12.8	13.2	26.0
Cost of debt	<i>Interest payment as % GDP</i>	0.25	1.98	2.23	0.26	2.07	2.33	0.31	2.15	2.45
	<i>Weighted Av. IR (%)</i>	1.2	15.3	6.5	1.2	15.5	6.7	1.4	16.3	6.9
Refinancing risk	<i>ATM (years)</i>	17.4	3.3	12.1	17.3	3.3	11.9	17.1	3.5	12.1
	<i>Debt maturing in 1yr (% of total)</i>	1.1	44.6	17.4	1.1	42.3	17.0	0.5	43.0	16.2
	<i>Debt maturing in 1yr (% of GDP)</i>	0.2	5.7	5.9	0.2	5.7	5.9	0.1	5.7	5.8
Interest rate risk	<i>ATR (years)</i>	17.4	3.3	12.1	17.3	3.3	11.9	17.1	3.5	12.1
	<i>Debt refixing in 1yr (% of total)</i>	1.1	44.6	17.4	1.1	42.3	17.0	1.9	43.0	17.1
	<i>Fixed rate debt (% of total)</i>	100.0	100.0	100.0	100.0	100.0	100.0	98.6	100.0	99.1
FX risk	<i>FX debt (% of total debt)</i>			62.5			61.5			63.0
	<i>ST FX debt (% of reserves)</i>			2.0			1.9			0.9

Source: BOU/MOFPED

PART III: EXTERNAL DEBT STATISTICS

Table 3: Quarterly Debt Stock by Creditor Type, USD Billion

Creditor Type	Jun-16		Sep-16		Dec-16	
	Stock	%		%		%
Bilateral Creditors (BC)	1.24	23.41	1.29	23.69	1.34	24.53
Non Paris Club	1.08	20.40	1.09	20.07	1.16	21.20
Paris Club	0.16	3.01	0.20	3.62	0.18	3.33
Multilateral Creditors (MC)	4.07	76.59	4.15	76.31	4.07	74.16
Major Multilaterals	3.63	68.33	3.70	68.04	3.62	66.08
Other Multilaterals	0.44	8.26	0.45	8.28	0.44	8.08
Private Bank (PB)	-	0.00	-	0.00	0.07	1.32
Other Financial Institutions	-	0.00		0.00	0.07	1.32
						0.00
Grand Total	5.31	100.00	5.44	100.00	5.48	100.00

Source: MoFPED,

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

Currency	Jun-16		Sep-16		Dec-16	
	Stock	%	Stock	%	Stock	%
CNY	0.24	4.58	0.24	4.39	0.23	4.19
EUR	0.40	7.56	0.45	8.36	0.43	7.87
JPY	0.27	5.12	0.28	5.13	0.25	4.49
Others	0.22	4.14	0.27	4.96	0.27	4.97
SDR	2.87	54.12	2.86	52.49	2.79	50.81
USD	1.30	24.48	1.34	24.67	1.52	27.68
Grand Total	5.31	100.00	5.44	100.00	5.48	100.00

Source: MOFPED

Table 4b: Quarterly SDR Decomposed Debt Stock by Currency Composition, Billion USD

	Jun-16		Sep-16		Dec-16	
	Stock	%	Stock	%	Stock	%
USD	2.50	47.07%	2.54	46.57%	2.68	48.88%
Euro	1.29	24.30%	1.34	24.60%	1.29	23.59%
Japanese Yen	0.51	9.63%	0.52	9.51%	0.48	8.72%
British Pound/ Others	0.45	8.52%	0.50	9.21%	0.50	9.08%
Chinese Yuan	0.56	10.49%	0.55	10.12%	0.53	9.73%
Total	5.31	100.00%	5.44	100.00%	5.48	100.00%

Source: MOFPED

Table 5: Quarterly Debt Portfolio Currencies and Exchange Rates

Currency	UGX/ Currency			Currency/USD		
	Jun-16	Sep-16	Dec-16	Jun-16	Sep-16	Dec-16
United Arab Emirates Dirham(AED)	932.34	927.89	989.33	3.67	3.67	3.67
African Unit of Account(AFU)	4,779.99	4765.94	4869.44	0.72	0.72	0.75
Swiss Franc (CHF)	3,495.69	3522.87	3549.55	0.98	0.97	1.02
China Yuan (CNY)	515.28	510.90	523.34	6.65	6.67	6.94
Danish Krone (DKK)	511.25	513.56	512.69	6.70	6.64	7.09
Euro(EUR)	3,802.77	3827.61	3810.99	0.90	0.89	0.95
Pound Sterling(GBP)	4,630.79	4424.76	4442.52	0.74	0.77	0.82
Islamic Dinar(IDI)	4,779.99	4765.94	4869.44	0.72	0.72	0.75
Japanese Yen(JPY)	33.37	33.54	31.21	102.62	101.62	116.43
Korea (South) Won (KRW)	2.96	3.10	3.01	1,155.65	1,100.57	1,206.85
Kuwait Dinar (KWD)	11,347.91	11303.88	11877.34	0.30	0.30	0.31
Norwegian Krone(NOK)	408.11	424.26	419.76	8.39	8.03	8.66
Saudi Arabia Riyal(SAR)	912.98	907.95	968.70	3.75	3.75	3.75
Special Drawing Rights(SDR)	4,779.99	4765.94	4869.44	0.72	0.72	0.75
Swedish Krone (SEK)	403.11	398.07	398.61	8.49	8.56	9.12
Uganda Shillings(UGX)	1.00	1.00	1.00	3,424.38	3,408.38	3,633.67

Source: MoFPED

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

Interest Rate Type	Jun-16	Sep-16	Dec-16
Fixed Interest Debt	5.14	5.22	5.24
Bilateral	1.11	1.12	1.15
Multilateral	4.02	4.10	4.08
Private Bank	-	-	-
Variable Interest Debt	0.13	0.17	0.19
Bilateral	0.13	0.2	0.18
Multilateral	-	0.00	0.00
Private Bank	-	-	-
No Interest Rate	0.04	0.05	0.06
Bilateral	-	0.00	0.01
Multilateral	0.04	0.05	0.05
Private Bank	-	-	-
Total	5.31	5.44	5.48

Source: MoFPED

Table 7: Quarterly Actual External Debt Service, USD Millions

	Apr- Jun 2016				Jul- Sep 2016				Oct - Dec 2016			
	Principal	Interest	Total	%	Principal	Interest	Total	%	Principal	Interest	Total	%
Bilaterals	0.4	0.1	0.5	2.1	1.8	10.3	12.1	40.0	4.0	2.8	6.7	30.3
Paris Club	0.4	0.1	0.5	1.9	0.3	0.05	0.4	1.3	0.4	0.1	0.4	2.0
Non Paris Club	-	0.05	0.05	0.2	1.5	10.2	11.7	38.7	3.6	2.7	6.3	28.3
Multilaterals	11.9	11.6	23.5	97.9	10.8	7.3	18.1	60.0	7.9	7.5	15.4	69.7
Major	5.6	9.7	15.3	63.9	7.2	6.9	14.1	46.8	2.6	5.8	8.4	38.1
Other	6.3	1.8	8.2	34.0	3.6	0.3	4.0	13.2	5.3	1.7	7.0	31.5
Grand Total	12.3	11.7	24.0	100	12.6	17.5	30.2	100.0	11.9	10.2	22.1	100.0

Source: MoFPED

Table 8: Quarterly External Undisbursed Debt, Billion USD

	Jun-16		Sep-16		Dec-16	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	2.54	46.09	2.35	44.02	2.19	43.67
Non Paris Club	1.94	35.08	1.74	32.61	1.65	32.97
Paris Club	0.61	11.00	0.61	11.41	0.54	10.70
Multilateral	2.78	50.29	2.78	52.22	2.69	53.78
Major Creditors	1.94	35.18	1.94	36.32	1.88	37.52
Other Multilaterals	0.83	15.11	0.85	15.90	0.81	16.25
Private Bank	0.20	3.62	0.20	3.75	0.13	2.55
Other Financial Institutions	0.20	3.62	0.20	3.75	0.13	2.55
Total	5.52	100.00	5.33	100.00	5.01	100.00

Source: MoFPED

PART IV: DOMESTIC DEBT STATISTICS

Table 9: Quarterly Domestic Debt Stock as at Original Maturity Billion Shillings

Instruments Maturity period	Jun-16				Sep-16				Dec-16			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	86.1	87.3	89.1	0.8%	93.1	94.5	96.4	0.8%	57.4	58.3	59.3	0.5%
182	400.1	414.9	434.4	3.7%	428.6	444.7	461.4	3.7%	321.8	333.8	345.6	2.7%
364	2,872.1	3,120.5	3,435.2	29.6%	3,378.9	3,685.7	4,012.2	29.2%	3,407.2	3,721.4	3,996.9	29.1%
Total Bills	3,358.3	3,622.7	3,958.6	34.1%	3,900.6	4,224.9	4,570.0	33.7%	3,786.4	4,113.5	4,401.8	32.3%
2	1,447.5	1,497.7	1,438.7	12.4%	1,166.3	1,208.9	1,158.7	10.1%	1,042.0	1,077.7	1,033.5	8.9%
3	686.1	715.8	686.6	5.9%	745.9	759.8	731.6	6.5%	710.4	742.3	695.8	6.1%
5	2,762.0	2,926.9	2,850.1	24.5%	2,934.3	3,073.1	3,009.8	25.4%	3,103.8	3,265.5	3,179.2	26.5%
10	1,801.8	1,928.3	1,845.7	15.9%	1,921.7	2,045.0	1,965.7	16.6%	1,964.4	2,102.8	2,008.2	16.8%
15	828.3	842.8	832.9	7.2%	892.7	922.7	896.6	7.7%	1,105.0	1,129.0	1,096.6	9.4%
Total Bonds	7,525.8	7,911.6	7,654.1	65.9%	7,660.8	8,009.5	7,762.4	66.3%	7,925.5	8,317.4	8,013.3	67.7%
Total Stock	10,884.1	11,534.3	11,612.7	100.0%	11,561.4	12,234.4	12,332.5	100.0%	11,711.9	12,430.9	12,415.2	100.0%

Source: BOU/MOPPED

Table 10a: Quarterly Stock of Government Securities at Face Value by Holder, Billion Shillings

Holder Category	Jun-16		Sep-16		Dec-16	
	Face Value	%	Face Value	%	Face Value	%
Banks	3,286.6	83.0%	3,661.4	80.1%	3,580.5	81.3%
Pension & Provident Funds	222.5	5.6%	230.7	5.0%	220.4	5.0%
Offshore	103.9	2.6%	333.6	7.3%	234.8	5.3%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%
Insurance companies	92.4	2.3%	100.7	2.2%	105.1	2.4%
Other financial institutions	162.7	4.1%	134.3	2.9%	135.0	3.1%
Retail	66.0	1.7%	78.0	1.7%	82.9	1.9%
Other	24.4	0.6%	31.4	0.7%	43.2	1.0%
Total Bills	3,958.6	100.0%	4,570.0	100.0%	4,401.8	100.0%
Banks	1,894.4	24.7%	1,819.5	23.4%	1,695.5	21.2%
Pension & Provident Funds	3,870.0	50.6%	4,030.5	51.9%	4,291.0	53.5%
Offshore	1,014.6	13.3%	1,282.1	16.5%	1,246.1	15.6%
Bank of Uganda	394.6	5.2%	205.4	2.6%	294.4	3.7%
Insurance companies	84.1	1.1%	101.9	1.3%	120.7	1.5%
Other financial institutions	330.3	4.3%	251.7	3.2%	286.1	3.6%
Retail	49.4	0.6%	52.8	0.7%	56.3	0.7%
Other	16.7	0.2%	18.5	0.2%	23.1	0.3%
Total Bonds	7,654.1	100.0%	7,762.4	100.0%	8,013.3	100.0%
Total Stock	11,612.7		12,332.5		12,415.2	

Source: BOU

Table 10b: Quarterly Stock of Government Securities at Cost, Billion Shillings

Holder Category	Jun-16		Sep-16		Dec-16	
	Cost	%	Cost	%	Cost	%
Banks	2,788.2	83.0%	3,147.0	80.7%	3,079.1	81.3%
Pension & Provident Funds	186.7	5.6%	194.8	5.0%	188.3	5.0%
Offshore	88.7	2.6%	269.5	6.9%	184.7	4.9%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%
Insurance companies	78.9	2.3%	86.3	2.2%	91.5	2.4%
Other financial institutions	136.3	4.1%	106.3	2.7%	130.2	3.4%
Retail	57.6	1.7%	68.6	1.8%	74.0	2.0%
Other	21.9	0.7%	28.1	0.7%	38.6	1.0%
Total Bills	3,358.3	100.0%	3,900.6	100.0%	3,786.4	100.0%
Banks	1,862.6	24.7%	1,795.6	23.4%	1,677.3	21.2%
Pension & Provident Funds	3,778.7	50.2%	3,965.4	51.8%	4,242.0	53.5%
Offshore	1,043.9	13.9%	1,258.2	16.4%	1,201.3	15.2%
Bank of Uganda	394.7	5.2%	205.4	2.7%	294.2	3.7%
Insurance companies	84.0	1.1%	102.1	1.3%	121.6	1.5%
Other financial institutions	294.5	3.9%	261.7	3.4%	308.1	3.9%
Retail	51.0	0.7%	54.5	0.7%	58.2	0.7%
Other	16.2	0.2%	18.0	0.2%	22.8	0.3%
Total Bonds	7,525.8	100.0%	7,660.8	100.0%	7,925.5	100.0%
Total Stock	10,884.1		11,561.4		11,711.9	

Source: BOU

Table 11: Quarterly Domestic Debt Service, Billion Shillings

Instruments Tenor	Apr-Jun 2016				Jul-Sep 2016				Oct-Dec 2016			
	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
91	3.1	-	69.1	72.1	3.0	-	86.1	89.1	3.3	-	93.1	96.4
182	15.4	-	142.5	157.9	15.1	-	153.5	168.6	19.1	-	246.7	265.8
364	102.2	-	615.1	717.3	90.6	-	465.4	556.0	147.8	-	647.6	795.3
Total Bills	120.7	-	826.7	947.4	108.7	-	704.9	813.7	170.2	-	987.3	1,157.5
2	-	67.1	170.0	237.1	0.0	62.2	340.0	402.2	-	56.1	185.2	241.3
3	20.9	41.3	269.5	331.7	15.0	22.7	130.0	167.7	-	26.4	230.0	256.4
5	2.9	71.5	37.1	111.5	19.8	125.9	155.2	300.9	-	96.3	-	96.3
10	-	59.0	-	59.0	-	77.3	-	77.3	-	59.0	-	59.0
15	-	38.5	-	38.5	-	20.0	-	20.0	-	60.0	-	60.0
Total Bonds	23.7	277.3	476.6	777.6	34.9	308.1	625.1	968.1	-	297.9	415.2	713.1
Total	144.4	277.3	1,303.3	1,725.0	143.6	308.1	1,330.0	1,781.7	170.2	297.9	1,402.5	1,870.5

Source: BOU/MOPPED

Table 12: Quarterly Domestic Debt Issuances, Billion Shillings

Instruments Maturity period	Apr-June 2016				Jul-Sep 2016				Sept-Dec 2016						
	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost			
91	86.1	89.1	3.0	4.6%	93.1	96.4	3.3	4.4%	57.4	59.3	1.9	3.6%			
182	246.7	265.8	19.1	13.6%	181.9	195.6	13.8	8.9%	139.9	150.0	10.1	9.1%			
364	867.4	1,011.1	143.7	51.8%	972.2	1,133.0	160.8	51.7%	675.8	780.0	104.2	47.1%			
Total Bills	1,200.2	1,366.0	165.8	69.9%	1,247.1	1,425.0	177.9	65.0%	873.2	989.3	116.1	59.8%			
2	168.0	163.9	-	4.1	8.4%	60.0	60.0	0.0	2.7%	62.2	60.0	-	2.2	3.6%	
3	80.3	74.3	-	6.0	3.8%	189.7	190.0	0.3	8.7%	203.0	194.3	-	8.8	11.7%	
5	115.1	115.1	0.1	5.9%	327.4	334.7	7.3	15.3%	169.5	169.4	-	0.2	10.2%		
10	169.7	144.5	-	25.3	7.4%	119.9	120.0	0.1	5.5%	42.7	42.5	-	0.2	2.6%	
15	90.3	90.0	-	0.3	4.6%	64.4	63.6	-	0.8	2.9%	212.2	200.0	-	12.2	12.1%
Total Bonds	623.5	587.8	-	35.7	30.1%	761.4	768.3	6.9	35.0%	689.7	666.1	-	23.6	40.2%	
Total Issuance	1,823.6	1,953.8	130.2	100.0%	2,008.5	2,193.4	184.8	100.0%	1,562.9	1,655.4	92.6	100.0%			

Source: BOU/MOPPED

Table 13: Quarterly Domestic Debt Net Issuances, Billion Shillings

	Apr-June 2016	Jul-Sep 2016	Oct-Dec 2016
Fiscal Financing	520.3	678.5	60.3
BoU Recapitalisation	-	-	100.0
Total Issuance	520.3	678.5	160.3

Source: MOPPED

Net issuances refer to the amount of new money borrowed from the domestic market in form of Treasury Bills and Bonds to fund the budget

Table 14: Central Government Domestic Debt by Interest Rate (End Period/Quarterly Average Primary Market Yields)

		Quarterly Average			End Period		
		Jun-16	Sep-16	Dec-16	Jun-16	Sep-16	Dec-16
Treasury Bill Rates	91 Days	15.0	15.0	14.1	15.2	14.2	14.1
	182 Days	16.1	15.9	14.9	16.6	15.6	15.1
	364 Days	16.5	16.7	15.5	17.5	16.0	15.9
Treasury Bond Rates	2 Years	15.7	16.6	15.9	15.8	16.6	15.9
	3 Years	17.4	16.4	16.7	17.4	16.4	16.9
	5 Years	16.5	17.2	16.7	16.5	17.1	16.7
	10 Years	17.6	16.6	17.3	17.6	16.6	17.3
	15 Years	16.9	17.5	16.9	16.9	17.5	17.2

Source: BOU

PART V: 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 ongoing 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 (debtor)	The organization or the entity defined as such in the loan contract which usually is responsible for servicing the debt.
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 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.
Credit	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 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 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 or 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 those 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 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 payments 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 and is pursuing an

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 *creditor*, 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 *debt instruments* alone, for the use of the principal, *interest* 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 *drawn* 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.