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PORTFOLIO ANALYSIS**

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## FOREWORD

This 16<sup>th</sup> edition of Debt Statistical Bulletin serves as a vehicle for providing users with data on external and domestic debt as at end March 2019. Production of Debt Statistical Bulletin is undertaken on quarterly basis for the ultimate purpose of making Public and Publicly Guaranteed debt data available to policy makers and other users. It is a useful instrument for dissemination of public debt statistics to investors in Government debt instruments, Development Partners (DPs) and the general public.

Production of this bulletin is consistent with the reporting framework stipulated in the Public Debt and Other Financial Liabilities Management Framework 2018. In addition, production of Debt Statistical Bulletins is in line with World Bank's Debt Management Performance Assessment (DeMPA) 2015 Framework (first dimension of the fourth Debt Performance Indicator).

Enjoy your reading.

For God and My Country

  
Keith Muhaka  
PERMANENT SECRETARY/SECRETARY TO THE TREASURY.

## PREFACE

The Ministry of Finance, Planning and Economic Development (MoFPED) derives its mandate to prepare and publish the debt statistical bulletin from Public Debt and Other Financial Liabilities Management Framework 2018.

This bulletin was prepared by Debt Policy and Issuance Department of MoFPED in collaboration with Treasury Services and Asset Management Department, Macroeconomic Policy Department of MoFPED, and Statistics Department of Bank of Uganda.

This publication specifically covers selected macroeconomic and debt variables, including statistics on external debt, domestic debt and contingent liabilities. The report has the following objectives:

- a) To produce accurate, comprehensive, consistent, reliable, 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 on external and domestic debt parameters to policy makers, the general public, Government officials, International organizations, investors and other stakeholders for research and informed decision making.

Comments on the bulletin should be sent to the Department of Debt Policy and Issuance of the Ministry of Finance, Planning and Economic Development, at [DPI@finance.go.ug](mailto:DPI@finance.go.ug).



Maris Wanyera

**Ag. Director, Debt and Cash Policy**

**MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT**

## LIST OF ACRONYMS

<b>BC</b>	Bilateral Creditor
<b>BOU</b>	Bank of Uganda
<b>DD</b>	Domestic Debt
<b>DDCP</b>	Directorate of Debt and Cash Policy
<b>DeMPA</b>	Debt Management and Performance Assessment
<b>DMFAS</b>	Debt Management and Financial Analysis System
<b>DOD</b>	Debt Disbursed and Outstanding (Debt Stock)
<b>DPID</b>	Debt Policy and Issuance Department
<b>ED</b>	External Debt
<b>FV</b>	Face Value
<b>GDP</b>	Gross Domestic Product
<b>MC</b>	Multilateral Creditor
<b>MEPD</b>	Macro Economic Policy Department
<b>MoFPED</b>	Ministry of Finance, Planning and Economic Development
<b>PB</b>	Private Banks
<b>PPAs</b>	Power Purchase Agreements
<b>PTA</b>	Preferential Trade Area

## CURRENCIES

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

## **PART I: GENERAL INFORMATION**

Management of public debt has significant implications for Government's budget and balance sheet. Proper recording and reporting is one of the key components of effective debt management. The March 2019 Debt Statistical Bulletin covers a wide range of the public debt developments and it contributes to the Government's transparency and accountability.

### ***Scope:***

This bulletin covers,

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

### ***Data Source and Conversion of Debt Data to the Functional Currency:***

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

Data has been reconciled and 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 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: Key Macroeconomic Indicators**

Inflation (%)	Jun-18	Sep-18	Dec-18	Mar-19
Headline	2.1	3.7	2.2	3.0
Core	0.8	3.9	2.8	4.6
<b>Exchange rate (Shs/ US \$)</b>				
End of Period	3 879.54	3 822.14	3 713.35	3 715.13
Period Average	3 840.48	3 800.68	3 714.13	3 706.19
<b>Reserves</b>				
Gross foreign exchange reserves (US \$ millions)	3 220.70	3 292.60	3 414.49	3 409.90
Gross foreign exchange reserves (months of imports)	4.6	4.4	4.7	4.4
<b>Fiscal Statistics (Billion Shs)</b>				
Revenue	4 057.2	3 713.9	4 501.1	4 037.7
Expenditure	5 476.9	5 183.9	6 234.1	5 369.5
Deficit	(1 419.6)	(1 470.0)	(1 733.0)	(1 331.8)
<b>Total Debt Stock (Billions US \$)</b>				
	<b>10.7</b>	<b>11.0</b>	<b>11.5</b>	<b>12.0</b>
External Debt Stock (US \$ Billions)	7.3	7.4	7.7	7.9
Domestic Debt Stock (US \$ Billions)	3.5	3.6	3.9	4.1
<b>Total Debt Stock (Shs Billions)</b>				
	<b>41 675.72</b>	<b>41 894.51</b>	<b>42 759.47</b>	<b>44 529.69</b>
External Debt Stock (Shs Billions)	28 289.52	28 207.01	28 426.78	29 188.70
Domestic Debt Stock (Shs Billions)	13 386.20	13 687.50	14 332.69	15 340.99
<b>Quarterly Gross Domestic Product (GDP)</b>				
GDP (Billion Shs)	25 602.1	26 108.5	26 865.9	26 955.6
GDP (Billions US \$)	6.7	6.9	7.2	7.3
<b>Interest Rates (%)</b>				
Central Bank Rate	9.0	9.0	10.0	10.0
Lending Rate	17.7	13.0	20.1	19.6
Time Deposit Rate	9.3	19.6	11.2	10.3
91-Day Treasury Bill (TB)	9.1	10.4	11.1	10.2
182- Day TB	9.4	12.0	12.5	11.4
364- Day TB	10.1	13.6	13.3	12.4
2 Year Treasury Bond	11.8	16.2	15.4	14.4
3 Year	11.8	16.5	16.7	15.2
5 Year	13.3	14.7	16.8	15.4
10 Year	14.5	17.2	17.0	15.8
15 Year	14.7	17.8	17.5	16.9

Source: MoFPED and BOU



**Table 2: Public Debt Cost and Risk Indicators**

		Dec-18			Mar-19		
Risk Indicators		External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		27.8	14.0	41.8	27.5	14.5	42.0
PV as % of GDP		17.7	14.0	31.7	17.6	14.5	32.0
Cost of debt	<i>Interest payment as % GDP</i>	0.4	1.9	2.3	0.4	2.0	2.3
	<i>Weighted Av. IR (%)</i>	1.5	13.8	5.6	1.4	13.5	5.6
Refinancing risk	<i>ATM (years)</i>	14.4	4.0	10.9	14.2	3.9	10.7
	<i>Debt maturing in 1yr (% of total)</i>	2.3	36.6	13.8	2.0	38.9	14.8
	<i>Debt maturing in 1yr (% of GDP)</i>	0.6	5.1	5.8	0.6	5.6	6.2
Interest rate risk	<i>ATR (years)</i>	13.9	4.0	10.6	13.7	3.9	10.3
	<i>Debt refixing in 1yr (% of total)</i>	9.3	36.6	18.4	10.7	38.9	20.4
	<i>Fixed rate debt (% of total)</i>	92.9	100.0	95.3	91.2	100.0	94.2
FX risk	<i>FX debt (% of total debt)</i>			66.5			65.5
	<i>ST FX debt (% of reserves)</i>			5.3			4.7

Source: MoFPED, DPID

### PART III: EXTERNAL DEBT STATISTICS

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

Creditor Type	Sep-18		Dec-18		Mar-19	
	Stock	%	Stock	%	Stock	%
<b>Bilateral Creditors (BC)</b>	<b>2.36</b>	<b>32.01</b>	<b>2.59</b>	<b>33.77</b>	<b>2.69</b>	<b>34.20</b>
Non Paris Club	1.83	24.8	2.02	26.4	2.14	27.2
Paris Club	0.53	7.2	0.56	7.3	0.55	7.0
<b>Multilateral Creditors (MC)</b>	<b>4.97</b>	<b>67.3</b>	<b>5.02</b>	<b>65.6</b>	<b>5.10</b>	<b>64.9</b>
Major Multilaterals 1	4.29	58.1	4.33	56.5	4.42	56.3
Other Multilaterals	0.68	9.2	0.69	9.0	0.68	8.6
<b>Private Bank (PB)</b>	<b>0.05</b>	<b>0.7</b>	<b>0.05</b>	<b>0.6</b>	<b>0.07</b>	<b>0.9</b>
Other Financial Institutions	0.05	0.7	0.05	0.6	0.07	0.9
<b>Grand Total</b>	<b>7.38</b>	<b>100.0</b>	<b>7.66</b>	<b>100.0</b>	<b>7.86</b>	<b>100.0</b>

Source: MoFPED, DPI

**Table 4a: External Debt Stock by Currency Composition with SDR undecomposed, Billion USD**

	Sep-18		Dec-18		Mar-19	
	Stock	%	Stock	%	Stock	%
<b>USD</b>	3.69	49.95	3.93	51.33	4.06	51.63
<b>EUR</b>	1.79	24.26	1.80	23.47	1.84	23.42
<b>JPY</b>	0.69	9.35	0.70	9.21	0.72	9.15
<b>Others 1</b>	0.61	8.21	0.61	8.02	0.63	7.97
<b>CNY</b>	0.61	8.24	0.61	7.96	0.62	7.84
<b>Total</b>	<b>7.38</b>	<b>100.00</b>	<b>7.66</b>	<b>100.00</b>	<b>7.86</b>	<b>100.00</b>

Source: MoFPED, DPID

**Table 4b: External Debt Stock by Currency Composition with SDR decomposed, Billion USD**

	Sep-18		Dec-18		Mar-19	
	Stock	%	Stock	%	Stock	%
<b>USD</b>	2.31	31.36	2.55	33.32	2.65	33.76
<b>EUR</b>	0.77	10.47	0.77	10.12	0.80	10.17
<b>JPY</b>	0.42	5.63	0.43	5.61	0.44	5.58
<b>Others 1</b>	0.34	4.60	0.35	4.53	0.35	4.50
<b>SDR</b>	3.29	44.55	3.30	43.16	3.37	42.84
<b>CNY</b>	0.25	3.37	0.25	3.25	0.25	3.16
<b>Grand Total</b>	<b>7.38</b>	<b>100.00</b>	<b>7.66</b>	<b>100.00</b>	<b>7.86</b>	<b>100.00</b>

Source: MoFPED, DPID

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

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

Currency	UGX/Currency			USD/Currency		
	Sep-18	Dec-18	Mar-19	Sep-18	Dec-18	Mar-19
United Arab Emirates Dirham (AED)	1 045.61	1 016.91	1 016.85	3.67	3.67	3.67
African Unit of Account (AFU)	5 384.81	5 194.95	5 184.63	0.71	0.72	0.72
Swiss Franc (CHF)	3 967.63	3 772.98	3 754.98	0.97	0.99	0.99
China Yuan (CNY)	558.43	543.25	555.84	6.88	6.88	6.72
Danish Krone (DKK)	604.94	570.31	562.85	6.35	6.55	6.64
Euro (EUR)	4 512.60	4 258.64	4 202.39	0.85	0.88	0.89
Pound Sterling (GBP)	5 064.17	4 720.40	4 927.55	0.76	0.79	0.76
Islamic Dinar (IDI)	5 384.81	5 194.95	5 184.63	0.71	0.72	0.72
Japanese Yen (JPY)	33.98	33.72	33.84	113.03	110.77	110.39
Korea (South) Won (KRW)	3.46	3.35	3.29	1 110.07	1 114.87	1 136.45
Kuwait Dinar (KWD)	12 688.12	12 273.93	12 295.18	0.30	0.30	0.30
Norwegian Krone (NOK)	473.47	424.40	432.47	8.11	8.80	8.64
Saudi Arabia Riyal (SAR)	1 024.07	995.67	995.88	3.75	3.75	3.75
Special Drawing Rights (SDR)	5 384.81	5 194.95	5 184.63	0.71	0.72	0.72
Swedish Krone (SEK)	435.81	413.46	402.50	8.81	9.03	9.28
Uganda Shillings (UGX)	1.00	1.00	1.00	3 840.67	3 735.25	3 735.08

Source: MoFPED, DPID

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

Interest Rate Type	Sep-18		Dec-18		Mar-19	
	Stock	%	Stock	%	Stock	%
<b>Fixed Interest Debt</b>	<b>6.74</b>	<b>91.37</b>	<b>6.97</b>	<b>90.99</b>	<b>7.01</b>	<b>89.18</b>
Bilateral	1.91	25.91	2.12	27.74	2.09	26.63
Multilateral	4.83	65.47	4.83	63.14	4.90	62.33
Private Bank			0.01	0.12	0.02	0.22
<b>Variable Interest Debt</b>	<b>0.53</b>	<b>7.12</b>	<b>0.54</b>	<b>7.10</b>	<b>0.69</b>	<b>8.83</b>
Bilateral	0.45	6.10	0.46	6.03	0.59	7.57
Multilateral	0.02	0.34	0.04	0.54	0.05	0.61
Private Bank	0.05	0.68	0.04	0.53	0.05	0.65
<b>No Interest Rate</b>	<b>0.11</b>	<b>1.51</b>	<b>0.15</b>	<b>1.91</b>	<b>0.16</b>	<b>1.99</b>
Bilateral						
Multilateral	0.11	1.51	0.15	1.91	0.16	1.99
Private Bank						
<b>Total</b>	<b>7.38</b>	<b>100.00</b>	<b>7.66</b>	<b>100.00</b>	<b>7.86</b>	<b>100.00</b>

Source: MoFPED, DPID

**Table 7: Actual External Debt Service, Millions USD**

	Oct-Dec 2018					Jan-Mar 2019				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
<b>Bilaterals</b>	<b>13.75</b>	<b>2.36</b>	<b>0.44</b>	<b>16.55</b>	<b>16.30</b>	<b>32.00</b>	<b>53.01</b>	<b>17.97</b>	<b>102.98</b>	<b>31.55</b>
Paris Club	13.39	2.08	0.44	15.91	15.66	17.19	2.88	0.69	20.76	6.36
Non Paris Club	0.37	0.28	0.00	0.64	0.63	14.80	50.13	17.28	82.22	25.19
<b>Multilaterals</b>	<b>67.75</b>	<b>13.94</b>	<b>3.05</b>	<b>84.74</b>	<b>83.42</b>	<b>38.41</b>	<b>29.04</b>	<b>1.65</b>	<b>69.11</b>	<b>21.17</b>
Major	11.41	10.11	0.91	22.43	22.08	28.19	25.61	1.34	55.14	16.89
Other	56.34	3.83	2.14	62.31	61.34	10.23	3.43	0.31	13.97	4.28
<b>Private Banks</b>	<b>0.00</b>	<b>0.08</b>	<b>0.22</b>	<b>0.29</b>	<b>0.29</b>	<b>83.67</b>	<b>4.11</b>	<b>2.06</b>	<b>89.85</b>	<b>27.53</b>
Other financial institutions	0.00	0.08	0.22	0.29	0.29	83.67	4.11	2.06	89.85	27.53
<b>Grand Total</b>	<b>81.50</b>	<b>16.38</b>	<b>3.71</b>	<b>101.58</b>	<b>100.00</b>	<b>154.08</b>	<b>86.17</b>	<b>21.68</b>	<b>261.93</b>	<b>100.00</b>

Source: MoFPED, DPID

**Table 8: External Undisbursed Debt, Billion USD**

	Sep-18		Dec-18		Mar-19	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
<b>Bilateral</b>	<b>1.79</b>	<b>40.10</b>	<b>1.55</b>	<b>38.18</b>	<b>1.43</b>	<b>37.02</b>
Non Paris Club	1.08	24.09	0.78	19.16	0.69	17.85
Paris Club	0.71	16.00	0.77	19.02	0.74	19.17
<b>Multilateral</b>	<b>2.63</b>	<b>58.93</b>	<b>2.46</b>	<b>60.80</b>	<b>2.40</b>	<b>61.98</b>
Major Creditors	1.70	40.10	1.60	39.59	1.57	40.50
Other Multilaterals	0.93	20.78	0.86	0.21	0.83	21.48
<b>Private Bank</b>	<b>0.04</b>	<b>0.97</b>	<b>0.04</b>	<b>1.01</b>	<b>0.04</b>	<b>1.00</b>
	0.04	0.97	0.04	1.01	0.04	1.00
<b>Total</b>	<b>4.46</b>	<b>100.00</b>	<b>4.05</b>	<b>100.00</b>	<b>3.88</b>	<b>100.00</b>

Source: MoFPED, DPID

*Note: GoU pays to Islamic Development Bank (IDB) a reasonable fees equivalent to interest rate recorded under commitment fees. These fee charges are payable during the disbursement period hence disqualifying IDB loans as no interest rate debt.*

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

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
<b>General Government</b>	<b>7,616.84</b>	<b>7,614.35</b>	<b>7,791.12</b>	<b>8,031.29</b>	<b>8,262.16</b>
<b>Short-term</b>	<b>25.33</b>	<b>23.84</b>	<b>24.18</b>	<b>24.74</b>	<b>29.51</b>
Currency and deposits	-	-	-	-	-
Debt securities	25.33	23.84	24.18	24.74	29.51
Loans	-	-	-	-	-
Trade credit and advances	-	-	-	-	-
Other debt liabilities 1	-	-	-	-	-
<b>Long-term</b>	<b>7,591.51</b>	<b>7,590.51</b>	<b>7,766.94</b>	<b>8,006.55</b>	<b>8,232.65</b>
Special drawing rights (allocations) 2	-	-	-	-	-
Currency and deposits	-	-	-	-	-
Debt securities	282.59	258.67	257.47	277.46	266.64
Loans	7,308.92	7,331.84	7,509.47	7,729.09	7,966.01
Trade credit and advances	-	-	-	-	-
Other debt liabilities 1	-	-	-	-	-
<b>Central Bank</b>	<b>246.24</b>	<b>243.14</b>	<b>242.64</b>	<b>240.69</b>	<b>240.22</b>
<b>Short-term</b>				-	
Currency and deposits	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans	-	-	-	-	-
<b>Long-term</b>	<b>246.24</b>	<b>243.14</b>	<b>242.64</b>	<b>240.69</b>	<b>240.22</b>
Special drawing rights (allocations)2	246.24	243.14	242.64	240.69	240.22
Currency and deposits	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans	-	-	-	-	-
<b>Deposit-Taking Corporations, except the Central Bank</b>	<b>480.12</b>	<b>472.33</b>	<b>500.24</b>	<b>564.68</b>	<b>599.10</b>
<b>Short-term</b>	<b>110.25</b>	<b>127.34</b>	<b>135.05</b>	<b>175.10</b>	<b>176.54</b>
Currency and deposits	110.25	127.34	135.05	175.10	176.54
Debt securities	-	-	-	-	-
<b>Long-term</b>	<b>369.87</b>	<b>345.00</b>	<b>365.19</b>	<b>389.59</b>	<b>422.56</b>
Currency and deposits	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans	369.87	345.00	365.19	389.59	422.56
<b>Other Sectors</b>	<b>1,209.27</b>	<b>1,130.34</b>	<b>1,086.26</b>	<b>1,095.90</b>	<b>1,101.64</b>
<b>Short-term</b>	<b>281.60</b>	<b>252.27</b>	<b>214.70</b>	<b>283.11</b>	<b>290.68</b>
Loans	167.27	180.59	164.48	170.24	178.65
Trade credit and advances	114.33	71.68	49.22	112.87	112.03
Other debt liabilities 1	-	-	1.00	-	-
<b>Long-term</b>	<b>927.67</b>	<b>878.06</b>	<b>871.56</b>	<b>812.78</b>	<b>810.96</b>
Loans	927.67	878.06	871.56	812.78	810.96
<b>Direct Investment: Intercompany Lending</b>	<b>2,776.50</b>	<b>2,821.49</b>	<b>2,751.18</b>	<b>2,666.57</b>	<b>2,758.67</b>
Debt liabilities of direct investment enterprises to direct investors	2,776.50	2,821.49	2,751.18	2,666.57	2,758.67
Debt liabilities of direct investors to direct investment enterprises	-	-	-	-	-
Debt liabilities to fellow enterprises	-	-	-	-	-
<b>Gross External Debt Position</b>	<b>12,328.97</b>	<b>12,281.64</b>	<b>12,371.44</b>	<b>12,599.13</b>	<b>12,961.79</b>

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

## PART IV: CONTINGENT LIABILITIES

**Table 10: Guaranteed Debt Stock, (Million USD) as at end December 2018**

Creditor	Project	Beneficiary	Year of Signature	Guaranteed Amount of the Loan (in USD)	Exposure: Disbursed & Outstanding as at December 2017 (in USD)	Exposure: Disbursed & Outstanding as at December 2018 (in USD)	Performance
Islamic Development Bank (IDB)	Student hostel project	Islamic University In Uganda	2004	4,302,676	2,612,721.75	2,328,134.88	On schedule
IDB	Student hostel project-additional financing	Islamic University In Uganda	2010	983,888	792,317.87	727,675.63	On schedule
IDA	E.A trade & transport facilitation	Rift Valley Railways	2006	10,000,000	-	-	Didn't disburse
BADEA (Trade Finance)	To finance import transactions from Arab countries to UDBL's eligible clients in Uganda	Uganda Development Bank Limited	2017	10,000,000	3,000,000	8,076,000	There is one disbursement request pending of USD 1.5 Mn.
BADEA (Private Sector Development)	Private sector projects and trade transactions in the republic of Uganda	Uganda Development Bank Limited	2017	6,000,000	1,800,000	5,782,000	There is one disbursement request pending of USD 0.218 Mn.
IDB	Private sector projects and trade transactions in the republic of Uganda	Uganda Development Bank Limited	2017	10,000,000	-	3,000,000	So far only quality plastics has been disbursed. Approval of JESA was obtained
IDB	Construct a faculty of engineering, upgrade the library and purchase ICT equipment	Islamic University In Uganda	2018	13,790,000	-	-	Not yet disbursed. Still at procurement stage.
<b>Total</b>				<b>55,076,564</b>	<b>8,205,040</b>	<b>19,913,811</b>	

Source: MoFPED, DPID

**Table 11: Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs, Million UGX**

	Jun-17	Jun-18
Domestic borrowing	2,170,195	1,635,444
External borrowing	80,515	99,850
Other debt (including, lease contracts and overdrafts)	13,944	18,574
GoU on-lent	3,685,256	6,255,813
Total outstanding debt including GoU on-lent loans	5,949,910	8,009,681
Total debt excluding GoU on-lent loans	2,264,654	1,753,868
Debt ratio (Total debt/total assets)	25.02%	20.26%
Liabilities from grants and GoU contributions	1,362,214	2,496,609

Source: MoFPED, DPID

*Note: The March position shall be provided in the June 2019 bulletins.*

## PART V: DOMESTIC DEBT STATISTICS

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

Instruments Maturity period	Sep-18				Dec-18				Mar-19			
	Cost	Nominal Face Value	% Cost		Cost	Nominal Face Value	% Cost		Cost	Nominal Face Value	% Cost	
91	64.1	64.9	65.7	0.5%	83.9	85.0	86.2	0.6%	92.1	93.4	94.4	0.6%
182	378.4	388.1	398.9	2.8%	728.7	484.0	800.8	5.1%	773.2	403.8	847.5	5.0%
364	3 001.9	3 141.6	3 327.5	22.4%	2 778.1	3 204.5	3 097.5	19.4%	3 063.4	3 643.9	3 442.5	19.9%
<b>Total Bills</b>	<b>3 444.4</b>	<b>3 594.6</b>	<b>3 792.1</b>	<b>25.7%</b>	<b>3 590.7</b>	<b>3 773.5</b>	<b>3 984.5</b>	<b>25.1%</b>	<b>3 928.7</b>	<b>4 141.1</b>	<b>4 384.5</b>	<b>25.5%</b>
2	319.1	330.7	329.0	2.4%	437.7	456.3	449.0	3.1%	1 023.1	1 055.9	1 072.0	6.7%
3	1 199.2	1 193.2	1 168.5	9.0%	1 133.2	1 155.8	1 089.0	7.9%	1 063.1	1 076.7	1 079.4	6.9%
5	3 781.8	3 886.8	3 694.6	28.3%	3 673.9	3 784.2	3 600.2	25.6%	3 810.1	3 891.8	3 740.2	24.8%
10	3 161.5	3 306.7	3 201.1	23.6%	3 344.1	3 519.3	3 404.8	23.3%	3 418.3	3 567.8	3 471.1	22.2%
15	1 781.5	1 842.2	1 753.4	13.3%	2 153.1	2 236.8	2 179.7	15.0%	2 134.6	2 201.2	2 148.4	13.9%
<b>Total Bonds</b>	<b>10 243.1</b>	<b>10 559.7</b>	<b>10 146.6</b>	<b>76.5%</b>	<b>10 742.0</b>	<b>11 152.3</b>	<b>10 722.7</b>	<b>74.9%</b>	<b>11 449.3</b>	<b>11 793.4</b>	<b>11 511.1</b>	<b>74.5%</b>
<b>Total Stock</b>	<b>13 687.5</b>	<b>14 154.3</b>	<b>13 938.7</b>	<b>102.3%</b>	<b>14 332.7</b>	<b>14 925.8</b>	<b>14 707.2</b>	<b>100.0%</b>	<b>15 378.0</b>	<b>15 934.5</b>	<b>15 895.6</b>	<b>100.0%</b>

Source: MoFPED, DPID

**Table 13 a: Stock of Government Securities at Face Value by Holder, Billion Shillings**

Holder Category	Jun-18		Sep-18		Dec-18		Mar-19	
	Face Value	%Face Value	Face Value	%Face Value	Face Value	%Face Value	Face Value	%Face Value
Banks	3 070.0	79.5%	2 969.6	78.3%	3 183.7	79.9%	3 610.0	82.3%
Pension & Provident Funds	207.7	5.4%	212.1	5.6%	218.1	5.5%	216.7	4.9%
Offshore	0.2	0.0%	0.2	0.0%	-	0.0%	20.0	0.5%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%	0.4	0.0%
Insurance companies	107.3	2.8%	133.9	3.5%	133.7	3.4%	131.8	3.0%
Other financial institutions	221.0	5.7%	175.1	4.6%	133.3	3.3%	95.7	2.2%
Retail	79.7	2.1%	93.4	2.5%	93.4	2.3%	102.9	2.3%
Other	174.9	4.5%	207.9	5.5%	222.2	5.6%	206.9	4.7%
<b>Total Bills</b>	<b>3 860.7</b>	<b>100.0%</b>	<b>3 792.1</b>	<b>100.0%</b>	<b>3 984.5</b>	<b>100.0%</b>	<b>4 384.5</b>	<b>100.0%</b>
Banks	2 693.9	27.8%	2 620.9	25.8%	2 904.3	27.1%	3 288.1	28.6%
Pension & Provident Funds	5 296.4	54.6%	5 647.7	55.7%	5 856.0	54.6%	6 131.3	53.3%
Offshore	921.7	9.5%	863.3	8.5%	810.3	7.6%	788.1	6.8%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%	6.7	0.1%
Insurance companies	186.6	1.9%	213.7	2.1%	228.3	2.1%	225.0	2.0%
Other financial institutions	451.4	4.7%	636.1	6.3%	739.0	6.9%	874.1	7.6%
Retail	122.0	1.3%	138.9	1.4%	153.3	1.4%	165.1	1.4%
Other	23.2	0.2%	26.1	0.3%	31.6	0.3%	32.7	0.3%
<b>Total Bonds</b>	<b>9 695.3</b>	<b>100.0%</b>	<b>10 146.6</b>	<b>100.0%</b>	<b>10 722.7</b>	<b>100.0%</b>	<b>11 511.1</b>	<b>100.0%</b>
<b>Total Stock</b>	<b>13 556.0</b>		<b>13 938.7</b>		<b>14 707.2</b>		<b>15 895.6</b>	

Source: BOU

*Note: Other financial institutions include: Savings and Credit Co-operatives (SACCOs) and Micro Finance Institutions (MFIs).*

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

Holder Category	Jun-18		Sep-18		Dec-18		Mar-19	
	Cost	% Cost	Cost	% Cost	Cost	% Cost	Cost	% Cost
Banks	2 801.4	79.5%	2 697.3	78.3%	2 869.0	79.9%	3 234.8	82.3%
Pension & Provident Funds	191.5	5.4%	194.1	5.6%	198.8	5.5%	195.0	5.0%
Offshore	0.2	0.0%	-	0.0%	-	0.0%	17.9	0.5%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%	0.4	0.0%
Insurance companies	98.8	2.8%	122.6	3.6%	120.6	3.4%	118.4	3.0%
Other financial institutions	188.9	5.4%	150.7	4.4%	112.2	3.1%	78.4	2.0%
Retail	74.6	2.1%	86.2	2.5%	85.7	2.4%	94.4	2.4%
Other	167.6	4.8%	193.5	5.6%	204.3	5.7%	189.5	4.8%
<b>Total Bills</b>	<b>3 523.0</b>	<b>100.0%</b>	<b>3 444.4</b>	<b>100.0%</b>	<b>3 590.7</b>	<b>100.0%</b>	<b>3 928.7</b>	<b>100.0%</b>
Banks	2 740.5	27.8%	2 645.8	25.8%	2 909.5	27.1%	3 270.5	28.6%
Pension & Provident Funds	5 386.3	54.6%	5 704.8	55.7%	5 854.6	54.5%	6 106.7	53.3%
Offshore	937.7	9.5%	871.5	8.5%	811.7	7.6%	783.9	6.8%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%	6.7	0.1%
Insurance companies	195.2	2.0%	219.4	2.1%	232.2	2.2%	227.6	2.0%
Other financial institutions	448.7	4.5%	629.3	6.1%	742.8	6.9%	851.4	7.4%
Retail	130.8	1.3%	145.8	1.4%	159.6	1.5%	170.2	1.5%
Other	24.1	0.2%	26.5	0.3%	31.6	0.3%	32.4	0.3%
<b>Total Bonds</b>	<b>9 863.2</b>	<b>100.0%</b>	<b>10 243.1</b>	<b>100.0%</b>	<b>10 742.0</b>	<b>100.0%</b>	<b>11 449.3</b>	<b>100.0%</b>
<b>Total Stock</b>	<b>13 386.2</b>		<b>13 687.5</b>		<b>14 332.7</b>		<b>15 378.0</b>	

Source: BOU

**Table 14: Domestic Debt Service, Billion Shillings**

Instruments Maturity period	Oct-Dec 2018				Jan-Mar 2019			
	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
91	1.6	-	64.1	65.7	2.2	-	83.9	86.2
182	10.9	-	213.0	223.9	9.6	-	165.4	175.0
364	56.1	-	608.9	665.0	71.8	-	773.2	845.0
<b>Total Bills</b>	<b>68.6</b>	<b>-</b>	<b>886.0</b>	<b>954.6</b>	<b>83.6</b>	<b>-</b>	<b>1 022.5</b>	<b>1 106.2</b>
2	-	8.4	-	8.4	-	4.4	-	4.4
3	-	17.1	-	17.1	-	73.1	334.6	407.7
5	12.5	144.9	341.9	499.2	-	156.2	-	156.2
10	-	92.7	-	92.7	-	159.3	-	159.3
15	-	68.5	-	68.5	-	55.3	-	55.3
<b>Total Bonds</b>	<b>12.5</b>	<b>331.5</b>	<b>341.9</b>	<b>685.9</b>	<b>-</b>	<b>448.3</b>	<b>334.6</b>	<b>782.9</b>
<b>Total</b>	<b>81.0</b>	<b>331.5</b>	<b>1 227.9</b>	<b>1 640.5</b>	<b>83.6</b>	<b>448.3</b>	<b>1 357.1</b>	<b>1 889.0</b>

Source: MoFPED, DPID

**Table 15: Domestic Debt Gross Issuances, Billion Shillings**

Instruments Maturity period	Oct-Dec 2018				Jan-Mar 2019			
	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost
91	83.9	86.2	2.2	4.5%	92.1	94.4	2.3	3.8%
182	182.5	193.5	11.0	9.7%	209.9	221.7	11.8	8.7%
364	765.8	867.3	101.4	40.7%	1058.5	1 190.0	131.5	43.6%
<b>Total Bills</b>	<b>1 032.3</b>	<b>1 146.9</b>	<b>114.7</b>	<b>54.8%</b>	<b>1 360.6</b>	<b>1 506.2</b>	<b>145.6</b>	<b>56.1%</b>
2	208.8	220.0	11.2	11.1%	-	-	-	0.0%
3	106.8	120.4	13.6	5.7%	-	-	-	0.0%
5	244.7	260.0	15.3	13.0%	-	-	-	0.0%
10	118.3	130.0	11.7	6.3%	745.9	748.0	2.1	30.8%
15	172.9	200.0	27.1	9.2%	318.7	325.0	6.3	13.1%
<b>Total Bonds</b>	<b>851.5</b>	<b>930.4</b>	<b>78.9</b>	<b>45.2%</b>	<b>1 064.6</b>	<b>1 073.0</b>	<b>8.4</b>	<b>43.9%</b>
<b>Total Issuance</b>	<b>1 883.8</b>	<b>2 077.4</b>	<b>193.6</b>	<b>100.0%</b>	<b>2 425.2</b>	<b>2 579.2</b>	<b>153.9</b>	<b>100.0%</b>

Source: MoFPED, DPID



**Table 16: Domestic Debt Net Issuances, Billion Shillings**

	Oct-Dec 2016	Jul-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019
Fiscal Financing	60.3	303.5	655.9	1068.1	135.9
BoU Recapitalisation	100.0	-			
Redemptions	1402.5	1 229.5	1 227.9	1 357.1	1 422.5
<b>Total Issuance</b>	<b>1 562.8</b>	<b>1 533.1</b>	<b>1 883.8</b>	<b>2 425.2</b>	<b>1 558.4</b>

Source: MoFPED, DPID

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

	End Period				Quarterly Average			
	Jun-18	Sep-18	Dec-18	Mar-19	Jun-18	Sep-18	Dec-18	Mar-19
91 Days	10.5	9.8	10.8	9.9	9.1	10.4	11.1	10.2
<b>Treasury</b> 182 Days	12.0	12.0	12.0	10.9	9.9	12.0	12.5	11.4
364 Days	14.5	11.8	13.3	12.5	10.8	13.6	13.3	12.4
2 Years	13.2	16.2	15.3	14.0	12.2	16.2	15.4	14.4
3 Years	11.9	16.5	16.6	15.2	11.9	16.5	16.7	15.2
<b>Treasury</b> 5 Years	14.7	14.7	16.8	15.4	13.6	14.7	16.8	15.4
10 Years	14.4	17.2	17.0	15.8	14.4	17.2	17.0	15.8
15 Years	15.0	17.8	17.5	16.9	15.0	17.8	17.5	16.9

Source: MoFPED, DPID

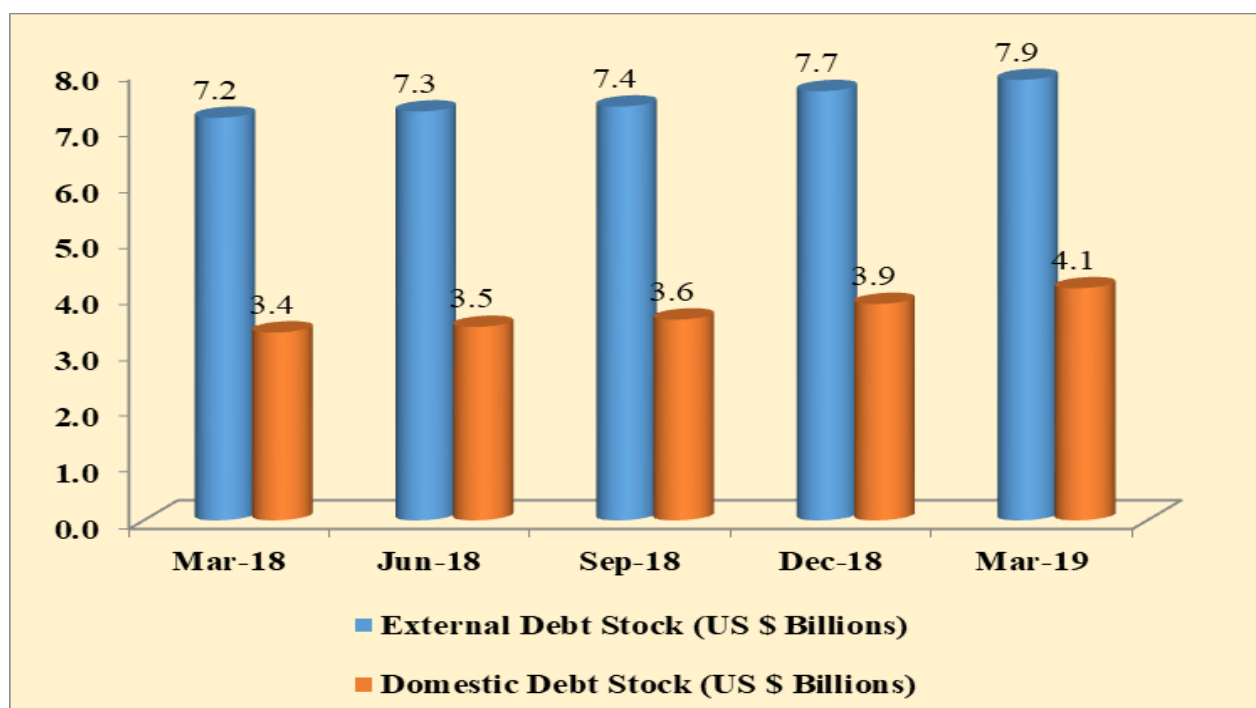
## PART VI: PUBLIC DEBT PORTFOLIO ANALYSIS

### 6.1 TOTAL PUBLIC DEBT

The total public debt stock increased by 4.2% to USD 12.0 Billion as at March 2019 from USD 11.5 Billion as at end December 2018 out of which domestic and external debt accounted for 34.5% (USD 4.1 Billion) and 65.5% (USD 7.9 Billion) respectively.

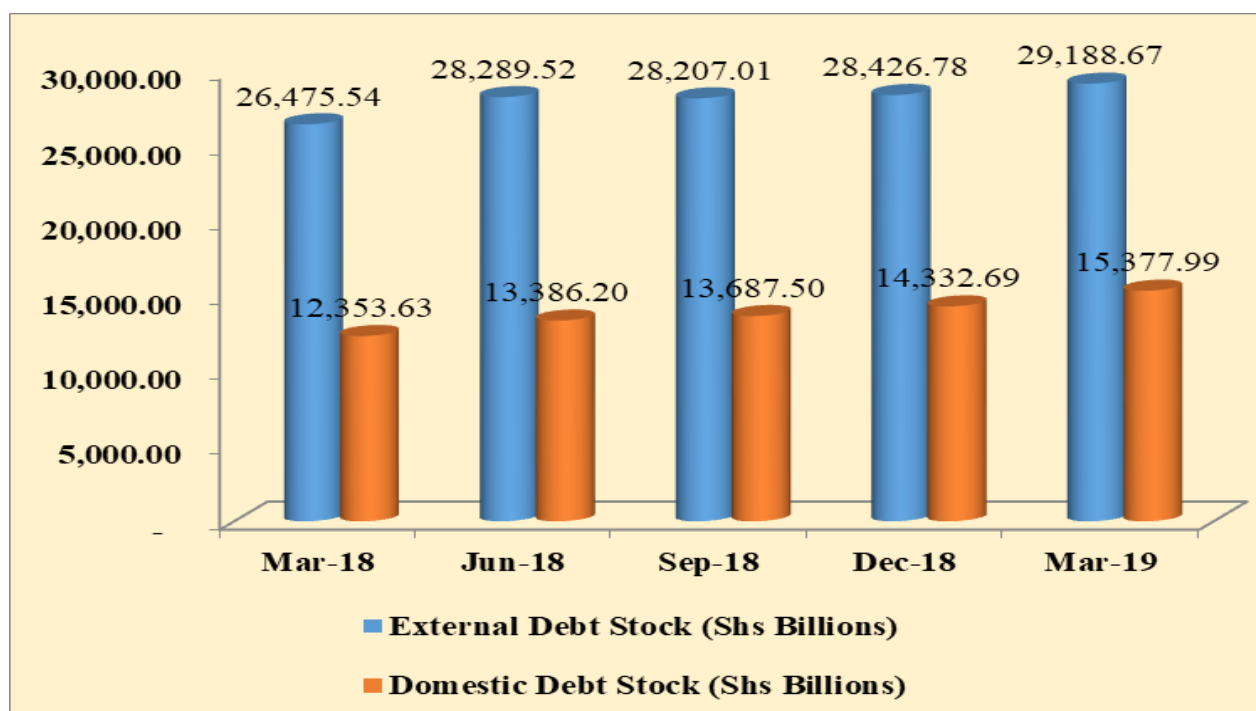
The nominal value of public debt as a percentage of GDP stood at 41.97% as at end March 2019. The increase of 0.1% from 41.83% as at end December 2018 is attributed to the rate of debt accumulation which is greater than GDP growth rate.

**Figure 1a: Public debt stock, USD Billion (March 2018-March 2019).**



Source: MoFPED, DPID

**Figure 1b: Public debt stock, UGX Trillion (March 2018-March 2019).**



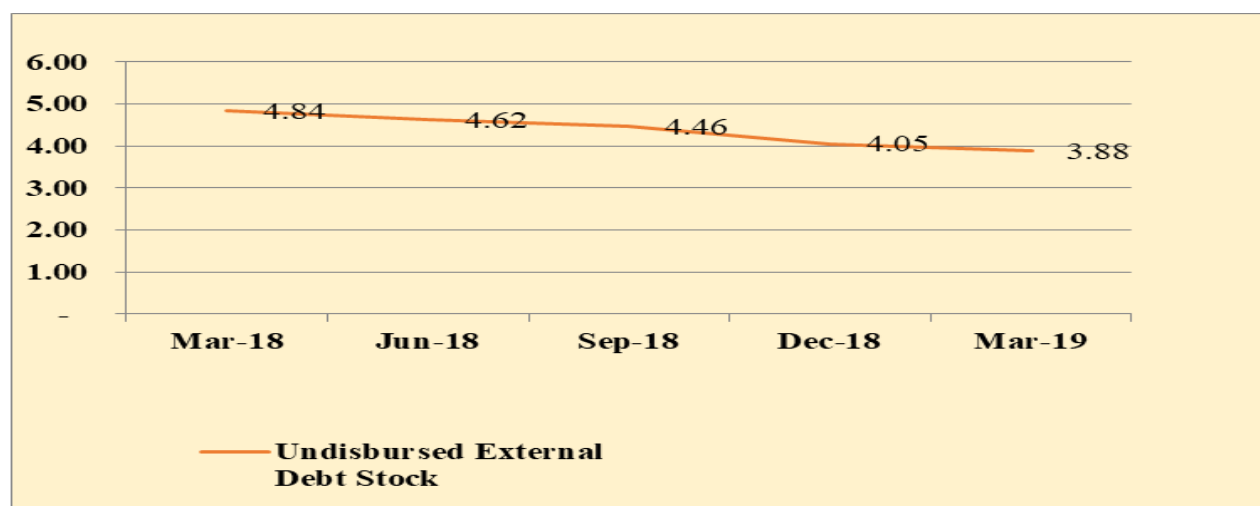
Source: MoFPED, DPID

## 6.2 EXTERNAL DEBT

### 6.2a. External debt stock disbursed and outstanding

The external debt stock increased to USD 7.9 Billion by end March 2019 from USD 7.7 Billion in December 2018. The nominal value of external debt stock to GDP stood at 27.5% in March 2019 while the present value of external debt to GDP stood at 17.6% in March 2019. The undisbursed amount declined from USD 4.05 Billion in December 2018 to USD 3.88 Billion in March 2019.

**Figure 2: Trend of Undisbursed External Debt in USD Billion (March 2018 - March 2019)**



**Source: MoFPED, DPI**

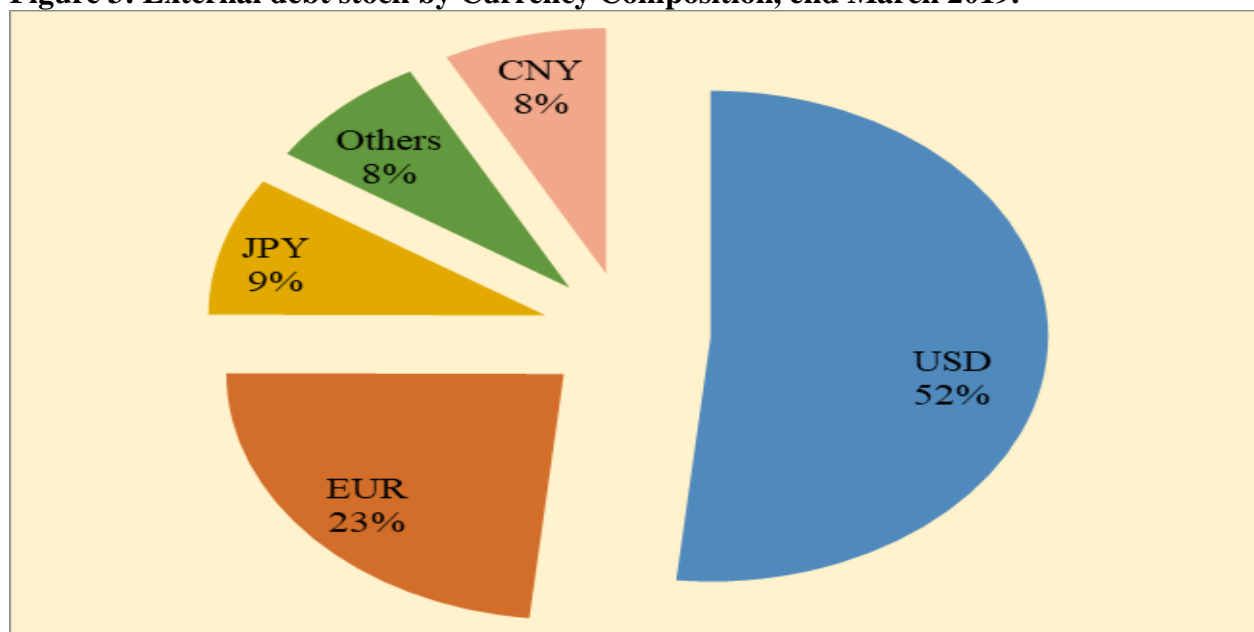
### **6.2b. Creditor composition**

A greater share of Uganda's debt stock is dominated by multilateral creditors which accounted for 64.9% whereas bilateral creditors accounted for 34.2%; and Private Banks contributed 0.9% of the total external debt portfolio at the end of March 2019. Multilateral debt is dominated by International Development Association (61%) and African Development Fund (25%), bilateral debt is dominated by the Exim Bank of China (76%) and Japan (11%) while the debt from private banks is dominated by Standard Chartered Bank (59%).

### **6.2c. Currency composition.**

The currency composition of central government external debt is dominated by four currencies; USD, EUR, JPY and CNY. This is illustrated in the figure below.

**Figure 3: External debt stock by Currency Composition, end March 2019.**



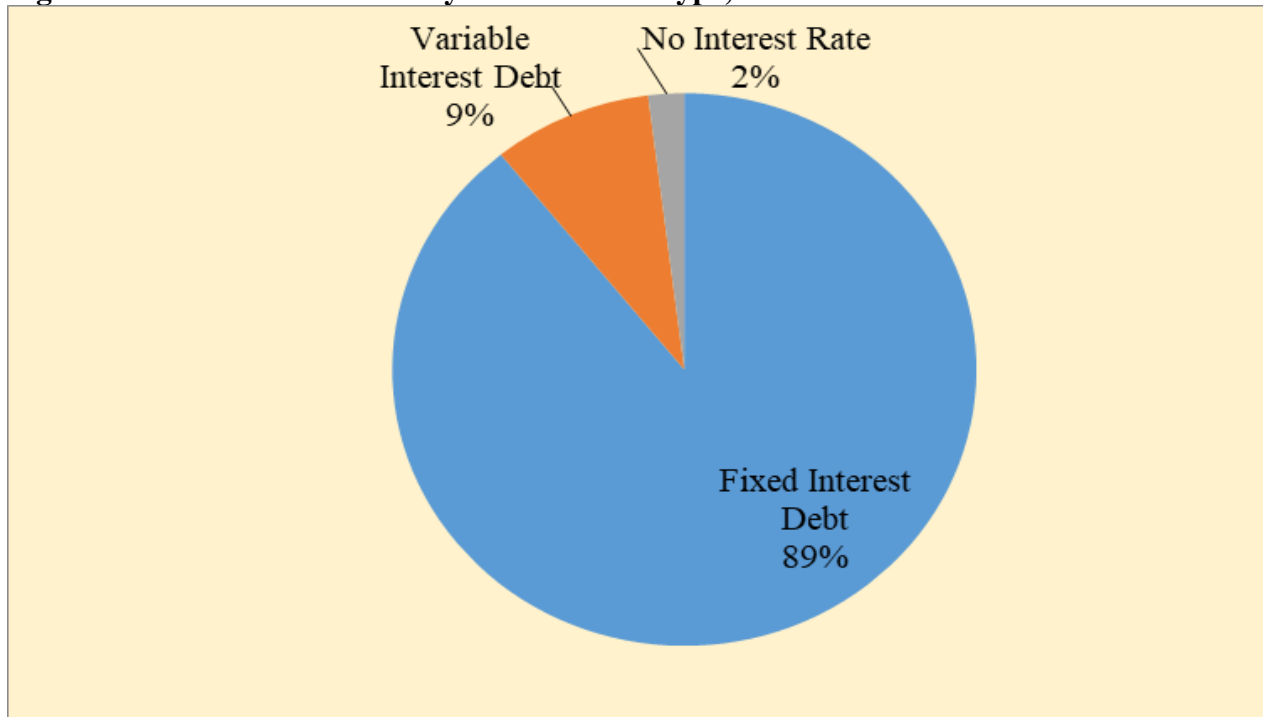
**Source: MoFPED, DPID**

External debt stock denominated in USD increased by 0.3 percentage points from 51.33% in December 2018 to 51.63% in March 2019. The increase was on the account of disbursement (USD 43 Million) in excess of debt service on USD denominated debt between December 2018 and March 2019. On the other hand, the stock of debt denominated in Euros reduced from 23.47% in December 2018 to 23.42% in March 2019.

#### **6.2d. Interest rate type**

Approximately 89.19% of Uganda's debt stock as at end March 2019 was contracted at fixed interest rates while variable interest rates and no interest rates constituted 8.83% and 1.99% respectively. The stock of the variable-rate debt from Bilateral creditors is from China (USD 496 Million) and UKEF (USD 98 Million) while the variable-rate debt from Multilateral creditors is from AfDB (USD 48.3 Million). This is demonstrated in figure 3 below.

**Figure 4: External Debt Stock by Interest Rate Type, end March 2019.**

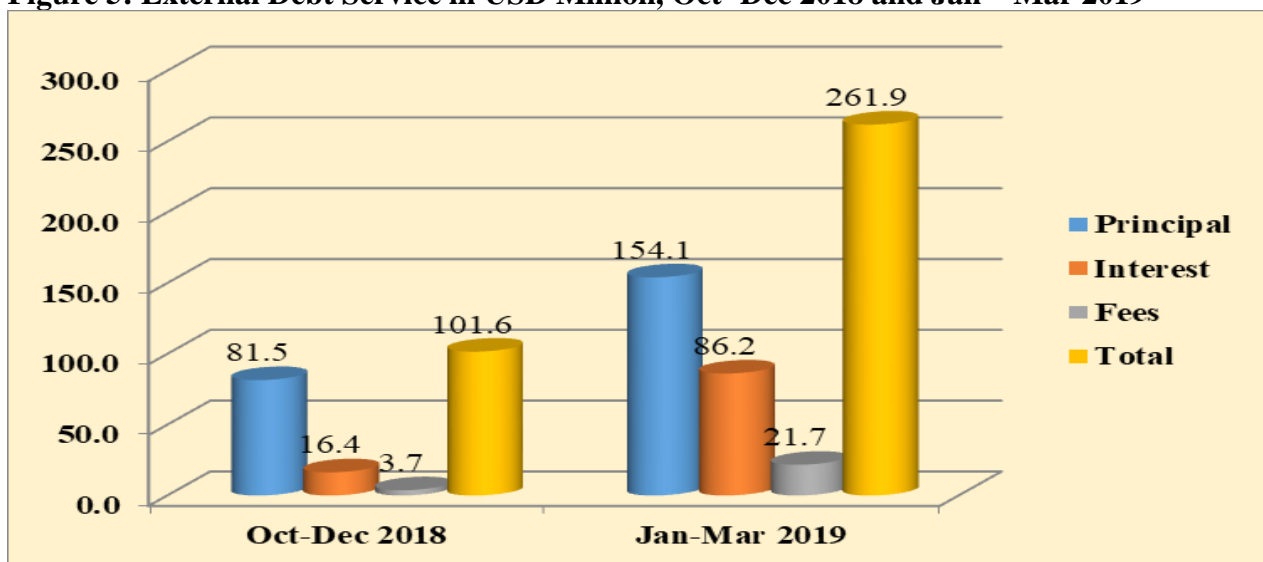


Source: MoFPED, DPID

**6.2e. External debt service.**

The external debt service increased from USD 101.6 Million in Oct - Dec 2018 to USD 261.9 Million in Jan– March 2019.

**Figure 5: External Debt Service in USD Million, Oct- Dec 2018 and Jan – Mar 2019**



Source: MoFPED, DPID

Principal payments increased from USD 81.5 Million in the period Oct – Dec 2018 to USD 154.1 Million in the period Jan – Mar 2019, while interest payments increased from USD 16.4 Million in Oct – Dec 2018 to USD 86.2 Million in Jan – Mar 2019.

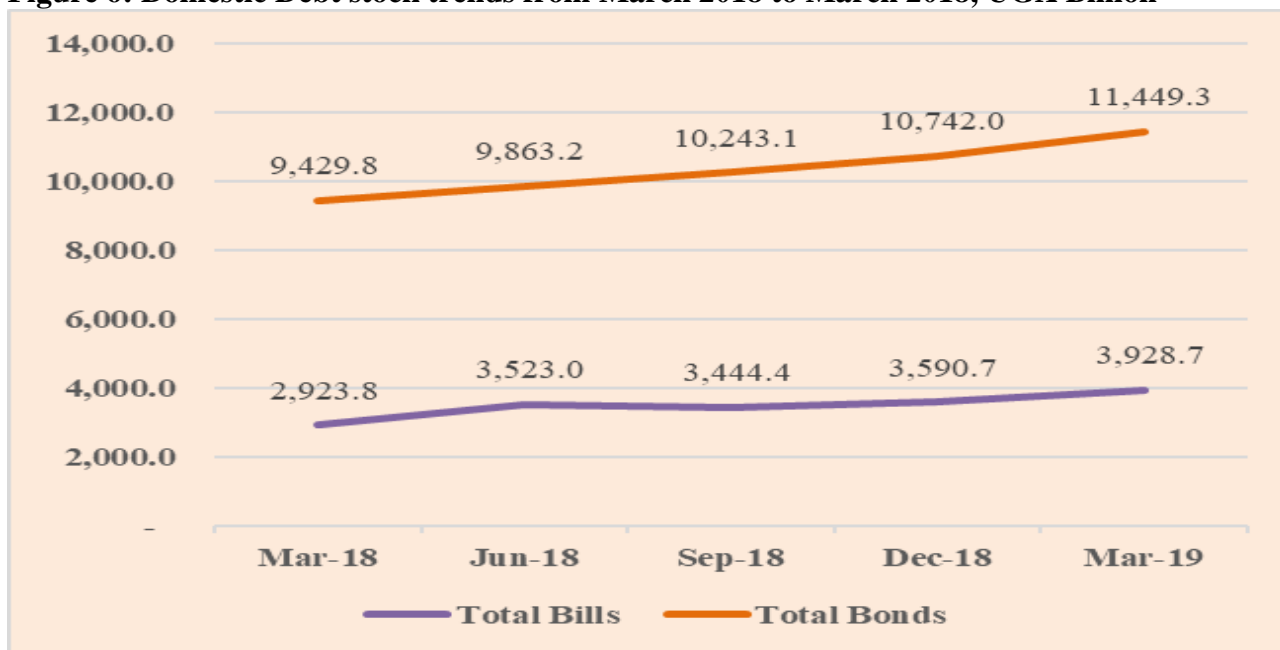
## 6.3 DOMESTIC DEBT

### 6.3a. Domestic debt stock outstanding

The total domestic debt stock increased from UGX 14,332.7 Billion in December 2018 to UGX 15,378.0 Billion in March 2019 with T-Bills amounting to UGX 3,590.7 Billion and T-Bonds amounting to UGX 10, 742.0 Billion.

T-Bills increased from 25.1% of the total domestic debt stock in December 2018 to 25.5% in March 2019 while T-Bonds reduced from 74.9% of the total domestic debt in December 2018 to 74.5% in March 2019. This indicates an increase in the issuance of T-Bills during quarter one of 2019.

**Figure 6: Domestic Debt stock trends from March 2018 to March 2018, UGX Billion**

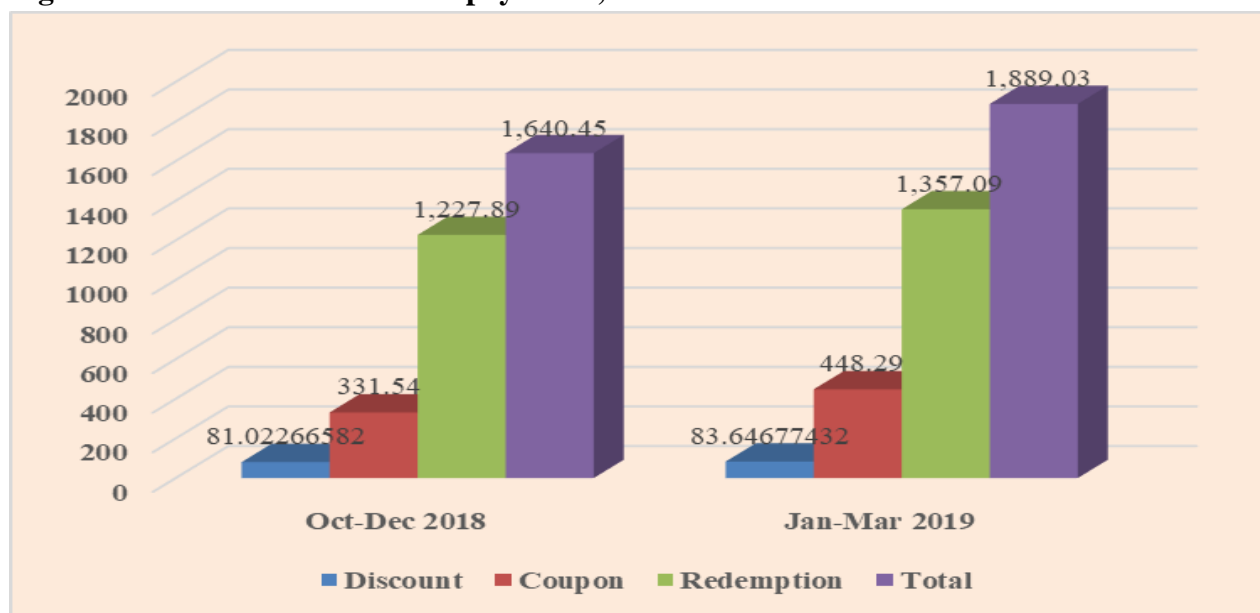


Source: MoFPED, DPID

### 6.3b. Interest payment on domestic debt

Domestic debt interest payment increased from UGX 412.6 Billion in quarter two of FY 2018/19 to UGX 531.9 Billion in quarter three of FY 2018/19.

**Figure 7: Domestic Debt Interest payments, UGX Billion.**



**Source: MoFPED, DPID**

Interest payments on account of Treasury bills increased from UGX. 68.6 Billion in quarter two of FY 2018/19 to UGX 83.6 Billion in quarter three of FY 2018/19. On the other hand, interest paid on Treasury bonds increased from UGX 344 Billion to UGX 448.3 Billion in the same period.

### **6.3c. Holders of Government securities**

Commercial banks, Pension and Provident Fund continue to be the biggest investors in Government Securities. As at end March 2019, Commercial banks were holding 82.3% of the T-bills, followed by Pension and Provident Funds at 5.5%, while other financial institutions held 4.8%. Additionally, Pension and Provident Fund remains the biggest investor in Treasury bonds accounting for 53.3% of T-bonds as at end March 2019, followed by Commercial banks (28.6%) and other financial institutions (Microfinance Institutions and SACCOs) at 7.4%.

## **6.4 CONTINGENT LIABILITIES**

### **6.4a. GoU loan guarantees**

In total there are 7 active loan guarantees. One new guarantee was issued by GoU in the financial year 2018/19. This was for a loan from Islamic Development Bank (IDB) worth USD 13.79 million to Islamic University in Uganda (IUIU). IDB is the top guaranteed creditor, followed by BADEA. IUIU and Uganda Development Bank Limited (UDBL) were the biggest guarantee beneficiaries. This brings the total amount guaranteed to USD 55.08 million. The exposure to disbursed and outstanding guaranteed debt as at December 2018 amounted to USD 19.9 million (UGX 75 billion), indicating a 143% increase compared to USD 8.2 million (UGX 29.8 billion) as at December 2017. This increase is mainly attributed to the disbursements of the BADEA and IDB loans to Uganda Development Bank.



#### 6.4b. Disbursed and outstanding debt of SoEs and EBU

As at June 2018, the stock of debt (direct domestic and external borrowing plus on-lent) of public entities amounted to UGX 8,009 billion (USD 2.06 billion), indicating a 35% increase from UGX 5,950 billion (USD 1.66 billion) as at June 2017. The increase was mainly attributed to the disbursements for the GoU on-lent loans to SoEs in the energy sector. It should be noted that 78% of the total borrowing in June 2018 was attributed to GoU on lending, followed by 20.7% from direct domestic creditors (including overdrafts & lease facilities) and 1.2% from external creditors. However, the total debt to assets ratio decreased from 25 % to 20.3%, as total assets increased significantly.

#### 6.5. COST AND RISK OF THE EXISTING DEBT PORTFOLIO.

Interest rates, repayment periods and currency denomination have a significant influence on the overall cost and risk exposure of the country's existing debt portfolio (external and domestic debt).

**Table 1: Cost and Risk indicators of Existing Debt as at end March 2019.**

		Mar-19		
Risk Indicators		External	Domestic	Total
<b>Nominal debt as % GDP</b>		27.5	14.48	<b>41.97</b>
<b>PV as % of GDP</b>		17.6	14.5	<b>32.0</b>
<b>Cost of debt</b>	<i>Interest payment as % GDP</i>	0.38	1.96	<b>2.35</b>
	<i>Weighted Av. IR (%)</i>	1.40	13.54	<b>5.59</b>
<b>Refinancing risk</b>	<i>ATM (years)</i>	14.22	3.89	<b>10.66</b>
	<i>Debt maturing in 1yr (% of total)</i>	2.04	38.88	<b>14.75</b>
	<i>Debt maturing in 1yr (% of GDP)</i>	0.56	5.63	<b>6.19</b>
<b>Interest rate risk</b>	<i>ATR (years)</i>	13.68	3.89	<b>10.30</b>
	<i>Debt refixing in 1yr (% of total)</i>	10.73	38.88	<b>20.45</b>
	<i>Fixed rate debt (% of total)</i>	91.17	100.00	<b>94.22</b>
<b>FX risk</b>	<i>FX debt (% of total debt)</i>			<b>65.49</b>
	<i>ST FX debt (% of reserves)</i>			<b>4.69</b>

Source: MoFPED, DPID

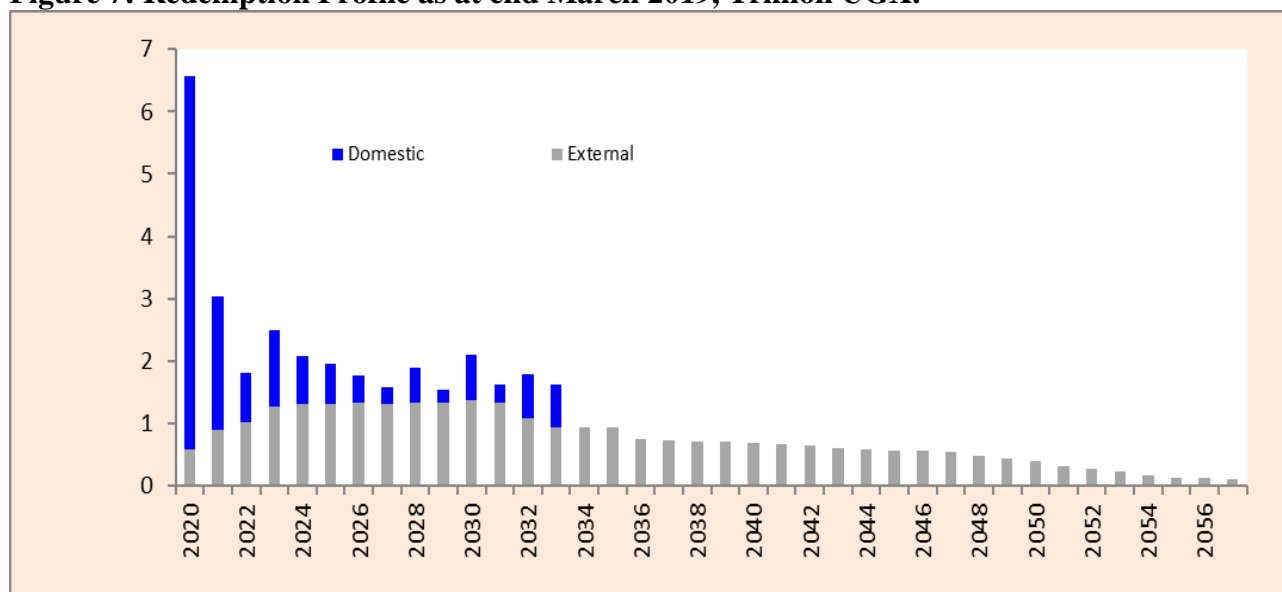
#### 6.5a. Refinancing and Rollover Risks

The weighted average time to maturity of all the principal payments in the external debt portfolio (ATM) is 14.2 years and 3.9 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 10.7 years and is attributed to the domestic debt maturity profile dominated by instruments of between 3 months and 5 years. The average time to maturity for external debt stock has been decreasing over time due to contraction of external loans with shorter maturities.

Domestic debt maturing in one year is 38.9% of the total domestic debt. External debt maturing in one year as a percentage of the total has reduced from 2.3 as at end December 2018 to 2.0 by end

March 2019 due to the reduction of short term loans from Commercial banks. Refinancing risk is graphically represented in figure 7.

**Figure 7: Redemption Profile as at end March 2019, Trillion UGX.**



**Source: MoFPED**

The Government of Uganda is exposed to refinancing risk of UGX. 5.98 trillion on account of rolling over of domestic debt. This high exposure to refinancing risk in the domestic debt portfolio is being overcome by issuing T-bonds with higher maturity.

### 6.5b. Interest rate risk

A bigger proportion of Uganda’s external debt stock (94%) by end March 2019 was at fixed interest rates. It will take on average 10.3 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 13.7 years for all the principal payments to be subjected to a new interest rate while for domestic debt 3.9 years. As a result, the total average time to refixing of interest rates has reduced from 10.6 years in December 2018 to 10.3 years in March 2019.

However, Uganda has a low exposure to risk associated with interest rates for the entire public debt portfolio given the time it takes on average to refix 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. As has been before, the exposure to interest rate risk of the domestic debt portfolio still remains high due to the short maturity of domestic debt especially T-bills that range from 3 months to one year. The interest rate risk in the domestic debt portfolio has slightly increased as shown, by increase in the share of the T-bills to T-bonds.

### **6.5c. Exchange rate risk**

A greater share of Uganda's public debt (66%) is denominated in foreign currency. As at end March 2019, USD denominated debt stock accounted for 33.8% of the total public debt which is 1 percentage points lower than the share of local currency-denominated debt (34.5%) in the total debt. The remaining 31.7% is denominated in other foreign currencies like Chinese Yuan, Japanese Yen, Euros, British Pound, and others. This clearly indicates that Uganda is highly exposed to risks associated with exchange rate shocks.

## PART VII: GLOSSARY OF DEBT AND RELATED TERMS

<b>Agency</b> the	An agency in a <i>creditor economy</i> that provides insurance, guarantees, or loans for export of goods and services
<b>Amortization</b>	The repayment of the principal amount of a loan spread out over a period of time.
<b>Amortization Schedule</b>	The schedule for the repayment of principal and payment of interest on an on going basis.
<b>Arrears</b>	Amounts that are both unpaid and past the due date for payment
<b>Average time to Maturity</b>	This is a measurement of the weighted time to maturity of all the principal payments in the portfolio. (See maturity)
<b>Average time to Refixing</b>	This is a measure of the average time until all the principal payments in the debt portfolio become subject to a new interest rate.
<b>Bills</b>	These are securities (usually short term) that give holders the unconditional rights to receive stated fixed sums on a specified date.
<b>Bilateral Creditor</b>	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.
<b>Borrower (debtor)</b>	The organization or the entity defined as such in the loan contract which usually is responsible for servicing the debt.
<b>Bullet Repayment</b>	The repayment of principal in a single payment at the maturity of the debt.
<b>Commercial Interest Reference Rates (CIRR)</b>	A set of currency-specific interest rates for major OECD countries.
<b>Commitment:</b> financial	An obligation to furnish resource of a given amount under specified terms and conditions.
<b>Commitment Charge (fee)</b>	Charge or fee made for holding available the undisbursed balance of a loan commitment.
<b>Concessional Loans</b>	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.
<b>Credit</b>	An amount for which there is a specific obligation of repayment.
<b>Creditor</b>	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.
<b>Creditor Country</b>	The country in which the creditor resides.
<b>Currency of denomination</b>	The unit of account in which amounts of indebtedness are expressed in the general/loan agreement.

<b>Currency of Reporting</b>	The unit of account in which amounts are reported either to the compiling agency and/or to an international agency compiling debt statistics.
<b>Currency of Settlement</b>	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.
<b>Debt</b>	All Liabilities that are debt instruments
<b>Debt Conversion</b>	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.
<b>Debt Default</b>	Failure to meet a debt obligation payment, either <i>principal</i> or <i>interest</i> .
<b>Debt Disbursed and outstanding</b>	The amount that has been disbursed from a loan commitment but has not yet been repaid or forgiven.
<b>Debt Instrument(s)</b>	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.
<b>Debt Prepayment</b>	This consist of a repurchase, or early payment, of debt at conditions that are agreed between the debtor and the creditor
<b>Debt Refinancing</b>	Debt refinancing involves the replacement of an existing debt instrument or instruments including any arrears with a new debt instrument or instruments.
<b>Debt Service</b>	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.
<b>Debt-Service (-to-Exports) Ratio</b>	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.
<b>Debtor Economy</b>	The economy in which the debtor resides.
<b>Deep Discount Bond</b>	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.

<b>Disbursed Loans</b>	The amount that has been disbursed from a loan but has not yet been repaid or forgiven.
<b>Domestic Currency</b>	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.
<b>Domestic Debt</b>	Debt liabilities owed by residents to residents of the same economy
<b>Export Credit</b>	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>
<b>External Debt</b>	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.
<b>Face Value</b>	Face value is the undiscounted amount of principal to be paid to the holder at maturity (e.g., the redemption amount of a bond).
<b>Foreign Currency</b>	Foreign currency is a currency other than the domestic currency (See domestic currency)
<b>Foreign Debt</b>	Same as External Debt
<b>Fixed Interest Rate</b>	A rate of interest that is defined in absolute terms at the time of the loan agreement.
<b>Grace Period</b>	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.
<b>Grant Element</b> discounted expressed	The measure of concessionality of a loan, calculated as the difference between the face value of the loan and the sum of the future <i>debt service</i> payments to be made by the borrower as percentage of the face value of the loan.
<b>Gross Domestic Product (GDP)</b>	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.
<b>Institutional Unit</b>	An institutional unit is defined in the <i>2008 SNA</i> 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 inter- est. 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 *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** financial of goods

These are neither governments nor public sector agencies. Private institutions, and manufacturers, exporters and other suppliers 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**

traded

Negotiable securities issued by the government. In general these are short term obligations issued with maturity of one year or less. They are on a discount bases.

**Treasury Bonds**  
year

Longer Term Securities compared to Treasury Bills. Usually more than a

**Undisbursed**

Funds committed by the creditor but not yet drawn by the borrower.

**Yield-to-Maturity**  
future

The yield-to-maturity rate is the rate at which the present value of interest and principal payments, i.e., all future cash flows from the bond, equals the price of the bond.