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ANALYSIS**

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## FOREWORD

The Ministry of Finance, Planning and Economic Development prepares and publishes quarterly and annual Debt Statistical Bulletins (DSBs). This is in fulfilment of:

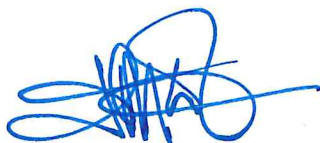
- i. The debt reporting requirements as outlined in Chapter 8-section 8.2 (iii) of the Public Debt and Other Financial Liabilities Management Framework 2018;
- ii. The World Bank's Debt Management Performance Assessment (DeMPA) 2015 Framework.

This June 2021 Debt Statistical Bulletin (DSB) doubles as end-June quarterly and FY 2020/21 annual DSB. It is the 25<sup>th</sup> edition in a series. It presents the status of public debt statistics as at end June 2021, while serving to monitor the set debt portfolio indicators and disseminate debt statistics. Production of the DSB is undertaken every quarter with the ultimate purpose to make Public and Publicly Guaranteed (PPG) debt data available to policymakers and other stakeholders.

This annual bulletin illustrates Governments' commitment to provide accurate and timely reporting on loan guarantees and debt portfolio analyses, and any other relevant public debt statistics.

It is our sincere hope that you find this publication useful for better understanding of key debt statistics in the context of our Country.

For God and My Country.



Ramathan Ggoobi

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY.**

## **PREFACE**

The Debt Statistical Bulletin is a publication of the Directorate of Debt and Cash Policy (DDCP) which aims to provide the public with a broad set of relevant quarterly debt information and statistics for Uganda. This statistical report covers selected macroeconomic and debt variables, including statistics on external debt, domestic debt and contingent liabilities.

The Bulletin is structured as follows: Part I-General Information on scope and coverage of debt, data sources, functional currencies and applicable exchange rates; Part II-Macroeconomic overview; Part III-External Debt statistics; Part IV-Contingent Liabilities, Part V-Domestic Debt statistics, Part VI- Public Debt Portfolio analysis; Part VII-definitions of some concepts and terminologies used in public debt management, which is believed to give the reader a better understanding and avoid misapprehension of the figures.

Therefore, the publication of this bulletin is envisaged to enhance transparency and accountability for debt management policy and operations.

For any comments on the bulletin please send them through email to the Debt Policy and Issuance Department 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.**

## **LIST OF ACRONYMS**

<b>AfDF</b>	African Development Fund
<b>ATM</b>	Average Time to Maturity
<b>ATR</b>	Average Time to Refixing
<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>EBUs</b>	Extra Budgetary Units
<b>ED</b>	External Debt
<b>FV</b>	Face Value
<b>GDP</b>	Gross Domestic Product
<b>IDA</b>	International Development Assistance
<b>IDB</b>	Islamic Development Bank
<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
<b>SOEs</b>	State Owned Enterprises
<b>UDBL</b>	Uganda Development Bank Ltd
<b>UEDCL</b>	Uganda Electricity Distribution Company Ltd
<b>UEGCL</b>	Uganda Electricity Generation Company Ltd
<b>US</b>	United States

## **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
<b>USD</b>	United States Dollar



## **PART I: GENERAL INFORMATION**

Management of public debt has significant implications for a government's budget and balance sheet. Proper recording and reporting is one of the key components of effective debt management. The June 2021 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) Central Government Domestic debt
- iii) Contingent liabilities - Guarantees
- iv) Total Central Government 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 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 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: Annual Key Macroeconomic Indicators**

Inflation (%)	Jun-18	Jun-19	Jun-20	Jun-21
Headline	3.4	3.1	3.4	2.0
Core	2.7	3.8	3.7	2.7
<b>Exchange rate (Shs/ US \$)</b>				
End of Period	3,879.54	3,694.76	3,730.14	3,556.71
Period Average	3,840.48	3,736.82	3,714.60	3,661.06
<b>Reserves</b>				
Gross foreign exchange reserves (US \$ millions)	3,220.70	3,338.09	3,919.81	4,139.69
Gross foreign exchange reserves (months of imports)	4.6	4.4	5.2	4.4
<b>Fiscal Statistics (Billion Shs)</b>				
Revenue	14,506.9	16,637.8	18,442.2	21,693.1
Expenditure	20,183.4	24,267.6	28,392.6	22,484.2
Deficit	(5,676.5)	(7,629.8)	(9,950.3)	(791.1)
<b>Total Debt Stock (Billions US \$)</b>	<b>10.7</b>	<b>12.51</b>	<b>15.26</b>	<b>19.46</b>
External Debt	7.3	8.3	10.4	12.3
Domestic Debt	3.5	4.2	4.9	7.2
<b>Total Debt Stock (Shs Billions)</b>	<b>41,675.72</b>	<b>46,203.34</b>	<b>56,937.97</b>	<b>69,215.42</b>
External Debt Stock (Shs Billions)	28,289.52	30,691.07	38,689.83	43,764.42
Domestic Debt Stock (Shs Billions)	13,386.20	15,512.28	18,248.14	25,451.00
<b>Annual Gross Domestic Product (GDP)</b>				
GDP (Billion Shs)	100,530.5	109,944.9	139,689.0	147,962.3
GDP (Billions US \$)	26.2	29.4	37.4	40.5
<b>Interest Rates (%)</b>				
Central Bank Rate	9.0	9.8	8.9	7.0
Lending Rate	17.7	19.9	19.3	19.0
Time Deposit Rate	9.3	10.1	9.9	9.4
91-Day Treasury Bill (TB)	9.1	9.4	9.1	7.8
182- Day TB	9.4	10.9	11.1	10.1
364- Day TB	10.1	11.5	12.5	12.1
2 Year Treasury Bond	11.8	12.9	13.7	13.6
3 Year	11.8	13.8	15.4	14.8
5 Year	13.3	15.0	16.5	15.6
10 Year	14.5	15.95	14.75	15.6
15 Year	14.7	15.9	15.8	15.3
20 Year	0.0	0.0	0.0	17.4

**Source: MoFPED and BOU**

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

Risk Indicators		Jun-19			Jun-20			Jun-21		
		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP	Nominal debt as % GDP	27.9	14.1	42.0	27.9	13.2	41.1	29.5	17.2	46.7
PV as % of GDP	PV as % of GDP	18.0	14.1	32.1	20.0	13.2	33.1	20.4	17.2	37.6
Cost of debt	<i>Interest payment as % GDP</i>	0.42	1.91	2.3	0.56	1.83	2.4	0.40	2.40	2.8
	<i>Weighted Av. IR (%)</i>	1.5	13.5	5.6	2.0	13.9	5.8	1.5	13.9	6.0
Refinancing risk	<i>ATM (years)</i>	14.1	4.0	10.7	12.7	4.3	10.3	11.8	5.5	9.4
	<i>Debt maturing in 1yr (% of total)</i>	1.9	36.0	13.3	2.1	36.8	12.0	3.3	30.0	13.1
	<i>Debt maturing in 1yr (% of GDP)</i>	0.5	5.1	5.6	0.7	4.9	5.5	1.0	5.2	6.1
Interest rate risk	<i>ATR (years)</i>	13.5	4.0	10.3	12.1	4.3	9.8	10.9	5.5	8.9
	<i>Debt refixing in 1yr (% of total)</i>	11.1	36.0	19.5	16.3	36.8	22.2	21.4	30.0	24.6
	<i>Fixed rate debt (% of total)</i>	90.6	100.0	93.8	83.6	100.0	89.6	80.9	100.0	87.9
FX risk	<i>FX debt (% of total debt)</i>			66.4			68.0			63.2
	<i>ST FX debt (% of reserves)</i>			4.7			6.5			9.8

**Source: MoFPED**

## PART III: EXTERNAL DEBT STATISTICS

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

Creditor Type	Jun-17		Jun-18		Jun-19		Jun-20		Jun-21	
	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
<b>Bilateral Creditors (BC)</b>	<b>1.60</b>	<b>26.1</b>	<b>2.31</b>	<b>31.7</b>	<b>2.92</b>	<b>35.1</b>	<b>3.20</b>	<b>30.9</b>	<b>3.52</b>	<b>28.6</b>
Non Paris Club	1.36	22.3	1.87	25.6	2.32	27.9	2.48	23.9	2.70	21.9
Paris Club	0.23	3.8	0.44	6.1	0.60	7.2	0.73	7.0	0.82	6.7
									0.0	0.0
<b>Multilateral Creditors (MC)</b>	<b>4.38</b>	<b>71.6</b>	<b>4.93</b>	<b>67.6</b>	<b>5.34</b>	<b>64.3</b>	<b>6.42</b>	<b>61.9</b>	<b>7.70</b>	<b>62.6</b>
Major Multilaterals	3.90	63.7	4.25	58.3	4.63	55.8	4.96	47.9	5.79	47.1
Other Multilaterals	0.49	7.9	0.68	9.4	0.71	8.5	1.46	14.0	1.91	15.5
									0.0	0.0
<b>Private Bank (PB)</b>	<b>0.14</b>	<b>2.3</b>	<b>0.05</b>	<b>0.7</b>	<b>0.05</b>	<b>0.6</b>	<b>0.75</b>	<b>7.2</b>	<b>1.08</b>	<b>8.8</b>
Other Financial Institutions	0.14	2.3	0.05	0.7	0.05	0.6	0.75	7.2	1.08	8.8
<b>Grand Total</b>	<b>6.13</b>	<b>100.0</b>	<b>7.29</b>	<b>100.0</b>	<b>8.31</b>	<b>100.0</b>	<b>10.37</b>	<b>100.0</b>	<b>12.30</b>	<b>100.0</b>

Source: MoFPED

**Table 3b: External Debt Stock by Concessionality Type**

	Debt stock by Concessionality					Share of Debt stock by Concessionality				
	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21
Concessional	4.5	5.0	5.4	6.3	7.1	74%	69%	65.1%	60.8%	57.7%
Semi concessional	0.9	1.5	1.5	2.0	2.7	15%	21%	18.5%	19.2%	22.0%
Non Concessional	0.7	0.7	1.4	2.1	2.5	11%	10%	16.4%	19.9%	20.3%
<b>Total debt stock</b>	<b>6.1</b>	<b>7.2</b>	<b>8.3</b>	<b>10.4</b>	<b>12.3</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: MoFPED

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

Creditor Type	Total Outstanding Debt Stock 30.06.2019	Disbursement in FY 2019/20	Principal operations in FY 2019/20	Exchange rate variation/other adjustment	Total outstanding debt stock on 30.06.2020	Disbursement in FY 2020/21	Principal operations in FY 2020/21	Exchange rate variation/other adjustment	Total outstanding debt stock on 30.06.2021
<b>Bilateral Creditors (BC)</b>	<b>2.92</b>	<b>0.36</b>	<b>0.07</b>	<b>(0.01)</b>	<b>3.20</b>	<b>0.41</b>	<b>0.14</b>	<b>0.05</b>	<b>3.52</b>
Non Paris Club	2.32	0.21	0.04	(0.03)	2.45	0.30	0.12	0.06	2.70
Paris Club	0.60	0.15	0.03	0.03	0.75	0.10	0.02	(0.01)	0.82
<b>Multilateral Creditors (MC)</b>	<b>5.34</b>	<b>1.15</b>	<b>0.07</b>	<b>0.00</b>	<b>6.42</b>	<b>1.15</b>	<b>0.10</b>	<b>0.24</b>	<b>7.70</b>
Major Multilaterals 1	4.63	0.41	0.05	(0.03)	4.96	0.70	0.06	0.19	5.79
Other Multilaterals	0.71	0.74	0.02	0.03	1.46	0.45	0.04	0.05	1.91
<b>Private Bank (PB)</b>	<b>0.05</b>	<b>0.70</b>	<b>0.01</b>	<b>0.00</b>	<b>0.75</b>	<b>0.31</b>	<b>0.01</b>	<b>0.04</b>	<b>1.08</b>
Other Financial Institutions	0.05	0.70	0.01	0.00	0.75	0.31	0.01	0.04	1.08
<b>Grand Total</b>	<b>8.31</b>	<b>2.22</b>	<b>0.15</b>	<b>(0.00)</b>	<b>10.37</b>	<b>1.86</b>	<b>0.26</b>	<b>0.33</b>	<b>12.30</b>

Source: MoFPED

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

Currency	Jun-17		Jun-18		Jun-19		Jun-20		Jun-21	
	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
USD	1.76	28.73	2.30	31.59	2.79	33.56	3.29	31.73	3.66	29.74
EUR	0.49	7.94	0.66	9.04	0.85	10.19	1.65	15.93	2.15	17.44
JPY	0.31	5.06	0.42	5.78	0.45	5.40	0.44	4.27	0.42	3.40
Others	0.30	4.91	0.34	4.67	0.35	4.23	0.32	3.11	0.34	2.78
SDR	3.01	49.08	3.30	45.28	3.56	42.90	4.34	41.85	5.37	43.64
CNY	0.26	4.28	0.27	3.64	0.31	3.72	0.32	3.12	0.37	3.00
<b>Grand Total</b>	<b>6.13</b>	<b>100.00</b>	<b>7.29</b>	<b>100.00</b>	<b>8.31</b>	<b>100.00</b>	<b>10.37</b>	<b>100.00</b>	<b>12.30</b>	<b>100.00</b>

Source: MoFPED

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

	Jun-17		Jun-18		Jun-19		Jun-20		Jun-21	
	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
USD	3.01	49.21	3.60	49.97	4.27	51.46	5.10	49.19	5.90	47.96
EUR	1.42	23.12	1.69	23.50	1.95	23.46	2.99	28.88	3.81	30.94
JPY	0.56	9.15	0.69	9.64	0.75	8.98	0.80	7.76	0.87	7.03
Others	0.54	8.88	0.59	8.24	0.64	7.70	0.67	6.49	0.78	6.31
CNY	0.59	9.64	0.62	8.65	0.70	8.41	0.80	7.69	0.96	7.76
<b>Total</b>	<b>6.13</b>	<b>100.00</b>	<b>7.20</b>	<b>100.00</b>	<b>8.31</b>	<b>100.00</b>	<b>10.37</b>	<b>100.00</b>	<b>12.30</b>	<b>100.00</b>

**Source: MoFPED**

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

**Table 5: Annual External Debt Portfolio Currencies and Exchange Rates**

Currency	UGX/ Currency					Currency/USD				
	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21
United Arab Emirates Dirham(AED)	982.63	1061.67	1011.44	1021.01		3.67	3.67	3.67	3.67	3.67
African Unit of Account( AFU)	5019.31	5478.84	5164.70	5169.23		0.72	0.71	0.72	0.73	0.70
Swiss Franc (CHF)	3771.16	3918.95	3805.48	3950.63		0.96	1.00	0.98	0.95	0.92
China Yuan (CNY)	532.16	589.49	540.58	529.93		6.78	6.62	6.87	7.08	6.46
Danish Krone (DKK)	554.55	606.80	566.13	563.67		6.51	6.43	6.56	6.65	6.23
Euro(EUR)	4123.72	4521.45	4226.24	4201.58		0.88	0.86	0.88	0.89	0.84
Pound Sterling(GBP)	4690.39	5127.20	4709.46	4620.34		0.77	0.76	0.79	0.81	0.72
Islamic Dinar(IDI)	5019.31	5478.84	5164.70	5169.23		0.72	0.71	0.72	0.73	0.70
Japanese Yen(JPY)	32.05	35.30	34.51	34.94		112.62	110.47	107.66	107.34	110.54
Korea (South) Won (KRW)	3.15	3.49	3.21	3.12		1144.39	1117.41	1156.00	1203.37	1,130.63
Kuwait Dinar (KWD)	11909.98	12901.59	12219.14	12184.31		0.30	0.30	0.30	0.31	0.30
Norwegian Krone(NOK)	430.23	478.15	437.69	384.87		8.39	8.16	8.49	9.74	8.53
Saudi Arabia Riyal(SAR)	962.39	1039.80	990.65	999.66		3.75	3.75	3.75	3.75	3.75
Special Drawing Rights(SDR)	5019.31	5478.84	5164.70	5169.23		0.72	0.71	0.72	0.73	0.70
Swedish Krone (SEK)	425.64	436.79	401.17	400.26		8.48	8.93	9.26	9.37	8.51
Uganda Shillings(UGX)	1.00	1.00	1.00	1.00		3,609.38	3899.75	3715.29	3750.33	3,574.07

**Source: MoFPED**

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

Interest Rate Type	Jun-19		Jun-20		Jun-21	
	Stock	%	Stock	%	Stock	%
<b>Fixed Interest Debt</b>	<b>7.36</b>	<b>88.62</b>	<b>7.88</b>	<b>75.98</b>	<b>9.18</b>	<b>74.58</b>
Bilateral	2.25	27.14	2.37	22.89	2.42	19.65
Multilateral	5.11	61.48	5.51	53.09	6.76	54.93
Private Bank	-	-	-	-	-	-
<b>Variable Interest Debt</b>	<b>0.78</b>	<b>9.35</b>	<b>1.70</b>	<b>16.35</b>	<b>2.13</b>	<b>17.31</b>
Bilateral	0.66	7.98	0.82	7.89	1.10	8.95
Multilateral	0.07	0.81	0.13	1.25	0.17	1.40
Private Bank	0.05	0.57	0.75	7.21	0.86	6.95
<b>No Interest Rate</b>	<b>0.17</b>	<b>2.02</b>	<b>0.79</b>	<b>7.66</b>	<b>1.00</b>	<b>8.11</b>
Bilateral	-	0.03	0.01	0.09	-	-
Multilateral	0.17	2.00	0.79	7.57	0.77	6.28
Private Bank	-	-	-	-	0.22	1.83
<b>Total</b>	<b>8.31</b>	<b>100.00</b>	<b>10.37</b>	<b>100.00</b>	<b>12.30</b>	<b>100.00</b>

**Source: MoFPED****Table 7: Annual Actual External Debt Service, Millions USD**

	FY2019/20					FY2020/21				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
<b>Bilaterals</b>	<b>70.47</b>	<b>71.50</b>	<b>5.41</b>	<b>147.38</b>	<b>52.51</b>	<b>138.81</b>	<b>72.28</b>	<b>9.84</b>	<b>220.92</b>	<b>50.64</b>
Paris Club	28.42	5.41	2.49	36.32	12.94	22.66	4.96	4.77	32.38	7.42
Non Paris Club	42.05	66.09	2.92	111.06	39.57	116.15	67.32	5.07	188.54	43.22
<b>Multilaterals</b>	<b>73.65</b>	<b>40.83</b>	<b>2.04</b>	<b>116.52</b>	<b>41.52</b>	<b>104.74</b>	<b>52.20</b>	<b>3.73</b>	<b>160.66</b>	<b>36.83</b>
Major	49.69	33.12	1.99	84.81	30.22	64.52	43.01	2.15	109.67	25.14
Other	23.96	7.70	0.05	31.71	11.30	40.22	9.20	1.58	51.00	11.69
<b>Private Banks</b>	<b>8.16</b>	<b>2.30</b>	<b>6.29</b>	<b>16.75</b>	<b>5.97</b>	<b>13.46</b>	<b>35.38</b>	<b>5.81</b>	<b>54.65</b>	<b>12.53</b>
Other financial institutions	8.16	2.30	6.29	16.75	5.97	13.46	35.38	5.81	54.65	12.53
<b>Grand Total</b>	<b>152.28</b>	<b>114.63</b>	<b>13.74</b>	<b>280.66</b>	<b>100.00</b>	<b>257.00</b>	<b>159.86</b>	<b>19.38</b>	<b>436.24</b>	<b>100.00</b>

**Source: MoFPED****Table 8: Annual External Undisbursed Debt, Billion USD**

	Jun-18		Jun-19		Jun-20		Jun-21	
	Undisbursed	%	Undisbursed	%	Undisbursed	%	Undisbursed	%
<b>Bilateral</b>	<b>1.71</b>	<b>37.12</b>	<b>1.74</b>	<b>37.54</b>	<b>2.40</b>	<b>45.37</b>	<b>1.99</b>	<b>34.00</b>
Non Paris Club	1.07	23.26	0.72	15.65	1.05	19.80	0.79	13.56
Paris Club	0.64	13.87	1.01	21.88	1.35	25.57	1.20	20.45
<b>Multilateral</b>	<b>2.87</b>	<b>62.06</b>	<b>2.76</b>	<b>59.75</b>	<b>2.74</b>	<b>51.80</b>	<b>3.80</b>	<b>64.93</b>
Major Creditors	1.70	36.79	1.94	42.00	1.74	32.98	1.75	29.95
Other Multilaterals	1.17	25.27	0.82	17.75	0.99	18.82	2.05	34.98
<b>Private Bank</b>	<b>0.04</b>	<b>0.82</b>	<b>0.13</b>	<b>2.71</b>	<b>0.15</b>	<b>2.83</b>	<b>0.06</b>	<b>1.07</b>
	0.04	0.82	0.13	2.71	0.15	2.83	0.06	1.07
<b>Total</b>	<b>4.62</b>	<b>100.00</b>	<b>4.62</b>	<b>100.00</b>	<b>5.29</b>	<b>100.00</b>	<b>5.85</b>	<b>100.00</b>

**Source: MoFPED**

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

	Jun-17	Jun-18	Jun-19	Jun-20	Dec-20
<b>General Government</b>	<b>6,573.84</b>	<b>7,614.35</b>	<b>8,631.39</b>	<b>10,466.09</b>	<b>12,022.16</b>
Short-term	51.78	23.84	2.71	-	9.03
Currency and deposits	-	-	-	-	-
Debt securities	51.78	23.84	2.71	-	9.03
Loans	-	-	-	-	-
Trade credit and advances	-	-	-	-	-
Other debt liabilities 1	-	-	-	-	-
Long-term	6,522.06	7,590.51	8,628.68	10,466.09	12,013.14
Special drawing rights (allocations) 2	-	-	-	-	-
Currency and deposits	-	-	-	-	-
Debt securities	294.99	258.67	228.45	305.83	464.25
Loans	6,227.07	7,331.84	8,400.23	10,160.25	11,548.89
Trade credit and advances	-	-	-	-	-
Other debt liabilities 1	-	-	-	-	-
<b>Central Bank</b>	<b>240.66</b>	<b>243.14</b>	<b>240.57</b>	<b>583.35</b>	<b>608.97</b>
Short-term	-	-	-	-	-
Currency and deposits	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans	-	-	-	-	-
Long-term	240.66	243.14	240.57	583.35	608.97
Special drawing rights (allocations)2	240.66	243.14	240.57	238.78	249.29
Currency and deposits	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans	-	-	-	344.57	359.68
<b>Deposit-Taking Corporations, except the Central Bank</b>	<b>573.19</b>	<b>472.33</b>	<b>611.16</b>	<b>568.07</b>	<b>631.85</b>
Short-term	122.04	127.34	204.50	173.33	184.42
Currency and deposits	122.04	127.34	204.50	173.33	184.42
Debt securities	-	-	-	-	-
Long-term	451.15	345.00	406.65	394.74	447.43
Currency and deposits	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans	451.15	345.00	406.65	394.74	447.43
<b>Other Sectors</b>	<b>1,303.70</b>	<b>1,130.34</b>	<b>1,100.34</b>	<b>1,371.52</b>	<b>1,546.29</b>
Short-term	267.41	252.27	287.13	836.1	971.9
Loans	165.33	180.59	176.61	743.77	878.21
Trade credit and advances	102.08	71.68	110.51	92.33	93.66
Other debt liabilities 1	-	-	-	-	-
Long-term	1,036.29	878.06	813.21	535.42	574.43
Loans	1,036.29	878.06	813.21	535.42	574.43
<b>Direct Investment: Intercompany Lending</b>	<b>2,309.18</b>	<b>2,821.49</b>	<b>2,858.78</b>	<b>3,319.70</b>	<b>2,898.23</b>
Debt liabilities of direct investment enterprises to direct investors	2,309.18	2,821.49	2,858.78	3,319.70	2,898.23
Debt liabilities of direct investors to direct investment enterprises	-	-	-	-	-
Debt liabilities to fellow enterprises	-	-	-	-	-
<b>Gross External Debt Position</b>	<b>11,000.57</b>	<b>12,281.64</b>	<b>13,442.24</b>	<b>16,308.73</b>	<b>17,707.51</b>

**Source: BOU****Note:**

- 1) Other liabilities comprise of insurance, pension and standardised guarantee scheme and other accounts payable.
- 2) SDR allocation should be reported as long-term external debt liabilities.
- 3) The Annual Gross Public and Private External Debt Position for end June 2021 shall be provided in the September 2021 Quarterly Bulletin due to a 3-month lag period in this data availability.

## PART IV: CONTINGENT LIABILITIES

**Table 10: Annual Guaranteed Debt Stock as at June 2021, (Million USD)**

Beneficiary	Creditor	Sector	Year signed	Guaranteed Amount (USD)	Tenure	Disbursed & Outstanding (USD)		Government Exposure March 2021 (USD)	Performance
						June 2020	June 2021		
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2004	4,302,676	25	2,131,450	2,223,673	348,368	In arrears
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2010	983,888	20	689,170	718,990	72,773	In arrears
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2018	13,790,000		100,000	184,000	-	Delayed disbursements
Uganda Development Bank Limited	BADEA (Private Sector Development)	Financial	2017	6,000,000	10	5,249,900	4,499,900	-	Servicing on-schedule
Uganda Development Bank Limited	Islamic Development Bank (IDB)	Financial	2017	10,000,000	8	2,304,716	1,975,379.58	-	Servicing on-schedule.
Uganda Development Bank Limited	African Development Bank	Financial	2019	15,000,000	10	15,000,000	15,000,000	-	On-schedule principal repayment starts in August 2021
Uganda Development Bank Limited	Exim India	Financial	2019	5,000,000	7	3,409,945	4,285,614	-	Servicing on-schedule. Next principal repayment is due in June 2021.
<b>TOTAL</b>				<b>55,076,564</b>		<b>28,885,181</b>	<b>28,887,557</b>	<b>421,141</b>	

**Source: MoFPED**

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

<i>All in UGX Millions</i>	Financial Years UGX	
	June 2020	June 2019
Domestic Borrowing <sup>1</sup>	93,436	2,151,604
External Borrowing	611,754	67,116
Other debt (including lease contracts and overdrafts)	1,945,102	9,905
GoU On-Lent	7,419,302	6,810,324
<b>Total outstanding debt excluding GoU on-lent loans</b>	<b>2,650,293</b>	<b>2,228,625</b>
<b>Total debt including GoU on-lent loans</b>	<b>10,069,870</b>	<b>9,038,949</b>
<b>Debt ratio (Total debt/total assets)<sup>2</sup></b>	<b>46.54%</b>	<b>26.13%</b>
Liabilities from grants and GoU contributions	3,239,667	2,187,877

**Source: MoFPED**

<sup>1</sup> This analysis is conducted on 93% of total entities and does not include those such as UTL, due to an unavailability of information. It is important to bear in mind that this report includes direct liabilities and GoU on-lent loans for the SoE and EBU total debt, differing from the Accountant General's report on these entities' contingent liabilities, due to different reporting methods.

<sup>2</sup> This is calculated for those entities with Debt only.



**Table 11b: Non-Guaranteed Debt and Other Liabilities of Local Governments, Million UGX<sup>3</sup>**

<b>Category</b>	<b>June 2020 2</b>	<b>June 2019</b>
Domestic loans	1	-
External loans	-	-
On-lending	-	-
<b>Total outstanding debt including GoU on-lent</b>	<b>1</b>	<b>-</b>
Current liabilities (including payables)	102,007	75,158.40
Other debts (including lease contracts and overdrafts)	-	-
GoU contributions	-	-
Capital grants	26,682	-
Pension liabilities	8,190	14,461.55
<b>Total (other current liabilities)</b>	<b>136,880</b>	<b>89,619.95</b>

**Source:** MoFPED

<sup>3</sup> Data in the table 11b above is based on 78% of the total analyzed financial statements for local Governments (FY2019/20).

## PART V: DOMESTIC DEBT STATISTICS

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

Instruments Maturity period	Jun-18				Jun-19				Jun-20				Jun-21			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	57.4	58.0	58.7	0.4%	52.1	52.7	53.3	0.3%	52.2	51.7	51.1	0.3%	74.76	75.4	76.05	0.3%
182	352.0	358.0	368.9	2.6%	345.7	770.7	364.7	2.2%	322.3	314.6	305.7	1.7%	398.26	408.6	418.26	1.6%
364	3,113.6	3,265.8	3,433.2	23.3%	3,308.4	3,104.0	3,726.6	21.3%	4,603.0	4,358.0	4,099.3	22.5%	5,253.68	5,594.4	5,892.71	20.6%
<b>Total Bills</b>	<b>3,523.0</b>	<b>3,681.8</b>	<b>3,860.7</b>	<b>26.3%</b>	<b>3,706.2</b>	<b>3,927.4</b>	<b>4,144.6</b>	<b>23.9%</b>	<b>4,977.5</b>	<b>4,724.3</b>	<b>4,456.1</b>	<b>24.4%</b>	<b>5,726.7</b>	<b>6,078.3</b>	<b>6,387.0</b>	<b>22.5%</b>
2	270.5	363.7	269.0	2.0%	1,033.0	1,177.7	1,082.0	6.7%	1,220.5	1,281.7	1,160.0	6.4%	1,198.6	1,477.0	1,244.9	4.7%
3	925.7	1,057.8	888.5	6.9%	1,039.8	1,273.2	1,079.4	6.7%	1,308.1	1,032.7	1,311.8	7.2%	1,797.0	2,152.7	1,838.0	7.1%
5	3,949.2	3,959.6	3,849.6	29.5%	3,767.5	3,896.4	3,668.4	24.3%	4,100.1	3,627.4	4,055.9	22.2%	4,489.4	4,021.6	4,470.3	17.6%
10	3,043.4	3,136.9	3,054.8	22.7%	3,604.0	3,596.6	3,663.8	23.2%	4,173.1	3,748.2	4,131.6	22.6%	6,644.8	7,079.5	6,448.9	26.1%
15	1,674.5	1,720.5	1,633.4	12.5%	2,361.8	2,335.5	2,388.4	15.2%	3,178.0	2,470.5	3,132.8	17.2%	4,560.1	4,809.0	4,632.0	17.9%
20													1,034.5	1,050.3	1,017.7	4.1%
<b>Total Bonds</b>	<b>9,863.2</b>	<b>10,238.5</b>	<b>9,695.3</b>	<b>73.7%</b>	<b>11,806.1</b>	<b>12,279.4</b>	<b>11,881.8</b>	<b>76.1%</b>	<b>13,979.8</b>	<b>12,160.5</b>	<b>13,792.1</b>	<b>75.6%</b>	<b>19,724.4</b>	<b>20,590.1</b>	<b>19,651.8</b>	<b>77.5%</b>
<b>Total Stock</b>	<b>13,386.2</b>	<b>13,920.3</b>	<b>13,556.0</b>	<b>100.0%</b>	<b>15,512.3</b>	<b>16,206.8</b>	<b>16,026.4</b>	<b>100.0%</b>	<b>18,957.3</b>	<b>16,884.8</b>	<b>18,248.1</b>	<b>100.0%</b>	<b>25,451.1</b>	<b>26,668.4</b>	<b>26,038.8</b>	<b>100.0%</b>

**Source: MoFPED, DPID**

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

Holder Category	Jun-18		Jun-19		Jun-20		Jun-21	
	Face Value	%Face Value	Face Value	%Face Value	Face Value	%Face Value	Face Value	%Face Value
Banks	3,070.0	79.5%	3,316.9	79.9%	4,035.1	81.1%	5,049.8	19.4%
Pension & Provident Funds	207.7	5.4%	163.6	5.5%	227.8	4.6%	77.0	0.3%
Offshore	0.2	0.0%	10.0	0.0%	-	0.0%	379.6	1.5%
Bank of Uganda	-	0.0%	0.7	0.0%	2.5	0.1%	-	0.0%
Insurance companies	107.3	2.8%	127.4	3.4%	149.0	3.0%	133.5	0.5%
Other financial institutions	221.0	5.7%	217.1	3.3%	187.2	3.8%	305.7	1.2%
Retail	79.7	2.1%	96.8	2.3%	137.8	2.8%	165.3	0.6%
Other	174.9	4.5%	212.1	5.6%	238.1	4.8%	276.1	1.1%
<b>Total Bills</b>	<b>3,860.7</b>	<b>100.0%</b>	<b>4,144.6</b>	<b>100.0%</b>	<b>4,977.5</b>	<b>100.0%</b>	<b>6,387.0</b>	<b>24.5%</b>
Banks	2,693.9	27.8%	3,363.4	28.3%	3,796.9	27.2%	5,160.3	19.8%
Pension & Provident Funds	5,296.4	54.6%	6,405.9	53.9%	7,261.4	51.9%	8,734.0	33.5%
Offshore	921.7	9.5%	834.1	7.0%	1,140.8	8.2%	2,358.5	9.1%
Bank of Uganda	-	0.0%	160.4	1.4%	6.2	0.0%	457.8	1.8%
Insurance companies	186.6	1.9%	225.7	1.9%	267.6	1.9%	398.6	1.5%
Other financial institutions	451.4	4.7%	672.5	5.7%	1,153.9	8.3%	1,635.7	6.3%
Retail	122.0	1.3%	178.2	1.5%	255.8	1.8%	608.9	2.3%
Other	23.2	0.2%	41.6	0.4%	97.2	0.7%	298.1	1.1%
<b>Total Bonds</b>	<b>9,695.3</b>	<b>100.0%</b>	<b>11,881.8</b>	<b>100.0%</b>	<b>13,979.8</b>	<b>100.0%</b>	<b>19,651.8</b>	<b>75.5%</b>
<b>Total Stock</b>	<b>13,556.0</b>		<b>16,026.4</b>		<b>18,957.3</b>		<b>26,038.8</b>	

**Source: BOU**

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

Holder Category	Jun-18		Jun-19		Jun-20		Jun-21	
	Cost	% Cost	Cost	% Cost	Cost	% Cost	Cost	% Cost
Banks	2,801.4	79.5%	2,966.1	80.0%	3,612.4	80.7%	4,527.8	17.8%
Pension & Provident Funds	191.5	5.4%	146.9	4.0%	205.1	4.6%	68.9	0.3%
Offshore	0.2	0.0%	8.9	0.2%	-	0.0%	340.4	1.3%
Bank of Uganda	-	0.0%	0.7	0.0%	2.2	0.1%	-	0.0%
Insurance companies	98.8	2.8%	114.6	3.1%	134.8	3.0%	120.6	0.5%
Other financial institutions	188.9	5.4%	186.9	5.0%	155.1	3.5%	266.7	1.1%
Retail	74.6	2.1%	88.7	2.4%	127.3	2.8%	151.4	0.6%
Other	167.6	4.8%	193.4	5.2%	219.1	4.9%	250.9	1.0%
<b>Total Bills</b>	<b>3,523.0</b>	<b>100.0%</b>	<b>3,706.2</b>	<b>100.0%</b>	<b>4,456.1</b>	<b>100.0%</b>	<b>5,726.7</b>	<b>22.5%</b>
Banks	2,740.5	27.8%	3,341.9	28.3%	3,745.9	27.2%	5,179.4	20.4%
Pension & Provident Funds	5,386.3	54.6%	6,366.8	53.9%	7,176.4	52.0%	8,753.8	34.4%
Offshore	937.7	9.5%	828.7	7.0%	1,125.5	8.2%	2,367.2	9.3%
Bank of Uganda	-	0.0%	160.4	1.4%	6.3	0.0%	489.7	1.9%
Insurance companies	195.2	2.0%	228.0	1.9%	266.3	1.9%	407.4	1.6%
Other financial institutions	448.7	4.5%	655.9	5.6%	1,114.7	8.1%	1,580.0	6.2%
Retail	130.8	1.3%	182.9	1.5%	261.1	1.9%	633.0	2.5%
Other	24.1	0.2%	41.4	0.4%	96.0	0.7%	313.8	1.2%
<b>Total Bonds</b>	<b>9,863.2</b>	<b>100.0%</b>	<b>11,806.1</b>	<b>100.0%</b>	<b>13,792.1</b>	<b>100.0%</b>	<b>19,724.4</b>	<b>77.5%</b>
<b>Total Stock</b>	<b>13,386.2</b>		<b>15,512.3</b>		<b>18,248.1</b>		<b>25,451.1</b>	

**Source: BOU****Table 14: Annual Domestic Debt Service, Billion Shillings**

Instruments	Jun-18				Jun-19				Jun-20				Jun-21			
	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
91	5.2	-	230.0	235.2	7.4	-	297.6	305.0	6.6	-	272.9	279.5	6.80	-	341.68	348.5
182	26.5	-	478.5	505.0	37.5	-	699.9	737.4	39.2	-	731.8	771.0	39.73	-	783.70	823.4
364	434.1	-	2,850.9	3,285.0	319.6	-	3,113.6	3,433.2	418.2	-	3,308.4	3,726.6	503.71	-	4,099.34	4,603.0
<b>Total Bills</b>	<b>465.8</b>	<b>-</b>	<b>3,559.4</b>	<b>4,025.2</b>	<b>364.5</b>	<b>-</b>	<b>4,111.1</b>	<b>4,475.5</b>	<b>464.0</b>	<b>-</b>	<b>4,313.1</b>	<b>4,777.1</b>	<b>550.2</b>	<b>-</b>	<b>5,224.7</b>	<b>5,775.0</b>
2	2.2	104.3	705.8	812.3	0.0	35.5	120.0	155.5	0.7	115.6	388.3	504.6	-	68.9	90.0	158.9
3	-	131.6	-	131.6	-	170.6	334.6	505.1	0.3	144.9	453.6	598.9	-	113.2	300.0	413.2
5	59.9	576.2	523.5	1,159.6	29.8	570.1	671.4	1,271.3	-	543.6	711.9	1,255.5	0.1	467.1	850.6	1,317.8
10	-	375.2	-	375.2	-	505.5	-	505.5	16.8	626.7	143.2	786.7	60.3	1,033.2	954.3	2,047.8
15	-	221.2	-	221.2	-	199.4	-	199.4	-	423.1	-	423.1	-	683.6	-	683.6
20	-	-	-	-	-	-	-	-	-	-	-	-	-	89.0	-	89.0
<b>Total Bonds</b>	<b>62.0</b>	<b>1,408.5</b>	<b>1,229.3</b>	<b>2,699.9</b>	<b>29.8</b>	<b>1,481.0</b>	<b>1,126.0</b>	<b>2,636.8</b>	<b>17.8</b>	<b>1,853.9</b>	<b>1,697.1</b>	<b>3,568.8</b>	<b>60.4</b>	<b>2,455.1</b>	<b>2,194.9</b>	<b>4,710.3</b>
<b>Total</b>	<b>527.9</b>	<b>1,408.5</b>	<b>4,788.7</b>	<b>6,725.1</b>	<b>394.3</b>	<b>1,481.0</b>	<b>5,237.1</b>	<b>7,112.3</b>	<b>481.8</b>	<b>1,853.9</b>	<b>6,010.2</b>	<b>8,345.9</b>	<b>610.6</b>	<b>2,455.1</b>	<b>7,419.6</b>	<b>10,485.3</b>

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

Instruments	Jun-18				Jun-19				Jun-20				Jun-21			
	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost
91	248.4	253.9	5.5	3.8%	292.3	302.6	10.3	3.9%	271.8	278.4	6.5	3.2%	365.38	372.35	6.97	2.5%
182	571.6	598.9	27.2	8.7%	693.6	740.3	46.6	9.4%	691.8	728.6	36.8	8.1%	876.30	919.41	43.11	6.0%
364	3113.6	3,433.2	319.6	47.3%	3308.4	3,726.6	418.2	44.7%	4099.3	4,623.0	523.7	47.8%	5253.68	5892.71	639.03	35.8%
<b>Total Bills</b>	<b>3,933.6</b>	<b>4,286.0</b>	<b>352.3</b>	<b>59.7%</b>	<b>4,294.3</b>	<b>4,769.4</b>	<b>475.1</b>	<b>58.0%</b>	<b>5,063.0</b>	<b>5,630.0</b>	<b>567.1</b>	<b>59.0%</b>	<b>6,495.4</b>	<b>7,184.5</b>	<b>689.1</b>	<b>44.2%</b>
2	228.9	229.0	0.1	3.5%	299.0	320.0	21.0	4.0%	512.4	527.5	15.1	6.0%	848.30	877.04	28.73	5.8%
3	304.2	286.6	-	17.6	279.7	320.4	40.7	3.8%	460.6	492.7	32.1	5.4%	985.11	976.59	-	8.52
5	992.7	949.3	-	43.4	244.7	260.0	15.3	3.3%	690.3	704.6	14.4	8.0%	1,003.58	933.31	-	70.27
10	654.7	620.0	-	34.7	1456.9	1,660.6	203.7	19.7%	968.4	974.9	6.5	11.3%	2,767.99	2,542.44	-	225.55
15	469.6	436.8	-	32.8	825.8	885.0	59.2	11.2%	885.4	909.7	24.2	10.3%	1,560.63	1,580.13	19.50	10.6%
20	-	-	-	-	-	-	-	-	-	-	-	-	1,034.47	1,017.70	-	16.77
<b>Total Bonds</b>	<b>2,650.1</b>	<b>2,521.8</b>	<b>-</b>	<b>128.4</b>	<b>3,106.2</b>	<b>3,446.1</b>	<b>339.9</b>	<b>42.0%</b>	<b>3,517.0</b>	<b>3,609.3</b>	<b>92.3</b>	<b>41.0%</b>	<b>8,200.1</b>	<b>7,927.2</b>	<b>-</b>	<b>272.9</b>
<b>Total Issuance</b>	<b>6,583.8</b>	<b>6,807.7</b>	<b>223.9</b>	<b>100.0%</b>	<b>7,400.5</b>	<b>8,215.5</b>	<b>815.0</b>	<b>100.0%</b>	<b>8,580.0</b>	<b>9,239.3</b>	<b>659.3</b>		<b>14,695.5</b>	<b>15,111.7</b>	<b>416.2</b>	<b>100.0%</b>

**Source: MoFPED, DPID**

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

	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21
Fiscal Financing	626.6	1795.0	2163.4	2569.8	6,794.12
BoU Recapitalisation	100.0	-	-	100.0	481.70
Redemptions	5,373.7	4,788.8	5,237.1	5,910.2	7,419.59
<b>Total Issuance</b>	<b>6,100.3</b>	<b>6,583.8</b>	<b>7,400.5</b>	<b>8,580.0</b>	<b>14,695.4</b>

**Source: MoFPED, DPID**

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

		End Period				Annual Average			
		Jun-18	Jun-19	Jun-20	Jun-21	Jun-18	Jun-19	Jun-20	Jun-21
Treasury Bill Rates	91 Days	10.5	9.5	8.5	6.9	9.1	9.4	9.1	7.8
	182 Days	12.0	10.8	9.6	9.0	9.4	10.9	11.1	10.1
	364 Days	14.5	11.4	11.8	9.7	10.1	11.5	12.5	12.1
Treasury Bond Rates	2 Years	13.2	12.9	13.5	11.5	11.8	12.9	13.7	13.6
	3 Years	11.9	13.8	15.4	12.8	11.8	13.8	15.4	14.8
	5 Years	14.7	15.0	16.5	16.6	13.3	15.0	16.5	15.6
	10 Years	14.4	16.0	14.8	13.7	14.5	16.0	14.8	15.6
	15 Years	15.0	15.9	15.8	14.4	14.7	15.9	15.8	15.3
	20 Years				17.0				17.4

**Source: MoFPED, DPID**

## **PART VI: PUBLIC DEBT PORTFOLIO ANALYSIS**

### **6.1. KEY MACROECONOMIC INDICATORS**

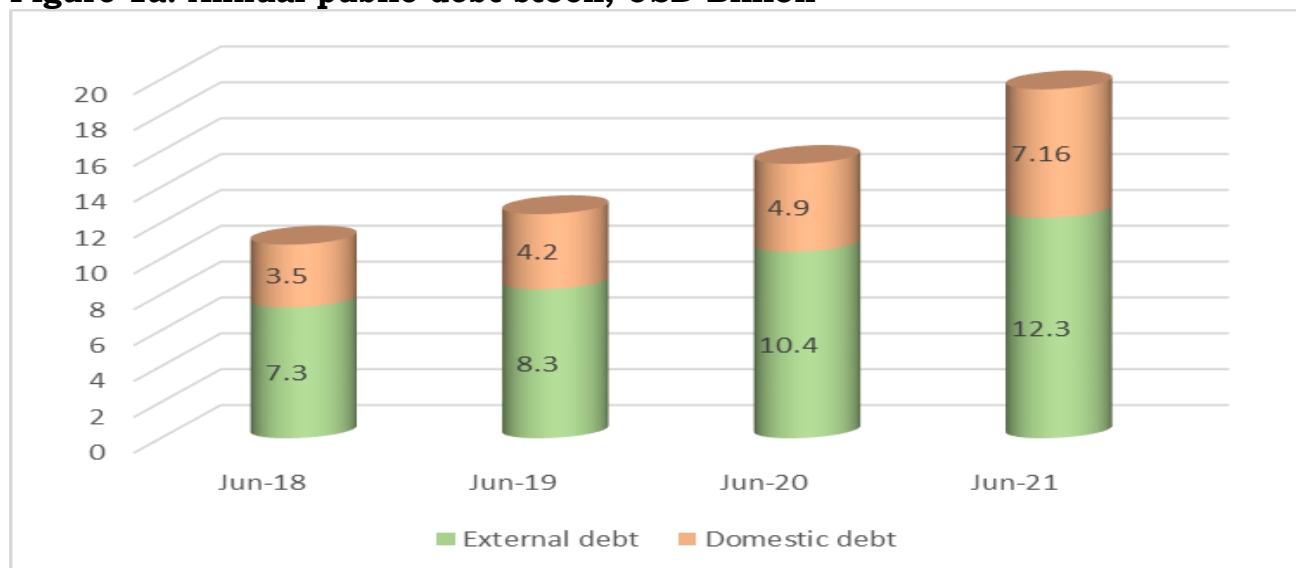
The Covid-19 pandemic continues to have a significant bearing on the economy. The lockdown affected the level of economic activity with adverse effects experienced by sectors that remained in full lockdown like education and transport (except for cargo transport). Other sectors which were also severely affected are the Small and Medium Enterprises (SMEs) as well as hotel and accommodation. The economy remains on course to achieve a growth rate of 3.5% to 4.0% during FY 2021/22. Annual headline inflation slightly increased to 2.1 percent in July 2021, from 2.0 percent in June 2021. The Uganda Shilling depreciated by 0.3 percent against the US Dollar, on account of stronger demand from oil and manufacturing sectors. Preliminary data shows that Government operations in July 2021 resulted into a deficit worth UGX 1,227.79 billion which was higher than the planned deficit of UGX 935.85 billion.

### **6.2. TOTAL PUBLIC DEBT**

The total public debt stock increased by 27.7% to USD 19.5 billion as at June 2021 from USD 15.27 billion as at end June 2020 out of which domestic and external debt accounted for 36.9% (USD 7.2 Billion) and 63.1% (USD 12.3 Billion) respectively. This increase is on account of increased Government borrowing (both domestic and external) to mitigate the socio-economic impact of COVID-19.

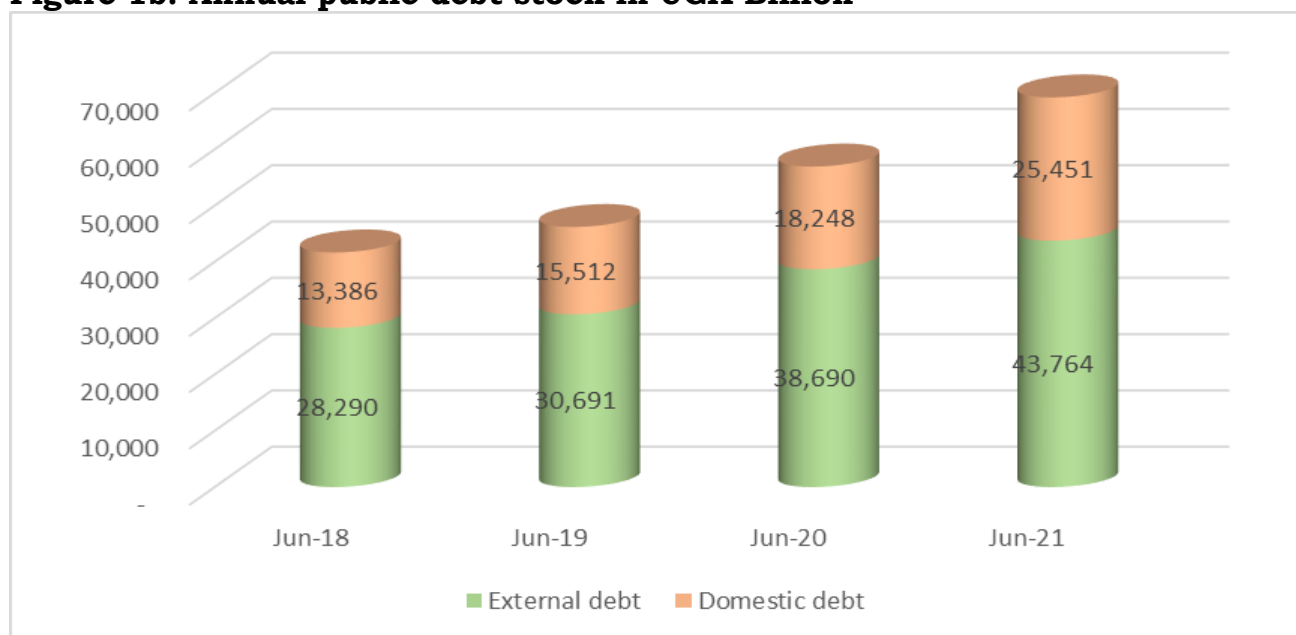
In terms of the key debt indicators, the nominal value of public debt as a percentage of GDP stood at 46.7% as at end June 2021 compared to 41.1% in June 2020. The Present Value (PV) of total debt to GDP increased from 33.1% as at end June 2020 to 37.6% in June 2021. The increase in the ratios can be attributed to increased borrowing and disbursements in the FY under review.

**Figure 1a: Annual public debt stock, USD Billion**



**Source: MoFPED**

**Figure 1b: Annual public debt stock in UGX Billion**



**Source: MoFPED**

## 6.3 EXTERNAL DEBT

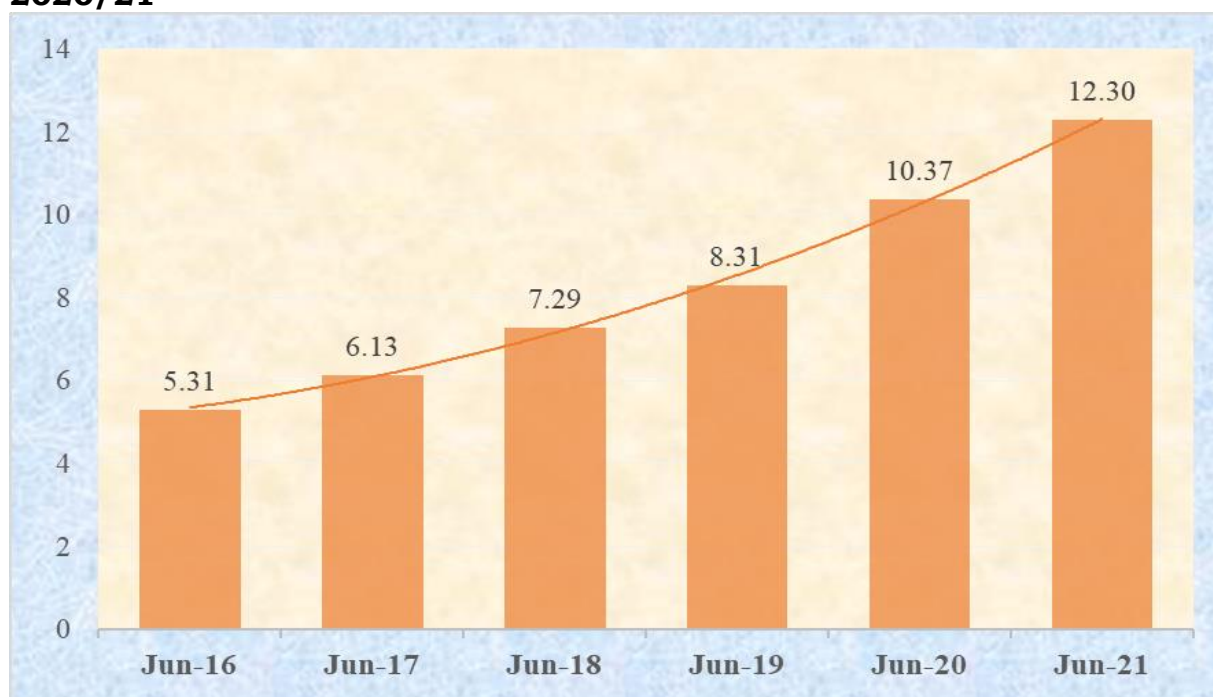
### 6.3a. External Debt Stock Disbursed and Outstanding

There was an increase in external debt stock to USD 12.30 Billion by end June 2021 from USD 10.37 Billion in June 2020. This increase is on account of increased external borrowing to mitigate the socio-economic impact of COVID-19. Notable new borrowings in FY 2019/20 were concessional financing from IMF and World Bank which disbursed USD 258.3 million and USD 304.1 Million respectively and commercial borrowing from Trade and Development Bank (TDB) and Stanbic Bank each dispersing USD 288.3 million for budget support.

In addition, there were increased disbursements for projects like the Oil roads by China of USD 192.7 million, financing for the Uganda Support to Municipal Infrastructure Development Project (USMIDP) (USD 78.7 million), Intergovernmental Fiscal Transfers (USD 70.4 million) and the development of Kabaale International Airport (USD 29.2 million) among others during FY2020/21.

The ratios of the nominal and present value of external debt stock to GDP stood at 46.7% and 37.6% respectively by end June 2021.

**Figure 2: Trend of External Debt stock in USD Billions from FY2015/16 to FY 2020/21**



**Source: DPI, MoFPED**

Undisbursed debt increased from USD 5.29 Billion as at June 2020 to USD 5.85 Billion at the end of June 2021 due to the new commitments of USD 772.6 million from the IMF Extended Credit Facility and USD 453.5 million from African Development Bank (ADB) for Kampala Jinja Express Highway and Kampala City roads rehabilitation projects during the period.

The undisbursed debt from multilateral creditors increased from USD 2.74 billion in June 2020 to USD 3.80 billion in June 2021 while undisbursed debt from bilateral creditors decreased from USD 2.40 billion to USD 1.99 billion during the same period. Figure 3 shows the trend of undisbursed debt from June 2017 to June 2021.

**Figure 3: Trend of Undisbursed External Debt in USD Billion (June 2017 - June 2021)**



**Source: MoFPED, DPI**

### 6.3b. Creditor composition

Multilateral creditors continued to constitute the largest share of Uganda’s external debt stock with 62.6% (USD 7.70 Bn) whereas Bilateral creditors accounted for 28.6% (USD 3.52 Bn), and Private Banks contributed 8.8% (USD 1.08 Bn) by end June 2021.

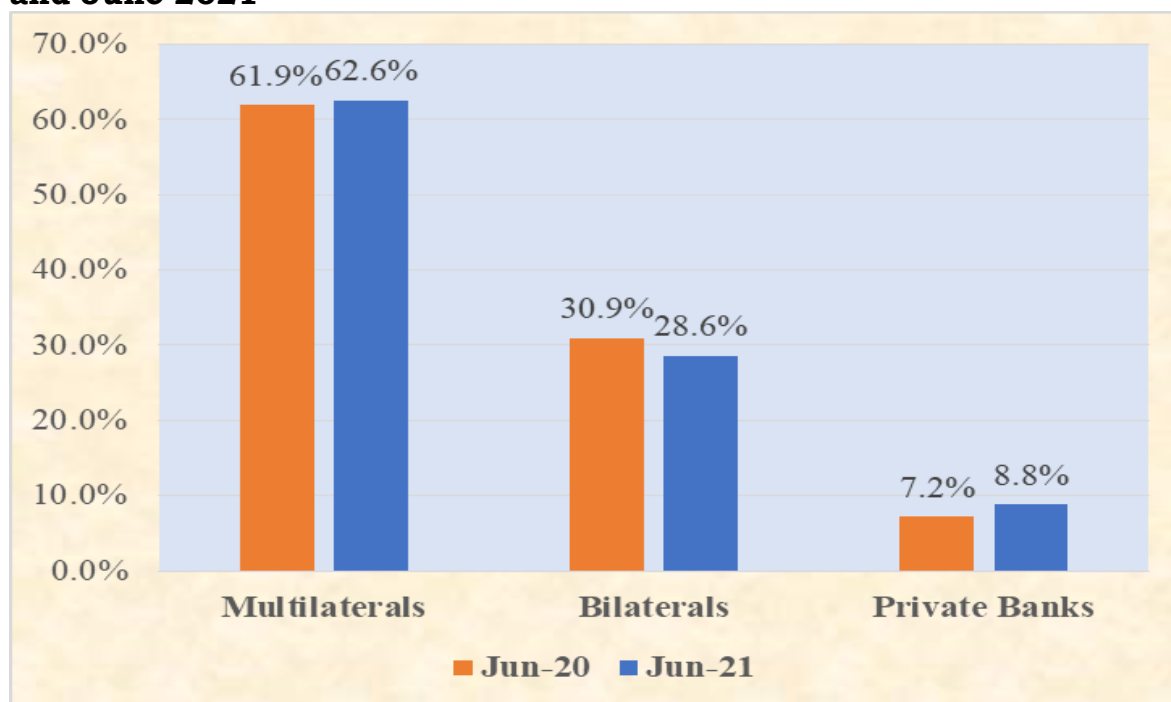
Multilateral debt is dominated by International Development Association (56.4%/USD 4.34 Bn) and African Development Fund (18.8%/USD 1.45 Bn),



bilateral debt by the Exim Bank of China (73.3%/USD 2.58 Bn) and United Kingdom (8.6%/USD 0.30 Bn) while the debt from private banks is dominated by the Trade and Development Bank (53.9%/USD 0.58 Bn) and Stanbic Bank (33.1%/0.36Bn).

The share of bilateral debt decreased in the external debt portfolio to 28.6% (USD 3.52Bn) as at end June 2021 from 30.9% (USD 3.20 Bn) in June 2020 while multilateral debt stock increased to 62.6% (USD 7.70Bn) from 61.9% (USD 6.42Bn) in June 2020. The increase in the share of multilateral debt as a percentage of total external debt is attributed to the contraction of loans for Mitigation of the impacts of COVID-19 from World Bank (USD 300Mn) and IMF (USD772.6 Mn). The decrease in the share of bilateral debt stock is due to the increase in the share of private creditors which increased from to 7.2% (USD 0.75 Bn) in June 2020 to 8.8% (1.08Bn) in June 2021. This was mainly due to the disbursement of USD 229.5 million from the Trade and Development Bank (TDB) for the FY 2020/21 budget support and USD 58.9 million disbursement balance of the FY 2019/20 from Stanbic Bank.

**Figure 4: External Debt stock by creditor composition (%) as at June 2020 and June 2021**

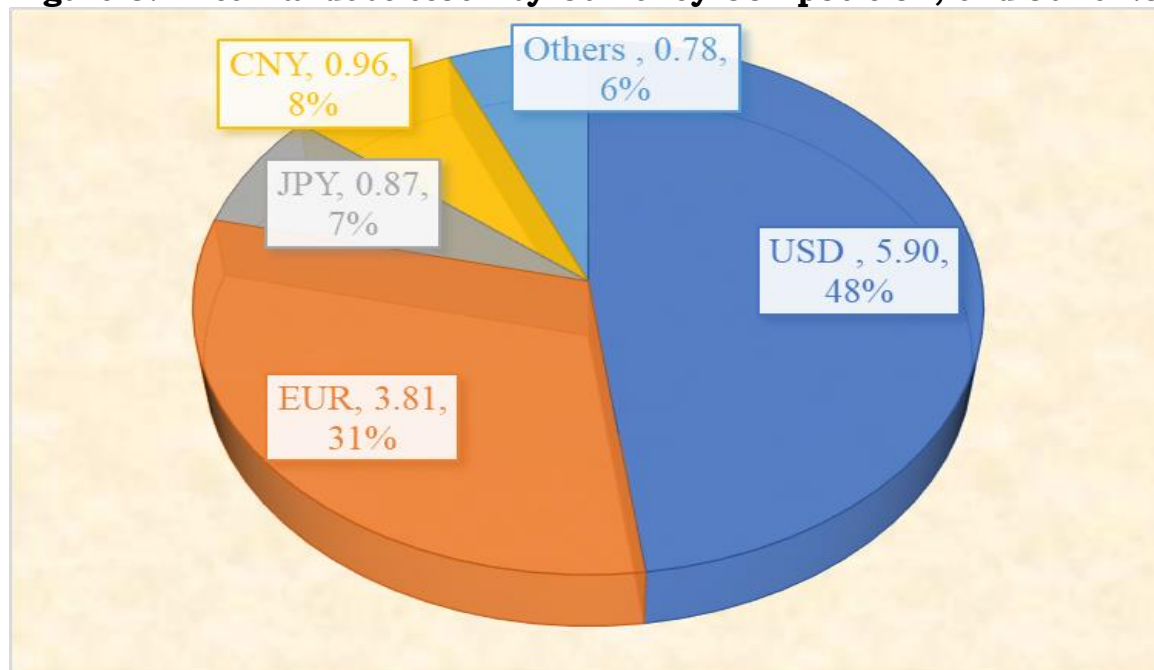


**Source: DPI, MoFPED**

### 6.3c. Currency composition.

The currency composition of central government external debt is dominated by four currencies; the USD, EUR, JPY, and CNY. This is illustrated in figure 5

**Figure 5: External debt stock by Currency Composition, end June 2021<sup>4</sup>.**



**Source: MoFPED, DPID**

The share of external debt stock denominated in USD decreased by 1.23 percentage points from 49.19% (USD 5.10 Bn) in June 2020 to 47.96% (USD 5.90 Bn) as at end June 2021. On the other hand, the share of debt denominated in Euros increased by 2.06% from 28.88% (USD 2.99 Bn) in June 2020 to 30.94% (USD 3.81Bn) by end June 2021. This is due to the acquisition of new debt in Euros and disbursement of EUR 229.5 million from TDB for FY 2020/21 and Stanbic Bank for FY 2019/20 58.9 budget support during this period.

### **6.3d. Interest rate type**

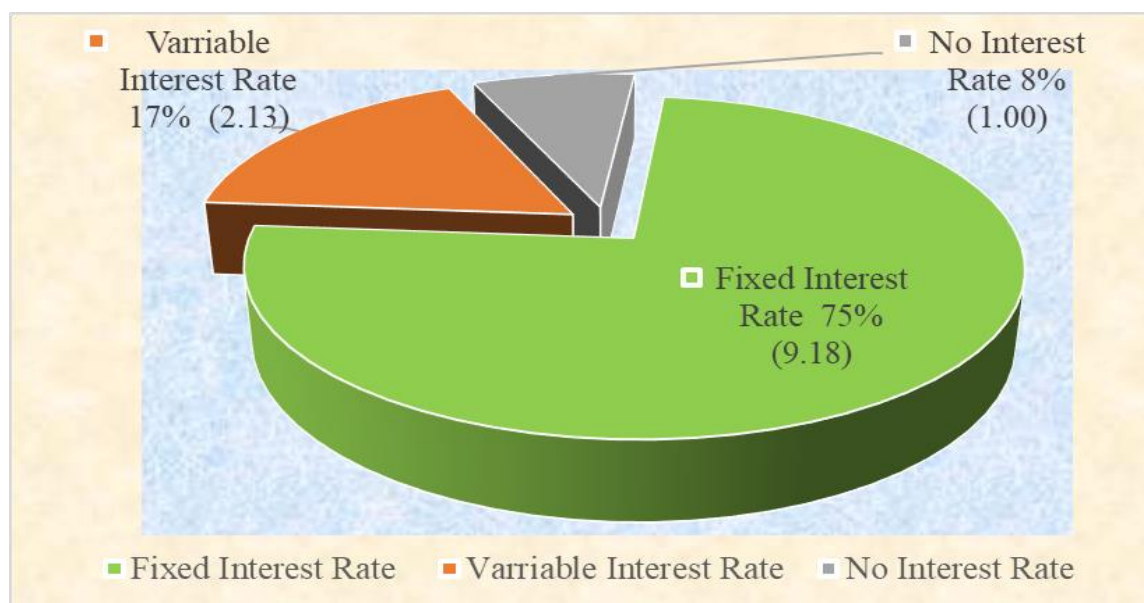
As at end June 2021, approximately 74.58% (USD 9.18 Bn) of Uganda's external debt stock had been contracted at fixed interest rates while variable interest rates and no-interest rates constituted 17.31% (USD 2.13 Bn) and 8.11% (USD 1.00 Bn) respectively. This indicates a reduction in the share of fixed rate debt which stood at 75.98% (USD 7.88 Bn) at end June 2020 on account of increased variable rate debt from 16.35% (USD 0.78 Bn) and no interest rate debt from 7.66% (USD 0.79Bn).

The largest stock of the variable-rate debt from Bilateral creditors is from China (USD 831.7 Million) followed by Commercial creditors TDB (USD 357.9 Million) and

<sup>4</sup> The currency composition of others (6.49%) is AED, KRW, IQD, SAR, GBP and IDI.

Stanbic Bank (USD 357.9 Million) while the variable-rate debt from Multilateral creditors is from ADB (USD 172.7 Million). The stock of variable rate debt has been increasing and the trend is expected to continue following a gradual shift from concessional to non-concessional and commercial loans for both project and budget support. This is demonstrated in figure 6.

**Figure 6: External Debt Stock by Interest Rate Type as at June 2021**

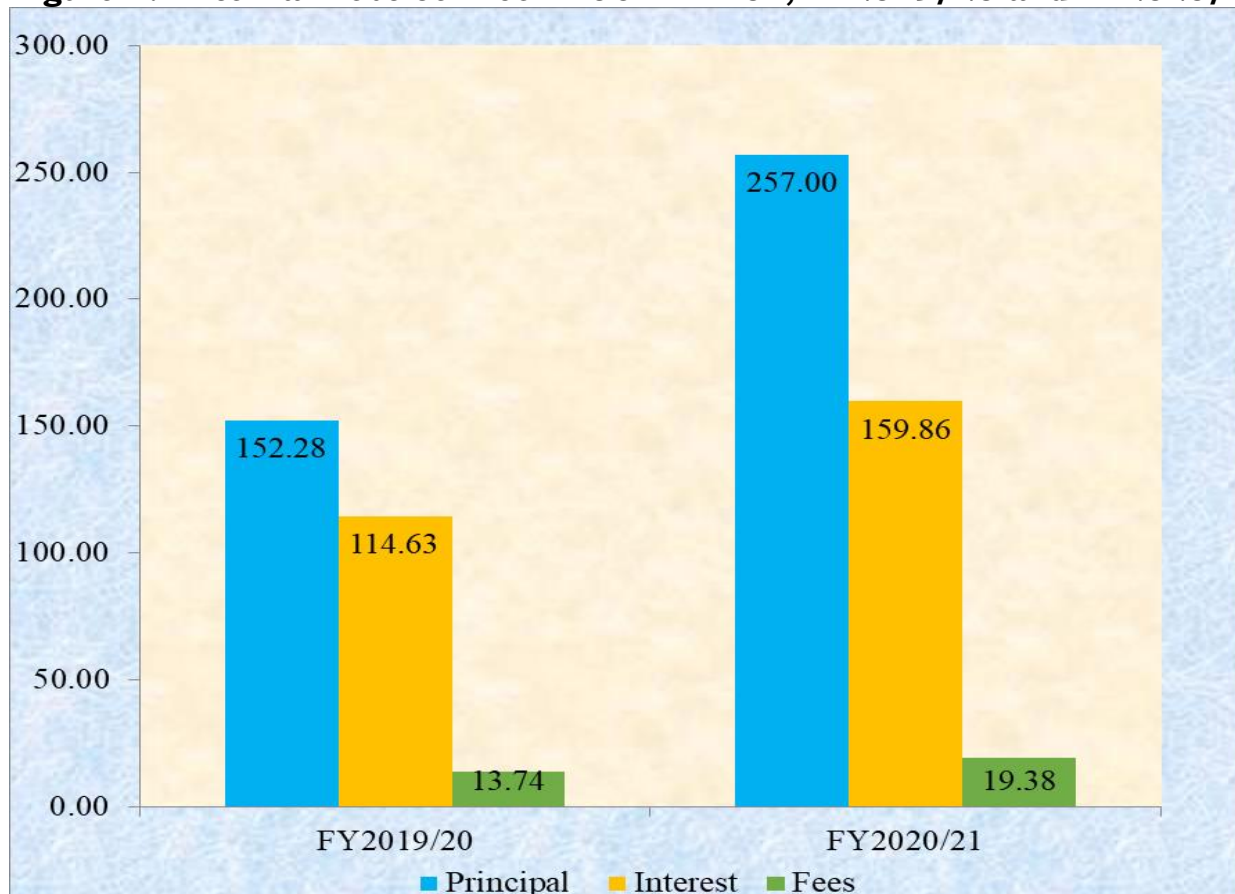


**Source: MoFPED, DPID**

### 6.3e. External debt service

There was an increase in external debt service from USD 280.66 Million in FY2019/20 to USD 436.24 Million in the FY 2020/21. This was on account of increased principal and interest payments for major flagship projects like Karuma and Isimba hydro power projects.

**Figure 7: External Debt Service in USD Million, FY2019/20 and FY2020/21**



**Source: MoFPED, DPID**

Principal payments increased from USD 152.28 million made in FY 2019/20 to USD 257 million made in FY 2020/21. Interest payments increased from USD 114.63 million in FY 2019/20 to USD 159.86 million in FY 2020/21. This was due to increase in principal and interest payments for the semi-concessional and non-concessional loans like the Karuma Hydropower dam project and Isimba Hydropower project. An increase in fees was also noted from USD 13.7 Million to USD 19.38 Million in the same period.

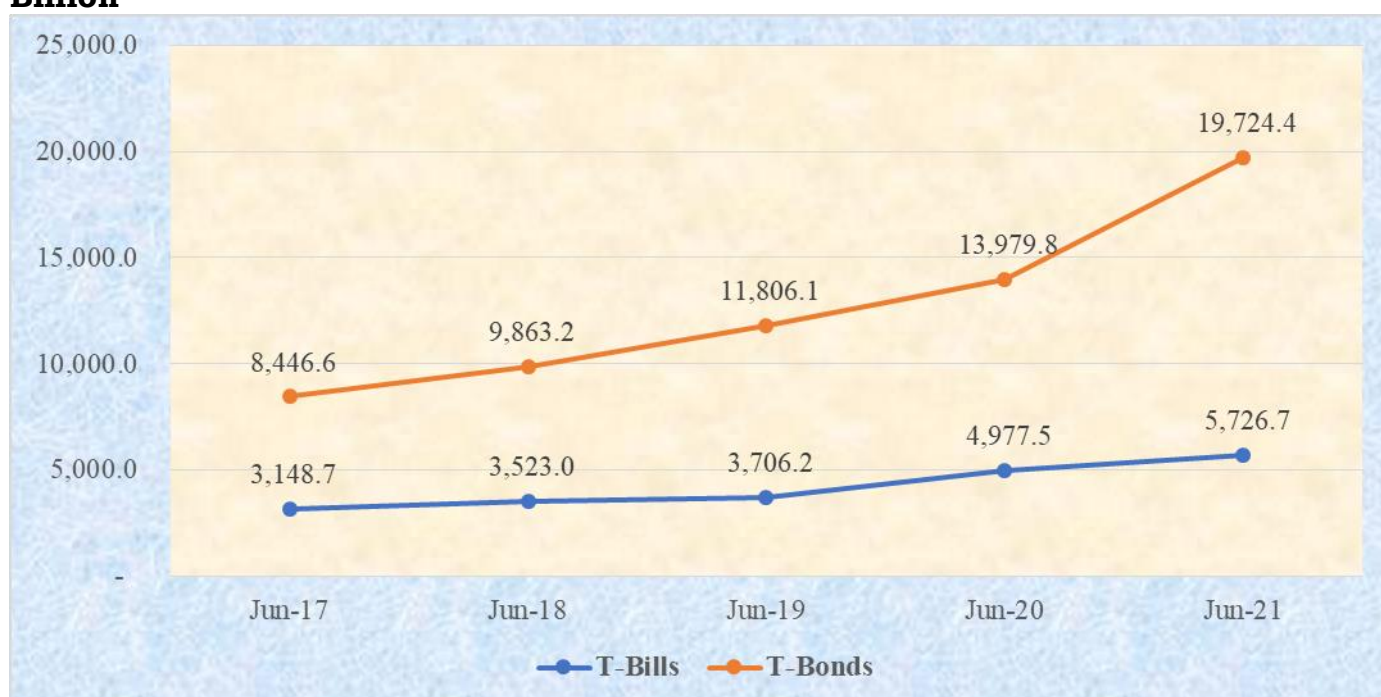
## 6.4. DOMESTIC DEBT

### 6.4a. Domestic debt stock outstanding

Domestic debt stock at cost increased by 34% from UGX 18,957 billion in June 2020 to UGX 25,451 billion in June 2021. The rise in the domestic debt stock was on account of the upward revision of the Net Domestic Financing (NDF) target from UGX 3,054 billion to UGX 6,794 billion. This was necessitated by the underperformance of revenue shortfalls and new expenditure pressures occasioned by the Covid-19 pandemic.

During the same period, there was an increase in T-Bills by 15% (UGX 749 billion) from UGX 4,978 billion to UGX 5,727 billion. T-Bonds increased by 41% (UGX 5,745 billion) from UGX 13,979 billion to UGX 19,724 billion over the same period.

**Figure 8: Domestic Debt stock trend from June 2017 to June 2021, UGX Billion**



Source: MoFPED, DPI

### 6.4b. Domestic debt issuances

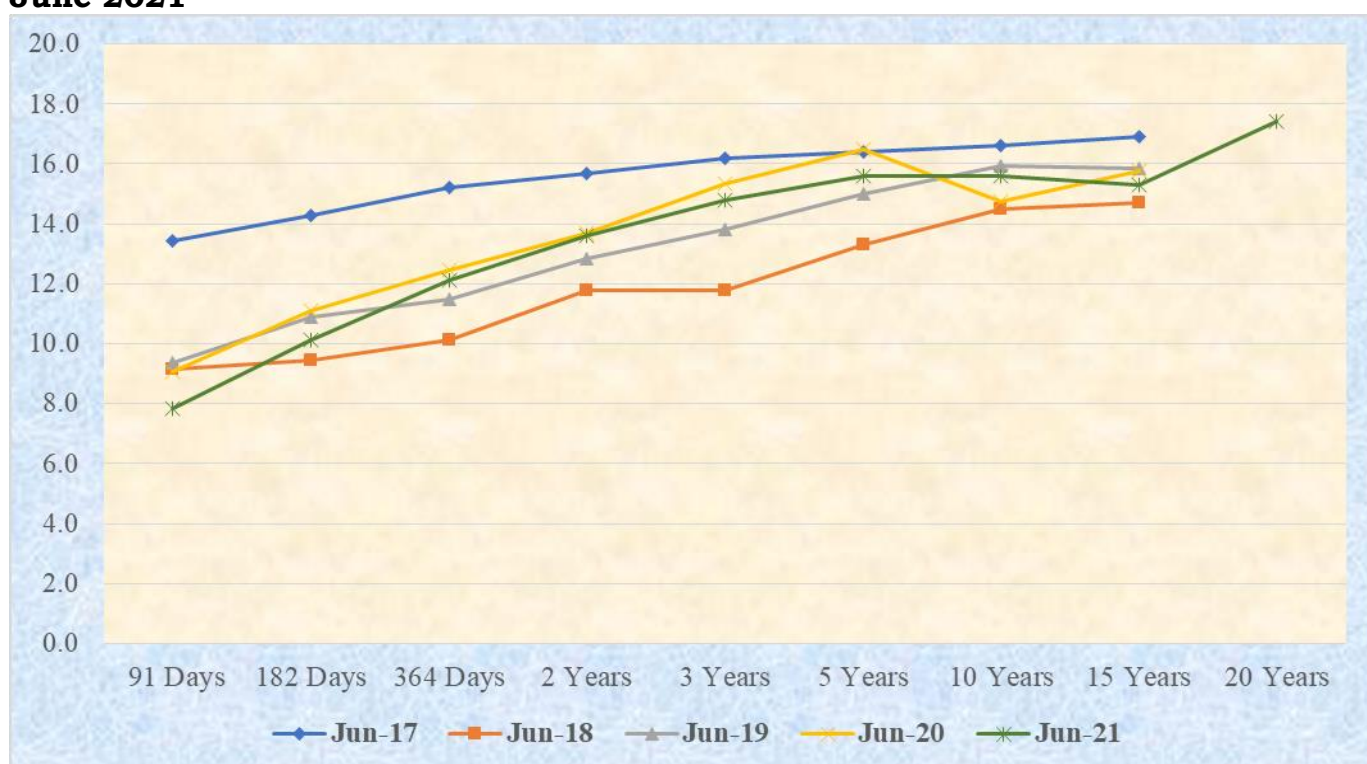
Domestic debt total issuances increased from UGX 8,580.0 billion in FY 2019/20 to UGX 14,695.5 billion in the financial year under review. Out of the total issuance, UGX 6,794 billion was for fiscal financing while UGX 7,419.6 billion was for clearing

redemptions. Bank of Uganda was issued recapitalisation securities amounting to UGX 481.7 billion.

### 6.4c. Domestic debt Quarterly Average Primary Market Yields

There was a downward shift in the yield curve for FY 2020/21 compared to FY 2019/20. The reduction in yields can be attributed to the high level of liquidity in the financial system coupled with reduced private sector credit uptake, arising as an effect of slow business activity due to the Covid-19 pandemic as shown in figure 9.

**Figure 9: Trend of annual average primary market yields from June 2017 to June 2021**



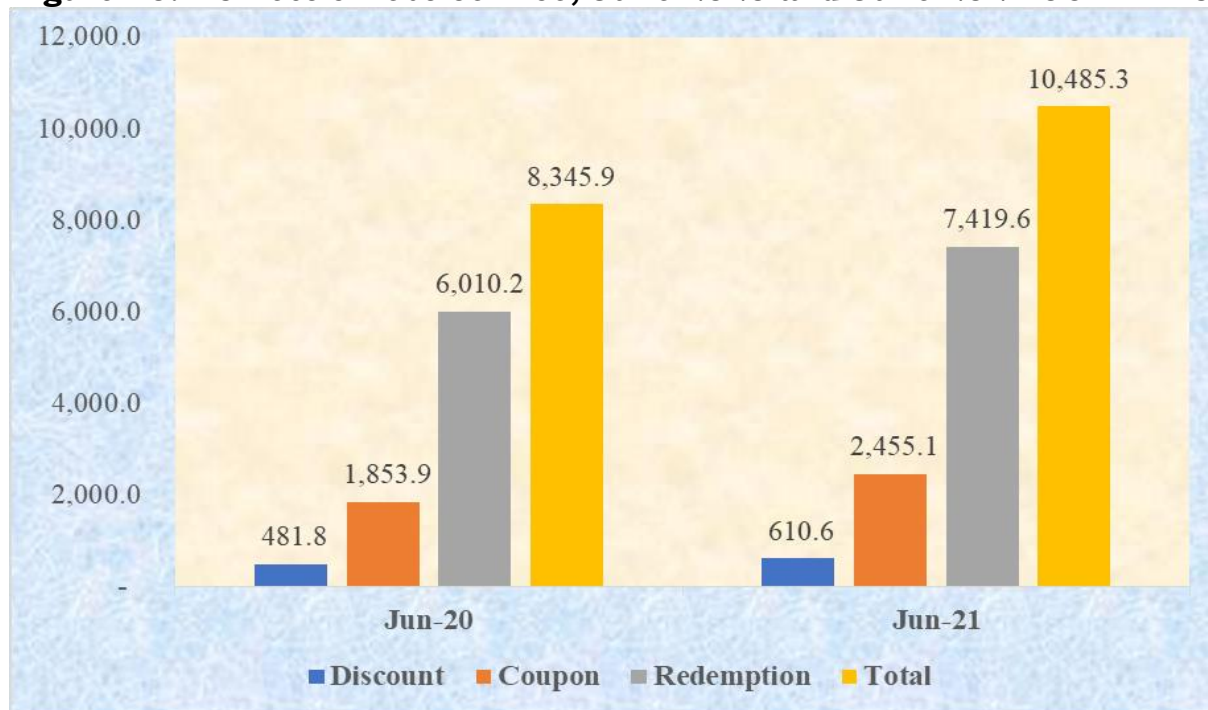
Source: MoFPED, DPI

### 6.4d. Domestic Debt Service

Compared to end of FY 2019/20, total domestic debt service composed of discount, coupon and redemptions increased from UGX 8,345.9 billion to UGX 10,485.3 billion in FY 2020/21. Discount cost on treasury instruments increase by 26.7% to UGX 610.6 billion, the semi-annual coupon payments on Treasury Bonds increased by 32.4% to UGX 2,455.1 billion and the redemptions also increased by 23% to UGX 7,419.6 billion. The increment in debt service can be attributed to consistent rise in

the Net Domestic Financing target. The trend of Domestic debt service is depicted in Figure 10.

**Figure 10: Domestic Debt Service, June 2020 and June 2021 UGX Billion**



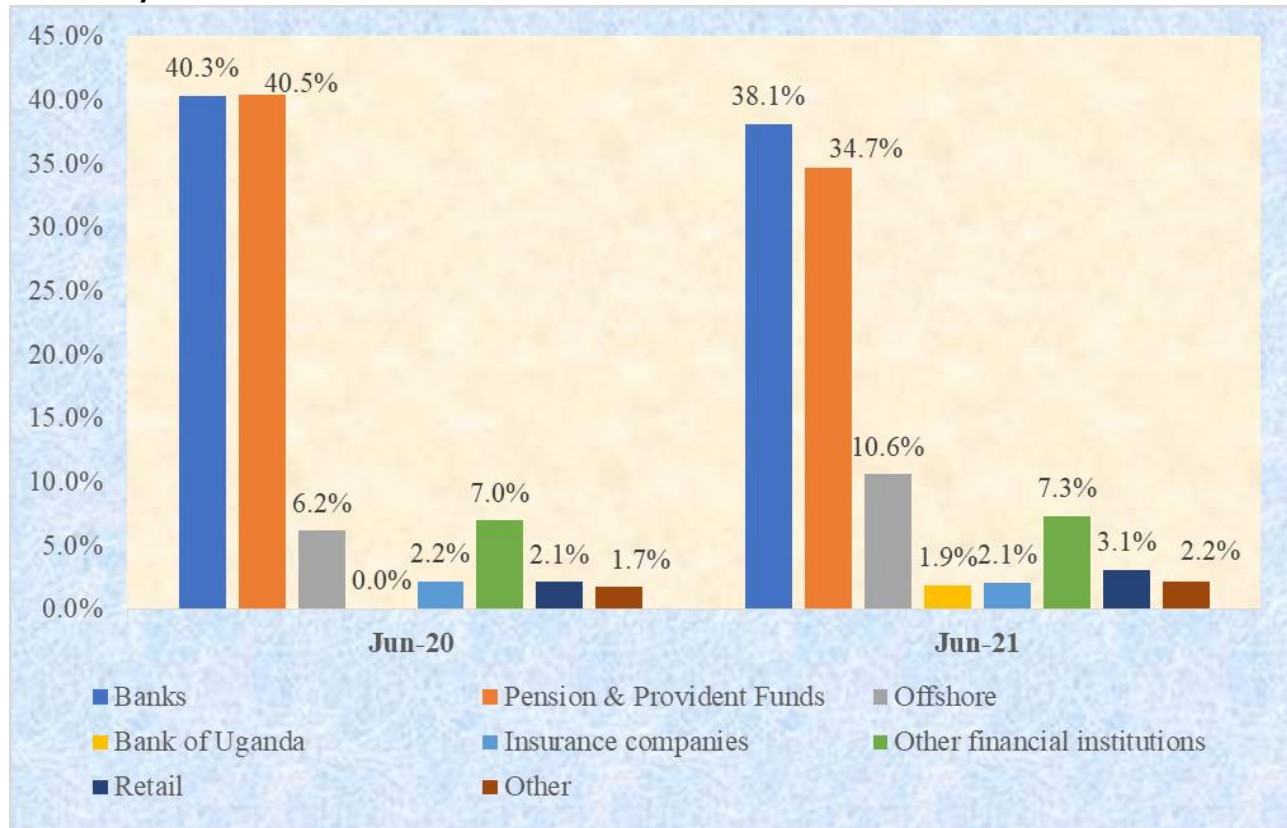
**Source: MoFPED, DPID**

#### 6.4d. Holders of Government Securities

Commercial banks continue to hold the biggest share of investments in Government Securities as at end June 2021. However, their holding reduced from 40.3% in FY 2019/20 to 38.1% during FY under review. This was majorly on account of an increase in other players’ shareholding majorly the offshore investors and retail investors from 6.2% to 10.6% and from 2.1% to 3.1% respectively.

Holder of Government securities are demonstrated in the Figure 11.

**Figure 11: Holders of Government Securities at cost for FY2019/20 and FY2020/21**



**Source: BOU**



## **6.5 CONTINGENT LIABILITIES.**

### **6.5a. Sovereign Loan Guarantees**

As at end of June 2021, there were 7 Active guarantees to two entities, Uganda Development Bank Limited (UDBL) and Islamic University in Uganda (IUIU) amounting to USD 55 million.

Islamic University in Uganda, a private education institution holding 11% (USD 3.1 Million) of total disbursed and outstanding stock. Uganda Development Bank, a public financial corporation holding 89% (USD 25.8 Million) of the total stock (USD 28.9 Million) disbursed and outstanding as at June 2021.

IDB was the top guaranteed creditor with a guaranteed amount of USD 29.1 Million, followed by ADB with USD 15 Million, BADEA with USD 6 Million and the lowest was EXIM Bank with USD 5 Million.

The gross exposure to the disbursed and outstanding guaranteed debt as at June 2021 amounted to USD 28.888 Million indicating a slight increase of 0.01% from USD 28.885 Million as at June 2020. The increment can be attributed to increased disbursements made on the Exim India loan and cumulated arrears by IUIU.

Nominal publicly guaranteed disbursed and outstanding debt to GDP stood at 0.1% as at end June 2021, the outstanding debt service (Principal, interest and arrears) for the two entities amounted to USD 421,141 in 2021, this is the amount the government is exposed to and has to pay to the lenders in case of any event of default, this is currently about 0.0148% of GDP which indicates a low impact on Government finances in case of default in debt service by these entities in 2021.

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

UDBL had a drawn down of USD 2.9 Million as at March 2021 under the Islamic Development Bank. Availability period for utilization of undisbursed amount was extended to September 2021. The amount totaling USD 781,462.11 was paid as at

March 2021, bringing the outstanding balance to USD 2,141,779.84 as at June 2021.

#### **6.5b. Disbursed and outstanding debt of SoEs and EBUs.**

As at end June 2020<sup>5</sup>, the stock of debt (direct domestic and external borrowing plus on-lent) of public entities amounted to UGX 10,069 billion (USD 2.8 billion), indicating an 11.4 percent increase from UGX 9,038 billion (USD 2.4 billion) as at end of June 2019. The increase was mainly attributed to a significant increase of other debt / domestic borrowing due to the COVID-19 pandemic, as well as increase in the number of entities included in the June 2020 analysis. However, the total debt to assets ratio increased to 46.54% owing to the increase in external borrowing on-lending and other debt which includes lease contracts and overdrafts.

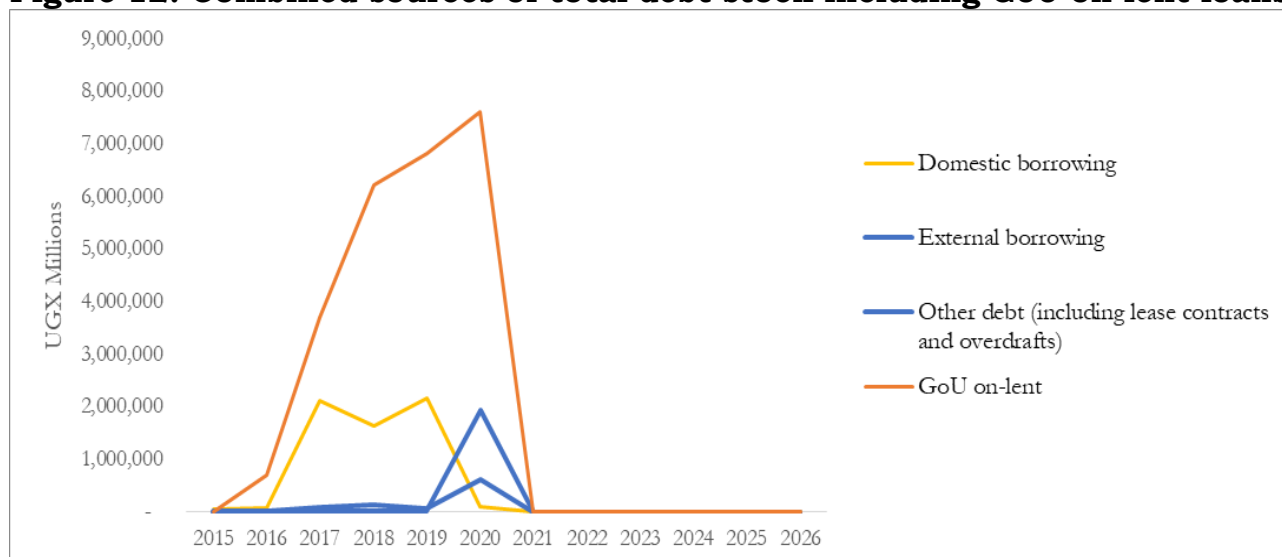
#### **6.5c. Stock of GoU on-lent loans**

The stock of on-lent loans increased by 8 percent from UGX 6,826 billion as at June 2019 to UGX 7,419 billion as at end June 2020. The on-lent loans provided to UEGCL and UETCL accounted for more than 99 percent of the total stock, and the remaining 1 percent of the on-lent loans were other entities. Of these on-lent loans, 99.9% were to public entities, whereas 0.1% of the total stock of on-lent loans were to private entities. The financing for the public entities has mainly been provided for the development of priority energy generation and transmission projects. The total stock of GoU on-lent loans accounted for 72.2 percent of the total debt stock as at June 2020.

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<sup>5</sup> Data on Contingent Liabilities is collected, analyzed and reported at the end of each financial year.

**Figure 12: Combined sources of total debt stock including GoU on-lent loans**



**Source: MOFPED, DPI**

### **Financial Exposure to GoU through GoU on-lent loans**

The Government of Uganda’s financial exposure for FY 2019-2020 arising from these on-lent loans is equal to the sum of interest arrears and principal arrears that the respective entities were obliged to pay during the financial year. This amount totalled to a sum of UGX 336 billion, which constitutes 0.9% of GDP, indicating low financial exposure.

### **6.5d Non-Guaranteed Debt and Other Liabilities of Local Governments.**

As at end June 2020, the domestic debt stock for Local Governments (LG) stood at UGX 1 million, an increase from the previous year owing to the increase in domestic borrowing due to the Covid-19 pandemic. Total liabilities as at end June 2020 stood at UGX 136,880 million, indicating a 53% increase compared to end June 2019. This was attributed to an increase in capital grants and a 36% increase in current liabilities. From the observed numbers it was noted that LG debt poses the lowest fiscal risk compared to Guarantees, SoEs and EBUs.

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

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

**Table 18: Cost and Risk indicators for the existing debt as at end June 2021.**

Risk Indicators		Jun-19			Jun-20			Jun-21		
		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP	Nominal debt as % GDP	27.9	14.1	42.0	27.9	13.2	41.1	29.5	17.2	46.7
PV as % of GDP	PV as % of GDP	18.0	14.1	32.1	20.0	13.2	33.1	20.4	17.2	37.6
Cost of debt	Interest payment as % GDP	0.42	1.91	2.3	0.56	1.83	2.4	0.40	2.40	2.8
	Weighted Av. IR (%)	1.5	13.5	5.6	2.0	13.9	5.8	1.5	13.9	6.0
Refinancing risk	ATM (years)	14.1	4.0	10.7	12.7	4.3	10.3	11.8	5.5	9.4
	Debt maturing in 1yr (% of total)	1.9	36.0	13.3	2.1	36.8	12.0	3.3	30.0	13.1
	Debt maturing in 1yr (% of GDP)	0.5	5.1	5.6	0.7	4.9	5.5	1.0	5.2	6.1
Interest rate risk	ATR (years)	13.5	4.0	10.3	12.1	4.3	9.8	10.9	5.5	8.9
	Debt refixing in 1yr (% of total)	11.1	36.0	19.5	16.3	36.8	22.2	21.4	30.0	24.6
	Fixed rate debt (% of total)	90.6	100.0	93.8	83.6	100.0	89.6	80.9	100.0	87.9
FX risk	FX debt (% of total debt)			66.4			68.0			63.2
	ST FX debt (% of reserves)			4.7			6.5			9.8

**Source: MoFPED, DPID**

### 6.6a. Refinancing and rollover risks.

The overall weighted Average Time to Maturity (ATM) of all principal payments of the existing debt portfolio (external and domestic debt) is 9.4 years; where the ATM is 11.8 years and 5.5 years for external debt and domestic debt portfolios respectively. The average time to maturity for domestic debt has increased from 4.3 years in June 2020 to 5.5 years in June 2021 due to an increase in the issuance of long-term government securities. In the financial under review, a 20 year Treasury bond instrument was introduced in the domestic market.

The average time to maturity of the external debt stock reduced from 12.7 years in June 2020 to 11.8 in June 2021 due to contraction of external loans with shorter maturities (IMF and World Bank, Trade and Development Bank and Stanbic Bank) during the year.

Domestic debt maturing in one year as a percentage of the total domestic debt reduced to 30.0% as at June 2021 compared to 36.8% in the previous financial year.

External debt maturing in one year as percentage of the total increased from 2.1 % in June 2020 to 3.3% in June 2021. This can further be explained by the redemption profile as shown in Figure 13.

**Figure 13: Redemption profile in Trillion UGX as at June 2021**



There’s a refinancing risk noted in FY 2021/22 of UGX 7.65 trillion in the domestic debt portfolio, it is expected to be mitigated through a bond switch auction where the maturing security will be exchanged for another instrument(s) with a future maturity date.

### 6.6b. Interests rate risk

As at end June 2021, the total Average Time to Refixing (ATR) reduced to 8.9 years from 9.8 years in the previous FY for all the principal payments in the total debt portfolio i.e. the average time it will take the total debt stock to be subjected to a new interest rate. The ATR is 10.9years and 5.5 years for external debt and domestic debt respectively as at end June 2021.

In the context of external debt, the ATR has reduced from 12.1% in FY 2019/20 to 10.9% in FY 2020/21. Whereas a bigger proportion of Uganda’s external debt stock (80.9%) was contracted at fixed interest rates, the increase in exposure to external interest rate risks is attributed to increased disbursement of variable rate loans from China, TDB, ADB and Stanbic Bank.

On the other hand the ATR of Domestic debt has increased from 4.3% to 5.3% as a result of Government’s deliberate efforts to issue more longer dated securities as shown by the reduction in the share of the T-bills to T-bonds in table 15.

### **6.6c. Exchange rate risk**

As at June 2021, a greater share of Uganda's public debt (63.2%/USD 12.3 billion) is denominated in foreign currency. The remaining 36.8% (USD 7.2 billion) is in local currency. This indicates that Uganda is highly exposed to risks associated with exchange rate shocks

## **PART VII: GLOSSARY OF DEBT AND RELATED TERMS**

<b>Agency</b>	<b>An</b> agency in a creditor economy that provides insurance, guarantees, or loans for the 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 ongoing 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.

**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 *grace periods*, 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 *principal* or *interest*.

**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 *principal* and *interest*. 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 (*interest* and *principal* payments due) during a year, expressed as a percentage of exports (typically of goods and services) for that year. Forward-looking debt-service ratios require some forecast of export. This ratio is considered to be a key indicator of an economy's debt burden.

**Debtor Economy** The economy in which the debtor resides.

**Deep Discount Bond** These are long term securities that require periodic coupon payments during the life of the instrument but the amount is substantially below the market rate of interest at issuance.

**Disbursed Loans** The amount that has been disbursed from a loan but has not yet been repaid or forgiven.

**Domestic Currency** Domestic currency is that which is legal tender in the economy and issued by the monetary authority for that economy, i.e. either that of an individual economy or, in a currency union, to which the economy belongs. All other currencies are foreign currencies.

**Domestic Debt** Debt liabilities owed by residents to residents of the same economy

**Export Credit** A loan extended to finance a specific purchase of goods services from within the *creditor economy*. 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 *supplier's credits*; export credits extended by a financial institution, or an *export credit agency* in the exporting economy are known as *buyer's credits*

**External Debt** At any given time, is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of *interest* and/or *principal* by the *debtor* 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 *principal* 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 *debt service* 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 instruments 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. This 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 basis.

**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.