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**QUARTERLY DEBT STATISTICAL BULLETIN AND PUBLIC DEBT PORTFOLIO
ANALYSIS**

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FOREWORD

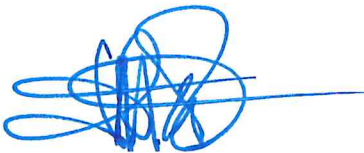
Government of Uganda under the auspices of Ministry of Finance, Planning and Economic Development prepares and publishes the Quarterly Debt Statistical Bulletin (DSB) in compliance with Public Debt and other Financial Liabilities Management Framework (PDMF) 2018.

The Debt Statistical Bulletin is a useful instrument for checking consistency and accuracy of debt data. The bulletin is also an important channel of dissemination of public debt statistics, enhancing transparency and accountability for debt management policy and operations.

It is therefore with great pleasure that I recommend its use by investors in Government debt instruments, Development Partners (DPs) and the general public when in need of Government of Uganda key debt statistics.

Enjoy your reading.

For God and My Country

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

PREFACE

This bulletin is the 26th in a series of publications of the Debt Statistical Bulletins since 2014 and contains statistics up to the period ending September 2021. Public debt is growing and therefore calls for regular, timely and accurate reporting of debt statistics to ensure Government accountability of the borrowed funds.

Objectives of the DSB are:

- a) To provide 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 i.e. parameters of external and domestic debt to policymakers, the general public, government officials, international organizations, investors in debt securities and other stakeholders for research and informed decision making.

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

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



Robert B. Okudi

ACTING DIRECTOR, DEBT AND CASH POLICY

LIST OF ACRONYMS

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

CURRENCIES

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

PART 1: GENERAL INFORMATION

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

a) Scope:

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

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

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

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

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

c) Exchange Rates:

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

PART 2: MACROECONOMIC OVERVIEW

Table 1: Key Macroeconomic Indicators

	Mar-21	Jun-21	Sep-21
Inflation			
Headline	2.34	1.45	2.05
Core	3.39	2.27	2.30
Exchange rate (Shs/US \$)			
End of Period	3,663.93	3,556.71	3,542.67
Period Average	3,672.74	3,573.03	3,539.80
Reserves			
Gross foreign exchange reserves (US \$ millions)	3,616.58	4,139.69	4,418.59
Gross foreign exchange reserves (months of imports)	3.69	4.41	4.53
Fiscal Statistics (Billions Shs)			
Revenue	4,552.91	5,390.10	4,502.34
Expenditure	8,111.26	9,538.20	7,116.81
Deficit	(3,558.34)	(4,148.10)	(2,614.48)
Total Debt Stock (Billions US \$)	18.14	19.46	20.10
External Debt Stock (US \$ Billions)	11.59	12.30	12.47
Domestic Debt Stock (US \$ Billions)	6.54	7.16	7.63
Total Debt Stock (Shs Billions)	66,446.01	69,215.52	71,222.47
External Debt Stock(Shs Billions)	42,478.30	43,764.42	44,177.47
Domestic Debt Stock (Shs Billions)	23,967.71	25,451.10	27,045.00
Quarterly Gross Domestic Product (GDP)			
GDP (Billions Shs)	35,078.97	37,112.23	...
GDP (Billions US \$)	9.57	10.43	...
Interest Rates (%)			
Central Bank Rate	7.00	6.83	6.50
Lending Rate	18.67	18.22	17.87
Time deposit Rate	9.63	8.29	8.39
91-Day Treasury bill (TB)	7.86	7.10	7.20
182-Day TB	10.83	9.70	8.83
364-Day TB	12.60	10.84	9.86
2 Year Treasury Bond	16.00	13.60	10.00
3 Year	14.90	14.80	11.39
5 Year	16.60	15.60	13.41
10 Year	16.10	15.60	13.50
15 Year	16.50	15.30	14.09
20 Year	17.40	17.40	15.95

Source: MoFPED and BOU

Table 2: Public Debt Cost and Risk Indicators

		Mar-21			Jun-21			Sep-21		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		28.6	16.2	44.8	29.5	17.2	46.7	29.9	18.3	48.1
PV as % of GDP		19.9	16.2	36.0	20.4	17.2	37.6	20.6	18.3	38.9
Cost of debt	<i>Interest payment as % GDP</i>	0.52	2.19	2.7	0.40	2.40	2.8	0.44	2.46	2.9
	<i>Weighted Av. IR (%)</i>	1.8	13.6	6.0	1.5	13.9	6.0	1.5	13.5	6.0
Refinancing risk	<i>ATM (years)</i>	12.2	5.7	9.8	11.8	5.5	9.4	11.7	5.6	9.4
	<i>Debt maturing in 1yr (% of total)</i>	3.2	25.7	11.3	3.3	30.0	13.1	3.9	29.1	13.4
	<i>Debt maturing in 1yr (% of GDP)</i>	0.9	4.2	5.1	1.0	5.2	6.1	1.2	5.3	6.5
Interest rate risk	<i>ATR (years)</i>	11.3	5.5	9.2	10.9	5.5	8.9	10.9	5.6	8.9
	<i>Debt refixing in 1yr (% of total)</i>	20.1	37.8	26.5	21.4	30.0	24.6	21.7	29.1	24.5
	<i>Fixed rate debt (% of total)</i>	82.1	100.0	88.5	80.9	100.0	87.9	80.8	100.0	88.1
FX risk	<i>FX debt (% of total debt)</i>			63.9			63.2	0.0	21.4	62.0
	<i>ST FX debt (% of reserves)</i>			10.3			9.8			10.9

Source: MoFPED, DPID

PART 3: EXTERNAL DEBT STATISTICS

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

Creditor Type	Mar-21		Jun-21		Sep-21	
	Stock	%	Stock	%	Stock	%
Bilateral Creditors (BC)	3.47	29.90	3.52	28.60	3.51	28.18
Non Paris Club	2.7	22.90	2.7	21.93	2.6	21.23
Paris Club	0.8	7.00	0.8	6.67	0.9	6.95
Multilateral Creditors (MC)	7.27	62.73	7.70	62.61	7.87	63.15
Major Multilaterals 1	5.7	48.76	5.8	47.08	6.7	53.91
Other Multilaterals	1.6	13.97	1.9	15.53	1.2	9.23
Private Bank (PB)	0.85	7.36	1.08	8.78	1.08	8.68
Other Financial Institutions	0.85	7.36	1.08	8.78	1.08	8.68
Grand Total	11.59	100.00	12.30	100.00	12.47	100.00

Source: MoFPED, DPI

Table 3b: External Debt Stock by Concessional Type

Concessional Type	Debt stock by Concessional Type			Share of Debt stock by Concessional Type		
	Mar-21	Jun-21	Sep-21	Mar-21	Jun-21	Sep-21
Concessional	6.9	7.1	7.3	59.9%	57.7%	58.4%
Semi concessional	2.4	2.7	2.7	20.8%	22.0%	21.7%
Non Concessional	2.2	2.5	2.5	19.3%	20.3%	20.0%
Total debt stock	11.6	12.3	12.5	100.0%	100.0%	100.0%

Source: MoFPED, DPI

¹ The major multilaterals include International Development Association (IDA) and African Development Fund (AfDF).

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

Creditor Type	Total outstanding debt stock as at 30.06.2021	Disbursement in Q1, FY 2021/22	Principal operations in Q1, FY 2021/22	Exchange rate variation/other adjustment	Total outstanding debt stock as at 30.09.2021
Bilateral Creditors (BC)	3.52	0.06	0.11	0.05	3.51
Non Paris Club	2.70	0.04	0.11	0.02	2.65
Paris Club	0.82	0.02	0.01	0.03	0.87
Multilateral Creditors (MC)	7.70	0.23	0.04	(0.02)	7.87
Major Multilaterals 1	5.79	0.21	0.04	0.76	6.72
Other Multilaterals	1.91	0.02	0.01	(0.77)	1.15
Private Bank (PB)	1.08	0.00	0.02	0.02	1.08
Other Financial Institutions	1.08	0.00	0.02	0.02	1.08
Grand Total	12.30	0.29	0.17	0.05	12.47

Source: MoFPED, DPID

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

	Mar-21		Jun-21		Sep-21	
	Stock	%	Stock	%	Stock	%
USD	3.71	32.02	3.66	29.74	3.73	29.89
EUR	1.89	16.30	2.15	17.44	2.13	17.07
JPY	0.42	3.63	0.42	3.40	0.43	3.43
Others 1	0.22	1.86	0.34	2.78	0.34	2.72
SDR	4.99	43.07	5.37	43.64	5.49	44.01
CNY	0.36	3.12	0.37	3.00	0.36	2.88
Grand Total	11.59	100.00	12.30	100.00	12.47	100.00

Source: MoFPED, DPID

Table 4b²: SDR Decomposed, External Debt Stock by Currency Composition Billion USD

	Mar-21		Jun-21		Sep-21	
	Stock	%	Stock	%	Stock	%
USD	5.80	49.99	5.90	47.96	6.02	48.25
EUR	3.43	29.62	3.81	30.94	3.83	30.68
JPY	0.84	7.22	0.87	7.03	0.89	7.10
Others 1	0.62	5.34	0.78	6.31	0.78	6.28
CNY	0.91	7.83	0.96	7.76	0.96	7.69
Total	11.59	100.00	12.30	100.00	12.47	100.00

Source: MoFPED, DPI

² Other currencies include United Arab Emirates dirham (AED), Korean won (KRW), Iraqi Dinar (IQD), Saudi riyal (SAR), British pound sterling (GBP), Islamic Dinar (IDI).

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

Currency	UGX/Currency			Currency/USD		
	Mar-21	Jun-21	Sep-21	Mar-21	Jun-21	Sep-21
United Arab Emirates Dirham (AED)	1,002.49	973.03	968.95	3.67	3.67	3.67
African Unit of Account (AFU)	5,217.41	5,099.45	5,030.92	0.71	0.70	0.71
Swiss Franc (CHF)	3,922.35	3,889.51	3,832.34	0.94	0.92	0.93
China Yuan (CNY)	560.43	553.65	550.96	6.57	6.46	6.46
Danish Krone (DKK)	582.49	573.48	558.76	6.32	6.23	6.37
Euro (EUR)	4,331.61	4,264.49	4,151.90	0.85	0.84	0.86
Pound Sterling (GBP)	5,071.34	4,962.61	4,818.05	0.73	0.72	0.74
Islamic Dinar (IDI)	5,217.41	5,099.45	5,030.92	0.71	0.70	0.71
Japanese Yen (JPY)	33.55	32.33	31.93	109.77	110.54	111.45
Korea (South) Won (KRW)	3.24	3.16	3.00	1,135.11	1,130.63	1,187.18
Kuwait Dinar (KWD)	12,177.32	11,869.65	11,798.35	0.30	0.30	0.30
Norwegian Krone (NOK)	430.28	418.93	411.10	8.56	8.53	8.66
Saudi Arabia Riyal (SAR)	981.82	952.98	948.81	3.75	3.75	3.75
Special Drawing Rights (SDR)	5,217.41	5,099.45	5,030.92	0.71	0.70	0.71
Swedish Krone (SEK)	422.98	420.00	406.98	8.71	8.51	8.75
Uganda Shillings (UGX)	1.00	1.00	1.00	3,682.30	3,574.07	3,559.09

Source: MoFPED, DPID

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

Interest Rate Type	Mar-21		Jun-21		Sep-21	
	Stock	%	Stock	%	Stock	%
Fixed Interest Debt	8.63	74.44	9.18	74.58	9.31	74.63
Bilateral	2.41	20.76	2.42	19.65	2.38	19.12
Multilateral	6.22	53.68	6.76	54.93	6.92	55.51
Private Bank	-	-	-	-	-	-
Variable Interest Debt	2.08	17.93	2.13	17.31	2.39	19.20
Bilateral	1.06	9.14	1.10	8.95	1.13	9.05
Multilateral	0.17	1.43	0.17	1.40	0.19	1.50
Private Bank	0.85	7.36	0.86	6.95	1.08	8.65
No Interest Rate	0.88	7.63	1.00	8.11	0.77	6.17
Bilateral	-	-	-	-	-	-
Multilateral	0.88	7.63	0.77	6.28	0.77	6.14
Private Bank	-	-	0.22	1.83	-	0.03
Total	11.59	100.00	12.30	100.00	12.47	100.00

Source: MoFPED, DPID

Table 7: Actual External Debt Service, Million USD

	January - March 2021					April - June 2021					July - September 2021				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
Bilaterals	80.43	33.69	4.69	118.81	71.66	1.66	0.89	0.41	2.95	4.58	79.38	33.79	1.74	114.91	66.00
Paris Club	6.85	1.41	2.91	11.17	6.74	0.36	0.39	0.41	1.15	1.79	5.87	1.37	0.22	107.45	61.71
Non Paris Club	73.59	32.27	1.78	107.64	64.92	1.30	0.50	0.00	1.80	2.79	73.51	32.42	1.52	7.46	4.29
											0.00	0.00	0.00	0.00	
Multilaterals	21.52	15.81	0.60	37.93	22.88	25.68	11.67	0.85	38.20	59.23	28.21	12.71	0.50	41.41	23.78
Major	16.60	14.14	0.35	31.09	18.75	19.14	10.10	0.82	30.06	46.61	23.60	11.54	0.17	35.32	20.28
Other	4.92	1.67	0.26	6.84	4.13	6.54	1.57	0.03	8.14	12.62	4.61	1.16	0.32	6.09	3.50
											0.00	0.00	0.00	0.00	
Private Banks	0.00	8.79	0.26	9.05	5.46	9.42	9.65	4.27	23.34	36.19	0.00	8.92	8.88	17.80	10.22
Other financial institutions	0.00	8.79	0.26	9.05	5.46	9.42	9.65	4.27	23.34	36.19	0.00	8.92	8.88	17.80	10.22
Grand Total	101.95	58.28	5.56	165.79	100.00	36.76	22.20	5.53	64.49	100.00	107.59	55.42	11.12	174.12	100.00

Source: MoFPED, DPID

Table 8: External Undisbursed Debt, Billion USD

	Mar-21		Jun-21		Sep-21	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	2.02	43.92	1.99	34.00	1.89	32.32
Non Paris Club	0.83	17.96	0.79	13.56	0.71	12.14
Paris Club	1.19	25.96	1.20	20.45	1.18	20.17
Multilateral	2.53	55.03	3.80	64.93	3.68	62.91
Major Creditors	1.67	36.27	1.75	29.95	2.43	41.56
Other Multilaterals	0.86	18.76	2.05	34.98	1.25	21.34
Private Bank	0.05	1.05	0.06	1.07	0.28	4.78
	0.05	1.05	0.06	1.07	0.28	4.78
Total	4.60	100.00	5.85	100.00	5.86	100.00

Source: MoFPED, DPID

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

	Jun-20	Sep-20	Dec-20
General Government	10,466.09	11,363.98	12,022.16
Short-term	-	6.63	9.03
Currency and deposits	-	-	-
Debt securities	-	6.63	9.03
Loans	-	-	-
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Long-term	10,466.09	11,357.35	12,013.14
Special drawing rights (allocations) 2	-	-	-
Currency and deposits	-	-	-
Debt securities	305.83	329.49	464.25
Loans	10,160.25	11,027.86	11,548.89
Trade credit and advances	-	-	-
Other debt liabilities 1	-	-	-
Central Bank	583.35	594.98	608.97
Short-term	-	-	-
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	-	-	-
Long-term	583.35	594.98	608.97
Special drawing rights (allocations)2	238.78	243.54	249.29
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	344.57	351.44	359.68
Deposit-Taking Corporations, except the Central Bank	568.07	669.19	631.85
Short-term	173.33	181.87	184.42
Currency and deposits	173.33	181.87	184.42
Debt securities	-	-	-
Long-term	394.74	487.32	447.43
Currency and deposits	-	-	-
Debt securities	-	-	-
Loans	394.74	487.32	447.43
Other Sectors	1,371.52	1,477.99	1,546.29
Short-term	836.09	871.76	971.87
Loans	743.77	778.77	878.21
Trade credit and advances	92.33	93.00	93.66
Other debt liabilities 1	-	-	-
Long-term	535.42	606.23	574.43
Loans	535.42	606.23	574.43
Direct Investment: Intercompany Lending	3,319.70	3,367.19	2,898.23
Debt liabilities of direct investment enterprises to direct investors	3,319.70	3,367.19	2,898.23
Debt liabilities of direct investors to direct investment enterprises	-	-	-
Debt liabilities to fellow enterprises	-	-	-
	-	-	-
Gross External Debt Position	16,308.73	17,473.34	17,707.51

Source: BOU

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

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

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

PART 4: CONTINGENT LIABILITIES

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

Beneficiary	Creditor	Sector	Year signed	Guaranteed Amount	Tenure	Disbursed & Outstanding		Exposure Sept 2021	Performance
						June 2021	Sept 2021		
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2004	4,302,676	25	2,223,673	2,202,758	348,368	In arrears. The university has not met its repayment obligation since June 2020
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2010	983,888	20	718,990	713,019	72,773	In arrears. The university has not met its repayment obligation since June 2020
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2018	13,790,000	18	100,000	100,000	-	Delayed disbursement
Uganda Development Bank Limited	BADEA (Private Sector Development)	Financial	2017	6,000,000	10	4,499,900	4,124,900		On schedule
Uganda Development Bank Limited	Islamic Development Bank (IDB)	Financial	2017	10,000,000	8	1,975,380	1,975,380		On schedule
Uganda Development Bank Limited	African Development Bank	Financial	2019	15,000,000	10	15,000,000	14,062,500	-	On-schedule repayment starts in 2021
Uganda Development Bank Limited	Exim India	Financial	2019	5,000,000	7	4,285,614	4,285,614		On schedule
TOTAL				55,076,564		28,803,557	27,464,171	421,141	

Source: MoFPED, DPID

Table 11⁵: Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs, UGX Trillions

Amount in UGX Trillions	Financial Years	
	Jun-19	Jun-20
Domestic Borrowing	2.15	0.09
External Borrowing	0.07	0.61
Other debt (including lease contracts and GoU On-Lent	0.01	1.96
	6.81	7.42
Total outstanding debt excluding GoU	2.23	2.65
Total debt including GoU on-lent loans	9.04	10.07
Debt ratio (Total debt/total assets)	26.13%	46.54%
Liabilities from grants and GoU	2.19	3.24

Source: MoFPED, DPID

⁵ The Non-Guaranteed Debt and Other Liabilities of SOEs and EBUs is reported on an annual basis - This analysis is conducted on 93% of total entities and does not include those such as UTL, due to an unavailability of information.

PART 5: DOMESTIC DEBT STATISTICS

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

Instruments Maturity period	Mar-21				Jun-21				Sep-21			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	77.45	78.2	78.94	0.3%	74.76	75.37	76.05	0.3%	121.41	122.39	123.54	0.4%
182	416.54	426.8	437.31	1.7%	398.26	408.58	418.26	1.6%	439.68	448.97	459.46	1.5%
364	4,898.26	5,183.6	5,511.63	20.4%	5,253.68	5,594.35	5,892.71	20.6%	5,217.74	5,539.52	5,821.17	27.8%
Total Bills	5,392.2	5,688.7	6,027.9	22.5%	5,726.7	6,078.3	6,387.0	22.5%	5,778.8	6,110.9	6,404.2	21.4%
2	823.8	1,306.6	864.9	3.4%	1,198.6	1,477.0	1,244.9	4.7%	1,398.6	1,724.9	1,444.9	4.6%
3	1,710.7	2,164.7	1,754.7	7.1%	1,797.0	2,152.7	1,838.0	7.1%	2,030.2	2,402.9	2,038.0	6.7%
5	4,437.8	3,984.0	4,435.4	18.5%	4,489.4	4,021.6	4,470.3	17.6%	4,588.9	4,060.3	4,546.9	15.2%
10	6,321.1	6,717.2	6,178.9	26.4%	6,644.8	7,079.5	6,448.9	26.1%	7,086.8	7,523.8	6,810.5	23.4%
15	4,247.6	4,751.6	4,332.0	17.7%	4,560.1	4,809.0	4,632.0	17.9%	4,827.0	5,001.7	4,861.0	16.0%
20	1,034.5	1,035.7	1,017.7	4.3%	1,034.5	1,050.3	1,017.7	4.1%	1,334.8	1,411.3	1,287.1	4.4%
Total Bonds	18,575.5	19,959.8	18,583.6	77.5%	19,724.4	20,590.1	19,651.8	77.5%	21,266.2	22,124.8	20,988.3	78.6%
Total Stock	23,967.7	25,648.5	24,611.4	100.0%	25,451.1	26,668.4	26,038.8	100.0%	27,045.1	28,235.7	27,392.5	100.0%

Source: MoFPED, DPID

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

Holder Category	Mar-21		Jun-21		Sep-21	
	Cost	% Cost	Cost	% Cost	Cost	% Cost
Banks	4,375.1	18.3%	4,527.8	17.8%	4,571.5	19.1%
Pension & Provident Funds	128.4	0.5%	68.9	0.3%	167.9	0.7%
Offshore	139.9	0.6%	340.4	1.3%	372.9	1.6%
Bank of Uganda	-	0.0%	-	0.0%	-	0.0%
Insurance companies	126.6	0.5%	120.6	0.5%	101.1	0.4%
Other financial institutions	187.0	0.8%	266.7	1.1%	212.4	0.9%
Retail	155.2	0.6%	151.4	0.6%	148.6	0.6%
Other	280.0	1.2%	250.9	1.0%	204.5	0.9%
Total Bills	5,392.2	22.5%	5,726.7	22.5%	5,778.8	24.1%
Banks	5,230.0	21.8%	5,179.4	20.4%	5,762.3	24.0%
Pension & Provident Funds	8,491.8	35.4%	8,753.8	34.4%	8,793.5	36.7%
Offshore	1,848.3	7.7%	2,367.2	9.3%	2,645.3	11.0%
Bank of Uganda	489.8	2.0%	489.7	1.9%	591.0	2.5%
Insurance companies	355.5	1.5%	407.4	1.6%	430.0	1.8%
Other financial institutions	1,443.9	6.0%	1,580.0	6.2%	1,948.5	8.1%
Retail	540.8	2.3%	633.0	2.5%	707.9	3.0%
Other	175.3	0.7%	313.8	1.2%	387.6	1.6%
Total Bonds	18,575.5	77.5%	19,724.4	77.5%	21,266.2	88.7%
Total Stock	23,967.7		25,451.1		27,045.1	

Source: BOU

Table 14: Domestic Debt Service, Billion Shillings

Instruments	Jan-Mar 2021				Apr-Jun 2021				Jul-Sep 2021			
	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
91	1.73	-	93.63	95.4	1.48	-	77.45	78.9	1.29	-	74.76	76.0
182	11.72	-	239.31	251.0	9.99	-	211.36	221.3	10.79	-	205.18	216.0
364	170.61	-	1,291.86	1,462.5	98.70	-	787.50	886.2	174.40	-	1,444.30	1,618.7
Total Bills	184.1	-	1,624.8	1,808.9	110.2	-	1,076.3	1,186.5	186.5	-	1,724.2	1,910.7
2	-	4.95	90.0	95.0	-	63.79	-	63.8	-	-	-	-
3	-	25.03	80.0	105.0	-	63.56	66.6	130.2	-	59.3	-	59.3
5	-	130.11	180.0	310.1	0.1	102.77	215.1	317.9	-	134.4	100.0	234.4
10	60.3	306.54	874.3	1,241.1	-	191.03	-	191.0	-	277.8	-	277.8
15	-	292.92	-	292.9	-	68.53	-	68.5	-	318.9	-	318.9
20	-	-	-	-	-	54.6	-	54.6	-	-	-	-
Total Bonds	60.3	759.5	1,224.3	2,044.1	0.1	544.3	281.7	826.1	-	790.3	100.0	890.3
Total	244.4	759.5	2,849.1	3,853.0	110.2	544.3	1,358.0	2,012.6	186.5	790.3	1,824.2	2,801.0

Source: MoFPED, DPID

Table 15: Domestic Debt Gross Issuances, Billion Shillings

Instruments	Jan-Mar 2021				Apr-Jun 2021				Jul-Sep 2021						
	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost	Cost Value	Face Value	Discount	% Cost			
91	65.95	67.19	1.2	1.7%	74.76	76.05	1.3	2.6%	121.41	123.54	2.13	3.6%			
182	187.30	197.11	9.8	4.8%	193.08	202.30	9.2	6.8%	246.60	257.16	10.56	7.2%			
364	1214.96	1,368.54	153.6	31.3%	1142.92	1,267.28	124.4	40.1%	1408.37	1547.16	138.79	41.2%			
Total Bills	1,468.2	1,632.8	164.6	37.8%	1,410.8	1,545.6	134.9	49.5%	1,776.4	1,927.9	151.5	52.0%			
2	332.49	347.04	14.5	8.6%	374.73	380.00	5.3	13.1%	200.00	200.00	-	5.9%			
3	309.98	309.29	-	0.7	8.0%	160.60	150.00	-	10.6	5.6%	233.14	200.00	-	33.14	6.8%
5	96.08	90.77	-	5.3	2.5%	268.38	250.00	-	18.4	9.4%	199.51	176.62	-	22.89	5.8%
10	905.88	824.90	-	81.0	23.3%	323.78	270.00	-	53.8	11.4%	441.96	361.54	-	80.42	12.9%
15	366.21	402.54	36.3	9.4%	312.49	300.00	-	12.5	11.0%	266.86	229.04	-	37.81	7.8%	
20	408.26	393.20	-	15.1	10.5%	-	-	-	0.0%	300.35	269.35	-	31.00	8.8%	
Total Bonds	2,418.9	2,367.7	-	51.2	62.2%	1,440.0	1,350.0	-	90.0	50.5%	1,641.8	1,436.5	-	205.3	48.0%
Total Issuance	3,887.1	4,000.6	113.5	100.0%	2,850.7	2,895.6	44.9	100.0%	3,418.2	3,364.4	-	53.8	100.0%		

Source: MoFPED, DPID

Table 16: Domestic Debt Financing, Billion Shillings

	Jan-Mar 2021	Apr-Jun 2021	July-Sept 2021
Fiscal Financing	1,038.05	1,492.67	1,493.95
BoU Recapitalisation			100.00
Redemptions	2,849.07	1,358.03	1,824.24
Total Issuance	3,887.1	2,850.7	3,418.2

Source: MoFPED, DPID

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

		Quarterly Average			End Period		
		Mar-21	Jun-21	Sep-21	Mar-21	Jun-21	Sep-21
Treasury Bill Rates	91 Days	7.9	7.1	7.2	7.2	6.9	6.7
	182 Days	10.8	9.7	8.8	10.3	9.0	8.6
	364 Days	12.6	10.8	9.9	11.6	9.7	10.2
Treasury Bond Rates	2 Years	16.0	12.3	10.0	16.0	11.5	10.0
	3 Years	14.9	12.8	11.4	14.0	12.8	11.4
	5 Years	16.6		13.4	16.6	16.6	13.4
	10 Years	16.1	14.4	13.5	16.0	13.7	13.5
	15 Years	16.5	14.4	14.1	16.5	14.4	14.1
	20 Years	17.4		16.0	17.0	17.0	16.0

Source: MoFPED, DPID

PART 6: PUBLIC DEBT PORTFOLIO ANALYSIS

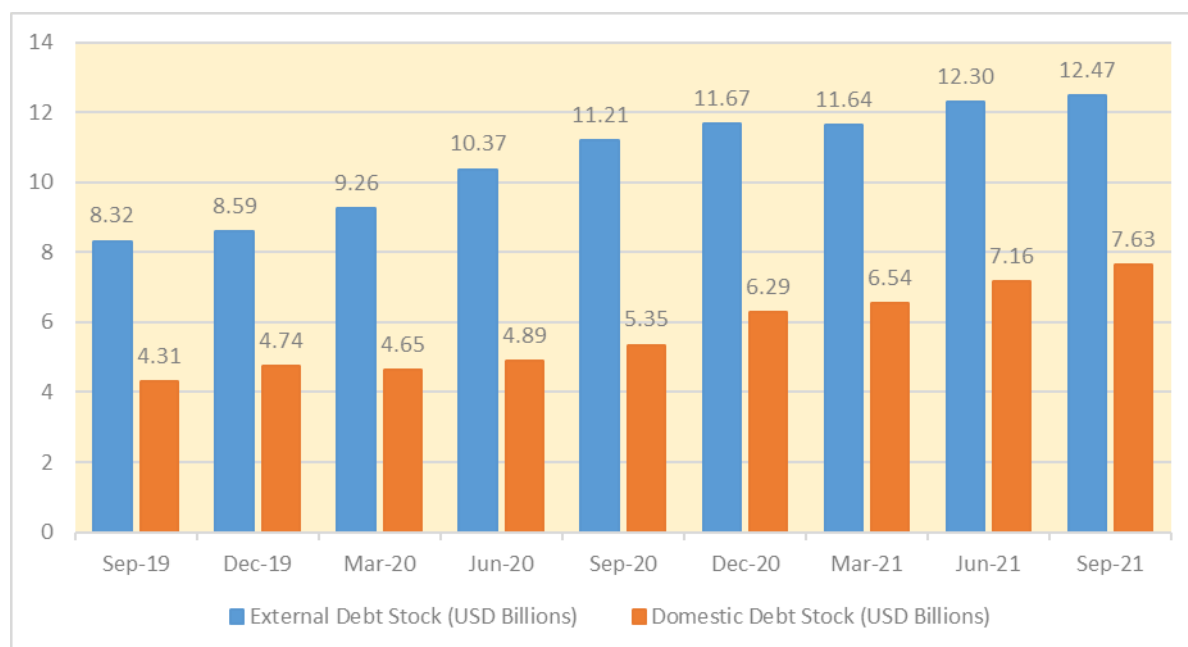
6.1 TOTAL PUBLIC DEBT

Total public debt stock increased to USD 20.10 Billion as at September 2021 from USD 19.46 Billion as at end June 2021 out of which domestic constituted 38% (USD 7.63 billion/UGX 27.05 trillion) and external debt 62% (USD 12.47 Billion/UGX 44.18 trillion).

As at end September 2021, the nominal value of public debt as a percentage of GDP stood at 48.1%. This was an increase from 46.7% recorded at the end June 2021. Of the 48.1%, 18.3% accounted for domestic debt to GDP while 29.9% was because of external debt. Increase in the debt to GDP ratio is mainly attributed to an increase in debt stock as a result of increased issuances of domestic debt which were UGX 3,418.2 Billion in Q1 FY2021/22 compared to UGX 2,850.7 Billion in Q4 FY2020/21 as well as disbursement relative to principal repayments for External debt where USD 0.29 Billion was disbursed relative to principal repayment of USD 0.17 Billion during Q1 2021/22, hence increasing the outstanding External debt stock.

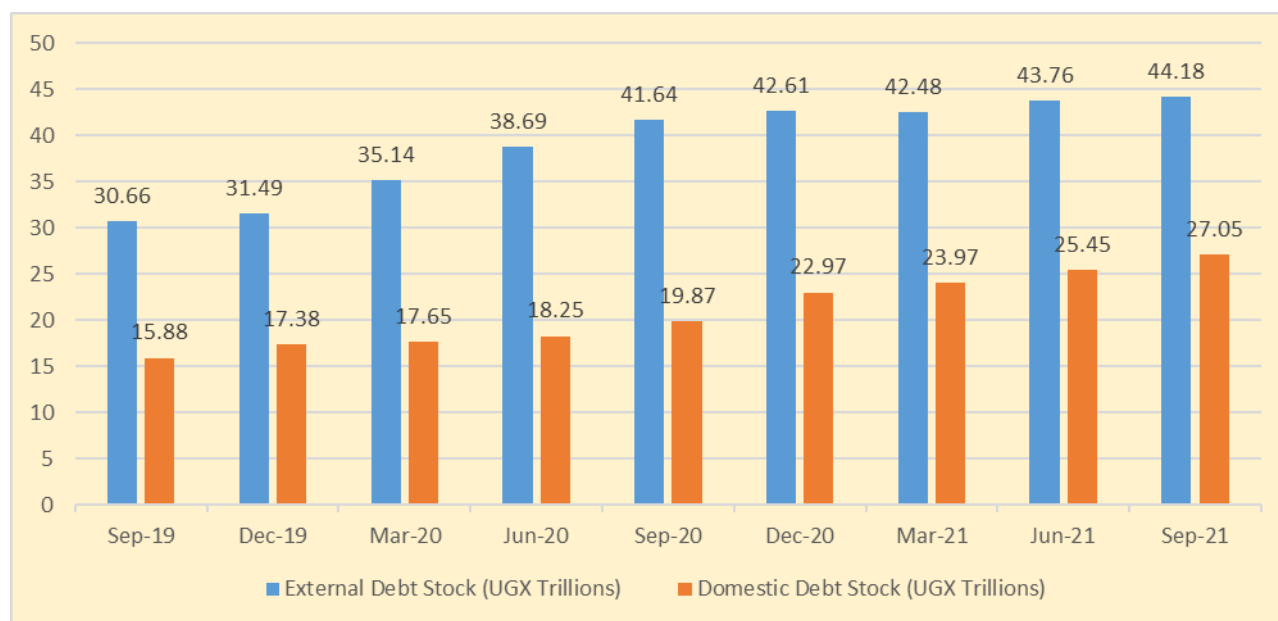
Figures 1a and 1b show the trends of public debt stock from September 2019 to March 2021 in UGX and USD.

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



Source: DPI (MoFPED)

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



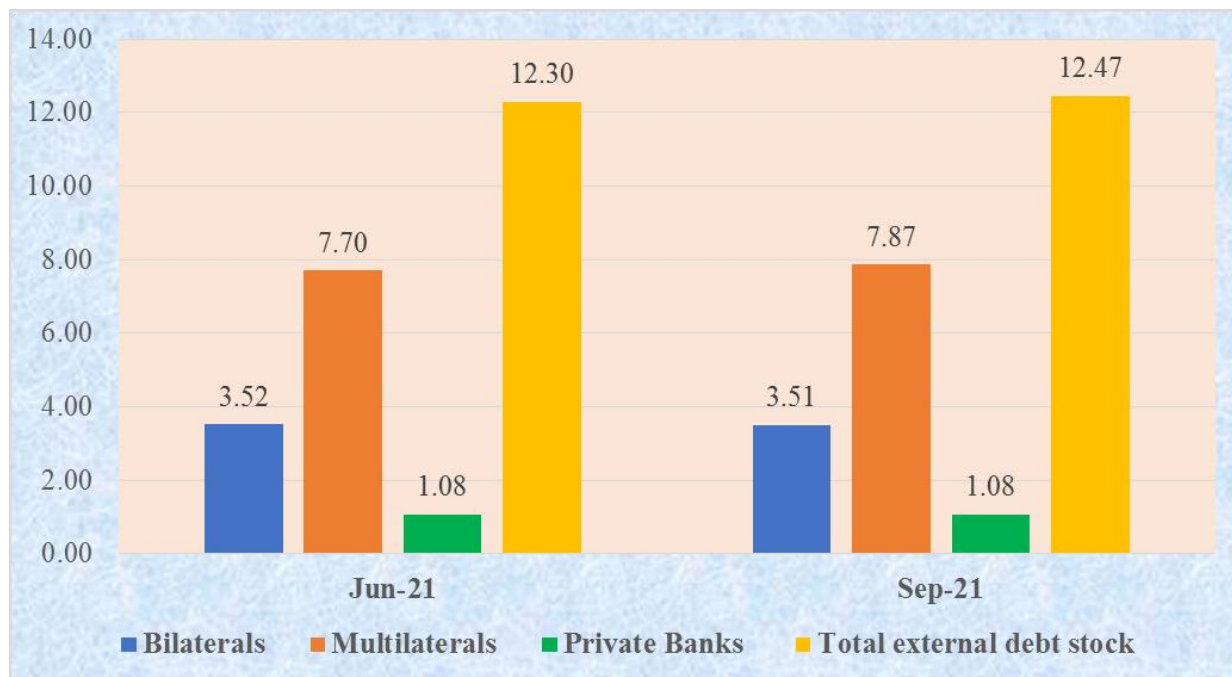
Source: DPI (MoFPED)

6.2 EXTERNAL DEBT

6.2a. External debt stock disbursed and outstanding

External debt stock registered a slight increase from USD 12.3 Billion as at end June 2021 to USD 12.47 Billion as at end September 2021. The ratios of the nominal and present value of external debt stock to GDP stood at 29.9% and 20.6% respectively by end September 2021. The external debt stock in quarter one (July to September 2021) as compared to quarter four FY2020/21 (April to June 2021) is illustrated in figure 2 below.

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

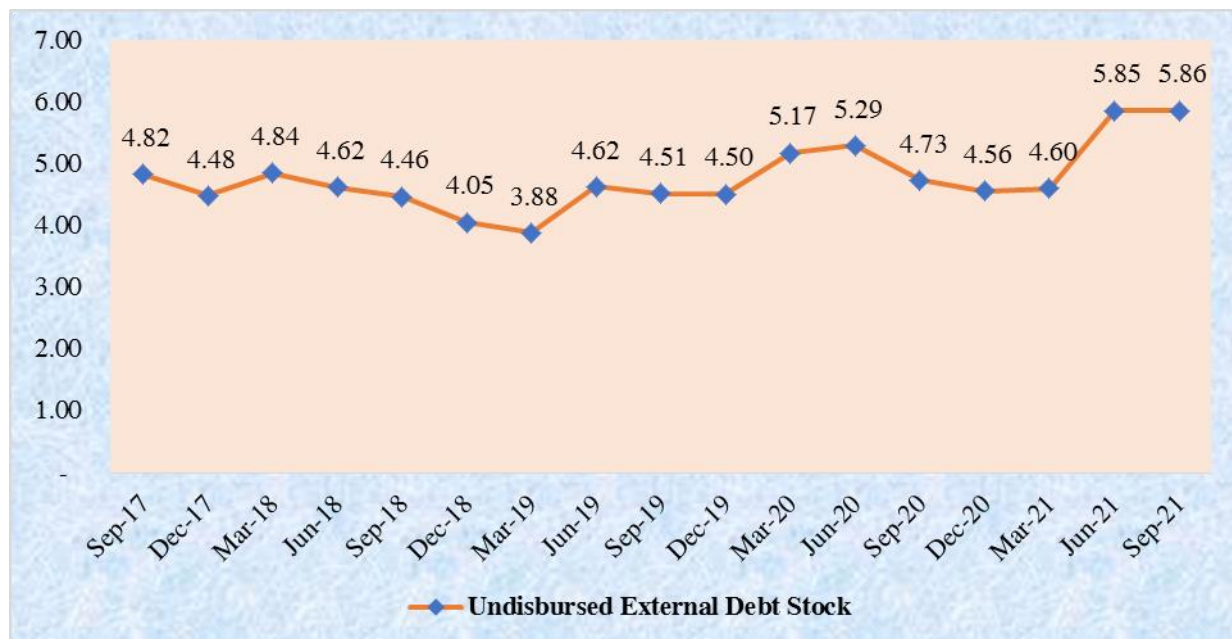


Source: DPI, MoFPED

There was a small increase of USD 0.01 Billion in undisbursed debt from USD 5.85 Billion as at end June 2021 to USD 5.86 Billion as at end September 2021. It was noted that whereas multilateral and bilateral creditors registered a decrease in undisbursed debt, private banks' undisbursed debt increased during the same period. This increase is mainly on account of the undisbursed amount of USD 233.3 Million from AFREXIM for Budget support.

The undisbursed debt from multilateral creditors and bilateral creditors decreased from USD 3.80 Billion in June 2021 to USD 3.68 Billion in September 2021 and USD 1.99 Billion to USD 1.89 Billion in the same period respectively. On the other hand, undisbursed debt from private banks increased from USD 0.06 Billion as at June 2021 to USD 0.28 Billion as at end September 2021. Figure 3 shows the trend of undisbursed debt over the past 4 years.

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



Source: MoFPED, DPI

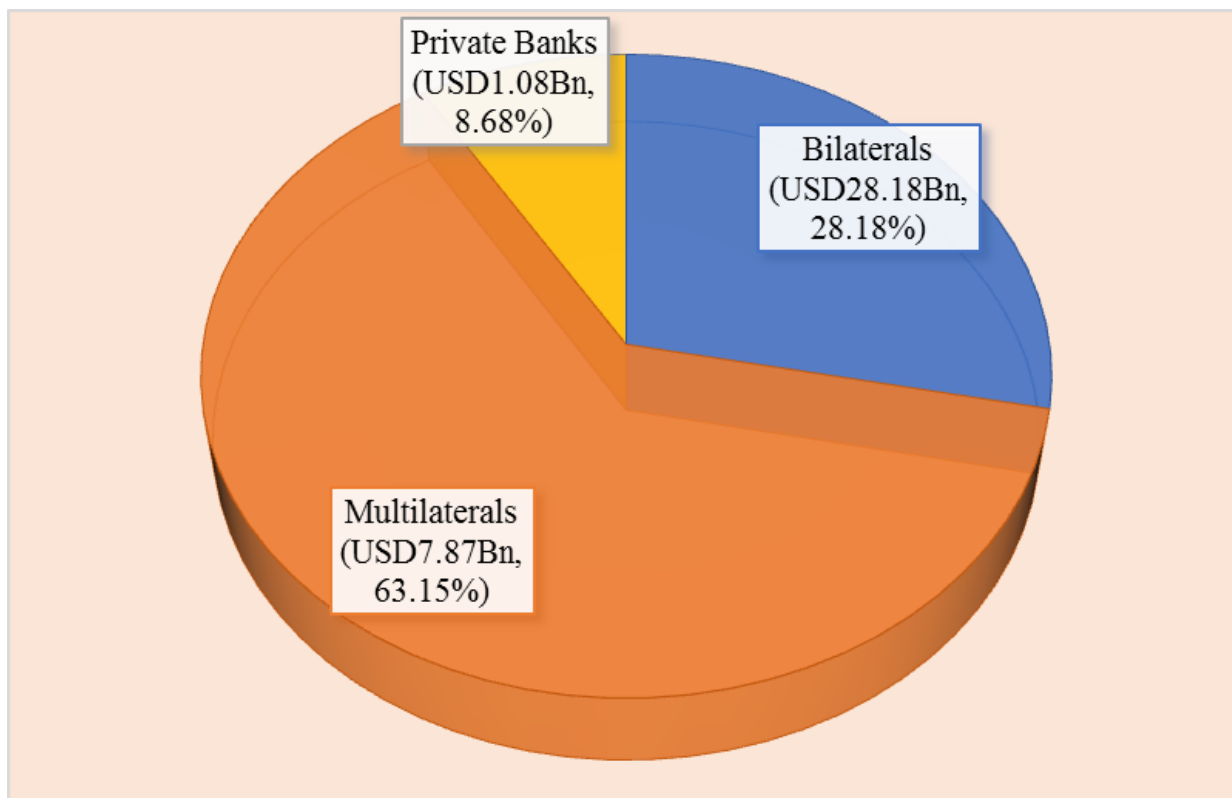
6.2b. Creditor Composition

The largest share of Uganda's external debt stock was constituted by Multilateral creditors with 63.15% (USD 7.87 Bn) whereas Bilateral creditors accounted for 28.18% (USD 3.51 Bn), and Private Banks contributed 8.68% (USD 1.08 Bn) by end September 2021.

Multilateral debt is dominated by International Development Association (56.78%/USD 4.47 Bn) and African Development Fund (18.88%/USD 1.49 Bn), bilateral debt by the Exim Bank of China (72.64%/USD 2.55 Bn) and United Kingdom (8.94%/USD 0.31 Bn) while the debt from private banks is dominated by the Trade and Development Bank (52.68%/USD 0.57 Bn) and Stanbic Bank (32.35%/USD 0.35Bn).

The share of bilateral debt in the external debt portfolio decreased slightly to 28.18% (USD 3.51Bn) as at end September 2021 from 28.6% (USD 3.52 Bn) in June 2021 while the share of multilateral debt stock increased to 63.15% (USD 7.87Bn) from 62.61% (USD 7.70Bn) in June 2021. In addition, private creditors' share in the external debt stock reduced slightly from 8.78% (USD 1.08 billion) in June 2021 to 8.68% (USD 1.08 billion) in September 2021.

Figure 4: External Debt stock by creditor composition (%), September 2021

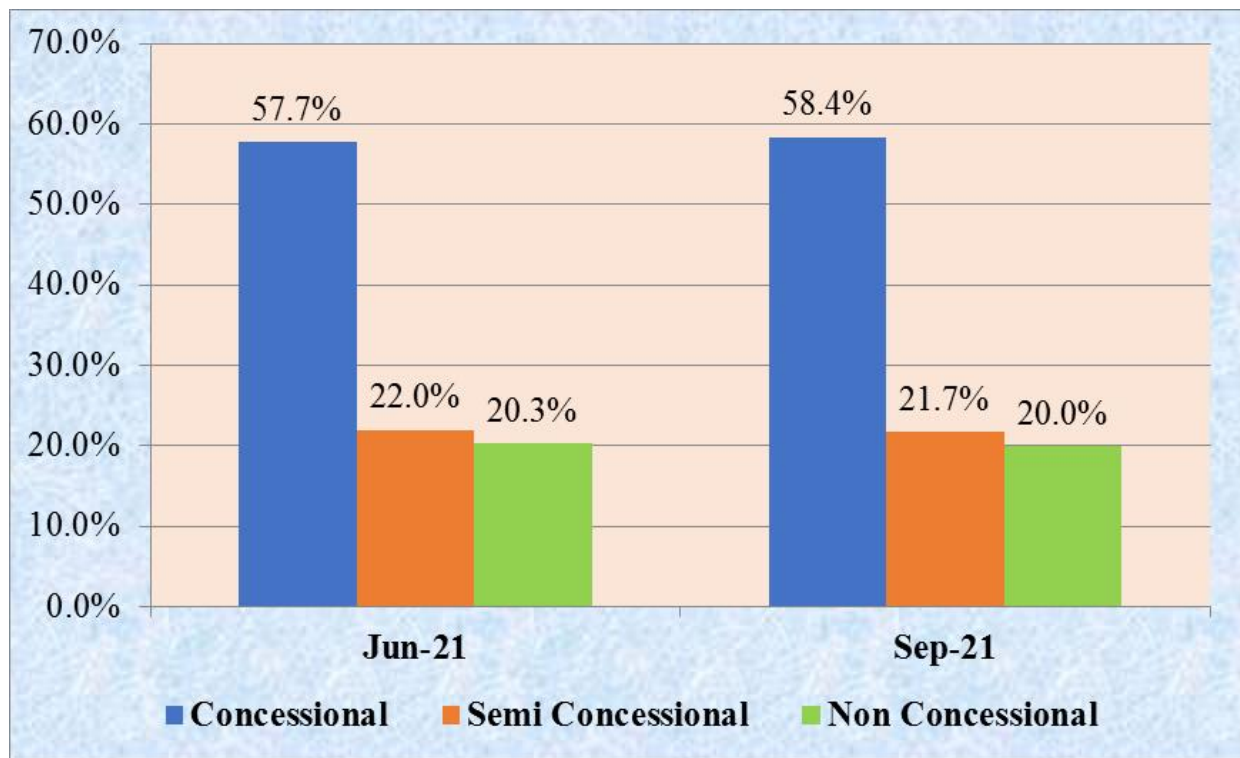


Source: DPI, MoFPED

6.2c. Concessionality Type

Uganda’s external debt stock continues to largely be dominated by concessional debt. The share of concessional debt increased from 57.7% in June 2021 to 58.4% in September 2021 while semi-concessional debt as a percentage of total external debt reduced from 22.0% to 21.7% in the same period. Non concessional debt share reduced slightly from 20.3% as at end June 2021 to 20.0% as at end September 2021. The increase in the share of concessional financing is due to disbursement of loans from the major multilateral International Development Association (IDA) which offers the biggest share of concessional financing.

Figure 5: External Debt Stock by Concessionality Type as at June and September 2021

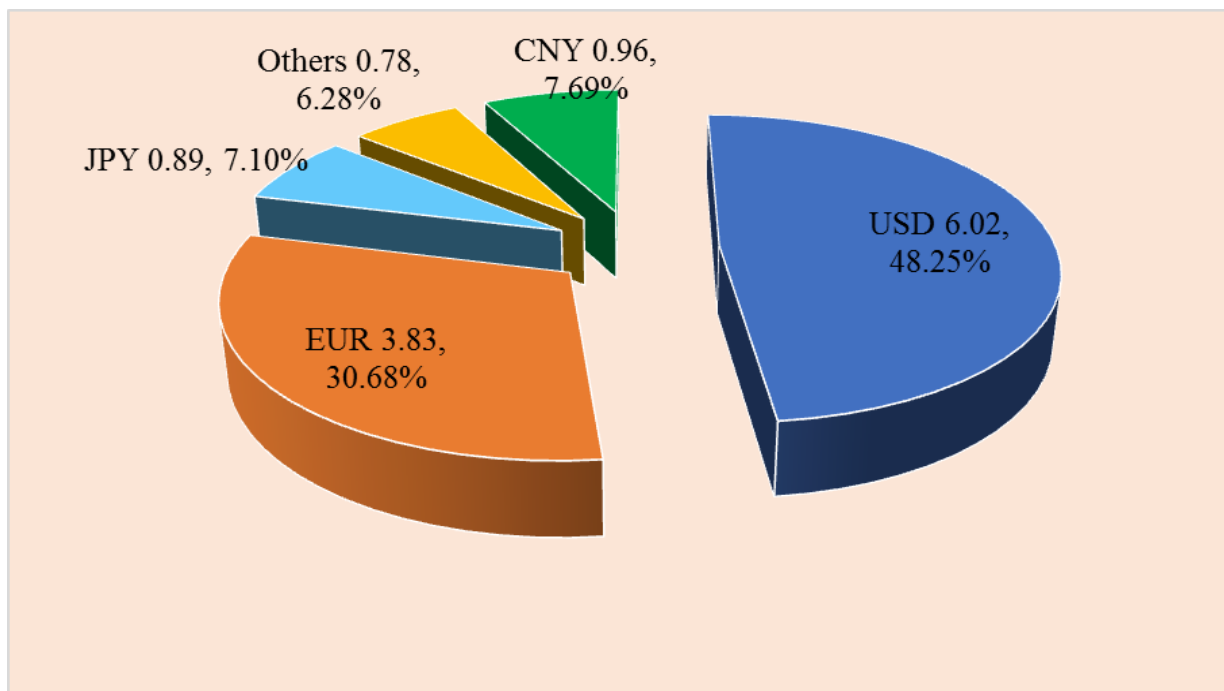


6.2d. Currency Composition.

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

The share of external debt stock denominated in USD increased by 0.29 percentage points from 47.96% (USD 5.90 Bn) in June 2021 to 48.25% (USD 6.02 Bn) as at end September 2021. On the other hand, the share of external debt denominated in Euros decreased from 30.94% (USD 3.81Bn) in June 2021 to 30.68% (USD 3.83Bn) by end September 2021. The currency composition of 6.28%/USD 0.78Bn (Others) is AED, KRW, IQD, SAR, GBP and IDI and it decreased from 6.31% (USD0.78Bn) as at June 2021

Figure 5: External debt Stock by Currency Composition, end September 2021.



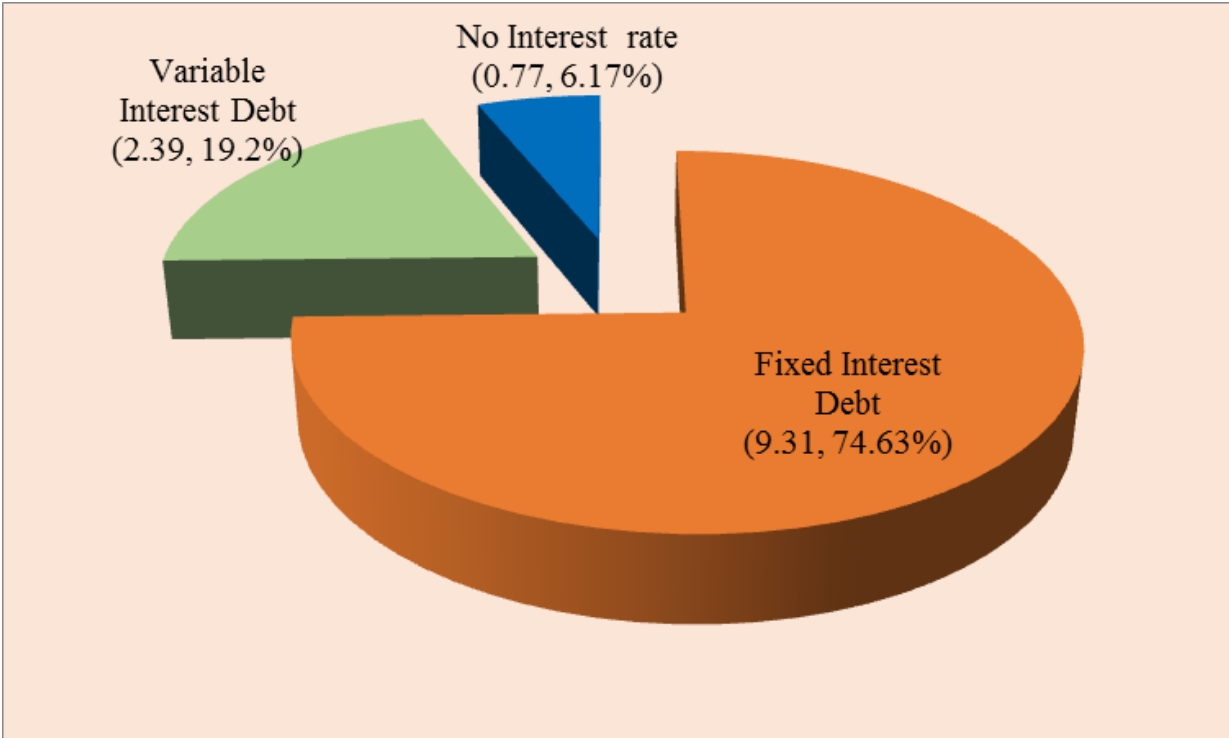
Source: MoFPED, DPID

6.2e. Interest rate type

About 74.63% (USD 9.31 Bn) of government's external debt stock had been contracted at fixed interest rates while variable interest rates and no-interest rates constituted 19.20% (USD 2.39 Bn) and 6.17% (USD 0.77 Bn) respectively as at end September 2021. This indicates an increase in both the share of fixed and variable rate debt as at end June 2021 which stood at 74.58% (USD 9.18 Bn) and 2.13% (USD 17.31Bn) respectively. On the other hand, the share of no interest rate debt decreased from 8.11% (USD 1.00Bn) by end June 2021 to 6.17% (USD 0.77Bn) as at end September 2021.

The largest stock of the variable-rate debt from Bilateral creditors is from China (USD 843.52 Million) followed by Commercial banks, TDB (USD 569.92 Million) and Stanbic Bank (USD 349.97 Million) while the variable-rate debt from Multilateral creditors is from ADB (USD 196.51 Million). The stock of variable rate debt has been increasing and the trend is expected to continue following a gradual shift from concessional to non-concessional and commercial loans which mainly offer variable interest rates. Figure 7 illustrates external debt stock by interest rate type as at end September 2021.

Figure 6: External Debt Stock by Interest Rate Type, end September 2021



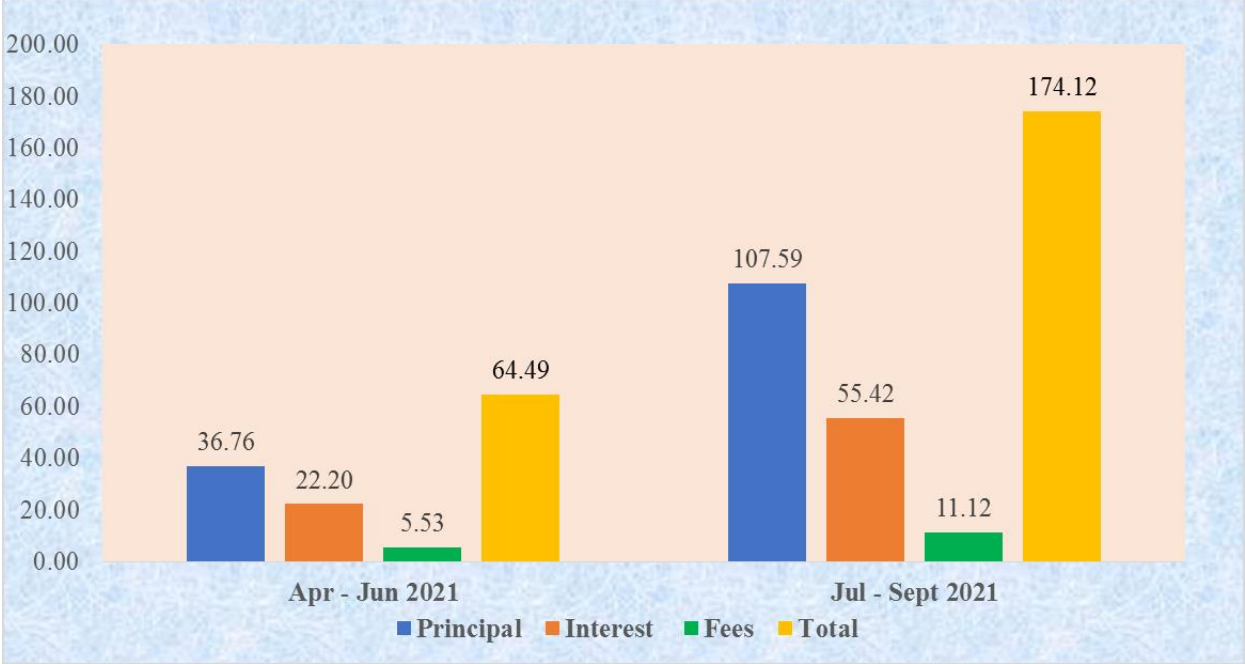
Source: MoFPED, DPID

6.2e. External debt service

There was a significant increase in external debt service from USD 64.49 Million as at June 2021 to USD 174.12 Million as at end September 2021. This was on account of increased principal and interest payments for major flagship projects like Karuma hydro power project, industrial parks, upgrade and expansion of Entebbe International airport and oil roads during the quarter.

There was an increase in principal payments from USD 36.76 Million made in quarter four of FY2020/21 to USD 107.59 Million in quarter one of FY2021/22. In addition, interest payments and fees both increased from USD 22.20 Million to USD 55.42 Million and USD 5.53 Million to USD 11.12 Million in the same period respectively.

Figure 7: External Debt Service in USD Million, April-June 2021 and July- September 2021



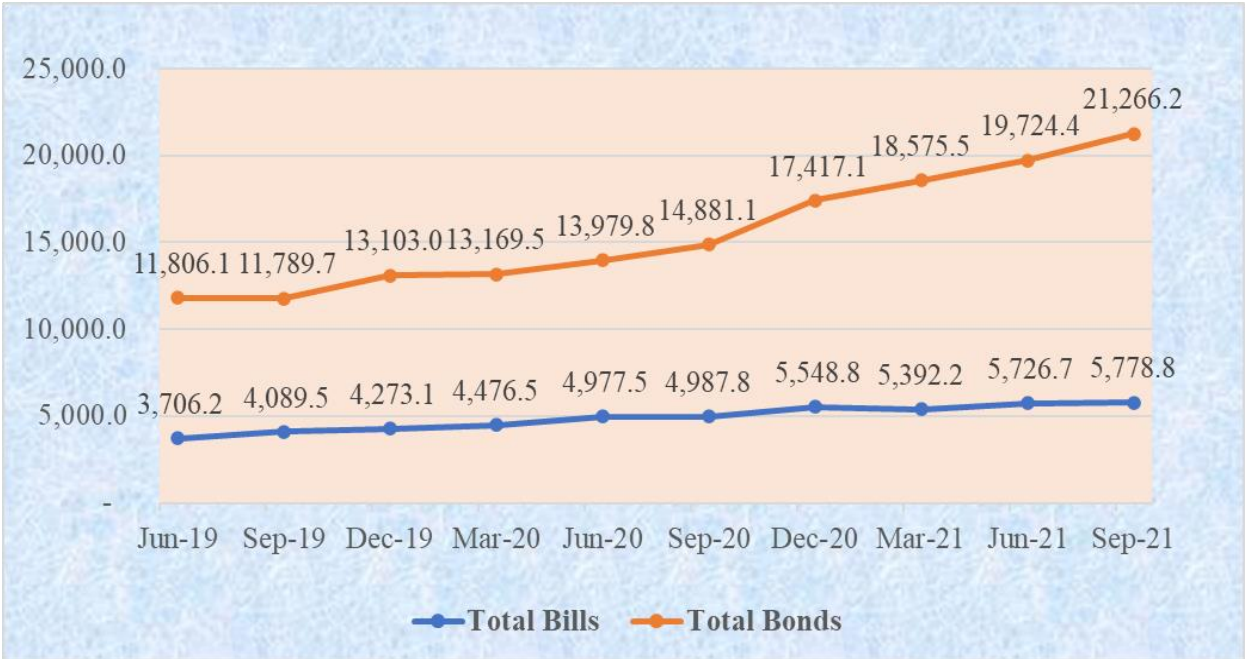
Source: MoFPED, DPID

6.3 DOMESTIC DEBT

6.3a. Domestic Debt Stock Outstanding

The total domestic debt stock increased from UGX 25,451.1 Billion in June 2021 to UGX 27,045.1 Billion at cost in September 2021 with T-Bills slightly increasing from UGX 5,726.7 Billion to UGX 5,778.8 Billion and T-Bonds rising from UGX 19,724.4 Billion to UGX 21,266.2 Billion. The trend of Domestic debt stock is illustrated in Figure 8 below.

Figure 8: Trend of Domestic Debt stock, Billion UGX (June 2019-September 2021)



Source: MoFPED, DPI

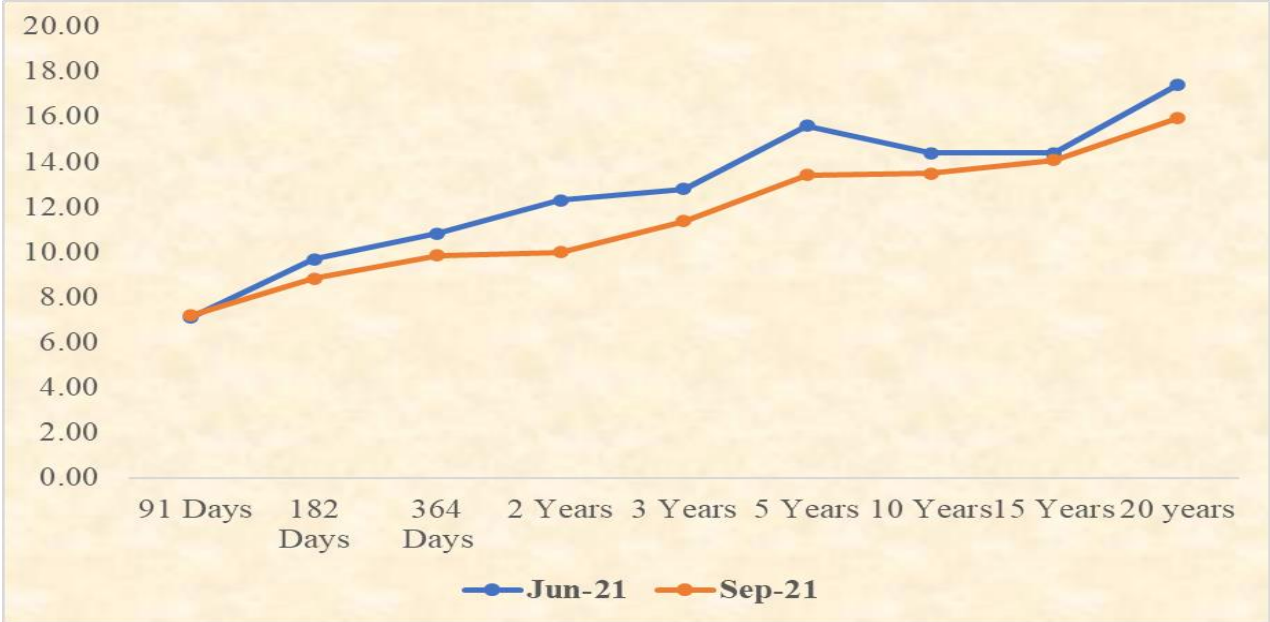
6.3b. Domestic Debt Issuances

Domestic debt total issuance increased from UGX 2,850.7 Billion in June 2021 to UGX 3,418.2 Billion in September 2021. Out of the total issuance of UGX 3,418.2 Billion during the period ending September 2021, UGX 1,493.95 Billion was for fiscal financing and UGX 1,824.24 Billion was issued for redemptions. UGX 100 Billion was also issued to recapitalize Bank of Uganda.

6.3c. Domestic debt Quarterly Average Primary Market Yields

Generally, there was an upward shift in the yield curve from the period of June 2021 to September 2021. The quarter was characterised by rumours of a Supplementary budget. This, together with the increase in Issuance sizes, led to speculative tendencies from various market players that Government could be desperate for funds. This resulted in highly priced bids in various auctions and despite the rejection of many of them, yields still increased. The market however continued to demonstrate a high appetite for Government securities in general. This could be due to low levels of Private sector credit which has led to increased liquidity in the market. This upward movement of yields is illustrated in the figure 9 below;

Figure 9: Trend of Quarterly Average Primary Market Yields for June 2021 and September 2021



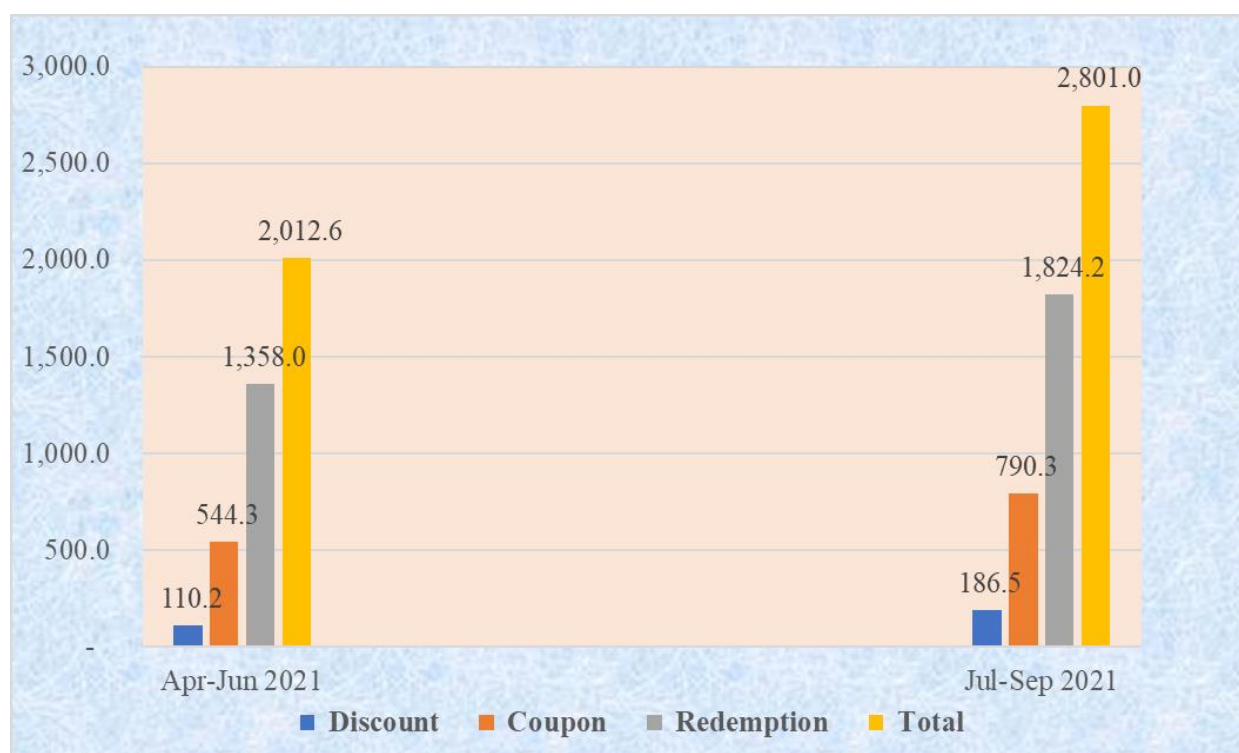
Source: DPI, MoFPED

6.3d. Domestic Debt Service

Total domestic debt service which comprises Discount, Coupon and Redemptions increased from UGX 2,012.6 Billion as at June 2021 to UGX 2,801 Billion in September 2021. The increment in debt service can be attributed to high maturities especially arising from reopening of Treasury Bonds. High Treasury bond maturities arose from the bench mark programme aimed at reducing the fragmentation of the T-bond market. The existence of fewer bonds but with large volumes makes the Treasury bonds more liquid and increases trading activity. This in the long run is aimed at reducing the cost of Government Borrowing.

The trend of Domestic debt service is depicted in Figure 10 herein.

Figure 10: Domestic Debt Service, UGX Billion.



Source: MoFPED, DPID

6.3e. Holders of Government Securities

Commercial banks continue to hold the biggest share of investments in Government Securities as at end September 2021. Their stock of Government securities increased from 38.1% as at end June 2021 to 38.2% as at end September 2021. This was probably on account of a decrease in other players' shareholding, majorly the pensions and provident funds from 34.7% to 33.1%.

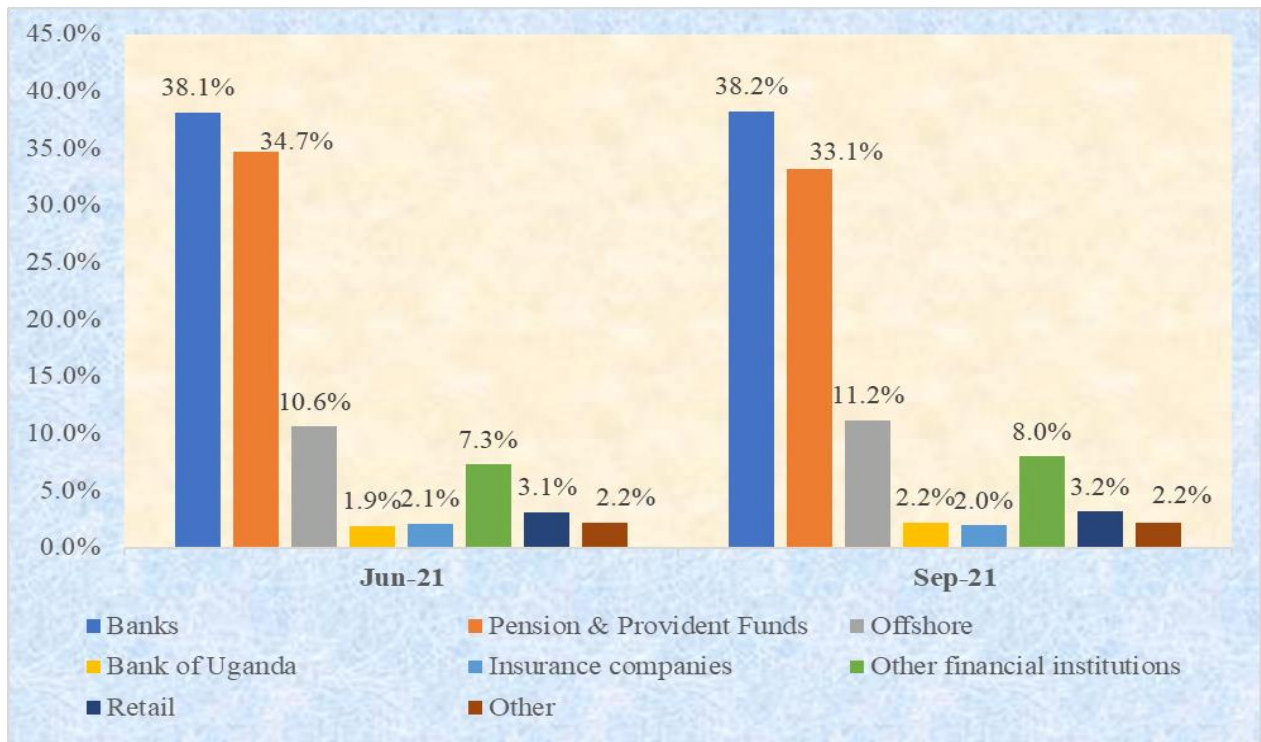
Offshore players' holding also rose from 10.6% to 11.2% due to the relatively high yields in the Ugandan Government securities market.

Bank of Uganda holding of Government securities increased as well from 1.9% to 2.2% and this can be attributed to the issuance of Recapitalization Bonds worth UGX 100bn in the quarter ended September 2021.

As was the case in the Q4 FY 2020/21, this quarter under review ended with the other players in Uganda's financial market holding about 15% of the entire domestic debt.

Holders of Government securities are demonstrated in the graph below.

Figure 11: Holders of Government securities at cost for June 2021 and September 2021



Source: BoU

6.4 CONTINGENT LIABILITIES

6.4a. GoU Loan Guarantees

As at end of September 2021, there were 7 Active guarantees to two entities- Uganda Development Bank Limited (UDBL) and Islamic University in Uganda (IUIU), amounting to a combined USD 55 million. The total disbursed and outstanding stock stood USD 27.5 Million as at September 2021, with IUIU, a private education institution holding 11% (USD 3 Million) of disbursed and outstanding stock, while Uganda Development Bank, a public financial corporation held 89% (USD 24.4 Million) of the stock.

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 EXIM Bank with USD 5 Million, in that order. As at September 2021, the gross exposure to the disbursed and outstanding guaranteed debt amounted to USD 27.5 million a 4.7% decline from USD 28.8 million as at June 2020. The decrement can be attributed to Debt service of USD 937,500 made on the African Development Bank (ADB) loan and USD 375,000 on the BADEA loan by UDBL, the extra deviation can be attributed to the depreciation of the value of Islamic Dinar relative to USD which reduced the USD value of IUIU loans as at September 2021 by USD 26,886

Nominal publicly guaranteed disbursed and outstanding debt to GDP stood at 0.071%, as at end September 2021(Using 2020 GDP). The outstanding debt service (Principal, interest and arrears) for the two entities amounted to USD 421,141 as at June 2021. This is the amount that government is exposed to may have to pay to the lenders, in case of any event of default. As a proportion of GDP, this figure is currently equivalent to about 0.0148%, indicating a low impact in terms of likely debt service obligations to government, should these entities default in 2021. It should be noted that IUIU has not serviced its debt obligation since June 2020, leaving it in arrears amounting to the current exposure.

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.

6.4b. Disbursed and outstanding debt of SoEs and EBU

As at end June 2020⁶, 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 *Data on Contingent Liabilities is collected, analyzed and reported at the end of each financial year.*

6.5 COST AND RISK OF THE EXISTING DEBT PORTFOLIO.

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

Table 18: Cost and Risk indicators of Existing Debt as at end September 2021⁷.

		Mar-21			Jun-21			Sep-21		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		28.6	16.2	44.8	29.5	17.2	46.7	29.9	18.3	48.1
PV as % of GDP		19.9	16.2	36.0	20.4	17.2	37.6	20.6	18.3	38.9
Cost of debt	<i>Interest payment as % GDP</i>	0.52	2.19	2.7	0.40	2.40	2.8	0.44	2.46	2.9
	<i>Weighted Av. IR (%)</i>	1.8	13.6	6.0	1.5	13.9	6.0	1.5	13.5	6.0
Refinancing risk	<i>ATM (years)</i>	12.2	5.7	9.8	11.8	5.5	9.4	11.7	5.6	9.4
	<i>Debt maturing in 1yr (% of total)</i>	3.2	25.7	11.3	3.3	30.0	13.1	3.9	29.1	13.4
	<i>Debt maturing in 1yr (% of GDP)</i>	0.9	4.2	5.1	1.0	5.2	6.1	1.2	5.3	6.5
Interest rate risk	<i>ATR (years)</i>	11.3	5.5	9.2	10.9	5.5	8.9	10.9	5.6	8.9
	<i>Debt refixing in 1yr (% of total)</i>	20.1	37.8	26.5	21.4	30.0	24.6	21.7	29.1	24.5
	<i>Fixed rate debt (% of total)</i>	82.1	100.0	88.5	80.9	100.0	87.9	80.8	100.0	88.1
FX risk	<i>FX debt (% of total debt)</i>			63.9			63.2	0.0	21.4	62.0
	<i>ST FX debt (% of reserves)</i>			10.3			9.8			10.9

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 11.7 years and 5.6 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 9.4 years and is attributed mainly to the increased commercial debt with shorter maturity in the external debt portfolio. The average time to maturity for external debt stock has been decreasing over time due to the contraction of external loans, mostly commercial with shorter maturities.

Domestic debt maturing in one year is 29.1% (USD 2.22 billion) of the total domestic debt. This is a slight improvement from June 2021 where domestic debt maturing in one year as a

⁷ The fixed interest rate debt in the cost and risk table is the total of fixed rate debt and no interest rate debt.

percentage of total was 30% (USD 2.15 billion) and is attributed to the deliberate efforts to issue longer dated instruments in the recent years. External debt maturing in one year as a percentage of the total as at end September 2021 has gone up to 3.9% (USD 0.49 billion) from 3.3% (USD 0.41 billion) as at end June 2021.

6.5b. Interest rate risk

As at end September 2021, a bigger proportion of Uganda's external debt stock (80.8%) equivalent to USD 10.1 billion had fixed interest rates. On average, it will take 8.9 years for all the principal payments in the total debt portfolio to be subjected to a new interest rate. For external debt, it will take on average 10.9 years for all the principal payments to be subjected to a new interest rate while for domestic debt 5.6 years. The total average time to re-fixing of interest rates remained the same between end June 2021 and end September 2021.

Uganda's exposure to risk associated with interest rates for the entire public debt portfolio is still low given the time it takes on average to re-fix the interest rates for the aggregate public debt stock (domestic and external). This is majorly attributed to the greater share of concessional loans in the external debt portfolio. The exposure to interest rate risk of the domestic debt portfolio has slightly reduced as evidenced by the increase in average time to re-fixing from 5.5 years in June 2021 to 5.6 years in September 2021 as a result of deliberate efforts to issue longer dated instruments taken in recent years.

6.5c. Exchange rate risk

As at end September 2021, a greater share of Uganda's public debt (62 %/USD 12.47 Billion) was denominated in foreign currency, Of this, USD denominated debt stock accounted for 30% (USD 6.02 Billion) of the total public debt which is 8 percentage points lower than the share of local currency-denominated debt (38%/USD 7.63 Billion)) in the total debt. The remaining 32.% (USD 6.45 Billion) is denominated in other foreign currencies like the Chinese Yuan, Japanese Yen, Euros, British Pound, and others. Uganda is highly exposed to risks associated with exchange rate shocks as seen from this analysis.

In addition, short term foreign currency debt as a share of reserves increased from 9.8 to 10.9 in Q1 on account of acquisition of external debt with shorter grace and maturity profiles.

PART VII: GLOSSARY OF DEBT AND RELATED TERMS

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

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

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

Domestic Debt	Debt liabilities owed by residents to residents of the same economy
Export Credit	A loan extended to finance a specific purchase of goods services from within the <i>creditor economy</i> . Export credits extended by the supplier of goods— such as when the importer of goods and services is allowed to defer payment—are known as <i>supplier's credits</i> ; export credits extended by a financial institution, or an <i>export credit agency</i> in the exporting economy are known as <i>buyer's credits</i>
External Debt	At any given time, is the outstanding amount of that actual current, and not contingent, liabilities that require payment(s) of <i>interest</i> and/or <i>principal</i> by the <i>debtor</i> at some point(s) in the future and that are owed to non-residents by residents of an economy.
Face Value	Face value is the undiscounted amount of principal to be paid to the holder at maturity (e.g., the redemption amount of a bond).
Foreign Currency	Foreign currency is a currency other than the domestic currency (See domestic currency)
Foreign Debt	Same as External Debt
Fixed Interest Rate	A rate of interest that is defined in absolute terms at the time of the loan agreement.
Grace Period	The grace period for <i>principal</i> is the period from the date of signature of the loan or the issue of the financial instrument to the first repayment of principal.
Grant Element	The measure of concessionality of a loan, calculated as the difference between the face value of the loan and the sum of the discounted future <i>debt service</i> payments to be made by the borrower expressed as a percentage of the face value of the loan.
Gross Domestic Product (GDP)	Essentially, the sum of the gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies products, that is not included in the valuation of output.

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

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

International Bank for Reconstruction and Development (IBRD)

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

International Development Association (IDA)

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

International Monetary Fund (IMF)

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

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

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

Loan

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

London Interbank Offered Rate (LIBOR)

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

Maturity (Defined and Undefined)

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

Multilateral Creditors

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

Net Present Value (NPV) of Debt

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

Nominal Value

The nominal value of a *debt instrument* is the amount that at any moment in time the *debtor* owes to the *creditor* at that moment; this value is typically established by reference to the terms of a contract the debtor and creditor. The nominal value of a debt instrument the value of the debt at creation, and any subsequent economic flows, such as transactions (e.g., repayment of *principal*), valuation changes

Official Creditor

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

Official Development Assistance (ODA):

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

Official Development Assistance (ODA) Loans

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

Original Maturity

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

Paris Club Paris Club

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

Present Value (PV)

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

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

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

Principal

the provision of economic value by the *creditor*, or the creation of debt creation of debt liabilities through other means, establishes a principal liability for the debtor, which, until extinguished, may change in value over time. For *debt instruments* alone, for the use of the principal, *interest* can, and usually does, accrue on the principal amount, increasing its value.

Principal Outstanding

The amount of principal disbursed and not repaid.

Principal Repayment The payments which are made against the *drawn* and outstanding amount of the loan

Private Creditors These are neither governments nor public sector agencies. Private financial institutions, and manufacturers, exporters and other suppliers of goods that have a financial claim.

Public Sector: The public sector includes the general government, monetary authorities, and those entities in the banking and other sectors that are public corporations.

Public Sector Debt Total public sector debt consists of all debt liabilities of resident public sector units to other residents and non-residents.

Public Sector External Debt

Total public sector external debt consists of all debt liabilities of resident public sector units to non-residents.

Public Debt The debt obligation of the public sector.

Public External Debt The external debt obligation of the public sector.

Publicly Guaranteed Debt

The external obligation of a private debtor that is guaranteed for repayment by a public entity.

Quarterly External Debt Statistics (QEDS)

The Quarterly External Debt Statistics (QEDS) database, jointly developed by the World Bank and the International Monetary Fund brings together detailed external debt data of Countries that Subscribe to the IMF's Special Data Dissemination Standard (SDDS) and of countries that participate in the IMF's General Data Dissemination System (GDDS).

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

Remaining (Residual) Maturity

The period of time until debt payments fall due. In the *Guide*, it is recommended that short-term remaining maturity of outstanding *external debt* be measured by adding the value of outstanding short-term external debt (original maturity) to the

value of outstanding long-term external debt (original maturity) due to be paid in one year or less. These data include all arrears.

Short-Term Debt	Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis (see also <i>Original Maturity</i> and <i>Remaining Maturity</i>).
Spread (Margin):	A percentage to be added to some defined base interest rate, such as LIBOR, to determine the rate of interest to be used for a loan.
Sovereign Debt	Sovereign debt is often used by financial markets and fiscal analysts as debt that has been contracted by the national government. Unlike grouping of the public sector, which is based on institutional units, “sovereign” is defined on a functional basis. Normally “sovereign issuer” of debt is the government (usually national or federal) that de facto exercises primary authority over a recognized jurisdiction whose debt are being considered. Consequently, sovereign debt is debt that has been legally contracted by the national government.
Stock of Debt	The amount outstanding as of a moment of time.
Stock Figures	The value of financial assets and liabilities outstanding at a particular point in time.
Supplier’s Credit	A financing arrangement under which an exporter extends credit to the buyer.
Treasury Bills	Negotiable securities issued by the government. In general, these are short term obligations issued with maturity of one year or less. They are traded on a discount bases.
Treasury Bonds	Longer Term Securities compared to Treasury Bills. Usually more than a year
Undisbursed	Funds committed by the creditor but not yet drawn by the borrower.
Yield-to-Maturity	The yield-to-maturity rate is the rate at which the present value of future interest and principal payments, i.e., all future cash flows from the bond, equals the price of the bond.