



RECYCLING FOREIGN DEBT

IMPLICATIONS FOR KENYA'S
ECONOMY

Outline

- State of Economy
- Major revenue and expenditure trends
- Implications for debt position
- Conclusion

Year	2011	2012/13	2013/14	2014/15	2015/16	2016/17
GDP (Millions)		4261151	4745143	5402410	6260646	7158695
Total Revenue		875506.9	974417.7	112290	1474605	1514989
Total Budget Spending		1241396	1532993	1950709	2047352	2496108
Total Deficit (Absolute)		365889.5	558575.3	1838419	572747.1	981119.2
Total Deficit to GDP		0.085866	0.117715	0.340296	0.091484	0.137053
Total Debt (Foreign) %	53.64	104239	49.85001	48.68363	51.34617	54.71034
Total Debt to GDP	35.97		36.51	41.08	41.79	51.16531
Total Debt (Total)	1532541.19		1732743	2217312	2601432	3203279

Implications

- Debt servicing is largest single spend after wages
- Expenditure on debt = 2.5* all county share
- Foreign debt share reached 50% of total debt in 2017
- Debt growing faster than revenue and overall GDP

- Debt service squeezing service delivery
- Early signs of debt cycling
- Commercial debt is 28% of foreign debt
- Integrity of the debt register