

# Public Debt Management, Governance & fight against graft.

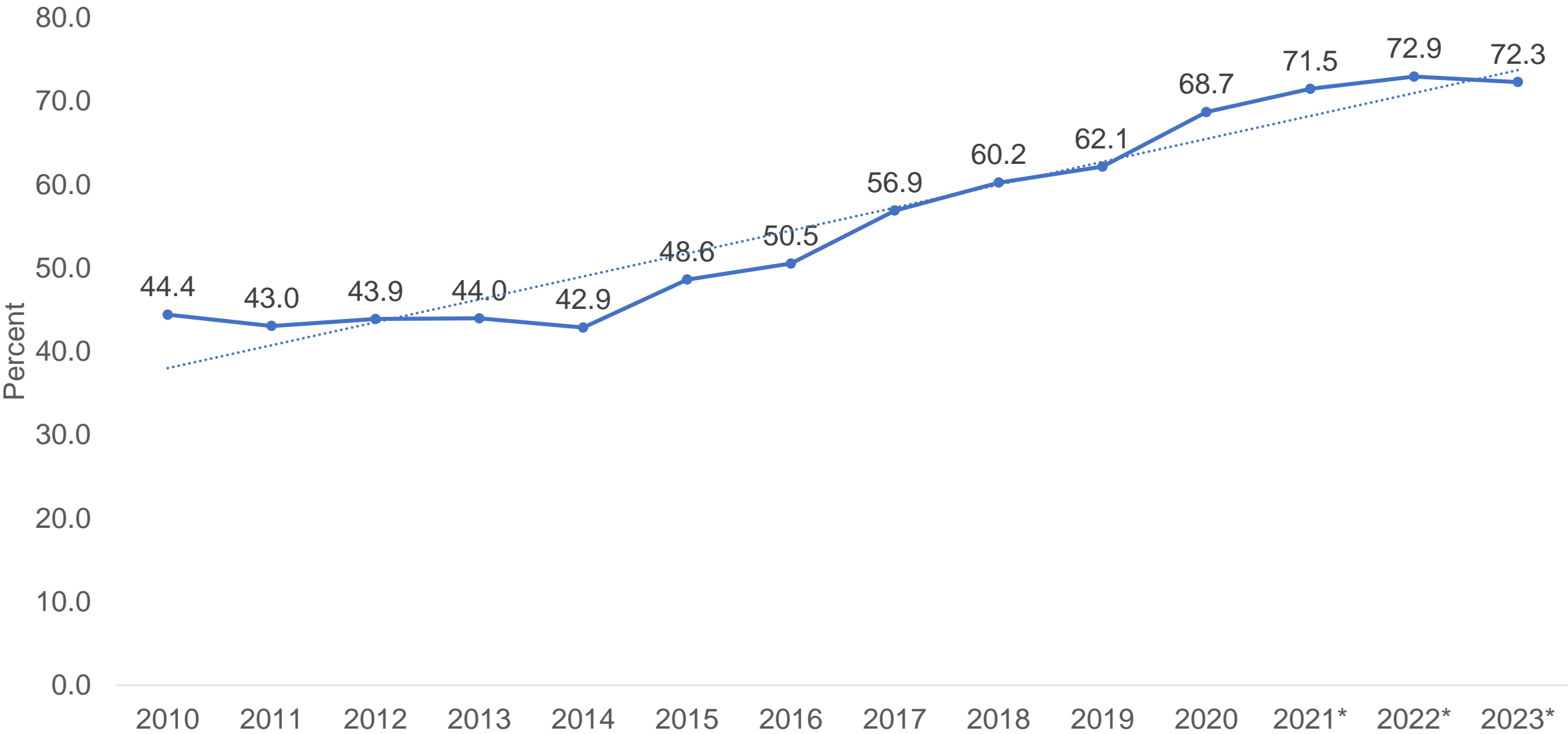
Kwame Owino

Wednesday, September 1, 2021

# Outline

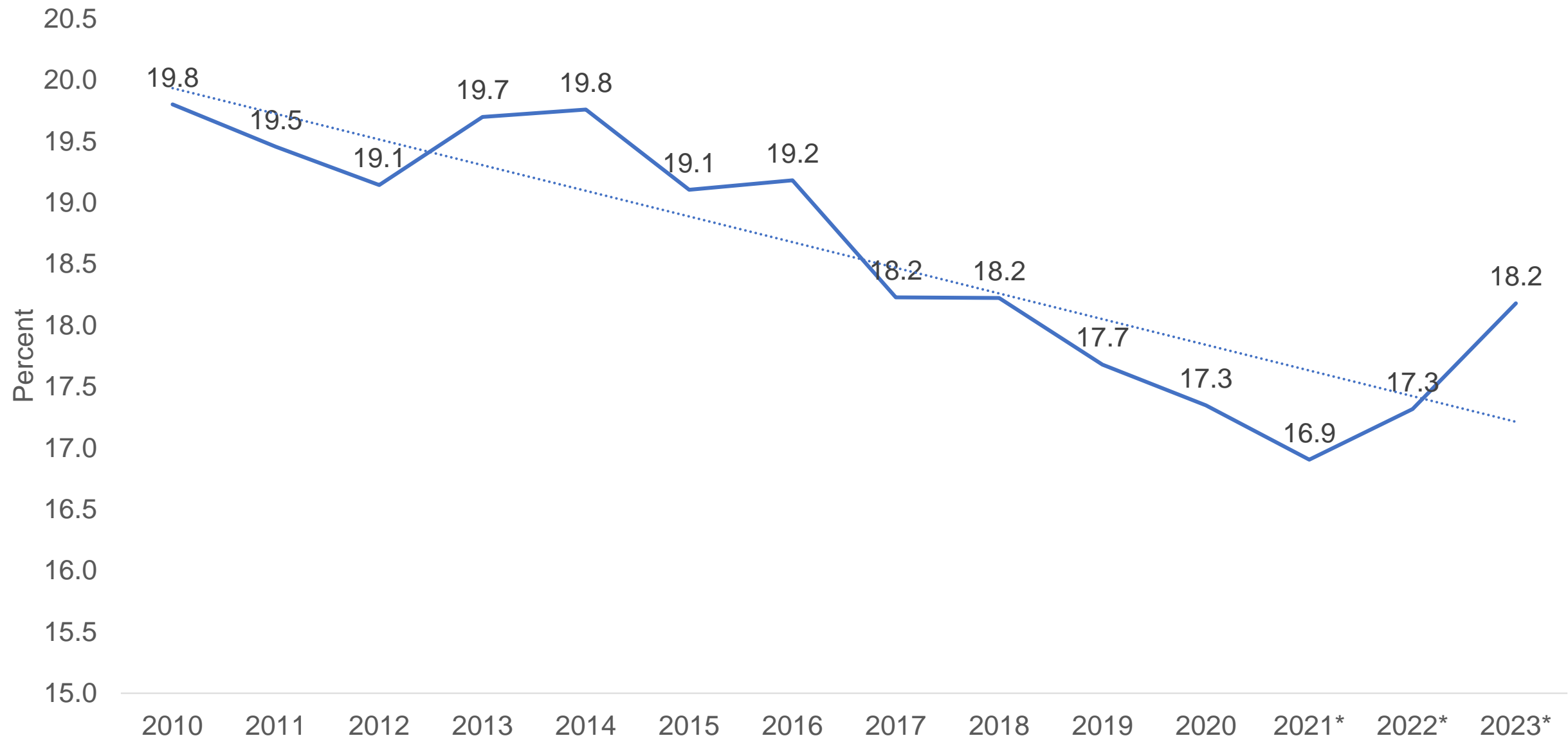
- Debt Position
- Revenues
- Debt Dynamics
- Management of public debt

# Debt Position (% of GDP)



Source: IMF 2021, Years marked \* are projections  
Thursday, September 9, 2021  
IEA Presentation to ICPAK

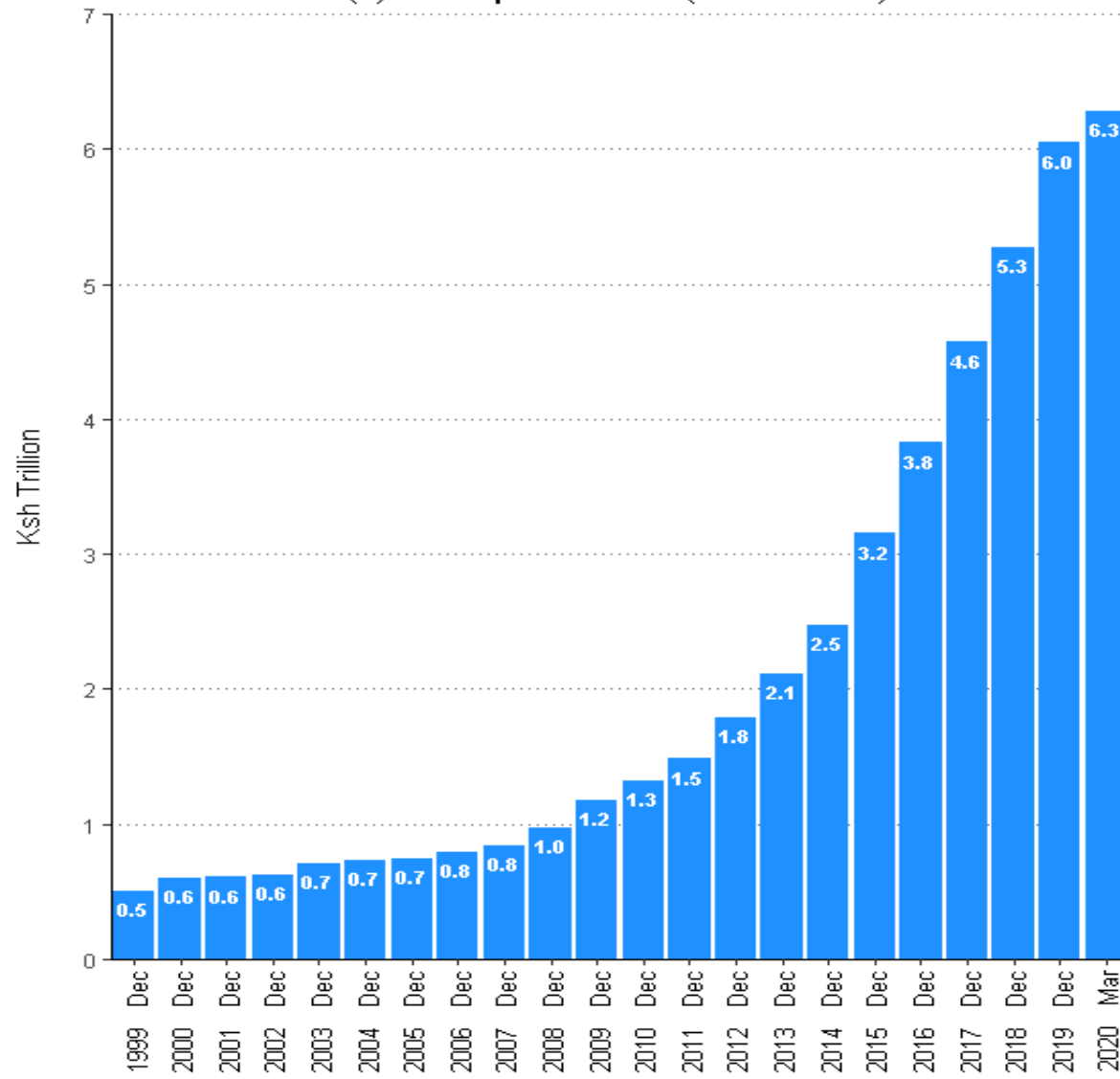
# Revenue (% of GDP)



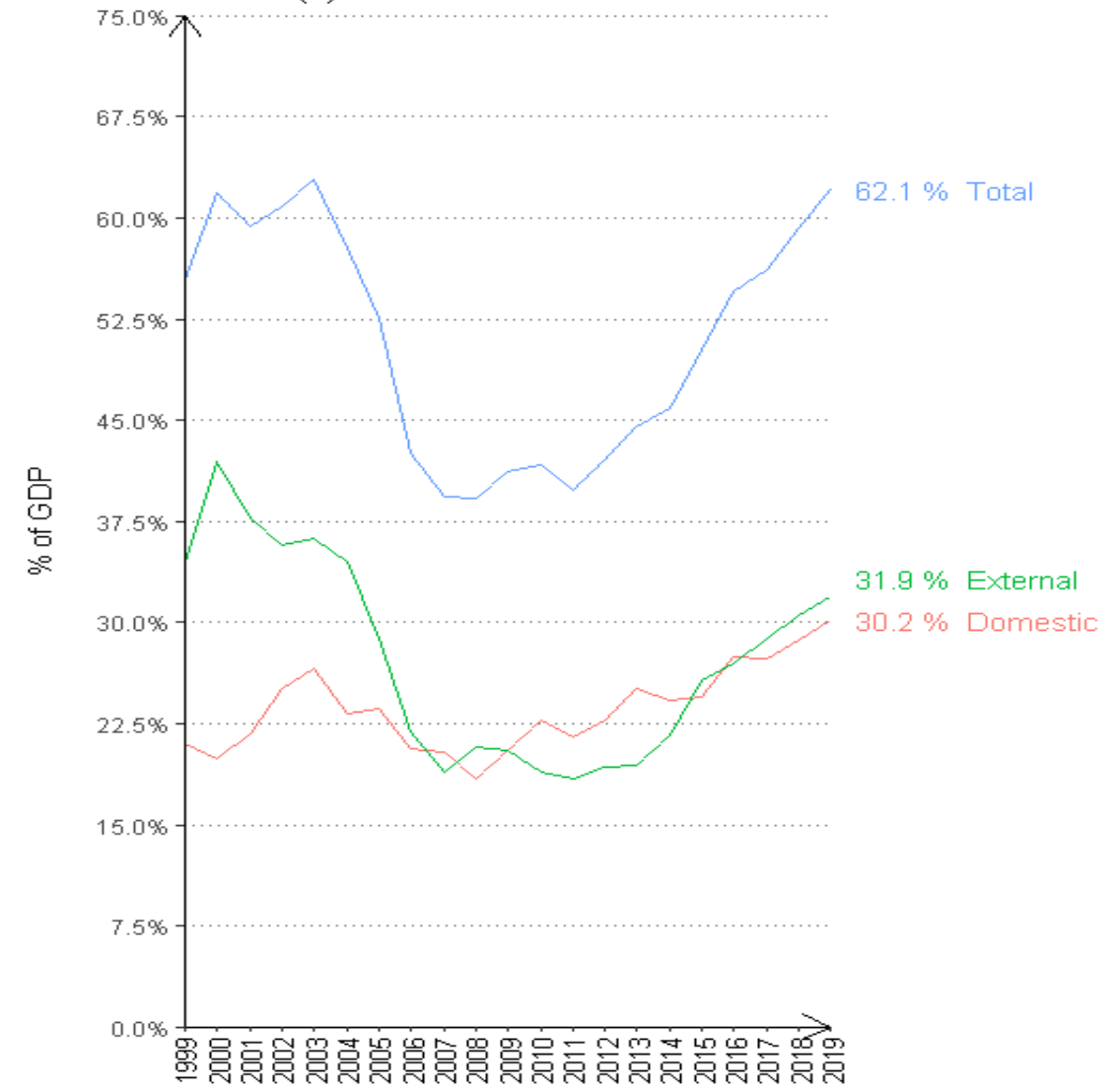
*Source: IMF 2021, Years marked \* are projections*

# Trends in Public Debt stock for Kenya up to COVID19

(a) Total public debt (Ksh Trillion)



(b) % Public debt to GDP



Source: Central Bank of Kenya and The National Treasury

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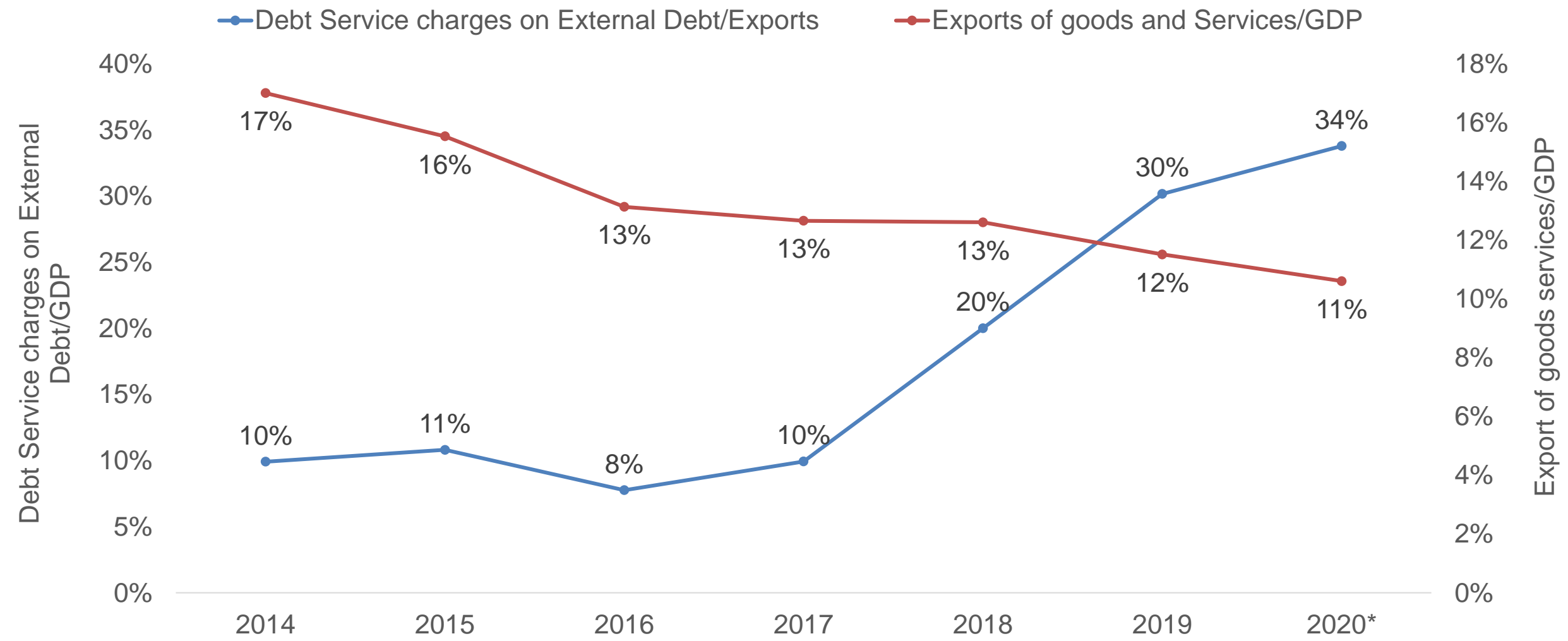
# Debt Servicing 2021/2022

	Debt Servicing	% Share of Total
External Debt Interest	138,364,861,701	12
Internal Debt Interest	421,896,894,883	36
<b><u>Sub Totals</u></b>	<b><u>560,261,756,584</u></b>	<b><u>48</u></b>
Internal Debt Redemption	346,810,321,474	30
External Debt Redemption	262,092,952,860	22
<b><u>Sub Totals</u></b>	<b><u>608,903,274,333</u></b>	<b><u>52</u></b>
<b><u>Total Debt Servicing</u></b>	<b><u>1,169,165,030,917</u></b>	<b><u>100</u></b>

# Trends in Debt Servicing and Net Lending

	<b>Debt Servicing</b>	<b>Net lending</b>	<b>Total Borrowing</b>	<b>Share of GDP</b>
Domestic	768,707,216,357	662,000,000,000	1,430,707,216,357	12%
Foreign	400,457,814,561	291,000,000,000	691,457,814,561	6%
<b>Total</b>	<b>1,169,165,030,918</b>	<b>953,000,000,000</b>	<b>2,122,165,030,918</b>	<b>17%</b>

# Declining Exports & Increasing Debt Servicing Charges (% of GDP)



Source: KNBS Statistical Abstract Various issues

Source: 2020\* Export Data from World Bank Data-

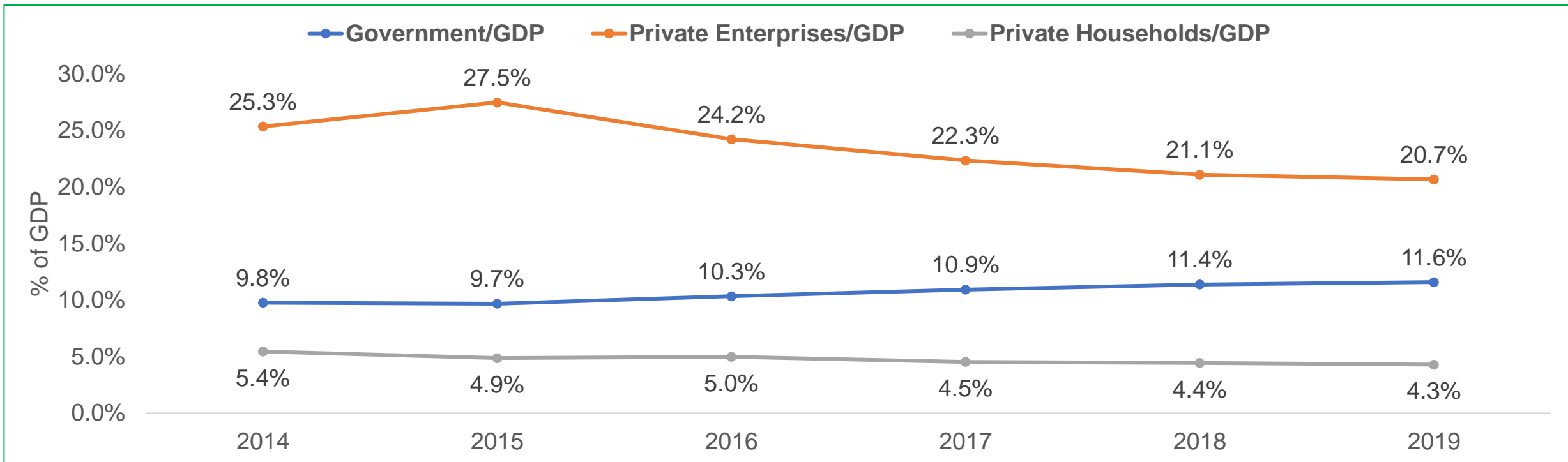
<https://data.worldbank.org/indicator/NE.EXP.GNFS.CN?locations=KE>

## Debt Displacing Lending to household & Firms

### *Commercial Banks' Bills, Loans and Advances (Ksh Bn)*

	2014	2015	2016	2017	2018	2019
Government	567.13	648.82	790.97	930.17	1057.21	1177.09
Private Enterprises	1472.72	1842.55	1854.31	1903.76	1959.79	2101.75
Private Households	316.19	325.89	380.82	385.08	411.74	434.76
Government/Total Advances	24%	23%	26%	29%	31%	32%

### *Commercial Banks' Bills, Loans and Advances (% of GDP)*



# Debt Management

- Fiscal Rule – Cap Budget for 4 years- Allow Growth to happen
- Reduction Deficits- ( Econ literature shows Sustained deficits reduces overall capital formation)

# Corruption

- Most harmful in the form of Procurement Fraud
- There is a demand and supply side to procurement fraud
- Partial Solution- privatize procurement and supplies management processes

*Thank you!*

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