



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

Quarterly Economic and Budgetary Review

Fourth Quarter, Financial Year 2023/2024
Period Ending 30th June, 2024

August 2024 Edition

Quarterly Economic and Budgetary Review

**Fourth Quarter, Financial Year 2023/2024
Period Ending 30th June, 2024**

AUGUST 2024 EDITION

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ACKNOWLEDGEMENT

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LIST OF ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
ADF	Asian Development Fund
A-I-A	Appropriation-in-Aid
AMISOM	African Union Mission in Somalia
ARUD	Agriculture, Rural and Urban Development
BAEA	Arab Bank for Economic Development of Africa
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CF	Contingency Fund
CFS	Consolidated Fund Services
EAPC	East African Portland Cement
EBUs	Extra Budgetary Units
EEC	European Economic Community
EIB	European Investment Bank
EI&ICT	Energy, Infrastructure and Information Communication Technology
EPW&NR	Environment Protection, Water and Natural Resources
ES	Equitable Share
Excl.	Exclude
DANIDA	Danish International Development Agency
FPE	Free Primary Education
FSE	Free Secondary Education
FY	Financial Year
GDP	Gross Domestic Product
GECA	General Economic and Commercial Affairs
GFSM	Government Finance Statistics Manual
GJLO	Governance, Justice, Law and Order
GOP	Gross Operating Balance
ICT	Information, Communication and Technology
IDA	International Development Association
IDF	Import Declaration Fee
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund

Incl.	Include
JKIA	Jomo Kenyatta International Airport
Jun.	June
KNBS	Kenya National Bureau of Statistics
KSh.	Kenya Shillings
M3	Broad Money Supply
MDAs	Ministries, Departments and Agencies
MIA	Mombasa International Airport
Mn	Million
NDA	Net Domestic Assets/Net Domestic Financing
NDF	Nordic Development Fund
NFA	Net Foreign Assets/Non-Financial Assets
NFB	Net Financing Balance
NIS	National Intelligence Service
NLB	Net Lending/ Borrowing
NOB	Net Operating Balance
NSE	Nairobi Securities Exchange
O & M	Operation and Maintenance
OPEC	Oil Producing and Exporting Countries
PAIR	Public Administration and International Affairs
PAYE	Pay as You Earn
PDL	Petroleum Development Levy
QEBR	Quarterly Economic and Budgetary Review
RDL	Railway Development Levy
RML	Road Maintenance Levy
SAGAS	Semi-Autonomous Government Agencies
SC	State Corporations
SDR	Special Drawing Rights
SMS	Short Message Services
SGR	Standard Gauge Railway
SOEs	State Owned Enterprises
SPC&R	Social Protection, Culture and Recreation
TARDA	Tana River Development Authority
UK	United Kingdom

US\$	United States Dollar
VAT	Value Added Tax
O/W	Of Which

LEGAL BASIS FOR THE QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORTS

The Quarterly Economic and Budgetary Review Report is Published in accordance with Section 83 of the Public Finance Management Act, 2012. It states as follows:

83. (1) An accounting officer for a national government entity shall prepare a report for each quarter of the financial year in respect of the entity.

(2) In preparing a quarterly report for a national government entity, the accounting officer shall ensure that the report—

(a) Contains information on the financial and non-financial performance of the entity; and

(b) Is in a form that complies with the standards prescribed and published by the Accounting Standards Board from time to time.

(3) Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

(4) The Cabinet Secretary responsible for an entity shall forward a copy of the report to the Cabinet Secretary and Controller of Budget.

(5) **Not later than forty five days after the end of each quarter**, the National Treasury shall—

(a) consolidate the quarterly reports and submit them to the National Assembly and a copy of the reports to the Controller of Budget, Auditor General and the Commission on Revenue Allocation; and

(b) Publish and publicize the reports.

(6) In the case of an entity that is a state corporation, the accounting officer for the corporation shall submit the quarterly report to the Cabinet Secretary responsible for the corporation who shall, upon approving it, forward a copy to the Cabinet Secretary.

HIGHLIGHTS OF THE FOURTH QUARTERLY ECONOMIC AND BUDGETARY REVIEW REPORT IN THE 2023/24 FINANCIAL YEAR

1. Economic growth

The economy grew by 5.6 percent in 2023, an improvement, from 4.9 percent in 2022, a demonstration of resilience and the beginning of economic recovery. This growth momentum has continued in 2024 with the economy expanding by 5.0 percent in the first quarter compared to a growth of 5.5 percent in the corresponding quarter of 2023. This growth is largely driven by resilient service sector and strong growth of agriculture supported by favorable weather conditions and government interventions.

2. Inflation rate

The overall year-on year inflation is under control and within the Government target range of 5±2.5 percent. Inflation declined to 4.6 percent in June 2024 from 7.9 percent in June 2023, due to easing of food and energy prices. The appreciating Shilling produced a strong pass-through effect to lower domestic prices supported by a tight monetary policy stance and Government interventions to lower the cost of food production.

3. Interest Rates

Tight monetary policy to stabilize inflation has led to rising interest rates. The interbank rate increased to 13.1 percent in June 2024 compared to 9.6 percent in June 2023. The 91-day Treasury Bills rate increased to 16.0 percent in June 2024 compared to 11.5 percent in June 2023 while the 182-day Treasury Bills rate also increased to 16.7 percent from 11.5 percent over the same period. This has increased the cost of borrowing by Government from the domestic market. Additionally, the average lending rate increased to 16.6 percent in May 2024 from 13.2 percent in May 2023 while the average deposit rate increased to 11.1 percent from 7.6 percent over the same period.

4. Money and Credit

Broad money supply, M3, grew by 6.0 percent in the year to June 2024 compared to a growth of 13.4 percent in the year to June 2023. The slowdown in growth of M3 was due to a decline in Net Domestic Assets (NDA) particularly the growth of domestic credit. The primary source of the growth in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system.

5. Current Account

The current account deficit improved to US\$. 4,091.3 million (3.2 percent of GDP) in June 2024 compared to US\$. 4,840.9 million (4.5 percent of GDP) in June 2023. The current account balance was supported by an improvement in the net merchandise account and the net secondary income balance despite a deterioration in the net primary income balance and the net receipts on the services account.

6. Foreign Exchange Reserves

The official foreign exchange reserves held by the Central Bank stood at US\$. 8,462.7 million in June 2024 an improvement compared to US\$. 8,036.7 million in June 2023. This represented 4.6 months of import cover as compared to the 4.1 months of import cover, respectively, and therefore provides adequate cover and a buffer against short term shocks in the foreign exchange market.

7. Capital Markets

Activity in the capital markets improved in the year to June 2024. Economic recovery, appreciation of the Kenya Shilling and macroeconomic stability have created confidence and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 1,657 points in June 2024 compared to 1,575 points in June 2023 while Market capitalization also improved to KSh. 1,711 billion from KSh. 1,666 billion over the same period.

8. Revenue Collection

The National Government's cumulative revenue collection including A-I-A for the period between July 2023-June 2024 amounted to KSh. 2,702.7 billion (16.8 percent of GDP) against a target of KSh. 2,907.5 billion. The revenue was below target mainly due to shortfalls recorded in collection of both ordinary revenue and ministerial appropriation-in-aid (A.I.A).

9. Expenditure and Net Lending

The total expenditure and net lending inclusive of transfers to County Governments for the period ending 30th June, 2024 amounted to KSh. 3,655.6 billion, against a target of KSh. 3,871 billion. The resultant under expenditure of KSh. 215.5 billion is mainly attributed to lower absorption recorded in both recurrent and development expenditures by the National Government.

10. Guaranteed Debt

The government serviced guaranteed debt on behalf of Kenya Airways (KQ) amounting to KSh. 17.4 billion during the period under review.

11. Fiscal Balance

The fiscal balance excluding grants (on a commitment basis) amounted to a deficit of KSh. 952.9 billion (5.9 percent of GDP), as at the end of June, 2024 as compared to the target of KSh. 963.5 billion (6.0 percent of GDP).

12. External Financing

The Net Foreign financing amounted to KSh. 222.7 billion (1.4 percent of the GDP) during the period ending 30th June, 2024.

13. Net Domestic Borrowing

Net domestic financing amounted to a net borrowing of KSh. 543.7 billion (3.4 percent of GDP) in the period ending 30th June, 2024.

14. Domestic Debt Stock

The stock of gross domestic debt increased by KSh 578 billion from KSh. 4,832.3 billion in June 2023 to KSh 5,410.3 billion in June, 2024.

15. External Debt Stock

The total external debt stock, including the International Sovereign Bond, stood at US\$ 39,766.6 billion by the end of June, 2024. The debt stock comprised of multilateral debt (53.9 percent), commercial debt (23.4 percent), bilateral debt (22.4 percent) and suppliers' credit (0.3 percent).

RECENT ECONOMIC DEVELOPMENTS

1.0 RECENT ECONOMIC DEVELOPMENTS

1.1 Economic Growth

1. The economy grew by 5.6 percent in 2023 up from 4.9 percent in 2022, a demonstration of resilience and the beginning of economic recovery. The growth in 2023 is above its pre-pandemic average of 4.7 percent per year for the period between 2011-2019. The growth was largely driven by a strong rebound in the agricultural subsector, which benefited from favorable weather conditions after two years of severe droughts and the robust performance of the services sector. However, growth in manufacturing and wholesale and retail trade subsectors slowed down.

2. This growth momentum has continued in 2024 with the economy expanding by 5.0 percent in the first quarter compared to a growth of 5.5 percent in the corresponding quarter in 2023 (**Chart 1**). The growth is largely driven by strong growth in agriculture supported by favorable weather conditions and government interventions. Additionally, services sector remained resilient with real estate, financial & insurance, ICT and accommodation & food services supporting the growth.

Chart 1: Quarterly Real GDP Growth Rates



Source of Data: Kenya National Bureau of Statistics

3. **The primary sector** grew by 5.0 percent in the first quarter of 2024 compared to a growth of 5.3 percent in the first quarter of 2023. This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector despite a contraction in the mining and quarrying sub sector. Activities in the agriculture, forestry and fishing sub-sector expanded by 6.1 percent in the first quarter of 2024 compared to a growth of 6.4 percent in a similar quarter in 2023(**Table 1**). The performance of the sector was attributed to favorable weather conditions as well as government interventions that led to enhanced production. The performance was evident in the significant increase in production of tea, milk and sugarcane during the quarter under review. However, the sector's performance was somewhat curtailed by decline in exports of coffee, fruit and cut flowers.

4. Mining and Quarrying sub-sector contracted by 14.8 percent in the first quarter of 2024 compared to a contraction of 11.0 percent over the same period in 2023. This was due to a decline in production of most minerals such as titanium, soda ash and gemstone.

RECENT ECONOMIC DEVELOPMENTS

Table 1: Sectoral Real GDP Growth rate (Percent)

Sectors	Annual Growth Rates		Quartely Growth Rates	
	2022	2023	2023 Q1	2024 Q1
1. Primary Industry	(0.8)	5.6	5.3	5.0
1.1. Agriculture, Forestry and Fishing	(1.5)	6.5	6.4	6.1
1.2 Mining and Quarrying	9.3	(6.5)	(11.0)	(14.8)
2. Secondary Sector (Industry)	3.5	2.5	2.5	1.1
2.1. Manufacturing	2.6	2.0	1.7	1.3
2.2. Electricity and Water supply	5.5	2.8	3.7	2.4
2.3. Construction	4.1	3.0	3.0	0.1
3. Tertiary sector (Services)	6.6	6.8	6.5	6.2
3.1. Wholesale and Retail trade	3.5	2.7	2.9	4.9
3.2. Accomodation and Restaurant	26.8	33.6	47.1	28.0
3.3. Transport and Storage	5.8	6.2	6.6	3.8
3.4. Information and Communication	9.0	9.3	9.5	7.8
3.5. Financial and Insurance	12.0	10.1	5.9	7.0
3.6. Public Administration	5.1	4.6	7.6	5.8
3.7. Others of which: Professional, Admin & Support Services	5.3 9.4	6.1 9.4	5.7 8.6	5.9 9.9
Real Estate	4.5	7.3	7.3	6.6
Education	5.2	3.1	2.0	4.0
Health	3.4	4.9	5.1	5.5
Taxes less subsidies	6.7	2.2	3.0	4.7
Real GDP	4.9	5.6	5.5	5.0

Source of Data: Kenya National Bureau of Statistics

5. Industrial sector performance remained subdued, with growth of the sector slowing down to 1.1 percent in the first quarter of 2024 from a growth of 2.5 percent in a similar quarter of 2023. This was mainly on account of a decline in activities in all its sub-sectors i.e. the manufacturing, electricity& water supply and construction subsectors.

6. Manufacturing sub-sector expanded by 1.3 percent in the first quarter of 2024 compared to 1.7 percent growth in the corresponding quarter of 2023. In the manufacture of food products, growth was supported by tea and dairy processing despite the decline in soft drink production. In the manufacture of non-food products, cement production declined. Electricity and water supply sub-sector also recorded a decelerated growth of 2.4 percent in the first quarter of 2024 compared to a growth of 3.7 percent in the corresponding quarter of 2023. The sector's growth was supported by an increase in hydroelectric power generation and a decrease in thermal power generation.

7. Activities in the construction sub-sector registered a decelerated growth of 0.1 percent, down from the 3.0 percent growth recorded in the first quarter of 2023. The slowdown was reflected in the decline in the volume of cement consumption and imported bitumen. However, the volume of iron and steel imported increased during the review period.

8. The activities in the services sector continued to sustain strong growth momentum in the first quarter of 2024 and grew by 6.2 percent compared to a growth of 6.5 percent in a similar period in 2023. The performance was largely characterized by significant growths in: accommodation and food service; financial and insurance; information and communication; real estate and wholesale and retail trade sub-sectors. Accommodation and food service activities sustained the growth momentum that started in the 2022 recovery from the effects

RECENT ECONOMIC DEVELOPMENTS

of COVID-19 pandemic even though this growth was slower compared to the corresponding quarter of 2023. The sub-sector grew by 28.0 percent compared to a growth of 47.1 percent recorded in the first quarter of 2023. The growth was evidenced by a significant increase in the number of visitor arrivals through the two major airports, the Jomo Kenyatta International Airport (JKIA) and Mombasa International Airport (MIA).

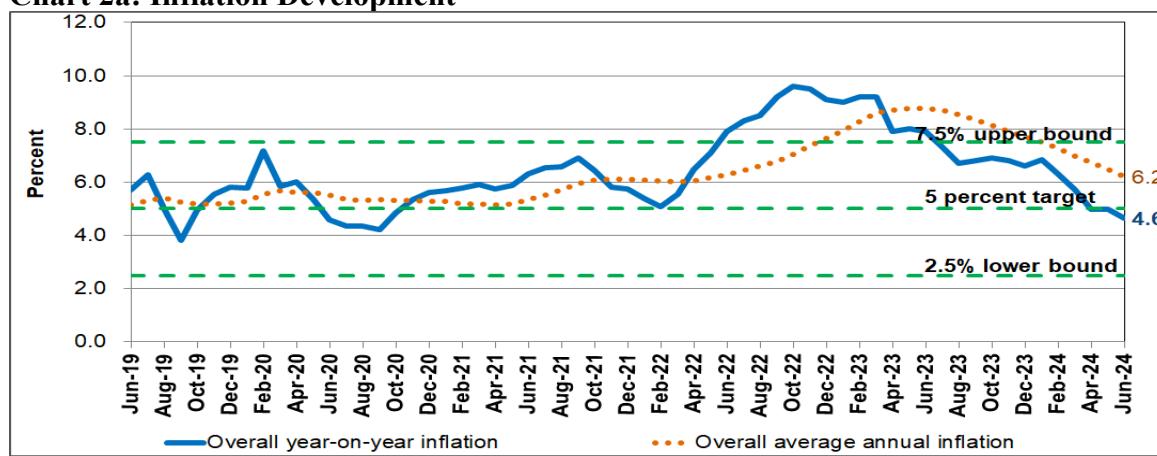
9. Financial and insurance sub-sector sector grew by 7.0 percent in the first quarter of 2024 compared to 5.9 percent in the corresponding quarter of 2023 while information and communication subsector grew by 7.8 percent compared to a growth of 9.5 percent, over the same period. Growth in the information and communication sub-sector was supported by increased voice traffic, internet use and mobile money despite a decline in the use of domestic Short Messaging Services (SMSs).

10. Activities in Transportation and Storage sub-sector slowed down to a growth of 3.8 percent in the first quarter of 2024 compared to a growth of 6.6 percent in a corresponding period in 2023. The growth in the sector was mainly supported by increased activities in Mombasa Port throughput and an increase in the number of international passenger arrivals and departures. However, growth in the sector was curtailed by a decline in the number of passengers transported via Standard Gauge Railway (SGR). Consumption of light diesel which is a key input to land transportation also declined during the period.

1.2 Inflation

11. The overall year-on year inflation is under control and within the Government target range of 5 ± 2.5 percent. Inflation declined to 4.6 percent in June 2024 from 7.9 percent in June 2023, due to easing of food and energy prices (**Chart 2a**). The appreciating Shilling produced a strong pass-through effect of lowering domestic prices supported by a tight monetary policy stance. Additionally, interventions by Government in providing subsidized fertilizer and seeds continue to lower the cost of food production, and revitalize agricultural production.

Chart 2a: Inflation Development



Source of Data: Kenya National Bureau of Statistics

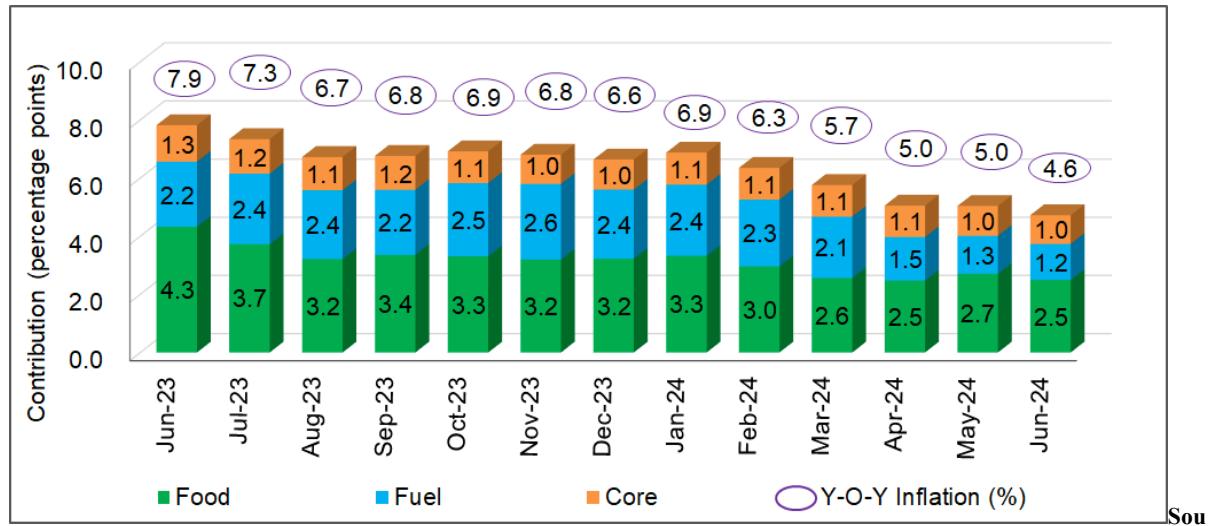
12. Food inflation remained the main driver of overall year-on-year inflation in June 2024, contributing 2.5 percentage points, a decline, compared to a contribution of 4.3 percentage points in June 2023 (**Chart 2b**). The easing of food prices was supported by increased food supply arising from favorable weather conditions; continued Government interventions through subsidized fertilizer; and the general easing of international food prices.

RECENT ECONOMIC DEVELOPMENTS

Prices of most vegetable food items increased in the month of June 2024 compared to the same period in 2023 while that of non-vegetable food items declined during the same period.

13. Fuel inflation declined to contribute 1.2 percentage points to the overall year-on-year inflation in June 2024 from a contribution of 2.2 percentage points in June 2023. The decline largely reflects the impact of the Kenya Shilling's appreciation which resulted in a decrease in electricity price. The contribution of core (non-food non-fuel) inflation to the overall year-on-year inflation has been low and stable. This is consistent with the muted demand pressures in the economy that is supported by prudent monetary policy.

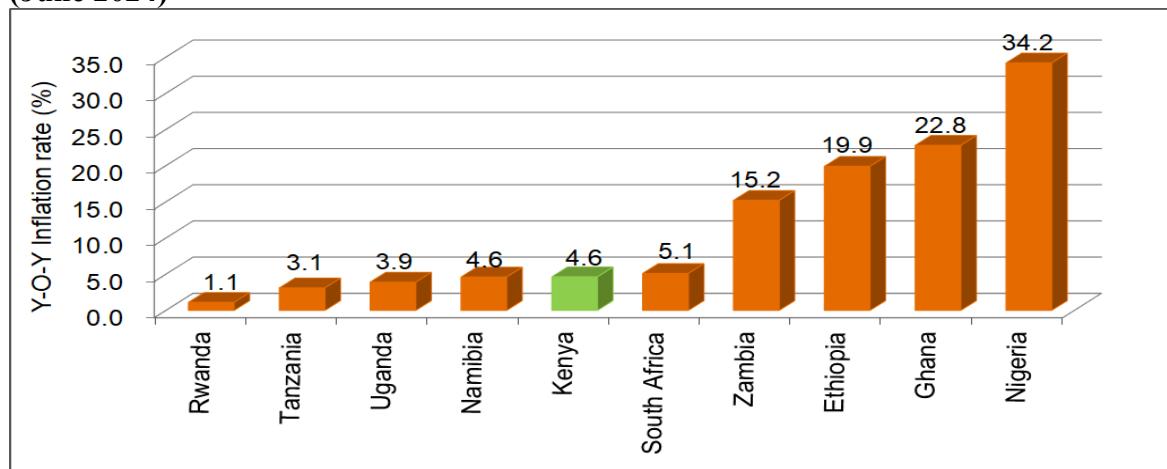
Chart 2b: Contribution to the Overall Year-on-Year Inflation



Source of Data: Kenya National Bureau of Statistics

14. Inflation rate remains high in most Sub-Saharan African economies fueled by rising energy prices; weakening currencies; and natural disasters. Kenya's inflation rate at 4.6 percent in June 2024 is much lower than that of majority of the countries in the Sub-Saharan African region that had double digits' inflation (Chart 2c).

Chart 2c: Year on Year Inflation Rates of selected Sub-Saharan African Countries (June 2024)



Source of Data: National Central Banks

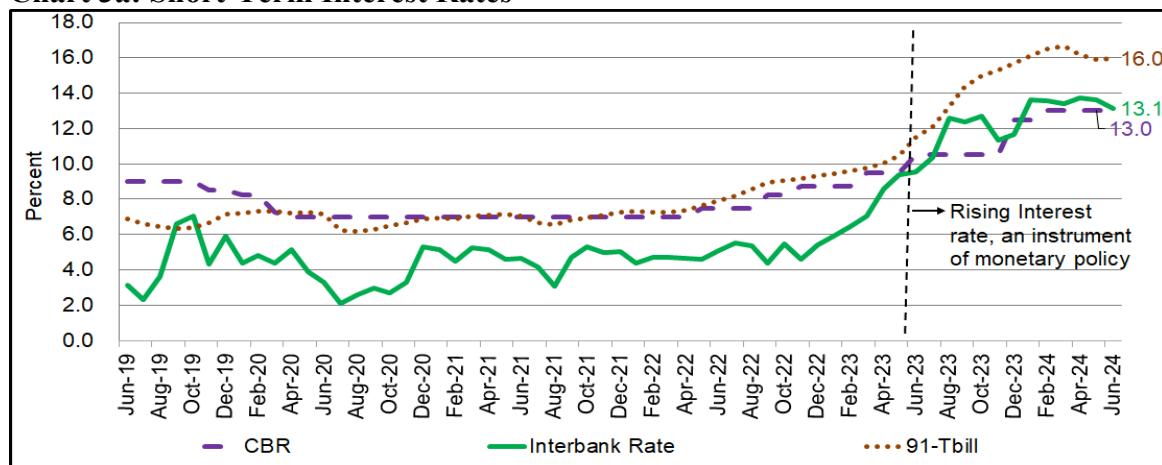
RECENT ECONOMIC DEVELOPMENTS

1.3 Interest Rates

15. Tight monetary policy to stabilize inflation has led to rising interest rates. To anchor inflation expectations, the Central Bank of Kenya, through the Monetary Policy Committee, tightened monetary policy by raising the Central Bank Rate (CBR) to 13.0 percent in February 2024, and retaining the same rate in June 2024, from 10.5 percent in June 2023(**Chart 3a**). The interbank rate increased to 13.1 percent in June 2024 compared to 9.6 percent in June 2023 and has remained within the prescribed corridor around the CBR (set at CBR± 250 basis points).

16. The 91-day Treasury Bills rate increased to 16.0 percent in June 2024 compared to 11.5 percent in June 2023 while the 182-day Treasury Bills rate also increased to 16.7 percent from 11.5 percent over the same period. This has increased the cost of borrowing by Government from the domestic market.

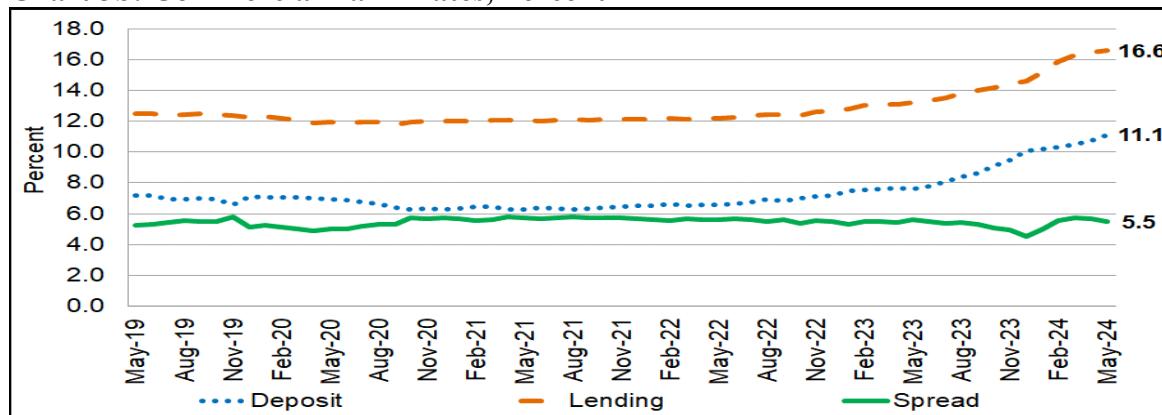
Chart 3a: Short-Term Interest Rates



Source of Data: Central Bank of Kenya

17. Commercial banks average lending and deposit rates increased in the year to May 2024 in tandem with the tightening of the monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 16.6 percent in May 2024 from 13.2 percent in May 2023 while the average deposit rate increased to 11.1 percent from 7.6 percent over the same period. Consequently, the average interest rate spread decreased to 5.5 percent in May 2024 from 5.6 percent in May 2023 (**Chart 3b**).

Chart 3b: Commercial Bank Rates, Percent



Source of Data: Central Bank of Kenya

RECENT ECONOMIC DEVELOPMENTS

1.4 Money and Credit

18. Broad money supply, M3, grew by 6.0 percent in the year to June 2024 compared to a growth of 13.4 percent in the year to June 2023 (**Table 2**). The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system. The NFA of the banking system in the year to June 2024 expanded by 53.2 percent compared to a growth of 29.5 percent in the year to June 2023. The increase in Net Foreign Assets, mainly reflected an increase in commercial banks' Foreign Assets.

19. Net Domestic Assets (NDA) contracted by 0.2 percent in the year to June 2024, compared to a growth of 11.5 percent over a similar period in 2023. The slowdown in growth of the NDA reflects a decline in growth of the domestic credit to both the Government and the private sector. The domestic credit extended by the banking system to the Government decreased to a growth of 7.9 percent in the year to June 2024 compared to a growth of 13.0 percent in the year to June 2023. Lending to other public sectors grew by 1.5 percent compared to a contraction of 0.5 percent over the same period.

Table 2: Money and Credit Developments (12 Months to June 2024 KSh. Billion)

				Change		Percent Change	
	2022 June	2023 June	2024 June	2022-2023 June	2023-2024 June	2022-2023 June	2023-2024 June
COMPONENTS OF M3							
1. Money supply, M1 (1.1+1.2+1.3)	1,906.8	2,098.2	2,023.8	191.4	(74.4)	10.0	(3.5)
1.1 currency outside banks (M0)	251.4	257.9	274.2	6.5	16.3	2.6	6.3
1.2 Demand deposits	1,552.0	1,680.7	1,572.9	128.7	(107.8)	8.3	(6.4)
1.3 Other deposits at CBK	103.5	159.6	176.8	56.2	17.2	54.3	10.7
2. Money supply, M2 (1+2.1)	3,551.5	3,852.2	4,001.8	300.7	149.6	8.5	3.9
2.1 Time and savings deposits	1,644.7	1,754.0	1,978.0	109.3	224.0	6.645	12.8
Money supply, M3 (2+3.1)	4,443.0	5,037.4	5,341.5	594.4	304.1	13.4	6.0
3.1 Foreign currency deposits	891.5	1,185.2	1,339.7	293.7	154.5	32.9	13.0
SOURCES OF M3							
1. Net foreign assets (1.1+1.2)	456.8	591.5	905.9	134.6	314.4	29.5	53.2
1.1 Central Bank	641.5	616.9	479.2	(24.6)	(137.7)	(3.8)	(22.3)
1.2 Banking Institutions	(184.7)	(25.4)	426.7	159.3	452.1	86.2	1,780.1
2. Net domestic assets (2.1+2.2)	3,986.2	4,445.9	4,435.6	459.7	(10.3)	11.5	(0.2)
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	5,185.8	5,820.2	6,130.3	634.4	310.1	12.2	5.3
2.1.1 Government (net)	1,844.8	2,083.9	2,247.8	239.2	163.9	13.0	7.9
2.1.2 Other public sector	84.1	83.7	84.9	(0.4)	1.3	(0.5)	1.5
2.1.3 Private sector	3,256.9	3,652.6	3,797.5	395.7	144.9	12.2	4.0
2.2 Other assets net	(1,199.6)	(1,374.3)	(1,694.7)	(174.7)	(320.4)	(14.6)	(23.3)

Source of Data: Central Bank of Kenya

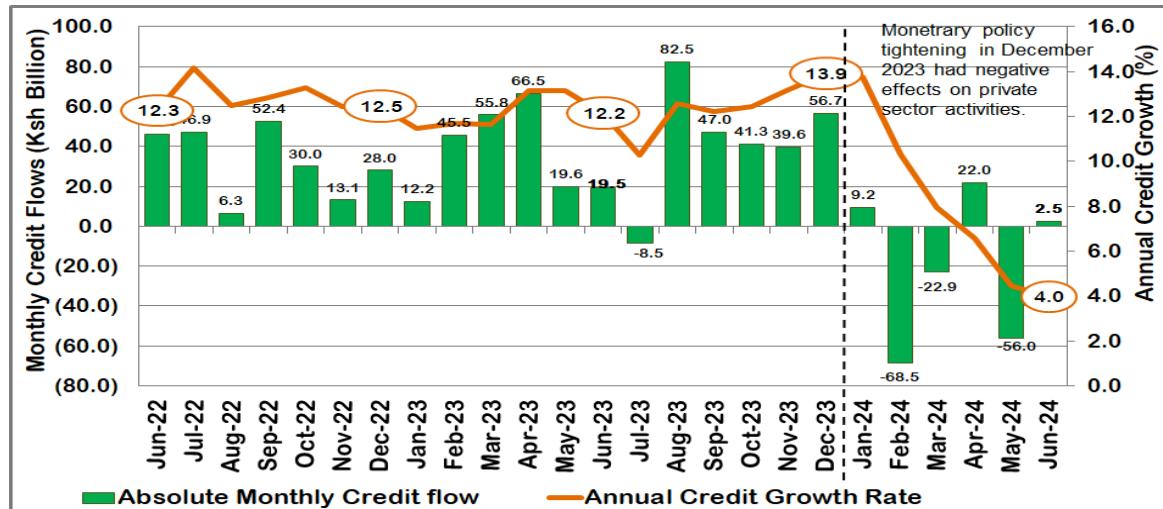
20. Growth in private sector credit from the banking system declined to 4.0 percent in the year to June 2024 compared to a growth of 12.2 percent in the year to June 2023, reflecting the impact of exchange rate appreciation on foreign currency denominated loans and monetary policy tightening. Reduced credit growth was observed in manufacturing, trade (exports) and building and construction. These are some of the sectors with significant foreign currency denominated loans

21. The Monthly (month on month) credit flows to the private sector has slowed down since December 2023. This is because the consequences of fighting supply driven inflation is that it has negative effects on economic vibrancy in the short term (**Chart 4**). Growth in private sector credit is expected to remain moderate in the near term consistent with a tight

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monetary policy stance. Sustained demand particularly for working capital due to resilient economic activity, and the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs will continue to support private sector credit uptake.

Chart 4: Private Sector Credit



Source of Data: Central Bank of Kenya

1.5 Balance of Payments

22 The overall balance of payments position slowed down to a surplus of US\$. 657.6 million (0.5 percent of GDP) in June 2024 from a surplus of US\$. 1,096.5 million (1.0 percent of GDP) in June 2023. This was mainly due to a decline in the financial account in spite of an improvement in the current and capital accounts (**Table 3**).

Table 3: Balance of Payments (US\$ Million)

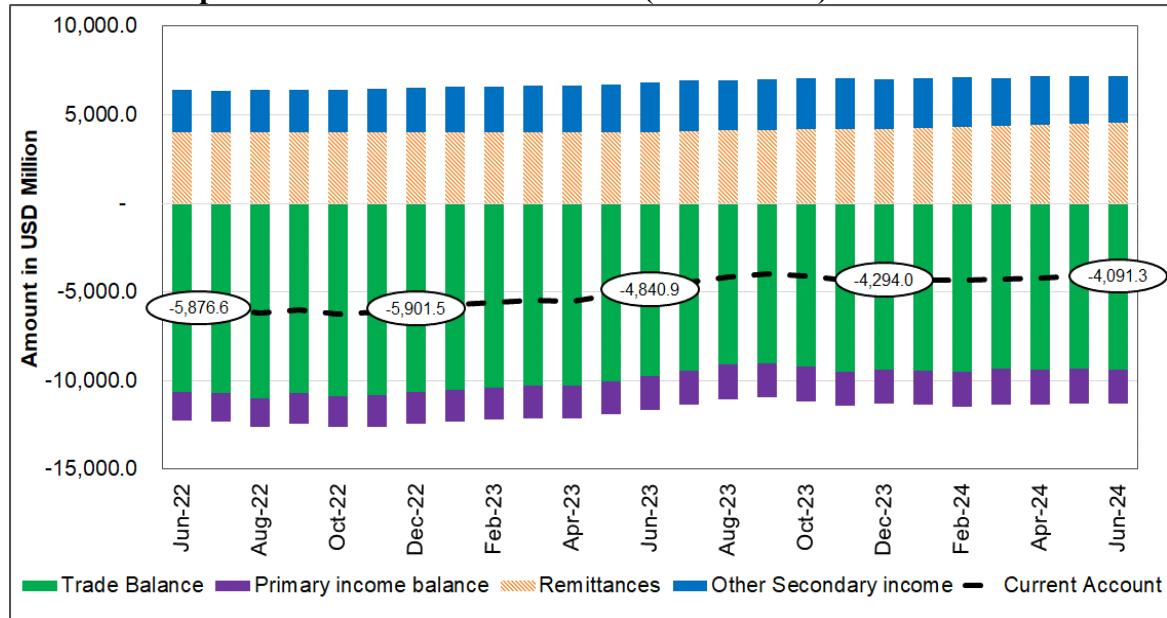
	Jun-22	Jun-23	Jun-24	Change	Year to June 2024		Actuals as a Percent of GDP	
					Percent Change	Jun-23	Jun-24	
Overall Balance	1,542.9	1,096.5	657.6	(438.8)	(40.0)	1.0	0.5	
A) Current Account	(5,876.6)	(4,840.9)	(4,091.3)	749.6	15.5	(4.5)	(3.2)	
Merchandise Account (a-b)	(12,144.0)	(10,849.0)	(9,887.8)	961.1	8.9	(10.1)	(7.7)	
a) Goods: exports	7,153.6	7,295.2	7,660.3	365.1	5.0	6.8	6.0	
b) Goods: imports	19,297.5	18,144.2	17,548.1	(596.1)	(3.3)	16.9	13.7	
Net Services (c-d)	1,482.8	1,089.7	516.3	(573.5)	(52.6)	1.0	0.4	
c) Services: credit	6,136.7	6,452.2	5,050.4	(1,401.8)	(21.7)	6.0	3.9	
d) Services: debit	4,653.9	5,362.5	4,534.1	(828.3)	(15.4)	5.0	3.5	
Net Primary Income (e-f)	(1,605.0)	(1,880.6)	(1,908.4)	(27.8)	(1.5)	(1.7)	(1.5)	
e) Primary income: credit	163.1	164.3	240.6	76.3	46.4	0.2	0.2	
f) Primary income: debit	1,768.1	2,044.8	2,148.9	104.1	5.1	1.9	1.7	
Net Secondary Income	6,389.7	6,798.9	7,188.7	389.8	5.7	6.3	5.6	
g) Secondary income: credit	6,512.4	6,883.3	7,250.8	367.5	5.3	6.4	5.6	
h) Secondary income: debit	122.8	84.4	62.1	(22.3)	(26.4)	0.1	0.0	
B) Capital Account	160.7	125.8	138.5	12.8	10.2	0.1	0.1	
C) Financial Account	(4,394.7)	(3,420.4)	(2,817.1)	603.3	17.6	(3.2)	(2.2)	

Source of Data: Central Bank of Kenya

RECENT ECONOMIC DEVELOPMENTS

22. The current account deficit improved to US\$. 4,091.3 million (3.2 percent of GDP) in June 2024 compared to US\$ 4,840.9 million (4.5 percent of GDP) in June 2023 (**Table 3 and Chart 5**). The current account balance was supported by an improvement in the net merchandise account and the net secondary income balance despite a deterioration in the net primary income balance and the net receipts on the services account.

Chart 5: Composition of the Current Account (US\$ Million)



Source of Data: Central Bank of Kenya

23. The balance in the merchandise account improved by US\$. 961.1 million to a deficit of US\$. 9,887.8 million in June 2024 mainly due to an increase in exports and a decline in the import bill (**Table 3**). Goods imports declined by 3.3 percent in the 12 months to June 2024, reflecting lower imports across all categories, except machinery and transport equipment. On the other hand, in the year to June 2024, goods exports increased by 5.0 percent in the 12 months to June 2024, reflecting increased exports of agricultural commodities and re-exports.

24. Net receipts on the services account declined by US\$. 573.5 million to US\$. 516.3 million in June 2024 compared to similar period in 2023. This was mainly on account of a decline in receipts from transport in spite of an increase in receipts from tourism as international travel continued to improve. Net Secondary income remained resilient and increased by US\$. 389.8 million during the review period owing to an increase in remittances which amounted to US\$. 4,536 million in the 12 months to June 2024, and were 12.9 percent higher compared to a similar period in 2023. However, the balance on the primary account widened by US\$. 27.8 million to a deficit of US\$. 1,908.4 million in the year to June 2024, compared to the same period last year, reflecting higher interest related payments on other investments.

25. The capital account balance improved by US\$. 12.8 million to register a surplus of US\$ 138.5 million in June 2024 compared to a surplus of US\$. 125.8 million in the same period in 2023. Net financial inflows declined to US\$. 2,817.1 million in June 2024 compared to US\$. 3,420.4 million in June 2023 reflecting a slowdown in inflows to the government and other sectors. The net financial inflows were mainly in the form of other investments and direct investments. However, portfolio investments and financial derivatives registered a net outflow during the period.

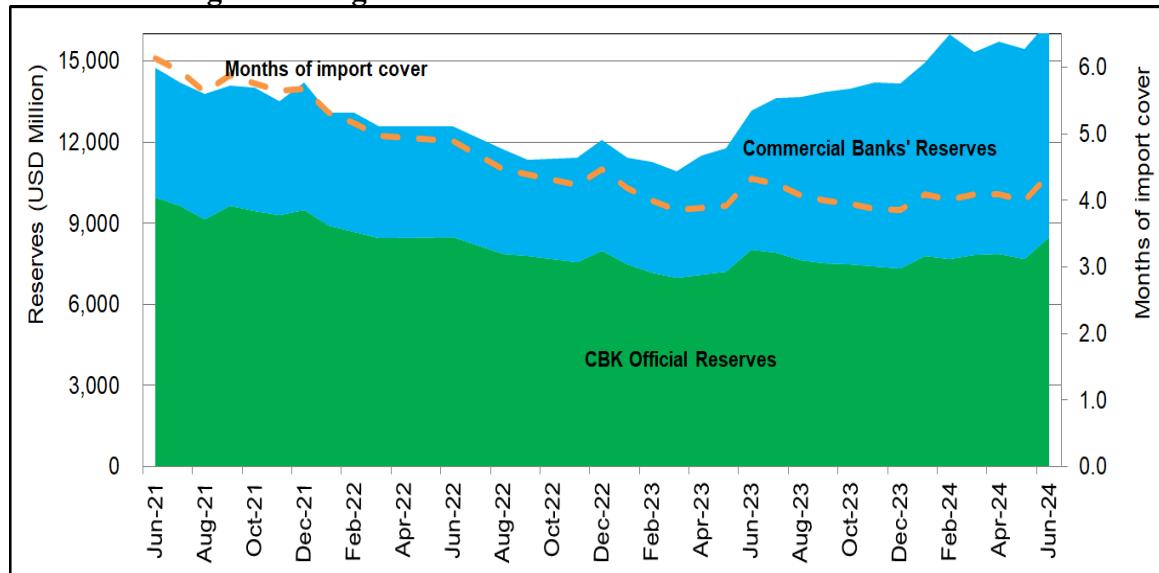
RECENT ECONOMIC DEVELOPMENTS

1.6 Foreign Exchange Reserves

26. The banking system's foreign exchange holdings remained strong at US\$. 16,438.0 million in June 2024, an improvement from US\$. 13,165.6 million in June 2023. The official foreign exchange reserves held by the Central Bank stood at US\$. 8,462.7 million compared to US\$ 8,036.7 million over the same period in 2023 (**Chart 6**). Commercial banks' holdings increased to US\$. 7,975.3 million in June 2024 from US\$. 5,128.8 million in June 2023.

27. The official reserves held by the Central Bank in June 2024 represented 4.6 months of import cover as compared to the 4.1 months of import cover in June 2023. These reserves continue to provide adequate cover and buffer against any short-term shocks in the foreign exchange market.

Chart 6: Foreign Exchange Reserves to June 2024



Source of Data: Central Bank of Kenya

1.7 Exchange Rates

28. The Kenya Shilling exchange rate has stabilized against major international currencies. In June 2024, the exchange rate against the US dollar averaged at KSh. 129.4 compared to an average of KSh. 160.8 in January 2024, an appreciation of 19.0 percent. Against the Euro, the Kenya shilling also strengthened by 20.1 percent to exchange at an average of KSh. 139.3 in June 2024 compared to an average of KSh 174.3 in January 2024 while against the Sterling Pound the Kenyan Shilling strengthened by 18.9 percent to exchange at an average of KSh. 164.5 compared to an average KSh. 202.9, over the same period (**Chart 7a**).

29. Through the repayment of the 2024 Eurobond, the Government successfully removed the investor uncertainty and market perception improved significantly. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates.

RECENT ECONOMIC DEVELOPMENTS

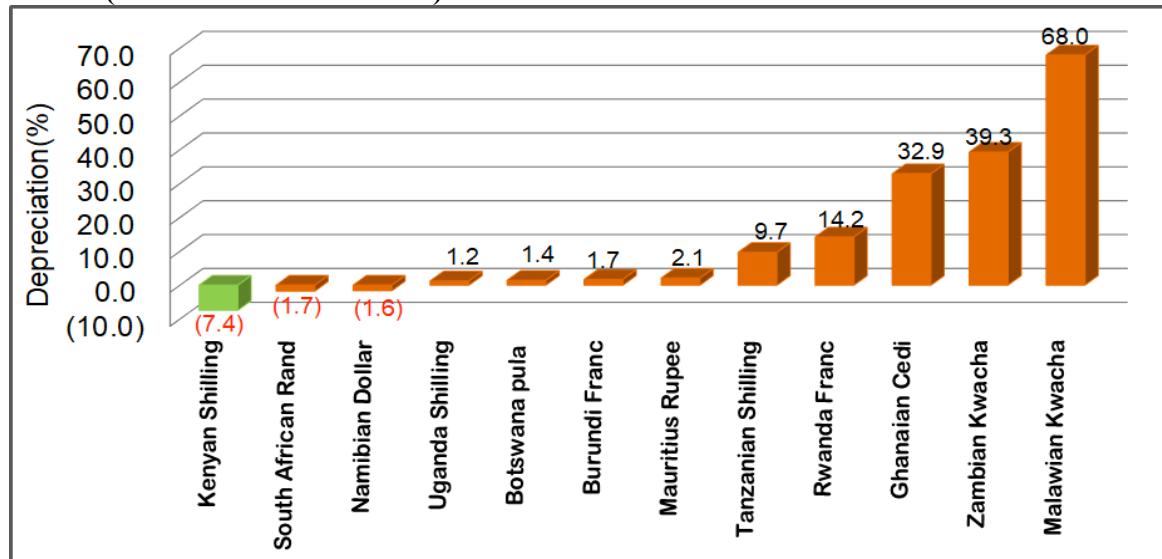
Chart 7a: Kenya Shilling Exchange Rate



Source of Data: Central Bank of Kenya

30. In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low amid high demand for the US dollar in the international markets. The Kenya Shilling strengthened against the US Dollar at a rate of 7.4 percent in the 12 months to June 2024 compared to depreciations of 19.1 percent in the 12 months to June 2023 (**Chart 7b**). The stability of the Kenyan Shilling was supported by resilient remittances, adequate foreign exchange reserves and strong exports receipts. Majority of other Sub-Saharan Africa Currencies depreciated during the same period, particularly: Rwanda Franc, Ghanaian Cedi, Zambian Kwacha and Malawian Kwacha had double-digit depreciation rates.

Chart 7b: Performance of Selected Sub-Saharan Countries Currencies against the US Dollar (June 2023 to June 2024)



Source of Data: National Central Banks

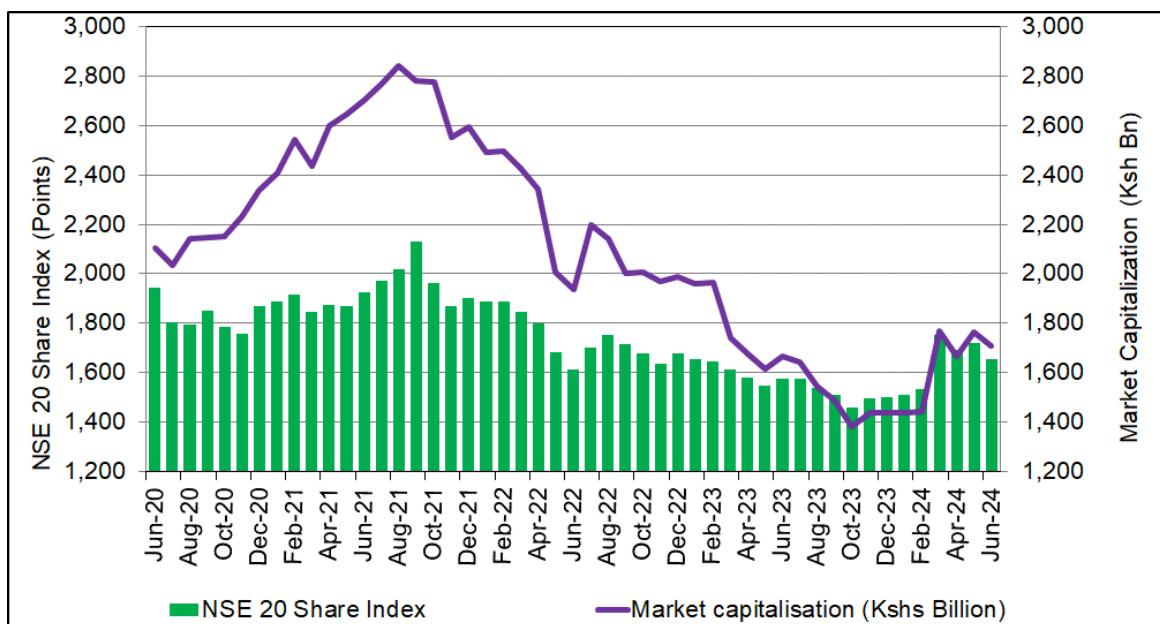
1.8 Capital Markets

31. Economic recovery, appreciation of the Kenya Shilling against major international currencies and macroeconomic stability have created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. The NSE 20 Share Index improved to 1,657 points in June 2024 compared to 1,575 points in June

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2023 while Market capitalization also improved to KSh. 1,711 billion from KSh. 1,666 billion over the same period (**Chart 8**).

Chart 8: Performance at the NSE to end June 2024.



Source of Data: Nairobi Securities Exchange

FISCAL DEVELOPMENTS

2.0 FISCAL DEVELOPMENTS

2.1 Revenue

32. Total revenue collection by the end of June 2024, amounted to KSh. 2,702.7 billion against a target of KSh. 2,907.5 billion (**Table 4**). The revenue was below target by KSh. 204.9 billion on account of shortfalls recorded in both ordinary revenue and ministerial A-I-A. Total revenue inclusive of the ministerial A-I-A grew by 14.5 percent, an increase from a growth of 7.3 percent recorded in June 2023. Ordinary revenue collection was KSh. 2,288.9 billion against a target of KSh. 2,461 billion, KSh.172.1 billion below the target (**Chart 9**).

33. The ministerial A-I-A collected was below target by KSh. 32.8 billion during the period under review. The underperformance of A-I-A was mainly due to underreporting of SAGAs' A.I.A through the Ministerial expenditure returns for the period under review. The Railway Development Levy collection amounted to KSh. 32 billion against a target of KSh. 35 billion. The revenue data in Government Finance Statistics Manual 2014 (GFSM 2014) format is shown in annex II.

Table 4: Government Revenue and External Grants, Period Ending 30th June, 2024 (KSh. Millions)

	2022/2023 Actual	2023/2024		Deviation KSh.	% Growth
		Actual*	Target		
Total Revenue (a+b)	2,360,510	2,702,662	2,907,515	(204,854)	14.5
(a) Ordinary Revenue	2,041,119	2,288,921	2,461,020	(172,099)	12.1
Import Duty	130,123	133,929	142,373	(8,444)	2.9
Excise Duty	264,509	276,722	290,083	(13,361)	4.6
PAYE	494,904	554,653	580,479	(25,825)	12.1
Other Income Tax	446,671	488,103	520,876	(32,773)	9.3
VAT Local	272,729	313,367	307,823	5,544	14.9
VAT Imports	277,710	332,122	346,965	(14,843)	19.6
Investment Revenue	41,301	80,716	80,439	278	95.4
Traffic Revenue	4,366	4,352	5,334	(982)	(0.3)
Taxes on Intl. Trade & Trans.(IDF Fee)	55,966	47,915	49,578	(1,664)	(14.4)
Others ¹	52,839	57,043	137,070	(80,027)	8.0
(b) Appropriation In Aid²	319,391	413,740	446,495	(32,754)	29.5
o/w Railway Development Levy	39,899	32,024	35,010	(2,986)	(19.7)
(c) External Grants	23,083	22,037	38,492	(16,455)	(4.5)
Total Revenue and External Grants	2,383,593	2,724,699	2,946,007	(221,308)	14.3
Total Revenue and External Grants as a percentage of GDP	16.4	16.9	18.3		

1/ includes rent on land/buildings, fines and forfeitures, other taxes, loan interest receipts reimbursements and other fund contributions, fees, and miscellaneous revenue.

2/ includes receipts from Road Maintenance Levy Fund and A-I-A from Universities

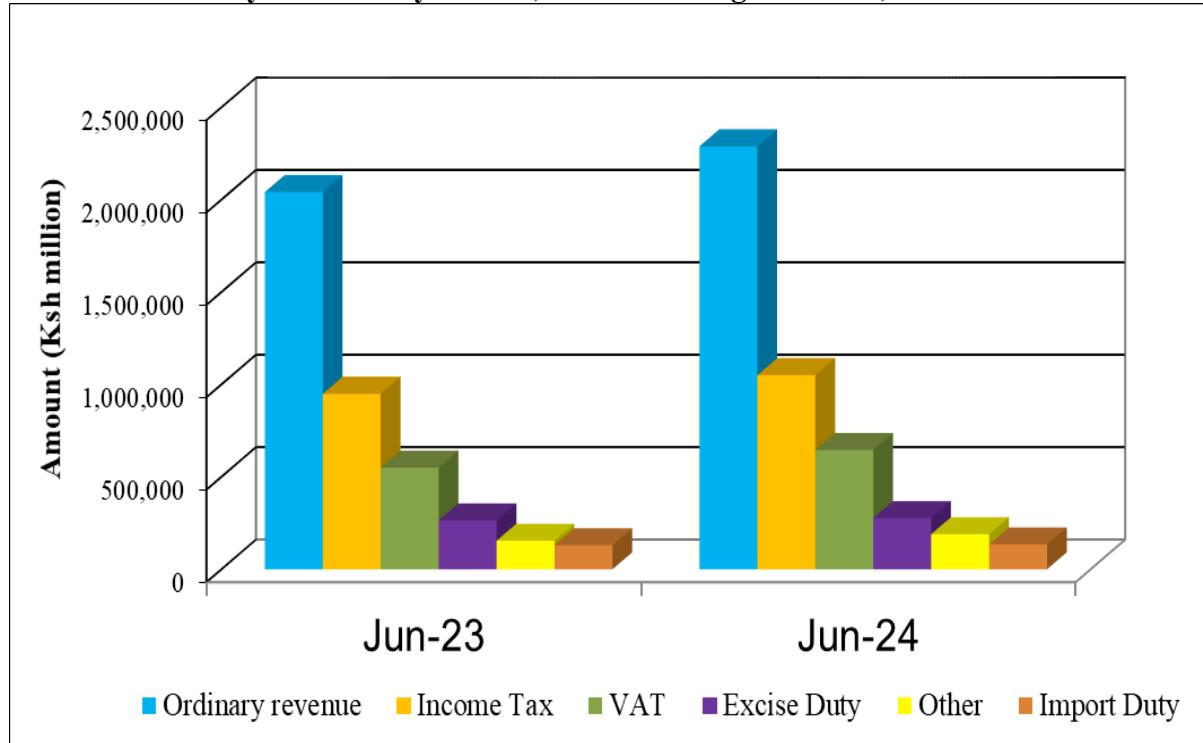
*Provisional

Source of Data: National Treasury

FISCAL DEVELOPMENTS

34. As a proportion of GDP, the total revenue and grants in the period under review was 16.9 percent compared to 16.4 percent in the corresponding period in the FY 2022/23. Total grants amounted to KSh. 22.0 billion against a target of KSh. 38.5 billion, which was an under performance by KSh. 16.5 billion.

Chart 9: Ordinary Revenue by Source, Period Ending 30th June, 2024



Source of Data: National Treasury

2.2 Expenditure

35. The total expenditure and net lending for the period under review amounted to KSh. 3,655.6 billion, against a target of KSh. 3,871.0 billion. The resultant under expenditure of KSh. 215.5 billion is attributed to lower absorption recorded in recurrent and development expenditures by the National Government and below target equitable share transfers to the County Governments. Recurrent expenditure for National Government amounted to KSh. 2,644.2 billion (excluding KSh. 57.9 billion for Parliament and Judiciary) against a target of KSh. 2,716.9 billion leading to a below target expenditure of KSh. 72.7 billion. The below target expenditure in recurrent category is mainly attributed to below target expenditure on Operation and Maintenance (O&M) and pension payments (**Table 5 and Chart 10**).

FISCAL DEVELOPMENTS

Table 5: Expenditure and Net Lending, Period Ending 30th June, 2024 (KSh. Millions)

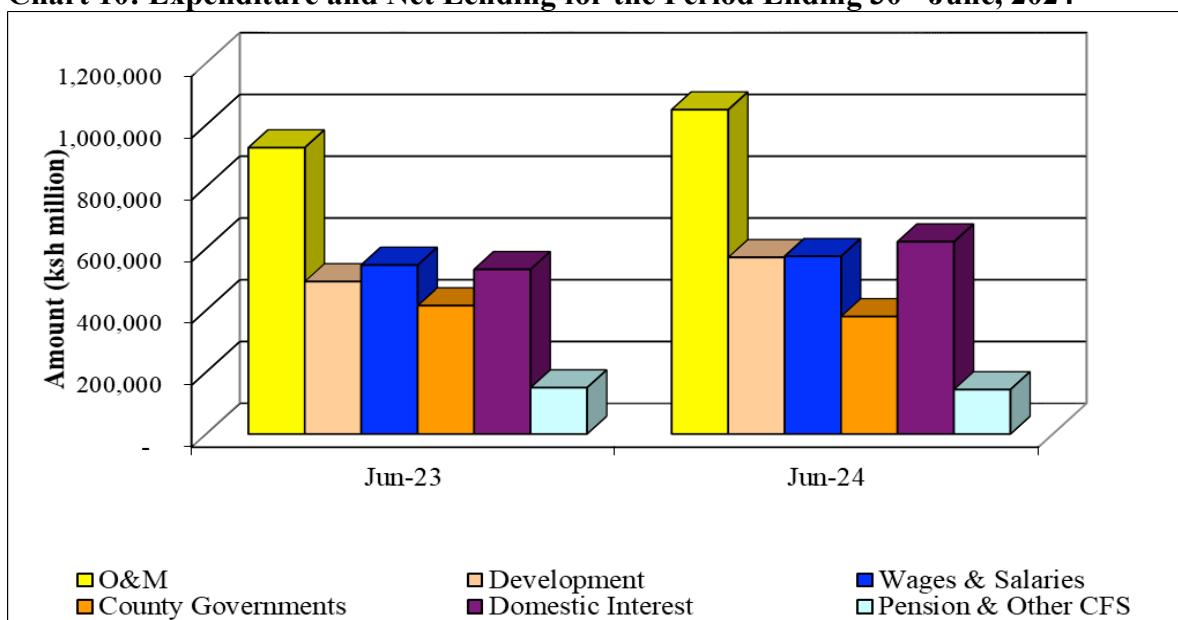
	2022/2023 Actual	2023/2024		Deviation	% Growth
		Actual*	Targets		
1. RECURRENT	2,250,621	2,644,217	2,716,883	(72,666)	17.5
Domestic Interest	533,098	622,544	629,367	(6,823)	16.8
Foreign Interest	154,223	218,188	224,302	(6,114)	41.5
Pensions & Other CFS	120,425	143,940	158,596	(14,656)	19.5
Contribution to Civil Servants' Pension	29,573	34,172	33,055	1,117	15.6
Wages and Salaries	547,157	575,269	583,410	(8,141)	5.1
Operation and Maintenance	866,145	1,050,104	1,088,152	(38,048)	21.2
O/W: Appropriation-in-Aid	197,524	286,896	296,473	(9,577)	45.2
2. DEVELOPMENT	493,663	571,855	659,226	(87,371)	15.8
Development Projects (Net)	402,110	427,575	509,204	(81,628)	6.3
Payment of Guaranteed Loans	12,327	17,436	-	17,436	41.4
Appropriation-in-Aid	79,226	126,844	150,022	(23,178)	60.1
3. County Governments	415,774	380,388	423,879	(43,491)	(8.5)
4. Parliamentary Service	41,187	37,257	38,730	(1,473)	(9.5)
5. Judicial Service	19,755	20,633	21,027	(394)	4.4
6. Equalization Fund	-	-	10,077	(10,077)	-
7. CF	-	1,200	1,200	-	-
TOTAL EXPENDITURE	3,221,001	3,655,550	3,871,022	(215,472)	13.5 *P

rovisional

Source of Data: National Treasury

36. Interest payments amounted to KSh. 840.7 billion, higher than the KSh. 687.3 billion paid over the same period in the FY 2022/23. The domestic interest payments totalled to KSh. 622.5 billion, while foreign interest payment amounted to KSh. 218.2 billion in FY 2023/24. The expenditure data in GFSM 2014 format is shown in annexes III and IV.

Chart 10: Expenditure and Net Lending for the Period Ending 30th June, 2024



Source of Data: National Treasury

2.2.1 National Government Expenditures by Public Agencies

37. The total ministerial and other public agencies expenditure including A.I.A was KSh. 2,033.5 billion against a target of KSh. 2,437.6 billion. Recurrent expenditure was KSh. 1,493.1 billion against a target of KSh. 1,731.4 billion, while development expenditure amounted to KSh. 540.4 billion against a target of KSh. 708.8 billion. The percentage of total expenditures to the target was 83.4 percent while the percentage of total expenditures to the target for recurrent and development were 86.2 percent and 76.2 percent respectively, as at the end of the period under review. The discrepancy between actual and target expenditures is partly due to the non-capture of the parastatals and some other government entities expenditures. These ministerial expenditures are therefore, provisional.

38. As at the period ending 30th June, 2024, recurrent expenditures by the State Department for Basic Education, Higher Education and Research; Teachers Service Commission; Vocational and Technical Training; Public Health and Professional Standards; labour and Skills Development; correctional service; Youth Affairs and Arts; and Sports; Social Protection and Senior Citizens; Immigration and Citizen Services and Medical Services (Social Sector) accounted for 47.9 percent of total recurrent expenditure. In addition, the security sector accounted for 13.8 percent of total recurrent expenditure.

39. Analysis of development outlay indicates that the State Department for Roads accounted for the largest share of the total development expenditure (16.2 percent), followed by the State Department for Economic Planning (8.5 percent) and the State Department for Transport (7.8 percent). The expenditures by large Ministries/State Departments were below target because of under reporting of expenditure from the sub-national, parastatals and some donor funded projects. **Table 6** shows the recurrent and development expenditures by Ministries, State Departments and other government entities for the period under review.

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Table 6: National Government Expenditures by Public Agencies, Period Ending 30th June, 2024 (KSh. Millions)

MINISTRY/DEPARTMENT/COMMISSIONS	Jun-24									% of Total Exp. To	
	Recurrent			Development			Total				
	Actual*	Target	Variance	Actual*	Target	Variance	Actual*	Target	Variance		
1011 Executive Office of the President	4,011	4,524	(513)	687	697	(10)	4,698	5,221	(523)	90.0	
1012 Office of the Deputy President	4,364	4,361	3	377	400	(23)	4,741	4,762	(20)	99.6	
1013 Office of the Prime Cabinet Secretary	1,271	1,417	(146)			-	1,271	1,417	(146)	89.7	
1014 State Department for Parliamentary Affairs	361	388	(27)			-	361	388	(27)	93.1	
1015 State Department for Performance and Delivery	319	338	(20)			-	319	338	(20)	94.2	
1016 State Department for Cabinet Affairs	493	522	(29)			-	493	522	(29)	94.5	
1017 State House	9,810	10,029	(219)	1,313	1,310	3	11,123	11,339	(216)	98.1	
1023 State Department for Correctional Services	29,602	34,575	(4,973)	451	795	(344)	30,053	35,370	(5,317)	85.0	
1024 State Department for Immigration and Citizen Services	9,657	9,819	(161)	4,168	4,387	(219)	13,825	14,206	(381)	97.3	
1025 National Police Service	108,987	111,001	(2,014)	2,273	2,292	(19)	111,260	113,293	(2,033)	98.2	
1026 State Department for Internal Security & National Devolution	30,534	33,750	(3,216)	6,528	7,479	(951)	37,062	41,229	(4,167)	89.9	
1032 State Department for Devolution	2,176	2,174	2	105	204	(99)	2,282	2,378	(96)	95.9	
1036 State Department for the ASALS and Regional Dev.	19,266	19,846	(579)	4,558	9,600	(5,042)	23,824	29,446	(5,621)	80.9	
1041 Ministry of Defence	152,885	155,831	(2,946)	2,276	3,254	(978)	155,162	159,085	(3,923)	97.5	
1053 State Department for Foreign Affairs	16,139	22,064	(5,924)	329	1,171	(842)	16,468	23,235	(6,766)	70.9	
1054 State Department for Diaspora Affairs	1,107	1,188	(81)			-	1,107	1,188	(81)	93.2	
1064 State Department for Vocational and Technical Education	25,224	26,602	(1,378)	6,540	7,005	(465)	31,764	33,607	(1,843)	94.5	
1065 State Department for Higher Education and Research	90,986	155,944	(64,958)	3,428	3,743	(315)	94,415	159,687	(65,273)	59.1	
1066 State Department for Basic Education	121,569	134,727	(13,158)	18,807	20,631	(1,824)	140,376	155,358	(14,982)	90.4	
1071 The National Treasury	66,058	75,337	(9,280)	36,539	56,654	(20,114)	102,597	131,991	(29,394)	77.7	
1072 State Department for Economic Planning	4,170	4,390	(219)	45,801	59,715	(13,914)	49,971	64,105	(14,133)	78.0	
1082 State Department for Medical Services	44,619	66,214	(21,595)	39,116	39,435	(319)	83,735	105,650	(21,914)	79.3	
1083 State Department for Public Health and Professional Development	15,168	22,612	(7,445)	6,007	6,502	(495)	21,175	29,114	(7,939)	72.7	
1091 State Department for Roads	59,311	70,307	(10,996)	87,360	107,753	(20,392)	146,671	178,060	(31,389)	82.4	
1092 State Department for Transport	3,283	16,473	(13,190)	41,993	43,250	(1,257)	45,275	59,722	(14,447)	75.8	
1093 State Department for Shipping and Maritime Affairs	625	2,472	(1,847)	207	750	(543)	832	3,222	(2,390)	25.8	
1094 State Department for Housing & Urban Development	1,359	1,368	(9)	27,888	76,816	(48,927)	29,247	78,183	(48,936)	37.4	
1095 State Department for Public Works	2,419	3,382	(962)	422	829	(407)	2,841	4,211	(1,370)	67.5	
1104 State Department for Irrigation	1,153	1,554	(400)	18,248	20,604	(2,356)	19,402	22,158	(2,756)	87.6	
1109 State Department for Water & Sanitation	3,394	6,816	(3,421)	37,155	44,683	(7,528)	40,549	51,499	(10,950)	78.7	
1112 State Department for Lands and Physical Planning	3,589	4,000	(411)	5,141	5,230	(89)	8,730	9,230	(500)	94.6	
1122 State Department for Information Communication Technology & Digital Economy	2,540	3,985	(1,446)	12,030	15,393	(3,363)	14,570	19,379	(4,809)	75.2	
1123 State Department for Broadcasting & Culture	4,969	6,925	(1,956)	489	526	(37)	5,457	7,451	(1,994)	73.2	
1132 State Department for Sports	1,293	1,533	(241)	14,509	16,079	(1,570)	15,801	17,613	(1,811)	89.7	
1134 State Department for Culture and Heritage	2,197	2,632	(435)	111	153	(42)	2,307	2,785	(478)	82.9	
1135 State Department for Youth Affairs and the Arts	3,014	3,128	(114)	790	1,085	(294)	3,804	4,212	(408)	90.3	
1152 State Department for Energy	2,177	9,998	(7,821)	25,662	46,374	(20,713)	27,839	56,372	(28,534)	49.4	
1162 State Department for Livestock Development	3,153	5,935	(2,782)	5,105	5,694	(589)	8,258	11,629	(3,371)	71.0	
1166 State Department for the Blue Economy and Fisheries	2,646	2,821	(175)	7,894	7,936	(42)	10,540	10,757	(217)	98.0	
1169 State Department for Crop Development	12,020	19,816	(7,796)	38,917	42,909	(3,992)	50,937	62,725	(11,788)	81.2	
1173 State Department for Cooperatives	746	1,883	(1,137)	3,433	5,650	(2,216)	4,179	7,553	(3,354)	55.5	
1174 State Department for Trade	1,814	3,503	(1,689)	50	50	-	1,864	3,553	(1,689)	52.5	
1175 State Department for Industry	2,485	3,280	(795)	3,073	5,743	(2,670)	5,558	6,353	(795)	87.5	
1176 State Department for Micro, Small and Medium Enterprises	1,674	2,104	(430)	5,924	5,929	(5)	7,599	8,033	(435)	94.6	
1177 State Department for Investment Promotion	983	1,679	(695)	3,886	5,517	(1,631)	4,869	7,196	(2,327)	67.7	
1184 State Department for Labour and Skills Development	2,195	4,872	(2,677)	630	792	(163)	2,825	5,664	(2,840)	49.9	
1185 State Department for Social Protection and Senior Citizens	32,305	32,741	(436)	2,860	4,092	(1,233)	35,165	36,834	(1,669)	95.5	
1192 State Department for Mining	1,533	1,924	(391)	550	886	(335)	2,083	2,810	(726)	74.1	
1193 State Department for Petroleum	47,653	54,571	(6,918)	2,438	2,363	75	50,091	56,934	(6,843)	88.0	
1202 State Department for Tourism	1,155	12,758	(11,603)	137	142	(5)	1,291	12,900	(11,609)	10.0	
1203 State Department for Wildlife	4,598	13,863	(9,266)	916	1,107	(191)	5,514	14,970	(9,457)	36.8	
1212 State Department for Gender and Affirmative Action	2,058	2,186	(128)	3,428	3,554	(126)	5,485	5,740	(254)	95.6	
1213 State Department for Public Service	22,686	25,293	(2,607)	1,016	1,086	(70)	23,702	26,379	(2,677)	89.9	
1221 State Department for East African Community	961	983	(22)			-	961	983	(22)	97.8	
1252 State Law Office	5,735	6,492	(758)	176	176	0	5,910	6,668	(757)	88.6	
1261 The Judiciary	20,633	21,027	(394)	930	1,400	(470)	21,563	22,427	(864)	96.1	
1271 Ethics and Anti-Corruption Commission	3,775	3,916	(141)	60	68	(9)	3,834	3,984	(150)	96.2	
1281 National Intelligence Service	52,499	52,551	(52)			-	52,499	52,551	(52)	99.9	
1291 Office of the Director of Public Prosecutions	3,855	4,107	(252)	55	56	(1)	3,910	4,163	(253)	93.9	
1311 Office of the Registrar of Political Parties	1,432	1,460	(28)			-	1,432	1,460	(28)	98.1	
1321 Witness Protection Agency	635	791	(156)			-	635	791	(156)	80.3	
1331 State Department for Environment & Climate Change	3,536	4,739	(1,202)	1,919	2,258	(340)	5,455	6,997	(1,542)	78.0	
1332 State Department for Forestry	8,917	10,119	(1,203)	2,951	3,408	(458)	11,867	13,528	(1,660)	87.7	
2011 Kenya National Commission on Human Rights	525	540	(15)			-	525	540	(15)	97.2	
2021 National Land Commission	1,483	1,483	-	271	271	(0)	1,754	1,754	(0)	100.0	
2031 Independent Electoral and Boundaries Commission	4,620	4,699	(79)	70	77	(7)	4,690	4,776	(86)	98.2	
2041 Parliamentary Service Commission	1,020	1,097	(78)			-	1,020	1,097	(78)	92.9	
2042 National Assembly	23,871	24,936	(1,065)			-	23,871	24,936	(1,065)	95.7	
2043 Parliamentary Joint Services	6,232	6,390	(158)	1,563	1,565	(2)	7,795	7,955	(160)	98.0	
2044 Senate	7,153	7,404	(251)			-	7,153	7,404	(251)	96.6	
2051 Judicial Service Commission	896	897	(0)			-	896	897	(0)	100.0	
2061 Commission on Revenue Allocation	487	517	(30)			-	487	517	(30)	94.3	
2071 Public Service Commission	3,390	3,540	(150)	45	45	(0)	3,435	3,586	(150)	95.8	
2081 Salaries and Remuneration Commission	538	549	(11)			-	538	549	(11)	97.9	
2091 Teachers Service Commission	339,782	339,550	232	735	1,202	(467)	340,517	340,752	(235)	99.9	
2101 National Police Service Commission	1,170	1,183	(13)			-	1,170	1,183	(13)	98.9	
2111 Auditor General	7,246	8,049	(803)	39	70	(31)	7,285	8,119	(834)	89.7	
2121 Controller of Budget	670	724	(54)			-	670	724	(54)	92.6	
2131 Commission on Administrative Justice	743	730	13			-	743	730	13	101.8	
2141 National Gender and Equality Commission	440	447	(7)	5	5	-	444	452	(7)	98.4	
2151 Independent Policing Oversight Authority	1,043	1,054	(12)			-	1,043	1,054	(12)	98.9	
Total	1,493,091	1,731,428	(238,337)	540,380	708,849	(168,469)	2,033,471	2,437,607	(404,136)	83.4	

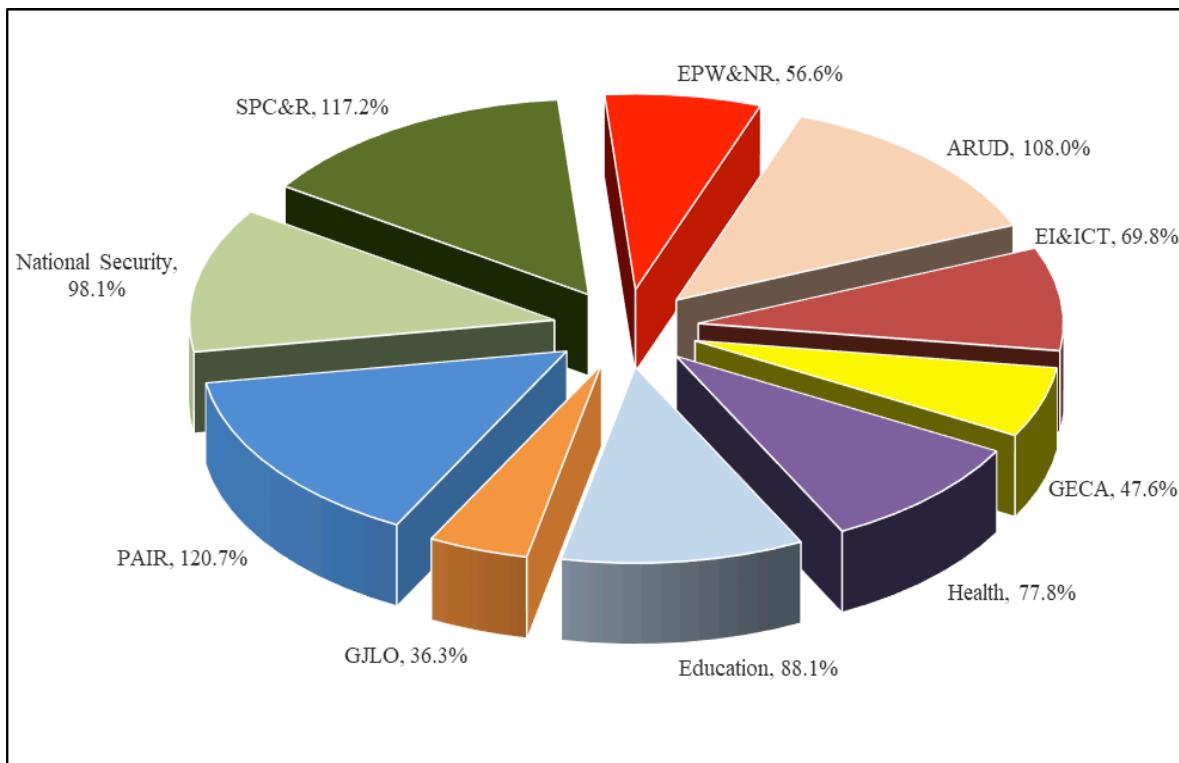
*Provisional

Source of Data: National Treasury

FISCAL DEVELOPMENTS

40. During the period under review, the PAIR Sector recorded the highest absorption of 120.7 percent of its budget, followed by Social Protection at 117.2 percent. Governance, Justice, Law and Order Sector recorded the lowest absorption of 36.3 percent (Chart 11).

Chart 11: Sectoral Budget Absorption as at 30th June, 2024



Source of Data: National Treasury

2.2.2 Pending Bills

41. The total outstanding national government pending bills as at 30th June, 2024 amounted to KSh. 516.3 billion. These comprise of KSh. 379.8 billion (73.6 percent) and KSh. 136.5 billion (26.4 percent) for the State Corporations (SCs) and Ministries/State Departments/other government entities respectively. The SCs pending bills include payment to contractors/projects, suppliers, unremitted statutory and other deductions, pension arrears for Local Authorities Pension Trust, and others. The highest percentage of the SCs pending bills (71.5 percent) belong to Contractor/Development Projects and Suppliers. Ministries/State Departments and other government entities pending bills constitutes mainly of the historical ones.

42. The National Government policy on clearance of pending bills continues to be in force. The National Treasury is currently developing a comprehensive strategy to clear outstanding stock of verified pending bills of the National Government over the medium term. In this strategy, deficiencies and lapses that led to accumulation of pending bills will be addressed. In the FY 2024/25 all MDAs are expected to clear all the expenditure carryovers from FY 2023/24 as a first charge before payment of commitments in the current financial year.

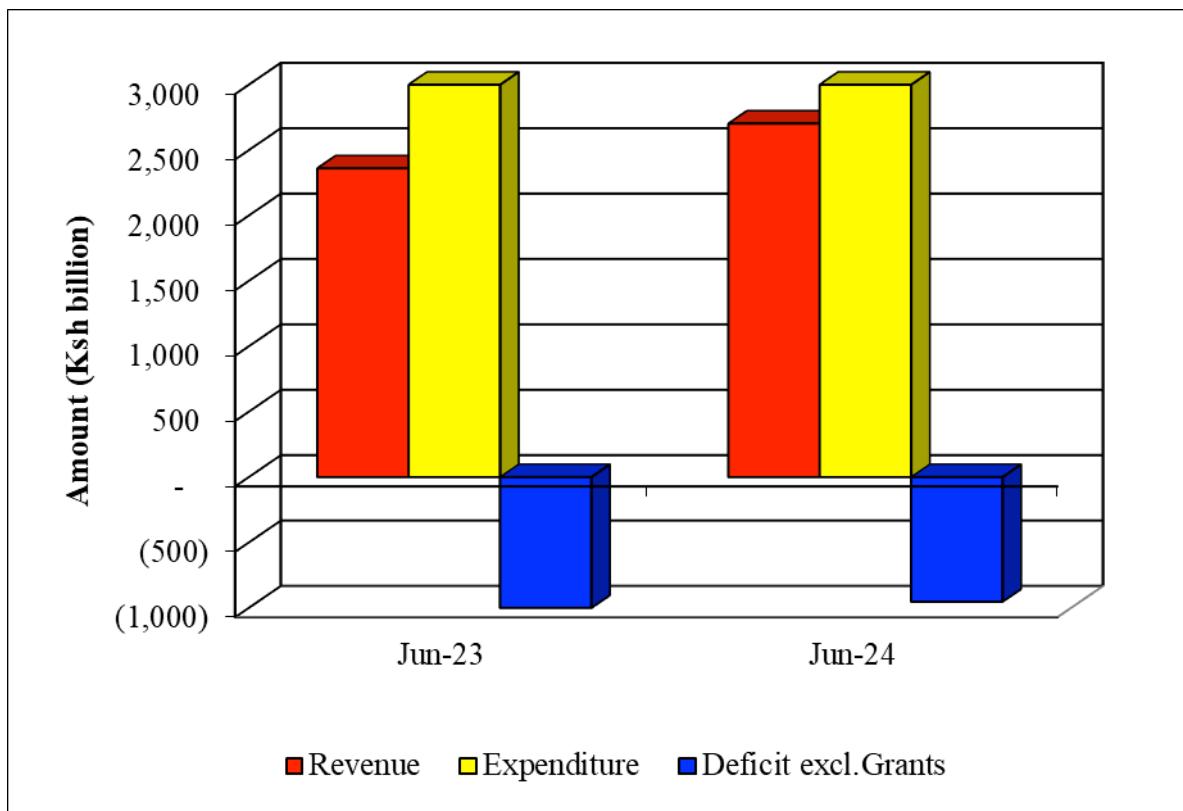
2.2.3 Guaranteed Debt Service

43. The national government paid KSh. 17.43 billion guaranteed debt on behalf of Kenya Airways during FY 2023/24. The payments is composed of KSh. 14.3 billion principal payment and KSh. 3.1 billion interest payment in the period under review.

2.3 Fiscal Outturn

44. In the FY 2023/24, the fiscal balance (on commitment basis and excluding grants) amounted to KSh. 952.9 billion (5.9 percent of GDP) against a targeted deficit of KSh. 963.5 billion (6.0 percent of GDP) (**Chart 12 and Table 8**). The fiscal balance (on a commitment basis and including grants) stood at 5.8 percent of GDP against a target deficit of 5.7 percent of GDP.

Chart 12: Fiscal Balance as at 30th June, 2024



Source of Data: National Treasury

45. Over the same period in FY2022/23, the fiscal deficit including grants (on commitment basis) stood at KSh. 837.4 billion (5.9 percent of GDP). The fiscal outturn in the last six FYs and the original and supplementary budgets in the FY 2023/24 are shown in **Annex I**. Further, GFSM 2014 Compliant Budgetary Central Government fiscal data for the FY 2023/24 are shown in annexes V and VI.

FISCAL DEVELOPMENTS

Table 8: Budget Outturn, Cumulative Ending 30th June, 2024 (KSh. Millions)

	2022/2023	2023/2024			% growth	2023/2024 as a % of GDP		2022/2023 Actual as a % of GDP
	Actual	Actual*	Targets	Deviation		Actual	Targets	
A. TOTAL REVENUE AND GRANTS	2,383,593	2,724,699	2,946,007	(221,308)	14.3	16.9	18.3	16.7
1. Revenue	2,360,510	2,702,662	2,907,515	(204,854)	14.5	16.8	18.0	16.5
Ordinary Revenue	2,041,119	2,288,921	2,461,020	(172,099)	12.1	14.2	15.3	14.3
Import Duty	130,123	133,929	142,373	(8,444)	2.9	0.8	0.9	0.9
Excise Duty	264,509	276,722	290,083	(13,361)	4.6	1.7	1.8	1.9
Income tax	941,576	1,042,756	1,093,645	(50,889)	10.7	6.5	6.8	6.6
VAT	550,440	645,489	654,788	(9,299)	17.3	4.0	4.1	3.9
Investment Revenue	41,301	56,146	80,439	(24,293)	35.9	0.3	0.5	0.3
Others	113,171	133,879	199,692	(65,813)	18.3	0.8	1.2	0.8
Appropriation-in-Aid	319,391	413,740	446,495	(32,754)	29.5	2.6	2.8	2.2
2. Grants	23,083	22,037	38,492	(16,455)	(4.5)	0.1	0.2	0.2
AMISOM Receipts	6,982	86	86.2	-	(98.8)	0.0	0.0	0.0
Revenue	7,524	13,463	19,515	(6,052)	78.9	0.1	0.1	0.1
Appropriation-in-Aid	8,577	8,488	18,891	(10,402)	(1.0)	0.1	0.1	0.1
B. EXPENDITURE AND NET LENDING	3,221,001	3,655,550	3,871,022	(215,472)	13.5	22.7	24.0	22.6
1. Recurrent	2,311,564	2,702,107	2,776,640	(74,534)	16.9	16.8	17.2	16.2
Domestic Interest	533,098	622,544	629,367	(6,823)	16.8	3.9	3.9	3.7
Foreign Interest	154,223	218,188	224,302	(6,114)	41.5	1.4	1.4	1.1
Pension & Other CFS	120,425	143,940	158,596	(14,656)	19.5	0.9	1.0	0.8
Contribution to Civil Servants' Pension	29,573	34,172	33,055	1,117	15.6	0.2	0.2	0.2
Wages and Salaries	547,157	575,269	583,410	(8,141)	5.1	3.6	3.6	3.8
O & M/Others	927,087	1,107,994	1,147,910	(39,916)	19.5	6.9	7.1	6.5
2. Development and Net Lending	493,663	571,855	669,303	(97,448)	15.8	3.5	4.1	3.5
O/W Domestically financed	343,764	402,479	463,207	(60,728)	17.1	2.5	2.9	2.4
Foreign financed	137,572	151,941	196,019	(44,078)	10.4	0.9	1.2	1.0
3. Net Lending	12,327	17,436	0	17,436	41.4	0.1	-	0.1
4. Equalization Fund	-	-	10,077.4	(10,077)	-	0.0	0.1	0.0
5. County Governments	415,774	380,388	423,879	(43,491)	(8.5)	2.4	2.6	2.9
5. CF	-	1,200	1,200	-	-	0.0	0.0	0.0
C. DEFICIT EXCL.GRANT (Commitment basis)	(860,491)	(952,888)	(963,507)	10,619	10.7	(5.9)	(6.0)	(6.0)
D. DEFICIT INCL.GRANTS (Commitment basis)	(837,408)	(930,851)	(925,015)	(5,836)	11.2	(5.8)	(5.7)	(5.9)
E. ADJUSTMENT TO CASH BASIS	37,031	121,528	-	121,528	228.2	0.8	-	0.3
F. DEFICIT INCL.GRANTS (Cash basis)	(800,377)	(809,323)	(925,015)	115,692	1.1	(5.0)	(5.7)	(5.6)
Discrepancy	(30,070)	(42,875)	-	(42,875)	-	-0.3	-	(0.2)
G. FINANCING	770,307	766,447	925,015	(158,568)	(0.5)	4.8	5.7	5.4
1. Net Foreign financing	310,759	222,717	259,329	(36,612)	(28.3)	1.4	1.6	2.2
Disbursements	548,171	760,500	815,816	(55,316)	38.7	4.7	5.1	3.8
Programme Loans	266,885	317,837	338,135	(20,298)	19.1	2.0	2.1	1.9
Project Cash Loans	61,975	87,444	102,960	(15,516)	41.1	0.5	0.6	0.4
Project Loans AIA	74,245	68,343	87,845	(19,502)	(7.9)	0.4	0.5	0.5
Use of IMF SDR Allocation	42,847	-	-	-	(100.0)	-	-	0.3
Commercial Financing	102,218	286,875	286,875	-	181	2	1.8	0.7
Debt repayment - Principal	(237,412)	(537,783)	(556,487)	18,704	126.5	(3.3)	(3.4)	(1.7)
2. Net Domestic Financing	459,548	543,731	665,686	(121,956)	18.3	3.4	4.1	3.2
Government Securities	437,527	596,560	662,419	(65,859)	36.3	3.7	4.1	3.1
Government Overdraft & Others	18,819	(28,168)	-	(28,168)	(249.7)	-0.2	-	0.1
Movement in Government Deposits	1,459	8,715	-	8,715	497.5	0.1	-	0.0
Domestic Loan Repayments (Net Receipts)	2,854	1,429	4,377	(2,949)	(50.0)	0.0	0.0	0.0
Domestic Loan Repayment	(1,110)	(555)	(1,110)	555	(50.0)	0.0	(0.0)	(0.0)
Other Accounts Payable	-	(34,250)	-	-	(0.2)	-	-	0.0
MEMO ITEM								
GDP ESTIMATE	14,274,419	16,131,502	16,131,502	-	13.0	100.0	100.0	100.0

*Provisional

Source of Data: National Treasury

2.4 Financing

2.4.1 External Financing

46. During the period under review, net external financing amounted to KSh. 222.7 billion (**Table 9**). Total disbursements (inflows) including Appropriations-in-Aid amounted to KSh. 760.5 billion for the period ending 30th June, 2024 against a target of KSh. 815.8 billion. The total disbursement included KSh. 68.3 billion Project Loans A.I.A; KSh. 317.8 billion program loans; and KSh. 87.4 billion Project Loans-Cash. The external repayments (outflows) of principal debt amounted to KSh. 537.8 billion. The amount comprised of principal repayments due to commercial institutions; bilateral sources; and multilateral sources amounting to, KSh. 337.6 billion, KSh. 147.5 billion and KSh. 52.6 billion respectively.

Table 9: External Financing, Period Ending June, 2024 (KSh. Millions)

	FY2022/23	FY2023/24	
	Actual*	Actual*	Target
DISBURSEMENTS:	548,171	760,499	815,815
Project Cash loans	61,975	87,444	87,845
Project loans A-I-A	74,245	68,343	102,960
Commercial Financing	102,218	286,875	286,875
Use of IMF SDR Allocation	42,847	-	-
Programme Loans	266,885	317,837	338,135
EXTERNAL REPAYMENTS:	237,412	537,783	542,166
Bilateral(incl. Italy Debt SWAP)	115,831	147,464	149,641
Multilateral (excl. IMF)	45,843	52,643	54,603
Commercial	75,738	337,676	337,923
NET FOREIGN FINANCING	310,759	222,716	273,649

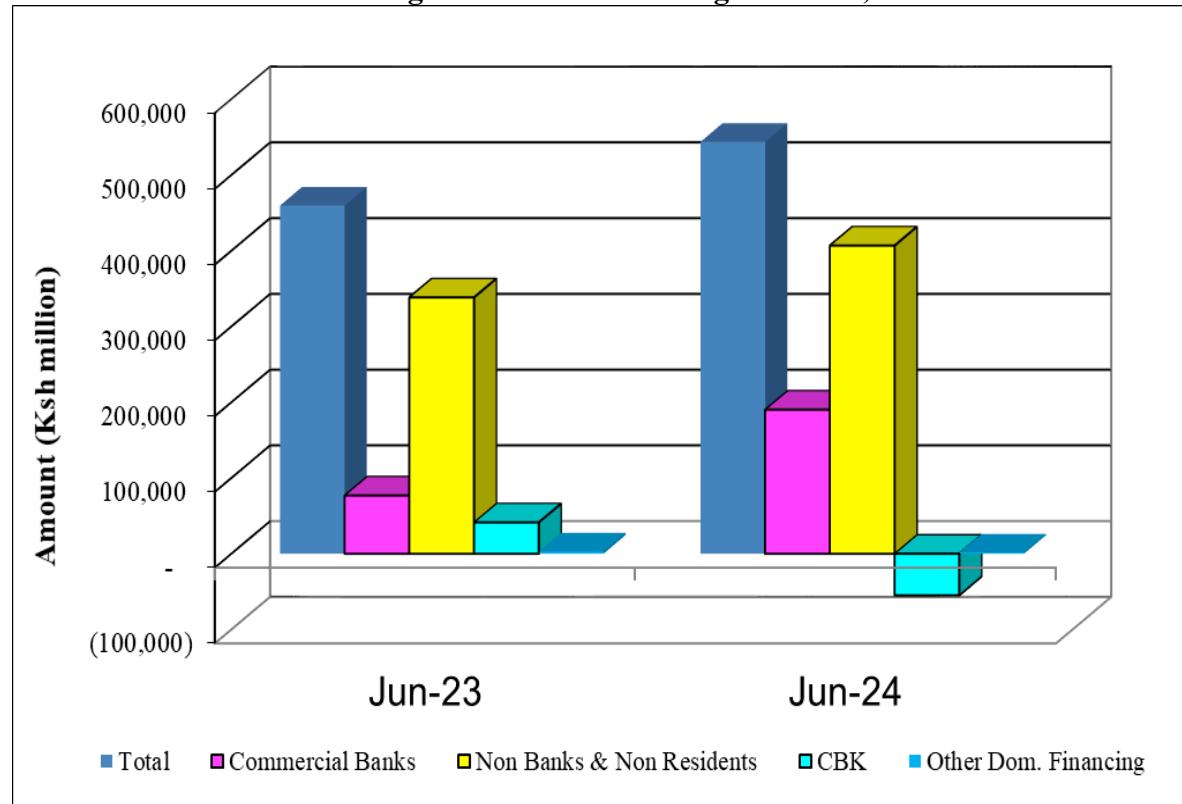
*Provisional

Source of Data: National Treasury

2.4.2 Domestic Financing

47. By the end of June 2024, net domestic borrowing amounted to KSh. 543.7 billion (**Table 10**) against a target borrowing of KSh. 665.7 billion (**Table 8**). The borrowing comprised of KSh. 404.8 billion from Non-Banking Financial Institutions, KSh. 90.3 billion from commercial banks, KSh. 1.9 billion from Non-Residents and net repayment of KSh. 20.5 billion to the Central Bank. Comparatively, for the same period in FY 2022/23, the domestic borrowing amounted to KSh. 459.5 billion, comprising of KSh. 338.2 billion from Non-Banking Financial Institutions, KSh. 77 billion from Commercial Banks, KSh. 41.3 billion from the Central Bank of Kenya and KSh. 127 million from the Non-Residents while the Government deposit to CBK amounted to KSh. 2.8 billion from other domestic sources (**Table 10 and Chart 13**).

Chart 13: Domestic Financing for the Period Ending 30th June, 2024



Source of Data: Central Bank of Kenya

48. The stock of Fixed Rate Bonds held by Non-Banks and Commercial Banks recorded an increase of KSh. 152.7 billion and KSh. 59.8 billion respectively while those held by Non-Residents also increased by KSh. 102 million. The stock of Treasury Bills held by commercial banks and Non-Residents recorded a net increase of KSh. 22.9 billion and KSh. 352 million respectively while those held by Non-Banks also increased by KSh. 18.9 billion. (**Table 10**).

FISCAL DEVELOPMENTS

Table 10: Domestic Financing, Period Ending 30th June, 2024 (KSh. Millions)

1.CENTRAL BANK	41,348	7,632	18,888	(15,351)	(54,825)
Overdraft	17,955	(753)	17,671	15,724	(15,436)
IMF funds onlet to Govt	-	934	8,523	10,767	(12,180)
Treasury bills rediscounts	159	-	-	-	-
Fixed rate Bonds	437	-	-	-	-
Items on Transit	10	(10)	(39)	(36)	(33)
Frozen Account	(1,110)	-	-	(555)	(555)
Less Govt Deposits	23,898	7,460	(7,267)	(41,251)	(26,620)
2.COM. BANKS	76,975	(9,142)	16,245	104,967	190,262
Advances	854	(178)	(1,210)	(449)	(518)
Treasury bills	(18,081)	(43,491)	(56,493)	(85,989)	(63,055)
Fixed rate Bonds	(49,468)	33,958	38,287	1,939	61,729
Infrastructure Bonds	166,109	(2,486)	35,748	191,020	191,020
Savings and Development Bond			-	-	-
Less Govt Deposits	(22,439)	3,054	(87)	(1,554)	1,085
3. NON BANKS	338,243	92,397	172,364	292,984	404,809
Treasury bills	11,711	(11,496)	(11,659)	20,534	39,424
Fixed rate Bonds	147,740	110,082	115,093	144,585	237,519
Zero Coupon bonds			-	-	-
Infrastructure Bonds	178,792	(6,189)	68,930	127,866	127,866
Savings and Development Bond	-	-	-	-	-
4. NON RESIDENTS	127	1,638	1,635	2,404	2,056
Treasury bills	(356)	5	2	(3)	(7)
Fixed rate Bonds	(446)	1,633	1,633	1,573	1,229
Infrastructure Bond	929	-	-	834	834
5. NET CREDIT	456,694	92,525	209,132	385,005	542,302
6. OTHER DOMESTIC FINANCING					
Domestic Loan Repayments (NetReceipts)	2,854	587	855	1,429	1,429
7. NET DOMESTIC FINANCING	459,548	93,111	209,987	386,434	543,731

Note: Treasury Bills as reflected here are given at cost value as opposed to Table 12 given at face value.

*provisional

Source of Data: Central Bank of Kenya

3.0 PUBLIC DEBT

3.1. Overall Debt Position

49. The gross public debt as at 30th June, 2024 increased by KSh. 282.2 billion to KSh. 10,561.1 billion compared to KSh. 10,278.9 billion as at end of June 2022. The gross public debt comprised of 51.2 percent domestic debt and 48.8 percent external debt. The increase in the public debt is attributed to external loan disbursements; exchange rate fluctuation; and the increase in uptake of domestic and external debt during the period. The net public debt was KSh. 1,034.9 billion by end of the period under review (**Table 11**).

Table 11: Kenya's Public and Publicly Guaranteed Debt, June 2022 to June 2024 (KSh. Millions)

DEBT SOURCE	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23*	Dec-23*	Mar-24*	Jun-24*
EXTERNAL									
BILATERAL	1,173,270	1,144,450	1,206,883	1,291,851	1,339,503	1,341,779	1,422,180	1,175,582	1,154,672
MULTILATERAL	1,923,444	1,957,899	2,213,756	2,244,087	2,654,934	2,827,123	3,061,108	2,654,283	2,774,433
COMMERCIAL BANKS	1,191,080	1,220,682	1,239,681	1,301,153	1,437,276	1,483,613	1,588,656	1,318,975	1,207,503
SUPPLIERS CREDIT	12,154	11,760	12,824	14,004	14,848	15,284	17,641	14,583	14,231
SUB - TOTAL EXTERNAL	4,299,948	4,334,791	4,673,144	4,851,095	5,446,561	5,667,799	6,089,585	5,163,423	5,150,840
DOMESTIC:									
CENTRAL BANK	125,907	114,229	147,380	195,567	198,314	198,485	224,468	202,428	170,109
O/W IMF FUNDS ON-LENT TO GOVERNMENT	40,766	60,348	62,789	90,965	95,721	99,523	104,245	84,702	83,541
COMMERCIAL BANKS	2,003,387	2,032,420	2,017,402	1,992,823	2,095,069	2,081,576	2,109,720	2,190,148	2,278,836
TOTAL BANKS	2,129,295	2,146,649	2,164,782	2,188,391	2,293,383	2,280,061	2,334,188	2,392,576	2,448,944
NON BANKS & NON RESIDENTS	2,199,804	2,279,978	2,370,845	2,442,166	2,538,935	2,634,386	2,715,920	2,842,612	2,961,340
SUB-TOTAL DOMESTIC	4,329,099	4,426,627	4,535,627	4,630,557	4,832,318	4,914,447	5,050,109	5,235,188	5,410,284
GRAND TOTAL GROSS	8,629,047	8,761,418	9,208,771	9,481,652	10,278,879	10,582,245	11,139,694	10,398,612	10,561,124
LESS ON-LENDING	-	-	-	-	-	-	-	-	-
LESS GOVERNMENT DEPOSITS	(418,284)	(404,154)	(470,558)	(384,704)	(484,584)	(429,162)	(464,321)	(525,843)	(526,226)
GRAND TOTAL NET	8,210,763	8,357,263	8,738,213	9,096,948	9,794,294	10,153,083	10,675,372	9,872,769	10,034,898

*Provisional

Source of Data: National Treasury

3.2 Domestic Debt

50. The stock of gross domestic debt increased by KSh. 578.0 billion from KSh. 4,832.3 billion in June 2023 to KSh. 5,410.3.billion in June, 2024. The net domestic debt was KSh. 4,884.1 billion by end of the period under review (**Table 12**).

FISCAL DEVELOPMENTS

Table 12: Stock of Domestic Debt by end of June, 2024 (KSh. Millions)

DEBT SOURCE	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23*	Dec-23*	Mar-24*	Jun-24*
1.CENTRAL BANK	125,907	114,229	147,226	194,886	198,314	198,485	224,468	224,214	170,109
Overdraft	58,502	27,247	58,498	77,979	76,457	75,704	94,128	92,181	61,021
IMF funds onlet to Govt	40,766	60,348	62,789	90,965	95,721	96,655	104,245	106,488	83,541
Frozen Govt Accounts	18,899	18,899	18,344	18,344	17,789	17,789	17,789	17,234	17,234
Treasury bills / bonds rediscounts	71	67	112	109	230	230	230	230	230
Items on Transit	32	24	38	43	42	32	3	6	8
Fixed rate bonds	7,637	7,644	7,446	7,446	8,074	8,074	8,074	8,074	8,074
2.COM.BANKS	2,003,387	2,032,420	2,017,402	1,992,823	2,095,069	2,081,735	2,109,720	2,190,148	2,278,836
Advances	13,054	12,965	13,828	6,339	13,692	16,406	15,226	5,522	5,468
Treasury Bills	287,613	315,649	293,469	292,186	262,852	217,841	204,724	176,846	207,875
Fixed Rate T. Bonds	1,094,545	1,094,111	1,079,084	1,054,106	1,043,778	1,078,058	1,082,354	1,045,598	1,103,311
Special Bonds	-	-	-	-	-	-	-	-	-
Savings and Development Bond	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648
Infrastructure Bonds	600,527	602,047	623,374	632,545	767,099	761,782	799,769	954,534	954,534
3.NON BANKS	2,167,924	2,248,031	2,339,242	2,410,377	2,506,970	2,600,834	2,682,371	2,808,554	2,927,632
Treasury Bills	340,675	356,424	377,812	373,486	351,636	340,128	341,939	379,924	407,784
Fixed Rate T. Bonds	1,353,067	1,412,738	1,428,132	1,450,047	1,503,056	1,614,753	1,619,733	1,649,417	1,740,635
Tax Reserve Certificate	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	453,601	458,288	512,717	566,264	631,698	625,373	700,119	758,633	758,633
Savings and Development Bond	20,580	20,580	20,580	20,580	20,580	20,580	20,580	20,580	20,580
M- Akiba Bond	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
4. NON RESIDENTS	31,881	31,947	31,757	32,471	31,965	33,552	33,549	34,058	33,708
Treasury Bills	395	139	117	76	8	13	10	5	1
Fixed Rate T. Bonds	18,958	19,281	18,842	19,145	18,499	20,174	20,174	20,113	19,768
Savings and Development Bond	9	9	9	9	9	9	9	9	9
Infrastructure Bonds	12,519	12,519	12,790	13,241	13,449	13,356	13,356	13,931	13,931
5. TOTAL GROSS DEBT	4,329,099	4,426,627	4,535,628	4,630,557	4,832,318	4,914,606	5,050,109	5,256,974	5,410,284
6. Less On-Lending	-	-	-	-	-	-	-	-	-
7. Less Govt Deposits	418,284	404,154	470,558	384,705	484,584	412,151	464,321	525,843	526,226
8. TOTAL NET DEBT	3,910,815	4,022,472	4,065,069	4,245,853	4,347,734	4,502,455	4,585,787	4,731,131	4,884,058

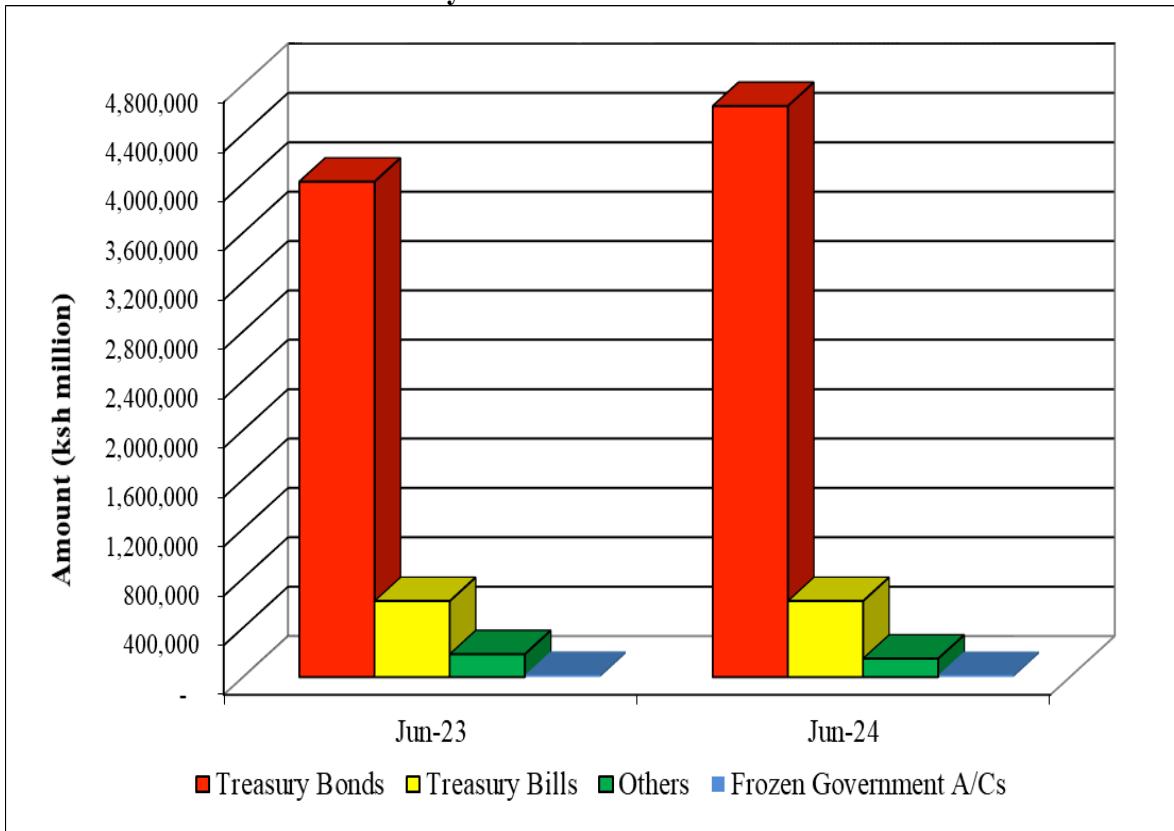
NOTE: Treasury Bills reflected here are at face value as opposed to Table 10, given at cost

*Provisional

Source of Data: Central Bank of Kenya

51. The stock of Treasury Bills held by Central Bank, Commercial Banks, Non-Banking Financial Institution and Non-Residents increased by KSh. 1.2 billion from KSh. 614.7 billion in June 2023 to KSh. 615.9 billion in June 2024. The total stock of Treasury Bonds, which include Floating, Fixed Rate, Special and Zero Coupon Bonds, increased by KSh. 613.2 billion from KSh. 4,013.9 billion in June 2023 to KSh. 4,627.1 billion in June 2024 (**Chart 14**).

Chart 14: Domestic Debt Stock by Instruments



Source of Data: Central Bank of Kenya

3.3 External Public Debt

52. In dollar terms, external public debt stock increased by US\$. 1,007.5 million from US\$. 38,759.1 million by end of June 2023 to US\$. 39,766.6 million by the end of June, 2024 (**Table 13**). This comprised debt owed to multilateral (53.9%), commercial banks (23.4%), bilateral (22.4%), and Suppliers Credit (0.3%).

FISCAL DEVELOPMENTS

Table 13: Kenya's External Public and Publicly Guaranteed Debt June, 2022 – June, 2024 (US\$ Millions)

CREDITOR	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23*	Dec-23*	Mar-24*	Jun.24*
<u>BILATERAL</u>									
AUSTRIA	11.04	13.06	13.82	14.07	13.75	13.21	13.63	13.19	12.77
BELGIUM	109.81	111.75	117.93	182.72	182.15	173.00	179.21	178.92	177.87
DENMARK	3.88	3.20	3.49	3.13	3.07	2.46	2.58	1.99	1.97
FINLAND	7.50	7.03	6.32	6.48	5.17	3.75	3.96	2.57	2.55
FRANCE	764.63	707.56	764.04	805.50	780.81	722.00	753.72	723.60	746.27
GERMANY	332.55	326.50	346.23	328.54	336.34	341.34	349.60	350.44	339.60
ITALY	328.79	309.28	333.82	344.47	343.70	332.56	212.13	195.64	254.10
JAPAN	1,245.99	1,217.67	1,304.89	1,453.84	1,271.01	1,229.02	1,269.92	1,187.69	1,102.31
USA	10.69	9.97	9.61	8.73	8.53	7.64	7.43	6.53	310.13
CHINA	6,830.10	6,594.56	6,569.52	6,307.40	6,280.39	5,943.60	6,006.71	5,674.35	5,691.69
OTHERS	311.80	295.43	312.68	307.29	307.30	291.37	290.73	280.34	275.34
TOTAL BILATERAL	9,956.78	9,596.01	9,782.35	9,762.17	9,532.23	9,059.95	9,089.63	8,615.27	8,914.61
<u>MULTILATERAL</u>									
ADB/ADF	3,269.84	3,302.50	3,490.90	3,591.12	3,685.50	3,695.82	3,792.02	3,800.87	3,925.81
BADEA	41.10	45.99	45.20	47.70	52.19	51.70	53.69	53.38	54.01
EEC/EIB	176.12	158.66	170.90	182.11	207.53	194.28	204.58	192.68	190.43
IBRD	569.35	571.26	579.24	581.75	1,082.86	1,079.71	1,085.13	1,089.11	1,938.06
IDA/IFAD	10,474.77	10,252.69	10,692.09	10,828.01	11,424.85	11,333.07	11,685.80	11,696.69	12,012.39
IMF**	1,751.87	1,965.77	2,915.30	1,673.40	2,388.16	2,684.95	2,694.19	3,257.39	3,251.72
OTHERS	45.43	48.35	49.89	53.86	52.08	49.77	49.15	48.52	47.31
TOTAL MULTILATERAL	16,328.48	16,345.22	17,943.52	16,957.95	18,893.17	19,089.28	19,564.57	20,138.64	21,419.72
<u>COMMERCIAL¹</u>									
O/W International Sovereign Bond	10,025.49	10,260.41	10,048.20	9,832.46	10,228.01	10,017.64	10,153.63	10,007.36	9,322.41
EXPORT CREDIT	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,156.97	6,600.00
GRAND TOTAL	36,413.89	36,300.60	37,878.01	36,658.41	38,759.08	38,270.08	38,920.59	38,871.91	39,766.61
In percentage of total									
BILATERAL	27.34	26.4	25.8	26.6	24.6	23.7	23.4	22.2	22.4
MULTILATERAL	44.84	45.0	47.4	46.3	48.7	49.9	50.3	51.8	53.9
COMMERCIAL BANKS ¹	27.53	28.3	26.5	26.8	26.4	26.2	26.1	25.7	23.4
EXPORT CREDIT	0.28	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
TOTAL	100.00	100.0							

*Provisional

** include IMF item

1/ incl. International Sovereign Bond

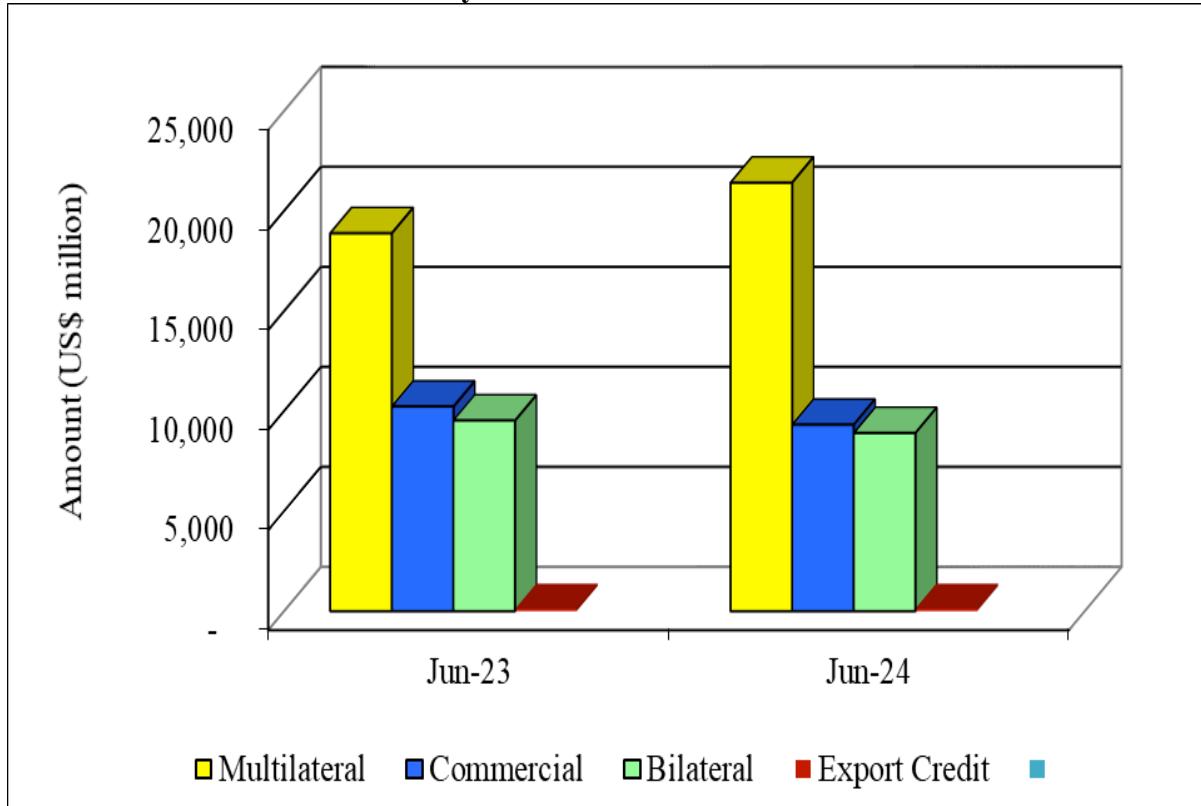
Note: The exchange rate as at end June 2024 was KSh. 129.5 per dollar.

Source of Data: National Treasury

FISCAL DEVELOPMENTS

53. Compared to the same period in FY 2022/23, external public debt stock from multilateral institutions and Supplier's Credit recorded an increase in the period ending June, 2024. External debt stock from bilateral sources and Commercial Banks declined in the period under review (**Chart 15**).

Chart 15: External Public Debt by Source



Source of Data: National Treasury

3.3.1 External Debt Service

54. By the end of June 2024, the total cumulative debt service payments to external creditors amounted to KSh. 756 billion. This comprised of KSh. 537.8 billion (71.1 percent) principal and KSh. 218.2 billion (28.9 percent) interest (**Table 14**).

FISCAL DEVELOPMENTS

Table 14: External Debt Service, July 2023 – June 2024 (KSh. Million)

CATEGORY	Jun-24		
	PRINCIPAL*	INTEREST*	TOTAL*
BILATERAL			
ABU DHABI	197.79	34.14	231.93
AUSTRIA	112.25	27.09	139.34
BELGIUM	2,236.26	185.18	2,421.44
CHINA	100,465.90	52,220.48	152,686.39
DENMARK	86.46	-	86.46
FINLAND	379.46	32.81	412.28
FRANCE	17,684.63	1,953.16	19,637.79
GERMANY	4,456.15	909.51	5,365.66
POLAND	91.19	21.39	112.58
INDIA	1,233.08	312.73	1,545.80
ISRAEL	833.12	182.21	1,015.33
ITALY	11,231.48	1,830.22	13,061.70
JAPAN	5,766.48	638.50	6,404.98
KOREA	241.22	33.50	274.71
KUWAIT	208.57	37.11	245.68
SAUDI ARABIA	292.00	36.82	328.82
SPAIN	1,620.38	139.91	1,760.29
USA	327.80	29.62	357.42
TOTAL BILATERAL	147,464.24	58,624.38	206,088.6
MULTILATERAL			
ADB/ADF	9,047.37	13,995.22	23,042.59
BADEA	265.42	79.33	344.75
EIB/EEC	1,777.47	683.59	2,461.06
IDA	39,727.45	22,292.98	62,020.44
OPEC	867.73	75.55	943.28
NDF	81.24	25.14	106.37
IFAD	875.89	286.99	1,162.88
IMF	-	11,027.13	11,027.13
IBRD	-	8,335.40	8,335.40
TOTAL MULTILATERAL	52,642.58	56,801.33	109,443.90
COMMERCIAL	337,676.05	102,762.14	440,438.19
GRAND TOTAL	537,782.86	218,187.85	755,970.71

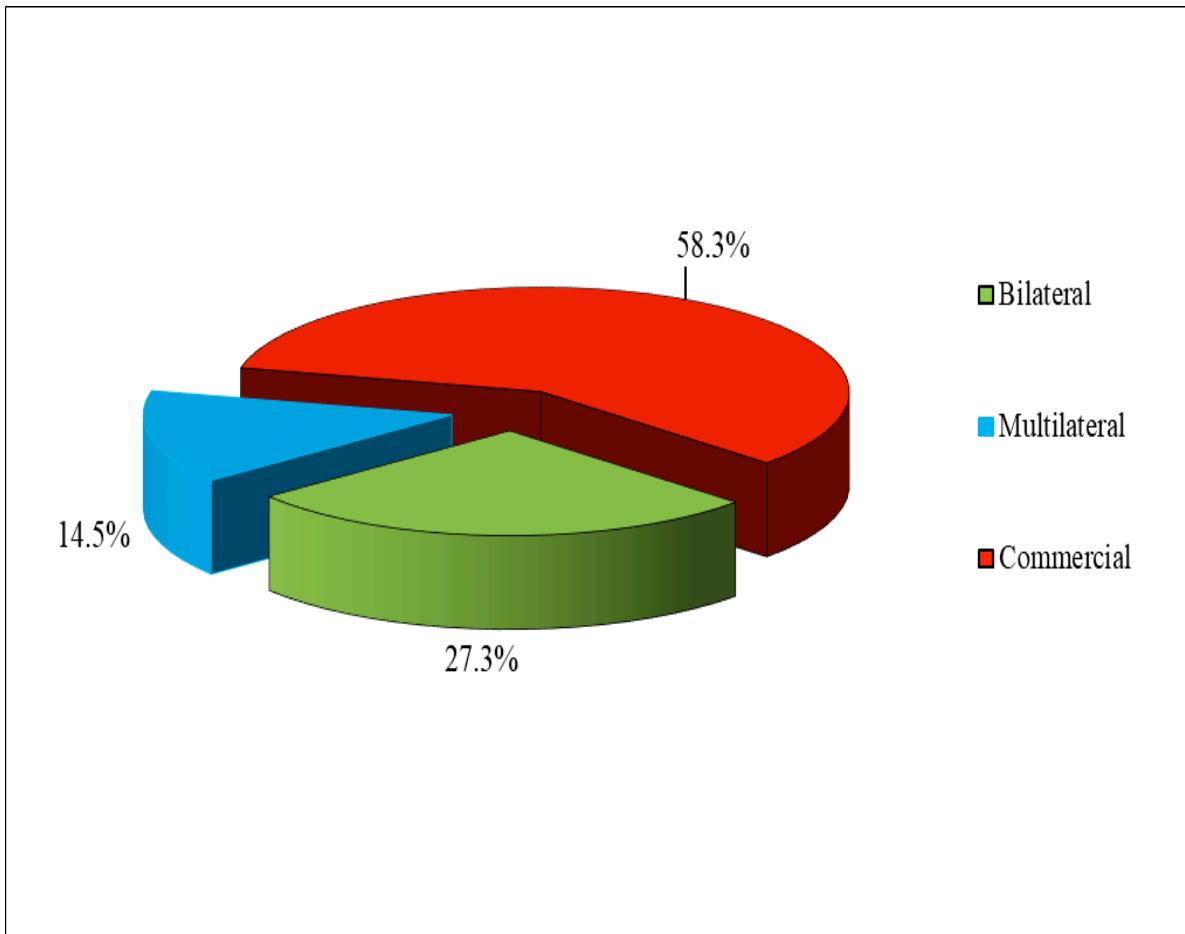
* Provisional

Source of Data: National Treasury

FISCAL DEVELOPMENTS

55. By the end of June 2024, the total cumulative debt service payments to external creditors comprised of 58.3 percent, 27.3 percent and 14.5 percent of the total payments to commercial, bilateral and multilateral creditors respectively (**Chart 16**).

Chart 16: External Debt Service by Creditors at end of June, 2024



Source of Data: National Treasury

ANNEXES

4.0. ANNEXES

4.1. Annex I: Fiscal Results, 2019/20 – 20224/25 (KSh. Millions)

REVENUE/EXPENDITURE/FINANCING	2019/20	2020/21	2021/22	2022/23	2023/24		
	Actual	Actual	Actual	Prel Actual	Prel Actual	Revised Estimates II	Printed Estimates
A.TOTAL REVENUE	1,797,666	1,892,647	2,199,808	2,360,510	2,702,662	2,907,515	2,995,566
1. Ordinary Revenue	1,573,418	1,633,767	1,917,911	2,041,119	2,288,921	2,461,020	2,571,189
Income Tax	706,935	685,014	876,707	941,576	1,042,756	1,093,645	1,198,535
VAT	383,713	481,612	523,098	550,440	645,489	654,788	703,302
Import Duty	98,022	106,762	118,280	130,123	133,929	142,373	173,270
Excise Duty	195,270	241,378	252,094	264,509	276,722	290,083	352,730
Other Revenue	189,477	119,001	147,731	154,472	190,025	280,131	143,323
2. Appropriation-in-Aid	224,247	258,880	281,897	319,391	413,740	446,495	414,407
B EXPENDITURE & NET LENDING	2,629,478	2,797,419	3,027,836	3,221,001	3,665,550	3,871,022	3,746,618
1. Recurrent	1,696,121	1,826,718	2,135,305	2,311,564	2,702,107	2,776,640	2,536,255
Wages and Salaries	449,927	481,665	520,033	547,157	575,269	589,410	584,647
Interest Payments	437,202	463,108	577,978	687,322	840,732	853,669	775,139
Domestic Interest	315,362	308,424	456,849	533,098	622,544	629,367	628,264
Foreign Interest Due	121,840	154,684	121,130	154,223	218,188	224,302	146,875
Pensions, etc.	89,605	123,360	122,432	120,425	178,112	191,651	193,832
Civil Service Reform	-	-	-	-	-	-	-
O & M' Others	677,293	725,054	866,050	895,717	821,097	851,437	718,048
Of which Appropriation-in-Aid	157,858	177,177	197,524	240,165	268,896	296,473	264,588
2. Development & Net Lending	608,079	596,493	540,117	483,663	597,652	669,303	777,822
Development Projects	389,571	337,538	346,355	319,289	453,373	509,204	602,949
Accororation-in-Aid	217,847	245,379	189,762	162,048	126,844	150,022	149,819
4. Transfer to County Governments	325,278	359,208	352,414	415,774	354,591	423,879	429,741
5. Parliamentary Service	27,990	29,787	32,652	41,187	37,257	-	-
6. Judicial Service	14,103	3,744	16,160	19,755	21,027	-	-
7. Net Lending	661	6,788	-	12,327	17,436	-	17,187
8. Equalization Fund	-	6,788	-	-	-	10,077	7,867
9. Contingency Fund	-	-	-	-	1,200	12,00	2,800
D DEFICIT EXCL. GRANTS (Commitment Basis)	(831,812)	(904,772)	(828,028)	(860,491)	(982,888)	(963,507)	(761,051)
E GRANTS	23,949	56,841	31,051	23,083	22,037	38,492	42,172
F DEFICIT INCL. GRANTS (Commitment Basis)	(807,863)	(847,931)	(796,997)	(837,408)	(930,851)	(925,015)	(718,880)
G ADJUSTMENT TO CASH BASIS	11,801	-	11,868	37,031	121,528	-	-
H DEFICIT INCL. GRANTS (Cash Basis)	(796,062)	(847,931)	(785,129)	(800,377)	(809,323)	(925,015)	(718,880)
Discrepancy	(5,258)	(6,788)	(37,304)	(30,070)	(42,875)	-	-
I FINANCING	790,804	841,143	747,825	770,307	766,447	925,015	718,880
Net Foreign Finance	340,431	346,793	142,524	310,759	222,717	259,329	131,467
Net Domestic Finance	450,373	494,350	505,301	459,548	543,731	665,685	587,413
In Percentage of GDP							
A.TOTAL REVENUE	16.9	16.8	17.3	16.5	14.6	16.8	18.3
1. Ordinary Revenue	14.8	14.5	15.1	14.3	12.7	14.2	15.8
Income Tax	6.7	6.1	6.9	6.6	5.8	6.5	7.4
VAT	3.6	4.3	4.1	3.9	3.4	4.0	4.3
Import Duty	0.9	0.9	0.9	0.9	0.9	0.8	1.1
Excise Duty	1.8	2.1	2.0	1.9	1.6	1.7	2.2
Other Revenue	1.8	1.1	1.2	1.1	1.0	1.2	0.9
2. Appropriation-in-Aid	2.1	2.3	2.2	2.2	2.0	2.6	2.5
B EXPENDITURE & NET LENDING	24.8	24.9	23.8	22.6	20.0	22.7	23.0
1. Recurrent	16.0	16.2	16.8	16.2	14.3	16.8	15.6
Wages and Salaries	4.2	4.3	4.1	3.8	3.4	3.6	3.6
Interest Payments	4.1	4.1	4.6	4.8	4.3	5.2	4.8
Domestic Interest	3.0	2.7	3.6	3.7	3.3	3.9	3.9
Foreign Interest Due	1.1	1.4	1.0	1.1	1.0	1.4	0.9
Pensions, etc.	0.8	1.1	1.0	0.8	0.7	1.1	1.2
O & M' Others	6.4	6.4	6.8	6.3	5.6	5.1	4.4
of which Appropriation-in-Aid	1.5	1.6	1.6	1.7	1.5	1.8	1.6
2. Development & Net Lending	5.7	5.3	4.3	3.5	3.1	3.7	4.8
Development Projects	3.7	3.0	2.7	2.2	2.0	2.8	3.7
Accororation-in-Aid	2.1	2.2	1.5	1.1	1.0	0.8	0.9
Payment of guaranteed loans	-	-	-	-	-	-	-
3. Drought Expenditure	-	0.0	-	-	-	-	-
4. Transfer to County Governments	3.1	3.3	2.8	2.9	2.6	2.2	2.6
5. Parliamentary Service	0.3	0.3	0.3	0.3	0.3	0.2	-
6. Judicial Service	0.1	0.0	0.1	0.1	0.1	0.1	-
7. Equalization Fund	-	0.1	-	-	0.1	0.1	0.1
D DEFICIT EXCL. GRANTS (Commitment Basis)	(7.8)	(8.0)	(6.5)	(6.0)	-	-	0.0
E GRANTS	0.2	0.5	0.2	0.2	-	0.0	0.0
F DEFICIT INCL. GRANTS (Commitment Basis)	(7.0)	(7.5)	(6.3)	(5.9)	(5.3)	(5.9)	(4.7)
G ADJUSTMENT TO CASH BASIS	0.1	-	0.1	0.3	0.1	0.1	0.3
H DEFICIT INCL. GRANTS (Cash Basis)	(7.9)	(7.5)	(6.2)	(5.6)	(5.2)	(5.9)	(4.4)
I FINANCING	7.4	7.5	5.9	5.4	0.2	0.8	-
Foreign Finance	3.2	3.1	1.1	2.2	(5.0)	(5.0)	(4.4)
Net Domestic Finance	4.2	4.4	4.8	3.2	4.8	4.8	4.4
Memorandum Item:							
Nominal GDP at Market price (KSh million)	10,620,841.4	11,256,082.0	12,698,001.0	14,274,419.5	16,131,502	16,131,502	16,290,270.1

Source: National Treasury

ANNEXES

4.2. GFSM 2014 COMPLIANT TABLES FOR BUDGETARY CENTRAL GOVERNMENT

4.2.1 Annex II: Revenue (KSh. Millions)

GFSM Code	Description	Budget Estimates FY2023/24	Prel. Actual FY2023/24 Q1	Prel. Actual FY2023/24 Q2	Prel. Actual FY2023/24 Q3	Prel. Actual FY2023/24 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
1	Revenue	3,025,233	633,002	1,318,745	1,932,257	2,724,699
11	Taxes	2,658,745	548,115	1,121,547	1,638,935	2,300,999
111	Taxes on income, profits, and capital gains	1,198,535	243,954	491,284	704,071	1,042,756
1111	Payable by individuals	619,013	123,044	256,302	390,955	554,653
1112	Payable by corporations and other enterprises	579,523	120,910	234,982	313,115	488,103
114	Taxes on goods and services	1,190,019	251,505	518,824	772,656	1,039,122
1141	General taxes on goods and services	714,540	158,076	327,105	492,230	658,963
11411	Value-added taxes	703,302	153,027	317,942	481,095	645,489
11414	Taxes on financial and capital transactions ¹	11,238	5,050	9,164	11,136	13,474
1142	Excises ²	475,479	93,429	191,719	280,426	380,159
115	Taxes on international trade and transactions	270,191	52,656	111,439	162,208	219,121
1151	Customs and other import duties ³	270,191	52,656	111,439	162,208	219,121
12	Social contributions	582	151	173	229	304
122	Other social contributions	582	151	173	229	304
1221	Employee contributions	582	151	173	229	304
13	Grants	42,172	3,415	5,455	13,945	22,037
131	From foreign governments	42,172	3,415	5,455	13,905	21,951
1311	Current					
1312	Capital	42,172	3,415	5,455	13,905	21,951
132	From international organizations	-	-	-	40	86
1321	Current				40	86
1322	Capital				40	86
14	Other revenue	323,735	81,321	191,569	279,147	401,358
141	Property income	41,728	15,453	24,026	27,991	91,173
1411	Interest	2,184	-	1,017	1,017	1,017
1412	Dividends	33,071	15,017	21,573	22,957	80,716
1415	Rent	6,473	436	1,436	4,018	9,440
142	Sales of goods and services	277,523	64,389	165,226	245,899	300,810
1422	Administrative fees	277,523	64,389	165,226	245,899	300,810
143	Fines, penalties, and forfeits	2,710	774	1,270	1,894	3,185
144	Miscellaneous and unidentified revenue	1,774	705	1,048	3,362	6,191

1. Includes Capital Gains Tax and Stamp duty

2. Includes Ordinary excise, RML, PDL and Electricity levy

3. Includes Import duty, RDL and IDF

Source: National Treasury

ANNEXES

4.2.2. Annex III: Expense (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2023/24	Prel. Actual FY2023/24 Q1	Prel. Actual FY2023/24 Q2	Prel. Actual FY2023/24 Q3	Prel. Actual FY2023/24 Q4
<i>Accounting method:</i>						
2	Expense	Cash	Cash	Cash	Cash	Cash
21	Compensation of employees	3,618,157	793,702	1,667,786	2,562,250	3,539,138
211	Wages and salaries	617,855	147,698	279,591	439,794	612,774
212	Social contributions	584,647	142,295	268,232	413,126	575,269
2121	Actual social contributions	33,207	5,403	11,358	26,668	37,504
22	Use of goods and services	275,218	50,626	155,976	251,214	284,961
	O/W Free Secondary Education (FSE)	68,600	17,357	53,050	52,423	70,250
	Free Primary Education (FPE)	14,404	3,823	9,175	8,655	11,324
24	Interest	775,139	188,007	405,142	617,096	840,732
241	To nonresidents	146,875	63,093	105,025	177,676	218,188
242	To residents other than general government	628,264	124,913	300,118	439,420	622,544
25	Subsidies	24,879	-	-	-	47,264
251	To public corporations	24,879	-	-	-	47,264
252	To private enterprises					
26	Grants	1,666,179	365,737	754,298	1,147,784	1,610,956
262	To international organizations		4,522	1,403	3,860	6,221
2621	Current		4,522	1,403	3,860	6,221
2622	Capital					
263	To other general government units	1,661,657	364,334	750,438	1,141,563	1,602,732
2631	Current	943,811	232,789	487,650	735,360	1,059,216
	O/W Transfer to County Governments (ES)	269,797	42,778	99,727	156,482	248,213
2632	Transfer to Other levels of Government (Includes transfers to SOEs)	674,014	190,011	387,923	578,877	811,002
	Capital	717,846	131,545	262,787	406,204	543,517
	O/W Transfer to County Governments (ES)	115,627	18,333	42,740	67,064	106,377
	Transfer to Other levels of Government (Includes transfers to SOEs)	602,219	113,212	220,047	339,140	437,140
27	Social benefits	257,688	41,635	72,778	106,362	141,252
272	Social Assistance Benefits	96,279	-	-	-	-
273	Employer social benefits	161,409	41,635	72,778	106,362	141,252
28	Other expense	1,200	-	-	-	1,200
282	Miscellaneous other expense	1,200	-	-	-	1,200

Source: National Treasury

ANNEXES

4.2.3. Annex IV: Transaction in Assets and Liabilities (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates	Prel. Actual FY2023/24 Q1	Prel. Actual FY2023/24 Q2	Prel. Actual FY2023/24 Q3	Prel. Actual FY2023/24 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
3	Change in Net Worth: Transactions	(315,194)	(134,592)	(338,049)	(670,786)	(752,385)
31	Net acquisition of nonfinancial assets	107,899	8,129	30,196	59,079	98,977
311	Fixed assets	107,899	8,129	30,196	59,079	98,977
3111	Buildings and structures	100,718	5,491	25,938	52,173	90,025
3113	Other fixed assets	7,181	2,638	4,258	6,906	8,951
312	Inventories	-				
314	Nonproduced assets	-				
32	Net acquisition of financial assets	5,410	11,101	(6,499)	(41,376)	9,589
3212	Currency and deposits (Domestic)	5,410	11,101	(6,499)	(41,376)	9,589
33	Net incurrence of liabilities	428,503	153,821	361,746	688,489	860,951
331	Domestic	584,223	183,912	398,176	592,881	655,670
3313	Securities other than shares	584,223	82,017	191,542	401,803	596,560
3314	Loans	-	(6)	24,945	26,007	(28,168)
3318	Other Accounts Payable	-	101,901	181,689	165,071	87,278
332	Foreign	(155,719)	(30,090)	(36,430)	95,607	205,281
3323	Securities other than shares				286,875	286,875
3324	Loans	(155,719)	(30,090)	(36,430)	(191,268)	(81,594)

Source: National Treasury

ANNEXES

4.2.4. Annex V: Statement of Sources and Uses of Cash (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2023/24	Prel. Actual FY2023/24 Q1	Prel. Actual FY2023/24 Q2	Prel. Actual FY2023/24 Q3	Prel. Actual FY2023/24 Q4
	<i>Accounting method:</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
	Cash Flows from Operating Activities:					
1	Cash receipts from operating activities	3,025,233	633,002	1,318,745	1,932,257	2,724,699
11	Taxes	2,658,745	548,115	1,121,547	1,638,935	2,300,999
12	Social contributions	582	151	173	229	304
13	Grants	42,172	3,415	5,455	13,945	22,037
14	Other receipts	323,735	81,321	191,569	279,147	401,358
2	Cash payments for operating activities	3,618,157	793,702	1,667,786	2,562,250	3,539,138
21	Compensation of employees	617,855	147,698	279,591	439,794	612,774
22	Purchases of goods and services	275,218	50,626	155,976	251,214	284,961
24	Interest	775,139	188,007	405,142	617,096	840,732
25	Subsidies	24,879	-	-	-	47,264
26	Grants	1,666,179	365,737	754,298	1,147,784	1,610,956
27	Social benefits	257,688	41,635	72,778	106,362	141,252
28	Other payments	1,200	-	-	-	1,200
	Net cash inflow from operating activities	(592,924)	(160,700)	(349,041)	(629,994)	(814,439)
	Cash Flows from Investments in Nonfinancial Assets (NFAs):					
31A	Purchases of nonfinancial assets	107,899	8,129	30,196	59,079	98,977
311A	Fixed assets	107,899	8,129	30,196	59,079	98,977
312A	Strategic stocks					
314A	Nonproduced assets					
31	Net cash outflow: investments in NFAs (31=31.1-31.2)	107,899	8,129	30,196	59,079	98,977
	Cash surplus / deficit	(700,823)	(168,829)	(379,237)	(689,073)	(913,415)
	Cash Flows from Financing Activities:					
32x	Net acquisition of financial assets other than cash	5,410	11,101	(6,499)	(41,376)	9,589
321x	Domestic	5,410	11,101	(6,499)	(41,376)	9,589
322x	Foreign					
33	Net incurrence of liabilities	698,503	153,821	361,746	688,489	860,951
331	Domestic	584,223	183,912	398,176	592,881	655,670
332	Foreign	114,281	(30,090)	(36,430)	95,607	205,281
NFB	Net cash inflow from financing activities	693,093	164,922	355,247	647,112	870,540
	Net change in the stock of cash	(7,730)	(3,907)	(23,990)	(41,961)	(42,875)
	Statistical Discrepancy⁴					

4/Vertical check: Difference between cash surplus/deficit and total net cash inflow from financial activities

Source: National Treasury

ANNEXES

4.2.5 Annex VI: Statement of Government Operations (KSh. Millions)

GFSM Code	Description	Annual Budget Estimates FY2023/24	Prel. Actual FY2023/24 Q1	Prel. Actual FY2023/24 Q2	Prel. Actual FY2023/24 Q3	Prel. Actual FY2023/24 Q4
<i>Accounting method:</i>						
<i>Transactions Affecting Net Worth:</i>						
1	Revenue	3,025,233	633,002	1,318,745	1,932,257	2,724,699
11	Taxes	2,658,745	548,115	1,121,547	1,638,935	2,300,999
12	Social contributions	582	151	173	229	304
13	Grants	42,172	3,415	5,455	13,945	22,037
14	Other revenue	323,735	81,321	191,569	279,147	401,358
2	Expense	3,618,157	793,702	1,667,786	2,562,250	3,539,138
21	Compensation of employees	617,855	147,698	279,591	439,794	612,774
22	Use of goods and services	275,218	50,626	155,976	251,214	284,961
24	Interest	775,139	188,007	405,142	617,096	840,732
25	Subsidies	24,879	-	-	-	47,264
26	Grants	1,666,179	365,737	754,298	1,147,784	1,610,956
27	Social benefits	257,688	41,635	72,778	106,362	141,252
28	Other expense	1,200	-	-	-	1,200
GOB	<i>Gross operating balance</i>	(592,924)	(160,700)	(349,041)	(629,994)	(814,439)
NOB	<i>Net operating balance</i>	(592,924)	(160,700)	(349,041)	(629,994)	(814,439)
<i>Transactions on Nonfinancial Assets:</i>						
31	Net Acquisition of Nonfinancial Assets	107,899	8,129	30,196	59,079	98,977
311	Fixed assets	107,899	8,129	30,196	59,079	98,977
312	Change in inventories	-	-	-	-	-
314	Nonproduced assets	-	-	-	-	-
NLB	<i>Net lending / borrowing</i>	(700,823)	(168,829)	(379,237)	(689,073)	(913,415)
<i>Transactions on Financial Assets and Liabilities (Financing):</i>						
		693,093	164,922	355,247	647,112	870,540
32	Net acquisition of financial assets	5,410	11,101	(6,499)	(41,376)	9,589
321	Domestic	5,410	11,101	(6,499)	(41,376)	9,589
322	Foreign	-	-	-	-	-
33	Net incurrence of liabilities	698,503	153,821	361,746	688,489	860,951
331	Domestic	584,223	183,912	398,176	592,881	655,670
332	Foreign	114,281	(30,090)	(36,430)	95,607	205,281
	<i>Statistical Discrepancy⁵</i>	(7,730)	(3,907)	(23,990)	(41,961)	(42,875)

⁵/Vertical check: Difference between net lending/borrowing and financing

Source: National Treasury

