



THE REPUBLIC OF UGANDA

QUARTERLY

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

December 2020

ISSUE NO.23

Directorate of Debt and Cash Policy
MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT
www.finance.go.ug

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FOREWORD

The preparation and publication of Debt Statistical Bulletins (DSBs) by the Ministry of Finance, Planning and Economic Development is in fulfilment of the debt reporting requirements as outlined in Chapter 8-section 8.2 (iii) of the Public Debt and Other Financial Liabilities Management Framework 2018. Accordingly, the FY2018/19-FY2022/23 debt framework provides that government reports on debt stock, debt flows, debt ratios and indicators as well as risks on the debt portfolio through quarterly statistical bulletins.

This September-December 2020 DSB illustrates the Government's commitment to provide accurate and timely reporting on loan guarantees and portfolio analysis, and any other relevant public debt statistics.

Rising public debt in low- and middle-income countries poses a challenge to the global effort to end poverty and boost shared prosperity by 2030. There is a universal concerted effort spearheaded by the World Bank Group to scale up and promote debt transparency and sustainability through engagements, and technical assistance. The preparation of a quarterly DSB is one such effort.

Enjoy your reading.

For God and My Country.


Keith Muhakari
PERMANENT SECRETARY/SECRETARY TO THE TREASURY.

PREFACE

The Debt Statistical Bulletin is a publication of the Debt Policy and Issuance (DPI) Department which aims to provide the public with a broad set of relevant information and statistics on the country's debt developments. It is prepared in collaboration with the Treasury Services Department (TSD), and Macroeconomics Policy Department (MEPD) of the Ministry of Finance, Planning and Economic Development (MoFPED), as well as the Statistics Department of Bank of Uganda (BOU).

The main objectives of the bulletin are to produce debt statistics that comply with international standards and guidelines as stipulated in the public debt guides, provide accurate and timely statistics for sound financial and economic decision making in both private and public sectors. It is also aimed to strengthen fiscal policy analysis and reporting; provide debt statistics to facilitate debt analysis with a view of enhancing effective debt management; disseminate debt data to the general public, lawmakers or policy-making body, international organization and other stakeholders for informed decision making; and make key national government debt statistics available in a single publication.

The bulletin is divided into seven parts: Part I contains general information, Parts II-V; detailed data on the debt portfolio presented in statistical tables and charts; Part VI Debt Portfolio analysis for the period and Part VII the definition of terms.

For any comments on the bulletin please send them through email to the Debt Policy and Issuance Department of the Ministry of Finance, Planning and Economic Development, at DPI@finance.go.ug.



Maris Wanyera

ACTING DIRECTOR, DEBT AND CASH POLICY

LIST OF ACRONYMS

AfDF	African Development Fund
ADB	African Development Bank
ATM	Average Time to Maturity
ATR	Average Time to Refixing
BC	Bilateral Creditor
BOU	Bank of Uganda
COVID 19	Coronavirus Disease of 2019
DD	Domestic Debt
DDCP	Directorate of Debt and Cash Policy
DeMPA	Debt Management and Performance Assessment
DMFAS	Debt Management and Financial Analysis System
DOD	Debt Disbursed and Outstanding (Debt Stock)
DPID	Debt Policy and Issuance Department
EBUs	Extra Budgetary Units
ED	External Debt
FV	Face Value
GDP	Gross Domestic Product
IDA	International Development Assistance
IDB	Islamic Development Bank
IMF	International Monetary Fund
MC	Multilateral Creditor
MEPD	Macro-Economic Policy Department
MoFPED	Ministry of Finance, Planning and Economic Development
PB	Private Banks
PPAs	Power Purchase Agreements
SOEs	State Owned Enterprises
TDB	Trade and Development Bank
TSD	Treasury Services Department
UDBL	Uganda Development Bank Ltd
UEDCL	Uganda Electricity Distribution Company Ltd
UEGCL	Uganda Electricity Generation Company Ltd
US	United States

CURRENCIES

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

PART I: GENERAL INFORMATION

Debt Statistics at a glance provides information on sovereign public debt. This information supports policymakers and analysts to monitor debt trends and enhances the Country's debt transparency and accountability. Proper recording and reporting is one of the key components of effective debt management. This September-December 2020 Debt Statistical Bulletin covers a wide range of the public debt developments on external debt, domestic debt, and contingent liabilities.

Coverage;

- i. Central Government external debt
- ii. Domestic debt
- iii. Contingent Liabilities- Guaranteed debt
- iv. Public debt portfolio analysis

In the above regards Central Government external debt refers to all external loans contracted between external creditors and Government of Uganda- represented by the Ministry of Finance, Planning and Economic Development (MoFPED). On this subchapter, the report provides: Cost and risk indicators, debt stock by creditor type, concessionality, and external debt outstanding, by creditor and currency, exchange rates applicable on external debt, interest rate types, actual debt service, undisbursed external debt, as well as gross public and private debt position.

Domestic debt covers Government issuances of Treasury Bonds & Treasury Bills from the domestic market. On this component, the report provides details on: Domestic debt stock – disaggregated by tenor and instrument, holders at face value debt service and issuances, and interest rates.

Contingent Liabilities- accrue from defaulted guaranteed debt. A guarantee is a commitment by the government to repay the financial liabilities of another entity in the event of default. This DSB provides the status of Government Lending and On-lending activity. In particular, this DSB also reports on public corporations and guarantees provided by governments.

Data Source and Conversion of Debt Data to the Functional Currency

MoFPED and BOU use the Debt Management and Financial Analysis System (DMFAS) to record detailed loan information and produce aggregated data and reports for central government debt. MoFPED also uses the Aid Management Platform (AMP) as Government's official online database of aid-funded projects and programs in Uganda.

Data is reconciled & converted into a common currency, usually the US dollar or UGX as follows:

- a. To convert stock figures into US dollars or UGX, the end period exchange rate is used.
- b. To convert flow figures into US dollars or UGX, the day's exchange rate as at the day of transaction is used.

Exchange Rates

While handling transactions such as borrowing, debt service, disbursements outstanding and debt projections, the exchange rates are as follows: The exchange rates used for compiling debt data on borrowing, debt service, disbursements outstanding and debt projections are obtained from the BoU (Daily Transaction Exchange Rates). This is in line with the international best practice currency conversion.

Frequency and Time Lag:

The bulletin is published on a quarterly basis with a time lag of 3 months. All 4 quarterly publications are condensed into an annual DSB.

PART II: MACROECONOMIC OVERVIEW

Table 1: Key Macroeconomic Indicators

	Mar-20	Jun-20	Sep-20	Dec-20
Headline	3.0	3.0	4.5	3.6
Core	2.5	3.1	6.2	5.9
Exchange rate (Shs/ US \$)				
End of Period	3,796.43	3,730.14	3,715.52	3,650.07
Period Average	3,772.91	3,714.60	3,695.09	3,666.54
Reserves				
Gross foreign exchange reserves (US \$ millions)	3,163.56	3,919.81	3,935.84	3,848.07
Gross foreign exchange reserves (months of imports)	4.6	5.2	4.8	5.0
Fiscal Statistics (Billion Shs)				
Revenue	4,475.3	18,442.2	4,501.7	5,646.2
Expenditure	6,763.3	28,392.6	5,583.3	8,296.0
Deficit	(2,288.1)	(9,950.3)	(1,081.5)	(2,649.8)
Total Debt Stock (Billions US \$)	13.9	15.3	16.6	
External Debt Stock (US \$ Billions)	9.3	10.4	11.2	11.7
Domestic Debt Stock (US \$ Billions)	4.6	4.9	5.3	6.3
Total Debt Stock (Shs Trillions)	52.78	56,937.97	61,506.97	
External Debt Stock (Shs Billions)	35,137.39	38,689.83	41,638.02	42,610.38
Domestic Debt Stock (Shs Billions)	17,646	18,248.14	19,868.95	22,965.95
Quarterly Gross Domestic Product (GDP)				
GDP (Billion Shs)	32,953.9	138,840.8	38,718.8	38,515.4
GDP (Billions US \$)	8.7	37.4	10.5	10.6
Interest Rates (%)				
Central Bank Rate	9.0	8.9	7.0	7.0
Lending Rate	17.8	19.3	19.9	17.5
Time Deposit Rate	10.1	9.9	9.2	9.5
91-Day Treasury Bill (TB)	9.6	9.1	8.0	7.8
182- Day TB	11.1	11.1	9.7	10.0
364- Day TB	13.2	12.5	12.1	12.9
2 Year Treasury Bond	14.0	13.7	13.8	14.6
3 Year	15.6	15.4	15.0	15.5
5 Year	16.5	16.5	15.4	14.9
10 Year	15.7	14.8	14.5	16.2
15 Year	15.3	15.8	14.2	15.5
20 Year				17.5

Source: MoFPED and BOU

Table 2: Public Debt Cost and Risk Indicators

		Mar-20			Jun-20			Sep-20			Dec-20		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		25.4	12.8	38.2	27.9	13.2	41.1	30.0	14.3	44.3	30.7	16.5	47.2
PV as % of GDP		17.7	12.8	30.5	20.0	13.2	33.1	20.6	14.3	34.9	21.2	19.9	41.1
Cost of debt	Interest payment as % GDP	0.5	1.8	2.2	0.56	1.83	2.4	0.57	1.95	2.5	0.56	2.26	2.8
	Weighted Av. IR (%)	1.9	13.8	5.8	2.0	13.9	5.8	1.9	13.6	5.7	1.8	13.7	6.0
Refinancing risk	ATM (years)	13.5	4.4	10.8	12.7	4.3	10.3	13.0	4.5	10.6	12.7	3.1	10.1
	Debt maturing in 1yr (% of total)	2.0	38.0	12.8	2.1	36.8	12.0	2.4	33.4	11.3	2.4	41.1	12.7
	Debt maturing in 1yr (% of GDP)	0.6	4.8	5.5	0.7	4.9	5.5	0.9	4.8	5.6	0.9	5.4	6.3
Interest rate risk	ATR (years)	12.9	4.4	10.3	12.1	4.3	9.8	12.3	4.5	10.1	11.8	3.1	9.5
	Debt refixing in 1yr (% of total)	13.9	38.0	21.1	16.3	36.8	22.2	16.5	33.4	21.4	18.8	41.1	24.8
	Fixed rate debt (% of total)	86.1	100.0	91.4	83.6	100.0	89.6	84.8	100.0	89.2	82.2	100.0	87.5
FX risk	FX debt (% of total debt)			66.6			68.0			67.7			69.9
	ST FX debt (% of reserves)			7.0			6.5			7.9			8.3

Source: MoFPED, DPID

PART III: EXTERNAL DEBT STATISTICS

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

Creditor Type	Jun-20		Sep-20		Dec-20	
	Stock	%	Stock	%	Stock	%
Bilateral Creditors (BC)	3.20	30.88	3.32	29.64	3.44	29.49
Non Paris Club	2.5	23.9	2.6	22.9	2.7	22.7
Paris Club	0.7	7.0	0.8	6.7	0.8	6.8
Multilateral Creditors (MC)	6.42	61.91	7.05	62.91	7.35	62.93
Major Multilaterals 1	5.0	47.9	5.5	49.2	1.6	13.8
Other Multilaterals	1.5	14.0	1.5	13.7	5.7	49.1
Private Bank (PB)	0.75	7.21	0.83	7.45	0.89	7.58
Other Financial Institutions	0.7	7.2	0.8	7.4	0.9	7.6
Grand Total	10.37	100.00	11.21	100.00	11.67	100.00

Source: MoFPED, DPI

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

Table 3b: External debt stock by Concessionality Type as at end December 2020

Concessionality	Debt stock by Concessionality				Share of Debt stock by Concessionality			
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-20	Jun-20	Sep-20	Dec-20
Concessional	5.7	6.3	7.1	7.0	61.4%	60.8%	63.7%	59.9%
Semi concessional	1.7	2.0	1.8	2.5	18.3%	19.2%	16.2%	21.1%
Non Concessional	1.9	2.1	2.2	2.2	20.3%	19.9%	20.1%	19.1%
Total debt stock	9.3	10.4	11.2	11.7	100.0%	100.0%	100.0%	100.0%

Source: MoFPED, DPI

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

Creditor Type	Total Outstanding Debt Stock at end Sept 2020	Disbursement in Q2, FY 2020/21	Principal operations in Q2, FY 2020/21	Exchange rate variation/other adjustment	Total outstanding debt stock as at end Dec 2020
Bilateral Creditors (BC)	3.32	0.02	10.90	11.00	3.44
Non Paris Club	2.57	0.00	10.66	10.74	2.65
Paris Club	0.75	0.02	0.24	0.26	0.79
Multilateral Creditors (MC)	7.05	0.15	28.19	28.33	7.35
Major Multilaterals 1	5.51	0.03	3.69	(0.24)	1.61
Other Multilaterals	1.54	0.12	24.50	28.57	5.74
Private Bank (PB)	0.83	0.02	4.04	4.08	0.89
Other Financial Institutions	0.83	0.02	4.04	4.08	0.89
Grand Total	11.21	0.19	43.13	43.41	11.67

Source: MoFPED, DPI

Table 4a: External Debt Stock by Currency² Composition with SDR undecomposed, Billion USD

	Dec-19		Mar-20		Jun-20		Sep-20		Dec-20	
	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
USD	2.99	34.78	3.20	34.54	3.29	31.73	3.41	30.41	3.56	30.46
EUR	0.88	10.21	1.23	13.29	1.65	15.93	1.80	16.10	1.91	16.33
JPY	0.44	5.07	0.45	4.83	0.44	4.27	0.45	4.00	0.45	3.84
Others 1	0.33	3.79	0.32	3.48	0.32	3.11	0.33	2.95	0.34	2.92
SDR	3.66	42.64	3.76	40.65	4.34	41.85	4.87	43.47	5.06	43.38
CNY	0.30	3.51	0.30	3.21	0.32	3.12	0.34	3.06	0.36	3.07
Grand Total	8.59	100.00	9.26	100.00	10.37	100.00	11.21	100.00	11.67	100.00

Source: MoFPED, DPID

² The others currencies are AED, KRW, IQD, SAR, GBP and IDI.

Table 4b: External Debt Stock by Currency Composition with SDR decomposed, Billion USD

	Dec-19		Mar-20		Jun-20		Sep-20		Dec-20	
	Stock	%	Stock	%	Stock	%	Stock	%	Stock	%
USD	4.52	52.58	3.54	49.28	5.10	49.19	3.54	49.28	5.67	48.56
EUR	2.01	23.37	1.69	23.50	2.99	28.88	1.69	23.50	3.47	29.75
JPY	0.75	8.68	0.70	9.79	0.80	7.76	0.70	9.79	0.87	7.46
Others 1	0.63	7.29	0.61	8.51	0.67	6.49	0.61	8.51	0.75	6.43
CNY	0.70	8.16	0.64	8.93	0.80	7.69	0.64	8.93	0.91	7.80
Total	8.59	100.00	7.18	100.00	10.37	100.00	7.18	100.00	11.67	100.00

Source: MoFPED, DPI

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

Currency	UGX/Currency				Currency/USD			
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-20	Jun-20	Sep-20	Dec-20
United Arab Emirates Dirham (AED)	1,039.08	1,021.01	1,017.05	997.90	3.67	3.67	3.67	3.67
African Unit of Account (AFU)	5,231.06	5,169.23	5,257.29	5,279.21	0.73	0.73	0.71	0.69
Swiss Franc (CHF)	3,976.57	3,950.63	4,028.23	4,143.13	0.96	0.95	0.93	0.88
China Yuan (CNY)	538.00	529.93	548.50	561.32	7.09	7.08	6.81	6.53
Danish Krone (DKK)	563.68	563.67	584.24	603.26	6.77	6.65	6.39	6.08
Euro (EUR)	4,209.45	4,201.58	4,350.00	4,487.55	0.91	0.89	0.86	0.82
Pound Sterling (GBP)	4,738.89	4,620.34	4,797.46	4,945.93	0.81	0.81	0.78	0.74
Islamic Dinar (IDI)	5,231.06	5,169.23	5,257.29	5,279.21	0.73	0.73	0.71	0.69
Japanese Yen (JPY)	35.31	34.94	35.37	35.38	108.09	107.34	105.63	103.61
Korea (South) Won (KRW)	3.12	3.12	3.19	3.35	1,224.79	1,203.37	1,169.44	1,092.97
Kuwait Dinar (KWD)	12,129.63	12,184.31	12,190.50	12,041.49	0.31	0.31	0.31	0.30
Norwegian Krone (NOK)	360.06	384.87	392.83	425.27	10.60	9.74	9.51	8.62
Saudi Arabia Riyal (SAR)	1,015.89	999.66	996.02	976.74	3.76	3.75	3.75	3.75
Special Drawing Rights (SDR)	5,231.06	5,169.23	5,257.29	5,279.21	0.73	0.73	0.71	0.69
Swedish Krone (SEK)	380.07	400.26	411.48	446.85	10.04	9.37	9.08	8.20
Uganda Shillings (UGX)	1.00	1.00	1.00	1.00	3,816.71	3,750.33	3,735.78	3,665.43

Source: MoFPED, DPID

Table 6³ : External Debt Stock by Interest Rate Type, Billion USD

Interest Rate Type	Mar-20		Jun-20		Sep-20		Dec-20	
	Stock	%	Stock	%	Stock	%	Stock	%
Fixed Interest Debt	7.70	83.19	7.88	75.98	8.47	75.57	8.72	74.71
Bilateral	2.29	24.72	2.37	22.89	2.38	21.25	2.41	20.64
Multilateral	5.41	58.47	5.51	53.09	6.09	54.32	6.31	54.07
Private Bank	-	-	-	-	-	-	-	-
Variable Interest Debt	1.28	13.88	1.70	16.35	1.92	17.13	2.07	17.77
Bilateral	0.75	8.16	0.82	7.89	0.94	8.39	1.03	8.85
Multilateral	0.11	1.17	0.13	1.25	0.14	1.29	0.16	1.33
Private Bank	0.42	4.55	0.75	7.21	0.83	7.45	0.89	7.58
No Interest Rate	0.27	2.94	0.79	7.66	0.82	7.30	0.88	7.52
Bilateral	-	-	0.01	0.09	-	-	-	-
Multilateral	0.27	2.94	0.79	7.57	0.82	7.30	0.88	7.52
Private Bank	-	-	-	-	-	-	-	-
Total	9.26	100.00	10.37	100.00	11.21	100.00	11.67	100.00

Source: MoFPED, DPID

Table 7: Actual External Debt Service, Million USD

	April - June 2020					July - September 2020					October - December 2020				
	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%	Principal	Interest	Fees	Total	%
Bilaterals	10.15	1.84	0.22	12.21	24.38	45.81	35.50	4.08	85.39	66.94	10.90	2.20	0.53	13.63	20.72
Paris Club	9.91	1.73	0.22	11.86	23.68	4.79	1.19	0.79	6.77	5.31	10.66	1.96	0.00	12.62	19.18
Non Paris Club	0.24	0.11	0.00	0.35	0.70	41.02	34.31	3.29	78.62	61.64	0.24	0.24	0.53	1.01	1.53
Multilaterals	21.82	10.51	0.72	33.04	65.97	19.12	12.54	0.42	32.09	25.15	28.19	10.70	1.10	39.99	60.77
Major	12.62	7.46	0.72	20.79	41.51	14.63	10.95	0.13	25.72	20.16	14.14	7.82	0.66	22.62	34.37
Other	9.20	3.05	0.00	12.25	24.46	4.49	1.59	0.29	6.37	4.99	14.05	2.88	0.44	17.37	26.40
Private Banks	4.04	0.73	0.06	4.83	9.65	0.00	8.84	1.23	10.08	7.90	4.04	8.10	0.04	12.18	18.51
Other financial institutions	4.04	0.73	0.06	4.83	9.65	0.00	8.84	1.23	10.08	7.90	4.04	8.10	0.04	12.18	18.51
Grand Total	36.01	13.07	1.00	50.09	100.00	64.93	56.88	5.74	127.55	100.00	43.13	21.00	1.67	65.80	100.00

Source: MoFPED, DPID

³ GoU pays to Islamic Development Bank (IDB) reasonable fees equivalent to interest rate recorded under commitment fees. The fees charged are payable during the disbursement period hence disqualifying IDB loans as no interest rate debt.

Table 8: External Undisbursed Debt, Billion USD

	Jun-20		Sep-20		Dec-20	
	Undisbursed	%	Undisbursed	%	Undisbursed	%
Bilateral	2.40	45.37	2.09	44.28	2.06	45.29
Non Paris Club	1.05	19.80	0.94	19.79	0.88	19.20
Paris Club	1.35	25.57	1.16	24.48	1.19	26.09
Multilateral	2.74	51.80	2.57	54.38	2.44	53.61
Major Creditors	1.74	32.98	1.63	34.43	0.66	14.54
Other Multilaterals	0.99	18.82	0.94	19.95	1.78	39.08
Private Bank	0.15	2.83	0.06	1.34	0.05	1.10
	0.15	2.83	0.06	1.34	0.05	1.10
Total	5.29	100.00	4.73	100.00	4.56	100.00

Source: MoFPED, DPID

Table 9 : Gross Public and Private External Debt Position (Million USD⁶)

	Dec-19	Mar-20	Jun-20	Sep-20
General Government	9,014.47	9,522.14	10,466.09	11,363.98
Short-term	-	-	-	6.63
Currency and deposits	-	-	-	-
Debt securities	-	-	-	6.63
Loans	-	-	-	-
Trade credit and advances	-	-	-	-
Other debt liabilities 1	-	-	-	-
Long-term	9,014.47	9,522.14	10,466.09	11,357.35
Special drawing rights (allocations) 2	-	-	-	-
Currency and deposits	-	-	-	-
Debt securities	297.76	286.95	305.83	329.49
Loans	8,716.71	9,235.19	10,160.25	11,027.86
Trade credit and advances	-	-	-	-
Other debt liabilities 1	-	-	-	-
Central Bank	239.31	237.19	583.35	594.98
Short-term	-	-	-	-
Currency and deposits	-	-	-	-
Debt securities	-	-	-	-
Loans	-	-	-	-
Long-term	239.31	237.19	583.35	594.98
Special drawing rights (allocations)2	239.31	237.19	238.78	243.54
Currency and deposits	-	-	-	-
Debt securities	-	-	-	-
Loans	-	-	344.57	351.44
Deposit-Taking Corporations, except the Central Bank	545.54	540.00	568.07	669.19
Short-term	170.46	166.08	173.33	181.87
Currency and deposits	170.46	166.08	173.33	181.87
Debt securities	-	-	-	-
Long-term	375.08	373.92	394.74	487.32
Currency and deposits	-	-	-	-
Debt securities	-	-	-	-
Loans	375.08	373.92	394.74	487.32
Other Sectors	1,280.17	1,353.01	1,371.52	1,477.99
Short-term	751.97	819.99	836.09	871.76
Loans	662.30	729.00	743.77	778.77
Trade credit and advances	89.67	90.99	92.33	93.00
Other debt liabilities 1	-	-	-	-
Long-term	528.19	533.01	535.42	606.23
Loans	528.19	533.01	535.42	606.23
Direct Investment: Intercompany Lending	3,244.56	3,301.23	3,319.70	3,367.19
Debt liabilities of direct investment enterprises to direct investors	3,244.56	3,301.23	3,319.70	3,367.19
Debt liabilities of direct investors to direct investment enterprises	-	-	-	-
Debt liabilities to fellow enterprises	-	-	-	-
Gross External Debt Position	14,324.05	14,953.57	16,308.73	17,473.34

Source: BOU

⁶The data for December 2020 will be reflected in the March bulletin due to a 4-month time lag in the availability of this data.

PART IV: CONTINGENT LIABILITIES

Table 11: Active Loan Guarantees (USD Millions)

Beneficiary	Creditor	Sector	Year signed	Guaranteed Amount (USD)	Tenure	Disbursed & Outstanding (USD)		Government Exposure December 2020 (USD)	Performance
						Sep-20	Dec-20		
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2004	4,302,676	25	2,176,202	2,223,673	112,182	Servicing on schedule
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2010	983,888	20	703,640	718,990	23,432	Servicing on schedule
Islamic University in Uganda	Islamic Development Bank (IDB)	Education	2018	13,790,000		100,000	160,000	-	Delayed disbursements due to Covid 19 that affected the counterpart finding from the university, the long procurement process of the bank. At the moment the creditor is paying only service charge since the Principal payment and interest starts in 2025.
Uganda Development Bank Limited	BADEA (Private Sector Development)	Financial	2017	6,000,000	10	5,249,900	4,874,900	-	Servicing on schedule
Uganda Development Bank Limited	Islamic Development Bank (IDB)	Financial	2017	10,000,000	8	2,464,260	2,378,757	-	Servicing on-schedule
Uganda Development Bank Limited	African Development Bank	Financial	2019	15,000,000	10	15,000,000	15,000,000	-	On-schedule repayment starts in 2021
Uganda Development Bank Limited	Exim India	Financial	2019	5,000,000	7	3,410,000	3,052,857	-	Servicing on-schedule
TOTAL				55,076,564		29,104,002	28,409,178	135,614	

Source: MoFPED, DPID

Table 12: Non-Guaranteed Debt and Other Liabilities of SOEs and EBU's (UGX Millions)⁷

All in UGX Millions	Financial Years		
	Jun-20	Jun-19	Jun-18
Domestic Borrowing	14,629,795	2,146,892	1,635,444
External Borrowing	2,830,365	108,974	99,850
Other debt (including lease contracts and overdrafts)	1,945,102	19,195	18,574
GoU On-Lent	7,623,475	6,825,944	6,255,813
Total outstanding debt including GoU on-lent loans	19,405,263	9,101,004	8,009,681
Total debt excluding GoU on-lent loans	27,028,738	2,275,061	1,753,868
Debt ratio (Total debt/total assets)	63.98%	26.69%	20.26%
Liabilities from grants and GoU contributions	3,200,502	2,187,877	2,496,609

Source: MoFPED, DPID

PART V: DOMESTIC DEBT STATISTICS Table 12: Domestic Debt Stock at Original Maturity, Billion Shillings

Instruments Maturity period	Mar-20				Jun-20				Sep-20				Dec-20			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	59.9	60.5	61.3	0.3%	51.1	51.7	52.2	0.3%	119.5	120.7	122.0	0.6%	105.12	106.1	107.09	0.5%
182	355.5	365.6	374.3	2.0%	305.7	314.6	322.3	1.7%	415.1	424.9	436.3	2.1%	468.54	479.8	491.22	2.0%
364	4,061.1	4,279.0	4,551.8	23.0%	4,099.3	4,358.0	4,603.0	24.3%	4,453.2	4,719.9	5,005.8	22.4%	4,975.16	5,280.0	5,605.57	21.7%
Total Bills	4,476.5	4,705.1	4,987.4	25.4%	4,456.1	4,724.3	4,977.5	26.3%	4,987.8	5,265.6	5,564.2	25.1%	5,548.8	5,866.0	6,203.9	24.2%
2	148.3	1,483.0	149.0	0.8%	1,160.0	1,281.7	1,220.5	6.4%	1,160.0	1,479.7	1,220.5	5.8%	1,376.1	1,720.5	1,450.8	6.0%
3	229.9	1,405.7	220.0	1.3%	1,311.8	1,032.7	1,308.1	6.9%	1,373.6	1,509.7	1,385.2	6.9%	1,596.3	1,727.0	1,605.4	7.0%
5	2,611.0	3,715.0	2,516.4	14.8%	4,055.9	3,627.4	4,100.1	21.6%	4,057.8	3,691.0	4,083.8	20.4%	4,441.8	4,128.0	4,444.6	19.3%
10	5,910.4	4,511.9	6,080.7	33.5%	4,131.6	3,748.2	4,173.1	22.0%	4,886.8	5,222.1	4,838.7	24.6%	5,495.3	5,914.8	5,445.6	23.9%
15	4,269.8	3,286.7	4,363.7	24.2%	3,132.8	2,470.5	3,178.0	16.8%	3,403.0	3,516.0	3,448.0	17.1%	3,881.4	4,081.5	3,929.4	16.9%
20													626.2	636.4	624.5	2.7%
Total Bonds	13,169.5	14,402.4	13,329.8	74.6%	13,792.1	12,160.5	13,979.8	73.7%	14,881.1	15,418.4	14,976.1	74.9%	17,417.1	18,208.2	17,500.4	75.8%
Total Stock	17,646.0	19,107.4	18,317.3	100.0%	18,248.1	16,884.8	18,957.3	100.0%	19,869.0	20,684.0	20,540.3	100.0%	22,965.9	24,074.2	23,704.3	100.0%

Source: MoFPED, DPID

⁷ This analysis is done based on data collected from 92% of SoEs and EBU's

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

Holder Category	Jun-20		Sep-20		Dec-20	
	Face Value	%Face Value	Face Value	%Face Value	Face Value	%Face Value
Banks	4,035.1	81.1%	4,447.0	79.9%	5,191.8	83.7%
Pension & Provident Funds	227.8	4.6%	222.9	4.0%	187.5	3.0%
Offshore	-	0.0%	24.6	0.4%	32.9	0.5%
Bank of Uganda	2.5	0.1%	2.6	0.0%	0.8	0.0%
Insurance companies	149.0	3.0%	150.9	2.7%	146.3	2.4%
Other financial institutions	187.2	3.8%	301.7	5.4%	194.7	3.1%
Retail	137.8	2.8%	149.4	2.7%	157.3	2.5%
Other	238.1	4.8%	264.9	4.8%	292.5	4.7%
Total Bills	4,977.5	100.0%	5,564.2	100.0%	6,203.9	100.0%
Banks	3,796.9	27.2%	3,898.3	26.0%	5,035.0	28.8%
Pension & Provident Funds	7,261.4	51.9%	7,469.7	49.9%	7,967.2	45.5%
Offshore	1,140.8	8.2%	1,224.2	8.2%	1,694.5	9.7%
Bank of Uganda	6.2	0.0%	456.1	3.0%	457.7	2.6%
Insurance companies	267.6	1.9%	295.2	2.0%	328.0	1.9%
Other financial institutions	1,153.9	8.3%	1,234.9	8.2%	1,474.1	8.4%
Retail	255.8	1.8%	287.3	1.9%	394.7	2.3%
Other	97.2	0.7%	110.4	0.7%	149.0	0.9%
Total Bonds	13,979.8	100.0%	14,976.1	100.0%	17,500.4	100.0%
Total Stock	18,957.3		20,540.3		23,704.3	

*Source: BOU***Table 13 b: Stock of Government Securities at Cost by Holder, Billion Shillings**

Holder Category	Jun-20		Sep-20		Dec-20	
	Cost	% Cost	Cost	% Cost	Cost	% Cost
Banks	3,612.4	80.7%	3,986.4	79.9%	4,643.6	83.7%
Pension & Provident Funds	205.1	4.6%	204.0	4.1%	171.0	3.1%
Offshore	-	0.0%	22.1	0.4%	29.5	0.5%
Bank of Uganda	2.2	0.1%	2.4	0.0%	0.7	0.0%
Insurance companies	134.8	3.0%	137.1	2.7%	132.9	2.4%
Other financial institutions	155.1	3.5%	254.7	5.1%	159.5	2.9%
Retail	127.3	2.8%	138.2	2.8%	145.1	2.6%
Other	219.1	4.9%	242.9	4.9%	266.5	4.8%
Total Bills	4,456.1	100.0%	4,987.8	100.0%	5,548.8	100.0%
Banks	3,745.9	27.2%	3,873.6	26.0%	5,011.0	28.8%
Pension & Provident Funds	7,176.4	52.0%	7,423.6	49.9%	7,929.8	45.5%
Offshore	1,125.5	8.2%	1,216.5	8.2%	1,686.5	9.7%
Bank of Uganda	6.3	0.0%	488.0	3.3%	489.7	2.8%
Insurance companies	266.3	1.9%	296.6	2.0%	330.1	1.9%
Other financial institutions	1,114.7	8.1%	1,177.6	7.9%	1,413.5	8.1%
Retail	261.1	1.9%	294.8	2.0%	406.3	2.3%
Other	96.0	0.7%	110.5	0.7%	150.2	0.9%
Total Bonds	13,792.1	100.0%	14,881.1	100.0%	17,417.1	100.0%
Total Stock	18,248.1		19,869.0		22,965.9	

Source: BOU

⁸ Other financial institutions include: Savings and Credit Co-operatives (SACCOs) and Micro Finance Institutions (MFIs).

Table 14: Domestic Debt Service, Billion Shillings

Instruments	Apr-Jun 2020				Jul-Sep 2020				Oct-Dec 2020			
	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total	Discount	Coupon	Redemption	Total
91	1.4	-	59.9	61.3	1.1	-	51.1	52.2	2.47	-	119.55	122.0
182	10.3	-	198.2	208.6	8.5	-	157.3	165.8	9.51	-	175.76	185.3
364	85.7	-	749.3	835.0	125.5	-	1,090.4	1,215.9	108.92	-	929.54	1,038.5
Total Bills	97.4	-	1,007.4	1,104.8	135.1	-	1,298.8	1,433.9	120.9	-	1,224.9	1,345.8
2	0.7	20.1	148.3	169.1	-	51.3	-	51.3	-	22.41	-	22.4
3	-	52.6	-	52.6	-	21.9	220.0	241.9	-	69.34	-	69.3
5	-	101.7	100.0	201.7	-	182.1	388.9	571.0	-	100.86	-	100.9
10	-	96.5	-	96.5	-	262.1	80.0	342.1	-	114.50	-	114.5
15	-	68.5	-	68.5	-	172.2	-	172.2	-	68.53	-	68.5
20	-	-	-	-	-	-	-	-	-	-	-	-
Total Bonds	0.7	339.4	248.3	588.4	-	689.6	688.9	1,378.5	-	375.64	-	375.6
Total	98.1	339.4	1,255.7	1,693.2	135.1	689.6	1,987.6	2,812.4	120.9	375.6	1,224.9	1,721.4

Source: MoFPED, DPID

Table 15: Domestic Debt Gross Issuances, Billion Shillings

Instruments	Mar-20				Jun-20				Sep-20				Dec-20			
	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost	Cost	Nominal	Face Value	% Cost
91	59.9	60.5	61.3	0.3%	51.1	51.7	52.2	0.3%	119.5	120.7	122.0	0.6%	105.12	106.1	107.09	0.5%
182	355.5	365.6	374.3	2.0%	305.7	314.6	322.3	1.7%	415.1	424.9	436.3	2.1%	468.54	479.8	491.22	2.0%
364	4,061.1	4,279.0	4,551.8	23.0%	4,099.3	4,358.0	4,603.0	24.3%	4,453.2	4,719.9	5,005.8	22.4%	4,975.16	5,280.0	5,605.57	21.7%
Total Bills	4,476.5	4,705.1	4,987.4	25.4%	4,456.1	4,724.3	4,977.5	26.3%	4,987.8	5,265.6	5,564.2	25.1%	5,548.8	5,866.0	6,203.9	24.2%
2	148.3	1,483.0	149.0	0.8%	1,160.0	1,281.7	1,220.5	6.4%	1,160.0	1,479.7	1,220.5	5.8%	1,376.1	1,720.5	1,450.8	6.0%
3	229.9	1,405.7	220.0	1.3%	1,311.8	1,032.7	1,308.1	6.9%	1,373.6	1,509.7	1,385.2	6.9%	1,596.3	1,727.0	1,605.4	7.0%
5	2,611.0	3,715.0	2,516.4	14.8%	4,055.9	3,627.4	4,100.1	21.6%	4,057.8	3,691.0	4,083.8	20.4%	4,441.8	4,128.0	4,444.6	19.3%
10	5,910.4	4,511.9	6,080.7	33.5%	4,131.6	3,748.2	4,173.1	22.0%	4,886.8	5,222.1	4,838.7	24.6%	5,495.3	5,914.8	5,445.6	23.9%
15	4,269.8	3,286.7	4,363.7	24.2%	3,132.8	2,470.5	3,178.0	16.8%	3,403.0	3,516.0	3,448.0	17.1%	3,881.4	4,081.5	3,929.4	16.9%
20	-	-	-	-	-	-	-	-	-	-	-	-	626.2	636.4	624.5	2.7%
Total Bonds	13,169.5	14,402.4	13,329.8	74.6%	13,792.1	12,160.5	13,979.8	73.7%	14,881.1	15,418.4	14,976.1	74.9%	17,417.1	18,208.2	17,500.4	75.8%
Total Stock	17,646.0	19,107.4	18,317.3	100.0%	18,248.1	16,884.8	18,957.3	100.0%	19,869.0	20,684.0	20,540.3	100.0%	22,965.9	24,074.2	23,704.3	100.0%

Source: MoFPED, DPID

Table 16: Domestic Debt Total Issuances, Billion Shillings

	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
Fiscal Financing	1146.9	292.4	602.1	1,166.41	3,096.99
BoU Recapitalisation	-	-	-	481.7	-
Redemptions	1,051.9	2,040.2	1,155.7	1,987.6	1,224.86
Total Issuance	2,198.8	2,332.5	1,757.9	3,635.7	4,321.8

Source: MoFPED, DPID

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

	Quarterly Average			End Period			
	Jun-20	Sep-20	Dec-20	Jun-20	Sep-20	Dec-20	
Treasury Bill Rates	91 Days	9.1	8.6	7.8	8.5	8	8.8
	182 Days	11.1	10.1	10	9.6	9.7	11.2
	364 Days	12.5	12.1	12.9	11.8	12.1	14
Treasury Bond Rates	2 Years	13.7	13.8	14.6	13.5	13.8	14.6
	3 Years	15.4	15.1	15.5	15.4	15	15.5
	5 Years	16.5	15.4	14.9	16.5	15.4	14.9
	10 Years	14.8	14.5	16.2	14.8	14.5	16.5
	15 Years	15.8	14.2	15.5	15.8	14.2	16.3
	20 Years			17.5			17.5

Source: MoFPED, DP

PART VI: PUBLIC DEBT PORTFOLIO ANALYSIS

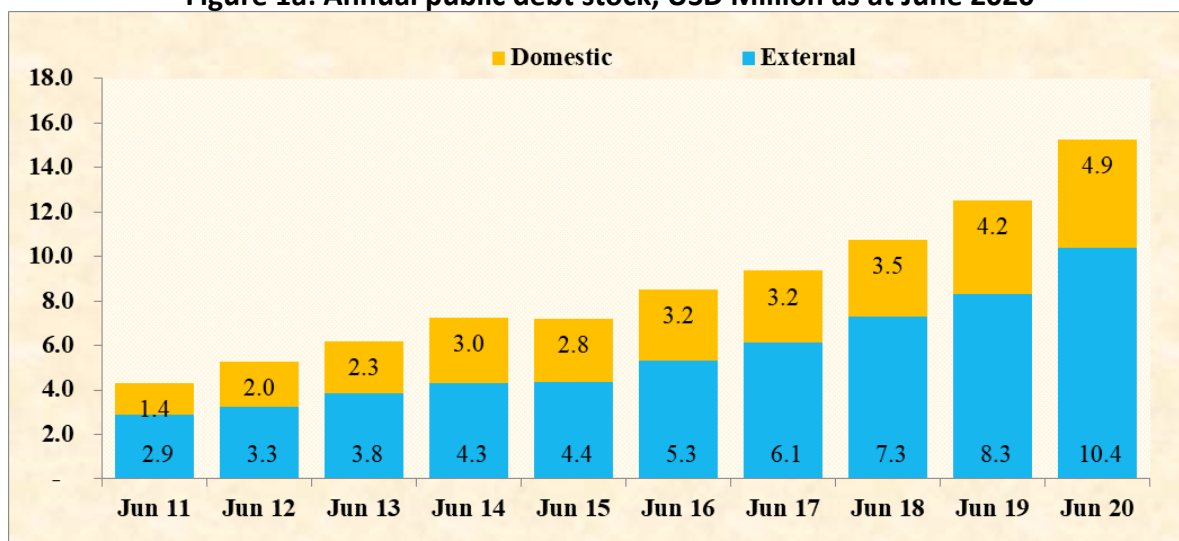
6.1.TOTAL PUBLIC DEBT

There was an increase in total public debt stock by 8.5% to USD 18.0 Billion as at end December 2020 from USD 16.6 Billion as at end September 2020. External and domestic debt constituted 65% (USD 11.7 Billion) and 35% (USD 6.3 Billion) respectively. The increase in the stock of public debt was attributed to the upward revision of the FY 2020/2021 Net Domestic Financing (NDF) target as a result of Government's urgent funding requirements and the increased external borrowing for socio-economic impact of COVID-19 which increased disbursements.

By end December 2020, the nominal value of public debt as a percentage of GDP stood at 47.2%. There was a 6.6 percentage point increase from 44.3% as at end September 2020. Of the 47.2%, 30.7 % accounted for external debt and 16.5 % accounted for domestic debt stock to GDP.

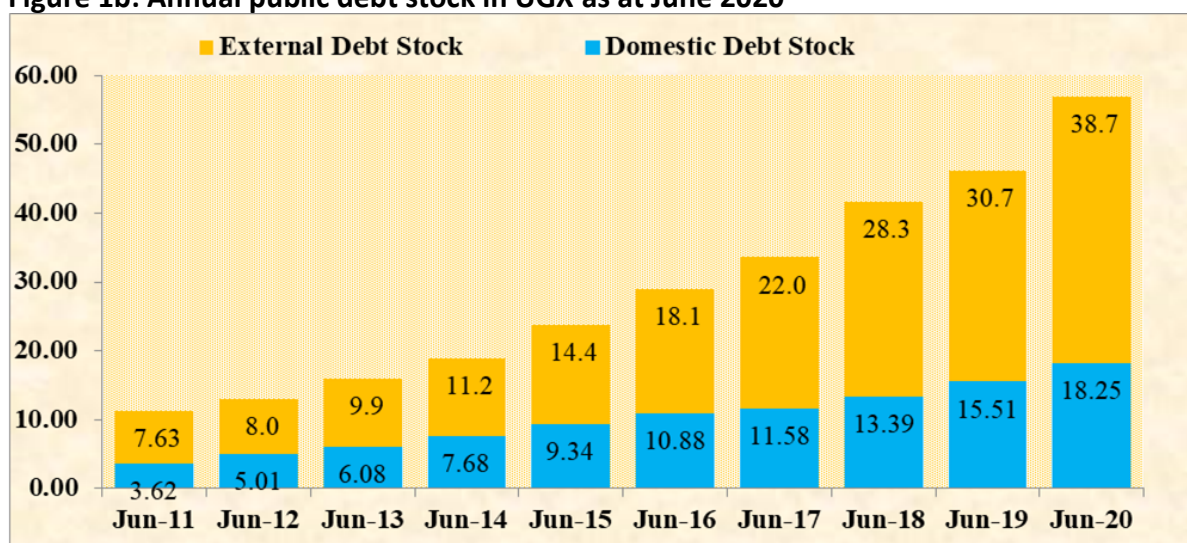
Figures 1a and b below illustrate the annual public debt stock since 2011.

Figure 1a: Annual public debt stock, USD Million as at June 2020



Source: DPI, MoFPED

Figure 1b: Annual public debt stock in UGX as at June 2020



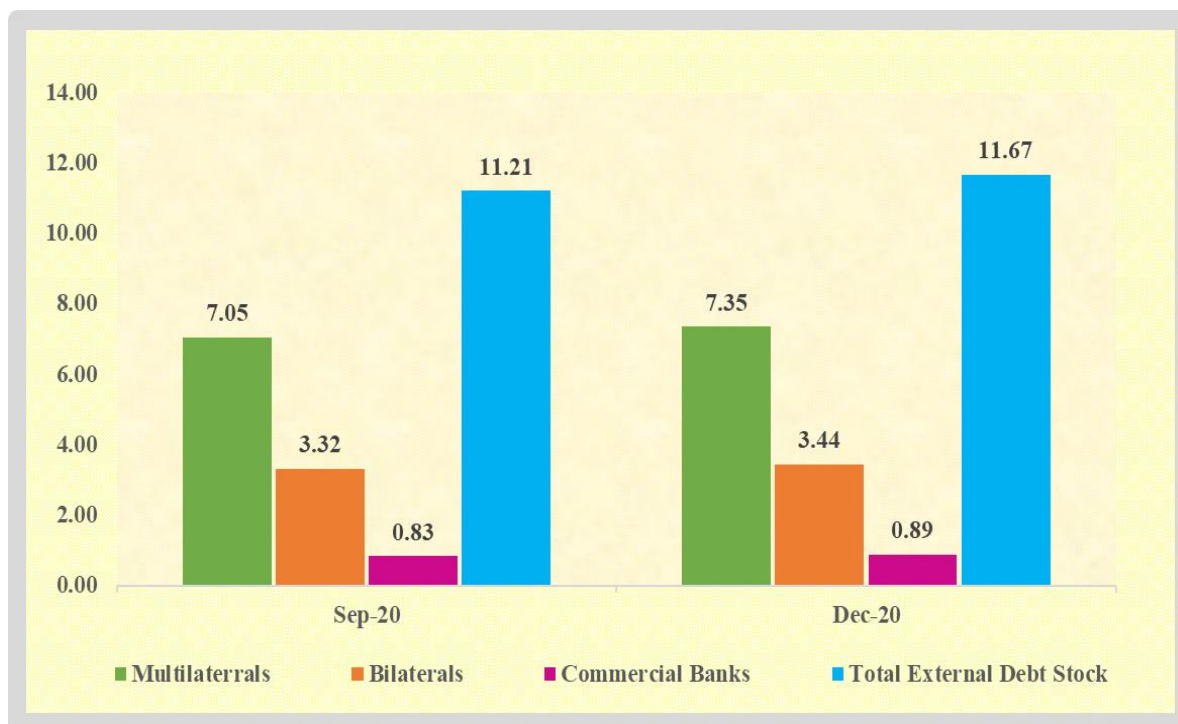
Source: DPI, MoFPED

6.2 EXTERNAL DEBT

6.2a. External Debt Stock Disbursed and Outstanding

The total external debt stock as at December 2020 amounted to USD 11.7 billion (UGX 42.79 trillion), compared to 11.2 billion (41.64 trillion) in September 2020. The ratio of nominal value and the present value of external debt stock to GDP stood at 30.7% and 21.2% respectively in December 2020. This increase is because of increased external borrowing for socio-economic impact of COVID-19, which increased disbursements.

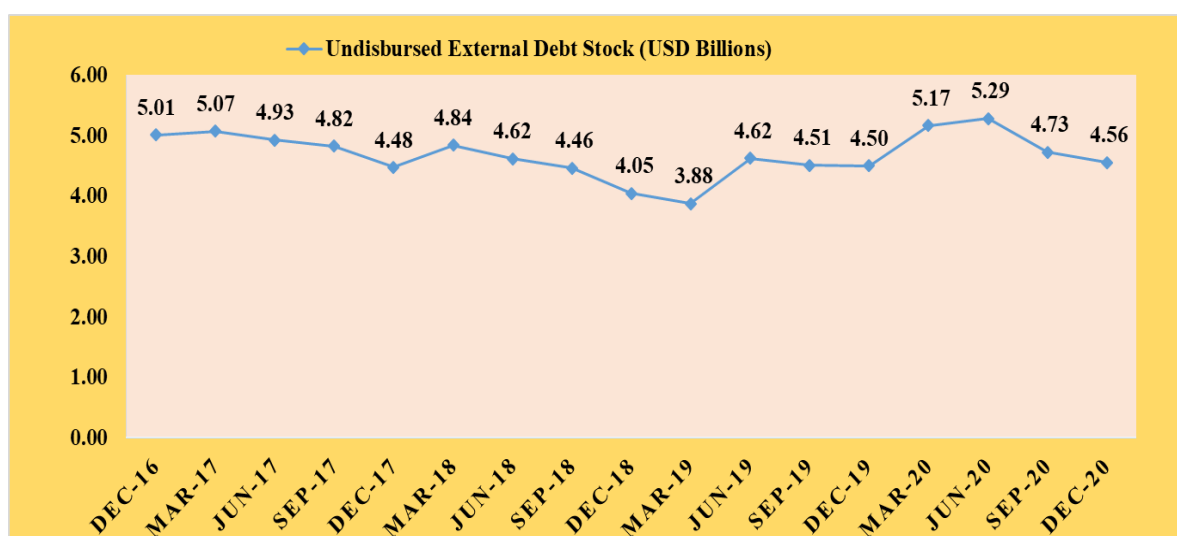
Figure 2: External Debt stock in USD Billions as at end September 2020 and Dec 2020



Source: DPI, MoFPED

Undisbursed amount reduced from USD 4.73 Billion as at September 2020 to USD 4.56 Billion as at December 2020. The undisbursed debt from multilateral creditors reduced from USD 2.57 billion in September 2020 to USD 2.41 billion in December 2020 while the bilateral creditors reduced from USD 2.09 billion to USD 2.06 billion during the same period.

Figure 3: Trend of Undisbursed External Debt in USD Billion (December 2019 - December 2020)



Source: MoFPED, DPI

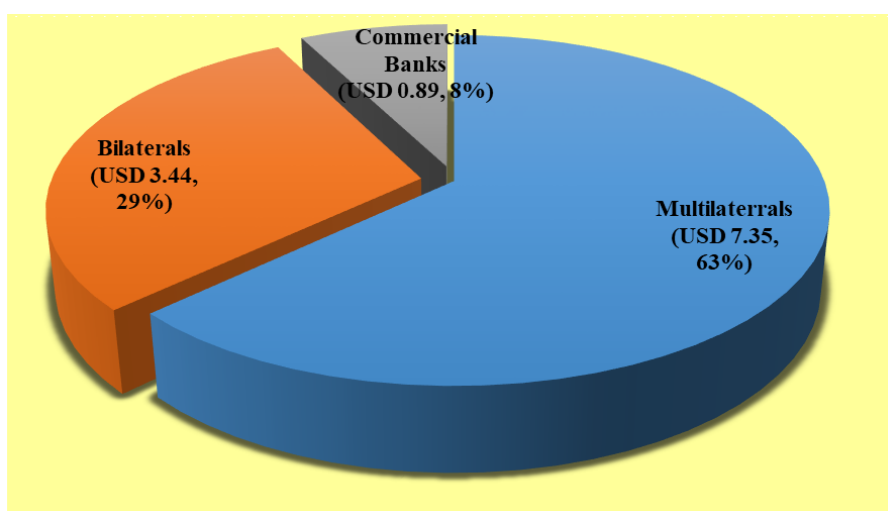
6.3b. Creditor composition

Multilateral creditors continued to constitute the largest share of Uganda’s external debt stock with 62.9% (USD 7.35 Bn) whereas bilateral creditors accounted for 29.49% (USD 3.44 Bn), and Private Banks contributed 7.6% (USD 0.89Bn) at the end of December 2020. Multilateral debt is dominated by International Development Association (58%/USD 4.3 Bn) and African Development Fund (20%/USD 1.4 Bn), bilateral debt is dominated by the Exim Bank of China (74%/USD 2.5 Bn) and Japan (9%/USD 0.31 Bn) while the debt from private banks is dominated by Trade and Development Bank (41%/USD 0.36 Bn).

Both the share of bilateral debt and multilateral debt stock increased slightly in the external debt portfolio to 29.5% (USD 3.4Bn) and 62.9% (USD 7.3 Bn) in December 2020 from 29.6% (USD 3.3 Bn) and 62.9% (USD 7.1 Bn) respectively in September 2020. In the same period, the share of private creditors increased from 7.45% (USD 0.83 Bn) in September 2020 to 7.6% (USD 0.89 Bn) in December 2020.

Additionally, the share of concessional debt reduced from 63.7% to 59.9% while semi-concessional debt as a percentage of total external debt increased from 16.2% as at September 2020 to 21.1% as at December 2020. This increase in semi concessional debt was due to the contraction of the IMF loan that was acquired to address the socioeconomic impact of Covid 19. On the other hand, the share of non-concessional debt reduced from 20.1% in September 2020 to 19.1% as at end December 2020.

Figure 4: External Debt stock by creditor composition (%) as at December

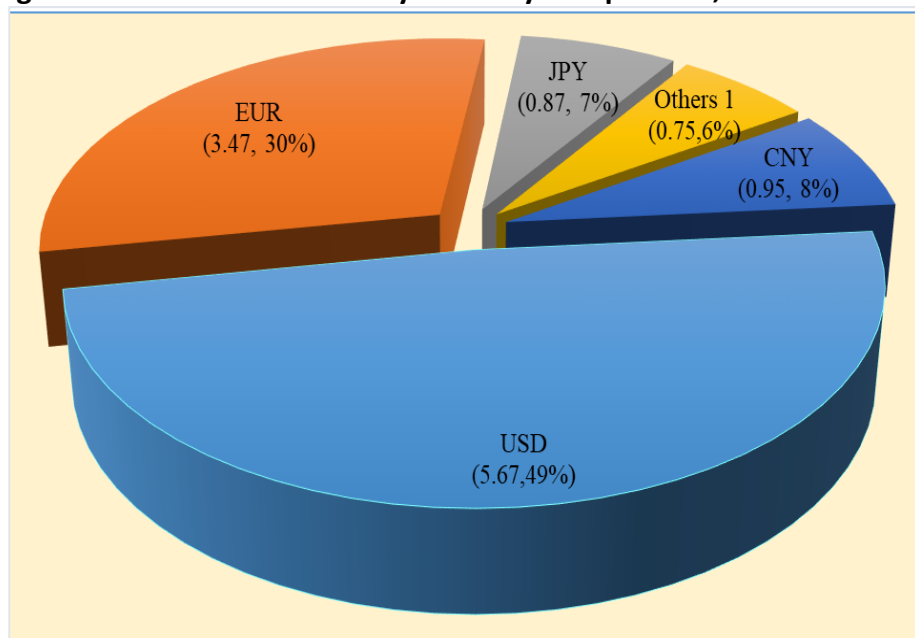


Source: DPI, MoFPED

6.3c. Currency composition.

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

Figure 5: External debt stock by Currency Composition, end December 2020.



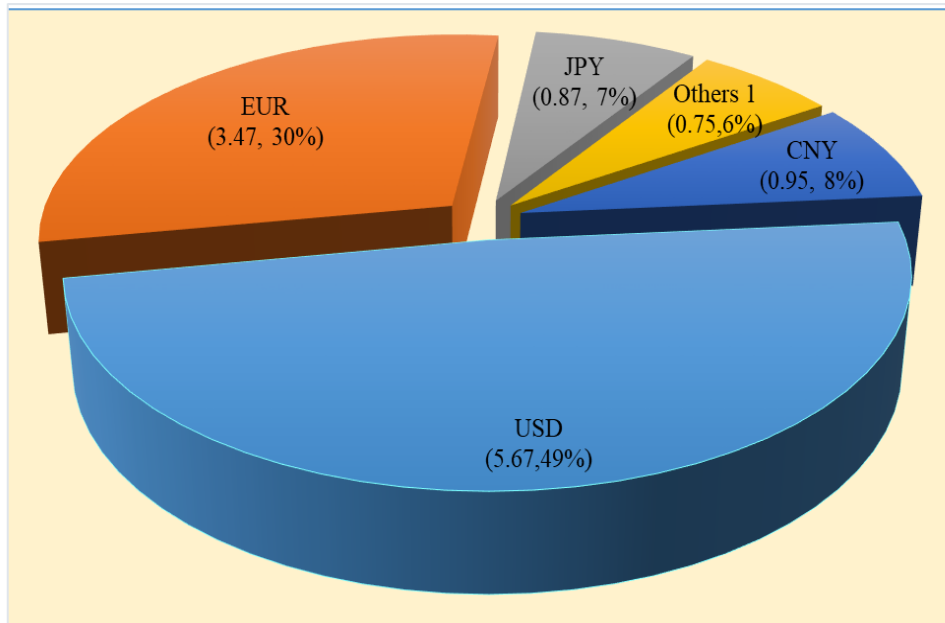
Source: MoFPED, DPID

The share of external debt stock denominated in USD decreased by 0.72 percentage points from 49.28% (USD 3.45 Bn) in September 2020 to 48.56% (USD 5.67 Bn) as at end December 2020. On the other hand, the share of debt denominated in Euros increased from 23.5% (USD 1.69 Bn) in September 2020 to 29.7% (USD 3.47 Bn) by end December 2020. This is due to the Euro denominated disbursements from UKEF, KfW and AFD during this period. The currency composition of 6.4% (others) is AED, KRW, IQD, SAR, GBP and IDI.

6.3d. Interest rate type

Approximately 74.7% (USD 8.7 Bn) of Uganda's debt stock as at end December 2020 had been contracted at fixed interest rates while variable interest rates and no-interest rates constituted 17.8% (USD 2.1 Bn) and 7.5% (USD 0.88 Bn) respectively. The largest stock of the variable-rate debt from Bilateral creditors is from China (USD 770.2 Million) and UKEF (USD 262.8 Million) while the variable-rate debt from Multilateral creditors is from AfDB (USD 155.6 Million). The stock of variable rate debt has been increasing and the trend is expected to continue following a gradual shift from concessional to non-concessional and commercial loans for both project and budget support. This is demonstrated in the figure below.

Figure 6: External Debt Stock by Interest Rate Type as at December 2020

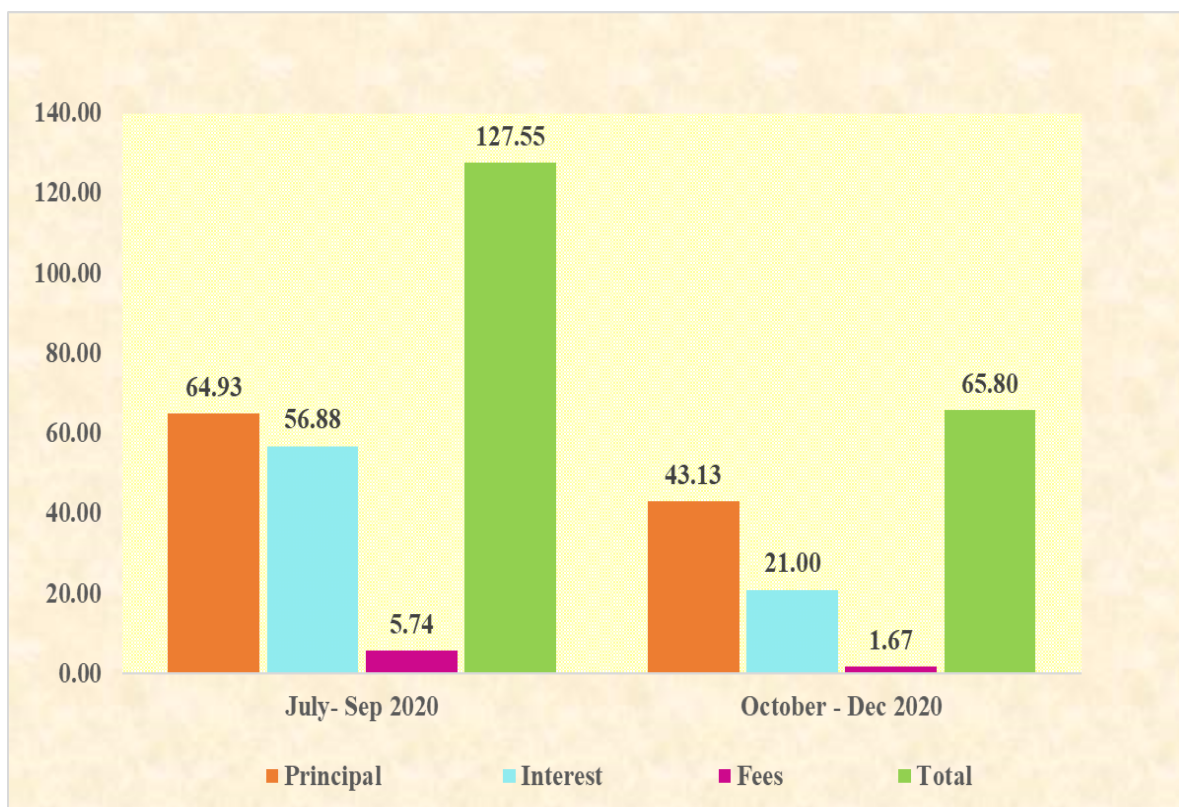


Source: MoFPED, DPID

6.3e. External debt service

The external debt service reduced from USD 127.6 Million in the period July- September 2020 to USD 65.8 Million in the October to December 2020 period. Cumulatively, for the first half of the FY 2020/21, the Government of Uganda has serviced external debt to a tune of USD 193.35 million.

Figure 7: External Debt Service in USD Million, July-September 2020 and Oct-Dec 2020



Source: MoFPED, DPID

Principal payments amounting to USD 43.13 million made between October to December 2020 were lower than the amounts made from July to September 2020 which stood at USD 64.93 Million. Interest payments reduced from USD 56.88 Million in the first quarter of financial year 2020/21 to USD 21.0 Million in the period the second quarter. This reduction is attributed to the spike in debt service in quarter one (July to September 2020) that was due to repayment for big projects like Karuma Hydro power (USD 21M), Kampala Entebbe Express highway (USD 16M) and Isimba Hydro power dam project (USD 20M).

6.3 DOMESTIC DEBT

6.4a. Domestic Debt Stock Outstanding

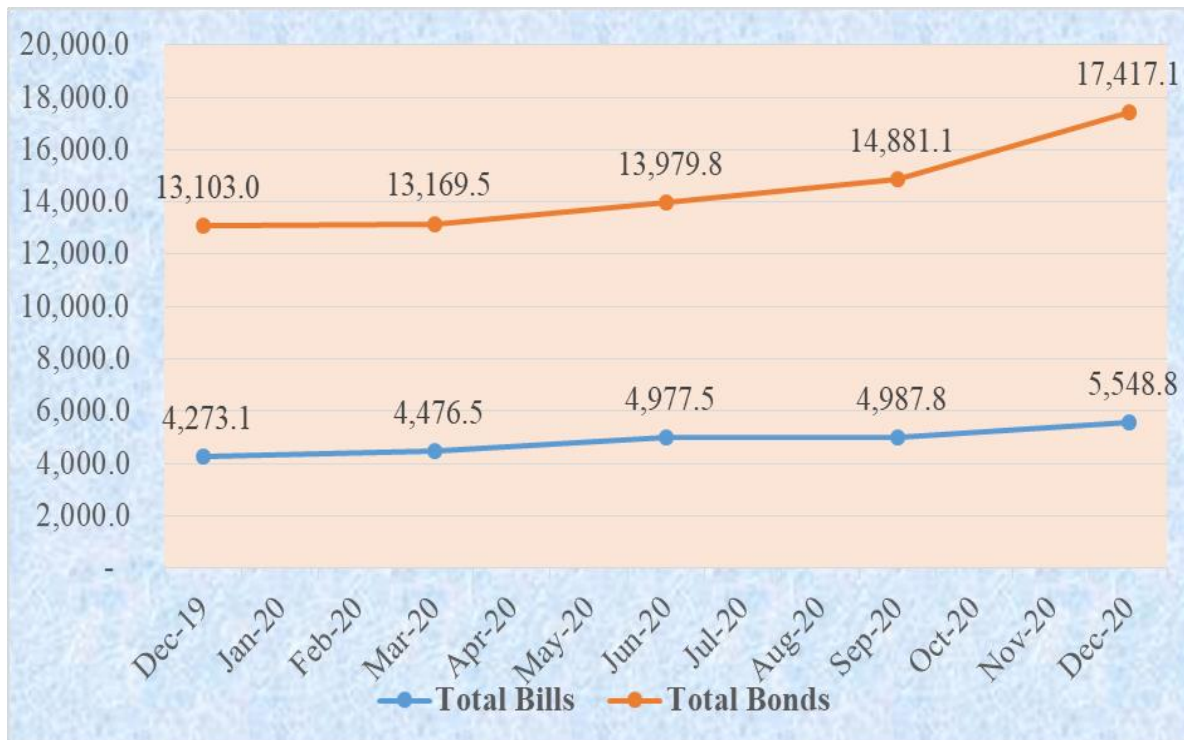
The total domestic debt stock increased from UGX 19,869.0 Billion in September 2020 to UGX 22,965.9 Billion at cost in December 2020 with T-Bills amounting to UGX 5,548.8 Billion and T-Bonds amounting to UGX 17,417.1 Billion.

Correspondingly, T-Bonds increased from 74.9 % of the total domestic debt in September 2020 to 75.8% in December 2020 while T-Bills reduced from 25.1% of the total domestic debt stock

in September 2020 to 24.2% in December 2020. The increase in the stock of domestic debt was attributed to the upward revision of the FY2020/21 Net Domestic Financing (NDF) target as a result of Government’s urgent funding requirements.

In a bid to raise the additional funding requirements, non-traditional methods were used such as private placements. Treasury bonds were prioritised over T-bills for purposes of lengthening the maturity profile to mitigate refinancing risk. The trend of Domestic debt stock is illustrated in Figure 8.

Figure 8: Trend of Domestic Debt stock, Billion UGX (December 2019-December 2020)



Source: MoFPED, DPID

6.4b. Domestic Debt Issuances

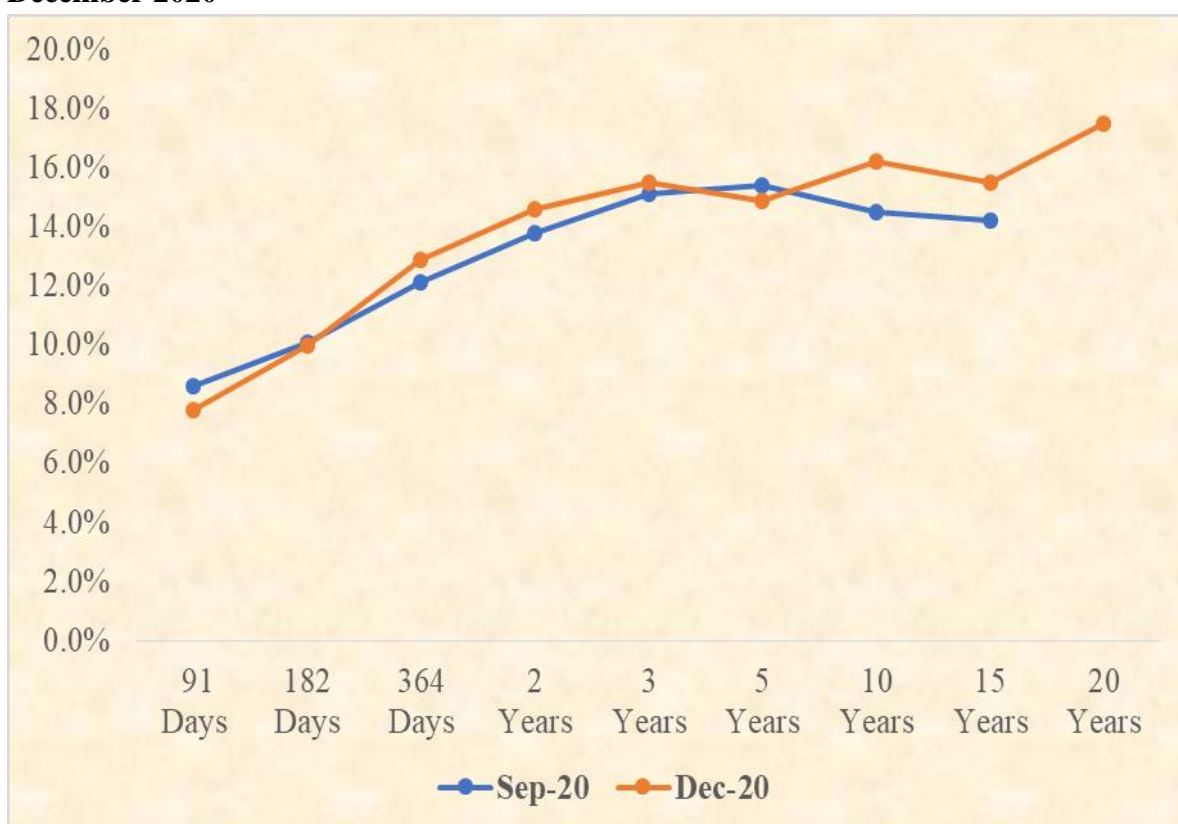
Domestic debt total issuances increased from UGX 3,635.7 Billion in Q1 to UGX 4,321.8 Billion in Q2. Out of the total issuance of UGX 4,321.8 Billion during the period ending December 2020, UGX 3,097 Billion was for fiscal financing and UGX 1,225 Billion was issued for redemptions.

6.4c. Domestic Debt Stock by Interest rate type/Annual Average Primary Market Yields

There was an upward shift in the yield curve from the period of September 2020 to December 2020. The increase in yields was majorly as a result of increase in auction amounts in quarter two relative to quarter one FY2020/21. This was to cater for additional expenditure requirements. This upward movement of yields is illustrated in the figure 9 below;

The 20 Year Treasury bond debut was in quarter two of FY2020/21 in a private placement, it had notable demand and had a yield of 17.5%.

Figure 9: Trend of Quarterly Average Primary Market Yields for September 2020 to December 2020

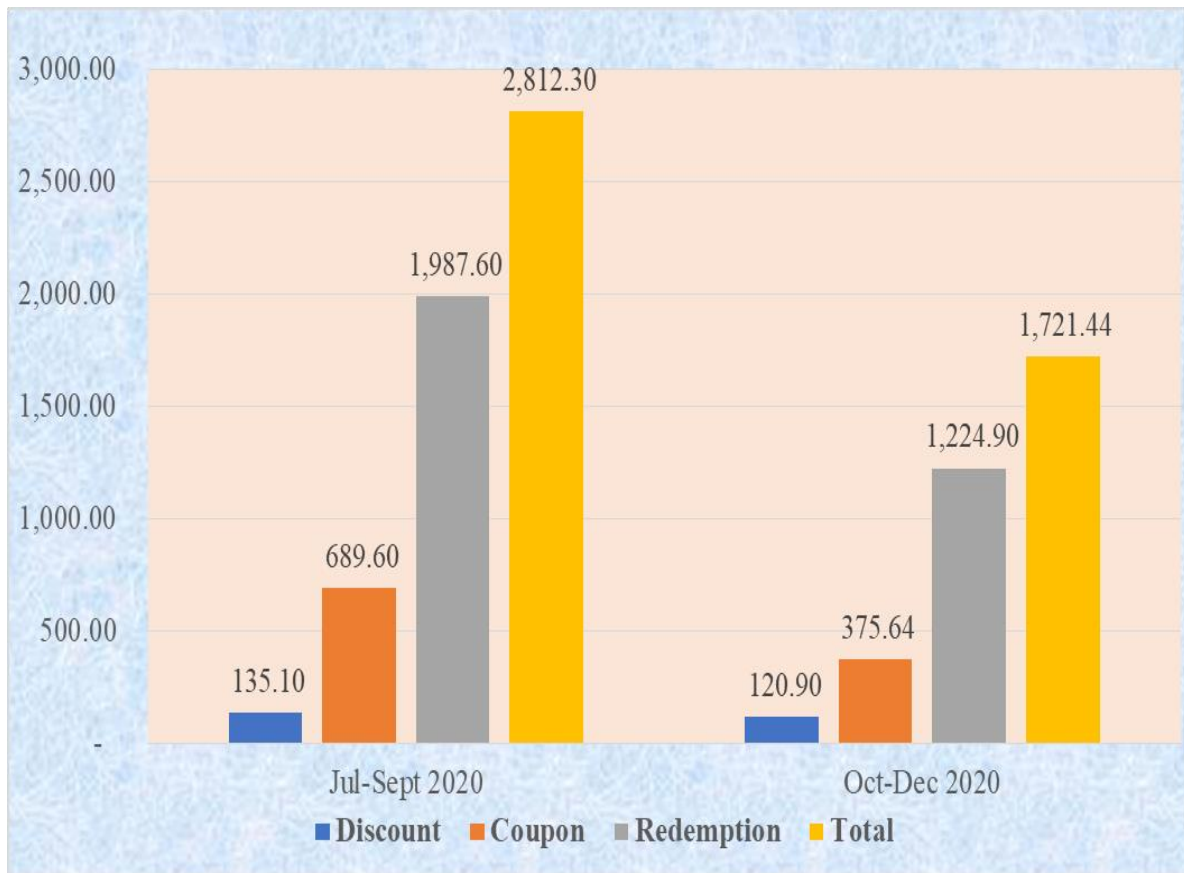


Source: DPI, MoFPED

6.4d. Domestic Debt Servicing

Domestic debt service decreased in all of its components; discount, coupon and redemptions. For the quarter October to December 2020. Discount interest reduced by 10.5% to UGX. 120.9 billion, the semi-annual coupon payments on Treasury bonds considerably reduced registering a decrease of 45.5% to UGX. 375.64 billion. Redemptions also reduced by 38.4% to 1,224.86 billion. The reduction in the debt service is attributed to lower amounts that were redeemed in the period under review.

Figure 10: Domestic Debt Service (UGX Billion)



Source: MoFPED, DPID

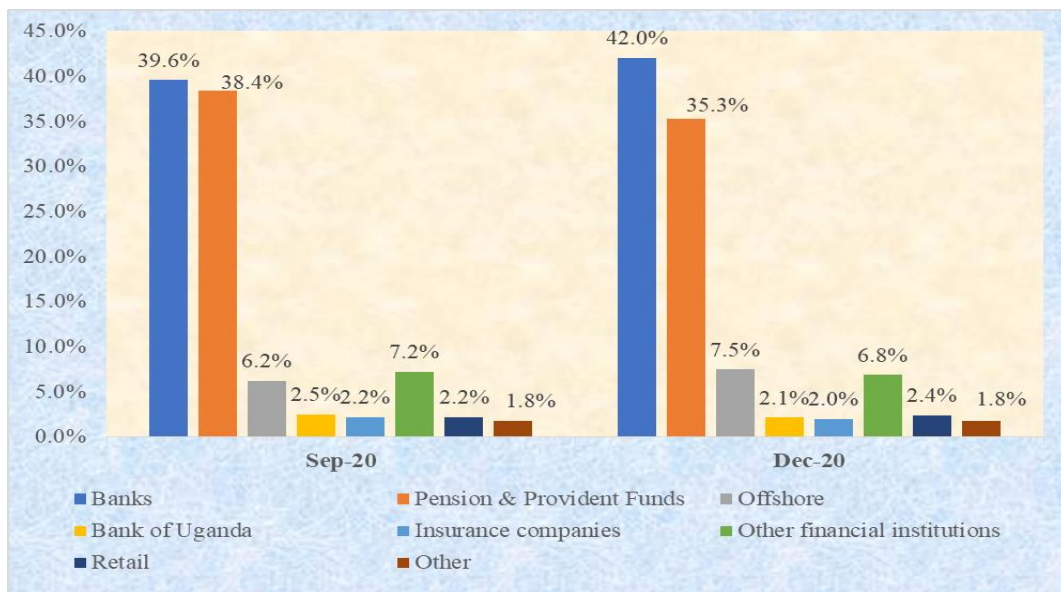
6.4e. Holders of Government securities

Commercial banks continue to hold the biggest share of investments in Government Securities as at end December 2020. These financial institutions' holding increased from 39.6% to 42%

for the period under review. Pension and Provident funds held 35.3%. The share of offshore and retail investors increased from 6.2% to 7.5% and 2.2% to 2.4% respectively.

Effective October 1st 2020, Government introduced reforms to the Primary dealership system. This involved restricting primary dealer banks to only seven. This is expected to enhance liquidity in the secondary market, facilitate price discovery and reduce the cost of debt.

Figure 11: Holders of Government securities at cost for September 2020 and December 2020



Source: MoFPED, DPID

6.4 CONTINGENT LIABILITIES

As at 31st December 2020, there were 7 Active loan guarantees which amounted to a total of USD 55 million. The current exposure of the government to the disbursed and outstanding guaranteed debt stood at USD 28.335 million, indicating a decrease of 2.6% from USD 29.104 million as at end September 2020. The reduction was due to loan repayments made during the September-December 2020 quarter.

Islamic Development Bank (IDB) was the top guaranteed creditor with a guaranteed amount of USD 29.1 million, followed by African Development Bank (ADB) with a guaranteed amount of USD 15 million, BADEA with USD 6 million and EXIM Bank with USD 5 million. This amounted to a total of USD 55.1 million at End-December, 2020.

The current guarantee portfolio mainly consists of two entities:

- a) Islamic University in Uganda, which is a private entity under the Education Sector having a total guaranteed debt of USD 19 million with current exposure of disbursed and outstanding debt at USD 3.1 million, and,
- b) Uganda Development Bank Ltd, a public financial corporation with a total guaranteed debt of USD 36 million with a current exposure of disbursed and outstanding debt at USD 25.2 million.

The nominal value of the disbursed and outstanding guaranteed debt to GDP stood at 0.1% as at 31st December, 2020. The total exposure to the government in case of default resulted in USD 0.135 million, which results in 0.0148% of GDP, thus indicating a low impact on government revenue.

As at June 2020, the stock of debt (direct domestic and external borrowing plus on-lent) of State Owned Entities and Extra Budgetary Units amounted to UGX 26,457 billion (USD 7.23 billion), indicating a 190 percent increase from UGX 9,101 billion (USD 2.4 billion) as at June 2019. The increase was mainly attributed to a significant increase of domestic borrowing due to the covid-19 pandemic. It should be noted that 55 percent of the total borrowing in June 2020 was attributed to Domestic Borrowing, followed by a 28.8 percent from GoU on-lending to Uganda Electricity Generation Company Limited, Uganda Electricity Transmission Company Limited, and Uganda Railway Corporation, and 16.2% from external creditors and other debt (including lease contracts and overdrafts). However, the total debt to assets ratio increased to 66.54% owing to the increase in domestic borrowing due to urgent funding

pressures. The latest information on these entities is at June 2020 since the information is collected on an annual basis.

6.5 COST AND RISK OF THE EXISTING DEBT PORTFOLIO.

The overall cost and risk exposure of the country's existing public debt portfolio (external and domestic debt) is highly influenced by interest rates, repayment periods and currency denominations. The table below provides details about the cost and risk of the existing debt as at end December 2020.

Table 18: Cost and Risk indicators of Existing Debt as at end December 2020.

		Mar-20			Jun-20			Sep-20			Dec-20		
Risk Indicators		External	Domestic	Total	External	Domestic	Total	External	Domestic	Total	External	Domestic	Total
Nominal debt as % GDP		25.4	12.8	38.2	27.9	13.2	41.1	30.0	14.3	44.3	30.7	16.5	47.2
PV as % of GDP		17.7	12.8	30.5	20.0	13.2	33.1	20.6	14.3	34.9	21.2	19.9	41.1
Cost of debt	Interest payment as % GDP	0.5	1.8	2.2	0.56	1.83	2.4	0.57	1.95	2.5	0.56	2.26	2.8
	Weighted Av. IR (%)	1.9	13.8	5.8	2.0	13.9	5.8	1.9	13.6	5.7	1.8	13.7	6.0
Refinancing risk	ATM (years)	13.5	4.4	10.8	12.7	4.3	10.3	13.0	4.5	10.6	12.7	3.1	10.1
	Debt maturing in 1yr (% of total)	2.0	38.0	12.8	2.1	36.8	12.0	2.4	33.4	11.3	2.4	41.1	12.7
	Debt maturing in 1yr (% of GDP)	0.6	4.8	5.5	0.7	4.9	5.5	0.9	4.8	5.6	0.9	5.4	6.3
Interest rate risk	ATR (years)	12.9	4.4	10.3	12.1	4.3	9.8	12.3	4.5	10.1	11.8	3.1	9.5
	Debt refixing in 1yr (% of total)	13.9	38.0	21.1	16.3	36.8	22.2	16.5	33.4	21.4	18.8	41.1	24.8
	Fixed rate debt (% of total)	86.1	100.0	91.4	83.6	100.0	89.6	84.8	100.0	89.2	82.2	100.0	87.5
FX risk	FX debt (% of total debt)			66.6			68.0			67.7			69.9
	ST FX debt (% of reserves)			7.0			6.5			7.9			8.3

Source: MoFPED, DPID

6.5a. Refinancing and Rollover Risks

As at December 2020, the weighted average time to maturity of all the principal payments in the external debt portfolio (ATM) is 12.7 years and 3.1 years for domestic debt. The weighted time to maturity of all principal payments of the overall existing debt portfolio (external and domestic debt) is 10.1 years and is attributed to the domestic debt maturity profile dominated by instruments of between 3 months and 5 years. The average time to maturity for external debt stock has been decreasing over time due to the contraction of external loans with shorter maturities.

Domestic debt maturing in one year is UGX 7,587.35 billion of the total domestic debt equivalent to 33% of the entire domestic debt portfolio. External debt maturing in one year as a percentage of the total as at end December 2020 has remained at 2.4% same as at end September 2020.

6.5b. Interest rate risk

A bigger proportion of Uganda's external debt stock (82.2%) by end December 2020 was at fixed interest rates. It will take on average 9.5 years for all the principal payments in the total debt portfolio to be subjected to a new interest rate. For external debt, it will take on average 11.8 years for all the principal payments to be subjected to a new interest rate while for domestic debt 3.1 years. As a result, the total average time to re-fixing of interest rates has reduced from 10.1 years in September 2020 to 9.5 years in December 2020. The increase in exposure to external interest rate risks is attributed to increased disbursement of variable rate loans during the period October to December 2020.

However, Uganda's exposure to risk associated with interest rates for the entire public debt portfolio is still low given the time it takes on average to re-fix the interest rates for the aggregate public debt stock (domestic and external). This is majorly attributed to the greater share of concessional loans in the external debt portfolio. The exposure to interest rate risk of the domestic debt portfolio remains high due to the short maturity of domestic debt especially T-bills that range from 3 months to one year.

6.5c. Exchange rate risk

A greater share of Uganda's public debt 65% (11.67 Bn) is denominated in foreign currency. As at end December 2020, USD denominated debt stock accounted for 31.6% (USD 5.67 Bn) of the total public debt which is 3.4 percentage points lower than the share of local currency-denominated debt (35%/USD 6.29 Bn) in the total debt. The remaining 33.4% (USD 6 Bn) is denominated in other foreign currencies like the Chinese Yuan, Japanese Yen, Euros, British Pound, and others. This indicates that Uganda is highly exposed to risks associated with exchange rate shocks.

PART VII: GLOSSARY OF DEBT AND RELATED TERMS

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

Commitment Charge (fee)	Charge or fee made for holding available the undisbursed balance of a loan commitment.
Concessional Loans	These are loans extended on terms substantially more generous than market loans. Concessionality is achieved either through interest rates below those available on the market or by longer <i>grace periods</i> , or a combination of these. Concessional loans typically have long grace periods.
Credit	An amount for which there is a specific obligation of repayment.
Creditor	The organization or entity that provides money or resources and to whom payment is owed under the terms of a loan agreement. It's an entity with a financial claim on another entity.
Creditor Country	The country in which the creditor resides.
Currency of denomination	The unit of account in which amounts of indebtedness are expressed in the general/loan agreement.
Currency of Reporting	The unit of account in which amounts are reported either to the compiling agency and/or to an international agency compiling debt statistics.
Currency of Settlement	The currency of settlement is determined by the currency in which the values of the flows and positions are settled. It is important for international liquidity and the measurement of potential foreign exchange drains. The currency of settlement may be different from the currency of denomination. Using a currency of settlement that is different from the currency of denomination simply means that a currency conversion is involved each time a settlement occurs.
Debt	All liabilities that are debt instruments
Debt Conversion	The exchange of debt for a non-debt liability, such as equity, or for counterpart funds can be used to finance a particular project or policy.
Debt Default	Failure to meet a debt obligation payment, either <i>principal</i> or <i>interest</i> .
Debt Disbursed and	

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

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

Institutional Unit	An institutional unit is defined in the <i>2008 SNA</i> as “an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”
Interest	This is a form of investment income that is receivable by the owner of financial assets for putting such assets and other resources at the disposal of another institutional unit.
International Bank for Reconstruction and Development (IBRD)	The International Bank for Reconstruction and Development (IBRD) was set up as an intergovernmental financial institution in 1946 as a result of the Bretton Woods Accord. It is the original agency of the <i>World Bank Group</i> and is commonly referred to as the World Bank (see also <i>World Bank Group</i>).
International Development Association (IDA)	IDA, established in 1960, is the concessional lending arm of the <i>World Bank Group</i> . IDA provides low-income developing countries (economies) with long-term loans on highly concessional terms: typically, a ten-year grace period, a 40-year repayment period, and only a small servicing charge.
International Monetary Fund (IMF)	Following the Bretton Woods Accords and established in 1945, the IMF is a cooperative intergovernmental monetary and financial institution with 187-member countries. Its main purpose is to promote international monetary cooperation so to facilitate the growth of international trade and economic activity more generally. The IMF provides financial resources to enable its members to correct payments imbalances without resorting to trade and payment restrictions.
Issue Price	It is the price at which the investors buy the debt securities when first issued.
Line of Credit	An agreement that creates a facility under which one unit can borrow credit from another up to a specified ceiling usually over a specified period of time. Lines of credit provide a guarantee

that funds will be available, but no financial asset/liability exists until funds are actually advanced.

Loan

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

London Interbank

Offered Rate (LIBOR)

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

Maturity (Defined and Undefined)

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

Multilateral Creditors

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

Net Present Value (NPV) of Debt

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

Nominal Value

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

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

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

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

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

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

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

Present Value of Debt-to-Exports

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

Principal	The provision of economic value by the <i>creditor</i> , or the creation of debt creation of debt liabilities through other means, establishes a principal liability for the debtor, which, until extinguished, may change in value over time. For <i>debt instruments</i> alone, for the use of the principal, <i>interest</i> can, and usually does, accrue on the principal amount, increasing its value.
Principal Outstanding	The amount of principal disbursed and not repaid.
Principal Repayment	The payments which are made against the <i>drawn</i> and outstanding amount of the loan
Private Creditors	These are neither governments nor public sector agencies. Private financial institutions, and manufacturers, exporters and other suppliers of goods that have a financial claim.
Public Sector:	The public sector includes the general government, monetary authorities, and those entities in the banking and other sectors that are public corporations.
Public Sector Debt	Total public sector debt consists of all debt liabilities of resident public sector units to other residents and non-residents.
Public Sector External Debt	Total public sector external debt consists of all debt liabilities of resident public sector units to non-residents.
Public Debt	The debt obligation of the public sector.
Public External Debt	The external debt obligation of the public sector.
Publicly Guaranteed Debt	The external obligation of a private debtor that is guaranteed for repayment by a public entity.
Quarterly External Debt Statistics (QEDS)	The Quarterly External Debt Statistics (QEDS) database, jointly developed by the World Bank and the International Monetary Fund brings together detailed external debt data of Countries that Subscribe to the IMF's Special Data Dissemination Standard (SDDS) and of countries that participate in the IMF's General Data Dissemination System (GDDS).

Redemption Price	It is the amount to be paid by the issuer to the holder at maturity.
Remaining (Residual) Maturity	The period of time until debt payments fall due. In the <i>Guide</i> , it is recommended that short-term remaining maturity of outstanding <i>external debt</i> be measured by adding the value of outstanding short-term external debt (original maturity) to the value of outstanding long-term external debt (original maturity) due to be paid in one year or less. These data include all arrears.
Short-Term Debt	Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis (see also <i>Original Maturity</i> and <i>Remaining Maturity</i>).
Spread (Margin):	A percentage to be added to some defined base interest rate, such as LIBOR, to determine the rate of interest to be used for a loan.
Sovereign Debt	Sovereign debt is often used by financial markets and fiscal analysts as debt that has been contracted by the national government. Unlike grouping of the public sector, which is based on institutional units, “sovereign” is defined on a functional basis. Normally “sovereign issuer” of debt is the government (usually national or federal) that de facto exercises primary authority over a recognized jurisdiction whose debt are being considered. Consequently, sovereign debt is debt that has been legally contracted by the national government.
Stock of Debt	The amount outstanding as of a moment of time.
Stock Figures	The value of financial assets and liabilities outstanding at a particular point in time.
Supplier’s Credit	A financing arrangement under which an exporter extends credit to the buyer.
Treasury Bills	Negotiable securities issued by the government. In general, these are short term obligations issued with maturity of one year or less. They are traded on a discount bases.
Treasury Bonds	Longer Term Securities compared to Treasury Bills. Usually more than a year

Undisbursed

Funds committed by the creditor but not yet drawn by the borrower.

Yield-to-Maturity

The yield-to-maturity rate is the rate at which the present value of future interest and principal payments, i.e., all future cash flows from the bond, equals the price of the bond.