



**DEBT MANAGEMENT OFFICE
NIGERIA**

Press Release

DMO Releases Public Debt Data for June 2018

FGN Domestic Debt declines

The Debt Management Office held a Media Briefing session on Tuesday, August 14, 2018 at which it presented the nation's Public Debt figures as at June 30, 2018.

The figures presented revealed that the Total Public Debt which encompasses the Domestic and External Debt Stock of the Federal and 36 State Governments and the Federal Capital Territory stood at ₦22.38 Trillion or USD73.21 Billion as at June 30, 2018. This figure was a marginal increase of 3.01% over the Public Debt Stock for December 2017. The increase in the Public Debt Stock over the 6 months period was due largely to the USD2.5 Billion Eurobond issued in February 2018.

When compared to the Debt Data for March 2018, the Public Debt Stock actually decreased by 1.44% from N22.707 Trillion in March 2018 to N22.38 Trillion in June 2018. The decrease was due to a 3.38% decline in the FGN's Domestic Debt Stock between March and June 2018. There were however marginal increases of 0.07% in the External Debt Stock and 2.75% in the Domestic Debt of States.

A major highlight in the Public Debt Data was the consistent decrease in the FGN's Domestic Debt which declined from ₦12.589 Trillion in December 2017 to ₦12.577 Trillion in March 2017 and ₦12.151 Trillion in June 2018. This

reduction in the FGN's Domestic Debt Stock arose from the redemption of ~~₦~~198 Billion Nigerian Treasury Bills in December 2017 and another ~~₦~~639 Billion between January and June 2018. It will be recalled that a total of USD3 Billion was raised through Eurobonds to refinance maturing domestic debt as part of the implementation of the debt management strategy for the purpose of substituting high cost Domestic Debt with lower cost External debt to reduce Debt Service Costs for the Government.

It should be noted that the implementation of the Public Debt Management Strategy whose overall objective is to ensure that Nigeria's debt is sustainable, is already yielding positive results. One of the beneficial outcomes is the rebalancing of the Debt Stock; the Ratio of Domestic Debt to External Debt inching towards the target of 60:40 and the target of 75:25 between Long Term Domestic Debt and Short Term Domestic Debt. According to the figures for June 30, 2018 released by the DMO, the Ratio between Domestic and External Debt stood at 70:30 compared to 73:27 in December 2017. Similarly, the Ratio between Long Term Domestic Debt to Short Term Domestic Debt was 76:24 in June 2018 compared to 72:28 in December 2017.

Thus, the DMO's activities have resulted in lower interest rates for the Benchmark FGN Securities from about 18.5% in January 2017 to 11-14% in the first half of 2018. Also, with the redemption of about ~~₦~~840 Billion of Nigerian Treasury Bills more funds were available for lending by banks to the Private Sector. External capital raising activities also contributed to the increase in External Reserves.

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