DEBT MANAGEMENT OFFICE
NIGERIA

PRESS RELEASE

DMO releases Public Debt Data for December 2018

The Debt Management Office (DMO) has released the Public Debt Data for December 2018. The Report which includes data on the composition of the Public Debt Data, also provided a breakdown of the Debt between the Federal and the State Governments (including the Federal Capital Territory).

The Report revealed that the Total Public Debt stood at ₦24.387 trillion or USD79.437 billion as at December 31, 2018 representing a year-on-year growth of 12.25%. Further details provided in the Report showed that more progress was made towards achieving the target Debt Stock mix of 60% (Domestic) and 40% (External). The share of Domestic Debt dropped to 68.18% from 73.36% as at December 31, 2017 thereby achieving a Mix of 68.18% and 31.82% in the Debt Stock. According to the DMO the strategy of using relatively cheaper and longer tenored external funds is achieving the expected objectives. Some of the Objectives were: to create more space for other borrowers in the domestic market, extend the average tenor of the debt stock in order to reduce refinancing risk and increase External Reserves. The implementation of the strategy led to an injection of ₦855 billion through the redemption of Nigerian Treasury Bills in 2018 and a general drop in the FGN's borrowing rate in the domestic market from over 18% p.a. in 2017 to 14 – 15% p.a. in 2018.

The DMO stated that the FGN's Domestic Debt Stock includes ₦331.12 billion Promissory Notes issued to Oil Marketing Companies and State Governments in December 2018.

The DMO stated that some of its major plans in 2019 are to undertake more of project-tied borrowing and access more external borrowing from Concessional Sources. Furthermore, the DMO announced plans to issue 30-year Federal Government of Nigeria Bonds (FGN Bonds) for the first time. The issuance of the Bond will meet the needs of annuity funds and other long term investors while also developing the domestic capital market and reducing the re-financing risk of the FGN. Another area of focus will be the management of Risks associated with the Debt Stock to mitigate Debt Service Costs.

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