



**DEBT MANAGEMENT OFFICE
NIGERIA**

PRESS RELEASE

EXPLAINING THE Q1 2024 PUBLIC DEBT DATA

The Total Public Debt Data as at March 31, 2024 (Q1, 2024), showed that the Total Public Debt in Naira terms stood at N121.67 trillion compared to N97.34 trillion as at December 31, 2023 (Q4, 2023). While detailed information was provided on the data such as the split between external and domestic debt as well as the fact that the Debt Stock includes the domestic and external debt stock of the thirty-six (36) States and the Federal Capital Territory, it has become imperative to provide some explanations.

It is important to recognise the fact that Nigeria has undergone some major reforms which have impacted economic indices such as the USD/Naira Exchange Rate and Interest Rates. These two (2), in particular, affect the Debt Stock and Debt Service.

Returning to the trend in the Total Debt Data between Q4, 2023, and Q1, 2024, the increase in Naira Terms of N24.33 trillion is being misinterpreted as New Borrowing. The amount actually represents New Borrowing of N2.81 trillion as part of the New Domestic Borrowing of N6.06 trillion provided in the 2024 Appropriation Act, New Domestic Borrowing of N4.90 trillion as part of the securitisation of the N7.3 trillion Ways and Means Advances approved by the National Assembly, as well as, the depreciation in the official Naira Exchange Rate from USD/899.39 in Q4, 2023 to USD/N1,330.26 in Q1, 2024.

Consequently, whereas, the Total External Debt Stock was relatively flat at USD42.50 billion and USD42.12 billion in Q4, 2023, and Q1, 2024 respectively, the Naira values were significantly different at N38.22

trillion and N56.02 trillion respectively, representing a difference of N17.8 trillion. This explains the perceived sharp increase of N24.33 trillion in the Total Debt Stock in Q1, 2024. The difference in the Exchange Rate for the two (2) periods also explains why in US Dollar Terms, the Total Debt Stock actually declined in Q1, 2024 (USD91.46 billion) when compared to Q4, 2023 (USD97.34 billion).

Whilst the Debt Stock is growing, it should be understood that this is coming from approved new external and domestic borrowing, as well as, the securitisation of the Ways and Means Advances. The various measures to attract foreign exchange inflows should increase external reserves and support the Naira Exchange Rate.

DEBT MANAGEMENT OFFICE
The Presidency
NDIC Building (First Floor),
Plot 447/448 Constitution Avenue,
Central Business District,
P.M.B. 532, Garki, Abuja
Tel: +234 - 811000881-3
Website: <http://www.dmo.gov.ng>,
Email: enquiries@dmo.gov.ng

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