



**DEBT MANAGEMENT OFFICE
NIGERIA**

NIGERIA PUBLIC DEBT

Statistical Bulletin

Q2 2023

1.0 ABOUT THE REPORT

The Public Debt Statistical Bulletin is a quarterly publication of the Debt Management Office (DMO), offering consolidated updates on Nigeria’s Public Debt Stock as at Q2 2023. It also assesses Debt Performance against Targets in the Medium-Term Debt Management Strategy (MTDS). The Bulletin is structured with sections covering:

- i. Total Public Debt Stock
- ii. Total External Debt
- iii. Total Domestic Debt
- iv. Distribution of Total Public Debt between the Federal Government of Nigeria and Sub-Nationals
- v. New Borrowings by the Federal Government of Nigeria
- vi. Debt Composition
- vii. Debt Service
- viii. Guarantees and Contingent Liabilities
- ix. Debt Sustainability Analysis
- x. Sovereign Debt Issuance in the Primary Market
- xi. Macroeconomic Trends.

The Bulletin is available online at <https://www.dmo.gov.ng/debt-profile>. For inquiries, comments, and suggestions, please contact us at enquiries@dmo.gov.ng

2.0 TOTAL PUBLIC DEBT STOCK

Total Public Debt, including both the External and Domestic Debts of the Federal Government of Nigeria (FGN), the thirty-six (36) State Governments, and the Federal Capital Territory (FCT), which are collectively referred to as Sub-Nationals, in Q2 2023 was ₦87,379.40 billion (USD113,423.77 million). This represents a quarter-on-quarter increase of ₦37.53 trillion from Q1 2023 figure (see Table 1). The securitisation of the ₦22.72 trillion Ways and Means Advances (WMAs) held at the Central Bank of Nigeria (CBN), a key initiative to enhance debt transparency and reduce Debt Service costs, accounted for 61% of the overall increment. Other factors that contributed to the increase include New Borrowing by the FGN to finance parts of the 2023 Appropriation Acts, the effect of the Exchange Rate unification on the External Debt, and the issuance of Promissory Notes, which are non-interest-bearing Notes used to settle government obligations.

As shown in the Table, Nigeria's Public Debt composition shifted marginally between Q1 and Q2 2023, with External Debt declining slightly from 39.40% to 38.05% and Domestic Debt rising from 60.60% to 61.95%. In line with the MTDS 2020-2023 Debt Mix Target, Domestic Debt remains dominant, and Nigeria’s exposure to foreign exchange risks remained moderate.

Table 1: Total Public Debt

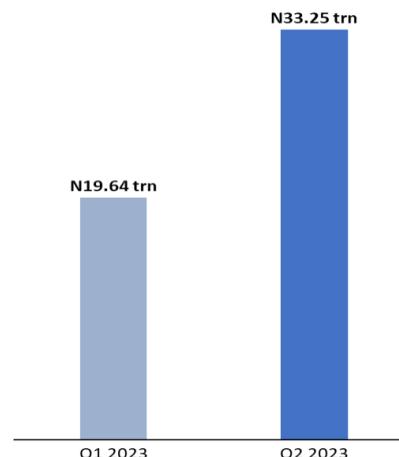
Category	Q1 2023			Q2 2023		
	USD Billion	₦ Billion	% of Total	USD Billion	₦ Billion	% of Total
Total External Debt	42.67	19,643.92	39.40	43.16	33,248.98	38.05
Total Domestic Debt	65.62	30,209.77	60.60	70.26	54,130.42	61.95
Total Public Debt	108.29	49,853.69	100.00	113.42	87,379.40	100.00

Source: DMO

3.0 TOTAL EXTERNAL DEBT

Figure 1 shows that Nigeria's External Debt, which includes FGN's External Debt Stock and On-Lent Loans to Sub-Nationals increased from ₦19.64 trillion (USD42.67 billion) in Q1 2023 to ₦33.24 trillion (USD43,159.20 million) in Q2 2023. The ₦13.61 trillion (USD487.50 million) quarter-on-quarter increase was primarily driven by Bilateral (72.77%) and Multilateral (27.14%) Creditors, with marginal contributions from Promissory Notes. Commercial Debt (Eurobonds) and Syndicated Loan remained stable during this period.

Figure 1: Total External Debt

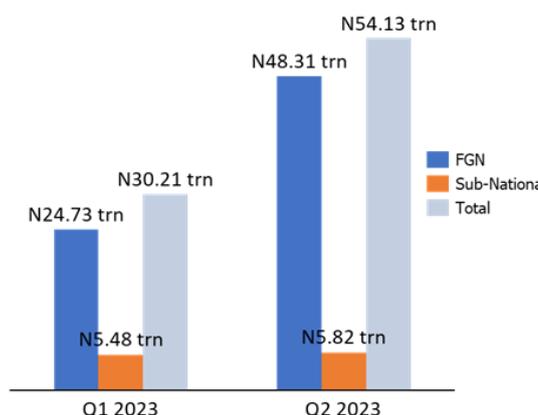


Source: DMO

4.0 TOTAL DOMESTIC DEBT

Nigeria's Domestic Debt, which includes Debts of the FGN and Sub-Nationals, increased by ₦23.92 trillion in Q2 2023, from ₦30.21 trillion in Q1 2023 to ₦54.13 trillion in Q2 2023 (see Figure 2). The increase was largely due to the FGN's securitisation of ₦22.71 trillion of WMAs.

Figure 2: Total Domestic Debt



Source: DMO

5.0 DISTRIBUTION OF TOTAL PUBLIC DEBT BETWEEN FGN AND SUB-NATIONALS

Table 2 shows that the FGN Debt constituted 89.51% of Nigeria's Total Public Debt at the end of Q2 2023, holding ₦78.21 trillion. Sub-Nationals' Debt stood at ₦9.17 trillion or 10.49%. It is important to note that for Q1 2023, the External Debt Stock of Sub-Nationals is recorded under FGN.

Table 2: Total Public Debt, Q1 and Q2 2023

Debt Category	Q1 2023		Q2 2023	
	₦ 'Trn	% of Total	₦ 'Trn	% of Total
FGN	44.37*	89.01	78.21**	89.51
Sub-Nationals	5.48	10.99	9.17	10.49
TOTAL	49.85	100	87.38	100

Source: DMO

* FGN Total Debt of N44.37 trillion in Q1 2023 included on-lent loans to Sub-nationals.

** Includes the N22.71 trillion securitised WMAs

6.0 NEW BORROWINGS BY THE FGN

As at June 30, 2023, FGN had raised ₦3.38 trillion of the ₦8.8 trillion approved for New Borrowing in the 2023 Appropriation Act. As shown in Table 3, this amount was for New Domestic Borrowing only. The balance of the New Domestic Borrowing is expected to be raised in H2 2023, while multiple options are being explored for raising the New External Borrowing. This excludes the expected drawdowns on multilateral and bilateral loans.

Table 3: FGN 2023 New Borrowing (₦ Trillion)

Item		New Domestic	New External	Total
Appropriation Act 2023		7.04	1.76	8.8
Actual Borrowing	Q1 2023	1.90	-	(1.90)
	Q2 2023	1.48	-	(1.48)
Balance Outstanding		3.66	1.76	5.42

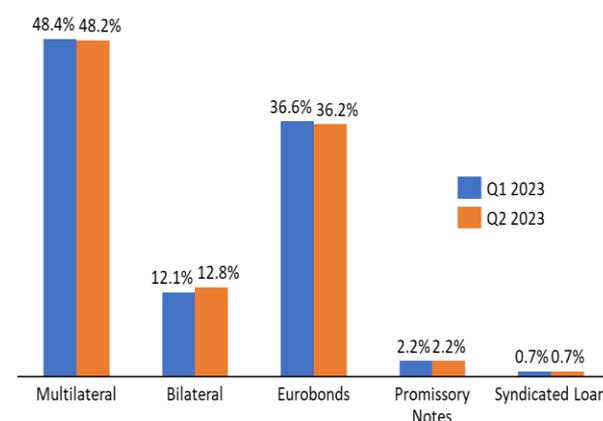
Source: DMO

7.0 DEBT COMPOSITION

A. External Debt by Creditor Category

Figure 3 shows that Multilateral institutions maintained their dominant role as creditors in Q1 and Q2 2023, accounting for nearly half of the Total External Debt. Their share remained relatively stable, indicating a continued reliance on concessional financing. Bilateral creditors saw a slight increase from 12.1% to 12.8%, while commercial borrowing (Eurobonds) and Syndicated Loan remained unchanged.

Figure 3: External Debt by Creditor Category (%)



Source: DMO

B. FGN's Domestic Debt Stock by Instrument

The FGN Bond constituted 74.47% of the total FGN's Domestic Debt in Q1 2023, which then increased to 86.87% in Q2 2023 (see Table 4). Other instruments such as Nigerian Treasury Bills, FGN Savings Bonds, FGN Sukuk, Green Bonds, and Promissory Notes represented a smaller share of the FGN's Domestic Debt. FGN Bonds are the principal instrument for raising the New Domestic Borrowing and are issued in tenors of 3, 5, 7, 10, 15, 20, and 30 years.

Table 4: FGN's Domestic Debt by Instrument (% of Total)

INSTRUMENT	Q1 2023	Q2 2023
FGN Bonds	74.47	86.87
Nigerian Treasury Bills	19.10	9.77
FGN Sukuk	3.00	1.54
Nigerian Treasury Bonds	0.21	0.11
FGN Savings Bond	0.11	0.06
Green Bond	0.06	0.03
Promissory Notes*	3.05	1.61
Total	100.00	100.00

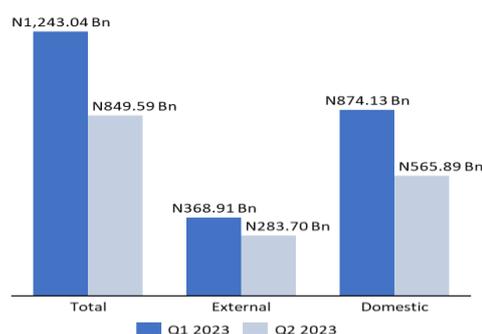
Source: DMO

* Non-interest-bearing Notes used to settle government obligations

8.0 DEBT SERVICE

Figure 4 shows that FGN's Debt Service payments in Q2 2023 was ₦849.59 billion compared to ₦1,243.04 billion in Q1 2023. It should be noted that these figures represent actual payments made.

Figure 4: Debt Service

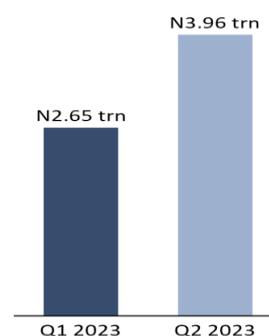


Source: DMO

9.0 GUARANTEES AND CONTINGENT LIABILITIES

FGN's Guarantees and Contingent Liabilities increased by 48.6% quarter-on-quarter, from ₦2.65 trillion in Q1 2023 to ₦3.96 trillion in Q2 2023 (see Figure 5). This increase was largely (98.7%) due to FGN's historical and ongoing involvement in liabilities related to power generation assets and electricity distribution infrastructure within the Power sector.

Figure 5: FGN's Guarantees and Contingent Liabilities



Source: DMO

10.0 DEBT SUSTAINABILITY ANALYSIS

In Q2 2023, Nigeria's Public Debt-to-GDP ratio increased to 41.15%, from 24.3% in Q1 2023, due largely to the inclusion of the ₦22.7 WMAs in the Public Debt. While it exceeded Nigeria's self-imposed limit of 40% marginally, the Ratio remains well below the World Bank recommended limit of 55% and the Economic Community of West African States' Convergence Threshold of 70%.

11.0 SOVEREIGN DEBT ISSUANCE IN THE PRIMARY MARKET

The Nigerian Sovereign Debt Market exhibited robust activity in both Q1 and Q2 of 2023, with the DMO raising a total of ₦3,069.61 billion and ₦2,581.04 billion. The DMO also issued FGN Savings Bonds and Promissory Notes in Q1 and Q2 2023.

Table 9: Value of New Issuances of FGN Bonds and Nigerian Treasury Bills (N'bn)

Product	Q1 2023				Q2 2023			
	Jan	Feb	March	Total	April	May	June	Total
Treasury Bills	277.47	263.50	531.84	1,072.8	281.1	324.4	404.51	1,010.04
FGN Bonds	662.62	770.82	563.36	1,996.8	552.5	545.3	473.2	1,571.00
Total	940.09	1,034.32	1,095.20	3,069.6	833.60	869.70	677.70	2,581.04

Source: FMDQ, <https://fmdqacademy.com/wp-content/>

11.0 MACROECONOMIC TRENDS

The year opened with a Monetary Policy Rate (MPR) of 16.50% p.a, but at the first Monetary Policy Committee Meeting in January 2023, the CBN raised the MPR to 17.50% p.a. This was increased to 18% p.a. and 18.50% p.a. in March and May 2023 respectively. The Cash Reserve Ratio and the Liquidity Ratio remained at their November 2022 levels of 32.50% and 30% respectively. Despite the tighter monetary policy measures, the Inflation Rate in Nigeria exhibited an upward trend from Q1 2023 to Q2 2023, rising from an average of 21.92% to 22.47%, as reported by the National Bureau of Statistics.