



DMO unveils Nigeria's public debt stock as N19.63 trillion

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NIGERIA: -

The Debt Management Office (DMO) unveiled that Nigeria's public debt stock for both the Federal Government and the states as at June 30 stood at N19.63 trillion.

The DMO, according to a report on its website said the external debt stock of both the state and Federal governments was N4.6 trillion, while the domestic debt stock of the Federal Government was N12 trillion.

It said the domestic debt of states stood at N3 trillion.

DMO also added that the Federal Government spent N253.3 billion on domestic debt servicing in the second quarter of 2017, from April to June.

According to the report, N87 billion was spent on debt servicing in April, N73 billion in May and N75.2 billion in June.

Domestic debt is the amount of money raised by any government denominated in local currency and from its own residents.

It consists of two categories: Bank and Non-Bank borrowing.

Domestic loans are issued through government debt instruments such as Nigerian Treasury Bills, Nigerian Treasury Certificates, Federal Government Development Stocks, Treasury Bonds, Ways and Means Advances.

In another development, the Federal Government has offered for subscription two-year savings bond at 13.81 per cent and three-year savings bond at 14.81 per cent.

According to the offer circular by the DMO, the two-year bond will be due in September 2019 while the three-year bond will be due in September 2020.

It, however, did not state how much was offered, but added that the maximum subscription was N50 million at N1, 000 per unit, subject to minimum subscription of N5, 000 and in multiples of N1, 000.

The website said that the bond was fully backed by the full faith and credit of the Federal Government, with quarterly coupon payments to bondholders.

The savings bond issuance is expected to help finance the nation's budget deficit.

It is to also part of the Federal Government's programme targeted at the lower income earners to encourage savings and also earn more income (interest), compared to their savings accounts with banks.

The circular also said that the offer would close on Friday.

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