

FY 24/25 Budget Performance

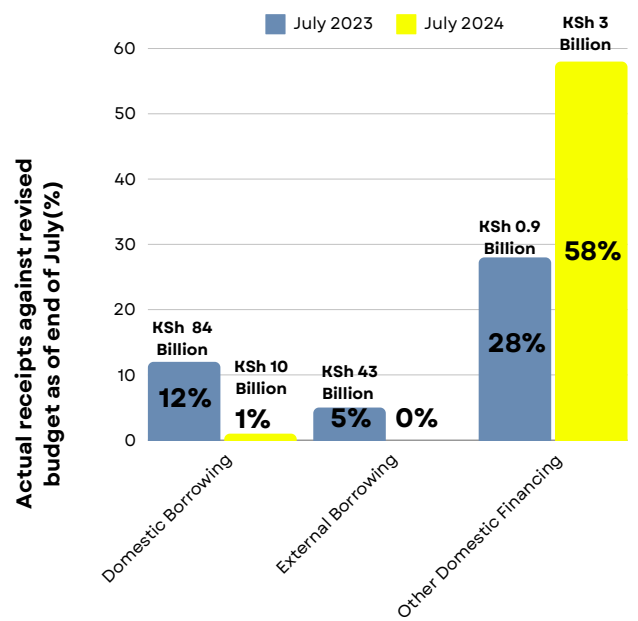
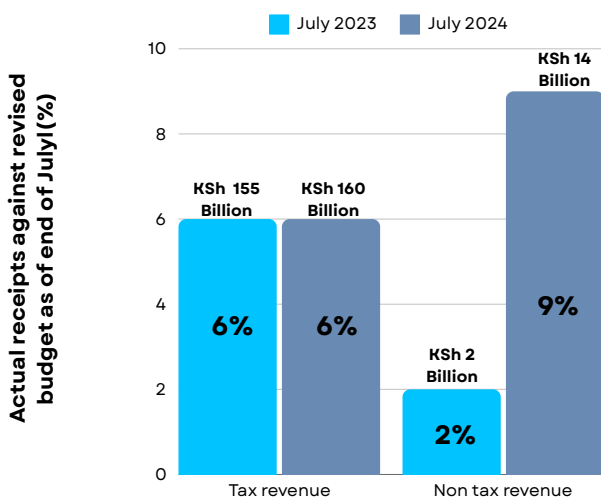
Exchequer releases July 2024

Slow growth in revenue , less money for counties and a drop in borrowing and debt service

The first month of the financial year saw revenue up just 3 percent compared compared to July 2023, whereas July 2023 saw 19 percent more revenue than July 2022

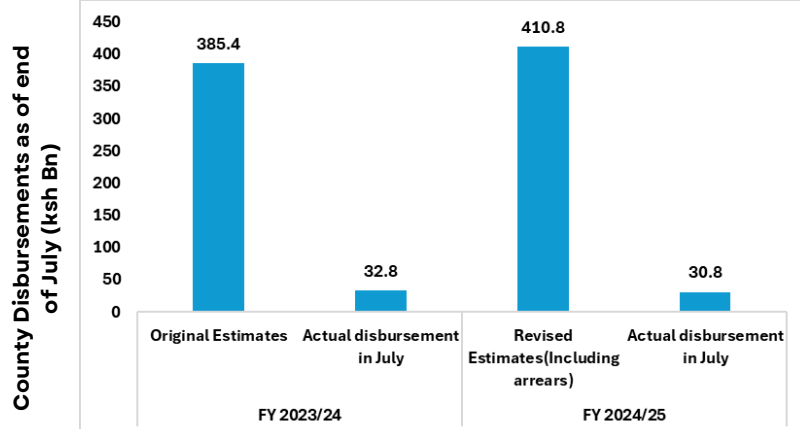
- Tax revenue collection in July 2024 was KSh 160 billion, compared to KSh 155 billion collected in July 2023.
- Revenue growth was slow but consistent with 6 percent share of annual target that was met last July.
- Non-tax revenue collected in July 2024 was KSh 14 billion, a growth of 633 percent from KSh 2 billion collected in July 2023 and was 9 percent of revised estimates.

- Domestic borrowing reduced significantly in the first month of FY 2023/24 compared to last year. The government did not borrow externally in July 2024.
- In contrast, other domestic financing which includes government overdraft at the Central Bank of Kenya were 58 percent of revised target and increased by 210 percent compared to last year.

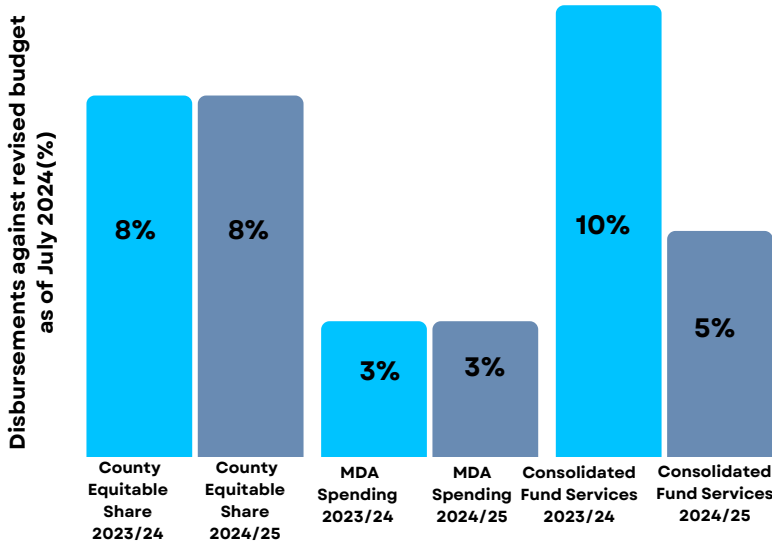


Counties received KSh 30.8 billion as equitable share disbursement for the first month of FY 2024/25

- The amount disbursed to counties in July 2024 was the undisbursed amount for the FY 2023/24, therefore counties did not receive any disbursements for the FY 2024/25.
- In the same period last year, the counties had received 8 percent of the annual target but this was fresh money for the new year, rather than a carryover balance of funds owed.



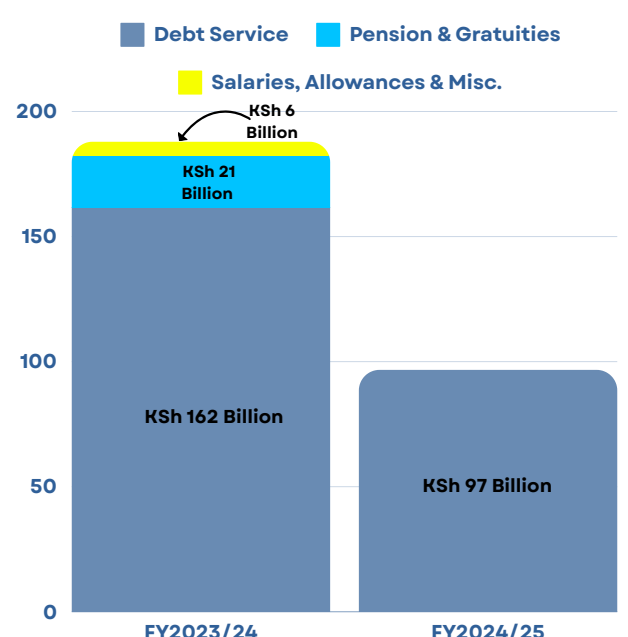
Why has Consolidated Fund expenditure reduced and no money disbursed for pensions & gratuities and salaries, allowances & miscellaneous?



- In July last year, the amounts disbursed for pensions & gratuities were 11 percent of target while salaries & allowances to constitutional officeholders & miscellaneous were 24 percent of target.
- MDA spending against target lagged behind county disbursements and consolidated fund expenditure.
- Consolidated fund expenditure against target has dropped while county and MDA spending against target has remained constant compared to last year

Debt service fell significantly in July compared to the year before but still draws away significant share of financing from other government spending

Debt service reduced from 104 percent of tax revenue in July of FY 2023/24 to 61 percent in July of FY 2024/25. Only 39 percent of the tax revenue was left for the rest of the government spending, both recurrent and development



Source: Exchequer Release Gazette Notice issued on 19th August 2024