

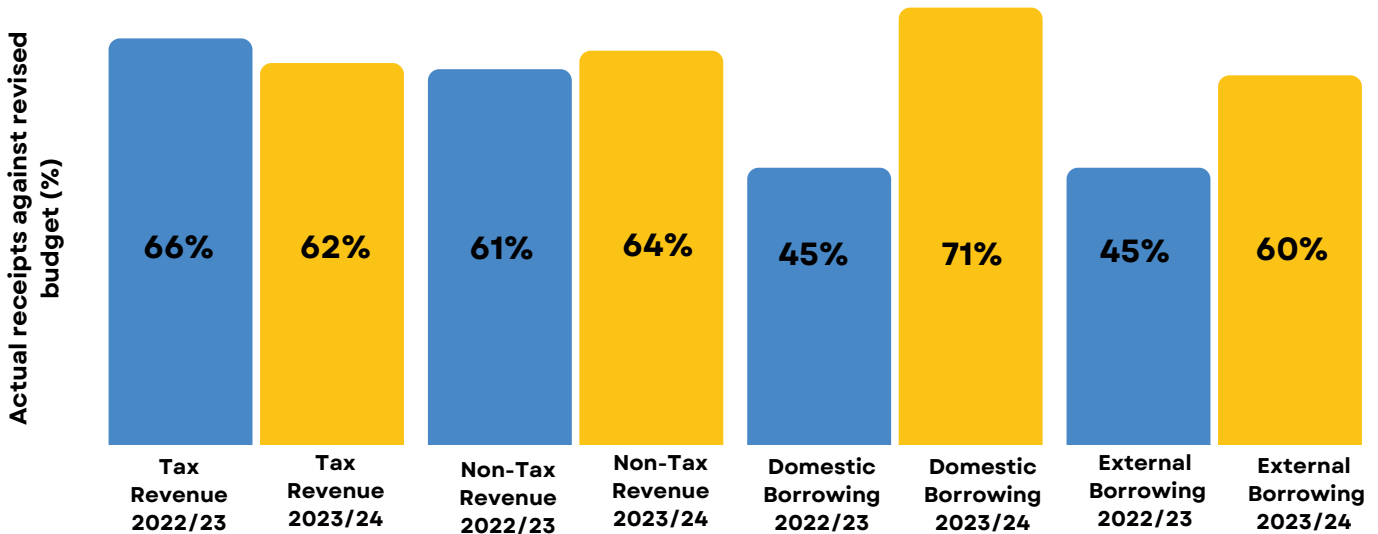
# FY 23/24 Budget Performance

Exchequer Releases March 2024

## Can the Treasury meet its revenue targets this year?

- The financial year is 75 percent over, but GOK has only met 63 percent of the annual revenue target.
- This compares poorly to the same period last year, when the government had collected 66 percent of the annual revenue target.
- Given that last year, the government still fell short of the annual target at the end of the year by 6 percent, how likely is the government to meet its annual targets this year?

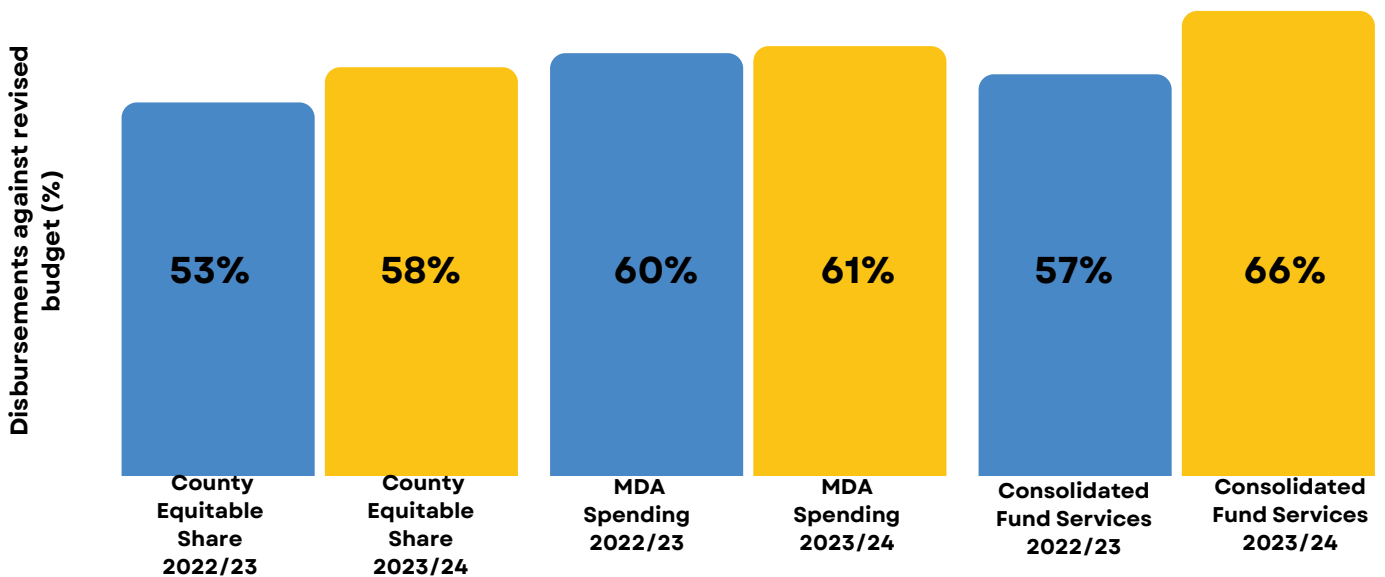
As a percent of revised estimates, domestic and external borrowing have increased significantly compared to last year, while tax revenues have declined despite stringent tax measures implemented by KRA within the past year.



## Will counties receive their money in time to spend it?

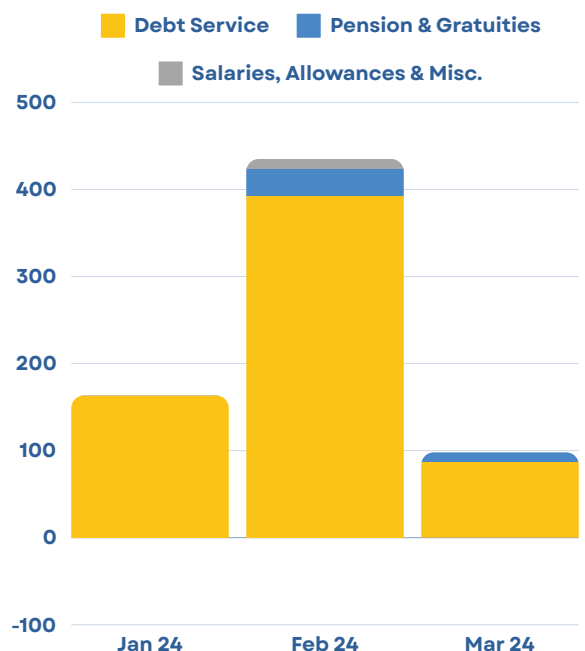
- The county disbursements are 58 percent of the annual target with 75 percent of the year passed.
- This is a slight improvement from the same period last year, when the equitable share disbursements to counties were at 53 percent of the annual target.
- Despite achieving full disbursement at the end of last year, it is uncertain whether the targets will be achieved this year, especially considering the slower pace in achieving revenue targets.

County disbursements are trailing behind both MDA Spending and spending from Consolidated Fund Services.



## Though fluctuating from month to month, debt service is consistently the largest share of CFS.

Debt service amounts to 81 percent of tax revenue as at March 2024, leaving only 19 percent of tax revenue for development programs. In a similar period in the last financial year, the government spent 59 percent of its tax revenue to service debt. The debt service cost increased from 163 Billion in January 2024 to 393 Billion in February 2024, then declined to 87 Billion in March 2024. No payments were made for pensions & gratuities in January 2024.



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