



REPUBLIC OF KENYA

THE NATIONAL TREASURY & PLANNING

OFFICE OF THE CABINET SECRETARY

## PRESS STATEMENT

### MEDIA REPORT ON G20 DEBT SERVICE SUSPENSION INITIATIVE

Our attention has been drawn to an article in *The Daily Nation* dated 20<sup>th</sup> November 2020 titled: “*Broke Kenya seeks Sh75bn debt Suspension*” and wish to state as follows:

- The claim by the Newspaper that “Kenya is broke” is unfortunate and malicious. Kenya continues to undertake and meet all its obligations at all times.
- There has been no decision yet on whether Kenya is going to apply for the G20 Debt Service Suspension Initiative (DSSI).
- The writer alleges that the “Cabinet will next week make a final decision on whether to take up a Covid-19 debt relief offer”. This statement is not true as there has never been any engagement at cabinet level on the matter.

Just like the rest of the World, the COVID-19 pandemic has adversely affected the Kenyan economy. In response, the **G20 countries** in May 2020 offered to suspend **debt service for external debt** for low-to middle-income countries facing temporary liquidity challenges during this period.

Kenya welcomes this intervention among others in form of financial support targeted to the health sector. In particular, the government acknowledges the immense support received through multilateral and bilateral agencies towards mitigating the effects of Covid-19 pandemic.

**Kenya has not applied for the G20 Debt Service Suspension Initiative.** Some countries have faced challenges re-arranging debt service with creditors with undesirable outcomes. In this respect, Kenya seeks a cautious approach in evaluating

the costs and benefits of the offer and make informed decision to safeguard the economic and financial standing of the country.

**We are encouraged that economic activity has been picking up following a raft of fiscal and monetary policy interventions and the reopening of the economy.** Whereas challenges remain given the uncertainties of Covid-19 pandemic, we are confident that the economy will respond to policy and structural reforms measures supported by our development partners.

We are actively holding discussions with the International Monetary Fund for a programme to anchor our fiscal policy to stabilize the economy and address emerging vulnerabilities.

We encourage the media and particularly the *Daily Nation* to confirm facts with the Government before publishing information that could undermine the prevailing macroeconomic stability and create anxiety among our creditors, investors and the general public.



**HON. (AMB.) UKUR YATANI, E.G.H.**

**CABINET SECRETARY/THE NATIONAL TREASURY & PLANNING**

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**20<sup>TH</sup> NOVEMBER, 2020.**