

Kenya sells first ever mobile government bonds

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Lending the government money is only a click away as Kenya launches its first mobile sovereign bond

Kenya, a pioneer in mobile money, on Thursday began selling the first ever government bonds via mobile phone, allowing anyone from teachers to shop owners to invest and fund infrastructure projects.

The bond is named M-Akiba, which means "mobile savings" in Swahili, and was launched with a value of 150 million shillings (1.3 million euros, \$1.4 million) ahead of the main launch of a five billion shilling bond in June.

"Police officers, primary school teachers or those working in kiosks can actually buy government securities just as they would buy products or transfer money with their phones," said central bank governor Patrick Njoroge at the launch of the bond.

"Frankly if this is not transformational, I don't know what it is."

Kenyans can invest as little as 3,000 shillings directly from their [mobile phone](#) money accounts.

Previously a minimum of 50,000 shillings was needed to purchase sovereign bonds—a way of lending money to the government which promises to pay interest until the bond matures.

According to M-Akiba's website, the aim is also to enhance a culture of savings in Kenya, where total savings stand at 11 percent of GDP compared to 22 percent in Rwanda and Uganda and 60 percent in Uganda.

Kenya became the world leader in [mobile money](#) services after Vodafone's Kenyan associate Safaricom launched M-Pesa in 2007, which allows users to send and receive money and pay services and bills all from their cellphones.

According to Vodafone, the service is now available in 10 countries with some 30 million clients. In Kenya the service is used in restaurants, grocery stores or even to pay Uber drivers.

Then in 2013 a mobile banking platform was launched to allow Kenyans to borrow [money](#) with their phones. M-Shwari—meaning "no hassle"—provides loans that have to be paid back within a month at a low interest rate.

Treasury official Kamau Thugge said one million shillings had been invested in M-Akiba within three hours of the [bond](#)'s launch.

Kenya currently has 57 listed government bonds.

The country's overall public debt is estimated by the International Monetary Fund to stabilise at around 55 percent of GDP in 2017/18 as the government borrows aggressively to fund its programme of infrastructure development.

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