

COMMENTARY ON REMITTANCES, MARCH 2018

The Central Bank of Kenya conducts a survey on remittance inflows every month through formal channels that include commercial banks and other authorized international remittance service providers in Kenya. Remittances are an important and regular source of foreign exchange.

Remittance inflows to Kenya increased by 5.6 percent in March 2018 compared to inflows recorded in February 2018 (**Table 1**), and by 50.6 percent in relation to inflows in March 2017. North America and Europe reported positive growth in the month of March 2018 while receipts from the rest of the world declined.

Total remittance inflows in the year to March 2018 amounted to USD 2,156 million or 23.8 percent increase compared to USD 1,741 million in the year to March 2017. 12-month average inflows to March 2018 also sustained an upward trend to USD 179.7 million from USD 145.1 million over the same period in 2017 (**Chart 1**). The improved performance reflects increased uptake of financial products by the Diaspora and new partnerships between commercial banks and international money remittance providers.

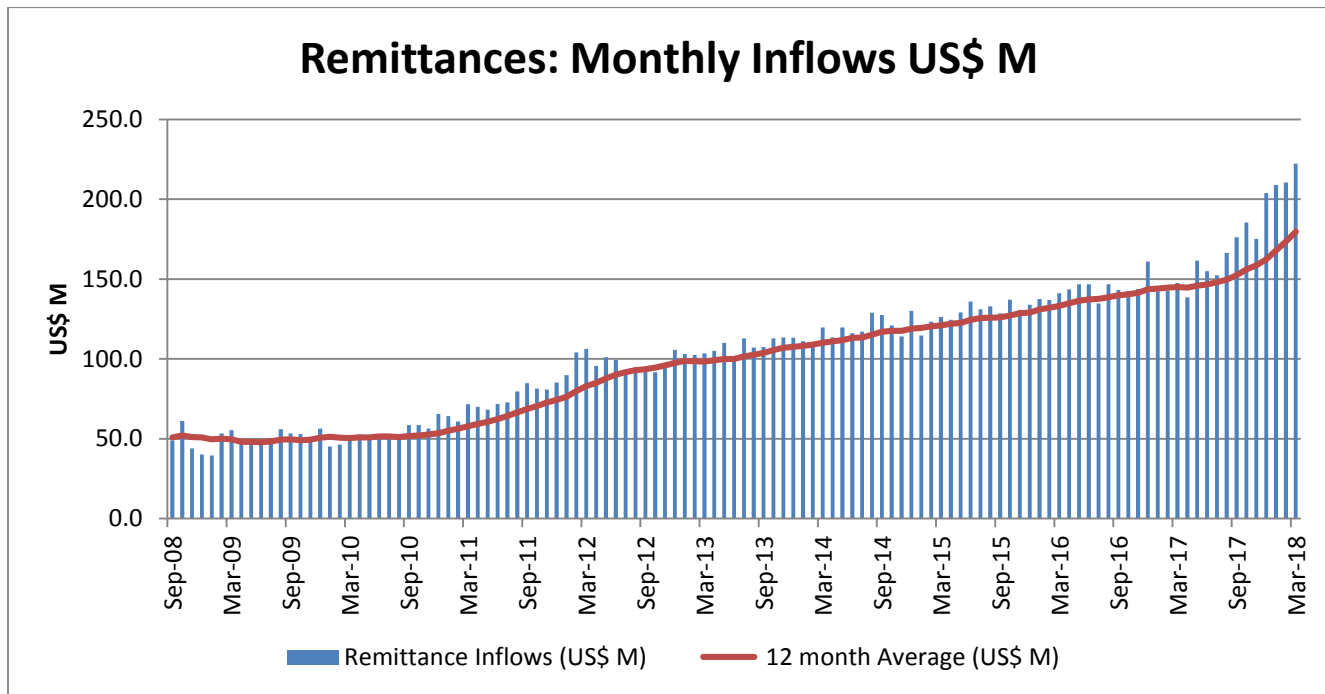
Remittances as a share of GDP also increased to 2.7 percent in the year to March 2018 compared to 2.6 percent in the year to March 2017.

Table 1: Monthly Remittance Inflows 2011 to 2018 (USD '000)

Monthly Remittance Inflows (2011 to 2018 in US\$ '000)								
Month/Year	2011	2012	2013	2014	2015	2016	2017	2018
January	64,139	89,755	102,969	110,969	114,642	137,494	142,403	208,922
February	60,759	103,970	102,372	110,421	123,236	136,979	142,666	210,362
March	71,557	106,198	103,393	119,585	126,259	141,107	147,530	222,223
April	70,071	95,625	104,993	113,409	124,473	143,526	138,604	
May	68,124	100,995	110,150	119,657	129,101	146,760	161,501	
June	71,888	99,488	99,809	116,064	135,963	146,658	154,876	
July	72,797	92,736	112,834	117,101	131,055	134,661	152,309	
August	79,563	94,819	107,049	128,826	132,949	146,744	166,412	
September	84,854	92,519	107,452	127,399	128,484	143,188	176,098	
October	81,311	91,627	112,919	120,907	137,146	142,555	185,504	
November	80,802	97,504	113,420	113,972	130,718	143,691	175,181	
December	85,244	105,656	113,216	130,172	134,005	160,941	203,820	
Annual Total	891,109	1,170,893	1,290,575	1,428,482	1,548,032	1,724,303	1,946,904	641,506

Source: CBK

Chart 1: Monthly Remittance Inflows



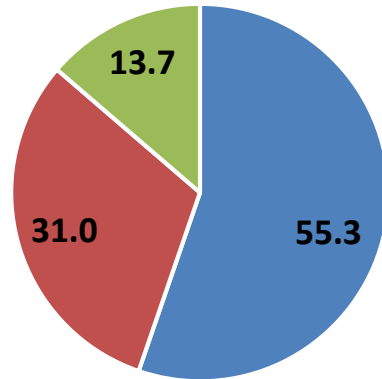
Source: CBK

Remittance Inflows by Source Market

Remittances from North America at USD 122.8 million in March 2018 accounted for 55.3 percent of total inflows and were 5.9 percent higher than inflows in February 2018. Inflows from Europe increased by 8.1 percent and accounted for 31 percent of total inflows. Inflows from the rest of the world declined by 0.4 percent and accounted for 13.7 percent of total remittances (**Chart 2**).

Chart 2: Share of remittances by Source in March 2018 (percent)

March 2018: Remittance inflows by source (% share to total inflows)



■ North America ■ Europe ■ Rest of World

Source: CBK