

COMMENTARY ON REMITTANCES, JANUARY 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 in the money market.

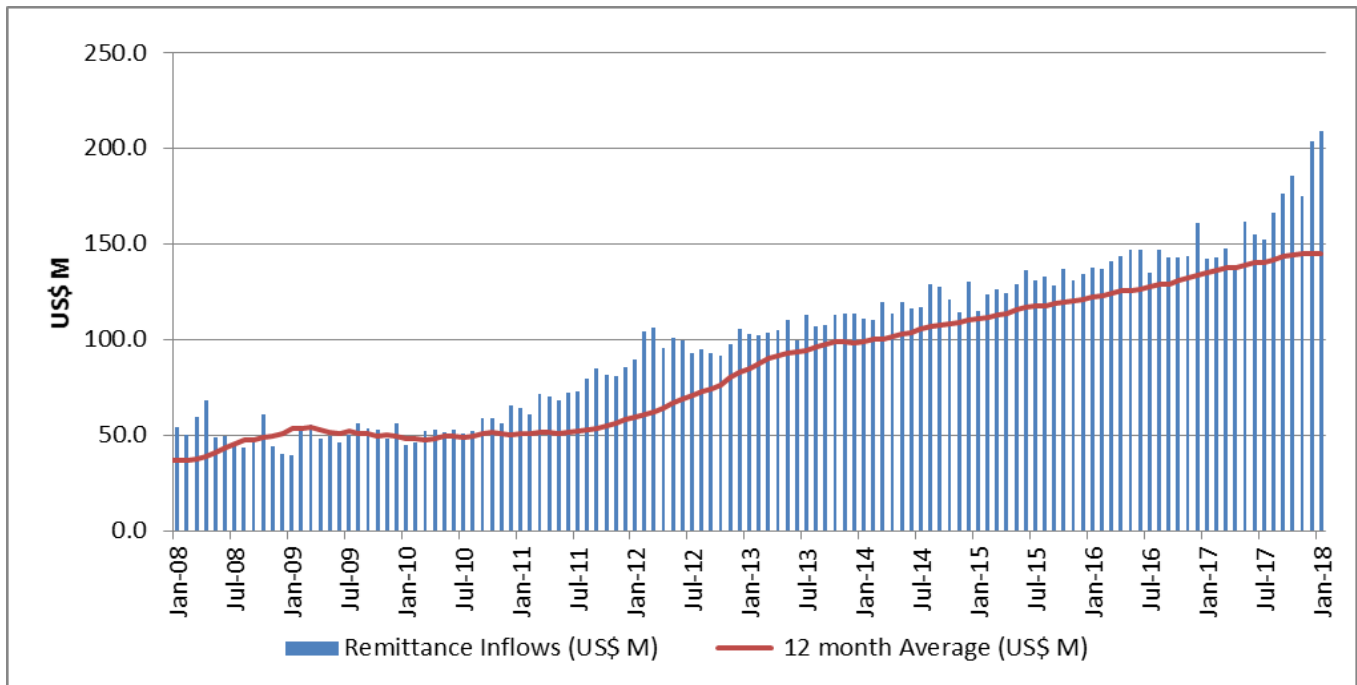
Remittance inflows to Kenya increased by 2.5 percent in January 2018 compared to 16.3 percent growth in December 2017. In level terms, the inflow in January 2018, of USD 208.9 million, was the highest monthly flow recorded in the last 8 years (**Table 1**). Reflecting sustained resilience in monthly receipts, the 12-month cumulative inflows to January 2018, at USD 2,013 million, was 16.4 percent higher than USD 1,729 million recorded over the same period in 2017 (**Chart 1**). This resilience is further underscored by the stability of remittances as a share of GDP which, at 2.5 percent over the twelve months to January 2018 was marginally above 2.4 percent recorded over the twelve months to January in 2017.

Table 1: Monthly Remittance Inflows 2013 to 2017 (USD '000)

Month/Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	45,117	64,139	89,755	102,969	110,969	114,642	137,494	142,403	208,922
February	46,423	60,759	103,970	102,372	110,421	123,236	136,979	142,666	
March	52,309	71,557	106,198	103,393	119,585	126,259	141,107	147,530	
April	52,679	70,071	95,625	104,993	113,409	124,473	143,526	138,604	
May	51,172	68,124	100,995	110,150	119,657	129,101	146,760	161,501	
June	52,541	71,888	99,488	99,809	116,064	135,963	146,658	154,876	
July	50,652	72,797	92,736	112,834	117,101	131,055	134,661	152,309	
August	51,993	79,563	94,819	107,049	128,826	132,949	146,744	166,412	
September	58,557	84,854	92,519	107,452	127,399	128,484	143,188	176,098	
October	58,503	81,311	91,627	112,919	120,907	137,146	142,555	185,504	
November	56,380	80,802	97,504	113,420	113,972	130,718	143,691	175,181	
December	65,617	85,244	105,656	113,216	130,172	134,005	160,941	203,820	
Annual Total	641,943	891,109	1,170,893	1,290,575	1,428,482	1,548,032	1,724,303	1,946,904	208,922

Source: CBK

Chart 1: Monthly Remittance Inflows

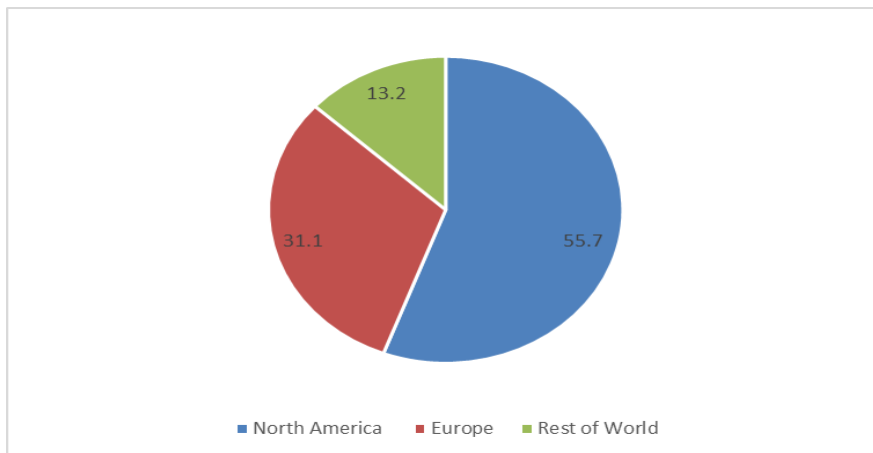


Source: CBK

Remittance Inflows by Source Market

Analysed by source region, remittances from North America, at USD 116.4 million in January 2018 accounted for 55.7 percent of the total inflow and was 1.8 percent higher than the inflow in December 2017. Inflow from Europe accounted for 31.1 percent, and was 6.0 percent higher than the inflow in December 2017. Inflow from the rest of the world, at USD 27.6 million was 2.1 percent below the flow in December 2017, and accounted for 13.2 percent of the receipt in January 2018 (**Chart 2**).

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



Source: CBK