

COMMENTARY ON REMITTANCES, JUNE 2017

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 remained resilient, increasing by 5.6 percent to USD 154.9 million in June 2017 compared to USD 146.7 million in June 2016. However, the inflows in June 2017 were 4.1 percent lower compared to the previous month (**Table 1**) reflecting decline from all key regions: North America, Europe and the Rest of the world.

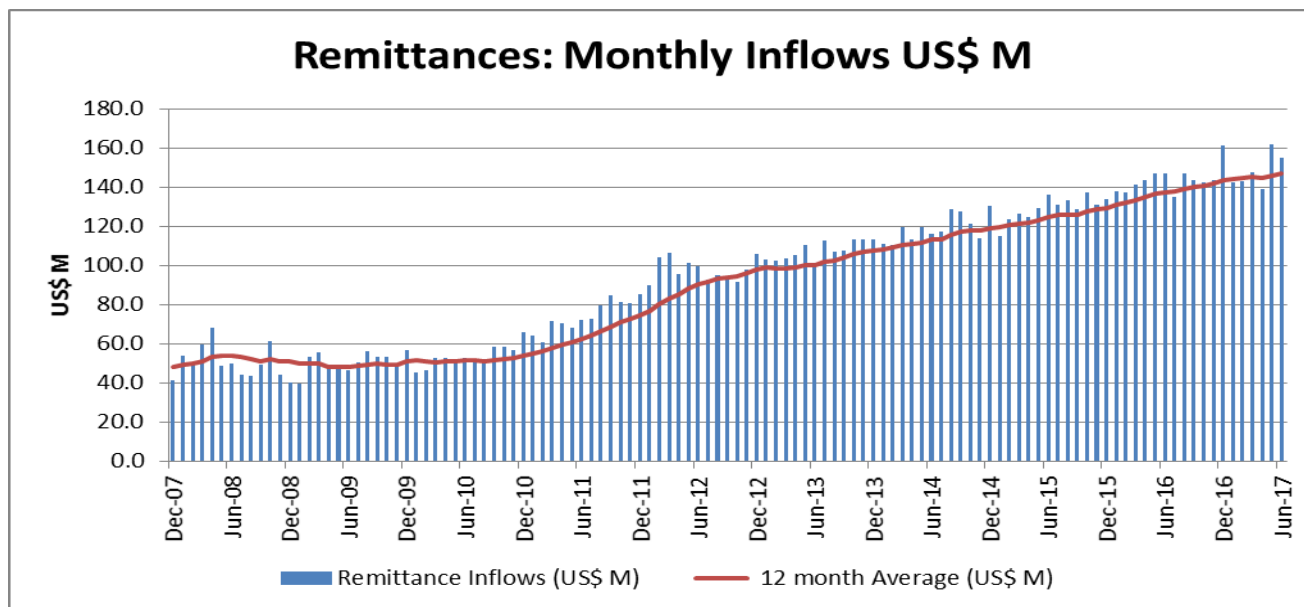
12-month cumulative inflows to June 2017 were 6.8 percent higher at USD 1,759 million compared to USD 1,647 million over the same period in 2016. Consequently, the 12 month average inflows to June 2017 increased to USD 146.6 million from USD 137.2 million in the year to 2016 (**Chart 1**). Remittances as a share of GDP stabilized at 2.3 percent over the twelve months to June 2017.

Table 1: Monthly Remittance Inflows 2010 to 2017 (USD '000)

Monthly Remittance Inflows (2010 to 2017 in US\$ '000)								
Month/Year	2010	2011	2012	2013	2014	2015	2016	2017
January	45,117	64,139	89,755	102,969	110,969	114,642	137,494	142,403
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	
August	51,993	79,563	94,819	107,049	128,826	132,949	146,744	
September	58,557	84,854	92,519	107,452	127,399	128,484	143,188	
October	58,503	81,311	91,627	112,919	120,907	137,146	142,555	
November	56,380	80,802	97,504	113,420	113,972	130,718	143,691	
December	65,617	85,244	105,656	113,216	130,172	134,005	160,941	
Annual Total	641,943	891,109	1,170,893	1,290,575	1,428,482	1,548,032	1,724,303	887,580

Source: CBK Database

Chart 1: Monthly Remittance Inflows

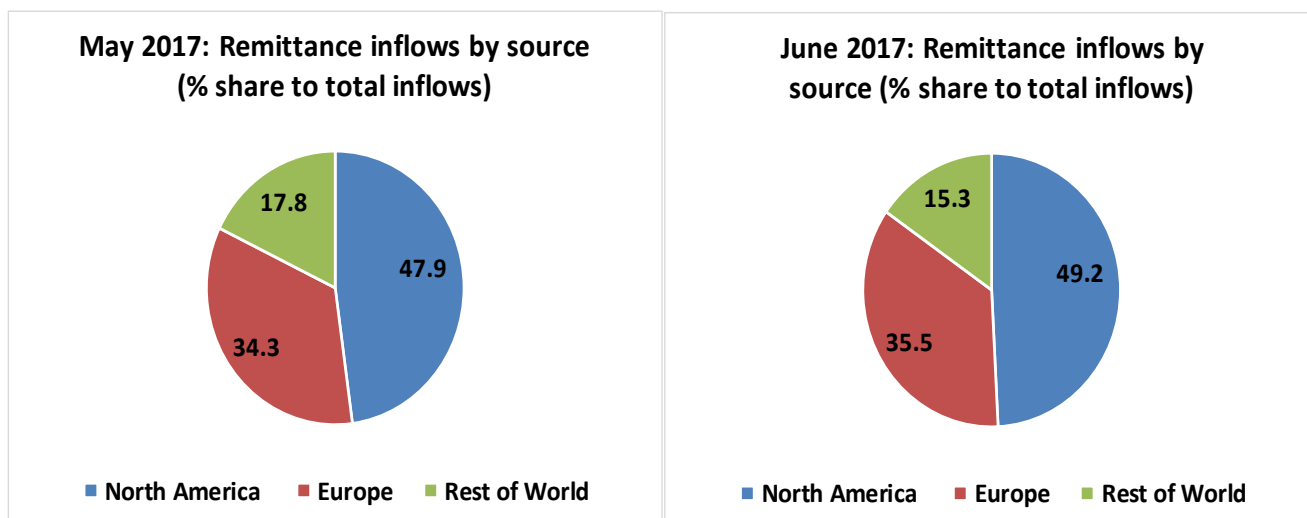


Source: CBK Database

Remittance Inflows by Source Market

Analysis by region shows North America accounting for 49.2 percent, Europe 35.5 percent the Rest of the world 15.3 percent of the total inflows (**Chart 2**). Meanwhile, remittances from these sources declined by 1.4 percent, 0.8 percent and 15.3 percent, respectively compared to the flow in May 2017.

Chart 2: Share of Remittance Inflows by Source



Source: CBK Database