

COMMENTARY ON REMITTANCES, JULY 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 declined by 1.7 percent in July 2017 compared to inflows recorded in June 2017 (**Table 1**) reflecting lower inflows from North America, However, when compared to inflows recorded in July 2016, inflows in July 2017 increased by 13.1 percent.

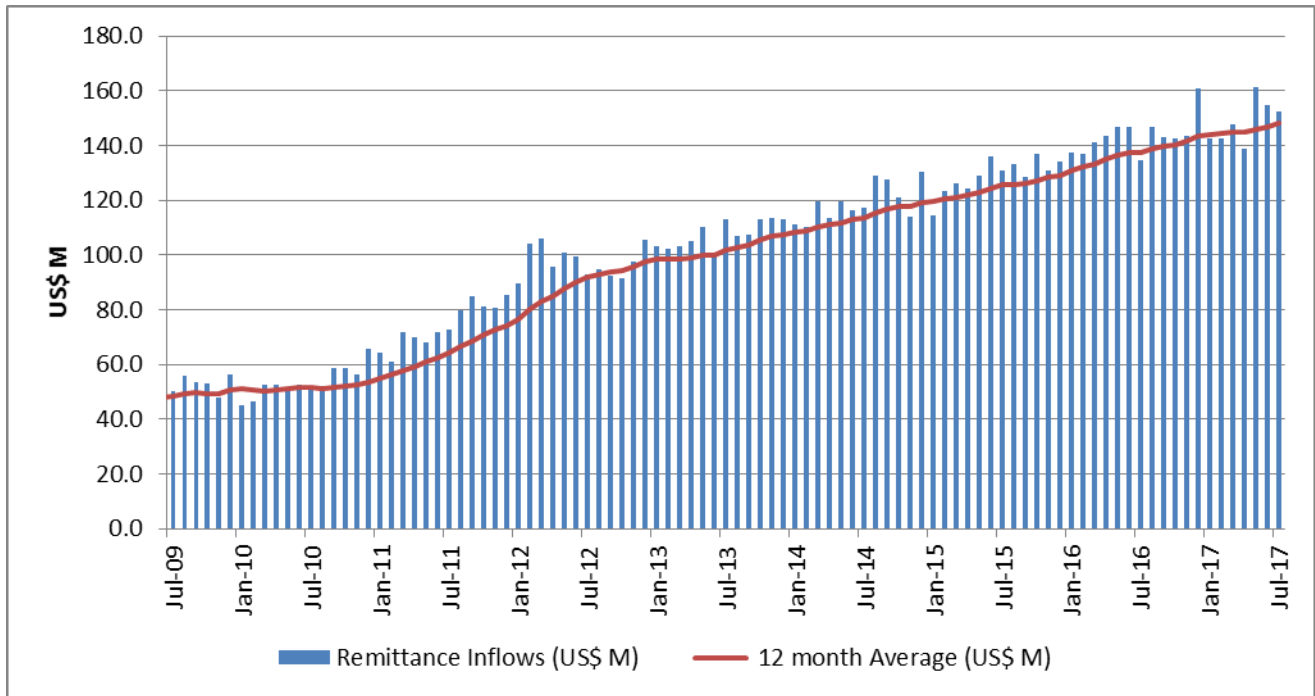
12-month cumulative inflows to July 2017 were 7.7 percent higher at USD 1777 million compared to USD 1650 million over the same period in 2016. 12 month average inflows to July 2017 also sustained an upward trend to USD 148.1 million from USD 137.5 million over the same period in 2016 (**Chart 1**). Remittances as a share of GDP stabilized at 2.4 percent over the twelve months to July 2017.

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

Month/Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	39,535	45,117	64,139	89,755	102,969	110,969	114,642	137,494	142,403
February	53,353	46,423	60,759	103,970	102,372	110,421	123,236	136,979	142,666
March	55,361	52,309	71,557	106,198	103,393	119,585	126,259	141,107	147,530
April	48,117	52,679	70,071	95,625	104,993	113,409	124,473	143,526	138,604
May	49,180	51,172	68,124	100,995	110,150	119,657	129,101	146,760	161,501
June	46,347	52,541	71,888	99,488	99,809	116,064	135,963	146,658	154,876
July	50,372	50,652	72,797	92,736	112,834	117,101	131,055	134,661	152,309
August	55,947	51,993	79,563	94,819	107,049	128,826	132,949	146,744	
September	53,347	58,557	84,854	92,519	107,452	127,399	128,484	143,188	
October	53,037	58,503	81,311	91,627	112,919	120,907	137,146	142,555	
November	48,058	56,380	80,802	97,504	113,420	113,972	130,718	143,691	
December	56,329	65,617	85,244	105,656	113,216	130,172	134,005	160,941	
Annual Total	608,983	641,943	891,109	1,170,893	1,290,575	1,428,482	1,548,032	1,724,303	1,039,889

Source: CBK

Chart 1: Monthly Remittance Inflows

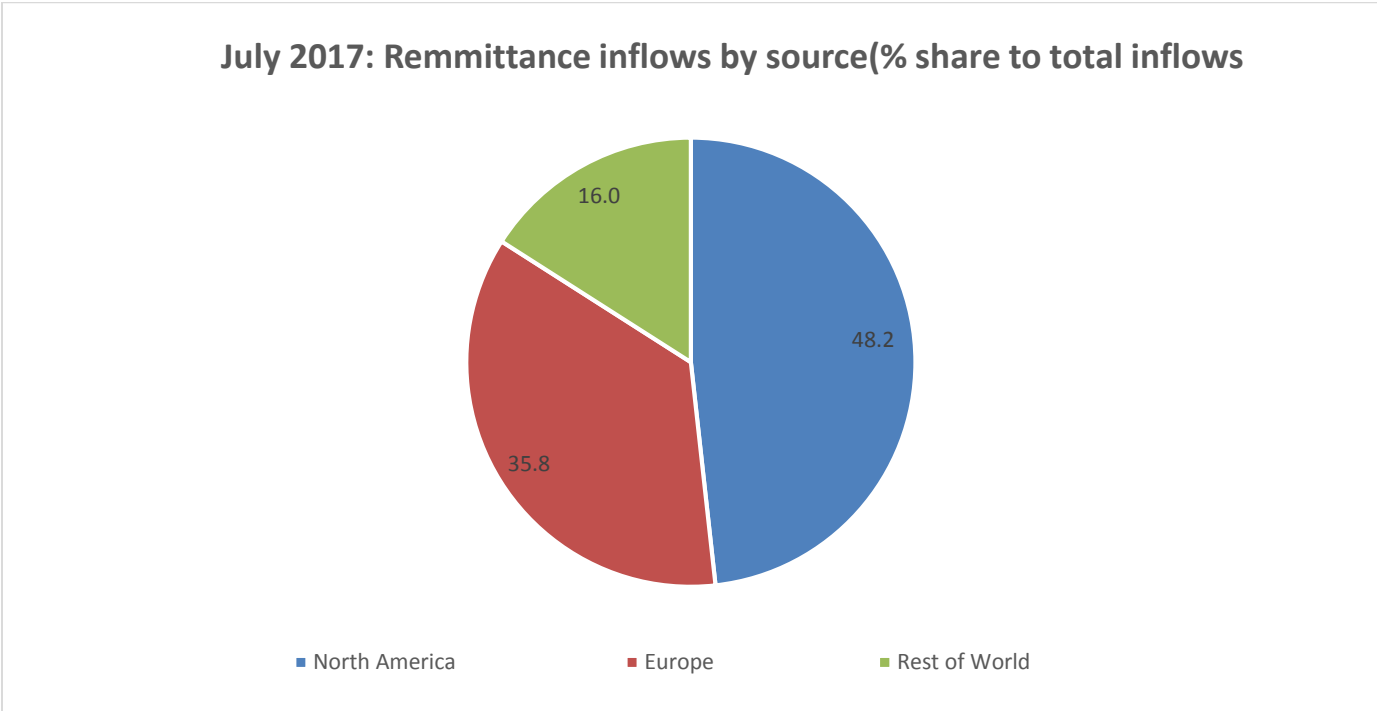


Source: CBK

Remittance Inflows by Source Market

Remittances from North America accounted for 48.2 percent of total inflows but decreased by 3.6 percent to USD 73.5 million in July 2017, while inflows from Europe accounted for 35.8 percent remaining at 0.8 percent. Inflows from the rest of the world accounted for 16 percent and increased by 2.6 percent to USD 24.3 million (**Chart 2**).

Chart 2: Share of remittances by Source in July 2017 (in percent)



Source: CBK