

COMMENTARY ON REMITTANCES, JANUARY 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.

Remittance inflows to Kenya in January 2017 was 3.6 higher compared to January 2016 but 11.5 percent lower than in December 2016 (**Table 1**). The decline reflects a decrease in flows from all the regions as shown in **Table 2**.

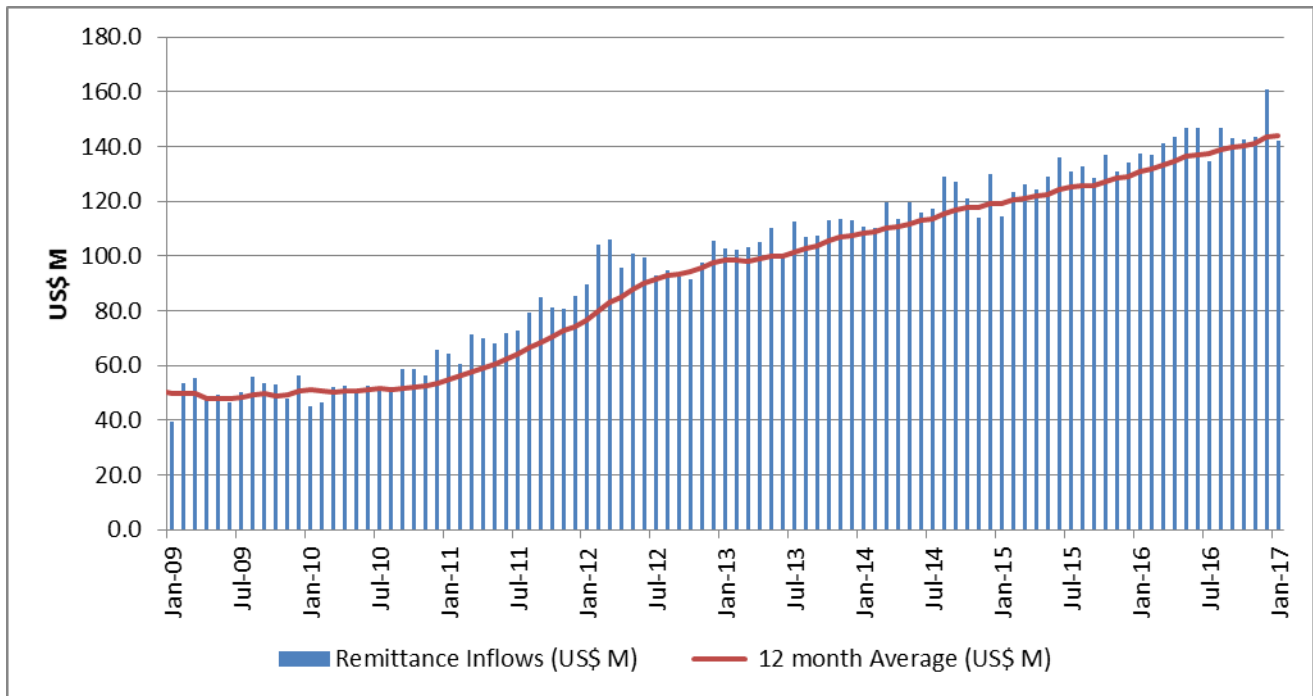
The 12-month cumulative inflow to January 2017 was 10.1 percent higher than during a similar period in 2016. Remittances as a share of GDP increased to 2.5 percent over the twelve months to January 2016 from 2.3 percent in the year to January 2016 (Chart 1). Remittance inflow is an important and regular source of foreign exchange in the money market.

Table 1: Monthly Remittance Inflows 2009 to 2016 (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	
March	55,361	52,309	71,557	106,198	103,393	119,585	126,259	141,107	
April	48,117	52,679	70,071	95,625	104,993	113,409	124,473	143,526	
May	49,180	51,172	68,124	100,995	110,150	119,657	129,101	146,760	
June	46,347	52,541	71,888	99,488	99,809	116,064	135,963	146,658	
July	50,372	50,652	72,797	92,736	112,834	117,101	131,055	134,661	
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	142,403

Source: CBK

Chart 1: Monthly Remittance Inflows (USD M)



Source: CBK

Remittance Inflows by Source Market

Remittance from North America accounted for 47 percent of total inflows and from Europe 31 percent in January 2017. However, receipts in January 2017 declined from both regions by 19.2 percent and 5.7 percent, respectively. Receipts from the Rest of the world declined 0.3 percent during the month (Table 2 and Chart 2).

Table 2: Monthly Remittance Inflows by Source

USD M	North America	Europe	Rest of World
Nov-16	75.5	42.5	25.7
Dec-16	82.2	46.8	32.0
Jan-17	66.4	44.1	31.9

Source: CBK

Chart 2: percentage share of the total inflows

