

COMMENTARY ON REMITTANCES, DECEMBER 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 increased by 16.3 percent in December 2017 compared to inflows recorded in November 2017 (**Table 1**), and by 26.6 in relation to inflows in December 2016. All source region (North America, Europe and the rest of the world) reported positive growth in the month of December 2017.

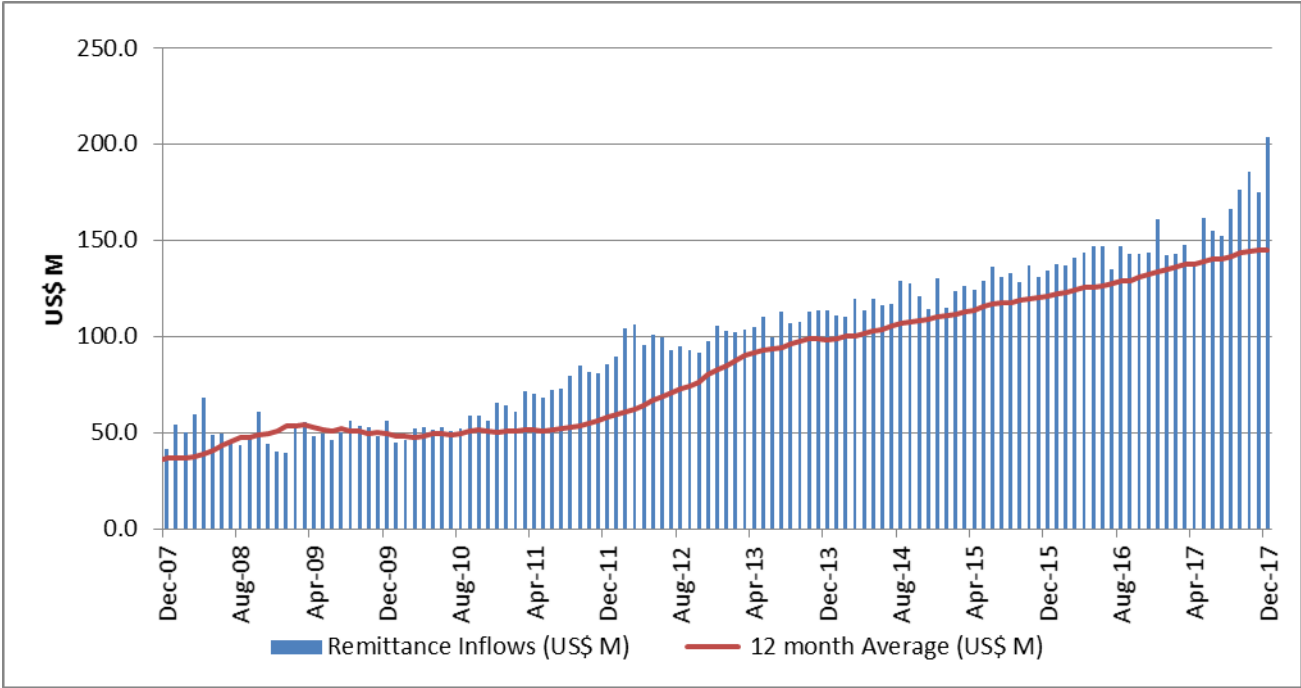
The total remittances inflows in the calendar year 2017 at USD 1,947 million were 12.9 percent higher compared to USD 1,724 million in 2016 (**Chart 1**). Remittances as a share of GDP was relatively stable, at 2.5 percent in year 2017 compared to 2.4 percent over the same period in 2016.

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

Month/Year	2013	2014	2015	2016	2017
January	102,969	110,969	114,642	137,494	142,403
February	102,372	110,421	123,236	136,979	142,666
March	103,393	119,585	126,259	141,107	147,530
April	104,993	113,409	124,473	143,526	138,604
May	110,150	119,657	129,101	146,760	161,501
June	99,809	116,064	135,963	146,658	154,876
July	112,834	117,101	131,055	134,661	152,309
August	107,049	128,826	132,949	146,744	166,412
September	107,452	127,399	128,484	143,188	176,098
October	112,919	120,907	137,146	142,555	185,504
November	113,420	113,972	130,718	143,691	175,181
December	113,216	130,172	134,005	160,941	203,820
Annual Total	1,290,575	1,428,482	1,548,032	1,724,303	1,946,904

Source: CBK

Chart 1: Monthly Remittance Inflows

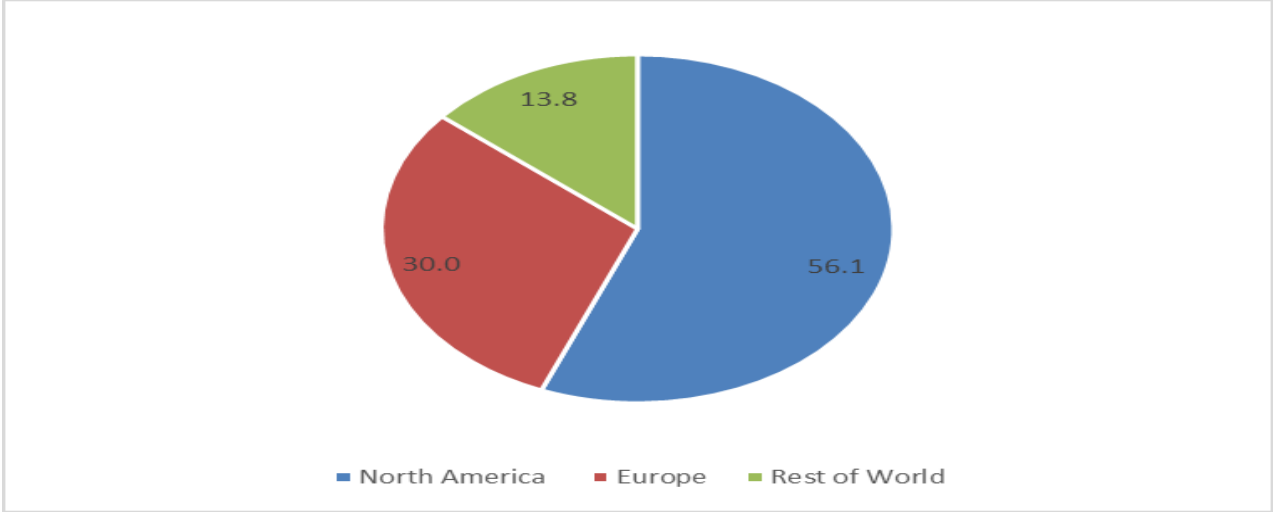


Source: CBK

Remittance Inflows by Source Market

Remittances from North America, at USD 114.4 million, in December 2017 accounted for 56.1 percent of total inflow and were 16.9 percent higher than inflow in November 2017. The inflows from Europe increased by 13.9 percent and accounted for 30.0 percent, while from the rest of the world inflow increased by 19.5 percent and accounted for 13.8 percent of total remittances (**Chart 2**).

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



Source: CBK