



**Central Bank of Kenya**



# MONTHLY ECONOMIC INDICATORS

June 2018



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## SYMBOLS

- . Not applicable
- ... Not available
- Magnitude zero or insignificant
- \* Provisional or estimate figure
- \*\* Revised figure

## Definitions

1. **Inflation:** Percentage change in the consumer price index (CPI)
2. **Narrow Money**  
**M0:** Currency outside the banking system excluding commemorative coins  
**M1:** M0 + demand deposits of banks (or depository corporations)
3. **Broad Money**  
**M2:** M1 + quasi (long term) money deposits i.e. time and savings deposits of banks.
4. **Extended Broad Money**  
**M3:** M2 + resident foreign currency deposits.
5. **Overall Liquidity**  
**L:** M3 + non-bank holdings of Government securities.
6. **Net Foreign Assets (NFA):** Gross foreign assets less gross foreign liabilities of depository corporations (DCs).
7. **Net Domestic Assets (NDA) of Depository Corporations (DCs):** the sum of:
  - Net credit to Government, which is the sum of net credit to government from the central bank (CBK) and commercial banks.
  - Credit to other sectors, which is the sum of credit to other sectors (private and other public entities) from central bank and from other depository corporations (ODCs).
  - Other Items Net (Other assets less other liabilities) of central bank and ODCs after netting out positions between CBK and ODCs or consolidation adjustments.
8. **NFA + NDA = Extended Broad Money**
9. **Credit to Private Sector:** Credit facilities extended by DCs to the private sector.
10. **Interest Rates:** Covers the short term rates including: Repo rate (3 and 7 days), reverse repo, interbank rates, treasury bill rates and commercial banks' weighted average lending and deposit rates.
11. **Current Account Balance:** Measures the flows of goods, services, primary income, and secondary income between residents and nonresidents.
12. **Capital Account:** Measures capital transfers receivable and payable; and acquisition and disposal of non-produced, non-financial assets, which include: marketing assets; contracts, leases, and licenses; and rights of natural resources such as land, minerals, water, air space between residents and nonresidents.

13. **Financial Account:** Measures net acquisition and disposal of financial assets and liabilities.
14. **Exchange Rate:** The price of Kenya Shilling relative to a foreign currency. The mean exchange rate is computed by a simple average of the mean buying and selling exchange rate prevailing on any trading day.
15. **Foreign Exchange Reserves:** External assets held by the CBK that are readily available for meeting balance of payments financing needs and for intervention in the foreign exchange market.
16. **Government Revenue:** Comprises tax and non-tax revenue. Tax revenue includes import duty, excise duty, income tax (including PAYE) and value added tax (VAT) while non-tax revenue comprises investment income, appropriation in aid (AIA) and other levies.
17. **Grants:** Non repayable funds received by the Government from other governments or international organizations.
18. **Government Expenditures:** Both recurrent and development expenditures. Recurrent expenditures refer to spending on current activities. It consists of interest payments on debt (domestic and foreign), salaries and wages, pensions and payments for maintenance and operations. Development expenditure refers to the expenditure incurred on projects.
19. **Budget Deficit:** the excess of expenditure over revenue and grants. The converse is a budget surplus.
20. **Deficit financing:** Comprising external borrowing, domestic borrowing and sales of Government shares in government agencies (privatisation).
21. **Public and Publicly Guaranteed Debt:** Comprises external and domestic debt.

## 1. INFLATION

**Table 1.1 : Monthly Trends in Inflation (Per cent)**

|             | Overall 12 months inflation | Food Inflation | Fuel Inflation | Non-Food Non-Fuel Inflation (NFNF) | Average Annual | Three months annualised |
|-------------|-----------------------------|----------------|----------------|------------------------------------|----------------|-------------------------|
| <b>2017</b> |                             |                |                |                                    |                |                         |
| January     | 6.99                        | 11.75          | 0.67           | 4.48                               | 6.24           | 10.36                   |
| February    | 9.04                        | 15.29          | 2.99           | 3.68                               | 6.43           | 14.85                   |
| March       | 10.28                       | 17.19          | 3.27           | 4.48                               | 6.76           | 19.03                   |
| April       | 11.48                       | 19.49          | 3.67           | 4.30                               | 7.28           | 22.78                   |
| May         | 11.70                       | 19.99          | 3.49           | 4.28                               | 7.84           | 18.13                   |
| June        | 9.21                        | 14.83          | 3.39           | 4.24                               | 8.13           | 5.37                    |
| July        | 7.47                        | 11.55          | 2.94           | 4.08                               | 8.21           | -5.56                   |
| August      | 8.04                        | 12.80          | 3.07           | 3.87                               | 8.35           | -6.07                   |
| September   | 7.06                        | 10.89          | 3.28           | 3.45                               | 8.40           | -3.67                   |
| October     | 5.72                        | 8.23           | 3.65           | 2.99                               | 8.33           | -2.37                   |
| November    | 4.73                        | 5.80           | 4.77           | 2.74                               | 8.15           | -5.61                   |
| December    | 4.50                        | 4.86           | 5.37           | 3.06                               | 7.98           | -1.31                   |
| <b>2018</b> |                             |                |                |                                    |                |                         |
| January     | 4.83                        | 4.92           | 6.10           | 3.53                               | 7.79           | 6.66                    |
| February    | 4.46                        | 4.11           | 6.16           | 3.62                               | 7.40           | 13.66                   |
| March       | 4.18                        | 2.58           | 8.17           | 3.77                               | 6.89           | 17.58                   |
| April       | 3.73                        | 0.75           | 10.17          | 4.02                               | 6.24           | 17.70                   |
| May         | 3.95                        | 0.74           | 11.44          | 3.89                               | 5.61           | 15.87                   |
| June        | 4.28                        | 1.24           | 11.89          | 3.58                               | 5.20           | 5.78                    |

Food inflation comprise “Food and Non-alcoholic Beverages”, and “Hotels and Restaurants” categories of the CPI basket; fuel inflation comprise “Transport” and “Housing, Water, Electricity, Gas and Other Fuels” categories of the CPI basket; and NFNF excludes food and fuel inflation.

**Source: Kenya National Bureau of Statistics and Central Bank of Kenya**

## INFLATION

**Table 1.2: Contribution of CPI Baskets to Overall Inflation (Percentage points)**

|             | Food & Non-Alcoholic Beverages | Alcoholic Beverages, Tobacco & Narcotics | Clothing & Footwear | Housing, Water, Electricity, Gas and other Fuels | Furnishings, Household Equipment and Routine Household Maintenance | Health | Transport | Communication | Recreation & Culture | Education | Restaurants & Hotels | Miscellaneous Goods & Services | Overall |
|-------------|--------------------------------|--|---------------------|--|--|--------|-----------|---------------|----------------------|-----------|----------------------|--------------------------------|---------|
| <b>2017</b> |                                |  |                     |  |  |        |           |               |                      |           |                      |                                |         |
| January     | 5.42                           | 0.09                                     | 0.30                | 0.04   | 0.19   | 0.09   | 0.19      | 0.06          | 0.08                 | 0.11      | 0.24                 | 0.17                           | 6.99    |
| February    | 7.09                           | 0.09                                     | 0.30                | 0.39   | 0.18   | 0.11   | 0.37      | 0.01          | 0.05                 | 0.09      | 0.22                 | 0.14                           | 9.04    |
| March       | 8.06                           | 0.10                                     | 0.30                | 0.43   | 0.20   | 0.12   | 0.44      | 0.03          | 0.07                 | 0.10      | 0.25                 | 0.17                           | 10.28   |
| April       | 9.18                           | 0.10                                     | 0.29                | 0.50   | 0.20   | 0.11   | 0.45      | 0.03          | 0.07                 | 0.10      | 0.29                 | 0.17                           | 11.48   |
| May         | 9.43                           | 0.10                                     | 0.28                | 0.49   | 0.20   | 0.11   | 0.41      | 0.03          | 0.06                 | 0.10      | 0.30                 | 0.18                           | 11.70   |
| June        | 7.01                           | 0.09                                     | 0.28                | 0.50   | 0.21   | 0.10   | 0.37      | 0.03          | 0.06                 | 0.10      | 0.29                 | 0.18                           | 9.21    |
| July        | 5.43                           | 0.09                                     | 0.28                | 0.50   | 0.20   | 0.09   | 0.25      | 0.02          | 0.05                 | 0.09      | 0.28                 | 0.17                           | 7.47    |
| August      | 6.03                           | 0.08                                     | 0.27                | 0.57   | 0.19   | 0.11   | 0.21      | 0.03          | 0.04                 | 0.09      | 0.28                 | 0.15                           | 8.04    |
| September   | 5.11                           | 0.08                                     | 0.24                | 0.53   | 0.17   | 0.10   | 0.28      | 0.02          | 0.04                 | 0.09      | 0.26                 | 0.14                           | 7.06    |
| October     | 3.77                           | 0.07                                     | 0.19                | 0.57   | 0.18   | 0.09   | 0.31      | 0.01          | 0.03                 | 0.08      | 0.28                 | 0.13                           | 5.72    |
| November    | 2.58                           | 0.06                                     | 0.18                | 0.82   | 0.16   | 0.11   | 0.31      | 0.00          | 0.02                 | 0.07      | 0.27                 | 0.13                           | 4.73    |
| December    | 2.10                           | 0.06                                     | 0.19                | 0.80   | 0.17   | 0.13   | 0.47      | 0.01          | 0.03                 | 0.08      | 0.31                 | 0.14                           | 4.50    |
| <b>2018</b> |                                |  |                     |  |  |        |           |               |                      |           |                      |                                |         |
| January     | 1.52                           | 0.13                                     | 0.31                | 0.85   | 0.25   | 0.18   | 0.69      | 0.08          | 0.11                 | 0.09      | 0.41                 | 0.21                           | 4.83    |
| February    | 1.76                           | 0.06                                     | 0.24                | 0.88   | 0.22   | 0.09   | 0.56      | 0.01          | 0.03                 | 0.12      | 0.31                 | 0.17                           | 4.46    |
| March       | 1.02                           | 0.06                                     | 0.24                | 1.36   | 0.22   | 0.09   | 0.53      | 0.02          | 0.03                 | 0.13      | 0.30                 | 0.17                           | 4.18    |
| April       | 0.13                           | 0.06                                     | 0.26                | 1.77   | 0.24   | 0.09   | 0.55      | 0.02          | 0.03                 | 0.13      | 0.27                 | 0.18                           | 3.73    |
| May         | 0.17                           | 0.05                                     | 0.26                | 2.04   | 0.23   | 0.10   | 0.54      | 0.02          | 0.03                 | 0.12      | 0.22                 | 0.16                           | 3.95    |
| June        | 0.42                           | 0.05                                     | 0.25                | 2.13   | 0.23   | 0.10   | 0.58      | 0.01          | 0.02                 | 0.12      | 0.21                 | 0.15                           | 4.28    |

Source: Kenya National Bureau of Statistics and Central Bank of Kenya

## INFLATION

**Table 1.3: Overall Inflation across Income Groups in Nairobi (Per cent)**

|             | Nairobi Upper Income | Nairobi Middle Income | Nairobi Lower Income | Nairobi Combined |
|-------------|----------------------|-----------------------|----------------------|------------------|
| <b>2015</b> |                      |                       |                      |                  |
| September   | 2.79                 | 4.84                  | 6.18                 | 5.77             |
| October     | 3.50                 | 4.87                  | 7.23                 | 6.58             |
| November    | 3.38                 | 5.03                  | 8.60                 | 7.63             |
| December    | 4.83                 | 7.09                  | 8.70                 | 8.21             |
| <b>2016</b> |                      |                       |                      |                  |
| January     | 5.44                 | 5.91                  | 7.68                 | 7.22             |
| February    | 5.51                 | 5.24                  | 6.95                 | 6.53             |
| March       | 5.21                 | 4.88                  | 6.54                 | 6.13             |
| April       | 5.76                 | 4.52                  | 5.57                 | 5.35             |
| May         | 5.02                 | 4.06                  | 6.05                 | 5.58             |
| June        | 5.00                 | 3.48                  | 7.15                 | 6.28             |
| July        | 3.95                 | 3.55                  | 7.24                 | 6.33             |
| August      | 3.35                 | 3.60                  | 7.14                 | 6.24             |
| September   | 3.74                 | 3.62                  | 7.03                 | 6.17             |
| October     | 3.93                 | 3.73                  | 7.18                 | 6.32             |
| November    | 4.58                 | 4.13                  | 7.02                 | 6.32             |
| December    | 4.42                 | 2.16                  | 6.34                 | 5.37             |
| <b>2017</b> |                      |                       |                      |                  |
| January     | 4.14                 | 4.17                  | 7.33                 | 6.54             |
| February    | 4.72                 | 5.97                  | 9.81                 | 8.81             |
| March       | 4.90                 | 6.55                  | 11.16                | 9.96             |
| April       | 3.91                 | 7.86                  | 12.34                | 11.10            |
| May         | 3.82                 | 7.76                  | 12.14                | 10.93            |
| June        | 3.23                 | 5.97                  | 8.97                 | 8.15             |
| July        | 2.98                 | 5.48                  | 7.41                 | 6.85             |
| August      | 2.49                 | 5.71                  | 8.31                 | 7.56             |
| September   | 2.12                 | 5.55                  | 7.81                 | 7.14             |
| October     | 2.90                 | 5.99                  | 6.90                 | 6.58             |
| November    | 2.78                 | 5.86                  | 5.61                 | 5.57             |
| December    | 3.30                 | 6.11                  | 5.97                 | 5.91             |
| <b>2018</b> |                      |                       |                      |                  |
| January     | 3.86                 | 6.35                  | 6.43                 | 6.33             |
| February    | 4.18                 | 5.77                  | 5.75                 | 5.70             |
| March       | 4.15                 | 5.37                  | 5.36                 | 5.33             |
| April       | 4.14                 | 4.19                  | 4.36                 | 4.32             |
| May         | 4.23                 | 4.61                  | 4.85                 | 4.78             |
| June        | 5.75                 | 5.64                  | 5.52                 | 5.55             |

**Source: Kenya National Bureau of Statistics**



## INFLATION

**Table 1.4: Overall Inflation by Region (Per cent)**

|             | Nairobi | Rest of Kenya | Kenya |
|-------------|---------|---------------|-------|
| <b>2015</b> |         |               |       |
| September   | 5.77    | 6.10          | 5.97  |
| October     | 6.58    | 6.82          | 6.72  |
| November    | 7.63    | 7.12          | 7.32  |
| December    | 8.21    | 7.87          | 8.01  |
| <b>2016</b> |         |               |       |
| January     | 7.22    | 8.16          | 7.78  |
| February    | 6.53    | 7.05          | 6.84  |
| March       | 6.13    | 6.67          | 6.45  |
| April       | 5.35    | 5.22          | 5.27  |
| May         | 5.58    | 4.61          | 5.00  |
| June        | 6.28    | 5.48          | 5.80  |
| July        | 6.33    | 6.44          | 6.40  |
| August      | 6.24    | 6.27          | 6.26  |
| September   | 6.17    | 6.45          | 6.34  |
| October     | 6.32    | 6.57          | 6.47  |
| November    | 6.32    | 6.92          | 6.68  |
| December    | 5.37    | 7.01          | 6.35  |
| <b>2017</b> |         |               |       |
| January     | 6.54    | 7.33          | 6.99  |
| February    | 8.81    | 9.19          | 9.04  |
| March       | 9.96    | 10.50         | 10.28 |
| April       | 11.10   | 11.73         | 11.48 |
| May         | 10.93   | 12.21         | 11.70 |
| June        | 8.15    | 9.92          | 9.21  |
| July        | 6.85    | 7.88          | 7.47  |
| August      | 7.56    | 8.37          | 8.04  |
| September   | 7.14    | 7.00          | 7.06  |
| October     | 6.58    | 5.15          | 5.72  |
| November    | 5.57    | 4.17          | 4.73  |
| December    | 5.91    | 3.55          | 4.50  |
| <b>2018</b> |         |               |       |
| January     | 6.33    | 3.80          | 4.83  |
| February    | 5.70    | 3.62          | 4.46  |
| March       | 5.33    | 3.40          | 4.18  |
| April       | 4.32    | 3.33          | 3.73  |
| May         | 4.78    | 3.40          | 3.95  |
| June        | 5.55    | 3.43          | 4.28  |

**Source: Kenya National Bureau of Statistics**

## 2. MONEY, CREDIT AND INTEREST RATES

**Table 2.1: Money Supply and its Sources (KSh Billion)**

| COMPONENTS OF M3                                 | 2017           |                |                |                |                |                |                | 2018           |               |               |               |              |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|--------------|----------------|
|  | Jun            | July           | Aug            | Sept           | Oct            | Nov            | Dec            | Jan            | Feb           | Mar           | Apr           | May          | June           |
| <b>1. Money supply, M1</b>                       | <b>1,391.3</b> | <b>1,382.4</b> | <b>1,364.3</b> | <b>1,382.7</b> | <b>1,395.4</b> | <b>1,387.7</b> | <b>1,397.3</b> | <b>1,374.5</b> | <b>1395.3</b> | <b>1372.8</b> | <b>1417.2</b> | 1411.7       | <b>1,436.9</b> |
| <b>(1.1+1.2+1.3)</b>                             |                |                |                |                |                |                |                |                |               |               |               |              |                |
| 1.1 Currency outside banks                       | 206.7          | 209.5          | 207.5          | 208.9          | 210.7          | 216.9          | 225.1          | 210.4          | 210.8         | 214.1         | 212.0         | 211.4        | 217.9          |
| 1.2 Demand deposits                              | 1,102.9        | 1,101.8        | 1,098.4        | 1,113.7        | 1,132.7        | 1,112.6        | 1,130.4        | 1,116.4        | 1133.5        | 1093.9        | 1139.7        | 1144.9       | 1,137.3        |
| 1.3 Other deposits at CBK <sup>1</sup>           | 81.2           | 70.7           | 58.1           | 59.7           | 51.5           | 57.9           | 41.4           | 47.3           | 50.6          | 64.5          | 65.1          | 54.9         | 81.2           |
| <b>2. Money supply, M2 (1+2.1)</b>               | <b>2,480.5</b> | <b>2,496.0</b> | <b>2,503.2</b> | <b>2,515.1</b> | <b>2,515.1</b> | <b>2,521.0</b> | <b>2,538.2</b> | <b>2,530.0</b> | <b>2547.7</b> | <b>2547.3</b> | <b>2584.9</b> | 2607.4       | <b>2,668.3</b> |
| 2.1 Time and saving deposits                     | 1,089.2        | 1,113.6        | 1,138.8        | 1,132.4        | 1,119.7        | 1,133.2        | 1,140.9        | 1,155.5        | 1152.3        | 1174.5        | 1167.7        | 1195.8       | 1,231.4        |
| <b>3. Money supply, M3 (2+3.1)</b>               | <b>2,936.1</b> | <b>2,957.9</b> | <b>2,967.0</b> | <b>2,986.4</b> | <b>2,980.4</b> | <b>2,995.2</b> | <b>3,010.9</b> | <b>3,006.4</b> | <b>3003.8</b> | <b>3015.7</b> | <b>3055.1</b> | 3122.4       | <b>3,242.9</b> |
| 3.1 Foreign Currency Deposits                    | 455.6          | 461.9          | 463.8          | 471.3          | 465.3          | 474.2          | 472.7          | 476.4          | 456.1         | 468.4         | 470.2         | 514.9        | 574.7          |
| <b>SOURCES OF M3</b>                             |                |                |                |                |                |                |                |                |               |               |               |              |                |
| <b>1. Net foreign assets <sup>2</sup></b>        | <b>644.1</b>   | <b>615.9</b>   | <b>607.0</b>   | <b>611.6</b>   | <b>560.7</b>   | <b>536.0</b>   | <b>517.9</b>   | <b>525.1</b>   | <b>515.7</b>  | <b>699.2</b>  | <b>723.2</b>  | <b>724.4</b> | <b>758.5</b>   |
| 1.1 Central Bank                                 | 738.3          | 705.6          | 684.4          | 694.6          | 649.5          | 635.6          | 627.1          | 634.9          | 636.1         | 803.3         | 824.4         | 815.6        | 783.6          |
| 1.2 Banking Institutions                         | -94.2          | -89.7          | -77.4          | -83.0          | -88.8          | -99.6          | -109.3         | -109.8         | -120.4        | -104.1        | -101.3        | -91.2        | -25.2          |
| <b>2. Net domestic assets (2.1+2.2)</b>          | <b>2,292.0</b> | <b>2,342.0</b> | <b>2,360.0</b> | <b>2,374.7</b> | <b>2,419.6</b> | <b>2,459.2</b> | <b>2,493.1</b> | <b>2481.3</b>  | <b>2488.2</b> | <b>2316.5</b> | <b>2331.9</b> | 2398.0       | <b>2,484.5</b> |
| 2.1 Domestic credit                              | 3,002.2        | 3,051.0        | 3,064.5        | 3,069.7        | 3,114.9        | 3,172.3        | 3,198.3        | 3204.8         | 3218.0        | 3046.3        | 3104.5        | 3119.7       | 3,203.0        |
| 2.1.1 Government (net)                           | 646.2          | 687.7          | 693.8          | 674.3          | 716.3          | 740.7          | 755.7          | 771.8          | 792.3         | 624.9         | 676.4         | 669.5        | 745.1          |
| 2.1.2 Private sector                             | 2,249.1        | 2,252.2        | 2,259.3        | 2,281.6        | 2,285.9        | 2,319.3        | 2,330.2        | 2318.0         | 2312.2        | 2308.7        | 2315.4        | 2337.0       | 2,346.1        |
| 2.1.3 Other public sector                        | 106.9          | 111.1          | 111.4          | 113.7          | 112.7          | 112.4          | 112.4          | 115.0          | 113.5         | 112.7         | 112.7         | 113.2        | 111.9          |
| <b>2.2 Other items net</b>                       | <b>-710.3</b>  | <b>-709.0</b>  | <b>-704.4</b>  | <b>-694.9</b>  | <b>-695.3</b>  | <b>-713.1</b>  | <b>-705.2</b>  | <b>-723.5</b>  | <b>-729.8</b> | <b>-729.9</b> | <b>-772.6</b> | -721.8       | <b>-718.5</b>  |
| <b>Memorandum items</b>                          |                |                |                |                |                |                |                |                |               |               |               |              |                |
| 1. Reserve money                                 | 399.6          | 419.6          | 422.7          | 424.5          | 416.9          | 417.4          | 438.8          | 434.6          | 419.9         | 418.2         | 419.3         | 433.0        | 429.2          |
| Bank reserves                                    | 192.9          | 210.1          | 215.2          | 215.7          | 206.2          | 200.6          | 213.7          | 224.2          | 209.1         | 204.2         | 207.3         | 221.6        | 211.3          |
| 2. Overall liquidity, L (3+2.1.0)                | 3,935.0        | 3,958.7        | 3,979.9        | 4,012.3        | 4,030.9        | 4,070.2        | 4,085.1        | 4,096.6        | 4,110.7       | 4,139.5       | 4,204.7       | 4,277.3      | 4,414.5        |
| 2.1.0 Non-bank holdings of government securities | 998.9          | 1,000.8        | 1,012.9        | 1,026.0        | 1,050.6        | 1,075.0        | 1,074.2        | 1,090.2        | 1,106.9       | 1,123.8       | 1,149.6       | 1,154.9      | 1,171.6        |
| <b>ANNUAL GROWTH RATE (Per cent)</b>             |                |                |                |                |                |                |                |                |               |               |               |              |                |
| <b>COMPONENTS OF M3</b>                          | <b>June</b>    | <b>July</b>    | <b>Aug</b>     | <b>Sept</b>    | <b>Oct</b>     | <b>Nov</b>     | <b>Dec</b>     | <b>Jan</b>     | <b>Feb</b>    | <b>Mar</b>    | <b>Apr</b>    | <b>May</b>   | <b>Jun</b>     |
| 1. Money supply, M1 (1.1+1.2+1.3)                | 22.5           | 24.6           | 22.5           | 11.6           | 9.5            | 7.8            | 6.7            | 8.0            | 8.4           | 4.2           | 3.9           | 3.9          | 3.3            |
| 1.1 Currency outside banks                       | 10.0           | 9.5            | 9.7            | 11.9           | 7.7            | 10.4           | 7.4            | 6.8            | 6.7           | 6.7           | 3.9           | 4.8          | 5.4            |
| 1.2 Demand deposits                              | 25.2           | 29.0           | 29.9           | 13.7           | 11.9           | 8.3            | 8.2            | 9.3            | 9.6           | 2.9           | 4.1           | 4.8          | 3.1            |
| 1.3 Other deposits at CBK <sup>1</sup>           | 21.8           | 10.6           | -26.1          | -17.0          | -21.1          | -8.4           | -24.9          | -13.3          | -7.3          | 20.6          | 0.8           | -15.3        | 0.0            |
| 2. Money supply, M2 (1+2.1)                      | 5.4            | 7.5            | 7.5            | 7.5            | 7.0            | 7.4            | 7.5            | 8.3            | 8.4           | 5.6           | 5.5           | 5.9          | 7.6            |
| 2.1 Time and saving deposits                     | -10.5          | -8.1           | -6.3           | 2.8            | 4.0            | 6.8            | 8.6            | 8.7            | 8.4           | 7.3           | 7.4           | 8.5          | 13.1           |
| 3. Money supply, M3 (2+3.1)                      | 6.0            | 8.3            | 7.7            | 7.7            | 7.9            | 7.8            | 8.9            | 9.0            | 8.0           | 5.9           | 5.5           | 7.6          | 10.5           |
| 3.1 Foreign Currency Deposits                    | 9.6            | 12.8           | 8.7            | 9.0            | 13.0           | 10.4           | 16.9           | 12.6           | 5.9           | 7.8           | 5.8           | 16.6         | 26.1           |
| <b>COUNTERPARTS OF M3</b>                        |                |                |                |                |                |                |                |                |               |               |               |              |                |
| 1. Net foreign assets <sup>2</sup>               | 14.5           | 11.2           | 5.5            | 3.3            | -2.3           | -4.6           | 4.6            | 1.5            | 1.4           | 15.1          | 8.6           | 8.6          | 6.1            |
| 1.1 Central Bank                                 | 6.3            | 3.3            | 0.4            | 1.1            | -4.2           | -1.5           | 0.9            | 1.8            | 27.2          | 9.8           | 23.0          | -3.0         | -73.3          |
| 1.2 Banking Institutions                         | -28.6          | -30.6          | -27.0          | -12.9          | -14.9          | 20.1           | -13.6          | 10.7           | 10.7          | 3.2           | 5.1           | 6.8          | 8.4            |
| 2. Net domestic assets (2.1+2.2)                 | 3.9            | 7.6            | 8.3            | 8.9            | 10.6           | 11.0           | 9.9            | 7.8            | 8.1           | 3.2           | 7.1           | 5.9          | 6.7            |
| 2.1 Domestic credit                              | 5.2            | 7.9            | 7.6            | 7.4            | 7.4            | 8.4            | 7.6            | 31.9           | 30.7          | 7.1           | 25.4          | 13.4         | 15.3           |
| 2.1.1 Government (net)                           | 15.3           | 32.8           | 29.2           | 28.4           | 27.4           | 31.1           | 27.5           | 1.8            | 2.1           | 2.0           | 2.8           | 3.8          | 4.3            |
| 2.1.2 Private sector                             | 1.5            | 1.4            | 1.6            | 1.7            | 2.0            | 2.7            | 2.4            | 4.0            | 8.4           | 6.4           | 4.4           | 8.3          | 4.7            |
| 2.1.3 Other public sector                        | 36.0           | 26.8           | 27.8           | 26.1           | 17.4           | 8.5            | 7.3            | -1.0           | 0.2           | 3.0           | 13.4          | 3.2          | 1.2            |
| 2.2 Other items net                              | 9.5            | 9.1            | 5.6            | 2.5            | -2.3           | 0.4            | 0.2            | -1.0           | 0.2           | 3.0           | 13.4          | 3.2          | 1.2            |
| <b>Memorandum items</b>                          |                |                |                |                |                |                |                |                |               |               |               |              |                |
| 1. Reserve money                                 | 2.4            | 9.4            | 7.7            | 8.1            | 3.8            | 6.2            | 6.7            | 8.3            | 6.3           | 0.8           | 2.7           | 5.5          | 7.4            |
| Bank reserves                                    | -4.7           | 9.3            | 5.8            | 4.6            | 0.0            | 2.0            | 6.0            | 9.7            | 6.0           | -4.7          | 1.5           | 6.1          | 9.5            |
| 2. Overall liquidity, L (3+2.1.0)                | 9.1            | 10.4           | 9.9            | 10.1           | 10.0           | 9.8            | 10.1           | 10.6           | 10.1          | 8.5           | 9.0           | 10.4         | 12.2           |
| 2.1.0 Non-bank holdings of government securities | 19.5           | 17.0           | 17.0           | 17.6           | 16.5           | 15.7           | 13.8           | 15.5           | 16.1          | 15.8          | 19.3          | 19.0         | 17.3           |

Absolute and percentage changes may not necessarily add up due to rounding

<sup>1</sup> Includes county deposits and special projects deposit

<sup>2</sup> Net Foreign Assets at current exchange rate to the US dollar.

Source: Central Bank of Kenya

## MONEY, CREDIT AND INTEREST RATES

**Table 2.2: Banking System Net Domestic Credit (KSh Billion)**

|   | 2017           |                |                |                |                |                |                | 2018           |                |                |                |              |                |  |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|--|
|   | Jun            | July           | Aug            | Sept           | Oct            | Nov            | Dec            | Jan            | Feb            | Mar            | Apr            | May          | Jun            |  |
| <b>1. Credit to Government</b>          | <b>646.2</b>   | <b>687.7</b>   | <b>693.8</b>   | <b>674.3</b>   | <b>716.3</b>   | <b>740.7</b>   | <b>755.7</b>   | <b>771.8</b>   | <b>792.3</b>   | <b>624.9</b>   | <b>676.4</b>   | 669.5        | <b>745.1</b>   |  |
| Central Bank                            | -178.9         | -118.2         | -115.0         | -167.6         | -115.3         | -97.8          | -67.0          | -66.6          | -95.9          | -256.9         | -209.7         | -239.1       | -204.4         |  |
| Commercial Banks & NBFIs                | 825.1          | 805.8          | 808.8          | 841.9          | 831.7          | 838.5          | 822.7          | 838.4          | 888.2          | 881.8          | 886.1          | 908.6        | 949.5          |  |
| <b>2. Credit to other public sector</b> | <b>106.9</b>   | <b>111.1</b>   | <b>111.4</b>   | <b>113.7</b>   | <b>112.7</b>   | <b>112.4</b>   | <b>112.4</b>   | <b>115.0</b>   | <b>113.5</b>   | <b>112.7</b>   | <b>112.7</b>   | <b>113.2</b> | <b>111.9</b>   |  |
| County government                       | 3.9            | 4.9            | 4.1            | 4.2            | 4.1            | 4.0            | 4.0            | 4.2            | 4.2            | 4.2            | 4.2            | 4.4          | 4.4            |  |
| Parastatals                             | 103.0          | 106.1          | 107.3          | 109.5          | 108.6          | 108.4          | 108.4          | 110.8          | 109.3          | 108.5          | 108.4          | 108.8        | 107.5          |  |
| <b>3. Credit to private sector</b>      | <b>2,249.1</b> | <b>2,252.2</b> | <b>2,259.3</b> | <b>2,281.6</b> | <b>2,285.9</b> | <b>2,319.3</b> | <b>2,330.2</b> | <b>2,318.0</b> | <b>2,312.2</b> | <b>2,308.7</b> | <b>2,315.4</b> | 2,337.0      | <b>2,346.1</b> |  |
| Agriculture                             | 85.5           | 86.8           | 86.8           | 88.8           | 86.4           | 82.8           | 83.0           | 83.1           | 82.6           | 81.2           | 80.6           | 81.4         | 81.3           |  |
| Manufacturing                           | 282.8          | 286.5          | 287.7          | 295.6          | 302.1          | 307.6          | 310.6          | 306.6          | 308.4          | 310.0          | 309.3          | 321.2        | 317.6          |  |
| Trade                                   | 388.2          | 390.6          | 389.4          | 408.7          | 409.4          | 417.0          | 414.9          | 404.9          | 401.4          | 402.6          | 404.9          | 409.5        | 421.5          |  |
| Building and construction               | 100.8          | 101.4          | 102.9          | 106.7          | 109.4          | 107.7          | 109.9          | 110.4          | 111.2          | 114.2          | 114.0          | 112.7        | 114.4          |  |
| Transport & communications              | 185.5          | 183.1          | 186.2          | 182.7          | 181.2          | 187.8          | 186.7          | 178.5          | 167.7          | 159.5          | 159.1          | 160.3        | 161.3          |  |
| Finance & insurance                     | 84.9           | 84.4           | 85.9           | 83.5           | 80.2           | 84.1           | 81.6           | 82.8           | 86.0           | 86.2           | 85.7           | 87.2         | 88.1           |  |
| Real estate                             | 355.7          | 357.3          | 357.9          | 358.8          | 362.9          | 364.7          | 366.5          | 367.6          | 368.9          | 366.6          | 367.2          | 368.9        | 369.4          |  |
| Mining and quarrying                    | 14.7           | 14.2           | 15.0           | 16.0           | 16.1           | 16.4           | 15.9           | 15.5           | 14.7           | 14.5           | 14.1           | 13.9         | 13.3           |  |
| Private households                      | 386.7          | 385.8          | 387.1          | 384.0          | 386.1          | 388.3          | 387.1          | 390.4          | 389.5          | 392.0          | 396.9          | 397.4        | 397.9          |  |
| Consumer durables                       | 168.2          | 168.3          | 169.8          | 170.9          | 175.0          | 176.5          | 176.4          | 177.9          | 178.4          | 180.6          | 181.1          | 182.3        | 181.3          |  |
| Business services                       | 136.7          | 136.8          | 135.4          | 134.6          | 128.3          | 132.9          | 133.8          | 143.6          | 143.5          | 144.4          | 144.9          | 147.3        | 146.0          |  |
| Other activities                        | 59.5           | 57.0           | 55.3           | 51.4           | 48.8           | 53.5           | 63.7           | 56.6           | 59.7           | 56.8           | 57.5           | 54.8         | 53.9           |  |
| <b>4. TOTAL (1+2+3)</b>                 | <b>3,002.2</b> | <b>3,051.0</b> | <b>3,064.5</b> | <b>3,069.7</b> | <b>3,114.9</b> | <b>3,172.3</b> | <b>3,198.3</b> | <b>3,204.8</b> | <b>3,218.0</b> | <b>3,046.3</b> | <b>3,104.5</b> | 3,119.7      | <b>3,203.0</b> |  |
| <b>ANNUAL GROWTH RATE (Per cent)</b>    |                |                |                |                |                |                |                |                |                |                |                |              |                |  |
| <b>1. Credit to Government</b>          | <b>15.3</b>    | <b>32.8</b>    | <b>29.2</b>    | <b>28.4</b>    | <b>27.4</b>    | <b>31.1</b>    | <b>27.5</b>    | <b>31.9</b>    | <b>30.7</b>    | <b>7.1</b>     | <b>25.4</b>    | 13.4         | <b>15.3</b>    |  |
| Central Bank                            | 14.6           | -35.9          | -25.6          | -8.4           | -21.2          | -38.0          | -41.2          | -34.5          | 43.4           | 119.1          | 9.7            | 26.3         | 14.3           |  |
| Commercial Banks & NBFIs                | 15.2           | 14.8           | 17.0           | 18.9           | 17.4           | 16.0           | 16.4           | 22.1           | 31.9           | 25.8           | 21.3           | 16.6         | 15.1           |  |
| <b>2. Credit to other public sector</b> | <b>36.0</b>    | <b>26.8</b>    | <b>27.8</b>    | <b>26.1</b>    | <b>17.4</b>    | <b>8.5</b>     | <b>7.3</b>     | <b>4.0</b>     | <b>8.4</b>     | <b>6.4</b>     | <b>4.4</b>     | <b>8.3</b>   | <b>4.7</b>     |  |
| Local government                        | 8.8            | 35.9           | 11.4           | 13.4           | 9.3            | 5.9            | 4.4            | 7.1            | 9.3            | 9.9            | 9.5            | 12.2         | 11.9           |  |
| Parastatals                             | 37.3           | 26.4           | 28.5           | 26.6           | 17.7           | 8.6            | 7.4            | 3.9            | 8.3            | 6.3            | 4.2            | 8.1          | 4.4            |  |
| <b>3. Credit to private sector</b>      | <b>1.5</b>     | <b>1.4</b>     | <b>1.6</b>     | <b>1.7</b>     | <b>2.0</b>     | <b>2.7</b>     | <b>2.4</b>     | <b>1.8</b>     | <b>2.1</b>     | <b>2.0</b>     | <b>2.8</b>     | <b>3.8</b>   | <b>4.3</b>     |  |
| Agriculture                             | -12.3          | -11.6          | -7.6           | -2.0           | -1.1           | -7.7           | -7.9           | -7.9           | -13.3          | -6.5           | -4.7           | -3.6         | -4.9           |  |
| Manufacturing                           | -7.1           | -6.6           | 3.3            | 6.1            | 10.2           | 10.6           | 13.0           | 12.0           | 13.1           | 11.3           | 10.1           | 12.2         | 12.3           |  |
| Trade                                   | 10.7           | 9.0            | 4.3            | 6.9            | 11.5           | 10.0           | 9.0            | 5.0            | 6.8            | 5.4            | 5.0            | 6.8          | 8.6            |  |
| Building and construction               | -0.7           | 0.5            | -1.5           | 1.8            | 4.0            | 3.1            | 4.8            | 5.3            | 4.7            | 12.7           | 14.4           | 9.2          | 13.5           |  |
| Transport & communications              | 3.2            | 0.6            | -2.3           | -4.9           | -8.2           | -8.0           | -7.2           | -11.3          | -14.4          | -18.9          | -18.2          | -15.3        | -13.0          |  |
| Finance & insurance                     | -4.4           | -8.5           | 5.4            | -1.4           | -1.3           | 1.5            | -4.3           | -1.3           | 4.8            | 11.6           | 10.1           | 2.6          | 3.8            |  |
| Real estate                             | 10.1           | 11.8           | 9.7            | 8.9            | 10.0           | 9.3            | 8.6            | 8.2            | 8.3            | 4.4            | 3.6            | 3.7          | 3.8            |  |
| Mining and quarrying                    | -37.8          | -41.0          | -7.6           | -0.8           | 9.2            | -3.2           | -5.5           | -7.3           | -7.3           | -3.1           | -4.9           | -3.9         | -9.5           |  |
| Private households                      | 10.9           | 12.1           | 6.2            | 1.9            | 2.9            | 2.7            | -1.5           | -1.5           | -2.7           | -0.7           | 2.6            | 3.8          | 2.9            |  |
| Consumer durables                       | 7.5            | 3.3            | -1.6           | -0.5           | 0.1            | -0.4           | 0.6            | 1.4            | 2.3            | 4.7            | 5.0            | 5.5          | 7.8            |  |
| Business services                       | -15.8          | -10.8          | -6.5           | -6.4           | -19.2          | -7.6           | -9.0           | -0.4           | -0.8           | -0.9           | 2.6            | 11.1         | 6.9            |  |
| Other activities                        | -25.0          | -28.1          | -27.4          | -28.6          | -35.0          | -23.1          | -7.5           | -12.5          | -2.9           | -7.3           | -2.6           | -8.6         | -9.4           |  |
| <b>4. TOTAL (1+2+3)</b>                 | <b>5.2</b>     | <b>7.9</b>     | <b>7.6</b>     | <b>7.4</b>     | <b>7.4</b>     | <b>8.4</b>     | <b>7.6</b>     | <b>7.8</b>     | <b>8.1</b>     | <b>3.2</b>     | <b>7.1</b>     | <b>5.9</b>   | <b>6.7</b>     |  |

Source: Central Bank of Kenya

## MONEY, CREDIT AND INTEREST RATES

**Table 2.3: Interest Rates (Per cent)**

|   | Central Bank Rates |        |               |            |       |      | Government Tbill Rates |          |          | Commercial Bank Rates |          |          |            |
|---|--------------------|--------|---------------|------------|-------|------|------------------------|----------|----------|-----------------------|----------|----------|------------|
|   | Repo               |        | Reverse Repos | Inter-bank | CBR   | KBRR | 91-days                | 182 days | 364 days | De-posit              | Sav-ings | Lend-ing | Over-draft |
|   | 7 days             | 3 days |               |            |       |      |                        |          |          |                       |          |          |            |
| <b>2015</b>   |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |
| December  | 9.23               | 8.00   | -             | 7.27       | 11.50 | 9.87 | 9.81                   | 11.43    | 12.50    | 8.02                  | 1.56     | 18.30    | 18.48      |
| <b>2016</b>   |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |
| January   | 8.85               | -      | 11.44         | 6.37       | 11.50 | 9.87 | 11.36                  | 13.46    | 14.08    | 7.57                  | 1.56     | 18.00    | 18.45      |
| February  | 9.68               | 3.50   | 11.59         | 4.53       | 11.50 | 9.87 | 10.63                  | 13.19    | 13.74    | 7.49                  | 1.40     | 17.91    | 18.25      |
| March   | 4.31               | -      | 11.63         | 4.05       | 11.50 | 9.87 | 8.72                   | 10.83    | 12.26    | 7.17                  | 1.35     | 17.87    | 18.14      |
| April   | 5.23               | -      | 12.49         | 3.94       | 11.50 | 9.87 | 8.92                   | 10.87    | 11.84    | 6.89                  | 1.49     | 18.04    | 18.08      |
| May   | 6.00               | -      | 11.55         | 3.66       | 10.50 | 9.87 | 8.15                   | 10.25    | 11.60    | 6.44                  | 1.59     | 18.22    | 18.20      |
| June  | 10.04              | -      | 10.59         | 4.92       | 10.50 | 9.87 | 7.25                   | 9.56     | 10.84    | 6.78                  | 1.60     | 18.18    | 18.09      |
| July  | 9.76               | 4.14   | 10.57         | 5.60       | 10.50 | 8.90 | 7.41                   | 9.79     | 10.88    | 6.64                  | 1.67     | 18.10    | 17.84      |
| August  | 7.86               | -      | 10.53         | 4.98       | 10.50 | 8.90 | 8.48                   | 10.84    | 11.66    | 6.42                  | 1.68     | 17.71    | 17.96      |
| September   | -                  | -      | 10.36         | 4.89       | 10.00 | 8.90 | 8.06                   | 10.85    | 11.03    | 6.91                  | 3.79     | 13.84    | 13.60      |
| October   | -                  | -      | 10.08         | 4.12       | 10.00 | 8.90 | 7.76                   | 10.32    | 10.42    | 7.82                  | 6.08     | 13.65    | 13.46      |
| November  | 7.05               | -      | 10.17         | 4.76       | 10.00 | 8.90 | 8.22                   | 10.32    | 10.74    | 7.65                  | 6.13     | 14.31    | 13.97      |
| December  | -                  | -      | 10.04         | 5.55       | 10.00 | 8.90 | 8.44                   | 10.55    | 11.02    | 7.33                  | 6.37     | 13.69    | 13.49      |
| <b>2017</b>   |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |
| January   | 9.95               | -      | 10.02         | 7.70       | 10.00 | -    | 8.58                   | 10.50    | 8.78     | 7.20                  | 6.09     | 13.66    | 13.30      |
| February  | 9.88               | -      | 10.01         | 6.41       | 10.00 | -    | 8.64                   | 10.53    | 10.93    | 7.65                  | 6.81     | 13.69    | 13.32      |
| March   | 7.23               | -      | 10.04         | 4.46       | 10.00 | -    | 8.69                   | 10.53    | 10.91    | 7.12                  | 5.89     | 13.61    | 13.29      |
| April   | 5.32               | -      | 10.02         | 5.34       | 10.00 | -    | 8.77                   | -        | 10.92    | 6.97                  | 5.67     | 13.61    | 13.30      |
| May   | 5.29               | -      | 10.01         | 4.93       | 10.00 | -    | 8.73                   | 10.41    | 10.92    | 7.07                  | 5.85     | 13.71    | 13.44      |
| June  | 4.13               | -      | 10.05         | 3.99       | 10.00 | -    | 8.42                   | 10.376   | 10.88    | 7.15                  | 5.63     | 13.66    | 13.38      |
| July  | 8.29               | -      | 10.25         | 6.99       | 10.00 | -    | 8.22                   | 10.32    | 10.89    | 7.72                  | 6.40     | 13.70    | 13.65      |
| August  | 8.90               | -      | 10.29         | 8.10       | 10.00 | -    | 8.17                   | 10.319   | 10.90    | 7.67                  | 5.94     | 13.65    | 13.66      |
| September   | 7.24               | -      | 10.12         | 5.52       | 10.00 | -    | 8.13                   | 10.32    | 10.93    | 7.66                  | 6.43     | 13.69    | 13.65      |
| October   | 0.00               | -      | 10.11         | 7.85       | 10.00 | -    | 8.09                   | 10.331   | 10.98    | 8.01                  | 6.92     | 13.71    | 13.68      |
| November  | 9.21               | -      | 10.10         | 8.86       | 10.00 | -    | 8.01                   | 10.47    | 11.01    | 8.07                  | 6.93     | 13.68    | 13.60      |
| December  | 7.75               | -      | 10.10         | 7.27       | 10.00 | -    | 8.01                   | 10.528   | 11.08    | 8.22                  | 6.91     | 13.64    | 13.54      |
| <b>2018</b>   |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |
| January   | 8.75               | -      | 10.02         | 6.21       | 10.00 | -    | 8.04                   | 10.64    | 11.16    | 8.26                  | 6.97     | 13.65    | 13.61      |
| February  | 7.63               | -      | 10.05         | 5.12       | 10.00 | -    | 8.03                   | 10.42    | 11.15    | 8.25                  | 7.01     | 13.68    | 13.75      |
| March   | 0.00               | -      | 9.95          | 4.90       | 9.50  | -    | 8.02                   | 10.39    | 10.13    | 8.16                  | 6.85     | 13.49    | 13.40      |
| April   | 6.75               | -      | 9.64          | 5.38       | 9.50  | -    | 8.00                   | 10.30    | 11.13    | 8.17                  | 6.72     | 13.24    | 13.28      |
| May   | 7.44               | -      | 9.60          | 4.70       | 9.50  | -    | 7.96                   | 10.26    | 11.14    | 8.08                  | 6.64     | 13.25    | 13.30      |
| June  | 6.16               | -      | 9.56          | 5.03       | 9.50  | -    | 7.87                   | 9.99     | 10.87    | 8.04                  | 6.60     | 13.22    | 13.23      |
| <b>CBR - Central Bank Rate</b>  |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |
| <b>KBRR - Kenya Bank's Reference Rate - Revoked from January 2017</b> |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |
| <b>REPO - Repurchase Agreement</b>                                    |                    |        |               |            |       |      |                        |          |          |                       |          |          |            |

Source: Central Bank of Kenya

### 3. REAL SECTOR INDICATORS

**Table 3.1: Selected Indicators of Economic Activity**

|  | 2017    |         |         |         |         |         |         | 2018    |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | June    | July    | Aug     | Sept    | Oct     | Nov     | Dec     | Jan     | Feb     | March   | Apr     | May     | June    |
| <b>Agriculture</b>   |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Horticulture, exports ('000 tonnes)                            | 28,618  | 31,280  | 24,881  | 26,630  | 29,652  | 28,137  | 24,317  | 27,278  | 35,773  | 37,475  | 34,365  | 28,816  | 33,411  |
| Fresh vegetables   | 9,904   | 14,768  | 10,434  | 13,341  | 15,440  | 14,248  | 10,265  | 11,036  | 12,679  | 10,117  | 10,250  | 8,468   | 15,504  |
| Fruits and nuts  | 9,157   | 7,542   | 5,519   | 4,114   | 3,205   | 3,819   | 3,823   | 5,036   | 10,068  | 15,435  | 14,161  | 10,217  | 9,511   |
| Cut flowers  | 9,558   | 8,970   | 8,929   | 9,174   | 11,007  | 10,069  | 10,228  | 11,206  | 13,026  | 11,923  | 9,954   | 10,131  | 8,395   |
| Horticulture, exports (KSh Millions)                           | 7,234   | 7,712   | 6,732   | 6,410   | 7,472   | 7,186   | 7,000   | 7,349   | 9,380   | 9,489   | 8,567   | 8,606   | 8,555   |
| Fresh vegetables   | 1,649   | 2,034   | 1,564   | 1,590   | 2,038   | 2,223   | 1,891   | 2,117   | 2,009   | 1,882   | 1,860   | 2,038   | 2,172   |
| Fruits and nuts  | 2,084   | 2,463   | 1,878   | 1,411   | 1,295   | 1,075   | 1,171   | 799     | 1,285   | 2,521   | 2,791   | 2,498   | 3,007   |
| Cut flowers  | 3,501   | 3,215   | 3,290   | 3,408   | 4,139   | 3,888   | 3,938   | 4,433   | 6,086   | 5,086   | 3,916   | 4,070   | 3,375   |
| Tea, production (tonnes)                                       | 40,538  | 31,565  | 32,693  | 38,386  | 43,420  | 45,374  | 47,507  | 40,834  | 27,939  | 30,987  | 44,580  | 43,356  | 43,299  |
| Coffee, sales (tonnes) <sup>1</sup>                            | -       | 762     | 2,319   | 2,465   | 1,619   | 2,310   | 1,320   | 5,112   | 5,832   | 4,913   | 4,194   | 4,620   | ...     |
| Cane, deliveries ('000 tonnes)                                 | 249     | 245     | 173     | 291     | 453     | 571     | 522     | 672     | 543     | 437     | 386     | ...     | ...     |
| Milk intake, formal sector (million litres)                    | 49      | 43      | 55      | 56      | 58      | 55      | 52      | 52      | 47      | 50      | 52      | 50      | 50      |
| <b>Manufacturing</b>   |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Sugar, production (tonnes)                                     | 16,113  | 17,882  | 10,892  | 21,649  | 32,296  | 43,175  | 49,240  | 54,907  | 50,758  | 40,918  | 38,573  | ...     | ...     |
| Soft drinks, production (million litres)                       | 45,875  | 41,980  | 41,217  | 40,221  | 45,275  | 45,073  | 66,378  | 52,617  | 50,806  | 51,419  | ...     | ...     | ...     |
| Galvanised sheets, production (tonnes)                         | 15,424  | 22,640  | 15,296  | 24,188  | 21,312  | 24,357  | 21,438  | 23,919  | 21,890  | 22,048  | 21,434  | 22,271  | ...     |
| Cement, production (tonnes)                                    | 513,313 | 553,631 | 451,651 | 498,167 | 498,374 | 483,956 | 518,410 | 494,709 | 490,020 | 476,730 | 474,740 | 452,034 | 454,322 |
| Assembled vehicles, production (units)                         | 323     | 483     | 302     | 351     | 370     | 364     | 322     | 395     | 529     | 548     | 425     | ...     | ...     |
| <b>Electricity</b>   |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Electricity, generation (million KWH)                          | 834     | 867     | 829     | 859     | 861     | 877     | 879     | 900     | 837     | 903     | 886     | 918     | 914     |
| Hydro  | 180     | 193     | 251     | 239     | 217     | 305     | 250     | 223     | 193     | 248     | 317     | 386     | 401     |
| Geo-thermal  | 376     | 402     | 415     | 403     | 416     | 411     | 436     | 430     | 387     | 448     | 428     | 447     | 430     |
| Thermal  | 274     | 271     | 159     | 213     | 224     | 153     | 185     | 244     | 250     | 202     | 139     | 83      | 82      |
| Wind   | 3       | 2       | 3       | 4       | 4       | 7       | 7       | 3       | 7       | 4       | 3       | 2       | 1       |
| <b>Construction</b>  |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Cement, consumption (tonnes)                                   | 496,172 | 527,774 | 427,594 | 473,794 | 477,047 | 459,868 | 450,960 | 466,160 | 461,099 | 482,910 | 453,578 | 436,772 | 447,381 |
| Electricity, consumption (million KWH)                         | 740     | 721     | 983     | 710     | 676     | 713     | 690     | 731     | 685     | 746     | 688     | 712     | 727     |
| <b>Transport and Storage</b>                                   |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Visitor arrivals (Actual no.)                                  | 78,928  | 105,241 | 89,782  | 87,440  | 64,591  | 72,573  | 105,862 | 76,649  | 83,651  | 75,973  | 56,041  | 75,028  | 76,608  |
| JKIA - Nairobi   | 74,194  | 97,955  | 79,053  | 78,329  | 57,034  | 61,617  | 90,745  | 61,137  | 70,169  | 61,652  | 49,388  | 70,981  | 71,461  |
| MIA - Mombasa  | 4,734   | 7,286   | 10,729  | 9,111   | 7,557   | 10,956  | 15,117  | 15,512  | 13,482  | 14,321  | 6,653   | 4,047   | 5,147   |
| <b>Fuel Prices (Average Retail)</b>                            |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Crude oil price, Murban Adnoc (Abu Dhabi FOB), US\$ per barrel | 47      | 49      | 49      | 56      | 64      | 64      | 62      | 66      | 66      | 66      | 71      | 77      | 71      |
| Premium fuel (KSh per Litre)                                   | 100     | 98      | 97      | 99      | 101     | 104     | 105     | 107     | 109     | 108     | 108     | 108     | 108     |
| Diesel Oil (KSh per Litre)                                     | 88      | 85      | 87      | 87      | 88      | 93      | 93      | 96      | 98      | 99      | 99      | 100     | 99      |
| Kerosene (KSh per Litre)                                       | 66      | 64      | 64      | 65      | 67      | 72      | 72      | 76      | 78      | 78      | 78      | 79      | 78      |
| L.P.G (KSh per 13Kg)   | 2,112   | 2,074   | 2,080   | 2,094   | 2,140   | 2,129   | 2,141   | 2,140   | 2,150   | 2,169   | 2,172   | 2,164   | 2,172   |
| Charcoal (KSh per 4Kg tin)                                     | 82      | 82      | 82      | 82      | 82      | 83      | 83      | 83      | 84      | 107     | 125     | 136     | 125     |

<sup>1</sup>The Nairobi Coffee Exchange was in recess in June/July 2017.

Source: Kenya National Bureau of Statistics

## 4. BALANCE OF PAYMENTS AND EXTERNAL SECTOR INDICATORS

**Table 4.1 : Analytical Balance of Payment Statement Cumulative Flows (USD Millions)**

| Cumulative 12 months \                               | Jun-17**        | Jul-17**        | Aug-17**        | Sep-17**        | Oct-17**        | Nov-17**        | Dec-17**        | Jan-18*         | Feb-18*         | Mar-18*         | Apr*-18         | May*-18         | Jun-18          |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>A. Current Account, n.i.e.</b>                    | -4,753.3        | -4,925.8        | -5,009.3        | -5,036.7        | -5,141.8        | -5,106.0        | -5,016.4        | -4,919.6        | -4,868.6        | -4,910.2        | -4,832.5        | -4,746.8        | -4,512.3        |
| Goods: exports f.o.b.                                | 5,700.7         | 5,736.9         | 5,674.4         | 5,706.0         | 5,767.7         | 5,769.6         | 5,792.4         | 5,840.7         | 5,942.9         | 5,922.2         | 5,984.8         | 6,024.3         | 6,052.6         |
| Goods: imports f.o.b.                                | 14,801.4        | 15,224.0        | 15,313.3        | 15,457.3        | 15,747.6        | 15,818.7        | 15,993.9        | 16,032.5        | 16,015.3        | 16,106.6        | 16,322.4        | 16,509.6        | 16,519.7        |
| Services: credit                                     | 4,348.5         | 4,431.1         | 4,472.8         | 4,465.7         | 4,518.6         | 4,575.9         | 4,651.1         | 4,696.5         | 4,650.0         | 4,713.9         | 4,793.5         | 4,844.2         | 4,920.2         |
| Services: debit                                      | 2,900.2         | 2,932.8         | 2,978.4         | 3,001.8         | 3,051.6         | 3,094.2         | 3,093.3         | 3,156.1         | 3,252.7         | 3,330.2         | 3,384.7         | 3,466.3         | 3,508.3         |
| Balance on goods and services                        | -7,652.5        | -7,988.8        | -8,144.5        | -8,287.4        | -8,512.9        | -8,567.4        | -8,643.7        | -8,651.4        | -8,675.1        | -8,800.8        | -8,928.8        | -9,107.4        | -9,055.1        |
| Primary income: credit                               | 424.9           | 416.6           | 412.2           | 407.2           | 404.6           | 401.4           | 398.7           | 412.0           | 416.5           | 422.0           | 441.4           | 460.3           | 479.2           |
| Primary income: debit                                | 1,182.5         | 1,161.8         | 1,140.1         | 1,199.5         | 1,189.2         | 1,185.3         | 1,219.5         | 1,228.4         | 1,238.3         | 1,263.0         | 1,309.1         | 1,267.3         | 1,344.7         |
| Balance on goods, services, and primary income       | -8,410.0        | -8,734.0        | -8,872.3        | -9,079.8        | -9,297.5        | -9,351.4        | -9,464.5        | -9,467.8        | -9,496.9        | -9,641.9        | -9,796.6        | -9,914.3        | -9,920.6        |
| Secondary income, n. i. e.: credit                   | 3,705.6         | 3,857.3         | 3,911.9         | 4,094.6         | 4,207.7         | 4,299.1         | 4,504.1         | 4,604.2         | 4,679.4         | 4,784.0         | 5,017.9         | 5,219.8         | 5,460.4         |
| Secondary income: debit                              | 48.9            | 49.1            | 48.8            | 51.5            | 52.0            | 53.7            | 55.9            | 56.1            | 51.1            | 52.3            | 53.8            | 52.3            | 52.0            |
| <b>B. Capital Account, n.i.e.</b>                    | <b>152.8</b>    | <b>149.6</b>    | <b>153.0</b>    | <b>143.4</b>    | <b>161.8</b>    | <b>161.1</b>    | <b>184.6</b>    | <b>161.6</b>    | <b>197.3</b>    | <b>187.8</b>    | <b>237.3</b>    | <b>270.9</b>    | <b>258.7</b>    |
| Capital account, n.i.e.: credit                      | 152.8           | 149.6           | 153.0           | 143.4           | 161.8           | 161.1           | 184.6           | 161.6           | 197.3           | 187.8           | 237.3           | 270.9           | 258.7           |
| Capital account: debit                               | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| <b>C. Financial Account, n.i.e.</b>                  | <b>-5,670.6</b> | <b>-5,475.0</b> | <b>-5,626.1</b> | <b>-5,536.9</b> | <b>-5,750.0</b> | <b>-5,550.7</b> | <b>-4,606.1</b> | <b>-4,568.0</b> | <b>-4,725.7</b> | <b>-5,666.7</b> | <b>-5,131.0</b> | <b>-4,942.3</b> | <b>-4,555.5</b> |
| Direct investment: assets                            | 263.9           | 272.3           | 276.9           | 271.8           | 267.1           | 264.6           | 257.5           | 241.7           | 218.1           | 195.6           | 167.2           | 138.3           | 120.2           |
| Direct investment: liabilities, n.i.e.               | 537.0           | 544.8           | 577.2           | 625.5           | 654.1           | 656.4           | 672.1           | 680.1           | 675.8           | 592.4           | 608.6           | 645.4           | 703.8           |
| Portfolio investment: assets                         | 646.8           | 645.0           | 669.3           | 676.8           | 693.3           | 674.9           | 664.8           | 692.2           | 722.1           | 732.7           | 783.2           | 812.6           | 871.9           |
| Equity and investment fund shares                    | 638.0           | 637.9           | 662.8           | 669.8           | 687.4           | 669.1           | 657.9           | 685.4           | 715.3           | 720.9           | 765.1           | 787.6           | 840.4           |
| Debt securities                                      | 8.8             | 7.2             | 6.4             | 7.1             | 5.9             | 5.9             | 6.9             | 6.8             | 6.9             | 11.8            | 18.2            | 25.0            | 31.6            |
| Portfolio investment: liabilities, n.i.e.            | 17.3            | -6.1            | -41.4           | -101.4          | -99.6           | -106.5          | -109.9          | -140.3          | -195.2          | 1,789.7         | 1,767.5         | 1,745.9         | 1,730.6         |
| Equity and investment fund shares                    | 10.6            | -11.7           | -46.3           | -105.8          | -102.5          | -108.7          | -112.1          | -141.8          | -196.7          | -210.8          | -233.0          | -254.7          | -270.0          |
| Debt securities                                      | 6.8             | 5.6             | 4.9             | 4.4             | 2.9             | 2.1             | 2.2             | 1.5             | 1.5             | 2,000.6         | 2,000.6         | 2,000.6         | 2,000.6         |
| Financial derivatives: net                           | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Other investment: assets                             | 223.5           | 248.9           | 306.9           | 79.9            | 118.1           | -124.9          | 344.0           | -47.5           | -183.8          | 134.1           | 92.1            | 335.6           | 786.5           |
| Other investment: liabilities, n.i.e.                | 6,250.5         | 6,102.6         | 6,343.3         | 6,041.4         | 6,273.9         | 5,815.5         | 5,310.4         | 4,914.6         | 5,001.5         | 4,347.0         | 3,797.4         | 3,837.5         | 3,899.8         |
| of which   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Other debt instruments                               | 6,258.8         | 6,110.8         | 6,351.5         | 6,049.5         | 6,281.9         | 5,823.3         | 5,318.1         | 4,922.1         | 5,008.8         | 4,354.1         | 3,804.6         | 3,844.6         | 3,907.0         |
| Deposit-taking corporations, except the central bank | -215.3          | -263.6          | -56.0           | -181.6          | -226.5          | -228.4          | -71.6           | -221.7          | 37.2            | 172.9           | 251.9           | 272.8           | 45.5            |
| General government                                   | 3,748.1         | 3,693.4         | 3,787.7         | 3,587.2         | 3,875.3         | 3,476.7         | 2,875.2         | 2,627.5         | 2,395.6         | 1,655.1         | 1,055.5         | 1,129.2         | 1,418.1         |
| Other sectors  | 2,601.9         | 2,595.7         | 2,610.9         | 2,590.9         | 2,552.8         | 2,556.4         | 2,499.1         | 2,534.8         | 2,568.0         | 2,551.0         | 2,543.4         | 2,597.6         | 2,699.7         |
| Nonfinancial corporations, households, and NPISHs    | 2,601.9         | 2,595.7         | 2,610.9         | 2,590.9         | 2,552.8         | 2,556.4         | 2,499.1         | 2,534.8         | 2,568.0         | 2,551.0         | 2,543.4         | 2,597.6         | 2,699.7         |
| <b>D. Net Errors and Omissions</b>                   | <b>-656.9</b>   | <b>-632.9</b>   | <b>-904.7</b>   | <b>-851.4</b>   | <b>-1,260.5</b> | <b>-938.3</b>   | <b>68.3</b>     | <b>304.0</b>    | <b>75.8</b>     | <b>110.1</b>    | <b>301.5</b>    | <b>344.8</b>    | <b>194.7</b>    |
| <b>E. Overall Balance</b>                            | <b>-413.2</b>   | <b>-65.9</b>    | <b>135.0</b>    | <b>207.7</b>    | <b>490.5</b>    | <b>332.6</b>    | <b>157.3</b>    | <b>-114.0</b>   | <b>-130.2</b>   | <b>-1,054.3</b> | <b>-837.2</b>   | <b>-811.3</b>   | <b>-496.6</b>   |
| <b>F. Reserves and Related Items</b>                 | <b>413.2</b>    | <b>65.9</b>     | <b>-135.0</b>   | <b>-207.7</b>   | <b>-490.5</b>   | <b>-332.6</b>   | <b>-157.3</b>   | <b>114.0</b>    | <b>130.2</b>    | <b>1,054.3</b>  | <b>837.2</b>    | <b>811.3</b>    | <b>496.6</b>    |
| Reserve assets                                       | 312.8           | -29.7           | -233.8          | -300.8          | -580.7          | -405.4          | -234.7          | 43.8            | 56.8            | 983.0           | 745.6           | 699.6           | 374.6           |
| Credit and loans from the IMF                        | -100.4          | -95.6           | -98.8           | -93.1           | -90.2           | -72.9           | -77.3           | -70.2           | -73.4           | -71.3           | -91.6           | -111.7          | -122.0          |
| Exceptional financing                                | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |

\ Sum of flows over twelve months to the reporting period.

Source: Central Bank of Kenya

## BALANCE OF PAYMENTS AND EXTERNAL SECTOR INDICATORS

| Table 4.2: Monthly Average Exchange Rates                                |   |          |        |         |   |       |      |       |
|--|---|----------|--------|---------|---|-------|------|-------|
| MONTH  | CURRENCY  |          |        |         |   |       |      |       |
|  | USD   | UK POUND | EURO   | SA RAND | USHS  | TSHS  | RWF  | BIF   |
|  | KENYA SHILLINGS PER UNIT OF CURRENCY <sup>1</sup> |          |        |         | UNITS OF CURRENCY PER KENYA SHILLING <sup>2</sup> |       |      |       |
| <b>2016</b>  |   |          |        |         |   |       |      |       |
| April  | 101.23  | 144.79   | 114.84 | 6.92    | 33.04   | 21.65 | 7.49 | 15.36 |
| May  | 100.73  | 146.27   | 113.96 | 6.58    | 33.21   | 21.74 | 7.56 | 15.46 |
| June   | 101.14  | 144.32   | 113.69 | 6.73    | 33.27   | 21.67 | 7.59 | 16.02 |
| July   | 101.33  | 133.42   | 112.10 | 7.02    | 33.34   | 21.61 | 7.46 | 16.45 |
| August   | 101.41  | 132.89   | 113.66 | 7.40    | 33.25   | 21.57 | 7.58 | 16.47 |
| September  | 101.27  | 133.15   | 113.48 | 7.21    | 33.39   | 21.56 | 7.64 | 16.49 |
| October  | 101.32  | 125.47   | 111.88 | 7.27    | 33.88   | 21.54 | 7.60 | 16.51 |
| November   | 101.75  | 126.29   | 109.98 | 7.32    | 34.93   | 21.44 | 7.90 | 16.49 |
| December   | 102.13  | 127.68   | 107.67 | 7.36    | 35.25   | 21.34 | 7.99 | 16.44 |
| <b>2017</b>  |   |          |        |         |   |       |      |       |
| January  | 103.75  | 128.01   | 110.17 | 7.65    | 34.79   | 21.40 | 7.93 | 16.20 |
| February   | 103.64  | 129.46   | 110.36 | 7.85    | 34.58   | 21.56 | 7.99 | 16.31 |
| March  | 102.85  | 126.87   | 109.87 | 7.96    | 34.98   | 21.73 | 8.05 | 16.51 |
| April  | 103.33  | 130.43   | 110.68 | 7.67    | 35.03   | 21.62 | 8.06 | 16.46 |
| May  | 103.26  | 133.46   | 114.05 | 7.79    | 35.10   | 21.65 | 8.04 | 16.54 |
| Jun  | 103.49  | 132.47   | 116.18 | 8.03    | 34.69   | 21.62 | 8.03 | 16.66 |
| July   | 103.88  | 134.86   | 119.40 | 7.90    | 34.67   | 21.55 | 7.97 | 16.66 |
| August   | 103.56  | 134.24   | 122.24 | 7.82    | 34.82   | 21.62 | 8.01 | 16.79 |
| September  | 103.12  | 137.09   | 122.86 | 7.85    | 34.91   | 21.75 | 8.07 | 16.92 |
| October  | 103.39  | 136.44   | 121.59 | 7.58    | 35.16   | 21.71 | 8.09 | 16.94 |
| November   | 103.57  | 136.78   | 121.42 | 7.34    | 35.14   | 21.66 | 8.16 | 16.95 |
| December   | 103.10  | 138.24   | 121.97 | 7.81    | 35.14   | 21.73 | 8.22 | 17.08 |
| <b>2018</b>  |   |          |        |         |   |       |      |       |
| January  | 102.92  | 141.95   | 125.37 | 8.42    | 35.37   | 21.81 | 8.23 | 17.13 |
| February   | 101.40  | 141.72   | 125.29 | 8.57    | 35.87   | 22.20 | 8.44 | 17.40 |
| March  | 101.18  | 141.24   | 124.68 | 8.54    | 36.16   | 22.31 | 8.49 | 17.45 |
| April  | 100.61  | 141.86   | 123.65 | 8.33    | 36.73   | 22.58 | 8.61 | 17.52 |
| May  | 100.67  | 135.68   | 118.96 | 8.02    | 37.00   | 22.67 | 8.62 | 17.52 |
| June   | 101.00  | 134.24   | 117.97 | 7.62    | 38.05   | 22.54 | 8.63 | 17.45 |
| USD - United States Dollar   |   |          |        |         |   |       |      |       |
| SA RAND - South African Rand   |   |          |        |         |   |       |      |       |
| USHS - Uganda Shilling   |   |          |        |         |   |       |      |       |
| TSHS - Tanzania Shilling   |   |          |        |         |   |       |      |       |
| RWF- Rwanda Franc  |   |          |        |         |   |       |      |       |
| BIF - Burundi Franc  |   |          |        |         |   |       |      |       |
| <sup>1</sup> Kenya Shillings per unit of currency e.g 91.36 KShs=1 USD   |   |          |        |         |   |       |      |       |
| <sup>2</sup> Units of currency per Kenya Shilling e.g 31.29 USHS= 1 KShs |   |          |        |         |   |       |      |       |
| <b>Source: Central Bank of Kenya</b>                                     |   |          |        |         |   |       |      |       |

## BALANCE OF PAYMENTS AND EXTERNAL SECTOR INDICATORS

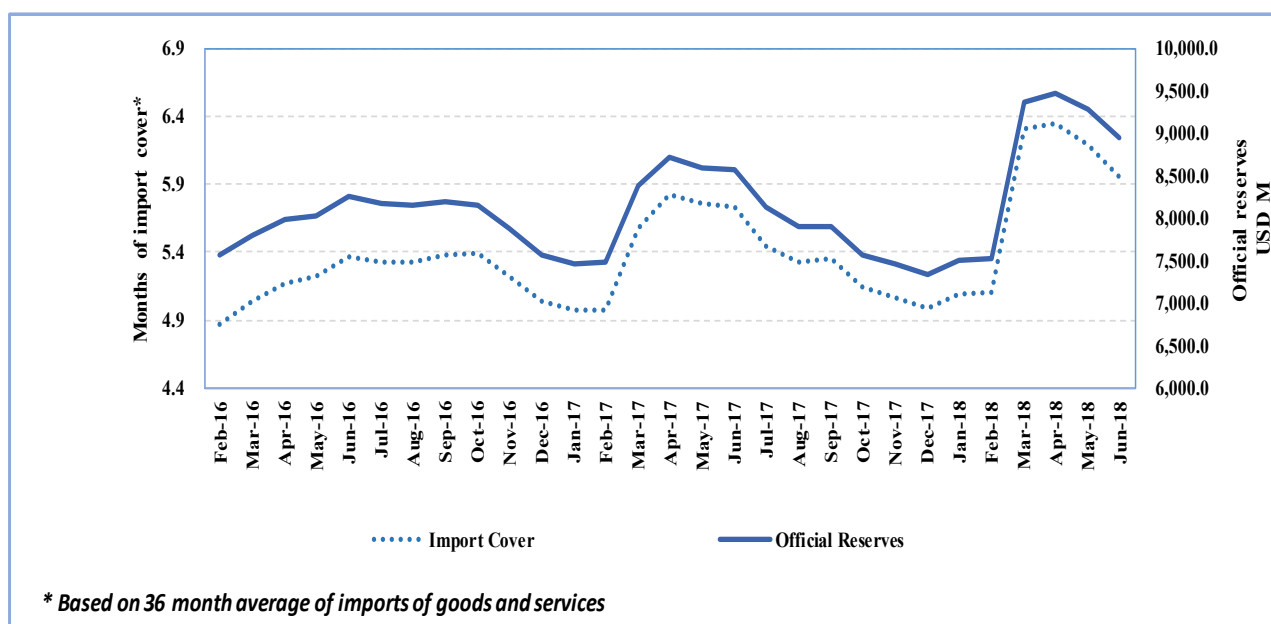
**Table 4.3 Foreign Exchange Reserves (End of Period USD Million)**

|                                     | Jun-17   | Jul-17   | Aug-17   | Sep-17   | Oct-17  | Nov-17  | Dec-17  | Jan-18  | Feb-18  | Mar-18   | Apr-18   | May-18   | Jun-18   |
|-------------------------------------|----------|----------|----------|----------|---------|---------|---------|---------|---------|----------|----------|----------|----------|
| <b>Gross Reserves</b>               | 10,984.3 | 10,550.3 | 10,378.2 | 10,332.4 | 9,930.5 | 9,749.4 | 9,652.0 | 9,676.2 | 9,757.8 | 11,858.5 | 12,026.7 | 11,926.1 | 12,102.3 |
| <i>of which</i>                     |          |          |          |          |         |         |         |         |         |          |          |          |          |
| Official Reserves                   | 8,579.8  | 8,134.9  | 7,910.2  | 7,898.9  | 7,573.9 | 7,466.7 | 7,338.2 | 7,510.0 | 7,531.9 | 9,362.0  | 9,460.4  | 9,290.5  | 8,954.4  |
| Months of import cover <sup>1</sup> | 5.7      | 5.5      | 5.3      | 5.4      | 5.1     | 5.1     | 5.0     | 5.1     | 5.1     | 6.3      | 6.4      | 6.2      | 6.0      |
| Commercial Banks                    | 2,404.5  | 2,415.3  | 2,468.0  | 2,433.4  | 2,356.6 | 2,282.8 | 2,313.8 | 2,166.2 | 2,225.9 | 2,496.5  | 2,566.2  | 2,635.5  | 3,147.9  |

<sup>1</sup>Based on 36 month average of imports of goods and services

Source: Central Bank of Kenya

**Chart 1: Official Reserves and Months of Import Cover**



Source: Central Bank of Kenya



## 5. DEVELOPMENTS IN THE BANKING SECTOR

**Table 5.1: Kenyan Banking Sector Performance Indicators (KSh Billion)**

|             | Total Assets | Shareholders Funds | Gross Loans | Gross Non-Performing Loans | Gross Deposits | Total Liquidity Ratio (%) (Average) | Profit Before Tax |
|-------------|--------------|--------------------|-------------|----------------------------|----------------|-------------------------------------|-------------------|
| <b>2015</b> |              |                    |             |                            |                |                                     |                   |
| December    | 3,492.6      | 574.4              | 2,165.3     | 147.3                      | 2,485.9        | 38.1                                | 134.3             |
| <b>2016</b> |              |                    |             |                            |                |                                     |                   |
| January     | 3,717.0      | 569.3              | 2,354.3     | 154.7                      | 2,622.4        | 38.1                                | 13.9              |
| February    | 3,759.3      | 574.7              | 2,367.1     | 161.1                      | 2,648.6        | 38.7                                | 26.3              |
| March       | 3,571.3      | 553.6              | 2,221.2     | 170.6                      | 2,559.8        | 39.8                                | 38.4              |
| April       | 3,751.7      | 569.0              | 2,344.0     | 183.3                      | 2,658.0        | 40.5                                | 50.6              |
| May         | 3,634.8      | 570.3              | 2,240.6     | 192.6                      | 2,586.3        | 41.1                                | 64.7              |
| June        | 3,672.9      | 576.6              | 2,255.8     | 191.5                      | 2,623.6        | 41.6                                | 81.1              |
| July        | 3,652.5      | 580.8              | 2,244.6     | 202.9                      | 2,603.2        | 41.9                                | 96.7              |
| August      | 3,694.0      | 589.4              | 2,255.7     | 215.2                      | 2,635.7        | 40.4                                | 110.1             |
| September   | 3,784.6      | 598.9              | 2,271.5     | 207.1                      | 2,687.1        | 42.9                                | 121.0             |
| October     | 3,764.0      | 608.2              | 2,294.3     | 213.2                      | 2,661.6        | 43.6                                | 130.3             |
| November    | 3,795.5      | 608.9              | 2,327.2     | 214.4                      | 2,680.0        | 42.7                                | 140.8             |
| December    | 3,762.5      | 606.7              | 2,340.0     | 212.9                      | 2,653.1        | 41.4                                | 150.3             |
| <b>2017</b> |              |                    |             |                            |                |                                     |                   |
| January     | 3,757.3      | 607.2              | 2,352.0     | 210.8                      | 2,656.1        | 41.8                                | 10.8              |
| February    | 3,783.7      | 614.3              | 2,365.8     | 228.3                      | 2,685.5        | 43.2                                | 20.4              |
| March       | 3,841.5      | 619.2              | 2,381.3     | 226.6                      | 2,741.2        | 43.8                                | 34.4              |
| April       | 3,920.1      | 615.3              | 2,397.5     | 230.6                      | 2,813.5        | 44.4                                | 45.3              |
| May         | 3,903.3      | 614.3              | 2,354.1     | 233.8                      | 2,832.2        | 55.7                                | 55.6              |
| June        | 3,946.4      | 622.9              | 2,366.1     | 234.6                      | 2,854.3        | 44.7                                | 69.4              |
| July        | 3,988.6      | 631.9              | 2,370.3     | 245.1                      | 2,885.6        | 45.6                                | 80.1              |
| August      | 3,978.3      | 641.0              | 2,367.4     | 253.8                      | 2,893.9        | 45.6                                | 92.9              |
| September   | 4,030.3      | 640.3              | 2,390.4     | 249.7                      | 2,898.5        | 45.4                                | 99.0              |
| October     | 4,036.4      | 643.4              | 2,413.7     | 256.5                      | 2,909.5        | 44.7                                | 113.6             |
| November    | 4,020.7      | 649.7              | 2,441.0     | 257.3                      | 2,901.9        | 44.2                                | 123.7             |
| December    | 4,051.8      | 650.5              | 2,452.7     | 259.2                      | 2,946.7        | 43.8                                | 135.5             |
| <b>2018</b> |              |                    |             |                            |                |                                     |                   |
| January     | 4,046.8      | 653.0              | 2,442.5     | 272.2                      | 2,949.8        | 44.4                                | 12.1              |
| February    | 4,072.4      | 659.1              | 2,434.9     | 277.7                      | 2,954.8        | 44.6                                | 22.8              |
| March       | 4,081.9      | 629.7              | 2,432.2     | 287.2                      | 2,979.5        | 45.0                                | 37.7              |
| April       | 4,131.3      | 643.5              | 2,448.3     | 302.5                      | 3,036.9        | 47.2                                | 49.4              |
| May         | 4,225.4      | 630.5              | 2,495.4     | 302.7                      | 3,106.6        | 47.6                                | 62.5              |
| June        | 4,266.7      | 642.0              | 2,492.7     | 298.4                      | 3,161.5        | 48.0                                | 76.2              |

Note: From December 2015, data in this table excludes data for Charterhouse Bank, Chase Bank and Imperial Bank which were under receivership

Source: Central Bank of Kenya

## DEVELOPMENTS IN THE BANKING SECTOR

**Table 5.2: Trends in monthly flows through KEPSS**

|             | Total value moved per month (KSh Billion) |   | No. of transactions | Average value per transaction (KSh Mn.) | Days worked | Per day             |                        |
|-------------|---|---|---------------------|---|-------------|---------------------|------------------------|
|             |   | Of which indirect {Net settlement instructions} |                     |   |             | Value (KSh Billion) | Number of Transactions |
| <b>2015</b> |   |   |                     |   |             |                     |                        |
| November    | 2,104                                     | 30  | 248,109             | 8.53                                    | 21          | 100                 | 11,815                 |
| December    | 2,442                                     | 36  | 310,853             | 7.77                                    | 22          | 111                 | 14,130                 |
| <b>2016</b> |   |   |                     |   |             |                     |                        |
| February    | 2,264                                     | 24  | 323,094             | 7.02                                    | 21          | 108                 | 15,385                 |
| March       | 2,232                                     | 29  | 276,461             | 8.12                                    | 21          | 106                 | 13,165                 |
| April       | 2,123                                     | 28  | 294,922             | 7.2                                     | 21          | 101                 | 14,044                 |
| May         | 2,086                                     | 29  | 293,402             | 7.11                                    | 21          | 99                  | 13,972                 |
| June        | 2,232                                     | 26  | 303,742             | 7.35                                    | 21          | 106                 | 14,464                 |
| July        | 2,006                                     | 36  | 336,318             | 5.96                                    | 20          | 100                 | 16,816                 |
| August      | 2,363                                     | 29  | 328,444             | 7.20                                    | 21          | 103                 | 14,280                 |
| September   | 2,121                                     | 26  | 327,906             | 6.47                                    | 21          | 101                 | 15,615                 |
| October     | 3,070                                     | 30  | 273,487             | 0.01                                    | 21          | 146                 | 13,023                 |
| November    | 2,104                                     | 30  | 248,109             | 0.01                                    | 21          | 100                 | 11,815                 |
| December    | 2,475                                     | 31  | 586,309             | 4.22                                    | 19          | 130                 | 30,858                 |
| <b>2017</b> |   |   |                     |   |             |                     |                        |
| January     | 2,146                                     | 29  | 319,667             | 6.71                                    | 21          | 102                 | 15,222                 |
| February    | 2,200                                     | 27  | 322,688             | 6.82                                    | 20          | 110                 | 16,134                 |
| March       | 2,655                                     | 33  | 402,962             | 6.59                                    | 23          | 115                 | 17,520                 |
| April       | 2,379                                     | 25  | 396,353             | 6                                       | 18          | 132                 | 22,020                 |
| May         | 2,408                                     | 29  | 391,728             | 6.15                                    | 22          | 109                 | 17,805                 |
| June        | 2,368                                     | 29  | 371,661             | 6.37                                    | 20          | 118                 | 18,583                 |
| July        | 2,456                                     | 29  | 363,664             | 6.75                                    | 21          | 117                 | 17,317                 |
| August      | 2,540                                     | 27  | 333,586             | 7.61                                    | 22          | 115                 | 15,163                 |
| September   | 2,412                                     | 28  | 337,686             | 7.14                                    | 21          | 115                 | 16,080                 |
| October     | 2,653                                     | 30  | 340,390             | 7.79                                    | 19          | 140                 | 17,915                 |
| November    | 2,482                                     | 30  | 423,112             | 5.87                                    | 21          | 118                 | 20,148                 |
| December    | 2,443                                     | 32  | 371,708             | 6.57                                    | 18          | 136                 | 20,650                 |
| <b>2018</b> |   |   |                     |   |             |                     |                        |
| January     | 2,404                                     | 29  | 350,594             | 6.86                                    | 22          | 109                 | 15,936                 |
| February    | 2,153                                     | 30  | 326,576             | 6.60                                    | 20          | 108                 | 16,329                 |
| March       | 2,244                                     | 32  | 380,042             | 5.91                                    | 21          | 107                 | 18,097                 |
| April       | 2,429                                     | 31  | 373,718             | 6.50                                    | 20          | 121                 | 18,686                 |
| May         | 2,466                                     | 30  | 419,021             | 5.89                                    | 22          | 112                 | 19,046                 |
| June        | 2,432                                     | 32  | 365,446             | 6.66                                    | 19          | 128                 | 19,234                 |

KEPSS - Kenya Electronic Payments and Settlement Systems

Source: Central Bank of Kenya

## 6. GOVERNMENT BUDGETARY OPERATIONS

**Table 6.1 Composition of Government Revenue (KSh Billion)**

| FISCAL YEAR <sup>1</sup>   | REVENUE AND GRANTS |                   |                   |           |                               |        |                       |                              | viii<br>Grants | ix=vii+viii<br>Total Revenue<br>(Including Grants) |
|--|--------------------|-------------------|-------------------|-----------|-------------------------------|--------|-----------------------|------------------------------|----------------|--|
|  | TAX REVENUE        |                   |                   |           |                               |        | vi<br>Non-Tax Revenue | vii=v+vi<br>Ordinary Revenue |                |  |
|  | i<br>Import Duty   | ii<br>Excise Duty | iii<br>Income Tax | iv<br>VAT | v= i+ii+iii+iv<br>Tax Revenue |        |                       |                              |                |  |
| <b>FY 2015/2016</b>  |                    |                   |                   |           |                               |        |                       |                              |                |  |
| January  | 46.50              | 77.03             | 297.88            | 163.07    | 584.48                        | 86.46  | 670.94                | 20.83                        | 691.77         |  |
| February   | 47.21              | 77.67             | 299.51            | 164.76    | 589.15                        | 91.73  | 680.88                | 24.25                        | 705.13         |  |
| March  | 57.79              | 99.13             | 379.54            | 209.24    | 745.71                        | 106.67 | 852.38                | 24.49                        | 876.87         |  |
| April  | 64.27              | 111.52            | 445.13            | 234.23    | 855.14                        | 118.12 | 973.26                | 26.08                        | 999.34         |  |
| May  | 71.58              | 125.96            | 497.25            | 260.67    | 955.46                        | 129.40 | 1,084.87              | 26.48                        | 1,111.35       |  |
| June   | 79.19              | 139.54            | 564.48            | 289.21    | 1,072.42                      | 149.60 | 1,222.01              | 28.01                        | 1,250.02       |  |
| <b>FY 2016/2017</b>  |                    |                   |                   |           |                               |        |                       |                              |                |  |
| July   | 6.14               | 13.56             | 35.27             | 23.78     | 78.74                         | 4.13   | 82.86                 | -                            | 82.86          |  |
| August   | 12.80              | 27.21             | 80.33             | 52.70     | 173.03                        | 8.26   | 181.29                | 0.03                         | 181.31         |  |
| September  | 19.97              | 40.43             | 140.85            | 79.65     | 280.90                        | 13.58  | 294.48                | 1.42                         | 295.90         |  |
| October  | 25.84              | 52.98             | 177.38            | 100.83    | 357.04                        | 18.50  | 375.54                | 2.17                         | 377.70         |  |
| November   | 35.52              | 68.11             | 221.77            | 134.34    | 459.74                        | 73.35  | 533.09                | 7.36                         | 540.45         |  |
| December   | 42.88              | 81.66             | 289.27            | 160.54    | 574.36                        | 78.10  | 652.46                | 6.40                         | 658.86         |  |
| January  | 50.84              | 95.81             | 330.14            | 190.04    | 666.84                        | 86.45  | 753.29                | 12.95                        | 766.24         |  |
| February   | 58.62              | 109.38            | 364.99            | 217.78    | 750.77                        | 96.57  | 847.34                | 14.16                        | 861.50         |  |
| March  | 65.80              | 121.57            | 412.03            | 246.08    | 845.49                        | 130.79 | 976.28                | 20.48                        | 996.76         |  |
| April  | 72.64              | 134.67            | 482.91            | 274.17    | 964.38                        | 141.75 | 1,106.13              | 22.33                        | 1,128.46       |  |
| May  | 81.32              | 149.10            | 547.51            | 305.99    | 1,083.92                      | 167.32 | 1,251.25              | 20.70                        | 1,271.95       |  |
| June   | 89.94              | 165.47            | 625.05            | 339.03    | 1,219.50                      | 181.08 | 1,305.79              | 26.31                        | 1,426.89       |  |
| <b>FY 2017/2018</b>  |                    |                   |                   |           |                               |        |                       |                              |                |  |
| July   | 6.62               | 13.25             | 37.26             | 27.20     | 84.33                         | 11.09  | 95.41                 | 0.08                         | 95.49          |  |
| August   | 13.20              | 27.16             | 81.72             | 58.89     | 0.18                          | 0.20   | 204.03                | 1.69                         | 205.71         |  |
| September  | 20.97              | 40.33             | 157.25            | 86.38     | 304.93                        | 41.21  | 345.51                | 1.69                         | 347.20         |  |
| October  | 27.60              | 47.82             | 202.71            | 111.99    | 390.12                        | 53.94  | 444.06                | 4.67                         | 448.73         |  |
| November   | 40.87              | 62.64             | 245.49            | 141.63    | 490.63                        | 67.76  | 558.39                | 9.92                         | 568.32         |  |
| December   | 47.53              | 75.18             | 319.67            | 167.30    | 609.68                        | 96.54  | 706.22                | 14.79                        | 721.02         |  |
| January  | 58.18              | 92.48             | 377.22            | 203.21    | 731.09                        | 109.53 | 840.62                | 16.31                        | 856.92         |  |
| February   | 64.93              | 104.71            | 409.15            | 230.55    | 809.33                        | 124.16 | 933.49                | 19.12                        | 952.61         |  |
| March  | 72.87              | 117.48            | 460.77            | 258.55    | 909.67                        | 138.11 | 1,047.78              | 23.31                        | 1,071.08       |  |
| April  | 80.42              | 132.19            | 521.79            | 289.82    | 1,024.23                      | 150.94 | 1,175.16              | 23.70                        | 1,198.86       |  |
| May  | 89.17              | 146.33            | 576.43            | 322.62    | 1,134.55                      | 173.17 | 1,307.72              | 25.66                        | 1,333.38       |  |
| June   | 99.21              | 162.48            | 640.59            | 356.86    | 1,259.15                      | 228.08 | 1,487.23              | 27.60                        | 1,514.83       |  |
| <sup>1</sup> Figures are cumulative from the beginning of the fiscal year in July. |                    |                   |                   |           |                               |        |                       |                              |                |  |
| <b>Source: The National Treasury</b>   |                    |                   |                   |           |                               |        |                       |                              |                |  |

## GOVERNMENT BUDGETARY OPERATIONS

Table 6.2 Composition of Government Expenditure (KSh Billion)

| FISCAL YEAR <sup>1</sup> | EXPENDITURE (COMMITMENT BASIS) |                  |                  |          |        |                             |                                      |                 |                   |
|--------------------------|--------------------------------|------------------|------------------|----------|--------|-----------------------------|--------------------------------------|-----------------|-------------------|
|                          | RECURRENT EXPENDITURE          |                  |                  |          |        | i                           | ii                                   | iii             | iv=i+ii+iii       |
|                          | Domestic Interest              | Foreign Interest | Wages & Salaries | Pensions | Other  | Total Recurrent Expenditure | Development Expenditure <sup>2</sup> | County Transfer | Total Expenditure |
| <b>FY 2015/2016</b>      |                                |                  |                  |          |        |                             |                                      |                 |                   |
| February                 | 105.15                         | 17.94            | 222.35           | 27.05    | 194.34 | 566.83                      | 246.27                               | 114.66          | 927.76            |
| March                    | 122.59                         | 19.40            | 250.15           | 35.24    | 283.42 | 710.80                      | 297.26                               | 161.60          | 1,169.66          |
| April                    | 137.82                         | 20.25            | 277.94           | 42.28    | 323.42 | 801.71                      | 337.85                               | 199.38          | 1,338.94          |
| May                      | 153.79                         | 21.52            | 305.73           | 47.89    | 371.51 | 900.45                      | 363.87                               | 227.23          | 1,491.55          |
| June                     | 172.86                         | 30.51            | 307.42           | 54.40    | 458.94 | 1,024.13                    | 477.20                               | 264.04          | 1,765.37          |
| <b>FY 2016/2017</b>      |                                |                  |                  |          |        |                             |                                      |                 |                   |
| July                     | 8.64                           | 7.03             | 30.06            | 2.60     | 13.27  | 61.61                       | 1.58                                 | -               | 63.19             |
| August                   | 26.56                          | 7.77             | 45.64            | 7.50     | 68.34  | 155.81                      | 6.15                                 | 29.49           | 191.45            |
| September                | 42.52                          | 7.41             | 75.10            | 14.53    | 106.98 | 246.53                      | 72.25                                | 55.35           | 374.13            |
| October                  | 59.15                          | 10.68            | 120.26           | 16.47    | 117.96 | 324.53                      | 130.71                               | 68.27           | 523.51            |
| November                 | 76.93                          | 14.82            | 150.32           | 24.59    | 161.80 | 428.46                      | 221.94                               | 95.60           | 746.00            |
| December                 | 100.09                         | 25.45            | 180.39           | 30.24    | 200.39 | 536.56                      | 251.62                               | 116.25          | 904.43            |
| January                  | 110.41                         | 34.81            | 210.45           | 32.46    | 222.04 | 610.17                      | 333.43                               | 139.31          | 1,082.91          |
| February                 | 125.43                         | 35.59            | 240.52           | 38.70    | 257.48 | 697.71                      | 379.65                               | 152.67          | 1,230.03          |
| March                    | 145.79                         | 37.28            | 41.91            | 270.58   | 312.94 | 808.51                      | 441.36                               | 185.23          | 1,435.10          |
| April                    | 164.13                         | 38.51            | 300.65           | 50.72    | 362.33 | 916.34                      | 530.71                               | 210.18          | 1,657.23          |
| May                      | 188.58                         | 44.32            | 307.42           | 52.52    | 435.15 | 1,027.99                    | 559.40                               | 245.50          | 1,832.89          |
| June                     | 212.87                         | 58.37            | 336.64           | 62.93    | 507.67 | 1,178.47                    | 645.77                               | 284.71          | 2,108.95          |
| <b>FY 2017/2018</b>      |                                |                  |                  |          |        |                             |                                      |                 |                   |
| July                     | 11.71                          | 7.10             | 32.60            | 0.25     | 24.08  | 75.50                       | 5.75                                 | 8.79            | 90.04             |
| August                   | 29.52                          | 7.76             | 65.21            | 7.55     | 10.71  | 120.75                      | 24.28                                | 17.90           | 162.93            |
| September                | 49.87                          | 17.28            | 91.50            | 13.95    | 87.76  | 299.91                      | 90.67                                | 21.69           | 412.27            |
| October                  | 70.24                          | 19.43            | 122.00           | 16.32    | 133.31 | 361.30                      | 121.80                               | 35.37           | 518.47            |
| November                 | 89.41                          | 25.13            | 163.02           | 22.17    | 174.61 | 474.35                      | 143.30                               | 65.45           | 683.10            |
| December                 | 114.63                         | 41.28            | 195.63           | 27.91    | 605.70 | 633.61                      | 209.80                               | 84.67           | 928.08            |
| January                  | 125.89                         | 50.34            | 228.23           | 31.74    | 320.97 | 757.17                      | 209.85                               | 107.52          | 1,074.54          |
| February                 | 140.77                         | 51.06            | 260.84           | 37.52    | 363.81 | 854.00                      | 277.07                               | 126.94          | 1,258.02          |
| March                    | 164.59                         | 55.59            | 293.44           | 47.04    | 408.40 | 973.06                      | 341.08                               | 174.52          | 1,488.66          |
| April                    | 189.92                         | 62.79            | 326.05           | 52.75    | 456.18 | 1,087.69                    | 366.07                               | 193.06          | 1,646.81          |
| May                      | 214.08                         | 66.46            | 358.65           | 54.67    | 509.23 | 1,203.08                    | 392.98                               | 239.79          | 1,835.85          |
| June                     | 239.47                         | 84.42            | 383.95           | 65.10    | 546.65 | 1,319.59                    | 485.67                               | 306.20          | 2,111.46          |

<sup>1</sup> Figures are cumulative from the beginning of the fiscal year in July.

<sup>2</sup> Includes Equalization fund

Source: The National Treasury

## GOVERNMENT BUDGETARY OPERATIONS

Table 6.3: Government Deficit Financing<sup>1</sup>

| FISCAL YEAR         | GOVERNMENT DEFICIT FINANCING |                            |                             |
|---------------------|------------------------------|----------------------------|-----------------------------|
|                     | i<br>Domestic <sup>2</sup>   | ii<br>Foreign <sup>3</sup> | iii=i+ii<br>Total Financing |
| <b>FY 2015/2016</b> |                              |                            |                             |
| January             | 30.00                        | 145.27                     | 176.57                      |
| February            | 99.07                        | 160.08                     | 260.45                      |
| March               | 109.24                       | 170.93                     | 300.76                      |
| April               | 130.61                       | 174.42                     | 307.02                      |
| May                 | 178.94                       | 176.82                     | 357.75                      |
| June                | 220.06                       | 251.88                     | 471.94                      |
| <b>FY 2016/2017</b> |                              |                            |                             |
| July                | -3.84                        | 6.00                       | 2.15                        |
| August              | 36.24                        | 5.10                       | 41.34                       |
| September           | 49.43                        | 36.29                      | 85.72                       |
| October             | 81.16                        | 48.18                      | 129.34                      |
| November            | 107.72                       | 97.60                      | 205.32                      |
| December            | 164.61                       | 105.49                     | 270.10                      |
| January             | 146.49                       | 173.51                     | 320.49                      |
| February            | 171.79                       | 202.65                     | 375.22                      |
| March               | 154.67                       | 295.82                     | 451.38                      |
| April               | 164.75                       | 352.22                     | 516.98                      |
| May                 | 202.63                       | 383.84                     | 586.47                      |
| June                | 310.96                       | 385.75                     | 696.70                      |
| <b>FY 2017/2018</b> |                              |                            |                             |
| July                | 57.10                        | -3.87                      | 53.23                       |
| August              | 40.35                        | 0.66                       | 41.54                       |
| September           | 49.18                        | 2.48                       | 57.2                        |
| October             | 76.77                        | 44.95                      | 122.26                      |
| November            | 113.87                       | 49.63                      | 164.0                       |
| December            | 107.11                       | 91.65                      | 200.33                      |
| January             | 134.29                       | 65.55                      | 201.42                      |
| February            | 218.02                       | 92.71                      | 312.53                      |
| March               | 252.31                       | 175.55                     | 427.86                      |
| April               | 294.79                       | 172.95                     | 467.74                      |
| May                 | 205.79                       | 309.59                     | 515.38                      |
| June                | 273.71                       | 331.64                     | 605.35                      |

<sup>1</sup> Figures are cumulative from the beginning of the fiscal year in July.

<sup>2</sup> Domestic debt is reported on gross basis.

<sup>3</sup> Includes public and publicly guaranteed foreign currency loans.

**Source:** The National Treasury and Central Bank of Kenya

## 7. PUBLIC DEBT

**Table 7.1: Stock of Kenya’s Public and Publicly Guaranteed Debt (KSh Billion)**

|                        | Oct-17          | Nov-17          | Dec-17          | Jan-18          | Feb-18          | Mar-18          | Apr-18          | May-18          | Jun-18          |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>EXTERNAL DEBT</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Bilateral              | 864.8           | 792.5           | 782.6           | 805.2           | 804.4           | 800.9           | 824.9           | 827.5           | 821.0           |
| Multilateral           | 838.08          | 839.76          | 841.85          | 853.46          | 841.77          | 836.77          | 827.39          | 824.92          | 816.12          |
| Commercial Banks       | 633.04          | 707.88          | 707.76          | 701.94          | 900.05          | 858.06          | 893.32          | 903.85          | 906.39          |
| Export Credit          | 17.16           | 17.09           | 17.09           | 16.94           | 16.82           | 16.69           | 16.61           | 16.81           | 16.73           |
| <b>Sub-Total</b>       | <b>2,353.12</b> | <b>2,357.23</b> | <b>2,349.28</b> | <b>2,377.52</b> | <b>2,563.07</b> | <b>2,512.43</b> | <b>2,562.18</b> | <b>2,573.13</b> | <b>2,560.20</b> |
| (As a % of total debt) | 51.81           | 51.40           | 51.41           | 51.41           | 52.29           | 51.44           | 51.48           | 51.25           | 50.81           |
| <b>DOMESTIC DEBT</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Banks</b>           | <b>1,213.14</b> | <b>1,228.59</b> | <b>1,221.75</b> | <b>1,232.34</b> | <b>1,305.13</b> | <b>1,320.45</b> | <b>1,337.43</b> | <b>1,363.60</b> | <b>1,377.24</b> |
| Central Bank           | 71.86           | 95.14           | 96.80           | 83.83           | 100.12          | 93.58           | 97.97           | 98.28           | 110.78          |
| Commercial Banks       | 1,141.27        | 1,133.45        | 1,124.95        | 1,148.51        | 1,205.01        | 1,226.87        | 1,239.47        | 1,265.32        | 1,266.46        |
| <b>Non-banks</b>       | <b>950.40</b>   | <b>974.91</b>   | <b>973.16</b>   | <b>990.14</b>   | <b>1,008.06</b> | <b>1,025.70</b> | <b>1,051.95</b> | <b>1,058.28</b> | <b>1,076.29</b> |
| Pension Funds          | 609.16          | 615.84          | 611.25          | 624.77          | 633.19          | 641.84          | 658.52          | 659.56          | 671.55          |
| Insurance Companies    | 136.38          | 139.52          | 142.66          | 143.24          | 146.48          | 150.92          | 153.27          | 156.09          | 154.51          |
| Other Non-bank Sources | 204.86          | 219.55          | 219.26          | 222.13          | 228.39          | 232.95          | 240.16          | 242.63          | 250.23          |
| <b>Non-residents</b>   | <b>24.97</b>    | <b>24.93</b>    | <b>25.43</b>    | <b>24.81</b>    | <b>25.02</b>    | <b>25.50</b>    | <b>25.87</b>    | <b>25.69</b>    | <b>25.31</b>    |
| <b>Sub-Total</b>       | <b>2,188.51</b> | <b>2,228.43</b> | <b>2,220.35</b> | <b>2,247.30</b> | <b>2,338.21</b> | <b>2,371.65</b> | <b>2,415.25</b> | <b>2,447.58</b> | <b>2,478.84</b> |
| (As a % of total debt) | 48.19           | 48.60           | 48.59           | 48.59           | 47.71           | 48.56           | 48.52           | 48.75           | 49.19           |
| <b>GRAND TOTAL</b>     | <b>4,541.63</b> | <b>4,585.66</b> | <b>4,569.63</b> | <b>4,624.82</b> | <b>4,901.29</b> | <b>4,884.08</b> | <b>4,977.43</b> | <b>5,020.70</b> | <b>5,039.03</b> |

Source: The National Treasury and Central Bank of Kenya

## PUBLIC DEBT

**Table 7.2: Composition of Government Gross Domestic Debt by Instrument (KSh Billion)**

|  | Jun-17          | July-17         | Aug-16          | Sep-17          | Oct-17          | Nov-17          | Dec-17          | Jan-18          | Feb-18          | Mar-18          | Apr-18          | May-18          | Jun-18          |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Treasury Bills <sup>1</sup>                                      | 768.0           | 764.6           | 745.5           | 748.6           | 759.7           | 727.9           | 708.6           | 755.3           | 791.6           | 796.0           | 813.0           | 862.0           | 901.9           |
| Treasury Bonds   | 1,332.0         | 1,337.2         | 1,356.6         | 1,386.6         | 1,402.5         | 1,451.2         | 1,461.2         | 1,453.9         | 1,492.2         | 1,527.8         | 1,550.1         | 1,533.1         | 1,511.9         |
| Overdraft at Central Bank  | -               | 9.2             | 21.2            | 24.7            | 17.4            | 40.7            | 42.3            | 29.9            | 46.2            | 39.7            | 44.0            | 44.4            | 56.8            |
| Advances from Commercial Banks                                   | 11.0            | 12.2            | 11.9            | 16.0            | 8.3             | 8.0             | 7.5             | 7.5             | 7.5             | 7.5             | 7.5             | 7.5             | 7.5             |
| Other Domestic Debt <sup>2</sup><br>(TRCs and uncleared effects) | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             | 0.7             |
| <b>Total Domestic Debt<sup>3</sup></b>                           | <b>2,111.71</b> | <b>2,123.79</b> | <b>2,135.93</b> | <b>2,176.59</b> | <b>2,188.51</b> | <b>2,228.43</b> | <b>2,220.35</b> | <b>2,247.30</b> | <b>2,338.21</b> | <b>2,371.65</b> | <b>2,415.25</b> | <b>2,447.58</b> | <b>2,478.84</b> |

<sup>1</sup>The stock of Treasury bills includes Repo Treasury bills.

<sup>2</sup> Other domestic debt includes Items in transit, securities re-discounted and Tax Reserve Certificates (TRCs).

<sup>3</sup> Gross domestic debt excludes IMF funds on-lent by CBK to Government, which are accounted for under External Debt.

**Source: Central Bank of Kenya**

## 8. CAPITAL MARKETS INDICATORS

**Table 8.1: Selected Equity Market Indicators**

| INDICATOR                            | 2017   |           |           |           |          |           |           | 2018      |           |           |           |           |           |
|--------------------------------------|--------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                      | Jun    | Jul       | Aug       | Sep       | Oct      | Nov       | Dec       | Jan       | Feb       | Mar       | Apr       | May       | June      |
| NASI (2008=100) Points               | 153    | 156.30    | 169.16    | 162.21    | 161.99   | 173.08    | 171.20    | 180.60    | 181.77    | 191.23    | 179.79    | 173.00    | 174.36    |
| NSE 25 Share Index                   | 4,069  | 4,271.13  | 4,485.10  | 4,272.27  | 4,202.23 | 4,402.49  | 4,283.38  | 4,512.95  | 4,563.42  | 4,965.76  | 4,703.30  | 4,470.07  | 4,456.78  |
| NSE 20 Share Index (1966=100) Points | 3,607  | 3,700.44  | 4,027.12  | 3,751.46  | 3,729.62 | 3,815.61  | 3,711.00  | 3,737.27  | 3,750.75  | 3,854.34  | 3,735.00  | 3,333.00  | 3,286.00  |
| Number of Shares Traded (Million)    | 749    | 823.00    | 640.00    | 556.72    | 314.00   | 524.00    | 451.00    | 862.47    | 572.37    | 704.11    | 449.00    | 677.00    | 453.00    |
| Equities Turnover (KSh Million)      | 17,144 | 21,304.00 | 16,024.00 | 16,248.23 | 9,390.00 | 14,760.00 | 11,867.00 | 20,340.19 | 17,919.89 | 22,890.17 | 15,076.00 | 18,377.32 | 13,688.00 |
| Market Capitalization (KSh Billion)  | 2,224  | 2,358.00  | 2,478.00  | 2,376.69  | 2,373.00 | 2,562.00  | 2,521.00  | 2,660.47  | 2,677.81  | 2,817.36  | 2,644.69  | 2,549.00  | 2,576.00  |

NASI - Nairobi all share index.

NSE 25 Share Index - Weighted Price Index calculated as a mean of the shares of 25 public, listed companies, selected based on a weighted market performance.

NSE 20 Share Index - Weighted Price Index calculated as a mean of the shares of 20 public, listed companies, selected based on a weighted market performance.

**Source: Nairobi Securities Exchange**



## CAPITAL MARKETS INDICATORS

**Table 8.2: Selected Bond Market Indicators**

| Period (Month) | Secondary Market                |                           |                 |                           |                            |                                    |                             |               | End Month Govt Bonds Turnover Ratio (Percent) | Primary Market   |                        |                             |
|----------------|---------------------------------|---------------------------|-----------------|---------------------------|----------------------------|------------------------------------|-----------------------------|---------------|---|--|------------------------|-----------------------------|
|                | FTSE NSE Kenya Govt. Bond Index | Bond Volume (KSh Million) | Number of Deals | 5-Year Eurobond Yield (%) | 10-Year Eurobond Yield (%) | 10-Year Euro-bond (2028) Yield (%) | 30-Year Euro-bond Yield (%) | Most Traded   |   | Bond   | Offer (KSh Million)    | Subscription Rate (Percent) |
| <b>2016</b>    |                                 |                           |                 |                           |                            |                                    |                             |               |   |  |                        |                             |
| October        | 89.66                           | 35,302.73                 | 653             | 4.45                      | 6.87                       | ...                                | ...                         | IFB1/2016/015 | 2.87  | IFB1/2016/15 & IFB1/2016/16 (Tap Sale)                                   | 40,000.00              | 106.30                      |
| November       | 90.22                           | 35,091.83                 | 641             | 5.08                      | 7.26                       | ...                                | ...                         | IFB1/2016/015 | 2.80  | FXD 3/2007/15 & FXD 1/2008/20  | 30,000.00              | 76.29                       |
| December       | 90.05                           | 23,972.86                 | 481             | 4.95                      | 7.86                       | ...                                | ...                         | FXD1/2016/010 | 1.92  | FXD 3/2016/2 (Reopen)  | 30,000.00              | 118.47                      |
| <b>2017</b>    |                                 |                           |                 |                           |                            |                                    |                             |               |   |  |                        |                             |
| January        | 89.65                           | 31,364.69                 | 708             | 4.37                      | 7.41                       | ...                                | ...                         | IFB1/2016/015 | 2.51  | The auction for FXD2/2007/015 dated 30/01/2017 was cancelled             |                        |                             |
| February       | 89.64                           | 20,202.92                 | 753             | 4.38                      | 7.28                       | ...                                | ...                         | FXD1/2016/020 | 1.64  | IFB1/2017/12   | 30,000.00              | 116.78                      |
| March          | 89.73                           | 52,429.77                 | 1039            | 4.20                      | 7.10                       | ...                                | ...                         | IFB1/2016/015 | 1.69  | FXD2/2014/5 & FXD3/2013/5  | 30,000.00              | 214.16                      |
| April          | 89.96                           | 29,452.17                 | 548             | 4.21                      | 6.89                       | ...                                | ...                         | IFB1/2016/015 | 2.24  | FXD 3/2008/10 & FXD 1/2009/10  | 30,000.00              | 164.62                      |
| May            | 91.45                           | 56,646.84                 | 630             | 3.95                      | 6.45                       | ...                                | ...                         | IFB1/2016/009 | 4.17  | FXD2/2010/10 AND FXD1/2009/15 (Reopen),<br>FXD2/2010/10 AND FXD1/2009/15 | 15,928.75<br>40,000.00 | 97.12                       |
| June           | 91.54                           | 48,534.41                 | 687             | 4.47                      | 6.64                       | ...                                | ...                         | IFB1/2016/009 | 3.57  | FXD 2/2007/15  | 30,000.00              | 130.24                      |
| July           | 91.61                           | 35,783.66                 | 1013            | 4.39                      | 6.53                       | ...                                | ...                         | IFB1/2016/015 | 2.69  | FXD1/2017/10   | 30,000.00              | 63.48                       |
| August         | 91.70                           | 34,241.70                 | 588             | 3.91                      | 6.01                       | ...                                | ...                         | IFB1/2015/012 | 2.54  | FXD 1/2017/5 & FXD 1/2017/10 (Reopen)                                    | 30,000.00              | 88.89                       |
| September      | 91.67                           | 38,142.27                 | 564             | 4.28                      | 6.46                       | ...                                | ...                         | FXD1/2009/015 | 2.76  | FXD 1/2017/5 (Tap) FXD 1/2017/2 & FXD 1/2017/10 (Reopen)                 | 43,000.00              | 147.72                      |
| October        | 91.37                           | 27,752.99                 | 589             | 3.89                      | 6.10                       | ...                                | ...                         | IFB1/2016/009 | 1.98  | FXD 2/2017/5 & FXD2/2017/5 (Tap)   | 46,500.00              | 66.92                       |
| November       | 91.41                           | 31,045.74                 | 424             | 3.87                      | 5.85                       | ...                                | ...                         | IFB1/2016/015 | 2.14  | IFB1/2017/7  | 30,000.00              | 153.04                      |
| December       | 92.80                           | 19,249.94                 | 499             | 3.76                      | 5.67                       | ...                                | ...                         | IFB1/2017/007 | 1.32  | FXD 1/2008/15 & FXD 1/2017/10 (Reopen)                                   | 30,000.00              | 72.97                       |
| <b>2018</b>    |                                 |                           |                 |                           |                            |                                    |                             |               |   |  |                        |                             |
| January        | 93.24                           | 38,755.56                 | 568             | 3.83                      | 5.83                       | ...                                | ...                         | IFB1/2017/007 | 2.68  | IFB1/2018/15   | 40,000.00              | 139.39                      |
| February       | 93.37                           | 64814.57                  | 1276            | 3.82                      | 6.27                       | 7.05                               | 8.02                        | IFB1/2018/15  | 4.36  | FXD1/2010/15 & FXD2/2013/15 (Reopen)                                     | 40,000.00              | 60.35                       |
| March          | 93.58                           | 48768.22                  | 762             | 3.67                      | 5.99                       | 6.55                               | 7.61                        | IFB1/2018/015 | 3.20  | FXD1/2018/5 & FXD1/2018/20   | 40,000.00              | 128.46                      |
| April          | 93.85                           | 42464.81                  | 646             | 4.46                      | 6.13                       | 6.85                               | 7.99                        | IFB1/2018/015 | 2.74  | FXD 1/2008/15 & FXD 1/2018/20  | 40,000.00              | 81.92                       |
| May            | 94.23                           | 57312.58                  | 877             | 5.14                      | 6.62                       | 7.19                               | 8.31                        | IFB1/2017/007 | 1.20  | FXD1/2018/15   | 40,000.00              | 50.54                       |
| June           | 95.00                           | 58746.02                  | 881             | 5.74                      | 7.18                       | 7.89                               | 8.90                        | IFB1/2017/007 | 3.90  | FXD1/2018/25   | 40,000.00              | 25.33                       |

IFB - Infrastructure Bond issued to finance specific government infrastructure projects

FXD - Fixed Rate/Coupon Treasury Bond

Reopened Bond - Issued and outstanding bond re-offered to the primary market at the current market yields

Bonds Turnover (Percent) - Volume of bonds traded as a ratio of the total outstanding volume of tradable bonds

Tap Sale - Issued at their original face value, maturity and coupon rate, and sold at the weighted average yield in the last auction of the same bond

**Source: Nairobi Securities Exchange and Central Bank of Kenya**

## CAPITAL MARKETS INDICATORS

**Table 8.3: Foreign Investors Participation (KSh Millions)**

| Period (Month) | A<br>Foreign Purchases (FP) | B<br>Foreign Sales (FS) | C<br>Equity Market Turnover (ET) | D=A/C<br>FP to ET in Percent | E=B/C<br>FS to ET in Percent | F=(D+E)/2<br>Average Foreign Participation to Equity Turnover in Percent |
|----------------|-----------------------------|-------------------------|----------------------------------|------------------------------|------------------------------|--|
| <b>2015</b>    |                             |                         |                                  |                              |                              |  |
| November       | 8,377                       | 9,206                   | 13,149                           | 63.71                        | 70.01                        | 66.86  |
| December       | 8,693                       | 8,692                   | 15,109                           | 57.54                        | 57.53                        | 57.53  |
| <b>2016</b>    |                             |                         |                                  |                              |                              |  |
| January        | 7,653                       | 8,186                   | 12,999                           | 58.87                        | 62.97                        | 60.92  |
| February       | 4,528                       | 4,247                   | 10,161                           | 44.56                        | 41.80                        | 43.18  |
| March          | 8,077                       | 9,411                   | 13,449                           | 60.06                        | 69.98                        | 65.02  |
| April          | 6,669                       | 6,589                   | 10,066                           | 66.25                        | 65.46                        | 65.86  |
| May            | 6,571                       | 6,375                   | 9,721                            | 67.60                        | 65.58                        | 66.59  |
| June           | 13,082                      | 12,982                  | 17,247                           | 75.85                        | 75.27                        | 75.56  |
| July           | 11,186                      | 10,212                  | 13,613                           | 82.17                        | 75.02                        | 78.59  |
| August         | 14,183                      | 10,480                  | 17,655                           | 80.33                        | 59.36                        | 69.85  |
| September      | 14,669                      | 13,326                  | 16,872                           | 86.94                        | 78.98                        | 82.96  |
| October        | 5,200                       | 5,325                   | 7,846                            | 66.28                        | 67.87                        | 67.07  |
| November       | 6,878                       | 6,419                   | 10,439                           | 65.89                        | 61.49                        | 63.69  |
| December       | 5,574                       | 4,959                   | 7,107                            | 78.43                        | 69.78                        | 74.10  |
| <b>2017</b>    |                             |                         |                                  |                              |                              |  |
| January        | 10,424                      | 8,816                   | 12,054                           | 86.48                        | 73.14                        | 79.81  |
| February       | 9,447                       | 9,012                   | 12,579                           | 75.10                        | 71.64                        | 73.37  |
| March          | 9,551                       | 9,601                   | 12,461                           | 76.65                        | 77.05                        | 76.85  |
| April          | 8,478                       | 8,045                   | 11,409                           | 74.31                        | 70.51                        | 72.41  |
| May            | 9,420                       | 11,308                  | 16,348                           | 57.62                        | 69.17                        | 63.40  |
| June           | 9,526                       | 10,339                  | 17,144                           | 55.56                        | 60.31                        | 57.94  |
| July           | 9,442                       | 11,496                  | 21,304                           | 44.32                        | 53.96                        | 49.14  |
| August         | 7,508                       | 10,776                  | 16,024                           | 46.85                        | 67.25                        | 57.05  |
| September      | 6,149                       | 11,947                  | 16,248                           | 37.84                        | 73.53                        | 55.69  |
| October        | 7,042                       | 6,556                   | 9,390                            | 74.99                        | 69.82                        | 72.41  |
| November       | 8,142                       | 8,592                   | 14,760                           | 55.16                        | 58.21                        | 56.69  |
| December       | 7,575                       | 7,793                   | 11,867                           | 63.83                        | 65.67                        | 64.75  |
| <b>2018</b>    |                             |                         |                                  |                              |                              |  |
| January        | 13,813                      | 15,277                  | 20,340                           | 67.91                        | 75.11                        | 71.51  |
| February       | 6,324                       | 11,462                  | 17,920                           | 35.29                        | 63.96                        | 49.63  |
| March          | 10,927                      | 12,410                  | 22,890                           | 47.74                        | 54.22                        | 50.98  |
| April          | 8,673                       | 10,488                  | 15,076                           | 57.53                        | 69.57                        | 63.55  |
| May            | 7,700                       | 11,722                  | 18,377                           | 41.90                        | 63.79                        | 52.84  |
| June           | 8,244                       | 10,583                  | 13,688                           | 60.23                        | 77.32                        | 68.77  |

Source: Nairobi Securities Exchange



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