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## **1. FOREWORD**

Functionally, Research Department can be split into two broad divisions, namely, economic analysis and statistics collection and compilation, with the economic analysis effort being geared towards achieving the core function and the statistics collection and compilation serving the needs of the economic analysts in the department.

Economic and Financial Statistics Division handles all matters related to collection and compilation of statistics. This function is largely routine employing both internationally accepted methods, concepts and also domestic conventions. New members of staff in the Division are trained on the job to know the sources of the primary data and to become proficient in producing the necessary statistical reports.

This booklet on sources and methods should be useful to a new member of staff in the Division and users of our statistics. The booklet describes sources of data and compilation of the major reports produced by each section in the Division. These include, inter alia, the Banking Survey, Credit to Government and Balance of Payments Statement. The booklet deals also with compilation of inflation and for the major tables and charts that appear in our publications, identifies the sources of data and where they can be accessed in the Graphics and Data Storage Section of the Division.

As a first attempt in describing sources and methods, the booklet deliberately concentrates on the major reports. Sources and methods for other reports which are not covered here will be included in the booklet in later revisions if it becomes necessary.

## **2. MONETARY STATISTICS**

### **2.1 THE BANKING SURVEY**

The banking survey, the main monetary statistics report, is a consolidated sectorised accounts of the Central Bank of Kenya and institutions registered under the Banking Act.

It facilitates the analysis of the monetary aggregates that are most influenced by the monetary authorities and that play the most important role in determining output, prices and the balance of payment.

#### **2.1.1 Analytical Framework**

- Net Foreign Assets (NFA)
  - Net foreign assets (CBK/Govt)
  - Net foreign assets (Banks and NBFIs)
  
- Net Domestic Assets (NDA)
  - Domestic credit
    - Credit to government (Net)
    - Credit to other public sector
    - Credit to private sector
  
  - Other items Net
    - Other items net (CBK)
    - Other items net (Banks and NBFIs)
  
- Money Supply (M3X) (M3 plus resident forex deposits)
  - M3 (M2 plus private sector deposits with NBFIs)
  
  - M2 (M1 + M0 plus private sector quasi - monetary deposits with banks)
    - M1 (M0 plus private sector demand deposits with banks)
  
    - M0 – currency outside banks
  
  - Resident foreign currency deposits (X)

## 2.1.2 Sources Of Monetary Data

Data for compiling monetary statistics is obtained from different sources.

### Central Bank Of Kenya

#### Finance Department

- Report CBK 88 – The balance sheet of Central Bank of Kenya
- Daily Trial Balance report- shows the detailed accounts of CBK on a daily basis.

#### Financial Markets

- Foreign assets position report shows the foreign assets and liabilities of CBK at current exchange rates.
- Report FX shows the daily forex receipts and payment by CBK.

#### National Debt Office

- Report showing the Repo purchases by CBK

#### Banking Division

- Summary of cash holdings (per denomination) by cashiers at the last working day of the month.
- Management report showing the daily summary of accounts at banking office
- Daily money market report showing the inter-bank borrowings and lendings

#### Currency Division

- Report showing daily currency in circulation figure.
- Report showing the currency in circulation per denomination at the last working day of the month.

#### Commercial Banks

Commercial banks submit the **CBK BS(M)** return constituting the following tables as at the end of every month:

Table A – balance sheet

Table B – analysis of deposits

Table C – analysis of loans and advances to the private sector.

Table D – analysis of mortgage loans and advances

Table E -- analysis of agricultural credit

Table F – deposits and lending rates

## **Non-Bank Financial Institutions**

Non-bank financial institutions submit the **CBK BS(M)** return constituting the following tables as at the end of every month:

Table A – balance sheet

Table B – analysis of deposits

Table C – analysis of loans and advances to the private sector.

Table D – analysis of mortgage loans and advances

Table E -- analysis of agricultural credit

Table F -- deposits and lending rates.

Besides the above tables, banks and NBFIs are required to submit Tables A and B as at the 10<sup>th</sup> and 20<sup>th</sup> day of every month. These are used to compile banking survey position figures for these dates. These surveys are considered 'estimates'.

## **International Monetary Fund (IMF)**

The Reserve Position in the Fund figure forms part of our foreign assets and is obtained from the web site of the IMF.

## **Crown Agents Financial Services Limited**

Government deposits with Crown Agents which is a component of NFA of the banking survey is obtained from the Balance of Payment Section of Research Department. This section obtains the same from a statement of accounts submitted to the Department by the Crown Agents who are the Government's agents in UK.

### **2.1.3 Key Concepts**

**Net Foreign Assets (NFA)** – Refers to net worth of claims on non-resident sector.

**Net Domestic Assets (NDA)**- Refers to net resident sector credit to the economy.

**Money Supply (M3X)** - Refers broadly to M3X which is private sector deposits and currency outside banks.

**NFA + NDA = Money Supply, M3X**

## 2.1.4 Compilation

### **Net Foreign Assets (NFA)**

The NFA of the banking system is the sum of NFA of CBK and Banks and NBFIs. The NFA of CBK includes government foreign currency deposits with Crown Agents and Reserve Position in the Fund.

**NFA of CBK** is computed as the sum of:

- Gold and foreign exchange
- Reserve Position in the Fund
- Deposits with Crown agents

LESS

- Foreign liabilities of CBK

### **NFA of Banks and NBFIs**

ADD

- Foreign assets (from the consolidated balance sheets of both banks and NBFIs)
- Non resident local currency loans and advances

LESS

- Foreign liabilities (from the consolidated balance sheets of both banks and NBFIs)
- Non-resident local currency deposits

### **Domestic Credit**

#### **Credit To Government from: CBK**

ADD

- Treasury bills and bonds held
- Overdraft to government
- Uncleared effects
- IMF funds on-lent to government

LESS

- Government deposits at CBK
- Reserve position in the Fund
- Deposits with Crown Agents

### **Banks and NBFIs**

ADD

- Portfolio investments in government securities
- Central government bills and notes discounted
- Advances to central government

LESS

- Government deposits as reported in the consolidated banks and non-banks balance sheets

**Credit To Other Public Sectors from:  
Banks and NBFIs**

ADD

- Portfolio investments with local government, Financial and Non-financial public enterprises notes.
- Bills and Notes discounted in favour of local government, Financial and Non-financial public enterprises.
- Advances to local government, Financial and Non-financial public enterprises.

LESS

- Local government deposits with commercial banks and NBFIs.

**Credit To Private Sectors from:  
CBK**

CBK advances credit to the private sector in form of loans to staff.

**Banks and NBFIs**

ADD

- Placements with institutions other than banks and non-banks,
- Portfolio investments with other entities other than the central government and other public sectors,
- Bills and notes discounted in favour of other entities other than the central government and other public sectors
- Loans and advances to other entities other than the central government and other public sectors and banks and NBFIs.

**Note:**

Loans and advances to residents in foreign currency form part of banking system private sector credits whereas non-residents local currency loans and advances form part of foreign assets.

**Money Supply, M3X**

Made up of:

Currency outside banks given as

- Currency in circulation

LESS

- Commemorative coin,
- Cash in tills of banks and NBFIs.

Other deposits at CBK comprising of:



- deposits of banks in liquidation,
- special projects deposits and
- other impersonal accounts.

Private sector deposits with banks and NBFIs.

The deposits in money exclude those of central government, local government, commercial banks, NBFIs and non-residents.

M0 is computed as:

- Currency in circulation
- LESS
- Till cash with banks
  - Commemorative coin

M1 is computed as:

- ADD
- M0
  - Demand deposits with banks
  - Other deposits at CBK

M2 is computed as:

- ADD
- M1
  - Quasi (Term) deposits with banks

M3 is computed as

- ADD
- M2
  - Quasi deposits with NBFIs
  - NBFIs deposits with banks

LESS

- cash in till of NBFIs.

M3X is computed as

- ADD
- M3
  - Resident foreign currency deposits.

M3XT is computed as

- ADD
- M3X
  - Non-bank public holdings of government papers.

Non-bank public holdings of government paper is obtained as follows:

Total domestic credit to government (from Credit to Government Table compiled by Government Finance Section of Research department) LESS credit to government from the banking system.

*M3XT is strictly not a banking survey item because of the Non-bank public holdings of government paper.*

### **Other Items Net**

Composed of all other liabilities of the banking system other than Deposits and foreign liabilities LESS all other assets other than placements, bills and notes discounted and loans and advances.

Note: **Net Domestic Assets** is computed as

**Domestic Credit**  
LESS  
**Other Items Net**

### **Constant Exchange Rate Banking Survey**

For purposes of monitoring performance of monetary policy while controlling the effects of exchange rate shifts, it is necessary to compile a banking survey at a constant exchange rate. Currently, the constant exchange rate is based on the US dollar exchange rate ruling at the end September, 2001. Compilation of this survey is largely similar to the compilation described in the foregoing except for the following differences which are worth noting.

The two major components of the constant exchange rate banking survey namely the sectorized CBK balance sheet and the banks and NBFIs survey are compiled and presented separately. The banking survey is obtained by consolidating the two components by netting out intra-banking system balances.

### **The Sectorised Central Bank balance sheet**

- **Net foreign assets of the Central Bank**

This figure is obtained from CBK analytical balance sheet computed by Research Department on a daily basis. The figure excludes the Reserve position in the Fund and government deposits with Crown Agents.

- **Credit to banks from CBK**

The figure is obtained from the daily Central Bank balance sheet where it is referred to as advances and discounts. This figure is net of REPO sales by CBK and hence different from the advances and discount figure reported in the CBK 88.

### **The Banks and NBFIs Survey**

- **Government securities held by banks and NBFIs**

The figure on total government securities held by banks is obtained from National Debt Office records. For NBFIs, the figure is obtained from the consolidated CBK BS(M) return for NBFIs.

- **Credit to CBK**

The figure is similar but reverse to the credit to banks from CBK shown in the Central Bank sectorised balance sheet.

### **Non-bank public holding of government securities**

The amount of government securities held by non-bank public is obtained by working out the difference between total credit to government from domestic sources and that sourced from banking institution only. It is important to note that the figures for the non-bank public holding of government securities in the normal banking survey and that given in the constant exchange rate survey are usually not the same as a result of differences in definition and sources of data.

First, credit to government in the normal banking survey is net of:

- Reserve position in the Fund (Contra to government foreign assets)
- Government deposits with Crown Agents (Contra to government foreign assets)

Secondly, banks' holdings of government securities in the normal banking survey is sourced from the CBK BS (M) return as reported by banks while that in the constant exchange rate survey is sourced from National Debt Office.

## 2.2 OTHER SUMMARY TABLES

### 2.2.1 Weighted interest rates.

Deposits and lending rates for each bank are reported in Table F of the CBK BS (M) return. To obtain a representative rate for all the banks, weighted average rate is compiled.

- **Weighted deposit rate** (for a particular maturity) is the sum of individual bank's weighted deposit rates. To illustrate, consider deposits of 0-3 months maturity and let **d** be a bank's total deposit and **D** be the total deposit for all the banks for which a rate for 0 – 3 months deposits has been reported. If **r** is the nominal rate the bank is offering, then the bank's weighted rate  $r_w = \frac{d}{D} \times r$ . The sum of  $r_w$  for all the banks is the weighted interest rate for deposits of 0 – 3 months maturity.
- **Weighted lending rate** (for a particular maturity) is the sum of individual bank's weighted lending rates. Computation of weighted lending rate is similar to the computation illustrated above for deposit rates. In this case however, total loans and advances are used in place of deposits.

### 2.2.2 Sectorised credit to Private sector – “SUMARR” FILE

The sectorized credits to the private sector are captured in Table C of the consolidated CBK BS(M) return. However the total figure in this table must be equal to the sum of the loans and advances and bills and notes discounted to the private sector in Table A of banks and NBFIs return.

When compiling the “SUMARR” file, figures are obtained from Table C for each sector. However, the sectorial classification in “SUMARR” file does not exhaust all the sectors given in Table C. Those sectors not identified in “SUMARR” are reclassified as ‘other activities’ and credit to the sector is computed as a difference between the total private sector credit from Table A and credit to the sectors identified in the “SUMARR” file. The “SUMARR” file is structured as below.

#### **Claims on private sector**

Agriculture

Manufacturing

Trade

Exports

Imports  
Domestic  
Building & construction  
Transport & communication  
Finance and insurance  
Real estate  
Mining and quarrying  
Private households  
Consumer durables  
Business activities  
Other activities

### **2.2.3 Notes and Coins in Circulation**

This report is compiled from reconciled currency holdings return as at the end of every month from Currency Office in the Banking department.

## 3. GOVERNMENT FINANCE STATISTICS

### MAJOR REPORTS COMPILED

- Credit to government (compiled on a daily basis)
- Deficit financing (compiled on a daily basis)
- Government domestic debt (compiled on a daily basis)
- Domestic interest payments (compiled on a weekly and monthly basis).

Consist of two reports namely; Discount on Redemptions and Discount on new issues

### 3.1 Terminology

#### Revenue (R)

The Government finances its activities primarily by collecting taxes or other compulsory charges. For purposes of fiscal analysis, revenue is classified as tax or non-tax. Tax revenue comprise import duty, excise duty, income tax and value added tax (VAT). Non-tax revenue comprise investment income, appropriations in aid (AIA), external grants and other revenue comprising mainly of traffic, land, airport, wildlife and tourist revenues, licence fees, fines and forfeitures. Grants are voluntary funds received by the government from other government units or international organisations. According to the IMF's Government Finance Statistics manual (GFS, 2000), only grants from foreign governments and international organisations appear in the budget out-turn. AIA refers to revenues generated by ministries by way of charging fees for their services to the public. Proceeds related to privatisation of government institutions like license fees are also classified under revenue. Proceeds from sale of government shares in public enterprises are classified under financing as the receipts are intended to help reduce public debt.

#### Expenditure (E)

Government expenditure consists have recurrent and development expenditures. Recurrent expenditure refers to expenditures incurred consistently (e.g. monthly). It consists of domestic interest payments, foreign interest payments, wages and salaries, pensions and other recurrent expenditures the bulk of which are for maintenance and operations in the public sector. Development expenditure refers to

expenditures incurred on development projects. It also includes government guaranteed lending to public entities.

### **Deficit/Surplus (R-E)**

When expenditure exceeds revenue (inclusive of grants), then a deficit results. Conversely, when revenue exceeds expenditure, we have a surplus.

### **Deficit on commitment basis**

This is the deficit derived using expenditure the government is under obligation (committed) to finance.

### **Deficit on cash basis**

This is the deficit derived using the actual expenditure the government has financed. It is the deficit on commitment basis adjusted for unsettled claims on the government. Cash basis takes into account stocks of funds paid in advance, expenditure arrears and cash in the main government account, which is the Paymaster General (PMG).

### **Financing the deficit**

The budget deficit can be financed through external borrowing, domestic borrowing and sale of government shares in parastatals (privatisation). External borrowing consists of government borrowing from multilateral organisations, for example, the IMF and World Bank, other countries (bilateral) and external commercial banks. Domestic borrowing consists of government borrowing from the domestic money and capital markets for example through treasury bills and bonds and also through loans and advances from banking institutions. Note that proceeds from sale of government shares in parastatals form part of financing as opposed to a revenue item.

### **Statistical discrepancy**

The difference between deficit on cash basis and total financing is referred to as statistical discrepancy. If there is no statistical discrepancy, total financing is equal to deficit on cash basis.

## **3.2 CREDIT TO GOVERNMENT TABLES**

### **3.2.1 Analytical framework**

- Credit from CBK
  - Government securities at cost
  - Government overdraft
  - Items in transit
  - IMF funds on-let to the government

- Net out government deposits at CBK
- Credit from commercial banks
  - Government securities at cost
  - Direct advances to the government
  - Net out government deposits in banks
- Credit from Non-banks
  - Credit from financial institutions
    - Government securities at cost
  - Credit from insurance companies
    - Government securities at cost
  - Credit from building societies
    - Government securities at cost
  - Credit from parastatals
    - Government securities at cost
- Credit from Non-residents
  - Government securities at cost
- Net out advances by Treasury to parastatals

### 3.2.2 Sources of data

**Government overdraft and deposits at CBK** are obtained from the management report by account (M2 report) produced by Banking Department on a daily basis. End month figures are confirmed against figures published by Finance Department in the Central Bank of Kenya balance sheet (CBK 88).

**Stock and holders of treasury bills (at cost) data** are obtained respectively from the stock of outstanding treasury bills report and the treasury bills paid up report for successful bidders both prepared by National Debt Office, Financial Markets Department.

**Stock and holders of treasury bonds (at cost) data** are obtained respectively from the stock of outstanding treasury bonds report and treasury bonds paid up report for successful bidders both prepared by National Debt Office.

**Stock and holders of government stocks data** are obtained respectively from the stock of outstanding government stocks report and the government stocks paid up report for successful bidders both prepared by National Debt Office.

**Government deposits in commercial banks and advances to the government by commercial banks** are obtained from the consolidated commercial banks' balance sheet (table A) prepared on a monthly basis by Monetary Statistics Section, Research Department.



**The stock and holders of tax reservation certificates (TRCS) data** is obtained from exchequer returns prepared by the Treasury.

**Capital receipts (privatisation proceeds)** data is obtained from the management report by account (M2 report) produced by Banking Department on a daily basis. Only proceeds derived from sale of government shares in parastatals are considered privatisation proceeds. Other proceeds related to privatisation (such as license fees) are counted as revenue in the budget out-turn.

**IMF funds on lent to the government** are obtained from the CBK 88 published by Finance Department on a monthly basis.

**Frozen government accounts (debt) data** is obtained from the CBK 88 on a monthly basis. Frozen government accounts consist of sterilised account, Repo Treasury bills account and monetary policy suspense account. Frozen government accounts are compiled daily using the money market report. Repo Treasury bills form part of the stock of treasury bills.

### **3.2.3 Compilation**

Consists of credit from Central Bank of Kenya (CBK), commercial banks, non-bank financial institutions, National social security fund (NSSF), other parastatals, non-residents, advances by Treasury to parastatals and other investors.

Credit from CBK consists of overdraft, cleared items awaiting transfer to PMG, IMF funds on let to the government, frozen account, treasury bill rediscounts and is net of govt. deposits at CBK.

Credit from commercial banks consists of commercial bank advances to the government, commercial bank holdings of government securities (at cost) (i.e. long term stocks, floating rate bonds, fixed rate bonds and treasury bills) and is net of government deposits in commercial banks.

Credit from non-residents consists of non-resident holdings of government securities (at cost) (i.e. treasury bills, floating rate bonds and fixed rate bonds).

Credit from non-bank financial institutions<sup>1</sup>, NSSF, other parastatals and other holders consist of their holdings of government securities (at cost) (treasury bills, stocks, and treasury bills) and tax reservation certificates (TRCs).

Credit to government is net of advances by treasury to parastatals (NCPB, C and SFC and other parastatals).

Capital receipts within the fiscal year are also captured though they do not constitute the net credit to the government.

Credit to government tables also record memorandum items consisting of stocks of treasury bonds (fixed rate, floating rate and special bonds), treasury bills, long-term stocks and frozen government accounts excluding repo treasury bills.

### **3.3 DEFICIT FINANCING**

#### **3.3.1 Sources of data**

- **External financing data (including external disbursements and repayments)** is obtained from the budget out-turn prepared by the Treasury on a monthly basis.
- **Credit to government table above.**

#### **3.3.2 Compilation**

Consists of external financing, domestic financing and financing due to privatisation.

External financing consists of external loan disbursements net of external loan repayments for the month. The figures are cumulative from the start of the financial year in July.

Domestic financing is derived from the credit to government table as flows from June in the previous financial year. It consists of financing from non-banks, banks (including CBK) and non-residents.

Financing due to privatisation consist of actual inflows of proceeds from sale of government shares in parastatals. The figure is derived

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<sup>1</sup> Non-bank financial institutions include some institutions that are registered under the Banking Act (Specified financial institutions).

as a flow from the start of the fiscal year in June using capital receipts in the domestic credit table.

### **3.4 Government Gross Domestic Debt**

#### **3.2.2 Analytical framework**

- Debt owed to CBK
  - Government securities at face
  - Government overdraft
  - Items in transit
  - IMF funds on-let to the government
- Debt owed to commercial banks
  - Government securities at face
  - Direct advances to the government
- Debt owed to Non-banks
  - Debt owed to financial institutions
    - Government securities at face
  - Debt owed to insurance companies
    - Government securities at face
  - Debt owed to building societies
    - Government securities at face
  - Debt owed to parastatals
    - Government securities at face
- Debt owed to Non-residents
  - Government securities at face

#### **3.4.2 Sources of data**

**Government overdraft and deposits at CBK** are obtained from the management report by account (M2 report) produced by Banking Department on a daily basis. End month figures are confirmed against figures published by Finance Department in the CBK 88.

**Stock and holders of Treasury bills (at face) data** are obtained respectively from the stock of outstanding treasury bills report and the Treasury bills paid up report for successful bidders both prepared by National Debt Office.

**Stock and holders of Treasury bonds (at face) data** are obtained respectively from the stock of outstanding treasury bonds report and Treasury bonds paid up report for successful bidders both prepared by National Debt Office.

**Stock and holders of government stocks data** are obtained respectively from the stock of outstanding government stocks report

and the government stocks paid up report for successful bidders both prepared by National Debt Office.

**Government deposits in commercial banks and advances to The government by commercial banks** are obtained from the consolidated commercial banks' balance sheet (table A) prepared on a monthly basis by Monetary Statistics Section, Research Department.

**The stock and holders of tax reservation certificates (TRCS) data** is obtained from exchequer returns prepared by the Treasury.

**Capital receipts (privatisation proceeds)** data is obtained from the management report by account (M2 report) produced by Banking Department on a daily basis. Only proceeds derived from sale of government shares in parastatals are considered privatisation proceeds. Other proceeds related to privatisation (such as license fees) are counted as revenue in the budget out-turns.

**IMF funds on lent to the government** are obtained from the CBK 88 published by Finance Department on a monthly basis.

**Frozen government accounts (debt) data** is obtained from the CBK 88 on a monthly basis. Frozen government accounts consist of sterilised account, Repo Treasury bills account and monetary policy suspense account. Frozen government accounts are compiled daily using the money market report from Financial Markets Department. Repo treasury bills form part of the stock of treasury bills.

### **3.4.3 Compilation**

Consists of debt owed to Central Bank of Kenya (CBK), commercial banks, non-bank financial institutions, National Social Security Fund (NSSF), other parastatals, non-residents, advances by treasury to parastatals and other creditors. Domestic debt is reported on gross and net basis. Net debt is gross debt net of government deposits in banks and advances by Treasury to parastatals.

Gross debt owed to CBK consists of overdraft, cleared items awaiting transfer to PMG, IMF funds on let to the government, frozen account, and treasury bill rediscounts. Net debt owed to CBK is gross debt owed to CBK net of government deposits at CBK.

Gross Debt owed to commercial banks consists of commercial bank advances to the government and commercial bank holdings of government securities (at face) (i.e. long term stocks, floating rate

bonds, fixed rate bonds and treasury bills). Net debt owed to commercial banks is gross debt owed to commercial banks net of government deposits in commercial banks.

Gross Debt owed to non-residents consists of non-resident holdings of government securities (at face) (i.e. treasury bills, floating rate bonds and fixed rate bonds).

Gross Debt owed to non-bank financial institutions, NSSF, other parastatals and other holders consists of their holdings of government securities (at face) (treasury bills, stocks, and treasury bills) and tax reservation certificates (TRCs). Net debt owed to non-bank financial institutions is gross debt owed to non-bank financial institutions net of government deposits in non-bank financial institutions.

Net debt is gross debt net of government deposits in banks (CBK and commercial banks) and advances by treasury to parastatals (NCPB, C&SFC and other parastatals).

Government domestic debt tables also record memorandum items consisting of stocks of treasury bonds (at face) (fixed rate, floating rate and special bonds), treasury bills (at face), long-term stocks and frozen government accounts excluding Repo treasury bills.

## **3.5 Domestic Interest Payments**

### **3.5.1 Sources of data**

#### **Discount on Redemptions**

- **Interest payments on treasury bonds and government stocks** are obtained from the schedule of interest payments on treasury bonds and stocks. This schedule is prepared by national Debt Office, Financial Markets Department, on a monthly basis.
- In the case of treasury bonds **commission to CBK, commission to other selling agents, discount and other charges** are obtained from the paid up summary report for bonds as soon as a new issue of treasury bonds has been sold.
- **Interest payments (discount) on treasury bills** are obtained from paid up summaries for maturing Treasury bill issues. **Commission to CBK** is obtained from paid up summaries for new issues of treasury bills.
- **Interest on Government overdraft is obtained from** the management report on daily interest charges for the government

overdraft account. Banking Department every month produces this report.

### **Discount on new issues**

- **Interest payments on treasury bonds and government stocks** are obtained from the schedule of interest payments on treasury bonds and stocks. This schedule is prepared by national Debt Office, Financial Markets Department, on a monthly basis.
- In the case of treasury bonds **commission to CBK, commission to other selling agents, discount and other charges** are obtained from the paid up summary report for bonds as soon as a new issue of treasury bonds has been sold.
- **Interest payments (discount) on treasury bills** are obtained from paid up summaries for new issues of Treasury bills. **Commission to CBK** is obtained from paid up summaries for new issues of treasury bills.
- **Interest on Government overdraft is obtained from** the management report on daily interest charges for the government overdraft account. Banking Department produces this report every month.

### **3.5.1 Compilation**

#### **Discount on Redemptions**

Consists of:

- Interest payments on long-term stocks.
- Interest payments on fixed rate bonds. If there is a new issue of fixed rate bonds then include commission to CBK, commission to other selling agents and other charges for the new issue. If there is a maturing issue that was issued at a discount, include the discount.
- Interest payments on floating rate bonds. If there is a new issue of floating rate bonds then include commission charged by CBK, commission to other selling agents and other charges. If there is a maturing issue that was issued at a discount, include the discount.
- Interest payments on special bonds. If there is a new issue of special bonds then include commission charged by CBK and other charges for new issue.
- Interest payments on the government overdraft at CBK.
- Interest payments on maturing treasury bills. If there is a new issue of treasury bills, then include the commission charged by CBK.

## **Discount on new issues**

Consists of:

- Interest payments on long-term stocks.
- Interest payments on fixed rate bonds. If there is a new issue of fixed rate bonds then include commission to CBK, commission to other selling agents, other charges and discount (if a bond is sold at a discount) for the new issue.
- Interest payments on floating rate bonds. If there is a new issue of floating rate bonds then include commission charged by CBK, commission to other selling agents, other charges and discount (if a bond is sold at a discount) for the new issue.
- Interest payments on special bonds. If there is a new issue of special bonds then include commission charged by CBK and other charges for new issue.
- Interest payments on the government overdraft at CBK.
- Interest payments on new issues of treasury bills. If there is a new issue of treasury bills, then include the commission charged by CBK.

## **4. BALANCE OF PAYMENTS**

In the balance of payments section, the major report produced is the Balance of Payments (BOP) Statement. Several other reports are produced in this section including commodity market reports, merchandise trade reports, foreign currency receipts and payments statistics, and monetary movements statistics. The balance of payments statement consists of the current account, capital and financial account, and reserves and related items. Memorandum items are also shown on the BOP statement. The composition of each of these items is given in the summary below.

### **4.1 BALANCE OF PAYMENTS STATEMENT**

#### **4.1.1 Analytical Framework**

##### **CURRENT ACCOUNT**

##### **Merchandise Account**

##### **Exports, fob**

Coffee Exports

Tea Exports

Horticulture

Oil products

Other Exports

##### **Imports, cif**

Public imports

Private imports

Oil imports

Chemical imports

Manufactured goods imports

Machinery and Transport imports

Other imports

---

##### **Services**

##### **Non-factor services**

Credit

Debit

##### **Transportation account**

Credit

Debit

Of which freight



**Travel account**

Credit

Debit

**Other services account: government**

Credit

Debit

**Other services account: private**

Credit

Debit

**Income account**

Credit

Debit

Official interest

Other (private)

**Current transfers account**

Private

Credit

Debit

Public

Credit

Debit

**Capital and Financial Account****Capital account**

Project grants

Debt forgiveness

Other

**Financial account****Investment assets and liabilities**

Official, medium &amp; long-term

Inflows

Program loans

Project loans, including defence loans

Government guaranteed

Outflows

Private, medium &amp; long-term

InflowsEnergy financing

Kenya Airways

Other

## Outflows

Foreign Direct Investment (FDI)  
In Kenya:  
Equity  
Other  
Abroad – Capital repatriation

Commercial Banks (net)

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### **Short Term and Net Errors & Omissions (NEO)**

Of which estimated:

Short Term/Portfolio (net)  
Inflows  
Outflows

Net Errors and Omissions (NEO)

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## OVERALL BALANCE

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### FINANCING

#### **Changes in Gross Official Reserves**

#### **IMF (net)**

Disbursements

Repayments

#### **Other**

### MEMO:

#### **Gross Official Reserves**

#### **Commercial Banks Reserves**

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## 4.1.2 Sources Of Data

### **Current Account**

**Exports, job** – This is the sum of the Domestic Exports and Re-exports values as given in table 7 of the Monthly Trade Report (MTR), from Customs and Excise Department of KRA. Domestic Exports are goods grown, produced or supplied or manufactured in Kenya, exported to other countries or supplied as aircraft or ship's stores. They exclude re-exports. It is also equal to the total on Domestic Exports analysis table 3 of the MTR and the total on the Re-exports table 5 of the same report.

**Coffee exports** – Data on coffee is obtained from the Monthly Trade Report from Customs and Excise Department. Code 071, of table 3 of this report gives the monthly coffee earnings.

**Tea exports** – Tea exports are obtained from the Monthly Trade Reports (code 0741 of table 3), by Customs and Excise Department.

**Horticulture** – Foreign exchange earning arising from the export of horticultural products. These products are vegetables, fruits, and flowers.

The source of this information is Customs and Excise Department MTR.

Values corresponding to codes 054, 056, 057, 058, and 292711 of table 3 give exports due to these horticultural products.

**Oil products** – Information on Foreign export earning relating to oil is also obtained from the MTR. Code 3, (Mineral fuels, lubricants and related materials) of this report gives earning arising from oil products

**Other exports** – This refers to all other exports excluding those mentioned above. Information on other exports is obtained from the Monthly Trade Reports by Customs.

**Imports, cif** – Imports cif value is obtained from the Monthly Trade Reports by Customs and Excise Department. Table 1 (state total) and table 7 both give the value of Kenya's imports, CIF. Imports in the BOP statement are split into public and private imports.

**Public imports** – These are imports by the government. They include all goods imported by the government for its own use excluding imports by the military. This information is obtained from the Monthly Trade Report (handout) by Customs and Excise Department.

**Private imports** – These are all other imports excluding those by the government. They include parastatal imports. Source of this information is Table 1 of the MTR by Customs and Excise Department. Private imports in the BOP Statement are further split into oil, Chemicals, Manufactured goods, Machinery & Transport Equipment, and other imports respectively.

**Oil imports** – These are imports related to oil products. Code 3, table 1 of the MTR gives oil imports.

**Chemical imports** – This refers to all types of chemical imports. Source of information on chemical imports is the Monthly Trade Report Code 5 of table 1.

**Manufactured goods imports** – These are imports corresponding to Code 6 of table 1 of the Monthly Trade Report.

**Machinery and transport equipment imports** – These are imports corresponding to Code 7 of table 1 of the Monthly Trade Report.

**Other imports** – These are all other imports excluding those corresponding to codes 3, 5, 6, and 7 of Table 1 of the Monthly Trade Report.

**Services** – These are all non-factor services between Kenyan residents and non-residents. Examples of these services are Transportation, Insurance, Travel, and Communication, Construction e.t.c. Source of information relating to these services is the Central Banks' monthly Foreign Exchange Statistics return from banks, CBK FXS (M). CBK FXS(M) underestimates both receipts and payments in foreign exchange transactions. Benchmark constants are used to inflate these figures for purposes of compiling the balance of payments. These constants are derived using survey figures compiled by the Central Bureau of Statistics.

**Non-factor services** – These are services such as Transportation, Travel, and Others. They exclude income and current transfers. Main source of this information is the CBK FXS (M).

**Transportation services** – Information on transportation is obtained from the CBK FXS (M).

**Travel services** – Information on travel services is obtained from the CBK FXS (M).

**Other services** – These other services are those related to both government and the private sector. Information on these services is obtained from the CBK FXS (M).

**Income** – This consists of employees' compensation and investment income. Compensation for employees covers wages, salaries, and other benefits in cash or in kind. Investment income covers receipts and payments of income associated respectively with residents' holding

of external financial assets and with residents' liabilities to non-residents. It consists of direct investment income, portfolio investment income, and other investment income. Source of this information is the CBK FXS (M).

**Official interest payments** – Source of this information is the CBK FXS (M).

**Current transfers** – Current transfers are those which do not involve: transfer of ownership of fixed assets, transfer of funds linked to or conditional upon acquisition or disposal of fixed assets, forgiveness without any counterparts being received in return of liabilities by creditors. All of which are capital transfers. Source of this information is the CBK FXS (M).

**Private transfers** – These are transfers related to the private sector of the economy. Information on private transfers is obtained from the CBK FXS (M).

**Official transfers** – These are by the government. Source of this information is the CBK FXS (M).

### **Capital and Financial Account**

**Capital account** – The capital account of Kenya's BOP Statement is composed of Project grants, debt forgiveness, and other forms of financing. Source of this information is the Treasury, Ministry of Finance.

**Project grants** – This is information relating to grants to or by the government of Kenya. Source of information on grants is the Treasury, Ministry of Finance.

**Debt forgiveness** – This represents any debt forgiveness to or by the government of Kenya. Information on debt forgiveness is obtained from the Treasury.

**Other** – These are grants or debt forgiveness figures.

**Financial account** – This takes into account information relating to Investment assets and liabilities. Source of this information is the Treasury.

**Investment assets and liabilities** – All components are classified according to type of investment or by functional subdivision such as

direct investment, portfolio investment, other investment, and reserve assets. Distinction between one form of investment and another can be directional (abroad or in the reporting economy), customary (asset or liability), type of instrument (equity or debt securities, trade credits, loans, currency and deposits, other assets or liabilities), by sector (of the creditor for assets or of the debtor for liabilities), or by maturity (more than one year for long-term and one year or less short term). Investment assets and liabilities are further divided into official (medium & long-term), private (medium and long-term), foreign direct investment and commercial banks. Treasury.

**Official, medium, & long-term** – This takes into account both inflows (program loans, project loans, and government guaranteed loans) and outflows of investment assets and liabilities. Source of this information is the Treasury.

**Commercial banks** – This item considers changes in Net Foreign Assets. Information on Foreign Assets and Liabilities is obtained from the Banking Survey compiled by the Monetary Statistics Section, Research Department every month.

## **Financing**

**Changes in gross official reserves** – Source of this information is the monetary movements compiled by the Balance of Payments Section.

**International Monetary Fund (IMF)** – This considers both disbursements and repayments. Source of this information is the Treasury.

### **4.1.2 Compilation**

All figures used in these accounts are obtained from various sources and denominated in Kenya shilling. Conversions are then done using average monthly exchange rate to the dollar. Usually, monthly figures do not add to annual totals due to annual adjustments.

**CURRENT ACCOUNT** – Merchandise account (net) plus Non-factor services (net).

**MERCHANDISE ACCOUNT (net)** – Total exports less Total imports.

**Exports, fob** – Value on Table 3 or Table 7 of MTR in dollars.

*Coffee exports* – Value in Table 3 code 071 of MTR in dollars.

*Tea exports* – Value in Table 3 code 0741 of MTR in dollars.

*Horticulture* – Sum of value in Table 3 codes 054,056,057,058, and 292711 of MTR in dollars.

*Oil products* – Value in Table 3 code 3 of MTR in dollars.

*Other exports* – Total exports less coffee, tea, horticulture, and oil exports.

**Imports, cif** – Value on Table 1 or Table 7 of MTR in dollars.

*Public imports* – Value on the Monthly Trade Report (handout) in dollars.

*Private imports* – Value on Table 1 or Table 7 of the MTR less public imports converted to dollars.

*Oil imports* – Value in Table 1 code 3 of MTR in dollars.

*Chemical imports* – Value in Table 1 code 5 of MTR in dollars.

*Manufactured goods imports* – Value in Table 1 code 6 of MTR in dollars.

*Machinery and transport imports* – Value in Table 1 code 7 of MTR in dollars.

*Other imports* – Total imports less oil, chemical, manufactured goods, machinery and transport equipment imports respectively.

**SERVICES (net)** – Non-factor services (net) plus income (net) plus current transfers (net).

**Non-factor service (net)** – Credit plus debit balances below.

*Credit (total)* – Transportation account credit plus Travel account credit plus other services accounts credits (government and private), as detailed below.

*Debit (total)* - Transportation account debit plus travel account debit plus other services accounts debits (government and private), as detailed below.

**Transportation account (net)** – Credit plus debit balances below.

*Credit* – Receipts corresponding to transportation services on the CBK FXS (M) in dollars.

*Debit* - Payments corresponding to transportation services on the CBK FXS (M) in dollars.

*Of which freight* – Payments related to freight is obtained from CBK FXS (M) in dollars.

**Travel account (net)** – Credit plus debit balances below.

*Credit* – Receipts arising from tourism in dollars.

*Debit* – Travel payments on the CBK FXS (M).

**Other services account: gov't (net)** – Credit plus debit balances below.

*Credit* – Receipts in dollars on the CBK FXS (M) corresponding to Embassies, UN Agencies, and Development Agencies.

*Debit* – Figures obtained from Treasury.

**Other services account: private (net)** – Credit plus debit below.

*Credit* – Receipts from Insurance, Communication, and Others services in the CBK FXS (M) in dollars.

*Debit* – Payments relating to Insurance, Royalties, and License fees in the CBK FXS (M) in dollars.

**Income account (net)** – Credit plus debit balance below.

*Credit* – Figures from CBK FXS(M).

*Debit* – Sum of the two items below

*Official interest* – Figures obtained from Treasury.

*Other (private)* – Direct Investment Income as in the CBK FXS (M) in dollars.

**Current transfers account (net)** – Net private transfers plus net public transfers.

*Private (net)* – Credit plus debit balances below.

*Credit* – Receipts from NGOs, Missions, and Others on the CBK FXS (M) in dollars.

*Debit* – Payments relating to maintenance and savings in the CBK FX statistics.

*Public (net)* – Credit plus debit balances below.

*Credit* – Figures from CBK FXS(M).

*Debit* – Figures obtained from Treasury.

**CAPITAL & FINANCIAL ACCOUNT** – This is the difference between the overall balance and current account balance.

**Capital account** – Sum of the three direct entries below.

*Project grants* – Direct entry from Treasury's Budget Out turn (BOT).

*Debt forgiveness* – See grants above.

*Others* – See above.

**Financial account** – Capital and Financial account balance less Capital account balance above.

**Investment assets and liabilities** – Add together official (medium & long-term) financing, private (medium & long-term), Foreign Direct Investment (FDI), and Commercial Banks Net foreign assets.

*Official, medium & long-term* – Inflows plus outflows below.

*Inflows* – Add the three items below.

*Program loans* – Figures obtained from the budget outturn.

*Project loans, including defence loans* – This is also obtained from the budget outturn.



*Government guaranteed* – This is an entry from the budget outturn.

*Outflows* – These figures are obtained from the budget outturn or external debt figures.

*Private, medium & long-term* – Add inflows and outflows below.

*Inflows* – Add the three figures below

*Energy financing* - Figures from Treasury.

*Kenya Airways* – Figures are obtained from Treasury.

*Other*– Figures obtained from CBK FXS (M).

*Outflows* – Figures obtained from CBK FXS (M).

*Foreign Direct Investment (FDI)* – Foreign direct investment in Kenya

and abroad.

*In Kenya*: - Equity plus other investments

*Equity* – This figure is obtained from CBK FXS (M).

*Other* – This figure is obtained from Treasury.

*Abroad* – *Capital repatriation* – This figure is obtained from CBK FXS(M).

*Commercial Banks (net)* – This figure is a direct entry from the monetary moments.

**Short Term and, Net Errors & Omissions (NEO)** – Financial account balance less net investment assets and liabilities 2.1 above.

*Of which estimated:*

*Short Term/Portfolio* – Add inflows to outflows below

*Inflows* – Computed from CBK FXS (M).

*Outflows* - Computed from CBK FXS (M).

*Net errors and omissions (NEO)* - Short Term and, Net Errors & Omissions (NEO) less Short Term/Portfolio

**OVERALL BALANCE** – The sum of current account (Balance on goods, services and income plus net current transfers) and that of capital and financial account is the overall balance.

## FINANCING

**Changes in gross official reserves** – Computed from the monetary movements.

**IMF (net)** – Add disbursements and repayments

*Disbursements* – This is a direct entry from Treasury figures.

*Repayments* - This is a direct entry from Treasury figures.

**Other** - This is a direct entry from Treasury figures.

### **MEMORANDUM ITEMS**

**Gross reserves** – Gross official reserves plus commercial banks reserves below.

**Official** - Direct entry from the monetary movements.

**Commercial banks** - Direct entry from the monetary movements.

## **4.2 COMMODITY MARKET REPORTS**

Tea, Coffee, Pyrethrum, and Horticulture

*Components*

### **Tea and Coffee**

1. Production (in tonnes)
2. Monthly Mean Exchange rate (Ksh/US\$)
3. Monthly summary of Auction, Stabex, and Customs figures.
4. Monthly summary of coffee exports.

*Pyrethrum and Horticulture*

1. Monthly Mean Exchange rate (Ksh/US\$)
2. Monthly summary of customs figures
3. Monthly summary of Pyrethrum Board of Kenya figures for pyrethrum and Horticultural Crop Development Authority for horticulture.

### **4.2.1 Sources of data**

#### **Customs and Excise Department**

MTR – Tea, Coffee, Pyrethrum, and Horticulture figures. Value in Kenya shillings and quantities in kilograms are given.

Stabex – Tea and Coffee figures. Values in Kenya shillings and quantities in Kilograms are given.

*Africa Tea Brokers Ltd, (ATB)*

ATB figures give tea production (in millions of kgs), volume of tea auctioned at the Mombasa auction (in kgs), and the average price (in US\$ per kg) prevailing for both primary and secondary auctions each auction day. ATB figures are available weekly.

#### **Coffee Board of Kenya**

Coffee Board of Kenya gives the total quantity (in bags of 60 Kgs) of coffee and the average price (per 50 Kgs) for the various grades sold

each week. It also gives cumulative quantity of coffee in bags exported since the beginning of each coffee year.

#### *Pyrethrum Board of Kenya*

Pyrethrum Board of Kenya gives cumulative pyrethrum sales (in K£) since the beginning of the pyrethrum financial year and monthly quantity shipped (in tonnes equivalent).

#### *Horticultural Crop Development Authority*

HCDA gives values (in Kshs) and quantities (in Kgs) of the various horticultural products exported each month.

#### *Central Bureau of Statistics*

CBS gives production figures of coffee in tonnes.

### **4.2.2. Compilation**

Production figure from ATB is multiplied by 1000 to obtain tea production (in tonnes).

Exchange rate used is the mean rate for the month evaluated using the daily mean rates to the dollar.

Weekly value of Tea auctioned in US dollars is obtained by multiplying the quantity (Kgs) by the price (US\$/Kg). Weekly quantities and values are added at the end of each month to obtain total quantity and value auctioned in that month. Monthly average price is then calculated by dividing total value for the month by total quantity for the same month.

Number of bags sold in each auction is multiplied by 60 and divided by 1000 to obtain the quantity of coffee auctioned in tonnes. The corresponding price is multiplied by a factor of 20 to obtain price in Kenya shillings per tonne. The value of coffee auctioned each week is then obtained by multiplying this price by the quantity. Weekly values and quantities are added to obtain the total value and quantity of coffee sold each week. Average price is then determined.

For both coffee and tea stabex value (in Kshs) is divided by stabex quantity (in Kgs) to obtain average price in (in Ksh/Kg). Conversion to dollars is done using the average exchange rate in the month.

For Tea, Coffee, Pyrethrum, and Horticulture values (in Ksh) are divided by quantities (in Kgs) to obtain prices (in Ksh/Kg). Conversions to dollars are done using average exchange rate.

Monthly coffee exports (in bags) are obtained by subtracting the previous months closing figure of exports from the current months closing figure. The figure obtained is multiplied by 60 to obtain coffee exports in Kilograms.

Exports accruing from horticultural produce are obtained by dividing the value from HCDA by average exchange rate.

### **4.3 MERCHANDISE TRADE**

#### **4.3.1 Sources of data**

##### **Exports and Imports analysis**

This is based on Standard International Trade Classification, (SITC). SITC classification divides merchandise into ten trade classifications with many other sub classifications. These classes are 0-9. This analysis looks at the value and quantity of major goods imported and exported. Source of this information is the Monthly Trade Report. CBK FXS(M) also gives an approximation to merchandise trade. Values in US\$ dollars are obtained using average exchange rates.

##### **Price quantity analysis**

This is based on exports and imports analysis above. It aims at evaluating the value and quantity variations as well as price changes.

##### **Kenya's direction of trade**

This looks at Exports and Imports between Kenya and the rest of the world. It aims at assessing Kenya's Trade Balance with other countries. Source of this information is Table 4 and Table 6 of the Monthly Trade Report. Exports, Imports, and Re-exports are analysed country by country.

### **4.4 FOREIGN CURRENCY RECEIPTS AND PAYMENT STATISTICS**

#### **4.4.1 Sources of data**

These are figures from Financial Markets Department outlining Kenya's receipts and payments. There are two categories of receipts and payments statistics from Financial Markets.

- Daily inflows and outflows on major commodities like coffee, tea, and oil with a transaction value of over US\$ 500,000.
- Receipts and payments from inter-bank transactions as well as those from foreign transactions. The gain or loss arising from these transactions is then evaluated.

## **Components**

### **Inflows:**

These are due to tea, coffee, inward investments, offshore loans, oil sales, and other occasional inflows.

### **Outflows:**

These are due to payments related to oil, food, loan repayments, outward investment or disinvestments and other occasional outflows.

This information is compiled by the Financial Markets Department from information received from commercial banks on daily basis.

#### **4.4.2 Compilation**

Figures corresponding to each item are added on daily basis. Monthly totals are obtained by adding daily figures.

## **4.5 MONETARY MOVEMENTS**

These are used to monitor changes that may take place in some specific foreign accounts held by both the government and the Central Bank of Kenya

### **4.5.1 Analytical framework**

Foreign assets, (FA) due to:

- Central Bank of Kenya
- Central Government
- Reserve tranche position
- Commercial banks
- Total foreign assets
- Total official assets

Foreign liabilities, (FL) due to:

- Use of Fund credit
- SDR allocation
- Other external banks

Total liabilities  
Total official liabilities

Net foreign assets

#### **4.5.2 Sources of data**

Central Bank of Kenya FA – This information is obtained from Financial Markets Department. It reflects Central Banks' foreign assets as at the end of the month.

Central Government FA – This is obtained from the Crown Agents (U.K) who are the governments' financial agents abroad. They provide statements, which indicate any account movements within the month.

Reserve tranche position FA – These are funds with the IMF, which can be withdrawn on demand for purposes of supporting the balance of payments. It is 4.6 per cent of Kenya's quota currently (2002) standing at SDR 271,400,000. Source of this information is the International Monetary Fund, IMF.

Commercial banks FA – These are foreign assets due to commercial banks operating in Kenya. The source of this information is the banking survey compiled by the Monetary Statistics Section.

Use of Fund Credit FL – This refers to outstanding loans to the Kenya Government by the IMF. Source of this information is the IMF.

SDR allocation FL – These are funds allocated to member countries by the IMF to supplement existing assets for the expansion and balanced growth of international trade. Source of this information is the IMF.

Other external banks FL – These are other foreign liabilities due to other external banks. Source of this information is the Financial Markets Department.

Commercial banks FL – These are foreign liabilities due from commercial banks operating in Kenya. Source of this information is the banking survey by Monetary Statistics Section.

Compilation:  
Foreign Assets (FA) due to:

*Central Bank of Kenya* – Direct entry from figures from Financial Markets in Kenya shillings. Conversion to dollars and SDR equivalents is done using spot rates as at end month and end period SDR rate from IMF web site.

*Central Government* – Information on four accounts, three in sterling pounds and one in US dollar is provided by the Crown Agents every end month. The dollar account is converted to sterling pounds equivalent using the spot rates as at end month. The sum of these four accounts gives the total FA of the central government as at end month. The shilling, dollar, and SDR equivalents are then calculate using end period exchange rates.

*Reserve tranche position* – The reserve tranche position in shillings or US dollars is obtained by multiplying the SDR figure with the end period exchange rates.

*Commercial banks* – Foreign assets in Kenya shillings is converted into dollars and SDR equivalent using end period exchange rates.

*Total foreign assets* – Central banks FA plus Central governments FA plus Reserve tranche position FA plus commercial banks FA.

*Total Official Assets* – Sum of all foreign assets excluding commercial banks foreign assets.

Foreign Liabilities, (FL):

*Use of Fund credit* – The SDR value as at end of each month is used to obtain the shilling and the dollar equivalent values using the end period exchange rates.

*SDR allocation* – The SDR allocation is used to obtain the shilling and dollar value equivalents using the end period exchange rates.

*Other external banks* – The Kenya shilling value is converted to the dollar and SDR value using the end period exchange rates.

*Commercial banks* – Foreign liabilities of commercial banks in Kenya shillings is used to obtain the dollar and the SDR values using the end period exchange rates.

*Total liabilities* – Use of fund credit plus SDR allocation plus other external banks plus commercial banks liabilities.

*Total official liabilities* – Sum of all the liabilities above excluding commercial banks liabilities.

*Net foreign assets*- Total official assets less total official liabilities.



## **5. REAL SECTOR STATISTICS**

### **5.1 MAJOR REPORTS**

Consumer Price Index (CPI) and Inflation  
Analysis of credit to Agricultural Sector by Commercial Banks  
International Financial Statistics (IFS) Reports  
GDP and Aggregates

#### **5.1.1 Sources of Data**

##### **Central Bureau Of Statistics**

Most of the figures used in the section are obtained from the Central Bureau of Statistics (CBS). These are:

CPI—Consumer price indices, overall and underlying  
National accounts statistics including GDP and aggregates  
GDP and related aggregates are produced by the National Accounts section of the Central Bureau of Statistics and are used to update a table on GDP and its aggregates.

##### **Commercial Banks**

Commercial banks submit a monthly return, CBK BS(M) showing the balance sheet and attachments detailing its contents. Table E of the return gives a breakdown of credit to agriculture by type of enterprises and by period of credit.

##### **IMF IFS Reports**

The IMF's International Financial Statistics reports provide valuable and important data about other countries on selected economic activities. They are used to meet various data needs.

#### **5.1.2 Compilation**

##### **Consumer Price Index**

The Central Bureau of Statistics compiles the consumer price indices. In January 2002 the CBS introduced a new consumer price index. The new CPI is compiled for various regions. These regions are Nairobi and the Rest of Kenyan Towns. Corresponding to these regions, the new CPI being compiled are the New Nairobi CPI and the Rest of Kenyan Towns CPI.

An overall CPI, NEW KENYA CPI, is compiled by using appropriate weights to combine the new Nairobi CPI and the Rest of Kenyan

Towns CPI. Nairobi consumers are categorised into lower income group and middle/upper income group. The lower and middle/upper income group CPI are combined to form the new Nairobi CPI.

For each income group or region, ten selected item sub-indices are compiled. These are then combined to form a composite index for the income group/region.

The various indices are used for calculating inflation. Typical summary tables are shown below, one for a single income group and the other for all the income groups.

## REVISED LOWER INCOME GROUP NAIROBI CPI

Base October 1997=100

YEAR		Food & Drinks	Alcohol & Tobacco	Clothing & Footwear	Housing	Fuel & Power	H/hold Goods. & services.	Medical goods & Services	Trans-port & Comm.	Rec. & Educ.	Personal Goods & Services	All Groups
		Weights	0.557	0.018	0.092	0.119	0.035	0.050	0.009	0.051	0.046	0.023
2001	Jan	134.3	117.6	109.9	130.9	148.0	116.5	152.3	121.5	123.7	121.9	129.7
	Feb	131.6	118.3	110.1	128.5	151.1	116.6	152.2	115.6	123.5	120.5	127.7
	Mar	130.6	118.3	109.6	128.5	150.8	116.5	152.2	115.6	123.5	120.5	127.0
	Apr	131.9	120.0	108.8	128.5	153.9	119.2	152.2	113.5	123.9	120.7	127.9
	May	131.0	118.7	109.0	128.5	153.6	119.5	153.3	113.5	124.2	120.6	127.4
	June	130.7	118.7	107.1	128.5	161.8	119.5	153.3	113.5	124.7	120.6	127.4
	July	129.8	128.8	107.7	129.3	159.5	119.5	153.4	111.8	125.8	120.8	127.1
	Aug	132.0	128.8	107.9	131.5	156.7	119.7	153.9	111.8	126.0	121.0	128.5
	Sept	131.0	133.8	107.9	131.5	156.8	119.7	153.9	111.8	126.0	121.0	128.1
	Oct	130.6	134.8	107.9	131.5	155.4	119.9	153.1	116.7	126.1	122.0	128.1
	Nov	130.5	133.4	107.9	131.5	151.7	119.7	153.2	116.7	126.0	122.3	127.9
	Dec	130.4	132.3	107.9	131.5	148.4	119.7	153.2	114.1	126.0	121.7	127.6

## CPI for the regions

	Nairobi CPI	Rest of Kenyan Towns CPI	Composite index or Kenya overall CPI
Weight	0.399	0.601	1.000
2001 Jan.	128.3	131.4	130.2
.....	.	.	.
.....	.	.	.
Dec.	126.9	133.9	131.3

Consumer price indices are compiled for general and underlying CPI. The general CPI includes all the 10 consumer items. The underlying CPI excludes food.

### **Inflation**

The CPI are used to calculate the different measures of inflation. Inflation is defined as the rate of change in the general price level conventionally expressed in percentage terms and compiled monthly, quarterly, or annual rates. Three inflation rates are computed. These are the month-on-month, average annual and the three months annualised rates.

### **General inflation**

#### **Month-on-month inflation**

The month-on-month inflation is a rate obtained by comparing CPI for similar months. For example, the month-on-month inflation for January 2002 is

$$([\text{CPI}_{\text{Jan.2002}} - \text{CPI}_{\text{Jan.2001}}] / \text{CPI}_{\text{Jan.2001}}) * 100$$

#### **Average annual**

The average annual inflation is a month-on-month rate but based on twelve months moving average. The calculation of average annual is the same as for month-on-month inflation. It is compiled as shown below.

$$([\text{12 month moving average CPI}_{\text{Jan.2002}} - \text{12 month moving average CPI}_{\text{Jan.2001}}] / \text{12 month moving average CPI}_{\text{Jan.2001}}) * 100.$$

The twelve months average is obtained by averaging CPI for 12 months.

#### **Three months annualised inflation**

Three months annualised rate is a quarterly rate of change which is annualised by raising it to power 4. For instance, January compared to October as shown below.

$$([\text{CPI}_{\text{Jan.2002}} - \text{CPI}_{\text{Oct.2001}}] / \text{CPI}_{\text{Oct.2001}})^4 * 100$$

The three measures of inflation are computed for each one of the income groups/region and also for all the income groups combined and for the regions. Thus reports are produced for each of the Low,

Middle/Upper income groups, Overall Nairobi , the rest of Kenyan towns and the Kenya overall.

### **Underlying Inflation.**

Underlying inflation measures, namely, the month-on-month, average annual and the 3-months annualised are computed in a similar manner as those for the general inflation. However, income groups are not identified under the underlying CPI.

### **Credit To Agriculture**

The table on credit to agriculture is updated using table E of CBK BS(M) return submitted by commercial banks. The return gives a breakdown of credit to agriculture by type of enterprises and maturity. The summary for the table is then used to form part of the consolidated report of the banking system prepared monthly.

### **IFS Reports**

International Financial Statistics (IFS) is an IMF publication which contains selected financial statistics for each member country. The IMF requires member countries to update their sectors in IFS publication on a monthly basis. The real sector section therefore updates the ***Inflation Rates, Consumer Price Index and Annual National Accounts*** at current and at constant prices.

## 6. GRAPHICS & DATA STORAGE

Graphics and Data Storage section deals mainly with charting for various publications by the Department. The section also prepares charts and graphs for occasional papers produced by staff in the department. Data storage and documentation is also a special function of the section. The table below shows where important charts and graphs are stored.

TASKS	DATA	SOURCE	LOCATION PC SERIAL NO. SSSXW69	SOFTWARE
<b>Weekly Press Release</b>				
Chart 1 a	Overall inflation	Real section	D:\Press 1a	Harvard Graphics
Chart 1 b	Underlying inflation	Real section	D:\Press1b	Harvard Graphics
Chart 2	Trends of Interest & Inflation rates Underlying inflation O.D & 0 - 3 months deposits rates 91 - Day T. bills rate	Real section Monetary section Public Finance	D:\Press3	Harvard Graphics
Chart 3	Shilling Exchange rate	BOP section	E:\Press 1	Lot.Freel.Graphics
<b>Monthly Board Charts</b>				
Cover Write - up		Director's office Snr. Managers office		
	Inflation	Real Section	E:\New1	Harvard Graphics
	Overdraft and T.Bill interest rates		E:\New2	Harvard Graphics
	Overdraft	Monetary section		
	91 Day. T. bill rate	Public Finance		
	Shilling Exchange rate to US \$	BOP section	E:\New3	Lot. Freel. Graphics
	Effective Shillings Exchange rate	BOP	E:\Esker	Harvard Graphics
	Foreign Exchange reserves	BOP	E:\Tkef6	Harvard Graphics
	Growth in M3 and Inflation		E:\Tkef9r	Harvard Graphics
	Underlying month on month inflation rate	Real Section		
	Overall month on month inf.	Real Section		
	Growth in money supply	Monetary section		
	Growth in M3 and Inflation		E:\Tkef9ra	Harvard Graphics
	Underlying month on month inflation rate	Real Section		
	Growth in money supply	Monetary section		
	Balance of Payments % of GDP	BOP	E:\Tkef13	Harvard Graphics
	Domestic Debt	Fiscal Policy	E:\Tkef4	Harvard Graphics
	Total Foreign Debt	Fiscal Policy	E:\Tkef5	Harvard Graphics
	Composition of Govt. receipts	Fiscal Policy		Excel
	Composition of Govt. expendi.	Fiscal Policy		Excel
	Composition of Govt. receipts	Fiscal Policy		Excel
	Government Rev. & Expenditure	Fiscal Policy	E:\Tkef10	Harvard Graphics
	Economic Growth	Fiscal Policy	E:\Tkef1	Harvard Graphics

<b>TASKS</b>	<b>DATA</b>	<b>SOURCE</b>	<b>LOCATION PC SERIAL NO. SSSXW69</b>	<b>SOFTWARE</b>
<b>Bi- annual statistical bulletin</b> Cover		Graphics section	E:\Bulletin\ Cover	Harvard Graphics
Back cover		Snr. Managers office		Msword
Table of contents		Snr. Managers office		Msword
Write up		Snr. Managers office		Msword
Table 1.1.1- 1.6.2	Monetary statistics	Monetary section	E:\Bulletin\ bank tables 1	Lot. Freel. Graphics
Tables 1.7.1- 2.2.5	Monetary statistics	Monetary section	E:\Bulletin\ bank tables 2	Lot. Freel. Graphics
Tables 2.2.6- 2.5.1	Monetary statistics	Monetary section	E:\Bulletin\ bank tables 3	Lot. Freel.Graphics
Tables 2.5.2- 3.2.9	International Trade	BOP section	E:\Bulletin\ Inter.trade	Lot. Freel.Graphics
Tables 4.1.1- 4.3.1	Government Finance	Govt. Fin. section	E:\Bulletin\ Government	Lot. Freel.Graphics
Tables 5.1.1- 6.2.1	National Accounts	Real section	E:\Bulletin\ National a/c	Lot. Freel.Graphics
<b>Data Storage</b>	Catalogue	Various Divisions within the Dept. Data is kept in diskettes	Hard cover book kept inside a cabinet in the section	
	Register (Diskettes movement)	Various users	As above	Manually Written
	All Sections	All Sections	SERVER – MIS CD-R - MIS CD-R Graphics Data Storage Section	

## 7. APPENDICES

### APPENDIX A: SOURCES OF DATA AND THEIR USES

#### CENTRAL BANK OF KENYA

REPORT	SOURCE DEPARTMENT	SOURCE SECTION/DIVISION	USES OF THE REPORT
<ul style="list-style-type: none"> <li>Ledgstm2-q: Management report by account (M2 report)</li> <li>Interest on Govt. overdraft payment voucher.</li> </ul>	BANKING	BANKING HALL, REPORTS GENERATION SECTION	<ul style="list-style-type: none"> <li>Compilation of Credit to Govt. tables</li> <li>Compilation of Govt. Domestic Debt tables</li> <li>Compilation of specific assets and liabilities of CBK</li> <li>Interest on overdraft: is used to compile interest payments on Govt. Domestic debt.</li> </ul>
<ul style="list-style-type: none"> <li>Interbank Money market report</li> </ul>	BANKING	BANKING HALL, TRANSFERS/ CASH RATIO SECTION	<ul style="list-style-type: none"> <li>Used to update interest rates tables</li> </ul>
<ul style="list-style-type: none"> <li>Summary of cash at hand (per denomination) by cashiers at the last working day of the month</li> </ul>	BANKING	BANKING HALL	<ul style="list-style-type: none"> <li>Computation of currency in circulation figure</li> </ul>
<ul style="list-style-type: none"> <li>FORM A - Kenya</li> </ul>	BANKING	CURRENCY	<ul style="list-style-type: none"> <li>Update the stock of currency in circulation figure per denomination.</li> </ul>
<ul style="list-style-type: none"> <li>FORM B – Kenya</li> </ul>	BANKING	CURRENCY	<ul style="list-style-type: none"> <li>Monitor stock movement of currency in circulation figure per denomination per centre</li> </ul>
<ul style="list-style-type: none"> <li>Reconciliation of Kenya currency in circulation</li> </ul>	BANKING	CURRENCY	<ul style="list-style-type: none"> <li>Reconcile the general ledger with currency office returns</li> </ul>
<ul style="list-style-type: none"> <li>Kenya currency in circulation</li> </ul>	BANKING	CURRENCY	<ul style="list-style-type: none"> <li>Update the daily reserve money position</li> </ul>
<ul style="list-style-type: none"> <li>Daily summary of cash holding by cashiers (for last working day of the month)</li> </ul>	CBK BRANCHES	CBK BRANCHES	<ul style="list-style-type: none"> <li>Update the currency in circulation figure for the month-</li> </ul>

<b>REPORT</b>	<b>SOURCE DEPARTMENT</b>	<b>SOURCE SECTION/DIVISION</b>	<b>USES OF THE REPORT</b>
<ul style="list-style-type: none"> <li>• Summary report on assets and liabilities of banks under liquidation</li> </ul>	DPF	DPF	<ul style="list-style-type: none"> <li>• Update statistical bulletin</li> </ul>
<ul style="list-style-type: none"> <li>• Central Bank of Kenya monthly balance sheet (CBK 88)</li> </ul>	FINANCE	FINANCIAL ACCOUNTS	<ul style="list-style-type: none"> <li>• Used to compile credit to govt. tables.</li> <li>• Compilation of govt. domestic debt tables.</li> <li>• Compilation of banking survey</li> </ul>
<ul style="list-style-type: none"> <li>• Daily trial Balance</li> </ul>	FINANCE	FINANCIAL ACCOUNTS	<ul style="list-style-type: none"> <li>• Compilation of banking survey</li> </ul>
<ul style="list-style-type: none"> <li>• Treasury bills rediscounts report</li> <li>• Money Market report (includes reports on Repos and Tap sales of treasury bills)</li> </ul>	FINANCIAL MARKETS	OMO	<ul style="list-style-type: none"> <li>• Used to compile the credit to govt. tables</li> <li>• Used to compile govt. domestic debt tables.</li> <li>• Used to compile domestic interest payments tables.</li> </ul>
<ul style="list-style-type: none"> <li>• Estimated government borrowing requirements report</li> </ul>	FINANCIAL MARKETS	NATIONAL DEBT OFFICE	<ul style="list-style-type: none"> <li>• Used to project interest payments on govt. domestic debt</li> </ul>
<ul style="list-style-type: none"> <li>• Tbilrpt1: Treasury bills-Consideration of tenders</li> <li>• Recommendations for treasury bills tender</li> </ul>	FINANCIAL MARKETS	NATIONAL DEBT OFFICE	<ul style="list-style-type: none"> <li>• Used to compile total amount tendered through treasury bills, applicable interest rates for each investor as per the Auction Management committee</li> </ul>
<ul style="list-style-type: none"> <li>• Results of Treasury Bill tender report</li> <li>• Treasury Bonds: Schedule of interest payments on Treasury Bonds</li> </ul>	FINANCIAL MARKETS	NATIONAL DEBT OFFICE	<ul style="list-style-type: none"> <li>• Used to update interest rates tables</li> </ul>



<b>REPORT</b>	<b>SOURCE DEPARTMENT</b>	<b>SOURCE SECTION/DIVISION</b>	<b>USES OF THE REPORT</b>
<ul style="list-style-type: none"> <li>• Tblrpt2: Successful treasury bills bidder report</li> <li>• Roverrpt: Successful treasury bills rollovers report.</li> <li>• Ftb505r: floating rate treasury bonds-rollover checklist (also includes fixed rate bonds)</li> </ul>	FINANCIAL MARKETS	NATIONAL DEBT OFFICE	<ul style="list-style-type: none"> <li>• Compilation of amount of treasury bills or bonds to be paid by cheque (cheque payers). Cheque payers' amounts are used to compile the CBK balance sheet.</li> </ul>
<ul style="list-style-type: none"> <li>• Foreign assets position</li> </ul>	FINANCIAL MARKETS	FOREIGN ACCOUNTS	<ul style="list-style-type: none"> <li>• Compilation of banking survey</li> </ul>
<ul style="list-style-type: none"> <li>• Financial markets receipts and payment schedule (FX)</li> </ul>	FINANCIAL MARKETS	FOREX DEALING	<ul style="list-style-type: none"> <li>• Compilation of foreign exchange reserves</li> <li>• Compilation of interbank purchases</li> </ul>
<ul style="list-style-type: none"> <li>• Summary of external receipts and payment (CBK)</li> </ul>	FINANCIAL MARKETS	FOREX DEALING	<ul style="list-style-type: none"> <li>• Compilation of BOP statement</li> <li>• Preparation of forex budget</li> </ul>
<ul style="list-style-type: none"> <li>• Summary of daily forex payment and receipts by banks</li> </ul>	FINANCIAL MARKETS	FOREX DEALING	<ul style="list-style-type: none"> <li>• Compilation of foreign exchange receipts and payments summary.</li> </ul>
<ul style="list-style-type: none"> <li>• Commercial banks average exchange rate</li> </ul>	FINANCIAL MARKETS	FOREX DEALING	<ul style="list-style-type: none"> <li>• Compilation of monthly economic review.</li> <li>• Compilation of statistical bulletin</li> </ul>
<ul style="list-style-type: none"> <li>• Commercial banks' spot exchange rate</li> </ul>	FINANCIAL MARKETS	FOREX DEALING	<ul style="list-style-type: none"> <li>• Compilation of monthly economic review</li> <li>• Analysis of exchange rate movement.</li> </ul>
<ul style="list-style-type: none"> <li>• Project accounts report</li> </ul>	FINANCIAL MARKETS	FOREIGN ACCOUNTS	<ul style="list-style-type: none"> <li>• Update the IMF weekly report on encumbered reserves.</li> </ul>
<ul style="list-style-type: none"> <li>• FTB505: Floating and fixed rate treasury bonds-paid up report</li> <li>• TBLRPT4: Paid up treasury bills bidders report.</li> <li>• Stock of</li> </ul>	FINANCIAL MARKETS	NATIONAL DEBT OFFICE	<ul style="list-style-type: none"> <li>• Used to compile the credit to govt. tables</li> <li>• Used to compile govt. domestic debt tables.</li> </ul>

<b>REPORT</b>	<b>SOURCE DEPARTMENT</b>	<b>SOURCE SECTION/DIVISION</b>	<b>USES OF THE REPORT</b>
outstanding treasury bills report.  <ul style="list-style-type: none"> <li>• Stock of outstanding treasury bonds report.</li> <li>• Stock of outstanding government stocks report</li> </ul>			
<ul style="list-style-type: none"> <li>• Money market report</li> </ul>	FINANCIAL MARKETS	OMO DEALING	<ul style="list-style-type: none"> <li>• Compile the CBK daily balance sheet for MPOC</li> <li>• Compile credit to govt. tables</li> <li>• Compile govt. domestic debt tables.</li> </ul>

## **EXTERNAL SOURCES**

<b>REPORT</b>	<b>SOURCE INSTITUTION</b>	<b>USES OF THE REPORT</b>
<ul style="list-style-type: none"> <li>• Budget Out-turn</li> </ul>	<b>TREASURY</b>	<ul style="list-style-type: none"> <li>• Compile the Monthly economic review</li> <li>• Update revenue, expenditure and deficit financing tables in the Statistical bulletin</li> <li>• Update IFS tables</li> <li>• Compile Credit to govt. tables</li> <li>• Compile govt. domestic debt tables</li> </ul>
<ul style="list-style-type: none"> <li>• Tea market report</li> </ul>	AFRICA TEA BROKERS LTD & TEA BROKERS EAST AFRICA LTD	<ul style="list-style-type: none"> <li>• Provides quantity of tea sold in each auction</li> <li>• Average price of tea per auction</li> </ul>
<ul style="list-style-type: none"> <li>• Coffee market report</li> </ul>	COFFEE BOARD OF KENYA (CBK)	<ul style="list-style-type: none"> <li>• Provide information on the amount and value of coffee sold</li> <li>• Provide information on exports of coffee.</li> <li>• Provide information on quantities of coffee auctioned.</li> </ul>

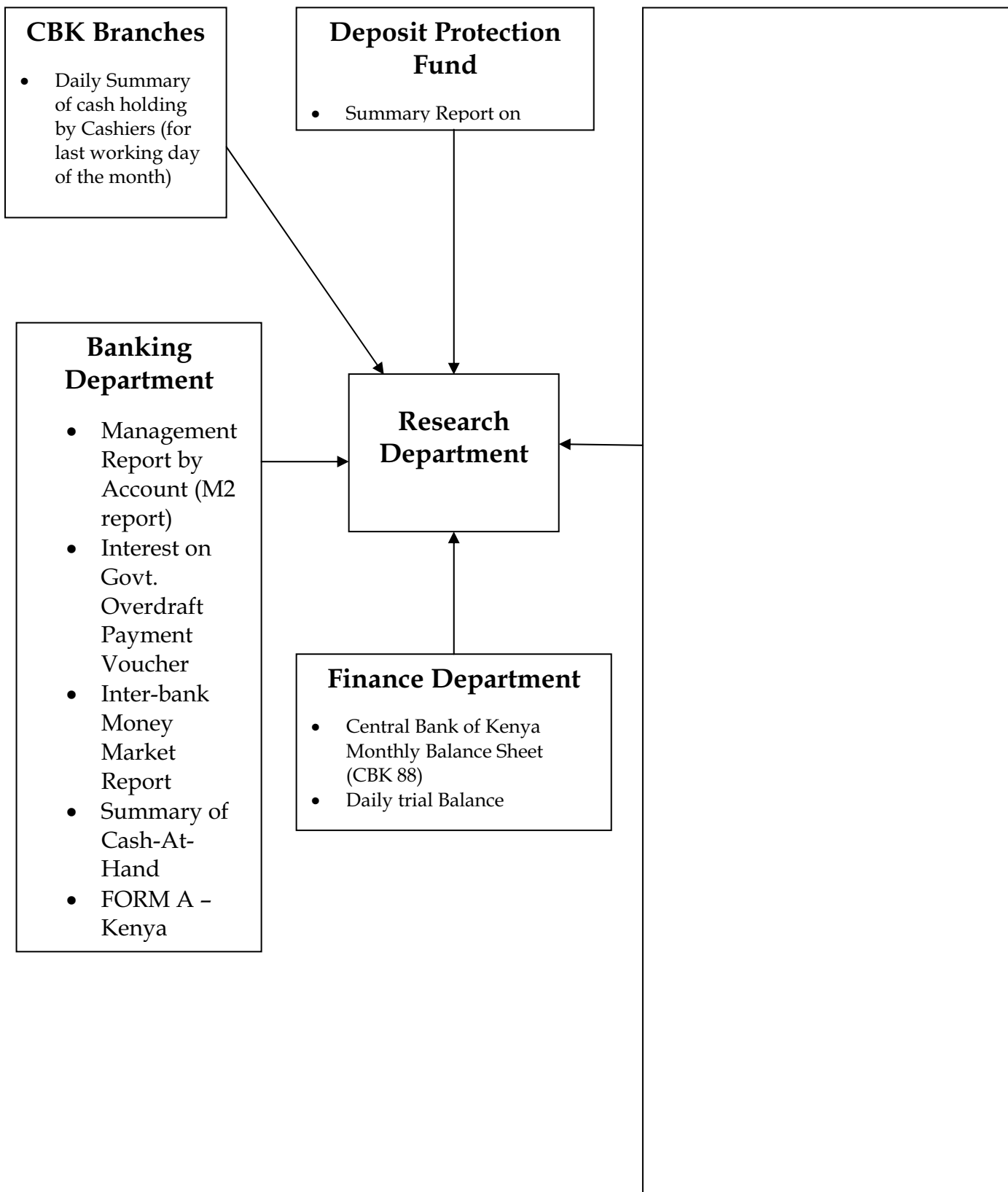
<b>REPORT</b>	<b>SOURCE INSTITUTION</b>	<b>USES OF THE REPORT</b>
<ul style="list-style-type: none"> <li>• Table A – balance sheet</li> <li>• Table B – analysis of deposits</li> <li>• Table C –analysis of loans and advances to the private sector.</li> <li>• Table D – analysis of mortgage loans and advances</li> <li>• Table E- analysis of agricultural credit</li> <li>• Table F – deposits and lending rates</li> </ul>	COMMERCIAL BANKS	<ul style="list-style-type: none"> <li>• Compile Banking Survey</li> <li>• Prepare the SUMARR file</li> <li>• Update the interest rate table</li> </ul>
<ul style="list-style-type: none"> <li>• Central Bank of Kenya monthly foreign exchange statistics form (CBK FXS (M))</li> </ul>	COMMERCIAL BANKS	<ul style="list-style-type: none"> <li>• Provide information on foreign earnings and payments for both commodities and services</li> </ul>
<ul style="list-style-type: none"> <li>• Kenya govt. accounts statements</li> </ul>	CROWN AGENTS	<ul style="list-style-type: none"> <li>• Prepare the monetary movement statement</li> </ul>
<ul style="list-style-type: none"> <li>• Monthly trade reports (MTR)</li> </ul>	CUSTOMS AND EXCISE (KRA)	<ul style="list-style-type: none"> <li>• Provide imports/export analysis statistics</li> <li>• Provide data on direction of trade</li> </ul>
<ul style="list-style-type: none"> <li>• STABEX figures report</li> </ul>	CUSTOMS AND EXCISE (KRA)	<ul style="list-style-type: none"> <li>• Compile data on exports of tea and coffee (quantities and values)</li> </ul>
<ul style="list-style-type: none"> <li>• Horticultural commodity market report</li> </ul>	HORTICULTURAL CROPS DEVELOPMENT AUTHORITY (HCDA)	<ul style="list-style-type: none"> <li>• Provide information on earnings arising from fruits, flowers and vegetables.</li> <li>• Provide information on quantities sold for each commodity</li> <li>• Provide information on distribution of horticultural products</li> <li>• Provide a list of exporters of horticultural commodities</li> </ul>
<ul style="list-style-type: none"> <li>• Petroleum intake and processing information report</li> </ul>	KENYA PETROLEUM REFINERIES LTD	<ul style="list-style-type: none"> <li>• Provide information on quantity of petroleum processed.</li> <li>• Provide information on various products arising from the processing.</li> </ul>
<ul style="list-style-type: none"> <li>• Kenya ports authority report</li> </ul>	KENYA PORTS AUTHORITY	<ul style="list-style-type: none"> <li>• Compile GDP data by sector</li> </ul>
<ul style="list-style-type: none"> <li>• Railway transport report</li> </ul>	KENYA RAILWAYS LTD	<ul style="list-style-type: none"> <li>• Compile GDP data by sector</li> </ul>
<ul style="list-style-type: none"> <li>• Sugar report</li> </ul>	KENYA SUGAR	<ul style="list-style-type: none"> <li>• Compile GDP data by sector</li> </ul>

<b>REPORT</b>	<b>SOURCE INSTITUTION</b>	<b>USES OF THE REPORT</b>
	AUTHORITY	
<ul style="list-style-type: none"> <li>• Monthly Nairobi Stock Exchange (NSE) Bulletin</li> </ul>	NAIROBI STOCK EXCHANGE	<ul style="list-style-type: none"> <li>• Compile volume of trading for the month</li> <li>• Compile data on foreign investment in equity and securities</li> <li>• Compile NSE index</li> </ul>
<ul style="list-style-type: none"> <li>• Yearly statement of accounts detailing deposits and withdrawals</li> </ul>	POST BANK	<ul style="list-style-type: none"> <li>• Update the statistical bulletin</li> </ul>
<ul style="list-style-type: none"> <li>• Sisal report</li> </ul>	SISAL BOARD OF KENYA	<ul style="list-style-type: none"> <li>• Compile GDP data by sector</li> </ul>

Notes:

1. GOVT. refers to Government.
2. CBK refers to Central Bank of Kenya.
3. OMO refers to Open Market Operations.
4. BOP refers to Balance of payments.
5. MPOC refers to Monetary Policy Operations Committee.
6. DPF refers to Deposit Protection Fund.

**APPENDIX B: FLOW CHART FOR SOURCES OF DATA WITHIN CBK**



## APPENDIX C: FLOW CHART FOR ETERNAL SOURCES OF DATA

