MONTHLY ECONOMIC REVIEW

CENTRAL BANK OF KENYA

BANKI KUU YA KENYA

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This *Monthly Economic Review* is prepared by
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SELECTED ECONOMIC INDICATORS 1989 – 1994

	1989	1990	1991	1992	1993	1994 Estimate	1995 Projected
1. Population (m)	21.5	22.2	22.9	23.7	24.5	25.2	25.9
2. Population growth (%)	3.3	3.2	3.1	3.5	3.4	2.8	2.8
3. GDP (FC) ($ m)	7149	7257	6994	6809	4690	5143	5789
4. Per capita	333	327	305	287	191	204	224
5. Real GDP Growth	5.0	4.3	2.3	0.5	0.1	3.0	5.0
6. Average Annual Inflation(%	13.3	15.8	19.6	27.3	46.0	28.8	7.2
7. Gross Savings as % of GDI	17.2	19.8	19.6	15.6	18.6	20.4	23.1
8. Deficit/GDP Ratio*	–	4.5	6.8	2.9	8.4	6.2	2.9
9. Money supply M2	2577	2664	2724	3083	2152	2913	3989
10. Total Domestic credit ($ m	2781	3134	3174	3100	1728	2611	3441
– Government	930	1274	1193	1003	528	985	989 **
– Others	1851	1860	1981	2097	1200	1626	2452
11. Exports ($ m)	987	1078	1138	1082	1282	1482	1558
12. Imports (C.I.F)($ m)	2167	2205	1940	1835	1472	1748	2347
13. Balance of Trade ($ m)	–1180	–1127	–802	–753	–190	–265	–789
14. Current Account	–585	–516	–212	–111	98	121	70
15. Capital	659	369	107	–58	345	23	69
16. Overall Balance ($ m)	–78	–147	–105	–169	443	144	139
17. Foreign Debt ($ m)	2590	2962	3269	3796	4682	5142	–
18. Foreign reserves ($ m)	421	358	270	378	1007	846	1250
– Official	353	286	198	199	597	506	792
–Comm. Banks & Public	68	72	72	179	410	340	458
19. Debt service Ratios (%)	39.4	33.8	30.5	32.9	28.6	25.7	–
20. Exchange Rate (Kshs/US	20.7	23.1	27.3	32.2	58.0	56.1	47.0

Source: Economic Survey
CBK Quarterly Statistical Bulletin March 1995

* Fiscal Year

** Net

1. THE ROLE OF THE INTERNATIONAL MONETARY FUND (IMF) AND THE WORLD BANK IN THE DEVELOPMENT PROCESS OF THE DEVELOPING COUNTRIES

INTRODUCTION

The International Monetary Fund (IMF) and the World Bank have had a long history of association with the less developed countries, particularly those in Africa and Latin America. Even then, they remain the most misunderstood organisations in this part of the world. They are viewed by those who are extremely critical of their approach to development as agents of the western countries whose main objective is to economically colonise the third world countries.

The purpose of this article is to explain what these institutions are, their origin, and what they stand for. In other words, it sheds light on the role they play in the promoting development of member countries, particularly those in the third world.

THEIR ORIGIN, MEMBERSHIP AND PURPOSES

To resuscitate the western countries' economies following the 1930s depression and the destruction of Europe during the Second World War, most countries adopted restrictive exchange and trade practices and competitive currency devaluations. This beggar-thy-neighbour strategy did not seem to produce the expected results. Consequently, and through the influence of some distinguished economist like the British economist John Maynard Keynes, it became increasingly clear that there was need for them to coordinate their economic policy actions in order to effectively resolve the teething problems of the 1930s Great Depression and the devastation of Europe. In other words, they sought to restore economic growth and employment creation without resorting to competitive currency manipulation and restrictive exchange and trade practices. What they needed to spur international trade in order to promote post war economic recovery was international trade which was considered beneficial to all. So during a United Nations' conference held at Bretton Woods, New Hampshire, United States in 1944 to deliberate on this matter, the IMF, the World Bank, and the General Agreement on Trade and Tariffs (GATT), now the World Trade Organisation (WTO), were conceived. These institutions were subsequently established in 1945 and began operations in 1947. Initially the membership to these institutions was confined to the founders. With decolonisation, however, countries of the third world became members. The two have to-date 179 members.

The World Bank was mandated to assist its members mainly with financial resources to reconstruct their infrastructure including energy provision, water, roads, and telecommunications. The IMF on its part was to ensure that member countries maintained appropriate exchange and trade arrangements that were conducive to the promotion of trade between the members as well as stable international monetary system. In other words, members were required to avoid manipulating the international monetary system for balance of payments reasons or to gain undue advantage over other members.

The two institutions are each run by a Board of Governors which comprising finance ministers, and governors of central banks as their alternates. The Boards of Governors, the senior decision-making organs of these institutions meet once a year, delegating the authority for the day-to-day management and supervision to Boards of Executive Directors based in Washington. The Managing Director of the IMF and the World Bank President are the Chief Executive Officers and also Chairmen of the Executive Board of Directors of their respective institutions. The Managing Director of the IMF is traditionally a European while the World Bank President is an American nominated by the President of the U.S.A. and endorsed by the Executive Board of Directors.

SOURCES OF FUNDS

The IMF and the World Bank sources of funds include: Members' quotas and shares which are respectively equal to members' subscription. Member's quota and share important as they determine its voting power and the maximum amount of financial assistance it can get from these institutions. Quota subscriptions are the main source of the resources for the IMF. Borrowed resources which the Fund obtains mostly from resources of treasuries and central banks. As for the Bank, this constitutes the main source of its resources and are borrowed from the international money markets. The World Bank is triple A rated in the money markets and therefore able to borrow at most competitive interest rates.

FINANCIAL ASSISTANCE TO MEMBERS

The two institutions have established facilities through which they extend assistance to effectively cater for their diverse membership. The World Bank provides its assistance which are of between 20 and 40 years through three windows. One is the International Bank for Reconstruction and Development (I.B.R.D.) which provides long term loans to governments for development projects on commercial terms. The International Development Association (IDA) a second window which provides assistance on concessional terms but only to low income developing countries. A substantial part of IDA lending has lately been in form of Sectoral Adjustment Credits (SACs). The third window is the International Finance Corporation (IFC) which specifically finances private sector projects either directly or through equity participation. The IMF on its part lends to member countries using various arrangements. The financing facilities currently in place include:

- Stand-by Arrangements (SBAs)
- Extended Fund Facility (EFF)
- Compensatory and Contingency Financing Facility (CCFF)
- Buffer Stock Facility
- Structural Adjustment Facility (SAF)
- Enhanced Structural Adjustment Facility (ESAF)
- Systemic Transformation Facility (STF)

In addition to direct financial support, these institutions play an important catalytic role. Given their long familiarity with the countries' economics and strong analytical capacity, they are highly regarded by the other donors. The majority of bilateral donors will not disburse their funds to countries which do not have in place an agreed economic programme with both the Fund and the Bank. Thus their assessment of the economic and policy performance gives either green light or none for the flow of financial resources from the other donors. Besides the financial support, the two institutions provide technical training and assistance to member countries on various aspects of economic management.

In providing their assistance to governments, both the Fund the Bank negotiate the policies and actions which would be implemented to secure release of their resources. This is what is usually referred to as conditionalities. In negotiating with members on the appropriate policies to implement, the Fund and the Bank have tended to involve mainly the Ministry of Finance, Central Banks and a few ministries. Other major institutions in the country are hardly involved. This has been the main reason for the misunderstanding and suspicion about the mission of these institutions in the third world.

The assistance of the Fund, which is rather short term, its longest term facility being only 10 years, is intended to help countries to ease temporary burdens on balance of payments by providing them with international liquidity. The World Bank has tended to focus more on development lending. However, in the recent past their approaches to developing countries problems have increasingly converged with more emphasis being put on the need to have the right economic policy environment and to address the structural problems facing the poor members. It is for this reason that the Fund came up with the EFF, the SAF and the ESAF facilities while the World Bank has had in place sectoral programmes. In Kenya these include such programmes as Agricultural Sector Credit (ASC), Industrial Sector Adjustment Credit (ISAC), Financial Sector Adjustment Credit (FSAC) and Education Sector Adjustment Credit (EDSAC) which go hand in hand with those of the Fund. The convergence of the approaches of the Fund and the Bank have infact led to a growing body of opinion that the two institutions should be merged in future to avoid duplication of effort and, rivalry and to cut down on administrative expenses.

THE CONTROVERSY AROUND THE BRETTON WOOD INSTITUTIONS

Given the purpose of these institutions and the assistance they render to members, one cannot avoid to ask why they are often at the centre of controversies. One reason is that few institutions other than ministries of commerce and finance and central banks are involved in negotiations. The other reason is that the social dimensions of the transitions not recognised earlier on by the two institutions. More importantly, most governments have accepted to adopt reforms only to obtain concessionary funding. Thus when the pain of transition hurt, they blamed the two institutions instead of explaining the hard realities. This has made the economic reform process supported by the Bretton Woods Institutions controversial and has, in some countries led to riots.

THE FUTURE OF THE BRETTON WOODS INSTITUTIONS

The Bretton Woods Institutions have played an important role in the development process of their poor member countries. They have provided substantial financial and technical support, and have facilitated co-financing arrangements with other donors. The future of these institutions looks bright as most members have come to appreciate that they have to harness their human and material resources, and use them in the most efficient manner in order to benefit from the economic adjustment process. They have come to appreciate that it is only through the implementation of appropriate structural adjustment programmes that they can hope to effectively deal with the problems of poverty and widespread unemployment. It is now acknowledged that no country can ever develop on aid alone. The two institutions, however, have to play a greater role in addressing the debt burden of its less developed member countries the bulk of which is owed them.

The image of the two institutions has improved, particularly in the 1990s with increased discussions on the need for economic reforms. In many countries, negotiations have been widened to include other government ministries and key players in the economy. Furthermore, governments are beginning to own up to the responsibility for the success and failure of economic reforms. With better understanding of these institutions and therefore the general reduction in the tendency to blame them for all the pain of adjustment, the friction between country authorities and the Bretton Woods Institutions has reduced substantially. However, there is still need for the two institutions to improve their image in the eyes of especially the general public. They can do so by investing time, effort and resources to explain through the media and in simple terms their role. They should clearly show that ultimately, countries are responsible for the success and failure of their economies and that no amount of external support can invigorate a moribund economy whose private sector is shackled by state controls and regulations. The greatest contribution the IMF and the World Bank can make is to assist governments change such a situation.

2. RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

Domestic Inflation

Pressure on domestic prices continued to ease with the month-on-month inflation decelerating to negative 3.7 per cent in April from negative 0.7 per cent in March. The 3-month annualised inflation which had been upward since September 1994 decelerated considerably, to 5.1 per cent in April, from 15.6 per cent in March 1995 (Table 1 and Chart 1). The decline, facilitated by the continued tight stance on monetary and fiscal policies, was mainly in food household equipment and foot wear.

Exchange Rate

The shilling which had been quite stable in the last three months due to the stable macroeconomic conditions depreciated towards the end of April and early May due to an apparent surge in the demand for foreign exchange. By 25th April 1995, the shilling was trading at 43.94 to the US dollar compared with shs 43.55 at end March 1995 (Table 2 and Chart 2). It then depreciated to shs 45.89 at the end of April and to shs 46.06 to the dollar on 3rd May 1995.

Interest Rates

Interest rates continued to decline, though less rapidly than in recent months. The lending rates of commercial banks for loans of maturities of 1, 2, 3 and over 3 years were 24.41, 24.55, 24.36 and 24.15 per cent respectively in February 1995 compared with 25.35, 25.56, 23.80 and 25.49 per cent in January. The average interest on overdrafts declined by 1.95 percentage points, from 26.19 per cent in January to 24.24 per cent in February. The yield on the 90 day Treasury bill also fell, from 18.09 per cent in January 1995 to 17.63, 16.84 and 15.40 per cent in February, March and April 1995, respectively. (Table 3 and Chart 3). Interest on time deposits increased slightly in February 1995 while savings deposits declined 0.12 of a percentage point, to 12.05 per cent. Inter-bank rates which had risen from 10.50 per cent in January to 12.44 per cent in February declined to 10.23 per cent in March 1995.

Financial System Liquidity

The cash ratio of commercial banks, excluding for three formed by converting non banks, was 18.31 per cent in March 1995. This was 0.05 per cent below the previous month's but 0.31 of a percentage point above the minimum requirement. The new banks[1] are to observe the mandatory cash ratio with effect from April 1, 1995. The average liquidity ratio for commercial banks was 46.0 per cent in March 1995 was 23 percentage points lower than in January. The total liquid assets of banks stood at shs 61.0 billion at the end of March. Treasury bills and balances at the CBK which accounted for 53.6 and 41.3 per cent, respectively. Export Bank

of Africa, which had persistently failed to meet the minimum liquidity and was subsequently put under the management of the Central Bank was allowed to resume business in April 1995. Meanwhile, the management of Meridean Biao Bank of Kenya was taken over by the Central Bank in March 1995, due to non-compliance with liquidity requirements.
The liquidity ratio for nonbank financial institutions (NBFIs) averaged 49 per cent in March 1995 compared with 50 per cent in February. Total liquid assets of NBFIs stood at shs 26.6 billion, with Treasury bills accounting for 69.2 per cent of the total. (Table 4 and Charts 4A and 4B).

Money and Credit

Money Supply

The money supply increased by 22.9 per cent in the year to March 1995 compared with 24.50 per cent in the previous year. Quasi money and narrow money accounted for 79.9 and 20.1 per cent of the increase supply during the year. The increase in money supply in the year to March 1995 partly reflected the impact of four non bank financial institutions which converted to banks (Tables 5A, 5B and Charts 5A, and 5B). Their inclusion accounted for 16.2 per cent of the monetary expansion in the year to and March. Reserve money, comprising currency in circulation and commercial bank deposits with the Central Bank, increased by 13.5 per cent in the year to March 1995 compared with 78.9 in the previous year. The slowdown was both in currency outside banks and commercial banks deposits at the Central Bank. The latter reflected the lower cash ratio requirement of 18 per cent from September 1994 (Table 5B and Chart 5C).

Domestic Credit

Banking sector lending increased by 49.0 per cent in the year to March 1995, compared with 2.8 per cent decline in the previous year. Credit to all sectors increased (Table 5A and Chart 5A). Credit to the private sector and other public entities rose by 35.3 and 35.2 per cent in the year to March 1995 compared with a decline of 2.6 per cent and an increase of 18 per cent, respectively, in the year to March 1994. The increase reflected lower lending rates and increased loanable funds in banks following reduction by the cash ratio of 2 percentage points to 18 per cent in September 1994. Credit to Government, net of its deposits, increased by 81.9 per cent in the year to March 1995 compared with 22.0 per cent in the year to March 1994. Most of the increase was in Central Bank overdraft. However, net credit to Government increased by 1.7 per cent in March compared with a 0.3 per cent decline in February 1995.

Balance of Payments

The balance of payments was a surplus of US $ 22m in the year to March 1995 compared with a surplus of US $ 177m in the year to March 1994 (Table 6). The decline was in the current account whose deterioration more than offset the good performance in the capital account. The worsening of the current account was due to faster growth in imports, particularly of manufactured goods and oil. The capital account performed well due to programme finance inflows of US dollar 81 million disbursed from the World Bank in the first quarter of 1995 in respect of Education Sector Adjustment Credit. As a result of this, total official reserves declined from US $ 665m in March 1994 to US $ 647 in March 1995. Export earnings and the anticipated strong long term capital inflows are expected to lead to a surplus in the balance of payment position in 1995.

Budgetary Developments

Budget Deficit

Government fiscal operations in the year to April 13, 1995 resulted in a cash deficit of shs 10,920m. This was shs 2,321m higher than in the nine months to March 1995, and significantly lower than the shs 22,150m in the same period to April 1994 (Table 7 and 6A). The smaller deficit was due to higher receipts of ordinary revenue and external grants.

Revenue and Grants

Import and excise duties, income tax and non-tax revenue were shs 28,378m, shs 30,627m and shs 7,476m or 44.6, 42.3 and 88.5 per cent, respectively, higher than in the corresponding period in fy 1993/94. Revenue from value added tax, however, declined by 21.9 per cent to shs 17,680m. The fall was partly attributed to problems in administration and collection. Inflows of external grants were shs 11,168m compared with 7,591m to end April 1994.Total government revenue and grants amounted to shs 100,552m in the period under review.

Expenditure and Net Lending

Total expenditure and net lending for the fiscal year upto April 13, is estimated at shs 111,472m or 7.5 per cent less than for the fiscal year to April 1994. It however remains close to the 1994/95 fy target.

Financing

The Government borrowed shs 35,178m from the banking system and reduced its indebtedness to both the non-bank and external sources by shs 21,836m and shs 2,424m, respectively (Table 7 and Charts6B).

[1]The new banks formed by conversion of non-banks are Credit Bank, formerly Credit Finance; Kenya Finance Bank, formerly Kenya Finance Corporation; African Banking Corporation, formerly Consolidated Finance; and Reliance Bank, formerly Lake Credit Finance.

TABLE 1 : PERCENTAGE CHANGES IN THE WEIGHTED (COMPOSITE) CONSUMER PRICE INDEX

	3-MONTH ANNUALISED	MONTH-ON-MONTH	AVERAGE ANNUAL
1994			
January	35.77	61.50	48.35
February	47.55	54.40	49.39
March	54.02	53.70	50.89
April	40.37	47.80	51.20
May	18.68	41.10	50.79
June	−1.00	28.70	49.36
July	−8.30	27.30	47.53
August	−9.40	21.50	44.84
September	−8.30	12.84	40.85
October	−9.04	12.28	36.85
November	−12.99	8.35	32.76
December	−7.63	6.60	28.81
1995			
January	−1.76	3.55	24.31
February	13.00	1.43	20.14
March	15.86	−0.71	15.97
April	5.13	−3.67	11.97

Source: Central Bureau of Statistics

CHART 1

INFLATION RATES

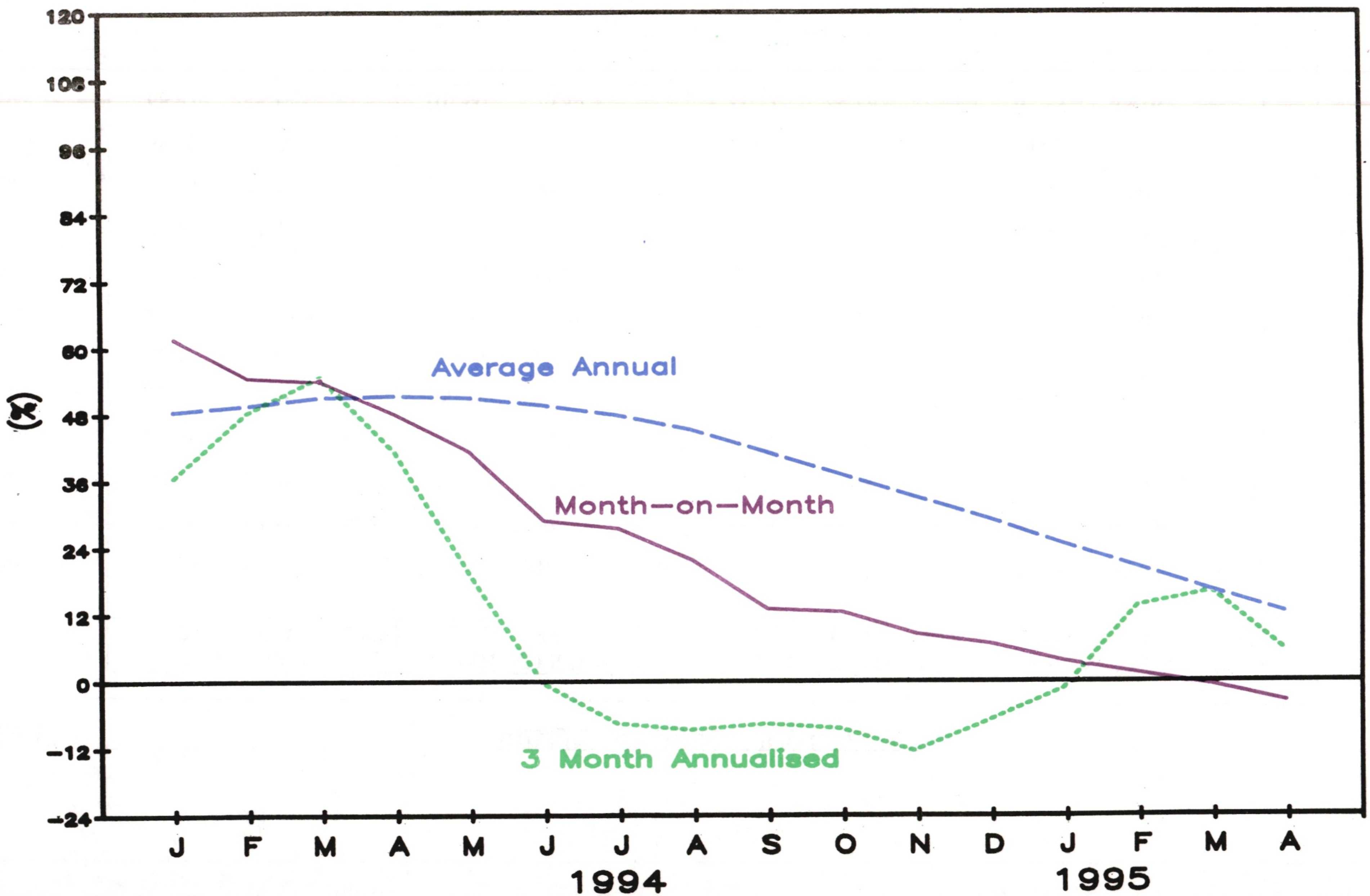


Table 2

SHILLING EXCHANGE RATE TRENDS

	U.S DOLLAR			POUND STERLING			DEUTCH MARK			100 JAPANESE YEN		
	1993	1994	1995	1993	1994	1995	1993	1994	1995	1993	1994	1995
Jan	36.23	67.93	44.48	55.63	101.33	70.03	22.44	39.00	29.06	28.99	60.97	45.11
Feb	36.56	67.41	44.47	52.69	99.75	69.92	22.28	38.85	29.63	30.21	63.35	45.32
Mar	43.12	66.05	44.14	62.94	98.58	70.62	26.16	39.03	31.24	36.83	62.87	48.69
Apr	51.88	62.78	43.99	84.56	93.07	70.79	32.57	36.97	31.93	43.26	60.65	52.63
May*	62.16	58.05	46.93	96.38	87.31	75.70	38.73	35.10	34.14	56.36	56.08	56.17
Jun	64.15	56.17		96.87	85.67		38.85	34.42		59.79	54.71	
Jul	65.33	55.97		97.94	86.61		38.17	35.65		60.69	56.80	
Aug	65.42	55.53		97.78	85.69		38.60	35.51		63.07	55.65	
Sep	65.80	51.66		100.35	80.60		40.54	33.27		62.49	52.27	
Oct	67.97	42.38		102.14	67.99		41.45	27.88		63.59	43.07	
Nov	68.98	43.50		102.15	72.24		40.62	29.59		64.02	46.49	
Dec	68.41	45.18		101.90	70.49		28.77	28.77		62.35	45.16	

* Upto May 8th, 1995

CHART 2

EXCHANGE RATES

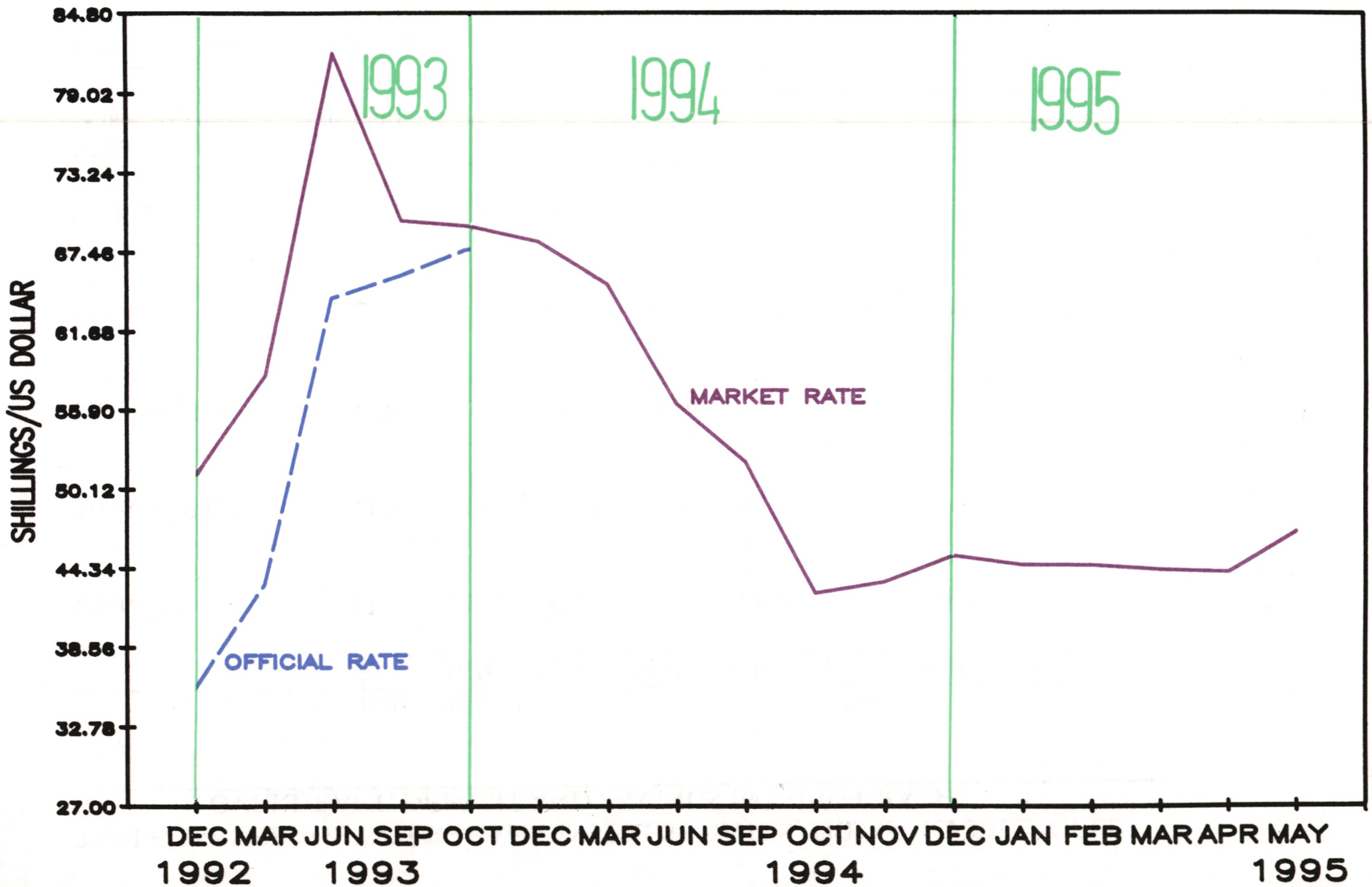


TABLE 3 : AVERAGE INTER–BANK INTEREST RATES, TREASURY BILL YIELD, OVERDRAFT, DEPOSIT AND SAVINGS INTEREST RATES

	1993	1994				1995		
	DEC	MAR	JUN	SEP	DEC	JAN	FEB*	MAR*
Overdraft	33.50	32.62	33.17	32.63	26.08	26.19	24.24	23.81
Treasury Bill**	43.54	27.64	32.42	23.38	18.70	17.93	17.63	16.84
Inter–bank	36.78	21.69	16.48	9.86	8.90	10.50	12.44	10.23
Deposit	22.36	19.98	17.42	16.75	13.21	12.31	12.33	11.47
Savings	17.37	17.46	16.11	14.95	12.14	12.17	12.05	11.62

* Provisional

** 90–day Treasury bill yield

Source: Central Bank of Kenya

CHART 3

INTERBANK AVERAGE INTEREST RATES, TREASURY BILL YIELDS, OVERDRAFT, DEPOSIT AND SAVINGS INTEREST RATES

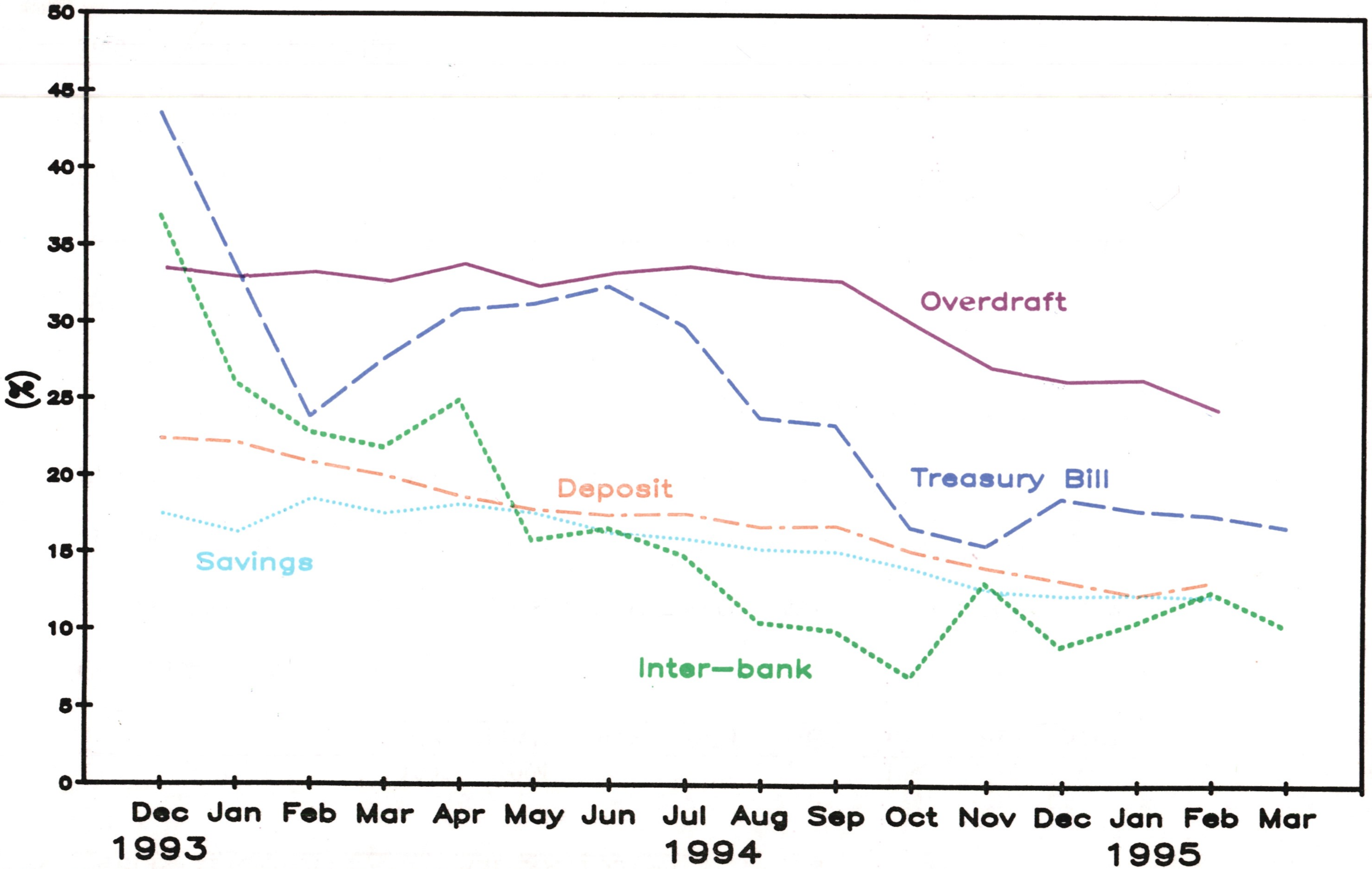


TABLE 4 : LIQUIDITY AND CASH RATIOS (%)*

	1993	1994				1995		
	DEC	MAR	JUN	SEP	DEC	JAN	FEB	MAR
Commercial Banks								
Avg. Liquidity	50.00	56.00	49.00	53.00	53.00	48.00	48.00	46.00
Minimum Liquidity	20.00	25.00	25.00	23.00	23.00	23.00	23.00	23.00
Cash Ratio	18.86	20.04	17.00	18.81	20.36	18.16	18.36	18.31
Minimum Cash Ratio	14.00	20.00	20.00	18.00	18.00	18.00	18.00	18.00
NBFIs								
Average Liquidity	50.00	53.00	51.00	50.00	51.00	51.00	50.00	49.00
Minimum Liquidity	24.00	30.00	30.00	28.00	28.00	28.00	28.00	28.00

* Monthly average liquidity and end month cash ratio figures

Source: Central Bank of Kenya

CHART 4A

BANKS LIQUIDITY AND CASH RATIO

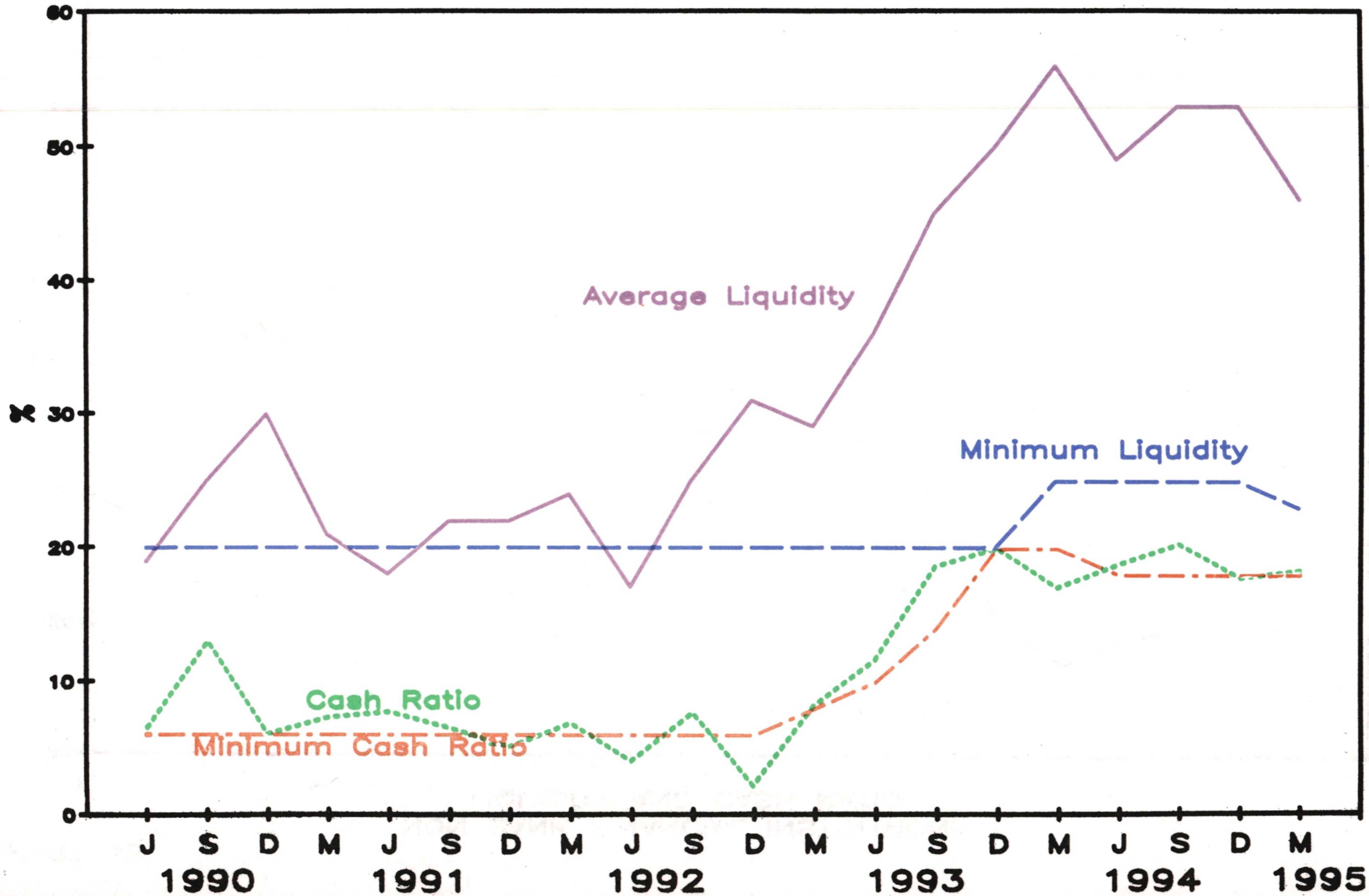
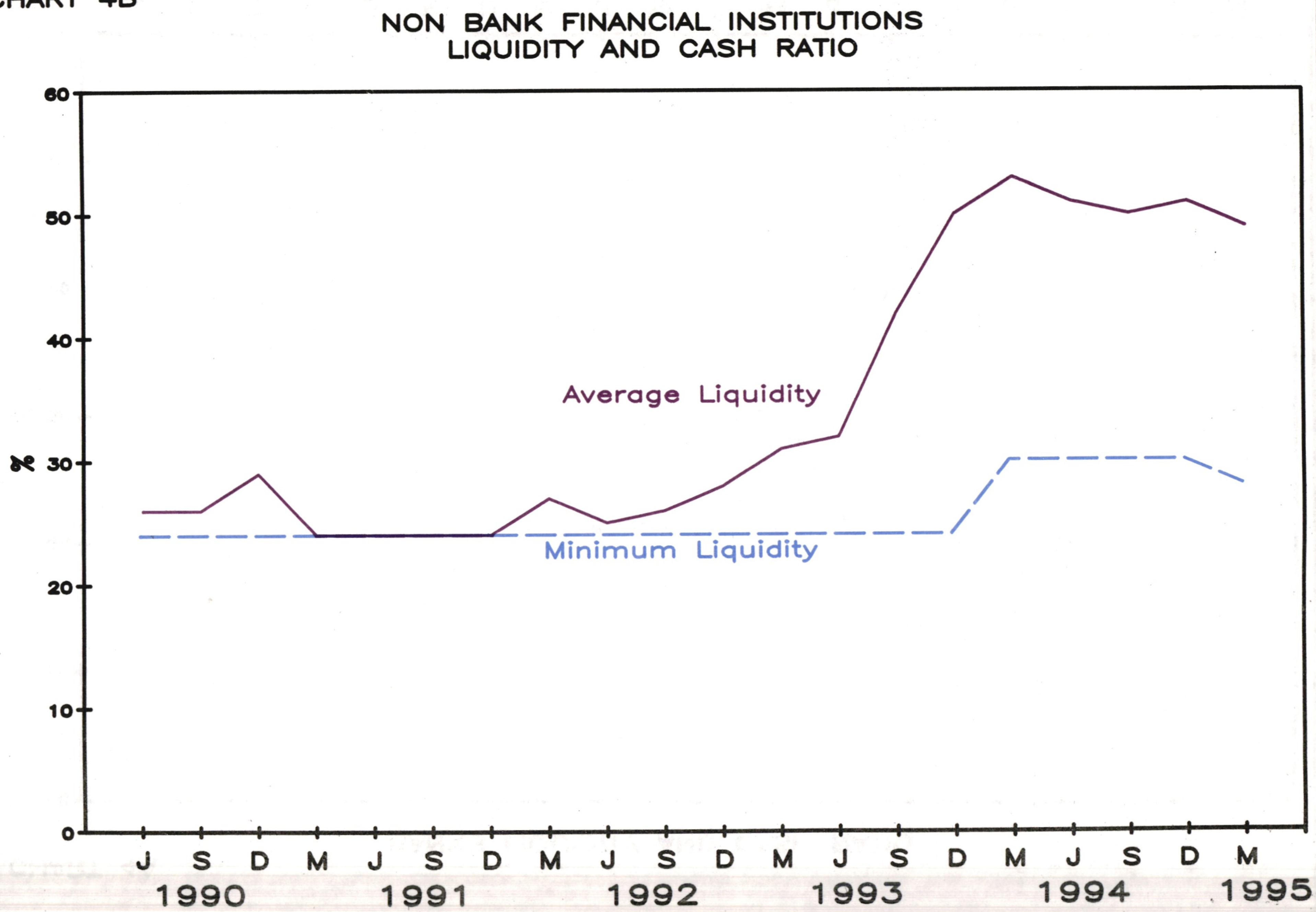


CHART 4B



NON BANK FINANCIAL INSTITUTIONS
LIQUIDITY AND CASH RATIO
%
60
50
40
30
20
10
0
Average Liquidity
Minimum Liquidity
J S D M J S D M J S D M J S D M J S D M
1990
1991
1992
1993
1994
1995

TABLE 5A : MONEY SUPPLY AND ITS SOURCES (Shs m)

	1994				1995		
	MAR	JUN	SEP	DEC	JAN	FEB	MAR*
Money Supply (M2)	131772	126356	138001	162726	158001	159051	161898
Narrow Money (M1)	62148	59991	64126	67286	64252	66640	68203
Quasi–money	69624	66365	73875	95440	93749	92410	93695
Net Foreign Assets	24862	23418	21965	13783	11623	11398	13696
Net Domestic Assets	106910	102938	116036	148942	146378	147653	148201
Domestic Credit	100909	97007	114666	146323	146571	149073	150367
Government (net)**	29762	19142	34328	55257	53392	53209	54137
Private Sector	67049	73330	76224	85388	88077	90022	90689
Other Public Sector	4099	4535	4113	5678	5101	5842	5541
Other Items Net	–6000	–5931	–1370	–2619	194	1420	2166

* Provisional

** Includes Cereals and Sugar Finance Corporation (C&SFC)

Source: Central Bank of Kenya

CHART 5A

MONEY SUPPLY AND ITS SOURCES (SHS MILLION)

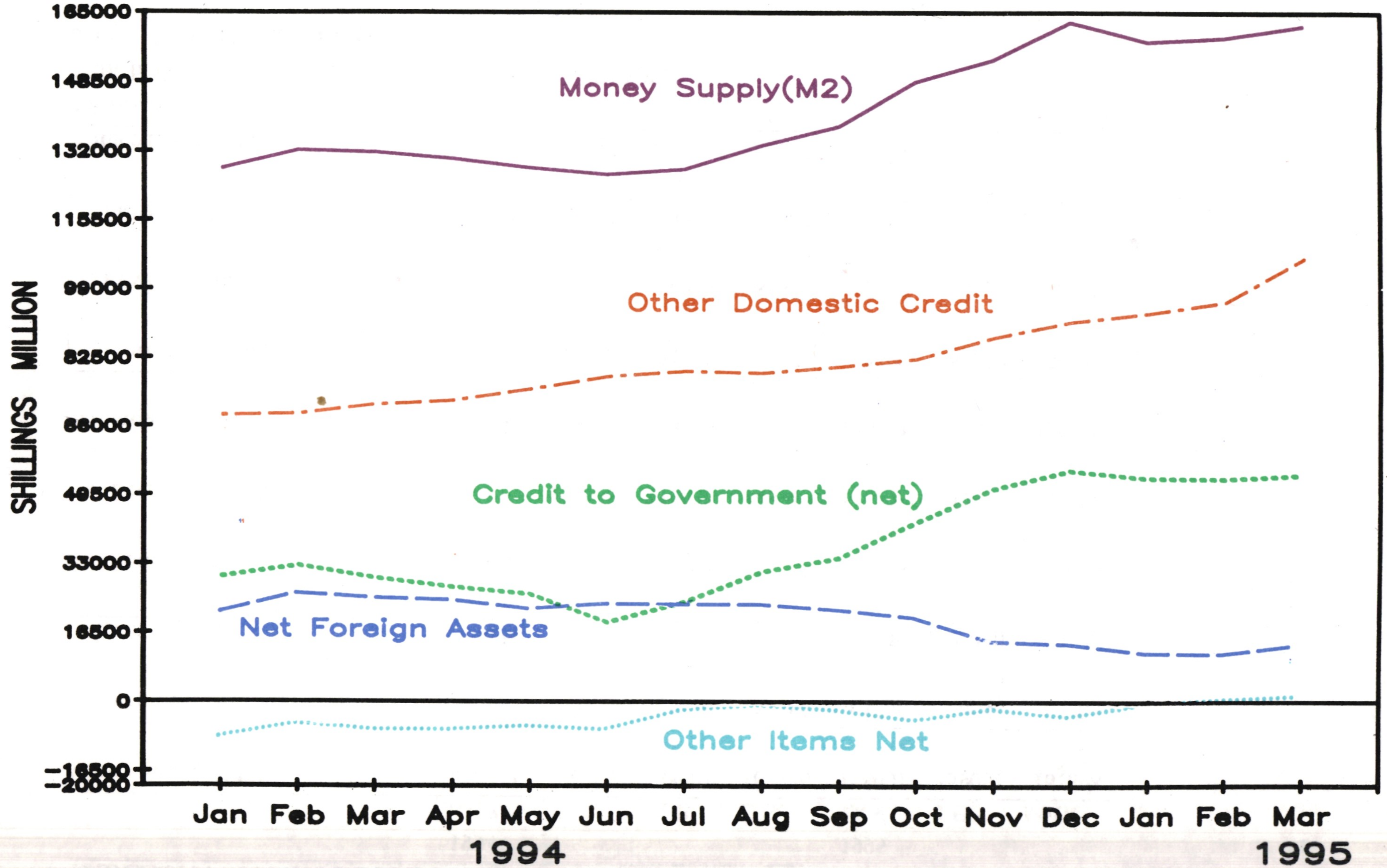


CHART 5B

COMPONENTS OF MONEY SUPPLY (SHS MILLION)

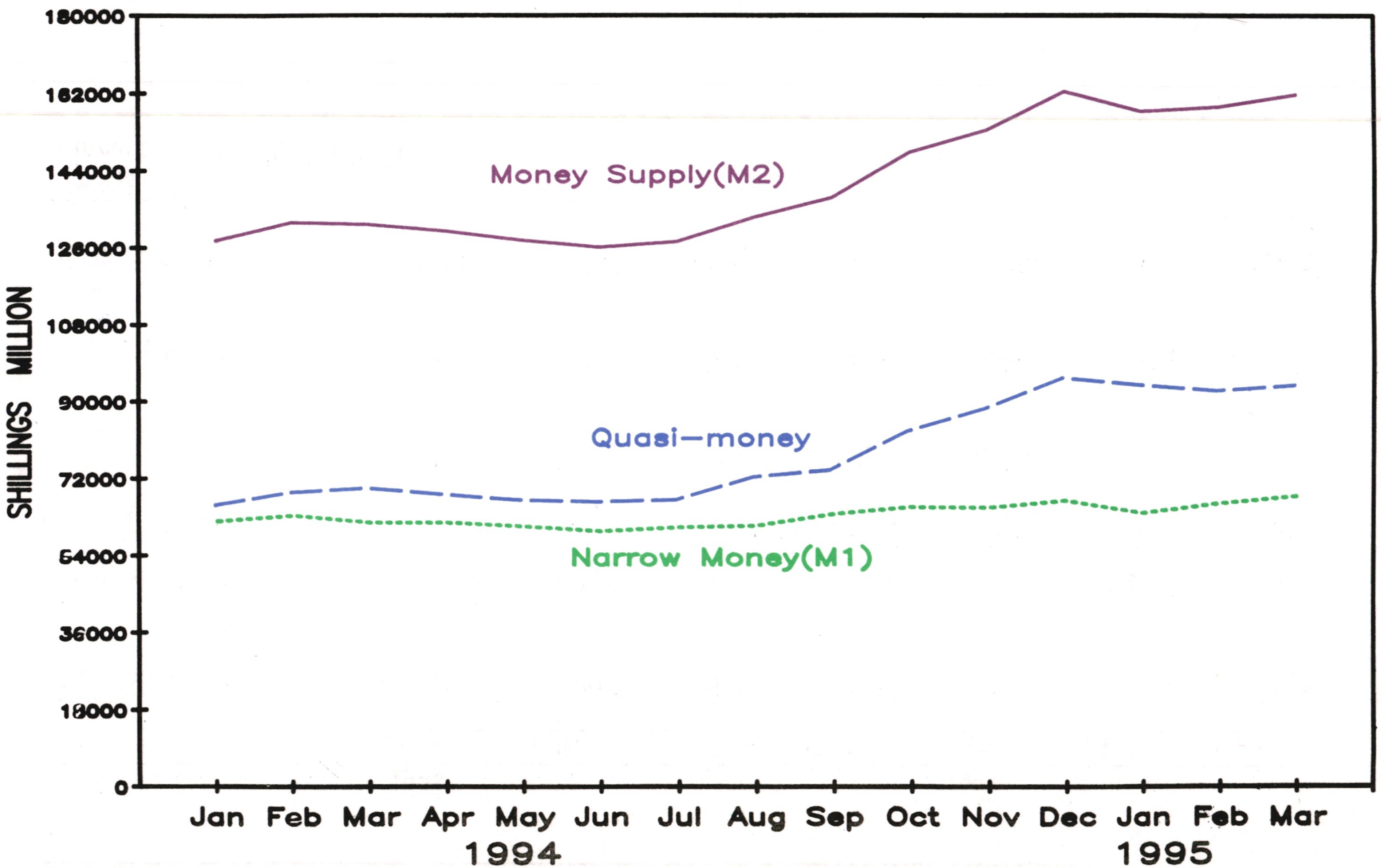


TABLE 5B : RESERVE MONEY AND ITS SOURCES – SELECTED ITEMS (Shs m)

	1994				1995		
	MAR	JUN	SEP	DEC	JAN	FEB	MAR*
Net Foreign Assets	17427	17915	20179	7854	6764	5688	8217
Domestic Credit	19204	10653	14170	31374	31288	32223	30163
Credit to Govt.	4514	−1621	3122	21302	19913	22471	18366
Credit to Comm. Banks	14690	12274	11048	10072	11375	9752	11797
Other Items Net	8913	12217	10859	16088	13748	14283	13335
Reserve Money	45544	40785	45208	55316	51800	52194	51715

* Provisional
Source: Central Bank of Kenya

CHART 5C

RESERVE MONEY AND ITS SOURCES

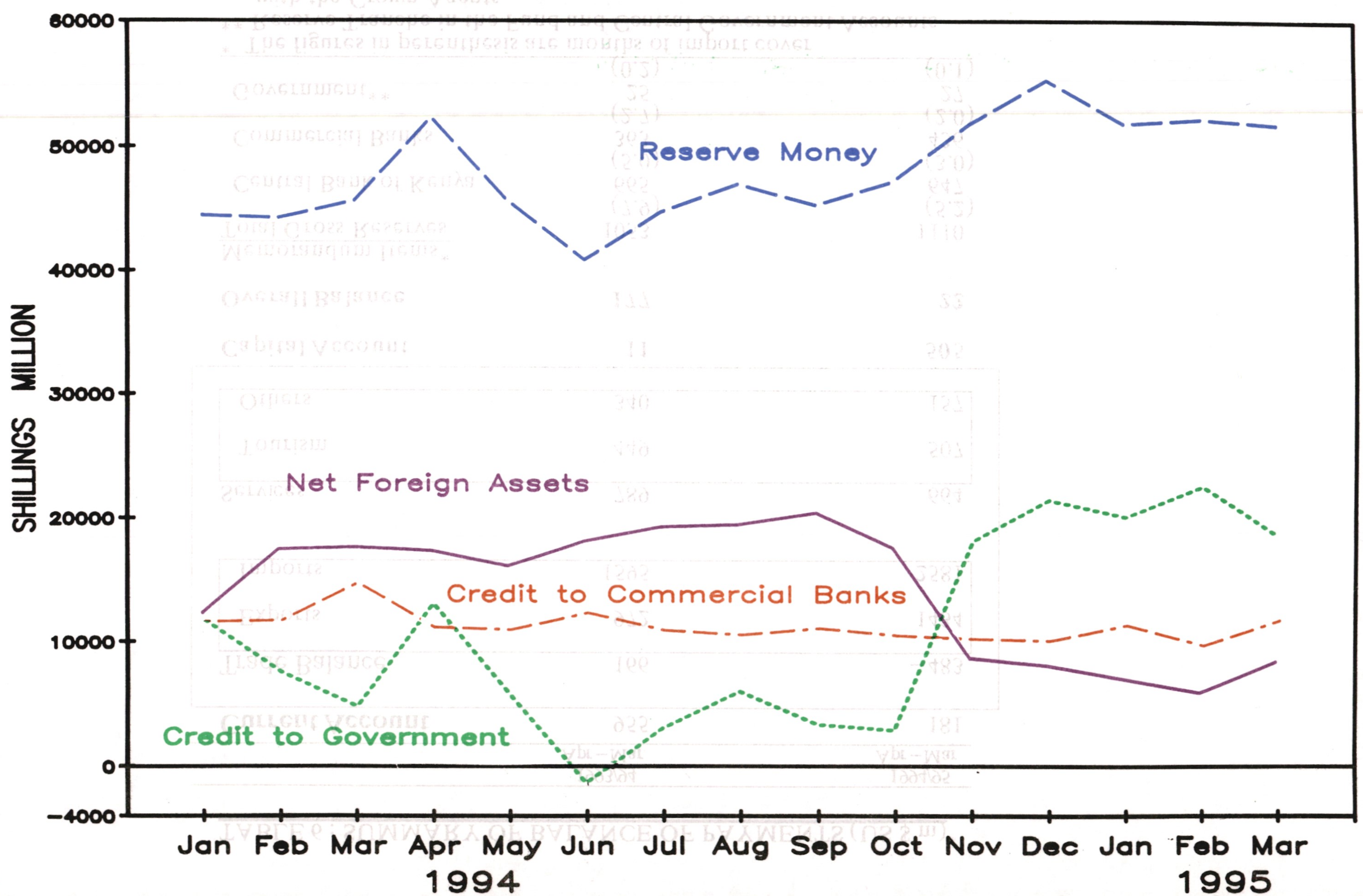


TABLE 6 : SUMMARY OF BALANCE OF PAYMENTS (US $ m)

	1993/94 Apr – Mar	1994/95 Apr – Mar
Current Account	955	181
Trade Balance	166	–483
Exports	972	1434
Imports	1595	2581
Services	789	664
Tourism	449	507
Others	340	157
Capital Account	**11**	**505**
Overall Balance	**177**	**22**
Memorandum Items*		
Total Gross Reserves	1053	1110
	(7.9)	(5.2)
Central Bank of Kenya	665	647
	(5.0)	(3.0)
Commercial Banks	363	436
	(2.7)	(2.0)
Government**	25	27
	(0.2)	(0.1)

* The figures in perenthesis are months of import cover
** Reserve Tranche in the Fund and Central Government Accounts with the Crown Agents

Source: Central Bank of Kenya

TABLE 7 : BUDGET OUTTURN (Shs m)

	FY 1993/94 JUL–APR	FY 1994/95 JUL – MAR*	FY 1994/95 JUL – APR*
Recurrent revenue & Grants	91072	98254	100552
Expenditure & Net lending**	113222	106853	111472
Float Adjustments (Revenue(+)Expenditure(–))	3377	–1057	–1604
Deficit	–22150	–8599	–10920
Financing	22150	8599	10920
Domestic (net)	22289	10982	13344
CBK	5405	18926	24258
Com. Banks	–557	10920	10920
Non Bnks	17441	–18864	–21836
External (net)	–139	–2383	–2424

* Provisional

** Including float adjustment

Source: Central Bank of Kenya

Chart 6A: BUDGET OUTTURN

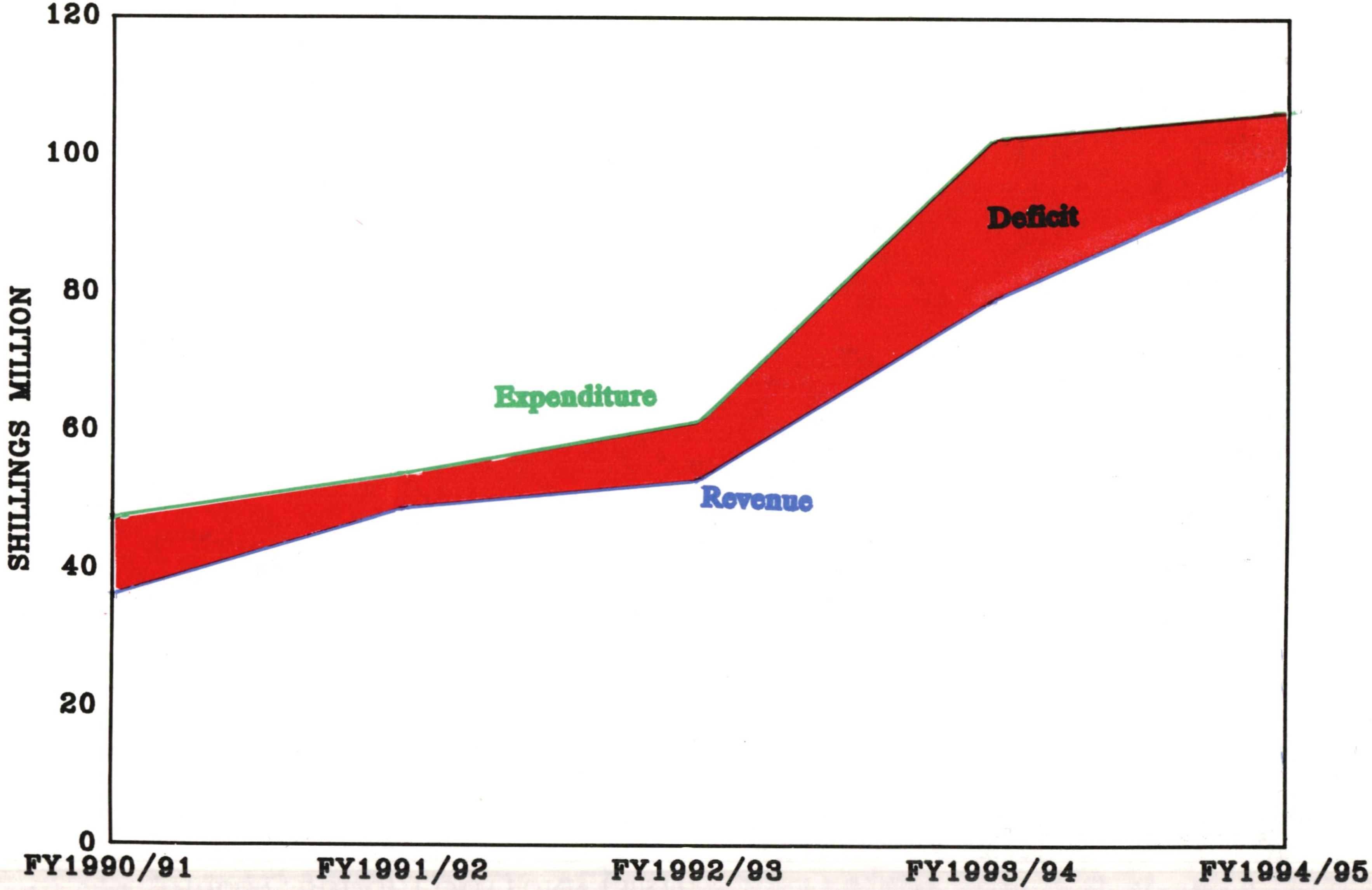
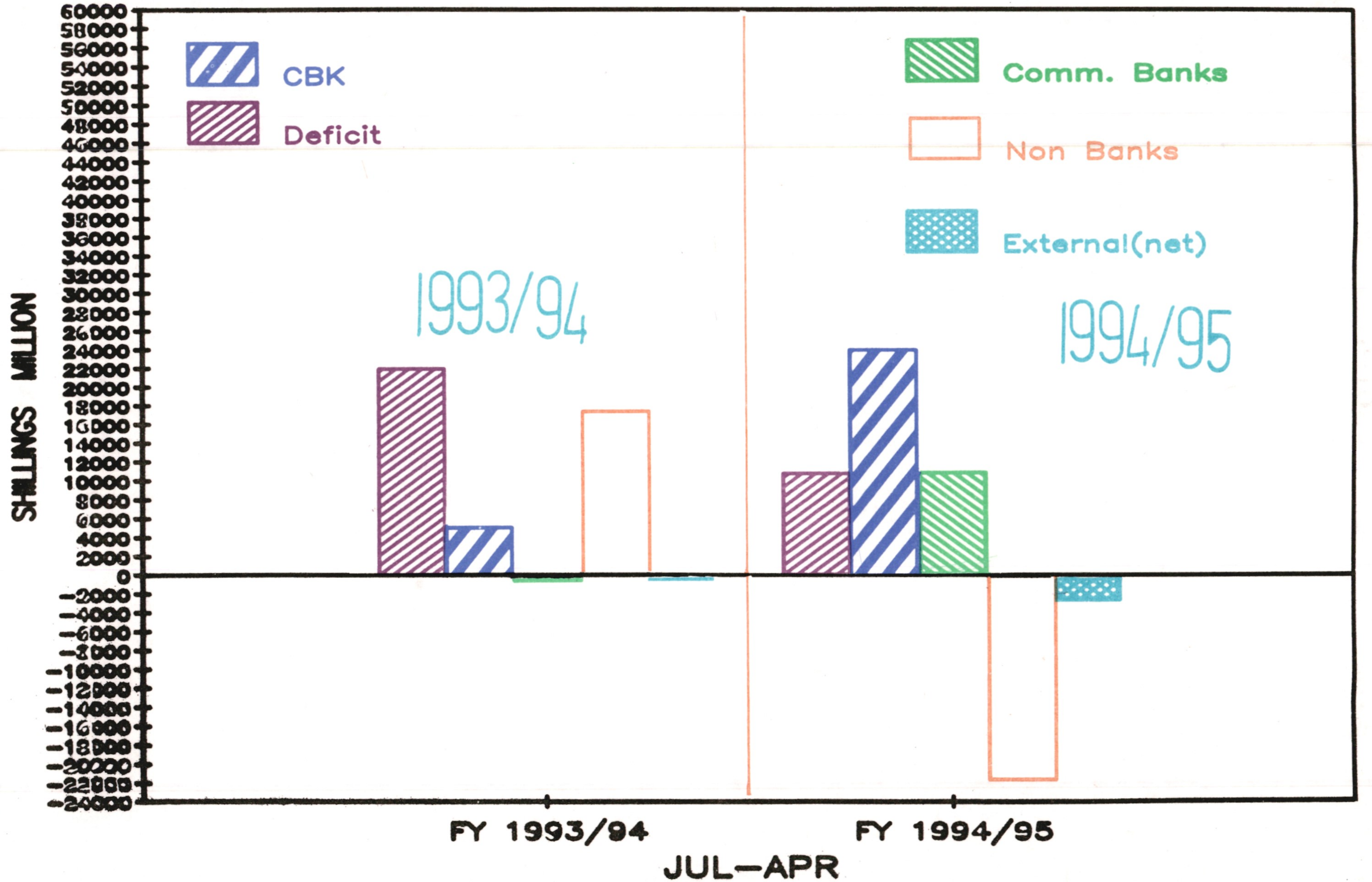


CHART 6

FINANCING OF 1994/95 BUDGET DEFICIT



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