

Njuguna Ndung’u: Central Bank of Kenya’s new website – improving communication

Speech by Prof Njuguna Ndung’u, Governor of the Central Bank of Kenya, at the official launch of the Central Bank of Kenya’s new website, Nairobi, 1 September 2009.

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Mr. Mutua Kilaka, Financial Secretary, Ministry of Finance;
Dr. Geoffrey Mwau, Economic Secretary, Ministry of Finance;
Dr. Bitange Ndemo, Permanent Secretary, Ministry of Information & Communication;
Board Members here present;
Distinguished Guests;
Ladies and Gentlemen:

You are all welcome to the launch of the new CBK website today. Let me at this early juncture thank our Chief Guest, Mr. Mutua Kilaka for accepting to launch our new website and to all our distinguished guests for joining the Central Bank fraternity in marking this occasion.

Ladies and Gentlemen, it is important to note from the very onset that central banking has undergone dramatic changes in recent decades and many central banks now post and communicate their policies and forecasts in their websites. Conventional wisdom in central banking previously held that monetary policymakers should say as little as possible and say it cryptically. In recent years, the understanding of central bank transparency and communication has changed dramatically. On its part, the Central Bank of Kenya has employed a wide range of communication channels to ensure it efficiently and effectively communicates with the market as well as target audience.

The launch of our new website today marks a major milestone towards the achievement of the Bank’s vision of becoming a world class, modern Central Bank. Our new website is also part of the Bank’s communication strategy aimed at improving Central Bank communication platform and policy.

Ladies & Gentlemen, Central Bank communication is important for financial market participants as it forms the basis for their extrapolations regarding current and future policy actions that might impact the value of their financial assets. So far, communication between the Central Bank and financial markets has worked fairly well. Market participants have learnt over time to distinguish between information and “noise”. The Central Bank, on its part, has remained committed to provide markets with information while avoiding the “noise”. It has become increasingly clear to us that managing public expectations through effective communication is a central part of monetary policy and indeed, of central banking. This is an important aspect of formulating and communicating policy. Public expectations are more likely to help foster economic stability when the public has a clear understanding of what the Central Bank’s goals are, how the Central Bank thinks the economy works and how it is likely to respond to various economic circumstances. Our new website has been designed to enhance communication with the financial and other markets by providing accurate and timely information. The feedback mechanism demonstrated today will serve to ensure that the Bank stays in touch with public expectations and is responsive to the needs of the market and the general public. The new site also has a chart tool that will assist researchers and students analyze time series and other information available on the website to track policy and economic performance. We believe that our website should not only be a communication tool but also a resource that adds value to those who visit it. We encourage our website visitors to utilize these tools.

Ladies & Gentlemen, our communication with the public has to be simple, clear and credible. The sole use of English in our communication has, unfortunately, disenfranchised a good

number of Kenyans who only speak and understand Kiswahili. The critical challenge we face is in developing a communication infrastructure and strategy that will effectively communicate to a wide audience. The development of a Kiswahili version on our new website is a first step towards ensuring that the Bank is responsive to the demands of a target audience that dominantly speaks the national language. On the strength of this initiative, the Bank will consider publishing sections of the weekly bulletin and monthly economic review in Kiswahili. We will also continue to publish exhaustive analyses and commentaries on our website and offer assessments regarding future economic developments. The Bank also recognizes the critical role that the media plays in educating the public on financial and economic issues. Our new website has dedicated a link for media houses to access information that will facilitate their role. It is encouraging to note that some media houses have published staff commentaries and analyses carried on our website. This collaboration will ensure that the public receives information that is complete and correct.

In conclusion, let me observe that in uncertain economic times, communication is not only an instrument, it is also an asset valued by the public. The Central Bank, the media and other institutions have an obligation to communicate effectively while being aware of the adverse effects that misinformation can have on financial market participants, households and businesses.

We have positioned our website as the primary tool for Central Bank communication and encourage members of the public to visit it and give us their feedback. On our part, we shall strive to constantly enhance our communication infrastructure to meet the demands of our target audience.

With these few remarks, it is my singular honour to call upon the Mr. Mutua Kilaka, Financial Secretary, Ministry of Finance to give his remarks and officially launch our website.

Bwana Kilaka. Karibu Sana.