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ECONOMIC REPORT 2025
KENYA

June 2025

Executive Summary

In 2024, the **Kenyan economy grew at a slower pace** compared to 2023. The **real GDP grew by 4.7%**, down from 5.7% in 2023. The services sector contributed the largest share of the GDP growth at 55.3%, followed by agriculture at 22.5%, industry at 16.5%, while other sectors accounted for 5.8%. The nominal GDP increased from USD 111.51 billion in 2023 to USD 120.34 billion in 2024.

Inflationary pressures eased with the overall **annual inflation rate declining to 4.5%** in 2024, down from 7.7% in 2023 – the lowest in the last five years. However, **high public debt remains a major concern**. As of December 2024, Kenya's public debt reached USD 81.01 billion, with about 67.5% of government revenue allocated to debt servicing, significantly limiting funds available for budget deficits and development spending. Employment improved in 2024 with the creation of **782,300 new jobs**, 90% of which were generated in the informal sector. **Kenya's economy is however projected to remain resilient and stable in 2025**, driven largely by a robust services sector and improved agricultural productivity.

Under the Bottom-Up Economic Transformation Agenda (BETA), Kenya prioritized key sectors including agriculture, MSMEs, affordable housing, healthcare, and the digital and creative economy. In 2024**, agriculture, forestry, and fishing contributed 22.5% to GDP** and **employed 42.3% of the labor force**, underscoring their vital role in rural livelihoods and food security. The services sector remained the economy's main growth driver, with **finance, insurance, transport,** and **ICT** showing strong performance. While real estate and construction slowed, urbanization and infrastructure investments indicate long-term potential. The **healthcare sector** experienced significant growth but reforms under the Social Health Authority (SHA) faced implementation challenges and concerns over affordability and transparency. Digital platforms and fintech continued to boost financial inclusion.

Nearly **90% of Kenya's electricity is sourced from renewables** - geothermal (47%), hydro (21%), wind (16%), and solar (4%) thus positioning the country as a promising destination for cleantech and renewable energy investment. Further, in 2024, **Kenya was the only country in Africa that posted a growth in the value of venture capital funding**. It attracted 67% of the total energy and environmental finance amounting to USD 537 million beating South Africa, Nigeria and Egypt.

The **volume of trade** between Switzerland and Kenya **declined by 3.8%,** falling from CHF **156 million** in 2023 to **CHF 150 million** in 2024. Swiss exports to Kenya were largely chemical and pharmaceutical products (76.4%), while imports from Kenya rose by 4.9% to CHF 79 million, driven by increased imports of coffee, tea, and spices. However, imports of cut flowers dropped by 4.4%. Swiss investments in Kenya remain modest, ranking 26th overall and primarily focused on the services and trade sectors.

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1 ECONOMIC SITUATION AND ECONOMIC POLICY DEVELOPMENTS

In 2024, the Kenyan economy grew at a slower pace compared to 2023. The country's **real Gross Domestic Product** (GDP) grew by 4.7% in 2024, down from 5.7% growth recorded in 2023. The growth was mainly driven by activities in agriculture, forestry and fishing which grew by 4.6%, financial and insurance services by 7.6%, transportation and storage by 4.4% and real estate by 5.3%[1]. In terms of share of GDP by economic sector, the services sector contributed the largest share at 55.3%, followed by agriculture at 22.5%, industry at 16.5%, while other sectors accounted for 5.8%[2]. Meanwhile, the **nominal GDP** increased from USD 111.51 billion in 2023 to USD 120.34 billion in 2024[3].

Inflationary pressures eased in 2024. The overall annual **inflation** rate declined to 4.5% in 2024, down from 7.7% in 2023 – the lowest in the last five years and attributed to the reduction in food prices[4]. On the fiscal front, Kenya's public debt remains a concern. In December 2024, the total public debt stood at USD 81.01 billion, a slight decline from USD 82.64 billion recorded at the same time the previous year. External debt accounted for 46.3% of the total net debt. Bilateral debt amounted to USD 8.17 billion, while multilateral debt stood at USD 20.6 billion, with the International Monetary Fund (IMF) accounting for 46.5% of Kenya's total multilateral debt[5].

Furthermore, Kenya's fiscal resource mobilization relies mainly on **tax revenue**, which accounts for 85% of government income[6]. Of this, 60% is spent on debt servicing, limiting the government's ability to finance budget deficits and development expenditures. In February 2024, the country was forced to issue international bonds with an interest rate of over 10% to raise the necessary liquid funds to repay a USD 2 billion Eurobond that matured in June 2024[7]. In October 2024, Kenya formally requested the IMF to conduct a governance diagnostic assessment to address corruption and governance issues[8]. This request demonstrated Kenya's commitment to financial reform, especially in unlocking a USD 600 million IMF disbursement following the withdrawal of proposed tax hikes due to public protests in June 2024[9].

Kenya's **employment** situation showed modest improvement in 2024, with total employment in the modern and informal sectors (excluding small-scale agriculture) rising from 20 million in 2023 to 20.8 million. During the year, 782,300 new jobs were created, reflecting a positive, though still limited, response of the labor market to economic activity. The modern sector contributed 78,600 new jobs, marking a 2.4% growth, while the informal sector created 703,700 jobs, slightly lower than the 720,900 jobs added in 2023. Despite this slight decline, the informal sector remained dominant, accounting for 90% of all new jobs excluding small-scale agriculture[10].

As of December 2024, the Central Bank of Kenya lowered the Central Bank Rate (CBR) to 11.25%, down from 12.5 % in December 2023, as part of its **monetary policy** efforts to stimulate economic activity. Despite this move, the average interest rate charged by commercial banks rose during the period to 16.89%. Meanwhile, broad money supply grew by 1%, reaching USD 45.25 billion, while domestic credit expanded by 2.2% to USD 53.39 billion. This included a 6.6% decline in credit to the private sector and a 2.6% increase in lending to the public sector. Additionally, liquid assets held by commercial banks and Microfinance Banks posted a modest growth of 0.7%, totaling USD 24.56 billion by the end of 2024[11].

Following the protests and subsequently, the rejection of the Finance Bill, 2024, the Kenyan Government implemented several **regulatory reforms** with likely far-reaching implications for the business environment. The Business Laws (Amendment) Act, 2024 increased the minimum core capital requirement for banks from Kenya Shilling (KES) 250 million to KES 10 billion over six years, a move expected to trigger consolidations in the banking sector and likely to affect smaller players to seek additional capital or consider mergers or acquisitions by bigger market players to comply. The Tax Laws (Amendment) Act, 2024 replaced the 1.5% digital services tax with 3% significant economic presence tax targeting non-residents who carry on businesses over digital marketplaces. It also introduced a

[1] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
[2] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey-Popular-Version.pdf
[3] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
* Throughout this report, the applicable foreign exchange rate in 2024 used to convert KES to USD was 134.82
[4] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
[5] Central Bank of Kenya, Monthly Economic Indicators, February 2025
[6] African Development Bank, Country Focus Report 2025 - Kenya accessed on July 2, 2025
[7] S&P Global, 2025
[8] Global Business Outlook, 2025
[9] News Central, September 14, 2024
[10] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
[11] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf

domestic minimum top-up tax in line with OECD global tax reforms - a measure likely to increase compliance requirements and tax obligations for Swiss multinational companies operating in Kenya.

Another key reform took place on June 17, 2025, when President William Ruto signed the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Bill, 2025 into law[12]. This legislative move follows Kenya's inclusion on the Financial Action Task Force (FATF) grey list on February 23, 2024, a development that posed significant challenges to the country's economic and social progress. The legislation is designed to strengthen Kenya's framework for tackling money laundering, terrorism financing, and proliferation financing.

Looking ahead, Kenya's economy is projected to remain resilient and stable in 2025, driven largely by a robust services sector and improved agricultural productivity. Also, inflation is projected to remain within the government's target range of 2.5% to 7.5%, supported by lower prices for food and energy, stable non-food-non-fuel inflation, and a steady exchange rate[13]. These factors combined are likely to reinforce macroeconomic stability and support continued growth in 2025.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

2.1 Priority Sectors

Under Kenya's Bottom-Up Economic Transformation Agenda (BETA) as outlined in the Fourth Medium Term Plan (MTP IV) 2023–2027, the Government prioritized 5 key sectors - agriculture, micro, small and medium enterprises (MSMEs), affordable housing and settlement, healthcare, and the digital and creative economy. According to 2024 data[14] (see Annex 1), the **agriculture, forestry, and fishing sector** contributed 22.5% to Kenya's GDP and employed 42.3% of the labor force, underscoring its continued importance to rural livelihoods and national food security despite a slight decline in its GDP share since 2020. The growth was driven by favourable weather patterns and Government interventions such as the provision of subsidized inputs including fertilizers and certified seeds which sustained productivity across the sector.

The Kenyan economy continues to be largely **services** driven. In 2024, the sector continued to drive economic growth while accounting for 55.3% of the GDP. **Transport and storage** grew in terms of both GDP contribution and employment. The sector grew from 10.8% in 2020 to 12.7% in 2024, while its share of employment rose from 19.1% to 23.5%. This is largely attributed to increased public investments in main logistics corridors, urban mobility infrastructure, and the strategic role of Kenya as a regional logistics hub within the East African Community (EAC). The ongoing expansion of road and rail networks including the Standard Gauge Railway further underpinned this growth.

Additionally, **Financial and insurance** sector increased significantly accounting for 7.9% of GDP, up from 6.7% in 2020. Employment in this sector grew to 11.7%. The proliferation of mobile money platforms, digital lending services, and inclusive insurance models spurred financial innovation. Kenya continues to lead in financial inclusion in Sub-Saharan Africa, supported by a robust fintech ecosystem and regulatory openness to digital finance. **Information and Communication Technology (ICT)** sector also experienced a 7.0% growth in 2024. The government's investment in the digital superhighway and creative economy aims to position Kenya as a regional tech hub, fostering innovation and job creation.

MSMEs are vital to Kenya's economy, particularly in the **wholesale and retail trade** sector, which contributed 7.5% to GDP in 2024. While the **manufacturing** sector recorded an increase in output, its share of GDP declined slightly to 7.3%, and employment in the sector fell to 21.9%. The sector remained constrained by a myriad of challenges, including unpredictable tax policies, high production costs, and unreliable electricity supply. Nevertheless, the government's policy focus on industrial development under the BETA plan, and its commitment to increase the contribution of manufacturing to GDP to 15% by 2027, continue to support key subsectors particularly agro-processing, pharmaceuticals, and textile manufacturing.

On affordable housing and settlement, the **real estate** sector contributed 8.4% to Kenya's GDP in 2024. However, the sector experienced a slowdown in overall activity compared to previous years. Similarly, the **construction** sector's share of GDP declined from 7.0% in 2020 to 6.3% in 2024, although employment levels remained relatively stable at 9.9%. Despite the slowdown in both real estate and construction activities, the government continued to invest in affordable housing, road infrastructure, and water systems. Rapid urbanization and population growth—which reached 52.4 million by the end of

[12] https://www.president.go.ke/president-ruto-enacts-reforms-to-combat-illicit-financial-flows-and-terrorism-financing/
[13] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
[14] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf

2024, continued to drive demand for housing and commercial spaces, particularly in Nairobi, Mombasa, and emerging urban centres, indicating growth potential for the sector in 2025.

Further, **human health and social work** activities saw a significant increase in employment, rising to 56.4% of the workforce from 45.2% in 2020. This growth reflects continued expansion in the health sector, driven by population growth, the rollout of Universal Health Coverage, and increasing demand for quality healthcare services. The sector's expansion presents opportunities for investment in healthcare infrastructure, services, and technology. In addition, Kenya's health sector reforms under the Taifa Care program which replaced the National Hospital Insurance Fund (NHIF) with the Social Health Authority (SHA) began operations on October 1, 2024. The reforms introduced new health funds, expanded primary care, digitized services, and improved benefits. Despite the significant progress made, several challenges persist, such as legal disputes, implementation hurdles, and ongoing concerns about affordability and transparency.

2.2 Opportunities for Swiss companies

The structure and trajectory of Kenya's economy present several opportunities for Swiss companies. In November 2024, Kenya launched its Energy Transition and Investment Plan, aiming to achieve net-zero emissions by 2050 and a 100% renewable power grid by 2060. The plan outlines pathways for decarbonizing key sectors, including power, transport, industry, and cooking. Nearly 90% of Kenya's electricity is already sourced from renewables - geothermal (47%), hydro (21%), wind (16%), and solar (4%) thus positioning the country as a promising destination for **cleantech and renewable energy** investment[15]. A report titled *"Kenya's Cleantech Landscape"*, published by Switzerland Global Enterprise (SGE), provides detailed information into opportunities within the cleantech sector. Further, in 2024, Kenya was the only country in Africa that posted a growth in the value of venture capital funding. It attracted 67% of the total energy and environmental finance amounting to USD 537 million beating South Africa, Nigeria and Egypt[16].

Kenya's rapidly growing **construction and real estate** sectors are driving demand for energy-efficient materials, green building technologies, and advanced digital design tools. In response to the country's urbanization trends and large-scale infrastructure projects, there may be potential for adoption of sustainable building materials. An example is the use of Limestone Calcined Clay Cement (LC3) - a low-carbon alternative that can reduce CO_2 emissions by up to 40% compared to traditional. The development of LC3 was supported by funding from the Swiss government and through the collaboration of leading institutions such as the École Polytechnique Fédérale de Lausanne (EPFL). In 2024, Meru University of Science and Technology, in collaboration with the EPFL hosted an LC3 event focused on promoting low-carbon cement alternatives, bringing together industry experts and students to explore sustainable construction solutions. Building on this momentum, the 1st Sustainable Construction in Africa Conference 2025 (SCA 25) was held in May 2025 in Nairobi, Kenya where stakeholders exchanged innovative ideas that will shape the future of affordable housing and resilient infrastructure across this vibrant continent. These efforts align with Kenya's green building standards and its broader ambition to decarbonize the built environment as part of its net-zero emissions goal by 2050. For Swiss companies with expertise in sustainable architecture, urban planning, and smart building systems, this presents promising opportunities to collaborate with both public and private sector stakeholders, contributing innovative solutions to Kenya's evolving construction landscape.

The dynamic **financial and insurance** sectors in Kenya, alongside its robust **ICT** infrastructure, present opportunities for Swiss companies, particularly in fintech and insurtech domains. With Kenya's mobile penetration and regulatory openness, Swiss innovative solutions in mobile banking security, regulatory technology (regtech), and digital identity management would find a receptive market. Further enhancing this landscape, in March 2025, Kenya's Ministry of ICT and Digital Economy launched the National Artificial Intelligence Strategy 2025–2030. This forward-looking strategy seeks to establish Kenya as a leading AI hub in Africa, focused on three core pillars: AI-ready digital infrastructure, a robust data ecosystem, and AI research, innovation, and commercialization. These pillars are supported by key enablers including governance, talent development, investment, and ethical inclusion. Moreover, Kenya's **healthcare sector** offers significant potential for Swiss MedTech and healthcare service providers, particularly in areas such as advanced diagnostics, telemedicine, digital health solutions, and capacity building through medical training initiatives.

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[15] https://www.seforall.org/system/files/2025-05/Kenya-ETIP.pdf

[16] Business Daily Africa, https://www.businessdailyafrica.com/bd/corporate/companies/kenya-tops-rivals-in-2024-venture-capital-investments-4944912 accessed on February 27, 2025

3 FOREIGN TRADE POLICY

3.1 Policy and Priority of the Host Country

Kenya continues to position itself as a key economic hub in East Africa, marked by the launch of its Foreign Policy 2024 in December 2024 - an updated version of the 2014 Foreign Policy. Anchored in the Kenya Vision 2030 blueprint and aligned with the BETA Plan and African Union's Agenda 2063, the new foreign policy aims to deepen regional integration, reinforce Kenya's commitment to multilateralism, attract investments, boost trade opportunities and foster economic partnerships[17].

Regionally, Kenya remains a leading player within the East African Community (EAC), where it champions initiatives to harmonize trade regulations and eliminate non-tariff barriers to promote seamless intra-regional trade. Moreover, Kenya's commitment to the African Continental Free Trade Area (AfCFTA) is unwavering. Since the start of commercially meaningful trade within the AfCFTA framework under the Guided Trade Initiative, Kenya has so far exported products such as tea, soaps, brushes, soda ash, hides, stoves, honey, energy saving jikos, to Ghana, Nigeria, South Africa among other African countries[18]Kenya has also been on the forefront in implementing the Pan African Payments & Settlement System (PAPSS) through its local banks. PAPSS allows users send funds in their local currencies to recipients in other African countries. The system is designed to enable African trade and execute cross border transfers real-time and in their local currencies, thereby removing the hard currency dependency and delays in transacting cross border[19].

Bilateral economic relations also remain high on Kenya's agenda, particularly with major partners such as the United States of America (US), the European Union (EU), China, United Arab Emirates (UAE) and increasingly emerging economies. Bilateral trade negotiations with the US started in 2020 and was relaunched in 2022 under the framework of US-Kenya **Strategic Trade and Investment Partnership (STIP)** which advanced significantly with the 8th round of negotiations taking place in September 2024. The negotiations focused on seven topics: (1) agriculture; (2) customs, trade facilitation, and enforcement; (3) environment; (4) good regulatory practices, (5) inclusivity; (6) legal and administrative matters; and (7) workers' rights and protections[20]. Kenya is actively pursuing extension of the **African Growth and Opportunity Act (AGOA),** which is set to expire on 30 September 2025. Under AGOA, the volume of apparel exports to the US rose from 97.3 million pieces in 2023 to 116 million pieces in 2024. Similarly, the value of these exports increased by 19.2% to reach USD 449.4 million in 2024[21]. Further, on 2 April 2025, the Trump administration imposed a 10% reciprocal tariff on Kenyan exports to the US, including key items like cut flowers, tea, coffee, textiles, and apparel. These tariffs effectively erode the duty-free benefits under AGOA, increasing costs for Kenyan exporters. The Trump administration, which assumed office on 20 January 2025, has indicated openness to negotiate a trade deal with Kenya as AGOA ends[22]. This new trade deal negotiation is likely to take a different approach from the STIP framework.

The EU remains Kenya's top export destination, accounting for more than 14% of its exports. In July 2024, the EU-Kenya Economic Partnership Agreement (EPA) officially entered into force. Total trade between the EU and Kenya reached EUR 3.4 billion in 2023, with an increase of 13% in 2024 and 53% in the last 10 years[23]. Meanwhile, the UAE-Kenya Comprehensive Economic Partnership Agreement (CEPA) bilateral non-oil trade reached USD 3.1 billion in the first nine months of 2024, an increase of 29.1 % compared to the same period in 2023[24]. On the other hand, Kenya's engagement with China continues to deepen, with President William Ruto making a four-day state visit to China in April 2025. During the visit, Kenya and China strengthened their bilateral ties through a high-level meeting with the Chinese President, the signing of more than 20 trade agreements and Memoranda of Understanding (MoU) aimed at improving various sectors of the economy and participation in the Kenya-China Business Forum. Key outcomes included commitments to enhance cooperation in trade, infrastructure, education, and media while highlighting plans for a **potential free trade agreement**, joint infrastructure projects such as the **railway extension to Uganda**, and partnerships in vocational training, scientific research, and information exchange.

[17] https://www.mfa.go.ke/review-and-launch-kenyas-foreign-policy-2024
[18] State Department for Trade, Kenya, 2024
[19] KCB Bank, 2025
[20] https://ustr.gov/about-us/policy-offices/press-office/press-releases/2024/september/united-states-and-kenya-hold-eighth-negotiating-round-under-strategic-trade-and-investment
[21] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
[22] The Star Newspaper, accessed on June 9, 2025.
[23] https://www.eeas.europa.eu/delegations/kenya/eu-kenya-business-forum-2025-advancing-digital-trade-and-sustainable-growth-through-strategic_en
[24] https://www.arabianbusiness.com/politics-economics/uae-and-kenya-sign-cepa-deal-as-they-look-to-boost-9-month-3-1bn-trade

At the multilateral level, Kenya actively participates in World Trade Organization negotiations, especially in discussions surrounding agriculture and e-commerce rules. Kenya advocates for reforms that better reflect the interests of developing countries and leverages its WTO membership to enhance its integration into global value chains.

Despite these proactive engagements, Kenya continues to face challenges including tariff and non-tariff barriers within regional markets, infrastructural bottlenecks, and the need for policy coherence to fully capitalize on trade opportunities. However, the Government of Kenya is addressing these through a combination of trade facilitation measures, investment in transport corridors and policy reforms aimed at improving the business climate.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Switzerland does not yet have a formal bilateral free trade agreement with Kenya. However, it has initiated exploratory discussions aimed at deepening trade relations. Also, there has been some progress on the Double Taxation Agreement (DTA) which intends to strengthen the bilateral economic framework between Switzerland and Kenya. In October 2024, the Kenyan Government circulated a public notice inviting comments from stakeholders[25]. The DTA aims to prevent double taxation and facilitate cross-border economic transactions for businesses operating in both countries. Meanwhile, the existing Bilateral Investment Treaty, signed in 2006 and entered into force in 2009, continues to offer a legal foundation for investment protection[26].

Further, Switzerland and Kenya signed in May 2025 a bilateral cooperation agreement under Article 6.2 of the Paris Agreement, allowing transfer of carbon credits via Internationally Transferred Mitigation Outcomes. As part of its updated 2031–2035 Nationally Determined Contribution, Kenya has committed to reducing greenhouse gas emissions by 35% by 2035. The agreement is expected to deepen climate cooperation, provide Swiss companies preferential access to carbon credit markets generated by Kenya's climate initiatives and projects. This collaboration also supports Switzerland's strengths in green technologies and sustainable finance. Also, Kenya has signed a similar agreement with Sweden and is finalizing negotiations with Singapore as part of its strategy to achieve climate targets through international cooperation and market-based approaches.

Swiss companies continue to benefit from Kenya's trade openness, attracting foreign investment and its strategic engagement in regional trade blocs such as the EAC and AfCFTA creates opportunities which provides a wider market access for Swiss businesses present in Kenya.

4 FOREIGN TRADE

4.1 Development and general outlook

4.1.1 Trade in goods

In 2024, Kenya's merchandise trade volume increased to approximately USD 28.18 billion, up from about USD 26.69 billion in 2023, driven by increased imports and exports. Export earnings grew to around USD 8.16 billion, boosted by tea, apparel, oils, fruits, coffee, and jet fuel re-exports. Imports increased to approximately USD 20.03 billion, mainly due to higher imports of rice, telecom equipment, plastics, machinery, and aircraft. With exports outpacing imports, the trade deficit narrowed to about USD 11.82 billion, and the export-import cover ratio improved to 41.1%[27].

4.1.2 Trade in services

The services sector remains a cornerstone of Kenya's economy, contributing 55.3% to the GDP in 2024. Some of the key sub-sectors with significant growth included financial and insurance activities and transportation and storage expanding by 7.6% and 4.4%, respectively. This growth underscored the resilience and dynamism of Kenya's services industry, which continues to drive economic development and employment opportunities across the country. Additionally, the receipts from international trade in services grew by 9.0% to approximately USD 8.04 billion in 2024. Similarly, payments for international services increased from about USD 5.63 billion in 2023 to approximately USD 5.64 billion in 2024, resulting in a surplus in the services account of around USD 2.41 billion in 2024. The growth in service

[25] https://newsite.treasury.go.ke/sites/default/files/Notices/Public-Notice-for-the-proposed-Kenya-Switzerland-Double-Taxation-Agreement.pdf
[26] https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Internationale_Investitionen/Vertragspolitik_der_Schweiz/overview-of-bits.html
[27] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey-Popular-Version.pdf

receipts was mainly on account of increased receipts from the travel services, which accounted for 43.5% of the total services receipts[28].

4.2 Bilateral Trade in Goods

In 2024, the volume of trade between Switzerland and Kenya experienced a further decrease of about 3.8%, declining from CHF 156 million in 2023 to CHF 150 million. Switzerland imported CHF 79 million worth of goods from Kenya, representing a 4.9% increase from the CHF 75 million imported in 2023. This growth signals a strengthening of Kenyan exports to the Swiss market. In contrast, Switzerland exports to Kenya declined from CHF 81 million in 2023 to CHF 72 million in 2024, marking a significant drop of 11.8%.

Switzerland's exports to Kenya were dominated by products of the chemical and pharmaceutical industry, accounting for 76.4% of total exports in 2024, slightly up from 75.3% in 2023. Other sectors such as machinery, paper and printing and precision instruments contributed 8.3%, 5.6% and 2.8% respectively. On the other hand, Switzerland's imports from Kenya remained heavily concentrated in forestry, agricultural products, and fisheries, which made up 97.5% of total imports in 2024 up from 96.0% in 2023. Among these, cut flowers were a key import, valued at CHF 27 million and representing 14.4% of total trade, despite a 4.4% decrease from the previous year. Meanwhile, imports of coffee, tea, maté, and spices grew by 11.8%, reaching CHF 39 million, though they accounted for a smaller 2.9% share of total trade. Textiles, clothing, and shoes maintained a steady share of 1.3%.

5 DIRECT INVESTMENTS

5.1 Development and general prospects

In 2024, Kenya's international investment position experienced consistent growth, with the total stock of external assets increasing from USD 30.35 billion at the end of 2023 to USD 30.57 billion at the end of 2024. The largest portion of these assets - about USD 10.06 billion comprised other investments, primarily in the form of currency, deposits, and loans issued by Deposit Taking Corporations. Reserve assets represented the second-largest category, rising from USD 8.49 billion in 2023 to USD 9.65 billion in 2024, driven by increased disbursements from multilateral sources, foreign exchange earnings from agricultural exports, and higher remittance inflows. Portfolio assets also grew, rising from USD 6.66 billion to USD 7.63 billion, mainly due to increased holdings of equity and debt securities by various non-bank sectors. Similarly, the stock of Foreign Direct Investment (FDI) assets increased by 15.1%, reaching USD 3.18 billion by the end of 2024, reflecting Kenya's strengthening engagement with international financial markets[29].

Kenya launched its Strategic Plan 2023–2027, aiming to boost FDI from USD 500 million in 2022 to USD 10 billion by 2027**.** The plan focuses on improving the investment climate through regulatory reforms, developing Special Economic Zones, creating investor-ready projects, and enhancing coordination among government agencies. In February 2024, Kenya's Cabinet approved the privatization of 7 state-owned enterprises (SOEs), including financial and hospitality sector entities. This initiative aimed to boost growth in the hospitality sector and improve the performance of these units through private investment, following the earlier privatization of 10 state-owned enterprises in 2023[30]. In December 2024, Kenya enacted Business Laws (Amendment) Act, 2024, which amended the Special Economic Zones Act, 2015 to introduce a 10-year limit on incentives for developers and operators. Additionally, Kenya is in the process of reviewing the Investment Promotion Act of 2004.

5.2 Bilateral Investments

National data from the Kenya Investment Authority indicate that Swiss investments in Kenya have grown overtime demonstrating steady and consistent engagement. Since 1989 to date, a total of 27 Swiss investment projects have been registered and facilitated by the Kenya Investment Authority, valued at approximately USD 25.97 million and creating employment for 798 Kenyans. Between 2019 and 2024, Switzerland undertook 8 investment projects with a total capital investment of USD 4.63 million, accounting for 0.2% of the overall investment volume and employing 74 Kenyans. These investments were primarily directed toward the services sector, followed closely by the trade sector. Other sectors, including tourism, agriculture, and manufacturing, also attracted interest[31].

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[28] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey-Popular-Version.pdf
[29] https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf
[30] https://www.president.go.ke/wp-content/uploads/Despatch-from-Cabinet-14.02.2024.pdf
[31] Kenya Investment Authority - FDI in Kenya (2019–2024)

In comparison to other investment partners for Kenya (cf. Annex 5), Switzerland ranked 26th among investing countries, with China, the United Kingdom (UK), and India taking the lead. China alone contributed USD 962.77 million through 74 projects—nearly a third (31.9%) of total investments while the UK invested USD 337.21 million (11.2%) and India USD 196.02 million (6.5%)[32]. In contrast to the national data, investment figures from the Swiss National Bank indicate that the **capital stock of Swiss direct investment in Kenya** amounted to CHF 375 million in 2023, representing a 23.7% decline from CHF 518 million in 2022[33]. Additionally, according to the IMF database, Kenya recorded **inward direct investment (net liabilities less assets) all financial instruments, all entities** from Switzerland amounting to approximately USD 446.73 million in 2023, down from USD 561.41 million in 2022. This represents a decline of about 20%, indicating a reduction in Swiss investment into Kenya in 2023. No data was recorded for **outward direct investment, net (assets less liabilities), all financial instruments, all entities** from Kenya to Switzerland in either year, suggesting that Kenya did not make significant direct investments in Switzerland[34].

6 BUSINESS AND TOURISM PROMOTION

6.1 Instruments of Swiss foreign trade promotion

The **Swiss Business Circle**, established in November 2022, continues to serve as an informal yet valuable platform for major Swiss companies in Kenya to share insights and foster collaboration, with the Embassy of Switzerland in Nairobi organizing networking events—most recently in May 2025, focusing on the taxation landscape in Kenya and reviewing the Finance Bill, 2025. Also, the Swiss Business Hub Southern Africa based in Pretoria, continues to advance Swiss export strategies in the region by supporting SMEs with tailored services. Additionally, the launch of the **European Chamber of Commerce in Kenya (EuroCham Ke)** in May 2025, following the dissolution of the European Business Council, marks a new, structured approach to promoting European and Swiss business interests in Kenya[35].

6.2 Interest of the host country for Switzerland

Switzerland and Kenya have made progress on advancing education, research and innovation. In November 2024, Switzerland **State Secretary for Education, Research and Innovation, Martina Hirayama** visited Nairobi to sign an MoU with the Kenyan Ministry of Education. This agreement aims to strengthen cooperation in education, research, and innovation, building on nearly 50 joint projects funded by the Swiss National Science Foundation between 2018 and 2023. Additionally, Swiss universities continue to be renowned for their excellence attracting interest from Kenyan students, supported by programs such as the Swiss Government Excellence Scholarships, which promotes scientific research.

In 2024, the Embassy of Switzerland in Nairobi issued a total of **2,453 Schengen visas** to applicants residing in Kenya. The majority were granted for business purposes with 829 visas issued, followed by official visits with 586 visas, and visits to family or friends with 506 visas. Other reasons for travel included tourism with 204 visas, sports with 62, school or study with 25, and cultural activities with 12, reflecting the diverse interests of Kenyan residents traveling to Switzerland.

In addition, Switzerland's reputation as a reputable and secure global financial center is well-regarded in Kenya. Kenyan financial institutions and investors recognize the credibility of Swiss banks, and the advantages of financial services based in Switzerland, including wealth management and asset protection. The global standard for the automatic exchange of information on financial accounts (AEOI) between Switzerland and Kenya entered into force on 1 January 2024. Nevertheless, a large part of the population still associates the Swiss Financial Center with tax evasion and corruption cases (including partly by the media). Collaborations in financial services, such as regulatory dialogue and capacity-building exchanges, have the potential to support Kenya's ambition to become a regional financial hub while reinforcing trust and financial linkages with Swiss partners.

[32] Kenya Investment Authority - FDI in Kenya (2019–2024)
[33] Swiss National Bank: https://data.snb.ch/en/topics/aube/cube/fdiausbla?fromDate=2022&dimSel=d0(KE,PMT)&dimChartSel=d0(KE,PMT)
[34] IMF Data, https://data.imf.org/en/Data-Explorer accessed on June 16, 2025
[35] https://www.standardmedia.co.ke/business/business/article/2001518835/eus-chamber-of-commerce-to-up-trade-relations-with-kenya

ANNEX 1 – Economic structure

Economic structure of the host country

Distribution of GDP*	2020	2024
Agriculture, forestry and fishing	22.7 %	22.5 %
Transport & Storage	10.8 %	12.7%
Real Estate	9.3 %	8.4%
Wholesale & Retail trade, Repairs	8.1 %	7.5 %
Manufacturing	7.6 %	7.3%
Construction	7.0 %	6.3 %
Financial and insurance activities	6.7 %	7.9 %

Distribution of employment**	2020	2024
Human health and social work activities	45.2 %	56.4 %
Agriculture, forestry and fishing	41.7 %	42.3 %
Manufacturing	23.0 %	21.9 %
Transport & Storage	19.1 %	23.5%
Electricity, gas, steam and air conditioning supply	17.5 %	17.2%
Financial and insurance activities	11.1 %	11.7%
Water supply; sewerage, waste management & remediation activities	9.1%	10.1%
Construction	9.1 %	9.9%

* Source: Kenya National Bureau of Statistics, Economic Survey (2025), accessed on May 14, 2025
https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf

** Source: Kenya National Bureau of Statistics, Economic Survey (2025), accessed on May 14, 2025
https://www.knbs.or.ke/wp-content/uploads/2025/05/2025-Economic-Survey.pdf

ANNEX 2 – Main Economic Data

Host country's main economic data

	2022	2023	2024
GDP (USD bn)	114.4	107.5	120.3
GDP per capita (USD)	2,240	2,097	2,296
Growth rate (% of GDP)	4.8	5.7	4.7
Inflation rate (%)	7.6	7.7	4.5
Unemployment rate (%)*	5.6	5.6	5.4
Fiscal balance (% of GDP)	-5.6	-5.2	-5.1
Current account balance (% of GDP)	-4.9	-4.1	-3.7
Total Debt (% of GDP)	72.0	65.7	65.5
Debt-service ratio (% of exports)	36.5	39.2	75.5
Reserves (months of imports)	4.1	3.9	5.1

Sources:

Annual Public Debt Management Report 2023/2024, accessed on May 22, 2025.
https://www.treasury.go.ke/wp-content/uploads/2024/11/Annual-Public-Debt-Management-Report-.pdf;

Central Bank of Kenya, Monetary Policy Statements 2022, 2023 and 2024, accessed on May 22, 2025.

Kenya Economic Update Report 2025, World Bank. accessed on May 28, 2025.
https://documents.worldbank.org/en/publication/documentsreports/documentdetail/099052625075532839

* https://tradingeconomics.com/kenya/unemployment-rate

ANNEX 3 – Trading Partner

Trade partners of the host country   Year: 2024

Ranking	Country	Exports *from the host country* (USD Mn)	Share (%)	Change (%)	Ranking	Country	Imports *from the host country* (USD Mn)	Share (%)	Change (%)
1	Uganda	936.4	11.34	2.2	1	China	4307.1	21.32	31.3
2	UAE	753.9	9.13	87.7	2	UAE	2516.6	12.46	-15.0
3	USA	662.5	8.02	43.6	3	India	1966.0	9.73	1.9
4	Pakistan	570.4	6.91	0.6	4	USA	1163.2	5.76	43.2
5	Netherlands	540.1	6.54	-1.1	5	Malaysia	1012.8	5.01	17.1
6	Tanzania	488.7	5.92	-0.7	6	Japan	817.0	4.04	16.7
7	UK	454.4	5.50	15.7	7	Russia	589.8	2.92	-0.7
8	Rwanda	314.8	3.81	3.5	8	Oman	531.5	2.63	132.4
9	DRC	235.9	2.86	24.2	9	South Africa	496.7	2.46	-0.44
10	South Sudan	219.8	2.66	-3.6	10	Kuwait	484.3	2.40	938.1
40	Switzerland	26.5	0.32	-21.1	**33**	Switzerland	71.3	0.35	5.3
	Total	**8255.8**				**Total**	**20203.12**		

*Change (%) compared to previous year period

Source: International Trade Centre (ITC) calculations based on Kenya national bureau of statistics since January 2011, accessed on May 14, 2025. https://www.trademap.org/

ANNEX 4 – Bilateral Trade

Bilateral trade between Switzerland and the host country *

	Export (CHF million)	Change (%)	Import (CHF million)	Change (%)	Balance (CHF million)	Volume (CHF million)
2019	89	-11.1	62	34.4	27	151
2020	86	-3.5	61	-0.9	24	147
2021	99	15.3	83	36	15	182
2022	99	0.4	80	-4.6	20	179
2023	81	-18.2	75	-5.5	6	156
2024	72	-11.8	79	4.9	-7	150

* Exclusive of gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques
** Change (%) compared to previous year period

Export	**2023** % of total	**2024***** % of total
1. Products of the chemical and pharmaceutical industry	75.3	76.4
2. Machines, appliances, electronics	8.6	8.3
3. Paper, articles of paper and products of the printing industry	8.6	5.6
4. Precision instruments, clocks and watches and jewellery	3.7	2.8
5. Metals	2.5	2.8

Import	**2023** % of total	**2024***** % of total
1. Forestry and agricultural products, fisheries	96.0	97.5
2. Textiles, clothing, shoes	1.3	1.3

Source: Federal Office for Customs and Border Security, accessed on May 14, 2025.

ANNEX 5 – Main investing countries

Main investing countries in the host country – Investment Projects for the Period 2019–2024

Ranking	Country	No. of Projects	Capital Investment USD (Million)	Share (%)	No. of Kenyans Employed
1.	China	74	962.77	31.9	6816
2.	United Kingdom	76	337.21	11.2	2621
3.	India	77	196.02	6.5	2563
4.	Italy	17	181.13	6.0	1696
5.	Netherlands	48	72.54	2.4	982
6.	USA	110	72.39	2.4	1875
7.	Tanzania	13	56.86	1.9	758
8.	Mauritius	14	34.29	1.1	146
9.	Denmark	2	33.49	1.1	50
10.	South Africa	31	30.18	1.0	304
26.	Switzerland	8	4.63	0.2	74
	Total		**3,020.65**		

Source: Kenya Investment Authority - FDI in Kenya (2019–2024), data accessed on April 22, 2025