Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

ECONOMIC REPORT 2023

KENYA

September 2024
TAE/MALMA/SACAS

Executive Summary

In 2023, the Kenyan government implemented radical fiscal policy changes on taxation, public spending, government operations and public debt management. The changes were meant to narrow the fiscal deficit that was under pressure due to low yields, rising debt service obligations and spending pressures. Kenya also faced foreign exchange liquidity challenges, depreciation of the shilling and constrained business environment. This dire economic situation in the country has been caused by a combination of geopolitical shocks, tight financial markets, climate crisis, global inflation and internal missteps in public finance management.

The debt problem remains one of the most pressing problems. President Ruto must implement difficult policy measures to get Kenya's rising debt under control, while at the same time not losing sight of the increasingly difficult living conditions and rising living costs for a large proportion of the population (especially prices of food, fuel and energy). The high national debt (around 70% of GDP almost USD 80 Billion) severely limits the government's room for manoeuvre. More than half the government revenues are used to repay the debt. In order to get the debt under control, Ruto is dependent on further borrowing at home and abroad. In July 2023, Fitch Ratings revised the Outlook on Kenya's Long-Term Foreign Currency Issuer Default Rating (IDR) to Negative from Stable and affirmed the IDR at B.[1]

As 2023 came to a close, the Kenyan economy showed nevertheless impressive resilience with GDP rising to a high of 5.6%, a significant increase from the previous year's growth of 4.8%. This expansion is evidence of a growing economy, bolstered by the strong performance of agriculture and other key sectors. In 2023 Kenya has emerged as number one in Africa in terms of startup investments and also has a dynamic and innovative start-up scene (especially in the fintech sector).

As the political environment has changed since the last administration, foreign investors are showing increased interest in Kenya. Swiss companies might identify future opportunities in several sectors such as infrastructure, clean technology, agriculture or manufacturing inter-alia. There is an increasing international appetite to invest in Kenya, in the so called 'Silicon Savannah'. Nonetheless, much remains to be done in Kenya to achieve the Government's ambitions. Foreign companies continue to suffer from challenging regulatory frameworks, an unpredictable fiscal landscape, high cost of energy, bureaucracy and corruption.

In November 2023, Kenya hosted the inaugural Kenya – Switzerland Political Consultations where several outcomes around trade and investment, climate change, multilateral cooperation, peace and security and people to people cooperation were discussed. In March 2024, Federal Councillor Cassis travelled to Kenya to commemorate the 60th anniversary of Swiss Kenyan bilateral relations which provided a platform to discuss Swiss economic interests at the highest level, including at a meeting with President Ruto.

The volume of bilateral trade between Switzerland and Kenya fell slightly in 2023 compared to the previous year and amounted to CHF 156.42 million. Pharmaceutical and chemical products continue to be the most important exports to Kenya accounting for 74.6% of the export volume. From Kenya, Switzerland mainly imports agricultural products (96.23% of import volume), with the main products being flowers and coffee.

[1] https://www.fitchratings.com/research/sovereigns/fitch-revises-kenya-outlook-to-negative-affirms-at-b-20-07-2023

Schweizerische Botschaft in Kenia, Burundi, Rwanda, Uganda und Somalia
Rosslyn Green Estate, Rosslyn Green Drive, off Red Hill Road P.O. Box 2600, 00621 Nairobi
+254 730 694 000
mailto:nairobi@eda.admin.ch
www.eda.admin.ch/nairobi

Table of Contents

1 ECONOMIC SITUATION AND ECONOMIC POLICY DEVELOPMENTS

I. Economic Growth

Despite facing ongoing obstacles, real Gross Domestic Product (GDP) grew by 5.6 % in 2023 compared to a revised growth of 4.9% in 2022, mainly driven by a rebound in agricultural activities that contracted in 2022[2]. The positive growth was notable amongst most sectors of the economy with the Agriculture, Forestry and Fishing Sectors growing by 6.5%[3]. This growth, which had been severely impacted by persistent drought, was reinforced by the Government's Bottom-Up Economic Transformation Agenda (BETA). The BETA framework is designed to achieve economic turnaround and inclusive growth by investing in sectors such as: Housing and Settlement, Agriculture, Micro, Small and Medium Enterprises (MSMEs) and Healthcare.[4] The economy still faces numerous challenges in sustaining its growth path, such as heightened fiscal and external risks evidenced by significant public debt, rising living costs, fluctuating exchange rates, global economic uncertainties, and rigorous global financial conditions. Regardless of the prevailing uncertainties, the Kenyan economy is anticipated to remain strong in 2024, thanks to the resilient services sector, the revival of agriculture, and the government's initiatives to boost economic activity in key sectors through various measures.

II. Inflation and Currency

The annual inflation rate as measured by the Consumer Price Index (CPI) was 7.7 % in 2023. The inflation was largely driven by an increase in prices of Transport (12.2%); Food and Non-Alcoholic Beverages (9.7%); and Housing, Water, Electricity, Gas and Other Fuels (8.1%).[5] During the initial six months of 2024, it is anticipated that the macroeconomic conditions will maintain their stability, while the general inflation rate will stay within the targeted range of 5%, allowing for a margin of 2.5% on both sides. Since March 2023, Kenya has been facing a shortage of US Dollars, which has caused significant concerns among consumers. The scarcity of dollars can be attributed to various factors, such as decreased exports, elevated import expenses, and diminished remittances. Consequently, certain companies have resorted to acquiring foreign currency from neighbouring Tanzania. The country continues to confront significant underlying issues and experts say that relief might not come anytime soon. The Kenyan shilling (KES) has depreciated against major global and regional currencies. During the period from September 2022 to September 2023, KES has lost 23% to the USD, 38% to the GBP, 33% to the Euro and the pressure is fuelled by sustained demand for imports, subdued recovery in capital inflows as foreign interest rates remain inflated, enhanced dollar demand and persistent strengthening of the USD globally.[6] Food and Energy continue to be big drivers in inflation.

III. Labour Market - Unemployment

Kenya has around 51.5 million inhabitants[7]. The population growth rate in 2023 was around 2% and Kenya's urban population is expected to triple by 2050. Kenya has a young population with a median age of 19.9 years and consequently countless school / university students try to integrate into the labour market every year. The informal sector is a crucial component of the economy representing over 80% of total employment. This sector encompasses small businesses, street vendors and casual labourers who function outside the formal regulatory system. Although, it provides employment opportunities for millions, the informal sector generates relatively minimum tax revenue due to its lack of regulation, which presents a challenge for the government in its efforts to broaden the tax base. The high unemployment rate, estimated at approximately 13% in 2023, has compelled many individuals to seek work in the informal economy, as the creation of formal jobs has not kept pace with the growing population. Consequently, while the informal sector absorbs a significant proportion of the labour force, it simultaneously restricts the government's capacity to enhance tax revenue and finance essential services.

The Government is keen on creating jobs and facilitating business opportunities for Kenyans at home and abroad.[8] President Ruto is also seeking to boost the export of at least 1 million jobs for Kenyan workers. He said his government promised *during the campaigns* that it would increase the remittances from USD 4 billion to USD 10 billion or KES 1 trillion. Kenya posted an increase in foreign remittance

[2] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

[3] https://www.planning.go.ke/kenya-economic-survey-report-2024-launched-in-nairobi/

[4] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[5] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[6] https://documents1.worldbank.org/curated/en/099121323045531282/pdf/P1797690868fd30930907305dfbdc54bcda.pdf

[7] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

[8] https://www.president.go.ke/president-ruto-job-creation-key-government-agenda/

inflows in June 2023 to USD 345.9 million compared to USD 326.1 million in June 2022, an increase of 6.1%[9].

IV. Public debt

Kenya's public debt shot up by KES 1.93 trillion[10] in the year ending December 2023, raising the country's indebtedness to a new high of KES 11.14 trillion. This translated to a daily increase of KES 5.29 billion for the entire 2023 - the year when the KES shed 26.8% of its value against the US dollar. This depreciation also had a heavy impact on external public debts by 73.2% (KES 1.4 trillion) of the KES 1.9 trillion. This increase in public debt is attributed to external loan disbursements, exchange rate fluctuations and an uptake of domestic debt. Multilateral loans accessed from organizations such as the World Bank and the IMF have had the highest increase of USD 1.62 billion. Bilateral loans (from other countries) however, dropped by USD 692.72 Million to USD 9.089 billion in the year to December 2023. Under the previous regime, public debt almost doubled in relation to GDP and had grown from just under 36% in 2013 to 68% in 2021. The Ruto Government has been forced to get the debt crisis under control. It is worth noting that in February 2023, the Cabinet approved and sent to Parliament a proposal for changing Kenya's debt cap from KES10 trillion to a new debt anchor at 55.0% of GDP in present value terms for discussion and approval in line with the promise made to the IMF. According to the government, the move was to ensure debt sustainability.

China: China is Kenya's largest bilateral external creditor, but its lending is well below that of multilateral institutions. At USD 6.3 billion as of March 2023 according to Treasury figures, Chinese loans account for roughly 64% of Kenya's current stock of bilateral external debt and only 17% of total external public debt. Multilateral borrowing is almost double the bilateral total, with the World Bank being Kenya's largest single external creditor.[11] In October 2023, Kenya sought USD 1 billion more in loans from China despite rising public debt that has now reached USD 70 billion in the Eastern African country, according to National Treasury figures for 2022/2023. The Standard Gauge Railway project in Kenya cost USD 4.7 billion to build, has faced numerous challenges including delays and a low uptake of its freight services. Kenya's SGR was mainly constructed using Chinese banks loans and now the Government has sought more money to finish the stalled road projects. Chinese loans for the SGR Project in Kenya are in USD and come with variable interests, specifically 3.6% or 3% above the LIBOR average. The tightening of global monetary policies and the devaluation of the Kenyan Shilling have made it harder to repay these loans after the initial grace periods expired. Both Chinese and Commercial Lenders have influenced Kenya's debt management strategy.

Domestically, President Ruto has announced restrictions on foreign trips and asked all ministries to cut their budgets by more than 10% as he aims to reduce government spending. But his critics, mainly in the opposition, say the president himself has reneged on his promise by continuing to borrow heavily despite the economy struggling.

V. Petroleum Price Stabilisation

Since 14 May 2023, fuel prices have been steadily increasing. Super petrol saw a rise of KES 3.40 per litre, while diesel and kerosene increased by KES 6.40 and KES 15.19 respectively. The Government further exacerbated the situation by doubling the Value-Added tax (VAT) from 8.0% to 16.0%. However, in an effort to stabilize pump prices for the August – September pricing cycle, the government decided to provide compensation to Oil Marketing Companies (OMCs) from the Petroleum Development Fund. Unlike previous practices that relied on exchequer funds, this stabilization was funded within the allocated funds and did not require funds, this stabilization was funded within the allocated funds and did not require additional support. Kenya has taken steps to mitigate the risk of fuel shortages by entering into agreements with the United Arab Emirates (UAE) and Saudi Arabia. As a result, from March 2023, Kenya has been able to secure credit for fuel imports from these countries.

VI. Negative Outlook by credit agencies

In February 2023, S&P Global downgraded Kenya's credit outlook to negative from stable and followed a downgrade of the Long-Term Foreign Currency issuer default rating by Fitch in December 2022. The revision of Kenya's Outlook to Negative reflects increased external financing constraints amid high funding requirements, including a USD 2 billion Eurobond maturity in 2024, weakening international reserves, rising financing costs, and uncertainty regarding the fiscal trajectory, for example, due to

[9] https://nation.africa/kenya/news/ruto-the-government-to-increase-foreign-remittances--4467322

[10] KES/USD Forex Rate 1 USD = KES 139.85 (https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf)

[11] https://www.chathamhouse.org/2023/05/kenyas-debt-struggles-go-far-deeper-chinese-loans

execution risks of the announced tax hikes amid social unrest. Overall, global credit rating agencies downgraded Kenya's outlook to negative in July 2023, citing investors' concerns about high financing needs and declining international reserves.[12]

VII. Finance Act

Finance Bill 2023: The Finance Bill 2023, which sought to enhance revenue mobilization, was signed into law at end-June 2023 and aimed to bring about 1.5% of GDP in additional revenue. The Act aimed to introduce fundamental changes to Kenya's tax and social contributions regime. It amended various pieces of tax legislation including the *Income Tax Act*, *Value Added Tax Act*, *Excise Duty Act* and the *Tax Procedures Act*, as well as various non-tax acts such as the *Kenya Roads Board Act*, the *Employment Act, 2007* and the *Unclaimed Financial Assets Act*.

However, various human rights groups faulted the constitutionality of the enactment process for the Act, citing poor public participation processes and failure to follow legal provisions as the main concerns. A petition was filed in the High Court seeking a declaration of the unconstitutionality of the Act. The High Court ruled that the Finance Act was not unconstitutional in November 2023. The parties appealed to this decision and on 31 July 2024, the Court of Appeal declared the entire Finance Act 2023 unconstitutional having found that the process leading to the enactment of the Act was fundamentally flawed and in violation of several key Articles of the Constitution of Kenya.[13] The cancellation of Kenya's Finance Bill has forced the government to reassess the budget and explore alternative revenue sources to prevent economic instability.

Finance Bill 2024: The Finance Bill for 2024 sought to raise additional revenue of KES 346 billion, the largest amount of additional revenue in the history of Kenya's Finance Bills. This represented a 43% increase, compared to Finance Bill 2023, which sought to raise an additional KES 211 billion. The legislation served as a fundamental element of Kenya's accord with the International Monetary Fund (IMF) designed to tackle Kenya's difficulties. Large demonstrations against the Finance Bill 2024 took place in many parts of the country and were led by the so-called Gen-Z movement. The police responded with excessive force, using tear gas, live ammunition and rubber bullets. According to figures from the Kenya National Human Rights Commission (KNHCR), over 60 people were killed and 66 remain missing. President Ruto conceded and withdrew the controversial financial bill which included contentious tax increases.

Fighting Corruption

Corruption is widespread in Kenya. The 2023 Corruption Perceptions Index (CPI) shows that Kenya dropped from 32/100 to 31/100 points and Kenya is now 126th out of 180. Kenya's slight decline in the CPI 2023 compared to the CPI 2022 can be attributed to a dearth of successful prosecutions in graft cases witnessed in the recent past, with a number of cases either dragged inordinately, withdrawn by the prosecution or resulted in acquittals with no publicly known efforts to review the withdrawn cases or appeal the cases lost. Kenya's score of 31 fell below the Sub-Saharan average score of 33 and the global average score of 43.

VIII. Eurobond 2024

In December 2023, Kenya paid the USD 68.7 million (KES10.8 billion) interest due on the USD 2 Billion (KES 312 Billion) Eurobond that matured in July 2024, a day after it emerged that it had dropped the initial plan to make an advance payment of the principal before the end of 2023.[14] Kenya has had many long discussions and negotiations with the International Monetary Fund and other development financial institutions for a new loan to help settle the USD 2 Billion Eurobond repayment. In February 2024, Kenya then tapped the international bond market to raise cash and buy back a 10-year Eurobond of USD 2 billion that matured in June. The unexpected issuance defied earlier expectations that the National Treasury of Kenya would finance the planned buyback using foreign exchange reserves or loans from multilateral lenders.

The IMF board was due to meet in July to approve a disbursement, but, due to anti-government protests and the withdrawal of the Finance Bill 2024, which resulted in a Sh346 billion funding gap, the meeting did not take place. US Ambassador Meg Whitman revealed that the institution had suspended the disbursement scheduled for June and was requiring new revenue collection measures to be put in place

[12] https://thedocs.worldbank.org/en/doc/bae48ff2fefc5a869546775b3f010735-0500062021/related/mpo-ken.pdf

[13] https://taxnews.ey.com/news/2024-1498-kenya-court-of-appeal-declares-the-finance-act-2023-unconstitutional-one-year-later

[14] https://www.businessdailyafrica.com/bd/economy/2bn-eurobond-settlement-in-june-4476734

before resuming the disbursement, which will be discussed at the next board meeting scheduled for September. The meeting also addressed the recent Kenyan Court of Appeal decision declaring the 2023 Finance Bill unconstitutional, expressing concern about the risk of a revenue shortfall for the country. Although the IMF warned Kenya against possible protests in its January report, the institution remains widely unpopular across the country, being held responsible for the high cost of living and punitive taxes. The World Bank and IMF have defended themselves by highlighting the various projects they have financed and refuting accusations that their interest rates are too high.

IX. Kenya – Switzerland Political Consultations

In the spring of 2022, Switzerland and Kenya reached an agreement through a Memorandum of Understanding (MoU) to conduct regular political discussions. In November 2023, the inaugural political consultations took place in Nairobi. The discussions revolved around; multiple ongoing bilateral negotiations, endeavouring to enhance economic and trade ties (including a double taxation agreement) and Switzerland's position in the UN Security Council. Additional significant subjects included; strategies for addressing climate change and Kenya's stabilizing influence in a region plagues by crises and conflicts. During the consultations it was agreed that the consultations would be held annually alternately in Nairobi and Bern.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

2.1 Priority Sectors

Despite corruption and high national debt, Kenya is one of the most economically interesting countries in Africa, which also explains the presence of Swiss companies and their growing interest new foreign companies entering the market and an increase in FDIs. Kenya is a service driven economy and the ideology of liberalism has defined Kenya since its inception. The recent protests in particular have shown a democracy that is firmly anchored in the people and has a judicial system that, despite its weaknesses, regularly overturns government decisions.

I. Transport and Logistics

The Transportation and storage sector expanded by 6.2% in 2023 compared to a growth of 5.8% in 2022. The growth was driven by increased activities in transport via railway, port activities and air transportation. Passenger and freight movements via Standard Gauge Railway (SGR) grew by 14.1% cent and 7.3 per % to 2,729 thousand passengers and 6,533 thousand tonnes, respectively, in 2023.[15]

In September 2023, Energy and Petroleum Regulatory Authority (EPRA) published the Electric Vehicle Charging and Battery Swapping Infrastructure Guidelines 2023. These provide an enabling framework that seeks to encourage the uptake and use of electric vehicles ("EVs") in the country, by addressing the challenge of charging infrastructure.[16]

The e-mobility journey in Kenya has been steered by the private sector unlike in other neighbouring countries where the Government plays a central role. Nonetheless Kenya lags far behind Tanzania in terms of electric vehicles. Two examples of companies in the e-mobility field are worth mentioning: 1) BasiGo an e-mobility startup offers bus operators an electric bus solution that is more affordable, more convenient, and more reliable than a diesel alternative. BasiGo received funding from SIFEM, the Swiss Development Finance Institution. 2) eWAKA is a full-service platform for businesses to make cheaper, eco-friendly electric bikes. eWAKA provide electric bikes for rent or sale along with professional dispatch riders if needed. The SECO Startup Fund has offered eWAKA a loan in December 2022 to accelerate e-mobility in Africa

II. Infrastructure – Construction Sector

The performance of the construction sector was relatively slower in 2023 compared to 2022. The sector expanded by 3.0% in 2023 compared to 4.1% in 2022. The decelerated growth was evidenced by declines in key inputs in the construction industry such as cement consumption and volume of imported iron and steel, cement clinkers and non-ferrous metals.[17] The growth was however supported in part by increase in government expenditure on roads and the number of residential buildings completed by the

[15] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[16] https://www.oraro.co.ke/wp-content/uploads/2023/10/The-Electric-Vehicle-Charging-and-Battery-Swapping-Infrastructure-Guidelines-2023.pdf

[17] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

State Department for Housing and Urban Development (SDHUD).[18] There is a 2.1% rise in employment level in construction in the public sector, from 9.5 thousand in 2022 to 9.7 thousand persons in 2023.[19] Looking at longer-term projections, the industry is anticipated to expand at an average annual rate of 5.9% between 2024 and 2027.

The 175km artery Nairobi-Nakuru-Mau Summit Highway project hit a harsh reality check with the French Vinci Consortium abandoning the project (due to the total cost of the project being too high given the current dynamics where Kenya is in a tight fiscal space). This left leaving Kenyans not just questioning its commitment, but overall, the future of Public Private Partnerships (PPPs) in the country. This road is an important section of the main transportation axis for freight traffic between Mombasa and the Great Lakes regions. The same French group that abandoned the Nairobi-Nakuru-Mau Summit highway project also abandoned the five-kilometre Nairobi CBD-JKIA (from the center of Nairobi to the international airport) railway project.

It is important to note that, corruption is prevalent, particularly in the awarding of tenders. Funding constraints have resulted in delays, project suspensions and non-payment of contractors. High level of non-compliance with construction regulations poses safety risks. Local contractors are unable to compete successfully for high-value civil engineering projects due to the dominance of foreign companies. Supply-chain disruptions persist, but are easing. The cost of construction is high and the availability of certain construction materials is unreliable. Unforeseen events, including extreme weather events, geopolitical risks and regional instability remain high.[20] In December 2023, transportation costs recorded the only double-digit inflation rate across all categories, exposing higher-income households to greater consumer prices than the rest of the population.[21]

III. Agriculture

The performance of the Agriculture sector improved in 2023 supported partly by government intervention through the fertilizer subsidy program and favorable weather conditions across the country. Consequently Agriculture real growth was 7.0 %[22] In 2023, the agriculture sector reversed the negative growth trend recorded since 2021 to register an impressive recovery of 7.0% in 2023. This was a result of favorable weather conditions; expansion in area under crop as a result of farmers anticipating high prices for their products; and enhanced government interventions that included the fertilizer subsidy programme.[23]

Kenya’s economy is projected to remain resilient in 2024, mainly supported by a robust services sector, strong performance in agriculture aided by anticipated adequate rainfall and a decline in global commodity prices that is expected to reduce the cost of production. In addition, the distribution of the subsidized fertilizer and seed subsidy program is expected to support the agriculture sector’s growth.[24]

IV. Startup Landscape

Kenya has recently emerged as a standout investment destination. It's been making waves in the world of venture capital (VC) funding, and here are some compelling reasons driving this attention. Kenya has emerged as number one in Africa in terms of startup investments and also has a dynamic and innovative start-up scene (especially in the fintech sector). Kenya attracted the most international funding in 2023 at just under USD 800 million, making up 28% of Africa’s total.[25] Kenya’s strong position in startup funding can be attributed to several factors which include a favorable investment climate, supporting government policies and a thriving entrepreneurial ecosystem. Another advantage is that Kenya has a well-developed financial sector, with both local and international investors showing interest in funding African startups.

Nonetheless, it is important to note that investors in 2024 are emphasizing due diligence and seeking ventures with strong fundamentals and realistic growth plans, moving away from solely chasing high-growth potential.

[18] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[19] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

[20] https://www.businesswire.com/news/home/20240306952473/en/Kenya-Construction-Industry-Report-2023-Local-and-international-Factors-Competitive-Environment-Industry-Associations-Market-Dynamics---ResearchAndMarkets.com

[21] https://www.businessdailyafrica.com/bd/economy/inflation-hits-nairobi-higher-income-households-hardest--4546490#:~:text=Higher%2Dincome%20households%20in%20Nairobi,lower%2Dincome%20homes%20the%20most.

[22] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

[23] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[24] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[25] https://innovation-village.com/kenya-emerges-top-recipient-of-start-up-funding-in-africa-in-2023/

V. Information and Communication (ICT) Sector

The government's commitment to the Information and Communication Technologies (ICTs) sector is evident through its efforts to implement ICT programmes as a priority under the Bottom-Up Economic Transformation Agenda. The value of output from ICT sector increased by 5.8% to 640.2 billion in 2023. The ICT sector plays a pivotal role in Kenya's economy, especially in mobile telephone services. Kenya boasts a well-developed communications network, offering ample opportunities for IT services, call centres, and related ventures. Nairobi, in particular, has emerged as a technology hub in Africa.

VI. Financial and Insurance Activities

Financial and Insurance sector grew by 14.7% in the third quarter of 2023 compared to 9.6% growth in the corresponding quarter of 2022. The cost of credit issued by commercial banks went up during the third quarter of 2023, with average interest rates on loans and other advances increasing to 13.98% cent in September 2023, up from 12.41% in September 2022.[26]

VII. Cleantech

Kenya's commitment to 100% clean energy by 2030 and its robust Cleantech sector offer a wealth of opportunities for Swiss companies. This sector is specifically promoted by the Kenyan Government. Kenya offers a wide range of Cleantech opportunities including renewable energy and waste management among others. Swiss companies have the potential to leverage Kenya's advantageous position, well established infrastructure and highly skilled workforce to establish ground-breaking business models and explore untapped markets for Cleantech solutions. Kenya is a regional leader in clean energy development with more than 90% of its on-grid electricity coming from renewable sources (mainly geothermal and hydro energy).

In February 2024, the Swiss Business Hub, the Swiss Embassy and Sanlam Alliance organized an event to showcase the Fintech landscapes of Switzerland and Kenya, highlighting their potential for international growth and collaboration. Examples of strong cooperation that exist include Switzerland's pioneering approach to block chain technology and Kenya's strength in being known as a Fintech powerhouse.

VIII. Energy

During the review period, the energy sector was characterized by high prices and low demand for petroleum products. Average international crude oil prices were on the decline in the review period. Installed electricity capacity decreased from 3,321.3 MW in 2022 to 3,243.6 MW in 2023.[27] Total electricity generation rose by 3.4 per cent to 13,423.6 GWh, while domestic demand for electricity increased by 3.1 per cent to 10,320.6 GWh in 2023. Imports of electricity almost tripled to 919.3 GWh on account of full operationalization of the High Volante Direct Current (HVDC) Power plant in Ethiopia petroleum products.

Kenya is at a turning point and has the opportunity to increase its climate ambition, avoid the economic risks of a slower energy transition and secure its benefits. Kenya also has immense green growth opportunities that include carbon markets, green hydrogen, green manufacturing and localization of low carbon technologies.[28] As of September 2023, geothermal and hydro energy were Kenya's main sources of electricity production. The country harvested 512 million and 247 million kilowatt hours from each source that month, respectively. Wind registered 141 million kilowatt hours, whereas solar accounted for 39 million kilowatt hours of the total electricity generation[29]

IX. Health

The Government intensified efforts to speed up Universal Health Coverage (UHC) by promoting quality primary healthcare and enacting enabling legislation such as the Social Health Insurance Act 2023, the Digital Health Act 2023, and the Facility Improvement Fund Act 2023.[30] The health sector is experiencing a substantial increase in government expenditure, reflecting the prioritization of healthcare services and infrastructure. This heightened investment signals a dedication to enhancing healthcare access, quality

[26] https://www.knbs.or.ke/wp-content/uploads/2023/12/Q3-2023-GDP-Report.pdf

[27] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[28] https://energy.go.ke/sites/default/files/KAWI/Kenya-ETIP-2050%202.pdf

[29] https://www.statista.com/statistics/1240719/monthly-electricity-generation-in-kenya-by-type/

[30] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

and outcomes for the population. By investing in healthcare Kenya aims to promote public health, reduce the burden of disease and improve overall well-being which are also crucial elements of sustainable development.

2.2 Opportunities for Swiss companies

Kenya's emergence as Africa's Silicon Savannah has established it as an attractive destination for international technology investors. Benefiting from a vibrant young and well-educated, English-speaking population, a government that fosters innovation and a flourishing ecosystem, Kenya presents an alluring environment for those looking to explore its vast untapped opportunities. Kenya is Switzerland's 17th trading partner on the African continent.

Below are some of the prospects available for Swiss companies in the country:

I. Construction and Infrastructure

Swiss companies may identify opportunities in the construction sector, where the needs for sustainably sourced natural building materials and engineering capacities are increasing. Public Private Partnerships continue to be a key strategy in the implementation of major infrastructure projects in Kenya and major infrastructure projects are attracting Chinese companies.

Current Opportunities: Kenya Ports Authority (KPA) will be partnering with private companies to construct additional berths at the new Lamu Port. Opportunities in affordable housing, notably in modular housing. Renewable energy is a high-growth sector. Sustainable waste management infrastructure is required, including recycling plants. Tatu City special economic zone offers tax incentives to investors. The Kenyan government encourages public-private partnerships and plans to grant concessions to private service providers for Mombasa's port operations. The Two Rivers International Finance & Innovation Centre is a private service-focused special economic zone.[31]

II. Fintech

Kenya is an innovative country and is also known as the Silicon Savannah. This is partly due to the fact that over the last decade, Kenya has become a more technology oriented, open society, start-ups and modern infrastructure. Kenya has therefore been able to attract major tech companies and investors.

Some of the myriad opportunities for Swiss businesses in this sector are:

Infrastructure for digital banks, advanced date analytics for personalization, decentralized finance (FEI) platforms, enhanced security protocols for digital transactions, blockchain based remittance solutions, regulatory compliance and risk management systems[32]

A copy of the full report about 'Fintech in Kenya' published by Switzerland Global Enterprise in 2023 is available here

[31] https://www.researchandmarkets.com/reports/5932655/the-construction-industry-in-kenya?utm_source=BW&utm_medium=PressRelease&utm_code=44r9lf&utm_campaign=1941954+-+Kenya+Construction+Industry+Report+2023%3a+Local+and+international+Factors%2c+Competitive+Environment%2c+Industry+Associations%2c+Market+Dynamics&utm_exec=chdomspi

[32] https://www.s-ge.com/en/download/109791/force

3 FOREIGN TRADE POLICY

3.1 Policy and Priority of the Host Country

Liberal thinking has characterized Kenya since its independence. Kenya has an interest in concluding free trade agreements and promoting regional integration in order to secure preferential market access as an upper middle-income country. These can help attract FDI, increase revenue and create employment opportunities.

I. East African Community (EAC)

The EAC is very heterogeneous with Tanzania and Kenya being the only states that are considered lower middle-income states according to the World Bank. Somalia formally joined the EAC on December 16, 2023 with the signing of the Treaty in Uganda, though challenges regarding modalities of implementation remain Somalia's journey towards EAC membership began in July 2022 when it expressed its interest in joining the bloc.

II. Pan-African Free Trade Agreement (AfCFTA)

The Pan-African Free Trade Agreement has been in place since January 1, 2021. As the AfCFTA advances through various negotiation phases, several stakeholders have introduced operational tools to facilitate its implementation. One of these tools is the Pan-African Payment and Settlement System (PAPSS), which aims to play a key role in unlocking trade with the AfCFTA. PAPPS, which hopes to achieve full Central Bank participation by year end, welcomed the Central Bank of Kenya in October 2023, making it the tenth African Central Bank to join the platform.[33]

III. Economic Partnership Agreement (EPA) EU – Kenya

The EU and Kenya concluded negotiations for an Economic Partnership Agreement (EPA) on 19 June 2023 and signed it in December 2023. On 1 July 2024, the EU-Kenya EPA has entered into force representing a key milestone in the EU-Kenya Strategic Partnership. The total volume of trade between Kenya and the EU equates to EUR 3.3 billion. The agreement will boost trade in goods (agricultural products) and create new economic opportunities (green energy, infrastructure and energy production), with targeted cooperation to enhance Kenya's economic development. It contains provisions on sustainability, particularly in the areas of climate and environment protection and workers' rights. According to the EU it is its most ambitious deal with an African country in terms of climate protection and labour rights.

Key aspects of the EU-Kenya agreement include: market access, rules of origin, development cooperation, services and investment, sustainable development, trade facilitation and dispute settlement. Overall, the agreement is designed to support Kenya's integration into the global economy, enhance the competitiveness of Kenya's exports, attract investment and contribute to economic growth and diversification. It provides a framework for deepening bilateral trade and economic relations between the EU and Kenya while promoting mutually beneficial outcomes for both parties.

IV. Strategic Trade and Investment Partnership (STIP) USA-Kenya

The US and Kenya announced a trade and investment partnership in July 2022. Talks have been progressing on the way forward in nine areas, including agriculture, anti-corruption, digital trade, environment and climate change action, and workers' rights and protections. Countries in the region currently rely on the African Growth and Opportunity Act (AGOA), which offers duty- and quota-free access to the US market. The new deal is seen as a model for future agreements between the US and other sub-Saharan African countries. The STIP is set to address approaches to agriculture, anti-corruption and MSMEs together with service regulation among other focus areas. Another negotiating round around the STIP was held in October 2023 and the two sides exchanged views on proposed texts covering agriculture, anti-corruption, and services domestic regulation.

V. United Arab Emirates – Kenya Comprehensive Partnership Agreement (CEPA)

The United Arab Emirates and Kenya concluded negotiations on a trade deal that would boost trade and investment ties between the two countries as the Gulf country expands its role across Africa. The

[33] https://aln.africa/insight/revolutionising-african-trade-kenya-takes-the-lead-in-promoting-papss/

agreement will secure vital supply chains for both sides and facilitate investments in several fields which include; logistics, health care, travel and tourism, infrastructure and information and communication technology. The two countries will officially sign the agreement at a later stage. The UAE primarily sees investment potential in Kenya in the ICT and agricultural sectors. The two countries opened talks on the comprehensive economic partnership agreement in 2022 and non- oil trade between the Gulf State and Kenya reached USD 3.1 Billion in 2023.

VI. South Korea – Kenya Free Trade Agreement

In February 2023, Kenya and South Korea pledged to continue to nurture and expand ties aimed at contributing to the socio-economic development. South Korea agreed to support Kenya's development agenda by committing KES120 billion to various projects including agriculture, ICT, health, energy, infrastructure, education, affordable housing and urban transport.[34]. According to President Ruto, Kenya will work with South Korea to develop manufacturing plants in the Konza Technopolis, an export promotion zone dedicated to pharmaceutical manufacturing, vaccines production and value addition in Agriculture.

VII. Kenya National E-commerce Strategy

This was launched on 13th December, 2023. This strategy is expected to provide an enabling environment for the development of trusted e-commerce services accessible to and used by all. It therefore provides the country with a blueprint upon which to build on the performance of its e-commerce initiatives to ensure growth, competitiveness and accessibility of services provided under this sector. This strategy offers numerous opportunities for micro, small and medium-sized enterprises (MSMEs), digital entrepreneurs and players in the first, middle, and last-mile service delivery. The digital space facilitates breaking down geographical barriers and fostering innovation.[35]

Prospects for Switzerland (potential for discrimination, competitive advantage)

I. Bilateral agreement on the protection of investment

In 2006, Switzerland and Kenya signed a bilateral agreement on the protection of investment. By reciprocally promoting and protecting investment, this agreement aims at fostering bilateral economic relation and economic cooperation for the mutual benefit of both States. Date of Entry into force: 2009

II. Article 6 Agreement under the Paris Agreement in regard to carbon offset and mitigation of global emissions

The *Statement of Intent* on a Bilateral Cooperation under Article 6 of the Paris Agreement between the Swiss Federal Council and the Government of the Republic of Kenya has been signed in September 2023. However, the agreement is yet to be signed. There is a large potential for compensation projects as carbon credits are a priority for Kenya. However, a careful due diligence of potential projects is crucial to guarantee high project quality and to prevent "green washing" as well as project proposals which could involve human rights violations.

III. Free Trade Agreement (FTA)

Both Switzerland and Kenya have voiced their interest in exploring the possibility of a Free Trade Agreement (FTA) between EFTA and the EAC or Kenya. A FTA could offer a further opportunity to improve the framework conditions in the bilateral relationship Switzerland and Kenya.

[34] https://www.the-star.co.ke/business/2023-10-01-kenya-and-s-korea-to-deepen-economic-ties-at-nairobi-meet/

[35] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

4 FOREIGN TRADE

4.1 Development and general outlook[36]

In 2023 in Kenya, total international trade grew of 7.6%, for a total of KES 3,619.9 billion. This growth in merchandise trade was partly driven by high international prices of principal import commodities, especially petroleum products, coupled with the depreciation of the Kenyan shilling against currencies of key trading partners. This led to a slight reduction of the trade balance deficit from 1,617.6 billion to 1,604.1 billion, mostly due to the substantial increase in exports (+15.4%; imports: +4.9%).

Exports

The main destination of Kenya's exports was Uganda, for a total of KES 126.3 billion (meaning 12.5% of the total of exports), followed by Pakistan (KES 78.9 billion) and the Netherlands (KES 76.3 billion). Tanzania (KES 69.7 billion) and the USA (KES 64.3 billion) complete the top-5. All experienced an increase compared to 2022, except for the USA: there was a significant drop (-20%) due to a decrease in exports of macadamia nuts as well as titanium ores and concentrates to this destination. Noteworthy is the importance of the members of the EAC as trade partners for Kenya (30.3% of total exports earnings), and the African continent in general (43.2% of the total exports earnings, +21.6% in comparison to the precedent year). Export earnings from Asia recorded an increase of 19.3% to KES 259.7 billion in 2023 for Kenya, mainly due to an increase in tea exportation to Pakistan, United Arab Emirates and Saudi Arabia.

Value of total Kenyan exports to the EU registered an improvement of 12.7% in 2023. The rise was partly driven by increase in exports of cut flowers and avocados to the Netherlands and beans to France. Similarly, foreign export earnings from the United Kingdom rose from KES 44.6 billion in 2022 to KES 54.7 billion in 2023, largely driven by increase in exports of tea and cut flowers. On the contrary, export earnings from the Russian Federation declined by 37.5%, largely on account of decreased Kenyan exports of tea to this destination.

Imports

In 2023 China remained Kenya's main trading partner on the imports side, for a total of KES 459 billion. China is followed by the UAE (KES 411.5 billion), India (KES 269.2 billion), Saudi Arabia (145.2 billion) and Malaysia (KES 120.5 billion), the ranking being similar to the precedent year. Thus, Asian countries remain the most important countries for Kenya to import from (66.5% of total import expenditure), even if the growth was only of 0.9% in 2023. There was a shift in trading partners, with Singapore, Indonesia and Saudi Arabia gaining in importance, whereas there were remarkable decreases in imports from South Korea and Taiwan. Mainly the origin of some petroleum products changed.

Europe accounted for 15.6% of the total import expenditure in 2023 valued at KES 407.8 billion, representing an increase of 26.1% compared to 2022. In the EU bloc, the notable increased were in import expenditure from France (73.7% - food supplements) and Netherlands (36.2% - motor spirit (gasoline) premium). Imports from the United Kingdom registered an increase of 17.7%, notably on account of increase in importation of aero planes and other aircrafts.

Imports from the Russian Federation and Ukraine rose significantly from KES 36.8 billion and KES 5.3 billion to KES 82.7 billion and KES 10.2 billion, respectively. Russia thus became the 8th most important importer for Kenya. The increase was largely on account of increased importation of wheat and chemical fertilizers from Russian Federation; and wheat, dried peas and maize from Ukraine, partly facilitated by the Black Sea Initiative. Import bill from America went up by 19.4%, due to growth in imports of wheat from the United States of America; sugar from Brazil; and helicopters and wheat from Canada.

4.1.1 Trade in goods

Kenyan main exports in 2023 were tea and horticulture products, which amounted together to 37.3% of the exports, for a value of KES 188.7 billion and KES 187.47 billion respectively. Apparel and clothing, coffee, as well as iron and steel complete the top-5 export type of products, however each of these categories makes up for less than 5% of the exports. Petroleum products accounted for 23.2% of Kenya's imports, followed by machinery (11%), animal and vegetable oils/fats (5.3%), iron and steel (4.6%), and un-milled wheat (3.6%), making the most imported products in Kenya in 2023. It is worth noting that there

[36] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf, chapter 6, and https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

was a significant increase in food commodities (except maize), driven by high demand in the country to alleviate hunger, following a prolonged drought in the first half of 2023 that affected domestic production.

4.1.2 Trade in services

In 2023, receipts from international trade in services declined by 1.9%, while service payments increased by 8.3%. The growth in payments for financial and insurance services partly contributed to increase in international service payments. Remittance inflows totalled KES 990.1 billion in 2023, an increase of 27.9% from 2022, and half of them came from the USA[37].

The tourism sector has recovered from the COVID-19 pandemic, with international arrivals increasing by more than 30% in 2023 compared to the previous year and nearly reaching pre-pandemic levels[38]. In 2023, earnings from international arrivals in Kenya amounted to KES 352.5 billion, the sector accounts for 10.4% of GDP.

4.2 Bilateral Trade in Goods

The volume of trade between Switzerland and Kenya fell slightly in 2023 compared to the previous year and amounted to CHF 156.42 million. Swiss imports from Kenya amounted to CHF 75.2 million, which is a decrease of 9.5% in comparison to 2022. Exportations to Kenya also decreased, to a larger extend, of 18.2%, for a total of CHF 81.1million.

Pharmaceutical and chemical products continue to be the most important exports to Kenya accounting for 74.6% of the export volume, representing a similar share to 2022, though being a decrease of 18% in total value. Paper, paper products and printing products; machines, appliances, electronics; and precision instruments, clocks and watches and jewellery constitute the other main categories of exports from Switzerland to Kenya. Compared to 2022, this last category experienced a rebound of 21% in 2023 to reach 4% of the total exports.

From Kenya, Switzerland mainly imports agricultural products (96.23% of the import volume), with the main products being flowers (37.2%) and coffee (36.4%)[39]

5 DIRECT INVESTMENTS

5.1 Development and general prospects

The net International Investment Position (IIP), which highlights the stock of Kenya's external financial assets and liabilities at a point in time, worsened to a net borrowing position of KSh 9,193.9 billion at the end of 2023 compared to a net borrowing position of KSh 7,448.3 billion at the end of 2022. This was occasioned by a 34.2 per cent increase in the stock of external assets at the end of 2023, coupled with a 26.5 per cent increase in the stock of external liabilities[40]. Kenya is in the process of developing a wind farm on a gigawatt scale, which is anticipated Kenya is planning develop a gigawatt-scale wind farm that would be the largest in Africa. The project will reportedly be based near the 310MW Lake Turkana Wind Power Project – currently the largest wind farm in Africa – in remote northern Kenya. It is expected to connect to the Kenyan grid in 2028.

5.2 Bilateral Investments

According to the Swiss National Bank, the capital stock of Swiss direct investment in Kenya amounted to CHF 519 million in 2022, a slight increase compared to 2021. This corresponds to 0.039% of the total volume of Swiss capital stock in direct investment abroad[41]. As a *lower-middle-income state*, Kenya hardly appears as an investor abroad and thus in Switzerland. According to the Economic Survey, the stock of direct investment abroad continued to grow and increased by 10% to KES 399.2 billion at the end of 2023[42].

---

[37] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf

[38] https://tri.go.ke/wp-content/uploads/2024/03/TOURISM-SECTOR-PERFORMANCE-REPORT-2023.pdf

[39] https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml

[40] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf, p. 140

[41] https://data.snb.ch/fr/topics/aube/cube/fdiausbla?fromDate=2020&dimSel=d0(KE)&view=chart&dimChartSel=d0(KE)

[42] https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey.pdf p. 170

6 BUSINESS AND TOURISM PROMOTION

6.1 Instruments of Swiss foreign trade promotion

I. Swiss Business Circle

In November 2022, major Swiss companies based in Kenya formed an informal group to facilitate exchanges and explore synergies. This group has expanded and several new members are now part of the network. The Embassy typically organizes quarterly networking events, with the latest one (July 2024) focusing on discussions related to the Finance Bill 2024 and the current macroeconomic landscape and future prospects by inviting the (former) Minister for Treasury.

II. In Sub-Saharan Africa: Swiss Business Hub Southern Africa

The Swiss Business Hub Southern Africa, a division of Switzerland Global Enterprise (S-GE) operates under the Swiss Embassy in Pretoria. Its primary role is to execute Swiss export strategies in South and Eastern Africa including Kenya. The Embassy works in close liaison with both the Swiss Business Hub Southern Africa and Switzerland Global Enterprise.

III. In Switzerland: Swiss African Business Circle and Chamber of Commerce Switzerland – Africa

The leading private associations for the promotion of business contacts and connections between Switzerland and African countries are the Swiss African Business Circle (SABC, Bern) and the Swiss African Chamber of Commerce (SwissCham, Basel).

IV. European Business Council (EBC)

As there is no Swiss Chamber of Commerce in Kenya, the Embassy was a direct member of the EBC. Due to a number of challenges, there has been no permanent staff since the departure of the Chairman (April 2023). The current proposal is to dissolve the EBC according to a legal process and create a new organization. The Embassy is interested in being part of the new set-up.

6.2 Interest of the host country for Switzerland

Switzerland is widely recognized in Kenya for its positive image. The country is renowned for its thriving economy and unwavering political structure. There are currently 2,152 Kenyans employed by Swiss Multi National Enterprises (MNE's) in Kenya[43]. In 2022, 3,469 Schengen visas were processed by the Swiss embassy in Nairobi, whilst in 2023 the number went up to 4,262.

Several high-level visits took place: In November 2023, Kenya hosted the inaugural Kenya – Switzerland Political Consultations. Earlier, in March 2023, a business mission led by State Secretary Budliger Artieda visited Kenya. Numerous Swiss company representatives were part of the mission. Recently, in March 2024, Federal Councillor Cassis travelled to Kenya to commemorate the 60th anniversary of Swiss Kenyan bilateral relations which provided a platform to discuss Swiss economic interests at the highest level, including at a meeting with President Ruto.

Kenya has individual educational and research institutions of international standing which also have relationships with Swiss Universities: Cetrad (Centre for Training and Integrated Research in arid and semi-arid lands Development; relations with the University of Bern and SDC), ICIPE (International Centre for Insect Physiology and Ecology; relations with ETH, SDC). For the Wyss Academy, Kenya is a priority country. Kenya has also a high interest in carbon credits projects. The Swiss Klik Foundation, that supports climate protection activities in countries that have signed a bilateral climate agreement with Switzerland, is ready to explore projects, once the Art. 6 Agreement with Kenya has been signed.

With the exception of the family bank 'Habib Bank Zurich', no Swiss bank has a physical presence in Kenya. The Swiss financial center enjoys a relatively good reputation in trade finance and asset management. The global standard for the automatic exchange of information on financial accounts (AEOI) between Switzerland and Kenya entered into force on 01.01.2024. Nevertheless, a large part of the population still associates the Swiss Financial Center with tax evasion and corruption cases.

[43] https://data.snb.ch/en/topics/aube/cube/opanmuauspland?dimSel=d0(KE)

ANNEX 1 - Economic structure

Economic structure of the host country

YEAR	2019	2023*
Population*	47.6	51.5
Current Account as a % of GDP*	-5.2%	-4.0%
KES/USD Forex Rate*	101.99	139.85

* https://www.knbs.or.ke/wp-content/uploads/2024/05/Facts-Figures-2024.pdf

ANNEX 2 – Main Economic Data

Most important economic data of the host country

YEAR	2021	2022	2023*
GDP / per Capita (USD)*	1,871.32	2,061.37	2,268.35
Growth rate (% of GDP)*	7.6%	4.8%	5.6%
Inflation rate (%)*	6.1%	7.7%	7.7%
Unemployment (%)**	5.63%	5.64%	5.6%
Current Account Balance (USD)*	4,746	5,369.86	4,670.28
External Debt Service Charge as % of GDP at Current Market Prices*	2.5%	2.8%	5.6%
External Debt Service as % of Exports of Goods & Services*	23.6%	24.6%	47.5%

* https://www.knbs.or.ke/wp-content/uploads/2024/05/Facts-Figures-2024.pdf

**https://www.statista.com/statistics/808608/unemployment-rate-in-kenya/

ANNEX 3 – Trading Partner

Trading partners of the host country *

Kenya Exports by destination 2021 – 2023* (USD)

	2021	2022	2023
European Union (EU)	895.95	1030.30	1161.18
Other European Countries	585.55	541.21	634.40
Total Europe	**1,481.50**	**1,571.51**	**1,795.47**
USA	460.79	618.37	497.17
Other American Countries	31.43	42.76	35.94
Total America	**492.22**	**661.13**	**533.11**
EAC	1,488.61	1,752.14	2,366.35
COMESA	1,808.37	2,029.49	2,471.58
Other African Countries	231.65	293.57	357.58
Total Africa	**2,392.48**	**2,766.91**	**3,364.95**
Asia			
Middle East	461.60	657.30	824.69
Far East	865.41	1,026.06	1,184.24
Total Asia	**1,327.01**	**1,683.30**	**2,008.93**

*https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

Kenya Imports by destination 2021- 2023* (USD)

	2021	2022	2023
European Union (EU)	1,763.83	1,564.45	1,726.13
Other European Countries	983.40	937.10	1,428.53
Total Europe	**2,747.23**	**2,501.55**	**3,154.66**
USA	651.76	722.34	872.36
Other American Countries	305.01	398.48	466.24
Total America	**956.77**	**1,120.82**	**1,338.60**
EAC	715.48	755.67	718.27
COMESA	873.22	992.46	1,073.72
Other African Countries	413.78	706.16	732.16
Total Africa	**2,002.48**	**2,454.29**	**2,524.15**
Asia			
Middle East	2,756.91	4,734.75	5,108.53
Far East	7,929.15	8,587.47	8,641.45
Total Asia	**10,686.06**	**13,322.22**	**13,749.98**
Australia	200.35	160.53	108.61
Other	1,415	317	323
Total Australia and Oceanic	1,615.35	477.53	431.61
All Other Countries	8.96	45.20	19.91

*https://www.knbs.or.ke/wp-content/uploads/2024/05/2024-Economic-Survey-Popular-Version.pdf

Main trading partners 2023

Ranking	Country	Exports *from the host country* (Mio. USD[44])	Share	Variation from p.y.	Ranking	Coutnry	Imports *from the host country* (Mio. USD)	Share	Variation from p. y.
1	Uganda	902.8	12.5%	30%	1	China	3282.1	17.6%	1%
2	Pakistan	564.4	7.7%	23%	2	UAE	2942.7	15.7%	1%
3	Netherlands	545.3	7.6%	9%	3	India	1924.7	10.3%	8%
4	Tanzania	495.2	6.9%	21%	4	Saudi-Arabia	1037.9	5.5%	19%
5	USA	459.5	6.4%	-20%	5	Malaysia	861.6	4.6%	0%
6	UAE	399.9	5.5%	27%	6	USA	806.3	4.3%	21%
7	UK	392	5.5%	23%	7	Japan	696.8	3.7%	0%
8	Rwanda	302.6	4.2%	5%	8	Russia	591.6	3.2%	125%
9	South Sudan	228.6	3.2%	36%	9	South Africa	549.5	2.9%	26%
10	Egypt	223.2	3.2%	17%	10	Netherlands	312.2	1.7%	36%
11	China	207.1	2.9%	5%	10	Tanzania	312.2	1.7%	-19%
12	DRC	189.1	2.5%	49%	12	Indonesia	294.7	1.6%	52%
13	Somalia	154.8	2.2%	41%	13	Uganda	294.6	1.6%	3%
	Switzerland	*83.9*	*1.2%*	*-9.5%*		*Switzerland*	*90.4*	*0.5%*	*-18.2%*
	Total					Total			

Annex 4 – Bilateral Trade

Bilateral trade between Switzerland and the host country [45]

	Export (Mio. CHF)	*Change (%)*	Import (Mio. CHF)	*Change (%)*	Balance (in Mio.)	Volume (in Mio.)
2017	85.1	-8.5	49.9	11.2	35.2	135.0
2018	99.9	17.3	46.1	-7.7	53.8	146.0
2019	88.8	-11.1	61.9	34.4	26.9	150.7
2020	85.7	-3.5	61.3	-0.9	24.4	147.0
2021	98.8	15.3	83.4	36.0	15.4	182.2
2022	99.1	0.4	83.2	-12.1	15.9	182.3
2023 *(Total 1)**	**81.1**	**-18.2**	**75.2**	**-9.5**	**5.9**	**156.3**

*) Total 'economic outlook' (Total 1):excluding gold in bars and other precious metals, coins, precious and semi-precious stones, and works of art and antiques **) Change (%) compared to the same period last year

**) Change (%) compared to previous year period

Export[46]	**2022** (% from Totals)	**2023** (% from Totals)
1. Products of the Chemical and Pharmaceutical Industry	74.4%	74.6%
2. Paper, Paper Products, Printing Products	14.2%	8.5%
3. Machinery, Equipment, Electronics	5.3%	8.3%

[44] Exchange rate, see Annex 1.

[46] Federal Department of Finance FDF, Federal Office for Customs and Border Security FOCBS, Switzerland-Kenya 2022-2023.

4. Precision Instruments, watches and jewellery	2.7%	4%

Import[47]	**2022** (% from Totals)	**2023** (% from Totals)
1. Agricultural and forestry products, fisheries	100.0%	100.0%
2. Precious metals and precious stones (including gold and silver bars since 1.1.2012)	4.4%	0.1%

[47] Federal Department of Finance FDF, Federal Office for Customs and Border Security FOCBS, Switzerland-Kenya 2022-2023.