

KENYA AT A GLANCE

Population: 53.7 million (estimation from United Nations at mid-2020).

Kenya's GDP per capita was estimated at USD 1,889 in 2019.

Its nominal GDP stood at USD 99.246 bn in 2019, 3rd in sub-Saharan Africa. The GDP growth that was measured at 5,4% in 2019 is estimated at 1.5 in 2020, mainly due to the COVID crisis.

GDP breakdown

- Contributing to about 37% of Kenya's GDP, Agriculture is the backbone of the Kenyan economy, employing three quarters of the labour force. Half of the agricultural output is derived from subsistence farming and pastoral activities. About 15% of Kenya's land surface is sufficiently fertile and receives enough rainfall in order to be farmed.
- Industry and manufacturing accounts for 17% of GDP. Major manufacturing activities are food-processing, production of consumer goods (plastic, furniture, textiles, clothing, footwear, soap, cigarettes, and batteries) and farm equipment. Other industrial activities include oil refining and cement production.
- Services, including tourism, account for the remaining 46% of the economy.

Kenya's Economical strengths

Kenya is the largest and most developed economy in the East African region.

- *Strategic location:* Kenya is the economic and logistical hub of the entire East African region. Mombasa is the most important port in the region and Nairobi is a major African air hub. Kenya is a relatively easy base from which to access the larger regional market of East and Central Africa.
- *Growing labour force:* Kenya has a youthful population, with a median age of 19.2. The population, currently at 53.7 million according to UN data, is growing at over 2.5 % per annum and is forecast to reach 95 million by 2050. Kenya's labor force is expected to more than double to 48 million by 2050 from the current 24.7 million (according to International Labour Organisation).

Investments' volume between Mauritius and Kenya

According to the Mauritian Financial Services Commission, the FDI between Mauritius and Kenya in 2019 were amounting:

- Outward Investment (Equity investment stocks, Long & Short Term Debt Securities) to Kenya USD 260 Millions through 46 GBCs
- Direct Investment Inward from Kenya USD 1,278 Millions through 223 GBCs
- Direct Investment Outward to Kenya USD 1,854 Millions through 289 GBCs

There are more than 300 Mauritian companies established in Kenya. All major Mauritian groups have offices or representative there (MUA, SBM, Axis, MCB, Alteo, Rogers, CIEL Health, Omincane, Adenia Capital Partners,).

Kenya's key foreign exchange earners

- Diaspora remittances have been Kenya's largest source of foreign exchange since 2015. In 2018, Kenya received USD 2.1 billion in remittances from its diaspora, the fourth highest in sub-Saharan Africa.
- Kenya is the biggest exporter of black tea in the world, with export earnings from black tea amounting to USD 1.3 billion in 2018.
- Kenya is presently the world's 3rd largest exporter of cut flowers, benefitting from favorable climatic conditions, an abundant supply of low cost labor, as well as direct air connections to the markets of Europe.
- Coffee is the fourth major source of foreign exchange in Kenya.
- Tourism, largely based on game reserves and coastal beaches, is another important foreign exchange earner.

Business opportunities

- *Rapidly improving infrastructure and connectivity.* The Nairobi to Mombasa railway line, the largest infrastructure project in Kenya, was completed in 2017. The railway line will further stretch into Uganda, Rwanda, Burundi, South Sudan and Ethiopia, and will boost connectivity throughout the East African region, improving logistics and access to ports, opening up markets, and boosting economic growth.
- *Power generation:* a new USD 2 billion thermal power plant is currently being built near Lamu. With only 40% of Kenya's population having access to reliable electricity supply, the government is also encouraging the production of energy from geothermal power, wind power, solar power and biomass. Kenya currently ranks eighth globally in the production of geothermal power.

- *Manufacturing:* While still modest in scale, Kenya's industrial sector is the most developed in East Africa, and the Kenyan government is banking heavily on the manufacturing sector for job-creation. Various fiscal incentives exist for firms operating in the Export Processing Zones.
- *Agriculture:* Kenya is seeking to add value to its black tea and coffee exports.
- *Petroleum:* Kenya has deposits of oil in Turkana, estimated at around 10 billion barrels. The oil fields was expected to be fully developed by 2020. To facilitate the export of oil, the Kenyan government plans to have a pipeline constructed between Lokichar and the port of Lamu.
- *Business process outsourcing:* Major intercontinental undersea telecom cables reach shore next to the port of Mombasa, connecting Kenya to the rest of the world and improving Kenya's prospects for the BPO sector.
- *Fintech innovation:* Kenya possesses one of Africa's most innovative Fintech sectors. The success of M-Pesa has led to a profusion of Fintech start-ups, with 2 Kenyan companies (Cellulant and Tala) named on the Emerging50 list of the 2018 Fintech100 report.

Foreign economic relations

- Kenya is a member of:
 - the East African Community (EAC) with Tanzania, Uganda, Burundi, Rwanda and South Sudan. The EAC's objectives include the harmonization of tariffs and customs regimes.
 - Common Market for Eastern and Southern Africa (COMESA), a market with over 450 million people.

- Kenya is included among the beneficiaries of the US Government's African Growth and Opportunity Act (AGOA).
- Foreign investors have been guaranteed the right to remit dividends, interest, royalties and capital. Kenya has abolished foreign exchange controls.
- Kenya is a member of the International Centre for the Settlement of Investment Disputes.
- Kenya ranks 56th in the World Bank's Ease of Doing Business Index (2020), the third highest in Africa after Mauritius (13th) and Rwanda (38th).