



Overseas Market Information

Kenya - A Country Profile

Synopsis of the Country

Capital	: Nairobi
Currency	: Kenyan Shilling (KES)
Languages	: English, Kiswahili
Population	: 44037656 (July 2013 est.)
Total Area	: 580367 sq. kms
GDP	: \$77.14 billion (2012 est.)
GDP Growth Rate	: 4.7% (2012 est.)
GDP Per Capita	: \$1,800 (2012 est.)
Major Exports	: Tea, horticultural products, coffee, petroleum products, fish, cement
Exports Value	: \$6.285 billion (2012 est.)
Major Countries of Export	: Uganda, Tanzania, Netherlands, UK, US, Egypt, Democratic Republic of the Congo
Major Imports	: Machinery and transportation equipment, petroleum products, motor vehicles, iron and steel, resins and plastics
Imports Value	: \$15.1 billion (2012 est.)
Major Countries of Import	: India, China, UAE, Saudi Arabia

Poor government policies and weak public administration continue to suppress economic freedom and entrepreneurial activity. In particular, the rule of law remains weak, corruption is widespread, and the judiciary is subject to political influence. Efforts to improve regulatory efficiency and open markets continue but at a slow pace and with little discernible impact. Measures have been implemented to improve public financial management, and the government continues to offer reforms related to business development and easing the customs process. An overhaul of contract enforcement and remediation is a good step, but much more is needed to foster the institutions necessary for sustained economic growth.

Background

Widespread violence followed the 2007 election when both Mwai Kibaki, who had won the presidency in 2002, and rival candidate Raila Odinga claimed victory. Months of negotiations resulted in a power-sharing arrangement. A new constitution was adopted in August 2010. In November 2011, Kenya launched a military incursion into southern Somalia in response to alleged terrorist activity and

kidnappings. Kenya is the transportation, communication, and financial hub of East Africa. Economic growth, hindered for decades by government mismanagement, weak property rights, and corruption, was improving before the post-election instability in 2007 and has picked up again since 2009. The government employs about one-third of the formal labour force, and civil service reform has been slow. Nearly 80 percent of employment is informal. Agriculture accounts for about a quarter of GDP and employs a majority of the population.

Rule of Law

The independence of Kenya's courts is severely compromised, and the judicial system is mired in incompetence, executive interference, and corruption. The process for acquiring land titles is often non-transparent and cumbersome. To root out corruption, the new constitution promulgated in 2010 provides for the devolution of some governing powers to 47 new counties over a three-year period beginning in 2013.

Limited Government

The top income and corporate tax rates are 30 percent. Other taxes include a value-added tax (VAT) and a tax on interest. The overall tax burden amounts to 21.3 percent of GDP. Government spending is equivalent to 29.7 percent of total domestic output. The fiscal climate remains steady. The deficit has fallen slightly to 4.1 percent of GDP, and public debt has fallen to 48.9 percent of GDP.

Regulatory Efficiency

With no minimum capital required, the business start-up process takes 10 procedures, but completing licensing requirements takes more than 100 days and costs over twice the level of average annual income. Much of the labour force is employed in the public sector. Wide swings in the inflation rate have hurt monetary stability. The state continues to regulate prices through agricultural marketing boards and state-owned enterprises.

Open Market

The trade-weighted average tariff rate is quite high at 9.2 percent, and non-tariff barriers including bureaucratic customs procedures further constrain freedom to trade. The investment regime lacks efficiency and transparency. The financial sector remains vulnerable to government influence. The state owns or holds shares in several domestic financial institutions and continues to influence the allocation of credit.


India's Total Trade with Kenya
All Commodities :
(Provisional Value in Rs. Lac)

Sl. No.	All Commodities	2010-2011	2011-2012	2012-2013	2013-2014
1	Export	994,752.69	1,098,722.12	2,052,569.66	2,366,060.19
2	Import	56,611.42	54,144.12	57,736.47	76,311.15
3	Total Trade	1,051,364.10	1,152,866.24	2,110,306.13	2,442,371.34

(Provisional Value in US\$ Million)

Sl. No.	All Commodities	2010-2011	2011-2012	2012-2013	2013-2014
1	Export	2,182.01	2,277.46	3,770.34	3,892.65
2	Import	123.98	113.39	105.95	126.63
3	Total Trade	2,305.99	2,390.85	3,876.29	4,019.28

(Source : Website of Department of Commerce, Govt. of India)
Engineering Export to Kenya (Principal Commodities)
(Provisional Figures : Value in US\$ Million)

Sl. No.	Commodity Name	April - March 2012-13	April - March 2013-14
1	Mica	0.07	0.09
2	Ferro alloys	3.51	1.88
3	Non-ferrous metals	22.58	20.58
4	Manufactures of metals	108.07	92.9
5	Machine tools	4.37	5.05
6	Machinery and instruments	229.66	248.58
7	Transport equipments	84.11	110.68
8	Residual engg. Items	2.04	2.42
9	Iron and steel bar/rod etc and Ferro alloys	8.79	4.25
10	Prmy & semi-finishd iron & steel	141.61	188
	Export Total:	606.65	676.03

Engineering Import from Kenya (Principal Commodities)
(Provisional Figures : Value in US\$ Million)

Sl. No.	Commodity Name	April - March 2012-13	April - March 2013-14
1	Iron & steel	—	0.07
2	Non-ferrous metals	1.32	0.77
3	Manufactures of metals	0.19	0.39
4	Machine tools	—	0.02
5	Machinery except elec & elec & electronic	0.65	0.51
6	Transport equipments	0.09	0.10
7	Profsnl inst. Etc except electronic	0.02	0.00
	Import Total:	2.27	1.86



Useful Addresses

High Commission of India in Kenya

High Commission of India

Jeevan Bharati Building
Harambee Avenue
PO Box 30074
00100 Nairobi, Kenya
Phone : 00-254-2-222566-7, 224500
Fax : 00-254-2-316242
E-mail : hcindia@kenyaweb.com, hcinfo@connect.co.ke
Website : www.hcinairobi.co.ke

Assistant High Commission of India

Bank of India Building, 3rd Floor
Nkrumah Road, PB No. 90164
Mombasa, Kenya
Phone : 00-254-11-224433
Fax : 00-254-11-316740
Website : www.hcinairobi.co.ke

High Commission of Kenya in India

Kenya High Commission

34, Paschimi Marg
Vasant Vihar
New Delhi-110057
Phone : +91-11-2614 6537, 2614 6538, 2614 6540
Fax : +91-11-2614 6550
Telex : 31-72166 KENR IN
E-mail : info@kenyamission-delhi.com
Website : www.kenyamission-delhi.com

Trade Associations

Kenya National Chamber of Commerce and Industry

Ufanisi House, Haile Selassie Avenue
Post Box 47024
Nairobi, Kenya
Phone : 254-20-220867
Fax : 254-20-334293
E-mail : kncci@swiftkenya.com
Website : <http://www.knccimaragua.com/>

Visa Information for Kenya

Nationals of the following countries do not need visas to travel to Kenya: Barbados, Belize, Botswana, Brunei-Darussalam, Burundi, Cyprus, Dominica, Fiji, Ghana, Grenada, Jamaica, Kiribati, Lesotho, Malawi, Malaysia, Maldives, Mauritius, Namibia, Nauru, Papua New Guinea, Rwanda, Samoa, Seychelles, Sierra Leone, Singapore, Solomon Islands, South Africa, St Lucia, St Vincent & The Grenadines, Swaziland, Tanzania, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Uruguay, Vanuatu, Zambia and Zimbabwe.

Citizens of the following countries need to have a visa prior to arrival in Kenya: - Afghanistan, Armenia, Azerbaijan, Cameroon, Georgia, Iran, Iraq, Lebanon, Libya, Mali, Nigeria, North Korea, Pakistan, Senegal, Somali, Sudan, Syria, Tajikistan and Yemen.

For rest of the countries, visas can be obtained at the Airport (or any entry point) upon arrival for US\$ 50 single entry or US\$100 for multi entry.

It is advisable to obtain the visa from a Kenyan Embassy/ High Commission abroad prior to departure. Where applicable, visa fees are as follows: - Transit Visa = US\$20 per person; Reference Fee: US\$ 10; Single Entry Visa= US\$50 for three months (extendable for a similar period) Multiple Journey Visa= US\$100.

Useful Links

Yellow Pages

<http://www.yellowpageskenya.com/>

Customs Department

<http://www.revenue.go.ke/>

Travel Guide of Kenya

<http://www.virtualtourist.com/travel/Africa/Kenya/TravelGuide-Kenya.html>

(Source : EEPC INDIA Website, Statistics Department – EEPC INDIA)