



**INVESTORS GUIDE TO**  
**KENYA**



# PREFACE

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This book was prepared by KenInvest in conjunction with the Regional Investment Agency (RIA) of the Common Market for Eastern and Southern Africa (COMESA). It was written to give the busy executive a quick overview of the investment climate, taxation, types of business organizations and accounting practices in Kenya. Making decisions about foreign operations is complex and requires an intimate knowledge of a country's commercial climate. Companies doing or planning to do business in Kenya are advised to get current and detailed information from experienced professionals and investment authorities.

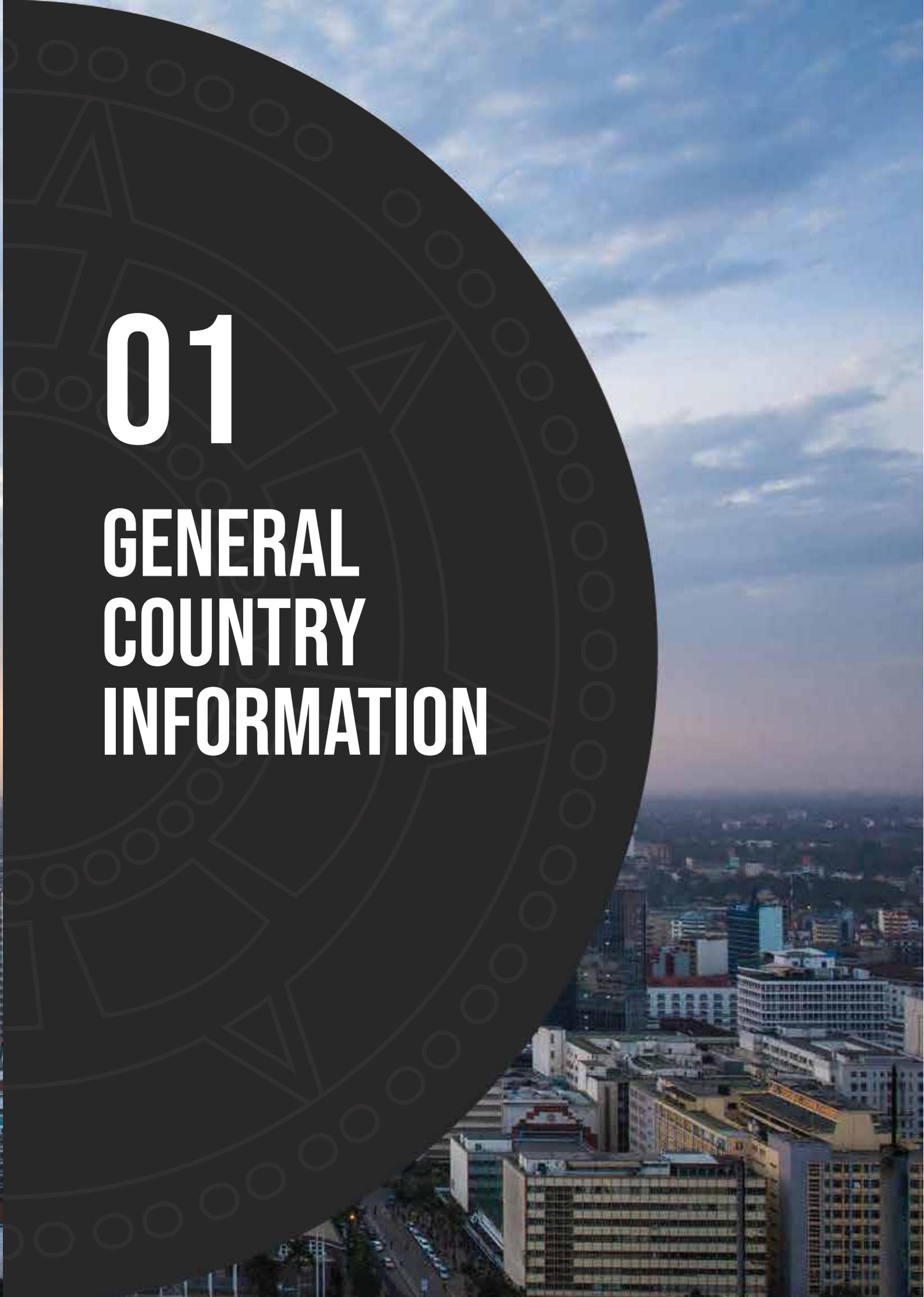
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**01**

**GENERAL  
COUNTRY  
INFORMATION**

# GENERAL INFORMATION

PARAMETER	KENYA
OFFICIAL NAME	REPUBLIC OF KENYA
FORM OF STATE	UNITARY STATE WITH MULTI PARTY DEMOCRACY
AREA	580,876.3 SQ KM
POPULATION	47,564,296 (2019)
DENSITY	82 PEOPLE PER SQ KM
OFFICIAL LANGUAGE	ENGLISH & KISWAHILI
RELIGION	CHRISTIAN, MUSLIM, INDIGENOUS AFRICA AND OTHERS
ADMINISTRATION	CENTRAL GOVERNMENT AND 47 COUNTY GOVERNMENTS
TIME ZONE	GMT+3
CURRENCY	101.2 KENYAN SHILLING IS EQUAL TO USD 1 (2019)
TOTAL GDP	USD 99.246 BILLION (2019)
AVERAGE GDP PER CAPITA	USD 2,010 (2019)
GDP GROWTH	5.7% (2019)
TOTAL EXPORTS VOLUME	USD 5.21 BILLION (2019)
TOTAL IMPORTS VOLUME	USD 18.10 BILLION (2019)
AVERAGE ANNUAL CONSUMER PRICE INDEX	207.93 (2019)

Source: Kenya National Bureau of Statistics 2019

Kenya gained its independence from Britain in 1963 and has since maintained a diversified economy in which the private sector plays a strong role. Today, Kenya's political system is democratic with numerous political parties.

The 2010 Constitution brought changes to the country's political system, including devolution. As a result, two levels of Government were created: A Central Government and 47 County Governments. Unlike the federal system, in which sovereignty is constitutionally divided between the Federal Government and the States, devolution in Kenya offers a unitary political concept, given the distribution

of functions between the two levels of government. Devolution is only autonomous in the implementation of these distinct functions. While the National Government has the three main arms of government, county governments have only two: The County Executive, headed by the Governor, and the County Assembly (Legislature), made up of Members of County Assemblies (MCA), and headed by the Speaker. Each MCA represents a ward, which constitutes a single-member constituency.

The Constitution provides checks and balances to provide accountability at both levels of government. The

bicameral Parliament, consisting of the Senate and National Assembly, has much discretion on budgetary allocations to County Governments. The Commission of Revenue Allocation makes recommendations to the Senate on the revenue-allocation criteria between the National and devolved Government levels and among the Counties. The Constitution bars the National Government from intruding willfully on county-government roles and functions unless it has Parliament's approval.

OFFICIAL NAME  
**REPUBLIC OF  
KENYA**

FORM OF STATE  
UNITARY STATED WITH  
MULTI PARTY DEMOCRACY

 **2019  
POPULATION  
47.5 MILLION**

 **DENSITY  
82** PEOPLE  
PER SQ. KM

 **TOTAL AREA  
580,876** SQ. KM

**47** ADMINISTRATIVE  
GOVERNMENT  
COUNTIES

**RELIGION**  
CHRISTIAN, MUSLIM,  
INDIGENOUS AFRICA  
AND OTHERS

 **CURRENCY  
100KES = 1USD**

**TIMEZONE  
GMT+3**

TOTAL GDP (2019)

**\$99.246 BILLION**

AVERAGE GDP PER CAPITA (2019)

**\$2,010**

AVERAGE ANNUAL GDP GROWTH (2019)

**5.7%**

TOTAL EXPORTS VOLUME (2019)

**\$ 5.21 BILLION**

TOTAL IMPORTS VOLUME (2019)

**\$18.10 BILLION**

AVERAGE ANNUAL CONSUMER PRICE INDEX (2019)

**207.93**

1.2

## STRUCTURE OF GOVERNMENT

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Kenya's Government is divided into three main arms: the Executive, the Legislature and the Judiciary. The 2010 Constitution provides for a separation of powers between these, and it introduced checks and balances on the Executive and devolution of power on local matters to the 47 Counties.

1.3

## LEGISLATIVE ARM

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There is a bicameral Parliament consisting of the Senate and the National Assembly. The National Assembly consists of 290 representatives from single-member constituencies, 47 women elected from the Counties and 12 nominated members to represent special interests. The role of the National Assembly is to exercise oversight over state organs, national revenue and expenditure as well as to enact the laws that govern the country.

The Senate consists of 47 members, one elected from each County, and 16 women members nominated by the various parties, as well as two representatives each from the youth and persons with disabilities. The role of the Senate is to protect the interests of the Counties, enact laws for the Counties, and oversee state officers.





## THE JUDICIARY

The Judiciary has repositioned itself in the context of the 2010 Kenyan Constitution. Major transformations include revamping the judicial process through the recruitment of judicial officers, administrative and paralegal staff. In aiming to fulfill its constitutional mandate under Article 159 and meet public expectations, it is structured along the following lines:

### The Supreme Court

The Supreme Court hears and determines cases relating to presidential elections. It also hears appeals on cases that have been concluded by the Court of Appeal, and issues advisory opinions on matters concerning County governments in any case involving the interpretation or application of the Constitution, and in matters of general public importance. Furthermore, it hears appeals from any other court or tribunal as prescribed by national legislation.

### The Court of Appeal

The Court of Appeal is established under Article 164 of the Constitution and consists of no fewer than 12 judges. It is organised and administered as prescribed by an Act of Parliament. The Court comprises the President of

the Court of Appeal, who is elected by judges of the Court of Appeal from among themselves. The Court of Appeal has jurisdiction to hear appeals from the High Court and any other court or tribunal as prescribed by Parliament.

### The High Court

The High Court is established under Article 165 and consists of judges as prescribed by Parliament. It has unlimited original jurisdiction in criminal and civil matters, but no jurisdiction on matters reserved exclusively under the Constitution for the Supreme Court or falling within the jurisdiction of the courts considered in Article 162 (2).

The High Court has supervisory jurisdiction over subordinate courts and over any person, body or authority exercising a judicial or quasi-judicial function, but not over the Superior Court.

### Subordinate Courts

Subordinate courts are provided for under Article 169 of the Constitution and include:

- The Magistrates Courts;
- The Kadhis' Courts.

### Martial Courts

Section 84 of the Armed Forces Act gives court-martial power to try and punish any person subject to the Act.

### Tribunals

Tribunals in Kenya are administrative bodies established by Acts of Parliament whose purpose is to exercise judicial and quasi-judicial functions. The members of a tribunal are empowered to listen to and rule on specific matters as set out in the statute that has established them. In exercising their powers, tribunals must adhere to the same standards as ordinary Courts and the rule of law.

Further, tribunals are subject to supervision by the High Court. A party who is dissatisfied with the outcome of a tribunal may appeal to the High Court.

## EXECUTIVE ARM

The Executive derives authority from the people of Kenya and consists of the President, the Deputy President and the Cabinet. The President is the Head of State and Government, and Commander-in-Chief of Kenya's Defence Forces. Any citizen by birth qualifies for nomination as a presidential candidate but can be elected for no more than two five-year terms. A Presidential candidate wins if he or she receives more than half of all votes cast in an election and at least 25 percent of valid votes in more than half

the Counties. Where there is no outright winner in the first round, a fresh election is held and the candidate who receives the most votes is declared President-Elect.

The Deputy President is the principal assistant to the President and deputises to the President. The Constitution requires that each Presidential candidate nominate a candidate for the position of the Deputy President. The Cabinet consists of the President, the Deputy President, the Attorney General and a

maximum of 22 Cabinet Secretaries. Unlike before, the Cabinet Secretaries are not members of parliament.

## ELECTORAL SYSTEM AND PROCESS

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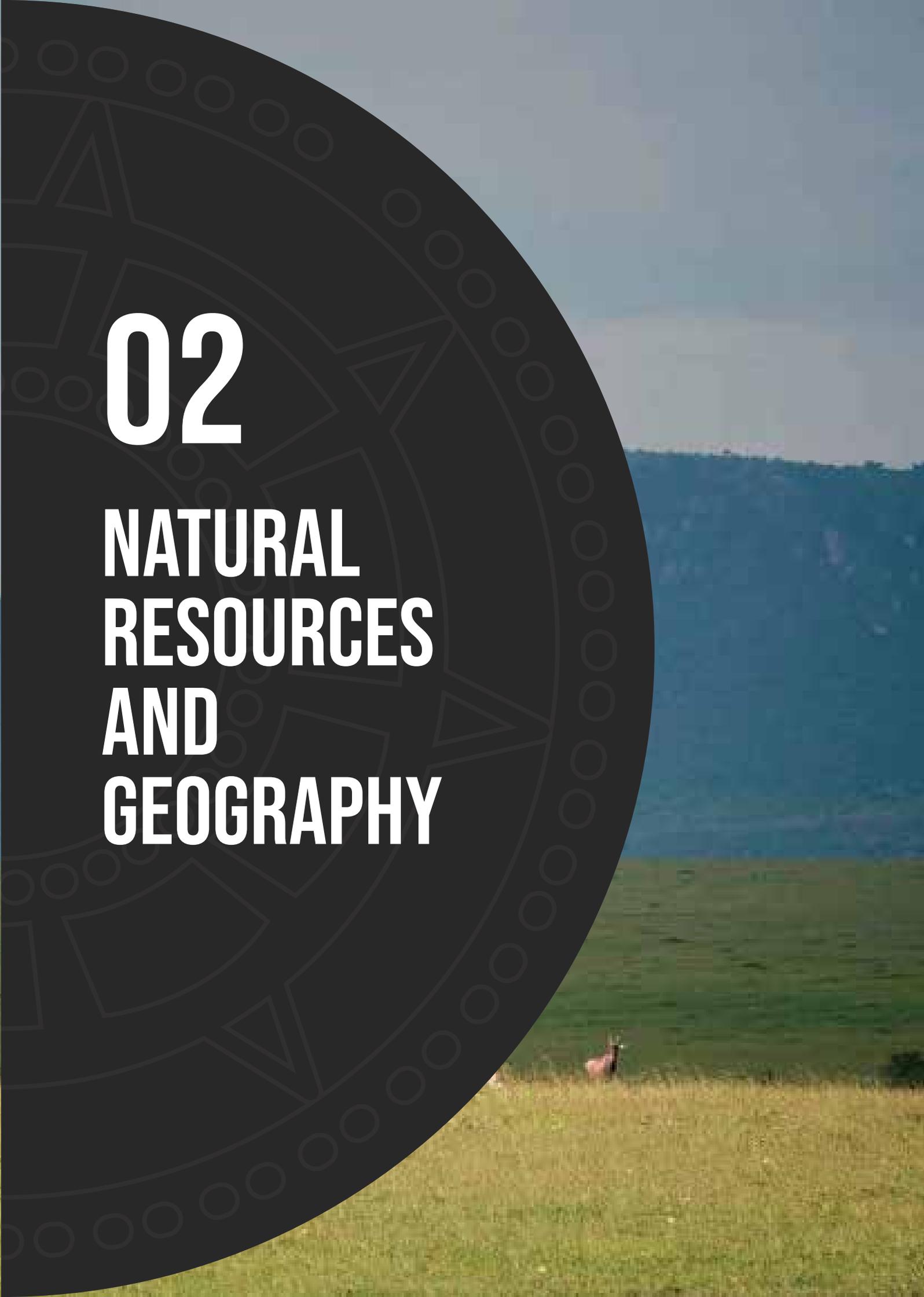
Elections in Kenya are held at the national level for Head of State (the President), a Legislature and the County governments. These take place every five years.

The Independent Electoral and Boundaries Commission (IEBC),

established under Article 88 of the Constitution, is mandated with conducting or supervising referenda and elections of any elective body or office established under the Constitution, and any other elections as prescribed by Parliament.







**02**

**NATURAL  
RESOURCES  
AND  
GEOGRAPHY**

## 2.1

# LOCATION

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The Republic of Kenya is situated on the east coast of Africa, straddling the equator. With the Indian Ocean to its south-east, it is bordered by Tanzania to the south, Uganda to the west, South Sudan to the north-west, Ethiopia to the north and Somalia to the north-east.

Kenya has a land area of about 569,140 km<sup>2</sup> while inland water bodies cover 11,227 km<sup>2</sup>, with the bulk of this area covered by Lake Victoria and Lake Turkana.

## 2.2

# OVERVIEW OF MINERAL OCCURRENCE

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A wide range of minerals, both metallic and industrial, are known to occur in Kenya. They include barite, gypsum, gold, silver, lead, talc, titanium, salt, a variety of gemstones, (mainly ruby and several varieties of garnets) dimension stones, silica sand, heavy mineral sands, manganese, zinc, wollastonite, graphite, kaolin, copper, nickel, chromite, pyrite, various clays, rare earth elements and pyrochlore. The Geological environments for the mineralisation can be summarised as follows.

The Archean Nyanzian Craton area of Western Kenya where metallic mineralisation of base and precious metals are known to occur, gold, copper and silver have been mined in the past. The area also has potential for ferrous and non-ferrous metals. Kimberlitic bodies have also been reported.

The Proterozoic Mozambique Belt that is most extensive in Central Kenya has occurrence of minerals such as kyanite, corundum, graphite, wollastonite, marble, asbestos, fluorspar, magnesite, kaolin and a variety of gemstones. These are found together with minerals associated with basic and granitic rocks.

The sedimentary rocks of Palaeozoic to Quaternary are widespread. These rocks are sources and hosts of limestone, gypsum, clays, manganese and construction materials and possibly hydrocarbons. Base metal mineralisation, lead-zinc-barite and copper are known to occur in the sedimentary basin along the coastal belt. Heavy mineral sands also occur along the coastal beach sands and recent deposits of about 3.2 billion tons of titanium bearing have been discovered.

The volcanic rocks associated with the Rift System host a variety of minerals and construction materials. The volcano-sedimentary accumulations have deposits of clays, evaporites, trona (soda ash), diatomite, natural carbon dioxide, kunkar and gypsum. Gem quality rubies have recently been discovered.

Carbonatites are known to be the host of several minerals found in the Nyanzian shield area, around Lake Victoria shores and in the southern part of the coastal sedimentary basin. Mrima, one of the carbonatites known for potential of niobium and rare earth elements (REE) is found in the coastal basin, south of Mombasa.



## 2.3 CLIMATE

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Generally, Kenya enjoys a tropical climate. It is hot and humid on the coast, moderate inland, and very dry in the north and north-east. The country receives a great deal of sunshine all year round. While it is warm during the day at higher altitudes, it is often cool at night and early in the morning.

The country experiences two rainy seasons: the “long rains” from March to June and the “short rains” from October to December. The rainfall pattern of most of the country is associated with the monsoons of the Indian Ocean. The long rains are brought by southeasterly winds off the Indian Ocean, while the short rains are carried by northeasterly winds from India across the Arabian Sea to Kenya. Western Kenya, which receives rain almost all year round, is also influenced by winds from across the Congo Basin, bringing rain in July and August.

Only about a quarter of the country receives enough rainfall to support rain-fed farming. The amount of rainfall varies considerably from place to place and from year to year. This means that people in different parts of the country have developed different economies and ways of living.

Climate and soils combine to create different agro-ecological regions. The lowland areas are dry, except for a narrow strip of land along the Indian Ocean where ocean winds bring a lot of rain. However, the desert areas of northern and eastern Kenya receive little rain.

### Rainfall

The semi-arid plains in the south and the Great Rift Valley do not get enough rain to support rain-fed agriculture. These areas are home to communities such as the Rendille, Samburu, Turkana, Galla and Maasai who rear livestock for a living. Their animals provide them with milk and meat and they sell livestock to buy grains such as maize. They also practice a nomadic life, especially during the dry season, moving from place to place looking for grass and water for their livestock. In places where water is available, crops, such as vegetables, rice and cotton, are grown under irrigation. Many of Kenya’s national parks are also located in these areas. Tourists who visit the parks are an important source of income for the country.

The mountainous areas of the central and south-west parts of Kenya receive a lot more rain and are the main agricultural areas. Maize and beans are the principal food crops in these parts, while coffee and tea are grown as cash crops. Some areas are set aside for forests and national parks. Along the coast there is a narrow strip of land that receives abundant rainfall. Here, a variety of crops such as fruit, nuts, and cotton are grown. This is also where Kenya’s beautiful beaches are located, bringing in vital tourist revenue.

### Temperatures

Temperatures vary from season to season and by altitude. The lowlands are much hotter than the highlands. At cooler times of the year, the highlands sometimes get frost, and hail is quite common.

Predictions for climate change made by Global General Circulation Models (GCM) state that by 2050 Kenya will generally be warmer and wetter. However, these trends may differ from area to area. In the highlands, for example, warmer temperatures are expected, along with shorter but more torrential rainy seasons. In contrast, areas in north-eastern Kenya are expected to see an increase in rain that may lead to more vegetation. Recent satellite measurements suggest that this trend is already under way. However, the response of different regions to climate change will also be affected by local factors such as mountains, lakes, people and land use.

Kenya’s highland areas provide most of the country’s food, such as maize and beans and mountain-grown cash crops that include coffee and tea. With climate change, some of these areas may become too warm to produce coffee and tea. Rising temperatures will make the growing season shorter (better) for maize and other food crops, especially if rainfall stays about the same or increases.

Lowland areas are also predicted to be warmer, especially along the Indian Ocean coast. Although climate-change models also predict more rainfall for lowland areas, rising temperatures may shorten the growing season for maize and many other crops that are now grown there. Farmers in lowland areas may seek to cope with these warmer temperatures by switching to more heat-tolerant crops.

## 2.4

# SOILS

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Many factors contribute to soil formation, including the original rock, climate, slope and height of the land, and the activities of living creatures. With its diverse landscapes and environmental conditions, Kenya has a wide variety of

soil types. Some areas are sandy, while some are clay and others are very stony. Their characteristics vary according to drainage and original rock matter; some areas are well drained while others become waterlogged during

the rains. Kenyans are very aware of these characteristics, and farmers and herders vary the use of the land, mindful of these issues.

## 2.5

# HYDROLOGY

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Kenya has many large lakes and a number of rivers. The largest lake in the country, Lake Victoria, which is shared with Tanzania and Uganda, covers 68,000 km<sup>2</sup>. Others include the Great Rift Valley lakes, from Lake Magadi in the south to Lake Turkana in the north. These lakes are important to Kenya's economy. The birds and animals they attract support the vital tourism industry.

The longest river in Kenya is the Tana, which arises from Mount Kenya and flows 700km to the sea, 50km north of Malindi. Athi River, joins the Galana River from its source in the hills near Nairobi, reaching the Indian Ocean 550km away, near Malindi. A third major river is the Ewaso Ngiro, which is a 530km seasonal river that flows across the dry lands of north-east Kenya into Somalia during the rainy seasons.

Other important rivers are the Turkwell and Kerio, both of which flow for about 350km before entering Lake Turkana. Several shorter rivers flow into Lake Victoria.



## WILDLIFE

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A remarkable feature of Kenya's natural resources is its wildlife. Wild animals have survived largely because the Kenyan people did not hunt them for recreation. The Maasai, for example, believe that their god made them custodians of all animals, wild and domestic. Today, a large proportion of the country has been set aside for

national parks and reserves. Among these parks are Lake Nakuru National Park, known for its flamingos; Amboseli, famous for its elephants; and Maasai Mara, where the spectacular annual migration of the wildebeest takes place.

Kenya has many wildlife species, and over a thousand different birds. The

animals range from the "Big Five" (elephant, rhinoceros, buffalo, lion and leopard) to numerous antelopes, including the world's smallest, the dikdik. One of the strangest animals is the rock hyrax, which is related to the elephant but is only the size of a rabbit.



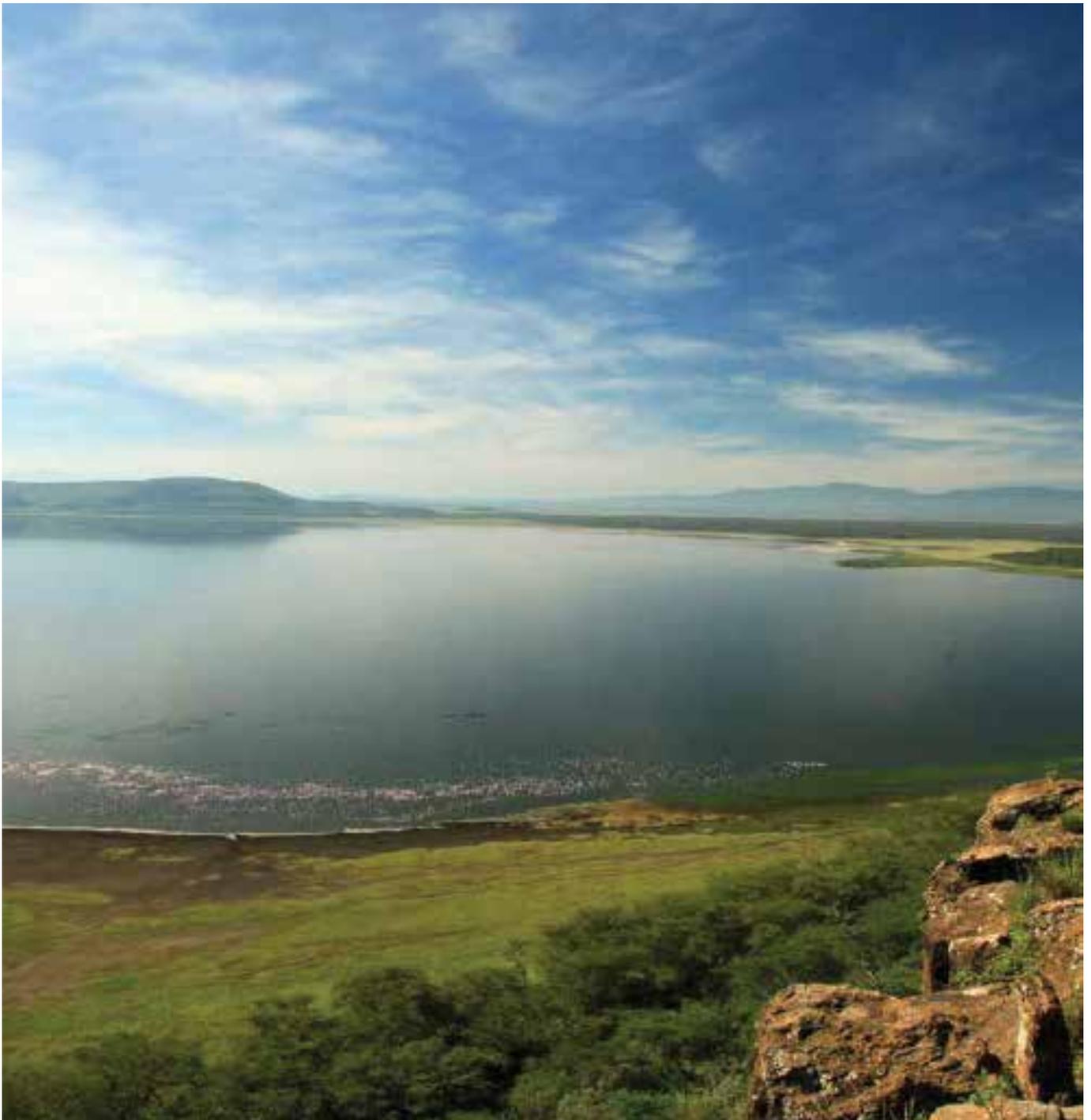
# FLORA

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Given the diversity of ecological conditions in Kenya, it is not surprising that the country's flora is spectacular in its variety. To experience the range, imagine a trek from the summit of Mt. Kenya to the floor of the Great Rift Valley and across the lowlands to the

coast. At the summit of Mt. Kenya are glaciers, where species that can survive the severe cold can be found, such as alpine flowers and grasses. The descent takes you through highland rainforest and bamboo forest into the savannas with their euphorbia trees,

baobabs and acacias. The drier areas have sparse vegetation with occasional thorny bushes and cacti. Along the coast, the damp winds from the ocean support lush vegetation, including palm trees and coastal rainforest.



# MAIN ENVIRONMENTAL REGIONS

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Kenya has an exceptionally varied environment. It has forests and deserts, mountains and plains, all so close to each other that you can go from snow-capped Mt. Kenya to near-desert in under 150km. Along the Indian Ocean coast are glorious, white sandy beaches and coral reefs teeming with life and colourful fish.

## The Lake Victoria Basin

Lake Victoria, the world's second-largest freshwater lake, is bordered by Kenya, Uganda and Tanzania. Its shores are flat and fertile. Beyond them rise mountains with rainforests that receive year-round rainfall. The basin is one of Kenya's most-productive agricultural areas, with sugar being the principal cash crop. The lake is home to an important fishing industry.

## The Central Highlands

These upland areas rise above 1,500m above sea level and include Mt. Kenya, the Aberdares, the Cherangani Hills and the Mau Escarpment. These are among the most densely settled and agriculturally productive areas of the country. Here, farmers produce maize (corn), beans and bananas as staple

food crops; tea and coffee as cash crops, and in some areas horticultural crops are grown for export.

## The Great Rift Valley

A spectacular feature of the Kenyan landscape, the Great Rift Valley divides the Highlands and is home to many freshwater and salt lakes. These include Lake Magadi, where the soda ash is mined commercially; Lakes Elementaita, Bogoria and Nakuru, where large populations of flamingos are found; Lake Baringo, which has an important fishing industry; and, in the north, Lake Turkana, where many exciting discoveries about the origins of the human species have been made in archaeological expeditions.

## The Lowlands

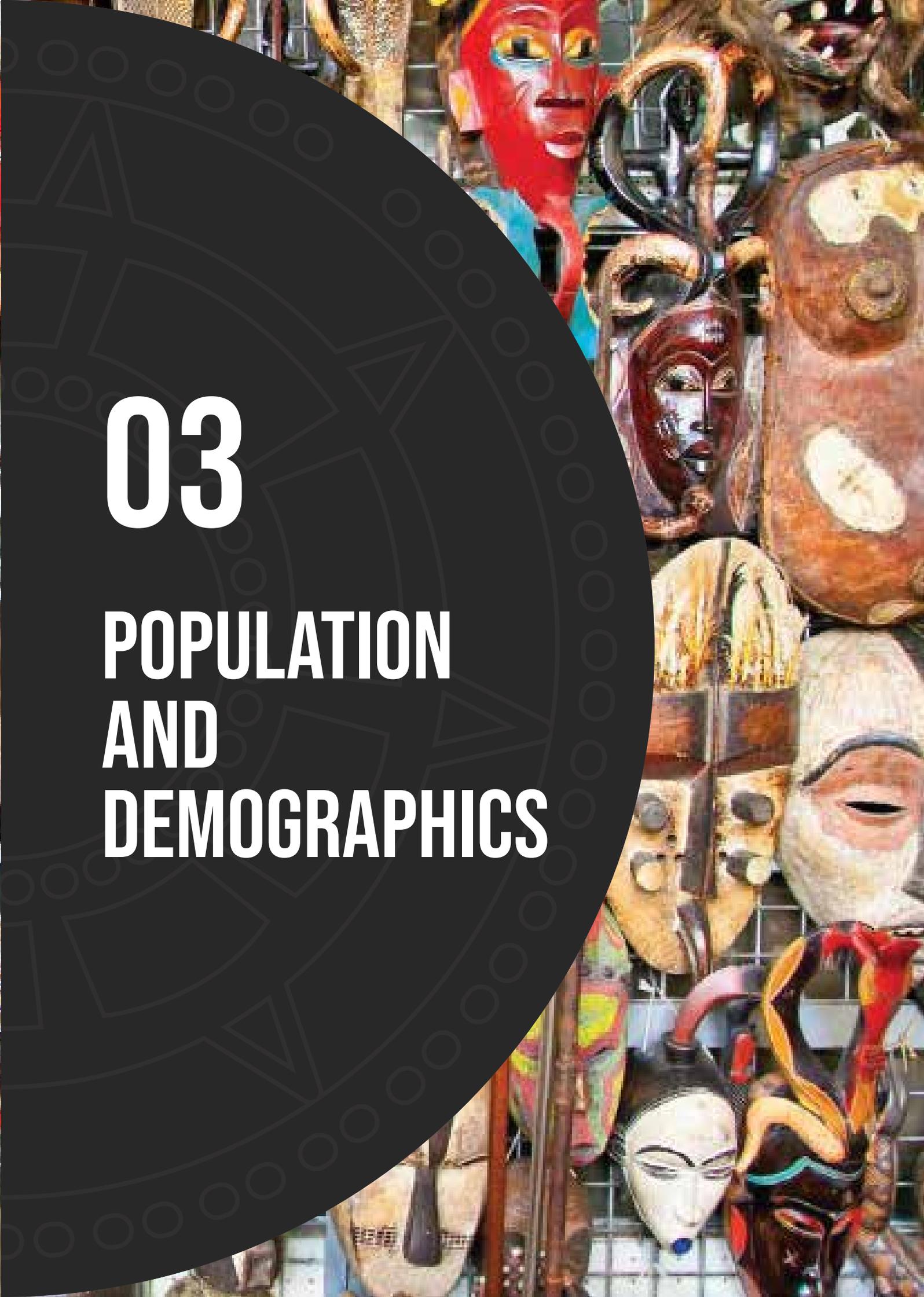
Kenya's dry lowlands cover about 80 percent of the country. They extend from the deserts of the north, bordering Sudan, Ethiopia and Somalia, south and east to the semi-arid savannah on the border with Tanzania. The lowlands form an undulating plain, broken only by a few highland outcrops such as Mt. Marsabit, a volcano with a beautiful lake in its crater. These dry areas are home

to Kenya's nomadic people such as the Turkana, Rendille, Borana and Gabbra. Their livelihoods depend mainly on the herding of camels, cattle, sheep, goats and donkeys. These are among the most scarcely populated areas of the country. In the south-east are two of the country's most famous national parks, Tsavo and Amboseli, which adjoin the territory of the Maasai people.

## The Coast

Kenya's coastline extends for nearly 450 km from the border with Somalia in the north to Tanzania in the south. The coast receives rains from winds off the Indian Ocean, and the coastal plain has a productive agricultural economy, including coconuts, bananas and other fruits and nuts. The coast is fringed by coral reefs that have spectacular fish life. The coastal ports were part of an ancient trading network that extended across the Indian Ocean to Arabia, India and China. Mombasa, one of these ancient ports, remains the leading seaport on the east coast of Africa. The beaches, climate and historic sites attracts hundreds of thousands of tourists each year.



A collection of diverse African masks and carvings displayed on a grid background. The masks vary in color, including red, brown, white, and black, and feature various designs and textures. Some have prominent horns or other decorative elements. The background is a light-colored grid pattern.

**03**

**POPULATION  
AND  
DEMOGRAPHICS**

## 3.1

# POPULATION AND DEMOGRAPHICS

Kenya's population data show that there are many more young than elderly people, with the 015- age bracket making up a huge percentage of the population. At the time of this survey, statistics showed that more than two of every five persons were under the age of 15, making up about 43% of the total population. Based on the current trend it is expected that, by 2030, Kenya's population will grow to about 65.9 million.

POPULATION	47,564,296
AGE STRUCTURE	0-14 years: 40.02% 15-64 years: 56.98% 65 years and over: 3%
DEPENDENCY RATIOS	Total: 72.78% Youth: 68.73 % Elderly: 4.04 % Potential support ratio: 21.7 (2018 est.)
POPULATION GROWTH RATE	2.20% (2019 est.)
BIRTH RATE	29.3 births/1,000 population (2017 est.)
DEATH RATE	5.582 deaths/1,000 population (2017 est.)
NET MIGRATION RATE	-0.2 migrant(s)/1,000 population (2017 est.)
URBANIZATION	Urban: 26.5% of total population (2017) Rate of urbanization: 4.15% per year (201520- est.)
MAJOR CITIES - POPULATION	Nairobi (capital) 4.39M (2019) KNBS
SEX RATIO	At birth: 1.02 male(s)/female 0-14 years: 1.01 male(s)/female 15-24 years: 1 male(s)/female 25-54 years: 1.02 male(s)/female 55-64 years: 0.84 male(s)/female 65 years and over: 0.77 male(s)/female
LIFE EXPECTANCY AT BIRTH	Total population: 65.91 years Male: 63.54 years Female: 68.24 years (2017 est.)
TOTAL FERTILITY RATE	2.98 children born/woman (2017 est.)
CONTRACEPTIVE PREVALENCE RATE	66.3% (any methods (% of women ages 15-49)) (2015)

Source: World Bank

# REGIONAL STATISTICS

## 2019 Kenya Population Statistics and Distribution

ADMINISTRATIVE UNITS				
CODE	COUNTY	CAPITAL	AREA (SQ.KM.)	2019 POPULATION CENSUS
30	Baringo County	Kabarnet	10,976.40	666,763
36	Bomet County	Bomet	2,530.90	875,689
39	Bungoma County	Bungoma	3,023.90	1,670,570
40	Busia County	Busia	1,696.30	893,681
28	Elgeyo-Marakwet County	Iten	3,032.00	454,480
14	Embu County	Embu	2,820.70	608,599
7	Garissa County	Garissa	44,736.00	841,353
43	Homa Bay County	Homa Bay	3,152.50	1,131,950
11	Isiolo County	Isiolo	25,350.60	268,002
34	Kajiado County	Kajiado	21,871.10	1,117,840
37	Kakamega County	Kakamega	3,020.00	1,867,579
35	Kericho County	Kericho	2,436.10	901,777
22	Kiambu County	Kiambu	2,538.60	2,417,735
3	Kilifi County	Kilifi	12,539.70	1,453,787
20	Kirinyaga County	Kerugoya/Kutus	1,478.30	610,411
45	Kisii County	Kisii	1,323.00	1,266,860
42	Kisumu County	Kisumu	2,085.40	1,155,574
15	Kitui County	Kitui	30,429.50	1,136,187
2	Kwale County	Kwale	8,267.10	649,931
31	Laikipia County	Rumuruti	9,532.20	518,560
5	Lamu County	Lamu	6,253.30	143,920
16	Machakos County	Machakos	6,042.70	1,421,932
17	Makueni County	Makueni	8,169.80	987,653
9	Mandera County	Mandera	25,939.80	867,457
10	Marsabit County	Marsabit	70,944.10	459,785
12	Meru County	Meru	7,006.30	1,545,714
44	Migori County	Migori	2,613.50	1,116,436
01	Mombasa County	Mombasa	219.9	1,208,333
21	Murang'a County	Murang'a	2,524.20	1,056,640
47	Nairobi City County	Nairobi	703.9	4,397,073
32	Nakuru County	Nakuru	7,462.40	2,162,202
29	Nandi County	Kapsabet	2,855.80	885,711
33	Narok County	Narok	17,950.30	1,157,873
46	Nyamira County	Nyamira	897.3	605,576
18	Nyandarua County	Oi Kalou	3,107.70	638,289
19	Nyeri County	Nyeri	3,325.00	759,164
25	Samburu County	Maralal	21,065.10	310,327
41	Siaya County	Siaya	2,529.80	993,183
06	Taita Taveta County	Mwatate	17,152.00	340,671
04	Tana River County	Tana River	35,375.80	315,943
13	Tharaka-Nithi County	Chuka	2,564.40	393,177
26	Trans Nzoia County	Kitale	2,495.20	990,341
23	Turkana County	Lodwar	68,232.90	926,976
27	Uasin Gishu County	Eldoret	3,392.20	1,163,186
38	Vihiga County	Vihiga	563.8	590,013
8	Wajir County	Wajir	56,773.10	781,263
24	West Pokot County	Kapenguria	9,123.20	621,241
<b>TOTAL</b>			<b>580,876.30</b>	<b>47,564,296</b>

Source KNBS





**04**

**ECONOMY**

# GENERAL ECONOMIC INFORMATION

Kenya's macroeconomic performance remains broadly stable despite the global economic slowdown over the last few years. The economy's growth momentum has been strongly supported by significant investment in infrastructure, the construction and mining sectors, strong recovery in tourism, lower energy prices, and improved agricultural production following better weather conditions. Inflation is within the target band due to prudent monetary policy management, while interest rates are low and stable.

Following the rebasing of the national accounts in 2014, statistics indicate that the Kenyan economy grew by, 5.3 percent, 5.6 percent, 5.8 percent, 4.9 percent, 6.3 percent and 6.3 percent in, 2014, 2015, 2016, 2017, 2018, 2019 respectively. Key sectors of the economy include agriculture, manufacturing, transport and storage, construction, ICT and services.

Agriculture remains the mainstay of the economy at 34.2 percent of GDP. At 8.0 percent, transport and storage is

the second-largest contributor to GDP while manufacturing is at 7.7 percent with the processing of agricultural products a key factor in growth. The services sector plays a key role in the economy with key services being transport, tourism, financial services and professional services.

INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019
Economic growth (%)	5.6	5.7	5.3	5.6	5.8	4.9	6.3	6.3
GDP (USD billion)	50.4	54.9	60.7	63.32	70.5	77.5	87.9	95.5
Per capita (USD)	1,240.50	1,314.90	1,418.70	1,435.40	1,553.50	1663.1	1710.5	2048.00

Source: Kenya National Bureau of Statistics, World Bank 2018



## 4.2

# MONETARY POLICY AND INFLATION

The key aim of monetary policy is to maintain price stability by keeping inflation down, normally within the target range of 3 and 7 percent. It involves

controlling liquidity in the economy in sync with the growth and price objectives set by the Government. Overall inflation was 4.7 percent in 2018 com-

pared to 8.0 percent in 2017, mostly as a result of a significant reduction in food prices after the shortages experienced in 2017.

### OVERALL INFLATION RATE, 2012 TO 2019

Year	2012	2013	2014	2015	2016	2017	2018	2019
Per cent (Average)	9.4	5.7	6.9	6.6	6.3	8	4.7	5.2

Source: CBK 2019



## SECTORAL ECONOMIC INDICATORS

Kenya's economy is diversified and not dependent on natural resources such as oil and minerals. The key drivers of growth are weather and input use in agriculture; cost of production in manufacturing; infrastructure investment and digital migration policies in ICT; public spending, income growth and affordability of credit in building and construction; and security in tourism.

### SECTOR CONTRIBUTIONS TO GDP (%)

SECTOR	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture and Forestry	26.1	26.4	27.5	30.2	31.1	34.8	34.2	34.1
Manufacturing	11	10.7	10	9.4	9.3	8	7.7	7.5
Construction	4.5	4.5	4.9	4.9	5.1	5.6	5.4	5.6
Wholesale and Retail Trade	7.8	7.8	8.1	8.0	7.5	7.2	7.4	7.6
Transport and Storage	8.0	7.8	8.6	8.1	8.1	7.5	8.0	8.5
Finance and insurance activities	5.9	6.6	6.8	6.7	7.1	6.1	6.0	6.0
information and communication	6.0	1.4	1.2	1.5	1.5	1.3	1.3	1.2

Source: Kenya National Bureau of Statistics, 2019

## FOREIGN EXCHANGE

According to 2014 World Bank data, the Kenya shilling held at below KSh10 to the US dollar from 1963 to 1981, before rising to an average of almost 19 in the decade to 1992, just before foreign-exchange deregulation. With liberalisation, the shilling continued to depreciate until 1999, followed by a period of relative stability in the four years to 2004. Between 2005 and 2007, in a break with the past, it appreciated,

before declining again to a low of KSh107 to USD1 in October 2011.

The current exchange rate stands at an average of 108.1 (CBK, 2020).

The exchange rate has been relatively stable compared to the main regional currencies and stood at KSh115.7 in 2018 compared to KSh116.5 in 2017 in the overall weighted index. The shilling

strengthened against Indian Rupee, the US Dollar, Saudi Riyal and UAE Dirham by 6.9, 2.1, 2.0 and 2.0 percent, respectively but weakened against the Euro and Pound Sterling. In the East African Community (EAC) trade bloc, the Kenya shilling gained against the Uganda Shilling, Rwandese Franc and Tanzanian Shilling by 5.4, 4.8 and 3.8 percent, respectively.

## 4.5 PUBLIC DEBT

The total stock of public debt was KSh4537.6 billion as at 2018. Total external debt was KSh2568.3 billion in 2018/19. Similarly, the stock of internal debt was KSh1969.2 billion during the same period. Growth in stock of bilater-

al debt in the review period was mainly driven by a rise in stock of debt from the People's Republic of China, which rose by 17.1 percent to KSh560.5 billion accounting for 68.7 percent of the total bilateral debt. Most of Kenya's external

debt remains on concessional terms, although its commercial component has increased. Kenya's public debt remains sustainable.

## 4.6 BALANCE OF PAYMENTS

The balance of trade recorded a deficit of Ksh1,147.3 billion by the end of 2018, an increase from a deficit of Ksh1131.5 billion recorded in 2017. The leading export earners were tea, coffee, horticulture, apparel and clothing accessories, titanium ores

and concentrates, which collectively accounted for almost 62 percent of total domestic exports in 2018.

Petroleum products, industrial machinery, transport vehicles and iron and steel are the leading imports,

accounting for 42 percent of total trade.

### TOTAL IMPORTS AND EXPORTS

	2012	2013	2014	2015	2016	2017	2018	2019
Exports (KSh million)	527,847	502,287	460,572	581,045	578,067	594,128	612,928	596,676
Imports (KSh million)	1,374,587	1,413,316	1,618,321	1,577,557	1,431,745	1,725,623	1,760,221	1,806,334.6
Balance of trade	-856,740	-911,029	-1,081,085	-996,512	-853,678	1,131,494	1,147,292	-,209,658.0

### IMPORTS AND EXPORTS BY MAIN PRODUCT

EXPORTS (KSH MILLION)	2012	2013	2014	2015	2016	2017	2018	2019
Tea	101,441	104,648	93,996	123,025	124,497	147,251	138,836	113,600
Horticulture	81,129	89,339	97,105	100,963	110,338	113,349	124,267	122,900
Apparel and clothing accessories	20,676	24,379	28,984	28,226	30,741	28,226	34,328	34,767
Coffee, unroasted	22,271	16,328	19,913	20,580	21,371	23,453	23,095	20,300

IMPORTS(KSH MILLION)	2012	2013	2014	2015	2016	2017	2018	2019
Petroleum Products	237,557	252,673	292,643	214,695	183,842	234,896	295,060.	
Industrial Machinery	194,666	231,440	256,672	211,724	253,541	238,366	252,461	
Road Vehicles	73,768	83,330	101,792	117,637	85,838	85,220	92,586	
Iron and Steel	56,667	80,749	75,526	88,153	75,400	83,580	97,686	

Source: KNBS 2019

## FOREIGN DIRECT INVESTMENT (FDI)

FDI is a significant source of funding for Kenya's economic development, as well as for the transfer of skills and technology, and job opportunities. According to The United Nations Conference on Trade and Development (UNCTAD), FDI inflows to Kenya reached

a record level of USD1.626 billion in 2018 up from USD1.275 billion in 2017, driven mainly by increased consumer demand. Major recipients of FDI include manufacturing, financial services, information and communications technology and business support

services. Traditionally the UK, US, India, Mauritius, South Africa and Japan have been the major sources of FDI to Kenya. More recently, however, FDI has grown from other countries such as China, Belgium, Nigeria, France and Germany.

### FDI INFLOWS TO KENYA, 2011 TO 2019

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019
FDI (USD million)	335	259	514	989	1,437	394	1,275	1,626	1,332

Source; UNCTAD 2019







**05**

**SECTORS  
AND  
OPPORTUNITIES**

## 5.1

# INVESTMENT OPPORTUNITIES ALIGNED TO BIG 4 AGENDA

The Government has recently launched the “Big 4” National Economic Transformation Agenda, which seeks to achieve a better quality of life for all Kenyans by the year 2022. It aims to raise the manufacturing sector’s share of GDP to 15 percent by 2022. Priority sectors include:

### 1. Value addition thus raising manufacturing sector’s share of GDP to 15% by 2022

- Textile/apparel/cotton
- Agro-processing
- Iron and ore
- Fish processing
- ICT

### 2. Initiatives that guarantee food security and nutrition to all Kenyans

#### Investment opportunities include:

- Fisheries: Establishing a fishing port and developing a fish processing industry.
- Sugar sector: Production of industrial sugar; generation of electricity from Bagasse; establishment of new sugar processing factory and production and processing of stevia.
- Tea and coffee: Value Addition such as production of flavoured tea; converting coffee husks to charcoal; making furniture from coffee husks; coffee roasting; coffee blending as well as processing and packaging of instant coffee.
- Vegetable and fruit processing: Production of fruit concentrates; processing of frozen vegetable products such as French beans; cold storage facilities.
- Meat and dairy farming: Setting up a large-scale production and processing facility to supply chicken and beef; large scale canning factory; establishing abattoirs and cold storage facilities for processing meats and fish products.





- Commercial dairy farming: Value addition to milk to produce yogurt and curd, cheese, butter, ghee, milk powder and baby formula; cold storage facilities for milk and milk products.
- Development of quality seeds that are disease and drought resistant;
- Fertiliser production.
- Growing of bamboo for edible sprouts and furniture.
- Establishing world-class packaging facilities.
- Establishing warehouse facilities, including dryers and cold chains.
- Avocado oil production

### **3. Providing Universal Health Coverage to guarantee quality and affordable healthcare for all Kenyans.**

#### **Investment opportunities include:**

- Private health insurance coverage
- Community based health insurance
- Digitising health and telemedicine
- Financing of health
- Putting in place healthcare systems

### **4. Providing at least 500,000 affordable and decent housing.**

#### **Investment opportunities include:**

- Providing at least 500,000 affordable and decent houses.
- Development of residential houses and commercial buildings
- Manufacture of building materials
- Urban Planning
- Project financing
- Joint venture development e.g. through land swaps
- Provision of mortgage facilities

# INVESTMENT OPPORTUNITIES UNDER THE VISION 2030

## AGRICULTURE AND AGRO-PROCESSING

Agriculture is the mainstay of the Kenyan economy, contributing about 30 percent of GDP and providing a livelihood to approximately 75 percent of the population. Agricultural products account for 65 percent of Kenya's exports and almost 20 percent of formal employment. These include traditional exports, such as tea and coffee, and non-traditional exports such as horticulture. There is considerable scope for diversification and expansion of agriculture through accelerated food-crop production, adding value and developing more unconventional exports such as pulses, sesame seeds and nuts.

Irrigation is to be increased to reduce dependence on rain-fed agriculture.

Under the plan, more than 400,000 hectares of land will be put under irrigation. A move towards more mechanised agricultural production is also envisaged, with a plan to revive co-operatives and farmers' unions and subsidise farm inputs to raise productivity.

### Investment opportunities include:

- Establishment of disease-free zones (DFZ): Four DFZs are to be established to facilitate access to Kenyan meat, leather and leather products for local, regional and international markets. The first will be established on the coast in the counties of Kwale, Mombasa, Kilifi, Tana River, Lamu and parts of Taita-Taveta outside Tsavo National Park.

The other three are to be established in the Laikipia-Isiolo complex, and Uasin Gishu and Garissa counties.

- Investment in the Galana-Kulalu Scheme, a one-million Hectares irrigation and agro-processing project. It aims to boost Kenya's drive to become a food secure nation with opportunities for private sector investment in 50,000 acres of maize, 200,000 acres of sugarcane and 150,000 acres for livestock, among others.

## MANUFACTURING

Kenya Vision 2030 identifies manufacturing as a key sector in Kenya's economic development, not just in its contribution to national output (about 10 percent of GDP) and exports, but for job creation as well. The sector is mainly agro-based. It plays a vital role in adding value to agricultural output and providing forward and backward linkages with the agricultural sector.

To achieve the manufacturing objectives contained in Vision 2030, a Kenya Industrial Transformation Programme (KITP) has been developed. It is targeting the development of Special

Economic Zones, industrial parks and clusters to produce niche products. It will also promote small- and medium-scale manufacturing firms and attract investors into strategic sectors, such as iron and steel, leather processing, fertilisers, agro-processing, machine tools and machinery production, motor-vehicle assembly and spare parts.

### Investment opportunities include:

- Agro-processing, textiles and apparel and leather processing;
- The assembly of automotive components and electronics;

- Plastics and paper; and
- Chemicals, pharmaceuticals, metals and engineering products for domestic and export markets.

## WHOLESALE AND RETAIL TRADE

Trade has been identified as a key engine of the economy due to its significant contribution to GDP (10.1 percent) and job creation, employing about 190,000 people a year. It has expanded considerably over the years, in line with a growing middle and upper-income group. Improved infrastructure has facilitated the movement of goods and brought down prices. A sustained property boom has encouraged retailers to open outlets in prime locations near residential neighborhoods to offer greater convenience to consumers. Furthermore, the Government has

reviewed the regulatory regime to allow for the elimination, simplification, consolidation or harmonisation of the business-licence process.

Aggressive competition has promoted innovation within Kenyan supermarkets, dominated by retail chains such as Tuskys, Uchumi and Naivas. To secure consumer loyalty and boost revenue, companies have moved to doing in-house brands, for example. A recent increase in online retailing platforms is also spurring growth.

### Investment opportunities include:

- Development of Vision 2030 flagship projects such as building wholesale market hubs and tier-1 retail markets.
- Opening more supermarkets, hypermarkets and luxury outlets (e.g. in clothing and cosmetics).
- Establishing modern, world-class trade, exhibition and convention centres.
- Internet retailing.
- Establishing trade logistics facilities, such as warehouses.

## MINING AND MINERALS

The mining sector has been identified as one of the key drivers for economic growth and transformation. It currently contributes less than 1 percent of GDP but this is expected to rise to at least 10 percent by 2030 with the discovery and exploitation of new minerals. Kenya is one of the world's leading producers of natural carbon dioxide, fluorspar, soda ash and titanium. Twenty other minerals have been identified and confirmed, including a unique type of ruby.

To support an attractive climate for investors, a new Mining Act was enacted in 2016 to make the framework for the sector stable, predictable and transparent. In addition, 16 sets of regulations were drafted to update the new law. The licensing process has been strengthened through the Online Transactional Mining Cadastre Portal (OTMCP), which has enhanced transparency and accountability.

### Investment opportunities include:

- On and offshore petroleum exploration;
- Mineral exploration and extraction; and
- Investment in mining logistics and related infrastructure.

## TOURISM

Tourism is one of Kenya's most important industries, and it has strong linkages with transport, food production, retail and entertainment. Kenya is one of the world's most popular tourism destinations, attracting millions each year to its wildlife, beaches, rich culture, striking geographical diversity and landscapes. This makes the country an ideal destination for hospitality investment. Although other attractions include museums, snake parks and historical sites, many of these resources remain largely unexploited.

More than half the tourists come from Europe, including the United Kingdom,

Italy, Germany and France, as well as from the United States. Tourist numbers from emerging markets, such as India and China, are on the rise. The Government aims to double the number of tourists and the revenue they generate by diversifying the source countries and the country's tourist offering.

### Investment opportunities include:

- Conference facilities: Kenya has only one large international conference centre. Given rising demand for conference and exhibition space, the country is seeking investment in this niche area in its three major cities.
- Film industry: The vast open spaces,

clear blue skies and starry nights of Kenya are an opportunity for Hollywood and global film makers. Many world-famous films such as Born Free, Walking with Lions and Lion King have been shot in Kenya.

- Water sports: The waterways of Kenya have not been fully developed as a leisure product. Investment is needed in the west of the country where Lake Victoria connects with Kenya's neighbors and on the Indian Ocean coastline.
- Vision 2030 flagship projects: These include two new resort-cities on the coast (Lamu) and one in Isiolo.

## TRANSPORT AND INFRASTRUCTURE

The Government continues to invest heavily in transport infrastructure to improve efficiency. Although significant gains have been made in developing infrastructure over the last five years, there is a need for further expansion to improve Kenya's competitiveness.

Assets include the port at Lamu in the north, the railway, three airports, three

resort cities and an oil pipeline. The Government plans to tar 10,000 km of roads in the next five years through annuity financing and to upgrade urban water systems.

### Opportunities in the sector include:

- Expanding the Port of Mombasa;
- Constructing the new Lamu Port

world-class infrastructure facilities in Manda Bay; and services to cut the cost of doing business;

- Expanding airports (Mombasa, Malindi, Kisumu) and building new airports (such as Isiolo)
- Developing a light-railway system for Nairobi

## ENERGY

Energy is one of the key infrastructural "enablers" in Vision 2030. Kenya is expected to use more energy as it moves towards being a middle-income country by 2030. As incomes rise and urbanisation intensifies, household demand for energy will also increase.

Kenya's main sources of energy are wood and other biomass fuel, fossil fuel and hydropower. Generally, petroleum and electricity provide power to the modern commercial sector, while wood-fuel provides energy for the traditional sector including rural communities and urban poor. Biomass accounts for about 70 percent of total primary energy consumption, while electricity is the most desired.

Hydro-electrical power accounts for more than 36 percent of total electricity generation by source, while oil, thermal, geothermal power and wind make up the rest. The Government plans to add an additional 5,000 megawatts (MW) of power capacity through geothermal sources to help Kenya meet its growing

demand for electricity and help its industrial transformation.

Today, significant progress has been made towards this goal. Since March 2013, more than 615 MW of electricity have been added to the national grid; of which, 371 MW is from geothermal sources. With this additional power, total power available on the national grid is 2,711.7 MW in 2018 and this has significantly reduced the cost of power.

The Government has also continued to raise its power production by further exploiting the vast geothermal, wind and solar resources that Kenya is endowed with. These resources are expected to increase the clean energy mix cementing Kenya's position as a world leader in renewable energy.

### Developments in the Energy sector include:

- Rural electrification
- Electricity generation and transmission
- Oil exploration status

- Mombasa - Nairobi Pipeline Replacement for Petroleum Products

Kenya had no known commercial reserves of petroleum until 2012 when oil was discovered in the north, generating interest in the sector. Though natural gas was discovered in Block L8 at Lamu, it was not commercially viable.

### Opportunities in the sector include:

- Generating electricity using renewable sources such as geothermal, hydro, solar, wind, biomass, biofuels, biogas and municipal waste.
- Energy generation through coal.
- Petroleum exploration, on shore and offshore.
- Building hydrocarbon-processing and distribution structures, such as the oil pipeline along The Lamu Port Southern Sudan-Ethiopia Transport (LAPSSET) Corridor project.

## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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The information and communications technology (ICT) sector is the success story of the decade in Kenya. New information technologies are playing an increasingly important role in nearly all areas of the economy. The installation of a broadband-backbone connected to three undersea fiber-optic cables (Seacom, TEAM System and EASSY) has significantly improved Kenya's connectivity and its ICT prospects, be it in business-process outsourcing (BPO) or the development of IT-enabled services (ITES). The Government has identified ICT as a key enabler in attaining the goals and aspirations of Vision 2030, with the vision to

transform Kenya into a knowledge and information-based economy.

Broadband subscriptions have grown immensely over the last four years. A significant 7 out of 10 Kenyans use the internet and the country has one of the highest penetration rates in Africa, according to data monitoring organisations.

### **Investment opportunities include:**

- Front office operations, including call and contact centers (BPOs);
- Back office operations, including data hosting, archiving and processing,

as well as software development, maintenance and customisation, and e-commerce; and

- Investment in KONZA Techno City, 60km from Nairobi – a Vision 2030 flagship project to build an ICT hub. It requires improving universal access to ICTs; promotion of the BPO/ITES; capacity building; development of digital content; rollout of e-government services; and development of the ICT industry and innovation.

## EDUCATION

The gross total expenditure by the Ministry of Education was expected to grow by 16.1 percent from KSh294.9 billion in 2015/16 to KSh342.3 billion in 2016/17. Similarly, recurrent expenditure was expected to increase by 13.5 percent to KSh318.2 billion in 2016/17. Recurrent expenditures for State Departments of Basic Education, University Education; and Vocational and Technical Training were expected to increase by 1.1, 60.8 and 2.7 percent, respectively in 2016/17. The Teachers Service Com-

mission (TSC) remains the largest beneficiary of recurrent expenditure in the Ministry of Education, with expenditure expected to register a 7.3 percent increase in 2016/17.

Total development expenditure is also expected to grow substantially from KSh14.6 billion in 2015/16 to KSh24.2 billion in 2016/17. The increase is mainly attributable to a new policy to finance universities based on enrolment by course. This also covers the

expansion of universities, financing of FPE and FDSE as well as the provision of loans and bursaries due to increased enrolment in university education, and vocational and technical training during the reference period. Development expenditures for State Department of Basic Education and University Education are expected to account for 46.7 percent and 38.6 percent of the total development expenditure of the ministry, respectively, in 2016/17.

## HEALTHCARE

Through the Bill of Rights, the Constitution places a heavy responsibility on the health sector to ensure the right to health. The Government's goal is to provide equitable, affordable and quality healthcare to all its citizens. To support this goal, the Government has developed a Health Sector PPP Strategy, which provides for investment opportunities in health-service provision. This includes private-sector partners managing public hospitals for a rate of return that does not hamper public access.

Vision 2030 recognises the role of the private sector, in partnership with the public sector, in improving the delivery of healthcare. Kenya intends to become a regional provider-of-choice for highly specialised healthcare to develop health tourism. Kenya's growing middle class, which is increasingly able to pay for bet-

ter health services and pharmaceutical products, has contributed significantly to the development of the sector. The country spends the equivalent of 7 percent of GDP on health. It also earns about USD 30 million from some 3,000 foreigners who visit the country annually for medical services. In turn, about 10,000 Kenyans spend USD 100 million on specialised treatment overseas each year.

### Opportunities in the sector include:

- Medical and health tourism
- Medical equipment manufacturing
- Telemedicine
- Referral or sharing of medical resources
- Local manufacture of generic drugs, adjusting products to meet unmet demand
- Remote and home-based healthcare

- New opportunities created by mobile phone technology

Incentives in this sector include: a range of tax incentives; a stable pro-investment government; business friendly reforms; a large pool of skilled, enterprising workers; Kenya's strategic location as a financial, communications and transport hub; improved physical infrastructure; a well-established legal and regulatory framework; low cost of internet connectivity, with an undersea and terrestrial fibre-optic infrastructure connecting Kenya to the world; and no foreign-exchange controls, with capital repatriation and the remittance of dividends and interest being guaranteed to foreign investors.







**06**

**BANKING AND  
FINANCIAL  
SERVICES**

## GENERAL INFORMATION

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Through Kenya's Vision 2030, the Government aims to create a vibrant and globally competitive financial sector that drives high levels of savings to finance Kenya's investment needs to boost Kenya's position as the regional financial services hub. The financial sector has defied economic challenges to grow faster than the economy.

The financial-services sector in Kenya is made up of banking, insurance, capital markets, pension schemes and quasi-banking institutions. The latter

include Savings and Credit Cooperative Societies (SACCO), Microfinance Institutions (MFI), building societies, the Kenya Post Office Savings Bank (KPOSB) and Development Finance Institutions (DFIs). Kenya has had great success in mobile banking. It was the first country in the world to launch mobile money through its M-PESA product, which allows users to transfer cash using mobile phones. Based on this success, M-PESA has now been replicated in many countries. This, together with the relative size of its

financial sector, has helped to make Kenya a financial hub in East Africa.

The total population with access to financial services, either through conventional or mobile banking platforms is now 77 percent. According to the World Bank, M-Pesa, processes more transactions within Kenya each year than Western Union does globally. As of September 2018, 47.7 million Kenyans were using mobile phone platforms to transfer money, according to CBK figures.



## COMMERCIAL BANKS

As at December 2018, there were 42 commercial banks, 1 mortgage finance company, 13 microfinance banks, 9 representative offices of foreign banks, 70 foreign exchange bureaus, 19 money remittance providers and 3 Credit Reference Bureaus (CRBs).

Total net assets grew by 10.14 percent from KSh 4,002.74 billion in December 2017 to KSh 4,408.59 billion in December 2018. The main commercial banks include Kenya Commercial Bank

(KCB), Equity Bank, Barclays, Standard Chartered, Cooperative Bank, Diamond Trust Bank, HSBC, Citibank, ABSA Bank and Ecobank. The Central Bank of Kenya (CBK) provides supervisory and regulatory services.

### Opportunities:

In banking, there are opportunities to increase scale and enhance the capital base through consolidation. Out of 43 commercial banks, only seven are classified as large, which control 58.3

percent of market share. The rest of the banks are small and have limited reach, thus restricting competition.

Key opportunities include: Nairobi International Finance Centre (NIFC), a flagship project under Vision 2030; initial public offerings to raise capital; investment in both treasury and corporate bonds; and development of new products in the insurance sector.

### OWNERSHIP AND ASSET BASE OF COMMERCIAL BANKS (KSH MILLION)

The total net assets in the banking sector stood at Ksh4.4 trillion as at 31st December 2018. Out of the 40 banking institutions, 37 were privately owned at that date, while the government had majority ownership in the remaining three. Of the 37 privately owned banks, 22 were locally owned, with the controlling shareholders domiciled in Kenya, and 15 were foreign owned (with many having a minority shareholding).

Kenya's commercial banks are classified into three peer groups using a weighted composite index that comprises net assets, customer deposits, capital, capital and reserves, number of deposit accounts and number of loan accounts. A bank with a weighted composite index of 5 percent and above is classified as a large bank; between 1 to 5 percent a medium bank; and less than 1 percent, a small bank. The table bellows shows the market share as per the three peer groups as at the end of 2018.

#### COMMERCIAL BANK MARKET SHARE – DECEMBER 2019

PEER GROUP	WEIGHTED MARKET SHARE	NO. OF INSTITUTIONS.	TOTAL NET ASSETS (KSH. B)	CUSTOMER DEPOSITS (KSH. B)	CAPITAL & RESERVES (KSH. B)
Large	52.94%	6	1,233,577	2,367	470
Medium	37.6%	15	875,566	713	148
Small	9.5%	23	221,192	277	60
<b>Total*</b>	<b>100.00%</b>	<b>44</b>	<b>4,409</b>	<b>3,358</b>	<b>678</b>

\*Charterhouse Bank under statutory management and Imperial Bank & Chase Bank under receivership have been excluded

Source: Central Bank of Kenya 2019

## BANK SUPERVISION DEPARTMENT

The mandate of the Bank Supervision Department (BSD) of the Central Bank of Kenya, as stipulated in Section 4(2) of the Central Bank of Kenya Act, is to foster liquidity, solvency and the proper functioning of a stable, market-based financial system. BSD's main functions include:

- Development of legal and regulatory frameworks to foster stability, efficiency and access to financial services. It seeks to achieve this through:
  - Continuous review of the Banking Act, Microfinance Act and Building Societies Act, as well as of regulations and guidelines issued under them. These lay the legal foundation for

banking institutions, non-bank financial institutions, deposit-taking microfinance institutions and building societies.

- Continuous review of regulations and guidelines for foreign-exchange bureaus licensed under the Central Bank of Kenya Act and of credit-reference bureaus licensed under the Banking Act.
- Processing licences of commercial banks, non-bank financial institutions, mortgage-finance institutions, building societies, foreign-exchange bureaus, microfinance banks and credit reference bureaus.
- Conducting onsite evaluation of the financial condition and compliance with statutory and prudential

requirements, of institutions licensed under the Banking Act and Microfinance Act, as well as of foreign exchange bureaus licensed under the Central Bank of Kenya Act.

- Carrying out offsite surveillance of institutions licensed under the Banking Act and Microfinance Act and of foreign-exchange bureaus licensed under the Central Bank of Kenya Act through the receipt and analysis of returns received periodically.
- The BSD also processes corporate approvals for banking institutions wanting to open and close places of business; appoint directors, senior managers and external auditors, introduces new products or services, and increase charges.

## MONEY REMITTANCE REGULATIONS

The salient features of Money Remittance Regulations 2013 are:

- All persons wishing to operate a money-remittance business shall be licensed by the CBK.
- On starting operations, the minimum core capital required for money remittance providers is KSh20 million.
- Shareholders, directors and management will be vetted prior to appointment.

- Application and license fees will be KSh20,000 and KSh100,000 respectively.
- Money-remittance providers will be required to obtain a security bond of not less than KSh5 million. This will be held as security against obligations to customers who deposit money for remittances.
- Money-remittance providers will be required to maintain a sound information system and adequate

records, including the identity of customers, transaction receipts and sources of funds.

- Money-remittance providers will be required to comply with the Proceeds of Crime and Anti-Money Laundering Act 2009 and relevant regulations.
- The CBK will have powers to regulate and supervise all licensed money-remittance providers to ensure compliance.

6.5

## INTERNATIONAL FINANCE CORPORATION

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The International Finance Corporation (IFC), an affiliate of the World Bank, finances private-sector investment projects in agriculture, manufacturing, infrastructure and tourism. IFC extends

long-term loans and makes equity investments in projects worth more than US\$20 million. Long-term loans are generally in foreign currencies. IFC also manages the Africa Enterprise

Fund, which can support lower-cost projects for small- and medium-sized enterprises.

6.6

## EAST AFRICAN DEVELOPMENT BANK

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The East African Development Bank (EADB), which was established in 1967 with its headquarters in Kampala, Uganda, provides medium- and

long-term foreign-currency loans for projects, and offers a broad range of financial services for member states to strengthen regional economic

cooperation. Primary owners of the bank are the governments of Kenya, Uganda and Tanzania.

6.7

## EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK

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The Eastern and Southern African Trade and Development Bank (TDB) (previously known as PTA Bank) was established in 1985 to provide financial and technical assistance to projects

and trade activities with the potential to promote economic growth and integration in the Common Market for Eastern and Southern Africa (COMESA) trading bloc. The TDB Bank provides

financial resources to both public and private sector projects in manufacturing, agro-industry, mining, infrastructure and tourism.

## INSURANCE

Kenya's insurance industry, which is governed by the Insurance Act and regulated by the Insurance Regulatory Authority (IRA), makes a valuable contribution to national development by providing a broad range of insurance products and services, fostering entrepreneurship; and encouraging investment, innovation, market dynamism and competition. Alongside the state, it also offers social protection, as well as easing pressure on public-sector finance, enhancing financial intermediation, creating liquidity and mobilising savings.

As a result, the industry has grown steadily over the years, both quantitatively and qualitatively, with

expansion in both the number of industry participants and range of services. As of end 2018, there were 53 licensed insurance companies and 5 licensed re-insurance companies in Kenya.

Kenya is also home to Africa Reinsurance Company, PTA Reinsurance Company and Africa Trade Insurance Agency (ATIA), which are regional insurance organisations that operate under the various regional charters and are therefore not regulated by the IRA.

The insurance industry has enjoyed stable business volume growth over the last 10 years. There has been a rapid uptake in life, medical and new micro-

insurance where lower-earning citizens have been able to secure coverage. As at the end of 2018, insurance premiums income amounted to KSh216.26 billion, representing an increase of 3.5 percent over 2017. Of this, the top 3 contributing classes were Pensions, Life Assurance and Group Life at 38.8, 27.8 and 12.6 percent respectively. The industry's asset base has continued to improve, amounting to KSh635.04 billion in 2018, an improvement of 7.5 percent from KSh590.95 billion reported at the end of 2017.

## CAPITAL MARKETS

The Nairobi Stock Exchange (NSE) offers a world class trading facility for local and international investors looking to gain exposure to Kenya and Africa's economic growth. It offers trading in both equities and bonds, playing a vital role in the growth of Kenya's economy by encouraging savings and investment, as well as helping local and international companies access cost-effective capital. The NSE has four equity market segments: Main Investment Market Segment (MIMS), Alternative Investment Market Segment (AIMS), Real Estate Investment Trust (REITs), and Growth and Enterprise Market Segment (GEMS). The Fixed Income Market Segment (FIMS) comprises corporate and Government-

issued securities. It is the market of choice in the region for organisations requiring debt finance for projects, expansions and working capital.

The NSE is the largest exchange in East and Central Africa. After an initial public offering in 2014, the NSE listed its shares on the MIMS, completing its demutualisation process. It also rebranded to be more inclusive of Kenyans and to encourage an investment culture among citizens. There are over 60 companies listed on the exchange and more than 75 listed bonds.

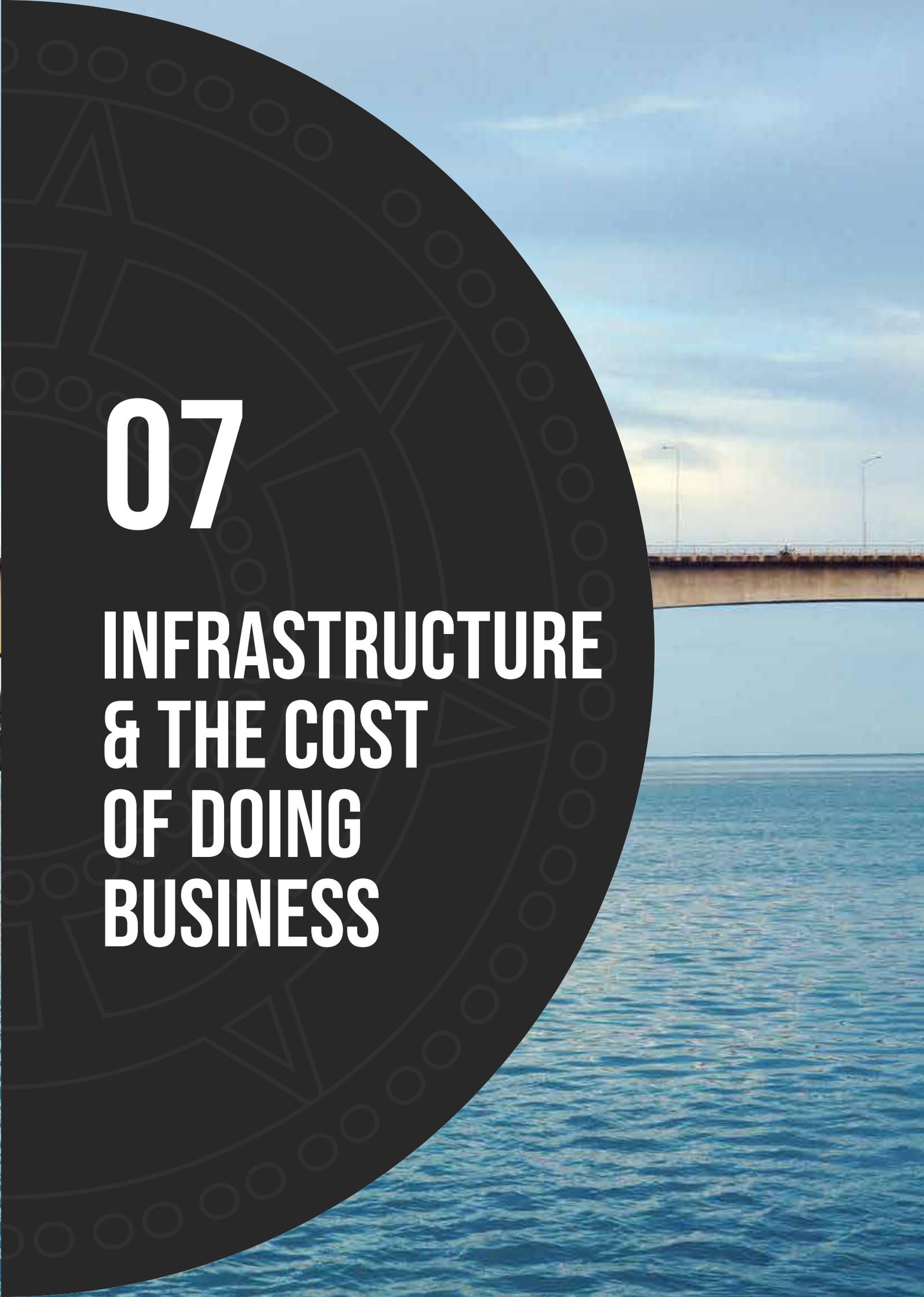
The exchange is working on new products, including Exchange Traded

Funds (ETFs), Financial and Commodity Derivatives and Carbon Credits.

The capital market is regulated by the Capital Markets Authority (CMA). As at December 2018, the licensed entities by CMA included; Securities Exchange (1), Central Depositories (1), Investment Banks (14), Stockbrokers (10), Investment advisers (14), Fund Managers (26), Collective Investment Schemes (23), Authorised Depositories/Custodians (14), Credit Rating Agencies (3), REIT Managers (8), REIT Trustees (3), Employee Share Ownership Plans (14) and Authorized Real Estate Investment Trusts (1).







**07**

**INFRASTRUCTURE  
& THE COST  
OF DOING  
BUSINESS**

## 7.1

# AIR TRANSPORT

Jomo Kenyatta International Airport (JKIA) is Kenya's largest and the busiest airport in East and Central Africa. It is a regional air-transport hub, which airport handles an average of 7.1 million passengers every year with a traffic growth of 16.8 percent per annum and expected traffic of 25 million by 2025. Today, JKIA hosts over 40 passenger airlines and 25 cargo carriers. Its importance as an aviation centre makes

it the pace setter for other airports in the region. As part of efforts to expand and modernise JKIA, a screening yard and security toll gate has been completed together with the construction of the second runway.

In addition to JKIA, Kenya has three other international airports: Moi International in the coastal city of Mombasa, Kisumu International in Kisumu and Eldoret

International in Eldoret Town. Further, rehabilitation work at five airstrips (Nanyuki, Ikanga, Lodwar, Embu and Malindi) and the expansion and modernisation of Isiolo, Malindi and Kisumu airports are ongoing. Expansion of the Eldoret International Airport is to enable large cargo planes to land towards positioning it as a transport hub.

## 7.2

# ROAD TRANSPORT

As at June 2019, the lengths of roads classified as Super Highway under bitumen remained at 80.9 kilometers, International Trunk roads length was 4,994.0 kilometers while that of National Trunk roads and Primary roads stood at 4,592.0 and 5,495.0 kilometers, respectively. Secondary roads under bitumen increased to 1,898.8 kilometers in 2019. Minor roads (special purpose and unclassified roads) totaling to 4,234.4 kilometers were tarmacked, an increase of 10.2 per cent over the review period. The total length of roads under bitumen increased by 14.2 per cent to 21,295.1 kilometers in 2019.

Surface Type/ Year	Earth/Gravel (Unpaved)					Bitumen(Paved)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
<b>Road Class</b>										
Super Highway (S)	-	-	-	-	-	80.90	80.90	80.90	80.90	80.90
International Trunk Roads (A)	380.00	3,700.00	3,427.00	3,008.30	2,623.30	3,238.00	3,917.40	4,191.00	4,609.00	4,994.00
National Trunk Roads (B).	1,038.00	7,625.00	7,062.00	6,743.00	6,260.00	3,360.00	2,739.30	4,120.50	4,313.90	4,592.00
Primary Roads ( C )	4,497.00	18,706.20	17,325.00	17,131.10	15,950.00	3,360.00	2,739.30	4,120.50	4,313.90	5,495.00
Secondary Roads (D)	2,350.40	21%	89,005.60	59%	91,356.00	2,067.00	521.20	1,304.50	1,698.77	1,898.77
<b>Sub-total</b>	<b>14,566.00</b>	<b>40,633.30</b>	<b>37,633.00</b>	<b>36,306.63</b>	<b>34,057.53</b>	<b>10,352.90</b>	<b>10,485.20</b>	<b>13,485.90</b>	<b>14,811.57</b>	<b>17,060.67</b>
Minor Roads ( E)	25,724.30	13,276.40	12,973.78	12,842.76	12,642.76	1,000.00	771.20	1,073.72	1,204.85	1,404.85
Special Purpose Roads (F).	10,399.00	9,309.80	9,185.88	9,122.20	9,057.20	106.00	315.80	439.34	503.50	568.50
Unclassified Roads (G).	96,423.00	85,198.40	84,624.94	84,524.90	84,398.90	2,853.00	1,461.40	2,034.94	2,135.09	2,261.09
<b>Sub-total</b>	<b>132,546.30</b>	<b>107,784.60</b>	<b>106,784.60</b>	<b>106,489.86</b>	<b>106,098.86</b>	<b>3,959.00</b>	<b>2,548.40</b>	<b>3,548.00</b>	<b>3,843.44</b>	<b>4,234.44</b>
<b>Grand Total</b>	<b>147,112.30</b>	<b>148,417.90</b>	<b>144,417.60</b>	<b>142,796.49</b>	<b>140,156.39</b>	<b>14,311.90</b>	<b>13,033.60</b>	<b>17,033.90</b>	<b>18,655.01</b>	<b>21,295.11</b>

Source: KNBS, 2019

However, great strides have been made in road construction and rehabilitation, which include the construction of new roads as well as the rehabilitation and maintenance of existing roads. The major achievements include the construction of 1,247km of new roads, the rehabilitation of 684km of existing roads, and maintenance of 149,604km of roads in the recent past.

The Government is committed to decongesting major urban centres through the expansion of major roads in urban areas, such as the Outer Ring Road and Ngong Road in Nairobi City, which have been completed, and Mombasa dual carriageway. In its quest to boost regional trade, Kenya has prioritised the completion of the LAPSSET project implementation on the first three berths at the port of Lamu

and the construction of major roads under the East African and Transport Facilitation Programmes and the South Sudan–East African Regional Transport, Trade and Development Facilitation Programme.

### 7.3

## RAIL TRANSPORT

Kenya’s railway network comprises:

- i. 2,100 km meter gauge connecting the port of Mombasa in Kenya to Uganda. It is under a concession to a private operator until 2031.
- ii. 609 km Standard Gauge Railway (SGR) line connecting Mombasa to Nairobi. The project was finalised in June 2017. Construction of

Phase II of this line connecting Nairobi and Naivasha (120km) has been finalised . It is expected to eventually reach Kisumu and Uganda.

- iv. The Standard Gauge Railway, which has reduced travelling time from Mombasa to Nairobi to approximately 4.5 hours for passengers and less than 8 hours

for goods.

- v. A railway line has also been planned for in the LAPSSET Corridor in the future.

- vii. Latest developments can be obtained from the Kenya Railways Corporation on its website (<http://krc.co.ke/>)



# SEA TRANSPORT

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The Port of Mombasa is the gateway to East and Central Africa and is one of the busiest ports along the East African coastline. The port provides direct connectivity to over 80 ports worldwide and is linked to a vast hinterland with road links to Uganda, Rwanda, Burundi, eastern Democratic Republic of Congo, northern Tanzania, South Sudan, Somalia and Ethiopia. A railway line also runs from the port to Uganda and Tanzania.

The Government has made good progress on reforms and modernisation of the port of Mombasa, especially in

expanding the container terminals and cargo handling and storage, which has reduced the time required to clear cargo significantly. The first phase of the second container terminal has been completed which is capable of handling fourth generation vessels of 60,000 20-foot equivalent units (TEUs) capacity. Moreover, the Kipevu Oil Terminal will be relocated to a more suitable location to allow for expansion. The project will involve the decommissioning of the existing oil terminal and the construction of an offshore jetty near Dongo Kundu. A framework has been developed to encourage private investments and

participation in port expansion and operations.

These developments, together with the integration of the single window system into other, related, systems to facilitate faster and more efficient clearance of cargo, will ultimately position the port of Mombasa as a preferred hub in East and Central Africa. The Government will continue to develop several commercial ports within the next 5 years, including the Lamu Mega Port, Kisumu Port as well as other smaller ports along the coastline.

7.5

# COST OF UTILITIES

7.5.1

## ENERGY TARRIFFS

### CURRENT INSTALLED CAPACITY OF ELECTRICITY IS AS FOLLOWS

Installed capacity MW	2 711.7
Effective capacity MW	2 637.8
Effective interconnected capacity MW	2 243
Peak demand MW	8 702.3
Reserve margins grid (when all plants are available)	0.27
Energy purchased 2016//2017 GWh	10 205
Number of customer accounts (millions)	6.26
Electricity access rate	0.7172
Transmission and distribution lines, circuit length in kilometres (11–220 kV)	75 340

Source: KPA

### USER CHARGES

Code	Customer Type (Code Name)	ENERGY CHARGE (PER KWH)	Charge Method	Unit	Approved Non Fuel Charge Rates
DC-L	Domestic - Lifeline	010-	Energy	KShs/ kWh	12.00
DC-O	Domestic -	>11	Energy	KShs/ kWh	15.80
SC	Small Commercial	0 – 15,000	Energy	KShs/ kWh	15.60
CI1	Comm./Industrial	>15,000	Energy	KShs/ kWh	12.00
			Demand	KShs/ kVA	800
CI2	Comm./Industrial	No Limit	Energy	KShs/ kWh	10.90
			Demand	KShs/ kVA	520
CI3	Comm./Industrial	No Limit	Energy	KShs/kWh	10.50
			Demand	KShs/kVA	270
CI4	Comm./Industrial	No Limit	Energy	KShs/kWh	10.30
			Demand	KShs/kVA	220
CI5	Comm./Industrial	No Limit	Energy	KShs/kWh	10.10
			Demand	KShs/kVA	220
SL	Street Lighting	No Limit	Energy	KShs/kWh	7.50

Source : Energy & Petroleum Regulatory Authority (EPRA) (2019)

## NOTES

The Government of Kenya announced special off-peak rates for commercial customers with effect from December 2017. Off-peak rates are applicable as follows:

DAY	OFF PEAK HOURS
• Weekdays	22:00 to 00:00 and 00:00 to 06:00
• Saturdays and public holidays	14:00 to 00:00 and 00:00 to 08:00
• Sundays	All day (00:00 to 00:00)

In addition, the tariff notice states that:

C11-C15 customers operating at 100% production capacity during on peak and off-peak hours, will be given a 5% discount on the applicable Energy Rate for the off-peak consumption upon satisfactory confirmation by KPLC that their production is at 100%. The additional 5% discount is not included in the tariffs displayed above.

## 7.5.2

# WATER TARIFFS

According to the Water Services Regulatory Board, below are highlights of the regular water tariff adjustments for Nairobi, as of 2018:

Customer Category	Approved/ Justified Tariff (Ksh/m3)
<b>Residential Household</b>	
0-6	Fixed Charge Ksh.204
7-20	53
21-50	64
51-100	0
100-300	0
300->	0
<b>Commercial/Industrial</b>	
0-6	Fixed Charge Ksh.204
7-20	53
21-50	64
51-100	0
100-300	0
300->	0
<b>Government Institutions</b>	
0-6	Fixed Charge Ksh.204
7-20	53
21-50	64
51-100	0
100-300	0
300->	0

### Schools and Colleges

0-600	Fixed Charge Ksh.48
601-1200	55
1200->	60

### Water Kiosks

Per-M3	Fixed Charge Ksh.35
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### Water Kiosks

Per-20 Litres	Fixed Charge Ksh.2
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Source : Wasreb 2019 <https://wasreb.go.ke/>

## 7.6 STARTING A BUSINESS

INDICATOR	KENYA	SUB-SAHARAN AFRICA	OECD
Procedures (number)	1	8	4.7
Time (days)	1	26.8	8.3
Cost (% of income per capita)	35.3	53.4	3.2
Paid-in min. capital (% of income per capita)	0	45.1	9.6

NO.	PROCEDURE	TIME TO COMPLETE	ASSOCIATED COSTS
1	Reserve a unique company name at the Huduma Center or the Companies Registry	1 day on average	KES 150 per name reservation
2	Apply for company registration	1 day on average	KES 7,450
3	Registering for taxes at the Kenya Revenue Authority	1 day	No Charge
4	Apply for a business permit	5 days	KES 15,200(KES 15,000 + 200 single permit)
5	Register with the National Security Social Fund (NSSF)	1 day	No Charge
6	Register with the National Hospital Insurance Fund (NHIF)	1 day	No charge
*7	Make a company seal	2 days simultaneous	Between KESv2,500 and KES 3,500

\* Takes place simultaneously with previous procedure.

Source: *Doing Business 2020*

# CONSTRUCTION PERMITS

INDICATOR	KENYA	SUB-SAHARAN AFRICA	OECD	Best Regulatory Performance
Procedures (number)	16.0	15.1	12.7	None in 2018/19
Time (days)	159	145.4	152.3	None in 2018/19
Cost (% of warehouse value)	2.8	8.9	1.5	None in 2018/19
Building quality control index (0-15)	10	8.9	11.6	None in 2018/19
Procedures (number)	16	15.1	12.7	15.0 (6 Economies)

Source: World Bank Doing Business 2020

NO.	PROCEDURE	TIME TO COMPLETE	ASSOCIATED COSTS
1	Obtain a survey plan from Survey Kenya	1 day	KES 500
2	Obtain a project report from an environmental expert	3 days	KES 100,000
3	Obtain approval of the environment impact study from NEMA	30 days	No charge
*4	Submit and obtain approval of the architectural plans	45 days	KES 166,563
5	Submit and obtain approval of the structural plans	10 days	No charge
*6	Obtain stamps on architectural and structural plans from the Nairobi City County - Development Control Section	1 day	No charge
7	Apply and receive the Project Registration Certificate from National Construction Authority (NCA)	7 days	No charge
8	Notify the Nairobi City Council of commencement of work	1 day	No charge
9	Request and receive set out inspection	1 day	No charge
10	Request and receive foundation excavation inspection	1 day	No charge
11	Apply for permit to connect to the city sewage system	7 days	KES 5,000
12	Request and receive final inspection by the County Government after construction	5 days	No charge
13	Obtain occupancy certificate	14 days	No charge
*14	Apply for water connection	1 day	KES 5,000
15	Receive inspection for assessment of connection fees	1 day	No charge
16	Obtain water connection	30 days	No charge

\* Takes place simultaneously with another procedure

Source: World Bank Doing Business 2020



# REGISTERING PROPERTIES

INDICATOR	KENYA	SUB-SAHARAN AFRICA	OECD
Procedures (number)	9	6.2	4.7
Time (days)	61	61	22.4
Cost (% of warehouse value)	6.1	6.1	4.2
Quality of the land administration index (0-30)	16	16	22.7
Procedures (number)	9	9	4.7

Source: World Bank Doing Business 2020

NO.	PROCEDURE	TIME TO COMPLETE	ASSOCIATED COSTS
1	Apply and Obtain Land Rent Clearance Certificate from the Commissioner of Lands	19 days (simultaneous with Procedures 2, 3 and 4)	no cost
2	Apply, pay and obtain Rates Clearance Certificate from the Nairobi City Council	5 days (simultaneous with Procedure 1, 3 and 4)	KES 10,000
3	File the transfer instrument at the Lands Office and obtain appointment for valuation	4 days (simultaneous with 1,2 and 4)	KES 500
*4	Apply for a search on the title at the Lands Office	3 days (simultaneous with Procedures 1, 2 and 4)	KES 500
5	Apply and obtain consent to transfer from the Commissioner of Lands	9 days	KES 1,000
*6	Receive site inspection by Government valuer and obtain valuation report	20 day	no cost
7	Endorsement of value for stamp duty purposes and assessment of Stamp duty	4 days	no cost
8	Payment of Stamp Duty at Commercial Bank and receive confirmation of payment from Kenya Revenue Authority	4 day	KES 110 (charge for Banker's check) + 4% of property value (stamp Duty)
9	Lodge stamped transfer document for registration 5 days and receive duly registered documents	5 day	KES 500

\*Takes place simultaneously with another procedure.

Source: World Bank Doing Business 2020

# TAXES

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	41.5	25%	taxable profit	29.88	
Standards levy	1.0	online		0.2%	net sales	3.54	
Employer paid - Social security contributions (NSSF)	1.0	online	63.0	5% up to KES200 per person per month	gross salaries	1.52	
Unified Business Permit	1.0			KES 100,000	fixed fee	1.06	
Tax on interest	0.0	jointly		15%	interest income	0.38	included in other taxes
Employer paid - Training or apprentice tax	12.0			KES 50 per employee per month	number of employees	0.38	
Land rates	1.0			0.6%	land value	0.30	
Road maintenance levy	0.0	jointly		KES 9 per liter	fuel consumption	0.28	
Capital Gains Tax	0.0			5%	capital gains	0.25	
Advance motor vehicle tax	1.0			KES 1,500 per ton	vehicle weight	0.24	included in other taxes
Land rent	1.0			various rates		0.01	
Petroleum Development duty	0.0	jointly		KES 0.4 per liter	fuel consumption	0.01	
Tax on cheque transactions	1.0			KES 2 per cheque	number of cheque	0.01	
Stamp duty on contracts	1.0			various rates	type of contract	0.00	small amount
Value added tax (VAT)	1.0	online		14%	value added	0.00	not included
Fuel tax - excise duty	1.0			KES 10.31 per litre	fuel consumption	0.00	small amount

Employee paid National Hospital Insurance fund (NHIF)	0.0	jointly	various rates	gross salaries	0.00	withheld
Employee paid National Social Security fund (NSSF) contributions	0.0	jointly	5% up to KES200 per person per month	gross salaries	0.00	withheld

Source: World Bank Doing Business 2020

7.10

## TRADING ACROSS BORDERS

INDICATOR	KENYA	SUB-SAHARAN AFRICA	OECD HIGH INCOME
Time to export: Border compliance (hours)	21	103	12
Cost to export: Border compliance (USD)	143	583	150
Time to export: Documentary compliance (hours)	19	93	3
Cost to export: Documentary compliance (USD)	191	230	36
Time to import: Border compliance (hours)	180	144	9
Cost to import: Border compliance (USD)	833	676	115
Time to import: Documentary compliance (hours)	84	107	4

Source: World Bank Doing Business 2020

EXPORT DOCUMENTS	IMPORT DOCUMENTS
Inland Bill of Lading	Bill of lading
Release Order	Cargo release order
Certificate of origin (COMESA)	Pre-Import verification of conformity (PVoC)
Commercial Invoice	Commercial invoice
Exit Note	Import Declaration Form (IDF C-61)
Certificate of Export	Packing List
Export Declaration	Proof of payments of customs duties
Packing list	Terminal handling receipts
	Declaration of customs value (Form C-52)

Source: World Bank Doing Business 2020



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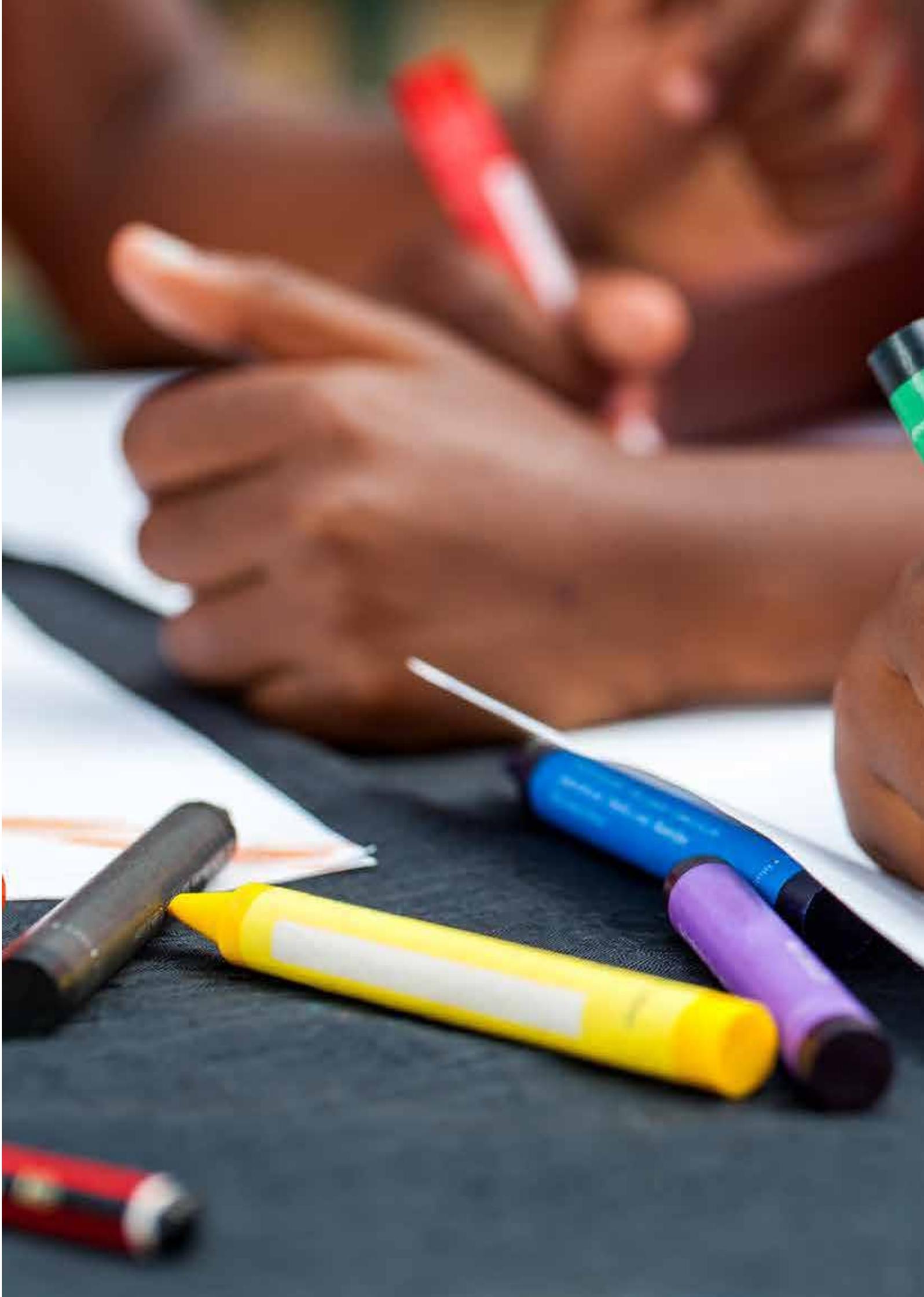
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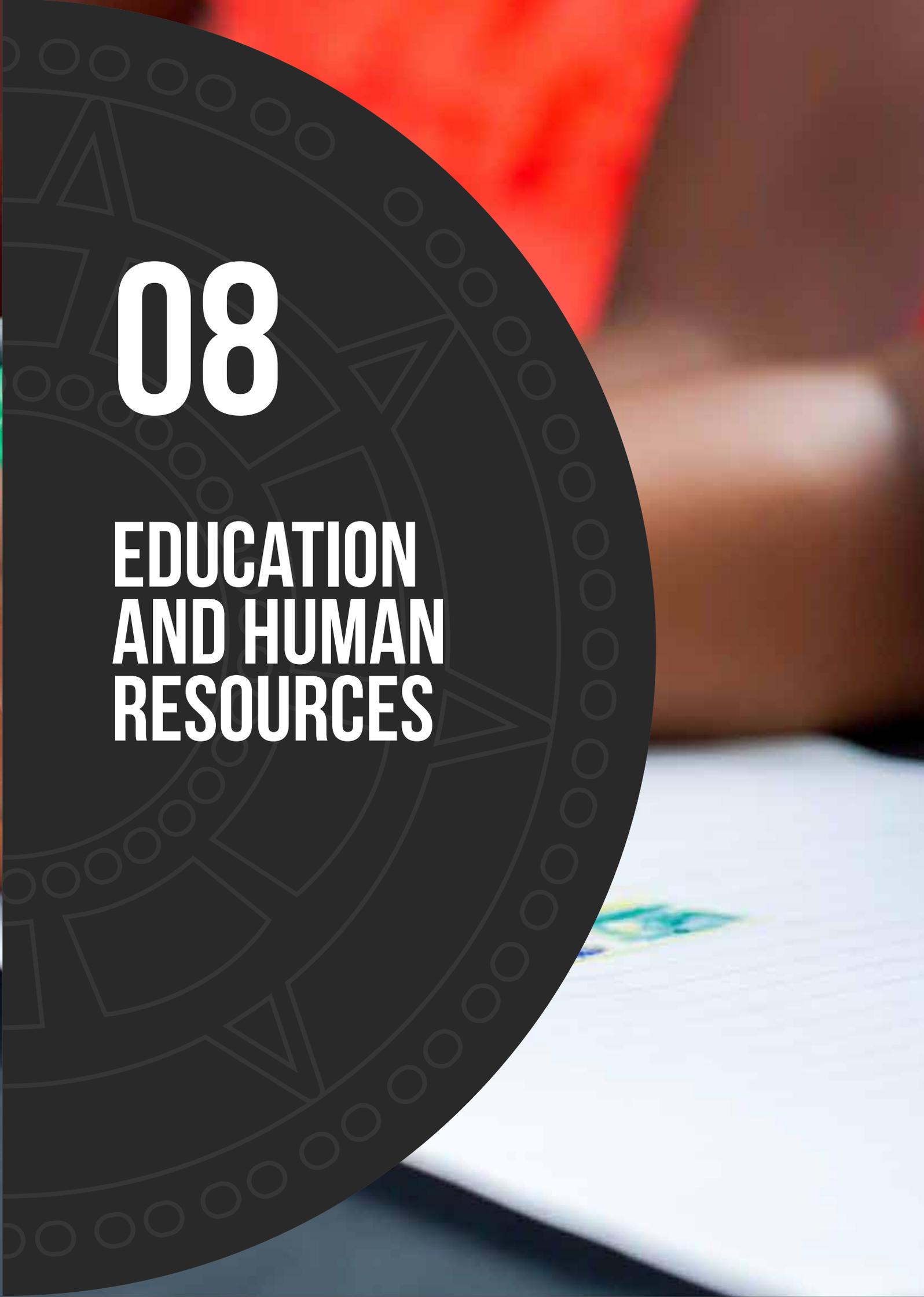
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MADE IN THE NETHERLANDS





**08**

**EDUCATION  
AND HUMAN  
RESOURCES**

# 8.1 EDUCATION SECTOR

The government is also committed to implementing international and regional commitments related to education, such as the Education for All (EFA) goals and Sustainable Development Goals (SDGs), among others. In order to honor the above commitments, the Ministry of Education is committed to providing and promoting competence based and equitable learner centered education, training and research for sustainable development. It is important to note that the Government of Kenya continues to invest heavily in the education sector, committing about 5.4% of GDP to the sector.

To achieve its aspirations, the government has developed the

National Education Sector Strategic Plan (NESSP) 2018-2022” as an all-inclusive, sector wide plan that spells out policy priorities, programmes and strategies for the education sector over the plan period. NESSP (2018-2022) builds on the successes and challenges of the National Education Sector Plan (NESP) 2013-2017. The Plan aims at achieving four important strategic objectives for education, training and research, which are:

- Enhance access and equity;
- Provide quality and competence-based education, training and research; and
- Strengthen management, governance and accountability; and enhance

relevance and capacities for Science, Technology and Innovation (ST&I) in education, training, and research for labor markets.

The achievement of these strategic objectives will contribute to the realization of the aspirations of Kenya’s blueprint, the Vision 2030 (as well as the MTP III which provides direction on planning and investments of the Vision 2030 during the period 2018-2022).

Institution Type	2013		2018		Increase in pupil/student enrollment
	No. Institutions	No. of Pupils/Students	No. Institutions	No. of Pupils/Students	
PRE-PRIMARY	40,145	2,865,348	41,779	3,390,545	77.2%
PRIMARY	28,026	9.8M	37,910	10.5M	92.4%
SECONDARY	8,734	2,000,000	11,399	2,900,000	70.3%
TVET	700	148,009	1,300	363,884	92%
UNIVERSITIES	57	361,369	78	537,733	48%

Education reforms in Kenya will continue to provide numerous investment opportunities:

- Construction, expansion and upgrade of educational infrastructure;
- Production of digital content;
- Production of school learning materials and /or equipment;
- Technical training,
- Research and Development facilities (Centre’s of excellence in Bio-technology research, Nuclear research);
- Training and mentoring of experts in developing sectors like oil and gas, mining for drilling engineers and rig operators

# HUMAN RESOURCES

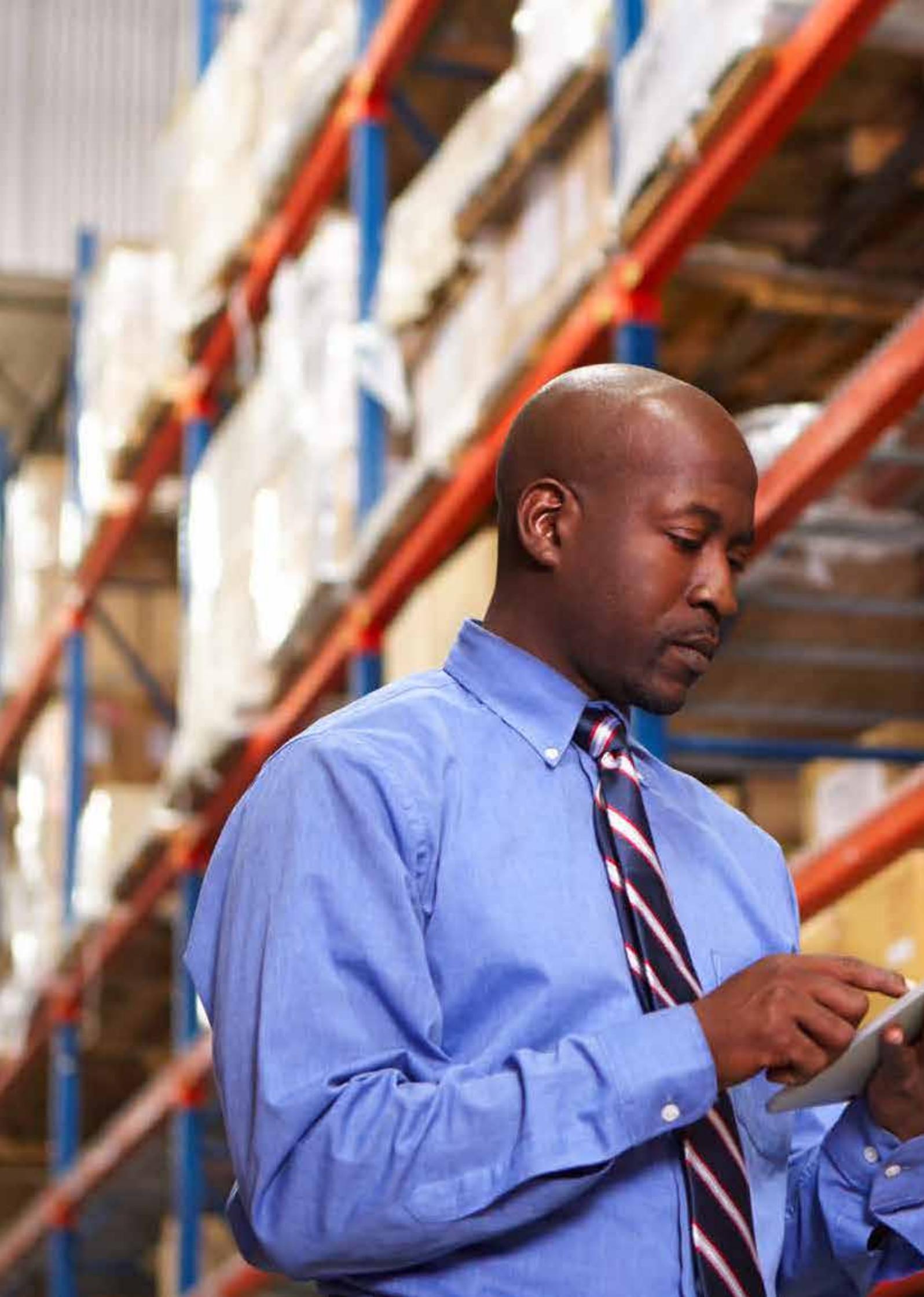
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Kenya's population and its labour force are increasing fast. There is a relatively mobile, well-educated workforce with entrepreneurial skills. Kenya prides itself on its large pool of highly educated, skilled and sought after worker, trained within the country and in institutions around the world. Kenya's education system has prioritised formal academic education and Technical, Industrial,

Vocational and Entrepreneurship Training (TVET).

The education sector attests to an overall increment in the number of educational institutions across all categories. The most outstanding increase was in the public vocational training centres which went up by 26.6 percent to 1,502 in 2018. The total enrollment in

TVET institutions in 2018 grew by 32.3 percent to 363,884. The enrollment of male and female students in national polytechnics and technical universities significantly increased by 61.0 percent and 67.7 percent, respectively. Over that period, enrolment in vocational colleges increased by 25.5 percent to 284,506, partly due to an enrolment push for TVET institutions.





**09**

**THE  
LABOUR  
MARKET**

## TRADE UNIONS

The Labour Relations Act of 2007 provides for the regulation of the employee-employer relationship, including the establishment and registration of trade unions and employers organisations. Article 4 gives a worker the right to join and exit any legal trade union, while Article 6 gives the employer the right to participate in

forming an employers' organisation or a federation of employers' organisations. The trade union movement is strong, with an estimated 11 percent of the labour force belonging to one.

The Central Organisation of Trade Unions (COTU) is the national umbrella-body, consisting of 44 affiliated trade unions.

The Federation of Kenya Employers (FKE) is the premier employers' organisation, established in 1959 and representing the collective interests of employers in Kenya. The Federation's overall objectives are to maintain good industrial relations and promote sound and fair labour practices.

## CENTRAL TRIPARTITE STRUCTURES

### NATIONAL LABOUR BOARD

The National Labour Board advises the Minister on labour legislation and labour matters. The Minister of Labour has to consult the board when sensitive changes to the labour law are made.

### THE WAGE COUNCILS

The Wages Councils consist of 10 members being the chairman, three members each representing workers, employers and independent experts.

The Councils give advice to the Minister for Labour on matters of minimum wages and conditions of employment in agriculture and various sectors of the economy. The members of the Wage Councils are appointed for a period of three years.

### EMPLOYMENT AND LABOUR RELATIONS COURT

The Court has original and apparent jurisdiction to hear and determine all

disputes referred to it in accordance with article 162 (2) of the Constitution and any other written law which extends jurisdiction to the court relating to employment and labour relations. (See Section 12 of the Employment and Labour Relations Act)

## NATIONAL LABOUR LEGISLATION

The Ministry of Labour, Social Security, and Services is currently reviewing Kenya's Labour Laws to ensure they are consistent with the 2010 constitution. Kenya's Labour laws comply, for the most part, with internationally recognised standards and conventions. The government continues to implement a range of programmes for the elimination of child labour with dozens of partner agencies and has actively pursued the elimination of forced labour. Current laws include:

### THE 2010 CONSTITUTION OF KENYA

The 2010 Constitution enshrines several labour rights including the freedom of association, independence of social partners, a fair remuneration, reasonable working conditions and the right to strike.

### EMPLOYMENT ACT 2007

The Employment Act of 2007 covers various aspects of employment, including rights at work, working hours, sick and maternity leave, discrimination, sexual harassment, forced and child labour, protection of wages, termination of employment and dispute settlement procedures.

### LABOUR RELATIONS ACT 2007

The Labour Relations Act of 2007 provides for the establishment, registration and management of trade unions and employers' organisations, collective bargaining, strikes and lockouts, trade dispute resolution and also recognises the freedom of association.

### OCCUPATIONAL HEALTH AND SAFETY ACT

The occupational Health and Safety Act

of 2007 deals with safety, health and welfare of employees.

### WORK INJURIES BENEFIT ACT

This law provides for compensation of injuries incurred out of and in the course of work.

### LABOUR INSTITUTION ACT

The Labour Institutions Act of 2007 regulates the National Labour Board, the Industrial Court, Committee of Inquiry, Labour Administration and Inspection, Wage Councils and Employment Agencies. It provides for their functions, powers and duties.

Visit The State Department for Labour: [www.labour.go.ke](http://www.labour.go.ke) for more details.







# 10

## INVESTMENT PROMOTION AND PROTECTION

# INVESTMENT PROMOTION AND PROTECTION

Investors in Kenya are protected primarily by the Kenya Constitution (2010), as well as contracts and domestic legislation. These instruments provide substantive protections and allow private enterprises to freely establish, acquire, and dispose of interests in business enterprises.

## 10.1

# INVESTMENT PROMOTION LAWS AND REGULATIONS

The major regulations governing FDI are found in the Investment Promotion Act (2004). The Act aims to promote and facilitate investment by assisting investors to, for example, obtain the relevant licences and incentives. The National Treasury oversees investment policy and most investment-related institutions, aside from Kenya Investment Authority (KenInvest), which falls under the Ministry of Industry, Trade and Enterprise Development. KenInvest is responsible for promoting and facilitating local and foreign investments and issuing an investment certificate, which allows the holder to start operations while they seek other licences and permits. The holder is also entitled to three work-permits for management and technical staff, as well as three others for owners, shareholders and partners. Both are for an initial, but renewable, two-year period.

**Kenya's Foreign Investment Protection Act (FIPA) (CAP. 518)** guarantees capital repatriation and the remittance of dividends and interest to foreign investors. They are free to convert and repatriate profits, including uncapitalised retained profits (proceeds of an investment after the payment of the relevant taxes, and the principal and interest associated with any loan). Kenya has no restrictions on converting or transferring funds associated with investment. Kenyan law requires the declaration of amounts above

KSh500,000 (about USD 5,600) as a formal check against money laundering. Foreign exchange is readily available from commercial banks and foreign exchange bureaus and can be bought and sold freely by local and foreign investors. The Kenyan Shilling has a floating exchange rate tied to a basket of foreign currencies.

### Important regulatory institutions for investment in Kenya include:

- The Central Bank of Kenya (CBK), which provides opportunities for investment in treasury bills and bonds.
- The Export Processing Zones Authority (EPZA), which manages EPZs that provides investors with tax incentives, and facilitates the operating environment and physical infrastructure for export oriented investment.
- Special Economic Zones Authority (SEZA), which manages Special Economic Zones.
- The Capital Markets Authority (CMA) which regulates portfolio investments.
- The Nairobi Securities Exchange (NSE) for securities-trading and listings.
- The National Environment Management Authority (NEMA) for environmental certification and audit.
- The Communications Authority (CA) for regulation of investments in

ICT. Investments that may have an adverse effect on health and security are subject to scrutiny before approvals are granted.

Other sector regulators which play a key role in investments in Kenya include:

- Energy and Petroleum Regulatory Authority (EPRA), which regulates the electrical energy, petroleum and related products, renewable energy and other forms of energy.
- Kenya Plant Health Inspectorate Service (KEPHIS), which is the lead regulator and facilitator of globally competitive agriculture.
- Competition Authority, which promotes and protects effective competition in markets, prevents misleading market conduct throughout Kenya and regulates mergers and acquisitions.
- Registrar of Companies, which is mandated to register business names and companies.
- Kenya Revenue Authority (KRA), which is charged with collecting revenue on behalf of the Government.
- National Social Security Fund (NSSF), which provides social security protection to workers in the formal and informal sectors, registers members, receives their contributions, manages funds of the scheme, processes and pays out benefits to eligible members or dependents.
- National Hospital Insurance Fund

(NHIF), which provides medical insurance cover to all its members and their declared dependents (spouses and children).

- Directorate of Immigration and Registration of Persons, which is under the Ministry of Interior and Coordination of National Government and is responsible for population registration and maintenance of an inclusive population register, migration management, border control and refugees' welfare supervision.

#### Investment Incentives

Kenya's Government offers fiscal incentives to attract both local

and foreign investors. Special Economic Zones (SEZs) and Export Processing Zones (EPZs) offer special geographically based incentives (see chapter on Investment Zones). Investors in manufacturing and hotels can deduct from their taxes a large portion of the cost of buildings and machinery.

The Government permits some VAT remission on capital goods, including plant machinery and equipment for new, expansion and re-investment investment. The investment allowance under the Income Tax Act is set at 100 percent. Materials imported for use in manufacturing-for-export or for producing duty-free items for

domestic sale qualify for an investment allowance. Approved suppliers, which manufacture goods for an exporter, are entitled to the same import-duty relief. The programme is also open to Kenyan companies producing goods that can be imported duty-free, and goods for supply to the armed forces or to an approved aid-funded project. There are additional sector-specific investment incentives, the details of which can be provided by KenInvest.

## 10.2

# PROTECTION

Kenya has a steadily improving environment for Foreign Direct Investment (FDI). Foreign investors seeking to establish a presence in Kenya generally receive the same treatment as local investors, and multinational companies make up a large percentage of Kenya's industrial sector. There is no discrimination against foreigners in

investment, ownership, or access to government-financed research, and the government's export promotion programmes do not distinguish between local and foreign-owned goods.

Kenya has signed various Bilateral-Investment Agreements to guarantee further investment protection. Kenya is

a member of the Multilateral Investment Guarantee Agency (MIGA), the Africa Trade Insurance Agency (ATI) which guarantees against non-commercial risks. Furthermore, Kenya is a signatory to the International Centre for Settlement of Investment Disputes (ICSID), which arbitrates cases between foreign investors and host governments.

## 10.2.1

# PERFORMANCE REQUIREMENTS

The Government encourages investment in sectors that create employment, generate foreign exchange, and build forward and backward linkages with rural areas. The law applies local content rules but only

for the purposes of determining whether goods qualify for preferential duty rates within the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC). Kenya is a World Trade Organization (WTO)

member. It has not notified the WTO of any measures that are not in conformity with its Trade Related Investment Measures (TRIMS) obligations.

10.2.2

## EXPROPRIATION AND COMPENSATION

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The Constitution of Kenya 2010 guarantees safety from expropriation except in cases of eminent domain or security concerns subject to

the payment of prompt and fair compensation. The Land Acquisition Act governs compensation and due process in acquiring land.

10.2.3

## RIGHT TO PRIVATE OWNERSHIP

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Private enterprises can freely establish, acquire and dispose of interests in business enterprises. The Kenyan legal system is quite flexible on exit options, which are normally determined by agreement between one investor and the others. The Companies Act specifies how a foreign investor may

exit from an incorporated company. In practice, a company faces no obstacles when divesting its assets in Kenya, if the legal requirements and licences are in order. The Companies Act gives the procedures for both voluntary and compulsory winding-up processes.

10.2.4

## PROTECTION OF PROPERTY RIGHTS

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Kenya has a comprehensive legal framework to ensure intellectual property rights (IPR) protection, which includes the Anti-Counterfeit Act, the Industrial Property Act, the Trade Marks Act, the Copyright Act, the Seeds and Plant Varieties Act, and the Universal Copyright Convention. Kenya's Copyright Act protects literary, musical, artistic, and audiovisual works; sound recordings and broadcasts; and computer programmes. Kenya is a member of the Convention

establishing the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property and the Patent Cooperation Treaty. Kenya is a signatory to the Madrid Agreement Concerning the International Registration of Marks.

These laws can be found in The National Council for Law Reporting also known as Kenya Law. See [www.kenyalaw.org](http://www.kenyalaw.org)





## 10.2.5

# INSOLVENCY

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The Insolvency Act 2015 consolidates the laws relating to insolvency in Kenya previously contained in the Bankruptcy Act and the Companies Act. It creates a legal framework to govern the administration of companies (as an alternative to liquidation), both solvent and insolvent, under the supervision of an insolvency practitioner. The Act aims to provide for and regulate the bankruptcy or liquidation of natural persons, incorporated and unincorporated bodies to enable their affairs to be managed for the benefit of their creditors. It seeks to redeem insolvent

companies through administration as opposed to liquidation.

The Insolvency Act further introduces the concept of cross-border insolvency, but the regulations are still being prepared. However, regulations on cross-border insolvency are currently being developed by the United Nations Commission on International Trade Law (UNCITRAL) working group V (Insolvency). Kenya is a member of the working group. Once the UNCITRAL regulations are developed, Kenya will adopt and domesticate these.

## 10.2.6

# COMPETITION LAW

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The Competition Authority of Kenya regulates competition law and its enforcement. It regulates mergers, abuse of dominance, and other competition and consumer-welfare related issues in Kenya. Recently, it imposed a filing fee for mergers with a turnover of between 1 to 50 billion shillings (USD 11.6 million to 578 million), and Ksh 2 million (USD 23,108) for larger mergers. All mergers and acquisitions require the Authority's authorization before they are finalized. In 2011, a new Competition Act replaced the 1989 law. The Act put in place a new competition framework, which aims to foster a well-functioning

competitive environment, provide consumer protection, and establish and define the role of the Competition Authority and the Competition Tribunal. Following best practices, the framework separated making from enforcement, with Policy making the responsibility of a board in the National Treasury. The final approval of mergers and acquisitions rests with the Competition Authority, which also has the power to set the relevant thresholds. The Act prioritizes enforcement in sectors that have a high impact on vulnerable members of the society, such as food, energy and infrastructure development.

10.2.7

## BILATERAL INVESTMENT AGREEMENTS

BITs/IPPAs provide a reciprocal arrangement for the protection and promotion of investments and are intended to provide investors of one state investing into the territory of the other state with special protections under international law. Some of the key provisions covered by these BITs include: expropriation; convertibility and repatriation; national treatment; treatment of investors; and dispute resolution. To strengthen investor confidence, Kenya has negotiated, signed and ratified BITs with Burundi, Finland, France, Italy, Netherlands, South Korea, Kuwait, Qatar, Swiss Confederation, United Kingdom and Ireland governments and republics

and the OPEC Fund. Other BITs have been negotiated and signed but not yet ratified.

Kenya is currently looking at reforming the treaties regime in order to align treaties based on the changing international investment agreements arena, especially the investor state dispute resolution mechanism and international arbitration in order to safeguard Kenya's development agenda and goals and establish clauses that will protect both the investor and the state from any untoward arbitration threat.

10.2.8

## REMITTANCE POLICIES

Kenya's Foreign Investment Protection Act (FIPA) guarantees capital repatriation and remittance of dividends and interest to foreign investors, who are free to convert and repatriate profits including uncapitalised retained

profits (proceeds of an investment after payment of the relevant taxes and the principal and interest associated with any loan). Kenya has no restrictions on converting or transferring funds associated with investment.

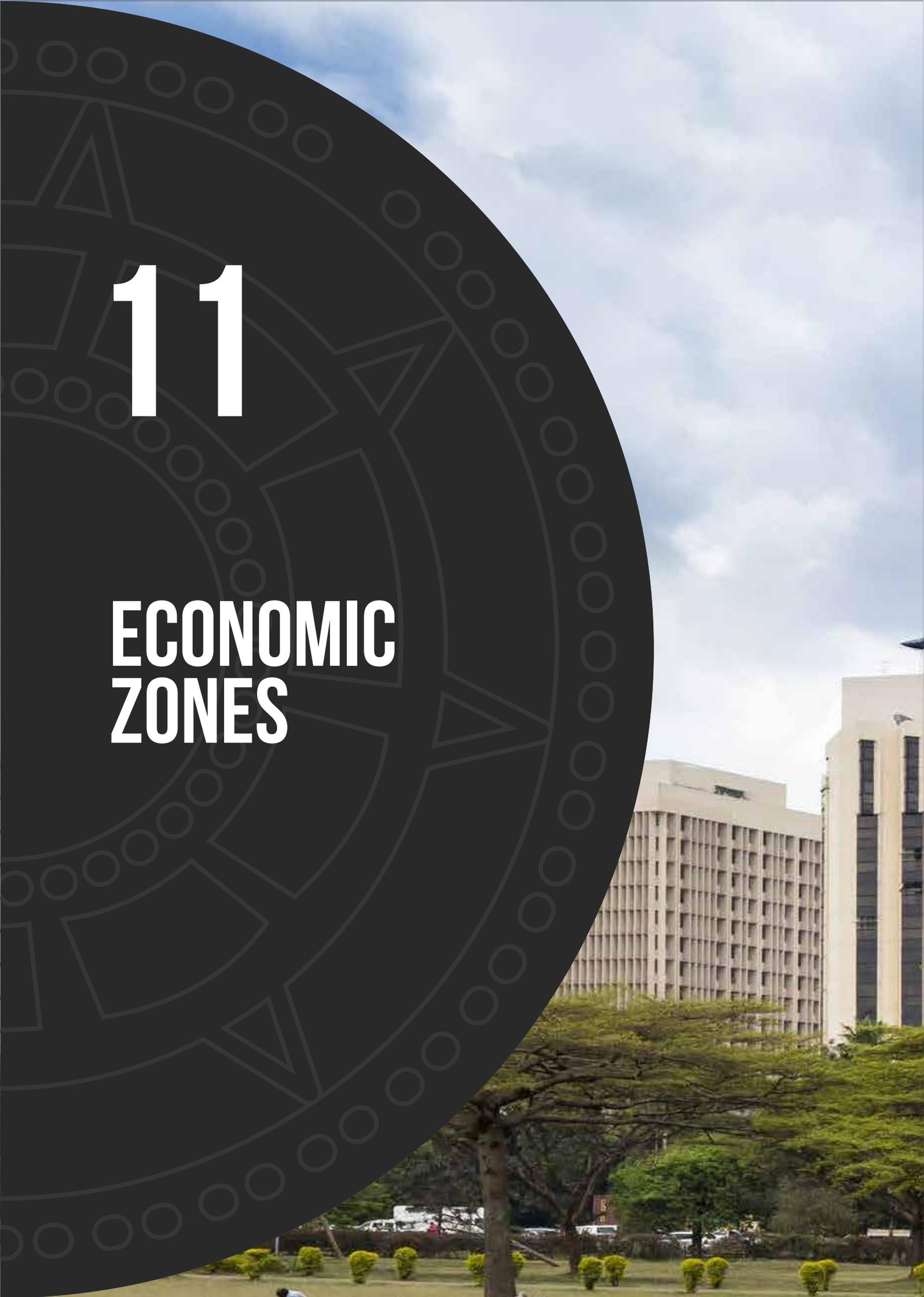






# 11

## ECONOMIC ZONES



# INVESTMENT ZONES AND INCENTIVES

Kenya has adopted cluster development as part of regional and national competitiveness strategies with plans under way to develop industry clusters in strategic locations across the country. Investors can take advantage of existing arrangements with attractive incentives and simple investment procedures.

## 11.1

# EXPORT PROCESSING ZONES

The first Export Processing Zone (EPZ) was established in 1990 to provide an attractive investment opportunity in designated areas for export-oriented businesses. This sought to support the economy through increased productive-capital investment, job creation, technology transfer and diversified exports.

Managed and promoted by the Export Processing Zone Authority (EPZA), the scheme offers a range of attractive incentives to support low-cost operations, fast set-up, smooth operations and high profitability. An effective one-stop-shop at EPZA aims to facilitate the investment process. Individually and collectively, the seven EPZs, strategically located around the country, make a compelling case for companies to invest. The EPZs are located in:

- Nairobi
- Athi River (25km from Nairobi)
- Mombasa
- Kilifi and Malindi on Kenya's north coast
- Voi
- Kimwarer, located in the Great Rift Valley region

As a catalyst for investment and

economic growth, the EPZA has created programmes and policies intended to foster investment and encourage investors to take advantage of the country's numerous opportunities, notably its distinctive location as the gateway to East Africa. The EPZA also aims to capitalise on Kenya's investor-friendly fiscal and monetary policies, a supportive political framework, a well-established private sector, entrepreneurial facilities and social amenities as well as a good quality of life.

The EPZA welcomes all export-oriented investments but is particularly keen to develop projects and attract companies in:

- Food processing
- Fresh produce
- Packaging for shelf-ready products
- Wooden products
- Leather and animal-based products
- Jewelry and gemstones
- Pharmaceutical products and herbal medicines
- Medicinal supplies
- Cosmetic and personal care products
- Packaging products
- Textiles
- Commercial handicrafts
- Transport equipment
- Electronic and electrical goods

- Building materials and furnishing
- Data processing and audio-visual services, and consultancy
- Professional services

### EPZ TAX BENEFITS

The following are EPZ tax benefits for investors:

- 10-year corporation tax holiday and 25 percent tax for 10 years thereafter
- 10-year withholding-tax holiday
- Stamp duty exemption
- 100 percent investment deduction on initial investment applied over 20 years
- Perpetual-duty and VAT exemption on company inputs, including machinery, spare parts, construction and raw materials, office equipment, packaging, heavy diesel and fuel oil (excluding other petroleum-based fuels, motor vehicles from outside the zone and motor vehicle spare parts).

# SPECIAL ECONOMIC ZONES

SEZs are zones that liberalise a country's ability to integrate into the global economy, offering special tax rates, business laws, and financial terms to attract investment and commerce into specific geographical regions. They are specifically demarcated areas within the country where raw materials and capital goods can be imported duty-free from abroad or the domestic market and a special package of tax holiday and incentives are given with view to boosting exports from the country.

The Government of Kenya has enacted the Special Economic Zones Act 2015 aimed at creating an enabling investment environment for global and local investors in specifically, designated Areas.

The SEZ Act, 2015 creates a SEZ Authority to administer all regulatory responsibilities in the SEZs, allowing for a much simpler and efficient interface between government and SEZ enterprises. It offers numerous incentives including a strong dispute resolution mechanism, rapid licensing

procedures and duty free importation of goods and services.

Kenya launched the first economic zone project in Eldoret, Uasin Gishu County, in July 2017. The project is expected to attract about USD 2 billion of foreign investments, with the first phase consisting of a 700-acre industrial park that will house firms active in agro-processing and other value-add industries.

The project was made possible by the signing of an agreement between Kenyan and Chinese firms in China during the Belt and Road Forum (BRF) for International Cooperation. Africa Economic Zones (AEZ) and Guangdong New South Group will jointly be responsible for the development of the zone's infrastructure and other factors for the operating environment.

The SEZ Act also introduces numerous incentives including protections and benefits for enterprises, including a strong dispute resolution system, fast licensing procedures, and duty-free importation of goods and services.

## PROPOSED INCENTIVES UNDER SEZ

- Exemption from all taxes and duties payable under the following":
  - Excise Duty Act,
  - Income Tax Act,
  - EAC Customs Management Act and
  - VAT Act
- Exemption from stamp duty
- Entitlement to work permits of up to 20% of their full-time workers
- Exemption of taxes on dividend income
- Corporate tax rate applicable for SEZ enterprises, operators and developers will be 10% for the first 10 years and thereafter 15% for the next 10 years
- Payments, except dividends, made by SEZ enterprises, operators and developers to non-residents shall be subject to the withholding tax rate of 10%.



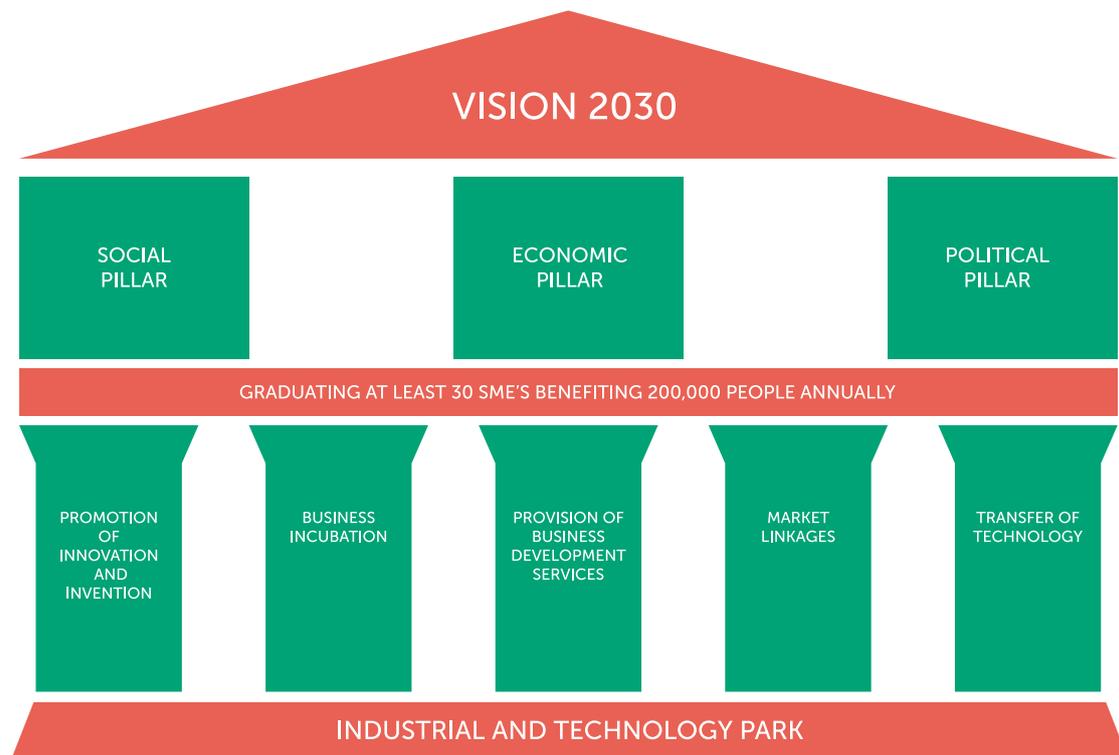
# INDUSTRIAL PARKS

Industrial and Technology parks are key elements of the infrastructure supporting the growth of today's global knowledge economy. By providing a location in

which government, the private sector and universities cooperate, these parks create environments that fosters collaboration and innovation. They

enhance the development, transfer and commercialisation of technology.

**Link to Vision 2030**  
[www.vision2030.go.ke](http://www.vision2030.go.ke)



### Priority Sectors

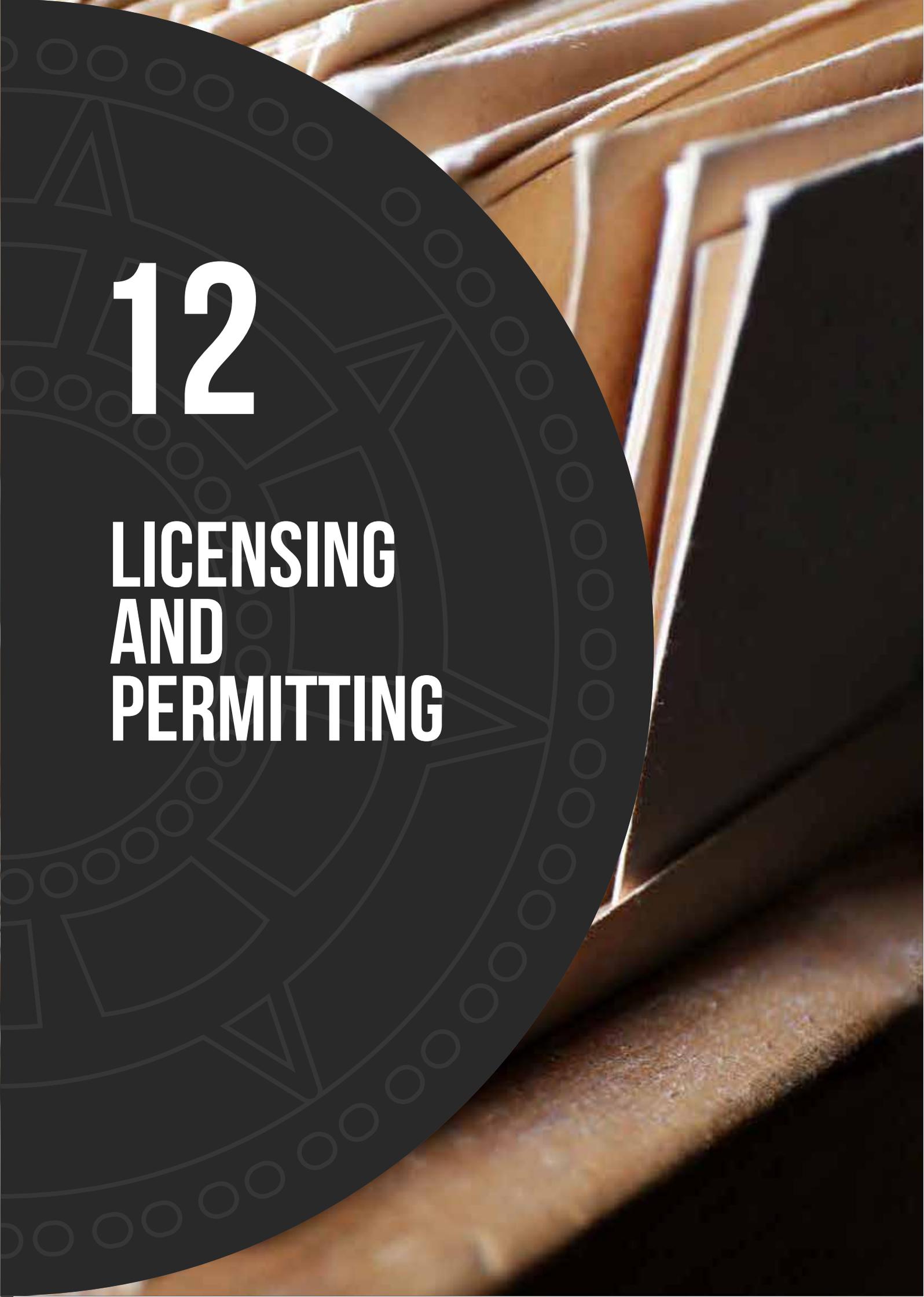
- Agro-processing
- Agro-machinery
- Electric and electronics
- Metal
- Biotechnology
- ICT
- Packaging

### Examples of proposed parks

- Kinanie, Leather Park
- Infinity Industrial Park
- Nairobi Industrial and technology park







# 12

## LICENSING AND PERMITTING

# BUSINESS LICENSING

Due to regular improvements of the licensing and permit regime, it is best to get the updated details at the following website: <http://eregulations.invest.co.ke>

## ESTABLISHING A COMPANY

The principal types of business enterprises in Kenya are:

- Registered companies (Private and Public). Companies are registered as limited-liability companies and regulated by the Companies Act 2015.
- Branch offices of companies registered outside Kenya. The branch will be issued with a Certificate of Compliance.
- Partnerships. A partnership is restricted to a maximum of 20 persons, each of whom is jointly and separately liable for all debts incurred and is regulated under the Partnership Act 1981.
- Sole Proprietorships.
- Company and business registration processes in Kenya are done by the registrar of business and companies which is a division under the office of the Attorney General. Kenya has made great progress with regard to company registration, moving from manual applications to online applications. The registration of companies is now being done through the eCitizen portal.

### Registering a company:

- Create an Ecitizen account.{[www.ecitizen.go.ke](http://www.ecitizen.go.ke)}
- Log into your ecitizen account, you will get three service Business Registration Service, Immigration Service and Office of the Attorney General
- Click on Business Registration Services
- Go to make application.
- On ID 1, select name search and reservation then click Apply Now
- Select your preferred business type then type Preferred Business name
- Click Continue and then Finish
- You will be prompted to choose a payment method after which the name will be reserved on payment of application fee, KES 150.
- Once the name is reserved and confirmation received, you can now proceed to register the company on the same site (ecitizen).

The name will be available for 30 working days that is after reservation

### Required Documentation

You will need the following documents as requirements:

1. Scanned copy of passport biodata page of all Directors of the company
2. Soft copy of passport size photo
3. Statement of capital (how much you plan to invest)
4. Physical Address e.g Name of the building, Floor if applicable and L.R number ( Land Reference Number) where the company offices/godown will be located
5. Kenyan Postal Address
6. Statement on nature of business Memorandum and Articles of Association. Model articles available from (<http://www.brs.go.ke>)
7. KES. 10,750. Registration fee for a Private Limited company.
8. For a branch office one needs to have Certificate of Incorporation and Constitution from the parent company and translated if not in English and Notarized by a public notary from the country of origin.
9. A local representative is mandatory for a company that wants to step up a Branch Office, the local representative could either be Kenyan Citizen or Foreigner who is resident. (Foreign Resident).
10. KES. 8,650 being registration fee for a Branch Office/ Subsidiary.

Source: Registrar of Companies

## COMPANIES ACT 2015

- Single directorship is allowed under this Act. Previously, at least two directors were required for a private company and seven for a public company. The Companies Act 2015, however, allows a single person to form a private company and two persons to form a public company. A private company is still restricted to 50 members.
- According to this Act, the company's articles of association are its main constitutional document and the company's memorandum is treated as part of its articles. It's still important to file a memorandum of association to incorporate a new company, though it will no longer form part of the company's constitution.



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# TAX ADMINISTRATION

## TYPES OF TAXES

The Kenyan tax system comprises both direct and indirect form of taxes. This includes Income Tax, Customs Excise

Duties and Value Added Tax (VAT). New investors are advised to familiarize themselves with the tax regime in Kenya. Penalties and interest levied

on non-compliance with tax legislation is punitive. Brief description of various taxes is given below.

## CORPORATE TAX

This is a direct tax on profits made by corporate bodies and its legal basis is the Income Tax Act (Cap 470). It is payable at the corporation rate by companies and unincorporated organizations and

associations (excluding partnerships, sole proprietorships, and interest or dividend paid by a designated cooperative society) that have taxable income as defined by the Act. The income of a partnership or a sole

proprietorship is not taxable on the business entity but is taxed on the individual partner or the proprietor. The tax rates differ between resident and non-resident companies are outlined in the table below.

ITEM	% RATE
Resident Company	25%
Unincorporated entity with a turnover of up to Shs 5 million - on gross receipts	1%
Non-resident company operating as a branch under Certificate of Compliance	37.50%
Export Processing Zones Enterprises	
First 10 Years	Nil
Next 10 Years	25%
Newly listed companies following year of listing	
List at least 20% of its shares	27% for 3 yrs
List at least 30% of its shares	25% for 5 Yrs
List at least 40% of its shares	20% for 5 Yrs
Real Estate Investment Trusts	Exempt

Source: [kra.go.ke](http://kra.go.ke) (2020)

Note: visit [www.kra.go.ke](http://www.kra.go.ke) for updated tax rates

## WITHHOLDING TAX

This is deducted on payment by a resident or non-resident on certain income deemed to have been derived from Kenya (irrespective of whether paid to resident or non-resident persons).

For rates of withholding tax, see <http://www.kra.go.ke/index.php/domestic-taxes/income-tax/type-of-taxes>

## VALUE ADDED TAX (VAT)

The operation of VAT has its legal basis in the VAT Act 2013. VAT is charged on the supply of taxable goods or services made or provided in Kenya and on the importation of taxable goods or services into Kenya. Taxable goods and services are contained in the various schedules of the VAT Act. All goods and services are taxable except those excluded through the second and third schedules respectively.

The VAT Act constitutes the following schedules:

- 1st Schedule - Specifies the exempt

goods supplies, Exempt goods on transition and exempt services

- 2nd Schedule – Specifies Zero rated supplies

## EXCISE DUTY

Excise duty is imposed under the Excise Duty Act 2015. It is levied on various products including alcoholic beverages, tobacco products, petroleum products, motor vehicles, carbonated drinks and mineral water, cosmetics, jewellery, bank charges and cell phone airtime.

The first schedule of the Act provides rates of excise duty and the second schedule supplies exemptions from excisable goods and services.

## Turnover tax

The Kenya Revenue Authority has re-introduced turnover tax, in line with the Finance Act, 2019. Businesses whose income does not exceed KSh5 million will pay 3 percent on gross sales, following the passing of the Finance Act. It is to be paid

by any resident person whose gross sales do not exceed Sh5 million annually while the presumptive tax will be maintained as a minimum tax.

Businesses will file and pay the tax every month, with no expenses allowed under the tax. Additionally, businesses are also liable to pay presumptive tax, offset against payable turnover tax. The presumptive tax stands at 15% of the amount payable for a single business permit.

KRA requires businesses to file their turnover tax on or before the 20th of the following month. Late payment will attract a 5 percent penalty on the tax due while late filing attracts a KSh5,000 penalty per month. The 5 percent penalty also applies to presumptive tax.

The commission exempts persons registered for VAT, employment income, and rental income from turnover tax?. Limited liability companies, and management and professional services are also exempt.

## ENTRY LICENSING/ PERMITS

Valid passports or other travel documents, including Seaman's Discharge Book, acceptable to the Government, are required for all persons wishing to enter Kenya. Passports must be valid for at least six months. Exemptions from permits are granted to all persons who are entitled to privileges and immunities under The Kenya Citizenship and Immigration Act 2011, section 34 (3) (a) to (g).

### TYPES OF VISAS

- Ordinary Visa: Issued for single or multiple entries to nationals who require entry visas;

- Transit Visa: Issued for periods of not more than three days to nationals who require entry visas and intend to transit Kenya to another destination;
- Diplomatic Visa: Issues for single or multiple entries to holders of diplomatic passports on official duty;
- Courtesy/Official Visa: Issued to persons holding Official or Service passports on official duty and to ordinary passport-holders who are not entitled to a Diplomatic Visa but where the Director may consider it desirable on the grounds of international courtesy;
- East Africa Tourist Visa: This is a joint

multiple-entry tourist visa valid for 90 days that entitles holders to travel to and within Kenya, Rwanda and Uganda.

- Visa Fees:
  - Transit: USD 20;
  - Visa Referral: USD 10, non-refundable;
  - Ordinary or Single entry: USD 50;
  - Multiple entry for all nationalities: USD 10;
  - East Africa Tourist Visa: USD 100

Note: visit [fns.immigration.go.ke](https://fns.immigration.go.ke) for updated tariffs.

## ENTRY FOR FOREIGN WORKERS

### INTRODUCTION

The Department of Immigration's functions and mandate are derived from the following: the Constitution, the Citizenship and Immigration Act No. 12 of 2011, the Kenya Citizens and Foreign Nationals Management Service Act No. 31 of 2011, and other relevant legislation and international conventions. These set the criteria for the issuance of various immigration

documents including passports, passes and work permits to investors, missionaries, professionals and other persons working with private and public organisations.

### CLASSES OF PERMITS AND THEIR REQUIREMENTS

Under new immigration laws, the Permits and Passes Section issues the following documents:

- Entry Permits (Classes A –M)
- Kenya Special Passes
- Kenya Dependent Passes

### SUMMARY OF CLASSES OF PERMITS AND FEES

CLASS OF PERMIT	PROCESSING FEE (KSH)	FEE PER YEAR (KSH)
CLASS A	10,000	250,000
CLASS B	10,000	100,000
CLASS C	10,000	100,000
CLASS D	10,000	200,000
CLASS F	10,000	100,000
CLASS G	10,000	100,000

Note: Nationals of East African Community member states are issued permits free of charge.

For current fees, visit [fns.immigration.go.ke](https://fns.immigration.go.ke)

## CONDITIONS FOR ENTRY PERMITS

- All foreign nationals seeking to enter must abide by the following:
- They must have sufficient funds for sustenance/subsistence
- Are not a prohibited immigrant or inadmissible person
- Must indicate a known and traceable physical/residential address
- Are able to return to country of origin/domicile
- Have valid and acceptable reason for entry
- Must present a valid and acceptable travel document
- Must not suffer from a contagious disease and, if they do, must be accompanied by competent medical personnel
- These conditions may not apply to refugees as described in the Refugees Act of 2006.

## PROSPECTING AND MINING

### CLASS 'A' WORK PERMIT

Foreigners wishing to engage in prospecting and mining must apply for a Class 'A' permit. The requirements are:

- Documentary proof of capital to be invested/already invested, with minimum of USD 100,000 or equivalent in any other currency. This proof is either:
  - Own bank statement from a local bank account
  - Company bank statement, shareholding certificate and Financial Audited Accounts in case you are joining an existing business
- Copy of licences held for prospecting
- Tax compliance for renewals
- List of Kenyans employed
- Fee of KSh250,000 per year (fee payable after approval of permit) and processing fee (non-refundable) of KSh 10,000. Payments are made with a Bankers Cheque addressed to The Director of Immigration Services.

## AGRICULTURE AND HUSBANDRY

### CLASS 'B' WORK PERMIT

This is for foreigners who wish to engage in agriculture and husbandry. The requirements for this permit are:

- Documentary proof of capital to be invested/already invested, with a minimum of USD 100,000 or equivalent in any other currency. This proof is either:
  - Own bank statement from a local bank account
  - Company bank statement, shareholding certificate and Financial Audited Accounts in case you are joining an existing business
- Proof of land acquired legally for the purpose
- Tax compliance certificate for renewals
- Fee of KSh100,000 per year (fee payable after approval of permit) and processing fee (non-refundable) of KSh 10,000. Payments are made with a Bankers Cheque addressed to The Director of Immigration Services.

## PRESCRIBED PROFESSION

### CLASS 'C' WORK PERMIT

This is for foreigners who belong to a prescribed profession. The requirements for this permit are:

- Documentary proof of capital to be invested/already invested, with a minimum of USD 100,000 or equivalent in any other currency
- Proof of membership of a prescribed profession
- Copies of personal and company Personal Identification

General Requirements for All Classes of Work Permits:

- Duly filled and signed application Form 26. This form is downloadable at the Kenya Immigration website, immigration.go.ke, and must be completed and signed by the employer.
- Applicant's copies of passport (bio-data page and current visa page).
- Two passport-size photographs.
- Application letter detailing the nature of company's activities.

Number (PIN) if business is running

- Tax compliance for renewals
- Fee of KSh100,000 per year (fee payable after approval of permit) and KSh 10,000 processing fee (non-refundable). Payments are made with a Bankers Cheque addressed to The Director of Immigration Services.

## EMPLOYMENT

### CLASS 'D' WORK PERMIT

The requirements are:

- Employee permits are only issued to foreign nationals who offer specific skills that are not readily available in Kenya.
- There must be a competent Kenyan understudy for eventual Kenyanisation of the post.
- Recommendation from a registered professional body/organisation of which the applicant is a member (for example, Kenya Medical and Practitioners Board, Architectural Association of Kenya, Nursing Council of Kenya, Institute of Chartered Accountants of Kenya and Law Society of Kenya).
- Detailed curriculum vitae (CV).
- Copies of academic and professional qualifications. If the certificates are not in English, they must be translated and certified by respective Embassies/High Commissions.
- A covering letter from the employer explaining why the applicant is suitable for the position, setting out his or her strengths (e.g. experience, training, ability and qualifications) and why the applicant - as opposed to a Kenyan citizen - got the job.
- Duly filled and signed Form 27 (Kenyanisation Form).
- Fee of KSh200,000 per year (fee payable after approval of permit) and KSh10,000 processing fee (non-refundable). Payments are made with a Bankers Cheque addressed to The Director of Immigration Services

## SPECIFIC MANUFACTURING

### CLASS 'F' WORK PERMIT

For foreigners who are engaged in specific manufacturing. Before applying for the permit, for which the requirements follow, the company must first be registered.

- Documentary proof of capital to be invested/already invested, with a minimum of USD 100,000 or equivalent in any other currency. This proof is either:
  - Own bank statement from a local bank account
  - Company bank statement, shareholding certificate and Financial Audited Accounts in case you are joining an existing business
- Copy of licence

- Registration certificate of the company or Certificate of Incorporation
- Copy of company's Memorandum, and Articles of Association
- Copies of personal and company Personal Identification Number (PIN) if business is running
- Tax compliance for renewals
- List of Kenyans employed;
- Fee of KSh100,000 per year (fee payable after approval of permit) and processing fee (non-refundable) of KSh 10,000. Payments are made with a Bankers Cheque addressed to The Director of Immigration Services.

### **SPECIFIC TRADE /BUSINESS CLASS 'G' WORK PERMIT**

The requirements are:

- Documentary proof of capital to be invested/already invested, with a minimum of US\$100,000 or equivalent in any other currency. This proof is either:
  - Own bank statement from a local bank account
  - Company bank statement, shareholding certificate and Financial Audited Accounts in case you are joining an existing business.
- Registration certificate of the company or Certificate of Incorporation
- Copy of company's Memorandum, and Articles of Association
- Copies of personal and company Personal Identification Number (PIN) if business is running
- Tax compliance for renewals
- List of Kenyans employed
- Fee of KSh100,000 per year (fee payable after approval of

permit) and processing fee (non-refundable) of KSh10,000. Payments are made with a Bankers Cheque addressed to The Director of Immigration Services.

### **DEPENDENT PASS**

The application requirements are:

- The applicant must be:
  - Kenyan
  - Holder of valid entry permit
  - Exempted person under Immunities Act (Cap. 179) and who is covered under section 4(3) (a) to (g).
- Application form (Form 28) filled and signed
- Passport copy of the dependent
- Two passport-size photos of the dependent
- Copy of birth or marriage certificate for immediate family members
- Fees: KSh5,000.

### **SPECIAL PASS**

This is a document issued to person(s) for specific employment by specific employer for a duration not exceeding three months.

Note: For more information and application, follow this link: <https://fns.immigration.go.ke/infopack/permits/>

### **BUYING & RENTING PROPERTY**

The Kenyan land system is defined by the Constitution of Kenya, the Land Registration Act and the Land Act. It is classified into:

- Public land - reserved for public use or environmental protection. It is administered and managed by National Land Commission on behalf of the people of Kenya.
- Community land - it is held by communities on basis of ethnicity, culture or similar community interest.
- Private land - this is land held by natural or legal persons. The Ministry of lands is tasked with the registration of any interest in Private Land. It is classified into the following land tenure systems;
  1. Freehold land tenure gives the holder absolute ownership of the land for life. A freehold title deed generally has no restrictions as to the use and occupation of the land. However, there are some conditional freeholds which may restrict the use of land for agricultural uses only.
  2. Leasehold land tenure system gives the holder the interest in land for a specific period of time subject to payment of land rent to the National government and land rates to the County governments. Once a lease expires the land reverts to the owner or the leaseholder can apply for a renewal or extension of the lease.

Non-citizens can hold leasehold land only for 99 years. However, foreign investors are not entitled to freehold land tenure.

Consent for Transfer of leasehold land is issued by the commissioner of lands while for freehold lands consents are issued by the land control board.

All land parcels are subject to rates payments which are payable to the respective County governments where the land is located. The land rates differ from one county to the other.

Land rent is also imposed on leasehold land parcels and its payable to the ministry of lands and physical planning.

<b>TRANSACTION</b>	<b>WHO PAYS</b>
Land search KES 500 land search from central registry and KES 520 from Nairobi registry	Buyer
Legal fees the fee will depend on the negotiations between the buyer and the advocate	Buyer
Stamp duty payment 4% valuation amount for leasehold properties located within towns and 2 % valuation amount for freehold land situated outside towns	Buyer
Land registration fees KES 500	Buyer

Source: Ministry of Lands (2019) For more information and updated levies, visit [www.lands.go.ke](http://www.lands.go.ke)





An aerial photograph of an industrial facility, likely a power plant or refinery, featuring large cylindrical storage tanks and complex piping. The facility is situated near a body of water with a city skyline in the distance. A large, dark circular graphic is overlaid on the left side of the image, containing the number '13' and the title text.

# 13

## **INTERNATIONAL ORGANIZATION MEMBERSHIPS, MARKET ACCESS AND SPECIAL TRADE REGIMES**

13.1

## COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

Kenya is one of the 21 members of the Common Market for Eastern and Southern Africa (COMESA), the largest regional economic community in Africa, with a population of over 560 million and a combined GDP of more than USD 768 billion in 2019. After creating a customs union in 2009, COMESA now offers duty-free access to at least 16 member-states.

COMESA drives regional integration by supporting the development of better investment conditions, thus making it an internationally competitive economic community.

COMESA member states are: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar,

Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe. Also notable is the Tripartite Free Trade Area negotiated by COMESA, the Southern African Development Community (SADC) and East African Community (EAC), covering a market of over 620 million in 28 countries, with a combined GDP of almost US\$1.2 trillion.

13.2

## EAST AFRICAN COMMUNITY (EAC)

The EAC is a fully functioning customs union composed of five states (Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan) with a market of 177.57 million people and a combined GDP of

USD 193 billion. The common market was set up in 2010 and negotiations for East African Monetary Union (which started in 2011) continue. The fast-tracking of an East African Federation

underscores the serious determination with which the regional leadership and its citizens are seeking to build a powerful and sustainable economic and political bloc.

13.3

## MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

The Multilateral Investment Guarantee Agency (MIGA) is a member of the World Bank group with a mission to promote foreign direct investment (FDI)

in developing countries by providing political-risk-insurance guarantees to private-sector investors and lenders. MIGA protects investments against

non-commercial risks and can help investors obtain access to funding with improved financial terms and conditions.

13.4

## INTERNATIONAL CENTER FOR SETTLEMENT OF INVESTMENT DISPUTES (ICSID)

Kenya is a member state of the International Center for Settlement of Investment Disputes (ICSID) that

was established to resolve legal dispute resolution and conciliation between international investors.

ICSID encourages the international flow of investment and mitigates non-commercial risks.

13.5

## BILATERAL INVESTMENT AGREEMENTS

Kenya is a beneficiary of the African Growth and Opportunity Act (AGOA), which helps the country to export textiles, garments and other goods to the United States. Kenya has signed bilateral investment agreements with: Burundi, China, Mauritius, Kuwait

Finland, France, Germany, Iran, Italy, Libya, the Netherlands, Slovakia, Switzerland, Japan, Turkey, Qatar, Korea, United Arab Emirates and the United Kingdom. However, only those with France, Germany, Burundi, Finland, Japan, the Netherlands, Switzerland,

Kuwait, Korea, United Arab Emirates and the UK are in force. The EAC is also in the process of renewing an Economic Partnership Agreement with the European Union, with both sides optimistic about concluding negotiations soon.

13.6

## DOUBLE TAXATION AGREEMENTS

Kenya has ratified double taxation agreements with the following countries: United Arab Emirates, Zambia, Norway, Denmark, Sweden, the UK, Germany, Canada, France,

South Africa, Iran, Qatar, Seychelles and India. It has also signed, but not yet put into force, agreements with Italy, Tanzania, Rwanda, China and Uganda. It is also in negotiations with

Netherlands, Thailand, Nigeria, Finland, Belgium, Egypt, Japan, Spain, Malaysia and Russia.

13.7

## NAIROBI CENTRE FOR INTERNATIONAL ARBITRATION (NCIA )

NCIA was established by the NCIA Act 2013 with the aim of promoting alternative dispute resolution mechanisms to settle disputes and conflicts between individuals, groups and organisations. The Centre is tasked with promoting and encouraging international commercial arbitration; administering

domestic and international arbitration, as well as other alternative dispute resolution (ADR) techniques, under its auspices. The centre provides training and accreditation for arbitrators and mediators.

The NCIA has, in collaboration with

other stakeholders, developed a National ADR Policy. The objective of the draft policy is to promote practice of ADR in all sectors and inculcate the culture of ADR in the country. It will enhance access to justice for Kenyans and foreigners transacting within the country.





**14**

**QUALITY  
OF LIFE —  
ENTERTAINMENT  
AND  
AMENITIES**



## “Nairobi” comes from the Maasai phrase “enkare nairobi”

which translates to “the place of cool waters”. It is also popularly known as the “Green City in the Sun.” The second-largest city in the African Great Lakes area, Nairobi has a population of 4.3million (KNBS, 2019) and is a melting pot for most of the country’s 40-plus

ethnic groups. It is one of the fastest modern growing cities in Africa some independent analysts have rated it the top entertainment destination on the continent.

Nairobi is surrounded by several tourist attractions. The most famous is the Nairobi National Park, which is unique in being the only game reserve in the world to border a capital or major city. Nairobi has a diverse and multicultural composition; there are many churches, mosques, temples, and gurdwaras

within the city. It is home to several museums, sites, and monuments.

Nicknamed the safari capital of the world, there is an extensive variety of accommodation on offer. Spectacular hotels to cater to safari-bound tourists and several four- and five-star hotels offer luxury accommodation. The list below does not include other international chains setting up in the market.

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### FIVE STAR HOTELS (\*\*\*\*\*)

1. Villa Rosa Kempinski
2. Hemingways Nairobi
3. Sankara Nairobi
4. Fairmont The Norfolk and The Sarova Stanley
5. Radisson Blu Hotel
6. Dusit D2
7. Tribe Hotel
8. Movenpick
9. The Boma

### FOUR STAR HOTELS (\*\*\*\*)

1. Crowne Plaza
  2. Ole Sereni
  3. House of Waine
  4. Weston Hotel
  5. Southern Sun Mayfair Nairobi
  6. Sarova Panafric
  7. Fairview
  8. Windsor Golf Hotel and Country Club
  9. The Sheraton
- 

Local and International shopping supermarket chains are available throughout the city. Shopping Malls in Nairobi include:

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### SHOPPING MALLS

1. Two Rivers Mall
  2. The Yaya Center
  3. The Rosslyn Riviera
  4. The Sarit Center
  5. Westgate Shopping Mall
  6. The Village Market
  7. Garden City Mall
  8. The Hub
  9. Thika Road Mall (TRM)
  10. Galleria Shopping Mall
  11. The Junction Mall
  12. The Waterfront Mall
-



### FOOD

Nairobi's culinary scene has been growing in recent years, with new eateries, cafes, and bars popping up. A metropolitan city with a diverse restaurant culture, Nairobi's best dining experiences runs from food stalls to five-star dining establishments. With a collection of gourmet restaurants offering local and international cuisine, Nairobi has something to offer every age and pocket. The more discerning traveller can choose from a wide array of local cuisine specialties such as nyama choma (grilled/bbq meat, usually goat), Mediterranean, Indian, Chinese, Ethiopian and Arabian.

The usual array of international fast food outlets - KFC, Subway, Burger King, Domino's and Pizza Hut - are well represented throughout the city.

The Nairobi Java House is a popular coffee venue and restaurant chain with multiple branches around the city. Other coffee chains include Dormans Coffee House and Savannah. Kenyan tea and coffee are popular, both locally and internationally. Premium gourmet blends are widely available.



### NIGHTLIFE & ENTERTAINMENT

The city's nightlife is mostly focused on friends and colleagues meeting up after work, especially on Fridays, commonly known as 'Furahiday' (Happy Day), as well as on theme nights, events and concerts. The most popular clubbing spots are in upmarket Westlands, which has come to be known as "Electric Avenue", as well as in Karen, Langata and Hurlingham

### CURRENCY

Kenya's unit of currency is the shilling (KShs) or 'bob' in slang. There are no currency-transaction restrictions. Foreign-exchange bureaus are available at the airport, in the city centre and counties offering various currencies.



### SECURITY

The Government of Kenya has taken steps to tackle security issues. As a result, security has been heightened in recent years to safeguard members of the public.



### MONEY

ATMs are available country-wide with 24-hour access. All major international cards are accepted and travellers' cheques.



### SECURITY

The Government of Kenya has taken steps to tackle security issues. As a result, security has been heightened in recent years to safeguard members of the public.



### HEALTH

Several vaccinations are highly recommended. These include Yellow Fever, Typhoid, Hepatitis A and Diphtheria. It is also recommended to be up to date with polio and tetanus vaccinations. The main hospitals include: The Nairobi Hospital, The Aga Khan Hospital, Mater Hospital, M.P Shah Hospital, Gertrude's Hospital, Karen Hospital and Kenyatta National Hospital.



### **TRANSPORT**

Public transport in Nairobi is comprised of small vans carrying about 14 passengers (matatus) and mini-buses and buses carrying between 25 and 50 passengers. It is easy to rent a car in Nairobi provided you have an international driver's license. Driving is on the left side of the road. There are very many car rental companies to choose from.

An array of cab/taxi companies are available including the international mobile hailing taxi 'Uber'.



### **ELECTRICITY**

220/240- volts AC, with standard 13-amp three square-pin plugs.



### **BUSINESS HOURS**

08:00 to 12:00 and 14:00 to 17:00 Monday to Saturday. Many businesses work Saturday mornings.



### **WATER**

Bottled water is readily available.

In preparing this guide, every effort has been made to offer current, correct and clearly expressed information. However, this information is for general guidance only. This publication is distributed with the understanding that the RIA and KenInvest are not responsible for the result of any actions taken on the basis of information in this publication, nor for any errors or omissions contained herein.



