



KCCI - Country Wrap **KENYA** (Oct.'18)

Kenya - a brief overview

Kenya, officially the Republic of Kenya, is a sovereign state in East Africa. The country is famous for being called "Cradle of Humanity" as it marks the earliest settlement of mankind. Its capital and largest city is Nairobi. Kenya covers 581,309 km² (224,445 sq mi) of land. The country is named after Mount Kenya, the second highest mountain in Africa. The capital, Nairobi, is a regional commercial hub. The economy of Kenya is the largest by GDP in East and Central Africa. Agriculture is a major employer and the country traditionally exports tea and coffee, and more recently fresh flowers to Europe. The service industry is a major economic driver.

Economy of Kenya

Kenya is dependent upon several primary goods whose prices have remained low. Low infrastructure investment now threatens Kenya's long-term position as the largest East African economy. In 2006, the World Bank and IMF delayed provision of loans, coercing the government to resolve major issues like corruption. Since then, international financial institutions and donors have resumed lending. The country has experienced chronic budget deficits, inflationary pressures, and sharp currency depreciation – as a result of high food and fuel import prices. The oil discovery in 2012 provides an opportunity to Kenya to balance its growing trade deficit and will enable the country to develop a port and pipeline to export its oil.

Key Industries of Kenya

The key industries of Kenya are small-scale consumer goods (plastic, furniture, batteries, textiles, clothing, soap, cigarettes, flour), agricultural products, horticulture, oil refining, aluminum, steel, lead, cement, commercial ship repair and tourism.

Key agricultural products of Kenya

The key agri-products of Kenya are tea, coffee, corn, wheat, sugarcane, fruit, vegetables, dairy products, beef, pork, poultry and eggs.

Kenya's major trading partners

The major export partners of Kenya are Uganda (10.8%), Pakistan (10.6%), US (8.1%), Netherlands (7.3%), UK (6.4%), Tanzania (4.8%), UAE (4.4%). Kenya's import partners include China (22.5%), India (9.9%), UAE (8.7%), Saudi Arabia (5.1%), Japan (4.5%).

Economic Relations between Pakistan and Kenya

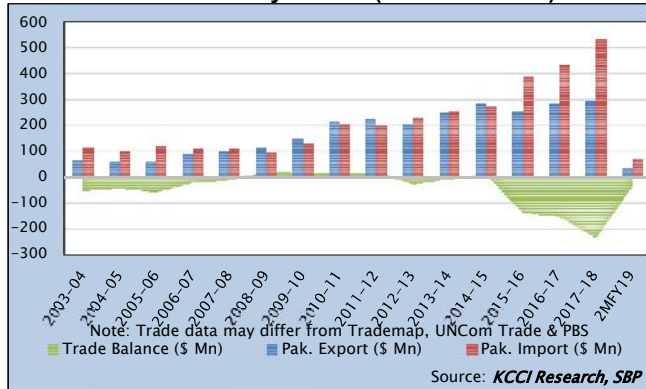
Kenya-Pakistan diplomatic relations were first historically established in the 1960s, when Pakistan expressed its support for Kenya in getting independence from the British rule. Ever since, relations between the two nations have been warm. Both nations discussed previously in the Pakistan-Kenya Joint Ministerial Commission session hosted by Kenya in 2004 about boosting bilateral trade and economic relations. Double Taxation Treaty (DTT) has also been signed between the two countries. There are also at least 2,000 Pakistanis who reside in Kenya.

Economic Indicators

Indicators	Unit	2016	2017	Change
GDP (PPP)	\$ Bn	154	163	5.84%
GDP per Capita	\$	3,400	3,500	2.94%
GDP growth	%	5.8	4.8	-1.00%
Forex Reserves	\$ Bn	7.26	8.06	11.04%
External Debt	\$ Bn	37.70	43.56	15.54%
Exports of Goods	\$ Bn	5.70	5.80	1.81%
Imports of Goods	\$ Bn	14.11	15.27	8.22%
Trade Balance	\$ Bn	-8.42	-9.47	-12.56%
Current Account	\$ Bn	-3.65	-5.07	-38.99%
FDI - at Home	\$ Bn	5.32	6.20	16.53%
FDI - at Abroad	\$ Bn	0.34	0.39	17.26%
CPI	%	6.3	8.0	1.70%
Prime Lending Rate	%	17	17	0.00%
Population	Mn	46.79	47.62	1.76%
Unemployment	%	40.0	40.0	0.00%
Litarcy Rate	%	78.0	78.0	0.00%

Sources: **KCCI Research, CIA Factbook**

Pakistan - Kenya Trade (FY04 - 2MFY19)



Kenya's Top 10 Trade Items (2017)

Import Items	(\$ Mn)	Export Items	(\$ Mn)
Mineral fuels, oils	2,741	Coffee, tea & spices	1,667
Mach. & Appliances	1,828	Live trees & plants	596
Electrical equip	1,121	Mineral fuels & oils	354
Vehicles, not railway	1,114	Edible vegetables & roots	209
Cereals	1,111	Apparel, not knitted	190
Iron & steel	735	Edible fruit & nuts	181
Plastics & articles	674	Ores, slag & ashaccess	177
Animal or veg fats & oils	657	Tobacco & substitutes	134
Sugars & confectionery	594	Plastics & articles	130
Pharma. Products	518	Pharma. products	124

Sources: **KCCI Research, Trademap**

Pakistan - Kenya Top 10 Trade Items (2017)

Pakistan's Export Items	(\$ Mn)	Pakistan's Import Items	(\$ Mn)
Cereals	153.83	Coffee, tea & spices	592.84
Made-up textiles	41.08	Edible veg. roots	14.23
Cotton	12.81	Inorganic chemicals	5.56
Fertilisers	11.57	Raw hides & skins	2.03
Pharma. Products	9.66	Other made-up textile	1.22
Misc. Chemicals	6.89	Live trees & plants	0.94
Milling Industry Products	3.07	Mach. & Appliances	0.78
Vehicles, not railway	2.23	Misc. edible preparations	0.42
Plastics & articles	0.77	Pharma. products	0.33
Optical, photo, surgical	0.62	Edible fruit & nuts	0.26

Sources: **KCCI Research, Trademap**