



This is a comprehensive overview of Kenya and its Economy. The report can be used as a short and concise guide to the current status of Kenya.

Think Tank Egypt - TTE  
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## KENYA ECONOMIC PROFILE - FOREIGN RELATIONS

Comprehensive Report

## Kenya:

### Introduction:

Kenya is the economic, financial, and transport hub of East Africa. Kenya's real GDP growth has averaged over 5% for the last eight years. Since 2014, Kenya has been ranked as a lower middle income country because its per capita GDP crossed a World Bank threshold. While Kenya has a growing entrepreneurial middle class and steady growth, its economic and development trajectory could be impaired by weak governance and corruption. Although reliable numbers are hard to find, unemployment and under-employment are extremely high, and could be near 40% of the population.

Agriculture remains the backbone of the Kenyan economy, contributing one-third of GDP. About 75% of Kenya's population of roughly 44.2 million works at least part-time in the agricultural sector, including livestock and pastoral activities. Over 75% of agricultural output is from small-scale, rain-fed farming or livestock production.

Inadequate infrastructure continues to hamper Kenya's efforts to improve its annual growth to the 8%-10% range so that it can meaningfully address poverty and unemployment. The KENYATTA administration has been successful in courting external investment for infrastructure development. International financial institutions and donors remain important to Kenya's economic growth and development, but Kenya has also successfully raised capital in the global bond market. Kenya issued its first sovereign bond offering in mid-2014. Nairobi has contracted with a Chinese company to construct a new standard gauge railway connecting Mombasa and Nairobi, with completion expected in June 2017. In 2013, the country adopted a devolved system of government with the creation of 47 counties, and is in the process of devolving state revenues and responsibilities to the counties. Inflationary pressures and sharp currency depreciation peaked in early 2012 but have since abated following low global food and fuel prices and monetary interventions by the Central Bank. Drought-like conditions in parts of the country have pushed March 2017 inflation above 9%. Chronic budget deficits, including a shortage of funds in mid-2015, hampered the government's ability to implement proposed development programs, but the economy is back in balance with many indicators, including foreign exchange reserves, interest rates, and FDI moving in the right direction. Underlying weaknesses were exposed in the banking sector in 2016 when the government was forced to take over three small and undercapitalized banks. In 2016, the government enacted legislation that limits interest rates banks can charge on loans and set a rate that banks must pay their depositors. This measure led to a sharp shrinkage of credit in the economy.

## Geography:



**Location:** Eastern Africa, bordering the Indian Ocean, between Somalia and Tanzania

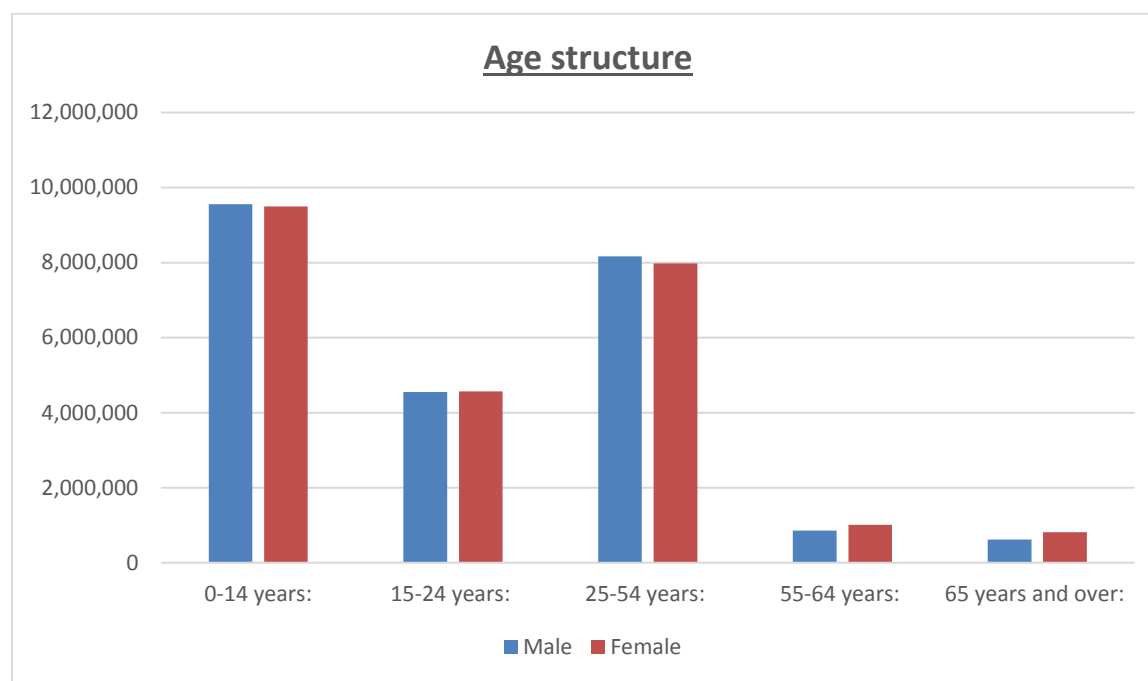
**Natural resources:** Limestone, soda ash, salt, gemstones, fluorspar, zinc, diatomite, gypsum, wildlife, hydropower.

**Land use:**  
 Agricultural land: 48.1%  
 Arable land 9.8%;  
 permanent crops 0.9%;  
 permanent pasture 37.4%  
 Forest: 6.1%  
 Other: 45.8%

**Population:**  
 47,615,739  
**Population growth:**  
 1.69%

## Demographic profile:

Kenya has experienced dramatic population growth since the mid-20th century as a result of its high birth rate and its declining mortality rate. More than 40% of Kenyans are under the age of 15 because of sustained high fertility, early marriage and childbearing, and an unmet need for family planning. Kenya's persistent rapid population growth strains the labor market, social services, arable land, and natural resources. Although Kenya in 1967 was the first sub-Saharan country to launch a nationwide family planning program, progress in reducing the birth rate has largely stalled since the late 1990s, when the government decreased its support for family planning to focus on the HIV epidemic. Government commitment and international technical support spurred Kenyan contraceptive use, decreasing the fertility rate (children per woman) from about 8 in the late 1970s to less than 5 children twenty years later, but it has plateaued at just over 3 children today.

**Age structure:**

Age	Percentage of population	Male	Female
0-14 years:	40.02%	9,557,274	9,497,870
15-24 years:	19.15%	4,552,448	4,567,894
25-54 years:	33.91%	8,170,264	7,976,751
55-64 years:	3.92%	856,092	1,009,075
65 years and over:	3%	614,751	813,320

**Population distribution:**

Population heavily concentrated in the west along the shore of Lake Victoria; other areas of high density include the capital of Nairobi, and in the southeast along the Indian Ocean coast.

**Urbanization:**

Urban population: 26.5% of total population.

Rate of urbanization: 4.15% annual rate of change.

**Major urban areas - population:**

NAIROBI (capital) 3.915 million, Mombasa 1.104 million.

**Drinking water source:**

Urban: 81.6% of population.

Rural: 56.8% of population.

**Total: 63.2% of population.**

**Sanitation facility access:**

Urban: 31.2% of population.

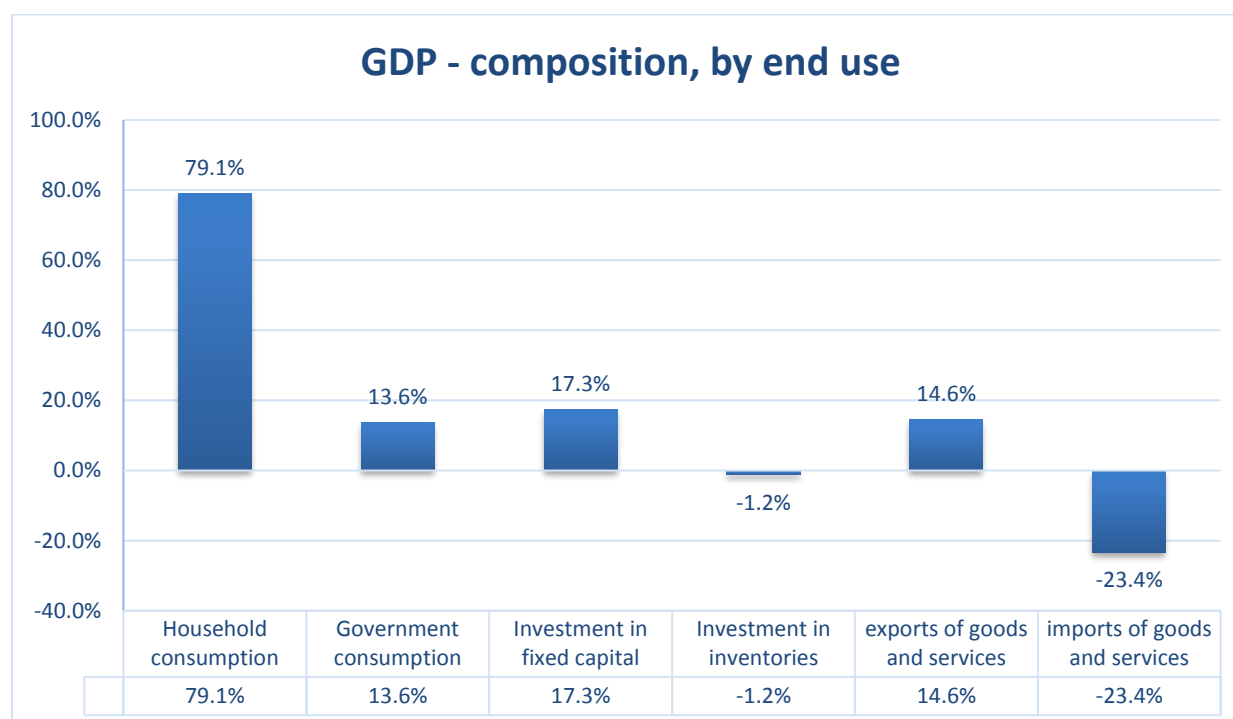
Rural: 29.7% of population.

**Total: 30.1% of population.**

## **Economy:**

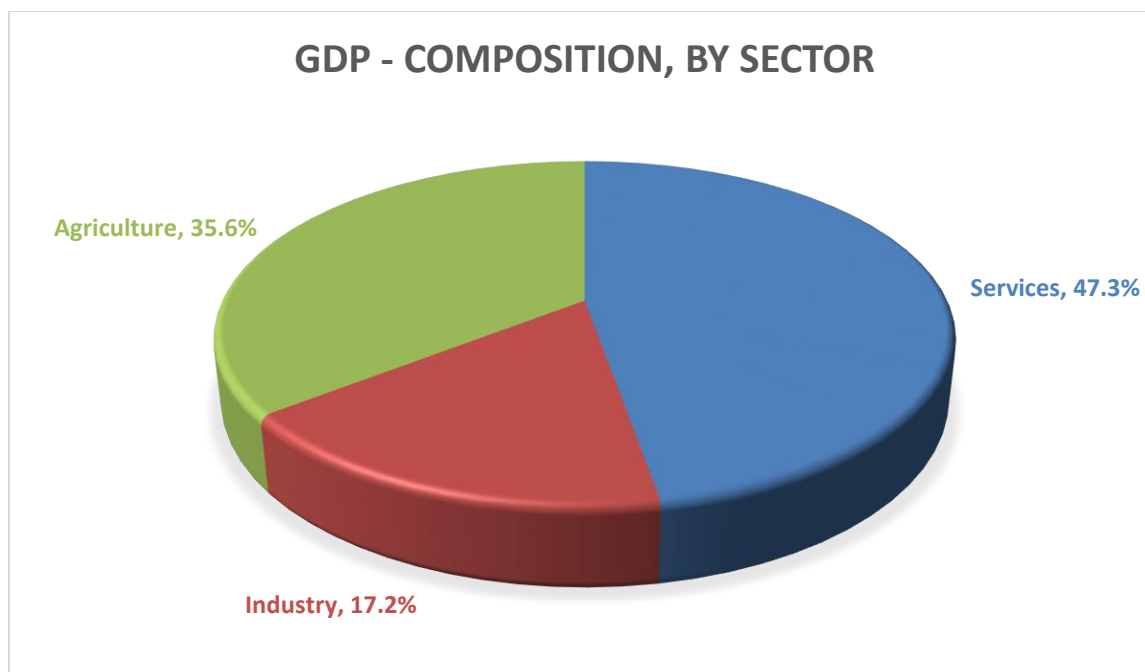
### ***Economic indicators:***

<i>Purchasing power parity</i>	\$ 163.4 Billion.
<i>GDP</i>	\$ 78.4 Billion.
<i>Growth rate</i>	5.%
<i>GDP - per capita (PPP)</i>	\$ 3.500
<i>Gross national saving</i>	15.4%



### ***GDP - composition by end use:***

<i>Household consumption</i>	77%
<i>Government consumption</i>	13.7%
<i>Investment in fixed capital</i>	17.1%
<i>Investment in inventories</i>	-0.1%
<i>exports of goods and services</i>	13.9%
<i>imports of goods and services</i>	-21.7%

***GDP - composition, by sector:***

<i>Agriculture</i>	35%
<i>Industry</i>	17.5%
<i>Services</i>	47.5%

**Agriculture – Livestock products:**

Tea, coffee, corn, wheat, sugarcane, fruit, vegetables; dairy products, beef, fish, pork, poultry, eggs.

**Industries:**

Small-scale consumer goods (plastic, furniture, batteries, textiles, clothing, soap, cigarettes, flour), agricultural products, horticulture, oil refining; aluminum, steel, lead; cement, commercial ship repair, tourism.

**Industrial production growth rate:**

7%.

***Labor force: 19.82million***

<i>Agriculture</i>	61.1%
<i>Industry</i>	6.7%
<i>Services</i>	32.2%

**Unemployment rate:**

39.1%

**Population below poverty line:**

43.4%

**Household income or consumption by percentage share:**

Lowest 10%: 1.8%

Highest 10%: 37.8%

**Budget:**

<i>Revenues:</i>	\$ 15.37 Billion
<i>Expenditures:</i>	\$ 20.18 Billion
<i>Taxes and other revenues:</i>	19.6% of GDP
<i>Budget surplus:</i>	-6.1% of GDP
<i>Public debt:</i>	52.6% of GDP
<i>Inflation rate:</i>	8% (2017).

**Exports:**

\$ 6.397 billion.

**Exports - commodities:**

Tea, horticultural products, coffee, petroleum products, fish, cement.

**Exports - partners:**

Uganda 10.1%, Tanzania 8.6%, US 7.7%, Netherlands 7.4%, UK 7.3%, UAE 4.6%, Pakistan 4.5%.

**Imports:**

\$ 14.52 billion.

**Imports - commodities:**

Machinery and transportation equipment, petroleum products, motor vehicles, iron and steel, resins and plastics.

**Imports - partners:**

China 24.1%, India 11.2%, UAE 7.7%, Japan 5.4%.

**Reserves of foreign exchange and gold:**

\$ \$7.592 B.

**Debt - external:**

\$ \$24.99 B.

**Exchange rates:**

US dollar: 104

EURO: 121.03 KES.

**Economy overview:**

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## **Economic sectors:**

### **Agriculture**

The agricultural sector continues to dominate Kenya's economy, although only 15% of Kenya's total land area has sufficient fertility and rainfall to be farmed, and only 7% or 8% can be classified as first-class land. In 2006 almost, 75% of working Kenyans made their living on the land, compared with 80% in 1980, About one-half of total agricultural output is non-marketed subsistence production. Agriculture is the second largest contributor to Kenya's gross domestic product (GDP), after the service sector. In 2005 agriculture, including forestry and fishing, accounted for about 24% of GDP, as well as for 18% of wage employment and 50% of revenue from exports. The principal cash crops are tea, horticultural produce, and coffee; horticultural produce and tea are the main growth sectors and the two most valuable of all of Kenya's exports. In 2005 horticulture accounted for 23% and tea for 22% of total export earnings. Coffee has declined in importance with depressed world prices, accounting for just 5% of export receipts in 2005. The production of major food staples such as corn is subject to sharp weather-related fluctuations. Production the downturns periodically necessitate food aid—for example, in 2004 aid for 1.8 million people because of one of Kenya's intermittent droughts. However, the expansion of credit to the agricultural sector has enabled farmers to better deal with the large risk of agriculture based on rainfall and the dramatic fluctuations of the prices of agricultural products.

Tea, coffee, sisal, pyrethrum, corn, and wheat are grown in the fertile highlands, one of the most successful agricultural production regions in Africa. Livestock predominates in the semi-arid savanna to the north and east. Coconuts, pineapples, cashew nuts, cotton, sugarcane, sisal, and corn are grown in the lower-lying areas

### **Industry**

Although Kenya is the most industrially developed country in East Africa, manufacturing still accounts for only 14% of gross domestic product (GDP). This level of manufacturing GDP represents only a slight increase since independence. Expansion of the sector after independence, initially rapid, has stagnated since the 1980s, hampered by shortages in hydroelectric power, high energy costs, dilapidated transport infrastructure, and the dumping of cheap imports. However, due to urbanization, the industry and manufacturing sectors have become increasingly important to the Kenyan economy, and has been reflected by an increasing GDP per capita. Industrial activity, concentrated around the three largest urban centers, Nairobi, Mombasa, and Kisumu, is dominated by food-processing industries such as grain milling, beer production, and sugarcane crushing, and the fabrication of consumer goods, e.g., vehicles from kits. Kenya also has an oil refinery that processes imported crude petroleum into petroleum products, mainly for the domestic market. In addition, a substantial and expanding informal sector engages in small-scale manufacturing of household goods, motor-vehicle parts, and farm implements. About half of the investment in the industrial sector is foreign, with the United Kingdom providing half. The United States is the second largest investor.

**Services:****Financial services:**

Banking.

Insurance.

Stock Market.

Treasury or Debt instruments.

Wealth Management.

Mutual Funds.

Tax consultants and audit firms.

Kenya is East and Central Africa's hub for financial services. The Nairobi Stock Exchange (NSE) is ranked 4th in Africa in terms of market capitalization.

The Kenya banking system is supervised by the Central Bank of Kenya (CBK). As of late July 2004, the system consisted of 43 commercial banks (down from 48 in 2001), several non-bank financial institutions, including mortgage companies, four savings and loan associations, and several score foreign-exchange bureaus. Two of the four largest banks, the Kenya Commercial Bank (KCB) and the National Bank of Kenya (NBK), are partially government-owned, and the other two are majority foreign-owned (Barclays Bank and Standard Chartered). Most of the many smaller banks are family-owned and -operated

**Non-financial services:**

Some agricultural services (including landscaping and horticulture)

Hotels and other places of lodging

Personal services (including dry cleaning, tax preparation, and hair cutting)

Business services (including temporary agencies and business software developers)

Automotive services

Miscellaneous repairs

Motion pictures

Amusements and recreation

Healthcare

Legal services

Private education

Social services

Museums, zoos, and botanical gardens

Membership organizations (including houses of worship and clubs)

Engineering and management services (including consulting)

Other miscellaneous services

**Energy:*****Electricity access***

<i>Electrification - total population</i>	26.40%
<i>Electrification - urban areas</i>	63%
<i>Electrification - rural areas</i>	9 %
<i>Population without electricity</i>	33,400000

***Electricity Profile***

<i>Electricity - production:</i>	9.6 B. KWH.
<i>Electricity - consumption:</i>	8 B. KWH.
<i>Electricity - installed generating capacity:</i>	2.281.M WH.
<i>Electricity - from fossil fuels:</i>	42.1 %
<i>Electricity - from hydroelectric plants:</i>	44.1%.
<i>Electricity - from other renewable sources:</i>	13.8%.

***Crude oil & Natural gas***

<i>Crude oil - production:</i>	0 bbl/day.
<i>Crude oil - proved reserves:</i>	0 bbl.
<i>Refined petroleum products - production:</i>	13,600 bbl./day.
<i>Refined petroleum products - consumption:</i>	98,000 bbl./day.
<i>Natural gas - production:</i>	0 cu m.
<i>Natural gas - consumption:</i>	0 cu m.
<i>Natural gas - proved reserves:</i>	0 cu m.

**Transportation:**

<b>National air transport system:</b>	
<i>Registered air carriers:</i>	16
<i>Registered aircraft operated by air carriers:</i>	106
<i>Annual passenger traffic on registered air carriers:</i>	4,874,590
<i>Annual freight traffic on registered air carriers:</i>	286,414,683
<i>Airports:</i>	197
<i>Airports - with paved runways:</i>	16
<i>Airports - with unpaved runways:</i>	181
<b>Railways:</b>	3806 km
<b>Roadways:</b>	161,452 km
<b>Waterways:</b>	km
<b>Ports &amp; Carrier:</b>	
<i>Merchant marine:</i>	5
<i>Major seaport(s):</i>	2
<i>Port of call:</i>	1267
<i>Carrier:</i>	8

## **Investment Climate and Transfer Policies – Capital Markets**

### **Kenya Investment Authority (KenInvest)**

Kenya Investment Authority (**Ken Invest**) is a statutory body established in 2004 through an Act of Parliament (Investment Promotion Act of 2004) with the main objective of promoting investments in Kenya. It is responsible for facilitating the implementation of new investment projects, providing After Care services for existing investments, as well as organizing investment promotion activities both locally and internationally. The core functions of Ken Invest include; Policy Advocacy; Investment Promotion; Investment Facilitation; Investor Tracking and After Care Services. The activities are carried out through the following departments:

Ken Invest will strive to continuously provide quality services on a wide array of areas to investors.

### **Policies Towards Foreign Direct Investment**

Kenya has enjoyed 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 little discrimination against foreigners in access to government-financed research, and the government's export promotion programs do not distinguish between goods produced by local and foreign-owned firms. The Government of Kenya (GOK) prioritizes investment retention and maintains an ongoing dialogue with investors. All bills must pass through a period of public consultation in which investors have an opportunity to offer feedback. Private sector representatives can serve as board members on Kenya's state-owned enterprises. Since 2013, when the current government assumed power, the Kenya Private Sector Alliance (KEPSA), the apex private sector association, has had bi-annual round table meetings with President Kenyatta and his cabinet. During the budget making process, KEPSA presents a memorandum to the government on its wish list. The government does not have a policy to steer investment to specific geographic locations but encourages investments in sectors that create employment, generate foreign exchange, and create forward and backward linkages with rural areas. Kenya puts significant effort into assuring the health and growth of its tourism industry. To strengthen Kenya's manufacturing capacity, the government offers incentives for the production of goods for export.

### **Business Facilitation**

Investing in Kenya has never been easier since the Kenya Investment Authority and the United Nations Conference on Trade and Development (UNCTAD) launched in December 2015 an online step-by-step guide on how to do business in Kenya, [kenya.eregulations.org](http://kenya.eregulations.org). This portal, created with financial support from the government of the Netherlands and technical assistance from UNCTAD, is an important step in Kenya's efforts towards public transparency.

On the sidelines of the 10<sup>th</sup> World Trade Organization (WTO) Ministerial Conference in Nairobi, the Kenya Investment Authority (KenInvest) and UNCTAD launched on the 17<sup>th</sup> of December

E-Regulations Kenya, the country's first e-platform to facilitate investment. This new tool is an important milestone in Kenya's endeavor to enhance ease of doing business and public accountability.

"Kenya's e-Regulations system shows that it is possible to improve administrative procedures without changing laws. Just simplifying and clarifying what already exists – at the level of procedures and at the level of implementation – will lead to better, Eliminating unnecessary bureaucracy supports business development and facilitates investment.

E-Regulations Kenya provides investors and entrepreneurs with total transparency on rules and procedures, through detailed, practical and up-to-date descriptions of steps to go through. It presents procedures from the user's point of view, as they are applied in practice. Users can contact the officers in charge of procedures and also send complaints or report misconduct. While facilitating the simplification of procedures, the system also aims to promote awareness of rules and procedures and stimulate public-private dialogue.

#### **Limits on Foreign Control and Right to Private Ownership and Establishment**

The government provides the right for foreign and domestic private entities to establish and own business enterprises and engage in all forms of remunerative activity. In an effort to encourage foreign investment, the GOK repealed regulations in 2015 that imposed a 75% foreign ownership limitation for firms listed on the Nairobi Securities Exchange, allowing such firms now to be 100% foreign-owned, as reported by the UNCTAD World Investment Report 2016. In 2015, the government established regulations requiring that Kenyans own at least 15% of the share capital of derivatives exchanges, through which derivatives such as options and futures can be traded. There appears to be a recent trend in Kenya toward imposing "local content" requirements on foreign investments. When President Kenyatta signed the new Companies Act (2015), it contained language requiring all foreign company to demonstrate at least 30 percent of shareholding by Kenyan citizens by birth.

#### **Foreign investment in Kenya**

##### **Direct foreign investment:**

\$ 6.196 billion (2017).

\$ 5.317 billion (2016).

##### **Strong Points**

Kenya's economy has many strong points: it is a market economy and functions as the commercial, economic, technological and logistic hub of East Africa; it is a regional financial centre, has a strong industrial base and well-developed road infrastructure. In urban areas, Kenya also has a young, well-educated and English-speaking population. Finally, foreign investors benefit from the same treatment as national investors from administrative and judicial authorities.

**Weak Points**

Among the factors that may discourage investment in the country are: corruption, a slow judicial system, high unemployment and poverty, recent security issues related to terrorism and crime, inter-ethnic tensions, costly skilled labor, the high cost of energy and the instability of the electricity distribution system, poor infrastructure, recent uncertainty concerning the capital constitution of foreign companies and administrative difficulties in obtaining work permits. Foreigners are not permitted to own land in Kenya (they can rent land for 99 years). Finally, in order to benefit from certain government incentives, foreign investors must invest a minimum of USD 100,000.

## Kenya Foreign Relations:

### United States relations with Kenya

#### U.S. Assistance to Kenya

As an important developing partner in East Africa, Kenya is a significant recipient of U.S. foreign assistance. The United States seeks to advance its national security and economic prosperity interests by helping strengthen economic stability, security, health, education, environment, rule of law, and democratic governance in Kenya, as well as by countering violent extremism and combating wildlife trafficking.

#### Economic and trade relations

Kenya is East Africa's largest and most important business, financial, and transportation hub. The United States was the third largest destination for Kenya's exports and the seventh largest source of its imports in 2017. The United States was the number one source of foreign tourist arrivals to Kenya in 2016 and 2017. U.S. private sector interest in Kenya remains robust with numerous American companies engaged in Kenya, especially within the technology, consumer services, banking, and finance sectors. Many American companies have their regional or Africa-wide headquarters in Nairobi. Kenya enjoys preferential trade benefits under the African Growth and Opportunity Act. U.S. exports to Kenya include agricultural products, aircraft parts, and machinery. U.S. imports from Kenya include apparel, coffee, and tea. U.S. business investment is primarily in services, information technology, and the tourism industry. The United States has signed trade and investment framework agreements with the East African Community and with the Common Market for Eastern and Southern Africa. Kenya is a member of both regional organizations.

U.S. assistance to Kenya is substantial. It promotes broad-based economic development as the basis for continued progress in political, social, and related areas of national life. The U.S. assistance strategy is built around five broad objectives: Fighting disease and improving healthcare; fighting poverty and promoting private sector-led prosperity; advancing shared democratic values, human rights, and good governance; cooperating to fight insecurity and terrorism; and collaborating to foster peace and stability in East Africa, U.S. assistance strategy in Kenya.

#### **Trade balance: 135M \$.**

Exports: 590M \$

Imports: 456M \$.



**Education & Culture**

The U.S. Embassy in Kenya serves as a resource for the public in Kenya to acquire current and accurate information about education in and culture of the United States of America, students and parents can find out about studying in the United States through the Educational and Advising Center, and information on U.S. exchange programs is available at the Cultural Affairs section.

**Security and Military relations**

It was just on February 28, 2018, that the USA donated Metal Shark boats worth US\$ 5 Million to Kenya Navy, to help the Kenya Navy patrol into the deep sea, defend our maritime borders and secure the Kenyan coast. These are but a few of the wide and deep support we have received from the United States to support our efforts in the fight against terrorism, radicalization and countering violent extremism and other transnational crimes.

U.S. forces are involved in training exercises with the Kenyan Defense Forces. As a result of this conflict, the insurgency has spilt over into Kenya's northern (Turkana) and Coastal regions (Mombasa and Lamu). This has sparked numerous successful and unsuccessful terrorist operations throughout the country.

U.S administration approved a \$10 million drone sale to Kenya in 2016. In early 2017, the Obama administration also approved a \$418 million sale of armed aircraft to Kenya. This would be the largest sale of U.S. military material to Kenya.

**U.S. Officials:**

- **Ambassador:** Robert F. Godec since January 2013
- **Deputy Chief of Mission:** Pamela Slutz
- **USAID Mission Director:** Erna Kerst
- **Public Affairs Officer:** T.J. Dowling.

## **Israel Relations with Kenya**

The Republic of Kenya and the State of Israel have enjoyed over the years a strong and fruitful relationship based on mutual friendship, respect and trust. This relationship has proved its value through numerous historical events and has remained steadfast due to continuous positive dialogue and effective bi-lateral cooperation.

The roots of these friendly ties can be traced to Kenya's pre-independent times when Kenya was struggling to attain sovereignty and later as a young nation trying to uphold a spirit of "Nation Building" in coping with the challenges posed by self-governance. Even before Kenya attained independence, Israeli experts from various fields were engaged with the rising Kenyan leadership and assisting with the difficult task that lay ahead to create and strengthen bodies that would later lead in the creation of the fledgling state. The seeds for the creation of organizations like the National Youth Service were planted, based on the Israeli "Gadna" experience of enlisting the country's youth for national service in many fields and most specifically in agriculture.

The similar semi-arid climate, which exists both in Kenya and Israel, allowed this agriculture exchange of knowledge and experience to flourish and saw Kenyan trainees attending enrichment courses in Israel long before Kenya's independence. Following an official visit to Kenya by Golda Meir, Israel's then Minister of Foreign Affairs, it was decided in a meeting between Meir and Kenya's Prime Minister at the time, Mzee Jomo Kenyatta, to put more emphasis on the Kenya's training needs in the fields of agriculture and medicine among others. The result was an extended effort to train Kenyans and bring Israeli know-how to Kenya by MASHAV, the Center for International Cooperation, created just five years earlier under the Israeli Ministry of Foreign Affairs. Under MASHAV, trainees from Kenya were flown to Israel for study, an effort that continues even as diplomatic ties.

MASHAV diversified its efforts regarding Kenya and over the years, with the resumption of diplomatic ties in 1988, in addition to the many Kenyans traveling to Israel for training, Israeli experts arrived in Kenya to hold "on the spot" courses in various fields for large groups of trainees at a time. This cooperation diversified into large-scale projects, which were a welcome addition to the efforts being made by private Israeli companies to advance Kenya's infrastructure. The pinnacle and more well known of these projects was the "Kibwezi Irrigation Project". A large scale "school of irrigation", created in the Kibwezi district, aimed, in collaboration with USAID, to bring the successes made in Israel in the field of irrigation to Kenya. The result, following ten years of the intense training of hundreds of Kenyan farmers, was the complete transformation of the region surrounding the Project, into a self-sustaining, flourishing area. The Kenyan graduates of the Kibwezi Project, learned to plant and operate using new and innovative irrigation techniques, which transformed them from farmers whose crops were barely sufficient to sustain their own families, into farmers whose efforts yielded not only enough for their households, but enough to earn a decent living.

**Economic and trade relations**

Investments: Israel agro.

**Trade balance: (-65M \$)**

Exports: 7.2 M \$.

Imports: 72M \$.

**Cultural relations**

The Cultural Affairs Department at the Embassy of Israel seeks to increase awareness of Israeli culture throughout Kenya, Uganda, Tanzania, Malawi, Zambia and Seychelles. Our goal is to organize, promote and expose cultural events featuring Israeli artists or artwork to communities throughout the region.

**Shalom Club Kenya**

MASHAV maintains contact with many of its over 200,000 former course participants through its network of over 70 Shalom Clubs worldwide. These clubs serve as a forum for MASHAV alumni to participate in professional and social activities. Members are invited to attend local lectures by skilled experts, to exchange ideas and to organize technical cooperation and humanitarian assistance as well as holding cultural functions. Among the many activities that have been organized by Shalom Clubs in their home countries have been workshops on professional topics ranging from AIDS education to business management, organization of events to raise funds for local charities, mobilization of club members to donate their professional services for community development and humanitarian activities. Members of the Shalom Clubs play an integral role in determining the focus and scope of programming of their clubs, the Kenyan Chapter of the Shalom Club was re-launched on Friday May 25, 2012 at an event held at Kenyatta International Conference Center in Nairobi.

**Security and military relations**

In 2010, Kenya began seeking the purchase of Israeli weapons, likely to include counterinsurgency systems and unmanned aerial vehicles for border surveillance. In 2011, the two countries signed a treaty to cooperate in fighting against terrorism, money laundering.

In 2013, Israel sent troops to give assistance to Kenyan forces fighting Somali Islamist terrorists who attacked the Westgate shopping mall in Nairobi. Israeli agencies helped Kenya investigate

**Ambassador:** Emmanuel Seri.

## **Iran relations with Kenya**

### **Economic and trade relations**

In 2013, the government of Kenya announced the creation of Vision 2030, a comprehensive program for the transformation of Kenya into a developed state by 2030. Currently, Kenya only produces 1,300 MW of power and as of 2011, only 19.2 percent of its population has access to electricity.

In order for Kenya to reach its Vision 2030 goals, it will need to develop significant energy supplies, which Iran with its large oil reserves can provide.

In addition to traditional fossil fuel deals, Iran has taken an interest in promoting the health of the Kenyan economy directly. In 2009, Iran agreed to inject 16 billion dollars.

To stimulate Kenya's economy. Moving to supply funds to large-scale infrastructure improvements, such as funding the Hola irrigation project in the Tana River District, Iran has built good will.

Along with the agreement to stimulate the Kenyan economy, Iran also began exporting cheap crude oil to the African country. In June 2012, Kenya signed a deal with the Iranian National Oil Company to import over 4 million tons of crude oil per annum from the Islamic Republic. This is another example of Iran gaining influence with a poor African country. In 2012, Kenya was forced by the United States and the European Union to abandon this deal with Iran and comply with the E.U.'s Iranian embargo, or it faces sanctions for purchasing Iranian oil.

Infrastructure developments were also discussed, with Iran planning to invest in Kenya's roads and water systems. More significantly however, both countries signed important agreements on energy, including possible collaboration in nuclear power projects.

In fact, some industries, while faced with energy shortages, have resulted to other sources of fuel, such as generating power from sugar waste, tea, coffee husks and timber. An Iranian company has already started plans to construct a power plant in Nairobi and a gas plant in Mombasa.

Nuclear power has been an area of growing interest as the government struggles to keep up with energy demand. While the use of nuclear power is still highly controversial, the Kenyan government has argued that it provides a cheaper and less environmentally harmful source of energy. The government has already proposed the development of a 300-1000 MW nuclear power plant over the next 7 years.

### **Trade balance: (- 45M \$)**

Exports: 10M \$.

Imports: 56M \$.

### **Security and military relations**

Mombasa is a hot bed of Al Shabaab weapons trading and recruiting and Al Shabaab is believed to have received weapons from Iran.

**Ambassador:** Hadi Farajvand.

## **Turkey Relations with Kenya**

### **Economic and trade relations**

Turkey-Kenya Joint Economic Commission was also held prior to the visit. During the visit of President Kenyatta 10 bilateral agreements in different areas were signed.

Turkey is seeking Kenya as an entry point to the grand free trade area planned by the East Africa Community Common Market for Eastern and Central Africa (Comesa) and the South Africa Development Community starting mid-2014, Kenya is eyeing Turkey as a potential large-scale buyer of its tea, coffee and flowers. It is also targeting Turkey as a market for diversified goods in line with the new export plan launched in May. The Joint Trade Commission envisaged that Turkey would establish an export processing zone in Nairobi as part of its outreach efforts to the regional market, In recent years, as relations with Africa became an important policy priority, Turkey started to be recognized as a leading emerging development partner in Kenya. The Turkish International Cooperation and Coordination Agency (TIKA) have developed various projects particularly in the fields of health, food, agriculture, livestock and education. Kenyan experts participate in capacity-development programs in the areas of trade, industrialization, transport, agriculture, security, science and technology, education and health.

### **Trade balance: (-135M \$)**

Exports: 17M \$

Imports: 153M \$.

### **Culture and education relation**

Turkey provides undergraduate, graduate and postgraduate scholarships every year to Kenyan students willing to continue their higher education in Turkey. The number of a scholarships offered to Kenyan students in 2016 and 2017 has reached 50.

### **Security and military relations**

Two agreements to solidify military and defense cooperation between Kenya and Turkey. Kenyan security forces continue to take part in international military exercises and training programmers in Turkey.

**Ambassador:** Ahmed Cemil Miroglu.

### **Qatar Relations with Kenya**

Both countries have signed cooperation agreements in trade, industry, energy, communications, transport, construction, labor, tourism and agriculture. Qatar will train Kenyan port officials and employ more people in the transport and aviation sectors.

There are direct shipping routes from Mombasa to Doha and direct flights from Nairobi to Doha. Qatar Airways has shown interest in starting direct Mombasa (Kenya's second largest city) to Doha flights.

In 2008, Kenya and Qatar signed a deal that would allow Qatar to lease 100,000 hectares of Kenyan land. The deal would pave the way for the Qatari government to fund a significant portion of the LAPSET projects. Qatar intended on using the land to grow food, as less than 1% of the Gulf country is arable.

The lease deal never went through and Kenya sought to source financing of the LAPSET projects from multiple financiers which could also include Qatar, in 2014, a section of the Qatari Businessmen Association visited Nairobi as a trade delegation from Qatar to Kenya.

#### **Trade balance: (-73 M \$.)**

Export: 7M \$

Imports: 66M \$.

**Ambassador:** Ibrahim Mohammed Abdulrahman Alabdullah.

***Index of data and information sources:***

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*CIA Fact book.*

*IMF.*

*World Bank.*

*Oxford Business group.*

*Keninvest.*

*U.S embassy in Kenya.*

*Israel embassy in Kenya.*

*Turkish embassy in Kenya.*