



ECONOMIC SURVEY 2019

Economic Survey 2019

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About KNBS

The Kenya National Bureau of Statistics (KNBS) is the principal agency of the Government for collecting, analysing and disseminating statistical data, and the custodian of official statistical information. The Bureau is also responsible for the co-ordination of the National Statistical System (NSS) in the country.

The functions of KNBS as defined in the Statistics Act 2006 are:

- Planning, authorising, coordinating and supervising all official statistical programmes undertaken within the NSS;
- Establishing standards and promoting the use of best practices and methods in the production and dissemination of statistical information across the NSS;
- Collecting, compiling, analysing, abstracting and disseminating statistical information on the matters specified in the First Schedule of the Statistics Act, 2006;
- Conducting the Population and Housing Census every ten years, and such other censuses and surveys as the Board may determine; and
- Maintaining a comprehensive and reliable national socio-economic database.

KNBS has an elaborate infrastructure for data collection across the country. This includes, a County Statistical Office in each of the 47 counties as data collection centre, two sampling frames for implementation of censuses and surveys and various databases for socio-economic statistical information.

The Bureau collects various statistical information on monthly, quarterly, semi-annually and annual basis. Ad hoc surveys and studies are also carried out to gather information on specific indicators. Some of the statistical products of the Bureau include, Consumer Price Index (CPI), Leading Economic Indicators report, Quarterly Gross Domestic Product (GDP) release, Quarterly Producer Price Index (PPI), Quarterly Balance of Payment release, Annual Economic Survey report, Annual Statistical Abstract and County Statistical Abstract. The Bureau also provides information to local and international organisations including the IMF, UN, COMESA, ILO and EAC; and other data users. The Bureau maintains various platforms through which its products and statistical information are disseminated.

The Bureau provides information for monitoring the country's development agenda as well as internationally agreed indicators such Sustainable Development Goals (SDGs).

In undertaking its mandate, the Bureau is guided by the following Vision, Mission and Core Values.

Vision

“To be a global leader in the provision of quality statistical services”

Mission

“To provide, manage and promote quality statistical services through utilization of best practices for evidence-based decision making”.

Core Values:

- **P-Professionalism:** The Bureau will strictly abide by professional considerations, including scientific principles and ethics on methods, standards and procedures for provision of quality statistical services.
- **I-Integrity:** The Bureau will adhere to the principles of good governance to ensure transparency and accountability in undertaking its programmes and activities.
- **C-Confidentiality:** The Bureau will treat all information provided by stakeholders with strict confidentiality and use it exclusively for statistical purposes.
- **C-Customer Focus:** The Bureau commits itself to align its programmes to the expectations of its stakeholders and attaining the highest standards in service delivery.
- **I-Innovation:** The Bureau will continuously embrace creativity and innovation for value-addition in its business processes.
- **T –Teamwork:** The Bureau will embrace teamwork in pursuing timely attainment of targeted results at all T levels, through coordination and networking.

Data Quality

The Economic Survey report is an annual publication prepared by the Kenya National Bureau of Statistics that provides socio-economic information covering a five-year period. Statistics presented in Economic Survey reports are produced in line with internationally sound and scientific methods that are anchored on the fundamental principles of producing official statistics.

Data Sources

The statistics published in the Economic Survey reports are based on a wide variety of sources including own surveys and censuses, studies carried out by other institutions and administrative data collected by Ministries, Departments and Agencies; County Governments; and establishments. The sources of data are always recognized.

Accuracy and Reliability

All censuses and surveys conducted by the Bureau are based on international standards and methods. Sampling and non-sampling errors that may occur in a census or survey are always disclosed. Data from administrative sources are subject to international best practices on statistics and are verified and validated through sectoral Technical Working Groups.

Periodicity

The Economic Survey report is an annual publication. However, the data may also be presented on quarterly and monthly basis for the review period.

Consistency

The Bureau maintains a compendium of statistical definitions. The Bureau has endeavoured to provide the same format of statistical tables as in previous years to enable consistency and trend comparison over time.

Accessibility

KNBS reports are disseminated by various platforms. The platforms include the KNBS website: www.knbs.or.ke, publications, press releases and social media. More information is also available from both the headquarter and the county offices.

Timeliness

The report is produced annually, at most 150 days after the end of the review year. Quarterly information is released at most 90 days after the review quarter.

List of Acronyms and Abbreviations

2G	Second Generation
3G	Third Generation
4G	Fourth Generation
AAID	Air Accident Investigation Department
ADF	African Development Fund
ADNOC	Abu Dhabi National Oil Corporation
AfDB	African Development Bank
AG	Attorney General
AGOA	African Growth and Opportunity Act
AHITIs	Animal Health and Industry Training Institutes
AIA	Appropriation In Aid
AIDS	Acquired Immuno-Deficiency Syndrome
AMOS	Approved Maintenance Organizations
AOC	Air Operator Certificate
API	American Petroleum Institute
ASP	Application Service Provider
ATCOs	Air Traffic Controllers
ATM	Automatic teller machine
ATOS	Approved Training Organizations
ATPL	Air Transport Pilot License
BASAs	Bilateral Air Services Agreements
BEC	Broad Economic Category
BH	Boreholes
BOP	Balance of Payments
Bps	Bits per second
CAK	Communications Authority of Kenya
CAPI	Computer Aided Personal Interview
CBA	Collective Bargaining Agreement
CBD	Coffee Berry Disease
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CDMA	Code Division Multiple Access
CFS	Container Freight Station
CIP	Census of Industrial Production
CMA	Capital Markets Authority
CMC	Cabin-Crew Member Certificate
COFOG	Classification of Functions of Government
COICOP	Classification of Individual Consumption by Purpose
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Indices
CPL	Commercial Pilot License
CRB	Credit Reference Bureau
DBK	Development Bank of Kenya
DES	Dietary Energy Supply
DFI	Development Finance Institution
DPP	Director of Public Prosecutions
DSL	Digital Subscriber Line
DTs	Deposit Taking Savings and Credit Cooperatives

DWT	Deadweight Tons
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
ECDE	Early Childhood Development Education
EEC	European Economic Commission
EFA	Education For All
EIA	Environmental Impact Assessment
EMS	Expedited Mail Service
EOPS	Early Oil Pilot Scheme
EPC	Export Promotion Council
EPEA	Environmental Protection Expenditure Accounts
EPP	Emergency Power Producers
EPZ	Export Processing Zone
EPZA	Export Processing Zones Authority
ERC	Energy Regulatory Authority
Esops	Employee Share Ownership plans
ETF	Exchange Traded Funds
EU	European Union
FAA	Federal American Administration
FAO	Food and Agriculture Organization
FBO	Faith Based Organisation
FBS	Food Balance Sheet
FDI	Foreign Direct Investment
FIC	Full Immunization Coverage
FOB	Free on Board
FSD Kenya	Financial Sector Deepening Trust Kenya
FtH	Fibre to the Home
FtO	Fibre to the Office
FY	Financial Year
GCP	Gross County Product
GDC	Geothermal Development Company
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GFCF	Gross Fixed Capital Formation
GFS	Government Finance Statistics
GNI	Gross National Income
GoK	Government of Kenya
GRP	Gross Regional Product
GSM	Global System for Mobile Communications
GVA	Gross Value Added
GWh	Giga Watt Hours
Ha	Hectares
HELB	Higher Education Loans Board
HISP	Health Insurance Subsidy Program
HIV	Human Immunodeficiency Virus
IAS	International Accounting Standards
IASA	Inter Air Security Association
IBR	International Bank for Reconstruction & Development
ICAO	International Civil Aviation Organization
ICD	Inland Container Depot
ICDC	Industrial and Commercial Development Corporation

ICT	Information and Communication Technology (ICT)
ICT	Information, Communication and Technology
ID	Identity Card
IDA	International Development Association
IDB	Industrial Development Bank
IDR	Import Dependency Ratio
IEBC	Independent Electoral and Boundaries Commission
IFMIS	Integrated Financial Management Information System
IFRS	International Financial Reporting Standards
IFS	International Financial Services
ILO	International Labour Organisation
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
IOCs	International Oil Companies
IP	Internet Protocol
IPP	Independent Power Producers
IPTV	Internet-Protocol Televisions
IRA	Insurance Regulatory Authority
ISIC	International Standard Industrial Classification for All Economic Activities
ISP	Internet Service Provider
IT	Information Technology
JDA	Joint Development Agreement
JKIA	Jomo Kenyatta International Airport
KAPU	Kenya Airport Police Unit
KARI	Kenya Agricultural Research Institute
KCB	Kenya Commercial Bank
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KenGen	Kenya Electricity Generating Company
KeNHA	Kenya National Highways Authority
KenInvest	Kenya Investment Authority
KeRRA	Kenya Rural Roads Authority
KESSP	Kenya Education Sector Support Programme
KETRACO	Kenya Electricity Transmission Company
KFS	Kenya Forest Service
KG	Kilograms
KIE	Kenya Industrial Estate
KJV	Kenya Joint Venture
KLIP	Kenya Livestock Insurance Project
KMTC	Kenya Medical Training College
KNBS	Kenya National Bureau of Statistics
KOJ	Kisumu Oil Jetty
KOSF	Kipevu Oil Storage Facility
KPA	Kenya Ports Authority
KPC	Kenya Pipeline Corporation
KPHC	Kenya Population and Housing Census
KPLC	Kenya Power and Lighting Company
KPRL	Kenya Petroleum Refineries Limited
KPS	Kenya Police Service
KRA	Kenya Revenue Authority
KRB	Kenya Roads Board

KSh	Kenya Shillings
KURA	Kenya Urban Roads Authority
kV	Kilo Volts
KW	Kilo watt
KWh	Kilo Watt Hour
KWS	Kenya Wildlife Service
L	Overall liquidity
LAPSSET	Lamu Port Southern Sudan-Ethiopia Transport Corridor
LATF	Local Authority Transfer Fund
LFS	Labour Force Survey
LPG	Liquefied Petroleum Gas
LTM	Long Term Means
M1	Narrow Money supply
M2	Broad Money supply (Money supplied by CBK, Commercial Banks and Micro Finance Institutions)
M3	Extended Broad Money Supply (M2 plus Foreign Currency Holdings by Residents)
MAM	March April May long rains
Mbps	Megabits Per Second
MCA	Members of County Assembly
MDAs	Ministries Departments and Agencies
MDGs	Millennium Development Goals
MDP	Management Development Programmes
MFI	Microfinance Institution
MIA	Moi International Airport
MM	Millimetres
MMS	Multimedia Messaging Service
MNO	Mobile Network Operators
MNP	Mobile Numbers Ported
MPC	Monetary Policy Committee
MPDP	Mombasa Port Development Project
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MTP III	Third Medium Term Plan
MVNO	Mobile Virtual Network Operator
MW	Mega Watts
n.e.c	not elsewhere classified
NAMATA	Nairobi Metropolitan Area Transport Authority
NAS	National Accounts Statistics
NASSEP	National Sample Survey and Evaluation Programme
NBFI	Non-Bank Financial Institutions
NCC	Nairobi City County
NCDF	National Constituency Development Fund
NCP	National Cereals and Produce Board
NCRP	Nairobi Commuter Rail Project
NEMA	National Environment Management Authority
NFA	Net Foreign Assets
NFE	Non Formal Education
NGO	Non-Governmental Organization
NHC	National Housing Corporation

NHIF	National Hospital Insurance Fund
NIB	National Irrigation Board
NICD	Nairobi Inland Container Depot
NOCK	National Oil Corporation of Kenya
NOFBI	National Optic Fibre Backbone Infrastructure
NPC	National Police Service
NSE	Nairobi Securities Exchange
NSSF	National Social Security Fund
NTSA	National Transport and Safety Authority
NWCPC	National Water Corporation and Pipeline Corporation
NYS	National Youth Service
ODPP	Office of the Director of Public Prosecution
OECD	Organization of Economic Cooperation and Development
OIN	Other Items Net
OMO	Open Market Operations
OND	October November December
OPEC	Organization of Petroleum Exporting Countries
OTT	Over the Top
OVC	Orphans and Vulnerable Children
PAYE	Pay As You Earn
PCK	Postal Corporation of Kenya
PCR	Pupil Completion Rate
PIPEC	Pipeline Company
PPI	Producer Price Index
PPL	Private Pilot License
PPM	Policies and Procedures Manual
PPPs	Public Private Partnerships
PSG	Product Sharing Contracts
PSTR	Primary to Secondary Transition Rate
PSUT	Physical Supply and Use Tables
PSV	Public Service Vehicle
PTP	Proficiency Tests Pass
PTR	Pupil Teacher Ratio
RBA	Retirement Benefits Authority
REP	Rural Electrification Programme
RMG	Rail Mounted Gantry
RTG	Rubber Tyred Gantry
RVR	Rift Valley Railways
SACCO	Savings and Credit Cooperative Societies
SADC	Southern African Development Community
SAGA	Semi Autonomous Government Agency
SASRA	Sacco Societies Regulatory Authority
SDG	Sustainable Development Goals
SDR	Special Drawing Rights
SEEA	System of Environmental Economic Accounts
SEZ	Special Economic Zones
SGR	Standard Gauge Railway
SITC	Standard International Trade Classification
SJT	Sustaining Judiciary Transformation
SLD	Second Level Domain

SME	Small and Medium Enterprises
SMS	Short Messaging Services
SNA	System of National Accounts
SOEs	State Owned Enterprises
SPL	Student Pilot License
SSA	Sub-Saharan Africa
SSR	Self-Sufficiency Ratio
SUA	Supply and Utilization Account
SUT	Supply and Use Tables
TEAMS	The East Africa Marine System
TEUs	Twenty-foot Equivalent Units
TIVET	Technical Industrial and Vocational Educational Training
TJ	Tera Joules
TLB	Transport Licensing Board
TOT	Total Rainfall
TSA	Tourism Satellite Account
TSC	Teachers Service Commission
UAE	United Arab Emirates
UHC	Universal Health Coverage
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNFCC	United Nations Framework on Climate Change
UNSC	United Nations Statistical Commission
US/USA	United States of America
USD	United States Dollar
USOAP	Universal Safety Oversight Audit Programme
VAT	Value Added Tax
VCT	Voluntary Counseling and Testing
VoIP	Voice over Internet Protocol
WEF	Women Enterprise Fund
WHO	World Health Organization
WPP	Water Purification Points
WPPs	Water Purification Points
WRA	Water Resource Authority
WTA	World Travel Awards
WTO	World Trade Organization

International Scene

The global economy experienced decelerated growth of 3.6 per cent in 2018 compared to a 3.8 per cent growth in 2017. The advanced economies are estimated to have expanded by 2.4 per cent in 2018 compared to a growth of 2.5 per cent in 2017. The growth was notable in the USA as a result of a fiscal stimulus that boosted domestic demand. Growth in emerging markets and developing economies decelerated from 4.7 per cent in 2017 to 4.6 per cent in 2018. Sub-Saharan Africa region remained on a recovery path growing by 3.0 per cent during the review period compared to a growth of 2.9 per cent in 2017. In 2018, the global inflation rose to 3.6 per cent compared to a revised rate of 3.2 per cent in 2017, mainly attributable to robust global oil demand. Prices of agricultural produce remained broadly stable but declined slightly in the second half of the year. Murban ADNOC crude oil prices averaged at US Dollar 71.5 per barrel in the period under review compared to an average price of US Dollar 54.9 per barrel in 2017.

World trade volume rose by 3.9 per cent in 2018 compared to a growth of 5.2 per cent in 2017. The growth in trade was affected by trade tensions involving major economies and elevated trade policy uncertainties. The volume of exports in advanced economies grew by 3.4 per cent in 2018 compared to a growth of 4.4 per cent in 2017. Similarly, the volume of exports in the emerging markets and developing economies grew by 4.7 per cent in the review period compared to a growth of 6.9 per cent in 2017, largely affected by increase in oil prices. The overall fiscal deficit as a percentage of GDP stood at 2.9 per cent in 2018 compared to 2.3 per cent in 2017. The global economy showed improved labour market conditions during the period under review, with an estimated 3.3 billion people in the labour market. The global unemployment rate dropped from 5.7 per cent in 2017 to 5.3 per cent in 2018. The labour participation rate stood at 61.4 per cent in 2018.

Country's Economic Performance

Real Gross Domestic Product (GDP) is estimated to have expanded by 6.3 per cent in 2018 compared to 4.9 per cent in 2017. The growth was attributable to increased agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities. Agricultural activities benefitted from sufficient rains that were well spread throughout the country. Similarly, the increased precipitation was a significant boost to electricity generation and consequently favorable to growth during the review period. The Agriculture, Forestry and Fishing sector growth accelerated from a revised growth of 1.9 per cent in 2017 to 6.4 per cent in 2018. The manufacturing sector expanded by 4.2 per cent compared to a revised growth of 0.5 per cent in 2017 mainly buoyed by increased agro-processing during the review period. Other sectors that grew notably in 2018 include Electricity Supply, Transportation and Storage, Information and Communication Technology, Accommodation and Food Services at 10.5, 8.8, 11.4, 16.6 per cent, respectively in 2018.

The growth realized was anchored on a relatively stable macroeconomic in 2018. Inflation remained low at 4.7 per cent in 2018 compared to 8.0 per cent in 2017 majorly as a result of considerable declines in prices of food after the shortage experienced in 2017. The current account deficit narrowed to stand at KSh 441.8 billion in 2018 compared to KSh 503.4 billion in 2017 mainly due to a faster growth of imports of goods and services.

Employment, Earnings and Consumer Prices

The economy created 840.6 thousand new jobs in 2018. The informal sector, which accounted for 83.6 per cent of the total employment created 762.1 thousand new jobs in the period under review. The number of persons engaged, excluding those in rural small scale agriculture and pastoralist activities, rose by 5.0 per cent to 17.8 million persons in 2018. Employment in the public sector went up from 833.1 thousand persons in 2017 to 842.9 thousand persons in 2018. The private sector which accounted for 69.5 per cent of the total employment grew by

3.0 per cent in 2018.

Wage employment in the modern sector increased from 2,699.5 thousand persons in 2017 to 2,765.1 thousand persons in 2018. The total number of self-employed and unpaid family workers within the modern sector rose from 139.4 thousand persons in 2017 to 152.2 thousand persons in 2018.

Overall nominal wage bill for public and private and sector rose from KSh 1,817.3 billion in 2017 to KSh 2,010.2 billion in 2018. Annual nominal average earnings per person in the modern sector increased from KSh 666,241.1 in 2017 to KSh 716,934.7 in 2018. Similarly, annual real average earnings per person increased from KSh 364,313.4 to KSh 376,080.6 over the same period. Inflation as measured by Consumer Price Index decreased from 8.0 per cent in 2017 to 4.7 per cent in 2018.

Money, Banking and Finance

In 2018, the Central Bank Rate (CBR) was reviewed downwards twice from 10.00 per cent to 9.50 per cent in March 2018 and then to 9.00 per cent in July 2018, signaling easing monetary policy stance. This was aimed at reducing cost of borrowing, increase money supply and boost economic activity. Consequently, overall interest rates dropped during the review period except for the interbank rate. The 91-Day Treasury bill dropped to 7.34 per cent in December 2018 from 8.01 per cent in December 2017. Annual average inflation eased from 8.0 per cent in 2017 to 4.7 per cent in 2018.

Extended broad money supply (M3) grew to KSh 3,337.8 billion in 2018. The commercial banks liquidity ratio rose from 46.4 per cent in December 2017 to 50.6 per cent in December 2018. The advances to deposits ratio declined significantly to 78.4 per cent in December 2018 down from 83.5 per cent in 2017. This was due to commercial banks opting for less risky lending in the form of Government securities.

The Nairobi Securities Exchange (NSE) 20-Share index dropped by 23.7 per cent to 2,834 points in December 2018, with the markets capitalization standing at KSh 2,102 billion in December 2018. The value of bonds traded rose to KSh 558 billion in 2018 from KSh 429 billion in 2017.

Public Finance

In 2018/19, the overall expenditure by the National Government is expected to grow by 17.8 per cent to KSh 3,033.6 billion. In the review period, recurrent and development expenditure is estimated at KSh 2,392.1 billion and KSh 641.5 billion, respectively. Total revenue is expected to grow by 20.8 per cent to KSh 1,886.0 billion in 2018/19. Total ordinary revenue is estimated at KSh 1,838.5 billion in 2018/19, of which tax revenue category is expected at KSh 1,621.7 billion, accounting for 88.2 per cent of the total ordinary revenue during the same period. As at the end of June 2018, the total stock of public debt stood at KSh 4,537.6 billion, of which external debt accounted for 56.6 per cent. In the review period, a total of KSh 856.6 billion has been allocated towards debt servicing charges.

County governments are expected to spend a total of KSh 459.5 billion, against an estimated total revenue of KSh 422.8 billion in 2018/19. In the same period, current transfers from National Government to county governments inclusive of conditional grants, is estimated to grow by 7.8 per cent to KSh 372.7 billion.

International Trade and Balance of Payments

The value of imports rose by 2.0 per cent to KSh 1,760.2 billion in 2018, while total export earnings rose by 3.2 per cent to KSh 612.9 billion, over the same period. In 2018, trade balance widened by 1.4 per cent to a deficit of KSh 1,147.3 billion from a deficit of KSh 1,131.5 billion

in 2017. The leading exports were tea, horticulture, articles of apparel and clothing accessories; coffee, titanium ores and concentrates, collectively accounting for 62.0 per cent of the total domestic export earnings. The export-import ratio improved slightly from 34.4 per cent in 2017 to 34.8 per cent in 2018. The Kenyan Shilling strengthened against the US dollar to an average exchange rate of KSh 101.29 in 2018 compared to KSh 103.41 in 2017.

The overall balance of payments position improved to a surplus of KSh 105.8 billion in 2018 from a deficit of KSh 16.9 billion in 2017. The current account balance improved by 12.2 per cent from a deficit of KSh 503.4 billion in 2017 to a deficit of KSh 441.8 billion, in 2018. Net financial inflows grew by 21.6 per cent from a surplus of KSh 546.7 billion in 2017 to KSh 664.6 billion in 2018, mainly driven by a 40.5 per cent increase in inflows of foreign direct investment.

Agriculture Sector

Growth in Agriculture Value Added at constant prices increased to 6.6 per cent in 2018 from 1.8 per cent recorded in 2017. The improved performance during the year under review was due to favourable weather conditions for both crops and livestock production, occasioned by the long rains in 2018. Maize production increased by 26.0 per cent from 35.4 million bags in 2017 to 44.6 million bags in 2018. Production of tea and coffee recorded growths of 12.1 and 7.0 per cent, respectively, during the review period. The volume of fresh horticultural exports increased by 6.1 per cent to 322.6 thousand tonnes in 2018. The value of marketed livestock and livestock products increased by 8.3 per cent to KSh 146.8 billion during the year under review.

During the review period, the prices of tea and coffee declined by 15.5 per cent and 15.3 per cent to KSh 25,896.47 and KSh 40,286.41, respectively, per 100 kilogram. The price paid for wheat increased by 11.2 per cent from KSh 3,197.99 per 100 kilogram in 2017 to KSh 3,555.50 per 100 kilogram in 2018. The total domestic sugar production increased by 30.6 per cent from 376.1 thousand tonnes in 2017 to 491.1 thousand tonnes in 2018. Overall, marketed production increased by 11.4 per cent from KSh 446.9 billion in 2017 to KSh 497.9 billion in 2018.

Environment and Natural Resources

The Gross Value Added from the environment and natural resources sector increased to KSh 287.2 billion in 2018 from KSh 254.8 billion registered in the previous year. The total value of minerals increased by 5.9 per cent to KSh 30.4 billion in the review period. The export price of Soda Ash increased by 9.4 per cent from KSh 20,694 in 2017 to KSh 22,642 per tonne in 2018 while export price per tonne of titanium ore and its concentrates rose by 5.5 per cent to KSh 27,249 in 2018. The value of fish landed rose by 4.5 per cent to KSh 24.0 billion in 2018. The value of fish from fresh water sources, which accounted for 81.0 per cent of the total value of fish rose from KSh 18.6 billion in 2017 to KSh 19.4 billion in the year under review.

The National Government expenditure on water supplies is expected to rise by 46.3 per cent to KSh 53.4 billion in 2018/19. Expenditure on Water Development is expected to almost double from KSh 22.5 billion in 2017/18 to KSh 43.1 billion in 2018/19. The Government forest plantations stocking increased from 135.1 thousand hectares in 2017 to 141.6 thousand hectares in 2018. The total number of Environmental Impact Assessments (EIAs) increased by 33.3 per cent from 1,842 in 2017 to 2,456 in 2018. Most parts of the country experience heavy rainfall during the year with all the meteorological stations recording Total Rainfall (TOT) above their Long-Term Means (LTMs).

Energy Sector

Average international Murban crude oil prices increased from USD 54.9 in 2017 to USD 71.48 in 2018. This was mainly occasioned by continued oil supply cuts in the international market in the first half of the year and decline in oil production in Venezuela and the U.S. During the review period, the total import bill of petroleum products increased to KSh 327.8 billion. Similarly, the total value of petroleum products exported, including re-exports, increased by

7.5 per cent to KSh 38.8 billion in 2018.

Total installed electricity capacity increased from 2,339.9 MW in 2017 to 2,711.7 MW in 2018. Total electricity demand increased by 7.9 per cent to 11,182.0 GWh in 2018 compared to 10,359.9 GWh in 2017. Domestic demand for electricity increased from 8,410.1 GWh in 2017 to 8,702.3 GWh in 2018. There was additional electricity generation of 360 MW to the grid from Lake Turkana Wind Power Project (310 MW) and Garissa Solar Power Project (50MW). The Early Oil Pilot Scheme started producing 2000 Barrels per day (bbl/d) from Ngamia and Amosing fields in 2018.

Manufacturing Sector

The manufacturing real value added increased by 4.2 per cent in 2018 compared to a growth of 0.5 per cent in 2017. The manufacturing output volume expanded by 5.1 per cent in 2018 from a revised contraction of 0.8 per cent in 2017. This was mainly on account of increase in production of dairy products, tea, coffee and sugar due to favourable weather conditions. However, the plastic products, wood and other products of wood, and other non-metallic mineral products subsectors registered declines in the review period.

The Producer Price Index (PPI), which excludes the Value Added Tax (VAT) and transport cost of the finished products, increased by 0.9 per cent in 2018 mainly due to increase in prices of wood and products of wood and cork except furniture; and chemicals and chemical products.

Formal employment in the manufacturing sector increased by 1.4 per cent to 307,592 persons in 2018 accounting for 11.1 per cent of the total formal employment. The number of local employees working in Export Processing Zone (EPZ) enterprises rose from 54,764 persons in 2017 to 56,945 persons in 2018. Credit advanced to the Sector by commercial banks and industrial financial institutions rose from KSh 315.3 billion in 2017 to KSh 335.7 billion in 2018.

The Construction Sector

The construction sector expanded by 6.3 per cent in 2018 from a revised growth of 8.5 per cent recorded in 2017. Expenditure on roads is expected to rise by 23.0 per cent to KSh 195.1 billion in 2018/19, of which KSh 128.4 billion is to be spent on construction of new roads. Loans and advances from commercial banks to the construction sector grew slightly by 1.8 per cent from KSh 112.0 billion in 2017 to KSh 114.0 billion in 2018, reflecting a slowdown in the construction sector. Wage employment in the sector grew by 2.2 per cent from 167.9 thousand persons in 2017 to 171.6 thousand persons in 2018. The approved Government expenditure on housing in 2018/19 is expected to increase by 57.3 per cent to KSh 29.0 billion to finance housing flagship projects.

Transport and Storage

The value of output from transport and storage expanded by 14.6 per cent from KSh 1,092.1 billion in 2017 to KSh 1,252.0 billion in 2018. Cargo throughput handled at the Port of Mombasa rose from 30.3 million tonnes in 2017 to 30.9 million tonnes in 2018. Commercial passenger traffic handled at the airports increased by 16.8 per cent to 11.8 million in 2018. Domestic and international passengers handled increased by 22.5 per cent and 13.1 per cent to 4.9 million and 6.9 million, respectively, during the review period.

Rail freight traffic more than tripled from 1,147 thousand tonnes in 2017 to 3,544 thousand tonnes in 2018, mainly due to introduction of freight transportation services on the Standard Gauge Railway (SGR). Revenue from railway freight increased from KSh 3.0 billion in 2017 to KSh 9.8 billion in 2018. Similarly, earnings from passenger traffic stream more than doubled to KSh 1.7 billion in 2018. Total pipeline throughput increased by 2.7 per cent to 6,321.5 thousand cubic metres during the review period. The number of newly registered motor

vehicles increased by 5.2 per cent from 282,672 units in 2017 to 297,289 units in 2018.

The Tourism Sector

The tourism sector registered an improved performance in 2018 compared to 2017. The number of international visitor arrivals increased by 14.0 per cent from 1,778.4 thousand in 2017 to 2,027.7 in 2018. The improved performance may be attributed to stable political environment, withdrawal of travel advisories, improved security and investor confidence in the country.

The number of hotel bed-nights increased by 20.1 per cent from 7,174.2 thousand in 2017 to 8,617.9 thousand in 2018. The number of international conferences held expanded by 6.8 per cent to 204 in 2018 compared to 191 in 2017. This was boosted by high profile international conferences held in the country and visits by foreign dignitaries during the review period. Visitors to national parks and game reserves rose by 20.3 per cent to 2,868.9 thousand in 2018. Overall, the sector recorded an increase in tourism earnings from KSh 119.9 billion in 2017 to KSh 157.4 billion in 2018.

Information and Communication Technology

The value of Information and Communication Technology sector expanded by 12.9 per cent from KSh 345.6 billion in 2017 to KSh 390.2 billion in 2018 driven by growth in the digital economy. Mobile cellular penetration rate per 100 inhabitants improved from 91.89 in 2017 to 103.45 in 2018. Cable TV and Direct to home satellite subscriptions increased significantly to 169.7 thousand, and 1.1 million in 2018, respectively.

The total number of mobile transceivers grew by 16.9 per cent from 184,149 in 2017 to 215,276 in 2018 with the number of fourth generation (4G) technology mobile transceivers almost doubling from 3,873 in 2017 to 7,469 in 2018. International telephone traffic declined from 1,056.7 million minutes in 2017 to 1,037.4 million minutes in 2018. Mobile telephony subscriptions increased by 15.6 per cent from 42.8 million in 2017 to 49.5 million in 2018. Total transfers through mobile money grew by 9.5 per cent from KSh 3,638 billion in 2017 to KSh 3,984 billion in 2018 while mobile money subscriptions increased marginally from 30.0 million in 2017 to 31.6 million in 2018. The value of mobile commerce transactions increased by 87.2 per cent to KSh 6,077 billion in 2018.

Education and Training

Total expenditure for the Ministry of Education is expected to increase by 6.5 per cent to KSh 439.2 billion in 2018/19, with KSh 407.4 billion expected to be spent on the recurrent account. Development expenditure is expected to rise by 51.4 per cent to KSh 31.8 billion, during the period under review. Education sector witnessed a general increase in the number of educational institutions across all categories, most notable being in public vocational training centres which grew by 26.6 per cent. Total pupil enrolment in Early Childhood Development Education (ECDE) centres rose by 3.0 per cent to stand at 3.4 million in 2018. Similarly, enrolment in primary and secondary schools grew by 1.3 per cent and 4.0 per cent, respectively, in the review period. However, university enrolment is expected to decline by 1.7 per cent to 513,182 in 2018/19 academic year.

The number of KCPE candidates went up by 6.7 per cent to 1.1 million in 2018. The KCSE candidates in 2018 went up by 7.1 per cent to 653,787. The number of candidates who scored a minimum university entry score of C+ (plus) and above, rose by 29.8 per cent to 90,950 in 2018. The number of loan applicants from public universities increased by 4.9 per cent to 221,816 in 2017/18. During this period, the number of loan beneficiaries from the public universities increased by 5.1 per cent to 217,888, while the amount of loans awarded rose by 10.3 per cent to KSh 9.2 billion. The number of loan applicants and beneficiaries from TVET institutions increased by 33.8 per cent and 44.7 per cent, respectively, in 2017/18. The amount of loans awarded increased by 50.6 per cent to KSh 1.3 billion in 2017/18.

Health and Vital Statistics

The expenditure on health services by the National Government is expected to increase by 57.8 per cent to KSh 97.5 billion, while that of the County government is projected to grow by 28.7 per cent to KSh 108.1 billion in 2018/19.

National Hospital Insurance Fund (NHIF) membership increased by 13.2 per cent to 7.7 million in 2017/18. The membership from formal sector rose by 4.3 per cent compared with a 23.3 per cent rise in the informal sector. Receipts from members rose by 27.1 per cent to KSh 44.5 billion in 2017/18 while payouts increased by 41.4 per cent to KSh 37.2 billion.

The total number of health facilities increased by 9.8 per cent to 10,820 in 2018. The number of registered health personnel grew by 6.3 per cent to 175,681 in 2018. The number of middle level medical graduates from public medical training colleges increased by 21.2 per cent to 10,869 while medical undergraduates and post graduates are expected to increase by 6.0 per cent to 4,470 in the 2018/19 academic year. The number of registered births increased by 22.9 per cent from 923,487 in 2017 to 1,135,378 in 2018.

Governance Peace and Security

The total number of crimes reported to the Police increased by 13.2 per cent from 77,992 in 2017 to 88,268 in 2018 with crimes involving dangerous drugs reported to have increased by 44.1 per cent. The number of persons reported to the police to have committed crimes increased by 5.1 per cent to 75,037 in 2018, of which Kiambu police command station had the highest share at 8.4 per cent followed by Nairobi City at 8.3 per cent. On the fight against corruption, public assets worth KSh 3.8 billion were recovered by the Ethics and Anti-Corruption Commission in 2017/18 compared to KSh 256.0 million in the previous year. In addition, the Commission averted loss of public assets valued at KSh 4.7 billion through pre-emptive actions during the period.

The number of cases disposed of in law courts increased by 21.8 per cent to 370,488 in 2018. However, the backlog of pending cases grew by 5.9 per cent to 571,094 partly due to a higher number of cases filed. Total prison population increased from 208,168 persons in 2017 to 223,718 persons in 2018 of which about half were children and adolescents aged 25 years and below. The number of passports processed and issued increased by 76.0 per cent from 136,990 in 2017 and 241,095 in 2018 due to the requirement to replace old passports with the new generation ones. There was an overall decline of 21.6 per cent in the number of applications made for national identity cards from 1,234,149 in 2017 to 967,651 in 2018. During the year under review, the number of registered refugees and asylum seekers declined by 3.4 per cent to 471,724.

In 2018/19 financial year, funds disbursed by the government through the Uwezo Fund are expected to decrease by 40.0 per cent to KSh 300.0 million while those disbursed through the Women Enterprise Fund (WEF) are expected to increase by 3.3 per cent to KSh 2,238.5 million. The funds allocated for the Orphans and Vulnerable Children are expected to decrease by 1.2 per cent to KSh 8.4 billion in 2018/19. However, funds allocated for older persons are expected to increase by 25.1 per cent from KSh 14.5 billion in 2017/18 to KSh 18.1 billion in 2018/19.

2019 Outlook

Performance of Kenya's economy looks less optimistic in 2019 on account of a number of factors. The 2019 long rains have delayed and weather forecast indicate that most parts of the country will experience depressed rainfall, while a number of others may record almost long rains failure. If this materializes, direct negative impacts will be felt within the activities of agriculture, electricity and water supply sectors. Further impacts could be experienced in industries that have strong interlinkages with these sectors. However, activities of the tourism sector are likely to remain vibrant supported by strong expansion in tourists' arrivals. The construction industry is expected to follow the current trend given the ongoing infrastructural development by the government as well as the prevailing private sector confidence.

A gradual increase in international oil prices in the course of the year is anticipated, especially if an agreement on production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and their partners is implemented. There are prospects of production cuts being partly offset by an increase in shale output from the USA, as well as slowed demand emanating from effects of a deterioration in global economic expansion. All in all, it is more probable that the international oil prices will rise and lead to higher domestic pump prices.

Inflation is likely to rise significantly, largely driven by increase in food prices as a result of constrained domestic production in 2019. This could worsen if the magnitude of the expected rise in fuel prices ends up being substantial. The Kenyan Shilling exchange rate against major trading currencies is expected to remain stable supported by diaspora remittances and a significant level of reserves.

On the demand side, growth is likely to be driven by both the public consumption as well as private sector investment. Public consumption is projected to be underpinned by the ongoing development in infrastructure. Private consumption might not expand as rapidly as that of public, but is likely to remain robust in 2019 and therefore supportive of growth, while business confidence should remain strong enough to back up expansion in investment. Exports are likely to be constrained by a subdued external demand against a background of a slowdown in global trade. Overall, the economic growth is likely to slow down, but key macroeconomic indicators are likely to remain within desirable ranges throughout 2019.

Table Zero

Table 0: Key Economic and Social Indicators, 2014-2018

DESCRIPTION	Unit	2014	2015	2016	2017	2018*	
Population	(Million)	43.0	44.2	45.4	46.6	47.8	
Growth of GDP at Constant Prices	(Per cent)	5.4	5.7	5.9	4.9	6.3	
GDP at Market Prices :	(KSh Mn)	5,402,647.5	6,284,181.7	7,022,963.1	8,144,372.7	8,904,983.9	
Total value of petroleum products	(KSh Mn)	335,671.3	226,125.7	197,590.7	265,253.6	327,777.6	
Trade balance	(KSh Mn)	-1,081,085.3	-996,511.7	-853,678.7	-1,131,494.1	-1,147,292.7	
Money Supply (M3)	(KSh Mn)	2,329,978.6	2,658,165.5	2,764,507.0	3,030,646.0	3,337,832.0	
Total domestic credit	(KSh Mn)	2,312,178.0	2,793,924.0	2,973,172.0	3,232,565.0	3,381,067.0	
Balance of Payments (current account balance)	(KSh Mn)	-560,761.1	-421,082.1	-343,594.7	-503,443.4	-441,846.8	
Coffee-marketed production	(’000 tonnes)	42.5	32.2	39.7	33.7	36.8	
Tea-marketed production	(’000 tonnes)	445.1	399.2	473.0	439.9	493.0	
Fresh Horticultural Produce exports	(’000 tonnes)	220.2	238.7	261.1	304.1	322.6	
Maize-marketed production	(’000 tonnes)	289.4	295.3	265.8	239.2	441.5	
Wheat-marketed production	(’000 tonnes)	218.0	227.3	215.9	156.9	330.3	
Sugar-cane production	(’000 tonnes)	6,409.9	7,164.8	7,151.7	4,751.6	5,262.2	
Milk sold centrally	(Mn litres)	540.0	615.9	650.3	535.7	634.3	
Manufacturing output	(KSh Mn)	1,820,368.6	1,977,169.4	2,131,907.0	2,245,376.0	2,407,188.0	
Construction output	(KSh Mn)	683,375.5	804,219.4	826,006.0	1,036,452.0	1,098,083.0	
Cement Consumption	(’000 tonnes)	5,196.7	5,708.8	6,310.1	5788.9	5948.7	
Petroleum Consumption	(’000 tonnes)	3,937.9	4,738.5	5,044.3	5,170.6	5,189.2	
Electricity consumption	(GWh)	7,768.6	7,826.4	8,053.2	8,410.1	8,702.3	
Tourism earnings	(KSh Mn)	87,080.0	84,600.0	99,690.0	119,900.0	157,400.0	
New registration of motor vehicles and cycles.....	(Number)	318,057.0	247,181.0	213,715.0	282,672.0	297,289.0	
Rail freight	(’000 tonnes)	1,509.0	1,542.0	1,380.0	1,147.0	3,544.0	
Air passengers handled	(’000) No.	8,882.0	8,993.2	9,791.9	10,118.2	11,751.9	
Mobile Subscriptions	(’000) No.	33,632.6	37,716.0	38,982.0	42,815.1	49,501.5	
Total mobile money transfer	KSh Bn	2,372.0	2,816.0	3,356.0	3,638.0	3,984.0	
Wage employment	(’000) No.	2,370.2	2,478.0	2,553.5	2,699.5	2,765.1	
Education-primary enrolment	(’000) No.	9,951.0	10,090.8	10,279.7	10,403.7	10,542.5	
Education-secondary enrolment	(’000) No.	2,331.7	2,559.0	2,720.6	2,830.8	2,942.7	
Education-University enrolment	(’000) No.	443.8	510.7	564.5	520.9	513.2	
Education-other post secondary enrolment (TIVET+TTC)	(’000) No.	147.8	153.3	202.6	275.1	406.2	
Registered doctors and dentists	(Number)	10,239.0	10,699.0	11,525.0	12,127.0	12,937.0	
GDP Per capita (Current):	(KSh)	125,756.5	142,315.9	154,802.3	174,790.7	186,296.7	
GDP Per capita (Constant):	(KSh)	89,430.3	91,988.6	94,797.3	96,787.7	100,310.3	
Recurrent Revenue and Grants	(KSh Mn)	1,141,627.3	1,266,049.9	1,429,842.7	1,561,420.7	1,886,001.7	
Total National Government Expenditure	(KSh Mn)	1,953,509.4	2,047,351.8	2,282,995.6	2,576,065.0	3,033,602.0	
Net lending/borrowing (% of GDP) at Current Market Prices	(Per cent)	-9.9	-8.0	-8.7	-8.0	-7.2	
External Debt Service Charge as % of GDP2	(Per cent)	1.8	1.8	1.1	1.3	2.6	
External Debt Service as % of Exports of Goods & Services	(Per cent)	9.9	10.8	7.8	9.9	20.0	
						2014-2018	
INDEX NUMBERS						Annual % rate of change	
Export volumes: (2009=100)		109.9	105.4	111.6	109.2	110.9	0.2
Import volumes: (2009=100)		113.9	102.5	100.6	109.9	100.6	-3.1
Terms of trade		73.1	76.0	78.8	75.5	68.0	-1.8
NSE 20 Share: (1966=100)		5,113.0	4,040.0	3,186.0	3,712.0	2,834.0	-13.7
Consumer Price Index: (Feb 2009=100).....		149.7	159.6	169.7	183.2	191.8	6.4
Real wages: (June 2009=100).....		91.2	93.7	93.9	91.4	94.1	0.8
Agriculture terms of trade: (2001 =100)		49.3	50.2	49.3	49.9	47.5	-0.9

* Provisional.

A

INTERNATIONAL SCENE

International Scene

Chapter 01

Overview **T**he global economy experienced decelerated growth of 3.6 per cent in 2018 compared to a 3.8 per cent growth in 2017, albeit with marked varying performances across countries and regions. This was in contrast to the broad based growth reported in 2017. Policy support and strong job growth continued to underpin demand for goods and services thus supporting the growth. The growth was however dampened by uncertainties associated with the political and geopolitical tensions experienced in some countries. Further, trade tensions, tighter financial conditions in some regions, and higher energy prices in the better part of the review period affected the growth.

1.2. Advanced economies are estimated to have expanded by 2.4 per cent in 2018 compared to a growth of 2.5 per cent in 2017. The growth was notable in the United States of America (USA) as a result of a fiscal stimulus that boosted domestic demand. Growth in emerging markets and developing economies decelerated from 4.7 per cent in 2017 to 4.6 per cent in 2018. The slowed growth was partly on account of strengthening of the US Dollar which led to weakened capital flows, depreciation of currencies and foreign reserve losses. Sub-Saharan Africa region remained on a recovery path though at a relatively slower pace. The region grew by 3.0 per cent during the review period compared to a growth of 2.9 per cent in 2017. The growth was mainly supported by favorable weather conditions that led to increased agricultural production, robust growths in several non-resource intensive countries as well as high infrastructural investments. However, the growth was slowed by the performance of some of the large economies in the region such as Nigeria, South Africa, and Angola.

1.3. In 2018, the overall global inflation rose to 3.6 per cent compared to a revised rate of 3.2 per cent in 2017. This was mainly attributable to a robust global oil demand coupled with disruptions of the supply side as a result of political and geopolitical tensions in the Middle East and Venezuela. The oil prices remained volatile but stabilised towards the end of the year as a result of increased supply by Organisation of Petroleum Exporting Countries (OPEC), USA and Russia to offset the short fall from Iran sanctions and the drop in Venezuelan production. Prices of agricultural produce remained broadly stable but declined slightly in the second half of the year. The Murban ADNOC crude oil prices averaged at US Dollar 71.5 per barrel in the period under review compared to an average price of US Dollar 54.9 per barrel in 2017.

1.4. The world trade volume rose by 3.9 per cent in 2018 compared to a growth of 5.2 per cent in 2017. The slowed trade was echoed by decelerating export orders and softening global industrial activity after the strong momentum reported in 2017. Further, growth in trade was affected by the ongoing trade tensions involving major economies and elevated trade policy uncertainty that dampened the global investment and trade. Increased cost of borrowing that resulted from a broad based appreciation of the dollar also contributed to the slowed growth. The volume of exports in advanced economies grew by 3.4 per cent in 2018 compared to a growth of 4.4 per cent in 2017. Similarly, the volume of exports in the emerging markets and developing economies grew by 4.7 per cent in the review period compared to a growth of 6.9 per cent in 2017. The most notable driver of current account changes in 2018 was the increase in oil prices which resulted in an improvement of the current account balances of the oil exporters. The overall fiscal deficit as a percentage of GDP stood at 2.9 per cent in 2018 compared to 2.3 per cent in 2017.

1.5. The global economy showed improved labour market conditions during the period under review. An estimated 3.3 billion people in the labour market were in employment which translated to 58.4 per cent. The unemployment levels continued to decline for many countries to levels below the ones experienced prior to the global financial crisis. The global unemployment rate dropped from 5.7 per cent in 2017 to 5.3 per cent in 2018. The labour participation rate stood at 61.4 per cent in 2018.

Regional Organization for Economic Co-operation and Development

Economic Analysis 1.6. Table 1.1 presents the macroeconomic performance of economies in the Organization for Economic Co-operation and Development (OECD). The OECD region is estimated to have expanded by 2.4 per cent in 2018 compared to the 2.5 per cent growth realized in 2017. Strong growths were experienced in some OECD member countries anchored on strong domestic demand, accommodative macroeconomic policies and improved labour market conditions. However, some OECD member countries recorded slower growths in the review period.

1.7. Overall inflation stood at 2.3 per cent in 2018 up from a revised rate of 2.0 per cent in 2017. The rise in inflation was due to the increase in energy prices for the better part of the year, and introduction of new import tariffs that pushed prices up for some member countries. Unemployment rate in OECD countries dropped from 5.8 per cent in 2017 to 5.3 per cent in 2017. In most member countries, rising participation in labor force was supported by growing business investments in the review period.

Euro Area

1.8. The Euro Area registered a slowed real GDP growth of 1.9 per cent in 2018 compared to a revised real GDP growth of 2.5 per cent in 2017. In spite of the decelerated growth, domestic demand remained strong against a background of favorable macroeconomic policies coupled with growth in investments. During the review period, the labour market continued to strengthen with the unemployment rate falling to 8.2 per cent in 2018 compared to 9.1 per cent in 2017. The overall inflation is estimated to have risen from 1.1 per cent in 2017 to 1.5 per cent in 2018 mainly as a consequence of high energy prices. The growth of exports weakened in 2018 compared to the strong performance recorded in 2017, as increased uncertainties in the global trade led to constrained external demand. The ratio of current account surplus to GDP increased from 3.8 per cent in 2017 to 3.9 per cent in 2018.

United States of America

1.9. The United States (US) economy experienced an accelerated growth of 2.9 per cent in 2018 compared to 2.7 per cent in 2017. The growth was mainly driven by strong domestic demand supported by accommodative fiscal and monetary stances. During the review period, the inflation rate was 2.2 per cent compared to 1.9 per cent recorded in 2017. The increase in inflation was partly attributable to the introduction of new import tariffs. The labour market remained robust as labour productivity and participation increased notably during the period under review. Consequently, the unemployment rate improved from 4.3 per cent in 2017 to 3.9 per cent in 2018. The current account deficit as a percentage of GDP widened to 2.4 per cent in 2018 compared to 2.3 per cent in 2017.

United Kingdom

1.10. The United Kingdom (UK) economy grew by 1.3 per cent in the review period compared to a growth of 1.7 per cent in 2017. The decelerated growth was attributed to poor weather conditions, slowed aggregate demand due to trade uncertainties and a decline in the households' purchasing power. Additionally, investment growth slowed due to uncertainties surrounding the Brexit trade negotiations. The inflation rate fell below the 2.0 per cent target rate to 1.9 per cent in the review period. The unemployment rate improved by 0.3 percentage points to 4.1 per cent

in 2018. The volume of exports dropped significantly during the review period after 2 years of consistent growth which was undermined by the post-referendum depreciation. The current account deficit expressed as a percentage of GDP stood at 3.4 per cent in 2018 compared to 3.7 per cent of the GDP in 2017.

Japan

1.11. Japan's economy grew by 0.9 per cent in 2018 compared to a growth of 1.7 per cent in 2017. The decelerated growth was on account of bad weather and natural disasters experienced during the review period. The growth, though slower than the 2017 level was driven by strong investments and increased private consumption. Japan recorded a deflation rate of 0.1 per cent in 2018 compared to a deflation of 0.2 per cent in 2017. The rate remained low amidst the Bank of Japan's efforts to reflate the economy by introducing forward guidance on policy interest rates and increasing flexibility of market operations to make the accommodative monetary stance more sustainable. The labour market remained robust with the unemployment rate dropping to 2.4 per cent in 2018 from 2.8 per cent experienced in 2017. The value of exports declined in the third quarter of 2018 owing to slowed growth in world trade. Consequently, the current account surplus as a percentage of GDP declined to 3.3 per cent in the review period from 4.0 per cent in 2017.

Germany

1.12. The economic growth of Germany slowed to 1.6 per cent in 2018 compared to a growth of 2.5 per cent in 2017, mainly supported by fiscal measures that led to strong job creation and increased household incomes. The growth was also driven by low interest rates, high capacity utilization and growing housing demand that supported residential and commercial investments. High energy prices led to an increase in overall inflation to 1.9 per cent in the review period compared to 1.5 per cent in 2017. Tightening of financial markets and economic shocks in large economies reduced the country's exports as strong domestic demand fueled imports. As a result, the current account surplus as a percentage of GDP fell to 7.7 per cent in the period under review from 8.0 per cent in 2017. Employment gains in the labour market pushed the unemployment rate to a record low of 3.4 per cent in the review period compared to 3.8 per cent recorded in 2017. The strong labour market resulted in a broad-based wage growth that consequently led to enhanced private consumption.

Table 1.1: Key Economic Indicators and Projections for Selected OECD Countries, 2016 – 2020

	2016	2017 ⁺	2018*	2019 ¹	2020 ¹
World Real GDP Growth**	3.4	3.8	3.6	3.3	3.6
World Inflation**	2.8	3.2	3.6	3.6	3.6
World Trade Growth²	2.7	5.2	3.9	3.7	3.7
Real GDP Growth	Percentage Change				
United States of America	1.6	2.2	2.9	2.7	2.1
United Kingdom	1.8	1.7	1.3	1.4	1.1
Japan	1.0	1.7	0.9	1.0	0.7
Germany	2.2	2.5	1.6	1.6	1.4
Euro Area	1.9	2.5	1.9	1.8	1.6
Total OECD	1.8	2.5	2.4	2.1	1.9
Inflation (GDP Deflator)	Percentage Change				
United States of America	1.1	1.9	2.2	2.2	2.5
United Kingdom	2.1	2.0	1.9	1.7	1.8
Japan	0.3	-0.2	-0.1	0.3	1.6
Germany	1.4	1.5	1.9	2.2	2.3
Euro Area	0.8	1.1	1.5	1.8	1.9
Total OECD	1.6	2.0	2.3	2.6	2.5
Current Account Balance as % of GI	Percentage Change				
United States of America	-2.3	-2.3	-2.4	-2.9	-3.3
United Kingdom	-5.2	-3.7	-3.4	-3.3	-2.9
Japan	3.8	4.0	3.3	2.6	3.0
Germany	8.5	8.0	7.7	7.2	6.8
Euro Area	3.5	3.8	3.9	3.6	3.6
Total OECD	0.3	0.4	0.3	0.0	-0.1
Unemployment Rate	Percentage Change				
United States of America	4.9	4.3	3.9	3.5	3.5
United Kingdom	4.9	4.4	4.1	4.0	4.1
Japan	3.1	2.8	2.4	2.4	2.4
Germany	4.2	3.8	3.4	3	2.7
Euro Area	10.0	9.1	8.2	7.6	7.2
Total OECD	6.3	5.8	5.3	5.1	5

Source: OECD Economic Outlook No.104

* Provisional

**World Economic outlook April, 2019

+Revised

¹ Projections²Refer to arithmetic average of world merchandise import and export volumes.

Assumptions Underlying Projections

The cut-off date for information used in the projection is November 2018.

The projections assume unchanged exchange rates from those prevailing on 18th October 2018.

Brazil, Russia, India, Indonesia, China and South Africa (BRIICS)

1.13. The emerging economies of BRIICS recorded an average real GDP growth of 3.8 per cent in 2018 compared to a growth of 3.9 per cent in 2017. Brazilian economy grew at 1.1 per cent in 2018, mainly supported by recovery of private demand. Nationwide truck driver's strike coupled with policy uncertainty derailed faster growth of the Brazilian economy, while increase in food prices resulted to an increase in inflation from 3.4 per cent in 2017 to 3.7 per

cent in 2017. Current account deficit as a percentage of GDP increased to 0.8 per cent in the review period, up from 0.4 per cent in 2017. The economy of Russia registered a 2.3 per cent real GDP growth in 2018 compared to 1.6 per cent recorded in 2017. The improvement was supported by private consumption and increased exports. Inflation rate eased to 2.9 per cent in 2018 mainly due to a tight monetary policy. Indonesia's real GDP grew from 5.1 per cent in 2017 to 5.2 per cent in 2018, mainly supported by robust infrastructural investments and a strong consumption demand while inflation improved to 3.2 per cent in the same period. The inflation remained subdued despite high international oil prices and local currency depreciation. Increased imports of capital goods and high oil prices pushed the trade balance into deficit. Consequently, the current account deficit as a percentage of GDP worsened to 3.0 per cent in 2018.

1.14. In China, real GDP grew by 6.6 per cent in 2018 compared to a growth of 6.8 per cent in 2017. The slowed growth was mainly attributed to decline in industrial production and exports. Inflation rate increased to 2.1 per cent in 2018 from 1.6 per cent in 2017. Current account surplus as a percentage of GDP narrowed to 0.4 per cent in the period under review from 1.4 per cent recorded in 2017. The economy of India experienced a decelerated growth of 7.1 per cent in 2018, despite strong domestic demand and investments. Current account deficit as a percentage of GDP widened to 2.5 per cent in 2018, attributed to strong domestic demand that encouraged importation of goods, while weak global trade led to dismal performance of exports. South Africa's economy grew by 0.8 per cent in 2018 compared to a growth of 1.4 per cent in 2017. Growth was curtailed by a weak construction sector, challenges in the mining sector, low business confidence and policy uncertainty. Inflation declined to 4.6 per cent in 2018 from 5.3 per cent in 2017, due to low food prices. Current account deficit as a percentage of GDP widened to 3.4 per cent in 2018 compared to 2.4 per cent in 2017.

Sub-Saharan Africa

1.15. Real GDP growth in Sub-Saharan Africa (SSA) stood at 3.0 per cent in 2018 compared to a growth of 2.9 per cent in 2017. The growth was supported by favorable external environment, adjustment of domestic policies and higher commodity prices. In addition, increased agricultural activity in the wake of easing drought conditions impacted positively on the region's economic performance. Inflationary pressures eased to 8.5 per cent in 2018 from 11.0 per cent in 2017 mainly due to low food prices and tight monetary stance. Current account deficit as a percentage of GDP widened to 2.6 per cent during the review period compared to 2.1 per cent in 2017.

East African Community

1.16. Real GDP in the East African Community (EAC) grew by 5.9 per cent in 2018 compared to 5.3 per cent growth in 2017. The growth was underpinned by a strong rebound of agriculture in Kenya, Uganda and Rwanda following the drought experienced in 2017. Rwanda's real GDP growth stood at 8.6 per cent, the highest growth in the region. This was supported by strong growth in the services and industrial sectors. Low cost of food and non-alcoholic beverages resulted to a decrease in inflation rate from 4.8 per cent in 2017 to 1.4 per cent in 2018. The current account deficit as a percentage of GDP increased to 7.8 per cent in 2018 from 6.8 per cent in 2017 partly attributed to a deterioration in terms of trade. In Uganda, real GDP grew by 6.2 per cent in 2018 compared to a growth of 5.0 per cent in 2017. The growth was fueled by increased investment in public infrastructure as well as the vibrance in services and industry sectors. Importation of capital goods resulted to widening of the current account deficit to GDP ratio to 6.8 per cent in 2018.

1.17. The economy of Tanzania is estimated to have expanded by 6.6 per cent in 2018 compared to a growth of 6.8 per cent in 2017, supported by private investment and services sector. The current account deficit as a percentage of GDP increased to 3.7 per cent in 2018 from 3.3 per cent in 2017 due to higher volumes of imports in 2018. The increase in volume of imports was due to importation of transport equipment, building and construction materials for infrastructure

projects. Burundi's real GDP growth stood at 0.1 per cent in 2018 while current account deficit as a percentage of GDP widened to 13.4 per cent in the review period.

Southern African Development Community

1.18. The Southern African Development Community (SADC) recorded a growth of 2.0 per cent during the year under review compared to a growth of 1.8 per cent in 2017. The growth was sustained by increased production of minerals in mineral exporting countries, as well as increased investments. Inflationary pressures eased to 7.6 per cent in 2018 from 9.9 per cent in 2017 due to low commodity prices. During the review period, the region's current account deficit as a percentage of GDP widened to 3.2 per cent in 2018 compared to 2.3 per cent in 2017.

West African Economic and Monetary Union

1.19. The real GDP of West African Economic and Monetary Union (WAEMU) is estimated to have expanded by 6.4 per cent in 2018 compared to a growth of 6.6 per cent in 2017. Inflation rate rose to 1.8 per cent in 2018 from 1.0 per cent in 2017, while current account deficit as a percentage of GDP widened to 7.5 per cent in 2018.

Economic and Monetary Union of Central Africa (CEMAC)

1.20. During the review period, the real GDP of the bloc grew by 1.7 per cent compared to a growth of 0.3 per cent in 2017. The growth was supported by increased oil production coupled with the prevailing high oil prices. Inflation rate for the region increased to 1.5 per cent in 2018 from 0.8 per cent in 2017. Current account deficit as percentage of GDP improved from 5.1 per cent in 2017 to 1.7 per cent in 2018 partly attributed to strong fiscal adjustments.

Table 1.2: Real GDP Growth, Inflation and Current Account Balances for Selected Regions and Countries, 2016 – 2019

	Real GDP Growth Rates				Inflation				Current Account Balance			
	2016	2017+	2018*	2019 ¹	2016	2017+	2018*	2019 ¹	2016	2017+	2018*	2019 ¹
BRIICS	2.9	3.9	3.8	3.9	5.4	3.6	3.3	3.8	-0.5	-0.4	-0.4	-0.7
Brazil.....	-3.3	1.1	1.1	2.1	8.7	3.4	3.7	3.6	-1.3	-0.4	-0.8	-1.7
Russia.....	0.3	1.6	2.3	1.6	7.1	3.7	2.9	5.0	1.9	2.1	7.0	5.7
India.....	8.2	7.2	7.1	7.3	4.5	3.6	3.5	3.9	-0.6	-1.8	-2.5	-2.5
Indonesia.....	5.0	5.1	5.2	5.2	3.5	3.8	3.2	3.3	-1.8	-1.6	-3.0	-2.7
China.....	6.7	6.8	6.6	6.3	2.0	1.6	2.1	2.3	1.8	1.4	0.4	0.4
South Africa.....	0.4	1.4	0.8	1.2	6.3	5.3	4.6	5.0	-2.8	-2.4	-3.4	-3.4
Sub-Saharan Africa	1.4	2.9	3.0	3.5	11.2	11.0	8.5	8.1	-3.7	-2.1	-2.6	-3.7
EAC-5	5.4	5.3	5.9	6.3	5.7	6.5	4.2	5.0	-5.4	-5.1	-5.7	-6.2
Kenya.....	5.9	4.9	6.3	6.3	6.3	8.0	4.7	6.5	-4.9	-6.2	-5.0	-5.0
Tanzania.....	6.9	6.8	6.6	4.0	5.2	5.3	3.5	3.5	-4.4	-3.3	-3.7	-3.9
Uganda.....	2.3	5.0	6.2	6.3	5.5	5.6	2.6	3.6	-3.4	-5.0	-6.8	-8.2
Rwanda.....	6.0	6.2	8.6	7.8	5.7	4.8	1.4	3.5	-14.3	-6.8	-7.8	-9.2
Burundi.....	-1.0	0.0	0.1	0.4	5.5	16.6	1.2	7.3	-13.1	-12.3	-13.4	-12.6
SADC	1.4	1.8	2.0	2.9	10.4	9.9	7.6	7.1	-3.8	-2.3	-3.2	-4.2
WAEMU	6.5	6.6	6.4	6.3	0.1	1.0	1.8	1.8	-5.3	-7.0	-7.5	-7.2
CEMAC	-0.3	0.3	1.7	3.2	1.3	0.8	1.5	1.7	-13.7	-5.1	-1.7	-1.2
ASEAN-5	5.0	5.4	5.2	5.1	2.4	3.1	2.8	2.8	2.0	2.1	0.6	0.6
Indonesia.....	5.0	5.1	5.2	5.2	3.5	3.8	3.2	3.3	-1.8	-1.6	-3.0	-2.7
Malaysia.....	4.2	5.9	4.7	4.7	2.1	3.8	1.0	2.0	2.4	3.0	2.3	2.1
Philippines.....	6.9	6.7	6.2	6.5	1.3	2.9	5.2	3.8	-0.4	-0.7	-2.6	-2.2
Thailand.....	3.4	4.0	4.1	3.5	0.2	0.7	1.1	1.0	11.7	11.0	7.7	7.1
Vietnam.....	6.2	6.8	7.1	6.5	2.7	3.5	3.5	3.1	2.9	3.0	3.0	3.1
Maghreb	2.2	5.6	3.4	2.8	5.4	5.3	5.1	5.2	-12.1	-8.0	-6.8	-8.3
Algeria.....	3.2	1.4	2.1	2.3	6.4	5.6	4.3	5.6	-16.5	-13.2	-9.1	-12.5
Libya.....	-7.4	64.0	17.9	4.3	25.9	28.5	23.1	15.0	-24.7	7.9	2.0	-0.2
Mauritania.....	1.8	3.0	3.0	6.4	1.5	2.3	3.1	3.9	-15.1	-14.4	-18.0	-17.1
Morocco.....	1.1	4.1	3.1	3.2	1.6	0.8	1.9	1.4	-4.2	-3.6	-4.5	-4.1
Tunisia.....	1.1	2.0	2.5	2.7	3.6	5.3	7.3	7.5	-9.3	-10.2	-11.2	-10.1
Mashreq²	3.9	3.9	4.8	5.0	8.7	20.8	18.8	13.0	-7.8	-9.5	-7.0	-6.8
Egypt.....	4.3	4.2	5.3	5.5	10.2	23.5	20.9	14.5	-6.0	-6.1	-2.4	-2.4
Jordan.....	2.0	2.1	2.0	2.2	-0.8	3.3	4.5	2.0	-9.4	-10.6	-7.4	-8.2
Lebanon.....	1.6	0.6	0.3	1.3	-0.8	4.5	6.1	2.0	-23.1	-25.7	-27.0	-28.2

Source: World Economic Outlook, April 2019 and Regional Economic Outlook - Various Issues except Kenya whose accounts are shown

* Provisional

[†] Revised¹ Projections² Excludes Syria due to unavailability of data

Southern African Development Community (SADC) includes; Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi,

Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

West African Economic and Monetary Union (WAEMU) includes; Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo.

Economic and Monetary Union of Central Africa (CEMAC) and includes; Cameroon, Chad, Central African Republic, Equatorial Guinea, Gabon, and Republic of Congo

Association of South Eastern Asia Nations

1.21. The real GDP of the Association of South Eastern Asia Nations (ASEAN-5) grew by 5.2 per cent in 2018 compared to a growth of 5.4 per cent in 2017. Performance in the region was curtailed by slowed growth in Malaysia and Philippines. Malaysia's economy recorded a decelerated growth of 4.7 per cent in the review period compared to a growth of 5.9 per cent in 2017, mainly due to lower public investments. The Philippines' economy expanded by 6.2 per cent in 2018 compared to a growth of 6.7 per cent in 2017. On the other hand Vietnam's economy grew by 7.1 per cent in 2018 mainly supported by exports.

Maghreb

1.22. The region's real GDP growth decelerated to 3.4 per cent in 2018 compared to a growth of 5.6 per cent in 2017. In Algeria, the economy expanded by 2.1 per cent in the review period mainly driven by increased government spending coupled with growth in non-hydrocarbon sectors. Libya's economy experienced a decelerated growth of 17.9 per cent in 2018 compared to a growth of 64.0 per cent in 2017. Inflation rate for Libya eased to 23.1 per cent in 2018, mainly due to scarcity of goods and services and appreciation of the Dinar occasioned by increased supply of hard currencies. Current account surplus as a percentage of GDP narrowed to 2.0 per cent in 2018 compared to 7.9 per cent in 2017. Real GDP in Tunisia and Morocco grew by 2.5 and 3.1 per cent, respectively, in 2018 supported by robust agricultural production and tourism activities. Mauritania's economic growth remained at 3.0 per cent in 2018 as a result of low agricultural output.

Mashreq

1.23. The real GDP of Mashreq is estimated to have expanded by 4.8 per cent in 2018 compared to a growth of 3.9 per cent in 2017. Impressive performance of tourism and natural gas activities in Egypt resulted to a real GDP growth of 5.3 per cent in 2018, compared to a growth of 4.2 per cent in 2017. Lebanon experienced a slowed growth of 0.3 per cent in 2018 compared to a growth of 0.6 per cent in 2017, curtailed by spillover effects of regional conflicts.

Outlook 1.24. On the global perspective, real GDP is projected to grow by 3.3 per cent in 2019. The expected growth is as a result of removal of accommodative monetary policy in advanced economies coupled with slowdown in global trade. Growth in the USA is expected to be strengthened by fiscal stimulus to expand by 2.7 per cent in 2019. The real GDP of the UK is projected to increase by 1.4 per cent in 2019 buoyed by fiscal stimulus in the 2019 budget coupled with effect of prolonged uncertainty regarding Brexit outcome.

1.25. In the OECD economies, real GDP is projected to decelerate to 2.1 per cent in 2019. In the Euro area, growth is projected to slow down to 1.8 per cent in 2019. The reduction in the level of economic activity in the region is partly due to weak industrial production in Germany following introduction of revised auto emission standards, weak domestic demand in Italy and negative effect of industrial action in France. Real GDP in the BRIICS is projected to grow by 3.9 per cent in 2019. China's economy is projected to decelerate to 6.3 per cent in 2019, mainly due to trade tensions with the USA.

1.26. Real GDP in Sub-Saharan Africa is projected to grow by 3.5 per cent in 2019, supported by investment in large economies and robust growth in non-resource intensive countries. The real GDP of the EAC region is expected to grow at 6.3 per cent in 2019.

1.27. Real GDP in ASEAN-5 countries is expected to expand by 5.1 per cent in 2019. Maghreb, is projected to experience a decelerated growth of 2.8 per cent in 2019 whereas in Mashreq's real GDP is projected at 5.0 per cent in the same period.

B

DOMESTIC ECONOMY

Economic Performance

Overview Kenya's economy recovered from the effects of the persistent drought experienced in 2017 coupled with uncertainties associated with general elections held in the same period. Real Gross Domestic Product (GDP) is estimated to have expanded by 6.3 per cent in 2018 compared to 4.9 per cent in 2017. The growth was principally attributable to increased agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities. Agricultural activities benefited from sufficient rains that were well spread throughout the country. Similarly, the increased precipitation was a significant boost to electricity generation and consequently favourable to growth during the review period.

2.2. During the period under review, the growth realized was anchored on a relatively stable macroeconomic environment with the various macroeconomic fundamentals remaining supportive of growth for the better of the year. Inflation remained low at 4.7 per cent in 2018 compared to 8.0 per cent in 2017 majorly as a result of considerable declines in prices of food after the shortage experienced in 2017. The current account deficit narrowed to stand at KSh 441.8 billion in 2018 compared to KSh 503.4 billion in 2017 mainly due to a faster growth of imports of goods and services. The Nairobi Securities Exchange (NSE) 20-Share index dropped to 2,834 points in December 2018 from 3,712 points in December 2017. The performance was also manifested in the increased uptake of credit facilities across most sectors of the economy during the year under review.

2.3. International crude oil prices increased significantly for the better part of the year under review, peaking during the third quarter before dropping significantly in December 2018. The average price of crude oil increased from US Dollars 54.91 per barrel in 2017 to US Dollars 71.48 per barrel in 2018 mainly as a result of supply cuts by major oil producing nations as well as geo-political tensions involving some oil rich nations.

Agriculture, Forestry and Fishing

Sectoral Analysis 2.4. Activities of Agriculture, Forestry and Fishing were vibrant in 2018 mainly on account of favourable weather conditions that characterized the year under review. The sector's growth accelerated from a revised growth of 1.9 per cent in 2017 to 6.4 per cent in 2018. The growth was mainly driven by marked improvement in crops and animal production that benefited significantly from the sufficient rains during the period under review. Increased supply of food crops was mirrored in significant drop in prices of key food crops during the review period. The quantities of key food crops such as maize, irish potatoes and vegetables increased notably in 2018 compared to depressed performances reported in 2017.

2.5. Performance of the sector was further supported by significantly improved performances in other agricultural subsectors. Production of tea grew by 12.1 per cent to stand at 493.0 thousand tonnes in 2018 compared to a 7.0 per cent decline recorded in 2017. Similarly, the sector's performance was buoyed by increased production of coffee from 38.6 thousand tonnes in 2017 to 41.4 thousand tonnes in 2018. In the sugar cane sub-sector, improved performance was reflected in the quantity of cane delivered to millers which rose by 7.0 per cent to stand at

5.3 million tonnes in 2018. Horticultural activities remained robust in 2018, though growths in output of the respective crops were relatively slower than in 2017. Specifically, the volume of cut flowers exported rose marginally while that of fruits grew by 32.7 per cent in 2018. However, the quantity of vegetables exported decreased by 1.6 per cent in the period under review.

2.6. During the review period, there was a rebound in dairy activities after the contraction registered in 2017. The volume of milk deliveries to processors increased by 18.4 per cent from 535.7 million litres in 2017 to 634.3 million litres in 2018 mainly supported by sufficiency in fodder and pastures owing to adequate and well spread long rains throughout the country.

Manufacturing

2.7. Activities in the manufacturing sector were robust in 2018 compared to the constrained performance in 2017. During the review period, the sector grew by 4.2 per cent compared to a revised growth of 0.5 per cent in 2017. In contrast with 2017, strong performances were recorded in most activities in the sector in 2018. The sector's performance was largely supported by agro-processing activities and production of beverages that recovered from considerable declines in 2017 to grow remarkably in the period under review. Under manufacture of food and beverages, improved growths were recorded in manufacture of sugar (30.3 per cent); processing of liquid milk (18.5 per cent); processing of black tea (12.1 per cent); manufacture of beer and stout (6.3 per cent); manufacture of bread (5.8 per cent) and soft drinks (4.2 per cent). Other sub-sectors that showed better performance in 2018 albeit in smaller magnitudes included manufacture of maize meal products (0.4 per cent); edible oils (2.1 per cent) and manufacture of wheat flour (1.1 per cent).

2.8. Similarly, the sector's performance was enhanced by increased manufacture of non-food products, although some declines in production of some products were reported in 2018. Within this category, activities that steered growth included assembly of motor vehicles (15.7 per cent); manufacture of drugs (14.1 per cent) and laundry soap (11.8 per cent). However, manufacture of cement and that of clinker declined by 2.6 and 2.5 per cent, respectively, in the period under review. Credit to manufacturing activities increased from KSh 315.5 billion in 2017 to KSh 336.0 billion in 2018.

Electricity Supply

2.9. Kenya's reliance on renewable energy sources that are significantly less input intensive and favourable to the sector's performance continued to grow in 2018 with the introduction of additional power from wind and solar to the national grid. During the period under review, the proportion of electricity from renewable sources stood at 86.0 per cent compared to 75.5 per cent in 2017. This was on account of a significant growth (43.6 per cent) in hydroelectricity generation that was supported by heavy rains experienced in 2018. The Electricity Supply sub-sector grew by 10.5 per cent in 2018 compared to a growth of 8.9 per cent in 2017 partly as a consequence of the shift in the sources of generation from thermal to hydro generation. In 2018, geothermal electricity generation grew by 31.6 per cent to stand at 5,127 Gigawatt hours (GWh). The sector's performance was also boosted by a rise in wind and solar energy during the year. The substantial growth in hydro, wind and solar energy led to a considerable decline in generation from thermal sources (39.0 per cent) and electricity imports (43.3 per cent) during the review period.

Construction

2.10. Growth of the construction sector decelerated to 6.6 per cent in 2018 compared to 8.5 per cent in 2017. Notwithstanding the slowed growth, increased construction activities were evident in 2018 especially the ongoing construction of phase two of the Standard Gauge Railway (SGR) and other public investments in transportation infrastructure. The growth was reflected in the increase in consumption of cement from 5,856.6 million tonnes in 2017 to 5,948.7 million tonnes during the period under review. The growth was also partly attributed to notable increases in the importation of key construction materials. For instance, the quantity of cement imported increased while that of iron and steel bars rose two-fold in 2018. Growth in the length of roads constructed slowed to 9.5 per cent in 2018 compared to 30.6 per cent in 2017. Further, slowed performance was manifested in the uptake of credit to building and construction sector that increased marginally (1.8 per cent) in the review period compared to 6.8 per cent growth in 2017.

Transportation and Storage

2.11. Performance of the Transportation and Storage sector partly depends on the level of economic activity in goods related productive sectors. In 2018, the Transportation and Storage sector expanded by 8.8 per cent compared to 7.2 per cent in 2017. The growth realized in the sector emanated from notable growths in most of the transportation sub-sectors. The sector's growth was considerably supported by increased activity in railway transport that has flourished since the introduction of the Standard Gauge Railway (SGR) train services between Mombasa and Nairobi. The number of passenger and freight kilometres more than doubled, while those of passenger journeys and freight tonnage increased significantly during the review period. Revenue generated from railway transport increased from KSh 700 million in 2017 to KSh 1,743 million in 2018. Consumption of light diesel, which is a key input in road transportation increased by 4.2 per cent in 2018, a further reflection heightened activity in the sector.

2.12. In addition, the sector's growth was driven by increased water transport activities. During the review period, total throughput handled at the Mombasa Port increased by 2.2 per cent from 30.3 million tonnes in 2017 to 30.9 million tonnes in 2018. The volume of container traffic handled increased by 9.6 per cent from 1.2 million Twenty-foot Equivalent Units (TEUs) in 2017 to 1.3 million TEUs in 2018. In addition, vibrancy in the sector was reflected in the volume of light diesel and jet fuel transported for domestic consumption that grew by 9.6 and 2.6 per cent, respectively, in 2018. In the same breath, air transport sub-sector growth accelerated from 5.4 per cent in 2017 to 7.8 per cent in 2018.

Information and Communication

2.13. The Information and Communication Technologies (ICT) sector continued to be a key enabler of growth across most sectors of the economy as economic agents leverage on availability of technologies to grow their businesses and maximize returns from their investments. During the review period, the sector grew by 11.4 per cent in 2018 compared to 11.0 per cent in 2017. The sector's growth was bolstered by the continued expansion of the telecommunications sub-sector especially mobile telephony and internet services that have been integrated into most personal and business activities. Most telecommunications indicators pointed to accelerated activity in the sector. The number of call minutes rose by 26.8 per cent to 55.9 billion minutes in 2018 compared to 44.1 billion minutes in 2017. During the period under review, the number of mobile transactions increased significantly (65.5 per cent) while the total number of transactions rose from 1.5 billion in 2017 to 1.7 billion in 2018. A total of KSh 4.0 trillion was transacted through mobile money in 2018 compared to KSh 3.6 trillion recorded in 2017.

Financial and Insurance Activities

2.14. Performance of the financial and insurance sector was stronger in 2018 compared to constrained growth in 2017 following the introduction capping of interest rates in 2016. The growth realized in the period under review was mainly supported by considerable improvements in financial activities in spite of a deceleration in the growth of insurance activities. The sector expanded by 5.6 per cent in 2018 compared to 2.8 per cent in 2017. During the review period, domestic credit rose by 4.6 per cent in 2018 compared to 8.7 per cent in 2017. Growth of credit to the National Government was slower (13.6 per cent) in 2018 compared to 27.5 per cent in 2017. Similarly, credit to the private sector expanded by 1.9 per cent in 2018 compared to 4.1 per cent growth in 2017. Money supply rose by 10.1 per cent in 2018 compared to 9.6 per cent growth in 2017.

2.15. During the review period, interest income earned by commercial banks rose by 30.7 per cent from KSh 368.2 billion in 2017 to KSh 379.6 billion. This growth was mainly driven by interest from investment in government securities which increased by 13.4 per cent in the review period. The growth of interest income from loans and advances contracted by 1.7 per cent in 2018. Insurance activities slowed down to 5.2 per cent growth in 2018 from 6.5 per cent in 2017. This was evident in the slowdown in the growth of gross premium income from 13.6 per cent in 2017 to 5.3 per cent in 2018.

Accommodation and Food Services

2.16. The sector sustained the growth momentum that started in 2016 to grow by 16.6 per cent in 2018. This performance was against a backdrop of enhanced security situation in the country coupled with visits by heads of states and dignitaries, and international conferences. In addition, the growth was supported by withdrawal and relaxation of travel advisories, introduction of charter flights from key cities in Europe, increased flight frequency and routes, and the inauguration of the Nairobi-New York route in October 2018. During the review period, international visitor arrivals rose by 14.0 per cent in 2018 from 1,778.4 thousand in 2017 to 2,027.7 thousand in 2018. Consequently, hotel bed-nights occupied increased by 32.5 per cent in 2018 compared to 31.2 per cent in 2017. Similarly, the number of conferences increased by 7.8 per cent to stand at 4,321 in 2018. The improvement in tourism indicators was partly attributable to concerted marketing efforts such as branding of tourism products, digital marketing and global campaigns during the review period.

2.17. The gross domestic product at current prices and percentage share, categorized by economic activity, for the period 2014-2017 are presented in Table 2.1 and Table 2.2, respectively. The GDP valued at current prices increased by 9.3 per cent from KSh 8,144.4 billion in 2017 to KSh 8,905.0 billion in 2018. The structure of the economy remained largely unchanged in the review period, though some sectors gained notable prominence. Agriculture remained the dominant sector in the economy accounting for about a third of the total value of the economy. Other sectors that accounted for notable contribution to GDP were Taxes on products (8.7 per cent), Transportation and Storage (8.0 per cent) Manufacturing (7.7 per cent).

Table 2.1: Gross Domestic Product by Activity, 2014 - 2018

Industry	Current Prices, KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Agriculture, forestry and fishing	1,483,077.6	1,897,346.8	2,182,198.3	2,836,582.2	3,045,030.7
Growing of crops	1,066,344.4	1,446,375.9	1,700,542.1	2,314,190.1	2,476,478.5
Animal production	275,082.4	293,602.7	321,402.1	345,844.1	362,730.6
Support activities to agriculture	30,770.4	37,371.1	33,520.5	39,057.5	46,039.3
Forestry & logging	72,148.5	79,697.4	91,824.6	100,874.8	115,669.9
Fishing & aquaculture	38,731.9	40,299.8	34,909.0	36,615.7	44,112.4
Mining and quarrying	44,935.9	54,584.2	59,149.1	61,327.0	67,275.4
Manufacturing	537,999.2	588,895.6	654,456.2	655,331.8	689,341.3
Manufacture of food, beverages and tobacco	207,729.7	230,908.8	261,361.0	273,083.4	282,142.2
Other manufacturing and repair and installation	330,269.5	357,986.7	393,095.2	382,248.3	407,199.2
Electricity supply	55,190.2	89,358.4	131,617.5	145,693.3	159,217.2
Water supply; sewerage, waste management	42,102.0	46,813.7	50,500.3	56,021.0	60,110.4
Construction	262,090.2	307,562.8	360,802.6	453,475.7	483,536.3
Wholesale and retail trade; repairs	431,984.8	473,395.1	506,657.3	599,341.9	662,285.5
Transportation and storage	462,457.0	510,487.6	565,828.7	607,503.0	711,351.7
Land transport	351,796.1	379,320.1	409,406.4	425,033.9	487,723.0
Air transport including support services	16,960.5	18,896.1	26,246.6	29,477.6	41,164.0
All other transport including postal and courier activities	93,700.4	112,271.5	130,175.7	152,991.6	182,464.8
Accommodation and food service activities	49,151.4	49,356.2	51,644.8	56,589.0	66,630.1
Information and communication	65,592.1	91,200.0	104,765.0	109,864.7	117,244.6
Telecommunications	27,647.2	52,410.0	62,466.6	67,353.7	72,178.0
Publishing, broadcasting, other IT and information activities	37,945.0	38,790.1	42,298.4	42,511.0	45,066.5
Financial and insurance activities	366,764.1	423,956.1	496,333.9	500,481.5	534,882.5
Financial activities	261,281.6	326,609.0	386,056.9	386,705.6	424,013.4
Insurance activities	105,482.5	97,347.1	110,277.0	113,775.8	110,869.1
Real estate	417,828.9	474,317.6	532,668.5	575,139.0	625,711.8
Professional, scientific and technical activities	51,992.1	55,812.4	60,608.6	64,822.4	71,029.1
Administrative and support service activities	61,067.3	63,849.3	68,081.6	71,730.5	79,311.1
Public administration and defence	243,525.9	267,644.6	276,410.2	289,251.4	310,518.9
Education	279,543.5	308,128.0	309,512.8	326,680.3	383,181.0
Pre-primary and Primary education	126,156.0	137,520.8	137,030.5	163,452.5	194,974.4
General secondary education	96,580.8	107,461.7	98,028.0	84,276.3	103,424.0
Higher and other education	56,806.7	63,145.4	74,454.3	78,951.5	84,782.5
Human health and social work activities	91,968.8	108,022.7	119,775.3	125,665.4	134,760.6
Arts, entertainment and recreation	7,490.3	8,044.6	8,868.1	9,655.6	10,782.1
Other service activities	34,505.8	39,485.7	43,187.6	47,751.7	54,004.7
Activities of households as employers;	28,090.3	30,624.9	32,370.1	34,666.0	37,836.8
Financial Intermediation Services Indirectly Measured (FISIM)	-134,588.1	-163,306.1	-199,410.1	-159,989.7	-169,586.0
All economic activities	4,882,769.4	5,725,580.1	6,416,026.2	7,467,583.8	8,134,455.8
Taxes on products	519,878.1	558,604.8	606,936.9	676,788.9	770,528.1
GDP at market prices	5,402,647.5	6,284,184.9	7,022,963.1	8,144,372.7	8,904,983.9

* Provisional

† Revised

Table 2.2: Gross Domestic Product by Activity

Industry	Percentage Contribution to GDP				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Agriculture, forestry and fishing ...	27.5	30.2	31.1	34.8	34.2
Growing of crops ...	19.7	23.0	24.2	28.4	27.8
Animal production ...	5.1	4.7	4.6	4.2	4.1
Support activities to agriculture ...	0.6	0.6	0.5	0.5	0.5
Forestry & logging ...	1.3	1.3	1.3	1.2	1.3
Fishing & aquaculture ...	0.7	0.6	0.5	0.4	0.5
Mining and quarrying ...	0.8	0.9	0.8	0.8	0.8
Manufacturing ...	10.0	9.4	9.3	8.0	7.7
Manufacture of food, beverages and tobacco ...	3.8	3.7	3.7	3.4	3.2
Other manufacturing and repair and installation ...	6.1	5.7	5.6	4.7	4.6
Electricity supply ...	1.0	1.4	1.9	1.8	1.8
Water supply; sewerage, waste management ...	0.8	0.7	0.7	0.7	0.7
Construction ...	4.9	4.9	5.1	5.6	5.4
Wholesale and retail trade; repairs ...	8.0	7.5	7.2	7.4	7.4
Transportation and storage ...	8.6	8.1	8.1	7.5	8.0
Land transport ...	6.5	6.0	5.8	5.2	5.5
Air transport including support services ...	0.3	0.3	0.4	0.4	0.5
All other transport including postal and courier activities ...	1.7	1.8	1.9	1.9	2.0
Accommodation and food service activities ...	0.9	0.8	0.7	0.7	0.7
Information and communication ...	1.2	1.5	1.5	1.3	1.3
Telecommunications ...	0.5	0.8	0.9	0.8	0.8
Publishing, broadcasting, other IT and information activities ...	0.7	0.6	0.6	0.5	0.5
Financial and insurance activities ...	6.8	6.7	7.1	6.1	6.0
Financial activities ...	4.8	5.2	5.5	4.7	4.8
Insurance activities ...	2.0	1.5	1.6	1.4	1.2
Real estate ...	7.7	7.5	7.6	7.1	7.0
Professional, scientific and technical activities ...	1.0	0.9	0.9	0.8	0.8
Administrative and support service activities ...	1.1	1.0	1.0	0.9	0.9
Public administration and defence ...	4.5	4.3	3.9	3.6	3.5
Education ...	5.2	4.9	4.4	4.0	4.3
Primary education ...	2.3	2.2	2.0	2.0	2.2
General secondary education ...	1.8	1.7	1.4	1.0	1.2
Higher and other education ...	1.1	1.0	1.1	1.0	1.0
Human health and social work activities ...	1.7	1.7	1.7	1.5	1.5
Arts, entertainment and recreation ...	0.1	0.1	0.1	0.1	0.1
Other service activities ...	0.6	0.6	0.6	0.6	0.6
Activities of households as employers; ...	0.5	0.5	0.5	0.4	0.4
Financial Intermediation Services Indirectly Measured (FISIM)	-2.5	-2.6	-2.8	-2.0	-1.9
All economic activities	90.4	91.1	91.4	91.7	91.3
Taxes on products ...	9.6	8.9	8.6	8.3	8.7
GDP at market prices	100.0	100.0	100.0	100.0	100.0

* Provisional

⁺ Revised

2.18. Table 2.3 and Table 2.4 present the gross domestic product at constant 2009 prices and the real GDP growth rates from 2014 to 2018. Real GDP in absolute terms increased from KSh 4,509.8 billion in 2017 to KSh 4,794.8 billion in 2018, representing a growth rate of 6.3 per cent compared to 4.9 per cent in 2017. The growth was attributable to significant growth in key sectors of the economy during the period under review. In 2018, notable growths were recorded in Agriculture, Forestry and Fishing (6.4 per cent), Manufacturing (4.2 per cent), Transportation and Storage (8.8 per cent), and electricity supply (10.5 per cent).

Table 2.3: Gross Domestic Product by Activity

Industry	Constant 2009 Prices, KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Agriculture, forestry and fishing...	854,753.1	900,420.6	942,576.9	960,247.1	1,021,520.3
Growing of crops...	595,801.1	638,720.3	681,274.5	694,977.6	750,624.9
Animal production...	169,798.1	173,545.5	177,732.7	180,467.8	183,525.5
Support activities to agriculture...	24,189.1	24,641.2	20,007.2	19,480.4	19,475.1
Forestry & logging...	42,945.5	43,377.1	46,916.1	48,957.5	49,946.7
Fishing & aquaculture...	22,019.3	20,136.6	16,646.5	16,363.8	17,948.2
Mining and quarrying...	37,235.3	41,809.0	45,774.4	47,834.4	49,177.9
Manufacturing...	413,281.5	428,153.3	441,320.6	443,431.1	462,151.0
Manufacture of food, beverages and tobacco...	153,450.3	162,637.0	168,898.9	170,762.6	182,749.7
Other manufacturing and repair and installation...	259,831.2	265,516.3	272,421.7	272,668.5	279,401.3
Electricity supply...	61,461.4	68,499.1	75,039.0	81,705.5	90,278.1
Water supply; sewerage, waste management...	30,826.1	31,654.2	33,491.8	34,378.6	34,918.9
Construction...	185,696.5	211,314.0	232,246.2	251,968.9	268,646.2
Wholesale and retail trade; repairs...	294,356.9	311,746.4	323,433.1	341,843.5	363,437.7
Transportation and storage...	254,358.4	274,754.9	292,628.7	313,707.6	341,403.4
Land transport...	172,909.9	183,734.3	192,137.5	196,308.3	204,513.6
Air transport including support services...	21,508.0	21,274.8	20,972.6	22,098.8	23,828.7
All other transport including postal and courier activities...	59,940.5	69,745.8	79,518.6	95,300.5	113,061.1
Accommodation and food service activities...	43,657.0	43,086.3	48,802.8	55,776.2	65,034.4
Information and communication...	139,622.5	149,968.5	164,797.9	182,984.5	203,828.0
Telecommunications...	109,528.0	118,964.9	132,540.9	149,785.0	169,999.1
Publishing, broadcasting, other IT and information activities...	30,094.5	31,003.6	32,257.0	33,199.5	33,828.9
Financial and insurance activities...	229,819.3	251,441.9	268,821.1	276,477.1	291,837.1
Financial activities...	196,613.6	216,553.8	232,134.6	237,409.8	250,623.8
Insurance activities...	33,205.7	34,888.2	36,686.5	39,067.3	41,213.3
Real estate...	311,147.8	333,537.5	362,724.3	384,955.1	400,794.9
Professional, scientific and technical activities...	40,712.3	42,187.6	44,358.3	46,347.9	48,842.1
Administrative and support service activities...	49,361.1	50,113.0	52,059.7	53,627.2	57,060.1
Public administration and defence...	149,556.4	157,834.1	166,666.8	177,461.0	188,314.8
Education...	268,359.1	281,542.1	296,340.1	311,352.9	329,541.2
Pre-primary and Primary education...	112,041.0	113,890.9	117,305.3	121,161.8	126,083.0
General secondary education...	107,901.6	117,010.9	122,122.5	131,206.6	141,012.8
Higher and other education...	48,416.5	50,640.3	56,912.3	58,984.4	62,445.4
Human health and social work activities...	68,727.8	72,744.6	76,205.9	79,476.9	83,063.1
Arts, entertainment and recreation...	5,189.8	5,268.8	5,551.5	5,938.1	6,316.5
Other service activities...	25,989.5	27,551.0	29,212.5	31,254.6	33,346.4
Activities of households as employers;...	18,726.1	19,006.9	19,273.0	19,581.4	19,894.7
Financial Intermediation Services Indirectly Measured...	-96,762.8	-109,826.0	-110,331.3	-106,744.6	-107,871.6
All economic activities	3,386,074.9	3,592,808.1	3,810,993.6	3,993,605.0	4,251,535.3
Taxes on products...	456,110.9	469,093.4	489,705.0	516,216.7	543,297.3
GDP at market prices	3,842,185.8	4,061,901.5	4,300,698.6	4,509,821.7	4,794,832.6

* Provisional

⁺ Revised

Table 2.4: Gross Domestic Product by Activity

Industry	Percentage Changes (growth)				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Agriculture, forestry and fishing...	4.4	5.3	4.7	1.9	6.4
Growing of crops...	5.9	7.2	6.7	2.0	8.0
Animal production...	1.4	2.2	2.4	1.5	1.7
Support activities to agriculture...	-6.9	1.9	-18.8	-2.6	0.0
Forestry & logging...	3.3	1.0	8.2	4.4	2.0
Fishing & aquaculture...	2.1	-8.6	-17.3	-1.7	9.7
Mining and quarrying...	14.9	12.3	9.5	4.5	2.8
Manufacturing...	2.5	3.6	3.1	0.5	4.2
Manufacture of food, beverages and tobacco...	1.4	6.0	3.9	1.1	7.0
Other manufacturing and repair and installation...	3.2	2.2	2.6	0.1	2.5
Electricity supply...	7.3	11.5	9.5	8.9	10.5
Water supply; sewerage, waste management...	3.9	2.7	5.8	2.6	1.6
Construction...	13.1	13.8	9.9	8.5	6.6
Wholesale and retail trade; repairs...	6.9	5.9	3.7	5.7	6.3
Transportation and storage...	5.5	8.0	6.5	7.2	8.8
Land transport...	5.3	6.3	4.6	2.2	4.2
Air transport including support services...	-0.3	-1.1	-1.4	5.4	7.8
All other transport including postal and courier activities...	8.2	16.4	14.0	19.8	18.6
Accommodation and food services...	-16.7	-1.3	13.3	14.3	16.6
Information and communication...	14.5	7.4	9.9	11.0	11.4
Telecommunications...	20.1	8.6	11.4	13.0	13.5
Publishing, broadcasting, other IT and information activities...	-1.9	3.0	4.0	2.9	1.9
Financial and insurance activities...	8.3	9.4	6.9	2.8	5.6
Financial activities...	8.8	10.1	7.2	2.3	5.6
Insurance activities...	5.4	5.1	5.2	6.5	5.5
Real estate...	5.6	7.2	8.8	6.1	4.1
Professional, scientific and technical activities...	4.1	3.6	5.1	4.5	5.4
Administrative and support service activities...	2.4	1.5	3.9	3.0	6.4
Public administration and defence...	5.6	5.5	5.6	6.5	6.1
Education...	7.8	4.9	5.3	5.1	5.8
Primary education...	0.5	1.7	3.0	3.3	4.1
General secondary education...	14.9	8.4	4.4	7.4	7.5
Higher and other education...	11.0	4.6	12.4	3.6	5.9
Human health and social work activities...	8.1	5.8	4.8	4.3	4.5
Arts, entertainment and recreation...	3.0	1.5	5.4	7.0	6.4
Other service activities...	6.5	6.0	6.0	7.0	6.7
Activities of households as employers;...	1.5	1.5	1.4	1.6	1.6
Financial Intermediation Services Indirectly Measured...	11.3	13.5	0.5	-3.3	1.1
All industries at basic prices	5.6	6.1	6.1	4.8	6.5
Taxes on products...	3.4	2.8	4.4	5.4	5.2
GDP at market prices	5.4	5.7	5.9	4.9	6.3

* Provisional

⁺Revised

2.19. Table 2.5 shows the sources of economic growth for the period 2014-2018. There was a significant shift in the order of major contributors to growth in 2018 compared to 2017. In contrast with 2017 where Taxes on products, Real estate, Transportation and Storage and Construction activities were the major sources of growth, Agricultural and Manufacturing activities contributed more significantly to growth in 2018. Other sectors whose contribution

to the growth rose include Wholesale and Retail trade (7.6 per cent) and Information and Communication Technology (7.3 per cent).

Table 2.5: Sources of Growth, 2014-2018

Industry	Percentage Changes (growth)				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Agriculture, forestry and fishing	18.3	20.8	17.7	8.4	21.5
Growing of crops	17.0	19.5	17.8	6.6	19.5
Animal production	1.2	1.7	1.8	1.3	1.1
Support activities to agriculture	-0.9	0.2	-1.9	-0.3	0.0
Forestry & logging	0.7	0.2	1.5	1.0	0.3
Fishing & aquaculture	0.2	-0.9	-1.5	-0.1	0.6
Mining and quarrying	2.5	2.1	1.7	1.0	0.5
Manufacturing	5.2	6.8	5.5	1.0	6.6
Manufacture of food, beverages and tobacco	1.1	4.2	2.6	0.9	4.2
Other manufacturing and repair and installation	4.1	2.6	2.9	0.1	2.4
Electricity supply	2.1	3.2	2.7	3.2	3.0
Water supply; sewerage, waste management	0.6	0.4	0.8	0.4	0.2
Construction	11.0	11.7	8.8	9.4	5.9
Wholesale and retail trade; repairs	9.8	7.9	4.9	8.8	7.6
Transportation and storage	6.8	9.3	7.5	10.1	9.7
Land transport	4.5	4.9	3.5	2.0	2.9
Air transport including support services	0.0	-0.1	-0.1	0.5	0.6
All other transport including postal and courier activities	2.3	4.5	4.1	7.5	6.2
Accommodation and food services	-4.5	-0.3	2.4	3.3	3.2
Information and communication	9.1	4.7	6.2	8.7	7.3
Telecommunications	9.4	4.3	5.7	8.2	7.1
Publishing, broadcasting, other IT and information activities	-0.3	0.4	0.5	0.5	0.2
Financial and insurance activities	9.0	9.8	7.3	3.7	5.4
Financial activities	8.2	9.1	6.5	2.5	4.6
Insurance activities	0.9	0.8	0.8	1.1	0.8
Real estate	8.4	10.2	12.2	10.6	5.6
Professional, scientific and technical activities	0.8	0.7	0.9	1.0	0.9
Administrative and support service activities	0.6	0.3	0.8	0.7	1.2
Public administration and defence	4.0	3.8	3.7	5.2	3.8
Education	9.9	6.0	6.2	7.2	6.4
Primary education	0.3	0.8	1.4	1.8	1.7
General secondary education	7.2	4.1	2.1	4.3	3.4
Higher and other education	2.4	1.0	2.6	1.0	1.2
Human health and social work activities	2.6	1.8	1.4	1.6	1.3
Arts, entertainment and recreation	0.1	0.0	0.1	0.2	0.1
Other service activities	0.8	0.7	0.7	1.0	0.7
Activities of households as employers;	0.1	0.1	0.1	0.1	0.1
Financial Intermediation Services Indirectly Measured	-5.0	-5.9	-0.2	1.7	-0.4
All industries at basic prices	92.2	94.1	91.4	87.3	90.5
Taxes on products	7.8	5.9	8.6	12.7	9.5
GDP at market prices	100.0	100.0	100.0	100.0	100.0

*Provisional

⁺ Revised

2.20. The annual production accounts for all industries for the period 2014-2018 are presented in Table 2.6. The value of output for the whole economy increased by 9.0 per cent from KSh 12,601.3 billion in 2017 to KSh 13,741.0 billion in 2018. The value of goods extinguished during the process of production also known intermediate consumption rose by 9.2 per cent in 2018 compared to an increase of 11.8 per cent in 2017. The value of compensation of employees increased by 9.7 per cent to stand at KSh 2,596.6 billion in 2018. In contrast, the returns from capital and labour invested by unincorporated household enterprises known as the gross operating surplus/mixed income increased by 8.6 per cent in 2018 compared to a 16.1 per cent growth in 2017.

Table 2.6: Annual Production Accounts by Industry, 2014-2018

Industry	Current Prices, KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018 [*]
Agriculture, forestry and fishing					
Output at basic prices	1,762,894.2	2,212,670.7	2,530,971.2	3,256,542.9	3,519,960.9
Intermediate consumption	279,816.7	315,323.9	348,772.9	419,960.8	474,930.2
Value added, gross	1,483,077.5	1,897,346.9	2,182,198.3	2,836,582.2	3,045,030.7
Compensation of employees	153,842.7	209,470.7	233,317.7	307,608.6	336,228.6
Operating surplus/mixed income, gross	1,329,234.7	1,687,876.2	1,948,880.7	2,528,973.6	2,708,802.1
Mining and quarrying					
Output at basic prices	78,638.1	91,476.6	99,953.2	106,971.8	116,848.4
Intermediate consumption	33,702.2	36,892.4	40,804.1	45,644.8	49,573.0
Value added, gross	44,935.8	54,584.2	59,149.1	61,327.0	67,275.4
Compensation of employees	13,939.8	17,853.5	20,050.3	22,415.6	25,212.4
Operating surplus/mixed income, gross	30,996.0	36,730.7	39,098.8	38,911.4	42,063.0
Manufacturing					
Output at basic prices	1,820,368.6	1,977,169.4	2,131,906.6	2,245,376.2	2,407,188.0
Intermediate consumption	1,282,369.4	1,388,273.9	1,477,450.5	1,590,044.4	1,717,846.6
Value added, gross	537,999.2	588,895.6	654,456.2	655,331.8	689,341.3
Compensation of employees	147,452.7	163,392.4	174,767.8	189,219.4	206,031.1
Operating surplus/mixed income, gross	390,546.5	425,503.2	479,688.4	466,112.3	483,310.2
Electricity, gas and water supply					
Output at basic prices	175,522.9	208,879.2	252,365.8	271,765.0	284,673.3
Intermediate consumption	78,230.7	72,707.1	70,248.0	70,050.6	65,345.7
Value added, gross	97,292.2	136,172.1	182,117.8	201,714.4	219,327.7
Compensation of employees	27,753.5	28,426.2	33,487.1	36,395.2	39,710.1
Operating surplus/mixed income, gross	69,538.7	107,745.9	148,630.7	165,319.2	179,617.5
Construction					
Output at basic prices	683,375.5	804,219.4	826,005.9	1,036,451.7	1,098,083.4
Intermediate consumption	421,285.3	496,656.6	465,203.3	582,975.9	614,547.1
Value added, gross	262,090.2	307,562.8	360,802.6	453,475.7	483,536.3
Compensation of employees	126,564.1	185,234.9	188,669.9	282,227.8	258,431.8
Operating surplus/mixed income, gross	135,526.1	122,327.8	172,132.7	171,247.9	225,104.5
Wholesale and retail trade					
Output at basic prices	773,370.8	839,519.0	902,639.8	1,041,136.6	1,150,350.8
Intermediate consumption	341,386.0	366,124.0	395,982.5	441,794.7	488,065.4
Value added, gross	431,984.8	473,395.0	506,657.3	599,341.9	662,285.5
Compensation of employees	174,522.5	178,893.5	198,946.1	228,971.8	265,310.6
Operating surplus/mixed income, gross	257,462.3	294,501.6	307,711.2	370,370.1	396,974.9
Transportation and storage					
Output at basic prices	893,141.3	956,867.3	1,012,050.7	1,092,130.1	1,252,005.8
Intermediate consumption	430,684.3	446,379.6	446,222.0	484,627.1	540,654.1
Value added, gross	462,457.0	510,487.6	565,828.7	607,503.0	711,351.7
Compensation of employees	128,867.1	145,491.8	152,913.0	166,773.6	184,483.8
Operating surplus/mixed income, gross	333,590.0	364,995.9	412,915.7	440,729.4	526,868.0
Accommodation and Food Services					
Output at basic prices	113,502.5	116,720.2	134,506.8	157,597.0	186,456.8
Intermediate consumption	64,351.1	67,364.1	82,862.1	101,008.0	119,826.7
Value added, gross	49,151.4	49,356.2	51,644.8	56,589.0	66,630.1
Compensation of employees	30,466.0	33,887.2	35,256.6	38,141.7	40,574.9
Operating surplus/mixed income, gross	18,685.5	15,469.0	16,388.2	18,447.2	26,055.1
Information and communication					
Output at basic prices	259,000.4	280,434.0	311,894.7	345,636.8	390,175.1
Intermediate consumption	193,408.3	189,234.0	207,129.7	235,772.1	272,930.6
Value added, gross	65,592.1	91,200.0	104,765.0	109,864.7	117,244.6
Compensation of employees	55,138.2	62,602.5	71,234.2	80,374.4	90,610.7
Operating surplus/mixed income, gross	10,453.9	28,597.5	33,530.8	29,490.3	26,633.8
Financial and insurance activities					
Output at basic prices	492,197.7	555,690.2	621,269.4	637,415.3	660,802.5
Intermediate consumption	125,433.6	131,734.1	124,935.6	136,933.9	125,920.0
Value added, gross	366,764.1	423,956.1	496,333.9	500,481.5	534,882.5
Compensation of employees	102,494.6	83,194.4	88,275.2	130,366.9	134,128.6
Operating surplus/mixed income, gross	264,269.5	340,761.7	408,058.6	370,114.6	400,753.9

* Provisional

⁺ Revised

Table 2.6: Annual Production Accounts by Industry, 2014-2018 (Cont'd)

Industry	Current Prices				KSh Million
	2014	2015	2016 ⁺	2017 ⁺	
Real estate					
Output at basic prices	467,884.5	531,735.4	601,937.2	655,078.1	710,325.6
Intermediate consumption	50,055.6	57,417.8	69,268.8	79,939.1	84,613.8
Value added, gross	417,829.0	474,317.6	532,668.5	575,139.0	625,711.8
Compensation of employees	36,436.2	40,820.0	44,831.3	48,657.6	53,768.4
Operating surplus/mixed income, gross	381,392.8	433,497.6	487,837.1	526,481.4	571,943.3
Professional, scientific and technical activities					
Output at basic prices	72,949.8	74,811.6	80,434.8	86,798.3	94,976.7
Intermediate consumption	20,957.7	18,999.2	19,826.2	21,975.9	23,947.6
Value added, gross	51,992.1	55,812.3	60,608.6	64,822.4	71,029.1
Compensation of employees	30,387.4	32,551.0	34,298.4	37,067.2	40,777.0
Operating surplus/mixed income, gross	21,604.7	23,261.3	26,310.2	27,755.2	30,252.0
Administrative and support service activities					
Output at basic prices	72,793.7	75,865.7	80,656.0	85,440.4	94,997.5
Intermediate consumption	11,726.4	12,016.4	12,574.4	13,709.9	15,686.4
Value added, gross	61,067.3	63,849.3	68,081.6	71,730.5	79,311.1
Compensation of employees	25,975.8	32,114.0	47,440.4	54,199.3	61,130.1
Operating surplus/mixed income, gross	35,091.5	31,735.3	20,641.1	17,531.2	18,181.0
Public administration and defence					
Output at basic prices	417,741.7	499,173.7	520,587.5	595,742.7	655,100.8
Intermediate consumption	174,215.8	231,529.1	244,177.3	306,491.3	344,581.9
Value added, gross	243,526.0	267,644.5	276,410.2	289,251.4	310,518.9
Compensation of employees	191,805.9	203,751.2	208,239.4	217,422.6	252,070.6
Operating surplus/mixed income, gross	51,720.0	63,893.4	68,170.8	71,828.8	58,448.3
Education					
Output at basic prices	483,395.9	537,607.6	561,142.9	608,728.3	698,149.2
Intermediate consumption	203,852.4	229,479.6	251,630.1	282,048.0	314,968.3
Value added, gross	279,543.5	308,128.0	309,512.8	326,680.3	383,181.0
Compensation of employees	266,007.8	294,325.0	291,689.1	317,079.1	371,442.9
Operating surplus/mixed income, gross	13,535.6	13,803.0	17,823.6	9,601.3	11,738.0
Health and social work					
Output at basic prices	164,850.3	185,697.8	210,344.9	236,855.6	264,280.2
Intermediate consumption	72,881.4	77,675.2	90,569.6	111,190.2	129,519.5
Value added, gross	91,968.8	108,022.7	119,775.3	125,665.4	134,760.6
Compensation of employees	104,938.0	107,038.6	121,068.0	136,060.4	152,369.5
Operating surplus/mixed income, gross	-12,969.2	984.0	-1,292.7	-10,395.0	-17,608.9
Other service activities					
Output at basic prices	106,338.7	117,002.0	127,929.3	141,619.4	156,594.2
Intermediate consumption	36,252.3	38,846.9	43,503.5	49,546.1	53,970.6
Value added, gross	70,086.4	78,155.1	84,425.8	92,073.2	102,623.6
Compensation of employees	57,499.3	62,863.6	69,652.5	78,313.4	87,191.5
Operating surplus/mixed income, gross	12,587.1	15,291.5	14,773.3	13,759.9	15,432.1
Less: Financial services indirectly measured...					
Intermediate consumption	134,588.1	163,306.1	199,410.1	159,989.7	169,586.0
Value added, gross	-134,588.1	-163,306.1	-199,410.1	-159,989.7	-169,586.0
All industries at basic prices					
Output at basic prices	8,837,966.5	10,065,539.8	11,006,596.7	12,601,286.2	13,740,969.4
Intermediate consumption	3,955,197.2	4,339,959.8	4,590,570.5	5,133,702.4	5,606,513.5
Gross value added at basic prices	4,882,769.4	5,725,580.0	6,416,026.2	7,467,583.8	8,134,455.8
Other taxes on production	151,789.3	168,335.7	186,118.9	201,799.0	217,121.9
Less: Subsidies...					
Compensation of employees	1,674,091.6	1,881,910.6	2,014,137.0	2,371,294.7	2,599,472.8
Gross operating surplus/mixed income	3,056,888.5	3,675,333.8	4,215,770.3	4,894,490.1	5,317,861.2
Total economy					
Output at basic prices	8,837,966.5	10,065,539.8	11,006,596.7	12,601,286.2	13,740,969.4
Taxes on products less subsidies on products	519,878.1	558,604.8	606,936.9	676,788.9	770,528.1
Intermediate consumption	3,955,197.2	4,339,959.8	4,590,570.5	5,133,702.4	5,606,513.5
GDP at market prices	5,402,647.4	6,284,184.8	7,022,963.1	8,144,372.7	8,904,983.9

* Provisional

+ Revised

2.21. Table 2.7 and Table 2.8 provide details of the components of expenditure on GDP at current prices and their respective shares to GDP at market prices, respectively. Gross domestic expenditure grew by 9.3 per cent and surpassed KSh 10.0 trillion for the first time. The proportion of private consumption component and that of Government increased slightly during the review period. The share of Gross Fixed Capital Formation (GFCF) declined from 18.0 per cent in 2017 to 17.3 per cent in 2018. Contribution of import of goods and services eased to 23.0 per cent in 2018 from 24.2 per cent in 2017 as a result of a slowed growth in the value of imported goods and services.

Table 2.7: Expenditure on the Gross Domestic Product, 2014-2018

Expenditure category	Current Prices - KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Government final consumption expenditure...	750,449.8	885,292.6	908,698.8	1,035,239.0	1,149,987.9
Private final consumption expenditure	4,272,830.4	4,907,346.9	5,483,790.6	6,582,985.9	7,209,084.6
Final consumption expenditure by NPISH	43,709.1	47,726.1	52,412.1	62,166.1	71,936.4
Gross fixed capital formation	1,236,106.8	1,358,366.4	1,238,163.9	1,469,649.7	1,543,417.2
Changes in inventories	-24,203.4	-9,406.0	43,909.7	61,312.9	98,907.0
Gross domestic expenditure	6,278,892.7	7,189,326.1	7,726,975.1	9,211,353.5	10,073,333.0
Exports of goods and services	988,521.4	1,042,699.8	1,005,110.0	1,079,589.0	1,173,323.0
Imports of goods and services	1,782,945.2	1,735,621.3	1,638,837.6	1,973,678.0	2,048,607.4
Discrepancy ¹	-81,821.4	-212,219.7	-70,284.4	-172,891.8	-293,064.8
Gross domestic product at market prices	5,402,647.5	6,284,184.9	7,022,963.1	8,144,372.7	8,904,983.9

¹ Difference between GDP production approach and GDP expenditure approach

² Non Profit Institutions Serving Households

⁺ Provisional

⁺ Revised

Table 2.8: Expenditure on the Gross Domestic Product, 2014-2018

Expenditure category	Percentage contribution to GDP				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Government final consumption expenditure	13.9	14.1	12.9	12.7	12.9
Private final consumption expenditure	79.1	78.1	78.1	80.8	81.0
Final consumption expenditure by NPISH	0.8	0.8	0.7	0.8	0.8
Gross fixed capital formation	22.9	21.6	17.6	18.0	17.3
Changes in inventories	-0.4	-0.1	0.6	0.8	1.1
Gross domestic expenditure	116.2	114.4	110.0	113.1	113.1
Exports of goods and services	18.3	16.6	14.3	13.3	13.2
Imports of goods and services	33.0	27.6	23.3	24.2	23.0
Discrepancy	-1.5	-3.4	-1.0	-2.1	-3.3
Gross domestic product at market prices	100.0	100.0	100.0	100.0	100.0

⁺ Provisional

⁺ Revised

2.22. Components of expenditure on GDP valued at constant prices are presented in Table 2.9. Growth of real gross domestic expenditure decelerated from 7.5 per cent growth in 2017 to 5.6 per cent growth in 2018. This was mainly on account of slower growth in private consumption expenditure from 7.6 per cent in 2017 to 5.9 per cent in 2018. The value of exports of goods and services rallied from a contraction of 6.8 per cent in 2017 to grow by 4.0 per cent in 2018. On the other hand, the growth in the value of import of goods and services slowed down considerably during the period under review.

Table 2.9: Expenditure on the Gross Domestic Product, 2014-2018

Expenditure category	Constant 2009 Prices - KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Government final consumption expenditure ...	541,923.3	604,354.0	638,182.7	670,758.5	677,726.6
Private final consumption expenditure ...	2,946,394.6	3,099,387.2	3,246,947.4	3,494,235.8	3,699,113.0
Final consumption expenditure by NPISH ...	33,502.3	34,328.3	35,277.7	36,519.2	37,666.9
Gross fixed capital formation ...	828,130.5	882,676.9	801,203.5	852,608.4	898,016.9
Changes in inventories ...	-33,774.3	-48,543.9	-4,168.4	18,571.0	46,589.6
Gross domestic expenditure	4,316,176.5	4,572,202.5	4,717,442.9	5,072,693.0	5,359,113.0
Exports of goods and services ...	753,318.1	800,053.0	782,459.1	729,361.0	758,857.2
Imports of goods and services ...	1,249,557.9	1,264,204.0	1,221,080.7	1,326,742.9	1,361,542.5
Discrepancy ¹ ...	22,249.1	-46,150.1	21,877.3	34,510.7	47,552.9
Gross domestic product at market prices	3,842,185.8	4,061,901.5	4,300,698.6	4,509,821.7	4,794,832.6

¹ Difference between GDP production approach and GDP expenditure approach

⁺ Provisional

^{*} Revised

Table 2.10: Expenditure on the Gross Domestic Product, 2014-2018

Expenditure category	Percentage Changes (growth)				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Government final consumption expenditure ...	1.7	11.5	5.6	5.1	1.0
Private final consumption expenditure ...	4.3	5.2	4.8	7.6	5.9
Final consumption expenditure by NPISH ...	1.1	2.5	2.8	3.5	3.1
Gross fixed capital formation ...	14.2	6.6	-9.2	6.4	4.6
Gross domestic expenditure	5.1	5.9	3.2	7.5	5.5
Exports of goods and services ...	5.8	6.2	-2.2	-6.8	4.0
Imports of goods and services ...	10.4	1.2	-3.4	8.7	2.6
Gross domestic product at market prices	5.4	5.7	5.9	4.9	6.3

⁺ Provisional

^{*} Revised

2.23. Table 2.11a and Table 2.11b provide details of the value of additions to fixed assets by type at current prices and their respective shares for the period 2014-2018. The value of additions to fixed assets increased from KSh 1,469.7 billion in 2017 to KSh 1,543.4 billion in 2018. The value of new dwellings declined in 2018 compared to a significant growth in 2017. Similarly, the value of new transport equipment went down by 7.2 per cent in 2018 after a notable rise in 2017. Nevertheless, the value of buildings other than dwellings and other structures increased during the review period.

Table 2.11a: Gross Fixed Capital Formation, 2014-2018

Type of Asset	Current Prices - KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Dwellings ...	231,539.4	257,321.8	270,288.8	340,606.3	323,229.5
Buildings other than dwellings ...	224,903.7	245,175.2	261,494.0	328,709.7	366,460.0
Other structures ...	133,705.7	180,303.8	166,104.1	175,443.4	250,617.5
Transport equipment ...	298,121.2	302,856.1	175,506.7	215,455.1	199,973.1
ICT equipment ...	57,895.6	73,406.8	79,052.1	93,805.5	79,093.8
Other machinery and equipment ...	249,141.3	251,647.9	232,367.7	259,474.9	260,563.8
Animal resources yielding repeat products ...	9,673.8	10,437.8	11,870.3	11,161.1	12,564.8
Tree, crop and plant resources yielding repeat products ..	6,321.8	6,615.7	6,987.5	7,373.1	7,257.1
Intellectual property products ...	24,804.2	30,601.3	34,492.7	37,620.5	43,657.5
Total	1,236,107	1,358,366	1,238,164	1,469,650	1,543,417

* Provisional

⁺ Revised

Table 2.11b: Gross Fixed Capital Formation, 2014-2018

Type of Asset	Percentage Contribution				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Dwellings	18.7	18.9	21.8	23.2	20.9
Buildings other than dwellings	18.2	18.0	21.1	22.4	23.7
Other structures	10.8	13.3	13.4	11.9	16.2
Transport equipment	24.1	22.3	14.2	14.7	13.0
ICT equipment	4.7	5.4	6.4	6.4	5.1
Other machinery and equipment	20.2	18.5	18.8	17.7	16.9
Animal resources yielding repeat products	0.8	0.8	1.0	0.8	0.8
Tree crop and plant resources yielding repeat products ..	0.5	0.5	0.6	0.5	0.5
Intellectual property products	2.0	2.3	2.8	2.6	2.8
Total	100.0	100.0	100.0	100.0	100.0

* Provisional

⁺ Revised

2.24. The values of real GFCF by type of asset and the respective growth rates recorded in the period 2014-2018 are presented in tables 2.12a and 2.12b. The value of real GFCF slowed down to 4.6 per cent in 2017 compared to 6.4 per cent growth in 2018. Generally, real value of additions to dwellings, transport and ICT equipment, and tree crop and plant resources yielding repeat products contracted during the period under review. However, growth in the value of buildings other than dwellings, and other structures improved substantially during the review period.

Table 2.12a: Gross Fixed Capital Formation, 2014-2018

Type of Asset	Constant 2009 Prices - KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Dwellings	172,081.5	188,006.1	190,085.2	218,645.2	205,755.6
Buildings other than dwellings	170,332.3	182,274.6	188,150.0	215,341.2	237,821.6
Other structures	101,262.9	134,046.2	119,515.1	114,934.9	162,643.3
Transport equipment	225,839.3	218,524.5	123,996.9	147,783.2	125,239.0
ICT equipment	36,357.4	34,520.7	47,412.4	48,424.6	46,323.1
Other machinery and equipment	90,861.9	89,126.3	91,804.1	66,295.7	69,476.5
Animal resources yielding repeat products	5,944.2	6,104.4	6,942.2	6,344.9	6,612.8
Tree crop and plant resources yielding repeat products	4,970.5	5,047.0	5,173.0	5,291.4	4,992.1
Intellectual property products	20,480.4	25,027.1	28,124.6	29,547.5	32,670.0
Total	828,130.5	882,677.0	801,203.5	852,608.5	891,534.0

* Provisional

⁺ Revised

Table 2.12b: Gross Fixed Capital Formation, 2014-2018

Type of Asset	Percentage Changes (growth)				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Dwellings	9.8	9.3	1.1	15.0	-5.9
Buildings other than dwellings	8.9	7.0	3.2	14.5	10.4
Other structures	16.2	32.4	-10.8	-3.8	41.5
Transport equipment	60.4	-3.2	-43.3	19.2	-15.3
ICT equipment	-23.9	-5.1	37.3	2.1	-4.3
Other machinery and equipment	-14.4	-1.9	3.0	-27.8	4.8
Animal resources yielding repeat products	-3.7	2.7	13.7	-8.6	4.2
Tree crop and plant resources yielding repeat products	-11.3	1.5	2.5	2.3	-5.7
Intellectual property products	11.6	22.2	12.4	5.1	10.6
Total	14.2	6.6	-9.2	6.4	4.6

* Provisional

⁺ Revised

2.25. Table 2.13 and Table 2.14 present the relationship between the GDP and Gross National Income (GNI) for the period 2014 to 2018. The GNI valued at current prices increased by 9.4 per cent to stand at KSh 8,831.2 billion in 2018 from KSh 8,074.6 billion in 2017. Gross domestic product per capita rose from KSh 174,790.7 in 2017 to KSh 186,296.7 in 2018. Primary incomes receivable from the rest of the world increased from KSh 61.5 billion in 2017 to KSh 72.9 billion in the year under review. Current transfers receivable from the rest of the world increased rose by 9.9 per cent to stand at KSh 511.8 billion in 2018. Gross National Disposable Income increased from KSh 8,534.6 billion in 2017 to KSh 9,338.4 billion in 2018.

Table 2.13: Gross Domestic Product and Gross National Income, 2014-2018

	Current Prices - KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018*
Current Prices, KSh Million					
Compensation of employees.....	1,674,091.6	1,881,910.6	2,014,137.0	2,371,294.7	2,599,472.8
Consumption of fixed capital.....	730,421.6	815,724.1	861,559.4	1,181,772.8	1,307,215.2
Net operating surplus.....	2,478,256.2	3,027,945.4	3,540,329.8	3,914,516.3	4,227,767.9
Taxes on products.....	519,878.1	558,604.8	606,936.9	676,788.9	770,528.1
Gross domestic product at market prices...	5,402,647.5	6,284,184.9	7,022,963.1	8,144,372.7	8,904,983.9
Primary incomes					
Receivable from the rest of the world.....	43,643.4	48,298.1	72,903.1	61,523.8	72,895.3
Payable to rest of the world.....	-119,981.0	-115,459.3	-112,101.1	-131,317.4	-146,651.1
Gross national income at market prices....	5,326,309.9	6,217,023.7	6,983,765.1	8,074,579.0	8,831,228.1
Current transfers					
Receivable from the rest of the world.....	327,853.4	345,217.9	333,039.1	465,762.6	511,848.0
Payable to rest of the world.....	-17,853.1	-6,217.3	-5,191.9	-5,787.4	-4,654.7
Gross national disposable income.....	5,636,310.2	6,556,024.3	7,311,612.3	8,534,554.3	9,338,421.5
Per capita, KSh					
Gross domestic product at market prices.....	125,756.5	142,315.9	154,802.3	174,790.7	186,296.7
Gross national income at market prices.....	123,979.6	140,795.0	153,938.3	173,292.8	184,753.7
Constant prices					
GDP at market prices, KSh Million.....	3,842,031.7	4,061,901.4	4,300,698.6	4,509,821.7	4,794,832.6
Per capita.....	89,430.3	91,988.6	94,797.3	96,787.7	100,310.3
- Annual percentage change.....	2.5	2.9	3.1	2.1	3.6

* Provisional

⁺ Revised

Table 2.14: National Disposable Income and Saving, 2014-2018

	2014	2015	2016 ⁺	2017 ⁺	2018*
Gross national disposable income.....	5,636,310.2	6,556,024.3	7,311,612.3	8,534,554.3	9,338,421.5
Consumption of fixed capital.....	730,421.6	815,724.1	861,559.4	1,181,772.8	1,307,215.2
Net national disposable income.....	4,905,888.6	5,740,300.2	6,450,053.0	7,352,781.5	8,031,206.3
Final consumption expenditure.....	5,066,989.3	5,840,365.7	6,444,901.5	7,680,390.9	8,431,008.8
Private	4,272,830.4	4,907,346.9	5,483,790.6	6,582,985.9	7,209,084.6
Non-Profit Institutions Serving Households.....	43,709.1	47,726.1	52,412.1	62,166.1	71,936.4
General government.....	750,449.8	885,292.6	908,698.8	1,035,239.0	1,149,987.9
Saving, net.....	-161,100.7	-100,065.5	5,151.5	-327,609.4	-399,802.5
Financing of capital formation					
Saving, net.....	-161,100.7	-100,065.5	5,151.5	-327,609.4	-399,802.5
Capital transfers from abroad, net.....	24,204.0	25,219.0	20,878.0	19,046.0	26,593.0
Total.....	-136,896.7	-74,846.5	26,029.5	-308,563.4	-373,209.5
Gross fixed capital formation.....	1,236,106.8	1,358,366.4	1,238,163.9	1,469,649.7	1,540,575.6
Consumption of fixed capital.....	-730,421.6	-815,724.1	-861,559.4	-1,181,772.8	-1,307,215.2
Changes in inventories.....	-24,203.4	-9,406.0	43,909.7	61,312.9	98,907.0
Net lending (+) / Net borrowing(-).....	-618,378.5	-608,082.8	-394,484.8	-657,753.3	-705,476.9
Total.....	-136,896.7	-74,846.5	26,029.5	-308,563.4	-373,209.5

* Provisional

⁺ Revision

Table 2.15: Gross Domestic Product by Activity

Current prices – KSh million

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & Food services	Transport and storage	Information and communication	Financial & insurance
2014		1,483,077	44,936	537,999	97,292	262,090	431,985	49,151	462,457	65,592	366,764
2015		1,897,347	54,584	588,896	136,172	307,563	473,395	49,356	510,488	91,200	423,956
2016		2,182,198	59,149	654,456	182,118	360,803	506,657	51,645	565,829	104,765	496,334
2017		2,836,582	61,327	655,332	201,714	453,476	599,342	56,589	607,503	109,865	500,481
2018		3,045,031	67,275	689,341	219,328	483,536	662,285	66,630	711,352	117,245	534,883
2014	1	436,992	12,620	137,265	19,600	56,848	101,617	14,694	96,188	16,681	86,427
	2	385,837	9,945	134,877	23,663	67,642	106,012	10,466	114,294	14,934	92,478
	3	350,835	10,462	133,898	28,545	67,304	117,757	11,529	122,293	15,286	85,762
	4	309,413	11,908	131,959	25,484	70,297	106,599	12,463	129,683	18,691	102,097
2015	1	534,000	15,585	148,738	26,498	69,183	110,929	13,444	115,974	20,173	97,089
	2	518,224	12,524	149,153	31,461	75,824	116,800	10,579	122,522	19,430	102,277
	3	454,378	14,276	149,855	37,744	77,348	130,080	12,404	131,740	21,572	104,338
	4	390,746	12,199	141,150	40,468	85,208	115,586	12,929	140,252	30,026	120,252
2016 ⁺	1	571,026	14,632	162,278	37,233	78,569	114,125	12,905	111,750	24,734	114,804
	2	657,571	14,015	171,750	51,357	90,787	120,130	10,762	143,429	23,047	122,645
	3	545,085	14,127	169,299	47,467	94,565	142,303	13,770	151,953	24,077	122,242
	4	408,517	16,375	151,130	46,062	96,881	130,099	14,208	158,697	32,907	136,643
2017 ⁺	1	819,798	15,196	167,319	43,727	95,596	133,328	15,471	121,156	27,864	131,786
	2	818,757	14,173	171,066	56,637	112,439	144,893	11,076	153,818	24,530	115,228
	3	701,807	15,806	167,047	52,077	115,163	171,429	14,494	157,371	24,670	129,063
	4	496,220	16,153	149,899	49,274	130,278	149,691	15,548	175,158	32,801	124,404
2018 [*]	1	873,167	17,917	179,692	50,174	99,727	146,073	17,793	146,237	29,134	139,181
	2	861,238	16,879	179,927	62,396	118,906	158,662	12,562	173,992	26,083	122,541
	3	737,692	17,553	178,286	54,580	125,022	190,013	17,770	180,289	25,909	143,396
	4	572,933	14,926	151,436	52,178	139,881	167,537	18,505	210,833	36,119	129,766

+ Revised

* Provisional

Table 2.15: Gross Domestic Product by Activity (Cont'd)

Year	Quarter	Current prices – KSh million										
		Public administration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2014		243,526	113,059	417,829	279,543	91,969	70,086	-134,588	4,882,769	519,878	5,402,647	
2015		267,645	119,662	474,318	308,128	108,023	78,155	-163,306	5,725,580	558,605	6,284,185	
2016		276,410	128,690	532,668	309,513	119,775	84,426	-199,410	6,416,026	606,937	7,022,963	
2017		289,251	136,553	575,139	326,680	125,665	92,073	-159,990	7,467,584	676,789	8,144,373	
2018		310,519	150,340	625,712	383,181	134,761	102,624	-169,586	8,134,456	770,528	8,904,984	
2014	1	59,526	25,433	100,053	73,210	19,926	16,711	-31,803	1,241,987	120,003	1,361,990	1,288,420
	2	64,979	26,922	103,610	69,185	23,211	17,056	-34,101	1,231,010	132,308	1,363,319	1,336,387
	3	56,852	29,301	106,168	67,468	23,397	17,547	-31,145	1,213,259	138,105	1,351,363	1,372,385
	4	62,169	31,404	107,998	69,681	25,435	18,772	-37,540	1,196,513	129,462	1,325,976	1,421,752
2015	1	61,680	28,113	112,025	82,655	23,440	18,850	-34,980	1,443,395	127,051	1,570,446	1,489,901
	2	73,264	28,820	116,320	77,790	27,581	19,139	-41,144	1,460,563	140,784	1,601,347	1,550,622
	3	63,165	30,578	120,972	75,104	27,553	19,962	-38,023	1,433,047	147,978	1,581,026	1,599,166
	4	69,535	32,151	125,001	72,579	29,449	20,204	-49,159	1,388,575	142,791	1,531,366	1,664,582
2016*	1	63,756	30,160	124,111	84,224	26,114	20,568	-47,690	1,543,299	136,166	1,679,465	1,610,651
	2	75,965	31,446	133,794	78,358	30,864	20,673	-52,946	1,723,646	150,248	1,873,894	1,783,197
	3	66,057	32,613	136,041	75,207	31,121	21,543	-49,026	1,638,444	163,975	1,802,418	1,815,732
	4	70,632	34,471	138,723	71,724	31,676	21,642	-49,747	1,510,638	156,548	1,667,186	1,831,295
2017*	1	63,186	31,812	140,491	82,540	28,306	22,454	-43,896	1,896,133	156,752	2,052,885	1,950,461
	2	74,816	33,834	142,058	81,902	32,283	22,363	-34,066	1,975,808	161,546	2,137,355	2,045,417
	3	71,892	34,075	143,845	81,496	32,039	23,442	-41,546	1,894,171	183,253	2,077,424	2,084,588
	4	79,357	36,832	148,744	80,742	33,037	23,814	-40,482	1,701,471	175,238	1,876,708	2,077,100
2018*	1	69,320	35,084	152,249	96,989	30,085	24,982	-41,671	2,066,134	176,554	2,242,688	2,148,112
	2	81,194	37,668	154,706	96,105	34,349	25,151	-35,125	2,127,234	184,885	2,312,119	2,190,762
	3	76,958	37,749	158,408	95,148	35,466	26,152	-48,218	2,052,173	207,470	2,259,643	2,260,640
	4	83,046	39,838	160,349	94,939	34,861	26,340	-44,572	1,888,915	201,619	2,090,534	2,324,309

+ Revised

* Provisional

Table 2.16 Gross Domestic Product by Activity

Constant 2009 Prices –KSh Million

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity & water supply	Construction	Wholesale and retail trade	Accommodation & Food Services	Transport and storage	Information and communication	Financial & insurance
2014		854,753	37,235	413,281	92,287	185,696	294,357	43,657	254,358	139,623	229,819
2015		900,421	41,809	428,153	100,153	211,314	311,746	43,086	274,755	149,969	251,442
2016		942,577	45,774	441,321	108,531	232,246	323,433	48,803	292,629	164,798	268,821
2017		960,247	47,834	443,431	116,084	251,969	341,844	55,776	313,708	182,984	276,477
2018		1,021,520	49,178	462,151	125,197	268,646	363,438	65,034	341,403	203,828	291,837
2014	1	258,061	10,328	107,565	21,913	42,844	69,357	13,255	55,497	33,400	55,414
	2	235,675	8,559	105,381	23,137	47,230	72,442	8,222	61,810	28,658	56,443
	3	186,756	8,875	101,099	23,347	46,631	80,704	10,060	66,670	31,939	58,071
	4	174,261	9,473	99,237	23,891	48,991	71,853	12,120	70,381	45,626	59,891
2015	1	278,159	11,264	110,681	24,065	48,368	73,285	11,863	60,081	36,374	61,036
	2	246,049	9,743	108,578	25,884	52,970	75,995	8,067	67,351	31,030	61,392
	3	194,167	10,518	105,799	25,483	54,538	86,325	10,145	73,543	33,838	64,906
	4	182,046	10,284	103,095	24,722	55,438	76,142	13,011	73,781	48,726	64,108
2016 ⁺	1	288,113	11,918	112,263	26,535	52,841	75,409	12,844	65,028	40,207	65,775
	2	264,708	10,655	113,942	28,859	56,833	77,327	9,193	71,342	33,813	65,981
	3	198,184	11,402	109,985	27,198	59,926	89,876	11,505	76,528	36,870	69,060
	4	191,572	11,799	105,131	25,939	62,646	80,821	15,260	79,730	53,907	68,006
2017 ⁺	1	299,798	12,607	114,058	28,702	57,039	77,974	15,950	69,807	45,590	68,294
	2	266,476	11,111	113,978	31,258	62,032	81,157	10,328	75,990	37,685	68,147
	3	203,662	11,918	110,093	28,782	63,193	95,794	12,886	80,465	40,837	70,660
	4	190,312	12,199	105,302	27,342	69,705	86,919	16,613	87,445	58,872	69,375
2018 [*]	1	322,164	12,906	118,585	30,579	60,823	82,563	18,046	75,720	51,303	71,853
	2	284,042	11,432	119,577	33,884	65,397	86,232	11,916	82,395	41,839	71,265
	3	217,617	12,313	115,403	31,018	67,637	102,088	14,914	87,676	44,853	74,468
	4	197,697	12,527	108,586	29,716	74,790	92,554	20,159	95,613	65,833	74,251

+ Revised

* Provisional

Economic Survey 2019

Table 2.17: Gross Domestic Product by Activity (Cont'd)

Constant 2009 prices – Kshs million

Year	Quarter	Public administration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2014		5.6	3.2	5.6	7.8	8.1	4.2	11.3	5.6	3.4	5.4	
2015		5.5	2.5	7.2	4.9	5.8	3.9	13.5	6.1	2.8	5.7	
2016		5.6	4.5	8.8	5.3	4.8	4.3	0.5	6.1	4.4	5.9	
2017		6.5	3.7	6.1	5.1	4.3	5.1	-3.3	4.8	5.4	4.9	
2018		6.1	5.9	4.1	5.8	4.5	4.9	1.1	6.5	5.2	6.3	
2014	1	4.9	0.7	4.9	9.0	4.6	5.3	8.1	5.2	5.0	5.2	2.0
	2	12.8	2.4	5.6	8.6	7.9	4.6	10.8	6.3	4.0	6.0	1.6
	3	-6.6	4.0	6.4	7.2	8.8	2.9	12.8	5.2	0.9	4.6	0.6
	4	11.9	5.2	5.4	6.4	10.8	4.0	13.4	5.8	4.2	5.6	1.4
2015	1	-1.4	7.0	6.3	4.4	5.2	3.8	13.3	6.2	1.9	5.7	2.0
	2	9.1	4.0	6.9	4.7	6.1	3.8	13.1	5.9	2.7	5.6	1.1
	3	8.8	0.7	7.0	4.9	6.2	6.0	12.7	6.8	1.3	6.1	1.7
	4	5.7	-1.0	8.6	5.6	5.8	1.8	14.9	5.5	5.5	5.5	0.5
2016 ⁺	1	6.0	3.5	9.6	5.6	4.8	4.4	7.0	5.4	2.2	5.0	1.7
	2	7.2	5.7	8.9	5.3	5.2	4.2	3.0	6.8	1.7	6.2	2.0
	3	5.5	4.0	8.4	5.7	5.7	4.4	-1.3	5.4	3.4	5.1	1.1
	4	3.5	4.6	8.2	4.4	3.4	4.1	-5.9	6.8	10.1	7.2	1.7
2017 ⁺	1	3.8	3.4	6.4	5.0	3.3	6.0	-1.2	5.3	4.0	5.2	0.3
	2	4.8	5.0	6.3	4.6	5.0	4.7	-4.9	4.2	6.0	4.4	1.2
	3	6.5	2.1	6.1	4.4	4.6	4.6	-1.2	4.5	4.6	4.5	1.4
	4	11.0	4.2	5.7	6.2	4.2	4.9	-5.7	5.1	6.9	5.3	2.2
2018 ⁺	1	6.2	6.1	5.3	4.9	4.5	4.2	0.2	6.7	5.7	6.6	1.7
	2	5.9	7.5	4.6	5.7	4.1	5.1	0.1	6.4	5.5	6.3	1.1
	3	6.1	6.7	3.8	5.9	5.5	4.9	1.7	6.6	5.6	6.4	1.4
	4	6.4	3.6	2.8	6.9	4.0	5.3	2.2	6.2	4.3	5.9	1.5

+ Revised

* Provisional

Employment, Earnings and Consumer Prices

Chapter
03

Overview Employment in the modern and informal sectors, excluding small scale farming and pastoralist activities, went up from 16.9 million in 2017 to 17.8 million in 2018. Total new jobs generated in the economy were 840.6 thousand in 2018. Employment in the modern sector recorded a growth of 2.8 per cent in 2018 compared to 4.2 per cent in 2017. In the year under review, a total of 78.4 thousand jobs were created in the modern sector. The total number of self-employed and unpaid family workers within the modern sector was estimated to have increased from 139.4 thousand in 2017 to 152.2 thousand in 2018. The informal sector created 762.1 thousand new jobs in 2018 compared to 794.4 thousand new jobs in 2017.

3.2. Overall, the nominal wage bill for private and public sectors rose from KSh 1,817.3 billion in 2017 to KSh 2,010.2 billion in 2018. Nominal average earnings in the modern sector per person increased from KSh 666,241.1 per annum in 2017 to KSh 716,934.7 per annum in 2018. The annual inflation as measured by the Consumer Price Index (CPI), decreased from 8.0 per cent in 2017 to 4.7 per cent in 2018. Real average earnings rose by 3.2 per cent in 2018 compared to a decline of 2.7 per cent recorded in the previous year.

Employment 3.3. As indicated in Table 3.1, the number of persons engaged outside small scale agriculture and pastoralist activities rose from 16.9 million in 2017 to 17.8 million in 2018, representing a 5.0 per cent growth. This implies that the economy generated an extra 840.6 thousand jobs in 2018. In the modern sector, total employment increased from 2.8 million persons in 2017 to 2.9 million persons in 2018. Jobs in the informal sector which constituted 83.6 per cent of total employment, increased by 5.4 per cent to 14.9 million persons. The number of self-employed and unpaid family workers within the modern sector was estimated to have increased from 139.4 thousand in 2017 to 152.2 thousand in 2018.

Table 3.1: Total Recorded Employment¹, 2014 - 2018

	'000				
	2014	2015	2016	2017	2018*
Modern Establishments					
Wage Employees	2,401.8	2,513.7	2,592.0	2,699.5	2,765.1
Self-employed and unpaid family workers	103.0	123.2	132.5	139.4	152.2
Sub -Total	2,504.8	2,636.9	2,724.5	2,838.9	2,917.3
Informal Sector ²	11,851.0	12,566.2	13,308.3	14,103.8	14,865.9
TOTAL	14,355.8	15,203.1	16,032.8	16,942.7	17,783.2

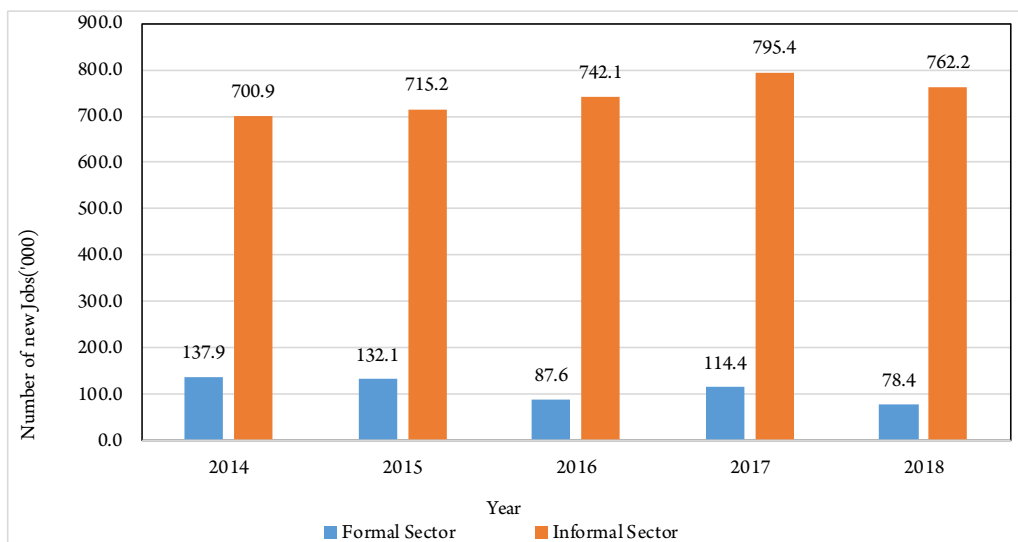
* Provisional

¹ Refers to employment stock as at 30th June and excludes small scale farming and pastoralist activities.

² Estimated

3.4. The trend in the number of new jobs created in both the modern and informal sector for the period 2014 to 2018 is presented in Figure 3.1. New jobs created in the modern sector declined from 114.4 thousand in 2017 to 78.4 thousand in 2018. This decline was partly attributed to expiry of hired temporary workers services by the Independent Electoral and Boundaries Commission (IEBC) in 2017 and stabilization of employment by the counties.

Figure 3.1 - New jobs created in Formal and Informal Sectors, 2014 to 2018



Formal Sector Employment 3.5. Analysis of wage employment in the modern sector by industry and sector for the period under review is presented in Table 3.2. Wage employment in the modern sector recorded an overall growth of 2.4 per cent in 2018. This was however a decelerated growth as compared to the 4.1 per cent recorded in 2017.

3.6. **Private sector:** The share of private sector employment increased from 69.1 per cent in 2017 to 69.5 per cent in 2018. This was mainly attributed to slowed growth in the public sector employment. In 2018, the private sector recorded a significant growth of 3.0 per cent in the employment levels compared to 2.7 per cent registered in 2017. A total of 55.8 thousand new wage employment opportunities were created in this sector in 2018, compared to the increase of 49.2 thousand new jobs recorded in 2017.

3.7. The leading activities providing wage employment in the private sector were Agriculture, forestry and fishing; Manufacturing and; Wholesale and retail trade and Repair of motor vehicles, accounting for 15.3, 14.6 and 13.5 per cent of the total private sector employment, respectively. Electricity, gas, steam and air conditioning supply industry registered the highest percentage growth in employment of 10.0 per cent in 2018. Wage employment in education, wholesale and retail trade; repair of motor vehicles and motorcycles, human health and social work activities and; Agriculture, forestry and fishing sectors recorded the high increases of 11.8, 9.6, 5.8 and 4.5 thousand, respectively. Finance and insurance activities registered a rise of 0.8 per cent as compared to a decelerated growth of 2.3 per cent realized in 2017. This was attributed to the continued growth in the number of insurers and intermediaries, with new innovative products supported by new distribution channels.

3.8. **Public sector:** Total employment in the public sector went up from 833.1 thousand persons in 2017 to 842.9 thousand persons in 2018, an increase of 1.2 per cent. This was however a suppressed growth compared to that of 7.5 per cent realized in 2017. This decline was attributed to expiry of contracts by temporary workers hired by the IEBC in 2017. Transport and storage registered the highest growth of 3.7 per cent in 2018. This was however a decelerated growth compared to 5.6 per cent recorded in 2017. Other economic activities in the public sector that realized growth in employment were Professional, scientific and technical activities, Water supply; sewerage, waste management and remediation activities and financial and insurance activities which grew by 3.2, 3.1 and 2.7 per cent, respectively. There was however a decline of 4.3 per cent in Arts, entertainment and recreation industry.

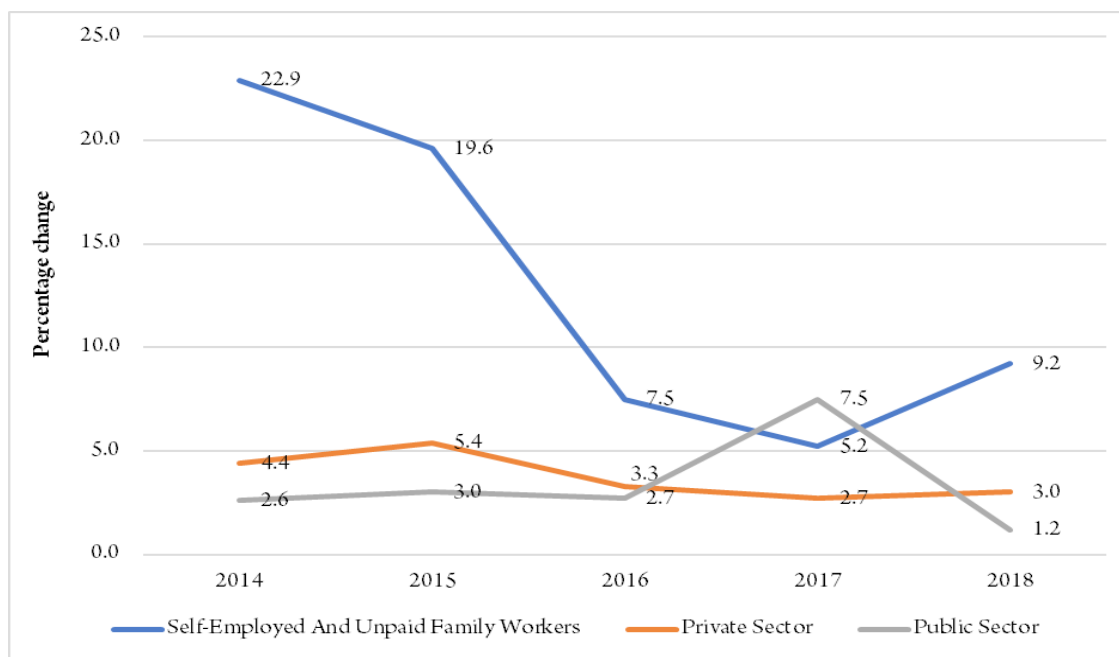
Table 3.2: Wage Employment by Industry and Sector, 2014 - 2018

	'000					
	2014	2015	2016	2017	2018*	Percentage change
PRIVATE SECTOR:						
Agriculture, forestry and fishing	290.6	294.0	294.5	289.8	294.3	1.6
Mining and quarrying.....	12.2	13.8	14.6	14.4	14.7	2.1
Manufacturing.....	261.3	269.0	274.3	276.9	281.1	1.5
Electricity, gas, steam and air conditioning supply.....	0.9	0.9	1.0	1.0	1.1	10.0
Water supply; sewerage, waste management and remediation activities.....	1.4	1.4	1.6	1.7	1.8	5.9
Construction.....	125.4	140.2	155.0	159.4	163.0	2.3
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	218.9	230.7	238.5	249.3	258.9	3.9
Transportation and storage.....	62.1	64.8	67.8	68.9	71.0	3.0
Accommodation and food service activities.....	71.7	74.7	75.9	78.2	79.9	2.2
Information and communication	102.7	109.7	115.2	122.4	129.3	5.6
Financial and insurance activities.....	58.1	62.7	65.0	63.5	64.0	0.8
Real estate activities.....	3.9	4.0	4.1	4.2	4.3	2.4
Professional, scientific and technical activities.....	55.3	56.7	58.3	60.4	62.4	3.3
Administrative and support service activities.....	4.9	5.2	5.4	5.8	6.1	5.2
Public administration and defence; compulsory social security.....	-	-	-	-	-	-
Education.....	166.7	189.1	196.9	212.1	223.9	5.6
Human health and social work activities.....	85.2	91.3	95.7	102.2	108.0	5.7
Arts, entertainment and recreation.....	4.3	4.5	4.6	4.8	5.0	4.2
Other service activities.....	30.5	31.7	33.2	34.7	36.3	4.6
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	112.1	114.1	114.4	115.4	115.8	0.3
Activities of extraterritorial organizations and bodies.....	1.1	1.1	1.2	1.3	1.3	0.0
TOTAL PRIVATE SECTOR	1,669.3	1,759.6	1,817.2	1,866.4	1,922.2	3.0
PUBLIC SECTOR:						
Agriculture, forestry and fishing	42.7	42.9	42.2	42.3	42.3	0.0
Mining and quarrying.....	0.6	0.6	0.6	0.6	0.6	0.0
Manufacturing.....	26.1	26.5	26.5	26.4	26.5	0.4
Electricity, gas, steam and air conditioning supply.....	14.4	16.0	16.3	17.9	18.0	0.6
Water supply; sewerage, waste management and remediation activities.....	9.0	10.1	11.1	12.8	13.2	3.1
Construction.....	7.7	7.9	8.0	8.5	8.6	1.2
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	1.0	1.3	1.3	1.5	1.5	0.0
Transportation and storage.....	17.6	17.8	18.0	19.0	19.7	3.7
Accommodation and food service activities.....	1.4	1.4	1.5	1.6	1.6	0.0
Information and communication	1.8	1.9	1.9	1.9	1.9	0.0
Financial and insurance activities.....	10.4	11.1	11.3	11.3	11.6	2.7
Real estate activities.....	-	-	-	-	-	-
Professional, scientific and technical activities.....	5.9	5.9	5.9	6.2	6.4	3.2
Administrative and support service activities.....	-	-	-	-	-	-
Public administration and defence; compulsory social security.....	239.6	235.6	246.1	292.6	295.0	0.8
Education.....	318.8	337.9	347.7	347.6	352.9	1.5
Human health and social work activities.....	32.8	34.7	33.9	40.6	40.7	0.2
Arts, entertainment and recreation.....	2.4	2.5	2.4	2.3	2.2	-4.3
Other service activities.....	-	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-	-
Activities of extraterritorial organizations and bodies.....	-	-	-	-	-	-
TOTAL PUBLIC SECTOR	732.4	754.2	774.7	833.1	842.9	1.2
TOTAL WAGE EMPLOYMENT	2,401.8	2,513.7	2,592.0	2,699.5	2,765.1	2.4

* Provisional.

3.9 Figure 3.2 shows percentage changes in wage employment in Public, Private and Self-employed from 2014 to 2018. The number of new jobs created in the private and public sector grew by 3.0 and 1.2 per cent, respectively in 2018. The total number of new jobs created within the self-employed almost doubled from 6.9 thousand in 2017 to 12.8 thousand in 2018, an increase of 9.2 per cent.

Figure 3.2 - Percentage Changes in Wage Employment in the Formal Sector, 2014- 2018



3.10. Table 3.3 presents wage employment in the public sector by type of employer, from 2014 to 2018. Overall, there was a slowed growth in employment in the public sector of 1.2 per cent in 2018 compared to the 7.5 per cent recorded in 2017. Ministries and other extra-budgetary institutions employment level registered the highest rise of 4.5 per cent in the review period to stand at 206.4 thousand persons. Employment of county governments rose from 175.5 thousand jobs in 2017 to 178.7 thousand jobs in 2018. This was attributed to continued employment of staff to perform the devolved functions. The Teachers Service Commission (TSC) which is the largest employer in the public sector registered a 3.5 per cent growth in employment in 2018. Employment in Parastatal bodies however went down by 12.1 per cent to 96.7 thousand jobs in 2018.

Table 3.3 Wage Employment in the Public Sector, 2014 – 2018

						'000
Sub-sector	2014	2015	2016	2017	2018*	Annual Percentage Change
Ministries and other extra-budgetary institutions ¹ ..	180.3	177.7	179.7	197.6	206.4	4.5
Teachers Service Commission	281.7	290.7	297.8	302.9	313.6	3.5
Parastatal Bodies ²	93.5	94.2	94.5	110.1	96.7	-12.1
Corporations controlled by the Government ³	45.0	45.3	45.4	47.0	47.5	1.2
County governments	131.9	146.3	157.3	175.5	178.7	1.8
TOTAL	732.4	754.2	774.7	833.1	842.9	1.2

* Provisional.

¹ Includes employees of Judiciary and Parliament.

² Refers to Government wholly-owned corporations.

³ Refers to institutions where the Government has over 50 per cent shares but does not wholly own them.

3.11. Table 3.4 presents wage employment by industry and sex. The number of females in wage employment increased by 9.8 per cent from 914.5 thousand in 2017 to 1,004.2 thousand. Similarly, the number of males in the wage employment also went up marginally to 1,743.9 thousand over the same period. The analysis shows that there is low participation of women in wage employment in most industrial activities. Major industries like administrative and support services; mining and quarrying; manufacturing, and real estate,

were dominated by men with shares of 90.7, 83.3, 79.6 and 76.1 per cent respectively, during the review period. Employment of women was predominant in households and human health and social work activities at 60.6 per cent and 57.7 per cent respectively. There was a minimal disparity between women and men employees in the education industry, during the review period. The employment status shows that there were 760.2 thousand regular female employees in the year under review. Overall, the proportion of females in casual employment stood at 21.0 per cent.

Table 3.4: Wage Employment by Industry and Sex, 2017 and 2018

INDUSTRY	`000					
	Male		Female		Total	
	2017	2018*	2017	2018*	2017	2018*
Agriculture, forestry and fishing	222.0	212.9	110.1	123.7	332.1	336.6
Mining and quarrying	12.6	12.8	2.5	2.6	15.1	15.4
Manufacturing	254.3	244.7	49.1	62.9	303.4	307.6
Electricity, gas, steam and air conditioning supply	14.0	13.9	4.9	5.2	18.9	19.1
Water supply; sewerage, waste management and remediation activities	11.4	11.3	3.2	3.7	14.6	15.0
Construction	118.4	117.9	49.5	53.7	167.9	171.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	194.1	190.0	56.7	70.4	250.8	260.4
Transportation and storage	66.6	67.4	21.3	23.2	87.9	90.6
Accommodation and food service activities	56.3	56.4	23.5	25.2	79.8	81.6
Information and communication	81.9	84.5	42.4	46.7	124.3	131.2
Financial and insurance activities	46.9	46.5	27.8	29.1	74.7	75.6
Real estate activities	3.2	3.3	1.0	1.0	4.2	4.3
Professional, scientific and technical activities	48.4	48.8	18.2	19.9	66.6	68.7
Administrative and support service activities	5.3	5.5	0.5	0.6	5.8	6.1
Public administration and defence; compulsory social security	168.2	188.6	94.2	93.8	292.6	295.0
Education	289.3	300.3	261.4	273.7	559.6	576.8
Human health and social work activities	66.8	62.3	72.2	84.9	142.8	148.8
Arts, entertainment and recreation	4.9	5.0	2.2	2.2	7.1	7.2
Other service activities	23.9	23.7	10.8	12.6	34.7	36.3
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	49.0	45.6	66.4	70.2	115.4	115.8
Activities of extraterritorial organizations and bodies	1.0	0.9	0.3	0.4	1.3	1.3
TOTAL	1,742.1	1,743.9	914.5	1,004.2	2,699.5	2,765.1
Of which: Regular	1,268.3	1,249.0	702.7	760.2	1,971.0	2,009.2
Casual	406.2	436.8	176.4	210.6	582.6	647.4

Wage Earnings in the Modern Sector 3.12. Analysis of total wage payments by industry in the modern sector is presented in Table 3.5. Wage earning is a key indicator of the total labour cost in the economy and gives an indication of returns to labour by workers. Wage payments refers to the basic salary and other allowances which are paid regularly to employees. Overall, nominal wage bill, for both public and private sector, rose from KSh 1,823.2 billion in 2017 to KSh 2,010.2 billion in 2018, an increase of 10.3 per cent. The private sector wage bill went up by 10.9 per cent to stand at KSh 1405.9 billion in 2018, while the public sector wage bill rose by 8.9 per cent. The contribution of the public sector to the total wage bill in the modern sector dropped marginally from 30.4 per cent in 2017 to 30.1 per cent in 2018.

Table 3.5 - Wage Payments¹ by Industry and Sector, 2014 - 2018

	KSh Million				
	2014	2015	2016	2017	2018*
PRIVATE SECTOR:					
Agriculture, forestry and fishing	67,038.5	74,769.2	80,709.7	87,915	98,220.6
Mining and quarrying	4,196.5	5,412.9	6,081.7	6,806	7,679.7
Manufacturing	91,469.7	105,013.8	114,079.8	126,924	141,116.0
Electricity, gas, steam and air conditioning supply	1,151.2	1,255.4	1,401.0	1,655	1,916.7
Water supply; sewerage, waste management and remediation activities	246.0	289.4	343.3	410	457.0
Construction	68,809.2	87,022.4	97,846.9	104,174	113,697.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	113,726.5	130,920.7	147,356.5	169,098	192,234.7
Transportation and storage	65,458.0	76,319.4	81,540.8	89,873	99,069.7
Accommodation and food service activities	25,933.9	28,955.8	30,100.1	32,538	34,685.2
Information and communication	75,122.4	86,086.2	98,261.6	111,453	126,498.7
Financial and insurance activities	87,451.4	101,893.5	109,094.0	111,658	117,989.0
Real estate activities	926.7	1,040.8	1,088.1	1,188	1,277.1
Professional, scientific and technical activities	49,906.1	56,046.2	61,335.1	69,341	77,556.1
Administrative and support service activities	6,056.6	7,057.5	7,585.5	8,540	9,495.8
Public administration and defence; compulsory social security	-	-	-	-	-
Education	138,368.5	167,352.3	176,528.2	197,517	215,223.6
Human health and social work activities	55,701.6	65,323.5	73,170.6	84,685	96,890.5
Arts, entertainment and recreation	2,290.4	2,575.8	2,786.4	3,093	3,413.3
Other service activities	19,993.6	23,446.0	25,982.3	30,333	34,802.1
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	20,853.2	23,219.8	24,687.6	26,953	29,185.5
Activities of extraterritorial organizations and bodies	2,973.8	3,309.8	3,642.2	4,036	4,484.4
TOTAL PRIVATE SECTOR	897,673.9	1,047,310.6	1,143,621.3	1,268,191.2	1,405,893.0
PUBLIC SECTOR:					
Agriculture, forestry and fishing	15,684.9	16,926.7	17,572.5	17,828.1	18,299.3
Mining and quarrying	223.6	237.2	250.0	261.4	276.3
Manufacturing	20,813.6	22,331.9	23,339.5	23,317.8	24,199.9
Electricity, gas, steam and air conditioning supply	18,092.5	21,088.0	22,019.9	23,667.4	24,189.7
Water supply; sewerage, waste management and remediation activities	5,932.3	6,375.2	7,165.5	8,063.5	8,213.0
Construction	4,727.6	5,257.6	5,669.8	6,171.2	6,239.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,063.6	1,436.1	1,589.6	1,827.1	2,076.8
Transportation and storage	24,274.0	26,645.6	28,854.2	30,960.8	33,566.1
Accommodation and food service activities	1,597.8	1,844.0	2,133.8	2,463.2	2,858.6
Information and communication	1,274.9	1,363.7	1,424.0	1,457.1	1,515.4
Financial and insurance activities	16,323.6	18,097.5	18,822.0	18,333.8	19,792.6
Real estate activities	-	-	-	-	-
Professional, scientific and technical activities	3,478.1	3,732.9	3,886.0	4,147.3	4,400.8
Administrative and support service activities	-	-	-	-	-
Public administration and defence; compulsory social security	109,104.5	116,046.6	127,507.2	155,515.2	169,453.6
Education	157,900.2	182,029.6	202,778.2	210,797.8	234,816.7
Human health and social work activities	31,231.2	36,506.1	38,639.1	48,438.4	52,655.0
Arts, entertainment and recreation	1,721.2	1,827.2	1,850.0	1,783.3	1,776.6
Other service activities	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-
TOTAL PUBLIC SECTOR	413,443.7	461,746.1	503,501.2	555,033.2	604,329.3
TOTAL PUBLIC AND PRIVATE	1,311,117.6	1,509,056.6	1,647,122.5	1,823,224.5	2,010,222.3

* Provisional

¹ Annualised June wages.

3.13. Annual wage payments in the public sector by type of employer are presented in Table 3.6. Wage earnings in the Ministries and other extra-budgetary institutions recorded the highest increase of 12.1 per cent in earnings in the public sector rising from KSh 108.0 billion in 2017 to KSh 121.1 billion in 2018. Similarly, total wage payments for County governments increased by 10.5 per cent from KSh 114.3 billion in 2017 to KSh 126.3 billion in 2018. Wage payments by TSC rose by 11.8 per cent to KSh 202.2 billion accounting for 33.5 per cent of the total wage payments by the public sector.

Table 3.6: Total Wage Payments in the Public Sector, 2014 - 2018

	KSh Million				
	2014	2015	2016	2017	2018*
Ministries and other extra-budgetary institutions ¹	84,981.0	90,275.2	95,402.6	107,989.0	121,088.3
Teachers Service Commission	145,407.0	160,720.4	173,721.1	180,901.3	202,176.4
Parastatal Bodies ²	74,013.5	78,704.7	84,350.7	91,521.0	93,830.4
Majority Control by the Government ³	47,073.7	50,057.4	53,648.3	60,322.4	60,951.4
County governments	61,968.3	81,985.6	96,378.3	114,299.4	126,282.9
TOTAL PUBLIC SECTOR	413,443.7	461,743.3	503,501.1	555,033.2	604,329.3

* Provisional.

¹ Includes employees of Judiciary, Parliament, constitutional and Independent offices

² Refers to Government wholly-owned corporations.

³ Refers to institutions where the Government has over 50 per cent shares but does not wholly own them.

3.14. Annual average earnings for the period 2014 to 2018 is presented in Table 3.7. The overall annual average earnings per employee increased by 7.6 per cent from KSh 666,241.1 in 2017 to KSh 716,934.7 in 2018. The annual average earnings in the private sector increased by 7.6 per cent to 731.4 thousand in 2018, compared to a similar growth in the public sector, over the same period. Sectors within the private sector that recorded high increases of 11.1, 10.7 and 10.0 per cent in average earnings were Extraterritorial organizations and bodies, Mining and quarrying, and Agriculture, forestry and fishing respectively, in 2018.

3.15. Table 3.8 presents the percentage change in wage employment and average earnings over two periods in review, namely; 2018/2013 and 2017/2018. The total wage employment for the five-year period 2018/2013 grew by 19.5 per cent. The private sector recorded a growth in wage employment of 20.2 per cent compared to the public sector which recorded 218.1 per cent growth. All industries in the private sector recorded growths in average earnings over the five-year period.

3.16. Table 3.9 shows the estimated real average earnings for the period 2014 to 2018. In the private sector annual real average earnings per employee increased by 3.2 per cent to KSh 378,364.7 in 2018. Similarly, real average earnings per employee in the public sector increased by 3.2 per cent to KSh 370,873.1 in 2018.

Table 3.7: Average Wage Earnings per Employee, 2014 - 2018

	KSh				
	2014	2015	2016	2017	2018*
PRIVATE SECTOR:					
Agriculture, forestry and fishing	230,717.7	254,274.7	274,049.3	303,399.8	333,781.6
Mining and quarrying.....	343,893.9	392,039.5	417,498.1	471,487.3	521,863.0
Manufacturing.....	350,037.6	390,406.1	415,959.4	458,321.7	502,042.0
Electricity, gas, steam and air conditioning supply.....	1,247,238.0	1,399,604.0	1,463,985.8	1,613,312.0	1,747,216.0
Water supply; sewerage, waste management and remediation activities.....	176,322.0	201,136.0	210,354.0	235,386.0	257,042.0
Construction.....	548,910.1	620,879.3	631,213.1	653,355.8	697,498.7
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	519,429.6	567,591.9	617,753.6	678,269.3	742,485.4
Transportation and storage.....	1,053,344.1	1,177,969.1	1,203,429.8	1,304,985.7	1,395,859.5
Accommodation and food service activities.....	361,473.9	387,737.5	396,554.6	415,943.8	433,879.9
Information and communication	731,431.4	784,763.9	852,839.5	910,542.6	978,690.3
Financial and insurance activities.....	1,504,281.5	1,624,448.0	1,677,517.7	1,759,562.7	1,844,010.0
Real estate activities.....	238,649.9	260,652.5	265,659.8	281,424.2	294,540.4
Professional, scientific and technical activities.....	902,152.0	988,468.6	1,052,295.3	1,147,554.5	1,243,763.7
Administrative and support service activities.....	1,236,542.6	1,363,245.9	1,393,880.0	1,484,227.4	1,565,150.4
Public administration and defence; compulsory social security.....	-	-	-	-	-
Education.....	830,085.0	885,101.5	896,491.7	931,440.0	961,150.1
Human health and social work activities.....	654,012.7	715,536.5	764,256.0	828,851.1	896,968.5
Arts, entertainment and recreation.....	530,300.4	575,076.5	601,034.2	641,752.4	682,669.4
Other service activities.....	655,765.5	739,900.7	783,612.9	874,366.6	957,892.4
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	186,011.9	203,473.4	215,885.3	233,630.7	251,955.3
.....	-	-	-	-	-
Activities of extraterritorial organizations and bodies.....	2,683,940.0	2,883,096.0	2,992,746.0	3,170,786.8	3,522,729.3
TOTAL PRIVATE SECTOR	537,718.0	595,211.6	629,323.6	679,489.2	731,416.2
PUBLIC SECTOR:					
Agriculture, forestry and fishing	367,190.6	394,286.8	416,034.3	421,089.2	432,187.8
Mining and quarrying.....	345,666.0	373,538.0	397,378.9	406,454.8	426,372.0
Manufacturing.....	796,173.9	843,573.8	881,901.1	881,745.9	912,927.0
Electricity, gas, steam and air conditioning supply.....	1,260,184.0	1,315,696.0	1,346,867.1	1,321,608.8	1,342,754.0
Water supply; sewerage, waste management and remediation activities.....	657,606.0	629,840.0	647,288.6	629,031.0	620,224.0
Construction.....	616,938.0	668,740.0	712,739.5	729,019.5	729,020.0
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	1,016,864.8	1,082,241.8	1,196,994.4	1,260,092.0	1,367,185.3
Transportation and storage.....	1,380,930.1	1,500,059.7	1,600,876.0	1,627,290.2	1,706,202.9
Accommodation and food service activities.....	1,125,242.0	1,293,140.0	1,462,490.4	1,587,145.3	1,774,428.0
Information and communication	692,480.9	728,877.8	763,519.9	764,465.6	788,035.5
Financial and insurance activities.....	1,563,562.6	1,628,201.3	1,662,717.8	1,629,087.5	1,700,980.5
Real estate activities.....	-	-	-	-	-
Professional, scientific and technical activities.....	589,610.8	628,540.2	659,876.6	666,556.1	691,297.3
Administrative and support service activities.....	-	-	-	-	-
Public administration and defence; compulsory social security.....	455,444.9	492,455.2	518,067.2	531,504.7	574,400.8
Education.....	495,273.7	538,759.7	583,185.3	606,504.3	665,376.6
Human health and social work activities.....	951,620.5	1,051,715.4	1,139,156.5	1,193,418.5	1,292,623.6
Arts, entertainment and recreation.....	715,084.0	745,206.0	774,061.8	771,983.7	792,056.0
Other service activities.....	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-
.....	-	-	-	-	-
Activities of extraterritorial organizations and bodies.....	-	-	-	-	-
TOTAL PUBLIC SECTOR	564,531.5	612,252.8	649,905.6	666,241.1	716,934.7
TOTAL PRIVATE AND PUBLIC SECTOR	545,894.1	600,325.4	635,475.7	675,400.6	727,001.4
MEMORANDUM ITEMS IN PUBLIC SECTOR:					
Ministries and other extra-budgetary institutions	471,383.6	508,131.9	530,799.0	546,428.5	586,551.5
Teachers Service Commission	516,195.1	552,843.3	583,393.3	597,282.3	644,765.0
Parastatal Bodies ²	791,393.2	835,786.7	893,064.1	831,516.4	970,019.5
Majority Control by the Government ³	1,046,153.8	1,104,838.2	1,180,554.0	1,283,772.0	1,282,282.4
County governments	469,898.9	560,324.3	612,609.1	651,178.7	706,817.6
TOTAL PUBLIC SECTOR	564,531.5	612,252.8	649,905.6	666,241.1	716,934.7

* Provisional.

¹ Annualised June earnings² Refers to Government wholly-owned corporations.

Table 3.8: Wage Employment and Average Earnings¹, percentage changes, 2018/2013 and 2018/2017

	EMPLOYMENT		AVERAGE EARNINGS	
	2018/2013*	2018/2017*	2018/2013*	2018/2017*
PRIVATE SECTOR:				
Agriculture, forestry and fishing	-1.9	1.6	52.7	10.0
Mining and quarrying.....	69.0	2.1	75.2	10.7
Manufacturing.....	10.9	1.5	56.7	9.5
Electricity, gas, steam and air conditioning supply.....	0.0	10.0	55.2	8.3
Water supply; sewerage, waste management and remediation activities.....	28.6	5.9	80.3	9.2
Construction.....	46.1	2.3	47.2	6.8
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	22.8	3.9	51.1	9.5
Transportation and storage.....	20.7	3.0	44.0	7.0
Accommodation and food service activities.....	10.8	2.2	24.2	4.3
Information and communication	34.8	5.6	37.5	7.5
Financial and insurance activities.....	13.7	0.8	26.1	4.8
Real estate activities.....	13.2	2.4	29.1	4.7
Professional, scientific and technical activities.....	15.3	3.3	45.8	8.4
Administrative and support service activities.....	27.1	5.2	32.5	5.5
Public administration and defence; compulsory social security.....	-	-	-	-
Education.....	57.2	5.6	17.5	3.2
Human health and social work activities.....	34.8	5.7	45.2	8.2
Arts, entertainment and recreation.....	16.3	4.2	32.9	6.4
Other service activities.....	24.3	4.6	65.7	9.6
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	5.5	0.3	42.1	7.8
Activities of extraterritorial organizations and bodies.....	18.2	0.0	34.8	11.1
TOTAL PRIVATE SECTOR	20.2	3.0	46.3	7.6
PUBLIC SECTOR:				
Agriculture, forestry and fishing	-0.7	0.0	24.5	2.6
Mining and quarrying.....	-14.3	0.0	31.9	4.9
Manufacturing.....	1.9	0.4	21.6	3.5
Electricity, gas, steam and air conditioning supply.....	33.3	0.6	9.3	1.6
Water supply; sewerage, waste management and remediation activities.....	63.0	3.1	5.3	-1.4
Construction.....	14.7	1.2	26.6	0.0
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	50.0	0.0	50.5	8.5
Transportation and storage.....	14.5	3.7	31.7	4.8
Accommodation and food service activities.....	14.3	0.0	79.3	11.8
Information and communication	5.6	0.0	22.4	3.1
Financial and insurance activities.....	16.0	2.7	12.5	4.4
Real estate activities.....	-	-	-	-
Professional, scientific and technical activities.....	10.3	3.2	23.7	3.7
Administrative and support service activities.....	-	-	0.0	0.0
Public administration and defence; compulsory social security.....	25.7	0.8	31.8	8.1
Education.....	14.2	1.5	48.1	9.7
Human health and social work activities.....	25.6	0.2	49.4	8.3
Arts, entertainment and recreation.....	-8.3	-4.3	19.3	2.6
Other service activities.....	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	0.0	0.0
Activities of extraterritorial organizations and bodies.....	-	-	0.0	0.0
TOTAL PUBLIC SECTOR	18.1	1.2	36.5	7.6
TOTAL PRIVATE AND PUBLIC SECTOR	19.5	2.4	43.2	7.6
MEMORANDUM ITEMS IN PUBLIC SECTOR:				
Ministries and other extra-budgetary institutions	15.3	4.5	32.9	7.3
Teachers Service Commission	15.1	3.5	34.7	7.9
Parastatal Bodies ²	4.6	-12.1	35.5	16.7
Majority Control by the Government ³	6.8	1.2	35.5	-0.1
County governments	42.5	1.8	55.0	8.5
TOTAL PUBLIC SECTOR	18.1	1.2	36.5	7.6

* Provisional.

Table 3.9: Estimated Real Average Wage Earnings per Employee¹, 2014 - 2018

	KSh				
	2014	2015	2016	2017	2018*
PRIVATE SECTOR:					
Agriculture, forestry and fishing	153,904.2	158,466.1	161,433.4	163,654.9	172,666.5
Mining and quarrying	229,400.3	244,322.3	245,934.3	254,321.9	269,961.7
Manufacturing	233,498.5	243,304.3	245,027.9	247,220.3	259,708.2
Electricity, gas, steam and air conditioning supply	831,991.2	872,244.8	862,385.6	870,226.0	903,841.5
Water supply; sewerage, waste management and remediation activities	117,618.6	125,349.6	123,912.6	126,968.0	132,968.8
Construction	366,159.7	386,937.1	371,826.7	352,422.4	360,818.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	346,494.3	353,728.0	363,898.2	365,860.8	384,090.5
Transportation and storage	702,651.0	734,120.1	708,900.7	703,913.8	722,083.5
Accommodation and food service activities	241,127.3	241,641.2	233,597.2	224,361.5	224,447.7
Information and communication	487,913.7	489,071.4	502,379.5	491,149.8	506,280.2
Financial and insurance activities	1,003,456.4	1,012,369.4	988,170.2	949,114.2	953,913.4
Real estate activities	159,195.4	162,440.8	156,491.4	151,801.2	152,366.9
Professional, scientific and technical activities	601,795.8	616,021.8	619,872.3	618,994.8	643,403.7
Administrative and support service activities	824,856.7	849,586.1	821,088.6	800,597.3	809,658.3
Public administration and defence; compulsory social security	-	-	-	-	-
Education	553,722.2	551,602.6	528,093.6	502,421.9	497,206.6
Human health and social work activities	436,270.2	445,928.3	450,197.9	447,085.1	464,005.2
Arts, entertainment and recreation	353,745.9	358,392.5	354,049.4	346,163.4	353,147.5
Other service activities	437,439.5	461,112.2	461,600.5	471,636.3	495,521.4
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	124,082.4	126,806.3	127,170.9	126,021.2	130,337.5
Activities of extraterritorial organizations and bodies	1,790,367.6	1,796,769.3	1,762,927.7	1,710,333.3	1,822,321.3
TOTAL PRIVATE SECTOR	358,693.9	370,940.8	370,713.7	366,518.8	378,364.4
PUBLIC SECTOR:					
Agriculture, forestry and fishing	244,940.7	245,722.8	245,072.1	227,137.0	223,572.4
Mining and quarrying	230,582.3	232,792.0	234,082.7	219,243.1	220,563.9
Manufacturing	531,101.2	525,722.2	519,498.8	475,616.7	472,260.6
Electricity, gas, steam and air conditioning supply	840,627.0	819,952.6	793,394.8	712,880.3	694,611.8
Water supply; sewerage, waste management and remediation activities	438,667.2	392,521.5	381,296.3	339,301.5	320,844.2
Construction	411,538.9	416,764.3	419,851.3	393,235.6	377,124.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	678,316.9	674,462.0	705,109.8	679,697.9	707,250.2
Transportation and storage	921,172.8	934,849.6	943,023.1	877,765.9	882,625.2
Accommodation and food service activities	750,611.7	805,895.6	861,504.7	856,111.6	917,918.4
Information and communication	461,931.1	454,242.7	449,764.3	412,355.4	407,653.8
Financial and insurance activities	1,043,000.8	1,014,708.5	979,452.1	878,735.4	879,923.7
Real estate activities	-	-	-	-	-
Professional, scientific and technical activities	393,309.8	391,711.4	388,711.4	359,542.6	357,610.7
Administrative and support service activities	-	-	-	-	-
Public administration and defence; compulsory social security	303,812.2	306,902.2	305,176.3	286,695.5	297,139.7
Education	330,380.7	335,759.5	343,535.2	327,150.5	344,201.8
Human health and social work activities	634,794.5	655,437.8	671,039.4	643,734.0	668,679.1
Arts, entertainment and recreation	477,008.9	464,418.5	455,974.2	416,410.6	409,733.6
Other service activities	-	-	-	-	-
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-
TOTAL PUBLIC SECTOR	376,580.3	381,561.0	382,837.9	359,372.7	370,873.1
TOTAL PRIVATE AND PUBLIC SECTOR	364,147.9	374,127.8	374,337.7	364,313.4	376,080.6
MEMORANDUM ITEMS IN PUBLIC SECTOR:					
Ministries and other extra-budgetary institutions	314,444.4	316,672.0	312,676.1	294,745.4	303,425.3
Teachers Service Commission	344,336.7	344,536.5	343,657.7	322,176.1	333,539.4
Parastatal Bodies ²	527,912.2	520,869.2	526,074.5	448,522.8	501,794.8
Majority Control by the Government ³	697,854.6	688,544.3	695,425.3	692,471.0	663,329.6
County governments	313,454.0	349,198.8	360,867.8	351,248.0	365,639.4
TOTAL PUBLIC SECTOR	376,580.3	381,561.0	382,837.9	359,372.7	370,873.1

* Provisional.

¹ Average earnings adjusted for the rise in consumer prices (Base year 2009). Annualised June earnings deflated by June CPI² Refers to Government wholly-owned corporations.³ Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them.

3.17. Table 3.10 shows changes in wage employment, prices and real earnings from 2014 to 2018. Wage employment grew to 2.4 per cent in 2018 compared to 4.1 per cent in 2017. The inflation rate stood at 4.3 per cent in June 2018, compared to 9.2 per cent recorded in June 2017 while the real average earnings increased by 3.2 per cent compared to a decline of 2.7 per cent in 2017.

Table 3.10: Changes in Wage Employment, Prices and Real Earnings, 2014 – 2018

	Per cent				
	2014	2015	2016	2017	2018*
Wage employment	3.8	4.7	3.1	4.1	2.4
Average earnings at current prices	7.5	10.0	5.9	6.3	7.6
Consumer prices (Inflation rates) ¹	7.4	7.0	5.8	9.2	4.3
Real average earnings	0.1	2.7	0.1	-2.7	3.2

* Provisional

¹ June inflation

3.18. The informal sector is characterized by small scale activities, easy entry and exit, skills majorly gained from vocational schools, less capital investment, no or limited job security and self-employment. This sector excludes illegal activities.

3.19. The informal sector registered growths over last five years as shown in Table 3.11. In 2018, the number of persons engaged in the informal sector grew by 5.4 per cent to 14.9 million compared to the previous year's 6.0 per cent growth.

Table 3.11: Persons Engaged in the Informal Sector by Activity¹, 2014- 2018

Activity	000				
	2014	2015	2016	2017	2018*
Manufacturing	2,364.9	2,545.3	2,710.2	2,842.6	2,996.2
Construction	307.3	320.6	337.1	363.1	382.8
Wholesale and Retail Trade, Hotels and Restaurants.	7,120.4	7,510.9	7,946.7	8,449.3	8,905.9
Transport and Communications ²	369.5	392.6	417.2	439.9	463.7
Community, Social and Personal Services	1,152.1	1,219.5	1,293.4	1,370.9	1,444.8
Others	531.8	573.5	605.1	638.1	672.5
TOTAL	11,851.0	12,566.2	13,308.3	14,103.8	14,865.9
Urban	4,208.1	4,458.0	4,709.9	5,002.0	5,277.4
Rural	7,637.9	8,104.5	8,599.8	9,101.7	9,588.5

* Provisional

¹ Estimated

² Includes mainly support services to transport activity

3.20. Table 3.12 presents gazetted minimum monthly wages for the agricultural industry for the last five years. In 2018, the Government announced a 5.0 per cent increase in workers minimum wages. The average minimum monthly basic wage increased from KSh 8,585 in 2017 to KSh 9,014 in 2018.

Table 3.12: Gazetted Monthly Basic Minimum Wages for Agricultural Industry, 2014 – 2018

Type of Employee	KSh				
	2014	2015	2016	2017	2018
Unskilled employees	4,854	5,437	5,437	6,416	6,736
Stockman, Herdsman and Watchman.....	5,606	6,279	6,279	7,409	7,779
Skilled And Semi-Skilled Employees:					
House servant or cook.....	5,542	6,207	6,207	7,224	7,585
Farm foreman.....	8,757	9,808	9,808	11,574	12,152
Farm clerk.....	8,757	9,808	9,808	11,574	12,152
Section foreman.....	5,669	6,350	6,350	7,492	7,867
Farm artisan.....	5,802	6,498	6,498	7,668	8,051
Tractor driver.....	6,153	6,891	6,891	8,131	8,538
Combine harvester driver.....	6,778	7,592	7,592	8,958	9,406
Lorry driver or car driver.....	7,113	7,967	7,967	9,401	9,871
AVERAGE	6,503	7,284	7,284	8,585	9,014

Source: Ministry of Labour and Social Protection

3.21. As shown in Table 3.13 the average gazetted basic minimum monthly wages in urban areas in 2018 increased by 5.0 per cent in 2018. The average monthly basic minimum wages for Nairobi, Mombasa and Kisumu cities in 2018 was KSh 21,311. In all other areas, the average minimum wage increased from KSh 16,039.4 to KSh 16,841.4 in 2018.

Table 3.13: Gazetted Monthly Basic Minimum Wages in Urban Areas (Excluding Housing Allowance), 2017- 2018

KSh

Occupation	Nairobi , Mombasa & Kisumu Cities		All former Municipalities and Town Councils of Mavoko, Ruiru and Limuru		All other towns	
	2017	2018*	2017	2018*	2017	2018*
General labourer including cleaner, sweeper, gardener, children's ayah, house servant, day watchman, messenger	12,926.55	13,572.88	11,926.40	12,522.72	6,896.15	7,240.96
Miner, stone cutter, turn boy .waiter, cook, logger, line cutter.....	13,960.80	14,658.84	12,386.35	13,005.67	7,967.95	8,366.35
Night watchman.....	14,420.90	15,141.95	13,369.50	14,037.98	8,225.05	8,636.30
production machinist, shoe cutter, bakery worker, bakery assistant, tailor's assistant	14,650.90	15,383.45	13,633.60	14,315.28	11,050.35	11,602.87
Machinist (made-to-measure), shoe upper preparer, chaplis maker, vehicle service worker (petrol and service stations), bakery plant hand, laundry operator, junior clerk, wheeled tractor driver (light)..	16,724.75	17,560.99	15,646.00	16,428.30	12,791.70	13,431.29
Printing machine operator, bakery machine operator, plywood machine operator, sawmill dresser, shop assistant, machine tool operator, dough maker, table hand baker or confectioner, copy - typist, driver (cars and light vans)	17,447.15	18,319.51	16,102.75	16,907.89	13,309.80	13,975.29
Pattern designer (draughts-man), garment and dress cutter, single hand oven man, charge-hand baker, general clerk, telephone operator, receptionist, storekeeper	19,909.45	20,904.92	18,201.95	19,112.05	15,519.95	16,295.95
Tailor, driver (medium sized vehicle).....	21,942.30	23,039.42	20,166.80	21,175.14	17,982.10	18,881.21
Dyer, crawler tractor driver, sales man.....	24,224.00	25,435.20	22,601.70	23,731.79	20,398.55	21,418.48
Saw doctor, caretaker (buildings).....	26,807.25	28,147.61	25,031.70	26,283.29	23,319.15	24,485.11
Cashier, driver (heavy commercial vehicle) sales man - driver.....	29,169.00	30,627.45	27,449.65	28,822.13	25,737.10	27,023.96
Ungraded artisan.....	17,447.15	18,319.51	16,102.75	16,907.89	13,309.80	13,975.29
Artisan Grade III.....	21,942.35	23,039.47	20,166.80	21,175.14	17,948.15	18,845.56
Artisan Grade II.....	23,699.10	24,884.06	22,601.70	23,731.79	20,398.55	21,418.48
Artisan Grade I.....	29,169.00	30,627.45	27,449.65	28,822.13	25,737.10	27,023.96
Average	20,296.04	21,310.85	18,855.82	19,798.61	16,039.43	16,841.40

Source:Ministry of Labour and Social Protection

* Excluding Housing Allowance

3.22. Table 3.14 shows the number of collective bargaining agreements registered by the Industrial Court in 2017 and 2018. The number of agreements registered in 2018 were 313 compared to 298 in 2017, an indication of an increase in industrial disputes during the year. The increase in the number of agreements were more pronounced in Wholesale and retail trade: repair of motor vehicles and motor cycles and in Financial and insurance activities. However, a decline in number of agreements was recorded in Manufacturing and Agriculture, forestry and fishing sub-sectors. Overall, the number agreements registered an average monthly basic wage of KSh 41,381 in 2018.

Table 3.14: Collective Bargaining Agreements Registered By the Industrial Court, 2017 And 2018.

Activity ¹	Agreements (Number)		Unionsable employees (Number)		Average basic wages (KSh)		Average monthly allowances offered ¹ (KSh)	
	2017	2018*	2017	2018*	2017	2018*	2017	2018*
Agriculture, Forestry And Fishing.....	18	3	3,211	1,227	15,963.4	23,235.6	5,066.7	4,773.4
Mining And Quarrying.....	1	3	402	661		19,379.5	2,706.7	8,006.7
Manufacturing.....	151	130	24,618	24,852	27,367.0	26,603.6	7,051.8	7,361.7
Electricity, Gas, Steam And Air Conditioning Supply.....		2		830	78,982.0	138,789.0	25,043.2	17,136.7
Water Supply; Sewerage, Waste Management And Remediation Activities.....	9	7	1,080	758	37,444.7	38,429.3	9,846.4	8,324.5
Construction.....	5	8	1,286	1,709	16,212.3	24,451.3	4,311.7	6,110.3
Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles.....	2	25	21	7,308	39,222.5	20,138.1	6,627.3	5,990.2
Transportation And Storage.....	39	19	12,583	3,569	47,654.8	125,617.4	13,323.3	9,657.0
Accommodation And Food Service Activities.....	9	16	318	1,250	33,165.8	22,212.1	6,100.4	8,678.7
Information And Communication.....	5	6	106	1,541	98,419.8	25,186.4	17,706.7	5,356.7
Financial And Insurance Activities.....	10	26	20,754	1,909	141,052.0	64,358.9	11,212.9	9,101.0
Real Estate Activities.....		3		122	28,807.9	19,178.3	7,006.7	3,706.7
Professional, Scientific And Technical Activities.....	2	3	519	21	34,277.9	28,057.4	8,936.1	6,156.7
Administrative And Support Service Activities.....	3	5	1,249	19,798	21,220.4	16,237.7	7,206.7	4,356.7
Public Administration And Defence; Compulsory Social Security.....	1	3	29	10,131	24,021.4	73,396.7	2,706.7	17,116.5
Education.....	24	32	24,628	3,055	27,643.0	28,131.3	8,057.4	7,003.2
Human Health And Social Work Activities.....	5	11	449	4,679	225,745.0	40,209.1	8,485.5	9,603.3
Arts, Entertainment And Recreation.....	9	5	596	681	17,701.4	29,170.0	7,527.5	7,773.4
Other Service Activities.....	5	6	2,943	638	61,378.9	23,465.8	7,255.6	7,942.4
Activities Of Extraterritorial Organizations And Bodies.....					38,214.0		6,906.7	2,706.7
Total Average	298	313	94,792	84,739	53,394.4	41,381.4	9,315.1	8,113.5

Source :Ministry of Labour & Social Protection: Central Planning and Monitoring Unit

*Provisional

¹ Includes Housing, Leave and Travel allowances

Social Security Fund

3.23. The National Social Security Fund (NSSF) is a mandatory scheme whose main objective is to provide basic financial security benefits to Kenyans in both formal and informal sectors upon retirement. The number of registered employers and employees, annual contributions and annual benefits are presented in Table 3.15 The number of registered employers and employees increased by 6.8 per cent and 3.0 per cent to 143.3 thousand and 4,068.4 thousand respectively, during the review period. The number of registered female employees increased by 4.8 per cent compared to 2.4 per cent growth recorded for male employees. Annual contributions and annual benefits increased by 5.2 per cent and 2.6 per cent, respectively in 2018.

Table 3.15: Registered Employers, Employees, Contribution and benefits, 2014 - 2018

Details	2014	2015	2016	2017	2018*
Registered Employers '000.....	93.3	96.0	98.1	134.2	143.3
Registered Employees '000					
Female.....	1,005.1	948.8	1,002.0	1,050.4	1,100.3
Male.....	2,975.4	2,698.7	2,862.4	2,898.2	2,968.1
Total.....	3,980.5	3,647.5	3,864.4	3,948.6	4,068.4
Annual contribution (KSh Million).....	6,587.9	9,209.9	9,486.2	9,491.4	9,988.4
Annual benefits paid (KSh Million).....	2,881.3	3,999.2	4,839.0	4,856.3	4,984.3

Source: National Social Security Fund (NSSF)

*Provisional

Consumer Price Index 3.24 The annual inflation as measured by the Consumer Price Index (CPI) decreased from 8.0 per cent in 2017 to 4.7 per cent in 2018. The decline was on account of favorable weather conditions and prudent macroeconomic policies. Year on year inflation for food and non-alcoholics beverages was consistently much lower than the year on year inflation for both transport and housing, water, electricity, gas and other fuels.

3.25. Table 3.16(a) shows changes in CPI by the broad Classification of Individual Consumption by Purpose (COICOP) divisions from 2014 and 2018. Food and non-alcoholic beverages index, which has the largest weight in the CPI basket, recorded a modest increase of 1.37 in 2018 compared to 13.4 per cent recorded the previous year. The highest year on year inflation of 12.78 per cent was recorded with respect to housing, water, electricity, gas and other fuels. This increase was driven by a rise in the costs of house rents, kerosene and electricity in the year under review.

Table 3.16a: Consumer Price Indices and Inflation by Division, 2014 -2018

Broad Item Group	Share (%)	February 2009=100					% Change 2018/2017
		2014	2015	2016	2017	2018	
Food & Non-Alcoholic Beverages	36.03	168.97	188.22	207.19	234.90	238.13	1.37
Alcoholic Beverages, Tobacco & Narcotics	2.06	148.03	153.42	173.69	179.18	187.07	4.41
Clothing & Footwear.....	7.43	135.85	142.19	148.20	153.70	159.97	4.08
Housing, Water, Electricity, Gas and other Fuels	18.30	141.31	145.81	148.21	152.84	172.37	12.78
Furnishings, Household Equipment and Routine Household Maintenance	6.16	136.27	142.34	147.98	152.66	159.41	4.42
Health	3.13	133.39	139.82	145.50	150.35	157.31	4.63
Transport.....	8.67	161.36	160.61	160.94	167.20	184.28	10.22
Communication.....	3.82	77.10	77.83	79.40	79.68	81.04	1.70
Recreation & Culture.....	2.25	140.95	145.27	151.45	153.83	156.14	1.50
Education.....	3.14	125.21	130.26	135.68	139.70	146.75	5.05
Restaurant & Hotels	4.49	159.82	168.08	177.34	187.01	196.81	5.24
Miscellaneous Goods & Services	4.52	133.02	139.41	145.18	150.42	156.85	4.28
Weighted average of all Items	100.00	149.74	159.60	169.68	183.23	191.82	4.7

3.26 Table 3.16(b) presents a breakdown of the classes of food and non-alcoholic beverages. Fruits and vegetables eased to 4.9 per cent and 0.9 per cent in 2018. This was attributable to favorable weather conditions. However, meat products including meat, fish and sea foods recorded 6.7 and 8.9 per cent rise respectively, in 2018.

Table 3.16b: Consumer Price Indices for Food and Non-Alcoholic Beverages, 2014 -2018

Food and non-alcoholic beverages	Share (%)	2014	2015	2016	2017	2018	% Change 2018/2017
Bread and cereals	10.52	143.53	147.88	152.81	171.56	173.62	1.2
Meat	5.68	164.29	174.24	178.12	184.20	196.61	6.7
Fish and Sea foods	1.32	181.65	198.31	211.43	229.90	250.40	8.9
Milk, Cheese and Eggs	4.96	169.52	181.47	181.02	199.45	202.09	1.3
Oils and fats	1.69	163.27	161.90	163.80	173.90	178.11	2.4
Fruits	2.38	197.84	233.28	287.70	352.55	336.64	-4.5
Vegetables	5.68	221.60	297.19	373.90	452.81	448.69	-0.9
Sugar, jam, honey, chocolate and confectionery	2.33	153.37	152.29	164.57	189.82	181.64	-4.3
Food products n.e.c.	0.11	135.99	144.70	147.55	146.76	148.52	1.2
Coffee, tea and cocoa	0.38	122.03	125.10	130.20	132.99	137.02	3.0
Mineral waters, soft drinks, fruit and vegetable juices	1.00	141.04	143.97	153.92	157.41	160.16	1.7

3.27. Table 3.16(c) presents annual average retail prices of selected consumer goods in the CPI basket. The average prices for sugar decreased from of KSh 137.82 in 2017 to KSh 132.62 in 2018. The average prices of maize grain per kilogram decreased from KSh 57.66 in 2017 to KSh 49.20 in 2018 due to bumper supply of maize. A similar trend was observed for english potatoes, cabbages and Sukuma wiki.

Table 3.16c: Annual Average Retail Prices of Selected Consumer Goods in the Consumer Price Basket, 2014 - 2018

ITEM	Unit	KSh per Unit					
		2014	2015	2016	2017	2018	% change
Beef - with bones	1 Kg	369.09	392.53	399.59	410.28	439.04	7.0
Offals - Matumbo	1 Kg	217.78	236.56	244.11	254.12	262.87	3.4
Bread,White	400 Gms	49.24	48.86	49.16	49.55	50.24	1.4
Maize grain- loose	1 Kg	45.18	43.09	42.77	57.66	49.20	-14.7
Milk - Packeted	1/2 Litre	50.80	52.68	53.51	59.60	60.59	1.7
Sugar	1 Kg	110.57	109.24	118.21	137.82	132.62	-3.8
Wheat Flour	2 kg	136.37	129.05	124.25	131.29	122.28	-6.9
English Potatoes	1 Kg	49.33	63.04	77.05	81.14	67.86	-16.4
Kales - Sukuma-wiki	1 Kg	38.77	38.37	40.06	52.82	50.75	-3.9
Cabbages	1 Kg	41.42	42.87	59.13	66.52	40.84	-38.6
Petrol (Super)	1 Litre	112.79	94.65	90.28	99.30	110.86	11.6
Diesel	1 Litre	103.68	81.02	77.44	86.02	104.78	21.8
Kerosene	1 Litre	82.41	58.40	54.60	66.99	90.06	34.4
Electricity	200 KW/h	3373.08	3466.85	3394.30	3727.71	4269.52	14.5
Electricity	50 KW/h	586.45	531.11	533.20	597.33	813.72	36.2
Gas	13 Kg	3062.40	2506.73	2154.80	2075.32	2173.40	4.7

3.28. Table 3.17 presents inflation in the Nairobi lower, middle and upper income groups, as well as the rest of urban areas. In 2018, Nairobi upper income group recorded the highest annual inflation of 5.9 per cent, while Nairobi lower income and the rest of urban areas recorded each 4.6 per cent. This was mainly attributed to fall in food prices.

Table 3.17: Annual Inflation by income groups, 2014-2018

Income Group	Per cent				
	2014	2015	2016	2017	2018
Nairobi Lower Income	5.8	6.9	6.8	8.6	4.6
Nairobi Middle Income	4.7	4.3	4.1	6.1	5.7
Nairobi Upper Income	6.0	2.6	4.6	3.4	5.9
Nairobi	5.6	6.1	6.1	3.4	4.9
Rest of Urban Towns	7.8	6.9	6.4	8.2	4.6
Overall Inflation	6.9	6.6	6.3	8.0	4.7

Note:

- 1: The lower income group comprises households with monthly expenditure below KSh 23, 670 in October 2005
- 2: The middle income group comprises households with monthly expenditure between KSh 23,671 and KSh 119,999 in October 2005
- 3 The upper income group comprises households with monthly expenditure above KSh 120,000 in October 2005

3.29. Table 3.18 shows that the CPI for Nairobi lower income group was highest at 202.10 in May and lowest at 191.45 in January for the year under review. There were no major changes in the index across the months in 2018.

Table 3.18: Consumer Price Indices for Nairobi Lower Income Group, 2014-2018

Month	February 2009=100				
	2014	2015	2016	2017	2018
January	148.47	155.65	167.60	179.88	191.45
February	148.75	156.51	167.38	183.80	194.37
March	149.36	158.81	169.19	188.07	198.16
April	150.57	161.85	170.86	191.95	200.32
May	151.51	162.09	171.89	192.75	202.10
June	151.39	162.47	174.08	189.69	200.15
July	151.71	162.74	174.51	187.45	197.39
August	153.51	162.78	174.40	188.90	195.70
September	153.64	163.13	174.60	188.23	196.50
October	153.18	164.26	176.05	188.21	193.99
November	152.88	166.02	177.67	187.64	194.06
December	154.08	167.48	178.10	188.73	195.33
Annual average	151.59	161.98	173.03	187.94	196.63

3.30. Tables 3.19, 3.20, 3.21, 3.22 and 3.23 present a five year series of CPI for the Nairobi middle and upper income groups, overall Nairobi, rest of urban areas and the aggregated national indices. The highest national index of 195.05 was recorded in May 2018 while the least of 185.47 was recorded in January 2018.

Table 3.19: Consumer Price Indices, Nairobi Middle Income Group, 2014- 2018

Month	February 2009=100				
	2014	2015	2016	2017	2018
January	131.93	136.19	144.24	150.25	159.79
February	131.99	136.25	143.39	151.94	160.71
March	132.79	137.09	143.78	153.20	161.43
April	133.22	137.74	143.97	155.28	161.79
May	133.91	138.95	144.59	155.81	163.00
June	134.48	140.70	145.59	154.29	162.99
July	135.45	141.17	146.18	154.19	162.48
August	135.76	141.66	146.76	155.14	164.10
September	135.48	142.04	147.19	155.36	165.96
October	135.33	141.93	147.22	156.04	165.44
November	134.97	141.75	147.61	156.27	165.92
December	135.60	145.22	148.37	157.44	167.16
Annual average	134.24	140.06	145.74	154.60	163.40

Table 3.20: Consumer Price Indices, Nairobi Upper Income Group, 2014- 2018

February 2009=100

Month	2014	2015	2016	2017	2018
January	134.11	136.86	144.30	150.27	156.07
February	134.32	136.66	144.19	150.99	157.31
March	134.63	137.07	144.21	151.28	157.56
April	135.10	137.67	145.61	151.30	157.57
May	136.39	138.96	145.93	151.51	157.92
June	136.83	139.25	146.21	150.94	159.61
July	137.30	141.35	146.94	151.32	159.58
August	139.94	143.53	148.33	152.02	163.82
September	139.46	143.35	148.71	151.87	166.18
October	138.22	143.05	148.68	152.99	163.92
November	138.03	142.70	149.23	153.38	164.01
December	136.74	143.34	149.68	154.61	166.77
Annual average	136.76	140.32	146.84	151.87	160.86

Table 3.21: Consumer Price Indices, Overall Nairobi, 2014-2018

February 2009=100

Month	2014	2015	2016	2017	2018
January	143.94	150.24	168.36	171.62	182.48
February	144.16	150.87	168.11	174.88	184.85
March	144.81	152.75	168.58	178.27	187.76
April	145.80	155.12	169.62	181.57	189.41
May	146.69	155.63	170.55	182.28	191.00
June	146.76	156.34	172.29	179.69	189.66
July	147.25	156.72	173.78	178.06	187.54
August	148.72	156.96	173.92	179.36	186.87
September	148.72	157.30	174.74	178.93	187.99
October	148.31	158.07	175.82	179.12	185.96
November	148.00	159.29	177.01	178.78	186.14
December	148.97	161.20	178.91	179.89	187.46
Annual average	146.84	155.87	172.64	178.54	187.26

Table 3.22: Consumer Price Indices, the Rest of Urban Areas, 2014-2018

Month	February 2009=100				
	2014	2015	2016	2017	2018
January	146.42	155.67	168.36	180.65	187.57
February	147.21	156.42	168.11	183.55	190.20
March	147.87	158.04	168.58	186.28	192.62
April	149.88	161.20	169.62	189.52	195.82
May	151.81	163.03	170.55	191.38	197.89
June	152.12	163.34	172.29	189.38	195.88
July	152.95	163.26	173.78	187.48	194.43
August	154.33	163.66	171.68	188.48	195.90
September	154.71	164.15	174.74	186.98	198.44
October	154.45	164.98	175.82	184.87	197.24
November	154.55	165.55	177.01	184.38	196.53
December	154.99	167.18	178.91	185.27	197.75
Annual average	151.77	162.21	172.45	186.52	195.02

Table 3.23: Consumer Price Indices, 2014-2018

Month	February 2009=100				
	2014	2015	2016	2017	2018
January	145.40	153.43	165.37	176.93	185.47
February	145.95	154.14	165.06	179.98	188.00
March	146.61	155.86	165.92	182.98	190.62
April	148.20	158.70	167.07	186.24	193.18
May	149.70	159.98	167.99	187.64	195.05
June	149.91	160.46	169.76	185.39	193.31
July	150.60	160.57	170.84	183.60	191.59
August	152.02	160.90	170.97	184.72	192.18
September	152.24	161.33	171.56	183.66	194.14
October	151.92	162.13	172.62	182.50	192.60
November	151.85	162.97	173.85	182.08	192.25
December	152.51	164.72	175.18	183.05	193.51
Annual average	149.74	159.60	169.68	183.23	191.82

Money, Banking and Finance

Chapter 04

Overview **T**he monetary policy stance focused on maintaining inflation within the Government's range of plus or minus 2.5 per cent of the 5.0 per cent medium-term target. Pursuant to the objective of price stability and to boost output, the Central Bank of Kenya (CBK) adopted accommodative monetary policy by reviewing the Central Bank Rate (CBR) from 10.00 per cent, to 9.50 per cent in March 2018 and 9.00 per cent in July 2018. The easing of monetary policy aimed at reducing cost of borrowing particularly for the private sector to stimulate production and boost economic growth. Overall, interest rates dropped during the review period except for the interbank rate. The 91-Day Treasury bill dropped to 7.34 per cent in December 2018 from 8.01 per cent in December 2017. Loans and advances increased by 12.0 per cent to KSh 358.6 billion in 2018. Capital reserves increased by 19.3 per cent to KSh 107.1 billion in 2018.

4.2. Broad money supply (M3) grew by 10.1 per cent to KSh 3,337.8 billion in December 2018 compared to an expansion of 9.6 per cent in December 2017. Total domestic credit grew by 4.6 per cent to KSh 3,381.1 billion in December 2018. Overall liquidity (L) of the banking system expanded by 10.9 per cent to KSh 4,550.9 billion by December 2018. Commercial banks liquidity ratio rose from 46.4 per cent in December 2017 to 50.6 per cent in December 2018. Advances to deposits ratio declined from 83.5 per cent in December 2017 to 78.4 per cent in December 2018. This was due to commercial banks opting for less risky lending in the form of Government securities. In 2018, the Kenya Shilling strengthened against the US Dollar trading at an annual average of KSh 101.3 compared to KSh 103.4 in 2017, while it weakened against the Euro and the Pound Sterling.

4.3. In the securities market, the value of bonds traded rose to KSh 558 billion in 2018 from KSh 429 billion in 2017. Total number of shares traded dropped from KSh 7.1 billion in 2017 to KSh 6.3 billion in 2018. The Nairobi Securities Exchange (NSE) 20-Share index dropped by 23.7 per cent to 2,834 points in December 2018.

4.4. Gross premium income of life insurance grew by 17.4 per cent to KSh 87.3 billion while those of general insurance business grew by 2.2 per cent to KSh 127.5 billion in 2018. Assets of the pensions fund grew by 21.1 per cent from KSh 353.5 billion in June 2017 to KSh 423.7 billion in June 2018. The increase was due to increased investment in Guaranteed Funds and Government securities.

Selected Monetary Indicators 4.5. Table 4.1 shows selected monetary indicators from 2014 to 2018. The net foreign assets held by the banking system increased significantly by 38.3 per cent from KSh 516.3 billion in December 2017 to KSh 714.1 billion in December 2018. Total domestic credit recorded a decelerated growth of 4.6 per cent in December 2018 compared to a growth of 7.2 per cent in December 2017. Credit to the private and other public bodies grew by 1.9 per cent to KSh 2,522.9 billion in December 2018.

4.6. Broad money supply (M3) grew by 10.1 per cent in 2018 to KSh 3,337.8 billion. The commercial banks liquidity ratio rose from 46.4 per cent as at end of 2017 to 50.6 per cent as at end of 2018. The advances to deposits ratio declined from 83.5 per cent in 2017 to 78.4 per cent in as at end of 2018.

Table 4.1: Monetary Indicators, 2014 - 2018

As at end of:		Net Foreign Assets (KSh Million)	Domestic Credit (KSh million)			Broad Money Supply ¹ (M3) (KSh Million)	Commercial Banks' Liquidity Ratio ²	Advances / Deposits Ratio (per cent)
			Private and other public bodies	National Government	Total			
2013	Dec	387,292	1,598,981	397,164	1,996,145	2,007,329	47.0	82.3
2014	Dec	479,654	1,932,862	379,316	2,312,178	2,329,979	45.1	83.0
2015	Dec	491,461	2,269,898	524,026	2,793,924	2,658,166	43.7	87.0
2016	Dec	495,165	2,380,402	592,770	2,973,172	2,764,507	45.8	88.6
2017	Dec	516,310	2,476,868	755,698	3,232,565	3,030,646	46.4	83.5
2018*	Mar	697,646	2,455,694	624,930	3,080,624	3,035,395	48.8	82.5
	Jun	756,908	2,492,223	745,065	3,237,288	3,262,639	49.9	79.6
	Sep	742,071	2,512,277	770,243	3,282,519	3,261,081	51.9	79.8
	Dec	714,099	2,522,911	858,156	3,381,067	3,337,832	50.6	78.4

Source: Central Bank of Kenya

¹ See Table 4.2 and 4.3 for details² Commercial Banks' liquid assets as per cent of deposit liabilities

4.7. Table 4.2 presents various money supply aggregates for 2014 to 2018. In 2018, money supply (M1) grew by 6.6 per cent in 2018 compared to a 5.8 per cent growth in 2017. Quasi money deposits held by commercial banks and other deposit taking institutions increased by 9.7 per cent in 2018 compared to 10.9 per cent in 2017. deposit. Money supply (M2) grew by 8.0 per cent resulting to overall liquidity growing by 10.9 per cent to KSh 4,550.9 billion in 2018.

Table 4.2: Money and Quasi Money Supply, 2014 - 2018

As at end of:		KSh Million				
		Money (M1)	Quasi-Money	M2	M3	L
2014	Dec	938,157	1,058,159	1,996,316	2,336,391	2,955,469
2015	Dec	1,023,047	1,229,703	2,252,750	2,666,701	3,399,353
2016	Dec	1,310,016	1,050,186	2,360,202	2,764,507	3,708,694
2017	Dec	1,385,918	1,165,894	2,551,811	3,030,646	4,104,802
2018*	Jan	1,363,106	1,180,536	2,543,642	3,026,102	4,116,268
	Feb	1,383,959	1,177,326	2,561,286	3,023,516	4,130,420
	Mar	1,361,593	1,199,345	2,560,938	3,035,395	4,159,178
	Apr	1,405,903	1,192,621	2,598,525	3,074,813	4,224,377
	May	1,400,363	1,220,683	2,621,046	3,142,070	4,296,965
	Jun	1,425,556	1,256,322	2,681,878	3,262,639	4,434,196
	Jul	1,434,616	1,270,606	2,705,222	3,278,791	4,455,989
	Aug	1,393,104	1,305,655	2,698,759	3,259,725	4,439,627
	Sep	1,379,544	1,305,377	2,684,921	3,261,081	4,466,969
	Oct	1,436,428	1,283,358	2,719,786	3,273,004	4,479,151
	Nov	1,409,609	1,289,822	2,699,431	3,269,041	4,488,538
	Dec	1,477,526	1,278,447	2,755,973	3,337,832	4,550,971

Source: Central Bank of Kenya.

* Provisional

Notes:

- (a) **M1** comprises of currency outside banks plus all demand deposits except; those of National Government, Commercial Banks, Non Residents deposits
- (b) **Quasi Money**: Refers to near money. It comprises of call plus 7 days deposits, savings and time deposits.
- (c) **M2**, Broad Money comprise of **M1** and Quasi money.
- (d) **M3**, Extended Broad Money, comprises **M2** and foreign currency holdings by residents.
- (e) **L**, Overall Liquidity, comprises **M3** and Treasury Bill holdings by the non-bank public.

Consolidated Accounts of the Banking System

4.8. Table 4.3 presents assets and liabilities of the banking system for the period 2014 to 2018. Total assets and liabilities of the banking system recorded a growth of 9.2 per cent from KSh 3,748.8 billion in 2017 to KSh 4,095.2 billion in 2018. The increase in assets was mainly driven by increased credit to the National Government and net foreign assets. Credit to the private sector recorded a 2.4 per cent growth as at December 2018 compared to a growth of 3.9 per cent as at December 2017. Credit to other public bodies declined by 10.2 per cent to KSh 101.0 billion in 2018. Portfolio re-allocation by non-bank public towards investment in government securities led to increased credit to the National Government.

4.9. Growth of demand deposits increased by 7.4 per cent to KSh 1,247.3 billion in 2018 compared to 5.5 per cent in 2017. Similarly, foreign currency deposits recorded a growth of 21.5 per cent in 2018. The increase in foreign currency deposits and quasi money deposits led to a marginal expansion in broad money supply (M3) to KSh 3,337.8 billion in December 2018 from KSh 3,030.7 billion in December 2017. In the review period, treasury bill holdings recorded a decelerated growth of 12.9 per cent compared to 13.8 per cent growth in 2017.

Table 4.3: Consolidated Accounts of the Banking System, 2014 - 2018

KSh Million								
	December	December	December	December	2018*			
LIABILITIES-	2014	2015	2016	2017	March	June	September	December
1. Money (M1):								
1.1 Demand Deposits	764,653	831,796	1,100,124	1,160,489	1,147,894	1,208,014	1,165,384	1,247,263
1.2 Currency outside banks	173,505	191,251	209,891	225,429	214,735	218,650	214,703	230,674
Sub-Total	938,157	1,023,047	1,310,016	1,385,918	1,362,630	1,426,664	1,380,086	1,477,937
2. Quasi-Money(MS):								
2.1 Call + 7 days Notice Deposits	102,373	118,970	101,494	112,677	115,932	121,438	126,238	123,646
2.2 Savings Deposits	290,355	337,426	288,979	320,819	328,812	344,426	358,042	350,689
2.3 Time Deposits	665,429	773,306	659,712	732,398	753,563	789,348	820,553	803,700
Sub-Total (quasi-money banks) ..	1,058,159	1,229,703	1,050,186	1,165,894	1,198,308	1,255,214	1,304,835	1,278,036
Broad Money Supply(M2)	1,996,316	2,252,750	2,360,202	2,551,811	2,560,938	2,681,878	2,684,921	2,755,973
3. Foreign Currency Deposits	340,075	413,950	404,305	478,834	474,458	580,762	576,160	581,859
Broad Money Supply(M3)	2,336,391	2,666,701	2,764,507	3,030,646	3,035,395	3,262,639	3,261,081	3,337,832
5. Treasury Bill Holdings	619,078	732,652	944,187	1,074,156	1,123,783	1,171,557	1,205,888	1,213,138
Overall Liquidity(L)	2,955,469	3,399,353	3,708,694	4,104,802	4,159,178	4,434,196	4,466,969	4,550,971
6. Other Items Net(OIN)	455,442	618,652	703,830	718,230	742,875	731,556	763,509	757,333
TOTAL (M3+OIN)	2,791,833	3,285,353	3,468,337	3,748,875	3,778,270	3,994,196	4,024,590	4,095,166
ASSETS-								
7. Net Foreign Assets	479,654	491,461	495,165	516,310	697,646	756,908	742,071	714,099
8. Domestic Credit:.....								
8.1 National Govt. (Net)	379,316	525,094	592,770	755,698	624,930	745,065	770,243	858,156
8.2 Other Public Bodies	48,402	82,447	104,719	112,399	112,733	111,860	108,318	100,950
8.3 Private Sector	1,884,460	2,186,350	2,275,683	2,364,468	2,342,960	2,380,363	2,403,958	2,421,961
Sub-Total	2,312,178	2,793,892	2,973,172	3,232,565	3,080,624	3,237,288	3,282,519	3,381,067
TOTAL (M3+OIN)	2,791,833	3,285,353	3,468,337	3,748,875	3,778,270	3,994,196	4,024,590	4,095,166

Source: Central Bank of Kenya.

* Provisional

Notes:

- (a) Other Items Net Includes Special Drawing Rights allocated by IMF.
 (b) Net Foreign Assets includes Government reserve position in the IMF and deposits with Crown Agents.
 (c) Treasury Bill holdings by the non-bank public is not included in total liabilities of the banking system.

Sources of Change in M3 and Real Values of Selected Financial Aggregates

4.10. Table 4.4 presents the changes in money supply and their sources for the period 2014 to 2018. Extended broad money (M3) increased by KSh 307.2 billion in 2018 compared to KSh 266.1 billion in December 2017. The increase was attributed to the sharp growth of quasi-money and foreign currency deposits. Currency plus demand deposits recorded a growth of KSh 92.0 billion, significantly higher than the KSh 75.9 billion recorded in 2017. The main sources of the growth in broad money (M3) were increases of KSh 102.5 billion in credit advanced to the National Government and the voluminous growth in net foreign assets from an increase of KSh 21.2 billion in 2017 to an increase of KSh 197.8 billion in 2018. Declined changes in credit advanced to other public sector and other items net were the sources of decelerated expansion in broad money M3.

Table 4.4: Changes in Money Supply and the Sources, 2014 - 2018

	KSh Million				
	2014	2015	2016	2017	2018*
MONEY SUPPLY CHANGES					
1 Currency plus demand deposits (M1) ..	106,283	84,890	286,969	75,902	92,020
2 Quasi-money	206,874	171,545	-179,517	115,708	112,142
3 Foreign Currency Deposits	15,905	73,875	-9,646	74,529	103,025
4 Broad Money supply (M3)	329,062	330,310	97,806	266,139	307,187
SOURCE OF CHANGE					
5 Net foreign assets	92,363	11,806	3,704	21,145	197,789
6 All Domestic Credit					
(a) to National Government (net) .. .	-17,848	145,778	67,676	162,927	102,458
(b) to other public sector	5,007	34,045	22,272	7,680	-11,450
(c) to private sector	342,722	301,891	89,332	88,785	57,493
7 Other Items (Net)	-93,181	-163,210	-85,178	-14,400	-39,104
8 Total sources of change (5+6+7)	329,062	330,310	97,806	266,139	307,187

Note: Changes in Money Supply and the sources compares year-end values

* Provisional

Selected Financial Aggregates in Real Values

4.11. Real values of selected financial aggregates from 2014 to 2018 are shown in Table 4.5. Money supply M3 in real terms increased by 4.2 per cent in 2018 to reach KSh 1,724.9 billion compared to an increase of 4.9 per cent in 2017. Liabilities of the banking system also grew at a decelerated rate of 3.3 per cent compared to 3.4 per cent recorded in 2017. The share of commercial banks deposit liabilities to the total liabilities decreased from 86.2 per cent in 2017 to 82.6 per cent in 2018.

Table 4.5: Trends in the Real Values of Selected Financial Aggregates¹, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
1 Money Supply (M3)....	1,531,975	1,618,931	1,578,105	1,655,601	1,724,889
2 Overall Liquidity (L)....	1,933,701	2,058,537	2,117,090	2,242,398	2,351,801
3 Commercial bank credit to the private sector	1,310,641	1,391,056	1,382,305	1,382,428	1,338,969
4 Total commercial bank credit	1,559,359	1,709,836	1,720,685	1,776,606	1,782,437
5 Commercial Banks' Deposit Liabilities	1,516,098	1,696,167	1,697,221	1,765,907	1,747,231
6 Total liabilities of the banking system	1,830,609	1,994,529	1,979,883	2,047,960	2,116,255
Memorandum item:					
7 Line 5 as per cent of line 6	82.8	85.0	85.7	86.2	82.6

* Provisional

¹Selected financial aggregates values are deflated using December Consumer Price Indices

Nominal and Real Interest Rates

4.12. Nominal interest rates for the period 2014 to 2018 are presented in Table 4.6. The Central Bank of Kenya pursued accommodative monetary policy by lowering the Central Bank Rate (CBR) twice during the review, with the objective of boosting output. The CBR was 9.50 per cent at end of March 2018 and 9.00 per cent in July 2018. The 91-day Treasury bill rate dropped from 8.01 per cent in December 2017 to 7.34 per cent in December 2018. The Interbank rate rose to 8.15 per cent in December 2018, from 7.27 per cent in December 2017. Inflation was within the target band at 5.71 per cent in December 2018.

4.13. Loans-Deposits interest rates spread narrowed marginally from 5.41 per cent in December 2017 to 5.09 per cent in December 2018. Maximum loans and advances interest rate by commercial banks reduced to 12.51 per cent in December 2018 compared to 13.64 per cent in December 2017. Interest rates on saving deposits also reduced to 5.13 per cent in the review period compared to 6.91 per cent in December 2017.

Table 4.6: Nominal Principal Interest Rates, 2014-2018

	Per cent					
	2014	2015	2016	2017	2018	
	December	December	December	December	June	December
CENTRAL BANK OF KENYA						
91- day Treasury Bills Rate ...	8.58	9.81	8.44	8.01	7.87	7.34
Central Bank Rate.. .. .	8.50	11.50	10.00	10.00	9.50	9.00
Repo rate.. .. .	8.29	9.23		7.75	6.16	7.72
Inter-bank rate.. .. .	6.91	7.27	5.92	7.27	5.03	8.15
COMMERCIAL BANKS¹						
Average deposits.. .. .	6.81	8.02	7.33	8.22	8.04	7.41
Savings deposits.. .. .	1.85	1.56	6.37	6.91	6.60	5.13
Loan and Advances (maximum)	15.99	18.30	13.69	13.64	13.22	12.51
Overdraft.. .. .	15.86	18.48	13.49	13.54	13.23	12.17
Loans-Deposits Spread.. .. .	9.18	10.28	6.36	5.41	5.18	5.09

Source: Central Bank of Kenya.

¹Weighted average commercial bank interest rates

4.14. Selected real interest rates for the period 2014 to 2018 are presented in Table 4.7. The average real interest rates for the 91-day Treasury Bills dropped to 1.63 per cent in December 2018 from 3.51 per cent in December 2017. In real terms there was a drop in the average deposit rates from 3.72 per cent recorded in December 2017 to 1.70 per cent recorded in December 2018 while the inter- bank rate also dropped to 2.44 per cent.

Table 4.7: Selected Real Principal Interest Rates, 2014-2018

				Per cent
	As at end of:	Nominal Interest	Inflation Rate	Real Interest ¹
Average Interest Rate for 91-day Treasury Bills	2014	8.58	6.02	2.56
	2015	9.81	8.01	1.80
	2016	8.44	6.35	2.09
	2017	8.01	4.50	3.51
	2018	7.34	5.71	1.63
Commercial bank deposits (average)	2014	1.85	6.02	-4.17
	2015	1.56	8.01	-6.45
	2016	7.33	6.35	0.98
	2017	8.22	4.50	3.72
	2018	7.41	5.71	1.70
Commercial bank loans and advances (maximum)	2014	15.99	6.02	9.97
	2015	18.30	8.01	10.29
	2016	13.69	6.35	7.34
	2017	13.64	4.50	9.14
	2018	12.51	5.71	6.80
Inter-Bank Rate	2014	6.91	6.02	0.89
	2015	7.27	8.01	-0.74
	2016	5.92	6.35	-0.43
	2017	7.27	4.50	2.77
	2018	8.15	5.71	2.44

Note: Interest rates are as at December

¹ Real Interest Rate equals Nominal Rate minus Inflation Rate

4.15. Assets and liabilities of the Central Bank of Kenya (CBK) from 2014 to 2018 are presented in Table 4.8. In 2018, assets and liabilities of the CBK increased by 12.5 per cent to KSh 1,018.9 billion compared to an increase of 4.6 per cent in 2017. On assets, foreign exchange holdings reflected a gradual shift from balances held with external banks to securities. In 2018, securities in foreign exchange increased by 80.9 per cent to KSh 414.9 billion, while balances with external banks reduced by 19.2 per cent. As at December 2018, total deposit liabilities increased by 25.3 per cent to KSh 593.4 billion due to growth in deposit liabilities of Government and local banks which rose by 43.2 per cent and 27.6 per cent to KSh 207.6 billion and KSh 203.7 billion, respectively.

Table 4.8: Central Bank of Kenya Assets and Liabilities, 2014 to 2018

KSh Million									
	2012	2014	2015	2016	2017	2018*			
		Dec	Dec	Dec	Dec	March	June	September	December
ASSETS									
1. Foreign Exchange:-									
1.1 Balances with External Banks	395,312	608,203	585,544	580,215	485,322	518,296	459,286	429,749	392,126
1.2 Securities ²	70,305	81,195	133,828	131,717	229,344	374,642	399,912	409,059	414,902
1.3 Other Investments+	22,970	32,703	44,266	36,232	38,693	36,920	40,204	40,890	40,304
1.4 Special Drawing Rights+.....	676	1,179	1,489	3,813	1,487	2,678	2,065	5,393	2,577
Total Foreign Exchange	489,264	723,279	765,127	751,911	754,846	932,536	901,467	885,090	849,909
2. Advances & Disc. to Banks	2,288	3,676	16,858	46,713	28,292	33,071	28,720	57,940	53,210
3. Direct Advances & Overdraft to the Government	25,373	30,929	45,233	29,956	42,335	39,675	56,874	36,302	64,843
4. Other Assets including Treasury Bills & Bonds	31,792	28,325	71,277	37,914	80,507	37,603	36,195	36,395	50,937
TOTAL ASSETS	548,717	786,209	885,202	866,494	905,980	1,042,885	1,023,256	1,015,726	1,018,899
LIABILITIES :									
1. Capital	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
2. Currency-									
2.1 Notes	181,946	215,272	233,703	254,784	270,593	253,815	253,471	248,679	279,192
2.2 Coins	5,797	6,658	7,228	7,951	8,566	8,806	9,032	9,015	9,107
Total Currency	187,737	221,930	240,931	262,734	279,159	262,622	262,504	257,695	288,299
3. Deposits									
3.1 Government	46,296	179,963	177,905	181,804	144,903	330,789	294,158	283,959	207,553
3.2 Local Banks ¹	105,887	158,111	151,499	148,411	159,619	155,624	166,707	192,226	203,725
3.3 External Banks	123,919	133,819	143,741	130,329	127,717	129,186	117,831	116,777	110,417
3.4 Other	14,446	26,729	29,634	55,129	41,389	64,541	81,208	70,758	71,704
TOTAL DEPOSITS	290,548	498,622	502,778	515,673	473,628	680,141	659,903	663,720	593,398
4. Other Liabilities	65,432	60,658	136,493	83,087	148,194	95,123	95,849	89,311	132,202
TOTAL LIABILITIES	548,717	786,209	885,202	866,494	905,980	1,042,885	1,023,256	1,015,726	1,018,899

Source: Central Bank of Kenya

*Provisional

†Revised

¹ Deposits from commercial banks excluding non-bank financial institutions² Previously reported as Treasury Bills although it included other security instruments

4.16. Table 4.9a presents credit advanced by commercial banks from 2014 to 2018. Commercial banks' credit grew by 5.9 per cent from KSh 3,344.9 billion as at end of 2017 to KSh 3,543.9 billion as at end of 2018. Credit advanced to manufacturing sector increased by 6.5 per cent from KSh 314.2 billion as at end of 2017 to KSh 334.6 billion as at end of 2018 while credit advanced to Wholesale and retail trade, hotels and restaurants increased by 2.9 per cent to KSh 429.3 billion as at end of 2018. Credit advanced to real estate decreased marginally by 0.5 per cent from KSh 370.7 billion as at end of 2017 to KSh 368.7 billion as at end of 2018. In the public sector, commercial banks credit to the National Government increased by 16.9 per cent to KSh 956.3 billion while credit advanced to the County Governments increased by 9.2 per cent to KSh 4.3 billion as at end of 2018. Credit to enterprises, parastatal bodies and other public entities decreased by 10.9 per cent to KSh 96.6 billion as at end of 2018.

Table 4.10: Commercial Banks' Deposit Liabilities and Liquid Assets, 2014–2018

	Deposit Liabilities ¹ (KSh Million)	Liquid Assets ² (KSh Million)	Overall Liquidity Ratio (Per cent)
2014 December	2,327,188	1,050,496	45.1
2015 December	2,661,140	1,162,557	43.7
2016 December	2,771,711	1,269,312	45.8
2017 December	3,088,346	1,434,462	46.4
2018 January	3,085,977	1,456,800	47.2
February.....	3,090,421	1,482,606	48.0
March.....	3,114,950	1,520,942	48.8
April.....	3,172,021	1,555,926	49.1
May.....	3,242,073	1,596,159	49.2
June.....	3,295,410	1,642,843	49.9
July.....	3,303,762	1,676,141	50.7
August.....	3,322,699	1,693,252	51.0
September.....	3,324,301	1,724,400	51.9
October.....	3,351,006	1,716,504	51.2
November.....	3,338,865	1,703,976	51.0
December.....	3,414,706	1,726,988	50.6

Source: Central Bank of Kenya.

¹ Deposits Liabilities and Liquid Assets are calculated as an average of three days' balances.

² Includes notes and coins, balances at the Central Bank, net inter-bank balances in Kenya and Overseas (included only if positive) and Treasury Bills.

Deposit Taking Savings and Credit Cooperatives 4.19. Table 4.11 highlights key performance indicators of the Deposit Taking Savings and Credit Cooperatives (DTSS). Total assets increased by 12.4 per cent to KSh 497.3 billion in 2018 from KSh 442.3 billion in 2017. Total liabilities increased by 11.5 per cent from KSh 307.0 billion in 2017 to KSh 342.3 billion in 2018. Loans and advances increased by 12.0 per cent to KSh 358.6 billion in 2018. Capital reserves increased by 27.3 per cent to KSh 107.1 billion in 2018.

Table 4.11: Performance Indicators for Deposit Taking Savings and Credit Cooperatives (DTSS), 2014–2018

Indicator	KSh Million				
	2014	2015	2016	2017	2018*
Assets	301,537	342,848	393,499	442,277	497,276
Deposits	205,974	237,440	272,579	305,305	342,296
Loans and Advances	228,524	251,080	288,921	320,494	358,617
Capital Reserves+	52,200	62,459	74,899	84,117	107,113

Source: Sacco Society Regulatory Authority

* Provisional

+Revised upwards as SACCOs built up capital to meet regulatory requirements

Capital Markets 4.20. Table 4.12 shows the performance of the securities market for the period 2014 to 2018. The Nairobi Securities Exchange (NSE) 20-Share index declined from 3,712 points in 2017 to 2,801 points in 2018. The total number of shares traded reduced to 6.3 billion in 2018 from 7.1 billion in 2017. The total value of shares traded increased from KSh 172.0 billion in 2017 to KSh 176.0 billion in 2018. Equities market capitalization reduced by 16.7 per cent to KSh 2,102 billion in 2018. Total bond turnover increased from KSh 429 billion in 2017 to KSh 558 billion in 2018.

Table 4.12: Gross Secondary Market Statistics, 2014–2018

	2014	2015	2016	2017	2018*
Equities Market					
Total Number of Shares Traded (million)	8,233	6,812	5,809	7,065	6,336
Total Number of Deals.....	548,991	406,632	300,183	284,982	305,597
Total Value of Shares Traded (KSh billion)	216	209	147	172	176
NSE 20 Share Index (Base Jan 1966=100)	5,113	4,040	3,186	3,712	2,834
Market Capitalization (KSh billion)	2,316	2,054	1,932	2,522	2,102
Fixed Income Securities Market					
Total bond Turnover (KSh billion)	506	305	433	429	558
Capital Markets, Licensed/					
Securities Exchange	1	1	1	1	1
Central Depositories	1	1	1	1	1
Investment Banks	13	14	14	14	16
Stockbrokers	10	9	10	10	10
Investment advisers	17	17	13	14	14
Fund Managers	24	25	28	26	27
Collective Investment Schemes	19	20	23	23	24
Authorized depositories/Custodians	14	14	14	14	15
Credit Rating Agencies	3	3	3	3	4
Venture Capital Companies	1	1	1	0	0
Real Estate Investment Trust Managers	2	6	8	8	9
Real Estate Investment Trust Trustees		3	3	3	3
Employee Share Ownership Plans.....	10	11	11	14	14
Authorized Real Estate Investment Trusts			3	1	1
Authorised Securities Dealer.....					2
Non Dealing Online Foreign Exchange Broker.....					1
Money Manager.....					1
Total	115	125	133	132	143

Source: Capital Markets Authority

*Provisional

Insurance 4.21 Table 4.13 presents performance indicators for life insurance business for 2014 to 2018. Under life insurance, total liabilities grew by 12.5 per cent while that of assets grew by 12.6 per cent in 2018. Gross premium income for life business increased by 5.3 per cent in 2018. Similarly, investments grew to KSh 354.0 billion while commissions and benefit payments recorded marginal declines of 1.2 per cent and 1.4 per cent, respectively, during the review period. Under reinsurance life business, gross premium income grew by 17.4 per cent in 2018 from 15.8 per cent in 2017. Commissions paid increased by 16.9 per cent from KSh 672.0 million to KSh 785.5 million in 2018.

Table 4.13: Performance Indicators for Life Insurance Business, 2014-2018

	KSh Million				
Indicator	2014	2015	2016	2017	2018*
Life Insurance Business					
Gross Premium Income.....	56,483	61,243	73,062	82,971	87,340
Net Premium Income.....	52,613	56,514	67,579	77,165	80,415
Benefits Payment	27,165	28,264	36,985	45,912	45,266
Commissions.....	4,380	5,078	5,598	5,357	5,291
Management Expenses.....	9,451	11,176	12,011	12,020	13,078
Shareholders' Funds.....	36,566	36,259	45,258	45,962	46,252
Total Assets.....	240,086	268,976	305,389	353,608	392,316
Total Liabilities.....	203,520	232,717	260,131	307,646	346,064
Investments.....	218,774	242,750	271,906	318,922	354,031
Reinsurance-Life					
Gross Premium Income.....	1,622	2,087	2,393	2,771	3,254
Net Premium Income.....	1,424	1,813	2,069	2,445	2,908
Benefits Payment.....	537	767	1,038	1,208	1,057
Commissions.....	443	533	606	672	785
Management Expenses.....	198	249	291	313	251
Shareholders' Funds.....	4,366	4,124	4,643	5,164	6,562
Total Assets.....	6,812	8,044	8,983	9,923	12,423
Total Liabilities.....	2,446	3,920	4,340	4,759	5,861
Investments.....	6,494	7,713	8,529	9,029	9,740

Source: Insurance Regulatory Authority

* Provisional

4.22. Table 4.14 presents performance indicators for general insurance business for 2014 to 2018. Under general insurance business, total assets grew by 5.5 per cent to KSh 184.4 billion in 2018. Claims incurred, and net premium income grew at 3.5 per cent and 5.7 per cent, respectively, in 2018. Commissions paid declined by 3.7 per cent to KSh 6.6 billion while management expenses increased by 6.3 per cent to KSh 29.6 billion in the period under review.

4.23. Under reinsurance general business, net premium income declined by 3.8 per cent to stand at KSh 16.1 billion in 2018. Claims incurred increased from KSh 9.2 billion in 2017 to KSh 10.9 billion in the same period.

Table 4.14: Performance Indicators for General Insurance Business, 2014 - 2018

	KSh Million				
Indicator	2014	2015	2016	2017	2018*
General Business					
Gross Premium Income.....	101,297	112,134	121,674	124,709	127,489
Net Premium Income.....	74,023	82,986	89,213	87,552	92,579
Net Earned Premium Income (GB).....	70,208	79,578	86,148	90,044	91,253
Claims Incurred.....	41,895	49,131	53,701	54,861	56,777
Commissions.....	4,877	5,986	6,718	6,819	6,564
Management Expenses.....	20,967	24,531	26,120	27,808	29,563
Shareholders' Funds.....	61,582	65,984	67,018	70,397	72,342
Total Assets.....	146,174	163,977	172,809	179,023	184,375
Total Liabilities.....	84,593	97,992	105,792	108,626	112,033
Investments.....	100,827	111,067	113,637	117,483	130,164
Reinsurance-General business					
Gross Premium Income.....	14,752	16,357	15,267	17,494	17,648
Net Premium Income.....	14,160	15,728	14,498	16,778	16,137
Net Earned Premium Income.....	13,117	15,000	14,846	15,931	16,663
Claims Incurred.....	7,521	8,616	7,993	9,218	10,846
Commissions.....	3,833	4,186	4,167	4,560	3,870
Management Expenses.....	1,192	1,615	1,522	1,900	2,345
Shareholders' Funds.....	20,030	21,800	23,369	26,640	29,499
Total Assets.....	33,238	36,220	38,069	42,290	48,295
Total Liabilities.....	13,208	14,420	14,701	15,650	18,796
Investments.....	26,276	28,306	29,243	32,763	35,383

Source: Insurance Regulatory Authority

* Provisional

GB - General Business

Pension funds 4.24. Assets of the pension fund grew by 21.1 per cent from KSh 963.11 billion as at June 2017 to KSh 1,166.6 billion as at June 2018, as shown in Table 4.15. Large growths were recorded in guaranteed funds and offshore investments, increasing by 54.0 per cent and 55.3 per cent, respectively. Investment in government securities accounted for the largest share of total assets at 36.3 per cent in 2018.

Table 4.15: Assets of Pension Funds, 2015-2018

Investment item	KSh billion					
	December, 2015	June, 2016	Deember, 2016	June, 2017	December, 2017	June, 2018
Government Securities	242.4	211.9	349.2	353.5	394.2	423.7
Quoted Equities	186.8	129.7	159.1	180.4	210.2	241.5
Immovable Property	150.8	126.5	178.4	204.6	226.7	229.3
Guaranteed Funds	99.4	101.9	129.6	103.7	143.0	159.6
Listed Corporate Bonds	48.1	39.4	47.0	46.8	42.0	41.5
Fixed Deposits	55.6	28.3	24.6	45.5	32.9	31.6
Offshore	7.2	5.3	7.0	9.7	12.8	15.0
Cash	11.3	8.7	12.9	13.9	13.0	19.0
Unquoted Equities	2.8	62.6	4.0	3.9	4.1	3.8
Private Equity	0.2	0.0	0.2	0.3	0.3	0.4
Real Estate Investment Trusts(REITs)		0.0	0.8	0.9	1.0	1.0
Commercial paper, non-listed bonds by private companies				0.0	0.1	0.2
Un-Classified/Others	9.6	117.6				
Total	814.1	831.8	912.7	963.1	1080.1	1166.7

Source: Retirement Benefits Authority

Developments in the financial sector

Money and banking

4.25. During the review period, the CBK commenced distribution of new generation coinage for the country following a notice in the Kenya Gazette. In 2018, the International Accounting Standards (IAS) Board issued guidelines, International Financial Reporting Standard (IFRS) 9. The standards aim to maintain a stable and efficient banking and financial system. The CBK issued a circular to commercial banks and mortgage finance companies to comply with the standards and the regulatory capital, with a five-year transition period that started in January 2018.

4.26. Kenyan banking sector comprised 42 commercial banks, 1 mortgage finance company, 13 microfinance banks, 9 representative offices of foreign banks, 72 foreign exchange bureaus, 19 money remittance providers and 3 credit reference bureaus as at December 31, 2018.

Pensions

4.27. In 2018, there were 24 fund managers, 31 administrators and 11 custodians registered by the Authority to offer services to registered pension schemes. Through the Financial Act of 2018, the Retirement Benefits Authority (RBA) Act of 1997 was amended. The amended Act gives power to RBA to recover unremitted contributions from employers and penalize or wind up non-complying pension schemes.

Capital markets 4.28. In December 2018, the Capital Markets Authority (CMA) granted the first Money Manager License to operate in the online foreign exchange trading space. During the review period, the CMA granted the Nairobi Securities Exchange (NSE) an approval to pilot the derivatives market, following its approval for operations in 2015.

Chapter 05

Public Finance

Overview In 2018/19, the Government continued to pursue a fiscal consolidation path to ensure a sustainable fiscal position. This fiscal plan seeks a gradual reduction of the fiscal deficit and is geared towards creating fiscal space over the medium term, through enhanced domestic resource mobilization, rationalization of recurrent spending and improving efficiency of public investment. In the review period, resource allocation was aligned to the national development agenda to support the business environment, job creation and promotion of a broad-based inclusive growth as outlined in the Third Medium Term Plan (MTP III) of the Vision 2030.

5.2. Overall Fiscal Results: In 2018/19, the overall expenditure by the National Government is expected to grow by 17.8 per cent to KSh 3,033.6 billion. In the review period, recurrent and development expenditure is estimated at KSh 2,392.1 billion and KSh 641.5 billion, respectively. Total revenue is expected to grow by 20.8 per cent to KSh 1,886.0 billion in 2018/19. Total ordinary revenue is estimated at KSh 1,838.5 billion in 2018/19, of which tax revenue category is expected at KSh 1,621.7 billion, accounting for 88.2 per cent of the total ordinary revenue during the same period. As at the end of June 2018, the total stock of public debt stood at KSh 4,537.6 billion, of which external debt accounted for 56.6 per cent. In the review period, a total of KSh 856.6 billion has been allocated towards debt servicing charges.

5.3. In 2018/19, county governments are expected to spend a total of KSh 459.5 billion, against an estimated total revenue of KSh 422.8 billion. In the same period, current transfers from National Government to county governments inclusive of conditional grants, is estimated to grow by 7.8 per cent to KSh 372.7 billion.

National Government 5.4. Table 5.1 details the statement of the National Government operations for the period 2014/15 to 2018/19. Total revenue is expected to grow by 20.8 per cent to KSh 1,886.0 billion in 2018/19. In the same period, total expense is estimated to grow by 14.9 per cent to KSh 2,319.5 billion, while spending on acquisition of non-financial assets (net) is estimated to grow by 9.2 per cent to KSh 209.7 billion. Gross operating balance is estimated to improve by 5.2 per cent to a deficit of KSh 433.5 billion in 2018/19. Similarly, the net borrowing is also estimated to improve marginally to a deficit of KSh 643.2 billion over the same period.

Table 5.1: Statement of National Government Operations, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 ⁺
1. Revenue ¹	1,141,627.27	1,266,049.88	1,429,842.74	1,561,420.67	1,886,001.69
2. Expense	1,363,664.25	1,591,959.31	1,816,187.99	2,018,655.91	2,319,523.82
2.1 Current Expenditure	1,178,256.45	1,372,253.58	1,462,394.12	1,766,703.26	1,966,382.65
2.2 Capital Transfers	185,407.80	219,705.73	353,793.87	251,952.65	353,141.17
3. Gross Operating Balance (1-2)	-222,036.98	-325,909.43	-386,345.25	-457,235.23	-433,522.12
4. Acquisition of Non-Financial Assets (net) ² ..	312,101.47	174,078.54	223,827.45	191,994.61	209,725.41
5. Net lending/Borrowing (3-4)	-534,138.46	-499,987.97	-610,172.70	-649,229.85	-643,247.54
FINANCING (6-7)	-552,127.81	-482,422.88	-618,002.94	-614,662.82	-610,648.48
6. Net Acquisition of financial assets	55,045.81	180,977.17	43,894.49	92,864.12	20,904.52
6.1. Domestic	55,045.81	180,977.17	43,894.49	92,864.12	20,904.52
6.2. External	-	-	-	-	-
7. Net Incurrence of liabilities	607,173.62	663,400.05	661,897.43	707,526.93	631,553.00
7.1. Domestic	127,892.59	358,414.55	276,152.79	352,549.93	310,089.00
7.2. Foreign	479,281.03	304,985.50	385,744.64	354,977.00	321,464.00
MEMORANDUM ITEMS:					
8. Public debt redemption	232,950.71	222,896.68	216,943.22	344,334.90	470,634.98
8.1. External	82,949.81	35,633.36	44,839.00	150,282.37	250,282.53
8.2. Internal	150,000.90	187,263.32	172,104.23	194,052.52	220,352.45

* Provisional

⁺ Revised Budget estimates¹ includes grants² Acquisition of non financial assets (net) equals acquisition of non financial assets minus gross disposal of non financial assets

5.5. Table 5.2 presents the key fiscal ratios from 2014/15 to 2018/19. Gross operating balance as a percentage of revenue is estimated to improve to negative 23.0 in 2018/19 from negative 29.3 in 2017/18. Gross operating balance as a percentage of net acquisition of non-financial assets is estimated to improve in the review period. In 2018/19, net borrowing as a percentage of both revenue and total expenditure is expected to improve. The ratio of revenue to Gross Domestic Product (GDP) is expected to increase to 21.2 per cent from 18.3 per cent recorded in the previous period. Similarly, total Government expenditure as a percentage of GDP is estimated to increase to 34.1 per cent in the review period.

Table 5.2: Analysis of Key Fiscal Ratios, 2014/15 - 2018/19

	2014/15	2015/16	2016/17	2017/18*	2018/19 ⁺
Gross operating balance as a % of Revenue	-19.45	-25.74	-27.02	-29.28	-22.99
Gross operating balance as a % of Acquisition of Non financial assets (net)	-71.14	-187.22	-172.61	-238.15	-206.71
Ratio of Acquisition of Non financial assets (net) to Current Expenditure	26.49	12.69	15.31	10.87	10.67
Net lending/Borrowing as % of Revenue	-46.79	-39.49	-42.67	-41.58	-34.11
Net lending/Borrowing as % of Total Expenditure	-27.72	-24.65	-26.82	-25.23	-21.29
External Grants and Loans as % of Acquisition of Non financial assets (net) ...	162.57	192.20	183.91	199.26	175.92
Net Short-Term Borrowing as % of Acquisition of nonfinancial assets (net) ...	4.10	143.50	47.79	90.84	30.38
Revenue as % of GDP at Current Market Prices	19.54	19.03	18.85	18.32	21.18
Total Government Expenditure as % of GDP at Current Market Prices	33.43	30.38	30.10	30.22	34.07
Net lending/Borrowing as % of GDP at Current Market Prices	-9.14	-7.51	-8.05	-7.62	-7.22

* Provisional

⁺ Revised estimates

5.6. Table 5.3 presents the comparison of National Government budgetary estimates and the actual out-turns from 2015/16 to 2017/18, and revised budget estimates for 2018/19. Actual revenue realized in 2017/18 was KSh 1,533.8 billion, which is 92.9 per cent of the targeted revenue. In the same period, absorption of recurrent expenditure was 98.9 per cent of the budgeted amount, while absorption of development expenditure stood at 73.4 per cent. In 2017/18 external financing realized amounted to 98.0 per cent of the budgeted amount.

Table 5.3: Comparison of National Government Budget Estimates with Actual Out-turns, 2015/16 – 2018/19

KSh Million

	2015/16			2016/17		
	Budget	Actual	Difference	Budget	Actual	Difference
Total Ordinary Revenue	1,299,912.13	1,236,453.20	-63,458.93	1,514,988.77	1,403,938.76	-111,050.01
Recurrent Expenditure ¹	1,583,822.92	1,564,285.53	-19,537.39	1,734,402.94	1,657,215.49	-77,187.45
Recurrent Balance	-283,910.79	-327,832.33	-43,921.54	-219,414.18	-253,276.74	-33,862.56
Development Expenditure	682,983.39	483,066.22	-199,917.17	761,705.00	625,780.13	-135,924.87
External Financing (Net) ²	484,983.00	334,582.19	-150,400.81	477,762.82	411,648.62	-66,114.19
Balance for Domestic Financing (Net)..	-481,911.18	-476,316.37	5,594.82	-503,356.35	-467,408.24	35,948.11
	2017/18*			2018/19 ⁺		
	Budget	Actual	Difference	Printed Budget	Revised Budget	Difference
Total Ordinary Revenue	1,650,989.40	1,533,820.53	-117,168.86	1,949,180.83	1,838,518.69	-110,662.13
Recurrent Expenditure ¹	2,107,177.12	2,083,677.89	-23,499.23	2,402,157.75	2,392,095.27	-10,062.48
Recurrent Balance	-456,187.72	-549,857.35	-93,669.63	-452,976.92	-553,576.58	-100,599.66
Development Expenditure	670,621.48	492,387.11	-178,234.37	625,722.36	641,506.70	15,784.34
External Financing ² (Net)	390,326.54	382,577.14	-7,749.40	335,473.44	368,947.00	33,473.56
Balance for Domestic Financing (Net)..	-736,482.66	-659,667.32	76,815.34	-743,225.84	-826,136.28	-82,910.44

Source: The National Treasury

* Provisional

⁺ Revised budget estimates

¹ Recurrent expenditure consists of current expenditure, acquisition of non financial assets (net), Consolidated Fund Services and current transfers to county governments

² Includes external grants

5.7. As presented in Table 5.4, total ordinary revenue is estimated to increase by 19.9 per cent to KSh 1,838.5 billion in 2018/19. Over the same period, total tax revenue is expected to increase by 20.9 per cent to KSh 1,621.7 billion. Revenue from Income Tax and Value Added Tax (VAT) is estimated to grow by 18.8 per cent and 22.1 per cent to KSh 781.1 billion and KSh 435.9 billion, respectively, in 2018/19. In the same period, the Income Tax and VAT categories are estimated to account for 42.5 per cent and 23.7 per cent of the total tax revenue, respectively. The total non-tax revenue is expected to grow by 12.7 per cent to KSh 216.8 billion in 2018/19.

Table 5.4: National Government Gross Receipts on the Recurrent Account, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 [†]
Taxes on income, profits and capital gains	509,159.84	569,811.18	627,469.00	657,233.21	781,104.09
Income tax from individuals (P.A.Y.E)	279,795.65	286,166.16	336,596.00	350,630.83	413,257.32
Income tax from corporations (other income tax)	228,785.25	279,834.49	288,454.00	289,962.42	363,707.25
Capital gains taxes	578.95	3,810.54	2,419.00	16,639.96	4,139.52
Taxes on property	472.21	404.84	244.81	3,285.77	3,305.26
Tax on property	472.21	404.84	244.81	3,285.77	3,305.26
Value Added Tax (VAT)	259,685.20	289,213.47	339,033.92	356,855.92	435,885.93
VAT on domestic goods and services	127,904.57	160,389.01	194,233.86	206,257.33	242,919.46
VAT on imported goods and services	131,780.63	128,824.45	144,800.06	150,598.59	192,966.47
Taxes on other goods and services	140,243.32	162,593.81	188,971.60	193,449.83	240,293.37
Excise taxes	115,871.72	139,540.34	165,473.91	167,777.13	210,090.75
Taxes on use of goods and on permission to use the goods or to perform services and activities	4,650.51	5,780.10	4,594.68	4,899.93	5,502.62
Taxes on goods and services collected as AIA	19,721.08	17,273.37	18,903.00	20,772.76	24,700.00
Taxes on international trade transactions	101,040.90	104,433.27	112,890.05	118,440.12	150,538.53
Custom duties	74,047.72	79,187.93	89,943.34	93,921.45	120,589.17
Other taxes on international trade and transactions	26,993.18	25,245.33	22,946.71	24,518.67	29,949.36
Other taxes not elsewhere classified	11,467.76	10,423.54	8,595.58	12,123.00	10,595.87
TOTAL TAX REVENUE	1,022,069.24	1,136,880.10	1,277,204.95	1,341,387.85	1,621,723.04
Social security contributions	871.04	459.42	746.86	890.79	894.35
Property income	15,290.28	21,324.81	31,112.40	25,698.94	31,494.34
Sale of goods and services	6,158.28	6,022.75	10,763.79	14,111.46	16,089.30
Fines penalties and forfeitures	2,490.95	2,278.34	1,518.21	2,371.57	2,663.27
Repayments from domestic lending and on-lending	2,897.37	2,683.19	2,369.25	4,038.31	3,925.20
Ministerial Appropriation in Aid	56,705.93	62,398.11	75,881.13	139,056.53	154,693.50
Other receipts not elsewhere classified	7,026.70	4,406.48	4,342.17	6,265.09	7,035.69
TOTAL NON-TAX REVENUE	91,440.53	99,573.10	126,733.81	192,432.68	216,795.65
TOTAL ORDINARY REVENUE	1,113,509.78	1,236,453.20	1,403,938.76	1,533,820.53	1,838,518.69

Source: The National Treasury

* Provisional

[†] Revised budget estimates

P.A.Y.E - Pay As You Earn

AIA - Appropriation in Aid

5.8. Table 5.5 presents import duty levied on selected categories of commodities from 2014 to 2018. The import duty collected registered a significant growth of 16.2 per cent to KSh 97.8 billion in 2018. Over the same period, the import duty collected from food drinks and tobacco declined by 1.1 per cent to KSh 23.9 billion. Import duty collections from the transport equipment, machinery and metals categories increased by 5.2, 17.9 and 49.5 per cent, respectively, in 2018.

Table 5.5: Import Duty Collections on Selected Categories of Commodities, 2014 – 2018

End-Use Category	KSh Million				
	2014	2015	2016	2017	2018*
Food, drinks and tobacco	13,823.42	16,163.83	18,540.89	24,204.83	23,944.30
Basic materials	3,312.82	3,710.74	5,203.49	5,242.27	6,280.80
Fuels	1,338.13	1,413.23	1,195.70	1,380.31	2,539.23
Chemicals	3,508.57	3,970.02	3,862.54	4,050.77	4,412.57
Textiles	1,814.36	1,638.48	2,288.59	2,653.99	3,931.42
Semi-manufactures ¹	4,615.17	4,772.37	4,994.29	5,126.76	6,515.45
Metals	5,116.45	5,315.61	8,594.05	6,386.79	9,547.60
Transport equipment	17,576.28	19,310.19	16,252.85	16,597.57	17,462.38
Machinery	7,123.38	6,934.12	9,319.10	8,736.77	10,304.67
Miscellaneous commodities	7,179.58	7,924.10	9,246.60	9,852.98	12,854.18
TOTAL	65,408.16	71,152.69	79,498.09	84,233.04	97,792.61

Source: Kenya Revenue Authority

* Provisional

¹ Excludes non-metallic mineral manufactures

5.9. Table 5.6 shows excise revenue collected from domestically manufactured commodities and services from 2014 to 2018. The excise revenue collected grew by 12.6 per cent to KSh 93.3 billion in 2018. Receipts from airtime category registered the highest growth of 63.0 per cent to KSh 26.3 billion in 2018. Revenue realized from beer, and wines and spirits categories grew by 11.2 per cent and 30.8 per cent, respectively, in the same period. However, during the period under review excise revenue from cigarettes and financial transactions categories declined by 1.9 per cent and 26.3 per cent, respectively.

Table 5.6: Excise Revenue Levied on Commodities¹ and Services 2014 – 2018

	KSh Million				
	2014	2015	2016	2017	2018*
Beer	18,996.80	19,525.74	24,443.46	24,842.54	27,627.32
Wines and Spirits	4,638.32	6,148.36	10,681.38	8,772.87	11,477.89
Mineral Water, Soft Drinks and Juices	2,474.05	2,514.64	3,318.56	3,464.11	4,156.94
Cigarettes	10,281.88	12,230.19	12,440.94	13,052.09	12,804.50
Airtime	-	14,138.80	15,540.89	16,129.29	26,285.35
Financial Transactions	-	7,222.07	11,312.92	13,701.09	10,101.61
Other Commodities ²	2,719.59	902.15	2,642.24	2,881.04	829.79
TOTAL	39,110.63	62,681.94	80,380.39	82,843.03	93,283.40

Source: Kenya Revenue Authority

* Provisional

¹ Domestically manufactured commodities

² Includes revenue from jewelry, cosmetics and locally assembled vehicles

5.10. The details of financing of investment in non-financial assets by the National Government from 2014/15 to 2018/19 are given in Table 5.7. In the review period, external borrowing is estimated to decline by 9.4 per cent to reach KSh 321.5 billion, while disbursements from external grants is estimated to grow by 72.0 per cent to KSh 47.5 billion. In 2018/19, domestic financing which consists of long-term and short-term borrowing, is expected to decline by 12.0 per cent to KSh 310.1 billion. The net short-term domestic borrowing is es-

estimated to decline by 21.8 per cent in 2018/19, while the long-term domestic borrowing is estimated to grow by 38.3 per cent in the same period.

Table 5.7: National Government Financing of Non-Financial Assets, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 [†]
EXPENDITURE:					
Acquisition of Non financial Assets (Net)...	312,101.47	174,078.54	223,827.45	191,994.61	209,725.41
TOTAL	312,101.47	174,078.54	223,827.45	191,994.61	209,725.41
FINANCING:	635,291.11	692,996.73	687,801.41	735,127.07	679,036.00
External Grants	28,117.49	29,596.68	25,903.99	27,600.14	47,483.00
LONG TERM BORROWING:	594,392.31	413,598.42	554,928.58	533,128.22	567,847.32
External Borrowing	479,281.03	304,985.50	385,744.64	354,977.00	321,464.00
Long-Term Domestic Borrowing (Net).....	115,111.28	108,612.91	169,183.95	178,151.22	246,383.32
SHORT TERM BORROWING:	12,781.31	249,801.64	106,968.84	174,398.71	63,705.68
Treasury Bills (Net)	12,947.02	242,092.15	151,172.51	117,549.48	91,929.87
Other Short-Term Borrowing (Net)	-165.71	7,709.49	-44,203.67	56,849.24	-28,224.20
CHANGE IN CASH BALANCES ¹ : Increase=(-)...	-323,189.64	-518,918.19	-463,973.97	-543,132.46	-469,310.59
TOTAL	312,101.47	174,078.54	223,827.45	191,994.61	209,725.41

Source: The National Treasury and Central Bank of Kenya

* Provisional.

[†] Revised estimates

¹ Balancing item

5.11. The National Government expenditure classified by functions from 2015/16 to 2018/19 is presented in Table 5.8. The total outlays is estimated to grow by 17.8 per cent to KSh 3,033.6 billion in the review period. Total recurrent and development expenditures are expected to grow by 14.8 per cent and 30.3 per cent to KSh 2,392.1 billion and KSh 641.5 billion, respectively, 2018/19. Expenditure on economic affairs is expected to increase by 19.5 per cent to KSh 456.0 billion in 2018/19. This is attributable to significant growths of 33.1 per cent and 23.6 per cent expected in agriculture and transport functions, respectively, in 2018/19. In the review period, spending on public order and safety and general public services are expected to increase by 9.9 and 10.8 per cent, respectively, whereas that on defense is expected to decline by 13.0 per cent.

5.12. In the review period, spending on public debt transactions is expected to reach KSh 856.6 billion, accounting for 28.2 per cent of the total outlays. Transfers to county governments inclusive of conditional grants is estimated at KSh 372.7 billion, accounting for 12.3 per cent of the total expenditure. Spending on education, health and social protection functions is estimated to grow by 6.5, 57.7 and 38.0 per cent, respectively, in 2018/19. These growths are attributable to the government's fiscal strategy to improve the welfare of citizens through enhanced pro-poor expenditures in health, education and social protection.

5.13. Table 5.9 presents the National Government expenditure by economic classification from 2014/15 to 2018/19. Total outlays less disposals is expected to increase by 17.4 per cent to KSh 3,020.8 billion in 2018/19. Total expense is estimated to increase by 14.9 per cent to reach KSh 2,319.5 billion in 2018/19. This category is expected to account for 76.8 per cent of the total expenditure. Total consumption expenditure is estimated to grow by 3.7 per cent to KSh 742.8 billion in the review period. Total current grants is expected to grow by 14.2 per cent to reach KSh 681.2 billion in 2018/19. Over the same period, expenditure on interest is estimated to increase by 19.2 per cent to KSh 386.0 billion. The net expenditure on acquisition of non-financial assets is estimated to grow by 9.2 per cent to KSh 209.7 billion. Spending on acquisition of building and structures is expected to increase by 14.1 per cent to KSh 175.3 billion. In the same period, KSh 353.1 billion is allocated for capital transfers to public corporations and extra-budgetary units to finance priority public development projects.

Table 5.9: Economic Analysis of National Government Expenditure, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 [†]
Expense					
Consumption expenditure on goods and services:					
Compensation of employees	362,713.27	410,807.04	419,797.77	482,905.41	515,741.07
Use of Goods and Services	174,331.96	198,947.90	206,909.14	233,159.20	227,039.17
Total Consumption Expenditure.....	537,045.23	609,754.94	626,706.91	716,064.60	742,780.24
Subsidies	30,583.64	30,324.21	29,970.48	55,477.04	60,548.51
Interest:					
Domestic	137,635.27	172,857.04	171,323.40	239,469.90	271,605.74
External	29,737.73	42,471.50	62,387.48	84,420.24	114,374.40
Total Interest.....	167,372.99	215,328.54	233,710.88	323,890.14	385,980.15
Current Grants:					
International organisations	2,807.70	2,744.44	2,619.73	3,517.71	4,253.44
General Government units	163,618.06	174,424.02	192,267.13	235,485.20	288,516.67
County Governments	229,263.65	264,038.64	302,198.52	345,681.02	372,741.93
Other Grants	10,108.08	10,398.21	3,517.27	11,625.02	15,721.80
Total Current Grants.....	405,797.48	451,605.31	500,602.65	596,308.96	681,233.85
Social benefits	33,704.74	58,120.99	66,755.73	71,983.70	89,660.21
Other expense	3,752.36	7,119.59	4,647.47	2,978.81	6,179.70
Total Current Expenditure	1,178,256.45	1,372,253.58	1,462,394.12	1,766,703.26	1,966,382.65
Capital Grants (Transfers).....	185,407.80	219,705.73	353,793.87	251,952.65	353,141.17
1 Total Expense	1,363,664.25	1,591,959.31	1,816,187.99	2,018,655.91	2,319,523.82
2 Acquisition of Non Financial Assets(net)	312,101.47	174,078.54	223,827.45	191,994.61	209,725.41
Building and structures	295,659.70	151,974.19	183,762.76	153,621.59	175,335.02
Machinery and equipment	32,780.25	31,533.32	36,518.50	26,368.68	34,985.84
Inventories	5,714.44	1,735.19	6,294.56	10,879.50	4,554.03
Non- produced assets & Land	1,638.40	8,005.05	5,480.32	3,903.08	7,663.76
Less Disposal of Non financial assets	(23,691.30)	(19,169.21)	(8,228.69)	(2,778.24)	(12,813.24)
3 Equity Participation and on-lending	18,301.32	39,248.00	17,808.26	18,301.34	20,904.52
4 Public Debt Redemption	232,950.71	222,896.68	216,943.22	344,334.90	470,634.98
Total Outlays (1+2+3+4)	1,927,017.76	2,028,182.54	2,274,766.93	2,573,286.76	3,020,788.73

Source: The National Treasury

* Provisional.

[†] Revised Budget Estimates

5.14. Table 5.10 presents the stock of National Government outstanding debt by source as at end of June 2014 to 2018. Total stock of public debt rose by 14.3 per cent to KSh 4,537.6 billion as at end of June 2018. In the review period, external debt accounted for 56.6 per cent of the total debt. Domestic debt grew by 17.4 per cent to KSh 1,969.2 billion, while external debt rose by 12.0 per cent to stand at KSh 2,568.4 billion, as at end of June 2018. The total bilateral debt stock grew by 12.8 per cent to KSh 815.4 billion. The stock of debt from China grew by 17.1 per cent to KSh 560.5 billion as at 30th June, 2018.

5.15. The stock debt from of multilateral agencies declined by 1.7 per cent to KSh 829.8 billion as at the end of the review period. Except for debt from the African Development Bank (AfDB), which rose by 3.7 per cent to KSh 204.7 billion, debt from all other multilateral sources declined as at June 2018. The stock of external bonds increased by 68.3 per cent to KSh 480.0 billion in 2018. In the review period, the stock of Treasury bonds and Treasury bills

accounted for 33.3 per cent and 19.4 per cent of the total debt. Treasury bonds and Treasury bills grew by 13.5 per cent and 18.1 per cent to KSh 1,511.9 billion and KSh 878.6 billion, respectively, during the review period.

Table 5.10: National Government Outstanding Debt by Source, 2014 – 2018

	KSh Million				
Outstanding as at 30 th June	2014	2015	2016	2017	2018*
EXTERNAL DEBT:					
Lending Countries:					
Germany.....	26,571.29	22,558.54	30,935.11	31,669.11	34,149.33
Japan.....	84,514.51	79,016.83	94,413.95	91,455.62	97,713.22
France.....	61,579.73	59,032.26	59,371.47	63,262.08	60,803.04
USA.....	4,542.27	4,461.92	4,035.13	3,497.23	2,672.67
Netherlands.....	2,701.91	1,960.29	2,349.99	1,752.72	983.02
Denmark.....	1,991.76	1,437.14	1,540.67	1,355.76	1,049.23
Finland.....	93.59	71.43	269.38	1,711.78	1,642.15
China.....	80,858.59	252,039.33	313,127.34	478,606.83	560,534.48
Belgium.....	8,096.36	6,141.68	7,468.84	9,938.02	10,198.56
Other.....	22,907.13	18,337.23	34,838.82	39,319.32	45,642.22
Total (bilateral).....	293,857.14	445,056.63	548,350.69	722,568.48	815,387.92
International Organisations:					
IDA/IFAD.....	378,282.41	418,596.27	504,490.39	526,579.50	524,854.74
EEC/EIB.....	20,657.26	20,624.97	21,073.19	20,399.45	19,544.23
IMF.....	83,282.16	86,149.90	84,847.00	77,637.37	71,588.41
ADF/AfDB.....	102,118.16	150,229.35	179,226.58	197,490.09	204,706.87
Other multilateral.....	9,056.67	9,030.22	9,204.40	22,282.33	9,151.67
Total (multilateral).....	593,396.67	684,630.72	798,841.56	844,388.74	829,845.91
Commercial Banks.....	59,545.24	5,678.32	154,346.23	426,685.45	426,452.14
International Sovereign Bond.....	175,253.80	271,258.35	278,031.05	285,207.18	479,987.50
Suppliers' Credit.....	16,451.86	16,628.21	16,628.00	15,303.14	16,725.20
TOTAL EXTERNAL.....	1,138,504.71	1,423,252.24	1,796,197.52	2,294,152.98	2,568,398.68
INTERNAL DEBT:					
Treasury Bills ¹	299,406.15	318,928.15	587,478.70	744,154.90	878,621.65
Treasury Bonds	914,762.09	1,035,706.68	1,152,041.17	1,331,975.09	1,511,872.67
Non Interest bearing debts ²	28,273.00	26,615.00	25,559.00	24,448.76	23,338.76
Others (includes stocks)	41,886.01	39,194.54	50,391.63	11,131.70	64,447.02
Less government deposits ³ and on-lending..	-205,520.00	-242,264.49	-408,389.00	-434,475.22	-509,038.00
TOTAL INTERNAL (net)	1,078,807.25	1,178,179.89	1,407,081.50	1,677,235.21	1,969,242.09
TOTAL DEBT	2,217,311.96	2,601,432.13	3,203,279.02	3,971,388.20	4,537,640.77

Source: The National Treasury and Central Bank of Kenya

* Provisional

¹ Excludes Repo Bills

² Pre-1997 Government Overdraft debt (Repo T-bills)

³ Government deposits in Central Bank and Commercial Banks

5.16. Table 5.11 presents the National Government debt servicing and receipts from interest and loan repayments from 2013/14 to 2017/18. Net servicing charges for both internal and external debt rose by 48.2 per cent to KSh 664.2 billion in 2017/18. Receipts from interest and loan repayments rose significantly from KSh 2.4 billion in 2016/17 to KSh 4.0 billion in the review period. Net servicing charges on external and domestic debt servicing grew by 118.9 per cent to KSh 234.7 billion in 2018/19, while that on domestic debt grew by 25.9 percent to KSh 429.5 billion in the same period.

Table 5.11: National Government Debt Servicing, 2013/14 – 2017/18

Year	KSh Million						
	Debt Servicing Charges			Interest and Loan Repayment Receipts	Net Servicing Charges		
	External	Internal	Total		External	Internal	Total
2013/14.....	98,014.23	247,765.03	345,779.26	1,618.36	98,014.23	246,146.67	344,160.90
2014/15.....	112,687.54	287,636.17	400,323.71	2,897.37	112,687.54	284,738.80	397,426.34
2015/16.....	78,104.86	360,120.36	438,225.22	2,683.19	78,104.86	357,437.18	435,542.03
2016/17.....	107,226.48	343,427.63	450,654.10	2,369.25	107,226.48	341,058.38	448,284.86
2017/18*	234,702.61	433,522.43	668,225.04	4,038.31	234,702.61	429,484.12	664,186.73

Source: The National Treasury

* Provisional

5.17. The relationship between the National Government debt servicing charges on external

debt and export of goods and services from 2013/14 to 2017/18 is presented in Table 5.12. The ratio of external debt servicing charges to exports of goods and services was 20.0 per cent in 2017/18 compared to 9.9 per cent recorded in 2016/17.

Table 5.12: National Government Debt Service Charges and Earnings from Export of Goods and Services, 2013/14 - 2017/18

	Debt Service	Exports of	External debt service
	Charges on	Goods and	Charges as a Percentage
	External Debt¹	Services	of Exports of Goods and
	(Calendar Year)	Services	Percentage
	KSh Million	KSh Million	
2013/14.....	98,014.23	988,521.37	9.9
2014/15.....	112,687.54	1,042,699.82	10.8
2015/16.....	78,104.86	1,006,155.73	7.8
2016/17.....	107,226.48	1,079,568.06	9.9
2017/18*.....	234,702.61	1,173,323.04	20.0

* Provisional.

¹ Includes debt redemption and Interest Payment.

County Governments

5.18. The county governments' revenue by source for 2017/18 and 2018/19 is presented in Table 5.13. In 2018/19, county governments' revenue is expected to grow by 11.8 per cent to KSh 422.8 billion. The equitable grant allocation to county governments rose by 4.0 per cent to KSh 314.0 billion in 2018/19. Similarly, the conditional additional grants is estimated to reach KSh 58.7 billion in the period under review. In the review period, county governments are expected to realize a total of KSh 50.1 billion as annual local revenue. Annual local revenue for Kisii, Wajir and Garissa Counties are expected to more than double in 2018/19.

Table 5.13: County Government Revenue, 2017/18 – 2018/19⁺

County	KSh Million							
	Equitable Share Grant		Conditional Grant ¹		Annual Local Revenue		Total Revenue	
	2017/2018	2018/2019 ⁺	2017/2018	2018/2019 ⁺	2017/2018	2018/2019 ⁺	2017/2018	2018/2019 ⁺
Baringo.....	4,983.00	5,086.80	633.20	776.42	301.40	371.15	5,917.60	6,234.37
Bomet.....	5,254.80	5,934.60	507.54	855.09	181.38	210.22	5,943.72	6,999.91
Bungoma.....	8,758.00	8,949.00	830.71	1,163.06	656.75	1,101.00	10,245.46	11,213.06
Busia.....	5,828.60	5,966.00	563.41	807.60	176.29	452.52	6,568.30	7,226.12
Elgeyo Marakwet.....	3,624.00	3,768.00	424.19	657.30	105.48	130.00	4,153.68	4,555.30
Embu.....	4,107.20	4,458.80	749.03	1,031.75	416.11	950.00	5,272.34	6,440.55
Garissa.....	6,659.10	6,939.40	969.82	2,329.34	86.69	250.00	7,715.60	9,518.74
Homa Bay.....	6,523.20	6,688.20	658.74	861.94	106.94	173.00	7,288.88	7,723.14
Isiolo.....	3,775.00	3,925.00	505.24	810.57	114.56	150.86	4,394.80	4,886.43
Kajiado.....	5,768.20	5,997.40	510.52	925.83	682.16	1,583.86	6,960.88	8,507.09
Kakamega.....	9,935.80	10,330.60	1,227.61	1,709.92	440.61	1,043.62	11,604.02	13,084.14
Kericho.....	5,224.60	5,714.80	464.75	906.38	414.05	762.94	6,103.40	7,384.12
Kiambu.....	9,664.00	9,357.20	1,093.09	3,257.15	1,693.71	2,736.73	12,450.80	15,351.08
Kilifi.....	9,950.90	10,833.00	900.16	1,629.71	523.35	1,345.07	11,374.41	13,807.77
Kirinyaga.....	4,409.20	4,113.40	431.32	689.39	343.97	650.00	5,184.49	5,452.79
Kisii.....	7,429.20	7,693.00	1,143.79	1,444.67	256.28	950.00	8,829.27	10,087.67
Kisumu.....	6,553.40	6,908.00	961.75	1,933.40	874.90	1,382.57	8,390.05	10,223.97
Kitui.....	8,652.30	8,729.20	840.30	1,070.08	335.12	500.00	9,827.72	10,299.28
Kwale.....	7,248.00	7,536.00	694.69	1,264.14	276.30	303.11	8,218.99	9,103.26
Laikipia.....	4,499.80	4,113.40	498.22	727.91	413.33	550.00	5,411.35	5,391.31
Lamu.....	2,476.40	3,548.20	432.51	740.18	55.29	70.00	2,964.19	4,358.38
Machakos.....	7,399.00	8,321.00	1,033.39	2,190.04	1,063.73	1,720.06	9,496.12	12,231.11
Makueni.....	6,825.20	7,127.80	728.06	934.00	319.28	620.00	7,872.54	8,681.80
Mandera.....	9,739.50	10,142.20	815.81	1,040.90	61.81	169.79	10,617.12	11,352.88
Marsabit.....	6,583.60	7,002.20	668.84	868.34	83.39	140.00	7,335.83	8,010.54
Meru.....	7,701.00	8,007.00	4,928.99	1,269.45	441.69	983.87	13,071.68	10,260.32
Migori.....	6,462.80	6,719.60	746.90	1,350.41	222.25	450.00	7,431.95	8,520.01
Mombasa.....	8,154.00	8,226.80	867.05	1,599.00	3,159.16	3,877.22	12,180.20	13,703.01
Murang'a.....	6,191.00	6,248.60	603.20	772.24	453.71	1,000.00	7,247.91	8,020.84
Nairobi City County.....	15,402.00	15,794.20	3,050.07	919.33	10,109.42	15,208.87	28,561.49	31,922.40
Nakuru.....	9,271.40	9,451.40	1,127.24	2,320.92	2,278.65	2,000.00	12,677.29	13,772.32
Nandi.....	5,103.80	5,369.40	555.83	873.27	197.89	459.29	5,857.52	6,701.96
Narok.....	6,523.20	6,374.20	655.98	805.49	2,188.44	2,485.21	9,367.61	9,664.90
Nyamira.....	4,620.60	4,772.80	519.20	754.77	96.62	255.57	5,236.61	5,783.14
Nyandarua.....	4,771.60	4,929.80	626.08	909.84	318.59	410.00	5,716.27	6,249.64
Nyeri.....	4,952.80	5,024.00	841.85	1,246.62	760.23	1,000.00	6,554.87	7,270.62
Samburu.....	3,805.20	4,427.40	596.60	752.38	257.29	254.03	4,659.09	5,433.81
Siaya.....	5,526.60	6,028.80	527.57	703.79	139.34	275.00	6,193.50	7,007.59
Taita/Taveta.....	3,895.80	4,050.60	488.70	1,121.01	193.60	300.00	4,578.09	5,471.61
Tana River.....	5,345.40	5,557.80	672.81	939.43	56.63	60.00	6,074.84	6,557.23
Tharaka -Nithi.....	3,684.40	3,642.40	497.56	733.10	126.61	300.00	4,308.57	4,675.50
Trans Nzoia.....	5,647.40	5,620.60	603.57	1,027.93	246.06	500.00	6,497.03	7,148.53
Turkana.....	10,071.70	10,770.20	936.43	969.16	143.90	250.00	11,152.03	11,989.36
Uasin Gishu.....	5,707.80	5,934.60	587.97	1,350.23	819.22	1,200.00	7,114.99	8,484.83
Vihiga.....	4,409.20	4,458.80	520.87	906.78	143.53	153.67	5,073.60	5,519.25
Wajir.....	8,138.90	8,478.00	801.28	2,001.63	67.61	200.00	9,007.79	10,679.63
West Pokot.....	4,741.40	4,929.80	638.61	790.02	88.41	122.37	5,468.42	5,842.19
Total²	302,000.00	314,000.00	43,681.02	58,741.93	32,491.69	50,061.59	378,172.71	422,803.52

Source: Office of the Controller of Budget

+ Approved Estimates

¹ Includes Conditional Additional Allocations to county governments from National Government Revenue & Conditional Additional Allocations to County Governments from Loans and Grants²The FY 2017/18 and 2018/19 totals include Ksh 4.0 Billion allocated to county governments as Conditional Grant under the KDSP (Level 2) Grant. There is no information on how it has been distributed to the respective County Governments as at the date of Print.

5.19. Table 5.14 presents the expenditure for county governments by economic classification from 2014/15 to 2018/19. In the review period, county governments' expenditure is expected to grow by 36.6 per cent to KSh 459.5 billion. Spending on compensation of employees is expected to grow by 9.0 per cent to KSh 164.1 billion while that on the use of goods and services is expected to increase by 32.0 per cent to KSh 97.7 billion in 2018/19. In the same period, expenditure on acquisition of non-financial assets is expected to more than double to KSh 137.6 billion on account of increased expenditure on buildings and structures.

Table 5.14: Economic Classification of County Governments' Expenditure, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 [†]
Compensation of Employees.....	96,212.69	114,943.30	117,767.64	150,526.27	164,149.97
Salaries.....	71,168.66	83,398.01	87,233.99	112,115.30	115,134.41
Allowances.....	23,277.19	28,342.60	28,673.89	35,088.75	44,552.64
Social Contributions.....	1,766.85	3,202.70	1,859.76	3,322.22	4,462.92
Use of goods and services.....	55,465.22	67,370.85	70,879.15	74,033.21	97,678.81
Utilities, Supplies and Services.....	2,457.71	2,984.93	2,073.12	2,128.84	2,815.33
Printing , Advertising and Information Supplies and Services...	3,109.46	2,985.69	2,813.14	2,269.85	3,866.55
Rentals.....	1,120.94	1,617.53	1,657.73	1,426.07	2,643.63
Communication, Supplies and Services	686.40	787.93	721.81	777.67	1,166.33
Transportation Costs.....	8,955.77	11,745.81	13,309.25	13,474.53	15,510.83
Training Expenses	2,968.22	3,505.32	3,854.77	4,307.96	5,952.22
Hospitality Supplies and Services.....	3,349.47	4,172.83	5,097.58	5,210.77	5,775.66
Insurance.....	2,476.30	4,490.18	5,359.23	6,889.76	7,289.71
Specialised Materials.....	9,979.71	11,649.31	11,450.18	11,797.26	17,137.16
Office and General Supplies and Services and Materials.....	1,959.27	1,995.40	1,774.43	1,756.93	2,875.10
Fuel Oil and Lubricants	2,403.35	2,833.50	2,740.61	2,676.42	3,695.33
Other Operating Expenses.....	12,286.95	14,473.83	14,750.40	15,531.06	19,069.67
Routine Maintenance.....	3,711.65	4,128.60	5,276.91	5,786.09	9,881.29
Subsidies.....	569.82	701.93	387.09	106.58	993.85
Interest.....	5,188.24	7,121.41	6,819.50	3,652.36	3,435.25
Grants.....	5,715.38	8,215.42	12,454.56	13,986.57	35,293.67
Other Expense.....	7,012.16	8,259.41	40,356.44	9,639.88	153.12
Social Benefits	6,228.52	7,812.17	10,282.42	7,639.18	8,796.53
Acquisition of Non-financial Assets.....	91,217.78	97,579.77	84,887.80	66,336.42	137,557.31
Buildings and Structures.....	69,270.39	78,728.22	70,374.24	52,937.88	107,756.93
Plant and Machinery.....	20,457.73	13,718.62	10,420.25	9,247.47	20,165.16
Inventories	318.46	1,498.95	1,336.22	1,757.06	2,841.47
Non- Produced Assets & Land.....	1,171.20	3,633.99	2,757.08	2,394.01	6,793.75
Acquisition of Financial Assets.....	3,700.17	5,001.42	6,612.00	10,477.02	11,426.07
Total.....	271,309.98	317,005.69	350,446.59	336,397.48	459,484.57

Source: The National Treasury

* Provisional

† Approved Estimates

5.20. Classification of county governments' expenditure by functions from 2014/15 to 2018/19 are presented in Table 5.15. Expenditure on general public services is expected to grow by 10.1 per cent to KSh 143.8 billion in 2018/19. In the same period, allocation to economic affairs amounted to KSh 100.5 billion, accounting for 21.9 per cent of the total budget. Expenditure on health is expected to grow by 28.7 per cent to KSh 108.1 billion in the period under review. Similarly, expenditure on education is expected to grow by 54.2 per cent to KSh 36.7 billion in the review period.

Table 5.15: Expenditure of County Governments Classified by Functions, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 ⁺
General Public Services.....	136,218.19	119,555.49	145,768.03	130,647.39	143,834.14
Economic Affairs.....	40,167.19	67,052.61	67,319.94	58,715.78	100,537.24
General Economic Affairs.....	6,286.50	18,547.94	13,331.83	12,945.02	18,488.61
Agriculture.....	14,199.56	11,169.44	12,963.41	11,783.83	27,842.97
Transport.....	18,854.74	21,404.53	38,407.28	29,496.22	47,455.34
Other Economic Affairs.....	826.39	15,930.70	2,617.42	4,490.72	6,750.32
Environmental Protection.....	5,277.16	13,724.13	10,164.82	10,809.34	19,970.22
Housing and Community Ammenities.	6,997.36	16,749.80	24,814.79	22,671.51	39,556.94
Health.....	54,671.70	70,732.25	70,774.35	83,978.29	108,054.98
Recreation, Culture and Religion.....	7,849.29	6,527.41	6,454.43	4,869.95	8,775.29
Education.....	19,952.39	21,685.06	24,609.43	23,754.34	36,745.37
Social Protection.....	176.70	978.95	540.80	950.87	2,010.38
Total	271,309.98	317,005.69	350,446.59	336,397.48	459,484.57

Source: The National Treasury

* Provisional

⁺ Approved Estimates

General Government 5.21. Table 5.16 presents the consolidated general government statement of operations from 2013/14 to 2017/18. In 2017/18, the net borrowing increased by 0.8 per cent to KSh 710.2 billion, partially attributable to the 10.2 per cent decrease in expenditure on acquisition non-financial assets. The net operating balance worsened by 17.2 per cent to KSh 332.1 billion. The total revenue realized by the general government grew by 8.6 per cent to KSh 1,804.8 billion in 2017/18. Tax and other revenue categories accounted for 74.9 per cent and 20.5 per cent of the total revenue collected, respectively, in the same period. Spending on compensation of employees and use of goods and services amounted to KSh 784.5 billion and KSh 439.5 billion, respectively, in 2017/18. The compensation of employees' category accounted for 36.7 per cent of total expense. Borrowings through debt securities registered a significant growth of 53.1 per cent to KSh 490.5 billion, attributable to the issuance of external debt security in 2018.

Table 5.16: Consolidated¹ General Government² Statement of Operations, 2013/14 – 2017/18

	KSh Million				
	2013/14	2014/15	2015/16	2016/17	2017/18*
Revenue	1,225,962.31	1,396,517.75	1,512,828.19	1,661,784.65	1,804,761.93
Tax revenue.....	911,803.70	1,021,597.03	1,147,236.09	1,286,814.89	1,350,988.58
Social contributions.....	18,641.02	24,327.98	41,551.71	45,704.32	55,354.32
Grants:					
International organisation.....	26,957.11	28,117.49	29,596.68	25,903.99	27,600.14
Other revenue.....	268,560.49	322,475.25	294,443.71	303,361.46	370,818.89
Sale of Goods & Services.....	115,138.26	130,735.55	119,079.23	122,583.60	122,292.96
Property income.....	26,732.09	36,115.03	45,873.89	53,892.51	52,965.75
Ministerial AIA.....	35,707.06	56,705.93	62,398.11	75,881.13	139,056.53
Fines, Penalties & Forfeits.....	42,937.85	47,223.77	12,443.68	17,555.26	18,414.57
Other transfers NEC.....	48,045.23	51,694.96	54,648.79	33,448.97	38,089.08
Expense	1,138,323.36	1,374,151.43	1,615,033.25	1,945,116.67	2,136,855.82
Compensation of employees.....	502,780.39	565,049.02	622,268.55	670,762.20	784,526.08
Use of goods and services.....	315,788.63	385,918.19	415,166.74	408,853.15	439,545.94
CFC/Depreciation.....	10,586.23	12,553.52	13,914.36	14,537.86	15,029.16
Interest.....	136,549.51	173,186.76	225,287.27	243,616.09	329,429.36
Subsidies.....	22,806.24	31,153.46	42,568.02	53,950.42	64,547.92
Grants:					
International Organisation.....	2,919.91	2,807.70	2,744.44	2,619.73	3,517.71
Other General Government.....	110,059.16	145,439.43	188,534.89	366,841.75	335,856.36
Social benefits.....	29,621.71	46,681.82	87,974.91	104,527.19	117,296.33
Other expense.....	7,211.58	11,361.54	16,574.08	79,408.29	47,106.97
Net Operating Balance	87,638.95	22,366.32	-102,521.65	-283,332.02	-332,093.89
Acquisition of Non-Financial Assets.	332,831.65	545,267.39	405,355.54	421,070.30	378,082.48
Acquisition of fixed assets.....	303,146.73	540,839.45	399,957.63	425,753.35	373,873.01
Inventories.....	4,927.51	9,806.33	6,185.47	7,630.78	12,636.56
Non-produced Assets and Land.....	27,737.59	18,312.92	18,381.65	10,452.73	9,380.32
Disposal of non-financial assets.....	-2,980.17	-23,691.30	-19,169.21	-22,766.56	-17,807.40
Net lending/Borrowing.....	-245,192.70	-522,901.08	-507,877.19	-704,402.33	-710,176.38
Net Financial Worth.....	-231,391.88	-515,293.04	-436,194.06	-693,548.49	-683,734.29
Transactions in Financial assets	103,254.34	84,156.71	264,618.14	269,299.29	298,035.90
Currency and deposits.....	18,991.13	37,385.83	189,861.24	47,199.76	105,712.40
Debt securities.....	-4,435.56	9,271.23	21,484.01	40,675.14	51,631.34
Loans.....	50,462.99	30,636.93	41,784.49	24,420.26	28,778.36
Equity and investment fund shares	69,576.36	859.40	-5.88	447.07	2,430.69
Accounts receivable	-31,340.58	6,003.32	11,494.28	156,557.06	109,483.10
Transactions in Liabilities	334,646.21	599,449.75	700,812.20	962,847.78	981,770.19
Debt securities.....	200,690.15	310,666.87	350,705.06	320,356.46	490,481.02
Domestic.....	165,338.55	127,892.59	350,705.06	320,356.46	295,700.70
Foreign.....	35,351.60	182,706.78	0.00	0.00	194,780.33
Loans.....	143,800.77	304,943.23	322,550.71	456,335.66	301,091.77
Equity and investment fund shares	-	-	-	51,452.25	48,892.78
Accounts payable	-9,844.71	-16,160.35	27,556.43	134,703.41	141,304.62

Source: The National Treasury, Central Bank of Kenya and KNBS

* Provisional

¹ Refers to netting out of Intra-sectoral transactions to avoid double counting.² Consists of the National & County governments, and State-owned state corporations classified as non-market producers in the Public Sector Institutional Table.

International Trade and Balance of Payments

Chapter 06

Overview

Key international trade indicators include merchandise trade balance, terms of trade, volume of trade, current account balance and overall balance of payments position. In 2018, trade balance widened by 1.4 per cent to a deficit of KSh 1,147.3 billion from a deficit of KSh 1,131.5 billion in 2017. The export-import ratio improved slightly from 34.4 per cent in 2017 to 34.8 per cent in 2018. The current account deficit as a percentage of GDP was 5.0 per cent in 2018 against the 5.8 per cent as set out in the third Medium Term Plan (MTP III) of the Vision 2030. The Kenya Shilling strengthened against the US dollar to an average exchange rate of KSh 101.29 in 2018 compared to KSh 103.41 in 2017.

6.2. In 2018, both the values of domestic exports and imports rose at the same rate of 2.0 per cent. The leading exports were tea, horticulture, articles of apparel and clothing accessories; coffee, titanium ores and concentrates, collectively accounting for 62.0 per cent of the total domestic export earnings. Re-exports rose by 12.5 per cent in 2018 compared to a decline of 11.2 per cent in 2017. The volume of trade increased by 2.3 per cent in 2018 compared to a 15.4 per cent growth in 2017.

6.3. During the review period, the overall balance of payments position improved to a surplus of KSh 105.8 billion from a deficit of KSh 16.9 billion in 2017. The current account balance improved by 12.2 per cent from a deficit of KSh 503.4 billion in 2017 to a deficit of KSh 441.8 billion, in 2018. Net financial inflows grew by 21.6 per cent from a surplus of KSh 546.7 billion in 2017 to KSh 664.6 billion in 2018, mainly driven by a 40.5 per cent increase in inflows of foreign direct investment.

Balance of Trade

6.4. Expenditure on imports rose by 2.0 per cent from KSh 1,725.6 billion in 2017 to KSh 1,760.2 billion in 2018, as presented in Table 6.1. Total export earnings rose by 3.2 per cent to KSh 612.9 billion in 2018, with re-exports growing by 12.5 per cent. The increase in re-exports was mainly on account of petroleum products which grew by 11.2 per cent, and constituted 48.2 per cent of total re-exports in 2018. The continued increase in imports relative to total exports resulted to worsening of the trade deficit from KSh 1,131.5 billion in 2017 to KSh 1,147.3 billion in 2018.

Table 6.1: Balance of Trade, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
EXPORTS¹ (f.o.b) :					
Domestic Exports ¹	460,571.8	499,708.3	506,547.8	530,617.2	541,469.4
Re-exports	76,664.2	81,336.9	71,519.0	63,511.3	71,459.2
Total	537,236.0	581,045.2	578,066.9	594,128.5	612,928.6
IMPORTS¹ (c.i.f) :					
Commercial	1,599,618.8	1,540,731.2	1,389,740.6	1,671,724.0	1,700,812.0
Government	18,702.5	36,825.7	42,013.9	53,898.5	59,409.3
Total	1,618,321.3	1,577,556.9	1,431,754.5	1,725,622.6	1,760,221.3
BALANCE OF TRADE	-1,081,085.3	-996,511.7	-853,687.7	-1,131,494.1	-1,147,292.7
TOTAL TRADE	2,155,557.3	2,158,602.1	2,009,821.4	2,319,751.0	2,373,150.0
COVER RATIO² (in percentage) .. .	33.2	36.8	40.4	34.4	34.8

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

*Provisional

¹Excludes data on Informal Cross Border Trade and Electricity

²COVER RATIO =(Total Exports/Total Imports)*100

f.o.b:free on board

c.i.f: cost, insurance and freight

Price Indices 6.5. Table 6.2 highlights export and import unit price indices of commodity groups for the period 2014 to 2018 based on Standard International Trade Classification (SITC) Rev. 4. All exports price index rose marginally from 150.4 in 2017 to 151.1 in 2018. The slowdown in all exports price index was mainly as a result of decreases in the export price indices of food and live animals, manufactured goods and; animal and vegetable oils and fats. However, there were significant increases in export price indices of mineral fuels, machinery and transport equipment; and chemicals.

6.6. All imports price index increased by 11.5 per cent from 199.2 in 2017 to 222.1 in 2018, mainly due to the increase in import price indices of mineral fuels, food and live animals and; beverages and tobacco whose import price indices went up by 27.3, 35.9 and 40.6 per cent, respectively. On the contrary, import price index of animal and vegetable oils and fats declined by 15.0 per cent to 126.5 in the review period.

Table 6.2: Export and Import Price Indices, 2014-2018

	2009=100				
	2014	2015	2016	2017	2018*
EXPORTS:					
Food and live animals	121.4	155.4	145.5	169.6	150.4
Beverages and tobacco	142.5	126.4	161.3	167.9	164.7
Crude materials, (inedible)	124.6	123.9	103.1	113.9	141.1
Mineral fuels	218.8	193.1	114.9	108.3	167.4
Animal and vegetable oils and fats	128.1	135.9	156.4	125.8	114.4
Chemicals	133.8	155.0	185.4	116.0	156.2
Manufactured goods	112.0	117.0	108.3	132.3	109.4
Machinery and transport equipment	246.1	225.0	243.9	213.4	254.7
Miscellaneous manufactured articles	165.3	183.4	184.1	190.6	189.2
All Exports	131.8	148.6	142.5	150.4	151.1
Non-oil Exports	130.5	147.9	142.9	151.2	150.8
IMPORTS:					
Food and live animals	170.0	176.0	168.6	191.3	260.0
Beverages and tobacco	135.8	133.3	149.6	125.2	176.0
Crude materials, (inedible)	139.2	151.8	156.9	152.3	187.1
Mineral fuels	187.0	133.8	94.9	125.3	159.5
Animal and vegetable oils and fats	145.0	124.1	135.4	148.8	126.5
Chemicals	147.1	145.4	142.8	161.2	184.5
Manufactured goods	126.4	149.8	145.0	147.0	151.5
Machinery and transport equipment	227.4	275.5	292.3	331.1	339.5
Miscellaneous manufactured articles	188.7	169.2	150.1	159.3	160.8
All imports	180.3	195.5	180.8	199.2	222.1
Non-oil Imports	178.5	213.6	209.4	221.6	241.8

* Provisional

Terms of Trade 6.7. Terms of trade for all trade items deteriorated by 7.5 percentage points in 2018 compared to a decline of 3.3 percentage points in 2017 as presented in Table 6.3. This was due to a higher growth in price index of all imports compared to that of all exports. Similarly, terms of trade for non-oil items declined by 5.8 percentage points from 68.2 per cent in 2017 to 62.4 per cent in 2018.

Table 6.3: Terms of Trade, 2014-2018

	2014	2015	2016	2017	2018*
All Items	73.1	76.0	78.8	75.5	68.0
Non-oil Items	73.1	69.2	68.2	68.2	62.4

* Provisional

Quantum Indices

6.8. Export or import quantum index is a number which shows the changes in quantity of goods exported or imported. Quantum index of all exports increased by 1.6 per cent to 110.9 in 2018 as presented in Table 6.4. This was as a result of increase in quantity of non-oil exports, particularly, animal and vegetable oils and fats; food and live animals; and manufactured goods, whose export quantum indices rose by 35.8, 14.3 and 13.7 per cent, respectively. However, export quantum indices for mineral fuels, chemicals and crude materials (inedible), declined during the review period.

6.9. Quantum index of all imports declined by 8.5 per cent to 100.6 in 2018 from 109.9 in 2017. This was mainly occasioned by a 48.1 per cent decrease in import quantum index of food and live animals, following the reduced imports of key food items (maize, sugar, rice and wheat), during the review period. However, import quantum index of manufactured goods increased by 13.3 per cent to 184.9 in 2018.

Table 6.4: Quantum Indices, 2014-2018

	2009=100				
	2014	2015	2016	2017	2018*
EXPORTS:					
Food and live animals	116.1	108.8	119.6	113.7	130.0
Beverages and tobacco	111.2	124.2	84.8	75.3	78.5
Crude materials, (inedible)	134.6	137.7	182.6	178.9	149.1
Mineral fuels	42.4	48.8	64.0	70.0	39.0
Animal and vegetable oils and fats	80.1	58.4	66.4	58.4	79.3
Chemicals	97.3	89.0	74.3	115.0	92.1
Manufactured goods	120.5	106.6	99.8	75.2	85.5
Machinery and transport equipment	45.2	55.2	60.9	38.1	39.5
Miscellaneous manufactured articles	107.7	100.3	98.4	96.3	98.0
All Exports	109.9	105.4	111.6	109.2	110.9
Non-oil Exports	111.9	106.9	112.6	109.9	112.6
IMPORTS:					
Food and live animals	72.6	77.8	76.5	148.7	77.2
Beverages and tobacco	157.9	142.6	149.1	164.4	149.9
Crude materials, (inedible)	117.8	121.6	112.9	109.6	108.8
Mineral fuels	112.1	107.9	132.3	133.3	127.3
Animal and vegetable oils and fats	125.3	137.8	142.8	167.0	170.3
Chemicals	139.5	156.6	154.6	144.1	134.7
Manufactured goods	171.3	161.7	161.7	163.2	184.9
Machinery and transport equipment	100.2	81.9	64.0	61.7	57.2
Miscellaneous manufactured articles	125.9	164.2	173.7	194.3	210.1
All imports	113.9	102.5	100.6	109.9	100.6
Non-oil Imports	114.4	100.9	94.3	105.2	94.7

* Provisional

Quantities of Principal Domestic Exports 6.10. The volume of tea exports rose by 7.2 per cent from 467.0 thousand tonnes in 2017 to 501.8 thousand tonnes in 2018, as shown in Table 6.5. Over the same period, horticultural exports rose by 8.8 per cent to 497.4 thousand tonnes, while quantity of coffee exported increased by 2.8 per cent to 44.7 thousand tonnes. Exports of titanium ores and concentrates rebounded from a 13.2 per cent decline recorded in 2017 to a 5.6 per cent increase in 2018 to stand at 563.8 thousand tonnes. Exports of stone, sand and gravel increased significantly from 92.4 thousand tonnes in 2017 to 147.6 thousand tonnes in 2018. On the contrary, the volume of cement exported continued to exhibit a downward trend, declining by 62.8 per cent from 387.6 thousand tonnes in 2017 to 144.3 thousand tonnes in 2018. The quantity of soda ash exports declined from 342.6 thousand tonnes in 2017 to 294.3 thousand tonnes in 2018. The quantity of salt exports also declined from 320.4 thousand tonnes in 2017 to 311.8 thousand tonnes in 2018.

Table 6.5: Quantities of Principal Domestic Exports, 2014-2018

Commodity	Unit	2014	2015	2016	2017	2018*
Fish and fish preparations	Tonne	15,213.2	10,800.7	5,995.0	5,321.1	7,250.2
Maize(unmilled,excluding sweet corn)	Tonne	1,677.6	2,006.9	3,191.5	5,419.7	2,673.3
Meals and flours of wheat	Tonne	2,308.0	3,249.7	1,479.5	1,648.0	2,281.6
Horticulture	Tonne	434,950.0	443,076.0	501,573.0	457,201.3	497,416.9
Sugar confectionery	Tonne	28,985.7	29,988.2	28,836.4	31,064.0	29,042.3
Coffee, unroasted	Tonne	47,438.0	43,599.5	45,303.4	43,469.4	44,679.6
Tea	Tonne	456,491.8	420,527.3	479,969.3	467,032.9	501,785.7
Margarine and shortening	Tonne	17,096.8	18,397.4	17,786.7	18,102.2	19,523.1
Edible products and preparations, n.e.s.	Tonne	14,750.8	18,398.6	19,788.8	25,463.4	27,685.3
Beer made from malt	000 Lt.	65,572.5	64,565.1	31,331.9	28,593.7	33,965.1
Tobacco and tobacco manufactures	Tonne	21,016.0	15,961.2	25,367.2	21,439.3	21,775.2
Hides and skins	Tonne	2,559.8	2,271.9	2,777.0	1,105.2	1,221.4
Sisal	Tonne	10,092.8	9,014.7	9,594.8	7,441.3	8,552.7
Stone, sand and gravel	Tonne	45,459.9	38,678.2	104,492.9	92,408.4	147,615.1
Fluorspar	Tonne	94,020.9	70,096.0	48,662.0	8,925.8	0.0
Salt	Tonne	269,110.9	303,452.5	306,323.5	320,441.9	311,816.6
Soda ash	Tonne	396,095.0	272,520.5	258,702.7	342,639.3	294,305.6
Titanium ores and concentrates	Tonne	360,525.0	493,201.1	614,609.0	533,762.5	563,835.2
Metal scrap	Tonne	5,091.3	5,813.6	10,657.3	12,647.3	14,211.7
Animal and Vegetable oils	Tonne	49,826.6	37,356.9	57,274.7	36,058.8	56,507.7
Alcohols and derivatives thereof	000 Lt.	15,033.3	19,246.0	17,456.1	4,871.6	1,698.4
Pigments, paints, varnishes and related materials	Tonne	12,885.8	14,733.1	13,203.9	14,337.9	15,162.4
Medicinal and pharmaceutical products	Tonne	13,284.5	13,095.2	13,378.5	13,876.5	13,085.6
Essential oils	Tonne	87,779.2	78,356.3	81,769.0	88,158.4	101,972.5
Plates, sheets, film, foil and strip, of plastics	Tonne	8,478.8	7,247.0	5,309.4	5,194.0	5,105.2
Insecticides and fungicides	Tonne	1,597.0	2,208.8	2,314.2	2,455.3	2,873.8
Leather	Tonne	26,212.7	23,329.1	21,656.6	24,270.6	23,141.6
Wood manufactures n.e.s	Tonne	400.9	529.4	309.3	263.3	279.4
Paper and paperboard	Tonne	34,043.2	33,208.0	62,373.8	32,769.6	33,860.5
Textile yarn	Tonne	1,601.1	1,648.3	1,552.5	1,921.1	1,797.9
Made-up articles, wholly or chiefly of textile materials, n.e.s.	Tonne	16,618.9	16,678.9	11,018.2	7,763.8	7,245.7
Glassware	Tonne	13,411.5	13,106.3	11,373.2	14,192.8	14,558.3
Cement	Tonne	720,464.5	681,665.2	420,157.2	387,593.1	144,275.3
Iron and steel	Tonne	137,560.8	124,189.8	139,018.8	108,717.4	110,471.6
Metal containers	Tonne	3,162.1	2,542.4	3,569.0	2,456.1	1,931.7
Wire products: nails screws, nuts, etc.	Tonne	8,264.6	6,584.9	4,580.9	7,211.6	5,121.9
Household equipment of base metal, n.e.s.	Tonne	9,840.9	7,613.6	9,689.6	6,224.5	3,550.5
Manufactures of base metal, n.e.s.	Tonne	8,217.4	11,889.1	10,740.6	11,480.2	12,107.6
Automatic data processing machines and units thereof	No's	106,895.0	76,374.7	25,031.0	33,050.0	8,560.0
Footwear	'000' Pairs	40,092.4	32,634.4	37,175.6	34,480.2	34,411.0
Printed matter	Tonne	9,005.9	6,853.5	6,724.5	4,909.2	5,643.8
Articles of plastic	Tonne	58,488.2	52,629.4	47,381.7	43,306.8	33,900.9

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority
* Provisional.

Quantities of Principal Imports

6.11. Table 6.6 presents quantities of principal imports for the period 2014 to 2018. The volume of cement clinkers imported rose by 34.0 per cent from 1,504.6 thousand tonnes in 2017 to 2,016.7 thousand tonnes in 2018. The number of motor vehicles imported rose by 7.9 per cent to 101,964 units in 2018, while that of rubber tyres rose by 29.6 per cent to 10.5 million.

6.12. During the review period, the quantity of maize imports dropped from 1,328.0 thousand tonnes in 2017 to 529.6 thousand tonnes, while that of sugar, molasses and honey declined

from 1,119.6 thousand tonnes to 408.4 thousand tonnes. The reduction in imports of agricultural products was due to increased domestic supply in 2018. Imports of wheat and rice also declined by 6.4 per cent and 4.1 per cent to 1,736.7 thousand tonnes and 599.3 thousand tonnes, respectively, in 2018. The quantity of imported chemical fertilizers declined for the first time since 2014 to 632.1 thousand tonnes in 2018.

Table 6.6: Quantities of Principal Imports, 2014-2018

Commodity	Unit	2014	2015	2016	2017	2018*
Wheat, unmilled	Tonne	1,225,690.3	1,421,784.9	1,362,309.1	1,854,953.8	1,736,691.7
Rice	Tonne	459,165.2	442,736.1	507,998.7	625,142.7	599,338.8
Maize (unmilled, excluding sweet corn)	Tonne	458,940.1	490,023.7	148,558.1	1,327,971.7	529,558.3
Wheat flour	Tonne	33,178.0	16,306.1	15,925.1	13,951.2	22,641.7
Sugars, Mollases and Honey	Tonne	228,833.9	286,731.6	377,333.7	1,119,609.4	408,383.0
Edible products and preparations, n.e.s.	Tonne	54,264.1	93,869.0	93,952.1	104,972.5	92,864.5
Textile fibres and their waste	Tonne	20,050.6	21,459.3	21,452.5	20,124.7	24,145.6
Second - hand clothing	Tonne	106,974.3	110,659.0	131,940.8	135,868.4	177,160.0
Petroleum products	Mn. Lt.	4,645.1	5,120.0	5,478.2	5,542.1	5,471.3
Residual petroleum products, n.e.s. and related materials	Tonne	72,684.1	116,450.0	71,780.5	87,123.6	177,988.8
Liquefied propane and butane	Tonne	111,932.6	129,395.5	167,056.8	198,481.9	240,484.3
Animal/vegetable fats and oils	Tonne	622,343.3	683,489.6	750,512.0	850,497.4	867,296.9
Organic & inorganic chemicals	Tonne	389,311.2	268,454.4	279,396.5	279,539.7	315,055.3
Pigments, paints, varnishes and related materials	Tonne	28,932.3	34,410.4	38,003.8	43,330.6	52,511.7
Medicinal and pharmaceutical products	Tonne	20,712.8	24,953.6	25,872.9	24,790.8	29,847.8
Essential oils & perfumes	Tonne	55,425.2	55,320.5	56,046.4	64,353.3	64,187.5
Chemical fertilizers	Tonne	496,057.0	568,600.4	671,780.8	853,113.0	632,074.6
Plastics in primary & non-primary forms	Tonne	400,187.9	455,431.8	469,426.3	453,783.5	471,676.2
Insecticides and fungicides	Tonne	15,232.3	15,341.5	16,781.4	17,986.0	20,340.1
Miscellaneous chemical products, n.e.s.	Tonne	38,880.0	52,804.2	49,766.6	50,075.8	49,330.3
Rubber tyres and inner tubes, for wheels of all kinds	"000" No	6,103.5	6,429.5	7,757.1	8,123.6	10,476.2
Paper and Paperboard	Tonne	351,174.5	331,136.1	348,684.8	365,370.7	400,137.1
Textile yarn	Tonne	22,814.0	21,734.0	23,572.1	19,696.1	21,917.8
Cement Clinkers	Tonne	1,307,225.5	1,973,230.6	2,002,864.6	1,504,626.5	2,016,670.0
Iron and steel	Tonne	1,196,273.1	1,530,606.1	1,443,869.2	1,374,712.5	1,313,822.2
Non-ferrous metals	Tonne	53,315.5	51,010.3	51,397.1	46,035.8	46,321.9
Structures and parts of structures of iron, steel or aluminium	Tonne	66,404.8	95,065.2	103,980.8	69,821.4	59,363.5
Hand & machine tools	Tonne	11,381.8	11,336.7	11,648.6	9,471.9	11,932.9
Manufactures of base metal, n.e.s.	Tonne	32,746.6	66,069.2	60,269.9	45,873.3	45,327.4
Industrial Machinery ¹	-	-	-	-	-	-
Agricultural Machinery and Tractors ¹	-	-	-	-	-	-
Automatic data processing machines and units thereof	"000" No	404.6	538.2	1,025.3	1,245.3	498.4
Telecommunications equipment, n.e.s., and parts, n.e.s. ¹	-	-	-	-	-	-
Parts, n.e.s. and accessories of the motor vehicles ¹	-	-	-	-	-	-
Motorcycles and cycles fitted with an auxiliary motor	"000" No	148.3	182.1	145.9	199.7	204.2
Bicycles, assembled or partly assembled	"000" No	140.1	161.6	108.1	151.2	159.7
Road Motor Vehicles	Nos.	103,517.0	109,781.0	85,067.0	94,464.0	101,964.0
Aircraft and associated equipment ¹	-	-	-	-	-	-
Prefabricated buildings	Tonne	27,279.5	30,010.2	18,205.2	19,263.2	18,185.4
Furniture and parts thereof ¹	-	-	-	-	-	-
Quality control instruments and apparatus, n.e.s. ¹	-	-	-	-	-	-
Printed matter	Tonne	10,217.9	13,318.5	18,100.2	8,876.4	14,150.5
Articles, n.e.s., of plastics	Tonne	49,786.1	46,137.7	50,648.6	42,345.5	42,043.2

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

* Provisional.

¹ Items have different units of measurements

**Values of
Principal
Domestic
Exports**

6.13. Table 6.7 presents the value of principal exports for the period 2014 to 2018. Despite the decline in the value of tea exports by 5.7 per cent to KSh 138.8 billion in 2018, it accounted for 25.6 per cent of the total export earnings. Export earnings from coffee also declined marginally from KSh 23.5 billion in 2017 to KSh 23.1 billion in 2018. During the review period, exports of articles of plastics, soda ash, medicinal and pharmaceutical products and sugar confectionery declined by 18.2, 6.0, 4.6 and 4.3 per cent, respectively. Similarly, exports of cement declined for the third year in a row to KSh 1.5 billion in 2018, mainly due to a huge reduction in exports to the EAC.

6.14. The value of horticultural exports increased by 9.6 per cent to KSh 124.3 billion and accounted for 22.9 per cent of total domestic exports in 2018. The growth was mainly driven by increases in exports of cut flowers and avocados. Exports of articles of apparels and clothing accessories increased from KSh 32.4 billion in 2017 to KSh 34.3 billion in 2018, accounting for 6.3 per cent of total domestic exports. Titanium ores and concentrates have gained prominence as a major export commodity since 2014 with domestic exports of the commodity amounting to KSh 15.4 billion in 2018. Domestic exports of iron and steel; and metal scrap jointly rose by 8.3 per cent to KSh 16.3 billion in 2018.

Table 6.7: Values of Principal Domestic Exports, 2014-2018

Commodity	KSh Million				
	2014	2015	2016	2017	2018*
Fish and fish preparations	4,265.7	3,286.6	1,898.9	2,124.8	2,975.0
Maize(unmilled,excluding sweet corn)	323.6	312.3	510.8	766.4	513.8
Meals and flours of wheat	87.3	137.8	64.5	72.0	88.9
Horticulture	97,104.9	100,963.3	110,338.3	113,349.4	124,266.8
Sugar confectionery.	5,345.1	5,475.2	4,894.6	5,073.0	4,854.6
Coffee, unroasted	19,913.1	20,579.7	21,371.4	23,452.7	23,094.9
Tea	93,995.8	123,024.5	124,496.7	147,250.8	138,835.5
Margarine and shortening	2,348.7	2,306.9	2,125.9	2,368.1	2,705.2
Edible products and preparations, n.e.s.	2,636.9	4,048.1	4,328.8	5,985.2	5,938.6
Beer made from malt	3,416.4	3,629.9	2,316.4	2,520.9	2,641.1
Tobacco and tobacco manufactures	16,827.3	15,757.1	14,573.9	13,735.7	13,988.0
Hides and skins (undressed)	125.6	123.6	170.6	51.1	66.1
Sisal	1,325.3	1,517.0	1,762.0	1,220.3	1,399.0
Stone, sand and gravel	642.7	444.3	725.6	578.9	791.5
Fluorspar	1,883.2	1,427.7	842.5	158.8	0.0
Salt	3,880.6	4,694.4	4,336.6	4,039.6	4,141.1
Soda ash	7,832.5	6,247.4	5,432.3	7,090.7	6,663.8
Titanium ores and concentrates.....	7,282.0	9,420.3	11,043.1	13,792.7	15,364.2
Metal scrap	3,403.0	2,597.6	2,490.1	3,328.0	3,943.1
Animal and Vegetable oils	6,036.2	4,650.2	6,040.0	4,356.0	5,338.4
Alcohols and derivatives thereof	1,447.2	2,058.8	1,604.9	405.4	197.6
Pigments, paints, varnishes and related materials	1,893.8	2,271.2	1,817.5	2,171.8	2,653.3
Medicinal and pharmaceutical products	8,295.5	11,199.3	13,190.4	10,951.5	10,445.0
Essential oils	10,854.4	9,822.0	9,139.3	10,113.1	11,850.7
Plates, sheets, film, foil and strip, of plastics	2,641.2	2,419.5	1,995.2	1,636.8	1,815.5
Insecticides and fungicides	804.7	1,545.8	2,034.1	1,716.3	1,981.8
Leather	7,597.1	6,222.0	4,605.3	5,088.3	4,420.4
Wood manufactures n.e.s	146.1	124.2	107.0	135.2	149.1
Paper and paperboard	4,406.4	4,772.6	4,994.5	4,855.0	5,626.7
Textile yarn	720.8	721.1	636.9	859.0	798.6
Made-up articles, wholly or chiefly of textile materials, n.e.s.	3,772.2	3,400.4	3,017.8	2,080.9	1,962.4
Glassware	839.9	910.4	606.7	924.1	927.3
Cement	7,540.6	7,721.3	4,360.2	3,505.2	1,482.6
Iron and steel	13,443.1	12,290.4	13,182.9	11,716.7	12,344.0
Metal containers.	555.6	575.5	575.5	511.5	393.0
Wire products: nails screws, nuts, etc.	1,295.5	992.1	646.5	1,077.1	557.4
Household equipment of base metal, n.e.s.	3,508.3	2,659.4	2,708.8	1,907.3	867.7
Manufactures of base metal, n.e.s.	1,938.4	2,633.3	2,553.3	2,562.4	2,821.7
Automatic data processing machines and units thereof.	330.9	236.4	336.9	167.4	243.7
Electrical machinery and apparatus, n.e.s.	2,025.2	2,021.9	6,285.2	1,517.7	1,966.6
Trailers and semi-trailers; other vehicles	2,040.5	1,624.2	1,494.2	947.9	1,315.7
Furniture and parts thereof;	1,696.7	1,421.1	1,214.6	1,068.5	1,025.2
Footwear	3,568.9	3,693.9	3,473.1	3,229.5	3,369.0
Printed matter	4,271.3	6,363.3	5,205.0	5,682.6	6,859.9
Articles of plastics	10,995.0	11,174.0	9,906.7	8,800.8	7,200.1
Articles of apparel and clothing accessories.	28,947.6	28,226.0	30,741.1	32,447.6	34,328.4
All other Commodities	56,319.1	61,964.1	60,351.0	63,222.3	66,256.3
GRAND TOTAL	460,571.8	499,708.3	506,547.8	530,617.2	541,469.4

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

* Provisional

Values of Principal Imports 6.15. Table 6.8 presents the value of imports of principal commodities for 2014 to 2018. The value of petroleum products rose from KSh 234.9 billion in 2017 to KSh 295.1 billion in 2018, and constituted 16.8 per cent of the total import bill. Industrial machinery was the second leading category of imports, accounting for 14.3 per cent of total imports at KSh 252.5 billion in 2018. Expenditure on road motor vehicle imports rose by 8.6 per cent to KSh 92.6 billion in 2018. Similarly, expenditure on motor vehicle parts and accessories, and rubber tyres and tubes rose by 12.1 per cent and 16.0 per cent, respectively, over the same period.

6.16. Contrary to the trend observed in 2017, import value of rice; sugar, molasses and honey; and maize declined by 4.5, 63.5 and 70.2 per cent, respectively, in 2018. Expenditure on imports of animal and vegetable fats and oils reduced from KSh 68.6 billion in 2017 to KSh 59.4 billion in 2018, while that of chemical fertilizers declined by 19.4 per cent, over the same period. The import bill on telecommunication equipment declined by 20.3 per cent to KSh 25.5 billion in 2018. Similarly, the value of imports of automatic data processing machines dropped by 53.5 per cent to KSh 11.7 billion in 2018.

Table 6.8: Values of Principal Imports, 2014-2018

Commodity	KSh Million				
	2014	2015	2016	2017	2018*
Wheat, unmilled	33,830.5	35,663.3	28,882.9	42,400.1	42,898.5
Rice	15,304.6	13,369.9	14,200.0	26,781.9	25,589.5
Maize (unmilled, excluding sweet corn)	9,308.5	8,378.3	3,636.6	40,265.0	12,008.4
Wheat flour	1,711.7	901.6	766.7	618.2	823.0
Sugars, Mollases and Honey	12,008.6	15,503.5	21,953.0	61,529.9	22,466.3
Edible products and preparations, n.e.s.	7,462.9	10,645.8	12,461.1	11,941.7	11,034.9
Textile fibres and their waste	5,791.9	6,623.2	6,365.3	5,386.8	6,549.5
Second - hand clothing	8,814.9	10,151.3	12,859.4	13,061.3	16,933.2
Petroleum Products	292,643.0	214,694.8	183,842.1	234,896.0	295,059.6
Residual petroleum products, n.e.s. and related materials ...	5,362.2	6,634.5	3,979.4	4,780.5	7,429.0
Liquefied propane and butane	10,834.1	7,879.1	7,894.8	11,748.7	15,090.0
Animal/vegetable fats and oils	50,043.9	47,038.3	53,284.9	68,553.5	59,425.9
Organic & inorganic chemicals	21,856.0	22,559.7	22,677.1	26,046.6	30,318.5
Pigments, paints, varnishes and related materials	6,368.5	6,872.0	7,080.5	7,670.8	8,747.1
Medicinal & Pharmaceuticals Products	52,088.5	61,513.3	60,454.6	55,623.4	59,746.4
Essential oils & perfumes	18,444.7	20,900.9	19,413.1	21,926.9	22,859.6
Chemical Fertilizers	19,330.9	23,467.9	23,064.0	29,159.2	23,492.3
Plastics in primary & non-primary forms	60,217.3	62,723.9	59,318.9	61,308.0	68,868.4
Insecticides and fungicides	10,797.0	11,334.8	11,381.3	11,892.1	14,034.0
Miscellaneous chemical products, n.e.s.	12,958.2	14,416.5	14,061.7	15,873.2	16,071.2
Rubber tyres and inner tubes, for wheels of all kinds	12,405.6	13,343.4	14,269.5	14,027.7	16,273.1
Paper and Paperboard	29,948.4	29,316.1	30,064.9	33,009.8	41,852.7
Textile yarn	4,421.4	4,332.5	4,137.2	3,881.6	4,939.6
Cement Clinkers	6,563.4	9,548.2	8,365.3	6,544.6	9,576.3
Iron and Steel	75,526.4	88,153.1	75,469.1	83,579.8	97,686.4
Non-ferrous metals	14,704.3	14,672.3	14,353.0	16,902.2	16,424.7
Structures and parts of structures, n.e.s., of iron, steel or aluminium ...	11,210.9	14,338.0	17,140.8	13,436.6	11,221.7
Hand & machine tools	4,082.4	3,267.2	2,848.2	2,626.2	2,749.4
Manufactures of base metal, n.e.s.	8,459.3	10,967.1	11,916.4	9,258.3	10,975.9
Industrial Machinery	256,672.4	211,724.4	253,541.1	238,366.3	252,461.4
Agricultural Machinery and Tractors	7,925.2	8,664.3	8,917.8	8,477.6	9,298.0
Automatic data processing machines and units thereof	9,720.0	11,211.7	18,959.4	25,233.2	11,725.2
Telecommunications equipment, n.e.s., and parts, n.e.s.	23,622.2	29,444.0	28,693.9	32,014.7	25,512.0
Parts, n.e.s. and accessories of the motor vehicles	8,105.1	9,674.0	9,078.3	9,016.6	10,103.4
Motorcycles and cycles fitted with an auxilliary motor	8,002.4	10,177.4	8,246.7	11,432.1	11,316.0
Bicycles, assembled or partly assembled	392.5	498.3	356.9	434.0	505.3
Road Motor Vehicles	101,792.3	117,637.3	85,839.5	85,219.9	92,585.9
Aircraft and associated equipment	129,589.3	83,093.8	7,753.3	11,311.6	16,159.5
Prefabricated buldings	6,702.2	6,999.9	4,641.3	4,112.3	5,181.7
Furniture and parts thereof	6,325.2	7,160.7	7,131.7	7,965.3	8,802.7
Quality control instruments and apparatus, n.e.s.	12,110.5	9,650.8	9,590.5	12,692.1	12,952.0
Printed matter	4,822.2	5,059.8	5,707.5	8,876.7	7,544.8
Articles, n.e.s., of plastics	6,846.1	8,556.3	7,802.4	8,248.1	8,880.0
All other Commodities	213,193.7	268,793.7	229,352.3	327,491.5	316,048.4
GRAND TOTAL	1,618,321.3	1,577,556.9	1,431,754.5	1,725,622.6	1,760,221.3

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

* Provisional

**Unit Prices
of Principal
Domestic
Exports**

6.17. Table 6.9 presents unit prices of principal domestic exports for the period 2014 to 2018. One tonne of maize seed exports rose by 35.9 per cent from KSh 141,418.5 in 2017 to KSh 192,206.8 in 2018. The unit price of one tonne of salt rose from KSh 12,606.2 in 2017 to KSh 13,280.5 in 2018. Similarly, the unit prices of one tonne of exported soda ash; titanium ores and concentrates; and metal scrap rose by 9.4, 5.5 and 5.4 per cent to KSh 22,642.4, KSh 27,249.4 and KSh 277,455.0, respectively, in 2018. One tonne of paper and paperboard exports fetched KSh 166,172.4 in 2018 compared to KSh 148,155.3 in 2017.

6.18. In 2018, the unit price of one kilogramme of the two leading export commodities, tea and coffee, fell by 12.2 per cent and 4.2 per cent to KSh 276.7 and KSh 516.9, respectively. Similarly, the export price of a litre of beer made from malt fell by 11.8 per cent to KSh 77.8 in 2018. The price of one kilogramme of leather exports has been declining for the last five years and was KSh 191.0 in 2018.

6.20. The cost of one tonne of maize imports declined from KSh 30,320.7 in 2017 to KSh 22,676.3 in 2018. A tonne of wheat imported in 2018 averaged KSh 24,701.3 compared to KSh 22,857.8 in 2017. Similarly, the cost of a tonne of wheat flour imports reduced by 18.0 per cent to KSh 36,348.7 in 2018. It cost KSh 2,001.7 to import a tonne of medicinal and pharmaceutical products in 2018 compared to KSh 2,243.7 in 2017.

Table 6.10: Unit Prices of Principal Imports, 2014- 2018

Commodity	Unit	KSh/Unit				
		2014	2015	2016	2017	2018*
Wheat, unmilled	Tonne	27,601.2	25,083.5	21,201.4	22,857.8	24,701.3
Rice	Tonne	33,331.4	30,198.3	27,952.9	42,841.2	42,696.2
Maize, unmilled	Tonne	20,282.5	17,097.7	24,479.6	30,320.7	22,676.3
Wheat flour	Tonne	51,590.2	55,294.2	48,142.5	44,312.8	36,348.7
Sugars, molasses and honey	Tonne	52,477.6	54,069.6	58,179.2	54,956.6	55,012.7
Edible products and preparations, n.e.s.	Tonne	137,528.3	113,410.8	132,632.1	113,760.3	118,828.2
Textile fibres and their waste	Tonne	288,865.5	308,640.5	296,716.3	267,671.1	271,251.3
Second - hand clothing	Tonne	82,402.4	91,735.4	97,463.4	96,132.1	95,581.2
Petroleum products	Lt.	63.0	41.9	33.6	42.4	53.9
Residual petroleum products, n.e.s. and related materials ...	Kg	73.8	57.0	55.4	54.9	41.7
Liquefied propane and butane	Kg	96.8	60.9	47.3	59.2	62.7
Animal and vegetable oils	Kg	80.4	68.8	71.0	80.6	68.5
Organic & inorganic chemicals	Kg	56.1	84.0	81.2	93.2	96.2
Pigments, paints, varnishes and related materials	Kg	220.1	199.7	186.3	177.0	166.6
Medicinal & pharmaceuticals products	Kg	2,514.8	2,465.1	2,336.6	2,243.7	2,001.7
Essential oils & perfumes	Kg	332.8	377.8	346.4	340.7	356.1
Chemical fertilizers	Tonne	38,969.1	41,273.1	34,332.7	34,179.8	37,167.0
Plastics in primary & non-primary forms	Tonne	150,472.6	137,724.1	126,364.7	135,104.0	146,007.8
Insecticides and fungicides	Tonne	708,822.2	738,832.9	678,208.8	661,189.6	689,964.2
Miscellaneous chemical products, n.e.s.	Tonne	333,285.7	273,018.2	282,553.4	316,984.0	325,788.2
Rubber tyres and inner tubes, for wheels of all kinds	No.	2,032.5	2,075.3	1,839.5	1,726.8	1,553.3
Paper and paperboard	Tonne	85,280.7	88,532.0	86,223.8	90,346.0	104,596.0
Cement clinkers	Tonne	5,020.9	4,838.9	4,176.7	4,349.6	4,748.6
Iron and steel	Tonne	63,134.8	57,593.6	52,268.7	60,798.0	74,352.8
Non-ferrous metals	Tonne	275,797.4	287,634.5	279,256.2	367,154.0	354,577.9
Structures and parts of structures of iron, steel or aluminium ...	Tonne	168,826.3	150,822.4	164,845.6	192,442.3	189,034.3
Hand & machine tools	Kg	358.7	288.2	244.5	277.3	230.4
Manufactures of base metal, n.e.s.	Tonne	258,326.8	165,994.7	197,717.9	201,822.6	242,147.7
Automatic data processing machines and units thereof	No.	24,023.5	20,831.5	18,491.4	20,263.0	23,523.7
Motorcycles and cycles fitted with an auxilliary motor	No.	53,953.1	55,887.7	56,509.7	57,241.5	55,420.4
Bicycles, assembled or partly assembled	No.	2,801.2	3,082.6	3,301.7	2,869.7	3,164.6
Road motor vehicles	No.	983,338.8	1,071,563.3	1,009,081.6	902,141.2	908,025.1
Prefabricated buldings	Tonne	245,685.7	233,249.2	254,944.3	213,479.7	284,934.8
Printed matter	Tonne	471,933.9	379,908.7	315,328.0	1,000,031.7	533,179.7
Articles, n.e.s., of plastics	Tonne	137,510.8	185,452.2	154,049.8	194,780.0	211,211.3

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

* Provisional.

Composition of Exports

6.21. Earnings from domestic exports rose to KSh 541.5 billion in 2018 from KSh 530.6 billion in 2017, representing a 2.0 per cent growth, as presented in Table 6.11. Food and beverage exports remained the leading category of domestic exports, and accounted for 47.7

per cent of domestic export earnings in 2018. This was largely on account of increased primary and processed food and beverages for household consumption. Exports of consumer goods not elsewhere specified rose by 3.2 per cent, and accounted for 25.5 per cent of domestic exports in 2018. Earnings from non-food industrial supplies rose from KSh 125.4 billion in 2017 to KSh 127.4 billion in 2018. Domestic exports of transport equipment rose by 37.2 per cent to KSh 6.1 billion in 2018 with industrial transport equipment, parts and accessories jointly amounting to KSh 5.7 billion. However, domestic exports of other processed fuel and lubricants declined by 11.3 per cent to KSh 4.6 billion over the same period.

Table 6.11: Domestic Exports by Broad Economic Category, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
FOOD AND BEVERAGES	188,094.3	223,280.8	228,788.8	254,686.3	258,455.9
Primary	147,099.1	182,774.3	187,836.7	211,354.9	212,770.8
For Industry	22,100.8	22,629.6	23,471.1	26,255.0	25,303.8
For Household Consumption	124,998.2	160,144.6	164,365.6	185,099.9	187,467.1
Processed	40,995.2	40,506.6	40,952.1	43,331.4	45,685.1
For Industry	4,311.9	2,477.9	3,516.3	3,209.4	3,923.1
For Household Consumption	36,683.3	38,028.6	37,435.9	40,121.9	41,762.0
INDUSTRIAL SUPPLIES (Non-Food)	124,452.1	129,288.5	124,176.0	125,401.6	127,447.4
Primary	39,428.1	40,896.0	44,738.8	48,247.1	49,079.5
Processed	85,024.0	88,392.5	79,437.1	77,154.5	78,367.8
FUEL AND LUBRICANTS	3,280.6	6,288.0	4,545.6	5,253.0	4,682.6
Primary	5.3	9.2	13.0	48.0	48.5
Processed	3,275.3	6,278.8	4,532.5	5,205.0	4,634.2
Motor Spirit	59.9	38.3	125.3	45.4	59.9
Other	3,215.4	6,240.5	4,407.3	5,159.6	4,574.3
MACHINERY & OTHER CAPITAL EQUIPMENT	7,503.2	9,522.3	13,256.8	7,085.6	6,792.1
Machinery & Other Capital Equipment	6,116.3	7,565.1	11,844.9	5,860.5	5,390.9
Parts and Accessories	1,386.9	1,957.2	1,411.9	1,225.1	1,401.2
TRANSPORT EQUIPMENT	7,234.6	7,118.2	5,825.5	4,430.7	6,076.7
Passenger Motor Vehicles	92.1	453.9	516.2	258.5	224.3
Other	3,504.9	3,743.6	3,550.7	2,099.6	3,468.7
For Industry	3,249.9	3,570.5	3,473.8	2,012.0	3,352.3
Non-Industrial	254.9	173.1	76.9	87.6	116.4
Parts and Accessories	3,637.6	2,920.7	1,758.7	2,072.6	2,383.7
CONSUMER GOODS NOT ELSEWHERE	128,463.4	124,179.5	129,878.6	133,744.3	137,995.2
Durable	4,502.6	1,448.6	1,257.6	1,407.0	1,328.4
Semi-Durable	35,417.2	35,088.1	35,461.9	35,388.0	35,281.4
Non-Durable	88,543.6	87,642.7	93,159.1	96,949.3	101,385.4
GOODS NOT ELSEWHERE SPECIFIED	1,543.7	31.1	76.6	15.6	19.5
TOTAL	460,571.8	499,708.3	506,547.8	530,617.2	541,469.4
SHARES:					
Food and Beverages	40.84	44.68	45.17	48.00	47.73
Industrial Supplies (Non-Food)	27.02	25.87	24.51	23.63	23.54
Fuel and Lubricants	0.71	1.26	0.90	0.99	0.86
Machinery and other Capital Equipment	1.63	1.91	2.62	1.34	1.25
Transport Equipment	1.57	1.42	1.15	0.84	1.12
Consumer Goods not elsewhere specified	27.89	24.85	25.64	25.21	25.49
Goods not elsewhere specified	0.34	0.01	0.02	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority
* Provisional

Composition of Imports

6.22. Table 6.12 presents composition of imports by Broad Economic Category (BEC) from 2014 to 2018. The share of non-food industrial supplies to total imports increased from 31.9 per cent in 2017 to 34.7 per cent in 2018 and remained the dominant category of imports. Expenditure on imports of fuel and lubricants rose by 21.0 per cent to KSh 335.8 billion in 2018, accounting for 19.1 per cent of the total import bill. This was mainly on account of other processed fuel and lubricants which grew by 19.5 per cent to KSh 241.4 billion. Imports of machinery and other capital equipment was the third category of imports, and accounted for 16.5 per cent of total imports in 2018. Value of transport equipment imports declined from KSh 197.4 billion in 2017 to KSh 189.1 billion in 2018, partly attributed to a 14.1 per cent decline in imports of other industrial transport equipment.

Table 6.12: Total Imports by Broad Economic Category, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
FOOD AND BEVERAGES	111,837.7	123,443.6	114,560.2	245,280.0	174,876.6
Primary	59,437.1	66,528.3	48,527.5	114,010.4	87,874.5
For Industry	50,766.6	53,984.9	37,677.1	90,909.1	62,831.8
For Household Consumption	8,670.5	12,543.4	10,850.5	23,101.3	25,042.7
Processed	52,400.5	56,915.2	66,032.7	131,269.6	87,002.1
For Industry	8,980.6	10,934.2	15,125.2	57,459.1	19,236.8
For Household Consumption	43,420.0	45,981.0	50,907.5	73,810.5	67,765.3
INDUSTRIAL SUPPLIES (Non-Food)	462,171.7	524,556.4	518,672.1	551,065.4	610,022.4
Primary	26,050.9	29,318.2	30,389.1	29,144.0	34,126.8
Processed	436,120.8	495,238.2	488,283.0	521,921.4	575,895.6
FUEL AND LUBRICANTS	346,744.6	237,294.8	208,055.1	277,652.8	335,834.8
Primary	3,997.6	3,788.5	3,797.4	4,783.1	7,482.3
Processed	342,747.0	233,506.3	204,257.7	272,869.7	328,352.5
Motor Spirit	70,683.3	57,035.3	53,148.3	70,873.4	86,977.4
Other	272,063.7	176,471.0	151,109.4	201,996.3	241,375.1
MACHINERY AND OTHER CAPITAL EQUIPMENT	278,709.2	287,544.4	312,076.2	310,772.3	290,555.4
Machinery and Other Capital Equipment	225,336.8	242,172.3	251,199.9	260,181.8	237,848.0
Parts and Accessories	53,372.5	45,372.2	60,876.3	50,590.5	52,707.4
TRANSPORT EQUIPMENT	278,705.8	266,873.8	147,465.6	197,401.7	189,103.5
Passenger Motor Vehicles	51,430.0	56,137.7	50,046.8	53,894.2	58,200.2
Other	191,815.3	170,091.6	58,736.4	103,198.7	90,282.4
Industrial	181,962.6	158,163.6	48,950.7	90,421.7	77,632.5
Non-Industrial	9,852.6	11,928.0	9,785.7	12,776.9	12,649.9
Parts and Accessories	35,460.5	40,644.6	38,682.4	40,308.9	40,620.8
CONSUMER GOODS NOT ELSEWHERE SPECIFIED	113,536.6	125,883.5	126,668.5	138,256.3	148,590.4
Durable	22,468.6	23,898.7	23,736.1	25,778.7	31,007.4
Semi-Durable	27,853.1	32,100.3	30,795.1	39,025.4	41,350.2
Non-Durable	63,214.9	69,884.5	72,137.3	73,452.3	76,232.7
GOODS NOT ELSEWHERE SPECIFIED	26,615.7	11,960.3	4,256.9	5,194.0	11,238.3
TOTAL	1,618,321.3	1,577,556.9	1,431,754.5	1,725,622.6	1,760,221.3
SHARES:					
Food and Beverages	6.91	7.82	8.00	14.21	9.93
Industrial Supplies (Non-Food)	28.56	33.25	36.23	31.93	34.66
Fuel and Lubricants	21.43	15.04	14.53	16.09	19.08
Machinery and other Capital Equipment	17.22	18.23	21.80	18.01	16.51
Transport Equipment	17.22	16.92	10.30	11.44	10.74
Consumer Goods not elsewhere specified	7.02	7.98	8.85	8.01	8.44
Goods not elsewhere specified	1.64	0.76	0.30	0.30	0.64
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority
* Provisional

Direction of Trade

6.23. Table 6.13 presents the value of total exports by destination for the period 2014 to 2018. Total export earnings rose by 3.2 per cent to KSh 612.9 billion in 2018, mainly due to an 11.4 per cent growth in exports to Asia. The value of exports to Asia amounted to KSh 180.9 billion and accounted for 29.5 per cent of the total exports in 2018. Total exports to the Far East rose by 5.5 per cent to KSh 117.2 billion in 2018, accounting for 64.8 per cent of total export earnings from Asia. The increase in exports to Far East was largely due to significant improvement in exports to India, China, Thailand and Afghanistan. Domestic exports of dried leguminous vegetables to India rose by more than five times, while exports of aluminum waste and wool also recorded notable increase, leading to an increase in total exports to the country. However, total exports to Pakistan declined from KSh 64.1 billion in 2017 to KSh 59.4 billion in 2018, on account of a 7.5 per cent decline in the value of tea exports. During the review period, the value of exports to the Middle East grew by 24.0 per cent to KSh 63.7 billion, largely attributable to significant increase in export to the United Arab Emirates (UAE) and Saudi Arabia. The growth in export earnings from the UAE was largely on account of a 5.2 per cent increase in tea exports, accounting for 46.8 per cent of domestic exports to the country. Re-

exports of jet fuel to UAE more than doubled from KSh 5.0 billion in 2017 to KSh 10.9 billion in 2018.

6.24. The value of exports to the European Union (EU) increased by 4.4 per cent and accounted for 21.4 per cent of total exports at KSh 131.2 billion in 2018. Export earnings from the Netherlands and United Kingdom improved to KSh 46.4 billion and KSh 40.2 billion, respectively, on account of increased exports of horticultural products in 2018. Despite cut flowers accounting for the bulk of total exports to the Netherlands, the largest increase was recorded in domestic exports of avocados, which more than doubled in 2018. Exports to Spain increased by 50.0 per cent to KSh 4.4 billion while that to Italy rose by 16.4 per cent to KSh 4.0 billion in 2018. However, exports to Germany fell by 4.9 per cent to KSh 11.2 billion mainly due to a decline in the value of coffee exported to the country.

6.25. In 2018, export earnings from the United States of America amounted to KSh 47.3 billion, mainly comprising export earnings of apparel and clothing accessories. Exports to Canada declined by 13.6 per cent to KSh 3.1 billion in 2018 due to a decline in re-export of jet fuel.

6.26. Total export earnings from Africa declined for the third consecutive year to KSh 216.2 billion, and accounted for 35.3 per cent of total exports in 2018. Export earnings from Somalia and Democratic Republic of Congo declined by 23.3 per cent and 19.6 per cent, respectively, in 2018. Similarly, exports to the East African Community (EAC) decreased from KSh 131.6 billion in 2017 to KSh 129.0 billion in 2018 and accounted for 59.7 per cent of total exports to Africa.

Table 6.13: Values of Total Exports by Destination, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
EUROPE					
WESTERN EUROPE:					
European Union					
Belgium	6,730.2	4,539.8	5,394.9	6,025.5	6,344.5
Finland	1,513.7	1,973.4	1,412.0	1,029.8	736.9
France	5,689.0	6,074.1	6,412.1	7,773.3	7,924.8
Germany	10,786.2	12,507.6	11,864.5	11,740.9	11,160.4
Italy	6,959.6	5,248.0	3,733.4	3,408.7	3,968.0
Netherlands	40,614.0	42,041.4	43,492.3	43,891.8	46,365.2
Spain	2,627.2	3,239.3	2,301.7	2,963.0	4,443.5
Sweden	2,731.4	2,510.1	3,066.1	2,863.0	2,829.3
United Kingdom	35,868.1	40,668.3	37,581.4	38,552.7	40,192.1
Poland	1,847.3	2,263.3	1,804.1	2,213.9	2,220.4
Other	4,591.0	4,866.9	4,205.0	5,152.8	5,016.7
Total	119,957.7	125,932.3	121,267.5	125,615.3	131,201.7
Other Western Europe	8,080.0	8,527.2	9,631.5	8,945.7	9,146.4
Total Western Europe	128,037.7	134,459.5	130,899.0	134,561.0	140,348.1
EASTERN EUROPE:					
Russia Federation	7,124.0	8,064.6	6,995.5	7,996.8	8,572.7
Kazakhstan	3,267.4	2,854.5	3,027.8	3,432.6	2,949.2
Other	535.9	564.9	611.4	995.3	863.3
Total Eastern Europe	10,927.2	11,484.1	10,634.7	12,424.8	12,385.3
TOTAL, EUROPE	138,965.0	145,943.6	141,533.7	146,985.7	152,733.3
AMERICA					
U.S.A	38,289.8	40,724.6	43,353.9	47,269.9	47,341.0
Canada	1,690.3	2,288.8	5,729.0	3,633.9	3,140.1
Other	5,683.5	7,575.2	3,807.7	3,860.8	5,392.4
TOTAL AMERICA	45,663.6	50,588.6	52,890.6	54,764.6	55,873.5
AFRICA					
EAC					
Uganda	60,782.7	68,573.9	62,163.4	61,814.0	61,876.9
Tanzania	42,724.9	33,663.4	34,796.6	28,521.1	29,752.5
Rwanda	14,440.8	17,949.8	17,499.6	17,124.0	17,842.2
South Sudan				16,752.1	12,960.8
Burundi	7,849.5	6,595.0	7,242.2	7,382.0	6,592.6
Total EAC	125,797.9	126,782.1	121,701.8	131,593.2	129,024.9
Rest of Africa					
South Africa	5,936.3	4,338.4	4,149.0	2,758.6	4,387.0
Egypt	17,509.2	20,166.3	20,618.5	19,005.2	20,125.1
Somalia	13,201.9	15,210.0	17,931.9	19,661.5	15,073.4
South Sudan	19,822.6	17,065.5	16,326.1		
Ethiopia	6,919.0	7,154.2	8,052.6	6,982.2	6,341.1
Sudan	6,241.2	5,966.9	5,360.7	6,906.5	6,201.6
Democratic R of Congo ..	21,052.1	20,673.4	20,035.5	18,879.3	15,177.1
Zambia	6,667.9	5,909.3	5,171.6	3,869.0	5,290.3
Other ¹	18,215.1	18,920.8	15,325.3	14,209.7	14,595.2
TOTAL AFRICA	241,363.1	242,186.8	234,673.1	223,865.2	216,215.7
ASIA					
MIDDLE EAST:					
Iran	2,282.7	1,151.8	1,757.2	1,523.7	2,173.9
Israel	1,336.8	1,448.8	1,064.1	747.5	922.1
Jordan	308.8	852.8	1,059.3	1,593.7	1,449.3
Saudi Arabia	4,878.5	5,551.1	6,727.3	7,845.7	10,018.5
United Arab Emirates	20,198.2	29,238.8	30,974.3	26,370.1	35,008.8
Yemen Arab Republic	4,356.0	4,022.5	4,802.9	6,387.3	4,890.3
Other	2,444.7	2,941.4	4,140.4	6,906.6	9,244.2
Total Middle East	35,805.7	45,207.1	50,525.4	51,374.7	63,707.1
FAR EAST					
China(Mainland)	6,597.4	8,470.7	10,061.0	9,997.5	11,132.9
India	8,752.6	8,954.1	11,918.6	5,981.7	9,100.9
Indonesia	884.7	1,323.5	934.3	1,190.9	1,092.3
Japan	3,526.0	4,054.4	4,071.2	4,504.8	5,072.5
Korea Republic (South Kore	2,532.1	1,733.7	1,869.4	2,352.5	2,828.4
Pakistan	22,021.9	35,249.6	40,254.3	64,057.8	59,387.4
Singapore	1,168.7	1,404.5	356.8	375.4	525.0
Afghanistan	10,372.5	14,501.7	10,685.8	3,146.8	3,772.7
Thailand	1,656.7	2,070.7	1,727.2	5,000.8	7,258.0
Other	6,699.8	7,782.1	8,132.1	14,477.4	17,041.5
Total Far East	64,212.4	85,544.9	90,010.5	111,085.7	117,211.5
TOTAL, ASIA	100,018.1	130,752.0	140,536.0	162,460.3	180,918.5
AUSTRALIA & OCEANIC					
Australia	3,029.4	2,313.3	2,203.3	2,284.8	2,878.8
Other	435.7	1,089.0	3,920.1	1,291.7	1,520.7
TOTAL Australia & Oceania	3,465.1	3,402.4	6,123.4	3,576.5	4,399.5
All Other Countries	1,166.4	800.3	1,045.3	1,213.3	1,269.4
Aircraft and Ships Stores ..	6,594.6	7,371.6	1,264.8	1,262.9	1,518.7
Total All Other Counties n.e.s	7,761.0	8,171.9	2,310.2	2,476.2	2,788.0
GRAND TOTAL EXPORTS	537,236.0	581,045.2	578,066.9	594,128.5	612,928.6

Source: Kenya National Bureau of Statistics / Kenya Revenue Authority
 Total Exports=Domestic Exports plus Re-Exports

* Provisional

¹ See Table 6.10 for details

6.27. Table 6.14 presents values of imports by origin from 2014 to 2018. Imports from Far East Asia declined from KSh 814.2 billion in 2017 to KSh 812.8 billion in 2018 and accounted for 46.2 per cent of the total imports. There was a decline in the value of imports from a number of Asian countries namely China, Indonesia, Pakistan and Taiwan. Specifically, imports from China declined by 5.1 per cent to KSh 370.8 billion in 2018. On the contrary, the value of imports from India increased by 8.7 per cent from KSh 170.4 billion in 2017 to KSh 185.3 billion in 2018, on account of medicinal and pharmaceutical products; semi-finished products of iron and steel; machinery used for sorting minerals; and grain sorghum. In 2018, the value of imports from Japan increased by 22.2 per cent to KSh 99.8 billion driven by road motor vehicles, mobile lifting cranes, flat rolled products of iron and steel; and turbines. Expenditure on imports from Malaysia rose by 20.2 per cent to KSh 21.5 billion in 2018, largely attributable to palm oil imports.

6.28. Imports from Middle East Asia rose from KSh 293.4 billion in 2017 to KSh 355.7 billion in 2018, representing 20.2 per cent of total imports. The value of imports from Saudi Arabia rose by 50.7 per cent to KSh 172.7 billion in 2018, mainly on account of increased demand for petroleum products, specifically, gas oil, jet fuel and motor spirit premium. Similarly, the value of imports from UAE increased by 6.5 per cent to KSh 147.4 billion, on account of petroleum products and cement clinker in 2018.

6.29. During the review period, imports from the European Union contributed 12.5 per cent of the total import bill at KSh 219.6 billion. Imports from key source markets; the United Kingdom, Belgium, Germany and Italy rose by 5.0, 5.5, 8.4 and 14.9 per cent, respectively, in 2018. The increase in the value of imports from Germany was mainly driven by electrical transformers, food processing machines, and transport equipment. However, imports from France and Poland contracted by 10.8 per cent and 27.3 per cent to KSh 23.9 billion and KSh 4.6 billion, respectively, in 2018.

6.30. There was a reduction in the value of imports from America from KSh 128.5 billion in 2017 to KSh 85.9 billion in 2018, due to a drastic drop in maize and sugar imports from Mexico and Brazil. Imports from the United States of America reduced by 7.2 per cent to KSh 53.2 billion in 2018. However, the value of imports from Argentina grew from KSh 9.5 billion in 2017 to KSh 10.8 billion in 2018.

6.31. Table 6.15 presents information on trade between Kenya and African countries for the period 2014 to 2018. Within the EAC, exports to Tanzania and Rwanda rose by 4.3 per cent and 4.2 per cent to KSh 29.8 billion and KSh 17.8 billion, respectively, while those to Uganda remained nearly constant at KSh 61.9 billion in 2018. Similarly, exports to South Sudan declined by 22.6 per cent from KSh 16.7 billion in 2017 to KSh 13.0 billion in 2018. Total exports to COMESA member states declined by 3.8 per cent from KSh 166.4 billion in 2017 to KSh 160.0 billion in 2018. Exports to Democratic Republic of Congo decreased by 19.6 per cent from KSh 18.9 billion in 2017 to KSh 15.2 billion in 2018. However, export earnings from Egypt grew by 5.8 per cent to KSh 20.1 billion in 2018. Export earnings from South Africa improved significantly by 59.0 per cent to KSh 4.4 billion in 2018, largely on account of re-exports of machinery to the country. Exports to Somalia declined from KSh 19.7 billion in 2017 to KSh 15.1 billion 2018.

6.32. Expenditure on imports from Africa rose by 2.7 per cent from KSh 200.5 billion in 2017 to KSh 205.9 billion in 2018, accounting for 11.7 per cent of total imports. Imports from the EAC increased by 12.4 per cent to KSh 68.5 billion in 2018 and contributed 33.3 per cent of the value of imports from Africa. The value of imports from Uganda rose by 17.6 per cent to KSh 49.4 billion, largely driven by increased imports of maize, sugar, milk and animal feeds. Imports from Tanzania rose from KSh 17.2 billion in 2017 to KSh 17.8 billion in 2018. In 2018, expenditure on imports from Egypt and South Africa grew by 2.7 per cent and 4.6 per cent to KSh 36.3 billion and KSh 64.7 billion, respectively. However, the value of imports from Zambia, Mauritius and Eswatini (formerly Swaziland) declined by 11.0, 16.6 and 23.2 per cent to KSh 6.9 billion, KSh 6.1 billion and KSh 8.6 billion, respectively, in 2018.

current account balance to GDP decreased by 19.7 points to 5.0 per cent in 2018.

6.35. Net financial inflows grew by 21.6 per cent from a surplus of KSh 546.7 billion in 2017 to KSh 664.6 billion in 2018. Net inflows of foreign direct investment went up by 40.5 per cent to a surplus of KSh 148.1 billion in the year under review. Consequently, the overall Balance of Payments position improved to a surplus of KSh 105.8 billion in 2018 from a deficit of KSh 16.9 billion in 2017.

Table 6.16: Balance of Payments, 2014-2018

	KSh Million				
	2014	2015	2016*	2017	2018*
A. Current Account.....	-560,761.1	-421,082.1	-343,594.7	-503,443.4	-441,846.8
Goods: exports f.o.b.....	546,781.5	587,330.0	583,378.1	598,967.1	618,445.4
Goods: imports f.o.b.....	1,488,446.8	1,409,606.4	1,361,483.4	1,653,935.8	1,655,441.3
Services: credit.....	441,739.9	455,369.8	422,777.6	480,600.9	554,877.6
of which Travel.....	71,277.6	71,081.1	83,614.2	94,705.3	108,623.9
Services: debit.....	294,498.4	326,014.9	277,354.2	319,742.2	393,166.0
Balance on goods and services.....	-794,423.8	-692,921.5	-632,681.9	-894,109.9	-875,284.3
Primary income: credit.....	43,643.4	48,298.1	72,903.1	61,523.8	72,895.3
Primary income: debit.....	119,981.0	115,459.3	112,101.1	131,317.4	146,651.1
Balance on goods, services, and primary income.....	-870,761.4	-760,082.7	-671,879.8	-963,903.6	-949,040.1
Secondary income: credit.....	327,853.4	345,217.9	333,477.1	466,247.6	511,848.0
of which Diaspora Remittances.....	126,682.3	154,068.3	177,088.5	202,918.7	275,577.4
Secondary income: debit.....	17,853.1	6,217.3	5,191.9	5,787.4	4,850.5
B. Capital Account.....	24,204.0	25,718.0	20,878.0	19,046.0	26,593.0
Capital account: credit.....	24,204.0	25,718.0	20,878.0	19,046.0	26,593.0
Capital account: debit.....	0.0	0.0	0.0	0.0	0.0
C. Financial Account.....	-650,365.7	-383,721.0	-449,266.1	-546,672.7	-664,566.0
Direct investment: assets.....	6,604.6	23,758.5	15,977.3	26,534.0	16,652.4
Direct investment: liabilities.....	72,178.6	60,843.6	69,157.3	131,885.5	164,708.4
Portfolio investment: assets.....	4,869.6	18,722.0	42,939.3	68,791.9	109,539.1
Equity and investment fund shares.....	310.0	996.0	41,283.6	68,077.3	104,145.8
Debt securities.....	4,559.6	17,726.0	1,655.7	714.6	5,393.4
Portfolio investment: liabilities.....	331,663.4	3,499.1	7,513.9	-12,785.4	172,819.3
Equity and investment fund shares.....	83,907.5	1,061.1	5,759.0	-13,046.5	-29,670.1
Debt securities.....	247,755.9	2,438.0	1,754.9	261.1	202,489.4
Financial derivatives: net.....	..	..	462.3	-23.2	219.6
Other investment: assets.....	-505.0	49,206.0	-17,868.4	28,551.2	103,190.5
Other debt instruments.....	-505.0	49,206.0	-17,868.4	28,551.2	103,190.5
Deposit-taking corporations, except the central bank,.....	-7,067.2	40,885.7	-24,812.7	30,938.5	98,475.0
Other sectors.....	6,562.2	8,320.3	6,944.3	-2,387.3	4,764.7
Nonfinancial corporations, households, and NPISHs ¹	6,562.2	8,320.3	6,944.3	-2,387.3	4,764.7
Other investment: liabilities.....	257,492.8	411,064.8	414,105.4	551,426.4	556,689.1
Other equity.....	-1,380.1	-274.6	11.7	883.5	447.6
Special Drawing Rights.....	..	..	..	..	..
Other debt instruments.....	258,872.9	411,339.4	414,093.7	550,543.0	556,241.5
Central bank.....	6,910.7	-217.0	-3,646.0	1,521.2	-17,081.8
Deposit-taking corporations, except the central bank.....	51,500.4	47,241.8	-28,732.8	-7,402.2	35,568.6
General government.....	-21,877.9	202,052.1	200,165.0	297,287.9	249,739.9
Other sectors.....	222,339.8	162,262.4	246,307.5	259,136.1	288,014.8
Nonfinancial corporations, households, and NPISHs ¹	222,339.8	162,262.4	246,307.5	259,136.1	288,014.8
D. Net Errors and Omissions.....	14,033.7	-13,262.0	-113,453.3	-79,195.4	-143,533.3
E. Overall Balance.....	-127,842.3	24,905.1	-13,096.1	16,920.1	-105,779.0
F. Reserves and Related Items.....	127,842.3	-24,905.1	13,096.1	-16,920.1	105,779.0
Reserve assets.....	117,353.1	-35,386.7	3,894.7	-24,917.9	89,624.1
Credit and loans from the IMF.....	-10,489.1	-10,481.6	-9,201.4	-7,997.8	-16,154.9
Exceptional financing.....	0.0	0.0	0.0	0.0	0.0
<i>Current Account balance as % of GDP</i>	-10.4	-6.7	-4.9	-6.2	-5.0

* Provisional

+ Revised

.. Data not available

¹NPISHs: Non-Profit Institutions Serving Households

International Liquidity

6.36. Table 6.17 presents stock of international reserves of central monetary authorities held by the Central Bank of Kenya (CBK) and the National Treasury from 2014 to 2018. Gross international reserves increased by 13.1 per cent from KSh 738.8 billion as at December 2017 to KSh 835.9 billion as at December 2018. Net foreign assets of CBK increased from KSh 649.6 billion as at December 2017 to KSh 763.6 billion as at December 2018, while the reserve

position in the International Monetary Fund (IMF) decreased from KSh 2.0 billion to KSh 1.9 billion over the same period. The foreign liabilities of CBK, consisting of external banks' deposits and Use of Fund Credit, reduced by 19.3 per cent to KSh 70.3 billion as at December 2018 compared to KSh 87.1 billion as at December 2017.

Table 6.17: Central Monetary Authorities: Foreign Exchange Reserves, 2014-2018

KSh Million									
As at end of	Official Foreign Assets and Liabilities								Gross Foreign Reserves ¹ of Central Monetary Authorities
	Central Bank Of Kenya				Government				
	S.D.R.'s	Foreign Exchange (cash + gold)	External Banks' Deposits	Use of Fund Credit	Net Foreign Assets of Central Bank	Reserve Position in IMF	Other Holdings	Reserves of Government	
2014..	1,179.2	701,389.9	10,602.3	86,158.9	605,807.9	1,743.3	117.6	1,860.9	704,429.9
2015..	1,489.2	739,256.7	17,875.7	86,287.6	636,582.6	1,936.2	133.7	2,069.9	742,815.8
2016..	3,746.9	730,784.4	14,210.4	77,196.3	643,124.6	1,843.0	104.4	1,947.4	736,478.6
2017..									
January ..	2,321.6	745,918.4	19,607.6	78,567.5	650,065.0	1,890.4	92.7	1,983.1	750,223.1
February ..	1,374.4	740,303.1	17,759.0	76,911.6	647,006.9	1,872.4	107.1	1,979.5	743,657.0
March ..	1,198.5	819,595.6	23,115.9	76,825.9	720,852.4	1,870.3	107.5	1,977.8	822,771.9
April ..	679.7	876,944.3	19,929.6	77,264.0	780,430.4	1,893.9	111.4	2,005.3	879,629.3
May ..	117.9	870,437.0	16,759.1	77,389.3	776,406.5	1,910.1	111.1	2,021.2	872,576.1
June ..	1,877.3	851,017.1	18,742.5	74,916.4	759,235.4	1,930.1	112.4	2,042.5	854,936.9
July ..	1,267.5	822,485.1	23,324.6	75,232.3	725,195.7	1,954.6	113.6	2,068.2	825,820.8
August ..	265.0	787,524.6	15,797.5	74,397.1	697,595.1	1,957.6	102.6	2,060.2	789,849.9
September ..	253.0	806,077.9	21,207.4	74,209.9	710,913.6	1,952.7	115.6	2,068.3	808,399.2
October ..	3,932.1	755,522.8	20,068.9	72,972.2	666,413.7	1,947.6	114.0	2,061.6	761,516.5
November ..	3,352.5	742,943.7	17,586.2	72,730.9	655,979.1	1,955.8	115.4	2,071.2	748,367.4
December ..	1,486.8	735,261.9	17,301.2	69,815.9	649,631.5	1,967.5	115.5	2,083.2	738,831.9
2018..									
January ..	863.7	742,067.7	17,386.4	70,176.7	655,368.3	1,995.9	121.6	2,117.4	745,048.9
February ..	2,775.5	740,109.8	18,047.5	68,666.2	656,171.6	1,980.3	121.5	2,101.8	744,987.0
March ..	2,677.6	915,089.2	20,057.2	68,031.7	829,678.0	1,962.0	118.7	2,080.7	919,847.5
April ..	1,592.0	930,264.2	16,082.2	65,915.0	849,858.9	1,930.8	115.0	2,045.8	933,902.0
May ..	5,356.0	920,230.1	18,999.5	64,645.8	841,940.9	1,923.9	112.5	2,036.4	927,622.6
June ..	2,065.1	882,616.4	17,546.7	60,676.5	806,458.3	1,902.1	110.2	2,012.3	886,693.8
July ..	1,438.2	894,967.0	18,548.4	59,601.0	818,255.7	1,887.6	109.9	1,997.5	898,402.7
August ..	5,377.1	869,858.6	20,763.6	58,677.9	795,794.2	1,887.4	109.2	1,996.6	877,232.3
September ..	5,392.8	863,207.1	18,323.1	58,601.0	791,675.8	1,884.9	110.5	1,995.4	870,595.3
October ..	3,340.5	845,204.7	18,087.8	56,539.5	773,917.9	1,883.7	108.3	1,992.0	850,537.3
November ..	5,811.0	827,600.4	19,618.3	55,982.0	757,811.0	1,899.1	109.5	2,008.5	835,419.9
December ..	2,576.6	831,298.2	18,173.1	52,132.8	763,568.9	1,899.1	109.5	2,008.5	835,883.4

Source: Central Bank of Kenya

¹ Comprises S.D.R.s; Cash and Gold Foreign Exchange of Central Bank Plus Reserves of Government constitute foreign assets, which are readily available for meeting external financial needs

Foreign Exchange Rates of the Kenyan Shilling against Selected Currencies

6.37. The Kenyan Shilling appreciated against major trading currencies as reflected in the Overall Trade Weighted Index, which stood at 115.7 in 2018 compared to 116.5 in 2017, as shown in Table 6.18. The Kenyan Shilling strengthened against Indian Rupee, the US Dollar, Saudi Riyal and UAE Dirham by 6.9, 2.1, 2.0 and 2.0 per cent, respectively, in 2018. However, the Kenyan Shilling weakened against the Euro and Pound Sterling by 2.5 per cent and 1.5 per cent, respectively, in 2018. In the EAC region, the Kenyan Shilling gained against the Uganda Shilling, Rwandese Francs and Tanzanian Shilling by 5.4, 4.8 and 3.8 per cent, respectively, during the period.

Table 6.18: Foreign Exchange Rates¹ of the Kenyan Shilling against Selected Currencies, 2014-2018

	2014	2015	2016	2017	2018*
1 Euro ²	116.84	108.96	112.33	116.73	119.63
1 US Dollar	87.92	98.18	101.50	103.41	101.29
1 Pound Sterling.....	144.88	150.17	137.66	133.20	135.25
1 UAE Dirham	23.94	26.73	27.64	28.15	27.58
1 Deutsche Mark.....	59.74	55.71	57.44	59.68	61.17
1 Dutch Guilder.....	53.02	49.44	50.97	52.97	54.29
1 French Franc.....	17.81	16.61	17.13	17.80	18.24
100 Italian Lira.....	6.03	5.63	5.80	6.03	6.18
1 Belgian Franc.....	2.90	2.70	2.78	2.89	2.97
1 Indian Rupee	1.44	1.53	1.51	1.59	1.48
1 Chinese Yuan	14.27	15.62	15.29	15.30	15.33
1 SA Rand	8.10	7.72	6.93	7.77	7.69
100 Japanese Yen	83.26	81.12	93.55	92.22	91.74
1 Saudi Riyal	23.44	26.17	27.06	27.57	27.01
1 Egyptian Pound ³	12.41	12.77	10.14	5.80	5.69
TSh/KSh ⁴	18.93	20.73	21.54	21.63	22.48
1 Pakistan Rupee ³	0.87	0.96	0.98	0.98	0.84
1 Swedish Kroner	12.88	11.65	11.87	12.12	11.67
1 Swiss Franc	96.18	102.04	103.04	105.04	103.58
USh/KSh ⁴	29.55	32.94	33.68	34.92	36.81
1 Congolese Franc ³	0.10	0.11	0.11	0.07	0.06
100 Rwanda Francs ³	7.79	7.09	7.53	8.11	8.50
Overall Trade Weighted Index, (2009=100)	108.10	114.30	114.83	116.52	115.66

Source: Central Bank of Kenya

* Provisional

¹ Annual average² Countries in the Euro area included in the computation of Trade Weighted Fisher's Ideal Index are: Germany, France, Switzerland, Netherlands, Belgium and Italy.³ Via US dollar Exchange Rates⁴ Calculated as 1Kenya Shilling to Uganda or Tanzania shilling

Agriculture Sector Review

Chapter
07**Overview**

Growth in Agriculture Value Added at constant prices increased to 6.6 per cent in 2018 from 1.8 per cent recorded in 2017. The improved performance during the year under review is due to favourable weather conditions for both crops and livestock production, occasioned by the long rains in 2018. Maize production increased by 26.0 per cent from 35.4 million bags in 2017 to 44.6 million bags in 2018. Similarly, production of tea, coffee and sugarcane increased by 12.1, 7.0 and 10.4 per cent, respectively in 2018. The quantity of horticulture produce exported increased by 6.1 per cent to 322.6 thousand tonnes while the volume of marketed milk increased by 18.4 per cent to 634.3 million litres in 2018.

7.2 The value of marketed agricultural production has been increasing over the last four years and increased further by 11.4 per cent to KSh 497.9 billion in 2018. The value of horticulture exports increased from by 33.3 per cent to KSh 153.7 billion in 2018 on account of higher production and improved international prices. The value of marketed livestock and livestock products increased by 8.3 per cent to KSh 146.8 billion in 2018. However, earnings from tea and coffee decreased by 5.3 per cent and 7.5 per cent to KSh 127.7 billion and KSh 14.8 billion, respectively, in 2018, despite increased production volumes.

**Agricultural
Output and
Input**

7.3 Table 7.1 shows agricultural output, intermediate consumption and gross value added at current and constant prices for the period 2014 to 2018. Agricultural output at current prices increased by 7.8 per cent to KSh 3,346.3 billion while agricultural input at current prices increased by 13.5 per cent to KSh 461.1 billion in 2018. Consequently, agriculture value added at current prices increased by 6.9 per cent from KSh 2,699.1 billion in 2017 to KSh 2,885.2 billion in 2018. Agriculture Value Added at constant prices increased from KSh 894.9 billion in 2017 to KSh 953.6 billion in 2018.

Table 7.1: Agriculture Output and Input ¹, 2014-2018

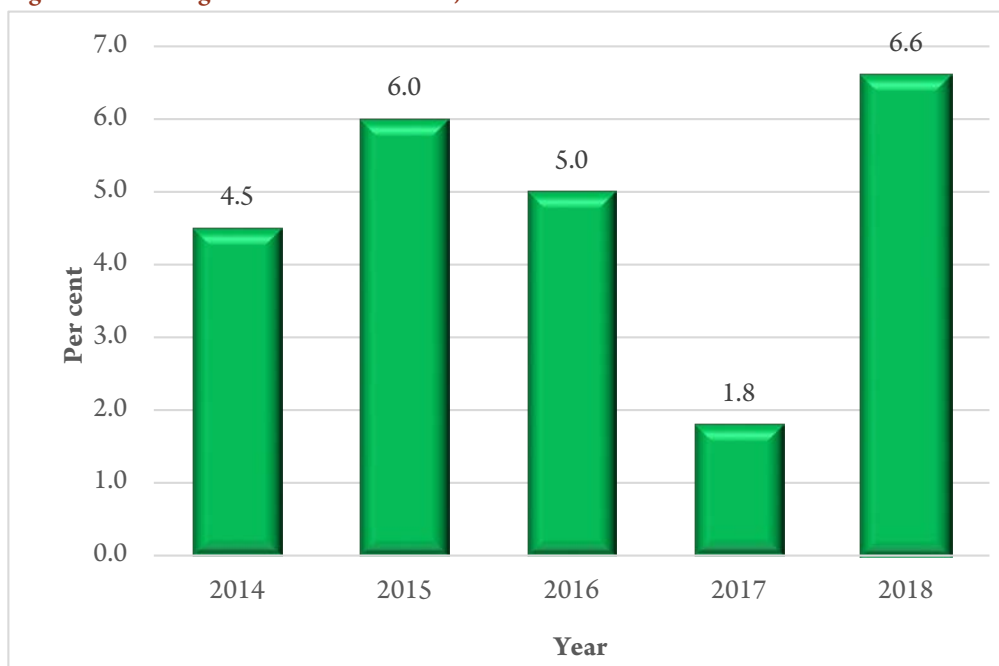
	KSh Million				
	2014	2015	2016 ⁺	2017 ⁺	2018 [*]
PRODUCTION AT CURRENT PRICES					
Output at basic prices	1,639,767	2,083,490	2,392,700	3,105,369	3,346,323
Intermediate consumption... ..	267,570	306,140	337,235	406,277	461,075
Value added at basic prices, gross	1,372,197	1,777,350	2,055,465	2,699,092	2,885,248
PRODUCTION CONSTANT PRICES					
Output... ..	983,330	1,045,269	1,099,078	1,122,094	1,197,886
Intermediate consumption... ..	193,542	208,362	220,063	227,168	244,261
Gross Value Added	789,788	836,907	879,014	894,926	953,625

* Provisional

*Revised

¹Excludes Forestry and Fishing

Figure 7.1: Real Agricultural Growth Rate, 2014 - 2018



Marketed Production

7.4. Table 7.2 shows earnings from marketed agricultural production from 2014 to 2018. The value of marketed production has been increasing over the last four years and increased further by 11.4 per cent to KSh 497.9 billion in 2018. The share of crops to the marketed production rose from 69.7 per cent in 2017 to 70.5 per cent in 2018. During the year under review, favourable weather resulted in higher volumes of marketed production. Earnings were however, dampened by lower prices for various commodities compared to earnings realized in the previous year.

7.5. Earnings from coffee declined from KSh 16.0 billion in 2017 to KSh 14.8 billion in 2018. Despite the increase in the quantity of marketed coffee from 33.7 thousand tonnes in 2017 to 36.8 thousand tonnes in 2018, earnings were lower compared to the previous period due to a reduction in the international prices of coffee. The quantity of marketed tea increased from 439.9 thousand tonnes in 2017 to 493.0 thousand tonnes in 2018. However, earnings decreased by 5.3 per cent to KSh 127.7 billion in 2018. Earnings from sugar cane increased marginally from KSh 20.1 billion in 2017 to KSh 20.6 billion in 2018. The value of marketed maize increased from KSh 8.5 billion in 2017 to KSh 10.0 billion as a result of increased quantities of marketed maize in 2018. The value of marketed wheat more than doubled from KSh 5.3 billion in 2017 to KSh 11.7 billion in 2018 due to higher production and improved prices. The value of horticulture exports increased by 33.3 per cent to KSh 153.7 billion in 2018 on account of higher production and improved international prices. The value of marketed livestock and livestock products increased by 8.3 per cent to KSh 146.8 billion in 2018.

Table 7.2: Value of Recorded Marketed Agricultural Production at Current Prices, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
CEREALS-					
Maize	9,604.4	8,506.0	7,891.2	8,478.7	9,986.9
Wheat	7,618.0	8,198.2	8,028.1	5,283.1	11,744.7
Others	7,720.8	7,488.5	7,266.2	5,965.1	7,268.0
Total	24,943.2	24,192.7	23,185.4	19,726.9	28,999.6
HORTICULTURE¹-					
Cut flowers	59,893.1	62,937.5	70,829.5	82,248.9	113,165.2
Vegetables	18,780.6	20,939.5	23,366.8	24,064.6	27,685.2
Fruits	5,410.6	6,561.8	7,317.3	9,009.3	12,831.1
Total	84,084.3	90,438.8	101,513.5	115,322.8	153,681.5
TEMPORARY INDUSTRIAL CROPS-					
Sugar-cane	20,294.5	22,397.1	24,221.3	20,133.8	20,550.2
Pyrethrum	61.1	51.0	37.9	26.5	26.2
Others	1,438.9	1,516.8	1,470.4	1,689.7	1,510.4
Total	21,794.5	23,964.9	25,729.6	21,850.0	22,086.8
PERMANENT CROPS-					
Coffee	16,634.4	12,074.7	16,192.3	16,037.1	14,837.7
Tea	84,854.6	118,391.2	116,547.3	134,826.0	127,669.3
Sisal	2,944.8	3,595.0	4,729.6	3,557.8	3,794.3
Total	104,433.7	134,060.8	137,469.1	154,420.9	146,301.3
TOTAL CROPS...	235,255.7	272,657.3	287,897.7	311,320.6	351,069.2
LIVESTOCK AND PRODUCTS-...					
Cattle and Calves	59,272.8	66,216.7	84,701.2	93,630.2	100,248.7
Goats and Sheep	4,249.8	4,854.7	5,767.4	6,782.4	7,758.8
Milk	18,785.0	21,205.4	23,020.1	20,878.2	22,705.0
Chicken and eggs	7,440.7	6,005.9	8,788.4	10,674.8	12,069.2
Others	2,124.7	2,562.1	3,124.9	3,634.9	4,040.5
Total	91,873.0	100,844.7	125,401.9	135,600.5	146,822.2
GRAND TOTAL	327,128.7	373,502.1	413,299.6	446,921.2	497,891.4

* Provisional.

7.6 Trends in the quantum and price indices for selected agricultural commodities are shown in Table 7.3. The overall quantum index increased by 12.6 per cent to 259.1 in 2018, attributable to favourable weather resulting in higher quantities of marketed agricultural produce. All crops quantum index rose by 10.9 per cent to 176.0 in 2018. The quantum index for permanent crops rose from 136.0 in 2017 to 152.0 in 2018 as a result of increased production. However, overall price index decreased by 3.4 per cent to 263.6 in 2018 attributable to lower prices offered for the marketed produce as a result of increased market supply of the commodities. Similarly, all crops price index declined by 20.3 per cent to 195.7 in 2018 while permanent crops dropped by 15.2 per cent to 222.2 in 2018.

Table 7.3: Volume and Price Indices of Recorded Sales of Agricultural Production, 2014-2018

Base: 2001=100

		2014	2015	2016	2017	2018*
QUANTUM	Cereals	100.4	103.5	95.8	73.0	118.8
INDICES	Temporary Industrial Crops ..	157.9	165.9	172.4	116.9	129.0
	Horticulture	237.6	251.8	277.1	323.8	332.6
	Permanent Crops	140.1	123.9	146.6	136.0	152.0
	TOTAL CROPS	146.4	143.5	160.3	158.7	176.0
	Livestock and Products	263.3	293.5	328.2	308.3	346.0
TOTAL		203.5	216.8	242.3	230.1	259.1
PRICE	Cereals	228.6	209.3	213.4	255.6	182.4
INDICES	Temporary Industrial Crops ..	161.3	159.7	169.7	210.9	204.7
	Horticulture	146.3	148.9	151.7	146.6	187.7
	Permanent Crops	174.4	243.2	216.9	261.9	222.2
	TOTAL CROPS	163.0	197.9	184.1	245.5	195.7
	Livestock and Products	297.5	298.3	321.7	331.2	334.6
TOTAL ...		228.7	246.9	252.2	272.9	263.6

* Provisional.

7.7. Table 7.4 shows trends in average gross prices paid to farmers for selected agricultural commodities for the period 2014 to 2018. During the review period, the prices of tea and coffee declined by 15.5 per cent and 15.3 per cent to KSh 25,896.47 and KSh 40,286.41, respectively, per 100 kilogram. Over the same period, the price paid for maize declined by 43.3 per cent to KSh 2,261.83 per 100 kilogram. In addition, the price paid to farmers for milk declined by 9.4 per cent from KSh 3,897.30 per 100 litres in 2017 to KSh 3,530.00 per 100 litres in 2018. Prices of pig meat and beef remained almost at the same level in the review period. The price paid for wheat increased by 11.2 per cent from KSh 3,197.99 per 100 kilogram in 2017 to KSh 3,555.50 per 100 kilogram in 2018. The price of pyrethrin extract nearly doubled to KSh 25,000 over the same period.

Table 7.4: Average Gross Commodity Prices¹ to Farmers, 2014-2018

KSh per Unit

	Unit	2014	2015	2016	2017	2018*
Coffee	100 Kg	39,185.89	37,480.02	40,815.54	47,547.71	40,286.41
Tea	100 Kg	19,063.96	29,656.27	24,732.35	30,652.18	25,896.47
Sisal	100 Kg	11,122.13	16,924.71	19,463.35	16,121.73	16,445.42
Sugar-cane	Tonne	3,133.00	3,125.00	3,386.81	4,237.25	3,959.00
.....	Kg	16,871.76	12,570.82	12,906.70	12,625.00	25,000.00
Seed Cotton	100 Kg	4,200.00	4,200.00	4,200.00	4,600.00	4,600.00
Maize	100 Kg	3,318.49	2,870.08	2,968.80	3,987.33	2,261.83
Wheat	100 Kg	3,495.34	3,561.62	3,718.40	3,197.99	3,555.50
Beef (third grade)	100 Kg	27,500.00	30,510.49	35,904.54	38,090.90	38,122.72
Pig meat	100 Kg	20,268.93	21,266.71	22,666.04	23,172.37	23,191.73
Milk	100 Litres	3,470.00	3,443.00	3,543.00	3,897.30	3,530.00

* Provisional.

¹ Prices refer to the calendar year and may differ from those based on crop years. For tea and coffee, the prices are for black tea and coffee beans, respectively.

7.8. The performance of large and small farms in terms of marketed output is shown in Table 7.5. The total value of sales through large and small farms increased by 11.4 per cent from KSh 446.9 billion in 2017 to KSh 497.9 billion in 2018. The share of recorded sales of produce from small farms decreased from 73.3 per cent in 2017 to 73.1 per cent in 2018.

Table 7.5: Recorded Sale of Produce from Large and Small Farms, 2014-2018

Year	Large Farms		Small Farms		Total		Percentage Share of Small Farms
	KSh Mn.	Annual Percentage change	KSh Mn.	Annual Percentage change	KSh Mn.	Annual Percentage change	
2014	87,997.6	-3.0	239,131.1	-2.5	327,128.7	-2.7	73.1
2015	101,219.1	15.0	272,283.0	13.9	373,502.1	14.2	72.9
2016	111,590.9	10.4	301,708.7	11.0	413,299.6	10.8	73.0
2017	119,328.0	6.9	327,593.2	8.6	446,921.2	8.1	73.3
2018*	133,932.8	12.2	363,958.6	11.1	497,891.4	11.4	73.1

* Provisional.

7.9. The quantum and price indices of agricultural inputs are reflected in Table 7.6. The overall quantum index of agriculture inputs increased by 6.8 per cent from 301.3 in 2017 to 321.8 in 2018. The increase was attributable to higher volumes of inputs used during the review period. Quantum indices for fuel and power; and manufactured feeds increased by 4.2 per cent and 26.0 per cent, respectively, in 2018. The overall price index decreased by 5.8 per cent, attributable to lower prices for some inputs such as manufactured feeds and seeds during the review period. The price index of fuel and power increased by 3.6 per cent to 152.5 in 2018.

Table 7.6: Quantum and Price indices for Purchased inputs, 2014-2018

Base: 2001=100					
	2014	2015	2016	2017	2018*
Quantum Indices					
Fertilizers	180.1	245.0	280.4	307.7	262.8
Fuel and Power	101.1	106.2	123.6	145.9	152.5
Bags	54.2	54.7	55.2	43.6	68.9
Manufactured Feeds	381.6	398.5	415.3	542.7	678.4
Seeds	206.3	210.5	158.9	185.2	187.3
Other Material Inputs	152.7	151.5	179.0	157.2	156.7
Total Material Inputs	176.7	177.5	179.0	232.1	263.5
Service Inputs	369.5	320.5	373.0	316.4	326.5
TOTAL INPUTS	253.4	302.6	304.7	301.6	321.8
Price Indices-					
Fertilizers	230.7	231.1	197.8	234.1	241.6
Fuel and Power	179.2	126.3	123.3	148.5	168.1
Bags	228.4	241.4	277.6	259.4	263.9
Manufactured Feeds	226.9	244.3	252.7	279.2	240.6
Seeds	131.5	146.1	159.4	175.9	163.3
Other Material Inputs	173.4	201.3	196.5	221.3	221.9
Total Material Inputs	189.4	185.9	184.7	212.6	194.9
Service Inputs	206.3	234.7	241.8	263.7	246.5
TOTAL INPUTS	191.3	198.9	196.6	208.9	196.0

* Provisional

7.10. The total value of inputs purchased decreased from KSh 64.6 billion in 2017 to KSh 63.7 billion in 2018 as shown in Table 7.7. The value of fuel and power consumed in the agricultural sector increased by 1.9 per cent from KSh 16.1 billion in 2017 to KSh 16.4 billion in 2018. During the year under review, sales of certified seeds and manufactured feeds stood at KSh 4.8 billion and KSh 7.9 billion, respectively. However, the value of fertilizer purchased decreased

to KSh 15.0 billion in 2018. Apparent consumption of fertilizer declined as a result of a 25.9 per cent reduction in the quantity of imported fertilizer during the year.

Table 7.7: Value of Purchased Agricultural Inputs¹, 2014 – 2018

	KSh Million				
	2014	2015	2016	2017	2018*
MATERIAL INPUTS-					
Fertilizers	11,817.9	12,172.4	13,930.7	17,612.1	14,950.4
Crop chemicals.. .. .	4,337.6	4,771.4	5,572.3	7,044.8	11,871.1
Livestock drugs and medicines..	2,688.3	3,606.6	4,179.2	4,610.7	2,296.7
Fuel and power.. .. .	15,115.1	14,414.7	17,170.3	16,140.1	16,378.7
Bags	121.9	128.8	130.2	135.2	139.3
Manufactured feeds	7,073.2	7,983.5	8,628.3	9,519.1	7,900.0
Seeds	4,395.2	4,483.1	3,384.9	4,194.7	4,792.3
Other material inputs	1,030.8	1,197.0	1,414.0	1,560.0	1,751.5
Total	46,580.0	48,757.5	54,409.8	60,816.7	60,080.1
SERVICE INPUTS	2,709.7	3,082.6	3,588.0	3,793.4	3,578.7
TOTAL INPUTS	49,289.7	51,840.1	57,997.8	64,610.1	63,658.8

*Provisional.

¹Excluding labour.

7.11. Price indices and agriculture terms of trade for the period 2014 to 2018 are shown in Table 7.8. The general index of agricultural output prices declined from 180.1 in 2017 to 173.8 in 2018 as a result of depressed agricultural output prices. The index of purchased consumer goods in rural areas rose by 4.6 per cent to 536.5 in 2018 while that of purchased inputs decreased by 5.8 per cent to 196.0 in 2018. This culminated in the deterioration in the overall agriculture terms of trade from 49.9 in 2017 to 47.5 in 2018.

Table 7.8: Price Indices and Terms of Trade for Agriculture, 2014– 2018

	Base: 2001=100				
	2014	2015	2016	2017	2018*
General Index of Agricultural Output Prices... .. .	150.9	162.9	166.4	180.1	173.8
PRICE PAID					
Purchased Inputs	191.3	198.9	196.6	208.1	196.0
Index of Purchased Consumer Goods-Rural Areas	420.7	449.7	478.6	513.1	536.5
INDICES OF PRICES PAID	306.0	324.3	337.6	360.6	366.2
Agricultural Sector Terms of Trade... .. .	49.3	50.2	49.3	49.9	47.5

* Provisional

Crops 7.12. Table 7.9 shows estimates of production of major food crops over the last five years. Production of maize increased by 26.0 per cent from 35.4 million bags in 2017 to 44.6 million bags in 2018, mainly attributable to favorable weather conditions in the maize growing areas. In 2018, production of potatoes, sorghum, and millet increased by 26.7, 31.3 and 33.3 per cent, respectively. Production of beans dropped marginally during the review period.

Table 7.9: Estimated Production of Selected Agricultural Commodities, 2014– 2018

Crop	Unit (Million)	2014	2015	2016	2017	2018*
Maize	bags	39.0	42.5	37.8	35.4	44.6
Beans	bags	6.8	8.5	8.1	9.4	9.3
Potatoes	tonnes	2.3	2.0	1.3	1.5	1.9
Sorghum	bags	1.9	2.1	1.3	1.6	2.1
Millet... .. .	bags	1.4	1.1	0.6	0.6	0.8

Source: Ministry of Agriculture and Irrigation

* Provisional

7.13. Table 7.10 shows the average retail market prices of selected food crops from 2014 to 2018. Overall, the retail prices of finger millet, maize, beans, cabbages and tomatoes decreased in March and September 2018 compared to corresponding periods in 2017. However, the price of potatoes rose sharply in September 2018, compared to the price in September 2017.

Table 7.10: Average Retail Market Prices of Selected Food Crops, 2014- 2018

CROP	KSh per Kg									
	2014		2015		2016		2017		2018	
	Mar	Sept	Mar	Sept	Mar	Sept	Mar	Sept	Mar	Sept
Maize... .. .	38.24	35.47	33.19	33.77	33.92	35.10	48.02	43.86	41.32	30.87
Beans... .. .	77.16	74.67	77.56	77.08	76.74	74.36	93.96	87.46	88.10	70.86
Finger Millet... .. .	78.90	79.29	83.71	88.86	84.03	84.62	108.59	105.20	107.69	89.73
Sorghum... .. .	54.07	54.01	55.51	53.60	54.36	52.58	72.65	64.85	73.41	54.68
Potatoes... .. .	31.20	30.33	34.46	34.11	39.56	38.91	55.96	30.67	41.54	55.51
Cabbages... .. .	24.67	24.75	38.86	22.17	25.71	31.73	37.54	29.79	32.87	26.28
Tomatoes... .. .	58.70	68.11	68.09	55.03	70.23	52.60	73.84	79.82	65.29	63.76
Bananas... .. .	42.50	42.46	37.26	37.46	37.36	41.82	49.18	50.68	45.57	50.81

7.14. Table 7.11 shows sales of agricultural produce to various marketing boards from 2014 to 2018. The quantity of wheat sold more than doubled from 156.9 thousand tonnes in 2017 to 330.3 thousand tonnes in 2018. In addition, the volumes of maize and rice sold to marketing boards increased by 84.6 per cent and 38.7 per cent over the same period. The quantity of tea and coffee sold increased by 12.1 per cent and 9.2 per cent to 493.0 thousand tonnes and 36.8 thousand tonnes in 2018. However, the sale of pyrethrum continued on a downward trend for the third consecutive year.

Table 7.11: Sale of Selected Crops to Marketing Boards, 2014– 2018

Crop	Unit	2014	2015	2016	2017	2018*
Maize ¹	000 Tonnes	289.4	295.3	265.8	239.2	441.5
Wheat ²	000 Tonnes	218.0	227.3	215.9	156.9	330.3
Coffee	000 Tonnes	42.5	32.2	39.7	33.7	36.8
Tea	000 Tonnes	445.1	399.2	473.0	439.9	493.0
Cotton ²	000 Tonnes	1.5	15.7	15.8	11.9	12.0
Sugar-cane ²	Million Tonnes	6.5	7.2	7.2	4.8	5.3
Pyrethrum (extract equivalent)	Tonnes	3.6	3.7	3.3	1.9	1.0
Sisal	000 Tonnes	23.1	21.2	24.3	22.5	23.1
Rice Paddy ²	000 Tonnes	46.2	43.7	38.1	30.4	42.2

* Provisional.

¹ Includes purchases by National Cereals and Produce Board and millers.

² Deliveries to factories/ginneries.

7.15. Wheat: Table 7.12 presents production and importation of wheat from 2014 to 2018. Production of wheat increased from 165.2 thousand tonnes in 2017 to 336.6 thousand tonnes in 2018. However, the quantity of wheat imported declined by 6.4 per cent from 1,855.0 thousand tonnes in 2017 to 1,736.7 thousand tonnes in 2018.

Table 7.12: Production and Imports of Wheat, 2014– 2018

Year	'000 Tonnes		
	Production ¹	Imports	Total
2014	228.9	1,225.7	1,454.6
2015	238.6	1,421.8	1,660.4
2016	220.2	1,362.3	1,577.0
2017	165.2	1,855.0	2,020.2
2018*	336.6	1,736.7	2,073.3

* Provisional.

¹ Includes retention for seed.

7.16. Coffee: Table 7.13 presents area, production and average yield of coffee by type of grower for the crop year 2013/14 to 2017/18. During the period under review, the area under coffee production increased from 114.7 thousand hectares in 2016/17 to 115.6 thousand hectares in 2017/18, mainly on account of small holder co-operatives. The quantity of coffee produced increased by 7.0 per cent from 38.7 thousand tonnes in 2016/17 to 41.4 thousand tonnes in 2017/18. This was as a result of new planting especially in areas West of the Rift and improved productivity in Central and in areas East of the Rift and availability of subsidized fertilizer provided through the National Cereals and Produce Board. However, coffee production by Estates declined by 22.5 per cent from 14.2 thousand tonnes in 2016/17 to 11.0 thousand tonnes in 2017/18 due to uprooting of coffee bushes in peri-urban areas to make way for real estate development. The average yield of coffee from cooperatives increased by 23.6 per cent while that of Estates decreased by 22.6 per cent, in the 2017/18 crop year.

Table 7.13: Production, Area and Average Yield of Coffee by Type of Grower, 2013/14-2017/18

	2013/14	2014/15	2015/16	2016/17	2017/18*
AREA (Ha) '000-					
Co-operatives	85.3	87.8	88.2	88.8	90.4
Estates	24.7	25.7	25.8	25.9	25.2
TOTAL	110.0	113.5	114.0	114.7	115.6
PRODUCTION (Tonnes) '000-					
Co-operatives	32.7	27.2	30.8	24.5	30.4
Estates	16.8	14.8	15.3	14.2	11.0
TOTAL	49.5	42.0	46.1	38.7	41.4
AVERAGE YIELD (Kg/Ha.)-					
Co-operatives	383.8	319.3	361.1	279.0	344.7
Estates	682.9	601.6	619.4	552.5	426.4

Source: Agriculture and Food Authority, Coffee Directorate

* Provisional.

Note: The coffee year is from October to September

7.17. **Tea:** The area under tea has been gradually increasing and stood at 236.2 thousand hectares in 2018 as highlighted in Table 7.14. Tea production increased by 12.1 per cent to 493.0 thousand tonnes in 2018. Production by small holders increased by 10.7 per cent to 272.5 thousand tonnes while output by estates recorded an increase of 13.8 per cent to 220.5 thousand tonnes in 2018. The average yield of tea from estates increased by 12.6 per cent compared with 6.1 per cent in the average yield of tea from small holders to 2,932.2 kilograms per hectare and 2,030.6 kilograms per hectare, respectively, in 2018. Higher production was attributed to good weather conditions in the first quarter of the year.

Table 7.14: Production, Area and Average Yield of Tea by Type of Grower, 2014-2018

	2014	2015	2016	2017	2018*
AREA ('000 Ha)					
Smallholders	128.6	134.2	138.3	141.1	142.8
Estates	74.4	75.2	80.2	91.6	93.4
TOTAL	203.0	209.4	218.5	232.7	236.2
PRODUCTION ('000 Tonnes)					
Smallholders	262.4	237.6	265.6	246.1	272.5
Estates	182.7	161.6	207.4	193.7	220.5
TOTAL	445.1	399.2	473.0	439.8	493.0
AVERAGE YIELD (Kg/Ha) ¹					
Smallholders	2,126.8	1,900.8	2,086.4	1,913.7	2,030.6
Estates	2,833.7	2,459.7	2,908.8	2,603.5	2,932.2

Source: Agriculture and Food Authority, Tea Directorate

* Provisional

7.18. **Sugarcane:** Area, production and average yield of sugarcane for the years 2014 to 2018 is shown in Table 7.15. During the year under review, the area under cane increased by 5.9 per cent to 202.4 thousand hectares in 2018 from 191.2 thousand hectares in 2017. This was mainly attributed to improved cane development in privately owned Sukali, West Kenya and Transmara sugar-growing zones. The area harvested also increased by 8.0 per cent from 67.7 thousand hectares in 2017 to 73.1 thousand hectares in 2018. The increase was attributed to improved cane availability in 2018 after prolonged dry weather in 2017. In the

review period, the quantity of cane delivered to factories increased by 10.4 per cent from 4.8 million tonnes in 2017 to 5.3 million tonnes in 2018. However, the average sugarcane yield reduced further to 55.1 tonnes per hectare in 2018 compared to 55.3 tonnes per hectare in 2017. This was as a result of cane shortage that led to harvesting of immature cane for crushing.

Table 7.15: Planted Area, Area Harvested, Production and Average Yield of Sugarcane, 2014-- 2018

	2014	2015	2016	2017	2018*
Area under cane ('000 Ha).....	211.3	223.6	220.8	191.2	202.4
Area harvested ('000 Ha) ¹	72.2	77.8	85.8	67.7	73.1
Total Production ('000 Tonnes).....	6,409.9	7,164.8	7,151.7	4,751.6	5,262.2
Production by non-contracted farmers ('000 Tonnes).....	1,977.1	1,995.8	1,816.7	1,004.3	1,233.1
Average yield (Tonnes/Ha) ²	61.4	66.4	62.2	55.3	55.1

Source: Agriculture and Food Authority, Sugar Directorate

* Provisional

¹ Excludes area harvested by non-contracted farmers

² Yield = (Total production - production by non-contracted farmers)/area harvested

7.19. Domestic sugar production, imports and exports for 2014 to 2018 is shown in Table 7.16 and Figure 7.3. The total domestic sugar production increased by 30.6 per cent from 376.1 thousand tonnes in 2017 to 491.1 thousand tonnes in 2018. Sugar imports rose to 989.6 thousand tonnes in 2017 following interventions to bridge the rising domestic demand for sugar against low production in the year. However, the sugar imports declined to 284.2 thousand tonnes in 2018. This decrease was attributed to huge imports of table sugar in 2017 which was a measure to bridge the rising domestic demand against low production in 2017. Total sugar exports increased from 0.4 thousand tonnes in 2017 to 2.0 thousand tonnes in 2018.

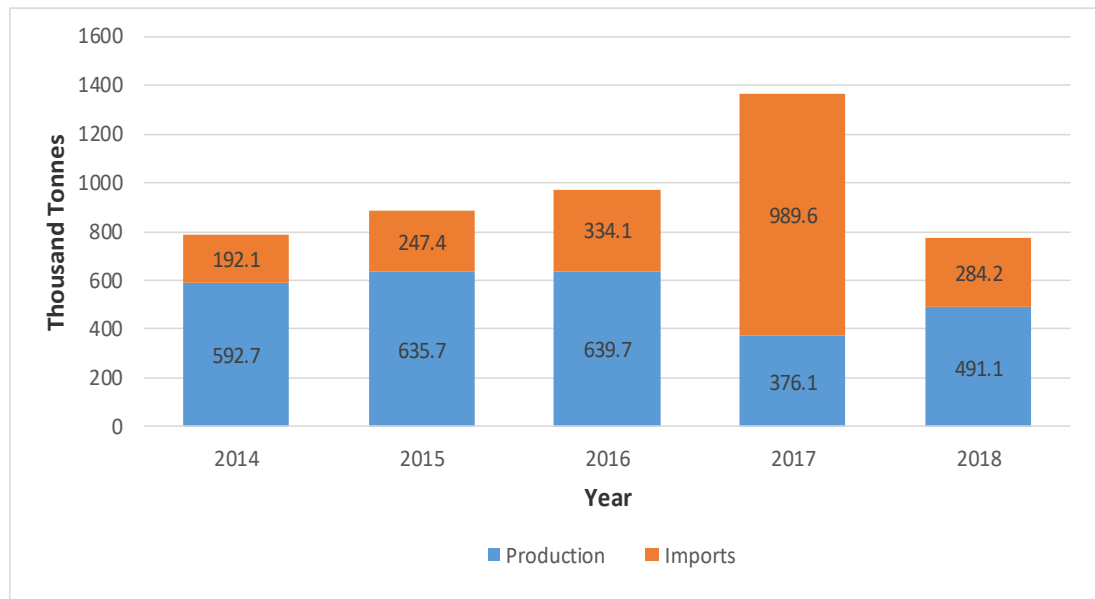
Table 7.16: Production, Imports and Exports of Sugar, 2014-2018

'000 Tonnes			
Year	Production	Imports	Exports
2014	592.7	192.1	0.4
2015	635.7	247.4	0.1
2016	639.7	334.1	0.1
2017	376.1	989.6	0.4
2018*	491.1	284.2	2.0

Source: Agriculture and Food Authority, Sugar Directorate

*Provisional

Figure 7.3: Sugar Production and Imports, 2014-2018



7.20. **Horticulture:** Table 7.17 presents volumes and earnings from exports of fresh horticultural produce for the last five years. During the year under review, earnings from exports of horticulture produce increased by 33.3 per cent from KSh 115.3 billion in 2017 to KSh 153.7 billion in 2018. The volume of horticulture exports increased by 6.1 per cent to 322.6 thousand tonnes in 2018. Export earnings from cut flowers grew by 37.7 per cent to KSh 113.2 billion and accounted for 73.6 per cent of total fresh horticulture exports earnings in 2018. The high export earnings from cut flowers was attributed to better prices offered by buyers in the United Kingdom, Germany, United Arab Emirates, Norway and Australia. Earnings from exports of fruits rose by 42.4 per cent to KSh 12.8 billion and accounted for 8.3 per cent of total fresh horticultural exports earnings in 2018. During the period under review, the value of vegetable exports increased by 14.9 per cent from KSh 24.1 billion to KSh 27.7 billion in 2018 despite a minor reduction in the volume exported.

Table 7.17: Exports of Fresh Horticultural Produce¹, 2014-2018

Year	Cut Flowers		Fruits		Vegetables		Total	
	Volume 000 Tonnes	Value KSh billion	Volume 000 Tonnes	Value KSh billion	Volume 000 Tonnes	Value KSh billion	Volume '000 Tonnes	Value KSh billion
2014... ..	114.8	59.9	35.1	5.4	70.3	18.8	220.2	84.1
2015... ..	122.8	62.9	46.2	6.6	69.7	20.9	238.7	90.4
2016... ..	133.7	70.8	48.7	7.3	78.8	23.4	261.2	101.5
2017... ..	160.0	82.2	56.9	9.0	87.2	24.1	304.1	115.3
2018* ...	161.2	113.2	75.6	12.8	85.8	27.7	322.6	153.7

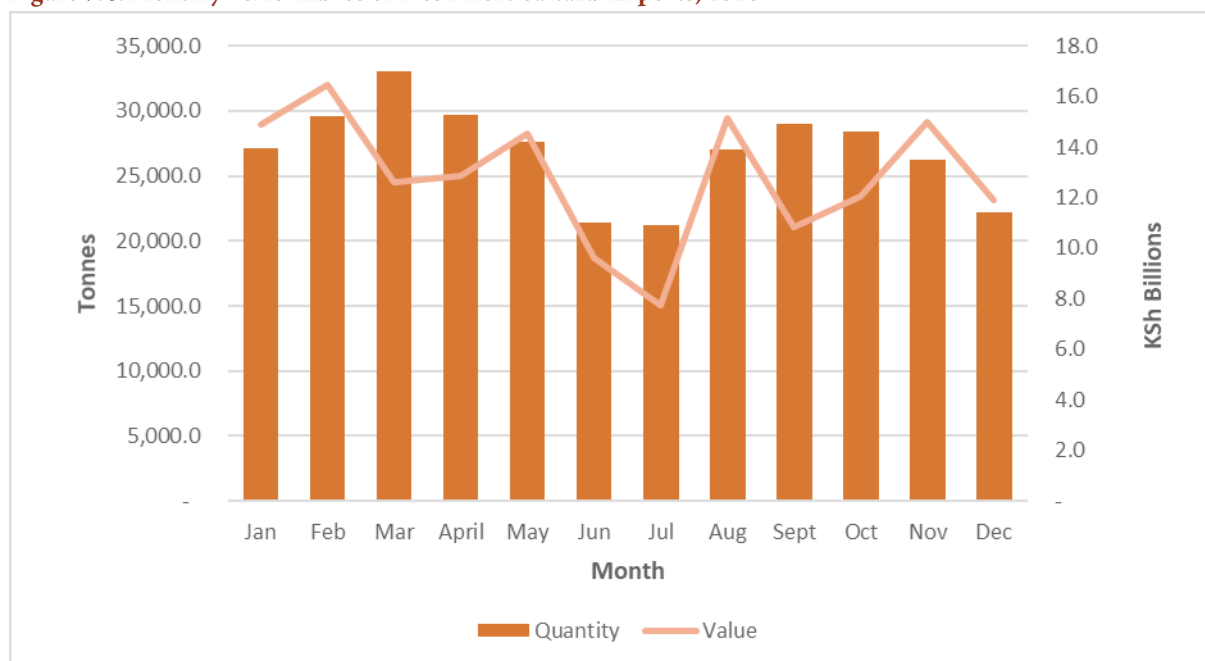
Source: Agriculture and Food Authority, Horticulture Directorate

* Provisional.

¹ Excludes exports of processed horticultural produce and nuts.

7.21. Monthly quantity and value of horticultural exports for 2018 are shown in Figure 7.4. The highest quantities of fresh horticultural exports of over 30.0 thousand tonnes were recorded in the month of March 2018. Export earnings from horticulture were highest in February 2018 and lowest in July, 2018.

Figure 7.4: Monthly Performance of Fresh Horticultural Exports, 2018



7.22. **Rice:** Table 7.18 shows rice production in various irrigation schemes over the last five years. The total area cropped increased by 25.1 per cent from 21.9 thousand hectares in 2017 to 27.4 thousand hectares in 2018. This was mainly due to an increase in area under irrigation brought about by sufficient irrigation water in Mwea scheme, which accounted for 84.3 per cent of the total area cropped. The number of plot holders in all schemes also increased by 4.0 per cent to 14,028 in 2018. During the same period, the volume of Paddy produced increased by 38.7 per cent from 81.2 thousand tonnes in 2017 to 112.6 thousand tonnes in 2018 due to availability of irrigation water. The gross value of output increased by 59.1 per cent to KSh 7.0 billion in 2018. Similarly, payments to plot holders increased from KSh 2.2 billion in 2017 to KSh 3.8 billion in 2018.

Table 7.18: Production of Rice in Irrigation Schemes, 2013/14 -2017/18

	2013/14	2014/15	2015/16	2016/17	2017/18*
Mwea-					
Area cropped-Hectares.....	10,629	10,629	10,629	17,146	23,076
Plot-holders-Number.....	7,178	7,178	7,178	7,178	7,684
Gross value of output-KSh million.....	3,872	5,727	4,726	3,558	6,122
Payments to plot-holders-KSh million.....	2,522	4,780	3,938	1,816	3,522
All Scheme Areas-					
Area cropped-Hectares.....	19,411	13,998	14,586	21,949	27,383
Plot-holders-Number.....	15,828	13,055	13,055	13,487	14,028
Gross value of output-KSh million.....	4,536	6,717	5,673	4,395	6,964
Payments to plot-holders-KSh million.....	3,345	5,508	4,591	2,169	3,849
Crops Produced - Tonnes					
Mwea-Paddy.....	70,416	91,624	78,760	59,291	89,960
Ahero-Paddy.....	7,405	7,942	6,494	7,752	4,596
W.Kano-Paddy.....	4,345	2,039	4,634	4,083	4,527
Bunyala-Paddy.....	4,289	4,600	4,522	3,632	3,741
S.W Kano -Paddy.....	9,574	10,268	7,100	6,440	7,386
North Kano - Paddy.....	..	..	..	..	1,921
Bura - Paddy.....	..	..	..	..	474
Total Paddy.....	96,029	116,473	101,510	81,198	112,605

Source: National Irrigation Board

*Provisional

.. Data not available

7.23. **Dairy Produce:** The quantities of milk delivered to the dairy processors increased by 18.4 per cent from 535.7 million litres in 2017 to 634.3 million litres in 2018 as highlighted in Table 7.19. Quantities of milk and cream processed also recorded an increase of 10.6 per cent from 410.6 million litres in 2017 to 454.1 million litres in 2018. In addition, processed butter and ghee; and cheese recorded increases of 10.8 per cent and 15.5 per cent, respectively, in 2018.

7.24. **Livestock slaughtered:** The number of livestock slaughtered has been increasing over time. The number of cattle and calves slaughtered rose by 7.4 per cent from 2,590.0 thousand heads in 2017 to 2,781.7 thousand in 2018. Similarly, the total number of goats and sheep delivered to slaughter houses increased by 11.3 per cent to stand at 10,247.6 thousand heads during the review period. The same trend was witnessed with the number of pigs slaughtered increasing by 7.8 per cent from 360.1 thousand heads in 2017 to 388.2 thousand in 2018.

Table 7.19: Livestock Slaughtered and Dairy products, 2014-2018

	Unit	2014	2015	2016	2017	2018*
Recorded Milk Production...	Mn. Litres	540.0	615.9	648.2	535.7	634.3
Milk Processed						
Milk and cream	Mn. Litres	419.6	437.9	448.6	410.6	454.1
Butter and ghee	Tonnes	1,444.5	1,646.4	1,444.9	1,127.3	1,249.4
Cheese	Tonnes	265.7	302.9	311.2	338.3	390.7
Livestock Slaughtered						
Cattle and Calves.. ..	'000 Head	2,076.7	2,274.5	2,460.2	2,590.0	2,781.7
Sheep and Goats	'000 Head	6,138.5	6,560.8	8,220.2	9,206.7	10,247.6
Pigs	'000 Head	257.2	282.9	313.6	360.1	388.2

Source: Kenya Dairy Board, State Department of Livestock

* Provisional

Agricultural Training 7.25. **Agricultural Training:** Table 7.20 shows enrolment levels at various institutions offering Agricultural courses. At degree level, there was a decline of 25.0 per cent in enrolment from 24,221 students in 2017 to 18,165 students in 2018. This could be partly attributed to limited number of students attaining requisite grades in cluster subject for the course. Diploma enrolment in agriculture courses at Egerton University declined further to 6 students in 2018 from 196 in 2017. Enrolment levels in diploma courses at Animal Health Training Institutes (AHITIs) decreased by 17.5 per cent in Kabete and increased by 22.0 per cent in Ndomba. Overall, enrolment in certificate level courses at the AHITIs increased by 17.8 per cent from 247 in 2017 to 291 in 2018. However, enrolment in certificate level courses at Nyahururu dropped from 74 students in 2017 to 71 students in 2018. There was a 7.1 per cent increase in enrolment in short-term vocational courses at Athi River Meat Training School to 69 students in 2018.

Table 7.20: Enrolment in Agricultural Training Institutions, 2014-2018

	2014						2015						2016						2017						2018*					
	Male			Female			Male			Female			Male			Female			Male			Female			Male			Female		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female			
DEGREE LEVEL - Public Universities																														
All Universities.....	7,758	4,438	12,196	9,420	5,800	15,220	10,165	6,930	17,095	14,835	9,386	24,221	10,715	7,450	18,165															
DIPLOMA LEVEL - Public Universities																														
Egerton.....	542	928	1,470	324	800	1,124	459	206	665	116	80	196	3	3	6															
DIPLOMA LEVEL - MOA																														
Bukura Institute of Agriculture.....	674	290	964	710	309	1,019	705	326	1,031	791	406	1,197	957	565	1,522															
Naivasha Dairy Training Institute ¹	-	-	-	27	14	41	23	19	42	27	13	40	23	18	41															
Total.....	674	290	964	737	323	1,060	728	345	1,073	818	419	1,237	980	583	1,563															
DIPLOMA - Animal Health Training Institutes²																														
Kabete.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Ndomba.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Total.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
CERTIFICATE LEVEL-																														
Naivasha Dairy Training Institute.....	92	66	158	75	54	129	64	59	123	54	65	119	64	68	132															
Animal Health Training Institutes-																														
Kabete.....	155	32	187	187	25	212	91	13	104	35	18	53	70	20	90															
Nyahururu.....	51	27	78	51	22	73	52	24	76	46	28	74	45	26	71															
Ndomba.....	230	65	295	337	89	426	118	28	146	95	25	120	91	39	130															
Total.....	436	124	560	575	136	711	261	65	326	176	71	247	206	85	291															
SHORT-TERM VOCATIONAL COURSES-																														
Naivasha Dairy Training School.....	202	125	327	180	79	259	214	103	317	201	84	285	128	73	201															
Athi River M.T. School.....	46	37	83	66	44	110	44	12	56	41	23	64	47	22	69															
Total.....	235	137	372	268	128	396	160	63	223	331	124	455	72	42	114															

Source: Ministry of Agriculture and Irrigation; Public Universities and other institutions

* Provisional

¹ The Diploma course at Naivasha DTI was approved and the first intake done in 2015.² Diploma courses at the Animal Health Training Institutes (AHTIs) was introduced in 2017.

Societies and Unions in Agricultural activities 7.26. Table 7.21 shows the number of societies and unions registered for the period 2014 to 2018. The total number of societies and unions registered increased from 19,951 in 2017 to 20,547 in 2018, a decelerated growth compared to the growth recorded in 2017. Agricultural societies have sustained increases for the past five years mainly from the rise in registration of multi-purpose, dairy and other agricultural societies. The number of Savings and Credit societies grew by 2.0 per cent from 10,029 in 2017 to 10,231 in 2018 while that of other non-agricultural societies rose by 2.3 per cent to stand at 4,002 in 2018. During the review period, only one agricultural union was registered.

Table 7.21: Number of Societies and Unions, 2014 – 2018

TYPE OF SOCIETY	Number				
	2014	2015	2016	2017	2018*
Agricultural:					
Coffee	600	605	613	616	651
Sugar-cane	191	192	199	206	211
Pyrethrum	146	146	146	147	149
Cotton	60	61	62	62	62
Dairy	412	427	465	518	623
Multi-produce	2,118	2,169	2,222	2,289	2,364
Farm Purchase.. .. .	116	117	118	118	122
Fisheries	92	94	99	111	116
Other Agricultural Societies ..	1,605	1,643	1,706	1,843	1,916
Sub- Total	5,340	5,454	5,629	5,910	6,214
Non-Agricultural:					
Savings and Credit.. .. .	8,592	8,914	9,567	10,029	10,231
Other Non-Agricultural Societ	2,938	3,031	3,279	3,913	4,002
Sub- Total	11,530	11,945	12,846	13,942	14,233
Unions (Agricultural)	99	99	98	99	100
GRAND TOTAL	16,969	17,498	18,573	19,951	20,547

Source: Ministry of Industry, Trade and Cooperatives, State Department for Cooperatives

* Provisional

7.27. The sale of agricultural produce by co-operative societies is presented in Table 7.22. Cooperatives recorded growths in the sale of agricultural produce across selected crops due to improved weather conditions in 2018. The sale of coffee and milk contributed 44.9 per cent and 52.9 per cent of total sales, respectively in 2018. Overall, the total value of sales from co-operative societies increased marginally from KSh 10,568 million in 2017 to KSh 10,590 million in 2018. The share of coffee sales to the marketed production by the co-operatives went up to 32.1 per cent in 2018 compared to 29.6 per cent recorded in 2017. Similarly, this trend was witnessed with pyrethrum as its share increased by 4.8 percentage points to stand at 95.4 per cent in 2018. The share of sugar cane remained at the 2017 level while that of milk decreased by 2.1 percentage points to 24.7 per cent.

Table 7.22: Sale of Selected Agricultural Produce by Co-operatives and their Contribution to Gross Farm Revenue, 2014– 2018

Year	Coffee	Sugar cane	Pyrethrum	Milk	Total
Sale (KSh Million)					
2014.....	4,763	212	27	5,491	10,493
2015.....	4,769	213	27	5,497	10,506
2016.....	4,755	204	24	5,554	10,538
2017.....	4,751	204	24	5,589	10,568
2018*.....	4,756	206	25	5,603	10,590
Share to marketed production (per cent)					
2014.....	28.6	1.0	44.2	29.2	18.8
2015.....	39.5	1.0	52.9	25.9	18.9
2016.....	29.4	0.8	63.3	24.1	16.6
2017.....	29.6	1.0	90.6	26.8	18.5
2018*.....	32.1	1.0	95.4	24.7	18.2

Source: Ministry of Industry, Trade and Cooperatives, State Department for Cooperatives

* Provisional.

Food Balance Sheet

7.28. The Food Balance Sheet (FBS) is a tool that is used to assess the food situation of a given country. It provides a preview of the supply of various food commodities and their subsequent use at primary commodity equivalent. Consequently, the FBS is a national accounting/statistical framework, presenting a comprehensive picture of the pattern of a country's food supply during a specified reference period. Given the usefulness of the FBS, the Food and Agriculture Organization of the United Nations (FAO) has given considerable attention to its development. As a result, countries have been encouraged to adopt the FBS framework in order to assist in analyzing the food supply situation.

7.29. through Technical Assistance provided by FAO. Consequently, the first report on Food Balance Sheet covering the period 2000 to 2005 was then produced and published. Thereafter, other FBS reports have been produced regularly as part of the annual Economic Survey publication.

7.30. Recently, the Global Strategy revised the guidelines on the compilation of Food Balance Sheets in order to accommodate new components that are deemed relevant. These Guidelines for the compilation of Food Balance Sheets have been developed under the Global Strategy to improve Agricultural and Rural Statistics (Global Strategy). It is important to note that these guidelines suggest imputation approaches and data sources for country-level information.

7.31. The methodologies and approaches described in these guidelines represent the latest innovations in both the imputation of missing data and the balancing of food commodity accounts. The goal of these guidelines is to provide countries with the methodological framework and tools to compile high-quality FBS for crop and livestock products. However, the guidelines do not factor the compilation of the fishery component. Therefore, this will still be compiled using the old tool and then the generated FBS results extracted and put in the Shiny Tool.

7.32. In 2017, the new Guidelines on the approach to be used for compiling Supply and Utilization Account (SUA)/FBS were proposed to countries, including new features which aim at improving how imputation of missing SUA basic data is done and identifying how each commodity is balanced. To this end, a new FBS compilation tool (Shiny Tool) was developed and customized specifically for Kenya. The Bureau therefore, requested the AfDB to assist the country in reviewing and upgrading its FBS Compilation System to the new standards.

7.33. In view of the foregoing therefore, the 2018 and 2017 FBS have been generated using the new tool. The obtained 2017 results are close to those obtained using the previous tool and the resultant total Dietary Energy Supply (DES) for 2017 is 0.5 per cent higher than

that obtained from the old tool. This is attributable to the improvement in imputations and balancing methods employed in the new tool.

Per Capita Annual Food Consumption

7.34. The FBS calculates the average quantity of a given food commodity an individual consumes in a particular year. This is given in terms of kilograms of the food item consumed by an individual. This information is shown in Table 7.23 for the years 2017 and 2018. During the review period, an individual consumed, on average, 69.5 kilograms of maize and its products. Consumption of wheat and products increased by 5.6 per cent from 39.1 kilograms per person in 2017 to 41.3 kilograms per person in 2018. Similarly, 29.9 kilograms of potatoes were consumed in 2018, an increment of 13.3 per cent from 26.4 kilograms recorded in 2017. Consumption of tomatoes and products; and vegetables and other products increased by 41.7 per cent and 38.1 per cent, respectively, during the review period. Bovine meat and milk consumed also registered increases of 11.1 per cent and 4.4 per cent to 14.0 kilograms and 93.3 kilograms, respectively, in 2018.

7.35. The average consumption of rice and its products reduced by 9.3 per cent from 22.7 in 2017 to 20.6 in 2018. Millet, cassava and sweet potatoes consumed per person also registered declines of 16.7, 14.3 and 18.9 per cent in the review period.

Table 7.23: Per Capita Food Consumption, 2017 and 2018

	Kg		
Food Commodity	2017	2018	Percent Change
Wheat and products.....	39.1	41.3	5.6
Maize and products.....	64.2	69.5	8.3
Millet and products.....	1.2	1.0	-16.7
Sorghum and products.....	2.2	1.9	-13.6
Rice & Prod (Milled Equivalent).....	22.7	20.6	-9.3
Potatoes and products.....	26.4	29.9	13.3
Cassava and products.....	23.1	19.8	-14.3
Sweet potatoes.....	22.2	18.0	-18.9
Sugar & Prod. (raw equivalent).....	13.5	16.3	20.7
Beans, Dry & Products.....	16.1	16.0	-0.6
Tomatoes and products.....	6.0	8.5	41.7
Onions, Dry.....	0.9	0.8	-11.1
Vegetables, Other & Prod.....	23.6	32.6	38.1
Bananas.....	15.1	27.5	82.1
Meat & Products, Bovine.....	12.6	14.0	11.1
Meat & Products, Pig.....	0.3	0.4	33.3
Meat & Products, Poultry.....	2.3	2.6	13.0
Milk & Prod (Excluding Butter).....	89.4	93.3	4.4
Eggs and products.....	1.5	1.6	6.7
Freshwater fish.....	3.1	3.1	0.0

Nutrient Supply

7.36. The distribution of per caput daily nutrient supply for vegetable products, animal products and fishery products for 2017 and 2018 are shown in Table 7.24. Per Caput Daily Caloric Supply from vegetable products increased by 4.7 per cent from 1,863.9 calories in 2017 to 1,952.4 calories in 2018. This was mainly occasioned by the increased consumption of sugar and sweeteners, and cereals, especially the increase in the Dietary Energy Supply for maize which was due to increased production. Similarly, the daily caloric supply of animal products increased by 9.1 per cent to 282.8 calories in 2018 which was attributable to increased intake of bovine meat and milk products. However, fishery products recorded a decline of 1.4 per cent of the daily calories supplied from 7.2 calories in 2017 to 7.1 calories in 2018.

7.37. During the review period, supply of proteins from vegetable and animal products recorded increases of 2.0 per cent and 13.1 per cent to 51.0 grams and 18.1 grams, respectively. The change in the daily supply of proteins from animal products was mainly due to increased production of bovine meat. However, there was a 2.3 per cent drop in the individual daily fats supplied by vegetable products from 30.7 grams in 2017 to 30.0 grams in 2018 which was mainly due to a reduction in the Dietary Energy Supply for the vegetable oils.

Table 7.24: Per Caput Daily Supply, 2017 and 2018

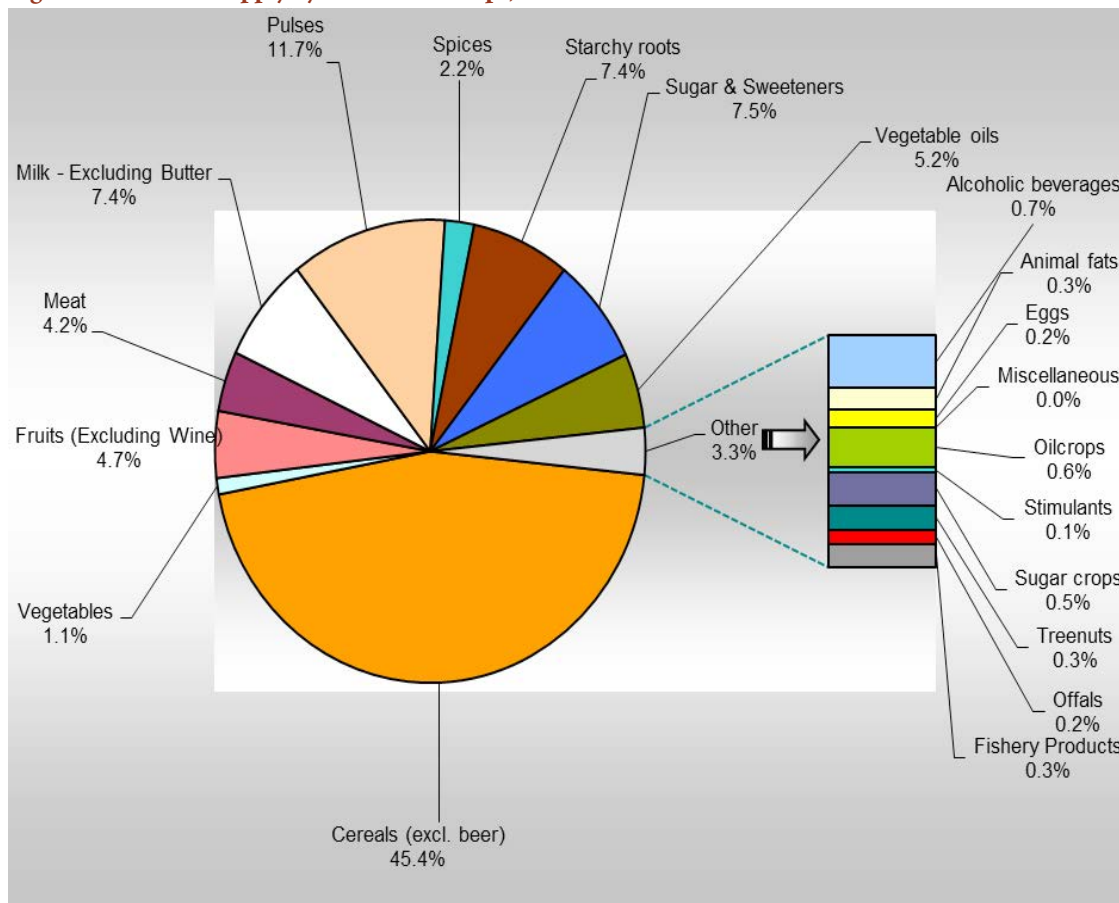
	2017			2018		
	Calories	Proteins (Grams)	Fats (Grams)	Calories	Proteins (Grams)	Fats (Grams)
Vegetable Products.....	1,863.9	50.0	30.7	1,952.4	51.0	30.0
Animal Products.....	259.1	16.0	16.3	282.8	18.1	18.3
Fishery Products.....	7.2	1.1	0.3	7.1	1.1	0.3
Total.....	2,130.2	67.1	47.3	2,242.4	70.2	48.5

7.38. Table 7.25 shows the selected food groups that contributed to the total per caput daily caloric supply in Kenya for 2017 and 2018. Cereals, which form the bulk of the per caput daily caloric supply, increased by 6.4 per cent to 1,014.2 calories in 2018. The contribution of pulses to the daily caloric supply decreased by 3.4 per cent to 262.0 calories in 2018 mainly due to reduced production of beans. In addition, vegetable oils declined by 5.2 per cent over the same period.

Table 7.25: Per Caput Daily Caloric Supply by Type of Food Group, 2017 and 2018

Food Group	Calories		
	2017	2018	Percentage Change
Cereals (excl. beer).....	953.4	1,014.2	6.4
Starchy roots.....	180.1	165.6	-8.1
Sugar crops.....	10.0	10.7	7.0
Sugar & Sweeteners.....	138.1	166.6	20.6
Pulses.....	271.1	262.0	-3.4
Treenuts.....	6.0	7.7	28.3
Oilcrops.....	15.0	12.9	-14.0
Vegetable oils.....	123.1	116.7	-5.2
Vegetables	19.0	25.4	33.7
Fruits (Excluding Wine).....	80.0	104.0	30.0
Spices.....	51.0	48.8	-4.3
Alcoholic beverages.....	17.0	16.5	-2.9
Meat	87.7	94.2	7.4
Offals.....	5.0	4.5	-10.0
Animal fats.....	3.0	7.0	133.3
Milk - Excluding Butter.....	158.5	164.5	3.8
Eggs.....	5.0	5.5	10.0
Fish & sea food.....	7.2	7.1	-1.4

Figure 7.5: Caloric Supply by Main Food Crops, 2018



Self-Sufficiency and Import Dependency Ratios

7.39. One of the main applications of FBS is to calculate derived indicators using FBS data. These indicators can be used to analyze a wide range of concepts, including hunger, malnutrition, import dependence and food self-sufficiency. The Import Dependency Ratio (IDR) measures the magnitude to which a country is dependent on imports over what is available for domestic use while the Self-Sufficiency Ratio (SSR) compares the magnitude of a country’s agricultural production to its domestic utilization. Figures 7.6 (a) and 7.6 (b) show the IDR and SSR for 2017 and 2018. Overall, the IDR declined from 18.5 per cent in 2017 to 15.1 per cent in 2018 owing to the reduced imports and improved production of vegetable products. This was occasioned by the favorable weather conditions that led to enhanced production. Consequently, the total SSR increased from 87.2 per cent to 89.0 per cent in the review period. On the contrary, animal and fishery products recorded reduced SSR in 2018. The same trend was also seen in the IDR for the fishery products.

Figure 7.6 (a): IDR and SSR, 2018

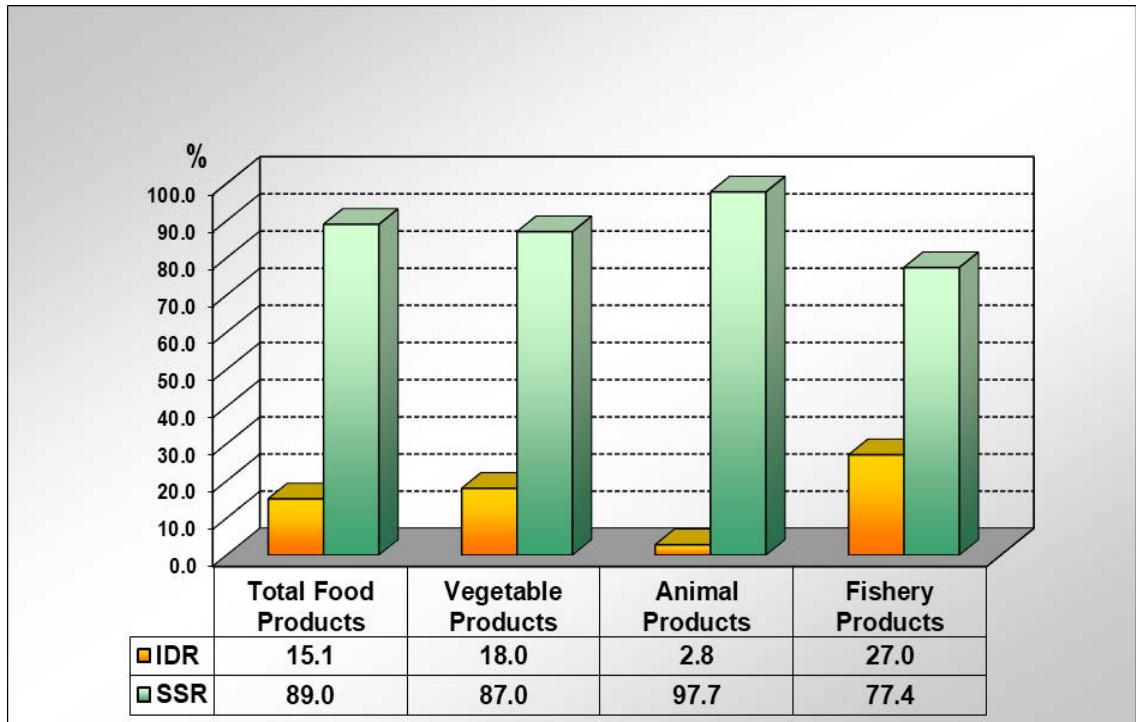


Figure 7.6 (b): IDR and SSR, 2017

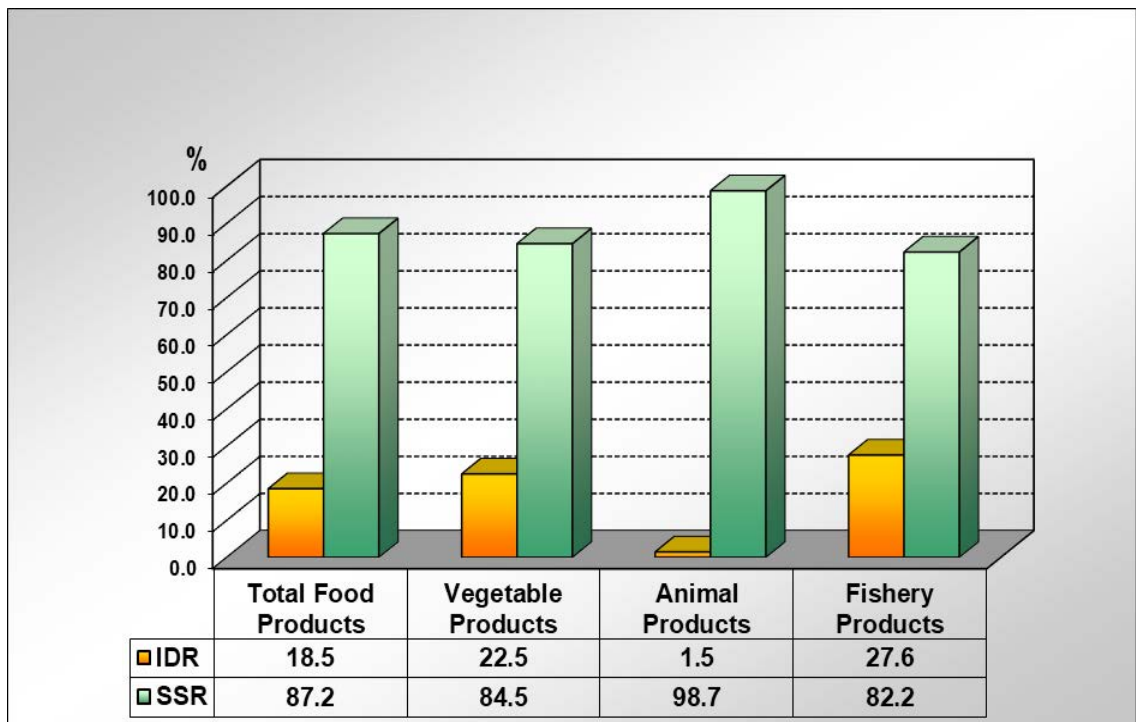


Table 7.24 (a): Food Balance Sheet, 2018

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)						PER CAPUT SUPPLY			
	Prod.	Imports	Exports	Stock changes	Total D.S.	Processed	Loss	Feed	Seed	Other Uses	Food	PER	PER DAY		
												YEAR	Calories	Proteins	Fats
1000 Metric Tons											FOOD	Kg.	units	grams	grams
Grand total													2242	70	49
Vegetable prod.													1952	51	30
Animal prod.													283	18	18
Cereals (excl. beer)	4800	3560	167	555	7638	127	179	483	87	299	6463	135	1014	27	10
Wheat and products	337	1841	6	50	2121	0	42	0	11	93	1976	41.3	307	10	4
Barley and products	78	2	11	9	61	37	1	0	1	0	23	0.5	4	0	0
Maize and products	4014	564	8	423	4146	39	86	447	66	182	3326	69.5	547	15	6
Rye and products	0	3	3	0	0	0	0	0	0	0	0	0.0	0	0	0
Oats and products	0	2	0	0	2	0	0	0	0	0	2	0.0	0	0	0
Millet and products	72	30	0	0	102	20	15	10	3	5	48	1.0	9	0	0
Sorghum and products	189	143	130	0	201	31	34	26	5	17	89	1.9	16	0	0
Cereals, Others & Products	0	1	2	-14	13	0	0	0	0	0	13	0.3	2	0	0
Rice & Prod (Milled Equivalent)	110	975	7	87	992	0	2	0	1	2	987	20.6	129	2	0
Starchy roots	3749	10	2	0	3757	0	262	0	131	99	3266	68.2	166	2	0
Potatoes and products	1898	2	2	0	1898	0	239	0	131	98	1430	29.9	58	1	0
Cassava and products	948	8	0	0	956	0	8	0	0	0	948	19.8	59	0	0
Sweet potatoes	874	0	0	0	874	0	13	0	0	0	861	18.0	47	1	0
Roots & Tubers, Other & Prod.	19	0	0	0	19	0	2	0	0	0	17	0.4	1	0	0
Yams	10	0	0	0	10	0	0	0	0	0	10	0.2	1	0	0
Sugar crops	5262	0	0	0	5262	4377	0	0	0	263	621	13.0	11	0	0
Sugar cane	5262	0	0	0	5262	4377	0	0	0	263	621	13.0	11	0	0
Sugar Beets	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sugar & Sweeteners	576	312	2	23	863	32	0	0	0	8	823	17.2	167	0	0
Sugar non-centrifugal	23	0	0	0	23	0	0	0	0	1	22	0.5	4	0	0
Sugar & Prod. (raw equivalent)	534	312	2	23	821	31	0	0	0	8	782	16.3	159	0	0
Sweeteners, other & prod.	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Honey	19	0	0	0	19	0	0	0	0	0	19	0.4	3	0	0
Pulses	1181	55	19	-321	1539	0	166	0	4	8	1360	28.4	262	18	2
Beans, Dry & Products	837	28	0	-39	904	0	137	0	0	0	766	16.0	147	11	1
Peas, Dry & Products	0	26	14	0	11	0	0	0	0	2	9	0.2	2	0	0
Pulses, Other and products	344	2	4	-282	624	0	29	0	4	6	585	12.2	113	7	1
Treenuts	85	0	0	0	85	0	0	0	0	3	81	1.7	7.7	0.0	1.0
Nuts and products	85	0	0	0	85	0	0	0	0	3	81	1.7	8	0	1
Oilcrops	170	1	0	0	171	39	1	0	3	2	126	2.6	13	0	1
Soyabeans & Products	2	0	0	0	3	0	0	0	2	0	1	0.0	0	0	0
Groundnuts (Shelled Eg)	19	0	0	0	19	0	1	0	1	0	17	0.4	4	0	0
Sunflower seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape and Mustardseed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Coconuts - Incl Copra	107	1	0	0	108	0	0	0	0	0	108	2.3	9	0	1
Sesame seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Palmkernels	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olives (including preserved)	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oilcrops, Other	41	0	0	0	41	39	0	0	0	2	0	0.0	0	0	0
Vegetable oils	192	790	40	183	759	128	0	0	0	370	260	5.4	116.7	0.0	13.0
Soyabean Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Groundnut Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sunflowerseed Oil	5	0	0	0	5	0	0	0	0	0	5	0.1	2	0	0
Rape and Mustard Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed Oil	2	0	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palmkernel Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Palm Oil	0	764	40	183	541	128	0	0	0	345	68	1.4	34	0	4
Coconut Oil	6	26	0	0	32	0	0	0	0	26	6	0.1	3	0	0
Sesameseed Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olive & Residue Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Maize Germ Oil	14	0	0	0	14	0	0	0	0	0	13	0.3	7	0	1
Oilcrops Oil, Other	166	0	0	0	166	0	0	0	0	0	166	3.5	70	0	8

Table 7.24 (b): Food Balance Sheet, 2017

FOOD BALANCE SHEET 2017 Population('000): 46,595

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)						PER CAPUT SUPPLY			
	Prod.	Imports	Exports	Stock changes	Total D.S.	Processed	Loss	Feed	Seed	Other Uses	Food	PER YEAR FOOD	PER DAY		
1000 Metric Tons												Kg.	units	grams	grams
Grand total													2130	67	47
Vegetable prod.													1864	50	31
Animal prod.													266	17	17
Cereals (excl. beer)	3708	4450	65	405	7688	144	714	453	82	233	6061	130	953	26	10
Wheat and products	165	1861	20	0	2006	0	41	0	11	131	1822	39.1	280	8	5
Barley and products	78	1	22	0	57	29	1	0	1	0	27	0.6	5	0	0
Maize and products	3186	1385	18	405	4148	25	600	395	63	73	2992	64.2	497	14	6
Rye and products	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oats and products	0	0	0	0	1	0	0	0	0	0	1	0.0	0	0	0
Millet and products	54	84	0	0	137	29	23	17	3	7	58	1.2	11	0	0
Sorghum and products	144	128	3	0	269	61	44	41	4	14	104	2.2	19	1	0
Cereals, Others & Products	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rice & Prod (Milled Equivalent)	81	991	2	0	1070	0	5	0	1	7	1058	22.7	142	3	0
Starchy roots	3792	5	17	0	3780	0	299	0	104	4	3373	72.4	180	2	0
Potatoes and products	1500	4	17	0	1487	0	150	0	104	2	1231	26.4	51	1	0
Cassava and products	1112	0	0	0	1113	0	33	0	0	1	1079	23.1	68	1	0
Sweet potatoes	1150	1	0	0	1151	0	115	0	0	0	1036	22.2	58	1	0
Roots & Tubers, Other & Prod.	19	0	0	0	19	0	0	0	0	1	18	0.4	1	0	0
Yams	10	0	0	0	10	0	1	0	0	0	10	0.2	1	0	0
Sugar crops	4761	0	0	0	4761	4216	0	0	0	0	544	11.7	10	0	0
Sugar cane	4761	0	0	0	4761	4216	0	0	0	0	544	11.7	10	0	0
Sugar Beets	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sugar & Sweeteners	1105	335	21	687	733	58	0	0	0	3	672	14.4	138	0	0
Sugar non-centrifugal	22	0	0	0	22	1	0	0	0	1	20	0.4	3	0	0
Sugar & Prod. (raw equivalent)	1062	335	21	687	690	57	0	0	0	2	631	13.5	131	0	0
Sweeteners, other & prod.	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Honey	22	0	0	0	22	0	0	0	0	0	22	0.5	4	0	0
Pulses	1110	5	2	-432	1546	0	162	0	8	4	1373	29.5	271	18	1
Beans, Dry & Products	846	1	0	-35	882	0	132	0	0	0	750	16.1	148	10	1
Peas, Dry & Products	4	4	1	0	8	0	0	0	0	0	7	0.2	1	0	0
Pulses, Other and products	260	1	1	-397	656	0	30	0	8	3	616	13.2	122	8	1
Treenuts	43	0	4	0	39	0	1	0	0	0	38	0.8	6.0	0.0	1.0
Nuts and products	43	0	4	0	39	0	1	0	0	0	38	0.8	6	0	1
Oilcrops	189	6	5	0	191	39	0	0	0	3	148	3.2	15	0	1
Soyabean & Products	2	0	0	0	2	0	0	0	0	0	2	0.0	0	0	0
Groundnuts (Shelled Eq)	19	1	0	0	21	0	0	0	0	1	20	0.4	5	0	0
Sunflower seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape and Mustardseed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Coconuts - Incl Copra	126	0	0	0	126	0	0	0	0	0	126	2.7	10	0	1
Sesame seed	0	5	5	0	0	0	0	0	0	0	0	0.0	0	0	0
Palmkernels	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olives (including preserved)	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oilcrops, Other	41	0	0	0	41	39	0	0	0	2	0	0.0	0	0	0
Vegetable oils	193	538	75	0	656	129	0	0	0	263	265	5.7	123.1	0.0	14.3
Soyabean Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Groundnut Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Sunflowerseed Oil	4	0	0	0	4	0	0	0	0	0	4	0.1	2	0	0
Rape and Mustard Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed Oil	2	0	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palmkernel Oil	0	2	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palm Oil	0	522	68	0	454	128	0	0	0	259	67	1.4	34	0	4
Coconut Oil	6	12	0	0	18	0	0	0	0	1	17	0.4	9	0	1
Sesameseed Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olive & Residue Oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Maize Germ Oil	14	1	0	0	14	0	0	0	0	0	14	0.3	7	0	1
Oilcrops Oil, Other	168	2	7	0	163	0	0	0	0	3	160	3.4	69	0	8

FOOD BALANCE SHEET 2017 Population('000): 46,595

	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)					PER CAPUT SUPPLY				
	Prod.	Imports	Exports	Stock changes	Total D.S.	Processed	Loss	Feed	Seed	Other Uses	Food	PER YEAR FOOD	PER DAY		
												Kg.	units	grams	grams
	1000 Metric Tons											Kg.	units	grams	grams
	1555	29	45	0	1539	0	79	0	0	39	1421	30.5	19	1	0
Products	284	22	0	0	306	0	25	0	0	0	281	6.0	3	0	0
	67	0	0	0	67	0	23	0	0	3	40	0.9	1	0	0
Other & Prod.	1204	7	44	0	1166	0	31	0	0	36	1100	23.6	15	1	0
Wine	3023	113	306	0	2830	9	137	0	0	79	2604	55.9	80	1	1
Mand & Prod.	93	42	0	0	135	0	15	0	0	7	113	2.4	2	0	0
Starch and products	98	4	2	0	100	0	10	0	0	0	90	1.9	1	0	0
Alcoholic products	4	0	0	0	4	0	0	0	0	0	3	0.1	0	0	0
Sugar & prod	135	0	0	0	135	0	13	0	0	0	121	2.6	2	0	0
	740	1	0	0	741	0	0	0	0	37	704	15.1	25	0	0
Products	599	0	0	0	599	7	0	0	0	30	562	12.1	25	0	0
Food products	0	15	0	0	15	0	2	0	0	0	14	0.3	0	0	0
Animal products	366	3	140	0	229	0	0	0	0	0	229	4.9	3	0	0
	1	5	0	0	5	0	0	0	0	0	5	0.1	0	0	0
Products (excl wine)	2	3	0	0	5	2	0	0	0	0	3	0.1	0	0	0
Products	985	39	163	0	861	0	97	0	0	5	759	16.3	21	1	1
	481	33	566	-56	5	0	5	0	0	0	0	0.0	0	0	0
Products	42	23	122	-56	0	0	0	0	0	0	0	0.0	0	0	0
Mand products	0	1	1	0	0	0	0	0	0	0	0	0.0	0	0	0
Wine (mate)	439	9	443	0	5	0	5	0	0	0	0	0.0	0	0	0
	256	3	3	0	256	0	0	0	0	0	256	5.5	51	2	2
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	5	0	0	0	5	0	0	0	0	0	5	0.1	1	0	0
	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	250	3	2	0	251	0	0	0	0	0	251	5.4	50	2	2
Averages	559	5	2	0	562	0	0	0	0	16	546	11.7	17	0	0
	3	4	1	0	6	0	0	0	0	0	6	0.1	0	0	0
	211	0	0	0	211	0	0	0	0	0	211	4.5	5	0	0
Mentem	304	0	0	0	304	0	0	0	0	0	304	6.5	7	0	0
Alcoholic	25	2	1	0	25	0	0	0	0	0	25	0.5	4	0	0
Food	16	0	0	0	16	0	0	0	0	16	0	0.0	0	0	0
	839	0	2	0	838	0	0	0	0	4	833	17.9	88	7	7
Meats, Bovine	589	0	1	0	588	0	0	0	0	0	588	12.6	66	5	5
Meat, Sheep & Goat	97	0	1	0	96	0	0	0	0	3	93	2.0	8	1	1
Meats, Pig	13	0	0	0	13	0	0	0	0	1	12	0.3	3	0	0
Meats, Poultry	106	0	0	0	106	0	0	0	0	0	106	2.3	8	1	0
Meats, Other Anim.	34	0	0	0	34	0	0	0	0	0	34	0.7	3	0	0
	74	0	0	0	74	0	0	0	0	0	74	2	5	1	0
	74	0	0	0	74	0	0	0	0	0	74	1.6	5	1	0
	24	1	6	-1	20	11	0	0	0	3	5	0.1	3	0	0
Raw	23	1	6	-1	19	11	0	0	0	3	5	0.1	3	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Big Butter	4668	82	4	0	4747	33	345	18	0	185	4166	89	158	8	10
(excluding Butter)	4668	82	4	0	4747	33	345	18	0	185	4166	89.4	158	8	10
	84	0	0	0	84	0	2	0	6	4	71	1.5	5.0	0.0	0.0
Products	84	0	0	0	84	0	2	0	6	4	71	1.5	5	0	0
	152	51	18	0	185	0	0	0	0	0	189	4.1	7	1	0
Wh	120	28	3	0	145	0	0	0	0	0	144	3.1	5	1	0
	4	0	10	0	-5	0	0	0	0	0	0	0.0	0	0	0
	3	21	3	0	21	0	0	0	0	0	21	0.4	1	0	0
Her	22	2	1	0	23	0	0	0	0	0	23	0.5	1	0	0
	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	2	0	1	0	1	0	0	0	0	0	1	0.0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Meats, other	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Meats, other	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Meats, other	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
	0	0	1	0	0	0	0	0	0	0	0	0.0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0

Overview

Environment has been identified as a key sector in the realization of the goals of the Vision 2030 and global Sustainable Development Goals. During the review period, the National Government continued to implement initiatives geared towards environmental protection and development of the National Climate Change Action Plan (NCCAP). In the same period, a moratorium on logging and extraction of timber in public and community forests was imposed to aid in the restoration and rehabilitation of the critical water catchment and natural forest areas.

8.2. In 2018, there was improved performance in selected indicators on environment and natural resources. Overall, the National Government expenditure on water and related services is expected to grow by 46.3 per cent to KSh 53.4 billion in 2018/19. Total value of fish landed grew by 4.5 per cent to KSh 24.0 billion in 2018. Area stocked under government forest plantations increased by 4.8 per cent from 135.1 thousand hectares in 2017 to 141.6 thousand hectares in 2018. Value of minerals produced in the review period increased by 5.9 per cent from KSh 28.7 billion in 2017 to KSh 30.4 billion. The year 2018 recorded the highest mean annual rainfall over the last five years. The highest mean rainfall was 496.4 millimeters and was recorded during the March to May 2018 season.

**Environment
and Natural
Resources
Gross Value
Added**

8.3. Table 8.1 presents Gross Value Added (GVA) of selected activities under the environment and natural resources sector for 2014 to 2018 period. Overall, environment and natural resources accounted for 3.2 per cent of Gross Domestic Product (GDP) in 2018 compared to 3.1 per cent in 2017. The GVA in the sector grew by 12.7 per cent from KSh 254.8 billion in 2017 to KSh 287.2 billion in 2018. Forestry and logging grew by 14.7 per cent in 2018 and accounted for 40.3 per cent of the GVA. Similarly, mining and quarrying, and water supply industries grew by 9.7 per cent and 7.3 per cent, respectively. In 2018, the GVA from the fishing industry grew by 20.5 per cent to KSh 44.1 billion from KSh 36.6 billion in 2017.

Table 8.1 Trends in Environment and Natural Resources Gross Value Added, 2014 – 2018

	KSh Million				
Industry	2014	2015	2016	2017	2018
Forestry and Logging...	72,148.5	79,697.4	91,824.6	100,874.8	115,669.9
Fishing and Aquaculture...	38,731.9	40,299.8	34,909.0	36,615.7	44,112.4
Mining and Quarrying...	44,935.9	54,584.2	59,149.1	61,327.0	67,275.4
Water Supply ¹ ...	42,102.0	46,813.7	50,500.3	56,021.0	60,110.4
Total	197,918.3	221,395.2	236,383.0	254,838.5	287,168.1
GDP at Current Prices ...	5,402,647.5	6,284,184.9	7,022,963.1	8,144,372.7	8,904,983.9
Resource as per cent of GDP	3.7	3.5	3.4	3.1	3.2

* Provisional

¹ Includes sewerage and waste management

**Water
Supplies**

8.4. Table 8.2 presents the number of water purification points and boreholes drilled from 2014/15 to 2018/19. The number of water purification points is expected to increase from 258 in 2017/18 to 266 in 2018/19. The number of boreholes is expected to increase by 58.9 per cent to 1,543 in 2018/19 from 971 boreholes in 2017/18. Boreholes by the private sector are expected to account for 88.7 per cent of the total boreholes drilled in 2018/19.

Table 8.2: Water Purification Points and Boreholes Drilled, 2014/15 - 2018/19

	Number				
	2014/15	2015/16	2016/17	2017/18	2018/19*
Water Purification Points (WPPs) ¹	234	242	248	258	266
Boreholes (BH) Total	607	446	1,557	971	1,543
Public	13	4	305	70	174
Private Sector	594	442	1,252	901	1,369

Source: Ministry of Water and Sanitation

* Provisional

¹ Cumulative

8.5. Details on expenditure on water supplies and related services from 2014/15 to 2018/19 are presented in Table 8.3. Overall expenditure is expected to rise by 46.3 per cent to KSh 53.4 billion in 2018/19. Expenditure on Water Development is expected to almost double to KSh 43.1 billion in 2018/19. The huge increase is due to transfer of major projects to the Ministry of Water and Sanitation in 2018/19. These are Thwake Multi-Purpose Water Development Program Phase I, National Water Harvesting and Ground Water Exploitation, Water for Schools and Land Reclamation. Similarly, expenditure by Miscellaneous and Special Water Programme increased by 11.3 per cent to KSh 1.1 billion in 2018/19.

Table 8.3: Development Expenditure on Water Supplies and Related Services by the National Government, 2014/15 - 2018/19

Item	KSh Million				
	2014/15	2015/16	2016/17	2017/18	2018/19*
Water Development	17,329.0	23,247.7	34,829.1	22,532.0	43,058.6
Training of Water Development Staff	170.0	150.0	31.0	31.0	60.0
Rural Water Supplies	1,326.5	1,436.7	620.2	1,442.4	1,412.0
Miscellaneous and Special Water Programmes	304.8	528.0	373.7	996.4	1,109.0
National Water Conservation and Pipeline Corporation	2,460.0	1,156.0	1,891.7	1,660.8	1,150.0
Irrigation Development ¹	157.2	2,190.9	245.0	480.0	500.0
National Irrigation Board ¹	10,900.0	12,569.7	5,860.0	9,366.6	6,159.0
TOTAL	32,647.5	41,279.0	43,850.7	36,509.2	53,448.6

Source: Ministry of Water and Sanitation and Ministry of Agriculture, Livestock, Fisheries and Irrigation

8.6. Table 8.4 provides the trend in volume of water abstraction under permit for 2014 to 2018. Total water abstraction under permit increased by 18.2 per cent to 40.8 million cubic metres in 2018. Surface water abstracted increased from 34.3 million cubic metres in 2017 to 40.5 million cubic metres in 2018. Similarly, groundwater abstraction rose to 218.8 million cubic metres in 2018 from 173.5 million cubic metres in 2017.

Table 8.4: Water Abstracted under Permit, 2014 - 2018

	Million Cubic meters				
	2014	2015	2016	2017	2018
Surface Water	33,516.7	34,066.2	34,223.5	34,293.4	40,532.3
Groundwater	102.7	111.3	138.3	173.5	218.8
Total Amount	33,619.4	34,177.6	34,361.7	34,466.9	40,751.1

Source: Water Resources Authority

* Provisional

Fisheries

8.7. Details of quantity and value of fish landed are given in Table 8.5. Total fish output increased from 135.1 thousand tonnes in 2017 to 148.3 thousand tonnes in 2018. Fresh water fish increased from 111.8 thousand tonnes in 2017 to 124.1 thousand tonnes in 2018. Lake Victoria accounted for 66.1 per cent of the total fish landed with an output of 98.2 thousand tonnes in 2018. Marine fish landed increased by 4.1 per cent to 24.2 thousand tonnes. The continued low share of marine fish landing is attributed to lack of technology and inadequate facilities necessary for fishing in deep waters.

8.8. The total value of fish output rose by 4.5 per cent to KSh 24.0 billion in 2018. The value of fish from freshwater sources grew from KSh 18.6 billion in 2017 to KSh 19.4 billion in 2018. Fish landed from fresh water sources accounted for 81.0 per cent of the total value of fish. Similarly, the value of fish from marine sources increased by 4.4 per cent from KSh 4.4 billion in 2017 to KSh 4.6 billion in 2018.

Table 8.5: Quantity and Value of fish landed, 2014 - 2018

	2014	2015	2016	2017	2018*
Quantities - Tonnes:					
Freshwater fish					
Lake Victoria	128,708	109,902	98,666	92,727	98,150
Lake Turkana	4,166	10,605	7,926	4,021	7,587
Lake Naivasha	633	1,072	1,064	1,689	2,287
Lake Baringo	302	176	141	155	145
Lake Jipe	115	123	106	112	131
Tana River dams	1,024	852	444	422	297
Fish Farming	24,096	18,656	14,952	12,356	15,120
Other areas	296	312	214	332	410
SUB-TOTAL	159,340	141,698	123,513	111,814	124,127
Marine Sources					
Marine fish	20,870	19,742	21,190	20,601	21,320
Crustaceans	713	621	772	702	750
Molluscs	1,703	1,763	2,203	1,983	2,150
SUB-TOTAL	23,286	22,126	24,165	23,286	24,220
GRAND TOTAL	182,626	163,824	147,678	135,100	148,347
Value - KSh Million					
Freshwater fish	20,941	20,750	19,735	18,581	19,416
Marine fish	3,418	3,018	3,424	3,287	3,400
Crustaceans	968	475	888	777	830
Molluscs	255	303	379	312	338
TOTAL	25,582	24,546	24,426	22,957	23,984

Source: Kenya Fisheries Service

Forestry 8.9. The status of forests by category from 2014 to 2018 is shown in Table 8.6. Total forest area increased marginally from 4,222.4 thousand hectares in 2017 to 4224.3 thousand hectares in 2018. However, the forest cover remained at 7.28 per cent in 2018.

Table 8.6 Status of Forests in Kenya, 2014 - 2018

	'000 Ha				
Category of forest cover type	2014	2015	2016	2017	2018*
Natural Forests					
Indegenous mixed trees	3,795.5	3,854.6	3,884.4	3,925.0	3,925.0
Bamboo	57.0	60.0	58.0	59.0	59.0
Mangroves	54.0	54.0	52.0	49.0	49.0
Sub Total (Natural Forests)	3,906.5	3,968.6	3,994.4	4,033.0	4,033.0
Public Plantation forests	136.5	139.4	140.8	142.4	144.3
Private plantation forests	60.0	50.0	50.0	47.0	47.0
Total Forest Area	4,103.0	4,158.0	4,185.2	4,222.4	4,224.3
Grassland and Bushland	41,200.0	41,170.0	41,100.0	41,100.0	41,000.0
Total Area for Country	58,037.0	58,037.0	58,037.0	58,037.0	58,037.0
Forest percentage	7.1	7.16	7.21	7.28	7.28

Source: Kenya Forest Service

* Provisional

8.10. The overall forest plantation stocking increased from 135.1 thousand hectares in 2017 to 141.6 thousand hectares in 2018 as shown in Table 8.7. The area planted in 2018 was 9.2 thousand hectares compared to 11.0 thousand hectares in 2017. On the other hand, area clear felled dropped to 900 hectares in 2018 compared to 5.2 thousand hectares in 2017 as a result of the moratorium imposed by the Government on logging and extraction of timber in all public and community forests.

Table 8.7: Government Forest Plantation Stocking, 2014 – 2018

	'000 Ha				
Stocking	2014	2015	2016	2017	2018*
Previous Plantation Area ¹	129.4	129.4	130.5	131.4	135.1
Area Planted.	7.1	10.0	10.3	11.0	9.2
Total	136.5	139.4	140.8	142.4	144.3
Area Clear felled	6.1	4.7	6.8	5.2	0.9
Planting failures/fire damages	1.0	4.2	2.6	2.1	1.8
Total Area	129.4	130.5	131.4	135.1	141.6

Source: Kenya Forest Service

* Provisional

¹ Opening stock at the beginning of the year

8.11. Table 8.8 presents sales of forest products from government forests. The control measures put in place to conserve existing forest products resulted to 83.6 per cent fall in sales of timber from 881.8 in 2017 thousand true cubic meters to 144.2 thousand true cubic meters in 2018. The volume of softwood sold dropped considerably from 798.4 thousand cubic meters in 2017 to 30.9 thousand cubic meters in 2018. However, hardwood timber sold increased from 83.4 thousand cubic meters in 2017 to 113.3 thousand cubic meters in 2018.

8.12. Quantity of fuelwood and charcoal sold dropped by 82.1 per cent to 9.6 thousand stacked cubic meters in 2018. Similarly, the number of power poles sold declined from 34.2 thousand in 2017 to 29.2 thousand in 2018.

Table 8.8: Sale of Government Forest Products, 2014 - 2018

Forest Products	2014	2015	2016	2017	2018*
Timber - '000 true cubic metres-					
Soft wood	1,167.0	621.1	966.4	798.4	30.9
Hard wood	30.6	12.4	70.9	83.4	113.3
TOTAL	1,197.6	633.5	1,037.3	881.8	144.2
Fuelwood/charcoal (000 stacked cubic Metres)..	70.0	43.7	147.2	53.7	9.6
Power Poles (000')	43.3	34.5	23.0	34.2	29.2

Source: Kenya Forest Service

Mining 8.13. As shown in Table 8.9, quantity of titanium ore minerals produced declined from 643.5 thousand tonnes in 2017 to 597.7 thousand tonnes in 2018. Similarly, salt, gemstones (rough), gemstones (cut) and gold declined by 71.3, 59.2, 36.8 and 6.1 per cent in 2018, respectively. However, soda ash and diatomite output increased to 339.0 thousand tonnes and 1.5 thousand tonnes in 2018. The mining of fluorspar was not undertaken in 2018 due to closure of Kenya Fluorspar Mining Company.

8.14. The value of mineral output increased by 5.9 per cent from KSh 28.7 billion in 2017 to KSh 30.4 billion in 2018. Titanium ore minerals accounted for 66.1 per cent of the total value of output. The value of soda ash output increased by 7.9 per cent from KSh 6.3 billion in 2017 to KSh 6.8 billion in 2018. Similarly, the value of gold output increased from KSh 1.5 billion recorded in 2017 to KSh 2.0 billion in 2018.

Table 8.9: Quantity and Value of selected Minerals, 2014 – 2018

Mineral	2014	2015	2016	2017	2018*
Quantity - Tonnes					
Soda Ash	409,845.0	319,761.0	301,719.0	311,000.0	339,025.0
Fluorspar ¹	97,156.0	70,096.0	42,656.0	6,945.0	-
Salt	18,936.0	21,201.0	23,425.0	43,245.1	12,419.0
Crushed Refined Soda	851,906.0	614,055.0	741,000.0	538,952.2	511,976.7
Carbon Dioxide	19,450.0	19,750.0	15,493.0	11,855.0	11,000.0
Diatomite	1,195.0	1,090.0	1,237.6	1,406.0	1,548.3
Gold (in Kgs)	237.1	336.9	196.9	502.6	472.0
Gemstones (cut) ² in '000 carrats...	17,161.0	470.9	5,466.0	22,955.0	14,500.4
Gemstones (rough) ²	430.6	442.0	518.2	1,247.7	508.8
Titanium Ore Minerals	374,131.2	549,897.0	457,531.0	643,494.0	597,736.0
Illmenite	281,543.0	444,999.0	359,885.0	491,003.0	463,000.0
Rutile	52,465.0	78,947.0	69,975.0	87,167.0	98,132.0
Zircon	40,123.2	25,951.0	27,671.0	65,324.0	36,604.0
Value - KSh million					
Soda Ash	7,840.8	6,599.6	6,227.2	6,259.7	6,837.7
Fluorspar ¹	1,901.0	1,427.7	868.8	129.7	-
Salt	173.5	197.8	218.5	98.9	19.4
Crushed Refined Soda	568.4	409.7	494.4	1,108.9	579.9
Carbon Dioxide	503.9	525.6	831.8	589.4	225.8
Diatomite	70.6	70.6	75.2	79.4	87.6
Gold	790.1	978.1	970.3	1,510.8	2,021.1
Gemstones (cut) ²	46.0	36.9	77.5	128.6	106.2
Gemstones (rough) ²	263.6	798.4	936.0	238.3	412.1
Titanium Ore Minerals	9,063.4	12,819.0	10,087.1	18,526.8	20,094.7
Illmenite	3,697.0	3,763.0	2,439	7,719.0	6,552.0
Rutile	4,085	6,329.0	5,372	6,646.1	8,385.2
Zircon	1,281	2,727.0	2,276	4,161.7	5,157.5
Total	21,221.3	23,863.4	20,786.8	28,670.5	30,384.5

Source: Ministry of Petroleum and Mining

* Provisional

¹ Fluorspar mining company ceased operations² Gemstones include corundum, garnets and vermiculite

8.15. Table 8.10 shows the average export prices of the selected minerals. The export price of soda ash increased by 9.4 per cent from KSh 20,694 in 2017 to KSh 22,642 per tonne in 2018. Similarly, export price per tonne of titanium ore and concentrates rose by 5.5 per cent to KSh 27,249 in 2018.

Table 8.10: Average Export Prices of Minerals, 2014 - 2018

Mineral	KSh per tonne				
	2014	2015	2016	2017	2018*
Soda Ash.....	19,774	22,925	20,998	20,694	22,642
Fluorspar.....	20,029	20,368	17,313	17,795	-
Titanium Ore and Concentrates ...	20,198	19,100	17,968	25,840	27,249

* Provisional

¹ Fluorspar mining ceased operations

Wildlife 8.16. Wildlife population by species is shown in Table 8.11. Increases in population was recorded in most species in 2018. The Wildebeest registered the highest population growth of 26.8 per cent to 289.0 thousand in the same period. This is attributed to good rains in 2018 and conservation efforts by Kenya Wildlife Service, private land owners, communities and other stakeholders.

Table 8.11: Wildlife Population Estimates in the Kenya Rangelands, 2014 – 2018

Species ¹	'000 Number				
	2014	2015	2016	2017*	2018*
Buffalo	15.6	15.0	18.7	17.8	19.6
Burchell's Zebra	110.2	100.0	110.0	104.5	107.8
Eland	4.7	4.3	5.6	5.3	4.9
Elephant	15.9	15.8	22.0	20.0	22.0
Gerenuk	15.8	15.5	12.0	11.4	10.5
Giraffe ²	18.9	18.5	18.6	17.0	19.2
Grant's Gazelle	111.9	111.9	112.1	106.5	104.3
Grevy's Zebra	3.0	3.0	2.9	2.6	2.7
Hunters Hartebeest	0.3	0.3	0.4	0.4	0.3
Impala	59.9	59.0	58.0	55.1	48.9
Kongoni	4.9	4.9	5.5	5.2	6.3
Kudu ³	11.0	11.0	9.9	9.4	8.7
Oryx	14.0	13.9	10.0	9.5	12.3
Ostrich	27.8	27.7	28.4	26.9	27.2
Thomson's Gazelle	43.4	43.0	42.6	40.5	38.2
Topi	15.3	15.3	14.9	12.0	12.6
Warthog	17.0	16.9	15.2	14.4	13.5
Waterbuck	2.9	2.8	2.7	2.6	2.8
Wildebeest	270.0	265.0	240.0	228.0	289.0

Source: Directorate of Resource Surveys and Remote Sensing

* Provisional

¹ Derived using aerial sample surveys

² Includes the Masai and Reticulated Giraffes

³ Includes the Greater and Lesser Kudus

Refuse Management

8.17. Table 8.12 shows the estimated quantities of solid waste generated and collected for Nairobi City County. In the review period, 72.7 per cent of solid waste generated were collected in Nairobi City County. The quantities of waste generation continue to be on the rise owing to the increasing population within the city.

Table 8.12: Waste Generation and Collection in Nairobi City County, 2016-2018

County		'000 Tonnes		
		2016	2017	2018*
Nairobi City	Generated	814.5	857.3	898.6
	Collected	460.0	459.9	515.9

Source: Nairobi City County

* Provisional

Environment Impact Assessments

8.18. Table 8.13 shows the number of Environmental Impact Assessments (EIAs) conducted by sector from 2014 to 2018. The number of EIAs increased by 33.3 per cent to 2,456 in 2018. In the Transport and communication sector, the number of EIAs doubled to 1,044 in 2018. Similarly, the number of EIAs in Human Settlements and Infrastructure grew by 14.1 per cent to 495 in 2018. However, in the energy sector the number of EIAs dropped to 436 in 2018 from 501 EIAs recorded in 2017.

Table 8.13: Environment Impact Assessments (EIA) by Sector, 2014 - 2018

Sector	Number				
	2014	2015	2016	2017	2018*
Transport and Communication	437	607	636	522	1,044
Energy	188	298	422	501	436
Tourism	11	14	11	8	14
Mining and Quarrying	19	18	28	51	66
Human settlements and Infrastructure	340	505	545	434	495
Agriculture and Forestry	34	26	21	31	38
Commerce and Industry	149	135	150	228	269
Water Resources	41	51	61	67	94
TOTAL	1,219	1,654	1,874	1,842	2,456

Source: National Environment Management Authority (NEMA)

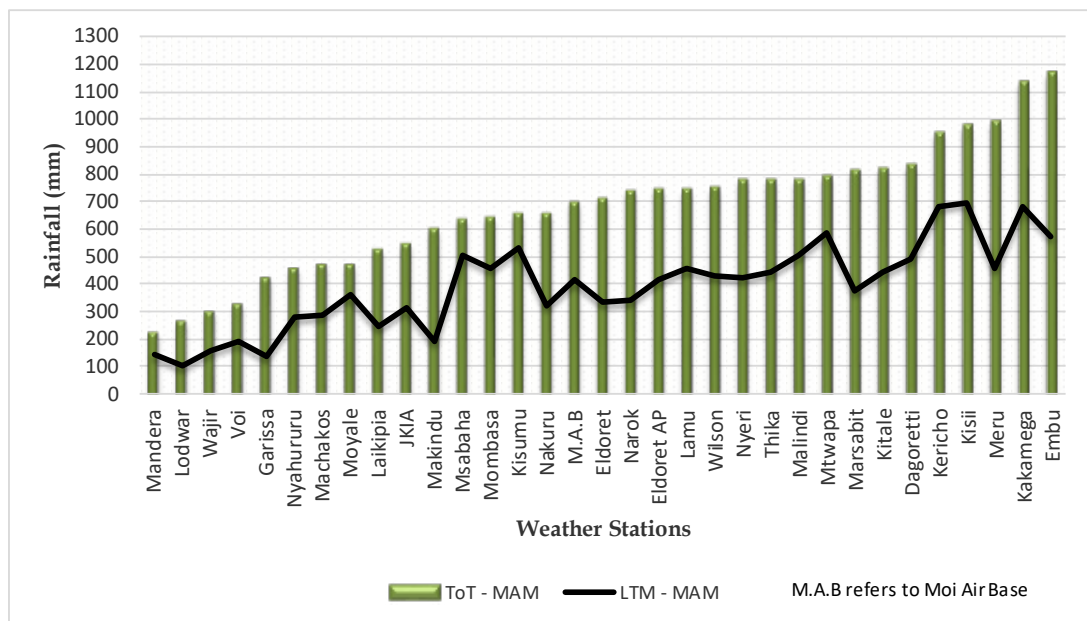
* Provisional

Weather Patterns

Rainfall

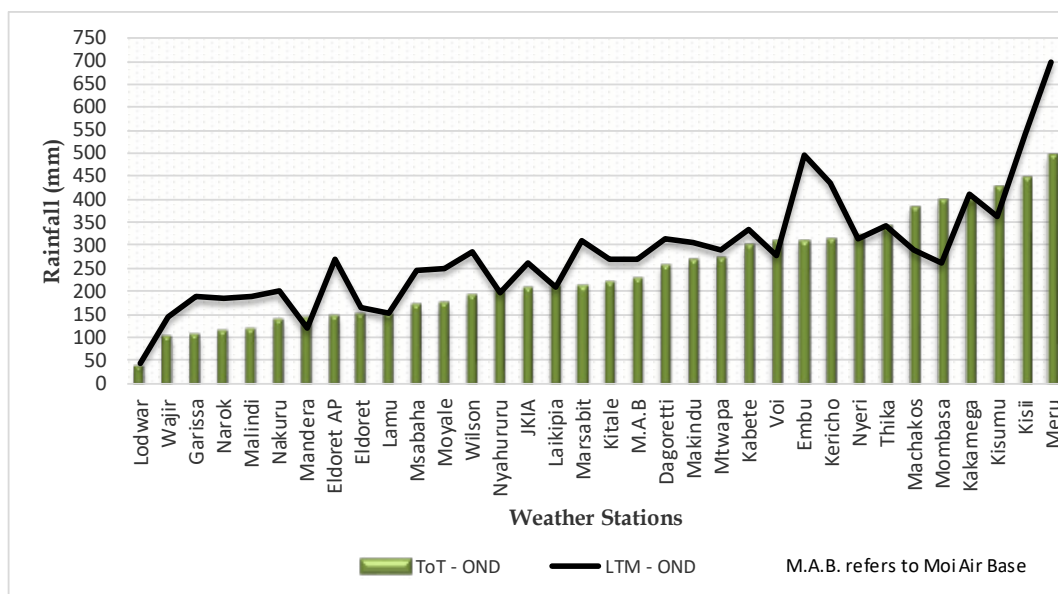
8.19. Figure 8.1 shows the performance of the March-April-May (MAM) long rains for 2018. All the meteorological stations recorded rainfall above their Long-Term Means (LTM). Embu station recorded the highest rainfall at 1,163.8 millimeters, while Manderla station recorded the lowest rainfall at 221.2 millimeters in the period under review.

Figure 8.1: Long Rains (March to May) Performance, 2018



8.20. Figure 8.2 shows the performance of the short rains of October-November-December (OND) for 2018. Meteorological stations, which achieved more than 100 per cent of their LTMs, include Manderla, Lamu, Nyahururu, Laikipia, Voi, Nyeri Machakos, Mombasa and Kisumu. The rest of the stations recorded less than 100 per cent of their seasonal LTMs. The stations that recorded below normal rainfall (less than 75 per cent of their seasonal LTMs) include Lodwar, Kericho, Meru, Msabaha, Wajir, Moyale, Marsabit, Nakuru, Wilson Airport, Embu, Malindi, Narok, Garissa and Eldoret Airport.

Figure 8.2: Short Rains (October to December) Performance, 2018



8.21. Table 8.14 shows the mean annual and seasonal rainfall recorded from 2014 to 2018. Over the last five years, the year under review experienced highest mean rainfall of 496.4 millimeters for the long rains (MAM) season. The long rains increased by 74.7 per cent. However, for the season October to December, rainfall decreased from 249.6 millimeters in 2017 to 221.6 millimeters to 2018.

Table 8.14: Mean Annual and Seasonal Rainfall, 2014 - 2018

	mm				
Season	2014	2015	2016	2017	2018
Annual	791.9	876.6	709.5	780.3	945.3
Mar - May	266.7	348.7	357.8	284.2	496.4
Oct - Dec	258.2	352.6	136.1	249.6	221.6

Source: Kenya Meteorological Department

Temperature 8.22. The mean annual and seasonal maximum and minimum temperatures are shown in Table 8.15, figure 8.3 and figure 8.4. The mean annual and seasonal maximum temperatures were lower in 2018 compared to 2017. For the period March to May, the year 2018 generally recorded the lower temperatures compared to temperatures recorded for the same period in 2017. The minimum temperatures were higher in March to May season.

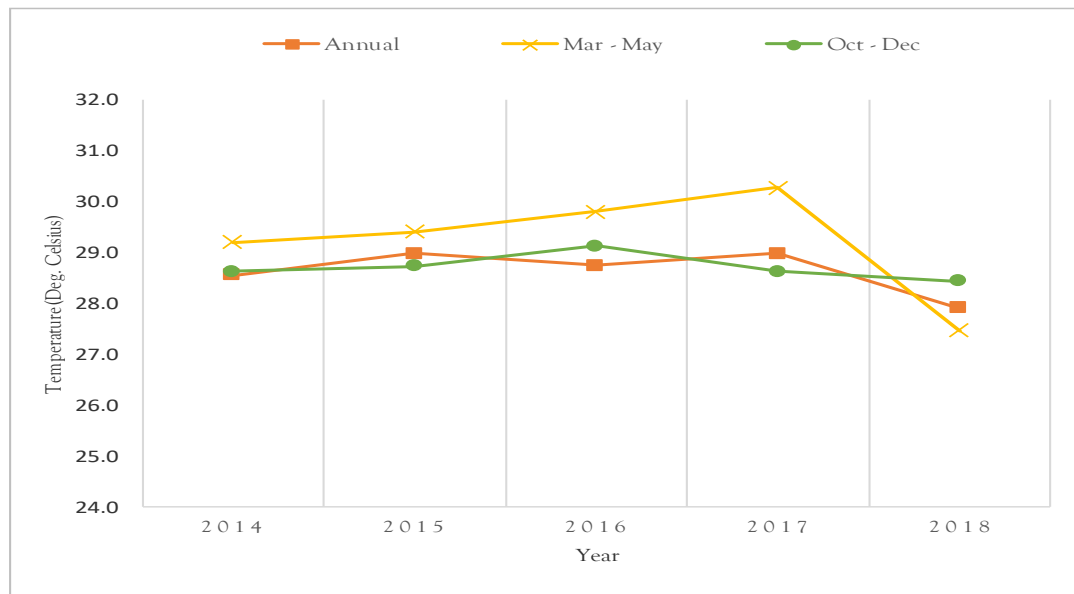
Table 8.15: Mean Annual and Seasonal Maximum and Minimum Temperatures ,2014-2018

Season	deg. Celsius				
	2014	2015	2016	2017	2018
Maximum Temperatures					
Annual	28.6	29.0	28.8	29.0	27.9
Jan - Feb	30.1	31.0	30.3	30.5	30.4
Mar - May	29.2	29.4	29.8	30.3	27.5
Jun - Aug	27.0	27.4	26.6	27.4	26.1
Oct - Dec	28.6	28.7	29.1	28.6	28.4
Minimum Temperatures					
Annual	17.3	17.3	17.3	17.3	17.2
Jan - Feb	17.0	16.4	17.9	16.7	16.9
Mar - May	18.1	17.9	18.5	18.4	18.0
Jun - Aug	17.0	16.7	16.3	16.7	16.4
Oct - Dec	17.4	18.1	17.2	17.2	17.5

Source: Kenya Meteorological Department

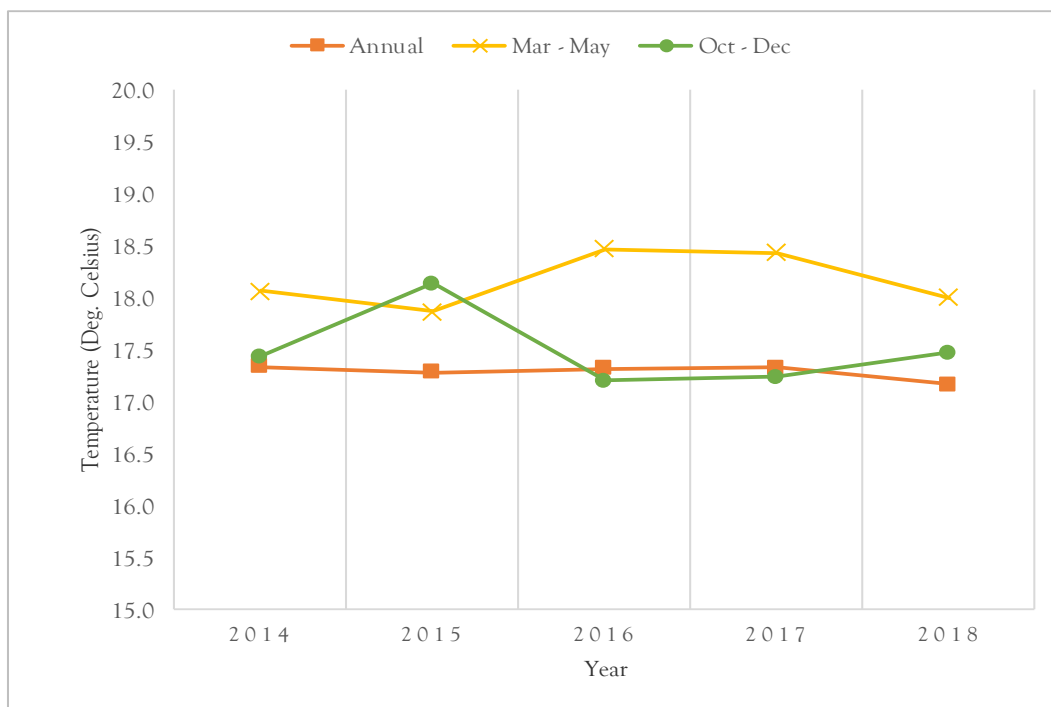
8.23. Figure 8.3 shows the trend of mean maximum temperatures for various seasons. In general, the average maximum temperatures for the seasons and the annual were highest in 2017 compared to 2018 with the March – May season having the highest drop which can be attributed to higher than normal rainfall witnessed in the period.

Fig. 8.3: Mean Annual and Seasonal Maximum Temperatures ,2014 - 2018



8.24. Figure 8.4 shows the mean annual and seasonal minimum temperatures recorded for 2018 and in comparison, with average minimum temperatures for the previous four years. The minimum temperatures are highest in March – May season in 2018. .

Fig. 8.4: Mean Annual and Seasonal Minimum Temperatures ,2014 -2018



Recent Developments

8.25. The country hosted the sustainable blue economy conference from 26th to 28th November 2018 in Nairobi. The government committed to ensure responsible and sustainable fishing to conserve the endangered species and high value fish stocks; and accelerate development of marine and inland fishery industries by increasing aquaculture, fish processing, storage capacities, and other related Blue Economy industries

8.26. The Kenya Coast Guard Service Act 2018 was enacted in 2018 to protect Kenya’s territorial waters. The Act established a specialized Coastal Guard unit to resolve issues of piracy in the Indian Ocean, illegal fishing and border disputes.

8.27. The 2018 United Nations Climate Change Conference (UNFCCC) was held in Katowice, Poland, from 2nd to 15th December 2018. A major outcome of the Conference was on the implementation of the Paris Agreement to be effected in 2020.

8.28. Climate change has increased the frequency and magnitude of extreme weather patterns and is likely to negatively influence the country’s future development and achievement of Vision 2030 and the Big Four Agenda. The Government developed the National Climate Change Action Plans to guide mainstreaming of adaptation and mitigation action into sector functions of the National and County Government.

Energy Sector

Chapter 09

Overview In 2018, there were continued oil supply cuts in the international market in the first half of the year by producers in Organization of Petroleum Exporting Countries (OPEC), Russia and USA coupled with decline in oil production in Venezuela and the U.S. sanctions on Iran. As a result, the average international Murban crude oil prices increased from USD 54.9 in 2017 to USD 71.48 in 2018. In the domestic scene, extraction of crude oil began in Turkana with the Early Oil Pilot Scheme (EOPS) producing 2,000 Barrels per day in 2018.

9.2. Total volume of petroleum products imported decreased from 6.3 million tonnes in 2017 to 6.1 million tonnes in 2018. Exports of domestic petroleum products declined by 14.3 per cent to 27.7 thousand tonnes in 2018. During the review period, the total import bill of petroleum products increased to KSh 327.8 billion. Similarly, the total value of petroleum products exported, including re-exports, increased by 7.5 per cent to KSh 38.8 billion in 2018.

9.3. Total installed electricity capacity increased from 2,339.9 MW in 2017 to 2,711.7 MW in 2018. Total electricity generated including imports expanded by 7.9 per cent to 11,182.0 GWh in. Hydro generation registered a significant increase of 43.6 per cent to 3,986.4 GWh in 2018. Generation of electricity from wind sources recorded a significant increase from 61.3 GWh in 2017 to 375.6 GWh in 2018, following the injection of 310 MW from Lake Turkana Wind Power into the grid. Similarly, solar power generated 13.7 GWh in the review period after the injection of 50 MW from Garissa Solar Power Plant into the grid.

9.4. Total electricity demand increased by 7.9 per cent to 11,182.0 GWh in 2018 compared to 10,359.9 GWh in 2017. Domestic demand for electricity increased from 8,410.1 GWh in 2017 to 8,702.3 GWh in 2018. Transmission and distributive losses recorded 2,444.5 GWh, which accounted for 21.9 per cent of total generation in 2018. Total supply of non-renewable stock was 192.9 thousand Tera Joules (TJ) in the same period. A total of 488.8 thousand TJ of physical energy was supplied in 2018.

Petroleum 9.5. Table 9.1 presents quantities and values of exports and imports of petroleum products for the period 2014 to 2018. The quantity of petroleum products imported decreased by 3.7 per cent to 6.1 million tonnes in 2018. In the same period, the volume of petroleum exports decreased from 842.4 thousand tonnes in 2017 to 739.8 thousand tonnes in 2018. The share of re-exports to total exports were 96.3 per cent in 2018.

9.6. Total import bill of petroleum products went up from KSh 265.2 billion in 2017 to KSh 327.8 billion in 2018 as a result of increased international oil prices. The value of total exports rose by 7.5 per cent to KSh 38.8 billion in 2018 on account of a growth in the value of re-exports. However, the value of domestic exports of petroleum products decreased by 15.2 per cent to KSh 4.2 billion in 2018. Net balance of petroleum products increased from KSh 229.1 billion in 2017 to KSh 288.9 billion in 2018.

Table 9.1: Quantity and Value of Imports, Exports and Re-exports of Petroleum Products, 2014-2018

Petroleum Products	Quantity ('000 Tonnes)					Value (KSh Million)				
	2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*
IMPORTS										
Petroleum Fuels ¹	5,377.3	5,470.1	5,978.3	6,334.0	6,101.8	333,784.5	223,173.7	195,279.2	262,770.0	325,247.5
Lubricating Oils	7.6	12.0	9.1	11.2	10.0	1,423.8	2,468.0	1,741.4	1,999.0	1,955.9
Lubricating Greases	2.4	2.8	2.6	2.5	2.6	468.5	717.7	570.0	484.6	574.2
TOTAL	5,387.3	5,484.9	5,990.0	6,347.7	6,114.4	335,676.7	226,359.4	197,590.7	265,253.6	327,777.6
DOMESTIC EXPORTS										
Petroleum Fuels ¹	46.4	4.8	12.5	6.4	8.4	2,735.4	321.1	545.5	368.6	588.0
Lubricating Oils	13.4	26.4	20.5	25.9	19.3	2,955.3	6,039.1	4,134.9	4,618.4	3,646.9
Lubricating Greases	0.1	0.1	0.1	0.1	0.1	14.7	21.5	31.2	26.5	14.2
TOTAL	59.9	31.2	33.1	32.4	27.7	5,705.4	6,381.6	4,711.6	5,013.6	4,249.1
RE-EXPORTS										
Petroleum Fuels ¹	709.7	934.5	1,062.6	809.7	705.6	47,134.6	53,843.4	38,163.2	31,079.4	33,264.5
Lubricating Oils	6.2	0.2	1.6	0.3	6.4	570.8	33.8	302.2	43.5	1,279.7
Lubricating Greases	0.0	0.0	0.0	0.0	0.1	9.8	3.1	8.1	5.2	45.6
TOTAL	715.9	934.7	1,064.2	810.0	712.1	47,715.2	53,880.3	38,473.5	31,128.1	34,589.8
TOTAL EXPORTS	775.8	965.9	1,097.3	842.4	739.8	53,420.6	60,261.9	43,185.1	36,141.7	38,839.0
NET BALANCE ²						282,256.1	166,097.5	154,405.5	229,111.9	288,938.6

* Provisional

¹ Petroleum fuels refer to liquefied petroleum gas, motor spirit premium, aviation spirit, jet fuel, illuminating kerosene, light and heavy diesel oils, and fuel oils² Net balance refers to the difference in monetary value of a Nations exports and imports over a certain period.

9.7. Table 9.2 shows a breakdown of supply and demand for petroleum products for the period 2014 to 2018. Total domestic demand for petroleum products increased marginally to 5.2 million tonnes in 2018. This was mainly due to an increase in the demand for liquefied petroleum gas by 17.5 per cent. Total supply of petroleum fuel before adjustment decreased by 2.3 per cent to 5.4 million tonnes in 2018.

Table 9.2: Petroleum Supply and Demand, 2014-2018

	'000 Tonnes				
Petroleum Fuels	2014	2015	2016	2017	2018*
DEMAND -					
Liquefied petroleum gas	149.7	148.6	151.7	189.3	222.3
Motor gasoline (premium)	903.8	1,107.0	1,227.2	1,267.4	1,359.0
Aviation spirit	2.3	18.7	4.8	3.8	18.8
Jet/turbo fuel	529.3	635.3	619.2	649.7	674.4
Illuminating kerosene	300.3	390.1	371.7	448.0	339.4
Light diesel oil	1,721.4	2,080.9	2,318.3	2,086.2	2,173.1
Heavy diesel oil	3.0	0.1	0.5	1.2	0.2
Fuel oil	328.1	357.8	350.9	525.0	402.0
TOTAL DOMESTIC DEMAND	3,937.9	4,738.5	5,044.3	5,170.6	5,189.2
Exports of petroleum fuels	46.4	4.8	12.5	6.4	8.4
TOTAL DEMAND	3,984.4	4,743.2	5,056.7	5,177.0	5,197.6
SUPPLY -					
Net Imports of petroleum fuels	4,667.6	4,535.7	4,915.7	5,524.2	5,396.3
TOTAL	4,667.6	4,535.7	4,915.7	5,524.2	5,396.3
Adjustment ¹	683.3	(207.6)	(141.0)	347.2	198.6
TOTAL SUPPLY	3,984.4	4,743.2	5,056.7	5,177.0	5,197.6

Source: Ministry of Petroleum and Mining and Energy Regulatory Commission

* Provisional.

¹ Adjustment for inventory changes and losses

9.8. Net domestic sales of petroleum fuels by consumer category from 2014 to 2018 are shown in Table 9.3. Total net domestic sales of petroleum fuels increased marginally from 5,170.6 thousand tonnes in 2017 to 5,189.2 thousand tonnes in 2018. Net domestic sales of retail pump outlets and road transport increased by 5.7 per cent to 3,743.0 thousand tonnes while fuel sales to agriculture and rail transport each increased by 4.2 per cent in 2018.

9.9. In contrast, fuel sales to industrial, commercial and other sector declined significantly by 24.1 per cent in 2018. Similarly, consumption of fuel used for power generation decreased to 34.2 thousand tonnes in 2018 from 44.7 thousand tonnes in 2017. This drop is attributed to the decline in thermal generation of

power in 2018. Retail pump outlets and road transport; and industrial commercial and other categories jointly accounted for more than 80.0 per cent of total sales in during the year under review.

Table 9.3: Net Domestic Sale of Petroleum Fuels by Consumer Category, 2014-2018

Category	'000 Tonnes				
	2014	2015	2016	2017	2018*
Agriculture	36.4	29.7	35.2	57.4	59.7
Retail pump outlets and road transport	2,791.0	3,414.7	3,717.6	3,541.2	3,743.0
Rail transport	15.6	36.9	43.0	11.8	12.3
Tourism ¹	5.1	4.8	5.1	9.1	9.5
Marine (excl. Naval Forces)	18.6	2.9	2.3	6.2	5.1
Aviation (excl. Government)	530.4	637.7	598.4	644.5	671.4
Power Generation	98.9	32.3	15.3	44.7	34.2
Industrial, Commercial and Other	451.2	572.1	615.9	837.2	635.1
Government	9.3	7.7	11.3	18.5	18.7
Balancing Item	-18.6	0.3	0.1	0.0	0.1
TO TAL	3,937.9	4,738.5	5,044.2	5,170.6	5,189.2

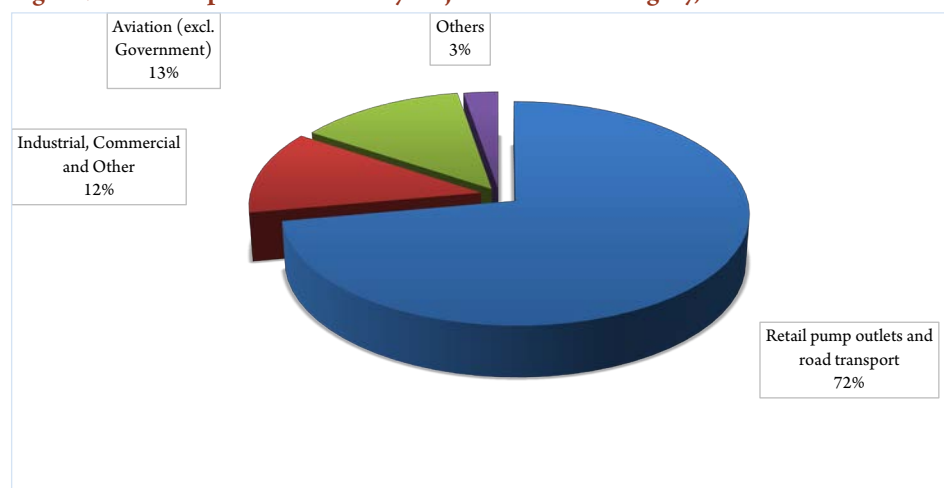
Source: Ministry of Petroleum and Mining and Energy Regulatory Commission

* Provisional

¹ Comprises sales to tour operators

9.10. Figure 9.1 displays the sale of petroleum fuels by major consumer category in 2018. Retail pump outlets and road had the highest sales share of 72.0 per cent of the total petroleum fuels in 2018. This was followed by aviation at 13.0 per cent and industrial, commercial and other category at 12.0 per cent of total sales in 2018.

Figure 9.1: Sale of petroleum fuels by Major Consumer Category, 2018



9.11. Table 9.4 presents wholesale prices of petroleum products in Mombasa for the month of December 2014 to 2018. Prices for all petroleum products except illuminating kerosene were lower in December 2018 compared to prices in December 2017. Prices of liquidified petroleum gas, light diesel oil and motor spirit premium, decreased by 9.8, 9.8 and 30.6 per cent respectively, in December 2018. This was a result of low international crude oil prices in December. The wholesale price of illuminating kerosene increased marginally from KSh 87,048 per tonne in December 2017 to KSh 87,820 per tonne in December 2018.

Table 9.4: Wholesale Prices¹ of Petroleum Fuels in Mombasa, 2014-201⁸

PRODUCT	KSh per Tonne				
	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
Liquefied petroleum gas	110,721	95,920	80,078	110,000	99,190
Motor Spirit (Premium).. ..	133,711	123,644	126,129	138,421	96,130
Illuminating kerosene.. ..	86,449	69,282	76,933	87,048	87,820
Light diesel oil	104,097	94,149	96,759	105,221	94,880
Industrial diesel oil	73,874	..	..	..	..
Fuel oil	58,678	..	..	..	..

Source: National Oil Corporation

¹Including duties and VAT.

.. Data not available

9.12. Prices of Murban crude oil for the last five years are shown in Table 9.5. The price of Murban crude oil increased significantly from a mean of USD 54.91 per barrel in 2017 to a mean of USD 71.48 per barrel in 2018. This was occasioned by a supply cut by the OPEC, Russia and the USA until mid-year. Further Venezuela and Iran production declined as a result of political instabilities and USA sanctions, respectively, in the review period. As a result, OPEC, Russia, and USA increased oil supply in the second half of the year to compensate for oil supply declines from Venezuela and Iran. The highest prices of the crude oil at USD 81.28 per barrel was recorded in October 2018 while the lowest price at USD 59.33 per barrel was recorded in December 2018.

Table 9.5: Murban ADNOC Prices¹, 2014-2018

Month/Year	US\$/BBL				
	2014	2015	2016	2017	2018*
January.....	109.75	46.40	29.95	55.35	66.28
February.....	109.95	56.55	33.00	56.10	65.98
March.....	108.30	56.10	38.20	52.60	66.31
April.....	107.95	60.55	42.00	53.40	70.97
May.....	109.15	65.75	47.35	51.45	76.71
June.....	111.65	63.70	49.05	47.30	73.22
July.....	109.5	57.70	44.60	48.60	76.00
August.....	104.25	48.85	48.85	48.85	74.91
September.....	97.95	46.60	45.50	55.70	78.75
October.....	87.35	47.30	51.35	63.83	81.28
November.....	77.00	43.55	46.15	63.65	68.05
December.....	60.65	37.25	54.15	62.06	59.33
Annual average	99.45	52.53	44.18	54.91	71.48

Source : OPEC Monthly Oil Market Report

* Provisional

¹ Abu Dhabi free on board (fob) Prices

ADNOC : Abu Dhabi National Oil Company

US\$/BBL: US Dollars per Barrel

9.13. Table 9.6 depicts average retail prices of selected petroleum products from 2014 to 2018. During the period under review, the average prices of light diesel oil, motor spirit premium and liquefied petroleum gas (LPG) recorded increases of 16.4, 11.7 and 4.5 per cent, respectively. The domestic average price of illuminating kerosene recorded a significant increase of 34.4 per cent mainly due to the adulteration levy of KSh 18 per litre imposed by the Government in 2018.

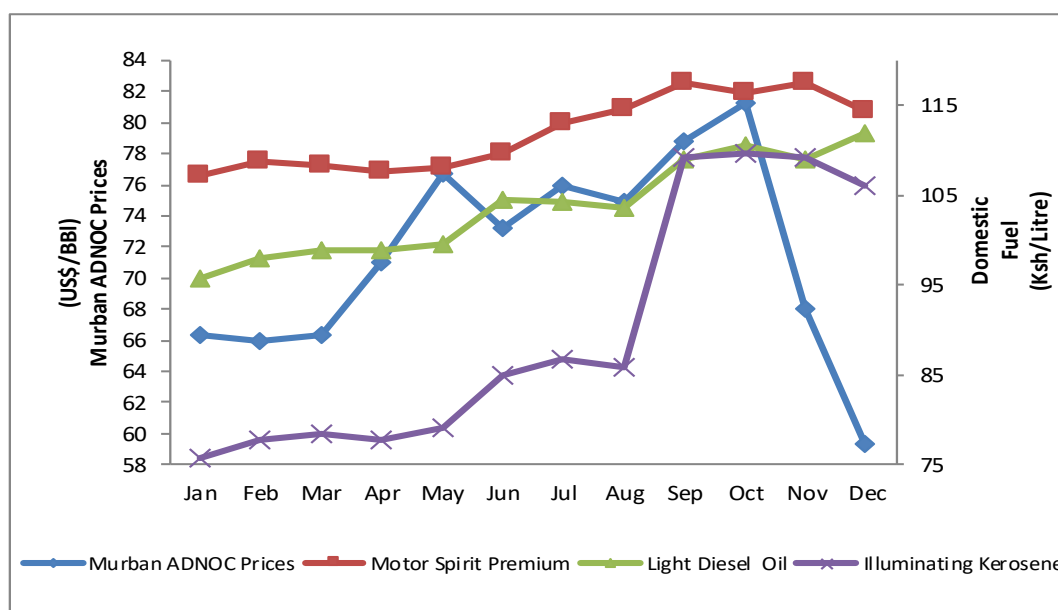
Table 9.6: Average Retail Prices of Selected Petroleum Fuels, 2014-2018

Year	Month	KSh per Litre			KSh per 13 Kg cylinder
		Motor Spirit Premium	Light Diesel Oil	Illuminating Kerosene	Liquified Petroleum Gas (LPG)
2014	January	111.41	105.65	85.98	2,995.22
	March	114.43	105.79	84.82	3,094.16
	June	115.43	105.73	84.04	3,074.57
	September	112.46	103.28	82.55	3,111.74
	December	102.86	91.79	72.30	3,018.45
	Annual Average¹	112.75	102.99	82.46	3,062.40
2015	January	93.75	84.3	66.53	2,954.36
	March	90.34	77.16	56.71	2,629.56
	June	98.14	84.26	62.73	2,387.04
	September	103.49	80.94	53.52	2,393.85
	December	90.94	79.47	54.23	2,369.46
	Annual Average¹	94.63	80.99	57.67	2,465.44
2016	January	89.52	77.66	47.11	2,343.86
	March	86.46	66.68	43.13	2,277.48
	June	87.07	74.69	59.1	2,231.38
	September	92.28	83.42	60.08	2,029.12
	December	95.08	88.18	64.52	1,983.06
	Annual Average¹	90.22	77.83	54.68	2,154.81
2017	January	96.88	85.2	64.41	1,989.50
	March	99.98	88.94	67.16	1,988.19
	June	99.72	88.89	65.91	2,093.48
	September	97.87	86.56	64.43	2,082.65
	December	103.24	91.74	70.57	2,136.84
	Annual Average¹	100.20	89.03	67.02	2,075.29
2018	January	107.17	95.79	75.74	2,140.37
	February	108.79	97.92	77.71	2,150.20
	March	108.33	98.82	78.41	2,169.19
	April	107.7	98.82	77.68	2,172.24
	May	108.04	99.6	79.18	2,164.43
	June	109.67	104.55	85.05	2,170.92
	July	113.07	104.21	86.69	2,176.31
	August	114.58	103.69	85.9	2,177.32
	September	117.54	108.97	109.25	2,187.21
	October	116.48	110.57	109.68	2,185.79
	November	117.54	108.97	109.25	2,141.46
	December	114.30	111.89	106.15	2,193.42
Annual Average¹	111.93	103.65	90.06	2,169.07	

¹ Twelve month average

9.14. Figure 9.2 illustrates the trend of monthly prices of international crude oil and domestic fuel prices for 2018. The price of crude oil increased significantly from a mean of USD 54.91 per barrel in 2017 to a mean of USD 71.48 per barrel in 2018. The prices of Murban oil fluctuated in the review period, with prices the lowest prices in December and highest in October 2018. A similar trend was registered in domestic prices of motor gasoline premium, gas oil and kerosene, which fluctuated over the review period before attaining the highest prices in October 2018.

Figure 9.2: International Crude Oil Prices against Domestic Fuel Prices, 2018



Electricity 9.15. Details of installed and effective capacity of electricity by source from 2014 to 2018 are presented in Table 9.7a. Total installed capacity increased by 13.7 per cent to 2,711.7 MW in 2018. This was mainly due to the injection of 310 MW and 50 MW wind and solar capacity in the main grid respectively, from Lake Turkana Wind Power Plant and Garissa Solar Power Plant. Similarly, geothermal installed capacity increased by 1.7 per cent to 663.0 MW in 2018. Thermal installed capacity also increased from 806.9 MW in 2017 to 807.7 MW in 2018.

9.16. Total effective capacity increased by 16.5 per cent to 2,637.8 MW in 2018, mainly attributed to the significant increase in wind and solar capacity. Similarly, in the year under review, effective capacity for geothermal and thermal oil increased by 11.0 MW and 2.4 MW respectively. Hydro and co-generation for both installed and effective capacities remained the same in the review period.

Table 9.7a: Installed and Effective Capacity of Electricity by Source, 2014-2018

Year	INSTALLED CAPACITY							EFFECTIVE CAPACITY						
	Hydro	Thermal Oil	Geo thermal	Wind	Co-generation	Solar	Total	Hydro	Thermal Oil	Geo thermal	Wind	Co-generation	Solar	Total
2014	818.3	751.3	573.4	26.3	26.0	..	2,195.3	797.5	712.6	558.0	5.3	21.5	..	2,094.9
2015	820.4	833.6	627.0	26.1	26.0	0.6	2,333.7	799.5	799.2	619.0	26.1	21.5	0.2	2,263.3
2016	818.7	801.6	652.0	26.1	28.0	0.6	2,327.0	797.5	762.9	644.0	26.0	23.5	0.2	2,254.1
2017	826.2	806.9	652.0	26.1	28.0	0.7	2,339.9	805.0	765.8	644.0	25.5	23.5	0.6	2,264.4
2018*	826.2	807.7	663.0	336.1	28.0	50.7	2,711.7	805.0	768.2	655.0	335.5	23.5	50.6	2,637.8

Source: Kenya Power & Lighting Company Ltd and Kenya Electricity Generation Company Ltd

* Provisional

.. Data not available

Notes:

- 1 Megawatt = 1,000 kilowatts = 1,000,000 watts
2. Installed capacity refers to the maximum theoretical electric output a power station could produce when operating at 100 per cent
3. Effective capacity refers to the maximum electric output a power station is expected to achieve given current operating constraints

9.17. Table 9.7b presents generation and imports of electricity for the period 2014 to 2018. Total electricity generation increased by 7.9 per cent to 11,182.0 GWh in 2018. During the year in review, hydro generation registered increased by 43.6 per cent to 3,986.4 GWh mainly due to sufficient rainfall experienced in 2018. Similarly, co-generation and geo-thermal energy registered growths

of 31.6 per cent to 2.5 GWh and 7.8 per cent to 5,127 GWh, respectively. Electricity generated from wind also increased from 61.3 GWh in 2017 to 375.6 GWh in 2018 as a result of injection of Lake Turkana Wind Power Plant to the grid in 2018. Electricity generated from solar recorded 13.7 GWh in the year under review due to the introduction of Garissa Solar Power Plant to the grid. Consequently, imports of electricity and thermal generation decreased by 43.3 per cent and 39.0 per cent, respectively, in 2018.

Table 9.7b: Generation and imports of Electricity, 2014-2018

Year	GENERATION										Imports	Total
	Hydro	Thermal oil				Geo thermal	Co-generation	Wind	Solar			
		KenGen	IPP	EPP	Total							
2014	3,410.6	844.2	1,673.0	68.0	2,585.2	2,917.4	50.0	17.0	-	158.4	9,138.6	
2015	3,463.3	393.4	954.2	64.5	1,412.1	4,520.7	0.0	59.7	-	58.8	9,514.6	
2016	3,959.9	539.4	905.3	26.2	1,470.9	4,484.2	0.1	56.4	-	86.3	10,057.7	
2017	2,776.8	998.2	1,535.8	0.0	2,534.1	4,756.3	1.9	61.3	-	229.6	10,359.9	
2018*	3,986.4	755.8	790.1	0.0	1,545.8	5,127.8	2.5	375.6	13.7	130.3	11,182.0	

Source: Kenya Power & Lighting Company Ltd and Kenya Electricity Generation Company Ltd

* Provisional

Notes:

IPP: Independent Power Producers

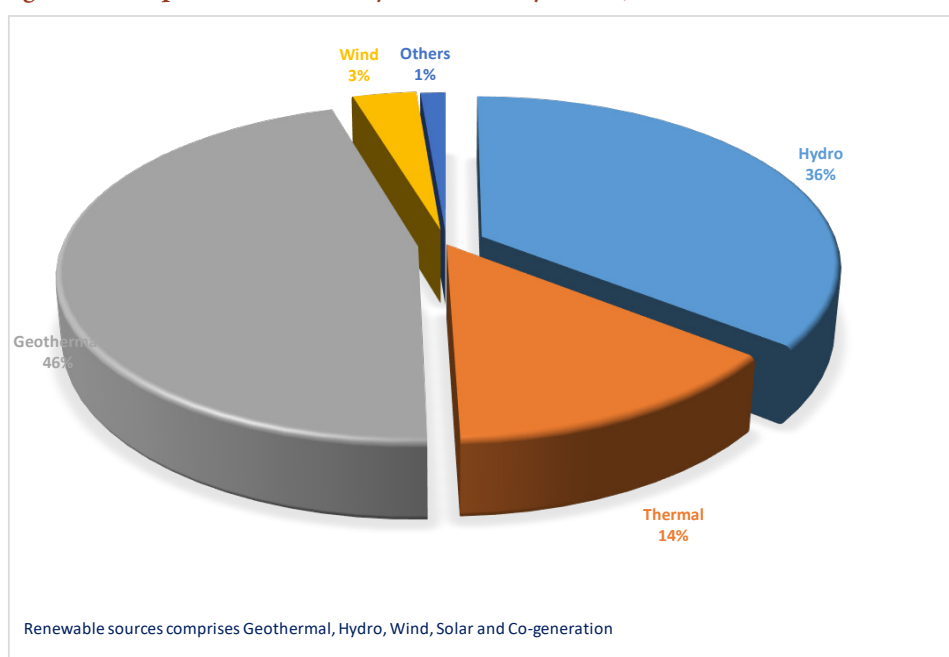
EPP: Emergency Power Producers

1 Gigawatt hour = 1,000,000 kilowatt hours

- Negligible

9.18. Figure 9.3 presents the proportion of electricity generated by source in 2018. In the review period, 86.0 per cent of electricity was generated from renewable sources. Generation from geo-thermal and hydro sources accounted for 46.0 and 36.0 per cent of electricity generated in 2018. Wind power generation accounted for 3.0 per cent of electricity generated in the review period. Generation of electricity from thermal sources, which is the only non-renewable source reported, accounted for 14.0 per cent in 2018.

Figure 9.3: Proportion of Electricity Generation by Source, 2018



9.19. Demand and supply for electricity from 2014 to 2018 is shown in Table 9.8. Total domestic demand for electricity increased by 3.5 per cent to 8,702.3 GWh in 2018. The demand for electricity registered growth in all categories except off peak whose demand declined by 28.0 per cent to 30.4 GWh in 2018. Demand for domestic and small commercial consumers increased by 3.9 per cent to 3,665.9 GWh in 2018. Similarly demand for commercial and industrial consumers increased from 4,199.0 GWh in 2017 to 4336.5 GWh in 2018. Likewise, demand for street lighting and the rural electrification category rose by 13.6 and 3.6 per cent, respectively, in 2018. The share of domestic and small commercial, large, and medium categories combined accounted for 92.0 per cent of total domestic demand in 2018.

9.20. Local electricity generation increased by 9.1 per cent to 11,051.8 GWh in 2018. Electricity imports declined by 43.3 per cent to 130.3 GWh in 2018 while exports more than doubled to 35.2 GWh in the review period. Transmission and distributive losses were 2,444.5 GWh in 2018, accounting for 21.9 per cent of total supply.

Table 9.8: Electricity Demand and Supply, 2014-2018

Category	2014	2015	2016	2017	2018*
Domestic and Small Commercial	3,273.8	3,254.9	3,315.7	3,528.3	3,665.9
Large & Medium (Commercial and Industrial)..	3,891.5	4,017.8	4,146.3	4,199.0	4,336.5
Off-peak	33.7	25.7	31.8	42.2	30.4
Street Lighting ..	22.5	31.4	46.3	60.1	68.2
Rural Electrification	478.7	496.6	513.1	580.6	601.3
TOTAL DOMESTIC DEMAND	7,768.6	7,826.4	8,053.2	8,410.1	8,702.3
Exports to Uganda & Tanzania	30.8	46.7	39.1	12.3	35.2
Transmission ¹ and Distribution losses	1,339.3	1,641.5	1,965.4	1,937.5	2,444.5
TOTAL DEMAND = TOTAL SUPPLY ²	9,138.7	9,514.6	10,057.7	10,359.9	11,182.0
Less imports from Uganda and Tanzania	158.4	58.8	86.3	229.6	130.3
Local generation ..	8,980.3	9,455.8	9,971.4	10,130.3	11,051.7

Source: Kenya Power and Lighting Company Ltd

* Provisional

¹Voltage losses in power transmission lines

²Total supply equals Total generation

Average Electricity Yield by Customer Category

9.21. The average electricity yield by customer category from 2013/14 to 2017/18 are presented in Table 9.9. The off peak category declined by 22.3 per cent to KSh 11.85 in 2017/18. Similarly, average yield for domestic and street lighting categories declined by 8.4 per cent to KSh 16.30 and 6.6 per cent to KSh 7.03, respectively, in the review period. In contrast, the average yield for exports, commercial industrial and small commercial categories increased by 9.6, 7.9 and 3.7 per cent respectively, in 2017/18.

Table 9.9: Average electricity yield¹ by Customer Category, 2013/14-2017/18 Financial Years

Category	KSh				
	2013/14	2014/15	2015/16	2016/17	2017/18
Domestic	17.21	16.56	16.31	17.80	16.30
Small Commercial	21.52	20.55	20.50	21.31	22.09
Commercial Industrial	12.90	12.68	12.39	13.06	14.09
OffPeak (Interruptible)	23.00	1.73	2.69	15.24	11.85
Street Lighting	19.60	12.77	8.55	7.53	7.03
Exports	21.00	20.15	16.36	15.59	17.08

Source: Kenya Power and Lighting Company Ltd

¹ Electricity yield is defined as the average revenue received per unit of electricity sold

Environmental Economic Ac- counts

Energy Accounts

9.22. Environmental Economic Accounts are systems of accounts that seeks to account for natural resource use. The accounts track natural resources from the point of extraction from the environment to intermediate use by industries, to final use, to residuals/waste, which are eventually disposed back to the environment. Further, they seek to promote efficient natural resource accounting and ensure a country is able to trace how much it has utilized, estimate reserves in the environment, and promote proper disposal of residuals for environmental sustainability.

9.23. The System of Environmental Economic Accounts (SEEA) framework follows a similar accounting structure as the System of National Accounts (SNA) and uses concepts, definitions and classifications consistent with the SNA in order to facilitate the integration of environmental and economic statistics.

Energy Balance

9.24. The 2018 Energy Balance for the country is presented in Table 9.10(a), 9.10(b) and 9.10(c). Total supply of non-renewable feedstocks was 192.9 thousand Tera Joules (TJ) in 2018. In 2018, households demanded 88.3 per cent of non-renewable forest stocks. In the review period, the government put a ban on logging of government forests.

9.25. In the review period, 99.1 per cent of all electricity supplied was produced locally, out of which 86.0 per cent, was renewable. Total electricity demanded locally in 2018 was 31.3 thousand TJ and 8.8 thousand TJ were transmission and distribution losses.

9.26. The total supply of 22.5 thousand TJ petroleum fuels was from imports. The domestic export and re-export were 116.3 thousand TJ and 279.3 thousand TJ respectively. Road transport sectors accounted for 67.5 per cent of the demand followed by air transport sector and households at 13.1 and 9.7 per cent, respectively.

Economic Survey 2019

Table 9.10(a): Energy Balance, 2018-Supply and Demand of Coal, Coke and Non-Renewable Feedstocks

Energy Products	TJ			
	Coal and Coke	Non-renewable feedstocks		
		Wood charcoal	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms	Wastes or scraps
Domestic Production	-	11,434.60	155,601.32	25,879.16
Imports	2,890.52	-	-	-
Domestic Exports	14.14	-	-	-
Re-Exports	-	-	-	-
Stock changes	-	-	-	-
Sub-total: Supply	2,876.39	11,434.60	155,601.32	25,879.16
Statistical differences	2,876.39	-	-	-
Sub-total: Demand	-	11,434.60	155,601.32	25,879.16
Manufacturing	-	-	22,528.35	-
Households	-	11,434.60	133,072.96	25,879.16

1 Terajoule (TJ)=10¹² Joules

1000 Tonnes=4.184 TJ

1 GWh=3.6 TJ

Table 9.10(b): Energy Balance, 2018-Supply and Demand of Electricity

Energy Products	TJ						Electrical energy distribution
	Power Generation						
	Hydro	Geothermal	Solar	Wind	Thermal	Co-Generation	
Domestic Production	14,351.01	18,460.16	49.24	1,352.09	5,565.05	8.86	39,786.40
Imports	-	-	-	-	-	-	468.91
Domestic Exports	-	-	-	-	-	-	126.70
Sub-total: Supply	14,351.01	18,460.16	49.24	1,352.09	5,565.05	8.86	40,128.61
Statistical differences	-	-	-	-	-	-	8,800.20
Sub-total: Demand	14,351.01	18,460.16	49.24	1,352.09	5,565.05	8.86	31,328.41
Sub-total: Energy transformation	14,351.01	18,460.16	49.24	1,352.09	5,565.05	8.86	-
Electricity plants (Kengen)	14,205.55	13,904.18	-	181.79	2,720.85	-	-
Electricity plants (Independent Power Producers (IPPs))	145.46	4,555.98	49.02	1,170.30	2,659.21	8.86	-
Electricity plants (Off-grid)	-	-	0.22	-	184.98	-	-
Sub-total: Energy demand	-	-	-	-	-	-	31,328.41
Electricity:							
Domestic and Small Commercial-IC	-	-	-	-	-	-	13,197.41
Large and Medium Commercial -IC	-	-	-	-	-	-	15,611.44
Street Lighting-F	-	-	-	-	-	-	245.64
Off peak	-	-	-	-	-	-	109.42
Rural electrification-F	-	-	-	-	-	-	2,164.50

1 Terajoule (TJ)=10¹² Joules

1000 Tonnes=4.184 TJ

1 GWh=3.6 TJ

Table 9.10(c): Energy Balance, 2018-Supply and Demand of Petroleum Fuels

Energy Products	Liquid fuels											Gas		Sub-Total	
	Motor spirit (Premium and Regular)	Aviation gasoline	Jet fuel	Illuminating Kerosene	White spirit and special boiling point industrial spirits	Light Diesel Oil	Heavy Diesel Oil	Other Gas Oils n.e.c	Fuel oils n.e.c.	Lubricating Oils	Lubricating Greases	Other Oils n.e.c.	Liquefied Petroleum Gas (L.P.G)		Petroleum gases and other gaseous hydrocarbons, except natural gas
Imports	6,990.24	6.35	5,104.98	76.93	13.19	10,289.62	0.07	0.02	1,692.99	41.67	10.94	349.52	1,006.19	0.01	25,582.72
Domestic Exports	2.35	0.00	4.33	1.46	0.10	0.02	0.00	0.00	9.38	80.75	0.25	4.91	9.94	2.33	116.05
Re-Exports	17.31	1.00	2,729.58	3.19	0.10	72.72	0.00	0.00	117.26	26.95	0.27	3.27	6.48	1.21	2,979.33
Stock changes															-
Sub-total: Supply	6,970.93	5.95	2,971.08	72.27	13.00	10,216.83	0.06	0.02	1,566.95	(66.03)	10.41	341.93	993.76	(3.53)	22,487.96
Statistical differences	1,284.90	(73.40)	(450.49)	(1,136.44)	13.00	1,124.43	(0.82)	0.02	(115.62)	(265.91)	4.89	399.45	(59.09)	(3.53)	661.45
Sub-total: Energy demand	5,686.03	76.76	2,821.57	1,208.71	-	9,092.45	0.83	-	1,681.98	199.29	5.52	1.89	1,043.79	-	21,825.91
Agriculture	5.84	2.10	8.37	2.69	-	79.83	-	-	147.80	13.12	-	0.00	3.32	-	263.08
Mining & Quarrying	0.01	-	-	-	-	1.22	-	-	36.70	1.36	-	-	0.04	-	39.33
Manufacturing	0.70	0.04	0.01	0.46	-	14.72	0.10	-	453.04	20.51	-	-	2.30	-	491.88
Electricity, Gas, Steam and Air Conditioning Supply	0.01	0.03	0.00	2.72	-	1.06	0.78	-	138.37	9.81	-	-	0.18	-	152.96
Construction	1.86	-	-	16.81	-	65.72	-	-	8.05	5.51	-	-	0.25	-	98.20
Road Transport	5,634.96	-	34.52	54.24	-	8,737.80	-	-	136.35	122.10	5.52	1.88	2.04	-	14,729.42
Rail Transport	-	-	-	-	-	51.63	-	-	-	0.58	-	-	-	-	52.21
Air Transport	3.23	76.52	2,759.65	0.12	-	6.10	-	-	9.95	1.65	-	-	0.97	-	2,868.19
Other Transport	32.35	-	12.20	12.29	-	90.72	-	-	177.39	2.12	-	0.00	20.99	-	348.06
Accommodation and Food Service Activities	1.24	-	0.20	0.47	-	7.91	-	-	23.52	1.95	-	-	6.30	-	41.60
Other Commercial Sectors	1.03	0.06	0.18	2.32	-	15.39	-	-	484.32	12.68	-	-	2.24	-	518.42
Public Administration and Defense	4.84	-	6.44	0.08	-	20.14	-	-	66.48	7.91	-	-	1.81	-	107.70
Households	-	-	-	1,116.50	-	-	-	-	-	-	-	-	1,008.37	-	2,124.87

1 Tonjoule (TJ)=10¹² joules

1000 Tonnes=4.184 TJ

1 GWh=3.6 TJ

Energy Physical Supply and Use Tables 9.27. Table 9.11 (a) present physical energy supplied in 2018. A total of 488.8 thousand TJ was supplied in the review period. Of the total physical energy, supplied 46.5 per cent was extracted from the environment and 5.92 per cent was imported. Households transformed 155,601.3 TJ to firewood while the Kenya Electricity Generating Company (Kengen), transformed 31,012.4 TJ of energy to electricity in 2018.

9.28. Physical energy used by sector is presented in table 9.11 (b). A total of 67.0 per cent of all energy used was utilized by households in 2018, mainly from firewood. The use of 4.9 per cent of energy remained unallocated by sector in the review period. Total energy consumption per capita was 10.2 Gigajoules (GJ) in the review period.

Table 9.11(a): Physical Energy Supply Table, 2018

	TJ				
	Electricity, Gas, Steam and Air Conditioning Supply	Households	Rest of the World	Flows from / to the environment	Total
INDUSTRIES					
NATURAL INPUTS:					
Solar				49.2	49.2
Wind				1,352.1	1,352.1
Hydro				14,351.0	14,351.0
Geo-Thermal				18,460.2	18,460.2
Biogas				8.9	8.9
Biomass Wood				192,915.1	192,915.1
IMPORTS:					
Electricity			468.9		468.9
Coal and Coke			2,890.5		2,890.5
Motor Spirit Premium			6,990.2		6,990.2
Aviation gasoline			6.4		6.4
Jet fuel			5,105.0		5,105.0
Illuminating Kerosene			76.9		76.9
White spirit and special			13.2		13.2
Light Diesel Oil			10,289.6		10,289.6
Heavy Diesel Oil			0.1		0.1
Other Gas Oils n.e.c			0.0		0.0
Fuel oils n.e.c.			1,693.0		1,693.0
Lubricating Oils			41.7		41.7
Lubricating Greases			10.9		10.9
Other petroleum oils n.e.c.			349.5		349.5
Liquified Petroleum Gas			1,006.2		1,006.2
ENERGY PRODUCTS:					
Electricity plants (Kengen)	31,012.4				31,012.4
(Independent Power Producers	8,588.8				8,588.8
Electricity plants (Off-grid))	185.2				185.2
Oil refineries	-				-
Charcoal		11,434.6			11,434.6
Firewood		155,601.3			155,601.3
RESIDUALS:					
Other		25,879.2			25,879.2
TOTAL SUPPLY	39,786.4	192,915.1	28,942.1	227,136.4	488,780.1

1 Terajoule (TJ)=10¹² Joules

1000 Tonnes=4.184 TJ

1 GWh=3.6 TJ

Table 9.11(b) : Physical Energy Use Table, 2018

INDUSTRIES	Agriculture	Mining & Quarrying	Manufacturing	Electricity, Gas, Steam and Air Conditioning & Supply	Construction	Transport and Storage	Accommodation and Food Service Activities	Other Commercial Sectors	Public Administration and Defense	Undefined	Households	Accumulation/Stock	Rest of the World	Flows from / to the environment	Total	TJ
NATURAL INPUTS:																
Solar	-	-	-	49.2	-	-	-	-	-	-	-	-	-	-	-	-
Wind	-	-	-	1,352.1	-	-	-	-	-	-	-	-	-	-	49.2	-
Hydro	-	-	-	14,351.0	-	-	-	-	-	-	-	-	-	-	1,352.1	-
Geo-Thermal	-	-	-	18,460.2	-	-	-	-	-	-	-	-	-	-	14,351.0	-
Co-Generation	-	-	-	8.9	-	-	-	-	-	-	-	-	-	-	18,460.2	-
Biomass Wood	-	-	22,528.4	-	-	-	-	-	-	-	144,507.6	-	-	-	8.9	-
ENERGY PRODUCTS																
CONSUMPTION:																
Petroleum:																
Motor Spirit Premium	-	0.0	0.7	0.0	1.9	5,670.5	1.2	1.0	4.8	-	-	1,284.3	19.9	-	6,990.2	-
Aviation gasoline	2.1	-	0.0	0.0	-	76.5	-	0.1	-	-	-	(73.4)	1.0	-	6.4	-
Jet fuel	8.4	-	0.0	0.0	-	2,806.4	0.2	0.2	6.4	-	-	(450.5)	2,733.9	-	5,109.0	-
Illuminating Kerosene	2.7	-	0.5	2.7	16.8	66.7	0.5	2.3	0.1	-	1,116.5	(1,136.4)	4.7	-	76.9	-
White spirit and special boiling point industrial spirits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Light Diesel Oil	-	79.8	1.2	1.1	65.7	8,886.2	7.9	15.6	-	-	-	13.0	0.2	-	13.2	-
Heavy Diesel Oil	-	-	0.1	0.8	-	-	-	-	20.1	-	-	1,124.4	72.7	-	10,289.6	-
Other Gas Oils n.e.c	-	-	-	-	-	-	-	-	-	-	-	(0.8)	0.0	-	0.1	-
Fuel oils n.e.c.	147.8	36.7	453.0	138.4	8.1	323.7	23.5	484.3	66.5	-	-	(115.6)	126.6	-	1,695.0	-
Lubricating Oils	13.1	1.4	20.5	9.8	5.5	126.4	1.9	12.7	7.9	-	-	(265.3)	107.7	-	41.7	-
Lubricating Greases	-	-	-	-	-	5.5	-	-	-	-	-	4.9	0.5	-	10.9	-
Other petroleum oils n.e.c.	0.0	-	-	-	-	1.9	-	-	-	-	-	339.4	8.2	-	349.5	-
Liquified Petroleum Gas (L.P.G)	3.3	0.0	2.3	0.2	0.3	24.0	6.3	2.2	1.8	-	1,008.4	(59.0)	16.4	-	1,006.2	-
Electricity:																
Coal and Coke	-	-	-	-	-	-	-	-	-	2,876.2	-	-	-	-	2,890.3	-
Domestic and Small Commercial-IC	-	-	-	-	-	-	-	-	-	4,717.1	8,480.5	-	-	-	13,197.6	-
Large and Medium Commercial-IC	-	-	-	-	-	-	-	-	-	15,611.4	-	-	-	-	15,611.4	-
Street Lighting-F	-	-	-	-	-	-	-	-	-	245.6	-	-	-	-	245.6	-
Off peak	-	-	-	-	-	-	-	-	-	109.4	-	-	-	-	109.4	-
Rural electrification-F	-	-	-	-	-	-	-	-	-	-	2,164.5	-	-	-	2,164.5	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	126.7	-	126.7	-
Biomass:																
Firewood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charcoal	-	-	22,528.4	-	-	-	-	-	-	-	133,073.0	-	-	-	155,601.3	-
Wood/Process Waste	-	-	-	-	-	-	-	-	-	-	11,454.6	-	-	-	11,454.6	-
Farm residue/Animal crop residue	-	-	-	-	-	-	-	-	-	-	25,879.2	-	-	-	-	-
RESIDUALS:																
Extraction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transformation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	34,679.4	34,679.4	-
TOTAL USE	263.1	99.9	45,548.6	94,374.3	98.2	17,987.9	41.6	518.4	107.7	25,559.8	927,664.2	665.0	9,232.7	94,679.4	488,780.1	

Developments in the Energy Sector 9.29. **Rural Electrification:** The number of customers connected under the rural electrification programme rose by 4.9 per cent to 1,332.1 thousand customers in 2017/18 from 1,269.5 thousand customers in the 2016/17 financial year. The increase was mainly drawn from domestic consumers and small commercial categories. Consequently, revenue realized grew by 14.2 per cent from KSh 10,376 million in 2016/17 to KSh 11,846 million in 2017/18.

9.30. **Electricity Generation and Transmission:** Three transmission lines projects were completed in 2018 covering a total of 480 Kilometers. These are the 400kV Loyiangelani-Suswa line, 220kV Embakasi-Athi River (Cable section repairs circuit I) and 132kV Awendo-Ndhiwa line. Suswa-Isinya 400kV and the Kisii-Awendo 132kV line covering 435.6 Kilometers, 6.8 Kilometers and 37.3 Kilometers, respectively.

9.31. **Oil Exploration Status:** In June 2018, the Early Oil Pilot Scheme (EOPS), a joint project between the National Government, Turkana County Government and Kenya Joint Venture (KJV) Partners was launched. The pilot scheme produced 2000 Barrels per day (bbl/d) from Ngamia and Amosing fields in 2018. The crude oil was transported and stored at the Kenya Petroleum Refineries in Mombasa.

9.32. A Joint Development Agreement (JDA) between the National Government and Kenya Joint Venture Partners (KJV) was signed. It provides for establishment of the Pipeline Company (PIPECO) to facilitate investment in the construction of a crude oil pipeline. Phase I of Front-End Engineering Design has been completed and Environment & Social Impact Assessment studies are being finalized by the Pipeline Project Management Team.

9.33. **Mombasa-Nairobi Pipeline Replacement for Petroleum Products:** The Construction of a new 20-inch diameter refined petroleum pipeline (Line 5) from Mombasa to Nairobi with 4 new pump stations was completed in July 2018. It has a current installed flow rate of 1,000m³/hr with provision for enhancement of the flow rate to 1,863m³/hr by 2023 and to 2,638m³/hr by 2,044. The construction of four new tanks in Nairobi Terminal, each with capacity of 33,000m³ was completed in April 2018. This has enhanced storage capacity to 233,000m³.

9.34. Construction of Kisumu Oil Jetty (KOJ) was completed in February 2018. The jetty is designed to meet a target annual throughput of one million cubic meters under Phase 1, with provision for expansion to meet future demand up to three million cubic meters per annum. The jetty is expected to start operation once the receiving/offloading jetty in Uganda starts operations.

Manufacturing Sector Review

Chapter 10

Overview The manufacturing sector real value added increased by 4.2 per cent in 2018 compared to a revised growth of 0.5 per cent in 2017. The sector's volume of output expanded by 5.1 per cent in 2018 from a contraction of 0.8 per cent in 2017. The growth was on account of increase in production of dairy products, tea, coffee and sugar due to favourable weather conditions. Declines in production were recorded in sub-sectors involved in the manufacturing of plastic products, wood and other products of wood, and other non-metallic mineral products. Credit advanced to the Sector by commercial banks and industrial financial institutions rose from KSh 315.3 billion in 2017 to KSh 335.7 billion in 2018.

10.2. Producer Price Index (PPI) increased by 0.9 per cent to 119.92 in 2018. Wood and products of wood and, chemicals and chemical products recorded high producer price increases in 2018. Producer prices for food products and electricity decreased during the same period.

10.3. Total sales by Export Processing Zone (EPZ) enterprises went up by 14.7 per cent to KSh 77.2 billion in 2018. Cumulative capital investment on equipment, machinery and zone infrastructure increased marginally to KSh 96.3 billion in 2018 from KSh 95.3 billion in 2017.

10.4. Formal employment in the manufacturing sector increased by 1.4 per cent to 307,592 persons in 2018 accounting for 11.1 per cent of the total formal employment. The number of local employees engaged by EPZ enterprises increased by 4.0 per cent to 56,945 in 2018.

Manufacturing Output

10.5. The value of output, intermediate consumption, value added and compensation of employees in the manufacturing sector are shown in Table 10.1. The sector's value of output increased by 7.2 per cent in 2018 compared to a 5.3 growth in 2017. The intermediate compensation increased by 8.0 per cent, while value added rose by 5.2 per cent during the review period.

Table 10.1: Manufacturing Output, Compensation of Employees and Value Added, 2014-2018

YEAR	Current Prices - KSh Million			
	Value of Output	Intermediate Consumption	Value Added	Compensation of Employees
2014... ..	1,820,369	1,282,369	537,999	147,453
2015... ..	1,977,169	1,388,274	588,896	163,392
2016... ..	2,131,907	1,477,450	654,456	174,768
2017... ..	2,245,376	1,590,044	655,332	189,219
2018*... ..	2,407,188	1,717,847	689,341	206,031

* Provisional.

Quantum Indices

10.6. Tables 10.2 and 10.3, provide details on quantum indices, while Table 10.4 presents production quantities of selected commodities from 2014 to 2018. The figures have been revised and the base year set at 2017. Overall, manufacturing quantum index grew by 5.1 per cent in 2018 compared to a 0.8 per cent decline in 2017. The improved performance was attributed to increased production of manufactured food products, which included; sugar, dairy products, other food products not elsewhere classified (nec) and, meat and meat products. The volume of wood and products of wood, plastic products, other non-metallic mineral products and tobacco products declined during the review period. Significant growths

in volumes of production were recorded among the selected non-food sectors comprising pharmaceuticals, electrical equipment, and motor vehicles, trailers and semi-trailers.

Table 10.2: Quantum Indices of Manufacturing Production⁺, 2014-2018

Base: 2017=100

Industry Divisions and Groups Descriptions	2014	2015	2016	2017	2018*
Meat and Meat Products.....	78.2	85.4	94.7	100.0	111.7
Processing and preserving of fish.....	154.2	120.6	108.5	100.0	107.1
Prepared and Preserved Fruits and Vegetables.....	90.9	93.3	101.5	100.0	102.3
Animal and Vegetable Fats and Oils.....	93.8	97.8	97.9	100.0	101.1
Dairy Products.....	102.5	110.9	113.8	100.0	117.5
Grain Mill Products.....	82.9	89.8	92.7	100.0	102.2
Bakery Products.....	86.7	93.8	92.5	100.0	106.6
Sugar.....	157.3	167.7	169.4	100.0	130.6
Cocoa, Chocolate and Sugar Confectionery.....	65.3	79.5	85.7	100.0	101.9
Food Products not elsewhere classified.....	105.4	94.0	107.8	100.0	111.2
Animal Feed.....	86.2	90.0	92.0	100.0	103.1
Total Food Products.....	103.4	105.1	111.7	100.0	108.6
Beverages.....	75.6	94.7	100.0	100.0	105.6
Tobacco Products.....	130.5	124.7	104.6	100.0	98.6
Beverages and Tobacco.....	83.1	98.7	100.6	100.0	104.5
Textiles.....	96.5	110.1	102.2	100.0	101.5
Wearing Apparel.....	70.9	80.7	94.7	100.0	105.1
Leather and Related Products.....	114.5	96.6	107.6	100.0	104.1
Wood and Products of Wood.....	127.9	133.8	115.2	100.0	97.5
Paper and Paper Products.....	82.7	82.9	90.7	100.0	104.9
Printing and Production of Recorded Media.....	101.7	101.6	100.3	100.0	99.2
Refined Petroleum Products.....	101.0	99.2	100.9	100.0	104.6
Chemical and Chemical Products.....	93.5	100.5	100.2	100.0	100.5
Pharmaceutical Products.....	68.7	83.8	101.1	100.0	108.0
Rubber Products.....	94.0	95.7	98.2	100.0	105.7
Plastic Products.....	88.1	96.3	104.5	100.0	95.8
Rubber and Plastic Products.....	84.6	89.8	94.4	100.0	96.2
Other Non-metallic Mineral Products.....	94.3	102.7	108.6	100.0	98.6
Basic Metals.....	85.4	84.4	96.1	100.0	102.7
Fabricated Metal Products.....	137.5	128.7	102.6	100.0	106.2
Electrical Equipment.....	75.3	80.2	83.0	100.0	109.9
Machinery and Equipment nec.....	223.6	123.6	90.1	100.0	105.0
Motor Vehicle, Trailers and Semi Trailers.....	182.7	193.6	131.9	100.0	111.2
Manufacture of furniture.....	85.3	104.6	104.5	100.0	100.8
Other Manufacturing nec.....	85.4	102.8	99.9	100.0	103.4
Repair and Installation of Machinery and Equipment...	90.3	93.5	98.1	100.0	102.6
Overall.....	91.8	96.4	100.8	100.0	105.1

* Provisional

⁺Revised

Table 10.3: Percentage Change in Quantum Indices of Manufacturing Production⁺, 2014-2018

Industry Divisions and Groups Descriptions	Percentage Change				
	2014	2015	2016	2017	2018*
Meat and Meat Products	-1.0	9.3	10.9	5.6	11.7
Processing and preserving of fish.....	2.0	-21.8	-10.0	-7.9	7.1
Prepared and Preserved Fruits and Vegetables.....	-15.9	2.7	8.8	-1.5	2.3
Animal and Vegetable Fats and Oils.....	15.0	4.3	0.1	2.2	1.1
Dairy Products.....	6.4	8.2	2.6	-12.1	17.5
Grain Mill Products.....	8.1	8.3	3.2	7.9	2.2
Bakery Products.....	7.5	8.1	-1.3	8.1	6.6
Sugar.....	-1.3	6.6	1.0	-41.0	30.6
Cocoa, Chocolate and Sugar Confectionery.....	4.4	21.8	7.7	16.7	1.9
Food Products not elsewhere classified.....	5.1	-10.8	14.7	-7.2	11.2
Animal Feed.....	1.0	4.5	2.2	8.7	3.1
Food Products.....	5.0	1.6	6.3	-10.5	8.6
Beverages.....	-1.5	25.2	5.7	0.0	5.6
Tobacco Products.....	20.5	-4.4	-16.2	-4.4	-1.4
Beverages and Tobacco.....	2.5	18.9	1.9	-0.6	4.5
Textiles.....	1.6	14.1	-7.1	-2.2	1.5
Wearing Apparel.....	12.0	13.8	17.3	5.6	5.1
Leather and Related Products.....	-12.4	-15.7	11.4	-7.1	4.1
Wood and Products of Wood	16.2	4.6	-13.9	-13.2	-2.5
Paper and Paper Products.....	-3.3	0.2	9.4	10.3	4.9
Printing and Production of Recorded Media.....	-2.9	-0.1	-1.3	-0.3	-0.8
Refined Petroleum Products.....	-1.2	-1.7	1.7	-0.9	4.6
Chemical and Chemical Products.....	11.2	7.5	-0.2	-0.2	0.5
Pharmaceutical Products.....	18.3	21.9	20.6	-1.1	8.0
Rubber Products.....	-7.1	1.8	2.6	1.8	5.7
Plastic Products.....	8.4	9.3	8.4	-4.3	-4.2
Rubber and Plastic Products.....	6.1	6.1	5.1	6.0	-3.8
Other Non-metallic Mineral Products.....	15.5	8.9	5.8	-7.9	-1.4
Basic Metals.....	1.9	-1.2	13.9	4.0	2.7
Fabricated Metal Products.....	13.4	-6.4	-20.2	-2.5	6.2
Electrical Equipment.....	8.8	6.5	3.5	20.5	9.9
Machinery and Equipment nec.....	-15.1	-44.7	-27.1	11.0	5.0
Motor Vehicle, Trailers and Semi Trailers.....	23.1	6.0	-31.9	-24.2	11.2
Manufacture of furniture.....	14.8	22.5	0.0	-4.4	0.8
Other Manufacturing nec.....	25.1	20.4	-2.9	0.1	3.4
Repair and Installation of Machinery and Equipment.....	6.9	3.6	4.9	2.0	2.6
Overall	6.4	5.0	4.6	-0.8	5.1

* Provisional

†Revised

10.7. During the review period, the quantum index of the manufactured food products increased by 8.6 per cent compared to a decline of 10.5 per cent in 2017. The growth was attributed to favourable weather conditions experienced in 2018, resulting in an increased supply sugar cane, milk, tea, coffee, rice and maize, to the agro-based industries. The production of cane sugar increased significantly by 30.6 per cent from 376.1 thousand tonnes in 2017 to 491.1 thousand tonnes in 2018, as shown in Table 10.4. The dairy products sub-sector grew by 17.5 per cent in 2018 compared to a 12.1 per cent decline in 2017, as shown in Table 10.3. The volume of processed liquid milk increased by 18.4 per cent to 453.9 million litres in 2018. This resulted in increased production of yoghurt and other fermented milk. Other food products not elsewhere classified, which include tea and coffee, increased by 11.4 per cent in 2018. The growth was attributed to increased production of processed

tea from 439.9 thousand tonnes in 2017 to 493.0 thousand tonnes in 2018. Similarly, the volume of semi-processed coffee increased by 7.1 per cent to 41.4 thousand tonnes in 2018.

10.8. The quantum index of processing and preserving of meat and meat products recorded a 11.7 per cent growth in 2018 as presented in Table 10.3, mainly on account of processed chicken and sausages which increased during the review period. Processing and preserving of fish increased by 7.1 per cent in the year under review.

10.9. Grain milling sub-sector registered a growth of 2.2 per cent in 2018. The volume of maize flour milled by formal establishments rose from 669.4 thousand tonnes in 2017 to 672.1 thousand tonnes in 2018. Similarly, production of wheat flour by formal millers increased by 1.6 per cent from 1,230.9 thousand tonnes in 2017 to 1,251.1 thousand tonnes in 2018. The quantity of milled rice increased by 38.7 per cent in the same period. The volume of bakery products increased by 6.6 per cent in 2018 on account of biscuits and bread whose quantities increased by 12.3 per cent and 5.8 per cent, respectively.

10.10. In 2018, processing and preserving of fruit and vegetables increased by 2.3 per cent in 2018 while manufacture of animal and vegetable fats and oils went up by 1.1 per cent. Similarly, production of cocoa, chocolate and sugar confectionery increased by 1.9 per cent in the review period.

Table 10.4: Production of Selected Commodities 2014-2018

Commodity	Unit	2014	2015	2016	2017	2018*
Processed Milk	Million litres	419.1	437.5	448.5	383.2	453.9
Wheat flour ¹	000 Tonnes	988.7	1,103.8	1,133.1	1,230.9	1,251.1
Maize flour ¹	„	571.2	570.7	609.7	669.4	672.1
Biscuits	„	10.6	12.2	12.1	13.0	14.6
Cooking oil	„	186.1	208.2	208.3	215.0	217.7
Edible fats and margarine	„	265.2	255.6	256.1	258.5	259.8
Sugar	„	592.7	635.7	638.3	376.1	491.1
Coffee - milled	„	49.5	41.6	39.7	38.6	41.4
Tea	„	445.1	399.2	471.2	439.9	493.0
Soft drinks	Million litres	462.1	551.4	505.1	570.9	581.5
Blankets	000 Number	2,339.1	2,873.7	2,930.2	2,670.7	2,426.0
Assembled vehicles	Number	9,514.0	10,181.0	6,541.0	4,877.0	5,653.0
Galvanized sheets	000 Tonnes	284.5	256.8	268.7	262.8	270.4

* Provisional

¹ Produced by formal Millers

10.11. The beverages and tobacco sub-sector grew by 4.5 per cent. Production of beverages went up by 5.6 per cent in 2018 on account of increased production of spirits, liqueurs and other spirituous beverages, malt and beer. Production of soft drinks, and bottled waters not sweetened or flavoured increased by 1.9 per cent and 2.1 per cent, respectively, during the review period. However, production of tobacco products reduced by 1.4 per cent in 2018.

10.12. In 2018, the textile sub-sector recorded a 1.5 per cent growth, mainly on account of a 12.8 per cent increase in production of sacks and bags of textiles, and an 8.3 per cent increase in production of knitting yarn. Production of woven fabrics went up by 2.6 per cent while that of wearing apparel increased by 5.1 per cent, because of increased production quantities of T- shirts, babies' garments and cardigan/jersey. On the other hand, production of blankets declined by 9.2 per cent in 2018.

10.13. Production of leather and related products increased by 4.1 per cent in 2018 compared to a 7.1 per cent decline in 2017. This growth was occasioned by increased production of finished leather and shoes with uppers of leather.

10.14. Production of wood and products of wood reduced by 2.5 per cent in the review period. The decline was attributed to reduced production of block boards and plywood by 4.7 per cent and 1.3 per cent, respectively. Production of paper and paper products increased by 4.9 per cent in 2018 with volumes of sacks and bags of paper increasing by 7.0 per cent, partly due to increased demand as a result of the ban in production and use of plastic carrier bags. Production of cartons, toilet paper and exercise books increased by 5.1, 4.7 and 5.8 per cent, respectively during the same period.

10.15. There was a marginal growth of 0.5 per cent in the chemical and chemical products sub-sector in 2018. Production of ethyl alcohol and other spirits declined by 27.6 per cent while production of paints grew by 3.8 per cent in 2018. However, quantity of varnishes produced decreased by 8.8 per cent, while production of industrial gases remained almost constant, in the review period.

10.16. Production of pharmaceutical products increased by 8.0 per cent in 2018 after recording a marginal decline in 2017. The improved performance was as a result of increased production of medicines.

10.17. Output volumes of rubber and plastic products decreased by 3.8 per cent in 2018 mainly occasioned by reduction in the production of plastic bag/sacks. Production of plastic pipes and retreaded pneumatic tyres of rubber increased by 18.2 per cent and 5.7 per cent, respectively during the review period. Similarly, production of plastic tanks went up by 15.8 per cent in the same period.

10.18. The production of basic metals grew by 2.7 per cent in 2018 partly due to a 2.9 per cent increase in production of corrugated iron sheets. During the same period, production of iron bars and rods expanded by 3.1 per cent. Fabricated metal products sub-sector grew by 6.2 per cent in 2018.

10.19. Production of electrical equipment increased by 9.9 per cent in 2018, mainly on account of a 9.9 per cent increase in the production of wires and cables. Manufacture of machinery for food processing went up by 5.0 per cent in the period under review.

10.20. Manufacture of motor vehicles, trailers and semi-trailers increased by 11.2 per cent in 2018. Similarly, the number of assembled motor vehicles increased by 15.9 per cent to 5,653 in 2018 compared to a 25.4 per cent drop in 2017. Production of bodies for motor vehicles, trailers and semi-trailers increased by 2.0 per cent during the review period.

10.21. Manufacture of furniture increased marginally by 0.8 per cent. This was partly due to a 1.2 per cent increase in production of mattresses. Production of other non-metallic mineral products, which mainly comprise cement and glass bottles, dropped by 1.4 per cent in 2018.

**Cement
Production
and
Utilization**

10.22. Table 10.5 shows cement production and utilization from 2014 to 2018. Cement production decreased for the second year in a row by 2.6 per cent to 6,069.9 thousand tonnes in 2018. Cement consumption and stocks increased by 1.6 per cent to 5,948.7 thousand tonnes. Exports of cement have been on a downward trend for the last five years. In 2018, total exports of cement contracted significantly by 62.8 per cent to 144.3 thousand tonnes. Cement exports to Uganda and Tanzania, which have been on a downward trend since 2015 declined further to 43.5 thousand tonnes in 2018. On the other hand, imports of cement increased from 14.7 thousand tonnes in 2017 to 23.0 thousand tonnes in 2018.

Table 10.5: Cement Production and Utilization, 2014-2018

Year	Production	Imports	Consumption and Stocks	'000 Tonnes Exports to	
				Uganda and Tanzania	All Other Countries
				2014	5,882.5	36.4	5,196.7	547.7	175.2
2015	6,352.9	37.6	5,708.8	487.4	194.2
2016	6,715.4	15.1	6,310.1	325.0	95.4
2017	6,230.3	14.7	5,857.9	299.3	89.1
2018*	6,069.9	23.0	5,948.7	43.5	100.8

* Provisional.

Producer Price Indices

10.23. The Producer Price Index (PPI) increased from 118.89 in 2017 to 119.92 in 2018, representing an inflation rate of 0.9 per cent, as shown in Table 10.6. The main contributors to the increase were manufacture of wood and products of wood and cork except furniture, and manufacture of chemicals and chemical products, which rose by 21.4 per cent and 6.4 per cent, respectively, in 2018.

10.24. In the review period, the producer price indices for manufacture of food products and electricity declined by 1.8 per cent and 3.0 per cent, respectively. Under the food category, the highest producer price indices increases in 2018, was for vegetable and animal oils and fats, and processed and preserved fruits and vegetables. However, manufacture of grain mill products declined during the period under review.

Table 10.6: Producer Price Indices, 2014- 2018

		June 2011 = 100						
Division	Description	Weights	2014	2015	2016	2017	2018	Percentage Change
08	Mining and Quarrying	1.60	123.09	131.67	138.10	132.58	139.65	5.3
10	Manufacture of food products.....	34.24	107.52	114.17	113.52	124.11	121.92	-1.8
11	Manufacture of beverages.....	6.54	124.25	132.36	136.83	140.91	144.73	2.7
12	Manufacture of tobacco products.....	1.38	117.96	121.74	125.10	125.43	124.93	-0.4
13	Manufacture of textiles.....	2.29	109.96	122.72	126.70	125.97	126.01	0.0
14	Manufacture of wearing apparel.....	2.91	100.27	101.64	102.08	102.35	102.06	-0.3
15	Manufacture of leather and related products	0.90	102.19	103.77	104.23	104.40	105.96	1.5
16	Manufacture of wood and products of wood and cork except furniture	2.19	105.40	106.91	113.60	117.56	142.69	21.4
17	Manufacture of paper and paper products	3.15	106.15	109.64	112.55	115.39	122.76	6.4
18	Printing and reproduction of recorded media.....	5.66	104.66	104.66	104.66	104.66	104.66	0.0
19	Manufacture of lubricating petroleum oils	0.01	132.83	114.76	114.76	114.76	115.40	0.6
20	Manufacture of chemicals and chemical products.....	5.97	113.24	119.61	118.35	123.12	130.93	6.4
22	Manufacture of rubber and plastics products.....	5.47	107.66	110.01	110.27	109.80	110.82	0.9
23	Manufacture of other non-metallic mineral products.....	4.32	116.00	117.36	113.06	111.71	109.57	-1.9
24	Manufacture of basic metals	6.51	97.11	93.68	92.96	97.90	100.80	3.0
25	Manufacture of fabricated metal products except machinery and equipment.....	3.31	96.62	94.35	92.04	94.73	100.64	6.3
29	Manufacture of motor vehicles.....	1.20	117.28	121.17	122.95	123.76	123.46	-0.2
31	Manufacture of Furniture.....	1.83	102.17	132.88	131.29	134.37	144.98	7.9
33	Repair and installation of machinery and equipment...	1.42	100.16	102.92	103.76	104.36	103.77	-0.6
35	Electricity	8.63	118.41	116.52	116.21	122.07	118.38	-3.0
36	Water.....	0.46	124.54	131.68	143.63	154.56	146.99	-4.9
	Total	100.00	109.17	113.44	113.67	118.89	119.92	0.9
	Overall percentage change		3.03	3.91	0.20	4.59	0.87	

10.25. The average producer prices, excluding Value Added Tax (VAT) and transportation cost for selected products, are shown in Table 10.7. During the year under review, the producer prices for a tonne of sugar increased by 4.2 per cent from KSh 96,606 in 2017 to KSh 100,664 in 2018, while that of a bale of maize flour decreased by 2.3 per cent from KSh1,199 in 2017 to KSh 1,172 in 2018.

Table 10.7 Average Producer Prices of Selected Products, 2014-2018

Product	Units of Measure	KSh/Unit				
		2014	2015	2016	2017	2018*
Vegetable oils	20 Litres	4,006.7	4,090.8	3,908.7	3,950.6	3,997.2
Vegetable fats	20 Kg	4,305.3	4,019.8	3,850.4	3,795.2	3,792.6
Milk	Crate 18 packets each 500 Ml	623.8	678.9	672.3	696.9	692.4
Sugar	One Tonne	67,626.2	65,493.7	71,353.9	96,606.3	100,663.8
Wheat flour	12 packets each 2Kg	1,510.7	1,421.0	1,303.6	1,317.4	1,329.7
Maize Flour	12 packets each 2Kg	1,235.6	1,110.3	1,116.9	1,199.1	1,172.6
Gloss paints	4 Litres	1,909.5	2,243.3	2,135.7	2,263.4	2,305.0
Ballast	One Tonne	969.9	863.4	890.4	792.5	792.5
Plastic water tank	5000 litre capacity	31,650.2	33,604.9	32,531.9	32,779.1	33,149.5
Cement	One Tonne	12,691.8	12,841.1	12,370.3	12,223.2	12,130.3
Steel bars	1 Kg	77.7	77.0	77.1	80.7	81.9
Ordinary nails	50 kg	4,592.5	4,265.2	3,853.5	4,021.4	4,047.7

Credit to Manufacturing Sector

10.26. Table 10.8 shows the value of credit advanced to the manufacturing sector by commercial banks and other industrial financial institutions from 2014 to 2018. The total credit advanced rose by 6.5 per cent from KSh 315.3 billion in 2017 to KSh 335.7 billion in 2018. The industrial financial institutions jointly recorded increased values of credit advanced at KSh 1.3 billion in 2018. However, the number of projects approved by industrial financial institutions decreased from 293 in 2017 to 240 in 2018 partly due to reduction in the number of micro and small enterprises financed by Kenya Industrial Estate (KIE) Ltd.

10.27. The amount of credit advanced for manufacturing projects by Industrial Development Bank Capital Limited (IDB) more than doubled to KSh 551.8 million in 2018. The funding was mainly for three startup projects in food processing and existing five in the processing of beauty products, printing, steel mills and textiles activities.

10.28. The Development Bank of Kenya (DBK) approved three projects in the manufacturing sector worth KSh 230.0 million in 2018. The principal activities of these projects were in the manufacture of concrete products, structural steelwork and industrial gases activities.

10.29. Industrial and Commercial Development Corporation (ICDC) advanced credit worth KSh 315.0 million for four manufacturing projects in 2018. Two of the projects were startups, while the other two were for expansions mainly in food and beauty products sub-sector.

Table 10.8: Manufacturing Projects Approved and Credit Advanced by Commercial Banks and Other Financial Institutions, 2014 - 2018

Institution	Number of Projects					Credit Advanced (KSh Million)				
	2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*
Industrial Development Bank Capital limited.....	3	5	3	3	8	74.2	252.0	129.8	200.1	551.8
Development Bank of Kenya. Kenya Industrial Estates Limited	2	6	6	3	3	66.6	341.0	292.3	130.5	230.0
Industrial and Commercial Development Corporation	543	233	325	280	225	194.3	120.8	165.3	181.0	243.7
Sub - total.....	1	7	4	7	4	234.0	421.2	495.6	791.0	315.0
All other Commercial banks	549	251	338	293	240	569.1	1,135.0	1,083.0	1,302.6	1,340.5
TOTAL	..	..	..	..	..	237,355.8	289,727.8	274,725.4	314,045.5	334,388.0
	549	251	338	293	240	237,924.9	290,862.8	275,808.3	315,348.1	335,728.5

* Provisional

Source: Central Bank of Kenya (excludes DBK).

10.30. In 2018, Kenya Industrial Estates (KIE) continued to play its role of promoting small scale and micro enterprises by financing development activities. The amount of loans advanced by KIE for manufacturing projects increased from KSh 181.0 million in 2017 to KSh 243.7 million in 2018, as presented in Table 10.9. However, the number of manufacturing projects approved decreased from 280 in 2017 to 225 in 2018. The main beneficiary of KIE funding amounting to KSh 79.2 million was in the manufacture of food products.

Table 10.9: Industrial Projects Approved and Loans Advanced by Kenya Industrial Estates, 2014-2018

De s criptions	Number of Projects					Advance d Loans (KSh '000)				
	2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*
Manufacture of food products	193	75	107	93	56	64,855	28,092	66,133	53,391	79,244
Manufacture of beverages	3	8	2	-	1	6,791	230	690	-	9,000
Manufacture of animal feeds	2	2	-	-	6	1,500	3,500	-	-	22,550
Manufacture of food products nec	2	12	1	-	-	3,327	4,370	70	-	-
Manufacture of textiles	3	37	65	42	35	1,900	12,813	19,958	19,200	26,422
Manufacture of wearing Apparel	139	1	1	1	1	29,891	500	1,700	1,500	113
Manufacture of leather and related products	1	2	2	11	3	840	1,000	5,350	765	10,680
Manufacture of wood and Products of wood and cork except furniture	17	5	22	39	20	9,693	3,355	12,621	27,782	12,630
Manufacture of paper and paper products	1	-	-	-	-	10,000	-	-	-	-
Printing and reproduction of recorded media	20	-	16	10	13	10,700	-	9,836	26,858	11,650
Manufacture of Chemicals and chemical products	-	2	3	3	5	-	18,059	1,115	6,000	4,450
Manufacture of other non-metallic mineral products	7	7	5	7	4	1,510	7,630	1,700	4,490	1,570
Manufacture of fabricated metal products except machinery and equipment	105	53	81	66	72	35,005	25,295	39,260	32,669	57,769
Manufacture of furniture	48	27	13	-	5	17,606	13,690	3,810	-	4,000
Other manufacturing n.e.c.	2	2	6	-	-	700	2,315	2,725	-	-
Repair and installation of machinery and equipment	-	-	1	8	4	-	-	325	8,300	3,600
TO TAL	543	233	325	280	225	194,316	120,849	165,292	180,954	243,678

Source: Kenya Industrial Estates Ltd

* Provisional

10.31. The Kenya Investment Authority (KenInvest) continued to promote and facilitate both local and foreign investment in 2018, as mandated by the Investment Promotion Act. During the review period, the Authority registered 47 manufacturing projects worth KSh 14.4 billion in capital investment, as shown in Table 10.10.

Table 10.10: Industrial Projects¹ Registered by Kenya Investments Authority, 2014 - 2018

	2014	2015	2016	2017	2018*
Number of Projects	19	48	43	39	47
Capital investment (KSh billion)	7.4	8.8	11.1	26.5	14.4

* Provisional

¹Figures presented are not for all projects since the Investment Promotion Act, 2004 does not mandate all investors to register with the Authority

Export Processing Zones

10.32. Selected key performance indicators under EPZ programme are shown in Table 10.11. The indicators include the number of gazetted zones, operating enterprises, employment, export and cumulative capital investment.

Table 10.11: Selected EPZ Performance Indicators, 2014-2018

	Unit	2014	2015	2016	2017	2018*
Gazetted Zones.....	Number	52	56	65	71	72
Enterprises Operating	"	86	89	111	131	135
Total Employees	"	46,738	50,899	53,565	55,486	57,581
O/w- Locals	"	46,221	50,302	52,947	54,764	56,945
O/w- Expatriates	"	517	597	618	722	636
Export	KSh Million	51,377	60,879	64,151	60,729	72,295
Domestic Sales ¹	"	5,815	4,018	4,418	6,541	4,881
Total Sales	"	57,192	64,897	68,569	67,270	77,176
Imports	"	29,461	31,370	30,160	30,305	34,000
Local Purchases of Goods and Services.....	"	8,170	8,815	10,742	11,089	9,621
Capital Investment	"	44,218	48,128	88,977	95,278	96,271

Source: Export Processing Zones Authority (EPZA)

* Provisional

¹ Includes sales to duty free shops

10.33. The number of gazetted zones increased by one to 72 in 2018, out of which majority were privately owned and operated. The gazetted zones were distributed the counties as follows: 24 in Mombasa, 9 in Kilifi, 7 in Nairobi, 6 in Machakos, 4 each, in Bomet and Kwale, 3 each, in Nakuru and Kiambu, 2 in Embu, one each, in Muranga, Kajiado, Taita Taveta, Elgeyo Marakwet, Nandi, Uasin Gishu, Laikipia, Meru, Narok and Homa Bay. The number of operating enterprises rose from 131 in 2017 to 135 in 2018.

10.34. Total sales by EPZ enterprises increased by 14.7 per cent to KSh 77.2 billion in 2018 from KSh 67.3 billion in 2017. Exports, which form the bulk sales, rose by 19.0 per cent from KSh 60.7 billion in 2017 to KSh 72.3 billion in 2018, while the value of local purchases declined by 13.2 per cent. Imports increased by 12.2 per cent to KSh 34.0 billion in the year under review.

10.35. Local employees engaged by EPZ enterprises increased by 4.0 per cent to 56,945 in 2018 from 54,764 in 2017. This increase was mainly attributed to the expansion of apparel and agro-processing firms. Capital investment in form of equipment, machinery and zone infrastructure increased marginally to KSh 96.3 billion in 2018 from KSh 95.3 billion in 2017.

African Growth and Opportunity Act

10.36. African Growth and Opportunity Act (AGOA) is an initiative of the United States of America (USA) aimed at increasing exports of apparel from accredited Sub-Saharan Africa (SSA) countries. All the selected indicators under the EPZ garment/apparel sub-sector under AGOA reported growths in 2018 as presented in Table 10.12. The direct employment in the sub-sector increased by 5.1 per cent to 46,248 persons in 2018. The value of the exports increased significantly by 25.8 per cent from KSh 33.1 billion in 2017 to KSh 41.6 billion in 2018. Similarly, capital investment increased by 3.6 per cent to KSh 16.5 billion in 2018.

Table 10.12: Selected EPZ Garment / Apparel Performance Indicators under AGOA, 2014-2018

	2014	2015	2016	2017	2018*	Percentage Change
Number of Enterprises.....	21	21	21	21	22	4.8
Number of Employees.....	37,785	41,597	42,496	43,987	46,248	5.1
Capital Investment (KSh Million)..	15,051	15,708	15,300	15,880	16,450	3.6
Exports (KSh Million).....	30,244	35,224	34,410	33,051	41,592	25.8

Source: Export Processing Zones Authority

*Provisional

The Construction Sector

Overview The Government has continued to support the construction sector by formulating policies and programmes geared towards improving infrastructure to spur economic growth. Some of the policies and programmes in place include provision of affordable and decent housing, extension of the Standard Gauge Railway (SGR) line from Nairobi to Naivasha and expansion of the road network across the country. In 2018, the construction sector registered a slowed growth of 6.3 per cent compared to a revised growth of 8.5 per cent in 2017. Wage employment in the sector grew by 2.2 per cent from 167.9 thousand persons in 2017 to 171.6 thousand persons in 2018. Loans and advances from commercial banks to the construction sector grew by 1.8 per cent from KSh 112.0 billion in 2017 to KSh 114.0 billion in 2018.

11.2. The expenditure on roads is expected to rise by 23.0 per cent to KSh 195.1 billion in 2018/19. Expenditure on construction of new roads is expected to grow by 22.5 per cent to KSh 128.4 billion. During the same period, the number of public residential buildings were 430 units in 2018 compared to 1,164 units in 2017. The number of housing units under construction in 2018 were 2,028 at an estimated cost of KSh 4,381.0 million.

Key 11.3. Table 11.1 presents selected key economic indicators in the construction sector from 2014 to 2018. Index of Government expenditure on roads increased by 18.8 per cent due to major road projects undertaken in 2018. The index of reported private building works completed in Nairobi City County increased by 5.3 per cent from 443.1 points in 2017 to 466.8 points in 2018. During the same period, the index of reported public building works completed declined by 2.5 per cent from 59.4 points to 57.9 points. Loans and advances from commercial banks to the construction sector grew by 1.8 per cent from KSh 112.0 billion in 2017 to KSh 114.0 billion in 2018. Cement consumption increased marginally by 1.6 per cent to 5,948.7 thousand tonnes in 2018. Wage employment expanded by 2.2 per cent from 167.9 thousand persons in 2017 to 171.6 thousand persons in 2018. Private sector employment increased from 159.4 thousand persons in 2017 to 163.0 thousand persons in 2018.

Table 11.1: Selected Key Economic Indicators in the Construction Sector, 2014 - 2018

Indicator	1982=100				
	2014	2015	2016	2017	2018*
Index of reported private building works completed in Nairobi City County	341.4	369.4	409.3	443.1	466.8
Index of reported public building works completed in major towns	106.1	112.6	69.2	59.4	57.9
Index of government expenditure on roads	263.4	350.3	462.8	388.0	460.9
Index of Employment	220	245	269.9	277.1	284.1
Cement consumption ('000 tonnes)	5,196.7	5,708.8	6,310.1	5,857.9	5,948.7
Private Employment ('000 persons)	125.3	140.2	155	159.4	163.0
Public Employment ('000 persons)	7.6	7.9	8	8.5	8.6
Loans and Advances from Commercial Banks to the sector (KSh Mn)	80,406.00	107,842.60	104,825.80	111,985.2	114,014.9

* Provisional.

Cost of Construction Inputs 11.4. The annual percentage changes in cost of materials and labour from 2015 to 2018 are presented in Table 11.2. The percentage change in cost of materials was 3.1 per cent in 2018 compared to 3.0 per cent in 2017. The cost of materials for residential and non-residential buildings increased by 3.1 per cent in 2018 while labour cost increased by 5.3 per cent in 2018.

Table 11.2: Percentage Changes in Construction Cost of Materials and Labour, 2015 – 2018

Materials	2015	2016	2017	2018
Residential Buildings.....	2.6	1.9	3.8	3.3
Non-Residential Buildings	2.3	1.6	1.8	2.9
All Buildings.....	2.5	1.8	2.9	3.1
Civil Engineering... ..	-3.0	1.8	3.2	2.9
Total Cost of Material	0.9	1.8	3.0	3.1
Labour Cost	10.0	7.9	6.6	5.3

11.5. Table 11.3 shows the monthly average basic wages for unskilled, semi-skilled and skilled workers in the construction sector from 2014 to 2018. The wages are as negotiated between employer associations in the construction industry, and the Kenya Building, Construction, Timber and Furniture Industries Employees Union. In 2018, monthly average basic wages for the unskilled, semi-skilled, and skilled workers increased by 5.1, 5.3, and 5.6 per cent, respectively, as recommended by the collective bargaining agreements.

Table 11.3: Monthly Average Basic Wages in the Construction Industry, 2014 – 2018

Category of Workers in the Construction Sector	KSh				
	2014	2015	2016	2017	2018
Unskilled.....	16,994	18,771	20,174	21,497	22,586
Semi-Skilled.....	23,500	25,868	27,902	29,757	31,348
Skilled.....	33,832	37,127	40,187	42,794	45,171

Source: Ministry of Labour and Social Protection

Construction of Buildings 11.6. The number of reported private buildings in Nairobi City County (NCC) and residential public buildings completed for the period 2014 to 2018 is presented in Table 11.4. Total number of completed private residential and non-residential buildings in NCC were 12,304 in 2018 compared to 11,902 in 2017. The number of completed public residential buildings were 430 while a total of 2,028 housing units valued at KSh 4,381.0 million were under construction in 2018.

Table 11.4: Reported Number of Private and Public Buildings Completed, 2014 – 2018

Year	Private (Nairobi City County)			Public Residential		
	Residential	Non-Residential	Total	National Housing Corporation	State Department for Housing	Total
				Corporation	for Housing	
2014... ..	6,538	985	7,523	243	0	243
2015... ..	7,834	1,220	9,054	45	0	45
2016... ..	8,806	1,462	10,268	240	822	1,062
2017... ..	9,864	2,038	11,902	0	1,164	1,164
2018*	10,364	1,940	12,304	180	250	430

Source: Nairobi City County, National Housing Corporation & The State Department for Housing

* Provisional

11.7. Table 11.5 shows reported value of new private buildings and public buildings completed for the period 2014 to 2018. Total value of completed private buildings in Nairobi City County increased by 4.6 per cent from KSh 86.1 billion in 2017 to KSh 90.1 billion in 2018. During the same period, the value of public buildings completed was KSh 1.5 billion compared to KSh 2.3 billion in 2017.

Table 11.5: Reported Value of Private and Public Buildings Completed, 2014 – 2018

Year	Private (Nairobi City County)			Public Residential		
	Residential	Non-Residential	Total	National Housing Corporation	State Department for Housing	Total
				Corporation	for Housing	
2014... ..	50,952.2	8,567.5	59,519.7	502.1	0.0	502.1
2015... ..	61,556.4	9,311.0	70,867.4	61.5	0.0	61.5
2016... ..	67,624.9	10,124.8	77,749.7	879.0	2,907.4	3,786.4
2017... ..	74,347.1	11,781.3	86,128.4	0.0	2,347.0	2,347.0
2018*	77,722.2	12,405.2	90,127.4	816.0	730.3	1,546.3

Source: Nairobi City County, National Housing Corporation & the State Department for Housing

* Provisional

11.8. The value of private building plans approved and completed buildings issued with certificate of occupancy in Nairobi City County (NCC) for the period 2014 to 2018 is shown in Table 11.6. The value of building plans approved decreased by 12.7 per cent from KSh 240.8 billion in 2017 to KSh 210.3 billion in 2018. The value of completed buildings issued with certificate of occupancy in NCC increased by 5.2 per cent to KSh 90.6 billion in 2018.

Table 11.6: Value of Private Building Plans Approved and Reported Building Works Completed in Nairobi City County, 2014 - 2018

Year	KSh Million	
	Building Plans Approved	Building Works Completed ¹
2014.....	205,423.9	59,519.7
2015.....	215,211.0	70,867.4
2016.....	308,361.4	77,749.7
2017.....	240,752.0	86,128.4
2018*.....	210,296.7	90,127.4

Source: Nairobi City County

*Provisional

¹ Exclude extensions

Government Credit and Expenditures on Housing 11.9. Table 11.7 provides housing loans advanced by National Housing Corporation in 2016/17 and 2017/18 by county. A total of 46 loans amounting to KSh 105.2 million were advanced to individuals in 16 counties in the 2017/18 financial year.

Table 11.7: Housing Loans Advanced by National Housing Corporation by County, 2016/17-2017/18

County	2016/17		2017/18	
	Number of Loans	KSh '000'	Number of Loans	KSh '000'
Bungoma.....	4	7150	1	1500
Busia.....	1	600	0	0
Eldoret.....	2	4000	0	0
Embu.....	0	0	1	1800
Homa Bay.....	1	1900	0	0
Kajiado.....	7	4600	4	10050
Kakamega.....	3	3300	0	0
Kiambu.....	10	7740	5	18650
Kirinyaga.....	1	3000	2	4600
Kisii.....	2	2400	0	0
Kisumu.....	3	6500	2	3850
Kitui.....	0	0	2	3400
Lamu.....	5	2400	0	0
Machakos.....	6	10440	8	16880
Makueni.....	0	0	1	2300
Marsabit.....	0	0	1	3000
Meru.....	2	5700	3	5100
Mombasa.....	0	0	1	3000
Murang'a.....	1	3000	0	0
Nairobi City.....	3	6450	8	17540
Nakuru.....	4	10740	4	9300
Vihiga.....	2	3700	0	0
Taita Taveta.....	4	2000	2	3150
Trans Nzoia.....	12	6100	0	0
Uasin Gishu.....	0	0	1	1050
Total.....	73	91720	46	105170

Source: National Housing Corporation

11.10. Government expenditure on housing from 2014/15 to 2018/19 financial years is shown in Table 11.8. Actual expenditure on housing increased from KSh 15,242.7 million in 2016/17 to KSh 16,130.0 million in 2017/18. In 2017/18, the actual expenditure as a percentage of budget estimate was 87.6 per cent. The approved expenditure on housing in 2018/19 was increased to KSh 28,956.2 million to finance housing flagship projects .

Table 11.8: Government Expenditure on Housing, 2014/15 – 2018/19

	Expenditure in KSh Million		Actual as a Percentage of Approved Expenditure
	Approved	Actual	
2014/15	7,395.0	5,857.0	79.2
2015/16	7,342.7	6,034.5	82.2
2016/17	17,497.7	15,242.7	87.1
2017/18*	18,409.9	16,130.0	87.6
2018/19**	28,956.2		

Source: State Department for Housing

*Provisional

**Budget Estimates

Road Construction 11.11. The National Government expenditure on roads from 2014/15 to 2018/19 is presented in Table 11.9. The expenditure on roads is expected to rise by 23.0 per cent to KSh 195.1 billion in 2018/19 from KSh 158.6 billion in 2017/18. Expenditure on road development is expected to rise to KSh 128.4 billion in 2018/19. The expenditure on road repair and maintenance is expected to increase from KSh 53.8 billion in 2017/18 to KSh 66.6 billion in 2018/19.

Table 11.9: National Government Expenditure on Roads, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19**
Development:					
Trunk and primary Roads (A,B and C)...	37,792.0	60,886.8	63,887.0	52,029.0	61,047.0
Secondary and Minor Roads (D and E) ...	12,343.5	20,492.1	29,291.5	40,869.0	50,814.0
Miscellaneous Roads (Including Urban)...	4,698.4	17,093.3	20,004.0	11,883.6	16,564.2
Sub-total.....	54,833.9	87,786.6	113,182.5	104,781.6	128,425.2
Recurrent:					
Maintenance & Repair ...	25,792.0	25,395.9	60,468.6	53,830.0	66,628.6
Total.....	87,629.3	80,625.9	124,501.2	173,651.5	197,927.5

Source: State Department for Infrastructure & Kenya Roads Board

*Provisional

**Budget Estimates

11.12. Table 11.10 shows the length, cost and completion rates of roads under the R2000 program. In 2018/19, the estimated project cost towards construction, rehabilitation and maintenance of approximately 6,568.5 kilometres of roads is expected at KSh 303.4 billion.

Economic Survey 2019

Table 11.10: Status of Ongoing R2000 Programme for the Period, 2016-2018

Year	2016			2017				2018*			
	Total Length at Start	Work Done (Km)	Estimated Project Cost (KSh Million)	Additional (Km)	Total Length at Start	Work Done (Km)	Estimated Project Cost (KSh Million)	Additional (Km)	Total Length at Start	Work Done (Km)	Estimated Project Cost (KSh Million)
Baringo.....	70.0	24.6	818.4	216.6	262.0	134.7	10,294.8	64.7	192.0	30.3	9,476.3
Bomet.....	0.0	0.0	126.8	188.2	188.2	17.5	7,131.7	17.5	188.2	95.5	7,131.7
Bungoma.....	40.6	37.8	95.1	163.7	166.5	64.2	8,810.6	32.7	135.0	67.0	5,936.2
Busia.....	28.0	20.2	1,488.3	55.2	63.0	27.0	3,168.6	0.0	36.0	27.4	2,980.5
Elgeyo - Marakwet..	95.5	64.9	5,204.6	17.1	47.7	45.0	2,470.1	69.3	72.0	71.3	5,198.2
Embu.....	33.0	21.8	1,464.3	107.9	119.1	28.2	5,485.3	6.2	97.1	56.3	4,239.1
Garisa.....	0.0	0.0	0.0	7.3	7.3	0.4	519.9	0.0	6.9	6.9	519.9
Homa Bay.....	0.0	0.0	0.0	139.0	139.0	12.7	4,644.9	12.7	139.0	21.5	4,644.9
Isiolo.....	0.0	0.0	0.0	82.1	82.1	6.3	3,946.1	8.0	83.9	42.2	4,310.9
Kajjado.....	0.0	0.0	0.0	70.0	70.0	0.0	3,037.6	135.0	205.0	92.6	7,837.6
Kakamega.....	63.7	34.4	1,870.3	82.0	111.3	29.8	4,986.9	86.6	168.0	96.9	8,404.5
Kericho.....	45.5	43.7	3,331.8	181.2	183.0	42.0	8,913.8	72.0	213.0	68.3	10,299.8
Kiambu.....	190.8	190.8	4,471.8	263.1	263.1	51.8	12,529.2	328.8	540.1	258.4	24,487.8
Kilifi.....	25.0	6.3	1,724.6	178.3	197.0	43.5	7,815.0	44.9	198.4	114.5	7,815.0
Kirinyaga.....	26.2	26.2	279.0	64.0	64.0	9.8	2,804.9	158.8	213.0	87.5	9,653.8
Kisii.....	25.0	6.3	1,724.6	261.3	280.0	32.9	12,699.1	61.5	308.6	168.2	15,145.8
Kisumu.....	0.0	0.0	0.0	48.0	48.0	4.3	2,005.2	0.0	43.7	9.1	1,726.8
Kitui.....	0.0	0.0	0.0	85.0	85.0	1.5	3,821.3	41.5	125.0	18.4	5,090.2
Kwale.....	0.0	0.0	0.0	74.0	74.0	1.0	3,024.6	73.0	146.0	40.3	6,293.3
Laikipia.....	58.9	58.9	1,379.9	120.0	120.0	34.6	5,912.4	34.6	120.0	72.4	6,682.1
Machakos.....	59.0	37.5	2,285.3	170.4	191.9	84.1	7,439.6	36.6	144.4	74.7	6,123.2
Makueni.....	20.0	1.3	362.0	87.1	105.8	16.2	4,200.2	76.2	165.8	47.7	7,534.5
Marsabit.....	0.0	0.0	0.0	110.0	110.0	110.0	5,007.9	20.0	20.0	7.9	980.4
Meru.....	72.0	17.3	4,535.6	226.0	280.7	54.5	13,964.6	94.5	320.7	196.0	17,749.2
Migori.....	7.0	3.3	346.0	29.3	33.0	31.7	1,536.0	98.7	100.0	18.4	2,390.0
Mombasa.....	0.0	0.0	0.0	12.2	12.2	12.2	866.1	0.0	0.0	0.0	0.0
Muranga.....	65.0	65.0	3,629.3	238.0	238.0	41.1	11,848.4	178.1	375.0	149.2	18,156.8
Nairobi.....	8.0	3.3	721.0	3.3	8.0	7.3	721.0	7.5	8.2	7.8	921.0
Nakuru.....	64.0	62.7	2,898.6	255.7	257.0	38.7	8,459.0	81.7	300.1	96.1	12,394.6
Nandi.....	22.0	20.2	1,593.1	178.2	180.0	32.2	8,119.3	0.0	147.8	0.0	6,657.8
Narok.....	0.0	0.0	0.0	20.0	20.0	6.7	720.3	128.7	142.0	30.8	5,125.2
Nyamira.....	37.0	20.2	1,760.5	71.8	88.6	41.0	4,717.6	41.6	89.2	54.3	5,438.4
Nyandarua.....	20.8	20.8	564.6	58.7	58.7	9.3	3,148.1	72.8	122.2	38.7	4,648.1
Nyeri.....	185.6	185.6	8,843.1	213.9	213.9	105.5	9,887.4	193.4	301.8	163.5	17,065.4
Siaya.....	25.0	9.8	1,486.1	53.8	69.0	25.0	3,212.5	0.0	44.0	21.7	3,612.5
Tana River.....	0.0	0.0	0.0	15.0	15.0	2.5	761.6	2.5	15.0	2.6	761.6
Tharaka Nithi.....	30.0	3.0	537.3	61.5	88.5	10.6	3,526.1	67.6	145.5	39.5	6,025.8
Trans Nzoia.....	55.0	19.1	2,288.2	14.1	50.0	0.0	2,045.4	111.0	161.0	40.6	7,003.3
Turkana.....	0.0	0.0	0.0	153.0	153.0	0.3	6,948.7	0.3	153.0	17.1	6,948.7
Uasin Gishu.....	69.5	24.2	3,509.0	295.2	340.5	176.5	17,742.2	231.0	395.0	174.5	18,715.9
Vihiga.....	0.0	0.0	0.0	84.0	84.0	57.0	3,195.2	0.0	27.0	8.1	977.6
West Pokot.....	0.0	0.0	0.0	160.0	160.0	45.6	6,605.9	45.6	160.0	72.3	6,605.9
Total.....	1,441.9	1,028.9	59,339.4	4,915.0	5,328.0	1,495.1	238,695.2	2,735.6	6,568.5	2,706.1	303,710.4

Source: Kenya Rural Roads Authority

*Provisional

11.13. Table 11.11 shows road network by surface type and classification from 2014 to 2018. As at June 2018, the lengths of roads classified as Super Highway under bitumen remained at 80.9 kilometres, International Trunk road was 4,609.0 kilometres while National Trunk roads and Primary roads stood at 4,109.0 and 4,313.9 kilometres respectively. The total length of roads under bitumen increased by 9.8 per cent to 18,655.0

kilometres in 2018. National trunk and primary roads length under bitumen was 4,109.0 and 4,313.9 kilometres respectively. The length of newly paved secondary roads was 394.3 kilometers bringing the total length to 1,698.8 kilometers. Total paved roads length of Minor roads, Special Purpose and Unclassified roads increased to 3,843.4 kilometers.

Table 11.11: Kilometres of Roads by Type and Classification as at 30th June+, 2014 - 2018

Surface Type/Year	Earth/Gravel (Unpaved)					Bitumen(Paved)				
	2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*
Road Class										
Super Highway (S).....	-	-	-	-	-	80.9	80.9	80.9	80.9	80.9
International Trunk Roads (A).....	816.0	380.0	3,700.0	3,427.00	3,008.3	2,772.0	3,238.0	3,917.4	4,191.0	4,609.0
National Trunk Roads (B).....	1,156.0	1,038.0	7,625.0	7,062.00	6,743.0	1,489.0	1,607.0	3,226.4	3,789.0	4,109.0
Primary Roads (C).....	5,164.0	4,497.0	18,706.2	17,325.00	17,131.1	2,693.0	3,360.0	2,739.3	4,120.5	4,313.9
Secondary Roads (D).....	9,483.0	8,651.0	10,602.1	9,819.00	9,424.2	1,238.0	2,067.0	521.2	1,304.5	1,698.8
Sub-total.....	16,619.0	14,566.0	40,633.3	37,633.00	36,306.6	8,272.9	10,352.9	10,485.2	13,485.9	14,811.6
Minor Roads (E).....	26,072.0	25,724.3	13,276.4	12,973.78	12,842.8	577.0	1,000.0	771.2	1,073.7	1,204.9
Special Purpose Roads (F).....	10,376.0	10,399.0	9,309.8	9,185.88	9,122.2	110.0	106.0	315.8	439.3	503.5
Unclassified Roads (G).....	96,623.0	96,423.0	85,198.4	84,624.94	84,524.9	2,318.0	2,853.0	1,461.4	2,034.9	2,135.1
Sub-total.....	133,071.0	132,546.3	107,784.6	106,784.60	106,489.9	3,005.0	3,959.0	2,548.4	3,548.0	3,843.4
Grand Total.....	149,690.0	147,112.3	148,417.9	144,417.60	142,796.5	11,277.9	14,311.9	13,033.6	17,033.9	18,655.0

Source: Kenya Roads Board

* Provisional

+ Revised :To conform to new classification of roads by functionality

A superhighway (S)-Highway connecting two or more cities/towns meant to carry safely a large volume of traffic at the highest legal speed of operation.

International Trunk Road (A) -Roads forming strategic routes and corridors, connecting international boundaries at identified immigration entry and exit points and international terminals such as international air or sea ports.

National Trunk Road (B) - Roads forming important national routes, linking national trading or economic hubs, County headquarters and other nationally important centres to each other and to the national capital or to Class A roads.

Primary Road (C) - Roads forming important regional routes, linking County headquarters or other regionally important centers, to each other and to Class A or B roads. Required to collect regional and local traffic and channel it to class A and B roads.

Secondary Road (D) - Roads linking constituency headquarters, Municipal or Town Council Centers and other towns to each other and to higher class roads. Required to collect local traffic from lower class roads and channel it to the higher class roads.

Minor Road (E)- Major Feeder Roads linking important Constituency centres to each other and meant to carry local traffic and to channel it to class D roads.

11.14 Table 11.12 presents selected major road works in 2018. A total KSh 162.3 billion was expected to be used to construct, rehabilitate and upgrade an estimated 2,189.5 kilometres of road. The construction of Kitui-Mutomo-Kibwezi road and Garsen -Lamu-Witu road was expected to cost KSh 18.4 billion and KSh 10.8 billion, respectively. Dualling works are ongoing on Mombasa-Kwa Jomvu road and Athi River to Machakos Turnoff while Kisii- Ahero road, Isebania- Kisii road and Kisumu Kakamega roads are under rehabilitation.

Table 11.12 - Selected Road Works in Progress, 2018

Project Name	Length (Km)	% Completion	Amount (KSh Million)
Roads Under Constructed			
Kibwezi - Mutomo - Kitui.....	180.0	23.0	18,404.9
Garsen - Lamu - Witu.....	135.0	7.0	10,868.6
Nuno-Modogashe.....	135.0	50.0	6,135.7
Loruk - Barpelo.....	66.0	86.0	6,040.9
Miritini - Mwache Kipevu Link Road.....	10.9	98.0	5,240.4
Eldoret Bypass.....	32.0	1.0	5,079.5
Chiakariga - Meru.....	55.0	70.0	4,667.6
Kitale - Endeless - Suam.....	45.0	1.0	4,475.0
Uplands - Githunguri.....	47.0	7.5	3,988.1
Chebilat - Ikonge - Chabera.....	45.0	98.0	3,109.8
Port Reitz/Moi International Airport Access Road (J8).....	4.5	100.0	2,797.8
Construction of 3 interchanges at Nakuru.....	n/a	94.0	2,690.0
Narok - Sekenani.....	82.0	45.0	2,194.3
OljoOrok - Dundori (B20).....	35.0	82.0	1,911.1
Construction of Interchange at Kericho Junction (B1/C23).....	n/a	19.0	671.9
Construction of Interchange at Ahero Junction (A1/B1).....	n/a	15.0	655.9
Karen Round-About.....	4.4	100.0	585.9
Roads Under Maintenance			
Jogoo Road.....	9.8	85.0	88.9
Northern and Eastern Bypass.....	65.0	80.0	86.5
Nairobi Lot 1 Roads.....	12.1	65.0	60.2
Kapenguria Road.....	3.7	40.0	55.9
Nairobi Lot 9 Roads.....	18.4	75.0	54.6
Nairobi Lot 11 Roads.....	9.0	75.0	49.4
Kilifi Kasuarina Lot 18 Road.....	28.7	60.7	47.4
Nairobi Lot 3 Roads.....	20.0	56.0	47.1
Mathenge Link- Ravine Road (Lot 1).....	0.7	52.0	41.1
Murkwijit Nursery- Kapenguria Lot 11 Road.....	14.4	70.0	40.0
Bungoma Lot 7 Roads.....	10.4	75.0	39.9
Lamu Mpeketoni-Mukunumbi Lot 25 Road.....	2.0	5.3	33.7
Kimilili Lot 8 Roads.....	13.0	80.0	33.2
Nairobi Lot 2 Roads.....	19.6	60.0	32.9
Kilifi Lot 17 Roads.....	46.8	21.1	32.3
Mombasa Lot 11 Shimanzi Road.....	1.0	44.2	30.7
Mumias Lot 10 Roads.....	8.5	90.0	30.2
Nairobi Lot 5 Roads.....	15.9	60.0	30.0
Eldoret Lot 3 Roads.....	2.7	60.0	29.8
Nairobi Lot 8 Roads.....	25.7	62.0	29.8
Kisambai- Sabatia Lot 6 Road.....	8.7	62.0	29.8
Nairobi Lot 10 Roads.....	19.3	62.0	27.4
Nyeri Lot 1 Roads.....	0.7	31.0	27.4
Thika Mwangaza Sch-Munyu Lot 16 Road.....	1.0	82.3	26.9
Rabuor- Chiga-Mamboleo Bypass (Lot 15 roads).....	16.7	100.0	26.7
Bomet Lot 8Y Roads.....	13.1	48.0	26.2
Taita Taveta (Gimba Pre primary- Voi) Lot 16 Road.....	7.5	12.2	26.1
Lamu Lot 23 Roads.....	51.0	17.2	25.7
Taita Taveta Lot 15 Roads.....	38.8	93.1	24.5
Mombasa Lot 8 Roads.....	11.4	92.9	24.3
Nairobi Lot 4 Roads-Juja and Komarock roads.....	9.5	50.0	23.9
Nairobi Lot 13 Roads.....	10.5	60.0	23.9
Eldoret Lot 1 Roads.....	6.8	95.0	23.5
Mumias Lot 3 Roads.....	11.8	70.0	23.3
Kapenguria Lot 12 Roads.....	10.7	75.0	23.2
Thika Lot 15 Roads.....	1.0	75.2	22.9
Nakuru Roads Lot 3W.....	2.2	95.0	22.9
Nakuru Roads (Lot 2).....	1.1	98.0	22.7
Eldoret Lot 2 Roads.....	4.2	95.0	22.5
Mandera Lot 1 Road.....	5.3	95.0	22.3
Nakuru Lot 6Y Roads.....	3.0	100.0	22.1
Kitale Lot 19 Roads.....	7.7	75.0	21.8
Mombasa Lot 13 Miritini MVA Road.....	3.7	66.9	21.5
Nairobi Lot 6 Roads.....	37.0	54.0	21.2
Kisumu Lot 17 Roads.....	0.4	89.0	20.9
Bomet CBD Lot 12 Roads.....	6.0	0.0	20.9
Mombasa Lot 1 Roads.....	10.6	92.5	20.8
Mombasa Lot 3 Roads.....	6.9	53.9	20.1

Table 11.12 - Selected Road Works in Progress, 2018 Cont'd

Project Name	Length (Km)	% Completion	Amount (KSh Million)
Roads Rehabilitation			
Kisii - Ahero.....	85.0	4.6	9,467.0
Isebania - Kisii.....	87.0	3.0	8,597.8
Kisumu - Kakamega.....	52.0	96.9	7,961.5
Bachuma Gate - Maji ya Chumvi.....	58.4	99.5	4,986.2
Kakamega - Kaburengu (Webuye) New.....	40.0	47.7	4,168.7
Roads Dualling			
Mombasa – Kwa Jomvu Rd (A8).....	11.0	18.0	6,016.9
Dualling of Athi River - Machakos Turnoff.....	20.0	33.0	5,288.5
Kisumu Boys - Mamboleo.....	4.5	64.6	2,565.1
Roads Upgrading			
Lokitaung Junction - Kalobeiyei River.....	80.0	4.3	8,456.3
Lodwar - Lokitaung Junction.....	80.0	7.1	8,333.9
Kalobeiyei River - Nakodok.....	88.0	1.3	7,856.1
Loichangamatak - Lodwar.....	50.0	5.3	6,782.4
Road C Nairobi.....	3.0	75.0	198.6
Mombasa Lot 28 Roads.....	2.5	1.8	86.4
Katumani-Vota-Konza Lot 17 Road.....	4.0	15.0	80.7
Mokonyeti East Road.....	1.5	60.0	80.0
Kitangi-Kathome Lot 8 Road.....	3.0	25.0	68.4
Kericho K-Rep-Emmanuel Road.....	1.5	58.0	43.0
Naivasha Roads Lot 5 (Maraigushu-Kinugi Road).....	1.5	60.0	41.5
Bomet Kapsimotwa-Silibwet Lot 7 Road.....	1.5	42.0	36.1
Nanyuki Sweetwaters Lot 8 Road.....	0.8	79.1	25.9
Kabarnet Lot 10 Roads.....	1.5	70.0	25.4
Kapsabet Lot 13 Roads.....	1.0	68.0	23.0
OIKalou-Kiganjo Sec Lot 11Y road.....	0.5	100.0	21.5
Maralal Muslim Rehab Centre Loop Road.....	0.5	100.0	20.8

Source:Kenya Highway Authority and Kenya Urban Roads Authority.....

Rail Construction 11.15. Phase 2A of the Standard Gauge Railway (SGR) from Nairobi to Naivasha covering rail distance of 120 kilometres was under construction in 2018. It encompasses construction of 4 tunnels covering a total of 7.8 kilometres and 9 super long bridges. The project is estimated at KSh 155.5 billion and expected to be completed by June 2019.

The Tourism Sector

Overview

The tourism sector registered improved performance in 2018 mainly attributed to growth in aviation, investor confidence and withdrawal of travel advisories. The performance was also boosted by visits by foreign dignitaries and revitalized marketing effort. Tourism earnings increased by 31.3 per cent to KSh 157.4 billion in 2018. The number of international arrivals increased by 14.0 per cent to 2,027.7 thousand in 2018. Hotel Bed-night occupancy increased by 20.1 per cent to 8,617.9 thousand in 2018, of which 52.1 per cent were occupied by residents, indicating growing importance of domestic tourism.

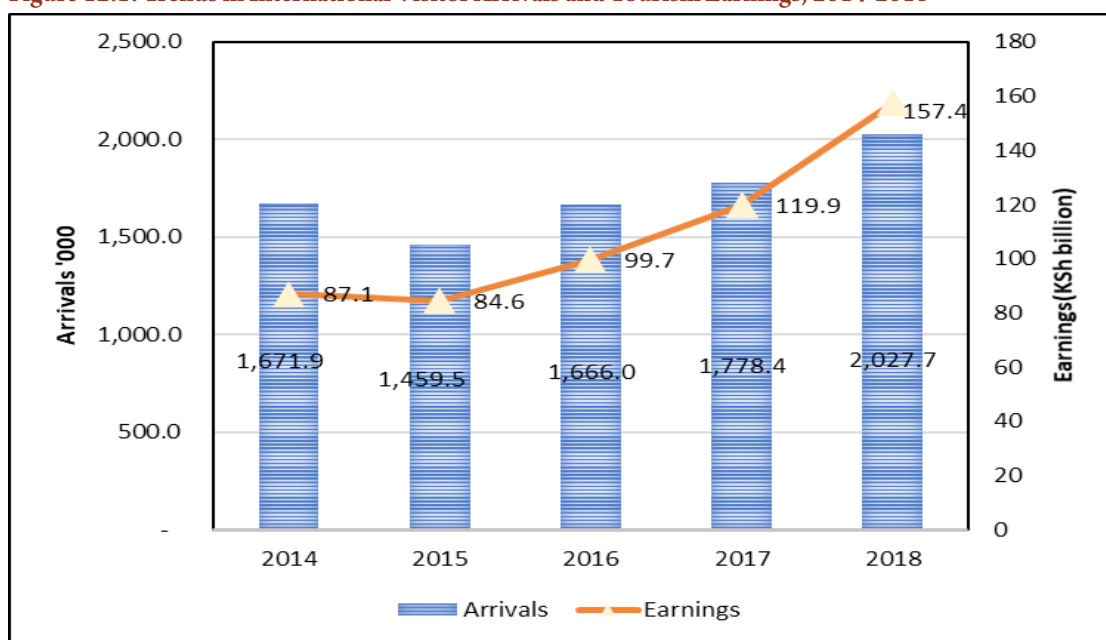
12.2. The number of international conferences expanded by 6.8 per cent to 204 in 2018 while that of local conferences increased by 7.9 per cent to 4,147 in 2018. This may partly be attributed to high-profile international conferences and meetings held in 2018. The number of visitors to national parks and game reserves rose by 20.3 per cent to 2,868.9 thousand while that of visitors to museums, snake parks and historical sites grew by 32.3 per cent to 1,034.3 thousand in 2018.

12.3. The robust performance of tourism in 2018 indicate the sector is poised to achieve the set targets by 2020 as contained in the Third Medium Term Plan (MTP III) 2018-2022. The targets include: The number of international arrivals rising to 2.1 million; tourism earnings at KSh 145.0 billion and; hotel bed-night occupancy by Kenyans at 5.5 million.

Visitor Arrivals

12.4. The number of international visitor arrivals increased by 14.0 per cent to 2,027.7 thousand in 2018, against a target of 2,100 thousand by 2020. Consequently, tourism earnings increased by 31.3 per cent from KSh 119.9 billion in 2017 to KSh 157.4 billion in 2018. Figure 12.1 presents more details on trends in international arrivals and tourism earnings.

Figure 12.1: Trends in International Visitor Arrivals and Tourism Earnings, 2014-2018



12.5. The monthly international visitor arrivals through Moi International Airport (MIA) and Jomo Kenyatta International Airport (JKIA) in 2017 and 2018 is presented in Figures 12.2(a) and 12.2(b), respectively. The number of international visitors who arrived through MIA grew by 25.8 per cent to 138.0 thousand while that through JKIA expanded by 18.3 per

cent to 1,403.3 thousand in 2018. Arrivals through the two international airports were higher in all months of 2018 compared to 2017. Key developments in the aviation sector during 2018 included improved services at JKIA, introduction of direct flights between Nairobi and New York, return of Air France flights and introduction of Qatar Airways flights between Doha and Mombasa.

Figure 12.2(a): Monthly International Visitor Arrivals through MIA, 2017-2018

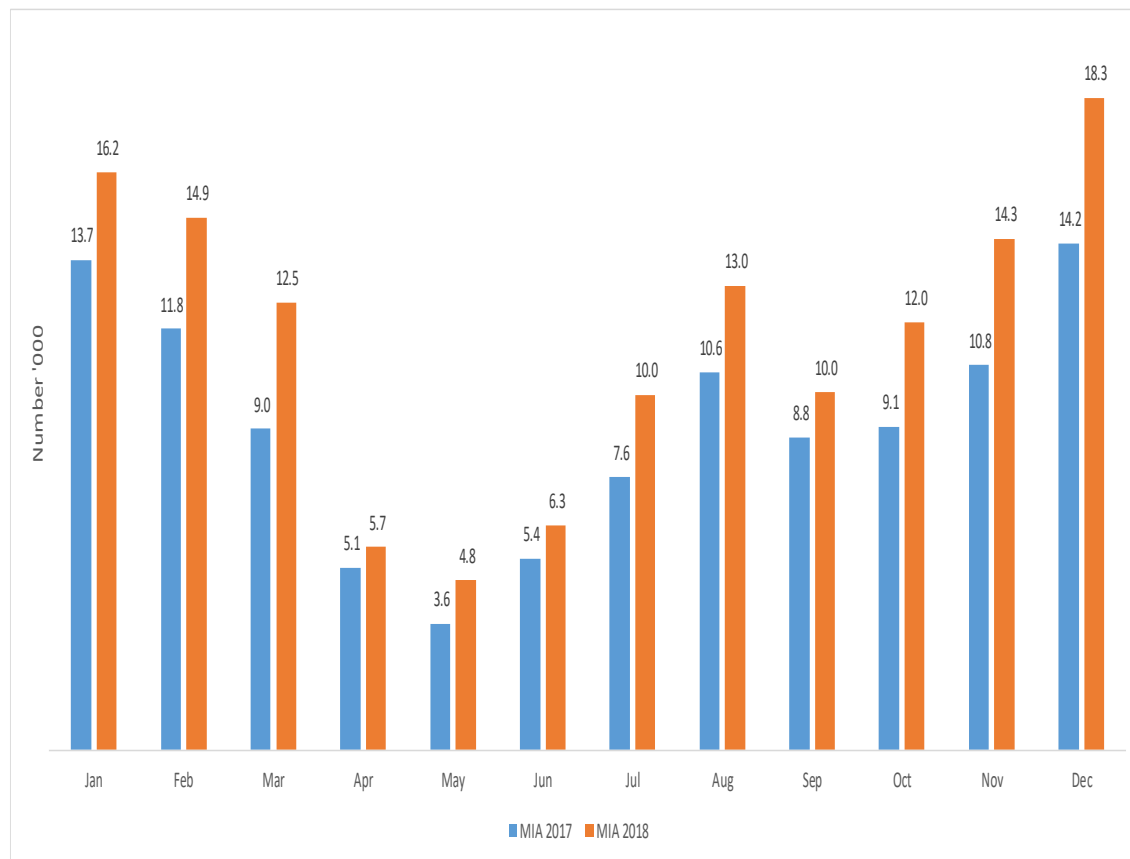
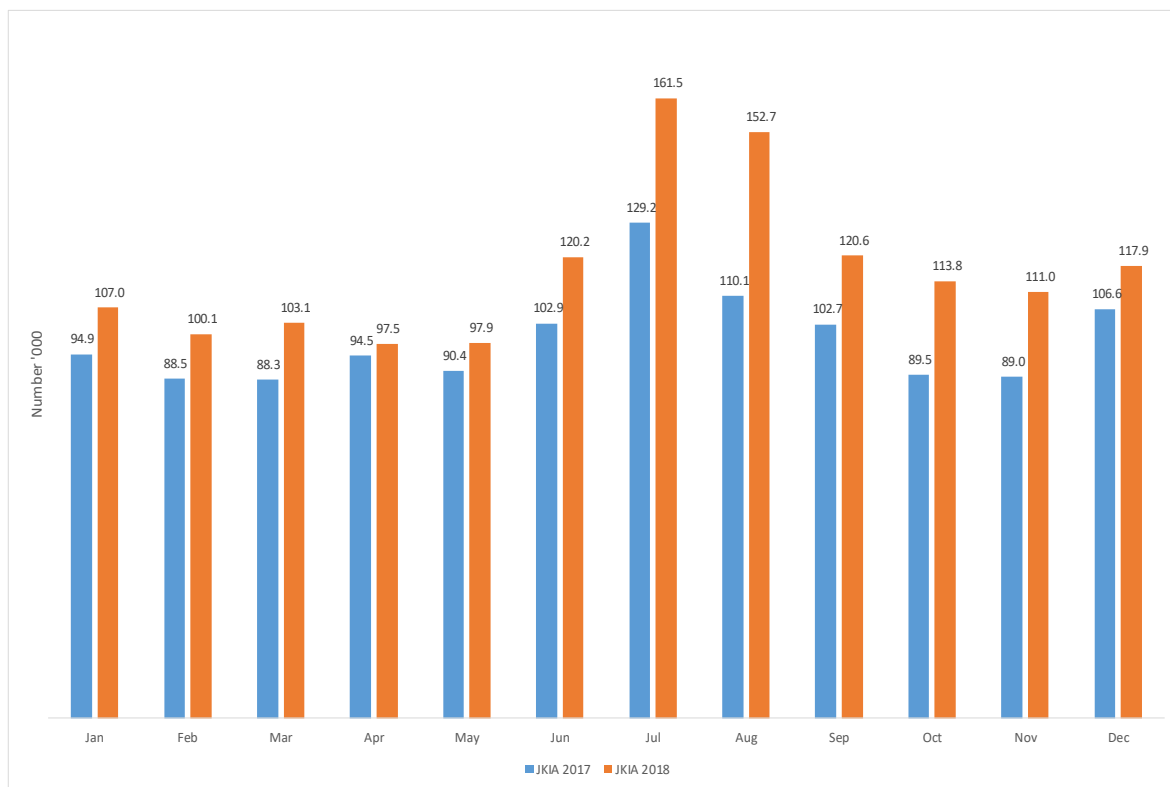
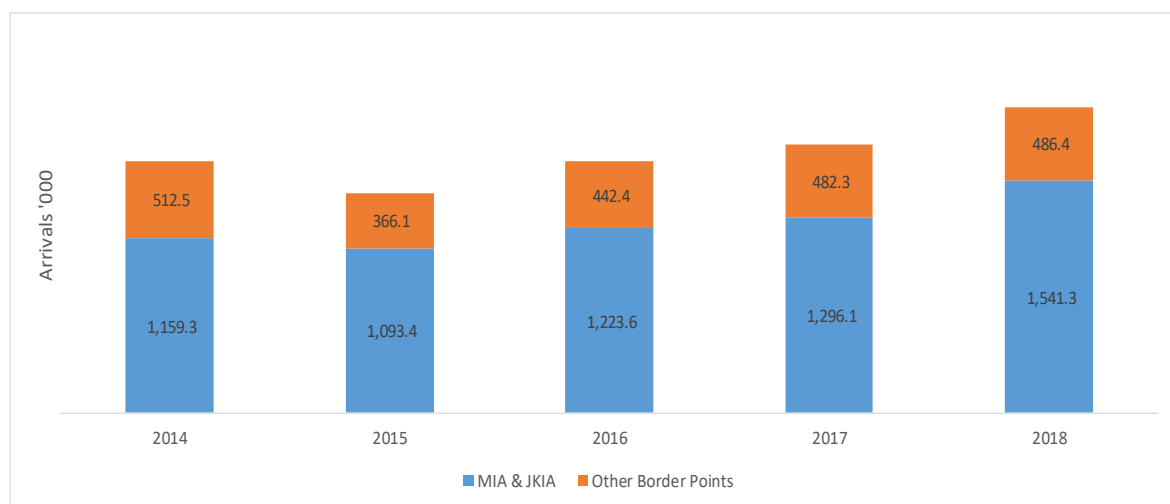


Figure 12.2(b): Monthly International Visitor Arrivals through JKIA, 2017-2018



12.6. Figure 12.2(c) shows the international visitor arrivals through both MIA and JKIA and other border points from 2014 to 2018. The visitor arrivals through both MIA and JKIA grew at a faster rate of 18.9 per cent compared to a marginal rise of 0.9 per cent recorded through other border points in 2018.

Figure 12.2(c): Number of International Visitor Arrivals through MIA and JKIA, and Other Border Points, 2014-2018



12.7. International arrivals by purpose of visit for the period 2014 to 2018 is shown in Table 12.1. The total number of international arrivals by purpose increased across all the quarters of 2018 compared to 2017. The number of visitor arrivals on holiday accounted for 73.9 per cent of all international arrivals in 2018 while those on business accounted for 12.7 per cent as depicted in Figure 12.2(d).

Table 12.1: International Visitor Arrivals⁺ by Purpose of Visit, 2014-2018

		'000				
Quarter	Purpose	2014	2015	2016	2017	2018*
1 st Qtr.	Holiday	313.8	241.8	280.0	306.1	350.4
	Business.....	59.1	47.6	50.2	70.6	62.1
	Transit	33.7	20.9	20.5	25.5	26.0
	Other	43.7	27.0	33.0	21.4	35.1
	TOTAL	450.3	337.3	383.7	423.7	473.5
2 nd Qtr.	Holiday	305.4	224.1	248.8	280.8	315.2
	Business.....	56.8	55.4	56.3	64.9	56.6
	Transit	33.7	18.7	23.0	43.8	24.8
	Other	35.7	40.0	39.8	33.3	53.0
	TOTAL	431.6	338.3	367.8	422.7	449.6
3 rd Qtr.	Holiday	309.9	296.6	355.5	335.0	446.1
	Business.....	49.7	47.7	68.2	63.1	80.6
	Transit	25.7	25.1	22.2	18.7	22.6
	Other	42.4	43.5	45.5	77.7	50.4
	TOTAL	427.7	412.9	491.3	494.4	599.7
4 th Qtr.	Holiday	279.0	280.7	312.6	296.0	386.1
	Business.....	41.8	45.5	49.3	46.1	57.9
	Transit	18.4	17.4	23.2	16.9	23.6
	Other	23.1	27.4	38.0	78.8	37.3
	TOTAL	362.3	371.0	423.2	437.6	504.9
Annual	Holiday	1,208.1	1,043.2	1,196.8	1,217.8	1,497.7
	Business.....	207.3	196.2	224.0	244.7	257.2
	Transit	111.5	82.0	88.9	104.8	97.1
	Other	144.9	138.0	156.3	211.2	175.8
	TOTAL	1,671.9	1,459.5	1,666.0	1,778.4	2,027.7

+Revised

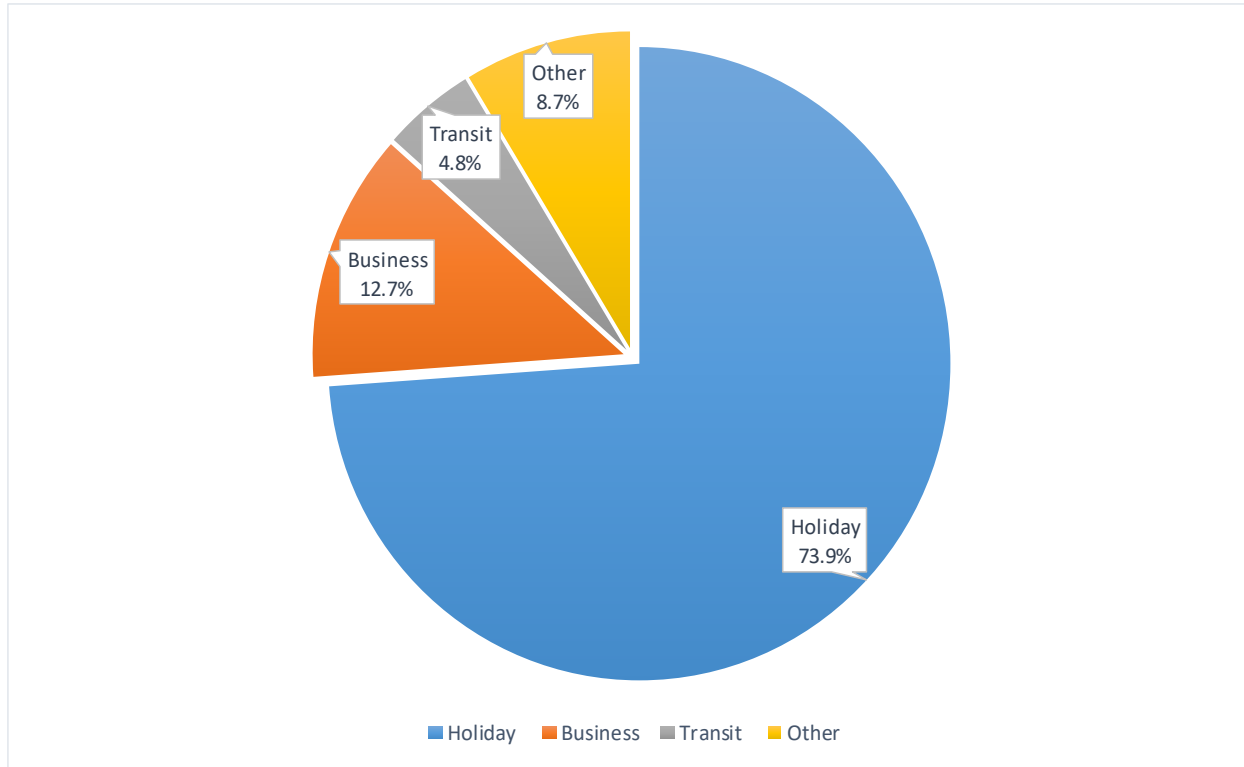
* Provisional

Notes

1.Revision was as a result of change of method of data collection

2. "Others" category include: Medical, Religious Mission/Volunteer, Sports, Health, Study, Visiting Friends and Relatives, Others /Not Stated.

Figure 12.2(d): International Visitor Arrivals by Purpose of Visit, 2018



Visitor Departures

12.8. The number of departing visitors by purpose of visit from 2014 to 2018 is shown in Table 12.2. The number of departing visitors increased by 13.0 per cent to 1,856.8 thousand in 2018 from 1,643.3 thousand in 2017. The growth was mainly due to an increase in the number of holiday visitors in 2018.

Table 12.2: International Visitor Departures⁺ by Purpose of Visit, 2014-2018

		'000				
Quarter	Purpose	2014	2015	2016	2017	2018*
1 st Qtr.	Holiday	185.1	222.3	238.4	259.6	314.4
	Business.....	42.3	43.7	56.7	63.6	55.7
	Transit	26.6	19.2	25.7	29.7	23.3
	Other	31.6	24.8	36.3	44.7	31.5
	TOTAL	285.7	310.1	357.1	397.6	424.9
2 nd Qtr.	Holiday	205.0	209.9	231.7	261.3	285.2
	Business.....	45.5	51.9	52.4	58.1	51.2
	Transit	23.7	17.5	21.4	29.2	22.5
	Other	36.9	37.5	37.1	41.4	48.0
	TOTAL	311.1	316.9	342.5	390.1	406.9
3 rd Qtr.	Holiday	238.8	268.6	325.0	297.0	424.2
	Business.....	44.6	46.6	64.8	70.3	76.6
	Transit	23.8	24.5	21.1	31.6	21.5
	Other	39.3	63.3	56.2	68.5	48.0
	TOTAL	346.5	403.0	467.1	467.4	570.3
4 th Qtr.	Holiday	196.0	266.8	302.4	273.2	347.6
	Business.....	36.2	43.3	46.8	54.4	52.2
	Transit	19.4	16.5	22.0	25.4	21.3
	Other	30.2	26.0	30.3	35.3	33.6
	TOTAL	281.8	352.7	401.6	388.2	454.7
Annual	Holiday	824.9	967.7	1,097.5	1,091.1	1,371.5
	Business.....	168.6	185.5	220.8	246.4	235.7
	Transit	93.5	77.7	90.2	115.8	88.6
	Other	138.1	151.7	159.8	190.0	161.0
	TOTAL	1,225.1	1,382.5	1,568.3	1,643.3	1,856.8

+Revised

* Provisional

Notes

1.Revision was as a result of change of method of data collection

2. "Others" category include: Medical, Religious Mission/Volunteer, Sports, Health, Study, Visiting Friends and Relatives, Others /Not Stated.

12.9. Table 12.3 depicts the number of departing visitors by country of residence and by purpose of visit. Residents of Germany and United Kingdom jointly accounted for almost a half of the departing residents of Europe. Departures by residents of African countries increased by 16.4 per cent to 619.6 thousand in 2018.

Table 12.3: Departing Visitors by Country of Residence and by Purpose of Visit⁺, 2016-2018

Country of Residence	Holiday			Business			Transit			Total ¹		
	2016	2017	2018*	2016	2017	2018*	2016	2017	2018*	2016	2017	2018*
Germany	41.8	44.8	55.3	8.4	10.1	9.5	3.5	4.7	3.6	53.7	59.6	68.4
United Kingdom	115.4	111.0	135.9	23.3	25.1	23.3	9.6	11.7	8.8	148.3	147.7	168.0
Switzerland	8.3	8.4	9.8	1.7	1.9	1.7	0.7	0.9	0.6	10.6	11.2	12.2
Italy	28.5	34.9	43.0	5.7	7.9	7.4	2.4	3.7	2.8	36.5	46.5	53.2
France	22.9	24.6	34.8	4.6	5.6	6.0	1.9	2.6	2.3	29.5	32.7	43.0
Scandinavia	31.7	33.2	42.1	6.4	7.5	7.2	2.6	3.5	2.7	40.7	44.2	52.1
Other Europe	81.8	87.4	109.5	16.5	19.7	18.8	6.8	9.2	7.1	105.1	116.4	135.4
TOTAL EUROPE	330.5	344.3	430.3	66.6	77.8	74.0	27.4	36.3	27.9	424.4	458.4	532.2
USA	120.5	121.5	163.1	24.3	27.4	28.0	10.0	12.8	10.6	154.7	161.8	201.7
Canada	22.7	23.6	30.5	4.6	5.3	5.2	1.9	2.5	2.0	29.2	31.4	37.7
TOTAL NORTH AMERICA	143.2	145.1	193.6	28.8	32.8	33.3	11.9	15.3	12.6	183.9	193.1	239.4
Uganda	101.1	79.2	106.8	20.4	17.9	18.4	8.4	8.3	6.9	129.8	105.4	132.1
Tanzania	103.0	120.8	129.1	20.8	27.3	22.2	8.5	12.7	8.4	132.3	160.9	159.7
Burundi	12.1	12.5	17.2	2.4	2.8	3.0	1.0	1.3	1.1	15.6	16.6	21.3
Rwanda	17.8	15.8	20.8	3.6	3.6	3.6	1.5	1.7	1.3	22.9	21.1	25.7
South Sudan	11.7	10.0	12.9	2.4	2.3	2.2	1.0	1.1	0.8	15.1	13.4	15.9
Other Africa	172.3	161.0	214.5	34.4	36.4	36.9	13.6	17.8	13.4	220.2	215.2	264.8
TOTAL AFRICA	418.1	399.4	501.3	83.9	90.2	86.2	33.9	42.9	32.1	536.0	532.5	619.6
India	82.0	77.6	91.9	16.5	17.5	15.8	6.8	8.2	6.0	105.3	103.3	113.6
Japan	9.6	7.7	9.5	1.9	1.7	1.6	0.8	0.8	0.6	12.3	10.3	11.8
Israel	3.9	4.0	4.5	0.8	0.9	0.8	0.3	0.4	0.3	5.1	5.3	5.5
Other Asia	81.9	83.1	102.6	16.5	18.8	17.6	6.8	8.8	6.7	105.2	110.6	126.9
TOTAL ASIA	177.4	172.4	208.5	35.7	38.9	35.8	14.7	18.2	13.5	227.9	229.5	257.8
Australia and New Zealand	18.2	19.0	23.3	3.7	4.3	4.0	1.5	2.0	1.5	23.4	25.3	28.8
All Other Countries	10.1	11.0	14.6	2.0	2.5	2.5	0.8	1.2	0.9	13.0	14.7	18.0
TOTAL	1,097.5	1,091.1	1,371.5	220.8	246.5	235.7	90.2	115.8	88.6	1,408.5	1,453.4	1,695.8

+Revised

*Provisional

¹Excludes visitors whose purpose of visit is categorized as "Other"

12.10. The number of visitor-days stayed by purpose of visit and average length of stay are shown in Table 12.4. The total number of days stayed by departing visitors expanded from 18,888.0 thousand in 2017 to 19,615.0 thousand in 2018. The average length of stay improved slightly to 13.1 days in 2018 from 13.0 days in 2017.

Table 12.4: Number of Visitor-Days Stayed* by Purpose of Visit, 2014-2018

Purpose	'000				
	2014	2015	2016	2017	2018*
Holiday	11,583.0	13,587.0	15,412.0	15,321.0	16,258.0
Business	2,242.0	2,468.0	2,937.0	3,277.0	3,135.0
Transit... ..	234.0	194.0	226.0	290.0	222.0
TOTAL	14,059.0	16,249.0	18,575.0	18,888.0	19,615.0
<i>Average length of stay in days ...</i>	<i>12.9</i>	<i>13.2</i>	<i>13.2</i>	<i>13.0</i>	<i>13.1</i>

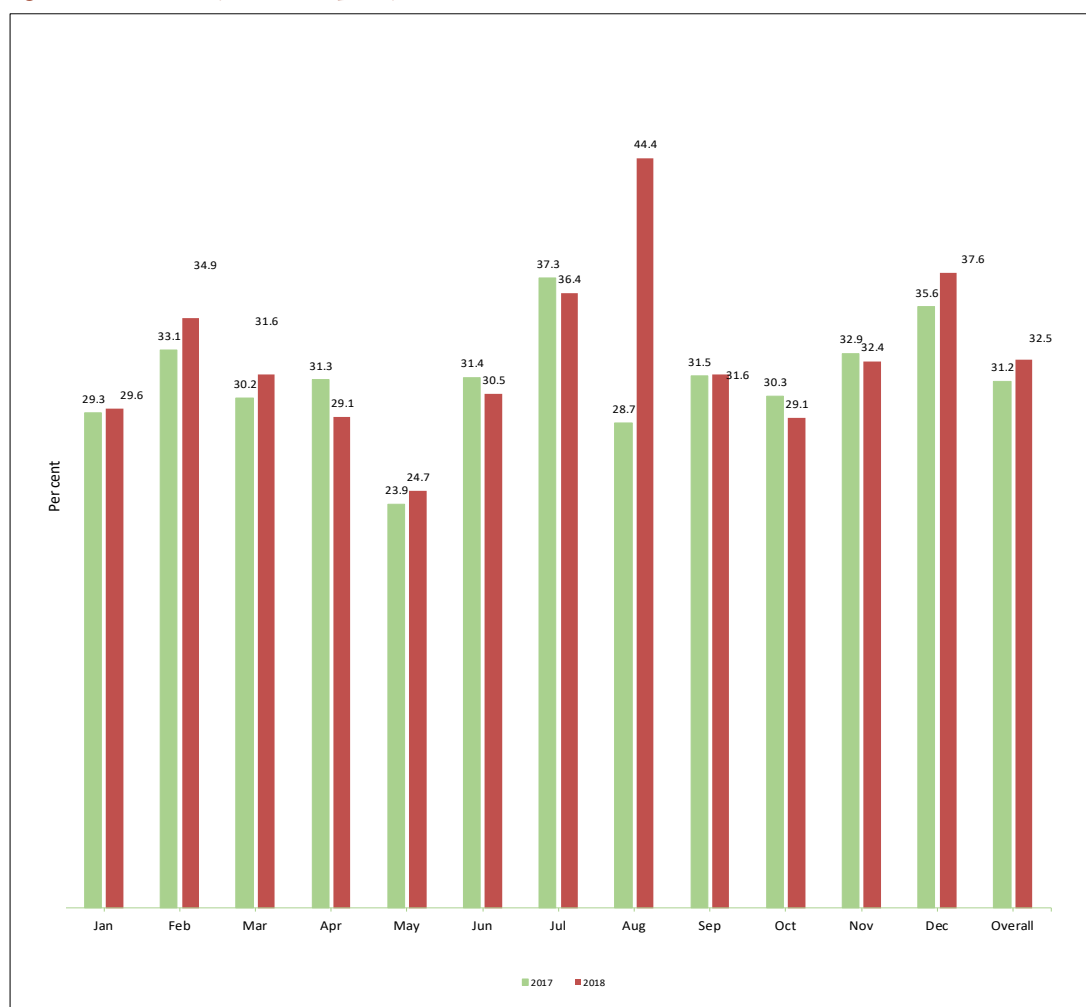
+Revised

* Provisional

Hotel Occupancy by Country of Residence

12.11. The monthly hotel bed occupancy rates by months for 2017 and 2018 are depicted in Figure 12.3. The bed occupancy peak was recorded in August at 44.4 per cent in 2018. Bed occupancy rates for all other months reveal minimal variations between 2017 and 2018.

Figure 12.3: Monthly Bed Occupancy Rates, 2017-2018



12.12. Table 12.5 shows bed-night occupancy in hotels, lodges and other rooming houses by country of residence, from 2014 to 2018. The number of bed-nights increased by 20.1 per cent from 7,174.2 thousand in 2017 to 8,617.9 thousand in 2018. Hotel bed night occupancy by residents of France recorded the highest growth from 97.1 thousand in 2017 to 193.3 thousand in 2018. The hotel bed night occupancy by residents of Europe increased by 29.1 per cent to 2,277.7 thousand in 2018. Residents of Kenya occupied more than half of the total bed-nights in 2018, showing the significance of domestic tourism. The number of hotel bed-

night capacity grew by 19.5 per cent from 22,987.1 thousand in 2017 to 26,500.6 thousand in 2018. This may be attributed to new hotels and decentralization of some of the existing ones. Overall, bed occupancy rate rose to 31.4 per cent in 2018 from 31.2 per cent in 2017.

Table 12.5: Hotel Bed-Nights Occupancy by Country of Residence, 2014-2018

	'000				
Country of Residence	2014	2015	2016	2017	2018*
Domestic Tourism					
Kenya Residents	2,948.7	3,154.1	3,495.9	3,645.1	4,559.8
International Tourism					
Permanent Occupants ¹ ...	98.7	102.3	87.0	127.5	44.7
Germany	751.7	617.9	685.4	762.7	934.2
Switzerland	82.1	80.2	63.2	78.3	85.3
United Kingdom	275.0	224.5	211.6	258.6	285.6
Italy	156.2	74.1	88.3	91.6	103.1
France	75.6	67.1	89.9	97.1	193.3
Scandinavia	120.0	71.9	76.5	80.1	109.6
Other Europe	341.5	240.4	344.4	395.6	566.7
EUROPE	1,802.2	1,376.1	1,559.3	1,764.1	2,277.7
Uganda	67.7	76.0	77.4	76.8	81.1
Tanzania	62.0	55.7	58.3	51.0	58.9
East and Central Africa ...	101.3	102.3	105.3	110.7	133.4
West Africa	68.0	60.7	59.3	67.0	74.7
North Africa	37.3	24.9	32.0	40.3	28.4
South Africa	75.2	88.0	70.6	65.5	74.9
Other Africa	37.0	57.7	49.8	34.6	54.0
AFRICA	448.5	465.3	452.6	445.9	505.5
U.S.A	293.9	248.5	254.3	287.3	346.0
Canada	59.9	46.4	43.3	54.6	69.3
Other America	35.2	37.0	25.6	39.4	44.6
AMERICA	389.0	331.9	323.2	381.3	459.9
Japan	38.9	33.3	39.1	42.4	48.2
India	110.3	115.1	120.3	165.1	167.2
Middle East	57.4	55.8	49.4	46.2	54.7
China	92.1	82.6	131.9	192.3	230.5
Other Asia	49.4	45.2	45.5	45.9	58.0
ASIA	348.1	332.1	386.2	491.8	558.6
Australia and New Zealand	58.4	44.3	46.9	71.1	78.2
All Other Countries	188.0	72.6	97.5	247.4	133.5
Total-Occupied	6,281.6	5,878.6	6,448.5	7,174.2	8,617.9
Total-Available	19,877.2	20,187.2	21,258.5	22,987.1	26,500.6
Occupancy rate %	31.6	29.1	30.3	31.2	32.5

* Provisional

¹Persons staying one month or more in one hotel, including some block bookings for air crew

12.13. Hotel bed-nights occupancy by zone for the period 2014 to 2018 is presented in Table 12.6. The number of hotel bed-nights occupied in the Coastal Beach area rose by 24.7 per cent from 2,670.4 thousand in 2017 to 3,329.0 thousand in 2018 while occupancy in Coastal Other grew by 34.2 per cent to 280.4 thousand over the review period. Occupancy in Nairobi High Class registered a 17.7 per cent growth to stand at 1,371.7 thousand in 2018. A growth of 51.4 per cent was also witnessed in Central zone where the hotel bed-nights occupied increased

from 745.5 thousand in 2017 to 1,128.5 thousand in 2018. Notable decreases in hotel bed nights occupancy were recorded in the Coastal Hinterland and the Nyanza Basin in 2018.

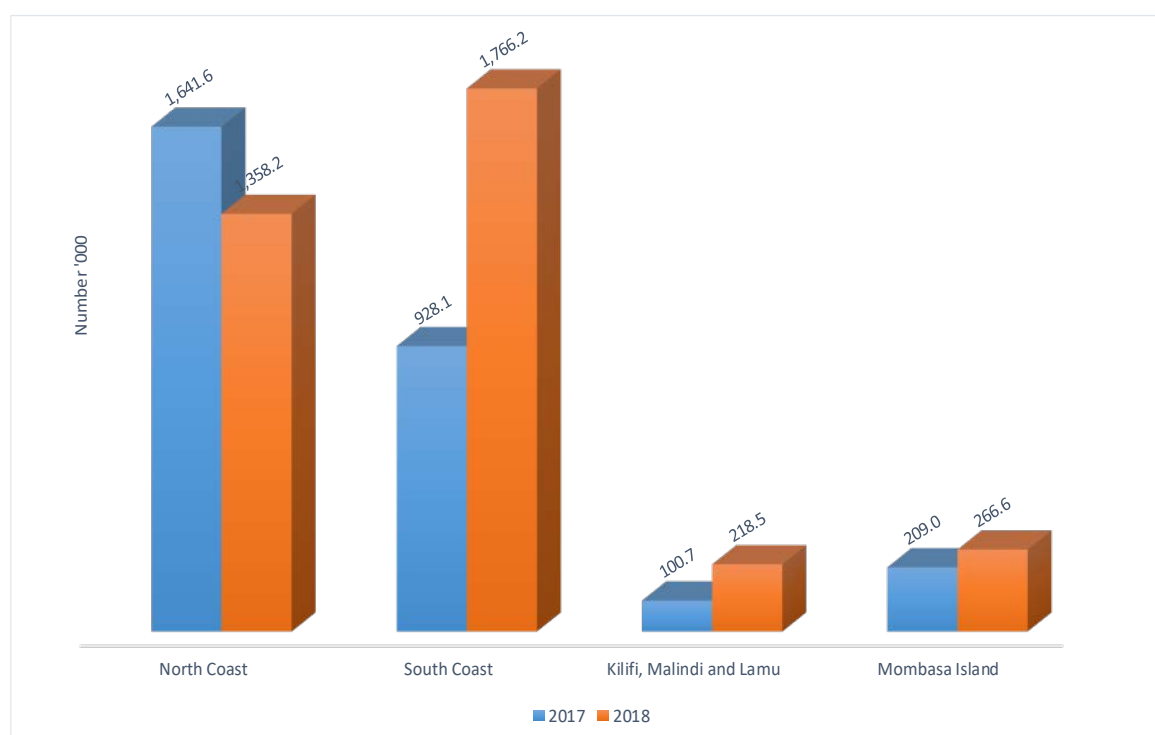
Table 12.6: Hotel Bed-Nights by Zone, 2014-2018

Zone	2014	2015	2016	2017	2018*
Coastal Beach	2,527.7	2,113.8	2,286.3	2,670.4	3,329.0
Coastal Other	95.9	116.6	197.2	209.0	280.4
Coastal Hinterland	133.2	108.4	177.5	173.8	107.5
Nairobi High Class	1,119.1	1,014.9	1,076.3	1,165.5	1,371.7
Nairobi Other	388.0	378.0	445.1	507.3	657.0
Central	686.3	583.6	691.6	745.5	1,128.5
Masailand	479.5	491.6	655.5	732.1	827.0
Nyanza Basin	357.7	487.8	325.4	295.2	226.0
Western	433.3	448.8	493.6	572.0	560.3
Northern	60.9	135.1	100.0	103.3	130.6
Total-Occupied	6,281.6	5,878.6	6,448.5	7,174.2	8,617.9
Total-Available	19,877.2	20,187.2	21,258.5	22,987.1	26,500.6

* Provisional

12.14. Figure 12.4 depicts the number of hotel bed-nights occupied along the coastal strip, excluding the Coastal Hinterland in 2017 and 2018. The South Coast was a more preferred destination compared to the North Coast in 2018. Bed-nights occupancy at the South Coast rose from 928.1 thousand in 2017 to 1,766.2 thousand in 2018. Occupancy within Mombasa Island improved from 209.0 thousand bed-nights in 2017 to 266.6 thousand bed-nights in 2018. Hotel bed-nights occupancy at the North Coast dropped from 1,641.6 thousand in 2017 to 1,358.2 thousand in 2018.

Figure 12.4: Bed-Nights Occupancy at the Coast, 2017-2018



12.15. The number of hotel bed-nights occupied by area and by guests' country of residence is shown in Table 12.7. The number of hotel bed-nights occupied by residents of USA in game lodges increased from 107.8 thousand in 2017 to 133.4 thousand in 2018. Similarly, the number of bed-nights occupied by residents of China in the game lodges increased from 86.7 thousand in 2017 to 97.5 thousand in 2018. Local and German residents continued to prefer the coast region, registering hotel bed night occupancy of 1,811.3 thousand and 836.8 thousand, respectively, in 2018. European markets which include Germany, France and United Kingdom contributed high number of visitors preferring coastal beach hotels. The coastal beaches captured the attention of the world with the naming of Diani beach as Africa's leading beach destination in October 2018 for the 6th time in a row by the World Travel Awards (WTA).

Table 12.7: Hotel Bed-Nights Occupancy by Area and Country of Residence, 2017-2018

Country of Residence	Nairobi		Coast		Game Lodges ²		Others		Total	
	2017	2018*	2017	2018*	2017	2018*	2017	2018*	2017	2018*
	'000									
Kenya	581.1	912.9	1,467.4	1,811.3	281.5	259.8	1,315.2	1,575.8	3,645.1	4,559.8
Permanent Occupants ¹	7.2	6.0	50.1	8.9	2.6	1.6	67.6	28.3	127.5	44.7
Germany	31.1	38.3	685.3	836.8	34.3	45.5	12.0	13.6	762.7	934.2
Switzerland	10.0	12.1	55.8	59.5	6.8	10.1	5.7	3.5	78.3	85.3
United Kingdom	86.9	74.7	111.9	132.1	46.8	57.7	13.0	21.1	258.6	285.6
Italy	15.5	12.7	59.5	71.5	12.5	13.5	4.1	5.4	91.6	103.1
France	26.9	25.0	52.3	133.7	14.7	25.3	3.3	9.2	97.1	193.3
Scandinavia	22.8	25.8	31.4	44.7	19.4	26.9	6.5	12.1	80.1	109.6
Other Europe	85.6	87.3	248.4	386.1	46.4	67.7	15.2	25.7	395.6	566.7
Uganda	43.2	49.2	21.1	17.5	1.4	2.3	11.1	12.1	76.8	81.1
Tanzania	33.8	39.6	11.1	12.1	1.1	1.4	5.0	5.8	51.0	58.9
East & Central Africa	88.7	109.0	15.9	16.4	2.2	1.5	4.0	6.5	110.7	133.4
West Africa	52.9	58.6	7.6	10.1	4.4	2.0	2.1	4.0	67.0	74.7
North Africa	33.5	21.0	3.5	4.2	2.6	1.7	0.7	1.5	40.3	28.4
South Africa	50.2	52.4	9.8	14.3	3.2	4.1	2.3	4.0	65.5	74.9
Other Africa	22.7	34.0	7.0	11.8	2.5	2.5	2.3	5.7	34.6	54.0
USA	121.3	134.0	31.3	35.2	107.8	133.4	26.8	43.4	287.3	346.0
Canada	25.4	26.8	7.5	11.6	17.3	22.4	4.5	8.4	54.6	69.3
Other America	18.2	14.5	5.8	7.7	10.3	17.0	5.1	5.4	39.4	44.6
Japan	19.8	22.0	5.3	6.1	11.1	14.3	6.1	5.8	42.4	48.2
India	71.9	56.2	17.4	19.5	53.6	67.5	22.2	24.1	165.1	167.2
Middle East	25.3	28.5	10.7	9.7	6.8	10.0	3.4	6.6	46.2	54.7
China	44.5	63.4	19.3	19.5	86.7	97.5	41.7	50.2	192.3	230.5
Other Asia	23.0	26.6	7.9	8.0	10.8	15.7	4.3	7.6	45.9	58.0
Australia & New Zealand	23.9	30.0	23.2	9.8	20.0	23.7	4.0	14.7	71.1	78.2
All Other Countries	107.6	68.2	87.0	18.7	28.6	32.4	24.2	14.2	247.4	133.5
Total	1,672.8	2,028.6	3,053.3	3,716.9	835.4	957.6	1,612.7	1,914.8	7,174.2	8,617.9
Percentage Share	23.3	23.5	42.6	43.1	11.6	11.1	22.5	22.2	100.0	100.0

* Provisional

¹Persons staying for one month or more in one hotel, including some block bookings for air crew²Lodges in National Parks and Game Reserves

National Parks and Game Reserves 12.16. The number of bed-nights occupied and type of catering offered in the accommodation facilities located in national parks and game reserves is shown in Table 12.8. Bed-nights occupied in game lodges improved from 835.4 thousand in 2017 to 957.6 thousand in 2018, representing a 14.6 per cent rise. Occupancy in national parks expanded from 500.8 thousand in 2017 to 630.5 thousand in 2018 mainly on account of increased visitors to the Masai Mara game reserve. Over two thirds of total bed-nights occupied were by none East African Community residents that grew by 25.9 per cent to 694.1 thousand in 2018. Bed-nights occupied by East African Community (EAC) residents declined from 284.0 thousand in 2017 to 263.5 thousand in 2018. Visitors to game reserves and national parks continued to prefer full catering services.

Table 12.8: Bed Night Occupied in Game Lodges¹, 2016-2018

'000

	Bed-Nights Occupancy								
	None EAC			EAC Residents			Total		
	2016	2017	2018*	2016	2017	2018*	2016	2017	2018*
Game Reserves	176.5	170.4	186.0	187.7	164.2	141.1	364.2	334.6	327.1
National Parks	274.6	381.0	508.1	116.6	119.8	122.4	391.2	500.8	630.5
TOTAL	451.1	551.4	694.1	304.4	284.0	263.5	755.4	835.4	957.6
Of which full Catering	382.3	493.2	635.6	217.2	176.4	157.1	599.5	669.7	792.7
Self Service	68.7	58.2	58.4	87.2	107.6	106.4	155.9	165.8	164.9

* Provisional

¹ Lodges in National Parks and Game Reserves

E.A.C means East African Community

12.17. Table 12.9 shows the number of visitors to national parks and game reserves from 2014 to 2019. The number of visitors to national parks and game reserves went up by 20.3 per cent from 2,385.2 thousand in 2017 to 2,868.9 thousand in 2018. Number of visitors to Masai Mara game reserve rose by 68.6 per cent to 291.2 thousand in 2018. High increases in visitors were also recorded at Watamu Marine, Impala Sanctuary, Lake Nakuru and Tsavo national parks.

Table 12.9: Number of Visitors to National Parks and Game Reserves, 2014-2018

Park/Reserve	'000				
	2014	2015	2016	2017	2018*
Nairobi	131.8	133.1	153.1	154.5	196.7
Nairobi Safari Walk	133.0	139.2	149.3	165.9	158.7
Nairobi Mini Orphanage	361.3	328.2	390.4	367.7	414.8
Amboseli	117.1	86.9	114.6	145.5	175.8
Tsavo (West)	51.0	31.8	50.2	55.3	74.1
Tsavo (East)	103.2	75.2	84.8	120.5	167.0
Aberdare	43.8	34.7	41.3	43.7	43.2
Lake Nakuru	226.0	188.9	214.7	216.0	242.0
Masai Mara	166.0	146.9	146.3	172.7	291.2
Haller's Park	116.2	115.4	121.1	117.9	165.8
Malindi Marine	28.9	29.3	31.5	31.6	29.1
Lake Bogoria	80.5	71.4	90.8	67.6	74.6
Meru	19.2	17.3	19.8	16.7	18.8
Shimba Hills	17.6	17.2	21.2	24.0	25.6
Mt. Kenya	20.2	18.5	19.1	20.2	25.9
Samburu	15.4	8.5	10.8	11.1	11.4
Kisite/Mpunguti	29.7	24.8	34.4	38.4	50.3
Mombasa Marine	27.4	26.2	29.5	32.2	39.8
Watamu Marine	31.3	24.3	33.9	43.5	67.5
Hell's Gate	114.1	120.2	154.4	206.5	165.8
Impala Sanctuary(Kisumu)	227.6	212.1	256.5	200.2	309.4
Mt. Longonot	50.7	53.3	64.5	88.0	60.1
Others ¹	52.6	49.5	52.6	45.6	61.4
TOTAL	2,164.6	1,952.8	2,284.7	2,385.2	2,868.9

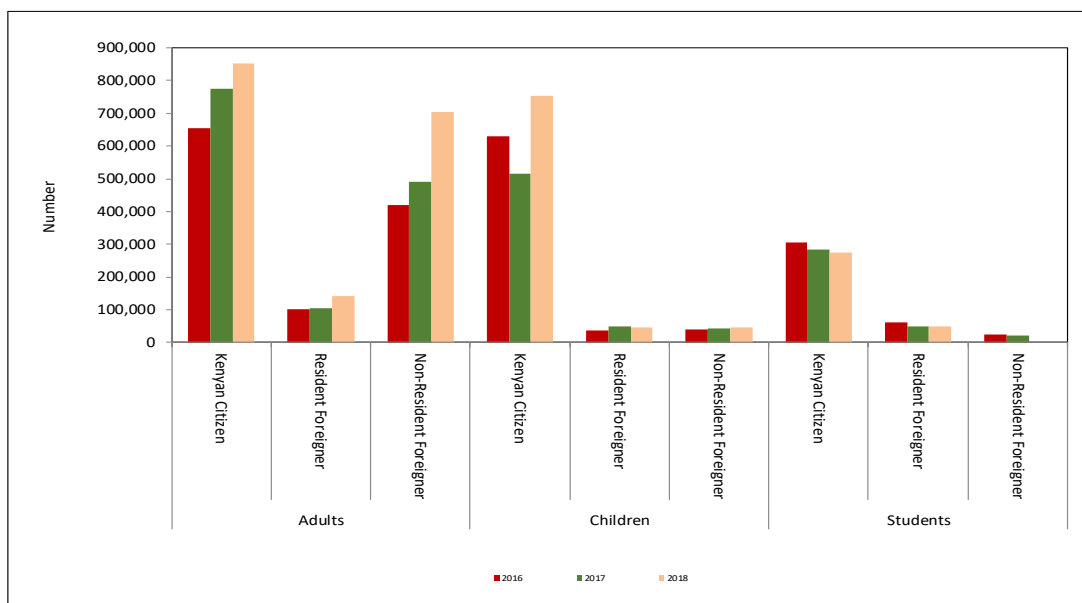
Source: Kenya Wildlife Services

* Provisional

¹Others include Arabuko Sokoke, Ol-Donyo Sabuk, Marsabit, Saiwa swamp, Sibiloi, Bamburi, Chyulu, Ruma National Park, Mwea National Reserve, Central Island National Park, Kiunga, Mt.Elgon, Nasolot, Ndere and Kakamega.

12.18. Kenyan citizens continued to constitute the largest number of visitors to national parks and game reserves in 2018 as presented in Figure 12.5. Among the non-residents, adults constituted the highest number of visitors to national parks and game reserves in 2018. However, the number of student visitors to the parks and game reserves contracted in 2018 compared to 2017.

Figure 12.5: Visitors to National Parks and Game Reserves, 2016-2018



Note: Resident foreigner refers to foreigner expecting and/or have stayed in Kenya for more than 12 months

Selected Museums, Snake Parks and Historical Sites 12.19. There was improved performance in the number of visitors to museums and historical sites in 2018 as shown in Table 12.10. The number of visitors to the attraction facilities increased by 32.3 per cent from 782.0 thousand in 2017 to 1,034.3 thousand in 2018. Visitors to Fort Jesus, Kisumu and, Nairobi National museums increased by 63.9, 44.1 and 17.9 per cent, respectively, in 2018. Similarly, visitors to Gede museum increased by 42.2 per cent from 62.6 thousand in 2017 to 89.0 thousand in 2018. However, visitors to Nairobi Snake Park and, Kabarnet museums dropped by 32.4 and 28.6 per cent, respectively.

Table 12.10: Number of Visitors to Museums, Snake Parks and Historical Sites, 2014-2018

Name of Museums	'000				
	2014	2015	2016	2017	2018*
Nairobi National	52.5	264.0	278.7	222.9	262.9
Nairobi Snake Park	33.0	24.0	26.1	28.7	19.4
Fort Jesus	113.4	121.3	150.5	130.5	213.9
Kisumu	219.4	210.6	199.2	128.1	184.6
Kitale	64.8	33.5	55.8	62.8	66.6
Gede	47.5	39.9	55.6	62.6	89.0
Meru	32.8	23.7	19.9	16.9	21.1
Lamu	1.7	1.5	2.7	2.9	4.0
Jumba la Mtwana	5.7	4.3	7.3	7.3	9.8
Ologessaile	2.7	1.1	0.4	2.0	3.3
Kariandusi	24.2	11.4	12.3	13.9	22.6
Hyrax Hill	11.6	8.7	29.1	20.7	24.7
Karen Blixen	45.2	25.9	35.8	42.4	48.8
Malindi	21.0	14.7	31.8	22.1	37.5
Kilifi Mnarani	2.5	1.2	0.8	1.9	3.3
Kabarnet	1.7	1.4	3.4	2.1	1.5
Kapenguria	9.7	7.3	12.4	11.5	13.3
Swahili House	0.3	0.0	0.1	0.2	0.3
Narok	0.6	0.5	0.9	0.3	0.4
German Post	0.1	0.0	0.0	0.0	0.0
Takwa Ruins	0.6	0.2	0.4	1.4	0.7
Rabai	..	2.4	..	..	4.5
Lamu Port	..	..	0.4	0.9	0.6
Maralal	..	..	..	..	1.5
TOTAL	690.9	797.5	923.5	782.0	1,034.3

Source: National Museums of Kenya

* Provisional

.. Data not available

Conference Tourism

12.20. In the year under review, there was an upward growth in both international and local conferences as shown in Table 12.11. The number of international conferences and delegates increased by 6.8 per cent and 5.6 per cent, respectively, in 2018. Local conferences and delegates increased by 7.9 per cent and 3.7 per cent, respectively, in 2018. Consequently, the overall conference capacity utilization improved from 11.5 per cent in 2017 to 11.9 per cent in 2018. The improved performance was a result of conducive environment for tourism, withdrawal of travel advisories and high-profile international conferences and meetings held in 2018. Some of the high-profile conferences included: The First ordinary session of the African Union Ministerial Sub-Committee on Tourism; The 79th International Skal World Congress; Sustainable Blue Economy Conference and; The African Hotel Investment Forum.

Table 12.11: Indicators of Conference Tourism, 2016-2018

	2016		2017		2018*	
	Local	International	Local	International	Local	International
Number of conferences	3,755	227	3,844	191	4,147	204
Number of delegates	532,674	101,599	623,749	64,167	647,042	67,743
Number of delegate days	634,234	166,802	693,159	120,348	726,371	127,150
Number of delegate days available	6,859,714	6,859,714	7,090,986	7,090,986	7,161,896	7,161,896
Percentage Occupancy	9.2	2.4	9.8	1.7	10.1	1.8
Conference Capacity Utilization (Percentage)	11.7		11.5		11.9	

*Provisional

Training in Hospitality 12.21. The number of graduates who pursued various courses at the Kenya Utalii College rose from 2,861 in 2017 to 2,959 in 2018 as shown in Table 12.12. This was attributed to a 14.2 per cent increase in the number of those who pursued short courses such as: food and beverage service; front office operations; food production; travel agency techniques and; front desk techniques. Similarly, the number of graduates who pursued regular courses grew by 20.0 per cent to 539 in the review period.

Table 12.12: Kenya Utalii College Graduates, 2014-2018

Year	In- Service		Professional Courses			Number
	Refresher	MDP ¹	Regular Courses	Short Courses	Sub-Total	Grand Total
2014	936	237	593	584	1,177	2,350
2015	813	258	517	736	1,253	2,324
2016	1,120	242	467	835	1,302	2,664
2017	1,249	255	449	908	1,357	2,861
2018*	1,130	253	539	1,037	1,576	2,959

Source: Kenya Utalii College

* Provisional

¹MDP - Management Development Programmes

Chapter 13

Transport and Storage

Overview

The transport and storage sector plays a key role in enabling and supporting economic growth in other sectors of the economy. Therefore, improved transportation network is crucial in facilitating and promoting trade and investment as it enhances connectivity and mobility. In 2018, the value of output expanded by 14.6 per cent from KSh 1,092.1 billion in 2017 to KSh 1,252.0 billion in 2018.

13.2. Total cargo throughput handled at the Mombasa Port increased by 2.0 per cent from 30.3 million tonnes in 2017 to 30.9 million tonnes in 2018. The volume of container traffic handled increased by 8.3 per cent from 1.2 million Twenty-foot Equivalent Units (TEUs) in 2017 to 1.3 million TEUs in 2018. The total import traffic handled declined slightly from 25.6 million tonnes in 2017 to 25.5 million tonnes in 2018. Total export traffic handled at the Port of Mombasa rose by 7.9 per cent from 3.8 million tonnes in 2017 to 4.1 million tonnes in 2018. Commercial passenger traffic handled at the airports increased by 16.8 per cent from 10.1 million passengers in 2017 to 11.8 million passengers in 2018. Domestic passengers handled increased by 22.5 per cent to 4.9 million, while international passengers increased by 13.1 per cent to 6.9 million during the same period. Rail freight traffic more than tripled from 1,147 thousand tonnes in 2017 to 3,544 thousand tonnes in 2018, mainly due to introduction of freight transportation services on the Standard Gauge Railway (SGR). Consequently, revenue from railway freight increased from KSh 3.0 billion in 2017 to KSh 9.8 billion in 2018. Similarly, railway passenger journeys increased by 45.0 per cent from 3,096 thousand in 2017 to 4,489 thousand in 2018 while earnings from passenger traffic stream more than doubled to KSh 1.7 billion. Total pipeline throughput increased by 2.7 per cent from 6,155.7 thousand cubic metres in 2017 to 6,321.5 thousand cubic metres in 2018. The number of newly registered motor vehicles increased by 12.0 per cent to 102,036 units in 2018 while the number of new motor cycles registered increased by 1.9 per cent to 195,253 units.

Value of Output 13.3. The value of output for the transport and storage sector expanded by 14.6 per cent from KSh 1,092.1 billion in 2017 to KSh 1,252.0 billion in 2018 as reflected in Table 13.1. The value of output from road transport sub-sector increased by 12.1 per cent to KSh 782.9 billion and accounted for 62.5 per cent of the total output in 2018. Output from air transport sub-sector increased by 18.6 per cent to KSh 191.7 billion in 2018 while output from railway transport more than tripled to KSh 11.4 billion in 2018. The value of output from postal and courier services increased by 14.6 per cent to KSh 33.2 billion in the review period.

Table 13.1: Transport and Storage - Value of Output, 2014 – 2018

	KSh Million				
	2014	2015	2016 [†]	2017 [†]	2018*
Road Transport	595,726	629,045	662,926	698,148	782,881
Railway Transport	5,357	6,282	4,927	3,629	11,366
Water Transport	49,840	55,712	60,845	64,750	67,761
Air Transport	139,912	147,447	147,637	161,678	191,723
Services Incidental to Transport	54,097	68,246	83,996	107,841	136,939
Pipeline Transport	21,030	22,210	24,254	26,840	28,153
Postal & Courier Services	27,179	27,925	27,464	29,244	33,183
Total	893,141	956,867	1,012,051	1,092,130	1,252,006

* Provisional.

[†] Revised

Road Transport

13.4. The disbursement of funds from KRB to various road agencies for maintenance of roads is projected to increase by 8.0 per cent from KSh 63.9 billion in 2017/18 to KSh 69.0 billion in 2018/19 as presented in Table 13.2. Funding for road maintenance from the fuel levy is expected to increase by 7.7 per cent from KSh 63.5 billion in 2017/18 to KSh 68.4 billion in 2018/19, while funds from transit toll are expected to increase by 16.0 per cent to KSh 550 million in 2018/19.

Table 13.2: Road Maintenance Funds, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19**
Fuel Levy	25,461	31,823	60,469	63,474	68,446
Transit Toll ..	464	464	459	474	550
Total	25,925	32,287	60,928	63,947	68,996

Source: Kenya Roads Board

* Provisional.

** Estimates

13.5. The value of output from road transport sub-sector increased by 12.1 per cent from KSh 698.1 billion in 2017 to KSh 782.9 billion in 2018 as shown in Table 13.3. The value of output from passenger traffic increased by 11.9 per cent to KSh 390.1 billion in 2018 while that from freight traffic expanded by 12.4 per cent to KSh 392.8 billion.

Table 13.3: Road Transport - Value of Output, 2014 – 2018

	KSh Million				
	2014	2015	2016 ⁺	2017	2018*
Passenger Traffic	313,031	322,161	331,512	348,537	390,073
Freight Traffic ⁺	282,695	306,884	331,414	349,611	392,808
Total	595,726	629,045	662,926	698,148	782,881

* Provisional.

+ Revised

New Registration of Motor Vehicles and Motor Cycles

13.5. Table 13.4 presents the number of newly registered motor vehicles and motor cycles for the period 2014 to 2018. The number of units registered increased by 5.2 per cent from 282,672 in 2017 to 297,289 in 2018, mainly on account of an increase in the number of station wagons registered.

Motor Vehicles

13.6. New registration of motor vehicles increased by 12.0 per cent from 91,071 units in 2017 to 102,036 units in 2018. The number of newly registered station wagons rose for the second consecutive year to 64,179 while panel vans and pick-ups increased by 13.7 per cent in 2018. Similarly, the number of newly registered trailers increased by 6.7 per cent to 2,083 units while wheeled tractors rose by 49.5 per cent to 4,040 units in 2018. The number of new mini-buses registered almost doubled from 459 in 2017 to 812 in 2018.

13.7. The registration of saloon cars continued to decline with 10,504 units registered in 2018. In addition, the number of newly registered lorries and trucks; and buses and coaches declined for the third year in a row to 6,514 units and 1,065 units, respectively, in 2018. The general decline in new registration of buses, lorries and trucks is partly explained by the availability of rail freight and passenger services since 2017.

Motor cycles

13.8. The total number of new motor cycles registered increased by 1.9 per cent to 195,253 units in 2018. Registration of motor and auto cycles rose by 1.4 per cent compared with a 21.1 per cent increase in registration of three-wheelers during the same period.

Table 13.4: New Registration of Road Motor Vehicles and Motor Cycles, 2014 – 2018

Type of Vehicle/Motor Cycle	Number				
	2014	2015	2016	2017	2018*
Saloon Cars.....	15,902	14,369	12,490	11,376	10,504
Station Wagons.....	53,542	54,120	46,123	55,322	64,179
Panel Vans, Pick-ups, etc.....	12,568	13,878	12,722	9,866	11,220
Lorries/Trucks.....	10,681	13,785	9,632	7,460	6,514
Buses and Coaches.....	2,210	2,342	1,765	1,072	1,065
Mini Buses /Matatu.....	213	581	519	459	812
Trailers.....	2,925	3,905	2,829	1,953	2,083
Wheeled Tractors.....	2,032	2,259	2,478	2,703	4,040
Other Vehicles.....	2,533	2,522	1,618	860	1,619
Total Motor Vehicles	102,606	107,761	90,176	91,071	102,036
Motor and Auto Cycles.....	111,124	134,645	119,724	186,434	188,994
Three Wheelers.....	4,327	4,775	3,815	5,167	6,259
Total Motor Cycles	115,451	139,420	123,539	191,601	195,253
Total Units Registered	218,057	247,181	213,715	282,672	297,289

Source: National Transport and Safety Authority

* Provisional.

Road Licenses

13.9. The number of Public Service Vehicle (PSV) licenses and individual driving licenses for the period 2014 to 2018 are shown in Table 13.5. The increase in the number of Public Service Vehicles (PSV) licenses issued by the National Transport and Safety Authority (NTSA) to minibuses and buses led to the increase in the number of PSV licenses issued from 53,692 in 2017 to 57,949 in 2018. However, the number of PSV licenses issued to *matatus* dropped by 1.5 per cent over the same period. Increased demand for original and duplicate licenses occasioned by expected phase out of red books in favour of smart driving licenses as required by NTSA resulted to the substantial rise in the number of original and duplicate licenses issued in 2017. However, this number decreased by 43.8 per cent to 162,949 in 2018.

Table 13.5: Road Transport Licenses Issued, 2014 – 2018

Type of License	Number				
	2014	2015	2016	2017	2018*
PSV Licenses					
Matatus (0-14 seaters).....	15,936	17,138	17,926	37,382	36,815
Mini-buses ¹ (15-33 seaters).....	6,062	7,186	8,213	4,246	7,861
Buses (34 seaters and above).....	5,155	6,182	7,210	12,064	13,273
Total	27,153	30,506	33,349	53,692	57,949
Driving Licenses					
Original.....	88,666	91,336	93,528	219,333	152,349
Duplicate.....	24,563	25,854	26,956	70,689	10,600
Foreign.....	2,737	2,826	2,902	1,129	1,900
Total	115,966	120,016	123,386	291,151	164,849

Source: National Transport and Safety Authority

* Provisional.

¹ Includes Tour Vans

Road Traffic Accidents

13.10. Table 13.6 and Figure 13.1 both highlight the number of reported road traffic accidents by fatalities and injuries for the period 2014 to 2018. The total number of reported road traffic accidents increased by 15.5 per cent from 4,452 in 2017 to 5,144 in 2018. The number of deaths resulting from road traffic accidents increased by 8.0 per cent to 3,153 while the number of persons who sustained serious injuries increased by 18.5 per cent over the same period.

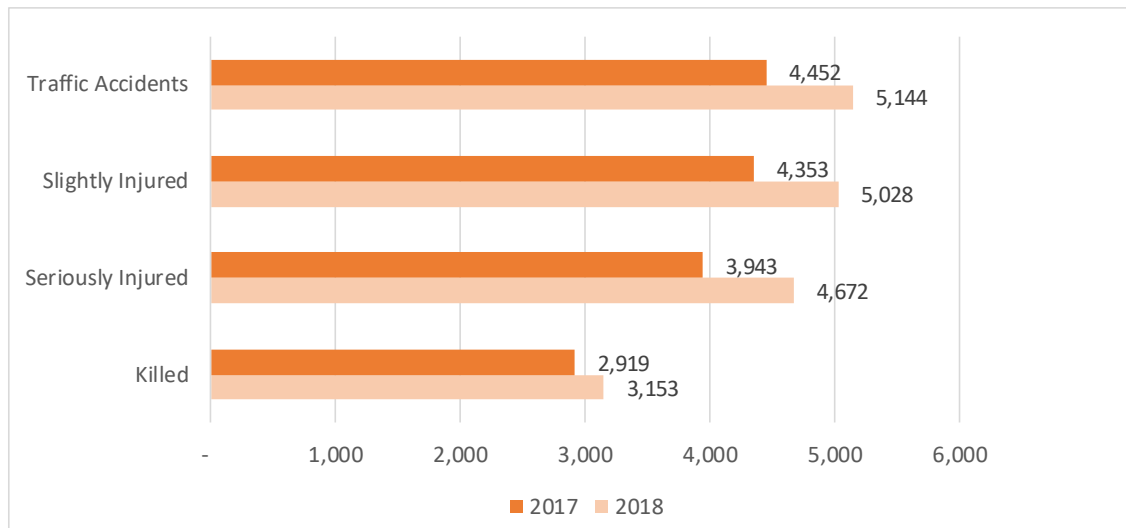
Table 13.6: Reported Road Traffic Accidents, 2014 - 2018

	Number				
	2014	2015	2016	2017	2018*
Total Number of Reported Traffic Accidents...	5,672	5,310	5,296	4,452	5,144
Persons Killed or Injured:-	12,018	12,138	13,159	11,215	12,853
<i>of which:</i>					
Killed.....	2,907	3,057	2,965	2,919	3,153
Seriously Injured.....	5,140	4,731	4,661	3,943	4,672
Slightly Injured.....	3,971	4,350	5,533	4,353	5,028

Source: National Police Service, Traffic Department

* Provisional.

Figure 13.1: Reported Traffic Accidents and Casualties, 2017 – 2018



Railway Transport 13.11. Table 13.7 highlights the performance of the railway transport sub-sector for the period 2014 to 2018. Freight traffic more than tripled from 1,147 thousand tonnes in 2017 to 3,544 thousand tonnes in 2018, mainly due to introduction of freight transportation services on the Standard Gauge Railway (SGR). As a result, revenue from freight increased substantially from KSh 3.0 billion in 2017 to KSh 9.8 billion in 2018. Similarly, passenger journeys increased by 45.0 per cent from 3,096 thousand in 2017 to 4,489 thousand in 2018. Consequently, earnings from passenger traffic stream more than doubled to KSh 1.7 billion in 2018.

Table 13.7: Railway Traffic, 2014-2018

	Unit	2014	2015	2016	2017	2018*
Freight:						
Tonnes.....	000	1,509	1,542	1,380	1,147	3,544
Tonne-km.....	Million	1,169	1,283	1,141	857	1,682
Revenue.....	KSh Million	5,195	6,183	4,793	3,001	9,754
Revenue per tonne-Km.....	KSh	4.44	4.82	4.20	3.50	5.80
Passenger:						
Journeys.....	000	3,715	2,288	2,793	3,096	4,489
Passenger-Km.....	Million	176	99	113	417	915
Revenue.....	KSh Million	162	98	134	700	1,743
Revenue per passenger-Km.....	KSh	0.92	0.99	1.18	1.68	1.90

Source: Kenya Railways Corporation

* Provisional

Water Transport 13.12. Total cargo throughput handled at the Mombasa Port increased by 2.0 per cent from 30.3 million tonnes in 2017 to 30.9 million tonnes in 2018, as shown in Table 13.8. The volume of container traffic handled increased by 8.3 per cent from 1.2 million Twenty-foot Equivalent Units (TEUs) in 2017 to 1.3 million TEUs in 2018. This was despite a 9.2 per cent decline in the number of vessels that docked at the Port to 1,605 in 2018. The decline in the number of vessels docking could be largely due to shipping lines opting to bring in bigger ships with higher container capacities than in previous years.

13.13. The total import traffic handled declined from 25.6 million tonnes in 2017 to 25.5 million tonnes in 2018 mainly on account of a 5.1 per cent drop in the volume of imports of bulk liquids. This reduction resulted from a slowed demand for kerosene following the imposition of an anti-adulteration levy of KSh 18 per litre during the review period. Imports of dry general cargo increased by 2.9 per cent to 9.8 million tonnes in 2018 while that of dry

bulk cargo remained almost unchanged at 7.9 million tonnes in 2018. The volume of goods in transit has been growing steadily and stood at 8.9 million in 2018. This could be attributed to an increase in dry bulk and containerized cargo to Uganda during the review period. The number of motor vehicles landed increased by 7.9 per cent from 114,133 in 2017 to 123,168 in 2018.

13.14. Total export traffic handled at the Port of Mombasa rose by 7.9 per cent to 4.1 million tonnes in 2018. Exports of dry general cargo increased by 3.1 per cent to 3.3 million tonnes while those of dry bulk cargo increased by 34.0 per cent to 0.7 million tonnes in 2018. The volume of bulk liquid exports however declined from 80 thousand tonnes in 2017 to 45 thousand tonnes in 2018. The volume of trans-shipments increased by 33.3 per cent from 0.9 million tonnes in 2017 to 1.2 million tonnes in 2018 due to reduced turn-around time. This meant that ships docking at the port took a shorter period to offload cargo thus making Mombasa port competitive and attractive for trans-shipment.

Table 13.8: Traffic Handled at Mombasa Port, 2014 – 2018

	Unit	2014	2015	2016	2017	2018*
Container Traffic	TEUs	1,012,002	1,076,118	1,091,371	1,189,957	1,303,862
Ships Docking	No.	1,832	1,694	1,607	1,767	1,605
Imports						
Dry General	000' DWT	8,354	9,099	8,992	9,505	9,782
Dry Bulk	"	5,231	6,350	6,447	7,920	7,929
Bulk Liquids	"	7,192	7,232	7,677	8,179	7,764
Total Imports	"	20,777	22,681	23,116	25,604	25,475
<i>Of which</i> Transit In	"	6,691	7,126	7,217	7,903	8,873
Motor Vehicles landed	No.	157,856	143,833	97,726	114,133	123,168
Exports						
Dry General	000' DWT	2,899	2,915	3,022	3,167	3,347
Dry Bulk	"	422	578	606	547	733
Bulk Liquids	"	45	40	51	80	45
Total Exports	"	3,366	3,533	3,679	3,794	4,125
<i>Of which</i> Transit Out	"	508	541	531	734	731
Total Imports and Exports	"	24,143	26,214	26,795	29,398	29,600
Trans-shipment	"	732	518	589	874	1,247
Restows	"	-	-	-	73	76
Grand Total	"	24,875	26,732	27,384	30,345	30,923

Source: Kenya Ports Authority

* Provisional.

DWT - Dead Weight Tonnes

Pipeline Transport

13.15. The volume of white petroleum products transported through the pipeline for the period 2014 to 2018 is presented in Table 13.9. Total pipeline throughput increased by 2.7 per cent from 6,155.7 thousand cubic metres in 2017 to 6,321.5 thousand cubic metres in 2018. During the same period, the volume of exports of white petroleum products decreased by 1.1 per cent to 1,959.5 thousand cubic metres. Similarly, the volume of light diesel exports decreased by 1.3 per cent to 926.6 thousand cubic metres while motor spirit (premium) and jet fuel exports decreased by 0.7 per cent and 2.4 per cent to 739.3 thousand cubic metres and 232.7 thousand cubic metres, respectively, in 2018.

13.16. Pipeline throughput for domestic consumption has been increasing over time and stood at 4,362 thousand cubic metres in 2018. During the review period, the volume of light diesel and jet fuel transported for domestic consumption increased by 9.6 per cent and 2.6 per cent, respectively. The volume of motor spirit transported for domestic consumption also increased by 11.4 per cent to 1,368.4 thousand cubic metres while that of illuminating kerosene dropped by 29.1 per cent to 316.9 thousand cubic metres in 2018. The decline in the volume of kerosene transported for domestic consumption was as a result of the implementation of the anti-adulteration levy of KSh 18 per litre during the review period.

Table 13.9: Pipeline Throughput of White Petroleum Products, 2014 – 2018

	'000 Cubic Metres				
	2014	2015	2016	2017	2018*
Exports¹					
Motor Spirit (Premium)	726.0	757.0	696.3	744.2	739.3
Kerosene Illuminating Oil	75.8	70.1	66.2	60.4	60.8
Light Diesel Oil	916.1	936.9	857.2	938.8	926.6
Jet Fuel	267.6	262.4	234.6	238.4	232.7
Sub-Total	1,985.5	2,026.4	1,854.3	1,981.8	1,959.5
Domestic Consumption²					
Motor Spirit (Premium)	1,028.8	1,103.4	1,177.6	1,228.8	1,368.4
Kerosene Illuminating Oil	362.9	396.5	450.1	446.9	316.9
Light Diesel Oil	1,314.2	1,372.6	1,537.4	1,616.4	1,772.0
Jet Fuel	866.5	813.2	853.5	881.8	904.7
Sub-Total	3,572.4	3,685.7	4,018.6	4,173.9	4,362.0
Grand Total	5,557.9	3,712.1	5,872.9	6,155.7	6,321.5

Source: Kenya Pipeline Company

* Provisional.

¹ Exports in this table implies transit petroleum products destined to neighbouring countries and are different from exports reported in Chapter 6 : International Trade and Balance of Payments

² Excludes fuels transported by Kenya Railways or consumed in the Coastal region.

Note: The figures may differ from those in Chapter 9 (Energy) due to different definition and classification of throughput in the context of international trade. Furthermore Chapter 9 data are in '000 tonnes whereas conversion of cubic metres to tonnes varies with product.

Air Transport 13.17. Passenger traffic: Commercial passenger traffic by airport for the period 2014 to 2018 is presented in Table 13.10. The total number of passengers handled increased by 16.8 per cent from 10.1 million in 2017 to 11.8 million in 2018. Domestic and international passengers handled increased by 22.5 per cent and 13.1 per cent, respectively, in 2018. International passenger arrivals increased by 13.3 per cent from 3.0 million in 2017 to 3.4 million in 2018 while international passenger departures increased by 16.7 per cent from 1.8 million in 2017 to 2.1 million in 2018. Similarly, the number of international passengers in transit increased by 7.7 per cent from 1.3 million in 2017 to 1.4 million in 2018.

13.18. The number of passengers handled at Jomo Kenyatta International Airport (JKIA) increased by 9.6 per cent to 8.0 million in 2018 while those handled at Mombasa International Airport (MIA) increased by 25.0 per cent to 1.5 million during the review period. The number of passengers handled in other airports increased by 37.5 per cent from 1.6 million in 2017 to 2.2 million in 2018.

Table 13.10: Commercial Passenger Traffic¹ by Airport, 2014 – 2018

Year	Category	Sub-Category				'000 Number
			J KIA	MIA	Other Airports	Total Passenger Traffic
2014	Domestic	Arrivals	761.3	438.5	495.1	1,694.9
		Departures	550.9	420.1	472.2	1,443.2
		Sub-Total	1,312.2	858.6	967.3	3,138.1
	International	Arrivals	2,491.4	220.4	10.7	2,722.5
		Departures	1,501.8	199.0	15.7	1,716.5
		In Transit	1,081.1	88.5	135.3	1,304.9
		Sub-Total	5,074.3	507.9	161.7	5,743.9
	Total		6,386.5	1,366.5	1,129.0	8,882.0
	2015	Domestic	Arrivals	823.8	458.8	564.0	1,846.6
Departures			579.2	443.8	551.1	1,574.1
Sub-Total			1,403.0	902.6	1,115.1	3,420.7
International		Arrivals	2,523.1	126.9	7.2	2,657.2
		Departures	1,390.7	118.1	10.8	1,519.6
		In Transit	1,163.6	84.4	147.7	1,395.7
		Sub-Total	5,077.4	329.4	165.7	5,572.5
Total			6,480.4	1,232.0	1,280.8	8,993.2
2016		Domestic	Arrivals	900.6	479.9	716.8	2,097.2
	Departures		739.0	478.5	704.9	1,922.4
	Sub-Total		1,639.5	958.4	1,421.7	4,019.6
	International	Arrivals	2,682.4	140.1	8.8	2,831.3
		Departures	1,571.7	139.4	12.0	1,723.1
		In Transit	1,217.8	0.0	0.0	1,217.8
		Sub-Total	5,472.0	279.5	20.8	5,772.3
	Total		7,111.5	1,237.9	1,442.5	9,791.9
	2017	Domestic	Arrivals	807.4	469.4	798.2	2,074.9
Departures			668.9	474.6	778.6	1,922.1
Sub-Total			1,476.3	944.0	1,576.8	3,997.1
International		Arrivals	2,868.3	149.1	11.6	3,029.0
		Departures	1,675.0	153.5	12.4	1,840.8
		In Transit	1,251.3	0.0	0.0	1,251.3
		Sub-Total	5,794.5	302.6	24.0	6,121.1
Total			7,270.8	1,246.6	1,600.8	10,118.2
2018*		Domestic	Arrivals	941.6	514.4	1,104.4	2,560.4
	Departures		730.7	490.3	1,091.2	2,312.2
	Sub-Total		1,672.3	1,004.7	2,195.6	4,872.6
	International	Arrivals	3,147.5	187.8	30.2	3,365.5
		Departures	1,873.3	220.7	17.2	2,111.2
		In Transit	1,324.8	77.8	0.0	1,402.7
		Sub-Total	6,345.6	486.3	47.4	6,879.3
	Total		8,017.9	1,491.0	2,242.9	11,751.9

Source: Kenya Airports Authority

* Provisional

¹ Passenger traffic includes residents

13.19. **Cargo and Mail Traffic:** Table 13.11 presents the volume of commercial cargo and mail traffic handled at the various airports from 2014 to 2018. The volume of commercial cargo traffic handled increased by 23.3 per cent from 290.8 thousand tonnes in 2017 to 358.7 thousand tonnes in 2018. Cargo handled at JKIA increased by 24.8 per cent to 340.8 thousand tonnes while that handled at MIA increased by 11.1 per cent to 4.0 thousand tonnes in 2018. However, the volume of cargo handled in other airports decreased by 2.1 per cent from 14.2 thousand tonnes in 2017 to 13.9 thousand tonnes in 2018. The total volume of mail traffic increased by 35.8 per cent from 617.0 tonnes in 2017 to 837.6 tonnes in 2018, largely on account of a 36.2 per cent increase in the volume of mail traffic handled at JKIA.

Table 13.11: Commercial Cargo and Mail Traffic by Airport, 2014 – 2018

Year	Category	Cargo Traffic				Mail Traffic		
		J KIA	MIA	Other Airports	Total Cargo	J KIA	MIA	Total Mail
		Tonnes						
2014	Landed.....	52,336.2	1,833.7	10,472.0	64,641.9	421.2	2.3	423.5
	Loaded.....	206,291.3	2,711.1	5,736.4	214,738.8	94.5	7.2	101.7
	Total	258,627.5	4,544.8	16,208.4	279,380.7	515.7	9.5	525.2
2015	Landed.....	45,393.3	2,621.1	11,648.4	59,662.8	317.9	2.6	320.5
	Loaded.....	197,891.6	2,020.5	3,463.1	203,375.2	269.7	15.7	285.4
	Total	243,284.9	4,641.6	15,111.5	263,038.0	587.6	18.3	605.9
2016	Landed.....	32,916.2	1,684.8	11,926.6	46,527.6	247.8	1.8	249.6
	Loaded.....	198,344.0	1,295.9	3,321.8	202,961.7	290.2	3.5	293.7
	Total	231,260.2	2,980.7	15,248.4	249,489.3	538.0	5.3	543.3
2017	Landed.....	49,443.1	2,404.0	11,631.0	63,478.1	434.7	1.8	436.5
	Loaded.....	223,565.7	1,194.6	2,533.2	227,293.5	179.5	1.0	180.5
	Total	273,008.8	3,598.6	14,164.2	290,771.6	614.2	2.8	617.0
2018*	Landed.....	74,574.4	1,064.0	11,836.0	87,474.4	613.7	0.3	614.0
	Loaded.....	266,257.8	2,971.1	2,046.0	271,274.9	222.6	1.0	223.6
	Total	340,832.2	4,035.1	13,882.0	358,749.3	836.3	1.3	837.6

Source: Kenya Airports Authority

* Provisional

Aircraft Movements

13.20. Table 13.12 presents aircraft movements from 2014 to 2018. Overall, aircraft movements increased by 6.6 per cent to 377,584 in 2018. Total landings increased by 5.2 per cent while total take-offs increased by 6.9 per cent in 2018. Similarly, the number of over-flights increased by 9.8 per cent to 58,005 in 2018.

13.21. Total domestic aircraft movements increased by 7.5 per cent to 223,479 while international aircraft movements rose by 2.8 per cent to 96,100 in 2018. The number of domestic landings increased by 6.7 per cent to 110,922 while the number of domestic take-offs increased by 8.3 per cent to 112,557 in 2018. International landings increased from 47,038 in 2017 to 47,918 in 2018, while international take-offs increased from 46,459 to 48,182 over the same period. The share of domestic aircraft movements to total movements increased slightly from 58.7 per cent in 2017 to 59.2 per cent in 2018. The share of over-flights to total aircraft movements increased to 15.4 per cent in 2018 compared to 14.9 per cent recorded in 2017.

Table 13.12: Domestic and International Aircraft Movements, 2014 – 2018

Type	Movement	Number				
		2014	2015	2016	2017	2018*
Domestic	Landings	89,820	89,611	102,186	103,922	110,922
	Take-offs	86,870	89,872	102,617	103,909	112,557
	Total	176,690	179,483	204,803	207,831	223,479
International	Landings	45,602	43,689	46,685	47,038	47,918
	Take-offs	47,893	43,061	46,344	46,459	48,182
	Total	93,495	86,750	93,029	93,497	96,100
Total	Landings	135,422	133,300	148,871	150,960	158,840
	Take-offs	134,763	132,933	148,961	150,368	160,739
	Sub-Total	270,185	266,233	297,832	301,328	319,579
	Over-flights....	36,941	38,788	46,739	52,848	58,005
	Grand Total	307,126	305,021	344,571	354,176	377,584

Source: Kenya Civil Aviation Authority

* Provisional

Selected Aviation Industry Indicators

13.22. Table 13.13 presents selected aviation industry indicators for the period 2014 to 2018. The total number of aviation personnel licenses rose by 4.2 per cent from 9,577 in 2017 to 9,975 in 2018. The student pilot license category recorded the highest growth of 7.2 per cent to 2,905 in 2018. Valid operational licenses increased from 1,263 in 2017 to 1,375 in 2018. The number of aircrafts with valid certificate of air worthiness increased by 7.3 per cent to 804 while flight dispatcher licenses increased by 13.4 per cent to 211 in 2018. Overall, the number of civil aviation authority inspectors and air traffic controllers increased by 5.8 per cent from 257 in 2017 to 272 in 2018. During the review period, flight operators and air worthiness inspectors increased by 42.9 per cent and 33.3 per cent to 30 and 32, respectively. The number of air traffic controllers however, decreased slightly from 177 in 2017 to 175 in 2018.

Table 13.13: Selected Aviation Industry Indicators, 2014 - 2018

	2014	2015	2016	2017	2018*
Number					
Aviation Personnel Licenses					
Air Transport Pilot Licence (A TPL).....	928	975	1,062	1,116	1,165
Commercial Pilot Licence (CPL).....	1,394	1,517	1,563	1,607	1,641
Private Pilot Licence (PPL).....	1,070	1,276	1,255	1,316	1,349
Student Pilot Licence (SPL).....	2,189	2,580	2,543	2,710	2,905
Cabin Crew Member Certificate (CMC).....	1,814	1,906	1,942	2,090	2,140
Aircraft Maintenance Engineers (A MEL).....	604	618	694	738	775
Total	7,999	8,872	9,059	9,577	9,975
Valid Operational Licenses					
Aircraft with Valid Certificate of Air Worthiness (COA).....	705	751	763	749	804
Air Operator Certificates (AOCs).....	78	70	70	87	98
Approved Maintenance Organisations (A MOS).....	118	122	139	143	161
Approved Training Organisations (A TOS).....	19	19	22	19	22
Flight Dispatcher Licence.....	127	177	208	186	211
Scheduled Airlines.....	76	77	77	79	79
Total	1,123	1,216	1,279	1,263	1,375
Aerodrome Category					
International-Class A.....	8	8	8	8	8
Domestic (Regional)- Class B.....	23	23	23	23	23
Air strips-Class C.....	430	430	430	440	440
Heliports/Helipads-Class D.....	6	6	14	20	20
Total	467	467	475	491	491
CAA Inspectors and Air Traffic Controllers					
Air Traffic Controllers (ATCOs).....	170	165	159	177	175
Air Worthiness Inspectors.....	18	21	27	24	32
Flight Operations.....	11	15	20	21	30
Personnel Licensing.....	8	8	9	10	10
Others.....	26	26	25	25	25
Total	233	235	240	257	272

Source: Kenya Civil Aviation Authority

* Provisional

Postal Services

13.23. Details on the performance of postal services for the period 2014 to 2018 are presented in Table 13.14. The number of licensed courier operators increased by 16.1 per cent from 186 in 2017 to 216 in 2018. As a result, the number of private courier operator outlets rose by 3.0 per cent from 997 in 2017 to 1,027 in 2018. The total number of unregistered correspondence handled increased by 21.3 per cent from 61 million in 2017 to 74 million mainly due to increased international correspondences posted which more than doubled to 18 million in 2018.

13.24. The total number of money orders issued more than doubled from 1,085 thousand in 2017 to 2,658 thousand in 2018. This growth was mainly on account of expansion of Posta Pay that increased from 665 thousand in 2017 to 2,398 thousand in 2018 due to the rapid implementation of automation in using money orders. Ordinary Money Order customers were encouraged to use Posta Pay rather than the usual document based transfers. These developments resulted in the decline in use of domestic (IFS) money orders from 420 thousand in 2017 to 260 thousand in 2018.

13.25. The number of post offices decreased by 5.0 per cent from 623 in 2017 to 592 in 2018, partly due to closure some that were under-utilized. The number of installed private letter boxes decreased by 16.0 per cent from 444 thousand in 2017 to 373 thousand in 2018, mainly on account of closure of some of the post offices as more people continue to embrace the use of electronic communication.

13.26. There was a 17.0 per cent decline in the number of rented private letter boxes from 365 thousand in 2017 to 303 thousand in 2018. The number of private bags rented also declined

by 61.9 per cent from 846 in 2017 to 322 in 2018. The decrease in rented and private bag letter boxes could be attributed to the non-renewal of boxes by customers as well as introduction of mobile number based postage services. During the same period, Expedited Mail Service (EMS) Items handled declined by 56.4 per cent from 1,950 thousand in 2017 to 851 thousand in 2018.

13.27. Total registered and insured items posted, dropped by 21.8 per cent from 881 thousand in 2017 to 689 thousand in 2018. The number of domestic registered and insured items dropped by 19.2 per cent from 745 thousand in 2017 to 602 thousand in 2018. Similarly, the number of international registered and insured items declined from 136 thousand in 2017 to 87 thousand in 2018. These declines are largely attributed to a reduction in the use of postal services for posting items.

13.28. The number of parcels handled decreased by 2.9 per cent from 68 thousand in 2017 to 66 thousand in 2018. This was mainly due to a 29.6 per cent decline in the number of domestic parcels posted during the review period. International parcels handled however, doubled from 14 thousand in 2017 to 28 thousand in 2018, partly attributed to increased e-commerce activities.

Table 13.14: Postal Services, 2014 – 2018

Item	Unit	2014	2015	2016	2017	2018*
Post Offices..	No.	622	623	623	623	592
Private Courier Operator Outlets..	No.	2,048	2,117	976	997	1,027
Licensed Courier Operators..	No.	230	241	179	186	216
Total Private Letter Boxes:						
Installed	'000	432	432	422	444	373
Rented..	'000	380	382	385	365	303
Private Bags Rented..	No.	846	846	845	846	322
Total EMS Items Handled:						
Accepted	'000	933	916	990	1,000	444
Delivered	'000	868	924	987	950	407
Total Registered and Insured Items Posted:						
Domestic	'000	914	718	802	745	602
International	'000	87	94	119	136	87
Unregistered correspondence handled :						
Domestic	Millions	69	73	70	61	74
International	Millions	64	67	64	53	56
International	Millions	5	6	6	8	18
Parcels handled :						
Domestic - Posted..	'000	48	49	80	68	66
International - Posted	'000	26	12	53	54	38
International - Posted	'000	22	17	27	14	28
Money Orders Issued :						
Domestic (IFS)	'000	1,339	1,221	1,851	1,085	2,658
Posta Pay ⁺	'000	500	453	439	420	260
Posta Pay ⁺	'000	839	768	1,412	665	2,398
Inter-state (IFS)	'000	0.2	0.2	0.2	0.2	0.1

Source: Postal Corporation of Kenya/Communication Authority of Kenya

* Provisional

+ Revised

IFS - International Financial Services

EMS: Expedited Mail Services

Storage Container Freight Stations

13.29. The number of container freight stations at the Port of Mombasa remained constant at 15 with the capacity remaining unchanged at 42,784 Twenty-foot Equivalent Units (TEUs).

Air Transport

Developments in the Transport and Storage Sector

13.30. During the review period, Kenya Airways made the first flight to the United States of America (US) on 28th October 2018, following approval for the country to have direct flights to the destination. In addition, the Civil Aviation Regulations 2013 on Aircraft Accident and Incident Investigations were reviewed. The regulations were subjected to the Universal Safety Oversight Audit Programme (USOAP) by the International Civil Aviation Organization (ICAO) and the amended regulations promulgated and gazetted in May 2018. To supplement the new regulations and to further address ICAO requirements, Air Accident Investigation Department (AAID) developed a new Aircraft Accident Investigation Policies and Procedures Manual (PPM), which were approved in June 2018.

Shipping and Cargo handling at the Port

13.31. In an effort to modernize and expand the Port infrastructure, KPA continued to implement the Mombasa Port Development Project (MPDP) Phase II aimed at expanding container handling capacity. During the review period, Phase II consisting of construction of berth No. 22 with a capacity of 450,000 TEUs was commenced and is expected to be completed by 31st October 2021. In the same period, the Authority acquired six new Rail Mounted Gantry (RMGs) cranes, one Ship to shore gantry crane, 12 Rubber Tyred Gantry cranes (RTGs) and 28 terminal tractors for handling containers to improve and modernize cargo handling at the Port.

Railway Transport

13.32. During the review period, the Standard Gauge Railway (SGR) Relief Line to Mombasa Conventional Cargo terminals was operationalized after cargo evacuation test operations to Nairobi Inland Container Depot (ICD) was done in July 2017. The new line is expected to eventually decongest the terminals and free space for more cargo handling. In 2018, the ICD in Nairobi handled 227,513 TEUs up from 30, 459 TEUs handled in 2017.

13.33. During the period under review, there was heightened government marketing of the use of SGR for cargo transportation from the Port of Mombasa to Nairobi. The Government, through the Head of Public Service, issued a Circular on 7th March, 2018 directing all Ministerial Departments and Agencies (MDAs) to use SGR for all their transportation thereby significantly improving the freight through the SGR during the review period. Coupled with promoting the use of SGR for freight transport, the Port management discouraged cargo nomination and use of the Container Freight Station based in Mombasa.

Information and Communication Technology

Overview

Access and use of Information and Communication Technology (ICT) continues to be on an upward trend due to rapid developments in the sector, as a result of service providers investing in the latest technologies and infrastructure. In 2018, output of the ICT sector expanded by 12.9 per cent to KSh 390.2 billion supported mainly by growth in the digital economy which includes; mobile telephony, uptake of e-commerce and penetration of internet. The establishment of a common platform where subscribers can send money across networks has increased mobile money interoperability boosting financial inclusion. The continued roll out of metropolitan fibre backbone and wireless access networks across the country by internet service providers has been driving the growth of internet usage.

14.2. In 2018, mobile cellular penetration was 103.45 per 100 inhabitants as a result of subscribers having more than one subscription, to take advantage of the competing voice or data plans offered by the operators. However, this does not imply that everybody in the country is connected. The number of fourth generation (4G) technology mobile transceivers grew from 3,873 in 2017 to 7,469 in 2018 due to continued distribution in the country. Total mobile money transfers recorded a slight increase, from KSh 3,638 billion in 2017 to KSh 3,984 billion in 2018.

14.3. International telephone traffic declined from 1,056.7 million minutes in 2017 to 1,037.4 million minutes in 2018. The total number of Short Messaging Services (SMS) declined slightly from 65.7 billion in 2017 to 63.4 billion in 2018.

Value of Output

14.4. The value of output, intermediate consumption and value added for the ICT sector at current prices is presented in Table 14.1. The value of ICT output increased by 12.9 per cent from KSh 345.6 billion in 2017 to KSh 390.2 billion in 2018. Intermediate consumption increased by 15.7 per cent from 235.8 billion in 2017 to KSh 272.9 billion in 2018. The Information and Communication sector value added rose by 6.6 per cent from KSh 109.9 billion in 2017 to KSh 117.2 billion in 2018.

Table 14.1: Output, Intermediate Consumption and Value Added of the Information and Communication Sector, 2014-2018

Year	KSh Million		
	Value of Output	Intermediate Consumption	Value Added
2014	259,000.0	193,408.3	65,592.1
2015	280,434.0	189,234.0	91,200.0
2016	311,894.7	207,129.7	104,765.0
2017	345,636.8	235,772.1	109,864.7
2018*	390,175.1	272,930.6	117,244.6

* Provisional

Fixed Telephone and Mobile Network Services

14.5. Table 14.2 presents analysis on the performance of fixed and mobile network services from 2014 to 2018. During the review period, total fixed connections declined by 67.7 per cent to 22,567 from 69,897 connections in 2017. The decline was mainly attributed to introduction of mobile cellular technology, coupled with mass adoption of the internet and opening up of multiple communication pathways.

14.6. Mobile telephony subscriptions increased by 15.6 per cent from 42.8 million in 2017 to 49.5 million in 2018, with prepaid subscriptions, accounting for 97.5 per cent of the total mobile subscriptions. However, postpaid subscriptions decreased by 12.3 per cent from 1.4 million subscribers in 2017 to 1.2 million in 2018. Mobile Numbers Ported (MNPs) decreased by 25.6 per cent to 1,916 in 2018, partly attributable to subscriber’s perception and motivation of choosing to remain with the same operator.

14.7. Total transfers through mobile money grew by 9.5 per cent from KSh 3,638 billion in 2017 to KSh 3,984 billion in 2018. Similarly, mobile money subscriptions increased marginally from 30.0 million in 2017 to 31.6 million in 2018, while the value of mobile commerce transactions increased by 87.2 per cent to KSh 6,077 billion, during the review period.

Table 14.2: Fixed and Mobile Network Services, 2014-2018

	2014	2015	2016	2017	2018*
Fixed Telephony					
Fixed line Capacity ('000) ¹	340	75	179	144	144
Total Connections	180,000	85,000	72,774	69,897	22,567
Wireline Connections	48,000	85,000	72,400	69,600	21,520
Wireless Connections ¹	132,000	0	374	297	1,047
Mobile Telephony					
Mobile Telephone Capacity ('000)	65,077	62,800	71,600	70,000	85,950
Connections ('000)	33,633	37,716	38,982	42,815	49,502
Post Paid Subscriptions ('000)	854.3	1,009.6	1,413.4	1,414.5	1,240.5
Pre Paid Subscriptions ('000)	32,778	36,706	37,569	41,401	48,261
Mobile Numbers Ported	2,340	2,207	1,315	2,575	1,916
Mobile Money					
Mobile Money Transfer Agents	123,703	143,946	165,908	182,472	205,745
Mobile Money Transfer Service Subscribers ('000)	26,023	26,753	31,997	30,005	31,627
Total Deposits through Agents (KSh Billion) ⁺	1,269	1,347	1,536	2,194	2,464
Total Transfer from Subscriber to Subscriber (KSh Billion)	..	1,339	1,818	2,204	2,780
Total Transfers, (KSh Billion)	2,372	2,816	3,356	3,638	3,984
Number of Total Transactions in Million	911.3	1,114.2	1,526.2	1,543.2	1,739.6
Value of Mobile Commerce Transactions (KSh Billion)	..	..	1,750	3,246	6,077
Number of Mobile Commerce Transactions ('000)	..	..	928,174	1,400,715	2,098,627

Source: Communication Authority of Kenya/ Central Bank of Kenya

* Provisional

⁺ Revised

¹ Includes Local Loop Operators. In addition, the wireless connections were decommissioned in 2015 and recommissioned in 2016

.. Data not available

Telephone Call traffic

14.8. Telephone call traffic for the period 2014 to 2018 is presented in Table 14.3. Overall, the international telephone traffic declined from 1,056.7 million minutes in 2017 to 1,037.4 million minutes in 2018. The decline was mainly on account of international traffic outgoing and incoming mobile traffic which reduced by 5.5 per cent and 4.1 per cent to 422.0 million and 569.4 million minutes, respectively, as presented in Figure 14.1. The total international traffic has been declining in the last three years partly due to availability of Over the Top (OTT) communication platforms that allow users to make free voice and video calls, following the removal of regulatory barriers. International outgoing traffic from fixed telephone more than doubled from 6.9 million minutes in 2017 to 15.8 million minutes in 2018. Similarly, incoming international traffic from fixed telephone almost tripled from 9.3 million minutes in 2017 to 30.1 million minutes in 2018. The increase was partly attributed to favorable prices offered by the fixed telephone operators.

14.9. Figure 14.2 shows the trends in outbound and inbound roaming for the period 2014 to 2018. Outbound roaming traffic declined by 19.4 per cent from 161.5 million minutes in 2017 to 192.8 million minutes in 2018, while inbound roaming traffic increased by 21.0 per cent to 169.6 million minutes, over the same period.

14.10. Total domestic traffic increased by 26.8 per cent from 44.1 billion minutes in 2017 to 55.9 billion minutes in 2018. During the review period, traffic originating from all types of fixed telephone reduced on account of declining fixed telephone subscriptions. Domestic calls originating from mobile to fixed telephone also declined from 88.8 million minutes in 2017 to 71.7 million minutes in 2018. The international outgoing fixed Voice over Internet Protocol (VoIP) increased from 2,865 thousand minutes to 2,883 thousand minutes in 2018, mainly driven by availability and affordability of online video and call applications.

Table 14.3: Telephone Call Traffic, 2014-2018

	Minutes '000				
	2014	2015	2016	2017	2018*
International Calls					
a. Total International Outgoing Telephone Traffic	461,754	544,560	482,482	453,610	437,827
International Outgoing Mobile (b+c).....	446,591	534,433	473,292	446,760	422,012
International Outgoing Fixed.....	15,163	10,127	9,190	6,850	15,815
b. Mobile Traffic to East African Countries (EAC)	..	..	174,564	189,167	197,133
c. Mobile traffic to other countries	..	..	298,727	257,593	224,879
d. Total International Incoming Telephone Traffic	591,022	628,403	713,969	603,110	599,523
International Incoming Mobile (e+f).....	578,920	619,395	705,299	593,810	569,425
International Incoming Fixed.....	12,102	9,008	8,670	9,300	30,098
e. Mobile Traffic from East African Countries (EAC)	..	..	230,487	184,368	265,756
f. Mobile traffic from other countries	..	..	474,812	409,441	303,669
Total International Telephone Traffic (a+d)	1,052,776	1,172,963	1,196,451	1,056,720	1,037,351
Roaming					
Roaming by Home Subscribers Abroad (Outbound Roam)	38,251	91,171	143,529	161,459	192,763
Roaming by Foreign Subscribers Abroad (Inbound Roam)	48,060	103,612	122,023	140,149	169,550
Total Roaming	86,311	194,783	265,552	301,608	362,313
Domestic Calls					
Total Fixed to Fixed Telephone Traffic (a+b)	23,298	5,252	2,513	2,597	2,345
Fixed wireless to Fixed wireless (a).....	21,622	3,336	877	1,314	1,257
Fixed to Fixed telephone (b).....	1,676	1,916	1,636	1,283	1,088
Fixed to Mobile telephone.....	117,053	47,702	41,394	43,353	41,586
Mobile to Mobile telephone.....	30,473,694	39,068,816	42,070,692	43,944,431	55,772,953
Mobile to Fixed telephone.....	66,564	75,394	63,240	88,787	71,684
Total Domestic Traffic	30,680,916	39,197,164	42,177,839	44,079,168	55,888,568
International Outgoing Fixed VoIP.....	7,335	4,785	3,938	2,865	2,883

Source: Communication Authority of Kenya

*Provisional

.. Data not available

Figure 14.1: International Outgoing and Incoming Mobile Traffic, 2014-2018

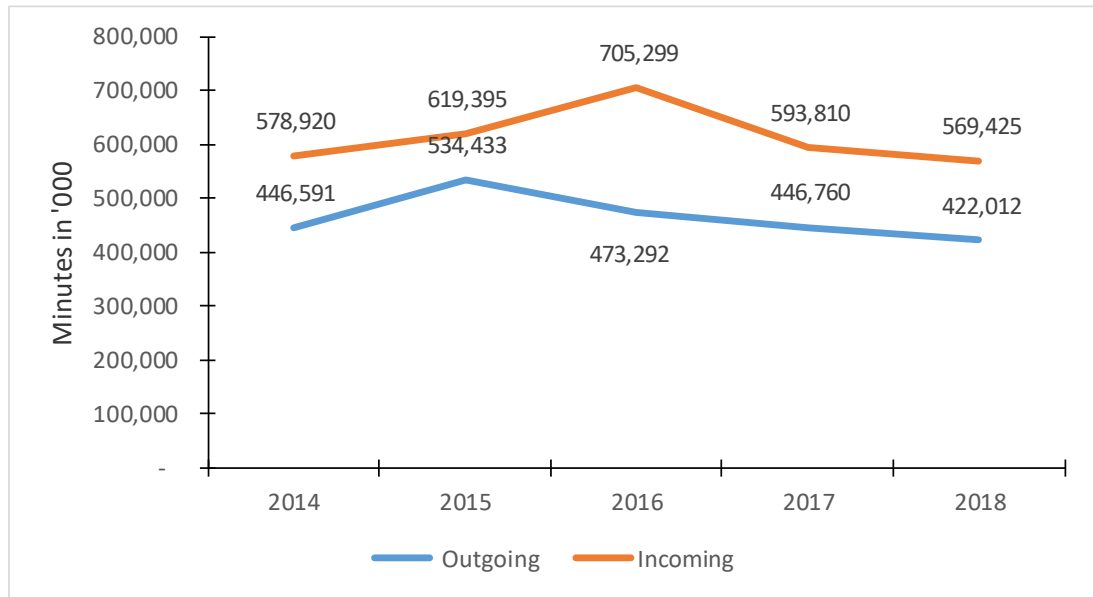
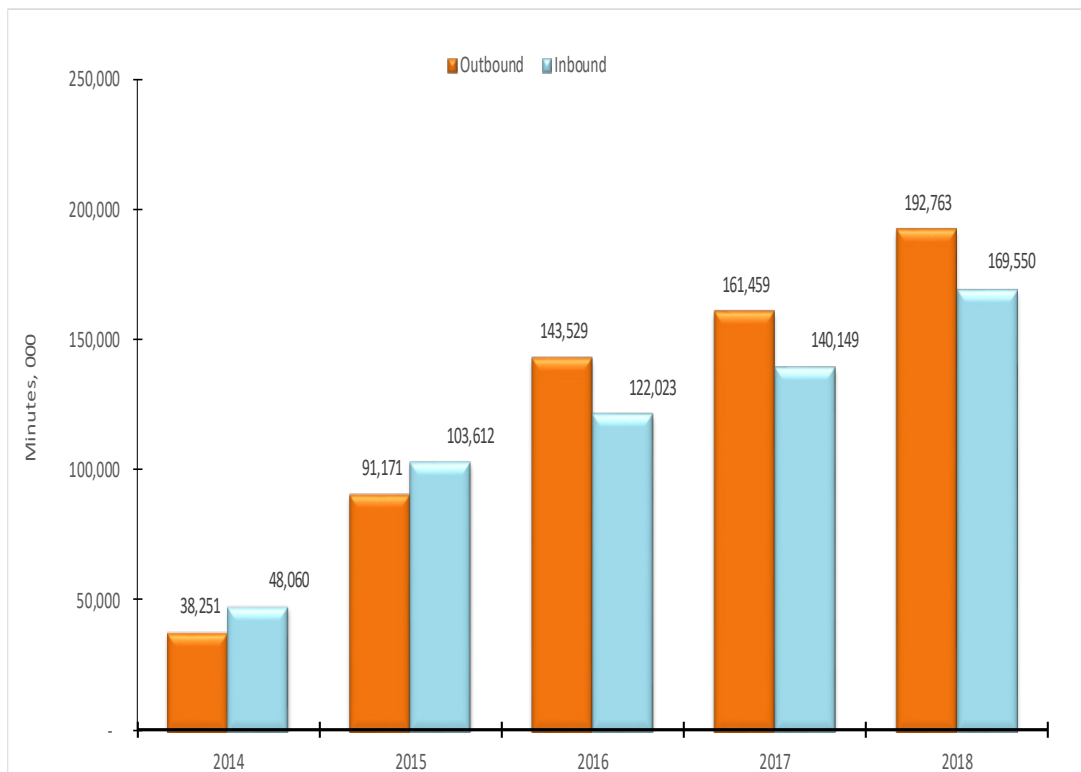


Figure 14.2 Outbound and Inbound Roaming Traffic, 2014-2018



Message Services Traffic

14.11. Information on message service traffic is presented in Table 14.4 and Figure 14.3. Total number of Short Messaging Services (SMS) declined slightly for the first time, since the uptake of Internet Protocol (IP) messaging applications from 65.7 billion in 2017 to 63.4 billion in 2018. However, the number of international SMS received increased by 11.0 per cent to 46.0 billion, while that of domestic SMS sent dropped by 3.5 per cent to 63.4 billion in 2018.

Table 14.4: Message Service Traffic, 2014-2018

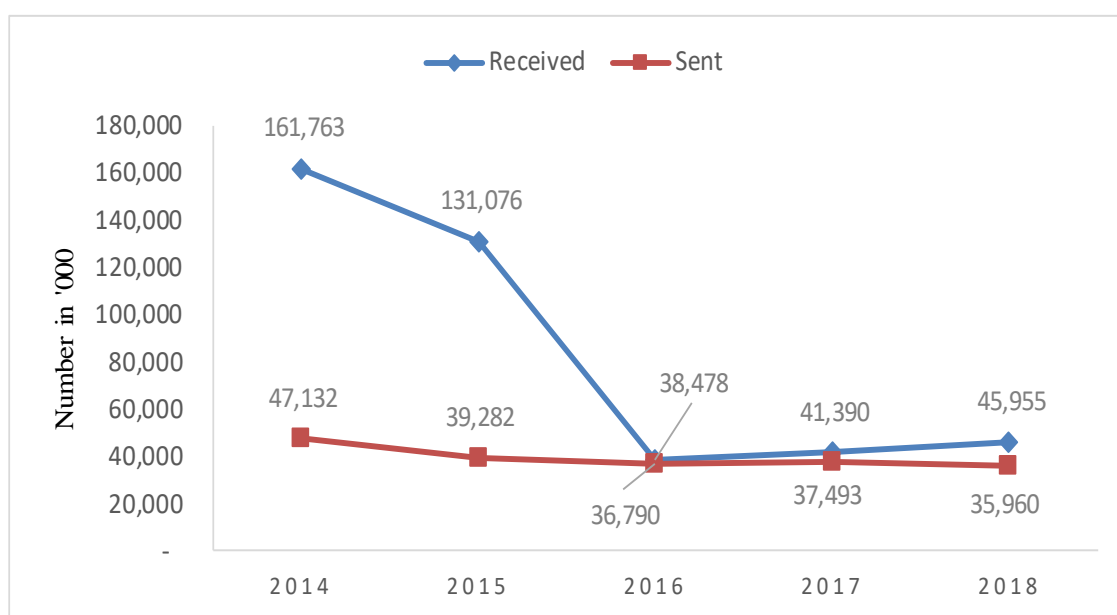
Messages	Number '000				
	2014	2015	2016	2017	2018*
Multimedia Messaging Service (MMS)	12,011	13,686	..	..	..
Total SMS sent	27,416,127	28,320,513	46,342,335	65,719,297	63,412,634
Domestic	27,368,995	28,281,231	46,305,545	65,681,804	63,376,674
International	47,132	39,282	36,790	37,493	35,960
International SMS received	161,763	131,076	38,478	41,390	45,955

Source: Communication Authority of Kenya

* Provisional

.. Data not available

Figure 14.3 International SMS Sent and Received Traffic, 2014-2018



Internet Services

14.12. The number of Internet Service Providers (ISPs) increased by 17.4 per cent from 219 in 2017 to 257 in 2018, as shown in Table 14.5. The increase was partly attributed to demand of fibre optic cable in most parts of the country that has created the need to supply internet to businesses and residential buildings. Terrestrial wireless data reduced by 25.5 per cent to 66,343 subscriptions in 2018, as a result of review of the subscriptions. Total wireless, and fixed (wired) subscriptions increased by 36.9 per cent and 53.0 per cent to 45.4 million and 303.6 thousand, respectively, in 2018.

Table 14.5: Internet Providers and Subscriptions, 2014-2018

	Number				
	2014	2015	2016	2017	2018*
Licensed Internet Services Providers (ISPs) ¹	177	221	242	219	257
Total Wireless Internet Subscriptions	16,357,239	23,814,546	26,559,184	33,166,725	45,401,832
Terrestrial Mobile Data	16,338,990	23,794,550	26,528,876	33,076,894	45,333,942
Terrestrial Wireless Data	17,537	19,507	29,724	89,062	66,343
Satellite Data	712	489	584	769	1,547
Total Fixed (Wired) Internet Subscriptions	95,780	115,111	124,637	198,472	303,608
Fixed Digital Subscriber Line (DSL) Data	14,512	3,732	2,483	1,953	976
Fixed Fibre Optic Data ²	81,243	111,354	36,015	99,643	175,824
Fixed Cable Modem (Dial Up) Data ²	25	25	86,139	96,876	126,808
Total Fixed and Wireless Internet Subscriptions	16,453,019	23,929,657	26,683,821	33,365,197	45,705,440

Source: Communication Authority of Kenya

* Provisional

¹Also includes Application Service Providers (ASPs)

²Definition was changed in 2016

Broadband Services

14.13. Analysis of broadband services for the period 2014 to 2018 is presented in Table 14.6. Undersea bandwidth capacity increased by 43.3 per cent to 4.6 Megabits per second in 2018 due to increased demand across the country. Out of the available bandwidth capacity, 25.0 per cent of the bandwidth was utilized compared to 28.8 per cent utilized in 2017.

14.14. Mobile broadband is the most preferred internet technology for individual customers due to its availability and affordability compared to fixed broadband. However, the fixed broadband especially the fibre optic is increasingly being preferred by businesses and homes due to its bandwidth. In 2018, Fibre to the Home (FttH) subscriptions more than doubled to 129, 979 from 63,276 subscriptions in 2017. Similarly, Fibre to the Office (FttO) increased by 26.1 per cent from 36,367 subscriptions in 2017 to 45,845 subscriptions in 2018. Satellite broadband capacity, bandwidth and subscriptions registered a tremendous growth in 2018. The growth was attributed to broadband connectivity to educational institutions, where 896 secondary schools were connected to broadband using the satellite.

Table 14.6: Broadband Services, 2014-2018

	2014	2015	2016	2017	2018*
Capacity in Megabits Per Second (Mbps)					
Undersea Bandwidth Capacity.....	847,250	1,550,270	2,028,270	3,182,592	4,559,850
Satellite Bandwidth Capacity.....	273	498	473	559	5,720
1. Total Available Bandwidth Capacity.....	847,523	1,550,768	2,028,743	3,183,151	4,565,570
Utilized Bandwidth in Mbps					
Undersea Bandwidth.....	498,015	854,300	860,300	916,287	1,137,100
Satellite Bandwidth.....	106	251	270	448	5,222
2. Total Utilized Bandwidth.....	498,121	854,551	860,570	916,735	1,142,322
Broadband Subscriptions					
Copper line (Dial-up, DSL and xDSL) ...	3,388	441	2,483	1,953	976
Fibre to the Home	59,986	81,532	15,853	63,276	129,979
Fibre to the Office	21,257	29,156	23,402	36,367	45,845
Cable modem.....	..	..	86,139	96,876	126,808
Other fixed wired broadband	..	..	..	6,700	7,479
3. Total Fixed (Wired)- Broadband	84,631	111,129	127,877	205,172	311,087
4. Satellite broadband.....	495	481	445	769	1,547
5. Terrestrial fixed wireless broadband.....	16,687	19,507	29,556	82,362	58,864
6. Total Active mobile broadband (a+b+c)	4,141,498	7,112,991	12,546,559	16,926,599	21,543,425
GSM mobile phones (a)	3,417,949	6,344,226	11,151,664	15,934,100	20,518,223
GSM modems (b)	657,902	768,765	1,394,895	992,499	1,025,202
CDMA 2000 phones ¹ (c)	65,647	0	0	0	0
7. Total wireless broadband (4+5+6)	4,158,680	7,132,979	12,576,560	17,009,730	21,603,836
8. Total fixed and wireless broadband (3+7)	4,243,311	7,244,108	12,704,437	17,214,902	21,914,923
Fixed Broadband by speed					
256 Kbps	2,272	2,500	862	854	570
512 Kbps	10,527	3,500	4,808	2,927	505
1 Mbps	62,146	18,000	22,702	14,459	8,905
2 Mbps	3,810	4,000	33,574	96,391	87,772
> 2 Mbps	9,567	69,000	91,046	173,672	273,746

Source: Communication Authority of Kenya

*Provisional

¹CDMA 2000 phones were decommissioned in 2015

.. Data not available

GSM: Global System for Mobile Communications

CDMA: Code Division Multiple Access

Tariffs

14.15. In 2018, the cost of installing fixed telephone, copper, microwave, and fibre solutions remained constant at KSh 5,496, KSh 7,000, KSh 80,000 and KSh 7,000, respectively, as shown in Table 14.7. The average price of on-net calls, which refer to customers making calls between same carriers was KSh 3.00, while off-net calls which refer to calls between two different carriers averaged at KSh 3.46. The average price of a message via SMS increased slightly from KSh 1.06 in 2017 to KSh 1.10 in 2018.

Table 14.7: Fixed and Mobile Charges, 2014-2018

	2014	2015	2016	2017	2018*
KSh					
Fixed Charges					
Installation Fees					
Business and Residential Telephone Service... ..	3,394.00	3,394.00	4,699.00	5,496.00	5,496.00
Copper Solutions... ..	..	..	..	7,000.00	7,000.00
Microwave Solutions... ..	..	..	..	80,000.00	80,000.00
Fibre Solutions... ..	..	..	..	7,000.00	7,000.00
Monthly Subscription for Residential Telephone Service... ..	580.00	580.00	580.00	580.00	580.00
Monthly Subscription for Business Telephone Service... ..	580.00	580.00	1,000.00	580.00	580.00
Average price of a one minute Fixed to Fixed local call... ..	4.50	3.00	3.00	5.00	5.00
Average price of a one minute Fixed to Mobile local call... ..	9.00	9.00	9.00	8.00	8.00
Mobile Charges					
Lowest recharge card value... ..	5.00	5.00	5.00	5.00	5.00
Average price of a one minute Mobile to Mobile local call... ..	3.10	3.08	3.08	3.00	..
Average price of a one minute Mobile to Fixed local call... ..	3.25	3.25	3.25	3.21	..
Average price of one on-net call	..	..	..	..	3.00
Average price of one off-net call	..	..	..	..	3.46
Average price of a message via SMS... ..	1.00	1.25	1.25	1.06	1.10

Source: Communication Authority of Kenya

* Provisional

.. Data not available

Note:

1. All averages are unweighted
2. Compilation of average prices billed per minute originating from mobile were phased out and compilation of average price of one on-net or off-net calls were introduced in 2018

14.16. The average prices of a one-minute call originating from a mobile phone and fixed telephone in Kenya to other countries from 2014 to 2018, are presented in Table 14.8. In 2018, calling charges to Burundi and Somalia reduced by KSh 6.67 to KSh 68.33 and KSh 53.33, respectively. The average price of calls to South Africa increased from KSh 18.00 in 2017 to KSh 22.00 in 2018, while the average price of calls to Germany and France increased by KSh 3.33 to KSh 40.00, over the same period.

Table 14.8 Average International Call Rates, 2014- 2018

Countries	KSh per Minute				
	2014	2015 ⁺	2016 ⁺	2017	2018*
Calls originating from Mobile					
Uganda	20.25	12.67	10.00	10.00	10.00
Rwanda	23.25	12.67	10.00	10.00	10.00
Burundi	25.75	17.67	45.00	75.00	68.33
Tanzania	23.25	21.67	31.67	31.67	33.33
Ethiopia	32.50	30.00	33.33	33.33	33.33
Somalia	32.50	26.66	53.33	60.00	53.33
South Sudan	50.00	23.33	16.67	10.00	10.00
South Africa	19.00	18.00	18.00	18.00	22.00
Other African Countries	32.50	30.00	30.00	30.00	30.00
USA	3.62	4.00	4.67	5.00	5.00
Germany	28.75	38.33	36.67	36.67	40.00
Switzerland	33.75	38.33	50.00	50.00	50.00
Italy	28.75	38.33	50.00	50.00	50.00
France	28.75	38.33	36.67	36.67	40.00
United Kingdom	19.00	18.00	18.00	18.00	18.00
Other European Countries	33.75	38.33	38.33	26.67	26.67
India	3.62	4.00	4.67	5.00	5.00
China	3.62	4.00	4.67	5.00	5.00
Japan	33.75	38.33	40.00	40.00	40.00
Calls originating from Fixed telephone					
USA	..	..	..	5.00	5.00
United Kingdom	..	..	..	5.00	6.00
India	..	..	..	5.00	5.00
China	..	..	..	5.00	5.00

Source: Communication Authority of Kenya

† Revised

* Provisional

.. Data not available

Domains 14.17. As shown in Table 14.9, the number of domains grew by 15.9 per cent to 85,744 in 2018 partly due to increased availability of the domain registration services at Huduma centres. During the year under review, the registrar in charge of domains in the country introduced Second Level Domain (SLD), which is a premium domain that can conveniently be used with the third level domain. The SLD gives the .ke domain a competitive advantage in the global domain market, giving businesses a unique and salient personality. Mitigation against cybersquatting is one of the advantages of the SLD domains. The domain under companies increased by 13.7 per cent, and accounted for 90.8 per cent of the total number of domains.

Table 14.9 Registered Domains, 2014-2018

Domain	Users	Number				
		2014	2015	2016	2017	2018*
.ac.ke	Institutions of Higher Education...	792	580	726	768	891
.co.ke	Companies...	35,274	46,541	58,165	68,430	77,820
.go.ke	Government entities...	314	290	363	414	502
.info.ke	Information e.g. blogs...	105	115	144	374	443
.me.ke	Personal websites & email...	650	260	326	386	345
.mobi.ke	Mobile content...	48	35	44	126	180
.ne.ke	Network Devices...	65	140	175	466	277
.or.ke	Non profit making organisations or NGO's....	1,190	1,485	1,860	1,981	1,976
.sc.ke	Lower & middle institutions of learning...	95	665	833	1,027	1,212
.ke	Second Level Domain (SLD)...	..	..	..	..	2,098
TOTAL		38,533	50,111	62,636	73,972	85,744
	Number of registrars	210	270	367	372	382
	Domain renewal fee in KSh...	2,320	580	580	1,160	1,160
	Average annual fee to operate domain (Domain registration fee) in KSh	2300	650	650	650	650
	Second Level Domain Registration and Renewal fee in KSh .....	..	..	..	..	5,800

Source: Kenya Network Information Centre

* Provisional

.. Data not available

Media Frequencies and Mobile Transceivers

14.18. Information on media frequencies and mobile transceivers for the period 2014 to 2018 is presented in Table 14.10. Cable TV and Direct to home satellite subscriptions increased significantly to 169.7 thousand, and 1.1 million in 2018, respectively. The surge was partly attributed to world cup games that were broadcasted countrywide by all service providers. During the review period, Internet Protocol TV subscriptions increased to 23,076 subscribers. The increase was due to the inclusion of the local video on demand channel.

Employment, Investment and Revenue

14.19. The total number of mobile transceivers grew by 16.9 per cent from 184,149 in 2017 to 215,276 in 2018. The number of fourth generation (4G) technology mobile transceivers almost doubled from 3,873 in 2017 to 7,469 in 2018 due to continued distribution in the country. The third generation (3G) technology increased by 25.4 per cent to 53,557 transceivers in 2018. The second generation (2G) technology expanded by 12.1 per cent to 154,250, and accounted for 71.7 per cent of the total transceivers in 2018.

Table 14.10: Media Frequencies and Mobile Transceivers, 2014-2018

	Number				
	2014	2015	2016	2017	2018*
TV Frequencies	245	302	312	333	324
Radio FM Frequencies	561	608	687	740	850
Digital Distributors					
Self-Provisioning Broadcast Signal Distributors	0	3	3	3	3
Broadcast Signal Distributors	2	2	2	2	2
Total Digital Signal Distributors	2	5	5	5	5
TV Stations					
Analogue TV Stations ¹	19	0	0	0	0
Digital TV stations	36	62	63	89	120
Total TV Stations	55	62	63	89	120
Number of Households connected to Cable TV	..	..	280,429	296,906	296,906
Digital Subscriptions					
Cable TV	56,106	81,118	95,493	79,938	169,698
Direct to Home Satellite	211,846	250,627	350,626	476,225	1,110,563
Digital Terrestrial Televisions (STBs)	1,041,656	3,712,548	3,905,656	4,334,166	4,512,690
Internet-Protocol TV (IPTV)	..	..	5	18	23,076
Total Digital Subscriptions	1,309,608	4,044,293	4,351,780	4,890,347	5,816,027
Radio Stations					
English and Kiswahili	85	89	110	109	111
All Vernacular Languages	50	50	63	67	67
Total Radio Stations	135	139	173	176	178
Mobile Transceivers by Technology					
2G	84,631	89,994	92,562	137,560	154,250
3G	15,381	19,300	30,818	42,716	53,557
4G	..	..	..	3,873	7,469
Total Mobile Transceivers	100,012	109,294	123,380	184,149	215,276

Source: Communication Authority of Kenya

* Provisional

.. Data not available

¹Analogue TV stations closed in 2015

STBs- Set Top Boxes

14.20. Table 14.11 presents details on employment, investment and revenue of telecommunication operators and Internet Service Providers (ISPs) for the period 2014 to 2018. During the review period, employment by telecommunication operators increased by 1.6 per cent to 7,016 in 2018, while that of ISPs went up by 19.6 per cent to 10,803.

14.21. The ICT sector is characterized by major infrastructure investments, notably deployment of network technologies to facilitate use of fixed and mobile voice and data services. The value of investment by the telecommunication operators increased by 7.3 per cent to KSh 41.5 billion, while that of ISPs increased by 73.3 per cent to KSh 2.6 billion in the review period.

Table 14.11: Employment, Investment and Revenue, 2014-2018

	Type of Operators	2014	2015	2016	2017	2018*
Employment (Number)	Telecommunication Operators ¹	6,439	6,147	6,178	6,907	7,016
	Internet Service Providers (ISPs) ²	6,237	7,817	8,448	9,031	10,803
Annual Investment ³ (KSh Billion)	Telecommunication Operators ¹	32.5	36.2	52.2	38.7	41.5
	ISPs ²	3.4	3.4	2.2	1.5	2.6
Annual Revenue ³ (KSh Billion)	Telecommunication Operators ¹	173.6	194.5	214.8	241.0	252.3
	ISPs ²	15.7	17.0	18.6	21.3	29.9

* Provisional

¹ Include operators offering fixed, mobile and satellite telecommunication activities

² Include Application Service Providers (ASPs)

³ As at June

Information Society 14.22. Table 14.12 presents key indicators used for measuring information society for total population, and those aged 3 years and above. There continues to be a general upward trend in the access to and use of ICTs with the exception of fixed telephony over the last five years. In total population, fixed telephone lines per 100 inhabitants reduced from 0.15 in 2017 to 0.05 in 2018, partly attributable to the high cost of establishing fixed telephony infrastructure. The decline is also caused by “cord-cutters” people who are quitting using the fixed telephone subscriptions and “cord-nevers”, people who have never subscribed to a fixed line and will most likely never do so. Mobile cellular penetration increased from 91.89 in 2017 to 103.45 subscriptions per 100 inhabitants in 2018 implying that there are more mobile cellular subscriptions than the country’s population. This was caused by subscribers having more than one subscription, to take advantage of competing voice or data plans by the operators. However, this does not mean that everybody in the country is connected. Fixed and wired broadband penetration increased from 37.12 per 100 inhabitants in 2017 to 45.92 per 100 inhabitants in 2018, although fixed telephone penetration continues to decline. Mobile money subscriptions increased from 64.40 subscriptions per 100 inhabitants in 2017 to 66.10 subscriptions per 100 inhabitants in 2018, implying that not all mobile subscribers have subscribed to mobile money platform.

14.23. In 2018, mobile-cellular telephone subscriptions per 100 inhabitants for population aged 3 years and above, increased from 101.10 in 2017 to 113.70 in 2018. Internet subscriptions per 100 inhabitants increased from 78.75 in 2017 to 104.94 in 2018. During the review period, fixed and wired broadband subscriptions per 100 inhabitants grew from 40.83 in 2017 to 50.45 in 2018.

Table 14.12: Key Indicators Measuring Information Society, 2014-2018

Represents Total Population	2014	2015	2016	2017	2018*
Fixed telephone lines per 100 inhabitants	0.52	0.19	0.16	0.15	0.05
Mobile-cellular telephone subscriptions per 100 inhabitants	78.30	85.41	85.93	91.89	103.45
Wireless internet subscribers per 100 inhabitants	38.10	53.90	58.50	71.20	94.90
Internet subscribers per 100 inhabitants (Wireless and Fixed)	38.30	54.19	58.82	71.61	95.52
Bits per second per capita (Bps/person)	12,157.90	20,292.80	19,890.40	20,630.20	25,033.17
Broadband subscriptions per 100 inhabitants (wireless)	9.68	16.20	27.70	36.50	45.20
Broadband subscriptions per 100 inhabitants (Fixed and Wired)	9.88	16.40	28.00	37.12	45.92
Mobile money subscriptions per 100 inhabitants	60.57	60.59	70.53	64.40	66.10
Represents Population of Three (3) years and above					
Fixed telephone lines per 100 inhabitants	0.46	0.21	0.18	0.16	0.05
Mobile-cellular telephone subscriptions per 100 inhabitants	86.20	94.20	94.70	101.10	113.70
Wireless internet subscribers per 100 inhabitants	41.92	59.48	64.55	78.29	104.24
Internet subscribers per 100 inhabitants (Wireless and Fixed)	42.17	59.77	64.85	78.75	104.94
Bits per second per capita (Bps/person)	13,386.54	22,381.20	21,931.30	22,689.34	27,501.79
Broadband subscriptions per 100 inhabitants (wireless)	10.66	17.82	30.57	40.15	49.60
Broadband subscriptions per 100 inhabitants (Fixed and Wired)	10.88	18.10	30.88	40.83	50.45

*Provisional

International Trade in ICT Equipment

14.24. International trade in ICT equipment based on the Standard International Trade Classification (SITC) is presented in Table 14.13. The value of ICT equipment exported increased by 9.9 per cent to KSh 1.4 billion in 2018. Reception apparatus for radio broadcasting and recording equipment increased significantly to KSh 22.0 million and KSh 11.3 million in 2018 from KSh 10.8 million and KSh 3.0 million in 2017, respectively.

14.25. The value of ICT equipment imported decreased from KSh 66.9 billion in 2017 to KSh 49.3 billion in 2018. This was mainly due to reduction in imports of automatic data processing machines and telecommunication equipment. Imports of reception apparatus for radio broadcasting increased notably from KSh 190.6 million in 2017 to KSh 628.5 million in 2018, owing to increased demand for the apparatus in various broadcasting stations.

Table 14.13: International Trade in ICT Equipment, 2014-2018

	KSh Million				
	2014	2015	2016	2017	2018*
Exports					
Office machines ¹	17.1	113.3	65.8	80.3	154.8
Automatic data processing machines, storage units etc	330.9	358.5	442.1	231.8	347.0
Part and accessories ²	68.9	76.2	55.7	29.2	49.4
Monitors and projectors and reception apparatus for televisio	294.9	194.6	398.0	251.6	211.7
Reception apparatus for radio broadcasting ⁴	8.8	12.5	22.1	10.8	22.0
Recording equipments ⁵	9.5	5.9	7.0	3.0	11.3
Telecommunications equipment ⁶	528.2	1,303.5	1,209.3	653.3	587.9
Total	1,258.3	2,064.5	2,200.0	1,260.0	1,384.1
Imports					
Office machines ¹	804.7	1,352.1	1,298.7	2,194.8	2,115.6
Automatic data processing machines, storage units etc	9,720.0	11,211.7	18,959.4	25,233.2	11,725.2
Part and accessories ²	1,034.1	682.3	700.8	830.0	668.0
Monitors and projectors and reception apparatus for televisio	5,991.5	8,049.7	5,771.0	5,857.3	8,073.4
Reception apparatus for radio broadcasting ⁴	134.9	118.4	1,190.8	190.6	628.5
Recording equipments ⁵	370.0	462.3	344.0	572.3	558.2
Telecommunications equipment ⁶	23,622.2	29,444.0	28,693.9	32,014.7	25,512.0
Total	41,677.4	51,320.5	56,958.6	66,892.9	49,281.1

*Provisional

¹ Electronic calculating machines, cash registers, accounting machines, postage-franking machines, ticket issuing machines, reproducing and displaying machines with calculating functions, duplicating machines and their parts/accessories etc

² For office machines and data processing machines

³ Include Television sets, decoders etc

⁴ Whether or not combined with sound recording or reproducing apparatus or a clock

⁵ Sound recording, video recording or reproducing apparatus including or not including a video tuner

⁶ Such as computer, laptops, networking equipments etc plus their parts and accessories such as telephone sets, microphones, electric sound amplifier sets Television cameras, digital or video cameras recorders, radio or TV transmission apparatus etc

Newspaper Circulation and Online Newspaper Readership

14.26. Circulation of hardcopy newspapers continued to decline as shown in Table 14.14. In 2018, the number of daily newspapers, both English and Kiswahili reduced to 87.1 million and 3.7 million copies, respectively. The decline was partly attributed to competition from online newspapers due to the high usage of internet enabled mobile phones and access of several electronic newspapers available for free or at a discounted price. Average number of online visitors per day continued to increase due to its high preference among many readers. In 2018, online readers increased by 0.2 per cent to 2,857.7 thousand compared to a 53.1 per cent increase recorded in 2017.

Table 14.14: Local Daily/Weekly Newspapers in Circulation, 2014– 2018

	'000 Copies				
Newspapers¹	2014	2015	2016	2017	2018*
Daily Newspapers					
English	102,000	98,548	94,348	89,631	87,121
Kiswahili	5,800	5,209	4,401	3,961	3,679
Weekly Newspapers					
English	15,900	14,975	13,741	12,917	12,232
Kiswahili	1,900	1,825	1,413	1,272	1,169
Average online visitors per day	1,025,043	1,575,043	1,862,943	2,852,031	2,857,738

Source: Various Media Houses

* Provisional

¹Excludes free newspaper copies

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SOCIAL SCENE

Chapter 15

Education and Training

Overview The Government continued with the implementation of the pilot program of the new Competency Based Curriculum (CBC) covering pre-primary and primary schools Grade 1, 2 and 3, in 2018. Further, the Government increased resources to support vocational and technical training, basic, and university education programmes, in 2018/19. During the same period, the Government commenced digital registration for all primary school pupils and secondary school students in the National Education Management Information System (NEMIS). NEMIS aims to track performance, mobility of learners and teaching staff to ensure efficiency and effectiveness in utilisation of education resources.

15.2. Total expenditure for the Ministry of Education is expected to increase by 6.5 per cent to KSh 439.2 billion in 2018/19, with KSh 407.4 billion expected to be spent on the recurrent account. Development expenditure is expected to rise significantly by 51.4 per cent to KSh 31.8 billion, during the period under review.

15.3. Education sector witnessed a general increase in the number of educational institutions across all categories. The most notable increase was in public vocational training centres, which went up by 26.6 per cent to 1,502 in 2018. Similarly, the total number of primary schools rose by 7.0 per cent to 37,910 in 2018.

15.4. Total pupil enrolment in Early Childhood Development Education (ECDE) centres rose by 3.0 per cent to stand at 3.4 million in 2018. Similarly, enrolment in primary and secondary schools grew by 1.3 per cent and 4.0 per cent, respectively, in the review period. However, university enrolment is expected to decline by 1.7 per cent to 513,182 in 2018/19 academic year.

Education Expenditure 15.5. Expenditure for the Ministry of Education during the period 2014/15 to 2018/19 is presented in Table 15.1. Total expenditure is expected to increase by 6.5 per cent to KSh 439.2 billion in 2018/19. Total recurrent expenditure is expected to rise by 4.1 per cent from KSh 391.4 billion in 2017/18. The expenditure of the State Department for Vocational and Technical Training is expected to substantially grow from KSh 2.5 billion in 2017/18 to KSh 6.4 billion in 2018/19 due to the transfer of technical teachers from Teachers Service Commission (TSC) to the State Department. The recurrent expenditure for TSC is expected to account for 55.6 per cent of the total recurrent expenditure for the Ministry in the review period.

15.6. Development expenditure for the Ministry is expected to increase substantially to KSh 31.8 billion in 2018/19, mainly attributed to the expected growth in the expenditure for State Department for University Education. This follows an increase in funding to support infrastructure development in public universities. Similarly, development expenditure for the TSC is expected to increase from KSh 5.9 million in 2017/18 to KSh 273.0 million in 2018/19, partly to fund the planned establishment of county and sub-county offices. Total development expenditure is expected to account for 7.2 per cent of the total expenditure in the review period.

Table 15.1: Expenditure for the Ministry of Education, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19**
RECURRENT EXPENDITURE					
Ministry of Education					
State Department for Early Learning & Basic Education...	51,316.39	57,519.21	54,977.03	83,922.18	88,191.14
Teachers Service Commission.....	157,209.10	180,970.14	190,947.22	217,614.31	226,483.03
State Department for University Education.....	51,775.82	39,525.27	46,303.33	87,311.67	86,309.75
State Department for Vocational and Technical Training...	1,244.80	2,308.13	2,479.53	2,511.60	6,389.15
Sub Total	261,546.11	280,322.75	294,707.12	391,359.77	407,373.06
DEVELOPMENT EXPENDITURE					
Ministry of Education					
State Department for Early Learning & Basic Education...	11,156.42	5,258.23	8,188.86	8,982.08	9,093.83
Teachers Service Commission.....	-	100.00	6.34	5.94	273.00
State Department for University Education.....	9,595.41	5,002.01	7,930.17	3,569.62	13,109.00
State Department for Vocational and Technical Training...	1,866.95	4,248.17	4,746.18	8,454.88	9,338.00
Sub Total	22,618.78	14,608.41	20,871.55	21,012.52	31,813.83
TOTAL EXPENDITURE	284,164.89	294,931.16	315,578.67	412,372.29	439,186.90

Source: The National Treasury

** Estimates

* Provisional

Educational Institutions 15.7. Table 15.2 presents the number of educational institutions by category from 2014 to 2018. The total number of educational institutions grew by 4.5 per cent to 94,399 in 2018. The total number of primary schools rose by 7.0 per cent to 37,910 in 2018 of which private primary schools recorded a growth of 15.3 per cent. Similarly, the number of public secondary schools went up by 5.8 per cent to 9,643 in 2018, partly attributed to establishment of new schools in preparation for 100 per cent transition from primary to secondary schools. The number of vocational training centres went up by 26.6 per cent to 1,502 in 2018, while that of universities rose from 61 in 2017 to 63 in 2018.

Pre-Primary Education 15.8. Table 15.3 presents pupil enrolment and number of teachers in ECDE centres from 2014 to 2018. Total pupil enrolment in ECDE centres rose by 3.0 per cent from 3.3 million in 2017 to 3.4 million in 2018. The total number of teachers increased from 118,276 in 2017 to 123,155 in 2018. The number of trained ECDE teachers increased by 5.4 per cent to 112,703 whereas, that of untrained ECDE teachers declined by 7.8 per cent in 2018. Pre-primary Gross Enrolment Rate (GER) increased by 1.3 percentage points to 78.4 per cent in 2018 as shown in Figure 15.1. Similarly, the Net Enrolment Rate (NER) increased by 0.3 percentage points to 77.2 per cent, in the same period.

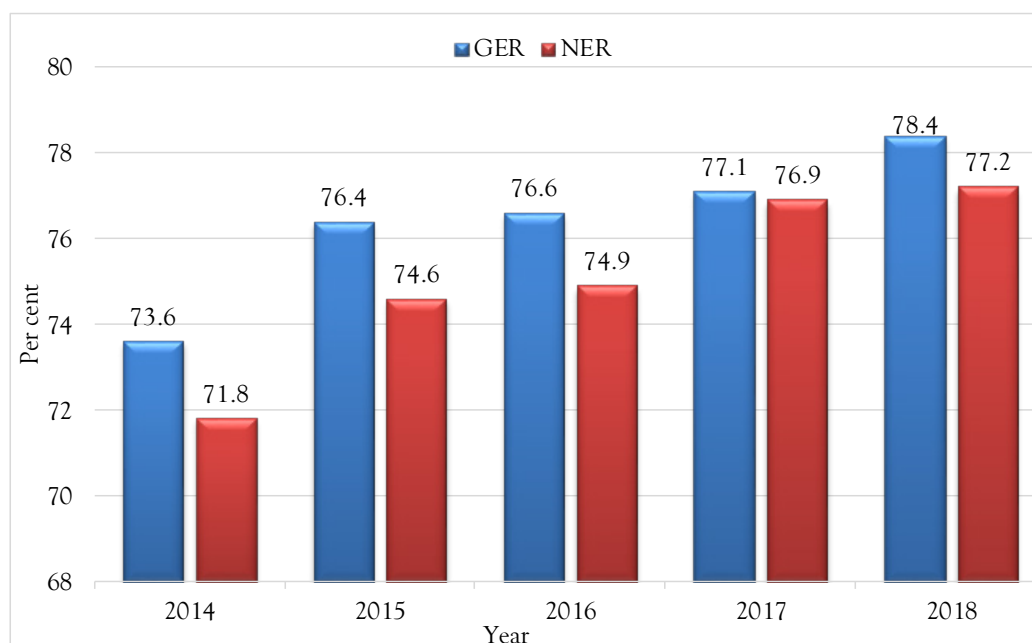
Table 15.3: Pupil Enrolment and Number of Teachers in ECDE Centres, 2014 – 2018

	Number				
	2014	2015	2016	2017	2018*
Enrolment					
Boys	1,476,383	1,607,353	1,634,194	1,681,530	1,730,237
Girls	1,543,482	1,560,502	1,565,647	1,612,283	1,660,308
TOTAL	3,019,865	3,167,855	3,199,841	3,293,813	3,390,545
Trained Teachers					
Male	13,968	14,721	15,366	17,746	18,703
Female	74,186	78,185	82,351	89,192	94,000
Sub Total	88,154	92,906	97,717	106,938	112,703
Untrained Teachers					
Male	3,307	2,840	2,606	2,445	2,294
Female	13,323	11,441	10,496	8,893	8,158
Sub Total	16,630	14,281	13,102	11,338	10,452
TOTAL	104,784	107,187	110,819	118,276	123,155

Source: Ministry of Education

* Provisional

Figure 15.1: Pre-Primary Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2014 - 2018



Notes

1. GER is the total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible school-age population corresponding to the same level of education in a given school year.
2. NER is the enrolment of the official age group for a given level of education expressed as percentage of the corresponding population.

Primary Education 15.9. The total enrolment in primary schools grew by 1.3 per cent to 10.5 million in 2018 as shown in Table 15.4. Boys' enrolment in Standard 1 rose by 1.4 per cent to 716.1 thousand in 2018 while that of girls increased by 1.5 per cent to 674.1 thousand in 2018. The survival rate at Standard 8 for all pupils stood at 76.9 per cent in 2018. As shown in Figure 15.2, the GER for primary schools stagnated between 2017 and 2018, whereas the NER increased by 1.2 percentage points to 92.4 per cent in 2018.

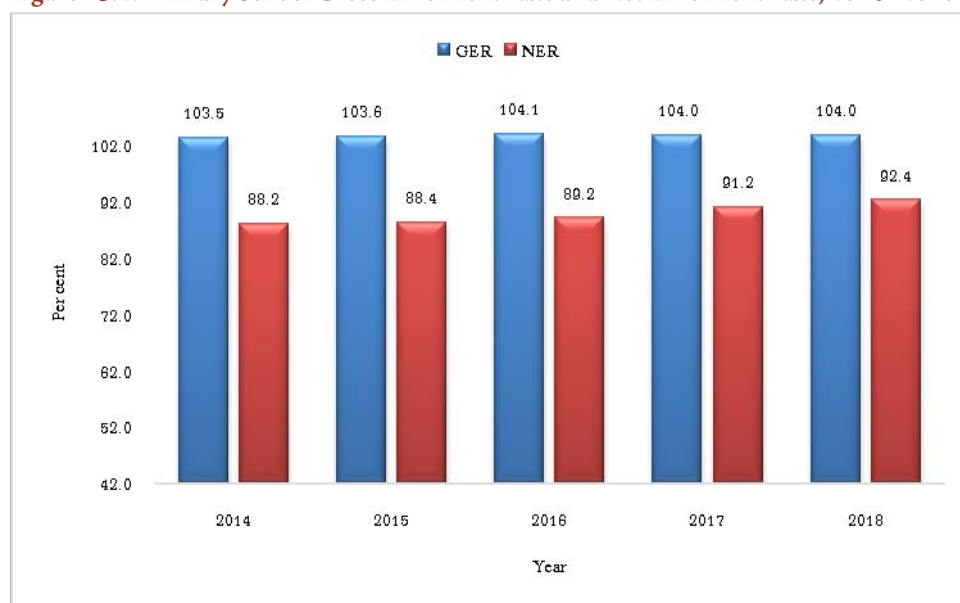
Table 15.4: Primary School Enrolment by Class and Sex, 2014 – 2018

Class	2014			2015			2016			2017			2018*		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
	Standard 1	712.1	670.4	1,382.5	702.0	659.4	1,361.4	696.8	655.8	1,352.6	705.9	664.4	1,370.3	716.1	674.1	1,390.2
Standard 2	679.9	644.9	1,324.8	682.7	648.3	1,331.0	686.7	650.7	1,337.4	695.7	655.2	1,350.9	704.9	663.9	1,368.8
Standard 3	674.5	637.7	1,312.2	675.9	641.9	1,317.8	684.3	653.9	1,338.2	693.3	652.9	1,346.2	702.4	661.6	1,364.0
Standard 4	677.9	651.7	1,329.6	683.9	657.3	1,341.2	693.4	669.3	1,362.7	694.2	665.4	1,359.7	703.4	674.4	1,377.8
Standard 5	640.5	628.2	1,268.7	657.4	641.1	1,298.5	667.7	651.2	1,318.9	681.1	667.5	1,348.6	690.0	676.2	1,366.2
Standard 6	621.4	618.5	1,239.9	638.7	633.9	1,272.6	658.1	650.8	1,308.9	669.8	655.2	1,325.0	678.5	663.8	1,342.4
Standard 7	598.2	601.0	1,199.2	616.6	619.7	1,236.3	646.1	650.9	1,297.0	656.1	652.9	1,309.0	664.6	661.5	1,326.1
Standard 8	448.0	446.1	894.1	470.7	461.3	932.0	486.2	477.8	964.0	497.7	496.3	994.0	504.3	502.8	1,007.1
TOTAL	5,052.5	4,898.5	9,951.0	5,127.9	4,962.9	10,090.8	5,219.3	5,060.3	10,279.7	5,293.9	5,109.8	10,403.7	5,364.3	5,178.3	10,542.5

Source : Ministry of Education

* Provisional

Figure 15.2: Primary School Gross Enrolment Rate and Net Enrolment Rate, 2014 - 2018



Kenya Certificate of Primary Education (KCPE)

15.10. Table 15.5 details the number of KCPE candidates by sex and mean score by subject in KCPE from 2014 to 2018. The total number of KCPE candidates went up by 6.7 per cent to 1,060,710 in 2018. The number of female candidates increased by 7.4 per cent to 531,495 in 2018 while that of male candidates increased by 6.1 per cent to 529,215. The national mean score improved by 0.54 percentage points to 52.70 per cent in 2018. The performance in English language improved by 7.06 percentage points to 54.69 per cent in 2018. The performance in science improved by 3.35 percentage points whereas that of mathematics declined by 8.01 percentage points to 43.13 per cent in 2018.

Table 15.5: Candidates by Sex and Mean Scores by Subject in KCPE, 2014-2018

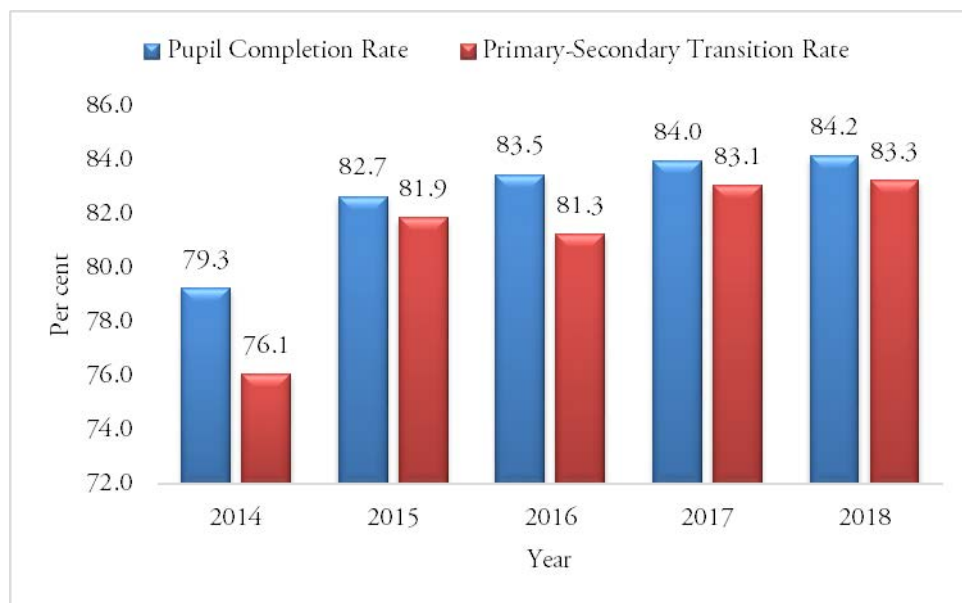
	2014	2015	2016	2017	Number 2018*
Number of candidates					
Male	443,258	467,904	473,684	498,775	529,215
Female	437,228	459,885	478,706	494,943	531,495
Total	880,486	927,789	952,390	993,718	1,060,710
Subject	Mean Score (%)				
English Language	47.64	49.98	50.52	47.63	54.69
English Composition	41.47	41.38	40.26	39.60	39.39
Kiswahili Lugha	45.04	44.68	49.20	48.38	51.60
Kiswahili Insha	58.00	54.38	48.27	47.88	46.88
Mathematics	52.04	56.16	45.39	51.14	43.13
Science	66.00	55.48	61.82	55.61	58.96
Social Studies	55.26	49.98	57.38	57.22	53.89
Religious Education	68.97	70.20	70.99	69.79	73.08
National Mean Score	54.30	52.78	52.98	52.16	52.70

Source: Kenya National Examinations Council

* Provisional

15.11. Figure 15.3 presents the Pupil Completion Rate (PCR) and Primary to Secondary Transition Rate (PSTR) from 2014 to 2018. The PCR and PSTR increased to 84.2 per cent and 83.3 per cent, respectively, in 2018.

Figure 15.3: Pupil Completion Rate and Primary to Secondary Transition Rate, 2014 - 2018



15.12.

Public Primary School Teachers

The number of public primary school teachers by cadre and sex from 2014 to 2018 is presented in Table 15.6. The total number of teachers decreased from 217,152 in 2017 to 215,363 in 2018 as a result of a decline in the number of male teachers by 2.7 per cent. In 2018, the number of graduate, approved and S1/diploma teachers declined by 4.6, 12.7 and 2.4 per cent, respectively. Similarly, the number of P1 teachers increased by 6.5 per cent to 109,954 in 2018. The P1 teachers accounted for 51.1 per cent of the total number of teachers during the review period.

Table 15.6: Public Primary School Teachers¹ by Cadre and Sex, 2014 – 2018

Grade	2014						2015			2016			2017			2018*			
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
	Graduate	9,353	10,001	19,354	10,267	10,951	21,218	10,315	10,987	21,302	10,228	10,964	21,192	9,658	10,555	20,213	25,908	20,377	46,285
Approved	29,010	20,722	49,732	29,669	21,050	50,719	29,770	22,352	52,122	30,255	22,745	53,000	16,465	23,094	39,559	16,009	22,606	38,615	
S1/Diploma	15,236	20,850	36,086	16,421	22,722	39,143	16,386	22,735	39,121	16,465	23,094	39,559	16,009	22,606	38,615	16,009	22,606	38,615	
Dip/Technical	17	26	43	18	27	45	23	32	55	37	37	74	16	22	38	16	22	38	
P1	48,118	47,317	95,435	48,426	49,723	98,149	50,965	51,105	102,070	49,704	53,558	103,262	52,173	57,781	109,954	52,173	57,781	109,954	
Cert./Technical	30	17	47	31	15	46	36	13	49	29	14	43	25	14	39	25	14	39	
Contract Teachers	-	-	-	647	1,024	1,671	-	-	-	-	9	13	22	95	124	219	95	124	219
TOTAL	101,764	98,933	200,697	105,479	105,512	210,991	107,495	107,224	214,719	106,727	110,425	217,152	103,884	111,479	215,363	103,884	111,479	215,363	

Source: Teachers Service Commission

* Provisional

¹ Data does not include teachers on study leave, disciplinary cases and those performing non-teaching duties.

Secondary Education 15.13. Enrolment in public and private secondary schools by class and sex from 2014 to 2018 is presented in Table 15.7. The total enrolment in secondary schools increased by 4.0 per cent to 2,942.7 thousand in 2018. Enrolment of boys and girls in Form 1 rose by 2.2 per cent and 3.9 per cent, respectively, in 2018. The survival rate at Form 4 for all students stood at 86.4 per cent in 2018. As shown in Figure 15.4, the secondary school GER increased by 1.8 percentage points to 70.3 per cent in 2018, while the NER for secondary school increased by 2.1 percentage points to 53.2 per cent in the same period.

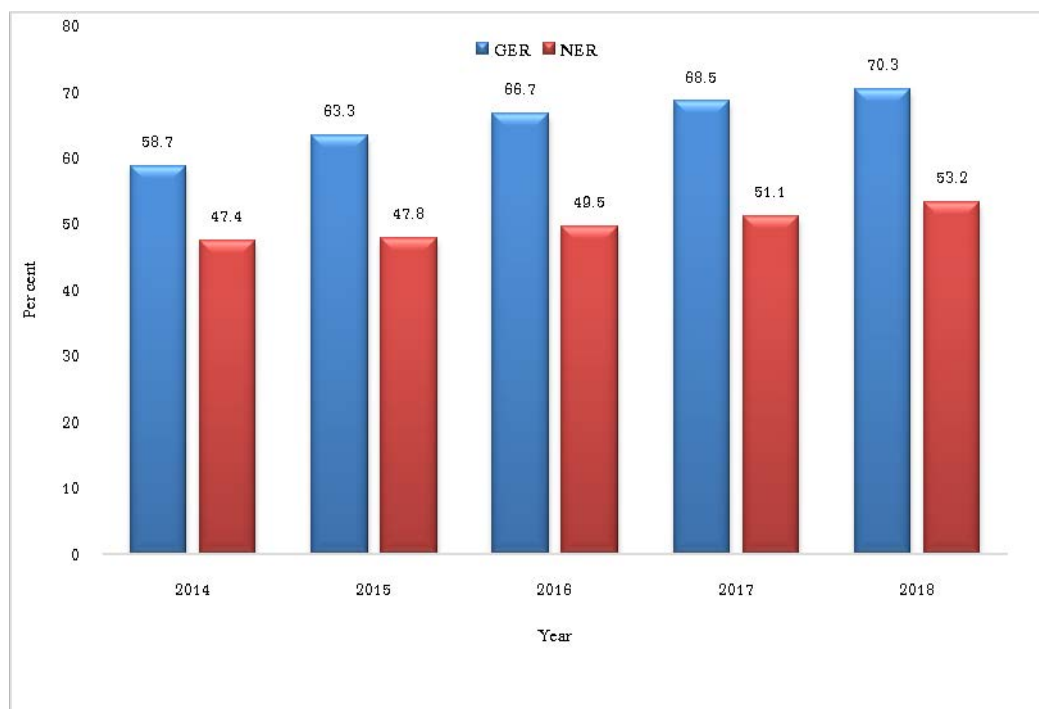
Table 15.7: Enrolment in Secondary Schools by Class and Sex, 2014 – 2018

Class	Number ('000')														
	2014			2015			2016			2017			2018*		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Form 1 ...	342.4	331.0	673.4	380.4	352.2	732.7	382.8	375.1	757.9	405.5	396.1	801.5	414.6	411.4	826.0
Form 2 ...	326.4	307.3	633.6	359.8	331.6	691.4	372.5	357.9	730.4	386.4	372.3	758.7	408.7	392.5	801.2
Form 3 ...	294.3	263.7	557.9	331.1	296.4	627.5	345.0	324.3	669.4	356.0	335.7	691.7	369.4	348.5	717.9
Form 4 ...	250.2	216.5	466.7	277.1	230.3	507.4	296.6	266.3	562.9	303.0	275.9	578.9	312.6	285.0	597.6
TOTAL	1,213.3	1,118.4	2,331.7	1,348.4	1,210.5	2,559.0	1,396.9	1,323.6	2,720.6	1,450.8	1,380.0	2,830.8	1,505.3	1,437.4	2,942.7

Source : Ministry of Education

* Provisional

Figure 15.4: Secondary School Gross Enrolment Rate and Net Enrolment Rate, 2014 - 2018



Kenya Certificate of Secondary Education (KCSE)

15.14. Table 15.8 presents national trends in KCSE candidates mean grade by sex from 2014 to 2018. The total number of candidates has been increasing overtime, going up by 7.1 per cent from 610,501 in 2017 to 653,787 in 2018. The number of female candidates increased by 7.9 per cent compared to 6.3 per cent increase for male candidates during the period under review. The number of candidates who scored a minimum university entry score of C+ (plus) and above rose from 70,073 in 2017 to 90,950 in 2018, representing an increase of 29.8 per cent. The number of candidates who scored A (plain) more than doubled from 142 in 2017 to 315 in 2018, while those who scored A- (minus) went up by 26.0 per cent to 3,419 in the same period. The number of female candidates who scored C (plain) and C- (minus) rose by 22.7 per cent to 59,867 in 2018 while that of male candidates increased by 16.9 per cent to 61,603 in the review period. The number of candidates who scored D- (minus) and below declined by 8.7 per cent to 196,205 in 2018.

Table 15.8: National Trends in KCSE Candidates Mean Grade by Sex, 2014 - 2018

KCSE Grade	2014		2015		2016		2017		2018*		Number
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
A.....	2,133	940	2,024	661	58	83	81	61	201	114	315
A-.....	7,644	4,124	7,952	4,117	2,685	1,960	1,813	901	2,180	1,239	3,419
B+.....	12,606	7,208	13,517	8,410	6,581	4,394	4,596	2,748	5,179	3,119	8,298
B.....	17,941	11,378	19,826	13,634	10,204	7,012	7,738	4,890	10,100	6,398	16,498
B-.....	21,997	16,318	25,312	19,269	13,649	10,096	11,631	7,754	15,666	10,681	26,347
C+.....	25,978	21,450	29,556	25,214	17,238	14,969	15,828	12,032	20,301	15,772	36,073
C.....	30,699	27,989	33,437	31,476	22,960	21,832	21,506	18,968	25,903	24,138	50,041
C-.....	36,015	34,662	37,482	36,633	30,979	30,047	31,206	29,834	35,700	35,729	71,429
D+.....	38,749	37,449	40,181	38,976	41,632	39,319	45,522	42,925	48,628	48,237	96,865
D.....	37,365	36,136	40,442	39,113	57,487	54,648	68,572	66,978	72,878	75,419	148,297
D-.....	24,542	23,174	25,531	23,127	77,718	72,211	88,040	91,341	81,248	84,103	165,351
E.....	3,227	2,409	3,127	2,223	18,077	15,322	18,345	17,191	16,793	14,061	30,854
Total	258,896	223,237	278,387	242,853	299,268	271,893	314,878	295,623	334,777	319,010	653,787

Source: Kenya National Examinations Council

* Provisional

Teachers in Public Secondary Schools and Teacher Training Colleges 15.15. Table 15.9 shows the number of public secondary school and teacher training college teachers by cadre and sex from 2014 to 2018. The total number of teachers went up by 4.2 per cent from 93,831 in 2017. The number of trained graduate teachers rose by 7.4 per cent to 80,255 in 2018, while that of trained S1/diploma teachers increased by 9.3 per cent to 11,496 in 2018. The rise in number of teachers was partly attributed to hiring of additional teachers to support the 100 per cent transition from primary to secondary schools. However, the number of approved teachers declined by 10.8 per cent to 4,916 in 2018.

Table 15.9: Teachers in Public Secondary Schools and Teacher Training Colleges by Cadre and Sex¹, 2014 – 2018

Grade	2014		2015		2016		2017		2018*		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Trained											
Graduate	37,641	24,795	40,610	27,081	43,128	29,120	43,584	31,137	47,165	33,090	80,255
Approved.....	4,269	2,116	4,082	2,025	3,845	1,985	3,659	1,851	3,228	1,688	4,916
SI/Diploma	4,853	3,687	5,650	4,242	5,432	4,180	6,005	4,515	6,617	4,879	11,496
Dip/Technical	572	299	577	296	568	285	1,647	768	335	157	492
Cert./Technical	366	121	350	116	342	96	331	107	266	95	361
Contract Teachers ...	-	-	81	121	-	-	12	15	63	64	127
Sub Total	47,701	31,018	51,350	33,881	53,315	35,666	55,238	38,393	57,674	39,973	97,647
Untrained											
Graduate	-	-	169	30	165	35	164	30	135	26	161
Dip/Technical	6	2	6	2	4	2	6	-	4	-	4
Sub Total	6	2	175	32	169	37	170	30	139	26	165
Grand Total	47,707	31,020	51,525	33,913	53,484	35,703	55,408	38,423	57,813	39,999	97,812

Source : Teachers Service Commission

* Provisional

¹ Data does not include teachers on study leave, disciplinary cases and those performing non-teaching duties.

Enrolment in Teacher Training Institutions 15.16. Table 15.10 presents the enrolment of teacher trainees by year of study and sex from 2014 to 2018. The total number of teacher trainees increased marginally from 42,131 in 2017 to 42,351 in 2018. The enrolment in public primary (P1) colleges increased from 21,931 in 2017 to 22,231 in 2018. Enrolment of female trainees in diploma teacher training colleges declined by 10.0 per cent while that of male trainees declined by 5.4 per cent in 2018. Female trainees continued to record the highest proportion of trainees enrolled.

Table 15.10: Teacher Trainees Enrolment by Year and Sex, 2014 - 2018

Type of Institution/ Certification	Number									
	2014		2015		2016		2017		2018*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
(P1)										
1 st Year.....	4,994	5,536	5,769	6,270	4,489	5,945	4,623	6,123	4,715	6,276
2 nd Year.....	5,249	5,435	5,513	5,266	5,074	5,786	5,226	5,959	5,103	6,137
Sub Total (a).....	10,243	10,971	11,282	11,536	9,563	11,731	9,849	12,082	9,818	12,413
Total Public P1.....	21,214		22,818		21,294		21,931		22,231	
Private primary (P1)	7,905	8,352	8,102	8,511	8,401	9,372	8,418	9,449	8,435	9,527
Total Private P1.....	16,287		16,613		17,773		17,867		17,962	
Sub Total¹ (b).....	18,148	19,323	19,384	20,047	17,964	21,103	18,267	21,531	18,253	21,940
Diploma										
1 st Year.....	671	516	419	411	573	558	453	330	420	302
2 nd Year.....	317	260	300	280	392	369	418	401	319	237
3 rd Year.....	387	231	305	256	404	344	402	329	465	415
Sub Total (c).....	1,375	1,007	1,024	947	1,369	1,271	1,273	1,060	1,204	954
Total².....	19,523	20,330	20,408	20,994	19,333	22,374	19,540	22,591	19,457	22,894
Grand Total.....	39,853		41,402		41,707		42,131		42,351	

Source: Ministry of Education

* Provisional

Notes

1. Sub Total¹(b) = Sub Total (a) + Private primary (P1)

2. Total² = Sub Total¹(b) + Sub Total (c)

Enrolment in TVET Institutions 15.17. Table 15.11 shows the enrolment in registered Technical and Vocational Education and Training (TVET) institutions from 2014 to 2018. Total enrolment in TVET institutions grew by 32.3 per cent to 363,884 in 2018. Enrolment of male and female students in national polytechnics and technical universities significantly increased by 61.0 per cent and 67.7 per cent in 2018, respectively. During the same period, enrolment in vocational training colleges increased by 25.5 per cent to 284,506, partly due to the on-going initiative to increase enrolment in TVET institutions.

Table 15.11: Enrolment in Technical and TVET Institutions by Sex, 2014 – 2018

Institution	Number									
	2014		2015		2016		2017		2018*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Technical University of Kenya ¹	4,432	2,769	3,911	2,517	2,425	1,249	3,226	1,432	1,898	919
Technical University of Mombasa ¹	3,250	1,708	2,835	1,633	1,789	1,236	1,859	1,257	765	450
Kenya Technical Trainers College	858	597	913	1,119	2,806	2,114	1,750	1,219	1,730	1,374
Kisumu National Polytechnic	2,926	1,551	2,078	1,325	2,941	1,415	3,608	1,887	5,137	3,113
Eldoret National Polytechnic	3,194	1,977	2,726	1,484	3,793	2,174	4,965	3,215	7,875	6,040
Meru National Polytechnic	..	..	..	..	744	287	2,727	1,990	4,730	3,113
North Eastern National Polytechnic	..	..	..	..	613	428	256	200	690	449
Kenya Coast National Polytechnic	..	..	..	..	736	1,142	822	1,318	4,033	2,957
Kitale National Polytechnic	..	..	..	..	907	512	978	673	2,860	1,998
Kisii National Polytechnic	..	..	..	..	1,733	1,217	2,219	1,810	3,654	3,137
Kabete National Polytechnic	..	..	..	..	2,048	979	2,607	1,051	7,034	3,642
Nyeri National Polytechnic	..	..	..	..	1,218	646	1,874	1,282	2,625	1,807
Sigalagala National Polytechnic	..	..	..	..	1,001	762	2,399	1,868	4,140	3,208
Sub Total	14,660	8,602	12,463	8,078	22,754	14,161	29,290	19,202	47,171	32,207
Total	23,262		20,541		36,915		48,492		79,378	
Other TVET Institutions										
Public Technical and Vocational Colleges ²	29,632	21,232	32,221	23,087	17,589	9,569	29,584	17,982	49,454	34,948
Private Technical and Vocational Colleges ²	..	..	..	..	27,280	30,298	35,951	38,689	41,623	43,997
Vocational Training Colleges ³	45,473	28,222	47,625	29,840	46,340	34,565	59,756	44,685	66,894	47,590
Sub Total	75,105	49,454	79,846	52,927	91,209	74,432	125,291	101,356	157,971	126,535
Total	124,559		132,773		165,641		226,647		284,506	
Grand Total	147,821		153,314		202,556		275,139		363,884	

Source: Technical Vocational Education and Training Authority (TVETA)

* Provisional

¹ Diploma and Certificate courses only² Formerly Technical Training Institutes³ Formerly Youth Polytechnics

.. Data not available

University Education 15.18. Table 15.12 details student enrolment in public and private universities from 2015/16 to 2018/19 academic years. Total enrolment in both public and private universities is expected to drop by 1.7 per cent to 513,182 in 2018/19. Enrolment for both male and female students in public universities is expected to drop by 1.8 per cent and 5.2 per cent in 2018/19, respectively. This decline is partly attributed to the reduction in number of candidates scoring a minimum university entry score of C+ (plus) and above in KCSE examinations since 2016. In 2018/19, the female students in public and private universities are expected to account for 40.1 per cent and 45.8 per cent, respectively, of the total enrolment.

Table 15.12: University Enrolment¹ by Sex, 2015/16 – 2018/19

INSTITUTION	2015/16		2016/17		2017/18		2018/19*	
	Male	Female	Male	Female	Male	Female	Male	Female
Public Universities								
University of Nairobi ⁺	60,103	38,612	47,360	25,832	43,535	24,422	50,061	20,454
Kenyatta	40,254	31,237	37,216	29,875	39,263	32,770	34,270	30,329
Moi	24,775	21,951	24,608	18,062	18,972	18,935	16,682	15,314
Egerton	7,087	5,433	7,178	5,623	6,917	4,676	8,972	6,320
Jomo Kenyatta (JKUAT)	21,623	12,752	24,747	15,198	25,621	15,724	21,421	16,319
Maseno	11,157	7,115	10,729	7,618	9,383	7,217	8,797	6,817
Masinde Muliro	8,619	5,612	11,344	7,542	9,842	6,985	11,802	8,240
Technical University of Kenya	7,586	2,446	7,460	2,693	8,642	3,025	7,587	2,740
Technical University of Mombasa	5,061	1,814	5,086	2,397	6,038	2,200	6,430	2,595
Dedan Kimathi	4,538	1,558	4,554	1,558	4,261	1,925	4,607	2,063
Chuka	6,469	4,074	8,689	5,844	9,032	6,067	7,505	5,643
Karatina	4,590	3,046	3,631	2,653	3,585	2,700	3,565	2,781
Kisii	7,567	5,979	13,913	8,995	11,581	8,322	7,105	4,950
Meru	3,067	1,272	4,362	2,156	3,466	1,400	3,177	1,620
Multimedia	2,568	1,373	2,902	1,753	2,986	1,746	3,296	1,996
South Eastern	4,274	2,624	4,591	3,153	4,856	3,264	4,767	3,283
Jaramogi Oginga Odinga	6,682	3,974	7,529	5,213	5,798	3,331	5,881	3,433
Laikipia ⁺	5,297	4,019	5,316	4,041	4,247	3,572	4,015	3,447
University of Eldoret ⁺	7,835	6,521	9,675	7,261	8,067	6,390	7,586	5,945
Kabianga	1,249	1,017	4,661	3,855	4,169	3,618	3,762	3,290
Pwani	3,781	2,494	3,989	2,692	2,792	2,238	3,919	2,894
Masai Mara	5,149	3,988	5,340	4,234	5,879	5,096	4,363	3,809
Kibabii	3,527	1,815	3,610	2,440	4,314	2,842	4,226	2,020
Embu ⁺	2,254	1,899	3,052	2,428	3,548	2,616
Machakos .....	..	..	4,430	2,887	4,656	2,941	4,502	2,978
Murang'a ⁺	1,473	871	2,068	1,304	2,734	1,429
Rongo .....	..	..	3,029	2,220	2,831	2,235	2,839	2,154
Kirinyaga .....	..	..	317	242	1,265	944	2,004	1,275
Co-operative .....	..	..	1,259	1,594	1,009	1,127	1,402	1,466
Taita Taveta .....	..	..	561	280	1,614	751	1,979	800
Garissa .....	..	..	..	..	862	333	929	372
University Constituent Colleges ² .....	..	..	..	..	..	..	2,142	1,698
SUB-TOTAL	252,858	170,726	271,813	180,681	260,603	180,528	255,875	171,090
Private Universities	39,125	38,804	43,547	41,648	43,253	37,675	46,764	39,453
GRAND TOTAL	501,613		537,689		522,059		513,182	

Source: Individual Universities/ Commission for University Education

* Provisional

¹ Enrolment excludes Diploma/Certificate students² Includes Kaimosi, Alupe, Turkana, Tom Mboya, Tharaka-Nithi and Bomet

.. Data not Available

⁺ Some Universities have revised data for 2015/16, 2016/17 and 2017/18 academic years

Registration of Universities and Other Institutions Offering Degree Programmes 15.19. Details on registration of universities and other institutions offering degree programmes from 2014 to 2018 is shown in Table 15.13. The number of public university campuses established reduced from 168 to 111 in 2018, partly due to closure of campuses for failure to meet the accreditation requirements. This follows the reduction in number of candidates scoring a minimum university entry score of C+ (plus) and above in KCSE and continued quality assurance audit by the Commission for University Education that has led to closure of some campuses. The number of universities with interim authority increased to 14 in 2018, following the issuance of Letter of Interim Authority to two universities.

Table 15.13: Registration of Universities and Other Institutions Offering Degree Programmes, 2014 - 2018

Category of Institutions	Number				
	2014	2015	2016	2017	2018*
Chartered private universities ⁺	17	17	17	18	18
Universities with Letter of Interim Authority ⁺	13	12	12	12	14
Newly Registered universities ⁺	1	1	1	-	-
Institutions approved for collaboration with universities in offering university programmes	33	35	2	2	3
Public universities	22	23	30	31	31
Public university constituent colleges	9	10	3	5	6
Private university constituent colleges	5	5	5	5	5
Public university campuses established	87	101	115	168	111

Source: Commission for University Education

* Provisional

⁺Revised

15.20. The number of approved degree programmes by category of institution from 2014 to 2018 is presented in Table 15.14. The number of approved public university degree programmes substantially increased to 4,063 in 2018 while that of private universities increased by 13.3 per cent to 714 in the same period. The number of approved degree programmes for universities with interim authority more than doubled from 70 in 2017 to 144 in 2018. The increase is attributable to a directive by the Commission for University Education in December 2017 that recognized all university senates' approved programmes as accredited.

Table 15.14: Number of Approved Degree Programmes, 2014 - 2018

Programme	Number				
	2014	2015	2016	2017	2018*
Public University Degree Programmes.....	2,027	2,066	2,066	2,807	4,063
Public University Constituent Colleges Degree Programmes.....	..	106	106	108	104
Private University Degree Programmes.....	456	554	620	630	714
Private University Constituent Colleges Degree Programmes.....	18	18	21	22	47
Universities with Letter of Interim Authority.....	49	56	64	70	144
Registered Private University Degree Programmes.....	4	4	4	4	0
Degree Programmes for Collaboration with Universities.....	38	38	41	45	6
Validated Diploma Programmes ¹	88	94	101	103	0

Source: Commission for University Education

* Provisional

.. Data not available

¹Commission currently does not regulate diploma programmes

Education Loans

15.21. The number of loan applicants, beneficiaries and amount of loans awarded to students in public and private universities and TVET institutions from 2013/14 to 2017/18 academic years is presented in Table 15.15. The total number of loan applicants went up by 11.1 per cent to 281,044 in 2017/18. The number of female loan applicants significantly increased by 33.6 per cent to 118,950 in 2017/18 whereas that of male applicants declined by 1.1 per cent in the same period. The total number of loan beneficiaries increased by 12.8 per cent to 275,823 in 2017/18. The amount of loans awarded rose by 17.0 per cent to KSh 11.1 billion in 2017/18. During the review period, the amount of loans awarded to female applicants increased to KSh 4.7 billion.

15.22. The number of loan applicants from public universities increased by 4.9 per cent to 221,816 in 2017/18. The number of male loan applicants from public universities declined by 5.2 per cent to 130,285 in 2017/18 whereas that of female increased by 23.6 per cent to 91,531 in 2017/18. The number of loan beneficiaries from public universities increased by 5.1 per cent to 217,888 in 2017/18, while the amount of loans awarded rose to KSh 9.2 billion.

15.23. The number of loan applicants from private universities increased from 7,044 in 2016/17 to 13,228 in 2017/18. As a result, the number of beneficiaries more than doubled to 13,153 in 2017/18. The amount of loans awarded to applicants from private universities grew from KSh 257.1 million in 2016/17 to KSh 563.3 million in 2017/18, in line with the government initiative to support students pursuing degree and diploma courses in private universities within East African member countries.

15.24. The number of loan applicants and beneficiaries from TVET institutions increased by 33.8 per cent and 44.7 per cent, respectively, in 2017/18. The amount of loans awarded to applicants from TVET institutions increased by 50.6 per cent to KSh 1.3 billion in 2017/18 following the government initiative to support students in TVET institutions.

Table 15.15: Loan Applicants, Beneficiaries and Loans Awarded by Sex, 2013/14 – 2017/18

Year	Number of Loans Applicants			Number of Loans Beneficiaries			Amount of Loans Awarded (KSh Million)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total									
2013/14.....	108,050	57,645	165,695	97,810	51,836	149,646	4,147.9	2,299.2	6,447.1
2014/15.....	120,881	64,872	185,753	117,084	60,448	177,532	4,592.0	2,353.2	6,945.3
2015/16.....	132,246	72,513	204,759	127,913	69,116	197,029	4,944.7	2,628.4	7,573.1
2016/17.....	163,887	89,042	252,928	158,537	86,089	244,626	6,125.4	3,326.9	9,452.3
2017/18*.....	162,094	118,950	281,044	158,737	117,086	275,823	6,375.0	4,683.9	11,058.9
Public University									
2013/14.....	101,385	53,620	155,005	92,061	48,459	140,520	3,948.5	2,175.2	6,123.7
2014/15.....	112,495	59,931	172,426	109,022	55,847	164,869	4,384.5	2,224.2	6,608.7
2015/16.....	119,225	64,662	183,887	115,194	61,514	176,708	4,607.8	2,413.7	7,021.5
2016/17.....	137,476	74,026	211,501	134,726	72,545	207,271	5,403.0	2,909.3	8,312.2
2017/18*.....	130,285	91,531	221,816	127,605	90,283	217,888	5,368.5	3,797.7	9,166.2
Private University									
2013/14.....	3,903	2,791	6,694	2,987	2,143	5,130	127.8	90.7	218.5
2014/15.....	3,335	2,390	5,725	3,011	2,050	5,061	118.7	80.8	199.5
2015/16.....	3,198	2,344	5,542	2,896	2,095	4,991	112.0	80.3	192.3
2016/17.....	4,086	2,958	7,044	3,718	2,692	6,410	149.1	108.0	257.1
2017/18*.....	7,384	5,844	13,228	7,341	5,812	13,153	313.9	249.3	563.3
TVET institutions									
2013/14.....	2,762	1,234	3,996	2,762	1,234	3,996	71.6	33.3	104.8
2014/15.....	5,051	2,551	7,602	5,051	2,551	7,602	88.8	48.2	137.0
2015/16.....	9,823	5,507	15,330	9,823	5,507	15,330	224.9	134.4	359.3
2016/17.....	22,326	12,058	34,383	20,093	10,852	30,945	573.3	309.6	883.0
2017/18*.....	24,425	21,575	46,000	23,791	20,991	44,782	692.6	636.8	1,329.4

Source: Higher Education Loans Board

* Provisional

15.25. The details on bursary applicants, beneficiaries and the amounts awarded to students by the Higher Education Loans Board (HELB) in public universities and TVET institutions from 2013/14 to 2017/18 are shown in Table 15.16. The total number of bursary applicants went up by 10.0 per cent to 267,816 in 2017/18. However, the number of applicants who were awarded bursaries declined by 5.7 per cent to 33,607 in 2017/18. Similarly, the amount of bursaries awarded reduced by 8.6 per cent to KSh 232.5 million in the same period.

15.26. The number of bursary applicants from public universities went up by 6.1 per cent to 221,816 in 2017/18, with only 18,791 applicants being awarded bursaries. Similarly, the amount of bursaries awarded to applicants from public universities declined marginally from KSh133.7 million in 2016/17 to KSh 132.5 million in the review period. Although, the number of bursary applicants from TVET institutions increased by 33.8 per cent to 46,000 in 2017/18, the number of beneficiaries reduced by 5.6 per cent to 14,816 over the same period. The amount of bursaries awarded to applicants from TVET institutions declined from KSh 120.8 million in 2016/17 to KSh 100.0 million in 2017/18.

Table 15.16: Bursary Applicants, Beneficiaries and Amount Awarded by Sex, 2013/14 – 2017/18

Year	Number of Bursary Applicants			Number of Applicants Awarded Bursary			Amount of Bursary Awarded (KSh Million)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total									
2013/14.....	10,677	4,029	14,706	11,228	4,029	15,257	86.1	35.1	121.2
2014/15.....	15,842	6,934	22,776	15,704	6,934	22,638	106.4	49.0	155.4
2015/16.....	24,994	9,991	34,985	20,501	9,991	30,492	143.4	72.9	216.3
2016/17.....	152,953	90,580	243,532	24,309	11,344	35,653	173.1	81.3	254.4
2017/18*.....	154,710	113,106	267,816	21,188	12,419	33,607	145.3	87.1	232.5
Public University									
2013/14.....	7,915	2,795	10,710	8,466	2,795	11,261	51.3	18.9	70.2
2014/15.....	10,791	4,383	15,174	10,653	4,383	15,036	64.8	26.3	91.1
2015/16.....	15,171	4,484	19,655	10,678	4,484	15,162	64.8	26.4	91.2
2016/17.....	130,627	78,522	209,149	13,967	5,985	19,952	93.6	40.1	133.7
2017/18*.....	130,285	91,531	221,816	12,470	6,321	18,791	87.3	45.2	132.5
TVET Institutions									
2013/14.....	2,762	1,234	3,996	2,762	1,234	3,996	34.8	16.2	51.0
2014/15.....	5,051	2,551	7,602	5,051	2,551	7,602	41.6	22.7	64.3
2015/16.....	9,823	5,507	15,330	9,823	5,507	15,330	78.5	46.5	125.0
2016/17.....	22,326	12,058	34,383	10,342	5,359	15,701	79.5	41.2	120.8
2017/18*.....	24,425	21,575	46,000	8,718	6,098	14,816	58.0	42.0	100.0

Source: Higher Education Loans Board

* Provisional

15.27. Table 15.17 presents Government capitation, loan repayments; and loans and bursaries awarded from 2014/15 to 2018/19. The Government increased loans capitation advanced to HELB by 23.9 per cent to KSh 7.7 billion in 2017/18. The total Government capitation and loan repayment increased by 21.6 per cent to KSh 12.8 billion in the same period. Similarly, the total amount of loans and bursaries awarded to applicants rose from KSh 9.7 billion in 2016/17 to KSh 11.3 billion in the same period.

Table 15.17: Government Capitation, Loan Repayments and Loans / Bursaries Awarded, 2013/14 - 2017/18

Year	KSh Million						
	GOK Loans Capitation	GOK Bursaries Capitation	Loans Repayment	Total GOK Capitation and Loan Repayment	Loans Awarded	Bursaries Awarded	Total Loans and Bursaries Awarded
2013/14.....	2,965.0	192.0	3,205.0	6,362.0	6,447.1	121.2	6,568.2
2014/15.....	4,514.0	192.0	3,257.1	7,963.1	6,945.3	155.4	7,100.6
2015/16.....	5,858.0	192.0	3,982.6	10,032.6	7,573.1	216.3	7,789.4
2016/17.....	6,177.8	237.0	4,143.0	10,557.8	9,452.3	254.4	9,706.7
2017/18*.....	7,651.8	237.0	4,954.2	12,843.0	11,058.9	232.5	11,298.0

Source: Higher Education Loans Board

* Provisional

15.28. Table 15.18 presents enrolment of adult education by sex and county from 2016 to 2018. Enrolment increased from 206,224 in 2017 to 212,441 in 2018. Generally, female enrolment has been higher than that of their male counterparts over the years. Kilifi, Kitui, Makueni, Kajiado and Nairobi City Counties recorded an enrolment of above 8,000 with Nairobi City County having the highest enrolment of 15,121 in 2018.

Table 15.18: Adult Education Enrolment by Sex and County, 2016 - 2018

County	2016			2017			2018*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Mombasa.....	498	1,265	1,763	1,434	2,213	3,647	1,405	2,174	3,579
Kwale	1,157	4,029	5,186	725	3,112	3,837	767	3,089	3,856
Kilifi.....	1,491	8,207	9,698	844	5,802	6,646	1,521	7,181	8,702
Tana River.....	1,206	3,771	4,977	899	2,271	3,170	938	3,103	4,041
Lamu.....	831	1,533	2,364	276	513	789	368	636	1,004
Taita/Taveta.....	661	1,060	1,721	518	1,395	1,913	823	1,364	2,187
Garissa.....	4,669	3,478	8,147	3,034	2,247	5,281	1,693	4,227	5,920
Wajir.....	1,379	1,326	2,705	1,350	1,316	2,666	1,327	1,335	2,662
Mandera.....	2,062	2,696	4,758	1,487	1,913	3,400	1,532	2,156	3,688
Marsabit.....	425	1,341	1,766	119	220	339	464	965	1,429
Isiolo.....	473	1,342	1,815	328	913	1,241	333	861	1,194
Meru.....	3,875	11,388	15,263	2,070	5,542	7,612	981	2,358	3,339
Tharaka Nithi.....	446	1,606	2,052	488	1,810	2,298	419	1,379	1,798
Embu.....	1,179	4,003	5,182	740	887	1,627	786	1,962	2,748
Kitui.....	2,039	9,710	11,749	1,385	6,990	8,375	1,469	6,633	8,102
Machakos.....	946	5,726	6,672	951	5,073	6,024	972	4,833	5,805
Makueni.....	1,641	9,135	10,776	1,978	7,725	9,703	1,427	6,891	8,318
Nyandarua.....	1,154	3,661	4,815	262	702	964	980	2,843	3,823
Nyeri.....	852	3,348	4,200	761	2,958	3,719	777	2,491	3,268
Kirinyaga.....	845	2,497	3,342	363	1,024	1,387	510	1,107	1,617
Murang'a.....	802	2,872	3,674	705	2,585	3,290	666	2,812	3,478
Kiambu.....	1,596	3,509	5,105	3,426	6,510	9,936	1,170	2,949	4,119
Turkana.....	2,890	3,992	6,882	1,900	2,483	4,383	2,159	2,657	4,816
West Pokot.....	1,264	1,518	2,782	1,060	1,491	2,551	703	1,105	1,808
Samburu.....	1,522	2,490	4,012	1,377	2,254	3,631	1,262	2,084	3,346
Transzoia.....	960	2,255	3,215	688	983	1,671	527	2,187	2,714
Uasin Gishu.....	1,451	2,827	4,278	1,267	2,439	3,706	1,249	2,346	3,595
Elgeyo/Marakwet....	2,143	2,518	4,661	1,827	3,671	5,498	1,416	2,277	3,693
Nandi.....	1,316	4,107	5,423	2,080	3,506	5,586	1,737	2,692	4,429
Baringo.....	1,798	3,210	5,008	1,705	2,800	4,505	1,410	2,591	4,001
Laikipia.....	1,036	2,665	3,701	757	2,145	2,902	591	1,760	2,351
Nakuru.....	7,290	4,109	11,399	3,602	5,707	9,309	2,733	4,206	6,939
Narok.....	1,457	2,018	3,475	..	..	..	813	1,227	2,040
Kajiado.....	2,680	3,972	6,652	2,021	5,444	7,465	2,734	5,663	8,397
Kericho.....	2,138	5,161	7,299	1,405	3,087	4,492	1,370	2,818	4,188
Bomet.....	927	2,551	3,478	645	1,556	2,201	1,254	2,959	4,213
Kakamega.....	2,057	4,510	6,567	914	2,417	3,331	2,055	4,647	6,702
Vihiga.....	1,442	5,228	6,670	607	2,142	2,749	698	2,260	2,958
Bungoma.....	3,049	4,643	7,692	832	1,294	2,126	1,932	3,337	5,269
Busia.....	1,504	3,810	5,314	1,259	3,093	4,352	1,526	4,137	5,663
Siaya.....	536	1,839	2,375	719	1,953	2,672	702	1,772	2,474
Kisumu.....	2,098	4,541	6,639	2,270	4,996	7,266	2,595	5,060	7,655
Homa Bay.....	2,935	7,770	10,705	1,937	4,729	6,666	1,831	4,468	6,299
Migori.....	1,955	4,089	6,044	1,018	3,739	4,757	1,864	3,646	5,510
Kisii.....	2,298	5,278	7,576	2,148	5,356	7,504	2,079	4,981	7,060
Nyamira.....	2,905	5,314	8,219	1,728	4,002	5,730	2,018	4,505	6,523
Nairobi City.....	5,697	8,276	13,973	5,679	7,628	13,307	7,056	8,065	15,121
TOTAL	85,575	186,194	271,769	63,588	142,636	206,224	65,642	146,799	212,441

Source: Directorate of Adult Education, Ministry of Education

* Provisional

.. Data not available

Adult Education 15.29. Table 15.19 presents the number of adults who passed proficiency tests and private candidates who registered for KCPE in 2017 and 2018. The number of adult male learners who passed proficiency tests declined by 9.3 per cent to 4,907 in 2018, whereas that of female learners rose by 16.3 per cent to 14,441 in 2018. Wajir, Samburu, Baringo, Marsabit and Laikipia Counties recorded the lowest number of adult learners who passed proficiency tests, whereas Meru, Makueni and Kajiado Counties had the highest number. The number of private candidates who registered for KCPE increased by 3.6 per cent to 5,305 in 2018. Kiambu, Kisii and Nairobi City Counties recorded the highest number of private candidates who registered for KCPE in the review period.

Table 15.19: Adults who Passed Proficiency Tests and Private Candidates Registered for KCPE by Sex and County, 2017 - 2018

County	2017				2018*				Number
	PTP		KCPE		PTP		KCPE		
	Male	Female	Male	Female	Male	Female	Male	Female	
Mombasa.....	24	43	68	63	124	86	85	60	
Kwale	17	46	12	7	24	88	14	3	
Kilifi.....	56	321	75	62	36	211	98	74	
Tana River.....	77	147	21	4	34	83	14	17	
Lamu.....	80	363	16	14	32	230	16	14	
Taita/Taveta.....	71	265	11	10	25	96	9	4	
Garissa.....	523	112	153	37	372	219	206	59	
Wajir.....	86	24	15	3	34	3	139	143	
Mandera.....	173	79	48	7	158	125	36	13	
Marsabit.....	0	0	26	17	0	0	56	40	
Isiolo.....	16	66	12	14	114	49	20	22	
Meru.....	288	953	175	117	271	850	43	39	
Tharaka Nithi.....	452	900	34	11	77	293	32	14	
Embu.....	31	112	32	35	83	432	53	32	
Kitui.....	210	1,034	26	10	114	525	23	11	
Machakos.....	141	658	32	16	94	644	40	34	
Makueni.....	72	578	32	6	628	3,679	25	3	
Nyandarua.....	81	368	18	16	23	260	15	15	
Nyeri.....	103	277	34	15	57	228	26	3	
Kirinyaga.....	86	158	251	162	61	140	42	23	
Murang'a.....	50	186	27	11	77	212	30	35	
Kiambu.....	148	282	89	73	79	89	114	287	
Turkana.....	71	116	153	90	90	103	104	73	
West Pokot.....	45	66	6	4	66	87	12	11	
Samburu.....	26	52	7	2	12	48	2	7	
Trans Nzoia.....	72	95	66	54	19	104	79	57	
Uasin Gishu.....	131	199	25	26	162	264	38	9	
Elgeyo/Marakwet....	42	56	21	16	37	67	21	14	
Nandi.....	96	213	146	91	122	224	131	103	
Baringo.....	18	113	3	18	16	53	12	17	
Laikipia.....	25	94	32	2	4	63	3	9	
Nakuru.....	286	512	28	36	85	70	41	40	
Narok.....	107	169	44	36	139	114	65	54	
Kajiado.....	120	454	89	60	252	1,604	53	41	
Kericho.....	110	390	112	168	90	290	89	47	
Bomet.....	25	213	14	8	49	109	15	10	
Kakamega.....	144	323	119	107	128	298	136	110	
Vihiga.....	33	177	38	37	34	108	65	35	
Bungoma.....	311	76	102	125	173	317	87	62	
Busia.....	55	209	21	18	67	166	40	18	
Siaya.....	54	200	39	52	46	56	34	178	
Kisumu.....	147	376	110	208	101	347	125	73	
Homa Bay.....	18	88	83	65	155	508	76	93	
Migori.....	150	456	10	4	230	340	12	5	
Kisii.....	109	285	48	38	99	260	213	151	
Nyamira.....	125	379	45	16	26	80	11	16	
Nairobi.....	303	136	327	234	188	219	230	297	
TOTAL	5,408	12,419	2,895	2,225	4,907	14,441	2,830	2,475	

Source: Directorate of Adult Education; Ministry of Education

* Provisional

PTP-Proficiency Test Pass

Health and Vital Statistics

Chapter 16

Overview

The Government has initiated major improvements in the health sector. Universal Health Coverage (UHC), which is one of the pillars of the Big 4 Agenda, is an important programme that the Government is implementing with the aim of transforming the country's health sector for enhanced service delivery. The initiative is aimed at improving the quality of healthcare services in all public and private healthcare facilities while ensuring that services are accessible, affordable and efficient to all Kenyans. In pursuit of this, various primary health care reforms geared towards embracing public-private partnerships in health provision were introduced during the period under review.

16.2. In line with the UHC initiative, the National Government budgetary allocation on health services was increased by 57.8 per cent from KSh 61.8 billion in 2017/18 to KSh 97.5 billion in 2018/19. Development expenditure on health services is expected to expand by 77.7 per cent to KSh 59.0 billion, accounting for 60.5 per cent of total expenditure in 2018/19. Recurrent expenditure is expected to grow by 34.5 per cent to KSh 38.5 billion in 2018/19. County governments' expenditure on health services is expected to grow by 28.7 per cent to KSh 108.1 billion in 2018/19, out of which 77.5 per cent will be recurrent.

16.3. The National Hospital Insurance Fund membership rose by 13.2 per cent from 6.8 million in 2016/17 to 7.7 million in 2017/18. Membership from the formal sector registered a growth of 4.3 per cent compared with a 23.3 per cent increase in the informal sector during the review period. Receipts from members rose by 27.1 per cent from KSh 35.0 billion in 2016/17 to KSh 44.5 billion in 2017/18 while payouts increased by 41.4 per cent to KSh 37.2 billion during the same period.

16.4. The total number of health facilities increased by 9.8 per cent to 10,820, with public dispensaries and private medical clinics accounting for 36.1 per cent and 31.8 per cent of the total, respectively. The number of registered health personnel grew by 6.3 per cent to 175,681 in 2018. The number of middle level medical graduates from public medical training colleges increased by 21.2 per cent to 10,869 in 2017/18 while undergraduates and post graduates are expected to increase by 6.0 per cent to 4,470 in the 2018/19 academic year.

16.5. Birth registration coverage rate went up from 60.9 per cent in 2017 to 73.6 per cent in 2018, with most of the registered births having occurred in a health facility. Death registration coverage declined from 41.2 per cent in 2017 to 38.9 per cent in 2018.

Government Expenditure on Health Services

16.6. National Government expenditure on health services for the period 2014/15 to 2018/19 is presented in Table 16.1. Expenditure on health services is expected to rise by 57.8 per cent to KSh 97.5 billion in 2018/19, with development expenditure accounting for 60.5 per cent. In 2018/19, development expenditure on health services is expected to increase by 77.7 per cent to KSh 59.0 billion, out of which public health services will account for 66.9 per cent. Recurrent expenditure on health services is projected to increase to KSh 38.5 billion, out of which 46.8 per cent will be spent on hospital services.

Table 16.1: National Government Expenditure on Health Services, 2014/15 - 2018/19

	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 ⁺
Recurrent					
Outpatient services	1,531.5	1,464.2	1,308.7	804.9	2,694.2
Hospital services	13,766.2	11,897.1	13,159.6	13,618.6	19,998.1
Public health services	3,651.6	1,723.6	6,365.7	7,735.6	8,404.9
Health expenditure n.e.c	9,358.4	4,419.4	8,973.0	6,476.3	7,404.3
Sub-Total	28,307.7	19,504.3	29,806.9	28,635.3	38,501.5
Development					
Outpatient services	5,251.5	4,978.6	10,319.4	8,368.2	17,127.9
Hospital services	802.0	5,476.6	5,725.1	503.1	282.4
Public health services	6,967.6	4,428.2	5,103.2	23,067.2	39,510.3
Health expenditure n.e.c	8,452.9	267.0	5,651.3	1,267.5	2,103.0
Sub-Total	21,474.0	15,150.3	26,799.1	33,206.0	59,023.6
TOTAL	49,781.7	34,654.6	56,606.0	61,841.3	97,525.1

Source: National Treasury

*Provisional

⁺ Estimates

16.7. County Governments' expenditure on health services for 2014/15 to 2018/19 is presented in Table 16.2. Expenditure on health services is expected to expand by 28.7 per cent to KSh 108.1 billion in 2018/19, of which 77.5 per cent will be spent on recurrent activities. In 2018/19, recurrent expenditure on health services is projected to increase by 16.7 per cent to KSh 83.8 billion while development expenditure is expected to almost double to KSh 24.2 billion.

Table 16.2: County Governments' Expenditure on Health Services, 2014/15 - 2018/19

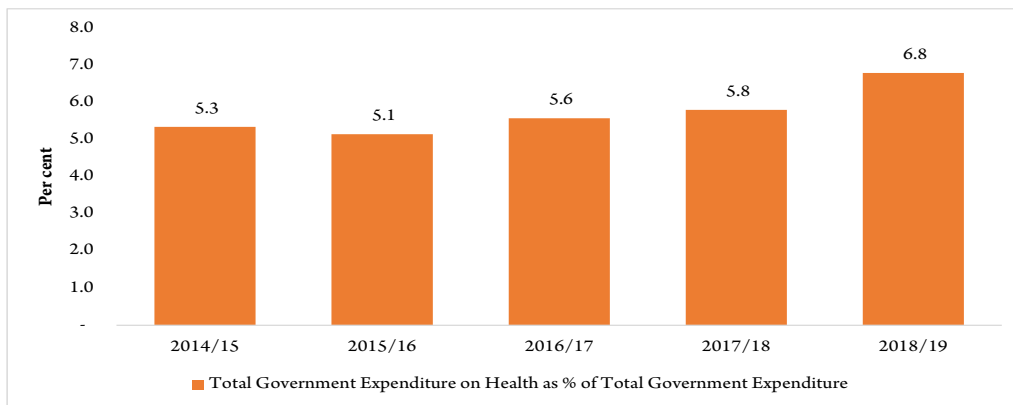
	KSh Million				
	2014/15	2015/16	2016/17	2017/18*	2018/19 ⁺
Recurrent	43,322.3	54,485.5	56,936.9	71,813.3	83,810.0
Development	11,349.4	16,246.8	13,837.5	12,165.0	24,245.0
TOTAL	54,671.7	70,732.3	70,774.4	83,978.3	108,055.0

*Provisional

⁺ Estimates

16.8. The share of total government expenditure on health to total government expenditure for 2014/15 to 2018/19 is shown in Figure 16.1. In the last three years, the ratio of government expenditure on health to total government expenditure has been on the rise and is expected to reach 6.8 per cent in 2018/19.

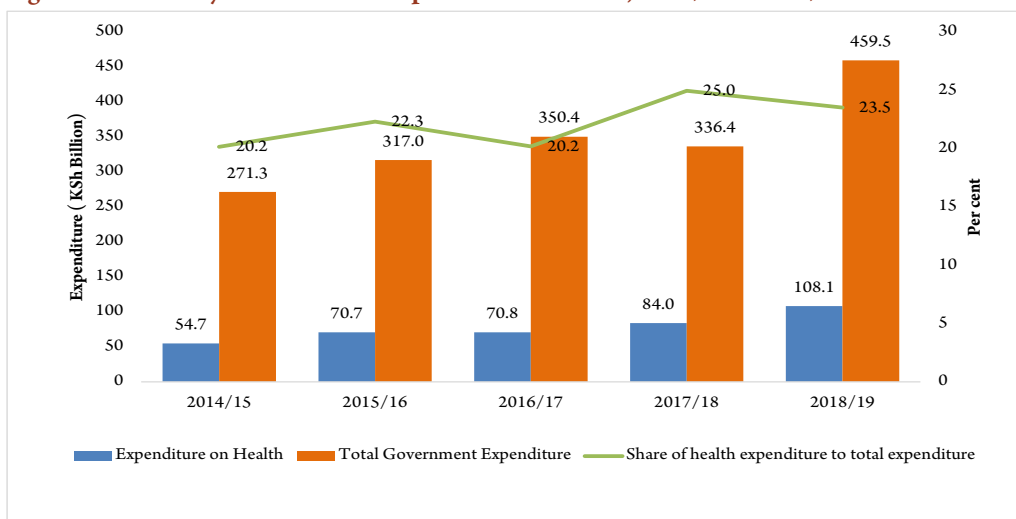
Figure 16.1: Share of Total Government Expenditure¹ on Health to Total Government Expenditure, 2014/15 – 2018/19



¹The total government expenditure on health constitutes expenditures at the national and county government levels, excluding extra-budgetary units and social securities

16.9. Figure 16.2 depicts county governments’ health expenditure for the period 2014/15 to 2018/19. Expenditure on health is expected to increase by 28.7 per cent to KSh 108.1 billion in 2018/19. The share of expenditure on health to total expenditure is expected to decline slightly from 25.0 per cent in 2017/18 to 23.5 per cent in 2018/19.

Figure 16.2: County Governments’ Expenditure on Health, 2014/15 – 2018/19



16.10. Table 16.3 shows the number of registered members of the National Hospital Insurance Fund (NHIF) for the period 2013/14 to 2017/18. Total membership increased by 13.2 per cent to 7.7 million in 2017/18. Membership from formal sector grew by 4.3 per cent compared with a 23.3 per cent growth in informal sector.

Table 16.3: Registered Members of the National Hospital Insurance Fund, 2013/14 -2017/18*

	Number ('000')				
	2013/14	2014/15	2015/16	2016/17	2017/18*
Formal Sector.....	2,952.4	3,221.6	3,616.2	3,870.4	4,038.4
Informal Sector.....	1,498.0	1,991.6	2,508.1	2,934.4	3,619.1
Total.....	4,450.4	5,213.2	6,124.3	6,804.8	7,657.5

Source: National Hospital Insurance Fund

* Provisional

National Hospital Insurance Fund 16.11. NHIF receipts and payouts for the period 2013/14 to 2017/18 are presented in Table 16.4. Receipts grew by 27.2 per cent to KSh 44.5 billion in 2017/18 while the amount of payouts increased by 41.4 per cent to KSh 37.2 billion. The proportion of payouts to receipts increased from 75.2 per cent in 2016/17 to 83.6 per cent in 2017/18.

Table 16.4: NHIF Receipts and Payouts, 2013/14 - 2017/18

	KSh Million				
	2013/14	2014/15	2015/16	2016/17	2017/18*
Receipts	13,629.1	15,826.2	31,995.7	34,978.2	44,494.3
Pay outs	9,401.4	10,891.1	14,217.0	26,309.1	37,194.0
Proportion of pay outs to receipts ...	69.0	68.8	44.4	75.2	83.6

Source: National Hospital Insurance Fund

* Provisional

Health Infrastructure 16.12. Table 16.5 presents the number of health facilities by type and ownership for the period 2014 to 2018. Medical clinics increased by 18.6 per cent to 3,646 in 2018 out of which 94.2 per cent were private clinics. In 2018, dispensaries and health centres increased by 11.6 per cent and 3.1 per cent to 4,597 and 1,806, respectively, and were predominantly public owned.

16.13. The number of health facilities increased by 9.7 per cent to 10,820 in 2018. Public facilities increased by 2.5 per cent to 5,246 and accounted for 48.5 per cent of the total health facilities, while private hospitals increased by 22.3 per cent to 4,327 in 2018. Faith Based Organizations (FBOs) and Non-Governmental Organizations (NGOs) jointly owned 11.5 per cent of the total health facilities in 2018.

Table 16.5: Health Facilities by Type and Ownership, 2014 – 2018

Type of Health Facility ¹	Ownership	Number				
		2014	2015	2016	2017	2018*
Medical Clinics (Level 2)	Public... ..	2	6	6	6	8
	Private... ..	2,427	2,429	2,549	2,883	3,437
	FBO... ..	0	0	0	0	7
	NGO... ..	146	151	158	184	194
	Sub-total...	2,575	2,586	2,713	3,073	3,646
Dispensaries (Level 2)	Public... ..	3,225	3,350	3,499	3,790	3,908
	Private... ..	0	0	0	0	3
	FBO... ..	656	641	647	668	683
	NGO... ..	0	0	0	0	3
	Sub-total...	3,881	3,991	4,146	4,458	4,597
Health Centres (Level 3)	Public... ..	1,045	941	949	973	988
	Private... ..	246	243	297	406	574
	FBO... ..	210	185	191	195	198
	NGO... ..	35	31	31	44	46
	Sub-total...	1,536	1,400	1,468	1,618	1,806
Hospitals (Level 4, 5 and 6) ²	Public... ..	394	343	346	347	342
	Private... ..	168	185	204	248	313
	FBO... ..	96	95	97	101	103
	NGO... ..	10	10	10	13	13
	Sub-total...	668	633	657	709	771
All	Public... ..	4,666	4,640	4,800	5,116	5,246
	Private... ..	2,841	2,857	3,050	3,537	4,327
	FBO... ..	962	921	935	964	991
	NGO... ..	191	192	199	241	256
	Total... ..	8,660	8,610	8,984	9,858	10,820

Source: Kenya Master Health Facility List, Ministry of Health

*Provisional

¹Health facilities are classified as medical clinics and dispensaries (level 2), health centres (level 3) and hospitals (level 4, 5, and 6)²Primary care hospitals, secondary care hospitals and specialized/comprehensive & tertiary referral hospitals

Deliveries in Health Facilities

16.14. Deliveries in health facilities by mode for the period 2014 to 2018 is presented in Table 16.6. The number of deliveries increased by 23.1 per cent to 1.1 million in 2018. Normal delivery was the leading mode accounting for 84.8 per cent of deliveries in 2018. During the same period, slightly over 14.0 per cent of the deliveries were through caesarean section.

Table 16.6: Deliveries in Health Facilities by Mode, 2014 – 2018

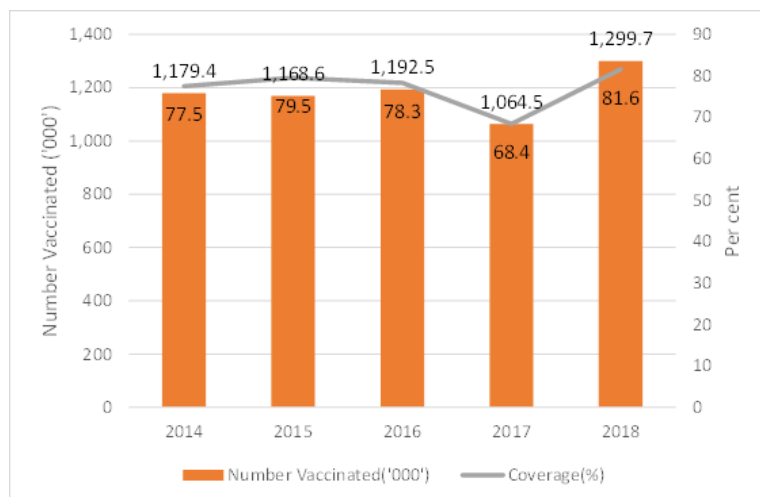
Mode of delivery	Number('000')				
	2014	2015	2016	2017	2018
Normal delivery.....	768.6	822.8	859.2	754.7	938.9
Caesarian section.....	110.9	121.9	131.0	130.8	155.1
Assisted vaginal delivery.....	7.0	6.4	7.4	6.9	4.0
Breech delivery ¹	8.9	8.9	9.2	7.0	9.2
Total Deliveries.....	895.4	960.0	1,006.8	899.4	1,107.2

Source: Health Information System, Ministry of Health

¹Type of birth where a baby is born with the bottom or feet, rather than the head, emerging first.

Child Immunization 16.15. Figure 3 shows the pentavalent third dose immunization coverage for infants for the period 2014 to 2018. The pentavalent third dose is used both globally and at country level in policy planning and performance monitoring as a proxy for full immunization coverage. There was an increase in pentavalent vaccine uptake by 18.1 per cent from 1,064.5 thousand in 2017 to 1,299.7 thousand in 2018. Immunization coverage for infants increased from 68.4 per cent in 2017 to 81.6 per cent in 2018. The decline in the number of infants vaccinated in 2017 is attributed to the industrial action by the health workers.

Figure 16.3: Pentavalent¹ Vaccine Third Dose Immunization Coverage for Infants, 2014-2018



¹Is a vaccine that contains five antigens (diphtheria, pertussis, tetanus, hepatitis B and haemophilus influenzae type B) and is administered to babies in three doses, at six, ten and 14 weeks of age.

Morbidity 16.16. Disease incidences reported at public health facilities for the period 2014 to 2018 are shown in Table 16.7. The total disease incidences reported increased by 31.2 per cent from 42.3 million in 2017 to 55.5 million in 2018. The leading cause of morbidity was diseases of the respiratory system which accounted for 39.3 per cent of the total disease incidences in 2018, followed by Malaria at 19.4 per cent.

Table 16.7: Disease Incidence reported in Health Facilities, 2014-2018

	2014		2015		2016		2017		2018*	
	Number	%	Number	%	Number	%	Number	%	Number	%
Disease of the respiratory system ...	17,998,237	38.3	18,264,778	39.8	19,621,737	38.7	14,482,269	34.2	21,818,368	39.3
Malaria ...	9,660,992	20.5	7,663,625	16.7	8,325,387	16.4	7,958,213	18.8	10,777,679	19.4
Diseases of the skin (Incl. Ulcers) ...	4,556,925	9.7	4,755,915	10.4	4,409,229	8.7	3,261,935	7.7	4,373,406	7.9
Diarrhoea diseases ...	3,013,256	6.4	3,115,168	6.8	2,892,638	5.7	2,601,827	6.1	3,068,142	5.5
Urinary tract infections ...	1,361,275	2.9	1,541,276	3.4	1,697,479	3.3	1,555,733	3.7	2,186,207	3.9
Pneumonia ...	1,509,851	3.2	1,508,212	3.3	1,616,913	3.2	1,208,592	2.9	1,774,931	3.2
Accidents (incl. fractures, burns etc)	1,079,953	2.3	1,154,067	2.5	1,311,911	2.6	1,135,456	2.7	1,562,951	2.8
Rheumatism, joint pains etc ...	1,352,350	2.9	1,474,433	3.2	1,572,172	3.1	1,246,731	2.9	1,824,038	3.3
Intestinal worms ...	357,319	0.8	326,297	0.7	763,793	1.5	763,635	1.8	1,181,492	2.1
Eye infection/condition ...	1,002,778	2.1	988,183	2.2	1,004,923	2	656,451	1.6	939,414	1.7
All other diseases ...	5,145,714	10.9	5,112,489	11.1	7,537,918	14.9	7,466,490	17.6	6,012,172	10.8
TOTAL ...	47,038,650	100	45,904,443	100	50,754,100	100	42,337,332	100	55,518,800	100

Health Personnel 16.17. The number of registered health personnel by cadre from 2014 to 2018 is shown in Table 16.8. The number of personnel increased by 6.3 per cent from 165,333 in 2017 to 175,681 in 2018. Registered nurses accounted for the highest proportion of personnel at 29.9 per cent while enrolled nurses constituted the second largest share at 13.2 per cent in 2018. In 2018, the highest increase in the number of health personnel was among clinical officers at 9.4 per cent while the lowest was for dentists, at 5.3 per cent. The proportion of registered personnel per 100,000 population rose to 368 in 2018 from 355 in 2017.

Table 16.8: Registered Health Personnel* by Cadre, 2014-2018

Cadre	2014		2015		2016		2017		2018*	
	Number	No. Per 100,000 Population	Number	No. Per 100,000 Population	Number	No. Per 100,000 Population	Number	No. Per 100,000 Population	Number	No. Per 100,000 Population
Medical officers	9,149	21	9,605	22	10,376	23	10,921	23	11,667	24
Dentists	1,090	3	1,094	2	1,149	3	1,206	3	1,270	3
Pharmacists	2,355	5	2,994	7	3,169	7	3,373	7	3,582	7
Pharmaceutical technologists	7,041	16	7,895	18	8,673	19	9,358	20	10,126	21
(BSc) Nurses	2,406	6	2,904	7	4,002	9	4,819	10	4,974	10
Registered nurses	38,802	90	41,178	93	47,480	105	51,420	110	52,587	110
Enrolled nurses	22,101	51	22,305	50	22,820	50	23,068	50	23,112	48
Clinical officers	15,960	37	15,443	35	18,674	41	20,680	44	22,626	47
Public health officers	9,039	21	10,110	23	12,564	28	13,895	30	14,879	31
Public health technicians	5,969	14	5,969	14	6,752	15	7,078	15	7,239	15
Laboratory technologists .....	..	..	4,230	10	6,651	15	10,603	23	11,688	24
Laboratory technicians .....	..	..	1,363	3	1,734	4	3,065	7	3,622	8
Nutritionists & dieticians	1,471	3	1,691	4	1,853	4	2,106	5	3,066	6
Nutrition & dietetic technologists	1,499	3	2,066	5	2,608	6	3,122	7	4,430	9
Nutrition & dietetic technicians	277	1	378	1	500	1	619	1	813	2
Total.....	117,159	272	129,225	292	149,005	328	165,333	355	175,681	368

Source: Health Sector Regulatory bodies

*Provisional

†Revised: mainly due to expansion of cadres

.. Data not available

Medical Training 16.18. Table 16.9 shows the number of middle level medical graduates by course from Kenya Medical Training College for 2013/14 to 2017/18 academic years. The number of middle level medical graduates increased by 21.2 per cent from 8,965 in 2016/17 to 10,869 in 2017/18 academic years. In 2017/18, 67.4 per cent of the graduates were diploma holders, with majority attaining a diploma in community health nursing. At the certificate level, the highest number of graduates attained a certificate in health records and information technology while at higher diploma level, the highest number of graduates were in clinical medicine and surgery.

Table 16.9: Middle Level Medical Graduates in Public Medical Training College by Course, 2013/14-2017/18

	Number				
	2013 /14	2014 /15	2015 /16	2016 / 17	2017/18
Certificate:					
Community Health Nursing	207	268	248	245	613
Certificate in Medical Engineering	87	95	70	64	123
Orthopaedic Plaster Technology	18	30	54	106	115
Health Records & Information Technology	686	578	857	1,125	1,758
Environmental Health Sciences	0	0	0	104	194
Nutrition & Dietetics	160	292	341	294	314
Sub-Total	1,158	1,263	1,570	1,938	3,117
Diploma:					
Community Health Nursing	2,070	2,343	2,165	2,848	2,728
Nutrition & Dietetics	83	180	237	322	386
Environmental Health Sciences	526	519	509	477	329
Medical Laboratory Sciences	424	330	369	404	347
Clinical Medicine & Surgery	1,148	1,092	1,044	991	1,789
Medical Engineering Technology	72	83	90	93	92
Community Oral Health	41	35	42	45	40
Dental Technology	29	41	32	33	45
Health Records & Information Technology	346	426	524	423	519
Occupational Therapy	37	45	42	47	123
Orthopaedic Technology	27	28	20	27	25
Neurophysiology Technology	0	0	0	0	0
Pharmacy	335	359	356	468	400
Physiotherapy	114	134	110	168	128
Medical Imaging Sciences	118	153	159	132	115
Optometry	21	24	22	28	15
Mental Health & Psychiatry Nursing	0	48	87	98	78
Health Education & Promotion	0	0	0	0	134
Orthopaedic and Trauma Medicine	0	0	0	0	38
Sub-Total	5,391	5,840	5,808	6,604	7,331
Higher Diploma					
Pharmacy	5	5	0	0	1
Environmental Health Sciences ¹	4	2	1	5	0
Medical Laboratory Sciences ²	22	21	17	5	11
Nursing ³	94	159	138	153	142
Clinical Medicine & Surgery ⁴	96	101	136	133	162
Medical Engineering ⁵	0	0	0	16	12
Medical Imaging Sciences	24	46	36	46	28
Community Health & HIV/AIDS Care	0	10	19	4	1
Health Education & Promotion	18	10	9	0	7
Medical Education	10	29	27	27	45
Orthopaedic Manual Therapy	13	15	30	24	12
Health Systems Management	0	0	0	10	0
Sub-Total	286	398	413	423	421
Total	6,835	7,501	7,791	8,965	10,869

Source: Kenya Medical Training College, Ministry of Health

¹ Includes food science and inspection, epidemiology, solid waste and occupational health² Includes clinical chemistry, haematology, histology, parasitology, virology, microbiology, bacteriology and blood transfusion sciences³ Includes mental & Psychiatry Nursing, Community Health Nursing, palliative care, nephrology, anaesthetic, intensive⁴ Includes paediatrics, orthopaedics, anesthesia, lungs & skin, ENT & audiology, mental health & psychiatry, reproductive health,⁵ Includes Therapeutic equipment option, diagnostic equipment

16.19. Details of undergraduate and postgraduate medical students by course and sex from 2014/15 to 2018/19 academic years are shown in Table 16.10. The total number of undergraduate and postgraduate medical students increased from 19,676 in 2017/18 to 21,209 in 2018/19 academic year, with male students accounting for 51.3 per cent of the total. The number of undergraduate students increased by 8.6 per cent to 18,691 while the number of post graduate students increased by 2.0 per cent to 2,518 in 2018/19 academic year. Although the number of medicine and surgery students remained the highest, a significant increase was recorded in the number of students pursuing environmental health, pharmacy and nutrition and dietetics in 2018/19 academic year. Nursing and nutrition and dietetics were the most popular courses among the female relative to male students while medicine and surgery and medical laboratory sciences were popular among the male relative to the female students in the same period.

Table 16.10: Undergraduate and Post Graduate Medical Students* by Course and Sex, 2014/15 – 2018/19

	2014/15		2015/16		2016/17		2017/18		2018/19*		Number Total			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female				
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total				
Medicine & Surgery	1,706	1,573	2,068	1,626	3,694	2,394	1,683	4,077	2,579	1,725	4,304	2,814	1,816	4,630
Nursing	1,197	2,781	1,241	2,342	3,583	1,414	2,411	3,825	1,543	2,561	4,104	1,661	2,707	4,368
Dental Surgery	201	168	157	163	320	204	208	412	248	264	512	289	322	611
Environmental Health	571	675	532	539	1,071	789	801	1,590	890	898	1,788	959	991	1,950
Pharmacy	550	419	544	454	998	822	690	1,512	929	758	1,687	1,034	831	1,865
Clinical Medicine	422	311	453	321	774	476	336	812	494	378	872	519	406	925
Public Health	277	296	299	309	608	319	324	643	338	340	678	359	367	726
Medical Laboratory Sciences	783	441	841	469	1,310	868	516	1,384	887	581	1,468	899	632	1,531
Nutrition & Dietetics	367	469	323	546	869	364	512	876	308	523	831	319	749	1,068
Physiotherapy	98	123	129	134	263	148	146	294	162	157	319	174	166	340
Occupational Therapy	13	16	17	15	32	22	17	39	25	20	45	29	18	47
Medical Education/Records	189	196	215	219	434	228	237	465	243	250	493	254	261	515
Medical Psychology	29	34	37	43	81	42	51	93	48	59	107	51	64	115
Sub-Total.....	6,403	7,502	6,856	7,180	14,037	8,090	7,932	16,022	8,694	8,514	17,208	9,361	9,330	18,691
Postgraduate students	706	724	1,032	670	1,702	1,427	955	2,382	1,486	982	2,468	1,512	1,006	2,518
Total.....	7,109	8,226	7,888	7,850	15,739	9,517	8,887	18,404	10,180	9,496	19,676	10,873	10,336	21,209

Source: Public and Private Universities in Kenya

* Provisional

* Revised

16.20. Table 16.11 shows the number of undergraduate and post graduate medical graduates by course and sex for the period 2014/15 to 2018/19. The total number of graduates is expected to increase by 6.0 per cent from 4,215 in 2017/18 to 4,470 in 2018/19 academic year. The number of post graduates is expected to increase by 14.8 per cent to 426 in 2018/19 while that of undergraduates is expected to expand by 5.2 per cent to 4,044. Nursing graduates are projected to account for 23.9 per cent of total graduates in 2018/19.

Table 16.11: Undergraduate and Post Graduate Medical Graduates by Course and Sex, 2014/15–2018/19

	2014/15						2015/16						2016/17						2017/18						2018/19*											
	Male			Female			Total			Male			Female			Total			Male			Female			Total			Male			Female			Total		
Medicine & Surgery	228	163	391	193	180	373	172	148	320	212	202	414	212	202	414	225	116	341																		
Nursing.....	308	542	850	419	540	959	428	712	1,140	477	656	1,133	477	656	1,133	379	691	1,070																		
Dental Surgery.....	17	10	27	7	5	12	9	16	25	16	17	33	16	17	33	21	15	36																		
Environmental Health.....	184	165	349	209	179	408	163	100	263	159	136	295	159	136	295	192	158	350																		
Pharmacy.....	87	79	166	61	44	105	116	93	209	168	135	303	168	135	303	208	171	379																		
Clinical Medicine.....	85	64	149	125	74	199	98	78	176	95	56	151	95	56	151	116	81	197																		
Public Health.....	154	174	328	220	204	424	191	189	380	234	196	430	234	196	430	267	209	476																		
Medical Laboratory Sciences.....	281	267	548	316	249	565	320	268	588	275	216	491	275	216	491	286	233	519																		
Nutrition & Dietetics.....	151	267	418	167	326	493	203	323	526	160	305	465	160	305	465	202	283	485																		
Physiotherapy.....	24	21	45	20	16	36	6	6	12	10	5	15	10	5	15	2	14	16																		
Occupational Therapy.....	..	..	..	..	..	..	..	..	..	4	6	10	4	6	10	15	20	35									
Medical Education/Records.....	73	59	132	58	70	128	72	64	136	51	53	104	51	53	104	67	73	140																		
Sub-Total.....	1,592	1,811	3,403	1,795	1,887	3,702	1,778	1,997	3,775	1,861	1,983	3,844	1,861	1,983	3,844	1,980	2,064	4,044																		
Postgraduate	189	204	393	168	186	354	202	198	400	163	208	371	163	208	371	210	216	426																		
Total.....	1,781	2,015	3,796	1,963	2,073	4,056	1,980	2,195	4,175	2,024	2,191	4,215	2,024	2,191	4,215	2,190	2,280	4,470																		

Source: Public and Private Universities in Kenya

*Provisional

..Data not available

Vital Statistics 16.21. Table 16.12 presents number of the registered births and deaths as well as their respective coverage for the period 2014 to 2018. Birth registration coverage is the proportion of registered births to total expected births in a given period based on fertility rates, while death registration coverage is the proportion of registered deaths to total expected deaths in a given period based on mortality rates. Registered births increased by 22.9 per cent from 923.5 thousand in 2017 to 1,135.4 thousand in 2018. Birth registration coverage improved from 60.9 per cent in 2017 to 73.6 per cent in 2018. Death registration coverage declined from 41.2 per cent in 2017 to 38.9 per cent in 2018. It is important to note that death registration is still incomplete in most parts of the country.

Table 16.12: Births and Deaths Registration Coverage, 2014 – 2018

	Births			Deaths		
	Expected Births (Number)	Registered (Number)	Coverage (%)	Expected Deaths (Number)	Registered (Number)	Coverage (%)
2014	1,406,456	954,254	67.8	433,769	198,611	45.8
2015	1,442,518	950,224	65.9	442,966	200,205	45.2
2016	1,478,910	948,351	64.1	453,286	189,930	41.9
2017	1,515,301	923,487	60.9	463,607	190,877	41.2
2018*	1,543,554	1,135,378	73.6	482,533	187,655	38.9

Source: Civil Registration Services and KNBS

*Provisional

16.22. Table 16.13 shows registered births and deaths by sex from 2014 to 2018. There were slightly more registered births for males who accounted for 51.2 per cent of the registered births in 2018. The number of registered births in 2018 increased to 1,135,378 from 923,487 births registered in 2017. Registered deaths declined from 190,877 in 2017 to 187,655 in 2018, out of which 55.5 per cent were males.

Table 16.13: Registered Births and Deaths by Sex, 2014 – 2018

	Registered Births			Registered Deaths		
	Male (%)	Female (%)	Total (Number)	Male (%)	Female (%)	Total (Number)
2014	51.3	48.7	954,254	55.5	44.5	198,611
2015	51.3	48.7	950,224	56.0	44.0	200,205
2016	51.1	48.9	948,351	54.8	45.2	189,930
2017	51.2	48.8	923,487	55.2	44.8	190,877
2018*	51.2	48.8	1,135,378	55.5	44.5	187,655

Source: Civil Registration Services

*Provisional

16.23. Table 16.14 provides registered births and deaths by place of occurrence for the period 2014 to 2018. A total of 1,135,378 births were registered in 2018, out of which 94.5 per cent occurred in a health facility. Slightly more than half (58.7 per cent) of the registered deaths were reported to have occurred in a health facility, an increase from 53.1 per cent in 2017.

Table 16.14: Registered Births and Deaths by Place of Occurrence, 2014 – 2018

	Registered Births			Registered Deaths		
	Health Facility (%)	Home (%)	Total (Number)	Health Facility (%)	Home (%)	Total (Number)
2014	83.4	16.6	954,254	57.1	42.9	198,611
2015	90.1	9.9	950,224	56.0	44.0	200,205
2016	92.3	7.7	948,351	57.1	42.9	189,930
2017	92.6	7.4	923,487	53.1	46.9	190,877
2018*	94.5	5.5	1,135,378	58.7	41.3	187,655

Source: Civil Registration Services

*Provisional

Governance, Peace and Security

Chapter 17

Overview **T**he total number of crimes reported to the police increased by 13.2 per cent from 77,992 in 2017 to 88,268 in 2018. In the same period, crimes reported to the police, involving dangerous drugs increased by 44.1 per cent while other offences against persons and stealing increased by 11.3 per cent and 10.2 per cent respectively. Overall, the number of persons reported to the police to have committed crime increased by 5.1 per cent in 2018. The number of persons reported to have committed defilement accounted for 75.9 per cent of all persons reported under the category of crimes against morality. The number of persons reported to have committed homicides declined by 21.1 per cent in 2018. Murder accounted for 74.3 per cent of all reported cases of homicides and declined by 8.6 per cent in the same period.

17.2. The number of corruption reports referred for investigation declined by 22.4 per cent to 2,898 in 2017/18. However, the total number of ethics and corruption reports forwarded to the Office of the Director of Public Prosecutions (ODPP) increased from 143 in 2016/17 to 183 in 2017/18. The value of assets recovered by the Ethics and Anti-Corruption Commission (EACC) was KSh 3.8 billion in the same period. A total of 527 crimes were reported to the National Environment Management Authority (NEMA) in 2018 out of which, 328 were related to illegal movement or dumping of waste. The number of cases filed in courts increased by 16.9 per cent to 402,243 in 2018. Similarly, the number of pending cases increased by 5.9 per cent to 571,094 over the same period. In addition, the number of cases disposed of by courts increased by 21.8 per cent to 370,488 cases in 2018 partly due the increase in the number of judicial officers.

17.3. The overall prison population increased by 7.5 per cent to 223,718 persons in 2018. In the same period, the daily average prison population increased by 9.9 per cent to 53,765 persons. The total convicted prison population increased by 4.3 per cent from 80,404 persons in 2017 to 83,896 persons in 2018 while those remanded increased by 9.4 per cent to 139,822 persons during the same period.

17.4. The number of passports processed and issued increased by 76.0 per cent from 136,990 in 2017 and 241,095 in 2018 due to the requirement to replace old passports with the new generation ones. There was an overall decline of 21.6 per cent in the number of applications made for national identity cards from 1,234,149 in 2017 to 967,651 in 2018. The registered refugee population declined by 3.4 per cent from 488,415 in 2017 to 471,724 in 2018, attributed to the ongoing repatriation and resettlement.

17.5. The government has continued to implement various interventions to unlock untapped potential of women and men geared towards restoring gender parity and ensuring optimal participation in socio-economic progress. Interventions that address access to economic empowerment include Women Enterprise Fund (WEF), Uwezo Fund while social protection is provided in form of cash transfers to Orphans and Vulnerable Children (OVCs); Persons with Severe Disabilities (PWDs) and, the Older Persons.

Public Safety, Law and Order 17.6. In the 2018/19 financial year, funds disbursed by the government through the Uwezo Fund are expected to decrease by 40.0 per cent to KSh 300.0 million while those disbursed through the WEF are expected to increase by 3.3 per cent to KSh 2,238.5 million. Overall, the disadvantaged groups are expected to be awarded 26,195 tenders worth KSh 31.9 billion, during the review period.

17.7. Table 17.1 presents the number of crimes reported to the police for the period 2014 to 2018. Total number of crimes reported increased by 13.2 per cent to 88,268 in 2018. The number of crimes reported to the police involving dangerous drugs increased by 44.1 per cent and accounted for 9.1 per cent of all crimes reported. There were notable increases in reported cases of traffic offences, crimes involving tourists and those involving police officers. Corruption cases reported increased by 58.7 per cent while cases of breakings reported to police decreased by 2.6 per cent to 5,970 in 2018. During the same period, cases involving theft of stock and theft by servant decreased by 2.8 per cent and 5.9 per cent, respectively.

Table 17.1: Crimes Reported to the Police, 2014 – 2018

Crimes ¹	Number				
	2014	2015	2016	2017	2018*
Homicide	2,649	2,648	2,751	2,774	2,856
Offences against morality	5,184	6,164	6,228	5,492	7,233
Other offences against persons	19,911	21,174	22,295	22,515	25,049
Robbery	3,011	2,865	2,697	2,713	2,935
Breakings	5,656	5,591	5,621	6,131	5,970
Theft of stock	1,848	1,961	1,918	2,136	2,077
Stealing	10,042	9,528	10,361	11,656	12,845
Theft by servant	2,279	2,184	2,440	2,632	2,477
Theft of Vehicles and other thefts	1,239	1,111	1,355	1,404	1,370
Dangerous drugs	4,850	5,525	6,160	5,565	8,021
Traffic offences	100	120	139	69	213
Criminal damage	3,709	3,983	4,307	4,262	4,783
Economic crimes	3,038	3,244	3,503	3,695	4,100
Corruption	138	79	92	75	119
Offences involving police officers	53	71	57	86	174
Offences involving tourists	21	19	15	15	93
Other penal code offences	5,648	6,223	7,047	6,772	7,953
Total	69,376	72,490	76,986	77,992	88,268

Source: National Police Service

* Provisional

¹ Refer to appendix 17.1 for detailed description of crimes

17.8. Crimes reported to the police by command stations for the period 2014 to 2018 are shown in Table 17.2. Nairobi City police command station registered the highest share of all crimes reported at 8.1 per cent followed by Kiambu and Meru police command stations at 7.9 per cent and 6.4 per cent, respectively, in 2018. Wajir police command station recorded the highest percentage increase in crimes reported to police of 56.2 per cent in 2018. Other command stations that recorded high increases in reported crimes were Kilifi, Bomet and Isiolo, which registered 49.2, 40.6 and 39.4 per cent, respectively. During the review period, Mandera police command station recorded a 24.4 per cent decrease in the number of crimes reported from 446 in 2017 to 337 in 2018 while Turkana police command station registered a decline of 10.4 per cent in the number of crimes reported to the police.

Table 17.2: Crimes Reported to Police by Command Station, 2014-2018

S/No	Command station	Number				
		2014	2015	2016	2017	2018*
1	Mombasa	2,946	3,194	3,034	2,847	3,108
2	Kwale	958	1,097	1,037	851	996
3	Kilifi	2,362	2,199	2,254	1,692	2,525
4	Tana River	525	622	453	402	368
5	Lamu	316	492	434	385	434
6	Taita Taveta	1,047	961	755	679	720
7	Garrissa	850	638	525	452	489
8	Wajir	438	317	343	425	664
9	Mandera	252	271	254	446	337
10	Marsabit	370	468	675	736	743
11	Isiolo	219	213	507	368	513
12	Meru	1,971	4,215	5,117	5,151	5,689
13	Tharaka-Nithi	659	628	722	846	969
14	Embu	824	848	1,433	1,633	1,726
15	Kitui	722	1,573	1,679	1,946	2,514
16	Machakos	738	1,461	2,452	2,633	3,090
17	Makueni	561	1,025	1,630	1,593	1,818
18	Nyandarua	1,654	1,446	1,473	1,402	1,620
19	Nyeri	1,632	1,668	1,792	1,657	1,910
20	Kirinyaga	1,776	1,177	1,656	1,613	2,158
21	Muranga ¹	2,501	2,363	2,260	2,402	3,070
22	Kiambu	4,449	4,768	6,006	5,603	6,932
23	Turkana	787	974	927	1,092	978
24	West Pokot	739	684	795	670	657
25	Samburu	371	355	361	432	436
26	Trans Nzoia	1,610	1,781	1,457	1,674	1,888
27	Uasin Gishu	1,872	1,654	2,068	2,072	1,999
28	Elgeyo/Marakwet	892	571	579	633	661
29	Nandi	1,090	989	1,105	1,148	1,235
30	Baringo	923	1,035	827	821	882
31	Laikipia	752	830	1,061	1,220	1,100
32	Nakuru	4,525	4,384	4,133	4,313	4,329
33	Narok	1,626	1,335	1,308	1,110	1,180
34	Kajiado	1,502	1,256	1,435	1,650	1,540
35	Kericho	1,577	1,510	1,568	1,524	1,722
36	Bomet	1,089	968	897	850	1,195
37	Kakamega	2,444	2,514	2,382	1,584	2,180
38	Vihiga	771	1,146	886	764	1,003
39	Bungoma	2,150	2,852	2,422	2,269	2,686
40	Busia	931	1,553	1,633	1,639	1,762
41	Siaya	1,452	1,493	1,470	1,321	1,520
42	Kisumu	2,249	2,293	2,026	1,858	2,363
43	Homa Bay	1,320	1,568	1,400	1,332	1,719
44	Migori	1,054	1,282	1,303	1,281	1,305
45	Kisii	1,933	2,018	2,180	2,218	2,734
46	Nyamira	878	1,124	1,055	1,091	1,440
47	Nairobi City	6,732	4,383	4,954	7,434	7,128
48	KAPU ¹	148	132	141	129	94
49	Railways Police ¹	189	162	122	101	139
Kenya		69,376	72,490	76,986	77,992	88,268

Source: National Police Service

* Provisional

¹ Kenya Airport Police Unit (KAPU) and Railways Police are fully fledged police command stations

17.9. Table 17.3 presents the number of firearms and ammunition recovered or surrendered, and drugs seized for the period 2014 to 2018. In 2018, police repossessed 166 illegally held firearms while 19 firearms were surrendered. Police recovered 1,314 rounds of ammunition in 2018 down from 2,653 recovered in 2017. There was a 25.4 per cent decrease in the total quantity of drugs seized to 3,365 kilograms in 2018.

Table 17.3: Firearms and Ammunition Recovered or Surrendered, and Drugs Seized, 2014–2018

	Number				
	2014	2015	2016	2017	2018*
Firearms Recovered					
Rifles	210	141	85	53	41
Pistols	142	81	152	65	53
Toy Pistols	39	108	199	65	72
Total	391	330	436	183	166
Firearms Surrendered					
Rifles	1	1	8	2	19
Pistols	-	-	-	1	-
Total	1	1	8	3	19
Ammunition (Rounds)					
Recovered	5,166	5,000	4,694	2,653	1,314
Surrendered	7	7	17	2	-
Total	5,173	5,007	4,711	2,655	1,314
Dangerous Drugs¹ seized (kg)	4,313	4,420	..	4,510	3,365

Source: National Police Service

* Provisional

¹ Prohibited harmful non pharmaceutical narcotic drugs and psychotropic substances listed in the First Schedule of Narcotic Drugs and Psychotropic Substances (Control) Act No. 4 of 1994

.. Data missing

17.10. Table 17.4 presents the number of persons reported to have committed crimes by sex and command stations from 2014 to 2018. There was a 5.1 per cent increase in the number of persons reported to the police as having committed criminal offences to 75,037 in 2018. During the period, female offenders rose by 9.8 per cent to 15,221. Kiambu police command station had the highest number of persons reported to have committed crime accounting for 8.4 per cent of total crimes reported followed by Nairobi and Meru, which accounted for 8.3 per cent and 6.0 per cent, respectively, in 2018. The highest increase in the number of persons reported to have committed crime was recorded in Kakamega police command station with the number rising from 780 persons in 2017 to 3,727 persons in 2018. Similarly, the number of persons reported to have committed crime in Migori police command station more than tripled from 409 persons in 2017 to 1,477 persons in 2018. Bomet, Mandera and Garissa counties recorded the largest declines in the number of persons reported to have committed crimes at 90.9, 83.4 and 62.1 per cent, respectively, during the year under review.

17.11. Table 17.5 presents the number of persons reported to have committed crimes by sex under various crime categories from 2014 to 2018. The number of persons reported to the police as having committed crimes against morality increased by 22.1 per cent from 5,142 in 2017 to 6,277 in 2018. Defilement, which accounted for 75.9 per cent of all crimes against morality increased by 36.7 per cent from 3,487 in 2017 to 4,767 in 2018. In the same period, those reported to have committed rape increased by 17.5 per cent from 784 to 921. Persons reported to have committed assault increased by 18.2 per cent to 16,088 in 2018, with males accounting for 70.4 per cent of the total cases of assault.

17.12. The total number of persons reported to have committed homicides declined by 21.1 per cent in 2018. Murder accounted for the highest share of homicides at 74.3 per cent during the period. The number of persons reported to have committed murder decreased by 8.6 per cent from 1,435 persons reported in 2017 to 1,312 persons in 2018. In addition, persons reported to have caused death by dangerous driving decreased by 29.2 per cent over the same period.

17.13. The total number of persons reported to have committed robbery, breakings and theft declined by 4.6 per cent from 24,551 in 2017 to 23,412 in 2018. Under this category, persons reported to have committed robberies and theft of stock increased by 6.6 per cent and 4.5 per cent, respectively, while the rest recorded declines.

17.14. The total number of persons reported to the police for crimes related to dangerous drugs, criminal damage, economic crimes, corruption and offences involving police officers increased by 16.5 per cent to 14,216 in 2018. There was a 40.1 per cent increase in offences related to dangerous drugs from 4,519 in 2017 to 6,333 in 2018. The number of police officers reported to have been involved in crime went up from 71 in 2017 to 591 in 2018. The number of persons reported to have been involved in corruption, economic crimes and criminal damage declined by 41.5, 5.2 and 1.1 per cent, respectively, in 2018.

Table 17.5: The Number of Persons Reported to Have Committed Crimes by Type of Offence and Sex, 2014-2018

Offence	2014			2015			2016			2017			2018*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Against morality															
Rape	710	145	855	758	135	893	750	173	923	694	90	784	875	46	921
Defilement	3,554	342	3,896	3,794	313	4,107	3,956	556	4,512	3,252	235	3,487	4,494	273	4,767
Incest	199	16	215	267	24	291	257	31	288	234	53	287	277	31	308
Unnatural/sodomy	107	6	113	101	8	109	74	7	81	90	17	107	67	4	71
Bestiality	23	4	27	25	5	30	39	5	44	23	3	26	5	0	5
Indecent assault	167	16	183	179	17	196	147	8	155	217	28	245	131	10	141
Abduction	60	15	75	46	16	62	48	5	53	66	72	138	40	12	52
Bigamy	6	0	6	11	1	12	11	2	13	15	53	68	9	3	12
Sub-total	4,826	544	5,370	5,181	519	5,700	5,282	787	6,069	4,591	551	5,142	5,898	379	6,277
Other offences against persons															
Assault	11,574	4,079	15,653	10,788	3,741	14,529	10,838	3,720	14,558	10,256	3,353	13,609	11,331	4,757	16,088
Creating disturbance	5,294	1,593	6,887	4,144	1,384	5,528	4,624	1,548	6,172	4,575	1,342	5,917	4,499	1,244	5,743
Affray (scuffle)	434	181	615	307	186	493	576	316	892	544	247	791	419	198	617
Sub-total	17,302	5,853	23,155	15,239	5,311	20,550	16,038	5,584	21,622	15,375	4,942	20,317	16,249	6,199	22,448
Homicide															
Murder	1,248	240	1,488	1,115	240	1,355	1,236	203	1,439	1,213	222	1,435	1,126	186	1,312
Manslaughter	30	6	36	44	13	57	49	9	58	48	11	59	31	8	39
Infanticide	6	25	31	11	19	30	9	26	35	5	21	26	11	23	34
Procuring abortion	8	37	45	8	25	33	4	28	32	17	18	35	6	12	18
Suicide	239	62	301	177	44	221	224	78	302	330	91	421	147	30	177
Causing death by dangerous driving	205	21	226	249	37	286	218	28	246	243	21	264	171	16	187
Sub-total	1,736	391	2,127	1,604	378	1,982	1,740	372	2,112	1,856	384	2,240	1,492	275	1,767
Robbery, Breakings and Theft															
Robbery	2,983	379	3,362	2,485	298	2,783	2,096	475	2,571	2,192	317	2,509	2,343	332	2,675
Breakings	6,176	587	6,763	5,326	563	5,889	4,760	885	5,645	5,318	555	5,873	4,767	507	5,274
Theft of stock	2,091	182	2,273	1,688	223	1,911	1,682	245	1,927	1,606	203	1,809	1,647	243	1,890
Stealing	7,404	2,145	9,549	7,346	1,847	9,193	7,769	2,107	9,876	9,096	1,942	11,038	8,472	1,965	10,437
Theft by servant	1,704	841	2,545	1,504	667	2,171	1,575	834	2,409	1,553	682	2,235	1,440	652	2,092
Theft of vehicle & other thefts	1,029	135	1,164	820	102	922	1,050	162	1,212	958	129	1,087	932	112	1,044
Sub-total	21,387	4,269	25,656	19,169	3,700	22,869	18,932	4,708	23,640	20,723	3,828	24,551	19,601	3,811	23,412
Dangerous Drugs, Criminal Damage, Economic Crimes and Corruption															
Dangerous Drugs	4,424	541	4,965	4,111	718	4,829	5,071	923	5,994	3,949	570	4,519	5,449	884	6,333
Criminal Damage	3,645	878	4,523	3,126	893	4,019	3,455	884	4,339	3,302	822	4,124	3,071	1,009	4,080
Economic crimes	2,233	913	3,146	2,078	831	2,909	2,389	717	3,106	2,501	717	3,218	2,319	732	3,051
Corruption	78	26	104	247	84	331	82	15	97	221	54	275	105	56	161
Offences involving Police officers	913	16	929	54	32	86	126	93	219	59	12	71	458	133	591
Sub-total	11,293	2,374	13,667	9,616	2,558	12,174	11,123	2,632	13,755	10,032	2,175	12,207	11,402	2,814	14,216

Source: National Police Service

*Provisional

Note: The number of persons reported in this table are those reported to have committed serious crimes and may not be the same as those in Table 17.4

Ethics and Corruption 17.15. Table 17.6 presents the number of reports handled and action taken by Ethics and Anti-Corruption Commission (EACC) for the period 2013/14 to 2017/18. The number of corruption reports received for investigation declined for the second year in a row to 2,898 cases in 2017/18. Similarly, the number of reports referred to other investigative agencies decreased from 136 in 2016/17 to 70 in 2017/18. However, the number of reports where complainants were advised to seek civil redress more than doubled from 111 in 2016/17 to 328 in 2017/18 while the number of reports where complainants were advised on the right authority to report to decreased from 2,934 in 2016/17 to 1,879 in 2017/18.

Table 17.6: Reports Handled by EACC by Type and Action Taken, 2013/2014-2017/2018

		Number				
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018*
1	Corruption reports for investigation	1,950	2,747	3,856	3,735	2,898
2	Reports referred to other investigative agencies	120	117	215	136	70
3	Reports referred to public service organizations for administrative intervention	561	649	633	600	423
4	Reports pending for more information	65	80	55	64	86
5	Complainants advised on the right authority to report to	868	1,384	2,568	2,934	1,879
6	Complainants advised to seek civil redress	264	288	48	111	328
7	Reports with no further action (terminated).....	178	395	542	575	527
8	Files forwarded to ODPP	75	117	167	143	183

Source: Ethics and Anti-Corruption Commission

* Provisional

17.16. Table 17.7 presents the number of reports on ethics and corruption forwarded to the Office of the Director of Public Prosecution (ODPP) and action taken for the period 2013/14 to 2017/18. The total number of reports forwarded to ODPP increased by 28.0 per cent to 183 cases in 2017/18. The ODPP recommended 113 cases for prosecution, 31 for closure and directed 18 cases for further investigations in the period under review.

Table 17.7: Reports Forwarded to the Office of the Director of Public Prosecution by Action Taken, 2013/2014 - 2017/2018

		Number				
S/No	Action Taken	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018*
1	Recommendation to prosecute accepted	43	74	117	89	113
2	Recommendation to prosecute not accepted	1	1	5	8	6
3	Recommendation for administrative or other action accepted	7	8	3	7	9
4	Recommendation for administrative or other action not accepted	1	0	1	0	1
5	Recommendation for closure accepted	14	19	25	25	31
6	Recommendation for closure not accepted	3	3	2	1	2
7	Files returned for further investigations	6	12	14	13	18
8	Files awaiting DPP's ¹ action	0	0	0	0	3
Total		75	117	167	143	183

Source: Ethics and Anti-Corruption Commission

* Provisional

¹ DPP - Director of Public Prosecution

17.17. The value of public assets recovered increased from KSh 256.0 million in 2016/17 to KSh 3.8 billion in 2017/18 as shown in Table 17.8. The total loss averted reduced from KSh 6.2 billion in 2016/17 to KSh 4.7 billion in 2017/18.

Table 17.8. Value of Public Assets Traced, Recovered and Loss Averted by Ethics and Anti-Corruption Commission, 2013/2014 - 2017/2018

Year	KSh Million		
	Value of public assets traced	Value of public assets recovered	Loss Averted ¹
2013/2014.....	7,214.0	2,068.0	5,600.0
2014/2015.....	3,669.6	140.3	1,600.0
2015/2016.....	3,614.1	420.6	1,244.2
2016/2017.....	4,913.1	256.0	6,181.5
2017/2018*	2,320.1	3,812.9	4,702.0

Source: Ethics and Anti-Corruption Commission

* Provisional

¹ Loss averted refers to total value of public assets where an attempted illegal acquisition was detected and foiled through pre-emptive investigations by the EAAC

Environmental Crimes

17.18. The total number of environmental crimes reported to the National Environment Management Authority (NEMA) for the period 2014 to 2018 is presented in Table 17.9. A total of 527 crimes were reported to NEMA in 2018, out of which 62.2 per cent were related to illegal movement or dumping of waste. The introduction of equipment for checking air quality resulted to an increase in air pollution cases reported to NEMA which rose from 97 in 2017 to 156 in 2018. The number of crimes related to water pollution increased from 11 cases in 2017 to 41 cases in 2018. However, reported crimes related to soil pollution decreased to two.

Table 17.9: Environmental Crimes Reported to NEMA, 2014–2018

Type of cases	Number				
	2014	2015	2016	2017	2018*
Air Pollution... ..	72	57	74	97	156
Water Pollution	79	52	17	11	41
Soil Pollution	71	44	11	23	2
Illegal movement or dumping of waste	46	59	229	253	328
Total	268	212	331	384	527

Source: National Environment Management Authority

* Provisional

Prosecution of Murder Cases

17.19. Number of murder cases registered and those whose convictions were obtained in the High Court for the period 2014 to 2018 are presented in Table 17.10. Total number of murder cases registered increased from 956 in 2017 to 1,065 in 2018. During the same period, the number of convictions for murder cases obtained at the High Court increased from 354 to 357. The number of registered murder cases in 2018, varied across High Court stations with the highest number being recorded in Eldoret.

Table 17.10: Registered Murder Cases and Convictions obtained by Court Station, 2014 – 2018

High Court Station	Number									
	2014		2015		2016		2017		2018*	
	R	C	R	C	R	C	R	C	R	C
Nairobi	95	15	118	25	184	11	67	27	66	33
Mombasa	43	16	57	16	40	1	25	21	24	8
Kisumu.....	5	4	30	3	30	10	32	41	22	26
Eldoret	21	4	89	21	92	13	70	10	90	10
Kitale.....	77	12	50	18	3	5	17	10	26	2
Kakamega.....	70	0	41	0	55	0	50	25	43	18
Bungoma.....	124	8	37	3	28	14	35	37	18	32
Meru.....	43	16	109	44	77	35	104	0	79	12
Machakos.....	149	6	61	7	23	1	32	9	35	10
Kericho.....	38	0	14	16	28	18	16	8	28	4
Nyeri.....	87	0	21	1	11	0	10	3	12	2
Kisii.....	30	5	79	1	34	0	27	7	32	20
Embu.....	26	12	27	4	21	6	20	20	24	20
Malindi.....	71	4	7	11	14	6	16	3	18	2
Nakuru.....	36	7	21	5	52	2	56	17	88	26
Busia.....	0	0	27	1	34	24	33	4	34	14
Garissa.....	29	12	39	0	20	1	15	-	12	2
Homa Bay.....	5	1	27	12	18	17	37	10	39	12
Murang'a	77	9	36	2	32	1	28	1	27	7
Kerugoya	200	27	28	0	19	1	10	2	10	4
Bomet	-	-	48	7	20	8	23	1	24	6
Kajiado	-	-	3	0	21	0	8	13	10	5
Kitui	-	-	13	7	15	14	18	7	23	4
Voi.....	-	-	5	0	4	1	10	3	12	2
Lodwar.....	-	-	..	..	21	11	14	11	16	4
Naivasha.....	-	-	..	..	44	8	22	2	25	1
Chuka.....	-	-	-	-	-	-	6	2	18	1
Garsen.....	-	-	-	-	-	-	3	2	20	2
Kabarnet.....	-	-	-	-	-	-	18	1	20	5
Kapenguria.....	-	-	-	-	-	-	11	0	6	14
Kiambu.....	-	-	-	-	-	-	37	0	45	5
Marsabit.....	-	-	-	-	-	-	8	3	6	4
Migori.....	-	-	-	-	-	-	17	15	21	8
Nanyuki.....	-	-	-	-	-	-	10	13	20	8
Narok.....	-	-	-	-	-	-	6	4	8	6
Nyamira.....	-	-	-	-	-	-	9	4	12	0
Siaya.....	-	-	-	-	-	-	33	18	28	16
Makueni.....	-	-	-	-	-	-	3	0	24	2
Total	1,226	158	987	204	940	208	956	354	1,065	357

Source: Office of the Director of Public Prosecutions

* Provisional

R - Registered murder cases

C - Convicted murder cases

The Judiciary 17.20. Table 17.11 presents the number of cases handled by various courts from 2014 to 2018. The number of cases filed in courts increased by 16.9 per cent from 344,180 in 2017 to 402,243 in 2018. The number of cases disposed of increased by 21.8 per cent from 304,182 in 2017 to 370,488 in 2018. The number of pending cases has been on an upward trend since 2015 and stood at 571,094 in 2018.

Table 17.11. Cases Handled by Various Courts, 2014–2018

Year	Status of Cases	Kadhis Court	Magistrate Courts	High Court	Employment & Labour Relations Court	Environment and Land Court	Court of Appeal	Supreme Court	Number
									Total
2014	Filed	2,795	461,893	37,938	..	..	446	72	503,144
	Pending	2,814	447,748	158,216	..	..	4,287	39	613,104
	Disposed of ..	2,203	318,225	39,780	..	..	368	53	360,629
2015	Filed	1,904	308,602	38,817	3,436	5,551	1,575	61	359,946
	Pending	968	305,216	125,813	9,042	19,043	3,017	53	463,152
	Disposed of ..	3,750	451,134	71,220	1,129	2,156	2,845	47	532,281
2016	Filed	3,735	404,158	41,999	6,159	5,329	1,374	38	462,792
	Pending	3,256	333,014	127,958	11,309	20,875	2,861	68	499,341
	Disposed of ..	1,447	376,360	39,854	3,892	3,497	1,530	23	426,603
2017	Filed	5,504	300,655	20,553	6,082	9,770	1,578	38	344,180
	Pending	3,927	373,350	120,524	13,723	24,338	3,387	90	539,339
	Disposed of ..	4,833	260,319	27,987	3,668	6,307	1,052	16	304,182
2018*	Filed	7,556	356,085	25,049	5,645	5,834	2,013	61	402,243
	Pending	4,821	416,073	107,891	15,707	22,285	4,205	112	571,094
	Disposed of ..	6,662	313,362	37,682	3,661	7,887	1,195	39	370,488

Source: Judiciary

* Provisional

Note:

1. Filed cases refer to all cases brought before a court during the year in reference
2. Pending cases refer to the cases which had not been determined/resolved by 30th June during the year in reference

17.21. The number of cases filed in the Kadhis, Magistrates and High Courts increased by 37.3, 18.4 and 21.9 per cent, respectively in 2018. However, the number of cases filed in the Environment and Land Court reduced by 40.3 per cent from 9,770 in 2017 to 5,834 in 2018. Similarly, the number of cases filed in the Employment and Labour Relations Court decreased by 7.2 per cent from 6,082 in 2017 to 5,645 in 2018. The number of cases disposed of by the Supreme Court more than doubled in 2018.

17.22. Table 17.12 presents the number of judicial officers and practicing lawyers from 2014 to 2018. The number of judicial officers increased by 5.0 per cent to 668 in 2018 following the increase in the number of resident magistrates from 102 officers in 2017 to 144 officers in 2018. The Judges decreased by 3.1 per cent while Magistrates and Kadhis cadres increased by 7.8 per cent. During the same period, the number of practicing lawyers increased from 8,980 in 2017 to 9,758 in 2018.

Table 17.12: Magistrates, Judges and Practicing Lawyers, 2014–2018

	Number														
	2014			2015			2016			2017			2018*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Magistrates															
Chief Magistrates	25	24	49	23	21	44	28	21	49	28	20	48	26	19	45
Senior Principal Magistrate	32	22	54	30	22	52	35	26	61	33	22	55	33	22	55
Principal Magistrate	56	29	85	56	29	85	43	22	65	41	21	62	41	23	64
Senior Resident Magistrate	58	46	104	58	46	104	77	79	156	76	78	154	75	76	151
Resident Magistrate	68	98	166	68	98	166	39	68	107	36	66	102	69	75	144
Sub-Total	239	219	458	235	216	451	222	216	438	214	207	421	244	215	459
Kadhis															
Chief Kadhi	1	-	1	1	-	1	1	-	1	1	-	1	1	-	1
Deputy Chief Kadhi	1	-	1	1	-	1	1	-	1	2	-	2	1	-	1
Principal Kadhi	2	-	2	2	-	2	2	-	2	10	-	10	10	-	10
Kadhi I	11	-	11	11	-	11	11	-	11	19	-	19	19	-	19
Kadhi II	20	-	20	20	-	20	30	-	30	23	-	23	23	-	23
Sub-Total	35	-	35	35	-	35	45	-	45	55	-	55	54	-	54
Total Number of Magistrates & Kadhi	274	219	493	270	216	486	267	216	483	269	207	476	298	215	513
Judges															
Supreme Court Judges	5	2	7	5	2	7	5	2	7	5	2	7	5	2	7
Court of Appeal Judges	18	8	26	18	8	26	18	7	25	15	7	22	12	7	19
High Court Judges	60	37	97	60	37	97	59	37	96	48	37	85	45	38	83
Employment & Labor Judges	-	-	-	-	-	-	-	-	0	8	4	12	8	4	12
Environment & Land Judges	-	-	-	-	-	-	-	-	0	21	13	34	21	13	34
Sub-Total	83	47	130	83	47	130	82	46	128	97	63	160	91	64	155
Total Judicial Officers	357	266	623	353	263	616	349	262	611	366	270	636	389	279	668
Practicing Lawyers	..	..	7,200	4,294	2,885	7,179	4,803	3,428	8,231	5,122	3,858	8,980	5,589	4,169	9,758

Source: Judiciary, Law Society of Kenya

* Provisional

.. Data Missing

Note: The Employment and Labour Court, and Environment and Land Court were operationalized in 2017. Both courts are established at same level as the High Court.

Prisons

17.23. Table 17.13 presents prison population by sentence, duration and sex. Total prison population increased from 208,168 persons in 2017 to 223,718 persons in 2018. The convicted female prison population increased by 25.3 per cent to 10,028 in 2018 while the convicted male prison population increased by 2.0 per cent to 73,868 in 2018. The proportion of female prison population increased from 8.8 per cent in 2017 to 9.6 per cent in 2018. The unconvicted prison population increased by 9.4 per cent to 139,822 persons in 2018. The number of prisoners per 100,000 population increased from 446.8 in 2017 to 467.6 in 2018.

Table 17.13 Persons Committed to Prison by Sex, 2014 – 2018

	2014		2015		2016		2017		2018*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sentenced to:										
Less than 1 Month	24,374	2,053	20,597	1,847	16,956	1,337	18,758	1,531	16,365	1,657
1 Month to < 2 yrs	53,313	7,819	43,015	9,574	42,001	8,767	43,218	5,796	48,299	7,865
2 yrs or more	15,138	407	10,083	779	11,003	402	8,547	561	7,852	492
Life imprisonment.....	2,582	42	1,074	87	1,087	120	1,108	74	973	8
Death sentence.....	2,708	49	998	61	742	18	769	42	379	6
Total Convicted Prisoners	98,115	10,370	75,767	12,348	71,789	10,644	72,400	8,004	73,868	10,028
	108,485		88,115		82,433		80,404		83,896	
Committed for civil debt	1036	108	472	115	431	103	326	113	497	103
Committed to remand	124,795	13,966	121,097	12,175	117,687	9,573	117,203	10,122	127,834	11,388
Total unconvicted prisoners	125,831	14,074	121,569	12,290	118,118	9,676	117,529	10,235	128,331	11,491
	139,905		133,859		127,794		127,764		139,822	
Total Persons Committed to Prisons	223,946	24,444	197,336	24,638	189,907	20,320	189,929	18,239	202,199	21,519
	248,390		221,974		210,227		208,168		223,718	
Previously convicted	23,670	11,257	15,979	1,704	13,897	827	16,371	1,453	15,826	1,161
Deaths (Excluding Executions) ...	421	3	247	14	178	9	166	10	108	11
Prison population per 100,000 of population	578.2		502.7		467.1		446.8		467.6	

Source: Kenya Prisons Service

* Provisional

17.24. The daily average prison population increased by 4.0 per cent to 53,765 in 2018 as presented in Table 17.14. During the review period, the unconvicted prison population increased by 10.3 per cent to 21,994 from 19,941 in 2017. The unconvicted male prison population increased by 10.9 per cent while that of females increased by 3.8 per cent. The total daily average prison population for convicted prisoners increased marginally to 31,771 in 2018. The daily average population of convicted males decreased from 30,280 in 2017 to 30,246 in 2018 while that of females increased from 1,469 in 2017 to 1,525 in 2018.

Table 17.14. Daily Average Population of Prisoners by Sex, 2014-2018

	2014	2015	2016	2017	2018*
Convicted Prisoners					
Males	30,601	28,889	27,078	30,280	30,246
Females	2,085	1,997	1,889	1,469	1,525
Sub-Total	32,686	30,886	28,967	31,749	31,771
Unconvicted Prisoners					
Males	20,896	21,760	20,060	18,156	20,141
Females	1,688	1,985	1,873	1,785	1,853
Sub -Total	22,584	23,745	21,933	19,941	21,994
Total	55,270	54,631	50,900	51,690	53,765

Source: Kenya Prisons Service

* Provisional

17.25. Table 17.15 presents the convicted prison population by age and sex. The total convicted prison population increased by 4.3 per cent from 80,404 in 2017 to 83,896 in 2018. All age cohorts recorded increases for convicted prison population except those aged 21 to 25 years, who registered a decline of 8.3 per cent to 24,786 in 2018. The highest percentage increase in convicted prison population was recorded for juveniles.

Table 17.15. Convicted Persons Committed to Prison by Age and Sex, 2014-2018

Year	Sex	Age cohorts						Number
		Under 16	16 -17	18-20	21-25	26-50	Over 50	Total
2014	Male	139	3,198	18,002	29,662	39,403	7,711	98,115
	Female	13	105	1,448	2,632	5,392	780	10,370
	Total	152	3,303	19,450	32,294	44,795	8,491	108,485
2015	Male	107	2,522	14,779	22,984	30,842	4,533	75,767
	Female	13	91	1,735	2,974	6,288	1,247	12,348
	Total	120	2,613	16,514	25,958	37,130	5,780	88,115
2016	Male	92	1,665	12,040	22,444	29,557	5,991	71,789
	Female	19	211	1,343	2,818	5,256	997	10,644
	Total	111	1,876	13,383	25,262	34,813	6,988	82,433
2017	Male	108	1,393	11,886	24,559	28,384	6,070	72,400
	Female	6	31	865	2,560	3,849	693	8,004
	Total	114	1,424	12,751	27,119	32,233	6,763	80,404
2018*	Male	118	2,028	13,572	22,428	29,280	6,442	73,868
	Female	13	82	1,126	2,448	5,342	1,017	10,028
	Total	131	2,110	14,698	24,876	34,622	7,459	83,896

Source: Kenya Prisons Service

* Provisional

17.26. Prisoners convicted for employment related offences increased by 60.0 per cent while those convicted under the order and administration of lawful authority increased by 26.1 per cent in 2018. As a result, the total convicted population increased by 4.3 per cent from 80,404 persons in 2017 to 83,896 persons in 2018 as highlighted in Table 17.16. On the contrary, there was a decline in the prisoners convicted under offences on registration of persons from 103 in 2017 to 87 in 2018. The largest proportion of females were convicted for liquor offences.

Table 17.16. Convicted Prisoners by Type of Offence and Sex, 2014-2018

Type of Offence ¹	Number														
	2014			2015			2016			2017			2018*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Order and administration of lawful authority	17,171	415	17,586	10,235	457	10,692	9,113	355	9,468	8,143	366	8,509	10,274	460	10,734
Injurious to public	4,527	188	4,715	3,231	169	3,400	3,127	132	3,259	3,186	139	3,325	2,855	197	3,052
Against person	7,574	496	8,070	5,771	394	6,165	5,084	369	5,453	6,211	318	6,529	6,043	401	6,444
Related to property ...	13,762	503	14,265	9,382	333	9,715	8,269	334	8,603	7,953	353	8,306	8,065	415	8,480
Attempts & conspiracies	3,720	106	3,826	1,312	75	1,387	1,308	23	1,331	1,593	40	1,633	1,528	68	1,596
Employment	4,375	321	4,696	5,851	253	6,104	3,992	297	4,289	4,093	169	4,262	6,636	185	6,821
Liquor offences	18,828	6,485	25,313	18,292	8,564	26,856	20,967	7,969	28,936	20,879	5,145	26,024	19,163	6,698	25,861
Drugs related	5,246	221	5,467	5,174	249	5,423	4,264	114	4,378	5,243	154	5,397	4,733	136	4,869
Various other cases ...	18,303	1,427	19,730	16,111	1,814	17,925	15,554	1,049	16,603	15,002	1,314	16,316	14,488	1,464	15,952
Registration of persons	4,609	208	4,817	408	40	448	111	2	113	97	6	103	83	4	87
Total	98,115	10,370	108,485	75,767	12,348	88,115	71,789	10,644	82,433	72,400	8,004	80,404	73,868	10,028	83,896

Source: Kenya Prisons Service

* Provisional

¹ As categorised in Appendix 17.2

² refers to offences outlined in the Registration of Persons Act Cap 107 such as illegal registrations

**Probation
and
Aftercare**

17.27 Table 17.17 shows the number of offenders serving probation sentence, community service and aftercare by sex and type of offence for 2017 and 2018. The total number of offenders serving probation sentence reduced by 5.6 per cent from 14,339 in 2017 to 13,542 in 2018. The offenders who had committed robberies and other related offenses serving probation sentence increased by 34.8 per cent from 233 in 2017 to 314 in 2018. The total number of offenders under community service increased from 29,667 in 2017 to 31,337 in 2018. There was a 64.2 per cent increase in the number of dangerous drugs offenders under community service was recorded in 2018. Offenders serving an aftercare sentence increased by 13.8 per cent from 884 in 2017 to 1,006 in 2018.

Table 17.17: Offenders Serving Probation Sentence, Community Service and Aftercare by Sex and Type of Offence, 2017 and 2018

Offence	Probation Sentence						Community Service						Aftercare					
	2017			2018*			2017			2018*			2017			2018*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Murder (including attempt)	152	33	185	60	3	63	4	-	4	5	-	5	52	-	52	108	-	108
Manslaughter	91	31	122	86	14	100	6	-	6	4	-	4	10	2	12	59	-	59
Rape (including attempt)	304	8	312	279	7	286	18	-	18	9	-	9	96	-	96	86	-	86
Assault	2,302	698	3,000	1,070	260	1,330	326	62	388	386	55	441	28	3	31	59	1	60
Other offences against persons	979	309	1,288	1,170	298	1,468	312	55	367	416	77	493	67	-	67	88	4	92
Robbery and Allied offences	218	15	233	290	24	314	9	-	9	66	2	68	36	-	36	104	-	104
Breakings	698	18	716	688	23	711	242	7	249	255	4	259	122	-	122	90	2	92
Theft of Stock	347	12	359	268	12	280	85	-	85	180	8	188	32	-	32	54	3	57
General stealing	1,547	174	1,721	1,537	138	1,675	659	67	726	670	40	710	232	6	238	133	2	135
Theft of M/vehicle	103	10	113	78	4	82	15	-	15	2	-	2	10	1	11	4	-	4
Theft of M/vehicles parts	17	4	21	18	-	18	6	-	6	7	-	7	1	-	1	-	-	-
Theft from m/vehicles	9	1	10	10	-	10	1	-	1	2	-	2	-	-	-	-	-	-
Theft of bicycles	13	2	15	11	-	11	1	-	1	1	1	2	1	-	1	-	-	-
Theft by servant	237	81	318	146	41	187	114	45	159	59	15	74	2	-	2	1	2	3
Dangerous drugs ¹	959	177	1,136	1,423	332	1,755	1,620	333	1,953	2,597	609	3,206	25	1	26	33	-	33
Handling stolen property	232	83	315	127	11	138	76	10	86	75	18	93	3	1	4	2	-	2
Corruption	26	5	31	43	3	46	6	1	7	2	1	3	-	-	-	-	5	5
Causing death by dangerous driving	27	2	29	29	-	29	6	-	6	14	1	15	-	-	-	-	-	-
Other offences against property	707	84	791	844	118	962	679	91	770	727	133	860	35	-	35	21	4	25
All other penal code offences	2,848	776	3,624	2,999	1,078	4,077	21,842	2,969	24,811	21,593	3,303	24,896	88	30	118	138	3	141
TOTAL	11,816	2,523	14,339	11,176	2,366	13,542	26,027	3,640	29,667	27,070	4,267	31,337	840	44	884	980	26	1,006

Source: Kenya Prisons Service

* Provisional

17.28 Table 17.18 presents the number of police, prisons and probation officers by sex from 2014 to 2018. The total number of police officers, both Kenya Police and Administration Police increased by 26.4 per cent to 105,867 in 2018. The number of prison officers increased by 3.8 per cent from 23,536 in 2017 to 24,441 in 2018, while the number of probation officers declined from 831 in 2017 to 824 in 2018. The proportion of female officers in the National Police Service, Kenya Prisons Service and the Department of Probation and Aftercare Services were 13.3, 18.3 and 50.6 per cent respectively.

Table 17.18: Police, Prisons and Probation Officers, 2014–2018

Year	Sex	National Police Service Officers			Prison Officers			Probation Officers
		Kenya Police	Administration Police*	Total	in		Total	
					in Adult Prisons	Juvenile Prisons		
2014	Male	34,129	27,148	61,277	16,288	201	16,489	316
	Female	5,086	3,729	8,815	3,067	31	3,098	228
	Total	39,215	30,877	70,092	19,355	232	19,587	544
2015	Male	36,185	28,784	64,969	16,014	257	16,271	321
	Female	6,668	4,889	11,557	3,054	64	3,118	258
	Total	42,853	33,673	76,526	19,068	321	19,389	579
2016	Male	36,274	36,510	72,784	17,249	308	17,557	303
	Female	6,375	5,826	12,201	3,491	91	3,582	251
	Total	42,649	42,336	84,985	20,740	399	21,139	554
2017	Male	39,945	31,774	71,719	18,984	341	19,325	414
	Female	6,949	5,095	12,044	4,079	132	4,211	417
	Total	46,894	36,869	83,763	23,063	473	23,536	831
2018*	Male	51,143	40,682	91,825	19,619	348	19,967	407
	Female	8,102	5,940	14,042	4,385	89	4,474	417
	Total	59,245	46,622	105,867	24,004	437	24,441	824

Source: National Police Service, Kenya Prisons Service and Department of Probation and Aftercare Service

* Provisional

Immigration 17.29. Table 17.19 shows the number of passports and work permits issued for the period 2014 to 2018. The number of passports processed and issued increased by 76.0 per cent from 136,990 in 2017 to 241,095 in 2018 on account of acquisitions of e-passports. The number of foreign nationals registered increased from 29,318 in 2017 to 32,332 in 2018, representing a 10.3 per cent increase while work permits issued and work permits renewed increased by 13.1 and 20.9 per cent, respectively. This was attributable to a Government directive that all foreigners wishing to work in Kenya should have a work permit approved and issued before they travel to take up their assignment in the country.

Table 17.19. Passports and Work Permits Issued, and Foreign Nationals Registered, 2014 - 2018

Category	Number				
	2014	2015	2016	2017	2018*
Passports Issued... ..	183,042	151,589	156,040	136,990	241,095
Foreign Nationals Registered ¹	22,326	25,091	37,033	29,318	32,332
Work Permits Issued ²	10,540	7,683	5,851	8,366	9,465
Work Permits Renewed	10,532	11,125	9,547	10,551	12,760

Source: Department of Immigration

* Provisional

¹ Means the same as "Aliens registered" in previous reports

² Means the same as "Entry permits" in previous reports

National Identity Cards 17.30. Table 17.20 presents the number of applications, production and collection of new identity cards by county. The number of applications made in 2017 stood at 1,234,149, attributed to the voter registration drive during the electioneering period. However, this number declined by 21.6 per cent to 967,651 in 2018. The highest decline of 56.4 per cent in the applications was recorded in Homa Bay County, which registered 19,088 applications in 2018 from 43,788 in 2017. Garissa County registered the highest increase of 56.2 per cent in new applications in 2018. Lamu County recorded the highest decline of 83.9 per cent in cards produced. There was a decrease of 39.6 per cent in the cards collection across all counties with Murang'a County recording the largest decline of 68.2 per cent in the period under review.

Table 17.20: New Identity Card Applications Made, Produced and Collected by County, 2014-2018

S/No	County	NPR Applications						NPR IDs Produced						NPR IDs Collected						Number
		2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*				
1	Mombasa	17,318	20,817	24,046	21,640	17,547	15,653	15,176	26,165	23,255	16,760	17,859	13,500	22,966	24,165	16,105				
2	Kwale	17,169	21,513	37,846	21,808	22,139	15,802	14,745	38,688	27,311	19,204	15,969	14,469	33,417	29,828	17,751				
3	Kilifi	36,227	41,283	54,127	41,483	36,771	29,382	30,820	50,026	41,641	30,936	29,183	32,753	55,187	43,175	30,050				
4	Tana River	4,803	9,149	12,301	6,850	4,477	4,471	5,022	10,196	9,577	4,626	5,152	4,685	6,481	11,533	4,281				
5	Lamu	735	2,357	4,539	2,408	1,712	1,625	119	6,129	9,827	1,585	1,513	292	4,069	4,149	1,807				
6	Taita Taveta	7,245	6,354	9,566	9,258	7,631	7,323	5,315	10,556	3,248	7,147	6,063	6,316	9,728	9,649	6,590				
7	Garissa	6,879	8,060	19,831	6,242	9,753	4,476	4,563	13,813	18,341	10,744	2,832	3,842	7,785	8,781	4,266				
8	Wajir	4,225	14,157	20,386	9,189	10,156	3,454	5,033	17,188	15,187	7,611	1,748	1,866	14,201	9,248	7,436				
9	Mandera	675	26,585	16,901	13,563	7,059	2,147	2,694	33,518	18,977	8,534	1,778	2,678	24,926	8,539	5,075				
10	Marsabit	8,282	8,882	11,667	6,656	9,739	7,307	5,053	12,930	10,599	5,419	5,665	5,090	9,858	7,513	5,704				
11	Isiolo	2,071	2,717	3,728	3,446	3,209	1,620	1,554	4,094	5,414	3,232	1,687	1,429	2,221	5,131	3,367				
12	Meru	30,646	39,380	73,747	25,892	35,678	27,523	30,079	70,354	47,667	23,422	24,221	22,634	36,206	24,309	21,470				
13	Tharaka Nithi	7,457	14,468	20,736	7,557	9,354	7,451	7,321	21,680	9,805	6,726	6,438	4,702	18,920	9,284	5,817				
14	Embu	12,329	13,467	26,404	13,670	11,554	10,752	12,021	24,742	15,929	10,322	10,623	10,714	17,101	17,011	9,030				
15	Kitui	29,626	32,969	46,591	38,491	34,656	24,728	29,031	48,371	38,547	30,831	26,227	25,142	45,740	39,898	30,299				
16	Machakos	29,781	31,036	41,294	37,870	28,695	23,555	24,259	36,323	37,535	27,080	24,875	23,522	30,487	37,450	24,032				
17	Makueni	26,248	26,660	33,376	36,014	29,629	21,879	24,419	37,069	36,002	28,311	21,227	20,720	33,468	36,313	22,459				
18	Nyandarua	15,526	15,340	29,285	21,095	14,420	12,113	13,881	25,114	21,368	11,535	12,867	13,301	22,892	21,335	10,544				
19	Nyeri	16,950	17,641	30,081	18,006	14,744	13,660	16,273	26,764	19,628	12,326	15,137	15,933	23,090	17,865	11,997				
20	Kirinyaga	12,102	11,623	27,517	16,164	10,905	9,455	11,578	21,869	18,733	9,622	9,395	10,173	15,581	16,186	8,500				
21	Muranga	23,021	24,745	54,021	31,176	20,100	19,526	21,749	43,570	33,699	17,615	20,206	20,204	36,605	53,748	17,097				
22	Kiambu	36,921	39,555	64,134	47,335	34,439	30,150	36,354	58,070	52,095	31,888	30,676	33,341	47,227	48,415	30,507				
23	Turkana	14,162	24,058	26,556	18,396	17,138	11,546	14,232	15,026	15,567	12,929	6,118	10,386	16,611	13,721	10,402				
24	West Pokot	12,363	16,323	34,517	19,050	16,776	6,762	5,865	29,275	22,019	13,613	5,698	5,433	23,094	23,039	12,404				
25	Samburu	3,831	6,341	8,868	7,964	4,385	2,222	4,661	8,125	6,982	3,872	2,180	3,149	7,058	6,275	3,122				
26	Trans Nzoia	20,593	23,499	28,092	30,731	30,885	14,679	15,952	28,586	31,169	24,337	10,635	15,014	23,019	26,701	20,171				
27	Uasin Gishu	20,456	20,138	31,005	31,223	20,614	14,512	16,551	25,288	33,989	19,627	15,979	16,636	24,026	31,792	19,641				
28	Elgeyo Marakwet	9,511	10,042	17,368	12,319	11,708	7,409	7,761	14,214	15,931	10,700	8,148	7,701	14,778	14,851	9,147				
29	Nandi	9,339	21,113	32,215	29,253	21,283	10,507	13,946	22,143	33,559	18,454	8,284	12,944	20,637	31,696	17,437				
30	Baringo	10,746	13,562	25,833	20,979	13,863	7,423	10,556	16,275	24,455	14,162	6,355	15,099	16,716	23,074	11,060				

Table 17.20: New Identity Card Applications Made, Produced and Collected by County, 2014-2018 Cont'd

S/No	County	NPR Applications					NPR IDs Produced					NPR IDs Collected					Number
		2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*	2014	2015	2016	2017	2018*	
31	Laikipia	9,814	7,984	18,137	12,059	8,289	7,963	8,693	17,597	13,434	8,679	5,859	9,441	15,601	14,310	8,027	
32	Nakuru	45,660	55,237	76,607	59,682	38,437	32,579	36,520	62,504	60,685	35,078	32,800	42,429	56,198	57,533	31,258	
33	Narok	15,549	21,469	30,753	23,007	17,316	12,517	9,897	31,614	29,905	16,518	8,529	9,310	27,515	25,886	15,967	
34	Kajiado	8,759	10,259	18,529	19,447	15,964	13,349	13,454	20,600	18,430	16,379	6,475	14,334	15,152	18,179	13,620	
35	Kericho	23,160	23,077	30,801	28,353	18,048	14,450	16,928	23,979	30,260	16,199	17,509	28,171	23,086	29,638	15,258	
36	Bomet	13,896	15,009	24,076	27,136	15,888	12,823	14,767	22,741	28,717	17,008	9,620	14,743	19,357	29,545	15,778	
37	Kakamega	55,590	50,910	59,574	62,483	51,897	39,908	44,432	55,388	59,022	45,909	41,456	38,417	51,356	58,715	39,673	
38	Vihiga	18,932	17,352	19,812	17,932	16,509	12,291	15,107	19,585	19,481	14,298	12,972	11,941	14,093	18,104	12,907	
39	Bungoma	43,971	47,915	55,514	53,513	44,867	39,086	30,013	52,781	50,665	36,390	26,511	25,117	42,983	50,029	31,405	
40	Busia	21,667	28,017	30,280	25,726	26,352	21,098	21,377	33,511	30,074	22,736	15,381	16,329	32,681	32,577	22,261	
41	Siaya	25,457	35,071	45,097	35,677	19,340	19,430	26,613	41,453	36,528	16,580	19,003	25,691	38,887	34,140	16,170	
42	Kisumu	27,123	37,333	39,774	46,898	25,829	21,711	27,062	39,613	43,027	18,958	20,500	26,652	35,158	40,842	19,228	
43	Homabay	23,987	33,553	34,782	43,788	19,088	18,321	26,903	36,599	43,094	16,785	17,299	23,640	33,881	38,296	15,160	
44	Migori	23,594	33,279	40,649	37,348	25,138	18,047	20,014	41,090	34,270	19,800	14,003	18,263	36,770	31,805	17,955	
45	Kisii	31,799	32,752	40,140	40,732	32,603	22,662	27,739	40,567	38,418	28,728	21,890	24,230	37,381	41,478	25,659	
46	Nyamira	20,617	23,066	24,085	22,443	16,653	14,347	16,237	19,506	18,824	14,318	14,780	14,072	18,342	18,010	13,151	
47	Nairobi City	56,275	61,150	74,233	71,316	63,671	47,901	53,470	75,273	69,203	57,602	70,248	49,554	78,569	69,095	51,674	
48	Foreign Office ¹	..	..	..	881	743	469	668	532	654	884	469	668	532	654	884

**Voter
Registration**

17.31. Table 17.21 presents the number of registered voters by county in 2017 and 2018. The number of registered voters in 2018 remained unchanged at 19.6 million due to the fact that there was no voter registration. As a result, voter coverage decreased marginally from 80.5 per cent in 2017 to 78.1 per cent in 2018 on account of increase in persons eligible for registration.

Table 17.21: Registered Voters, 2017 and 2018

S/no	Name of County, Special domains	No. of constitue ncies	Registered Voters as at 31.12.2017			Registered Voters as at 31.12.2018			2017 Coverage (%)			2018 Coverage (%)		
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
			Number			Number			Number			Number		
1	Mombasa.....	6	305,521	274,702	580,223	305,521	274,702	580,223	74.3	75.8	75.0	71.6	73.2	72.3
2	Kwale.....	4	146,178	134,863	281,041	146,178	134,863	281,041	78.1	62.0	69.5	75.2	59.6	66.8
3	Kilifi.....	7	263,598	244,470	508,068	263,598	244,470	508,068	83.5	64.7	73.3	80.4	62.2	70.5
4	Tana River.....	3	61,668	56,659	118,327	61,668	56,659	118,327	91.8	78.2	84.7	88.3	75.0	81.4
5	Lamu.....	2	38,554	31,222	69,776	38,554	31,222	69,776	103.0	93.3	98.4	99.2	89.6	94.7
6	Taita Taveta.....	4	86,506	69,210	155,716	86,506	69,210	155,716	80.5	65.9	73.3	78.0	63.2	70.7
7	Garisa.....	6	87,910	75,440	163,350	87,910	75,440	163,350	70.3	62.2	66.3	67.6	59.6	63.7
8	Wajir.....	6	88,619	74,283	162,902	88,619	74,283	162,902	70.4	63.8	67.2	67.5	61.1	64.4
9	Mandera.....	6	94,786	80,856	175,642	94,786	80,856	175,642	51.3	46.8	49.1	49.1	44.9	47.1
10	Marsabit.....	4	77,390	64,318	141,708	77,390	64,318	141,708	100.5	93.1	97.0	99.3	92.3	96.0
11	Isiolo.....	2	41,533	33,805	75,338	41,533	33,805	75,338	103.7	91.7	97.9	102.5	90.9	96.9
12	Meru.....	9	382,022	320,458	702,480	382,022	320,458	702,480	96.3	79.4	87.8	95.1	78.7	86.9
13	Tharaka-Nithi.....	3	117,039	96,115	213,154	117,039	96,115	213,154	111.0	85.3	97.8	109.7	84.6	96.8
14	Embu.....	4	166,099	143,369	309,468	166,099	143,369	309,468	106.4	88.4	97.2	105.1	87.6	96.2
15	Kitui.....	8	257,010	217,502	474,512	257,010	217,502	474,512	114.1	77.4	93.7	112.7	76.7	92.8
16	Machakos.....	8	347,041	273,213	620,254	347,041	273,213	620,254	109.2	82.1	95.4	107.9	81.4	94.4
17	MaKenia.....	6	239,824	183,486	423,310	239,824	183,486	423,310	108.3	73.6	89.9	107.0	73.0	89.0
18	Nyandarua.....	5	175,956	159,678	335,634	175,956	159,678	335,634	100.9	85.2	92.8	98.3	83.5	90.7
19	Nyeri.....	6	245,497	211,452	456,949	245,497	211,452	456,949	99.7	82.7	91.0	97.2	81.0	89.0
20	Kirinyaga.....	4	184,060	165,776	349,836	184,060	165,776	349,836	94.2	85.2	89.7	91.8	83.6	87.7
21	Murang'a.....	7	329,825	257,301	587,126	329,825	257,301	587,126	107.6	77.6	92.0	104.8	76.0	89.9
22	Kiambu.....	12	592,700	588,220	1,180,920	592,700	588,220	1,180,920	100.4	102.4	101.3	97.8	100.5	99.2
23	Turkana.....	6	97,496	93,939	191,435	97,496	93,939	191,435	35.4	35.0	35.2	33.9	33.5	33.7
24	West Pokot.....	4	93,477	86,755	180,232	93,477	86,755	180,232	66.1	56.5	61.1	63.3	54.2	58.5
25	Samburu.....	3	42,173	40,614	82,787	42,173	40,614	82,787	64.9	58.7	61.7	62.0	56.2	59.0
26	Trans Nzoia.....	5	184,800	154,822	339,622	184,800	154,822	339,622	71.2	57.7	64.3	68.1	55.3	61.6
27	Uasin Gishu.....	6	237,952	212,103	450,055	237,952	212,103	450,055	72.5	66.4	69.5	69.5	63.7	66.7
28	Elgeyo/MaraKwet	4	100,250	80,414	180,664	100,250	80,414	180,664	85.1	65.8	75.3	81.5	63.1	72.1
29	Nandi.....	6	188,494	157,513	346,007	188,494	157,513	346,007	74.4	61.9	68.1	71.2	59.3	65.3
30	Baringo.....	6	126,962	105,296	232,258	126,962	105,296	232,258	76.0	59.9	67.8	72.8	57.4	64.9

Table 17.21: Registered Voters, 2017 and 2018 cont'd

S/no	Name of County, Special domains	No. of constituencies	Registered Voters as at 31.12.2017			Registered Voters as at 31.12.2018			2017 Coverage (%)			2018 Coverage (%)		
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
31	Laikepia.....	3	131,232	115,255	246,487	131,232	115,255	246,487	93.6	78.5	85.9	89.7	75.2	82.3
32	Na kuru.....	11	493,646	455,972	949,618	493,646	455,972	949,618	85.1	78.5	81.8	81.5	75.3	78.4
33	Narok.....	6	180,316	161,414	341,730	180,316	161,414	341,730	69.9	62.0	65.9	66.8	59.4	63.1
34	Kajiado.....	5	210,068	201,125	411,193	210,068	201,125	411,193	83.0	80.6	81.8	79.5	77.4	78.4
35	Kericho.....	6	205,131	170,537	375,668	205,131	170,537	375,668	83.7	72.5	78.2	80.8	71.2	76.2
36	Bomet.....	5	177,924	144,088	322,012	177,924	144,088	322,012	82.5	65.6	74.0	79.8	64.6	72.2
37	Kakamega.....	12	401,742	341,994	743,736	401,742	341,994	743,736	95.8	72.2	83.3	93.6	71.0	81.6
38	Vihiga.....	5	154,746	117,663	272,409	154,746	117,663	272,409	111.4	69.0	88.1	108.9	67.8	86.3
39	Bungoma.....	9	306,106	253,744	559,850	306,106	253,744	559,850	91.2	69.4	79.8	89.5	68.3	78.5
40	Busia.....	7	189,671	161,377	351,048	189,671	161,377	351,048	108.3	78.0	91.9	106.3	76.8	90.3
41	Siaya.....	6	254,660	203,293	457,953	254,660	203,293	457,953	115.1	73.7	92.1	111.6	71.7	89.5
42	Kisumu.....	7	289,661	249,549	539,210	289,661	249,549	539,210	99.9	82.4	91.0	96.8	80.3	88.4
43	Homa Bay.....	8	254,957	221,918	476,875	254,957	221,918	476,875	105.0	76.5	89.5	101.7	74.4	86.9
44	Migori.....	8	206,881	181,752	388,633	206,881	181,752	388,633	89.1	69.0	78.4	86.2	67.1	76.1
45	Kisii.....	9	298,723	247,857	546,580	298,723	247,857	546,580	95.6	66.9	80.0	92.6	65.1	77.7
46	Nyamira.....	4	151,426	127,427	278,853	151,426	127,427	278,853	90.2	65.4	76.9	87.4	63.6	74.7
47	Nairobi City.....	17	1,154,482	1,096,371	2,250,853	1,154,482	1,096,371	2,250,853	81.8	74.8	78.2	78.9	71.0	74.8
	Sub total.....	290	10,462,312	9,139,190	19,601,502	10,462,312	9,139,190	19,601,502	88.2	73.3	80.5	85.4	71.1	78.1
48	Diaspora.....	10	2,272	2,121	4,393	2,272	2,121	4,393	..	..	..	..	..	..
49	Prisons.....	103	4,564	964	5,528	4,564	964	5,528	..	..	..	..	..	..
	Total		10,469,148	9,142,275	19,611,423	10,469,148	9,142,275	19,611,423	-	-	-	-	-	-

Source: Independent Electoral and Boundaries Commission

Refugees in Kenya 17.32. Table 17.22 presents the number of registered refugees and asylum seekers in Kenya by age and sex from 2014 to 2018. The number of registered refugees declined by 3.4 per cent to 471,724 in 2018. This is attributed to the ongoing voluntary repatriation and resettlement. Adult refugee population marginally increased from 215,312 in 2017 to 216,547 in 2018 while child refugee population declined by 6.6 per cent to 255,177.

Table 17.22. Refugees and Asylum Seekers in Kenya by Age and Sex, 2014-2018

Category	Number				
	2014	2015	2016	2017	2018*
Children (< 18 yrs)					
Male	173,573	174,344	149,972	134,109	132,999
Female.....	155,350	157,276	134,173	138,994	122,178
Sub Total-children	328,923	331,620	284,145	273,103	255,177
Adults (18+ yrs)					
Male	123,991	129,616	100,781	103,299	105,318
Female.....	132,449	132,645	109,937	112,013	111,229
Sub Total-adults	256,440	262,261	210,718	215,312	216,547
Total (all ages)					
Male	297,564	303,960	250,753	237,408	238,317
Female.....	287,799	289,921	244,110	251,007	233,407
Total	585,363	593,881	494,863	488,415	471,724

Source: Refugee Affairs Secretariat

*Provisional

Note: The figures in this table include both refugees and asylum seekers

Gender and Development

17.33. Table 17.23 presents the number of women groups, membership and contributions, funds disbursed and number of beneficiaries from 2014/15 to 2018/19. The number of registered women groups is expected to increase by 1.1 per cent to 160,534 in 2018/19 from 158,768 in 2017/18. Membership of groups increased from 6.4 million to 6.5 million, while contributions are expected to increase by 0.9 per cent from KSh 639.5 million to KSh 645.3 million over the same period. 17.34. The funds disbursed by the government through the Uwezo Fund are expected to decrease by 40.0 per cent from KSh 500.0 million in 2017/18 to KSh 300.0 million in 2018/19. The number of beneficiaries is also expected to decrease from 65,000 in 2017/18 to 50,000 in 2018/19. The decrease in the number of beneficiaries is partly attributed to delay in renewal of registration certificates.

17.35. Funds disbursed through the WEF are expected to increase by 3.3 per cent from KSh 2,166.3 million in 2017/18 to KSh 2,238.5 million in 2018/19. The number of beneficiaries of the WEF is also expected to increase by 17.5 per cent from 115,262 in 2017/18 to 135,423 in 2018/19. The increase is largely attributed to the registration of more groups engaged in income generating activities to improve the economic status of the group members.

Table 17.23. Women Groups Registration, Contributions and Source of Loans, 2014/15 - 2018/19

Financial Year	Women Groups			Uwezo Fund		Women Enterprise Fund	
	Number of Groups	Membership	Contributions (KSh Million)	Funds Disbursed (KSh Million)	Number of Beneficiary Groups	Funds Disbursed (KSh Million)	Number of Beneficiary Groups
2014/15	150,857	6,024,848	603.3	4,240.4	491,352	1,604.8	176,615
2015/16	154,425	6,177,492	625.0	874.7	373,693	2,285.6	178,375
2016/17	156,792	6,297,320	632.4	439.5	63,245	2,212.4	143,205
2017/18	158,768	6,357,428	639.5	500.0	65,000	2,166.3	115,262
2018/19*	160,534	6,469,774	645.3	300.0	50,000	2,238.5	135,423

Source: Ministry of Labour and Social Protection, Uwezo Oversight Board and Women Enterprise Fund

*Provisional

Participation in Key Decision Making 17.36. Table 17.24 summarizes the participation of women and men in key decision making through selected positions of leadership. The proportion of women Diplomatic Corps reduced from 27.6 per cent in 2017 to 23.2 per cent in 2018 while those appointed as County Commissioners and Deputy County Commissioners reduced from 36.1 per cent and 14.9 per cent in 2017 to 29.8 per cent and 11.5 per cent in 2018 respectively. In the legislature, the proportion of women in both houses of Parliament remained below a third while that of Members of County Assemblies increased marginally to 33.9 per cent in 2018. The proportion of women judges at the Court of Appeal increased from 31.8 per cent in 2017 to 36.8 per cent in 2018. During the same period, the proportion of women judges at the High Court marginally increased by 1.4 percentage points.

Table 17.24. Participation in Key Decision Making positions, 2017-2018

Position	2017				2018*			
	Number			(%)	Number			(%)
	Female	Male	Total	Female	Female	Male	Total	Female
Cabinet Secretaries.....	6	16	22	27.3	6	16	22	27.3
Principal Secretaries.....	8	32	40	20.0	8	32	40	20.0
Diplomatic Corps.....	16	42	58	27.6	13	43	56	23.2
Deputy Secretaries.....	74	156	230	32.2	62	155	217	28.6
Governors.....	3	44	47	6.4	3	44	47	6.4
Deputy Governors.....	7	40	47	14.9	7	39	46	15.2
County Commissioners.....	17	30	47	36.1	14	33	47	29.8
Deputy County Commissioners.....	44	251	295	14.9	34	261	295	11.5
National Assembly.....	76	273	349	21.8	76	273	349	21.8
Senators.....	21	46	67	31.3	21	46	67	31.3
Members of the County Assembly.....	745	1,479	2,224	33.5	745	1,451	2,196	33.9
Supreme Court Judges.....	2	5	7	28.6	2	5	7	28.6
Court of Appeal Judges.....	7	15	22	31.8	7	12	19	36.8
High Court Judge.....	54	77	131	41.2	55	74	129	42.6
Magistrates.....	207	214	421	49.2	214	244	459	46.6
Kadhis.....	-	55	55	-	-	54	54	-

Source: Ministry of Interior and Coordination of National Government, National Assembly, Foreign Affairs, Judicial Service Commission and Office of the Attorney General

17.37. Table 17.25 presents the distribution of members of the County Assemblies by county and sex. Nationally, female members of County Assemblies (MCAs) constituted 34.2 per cent of the total number of MCAs. The proportion of elected women MCAs was 6.6 per cent while that of nominated women MCAs was 84.0 per cent. Tharaka-Nithi County Assembly had the highest proportion of women MCAs at 41.7 per cent followed by Kisumu and Kajiado Counties at 38.8 per cent and 36.6 per cent, respectively.

Table 17.25. Members of the County Assemblies by County and Sex, 2018

S/No	County	Elected			Nominated			Total		
		Number		% Female	Number		% Female	Number		% Female
		Female	Male		Female	Male		Female	Male	
1	Mombasa	3	27	10.0	12	3	80.0	15	30	33.3
2	Kwale	0	20	0.0	11	2	84.6	11	22	33.3
3	Kilifi	2	33	5.7	16	2	88.9	18	35	34.0
4	Tana River	0	15	0.0	9	2	81.8	9	17	34.6
5	Lamu	0	10	0.0	7	3	70.0	7	13	35.0
6	Taita/Taveta	0	20	0.0	11	4	73.3	11	24	31.4
7	Garissa	0	30	0.0	16	2	88.9	16	32	33.3
8	Wajir	0	30	0.0	15	0	100.0	15	30	33.3
9	Mandera	0	30	0.0	16	2	88.9	16	32	33.3
10	Marsabit	0	20	0.0	12	1	92.3	12	21	36.4
11	Isiolo	0	10	0.0	7	3	70.0	7	13	35.0
12	Meru	5	40	11.1	20	4	83.3	25	44	36.2
13	Tharaka-Nithi	2	13	13.3	8	1	88.9	10	14	41.7
14	Embu	1	19	5.0	11	2	84.6	12	21	36.4
15	Kitui	3	37	7.5	15	2	88.2	18	39	31.6
16	Machakos	3	37	7.5	17	2	89.5	20	39	33.9
17	Makueni	1	29	3.3	15	2	88.2	16	31	34.0
18	Nyandarua	0	25	0.0	14	1	93.3	14	26	35.0
19	Nyeri	0	30	0.0	16	1	94.1	16	31	34.0
20	Kirinyaga	2	18	10.0	8	1	88.9	10	19	34.5
21	Muranga	3	32	8.6	12	2	85.7	15	34	30.6
22	Kiambu	4	56	6.7	25	2	92.6	29	58	33.3
23	Turkana	0	30	0.0	16	1	94.1	16	31	34.0
24	West Pokot	1	19	5.0	10	2	83.3	11	21	34.4
25	Samburu	0	15	0.0	9	2	81.8	9	17	34.6
26	Trans Nzoia	2	23	8.0	12	2	85.7	14	25	35.9
27	UasinGishu	3	27	10.0	12	2	85.7	15	29	34.1
28	Elgeyo/Marakwet	2	18	10.0	8	2	80.0	10	20	33.3
29	Nandi	0	30	0.0	16	2	88.9	16	32	33.3
30	Baringo	0	30	0.0	16	2	88.9	16	32	33.3
31	Laikipia	1	14	6.7	7	1	87.5	8	15	34.8
32	Nakuru	8	47	14.5	17	2	89.5	25	49	33.8
33	Narok	0	30	0.0	16	1	94.1	16	31	34.0
34	Kajiado	0	25	0.0	15	1	93.8	15	26	36.6
35	Kericho	2	28	6.7	15	2	88.2	17	30	36.2
36	Bomet	4	21	16.0	8	2	80.0	12	23	34.3
37	Kakamega	4	56	6.7	25	2	92.6	29	58	33.3
38	Vihiga	2	23	8.0	11	3	78.6	13	26	33.3
39	Bungoma	6	39	13.3	16	2	88.9	22	41	34.9
40	Busia	1	34	2.9	16	2	88.9	17	36	32.1
41	Siaya	1	29	3.3	16	2	88.9	17	31	35.4
42	Kisumu	7	28	20.0	12	2	85.7	19	30	38.8
43	Homa Bay	1	39	2.5	20	3	87.0	21	42	33.3
44	Migori	1	39	2.5	21	2	91.3	22	41	34.9
45	Kisii	1	44	2.2	24	2	92.3	25	46	35.2
46	Nyamira	2	18	10.0	9	4	69.2	11	22	33.3
47	Nairobi City	4	81	4.7	39	3	92.9	43	84	33.9
	KENYA	96	1,354	6.6	650	124	84.0	761	1463	34.2

Source: Nation Gender Equality Commission (NGEC) and County Assembly Forum (CAF)

17.38. The number of County Executive Committee (CECs) members by county and sex is shown in Table 17.26. The total number of CEC members in all counties was 440 in 2018, of which 140 were female, representing a share of 31.8 per cent. Majority of the counties did not meet the constitutional threshold set out in section 197(1) of the Constitution of Kenya 2010 in the composition by sex of CEC members. Thirty-four counties had CECs with female members falling below one third. Nairobi City County had the lowest proportion with no female CEC member, followed by Kitui and Tharaka-Nithi which had 12.5 and 22.2 per cent respectively. Kilifi, Nyeri and Kericho Counties had an equal number of male and female CEC members.

Table 17.26. County Executive Committee Members by County and Sex, 2018

S/No	County	Number			%
		Female	Male	Total	Female
1	Mombasa	3	7	10	30.0
2	Kwale	2	5	7	28.6
3	Kilifi	5	5	10	50.0
4	Tana River	3	7	10	30.0
5	Lamu	3	5	8	37.5
6	Taita/Taveta	4	7	11	36.4
7	Garissa	3	7	10	30.0
8	Wajir	3	7	10	30.0
9	Mandera	2	7	9	22.2
10	Marsabit	3	7	10	30.0
11	Isiolo	2	4	6	33.3
12	Meru	4	6	10	40.0
13	Tharaka-Nithi	2	7	9	22.2
14	Embu	3	7	10	30.0
15	Kitui	1	7	8	12.5
16	Machakos	4	6	10	40.0
17	Makueni	3	7	10	30.0
18	Nyandarua	3	7	10	30.0
19	Nyeri	5	5	10	50.0
20	Kirinyaga	4	5	9	44.4
21	Muranga	3	7	10	30.0
22	Kiambu	3	7	10	30.0
23	Turkana	3	7	10	30.0
24	West Pokot	3	7	10	30.0
25	Samburu	3	7	10	30.0
26	Trans Nzoia	4	6	10	40.0
27	UasinGishu	3	6	9	33.3
28	Elgeyo/Marakwet	3	7	10	30.0
29	Nandi	3	7	10	30.0
30	Baringo	3	7	10	30.0
31	Laikipia	3	5	8	37.5
32	Nakuru	3	7	10	30.0
33	Narok	3	7	10	30.0
34	Kajiado	3	7	10	30.0
35	Kericho	5	5	10	50.0
36	Bomet	3	7	10	30.0
37	Kakamega	3	7	10	30.0
38	Vihiga	3	7	10	30.0
39	Bungoma	3	7	10	30.0
40	Busia	3	7	10	30.0
41	Siaya	3	7	10	30.0
42	Kisumu	3	7	10	30.0
43	Homa Bay	3	7	10	30.0
44	Migori	3	6	9	33.3
45	Kisii	3	7	10	30.0
46	Nyamira	3	7	10	30.0
47	Nairobi City	0	5	5	0.0
48	KENYA	140	300	440	31.8

Source: Council of Governors (COG)

Social Protection 17.39. The overall objective of Social Protection is to ensure that all Kenyans live in dignity and exploit their human capabilities for social and economic development. Social protection services offered by the government are cash transfer for Orphans and Vulnerable Children, Older Persons and Persons with Severe Disabilities. Allocations and disbursements of funds for social protection are presented in Table 17.27.

17.40. The funds allocated for Orphans and Vulnerable Children are expected to decrease by 1.2 per cent from KSh 8.5 billion in 2017/18 to KSh 8.4 billion in 2018/19. The number of beneficiary households is expected to increase from 349,778 in 2017/18 to 353,000 in 2018/19. Similarly, direct cash disbursements are expected to increase by 7.8 per cent from KSh 7.4 billion in 2017/18 to KSh 7.9 billion in 2018/19.

17.41. Cash Transfer Program for Older Persons targets persons aged 70 years and above. The number of beneficiaries under the Program is expected to increase by 5.1 per cent from 792,268 in 2017/18 to 833,000 in 2018/19. Funds allocated to older persons are also expected to increase by 25.1 per cent from KSh 14.5 billion in 2017/18 to KSh 18.1 billion in 2018/19. Similarly, direct cash disbursement is expected to increase by 47.5 per cent from KSh 11.2 billion to KSh 16.6 billion during the same period.

17.42. The Program for Persons with Severe Disability targets adults and children with severe disabilities who require full time support of a care giver. Total allocation for persons with severe disability is expected to increase by 9.3 per cent from KSh 1.2 billion in 2017/18 to KSh 1.3 billion in 2018/19. Similarly, the number of beneficiaries is also expected to increase by 7.1 per cent from 43,884 in 2017/18 to 47,000 in 2018/19.

Table 17.27. Disbursement of Funds to Orphans and Vulnerable Children, Older Persons and Persons with Severe Disability, 2014/15-2018/19

Financial Year	Orphans and Vulnerable Children			Older Persons			Persons with Severe Disability		
	No of beneficiary households	Allocation (KSh Million)	Direct cash Disbursement (KSh Million)	No of beneficiary households	Allocation (KSh Million)	Direct cash Disbursement (KSh Million)	No of beneficiary households	Allocation (KSh Million)	Direct cash Disbursement (KSh Million)
2014/15	255,470	5,957.6	6,131.3	218,497	5,501.5	5,243.9	..	..	..
2015/16	351,650	9,746.3	8,439.6	310,223	7,864.9	7,645.1	1,200	47,000.0	990.3
2016/17 ⁺	352,000	8,071.6	7,106.0	314,504	7,871.0	8,639.1	1,200	46,917.0	1,094.5
2017/18	349,778	8,507.5	7,352.2	792,268	14,452.4	11,245.8	1,180	43,884.0	942.7
2018/19 ^{**}	353,000	8,409.4	7,924.9	833,000	18,076.8	16,586.0	1,290	47,000.0	1,190.0

Source: State Department of Social Protection

**Estimates

.. Data missing

+Revised (figures for OVC only)

National Youth Service 17.43. Details of recruitment of service men and women by the National Youth Service are shown in Table 17.28. The number of service men and women recruited decreased by 44.1 per cent and 42.1 per cent to 11,893 and 4,590 officers, respectively, in 2018. The proportion of men recruited has been more than double that of women over the last three years. The allowances paid out to service men and women more than tripled in the review period, due to increase in monthly allowances per service man/woman.

Table 17.28 Recruitment of Service Men and Women in to National Youth Service and Allowances Earned, 2015-2018

Year	Recruitment (Number)			Allowances (KSh Million)
	Service Men	Service Women	Total	
2015	8,351	2,776	10,551	62.31
2016	7,803	2,748	11,127	137.78
2017	21,262	7,931	29,193	260.82
2018*	11,893	4,590	16,483	1012.58

Source: National Youth Service

* Provisional

Appendix 17.1: Classification of Offences by the Kenya Police Service

CODE	OFFENCES	CATEGORY OF OFFENCES	CODE	OFFENCES	CATEGORY OF OFFENCES
1	HOMICIDE	a) Murder b) Manslaughter c) Infanticide d) Procuring Abortion e) Concealing Birth f) Suicide g) Causing Death by dangerous Driving	8	THEFT BY SERVANT	a) Stealing by Directors b) Stealing by employee/servant
2	OFFENCES AGAINST MORALITY	a) Rape b) Defilement c) Incest d) Offences(Sodomy) e) Bestiality f) Indecent assault g) Abduction h) Bigamy	9	VEHICLE AND OTHER THEFTS	a) Theft of M/V b) Theft from M/V c) Theft of M/V part d) Theft of M/Cycle
3	OTHER OFFENCES AGAINST PERSONS	a) Assault b) Creating Disturbance c) Affray	10	DANGEROUS DRUGS	a) Possession b) Handling c) Trafficking d) Cultivating e) Usage
4	ROBBERY	a) Robbery b) Robbery with Violence c) Carjacking d) Robbed of M/V e) Cattle Rustling	11	TRAFFIC OFFENCES	a) Taking and Driving Motor Vehicle without Authority b) Driving under influence of alcohol
5	BREAKING	a) House Breaking b) Burglary c) Other Breakings	12	CRIMINAL DAMAGE	a) Malicious Damage b) Arson c) Negligent Acts
6	THEFT OF STOCK		13	ECONOMIC CRIMES	a) Obtaining by False Pretence b) Currency Forgery c) Other Fraud/Forgery Offences
7	STEALING	a) Handling Stolen Property b) Stealing from Person c) Stealing by Tenants/lodgers d) Stealing from a building e) General Stealing	14	CORRUPTION	a) Soliciting for Bribe b) Accepting Bribe c) Accept Free Gifts d) Demanding by false pretence e) Other Corruption Offences
			15	OFFENCES INVOLVING POLICE OFFICERS	a) Soliciting for Bribe b) Accepting Bribe c) Accept Free Gifts d) Demanding by false pretence e) Other Criminal Offences
			16	OFFENCES INVOLVING TOURIST	a) Bag Snatching b) Other offences Against Tourists c) Other Offences involving Tourist

Appendix 17.2: Description of Offences

Order and administration of lawful authority	Treason, incitement to mutiny, aiding civil disobedience
Injurious to public	Stealing government property, stealing by person in public service, stealing from state corporation
Against person	Assault, grievous harm, murder etc
Related to property	Theft, robbery with violence, arson
Attempts and conspiracies	Attempts to commit offences, neglect to prevent offence, conspiracies to commit offences
Employment Act	Employment of aliens without permit
Drugs related	Possession, manufacture, trafficking etc of any quantity
Various cases	By-laws under the Local Government Act, Traffic Act, Tax Act etc

D

EMERGING ISSUES

Highlights of the Gross County Product Report

Background The continued implementation of devolved services by National and County Governments since 2013, has led to increased demand for county-level statistics. This demand triggered the need for socio-economic statistics to guide policy formulation and planning at the county level. The economic statistics needed at the county level are; Gross Domestic Product (GDP), economic growth, per capita income, sectoral growth and employment. The Kenya National Bureau of Statistics (KNBS) compiled the first set of estimates on Gross County Product (GCP) for the period 2013-2017. The GCP is a measure of each county's contribution to the country's Gross Domestic Product (GDP) and may therefore be interpreted as the county GDP. The concept, internationally known as Gross Regional Product (GRP), provides a picture of the economic structure and relative size of the economy in each county. In addition, GCP estimates include sectoral contribution and per capita income at the county level.

The estimates are expected to be instrumental in informing economic planning, policy analysis and decision-making at the county-level. It is envisaged that the GCP will be useful:

- For informing preparation of County Integrated Development Plans.
- For estimation of revenue potential for each county.
- As an indicator for potential for private sector investment.
- For monitoring economic progress at the county level.

This chapter presents the methodological approaches and the rationale for the method used to compile GCP and finally the highlights of the report findings.

Methodological Approaches 18.2. The GDP is computed using three approaches namely; Production, Income and Expenditure approaches. Based on the availability and disaggregation of data at county level, the production approach was used to estimate the GCP. There are three methods that can be used in compiling GCP using the production approach; **Bottom-up, Top-down and mixed methods.**

18.3. Bottom-up method: This method makes use of data on establishments and households resident in different regions to estimate regional GDPs. In this case, data collected through sample surveys must be representative for each region and the regional values must add up to the national total. This method was not used in Kenya because of limitations of data availability as well as disaggregation. Data used by KNBS to compile the national GDP depends on samples that are representative at the national level but may not be representative at the county level. Therefore, the sample is not designed to collect accurate regional level data.

18.4. Top-down method: In this approach, the national estimate (GDP) is allocated to the regions by means of a distribution key. The distribution keys are equivalent to the weight of a region's contribution to an economic activity and are used to derive county ratios that are applied to the national Gross Value Added¹ (GVA) by activity. Data on output, employment, wages, salaries, and population among others are used as the distribution keys. This method ensures consistency between national and regional estimates.

¹ GVA is derived as the difference between output (total goods and services produced in an economy) and intermediate consumption (goods and services used up in the process of production).

18.5. Mixed method: This approach blends elements of both bottom-up and top-down methods to arrive at the regional estimates.

Rationale for the choice of Top Down method in Compilation of Kenya's GCP

18.6. Top-down method was the most suitable for compilation of GCP in the Kenya's context. The process entailed identification and validation of suitable indicators that accurately reflect levels of economic activities for the various sectors at the county level. To the extent possible, the indicators used in the national estimates were adapted as the distribution keys. For instance, if output of coffee is used as a distribution key, a county that produces 10 per cent of Kenya's coffee was allocated 10 per cent of coffee's GVA. The use of the same indicator whenever they are available is advantageous in ensuring that the GCP estimates are consistent with the national GDP estimates.

18.7. However, the distribution key used varied depending on which economic activity was being regionalized, the existing framework for compilation of national accounts and the available indicators. The estimates were subjected to sensitivity analysis where different distribution keys were used to estimate for a particular activity and almost similar results were obtained in most cases. The choice of the distribution key was then informed by reliability and sustainability of the source and their comprehensiveness.

Gross County Product Estimation Method **18.8.** GDP is a measure of newly created value through production by resident economic agents (in this case individuals, households, establishments, and enterprises resident in Kenya). Similarly, GCP measures newly created value through production by economic agents resident in a specific region, in this case a county. Therefore, the GCPs for the 47 counties should ideally sum up to Kenya's GDP².

Identity between GCPs and GDP

GDP = Sum of values added by all counties (total GCP) + Value added by extra-regional territory + Taxes on products

18.9. This identity shows "taxes on products" separately because it was not possible to allocate taxes on products due to data limitations. In Kenya, taxes on products include Value Added Tax (VAT) and excise duties, which are levied to the final purchasers who do not necessarily procure the products only in their counties of residence. For instance, residents from counties neighbouring Nairobi City County, regularly make their purchases from the city and therefore an appropriate distribution key should take this into consideration. As such, any method of allocating taxes on products to the counties without an appropriate key could distort the relative sizes of GCP.

Source Data **18.10.** The data used for the estimation of the GCP 2019 was drawn from recurrent and intermittent surveys and censuses conducted by KNBS as well as data drawn from administrative records. In addition, a survey, conducted in all 47 counties in 2018, collected data that was instrumental in filling gaps in the existing datasets.

Gross County Product at Current Prices, 2013-2017

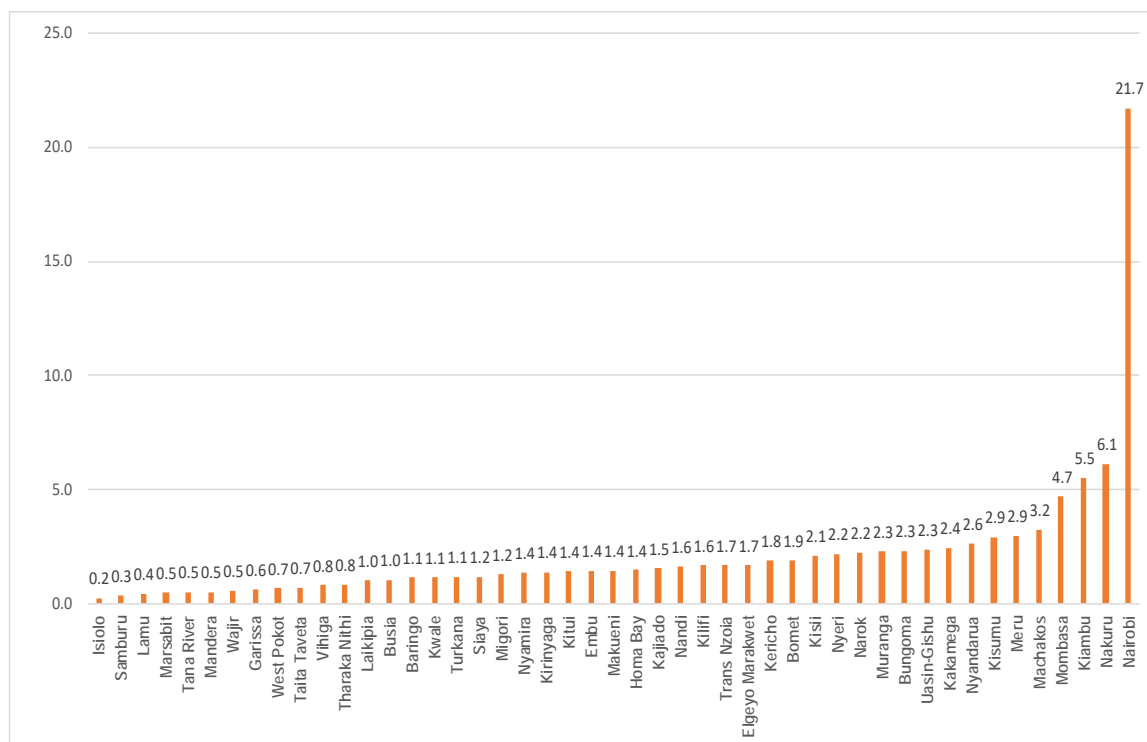
Highlights of the Results **18.11.** Table 18.1 shows GCP at current prices for each county for a series of five years (2013 to 2017). In addition, the table shows the relation between GCP and GDP.

Table 18.1: Gross County Product, 2013 – 2017

County	Current Prices, KSh Million				
	2013	2014	2015	2016	2017
Mombasa	206,170	239,680	263,925	301,070	332,122
Kwale	47,981	54,583	63,569	72,335	86,278
Kilifi	71,799	80,431	97,614	105,456	119,295
Tana River	21,419	29,620	25,474	30,280	33,498
Lamu	16,502	18,834	23,149	26,579	32,386
Taita Taveta	27,948	33,660	37,710	45,313	51,381
Garissa	27,182	29,872	32,919	36,706	39,394
Wajir	25,245	27,772	30,907	33,526	37,159
Mandera	22,969	25,684	28,495	31,721	35,101
Marsabit	21,471	22,703	27,058	30,144	34,073
Isiolo	10,237	11,664	13,020	14,262	15,850
Meru	119,374	141,079	171,009	196,488	229,646
Tharaka Nithi	34,422	39,592	47,286	53,129	67,692
Embu	63,316	66,911	84,545	89,067	103,734
Kitui	61,611	65,254	87,749	86,041	101,560
Machakos	143,813	157,703	190,166	208,178	232,860
Makueni	61,314	70,170	85,224	92,746	100,924
Nyandarua	87,532	106,482	148,139	196,770	245,203
Nyeri	85,101	104,583	120,875	145,775	174,961
Kirinyaga	59,928	68,332	78,491	88,055	100,836
Muranga	96,545	109,739	129,173	149,154	173,018
Kiambu	229,579	263,706	316,725	367,137	421,918
Turkana	51,349	58,064	67,910	73,761	78,301
West Pokot	28,940	33,226	38,432	43,093	46,785
Samburu	14,572	17,076	18,401	23,498	26,503
Trans Nzoia	74,642	85,468	97,622	99,005	116,683
Uasin-Gishu	103,861	121,836	135,521	148,668	162,273
Elgeyo Marakwet	55,041	65,504	92,266	126,950	159,531
Nandi	68,892	75,817	92,634	104,412	119,691
Baringo	41,020	49,474	65,837	77,905	92,866
Laikipia	38,221	44,345	56,623	72,890	81,095
Nakuru	228,802	278,971	343,665	436,088	517,462
Narok	92,987	104,696	125,659	149,722	179,226
Kajiado	67,670	75,667	85,848	100,041	107,805
Kericho	80,922	89,549	106,916	120,356	136,799
Bomet	70,576	82,807	103,106	131,746	159,569
Kakamega	104,097	117,996	141,457	156,444	182,563
Vihiga	32,935	38,586	46,163	51,001	59,050
Bungoma	89,086	115,101	131,289	152,657	183,509
Busia	39,923	48,356	59,147	68,215	86,712
Siaya	43,838	53,482	68,208	82,200	95,265
Kisumu	135,418	152,655	165,503	181,161	194,489
Homa Bay	59,036	70,049	81,548	96,781	114,198
Migori	52,910	62,035	71,360	78,998	96,337
Kisii	87,203	100,668	122,771	134,892	163,546
Nyamira	57,439	65,643	74,112	95,786	103,239
Nairobi	1,003,072	1,107,647	1,230,361	1,379,459	1,492,323
Total	4,263,910	4,882,769	5,725,580	6,585,658	7,524,710
Taxes less subsidies on products	481,179	519,878	558,605	608,489	671,956
Gross Domestic Product	4,745,090	5,402,647	6,284,185	7,194,147	8,196,666

18.12. The average contribution per county to GDP growth over the period 2013-2017 is shown in Figure 18.1 and Table 18.2. The average contribution per county to total GVA over the period 2013 to 2017 was approximately 2.1 per cent with a standard deviation of 3.2. This indicates a large heterogeneity across counties in their contribution to GDP over that period. Nairobi had the lion's share of Kenya's GDP at 21.7 percent followed by Nakuru, Kiambu and Mombasa with shares of 6.1, 5.5, and 4.7 per cent, respectively while Isiolo's share was the smallest at 0.2 per cent based on a five-year period (2013 to 2017).

Figure 18.1: Average share of GCP by County, 2013-2017



18.13. Table 18.2 further shows counties that are largely dominated by urban centers, notably Nairobi City, Kisumu and Mombasa, had their shares of GCP consistently declining over the period mostly due to growth in agriculture's contribution to gross domestic product. On the other hand, counties with strong presence of agricultural activities such as Kiambu, Nakuru and Nyandarua, particularly horticulture, have consistently improved their share of GCP over the period.

Table 18.2: Share of GCP by County, 2013 – 2017

County	2013	2014	2015	2016	2017	Per cent
						Average 2013 -
Mombasa	4.8	4.9	4.6	4.6	4.4	4.7
Kwale	1.1	1.1	1.1	1.1	1.1	1.1
Kilifi	1.7	1.6	1.7	1.6	1.6	1.6
Tana River	0.5	0.6	0.4	0.5	0.4	0.5
Lamu	0.4	0.4	0.4	0.4	0.4	0.4
Taita Taveta	0.7	0.7	0.7	0.7	0.7	0.7
Garissa	0.6	0.6	0.6	0.6	0.5	0.6
Wajir	0.6	0.6	0.5	0.5	0.5	0.5
Mandera	0.5	0.5	0.5	0.5	0.5	0.5
Marsabit	0.5	0.5	0.5	0.5	0.5	0.5
Isiolo	0.2	0.2	0.2	0.2	0.2	0.2
Meru	2.8	2.9	3.0	3.0	3.1	2.9
Tharaka Nithi	0.8	0.8	0.8	0.8	0.9	0.8
Embu	1.5	1.4	1.5	1.4	1.4	1.4
Kitui	1.4	1.3	1.5	1.3	1.3	1.4
Machakos	3.4	3.2	3.3	3.2	3.1	3.2
Makueni	1.4	1.4	1.5	1.4	1.3	1.4
Nyandarua	2.1	2.2	2.6	3.0	3.3	2.6
Nyeri	2.0	2.1	2.1	2.2	2.3	2.2
Kirinyaga	1.4	1.4	1.4	1.3	1.3	1.4
Muranga	2.3	2.2	2.3	2.3	2.3	2.3
Kiambu	5.4	5.4	5.5	5.6	5.6	5.5
Turkana	1.2	1.2	1.2	1.1	1.0	1.1
West Pokot	0.7	0.7	0.7	0.7	0.6	0.7
Samburu	0.3	0.3	0.3	0.4	0.4	0.3
Trans Nzoia	1.8	1.8	1.7	1.5	1.6	1.7
Uasin-Gishu	2.4	2.5	2.4	2.3	2.2	2.3
Elgeyo Marakwet	1.3	1.3	1.6	1.9	2.1	1.7
Nandi	1.6	1.6	1.6	1.6	1.6	1.6
Baringo	1.0	1.0	1.1	1.2	1.2	1.1
Laikipia	0.9	0.9	1.0	1.1	1.1	1.0
Nakuru	5.4	5.7	6.0	6.6	6.9	6.1
Narok	2.2	2.1	2.2	2.3	2.4	2.2
Kajiado	1.6	1.5	1.5	1.5	1.4	1.5
Kericho	1.9	1.8	1.9	1.8	1.8	1.8
Bomet	1.7	1.7	1.8	2.0	2.1	1.9
Kakamega	2.4	2.4	2.5	2.4	2.4	2.4
Vihiga	0.8	0.8	0.8	0.8	0.8	0.8
Bungoma	2.1	2.4	2.3	2.3	2.4	2.3
Busia	0.9	1.0	1.0	1.0	1.2	1.0
Siaya	1.0	1.1	1.2	1.2	1.3	1.2
Kisumu	3.2	3.1	2.9	2.8	2.6	2.9
Homa Bay	1.4	1.4	1.4	1.5	1.5	1.4
Migori	1.2	1.3	1.2	1.2	1.3	1.2
Kisii	2.0	2.1	2.1	2.0	2.2	2.1
Nyamira	1.3	1.3	1.3	1.5	1.4	1.4
Nairobi City	23.5	22.7	21.5	20.9	19.8	21.7

18.14. Table 18.3 shows estimates of GVA at current prices by county and by industry (sector). The breakdown indicates how much each county contributed to each economic activity (for instance Samburu contributed KSh 10.8 billion to Agriculture, Forestry and Fishing sector in 2017). The column totals highlight the extent to which each sector contributed to the country's GDP in 2017 while the row totals show the county contribution to GDP. Generally, the leading counties are associated with large population size and where major urban centers are located. In addition, counties associated with thriving economic activities such as agriculture, manufacturing, transportation, financial, real estate and wholesale and retail trade, took lead in the ranking by GCP.

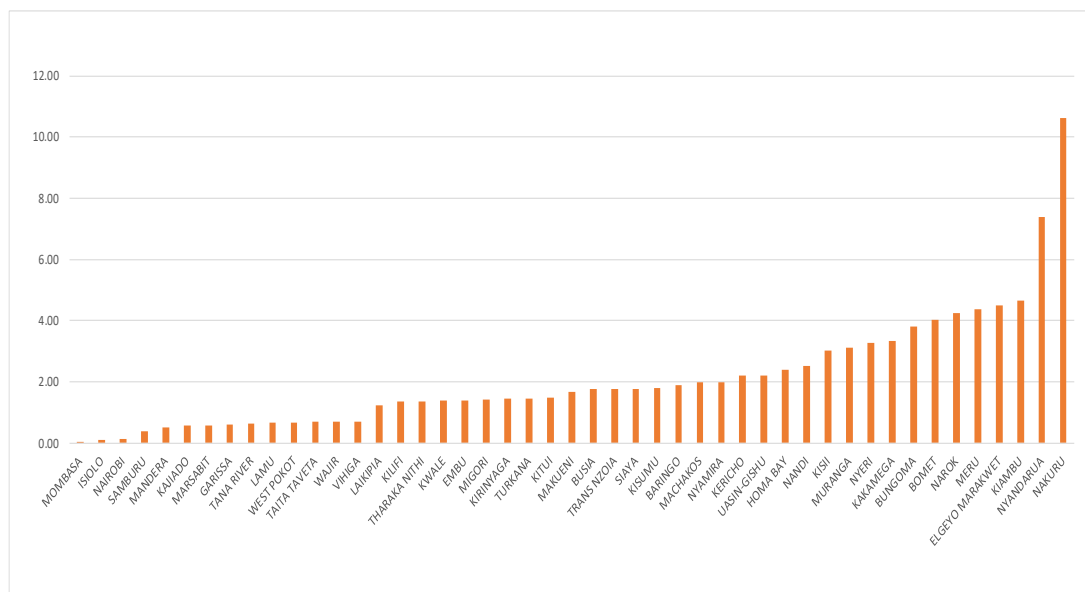
18.15. Table 18.4 shows the contribution of each county to GVA by sector as well as the counties' contribution to GCP in 2017. Nairobi City County contributed the largest share to GDP at 19.8 percent in 2017 followed by Nakuru, Kiambu, and Mombasa counties with shares of 6.9, 5.6, and 4.4 per cent, respectively. The ranking is largely determined by how much counties contribute to key economic activities. For example, Nyandarua and Elgeyo Marakwet rank high by virtue of their high contribution to agriculture, which is the mainstay of Kenya's economy.

Analysis by Broad Sectors of the Economy

This section presents contribution of selected sectors of the economy towards GDP.

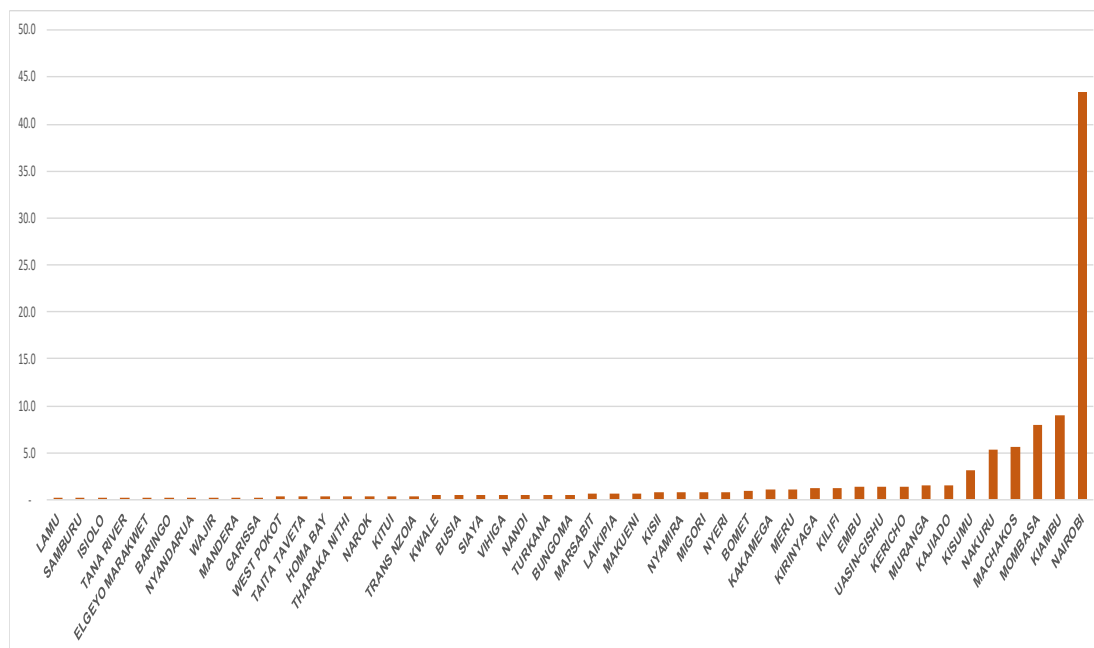
Agriculture, Forestry and Fishing **18.16.** As shown in Table 18.4 and Figure 18.2, counties known for production of key food crops such as vegetables and potatoes ranked highly in agricultural activities. These included Nakuru, Nyandarua, Meru and Elgeyo Marakwet counties. On the other hand, counties that are significantly urban oriented and those that experience dry weather were lowly ranked in agricultural production.

Figure 18.2: County Contribution to Agriculture Gross Value Added, 2017



Industry and Construction Activities **18.17.** As shown in Figure 18.3, industrial activities were mainly found in counties, which are host to vibrant major commercial towns. Nairobi City County accounted for about 45.0 per cent of all industrial production. Other counties where notable levels of industrial production were found include Mombasa, Nakuru, Machakos, Kiambu and Kisumu.

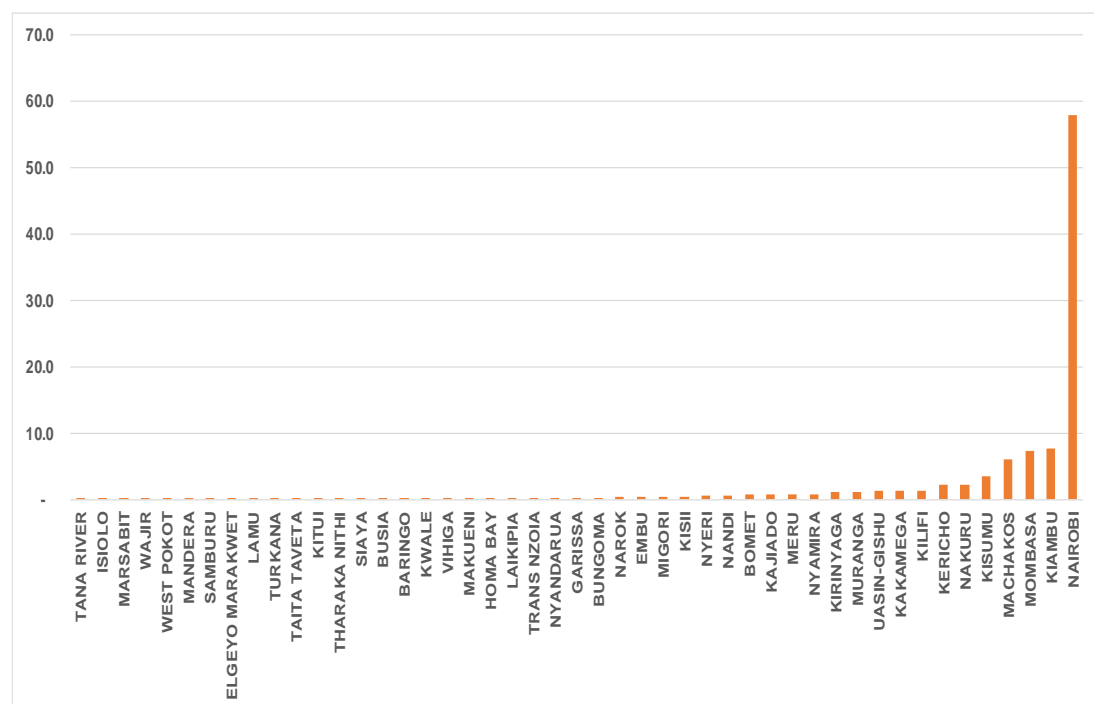
Figure 18.3: County Contribution to Gross Value Added for Industry¹ and Construction Activities, 2017



¹ Industry refers to mining and quarrying, Manufacturing, electricity and Water activities

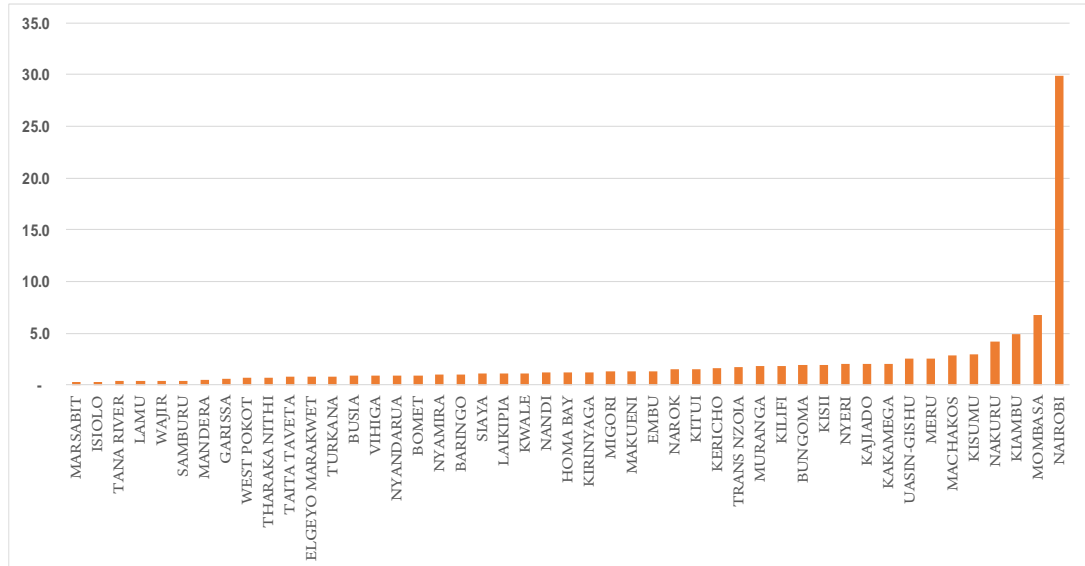
18.18. Figure 18.4 shows the contribution of manufacturing to GVA by county. Manufacturing activities that are subset of the Industrial sector were reported in Nairobi City, Mombasa, Nakuru, Machakos, Kiambu and Kisumu counties. Counties with relatively high level of activity of crop processing such as coffee and tea, which include Murang’a, Kirinyaga and Kericho were found to account for notable contribution to manufacturing sub-sector. The data shows a near complete absence of manufacturing activities in many counties, an indication of lack of value addition activities.

Figure 18.4: Contribution of Manufacturing to Gross Value Added by County, 2017



Contribution Gross Value Added for Service Activities by County **18.19.** Figure 18.5 shows that the contribution of counties to total service GDP was relatively evenly distributed, except for big towns such as Nairobi City, Mombasa, Kiambu, Nakuru, Kisumu, Machakos, Meru and Uasin Gishu counties where these activities are concentrated. Proportionately low contribution was observed in Marsabit, Isiolo, Tana River, Lamu, Wajir, Samburu, Mandera, Garissa, West Pokot, Tharaka Nithi, Taita Taveta, Elgeyo Marakwet, Turkana, Busia, Vihiga, Nyandarua, Bomet, Nyamira, Baringo, Siaya, Laikipia, Kwale, Nandi, Homa Bay, Kirinyaga, Migori, Makueni, Embu, Narok, Kitui, Kericho, Trans Nzoia, Muranga, Kilifi, Bungoma, Kisii, Nyeri, Kajiado, Kakamega, Uasin-Gishu, Meru, Machakos, Kisumu, Nakuru, Kiambu, Mombasa and Nairobi counties.

Figure 18.5: Contribution of Service Activities to Gross Value Added by County, 2017



18.20. The GCP valued at 2009 prices are shown in Table 18.5. The values of GCP at constant prices were proportionately comparable with GCP at current prices.

Chapter 18: Highlights of the Gross County Product Report

Table 18.5: Gross County Product, 2013 – 2017

County	Constant 2009 Prices, KSh Million				
	2013	2014	2015	2016	2017
Mombasa	160,412	168,871	175,259	188,909	206,409
Kwale	37,054	38,606	40,846	42,979	46,173
Kilifi	55,073	56,650	62,560	63,009	66,381
Tana River	15,381	19,261	15,906	17,635	18,094
Lamu	11,668	11,670	12,963	12,908	14,121
Taita Taveta	20,265	22,380	22,784	25,369	25,982
Garissa	20,187	20,660	21,532	22,264	22,931
Wajir	18,099	18,579	19,571	20,129	20,908
Mandera	17,418	18,230	19,044	19,889	20,725
Marsabit	15,253	14,992	16,822	17,505	18,369
Isiolo	7,627	8,045	8,569	8,769	9,253
Meru	85,906	92,610	98,371	102,725	105,150
Tharaka Nithi	25,407	26,940	28,879	30,104	34,861
Embu	47,862	46,221	51,568	49,765	52,604
Kitui	46,672	44,908	54,111	48,686	52,257
Machakos	110,535	114,111	125,878	128,037	134,410
Makueni	45,774	47,918	52,679	53,801	53,201
Nyandarua	57,619	62,159	69,975	76,615	82,099
Nyeri	61,770	69,186	70,047	75,075	80,376
Kirinyaga	44,321	47,060	48,896	51,588	53,396
Muranga	71,411	75,294	77,958	82,859	85,519
Kiambu	173,544	184,974	200,328	214,399	225,457
Turkana	36,762	38,631	41,805	43,020	43,308
West Pokot	21,060	22,341	23,889	25,648	25,561
Samburu	10,581	11,374	11,401	12,879	12,980
Trans Nzoia	53,757	56,827	60,543	60,170	63,092
Uasin-Gishu	75,263	81,806	86,213	91,532	91,221
Elgeyo Marakwet	37,351	39,228	44,010	50,113	54,622
Nandi	51,714	53,627	55,506	60,416	59,505
Baringo	29,482	31,784	36,394	37,634	39,212
Laikipia	28,148	29,962	33,823	38,826	38,864
Nakuru	161,073	177,446	187,767	206,545	216,295
Narok	66,087	67,520	71,301	76,077	79,118
Kajiado	52,287	55,260	59,055	64,747	65,588
Kericho	61,968	64,879	66,656	71,760	72,226
Bomet	51,877	55,358	56,024	62,453	64,971
Kakamega	76,720	81,061	86,312	88,894	91,299
Vihiga	24,691	26,663	28,702	30,249	31,466
Bungoma	64,970	75,514	76,615	80,985	86,606
Busia	28,654	30,829	32,887	34,050	37,776
Siaya	32,623	36,088	40,677	42,337	44,893
Kisumu	100,347	105,662	108,266	112,865	115,128
Homa Bay	42,127	44,836	46,557	49,630	51,811
Migori	39,681	43,159	45,360	46,881	52,047
Kisii	63,320	66,562	70,505	73,584	77,680
Nyamira	42,385	45,377	44,618	52,346	50,595
Nairobi City	803,710	834,952	883,376	941,968	998,160
Total	3,205,896	3,386,075	3,592,808	3,808,627	3,992,703

Gross County Product in Constant 2009 Prices **18.21.** The constant price estimates are useful for computing economic growth rates by county. The use of implicit deflators (for the value added at the national level) to derive constant estimates at the county level was deemed as the most practical. This assumes that price changes are substantially similar in all counties even if price levels may be different. Table 18.6 is similar to Table 18.4 with the exception that the valuation for 2017 GVA is valued at 2009 prices (base year). The estimates are important for horizontal comparison, particularly for the assessment of economic growth over the years.

18.22. Growth was volatile across counties during 2014 to 2017. On average only, Elgeyo Marakwet recorded a double-digit growth during 2014 to 2017. Few counties experienced double digit growth at least once during the same period (Busia, Migori, Tharaka Nithi in 2017), while other counties have at least once experienced a contraction in economic activities (example: Nandi, Nyamira, Uasin Gishu, West Pokot in 2017). More than a half of the counties' GCP growth remained below average, while in two counties (Kwale and Nairobi), economic activity remained stable relative to the average county growth over (2014 to 2017).

Real per Capita GCP, 2017 18.23. Per capita GCP is a measure of a county’s economic output shared equally among its population. It is an indicative measure of a county’s standard of living and is derived by dividing a county’s GCP by its total population. Consequently, both the economic size and population of the respective counties drive this measure. However, it does not take into account the distribution and equity issues across the county. Figure 18.6 depicts the relative size of GCP per capita for 2017 valued at 2009 prices. Tables 18.7 and 18.8 present detailed GCP per capita (both in current and constant prices) over the period 2013 to 2017. Nairobi, Mombasa, and Kiambu take the lead in the ranking. Similarly, Nyandarua and Elgeyo Marakwet were also ranked high largely by virtue of having sizeable GCP and comparatively smaller population. Mandera followed by West Pokot and Turkana Counties had the smallest real per capita GCP.

Figure 18.6: Real Per Capita GCP by County, 2017

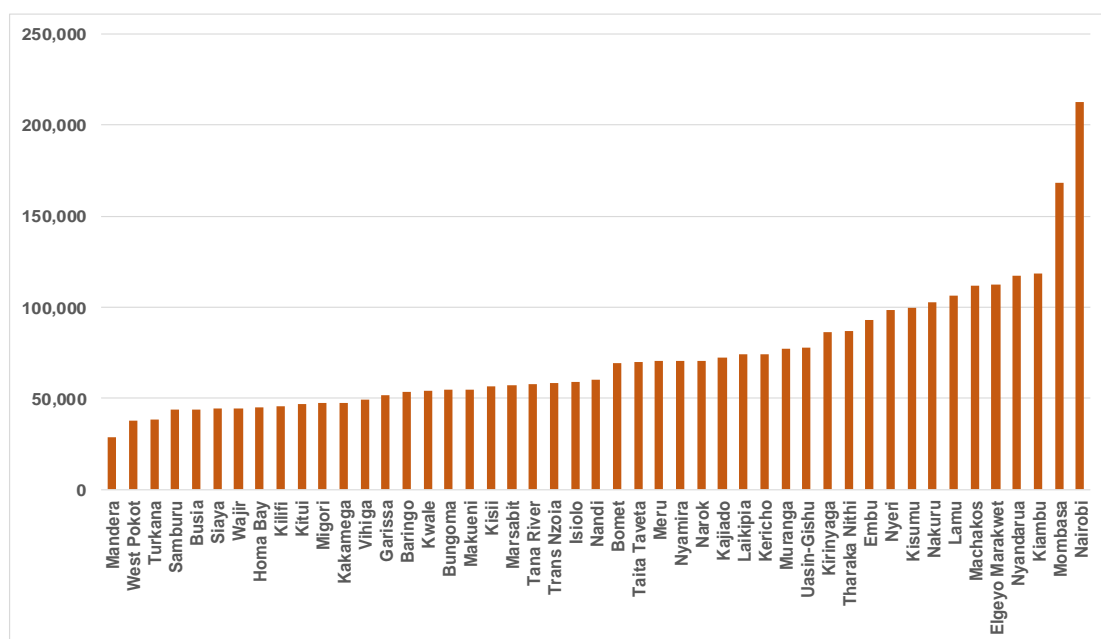


Table 18.7: Per Capita GCP, 2013 - 2017

County	Current Prices, KSh				
	2013	2014	2015	2016	2017
Mombasa	192,988	216,622	230,450	254,070	271,039
Kwale	64,888	71,273	80,193	88,192	101,725
Kilifi	56,887	61,530	72,144	75,327	82,405
Tana River	78,398	104,680	86,975	99,920	106,894
Lamu	142,849	157,417	186,927	207,413	244,379
Taita Taveta	86,293	100,765	108,613	126,511	139,053
Garissa	66,459	71,740	77,651	84,977	89,502
Wajir	58,097	62,779	68,624	73,057	79,468
Mandera	34,112	37,466	40,828	44,607	48,442
Marsabit	70,059	73,340	86,531	95,411	106,734
Isiolo	67,880	76,569	84,614	91,740	100,904
Meru	83,646	97,879	117,463	133,592	154,537
Tharaka Nithi	89,553	101,989	120,599	134,126	169,141
Embu	116,569	121,974	152,586	159,115	183,418
Kitui	57,833	60,652	80,756	78,384	91,580
Machakos	124,411	135,080	161,265	174,745	193,460
Makueni	65,884	74,659	89,776	96,709	104,161
Nyandarua	135,315	161,374	220,117	286,679	350,321
Nyeri	113,096	136,253	154,401	182,578	214,885
Kirinyaga	104,607	116,931	131,689	144,857	162,666
Muranga	94,427	105,222	121,435	137,486	156,392
Kiambu	130,392	146,830	172,904	196,518	221,467
Turkana	52,733	57,533	64,950	68,067	69,775
West Pokot	49,575	54,917	61,312	66,356	69,589
Samburu	57,145	64,611	67,204	82,804	90,143
Trans Nzoia	80,068	88,458	97,524	95,431	108,607
Uasin-Gishu	102,052	115,506	124,013	131,262	138,350
Elgeyo	130,652	150,021	203,966	270,777	328,575
Marakwet	80,368	85,338	100,641	109,449	121,149
Nandi	64,844	75,458	96,925	110,708	127,437
Baringo	84,112	94,157	116,046	144,134	154,840
Laikipia	125,355	147,468	175,350	214,690	245,999
Nakuru	96,023	104,313	120,845	138,925	160,580
Narok	86,490	93,310	102,184	114,894	119,557
Kajiado	93,744	100,091	115,347	127,424	141,047
Kericho	85,614	96,920	116,483	143,793	169,777
Bomet	58,411	65,107	76,740	83,413	95,667
Kakamega	55,324	63,738	74,972	81,379	92,572
Vihiga	50,888	64,653	72,507	98,277	116,101
Bungoma	76,208	90,768	109,156	81,175	101,427
Busia	47,615	56,791	70,828	83,510	94,714
Siaya	127,867	140,921	149,404	159,999	168,095
Kisumu	56,040	65,008	74,007	85,930	99,227
Homa Bay	52,778	60,497	68,053	73,706	87,960
Migori	69,237	78,141	93,191	100,176	118,858
Kisii	87,838	98,142	108,354	137,011	144,512
Nyamira	265,265	276,607	290,722	309,077	317,700
Nairobi City					

Table 18.8: Per Capita GCP, 2013 - 2017

County	Constant 2009 Prices, KSh				
	2013	2014	2015	2016	2017
Mombasa	150,156	152,625	153,030	159,418	168,448
Kwale	50,111	50,411	51,528	52,401	54,439
Kilifi	43,635	43,338	46,236	45,007	45,853
Tana River	56,300	68,069	54,308	58,191	57,740
Lamu	101,008	97,541	104,671	100,734	106,557
Taita Taveta	62,571	66,998	65,623	70,828	70,316
Garissa	49,357	49,618	50,792	51,543	52,099
Wajir	41,652	41,998	43,455	43,864	44,712
Mandera	25,867	26,594	27,287	27,968	28,602
Marsabit	49,771	48,432	53,796	55,407	57,541
Isiolo	50,571	52,813	55,689	56,404	58,907
Meru	60,194	64,252	67,570	69,843	70,759
Tharaka Nithi	66,098	69,398	73,654	75,998	87,106
Embu	88,118	84,258	93,070	88,904	93,013
Kitui	43,810	41,741	49,799	44,354	47,122
Machakos	95,622	97,742	106,747	107,475	111,668
Makueni	49,186	50,983	55,492	56,100	54,907
Nyandarua	89,072	94,203	103,975	111,622	117,295
Nyeri	82,090	90,138	89,475	94,029	98,717
Kirinyaga	77,364	80,530	82,035	84,866	86,137
Muranga	69,845	72,195	73,288	76,377	77,301
Kiambu	98,566	102,992	109,361	114,762	118,343
Turkana	37,753	38,277	39,982	39,699	38,592
West Pokot	36,077	36,926	38,111	39,493	38,021
Samburu	41,494	43,038	41,637	45,383	44,147
Trans Nzoia	57,666	58,815	60,482	57,998	58,725
Uasin-Gishu	73,952	77,556	78,891	80,816	77,772
Elgeyo Marakwet	88,660	89,844	97,289	106,889	112,502
Nandi	60,328	60,361	60,304	63,331	60,229
Baringo	46,605	48,478	53,580	53,480	53,810
Laikipia	61,943	63,618	69,318	76,775	74,205
Nakuru	88,248	93,801	95,806	101,684	102,826
Narok	68,245	67,273	68,569	70,591	70,887
Kajiado	66,828	68,145	70,293	74,360	72,738
Kericho	71,787	72,517	71,912	75,974	74,469
Bomet	62,931	64,794	63,292	68,163	69,128
Kakamega	43,049	44,728	46,824	47,397	47,843
Vihiga	41,477	44,044	46,615	48,267	49,330
Bungoma	37,112	42,417	42,312	52,136	54,793
Busia	54,696	57,869	60,693	40,518	44,186
Siaya	35,434	38,321	42,240	43,012	44,633
Kisumu	94,751	97,540	97,735	99,681	99,504
Homa Bay	39,989	41,609	42,252	44,066	45,019
Migori	39,582	42,089	43,258	43,740	47,521
Kisii	50,274	51,667	53,518	54,647	56,455
Nyamira	64,818	67,841	65,233	74,876	70,822
Nairobi City	212,543	208,509	208,733	211,055	212,498
Total	76,710	78,817	81,365	83,951	85,689

Highlights of the 2019 FinAccess Household Survey

Chapter 19

Introduction This chapter presents the key findings of the 2019 FinAccess Household Survey which was jointly conducted by the Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) and Financial Sector Deepening Kenya (FSD-Kenya) between October and December 2018. The survey report was launched in April 2019. Previous similar surveys were carried out in 2006, 2009, 2013 and 2016. These surveys are important for providing data to understand better the financial inclusion landscape in line with the financial sector development agenda, as laid out in Kenya's Vision 2030. The survey information is also useful in monitoring progress of the financial services sector as laid out in the Third Medium-Term Plan (MTP III). Findings from the survey indicate that the country has made significant progress in fostering financial inclusion over the past decade.

Objectives of the survey 19.2. Specifically, the objectives of the survey were to: strengthen financial inclusion measurement using demand-side data; provide indicators that track progress and dynamics of the financial inclusion landscape in Kenya; and provide data to stakeholders including policy makers, private sector players and researchers.

Survey Methodology 19.3. The survey was household-based targeting individuals aged 16 years and above, and was designed to produce national, regional and residence (rural and urban areas) level estimates. The survey used the fifth National Sample Survey and Evaluation Programme (NASSEP V) household sampling frame where a multistage stratified cluster sampling design was utilized. This was geared towards providing valid and reliable estimates at national level, regional levels and rural and urban areas, separately. The first stage entailed selecting 1000 clusters (434 in urban and 566 in rural areas) from NASSEP V. The second stage involved random selection of a uniform sample of 11 households in each cluster from a roster of households in the cluster using systematic random sampling method. The third stage involved selection of one eligible individual (16+ years) from a roster of all eligible individuals in the household, using an inbuilt Computer Aided Personal Interview (CAPI) KISH grid. All the selections were done without replacement. The data was weighted back to the population to be representative at both the national level as well as at the regional levels.

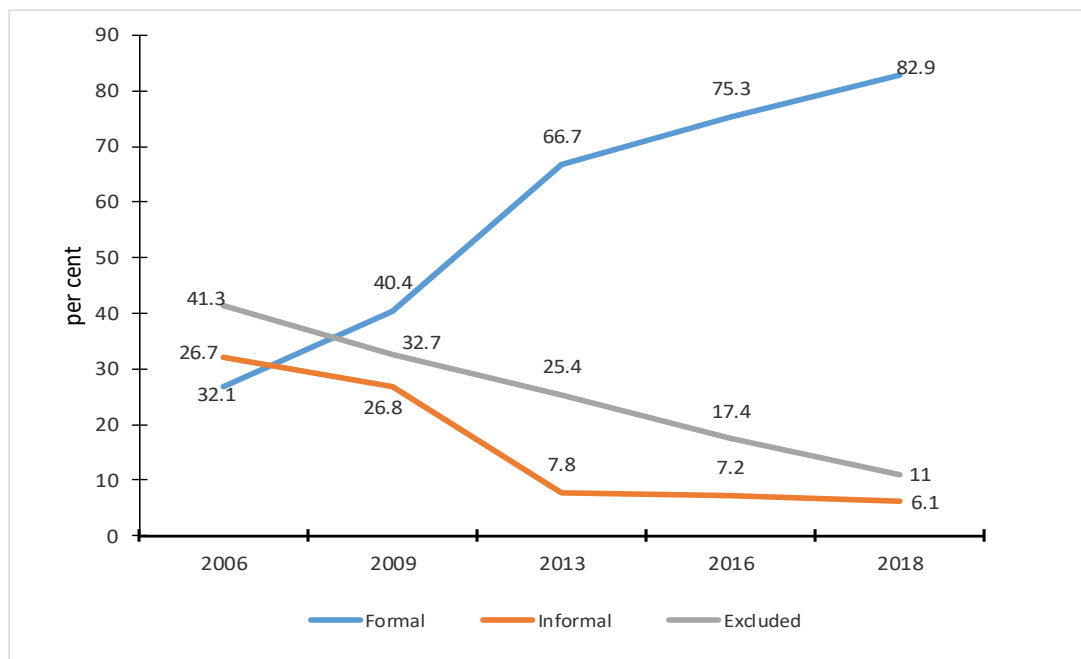
Key findings 19.4. The key findings included: access to financial services and products; financial inclusion by various demographics; geographical disparities in financial inclusion; usage of financial products and services; financial health and literacy.

Access to financial services and products 19.5. The access strand classified users according to the financial service provider that they used. Individuals who used at least one formal financial service provider (banks, Savings and Credit Co-operative societies (SACCOs), mobile phone financial service providers and insurance) were classified as formally included while those who did not use any formal provider, but used at least one informal financial service provider (groups/chamas, shopkeeper credit etc.) were classified as informally included. Individuals who did not use any formal or informal financial service providers were classified as financially excluded. The excluded population often relied on basic financial mechanisms such as saving in secret/ hiding places or borrowing from a family member or a friend in case of a need.

19.6. Figure 19.1 shows the overall access to financial services and products. Nationally, access to formal financial services and products increased to 82.9 per cent in 2019 from 75.3 per cent in 2016. Similarly, access to any form of financial services increased significantly to 89.0 per cent from 58.8 per cent in 2006. As a consequence, exclusion from access to financial services

and products declined from 17.4 per cent in 2016 to 11.0 per cent in 2019.

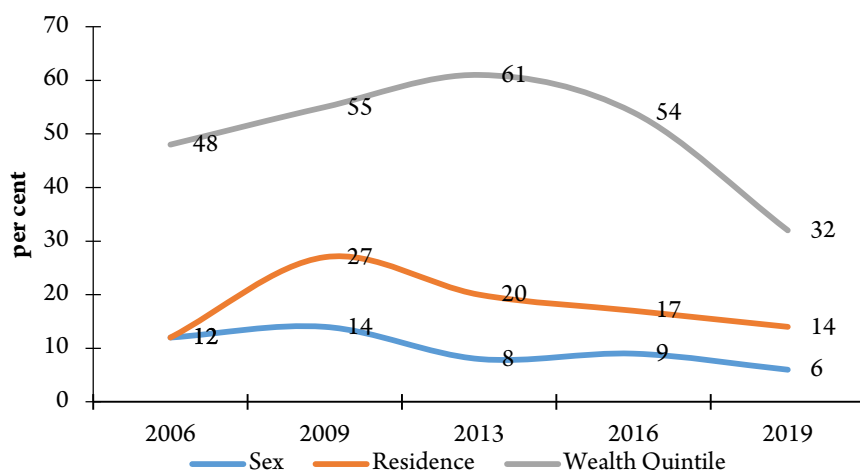
Figure 19.1: Access to Financial Services and Products, 2006 – 2019



Financial inclusion by various demographics

19.7. The survey findings show marked disparities in formal financial inclusion across various demographics; sex, residence, geographical dispersion, education, age, and wealth quintile. Even though the lowest formal financial inclusion rates are still found amongst women and the poorest population, the gaps are narrowing. In 2016, the gap between men and women’s formal financial access was 9.0 per cent, while in 2019 it was 6.0 per cent. Similarly, the gap between urban and rural dwellers improved from 17.0 per cent in 2016 to 14.0 per cent in 2019. The access gap between the wealthiest 20.0 per cent and poorest 40.0 per cent has narrowed significantly, from 54.0 per cent in 2016 to 32.0 per cent in 2019, as shown in Figure 19.2.

Figure 19.2: Disparities in Formal Financial Inclusion by Sex, Residence and Wealth Quintile, 2006 – 2019

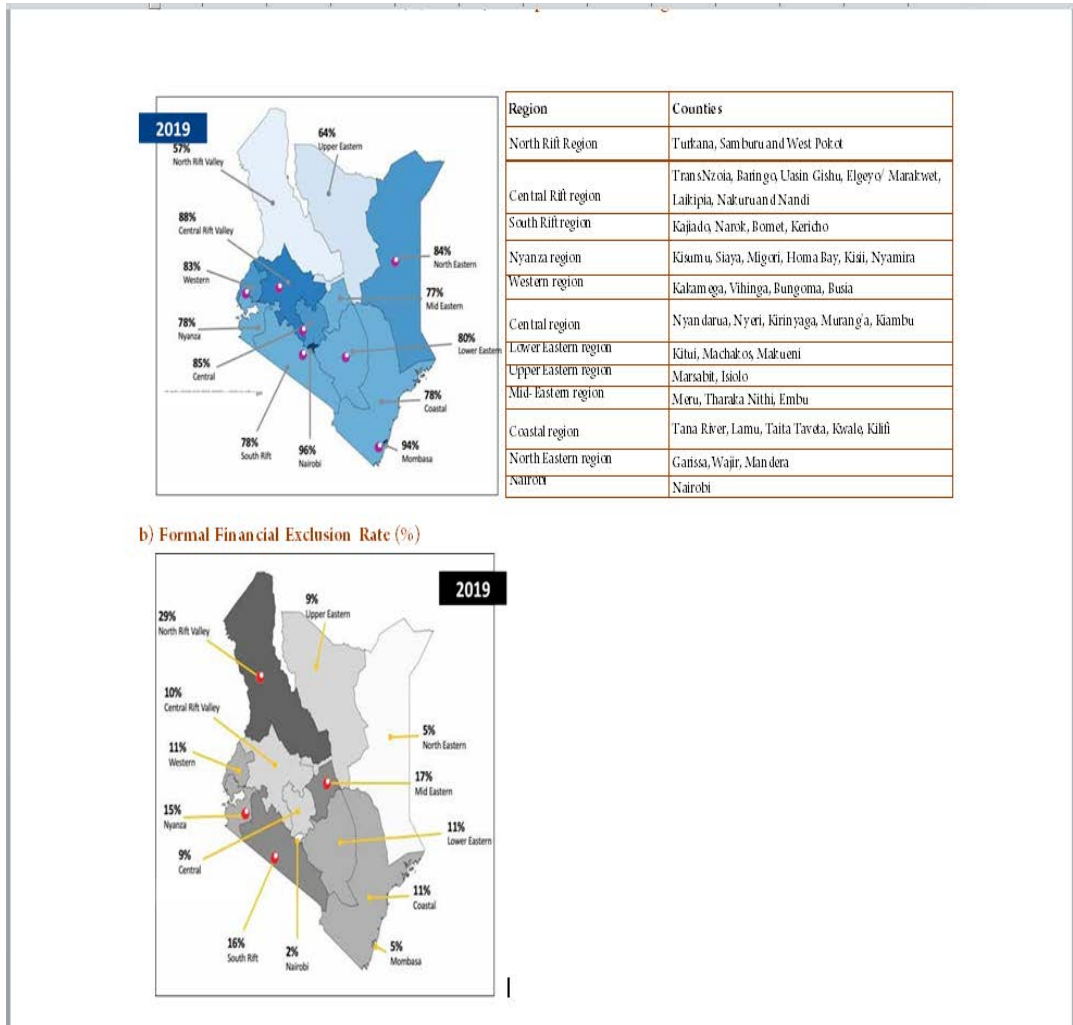


Geographical disparities in financial inclusion

19.8. The survey findings showed that levels of formal financial inclusion are not evenly distributed across the country. Nairobi and Mombasa recorded highest formal financial inclusion rates of 96.0 per cent and 94.0 per cent, respectively, in 2019, as shown in Figure 19.3(a). North-Rift valley and mid-Eastern regions recorded highest exclusion rates.

Figure 19.3(a) and 19.3(b): Map of Formal Financial Inclusion and Exclusion by Region, 2019

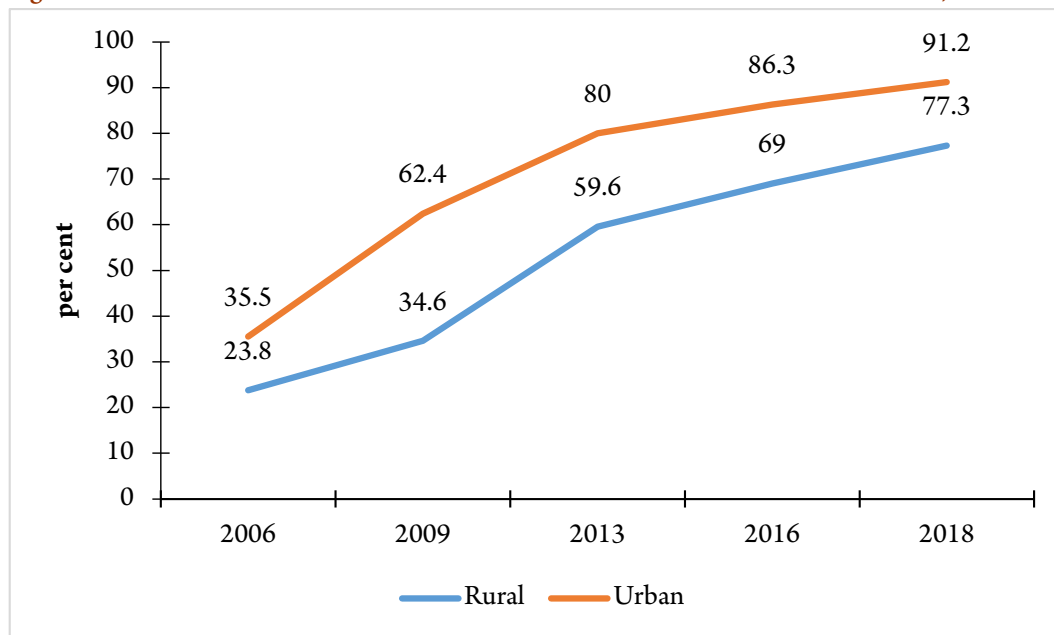
a) Formal Financial Inclusion Rate (%) Key: Composition of the Regions



Access to formal financial services by residence

19.9. The rural-urban gap in formal financial inclusion widened significantly between 2006 and 2009. This was partly due to faster uptake of mobile money and other digital services in urban areas as a result of increased ownership of mobile phones, and better infrastructure in terms of network and agent distribution. However, since 2013, the gap has been steadily narrowing down, as shown in Figure 19.4.

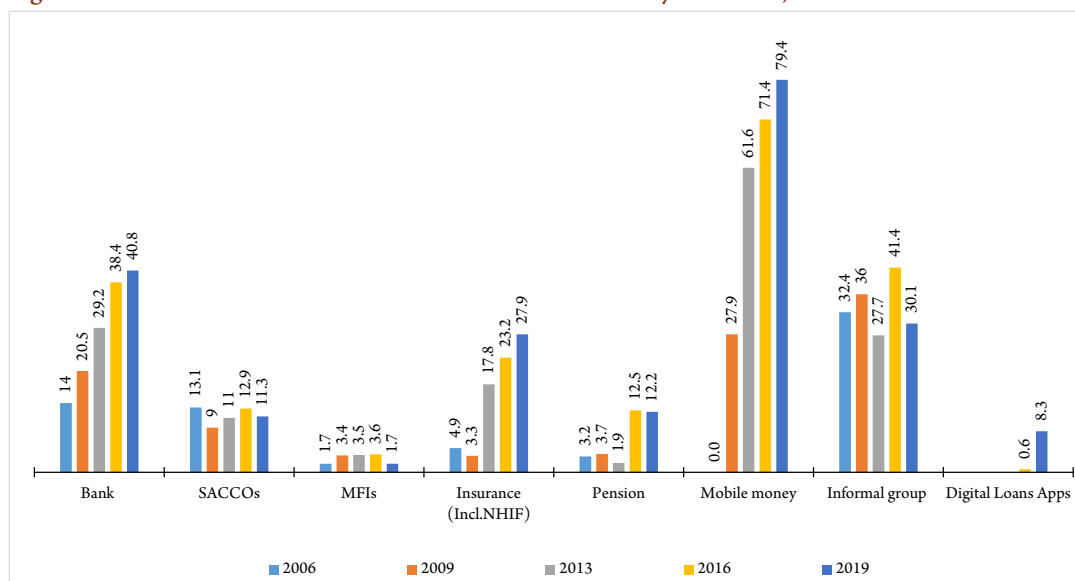
Figure 19.4: Access of Formal Financial Services and Products in Rural and Urban Areas, 2006 – 2019



Usage of Financial Services and Products Offered by Providers

19.10. Usage in financial inclusion refers to extent to which financial services and products are used as measured by regularity, frequency and duration of their use over time. Mobile money, digital app loans and insurance including NHIF recorded the highest growth rates as shown in Figure 19.5.

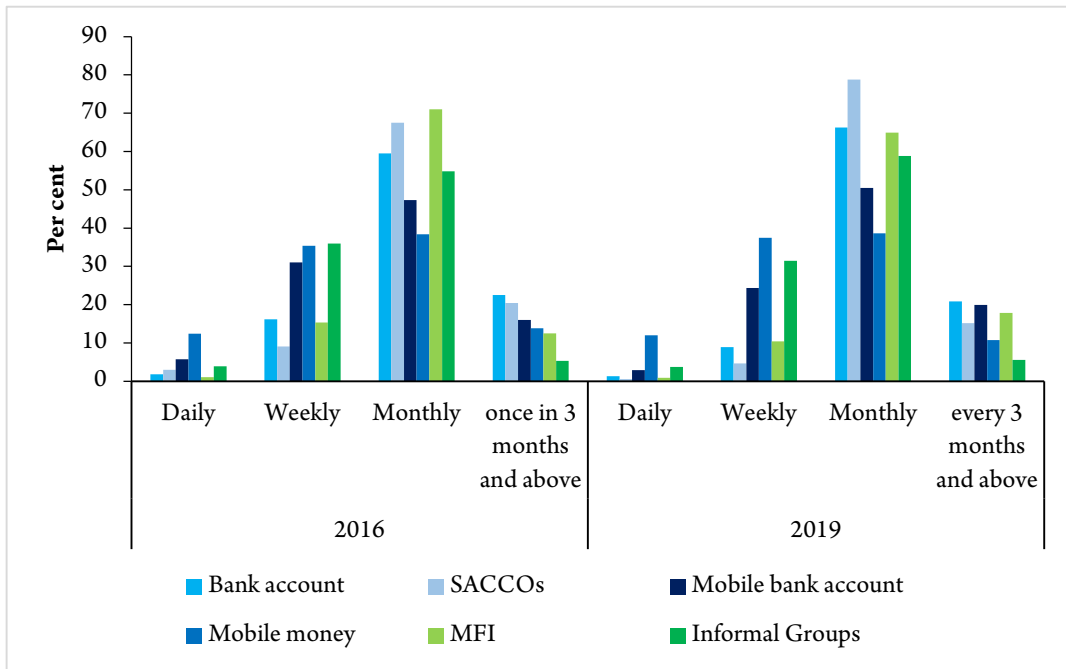
Figure 19.5: Use of Financial Services and Products Offered by Providers, 2006 – 2019



Frequency of usage of financial service providers

19.11. The frequency of usage of financial service providers is shown in Figure 19.6. Most individuals use financial service providers on monthly basis, mainly to receive salaries, remit to SACCOs and repay loans. High frequency in the use of mobile money, mobile banking and informal sources indicates increasing liquidity needs of the individuals, convenience and ease of access.

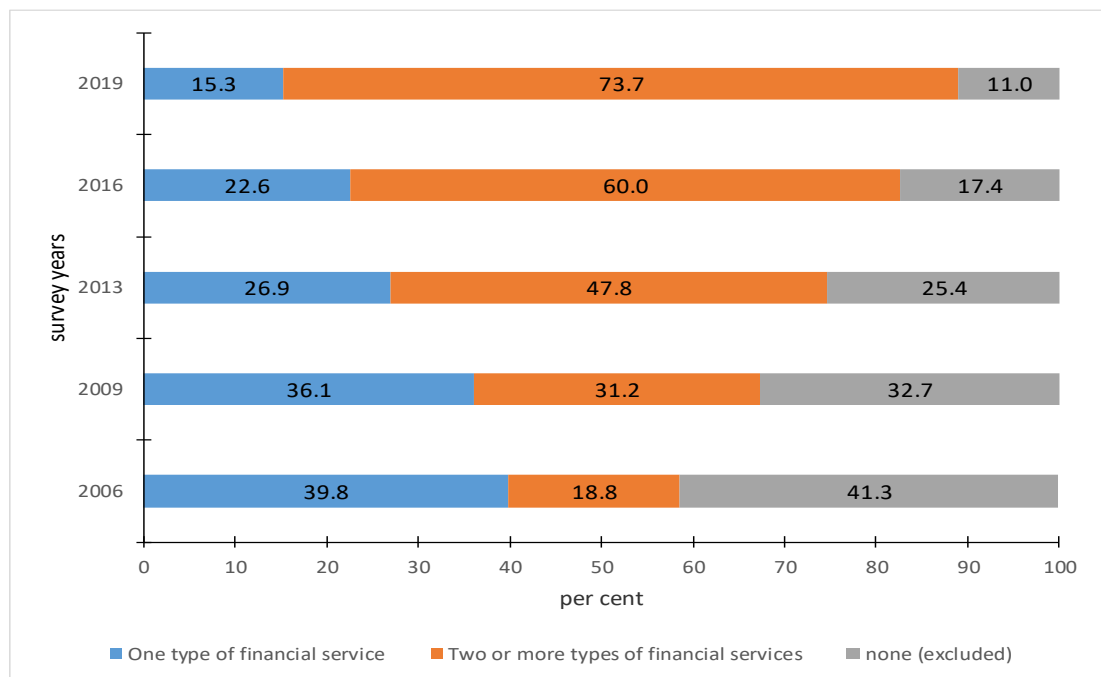
Figure 19.6: Frequency of Usage of Financial Service Providers, 2016 and 2019



Use of a Portfolio of Financial Service Providers

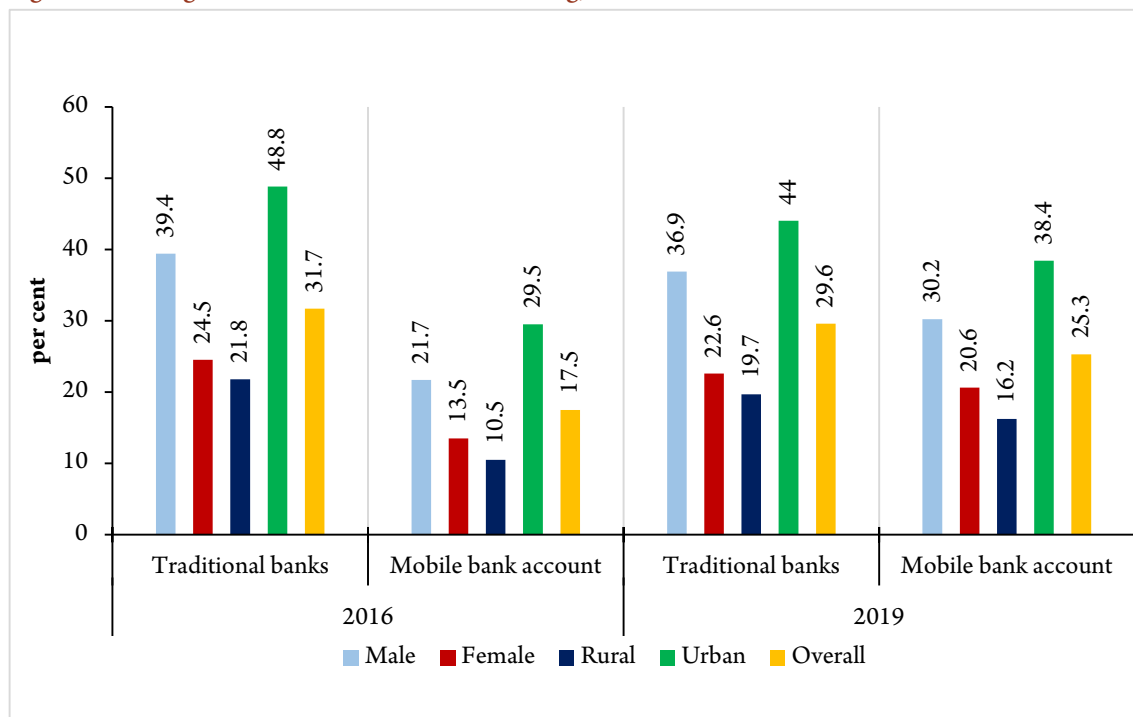
19.12. Usage of more than one type of financial service provider has risen from 18.8 per cent in 2006 to 73.7 per cent in 2019, reflecting interlinkages between mobile money, digital apps and traditional financial services providers, as reflected in Figure 19.7.

Figure 19.7: Usage of a Portfolio of Financial Service Providers, 2006 - 2019



Usage of Traditional and Mobile Banking 19.13. Use of traditional banking was more preferred than mobile banking, as depicted in Figure 19.8. Among the urban dwellers, there was a 5.6 per cent gap between the use of traditional bank and mobile bank account, in 2019.

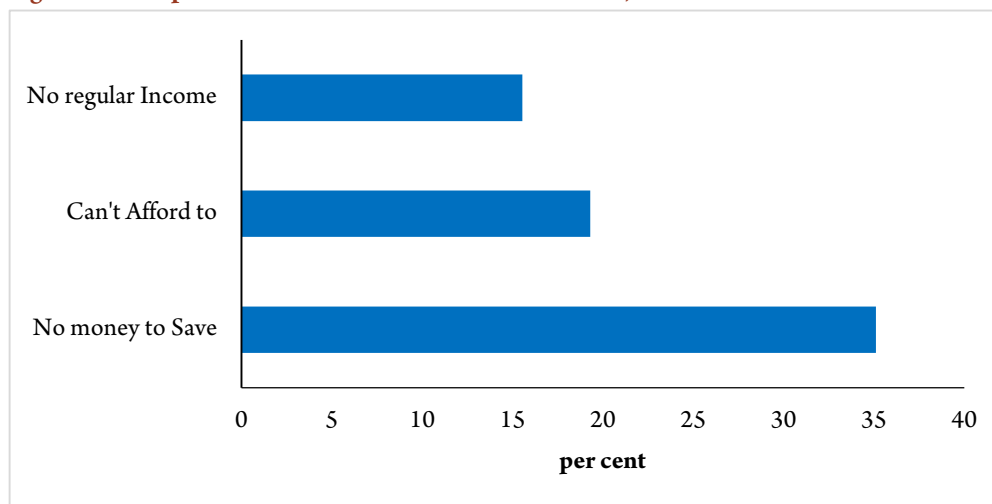
Figure 19.8: Usage of Traditional and Mobile Banking, 2016 and 2019



Reasons for Non-Use of Bank Accounts

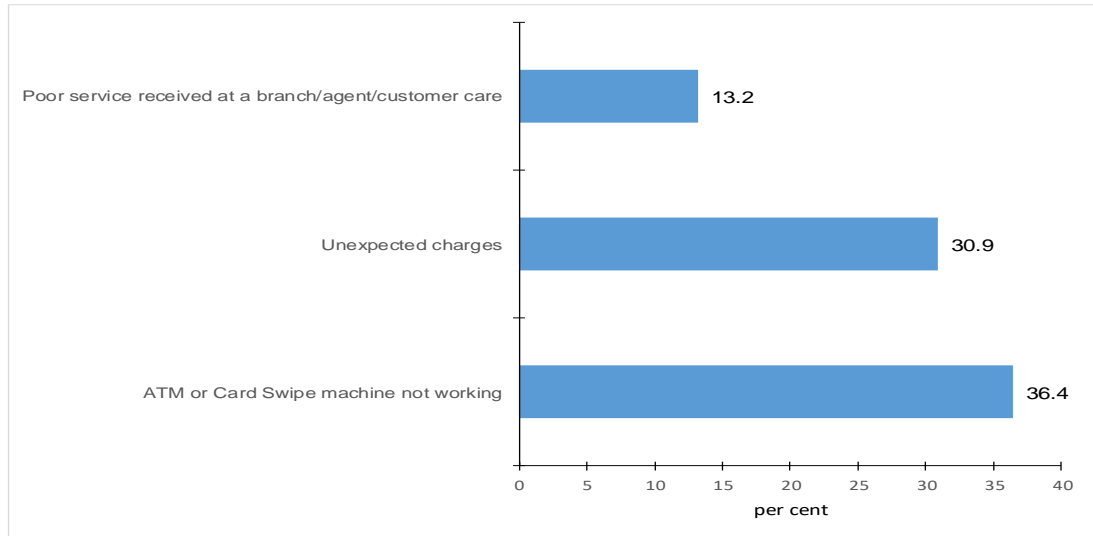
19.14. In 2019, lack of money to save (35.1%), inability to maintain an account (19.3%) and lack of regular income (15.5%) were cited as the top three reasons for not using bank accounts, as shown in Figure 19.9.

Figure 19.9: Top 3 Reasons for Non-Use of Bank Accounts, 2019



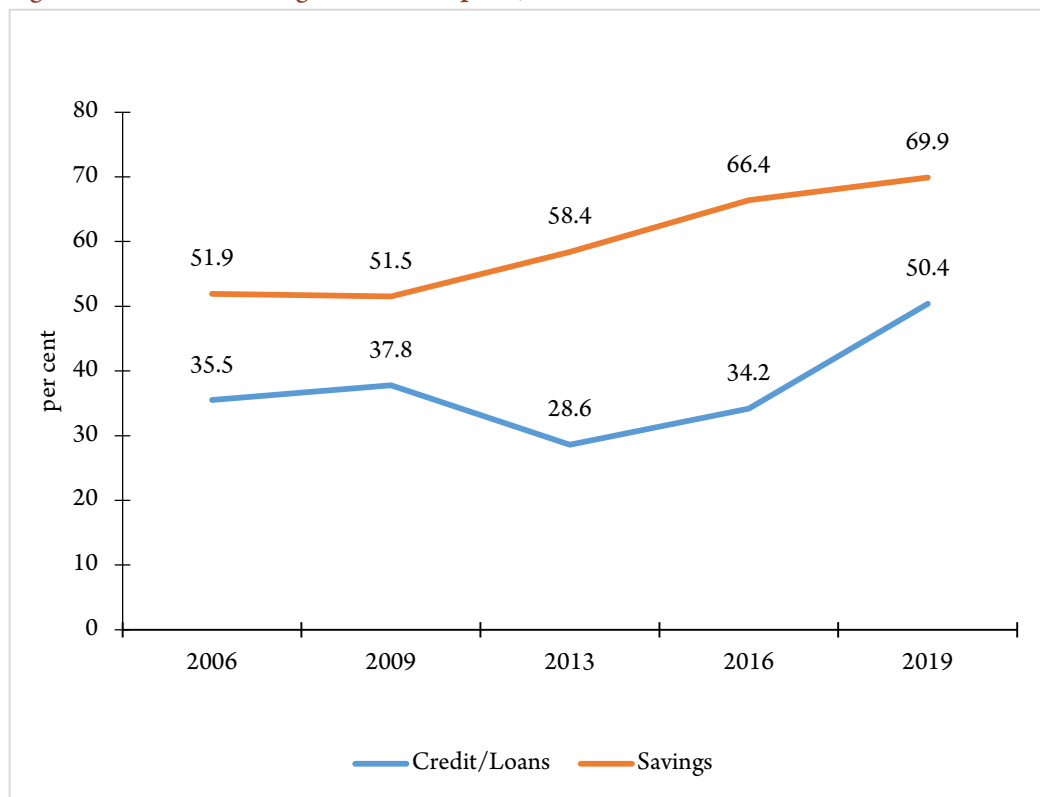
Challenges in the Use of Bank Account 19.15. ATM or swipe card machine not working and unexpected charges were reported as the main challenges in the use of bank account, as shown in Figure 19.10.

Figure 19.10: Challenges in the Use of Bank Accounts, 2019



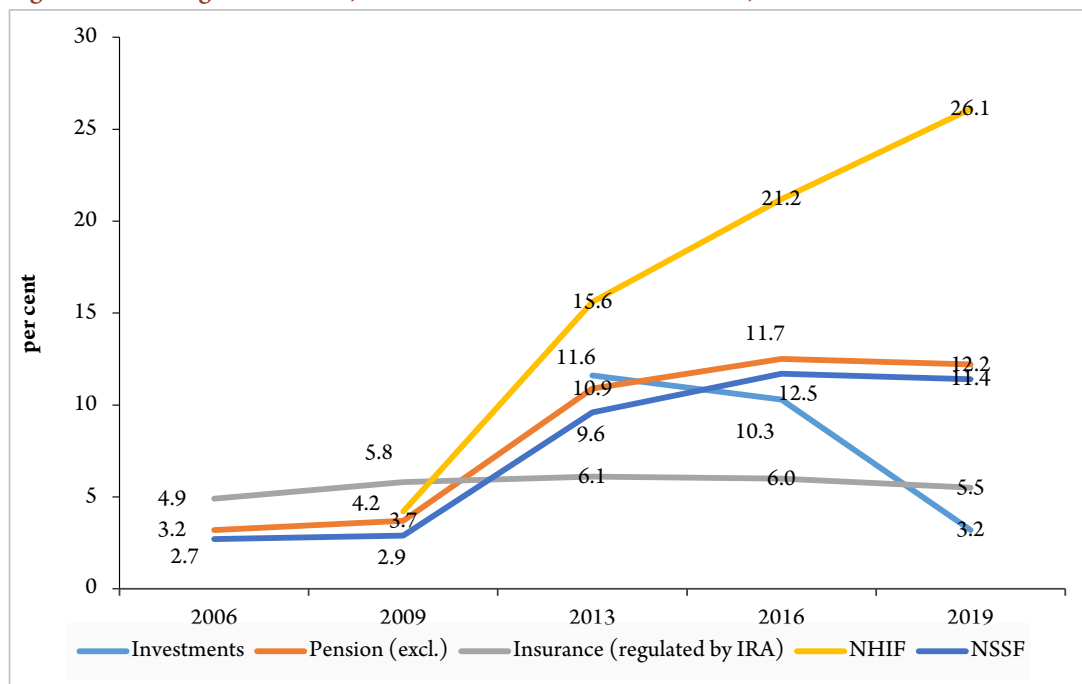
Rate of Savings and Credit Uptake 19.16. Nationally, the rate of saving has been significantly higher than the rate of credit uptake since 2006, as shown in Figure 19.11. The rate of saving grew from 66.4 per cent in 2016 to 69.9 per cent in 2019. Similarly, the rate of credit uptake increased from 34.2 per cent in 2016 to 50.4 per cent in 2019.

Figure 19.11: Rate of Savings and Credit Uptake, 2006 – 2019



Usage of Pension, Insurance and Investment Providers 19.17. Survey findings show a significant uptake in NHIF driven by government policy on universal healthcare, as shown in Figure 19.12. However, investment in securities, shares and mutual funds, recorded a sharp decline from 10.3 per cent in 2016 to 3.2 per cent in 2019 despite innovations such as M-Akiba.

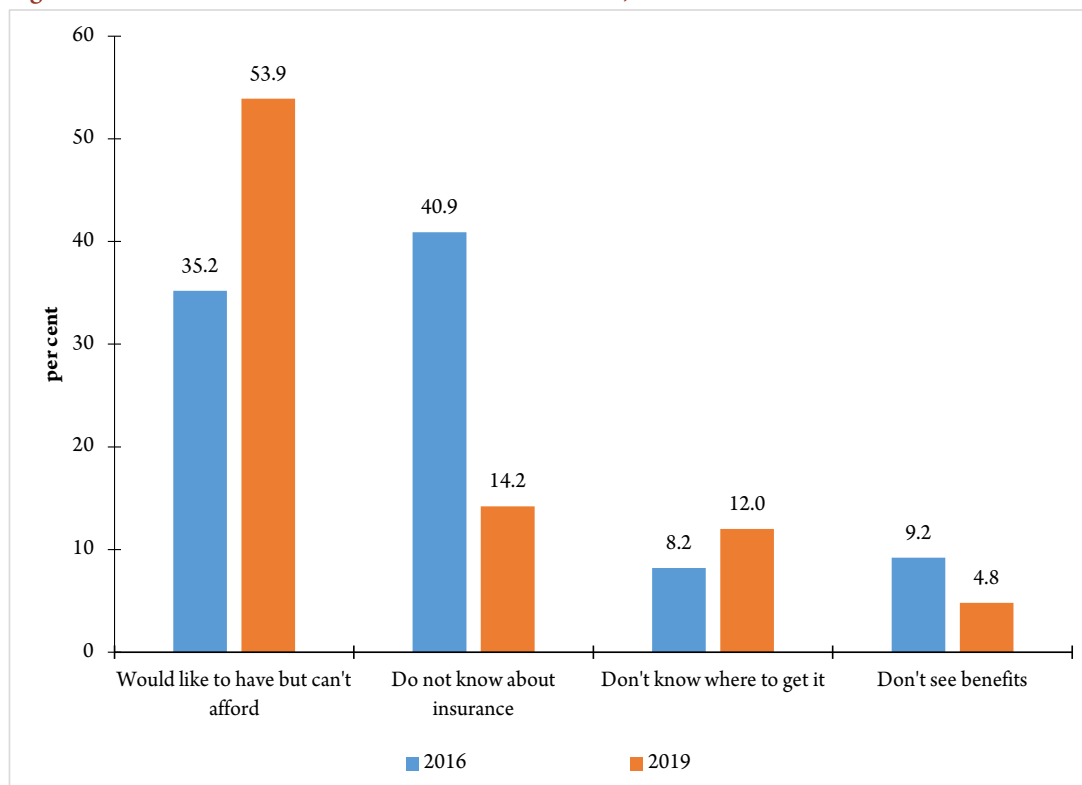
Figure 19.12: Usage of Pensions, Insurance and Investment Providers, 2006 – 2019



Reasons for Non-Use of Insurance Products

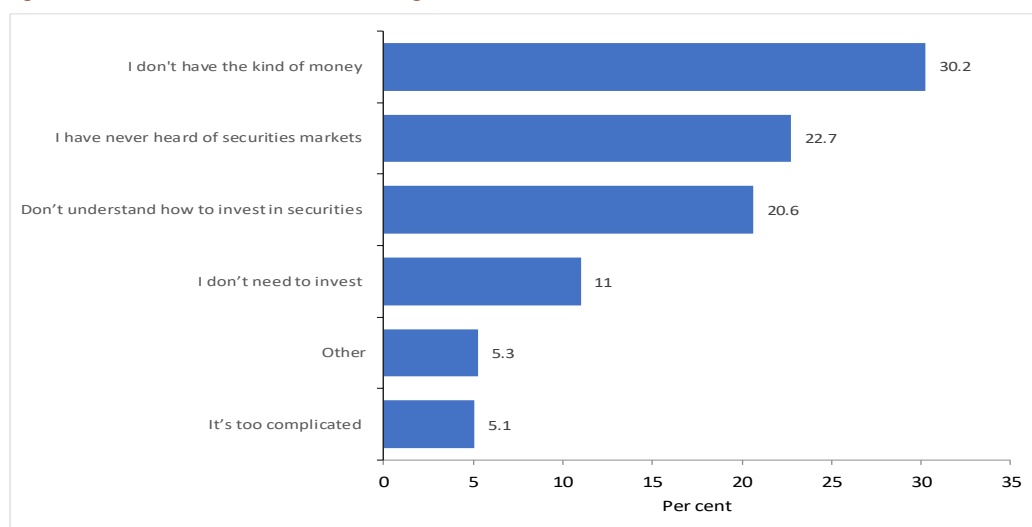
19.18. Inability to afford insurance was cited as the main reason why most Kenyans do not use insurance products, as shown in Figure 19.13.

Figure 19.13: Reasons for Non-Use of Insurance Products, 2016 and 2019



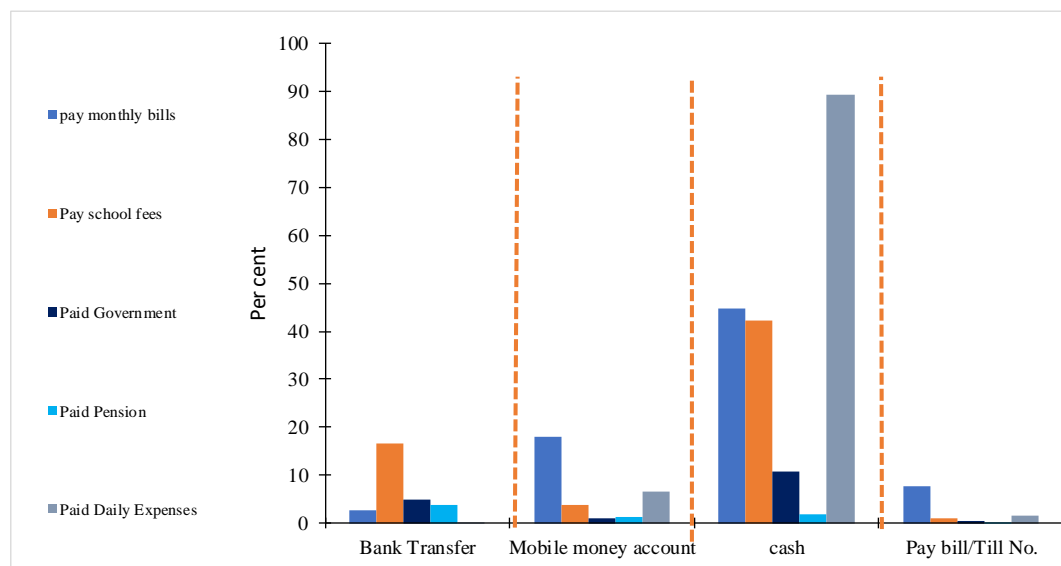
Reasons for Not Investing in Securities 19.19. Inability to afford an investment in securities (30.2%), lack of awareness of securities products (22.7%) and lack of knowledge on how to access the investment product (20.6%) were cited as the three main reasons for not investing in securities. as shown in Figure 19.14.

Figure 19:14. Reasons for Not Investing in Securities



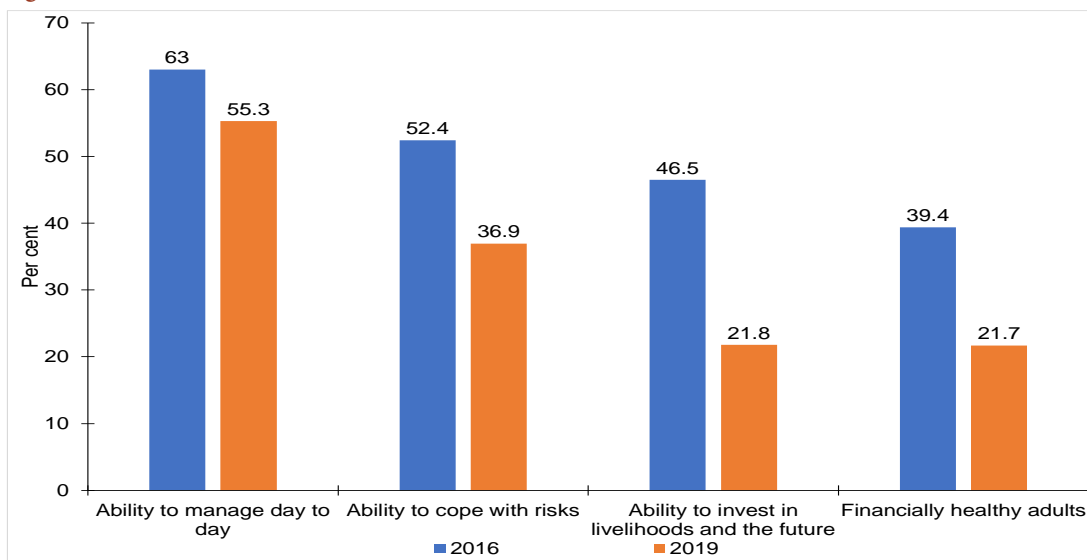
Mode of Transacting 19.20. The most used mode for undertaking transactions is cash, as shown in Figure 19.14. Cash is widely used for daily expenses, monthly bill payments, fee payments, sending or receiving money and purchasing of assets.

Figure 19:15: Usage of Modes of Payments and Remittances, 2019



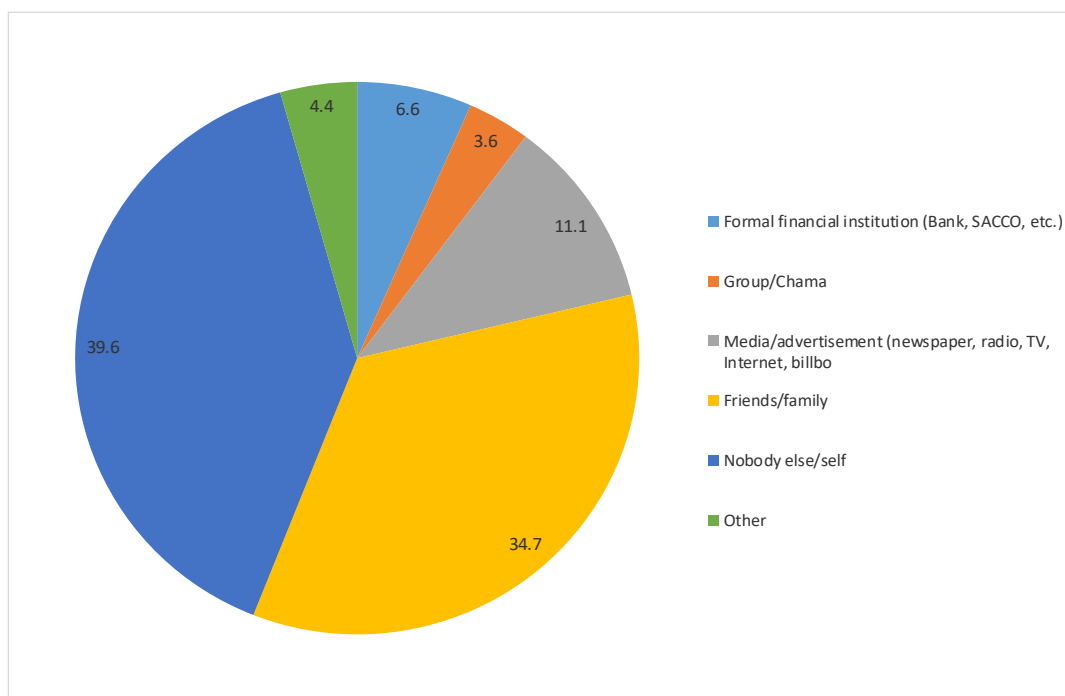
Financial Health 19.21. Financial health refers to the ability to use financial services for managing daily needs and shocks that one may face and helps to achieve one's future goals. The survey findings show that financial health declined from 39.4 per cent in 2016 to 21.7 per cent in 2019, as shown in Figure 19.15. Similarly, sharp declines were observed in the three dimensions of financial health; ability to manage day to day needs, coping with shocks and investing in livelihood and future.

Figure 19.16: Financial Health and its Dimensions, 2016 and 2019



Financial Literacy 19.22. Financial literacy is the awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions. Survey findings show that 39.6 per cent of the respondents rely on their own knowledge for decision making, while 34.7 per cent seek for advice from friends and family in 2019.

Figure 19.17: Source of Financial Advice, 2019 (%)





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