



# ECONOMIC SURVEY 2015

**KENYA NATIONAL BUREAU OF  
STATISTICS**

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## **Foreword**

The Economic Survey is an annual publication of the Kenya National Bureau of Statistics (KNBS). It presents socio-economic highlights of the economy for the last five years. The report forms an important source of input into the budgeting process, planning, monitoring and policy formulation processes.

### **Vision**

The Vision of the Bureau is “to be a centre of excellence in statistics production and management”

### **Mission**

The mission of the Bureau is “to effectively manage and coordinate the entire National Statistical System to enhance Statistical Production and Utilization”.

### **Mandate**

The KNBS is a Semi Autonomous Government Agency (SAGA) mandated by law (Statistics Act 2006) to collect, analyze and disseminate socio-economic statistics needed for planning and policy formulation in the country.

### **Organization**

The Kenya National Bureau of Statistics comprises of six Directorates namely;

Production Statistics  
Macroeconomic Statistics  
Strategy and Development  
Finance and Administration  
Population and Social Statistics  
Information and Communication Technology

### **Teamwork**

We are committed to face challenges and opportunities of the 21<sup>st</sup> Century together with our stakeholders.

**Director General**  
**Kenya National Bureau of Statistics**

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## List of Abbreviations and Acronyms

2G	Second Generation
3G	Third Generation
4G	Fourth Generation
ADF	African Development Fund
ADNOC	Abu Dhabi National Oil Corporation
AfDB	African Development Bank
AG	Attorney General
AGOA	African Growth and Opportunity Act
AIA	Appropriation In Aid
AIDS	Acquired Immuno-Deficiency Syndrome
ANC	Antenatal Care
API	American Petroleum Institute
APR	Annual Percentage Rate
ASALs	Arid and Semi-Arid Lands
ASEAN	Association of South Eastern Asia Nations
ASPs	Application Service Providers
ATM	Automatic teller machine
B(HeP-B)	Hepatitis (Pentavalent)
B(Hib)	Haemophilus influenza
BCG	Bacillus Calmette - Guérin
BEC	Broad Economic Category
BH	Boreholes
BIS	Bank for International Settlement
BoP	Balance of Payments
BPMS	Balance of Payments and International Investment Position Manual 5 <sup>th</sup> edition
BPM6	Balance of Payments and International Investment Position Manual 6 <sup>th</sup> edition
Bps	Bits per Second
BRIICS	Brazil,Russia,India,Indonesia,China and South Africa
BSc	Bachelor of Science
CA	Communication Authority of Kenya
CAPS	Cost of Agricultural Production Survey
CBIK	Centre for Business Information in Kenya
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CDF	Constituency Development Fund
CDMA	Code Division Multiple Access
CDSC	Central Depositories and Securities Corporation
CFS	Container Freight Solutions
CHE	Commission for Higher Education
CIP	Census of Industrial Production
CMA	Capital Markets Authority
COFOG	Classification of Functions of Government
COICOP	Classification of Individual Consumption by Purpose
COMESA	Common Market for Eastern and Southern Africa
COMSEC	Commonwealth Secretariat



## List of Acronyms

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COP 15	15 <sup>th</sup> Conferences of the Parties
CPI	Consumer Price Index
CRA	Commission on Revenue Allocation
CRB	Credit Reference Bureau
CRR	Cash Reserve Ratio
CTDLT	Catering and Training Development Levy Trustee
DANIDA	Danish International Development Agency
DAP	Daily Average Population
DBK	Development Bank of Kenya
DFRDS	District Focust for Rural Development Strategy
DPT	Diphtheria Pertussis Tetanus
DRSRS	Directorate of Resource Surveys and Remote Sensing
DSA	Debt Sustainability Analysis
DSL	Digital Subscriber Line
DWT	Dead Weight Tonnes
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
EAPS	East Africa Payment System
ECD	Early Childhood Development
ECDE	Early Childhood Development Education
ECF	Extended Credit Facility
EEC	European Economic Commission
EFA	Education For All
EFT	Electronic Funds Transfer
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EMS	Expedited Mail Services
EPC	Export Promotion Council
EPP	Emergency Power Producers
EPVs	Export Production Villages
EPZ	Export Processing Zone
EPZA	Export Processing Zone Authority
ERC	Energy Regulatory Commission
ESF	Exogenous Shocks Facility
ESP	Economic Stimulus Package
EU	European Union
FAL	Foreign Assets and Liabilities
FBS	Food Balance Sheet
FDCs	Foreign Currency Deposits
FDEI	Foreign Direct Equity Investment
FDI	Foreign Direct Investment
FGT	Foster, Greer and Thorbecke
FIC	Full Immunization Coverage
FIS	Foreign Investment Survey
FM	Frequency Modulation
FOB	Free on Board
FOSA	Front Office Savings Activities
FPE	Free Primary Education
FSDE	Free Day Secondary Education

FSTE	Free Secondary Tuition Education
FY	Financial Year
GAD	Gender and Development
GDC	Geothermal Development Company
GDP	Gross Domestic Product
GEMS	Growth Enterprise Market Segment
GER	Gross Enrolment Rate
GFCF	Gross Fixed Capital Formation
GFR	General Fertility Rate
GFS	Government Finance Statistics
GFSM 2014	Government Finance Statistics Manual 2014
GNDI	Gross National Disposal Income
GNI	Gross National Income
GNR	General Fertility Rate
GOB	Gross Operating Balance
GoK	Government of Kenya
GPI	Gross Premium Income
GPS	Global Positioning System
GSM	Global System for Mobile communication
GVA	Gross Value Added
GWh	GigaWatt Hours
Ha	Hectare
HELB	Higher Education Loans Board
HIV	Human Immuno-deficiency Virus
IBRD	International Bank for Reconstruction & Development
IC	Intermediate Consumption
ICDC	Industrial and Commercial Development Corporation
ICT	Information and Communication Technology
IDA	International Development Agency
IDB	Industrial Development Bank
IDR	Import Dependency Ratio
IEBC	Independent Electoral and Boundaries commission
IFAD	International Fund for Agricultural Development
IFMIS	Intergrated Financial Management System
IFS	International Financial Services
IGAD	Intergovernmental Authority on Development
IIP	International Investment Position
ILO	International Labour Organisation
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
IOT	Input-Output Tables
IPO	Initial Public Offering
IPP	Independent Power Producers
IPT	Intermittent Preventive Treatment of Pregnant women
ISIC REV 4	International Standard of Industrial Classification Revision 4
ISPs	Internet Service Providers
ISS	Intergrated Survey of Services
IT	Information Technology
ITN	Insecticide - Treated Nets

## List of Acronyms

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ITU	International Telecommunication Union
IUD	Intra - Uterine Device
JAB	Joint Admissions Board
JICA	Japan International Co-operation Agency
JKIA	Jomo Kenyatta International Airport
KAPU	Kenya Airports Police Unit
KARI	Kenya Agricultural Research Institute
KBBR	Kenya Banks' Reference Rate
KCB	Kenya Commercial Bank
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KDHS	Kenya Demographic and Health Survey
KDHSKI	Kenya Demographic and Health Key Indicators Report
KENGEN	Kenya Electricity Generation Company
KeNHA	Kenya National Highways Authority
KenInvest	Kenya Investment Authority
KENTRADE	Kenya Trade Network Agency
KeRRA	Kenya Rural Roads Authority
KESSP	Kenya Education Sector Support Programme
KETRACO	Kenya Electricity Transmission Company
KFS	Kenya Fertility Survey
Kg	Kilogramme
KIE	Kenya Industrial Estates
KIHBS	Kenya Integrated Household Budget Survey
KMTC	Kenya Medical Training Centre
KNBS	Kenya National Bureau of Statistics
KOSF	Kipevu Oil Storage Facility
KOT	Kipevu Oil Terminal
KPC	Kenya Pipeline Corporation
KPLC	Kenya Power and Lighting Company
KPRL	Kenya Petroleum Refinery Limited
KPS	Kenya Police Service
KRA	Kenya Revenue Authority
KRB	Kenya Roads Board
KSh	Kenya Shillings
KTDC	Kenya Tourism Finance Corporation
KUC	Kenya Utalii College
KURA	Kenya Urban Roads Authority
KW	Kilo watt
KWS	Kenya Wildlife Service
L	Overall Liquidity
LAIFOMS	Local Authority Integrated Financial Operation Management Systems
LAM	Lactational Amenorrhoea Method
LAPPSET	Lamu Port and South Sudan Ethiopia Transport
LATF	Local Authority Transfer Fund
LFS	Labour Force Survey
LPG	Liquefied Petroleum Gas
LTE	Long Term Evolution
LTM	Long Term Mean

M1	Narrow Money Supply
M2	Broad Money Supply (Money supplied by CBK, Commercial banks & NBFIs)
M3	Broad Money Supply (M2 plus Foreign Currency Holding by Residents)
MAM	March April May
Mbps	Megabits per second
MCA	Members of County Assembly
MCH	Maternal and Child Health
MDER	Minimum Dietary Energy Requirement
MDGs	Millennium Development Goals
MDP	Management Development Programmes
MEP	Ministry of Energy and Petroleum
MEWNR	Ministry of Environment, Water and Natural Resources
MG	Metre Gauge
MIA	Moi International Airport
MMS	Multimedia Messaging Service
MoAL&F	Ministry of Agriculture, livestock and Fisheries
MoE	Ministry of Education
MoH	Ministry of Health
MPC	Monetary Policy Committee
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MW	Mega Watt
n.e.c	Not elsewhere classified
NAS	National Accounts Statistics
NASSEP	National Sample Survey and Evaluation Programme
NBFI	Non-Bank Financial Institutions
NCC	Nairobi City Council
NCCAP	National Climate Change Action Plan
NCPB	National Cereals and Produce Board
NCRP	Nairobi Commuter Rail Project
NEMA	National Environment Management Authority
NER	Net Enrolment Rate
NFA	Net Foreign Assets
NFE	Non Formal Education
NFS	Non Formal Schools
NGOs	Non Government Organizations
NHC	National Housing Corporation
NHIF	National Hospital Insurance Fund
NIB	National Irrigation Board
NIP	National Incomes Policy
NM	Neonatal Mortality
NN	Neonatal
NOFBI	National Optic Fiber Backbone Infrastructure
NPA	National Plan of Action
NPISH	Non-Profit Institutions Serving Households
NPLs	Non-performing Loans
NPR	New Person Registration
NSE	Nairobi Stock Exchange

## List of Acronyms

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NSSF	National Social Security Fund
NTSA	National Transport and Safety Authority
NWCPC	National Water Conservation and Pipeline Corporation
NYS	National Youth Service
ODPP	Office of the Director of Public Prosecution
OECD	Organisation of Economic Cooperation and Development
OMO	Open Market Operations
OND	October, November, December
OPEC	Organization of Petroleum Exporting Countries
OVC	Orphans and Vulnerable Children
P1	Primary 1
PAYE	Pay As You Earn
PCK	Postal Corporation of Kenya
PCR	Pupil Completion Rate
PI	Portfolio Investment
PNM	Post Neonatal Mortality
PNN	Postneonatal
Polio 0	Polio vaccination at birth
POP	Point of Presence
PPI	Producer Price Index
PSDA	Private Sector Development Authority
PSED	Private Sector External Debt
PSVs	Public Service Vehicles
PTR	Pupil Teacher Ratio
RBA	Retirement Benefit Authority
RBM	Roll Back Malaria
RBS	Risk Based Supervision
REA	Rural Electrification Authority
REP	Rural Electrification Programme
RICS	Road Inventory and Condition Survey
RMLF	Roads Maintenance Levy Fund
RSI	System of Rice Intensification
RTGS	Real Time Gross Settlement
RVR	Rift Valley Railways
S1	Secondary 1
SACCOs	Savings and Credit Cooperative Societies
SACMEQ	Southern and Eastern African Consortium for Monitoring Education Quality
SADC	Southern African Development Community
SAE	Small Area Estimation
SAGA	Semi Autonomous Government Agency
SAM	Social Accounting Matrix
SCMP	Sub-Catchment Management Plans
SDD	Special Dimensions of Development
SDGs	Sustainable Development Goals
SDRs	Special Drawing Rights
SEEP	Small Enterprise Education Programme
SEZ	Special Economic Zones
SG	Standard Gauge

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SGR	Standard Gauge Railway
SITC	Standard International Trade Classification
SME	Small and Medium Enterprises
SMS	Short Message Service
SNA	System of National Accounts
SOEs	State Owned Enterprises
SPF	Social Protection Fund
SSA	Sub-Saharan Africa
SSR	Self Sufficiency Ratio
STIs	Sexually Transmitted Infections
SUT	Supply and Use Tables
TEUs	Twenty-foot Equivalent Units
TFR	Total Fertility Rate
TIVET	Technical Industrial and Vocational Educational Training
TLB	Transport Licensing Board
TOT	Total Rainfall
TSA	Tourism Satellite Account
TSC	Teachers Service Commission
TV	Television
TVET	Technical and Vocational Educational Training
TWI	Trade Weighted Index
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNCCC	United Nations Climate Change Conference
UNFCC	United Nations Framework on Climate Change
UoN	University of Nairobi
US	United States
US\$/BBL	US Dollar per Barrel
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax
VCT	Voluntary Counseling and Testing
VoIP	Voice over Internet Protocol
W.P.P	Water Purification Point
WED	World Environment Day
WEF	Women Enterprise Fund
WHO	World Health Organisation
WMS	Welfare Monitoring Survey
WPP	Water Purification Points
WRUA	Water Resource Users Associations
WSB	Water Services Board
xDSL	All types of DSL

## Summary & Outlook

### International Scene

The global economy registered a growth of 3.3 per cent in 2014, a similar rate to 2013. Various major economies and regions however, reported divergent levels of economic growth. Global growth was supported by a fall in crude oil prices, lower inflation rates and increased internal demands in individual economies. Slowed growth in global trade reflects the reduction in import demand, especially in advanced economies. Growth in Sub-Saharan Africa (SSA) rose from 4.4 per cent reported in 2013 to 5.1 per cent in 2014. The highest growths in 2014 were recorded in West African Economic and Monetary Union (WAEMU) and the East African Community (EAC) at 6.6 per cent and 5.8 per cent, respectively. Tanzania and Rwanda recorded the highest growth rates of 7.2 per cent and 6.0 per cent, respectively.

### Domestic Economy

Kenya's economy is estimated to have expanded by 5.3 per cent in 2014, compared to a growth of 5.7 per cent in 2013. From the demand side, growth was mainly driven by an increase in private final consumption and a rapid growth in capital investment. From the supply side, the major drivers of the economy were agriculture, forestry and fishing; construction; wholesale and retail trade; education; and finance and insurance. However, accommodation and food services (hotels and restaurants) sector contracted for the second year in a row. During the year, the main macroeconomic indicators remained relatively stable. The Kenya Shilling generally held firm against the major trading currencies despite its depreciation against the US dollar, Sterling pound and Euro, while weighted average commercial banks' leading rate remained relatively high but stable. Despite the drop in prices of fuel, electricity and some food commodities, inflation rose slightly but remained within the Central Bank (CBK) target. The Balance of Payments position improved mainly on account of proceeds from the sale of the Eurobond. However, the current account deficit worsened due to deterioration in trade deficit. Government fiscal policies in the 2014/15 national budget, focused on increased revenue mobilization and containment of growth in recurrent expenditure. Consequently, the share of the development expenditure increased to 44 per cent of the total budget in 2014/15 fiscal year from 33 per cent in 2013/14.

### Social Scene

National Government expenditure on social services is expected to increase in 2014/15 Financial Year mainly owing to the growing demand for social services. In 2014/15, total expenditure in the social sector for the National Government is expected to increase by 37.7 per cent to KSh 454.5 billion from KSh 330.0 billion in 2013/14 with total recurrent expenditure expected to grow by 24.5 per cent to KSh 355.0 billion in 2014/15. National Government total development expenditure on social services is expected to more than double from KSh 44.8 billion in 2013/14 to KSh 99.5 billion in 2014/15. The total number of education institutions increased by 3.2 per cent from 77,197 in 2013 to 79,641 in 2014. The total enrolment in pre-primary schools grew by 5.4 per cent to 3.0 million while total enrolment in primary schools rose by 1.0 per cent from 9.9 million in 2013 to 10.0 million in 2014. Total enrolment in secondary schools increased by 9.5 per cent. Similarly, the total number of teachers in public primary and secondary schools increased by 0.5 per cent and 20.2 per cent, respectively in 2014. University enrolment rose by 22.8 per cent from 361,379 in 2013 to 443,783 in 2014.

## Summary and Outlook

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During the review period, malaria and pneumonia continued to be the major causes of death accounting for 11.6 per cent and 10.9 per cent of all reported deaths, respectively. The total number of health institutions increased from 9,919 in 2013 to 9,959 in 2014. The overall membership of National Hospital Insurance Fund (NHIF) increased by 10.5 per cent from 3.8 million in 2012/13 to 4.2 million in 2013/14. The total number of registered medical personnel grew by 8.0 per cent from 112,576 in 2013 to 121,578 in 2014. Malaria and respiratory diseases accounted for 54.2 per cent of all illnesses.

Women Enterprise Fund grew by 1.2 per cent from KSh167 million in 2013 to KSh 169 million in 2014. Funds for social protection for the elderly rose by 59.4 per cent from KSh 3.2 billion in 2013/14 to KSh 5.1 billion in 2014/15. The direct cash disbursement increased substantially from KSh 2.9 billion in 2013/14 to KSh 4.9 billion in 2014/15. Similarly, the direct cash disbursement to Orphans and Vulnerable Children (OVC) increased by 28.9 per cent to KSh 5.8 billion in 2014/15. Cabinet Secretaries, County Commissioners, High Court Judges and Magistrates met the constitutional threshold for appointments in public positions of not more than two thirds of either gender.

### **Employment, Earnings and Consumer Prices**

In 2014, total persons engaged outside small scale farming and pastoralists activities increased from 13,517.0 thousand persons in 2013 to 14,316.7 thousand in 2014. The informal sector had the largest share of employment accounting for 82.7 per cent of the total jobs. The total number of self employed and unpaid family workers within the modern sector was estimated to have increased from 83.8 thousand in 2013 to 103.0 thousand in 2014. The economy gave rise to a total of 799.7 thousand new jobs, in both the formal and informal sectors in the review period. There was a slower growth in private sector employment of 4.4 per cent in 2014 compared to 7.1 per cent recorded in 2013. Public sector employment increased by 2.6 per cent in 2014 from 3.2 per cent recorded in 2013. Public administration, compulsory social security, and education sectors were the largest employers in the public sector. The total wage bill in the modern sector increased by 12.0 per cent to KSh 1,315.9 billion in 2014. This was lower than the 23.8 per cent increase recorded in 2013. Nominal average earnings in the modern sector per person increased from KSh 514,630.7 per annum in 2013 to KSh 555,177.1 per annum in 2014, an increase of 7.9 per cent which was lower than the 16.1 recorded in 2013. Average earnings in real terms increased by 0.5 per cent to KSh 370,340.3 per annum over the same period.

The Industrial Courts registered a total of 328 agreements in 2014 compared to 293 in 2013. The agreements benefited 90,856 unionisable employees. Most agreements were in the textile, wearing apparels and leather; and electronics and electrical products.

The average annual Consumer Price Index (CPI) increased from 140.11 in 2013 to 149.74 in 2014. This resulted in a modest increase in the rate of inflation, attributed to increases in the cost of several food and non-food items, which outweighed notable falls in the cost of electricity and petroleum products including petrol, diesel and kerosene. Inflation rate maintained its single digit level, rising from 5.7 per cent in 2013 to 6.9 per cent in 2014.



### Money, Banking and Finance

The Central Bank of Kenya (CBK) adopted monetary policy measures in 2014 that contributed to the easing of inflationary pressure. Through these policies, relative price stability was achieved with inflation rate remaining close to the target of 5.0 plus or minus 2.5 per cent. The CBK retained the Central Bank Rate (CBR) at 8.50 per cent throughout the period in an effort to anchor inflationary expectations. Further, the introduction of the Kenya Banks' Reference Rate (KBRR) and Annual Percentage Rate (APR) frameworks in July 2014 facilitated a transparent credit pricing framework with the expectation that it will enhance the transmission of monetary policy signals through commercial banks' lending rates.

During the review period, interest rates remained stable, with the 91-day Treasury bill rate settling at 8.58 per cent in December 2014. Broad money supply (M3) grew by 19.0 per cent which was close to the policy target over the period. Commercial banks credit to the National Government declined with its share in total credit dropping from 22.7 per cent in December 2013 to 9.7 per cent in December 2014. The share of the banks' credit going to private sector increased from 61.2 per cent of total domestic credit to 80.2 per cent.

All stock market indicators maintained the vibrant trend that started in mid-2013 but at a slower pace. The total number of shares traded increased by 7.4 per cent to KSh 8.1 billion in 2014 compared to an increase of 38.7 per cent recorded in 2013. The value of shares traded grew to KSh 216 billion in 2014, a growth of 38.5 per cent compared to 81.4 per cent recorded in 2013. The Nairobi Securities Exchange rose from 4,927 points in 2013 to 5,113 points in December 2014.

### Public Finance

In 2014/15, fiscal policy framework re-emphasized on resource allocation towards programmes in the Government identified thematic areas as outlined in the second Medium Term Plan (MTP II) of Vision 2030. The framework focused on structural reform measures aimed at accelerating growth, employment creation, poverty reduction and facilitation of devolution for better service delivery. The National Government revised budget increased by 25.6 per cent to KSh 1,924.9 billion in 2014/15, out of which, KSh 1,069.2 billion is for recurrent and KSh 855.7 billion for development expenditure. From the recurrent expenditure, KSh 324.9 billion has been budgeted for Public debt repayment.

Total revenue is expected to increase by 18.9 per cent to 1,166.4 billion in 2014/15, with tax revenue and non-tax revenue increasing to KSh 1,130.1 billion and KSh 36.3 billion, respectively. Total outstanding public debt as at the end of June 2014 was KSh 2,217.3 billion, of which external debt accounted for 51.3 per cent. In 2013/14, the ratio of revenue to GDP at current prices was 19.7 per cent and that of total budget to GDP at current prices was 30.3 per cent. In 2014/15, county governments' total revenue is expected to stand at KSh 337.4 billion comprising of KSh 226.7 billion from the equitable share component, KSh 15.8 billion as conditional grants, KSh 62.5 billion as projected local revenue collections and KSh 32.6 billion as unspent county revenue carried forward from 2013/14.

### International Trade and Balance of Payments

The trade balance worsened by 18.7 per cent from a deficit of KSh 911.0 billion in 2013 to a deficit of KSh 1,081.1 billion in 2014. This was as a result of faster growth in imports

## Summary and Outlook

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(14.5 per cent) compared with 7.0 per cent increase in total exports. The export-import ratio declined from 35.5 per cent in 2013 to 33.2 per cent in 2014.

In 2014, Africa was the dominant destination for Kenyan exports, accounting for 44.9 per cent of the total exports. Europe was the second leading destination of exports with the bulk destined to European Union. Asia was the major origin for imports accounting for 61.2 per cent of the total imports in 2014. Imports from America increased significantly from KSh 84,477 million in 2013 to KSh 187,476 million in 2014 mainly occasioned by imports of commercial aircrafts from United States of America.

The balance of payments position improved from a surplus of KSh 31.8 billion in 2013 to a surplus of KSh 126.1 billion in 2014, on account of increased international reserves largely resulting from the proceeds received from the sale of the Eurobond. The current account deteriorated by 30.2 per cent from a deficit of KSh 411.7 billion in 2013 to a deficit of KSh 536.1 billion in 2014, mainly due to the widening visible trade deficit. The financial account surplus increased by 67.6 per cent from KSh 424.1 billion in 2013 to KSh 710.6 billion in 2014 due to increased capital flows.

### Agriculture

In 2014, the Agricultural sector recorded mixed performance mainly attributable to erratic rains with some regions experiencing depressed rainfall. The lower levels of rainfall resulted in a decrease in production for some crops as well as pasture regeneration for livestock. Agriculture value added at constant prices increased at a decelerated rate of 3.5 per cent from KSh 795.0 billion in 2013 to KSh 822.5 billion in 2014. Maize production declined by 4.2 per cent to 39.0 million bags in 2014. Rice production increased from 90.7 thousand tonnes in 2013 to 96.0 thousand tonnes in 2014. Sugar cane production decreased from 6.7 million tonnes in 2013 to 6.5 million tonnes in 2014. In contrast, coffee production increased from 39.8 thousand tonnes in 2012/13 to 49.5 thousand tonnes in 2013/14. Tea production increased from 432.4 thousand tonnes in 2013 to 445.1 thousand tonnes in 2014. Volume of raw milk marketed increased from 523.0 million litres in 2013 to 541.3 million litres in 2014. The quantity of horticultural exports increased by 3.0 per cent to stand at 220.2 thousand tonnes valued at KSh 84.1 billion in 2014.

### Environment and Natural Resources

The country's Environment and Natural Resource (ENR) sector is crucial for the realization of economic growth and sustainable development. It is therefore necessary to efficiently utilize and manage natural resources with which the country is endowed, given their finite nature. The Government through the Ministry of Environment, Water and Natural Resources continues to intensify environmental conservation efforts to ensure clean, secure and sustainable environmental resources without compromising economic growth. Total development expenditure on water supplies and related services is expected to decline marginally by 0.9 per cent to KSh 32.6 billion in 2014/15 financial year. Total fish output increased slightly by 2.7 per cent to stand at 167,859 metric tonnes in 2014. The value of mineral production rose from KSh 19.7 billion earned in 2013 to KSh 20.9 billion in 2014. Continued poaching of endangered species coupled with severe drought in the rangelands resulted in declines of most wildlife species during the period under review.

## Energy

International crude oil prices plummeted by more than 40 per cent to 60.65 US Dollars per barrel in December 2014. This translated to reduced domestic petroleum pump prices.

Total quantity of petroleum products imported increased by 11.7 per cent to 4,464.5 thousand tonnes in 2014. As a result, import bill of the petroleum products expanded by 5.6 per cent to KSh 333,145.8 million. Total domestic demand for petroleum products increased by 5.3 per cent to 3,937.9 thousand tonnes in 2014.

Total installed capacity expanded by 4.7 per cent from 1,717.8 MW in 2013 to 1,798.3 MW in 2014 mainly due to increased geothermal capacity. Total electricity generation expanded by 8.2 per cent to 9,138.7 GWh in 2014. Hydro and geothermal power accounted for the bulk of power with a total share of 71.0 per cent during the period. Domestic demand for electricity registered a growth of 3.8 per cent to 7,768.6 GWh in 2014 from 6,928.1 GWh in 2013.

The number of customers connected under the Rural Electrification Programme expanded by 16.5 per cent to 528,552 as at July 2014. Major projects in progress in 2014/15 include electrification of 5,082 primary schools to the national grid and 2,460 through solar at a total cost of KSh15.0 billion.

## Manufacturing

The manufacturing sector real output increased by 3.4 per cent in 2014 compared to a growth of 5.6 per cent in 2013. Modest inflation coupled with reduced oil prices in the second half of the year partly contributed to this growth. The quantum index rose by 4.5 per cent in 2014. The sub-sectors that recorded growths of above 10 per cent were animal feeds, tobacco products, pharmaceutical products, other non-metallic mineral products, fabricated metal products, manufacture of furniture and other manufacturing not elsewhere classified. However, the growth was affected by lack of output of refined petroleum products since the country stopped refining crude from Kenya Petroleum Refinery Limited (KPRL). During the year under review, the overall inflation rates from the producers' perspective as measured by the Producer Price Indices (PPI) increased by 3.03 per cent in 2014.

The Export Processing Zone (EPZ) programme recorded improved performance in 2014. However, the number of operating enterprises, domestic sales and cumulative investments in this programme reduced. The value of export of articles of apparel to USA, under the African Growth and Opportunity Act (AGOA), increased by 24.2 per cent to KSh 30.1 billion in 2014.

Formal employment in the manufacturing sector increased by 2.9 per cent to 287.5 thousand persons in 2014. Some activities which had high increases in employment were manufacturing of pharmaceutical products, paints and varnishes, animal feeds and dairy products. In 2014, compensation of employees in the sector increased by 11.2 per cent to KSh 141.5 billion. The total value of manufacturing projects approved by financial institutions rose by 30.3 per cent to KSh 237.9 billion in 2014.

### **Building and Construction**

The Building and Construction sector registered an accelerated growth of 13.1 per cent in 2014 compared to a revised growth of 5.8 per cent in 2013. This was mainly attributed to an increase in funds allocated for construction of roads and railways coupled with rehabilitation of existing road network. The index of reported private building works completed in Nairobi City County rose from 321.3 in 2013 to 341.4 in 2014. However, the index of reported public building works completed in the country declined from 103.7 in 2013 to stand at 61.4 in 2014, partly as a result of a reduction in number of completed housing units. Cement consumption, a key indicator in the construction industry, grew by 21.8 per cent in 2014 to stand at 5,197 thousand tonnes. Commercial bank credit extended to the sector went up by 13.6 per cent from KSh 70.8 billion in 2013 to KSh 80.4 billion in 2014 due to increased financing of real estate developments.

### **Tourism**

The tourism sector performance decreased in 2014 on account of a number of factors. These include insecurity, negative travel advisories and fear of continued spread of Ebola in West African countries. As a result, the number of international visitor arrivals contracted by 11.1 per cent from 1,519.6 thousand in 2013 to 1,350.4 thousand in 2014. This led to tourism earnings declining by 7.3 per cent from KSh 94.0 billion to KSh 87.1 billion over the same period.

The number of bed-nights occupied decreased in tandem with reduced visitor arrivals from 6,596.7 thousand in 2013 to 6,281.6 thousand in 2014. The number of local conferences held increased by 8.0 per cent from 2,849 in 2013 to 3,077 in 2014. However, the number of international conferences decreased by 19.4 per cent in 2014 mainly due to reduced business arrivals. The number of visitors to national parks and game reserves declined from 2,337.7 thousand in 2013 to 2,164.6 thousand in 2014. Similarly, the number of visitors to museums, snake parks and other historical sites went down by 10.4 per cent to stand at 690.9 thousand in 2014 compared to 770.8 thousand in 2013.

### **Transport and Storage**

The Transport and Storage sector registered a growth of 13.7 per cent in 2014 with total output rising from KSh 768.3 billion recorded in 2013 to KSh 873.3 billion in 2014. Output value for the road transport sub-sector rose by 15.2 per cent to KSh 600.2 billion in 2014. Railway transport sub-sector displayed mixed performance during the review period. Total freight traffic via rail expanded by 24.3 per cent from 1,214 thousand tonnes in 2013 to 1,509 thousand tonnes in 2014. Similarly, earnings from cargo transport grew by 13.0 per cent to KSh 5.2 billion in 2014. Total passenger journeys however, dropped by 5.0 per cent from 4.0 million in 2013 to 3.8 million in 2014.

The Port of Mombasa recorded a growth of 11.5 per cent in total cargo throughput handled from 22,307 thousand tonnes in 2013 to 24,875 thousand tonnes in 2014. Container traffic handled by the port stood at 1,012.0 thousand Twenty-foot Equivalent Units (TEUs) in 2014 compared to 894.0 thousand TEUs in 2013. Total pipeline throughput maintained an upward trend in 2014. The volume of white petroleum products transported via pipeline expanded by 7.7 per cent to 5.6 million cubic metres over the review period.

The total number of passengers handled rose from 8,231.6 thousand in 2013 to 8,882.0 thousand in 2014. The volume of cargo traffic handled at the airports rose by 6.8 per cent in 2014 to stand at 279.4 thousand tonnes.

### **Information Communication and Technology**

The Information and Communication Technology sector expanded by 13.4 per cent in 2014 from 12.3 per cent growth recorded in 2013. The mobile penetration stood at 78.3 per cent in 2014 from 74.9 per cent recorded in 2013, while internet penetration stood at 38.1 per cent in the year under review. Total domestic messages sent via SMS increased by 38.5 per cent to 27.5 billion SMS in 2014. The total international telephone traffic declined by 16.0 per cent while the total domestic traffic increased by 2.3 per cent in 2014. The use of mobile money transactions has been on the rise since its inception and Kenya boasts of having the world's leading mobile money system. In 2014, mobile money subscriptions reached 26.0 million, representing a penetration rate of 60.6 per cent to the total population. The cash deposits made via the mobile money agents reached KSh 1,269 billion in 2014, up from KSh 1,033 billion in 2013, while the total transfers increased by 24.7 per cent to KSh 2,372 billion up from KSh 1,902 billion in the period under review. In 2014, the broadcasting sub sector implemented the digital migration in the country. This resulted to an addition of 36 digital Kenyan TV stations to the existing 14 analogue stations. The mobile industry invested KSh 32.5 billion, recording a 6.9 per cent increase, while revenue registered a similar rise to reach KSh 173.6 billion in 2014.

### **Governance**

In 2014, the Government pursued strategies that were geared towards furthering good governance. These included the enactment of Security laws (Amendment) Act 2014, continued reforms in the judiciary and law enforcement agencies, and increased budgetary allocation to the national security and justice sectors. The number of persons reported to the police to have committed crimes declined by 3.7 per cent to 78,877 in 2014, while number of crime cases reported to police declined by 3.4 per cent to 69,376. Cases handled by the Ethics and Anti-Corruption Commission (EACC) increased by 19.4 per cent from 3,355 in 2012/13 to 4,006 in 2013/14.

The total number of cases filed in various courts of law increased by 55.6 per cent from 323,414 in 2013 to 503,144 in 2014. The number of cases determined increased by 53.3 per cent to 360,629 in 2014. However, the number of pending cases increased by 30.3 per cent during the period under review from 470,589 in 2013 to 613,104 in 2014. Notable achievements in Judiciary included hiring of 83 magistrates, 14 judges and opening new High Court stations at Kerugoya, Murang'a and Naivasha. The total inmates population increased by 29.5 per cent to 295,149 in 2014 of which half of inmates were 25 years and below. The total convicted prisoners increased by 41.6 per cent to 109,629 in 2014 leading to an increase of 6.0 per cent in Daily Average Population (DAP) of inmates.

During the period under review, the number of passports issued were 180,223 compared to 148,940 in 2013. The number of new Identity Cards produced decreased to 740,078 in 2014 compared to 956,230 in 2013.

### Outlook

Globally, most developed and developing economies are projected to experience improved growths in 2015. Subsequently, the world trade is expected to grow by 4.5 per cent compared to a growth of 3.0 per cent during the year. Oil prices are projected to remain subdued throughout the year due to possibilities of sustained oversupply as Iran and Libya add to the current output after improved political environment. Based on these projections, the global economic prospects for 2015 is therefore bright with world real GDP projected to grow at 3.5 per cent in 2015 subject to continued recovery from the global financial crisis. This is expected to impact positively to Kenya's economic growth.

The country experienced depressed rainfall during first quarter of 2015 while weather forecast points to a possibility of insufficient long rains in parts of the country. Performance of the agriculture sector is therefore likely to remain close to the 2014 level due to its over-reliance on rain fed water. On average, electricity prices might fall slightly in 2015 due to increased share of geothermal electricity generation.

Inflation is projected to ease in 2015 supported by lower prices of oil and electricity. Improved external environment and a sustained strong internal demand are likely to favour growths in many sectors of the economy this year. The ratio of current account to GDP is expected to remain close to the level of 2014. The Government fiscal policies in the 2015/16 national budget will focus on re-orientation of expenditure from recurrent to development while private sector investment is anticipated to remain vibrant. Other macroeconomic indicators are projected to remain stable and supportive of growth in 2015.

Table 0: Key Economic and Social Indicators 2010 – 2014

DESCRIPTION	Unit	2010	2011	2012	2013	2014*	
1 Population	(Million)	38.5	39.5	40.7	41.8	43.0	
2 Growth of GDP at Constant Prices	(Per cent)	8.4	6.1	4.6	5.7	5.3	
3 GDP at Market Prices	(KSh Mn)	3,169,301.5	3,725,918.4	4,261,150.7	4,730,800.5	5,357,671.7	
4 Total value of petroleum products	(KSh Mn)	200,780.0	337,749.2	326,921.6	315,374.2	333,145.8	
5 Trade balance	(KSh Mn)	-537,411.9	-788,145.3	-856,740.0	-911,029.2	-1,081,085.3	
6 Money Supply (M3)	(KSh Mn)	1,271,638.0	1,514,152.0	1,727,686.0	1,957,492.2	2,329,980.0	
7 Total domestic credit	(KSh Mn)	1,267,940.0	1,532,051.0	1,767,756.8	2,007,162.8	2,137,173.0	
8 Balance of Payments (current account balance)	(KSh Mn)	-187,677.3	-340,178.7	-359,676.7	-411,741.2	-536,083.2	
9 Coffee-marketed production	('000 tonnes)	38.9	30.0	46.1	38.4	42.5	
10 Tea-marketed production	('000 tonnes)	399.0	377.9	369.4	432.4	445.1	
11 Fresh Horticultural Produce exports	('000 tonnes)	228.3	216.2	205.7	213.8	220.2	
12 Maize-marketed production	('000 tonnes)	294.6	405.8	387.3	316.4	338.4	
13 Wheat-marketed production	('000 tonnes)	190.2	100.9	155.0	237.7	218.0	
14 Sugar-cane production	('000 tonnes)	5,695.1	5,307.3	5,824.0	6,673.7	6,477.7	
15 Milk sold centrally	(Mn litres)	515.7	549.0	495.2	523.0	541.3	
16 Manufacturing output	(KSh Mn)	1,258,527.2	1,580,775.8	1,619,622.0	1,737,699.0	1,821,833.9	
17 Construction output	(KSh Mn)	373,436.7	436,724.0	513,386.4	581,537.6	687,537.3	
18 Cement Consumption	('000 tonnes)	3,085.2	3,823.0	3,991.2	4,266.5	5,196.7	
19 Petroleum Consumption	('000 tonnes)	3,765.7	3,857.9	3,638.0	3,707.9	3,937.9	
20 Electricity consumption	(GWh)	5,754.7	6,273.6	6,414.4	6,928.1	7,768.6	
21 Tourism earnings	(KSh Mn)	73,700.0	97,890.0	96,020.0	93,970.0	87,080.0	
22 New registration of motor vehicles & cycles	(Number)	196,456.0	205,841.0	173,044.0	222,178.0	218,057.0	
23 Rail freight	('000 tonnes)	1,572.0	1,596.0	1,394.0	1,214.0	1,509.0	
24 Air passengers handled	('000) No.	7,516.4	8,721.7	8,583.8	8,231.6	8,882.0	
25 Mobile Subscriptions	('000) No.	24,968.9	26,980.8	30,482.8	31,309.0	33,632.6	
26 Estimated Internet Users	('000) No.	7,832.4	12,538.0	14,032.4	21,273.7	26,163.6	
27 Wage employment	('000) No.	2,016.2	2,084.1	2,155.8	2,283.1	2,370.2	
28 Education-primary enrolment	('000) No.	9,352.8	9,561.1	9,757.6	9,857.6	9,950.7	
29 Education-secondary enrolment	('000) No.	1,653.4	1,767.7	1,914.8	2,104.3	2,309.9	
30 Education-University enrolment	('000) No.	206.2	218.6	251.2	361.4	443.8	
31 Education-other post secondary enrolment (TIVET+TTC)	('000) No.	82.6	101.6	127.7	148.0	148.1	
32 Registered doctors and dentists	(Number)	8,027.0	8,479.0	9,077.0	9,727.0	10,239.0	
33 GDP Per capita (Current):	(KSh)	82,376.3	94,219.4	104,820.9	113,210.3	124,709.6	
34 GDP Per capita (Constant):	(KSh)	80,688.5	83,297.9	84,721.2	87,105.4	89,240.5	
35 Net lending/borrowing (% of GDP) at Current Market Prices	(Per cent)	-5.2	-4.4	-4.5	-5.6	-6.3	
36 Net lending/borrowing	(KSh Mn)	-151,626.5	-179,714.1	-253,804.8	-316,992.8	-533,940.5	
37 Recurrent Revenue and Grants	(KSh Mn)	673,288.0	736,106.5	812,480.5	991,870.6	1,176,224.8	
38 Total Expenditure	(KSh Mn)	956,226.2	1,016,708.7	1,241,396.4	1,532,993.0	1,924,885.9	
39 External Debt Service Charge as % of GDP <sup>2</sup>	(Per cent)	0.8	0.9	0.8	1.0	1.8	
40 External Debt Service as % of Exports of Goods & Services	(Per cent)	3.4	3.6	3.8	4.9	10.0	
<b>2010-2014 Annual % rate of</b>							
<b>INDEX NUMBERS</b>							
41 Export volumes: (2009=100)		91.8	114.0	113.4	104.0	109.9	4.6
42 Import volumes: (2009=100)		95.3	106.0	104.8	106.7	113.9	4.6
43 Terms of trade		88.1	84.1	78.9	81.0	73.3	-4.5
44 NSE 20 Share: (1966=100)		4433.0	3205.0	4133.0	4927.0	5113.0	3.6
45 Consumer Price Index: (Feb 2009=100)		106.3	121.2	132.5	140.1	149.7	9.0
46 Real wages		95.3	87.1	84.4	90.9	91.3	-1.3
47 Agriculture terms of trade: (2001=100)		65.9	55.7	52.9	46.6	49.3	-7.0

\* Provisional.

## Chapter 1

### International Scene

#### Overview

**G**lobal economic performance remained positive in 2014 with real Gross Domestic Product (GDP) expanding by 3.3 per cent. This is similar to the revised growth recorded in 2013. Various economic blocs and major economies registered divergent levels of economic growth. World trade expanded by 3.0 per cent in 2014 compared to a 3.3 per cent growth recorded in 2013. This sluggish growth reflects persistent weak import demand from advanced economies, slower expansion of global supply chains and shifts in demand towards less import intensive products.

1.2 The global inflation rate rose moderately to 1.6 per cent in 2014 compared to 1.4 per cent in 2013. Oil prices were on a downward trend due to a combination of weak global demand and improved supply occasioned by the production of oil from shale in United States of America (USA). The Murban crude oil price averaged US\$99.45 per barrel in 2014 compared to US\$110.10 per barrel in 2013.

1.3. In 2014, the labour market conditions for the Organization for Economic Co-operation and Development (OECD) continued to improve albeit unevenly between economies. The unemployment rate declined to 7.3 per cent in 2014 from 7.9 per cent in 2013. USA, United Kingdom (UK), Japan and Euro Area recorded declines in unemployment.

1.4. Real GDP growth in Sub-Saharan Africa (SSA) and East Africa Community (EAC) expanded by 5.1 and 5.8 per cent, respectively in 2014. The increases were supported by improved agricultural production and natural resource discoveries coupled with strong domestic demand as well as infrastructural investments.

#### Organization for Economic Cooperation and Development

#### Regional Economic Analysis

1.5. Table 1.1 presents key economic indicators and projections for selected OECD countries for the period 2012 to 2016. Real GDP grew by 1.8 per cent in 2014 compared to a growth of 1.4 per cent in 2013. This improvement is attributed to accommodative monetary policy, favourable financial conditions, fading drag of fiscal consolidation, and lower labour costs. Inflation rate increased to 1.6 per cent in 2014 from 1.4 per cent recorded in 2013. Current account deficit as a percentage of GDP remained unchanged at 0.1 per cent during the review period.

#### Euro Area

1.6. In the Euro Area, real GDP rose by 0.8 per cent in 2014 compared to a contraction of 0.4 per cent in 2013. The rebound was driven by accommodative monetary policy, slowdown in fiscal consolidation and weak oil prices. Inflation rate eased to 1.0 per cent in 2014 compared to 1.3 per cent in 2013. Unemployment rate reduced to 11.4 per cent compared to 11.9 per cent during the same periods. Current account surplus as a percentage of GDP improved marginally to 3.0 per cent in 2014 compared to 2.8 per cent in 2013 mainly due to increased competitiveness.

#### United States of America

1.7. The USA economy maintained a growth of 2.2 per cent in 2014 buoyed by supportive monetary policy, expansion of export market and increased private consumption.



Unemployment rate slowed down from 7.4 per cent in 2013 to 6.2 per cent in 2014. Current account deficit as a percentage of GDP narrowed to 2.2 per cent in 2014 compared to 2.4 per cent in 2013.

**Table 1.1: Key Economic Indicators and Projections for Selected OECD Countries, 2012-2016**

	2012	2013	2014*	2015 <sup>1</sup>	2016 <sup>1</sup>
	Percentage				
<b>World Real GDP Growth</b> ... ..	3.4	3.3	3.3	3.5	3.6
<b>World Trade Growth</b> <sup>2</sup> ... ..	3.0	3.3	3.0	4.5	5.5
<b>Real GDP Growth</b>	Percentage				
United States of America... ..	2.3	2.2	2.2	3.1	3.0
United Kingdom... ..	0.7	1.7	3.0	2.7	2.5
Japan ... ..	1.5	1.5	0.4	0.8	1.0
Germany ... ..	0.6	0.2	1.5	1.1	1.8
Euro Area... ..	-0.7	-0.4	0.8	1.1	1.7
<b>Total OECD</b> ... ..	1.3	1.4	1.8	2.3	2.6
<b>Inflation</b>	Percentage				
United States of America... ..	1.8	1.5	1.5	1.7	1.9
United Kingdom... ..	1.7	1.7	1.8	1.7	1.7
Japan ... ..	-0.9	-0.6	1.6	1.7	1.4
Germany ... ..	1.5	2.1	2	1.8	1.6
Euro Area... ..	1.3	1.3	1.0	1.0	1.0
<b>Total OECD</b> ... ..	1.5	1.4	1.6	1.6	1.7
<b>Current Account Balances</b>	Per cent of GDP				
United States of America... ..	-2.9	-2.4	-2.2	-1.7	-1.7
United Kingdom... ..	-3.7	-4.2	-4.8	-4.6	-4.4
Japan ... ..	1.1	0.7	0.1	0.9	1.4
Germany ... ..	7.2	6.8	7.4	7.2	6.5
Euro Area... ..	2.2	2.8	3.0	3.1	3.2
<b>Total OECD</b> ... ..	-0.4	-0.1	-0.1	0.1	0.1
<b>Unemployment Rate</b>	Percentage				
United States of America... ..	8.1	7.4	6.2	5.6	5.3
United Kingdom... ..	8.0	7.6	6.2	5.6	5.4
Japan ... ..	4.3	4.0	3.6	3.5	3.5
Germany ... ..	5.5	5.3	5.1	5.1	5.1
Euro Area... ..	11.2	11.9	11.4	11.1	10.8
<b>Total OECD</b> ... ..	7.9	7.9	7.3	7.0	6.8

Source: OECD Economic Outlook No. 96 and World Economic Outlook January 2015

\* Provisional

<sup>1</sup> Projections

<sup>2</sup> Refers to arithmetic average of world merchandise import and export volumes.

#### Assumptions Underlying Projections

The cut-off date for information used in the projection is 18<sup>th</sup> November 2014.

The projections assume unchanged exchange rates from those that prevailed on 6<sup>th</sup> November 2014.

### United Kingdom

1.8. United Kingdom's real GDP expanded by 3.0 per cent in 2014, driven by robust private consumption and strong business investment. Inflation rate increased marginally to 1.8 per cent in 2014 compared to 1.7 per cent in 2013 while unemployment rate decelerated to 6.2 per cent in 2014 compared to 7.6 per cent in 2013. Poor export performance worsened the current account deficit as a percentage of GDP from 4.2 per cent in 2013 to 4.8 per cent in 2014.

### Japan

1.9. Japan's economy recorded a decelerated growth of 0.4 per cent in 2014 compared to a growth of 1.5 per cent in 2013. The slower growth was partly attributed to decreased domestic demand, arising from an increase in consumption tax from 5.0 per cent to 8.0 per cent implemented in April 2014. Unemployment rate declined to 3.6 per cent compared to 4.0 per cent in 2013. However, inflation rate increased to 1.6 per cent in 2014 compared to a contraction of 0.6 per cent in 2013. This inflationary pressure was attributed to a weak Yen and increase in consumption tax. Current account surplus as a percentage of GDP narrowed to 0.1 per cent in 2014 compared to 0.7 per cent in 2013.

### Germany

1.10. In Germany, real GDP expanded by 1.5 per cent in 2014 compared to a growth of 0.2 per cent recorded in 2013 mainly on account of strong domestic demand. Inflation rate declined to 2.0 per cent in 2014 compared to 2.1 per cent in 2013 due to falling oil prices. Current account surplus as a percentage of GDP widened to 7.4 per cent in 2014 compared to 6.8 per cent in 2013. The unemployment rate decelerated to 5.1 per cent in 2014 from 5.3 per cent in 2013.

### Brazil, Russia, India, Indonesia, China and South Africa

1.11. The emerging economies of Brazil, Russia, India, Indonesia, China and South Africa (BRIICS) recorded a slower real GDP growth of 3.4 per cent in 2014 compared to 4.5 per cent growth in 2013 as indicated in Table 1.2. This was mainly attributed to a significant drop in economic performance of Brazil, Russia and South Africa.

1.12. Real GDP for Brazil dropped significantly from 2.5 per cent in 2013 to 0.3 per cent in 2014 partly due to weak external demand, low investment levels and persistent infrastructural bottlenecks. Inflation remained at almost the same level during the review period. Real GDP growth in Russia slowed down to 0.2 per cent in 2014 compared to 1.3 per cent growth in 2013 mainly due to falling crude oil prices and trade sanctions arising from geopolitical tensions with Ukraine.

1.13. Real GDP growth in China decelerated to 7.4 per cent in 2014 from 7.7 per cent in 2013. This was due to weak property investment that resulted in excess capacity in upstream industries such as steel, cement and flat glass. India's economy grew by 5.6 per cent in 2014 compared to 5.0 per cent in 2013 following increased exports and investment. Real GDP growth in Indonesia grew by 5.2 per cent in 2014 compared to 5.8 per cent in 2013. This decline in growth was partly attributed to weak investment and uncertainty related to the iron ore export ban and the mid-2014 elections. Inflation rate eased to 6.0 per cent in 2014 from 6.4 per cent in 2013. Current account deficit as a percentage of GDP improved from 3.3 per cent to 3.2 per cent during the review period.

1.14. South Africa's economic growth decelerated to 1.4 per cent in 2014 compared to a growth of 2.0 per cent in 2013 due to protracted industrial strikes, low business confidence and an unreliable electricity supply. Inflation increased to 6.3 per cent in 2014 from 5.8 per cent in 2013 while the current account balance as a percentage of GDP remained at the same level during the review period.

**Table 1.2: Real GDP Growth, Consumer Prices and Current Account Balances for Selected Regions and Countries**

	Real GDP Growth Rates				Inflation				Current Account Balances (Percent of GDP)			
	2012	2013 <sup>+</sup>	2014 <sup>*</sup>	2015 <sup>1</sup>	2012	2013 <sup>+</sup>	2014 <sup>*</sup>	2015 <sup>1</sup>	2012	2013 <sup>+</sup>	2014 <sup>*</sup>	2015 <sup>1</sup>
<b>BRIICS</b>	<b>4.3</b>	<b>4.5</b>	<b>3.4</b>	<b>3.9</b>	<b>5.6</b>	<b>6.2</b>	<b>6.0</b>	<b>5.9</b>	<b>-0.8</b>	<b>-1.8</b>	<b>-1.7</b>	<b>-1.6</b>
Brazil	0.9	2.5	0.3	1.4	5.4	6.2	6.3	5.9	-2.4	-3.6	-3.5	-3.6
Russia	3.4	1.3	0.2	0.5	5.1	6.8	7.4	7.3	3.7	1.6	2.7	3.1
India	3.2	5.0	5.6	6.4	10.4	9.5	7.8	7.5	-4.8	-1.7	-2.1	-2.2
Indonesia	6.2	5.8	5.2	5.5	4.3	6.4	6.0	6.7	-2.7	-3.3	-3.2	-2.9
China	7.7	7.7	7.4	7.1	2.7	2.6	2.3	2.5	2.3	1.9	1.8	2.0
South Africa	2.5	2.0	1.4	2.3	5.7	5.8	6.3	5.8	-6.3	-5.8	-5.7	-5.6
<b>Sub-Saharan Africa</b>	<b>4.9</b>	<b>4.4</b>	<b>5.1</b>	<b>5.8</b>	<b>9.0</b>	<b>6.6</b>	<b>6.7</b>	<b>7.0</b>	<b>-3.0</b>	<b>-2.4</b>	<b>-2.6</b>	<b>-3.2</b>
<b>EAC-5</b>	<b>5.3</b>	<b>5.3</b>	<b>5.8</b>	<b>6.2</b>	<b>11.5</b>	<b>6.4</b>	<b>5.6</b>	<b>5.4</b>	<b>-13.1</b>	<b>-11.8</b>	<b>-12.4</b>	<b>-12.4</b>
Kenya	4.6	5.7	5.3	6.2	9.4	5.7	6.9	6.0	-10.6	-8.7	-8.0	-8.1
Tanzania	6.9	7.0	7.2	7.0	16.0	7.9	5.9	4.9	-15.3	-13.8	-13.7	-13.1
Uganda	2.8	5.8	5.9	6.3	14.0	5.0	5.5	5.9	-10.5	-8.5	-10.4	-10.5
Rwanda	8.0	4.7	6.0	6.7	6.3	4.2	2.6	4.7	-11.4	-7.1	-12.3	-12.4
Burundi	4.0	4.5	4.7	4.8	11.8	9.0	7.0	5.4	-17.5	-20.7	-17.4	-17.7
<b>SADC</b>	<b>3.7</b>	<b>3.8</b>	<b>3.2</b>	<b>4.1</b>	<b>7.1</b>	<b>5.6</b>	<b>6.3</b>	<b>5.9</b>	<b>-4.7</b>	<b>-4.8</b>	<b>-5.4</b>	<b>-5.7</b>
<b>WAEMU</b>	<b>6.5</b>	<b>5.7</b>	<b>6.6</b>	<b>6.2</b>	<b>2.8</b>	<b>0.1</b>	<b>1.7</b>	<b>1.9</b>	<b>-5.8</b>	<b>-7.2</b>	<b>-8.0</b>	<b>-7.7</b>
<b>CEMAC</b>	<b>5.5</b>	<b>2.8</b>	<b>4.9</b>	<b>4.3</b>	<b>3.9</b>	<b>2.4</b>	<b>3.0</b>	<b>2.7</b>	<b>-1.4</b>	<b>-2.6</b>	<b>-2.0</b>	<b>-3.2</b>
<b>ASEAN-5</b>	<b>6.1</b>	<b>5.2</b>	<b>4.8</b>	<b>5.4</b>	<b>4.2</b>	<b>4.1</b>	<b>4.1</b>	<b>4.4</b>	<b>2.4</b>	<b>1.8</b>	<b>2.3</b>	<b>1.9</b>
Indonesia	6.2	5.8	5.2	5.5	4.3	6.4	6.0	6.7	-2.7	-3.3	-3.2	-2.9
Malaysia	5.6	4.7	5.9	5.2	1.7	2.1	2.9	4.1	6.1	3.9	4.3	4.2
Philippines	6.8	7.2	6.2	6.3	3.2	2.9	4.5	3.9	2.9	3.5	3.2	2.6
Thailand	6.5	2.9	1.0	4.6	3.0	2.2	2.1	2.0	0.0	-0.6	2.9	2.1
Vietnam	5.2	5.4	5.5	5.6	9.1	6.6	5.2	5.2	5.8	5.6	4.1	3.4
<b>Maghreb</b>	<b>24.2</b>	<b>0.5</b>	<b>-0.6</b>	<b>6.8</b>	<b>5.3</b>	<b>3.6</b>	<b>3.6</b>	<b>4.3</b>	<b>-3.1</b>	<b>-6.4</b>	<b>-14.3</b>	<b>-15.1</b>
Algeria	3.3	2.8	3.8	4.0	8.9	3.3	3.2	4.0	5.9	0.4	-3.0	-2.9
Libya	104.5	-13.6	-19.8	15.0	6.1	2.6	4.8	6.3	29.2	13.6	-27.1	-20.9
Mauritania	6.9	6.7	6.8	6.8	4.9	4.1	3.3	4.3	-32.7	-30.1	-26.8	-39.4
Morocco	2.7	4.4	3.5	4.7	1.3	1.9	1.1	2.0	-10.0	-7.6	-6.8	-5.8
Tunisia	3.6	2.3	2.8	3.7	5.6	6.1	5.7	5.0	-8.1	-8.4	-7.7	-6.6
<b>Mashreq<sup>2</sup></b>	<b>2.2</b>	<b>2.2</b>	<b>2.5</b>	<b>3.3</b>	<b>6.6</b>	<b>5.2</b>	<b>5.5</b>	<b>6.7</b>	<b>-12.5</b>	<b>-8.5</b>	<b>-7.7</b>	<b>-7.7</b>
Egypt	2.2	2.1	2.2	3.5	8.6	6.9	10.1	13.5	-3.1	-2.7	-0.4	-4.0
Jordan	2.8	2.9	3.5	4.0	4.8	5.6	3.0	2.6	-18.1	-9.8	-10.0	-6.9
Lebanon	1.5	1.5	1.8	2.5	6.6	3.2	3.5	4.0	-16.2	-12.9	-12.7	-12.3

Source: World Economic Outlook, November 2013 and Regional Economic Outlook - Various Issues

\* Provisional

+ Revised

<sup>1</sup> Projections<sup>2</sup> Excludes Syria due to unavailability of data

Notes:

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**

1.15. Real GDP growth for the Association of South Eastern Asia Nations (ASEAN-5) declined to 4.8 per cent in 2014 compared to 5.2 per cent in 2013. Economic performance was driven by favourable external demand and general improvement in macroeconomic environment. Inflation in the region remained unchanged at 4.1 per cent in 2014. The current account surplus as a percentage of GDP increased to 2.3 per cent in 2014 from 1.8 per cent in 2013. Real GDP growth for Thailand declined to 1.0 per cent compared to 2.9 per cent in 2013 attributable to political tensions experienced in 2014.

### **Sub-Saharan Africa**

1.16. In spite of the slowdown in global economy, economic activity in Sub-Saharan Africa was robust. This growth was supported by increased external demand and strong growth in public and private investment. In 2014, the region's real GDP grew by 5.1 per cent compared to 4.4 per cent in 2013. During the year under review, inflation in the region rose to 6.7 per cent compared to 6.6 per cent in 2013. The current account deficit as a percentage of GDP worsened to 2.6 per cent in 2014 compared to 2.4 per cent in 2013 following expansionary fiscal policies and increased investment in the region.

### **East African Community**

1.17. East African Community's real GDP growth increased to 5.8 per cent in 2014 compared to a 5.3 per cent growth in 2013 as presented in Table 1.2. Inflation dropped to 5.6 per cent in 2014 from 6.4 per cent in 2013 mainly on account of reduced food and fuel prices. The region's current account deficit as a percentage of GDP worsened to 12.4 per cent in 2014 compared to 11.8 per cent in 2013.

### **Southern African Development Community**

1.18. The Southern African Development Community (SADC) recorded a slower real GDP growth of 3.2 per cent during the year under review compared to a 3.8 per cent growth recorded in 2013, mainly due to a slowdown in South Africa's economic performance. Inflation increased to 6.3 per cent in 2014 compared to 5.6 per cent in 2013 due to increased food prices in the early months of 2014. The region's current account deficit widened to 5.4 per cent in 2014 from 4.8 per cent in 2013.

### **Maghreb**

1.19. The Maghreb region's real GDP contracted by 0.6 per cent in 2014 in contrast to an expansion of 0.5 per cent recorded in 2013. The slowed economic performance resulted from low oil prices and political instability. The geopolitical tensions in Libya resulted in a drastic drop in the country's economic performance. Inflation in the Maghreb region remained unchanged at 3.6 per cent in 2014 while the current account deficit as a percentage of GDP widened to 14.3 per cent from 6.4 per cent in 2013.

1.20. Real GDP growth for the global economy is projected to grow at 3.5 per cent in 2015. This is subject to continued recovery from the global financial crisis. World trade is expected to expand by 4.5 per cent in 2015 owing to a projected increase in global commodity demand.

1.21. In the OECD economies, real GDP is projected to grow by 2.3 per cent in 2015. The European Central Bank plan to buy large volume of bonds is expected to boost the economic growth in the Euro Area by 1.1 per cent in 2015. However, in the emerging market economies of Brazil, Russia, India, and China, real GDP growth is expected to be suppressed due to geopolitical tensions in Russia and tightened fiscal environment.

1.22. Growth in Sub-Saharan Africa is projected to remain strong at 5.8 per cent in 2015. Real GDP growth in the EAC countries is projected at 6.2 per cent in 2015. Kenya and Rwanda are projected to record growths of 6.2 and 6.7 per cent, respectively in 2015. This is mainly due to continued investment in infrastructural development.

1.23. The ongoing global economic recovery is expected to support exports in Asia. This is expected to boost the ASEAN-5 economy to a real GDP growth of 5.4 per cent in 2015. Real GDP growth in Maghreb countries is expected to turn around from negative 0.6 per cent in 2014 to 6.8 per cent in 2015. However, this will only be achieved if security improves to allow for recovery of oil production in Libya.

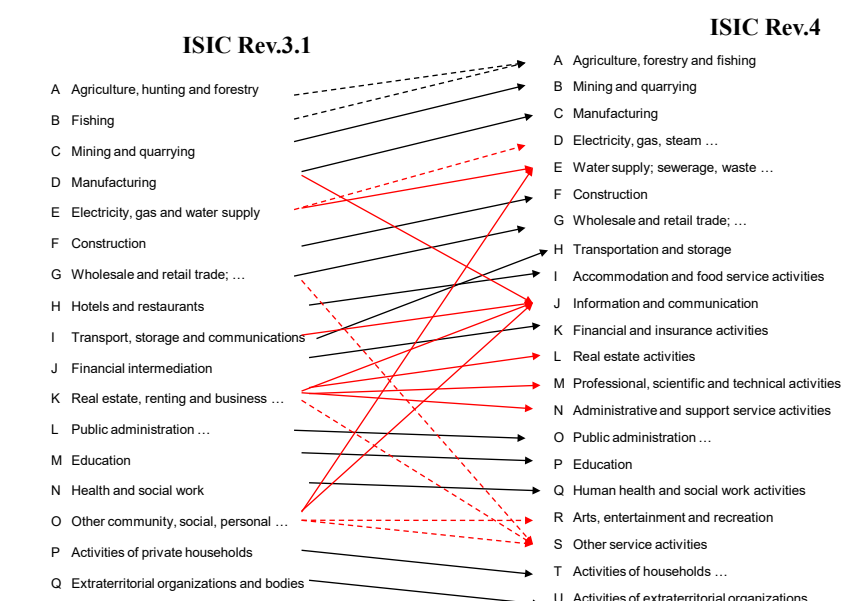
## Chapter 2

## Domestic Economy

**Introduction** The Kenya National Bureau of Statistics (KNBS) released the revised and rebased national accounts in September 2014. This was the sixth major revision in the history of national accounts in the country. The main objectives of the revision were; to implement recommendations of 2008 System of National Accounts (2008 SNA), change the base year from 2001 to 2009, and incorporate new data that had become available since the previous major revision (in 2005). The revision process involved use of a wide range of information from surveys, censuses and administrative records done in a coherent and consistent manner to achieve the overall goal of improved national accounts statistics.

2.2 The revised national accounts are now based on International Standard Industrial Classification of All Economic Activities Revision 4 (ISIC Rev 4). The ISIC allocates the statistical units in the classes where they have their main (principal) economic activity. The correspondence of the previous economic classification (ISIC Rev 3.1) and ISIC Rev 4 for national accounts is shown in Figure 1.

**Figure 2.1. High-level concordance**



2.3 The assessment of the economy in this chapter is based on the revised national accounts which are generally in accordance with the 2008 SNA guidelines. For the base year (2009), the revised Gross Domestic Product (GDP) is 20.5 per cent higher than previously estimated while for the other years between 2006 and 2013, the gap between the previous and the revised GDP gradually increases from 15 to 25 per cent. Broadly, the major reasons that led to the upward revision of the GDP include use of better data, improved coverage and revised input-output production structures which were lower in a number of sectors compared to the revised estimates. New data from the 2009 Population and Housing Census; Kenya Integrated Household Budget Survey (KIHBS) of 2005/06; and 2010 Census of Industrial Production had major contributions to the upward revisions.

**Economic Performance** 2.4 Kenya's economy is estimated to have expanded by 5.3 per cent in 2014, compared to a growth of 5.7 per cent in 2013. A number of factors influenced the country's economic performance during the review period. From the demand side, government and private final consumption increased by 2.7 per cent and 5.5 per cent, respectively. The demand side was mainly driven by a resilient private final consumption and a robust growth in fixed assets. Investment in fixed assets expanded rapidly on account of a vibrant growth in real estate sector, the on-going mega infrastructure projects and increased investments in air transport equipments. There was an increase of 7.0 per cent in exports of goods and services. However, imports of goods and services expanded more rapidly resulting to a widening of the current account deficit.

2.5 From the supply side, the major drivers of the economy were agriculture, forestry and fishing; construction; wholesale and retail trade; education; and finance and insurance with respective contributions of 14.5, 11.1, 9.8, 9.7 and 9.1 per cent to the growth (*see Table 2.5*). The accommodation and food services (hotels and restaurants) sector contracted for the second year in a row while all the other sectors recorded positive growths but of varying magnitudes during the review period.

2.6 During the year, the main macroeconomic indicators remained relatively stable. The Kenya Shilling generally held firm against the major trading currencies despite its depreciation against the US dollar, Sterling pound and Euro. The Shilling's stability was mainly due to proceeds from the successful international sovereign bond floated by the government in June 2014 and increased Diaspora remittances. A significant decline in the international tourism earnings and a widening trade deficit worked against the Shilling over this period.

2.7 Weighted average commercial banks' leading rate remained relatively high but stable to reach a maximum of 15.99 per cent in 2014 from 16.99 per cent in 2013. This was despite the Central Bank Rate (CBR) remaining moderately low at 8.5 throughout the year. The 91-day Treasury bill rate eased downwards to settle at 8.58 per cent in December 2014 from 9.52 per cent in December 2013. The central bank introduced Kenya Banks' Reference Rate (KBRR) in early July 2014, which was expected to significantly bring down the cost of borrowing. The KBRR was initially set at 9.13 per cent and replaced the base lending rate, which commercial banks previously used to guide their pricing of loans and advances.

2.8 The Balance of Payments position improved to a surplus of KSh 126.1 billion in 2014 from that of KSh 31.8 billion in 2013 mainly on account of proceeds from the sale of the Eurobond. However, the current account deficit worsened due to deterioration in trade deficit. The widening of the trade deficit emanated from a fast growing import bill against a slower growth in export earnings. Government fiscal policies in the 2014/15 national budget, focused on increased revenue mobilization and containment of growth in recurrent expenditure. Consequently, the share of the development expenditure increased to 44 per cent of the total budget in 2014/15 fiscal year from 33 per cent in 2013/14.

2.9 Performance of the labour market remained modest with employment growing at 5.9 per cent to an estimated 14.3 million jobs in 2014. Employment within the informal sector dominated the job creation resulting in an increase in its share of total employment to 82.7 per cent during the year.

### Agriculture

#### Sectoral Analysis

2.10 The agriculture, forestry and fishing sector recorded a decelerated growth of 3.5 per cent in 2014 compared to 5.2 per cent in 2013. Activities of growing of crops and animal production suffered from the impacts of poor long rains in some parts of the country, especially in the North Rift but the short rains were near normal in most parts of the country. As a result, maize production decreased in 2014 to 39.0 million bags from 40.7 million bags harvested in 2013. However, production of some food commodities like Irish potatoes and pulses improved and somehow offset the negative effects of the declined maize production. Other increases were notable in key crops like coffee, tea, cut flowers and fruits while sugar cane and pyrethrum production declined. The total marketed production increased slightly to KSh 336.5 billion in 2014 from KSh 334.8 billion in 2013.

2.11 During the review period, marketing of key cash crops was negatively impacted on by suppressed external demand and a glut in global supply of tea. Quantity of exported tea increased by 2.3 per cent but its price generally remained suppressed due to the increased supply in the international market. Subsequently, foreign earnings from exports of tea declined by 10.2 per cent in 2014. On the contrary, value of coffee exports rose by 22.0 per cent, despite a decline of 3.0 per cent in export quantities, due to improved international prices. The improvement in prices was attributed to high quality beans and increased demand for Kenyan coffee for blending other varieties. Despite uncertainty over the future of Kenya's preferential trade with Europe earlier in the year, quantities and value of horticultural exports recorded significant growths of 10.2 and 8.7 per cent, respectively.

2.12 The marketed production of livestock and its products increased in the year under review due to an increase in milk delivery to processors and sheep and goats sold to abattoirs. However, the number of cattle slaughtered declined during the year.

### Manufacturing

2.13 The sector benefited from an improved economic environment during the review period. Some of the factors that positively influenced growth of the industry include slightly cheaper and stable electricity supply, restrained inflation and resilient domestic demand. Modest decrease in energy prices during the last quarter of the year also contributed to reduction in input prices. Despite the improved environment, the industry recorded a slowed growth of 3.4 per cent in 2014 compared to 5.6 per cent in 2013, with the food and non food subsectors growing by 4.0 per cent and 3.1 per cent, respectively.

2.14 The expansion in non-food manufacturing was mainly driven by increased production of cement, pharmaceutical products, fabricated metal products, and manufacture of furniture. Processing of animal feed, tobacco, grain mill and animal and vegetable fats and oil products registered significant growths during the review period.

2.15 On the other hand, the manufacturing industry experienced some limitations in 2014 among them suppressed external demand of industrial non-food and processed fruits and vegetable products. Output of beverages, printing and production of recorded media contracted partly on account of reduced domestic demand while manufacture of sugar declined due a reduction in cane delivery. Production of leather and related products declined partly due to increased competition from imports.



### Transport and Storage

2.16 The transport and storage sector recorded an improved growth of 5.0 per cent in 2014 compared to that of 1.2 per cent in 2013. Demand for light diesel, a key input in the transport sector, increased by 7.5 per cent to 1,721.4 thousand tonnes in 2014. The sector's accelerated growth was attributed to increased demand for transportation of cargo as trade activities expanded as well as a general increase in commuter services. Despite the good performance of the sector, air transport sub sector suffered a major setback from effects of Ebola epidemic in West Africa coupled with adverse travel advisories by some major tourist source countries. The outbreak of Ebola led to suspension of Kenya Airways flights to Sierra Leone, Guinea and Liberia, which were the most affected.

2.17 Performance of the railway freight improved while passenger traffic dropped further during the year under review. The increase in freight tonnage transported was partly due to enhanced cargo transportation capacity through additional wagons acquired by the operator. The decline in passenger traffic was attributed to stoppage of passenger transport services along the Nairobi-Kisumu route. During the year under review, total cargo throughput handled at the port of Mombasa increased by 11.5 per cent which was partly attributed to improvement of port facilities and efficiency at the Port of Mombasa. Pipeline throughput of white petroleum products expanded by 7.5 per cent in 2014.

### Information and Communication

2.18 The sector remained robust in 2014 to grow at 13.4 per cent against a growth of 12.3 per cent in 2013. The growth was attributed to increased uptake of ICT services, notably usage of data and stability in the growth of voice services. Internet usage continued to grow mainly supported by lower prices of data bundles and availability of affordable internet enabled mobile phones. During the year under review, the number of internet users grew by 23.0 per cent to 26.2 million from 21.3 million in 2013.

2.19 The mobile telephony market continued on a steady growth path with its capacity expanding by 18.2 per cent while connections increased by 7.4 per cent to stand at 33.6 million in 2014. Subscription of mobile money transfer services stagnated at 26.0 million subscribers though total transfers registered a nominal growth of 21.6 per cent during the year. In contrast, the fixed line telephony capacity declined by 11.0 per cent in 2014 due to decommissioning of a number of exchanges. The average price of mobile-to-mobile calls reduced by around a fifth but that of mobile-to-fixed local remained unchanged during the review period. The average price of Short Messaging Service (SMS) also decreased by KSh 0.50 to stand at KSh1.00 over the same period.

2.20 The internet segment also experienced a robust growth with the total internet subscriptions growing by 24.8 per cent in 2014 compared to an expansion of 55.0 per cent in 2013. The implementation of the digital migration saw the entry of 36 digital TV stations into the market while analogue signal stations remained 14 resulting in a quadrupling of the number of TV stations in the country. For the second year in a row, the number of daily and weekly newspaper circulation declined. On the other hand, average number of online visitors per day has been growing steadily in the recent years.

### Financial Intermediation

2.21 The sector recorded a growth of 8.3 per cent in 2014 compared to 8.1 per cent in 2013. The expansion of the financial services was driven by increased uptake of loans and advances, increased earnings from fees and commissions and government securities. Interest rates eased downwards while interest spread rate remained fairly high at over 10 per cent despite the CBR remaining at 8.5 per cent throughout the year.

2.22 Containment of inflation within the CBK target was a milestone for the sector. The Shilling gained substantially against the Japanese Yen and the South African Rand but remained almost at the same level against the Uganda and Tanzania Shillings. However, the domestic currency depreciated by 7.5 per cent against the Sterling Pound and 2.1 per cent against both the US Dollar and the Euro. This was despite the fall in oil prices, increased remittances from the Diaspora and a successful floating of the Eurobond that resulted in the injection of USD 2 billion to the economy. The weakening of the Shilling was attributed to the general strengthening of the US Dollar due to optimistic sentiments of the US economy; deterioration of tourism earnings arising from declining international visitors; and a widening trade deficit. Despite the drops in prices of fuel, electricity and some food commodities, inflation rose slightly but remained within the central bank target.

2.23 A number of improvements and innovations were initiated during the year under review. Full file credit information sharing was introduced in February 2014 while the CBK introduced Kenya Banks' Reference Rate (KBRR) in July 2014 with the aim of enhancing transparency in credit pricing within the banking industry. During the third quarter of 2014, commercial banks started implementing the Annual Percentage Rate (APR) framework, a credit pricing mechanism that enables consumers to compare different bank loan costs.

### Electricity Supply

2.24 During the review period, the sector grew by 6.8 per cent compared to a growth of 9.8 per cent in 2013. The performance was determined by a number of factors among them, suppressed long rains that led to a contraction of 19.5 per cent in hydro generation. On the contrary, there was an increase of 63.8 per cent in geothermal power generation, primarily due to expanded installed capacity. In addition, thermal electricity production increased significantly by 19.6 per cent during the review period. This culminated in an overall increase of 8.2 per cent in electricity generation in 2014 compared to an increase of 7.6 per cent in 2013.

2.25 The resulting energy mix led to a higher gross value added due to replacement of the more expensive thermal power and hydro with cheaper and more reliable geothermal energy. Total installed electricity generating capacity expanded from 1,717.8 MW in 2013 to 1,798.6 MW in 2014, representing a 4.7 per cent increase. The installation of additional capacity led to stabilization of power supply as well as a drop in electricity prices though the cost of power remained relatively high compared to economies with more efficient technology of electricity generation. The sector also maintained its power diversification drive by increasing investments in solar and wind sources.

### Construction

2.26 The construction industry maintained a rapid expansion in 2014 mainly supported by robust growth in property development, a vibrant real estate sector and the on-going mega infrastructure projects. Consequently, the sector's gross value added grew by 13.1 per cent in

2014 compared to 5.8 per cent in 2013. The growth in real estate and the property sector were mainly driven by demand for new office space and urban housing. Among the infrastructure that contributed significantly to this growth were earthworks construction for the Standard Gauge Railway (SGR) between Mombasa and Nairobi, the ongoing construction of roads and energy infrastructure, and expansion of airports. The improvement of the port of Mombasa also contributed to the sector's growth through the construction work for the second container terminal, infrastructural modifications of berths and construction of a new access road.

2.27 Another major beneficiary of the boom in the construction industry was the financial intermediation industry where the commercial banks' loans and advances to construction and real estate sectors grew by 13.6 and 32.4 per cent, respectively, in 2014. Total government expenditure on transport infrastructure is projected to quadruple from KSh 84.5 billion in 2013/2014 to KSh 250.5 billion in 2014/2015. Total national government development expenditure on energy infrastructure is projected to increase significantly by 67.3 per cent to KSh 87 billion in 2014/15 financial year.

### **Accommodation and Food Services (Hotel and restaurants)**

2.28 Accommodation and food service activities recorded a second consecutive annual contraction of 17.2 per cent in 2014 compared to a contraction of 4.6 per cent in 2013. The contraction was attributed to both internal and external shocks specifically, insecurity concerns, negative travel advisories by some key tourist source countries and the perceived health risks in Kenya due to the country's geopolitical location and connectivity with West Africa. The poor performance was reflected in a significant decline in bed occupancy, primarily due to reduced international tourist. This resulted in a drop in bed occupancy from 36.1 per cent in 2013 to 31.6 per cent in 2014.

2.29 Details of the Gross Domestic Product (GDP) broken down by gross value added created by the various sectors of the economy are presented in Tables 2.1 to Table 2.6. Table 2.1 shows the value of GDP at current prices while Table 2.2 details the share of each sector and some selected sub-sectors to the GDP. The net value of goods and services (GDP at market prices) in 2014 increased to KSh 5,357.7 billion from KSh 4,730.8 billion in 2013, representing a nominal growth of 13.3 per cent. Agriculture, forestry and fishing maintained its dominance by contributing 27.3 per cent of GDP in 2014 followed by manufacturing whose share edged downwards to 10.0 per cent from 10.7 per cent in 2013. Taxes on products, wholesale and retail trade, transport and storage, real estate, finance and insurance also ranked high in terms of their contribution to GDP.

## Chapter 2: Domestic Scene

**Table 2.1: Gross Domestic Product by Activity**

Industry	Current Prices, KSh Million				
	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	786,909	980,088	1,113,860	1,250,991	1,464,310
Growing of crops	530,841	686,088	765,579	875,090	1,057,882
Animal production	178,460	200,951	232,698	245,408	263,298
Support activities to agriculture	19,354	23,388	28,642	28,951	29,224
Forestry & logging	39,143	46,661	58,039	67,229	73,520
Fishing & aquaculture	19,111	22,999	28,902	34,313	40,387
Mining and quarrying	26,029	32,513	46,625	38,802	42,351
Manufacturing	356,718	437,814	469,502	507,524	537,323
Manufacture of food, beverages and tobacco	129,557	165,939	182,701	201,709	207,645
Other manufacturing and repair and installation	227,161	271,875	286,801	305,815	329,679
Electricity supply	33,077	36,071	48,191	53,982	55,009
Water supply; sewerage, waste management	29,407	33,428	37,779	40,406	42,072
Construction	142,669	164,631	190,851	212,878	259,624
Wholesale and retail trade; repairs	243,006	300,769	334,430	381,430	437,092
Transport and storage	217,008	265,995	339,524	371,102	444,332
Land transport	134,146	174,481	239,585	271,003	336,516
Air transport including support services	16,878	15,314	15,220	17,491	16,722
All other transport including postal and courier activities	65,983	76,200	84,719	82,608	91,095
Accommodation and food service activities	49,909	50,296	57,161	58,068	49,934
Information and communication	68,384	61,381	68,437	68,598	66,056
Telecommunications	39,786	29,590	33,680	32,225	29,014
Publishing, broadcasting, other IT and information activities	28,598	31,792	34,758	36,373	37,042
Financial and insurance activities	177,337	212,675	251,621	313,131	359,270
Financial activities	155,846	181,423	206,652	241,488	253,788
Insurance activities	23,601	21,490	31,252	44,970	71,643
Real estate	262,654	300,406	343,007	375,607	420,373
Professional, scientific and technical activities	34,922	37,344	43,102	48,347	51,805
Administrative and support service activities	46,237	50,107	54,885	57,347	60,950
Public administration and defence	138,743	158,627	185,665	209,157	239,862
Education	174,481	199,125	229,150	251,957	279,190
Pre-primary and Primary education	78,546	91,347	104,813	115,473	126,413
General sec education	56,856	65,987	79,545	87,377	96,524
Higher and other education	39,079	41,790	44,791	49,106	56,253
Human health and social work activities	66,040	67,830	70,449	75,151	90,349
Arts, entertainment and recreation	5,076	5,739	6,175	6,637	7,366
Other service activities	22,116	22,817	26,116	30,205	34,775
Activities of households as employers;	18,605	21,027	24,138	25,462	28,090
FISIM	-71,891	-90,687	-111,574	-124,136	-132,796
<b>All economic activities</b>	<b>2,827,436</b>	<b>3,347,996</b>	<b>3,829,096</b>	<b>4,252,647</b>	<b>4,837,338</b>
Taxes on products	341,865	377,922	432,055	478,154	520,333
<b>GDP at market prices</b>	<b>3,169,301</b>	<b>3,725,918</b>	<b>4,261,151</b>	<b>4,730,801</b>	<b>5,357,672</b>

Table 2.2: Gross Domestic Product by Activity

Industry	Percentage Contribution to GDP				
	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	24.8	26.3	26.1	26.4	27.3
Growing of crops	16.7	18.4	18.0	18.5	19.7
Animal production	5.6	5.4	5.5	5.2	4.9
Support activities to agriculture	0.6	0.6	0.7	0.6	0.5
Forestry & logging	1.2	1.3	1.4	1.4	1.4
Fishing & aquaculture	0.6	0.6	0.7	0.7	0.8
Mining and quarrying	0.8	0.9	1.1	0.8	0.8
Manufacturing	11.3	11.8	11.0	10.7	10.0
Manufacture of food, beverages and tobacco	4.1	4.5	4.3	4.3	3.9
Other manufacturing and repair and installation	7.2	7.3	6.7	6.5	6.2
Electricity supply	1.0	1.0	1.1	1.1	1.0
Water supply; sewerage, waste management	0.9	0.9	0.9	0.9	0.8
Construction	4.5	4.4	4.5	4.5	4.8
Wholesale and retail trade; repairs	7.7	8.1	7.8	8.1	8.2
Transport and storage	6.8	7.1	8.0	7.8	8.3
Land transport	4.2	4.7	5.6	5.7	6.3
Air transport including support services	0.5	0.4	0.4	0.4	0.3
All other transport including postal and courier activities	2.1	2.0	2.0	1.7	1.7
Accommodation and food service activities	1.6	1.3	1.3	1.2	0.9
Information and communication	2.2	1.6	1.6	1.5	1.2
Telecommunications	1.3	0.8	0.8	0.7	0.5
Publishing, broadcasting, other IT and information activities	0.9	0.9	0.8	0.8	0.7
Financial and insurance activities	5.6	5.7	5.9	6.6	6.7
Financial activities	4.9	4.9	4.8	5.1	4.7
Insurance activities	0.7	0.6	0.7	1.0	1.3
Real estate	8.3	8.1	8.0	7.9	7.8
Professional, scientific and technical activities	1.1	1.0	1.0	1.0	1.0
Administrative and support service activities	1.5	1.3	1.3	1.2	1.1
Public administration and defence	4.4	4.3	4.4	4.4	4.5
Education	5.5	5.3	5.4	5.3	5.2
Primary education	2.5	2.5	2.5	2.4	2.4
General sec education	1.8	1.8	1.9	1.8	1.8
Higher and other education	1.2	1.1	1.1	1.0	1.0
Human health and social work activities	2.1	1.8	1.7	1.6	1.7
Arts, entertainment and recreation	0.2	0.2	0.1	0.1	0.1
Other service activities	0.7	0.6	0.6	0.6	0.6
Activities of households as employers;	0.6	0.6	0.6	0.5	0.5
FISIM	-2.3	-2.4	-2.6	-2.6	-2.5
<b>All economic activities</b>	<b>89.2</b>	<b>89.9</b>	<b>89.9</b>	<b>89.9</b>	<b>90.3</b>
Taxes on products	10.8	10.1	10.1	10.1	9.7
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

2.30 Table 2.3 shows the contribution of the various industries to GDP valued at constant 2009 prices while Table 2.4 shows the corresponding growth rates. The net value of goods and services produced in 2014, valued at 2009 prices, was KSh 3,833.9 billion which was an increase from KSh 3,639.9 billion in 2013. The most significant growths were notable in mining and quarrying (14.2 per cent), information and communication (13.4 per cent), construction (13.1 per cent) and financial and insurance services (8.3 per cent). Except for accommodation and food services (hotels and restaurants) whose growth declined, all the other sectors recorded positive growths. Publishing, broadcasting and IT activities and air transport sub-sectors also recorded declines and therefore dampened growths in information and communication and transport and storage sectors, respectively.

## Chapter 2: Domestic Scene

**Table 2.3: Gross Domestic Product by Activity**

Industry	Constant 2009 Prices, KSh Million				
	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	736,270	753,596	775,798	816,509	844,720
Growing of crops	505,815	516,236	527,487	562,437	586,911
Animal production	159,037	159,685	163,251	164,944	165,251
Support activities to agriculture	18,795	21,612	25,028	26,004	27,070
Forestry & logging	35,080	36,696	39,669	41,567	43,302
Fishing & aquaculture	17,543	19,367	20,364	21,557	22,186
Mining and quarrying	23,884	28,429	33,838	30,814	35,197
Manufacturing	357,957	383,890	381,750	403,128	416,891
Manufacture of food, beverages and tobacco	120,383	129,482	136,828	151,260	157,328
Other manufacturing and repair and installation	237,574	254,407	244,922	251,868	259,563
Electricity supply	40,545	45,949	52,187	57,301	61,218
Water supply; sewerage, waste management	27,493	28,489	29,358	29,616	30,690
Construction	133,650	139,050	154,816	163,841	185,302
Wholesale and retail trade; repairs	219,214	237,502	254,222	275,756	294,794
Transport and storage	215,976	231,333	237,495	240,429	252,474
Land transport	146,198	153,264	157,198	164,337	174,117
Air transport including support services	17,590	19,974	20,460	21,570	21,058
All other transport including postal and courier activities	52,188	58,095	59,838	54,522	57,299
Accommodation and food service activities	51,238	53,333	54,972	52,441	43,395
Information and communication	86,492	105,606	108,186	121,447	137,779
Telecommunications	57,397	74,164	77,763	91,146	109,696
Publishing, broadcasting, other IT and information activities	29,095	31,443	30,423	30,302	28,083
Financial and insurance activities	176,961	185,163	196,220	212,153	229,851
Financial activities	155,534	159,160	167,142	180,646	196,730
Insurance activities	21,427	26,003	29,078	31,507	33,122
Real estate	258,953	272,055	283,061	294,747	311,148
Professional, scientific and technical activities	34,091	34,518	36,654	39,108	40,526
Administrative and support service activities	45,422	46,546	47,619	48,201	49,174
Public administration and defence	129,544	132,612	137,872	142,137	149,954
Education	196,170	210,928	234,345	249,055	267,842
Pre-primary and Primary education	92,320	97,732	109,807	111,568	112,474
General sec education	65,876	73,125	83,767	93,844	107,418
Higher and other education	37,974	40,071	40,771	43,644	47,950
Human health and social work activities	62,345	60,723	59,023	63,582	68,181
Arts, entertainment and recreation	4,853	5,025	4,892	5,039	5,200
Other service activities	21,618	21,853	22,732	24,403	25,990
Activities of households as employers;	17,643	17,908	18,177	18,449	18,726
FISIM	-68,827	-75,076	-82,648	-86,932	-96,644
<b>All economic activities</b>	<b>2,771,493</b>	<b>2,919,431</b>	<b>3,040,567</b>	<b>3,201,223</b>	<b>3,372,409</b>
Taxes on products	332,810	374,594	403,499	438,715	461,467
<b>GDP at market prices</b>	<b>3,104,303</b>	<b>3,294,026</b>	<b>3,444,066</b>	<b>3,639,938</b>	<b>3,833,876</b>

Table 2.4: Gross Domestic Product by Activity

Industry	Percentage Changes (growth)				
	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	10.1	2.4	2.9	5.2	3.5
Growing of crops	12.0	2.1	2.2	6.6	4.4
Animal production	6.0	0.4	2.2	1.0	0.2
Support activities to agriculture	11.0	15.0	15.8	3.9	4.1
Forestry & logging	2.5	4.6	8.1	4.8	4.2
Fishing & aquaculture	8.8	10.4	5.1	5.9	2.9
Mining and quarrying	31.7	19.0	19.0	-8.9	14.2
Manufacturing	4.5	7.2	-0.6	5.6	3.4
Manufacture of food, beverages and tobacco	6.6	7.6	5.7	10.5	4.0
Other manufacturing and repair and installation	3.5	7.1	-3.7	2.8	3.1
Electricity supply	3.5	13.3	13.6	9.8	6.8
Water supply; sewerage, waste management	10.5	3.6	3.1	0.9	3.6
Construction	19.1	4.0	11.3	5.8	13.1
Wholesale and retail trade; repairs	9.6	8.3	7.0	8.5	6.9
Transport and storage	5.0	7.1	2.7	1.2	5.0
Land transport	8.4	4.8	2.6	4.5	6.0
Air transport including support services	3.0	13.6	2.4	5.4	-2.4
All other transport including postal and courier activities	-3.0	11.3	3.0	-8.9	5.1
Accommodation and food services	-0.5	4.1	3.1	-4.6	-17.2
Information and communication	17.4	22.1	2.4	12.3	13.4
Telecommunications	20.8	29.2	4.9	17.2	20.4
Publishing, broadcasting, other IT and information activities	11.2	8.1	-3.2	-0.4	-7.3
Financial and insurance activities	17.7	4.6	6.0	8.1	8.3
Financial activities	22.7	2.3	5.0	8.1	8.9
Insurance activities	-9.2	21.4	11.8	8.4	5.1
Real estate	5.0	5.1	4.0	4.1	5.6
Professional, scientific and technical activities	3.0	1.3	6.2	6.7	3.6
Administrative and support service activities	2.9	2.5	2.3	1.2	2.0
Public administration and defence	1.4	2.4	4.0	3.1	5.5
Education	10.2	7.5	11.1	6.3	7.5
Primary education	7.8	5.9	12.4	1.6	0.8
General sec education	13.7	11.0	14.6	12.0	14.5
Higher and other education	10.5	5.5	1.7	7.0	9.9
Human health and social work activities	6.2	-2.6	-2.8	7.7	7.2
Arts, entertainment and recreation	12.2	3.6	-2.7	3.0	3.2
Other service activities	3.5	1.1	4.0	7.3	6.5
Activities of households as employers;	1.5	1.5	1.5	1.5	1.5
FISIM	15.9	9.1	10.1	5.2	11.2
<b>All industries at basic prices</b>	<b>8.3</b>	<b>5.3</b>	<b>4.1</b>	<b>5.3</b>	<b>5.3</b>
Taxes on products	9.2	12.6	7.7	8.7	5.2
<b>GDP at market prices</b>	<b>8.4</b>	<b>6.1</b>	<b>4.6</b>	<b>5.7</b>	<b>5.3</b>

2.31 Table 2.5 shows how various sectors of the economy contributed to GDP growth for the period 2010 to 2014. Agriculture, taxes less subsidies on products and construction were the main drivers of growth in 2014. Other sectors influential in driving the growth were wholesale and retail trade, education and financial and insurance services. As expected, the contraction in accommodation and food services and an increase in the amount of interest paid to the financial sector by the various economic activities were the main forces behind the slowdown in growth.

Table 2.5: Sources of Growth, 2010-2014

Industry	Percentage Changes (growth)				
	2010	2011	2012	2013	2014
Agriculture, forestry and fishing	28.0	9.1	14.8	20.8	14.5
Growing of crops	22.5	5.5	7.5	17.8	12.6
Animal production	3.7	0.3	2.4	0.9	0.2
Support activities to agriculture	0.8	1.5	2.3	0.5	0.5
Forestry & logging	0.4	0.9	2.0	1.0	0.9
Fishing & aquaculture	0.6	1.0	0.7	0.6	0.3
Mining and quarrying	2.4	2.4	3.6	-1.5	2.3
Manufacturing	6.4	13.7	-1.4	10.9	7.1
Manufacture of food, beverages and tobacco	3.1	4.8	4.9	7.4	3.1
Other manufacturing and repair and installation	3.3	8.9	-6.3	3.5	4.0
Electricity supply	0.6	2.8	4.2	2.6	2.0
Water supply; sewerage, waste management	1.1	0.5	0.6	0.1	0.6
Construction	8.9	2.8	10.5	4.6	11.1
Wholesale and retail trade; repairs	8.0	9.6	11.1	11.0	9.8
Transport and storage	4.2	8.1	4.1	1.5	6.2
Land transport	4.7	3.7	2.6	3.6	5.0
Air transport including support services	0.2	1.3	0.3	0.6	-0.3
All other transport including postal and courier activities	-0.7	3.1	1.2	-2.7	1.4
Hotels and restaurants	-0.1	1.1	1.1	-1.3	-4.7
Information and communication	5.3	10.1	1.7	6.8	8.4
Telecommunications	4.1	8.8	2.4	6.8	9.6
Publishing, broadcasting, other IT and information activities	1.2	1.2	-0.7	-0.1	-1.1
Financial and insurance activities	11.0	4.3	7.4	8.1	9.1
Financial activities	11.9	1.9	5.3	6.9	8.3
Insurance activities	-0.9	2.4	2.0	1.2	0.8
Real estate	5.2	6.9	7.3	6.0	8.5
Professional, scientific and technical activities	0.4	0.2	1.4	1.3	0.7
Administrative and support service activities	0.5	0.6	0.7	0.3	0.5
Public administration and defence	0.7	1.6	3.5	2.2	4.0
Education	7.6	7.8	15.6	7.5	9.7
Primary education	2.8	2.9	8.0	0.9	0.5
General sec education	3.3	3.8	7.1	5.1	7.0
Higher and other education	1.5	1.1	0.5	1.5	2.2
Human health and social work activities	1.5	-0.9	-1.1	2.3	2.4
Arts, entertainment and recreation	0.2	0.1	-0.1	0.1	0.1
Other service activities	0.3	0.1	0.6	0.9	0.8
Activities of households as employers;	0.1	0.1	0.2	0.1	0.1
FISIM	-3.9	-3.3	-5.0	-2.2	-5.0
<b>All industries at basic prices</b>	<b>88.4</b>	<b>78.0</b>	<b>80.7</b>	<b>82.0</b>	<b>88.3</b>
Taxes on products	11.6	22.0	19.3	18.0	11.7
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

2.32 Table 2.6 presents annual production accounts by industry. The total output from all industries at basic prices rose to KSh 8,783.1 billion in 2014 from KSh 7,892.2 billion in 2013. Taxes on products also increased from KSh 478.2 billion in 2013 to KSh 520.3 billion in 2014. Components of the production account, which comprises output, intermediate consumption and value added as well as compensation of employees and the operating surplus/mixed income went up in almost all the economic activities.



Table 2.6: Annual production accounts by industry, 2010-2014

Industry	KSh Million				
	2010	2011	2012	2013	2014
<b>Agriculture, forestry and fishing</b>					
Output at basic prices	960,303	1,186,945	1,335,184	1,499,249	1,735,176
Intermediate consumption	173,394	206,857	221,324	248,258	270,866
Value added, gross	786,909	980,088	1,113,860	1,250,991	1,464,310
Compensation of employees	84,356	105,339	117,307	131,435	153,704
Operating surplus/mixed income, gross	702,553	874,749	996,553	1,119,556	1,310,606
<b>Mining and quarrying</b>					
Output at basic prices	44,732	57,027	76,628	66,000	74,222
Intermediate consumption	18,703	24,514	30,001	27,229	31,679
Value added, gross	26,029	32,513	46,627	38,771	42,543
Compensation of employees	5,758	6,203	6,921	8,768	13,890
Operating surplus/mixed income, gross	20,271	26,310	39,707	30,003	28,654
<b>Manufacturing</b>					
Output at basic prices	1,258,527	1,580,775	1,619,622	1,737,699	1,821,833
Intermediate consumption	901,809	1,142,961	1,150,120	1,230,175	1,284,510
Value added, gross	356,718	437,814	469,502	507,524	537,323
Compensation of employees	91,864	97,819	105,714	127,186	141,471
Operating surplus/mixed income, gross	264,854	339,995	363,788	380,338	395,852
<b>Electricity, gas and water supply</b>					
Output at basic prices	120,651	139,417	161,099	170,647	175,049
Intermediate consumption	58,166	69,918	75,129	76,259	77,968
Value added, gross	62,485	69,499	85,970	94,388	97,081
Compensation of employees	20,601	22,976	21,015	27,722	30,418
Operating surplus/mixed income, gross	41,884	46,523	64,955	66,666	66,663
<b>Construction</b>					
Output at basic prices	373,436	436,724	513,386	581,537	687,537
Intermediate consumption	230,770	272,103	322,540	368,657	427,630
Value added, gross	142,666	164,621	190,847	212,880	259,907
Compensation of employees	59,895	67,741	83,044	98,618	126,019
Operating surplus/mixed income, gross	82,771	96,880	107,803	114,262	133,888
<b>Wholesale and retail trade</b>					
Output at basic prices	449,264	545,274	606,843	687,035	776,530
Intermediate consumption	206,258	244,505	272,413	305,604	339,438
Value added, gross	243,006	300,769	334,430	381,430	437,092
Compensation of employees	98,923	110,924	118,992	144,029	159,330
Operating surplus/mixed income, gross	144,083	189,845	215,438	237,401	277,762
<b>Transport and storage</b>					
Output at basic prices	524,503	641,570	706,235	768,315	873,326
Intermediate consumption	307,496	375,575	366,711	397,213	428,994
Value added, gross	217,008	265,995	339,524	371,102	444,332
Compensation of employees	79,439	89,504	98,792	111,559	128,956
Operating surplus/mixed income, gross	137,569	176,491	240,732	259,543	315,376
<b>Accommodation and food services</b>					
Output at basic prices	109,678	120,914	132,560	132,153	112,883
Intermediate consumption	59,769	70,618	75,400	74,087	63,057
Value added, gross	49,909	50,296	57,160	58,065	49,826
Compensation of employees	23,949	24,818	25,533	29,678	30,078
Operating surplus/mixed income, gross	25,960	25,478	31,628	28,387	19,748
<b>Information and communication</b>					
Output at basic prices	169,268	186,040	203,693	232,653	262,275
Intermediate consumption	100,884	124,659	135,255	164,055	196,220
Gross value added at basic prices	68,384	61,381	68,437	68,598	66,056
Compensation of employees	37,115	38,762	41,423	49,840	54,537
Gross operating surplus/mixed income	31,269	22,619	27,015	18,758	11,518

Table 2.6: Annual production accounts by industry, 2010-2014 (Cont'd)

	KSh Million				
Industry	2010	2011	2012	2013	2014
<b>Financial and insurance activities</b>					
Output at basic prices	245,914	286,719	337,400	413,707	483,684
Intermediate consumption	68,577	74,043	85,778	100,576	124,414
Gross value added at basic prices	177,337	212,675	251,621	313,131	359,270
Compensation of employees	67,593	73,719	82,057	93,209	101,968
Gross operating surplus/mixed income	109,743	138,956	169,565	219,922	257,302
<b>Real estate</b>					
Output at basic prices	295,899	338,584	384,519	420,365	467,885
Intermediate consumption	33,245	38,177	41,511	44,759	47,512
Gross value added at basic prices	262,654	300,406	343,007	375,607	420,373
Compensation of employees	21,975	25,340	29,325	32,644	36,436
Gross operating surplus/mixed income	240,679	275,066	313,682	342,963	383,937
<b>Public administration and defence</b>					
Output at basic prices	242,602	276,973	316,060	363,813	415,076
Intermediate consumption	103,860	118,346	130,396	154,656	175,214
Gross value added at basic prices	138,743	158,627	185,665	209,157	239,862
Compensation of employees	114,567	127,188	145,462	164,577	185,955
Gross operating surplus/mixed income	24,176	31,438	40,203	44,580	53,907
<b>Education</b>					
Output at basic prices	285,008	328,936	387,479	430,083	482,578
Intermediate consumption	110,527	129,811	158,329	178,127	203,389
Gross value added at basic prices	174,481	199,125	229,150	251,957	279,190
Compensation of employees	158,186	183,038	211,552	234,520	265,758
Gross operating surplus/mixed income	16,295	16,087	17,598	17,436	13,432
<b>Health and social work</b>					
Output at basic prices	108,063	119,604	136,982	154,477	161,327
Intermediate consumption	42,023	51,774	66,533	79,327	70,978
Gross value added at basic prices	66,040	67,830	70,449	75,151	90,349
Compensation of employees	61,375	62,306	63,270	84,875	99,423
Gross operating surplus/mixed income	4,665	5,524	7,179	-9,724	-9,074
<b>Other service activities</b>					
Output at basic prices	177,591	193,002	215,530	234,464	253,965
Intermediate consumption	50,634	55,968	61,114	66,466	70,978
Gross value added at basic prices	126,956	137,034	154,416	167,998	182,986
Compensation of employees	80,989	86,829	98,005	114,095	125,272
Gross operating surplus/mixed income	45,967	50,205	56,411	53,903	57,714
<b>Less: Financial services indirectly measured</b>					
Intermediate consumption	71,891	90,687	111,574	124,136	132,796
Gross value added at basic prices	-71,891	-90,687	-111,574	-124,136	-132,796
<b>All industries at basic prices</b>					
Output at basic prices	5,365,442	6,438,513	7,133,225	7,892,196	8,783,064
Intermediate consumption	2,538,006	3,090,517	3,304,129	3,639,549	3,945,726
Gross value added at basic prices	2,827,436	3,347,996	3,829,096	4,252,647	4,837,338
Other taxes on production	128,052	124,121	128,291	137,804	152,668
<b>Less: Subsidies</b>					
Compensation of employees	1,006,585	1,122,507	1,248,410	1,452,755	1,653,215
Gross operating surplus/mixed income	1,820,850	2,225,489	2,580,686	2,799,892	3,184,123
<b>Total economy</b>					
Output at basic prices	5,365,442	6,438,513	7,133,225	7,892,196	8,783,064
Taxes on products	341,865	377,922	432,055	478,154	520,333
Intermediate consumption	2,538,006	3,090,517	3,304,129	3,639,549	3,945,726
<b>GDP at market prices</b>	<b>3,169,301</b>	<b>3,725,918</b>	<b>4,261,151</b>	<b>4,730,801</b>	<b>5,357,672</b>

2.33 Tables 2.7 and 2.8 present the components of expenditure on GDP at current prices and their shares, respectively. Share of Gross Fixed Capital Formation (GFCF) to GDP improved marginally while all the other components ceded their shares by a small margin each. The increase in the share of GFCF was on account of vibrant growth in the real estate sector, the on-going mega infrastructure projects and increased investments in air transport equipments by the national carrier during the review period. Private final consumption expenditure remained the largest expenditure component of the Gross Domestic Expenditure and accounted for 79.9 per cent of GDP in 2014. Government final consumption expenditure increased from KSh 670.9 billion in 2013 to KSh 750.4 billion in 2014, representing a nominal growth of 11.8 per cent. Share of exports of goods and services to GDP declined further to 16.4 per cent in 2014 from 17.9 per cent in 2013. On the contrary, the share of imports increased from 33.4 per cent to 33.9 per cent over the same period.

**Table 2.7: Expenditure on the Gross Domestic Product**

Expenditure category	Current prices - KShs million				
	2010	2011	2012	2013	2014
Government final consumption expenditure	448,876	520,941	590,538	670,936	750,401
Private final consumption expenditure	2,415,455	2,903,107	3,320,379	3,783,080	4,279,727
Final consumption expenditure by NPISH	29,838	33,046	37,390	43,549	43,430
Gross fixed capital formation	644,059	759,090	904,201	974,218	1,212,053
Changes in inventories	13,092	48,437	12,542	-22,920	-66,951
<b>Gross domestic expenditure</b>	<b>3,551,321</b>	<b>4,264,622</b>	<b>4,865,049</b>	<b>5,448,863</b>	<b>6,218,661</b>
Exports of goods and services	654,689	805,766	844,425	846,384	878,643
Imports of goods and services	1,063,942	1,446,502	1,508,672	1,579,412	1,815,034
Discrepancy <sup>1</sup>	27,232	102,032	60,349	14,966	75,401
<b>Gross domestic product at market prices</b>	<b>3,169,301</b>	<b>3,725,918</b>	<b>4,261,151</b>	<b>4,730,801</b>	<b>5,357,672</b>

<sup>1</sup> Difference between GDP production approach and GDP expenditure approach

**Table 2.8: Expenditure on the Gross Domestic Product**

Expenditure category	Per cent contributions to GDP				
	2010	2011	2012	2013	2014
Government final consumption expenditure	14.2	14.0	13.9	14.2	14.0
Private final consumption expenditure	76.2	77.9	77.9	80.0	79.9
Final consumption expenditure by NPISH	0.9	0.9	0.9	0.9	0.8
Gross fixed capital formation	20.3	20.4	21.2	20.6	22.6
Changes in inventories	0.4	1.3	0.3	-0.5	-1.2
<b>Gross domestic expenditure</b>	<b>112.1</b>	<b>114.5</b>	<b>114.2</b>	<b>115.2</b>	<b>116.1</b>
Exports of goods and services	20.7	21.6	19.8	17.9	16.4
Imports of goods and services	33.6	38.8	35.4	33.4	33.9
Discrepancy	0.9	2.7	1.4	0.3	1.4
<b>Gross domestic product at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

2.34 Table 2.9 shows the demand side GDP by expenditure category at 2009 prices while Table 2.10 shows the growth of each category for the period 2010 to 2014. Except for the changes in inventories (stocks) whose growths are normally erratic, gross fixed capital formation recorded the fastest growth of 11.2 per cent in 2014. Imports of goods and services also expanded rapidly by 9.7 per cent compared to a near stagnation in 2013. On the other hand, exports of goods and services grew by 2.3 per cent resulting to a widening of trade deficit.

## Chapter 2: Domestic Scene

**Table 2.9: Expenditure on the Gross Domestic Product, 2010-2014**

Expenditure category	Constant 2009 prices - Ksh million				
	2010	2011	2012	2013	2014
Government final consumption expenditure	451,436	469,684	502,440	527,667	542,008
Private final consumption expenditure	2,316,503	2,463,528	2,607,575	2,820,192	2,975,619
Final consumption expenditure by NPISH	30,621	31,011	32,025	33,150	33,502
Gross fixed capital formation	603,336	631,492	713,270	724,697	805,843
Changes in inventories	10,696	24,789	7,850	-9,095	-34,749
<b>Gross domestic expenditure</b>	<b>3,412,592</b>	<b>3,620,504</b>	<b>3,863,159</b>	<b>4,096,611</b>	<b>4,322,224</b>
Exports of goods and services	623,836	681,716	679,046	675,279	690,893
Imports of goods and services	954,537	1,082,239	1,137,099	1,140,453	1,251,618
Discrepancy <sup>1</sup>	22,412	74,044	38,959	8,501	72,377
<b>Gross domestic product at market prices</b>	<b>3,104,303</b>	<b>3,294,026</b>	<b>3,444,066</b>	<b>3,639,938</b>	<b>3,833,876</b>

<sup>1</sup> Difference between GDP production approach and GDP expenditure approach

**Table 2.10: Expenditure on the Gross Domestic Product**

Expenditure category	Percentage Changes (growth)				
	2010	2011	2012	2013	2014
Government final consumption expenditure	3.6	4.0	7.0	5.0	2.7
Private final consumption expenditure	7.6	6.3	5.8	8.2	5.5
Final consumption expenditure by NPISH	1.4	1.3	3.3	3.5	1.1
Gross fixed capital formation	13.9	4.7	12.9	1.6	11.2
Changes in inventories	-54.9	131.8	-68.3	-215.9	282.1
<b>Gross domestic expenditure</b>	<b>7.6</b>	<b>6.1</b>	<b>6.7</b>	<b>6.0</b>	<b>5.5</b>
Exports of goods and services	8.7	9.3	-0.4	-0.6	2.3
Imports of goods and services	8.1	13.4	5.1	0.3	9.7
Discrepancy <sup>1</sup>					
<b>Gross domestic product at market prices</b>	<b>8.4</b>	<b>6.1</b>	<b>4.6</b>	<b>5.7</b>	<b>5.3</b>

<sup>1</sup> Discrepancy expressed as a percentage of GDP

2.35 Table 2.11a shows the value of additions to fixed assets by type for the period 2010 to 2014. The share of each type of asset for the same period is shown in Table 2.11b. In total, the country is estimated to have increased its value of fixed assets by KSh 1,212.0 billion in 2014, without considering depreciation of the existing assets, which was significantly higher than the 2013 level of KSh 974.2 billion. Additions to transport equipments ranked highest with a share of 24.7 per cent, primarily due to increased investment in aircrafts by the national carrier during the period. Other machinery and equipments also had its share of GFCF grow to 20.6 per cent in 2014 from 19.5 per cent in 2013.

**Table 2.11a: Gross Fixed Capital Formation**

Type of Asset	Current prices - Ksh million				
	2010	2011	2012	2013	2014
Dwellings	127,682	147,057	172,272	197,336	231,539
Buildings other than dwellings	121,869	146,342	171,988	198,426	217,023
Other structures	69,000	88,974	105,687	110,574	126,440
Transport equipment	124,040	141,482	182,236	182,236	299,460
ICT equipment	58,231	56,209	64,014	63,247	57,896
Other machinery and equipment	121,677	150,515	172,641	190,000	249,141
Animal resources yielding repeat products	4,278	5,082	5,253	6,505	4,663
Tree, crop and plant resources yielding repeat products	5,315	5,841	6,414	6,838	6,329
Intellectual property products	11,966	17,587	23,695	19,056	19,562
<b>Total</b>	<b>644,059</b>	<b>759,090</b>	<b>904,200</b>	<b>974,218</b>	<b>1,212,053</b>

Table 2.11b: Gross Fixed Capital Formation

Type of Asset	Per cent contributions to GDP				
	2010	2011	2012	2013	2014
Dwellings	19.8	19.4	19.1	20.3	19.1
Buildings other than dwellings	18.9	19.3	19.0	20.4	17.9
Other structures	10.7	11.7	11.7	11.4	10.4
Transport equipment	19.3	18.6	20.2	18.7	24.7
ICT equipment	9.0	7.4	7.1	6.5	4.8
Other machinery and equipment	18.9	19.8	19.1	19.5	20.6
Animal resources yielding repeat products	0.7	0.7	0.6	0.7	0.4
Tree crop and plant resources yielding repeat products	0.8	0.8	0.7	0.7	0.5
Intellectual property products	1.9	2.3	2.6	2.0	1.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

2.36 Details of real Gross Fixed Capital Formation by type of asset and their growth rates for the period 2010 to 2014 are shown in Tables 2.12a and 2.12b, respectively. After slowing down to a growth of 1.6 per cent in 2013, investment in the various types of fixed assets recorded a combined growth of 11.2 per cent in 2014, primarily due to an increase of 60.5 per cent in transport equipments and a 10.4 per cent growth in dwellings. However, addition to fixed assets in ICT equipment, other machinery and equipment, animal resources and permanent crops declined significantly during the year.

Table 2.12a: Gross Fixed Capital Formation

Type of Asset	Constant 2009 prices - Ksh million				
	2010	2011	2012	2013	2014
Dwellings	119,555	123,787	142,216	156,969	173,225
Buildings other than dwellings	114,475	124,557	142,791	158,881	163,709
Other structures	64,813	75,729	87,745	88,538	95,379
Transport equipment	122,619	134,784	136,693	140,838	225,976
ICT equipment	51,881	46,935	50,760	47,791	36,357
Other machinery and equipment	109,771	101,048	124,948	106,167	87,315
Animal resources yielding repeat products	3,770	3,993	3,627	4,258	2,839
Tree crop and plant resources yielding repeat products	5,191	5,341	5,472	5,612	4,976
Intellectual property products	11,262	15,318	19,019	15,643	16,065
<b>Total</b>	<b>603,336</b>	<b>631,492</b>	<b>713,270</b>	<b>724,697</b>	<b>805,843</b>

Table 2.12b: Gross Fixed Capital Formation

Type of Asset	Percentage Changes (growth)				
	2010	2011	2012	2013	2014
Dwellings	17.9	3.5	14.9	10.4	10.4
Buildings other than dwellings	18.2	8.8	14.6	11.3	3.0
Other structures	5.3	16.8	15.9	0.9	7.7
Transport equipment	13.0	9.9	1.4	3.0	60.5
ICT equipment	21.7	-9.5	8.1	-5.8	-23.9
Other machinery and equipment	7.2	-7.9	23.7	-15.0	-17.8
Animal resources yielding repeat products	22.6	5.9	-9.2	17.4	-33.3
Tree crop and plant resources yielding repeat products	2.6	2.9	2.4	2.6	-11.3
Intellectual property products	32.4	36.0	24.2	-17.8	2.7
<b>Total</b>	<b>13.9</b>	<b>4.7</b>	<b>12.9</b>	<b>1.6</b>	<b>11.2</b>

2.37 Tables 2.13 and 2.14 show the derivations of distribution of national income and national savings. The net current transfers recorded a nominal increase of 22.9 per cent in 2014 compared to 13.7 per cent in 2013 due to a faster growth in receivables against a smaller increase in payables to the rest of the world. The increase in transfers receivable was mainly attributed to the increase in Diaspora remittances. Table 2.14 also shows how the country has increasingly been relying on borrowing to finance the investments (capital formation).

## Chapter 2: Domestic Scene

**Table 2.13: Gross Domestic Product and Gross National Income, 2010-2014**

	Current prices - KShs million				
	2010	2011	2012	2013	2014
<b>CURRENT PRICES, KShs million</b>					
Compensation of employees	1,006,585	1,122,507	1,248,410	1,452,755	1,653,215
Consumption of fixed capital	364,688	422,395	489,507	576,514	750,255
Net operating surplus	1,456,169	1,803,594	2,088,495	2,229,823	4,087,083
Taxes on products	341,865	377,922	432,055	478,154	520,333
<b>Gross domestic product at market prices</b>	<b>3,169,301</b>	<b>3,725,918</b>	<b>4,261,151</b>	<b>4,730,801</b>	<b>5,357,672</b>
Primary incomes					
Receivable from the rest of the world	11,428	25,710	17,163	17,605	24,265
Payable to rest of the world	-23,125	-25,091	-29,619	-44,160	-52,843
<b>Gross national income at market prices</b>	<b>3,157,604</b>	<b>3,726,538</b>	<b>4,248,694</b>	<b>4,704,246</b>	<b>5,329,093</b>
Current transfers					
Receivable from the rest of the world	187,816	279,617	240,850	274,152	349,953
Payable to rest of the world	-3,423	-4,121	-3,352	-4,020	-17,853
<b>Gross national disposable income</b>	<b>3,341,997</b>	<b>4,002,035</b>	<b>4,486,193</b>	<b>4,974,378</b>	<b>5,661,194</b>
<b>Per capita, KShs</b>					
Gross domestic product at market prices	82,376	94,219	104,821	113,210	124,710
Gross national income at market prices	82,072	94,235	104,514	112,575	124,044
<b>Constant prices</b>					
GDP at market prices, KShs million	3,104,303	3,294,026	3,444,066	3,639,938	3,833,876
Per capita	80,689	83,298	84,721	87,105	89,240
- Annual percentage change	6.3	3.2	1.7	2.8	2.5

**Table 2.14: National Disposable Income and Saving, 2010-2014**

	Current prices - KShs million				
	2010	2011	2012	2013	2014
<b>Gross national disposable income</b>	<b>3,341,997</b>	<b>4,002,035</b>	<b>4,486,193</b>	<b>4,974,378</b>	<b>5,661,194</b>
Consumption of fixed capital	364,688	422,395	489,507	576,514	750,255
<b>Net national disposable income</b>	<b>2,977,308</b>	<b>3,579,639</b>	<b>3,996,686</b>	<b>4,397,864</b>	<b>4,910,939</b>
Final consumption expenditure	2,894,170	3,457,095	3,948,307	4,497,565	5,073,559
Private	2,415,455	2,903,107	3,320,379	3,783,080	4,279,727
Non-Profit Institutions Serving Households	29,838	33,046	37,390	43,549	43,430
General government	448,876	520,941	590,538	670,936	750,401
<b>Saving, net</b>	<b>83,138</b>	<b>122,545</b>	<b>48,379</b>	<b>-99,701</b>	<b>-162,620</b>
<b>Financing of capital formation</b>					
Saving, net	83,138	122,545	48,379	-99,701	-162,620
Capital transfers from abroad, net	19,030	20,861	19,890	8,417	2,104
<b>Total</b>	<b>102,168</b>	<b>143,405</b>	<b>68,269</b>	<b>-91,284</b>	<b>-160,516</b>
Gross fixed capital formation	644,059	759,090	904,200	974,218	1,212,053
Consumption of fixed capital	-364,688	-422,395	-489,507	-576,514	-750,255
Changes in inventories	13,092	48,437	12,542	-22,920	-66,951
Net lending (+) / Net borrowing(-)	-190,295	-241,727	-358,966	-466,068	-555,363
<b>Total</b>	<b>102,168</b>	<b>143,405</b>	<b>68,269</b>	<b>-91,284</b>	<b>-160,516</b>

Table 2.15 Gross Domestic Product by Activity

Current prices – Kshs million											
Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication	Financial & insurance
2010		786,909	26,029	356,718	62,485	142,669	243,006	49,909	217,008	68,384	177,337
2011		980,088	32,513	437,814	69,499	164,631	300,769	50,296	265,995	61,381	212,675
2012		1,113,860	46,625	469,502	85,970	190,851	334,430	57,161	339,524	68,437	251,621
2013		1,250,991	38,802	507,524	94,388	212,878	381,430	58,068	371,102	68,598	313,131
2014		1,464,310	42,351	537,323	97,081	259,624	437,092	49,934	444,332	66,056	359,270
2010	1	234,215	5,196	91,713	20,424	29,485	50,607	16,405	51,058	16,156	40,513
	2	213,293	6,380	83,792	16,447	35,570	55,612	9,817	51,952	15,599	45,125
	3	170,449	7,211	86,782	13,057	37,719	66,400	11,594	54,700	19,170	48,116
	4	168,952	7,242	94,432	12,556	39,895	70,388	12,092	59,297	17,459	43,583
2011	1	278,102	7,912	100,443	13,723	34,830	69,071	17,304	56,940	13,825	47,420
	2	273,637	8,171	102,647	16,476	40,572	70,232	10,241	58,378	14,624	46,978
	3	208,751	8,617	114,409	17,594	42,047	79,855	11,912	71,433	15,797	57,892
	4	219,597	7,812	120,315	21,706	47,182	81,610	10,839	79,245	17,135	60,385
2012	1	338,532	10,518	105,824	19,322	44,330	73,286	20,218	79,658	15,507	60,254
	2	304,868	11,284	106,639	21,482	45,298	82,329	11,383	81,381	14,657	61,698
	3	232,135	12,298	118,649	21,884	48,520	94,878	12,714	87,943	15,492	55,126
	4	238,326	12,525	138,390	23,282	52,703	83,937	12,845	90,542	22,781	74,544
2013	1	363,067	10,730	163,158	23,495	50,250	84,474	16,659	81,209	17,857	68,024
	2	329,048	8,284	142,252	24,345	51,962	94,912	12,566	89,153	15,301	79,862
	3	285,887	10,921	123,226	23,029	55,978	107,233	15,617	94,073	14,976	79,951
	4	272,989	8,867	78,889	23,519	54,688	94,812	13,227	106,667	20,464	85,294
2014	1	406,818	12,294	191,107	20,803	58,612	101,660	15,806	91,455	16,527	83,708
	2	357,287	9,231	134,238	24,992	65,893	106,459	11,561	107,913	14,735	89,501
	3	333,984	9,731	108,599	28,438	65,791	119,397	13,637	120,749	15,663	83,651
	4	366,220	11,096	103,378	22,848	69,329	109,576	8,930	124,216	19,131	102,410

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

Current 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
2010		138,743	81,159	262,654	174,481	66,040	45,797	-71,891	2,827,436	341,865	3,169,301	
2011		158,627	87,450	300,406	199,125	67,830	49,584	-90,687	3,347,996	377,922	3,725,918	
2012		185,665	97,986	343,007	229,150	70,449	56,430	-111,574	3,829,096	432,055	4,261,151	
2013		209,157	105,695	375,607	251,957	75,151	62,304	-124,136	4,252,647	478,154	4,730,801	
2014		239,862	112,755	420,373	279,190	90,349	70,231	-132,796	4,837,338	520,333	5,357,672	
2010	1	33,146	19,872	63,198	43,572	15,404	10,814	-16,525	725,252	78,807	804,059	813,122
	2	32,742	19,116	64,659	43,021	15,705	11,096	-18,621	701,303	79,559	780,862	837,670
	3	33,569	20,901	66,691	43,680	16,101	11,890	-20,209	687,822	87,386	775,208	875,046
	4	39,286	21,270	68,106	44,207	18,831	11,997	-16,537	713,058	96,113	809,171	938,145
2011	1	37,972	20,806	71,209	49,642	16,985	12,138	-19,602	828,720	91,189	919,910	979,389
	2	38,160	20,251	74,202	49,237	16,947	12,021	-19,551	833,226	90,530	923,757	991,317
	3	39,172	22,646	76,151	50,697	17,035	12,699	-24,616	822,092	96,095	918,187	1,040,335
	4	43,323	23,747	78,844	49,548	16,863	12,725	-26,918	863,958	100,107	964,065	1,085,239
2012	1	41,840	23,426	83,271	56,327	17,962	13,594	-26,906	976,965	97,486	1,074,451	1,150,238
	2	44,705	22,755	84,769	56,237	17,775	13,625	-27,638	953,247	104,840	1,058,087	1,162,308
	3	43,890	25,424	87,013	59,078	17,501	14,457	-23,949	923,053	116,529	1,039,582	1,172,095
	4	55,230	26,382	87,955	57,508	17,210	14,753	-33,081	975,831	113,200	1,089,031	1,220,007
2013	1	51,615	25,417	90,647	62,812	17,236	14,864	-28,268	1,113,245	110,026	1,223,271	1,266,566
	2	54,926	24,711	92,248	62,318	18,639	15,139	-31,881	1,083,784	118,632	1,202,416	1,333,803
	3	51,573	27,299	94,863	62,846	18,737	15,791	-31,206	1,050,793	128,939	1,179,732	1,366,684
	4	51,042	28,267	97,850	63,980	20,539	16,510	-32,781	1,004,824	120,557	1,125,382	1,323,711
2014	1	52,079	27,249	101,875	69,607	20,063	17,063	-30,737	1,255,989	124,237	1,380,226	1,426,839
	2	67,977	26,388	105,493	69,329	22,987	17,070	-32,914	1,198,139	129,197	1,327,337	1,492,005
	3	57,096	28,939	107,346	68,085	23,005	17,199	-30,657	1,170,653	141,480	1,312,133	1,459,127
	4	62,710	30,179	105,659	72,168	24,294	18,900	-38,487	1,212,557	125,419	1,337,976	1,435,648

## Chapter 2: Domestic Scene

**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 & restaurant	Transport and storage	Information and communication	Financial & insurance
2010		736,270	23,884	357,957	68,038	133,650	219,214	51,238	215,976	86,492	176,961
2011		753,596	28,429	383,890	74,438	139,050	237,502	53,333	231,333	105,606	185,163
2012		775,798	33,838	381,750	81,545	154,816	254,222	54,972	237,495	108,186	196,220
2013		816,509	30,814	403,128	86,917	163,841	275,756	52,441	240,429	121,447	212,153
2014		844,720	35,197	416,891	91,908	185,302	294,794	43,395	252,474	137,779	229,851
2010	1	221,843	5,413	88,131	16,807	28,671	48,967	17,515	49,708	19,362	41,354
	2	200,420	5,849	82,195	16,787	33,898	51,446	10,780	51,575	20,694	43,701
	3	154,103	6,415	90,687	17,016	35,064	58,567	11,898	54,887	24,333	45,583
	4	159,905	6,207	96,944	17,428	36,017	60,234	11,046	59,807	22,103	46,322
2011	1	228,171	6,956	94,811	17,914	30,414	56,646	18,745	54,611	22,371	46,536
	2	206,823	7,050	93,297	18,805	34,533	55,742	11,055	53,362	24,748	45,524
	3	159,896	7,364	94,794	18,304	35,135	61,925	12,347	60,799	27,302	46,648
	4	158,705	7,059	100,989	19,416	38,968	63,188	11,186	62,560	31,186	46,455
2012	1	236,265	7,978	94,355	19,982	36,422	54,913	20,292	58,605	25,615	46,664
	2	211,151	8,520	91,260	20,026	36,958	62,197	10,824	57,768	23,393	47,893
	3	163,125	8,714	94,522	20,276	39,245	72,574	11,957	59,571	23,823	50,016
	4	165,257	8,626	101,613	21,260	42,191	64,538	11,899	61,551	35,355	51,647
2013	1	251,073	8,899	103,148	21,094	39,760	63,524	16,102	53,381	29,353	51,599
	2	225,044	6,415	96,774	22,098	40,482	69,195	10,758	58,287	26,133	52,602
	3	173,597	8,262	100,613	21,682	42,774	76,742	13,553	61,171	26,839	53,526
	4	166,796	7,237	102,593	22,043	40,825	66,294	12,027	67,589	39,122	54,427
2014	1	256,501	9,837	110,191	21,919	42,864	69,710	13,800	55,366	33,092	55,659
	2	229,755	8,144	104,692	23,108	47,222	72,769	8,695	61,608	28,237	56,739
	3	185,366	8,384	102,171	23,234	46,521	80,808	10,789	65,943	31,147	57,406
	4	173,098	8,831	99,837	23,647	48,694	71,507	10,111	69,556	45,303	60,046

**Table 2.16: Gross Domestic Product by Activity (Cont'd)**

Constant 2009 Prices – KSh 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
2010		129,544	79,513	258,953	196,170	62,345	44,114	-68,827	2,771,493	332,810	3,104,303	
2011		132,612	81,064	272,055	210,928	60,723	44,786	-75,076	2,919,431	374,594	3,294,026	
2012		137,872	84,274	283,061	234,345	59,023	45,800	-82,648	3,040,567	403,499	3,444,066	
2013		142,137	87,308	294,747	249,055	63,582	47,891	-86,932	3,201,223	438,715	3,639,938	
2014		149,954	89,700	311,148	267,842	68,181	49,916	-96,643	3,372,409	461,467	3,833,876	
2010	1	32,450	19,560	63,532	48,671	14,930	10,890	-16,356	711,447	75,034	786,481	739,896
	2	32,093	18,768	64,321	48,880	14,953	10,822	-17,235	689,947	77,471	767,418	761,606
	3	32,229	20,473	65,133	49,311	15,156	11,236	-18,115	673,976	87,183	761,159	790,837
	4	32,772	20,712	65,967	49,308	17,306	11,166	-17,121	696,123	93,122	789,245	809,998
2011	1	32,834	19,844	66,834	51,596	15,354	11,111	-18,342	756,406	89,454	845,861	818,659
	2	33,337	18,973	67,651	51,766	15,314	10,959	-18,114	730,825	88,000	818,825	817,703
	3	33,406	20,842	68,423	53,412	15,246	11,382	-19,216	708,008	97,565	805,573	824,059
	4	33,034	21,406	69,147	54,155	14,809	11,335	-19,404	724,192	99,575	823,766	835,458
2012	1	34,745	20,476	69,820	56,725	15,124	11,295	-19,347	789,929	95,440	885,368	846,296
	2	34,295	19,647	70,469	57,367	14,805	11,195	-20,071	757,697	96,652	854,348	852,565
	3	34,249	21,725	71,090	60,162	14,698	11,595	-21,371	735,972	105,843	841,814	864,530
	4	34,582	22,426	71,682	60,091	14,396	11,716	-21,859	756,971	105,565	862,535	877,763
2013	1	36,687	21,253	72,241	61,866	14,915	11,642	-21,258	835,280	103,480	938,759	905,394
	2	36,390	20,503	73,036	61,701	16,257	11,732	-21,342	806,065	108,297	914,363	926,474
	3	34,998	22,512	74,081	62,506	15,961	12,064	-21,893	778,990	119,858	898,848	902,101
	4	34,061	23,040	75,389	62,982	16,448	12,453	-22,439	780,888	107,081	887,968	906,255
2014	1	34,745	21,933	76,973	66,193	15,681	12,280	-23,021	873,723	110,182	983,906	943,516
	2	42,272	21,023	78,172	66,829	17,481	12,251	-23,721	855,276	114,581	969,857	981,633
	3	35,151	22,944	78,975	67,253	17,199	12,558	-24,319	821,533	125,474	947,007	950,252
	4	37,786	23,800	77,029	67,567	17,819	12,827	-25,583	821,877	111,230	933,107	961,981



Table 2.17: Gross Domestic Product by Activity

Constant 2009 Prices – KSh Million											
Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication	Financial & insurance
2010		10.1	31.7	4.5	6.3	19.1	9.6	-0.5	5.0	17.4	17.7
2011		2.4	19.0	7.2	9.4	4.0	8.3	4.1	7.1	22.1	4.6
2012		2.9	19.0	-0.6	9.5	11.3	7.0	3.1	2.7	2.4	6.0
2013		5.2	-8.9	5.6	6.6	5.8	8.5	-4.6	1.2	12.3	8.1
2014		3.5	14.2	3.4	5.7	13.1	6.9	-17.2	5.0	13.4	8.3
2010	1	9.4	29.0	2.5	8.5	15.3	6.8	1.6	4.7	10.1	13.3
	2	10.8	37.4	-2.3	3.1	20.6	7.8	-0.9	1.3	26.2	18.8
	3	7.7	34.0	6.3	7.4	21.3	9.2	-8.2	7.9	11.3	20.0
	4	12.5	26.8	11.2	6.1	18.7	14.1	5.9	5.9	23.9	18.5
2011	1	2.9	28.5	7.6	6.6	6.1	15.7	7.0	9.9	15.5	12.5
	2	3.2	20.5	13.5	12.0	1.9	8.3	2.6	3.5	19.6	4.2
	3	3.8	14.8	4.5	7.6	0.2	5.7	3.8	10.8	12.2	2.3
	4	-0.8	13.7	4.2	11.4	8.2	4.9	1.3	4.6	41.1	0.3
2012	1	3.5	14.7	-0.5	11.5	19.8	-3.1	8.3	7.3	14.5	0.3
	2	2.1	20.8	-2.2	6.5	7.0	11.6	-2.1	8.3	-5.5	5.2
	3	2.0	18.3	-0.3	10.8	11.7	17.2	-3.2	-2.0	-12.7	7.2
	4	4.1	22.2	0.6	9.5	8.3	2.1	6.4	-1.6	13.4	11.2
2013	1	6.3	11.6	9.3	5.6	9.2	15.7	-20.6	-8.9	14.6	10.6
	2	6.6	-24.7	6.0	10.3	9.5	11.3	-0.6	0.9	11.7	9.8
	3	6.4	-5.2	6.4	6.9	9.0	5.7	13.4	2.7	12.7	7.0
	4	0.9	-16.1	1.0	3.7	-3.2	2.7	1.1	9.8	10.7	5.4
2014	1	2.2	10.5	6.8	3.9	7.8	9.7	-14.3	3.7	12.7	7.9
	2	2.1	26.9	8.2	4.6	16.7	5.2	-19.2	5.7	8.1	7.9
	3	6.8	1.5	1.5	7.2	8.8	5.3	-20.4	7.8	16.1	7.2
	4	3.8	22.0	-2.7	7.3	19.3	7.9	-15.9	2.9	15.8	10.3

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
2010		1.4	2.9	5.0	10.2	6.2	3.6	15.9	8.3	9.2	8.4	
2011		2.4	2.0	5.1	7.5	-2.6	1.5	9.1	5.3	12.6	6.1	
2012		4.0	4.0	4.0	11.1	-2.8	2.3	10.1	4.1	7.7	4.6	
2013		3.1	3.6	4.1	6.3	7.7	4.6	5.2	5.3	8.7	5.7	
2014		5.5	2.7	5.6	7.5	7.2	4.2	11.2	5.3	5.2	5.3	
2010	1	-0.1	5.6	5.0	10.0	4.4	2.6	13.5	7.1	1.7	6.6	5.3
	2	-0.8	3.5	5.0	11.3	8.4	3.6	17.1	7.5	8.0	7.6	7.0
	3	1.1	2.3	5.0	9.9	5.6	4.5	21.7	8.0	7.7	7.9	9.5
	4	5.3	0.7	5.1	9.7	6.6	3.6	11.5	10.7	18.7	11.6	11.5
2011	1	1.2	1.4	5.2	6.0	2.8	2.0	12.1	6.3	19.2	7.6	10.6
	2	3.9	1.1	5.2	5.9	2.4	1.3	5.1	5.9	13.6	6.7	7.4
	3	3.7	1.8	5.1	8.3	0.6	1.3	6.1	5.0	11.9	5.8	4.2
	4	0.8	3.4	4.8	9.8	-14.4	1.5	13.3	4.0	6.9	4.4	3.1
2012	1	5.8	3.2	4.5	9.9	-1.5	1.7	5.5	4.4	6.7	4.7	3.4
	2	2.9	3.6	4.2	10.8	-3.3	2.2	10.8	3.7	9.8	4.3	4.3
	3	2.5	4.2	3.9	12.6	-3.6	1.9	11.2	3.9	8.5	4.5	4.9
	4	4.7	4.8	3.7	11.0	-2.8	3.4	12.7	4.5	6.0	4.7	5.1
2013	1	5.6	3.8	3.5	9.1	-1.4	3.1	9.9	5.7	8.4	6.0	7.0
	2	6.1	4.4	3.6	7.6	9.8	4.8	6.3	6.4	12.0	7.0	8.7
	3	2.2	3.6	4.2	3.9	8.6	4.0	2.4	5.8	13.2	6.8	4.3
	4	-1.5	2.7	5.2	4.8	14.3	6.3	2.7	3.2	1.4	2.9	3.2
2014	1	-5.3	3.2	6.5	7.0	5.1	5.5	8.3	4.6	6.5	4.8	4.2
	2	16.2	2.5	7.0	8.3	7.5	4.4	11.1	6.1	5.8	6.1	6.0
	3	0.4	1.9	6.6	7.6	7.8	4.1	11.1	5.5	4.7	5.4	5.3
	4	10.9	3.3	2.2	7.3	8.3	3.0	14.0	5.2	3.9	5.1	6.1

## Chapter 3

### Social Scene

**Overview** National Government expenditure on social services is expected to increase in the 2014/15 Financial Year mainly owing to the growing demand for social services. This expenditure will mainly focus on hiring of employees, capacity building and infrastructure development due to implementation of the Laptop project in primary schools, expansion of public universities, revamping of Technical and Vocational Educational Training (TVET) institutions and increase in the number of beneficiaries of the social protection funds. In the 2014/15 financial year, total expenditure in the social sector by the National Government is expected to increase by 37.7 per cent to KSh 454.5 billion from KSh 330.0 billion in 2013/14. The recurrent expenditure is expected to grow by 24.5 per cent from KSh 285.2 billion in 2013/14 to KSh 355.0 billion in 2014/15. Recurrent expenditure by the Ministry of Education, Science and Technology is expected to grow by 25.5 per cent to KSh 297.6 billion from KSh 237.2 billion in 2013/14. National Government total development expenditure on social services is expected to more than double from KSh 44.8 billion in 2013/14 to KSh 99.5 billion in 2014/15.

3.2. The total number of education institutions increased by 3.2 per cent from 77,197 in 2013 to 79,641 in 2014 mainly due to the continued investment in infrastructure development. In the year under review, the number of pre-primary schools, primary schools and secondary schools increased by 0.2, 5.1 and 11.7 per cent, respectively. The number of Teacher Training Colleges increased to 267 while the number of Technical and Vocational Educational Training (TVET) institutions rose marginally to 755 during the review period. Total enrolment in pre-primary schools grew by 5.4 per cent to 3.0 million while total enrolment in primary schools rose by 1.0 per cent from 9.9 million in 2013 to 10.0 million in 2014, with over 80.0 per cent of students being enrolled in public schools. Total enrolment in secondary schools increased by 9.5 per cent. Similarly, the total number of teachers in public primary and secondary schools increased by 0.5 per cent and 20.2 per cent, respectively in 2014. The total number of teacher trainees in both P1 and Diploma colleges grew by 7.4 per cent to 39,853 in 2014 while enrolment in TVET institutions increased from 148,009 in 2013 to 148,142 in 2014. University enrolment rose by 22.8 per cent from 361,379 in 2013 to 443,783 in 2014.

3.3. In the health sub sector, the total number of registered births increased by 9.6 per cent from 870,559 in 2013 to 954,254 in 2014 with a coverage rate of 63.4 per cent the total registration of deaths rose by 2.2 per cent to 198,611 in 2014. There were notable disparities in registration of births and deaths at county level. During the review period, malaria and pneumonia continued to be ranked highest as major causes of death with each accounting for 11.6 per cent and 10.9 per cent of all reported deaths respectively. Cancer and HIV/AIDS continued to be ranked third and fourth at 14,175 and 12,235 death cases respectively, in 2014.

3.4. The overall membership of National Hospital Insurance Fund (NHIF) increased by 10.5 per cent from 3.8 million in 2012/13 to 4.2 million in 2013/14. The formal sector contributed 66.3 per cent of the total membership at 2,952,362 in 2013/14 while the informal sector registered an impressive increase of 34.3 per cent compared with an increase of 10.2 per cent in the formal sector. The total receipts of the Fund rose by 13.1 per cent to KSh 13.6 billion

in 2013/14 while benefits accrued to members increased by 14.1 per cent. The number of middle level college students registered to undertake various courses at the Kenya Medical Training College (KMTC) and other public institutions declined marginally from 8,118 in 2013 to 8,079 in 2014. This was mainly due to the phasing out of Post Graduate Diploma and Graduate Certificate courses in Medical Education. Overall, morbidity increased by 10.8 per cent to 47.0 million in 2014. Malaria and respiratory diseases continued to be the leading causes of illness accounting for 58.8 per cent of all reported incidences of disease.

3.5. The number of employers and employees registered with the National Social Security Fund (NSSF) increased marginally by 0.2 per cent and 0.8 per cent, respectively. The annual contributions stagnated at KSh 6.5 billion, while the annual benefits increased to KSh 2.9 billion in 2014. The number of adult learners grew by 2.8 per cent from 292,273 in 2013 to 300,462 in 2014. In the same period, the number of registered women groups increased by 1.8 per cent to 150,857 while the total membership rose by 1.7 per cent from 5.9 million in 2013 to 6.0 million in 2014. Allocation to the Women Enterprise Fund grew by 1.2 per cent from KSh 167 million in 2013 to KSh 169 million in 2014 while the allocated funds for social protection for the elderly rose by 59.4 per cent from KSh 3.2 billion in 2013/14 to KSh 5.1 billion in 2014/15. The direct cash disbursement to the elderly increased substantially from KSh 2.9 billion in 2013/14 to KSh 4.9 billion in 2014/15 while the direct cash disbursement to Orphans and Vulnerable Children (OVC) increased by 27.5 per cent to KSh 5.8 billion in 2014/15.

### Social Sector Expenditure

3.6. Table 3.1 presents National Government expenditure on social sector services for the period 2010/11 to 2014/15. Total expenditure in the social sector is expected to increase by 37.7 per cent from KSh 330.0 billion in 2013/14 to KSh 454.5 billion in 2014/15. The recurrent expenditure is expected to grow by 24.4 per cent from KSh 285.4 billion in 2013/14 to KSh 355.0 billion in 2014/15. Recurrent expenditure in the Ministry of Health is expected to increase substantially from KSh 19.8 billion in 2013/14 to KSh 30.1 billion in 2014/15, an increase of 52.0 per cent. The recurrent expenditure by the Ministry of Labour, Social Security and Services is expected to increase by 12.8 per cent to KSh 8.8 billion in 2014/15, mainly due to continued increase in allocation to the social protection programme. In 2014/15, the gross recurrent expenditure for the Ministry of Education, Science and Technology is expected to grow by 25.5 per cent to KSh 297.6 billion from KSh 237.2 billion in 2013/14. This can be attributed to hiring of new teachers, capacity building of teachers in Information Communication Technology (ICT), increased enrolment at the universities and middle level colleges, and promotion of teachers.

3.7. The social sector total development expenditure by the National Government is expected to increase from KSh 44.8 billion in 2013/14 to KSh 99.5 billion in 2014/15. Development expenditure by the Ministry of Education, Science and Technology is expected to almost triple to stand at KSh 41.5 billion in 2014/15 mainly due to the school infra-structure development. Development expenditure by the Ministry of Labour, Social Security and Services is expected to more than double from KSh 4.4 billion in 2013/14 to KSh 12.0 billion in 2014/15. Development expenditure for youth development is expected to increase by 18.3 per cent to KSh 12.4 billion in 2014/15, mainly as a result of increase in allocation to the youth empowerment services. In addition, development expenditure by the Ministry of Sports, Culture and Arts is expected to increase from KSh 901.3 million in 2013/14 to KSh 1,378.0 million in 2014/15.



Table 3.2: Expenditure for the Ministry of Education, Science and Technology 2010/11 - 2014/15

	KSh Million				
	2010/11	2011/12	2012/13	2013/14	2014/15 <sup>†</sup>
<b>RECURRENT EXPENDITURE-</b>					
Ministry of Education, Science and Technology					
General Administration and Planning.....	118,657.64	112,982.41	147,122.08	161,000.89	179,627.30
Pre-Primary Education .....	393.38	376.07	1,676.21	130.00	13.05
Primary Education .....	9,188.74	9,705.76	9,393.31	10,533.76	14,257.12
Secondary Education .....	149.80	17,142.23	21,261.42	22,165.73	28,083.24
Special Education .....	193.90	435.33	651.84	842.94	421.70
Teacher Education .....	4,641.21	6,842.60	541.30	509.80	488.65
Adult Education .....	647.37	996.13	1,123.83	899.36	979.84
Technical Education.....	1,898.84	2,552.05	1,234.43	1,234.74	1,358.73
National Commission for Science and Technology and Innovation .....	478.88	608.68	701.00	1,433.47	591.80
University education .....	18,022.66	29,197.80	42,389.23	32,884.54	58,618.31
Higher Education support services.....	3,961.80	3,958.77	5,027.38	3,658.65	10,167.95
Youth Polytechnics and Training.....	1,052.52	1,031.47	1,419.40	1,021.27	1,555.43
Quality assurance and standards.....	220.60	251.18	306.58	80.82	304.94
Policy and planning.....	179.40	247.98	254.86	818.85	1,102.64
<b>Sub Total.....</b>	<b>159,686.74</b>	<b>186,328.45</b>	<b>233,102.87</b>	<b>237,214.84</b>	<b>297,570.71</b>
<b>DEVELOPMENT EXPENDITURE-</b>					
Ministry of Education, Science and Technology					
General Administration and Planning.....	7,009.58	5,685.49	3,731.80	1,230.74	7,116.37
Pre-Primary Education .....	52.08	17.85	52.28	-	119.00
Primary Education .....	3,965.88	1,122.57	329.96	6,061.89	18,005.00
Secondary Education .....	2,876.80	2,055.90	3,814.51	637.15	700.00
Special Education .....	-	7.00	9.00	-	-
Teacher Education .....	958.00	1,431.06	1,144.46	98.55	503.35
Adult Education .....	20.00	268.00	27.00	-	32.40
Technical Education.....	1,123.61	4,586.24	6,398.55	1,302.35	6,424.38
National Commission for Science and Technology and Innovation .....	0.50	-	262.00	140.40	114.00
University education .....	2,574.21	5,183.31	7,998.72	2,944.68	7,779.91
Youth Polytechnics and Training .....	608.04	425.63	802.21	766.38	-
Quality assurance and standards.....	106.20	77.70	186.00	457.06	409.59
Policy and planning.....	18.39	270.88	2,263.00	358.55	304.54
<b>Sub Total.....</b>	<b>19,313.30</b>	<b>21,131.64</b>	<b>27,019.50</b>	<b>13,997.76</b>	<b>41,508.53</b>
<b>GROSS TOTAL EXPENDITURE.....</b>	<b>179,000.03</b>	<b>207,460.09</b>	<b>260,122.37</b>	<b>251,212.59</b>	<b>339,079.24</b>

Source: The National Treasury

<sup>†</sup> Revised Estimates

### Number of Educational Institutions

3.10. In 2014, the Ministry of Education Science and Technology conducted a census of schools. This was to determine enrolment and access rates in the basic education and other developments such as infrastructure. The 2014 census led to revision of enrolment data from 2010 to 2013 using the base data for enrolments in 2009 Kenya Population and Housing census. The number of educational institutions from 2010 to 2014 is shown in Table 3.3. The total number of educational institutions increased by 3.2 per cent from 77,197 in 2013 to 79,641 in 2014. The number of pre-primary schools increased from 40,145 in 2013 to 40,219 in 2014, representing a marginal increase of 0.2 per cent. The number of primary schools grew by 5.1 per cent from 28,026 in 2013 to 29,460 in 2014. However, this increase was lower than the 5.6 per cent registered in 2013. Higher growth was registered



in 2014. The total number of ECD teachers rose from 101,062 in 2013 to 104,784 in 2014, an increase of 3.7 per cent. The number of trained ECD teachers increased by 5.2 per cent from 83,814 in 2013 to 88,154 in 2014 mainly due to an increase in the number of female trained teachers which grew by 6.0 per cent. In 2014, the Pupil Teacher Ratio in ECD was 29:1 compared to 28:1 in 2013. Gross Enrolment Rate (GER) is defined as total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population corresponding to the same level of education in a given school year. The purpose is to show the general level of participation in a given level of education. Net Enrolment Rate (NER) is defined as enrolment of the official age group for a given level of education expressed as a percentage of the corresponding population. Figure 3.1 shows that the Gross Enrolment Rate (GER) increased from 71.6 per cent in 2013 to 73.6 per cent in 2014 while the Net Enrolment Rate (NER) rose from 66.9 per cent in 2013 to 70.4 per cent in 2014. The increase in enrolment at pre-primary education can partly be attributed to investment in pre-primary education by both National and County Governments.

**Table 3.4: Pupil Enrolment and Teacher Numbers in ECD Centres, 2010 – 2014**

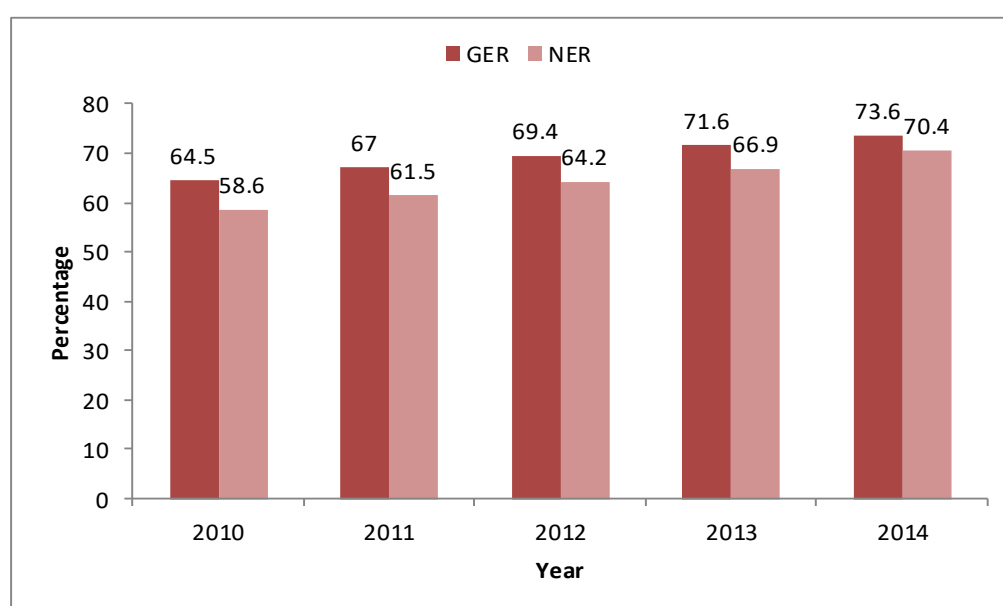
	Number				
	2010 <sup>+</sup>	2011 <sup>+</sup>	2012 <sup>+</sup>	2013 <sup>+</sup>	2014 <sup>*</sup>
<b>Enrolment</b>					
Boys .....	1,216,087	1,281,161	1,346,235	1,411,309	1,476,383
Girls .....	1,185,708	1,275,151	1,364,595	1,454,039	1,543,482
<b>TOTAL.....</b>	<b>2,401,795</b>	<b>2,556,312</b>	<b>2,710,830</b>	<b>2,865,348</b>	<b>3,019,865</b>
<b>Number of Trained Teachers</b>					
Male .....	10,553	10,658	13,450	13,854	13,968
Female .....	62,459	64,957	67,076	69,960	74,186
<b>Sub Total.....</b>	<b>73,012</b>	<b>75,615</b>	<b>80,526</b>	<b>83,814</b>	<b>88,154</b>
<b>Number of Untrained Teachers</b>					
Male .....	5,356	5,372	4,342	3,430	3,307
Female .....	16,062	16,158	15,021	13,818	13,323
<b>Sub Total.....</b>	<b>21,418</b>	<b>21,530</b>	<b>19,363</b>	<b>17,248</b>	<b>16,630</b>
<b>TOTAL.....</b>	<b>94,430</b>	<b>97,146</b>	<b>99,889</b>	<b>101,062</b>	<b>104,784</b>

Source: Ministry of Education, Science and Technology

\* Provisional

+ Revised

**Figure 3.1: Pre-primary Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2010-2014**



**3.12. Primary Education:** Table 3.5 shows public and private primary school enrolment by class and sex for the period 2010 to 2014. The total enrolment rose marginally from

## Chapter 3: Social Scene

9.9 million in 2013 to 10.0 million in 2014, with 8.6 million of those enrolled being in public schools. Enrolment in Standard one increased from 1,369.6 thousand in 2013 to 1,372.3 thousand in 2014. Enrolment of girls in standard one rose by 0.6 per cent compared to that of boys which declined by 0.2 per cent. The retention rate from class 1 to 5 for girls was 96.7 per cent compared to that of boys at 89.9 per cent. During the review period, enrolment at Standard 7 was 1,205.6 thousand pupils compared to 898.7 thousand pupils in Standard 8, implying that fewer pupils progressed to Standard 8.

**Table 3.5: Primary School Enrolment by Class and Sex, 2010 – 2014**

Class	2010 <sup>+</sup>		2011 <sup>+</sup>		2012 <sup>+</sup>		2013 <sup>+</sup>		2014 <sup>*</sup>	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Standard 1 .....	715.6	655.1	713.9	656.8	712.2	658.1	710.5	659.1	708.9	663.4
Standard 2 .....	681.0	649.8	679.4	651.8	677.8	654.9	676.2	639.8	674.6	640.9
Standard 3 .....	679.4	640.6	677.6	646.5	676.0	648.6	676.1	652.0	673.9	632.9
Standard 4 .....	630.6	590.1	676.0	637.4	674.2	643.3	672.6	645.3	675.4	651.3
Standard 5 .....	589.3	572.6	603.0	579.3	646.5	625.7	644.8	631.5	643.3	633.5
Standard 6 .....	536.7	519.5	575.5	560.9	589.0	567.5	631.4	613.0	629.7	618.6
Standard 7 .....	503.9	513.4	510.2	512.9	547.2	553.9	560.0	560.3	600.3	605.3
Standard 8 .....	453.3	422.0	451.6	428.1	449.8	433.0	448.1	436.8	446.3	452.4
<b>TOTAL .....</b>	<b>4,789.8</b>	<b>4,563.1</b>	<b>4,887.3</b>	<b>4,673.7</b>	<b>4,972.7</b>	<b>4,784.9</b>	<b>5,019.7</b>	<b>4,837.9</b>	<b>5,052.4</b>	<b>4,898.4</b>
<b>GRAND TOTAL...</b>	<b>9,352.8</b>		<b>9,561.1</b>		<b>9,757.6</b>		<b>9,857.6</b>		<b>9,950.7</b>	

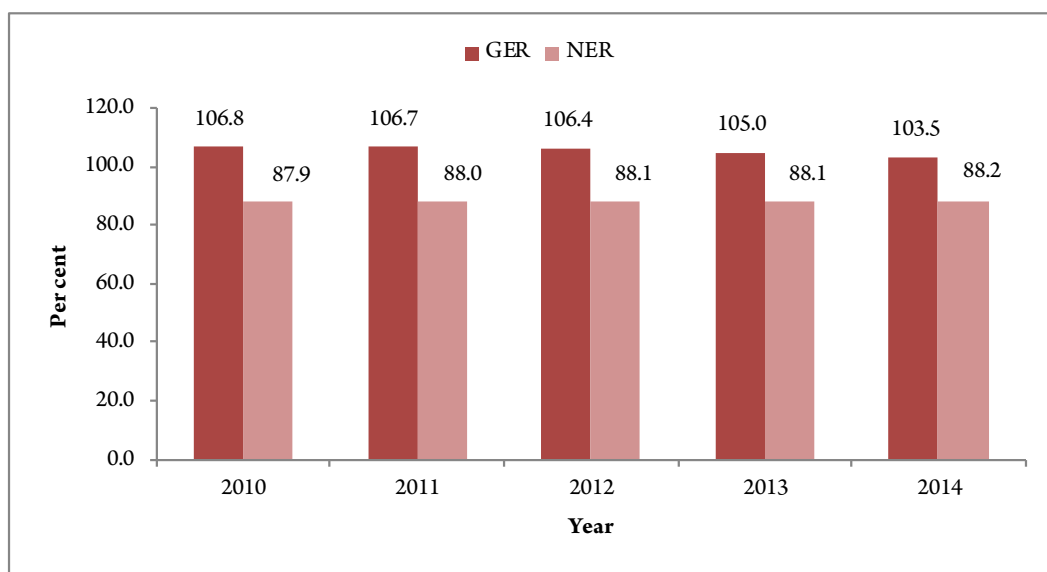
Source : Ministry of Education, Science and Technology

\* Provisional

+ Revised enrolment from 2010 to 2013

3.13. Figure 3.2 shows the primary school GER and NER for the years 2010 to 2013 and results for 2014. The GER declined marginally from 106.0 per cent in 2013 to 103.5 per cent in 2014 while the NER marginally increased to 88.2 per cent in 2014. The high GER may be attributed to enrolment of over-age and under-age pupils in primary schools. The NER remained relatively stable during the review period, suggesting that majority of primary school going age population are attending school.

**Figure 3.2. Primary School Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2010-2014**



Note: The series for 2010, 2011, 2012 and 2013 has been revised.



3.14. Kenya Certificate of Primary Education (KCPE): Table 3.6 presents number of candidates and mean subject percentage score in KCPE by sex from 2010 to 2014. The number of candidates rose by 4.9 per cent from 839,759 in 2013 to 880,486 in 2014. The number of female candidates grew by 5.8 per cent from 413,390 in 2013 to 437,228 in 2014 while that of male candidates increased by 4.0 per cent. The national mean score increased from 54.13 in 2013 to 54.30 in 2014. During the year under review, Kiswahili Insha, Science and Social Studies registered increases in the mean scores while the rest of the subjects registered decreases with English Language registering the highest decline of 5.42 percentage points. The mean score for Science increased from 61.82 in 2013 to 66.00 in 2014 while that of Social Studies improved by 0.51 percentage points from 54.75 in 2013 to 55.26 in 2014.

**Table 3.6: Number of Candidates by Sex and Mean Subject Score in KCPE, 2010-2014**

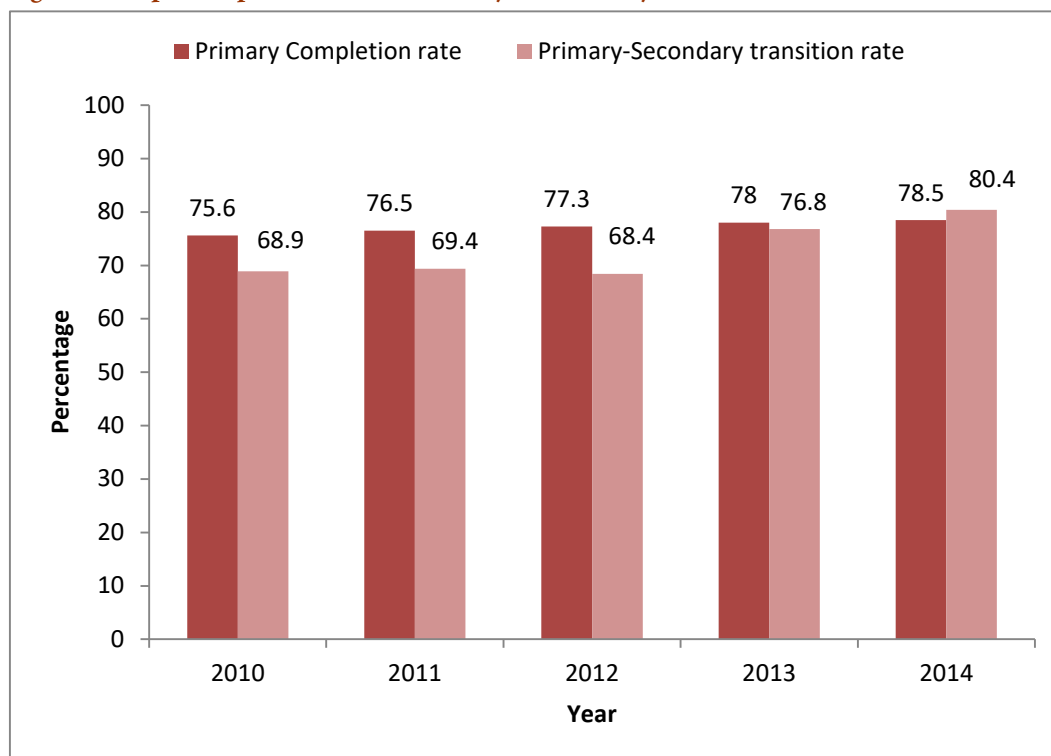
	Number				
	2010	2011	2012	2013	2014*
<b>Number of candidates</b>					
Male .....	388,221	400,814	415,620	426,369	443,258
Female .....	357,859	375,400	396,310	413,390	437,228
<b>Total .....</b>	<b>746,080</b>	<b>776,214</b>	<b>811,930</b>	<b>839,759</b>	<b>880,486</b>
<b>Subject</b>	<b>Mean score (%)</b>				
English Language .....	49.12	47.10	48.16	53.06	47.64
English Composition .....	42.7	42.45	42.43	41.90	41.47
Kiswahili Lugha .....	52.76	41.46	46.38	45.78	45.04
Kiswahili Insha .....	50.3	54.68	54.98	52.43	58.00
Mathematics .....	53.8	52.18	56.30	52.86	52.04
Science .....	60.86	67.48	62.76	61.82	66.00
Social Studies .....	64.93	56.32	60.87	54.75	55.26
Religious Education .....	60.07	62.45	75.75	70.43	68.97
<b>National Mean Score .....</b>	<b>54.32</b>	<b>53.02</b>	<b>55.95</b>	<b>54.13</b>	<b>54.30</b>

Source: Kenya National Examinations Council

\* Provisional

3.15. Transition Rate (TR) is the number of pupils (or students) admitted to the first grade of a higher level of education in a given year, expressed as a percentage of the number of pupils (or students) enrolled in the final grade of the lower level of education in the previous year. It conveys information on the degree of access or transition from one cycle or level of education to a higher one. Figure 3.3 shows the Pupil Completion Rate (PCR) and Primary to Secondary Transition Rate from 2010 to 2014. The PCR increased from 78.0 per cent in 2013 to 78.5 per cent in 2014 while the Primary to Secondary transition rate rose to 80.4 per cent in 2014 from 76.8 per cent in 2013. The improvement of Primary to Secondary transition rate can partly be attributed to implementation of Free Day Secondary Education (FSDE) and expansion of education facilities.

Figure 3.3 Pupil Completion Rate and Primary to Secondary Transition Rate



**3.16. Primary Teachers:** The number of public primary school teachers by qualification and sex from 2010 to 2014 is as shown in Table 3.7. The total number of teachers in public primary schools increased from 199,686 in 2013 to 200,697 in 2014. The slight increase can partly be attributed to replacement of teachers who exited from the service due to natural attrition. The number of SI/diploma teachers grew by 6.0 per cent from 34,048 in 2013 to 36,086 in 2014. The increase was mainly due to the upgrading of teachers who had completed diploma courses and those that were employed directly. The number of P1 teachers declined from 96,206 in 2013 to 95,435 in 2014. The public primary school Pupil Teacher Ratio worsened from 41:1 in 2013 to 43:1 in 2014.

Table 3.7: Number of Public Primary School Teachers by Qualification and Sex<sup>1</sup>, 2010 - 2014

QUALIFICATION	2010			2011			2012			2013			2014*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Graduate ... ..	895	778	1,673	3,210	3,052	6,262	3,484	3,381	6,865	9,448	9,825	19,273	9,353	10,001
Approved... ..	22,388	21,401	43,789	29,801	20,982	50,783	32,347	23,246	55,593	29,964	20,195	50,159	29,010	20,722	49,732
SI/Diploma... ..	7,109	7,407	14,516	6,439	7,744	14,183	6,989	8,580	15,569	14,528	19,520	34,048	15,236	20,850	36,086
Dip/Technical ... ..	-	-	-	-	-	-	-	-	-	-	-	-	17	26	43
P1... ..	48,862	42,734	91,596	47,965	48,014	95,979	52,063	53,193	105,256	48,287	47,919	96,206	48,118	47,317	95,435
Cert./Technical	-	-	-	-	-	-	-	-	-	-	-	-	30	17	47
P2... ..	3,847	4,007	7,854	3,209	3,851	7,060	3,484	4,267	7,751	-	-	-	-	-	-
Contract Teachers... ..	7,085	6,875	13,960	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL... ..</b>	<b>90,186</b>	<b>83,202</b>	<b>173,388</b>	<b>90,624</b>	<b>83,643</b>	<b>174,267</b>	<b>98,367</b>	<b>92,667</b>	<b>191,034</b>	<b>102,227</b>	<b>97,459</b>	<b>199,686</b>	<b>101,764</b>	<b>98,933</b>	<b>200,697</b>

Source: Teachers Service Commission

\* Provisional

<sup>1</sup>Data is exclusively for public schools and does not include teachers on study leave, disciplinary cases and those performing non-teaching duties.

3.17. **Secondary Education:** Table 3.8 presents enrolment in secondary schools by class and sex from 2010 to 2014. The total enrolment in both public and private secondary schools rose by 9.5 per cent from 2.1 million in 2013 to 2.3 million in 2014. Total enrolment of girls increased by 10.0 per cent from 1.0 million in 2013 to 1.1 million in 2014 while that of boys grew by 6.6 per cent. The survival rate at secondary school level from Form 1 to 4 declined from 90.0 per cent in 2013 to 88.4 per cent in 2014. Survival Rate by grade (SR) is the Percentage of a cohort of pupils (or students) enrolled in the first grade of a given level or cycle of education in a given school year who are expected to reach successive grades. The purpose is to measure the retention capacity and internal efficiency of an education system. The retention rate for girls was lower at 87.5 per cent compared to that of boys at 89.3 per cent for the same cohort.

**Table 3.8: Enrolment in Secondary Schools by Class and Sex, 2010 – 2014**

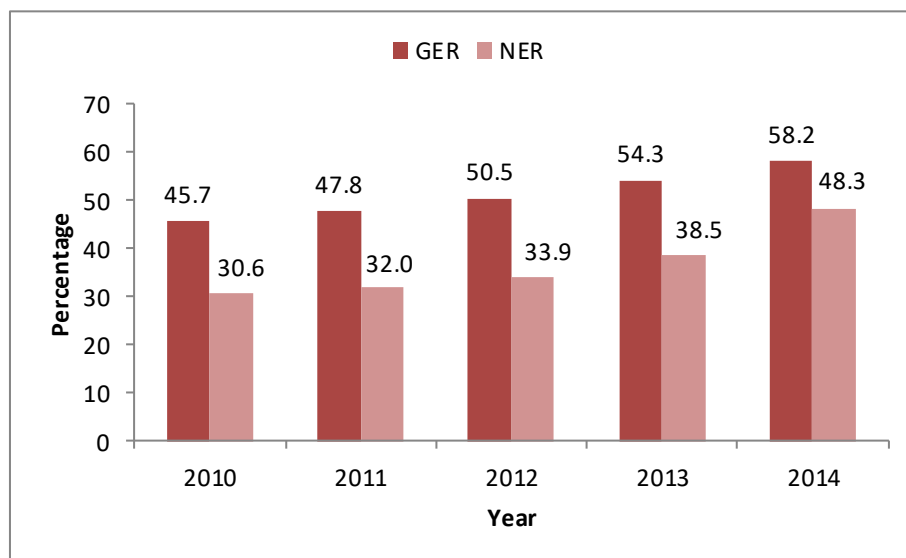
Class	2010		2011		2012		2013		2014*	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Form 1 .....	266,707	232,226	276,965	244,636	282,555	249,573	327,775	289,753	339,134	328,017
Form 2 .....	232,145	211,799	240,552	219,469	274,195	239,743	288,238	253,739	324,143	304,455
Form 3 .....	216,786	181,823	224,637	188,408	239,149	218,278	267,221	228,869	291,440	261,088
Form 4 .....	169,899	141,999	206,552	166,501	223,132	188,198	244,463	204,204	247,537	214,060
TOTAL.....	885,537	767,847	948,706	819,014	1,019,031	895,792	1,127,697	976,565	1,202,254	1,107,620
<b>GRAND TOTAL.....</b>	<b>1,653,384</b>		<b>1,767,720</b>		<b>1,914,823</b>		<b>2,104,262</b>		<b>2,309,874</b>	

Source : Ministry of Education, Science and Technology

\* Provisional.

3.18. Figure 3.4 presents trend in secondary school GER and NER from 2010 to 2014. The GER increased from 54.3 per cent in 2013 to 58.2 per cent in 2014. Significant improvement was also registered in the NER that increased from 38.5 per cent in 2013 to 48.3 per cent in 2014. The upward trend in NER can partly be attributed to the implementation of Free Day Secondary Education (FDSE) and infrastructure development in schools.

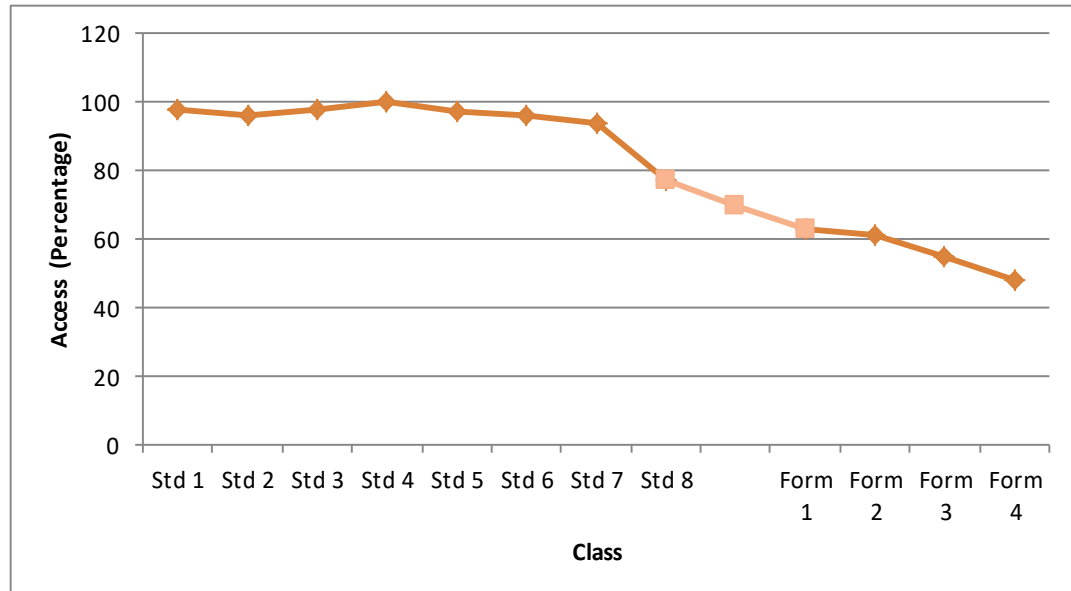
**Figure 3.4: Secondary School Gross Enrolment Rate (GER) and Net Enrolment Rate (NER), 2010-2014**



3.19. Schooling profiles provides comprehensive information on evolution of enrolments compared to the cycle averages given by Gross Enrolment Rates. A schooling profile enables visualization of access and completion rates in a given cycle through which the retention rate in a cycle can be envisioned. It helps in understanding how pupils/students are moving within the cycle. Computation of schooling profile uses Non repeaters in a given class (First

time pupils/students in that class)/Theoretical age meant for that grade. As shown in Figure 3.5, the 2014 Schooling Profile indicates that access to Std 1 and retention to Std 6 is close to universal while there is a sudden drop in transition between Std 7 and Std 8. Similarly, transition to Form 1 shows an important decline in the education system. The drop continues and is great between Form 2 and Form 4. The primary school enrolment declined throughout the cohort with an increase registered in Std 4. The high enrolment in Std 1 and sharp drop in Std 8 suggests that Std 1 and Std 7 act as holding classes in primary level.

**Figure 3.5. 2014 Schooling Profile**



**3.20. Kenya Certificate of Secondary Education (KCSE):** Table 3.9 shows the number of candidates by mean grade attained in KCSE from 2010 to 2014. The number of KCSE candidates grew by 8.2 per cent from 445,520 in 2013 to 482,133 in 2014. The number of female candidates rose by 10.2 per cent from 202,539 in 2013 to 223,237 in 2014 while the number of male candidates grew by 6.5 per cent in the same period. The number of candidates who scored a minimum university entry score of C+ and above increased by 21.4 per cent from 123,374 in 2013 to 149,717 in 2014 with the number of female candidates increasing by 25.1 per cent compared to that of male candidates at 19.0 per cent. The number of candidates who scored A minus and above increased by 18.8 per cent from 12,490 in 2013 to 14,841 in 2014 with majority being male candidates. Over the same period, the number of candidates who scored "A" plain increased by 12.9 per cent from 2,722 in 2013 to 3,073 in 2014 with the number of male candidates increasing by 15.0 per cent compared to an increase of 8.4 per cent for female candidates. The number of candidates who scored grade "D" plain and below declined by 10.0 per cent from 141,009 in 2013 to 126,853 in 2014.

**Table 3.9: National Trends in KCSE Candidates Mean Grade by Sex, 2010-2014**

KCSE Grade	Number									
	2010		2011		2012		2013		2014*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A	934	632	1,315	615	1,277	698	1,855	867	2,133	940
A-	4,425	2,140	6,322	2,741	5,947	3,288	6,276	3,492	7,644	4,124
B+	8,620	4,117	11,150	5,240	11,753	5,977	10,776	6,237	12,606	7,208
B	11,616	6,557	14,793	8,151	15,962	9,221	15,315	9,341	17,941	11,378
B-	15,103	9,624	18,344	11,771	18,936	12,174	18,216	12,648	21,997	16,318
C+	19,502	13,864	22,474	16,742	22,180	16,291	21,836	16,515	25,978	21,450
C	24,329	19,440	27,631	22,334	27,134	21,771	26,492	22,079	30,699	27,989
C-	28,178	24,232	31,955	26,890	31,582	27,166	32,385	28,378	36,015	34,662
D+	30,497	26,265	34,093	29,760	35,655	31,548	37,703	34,100	38,749	37,449
D	29,532	27,329	32,995	31,397	37,694	35,872	39,672	38,505	37,365	36,136
D-	20,245	20,962	23,741	23,532	26,436	25,997	28,542	27,251	24,542	23,174
E	3,227	2,971	3,684	2,916	4,263	3,621	3,913	3,126	3,227	2,409
<b>Total</b>	<b>196,208</b>	<b>158,133</b>	<b>228,497</b>	<b>182,089</b>	<b>238,819</b>	<b>193,624</b>	<b>242,981</b>	<b>202,539</b>	<b>258,896</b>	<b>223,237</b>
<b>Grand Total</b>	<b>354,341</b>		<b>410,586</b>		<b>432,443</b>		<b>445,520</b>		<b>482,133</b>	

Source: Kenya National Examinations Council

\* Provisional

**3.21. Secondary School Teachers:** The number of secondary school teachers by qualification and sex from 2010 to 2014 is presented in Table 3.10. The total number of public secondary school teachers increased by 20.2 per cent from 65,494 in 2013 to 78,719 in 2014. The increase can be attributed to the replacement of teachers who had exited the service and recruitment of teachers with certificate/technical to undertake special subjects in addition to teachers who returned from study leave, and teachers who were reinstated after their disciplinary cases were resolved. The total number of female trained teachers almost doubled to 47,701 while that of male teachers declined by 23.2 per cent from 40,377 in 2013 to 31,018 in 2014. During the period under review, the number of female graduate teachers grew by 84.7 per cent compared with a decline of 22.8 per cent for the number of male graduate teachers. The number of diploma/technical teachers increased substantially from 467 in 2013 to 871 in 2014.

Table 3.10: Number of Public Secondary School Teachers by Qualification and Sex<sup>1</sup>, 2010 – 2014

TEACHERS	2010			2011			2012			2013			2014*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Number														
<b>TRAINED</b>															
Graduate .....	24,989	15,475	40,464	27,815	16,832	44,647	31,783	19,731	51,514	32,111	20,378	52,489	24,795	37,641	62,436
Approved.....	5,297	2,345	7,642	4,677	2,511	7,188	5,159	2,782	7,941	3,787	1,858	5,645	2,116	4,269	6,385
S1/Diploma.....	81	59	140	2,132	1,730	3,862	2,056	1,523	3,579	3,689	2,614	6,303	3,687	4,853	8,540
Dip/Technical.....	324	165	489	621	244	865	719	356	1,075	326	141	467	299	572	871
Cert./Technical.....	-	-	-	-	-	-	-	-	-	324	109	433	121	366	487
Contract Teachers.....	2,435	1,765	4,200	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>33,126</b>	<b>19,809</b>	<b>52,935</b>	<b>35,245</b>	<b>21,317</b>	<b>56,562</b>	<b>39,717</b>	<b>24,392</b>	<b>64,109</b>	<b>40,237</b>	<b>25,100</b>	<b>65,337</b>	<b>31,018</b>	<b>47,701</b>	<b>78,719</b>
<b>UNTRAINED</b>															
Graduate .....	75	9	84	6	2	8	6	4	10	134	15	149	-	-	-
Dip/Technical.....	21	7	28	152	13	165	165	54	219	6	2	8	-	-	-
<b>TOTAL.....</b>	<b>96</b>	<b>16</b>	<b>112</b>	<b>158</b>	<b>15</b>	<b>173</b>	<b>171</b>	<b>58</b>	<b>229</b>	<b>140</b>	<b>17</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL.....</b>	<b>33,222</b>	<b>19,825</b>	<b>53,047</b>	<b>35,403</b>	<b>21,332</b>	<b>56,735</b>	<b>39,888</b>	<b>24,450</b>	<b>64,338</b>	<b>40,377</b>	<b>25,117</b>	<b>65,494</b>	<b>31,018</b>	<b>47,701</b>	<b>78,719</b>

Source : Teachers Service Commission

\* Provisional

<sup>1</sup>Data is exclusively for public schools and does not include teachers on study leave, disciplinary cases and those performing non-teaching duties.

**3.22. Teacher Training Institutions:** Teacher trainee enrolment by year and sex from 2010 to 2014 is shown in Table 3.11. The total number of teacher trainee in both P1 and Diploma colleges grew by 7.4 per cent from 37,113 in 2013 to 39,853 in 2014. The increase can partly be attributed to the growth of training institutions and the double intake for diploma trainee teachers in January and September 2014. The enrolment of P1 teacher trainees increased by 5.9 per cent from 35,397 in 2013 to 37,471 in 2014 with the number of teacher trainee in private colleges increasing by 13.0. Enrolment of first year diploma trainees more than doubled from 585 in 2013 to 1,187 in 2014 mainly as a result of the double intake.

**Table 3.11: Teacher Trainees Enrolment by Year and Sex, 2010- 2014**

TYPE OF INSTITUTION/	Number									
	2010 <sup>+</sup>		2011 <sup>+</sup>		2012 <sup>+</sup>		2013 <sup>+</sup>		2014 <sup>*</sup>	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>Public primary (P 1)</b>										
1st Year .....	4,579	4,763	4,372	4,444	4,403	4,497	5,249	5,435	4,994	5,536
2nd Year .....	4,233	4,175	4,579	4,763	4,365	4,402	4,967	5,357	5,249	5,435
<b>Sub Total.....</b>	<b>8,812</b>	<b>8,938</b>	<b>8,951</b>	<b>9,207</b>	<b>8,768</b>	<b>8,899</b>	<b>10,216</b>	<b>10,792</b>	<b>10,243</b>	<b>10,971</b>
<b>Private primary (P 1).....</b>	<b>4,353</b>	<b>4,287</b>	<b>4,918</b>	<b>4,844</b>	<b>5,342</b>	<b>5,943</b>	<b>6,997</b>	<b>7,392</b>	<b>7,905</b>	<b>8,352</b>
<b>Total Private P1 .....</b>	<b>8,640</b>		<b>9,762</b>		<b>11,285</b>		<b>14,389</b>		<b>16,257</b>	
<b>SUB TOTAL.....</b>	<b>13,165</b>	<b>13,225</b>	<b>13,869</b>	<b>14,051</b>	<b>14,110</b>	<b>14,842</b>	<b>17,213</b>	<b>18,184</b>	<b>18,148</b>	<b>19,323</b>
<b>Diploma<sup>1</sup></b>										
1st Year .....	341	235	339	208	392	226	316	269	671	516
2nd Year .....	302	172	346	236	329	215	379	226	317	260
3rd Year .....	243	170	358	206	349	233	327	199	387	231
<b>SUB TOTAL.....</b>	<b>886</b>	<b>577</b>	<b>1,043</b>	<b>650</b>	<b>1,070</b>	<b>674</b>	<b>1,022</b>	<b>694</b>	<b>1,375</b>	<b>1,007</b>
<b>TOTAL.....</b>	<b>14,427</b>	<b>14,039</b>	<b>14,912</b>	<b>14,701</b>	<b>15,180</b>	<b>15,516</b>	<b>18,235</b>	<b>18,878</b>	<b>19,523</b>	<b>20,330</b>
<b>GRAND TOTAL.....</b>	<b>28,466</b>		<b>29,613</b>		<b>30,696</b>		<b>37,113</b>		<b>39,853</b>	

Source: Ministry of Education, Science and Technology

\*Provisional

<sup>1</sup> Enrolment for 2014 is from Kibabii and Kagumo Colleges only

+Revision applies to Diploma Only

**3.23. Technical and Vocational Educational Training Institutions (TVET):** Table 3.12 presents enrolment in TVET institutions from 2010 to 2014. The total enrolment in TVET institutions increased from 148,009 in 2013 to 148,142 in 2014. Student enrolment in National Polytechnics and Technical Universities grew by 15.1 per cent from 20,495 in 2013 to 23,583 in 2014 with enrolment at Kisumu Polytechnic increasing by 37.5 per cent from 3,490 in 2013 to 4,798 in 2014. During the review period, enrolment at institutes of technology declined to 15,468 in 2014 from 21,602 in 2013. Enrolment in youth polytechnics increased by about 3.0 per cent from 71,569 in 2013 to 73,695 in 2014 compared to an increase of 6.7 per cent in 2013. This was mainly attributed to the continued Government subsidy on tuition fee for the Youth Polytechnics and improvement of the existing polytechnics' infrastructure.



Table 3.12: Student Enrolment in Technical Institutions by Sex, 2010 – 2014

INSTITUTION	Number									
	2010		2011		2012		2013		2014*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Technical University of Kenya <sup>1</sup> .....	2,904	1,357	2,360	2,098	1,698	1,024	4,814	2,607	4,432	2,769
Technical University of Mombasa <sup>1</sup> .....	2,041	3,276	3,558	1,794	2,190	1,150	3,048	1,506	3,250	1,708
Kenya Technical Institute									858	597
Kisumu Polytechnic.....	1,798	781	1,990	936	2,256	1,136	2,223	1,267	2,926	1,872
Eldoret Polytechnic.....	1,903	1,718	3,132	2,145	2,730	1,669	3,081	1,949	3,194	1,977
<b>Sub Total.....</b>	<b>8,646</b>	<b>7,132</b>	<b>11,040</b>	<b>6,973</b>	<b>8,874</b>	<b>4,979</b>	<b>13,166</b>	<b>7,329</b>	<b>14,660</b>	<b>8,923</b>
<b>Other TIVET Institutions</b>										
Technical Training Institutes.....	12,908	9,970	16,719	13,255	16,263	12,505	18,936	15,407	21,388	14,008
Institutes of Technology.....	6,035	4,858	10,179	8,607	11,890	6,126	13,020	8,582	8,244	7,224
<b>Sub Total.....</b>	<b>18,943</b>	<b>14,829</b>	<b>26,898</b>	<b>21,862</b>	<b>28,153</b>	<b>18,631</b>	<b>31,956</b>	<b>23,989</b>	<b>29,632</b>	<b>21,232</b>
Youth Polytechnics.....	14,384	18,720	15,648	19,338	40,233	26,821	42,942	28,627	45,473	28,222
<b>TOTAL.....</b>	<b>41,973</b>	<b>40,680</b>	<b>53,586</b>	<b>48,173</b>	<b>77,260</b>	<b>50,431</b>	<b>88,064</b>	<b>59,945</b>	<b>89,765</b>	<b>58,377</b>
<b>GRAND TOTAL.....</b>	<b>82,653</b>		<b>101,759</b>		<b>127,691</b>		<b>148,009</b>		<b>148,142</b>	

Source: Ministry of Education, Science &amp; Technology

\* Provisional

<sup>1</sup> Diploma and Certificate courses only

**3.24. University Education:** The student enrolment by sex in public and private universities from 2011/12 to 2014/15 academic years is presented in Table 3.13. The total university student enrolment rose by 22.8 per cent from 361,379 in 2013/14 to 443,783 in 2014/15. The increase was mainly due to infrastructure development, introduction of new courses and opening of more satellite campuses. Female student enrolment grew by 24.9 per cent from 147,412 in 2013/14 to 184,164 in 2014/15 compared to an increase in male student enrolment of 21.3 per cent to 259,618 in the review period. In 2014/15 academic year, enrolment at public universities increased by 25.4 per cent from 289,733 in 2013/14 to 363,334 in 2014/15 with female enrolment increasing by 26.3 per cent compared to that of male at 24.8 per cent. The total enrolment in private universities rose by 12.3 per cent from 71,646 in 2013/14 to 80,448 in 2014/15. Significant increases in enrolment were also reported in Maseno, Kisii, Laikipia, Dedan Kimathi, Jaramogi Oginga Odinga and Kabianga universities.

Table 3.13: Student Enrolment<sup>1</sup> by Sex in Universities, 2011/12 - 2014/15

INSTITUTION	Number							
	2011/12		2012/13		2013/14+		2014/15*	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Public Universities</b>								
Nairobi.....	27,084	17,219	30,710	20,185	38,693	25,376	42,328	27,618
Kenyatta.....	21,328	15,892	25,633	31,559	37,758	32,248	43,165	33,714
Moi.....	14,124	11,409	17,372	14,273	18,547	15,684	22,458	20,838
Egerton.....	7,050	5,095	4,577	3,101	7,044	4,896	8,661	5,267
Jomo Kenyatta (JKUAT).....	9,818	4,119	19,048	9,870	19,729	10,847	20,860	11,469
Maseno.....	2,809	1,742	3,953	2,159	3,922	2,247	7,356	7,412
Masinde Muliro.....	10,958	6,402	6,295	3,901	5,606	3,445	7,480	4,213
Technical University of Kenya.....	187	642	405	135	5,102	1,915	5,391	2,024
Technical University of Mombasa.....	1,000	1,038	1,828	524	3,993	1,050	4,186	1,234
Chuka.....	-	-	-	-	7,318	2,663	9,716	3,931
Karatina.....	-	-	-	-	2,700	2,014	3,095	2,209
Kisii.....	-	-	-	-	913	531	4,780	3,495
Meru.....	-	-	-	-	2,001	903	2,825	1,174
Multi Media.....	-	-	-	-	697	331	754	346
South Eastern.....	-	-	-	-	1,988	1,037	3,676	2,138
Jaramogi Oginga Odinga.....	-	-	-	-	1,259	771	2,537	1,638
Laikipia.....	-	-	-	-	857	574	3,260	2,652
University of Eldoret.....	-	-	-	-	8,059	4,507	9,447	6,215
Kabianga.....	-	-	-	-	1,004	681	3,375	2,366
Dedan Kimathi+.....	-	-	871	338	1,546	584	4,715	1,578
Pwani.....	-	-	-	-	2,666	1,591	2,981	1,603
Masai Mara.....	-	-	-	-	2,585	1,851	4,118	3,036
<b>SUB-TOTAL.....</b>	<b>94,358</b>	<b>63,558</b>	<b>110,692</b>	<b>86,045</b>	<b>173,987</b>	<b>115,746</b>	<b>217,164</b>	<b>146,170</b>
<b>Private Universities*</b>	33,114	27,598	29,554	24,905	39,980	31,666	42,454	37,994
<b>GRAND TOTAL.....</b>	<b>218,628</b>		<b>251,196</b>		<b>361,379</b>		<b>443,783</b>	

Source: Individual Universities/ Kenya Education Network, University of Nairobi

\* Provisional

+ Revised

<sup>1</sup> Enrolment excludes Diploma/Certificate.

### 3.25. Registration of Universities and other Institutions offering Degree Programmes:

Information on the registration of universities and other institutions offering degree programmes from 2010 to 2014 are presented in Table 3.14. The number of universities with Letters of Interim Authority increased from 11 in 2013 to 13 in 2014. There was only one newly registered university in 2014 as a result of Letter of Interim Authority being granted to the International Leadership University. No institution was approved for collaboration with universities in offering university programmes for the third consecutive year.

**Table 3.14: Registration of Universities and Other Institutions offering Degree Programmes, 2010-2014**

Category of Institutions	Number				
	2010	2011	2012	2013	2014*
Chartered private universities.....	13	14	15	17	17
Universities with Letter of Interim Authority.....	9	11	12	11	13
Newly Registered universities.....	3	2	2	2	1
Institutions approved for collaboration with universities in offering university programmes.....	32	33	0	0	0
Public universities.....	7	7	8	22	22
Public university constituent colleges.....	15	23	23	9	9
Private university constituent colleges.....	..	4	4	5	5
Public university campuses established.....	30	30	33	33	33

Source: Commission for University Education

\* Provisional

3.26. Table 3.15 shows the number of approved degree programmes and validated diplomas from 2010 to 2014. The number of approved private university degree programmes declined by 8.0 per cent from 362 in 2013 to 333 in 2014. The number of approved degree programmes for collaboration with universities remained the same as in 2013.

**Table 3.15: Approved degree programmes and validated diploma programmes, 2010-2014**

Programme	Number				
	2010	2011	2012	2013	2014*
Approved private university degree programmes.....	87	109	160	362	333
Approved degree programmes for collaboration with universiti	49	38	38	38	38
Validated diploma programmes.....	113	134	140	140	-

Source: Commission for University Education

\* Provisional

### Health and Vital Statistics

3.27. Table 3.16 shows the number of births registered by county in the period 2012 and 2014. The total number of registered births increased by 9.6 per cent from 870,559 in 2013 to 954,254 in 2014. The coverage rate increased from 58.4 per cent in 2013 to 63.4 per cent in 2014. There were notable disparities in registration of births at county level especially in Garissa County which had the highest coverage rate of 99.8 per cent mainly due to high registration of births in the refugee camps that raised the number of actual births registered. The counties of Nairobi, Mombasa, Kiambu and Kirinyaga continued to register higher coverage rates while Wajir County had the least coverage rate of 17.8 per cent during the review period. It was observed that most of the counties with lower coverage rates were mainly from the arid and semi-arid parts of Northern Kenya.

Table 3.16: Birth Registration Coverage<sup>2</sup> by County, 2012-2014

County	2012			2013			2014*			Number
	Expected Births	Registered Births	Coverage rate (%)	Expected Births	Registered Births	Coverage rate (%)	Expected Births	Registered Births	Coverage rate (%)	
	<b>KENYA</b>	<b>1,450,248</b>	<b>801,815</b>	<b>55.3</b>	<b>1,491,951</b>	<b>870,599</b>	<b>58.4</b>	<b>1,505,146</b>	<b>954,254</b>	
Mombasa	38,794	29,221	75.3	40,119	32,080	80.0	41,414	31,568	76.2	
Kwale	34,451	12,833	37.3	35,680	15,128	42.4	36,903	19,047	51.6	
Kilifi	58,099	30,173	51.9	60,230	33,664	55.9	62,354	38,070	61.1	
Tana River	11,244	4,556	40.5	11,643	4,602	39.5	12,045	5,165	42.9	
Lamu	3,763	2,322	61.7	3,901	2,565	65.7	4,039	2,674	66.2	
Taita Taveta	10,689	5,458	51.1	11,086	5,877	53.0	11,479	7,311	63.7	
Garissa	22,956	21,540	93.8	23,558	20,035	85.0	22,601	22,548	99.8	
Wajir	23,313	4,533	19.4	23,943	4,193	17.5	24,626	4,377	17.8	
Mandera	35,664	6,276	17.6	36,660	6,676	18.2	37,736	8,463	22.4	
Marsabit	13,735	5,060	36.8	13,785	5,365	38.9	13,827	6,045	43.7	
Isiolo	6,283	2,468	39.3	6,293	3,184	50.6	6,301	4,049	64.3	
Meru	49,626	23,765	47.9	49,669	25,089	50.5	49,677	26,491	53.3	
Tharaka -Nithi	12,546	7,341	58.5	12,562	7,550	60.1	11,917	7,640	64.1	
Embu	17,568	11,135	63.4	17,583	12,437	70.7	17,583	12,065	68.6	
Kitui	45,144	19,855	44.0	45,286	20,842	46.0	45,399	26,433	58.2	
Machakos	51,296	18,595	36.3	51,312	22,665	44.2	51,286	25,457	49.6	
Makueni	33,243	8,062	24.3	33,296	10,866	32.6	33,324	12,988	39.0	
Nyan darua	23,097	14,684	63.6	23,569	14,620	62.0	24,023	15,381	64.0	
Nyeri	27,553	18,060	65.5	28,085	16,402	58.4	28,586	17,173	60.1	
Kirinyaga	15,276	10,322	67.6	15,553	9,123	58.7	15,815	11,093	70.1	
Murang'a	23,910	16,118	67.4	24,375	14,694	60.3	24,815	15,326	61.8	
Kiambu	67,502	49,040	72.6	68,715	52,278	76.1	69,863	52,229	74.8	
Turkana	49,351	9,050	18.3	51,522	7,939	15.4	53,730	10,652	19.8	
West Pokot	25,595	7,468	29.2	26,738	8,381	31.3	27,894	9,009	32.3	
Samburu	12,133	1,998	16.5	12,666	1,815	14.3	13,205	3,813	28.9	
Trans Nzoia	40,735	17,000	41.7	42,480	16,019	37.7	44,242	16,750	37.9	
Uasin Gishu	42,815	15,887	37.1	44,623	15,815	35.4	46,443	18,379	39.6	
Elgeyo/ Marakwet	18,353	7,316	39.9	19,154	9,520	49.7	19,959	9,506	47.6	
Nandi	36,578	12,176	33.3	38,139	14,802	38.8	39,714	18,960	47.7	
Baringo	29,050	6,889	23.7	30,357	7,778	25.6	31,677	9,051	28.6	
Lakkipia	16,456	7,138	43.4	17,165	7,646	44.5	17,878	7,611	42.6	
Nakuru	72,914	33,485	45.9	76,000	35,242	46.4	79,103	42,266	53.4	
Narok	49,519	11,683	23.6	51,652	12,391	24.0	53,810	13,127	24.4	
Kajiado	49,051	12,619	25.7	51,098	12,368	24.2	53,157	13,742	25.9	
Kericho	46,611	19,810	42.5	48,543	22,620	46.6	50,487	19,850	39.3	
Bomet	37,532	17,771	47.3	39,124	26,245	67.1	40,729	27,220	66.8	
Kakamega	78,627	33,489	42.6	79,796	35,512	44.5	80,985	37,469	46.3	
Vihiga	21,615	10,185	47.1	21,945	10,493	47.8	22,277	10,404	46.7	
Bungoma	81,090	30,593	37.7	82,337	34,809	42.3	83,604	36,759	44.0	
Busia	24,295	16,036	66.0	24,668	15,734	63.8	25,048	16,654	66.5	
Siaya	42,044	16,986	40.4	43,015	25,418	59.1	43,976	22,619	51.4	
Kisumu	47,069	25,269	53.7	48,089	25,771	53.6	49,090	31,865	64.9	
Homa Bay	53,009	15,737	29.7	54,224	19,128	35.3	55,431	27,070	48.8	
Migori	53,611	17,052	31.8	54,899	21,564	39.3	56,181	27,676	49.3	
Kisii	55,324	22,069	39.9	56,617	26,116	46.1	57,879	29,418	50.8	
Nyamira	36,464	8,276	22.7	37,316	9,998	26.8	38,143	13,291	34.8	
Nairobi City	128,747	104,416	81.1	134,342	107,500	80.0	139,723	109,500	78.4	

Source: Civil Registration Services

\* Provisional

Note:

1 Expected births is calculated from population of women in reproductive age group (15-49) multiplied by Age Specific Fertility Rate (ASFR)

2 Data includes all births registered within 0 - 6 months after occurrence of birth. It excludes late registration and births that occur at home and were not registered

3.28. Information on death registration coverage by county from 2012 to 2014 is presented in Table 3.17. The national death registration coverage rates have not improved over time while that of the counties have exhibited mixed trends. The total registration of deaths rose by 2.2 per cent from 194,332 in 2013 to 198,611 in 2014. The death registration coverage rate increased slightly from 45.6 per cent in 2013 to 45.8 per cent in 2014. At county level, Nairobi City County registered the highest coverage rate of 77.6 per cent while Mandera County recorded the lowest with 7.5 per cent in 2014.

Table 3.17: Death Registration Coverage by County, 2012-2014

County	2012			2013			2014*		
	Expected Deaths	Registered Deaths	Coverage (%)	Expected Deaths	Registered Deaths	Coverage (%)	Expected Deaths	Registered Deaths	Coverage (%)
<b>KENYA</b>	<b>418,396</b>	<b>187,817</b>	<b>44.9</b>	<b>426,078</b>	<b>194,332</b>	<b>45.6</b>	<b>433,769</b>	<b>198,611</b>	<b>45.8</b>
Mombasa	10,277	5,781	56.3	10,602	5,575	52.6	10,938	5,997	54.8
Kwale	7,945	1,769	22.3	8,175	2,191	26.8	8,418	2,411	28.6
Kilifi	12,365	5,215	42.2	12,691	5,251	41.4	13,038	4,988	38.3
Tana River	3,215	760	23.6	3,313	592	17.9	3,415	684	20.0
Lamu	1,338	407	30.4	1,373	403	29.4	1,410	522	37.0
Taita Taveta	5,128	1,796	35.0	5,270	1,773	33.6	5,424	1,944	35.8
Garisa	3,751	1,059	28.2	3,706	2,604	28.5	3,685	1,061	28.8
Wajir	5,018	616	12.3	4,994	607	12.2	4,999	627	12.5
Mandera	9,728	345	3.5	9,797	302	3.1	9,715	733	7.5
Marsabit	2,560	881	34.4	2,543	712	28.0	2,533	788	31.1
Isiolo	1,057	402	38.0	1,051	395	37.6	1,047	504	48.1
Meru	11,647	5,818	50.0	11,583	6,333	54.7	11,550	6,312	54.6
Tharaka -Nithi	3,207	1,832	57.1	3,180	1,877	59.0	3,162	1,975	62.5
Embu	4,436	3,038	68.4	4,402	3,320	75.4	4,371	3,266	74.7
Kitui	11,399	4,702	41.2	11,270	4,522	40.1	11,163	4,623	41.4
Machakos	14,381	5,418	37.7	14,185	7,759	54.7	14,033	6,868	48.9
Makueni	11,452	3,798	33.2	11,302	3,630	32.1	11,184	4,178	37.4
Nyan darua	6,859	3,131	45.6	6,963	3,361	48.3	7,083	2,918	41.2
Nyeri	9,952	5,007	50.3	10,058	5,022	49.9	10,253	5,072	49.5
Kirinyaga	5,705	3,009	52.7	5,786	2,681	46.3	5,870	3,212	54.7
Murang'a	11,387	4,622	40.6	11,553	4,926	42.6	11,746	4,359	37.1
Kiambu	15,096	10,553	69.9	15,329	10,721	69.9	15,598	10,479	67.2
Turkana	11,369	1,105	9.7	11,750	1,361	11.6	12,154	1,974	16.2
West Pokot	6,584	970	14.7	6,783	800	11.8	6,986	993	14.2
Samburu	2,210	275	12.4	2,288	273	11.9	2,500	433	17.3
Trans Nzoia	9,479	3,625	38.2	9,792	3,675	37.5	10,128	4,100	40.5
Uasin Gishu	11,394	5,202	45.7	11,677	4,987	42.7	11,997	5,693	47.5
Elgeiyo/ Marakwet	4,403	1,169	26.6	4,487	1,166	26.0	4,589	1,232	26.8
Nandi	10,114	2,316	22.9	10,332	2,608	25.2	10,585	2,705	25.6
Baringo	7,063	1,321	18.7	7,232	1,340	18.5	7,425	1,312	17.7
Laikipia	5,652	1,732	30.6	5,813	1,752	30.1	5,991	1,644	27.4
Nakuru	21,825	8,661	39.7	22,498	9,274	41.2	23,230	9,483	40.8
Narok	7,166	1,378	19.2	7,387	1,432	19.4	7,626	1,581	20.7
Kajiado	6,158	1,757	28.5	6,332	1,596	25.2	6,524	1,778	27.3
Kericho	9,306	3,662	39.4	9,561	3,645	38.1	9,842	3,784	38.4
Bomet	8,163	2,450	30.0	8,394	2,484	29.6	8,652	3,103	35.9
Kakamega	21,650	10,459	48.3	21,773	10,443	48.0	22,676	10,269	45.3
Vihiga	10,622	4,675	44.0	10,684	5,041	47.2	10,756	4,561	42.4
Bungoma	19,124	10,211	53.4	19,217	6,207	32.3	19,321	6,302	32.6
Busia	7,242	5,465	75.5	7,278	4,406	60.5	7,318	4,423	60.4
Siaya	18,963	7,175	37.8	19,315	7,485	38.8	19,685	6,908	35.1
Kisumu	15,672	8,420	53.7	15,968	8,184	51.3	16,279	8,914	54.8
Homa Bay	14,864	3,554	23.9	15,155	4,791	31.6	15,457	5,300	34.3
Migori	14,543	3,612	24.8	14,826	4,006	27.0	14,407	4,190	29.1
Kisii	13,200	6,953	52.7	13,402	8,605	64.2	13,619	8,950	65.7
Nyamira	6,715	1,742	25.9	6,804	1,713	25.2	6,901	2,207	32.0
Nairobi City	26,238	19,969	76.1	28,084	22,501	80.1	29,973	23,251	77.6

Source: Civil Registration Services

\* Provisional

Note: 1 Expected deaths are calculated as the total population per age group multiplied by age specific mortality rate.

2 Data includes all deaths registered within 0 - 6 months after occurrence of death. It excludes late registration of deaths and deaths that occur at home and were not registered

3.29. The number of registered deaths by major causes from 2010 to 2014 is shown in Table 3.18. In 2014, the 10 leading causes of death accounted for more than half of all the registered deaths at 54.8 per cent compared to 56.5 per cent in 2013. Malaria and Pneumonia continued to be the leading causes of death each accounting for 11.6 and 10.9 per cent of all reported deaths respectively, in 2014. Cancer and HIV/AIDS were ranked third and fourth with 14,175 and 12,235 death cases respectively, in 2014.

**Table 3.18: Number of Registered Deaths by Major Causes, 2010 – 2014**

Cause	Number				
	2010	2011	2012 <sup>+</sup>	2013	2014*
Malaria.....	30,505	26,652	24,772	23,789	22,948
Pneumonia.....	22,204	22,632	22,051	22,918	21,640
Cancer.....	11,995	11,527	12,574	13,720	14,175
HIV/AIDS.....	13,656	11,274	11,111	11,448	12,235
Tuberculosis.....	11,712	11,149	10,611	11,186	10,986
Anaemia.....	7,985	7,984	8,169	8,124	8,469
Road traffic accidents <sup>1</sup> .....	3,892	4,382	4,997	4,942	4,710
Other accidents.....	3,757	4,726	4,630	4,857	4,187
Heart disease.....	4,634	4,404	5,188	4,544	5,030
Meningitis.....	4,371	4,497	4,480	4,265	4,555
Other causes.....	70,389	73,425	79,234	84,539	89,676
<b>Total.....</b>	<b>185,100</b>	<b>182,652</b>	<b>187,817</b>	<b>194,332</b>	<b>198,611</b>

Source: Civil Registration Department

\*Provisional

<sup>1</sup>The data includes deaths that occur after the road accidents have been reported to the police

3.30. Table 3.19 shows the number of health institutions by County for the years 2013 and 2014. The total number of health institutions increased from 9,919 in 2013 to 9,959 in 2014. A total of 17 out of 47 Counties recorded an increase in the number of health institutions. Kiambu County had the highest number of new health institutions at 10.

Table 3.19 Number of Health Institutions<sup>1</sup> by county, 2013-2014

County	Number	
	2013	2014*
Mombasa	315	315
Kwale	111	111
Kilifi	256	256
Tana River	65	65
Lamu	45	45
Taita Taveta	91	91
Garissa	148	148
Wajir	136	136
Mandera	84	84
Marsabit	114	114
Isiolo	47	48
Meru	458	458
Tharaka Nithi	127	127
Embu	172	172
Kitui	390	395
Machakos	343	345
Makueni	226	228
Nyandarua	140	141
Nyeri	441	441
Kirinyaga	241	241
Muranga	280	280
Kiambu	460	470
Turkana	154	158
West Pokot	118	118
Samburu	78	78
Trans Nzoia	151	151
Uasin Gishu	187	188
Elgeyo Marakwet	124	124
Nandi	202	204
Baringo	232	232
Laikipia	115	115
Nakuru	421	422
Narok	163	163
Kajiado	299	299
Kericho	197	198
Bomet	136	136
Kakamega	256	259
Vihiga	90	91
Bungoma	171	171
Busia	96	96
Siaya	174	174
Kisumu	187	188
Homabay	226	226
Migori	211	212
Kisii	160	161
Nyamira	134	134
Nairobi City	947	950
<b>Kenya</b>	<b>9,919</b>	<b>9,959</b>

Source: Ministry of Health

\*Provisional

<sup>1</sup>Includes Hospitals, Health Centres, Maternity & Nursing Homes, Medical Clinics & VCT Centres owned by Government, Private Sector, NGOs and FBOs.

3.31. **National Hospital Insurance Fund:** The National Hospital Insurance Fund is a compulsory contributory health insurance scheme for all employees. The fund contributes to the cost of health care of all its members by paying a fraction of their in-patient hospital bills when need arises. Table 3.20 a shows the resource base of the fund for the period covering 2009/10 to 2013/14. The total receipts of the fund rose by 13.1 per cent from KSh 12,054.9 million in 2012/13 to KSh 13,629.1 million in 2013/14. Similarly, benefits accrued to members increased by 14.1 per cent from KSh 8,236.2 million in 2012/13 to KSh 9,401.4 million in 2013/14. The total contribution net of benefits increased by 10.7 per cent from KSh 3,818.7 million in 2012/13 to KSh 4,227.7 million in 2013/14.

**Table 3.20 (a): National Hospital Insurance Fund Resources, 2009/10-2013/14**

Financial Year	KSh Million				
	2009/10	2010/11	2011/12	2012/13	2013/14*
Receipts .....	6,025.7	6,765.8	9,595.6	12,054.9	13,629.1
Benefits .....	3,110.0	3,677.4	5,999.8	8,236.2	9,401.4
Contributions Net of Benefits .....	2,915.7	3,088.3	3,595.8	3,818.7	4,227.7

Source: National Hospital Insurance Fund

\* Provisional

3.32. **National Hospital Insurance Fund Membership:** The number of registered members of the National Hospital Insurance Fund from 2009/10 to 2013/14 is shown in Table 3.20 b. The total membership increased by 18.4 per cent from 3.8 million in 2012/13 to 4.5 million in 2013/14. The increase in the number of registered members is due to the spirited campaign by the fund to recruit more members. The formal sector contributed the highest number of members accounting for 66.3 per cent in 2013/14. Over the same period, the informal sector registered an impressive increase of 34.3 per cent compared with an increase of 10.2 per cent in the formal sector.

**Table 3.20 (b): Registered Members of the National Hospital Insurance Fund, 2009/10-2013/14**

Financial Year	Number				
	2009/10	2010/11	2011/12	2012/13	2013/14*
Formal Sector .....	2,286,205	2,197,940	2,441,795	2,679,370	2,952,362
Informal Sector .....	555,730	688,746	898,364	1,115,424	1,498,031
<b>Total .....</b>	<b>2,841,935</b>	<b>2,886,686</b>	<b>3,340,159</b>	<b>3,794,794</b>	<b>4,450,393</b>

Source: National Hospital Insurance Fund

\* Provisional

3.33. The total number of registered medical personnel and those in training for the years 2013 and 2014 is shown in Table 3.21. The total number of registered medical personnel grew by 8.0 per cent from 112,576 in 2013 to 121,578 in 2014. As a result, the ratio of registered medical personnel per 100,000 people increased from 269 in 2013 to 282 in 2014. During the review period, of all the registered medical personnel, only the ratio of enrolled nurses and clinical officers showed improvement at 96 and 37 per 100,000 population, respectively. The total number of medical students in training rose by 18.7 per cent from 12,424 in 2013/14 to 14,751 in 2014/15.



**Table 3.21: Number of Registered Medical Personnel and those in Training, 2013 and 2014**

Type of Personnel	Registered Medical Personnel				In-Training	
	2013		2014		2013/2014*	2014/2015*
	Number	No. Per 100,000 Population	Number	No. Per 100,000 Population		
Doctors .....	8,682	21	9,149	21	3,457	3,279
Dentists .....	1,045	3	1,090	3	291	369
Pharmacists .....	2,202	5	2,355	5	826	969
Pharmaceutical Technologists .....	6,204	15	7,041	16	434	610
BSc. Nursing .....	1,873	4	2,418	6	2,736	3,979
Registered Nurses .....	37,907	91	41,371	96	2,708	2,702
Enrolled Nurses .....	26,841	64	27,186	63	279	509
Clinical Officers .....	13,216	32	15,960	37	1,125	1,583
Public Health officers <sup>+</sup> .....	8,637	21	9,039	21	568	751
Public Health Technicians <sup>1</sup> .....	5,969	14	5,969	14	—	—
<b>Total .....</b>	<b>112,576</b>	<b>269</b>	<b>121,578</b>	<b>282</b>	<b>12,424</b>	<b>14,751</b>

**Source:** Health Management Information System, Ministry of Health, Clinical Officers Council, Nursing Council of Kenya, Medical Practitioners & Dentists Board, Universities, Pharmacy and Poisons Board

\* Provisional

<sup>+</sup> Estimates

<sup>1</sup> Training phased out

3.34. Table 3.22 shows the total number of undergraduate and postgraduate medical students at the universities by course and sex from 2010/11 to 2014/15 academic years. The total number of undergraduate and postgraduate medical students increased by 19.6 per cent from 9,602 in 2013/14 to 11,488. The number of student undertaking Bachelor of Science in Nursing substantially increased by 54.6 per cent from 2,573 in 2013/14 to 3,978 in 2014/15 academic years. This can partly be attributed to the increasing number of nurses undertaking Bachelor of Nursing as a result of increased number of universities offering the course. The number of Postgraduate students recorded an increase of 27.3 per cent from 1,123 in 2013/14 to 1,430 in 2014/15. With the exception of enrolment in Bachelor of Science in Nursing and Environmental Health degree programme, male enrolment in medical courses was higher than that of their female counterparts during the period under review.

**Table 3.22: Number of Undergraduate and Post Graduate Medical Students by Course and Sex, 2010/11- 2014/15**

Undergraduate	Number									
	2010/11		2011/12		2012/13		2013/14		2014/15*	
Medical Degree	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Medicine & Surgery .....	1,317	1,074	1,373	1,099	1,649	1,521	1,784	1,673	1,706	1,573
Bsc (Nursing) .....	577	1,090	630	1,302	781	1,368	1,042	1,531	1,197	2,781
Dental Surgery .....	103	91	118	100	138	130	147	144	201	168
Environmental Health .....	286	233	307	233	409	671	570	473	571	675
Pharmacy .....	281	205	168	130	207	259	389	265	550	419
Bsc (Biochemistry) .....	623	433	321	180	186	194	275	186	140	77
<b>Sub-Total .....</b>	<b>3,187</b>	<b>3,126</b>	<b>2,917</b>	<b>3,044</b>	<b>3,370</b>	<b>4,143</b>	<b>4,207</b>	<b>4,272</b>	<b>4,365</b>	<b>5,693</b>
Postgraduate students .....	784	550	243	342	335	283	662	461	706	724
<b>Total .....</b>	<b>3,971</b>	<b>3,676</b>	<b>3,160</b>	<b>3,386</b>	<b>3,705</b>	<b>4,426</b>	<b>4,869</b>	<b>4,733</b>	<b>5,071</b>	<b>6,417</b>
<b>Grand Total .....</b>	<b>7,647</b>		<b>6,546</b>		<b>8,131</b>		<b>9,602</b>		<b>11,488</b>	

**Source:** University of Nairobi, Moi University, Kenya Methodist University, University of Eastern Africa - Baraton, Kenyatta University, Egerton University, Aga Khan University Hospital, Mount Kenya University & Masinde Muliro University of Science & Technology

\* Provisional

3.35. The number of middle level students registered to undertake various courses at the Kenya Medical Training College (KMTTC) from 2010 to 2014 is shown in Table 3.23. The total number of students declined marginally from 8,118 in 2013 to 8,079 in 2014. A marginal decline was also recorded in the number of students undertaking various courses in Higher National Diploma and the Ordinary Diploma which dropped from 394 in 2013 to 393 in 2014 and from 6,505 in 2013 to 6,420 in 2014 respectively. The number of students attending certificate courses increased from 1,219 in 2013 to 1,266 in 2014 mainly attributable to the increase in the number of students enrolled for certificate in Medical Engineering Technology.

Table 3.23: Middle Level Medical Trainees in Kenya Medical Training College, 2010 –2014

Level of Training	Number				
	2010	2011	2012	2013	2014*
Certificate in Community Nursing.....	128	184	278	279	175
Certificate in Medical Engineering Technology.....	167	76	84	94	186
Certificate in Health Records & Information Technology.....	553	722	781	528	571
Certificate in Nutrition.....	55	196	180	318	334
<b>Sub-Total.....</b>	<b>903</b>	<b>1,178</b>	<b>1,323</b>	<b>1,219</b>	<b>1,266</b>
Diploma in Community Health Nursing.....	2,200	1,029	2,662	2,708	1,342
Diploma in Community Nutrition.....	47	72	138	187	364
Diploma in Environmental Health Sciences.....	552	464	589	568	736
Diploma in Medical Laboratory Sciences.....	482	429	411	459	617
Diploma in Clinical Medicine & Surgery.....	1,114	1,134	1,156	1,125	1,466
Diploma in Medical Engineering Technology.....	34	55	75	118	60
Diploma in Community Oral Health.....	51	40	41	47	72
Diploma in Dental Technology.....	38	39	39	36	48
Diploma in Health Records and Information Technology.....	97	225	255	381	424
Diploma in Occupational Therapy.....	60	42	44	44	50
Diploma in Orthopaedic Technology.....	37	32	35	25	38
Diploma in Pharmacy.....	298	406	448	434	610
Diploma in Physiotherapy.....	108	117	143	109	290
Diploma in Medical Imaging Sciences.....	72	115	165	143	179
Diploma in Optical Technology.....	22	25	22	28	37
Diploma in Registered Nursing-Mental Health & Psychiatry.....	-	-	50	93	87
Diploma in Neurophysiology.....	19	14	16	-	-
<b>Sub Total.....</b>	<b>5,231</b>	<b>4,238</b>	<b>6,289</b>	<b>6,505</b>	<b>6,420</b>
Higher Diploma in Pharmacy.....	-	-	5	-	-
Higher Diploma in Environmental Health Sciences <sup>1</sup> .....	45	21	6	4	15
Higher Diploma in Medical Laboratory Sciences <sup>2</sup> .....	54	18	15	18	34
Higher Diploma in Nursing <sup>3</sup> .....	48	81	52	163	108
Higher Diploma in Clinical Medicine and Surgery <sup>4</sup> .....	70	48	83	112	127
Higher Diploma in Medical Engineering.....	2	60	27	-	-
Higher Diploma in Ultra Sound Image Pattern Analysis.....	24	49	21	36	48
Higher Diploma in Community Health & HIV/AIDS Care.....	54	45	58	33	21
Higher Diploma in Health Education & Promotion.....	24	25	18	17	10
Higher Diploma in Medical Education.....	-	-	17	11	30
Post Graduate Diploma in Medical Education.....	16	20	-	-	-
<b>Sub-Total.....</b>	<b>337</b>	<b>367</b>	<b>297</b>	<b>394</b>	<b>393</b>
<b>Total.....</b>	<b>6,471</b>	<b>5,783</b>	<b>7,909</b>	<b>8,118</b>	<b>8,079</b>

Source: Kenya Medical Training College, Ministry of Health

\* Provisional

1. Includes Food Science and Inspection, Epidemiology, Solid Waste and Occupational Health
2. Includes clinical chemistry, haematology, histology, parasitology, virology, microbiology, bacteriology and blood transfusion sciences
3. Includes Psychiatry Nursing, Community Health Nursing, intensive care, ophthalmic and PeriOperative nursing
4. Includes paediatrics, orthopaedics, anaesthesia, lungs & skin, ent & audiology, reproductive health and ophthalmology & cataract surgery

3.36. Incidence of diseases for the period 2010 to 2014 is presented in Table 3.24. Malaria and respiratory diseases continued to be the leading causes of illness accounting for 58.8 per cent of the total. In 2014, the incidence of all diseases increased except for intestinal worms. Overall, morbidity increased substantially by 7.8 per cent to 47,038,650 in 2014.

**Table 3.24: Incidence of Diseases in Kenya, 2010-2014**

DISEASE	2010		2011		2012		2013		2014*	
	Number	%	Number	%	Number	%	Number	%	Number	%
Malaria.....	11,371,889	29.7	11,150,223	26.4	9,445,107	24.0	8,808,471	20.2	9,660,992	20.5
Disease of the Respiratory System .....	9,760,371	25.5	11,098,928	26.3	12,215,993	31.0	14,823,864	34.0	17,998,237	38.3
Diseases of the Skin (Incl. Ulcers).....	2,718,570	7.1	2,882,050	6.8	3,051,026	7.7	3,648,361	8.4	4,556,925	9.7
Diarrhoea Diseases .....	1,818,078	4.8	2,024,812	4.8	2,081,487	5.3	2,226,107	5.1	3,013,256	6.4
Intestinal Worms .....	419,298	1.1	374,886	0.9	357,844	0.9	349,632	0.8	357,319	0.8
Pneumonia.....	1,081,317	2.8	1,100,997	2.6	1,135,046	2.9	1,282,996	2.9	1,509,851	3.2
Accidents (incl. fractures, burns etc).....	708,721	1.9	780,908	1.9	846,287	2.1	927,861	2.1	1,079,953	2.3
Rheumatism, Joint pains etc.....	659,192	1.7	750,888	1.8	845,397	2.1	1,081,245	2.5	1,352,350	2.9
Urinary Tract Infections.....	638,758	1.7	778,433	1.8	912,646	2.3	1,091,371	2.5	1,361,275	2.9
Eye Infection .....	643,986	1.7	689,004	1.6	717,983	1.8	778,073	1.8	1,002,778	2.1
All Other Diseases .....	8,441,917	22.1	6,701,348	15.9	7,781,869	19.8	8,618,536	19.8	5,145,714	10.9
<b>TOTAL.....</b>	<b>38,262,097</b>	<b>100.0</b>	<b>38,332,477</b>	<b>100.0</b>	<b>39,390,685</b>	<b>100.0</b>	<b>43,636,517</b>	<b>100.0</b>	<b>47,038,650</b>	<b>100.0</b>

Source: Ministry of Health, Health Management Information System

\* Provisional

**Other Social Services** 3.37. **National Youth Service (NYS):** The NYS trains young Kenyans in vocational skills and competencies thereby providing a platform through which they can realize their potential. Table 3.25 shows that the number of servicemen and servicewomen declined by 43.4 per cent from 7,543 in 2013 to 4,267 in 2014. Consequently, the allowances paid decreased by 28.3 per cent from KSh. 5.3 million in 2013 to KSh. 3.8 million in 2014.

**Table 3.25 Recruitment of Service Men and Women, and Allowances Paid, 2010-2014**

Year	Recruitment (Numbers)			Allowances Paid
	Service Men	Service Women	Total	KSh Million
2010	3,600	999	4,599	3.2
2011	3,660	1,507	5,167	4.2
2012	4,130	1,697	5,827	4.1
2013	5,216	2,327	7,543	5.3
2014*	3,097	1,170	4,267	3.8

Source: National Youth Service

\*Provisional

3.38. **National Social Security Fund (NSSF):** NSSF provides social security service for workers in Kenya. Table 3.26 presents the number of NSSF registered employers and employees, annual contributions and benefits from 2010 to 2014. In 2014, the number of registered employers and employees increased marginally. The number of registered female employees constituted 25.3 per cent compared to men at 74.7 per cent. Both annual contributions and benefits increased marginally.

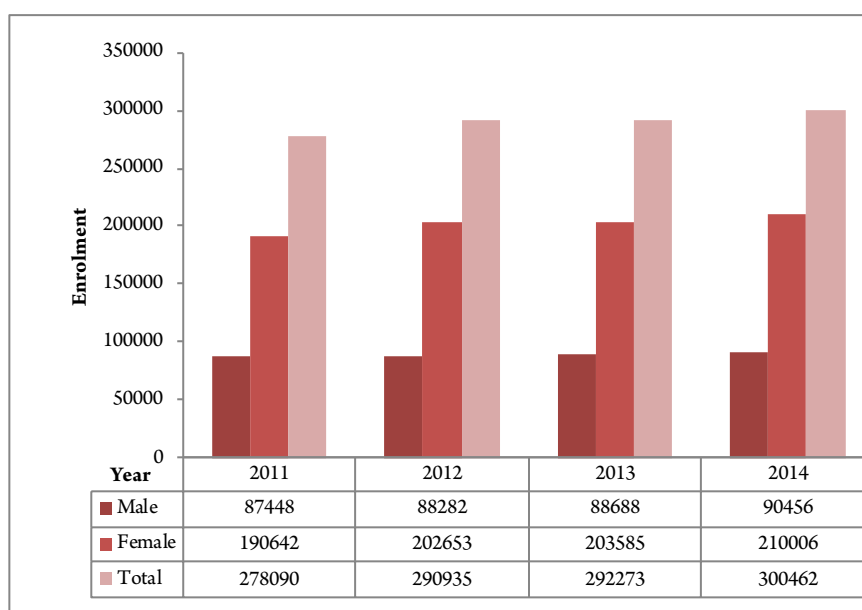
**Table 3.26: National Social Security Fund, 2010 - 2014**

Details	2010	2011	2012	2013	2014*
Registered Employers '000 ... ..	72.6	84.2	92.1	92.1	93.3
Registered Employees '000					
Male ... ..	2,553.5	2,720.0	2,954.7	2,955.0	2,975.4
Female ... ..	848.6	945.2	1,001.2	1,001.3	1,005.1
Total ... ..	3,402.0	3,665.2	3,955.9	3,956.3	3,980.5
Annual contribution KSh (million) ... ..	5,341.7	5,990.6	6,571.1	6,571.6	6,587.9
Annual benefits paid KSh (million) ... ..	2,773.4	2,357.1	2,765.3	2,844.6	2,881.3

Source: National Social Security Fund

\* Provisional

**3.39. Adult Education:** The Government is committed to eradicating illiteracy through adult education programmes managed by the Directorate of Adult Education in the Ministry of Education, Science and Technology. Figure 3.6 shows the trend on adult education enrolment by sex from 2011 to 2014. During the review period, 3.2 per cent of the females were enrolled for adult classes compared to 2.0 per cent of the Males. The number of adult learners went up from 292,273 in 2013 to 300,462 in 2014 registering an increase of 2.8 per cent.

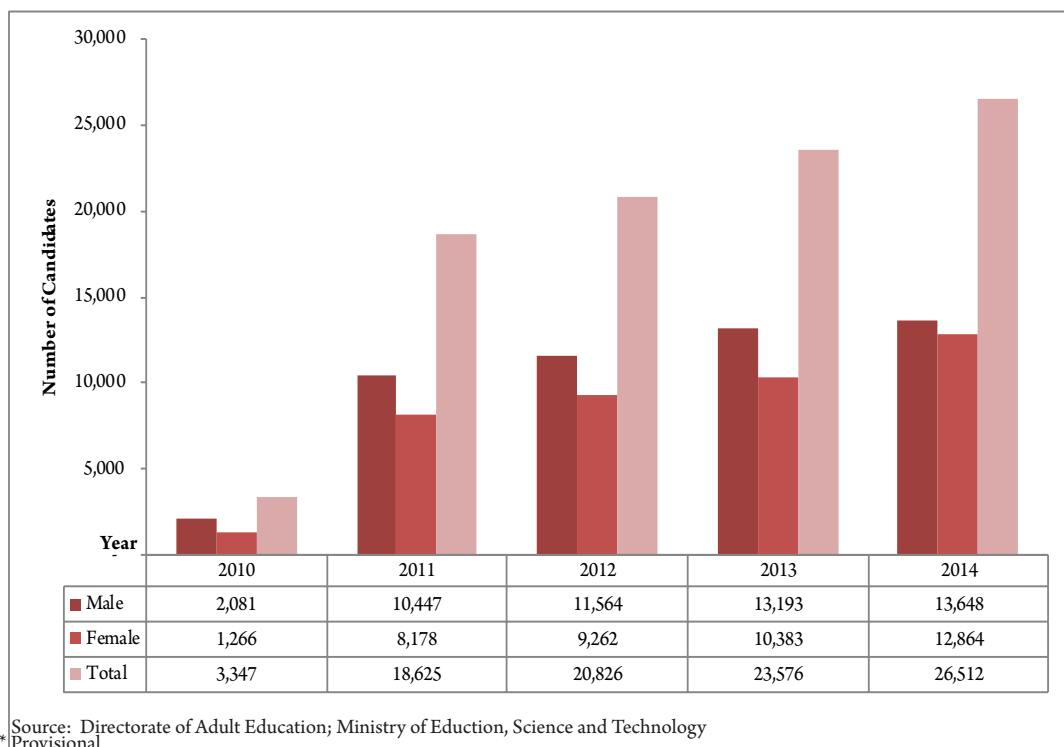
**Figure 3.6: Adult Education Enrolment by Sex, 2011-2014**

Source: Directorate of Adult Education, Ministry of Education, Science and Technology

\* Provisional

**3.40.** The number of private candidates who were registered for KCPE by sex for the years 2010 to 2014 is shown in Figure 3.7. During the year under review, a total of 13,648 males registered for KCPE compared to 12,864 females. The number of adult learners who registered privately for KCPE rose by 12.5 per cent from 23,576 in 2013 to 26,512 in 2014.

Figure 3.7: Private Candidates Registered for KCPE by Sex 2010-2014



3.41. **Gender and Development (GAD):** Gender and Development approach seeks to redress socially constructed differences between women and men. The approach promotes a development process that transforms gender relations in order to enable women and men participate on an equal basis in determining their common future. Table 3.27 presents the number of registered women groups by membership, contributions, and Government grants to women groups and the Women Enterprise Funds. The number of registered women groups increased from 148,190 in 2013 to 150,857 in 2014. The total membership rose by 1.7 per cent from 5.9 million in 2013 to 6.0 million in 2014. The group contribution grew by 3.1 per cent to KSh 603.3 million in 2014.

3.42. **Women Enterprise Fund (WEF):** Women Enterprise Fund was established with the aim of addressing the challenges women face in setting up or expanding their enterprises. The Fund also provides business support services such as capacity building, marketing, promotion of linkages and infrastructural support. Loans are provided at zero per cent interest rate to registered Self-Help Groups. Table 3.27 shows that the Government grants to Women Enterprise Fund increased from KSh 167 million in 2013 to KSh 169 million in 2014.

**Table 3.27: Registered Women Groups by Membership, Contributions, GOK Grants and Women Enterprise Fund, 2010-2014**

Year	Numbers			Grants by GOK <sup>1</sup>	
	No. of Women Groups	Membership	Group contributions (KSh Million)	Women <sup>2</sup> Group (KSh Million)	Women Enterprise Fund (KSh Million)
2010	142,783	5,579,639	551	80	490
2011	143,792	5,618,064	554	80	440
2012	145,856	5,734,543	569	70	352
2013	148,190	5,872,172	585	-	167
2014*	150,857	6,024,848	603	-	169

Source: Ministry of Labour Social Security and Services

\* Provisional

1 Grants by National government only

2 Changed to Uwezo Fund

**3.43. Social Protection Fund:** The Social Protection Fund facilitates access to cash transfers by poor and vulnerable individuals. The beneficiaries are elderly citizens of 65 years and above identified from poor and vulnerable households. Table 3.29 shows that the allocated fund for social protection for elderly persons increased by 59.4 per cent from KSh 3.2 billion in 2013/14 to KSh 5.1 billion in 2014/15. The direct cash disbursement increased substantially by 69.0 per cent from KSh 2.9 billion in 2013/14 to KSh 4.9 billion in 2014/15. The increase in allocation and direct cash disbursement was as a result of increased cash transfers from KSh 1,500 to KSh 2,000 per household, and increase in monthly targeted households from 164,000 to 210,000 over the same period.

**3.44. Social Protection Fund for Orphans and Vulnerable Children (OVC):** Table 3.28 gives details of funds allocated to the Orphan and Vulnerable Children (OVC) Fund. The allocation to the OVC Fund increased by 25.0 per cent from KSh 4.8 billion in 2013/14 to KSh 6.0 billion in 2014/15. The direct cash disbursement also went up by 28.9 per cent from KSh 4.5 billion in 2013/14 to KSh 5.8 billion in 2014/15.

**Table 3.28: Government Allocation and Receipt**

Financial Year	Social Protection Fund for the Elderly		Social Protection Fund for OVC	
	Allocation (KSh Million)	Direct cash Disbursement (KSh Million)	Allocation (KSh Million)	Direct cash Disbursement (KSh Million)
2010/11.....	530	394	827.7	766.9
2011/12.....	1,000.00	949.5	1,026.90	896.9
2012/13.....	1,519.20	1,478.00	1,081.40	1,030.30
2013/14.....	3,168.00	2,919.00	4,763.10	4,524.90
2014/15*.....	5,051.50	4,897.50	5,957.60	5,769.80

Source: Ministry of Labour , Social Security and Services

\* Provisional

3.45. Women in Decision-Making: Women’s participation in political life plays a pivotal role in the general advancement of women interests as shown in Table 3.29. Cabinet Secretaries, County Commissioners, High Court Judges and Magistrate met the constitutional threshold for appointments in public positions of more that two thirds of either gender. The number of women members in the National Assembly was 69 constituting 19.8 per cent of the total number of legislators. Women Cabinet and Principal Secretaries constituted 33.3 per cent and 26.9 per cent respectively. The number of Women Senators and Deputy Governors constituted 26.9 per cent and 19.2 per cent respectively in 2014. The number of women Deputy Secretaries and Lawyers constituted 29.7 per cent and 38.1 per cent, respectively. Women constituted 28.6 per cent of the total Supreme Court Judges in 2014. The number of women Court of Appeal judges increased from 8 in 2013 to 9 in 2014. The number of High Court Women Judges rose from 35 in 2013 to 37 in 2014. The number of women magistrates rose from 182 in 2013 to 219 in 2014 compared to an increase of 20.7 per cent for the number of men magistrates.

**Table 3.29: Women Participation in Key Decision Making Positions, 2013- 2014**

Categories	2013				2014*			
	Number			(% )F	Number			(% )F
	F	M	Total		F	M	Total	
Cabinet Secretaries.....	6	12	18	33.3	6	12	18	33.3
National Assembly.....	69	280	349	19.8	69	280	349	19.8
Principal Secretaries.....	7	19	26	26.9	7	19	26	26.9
Diplomatic Corps.....	15	48	63	23.8	15	48	63	23.8
Senators.....	18	49	67	26.9	18	49	67	26.9
Governors.....	-	47	47	-	-	47	47	-
Deputy Governors.....	9	38	47	19.2	9	38	47	19.2
County Commissioners.....	17	30	47	36.2	18	29	47	38.3
Sub County Commissioners.....	31	264	295	10.5	33	262	295	11.2
Deputy Secretaries.....	49	121	170	28.8	58	137	195	29.7
Supreme Court Judges.....	2	5	7	28.6	2	5	7	28.6
Court of Appeal Judges.....	8	18	26	30.8	9	21	30	30.0
High Court Judges.....	35	51	86	40.7	37	60	97	38.1
Magistrates.....	182	198	380	47.9	219	239	458	47.8
Kadhis.....	-	30	30	-	-	35	35	-
Chiefs.....	98	2,492	2,590	3.8	101	2,489	2,590	3.9
Assistant Chiefs.....	471	5,415	5,886	8.0	473	5,413	5,886	8.0
Lawyers.....	2,430	4,040	6,470	37.6	2,581	4,193	6,774	38.1
Members County Assembly	88	1,362	1,450	6.1	88	1,362	1,450	6.1

Source: Interior and Coordination of National Government, National Assembly, Ministry of Foreign Affairs & International Trade, Judicial Service Commission and Office of the Attorney General

\* Provisional



## Chapter 4

## Employment, Earnings and Consumer Prices

**Overview** Deliberate efforts by the Government to accelerate economic growth coupled with devolution have led to increased job creation. Some of the strategies triggering growth in the job market include, the youth and women targeted programmes and the reservation of 30 per cent of all government procurement opportunities to the youth, women and persons with disability. Programmes such as the Uwezo Fund which provide youth and women with access to grants and interest-free loans to enhance set up of businesses impacted positively to the labour market. Devolution of some services and functions to counties has increased economic activities impacting positively on employment creation.

4.2. Overall, performance of majority of the sectors showed positive growth attributed to favourable business environment and increased investment in the various sectors of the economy. There were 14,316.7 thousand persons employed outside small-scale agriculture and pastoralist activities in 2014. Nominal average earnings in the modern sector per person increased from KSh 514,630.7 per annum in 2013 to KSh 555,177.1 per annum in 2014. Inflation rate maintained its single digit level as recorded in the previous year, albeit increasing from 5.7 per cent in 2013 to 6.9 per cent in 2014. Real average earnings increased by 0.5 per cent to KSh 370,340.3 per annum during the period under review.

**Employment** 4.3. As indicated in Table 4.1, the number of persons employed outside small scale agriculture and pastoralist activities rose from 13,517.0 thousand in 2013 to 14,316.7 thousand in 2014, representing a 5.9 per cent growth. This implies that the economy generated an extra 799.7 thousand new jobs in 2014. In total, new jobs created in the modern sector declined from 134.2 thousand in 2013 to 106.3 thousand in 2014. This deceleration was mainly due to the decreased activities in the agricultural sector and reduced absorption of employees in the Counties. The informal sector which constituted 82.7 per cent of the total employment, created 693.4 thousand new jobs in 2014. The total number of self employed and unpaid family workers within the modern sector was estimated to have increased from 83.8 thousand in 2013 to 103.0 thousand over the review period. This could partly be attributed to starting up of businesses by women and youth following access of grants and interest-free loans from programmes such as Uwezo fund.

**Table 4.1: Total Recorded Employment<sup>1</sup>, 2010 - 2014**

	2010	2011	2012 <sup>+</sup>	2013	2014*
Modern Sector:					
Wage Employees .. .. .	2,016.2	2,084.1	2,155.8	2,283.1	2,370.2
Self-employed and unpaid family workers .. .. .	69.8	73.8	76.9	83.8	103.0
<b>Sub-total</b>	<b>2,086.0</b>	<b>2,157.9</b>	<b>2,232.7</b>	<b>2,366.9</b>	<b>2,473.2</b>
Informal Sector <sup>2</sup> .. .. .	9,371.1	9,958.3	10,548.4	11,150.1	11,843.5
<b>TOTAL</b> .. .. .	<b>11,457.1</b>	<b>12,116.2</b>	<b>12,781.1</b>	<b>13,517.0</b>	<b>14,316.7</b>

\* Provisional

<sup>1</sup> Figures refer to employment stock as at 30<sup>th</sup> June and excludes small scale agriculture and pastoralist activities.

<sup>2</sup> Estimated

<sup>+</sup> Revised series

### Formal Sector Employment

4.4. The overall growth in employment recorded in the modern sector rose by 4.5 per cent in 2014. This was however a decelerated growth compared to 6.0 per cent in 2013. Wage employment accounted for 95.8 per cent of the total modern sector employment in 2014.

4.5. **Private Sector:** Details of wage employment in the modern sector by industry and sector for the last 5 years is presented in Table 4.2. The private sector recorded a suppressed growth of 4.4 per cent in 2014 compared to 7.1 per cent registered in 2013. Overall, the private sector created 69.6 thousand new wage employment opportunities compared to the increase of 106.2 thousand recorded in 2013. Decline in the sector employment creation was mainly recorded in the agriculture, forestry and fishing; electricity, gas, steam and air conditioning supply sectors as well as in accommodation and food services.

4.6. Agriculture, forestry and fishing; manufacturing and wholesale and retail trade; and repair of motor vehicles sub-sectors continued to be the three major employers accounting for 17.4, 15.7 and 13.1 per cent of the total private sector employment, respectively. Mining and quarrying industry registered the highest percentage growth of 40.2 per cent in 2014 compared to 4.8 per cent recorded in 2013. This was mainly due to the commencement of titanium mining in Kwale County. In absolute terms, education; construction and wholesale and retail trade; repair of motor vehicles and motorcycles sectors recorded growths of 24.3, 13.8 and 8.0 thousand wage employees, respectively. Financial and insurance activities maintained an upward trend registering a rise of 3.2 per cent. This was attributed to growth in insurers and intermediaries, with innovative products supported by new distribution channels. However, electricity, gas, steam and air conditioning supply industry; registered negative growth of 18.2 per cent. Wage employment in the agriculture, forestry and fishing declined by 3.1 per cent. Similarly, accommodation and food service activities decreased marginally.

4.7. **Public Sector:** Total employment in the public sector went up from 683.3 thousand persons in 2013 to 700.8 thousand persons in 2014. This was an increase of 2.6 per cent compared to 3.2 per cent realized in 2013. This was attributable to slowdown in absorption of more employees in the counties and limited recruitments by the National Government in the year under review. Water supply, sewerage, waste management and remediation activities continued to lead with the highest growth of 11.1 per cent in 2014. However, this was a decelerated growth compared to 12.5 per cent recorded in 2013. Public administration and, compulsory social security; and education sectors were the largest employers in the sector in 2014. Other economic activities in the public sector that realized notable positive growth in employment were electricity, gas steam, and air condition supply; and financial and insurance activities which expanded by 6.7 and 4.4 per cent, respectively. However, mining and quarrying industry declined by 14.3 per cent during the period under review.

Table 4.2: Wage Employment by Industry and Sector, 2010- 2014

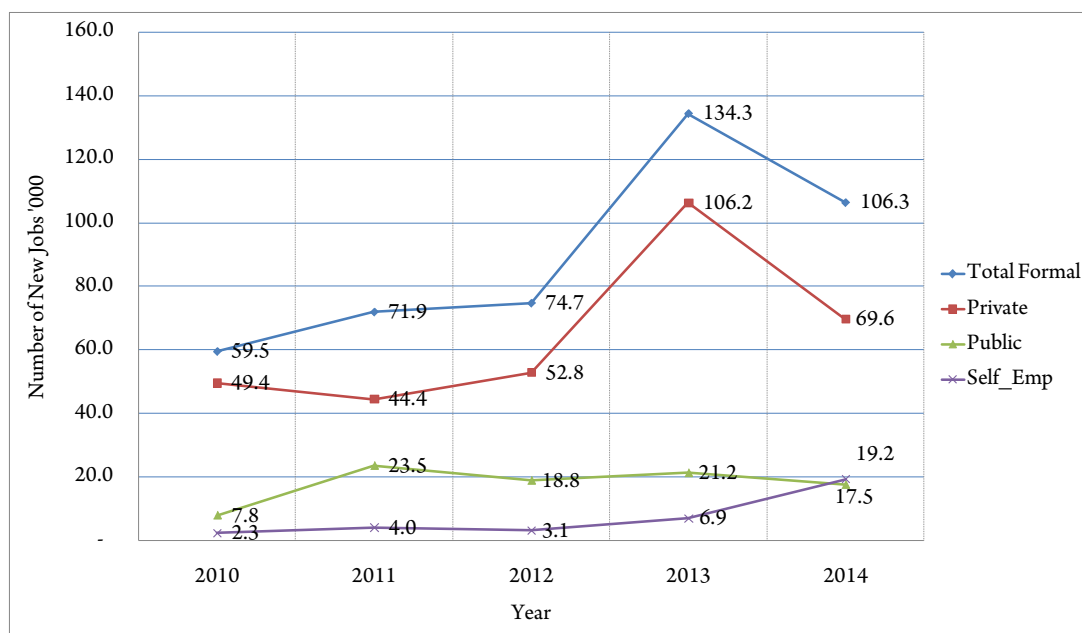
	'000					
	2010	2011	2012	2013	2014*	% change
<b>PRIVATE SECTOR:</b>						
Agriculture, forestry and fishing .....	289.3	289.0	295.5	299.9	290.6	-3.1
Mining and quarrying.....	7.8	8.0	8.3	8.7	12.2	40.2
Manufacturing.....	236.7	245.2	245.4	253.4	261.3	3.1
Electricity, gas, steam and air conditioning supply.....	1.1	1.1	1.1	1.1	0.9	-18.2
Water supply; sewerage, waste management and remediation activities.....	1.2	1.3	1.3	1.4	1.4	0.0
Construction.....	81.4	88.8	98.7	111.6	125.4	12.4
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	180.6	189.6	197.1	210.9	218.9	3.8
Transportation and storage.....	53.8	56.1	58.1	58.8	62.1	5.6
Accommodation and food service activities.....	61.8	64.2	67.6	72.1	71.7	-0.6
Information and communication .....	76.2	78.8	83.9	90.6	97.3	7.4
Financial and insurance activities.....	44.6	48.5	51.3	56.3	58.1	3.2
Real estate activities.....	3.5	3.6	3.7	3.8	3.9	2.6
Professional, scientific and technical activities.....	54.4	55.6	56.9	59.4	60.7	2.2
Administrative and support service activities.....	4.0	4.2	4.5	4.8	4.9	2.1
Public administration and compulsory social security.....	0.0	0.0	0.0	0.0	0.0	0.0
Education.....	98.0	100.9	106.9	142.5	166.8	17.1
Human health and social work activities.....	65.2	68.9	73.8	80.1	85.2	6.4
Arts, entertainment and recreation.....	3.8	3.9	4.0	4.3	4.3	0.0
Other service activities.....	27.0	27.3	28.2	29.2	30.5	4.5
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	105.0	104.8	106.3	109.8	112.1	2.1
Activities of extraterritorial organizations and bodies.....	1.0	1.0	1.0	1.1	1.1	0.0
<b>TOTAL PRIVATE SECTOR .. .. .</b>	<b>1,396.4</b>	<b>1,440.8</b>	<b>1,493.6</b>	<b>1,599.8</b>	<b>1,669.4</b>	<b>4.4</b>
<b>PUBLIC SECTOR:</b>						
Agriculture, forestry and fishing .....	42.0	41.4	42.2	42.6	42.7	0.2
Mining and quarrying.....	0.7	0.7	0.7	0.7	0.6	-14.3
Manufacturing.....	25.0	25.0	25.6	26.0	26.1	0.4
Electricity, gas, steam and air conditioning supply.....	10.6	10.3	13.2	13.5	14.4	6.7
Water supply; sewerage, waste management and remediation activities.....	6.4	6.3	7.2	8.1	9.0	11.1
Construction.....	18.7	17.3	17.4	18.1	18.3	1.1
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	0.9	0.8	0.9	1.3	1.3	0.0
Transportation and storage.....	16.9	16.8	17.1	17.2	17.6	2.3
Accommodation and food service activities.....	1.3	1.4	1.3	1.4	1.4	0.0
Information and communication .....	1.7	1.7	1.8	1.8	1.8	0.0
Financial and insurance activities.....	9.5	9.6	10.3	9.0	9.4	4.4
Real estate activities.....	0.0	0.0	0.0	0.0	0.0	0.0
Professional, scientific and technical activities.....	5.7	5.7	5.8	5.8	5.9	1.7
Administrative and support service activities.....	0.0	0.0	0.0	0.0	0.0	0.0
Public administration and compulsory social security.....	190.8	206.0	207.4	222.4	233.5	5.0
Education.....	258.0	269.1	277.9	280.8	283.2	0.9
Human health and social work activities.....	29.4	29.0	30.9	32.2	33.2	3.1
Arts, entertainment and recreation.....	2.2	2.2	2.4	2.4	2.4	0.0
Other service activities.....	0.0	0.0	0.0	0.0	0.0	0.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	0.0	0.0	0.0	0.0	0.0	0.0
Activities of extraterritorial organizations and bodies.....	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL PUBLIC SECTOR .. .. .</b>	<b>619.8</b>	<b>643.3</b>	<b>662.1</b>	<b>683.3</b>	<b>700.8</b>	<b>2.6</b>
<b>TOTAL WAGE EMPLOYMENT</b>	<b>2,016.2</b>	<b>2,084.1</b>	<b>2,155.8</b>	<b>2,283.1</b>	<b>2,370.2</b>	<b>3.8</b>

\* Provisional.

4.8. Over time, the Government has been articulating the need to create sufficient employment opportunities to absorb the country's labour force. As shown in Figure 4.1, the trend in the number of new jobs created in the modern sector has generally been increasing over the five year period. However, the trend was reversed in 2014 with the exception of self employed.

## Chapter 4: Employment & Earnings

**Figure 4.1: Trend of Public, Private and Self-Employment New Jobs in the Modern Sector, 2010 - 2014**



4.9. Table 4.3 presents wage employment in the public sector by type of employer from 2010 to 2014. A new data series starting in 2013 was developed, following devolution of some services from the National to the County Governments. Overall, there was a decelerated growth in public sector employment of 2.6 per cent in 2014 compared to 3.2 per cent recorded in 2013. The County Governments' employment level registered the highest rise of 5.2 per cent in the review period to 99.6 thousand persons. This was attributed to devolution of functions such as agricultural services, provision of healthcare and pre-primary education to the Counties. The Teachers Service Commission (TSC) continues to be the largest employer in the public sector, registering 3.4 per cent growth in 2014. Employment in the majority control by the Government institutions, parastatal bodies and National Government went up by 1.1 per cent each in 2014.

**Table 4.3: Wage Employment in the Public Sector, 2010 – 2014**

	'000						
	2010	2011	2012	2013		2014*	Annual Percentage Change 2014/2013
				Before Devolution	After Devolution**		
National Government <sup>1</sup>	212.0	219.9	222.6	232.2	179.0	180.9	1.1
Teachers Service Commission	243.0	258.7	267.6	272.5	272.5	281.7	3.4
Parastatal bodies <sup>2</sup>	84.8	86.0	90.6	92.5	92.5	93.5	1.1
Majority Control by the Government <sup>3</sup>	40.8	41.4	43.6	44.5	44.5	45.0	1.1
County Governments <sup>4</sup>	39.2	37.3	37.7	41.6	94.7	99.6	5.2
<b>TOTAL</b>	<b>619.8</b>	<b>643.3</b>	<b>662.1</b>	<b>683.3</b>	<b>683.3</b>	<b>700.8</b>	<b>2.6</b>

\* Provisional.

\*\* New series

<sup>1</sup> Includes employees of Judiciary and Parliament.

<sup>2</sup> Refers to Government wholly-owned corporations.

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

<sup>4</sup> Data upto 2012 refer to local authorities

4.10. Table 4.4 presents wage employment by industry and sex for 2013 and 2014. There were a total of 866.3 thousand females in wage employment, which indicated that female participation had a share of 36.5 per cent of the total wage employment, in the review period. Similarly, males in wage employment improved from 1,445.5 thousand in 2013 to 1,503.9 thousand in 2014. Education and agriculture, forestry and fishing sectors were the main female employers with a share of 27.1 and 13.0 per cent, respectively, of the total female employment. Education; human health and social work activities; and activities of households as employers had more female than males employees. Casual employment of females increased from 159.9 thousand in 2013 to 182.0 thousand in 2014. More males were employed as regular workers compared to females in the period under review.

**Table 4.4: Wage Employment by Industry and Sex, 2013 and 2014**

INDUSTRY	`000					
	Male		Female		Total	
	2013	2014*	2013	2014*	2013	2014*
Agriculture, forestry and fishing .....	217.8	220.6	124.7	112.7	342.5	333.3
Mining and quarrying.....	7.7	10.8	1.7	2.0	9.4	12.8
Manufacturing.....	228.5	234.4	50.9	53.0	279.4	287.4
Electricity, gas, steam and air conditioning supply.....	10.4	11.1	4.2	4.2	14.6	15.3
Water supply; sewerage, waste management and remediation activities	6.3	7.0	3.1	3.4	9.4	10.4
Construction .....	106.7	117.1	23.1	26.6	129.8	143.7
Wholesale and retail trade; repair of motor vehicles and motorcycles ...	159.1	164.7	53.1	55.5	212.2	220.2
Transportation and storage .....	55.7	58.3	20.4	21.4	76.1	79.7
Accommodation and food service activities .....	49.9	49.0	23.6	24.1	73.5	73.1
Information and communication .....	58.1	61.9	34.3	37.2	92.4	99.1
Financial and insurance activities .....	39.2	40.4	26.1	27.1	65.3	67.5
Real estate activities .....	2.8	2.9	1.0	1.0	3.8	3.9
Professional, scientific and technical activities .....	45.3	46.4	19.9	20.2	65.2	66.6
Administrative and support service activities.....	4.2	4.3	0.6	0.6	4.8	4.9
Public administration and compulsory social security.....	141.6	147.6	80.8	85.9	222.4	233.5
Education .....	202.1	215.4	221.2	234.6	423.3	450.0
Human health and social work activities.....	45.3	47.7	67.0	70.7	112.3	118.4
Arts, entertainment and recreation .....	4.5	4.6	2.1	2.1	6.6	6.7
Other service activities.....	18.9	18.6	10.3	11.9	29.2	30.5
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	40.6	40.3	69.2	71.8	109.8	112.1
Activities of extraterritorial organizations and bodies.....	0.8	0.8	0.3	0.3	1.1	1.1
<b>TOTAL .....</b>	<b>1,445.5</b>	<b>1,503.9</b>	<b>837.6</b>	<b>866.3</b>	<b>2,283.1</b>	<b>2,370.2</b>
Of which: Regular .. ..	1,129.0	1,162.6	677.7	684.3	1,806.7	1,846.9
Casual .. ..	316.5	341.3	159.9	182.0	476.4	523.3

\* Provisional

**Wage Earnings in the Modern Sector** 4.11. Total wage payments by industry in the modern sector is presented in Table 4.5. This is a key parameter that gives an indication of returns to labour by workers. The wage payments relate to the basic salary and other allowances which are paid regularly to employees. Overall, nominal wage bill rose from KSh 1,174.9 billion in 2013 to KSh 1,315.9 billion in 2014, an increase of 12.0 per cent. This was lower than the increase of 23.8 per cent recorded in 2013. The private sector wage bill went up by 12.2 per cent from KSh 800.0 billion in 2013 to KSh 897.6 billion in 2014, while the public sector wage bill rose by 11.6 per cent. The contribution of the public sector to the total wage bill in the modern sector decreased marginally in 2014.

Table 4.5: Total Wage Payments by Industry and Sector<sup>1</sup>, 2010 - 2014

	KSh Million Per Annum				
	2010	2011	2012	2013	2014*
<b>PRIVATE SECTOR</b>					
Agriculture, forestry and fishing .....	47,970.8	49,961.9	53,822.1	65,576.7	67,038.5
Mining and quarrying .....	1,710.8	1,834.7	2,045.5	2,587.9	4,196.5
Manufacturing .....	58,948.1	62,243.9	66,360.9	81,131.6	91,393.4
Electricity, gas, steam and air conditioning supply .....	941.6	983.6	1,041.4	1,256.2	1,151.2
Water supply; sewerage, waste management and remediation activities .....	167.8	164.7	167.0	196.6	246.0
Construction .....	32,437.8	35,866.7	40,594.9	52,893.3	68,809.2
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	72,476.8	78,959.9	83,667.5	103,613.2	113,726.5
Transportation and storage .....	39,660.8	43,358.6	47,686.0	57,024.4	65,458.0
Accommodation and food service activities .....	20,436.5	21,031.3	21,488.0	25,185.1	25,933.9
Information and communication .....	48,783.3	50,310.7	53,804.0	65,920.7	72,710.6
Financial and insurance activities .....	53,440.1	59,896.1	64,563.4	82,242.8	87,451.4
Real estate activities .....	672.1	685.3	728.0	870.2	926.7
Professional, scientific and technical activities .....	34,500.9	36,175.2	39,023.4	48,444.5	52,317.9
Administrative and support service activities .....	3,560.6	3,862.4	4,383.8	5,712.1	6,056.6
Public administration and compulsory social security .....	0.0	0.0	0.0	0.0	0.0
Education .....	65,055.2	67,769.7	74,530.1	116,483.7	138,368.6
Human health and social work activities .....	34,664.3	37,381.0	40,130.0	49,486.3	55,701.6
Arts, entertainment and recreation .....	1,549.0	1,634.7	1,767.2	2,194.7	2,290.4
Other service activities .....	12,418.6	12,834.5	13,801.1	16,903.3	19,993.6
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	15,433.3	15,567.2	16,166.1	19,464.2	20,853.2
Activities of extraterritorial organizations and bodies .....	2,266.7	2,327.7	2,398.4	2,804.2	2,973.8
<b>TOTAL PRIVATE SECTOR .....</b>	<b>547,095.1</b>	<b>582,849.8</b>	<b>628,168.8</b>	<b>799,991.7</b>	<b>897,597.6</b>
<b>PUBLIC SECTOR:</b>					
Agriculture, forestry and fishing .....	8,476.3	9,187.3	10,447.1	12,996.1	13,946.3
Mining and quarrying .....	120.1	137.8	155.3	197.3	198.9
Manufacturing .....	12,117.1	12,620.5	14,031.0	17,173.5	18,506.5
Electricity, gas, steam and air conditioning supply .....	8,638.8	8,527.5	11,873.8	14,540.6	16,087.0
Water supply; sewerage, waste management and remediation activities .....	1,938.1	2,133.3	2,884.2	4,172.5	5,274.7
Construction .....	6,391.3	6,274.2	7,098.4	9,190.8	10,062.1
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	710.0	698.2	923.0	1,780.2	2,049.5
Transportation and storage .....	12,500.9	13,578.1	15,690.7	19,640.2	21,583.3
Accommodation and food service activities .....	638.3	765.3	876.5	1,177.6	1,420.7
Information and communication .....	705.7	731.7	837.8	1,031.0	1,133.5
Financial and insurance activities .....	9,359.4	9,750.7	11,338.8	12,282.3	13,460.8
Real estate activities .....	0.0	0.0	0.0	0.0	0.0
Professional, scientific and technical activities .....	1,970.8	2,069.8	2,319.7	2,873.3	3,092.6
Administrative and support service activities .....	0.0	0.0	0.0	0.0	0.0
Public administration and compulsory social security .....	81,116.6	93,151.9	107,068.7	143,861.7	165,482.0
Education .....	92,271.7	105,331.2	119,139.0	106,638.3	114,647.7
Human health and social work activities .....	11,453.6	12,286.7	15,281.2	26,009.9	29,798.4
Arts, entertainment and recreation .....	939.1	994.4	1,182.8	1,379.0	1,530.4
Other service activities .....	0.0	0.0	0.0	0.0	0.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	0.0	0.0	0.0	0.0	0.0
Activities of extraterritorial organizations and bodies .....	0.0	0.0	0.0	0.0	0.0
<b>TOTAL PUBLIC SECTOR .....</b>	<b>249,347.8</b>	<b>278,238.6</b>	<b>321,148.0</b>	<b>374,944.3</b>	<b>418,274.4</b>
<b>TOTAL PUBLIC AND PRIVATE .....</b>	<b>796,442.9</b>	<b>861,088.4</b>	<b>949,316.8</b>	<b>1,174,935.9</b>	<b>1,315,872.0</b>

\* Provisional

<sup>1</sup> Annualised June wages.

## Chapter 4: Employment & Earnings

4.12. A summary of wage payments in the public sector by type of employer is presented in Table 4.6. Total wage bill for the National Government increased by 7.6 per cent from KSh 79.0 billion in 2013 to KSh 85.0 billion in 2014. The TSC wage bill rose by 11.5 per cent to KSh 145.4 billion and accounted for 34.8 per cent of the total public sector wage bill in 2014. The County Governments increased by 8.4 per cent. The parastatal bodies and the majority control by the Government institutions recorded an increase of 16.2 per cent each.

**Table 4.6: Total Wage Payments in the Public Sector<sup>1</sup>, 2010 - 2014**

	KSh Million					
	2010	2011	2012	2013		2014*
				Old Series	New Series	
National Government .. . . . . .	64,220.7	73,171.9	88,728.8	104,471.0	79,009.4	84,981.0
Teachers Service Commission .. . . .	87,844.9	101,859.7	115,276.7	130,427.4	130,427.4	145,407.0
Parastatal bodies <sup>2</sup> .. . . . . . . . . .	52,522.3	55,975.6	63,971.4	66,217.9	66,217.9	76,966.3
Majority Control by the Government <sup>3</sup> .. .	33,405.0	35,601.4	40,686.8	42,115.6	42,115.6	48,951.7
County Governments <sup>4</sup> .. . . . . . . . . .	11,354.9	11,630.0	12,484.5	31,712.4	57,174.0	61,968.3
<b>TOTAL .. . . .</b>	<b>249,347.8</b>	<b>278,238.6</b>	<b>321,148.0</b>	<b>374,944.3</b>	<b>374,944.3</b>	<b>418,274.4</b>

\* Provisional.

<sup>1</sup> Annualised June wages

<sup>2</sup> Refers to Government wholly-owned corporations.

<sup>3</sup> Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them.

4.13. The overall average wage earnings grew by 7.9 per cent from KSh 514,630.7 in 2013 to KSh 555,177.1 in 2014 as indicated in Table 4.7. However, this increment was lower than the 16.1 per cent recorded in 2013. This was attributed to Government's decision not to increase minimum wage in 2014. The increase in average annual earnings was 8.8 per cent in the public sector compared to 7.5 per cent in the private sector. Overall, average monthly earnings stood at KSh 46,264.8 in 2014. The average monthly earnings were higher in the public sector at KSh 49,739.9, compared to KSh 44,806.8 in the private one.



Table 4.7: Average Wage Earnings per Employee<sup>1</sup>, 2010 - 2014

	KSh Per Annum				
	2010	2011	2012	2013	2014*
<b>PRIVATE SECTOR:</b>					
Agriculture, forestry and fishing .....	165,757.7	172,761.8	182,148.4	218,637.7	230,717.7
Mining and quarrying .....	218,968.8	229,388.6	245,938.1	297,797.2	343,893.9
Manufacturing .....	249,178.7	254,032.0	270,630.0	320,187.1	349,745.3
Electricity, gas, steam and air conditioning supply .....	889,116.0	920,934.0	957,190.0	1,125,666.0	1,247,238.0
Water supply; sewerage, waste management and remediation activities .....	134,790.0	126,514.0	126,042.0	142,540.0	176,322.0
Construction .....	398,664.8	403,945.0	411,200.3	473,758.8	548,910.1
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	401,220.3	416,527.8	424,598.2	491,409.9	519,429.6
Transportation and storage .....	737,628.3	772,632.2	821,081.5	969,506.0	1,053,344.1
Accommodation and food service activities .....	330,436.8	327,437.3	317,897.6	349,259.4	361,473.9
Information and communication .....	639,856.1	638,834.0	640,989.8	727,472.8	747,113.9
Financial and insurance activities .....	1,197,779.5	1,234,259.4	1,257,786.3	1,461,808.8	1,504,281.5
Real estate activities .....	191,423.0	191,800.7	196,717.0	228,154.6	238,649.9
Professional, scientific and technical activities .....	634,476.8	650,903.0	685,631.1	816,100.0	861,867.2
Administrative and support service activities .....	896,189.1	921,367.5	980,710.6	1,181,397.3	1,236,542.6
Public administration and compulsory social security .....	0.0	0.0	0.0	0.0	0.0
Education .....	663,921.4	671,895.7	696,882.1	817,809.1	830,085.0
Human health and social work activities .....	531,684.8	542,170.4	544,017.3	617,576.4	654,012.7
Arts, entertainment and recreation .....	410,436.9	420,772.4	437,107.1	513,856.2	530,300.4
Other service activities .....	462,927.1	473,239.2	491,653.2	577,929.2	655,765.5
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	147,569.9	149,167.8	152,874.1	177,267.8	186,011.9
Activities of extraterritorial organizations and bodies .....	2,329,624.0	2,313,842.0	2,299,566.0	2,613,378.0	2,683,940.0
<b>TOTAL PRIVATE SECTOR .....</b>	<b>392,563.1</b>	<b>407,477.7</b>	<b>425,142.6</b>	<b>500,065.8</b>	<b>537,681.1</b>
<b>PUBLIC SECTOR:</b>					
Agriculture, forestry and fishing .....	229,781.8	246,359.7	272,455.9	305,281.3	326,488.4
Mining and quarrying .....	204,524.0	226,998.0	249,962.0	284,224.0	307,348.0
Manufacturing .....	527,876.8	560,931.4	603,737.3	660,317.8	707,920.9
Electricity, gas, steam and air conditioning supply .....	886,144.0	920,250.0	992,760.0	1,080,846.0	1,120,498.0
Water supply; sewerage, waste management and remediation activities .....	331,504.0	377,052.0	438,010.0	517,870.0	584,712.0
Construction .....	373,042.0	402,268.0	448,812.0	506,406.0	548,550.0
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	884,347.3	1,005,770.9	1,173,155.6	1,366,217.6	1,563,295.2
Transportation and storage .....	806,251.2	895,314.2	1,012,786.9	1,139,027.1	1,227,856.8
Accommodation and food service activities .....	538,168.0	615,450.0	727,594.0	870,356.0	1,000,510.0
Information and communication .....	441,720.1	470,288.6	516,051.2	566,147.2	615,720.2
Financial and insurance activities .....	1,112,362.9	1,168,276.0	1,242,047.9	1,361,970.6	1,424,577.9
Real estate activities .....	0.0	0.0	0.0	0.0	0.0
Professional, scientific and technical activities .....	377,498.4	402,746.6	447,526.0	491,494.3	524,252.8
Administrative and support service activities .....	0.0	0.0	0.0	0.0	0.0
Public administration and compulsory social security .....	462,777.1	502,152.1	568,184.7	646,999.6	708,896.9
Education .....	290,403.8	308,870.4	340,665.0	379,647.1	404,953.9
Human health and social work activities .....	561,277.4	614,929.1	702,196.5	808,387.9	900,524.7
Arts, entertainment and recreation .....	464,864.0	492,372.0	538,882.0	583,832.0	635,818.0
Other service activities .....	0.0	0.0	0.0	0.0	0.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	0.0	0.0	0.0	0.0	0.0
Activities of extraterritorial organizations and bodies .....	0.0	0.0	0.0	0.0	0.0
<b>TOTAL PUBLIC SECTOR .....</b>	<b>402,328.5</b>	<b>432,521.6</b>	<b>485,016.0</b>	<b>548,731.4</b>	<b>596,878.2</b>
<b>TOTAL PRIVATE AND PUBLIC SECTOR .....</b>	<b>395,558.9</b>	<b>415,148.8</b>	<b>443,322.1</b>	<b>514,630.7</b>	<b>555,177.1</b>
<b>MEMORANDUM ITEMS IN PUBLIC SECTOR:</b>					
National Government .....	302,927.7	332,750.9	398,601.8	441,289.9	469,692.7
Teachers Service Commission .....	361,457.1	393,736.7	430,779.8	478,625.5	516,195.1
Parastatal bodies <sup>2</sup> .....	619,686.5	650,670.8	705,717.6	715,826.2	822,965.4
Majority Control by the Government <sup>3</sup> .....	819,172.3	860,130.9	932,898.0	946,260.7	1,087,889.5
County Governments <sup>4</sup> .....	289,691.9	311,998.2	331,342.1	603,521.2	621,978.5
<b>TOTAL PUBLIC SECTOR .....</b>	<b>402,328.5</b>	<b>432,521.6</b>	<b>485,016.0</b>	<b>548,731.4</b>	<b>596,878.2</b>

\* Provisional.

<sup>1</sup> Annualised June earnings<sup>2</sup> Refers to Government wholly-owned corporations.<sup>3</sup> Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them.<sup>4</sup> Data up to 2012 refer to Local Authorities

4.14. Table 4.8 presents the percentage change in wage employment and average earnings for 2014/2009 and 2014/2013. The total wage employment for the period 2014/2009 grew by 21.0 per cent. The private sector recorded a higher growth in wage employment of 23.9 per cent compared to the public sector which recorded 14.5 per cent. In the private sector, education showed the highest increase in wage employment in the five year period. Although the construction sector recorded a huge increase in wage employment over the five year period in the private sector, it registered a decline in the public sector.

4.15. The average earnings for the period 2014/2009 grew by 44.9 per cent. The public sector recorded the highest increase of 56.9 per cent compared to 39.9 per cent for the private sector. Mining and quarrying registered the highest increase in average earnings at 61.0 per cent in the private sector. Similarly, accommodation and food services activities had the greatest increase in the public sector.

Table 4.8: Wage Employment and Average Earnings<sup>1</sup>, percentage changes, 2014/2009 and 2014/2013

	Percentage Change			
	EMPLOYMENT		AVERAGE EARNINGS	
	2014/2009*	2014/2013*	2014/2009*	2014/2013*
<b>PRIVATE SECTOR:</b>				
Agriculture, forestry and fishing .....	1.7	-3.1	42.2	5.5
Mining and quarrying .....	60.9	40.4	61.0	15.5
Manufacturing .....	11.5	3.1	42.7	9.2
Electricity, gas, steam and air conditioning supply .....	-12.0	-17.3	42.8	10.8
Water supply; sewerage, waste management and remediation activities ..	13.0	1.2	43.5	23.7
Construction .....	71.8	12.3	39.7	15.9
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	27.9	3.8	29.4	5.7
Transportation and storage .....	18.4	5.7	47.8	8.6
Accommodation and food service activities .....	22.2	-0.5	6.5	3.5
Information and communication .....	38.2	7.4	15.1	2.7
Financial and insurance activities .....	41.1	3.3	28.1	2.9
Real estate activities .....	8.3	1.8	24.5	4.6
Professional, scientific and technical activities .....	14.8	2.3	38.7	5.6
Administrative and support service activities .....	29.3	1.3	42.2	4.7
Public administration and compulsory social security .....	0.0	0.0	0.0	0.0
Education .....	73.5	17.0	25.2	1.5
Human health and social work activities .....	39.9	6.3	25.1	5.9
Arts, entertainment and recreation .....	18.4	1.1	30.9	3.2
Other service activities .....	25.1	4.2	44.6	13.5
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	8.0	2.1	25.9	4.9
Activities of extraterritorial organizations and bodies .....	17.0	3.3	13.3	2.7
<b>TOTAL PRIVATE SECTOR .. . . .</b>	<b>23.9</b>	<b>39.9</b>	<b>39.9</b>	<b>7.5</b>
<b>PUBLIC SECTOR:</b>				
Agriculture, forestry and fishing .....	0.1	0.3	48.5	6.9
Mining and quarrying .....	-3.6	-6.8	57.1	8.1
Manufacturing .....	-2.9	0.5	40.0	7.2
Electricity, gas, steam and air conditioning supply .....	39.6	6.7	28.1	3.7
Water supply; sewerage, waste management and remediation activities ..	33.7	12.0	95.1	12.9
Construction .....	-5.9	1.1	55.8	8.3
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	68.1	0.6	94.4	14.4
Transportation and storage .....	4.7	1.9	61.2	7.8
Accommodation and food service activities .....	9.4	5.0	108.7	15.0
Information and communication .....	3.6	1.1	45.8	8.8
Financial and insurance activities .....	33.4	4.8	35.4	4.6
Real estate activities .....	0.0	0.0	0.0	0.0
Professional, scientific and technical activities .....	2.2	0.9	44.9	6.7
Administrative and support service activities .....	0.0	0.0	0.0	0.0
Public administration and compulsory social security .....	25.2	5.0	64.2	9.6
Education .....	11.6	0.8	45.0	6.7
Human health and social work activities .....	13.4	2.8	74.2	11.4
Arts, entertainment and recreation .....	9.8	1.9	41.9	8.9
Other service activities .....	0.0	0.0	0.0	0.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	0.0	0.0	0.0	0.0
Activities of extraterritorial organizations and bodies .....	0.0	0.0	0.0	0.0
<b>TOTAL PUBLIC SECTOR .. . . .</b>	<b>14.5</b>	<b>2.6</b>	<b>56.9</b>	<b>8.8</b>
<b>TOTAL PRIVATE AND PUBLIC SECTOR .. . . .</b>	<b>21.0</b>	<b>3.8</b>	<b>44.9</b>	<b>7.9</b>
<b>MEMORANDUM ITEMS IN PUBLIC SECTOR:</b>				
National Government .. . . .	-9.8	1.1	62.8	6.4
Teachers Service Commission .. . . .	14.8	3.4	58.9	7.8
Parastatal bodies <sup>2</sup> .. . . .	10.8	1.1	34.7	15.0
Majority Control by the Government <sup>3</sup> .. . . .	10.8	1.1	34.7	15.0
County Governments <sup>4</sup> .. . . .	143.0	5.2	134.9	3.1
<b>TOTAL PUBLIC SECTOR .. . . .</b>	<b>14.5</b>	<b>2.6</b>	<b>56.9</b>	<b>8.8</b>

\* Provisional.

<sup>1</sup> Annualised June earnings<sup>2</sup> Refers to Government wholly-owned corporations.<sup>3</sup> Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them.<sup>4</sup> Data up to 2012 refer to Local Authorities

4.16. Table 4.9 presents the real average earnings per employee by sector adjusted for inflation for the period 2010 to 2014. Overall, real average earnings increased slightly by 0.5 per cent in 2014, compared to 2013 which recorded a growth of 10.7 per cent. This could be attributed to a rise in inflation rates during the period under review. The public sector recorded an increase of 1.3 per cent in the real average wage earnings while the private sector registered a marginal growth.

Table 4.9: Estimated Real Average Wage Earnings per Employee<sup>1</sup>, 2010 - 2014

	KSh Per Annum				
	2010	2011	2012	2013	2014*
<b>PRIVATE SECTOR:</b>					
Agriculture, forestry and fishing .....	156,952.7	142,884.6	136,892	156,629	153,904
Mining and quarrying .....	207,337.2	189,718.5	184,833	213,337	229,400
Manufacturing .....	235,942.3	210,100.1	203,389	229,377	233,304
Electricity, gas, steam and air conditioning supply .....	841,886.2	761,669.0	719,367	806,409	831,991
Water supply; sewerage, waste management and remediation activities .....	127,630.0	104,634.9	94,726	102,113	117,619
Construction .....	377,487.7	334,087.3	309,034	339,393	366,160
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	379,907.5	344,494.1	319,103	352,038	346,494
Transportation and storage .....	698,445.5	639,014.3	617,076	694,538	702,651
Accommodation and food service activities .....	312,884.0	270,810.8	238,913	250,204	241,127
Information and communication .....	605,867.0	528,355.0	481,730	521,150	498,375
Financial and insurance activities .....	1,134,153.5	1,020,808.4	945,278	1,047,216	1,003,456
Real estate activities .....	181,254.6	158,631.0	147,841	163,446	159,196
Professional, scientific and technical activities .....	600,773.4	538,336.8	515,280	584,641	574,923
Administrative and support service activities .....	848,583.6	762,027.5	737,044	846,334	824,857
Public administration and compulsory social security .....	0.0	0.0	0.0	0.0	0.0
Education .....	628,653.9	555,699.0	523,735	585,865	553,722
Human health and social work activities .....	503,441.7	448,408.2	408,851	442,422	436,270
Arts, entertainment and recreation .....	388,634.5	348,004.6	328,504	368,118	353,746
Other service activities .....	438,336.4	391,397.9	369,497	414,019	437,440
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	139,731.0	123,370.9	114,891	126,992	124,082
Activities of extraterritorial organizations and bodies .....	2,205,874.4	1,913,689.5	1,728,217	1,872,181	1,790,368
<b>TOTAL PRIVATE SECTOR .....</b>	<b>371,710.2</b>	<b>337,009.1</b>	<b>319,511.9</b>	<b>358,239.0</b>	<b>358,669.3</b>
<b>PUBLIC SECTOR:</b>					
Agriculture, forestry and fishing .....	217,575.8	203,754.6	204,761.7	218,698.5	217,789.6
Mining and quarrying .....	193,659.7	187,741.3	187,856.6	203,613.4	205,021.7
Manufacturing .....	499,836.0	463,924.7	453,733.1	473,040.9	472,230.6
Electricity, gas, steam and air conditioning supply .....	839,072.1	761,103.3	746,099.5	774,300.5	747,447.1
Water supply; sewerage, waste management and remediation activities .....	313,894.5	311,845.2	329,182.3	370,993.6	390,042.0
Construction .....	353,226.0	332,700.4	337,300.5	362,781.0	365,919.6
Wholesale and retail trade; repair of motor vehicles and motorcycles .....	837,370.8	831,834.3	881,674.1	978,736.0	1,042,822.5
Transportation and storage .....	763,423.2	740,479.9	761,150.5	815,980.4	819,062.6
Accommodation and food service activities .....	509,580.5	509,015.0	546,816.5	623,508.8	667,407.1
Information and communication .....	418,255.9	388,957.6	387,833.5	405,578.6	410,726.6
Financial and insurance activities .....	1,053,274.2	966,236.0	933,449.5	975,693.5	950,288.8
Real estate activities .....	0.0	0.0	0.0	0.0	0.0
Professional, scientific and technical activities .....	357,445.7	333,096.2	336,334.0	352,098.5	349,711.7
Administrative and support service activities .....	0.0	0.0	0.0	0.0	0.0
Public administration and compulsory social security .....	438,194.4	415,310.6	427,013.9	463,500.0	472,881.7
Education .....	274,977.6	255,454.8	256,023.6	271,973.0	270,131.3
Human health and social work activities .....	531,462.4	508,584.2	527,729.2	579,115.9	600,710.2
Arts, entertainment and recreation .....	440,170.4	407,221.9	404,991.7	418,247.7	424,133.1
Other service activities .....	0.0	0.0	0.0	0.0	0.0
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use .....	0.0	0.0	0.0	0.0	0.0
Activities of extraterritorial organizations and bodies .....	0.0	0.0	0.0	0.0	0.0
<b>TOTAL PUBLIC SECTOR .....</b>	<b>380,956.8</b>	<b>357,722.0</b>	<b>364,509.3</b>	<b>393,102.2</b>	<b>398,157.7</b>
<b>TOTAL PRIVATE AND PUBLIC SECTOR .....</b>	<b>374,546.8</b>	<b>343,353.6</b>	<b>333,174.6</b>	<b>368,673.0</b>	<b>370,340.3</b>
<b>MEMORANDUM ITEMS IN PUBLIC SECTOR:</b>					
National Government .....	286,836.2	275,205.4	299,565.5	316,132.9	313,316.5
Teachers Service Commission .....	342,256.5	325,644.4	323,748.5	342,879.5	344,336.7
Parastatal bodies <sup>2</sup> .....	586,768.8	538,144.7	530,375.5	512,806.2	548,973.0
Majority Control by the Government <sup>3</sup> .....	775,657.9	711,381.1	701,110.8	677,885.7	725,695.1
County Governments <sup>4</sup> .....	274,303.5	258,041.7	249,017.1	432,352.7	414,901.3
<b>TOTAL PUBLIC SECTOR .....</b>	<b>380,956.8</b>	<b>357,721.9</b>	<b>364,509.2</b>	<b>393,102.2</b>	<b>398,157.7</b>

\* Provisional.

<sup>1</sup> Average earnings adjusted for the rise in consumer prices. Annualised June earnings deflated by June CPI<sup>2</sup> Refers to Government wholly-owned corporations.<sup>3</sup> Refers to institutions where the Government has over 50 per cent shareholding but does not fully own them.<sup>4</sup> Data up to 2012 refers to Local Authorities

## Chapter 4: Employment & Earnings

4.17. Wage employment registered a slower growth of 3.8 per cent in 2014 compared to 6.0 per cent in 2013 as shown in Table 4.10. The inflation rate was 7.4 per cent in June 2014, up from 4.9 per cent the previous year's while the real average earnings increased by 0.5 per cent compared to an increase of 10.7 per cent in 2013.

**Table 4.10: Changes in Wage Employment, Prices and Real Earnings, 2010 - 2014**

	Percentage				
	2010	2011	2012	2013	2014*
Wage employment .....	2.9	3.4	3.4	6.0	3.8
Average earnings at current prices .....	3.2	5.0	6.8	16.1	7.9
Consumer prices (Inflation rates) <sup>1</sup> .....	3.5	14.5	10.0	4.9	7.4
Real average earnings .....	-0.3	-8.3	-3.0	10.7	0.5

\* Provisional.

<sup>1</sup>June inflation rates

4.18. The informal sector commonly referred to as the *jua kali* sector plays an important role in the labour market as it provides jobs to complement the formal sector. Majority of the small businesses such as retailers, hawkers, *boda boda* operators and other service providers fall in this sector but excludes drug trafficking and any other illegal activity. Over the years, the sector has expanded into activities of manufacturing, transport and information, communication and technology.

4.19. As shown in Table 4.11, the informal sector has shown an upward growth in the last five years. The number of persons engaged in the informal sector grew by 6.2 per cent in 2014 compared to an increase of 5.9 per cent in 2013. More persons were engaged in rural area accounting for 60.1 per cent of the total number of persons engaged. The number of persons engaged in urban areas increased by 18.9 per cent compared to a marginal decline registered in rural areas in 2014.

**Table 4.11: Number of Persons Engaged in the Informal Sector by Activity<sup>1</sup>, 2010 - 2014**

Activity	'000				
	2010	2011	2012	2013	2014*
Manufacturing .....	1,845.5	1,893.0	1,956.4	2,124.1	2,236.3
Construction .....	232.6	251.7	270.4	277.9	290.6
Wholesale and Retail Trade, Hotels and Restaurants ..	5,470.8	5,787.6	6,130.9	6,364.9	6,733.2
Transport and Communications <sup>2</sup> .....	509.1	651.6	747.4	875.5	991.0
Community, Social and Personal Services .....	896.5	932.1	985.2	1,031.0	1,089.5
Others .....	416.6	432.6	438.2	476.7	502.9
<b>TOTAL .....</b>	<b>9,371.1</b>	<b>9,948.6</b>	<b>10,528.5</b>	<b>11,150.1</b>	<b>11,843.5</b>
Urban .....	3,082.7	3,245.3	3,405.5	3,973.7	4,723.6
Rural .....	6,288.4	6,703.3	7,123.0	7,176.4	7,119.9

\* Provisional

<sup>1</sup>Estimated

<sup>2</sup>Includes mainly support services to transport activity, series revised

**Developments in the Labour Market** 4.20. On Labour Day 2014, statutory minimum wages were not increased as is usually the case in most years. In line with this, the Government decided that industrial expansion needed to be supported by a non-expansionary wage regime and that any wage review should be based on productivity.

4.21. Table 4.12 presents gazetted monthly minimum basic wages for the agricultural industry for the last five years. In 2014, these minimum wages remained at the 2013 levels. However, in real terms the KSh 6,503 average minimum wage in 2013 reduced to KSh 6,054 in 2014 due to inflation.

**Table 4.12: Gazetted Monthly Basic Minimum Wages for Agricultural Industry, 2010 – 2014**

Type of Employee	KSh				
	2010	2011	2012	2013	2014
Unskilled employees ... ..	3,347	3,765	4,258	4,854	4,854
Stockman, Herdsman and Watchman ... ..	3,865	4,348	4,917	5,606	5,606
<b>SKILLED AND SEMI-SKILLED EMPLOYEES:</b>					
House servant or cook ... ..	3,820	4,298	4,861	5,542	5,542
Farm foreman ... ..	6,037	6,792	7,681	8,757	8,757
Farm clerk ... ..	6,037	6,792	7,681	8,757	8,757
Section foreman ... ..	3,908	4,397	4,973	5,669	5,669
Farm artisan ... ..	4,000	4,500	5,089	5,802	5,802
Tractor driver ... ..	4,242	4,772	5,397	6,153	6,153
Combine harvester driver ... ..	4,673	5,257	5,945	6,778	6,778
Lorry driver or car driver ... ..	4,904	5,517	6,239	7,113	7,113
<b>AVERAGE</b>	<b>4,483</b>	<b>5,044</b>	<b>5,704</b>	<b>6,503</b>	<b>6,503</b>

Source: Ministry of Labour, Social Security & Services

4.22. As shown in Table 4.13, the average gazetted monthly basic minimum wages in urban areas in 2014 remained as in 2013 levels. Due to the rise in prices, the 2014 earnings were in real terms lower than in 2013. The average monthly basic minimum wages for Nairobi, Kisumu and Mombasa were higher than in all municipalities, town councils and other towns.

**Table 4.13: Gazetted Monthly Basic Minimum Wages in Urban Areas (Excluding Housing Allowance), 2013 – 2014**

Occupation	KSh					
	Nairobi, Mombasa & Kisumu Cities		All Municipalities and Mavoko, Ruiru & Limuru Town Councils		All other towns	
	2013	2014	2013	2014	2013	2014
General labourer ... ..	9,781	9,781	9,024	9,024	5,218	5,218
Miner, stone cutter, turnboy, waiter, cook ...	10,564	10,564	9,372	9,372	6,029	6,029
Night watchman ... ..	10,912	10,912	10,116	10,116	6,224	6,224
Machine attendant ... ..	11,086	11,086	10,316	10,316	8,361	8,361
Machinist ... ..	12,655	12,655	11,839	11,839	9,679	9,679
Plywood machine operator ... ..	13,202	13,202	12,184	12,184	10,071	10,071
Pattern designer ... ..	15,065	15,065	13,773	13,773	11,743	11,743
Tailor, Driver (medium vehicle) ... ..	16,603	16,603	15,259	15,259	13,606	13,606
Dyer, Crawler, Tractor driver, Salesman ...	18,329	18,329	17,102	17,102	15,435	15,435
Saw doctor, Caretaker (building) ... ..	20,284	20,284	18,940	18,940	17,645	17,645
Cashier, Driver (heavy commercial) ... ..	22,071	22,071	20,770	20,770	19,474	19,474
Artisan (Ungraded) ... ..	13,202	13,202	12,184	12,184	10,071	10,071
Artisan Grade III ... ..	16,603	16,603	15,259	15,259	13,581	13,581
Artisan Grade II ... ..	17,932	17,932	17,102	17,102	15,435	15,435
Artisan Grade I ... ..	22,071	22,071	20,770	20,770	19,474	19,474
<b>AVERAGE</b>	<b>15,357</b>	<b>15,357</b>	<b>14,267</b>	<b>14,267</b>	<b>12,136</b>	<b>12,136</b>

Source: Ministry of Labour, Social Security & Services

## Chapter 4: Employment & Earnings

4.23. Table 4.14 shows the number of collective bargaining agreements registered by the Industrial Court in 2013 and 2014. The total number of agreements registered was 328 in 2014 compared to 293 in 2013. There was a notable increase in the number of agreements in the textile, wearing apparels and leather; and electronics and electrical products, recording an increase of 11 and 9 agreements, respectively. However, there were notable declines in agreements in electricity and water; and wholesale and retail trade, restaurant and hotels. The agreements registered reflected an average monthly basic wage of KSh 32,210.5 in 2014 compared to KSh 31,988.5 in 2013. The number of registered unionisable employees covered by the agreements was 90,856 in 2014 compared to 380,103 in 2013.

**Table 4.14: Collective Bargaining Agreements Registered by the Industrial Court, 2013 and 2014**

	No. of Agreements		No. of Unionisable Employees Covered by the Agreements		Average Monthly Basic Wage (KSh)		Average Monthly Housing Allowance Offered (KSh)	
	2013	2014	2013	2014	2013	2014	2013	2014
Agriculture, Forestry, Hunting & Fishing.....	20	28	26,670	9,848	18,987.8	20,772.0	2,998.4	2,718.0
Mining & Quarrying .....	2	2	84	137	16,547.9	13,616.0	3,600.0	1,500.0
<b>Manufacturing of:</b>								
Food, Beverage & Tobacco.....	31	37	5,471	10,721	27,358.7	22,612.0	4,098.9	3,518.7
Textile, Wearing Apparels & Leather Industry....	22	33	7,090	11,544	9,758.7	14,350.8	2,508.4	2,559.0
Wood & Wood Industry including Furniture.....	2	5	48	1,162	12,641.0	13,191.4	2,500.0	3,289.0
Paper & Paper Products, Printing & Publishing....	12	11	1,178	1,645	21,097.4	34,084.4	3,291.8	4,360.8
Chemical, Petroleum Rubber & Plastic Product....	26	23	4,654	872	17,487.7	23,737.4	3,645.4	4,899.1
Glass, Ceramic & Cement .....	6	8	1,104	1,539	82,268.4	27,834.0	7,883.5	6,331.8
Basic Metal Industries .....	2	1	451	156.0	16,767.7	26,823.0	5,990.0	3,599
Electronics & Electrical Products .....	35	44	3,472	2,913	16,710.0	25,498.9	3,487.8	3,912.9
Other Manufacturing industries.....	4		1,691		25,858.9		3,734.4	
Electricity and Water .....	12	3	3,599	496	66,513.3	18,033.3	8,456.9	5,713.3
Building & Construction .....	3	9	1,062	1,422	12,753.7	12,672.1	4,518.0	4,956.1
Wholesale & Retail Trade, Restaurant & Hotels....	35	27	7,629	6,112	21,616.2	38,087.3	2,882.6	3,702.6
Transport and Communication .....	21	29	5,248	14,725	29,008.7	55,102.3	3,274.1	6,052.2
Finance, Insurance, Real Estate & Business Services	19	23	18,490	20,166	105,261.7	120,005.1	10,896.3	7,913.8
Community & Social Services.....	41	45	292,162	7,398	43,166.0	48,948.0	6,687.1	4,293.0
<b>Total/Average</b>	<b>293</b>	<b>328</b>	<b>380,103</b>	<b>90,856</b>	<b>31,988.5</b>	<b>32,210.5</b>	<b>80,453.6</b>	<b>69,319.3</b>

Source: Ministry of Labour, Social Security & Services

### Highlights of National Manpower Survey

4.24. The basic report of the 2011/2012 National Manpower Survey provides key insights into labour force. Among the key findings were the disparity in skills mix between managerial, technical and support staff. The optimal mix as per Industrial and Global Competitiveness Benchmark of 1:15:45 (Managers: Technicians: Support Staff) has not been attained. This was attributed to high multi-skilling and multi-tasking traits in the private sector. The results further indicated that the country had skills spread in all occupations though with differences in magnitude. Other key findings were; ageing workforce in the public sector which had over 58 per cent of staff aged over 36 years compared to the private sector where 60 per cent of the workforce were below 35 years; vacant posts and skill shortages mostly found in higher and middle level occupational groups; and male-female imbalance in the workforce both in the public and private sectors.



**Consumer Price Index** 4.25. The average annual Consumer Price Index (CPI) increased from 140.11 in 2013 to 149.74 in 2014. This represented acceleration in the overall annual inflation from 5.7 per cent in 2013 to 6.9 per cent in 2014. The modest increase in the rate of inflation was attributed to increases in the cost of several food and non-food items which outweighed notable falls in the cost of electricity and petroleum products including petrol, diesel and kerosene.

4.26. Table 4.15 shows percentage changes in consumer price indices and inflation by commodities. Food and non-alcoholic beverages with the largest weight recorded an annual index increase of 8.7 per cent from 155.44 in 2013 to 168.97 in 2014. There was significant increase in prices of beef with bones, tomatoes, fresh fish, fresh packeted and unpacked milk, beans and maize flour over the year. Prices of potatoes, cabbages, sukuma wiki and sugar declined over the year 2014.

4.27. The transport index went up by 9.5 per cent from 147.38 in 2013 to 161.36 in 2014. Although there were notable falls in the cost of diesel and petrol, in aggregate, the transport index went up mainly as a result of increases in *matatu* and bus fares.

4.28. Housing, water, electricity, gas and other fuels index rose by 5.6 per cent. Despite notable falls in the cost of kerosene and electricity, the index went up mainly due to increases in house rents and in the cost of other cooking fuels.

**Table 4.15: Consumer Price Indices and Inflation by Commodities, 2013-2014**

Broad Item Group	Weights (Per cent)	February 2009=100		
		Annual Average Index 2013	Annual Average Index 2014	% Change
Food & Non-Alcoholic Beverages .....	36.03	155.44	168.97	8.7
Alcoholic Beverages, Tobacco & Narcotics .....	2.06	141.02	148.03	5.0
Clothing & Footwear .....	7.43	129.65	135.85	4.8
Housing, Water, Electricity, Gas and other Fuels .....	18.30	133.82	141.31	5.6
Furnishings, Household Equipment and Routine Household Maintenance .....	6.16	129.72	136.27	5.0
Health .....	3.13	125.68	133.39	6.1
Transport .....	8.67	147.38	161.36	9.5
Communication .....	3.82	78.35	77.10	(1.6)
Recreation & Culture .....	2.25	127.90	140.95	10.2
Education .....	3.14	118.80	125.21	5.4
Restaurant & Hotels .....	4.49	149.90	159.82	6.6
Miscellaneous Goods & Services .....	4.52	127.37	133.02	4.4
<b>Weighted average of all Items</b>	<b>100.00</b>	<b>140.11</b>	<b>149.74</b>	<b>6.9</b>

## Chapter 4: Employment & Earnings

4.29. Table 4.16 shows annual inflation rate by income groups over the period of five years. Nairobi lower income group annual inflation rate reduced from 5.9 per cent in 2013 to 5.8 per cent in 2014. The rest of urban areas inflation rate increased from 5.9 per cent in 2013 to 7.8 per cent in 2014.

**Table 4.16: Annual Inflation Rates, 2010-2014**

Income Group	Per cent				
	2010	2011	2012	2013	2014
Nairobi Lower Income Inflation <sup>1</sup> .....	4.7	15.1	9.5	5.9	5.8
Nairobi Middle Income Inflation <sup>2</sup> .....	2.1	9.9	7.8	4.5	4.7
Nairobi Upper Income Inflation <sup>3</sup> .....	5.6	9.9	5.8	3.4	6.0
Nairobi Inflation .....	4.2	14.1	9.0	5.5	5.6
Rest of Urban Towns Inflation .....	4.0	14.3	9.7	5.9	7.8
<b>Kenya Inflation Rate</b>	<b>4.1</b>	<b>14.0</b>	<b>9.4</b>	<b>5.7</b>	<b>6.9</b>

**Note:**

<sup>1</sup> Comprises households with monthly expenditure below KSh 23,670 in October 2005

<sup>2</sup> Comprises households with monthly expenditure between KSh 23,671 and KSh 119,999 in October 2005

<sup>3</sup> Comprises households with monthly expenditure above KSh 120,000 in October 2005

4.30. Table 4.17 shows that the annual average CPI for Nairobi lower income group from 2010 to 2014. The Index rose from 143.30 to 151.59 with the highest index of 154.08 recorded in December.

**Table 4.17: Consumer Price Indices for Nairobi Lower Income Group, 2010-2014**

Month	February 2009=100				
	2010	2011	2012	2013	2014
January .....	105.60	111.59	134.21	138.55	148.47
February .....	106.16	114.08	134.38	139.72	148.75
March .....	105.78	117.46	136.85	141.17	149.36
April .....	106.38	121.32	137.61	142.91	150.57
May .....	106.85	121.77	138.00	142.84	151.51
June .....	106.67	123.70	136.21	142.68	151.39
July .....	107.61	124.83	134.44	142.94	151.71
August .....	108.11	126.64	133.18	142.82	153.51
September .....	108.73	128.27	133.61	146.54	153.64
October .....	108.38	129.60	134.13	146.18	153.18
November .....	108.80	131.23	135.14	146.29	152.88
December .....	110.33	133.09	136.49	146.93	154.08
<b>Annual average</b>	<b>107.45</b>	<b>123.63</b>	<b>135.35</b>	<b>143.30</b>	<b>151.59</b>

4.31. Tables 4.18, 4.19, 4.20, 4.21 and 4.22 present a five year series of CPI for Nairobi middle and upper income groups, overall Nairobi, rest of urban areas and the aggregated national indices.

**Table 4.18: Consumer Price Indices, Nairobi Middle Income Group, 2010- 2014**

February 2009=100					
Month	2010	2011	2012	2013	2014
January .....	102.93	106.64	121.65	125.13	131.93
February .....	102.95	107.26	121.37	125.79	131.99
March .....	103.34	108.86	122.53	126.89	132.79
April .....	103.52	111.35	123.49	127.57	133.22
May .....	103.39	112.42	123.66	127.08	133.91
June .....	103.09	112.95	123.31	126.80	134.48
July .....	103.34	113.83	121.96	127.56	135.45
August .....	103.39	115.05	122.03	127.61	135.76
September .....	103.70	116.57	122.40	131.11	135.48
October .....	103.97	118.86	123.12	130.91	135.33
November .....	104.65	120.95	123.36	130.66	134.97
December .....	103.83	121.73	123.51	130.88	135.60
<b>Annual average</b>	<b>103.51</b>	<b>113.87</b>	<b>122.70</b>	<b>128.16</b>	<b>134.24</b>

**Table 4.19: Consumer Price Indices, Nairobi Upper Income Group, 2010-2014**

February 2009=100					
Month	2010	2011	2012	2013	2014
January .....	105.51	110.90	123.72	126.64	134.11
February .....	105.56	111.29	123.63	126.91	134.32
March .....	106.23	111.95	124.12	127.77	134.63
April .....	106.32	113.12	124.90	127.88	135.10
May .....	107.30	113.93	124.98	127.25	136.39
June .....	107.39	118.28	124.83	126.93	136.83
July .....	107.62	120.18	124.26	127.09	137.30
August .....	107.07	120.90	124.74	127.72	139.94
September .....	107.67	121.83	124.87	132.57	139.46
October .....	107.89	123.51	125.72	132.47	138.22
November .....	109.24	124.52	125.51	132.40	138.03
December .....	109.09	124.03	125.46	132.51	136.74
<b>Annual average</b>	<b>107.24</b>	<b>117.87</b>	<b>124.73</b>	<b>129.01</b>	<b>136.76</b>

**Table 4.20: Consumer Price Indices, Overall Nairobi, 2010-2014**

February 2009=100					
Month	2010	2011	2012	2013	2014
January .....	104.95	110.37	130.78	134.86	143.94
February .....	105.36	112.33	130.84	135.88	144.16
March .....	105.21	115.18	132.91	137.22	144.81
April .....	105.69	118.60	133.73	138.64	145.80
May .....	106.03	119.22	134.05	138.45	146.69
June .....	105.84	120.90	132.67	138.26	146.76
July .....	106.58	122.00	131.04	138.63	147.25
August .....	106.93	123.63	130.17	138.58	148.72
September .....	107.48	125.21	130.58	142.29	148.72
October .....	107.30	126.78	131.16	141.98	148.31
November .....	107.81	128.49	131.94	142.00	148.00
December .....	109.04	130.01	132.94	142.51	148.97
<b>Annual average</b>	<b>106.52</b>	<b>121.06</b>	<b>131.90</b>	<b>139.11</b>	<b>146.84</b>

## Chapter 4: Employment & Earnings

**Table 4.21: Consumer Price Indices, The Rest Urban Areas, 2010-2014**

February 2009=100

Month	2010	2011	2012	2013	2014
January .....	104.84	110.71	130.84	136.15	146.42
February .....	105.05	111.87	130.71	137.08	147.21
March .....	104.80	114.22	132.23	138.48	147.87
April .....	105.48	118.07	133.74	139.72	149.88
May .....	105.62	119.67	134.12	140.27	151.81
June .....	105.45	120.91	133.33	140.53	152.12
July .....	105.56	122.75	132.54	140.73	152.95
August .....	105.78	124.21	132.45	141.49	154.33
September .....	106.22	125.24	132.81	143.19	154.71
October .....	106.74	127.50	133.38	143.28	154.45
November .....	107.90	129.57	134.31	143.94	154.55
December .....	109.62	130.15	135.17	144.79	154.99
<b>Annual average</b>	<b>106.09</b>	<b>121.24</b>	<b>132.97</b>	<b>140.81</b>	<b>151.77</b>

**Table 4.22: Consumer Price Indices Kenya, 2010-2014**

February 2009=100

Month	2010	2011	2012	2013	2014
January .....	104.89	110.57	130.82	135.62	145.40
February .....	105.18	112.06	130.76	136.59	145.95
March .....	104.97	114.62	132.51	137.96	146.61
April .....	105.56	118.29	133.74	139.28	148.20
May .....	105.79	119.48	134.09	139.52	149.70
June .....	105.61	120.91	133.06	139.59	149.91
July .....	105.98	122.44	131.92	139.87	150.60
August .....	106.25	123.97	131.51	140.29	152.02
September .....	106.74	125.23	131.89	142.82	152.24
October .....	106.97	127.20	132.46	142.75	151.92
November .....	107.86	129.13	133.33	143.14	151.85
December .....	109.38	130.09	134.25	143.85	152.51
<b>Annual average</b>	<b>106.27</b>	<b>121.17</b>	<b>132.53</b>	<b>140.11</b>	<b>149.74</b>

## Chapter 5

### Money, Banking and Finance

**Overview** The Central Bank of Kenya (CBK) adopted monetary policy measures that contributed to the easing of inflationary pressure in 2014. Through these policies, relative price stability was achieved with inflation rate remaining close to the 5.0 per cent target. The Central Bank Rate (CBR) remained at 8.50 per cent throughout the period anchoring inflationary expectations. Further, the introduction of the Kenya Banks' Reference Rate (KBRR) and Annual Percentage Rate (APR) frameworks in July 2014 facilitated a transparent credit pricing framework with the expectation that it will enhance the transmission of monetary policy signals through commercial banks' lending rates. The Kenya Shilling maintained stable exchange rate during the period despite short-term pressures arising from the global strengthening of the US Dollar. The exchange rate stability was supported by foreign exchange inflows through remittances, sale of foreign exchange by the CBK to commercial banks, and sustained foreign investor participation in the Nairobi Securities Exchange (NSE). Proceeds from the sovereign bond floated in June 2014 by the Government also contributed significantly to the exchange rate stability.

5.2. During the review period, interest rates remained stable, with the 91-day Treasury bill rate settling at 8.58 per cent in December 2014. Broad money supply (M3) grew by 19.0 per cent to KSh 2,330.0 billion in December 2014, which was close to the policy target of KSh 2,320.5 billion. Commercial banks credit to the National Government declined with its share in total credit dropping from 22.7 per cent in December 2013 to 9.7 per cent in December 2014. The share of the banks' credit to private sector increased from 61.2 per cent of total domestic credit, to 69.6 per cent.

5.3. All stock market indicators maintained the vibrant trend that started in mid-2013 but at a slower pace. The total number of shares traded increased by 7.4 per cent to 8.1 billion in 2014 compared to an increase of 38.7 per cent recorded in 2013. The value of shares traded grew to KSh 216 billion in 2014, registering a growth of 38.5 per cent compared to 81.4 per cent recorded in 2013.

**Table 5.1: Selected Monetary Indicators, 2010-2014**

As at end of:	Net Foreign Assets (KSh Million)	Domestic Credit (KSh million)			Broad Money Supply <sup>2</sup> (M3) (KSh Million)	Commercial Bank Liquidity Ratio (per cent of deposit liabilities)	Advances/ Deposits Ratio (per cent)
		Private <sup>1</sup>	National Government	Total			
2010 Dec ...	271,491	920,671	347,270	1,267,940	1,271,638	44.3	74.0
2011 Dec ...	296,965	1,203,946	328,435	1,532,051	1,514,152	37.8	79.0
2012 Dec ...	327,821	1,345,209	422,548	1,767,757	1,727,686	35.8	79.3
2013 Dec ...	389,179	1,595,205	411,957	2,007,163	1,957,492	40.3	82.3
2014 Mar ...	370,550	1,648,005	449,868	2,097,873	2,060,314	39.4	83.9
Jun ...	529,426	1,759,819	283,057	2,042,876	2,152,134	38.0	81.8
Sep ...	446,493	1,859,351	251,098	2,110,449	2,251,762	37.3	83.7
Dec ...	479,654	1,932,863	204,310	2,137,173	2,329,980	38.8	83.0

Source: Central Bank of Kenya

<sup>2</sup> See Table 5.2 and 5.3 for details

<sup>1</sup> includes other public bodies

## Chapter 5: Money & Banking

**Selected Monetary Indicators and the Consolidated Accounts of the Banking System** 5.4. Selected Monetary indicators for the period 2010 to 2014 are contained in Table 5.1. Net foreign assets (NFA) held by the banking system increased to KSh 479.7 billion in December 2014, a growth of 23.2 per cent compared to 18.7 per cent recorded in December 2013. The growth in NFA was mainly due to increased holdings of the CBK, largely from proceeds of the sovereign bond issued in June 2014 and purchases from the interbank market. The overall domestic credit growth slowed to 6.5 per cent in December 2014 compared to 13.5 per cent in December 2013. Credit to private sector inclusive of quasi-government institutions increased by 21.2 per cent to KSh 1,932.9 billion during the review period. The private sector continued to dominate the banking system lending, accounting for 90.4 per cent of total credit. Credit to the National Government declined substantially by 50.4 per cent to KSh 204.3 billion in December 2014 due to increased off-shore borrowing. Over the same period, broad money supply (M3) increased by 19.0 per cent to KSh 2,330.0 billion. The Commercial Bank liquidity ratio stood at 38.8 per cent in December 2014 compared to 40.3 per cent recorded in December 2013. The advances to deposits ratio improved marginally from 82.3 to 83.0 per cent in the review period.

**Table 5.2: Money and Quasi Money Supply, 2010-2014**

		KSh Million					
		Money <sup>1</sup> (M1)	Quasi-Money		M2	M3	L
			Banks	Others <sup>2</sup>			
2010	Dec	577,206	506,654	15,490	1,099,234	1,271,638	1,558,158
2011	Dec	622,731	613,279	18,089	1,253,958	1,514,152	1,854,928
2012	Dec	710,844	758,515		1,469,399	1,727,686	2,130,549
2013	Dec	788,319	844,526		1,632,845	1,957,492	2,484,480
2014	Jan	843,803	855,649		1,699,452	2,026,568	2,558,557
	Feb	860,767	873,046		1,733,814	2,030,488	2,560,078
	Mar	868,067	890,708		1,758,775	2,060,313	2,592,544
	Apr	881,421	898,725		1,780,145	2,100,610	2,650,159
	May	901,172	926,839		1,828,011	2,147,479	2,701,274
	Jun	913,017	925,120		1,838,136	2,152,132	2,718,340
	Jul	899,431	946,625		1,846,057	2,190,076	2,752,259
	Aug	918,416	972,656		1,891,072	2,253,316	2,880,192
	Sep	903,124	990,209		1,893,333	2,251,762	3,020,091
	Oct	915,658	999,059		1,914,717	2,260,023	3,037,955
	Nov	940,488	1,012,891		1,953,379	2,295,147	3,102,530
	Dec	936,440	1,045,421		1,981,860	2,329,980	3,124,102

Source: Central Bank of Kenya.

<sup>1</sup> Currency outside banks plus all demand deposits except; those of Government, Commercial Banks, Non Residents and foreign currency denominated deposits

<sup>2</sup> Following the conversions and mergers there are no operational Non Bank Financial Institutions

5.5. Money and quasi money supply are presented in Table 5.2. Narrow money supply (M1) expanded by 18.8 per cent in 2014 to KSh 936.4 billion, against a growth of 10.0 per cent recorded in December 2013. Quasi money deposits held by commercial banks increased from KSh 844.5 billion in December 2013 to KSh 1,045.4 billion in December 2014, an increase of 23.8 per cent. Money supply (M2) expanded by 21.4 per cent to KSh 1,981.9 billion in the review period. The M3 monetary policy benchmark, that includes foreign currency deposits, increased by 19.0 per cent to KSh 2,330 billion by December 2014. This was close to the policy target of KSh 2,320.5 billion. Overall liquidity (L) that includes non banking public holding of Government securities grew by 25.7 per cent to KSh 3,124.1 billion in 2014.

Table 5.3: Consolidated Accounts of the Banking System, 2010-2014

	KSh Million							
	2010	2011	2012	2013	2014*			
	December	December	December	December	March	June	September	December
<b>LIABILITIES-</b>								
1. Money (M1):								
1.1 Demand Deposits .. . . . . .	454,179	485,628	562,991	624,960	711,162	754,684	745,100	762,935
1.2 Currency outside banks .. . . .	123,027	137,103	147,893	163,359	156,905	158,334	158,024	173,505
<b>Sub-Total .. . . . . .</b>	<b>577,206</b>	<b>622,731</b>	<b>710,884</b>	<b>788,319</b>	<b>868,067</b>	<b>913,018</b>	<b>903,124</b>	<b>936,440</b>
2. Quasi-Money (Banks):								
2.1 Call + 7 days Notice								
Deposits..... . . . . . . . . . .	39,621	61,197	75,667	87,569	92,358	95,926	102,675	108,400
2.2 Savings Deposits .. . . . . . . .	134,799	150,129	185,628	201,718	212,748	220,968	236,515	249,702
2.3 Time Deposits .. . . . . . . . . .	332,233	401,953	496,998	555,239	585,602	608,226	651,020	687,319
<b>Sub-Total .. . . . . .</b>	<b>522,028</b>	<b>631,227</b>	<b>758,515</b>	<b>844,526</b>	<b>890,708</b>	<b>925,120</b>	<b>990,209</b>	<b>1,045,421</b>
<b>Total Money (M1) &amp; Quasi-Money</b>	<b>1,099,234</b>	<b>1,253,958</b>	<b>1,469,399</b>	<b>1,632,845</b>	<b>1,758,775</b>	<b>1,838,138</b>	<b>1,893,333</b>	<b>1,981,861</b>
3. Quasi-Money (NBFIs) <sup>1</sup> .. . . . .	15,490	18,089						
Broad Money Supply (M2)	1,099,234	1,253,958	1,469,399	1,632,845	1,758,775	1,838,138	1,893,333	1,981,861
4. Foreign Currency Deposits.. . . . .	172,404	260,193	258,287	324,647	301,539	313,996	358,429	348,119
Broad Money Supply (M3)	1,271,638	1,514,152	1,727,686	1,957,492	2,060,314	2,152,134	2,251,762	2,329,980
5. Treasury Bill Holdings.. . . . . . . .	286,520	340,776	402,864	526,988	532,231	566,207	768,329	794,123
Overall Liquidity (L)	1,558,158	1,854,928	2,130,549	2,484,480	2,592,545	2,718,341	3,020,091	3,124,103
6. Other Items (Net).. . . . . . . . . . .	267,792	315,194	367,881	438,850	408,109	420,168	305,180	286,847
<b>TOTAL LIABILITIES .. . . . . .</b>	<b>1,539,431</b>	<b>1,829,346</b>	<b>2,095,566</b>	<b>2,396,342</b>	<b>2,468,423</b>	<b>2,572,302</b>	<b>2,556,942</b>	<b>2,616,827</b>
<b>ASSETS-</b>								
7. Net Foreign Assets (NFA) .. . . . . .	271,491	296,965	327,821	389,179	370,550	529,426	446,493	479,654
8. Domestic Credit:								
8.1 National Govt (Net).. . . . . . . .	347,270	328,435	422,548	411,957	449,868	283,057	251,098	204,310
8.2 Other Public Bodies .. . . . . . . .	22,180	30,809	49,814	39,620	33,695	39,994	51,026	48,402
8.3 Private Sector .. . . . . . . . . . .	898,490	1,173,137	1,295,395	1,555,586	1,614,310	1,719,825	1,808,325	1,884,461
<b>Sub-Total</b>	<b>1,267,940</b>	<b>1,532,381</b>	<b>1,767,757</b>	<b>2,007,163</b>	<b>2,097,873</b>	<b>2,042,876</b>	<b>2,110,449</b>	<b>2,137,173</b>
<b>TOTAL ASSETS .. . . . . .</b>	<b>1,539,431</b>	<b>1,829,346</b>	<b>2,095,566</b>	<b>2,396,342</b>	<b>2,468,423</b>	<b>2,572,302</b>	<b>2,556,942</b>	<b>2,616,827</b>

Source: Central Bank of Kenya.

\* Provisional

<sup>1</sup> Following the conversions and mergers there are no operational NBFIs since December 2011**Notes:**(a) Broad Money, **M2**, is money supplied by the CBK, Commercial Banks and NBFIs.

The items include currency outside banking institutions, deposits held by non-banking institutions with CBK, all deposits as well as certificates of deposits held by the private and other public sectors with banking institutions. Excluded are National Government, County Government and Non-residents deposits with banking institutions.

(b) Broad Money, **M3**, comprises M2 and foreign currency holdings by residents.(c) Overall Liquidity, **L**, comprises M3 and Treasury Bill holdings by the non-bank public.

(d) Other Items Net includes SDR allocated by IMF.

(e) Net Foreign Assets (NFA) includes Government reserve position in the IMF and deposits with crown agents.

(f) Treasury Bill holdings by the non-bank public is not included in total liabilities of the banking system.

5.7. Table 5.3 presents the consolidated accounts of the banking system for the period 2010 to 2014. The liabilities of the banking system increased by 9.2 per cent in December 2014 compared to 14.4 per cent rise recorded in December 2013. Major items that contributed to the increase in liabilities included demand deposits, quasi money banks, and treasury bill holding which rose by 22.1, 23.8 and 50.7 per cent, respectively.

## Chapter 5: Money & Banking

**Sources of Change in M3 and Real Values of Selected Financial Aggregates** 5.8. Assets of the banking system increased by 9.2 per cent to KSh 2,616.8 billion in December 2014 mainly attributed to increases in domestic credit to private sector. Overall domestic credit, grew by 6.5 per cent in December 2014 compared to 13.5 per cent recorded in December 2013. The slowed growth can be attributed to a 50.4 per cent decrease in the credit to National Government. Reduced borrowing by the National Government in the domestic market may be explained by increased offshore borrowing.

5.9. The changes in money supply and their sources are presented in Table 5.4. Change in currency in circulation including demand deposits, increased to KSh148.1 billion, while quasi money deposits with banks increased to KSh 200.9 billion in 2014. Foreign Currency Deposits (FCDs) that had recorded a significant increase of KSh 66.3 billion in December 2013, grew by 23.5 billion in 2014. As an outcome of these changes, broad money supply (M3) increased by KSh 372.5 billion in the review period. Contributing to the changes were increases of KSh 90.5 billion and KSh 130.0 billion in net foreign assets and domestic credit, respectively.

**Table 5.4: Changes in Money Supply and the Sources<sup>1</sup>, 2010-2014**

	KSh Million				
	2010	2011	2012	2013	2014
<b>MONEY SUPPLY CHANGES</b>					
1 Currency plus demand deposits (M1) .. .. .	134,961	45,525	88,153	77,436	148,121
2 Quasi-money (Banks) .. .. .	67,850	106,625	127,288	86,010	200,895
3 Quasi-money (NBFIs) .. .. .	-1,709	2,599			
4 Foreign Currency Deposits .. .. .	24,847	87,789	-1,907	66,360	23,472
5 Broad Money supply (M3) .. .. .	225,982	242,513	213,534	229,806	372,488
<b>SOURCES OF CHANGES</b>					
6 Net foreign assets .. .. .	26,186	25,804	30,856	61,358	90,475
7 All Domestic Credit .. .. .	289,621	264,111	235,376	239,417	130,010
(a) to National Government (net) .. .. .	128,744	675,375	94,102	-10,579	-207,647
(b) to other public sector .. .. .	9,698	8,629	19,006	-10,195	8,782
(c) to private sector .. .. .	151,178	274,646	122,257	260,191	328,875
8 Other Items (Net) .. .. .	-89,825	-47,402	-52,698	-70,969	-152,003
9 Total sources of change (6+7+8) .. .. .	225,982	242,513	213,534	229,806	372,488

<sup>1</sup>Compares year-end values

**Trends in the Real Values of Selected Financial Aggregates** 5.10. Selected financial aggregates in real terms are presented in Table 5.5. Real broad money supply (M3) grew by 12.2 per cent to KSh 1,527.8 billion in December 2014, while the overall liquidity (L) that includes treasury bill holdings by non-banking residents, grew by 18.6 per cent to KSh 2,048.5 billion. Commercial bank's credit to private sector increased by 10.4 per cent to KSh 961.3 billion while total liabilities of the banking system increased to KSh 1,715.8 billion in December 2014. The ratio of deposit liabilities to total liabilities of the banking system rose by 7.1 percentage points to 85.5 per cent during the period in review.



Table 5.5: Trends in the Real Values of Selected Financial Aggregates<sup>1</sup>, 2010-2014

	KSh Million				
	2010	2011	2012	2013	2014
1 Money Supply (M3).....	1,163,455	1,163,926	1,286,647	1,360,787	1,527,756
2 Overall Liquidity (L).....	1,435,436	1,442,188	1,586,201	1,727,133	2,048,457
3 Commercial bank credit to private sector ..	645,714	674,166	723,722	870,489	961,296
4 Total commercial bank credit ..	812,275	917,663	1,315,063	1,422,428	1,198,016
5 Commercial Banks' Deposit Liabilities ..	1,103,278	1,115,527	1,248,326	1,306,795	1,466,392
6 Total liabilities of banking system ..	1,415,976	1,406,216	1,560,952	1,665,862	1,715,840
<b>Memorandum item:</b>					
7 Line 5 as per cent of line 6 ..	77.9	79.3	80.0	78.4	85.5

<sup>1</sup> Deflated by December Consumer Price Index.

### Nominal and Real Interest Rates

5.11. Nominal Principal interest rates are presented in Table 5.6. All the nominal interest rates recorded marginal changes in December 2014 compared to December 2013. The 91-day Treasury bill rate rose from 9.53 per cent in December 2013 to 9.81 per cent in June 2014 but dropped to 8.58 per cent in December 2014. The central bank rate remained at 8.50 per cent throughout the review period. The interbank lending rate dropped by 2.06 percentage points to 6.92 per cent. During the review period, the average deposit rate increased from 6.65 per cent to 8.32 per cent while the savings rate increased marginally to 1.85 per cent. The loans to deposits spread narrowed by 1.16 percentage points to 9.18 per cent, while both the loans/advances and the overdraft interest rates declined by 1.0 percentage points and 0.65 percentage points, respectively.

Table 5.6: Nominal Principal Interest Rates, 2010-2014

	Per cent					
	2010	2011	2012	2013	2014	
	December	December	December	December	June	December
<b>CENTRAL BANK OF KENYA</b>						
91 day Treasury Bills Rate .....	2.28	18.30	8.30	9.53	9.81	8.58
Central Bank Rate .....	6.00	18.00	11.00	8.50	8.50	8.50
Repo rate .....	..	17.59	6.85	..	6.88	5.39
Inter-bank rate .....	1.18	21.75	5.84	8.98	6.95	6.92
<b>COMMERCIAL BANKS<sup>1</sup></b>						
Average deposits .....	3.59	6.99	6.80	6.65	6.56	8.32
Savings deposits .....	1.45	1.59	1.60	1.58	1.50	1.85
Loan and Advances (maximum) .....	13.87	20.04	18.15	16.99	16.36	15.99
Overdraft .....	13.69	20.20	17.79	16.51	15.88	15.86
Loans-Deposits Spread .....	10.28	13.05	13.05	10.34	9.80	9.18

Source: Central Bank of Kenya.

<sup>1</sup>Weighted average commercial bank interest rates

.. Data not available

5.12. Table 5.7 shows trends in selected real interest rates. All real interest rates were positive and within the single digit level in 2014. The real saving deposit rate improved from negative 5.57 per cent to negative 4.17 per cent. The 91 day treasury bills real interest rate increased by 0.18 percentage points to 2.56 per cent in December 2014. Interbank real interest rate however deteriorated from 1.83 per cent in 2013 to 0.89 per cent in 2014.

Table 5.7: Trends in Selected Real Principal Interest Rates<sup>1</sup>, 2010-2014

	Year	Nominal Interest	Inflation Rate	Percentage
				Real Interest <sup>2</sup>
1 Average Interest Rate for 91-day Treasury Bills	2010	2.28	4.51	-2.23
	2011	17.90	18.93	-1.03
	2012	8.25	3.20	5.05
	2013	9.53	7.15	2.38
	2014	8.58	6.02	2.56
2 Commercial bank savings deposits (average)	2010	1.45	4.51	-3.06
	2011	1.60	18.93	-17.33
	2012	1.60	3.20	-1.60
	2013	1.58	7.15	-5.57
	2014	1.85	6.02	-4.17
3 Commercial bank loans and advances (maximum)	2010	13.87	4.51	9.36
	2011	20.04	18.93	1.11
	2012	18.15	3.20	14.95
	2013	16.99	7.15	9.84
	2014	15.99	6.02	9.97
4 Inter-Bank Rate	2010	1.18	4.51	-3.33
	2011	21.75	18.93	2.82
	2012	5.84	3.20	2.64
	2013	8.98	7.15	1.83
	2014	6.91	6.02	0.89

<sup>1</sup> As at December

<sup>2</sup> Real Interest Rate equals Nominal Rate minus Inflation Rate

**Central Bank of Kenya Balance Sheet** 5.13. The CBK balance sheet is presented in Table 5.8. The total assets of the Bank increased by 20.8 per cent to KSh 786.2 billion in 2014 mainly on account of foreign exchange balances with external banks which increased by 27.6 per cent to KSh 722.1 billion. Declines were however recorded in direct advances including overdrafts to the Government from KSh 34.2 billion in 2013 to KSh 27.8 billion in 2014. During the same period, other assets including Treasury bills and Bonds reduced significantly from KSh 66.5 billion in 2013 to KSh 24.8 billion in 2014. The increase in the liabilities of the CBK was mainly attributed to a 25.6 per cent growth in deposits to KSh 498.6 billion in 2014. Liabilities in the form of currency in circulation and; capital and general reserve fund also increased by 5.7 per cent and 32.8 per cent to KSh 210 billion and KSh 70.4 billion, respectively in 2014.

Table 5.8: Central Bank of Kenya Assets and Liabilities, 2010-2014

KSh Million								
	2010	2011	2012	2013	2014			
					1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr
<b>ASSETS</b>								
1. Foreign Exchange:-								
1.1 Balances with External Banks .. . . .	301,590	314,010	488,588	566,040	578,905	757,623	691,473	722,100
1.2 Treasury Bills .. . . .	-	35,506	-	-	-	-	-	-
1.3 Other Investments .. . . .	-	8,705	80	1,894	-	-	-	-
1.4 Special Drawing Rights .. . . .	24,829	1,431	596	4,036	1,959	692	3,334	1,179
<b>TOTAL</b>	<b>326,419</b>	<b>359,652</b>	<b>489,264</b>	<b>571,969</b>	<b>580,864</b>	<b>758,315</b>	<b>694,807</b>	<b>723,279</b>
2. Advances & Discounts to Banks .. . . .	1,280	-	-	9,978	39,859	40,513	38,673	34,077
3. Direct Advances & Overdraft to Kenya Government .. . . .	22,733	26,221	25,462	34,187	28,334	28,334	27,779	27,779
4. Other Assets including Kenya Treasury Bills & Bonds .. . . .	42,857	63,463	41,226	66,501	18,811	25,087	24,771	24,814
<b>TOTAL ASSETS</b>	<b>392,968</b>	<b>433,785</b>	<b>548,717</b>	<b>650,670</b>	<b>649,116</b>	<b>828,282</b>	<b>762,308</b>	<b>786,210</b>
<b>LIABILITIES :</b>								
1. Capital and General Reserve Fund .. . . .	28,103	69,030	67,662	52,995	52,943	52,995	49,197	70,426
2. Currency in Circulation-								
2.1 Notes .. . . .	140,651	169,096	182,383	203,988	192,766	193,640	194,308	215,255
2.2 Coins .. . . .	6,558	3,138	5,354	6,002	6,180	6,326	6,477	6,675
<b>TOTAL CURRENCY</b>	<b>147,209</b>	<b>172,234</b>	<b>187,737</b>	<b>209,990</b>	<b>198,946</b>	<b>199,966</b>	<b>200,785</b>	<b>221,930</b>
3. Deposits								
3.1 Kenya Government .. . . .	58,700	13,709	46,296	115,542	97,109	278,609	153,309	179,963
3.2 Kenyan Banks <sup>1</sup> .. . . .	75,425	82,771	105,887	110,773	113,016	123,767	121,971	158,111
3.3 External Banks .. . . .	65,587	99,690	123,919	139,694	137,994	141,484	139,770	133,820
3.4 Other .. . . .	12,073	13,329	14,446	30,948	28,779	32,184	32,876	26,729
<b>TOTAL Deposits</b>	<b>211,785</b>	<b>209,499</b>	<b>290,548</b>	<b>396,957</b>	<b>376,898</b>	<b>576,044</b>	<b>447,926</b>	<b>498,623</b>
4. Other Liabilities .. . . .	5,871	-16,978	2,770	-9,272	20,329	-723	64,400	-4,769
<b>TOTAL LIABILITIES</b>	<b>392,968</b>	<b>433,785</b>	<b>548,717</b>	<b>650,670</b>	<b>649,116</b>	<b>828,282</b>	<b>762,308</b>	<b>786,210</b>

Source: Central Bank of Kenya

<sup>1</sup> Deposits from commercial banks excluding non-bank financial institutions (NBFIs)

Note: The table refers to end period

### Commercial Banks' credit and liquidity

5.14. Table 5.9a presents data on commercial banks' bills, loans and advances for the period 2010 to 2014. In 2014, total credit expanded by 28.5 per cent to KSh 2,105.2 billion. Credit to the private sector grew by 17.1 per cent to KSh 1,466.1 billion while that to community and personal services rose by 39.8 per cent to KSh 316.2 billion during the same period. Within the private sector, significant increases were recorded for loans and advances to financial institutions (68.4 per cent), transport, storage and communication (45.6 per cent), real estate (32.4 per cent) and manufacturing (30.7 per cent). Credit to public sector, however, dropped by 44.9 per cent to 278.1 billion with that to the National Government reducing by more than half to stand at KSh 204.3 billion.





Table 5.10: Commercial Banks' Deposit Liabilities and Liquid Assets<sup>1</sup>, 2010-2014

	Deposit Liabilities (KSh Million)	Liquid Assets <sup>2</sup> (KSh Million)	Overall Liquidity Ratio (Per cent)
2010 December .. .. .	1,206,765	534,947	44.3
2011 December .. .. .	1,451,189	548,300	37.8
2012 December .. .. .	1,675,878	599,907	35.8
2013 December .. .. .	1,879,825	757,296	40.3
2014 January .. .. .	1,899,500	767,037	40.4
February .. .. .	1,914,739	754,271	39.4
March .. .. .	1,951,436	768,683	39.4
April .. .. .	2,002,382	796,474	39.8
May .. .. .	2,036,589	806,053	39.6
June .. .. .	2,068,821	786,564	38.0
July .. .. .	2,099,222	808,114	38.5
August .. .. .	2,143,581	820,547	38.3
September.. .. .	2,150,386	802,983	37.3
October .. .. .	2,150,184	814,138	37.9
November .. .. .	2,174,657	823,162	37.9
December .. .. .	2,236,394	868,039	38.8

Source: Central Bank of Kenya.

<sup>1</sup> Deposits and Liquid Assets are calculated as an average of three days balances.

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

**Capital Markets**

5.17. Capital market statistics for 2010 to 2014 are presented in Table 5.11. All stock market indicators maintained the vibrant trend that started in mid-2013 but at a slower pace. The total number of shares traded increased by 7.4 per cent to 8.1 billion in 2014 compared to an increase of 38.7 per cent recorded in 2013. Total number of deals made in the equity market increased by 28.8 per cent to 548,991 in 2014 against the increase of 24.6 per cent in 2013. The value of shares traded grew by 38.5 per cent to KSh 216 billion in 2014 compared to a growth of 81.4 per cent in 2013. Total Bond turnover also increased from KSh 452 billion in 2013 to KSh 506 billion in 2014. Over the same period, the NSE 20-Share index rose by 3.8 per cent to 5,113 points. The number of licensed players in the industry increased from 93 in 2013 to 103 in 2014. The number of fund managers increased from 20 to 24 while investment banks and collective investment schemes rose to 19 and 24 respectively. On the other hand, authorized depositories reduced by 1 to 14 over the same period.

Table 5.11: Gross Secondary Markets Statistics, 2010-2014

	2010	2011	2012	2013	2014				Total
					1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	
<b>Equities Market</b>									
Total No. of Shares Traded (million) .....	7,546	5,721	5,464	7,576	1,728	2,313	2,021	2,072	8,134
Total No. of Deals .....	127,379	355,738	342,235	426,327	131,112	126,593	156,330	134,956	548,991
Total Value of Shares Traded (KSh bn) .....	25	79	86	156	44	57	50	65	216
NSE 20 Share Index (Base Jan 1966=100) .....	4,433	3,205	4,133	4,927	4,946	4,885	5,256	5,113	
Market Capitalization (KSh bn) .....	1,167	868	1,272	1,921	2,004	2,107	2,296	2,300	
<b>Fixed Income Securities Market</b>									
Total bond Turnover (KSh bn) .....	479	446	565	452	103	125	146	132	506
<b>Capital Markets, Licensed/approved Institutions</b>									
Securities Exchange (NSE) .....	1	1	1	1					1
Central Depositories (CDSC) .....	1	1	1	1					1
Investment Banks .....	19	11	10	10					13
Stockbrokers .....	7	5	12	11					10
Investment advisers .....	23	18	18	16					17
Fund Managers .....	16	19	21	20					24
Collective Investment Schemes .....	11	16	16	16					19
Authorized depositories/Custodians .....	12	14	15	15					14
Credit Rating Agencies .....	1	1	1	2					3
Venture Capital Companies .....	1	1	1	1					1
Total	92	87	96	93					103

Source: Capital Markets Authority

**Insurance sector** 5.18. The insurance industry assets and liabilities increased by 19.1 per cent from KSh 358.0 billion in December 2013 to KSh 426.3 billion in December 2014. Assets held in income generating investments increased by 19.0 per cent to KSh 352.3 billion in 2014. The investments under life insurance business amounted to KSh 225.3 billion and constituted 63.9 per cent of total industry investments while general business investments were KSh 127.1 billion constituting 36.1 per cent of total investments for the industry in 2014.

5.19. The insurance industry's gross premiums grew by 20.4 per cent from KSh 131.0 billion in 2013 to KSh 157.8 billion in 2014. The premium income reported under life insurance business amounted to KSh 56.5 billion while general business premiums were KSh 101.3 billion. Non-life business continues to drive the insurance business. Reinsurance companies premiums increased by 31.6 per cent from KSh 12.5 billion in 2013 to KSh 16.4 billion in 2014.

5.20. The claims incurred under general insurance business were KSh 41.9 billion by the end of 2014 increasing by 25.3 per cent from KSh 33.4 billion recorded in 2013. Total policyholder benefits under life business amounted to KSh 17.0 billion during the same period. The change in claims experience was consistent with the industry business volume expansion. The commissions paid by the insurers during the year amounted to KSh 9.3 billion compared to KSh 7.4 billion reported during the previous year.

### Banking Sector

**Developments in the Financial Sector** 5.21. The Kenya Banks' Reference Rate (KBRR) which is computed as an average of (a) the Central Bank Rate (CBR) and (b) the 2-month weighted moving average of the 91-day Treasury bill rate was introduced in July 2014 by the Central Bank of Kenya (CBK). KBRR facilitates a transparent credit pricing framework whereby banks are required to disclose to their customers the effective base rate and any additional premiums above the rate. In addition, CBK operationalised the full file information sharing among banks in February 2014 to enhance efficiency in credit risk assessment. In July 2014, commercial banks in Kenya started implementing the Annual Percentage Rate (APR) framework, a credit pricing mechanism which enable consumers to compare different bank loan costs.

5.22. The East Africa Payment System (EAPS) was launched in May 2014 as part of the modernisation effort to enhance cross border payments system within the region. The EAPS system is appropriate for transferring large and small value payments. EAPS integrates with the respective Real Time Gross Settlement (RTGS) Systems of Kenya, Uganda and Tanzania. In August 2014, the National Payment Systems Regulations were operationalised and envisage banks to share their infrastructure.

### Capital Markets

5.23. In 2014, the Capital Markets Master Plan 2014/23 which outlines a growth programme for the short to medium term was prepared. The master plan contains three main areas for development including, new trading options such as derivatives for both hedging and speculation. Separately, the Nairobi Securities Exchange (NSE) demutualised and implemented a strategy that includes self listing in keeping with worldwide trend as bourses seek to evolve to suit changing global market conditions. There was only one new listing on the newly created Growth Enterprise Market Segment (GEMS) board. In its debut IPO, NSE sold 66 million new shares worth KSh 9.50 each in July 2014, offering the public a 34 per cent stake in the business. Kenya attracted global fixed-income investors with the sovereign bond issue in June 2014, raising US\$2 billion, the largest debut for an African country in the sovereign bond market.

### Pensions Industry Performance

5.24. Total Industry assets grew by 6.7 per cent in the second half of the year 2014 to stand at KSh 743.7 billion as of 30<sup>th</sup> June 2014. The assets comprised KSh 621.9 billion held by the fund managers and insurance issuers, KSh 76.8 billion internally administered by National Social Security Fund (NSSF) and KSh 45.0 billion made up of property investments directly managed by scheme trustees. On average, all categories of investment were within the statutory maximum limits provided in the Retirement Benefits Regulations. Membership of the Individual Retirement Benefit Schemes grew considerably during the period from 103,977 members in June 2013 to 127,475 members in June 2014 while assets grew from KSh 16.6 billion in June 2013 to KSh 20.6 billion in the same period.

5.25. As part of the efforts to develop the pension industry, the sector implemented various initiatives and programmes geared towards enhancing pension coverage and adequacy of retirement benefits. A total of 1,191 trustees were trained in 2014 under the Pension trustee development programme. The programme is part of the effort by the RBA to improve governance in the management of pension funds.



## Chapter 6

### Public Finance

**Overview** In 2014/15, fiscal policy framework was aligned to programmes identified in the second Medium Term Plan (MTP II) of Vision 2030, and focused on structural reform measures aimed at accelerating growth, employment creation and poverty reduction. The fiscal framework re-emphasized resource allocation towards development programmes in the Government identified thematic areas of; creating conducive business environment, agricultural transformation, infrastructure development, quality and accessible healthcare services and education, and facilitate devolution for better service delivery. Specifically, the government has set out to pursue prudent fiscal policies mainly through increased revenue mobilisation and containment of growth in recurrent expenditure. Consequently, the composition of expenditure is expected to shift from recurrent to development and to eliminate unproductive expenditures.

**6.2. Overall Fiscal Results:** In 2014/15, the National Government revised budget increased to KSh 1,924.9 billion from KSh 1,533.0 billion in 2013/14, out of which KSh 324.9 billion is budgeted for public debt repayment. Total recurrent expenditure is expected to be KSh 1,069.2 billion, while development expenditure is estimated at KSh 855.7 billion. Total revenue is expected to increase by 18.9 per cent to 1,166.4 billion in 2014/15. Total outstanding debt as at the end of June 2014 was KSh 2,217.3 billion out of which external debt accounted for 51.3 per cent. In 2014/15, county governments' total revenue is expected to stand at KSh 337.4 billion comprising of KSh 226.7 billion from the equitable share component, KSh 15.8 billion as conditional grants, KSh 62.5 billion as projected local revenue collections and KSh 32.6 billion as unspent county revenue carried forward from 2013/14.

**National Government** 6.3. Table 6.1 presents the statement of National Government operations for the period 2010/11 to 2014/15. Total revenue inclusive of grants in 2014/15 is projected at KSh 1,176.2 billion. On the other hand, total expense is estimated to be KSh 1,390.1 billion, representing an increase of 18.4 per cent. Gross operating balance is expected to deteriorate from a deficit of KSh 182.0 billion in 2013/14 to a deficit of KSh 213.9 billion in 2014/15. Similarly, the net borrowing is expected to worsen to KSh 533.9 billion in the review period, mainly as a result of accelerated investment in acquisition of non-financial assets which is expected to more than double to KSh 320.0 billion.

Table 6.1: Statement of National Government Operations, 2010/11-2014/15

	KSh Million				
	2010/11	2011/12	2012/13	2013/14*	2014/15 <sup>†</sup>
1. Revenue <sup>1</sup> .....	673,287.95	736,106.55	812,480.45	991,870.59	1,176,224.76
2. Expense (2.1+2.2).....	733,348.08	819,545.16	929,091.54	1,173,854.82	1,390,128.54
2.1 Current Expenditure .....	641,408.73	700,412.80	802,472.96	1,004,233.84	1,155,363.57
2.2 Capital Transfers .....	91,939.35	119,132.36	126,618.57	169,620.98	234,764.96
<b>3. Gross Operating Balance(G.O.B) (1-2) .....</b>	<b>-60,060.13</b>	<b>-83,438.61</b>	<b>-116,611.08</b>	<b>-181,984.23</b>	<b>-213,903.78</b>
4. Acquisition of Non-Financial Assets(net) <sup>2</sup> .....	91,566.37	96,275.52	137,193.72	135,008.60	320,036.77
<b>5. Net lending/Borrowing (3-4).....</b>	<b>-151,626.50</b>	<b>-179,714.13</b>	<b>-253,804.80</b>	<b>-316,992.82</b>	<b>-533,940.54</b>
FINANCING (6-7).....	-161,848.60	-115,069.87	-161,204.19	-316,032.18	-35,926.32
6. Net Acquisition of financial assets (6.1+6.2).....	-18,282.18	3,209.87	32,542.29	(21,189.02)	13,421.68
6.1. Domestic.....	-18,282.18	3,209.87	32,542.29	-21,189.02	13,421.68
6.2. Foreign .....	-	-	-	-	-
7. Net Incurrence of liabilities (7.1+7.2).....	143,566.42	118,279.74	193,746.47	294,843.16	49,348.00
7.1. Domestic.....	92,498.00	76,036.61	169,776.28	248,801.15	15,994.11
7.2. Foreign .....	51,068.42	42,243.13	23,970.19	46,042.01	33,353.89
MEMORANDUM ITEMS:					
8. Public debt Redemption .....	121,656.66	92,495.17	162,745.13	213,953.00	177,479.55
8.1. External .....	23,521.74	25,666.08	34,336.70	85,253.00	27,478.65
8.2. Internal .....	98,134.92	66,829.09	128,408.43	128,700.00	150,000.90

\* Provisional

<sup>†</sup> Revised budget estimates

<sup>1</sup> includes grants

<sup>2</sup> Acquisition of non-financial assets(net) equals to acquisition of non-financial assets minus gross disposal of non-financial assets

6.4. Table 6.2 details the key fiscal ratios for the period 2010/11 to 2014/15. The gross operating balance as a percentage of revenue is expected to remain nearly at the previous fiscal year level, while the ratio of gross operating balance to acquisition of non-financial assets is estimated to improve significantly. Net borrowing as a percentage of revenue is estimated to worsen in 2014/15 mainly on account of a faster growth in expense in relation to revenue. Similarly, net borrowing as a percentage of total expenditure is anticipated to deteriorate to 27.7 per cent. The ratio of total external loans and grants as a percentage of acquisition of non-financial assets is expected to worsen to 13.5 per cent in 2014/15 mainly due to a considerable drop in external borrowing.

Table 6.2: Analysis of Key Fiscal Ratios, 2010/11-2014/15

	2010/11	2011/12	2012/13	2013/14	2014/15	
1	Gross operating balance as a % of Revenue .....	-8.92	-11.34	-14.35	-18.35	-18.19
2	Gross operating balance as a % of Acquisition of Non financial assets (net) .....	-65.59	-86.67	-85.00	-134.79	-66.84
3	Ratio of Acquisition of Non financial assets (net) to Current Expenditure .....	14.28	13.75	17.10	13.44	27.70
4	Net lending/Borrowing as % of Revenue .....	-22.52	-24.41	-31.24	-31.96	-45.39
5	Net lending/Borrowing as % of Total Expenditure .....	-15.86	-17.68	-20.45	-20.72	-27.74
6	External Grants and Loans as % of Acquisition of Non financial assets (net) .....	79.67	54.87	20.94	42.16	13.50
7	Net Short-Term Borrowing as % of Acquisition of nonfinancial assets (net) .....	-49.59	-5.82	85.98	26.31	-14.46
8	Revenue as % of GDP at Current Market Prices .....	19.53	18.43	18.07	19.7	23.3
9	Total Government Expenditure as % of GDP at Current Market Prices .....	27.6	25.4	27.6	30.3	37.7
10	Net lending/Borrowing as % of GDP at Current Market Prices .....	-4.4	-4.5	-5.6	-6.3	-10.6

6.5. Table 6.3 presents comparisons between National Government budget estimates and actual out-turns of revenue and expenditure for the period 2011/12 to 2013/14, with revisions of 2014/15 budget estimates. Recurrent revenue realized in 2013/14 amounted to over 90 per cent of the budgeted estimates mainly attributable to measures aimed at meeting the revenue targets. Absorption of recurrent expenditure funds stood at over 90.0 per cent in 2013/14 while that of development funds improved from 66.2 per cent in 2012/13 to 80.5 per cent in 2013/14. Despite the notable increase in the rate of absorption of development funds, lengthy procurement processes, and delayed disbursement of donor funds contribute to the apparent underperformance in expenditure in the development account.

**Table 6.3: Comparison of National Government Budget Estimates with Actual Out-turns, 2011/12-2014/15**

KSh Million

	2011/12			2012/13		
	Budget	Actual	Difference	Budget	Actual	Difference
Recurrent Revenue .....	651,494.67	725,521.78	74,027.11	915,088.93	807,725.86	-84,769.37
Recurrent Expenditure <sup>1</sup> .....	787,918.09	754,732.91	-33,185.18	1,001,759.45	941,192.13	-60,567.33
Recurrent Balance .....	-136,423.42	-29,211.14	107,212.29	-86,670.52	-110,872.56	-24,202.05
Development Expenditure .....	377,614.05	261,975.78	-75,988.38	453,225.02	300,204.23	-153,020.79
External Financing (Net) <sup>2</sup> .....	123,107.62	52,827.90	-70,279.72	127,454.33	28,724.79	-98,729.55
Balance for Domestic Financing (Net) .....	-390,929.86	-278,008.90	112,920.95	-412,441.21	-382,352.01	30,089.20
	2013/14*			2014/15*		
	Budget	Actual	Difference	Printed Budget	Revised Budget	Difference
Recurrent Revenue .....	1,006,862.03	980,993.15	-25,868.88	1,086,883.27	1,166,372.80	79,489.52
Recurrent Expenditure <sup>1</sup> .....	1,043,902.38	1,021,922.89	-21,979.49	1,016,568.95	1,069,204.86	52,635.91
Recurrent Balance .....	-37,040.35	-40,929.74	-3,889.39	70,314.32	97,167.94	26,853.62
Development Expenditure .....	635,177.67	511,070.16	-124,107.51	476,388.69	855,681.01	379,292.32
External Financing (Net) <sup>2</sup> .....	56,919.45	56,919.45	0.00	43,205.85	43,205.85	0.00
Balance for Domestic Financing (Net) .....	-615,298.56	-542,163.81	73,134.75	-362,868.51	-715,307.22	-352,438.70

Source: The National Treasury

\* Provisional

\* Revised budget estimates

<sup>1</sup> Recurrent expenditure consists of current expenditure , Acquisition of Non financial assets (net) and Consolidated Fund Services from the Recurrent- Estimates

<sup>2</sup> Includes external grants

6.6. Table 6.4 gives the details of gross revenue receipts on the recurrent account for the period 2010/11 to 2014/15. Total ordinary revenue is estimated to stand at KSh 1,166.4 billion in 2014/15 compared to KSh 981.0 billion realized in 2013/14. Tax revenue which accounts for over 90 per cent of total revenue is expected to grow by 19.6 per cent from KSh 945.2 billion in 2013/14 to KSh 1,130.1 billion in 2014/15. This growth is expected to be supported by projected increases in income tax and Value Added Tax (VAT), which are estimated to grow by 20.6 per cent and 25.9 per cent, respectively, in 2014/15. Continued implementation of VAT Act, 2013 and operationalisation of the *i*-Tax system are expected to enhance revenue yield through deepening of the tax base, reducing compliance cost and improving revenue administration. The value of non-tax revenue is expected to increase from KSh 35.7 billion in 2013/14 to KSh 36.3 billion in 2014/15 mainly on account of an increase in revenue from property income.

Table 6.4: National Government Gross Receipts on Recurrent Account, 2010/11-2014/15

	KSh Million				
	2010/11	2011/12	2012/13	2013/14*	2014/15*
<b>Taxes on income, profits and capital gains</b> .....	<b>272,263.87</b>	<b>328,908.78</b>	<b>373,086.04</b>	<b>449,590.07</b>	<b>542,215.18</b>
Income tax from individuals (P.A.Y.E) .....	144,267.92	174,774.70	199,847.16	249,872.80	299,768.07
Income tax from corporations (other income tax) .....	127,995.95	154,134.08	173,238.88	199,717.27	242,447.11
<b>Taxes on property</b> .....	<b>352.10</b>	<b>490.30</b>	<b>653.73</b>	<b>0.00</b>	<b>1,360.50</b>
Immovable property .....	132.60	83.18	169.58	0.00	743.81
Financial and capital transactions .....	219.50	407.12	484.15	0.00	616.70
<b>Value Added Tax (VAT)</b> .....	<b>171,880.75</b>	<b>176,386.07</b>	<b>184,916.31</b>	<b>232,630.32</b>	<b>292,774.06</b>
VAT on domestic goods and services .....	90,211.14	81,495.51	90,713.83	107,737.35	146,138.28
VAT on imported goods and services .....	81,669.61	94,890.56	94,202.48	124,892.97	146,635.78
<b>Taxes on other goods and services</b> .....	<b>108,701.54</b>	<b>105,771.60</b>	<b>114,821.86</b>	<b>139,083.89</b>	<b>150,041.64</b>
Excise taxes .....	80,566.54	78,884.26	85,660.29	102,029.10	122,170.42
Taxes on use of goods and on permission to use the goods or to perform services and activities .....	2,464.00	565.59	2,458.44	1,347.73	1,537.48
Taxes on goods and services collected as AIA .....	25,671.00	26,321.76	26,703.12	35,707.06	26,333.75
<b>Taxes on international trade transactions</b> .....	<b>66,670.45</b>	<b>76,473.85</b>	<b>81,812.59</b>	<b>113,953.59</b>	<b>131,916.17</b>
Custom duties .....	46,071.81	51,711.78	57,649.68	67,554.64	78,024.90
Other taxes on international trade and transactions .....	20,598.64	24,762.07	24,162.91	46,398.95	53,891.27
<b>Other taxes not elsewhere classified</b> .....	<b>6,800.04</b>	<b>7,857.10</b>	<b>8,537.81</b>	<b>9,986.89</b>	<b>11,797.05</b>
<b>TOTAL TAX REVENUE</b> .....	<b>626,668.74</b>	<b>695,887.71</b>	<b>763,828.34</b>	<b>945,244.76</b>	<b>1,130,104.61</b>
Social security contributions .....	659.58	110.87	584.48	580.79	660.81
Property income .....	12,917.61	17,277.13	18,683.12	10,767.53	20,147.83
Sale of goods and services .....	1,891.37	7,366.72	11,735.49	13,400.05	8,622.99
Fines penalties and forfeitures .....	289.63	1,078.88	1,465.50	1,442.62	1,357.12
Repayments from domestic lending and on-lending .....	1,159.75	1,611.56	2,183.55	6,353.11	2,034.24
Other receipts not elsewhere classified .....	7,823.31	2,188.91	9,245.38	3,204.29	3,445.20
<b>TOTAL NON-TAX REVENUE</b> .....	<b>24,741.25</b>	<b>29,634.07</b>	<b>43,897.52</b>	<b>35,748.39</b>	<b>36,268.18</b>
<b>TOTAL ORDINARY REVENUE</b> .....	<b>651,409.99</b>	<b>725,521.78</b>	<b>807,725.86</b>	<b>980,993.15</b>	<b>1,166,372.80</b>

Source: The National Treasury

\* Provisional

\* Revised Estimates

6.7. Details of import duty levied on selected commodities for the period 2010 to 2014 are given in Table 6.5. Import duty collections went up by 18.4 per cent in 2014, compared to a growth of 9.6 per cent in 2013. This increase was occasioned by growth in import duty from all the categories in the review period. Notable increase was in the food, drinks and tobacco category which recorded a growth of 23.3 per cent from a growth of 15.9 per cent in 2013 and the transport equipment category with a growth of 16.0 per cent. Import duty collections from machinery category improved by 10.8 per cent from a 6.2 per cent drop in 2013.

**Table 6.5: Import Duty Collections for Selected Items, 2010-2014**

KSh Million					
END-USE CATEGORY	2010	2011	2012	2013	2014*
Food, drinks and tobacco ..	7,994.73	8,179.12	9,667.38	11,207.96	13,823.42
Basic materials .. . . . . .	2,341.22	2,369.59	2,930.71	2,887.86	3,312.82
Fuels .. . . . . .	807.75	967.30	1,201.96	1,017.90	1,338.13
Chemicals .. . . . . .	1,936.18	2,360.59	2,685.71	2,779.13	3,508.57
Textiles .. . . . . .	1,268.64	1,508.64	1,564.91	1,607.42	1,814.36
Semi-manufactures <sup>1</sup> .. . . .	3,044.92	6,187.93	4,187.87	4,412.02	4,615.17
Metals .. . . . . .	2,226.71	3,390.43	3,795.67	3,679.55	5,116.45
Transport Equipment .. . . .	9,854.53	10,134.55	12,186.21	15,148.74	17,576.28
Machinery .. . . . . .	4,845.40	6,401.12	6,850.25	6,428.76	7,123.38
Miscellaneous commodities	4,553.33	4,822.31	5,317.13	6,062.88	7,179.58
<b>TO TAL .. . . . . .</b>	<b>38,873.41</b>	<b>46,321.58</b>	<b>50,387.79</b>	<b>55,232.22</b>	<b>65,408.16</b>

Source: Kenya Revenue Authority

\* Provisional

<sup>1</sup> Excludes non-metallic mineral manufactures

6.8. Table 6.6 presents excise revenue for selected commodities for the period 2010 to 2014. Overall, excise revenue grew by 11.2 per cent in 2014, up from a slow growth of 3.5 per cent registered in 2013. Excise revenue from wines and spirits registered a significant growth of 52.7 per cent up from a growth of 25.8 per cent in 2013, while revenue from beer increased by 12.5 per cent. Excise revenue from cigarettes grew marginally, while revenue from mineral water recorded a significant fall.

**Table 6.6: Excise Revenue by Selected Commodities, 2010-2014**

KSh Million					
	2010	2011	2012	2013	2014*
Beer .. . . . . .	14,701.54	14,456.04	16,544.52	16,886.17	18,996.80
Wines and Spirits .. . . .	2,163.38	2,837.84	2,413.40	3,036.86	4,638.32
Mineral Water.. . . . . .	1,285.19	1,639.95	1,776.02	2,252.14	245.36
Cigarettes .. . . . . .	7,324.45	7,626.79	9,527.65	10,199.78	10,281.88
Other commodities <sup>1</sup> .. . . .	954.52	1,101.27	1,788.44	787.01	2,719.59
<b>TOTAL .. . . . . .</b>	<b>26,429.10</b>	<b>27,661.89</b>	<b>32,050.03</b>	<b>33,161.96</b>	<b>36,881.95</b>

Source: Kenya Revenue Authority

\* Provisional

<sup>1</sup> Includes revenue from jewellery, cosmetics and locally assembled vehicles

6.9. Table 6.7 presents details of financing of investment in non-financial assets. Long-term domestic borrowing is expected to account for the bulk of the total financing in the review period. In 2014/15, the net short term borrowing through treasury bills is expected to drop proportionately as the government implements its internal debt strategy, which prescribes holding more domestic debt in long-term dated instruments. Financing of acquisition of non-financial asset through external loans and grants is estimated to decline by 24.1 per cent to KSh 43.2 billion in 2014/15.

Table 6.7: National Government Financing of Non-Financial Assets, 2010/11-2014/15

	KSh Million				
	2010/11	2011/12	2012/13	2013/14 <sup>+</sup>	2014/15 <sup>+</sup>
<b>EXPENDITURE:</b>					
Acquisition of Non financial Assets (Net) ...	91,566.37	96,275.52	137,193.72	135,008.60	320,036.77
<b>TOTAL</b>	<b>91,566.37</b>	<b>96,275.52</b>	<b>137,193.72</b>	<b>135,008.60</b>	<b>320,036.77</b>
<b>FINANCING:</b>	<b>165,444.38</b>	<b>128,864.51</b>	<b>198,501.07</b>	<b>258,646.61</b>	<b>59,199.96</b>
External Loans .....	51,068.42	42,243.13	23,970.19	46,042.01	33,353.89
External Grants .....	21,877.96	10,584.77	4,754.59	10,877.44	9,851.96
Long-Term Domestic Borrowing (Net).....	137,904.90	81,635.42	51,818.61	166,208.66	62,268.59
Short-Term Borrowing(Net):	-45,406.90	-5,598.81	117,957.67	35,518.49	-46,274.48
Treasury Bills (Net) .....	-30,875.45	-4,265.71	124,330.34	32,811.90	3,385.44
Other Short-Term Borrowing (Net) .....	-14,531.45	-1,333.10	-6,372.67	2,706.59	-49,659.92
CHANGE IN CASH BALANCES <sup>1</sup> : Increase=(-) .....	-73,878.01	-32,589.00	-61,307.35	-123,638.01	260,836.81
<b>TOTAL</b>	<b>91,566.37</b>	<b>96,275.52</b>	<b>137,193.72</b>	<b>135,008.60</b>	<b>320,036.77</b>

Source: Central Bank of Kenya and The National Treasury

\* Provisional.

+ Revised budget estimates

<sup>1</sup> Balancing item

6.10. Functional classification of National Government expenditure for the period 2011/12 to 2014/15 is presented in Table 6.8. Total Government outlays are estimated to grow by 25.6 per cent to KSh 1,924.9 billion at the end of June 2015. Expenditure on economic affairs is expected to record a significant growth from KSh 248.3 billion in 2013/14 to KSh 492.8 billion in 2014/15. This is attributable to increase in allocation of funds for the construction of railways and the construction and rehabilitation of roads and other general transport infrastructure. Increase in funding to the energy, agricultural sectors and general economic affairs; also contribute to the significant growth. National Government expenditure on health is estimated to record 25.2 per cent growth to KSh 47.8 billion in 2014/15 on account of funding of hospital services and public health services. Expenditure on education is expected to increase by 23.5 per cent to KSh 313.2 billion in 2014/15 from KSh 253.6 billion in 2013/14. This is mainly due to growth in expenditure on teachers' salaries and wages; and increased spending to support subsidized secondary and tertiary education.

6.11. The 2014/15 expenditure is informed by the priority programmes under the Medium-Term Expenditure Framework (MTEF), which has given priority to the pursuit of a shift in the composition of expenditure towards capital expenditure from recurrent, and improving efficiency of public spending to create fiscal space for social programmes and investment in critical infrastructure. In line with this policy, development expenditure is expected to grow to KSh 855.7 billion representing 44.5 per cent share of the 2014/15 budget from 33.3 per cent share in 2013/14.

Table 6.8: Classification of National Government Expenditure by Functions of Government (COFOG), 2011/12-2014/15

	2011/12			2012/13			2013/14			2014/15*			KSh. Million
	Recur- rent Account	Deve- lopment Account	Total	Recur- rent Account	Deve- lopment Account	Total	Recur- rent Account	Deve- lopment Account	Total	Recur- rent Account	Deve- lopment Account	Total	
	General public services .....	77,565.18	32,992.37	110,557.55	134,203.53	33,775.08	167,978.60	115,040.20	32,013.47	147,053.68	124,103.63	34,182.69	
Public debt transactions .....	187,686.28	0.00	187,686.28	255,695.76	0.00	255,695.76	345,779.26	0.00	345,779.26	324,920.18	0.00	324,920.18	
Transfers of general character between levels of govt. ....	17,003.72	0.00	17,003.72	21,498.00	0.00	21,498.00	0.00	210,000.00	210,000.00	0.00	242,428.67	242,428.67	
Defense .....	63,711.16	1,324.35	65,035.52	72,728.57	0.00	72,728.57	93,756.73	0.00	93,756.73	72,820.80	0.00	72,820.80	
Public order and safety .....	79,716.08	7,240.84	86,956.92	92,826.94	9,387.68	102,214.62	120,082.06	6,258.11	126,340.16	128,451.99	8,130.86	136,582.85	
Economic affairs .....	63,079.65	138,981.89	202,061.54	73,749.27	183,855.23	257,604.51	54,434.36	193,866.16	248,300.52	60,781.19	432,034.43	492,815.63	
General economic, commercial & labour affairs.....	11,662.91	5,160.76	16,823.67	11,909.25	10,765.04	22,674.29	9,534.68	21,425.30	30,959.98	8,422.92	46,301.74	54,734.66	
Agriculture, forestry, fishing, and hunting .....	14,709.82	13,942.72	28,652.54	21,133.73	20,882.03	42,015.76	14,193.65	27,141.58	41,335.23	16,297.07	36,309.21	52,606.28	
Fuel and energy .....	2,221.47	40,631.30	42,852.77	1,886.84	61,035.92	62,922.76	1,594.06	52,536.71	54,130.77	1,709.24	87,349.78	89,059.02	
Mining, manufacturing and construction .....	190.94	224.27	415.21	265.17	312.07	577.24	473.82	542.89	1,016.71	755.71	1,242.50	1,998.21	
Transport .....	25,329.90	61,874.55	87,204.44	31,921.12	83,828.72	115,749.83	20,965.06	84,500.73	105,465.79	29,946.46	250,535.26	280,481.73	
Communication .....	372.21	3,767.02	4,139.23	2,071.02	4,078.49	6,149.51	2,204.82	5,287.48	7,492.30	1,604.12	7,786.06	9,390.18	
Other industries .....	8,592.40	13,381.28	21,973.68	4,562.15	2,952.97	7,515.12	5,468.29	2,431.47	7,899.76	2,045.67	2,509.88	4,555.55	
Environmental protection .....	3,095.61	6,875.85	9,971.46	4,474.13	19,243.30	23,717.43	2,627.94	18,326.67	20,954.60	4,413.34	6,768.48	11,181.82	
Housing and community amenities .....	6,348.70	22,932.96	29,281.66	4,193.46	8,964.71	13,158.17	1,845.30	8,715.98	10,561.28	8,072.63	50,581.62	58,654.25	
Health .....	38,168.98	22,934.13	61,103.11	49,459.35	22,392.40	71,851.74	21,574.67	16,622.62	38,197.29	24,490.28	23,344.24	47,834.51	
Outpatients services .....	7,924.68	8,380.05	16,304.73	8,300.28	6,346.78	14,647.06	729.93	5,288.80	6,018.74	1,113.49	0.00	1,113.49	
Hospital services .....	23,371.90	2,783.77	26,155.67	33,000.54	3,722.65	36,723.18	16,776.14	2,660.61	19,436.75	14,359.80	5,052.41	19,412.21	
Public health services .....	3,169.38	8,751.94	11,921.32	5,567.43	11,962.86	17,530.28	1,163.04	8,465.28	9,628.32	2,932.13	10,759.77	13,691.91	
Health expenditure not elsewhere classified .....	3,703.01	3,018.37	6,721.38	2,591.11	360.11	2,951.22	2,905.56	207.92	3,113.47	6,084.85	7,532.05	13,616.91	
Recreation, culture and religion .....	3,063.26	1,238.84	4,302.11	904.88	420.37	1,325.25	582.80	243.59	826.39	2,670.05	1,343.99	4,014.04	
Education .....	182,373.71	23,136.73	205,510.45	202,319.20	18,018.88	220,338.08	232,899.26	20,733.94	253,632.21	277,128.53	36,039.57	313,168.10	
Administration .....	117,644.67	12,414.08	130,058.75	130,467.83	8,170.32	138,638.16	161,288.91	9,815.32	171,104.22	178,569.51	8,039.04	186,608.55	
Pre-primary and primary education .....	8,293.93	307.05	8,600.99	8,518.71	248.43	8,767.14	10,533.76	6,236.09	16,769.85	15,179.68	594.05	15,773.73	
Secondary education .....	16,159.60	2,425.50	18,585.10	19,053.79	3,221.89	22,275.68	22,407.44	648.40	23,055.84	28,154.06	445.00	28,599.06	
Tertiary education .....	38,315.30	7,007.98	45,323.28	42,396.42	5,405.68	47,802.10	36,543.20	3,892.74	40,435.94	46,200.07	7,901.08	54,101.15	
Education expenditure not elsewhere classified...	1,960.21	982.13	2,942.34	1,882.45	972.56	2,855.01	2,125.96	140.40	2,266.36	9,025.21	19,060.40	28,085.61	
Social protection .....	32,920.57	4,312.81	37,233.38	29,139.03	4,146.58	33,285.61	33,300.30	4,290.63	37,590.93	41,352.23	20,826.46	62,178.68	
<b>TOTAL OUTLAYS</b> .....	<b>754,732.91</b>	<b>261,975.78</b>	<b>1,016,708.69</b>	<b>941,192.13</b>	<b>300,204.23</b>	<b>1,241,396.36</b>	<b>1,021,922.89</b>	<b>511,070.16</b>	<b>1,532,993.05</b>	<b>1,069,204.86</b>	<b>855,681.01</b>	<b>1,924,885.86</b>	

Source: The National Treasury

\* Provisional

+ Revised estimates

† Total in this Table varies with that in Table 6.9 due to disposal of non financial assets item



6.12. The economic classification of National Government expenditure for the period 2010/11 to 2014/15 is presented in Table 6.9. Total consumption expenditure on goods and services is expected to rise from KSh 470.0 billion in 2013/14 to KSh 503.6 billion in 2014/15, with the share of compensation of employees accounting for 68.0 per cent. Total current grants to General Government units are expected to increase by 27.8 per cent to KSh 454.0 billion. This includes the transfer of KSh 242.4 billion to enable the county governments provide devolved services at that level. Capital grants to State Owned Enterprises (SOEs) engaged in the implementation of Government priority programmes is expected to grow significantly to KSh 234.8 billion in 2014/15 from KSh 169.6 billion in 2013/14. These grants are aimed at improving the economy's competitiveness and growth potential through capital spending on irrigation and agriculture, energy, and general infrastructure.

6.13. Acquisition of non-financial assets is expected to grow significantly to KSh 320.0 billion in 2014/15. This is mainly attributable to budgeted expenditure on building and structures component which includes construction and rehabilitation of railways, roads, water supply and sewerage works, and other infrastructure and civil works. The machinery and equipment segment is also expected to register a significant growth. Capital grants and acquisition of non-financial assets segments, cumulatively account for 29.2 per cent of the 2014/15 budget. This reflects Government's effort to adhere to the fiscal responsibility principle requirement that a minimum of 30.0 per cent of the national budget be allocated to the development expenditure.

Table 6.9: Economic Analysis of National Government Expenditure, 2010/11-2014/15

	KSh Million				
	2010/11	2011/12	2012/13	2013/14 <sup>†</sup>	2014/15 <sup>†</sup>
<b>EXPENSE</b>					
Consumption expenditure on goods and services:					
Compensation of employees .....	239,317.59	251,017.08	279,424.89	338,086.80	342,120.00
Use of Goods and Services .....	102,561.75	107,260.21	111,968.12	131,929.13	161,510.89
<b>Total ..</b> .....	<b>341,879.34</b>	<b>358,277.29</b>	<b>391,393.01</b>	<b>470,015.93</b>	<b>503,630.89</b>
Subsidies .....	107.25	148.27	51.96	826.23	886.00
Interest: .....	68,677.82	95,191.11	92,950.63	131,826.26	147,440.63
Domestic .....	60,394.01	85,151.68	82,144.68	119,065.03	122,928.11
Foreign .....	8,283.81	10,039.44	10,805.96	12,761.23	24,512.52
Grants to:					
International organisations .....	1,710.60	1,849.59	1,968.45	2,919.91	2,822.48
General Government units .....	196,945.76	200,941.36	271,891.25	355,302.27	453,975.67
Other Grants .....	5,549.90	9,904.06	9,994.84	9,375.04	7,736.49
<b>Total grants ..</b> .....	<b>204,206.26</b>	<b>212,695.02</b>	<b>283,854.55</b>	<b>367,597.22</b>	<b>464,534.65</b>
Social benefits .....	25,907.06	32,060.82	29,116.10	29,221.49	33,871.40
Other expense .....	631.00	2,040.29	5,106.71	4,746.71	5,000.00
<b>Total current expenditure</b> .....	<b>641,408.73</b>	<b>700,412.80</b>	<b>802,472.96</b>	<b>1,004,233.84</b>	<b>1,155,363.57</b>
Capital Grants (TRANSFERS) .....	91,939.35	119,132.36	126,618.57	169,620.98	234,764.96
<b>1 Total Expense ..</b> .....	<b>733,348.08</b>	<b>819,545.16</b>	<b>929,091.54</b>	<b>1,173,854.82</b>	<b>1,390,128.54</b>
<b>2 Acquisition of Non Financial Assets (net) ..</b>	<b>91,566.37</b>	<b>96,275.52</b>	<b>137,193.72</b>	<b>135,008.60</b>	<b>320,036.77</b>
Building and structures .....	77,944.37	77,071.19	109,467.67	107,939.30	281,143.04
Machinery and equipment .....	12,383.38	16,724.26	26,717.60	25,017.81	59,630.85
Inventories .....	1,781.04	1,945.83	2,743.39	3,917.78	2,744.96
Non-produced assets & Land .....	2,718.07	3,171.72	791.47	1,113.88	337.25
Less Disposal of Non financial assets .....	(3,260.49)	(2,637.49)	(2,526.41)	(2,980.17)	(23,819.34)
Equity Participation and on-lending .....	6,394.62	5,755.36	9,839.56	7,196.46	13,421.68
<b>3 PUBLIC DEBT REDEMPTION ..</b> .....	<b>121,656.66</b>	<b>92,495.17</b>	<b>162,745.13</b>	<b>213,953.00</b>	<b>177,479.55</b>
<b>4 Total Expenditure (1+2+3) ..</b> .....	<b>952,965.73</b>	<b>1,014,071.21</b>	<b>1,238,869.95</b>	<b>1,530,012.88</b>	<b>1,901,066.53</b>

Source: The National Treasury

\* Provisional.

† Revised Estimates

6.14. A summary of National Government public debt disaggregated into foreign and domestic is presented in Table 6.10. Total debt increased by 28.0 per cent to KSh 2,217.3 billion as at the end of June 2014 from KSh 1,732.7 billion in 2013. The proportion of external debt to the total public debt grew to 51.3 per cent in 2014 from 48.7 per cent in 2013 due to the issuance of the international sovereign bond and increased disbursements by traditional external lenders. This Public debt holding reflects the key objectives of the medium term debt management strategy aimed at ensuring public debt sustainability through lower refinancing risk and lower cost of borrowing by the Government.

Table 6.10: National Government Public Debt, 2010-2014

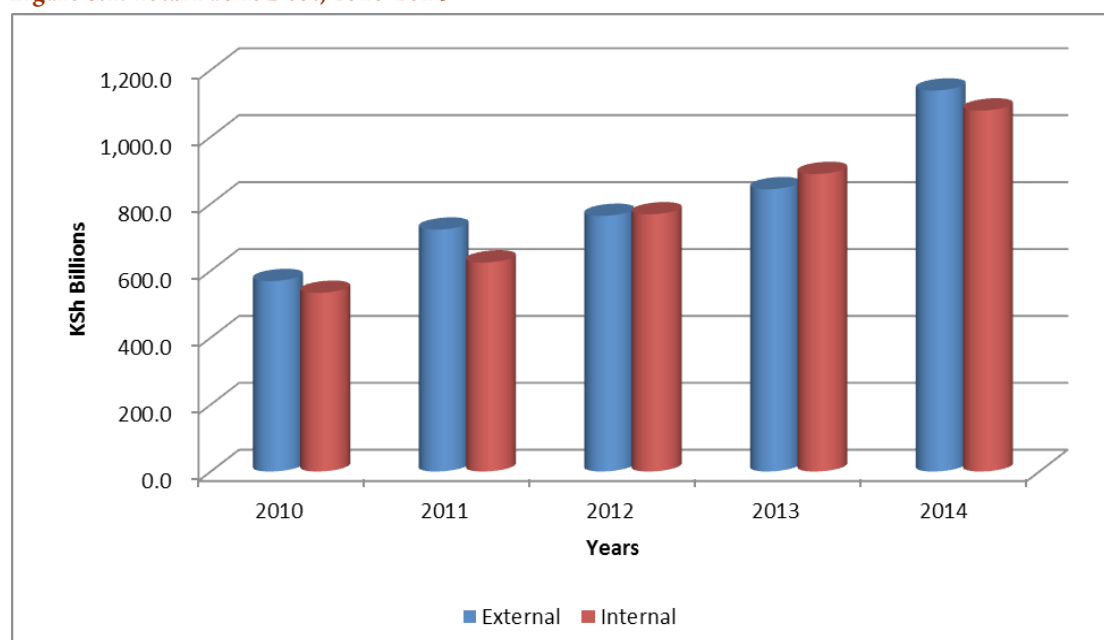
KSh Million

As at 30 <sup>th</sup> June	Public Debt								
	Stocks			Other debt			Total		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
2010	-	753.4	753.4	569,138.3	533,218.6	1,102,356.9	569,138.3	533,971.9	1,103,110.2
2011	-	-	-	722,888.3	624,752.0	1,347,640.3	722,888.3	624,752.0	1,347,640.3
2012	-	-	-	763,971.9	768,569.3	1,532,541.2	763,971.9	768,569.3	1,532,541.2
2013	-	-	-	843,562.2	889,180.8	1,732,743.0	843,562.2	889,180.8	1,732,743.0
2014*	-	-	-	1,138,504.7	1,078,807.3	2,217,312.0	1,138,504.7	1,078,807.3	2,217,312.0

Source: The National Treasury and Central Bank of Kenya

\* Provisional

Figure 6.1: Total Public Debt, 2010-2014



6.15. Table 6.11 details the National Government outstanding debt by source as at the end of June for the period 2010 to 2014. The overall debt stood at KSh 2,217.3 billion and consisted of bilateral, multilateral and internal debt, which constituted 13.3, 37.4 and 48.7 per cent, respectively. External debt rose by 35.0 per cent to KSh 1,138.5 billion in June 2014, attributable to proceeds from the international sovereign bond and increased disbursements by traditional lenders. External debt stock from China and France grew to KSh 80.9 billion and KSh 61.6 billion in 2014, respectively. This is a reflection of the continued bilateral engagements in infrastructural development and socio-economic initiatives with the two countries. Stock of external debt from Japan declined marginally to KSh 84.5 billion in 2014 as a result of the continued appreciation of the Kenya Shilling against the Japanese yen. The stock of debt from the International Development Association/International Fund for Agricultural Development (IDA/IFAD) increased by 15.1 per cent, while stock of debt from African Development Fund/African Development Bank (ADF/AfDB) and International

Monetary Fund (IMF) grew by 26.5 per cent and 12.9 per cent, respectively, in June 2014. 6.16. The commercial debt portion increased significantly to KSh 234.8 billion, representing 28.4 per cent of total external debt. The stock of internal debt grew to KSh 1,078.8 billion from KSh 889.2 billion in 2013. Growth in stocks of treasury bills, treasury bonds and overdraft at the Central Bank of Kenya, accounted for the increase in the stock of internal debt. The external debt strategy prescribes contracting or guaranteeing external loans with highly concessional terms while internal debt strategy prescribes holding more domestic debt on longer dated instruments. This strategy is aimed at minimizing refinancing risk, lowering cost of borrowing and promoting development of domestic markets for Government securities.

Table 6.11: National Government Outstanding Debt by Source, 2010-2014

KSh Million					
Outstanding as at 30 <sup>th</sup> June	2010	2011	2012	2013	2014*
<b>EXTERNAL DEBT:</b>					
<b>Lending Countries:</b>					
Germany .....	16,234.89	26,670.05	24,878.80	25,042.37	26,571.29
Japan .....	98,847.00	111,842.72	107,402.77	86,788.50	84,514.51
France .....	28,173.42	40,347.13	36,708.95	47,397.05	61,579.73
USA.....	5,729.00	5,901.00	5,136.78	4,816.04	4,542.27
Netherlands .....	1,876.60	3,011.87	2,925.78	2,599.67	2,701.91
Denmark .....	2,290.80	2,774.66	2,076.63	1,987.79	1,991.76
Finland .....	119.30	132.30	104.81	96.64	93.59
China .....	14,385.00	32,453.00	36,661.87	63,123.40	80,858.59
Belgium .....	6,775.00	9,037.00	7,365.07	7,607.22	8,096.36
Other .....	21,916.00	28,839.52	20,281.11	22,048.18	22,907.13
Total (bilateral).....	196,347.01	261,009.25	243,542.57	261,506.86	293,857.14
<b>International Organisations:</b>					
IDA / IFAD .....	260,108.00	315,224.61	297,588.74	328,753.29	378,282.41
EEC/ EIB. ....	10,498.01	12,496.71	10,933.89	15,769.40	20,657.26
IMF. ....	34,110.04	47,581.72	66,593.02	73,779.44	83,282.16
ADF/ AfDB. ....	41,000.20	52,645.14	70,863.36	80,728.61	102,118.16
Commercial Banks.....	0.00	0.00	50,539.98	58,927.52	234,799.04
Others .....	6,617.00	8,890.00	9,098.86	8,889.77	9,056.67
Total (multilateral) .....	352,333.25	436,838.18	505,617.85	566,848.03	828,195.71
<b>Suppliers' Credit</b>	20,458.00	25,040.88	14,811.51	15,207.35	16,451.86
<b>TOTAL EXTERNAL.....</b>	569,138.26	722,888.31	763,971.93	843,562.24	1,138,504.71
<b>INTERNAL DEBT:</b>					
Treasury Bills <sup>1</sup> .....	158,494.00	126,605.00	131,831.29	267,693.15	299,406.15
Treasury Bonds .....	448,615.00	595,661.00	686,950.90	744,174.06	914,762.09
Non Interest bearing debts <sup>2</sup> .....	32,218.00	31,663.00	29,998.76	28,888.76	28,273.00
Others (includes stocks) .....	20,624.94	10,293.00	10,048.60	9,860.00	41,886.01
Less govt deposits & on-lending .....	-125,980.00	-139,470.00	-90,260.29	-161,435.17	-205,520.00
<b>TOTAL INTERNAL (net)<sup>3</sup> .....</b>	533,971.94	624,752.00	768,569.26	889,180.80	1,078,807.25
<b>TOTAL DEBT .....</b>	1,103,110.20	1,347,640.31	1,532,541.19	1,732,743.04	2,217,311.96

Source: The National Treasury and Central Bank of Kenya

\* Provisional

<sup>1</sup> Excludes Repo Bills<sup>2</sup> Pre-1997 Govt. Overdraft debt (Repo T-bills)<sup>3</sup> Excludes Government deposits to Central Bank and Commercial Banks

## Chapter 6: Public Finance

6.17. Table 6.12 details the National Government debt servicing charges and receipts from interest and loan repayments on on-lending for the period 2010 to 2014. In 2013/14, the National Government net debt servicing charges increased by 33.9 per cent to KSh 339.4 billion. Net internal debt servicing charges increased by 15.9 per cent to KSh 241.4 billion in 2013/14. The Net external debt servicing charges grew significantly from KSh 45.1 billion in 2012/13 to KSh 98.0 billion owing to the payment of syndicated commercial loans worth KSh 57.9 billion. Interest and loan repayment receipts increased significantly to KSh 6.4 billion as at the end of June 2014.

**Table 6.12: National Government Debt Servicing Charges, 2010-2014**

KSh Million									
Year ending 30 <sup>th</sup> June	Annual Debt Servicing Charges			Interest and Loan Repayment Receipts			Net Servicing Charges		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
2010	24,317.18	123,184.21	147,501.39	-	571.48	571.48	24,317.18	122,612.73	146,929.91
2011	31,805.55	158,528.92	190,334.48	-	1,159.75	1,159.75	31,805.55	157,369.17	189,174.72
2012	35,705.51	151,980.77	187,686.28	-	1,611.56	1,611.56	35,705.51	150,369.21	186,074.72
2013	45,142.66	210,553.11	255,695.76	-	2,183.55	2,183.55	45,142.66	208,369.56	253,512.21
2014*	98,014.23	247,765.03	345,779.26	-	6,353.11	6,353.11	98,014.23	241,411.92	339,426.15

Source: The National Treasury

\* Provisional

6.18. Table 6.13 presents the ratio of National Government external debt servicing charges to earnings from export of goods and services for the period 2010 to 2014. This ratio provides an assessment of the economy's capacity to service external debt by measuring the cost of servicing debt against foreign exchange export earnings. In 2014, the external debt service charges as a percentage of export of goods and services increased to 10.0 per cent from 4.9 per cent in June 2013. This increase is attributed to the repayment of the syndicated commercial loans in the review period.

**Table 6.13: The Ratio of National Government Debt Service Charges on External Debt to Exports of Goods and Services, 2010-2014**

	Debt Service Charges on	Exports of Goods and Services	External debt service Charges as a Percentage of Exports of Goods and Services
	External Debt <sup>1</sup> (Fiscal Year)	(Calendar Year)	
	KSh Million	KSh Million	%
2010 .. .	24,317.18	711,756.00	3.42
2011 .. .	31,805.55	879,786.39	3.62
2012 .. .	35,705.51	931,993.33	3.83
2013 .. .	45,142.66	919,000.45	4.91
2014* .. .	98,014.23	976,714.70	10.04

Source: The National Treasury and Kenya National Bureau of Statistics

\* Provisional.

<sup>1</sup> Including debt redemption, however, interest payments on drawing on IMF are excluded.

**County Governments** 6.19. Table 6.14 shows the annual county governments' revenue allocation for 2013/14 and 2014/15. In line with the Constitution of Kenya 2010, the National Government provides resources and support to the county governments to ensure effective delivery of public goods and services in a sustainable manner and aims to work with the governments to realign the development agenda for faster and equitable social progress. In 2014/15, the enactment of the County Allocation of Revenue Act, 2014 provided for a total of KSh 226.7 billion to be allocated as the equitable share of national revenue to the county governments. A conditional grant of KSh 15.8 billion was also allocated to the county governments, which consists of, DANIDA grant, Level 5 & Referral hospitals grant, and other loans and grants amounting to KSh 0.7, KSh 1.8 and KSh13.2 billion, respectively. County governments are expected to generate KSh 62.5 billion as local revenue in 2014/15, a significant increase from the actual collection of KSh 26.3 billion in 2013/14. In addition, a cumulative revenue balance amounting to KSh 32.6 billion, not utilized in 2013/14 has also been approved for spending by the respective counties in 2014/15.

6.20. In 2014/15, The Nairobi City County received the highest allocation of the equitable share of revenue at KSh 11.3 billion, while Lamu County received the lowest at KSh 1.8 billion. Nairobi City County has the largest overall total budgeted revenue at KSh 30.7 billion, while Turkana, Mombasa and Kakamega has KSh 13.6, KSh 11.8 and KSh 11.5 billion, respectively.

Table 6.14: Annual County Government revenue, 2013/14 and 2014/15

KSh Million

County	Equitable share		Conditional Grant <sup>1</sup>		Annual Local Revenue		Balance B/F Revoted in		Total Revenue	
	2013/14	2014/15*	2013/14	2014/15*	2013/14	2014/15*	2013/14	2014/15	2013/14	2014/15*
Baringo	3,247.85	3,874.91	382.56	182.88	201.52	452.00	137.36	784.17	3,969.29	5,293.95
Bomet	3,442.64	4,123.08	272.58	150.77	200.95	380.43	133.50	151.97	4,049.67	4,806.25
Bungoma	6,180.67	6,697.66	334.60	711.42	182.70	1,075.04	20.00	0.00	6,717.96	8,484.12
Busia	3,412.40	4,746.85	266.37	661.13	328.99	766.22	51.11	556.77	4,058.88	6,730.98
Elgeyo/Marak	2,392.01	2,853.53	744.50	139.36	61.00	85.00	126.64	339.80	3,324.15	3,417.69
Embu	2,807.08	3,349.20	557.20	612.27	168.49	748.00	68.27	0.00	3,601.03	4,709.47
Garissa	4,221.43	5,036.33	475.03	203.73	35.89	500.00	108.00	1,817.01	4,840.36	7,557.06
Homa Bay	4,121.43	4,916.76	1,604.79	215.46	134.99	401.90	2.50	15.75	5,863.70	5,549.88
Isiolo	2,235.58	2,667.46	187.89	91.80	125.06	360.96	5.91	319.97	2,554.45	3,440.19
Kajiado	3,227.41	3,849.65	284.38	214.15	453.37	1,847.13	38.29	968.90	4,003.45	6,879.84
Kakamega	6,515.51	7,772.53	840.70	1,162.03	325.22	874.24	75.24	1,675.93	7,756.67	11,484.74
Kericho	3,295.02	3,915.07	317.79	120.83	371.40	671.28	27.00	0.00	4,011.21	4,707.17
Kiambu	5,458.86	6,511.57	805.57	236.06	1,246.68	3,374.06	290.88	0.00	7,801.99	10,121.69
Kilifi	5,442.53	6,492.28	377.89	142.60	459.58	1,000.00	144.92	1,099.39	6,424.91	8,734.28
Kirinyaga	2,587.87	3,086.85	242.06	277.58	200.37	729.00	56.78	596.19	3,087.08	4,689.61
Kisii	5,188.30	6,189.53	635.95	239.26	250.15	974.00	22.90	526.11	6,097.30	7,928.89
Kisumu	4,155.30	4,957.07	711.38	459.04	621.86	2,842.77	179.52	1,335.29	5,668.06	9,594.17
Kitui	5,315.31	6,340.50	519.09	299.72	255.24	650.00	176.55	421.00	6,266.19	7,711.22
Kwale	3,748.95	4,472.54	280.45	168.48	208.45	500.00	215.73	661.87	4,453.58	5,802.90
Laikipia	2,523.01	3,009.70	234.82	155.22	347.12	400.00	78.12	303.49	3,183.07	3,868.41
Lamu	1,500.76	1,789.92	99.24	91.80	35.57	65.44	125.21	144.34	1,760.77	2,091.51
Machakos	4,950.62	5,905.80	523.08	459.90	1,175.23	2,533.48	77.44	0.00	6,726.37	8,899.18
Makueni	4,366.29	5,208.87	354.91	309.13	189.19	500.90	72.55	1,328.12	4,982.94	7,347.03
Mandera	6,550.23	7,813.82	230.31	91.80	90.07	251.29	107.88	3,218.12	6,978.50	11,375.03
Marsabit	3,795.59	4,527.79	272.86	91.80	46.03	48.40	0.00	1,145.21	4,114.48	5,813.21
Meru	4,749.44	5,665.87	758.42	1,648.32	343.81	902.46	226.12	0.00	6,077.79	8,216.64
Migori	4,269.10	5,092.81	490.97	216.49	238.63	300.00	5.70	0.00	5,004.39	5,609.30
Mombasa	3,801.76	4,535.16	545.82	341.33	1,716.05	6,936.16	199.89	0.00	6,263.52	11,812.66
Murang'a	3,917.40	4,673.16	404.43	334.01	419.99	1,140.00	112.67	450.08	4,854.49	6,597.25
Nairobi City	9,505.77	11,340.19	390.47	1,605.34	10,026.17	17,762.59	188.00	0.00	20,110.41	30,708.12
Nakuru	5,936.31	7,082.15	1,025.00	456.05	1,816.53	2,708.41	68.40	906.25	8,846.25	11,152.87
Nandi	3,477.90	4,148.80	408.95	120.80	130.54	456.07	55.20	730.00	4,072.59	5,455.67
Narok	3,867.59	4,613.74	278.79	205.42	1,538.56	3,909.27	15.74	0.00	5,700.69	8,728.43
Nyamira	3,038.64	3,625.10	278.44	153.90	94.03	219.05	0.00	823.29	3,411.11	4,821.34
Nyandarua	3,150.21	3,758.30	284.91	145.77	138.44	211.00	62.00	479.95	3,635.56	4,595.02
Nyeri	3,254.18	3,882.45	817.15	514.44	432.23	1,343.93	271.12	0.00	4,774.67	5,740.82
Samburu	2,598.15	3,098.86	206.94	91.80	201.00	406.55	66.61	608.63	3,072.70	4,205.84
Siaya	3,653.58	4,358.01	318.01	653.61	99.77	301.53	138.80	1,219.63	4,210.16	6,532.78
Taita/Taveta	2,420.63	2,887.46	205.85	91.80	126.86	521.83	36.01	508.41	2,789.36	4,009.50
Tana River	2,914.33	3,476.13	204.48	123.80	31.56	120.00	67.11	1,400.00	3,217.47	5,119.93
Tharaka -Nithi	2,294.83	2,737.36	139.76	698.82	85.37	250.00	61.59	251.68	2,581.56	3,937.86
Trans Nzoia	3,729.87	4,449.88	193.13	91.80	201.66	670.00	58.69	429.49	4,183.36	5,641.17
Turkana	7,664.40	9,143.33	230.00	91.80	132.88	500.00	28.92	3,836.46	8,056.20	13,571.59
Uasin Gishu	3,796.63	4,529.66	270.26	96.43	563.67	1,193.42	188.24	1,491.92	4,818.80	7,311.43
Vihiga	2,831.56	3,378.09	196.97	410.46	123.30	377.74	128.40	573.45	3,280.24	4,739.74
Wajir	5,290.05	6,310.75	357.47	91.80	61.03	102.29	0.96	975.18	5,709.52	7,480.03
West Pokot	3,155.05	3,763.44	437.78	96.43	58.89	96.20	8.68	460.16	3,660.39	4,416.24
<b>Total</b>	<b>190,000.05</b>	<b>226,660.00</b>	<b>20,000.00</b>	<b>15,768.67</b>	<b>26,296.09</b>	<b>62,460.05</b>	<b>4,331.13</b>	<b>32,553.97</b>	<b>240,627.27</b>	<b>337,442.69</b>

Source: The National Treasury and Office of the Controller of Budget

\* Revised budget estimates

<sup>1</sup> Includes Grants to Level 5 hospitals and conditional grant for Donor funded projects



6.21. The Economic Classification of County Governments expenditure for the period 2013/14 and 2014/15 is presented in Table 6.15. In 2013/14, county governments' spent a total of KSh 161.4 billion of the budgeted KSh 261.1 billion, representing 61.8 per cent absorption rate. Compensation of employees accounted for 39.8 per cent of the total expenditure, of which salaries amounted to KSh 51.5 billion and allowances amounted to KSh 11.4 billion accounting for 31.9 per cent and 7.1 per cent of the entire budget in 2013/14. Use of goods and services accounted for 21.9 per cent of expenditure in 2013/14. The total consumption expenditure on goods and services amounted to KSh 99.6 billion accounting for 61.7 per cent of the entire expenditure while acquisition of non-financial assets amounted to KSh 42.4 billion in 2013/14.

6.22. In 2014/15, county governments anticipate to spend KSh 302.8 billion, representing an increase of 87.6 per cent. In the 2014/15 budget, consumption of goods and services is expected to account for 53.0 per cent of the budget, with salaries and allowances estimated to cost KSh 97.9 billion while use of goods and services will amount to KSh 60.4 billion. The county governments have allocated KSh 111.9 billion to finance the acquisition of non-financial assets. This is a significant growth in the share of the total expenditure from 26.3 per cent in 2013/14 to 36.9 per cent in 2014/15. This reflects efforts to comply with the Public Finance Management Act, 2012 which requires at least 30.0 per cent of budgetary allocation for development activities. Building and structures, and plant and machinery are estimated to cost KSh 82.6 billion and KSh 21.3 billion, respectively, in 2014/15.

Table 6.15: Economic Classification of County Governments Expenditure, 2013/14 and 2014/15

	KSh Million	
	2013/14*	2014/15**
<b>Compensation of Employees</b>	<b>64,262.36</b>	<b>101,562.40</b>
Salaries	51,487.67	71,936.74
Allowances	11,407.41	25,965.25
Social contributions	1,367.28	3,660.41
<b>Use of goods and services</b>	<b>35,353.92</b>	<b>60,380.47</b>
Utilities, Supplies and Services	895.72	2,965.79
Printing, Advertising and Information Supplies and Services	1,895.56	3,317.00
Rentals	897.73	1,275.39
Communication, Supplies and Services	503.53	1,043.35
Transportation costs	6,520.28	8,440.64
Training Expenses	2,413.92	3,989.64
Hospitality Supplies and Services	2,158.33	3,371.57
Insurance	1,564.41	3,199.72
Specialised Materials	4,744.72	11,765.00
Office and General Supplies and Services and materials	1,507.25	2,356.84
Fuel Oil and Lubricants	1,930.10	2,820.66
Other Operating Expenses	6,047.14	11,435.62
Routine Maintenance	4,275.24	4,399.26
Subsidies	330.78	298.45
Interest	4,723.25	5,621.03
Grants	6,708.38	14,676.54
Other expense	1,971.43	4,456.17
<b>Acquisition of Non-financial Assets</b>	<b>42,423.74</b>	<b>111,894.15</b>
Building and Structures	26,428.02	82,642.04
Plant and Machinery	9,748.19	21,285.18
Other Assets	6,247.53	7,966.93
<b>Acquisition of Financial Assets</b>	<b>1,912.56</b>	<b>3,928.13</b>
<b>Memo Item</b>		
Debt repayment and pending bills <sup>1</sup>	3,711.04	
<b>Total</b>	<b>161,397.47</b>	<b>302,817.34</b>

Source: The National Treasury-IFMIS

\* Provisional

\*\*Printed estimates

<sup>1</sup> reclassified into other economic items in 2014/15

6.23. Table 6.16 provides for the Classification of Expenditure by Functions of Government (COFOG), of county governments' expenditure for the 2013/14 and 2014/15. In 2013/14, expenditure by county governments amounted to KSh 161.4 billion. Expenditure on general public services accounted for over 80 per cent of the overall expenditure, while health function and economic affairs accounted for 5.3 per cent and 6.9 per cent, respectively. In 2013/14, economic affairs category, spent KSh 5.9 billion on construction and rehabilitation of roads, bridges and general transport infrastructure and KSh 2.9 billion on agricultural activities. In 2014/15 budget, the total expenditure is estimated to amount to KSh 302.8 billion. The health function is estimated to account for 19.4 per cent of the total budget and amount to KSh 58.6 billion. Expenditure on education, transport and agriculture functions is expected to register significant rise to account for 8.3, 13.3, and 7.7 per cent, respectively. General public services expenditure is expected to decline by 19.6 per cent, but still account for 35.9 per cent of the total budget.

**Table 6.16: Classification of Expenditure by Functions of County Governments, 2013/14 and 2014/15**

	KSh Million	
	2013/14*	2014/15**
General Public Services	<b>135,187.04</b>	<b>108,743.61</b>
Economic Affairs	<b>11,086.63</b>	<b>77,922.53</b>
General economic affairs	1,312.91	811.30
Agriculture	2,876.45	23,277.85
Transport	5,930.08	40,231.59
Other economic Affairs	967.19	13,601.79
Environmental Protection	873.72	9,184.35
Housing and Community Ammenities	3,532.56	18,121.89
Health	8,492.22	58,639.61
Recreation, Culture and Religion	924.64	3,515.80
Education	1,228.71	25,024.19
Social Protection	71.95	1,665.36
<b>Total</b>	<b>161,397.47</b>	<b>302,817.34</b>

Source: The National Treasury-IFMIS

\* Provisional

\*\*Printed estimates

## Chapter 7

### International Trade and Balance of Payments

#### Overview

Key indicators of international trade show that in 2014, Kenya's merchandise trade deficit continued to widen due to a high import bill. This was mainly occasioned by the imports of the aircrafts and associated equipment, road motor vehicles, industrial machinery and petroleum products. The balance of trade deteriorated from a deficit of KSh 911.0 billion in 2013 to a deficit of KSh 1,081.1 billion in 2014, translating to an increase of 18.7 per cent. During the review period, the import bill increased by 14.5 per cent while the earnings from exports registered a smaller increase of 7.0 per cent. This led to the export-import ratio deteriorating from 35.5 per cent in 2013 to 33.2 per cent in 2014. Tea, horticulture, articles of apparels and clothing accessories; and coffee were the leading export earners in 2014 collectively accounting for 52.1 per cent of the total export earnings.

7.2. The balance of payments position improved from a surplus of KSh 31.8 billion in 2013 to a surplus of KSh 126.1 billion in 2014. This was on account of increased international reserves largely attributed to proceeds received from the sale of the Eurobond. The current account deteriorated further by 30.2 per cent from a deficit of KSh 411.7 billion in 2013 to a deficit of KSh 536.1 billion in 2014 mainly due to the widening of the visible trade deficit. The financial account surplus increased by 67.6 per cent from KSh 424.1 billion in 2013 to KSh 710.6 billion in 2014 due to increased capital flows

#### Balance of Trade

7.3. The volume of external trade has grown consistently over the last five years, as shown in Table 7.1. The value of total trade increased by 12.5 per cent to KSh 2,155.6 billion in 2014. Similarly, the value of imports rose by 14.5 per cent in 2014 to KSh 1,618.3 billion while that of total exports grew by 6.9 per cent to KSh 537.2 billion during the same period. Domestic exports grew marginally from KSh 455.7 billion in 2013 to KSh 460.6 billion in 2014, while re-exports recorded a significant increase during the review period. This growth is mainly due to the increase in re-exports of petroleum products. The balance of trade continued to deteriorate from a deficit of KSh 911.0 billion in 2013 to a deficit of KSh 1,081.1 billion in 2014 on account of increased imports. Consequently, exports financed only 33.2 per cent of the import bill in 2014. This declining trend in the export cover ratio has been observed over time.



## Chapter 7: International Trade and Balance of Payments

**Table 7.2: Export and Import Price Indices and Terms of Trade 2010-2014**

	2009=100				
	2010	2011	2012	2013	2014*
<b>EXPORTS:</b>					
Food and live animals .. .. .	112	141	137	133	121
Beverages and tobacco .. .. .	130	133	134	133	142
Crude materials, (inedible) .. .. .	106	109	98	126	125
Mineral fuels .. .. .	114	121	151	150	219
Animal and vegetable oils and fats .. .. .	115	177	152	125	128
Chemicals .. .. .	98	124	127	114	134
Manufactured goods .. .. .	104	112	123	113	112
Machinery and transport equipment .. .. .	129	224	235	286	246
Miscellaneous manufactured articles .. .. .	129	137	135	188	165
<b>All Exports .. .. .</b>	<b>111</b>	<b>132</b>	<b>131</b>	<b>136</b>	<b>132</b>
Non-oil Exports .. .. .	111	133	131	136	131
<b>IMPORTS:</b>					
Food and live animals .. .. .	131	126	132	174	170
Beverages and tobacco .. .. .	108	111	140	172	136
Crude materials, (inedible) .. .. .	104	125	131	126	139
Mineral fuels .. .. .	136	144	199	200	187
Animals and vegetable oils and fats .. .. .	125	185	165	140	145
Chemicals .. .. .	107	132	132	158	147
Manufactured goods .. .. .	119	157	139	140	126
Machinery and transport equipment .. .. .	137	207	198	181	227
Miscellaneous manufactured articles .. .. .	108	135	150	164	189
<b>All imports .. .. .</b>	<b>126</b>	<b>157</b>	<b>166</b>	<b>168</b>	<b>180</b>
Non-oil Imports .. .. .	124	160	158	160	178
<b>TERMS OF TRADE</b>					
All Items .. .. .	88.1	84.1	78.9	81.0	73.3
Non-oil Items .. .. .	89.5	83.1	82.9	85.0	73.6

\* Provisional

**Volume Changes** 7.6. There was an overall increase of 5.8 per cent and 6.5 per cent in quantum indices for all exports and imports, respectively, in 2014 as shown in Table 7.3. The growth in quantum index for all exports was due to inedible crude materials, and miscellaneous manufactured articles, whose quantum indices increased by 31.1 per cent and 28.6 per cent, respectively, in 2014. Non-oil exports quantum index increased by 6.8 per cent in 2014 compared to a decrease of 8.9 per cent in 2013. The increase in quantum index for all imports was mainly on account of manufactured goods, food and live animals; and chemicals whose quantum indices increased by 14.8, 14.1 and 13.9 per cent respectively, in 2014. The quantum index for non-oil imports increased by 4.6 per cent in 2014 compared to an increase of 4.2 per cent, recorded in 2013.

Table 7.3: Quantum Indices, 2010-2014

	2009=100				
	2010	2011	2012	2013	2014*
<b>EXPORTS:</b>					
Food and live animals .. .. .	92	103	108	110	116
Beverages and tobacco .. . . .	79	124	119	105	111
Crude materials, (inedible) .. . . .	97	125	138	103	135
Mineral fuels .. . . .	86	124	65	41	42
Animal and vegetable oils and fats .. . . .	89	136	145	112	80
Chemicals .. . . .	104	128	120	115	97
Manufactured goods .. . . .	99	143	121	132	120
Machinery and transport equipment .. . . .	80	64	73	48	45
Miscellaneous manufactured articles .. . . .	79	107	112	84	108
<b>All Exports .. . . .</b>	<b>92</b>	<b>114</b>	<b>113</b>	<b>104</b>	<b>110</b>
Non-oil Exports .. . . .	92	113	115	105	112
<b>IMPORTS:</b>					
Food and live animals .. . . .	59	91	90	64	73
Beverages and tobacco .. . . .	142	204	118	141	158
Crude materials, (inedible) .. . . .	116	118	121	117	118
Mineral fuels .. . . .	92	146	103	99	112
Animals and vegetable oils and fats .. . . .	113	111	120	125	125
Chemicals .. . . .	116	127	130	122	139
Manufactured goods .. . . .	108	116	129	149	171
Machinery and transport equipment .. . . .	89	67	86	92	100
Miscellaneous manufactured articles .. . . .	112	119	122	134	126
<b>All imports .. . . .</b>	<b>95</b>	<b>106</b>	<b>105</b>	<b>107</b>	<b>114</b>
Non-oil Imports .. . . .	96	96	105	109	114

\* Provisional

### Quantities of Principal Exports and Imports

7.7. Tables 7.4a and 7.4b show export and import quantities of principal commodities for the period 2010 to 2014. The volume of cement exported registered a 12.9 per cent decline from 826,941 tonnes in 2013 to 720,465 tonnes in 2014. Similarly, the quantity of soda ash exported decreased by 17.3 per cent while iron and steel export volume dropped by 11.5 per cent. However, export quantities of horticulture maintained an upward trend recording a growth of 10.2 per cent in 2014. Likewise, fluorspar export quantities rose by 20.5 per cent in 2014 after a decline of 26.2 per cent recorded in 2013. Tea exports marginally increased from 446,033 tonnes in 2013 to 456,492 tonnes in 2014. During the review period, the quantity of tobacco and tobacco manufacture exports increased by 43.4 per cent.

7.8. The quantity of imported unmilled wheat increased by 18.6 per cent to 1,225.7 thousand tonnes in 2014 from 1,033.1 thousand tonnes in 2013. Similarly, there was a notable increase in the volume of unmilled maize imports from 93,473 tonnes in 2013 to 458,940 tonnes in 2014. In addition, the volume of liquefied propane and butane imports more than doubled from 55,874 tonnes in 2013 to 111,933 tonnes in 2014. On the contrary, imports of iron and steel dropped by 1.8 per cent from 1,217.9 thousand tonnes in 2013 to 1,196.3 tonnes in 2014. There was a significant decrease in the volume of imported chemical fertilizers from 688,436 tonnes in 2013 to 496,057 tonnes in 2014.

## Chapter 7: International Trade and Balance of Payments

**Table 7.4a: Quantities of Principal Domestic Exports, 2010-2014**

Commodity	Unit of Quantity	2010	2011	2012	2013	2014*
Fish and fish preparations .....	Tonne	17,804	15,519	17,455	11,712	15,213
Maize (seed) .....	Tonne	2,623	1,173	548	1,236	1,678
Meals and flours of wheat .....	Tonne	20,696	4,624	7,488	3,076	2,308
Horticulture .....	Tonne	374,566	363,799	367,885	394,387	428,670
Sugar confectionery .....	Tonne	30,845	33,092	33,188	30,159	28,986
Coffee, unroasted .....	Tonne	43,135	37,570	51,713	48,890	47,438
Tea .....	Tonne	410,035	385,425	376,996	446,033	456,492
Margarine and shortening .....	Tonne	18,463	20,288	18,532	15,924	17,097
Edible products and preparations, n.e.s. ....	Tonne	15,976	17,004	15,907	13,561	14,751
Beer made from malt .....	000 Lt.	51,370	59,054	62,638	48,166	65,572
Tobacco and tobacco manufactures .....	Tonne	31,594	40,290	35,259	23,466	33,649
Hides and Skins .....	Tonne	322	2,250	10,200	2,832	2,560
Sisal .....	Tonne	21,817	12,040	11,066	10,010	10,093
Stone, sand and gravel .....	Tonne	18,957	45,962	39,138	29,632	45,460
Fluorspar .....	Tonne	37,500	116,600	105,753	78,002	94,021
Soda Ash .....	Tonne	493,722	592,207	458,811	478,822	396,095
Metal scrap .....	Tonne	3,626	4,342	5,465	4,478	5,091
Petroleum Products .....	Mn. Lt.	80	89	27	18	21
Animal and Vegetable oils .....	Tonne	105,919	106,420	99,252	70,339	49,375
Alcohols and derivatives thereof .....	000 Lt.	14,866	23,770	22,403	18,558	15,033
Pigments, paints, varnishes and related materials .....	Tonne	12,995	14,464	14,068	11,949	12,886
Medicinal and pharmaceutical products .....	Tonne	9,457	11,446	13,063	12,419	13,285
Essential oils .....	Tonne	100,526	121,919	120,059	94,157	87,779
Plates, sheets, film, foil and strip, of plastics .....	Tonne	6,781	8,766	9,121	7,927	8,479
Insecticides and fungicides .....	Tonne	4,197	3,301	1,709	1,416	1,597
Leather .....	Tonne	22,272	26,485	22,698	26,542	26,213
Wood manufactures n.e.s. ....	Tonne	812	712	608	468	401
Paper and paperboard .....	Tonne	39,304	43,272	41,322	41,760	34,043
Textile yarn .....	Tonne	2,358	2,263	1,859	2,046	1,601
Made-up articles, wholly or chiefly of textile materials, n.e.s. ....	Tonne	12,368	14,162	14,255	11,464	16,619
Glassware .....	Tonne	38,181	56,348	45,861	22,693	13,411
Cement .....	Tonne	651,701	708,384	737,496	826,941	720,465
Iron and steel .....	Tonne	142,958	170,143	150,182	155,442	137,561
Metal containers .....	Tonne	2,642	3,262	3,432	2,831	3,162
Wire products: nails screws, nuts, etc. ....	Tonne	8,962	8,356	10,931	9,232	8,265
Household equipment of base metal, n.e.s. ....	Tonne	7,883	8,748	9,719	10,401	9,841
Manufactures of base metal, n.e.s. ....	Tonne	8,716	12,664	9,207	7,572	8,217
Automatic data processing machines and units thereof	No's	75,910	70,029	97,431	45,737	106,895
Electrical machinery and apparatus, n.e.s. <sup>1</sup> .....	..	..	..	..	..	..
Trailers and semi-trailers <sup>1</sup> .....	..	..	..	..	..	..
Furniture and parts thereof <sup>1</sup> .....	..	..	..	..	..	..
Footwear .....	'000 Pairs	44,504	47,288	51,712	52,021	40,092
Printed matter .....	Tonne	5,123	6,667	5,859	6,553	9,006
Articles of plastic <sup>2</sup> .....	..	..	..	55,882	48,370	58,488

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

\* Provisional.

.. Data not available

<sup>1</sup> items have different units

<sup>2</sup> data for 2010 and 2011 had varying units of measurement



Table 7.4b: Quantities of Principal Imports, 2010-2014

Commodity	Unit of Quantity	2010	2011	2012	2013	2014*
Wheat, unmilled	Tonne	848,081	1,002,710	1,044,848	1,033,054	1,225,690
Rice	Tonne	283,021	337,446	399,699	409,576	459,165
Maize (seed)	Tonne	229,611	359,232	324,622	93,473	458,940
Wheat flour	Tonne	37,912	61,850	54,397	30,853	33,178
Horticulture	Tonne	120,121	186,584	244,808	153,223	196,976
Sugars, Mollases and Honey	Tonne	299,308	176,174	267,679	276,542	228,834
Edible products and preparations, n.e.s.	Tonne	64,674	33,248	78,164	48,347	54,264
Textile fibres and their waste	Tonne	16,628	18,182	19,451	18,183	20,051
Second-hand clothing	Tonne	80,423	76,533	82,216	101,066	106,974
Crude Petroleum	Tonne	1,551,524	1,772,135	997,028	567,432	..
Petroleum products	Mn. Lt.	2,638	2,874	3,484	3,760	4,645
Residual petroleum products, n.e.s. and related materials	Tonne	45,767	65,303	102,018	71,863	72,684
Liquefied propane and butane	Tonne	46,614	51,799	75,565	55,874	111,933
Animal/vegetable fats and oils	Tonne	590,786	553,087	591,488	636,120	622,343
Organic & inorganic chemicals	Tonne	230,291	240,714	241,719	256,736	389,311
Pigments, paints, varnishes and related materials	Tonne	22,342	25,384	25,394	27,718	28,932
Medicinal and pharmaceutical products	Tonne	14,910	16,637	16,110	17,187	20,713
Essential oils & perfumes	Tonne	26,923	33,273	50,269	46,097	55,425
Chemical fertilizers	Tonne	419,732	522,200	425,840	688,436	496,057
Plastics in primary & non-primary forms	Tonne	300,070	317,119	342,163	377,340	400,188
Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products	Tonne	10,803	11,367	13,050	14,761	15,232
Miscellaneous chemical products, n.e.s.	Tonne	30,405	33,992	31,985	37,245	38,880
Rubber tyres, interchangeable tyre treads, tyre flaps and inner tubes	"000"Nos	5,595	4,807	5,118	5,718	6,104
Paper and Paperboard	Tonne	267,173	278,797	263,089	279,700	320,726
Textile yarn, Fabrics, made-up articles n.e.s and related products <sup>1</sup>	..	..	..	..	..	..
Lime, cement and fabricated construction materials (except glass and	Tonne	1,022,540	1,152,171	1,539,421	1,476,545	1,365,483
Iron and steel	Tonne	717,361	792,093	778,859	1,217,865	1,196,273
Non-ferrous metals	Tonne	39,667	45,425	42,405	52,588	53,315
Structures and parts of structures, n.e.s., of iron, steel or aluminium	Tonne	16,691	38,153	53,179	52,612	66,405
Hand & machine tools	"000"Nos	9,102	9,534	11,027	10,682	11,382
Manufactures of base metal, n.e.s.	Tonne	22,456	24,103	30,633	33,046	32,747
Industrial Machinery <sup>1</sup>	..	..	..	..	..	..
Agricultural Machinery and Tractors <sup>1</sup>	..	..	..	..	..	..
Automatic data processing machines and units thereof	"000"Nos	1,170	1,170	1,515	1,618	405
Telecommunications equipment, n.e.s., and parts, n.e.s. <sup>1</sup>	..	..	..	..	..	..
Parts, n.e.s. and accessories of the motor vehicles <sup>1</sup>	..	..	..	..	..	..
Motorcycles and cycles fitted with an auxiliary motor	"000"Nos	126	147	109	165	148
Bicycles, assembled or partly assembled	"000"Nos	152	143	134	166	140
Road Motor Vehicles	Nos.	77,941	65,987	74,111	92,270	103,517
Aircraft and associated equipment <sup>1</sup>	..	..	..	..	..	..
Prefabricated buildings	Tonne	14,647	13,237	14,614	22,136	27,280
Furniture and parts thereof <sup>1</sup>	..	..	..	..	..	..
Quality control instruments and apparatus, n.e.s. <sup>1</sup>	..	..	..	..	..	..
Printed matter	Tonne	7,743	8,312	9,028	9,402	10,218
Articles, n.e.s., of plastics	Tonne	15,675	19,577	25,318	37,770	49,786

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

\* Provisional.

<sup>1</sup> Items have different units of measurements

**Values of Principal Exports and Imports** 7.9. Table 7.5a shows the value of principal exports for the period 2010 to 2014. Earnings from the export of horticultural crops increased by 8.7 per cent from KSh 89,339 million in 2013 to KSh 97,105 million in 2014. Earnings from the export of articles of apparel and clothing accessories rose by 18.7 per cent to KSh 28,948 million in 2014, mainly due to the increased production within the Export Processing Zones (EPZ) under the African Growth Opportunity Act (AGOA). Earnings from exports of unroasted coffee grew by 22.0 per cent to KSh 19,913 million during the review period. The value of tobacco and tobacco manufacture exports rose to KSh 16,827 million in 2014, from KSh 13,709 million in 2013. However, during the review period, the value of tea exports dropped by 10.2 per cent to KSh 93,996 million. The export earnings from iron and steel declined by 13.6 per cent to KSh 13,443 million in 2014 while those from essential oils decreased marginally to KSh 10,854 million in 2014. Export earnings from soda ash and cement also dropped to KSh 7,832 million and KSh 7,541 million respectively, in the period under review.

7.10. Petroleum products which accounts for the largest share of total import bill increased by 15.8 per cent from KSh 252,673 million in 2013 to KSh 292,643 million in 2014 as shown in Table 7.5b. The expenditure on aircraft and associated equipment grew six-fold to KSh 129,589 million in 2014 from KSh 21,308 million in 2013. Likewise, the value of road motor vehicle and industrial machinery imports rose in the review period by 22.2 per cent and 10.9 per cent, respectively. The value of maize imports more than tripled while that of unmilled wheat increased by 12.1 per cent in 2014. There was a decline in the value of iron and steel imports from KSh 80,749 million in 2013 to KSh 75,526 million in 2014. Expenditure on chemical fertilizers recorded a marked decline of 30.9 per cent from KSh 27,957 million in 2013 to KSh 19,331 million in 2014.

Table 7.5a: Values of Principal Domestic Exports, 2010-2014

Commodity	2010	2011	2012	2013	2014*
Fish and fish preparations .....	5,027	4,955	5,392	3,362	4,266
Maize(seed) .....	284	169	57	192	324
Meals and flours of wheat .....	5,105	159	290	145	87
Horticulture .....	72,092	83,331	81,129	89,339	97,105
Sugar confectionery. ....	4,241	5,211	5,818	5,401	5,345
Coffee, unroasted .....	16,244	20,863	22,271	16,328	19,913
Tea .....	91,617	102,236	101,441	104,648	93,996
Margarine and shortening .....	2,006	2,950	2,684	2,245	2,349
Edible products and preparations, n.e.s. ....	1,977	2,537	3,218	2,573	2,637
Beer made from malt .....	2,775	2,961	3,209	3,636	3,416
Tobacco and tobacco manufactures .....	10,562	18,633	16,615	13,709	16,827
Hides and skins (undressed) .....	11	108	504	134	126
Sisal .....	1,586	1,212	1,184	1,020	1,325
Stone, sand and gravel .....	120	494	385	389	643
Fluorspar .....	726	3,928	3,272	1,714	1,883
Soda ash .....	7,265	12,371	9,724	8,997	7,832
Metal scrap .....	596	1,050	2,826	2,498	3,403
Petroleum products .....	4,706	6,217	3,294	2,652	3,694
Animal and Vegetable oils .....	9,893	14,166	12,727	8,156	6,003
Alcohols and derivatives thereof .....	1,076	1,901	2,170	1,758	1,447
Pigments, paints, varnishes and related materials .....	1,184	1,717	1,830	1,628	1,894
Medicinal and pharmaceutical products .....	5,862	7,446	8,699	7,068	8,296
Essential oils .....	9,625	13,822	13,623	11,172	10,854
Plates, sheets, film, foil and strip, of plastics .....	1,470	2,483	2,495	2,415	2,641
Insecticides and fungicides .....	1,659	1,828	801	771	805
Leather .....	4,192	7,208	7,036	8,491	7,597
Wood manufactures n.e.s .....	167	193	140	159	146
Paper and paperboard .....	4,208	5,459	5,150	5,342	4,406
Textile yarn .....	621	851	792	885	721
Made-up articles, wholly or chiefly of textile materials, n.e.s. ....	2,871	3,358	3,907	2,881	3,772
Glassware .....	1,885	3,042	2,344	1,855	840
Cement .....	7,399	8,898	8,118	8,292	7,541
Iron and steel .....	12,124	18,165	15,098	15,560	13,443
Metal containers. ....	444	734	715	500	556
Wire products: nails screws, nuts, etc. ....	918	1,142	1,649	1,036	1,295
Household equipment of base metal, n.e.s. ....	2,364	2,955	3,222	3,392	3,508
Manufactures of base metal, n.e.s. ....	1,763	2,806	2,195	1,948	1,938
Automatic data processing machines and units thereof .....	1,320	1,405	2,819	980	331
Electrical machinery and apparatus, n.e.s. ....	1,686	2,150	2,696	2,706	2,025
Trailers and semi-trailers .....	1,393	2,131	2,519	2,597	2,041
Furniture and parts thereof .....	1,397	1,679	1,894	1,922	1,697
Footwear .....	3,214	3,562	4,148	3,992	3,569
Printed matter .....	3,068	4,098	4,346	3,442	4,271
Articles of plastics .....	6,895	9,350	10,278	10,263	10,995
Articles of apparel and clothing accessories. ....	15,561	22,260	20,676	24,379	28,948
All other Commodities .....	45,340	64,293	60,202	55,465	63,821
<b>GRAND TOTAL</b>	<b>385,441</b>	<b>484,507</b>	<b>479,706</b>	<b>455,689</b>	<b>460,572</b>

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

\* Provisional

## Chapter 7: International Trade and Balance of Payments

**Table 7.5b: Values of Principal Imports, 2010-2014**

	KSh Million				
Commodity	2010	2011	2012	2013	2014*
Wheat, unmilled .....	17,451	31,371	29,743	30,189	33,831
Rice .....	7,958	12,548	14,520	14,111	15,305
Maize (seed) .....	5,471	11,479	6,451	2,291	9,308
Wheat flour .....	1,396	2,517	2,120	1,964	1,712
Horticulture .....	6,731	10,672	11,496	8,657	9,606
Sugars, Mollases and Honey .....	14,551	11,088	17,030	16,770	12,009
Edible products and preparations, n.e.s. ....	5,690	6,658	8,466	7,402	7,463
Textile fibres and their waste .....	3,571	5,093	5,025	5,099	5,792
Second - hand clothing .....	6,539	6,831	8,400	8,345	8,815
Crude Petroleum <sup>1</sup> .....	72,598	124,042	68,086	41,037	..
Petroleum Products .....	122,004	199,120	237,557	252,673	292,643
Residual petroleum products, n.e.s. and related materials	2,746	4,906	7,263	5,379	5,362
Liquefied propane and butane .....	3,620	5,351	8,350	5,515	10,834
Animal/vegetable fats and oils .....	38,956	56,733	54,876	48,371	50,044
Organic & inorganic chemicals .....	16,127	19,593	22,080	22,303	21,856
Pigments, paints, varnishes and related materials .....	3,924	5,222	5,766	5,608	6,369
Medicinal & Pharmaceauticals Products .....	27,879	39,681	41,307	40,114	52,088
Essential oils & perfumes .....	9,755	13,454	15,351	16,935	18,445
Chemical Fertilizers .....	14,186	23,045	20,184	27,957	19,331
Plastics in primary & non-primary forms .....	35,995	49,296	47,650	55,182	60,217
Insecticides and related products .....	7,548	8,396	8,828	10,879	10,797
Miscellaneous chemical products, n.e.s. ....	6,903	8,580	8,698	10,781	12,958
Rubber tyres and inner tubes, for wheels of all kinds	7,268	9,604	12,143	13,189	12,406
Paper and Paperboard .....	24,645	31,464	30,377	26,864	29,948
Textile yarn, Fabrics, made-up articles n.e.s and related p	22,770	33,067	27,775	30,308	36,138
Lime, cement and fabricated construction materials ....	5,982	7,528	9,341	8,376	7,965
Iron and Steel .....	43,558	62,087	56,667	80,749	75,526
Non-ferrous metals .....	10,235	13,863	12,119	14,626	14,704
Structures and parts of structures, n.e.s., of iron, steel or	2,397	5,834	9,621	10,011	11,211
Hand & machine tools .....	1,613	2,335	2,794	3,265	4,082
Manufactures of base metal, n.e.s. ....	4,433	5,826	7,677	8,938	8,459
Industrial Machinery .....	158,721	177,174	194,666	231,440	256,672
Agricultural Machinery and Tractors .....	4,279	5,532	6,347	7,802	7,925
Automatic data processing machines and units thereof	12,678	15,546	19,556	15,019	9,720
Telecommunications equipment, n.e.s., and parts, n.e.s.	29,894	21,281	24,582	24,160	23,622
Parts, n.e.s. and accessories of the motor vehicles	4,805	5,729	6,790	7,440	8,105
Motorcycles and cycles fitted with an auxilliary motor	5,195	7,133	5,103	8,306	8,002
Bicycles, assembled or partly assembled .....	314	395	354	429	392
Road Motor Vehicles .....	55,812	62,870	73,768	83,330	101,792
Aircraft and associated equipment ... ..	29,186	23,970	43,105	21,308	129,589
Prefabricated buldings .....	2,821	3,234	4,814	4,980	6,702
Furniture and parts thereof ... ..	3,592	4,328	5,443	5,842	6,325
Quality control instruments and apparatus, n.e.s. ....	4,035	6,541	9,799	12,231	12,110
Printed matter .....	4,411	4,273	3,778	4,022	4,822
Articles, n.e.s., of plastics .....	2,952	4,229	4,704	5,623	6,846
All other Commodities .. ..	74,011	131,233	154,014.78	147,325.19	170,468.61
<b>GRAND TOTAL</b>	<b>947,206</b>	<b>1,300,749</b>	<b>1,374,587</b>	<b>1,413,316</b>	<b>1,618,321</b>

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

<sup>1</sup> The Kenya Petroleum Refineries Limited stopped operations in 2013

\* Provisional

**Prices of Principal Domestic Exports and Imports** 7.11. The average unit prices of principal exports for the period 2010 to 2014 are shown in Table 7.6a. The price of a tonne of maize seed exports increased by 24.1 per cent to KSh 192,874 in 2014. Similarly, the price of a kilogramme of unroasted coffee increased to KSh 420 in 2014 compared to KSh 334 in 2013. Other commodities that recorded increases in the unit prices included wire products, sisal, soda ash, and cement which increased by 39.6 per cent, 28.9 per cent, 5.2 per cent and 4.4 per cent, respectively. The price of a kilogramme of tea exports declined from KSh 235 in 2013 to KSh 206 in 2014. Export unit prices for leather, fluorspar and; iron and steel declined by 9.4, 8.9 and 2.4 per cent respectively, in 2014. The unit price of tobacco and tobacco manufacture exports declined by 14.4 per cent in 2014.

7.12. The unit price of most principal imports dropped in 2014 as shown in Table 7.6b. The unit price of petroleum product imports declined by 6.2 per cent from KSh 67 in 2013 to KSh 63 in 2014. Similar trends were observed in iron and steel and; chemical fertilizers whose import unit prices fell by 4.8 per cent and 4.0 per cent, respectively. Import unit prices of wheat flour, unmilled maize, unmilled wheat and rice declined by 19.0, 17.2, 5.6 and 3.3 per cent respectively, in 2014. However, road motor vehicles recorded an increase of 8.9 per cent in import unit price from KSh 903,108 in 2013 to KSh 983,339 in 2014.

## Chapter 7: International Trade and Balance of Payments

**Table 7.6a: Average Prices of Principal Domestic Exports, 2010-2014**

Commodity	Unit	KSh/Unit				
		2010	2011	2012	2013	2014*
<b>DOMESTIC EXPORTS</b>						
Fish and fish preparations .....	Kg	282	319	309	287	280
Maize seed .....	Tonne	108,183	143,621	104,445	155,458	192,874
Meals and flours of wheat .....	Tonne	246,668	34,409	38,749	47,047	37,827
Horticulture .....	Kg	192	229	221	227	223
Sugar confectionery .....	Kg	137	157	175	179	184
Coffee, unroasted .....	Kg	377	555	431	334	420
Tea .....	Kg	223	265	269	235	206
Margarine and shortening .....	Kg	109	145	145	141	137
Edible products and preparations, n.e.s. ....	Kg	124	149	202	190	179
Beer made from malt .....	Lt.	54	50	51	75	52
Tobacco and tobacco manufactures .....	Kg	334	462	471	584	500
Hides and Skins (undressed) .....	Kg	35	48	49	47	49
Sisal .....	Tonne	72,696	100,650	107,039	101,904	131,316
Stone, sand and gravel .....	Tonne	6,351	10,752	9,828	13,139	14,139
Fluorspar .....	Tonne	19,372	33,690	30,941	21,978	20,029
Soda Ash .....	Tonne	14,714	20,890	21,193	18,790	19,774
Metal scrap .....	Tonne	164,474	241,711	517,068	557,769	668,406
Petroleum Products .....	Lt.	59	70	122	149	93
Animal and Vegetable oils .....	Kg	93	133	128	116	122
Alcohols, phenols, phenol-alcohols & derivatives thereof	Lt.	72	80	97	95	96
Pigments, paints, varnishes and related materials .....	Kg	91	119	130	136	147
Medicinal and pharmaceutical products .....	Kg	620	651	666	569	624
Essential oils .....	Kg	96	113	113	119	124
Plates, sheets, film, foil and strip, of plastics .....	Kg	217	283	274	305	312
Insecticides and fungicides .....	Kg	395	554	469	544	504
Leather .....	Kg	188	272	310	320	290
Wood manufactures n.e.s .....	Tonne	205,429	270,355	230,037	339,262	364,399
Paper and paperboard .....	Tonne	107,053	126,146	124,641	127,932	129,436
Textile yarn .....	Kg	263	376	426	432	450
Made-up articles, wholly or chiefly of textile materials, n.e.s.	Kg	232	237	274	251	227
Glassware .....	Kg	49	54	51	82	63
Cement .....	Tonne	11,353	12,561	11,008	10,027	10,466
Iron and steel .....	Tonne	84,811	106,760	100,531	100,105	97,725
Metal containers .....	Tonne	168,060	225,106	208,247	176,684	175,708
Wire products: nails screws, nuts, etc... ..	Tonne	102,422	136,613	150,850	112,271	156,752
Household equipment of base metal, n.e.s. ....	Tonne	299,815	337,815	331,565	326,149	356,500
Manufactures of base metal, n.e.s. ....	Tonne	202,218	221,575	238,374	257,235	235,891
Automatic data processing machines .....	No's	17,386	20,068	28,930	21,434	3,096
Footwear .....	Pair	72	75	80	77	89
Printed matter .....	Tonne	599	615	742	525	474

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

\* Provisional.

Table 7.6b: Average Prices of Principal Imports, 2010-2014

Commodity	Unit	KSh/Unit				
		2010	2011	2012	2013	2014*
Wheat, unmilled .....	Tonne	20,577	31,286	28,467	29,223	27,601
Rice .....	Tonne	28,119	37,186	36,326	34,453	33,331
Maize, unmilled .....	Tonne	23,828	31,954	19,872	24,506	20,283
Wheat flour .....	Tonne	36,834	40,690	38,975	63,660	51,590
Horticulture .....	Tonne	56,037	57,195	46,959	56,497	48,766
Sugars, Mollases and Honey .....	Tonne	48,615	62,938	63,621	60,642	52,478
Edible products and preparations, n.e.s. ....	Tonne	87,982	200,247	108,311	153,102	137,528
Textile fibres and their waste .....	Tonne	214,742	280,124	258,337	280,434	288,866
Second - hand clothing .....	Tonne	81,312	89,253	102,169	82,574	82,402
Crude Petroleum <sup>1</sup> .....	Tonne	46,791	69,996	68,289	72,321	
Petroleum products .....	Lt.	46	69	68	67	63
Residual petroleum products, n.e.s. ...	Kg	60	75	71	75	74
Liquefied propane and butane .....	Kg	78	103	111	99	97
Animal and vegetable oils .....	Kg	66	103	93	76	80
Organic & inorganic chemicals .....	Kg	70	81	91	87	56
Pigments, paints, varnishes and related materials .....	Kg	176	206	227	202	220
Medicinal & Pharmaceuticals Products .....	Kg	1,870	2,385	2,564	2,334	2,515
Essential oils & perfumes .....	Kg	362	404	305	367	333
Chemical fertilizers .....	Tonne	33,798	44,131	47,399	40,609	38,969
Plastics in primary & non-primary forms .....	Tonne	119,957	155,448	139,262	146,241	150,473
Insecticides, and related products	Tonne	698,704	738,601	676,516	737,003	708,822
Miscellaneous chemical products, n.e.s. ....	Tonne	227,028	252,409	271,934	289,454	333,286
Rubber tyres and inner tubes	No.	1,299	1,998	2,373	2,307	2,033
Paper and Paper Products .....	Tonne	92,245	112,856	115,463	96,046	93,377
Lime, cement & fabricated construction materials .....	Tonne	5,850	6,534	6,068	5,673	5,833
Iron and steel .....	Tonne	60,720	78,383	72,757	66,304	63,135
Non-ferrous metals .....	Tonne	258,015	305,187	285,799	278,116	275,797
Structures & parts n.e.s., of iron, steel or aluminium ...	Tonne	143,625	152,908	180,918	190,280	168,826
Hand & machine tools .....	Mn. No.	177	245	253	306	359
Manufactures of base metal, n.e.s. ....	Tonne	197,411	241,710	250,595	270,469	258,327
Automatic data processing machines	No.	10,837	13,290	12,910	9,285	24,024
Motorcycles	No.	41,107	48,390	46,678	50,253	53,953
Bicycles, assembled or partly assembled .....	No.	2,067	2,767	2,647	2,583	2,801
Road Motor Vehicles .....	No.	716,078	952,763	995,372	903,108	983,339
Prefabricated buildings .....	Tonne	192,578	244,321	329,373	224,952	245,686
Printed matter .....	Tonne	569,675	514,072	418,500	427,753	471,934
Articles, n.e.c., of plastics .....	Tonne	188,314	216,003	185,808	148,883	137,511

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

\* Provisional.

<sup>1</sup>Crude petroleum no longer imported following the closure of KPRL refinery

## Composition of Exports

7.13. The composition of domestic exports by Broad Economic Category is presented in Table 7.7. The value of fuel and lubricants increased from KSh 1,610 million in 2013 to KSh 3,281 million in 2014. On the other hand, the value of domestic exports of food and beverages decreased by 3.6 per cent from KSh 195,094 million in 2013 to KSh 188,094 million in 2014. The value of domestic exports of primary food and beverages dropped by 4.2 per cent driven by the decline in exports of food and beverages for household consumption which recorded KSh 124,998 million during the review period. The value of domestic exports of non-food industrial supplies dropped to KSh 124,452 million. This was as a result of the decrease recorded in domestic exports of processed non-food industrial supplies sub-category, from KSh 101,523 million in 2013 to KSh 85,024 million in 2014. The value of fuel and lubricant domestic exports however more than doubled due to a sharp rise in the processed fuel and lubricants from KSh 1,602 million to KSh 3,281 million during the period under review.

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7.14. Food and beverages continued to be the leading foreign exchange earner despite its contribution to total domestic export earnings declining from 42.8 per cent in 2013 to 40.8 per cent in 2014. Non-food industrial supplies accounted for 27.0 per cent of the total domestic export earnings during the review period.

**Table 7.7: Domestic Exports by Broad Economic Category, 2010-2014**

	KSh Million				
DESCRIPTION	2010	2011	2012	2013	2014*
<b>FOOD AND BEVERAGES</b>	<b>170,050</b>	<b>195,565</b>	<b>197,491</b>	<b>195,094</b>	<b>188,094</b>
Primary .....	136,579	153,791	153,198	153,613	147,099
For Industry .....	18,099	22,448	23,895	18,982	22,101
For Household Consumption .....	118,480	131,343	129,303	134,631	124,998
Processed .....	33,471	41,774	44,293	41,482	40,995
For Industry .....	4,130	7,158	8,071	5,256	4,312
For Household Consumption .....	29,341	34,616	36,222	36,226	36,683
<b>INDUSTRIAL SUPPLIES (Non-Food)</b>	<b>108,201</b>	<b>146,601</b>	<b>142,019</b>	<b>126,192</b>	<b>124,452</b>
Primary .....	19,356	30,702	29,370	24,669	39,428
Processed .....	88,845	115,900	112,649	101,523	85,024
<b>FUEL AND LUBRICANTS</b>	<b>7,454</b>	<b>10,015</b>	<b>4,029</b>	<b>1,610</b>	<b>3,281</b>
Primary .....	7	10	8	8	5
Processed .....	7,448	10,005	4,021	1,602	3,275
Motor Spirit .....	561	538	395	190	60
Other .....	6,887	9,466	3,625	1,412	3,215
<b>MACHINERY &amp; OTHER CAPITAL EQUIPMENT</b>	<b>9,036</b>	<b>11,214</b>	<b>13,713</b>	<b>9,736</b>	<b>7,503</b>
Machinery & Other Capital Equipment .....	7,320	9,006	11,864	7,867	6,116
Parts and Accessories .....	1,715	2,207	1,849	1,868	1,387
<b>TRANSPORT EQUIPMENT</b>	<b>6,576</b>	<b>7,545</b>	<b>7,858</b>	<b>8,130</b>	<b>7,235</b>
Passenger Motor Vehicles .....	228	160	103	122	92
Other .....	3,885	4,356	4,091	8,009	7,143
For Industry .....	3,517	4,245	3,942	4,402	3,250
Non-Industrial .....	368	111	149	120	255
Parts and Accessories .....	2,464	3,029	3,664	3,487	3,638
<b>CONSUMER GOODS NOT ELSEWHERE SPECIFIED</b>	<b>84,044</b>	<b>113,450</b>	<b>113,869</b>	<b>113,537</b>	<b>128,463</b>
Durable .....	1,326	1,720	3,803	3,819	4,503
Semi-Durable .....	22,036	28,467	27,999	31,404	35,417
Non-Durable .....	60,683	83,263	82,068	78,314	88,544
<b>GOODS NOT ELSEWHERE SPECIFIED</b>	<b>80</b>	<b>117</b>	<b>727</b>	<b>1,390</b>	<b>1,544</b>
<b>TOTAL</b>	<b>385,441</b>	<b>484,507</b>	<b>479,706</b>	<b>455,689</b>	<b>460,572</b>
<b>SHARES:</b>					
Food and Beverages .....	44.12	40.36	41.17	42.81	40.84
Industrial Supplies (Non-Food) .....	28.07	30.26	29.61	27.69	27.02
Fuel and Lubricants .....	1.93	2.07	0.84	0.35	0.71
Machinery and other Capital Equipment .....	2.34	2.31	2.86	2.14	1.63
Transport Equipment .....	1.71	1.56	1.64	1.78	1.57
Consumer Goods not elsewhere specified .....	21.80	23.42	23.74	24.92	27.89
Goods not elsewhere specified .....	0.02	0.02	0.15	0.31	0.34
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\* Provisional

### Composition of Imports

7.15. The composition of imports by Broad Economic Category is presented in Table 7.8. There was an increase in the value of all categories of imports during the period under review. The value of transport equipment imports shot up by 73.3 per cent to KSh 278,706 million in 2014. This was mainly caused by the increase in imports of other industrial transport equipment which almost tripled from KSh 61,998 million in 2013 to KSh 181,963 million in 2014. Expenditure on machinery and capital equipment imports increased by 11.1 per cent to KSh 278,709 million while that of food and beverages increased by 10.1 per cent to



KSh 111,838 million in 2014. The value of fuel and lubricant imports increased by 6.3 per cent to KSh 346,745 million in 2014 on account of increased imports of processed fuel and lubricants during the review period. Imports of non-food industrial supplies category increased by 2.6 per cent from KSh 450,479 million in 2013 to KSh 462,172 million in 2014.

7.16. The proportion of non-food industrial supplies expenditure in total imports remained the highest but declined from 31.9 per cent in 2013 to 28.6 per cent in 2014. The share of fuel and lubricants in total imports dropped from 23.1 per cent to 21.4 per cent during the same period. During the review period, out of the total import expenditure, machinery and other capital equipment; and transport equipment sub-categories, accounted for 17.2 percent each. This was largely driven by the increased value of imports of industrial transport equipment and aircrafts.

**Table 7.8: Total Imports by Broad Economic Category, 2010-2014**

	KSh Million				
	2010	2011	2012	2013	2014*
<b>FOOD AND BEVERAGES</b>	<b>70,449</b>	<b>105,967</b>	<b>109,074</b>	<b>101,590</b>	<b>111,838</b>
Primary .. .. .	31,695	57,398	52,592	48,048	59,437
For Industry .. .. .	25,949	48,967	43,342	39,624	50,767
For Household Consumption .. .. .	5,746	8,430	9,250	8,425	8,670
Processed .. .. .	38,754	48,569	56,482	53,542	52,401
For Industry .. .. .	9,229	10,719	12,093	8,933	8,981
For Household Consumption .. .. .	29,525	37,850	44,389	44,609	43,420
<b>INDUSTRIAL SUPPLIES (Non-Food)</b>	<b>299,270</b>	<b>406,010</b>	<b>407,225</b>	<b>450,479</b>	<b>462,172</b>
Primary .. .. .	20,270	24,360	23,319	25,862	26,051
Processed .. .. .	279,000	381,650	383,906	424,617	436,121
<b>FUEL AND LUBRICANTS</b>	<b>209,223</b>	<b>349,905</b>	<b>336,838</b>	<b>326,305</b>	<b>346,745</b>
Primary .. .. .	74,849	128,394	71,104	43,940	3,998
Processed .. .. .	134,374	221,511	265,734	282,365	342,747
Motor Spirit .. .. .	23,052	40,094	50,889	58,685	70,683
Other .. .. .	111,322	181,416	214,845	223,680	272,064
<b>MACHINERY AND OTHER CAPITAL EQUIPMENT</b>	<b>177,242</b>	<b>210,024</b>	<b>253,281</b>	<b>250,873</b>	<b>278,709</b>
Machinery and Other Capital Equipment .. .. .	150,931	176,653	202,175	200,349	225,337
Parts and Accessories .. .. .	26,312	33,371	51,106	50,524	53,372
<b>TRANSPORT EQUIPMENT</b>	<b>116,904</b>	<b>129,761</b>	<b>162,854</b>	<b>160,841</b>	<b>278,706</b>
Passenger Motor Vehicles .. .. .	28,478	29,087	35,796	44,604	51,430
Other .. .. .	61,992	64,600	87,014	116,237	227,276
Industrial .. .. .	55,768	56,034	80,141	61,998	181,963
Non-Industrial .. .. .	6,224	8,566	6,874	10,055	9,853
Parts and Accessories .. .. .	26,435	36,074	40,044	44,183	35,461
<b>CONSUMER GOODS NOT ELSEWHERE SPECIFIED</b>	<b>70,948</b>	<b>93,075</b>	<b>95,965</b>	<b>96,299</b>	<b>113,537</b>
Durable .. .. .	11,839	14,767	17,203	24,386	22,469
Semi-Durable .. .. .	19,263	24,933	21,603	20,738	27,853
Non-Durable .. .. .	39,846	53,376	57,159	51,175	63,215
<b>GOODS NOT ELSEWHERE SPECIFIED</b>	<b>3,169</b>	<b>6,008</b>	<b>9,350</b>	<b>26,927</b>	<b>26,616</b>
<b>TOTAL</b>	<b>947,206</b>	<b>1,300,749</b>	<b>1,374,587</b>	<b>1,413,316</b>	<b>1,618,321</b>
<b>SHARES:</b>					
Food and Beverages .. .. .	7.44	8.15	7.94	7.19	6.91
Industrial Supplies (Non-Food) .. .. .	31.60	31.21	29.63	31.87	28.56
Fuel and Lubricants .. .. .	22.09	26.90	24.50	23.09	21.43
Machinery and other Capital Equipment .. .. .	18.71	16.15	18.43	17.75	17.22
Transport Equipment .. .. .	12.34	9.98	11.85	11.38	17.22
Consumer Goods not elsewhere specified .. .. .	7.49	7.16	6.98	6.81	7.02
Goods not elsewhere specified .. .. .	0.33	0.46	0.68	1.91	1.64
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\* Provisional

**Direction of Trade** 7.17. Analysis of trade data by country is presented in Tables 7.9, 7.10 and 7.11. Africa was the leading destination of exports accounting for 44.9 per cent of total export earnings in 2014. The value of total exports to Africa increased by 4.3 per cent from KSh 231,474 million in 2013 to KSh 241,363 million in 2014. Europe was the second leading destination of total exports at KSh 138,965 million in 2014, with the European Union (EU) accounting for the bulk of exports to the region.

7.18. Despite the recession in Europe, the value of total exports to the EU grew by 14.6 per cent to KSh 119,958 million and accounted for 22.3 per cent of the total exports in 2014. The main destinations for exports were to The Netherlands and United Kingdom jointly accounting for 14.2 per cent of total exports in the review period. The value of exports to Netherlands increased by 24.7 per cent to KSh 40,614 million mainly due to increased exports of horticultural products. Earnings from the exports of cut flowers to the Netherlands accounted for the largest share of the export revenue from the country amounting to KSh 25,352 million, in 2014. Exports to Germany rose by 30.8 per cent and comprised mainly horticultural products and coffee while those to the United Kingdom dropped slightly from KSh 37,613 million in 2013 to KSh 35,868 million in 2014. Horticultural and tea were the leading exports to United Kingdom valued at KSh 22,191 million and KSh 9,873 million in 2014.

7.19. Total export earnings from Asia reduced by 7.0 per cent to KSh 100,018 million and accounted for 18.6 per cent of the total exports in 2014. Total exports to the Middle East dipped by 9.4 per cent to KSh 35,806 million while those to the Far East declined 5.6 per cent to KSh 64,212 million in 2014. Particularly, total exports to United Arab Emirates dropped by 19.7 per cent from KSh 25,144 million in 2013 to KSh 20,198 million in 2014. This was partly explained by a drop in exports of gold bars during the review period. Notable declines were also recorded in total exports to Afghanistan (34.6 per cent) and Pakistan (8.7 per cent) and Tea was the main export commodity to the UAE and Pakistan with earnings valued at KSh 7,571 million and KSh 19,597 million, respectively, in 2014.

7.20. Total exports to America have been rising steadily growing by 35.2 per cent to KSh 45,664 million in 2014. The value of exports to the United states (US) increased by 27.9 per cent to KSh 38,290 million in 2014, comprising mainly articles of apparel and clothing accessories (KSh 26,157 million), coffee (KSh 3,521 million) and; titanium ores and concentrates (KSh 2,121 million).

7.21. In 2014, imports from Asia accounted for 61.2 per cent of total imports. India has continued to be the major source of Kenya's imports over the last four years, recording in 2014 a marginal increase of 2.4 per cent. Imports from China grew significantly from KSh 182,356 million in 2013 to KSh 248,648 million in 2014, with the main category of imports being civil engineering equipment valued at KSh 23,059 million. Similarly, imports from Saudi Arabia, Indonesia and Japan expanded by 36.6, 7.9 and 3.4 per cent, respectively, in 2014. The huge increase in the value of imports from Saudi Arabia is attributed to the increased imports of petroleum oils. Expenditure on motor vehicles from Japan was the highest and stood at KSh 53,709 million during the review period. Expenditure on imports from the United Arab Emirates however, contracted by 12.0 per cent to KSh 103,255 million in 2014 with the main import being petroleum oils accounting for 70.0 per cent of the total value of imports from the country.

7.22. The EU was the major source of imports from Europe accounting for 13.9 per cent of the total value of imports at KSh 225,416 million in 2014. France, Germany and the United Kingdom jointly accounted for KSh 116,893 million of total value of imports from the EU. Imports of road tractors were among the leading imports from both Germany and the United Kingdom in 2014.

7.23. There was a tremendous increase in the value of imports from America, from KSh 84,477 million in 2013 to KSh 187,476 million in 2014. Growth in imports from this region was largely driven by imports from the USA which grew from KSh 57,412 million in 2013 to KSh 168,720 million in 2014, mainly on account of commercial aircraft imports. The purchase of aircraft and associated equipment was the single largest expenditure accounting for 70.6 per cent of total imports from the USA during the review period.

7.24. Imports from Africa declined marginally from KSh 147,839 million in 2013 to KSh 146,141 million in 2014. South Africa remained the dominant source of imports from this region despite a 9.7 per cent decline in the value of imports to KSh 63,893 million in 2014.

## Chapter 7: International Trade and Balance of Payments

**Table 7.9: Values of Exports by Destination, 2010-2014**

		KSh Million				
		2010	2011	2012	2013	2014*
<b>AFRICA</b>						
EAC	Tanzania .....	33,211	41,743	46,036	40,496	42,725
	Uganda .....	52,108	75,954	67,450	65,362	60,783
	Burundi .....	5,458	5,904	5,309	5,599	7,849
	Rwanda .....	10,535	13,554	16,151	13,500	14,441
	<b>Total</b>	<b>101,312</b>	<b>137,155</b>	<b>134,946</b>	<b>124,957</b>	<b>125,798</b>
REST OF AFRICA	South Africa .....	2,444	2,835	2,684	3,277	5,936
	Egypt .....	18,116	23,422	21,464	17,001	17,509
	Somalia .....	13,054	16,599	19,237	16,940	13,202
	Ethiopia .....	4,385	4,826	4,578	4,885	6,919
	Sudan .....	18,815	22,154	6,633	6,425	6,241
	South Sudan .....	0	0	17,964	16,680	19,823
	Democratic R of Congo .....	12,792	17,537	18,427	18,437	21,052
	Zambia .....	4,688	6,138	6,667	6,288	6,668
	Other <sup>1</sup> .....	13,308	16,936	17,987	16,584	18,215
	<b>Total</b>	<b>87,602</b>	<b>110,446</b>	<b>115,643</b>	<b>106,517</b>	<b>115,565</b>
	<b>TOTAL AFRICA</b>	<b>188,914</b>	<b>247,600</b>	<b>250,589</b>	<b>231,474</b>	<b>241,363</b>
<b>EUROPE</b>						
WESTERN EUROPE:						
<b>European Union</b>	Belgium .....	4,159	4,569	5,267	6,193	6,730
	Finland .....	1,808	1,241	1,476	1,106	1,514
	France .....	5,093	5,604	4,915	5,379	5,689
	Germany .....	7,715	7,747	9,771	8,244	10,786
	Italy .....	3,253	6,668	5,413	4,541	6,960
	Netherlands .....	26,868	32,859	31,056	32,578	40,614
	Spain .....	2,034	2,203	1,934	2,018	2,627
	Sweden .....	2,742	3,009	3,810	2,503	2,731
	United Kingdom .....	40,211	47,110	40,630	37,613	35,868
	Poland .....	1,170	1,524	1,290	1,630	1,847
	Other .....	2,869	3,333	3,157	2,840	4,591
	<b>Total</b>	<b>97,922</b>	<b>115,866</b>	<b>108,719</b>	<b>104,645</b>	<b>119,958</b>
	Other Western Europe	3,767	10,536	5,692	6,948	8,080
	<b>Total Western Europe</b>	<b>101,689</b>	<b>126,402</b>	<b>114,411</b>	<b>111,594</b>	<b>128,038</b>
EASTERN EUROPE:	Russia Federation .....	4,515	5,786	6,582	6,831	7,124
	Kazakhstan .....	2,870	3,641	3,777	4,346	3,267
	Other .....	348	417	426	528	536
	<b>Total</b>	<b>7,734</b>	<b>9,844</b>	<b>10,784</b>	<b>11,705</b>	<b>10,927</b>
	<b>TOTAL, EUROPE</b>	<b>109,422</b>	<b>136,246</b>	<b>125,195</b>	<b>123,299</b>	<b>138,965</b>
<b>AMERICA</b>						
	U.S.A .....	22,522	25,772	26,405	29,936	38,290
	Canada .....	1,170	1,190	1,516	1,297	1,690
	Other .....	688	630	820	2,533	5,684
	<b>TOTAL AMERICA</b>	<b>24,380</b>	<b>27,592</b>	<b>28,740</b>	<b>33,765</b>	<b>45,664</b>

Table 7.9: Values of Exports by Destination, 2010-2014, cont<sup>1</sup>

		KSh Million				
		2010	2011	2012	2013	2014*
<b>ASIA</b>						
MIDDLE EAST:	Iran .....	859	1,955	1,310	2,798	2,283
	Israel .....	1,547	1,424	2,058	1,126	1,337
	Jordan .....	163	216	272	260	309
	Saudi Arabia .....	1,843	2,353	3,316	3,190	4,879
	United Arab Emirates .....	18,856	19,918	28,608	25,144	20,198
	Yemen Arab Republic .....	4,519	4,590	4,508	5,044	4,356
	Other .....	2,738	2,484	1,993	1,941	2,445
	<b>Total</b>	<b>30,525</b>	<b>32,940</b>	<b>42,065</b>	<b>39,502</b>	<b>35,806</b>
FAR EAST:	China(Mainland) .....	2,512	3,803	5,384	4,199	6,597
	India .....	8,478	9,400	7,528	9,475	8,753
	Indonesia .....	989	2,167	1,571	1,252	885
	Japan .....	2,091	2,315	2,457	2,711	3,526
	Korea South .....	177	489	1,018	1,077	2,532
	Pakistan .....	18,069	21,010	23,889	24,130	22,022
	Singapore .....	649	1,131	345	1,679	1,169
	Afghanistan .....	11,928	13,617	12,837	15,861	10,373
	Thailand .....	1,120	2,206	1,728	1,620	1,657
	Other .....	5,063	6,536	6,639	6,052	6,700
	<b>Total</b>	<b>51,075</b>	<b>62,673</b>	<b>63,395</b>	<b>68,056</b>	<b>64,212</b>
	<b>TOTAL, ASIA</b>	<b>81,600</b>	<b>95,613</b>	<b>105,460</b>	<b>107,558</b>	<b>100,018</b>
<b>AUSTRALIA &amp;</b>	Australia .....	636	914	1,638	2,663	3,029
<b>OCEANIC</b>	Other .....	131	134	256	195	436
	<b>TOTAL</b>	<b>767</b>	<b>1,049</b>	<b>1,894</b>	<b>2,858</b>	<b>3,465</b>
	All Other Countries .....	1,661	1,022	1,191	1,456	1,166
	Aircraft and Ships Stores .....	3,051	3,483	4,776	1,876	6,595
	<b>TOTAL</b>	<b>4,712</b>	<b>4,504</b>	<b>5,968</b>	<b>3,332</b>	<b>7,761</b>
	<b>TOTAL EXPORTS</b>	<b>409,794</b>	<b>512,604</b>	<b>517,847</b>	<b>502,286</b>	<b>537,236</b>

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

\*Provisional

<sup>1</sup>See Table 7.11 for details

## Chapter 7: International Trade and Balance of Payments

**Table 7.10: Values of Imports by Country of Origin, 2010-2014**

	KSh Million				
DESCRIPTION	2010	2011	2012	2013	2014*
<b>AFRICA</b>					
South Africa .....	59,781	70,683	61,954	70,724	63,893
Tanzania .....	10,549	15,670	14,402	11,666	18,364
Uganda .....	9,227	10,337	15,323	16,086	17,549
Swaziland .....	3,907	4,862	4,093	5,436	5,594
Mauritius .....	2,886	2,449	3,057	2,011	2,794
Rwanda .....	430	422	822	1,006	716
Zambia .....	2,459	5,574	2,880	2,894	4,380
Other <sup>1</sup> .....	25,565	41,257	38,225	38,016	32,851
<b>TOTAL AFRICA</b>	<b>114,804</b>	<b>151,254</b>	<b>140,755</b>	<b>147,839</b>	<b>146,141</b>
<b>EUROPE</b>					
<b>WESTERN EUROPE</b>					
<b>European Union</b>					
Belgium .....	7,642	10,716	10,907	13,059	13,159
Finland .....	14,167	4,783	2,245	3,665	3,840
France .....	18,652	19,852	27,081	20,666	22,447
Germany .....	26,367	31,872	41,474	37,488	47,409
Italy .....	11,981	14,503	20,736	20,324	19,946
Netherlands .....	18,465	22,435	17,635	24,788	18,792
Spain .....	3,255	6,372	7,981	8,365	12,516
Sweden .....	5,653	8,407	8,117	7,091	6,233
United Kingdom .....	37,869	43,160	43,849	49,020	47,037
Denmark .....	4,617	8,723	4,745	4,633	4,223
Ireland .....	6,293	5,326	4,560	4,383	5,689
Czech Republic .....	1,878	3,044	1,350	2,073	1,959
Austria .....	1,240	2,627	2,962	1,843	2,635
Poland .....	1,839	1,168	1,744	2,290	4,720
Hungary .....	1,312	2,540	1,387	1,627	1,449
Other .....	5,414	7,977	7,362	6,313	13,363
<b>Total</b>	<b>166,646</b>	<b>193,505</b>	<b>204,133</b>	<b>207,628</b>	<b>225,416</b>
Other Western Europe	13,779	34,094	21,410	23,969	20,235
<b>Total Western Europe</b>	<b>185,431</b>	<b>227,599</b>	<b>225,543</b>	<b>231,597</b>	<b>245,651</b>
<b>EASTERN EUROPE</b>					
Russian Federation .....	9,689	22,981	15,212	23,182	23,118
Ukraine .....	8,758	3,766	8,516	13,708	15,008
Other .....	37	603	498	2,148	2,168
<b>Total</b>	<b>18,484</b>	<b>27,350</b>	<b>24,226</b>	<b>39,039</b>	<b>40,294</b>
<b>TOTAL, EUROPE</b>	<b>203,914</b>	<b>254,950</b>	<b>249,769</b>	<b>270,635</b>	<b>285,945</b>
<b>AMERICA</b>					
U.S.A .....	39,316	44,547	65,966	57,412	168,720
Canada .....	7,068	7,418	13,372	6,525	7,886
Brazil .....	4,804	20,249	25,290	15,603	6,094
Other .....	4,460	6,954	14,665	4,936	4,775
<b>TOTAL AMERICA</b>	<b>55,647</b>	<b>79,168</b>	<b>119,293</b>	<b>84,477</b>	<b>187,476</b>

Table 7.10: Values of Imports by Country of Origin, 2010-2014 cont'

	KSh Million				
DESCRIPTION	2010	2011	2012	2013	2014*
<b>ASIA</b>					
<b>MIDDLE EAST</b>					
Iran .....	3,140	3,676	3,686	2,434	3,788
Israel .....	4,719	6,345	7,230	9,437	5,659
Jordan .....	767	830	1,175	799	789
Saudi Arabia .....	32,274	53,494	66,841	41,423	56,565
United Arab Emirates .....	116,045	199,030	149,879	117,360	103,255
Bahrain .....	4,592	19,428	22,915	34,977	41,367
Oman .....	1,510	11,215	9,113	3,819	10,518
Other .....	5,680	5,593	23,279	9,631	6,028
<b>Total</b>	<b>168,726</b>	<b>299,611</b>	<b>284,117</b>	<b>219,880</b>	<b>227,969</b>
<b>FAR EAST</b>					
China .....	120,648	143,817	167,206	182,356	248,648
India .....	103,242	148,567	195,230	258,230	264,536
Indonesia .....	26,955	43,486	55,241	45,041	48,598
Japan .....	58,244	56,593	63,135	83,720	86,554
Korea South .....	19,695	26,391	22,541	24,471	29,105
Pakistan .....	8,219	17,257	12,881	15,647	18,020
Singapore .....	31,739	30,807	13,025	19,437	14,624
Taiwan .....	6,258	9,734	13,409	12,304	15,541
Malaysia .....	7,405	9,901	7,017	9,349	11,066
Thailand .....	8,513	11,562	11,361	12,673	12,527
Other .....	8,277	11,441	11,362	13,593	12,984
<b>Total</b>	<b>399,195</b>	<b>509,556</b>	<b>572,408</b>	<b>676,820</b>	<b>762,204</b>
<b>TOTAL, ASIA</b>	<b>567,921</b>	<b>809,123</b>	<b>856,525</b>	<b>896,700</b>	<b>990,173</b>
<b>AUSTRALIA &amp; OCEANIC</b>					
Australia .....	3,230	2,320	4,589	12,422	7,069
Other .....	702	677	3,523	618	431
<b>TOTAL</b>	<b>3,932</b>	<b>2,997</b>	<b>8,112</b>	<b>13,040</b>	<b>7,500</b>
All Other Countries N.E.S.	987	3,214	134	624	1,086
<b>TOTAL</b>	<b>987</b>	<b>3,214</b>	<b>134</b>	<b>624</b>	<b>1,086</b>
<b>GRAND TOTAL</b>	<b>947,206</b>	<b>1,300,749</b>	<b>1,374,587</b>	<b>1,413,316</b>	<b>1,618,321</b>

Source: Kenya National Bureau of Statistics/ Kenya Revenue Authority

\*Provisional

<sup>1</sup>See table 7.11 for details

7.25. Export earnings from the East African Community (EAC) member states grew marginally from KSh 124,957 million in 2013 to KSh 125,798 million in 2014 as presented in Table 7.12. Despite a 7.0 per cent decline in the value of exports to Uganda, it remained the leading destination of Kenya's exports in 2014. Cement, flat rolled products of iron and steel and; salt were the main exports to Uganda during the period under review. In contrast, export earnings from Tanzania registered a 5.5 per cent increase to KSh 42,725 million in 2014. Similarly, the value of total exports to other COMESA countries expanded from KSh 79,210 million in 2013 to KSh 86,904 million in 2014. Total exports to the Democratic Republic of Congo, Ethiopia, Egypt and South Sudan also increased during the period under review. Tea exports were the main source of earnings from Egypt at KSh 15,645 million in 2014. Other African countries that registered increases in the value of exports in 2014 included South Africa (81.2 per cent), Mozambique (28.6 per cent) and Nigeria (3.4 per cent). However, the value of exports to Somalia contracted by 22.1 per cent from KSh 16,940 million in 2013 to KSh 13,202 million in 2014.

7.26. Africa accounted for 9.0 per cent of the total import expenditure in 2014. Imports from EAC grew by 27.2 per cent to KSh 36,659 million in 2014 with those from Uganda and Tanzania jointly amounting to KSh 35,914 million. Tobacco, raw cane sugar and unmilled maize constituted slightly more than half of the total value of imports from Uganda during the review period. Unmilled maize accounted for 35.9 per cent of the total imports from Tanzania. Egypt remained the major source of imports in the COMESA region during the review period, with the value of total imports amounting to KSh 25,532 million. Swaziland, Zambia and Mauritius were some of the other major sources of imports from the region with imports valued at KSh 5,594 million, KSh 4,380 million and KSh 2,794 million, respectively, in 2014. The value of imports from South Africa contracted from KSh 70,724 million in 2013 to KSh 63,893 million in 2014 and comprised mainly of flat rolled products and motor vehicles. The value of imports from Mozambique and Nigeria also dropped by 59.9 per cent and 56.3 per cent, respectively, in 2014.



Table 7.11: Trade with African Countries, 2010-2014

ZONES/COUNTRIES	KSh '000												
	Total Exports					Total Imports							
	2010	2011	2012	2013	2014*	2010	2011	2012	2013	2014*			
<b>EAST AFRICAN COMMUNITY (EAC)</b>													
Tanzania .....	33,211,109	41,743,395	46,036,163	40,496,493	42,724,911	10,548,967	15,670,393	14,401,599	11,666,407	18,364,083			
Uganda .....	52,107,583	75,953,923	67,450,115	65,361,907	60,782,664	9,226,647	10,337,155	15,322,810	16,085,806	17,549,421			
Rwanda .....	10,535,060	13,553,558	16,151,363	13,499,695	14,440,844	4,301,122	4,222,446	822,286	1,005,755	715,591			
Burundi .....	5,458,011	5,903,760	5,308,763	5,598,956	7,849,463	144,855	468,845	310,424	52,577	29,446			
<b>Total EAC</b>	<b>101,311,763</b>	<b>137,154,635</b>	<b>134,946,405</b>	<b>124,957,051</b>	<b>125,797,882</b>	<b>20,350,591</b>	<b>26,898,639</b>	<b>30,857,118</b>	<b>28,810,546</b>	<b>36,658,542</b>			
<b>COMESA EXCLUDING EAC</b>													
Comoros .....	467,055	769,775	1,213,819	880,126	478,664	113,734	107	540	63	0			
Congo, DR .....	12,791,660	17,536,632	18,427,368	18,436,875	21,052,099	1,330,290	2,559,008	883,829	561,648	259,805			
Djibouti .....	926,041	1,046,052	1,181,098	1,227,723	1,011,457	3,214	2,858	119,318	2,020	3,486			
Egypt .....	18,116,441	23,421,521	21,464,391	17,001,458	17,509,233	18,408,906	17,871,434	29,844,316	25,602,868	25,532,067			
Eritrea .....	387,666	368,855	266,221	306,469	396,846	1,972	654	275	4,578	19			
Ethiopia .....	4,384,842	4,826,340	4,578,469	4,885,115	6,918,973	247,569	369,149	354,122	278,631	424,764			
Libya .....	17,856	29,539	70,435	112,165	128,998	1,995	30	33,181	6,472	8,591			
Madagascar .....	342,650	682,872	450,088	312,625	475,833	475,833	885,731	638,314	790,495	590,369			
Malawi .....	4,262,365	5,818,314	4,693,589	3,497,283	3,326,340	534,856	6,496,237	782,922	1,041,386	302,633			
Mauritius .....	1,481,428	1,329,186	1,296,488	956,755	1,060,761	2,885,646	2,448,183	3,057,571	2,011,224	2,793,710			
Seychelles .....	274,507	250,531	183,693	379,669	177,399	105,876	512,453	403,870	290,695	470,097			
Sudan .....	18,814,689	22,153,665	6,633,308	6,424,532	6,241,153	167,691	818,847	955,403	1,359,591	1,327			
South Sudan .....	..	..	17,964,306	16,680,368	19,822,572	..	..	14,665	21,304	1,210,699			
Swaziland .....	11,474	155,613	11,101	11,741	17,929	3,907,481	4,861,621	4,092,652	5,436,480	5,594,274			
Zambia .....	4,688,273	6,138,007	6,666,568	6,287,696	6,667,898	2,458,857	5,573,694	2,879,769	2,893,584	4,380,297			
Zimbabwe .....	742,218	1,583,580	1,721,158	1,809,563	1,663,268	572,047	1,661,126	1,056,068	819,548	494,674			
<b>Sub-Total</b>	<b>67,709,166</b>	<b>86,110,483</b>	<b>86,822,101</b>	<b>79,210,163</b>	<b>86,903,585</b>	<b>31,215,968</b>	<b>44,061,131</b>	<b>45,116,816</b>	<b>41,120,587</b>	<b>42,066,812</b>			
<b>Total COMESA</b>	<b>135,809,820</b>	<b>181,521,724</b>	<b>175,732,344</b>	<b>163,670,721</b>	<b>169,976,556</b>	<b>41,017,592</b>	<b>55,289,377</b>	<b>61,572,335</b>	<b>58,264,726</b>	<b>60,361,271</b>			
<b>OTHER COUNTRIES</b>													
Algeria .....	3,560	3,803	4,503	545,188	108,318	6,472	248,736	19,391	13,650	857,743			
Angola .....	251,867	414,020	402,105	178,648	108,415	1,289	3,995	284,979	132,449	116,955			
Ghana .....	675,596	420,369	369,074	631,527	478,990	84,526	24,829	254,611	254,505	368,916			
Nigeria .....	1,593,966	1,805,115	2,923,891	2,501,105	2,429,578	125,710	164,690	48,664	1,596,189	698,214			
Lesotho .....	852	16,371	110,192	33,351	47,556	20,767	40,317	49,184	79,011	10,165			
Mozambique .....	773,884	810,041	1,246,300	1,407,050	1,809,120	982,783	1,514,448	695,392	1,833,139	734,959			
Reunion .....	93,590	123,227	92,686	127,782	126,331	270	4,259	4,985	6,595	2,516			
Somalia .....	13,054,341	16,598,814	19,236,817	16,940,454	13,201,901	19,448	143,870	17,320	293,755	150,268			
South Africa .....	2,443,737	2,834,528	2,684,280	3,276,892	5,936,345	59,781,318	70,682,533	61,953,797	70,724,146	63,893,353			
All Other African Countries ..	1,001,384	1,308,737	1,817,702	1,817,737	441,3643	2,214,504	7,466,663	1,452,794	2,974,601	582,942			
<b>Sub-Total</b>	<b>19,892,777</b>	<b>24,335,025</b>	<b>28,820,549</b>	<b>27,307,284</b>	<b>28,661,648</b>	<b>63,237,087</b>	<b>80,294,338</b>	<b>64,781,117</b>	<b>77,908,040</b>	<b>67,416,032</b>			
<b>TOTAL AFRICA</b>	<b>188,913,707</b>	<b>247,600,143</b>	<b>250,589,055</b>	<b>231,474,498</b>	<b>241,363,115</b>	<b>114,803,646</b>	<b>151,254,108</b>	<b>140,755,051</b>	<b>147,839,173</b>	<b>146,141,386</b>			
Percentage of all Exports/Import	46.1	48.3	48.4	46.1	44.9	12.1	11.6	10.2	10.5	9.0			

Source: Kenya National Bureau of Statistics/Kenya Revenue Authority

\* Provisional

.. Data not available

1 South Sudan joined COMESA in 2011, Tanzania not a member of COMESA

## Chapter 7: International Trade and Balance of Payments

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**Balance of Payments** 7.27. This section gives the highlights of the Balance of Payments (BOP) statement based on the Balance of Payments and International Investment Position Manual, 6<sup>th</sup> edition (BPM6) framework. This is a revised version of the fifth edition of the Manual (BPM5, released in 1993). BPM6 was published in 2009, and addresses developments that have occurred in the international economy since the release of the fifth edition. BOP statistics for the period 2010 to 2013 based on BPM5 are provided in Annex 1 at the end of this chapter.

7.28. The overall Balance of Payments position improved from a surplus of KSh 31,765 million in 2013 to a surplus of KSh 126,113.7 million in 2014 as shown in Table 7.12. Merchandise imports (f.o.b) increased by 12.2 per cent from KSh 1,380.0 billion in 2013 to KSh 1,548.3 billion in 2014. Merchandise exports increased by 8.6 per cent to KSh 542,814 million during the review period. These developments contributed to the widening of the current account deficit by 30.2 per cent to KSh 536,083 million in 2014.

7.29. The flows in international trade in services (services credit less services debit) declined by 19.3 per cent from a surplus of KSh 227,561 million in 2013 to a surplus of KSh 183,735 million in 2014. Secondary income account surplus increased by 22.9 per cent to KSh 332,100 million in 2014 due to growth in inflows from diaspora remittances.

7.30. The financial account surplus increased by 67.6 per cent from KSh 424,065 million in 2013 to KSh 710,650 million in 2014. Direct investment net inflows more than doubled for the second year running to register a surplus of KSh 89,928 million in 2014. During the year under review, portfolio investment net inflows increased significantly as a result of increased official flows following the issuance of the sovereign bond.

Table 7.12: Balance of Payments (BPM6 Framework), 2010-2014

	KSh Million				
	2010	2011	2012	2013	2014*
<b>A. Current Account, n.i.e.</b>	<b>-187,677.3</b>	<b>-340,178.7</b>	<b>-359,676.7</b>	<b>-411,741.2</b>	<b>-536,083.2</b>
Goods: exports f.o.b.	412,874.2	514,370.4	521,095.5	499,769.7	542,814.0
Goods: imports f.o.b.	906,602.2	1,257,743.7	1,307,877.4	1,380,033.1	1,548,273.2
Services: credit	298,882.4	365,416.0	410,897.9	428,337.4	433,900.7
Services: debit	165,527.9	194,182.6	206,873.1	200,776.3	250,165.5
<i>Balance on goods and services</i>	<i>-360,373.4</i>	<i>-572,139.8</i>	<i>-582,757.1</i>	<i>-652,702.4</i>	<i>-821,724.0</i>
Primary income: credit	11,427.7	19,824.8	15,200.9	14,989.4	15,935.2
Primary income: debit	23,124.6	25,090.5	29,619.0	44,160.2	62,394.7
<i>Balance on goods, services, and primary income</i>	<i>-372,070.3</i>	<i>-577,405.5</i>	<i>-597,175.3</i>	<i>-681,873.1</i>	<i>-868,183.5</i>
Secondary income <sup>2</sup> , n.i.e.: credit	187,816.2	241,347.7	240,850.5	274,152.2	349,953.4
Secondary income <sup>2</sup> : debit	3,423.2	4,120.9	3,351.9	4,020.2	17,853.1
<b>B. Capital Account, n.i.e.</b>	<b>19,030.0</b>	<b>20,860.9</b>	<b>19,890.0</b>	<b>8,417.0</b>	<b>2,104.0</b>
Capital account, n.i.e.: credit	19,030.0	20,860.9	19,890.0	8,417.0	2,104.0
Capital account: debit	0.0	0.0	0.0	0.0	0.0
<b>C. Financial Account, n.i.e.</b>	<b>-168,625.1</b>	<b>-210,247.8</b>	<b>-398,384.5</b>	<b>-424,065.2</b>	<b>-783,949.4</b>
Direct investment: assets	125.0	837.7	1,357.4	484.4	2,448.0
Direct investment: liabilities, n.i.e.	14,108.6	29,773.8	21,860.0	44,300.5	92,375.9
Portfolio investment: assets	4,054.4	7,209.6	3,451.7	3,285.4	4,869.6
Equity and investment fund shares	673.9	6,089.4	1,864.1	1,016.3	310.0
Debt securities	3,380.5	1,120.3	1,587.6	2,269.1	4,559.6
Portfolio investment: liabilities, n.i.e.	1,759.9	2,115.8	2,302.9	23,405.4	333,246.5
Equity and investment fund shares	1,751.5	1,787.1	2,183.6	22,386.8	83,907.5
Debt securities	8.4	328.7	119.3	1,018.6	249,339.0
Financial derivatives: net	0.0	0.0	0.0	0.0	0.0
Financial derivatives: assets	0.0	0.0	0.0	0.0	0.0
Financial derivatives: liabilities	0.0	0.0	0.0	0.0	0.0
Other investment: assets	27,582.2	109,990.3	17,995.2	104,394.4	222,639.2
Other equity	0.0	0.0	0.0	0.0	0.0
Other debt instruments	27,582.2	109,990.3	17,995.2	104,394.4	222,639.2
Central bank	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	-7,589.7	60,061.0	-28,646.6	40,048.0	-7,067.2
General government	17,182.0	24,090.5	24,651.6	25,536.1	134,132.9
Other sectors	17,990.0	25,838.9	21,990.2	38,810.2	95,573.5
Other financial corporations	0.0	0.0	0.0	0.0	0.0
Nonfinancial corporations, households, and NPISHs <sup>1</sup>	17,990.0	25,838.9	21,990.2	38,810.2	95,573.5
Other investment: liabilities, n.i.e.	184,518.2	296,395.9	397,025.9	464,523.4	588,283.8
Other equity	0.0	0.0	0.0	0.0	0.0
Special Drawing Rights	0.0	0.0	0.0	0.0	0.0
Other debt instruments	184,518.2	296,395.9	397,025.9	464,523.4	588,283.8
Central bank	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	-2,777.1	41,115.8	45,130.5	44,300.8	51,500.4
General government	63,529.7	57,693.1	117,693.6	96,889.9	275,624.6
Other sectors	123,765.6	197,587.0	234,201.7	323,332.8	261,158.8
Other financial corporations	0.0	0.0	0.0	0.0	0.0
Nonfinancial corporations, households, and NPISHs	123,765.6	197,587.0	234,201.7	323,332.8	254,248.2
<b>D. Net Errors and Omissions</b>	<b>13,900.9</b>	<b>29,456.6</b>	<b>44,758.8</b>	<b>11,024.5</b>	<b>-123,856.5</b>
<b>E. Overall Balance</b>	<b>-13,878.6</b>	<b>79,613.4</b>	<b>-103,356.6</b>	<b>-31,765.5</b>	<b>-126,113.7</b>
<b>F. Reserves and Related Items</b>	<b>13,878.6</b>	<b>-79,613.4</b>	<b>103,356.6</b>	<b>31,765.5</b>	<b>126,113.7</b>
Reserve assets	12,224.9	21,846.6	122,919.4	73,921.9	117,353.1
Credit and loans from the IMF	-2,670.2	25,228.5	16,314.8	15,252.4	-8,760.6
Exceptional financing	1,016.4	76,231.5	3,248.0	26,904.0	0.0

\* Provisional

<sup>1</sup> NPISHs: Non-Profit Institutions Serving Households<sup>2</sup> Includes current transfers

## Chapter 7: International Trade and Balance of Payments

**International Liquidity** 7.31. Stock of international reserves of Central Monetary Authorities held by the Central Bank of Kenya and the Treasury is presented in Table 7.13. Gross international reserves increased by 31.6 per cent to KSh 704,430 million as at December 2014, from KSh 535,302 million as at December 2013. The build-up in foreign exchange reserves during the period was largely attributed to proceeds from the sale of the Eurobond in June 2014. Net foreign assets of CBK increased from KSh 430,700 million as at December 2013 to KSh 604,028 million as at December 2014. The reserve position in the International Monetary Fund (IMF) decreased to KSh 1,743 million as at December 2014 from KSh 1,765 million as at December 2013. The foreign liabilities of CBK consisting of external banks' deposits and Use of Fund Credit reduced by 4.1 per cent to KSh 98,541 million as at December 2014 compared to KSh 102,710 million as at December 2013.

**Table 7.13: Central Monetary Authorities: Foreign Exchange Reserves, 2010-2014**

KSh Million

As at end of	Official Foreign Assets and Liabilities								Foreign Reserves <sup>1</sup> of Central Monetary Authorities
	Central Bank of Kenya					Government			
	S.D.R.'s	Foreign Exchange (cash + gold)	External Banks' Deposits	Use of Fund Credit	Total Net Foreign Assets of Central Bank	Reserve Position in IMF	Other Holdings	Total Reserves of Central Government	
2010..	24,829	286,602	2,330	33,622	275,479	1,610	46	1,656	313,087
2011..	1,431	349,877	8,829	59,507	282,972	1,690	68	1,757	353,065
2012..	596	478,288	11,653	76,814	390,417	1,713	113	1,826	480,710
2013..									
January ..	128	460,742	12,479	77,777	370,614	1,756	104	1,861	462,730
February ..	1,292	440,108	12,772	75,234	353,393	1,700	94	1,794	443,194
March ..	1,268	451,058	10,660	73,956	367,709	1,671	89	1,761	454,087
April ..	1,915	492,146	9,951	81,450	402,660	1,647	85	1,732	495,793
May ..	2,972	513,952	11,270	81,696	423,959	1,662	81	1,743	518,667
June ..	2,694	514,081	9,281	82,504	424,990	1,662	81	1,743	518,517
July ..	2,694	514,302	12,046	83,582	421,369	1,686	79	1,764	518,760
August ..	2,094	524,664	9,827	84,000	432,930	1,721	95	1,816	528,574
September ..	2,087	519,635	9,301	84,110	428,312	1,731	93	1,824	523,547
October ..	2,097	529,530	9,608	82,375	439,645	1,749	93	1,842	533,469
November ..	1,583	516,063	7,541	83,113	426,993	1,738	126	1,864	519,510
December ..	1,369	532,041	10,377	92,333	430,700	1,765	127	1,892	535,302
2014..									
January ..	1,954	557,314	12,094	91,239	455,935	1,756	119	1,875	561,143
February ..	1,953	559,221	9,943	92,131	459,100	1,775	120	1,896	563,070
March ..	1,959	558,830	8,824	92,164	459,801	1,776	120	1,896	562,685
April ..	1,741	569,941	11,767	92,341	467,574	1,789	122	1,911	573,593
May ..	692	557,716	11,068	92,269	455,072	1,798	123	1,920	560,329
June ..	692	561,491	11,420	92,625	458,139	1,803	124	1,927	564,111
July ..	17	587,836	13,792	91,069	482,991	1,785	124	1,909	589,762
August ..	3,368	582,804	12,444	90,908	482,820	1,782	122	1,905	588,076
September ..	3,334	666,269	12,412	89,649	567,541	1,758	121	1,879	671,481
October ..	2,818	648,747	11,213	88,977	551,374	1,754	119	1,873	653,438
November ..	2,313	640,113	10,694	88,444	543,288	1,753	118	1,871	644,297
December ..	1,179	701,390	10,602	87,939	604,028	1,743	118	1,861	704,430

Source: Central Bank of Kenya

<sup>1</sup> Reserves constitute foreign assets which are readily available for meeting external financial needs

**Foreign Exchange Rates** 7.32. Exchange rates for selected world currencies during the respective trading periods are presented in Table 7.14. The Kenya Shilling weakened by 0.9 per cent against major world currencies as reflected in the overall Trade Weighted Index (TWI) which deteriorated from 107.06 in 2013 to 107.98 in 2014. This was mainly attributed to depreciation of the Kenya Shilling against the currencies of major trading partners. The Kenya Shilling depreciated against the Sterling Pound (7.5 per cent), US Dollar (2.1 per cent), UAE Dirham (2.1 per cent), Euro (2.1 per cent) and Chinese Yuan (1.9 per cent). However, the Kenya Shilling gained against the SA Rand, Japanese Yen and Indian Rupee by 9.5, 5.8 and 2.4 per cent, respectively, during the period under review.

7.33. Within EAC, the Kenya Shilling depreciated against 100 Rwandese Francs and Ugandan Shilling by 3.1 per cent and 1.7 per cent, respectively, in 2014. The Kenya Shilling however appreciated by 7.4 per cent against the Tanzanian Shilling during the same period.

**Table 7.14: Foreign Exchange Rates of Kenya Shilling for Selected Currencies, 2010-2014**

	2010	2011	2012	2013	2014
1 Euro <sup>1</sup> .....	105.12	123.60	108.73	114.41	116.84
1 US Dollar .....	79.23	88.81	84.53	86.12	87.92
1 Pound Sterling .....	122.51	142.34	134.00	134.75	144.88
1 UAE Dirham .....	21.57	24.18	23.01	23.45	23.94
1 Indian Rupee .....	1.73	1.91	1.59	1.48	1.44
1 Chinese Yuan .....	11.71	13.75	13.40	14.01	14.27
1 SA Rand .....	10.83	12.27	10.31	8.95	8.10
100 Japanese Yen .....	90.53	111.62	106.01	88.43	83.26
1 Saudi Riyal .....	21.13	23.68	22.54	22.97	23.44
1 Egyptian Pound <sup>2</sup> .....	14.06	14.94	13.93	12.53	12.41
TSh/KSh <sup>3</sup> .....	18.18	17.88	18.78	18.79	18.93
1 Pakistan Rupee <sup>2</sup> .....	0.93	1.03	0.91	0.85	0.87
1 Swedish Kroner .....	11.02	13.68	12.50	13.22	12.88
1 Swiss Franc .....	76.20	100.59	90.22	92.96	96.18
USh/KSh <sup>3</sup> .....	27.46	28.43	29.62	30.06	29.55
1 Congolese Franc .....	0.09	0.10	0.09	0.09	0.10
100 Rwanda Francs <sup>2</sup> .....	13.60	14.81	13.88	13.24	12.84
<b>Overall Weighted Index 2009=100 .....</b>	<b>104.15</b>	<b>117.75</b>	<b>108.87</b>	<b>107.06</b>	<b>107.98</b>

Source: Central Bank of Kenya

<sup>1</sup> Countries in the Euro area included in the computation of Trade Weighted Fisher's Ideal Index are:

Germany, France, Switzerland, Netherlands, Belgium and Italy.

<sup>2</sup> Via US \$ Exchange Rates (DR Congo, Egypt, Pakistan, and Rwanda)

<sup>3</sup> Calculated as Uganda/Tanzania shilling to Kenya Shilling

### Developments Trade and Export Promotion

#### in the External Sector

7.34. The Economic Partnership Agreement between the EAC and the EU was signed in 2014. The agreement presented opportunities for global oriented businesses for exporting economies such as Kenya. While export market focus in 2014 had global orientation, the COMESA and the EAC markets formed part of the wider export development strategy, the regional focus and market development activities in the African region were intensified.

7.35. The Export Promotion Council initiated the process of adopting the international harmonised system of customs control, International Road Transport, whose overall goal is to enhance the export trade competitiveness of Kenya through improvements on its trade logistics systems and processes. It is a universal transit system that allows the goods to transit from a country of origin to a country of destination in sealed load compartments with customs control recognition, along the supply chain. This facilitates trade and transport while effectively protecting the revenue of the country through which goods are ferried.

7.36. In 2014, the Council undertook capacity building programmes for Small and Medium Enterprise (SME) exporters and also facilitating business enterprises to develop new products which were test-marketed in the regional markets of EAC, COMESA and rest of Africa through participation in trade fairs and exhibitions. The SMEs were also linked to mainstream local exporters for experience. A total of 25 enterprises in the agricultural and livestock as well as the light manufacturing sectors were facilitated to develop new products. Approximately 1,013 SMEs were trained on export trade and export awareness at the county level so as to enable them understand the requirements for getting into export business.

### The Balance of Payments migration from BPM5 to BPM6

7.37. Kenya has been compiling Balance of Payments (BOP) statistics using the fifth edition of the manual BPM5 released in 1993. This manual has since been revised to address important developments that have occurred in the international economy since its release. The revised manual, Balance of Payments and International Investment Position Manual, 6<sup>th</sup> edition (BPM6) was published in 2009.

7.38. The BPM6 manual takes into account developments in globalization, for example, currency unions, cross-border production processes, complex international company structures, and issues associated with international labour mobility, such as remittances. It also deals with developments in financial markets by including updated treatments and elaborates on a range of issues, such as securitization and special purpose entities. The Manual was revised taking into account the updated System of National Accounts 2008.

### Major Changes in BPM6

7.39. Major changes introduced in BPM6 are provided in Annex 2 at the end of the chapter. Due to the changes introduced in BPM6 in regard to classifications and reporting formats, some of the values in the financial account and reserve assets in Table 7.12 and Annex 1 may seem different. They are, however, analytically the same.

## Annex 1: Balance of Payments, 2010-2013 (BPM 5 Framework)

	KSh Million			
	2010	2011	2012	2013
<b>A. Current Account</b>	(187,677)	(340,179)	(359,677)	(412,379)
<b>Goods</b>	(498,563)	(746,052)	(790,737)	(882,167)
Credit	413,821	515,686	522,470	501,183
Debit	(912,384)	(1,261,738)	(1,313,207)	(1,383,350)
Exports f.o.b	398,583	502,320	499,677	486,054
Imports f.o.b	(882,884)	(1,233,810)	(1,279,727)	(1,340,166)
Repairs on goods credit	947	1,316	1,375	1,413
Repairs on goods debit	(5,782)	(3,995)	(5,330)	(4,671)
Goods procured in ports credit	5,381	6,023	7,298	6,065
Goods procured in ports debit	(23,702)	(23,915)	(28,140)	(38,495)
Nonmonetary gold credit	8,910	6,028	14,120	7,651
Nonmonetary gold debit	(17)	(19)	(11)	(19)
<b>Services</b>	138,190	173,912	207,980	228,827
Credit	297,935	364,100	409,523	422,849
Debit	(159,746)	(190,188)	(201,544)	(194,022)
<b>Income</b>	(11,697)	(5,266)	(14,418)	(29,171)
Credit	11,428	19,825	15,201	14,989
Debit	(23,125)	(25,091)	(29,619)	(44,160)
<b>Current transfers</b>	184,393	237,227	237,499	270,132
Credit	187,816	241,348	240,850	274,152
Debit	(3,423)	(4,121)	(3,352)	(4,020)
<b>B. Capital account</b>	19,030	20,861	19,890	8,417
Credit	19,030	20,861	19,890	8,417
Debit	0	0	0	0
<b>C. Financial account</b>	154,746	289,861	295,028	382,524
Direct investment: Abroad	(125)	(838)	(1,357)	(484)
Direct investment: In reporting economy	14,109	29,774	21,860	44,301
Portfolio investment: Assets	(4,054)	(7,210)	(3,452)	(3,285)
Equity securities	(674)	(6,089)	(1,864)	(1,016)
Debt securities	(3,380)	(1,120)	(1,588)	(2,269)
Portfolio investment: Liabilities	1,760	2,116	2,303	23,405
Equity securities	1,752	1,787	2,184	22,387
Debt securities	8	329	119	1,019
Financial derivatives, net	0	0	0	0
Other investment: Assets	7,502	(59,370)	29,383	(40,028)
Other equity	0	0	0	0
Other debt instruments				
Monetary authorities	0	0	0	0
General government	0	0	0	0
Banks	7,590	(60,061)	28,647	(40,048)
Other sectors	(88)	691	737	20
Other investment: Liabilities	147,780	347,235	369,210	432,538
Other equity	0	0	0	0
Other debt instruments				
Monetary authorities	(2,670)	25,228	16,315	15,252
General government	47,364	109,834	96,290	88,482
Banks	(2,777)	41,116	45,131	44,301
Other sectors	105,863	171,057	211,475	284,502
Reserve Assets	(12,225)	(21,847)	(122,919)	(73,922)
Monetary gold	0	0	0	0
Special drawing rights	0	0	0	0
Reserve position in the Fund	20	0	(3)	(40)
Foreign exchange	(12,302)	(21,826)	(122,875)	(73,868)
Other claims	57	(20)	(41)	(13)
<b>D. Net errors and omissions</b>	13,901	29,457	44,759	21,438
<b>E. Overall Balance</b>	12,225	21,847	122,919	73,922
<b>MEMORANDUM ITEM</b>				
Total exceptional financing	1,016	76,232	3,248	26,904

Annex 2: Major Changes Introduced in BPM6

ITEM	TREATMENT IN BPMS	TREATMENT IN BPM6	COMMENTS
<b>Changes in Coverage and Classification</b>			
<b>A). Current Account</b>			
1. Goods Account	Goods for processing	Reclassified to services account and renamed "manufacturing services on physical inputs owned by others"	These are now excluded from the goods account because there is no change of ownership of the goods
	Repairs on goods	Reclassified to services account and renamed "maintenance and repair services"	
	Goods procured in ports by carriers	Included in general merchandise instead of separate item under goods account	
2. Services Account	Merchandising included under other business services	Reclassified to goods accounts and renamed "net exports of goods under merchandising"	Reclassified to goods account because there is change of ownership of the goods
	Communication services; and Computer & information services treated as two separate categories	Grouped into one broad category named "Telecommunications, computer and information services"	
	Postal and courier services included under communication services	Reclassified to transport services	
	Royalties & Licence fees	Renamed "charges for use of intellectual property"	
	Referred to as "Income Account"	Renamed "Primary Income Account"	
3. Primary Income Account		Only pure interest recorded. The service component known as "Financial Intermediation Services Indirectly Measured- FISIM"; excluded and recorded in services account	
4. Secondary Income Account	Referred to as "Current Transfers"	Renamed "Secondary Income Account"	
	Included component called "workers remittances"	Replaced with a broader concept of "personal transfers"	Includes all transfers between households/ individuals irrespective of source of income or relationship



## Annex 2: Major Changes Introduced in BPM6 cont'

ITEM	TREATMENT IN BPM5	TREATMENT IN BPM6	COMMENTS
<b>B). Capital Account</b>			
Capital Transfers	Included migrant transfers	Excluded from the Balance of Payments; are to be recorded as 'other changes in volume' in the International Investment Position	There is no change of ownership; only change in residence
<b>C). Financial Account</b>			
Direct Investment	Reverse investment recorded on directional basis	Reclassified on the basis of asset/liability principle	
<b>Changes in Sign Convention</b>			
1. Current and Capital Account	Credits recorded as positive, and debits as negative values. Balances calculated as credits plus debits	Both credits and debits recorded as positive values. Balances calculated as credits minus debits	This was done to harmonise the presentation of the Balance of Payments with the System of National Accounts
2. Financial Account	Increases in assets were recorded with negative signs and decreases recorded with positive signs. In increases in liabilities were recorded with positive signs and decreases with negative signs Credit and Debit headings used	Increases in both assets and liabilities are recorded with positive signs; while decreases are recorded with negative signs  Headings renamed to "Net acquisition of financial assets" and "Net incurrence of liabilities"	
<b>Changes in Institutional Classification</b>			
All accounts	Monetary Authority Banks General Government Other sectors	Central Bank Deposit-taking corporations General Government Other sectors broken into: Other financial corporations Nonfinancial corporations, households Non Profit Institutions Serving Households (NPISHs)	This was done to harmonise the presentation of the Balance of Payments with the System of National Accounts

**Overview** The agricultural sector recorded mixed performance in 2014. Agriculture value added at constant prices increased at a decelerated rate of 3.5 per cent from KSh 795.0 billion in 2013 to KSh 822.5 billion in 2014. This was attributed to erratic rains with some regions experiencing depressed rainfall. The lower levels of rainfall resulted in decreased production for some crops as well as pasture availability for livestock. Maize production declined by 4.2 per cent to 39.0 million bags in 2014. Rice production increased from 90.7 thousand tonnes in 2013 to 96.0 thousand tonnes in 2014. Sugar cane production decreased from 6.7 million tonnes in 2013 to 6.5 million tonnes in 2014. In contrast, coffee production increased from 39.8 thousand tonnes in 2012/13 to 49.5 thousand tonnes in 2013/14. Tea production increased from 432.4 thousand tonnes in 2013 to 445.1 thousand tonnes in 2014. The volume of marketed raw milk increased from 523.0 million litres in 2013 to 541.3 million litres in 2014. The quantity of horticultural exports increased by 3.0 per cent to stand at 220.2 thousand tonnes in 2014 compared to 213.8 thousand tonnes in 2013.

8.2. Overall, the value of marketed crops decreased by 1.4 per cent from KSh 242.0 billion in 2013 to KSh 238.5 billion in 2014. The value of marketed fresh horticultural produce increased marginally from KSh 83.4 billion in 2013 to KSh 84.1 billion in 2014. The value of marketed dairy produce increased by 11.9 per cent from KSh 16.8 billion in 2013 to KSh 18.8 billion in 2014, as a result of higher quantities of marketed raw milk and better prices of milk. Agricultural commodities that fetched higher prices in 2014 compared to 2013 included maize, coffee, sisal, pyrethrum, pig meat, and dairy produce. Tea, sugar cane and wheat prices were lower in 2014 compared to the previous year.

**Agricultural Output and Input** 8.3. As shown in Table 8.1 and Figure 8.1, the sector's output value at current prices increased by 15.8 per cent from KSh 1,459.7 billion in 2013 to KSh 1,690.3 billion in 2014. Likewise, the value of intermediate consumption during the same period increased by 9.6 per cent from KSh 243.1 billion in 2013 to KSh 266.4 billion in 2014. Value added at current prices increased by 17.0 per cent to KSh 1,423.9 billion in 2014. The sector's output value at constant prices increased by 3.8 per cent to KSh 1,018.7 billion in 2014. Over the same period, the value of intermediate consumption at constant prices increased from KSh 186.6 billion in 2013 to KSh 196.1 billion in 2014. Consequently, value added at constant prices increased by 3.5 per cent from KSh 795.0 billion in 2013 to KSh 822.5 billion in 2014.

Table 8.1: Agricultural Output and Input, 2010 – 2014

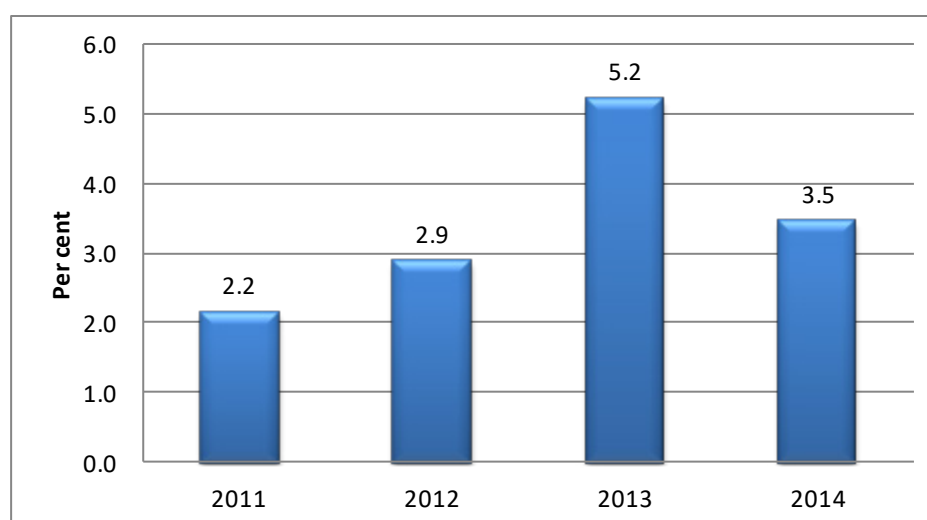
	2010	2011	2012	2013	2014*
KSh Million					
<b>PRODUCTION AT CURRENT PRICES</b>					
Output at basic prices .....	936,946	1,158,817	1,301,511	1,459,730	1,690,290
Intermediate consumption .....	169,149	201,729	216,553	243,052	266,367
Value added at basic prices, gross .....	767,797	957,088	1,084,958	1,216,678	1,423,923
<b>PRODUCTION AT CONSTANT PRICES</b>					
Output .....	883,964	904,037	930,690	981,566	1,018,680
Intermediate consumption .....	165,237	169,808	175,256	186,614	196,146
Value added gross	718,727	734,229	755,434	794,952	822,534

Source: Kenya National Bureau of Statistics

\* Provisional

Note: Series revised from 2010 to 2013

Figure 8.1: Agriculture Gross Value Added (GVA), Growth Rate, 2011 – 2014



### Marketed Production

8.4. The value of marketed production in the agricultural sector for the period 2010 to 2014 is shown in Table 8.2. The value of marketed maize declined by 5.0 per cent from KSh 10.1 billion in 2013 to KSh 9.6 billion in 2014 mainly on account of lower marketed volumes compared to the previous year. Maize production in the North Rift which is the country's grain basket continued to be affected by the maize lethal necrosis disease coupled with erratic and unevenly distributed rainfall in 2014. On the contrary, the value of marketed wheat increased from KSh 6.9 billion in 2013 to KSh 7.6 billion in 2014. This was mainly on account of higher production, the effect of which more than offset the lower prices paid to farmers for the produce. The value of marketed fresh horticultural produce increased marginally from KSh 83.4 billion in 2013 to KSh 84.1 billion in 2014. The slight increase in value was attributed to better unit prices for fruits and higher volumes of flowers and fruits exported. The value of vegetables exported declined by 17.9 per cent from KSh 22.9 billion in 2013 to KSh 18.8 billion in 2014. This was mainly attributed to failure to adhere to the Minimum Residue Limits (MRLs) for French beans and peas destined to Europe.

There was a decline in international tea prices that more than offset the effect of increased marketed production. This resulted in a 10.3 per cent reduction in earnings from KSh 94.7

billion in 2013 to KSh 84.9 billion in 2014. Globally, coffee supply reduced owing to severe dry weather conditions in Brazil which is a leading coffee producer. This resulted in reduced global supply and hence higher international coffee prices. The increase in marketed production coupled with high international coffee prices resulted in 52.3 per cent increase in local earnings from KSh 10.9 billion in 2013 to KSh 16.6 billion in 2014. Similarly, the increase in the volume of marketed milk and the rise in average price paid to farmers resulted in an increase of 11.9 per cent in the value of dairy produce from KSh 16.8 billion in 2013 to KSh 18.8 billion in 2014.

8.5. Total value of marketed production at current prices decreased from KSh 334.8 billion recorded in 2013 to KSh 333.2 billion in 2014. Overall, the value of marketed crops decreased by 2.8 per cent from KSh 242.0 billion in 2013 to KSh 235.3 billion in 2014. This was largely due to depressed production of various crops as a result of erratic weather patterns countrywide.

**Table 8.2: Recorded Marketed Production at Current Prices, 2010-2014**

	2010	2011	2012	2013	2014*
<b>CEREALS-</b>					
Maize .. .. .	5,070.3	10,145.5	13,153.0	10,121.1	9,604.4
Wheat .. .. .	5,541.5	3,045.0	5,612.8	6,926.1	7,618.0
Others .. .. .	5,390.2	7,090.9	5,721.2	7,555.3	7,720.8
<b>Total .. .. .</b>	<b>16,002.0</b>	<b>20,281.4</b>	<b>24,487.0</b>	<b>24,602.6</b>	<b>24,943.2</b>
<b>HORTICULTURE<sup>1</sup>-</b>					
Cut flowers .. .. .	35,557.5	58,835.0	64,962.6	55,975.7	59,893.1
Vegetables .. .. .	18,646.4	26,251.2	20,225.4	22,923.3	18,780.6
Fruits .. .. .	2,789.1	3,535.4	4,680.0	4,482.5	5,410.6
<b>Total .. .. .</b>	<b>56,993.0</b>	<b>88,621.7</b>	<b>89,868.0</b>	<b>83,381.5</b>	<b>84,084.3</b>
<b>TEMPORARY INDUSTRIAL CROPS-</b>					
Sugar-cane .. .. .	17,665.5	18,615.6	21,676.2	24,583.4	20,294.5
Pyrethrum .. .. .	63.8	133.4	17.0	52.6	61.1
Others .. .. .	1,560.6	2,775.8	1,706.1	952.7	1,438.9
<b>Total .. .. .</b>	<b>19,289.9</b>	<b>21,524.8</b>	<b>23,399.3</b>	<b>25,588.7</b>	<b>21,794.5</b>
<b>PERMANENT CROPS-</b>					
Coffee .. .. .	15,449.9	17,826.3	15,375.2	10,910.2	16,634.4
Tea .. .. .	87,960.1	100,145.5	100,262.3	94,722.0	84,854.6
Sisal .. .. .	2,097.7	2,513.3	2,915.3	2,810.8	2,944.8
<b>Total .. .. .</b>	<b>105,507.6</b>	<b>120,485.2</b>	<b>118,552.7</b>	<b>108,443.0</b>	<b>104,433.7</b>
<b>TOTAL CROPS...</b>	<b>197,792.5</b>	<b>250,913.1</b>	<b>256,307.1</b>	<b>242,015.7</b>	<b>235,255.7</b>
<b>LIVESTOCK AND PRODUCTS-.....</b>					
Cattle and Calves .. .. .	31,892.5	48,943.4	54,140.6	58,237.0	59,272.8
Dairy Produce .. .. .	11,346.4	14,548.4	15,415.9	16,776.7	18,785.0
Chicken and eggs.....	5,011.9	5,553.0	6,482.2	7,086.4	7,440.7
Others .. .. .	7,009.3	11,854.9	12,266.7	10,727.3	12,490.7
<b>Total .. .. .</b>	<b>55,260.2</b>	<b>80,899.7</b>	<b>88,305.3</b>	<b>92,827.4</b>	<b>97,989.2</b>
<b>GRAND TOTAL .. .. .</b>	<b>253,052.7</b>	<b>331,812.8</b>	<b>344,612.4</b>	<b>334,843.1</b>	<b>333,244.9</b>

\* Provisional.

<sup>1</sup>Data refers to fresh Horticultural exports only

8.6. Table 8.3 shows the quantum and price indices for marketed agricultural produce for the period 2010 to 2014. The quantum index for marketed cereals increased from 98.7 in 2013 to 100.4 in 2014, mainly due to an increase in marketed wheat. The quantum index for temporary industrial crops decreased from 160.9 in 2013 to 157.9 in 2014 in tandem with lower volumes of sugarcane and pyrethrum delivered to factories. The quantum index for horticulture increased from 230.7 in 2013 to 237.6 in 2014 largely as a result of increase in the exported fresh fruits and flowers. As a consequence of increased coffee and tea production, the quantum index for permanent crops increased from 135.4 in 2013 to 139.8 in 2014. The price index for permanent crops decreased from 179.7 in 2013 to 175.2 in 2014 mainly due to lower tea prices

in the international market. Coffee, sisal, pyrethrum, maize, pig meat, and dairy produce recorded better prices as reflected by the upward movement of the price indices. The overall agricultural price index increased from 212.9 in 2013 to 228.8 in 2014.

**Table 8.3: Volume and Price Indices of Sales to Marketing Boards, 2010 -2014**

Base: 2001=100

	2010	2011	2012	2013	2014*
QUANTUM Cereals .. .. .	92.7	97.7	104.2	98.7	100.4
INDICES Temporary Industrial Crops .. .. .	146.8	139.9	146.2	160.9	157.9
Horticulture .. .. .	248.9	245.5	223.2	230.7	237.6
Permanent Crops .. .. .	125.7	117.8	119.6	135.4	139.8
<b>TOTAL CROPS .. .. .</b>	<b>122.6</b>	<b>131.6</b>	<b>131.4</b>	<b>145.7</b>	<b>146.3</b>
Livestock and Products .. .. .	179.5	216.0	260.1	262.5	263.3
<b>TOTAL ....</b>	<b>162.8</b>	<b>197.4</b>	<b>194.3</b>	<b>201.6</b>	<b>203.4</b>
PRICE Cereals .. .. .	143.4	177.6	227.5	224.1	228.6
INDICES Temporary Industrial Crops .. .. .	149.5	155.0	167.9	179.5	161.3
Horticulture .. .. .	96.8	117.2	165.3	151.3	146.3
Permanent Crops .. .. .	191.8	245.1	218.9	179.7	175.2
<b>TOTAL CROPS .. .. .</b>	<b>154.5</b>	<b>196.5</b>	<b>190.3</b>	<b>166.7</b>	<b>163.2</b>
Livestock and Products <sup>1</sup> .. .. .	250.3	239.2	261.2	279.5	297.5
<b>TOTAL ...</b>	<b>201.3</b>	<b>217.4</b>	<b>224.9</b>	<b>212.9</b>	<b>228.8</b>

\* Provisional.

<sup>1</sup>Data on livestock is from slaughter houses

8.7. The average gross commodity prices paid to farmers for various commodities are shown in Table 8.4. Local sisal prices went up by 17.9 per cent from KSh 10,817.84 to KSh 12,754.1 per 100 Kilogrammes. This was attributed to high prices in the international market due to an upsurge in demand for the fibre crop. There was a decline in tea prices from KSh 21,903.43 in 2013 to KSh 19,063.96 per 100 Kilogrammes in 2014. Unit prices of coffee, pyrethrum and maize rose by 37.9, 33.6 and 5.9 per cent respectively, in 2014. Sugarcane prices went down from KSh 3,685.0 per tonne in 2013 to KSh 3,133.0 per tonne in 2014 occasioned by a reduction in the ex-factory sugar prices. There was a decline in wheat prices from KSh 3,744.58 per 100 kilogrammes in 2013 to KSh 3,495.34 per 100 kilogrammes in 2014. Marketed milk prices have been on an upward trend since 2011 reaching KSh 3,470 per 100 litres in 2014, an increase of 11.9 per cent from KSh 3,100.0 per 100 litres in 2013. Pig meat prices went up by 10.0 per cent to stand at KSh 20,268.93 per 100 kilogrammes in 2014.

Table 8.4: Average Gross Commodity Prices<sup>1</sup> to Farmers, 2010 -2014

	UNIT	2010	2011	2012	2013	2014*
Coffee .. .. .	100 Kg	39,677.94	59,452.85	33,387.29	28,409.58	39,185.89
Tea .. .. .	"	22,044.78	26,499.65	27,130.04	21,903.43	19,063.96
Sisal .. .. .	"	6,672.07	9,119.72	10,461.70	10,817.84	12,754.10
Sugarcane .. .. .	Tonne	3,094.00	3,487.00	3,792.00	3,685.00	3,133.00
Pyrethrum (Pyrethrin equivalent)...	Kg	10,975.46	18,999.86	12,626.40	12,626.17	16,871.76
Seed Cotton .. .. .	100 Kg	4,800.00	6,500.00	4,000.00	4,200.00	4,200.00
Maize .. .. .	"	1,721.35	2,499.92	3,396.00	3,133.16	3,318.49
Wheat .. .. .	"	2,913.76	3,017.42	3,622.31	3,744.85	3,495.34
Beef (third grade) .. .. .	"	16,273.10	19,979.02	20,977.97	26,000.00	27,500.00
Pig meat .. .. .	"	14,485.39	17,014.90	18,175.59	18,427.38	20,268.93
Milk .. .. .	100 litres	2,828.00	2,200.00	2,650.00	3,100.00	3,470.00

\* Provisional.

<sup>1</sup>The prices refer to calendar year and may differ from those based on crop years. In the case of tea and coffee , the prices are for black tea and processed coffee respectively.

8.8. Table 8.5 shows sales of agricultural produce to the marketing boards by large and small farms for the last five years. The share of sales from small farms to total marketed production increased from 73.0 per cent in 2013 to 73.1 per cent in 2014. The value of output from large farms sold through marketing boards increased from KSh 90.4 billion in 2013 to KSh 89.6 billion in 2014. At the same time, sales from the small farms decreased slightly from KSh 244.5 billion in 2013 to KSh 243.6 billion in 2014. The total value of sales to marketing boards declined by 0.5 per cent from KSh 334.8 billion in 2013 to KSh 333.2 billion in 2014.

Table 8.5: Sales to Marketing Boards by Large and Small Farms, 2010-2014

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	
2010	75,536.2	29.5	177,516.5	26.8	253,052.7	27.6	70.2
2011	93,173.0	23.4	238,639.7	34.4	331,812.8	31.1	71.9
2012	93,866.7	0.7	250,724.8	5.1	344,612.4	3.9	72.8
2013	90,375.1	(3.7)	244,468.0	(2.5)	334,843.1	(2.8)	73.0
2014*	89,642.9	(0.8)	243,602.1	(0.4)	333,244.9	0.5	73.1

\* Provisional.

8.9. Table 8.6 shows the quantum and price indices for purchased agricultural inputs for the period 2010 to 2014. The quantum index for fertilizer increased from 114.5 in 2013 to 240.1 in 2014, due to increased purchases of fertilizer. This may be attributable to provision of subsidized fertilizer to farmers by the Government during the review period. The quantum index for fuel and power similarly increased from 84.1 in 2013 to 101.1 in 2014. The quantum index for purchased seeds also increased from 118.7 in 2013 to 206.3 in 2014 largely as a result of the increase in purchased maize seeds. The price index for material inputs declined from 208.1 in 2013 to 189.4 in 2014 in response to lower prices for fertilizer, fuel and power, and manufactured feeds. Consequently, the overall price index for agricultural inputs declined from 212.5 in 2013 to 191.3 in 2014.

Table 8.6: Agricultural Input Indices, 2010 - 2014

	Base: 2001=100				
	2010	2011	2012	2013	2014*
Quantum Indices					
Fertilizers .. .. .	205.8	198.6	106.0	114.5	240.1
Fuel and Power .. .. .	61.6	67.8	68.7	84.1	101.1
Bags .. .. .	103.7	68.7	77.4	72.7	54.2
Manufactured Feeds .. .. .	270.2	212.6	311.4	413.6	434.3
Purchased Seeds .. .. .	166.1	191.9	120.2	118.7	206.3
Other Material Inputs .. .. .	125.3	110.4	137.1	149.3	152.7
<b>Total Material Inputs .. .. .</b>	<b>132.1</b>	<b>142.0</b>	<b>143.5</b>	<b>164.1</b>	<b>204.3</b>
Service Inputs .. .. .	166.3	159.8	213.5	217.2	369.5
<b>TOTAL INPUTS .. .. .</b>	<b>141.2</b>	<b>149.9</b>	<b>166.0</b>	<b>178.0</b>	<b>176.7</b>
Price Indices-					
Fertilizers .. .. .	198.1	255.5	259.8	250.5	230.7
Fuel and Power .. .. .	147.5	179.2	230.9	232.0	179.2
Bags .. .. .	116.8	141.2	154.0	187.2	228.4
Manufactured Feeds .. .. .	159.4	202.5	203.0	260.4	226.9
Purchased Seeds .. .. .	90.6	102.2	100.8	116.4	131.5
Other Material Inputs .. .. .	136.2	153.6	155.7	166.0	173.4
<b>Total Material Inputs .. .. .</b>	<b>158.3</b>	<b>177.0</b>	<b>191.4</b>	<b>208.1</b>	<b>189.4</b>
Service Inputs .. .. .	173.7	195.0	198.5	216.4	206.3
<b>TOTAL INPUTS .. .. .</b>	<b>159.8</b>	<b>179.4</b>	<b>193.3</b>	<b>212.5</b>	<b>191.3</b>

\* Provisional

8.10. Expenditure on purchased agricultural inputs for the period 2010 to 2014 are shown in Table 8.7. Fertilizer, fuel and power and manufactured feeds comprised the bulk of the expenditure accounting for about three quarters of the total material inputs. The value of fertilizer purchased increased by 32.6 per cent from KSh 8.9 billion in 2013 to KSh 11.8 billion in 2014. The value of purchased manufactured feeds more than doubled to reach KSh 11.4 billion in 2014. Overall, the value of material inputs sold to the Agricultural sector increased by 32.2 per cent from KSh 38.5 billion in 2013 to KSh 50.9 billion in 2014.

Table 8.7: Value of Purchased Agricultural Inputs<sup>1</sup>, 2010 – 2014

	KSh Million				
	2010	2011	2012	2013	2014*
MATERIAL INPUTS-					
Fertilizers .. .. .	6,021.9	9,397.4	7,737.6	8,898.2	11,817.9
Other Agricultural Chemicals .. .. .	4,307.0	3,362.1	4,514.3	4,477.8	4,337.6
Livestock Drugs and Medicines...	1,467.2	1,382.7	2,289.3	2,988.4	2,688.3
Fuel and Power.. .. .	9,818.3	10,213.1	10,607.9	12,204.7	15,115.1
Bags .. .. .	425.0	267.3	290.3	110.6	121.9
Manufactured Feeds .. .. .	4,453.0	3,910.8	4,594.6	5,207.3	11,370.4
Purchased Seeds .. .. .	4,227.0	3,337.9	3,573.8	3,704.2	4,395.2
Other Material Inputs .. .. .	536.2	592.6	748.2	924.8	1,030.8
Total .. .. .	31,255.6	32,463.9	34,355.9	38,516.1	50,877.2
SERVICE INPUTS .. .. .	1,167.1	1,412.3	1,745.9	2,158.1	2,709.7
<b>TOTAL INPUTS .. .. .</b>	<b>32,422.7</b>	<b>33,876.2</b>	<b>36,101.8</b>	<b>40,674.2</b>	<b>53,586.9</b>

\*Provisional.

<sup>1</sup>Excluding labour.

8.11. Table 8.8 shows the Agriculture terms of trade for the period 2010 to 2014. Better prices paid to farmers for some of the agricultural commodities resulted in the output price index rising from 140.4 in 2013 to 150.9 in 2014. The index of purchased inputs declined from 212.5 in 2013 to 191.3 in 2014 owing to lower prices for some farm inputs. However, the index of purchased consumer goods in rural areas rose from 390.3 in 2013 to 420.7 in 2014. Thus, the positive effect of better output prices coupled with lower farm input prices

resulted in the overall agriculture terms of trade improving from 46.6 recorded in 2013 to 49.3 registered in 2014, but still well below the 65.9 recorded in 2010.

**Table 8.8: Price and Terms of Trade Indices for Agriculture, 2010 – 2014**

	2010	2011	2012	2013	2014*
General Index of Agricultural Output Prices .....	134.7	143.6	148.6	140.4	150.9
PRICE PAID					
Purchased Inputs .....	159.8	179.4	193.3	212.5	191.3
Index of Purchased Consumer					
Goods-Rural Areas .....	235.0	336.1	368.6	390.3	420.7
Index of Prices paid .....	204.4	257.7	280.9	301.4	306.0
Agricultural Sector terms of Trade .....	65.9	55.7	52.9	46.6	49.3

\* Provisional

8.12. Table 8.9 presents production quantities of leading food crops in the country. Most of the reported commodities recorded reduced production in 2014. A total of 39.0 million bags of maize were produced in 2014. This was a marginal decrease from the 40.7 million bags of maize harvested in the previous year. Decreased production of maize was driven by poor rainfall distribution especially in the Central, Eastern and Coastal regions which normally produce a significant proportion of the maize grain in the country. However, production of the crop was stabilized by fairly good weather patterns in the maize growing areas of Northern Rift Valley and other Western regions during the long rains season. Production of Irish potatoes recorded an increase, rising from 2.1 million tonnes in 2013 to 2.3 million tonnes in the review period. However, production of this crop is yet to achieve the high production levels realized five years ago. Production of beans declined from 7.9 million bags in 2013 to 6.8 million bags in 2014, a 13.9 per cent decrease. Both sorghum and millet posted dismal performance during the year.

**Table 8.9: Estimated Production of Selected Food crops, 2010 – 2014**

Crop	Unit	2010	2011	2012	2013	2014*
Maize .. .. .	Million bags	35.8	34.4	41.9	40.7	39.0
Beans .. .. .	"	4.3	6.4	6.8	7.9	6.8
Potatoes .. ..	Million tonnes	2.7	1.6	1.5	2.1	2.3
Sorghum .. ...	Million bags	1.8	1.8	1.9	1.7	1.9
Millet .. ...	"	0.6	0.8	0.8	1.6	1.4

Source: Ministry of Agriculture, Livestock and Fisheries

\* Provisional

8.13. Comparison between the month of March and September shows that prices of most food commodities remained at more or less similar levels in 2014 as shown in Table 8.10. However, the price of tomatoes was significantly high in September, largely explained by the seasonal pattern of production of the crop. For the month of March, all the food items except potatoes, recorded minimal price increases from 2013 to 2014. The price of Irish potatoes declined slightly from KSh 32.1 in March 2013 to KSh 31.2 in March 2014. Overall, the price pattern between 2013 and 2014 showed stability in the supply of food items, whereby most items had very little variations in price. However, the price of tomatoes rose substantially across the two years, moving from KSh 41.7 in September 2013 to KSh 68.1 in September 2014. With reference to the month of March, the prices of cabbages and potatoes have approximately doubled from 2010 to the review year. Over the same period, each of the other commodities has shown a consistent increase in prices.



Table 8.10: Retail Market Prices for Selected Food Crops, 2010 – 2014

CROP	KSh per Kg									
	2010		2011		2012		2013		2014*	
	Mar	Sept	Mar	Sept	Mar	Sept	Mar	Sept	Mar	Sept
Maize .....	25.27	17.52	29.33	42.77	39.6	40.51	38.01	35.38	38.24	35.47
Beans .....	64.36	56.55	70.24	77.89	74.6	71.82	74.11	68.18	77.16	74.67
Finger Millet.....	62.67	53.79	68.14	67.59	75.26	74.22	76.06	75.96	78.90	79.29
Sorghum.....	36.13	32.96	41.9	49.62	53.42	54.03	53.47	42.1	54.07	54.01
Potatoes.....	14.72	23.07	31.7	26.27	39.13	33.05	32.07	29.06	31.20	30.33
Cabbages.....	12.66	17.98	23.18	20.06	33.54	28.56	23.99	28.19	24.67	24.75
Tomatoes.....	46.33	37.09	46.8	51.2	57.66	43.41	56.24	41.74	58.70	68.11
Bananas.....	25.47	27.14	36.57	37.72	40.13	38.7	39.01	34.98	42.50	42.46

Source: Kenya National Bureau of Statistics

\* Provisional

8.14. Details of sales volume of agricultural produce to marketing boards and other large buyers are given in Table 8.11. Owing to high production in some cases and marketing dynamics in others, a number of the crops reported increased sales during 2014. The quantity of maize grain sold to the National Cereals and Produce Board (NCPB) and private millers rose by 7.0 per cent to 338.4 thousand tonnes in 2014. Similarly, the volume of wheat sales rose from 184.9 thousand tonnes in 2013 to 218.0 thousand tonnes in the year under review. The quantity of sugar-cane deliveries to millers reduced slightly during the year while sales of sisal fibre remained at the same level between 2013 and 2014. Pyrethrum production remained on a recovery path during the year under review with sales of the crop rising from 4.2 tonnes in 2013 to 4.9 tonnes in 2014. Improved water supply and increased acreage in irrigation schemes gave rise to higher output which resulted in sales of rice paddy rising by 8.3 per cent to reach 47.2 thousand tonnes in 2014. Both coffee and tea achieved higher sales during the review period.

Table 8.11: Sale of Selected Crops to Marketing Boards, 2010– 2014

Crop	Unit	2010	2011	2012	2013	2014*
Maize <sup>1</sup> .....	000 Tonnes	294.6	405.8	387.3	316.4	338.4
Wheat <sup>2</sup> .....	"	190.2	100.9	155.0	237.7	218.0
Coffee .....	"	38.9	30.0	46.1	38.4	42.5
Tea .....	"	399.0	377.9	369.4	432.5	445.1
Cotton <sup>2</sup> .....	"	11.8	22.0	11.8	5.9	4.7
Sugar-cane <sup>2</sup> .....	Mn. tonnes	5.7	5.3	5.7	6.7	6.5
Pyrethrum (extract equivalent).....	Tonnes	5.8	7.0	1.0	4.2	4.9
Sisal .....	000 Tonnes	22.8	27.6	27.8	26.0	26.0
Rice Paddy <sup>2</sup> .....	"	44.0	48.7	40.3	43.6	47.2

\* Provisional.

<sup>1</sup> Includes purchases by NCPB and millers.<sup>2</sup> Deliveries to factories/ginneries.

8.15. **Wheat:** Table 8.12 gives figures on the supply of wheat to the domestic economy for the last five years. Demand for wheat products has shown a consistent increase over the last five years with the overall supply of wheat rising steadily from 1,047.8 thousand tonnes in 2010 to 1,552.3 thousand tonnes in 2014. Sustained demand for wheat and wheat products has led to the quantity of wheat imports rising every year since 2010 except in 2013 when a marginal drop in the level of imports was recorded. Similarly, there has been a continuous increase in wheat production over the last three years to 228.9 thousand tonnes in 2014. Despite the increase, the share of local production out of total wheat supply has remained below 15.0 per cent.



the Estates and from 2,172.2 Kilogramme per hectare to 2,127 Kilogramme per hectare for the Smallholders. Overall, during the review period, the sub-sector recorded a 2.9 per cent growth in production compared to a 17.1 per cent increase in production recorded in 2013. Unit prices of Kenyan tea maintained a downward trend for the second year in a row owing to higher supplies and continued decline in demand for black tea in certain key traditional markets. In 2014, the average auction prices for Kenyan tea were lower at US Dollar 2.16 per Kilogramme compared to US Dollar 2.53 recorded in 2013, and US Dollar 3.18 in 2012. Tea exports and re-exports volumes were higher by 1.0 per cent from 494.3 thousand tonnes recorded in 2013 to 499.3 thousand tonnes in 2014.

**Table 8.14: Production, Area and Average Yield of Tea by Type of Grower, 2010 – 2014**

	2010	2011	2012	2013	2014*
AREA ('000 Ha)					
Smallholder .....	115.0	123.3	124.9	127.3	128.6
Estates .....	56.9	64.5	65.7	71.3	74.4
<b>TOTAL .....</b>	<b>171.9</b>	<b>187.8</b>	<b>190.6</b>	<b>198.6</b>	<b>203.0</b>
PRODUCTION ('000 Tonnes)					
Smallholder .....	225.0	218.6	218.5	249.8	262.4
Estates .....	174.0	159.3	150.9	182.6	182.7
<b>TOTAL .....</b>	<b>399.0</b>	<b>377.9</b>	<b>369.4</b>	<b>432.4</b>	<b>445.1</b>
AVERAGE YIELD (Kg/Ha) <sup>1</sup>					
Smallholder .....	2,291.0	2,040.0	2,038.0	2,172.2	2,127.0
Estates .....	3,412.0	3,149.0	2,953.0	3,210.0	2,834.0

Source: Agriculture, Fisheries and Food Authority, Tea Directorate

\* Provisional

<sup>1</sup> Obtained by dividing current production by the area four years ago

8.18. **Sugarcane:** Table 8.15 presents performance of the sugarcane sub-sector for the last five years. The area under cane declined by 1.2 per cent from 213,920 hectares in 2013 to 211,342 hectares in 2014. Similarly, the area harvested decreased by 15.9 per cent from 85,857 hectares in 2013 to 72,181 hectares in the review period. Total cane deliveries decreased by 3.0 per cent from 6.7 million tonnes in 2013 to 6.5 million tonnes in 2014. However, the yield went up by 14.1 per cent from 54.7 tonnes per hectare in 2013 to stand at 62.4 tonnes per hectare in 2014. Improvement in cane yield in 2014 was mainly attributed to improved cane harvesting, yielding higher weight and sucrose content. The bulk of the total cane delivered was from the outgrower farms while the rest was from the nucleus estates and non-contracted farmers.

**Table 8.15: Area under Sugar Cane, Area Harvested, Production and Average Yield, 2010 – 2014**

	2010	2011	2012	2013	2014*
Area under cane (Ha).....	157,583	179,451	204,074	213,920	211,342
Area harvested (Ha) <sup>1</sup> .....	78,517	79,000	87,340	85,857	72,181
Production (Tonnes) <sup>3</sup> .....	5,695,085	5,307,341	5,823,964	6,673,725	6,477,651
Average yield (Tonnes/Ha) <sup>2</sup> .....	64.37	58.78	51.00	54.67	62.35

Source: Agriculture, Fisheries and Food Authority, Sugar Directorate

\* Provisional

<sup>1</sup> Excludes area harvested by non-contracted farmers

<sup>2</sup> Based on area and production from contracted farmers only

<sup>3</sup> Production includes contracted and non-contracted farmers

8.19. Table 8.16 shows domestic sugar production, imports and exports in the last five years. Total production went down by 1.2 per cent from 600.2 thousand tonnes in 2013 to 592.7 thousand tonnes in 2014. Imports registered a decrease of 19.4 per cent from 238.2 thousand tonnes in 2013 to stand at 192.1 thousand tonnes in 2014. However, sugar exports rose from 500 tonnes in 2013 to 600 tonnes in 2014.

**Table 8.16: Production, Imports and Exports of Sugar, 2010 – 2014**

YEAR	'000 Tonnes		
	PRODUCTION	IMPORTS	EXPORTS
2010 .. .. .	523.7	258.6	0.0
2011 .. .. .	490.2	139.1	16.7
2012... .. .	493.9	238.6	0.4
2013... .. .	600.2	238.2	0.5
2014* ... .. .	592.7	192.1	0.6

Source: Agriculture, Fisheries and Food Authority, Sugar Directorate

\*Provisional

8.20. As shown in Table 8.16, Kenya’s sugar imports are about a third of annual production. Most of these imports are used to bridge the annual production deficit. Some of the sugar imported was of special quality specifically meant for the manufacturing sector. The quantity of sugar imported declined from 238.2 thousand tonnes in 2013 to 192.1 thousand tonnes in 2014 due to the extension of special safeguards on the importation of duty-free sugar from the Common Market for Eastern and Southern Africa (COMESA). The extension was to help Kenya reinvigorate the sugar industry whose millers were producing below capacity.

8.21. **Horticulture:** Table 8.17 shows the quantities and values of fresh horticultural exports for the period 2010 to 2014. The volume of exported fresh horticultural produce increased from 213.8 thousand tonnes in 2013 to 220.2 thousand tonnes in 2014. This was despite introduction of duty by the European Union (EU) during the second half of 2014, but which was later dropped. The rise in the volume of horticultural exports was mainly caused by an increase in exports of cut flowers from 105.6 thousand tonnes to 114.8 thousand tonnes during the period under review. Similarly, fruit exports, registered an increase of 12.9 per cent from 31.1 thousand tonnes in 2013 to 35.1 thousand tonnes in 2014. Despite the impressive performance in 2014, vegetable exports were impacted negatively by introduction of tax by the EU and therefore registered a decline in quantity from 77.2 thousand tonnes in 2013 to 70.3 thousand tonnes in 2014. This led to earnings from vegetable exports declining significantly from KSh 22.9 billion in 2013 to KSh 18.8 billion in 2014. Delays in signing an Economic Partnership Agreement (EPA) affected performance during the period under review. However, total earnings from the export of fresh horticultural produce rose marginally from KSh 83.7 billion in 2013 to KSh 84.1 billion in 2014.

**Table 8.17: Exports of Fresh Horticultural Produce<sup>1</sup>, 2010 - 2014**

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
2010 .. .. .	120.2	35.6	32.5	2.8	75.6	18.6	228.3	56.9
2011 .. .. .	110.0	58.8	27.1	3.5	79.2	26.3	216.2	88.6
2012... .. .	108.3	65.0	31.1	4.7	66.4	20.2	205.7	89.9
2013... .. .	105.6	56.0	31.1	4.8	77.2	22.9	213.8	83.7
2014* ... .. .	114.8	59.9	35.1	5.4	70.3	18.8	220.2	84.1

Source: Agriculture, Fisheries and Food Authority, Horticulture Directorate

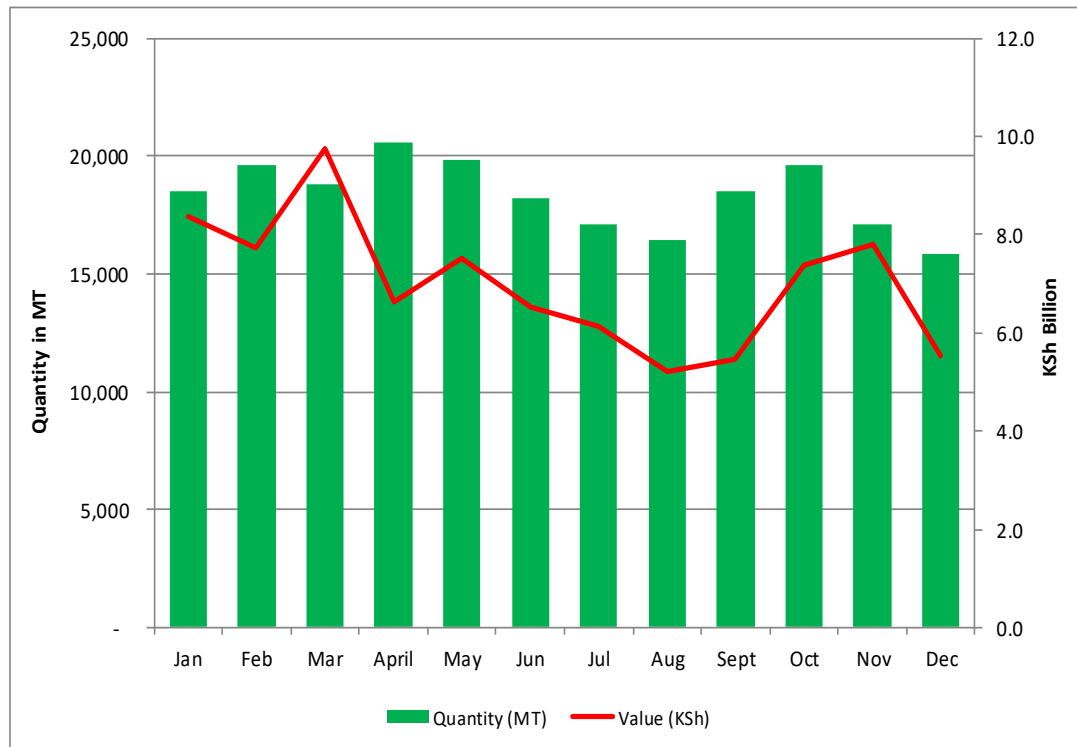
\* Provisional.

<sup>1</sup> Excludes exports of processed horticultural produce and nuts.

8.22. Figure 8.2 presents a month by month analysis of the performance of the horticultural sub-sector in 2014. Exports of fresh horticultural produce increased by 3.3 per cent from a cumulative 111.9 thousand tonnes in the first half of 2013 to 115.6 thousand tonnes in the corresponding period of 2014. The sub-sector recorded the highest volumes of exports of 20,569 tonnes in the month of April. However, the earnings did not correspond with the volume of exports in that month. The imposition of tax by the EU on Kenyan exports during the second half of the year resulted in the reduced volumes. The sub-sector reported the lowest

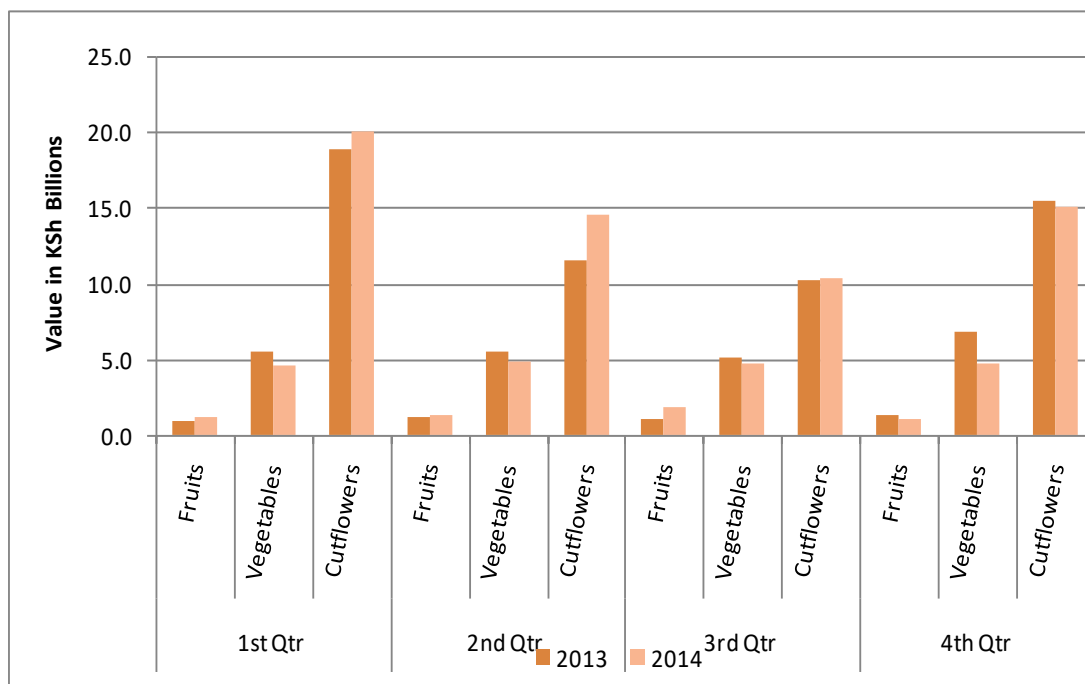
export value of KSh 5.2 billion in earnings in the month of August. Exports of cut flowers, which constitute the bulk of income in the horticultural sector, registered the highest growth in monetary terms, amounting to KSh 59.9 billion in 2014. This was largely due to better prices offered for cut flowers in the month of March despite the decrease in quantity. Compared to 2013, the sub-sector reported an increase in exports of 8.7 per cent from 105.6 thousand tonnes to 114.8 thousand tonnes in 2014. Overall, exports of cut flowers performed well in 2014 despite the tax imposed by the EU.

**Figure 8.2: Monthly Performance of Fresh Horticultural Exports, 2014**



8.23. Figure 8.3 shows a graphical illustration of quarterly export values of fresh horticultural produce. Cut flowers performed particularly well during the first quarter of 2014, recording a value of KSh 20.0 billion. On the other hand, vegetable exports registered dismal performance throughout the year under review. The highest export value of KSh 4.8 billion for vegetables was recorded in the second quarter of 2014. This was low compared to the highest value of KSh 6.9 billion in earnings registered during the fourth quarter of 2013. Fresh vegetable exports trailed cut flowers in all the four quarters in 2014. Fruit export values were consistently higher across the first three quarters of 2014 compared to those registered in the corresponding period of 2013. However, in the fourth quarter, earnings from fruit exports declined significantly from KSh 1.3 billion recorded in 2013 to KSh 1.0 billion in 2014.

Figure 8.3: Quarterly Value of Fresh Horticultural Exports, 2013 – 2014



**Irrigation** 8.24. Table 8.18 shows performance of various irrigation schemes across the country for the last five years. During the year under review, the area cropped marginally increased by 4.4 per cent from 18,600 hectares to 19,411 hectares in 2014. The total number of farmers operating in the irrigation schemes remained constant at 15,828 in 2014. Mwea scheme recorded an increase in paddy production of 8.9 per cent from 64,672 tonnes in 2013 to 70,416 tonnes in 2014. This was due to more reliable water supply following lining of the canals. All the other schemes recorded marginal increase in rice production with the exception of Ahero which decreased from 8,326 tonnes in 2013 to 7,405 tonnes in 2014. Overall production increased from 90,703 tonnes in 2013 to 96,029 tonnes in 2014. This led to an increase in the value of rice output from KSh 4.4 billion in 2013 to KSh 4.5 billion in 2014. Payment to plot-holders increased from KSh 3.2 billion to KSh 3.3 billion in 2014.

Table 8.18: Production of Irrigation Schemes, 2009/10-2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14*
MWEA-					
Area cropped-Hectares .. ..	7,431	10,526	10,629	10,629	10,629
Plot-holders-Number .. ..	4,936	7,178	7,178	7,178	7,178
Gross value of output-KSh Million ..	1,782	2,860	2,970	3,880	3,872
Payments to plot-holders-KSh Million (1)	1,341	2,080	2,197	2,793	2,522
ALL SCHEME AREAS-					
Area cropped-Hectares .. ..(2)	10,072	17,611	21,101	18,600	19,411
Plot-holders-Number .. ..	8,931	15,518	15,828	15,828	15,828
Gross value of output-KSh Million ..	2,097	4,338	4,932	4,347	4,536
Payments to plot-holders-KSh Million ..	1,535	3,138	3,637	3,205	3,345
CROPS PRODUCED - Tonnes					
Mwea-Paddy .. .. .(3)	32,406	52,000	54,000	64,672	70,416
Ahero-Paddy .. .. .	2,939	6,000	7,484	8,326	7,405
West Kano-Paddy .. .. .	692	4,500	5,994	5,165	4,345
Bunyala-Paddy .. .. .	1,161	3,200	4,666	4,278	4,289
South West Kano- Paddy (4)	-	6,800	8,100	8,262	9,574
<b>TOTAL PADDY</b>	<b>37,198</b>	<b>72,500</b>	<b>80,244</b>	<b>90,703</b>	<b>96,029</b>

Source: National Irrigation Board

\*Provisional

Notes:

- (1) Mwea paddy price decreased from KSh 62 per Kg to KSh 55 per Kg due to market forces
- (2) There was less acreage cropped in Ahero and West Kano partly due to challenge in accessing credit by farmers
- (3) Yields in Mwea increased due to more reliable water supply following lining of the canals
- (4) South West Kano was expanded from 3,000 to 3,546 acres

**8.25. Dairy Produce:** Production of livestock and dairy products for the last five years is presented in Table 8.19. The quantity of raw milk delivered to processors continued to increase for a second time after dropping in 2012. The milk delivered to processing plants rose from 523.0 million litres in 2013 to 541 million litres in 2014. The output of fresh milk and cream from processors increased marginally by 3.1 per cent. Similarly, the volume of processed butter and ghee rose by 17.4 per cent to 1,445.0 tonnes in 2014. However, the quantity of cheese processed dropped by 0.6 per cent in the same period.

**8.26. Livestock production:** The number of livestock slaughtered decreased marginally over the review period. Cattle and calves slaughtered went down from 2,147.3 thousand to 2,076.7 thousand in 2014. However, the number of sheep and goats slaughtered increased from 6,084.8 thousand in 2013 to 6,138.5 thousand in 2014. Pigs slaughtered decreased from 264.3 thousand in 2013 to 257.2 thousand in 2014.

Table 8.19: Production of Livestock and Dairy Products, 2010-2014

	UNIT	2010	2011	2012	2013	2014*
RECORDED MILK PRODUCTION.....	Mn. Litres	515.7	549.0	495.2	523.0	541.3
MILK PROCESSED:						
Milk and cream.....	Mn. Litres	358.2	374.0	331.6	406.7	419.4
Butter and ghee .....	Tonnes	1,967.4	1,995.1	1,800.7	1,231.0	1,445.0
Cheese .. .. .	"	263.2	290.3	254.9	267.4	265.7
LIVESTOCK SLAUGHTERED						
Cattle and Calves.. .. .	'000 Head	1,923.5	2,103.4	2,194.2	2,147.3	2,076.7
Sheep and Goats .. .. .	"	6,162.8	5,837.5	5,924.2	6,084.8	6,138.5
Pigs .. .. .	"	217.2	223.5	235.4	264.3	257.2

Source: Kenya National Bureau of Statistics/Kenya Dairy Board/State Department of Livestock

\*Provisional

8.27. **Agricultural Training:** Table 8.20 gives detailed information on enrolment in institutions that offer agricultural training at degree, diploma, certificate and short-term vocational courses. Over the past few years, quite a number of public universities have continued offering agricultural courses at degree level. During the year under review, the number of trainees pursuing agricultural degree courses in public universities recorded an increase of 27.9 per cent from 9,535 students in 2013 to 12,196 students in 2014. Over the years, the number of male students continued to be higher than that of female students.

8.28. Enrolment of diploma level trainees at Egerton University has been on a declining trend for the past four years. Over the review period, the number of students enrolled in this university decreased from 1,820 to 1,470 in 2014. Bukura Institute of Agriculture registered a decrease in enrolment of diploma level students from 1,179 in 2013 to 964 in 2014. The number of certificate level trainees at Naivasha Dairy Training Institute increased from 205 in 2013 to 231 in 2014 with the male trainees registering the highest number. Animal health training colleges recorded an overall increase of 180 trainees from 380 in 2013 to 560 in 2014. The number of trainees at Ndomba Training Institute increased from 184 in 2013 to 295 in 2014. Kabete Institute increased from 116 to 187 in 2014 while Nyahururu recorded a decrease in the number of trainees in 2014. Demand for short term courses in the animal health and dairy sector has been low over the years. Enrolment at Athi River Meat Training Institute decreased from 94 in 2013 to 83 trainees in 2014. On the contrary, enrolment at Naivasha Dairy Training Institute increased from 166 trainees to 289 trainees in the same period.



Table 8.20: Enrolment in Agricultural Training Institutions, 2010-2014

	2010						2011			2012			2013		2014*	
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
	Number															
<b>DEGREE LEVEL -Public Universities</b>																
All Universities .....	3,403	1,546	4,949	4,393	2,279	6,672	4,705	2,841	7,546	5,948	3,587	9,535	7,758	4,438	12,196	
<b>DIPLOMA LEVEL -Public Universities</b>																
Egerton.....	1,543	1,027	2,570	1,585	928	2,513	1,512	839	2,351	1,149	671	1,820	542	928	1,470	
<b>DIPLOMA LEVEL -MOA</b>																
Bukura Institute of Agriculture .....	354	129	483	483	226	709	684	374	1,058	819	360	1,179	674	290	964	
<b>CERTIFICATE LEVEL-</b>																
Naivasha Dairy Training Institute.....	70	34	104	94	48	142	134	80	214	126	79	205	138	93	231	
<b>Animal Health Training Institutes-</b>																
Kabete .....	92	28	120	98	24	122	79	26	105	92	24	116	155	32	187	
Nyahururu .....	50	25	75	53	27	80	51	27	78	52	28	80	51	27	78	
Ndomba .....	117	53	170	112	41	153	99	57	156	140	44	184	230	65	295	
<b>Sub Total.....</b>	<b>259</b>	<b>106</b>	<b>365</b>	<b>263</b>	<b>92</b>	<b>355</b>	<b>229</b>	<b>110</b>	<b>339</b>	<b>284</b>	<b>96</b>	<b>380</b>	<b>436</b>	<b>124</b>	<b>560</b>	
<b>SHORT-TERM VOCATIONAL COURSES-</b>																
Naivasha Dairy Training School .....	46	4	50	93	41	134	147	47	194	122	44	166	189	100	289	
Athi River M.T. School .....	68	30	98	53	16	69	66	28	94	66	28	94	46	37	83	
<b>Total.....</b>	<b>114</b>	<b>34</b>	<b>148</b>	<b>146</b>	<b>57</b>	<b>203</b>	<b>213</b>	<b>75</b>	<b>288</b>	<b>188</b>	<b>72</b>	<b>260</b>	<b>235</b>	<b>137</b>	<b>372</b>	

Source: Ministry of Agriculture, Livestock and Fisheries; Public Universities and other Institutions

\*Provisional.



**FBS Indicators** 8.31. Table 8.23 presents Food Balance Sheet (FBS) indicators for the period 2010 to 2014. These are derived indicators which give a comprehensive picture of the food supply situation in the country. In the FBS, availability of food is measured in terms of daily per caput supply of calories, proteins and fats. Per caput supply of energy is computed by obtaining the total food supply from production, imports and stocks and netting out exports, feed to animals, seeds, waste and other disposals of food items. Food consumption rates from the FAO Handbook on FBS Compilation are then applied to each food item to obtain total supply of calories, proteins and grams. This is then divided by the total population to get estimates of daily per caput supply. The FBS also presents estimates of the import dependency ratio (IDR) which gives an indication of the country's reliance on imported food commodities. The self-sufficiency ratio (SSR) summarizes the country's ability to feed its population from locally produced food items. A significant reduction in the supply of animal products led to an overall decline in the overall food supply as measured by caloric, protein and fat availability. However, following a decline in the production of important cereals, notably maize and wheat, the country imported substantial quantities of these commodities to ensure stable supply of food during the year.

8.32. Overall, there was a general decline in the supply of food energy in terms of calories, proteins and fats. As seen in Table 8.23, the daily per caput supply of calories went down slightly from 2,284 in 2013 to 2,257 Kilocalories in 2014. Over the same period, daily per caput supply of proteins and fats reduced from 67 to 66 grams and 47 to 44 grams, respectively. Food supply by different commodity groups indicates that the lower supply of food energy was driven by reduced availability of animal products. Caloric supply from all vegetable products rose from 1,993 Kilocalories in 2013 to 2,000 Kilocalories in 2014. Similarly, caloric supply from cereals increased by 6.5 per cent to 977 Kilocalories per day. However, the supply of caloric energy from animal products dropped significantly during the year. This was the result of lower milk production and less supply of meat and other animal products partly due to less slaughter of cattle and pigs. This resulted in the supply of energy from animal products contracting for the second consecutive year, declining from 291 Kilocalories in 2013 to 256 Kilocalories per caput per day in the review year.

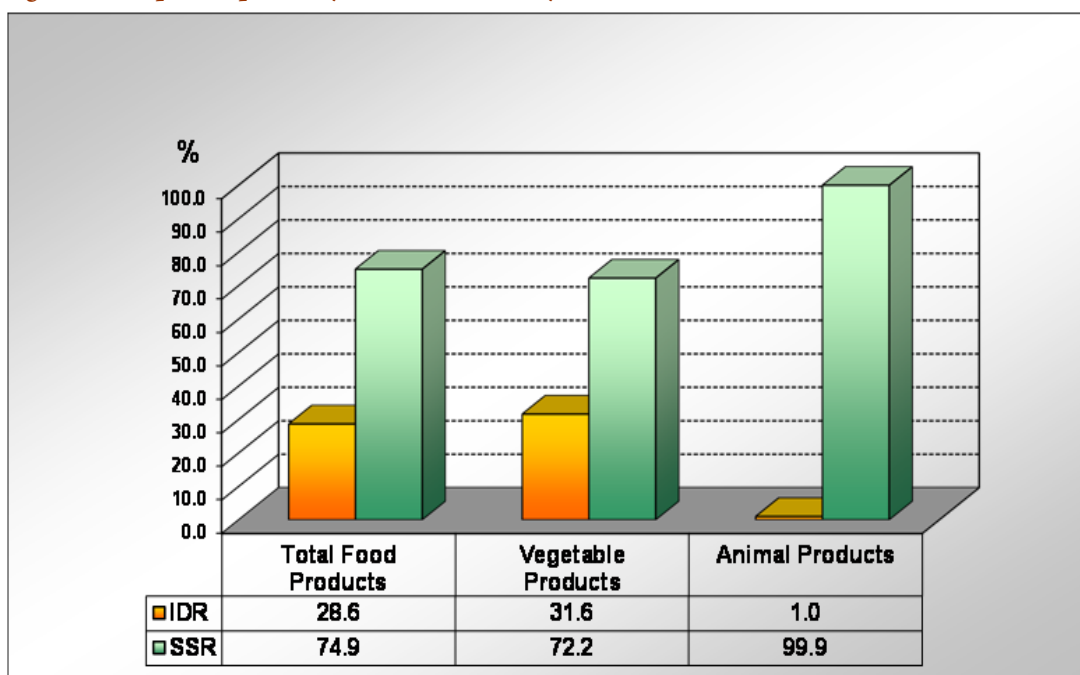
8.33. During the review period, the country's food security situation deteriorated as shown by a lower Self-Sufficiency Ratio (SSR) which decreased from 80.1 per cent in 2013 to 74.9 per cent. The SSR for vegetable products showed a similar pattern, declining significantly from 77.7 per cent in 2013 to 72.2 per cent in the review year. Over the years, the SSR for animal products has remained in the range of 100 per cent. This means that of all the meat, milk, fish, animal fats and other related commodities consumed in the country, the larger proportion is produced domestically. Following diminished self sufficiency in food production, the country's overall Import-Dependency Ratio (IDR) rose by 5.3 percentage points in 2014. Since the IDR for animal products remained the same over the two years, this was the effect of vegetable products' import reliance increasing from 26.0 per cent in 2013 to 31.6 per cent in 2014. This shows that compared to the previous two years, a larger component of domestic food consumption of vegetable products was sourced from other countries in 2014.

Table 8.23: Food Balance Sheet, 2010-2014

Indicator		2010	2011	2012	2013	2014*
Per Caput Daily Supply	Calories - '000 ... ..	2,153	2,253	2,447	2,284	2,257
	Proteins - Grams ... ..	66	69	74	67	66
	Fats - Grams ... ..	49	47	47	46	44
SSR - Per Cent	Total ... ..	75.4	74.6	77.6	80.1	75
	Vegetable Products ... ..	72.1	71.5	75.1	77.7	72
	Animal Products ... ..	100.3	99.9	100.1	99.1	99.9
IDR - Per Cent	Total ... ..	28.2	29.1	25.7	23.3	29
	Vegetable Products ... ..	32	32.6	28.4	26	32
	Animal Products ... ..	0.9	1.1	1	1	1
Per Caput Caloric Daily Supply	Vegetable Products - '000 Kcl.	1,829	1,955	2,148	1,993	2,000
	Cereals - '000 Kcl ... ..	976	959	988	917	977
	Animal Products - '000 Kcl ...	325	298	299	291	256

\*Provisional

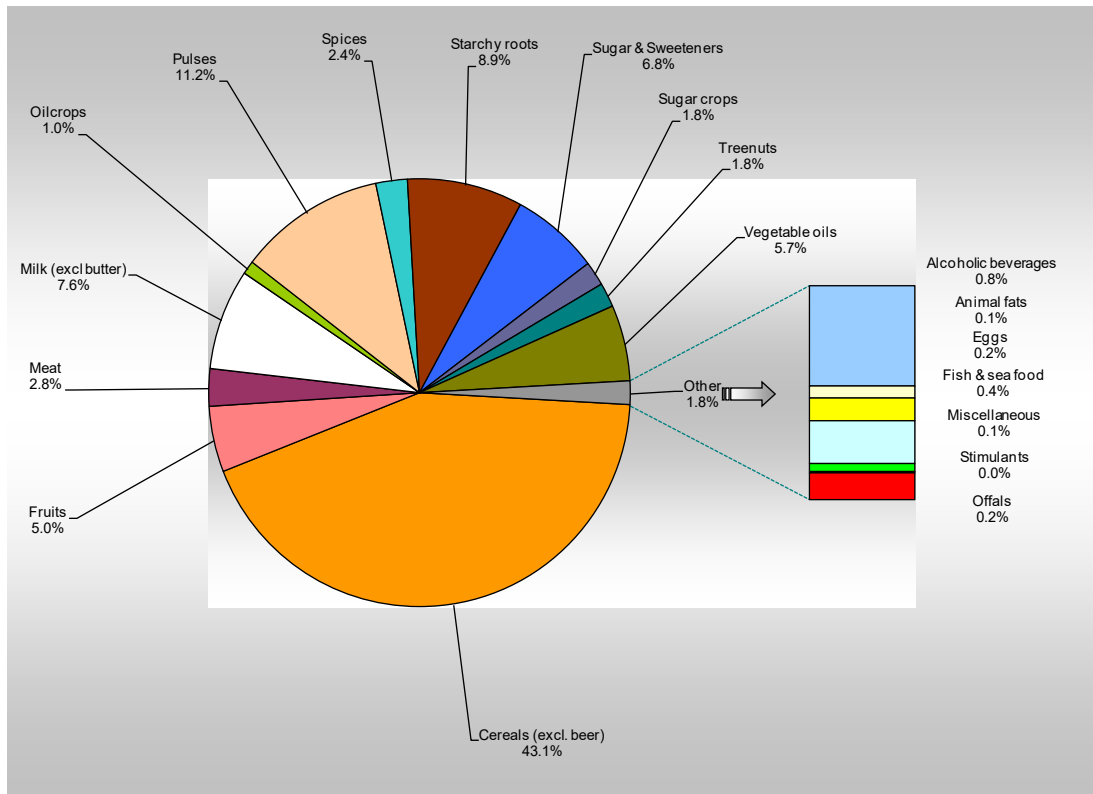
Figure 8.4: Import Dependency and Self-Sufficiency Ratios, 2014



**Caloric Supply by Main Food Groups**

8.34. The levels of caloric energy provision by various food groups for 2014 are highlighted in Figure 8.5. Cereal crops comprise the most important source of calories in the country’s diet, supplying more than one third of all calories in 2014. Beans, peas, cowpeas, green grams and other pulses contributed approximately more than ten per cent of all calories consumed in the country. Milk and milk products remain a significant source of calories in the country’s food consumption. In the review year, milk recorded a slightly lower proportion of caloric supply at 7.6 per cent. During the same year, starchy roots, fruits and meat produced shares of 8.9, 5.0 and 2.8 per cent of calories, respectively.

Figure 8.5: Caloric Supply by Main Food Groups, 2014



## Chapter 8: Agriculture

### Table 8.24 (a): Food Balance Sheet, 2014

FOOD BALANCE SHEET 2014											Population('000):		42,961		
Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)					PER CAPUT SUPPLY				
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR FOOD	PER DAY		
													Calories	Proteins	Fats
1000 Metric Tons											Kg.	units	grams	grams	
<b>Grand total</b>												2257	66	44	
<b>Vegetable prod.</b>												2000	49	28	
<b>Animal prod.</b>												256	17	16	
<b>Cereals (excl. beer)</b>	4394	2387	545	85	7240	113	80	355	618	0	5055	118	977	24	6
Wheat	486	1275	0	7	1754	0	11	66	34	0	1644	38.3	276	8	3
Maize	3507	460	545	3	4510	80	63	168	541	0	2639	61.4	535	13	2
Rice (Milled Eq.)	98	471	0	1	568	0	0	1	3	0	564	13.1	126	2	0
Barley	77	0	0	14	63	0	2	58	2	0	1	0.0	0	0	0
Rye	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oats	0	1	0	0	1	0	0	0	0	0	1	0.0	0	0	0
Millet	58	24	0	0	82	7	2	16	9	0	48	1.1	9	0	0
Sorghum	167	92	0	49	211	26	3	47	28	0	107	2.5	21	1	0
Cereals, other	0	63	0	11	52	0	0	0	0	0	52	1.2	10	0	0
<b>Starchy roots</b>	3892	1	0	5	3888	0	104	2	311	0	3471	80.8	201	2	0
Cassava	1112	0	0	0	1112	0	0	1	33	0	1079	25.1	74	1	0
Potatoes	1600	0	0	4	1596	0	104	2	160	0	1330	31.0	60	1	0
Sweet Potatoes	1150	0	0	0	1150	0	0	0	115	0	1035	24.1	65	0	0
Yams	10	0	0	0	10	0	0	0	1	0	10	0.2	1	0	0
Roots, other	19	0	0	0	19	0	0	0	2	0	17	0.4	1	0	0
<b>Sugar crops</b>	6478	0	0	0	6478	0	0	4150	0	0	2328	54.2	42	0	0
Sugar cane	6478	0	0	0	6478	0	0	4150	0	0	2328	54.2	42	0	0
Sugar beet	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
<b>Sugar &amp; Sweeteners</b>	572	179	-20	19	712	0	0	34	0	0	678	15.8	153	0	0
Sugar non-centrifugal	23	0	0	0	23	0	0	20	0	0	3	0.1	1	0	0
Sugar (raw equivalent)	527	167	-20	15	660	0	0	7	0	0	652	15.2	148	0	0
Sweeteners, other	0	12	0	4	8	0	0	7	0	0	1	0.0	0	0	0
Honey	22	0	0	0	22	0	0	0	0	0	22	0.5	4	0	0
<b>Pulses</b>	874	7	433	1	1313	0	10	0	134	0	1168	27.2	255	16	1
Beans	616	1	35	0	652	0	0	0	98	0	554	12.9	120	8	1
Peas	0	5	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Pulses, other	258	1	398	1	656	0	10	0	36	0	609	14.2	133	9	1
<b>Treenuts</b>	33	0	0	6	27	0	0	0	1	0	23	0.5	4	0	0
<b>Oilcrops</b>	179	9	0	16	172	10	2	82	8	0	71	1.6	23	1	2
Soybeans	0	0	0	0	0	0	0	0	0	0	1	0.0	0	0	0
Groundnuts	66	1	0	0	67	0	1	0	3	0	63	1.5	22	1	2
Sunflowerseed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape & Mustard seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed	13	3	0	1	15	0	2	13	1	0	0	0.0	0	0	0
Coconuts (incl. copra)	64	1	0	10	55	10	0	34	4	0	7	0.2	1	0	0
Sesame seed	0	4	0	5	0	0	0	0	0	0	0	0.0	0	0	0
Palm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Olive	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oilcrops, other	36	0	0	0	35	0	0	35	0	0	0	0.0	0	0	0
<b>Vegetable oils</b>	35	536	0	80	491	0	0	0	0	258	232	5.4	130	0	15
Soybean oil	0	5	0	5	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
Sunflower seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	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	1	0	0	0	0	0	1	0.0	1	0	0
Palm kernel oil	0	2	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palm oil	0	515	0	73	442	0	0	0	0	256	186	4.3	104	0	12
Copra oil	6	12	0	1	17	0	0	0	0	0	17	0.4	10	0	1
Sesame seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olive oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rice bran oil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maize germ oil	14	1	0	0	14	0	0	0	0	0	14	0.3	8	0	1
Oilcrops oil, other	14	1	0	0	15	0	0	0	0	3	12	0.3	7	0	1
<b>Vegetables</b>	2214	115	0	228	2100	0	0	0	223	0	1948	45.3	27	1	0
Tomatoes	494	7	0	0	501	0	0	0	50	0	451	10.5	6	0	0
Onions	68	0	0	0	68	0	0	0	7	0	61	1.4	2	0	0
Vegetables, other	1652	108	0	228	1532	0	0	0	167	0	1436	33.4	20	1	0
<b>Fruits</b>	3530	57	0	252	3335	0	0	6	370	0	3034	70.6	113	1	1
Oranges & mandarins	100	9	0	1	107	0	0	0	11	0	97	2.3	2	0	0
Lemons & limes	26	0	0	0	26	0	0	0	0	0	26	0.6	0	0	0
Grapefruit	13	0	0	0	13	0	0	0	1	0	12	0.3	0	0	0
Citrus, other	135	0	0	0	135	0	0	0	14	0	121	2.8	2	0	0
Bananas	1375	1	0	0	1375	0	0	0	206	0	1169	27.2	45	1	0
Plantains	600	0	0	0	600	0	0	6	60	0	534	12.4	30	0	0
Apples (excl. cider)	0	13	0	0	13	0	0	0	0	0	13	0.3	0	0	0
Pineapples	121	1	0	132	-10	0	0	0	12	0	80	1.9	2	0	0
Dates	1	4	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Grapes (excl. wine)	0	3	0	0	3	0	0	0	0	0	3	0.1	0	0	0
Fruit, other	1160	27	0	118	1068	0	0	0	67	0	974	22.7	31	0	1
<b>Stimulants</b>	495	5	5	500	4	0	0	0	0	0	10	0.2	0	0	0
Coffee	50	1	5	58	-2	0	0	0	0	0	4	0.1	0	0	0
Cocoa Beans	0	2	0	1	2	0	0	0	0	0	2	0.0	0	0	0
Tea	445	2	0	442	5	0	0	0	0	0	5	0.1	0	0	0

## FOOD BALANCE SHEET 2014

Population('000): 42,961

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)					PER CAPUT SUPPLY				
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER	PER DAY		
												YEAR	Calories	Proteins	Fats
	1000 Metric Tons											Kg.	units	grams	grams
Spices	256	3	0	3	256	0	0	0	0	0	256	6.0	55	2	3
Pepper	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Pimento	5	0	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Cloves	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Spices, other	250	3	0	3	251	0	0	0	0	0	251	5.8	54	2	2
Alcoholic beverages	553	7	0	2	558	0	0	0	0	0	557	13.0	19	0	0
Wine	0	4	0	1	3	0	0	0	0	0	3	0.1	0	0	0
Beer	210	2	0	1	211	0	0	0	0	0	211	4.9	6	0	0
Beverages, fermente	317	0	0	0	317	0	0	0	0	0	317	7.4	8	0	0
Beverages, alcoholic	26	1	0	1	26	0	0	0	0	0	26	0.6	5	0	0
Alcohol, non food	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meat	435	1	0	8	428	0	0	0	0	0	530	12.3	64	5	5
Bovine meat	380	0	0	2	378	0	0	0	0	0	378	8.8	46	4	4
Mutton & goat meat	0	0	0	3	-3	0	0	0	0	0	83	1.9	9	1	1
Pig meat	0	0	0	2	-2	0	0	0	0	0	15	0.3	4	0	0
Poultry meat	22	0	0	0	22	0	0	0	0	0	22	0.5	2	0	0
Other meat	33	0	0	0	33	0	0	0	0	0	33	0.8	3	0	0
Offals	76	0	0	0	76	0	0	0	0	0	76	1.8	5	1	0
Animal fats	17	4	0	1	20	0	0	13	0	3	4	0.1	2	0	0
Butter, ghee	1	0	0	0	1	0	0	0	0	0	1	0.0	1	0	0
Cream	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fats, animal, raw	16	4	0	0	19	0	0	13	0	3	3	0.1	2	0	0
Fish, body oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fish, liver oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Milk (excl butter)	4078	26	0	11	4093	17	0	347	327	0	4218	98.2	173	9	9
Eggs	71	0	0	0	71	0	5	0	11	0	56	1.3	4	0	0
Fish & sea food	175	37	0	23	189	0	0	0	0	0	192	4.5	8	1	0
Freshwater fish	159	12	0	8	163	0	0	0	0	0	161	3.7	7	1	0
Demersal fish	4	0	0	10	-5	0	0	0	0	0	0	0.0	0	0	0
Pelagic fish	3	22	0	3	22	0	0	0	0	0	21	0.5	1	0	0
Marine fish, other	8	2	0	1	9	0	0	0	0	0	9	0.2	0	0	0
Crustaceans	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Molluscs other	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cephalopods	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic products, oth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic mammals me	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic animals, othe	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic plants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	18	7	2	14	13	0	0	7	0	3	3	0	1	0	0
Infant food	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous, other	18	7	2	14	13	0	0	7	0	3	3	0	1	0	0

## Chapter 8: Agriculture

### Table 8.24 (b): Food Balance Sheet, 2013

FOOD BALANCE SHEET 2013											Population ('000) :		41,793		
Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)					PER CAPUT SUPPLY				
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR FOOD	PER DAY		
	1000 Metric Tons											Kg.	Calories	Proteins	Fats
											units	grams	grams	grams	
<b>Grand total</b>													2284	67	46
<b>Vegetable prod.</b>													1993	48	28
<b>Animal prod.</b>													291	19	18
<b>Cereals (excl. barley)</b>	4388	1444	545	53	6324	111	80	327	1260	0	4547	109	917	22	4
Wheat	486	764	0	15	1235	0	11	30	24	0	1170	28.0	205	6	2
Maize	3501	94	545	2	4138	80	63	165	1195	0	2637	63.1	549	13	2
Rice (Milled Eq.)	98	420	0	5	513	0	0	0	3	0	509	12.2	117	2	0
Barley	77	0	0	15	63	0	2	58	2	0	1	0.0	0	0	0
Rye	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oats	0	0	0	0	1	0	0	0	0	0	1	0.0	0	0	0
Millet	63	12	0	0	75	6	2	15	9	0	44	1.1	9	0	0
Sorghum	162	91	0	4	249	25	3	58	28	0	132	3.2	27	1	0
Cereals, other	0	63	0	11	52	0	0	0	0	0	52	1.2	10	0	0
<b>Starchy roots</b>	4357	2	0	3	4355	0	104	3	357	0	3891	93.1	226	3	0
Cassava	1112	1	0	0	1113	0	0	1	33	0	1079	25.8	76	1	0
Potatoes	2065	0	0	3	2062	0	104	2	206	0	1749	41.9	82	2	0
Sweet Potatoes	1150	0	0	0	1150	0	0	0	115	0	1035	24.8	67	0	0
Yams	10	0	0	0	10	0	0	0	1	0	10	0.2	1	0	0
Roots, other	19	0	0	0	19	0	0	0	2	0	17	0.4	1	0	0
<b>Sugar crops</b>	6671	0	0	0	6671	0	0	4150	0	0	2521	60.3	46	0	0
Sugar cane	6671	0	0	0	6671	0	0	4150	0	0	2521	60.3	46	0	0
Sugar beet	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
<b>Sugar &amp; Sweeteners</b>	572	179	-20	19	712	0	0	34	0	0	678	16.2	158	0	0
Sugar non-centrifugal	23	0	0	0	23	0	0	20	0	0	3	0.1	1	0	0
Sugar (raw equivalent)	527	167	-20	15	660	0	0	7	0	0	652	15.6	152	0	0
Sweeteners, other	0	12	0	4	8	0	0	7	0	0	1	0.0	0	0	0
Honey	22	0	0	0	22	0	0	0	0	0	22	0.5	4	0	0
<b>Pulses</b>	807	7	433	1	1246	0	10	0	122	0	1111	26.6	249	16	1
Beans	549	1	35	0	585	0	0	0	85	0	480	11.5	107	7	1
Peas	0	5	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Pulses, other	258	1	398	1	656	0	10	0	37	0	626	15.0	141	9	1
<b>Treenuts</b>	33	0	0	6	27	0	0	0	1	0	23	0.6	4	0	0
<b>Oilcrops</b>	179	8	0	6	181	10	2	82	8	0	80	1.9	24	1	2
Soybeans	0	0	0	0	0	0	0	0	0	0	1	0.0	0	0	0
Groundnuts	66	1	0	0	67	0	1	0	3	0	63	1.5	23	1	2
Sunflowerseed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rape & Mustard seed	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Cottonseed	13	3	0	1	15	0	2	13	1	0	0	0.0	0	0	0
Coconuts (incl. copra)	64	0	0	0	64	10	0	34	4	0	16	0.4	2	0	0
Sesame seed	0	4	0	5	0	0	0	0	0	0	0	0.0	0	0	0
Palm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Olive	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Oilcrops, other	36	0	0	0	35	0	0	35	0	0	0	0.0	0	0	0
<b>Vegetable oils</b>	35	536	0	80	491	0	0	0	0	258	232	5.6	134	0	15
Soybean oil	0	5	0	5	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
Sunflower seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	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	1	0	0	0	0	0	1	0.0	1	0	0
Palm kernel oil	0	2	0	0	2	0	0	0	0	0	2	0.0	1	0	0
Palm oil	0	515	0	73	442	0	0	0	0	256	186	4.5	107	0	12
Copra oil	6	12	0	1	17	0	0	0	0	0	17	0.4	10	0	1
Sesame seed oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Olive oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Rice bran oil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maize germ oil	14	1	0	0	14	0	0	0	0	0	14	0.3	8	0	1
Oilcrops oil, other	14	1	0	0	15	0	0	0	0	3	12	0.3	7	0	1
<b>Vegetables</b>	2214	114	0	222	2106	0	0	0	121	0	2586	61.9	39	2	0
Tomatoes	494	6	0	0	500	0	0	0	50	0	450	10.8	6	0	0
Onions	68	0	0	0	68	0	0	0	7	0	61	1.5	2	0	0
Vegetables, other	1652	108	0	221	1538	0	0	0	64	0	2074	49.6	32	2	0
<b>Fruits</b>	3530	34	0	311	3252	0	0	6	369	0	3054	73.1	118	1	2
Oranges & mandarins	100	2	0	0	101	0	0	0	10	0	91	2.2	2	0	0
Lemons & limes	26	0	0	0	26	0	0	0	0	0	26	0.6	0	0	0
Grapefruit	13	0	0	0	13	0	0	0	1	0	12	0.3	0	0	0
Citrus, other	135	0	0	0	135	0	0	0	14	0	121	2.9	2	0	0
Bananas	1375	0	0	0	1375	0	0	0	206	0	1168	28.0	46	1	0
Plantains	600	0	0	0	600	0	0	6	60	0	534	12.8	31	0	0
Apples (excl. cider)	0	4	0	0	4	0	0	0	0	0	4	0.1	0	0	0
Pineapples	121	0	0	204	-84	0	0	0	12	0	80	1.9	2	0	0
Dates	1	1	0	0	2	0	0	0	0	0	2	0.0	0	0	0
Grapes (excl. wine)	0	2	0	0	2	0	0	0	0	0	2	0.1	0	0	0
Fruit, other	1160	25	0	106	1079	0	0	0	67	0	1013	24.2	34	0	1
<b>Stimulants</b>	472	16	5	507	-13	0	0	0	0	0	2	0.0	0	0	0
Coffee	40	1	5	58	-12	0	0	0	0	0	0	0.0	0	0	0
Cocoa Beans	0	2	0	1	2	0	0	0	0	0	2	0.0	0	0	0
Tea	432	13	0	449	-3	0	0	0	0	0	0	0.0	0	0	0



## FOOD BALANCE SHEET 2013

Population ('000) : 41,793

Products	DOMESTIC SUPPLY (1000 MT)					DOMESTIC UTILIZATION (1000 MT)					PER CAPUT SUPPLY				
	Prod.	Imports	Stock changes	Exports	Total D.S.	Feed	Seed	Processed	Waste	Oth.Util.	Food	PER YEAR	PER DAY		
												FOOD	Calories	Proteins	Fats
1000 Metric Tons											Kg.	units	grams	grams	
<b>Spices</b>	256	2	0	3	256	0	0	0	0	0	255	6.1	56	2	3
Pepper	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Pimento	5	0	0	0	5	0	0	0	0	0	5	0.1	1	0	0
Cloves	1	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Spices, other	250	2	0	2	250	0	0	0	0	0	250	6.0	55	2	3
<b>Alcoholic beverages</b>	603	7	0	2	608	0	0	0	0	0	607	14.5	21	0	0
Wine	0	4	0	1	3	0	0	0	0	0	3	0.1	0	0	0
Beer	210	2	0	1	211	0	0	0	0	0	211	5.1	6	0	0
Beverages, fermented	367	0	0	0	367	0	0	0	0	0	367	8.8	10	0	0
Beverages, alcoholic	26	1	0	1	26	0	0	0	0	0	26	0.6	5	0	0
Alcohol, non food	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Meat</b>	477	0	0	6	471	0	0	0	0	0	575	13.7	71	5	6
Bovine meat	407	0	0	2	406	0	0	0	0	0	406	9.7	50	4	5
Mutton & goat meat	0	0	0	3	-3	0	0	0	0	0	83	2.0	9	1	1
Pig meat	0	0	0	2	-2	0	0	0	0	0	17	0.4	5	0	0
Poultry meat	24	0	0	0	24	0	0	0	0	0	24	0.6	2	0	0
Other meat	46	0	0	0	46	0	0	0	0	0	46	1.1	5	0	0
<b>Offals</b>	76	0	0	0	76	0	0	0	0	0	76	1.8	5	1	0
<b>Animal fats</b>	18	4	0	1	21	0	0	13	0	3	5	0.1	3	0	0
Butter, ghee	3	0	0	0	2	0	0	0	0	0	2	0.1	1	0	0
Cream	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fats, animal, raw	16	4	0	0	19	0	0	13	0	3	3	0.1	2	0	0
Fish, body oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Fish, liver oil	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
<b>Milk (excl butter)</b>	4187	25	0	12	4201	17	0	2	340	0	4713	112.8	198	11	11
<b>Eggs</b>	82	0	0	0	82	0	5	0	12	0	65	1.5	5	0	0
<b>Fish &amp; sea food</b>	169	39	0	25	183	0	0	0	0	0	186	4.5	8	1	0
Freshwater fish	153	14	0	9	158	0	0	0	0	0	155	3.7	7	1	0
Demersal fish	4	0	0	10	-5	0	0	0	0	0	0	0.0	0	0	0
Pelagic fish	3	22	0	3	22	0	0	0	0	0	21	0.5	1	0	0
Marine fish, other	8	2	0	1	9	0	0	0	0	0	9	0.2	0	0	0
Crustaceans	1	1	0	0	1	0	0	0	0	0	1	0.0	0	0	0
Molluscs other	0	0	0	1	-1	0	0	0	0	0	0	0.0	0	0	0
Cephalopods	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic products, other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic mammals meat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquatic animals, other	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0	0
Aquatic plants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Miscellaneous</b>	18	7	2	14	13	0	0	7	0	3	3	0	1	0	0
Infant food	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous, other	18	7	2	14	13	0	0	7	0	3	3	0	1	0	0

## Chapter 9

### Environment and Natural Resources

**Overview** Exploitation and conservation of the natural resource base of a country determines to an extent, the level of its economic growth. The Government through the Ministry of Environment, Water and Natural Resources (MEWNR) continued to intensify environmental conservation measures aimed at improving management and protection of natural resources for sustainable economic growth. In line with the Constitution of Kenya 2010, provision of water services was taken up by the county governments in 2013/14.

9.2. Total development expenditure on water supplies and related services is expected to decline from KSh 32.9 billion in 2013/14 to KSh 32.6 billion in 2014/15 financial year. Total fish output increased slightly by 4,470 metric tonnes, to stand at 167,859 metric tonnes in 2014. Overall, the value of mineral production rose by 6.1 per cent to KSh 20.9 billion in 2014 from KSh 19.7 billion earned in 2013. During the period under review, continued poaching of endangered species coupled with severe drought in the rangelands resulted in a decline in the numbers of many wildlife species. Total area under Government forest plantation stocking remained at the 2013 level mainly due to a decline in area planted with trees and an equivalent increase in the clear felled area.

**Water Supply** 9.3. Access to adequate and reliable water supply is one of the key indicators of socio-economic development. In 2014/15, the Ministry undertook programmes geared towards increasing the number of households with access to a reliable water source. Some of the initiatives undertaken by the Ministry in collaboration with county governments and stakeholders in the water sub-sector include: rehabilitation and expansion of existing water supply schemes, construction of water storage dams and pans, and; drilling of boreholes across the country. Subsequently, the scope of water supply coverage is expected to increase to 55.9 per cent of the total population in 2014/15 compared to 53.3 per cent in 2013/14. Water coverage in urban and rural areas is expected to improve to 65.4 and 48.8 per cent of the population in 2014/15, from 61.7 and 47.1 per cent of the population, respectively, in 2013/14.

9.4. During the period under review, major water supply projects completed include rehabilitation works in Nyahururu, Griftu, Eldas, Merti, Moyale, Kapcherop and Kapsowar water supply schemes. This was in addition to expansion of water supply projects in Kisumu, Siaya and Migori counties. Construction works for Murang'a urban water supply, Kandara bulk water supply and phase II of the Tigania water supply augmentation project, also commenced during the review period.

9.5. In pursuit of the policy to increase access to improved water sources, the Government continued to maintain a number of Water Purification Points (W.P.Ps) and drilling of boreholes across the country as shown in Table 9.1. The number of W.P.Ps increased from 230 in 2013/14 to 234 in 2014/15. There was an increase in the number of boreholes drilled from 376 in 2013/14 to 391 in 2014/15.

**Table 9.1: Water Purification Points and Boreholes Drilled, 2010/11-2014/15**

	Number				
	2010/11	2011/12	2012/13	2013/14	2014/15*
Water Purification Points (WPP)	208	209	218	230	234
Boreholes					
Public	95	86	99	74	77
Private	..	..	..	302	314
<b>Total</b>	<b>95</b>	<b>86</b>	<b>99</b>	<b>376</b>	<b>391</b>

Source: State Department of Water and Regional Authorities

\* Provisional

.. Data not available

9.6. Development expenditure on water supplies and related services over the period 2010/11 to 2014/15 is shown in Table 9.2. Total expenditure is expected to decline from KSh 32.9 billion in 2013/14 to KSh 32.6 billion in 2014/15. During the same period, expenditure on Water Development is expected to increase by 12.3 per cent from KSh 15.4 billion in 2013/14 to KSh 17.3 billion in 2014/15, accounting for more than 53.0 per cent of the total development expenditure on water supplies. This allocation was mainly for the development of water supplies infrastructure undertaken by Water Services Boards (WSB) across the country. The budgetary allocation to National Irrigation Board (NIB) has been enhanced over the last three years in tandem with the Government policy of increasing the area under irrigation across the country to enhance food security.

9.7. Expenditure on rural water supplies is expected to rise from KSh 300.6 million in 2013/2014 to KSh 1.3 billion in 2014/2015. However, expenditure on National Water Conservation and Pipeline Corporation, and Miscellaneous and Special Water Programmes is expected to decline from KSh 3.5 billion and KSh 2.2 billion in 2013/14 to KSh 2.5 billion and KSh 304.8 million in 2014/15, respectively. The decline could be attributed to devolution of some water functions to county governments in line with the Constitution.

**Table 9.2: Development Expenditure on Water Supplies and Related Services by the National Government, 2010/11-2014/15**

Item	KSh Million				
	2010/11	2011/12	2012/13	2013/14	2014/15*
Water Development	21,756.5	18,665.0	11,713.9	15,385.0	17,329.0
Training of Water Development Staff	26.4	70.0	314.9	135.0	170.0
Rural Water Supplies	1,308.7	1,829.1	393.8	300.6	1,326.5
Miscellaneous and Special Water Programmes	206.0	650.2	2,080.4	2,153.0	304.8
National Water Conservation and Pipeline Corporation	4,677.0	3,990.2	5,226.4	3,507.2	2,460.0
Irrigation Development <sup>1</sup>	761.9	542.2	90.6	139.0	157.2
National Irrigation Board	2,358.7	764.5	8,013.1	11,268.6	10,900.0
<b>TOTAL</b>	<b>31,095.2</b>	<b>26,511.2</b>	<b>27,833.1</b>	<b>32,888.4</b>	<b>32,647.5</b>

Source: State Department of Water and Regional Authorities and State Department of Agriculture

\* Provisional

<sup>1</sup> refers to policy related expenditures in the Ministry of Agriculture

**Fisheries** 9.8. Fishing continues to be an important income generating activity in the country. During the year under review, fishing recorded an improved performance as shown in Table 9.3. Fish from fresh water sources remained the major contributor to fish landed in the country, accounting for 94.6 per cent of the total output in 2014. Lake Victoria and fish farming remained the two major sources of fresh water fish and accounted for 76.7 and 14.4 per

cent of the total fish output, respectively in 2014. Most lakes in the rift valley experienced increases in water volume partly explaining the significant increases in production of fish from Lake Naivasha. The volume of fish landed from marine sources may have been hampered by inadequate fishing facilities and technologies for fishing in deep water.

9.9. Overall, the quantity of fish landed in the country increased by 4,470 metric tonnes, to stand at 167,859 metric tonnes in 2014. Quantity of fresh water fish landed increased by 3.0 per cent from 154,253 metric tonnes to 158,871 metric tonnes in 2014. Fish catch from Lake Victoria increased from 124,643 metric tonnes in 2013 to 128,708 metric tonnes in 2014, accounting for 81.0 per cent of freshwater fish catch. Fish production from fish farming increased by 2.5 per cent from 23,501 metric tonnes in 2013 to 24,096 metric tonnes in 2014. The quantity of fish from marine sources increased slightly from 7,667 metric tonnes in 2013 to 7,786 metric tonnes in 2014, an increase of 1.6 per cent. However, despite the general upward trend in fish production in 2014, the quantity of crustaceans landed dropped by 30.5 per cent while that of molluscs declined by 3.4 per cent. The decline in the quantity of crustaceans landed may partly be explained by changes in climate that affect sea water temperatures.

9.10. Total earnings from fish landed rose from KSh 21.3 billion in 2013 to KSh 21.9 billion in 2014. Value of fresh water fish rose from KSh 20.0 billion in 2013 to KSh 20.5 billion in 2014. Value of marine fish increased marginally from KSh 921.4 million in 2013 to KSh 960.9 million in 2014.

**Table 9.3: Quantity and Value of Fish Landed, 2010 -2014**

	2010	2011	2012	2013	2014*
<b>Quantities - Tonnes:</b>					
Freshwater fish					
Lake Victoria	111,868	111,619	118,992	124,643	128,708
Lake Turkana	6,430	7,250	3,001	4,338	4,165
Lake Naivasha	209	217	143	231	331
Lake Baringo	53	158	251	263	201
Lake Jipe	103	106	112	116	115
Tana River dams	583	943	967	705	1,024
Fish Farming	12,153	19,265	21,487	23,501	24,096
Other areas	946	916	197	456	231
<b>SUB-TOTAL</b>	<b>132,345.0</b>	<b>140,474.0</b>	<b>145,150.0</b>	<b>154,253.0</b>	<b>158,871.0</b>
Marine fish	7,283	7,422	7,477	7,667	7,786
Crustaceans	519	549	740	799	555
Molluscs	604	601	648	670	647
<b>SUB-TOTAL</b>	<b>8,406.0</b>	<b>8,572.0</b>	<b>8,865.0</b>	<b>9,136.0</b>	<b>8,988.0</b>
<b>GRAND TOTAL</b>	<b>140,751.0</b>	<b>149,046.0</b>	<b>154,015.0</b>	<b>163,389.0</b>	<b>167,859.0</b>
<b>Value - KSh Million</b>					
Freshwater fish	12,274.0	15,831.0	16,866.8	19,984.3	20,543.7
Marine fish	557.0	630.0	877.6	921.4	960.9
Crustaceans	127.0	156.0	233.3	286.5	233.9
Molluscs	44.0	61.0	96.3	90.3	118.1
<b>TOTAL</b>	<b>13,002.0</b>	<b>16,678.0</b>	<b>18,074.0</b>	<b>21,282.5</b>	<b>21,856.6</b>

Source: State Department of Fisheries

\* Provisional

**Forestry** 9.11. The continued interference with forest resources through encroachment and illegal logging has remained the major challenge facing the forest sub-sector. In this regard, the Government through the Kenya Forest Service intensified rehabilitation and conservation efforts for the existing forests in the country. Restoration of the degraded forests and the continued tree planting campaigns on individual farms were some of the achievements in the sub-sector in 2014.

9.12. During the review period, the total area under plantation stocking remained at 129.3 thousand hectares as shown in Table 9.4. Area clear-felled went up by 27.1 per cent to 6.1 thousand hectares in 2014 compared to 4.8 thousand hectares recorded the previous year. This may be attributed to partial lifting of a ban on logging in forests to enable clearing of areas with overgrown trees. The area planted reduced from 8.2 thousand hectares in 2013 to 7.1 thousand hectares in 2014. Further, the area affected by planting failures and fire damages declined to 1.0 thousand hectares in 2014 compared to 1.2 thousand hectares in 2013.

**Table 9.4: Government Forest Plantation Stocking, 2010-2014.**

Stocking	2010	2011	2012	2013	2014*
Previous Plantation Area. <sup>1</sup> . . . . .	112.7	118.8	121.7	127.1	129.3
Area Planted. . . . .	9.6	8.0	7.4	8.2	7.1
<b>Total</b> . . . . .	<b>122.3</b>	<b>126.8</b>	<b>129.1</b>	<b>135.3</b>	<b>136.4</b>
Area Clear felled . . . . .	2.8	3.9	2.0	4.8	6.1
Planting failures/fire damages	0.7	1.2	..	1.2	1.0
<b>Total Area</b> . . . . .	<b>118.8</b>	<b>121.7</b>	<b>127.1</b>	<b>129.3</b>	<b>129.3</b>

Source: Kenya Forest Service

\* Provisional

<sup>1</sup> Opening stock at the beginning of the year

.. Data not available

9.13. Table 9.5 gives details of the recorded sale of forest products from state forests. Total sales of timber increased considerably by 28.3 per cent from 933.7 thousand true cubic meters in 2013 to 1,197.6 thousand true cubic meters in 2014. During the period under review, sales of hardwood timber increased notably to 30.6 thousand true cubic meters. The harvesting of hardwood was attributed to partial lifting of the ban to enable clearance of overgrown trees. The number of power poles sold increased from 14.5 thousand poles in 2013 to 43.3 thousand poles in 2014 due to increased demand by the rural electrification programme.

**Table 9.5: Recorded Sale of Forest<sup>1</sup> Products, 2010 – 2014**

Forest Products	2010	2011	2012	2013	2014*
Timber - '000 true cu. metres-					
Soft wood. ...	401.2	419.2	721.3	933.7	1,167.0
Hard wood	19.3	9.5	2.3	-	30.6
<b>TOTAL</b>	<b>420.5</b>	<b>428.7</b>	<b>723.6</b>	<b>933.7</b>	<b>1,197.6</b>
Fuelwood ( 000 stacked cu. Metres)	60.3	6.6	45.9	64.0	..
Power poles (000)	6.4	0.8	1.8	14.5	43.3

Source: Kenya Forest Service

\*Provisional.

<sup>1</sup> State forests

..Data not available

**Mining** 9.14. Table 9.6 shows the quantity of mineral production in the country over the last five years. Total mineral production rose by 16.7 per cent from 1,515.1 thousand tonnes in 2013 to 1,767.5 thousand tonnes in 2014. This was mainly attributed to commencement in production of Titanium ore comprising Illmenite, Rutile and Zircon minerals, which more or less offset declines in production of most of the other minerals.

9.15. Most minerals except Fluorspar and Salt recorded declines in 2014. Production of crude salt more than doubled from 8,895 metric tonnes in 2013 to 18,936 metric tonnes in 2014. Production of gemstones dropped significantly from 563.0 metric tonnes recorded in the year 2013 to 247.3 metric tonnes in 2014. Similarly, Gold production declined from 2.1 metric tonnes in 2013 to 0.2 metric tonnes in the period under review. The decline in production of Gemstones and Gold was mainly attributed to low prices in the export markets.

9.16. During the review period, the country produced 281,543.0, 52,465.0 and 40,123.2 metric tonnes of Illmenite, Rutile and Zircon, respectively, all constituent minerals of Titanium ore. Another notable drop was in the quantity of Soda Ash that declined from 468,215 metric tonnes in 2013 to 409,845 metric tonnes in 2014. The decline in production of Soda Ash was attributed to closure of soda ash premium grade plant due to high cost of energy.

9.17. The overall value of mineral production rose by 6.1 per cent to stand at KSh 20.9 billion from KSh 19.8 billion in 2013, mainly on account of production of Titanium ore. The value of Fluorspar increased to KSh 1901.0 million in 2014 while that of Salt increased substantially from KSh 71.6 million in 2013 to KSh 173.5 million in 2014. The value of Gold produced declined substantially to KSh 695.3 million in 2014 compared to KSh 7.4 billion recorded in 2013 mainly as a result of scaling down of production due to unfavourable prices in the export markets.

**Table 9.6: Quantity and Value of Mineral Production, 2010-2014**

Mineral	2010	2011	2012	2013	2014*
<b>Quantities - Tonnes:</b>					
<b>Minerals-</b>					
Soda Ash . . . . .	473,689	499,052	449,269	468,215	409,845
Fluorspar . . . . .	40,750	95,051	91,000	71,987	97,156
Salt . . . . .	6,194	24,639	9,980	8,895	18,936
Crushed Refined Soda . . . . .	959,160	1,054,236	882,801	947,074	851,906
Carbon Dioxide . . . . .	16,152	15,197	19,919	17,283	15,069
Diatomite . . . . .	224	2,039	1,746.0	1,054.0	168.0
Gold . . . . .	2.4	1.6	3.6	2.1	0.2
Gemstones . . . . .	167.6	310.1	120.9	563.0	247.3
Titanium Ore					
Illmenite	-	-	-	-	281,543.0
Rutile	-	-	-	-	52,465.0
Zircon	-	-	-	-	40,123.2
<b>TOTAL</b>	<b>1,496,339</b>	<b>1,690,526</b>	<b>1,454,840</b>	<b>1,515,073</b>	<b>1,767,459</b>
<b>Value - KSh Million</b>					
Soda Ash . . . . .	6,980.0	7,354.0	9,388.0	8,865.2	7,840.8
Fluorspar . . . . .	789.0	3,984.0	2,942.0	1,783.0	1,901.0
Salt . . . . .	35.0	140.3	65.7	71.6	173.5
Crushed Refined Soda . . . . .	467.0	532.0	589.0	631.9	568.4
Carbon Dioxide . . . . .	408.0	411.0	503.0	466.0	395.9
Diatomite . . . . .	8.9	91.4	85.6	69.6	10.2
Gold . . . . .	6,217.0	5,650.8	13,919.7	7,432.6	695.3
Gemstones . . . . .	226.4	230.9	157.5	411.0	263.6
Titanium Ore					
Illmenite	-	-	-	-	3,697.0
Rutile	-	-	-	-	4,085.2
Zircon	-	-	-	-	1,281.2
<b>TOTAL</b>	<b>15,131.3</b>	<b>18,394.4</b>	<b>27,650.5</b>	<b>19,730.9</b>	<b>20,912.1</b>

Source: State Department of Mines and Geology

\* Provisional

9.18. The average export price per tonne of Soda Ash increased by 1.8 per cent from KSh 18,790 to KSh 19,131 in 2014, as shown in Table 9.7. The export price per tonne of Fluorspar declined from KSh 21,974 in 2013 to KSh 19,566 in 2014, mainly on account of new regulations restricting the use of some fluorspar products on refrigerants that resulted in depressed market and low prices.

**Table 9.7: Average Export Prices of Soda Ash and Fluorspar, 2010 -2014**

Mineral	KSh per tonne				
	2010	2011	2012	2013	2014*
Soda Ash.....	14,809	20,890	21,194	18,790	19,131
Fluorspar.....	19,372	33,688	30,940	21,974	19,566

Source: State Department of Mines and Geology

\* Provisional

## Chapter 9: Environment and Natural Resources

**Refuse Management** 9.19. Management of refuse collection in urban centres across the country is a function of the county government. Table 9.8 shows expenditures on refuse management by the Nairobi City County government for the period 2010/11 to 2014/15. Total expenditure is expected to decline from KSh 567.9 million in 2013/2014 to KSh 419.1 million in 2014/15 while that on refuse disposal is also expected to decline to KSh 255.2 million in 2014/2015 from KSh 380.0 million recorded in the previous period. The decline may be attributed to reallocation of resources within the County government and reduction of private companies involved in refuse disposal.

**Table 9.8: Expenditure on Cleaning and Refuse Management by the Nairobi City County, 2010/11-2014/15**

Expenditure category	KSh Million				
	2010/11	2011/12	2012/13	2013/14	2014/15*
Cleaning and Administration . . . . .	64.2	67.9	72.1	151	143.0
Cleaning - General. . . . .	121.7	80.0	115.3	36.9	20.9
Refuse Disposal . . . . .	313.9	414.3	499.3	380	255.2
<b>Total. . . . .</b>	<b>499.8</b>	<b>562.2</b>	<b>686.7</b>	<b>567.9</b>	<b>419.1</b>

Source: Nairobi City County

\* Provisional

**Wildlife** 9.20. Wildlife population derived from aerial sample surveys conducted by the Directorate of Resource Surveys and Remote Sensing (DRSRS) are given in Table 9.9. Livestock and wildlife grazing continues to be the dominant land-use in the rangelands. The rangelands are home to most wildlife species, which are major tourist attractions thus supporting the tourism industry in addition to enhancing the ecological system.

9.21. The species that showed an increase in population numbers during the review period include Buffalo, Burchell's Zebra, Wildebeest and Thompson's gazelle. The timing of the aerial survey coincided with the Wildebeest migration from neighbouring ecosystems, resulting in a more than usual increase in the number of Wildebeest found within the Kenyan rangelands. Other species whose population remained stable during the review period were Grevy Zebra and Kudus. Various wildlife herbivores, including Elephant, Giraffe, Kongoni, Gerenuk, Warthog, Ostrich, Oryx, and Waterbuck, declined during the period under review.

9.22. A number of factors contributed to the decline in the number of herbivores, key among them unfavourable weather and continued poaching of some species such as the Elephant. In addition, pressure from increasing human population impeded wildlife movements in their dispersal areas, migratory routes/corridors. Environmental degradation arising from increased infrastructure development, new settlements in previously unpopulated areas, charcoal burning and poor land-use changes within fragile ecosystems led to land fragmentation and loss of habitat for wildlife.



Table 9.9: Wildlife Population Estimates in the Kenya Rangelands, 2010 – 2014

Species	'000 Number				
	2010	2011	2012	2013	2014*
Buffalo	17.5	16.2	15.2	13.0	15.6
Burchell's Zebra	102.0	101.7	100.0	100.3	149.1
Eland	7.9	7.4	6.8	5.8	5.0
Elephant	22.0	20.5	18.5	16.0	15.9
Gerenuk	20.2	19.8	18.5	16.0	15.9
Giraffe	24.0	23.0	23.1	19.0	18.9
Grant's Gazelle	112.5	112.7	112.0	111.7	111.9
Grevy's Zebra	3.6	3.4	3.1	3.0	3.0
H. Hartebeest	0.9	0.8	0.8	0.7	0.3
Impala	62.6	61.0	60.5	61.8	59.9
Kongoni	8.4	7.8	6.9	5.0	4.9
Kudus	10.5	11.2	11.1	11.0	11.0
Oryx	17.8	16.4	15.2	14.5	14.0
Ostrich	28.0	28.0	28.2	28.5	27.8
Thomson's Gazelle	47.0	46.0	43.5	42.0	43.4
Topi	23.3	21.0	20.0	20.5	15.3
Warthog	18.6	17.0	18.0	18.4	17.0
Waterbuck	4.0	3.0	2.9	3.5	2.9
Wildebeest	294.6	295.0	288.0	276.0	449.4

Source: Directorate of Resource Surveys and Remote Sensing

\* Provisional

**Environmental Impact Assessments** 9.23. In 2014, the National Environment Management Authority (NEMA) finalised the review of the Environmental Impact Assessment (EIA) licensing process of all major development projects in the country. These assessments are categorized as either high risk, medium risk or low risk depending on the type of environmental risk associated with a particular activity.

9.24. The number of high risk EIAs reported by NEMA since the year 2011 is presented in Table 9.10. There was a significant increase in the total number of high risk EIAs across various sectors of the economy. The total number of EIAs reported increased by 35.6 per cent from 1,153 in 2013 to 1,563 in 2014. Water resources sector recorded the highest increase with the number reported more than doubling in 2014. Human Settlements and Infrastructure sector accounted for the highest number of EIAs reported over the years followed by those of Transport and Communication sector. This may be attributed to increase in construction activities and infrastructure developments across the country. The number of EIAs under the Tourism sector declined to 16 in 2014 compared to 20 in the previous year. The number of EIAs in the Mining and Quarrying sector dropped marginally.

**Table 9.10: Number of high risk Environmental Impact Assessments (EIA) by Sector, 2011-2014**

Sector	2011	2012	2013	2014*
Transport and Communication	581	293	273	432
Energy	174	184	245	326
Tourism	36	22	20	16
Mining and Quarrying	29	22	28	27
Human settlements and Infrastructure	338	371	412	455
Agriculture and Forestry	26	29	45	47
Commerce and Industry	238	138	108	196
Water Resources	27	25	22	64
<b>TOTAL</b>	<b>1,449</b>	<b>1,084</b>	<b>1,153</b>	<b>1,563</b>

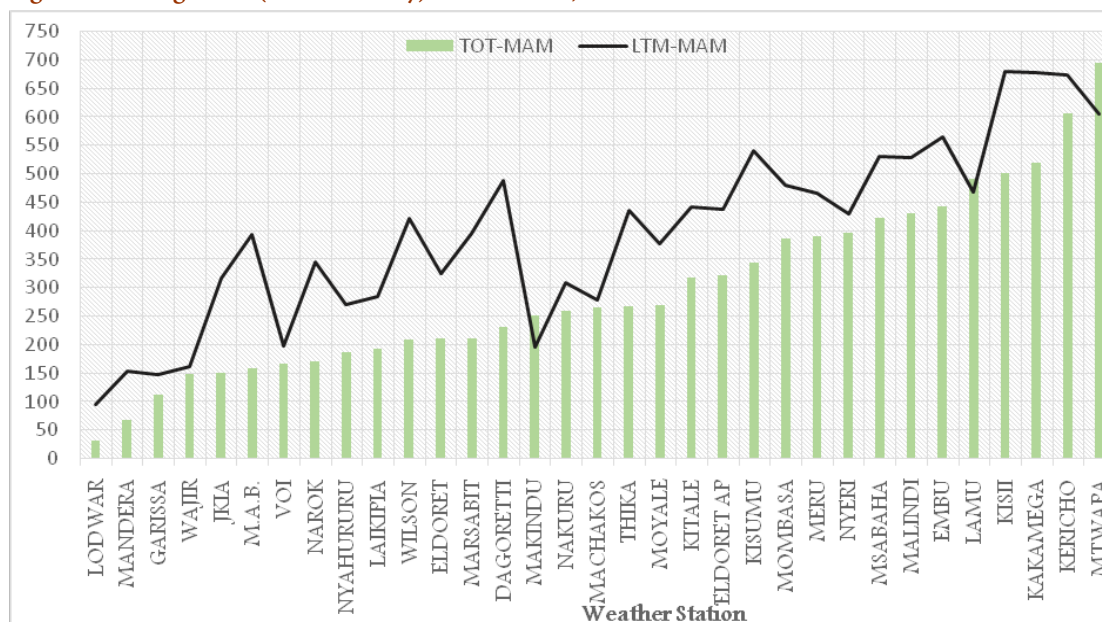
Source: National Environment Management Authority (NEMA)

\* Provisional

**Weather Patterns**

9.25. The effects of climate change continue to be felt in Kenya in form of high temperatures and drought. As depicted in Figure 9.1, rainfall amounts received during the 2014 long rains were generally depressed over most parts of the country. Most stations recorded rainfall which was less than 75 per cent of their seasonal Long Term Means (LTMs) for March to May. The worst conditions were observed over North western, Nairobi area and parts of central Rift Valley (Narok) where several meteorological stations recorded less than 50 per cent of their LTMs. The rainfall distribution, both in time and space, was also generally poor over the larger part of the country. Most areas, for example, remained generally dry during the critical month of April 2014 when crops had germinated and required high moisture for growth. All stations except Makindu, Lamu and Mtwapa received rainfall amounts that were below their LTMs. This impacted negatively on the crop and pasture performance.

**Figure 9.1: Long Rains ( March to May) Performance, 2014**



Source: Kenya Meteorological Department

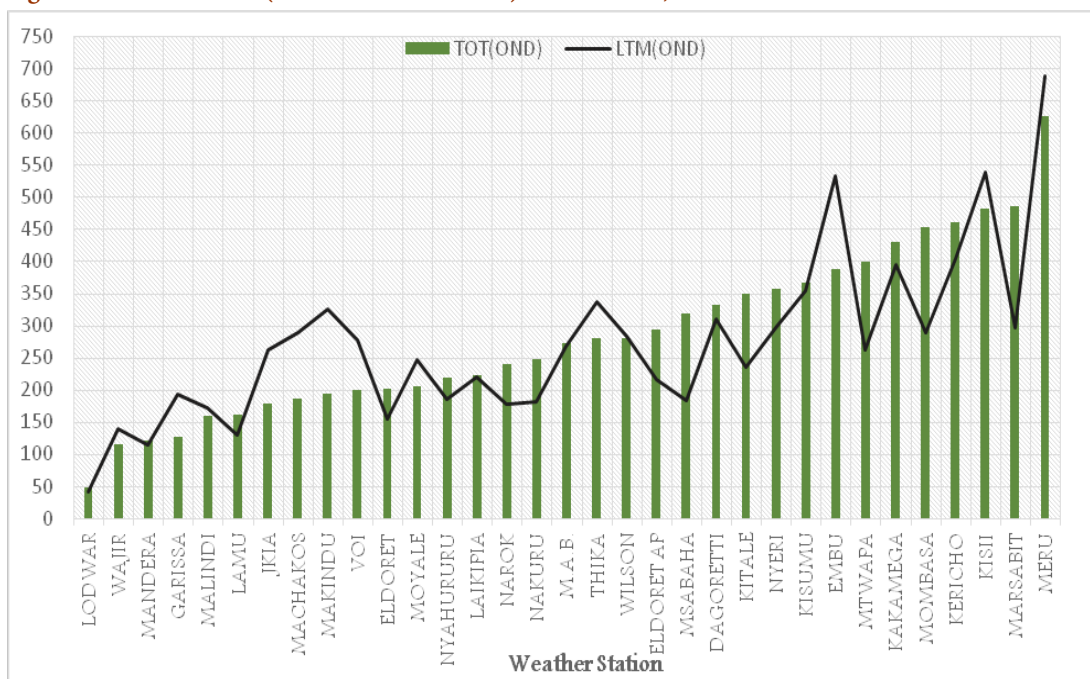
TOT- Total rainfall

LTM – Long Term Mean

9.26. The performance of the 2014 short rains (October-December) is shown in Figure 9.2. Most parts of the country received near normal rains during this season. However, most stations along the Coastal strip and a few stations in North Eastern and Western Kenya recorded above-average rainfall. Stations like Msabaha, Marsabit, Mombasa and Mtwapa stations all recorded above 150 per cent of their seasonal LTMs.

9.27. The highest seasonal total amount of rain of 625.5 mm was recorded at Meru station while Marsabit, Kisii, Mombasa, Kakamega, Mtwapa, Embu, Kericho and Nyeri stations recorded 483.1 mm, 455.0 mm, 452.3 mm, 423.3 mm, 398.3 mm, 387.2 mm, 378.6 mm and 356.6 mm, respectively. Kitale, Dagoretti Corner, Msabaha, Kisumu, Wilson Airport, Thika and Eldoret Airport stations recorded between 250 mm and 350 mm while the rest of the stations recorded less than 250 mm. The seasonal rainfall distribution, both in time and space was generally poor over the larger part of the country.

Figure 9.2 : Short Rains ( October to December) Performance, 2014



Source: Kenya Meteorological Department  
 TOT- Total rainfall  
 LTM – Long Term Mean

**Recent Developments in Environment and Natural Resources** 9.28. Recent debate at the global, regional and national levels has been centred on the post-2015 development agenda, where the environment has been given prominence. Focus has been on the establishment of a proposed set of goals, targets and indicators to replace the Millennium Development Goals (MDGs) after 2015. At a RIO+20 Conference in 2012, all UN member states agreed on commencement of a process to develop a set of Sustainable Development Goals (SDGs) to succeed the MDGs.

9.29. There are 17 proposed SDGs out of which five are environment related. The five goals focus on sustainable management of water and sanitation; cities and human settlements that are safe, resilient and sustainable; climate change; conservation and sustainable use of oceans and seas, marine resources for sustainable development; and, protection, restoration and promotion of sustainable use of terrestrial ecosystem, sustainable management of forests, combat desertification and halt and reverse land degradation and halt biodiversity loss. The final work on indicator selection will be completed in September 2015 with the ratification of the SDGS by the UN General Assembly.

9.30. The National Environment Management Authority (NEMA) continued to institute policy measures and strategies geared towards ensuring the right balance between the desired development outcomes and the associated environmental impacts in the country. The Authority secured KSh 1.0 billion in 2014 from the Global Adaptation fund for climate change projects in the country. The programme which covers water management, food security, agro-forestry, coastal and mangrove ecosystems and disaster risk reduction aims to develop and implement integrated mechanisms to increase community livelihood resilience to climate change.

9.31. The United Nations Climate Change Conference (UNCCC) was held in Lima, Peru, from 1<sup>st</sup> to 12<sup>th</sup> December 2014 and recognized climate change as one of the greatest challenges of the present day requiring actions to sustain temperature increases to below two degrees centigrade. In addition, 31<sup>st</sup> March 2015 was set as the deadline for enacting domestic laws to reduce carbon emissions and submission of country specific plans on climate change.

9.32. The World Environment Day (WED) was commemorated in Kenya on 5<sup>th</sup> June 2014 in accordance to the global calendar of environmental events. The theme '*Raise Your Voice, Not the Sea-Level*' focused on adverse effects of climate Change due to global warming. The national event was celebrated in Ngomeni within Magarini Sub-county of Kilifi County. The event was commemorated through a range of build up activities including tree planting and forest conservation, and clean-up campaigns to enhance sensitization and interventions targeting improvement of the environment.

## Chapter 10

### Energy

**Overview** After five years of relatively stable albeit high prices, Murban crude oil prices in the international market, plummeted by more than 40 per cent to 60.65 US Dollars per barrel in December 2014 from 111.65 US Dollars per barrel in June 2014. In 2014, oil supply outstripped demand mainly due to a sluggish world economy in major oil consuming countries. Surging shale oil production in the United State of America(USA) and weak global demand especially in China and Europe were the main reasons for the slip in prices. In addition, crude oil production level from Organization of Petroleum Exporting Countries (OPEC) remained at 30 million barrels per day during the period. Murban crude prices decreased to an average of 99.45 US Dollars per barrel in 2014 down from an average of 110.10 US Dollars per barrel the previous year. The low international crude oil prices translated indirectly to cheaper refined petroleum products in the domestic market.

10.2. The total quantity of petroleum products imported into the country increased by 11.7 per cent from 3,996.2 thousand tonnes in 2013 to 4,464.5 thousand tonnes in 2014. The total import bill of petroleum products rose by 5.6 per cent to KSh 333.1 billion. The total value of petroleum products exported, including re-exports, also went up significantly to KSh 473.0 billion in 2014. Total domestic demand for petroleum products increased from 3,739.2 thousand tonnes to 3,937.9 thousand tonnes in the same period.

10.3. Total effective capacity for electricity expanded from 1,717.8 MW in 2013 to 1,798.3 MW in 2014, representing a 4.7 per cent increase. Similarly, total electricity generation expanded by 8.2 per cent from 8,447.9 GWh in 2013 to 9,138.7 GWh in 2014. The domestic demand for electricity recorded an increase of 12.1 per cent to 7,768.6 GWh in 2014 from 6,928.1 GWh in 2013.

10.4. The number of customers connected under the Rural Electrification Programme expanded by 16.5 per cent to stand at 528,552 customers as at July 2014 up from 453,544 customers in July, the previous year.

**Petroleum** 10.5. Details of the quantity and value of imports and exports of petroleum products for the period 2010 to 2014 are presented in Table 10.1. The total quantity of petroleum products imported expanded by 11.7 per cent to 4,464.5 thousand tonnes in 2014 compared to a decline of 3.5 per cent recorded in 2013. The rise was occasioned by increased domestic demand and to compensate for the non-importation of crude oil following the closure of the oil refinery. There was a substantial increase in the importation of lubricating greases from 442.8 thousand tonnes in 2013 to 717.7 thousand tonnes in 2014.

10.6. Total import bill of petroleum products expanded by 5.6 per cent from KSh 315.4 billion in 2013 to KSh 333.1 billion in 2014. The value of petroleum fuels imported increased by 17.6 per cent to KSh 292.5 billion in 2014. The increase in the import bill may be attributed to the depreciation of the Kenya Shilling against the US Dollar and an increase in total quantities of petroleum products imported.

10.7. The total quantity of domestic exports declined substantially to 3.38 thousand tonnes in 2014 while the value decreased to KSh 3 10.26 million during the same period. The domestic petroleum fuels exports is mainly due to consumption of jet fuel by foreign-owned planes. The volume of re-exports of petroleum products increased considerably from 129.3 thousand tonnes in 2013 to 561.0 thousand tonnes in 2014. Value of re-exports increased substantially from KSh 10,503.5 million to KSh 46,970.2 million during the period under review. The total quantity and value of petroleum products exported, including re-exports increased significantly to 564.3 thousand tonnes and KSh 47.3 billion, respectively, in 2014.

**Table 10.1: Quantity and Value of Imports, Exports and Re-exports of Petroleum Products<sup>1</sup>, 2010-2014**

Year	Quantity ('000 Tonnes)					Value (KSh Million)				
	2010	2011	2012	2013	2014*	2010	2011	2012	2013	2014*
<b>IMPORTS</b>										
Crude Petroleum .....	1,552	1,772	997	567	0	72,598	124,042	68,086	41,037	-
Petroleum Fuels .....	2,072	2,236	2,803	2,986	3,747	119,462	196,649	237,700	248,687	292,515
Lubricating Oils .....	3	-	0	0	0	123	0	6	7	0
Lubricating Greases .....	218	278	342	443	718	8,596	17,058	21,130	25,643	40,631
<b>TOTAL</b>	<b>3,845</b>	<b>4,286</b>	<b>4,142</b>	<b>3,996</b>	<b>4,464</b>	<b>200,780</b>	<b>337,749</b>	<b>326,922</b>	<b>315,374</b>	<b>333,146</b>
<b>DOMESTIC EXPORTS</b>										
Petroleum Fuels .....	29	32	12	6	2	1,835	2,642	1,093	647	204
Lubricating Oils .....	10	35	1	0	0	471	1,741	39	0	1
Lubricating Greases .....	56	58	44	12	2	2,308	3,371	2,685	735	106
<b>TOTAL.....</b>	<b>95.1</b>	<b>125.2</b>	<b>56.0</b>	<b>17.8</b>	<b>3.4</b>	<b>4,614</b>	<b>7,754</b>	<b>3,817</b>	<b>1,382</b>	<b>310.3</b>
<b>RE-EXPORTS</b>										
Petroleum Fuels .....	68	61	55	111	554	3,979	4,825	4,825	9,395	46,545
Lubricating Oils .....	1	0	-	-	-	51	2	2	-	-
Lubricating Greases .....	52	60	72	18	7	2,072	3,179	4,733	1,108	426
<b>TOTAL.....</b>	<b>121</b>	<b>121</b>	<b>127</b>	<b>129</b>	<b>561</b>	<b>6,102</b>	<b>8,006</b>	<b>9,560</b>	<b>10,504</b>	<b>46,970</b>
<b>TOTAL EXPORTS.....</b>	<b>216</b>	<b>246</b>	<b>183</b>	<b>147</b>	<b>564</b>	<b>10,716</b>	<b>15,760</b>	<b>13,377</b>	<b>11,885</b>	<b>47,281</b>
<b>NET BALANCE.....</b>						<b>190,064</b>	<b>321,989</b>	<b>313,544</b>	<b>303,489</b>	<b>285,865</b>

\*Provisional

<sup>1</sup>Excludes other light and medium petroleum oils, preparations and residual petroleum products.

10.8. Table 10.2 outlines the supply and demand balance for petroleum products for the period 2010-2014. Total demand for petroleum products increased to 3,939.5 thousand tonnes in 2014 from 3,745.4 thousand tonnes in the previous period. Demand for Liquefied Petroleum Gas (LPG) and motor gasoline increased by 61.1 per cent and 16.7 per cent, respectively, in the review period. In contrast, demand for jet fuel and fuel oil declined by 4.0 per cent and 11.6 per cent, respectively. Light diesel oil accounted for 43.7 per cent of the total domestic demand in 2014 as compared to 42.8 per cent in 2013.

Table 10.2: Petroleum Supply and Demand, 2010-2014

	'000 Tonnes				
	2010	2011	2012	2013	2014*
<b>DEMAND -</b>					
Liquefied petroleum gas .....	87.8	91.6	93.6	92.9	149.7
Motor gasoline (premium and regular .....	597.2	562.1	618.5	774.5	903.8
Aviation spirit .....	2.5	2.8	1.8	2.2	2.3
Jet/turbo fuel .....	539.6	670.6	671.0	551.3	529.3
Illuminating kerosene .....	316.0	269.6	309.0	296.1	300.3
Light diesel oil .....	1,517.3	1,461.8	1,486.3	1,601.2	1,721.4
Heavy diesel oil .....	25.0	27.6	20.8	18.7	3.0
Fuel oil .....	680.3	771.8	437.0	371.0	328.1
<b>TOTAL.....</b>	<b>3,765.7</b>	<b>3,857.9</b>	<b>3,638.0</b>	<b>3,707.9</b>	<b>3,937.9</b>
Refinery usage .....	101.4	83.7	48.0	31.3	0.0
<b>TOTAL DOMESTIC DEMAND .....</b>	<b>3,867.1</b>	<b>3,941.6</b>	<b>3,686.0</b>	<b>3,739.2</b>	<b>3,937.9</b>
Exports of petroleum fuels .....	29.4	32.1	11.7	6.2	1.6
<b>TOTAL DEMAND.....</b>	<b>3,896.5</b>	<b>3,973.7</b>	<b>3,697.7</b>	<b>3,745.4</b>	<b>3,939.5</b>
<b>SUPPLY -</b>					
Imports:					
Crude oil .....	1,551.5	1,772.1	997.0	567.4	0.0
Petroleum fuels .....	2,071.9	2,235.6	2,803.4	2,985.9	3,746.8
<b>TOTAL.....</b>	<b>3,623.4</b>	<b>4,007.7</b>	<b>3,800.4</b>	<b>3,553.3</b>	<b>3,746.8</b>
Adjustment <sup>1</sup> .....	273.1	-34.0	-102.7	192.1	192.7
<b>TOTAL SUPPLY.....</b>	<b>3,896.5</b>	<b>3,973.7</b>	<b>3,697.7</b>	<b>3,745.4</b>	<b>3,939.5</b>

\* Provisional.

<sup>1</sup> Adjustment for inventory changes and losses in production.

10.9. Net domestic sales of petroleum fuels by consumer category for the period 2010-2014 are shown in Table 10.3 and Figure 10.1. Net domestic sales of petroleum products rose by 6.2 per cent to 3,937.9 thousand tonnes in 2014. During the period under review, agriculture, retail pump outlets and road transport, rail transport, power generation and government sectors recorded increases in oil consumption.

10.10. Agriculture, retail pump outlets and road transport, and rail transport fuel consumption increased by 27.7, 9.8, and 9.9 per cent, respectively, during the period under review. Consumption of fuel for power generation increased by more than 50 per cent to 98.9 thousand tonnes during the review period. The transport sector (roads and aviation) remain the main consumer of petroleum fuels, jointly accounting for 89.6 per cent of total sales in 2014 up from 85.1 per cent in 2013. Government consumption registered an increase of 29.2 per cent in 2014 to 9.3 thousand tonnes.

Table 10.3: Net Domestic Sale of Petroleum Fuels by Consumer Category, 2010-2014

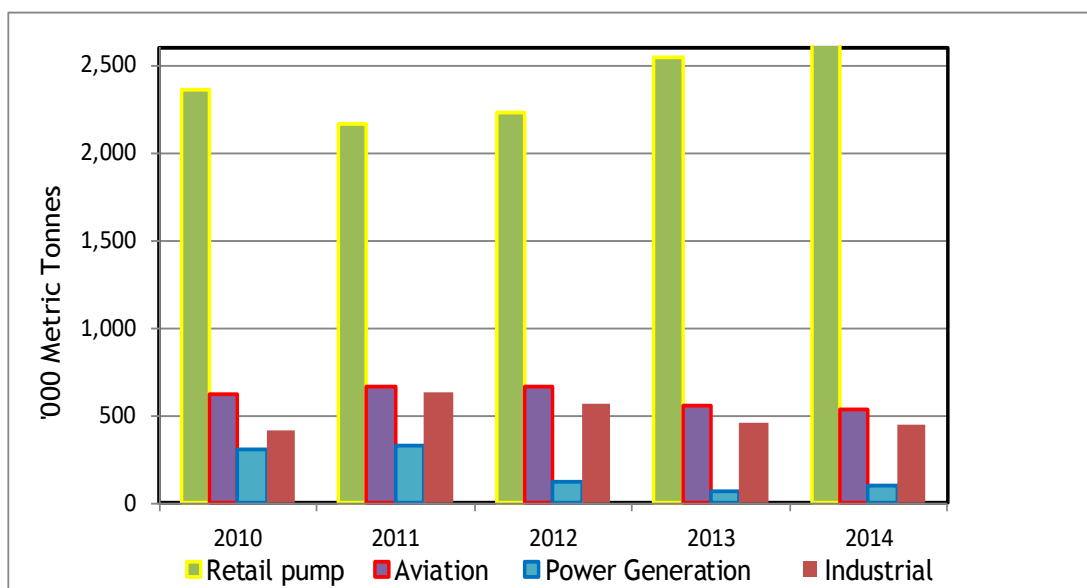
'000 Tonnes					
User	2010	2011	2012	2013	2014*
Agriculture .. .. .	33.9	30.4	22.5	28.5	36.4
Retail pump outlets and road transport. ....	2,362.5	2,159.5	2,234.7	2,573.7	2,791.0
Rail transport .. .. .	0.2	7.3	11.6	14.2	15.6
Tourism <sup>1</sup> .. .. .	7.4	7.7	6.2	5.5	5.1
Marine (excl. Naval Forces) .. .. .	16.1	26.8	13.1	25.4	18.6
Aviation (excl. Government) .. .. .	625.1	665.7	665.5	552.4	530.4
Power Generation .. .. .	300.3	328.7	118.7	64.1	98.9
Industrial, Commercial and Other .. .. .	414.6	632.5	566.1	462.3	451.2
Government .. .. .	15.8	21.0	12.6	7.2	9.3
Balancing Item .. .. .	-10.2	-21.7	-13.0	-25.4	-18.6
<b>TOTAL .. .. .</b>	<b>3,765.7</b>	<b>3,857.9</b>	<b>3,638.0</b>	<b>3,707.9</b>	<b>3,937.9</b>

Source: Ministry of Energy and Petroleum

\* Provisional

<sup>1</sup> Comprises sales to tour operators

Figure 10.1: Sale of Petroleum Fuels by Major Consumer Category, 2010-2014



10.11. Table 10.4 presents wholesale prices of petroleum products in Mombasa for the period 2010-2014. In general, wholesale prices for all petroleum products were lower in 2014 compared to 2013 due to the prevailing low prices in the international market. Wholesale prices of premium motor gasoline declined by 6.8 per cent from KSh 143,535 per tonne in December 2013 to KSh 133,711 per tonne in December 2014, while those for LPG decreased by 10.6 per cent to KSh 110,721 per tonne at the close of the year. Illuminating kerosene recorded a 14.5 per cent decline in December 2014 compared to a decrease of 4.0 per cent in December 2013. Light diesel, mainly used by vehicles, had its prices drop by 13.5 per cent from KSh 120,303 per tonne in December 2013 to KSh 104,097 in the review period.



**Table 10.4: Wholesale Prices<sup>1</sup> of Petroleum Products in Mombasa, 2010-2014**

PRODUCT	KSh per Tonne				
	Dec. 2010	Dec. 2011	Dec. 2012	Dec. 2013	Dec. 2014
Liquefied petroleum gas .....	94,114	131,420	130,910	123,803	110,721
Motor gasoline (Premium)* .....	121,042	156,896	148,169	143,535	133,711
Illuminating kerosene* .....	88,918	110,792	105,399	101,153	86,449
Light diesel oil + .....	97,665	128,079	121,944	120,303	104,097
Industrial diesel oil .....	69,148	86,501	81,608	74,238	73,874
Fuel oil .....	48,711	68,050	70,838	64,950	58,678

Source: Energy Regulatory Commission /National Oil Corporation

<sup>1</sup>Including duties and VAT.

+ revised series

10.12. Table 10.5 and Figure 10.2 provide Murban crude oil prices in US Dollar per barrel at the international market for the period 2010-2014. This has been the traditional oil imported before Kenya Petroleum Refineries Ltd ceased refining. Average international prices for Murban crude oil registered a decline of 9.7 per cent in 2014 compared to a fall of 2.5 per cent recorded in 2013. The average price for Murban crude decreased to US Dollars 99.45 per barrel in 2014 from US Dollars 110.10 per barrel registered in 2013. The highest average international crude oil prices were recorded in the first half of 2014 with a peak in June. The fourth quarter recorded the lowest prices to close at US dollars 60.65 per barrel in December 2014.

**Table 10.5: Murban ADNOC Prices<sup>1</sup>, 2010-2014**

Month/Year	US\$/BBL				
	2010	2011	2012	2013	2014
January	77.50	95.55	114.20	112.05	109.75
February	74.20	103.60	120.45	115.4	109.95
March	78.30	112.55	127.00	109.95	108.30
April	84.80	120.70	121.20	105.65	107.95
May	77.85	113.60	110.60	103.65	109.15
June	74.80	112.15	97.35	103	111.65
July	73.00	113.95	101.75	106.85	109.5
August	74.60	109.05	111.65	111.7	104.25
September	75.90	110.90	115.40	114.50	97.95
October	81.50	108.95	113.20	112.45	87.35
November	85.65	114.35	112.10	112.20	77.00
December	91.85	111.80	110.75	113.85	60.65
<b>Annual average</b>	<b>79.16</b>	<b>110.60</b>	<b>112.97</b>	<b>110.10</b>	<b>99.45</b>

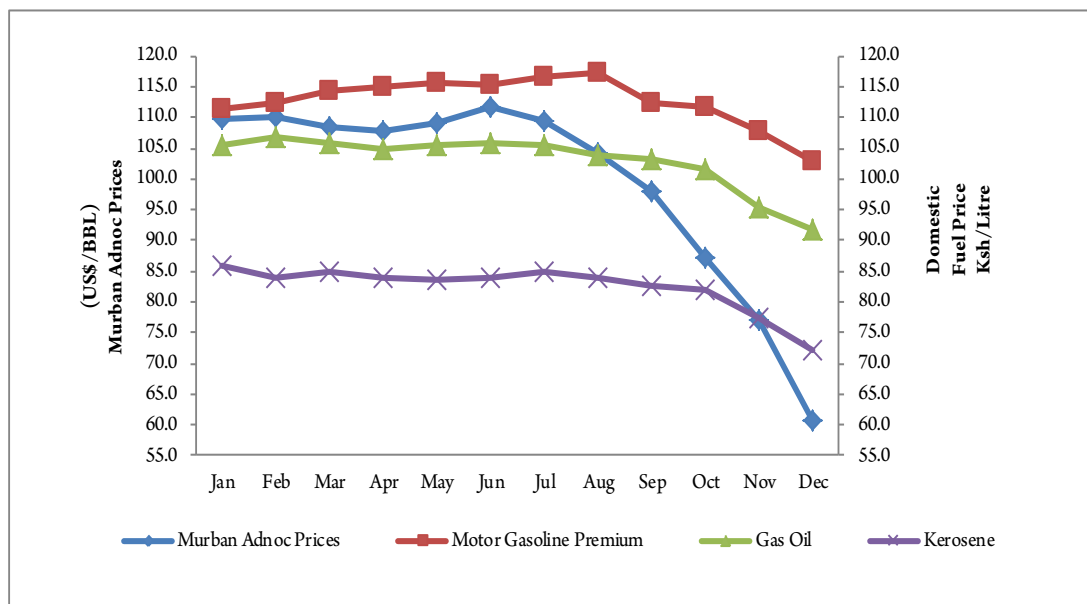
Source : Ministry of Energy and Petroleum

<sup>1</sup>Abu Dhabi free on board (fob) Prices

ADNOC : Abu Dhabi National Oil Company

US\$/ BBL: US Dollars per Barrel

Figure 10.2: International Crude Oil Prices against Domestic Fuel Prices, 2014



10.13. Table 10.6 gives details of average retail prices of selected petroleum products from January 2010 to December 2014. The average retail prices of most selected petroleum products declined in tandem with international crude oil prices. The domestic price for motor premium declined by 6.6 per cent from KSh 110.11 per litre in December 2013 to KSh 102.86 per litre in December 2014. Similarly, the average price of gas oil dropped from KSh 105.44 per litre to KSh 91.79 per litre during the same period. The retail price of 13 kilogramme cylinder of LPG , increased by 5.0 per cent to KSh 3,018.45 in December 2014 compared to KSh 2,876.00 in December 2013.

Table 10.6: Average Retail Prices of Selected Petroleum Products, 2010- 2014

Year	Month/ Quarter	KSh per Litre				Ksh per 13 Kg Cylinder
		Motor Gasoline		Gas Oil	Illuminating Kerosene	Liquified Petroleum Gas (LPG)
		Premium	Regular			
2010	Jan-Mar	84.72	83.71	73.76	62.28	1,926.95
	Apr-Jun	88.30		77.51	64.66	2,059.00
	Jul-Sep	91.98		78.78	65.28	2,010.82
	Oct-Dec	95.65		85.72	70.46	2,081.71
2011	Jan-Mar	99.22		92.40	81.28	2,312.74
	Apr-Jun	114.76		108.18	90.71	2,338.94
	Jul-Sep	117.60		108.63	88.69	2,394.81
	Oct-Dec	119.85		110.81	91.67	2,630.61
2012	Jan-Mar	112.40		106.95	85.85	3,001.32
	Apr-Jun	119.84		108.42	86.34	2,803.48
	Jul-Sep	108.72		99.40	76.87	2,652.67
	Oct-Dec	114.59		106.76	86.63	2,619.50
2013	Jan-Mar	115.03		106.69	86.96	2,645.46
	Apr-Jun	113.77		103.07	81.35	2,597.66
	Jul-Sep	112.54		104.66	83.87	2,658.46
	Oct-Dec	110.79		105.00	84.54	2,852.42
2014	January	111.41		105.65	85.98	2,995.22
	February	112.37		106.72	83.99	3,027.03
	March	114.43		105.79	84.82	3,094.16
	April	114.98		104.74	84.08	3,098.25
	May	115.55		105.63	83.73	3,075.06
	June	115.43		105.73	84.04	3,074.57
	July	116.67		105.59	85.03	3,042.80
	August	117.43		103.90	83.97	3,109.67
	September	112.46		103.28	82.55	3,111.74
	October	111.72		101.59	81.81	3,068.58
	November	107.64		95.45	77.24	3,033.28
	December	102.86		91.79	72.30	3,018.42

**Electricity** 10.14. Details of effective capacity and generation of electricity by source is shown in Table 10.7 and Figure 10.3. Total effective capacity expanded by 4.7 per cent from 1,717.8 MW in 2013 to 1,798.3 MW in 2014. This was mainly as a result of an increase in geothermal capacity to 347.8 MW in 2014 from 236.5 MW registered in 2013. Co-generation effective capacity remained at 2013 level of 21.5 MW. Thermal capacity declined slightly from 693.2 MW recorded in 2013 to 632.0 MW in 2014.

10.15. Total electricity generation expanded by 8.2 per cent from 8,447.9 GWh in 2013 to 9,138.7 GWh in 2014. Generation from geothermal plants went up to 2,917.4 GWh in 2014 from 1,780.9 GWh recorded in 2013. This was mainly attributed to increased generation due to enhanced capacity during the year. Thermal generation increased from 2,161.7 GWh to 2,585.2 GWh during the same period. Hydro and geothermal power accounted for the bulk of power with a total share of 71.0 per cent in 2014.

Table 10. 7: Effective Capacity and Generation of Electricity<sup>1</sup>, 2010-2014

	EFFECTIVE CAPACITY MW					GENERATION GWh								
	Hydro	Thermal Oil	Geo thermal	Co-generation	Total	Hydro <sup>2</sup>	Thermal oil				Geo thermal	Co-generation	Wind	Total
							KenGen	IPP	EPP	Total				
2010	728.0	469.2	189.0	26.0	1,412.2	3,224.0	291.0	1,370.0	540.0	2,201.0	1,442.0	92.0	16.8	6,975.8
2011	735.0	582.7	190.6	26.0	1,534.3	3,217.2	903.0	1,538.8	358.7	2,800.5	1,443.7	80.9	17.6	7,559.9
2012	769.9	610.6	199.6	26.0	1,606.1	4,015.9	682.5	1,208.9	309.0	2,200.4	1,515.9	104.7	14.4	7,851.3
2013	766.6	693.2	236.5	21.5	1,717.8	4,435.0	598.3	1,386.2	177.2	2,161.7	1,780.9	55.6	14.7	8,447.9
2014*	797.0	632.0	347.8	21.5	1,798.3	3,569.0	844.2	1,673.0	68.0	2,585.2	2,917.4	50.0	17.0	9,138.7

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

\* Provisional

<sup>1</sup>Includes generation for industrial establishment with generation capacity of over 100KVA plus emergency supply of 99 MW by contracted generators

<sup>2</sup>Includes Imports

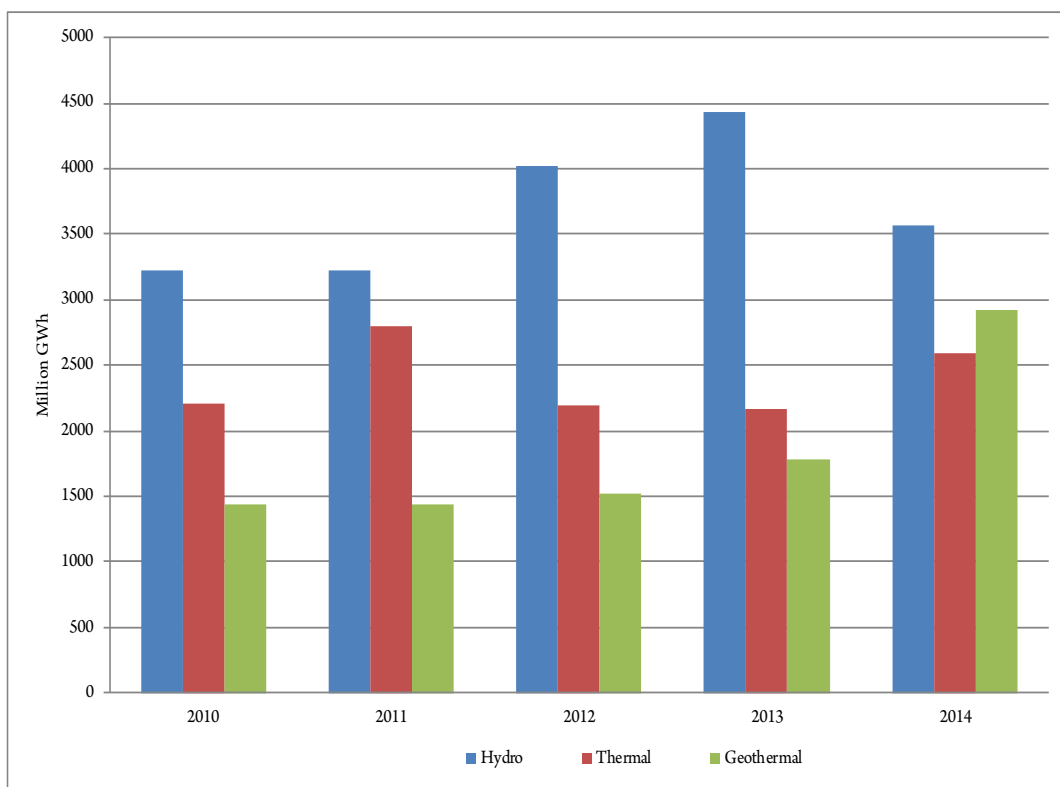
1 megawatt = million watts = 1,000 kilowatts.

1 Gigawatt hour = 1,000,000 kilowatt hours

IPP: Independent Power Producers

EPP: Emergency Power Producers

Figure 10.3: Generation of Electricity by Source, 2010-2014



10.16. Demand and supply balance particulars of electricity are shown in Table 10.8. The domestic demand for electricity recorded an increase of 12.1 per cent to 7,768.6 million KWh in 2014 from 6,928.1 million KWh in 2013. Domestic and small commercial consumption rose by 14.2 per cent and accounted for 45.5 per cent of the total demand. Sales to large and medium commercial and industrial consumers increased by 8.5 per cent and accounted for 54.1 per cent of the total demand, in the review period.

10.17. Rural electrification power demand registered an accelerated growth of 28.2 per cent in 2014, consistent with increased connections. Total electricity imports from Uganda and Tanzania increased more than three-fold from 49.0 million KWh in 2013 to 158.4 million KWh in 2014. In contrast, exports to Uganda and Tanzania declined by 29.5 per cent to 30.8 million KWh during the same period. Transmission losses and unallocated demand decreased by 9.3 per cent to 1,339.3 million KWh. Net generation went up by 6.9 per cent from 8,398.9 million KWh to 8,980.3 million KWh, in the same period.

**Table 10.8: Electricity Supply and Demand, 2010-2014**

	Million KWh				
	2010	2011	2012	2013	2014*
<b>DEMAND</b>					
Domestic and Small Commercial .....	2,200.3	2,471.4	2,568.5	2,866.1	3,273.8
Large & Medium (Commercial and Industrial).. ....	3,204.9	3,440.3	3,409.2	3,585.3	3,891.5
Off-peak .....	38.2	37.9	36.0	32.7	33.7
Street Lighting .....	20.5	17.9	20.6	17.2	22.5
Rural Electrification .....	290.8	306.1	380.1	426.8	547.1
<b>TOTAL DOMESTIC DEMAND</b> .....	<b>5,754.7</b>	<b>6,273.6</b>	<b>6,414.4</b>	<b>6,928.1</b>	<b>7,768.6</b>
<b>Exports to Uganda &amp; Tanzania</b> .....	<b>29.6</b>	<b>37.3</b>	<b>32.7</b>	<b>43.7</b>	<b>30.8</b>
Transmission losses <sup>1</sup> and unallocated demand .....	1,191.5	1,248.9	1,404.2	1,476.1	1,339.3
<b>TOTAL DEMAND = TOTAL SUPPLY</b> <sup>2</sup> .....	<b>6,975.8</b>	<b>7,559.8</b>	<b>7,851.3</b>	<b>8,447.9</b>	<b>9,138.7</b>
Less imports from Uganda and Tanzania .....	30.0	33.9	39.1	49.0	158.4
<b>Net generation</b> .....	<b>6,945.8</b>	<b>7,525.9</b>	<b>7,812.2</b>	<b>8,398.9</b>	<b>8,980.3</b>

Source: Kenya Power and Lighting Company Ltd

\*Provisional

<sup>1</sup>Voltage losses in power transmission lines

<sup>2</sup>Total supply equals Total generation

10.18. Details of demand and supply of commercial energy, expressed in terms of primary source, are presented in Table 10.9. Consumption of coal and coke expanded by more than 50 per cent to 328.7 thousand tonnes of oil equivalent in 2014. Total consumption of hydro and geothermal energy rose by 6.1 per cent from 538.6 thousand tonnes of oil equivalent in 2013 to 571.4 thousand tonnes in 2014. This was mainly due to an increase of 63.9 per cent in local production of geothermal power during the period. Total energy consumption increased by 8.6 per cent to 4,838.0 thousand tonnes of oil equivalent in 2014.

**Table 10.9: Production, Trade and Consumption of Energy by Primary Sources, 2010-2014**

	'000 tonnes of Oil Equivalent				
	2010	2011	2012	2013	2014*
COAL AND COKE.....	165.2	236.3	211.3	208.9	328.7
LIQUID FUELS .....	3,765.7	3,857.9	3,638.6	3,707.9	3,937.9
Imports of crude oil .....	1,551.5	1,772.1	997.1	567.4	0.0
Net exports of petroleum .....	1,941.1	2,119.8	2,744.2	2,948.4	2,948.4
Stock changes and balancing item .....	273.1	-34.0	-102.7	192.1	192.7
HYDRO AND GEOTHERMAL ENERGY:-	403.8	403.6	479.0	538.6	571.4
Total Local Energy Production.. ..	401.2	400.7	475.6	534.4	557.8
Local production of hydro power .....	277.2	276.6	345.3	381.3	306.9
Local production of geothermal power .....	124.0	124.1	130.3	153.1	250.9
Imports of hydro power .....	2.6	2.9	3.4	4.2	13.6
<b>TOTAL ENERGY CONSUMPTION .....</b>	<b>4,334.7</b>	<b>4,497.8</b>	<b>4,328.9</b>	<b>4,455.4</b>	<b>4,838.0</b>
TOTAL NET IMPORTS .....	-221.8	-108.5	-1,532.4	-2,167.9	-2,606.1
LOCAL PRODUCTION AS PERCENTAGE OF					
TOTAL .....	9.3	8.9	11.0	12.1	12.1
PER CAPITA CONSUMPTION IN TERMS					
OF KILOGRAMMES OF OIL					
EQUIVALENT.. ..	112.7	113.7	106.5	106.6	112.6

10.19. Local production of energy as a percentage of total energy consumption remained at the 2013 level. Energy consumption per capita expressed in kilogrammes of oil equivalent increased to 112.6 per person in 2014 from 106.6 per person in 2013.

### Rural Electrification

#### Developments in the Energy Sector

10.20. The Rural Electrification Authority (REA) targeted to supply electricity in 2013/14 to all the un-electrified primary schools as a necessary infrastructure for the class one laptop programme implementation. By the end of June 2014, REA had financed electricity supply to a total of 5,084 primary schools of which 4,481 were connected on national grid and 603 on solar. Major projects in progress during 2014/15 include 5,082 primary schools to be electrified through the national grid and 2,460 schools, through solar at a cost of KSh11.0 billion and KSh 4.0 billion, respectively.

10.21. The cumulative capital expenditure since inception of the Rural Electrification Programme in 1973 rose to KSh 68.2 billion during 2013/14, up from KSh 50.0 billion in 2012/13. A total of KSh 2.2 billion was collected from the Rural Electrification Levy in 2013/14 compared to KSh 1.3 billion collected in 2012/13.

10.22. The number of customers connected under the programme expanded by 16.5 per cent to stand at 528,552 as at July 2014 up from 453,544 in July 2013. Units of electricity sold increased by 45.0 per cent from 313 million units to 454 million units while revenue realised grew by 20.0 per cent from KSh 60 billion in 2012/13 to KSh 7.2 billion in 2013/14, respectively.

10.23. Olkaria IV and Olkaria I had additional units both with a capacity of 140 MW each. Ngong I Wind Phase 2 (6.8 MW), Ngong II Wind (13.4 MW) and Wellhead plants were the major electric-power energy projects implemented and completed

in 2014. Olkaria I Unit 6, Olkaria I rehabilitation, Olkaria V, Olkaria VI, Olkaria VII, wellhead Units and Meru Wind Project Phase 1 with installed capacities of 70, 50, 140, 140, 350 and 100 MW, respectively are the power generation projects under construction.

10.24. The Ministry of Energy and Petroleum sustained the promotion of the use of solar by installing solar electricity systems in institutions located far from the national grid. The programme, initiated in 2005, is an affirmative action aimed at supplying power to primary boarding schools, secondary schools, health centres, dispensaries and administrative units. During 2013/14, the number of institutions covered were 66. By the end of 2013/14, the cumulative number of institutions with working Solar PV systems installed were 998 at an accumulated cost of KSh 3.2 billion. The accumulated cost of installing Solar PV systems in Arid and Semi Arid Lands (ASAL) counties of North Eastern and Eastern regions was KSh 1.98 billion as at the end of 2013/14.

## Chapter 11

### Manufacturing

**Overview** **T**he manufacturing sector's contribution to Gross Domestic Product (GDP) has remained at an average of 10 per cent for more than ten years. However, the Vision 2030 stipulates that the sector should account for 20 per cent of GDP. Achieving this goal requires addressing some underlying constraints that hinder faster growth. These include high input cost, decline in investment portfolio for some activities, transport infrastructure, high cost of credit and stiff competition from imports. In an effort to spur growth in the sector, the Government continues to invest in both infrastructure development projects and cheap energy supply mainly in geothermal and wind energy. Essentially, this will improve competitiveness of manufactured products in the domestic and global markets. Equally, the Government initiative to attract investors through the Special Economic Zones (SEZs) programme which allows lower levels of taxation and fewer regulatory hurdles is expected to boost the country's industrial output.

11.2. In 2014, the manufacturing sector real output expanded by 3.4 per cent compared to a growth of 5.6 per cent in 2013. The sector's volume of output increased by 4.5 per cent in 2014. The modest inflation during the year under review contributed to capital accumulation in the sector, thus boosting production. The decrease in oil prices in the second half of the year also contributed to reduction in input costs.

11.3. Over the review period, Export Processing Zone (EPZ) programme recorded improved performance in most of the indicators. These included exports, imports, employment, number of gazetted zones, and local expenditure on goods and services. However, the number of operating enterprises, domestic sales and cumulative investments reduced. The total value of manufacturing projects approved by financial institutions rose by 30.3 per cent to KSh 237.9 billion in 2014

11.4. Formal employment in the manufacturing sector rose by 2.9 per cent to 287,456 persons in 2014. Some of the activities which had high increases in employment numbers were manufacture of pharmaceutical products, paints and varnishes, animal feeds and dairy products. Similarly, total wage earnings increased by 12.4 per cent from KSh 98.3 million in 2013 to KSh 110.5 million in 2014.

**Manufacturing Output** 11.5. Details of manufacturing sector value of output at current prices, intermediate consumption, value added and compensation of employees are presented in Table 11.1. Value of manufacturing output increased by 4.8 per cent in 2014 compared to 7.3 per cent growth in 2013, while value added rose by 5.9 per cent. During the review period, intermediate consumption rose by 4.4 per cent while compensation of employees increased by 11.2 per cent.



**Table 11.1: Manufacturing + Output, Compensation of Employees and Value Added, 2010-2014**

YEAR	Current Prices - KSh Million			
	Value of Output	Intermediate Consumption	Value Added	Compensation of Employees
2010 .....	1,258,527	901,809	356,718	91,864
2011 .....	1,580,775	1,142,961	437,814	97,819
2012 .....	1,619,622	1,150,120	469,502	105,714
2013 .....	1,737,699	1,230,175	507,524	127,186
2014* .....	1,821,833	1,284,510	537,323	141,471

\* Provisional.

### Quantum Index

11.6. Table 11.2 shows the quantum index of manufacturing production from 2010 to 2014. This index reflects change in the quantity of goods manufactured during the five year period. The manufacturing sector output volume expanded by 4.5 per cent in 2014. The sub-sectors that recorded growths of above 10 per cent are animal feeds, tobacco products, pharmaceutical products, other non-metallic mineral products, fabricated metal products, manufacture of furniture and other manufacturing not elsewhere classified. However, the prepared and preserved fruits and vegetables, beverages, and machinery and equipment sub-sectors registered drops in output during the review period. Further, the production was affected by lack of output of refined petroleum products since the country stopped refining crude from Kenya Petroleum Refinery Limited (KPRL).

**Table 11.2: Quantum Index<sup>+</sup> of Manufacturing Production, 2010-2014**

Meat and Meat Products .....	98.1	105.1	109.2	109.4	108.8	-0.5
Processing and preserving of fish.....	95.3	110.7	87.8	85.0	86.7	2.0
Prepared and Preserved Fruits and Vegetables .....	104.7	109.7	102.9	120.0	103.1	-14.1
Animal and Vegetable Fats and Oils .....	103.7	101.1	98.9	111.4	118.8	6.6
Dairy Products .....	137.5	149.0	144.9	147.4	156.8	6.4
Grain Mill Products.....	116.6	126.3	130.3	137.4	148.7	8.2
Bakery Products.....	98.7	109.4	93.3	98.4	104.4	6.1
Sugar .....	95.6	89.5	90.1	109.5	108.1	-1.3
Cocoa, Chocolate and Sugar Confectionery .....	103.6	121.8	133.4	131.6	133.0	1.1
Food Products nec.....	122.1	116.3	113.8	129.7	133.8	3.2
Animal Feed.....	106.7	114.9	122.6	131.0	148.3	13.2
<b>Total Food Products.....</b>	<b>111.9</b>	<b>114.1</b>	<b>113.1</b>	<b>123.6</b>	<b>128.4</b>	<b>3.9</b>
Beverages .....	103.1	113.6	122.9	112.5	105.3	-6.4
Tobacco Products.....	104.1	117.7	128.2	119.6	144.0	20.4
<b>Beverages and Tobacco.....</b>	<b>103.3</b>	<b>114.3</b>	<b>123.8</b>	<b>113.7</b>	<b>112.0</b>	<b>-1.5</b>
Textiles .....	106.2	110.4	117.7	112.1	115.2	2.8
Wearing Apparel.....	107.7	112.8	119.0	132.7	139.1	4.8
Leather and Related Products.....	120.1	132.7	130.9	135.4	129.0	-4.7
Wood and Products of Wood .....	95.5	101.7	98.6	100.1	108.4	8.3
Paper and Paper Products.....	116.1	126.0	133.1	143.0	145.1	1.5
Printing and Production of Recorded Media.....	100.4	100.5	100.2	102.3	99.3	-2.9
Refined Petroleum Products.....	103.2	114.0	91.4	47.0	0.0	0.0
Chemical and Chemical Products.....	110.0	116.0	116.1	112.6	115.7	2.8
Pharmaceutical Products.....	119.6	136.1	146.5	179.5	203.9	13.6
Rubber Products.....	96.1	72.0	82.1	100.2	99.0	-1.2
Plastic Products.....	102.1	110.0	116.5	114.1	123.5	8.2
<b>Rubber and Plastic Products.....</b>	<b>101.1</b>	<b>103.8</b>	<b>110.9</b>	<b>111.8</b>	<b>119.5</b>	<b>6.9</b>
Other Non-metallic Mineral Products.....	109.9	119.3	125.3	135.1	156.1	15.5
Basic Metals.....	107.2	120.2	124.2	149.8	149.9	0.1
Fabricated Metal Products.....	110.6	123.1	131.7	154.3	175.1	13.5
Electrical Equipment.....	107.6	127.1	124.8	133.3	145.1	8.9
Machinery and Equipment nec.....	101.5	93.6	89.7	90.8	77.1	-15.1
Motor Vehicle, Trailers and Semi Trailers.....	104.9	113.1	123.3	119.3	125.9	5.5
Manufacture of furniture.....	108.4	150.2	164.2	183.8	208.3	13.3
Other Manufacturing nec.....	115.3	139.5	134.7	139.5	174.6	25.2
Repair and Installation of Machinery and Equipment...	105.9	106.8	106.8	110.2	117.8	6.9
<b>Total Manufacturing.....</b>	<b>109.3</b>	<b>116.3</b>	<b>119.2</b>	<b>127.5</b>	<b>133.3</b>	<b>4.5</b>

\* Provisional

+ Revised series

Note : nec - not elsewhere classified

11.7. Production of meat and meat products registered a marginal drop on account of reduced quantities of beef, mutton and pork. Production of processed chicken and sausages went up by 10.2 and 9.6 per cent, respectively. Over the same period, production of processed and preserved fish rose by 2.0 per cent.

11.8. Production of prepared and preserved fruits and vegetables contracted by 14.1 per cent in 2014. This was as a result of mixed performance in the sub-sectors with the quantities of prepared and preserved fruits posting a 20.2 per cent depressed output, while canned vegetables expanded by 2.8 per cent.

11.9. Production of animal and vegetable fats and oils recorded a growth of 6.6 per cent in 2014. This was mainly driven by production of vegetable oils which grew considerably by 14.3 per cent to 186,143.4 tonnes in 2014. The quantity of margarine produced went up by 3.8 per cent during the review year. However, the volume of vegetable fats dropped by 2.1 per cent over the same period.

11.10. The dairy products sub-sector registered a growth of 6.4 per cent during the review period. This was explained by the volume of processed fresh milk that increased by 4.2 per cent from 402.2 million litres in 2013 to 419.1 million litres in 2014. Production of yoghurt and other fermented milk grew by 16.8 per cent in the same period.

11.11. Grain mill products sub-sector recorded a growth of 8.2 per cent in 2014. Production of maize flour increased by 4.4 per cent while wheat flour rose by 10.5 per cent to 882.3 thousand tonnes in 2014. The volume of milled rice went up from 57.0 thousand tonnes in 2013 to 60.5 thousand tonnes in 2014. Similarly, production of animal feeds registered a 13.2 per cent growth which was mainly driven by poultry feeds which grew by 26.8 per cent. Production of cattle feed grew by 1.2 per cent during the same period.

11.12. Manufacture of bakery products registered a 6.1 per cent growth in 2014 which was as a result of 9.7 per cent increase in the production of bread. However, biscuits production dropped by 12.1 per cent in 2014.

11.13. Sugar production dropped by 1.2 per cent from 600.2 thousand tonnes in 2013 to 592.7 thousand tonnes in 2014. This was mainly attributed to prolonged closure of some sugar factories for repairs and partly due to low cane deliveries.

11.14. Cocoa, chocolate and sugar confectionary sub-sector recorded a growth of 1.1 per cent in 2014. This is attributed to production of chewing gum and sweets which went up by 4.8 and 1.5 per cent, respectively, during the review period. However, production of cocoa powder dropped by 13.2 per cent partly due to the closure of one of the manufacturing companies towards the end of first quarter 2014.

11.15. The food products not elsewhere classified which includes coffee, tea, refined salts, among others registered a 3.2 per cent growth in 2014. The quantity of semi-processed coffee increased by 5.6 per cent from 40,209.6 tonnes in 2013 to 42,450.0 tonnes in 2014. Tea production improved by 2.9 per cent from 432,453.0 thousand tonnes in 2013 to 445,106.0 thousand tonnes in 2014. Production of yeast and refined salt increased marginally during the period under review.

11.16. The beverages sub-sector continued to contract for the second consecutive year. In 2014, production of beverages decreased by 6.4 percent compared to a decline of 8.5 in 2013. The contraction is as a result of the continued decline in the production of beer which decreased by 14.7 per cent in 2014, a drop similar to the one registered in 2013. The cumulative effect of this is a drop in beer production by almost one third in the last two years. Over the same period, production of spirits dropped by 1.9 per cent. This could be attributed to the increased excise duties on beer and spirits, specifically the low cost brands. However, production of soft drinks (carbonated drinks) increased by 14.2 per cent from 403.9 million litres in 2013 to 461.4 million litres in 2014. Production of mineral water improved by 7.6 per cent over the review period.

11.17. The tobacco products sub-sector registered a 20.4 per cent growth in 2014. The growth was mainly driven by cigarette production which went up by 21.3 per cent during the year under review. Over the same period, exports of tobacco and tobacco products rose by 43.4 per cent while local consumption dropped by 37.6 per cent. Reduction in local consumption may be attributed to rising cigarette prices and increased anti-smoking campaigns. Other tobacco products recorded production drops in 2014.

11.18. The textile sub-sector recorded a 2.8 per cent growth in 2014. The growth was as a result of increased production of knitting wool, woven fabric and blankets which went up by 25.5,

16.4 and 4.3 per cent, respectively. However, production of twine, cordage and rope dropped by more than 25 per cent in 2014.

11.19. The wearing apparel sub-sector recorded a growth of 4.8 per cent during the review period with cardigans registering highest growth of 13.4 per cent, followed by T-shirts and shirts with 5.2 and 1.4 per cent, respectively.

11.20. The leather and related products sub-sector registered a drop of 4.7 per cent in 2014. This was as a result of decline in the quantities of finished leather by 7.4 per cent. Production of shoes with uppers of leather went up by 3.8 per cent while that of shoes with uppers of plastic and rubber increased by 5.9 per cent during the same period.

11.21. Production of wood and products of wood went up by 8.3 per cent in 2014. This was attributed to production of plywood and block boards which rose by 6.4 and 5.3 per cent, respectively. The paper and paper products sub-sector registered a growth of 1.5 per cent in 2014. Production of toilet paper and serviettes rose by 15.8 per cent while that of cartons grew by 1.2 per cent during the review period. However, production of exercise books dropped by 4.2 per cent. Similarly, printing and production of recorded media went down by 2.9 per cent in 2014.

11.22. The chemical and chemical products sub-sector recorded a 2.8 per cent growth in 2014. Production of paints and vanishes improved by 8.3 per cent. Similarly, manufacture of soap grew by 5.9 per cent while detergent production increased by 3.1 per cent during the same period. Production of basic inorganic chemicals and industrial spirits dropped by 7.0 and 3.3 per cent, respectively. Similarly, the production of shoe polish declined by 3.0 per cent in 2014.

11.23. The pharmaceutical sub-sector has been recording impressive performance over the recent years. In 2014, the sub-sector registered a 13.6 per cent growth. Production of drugs in syrup, capsules and tablets form went up by 17.2, 15.2 and 11.9 per cent, respectively, during the review period.

11.24. The rubber and plastic products sub-sector registered a positive growth of 6.9 per cent in 2014. Production of plastic pipes increased by 17.2 per cent, followed by polythene bags and plastic tanks which rose by 8.2 and 2.4 per cent, respectively during the year under review. However, production of motor vehicle tyres declined by 1.2 per cent in 2014 after recording a growth of 22.0 per cent in 2013.

11.25. Production of basic metals rose marginally in 2014. This was attributed to a decrease in the quantities of galvanized sheets from 305.1 thousand tonnes in 2013 to 284.5 thousand tonnes in 2014. Production of iron bar, rods and angles went up by 19.5 per cent during the review period.

11.26. The fabricated metal products sub-sector went up by 13.5 per cent in 2014. The growth was mainly driven by production of metal structures and sufurias which grew by 19.6 and 13.6 per cent, respectively, during the review period. However, production of nails dropped by 1.5 per cent in 2014.

11.27. Production of electrical equipment registered an 8.9 per cent growth during the review period. The quantities of cables made of copper and aluminum increased by 10.1 per cent. Over the same period, the production of motor vehicle batteries increased by 6.9 per cent. Production of machinery and equipments, not elsewhere classified, dropped by 15.1 per cent in 2014.

11.28. The motor vehicles, trailers and semi-trailers sub-sector recorded a 5.5 per cent growth in 2014. The assembly of motor vehicles grew by 31.4 per cent with pick-ups, trucks and buses registering high growths of 54.4, 43.7 and 20.8 per cent, respectively, during the review period. Production of trailers and semi-trailers rose by 4.6 per cent. During the same period, production of bus bodies increased by 6.4 per cent.

11.29. The furniture sub-sector registered a 13.3 per cent increase in 2014. The growth was mainly driven by increased production of mattresses by 21.5 per cent. Production of furniture went up by 2.0 per cent over the same period. Production of other manufactured articles, not elsewhere classified, recorded a 25.2 per cent growth in 2014 while repair and installation of machinery and equipment grew by 6.9 per cent.

11.30. The other non-metallic mineral products sub-sector recorded a remarkable growth of 15.5 per cent in 2014. Production of cement continued to record improved performance necessitated by increased demand in the construction sector. Manufacture of glass bottles increased by 3.6 per cent in 2014 after registering a drop of 19.5 per cent in 2013.

**Cement Production and Utilization** 11.31. As shown in Table 11.3, quantities of cement produced expanded by 16.3 per cent in 2014 to 5,882.5 thousand tonnes, which was a higher growth compared to 7.8 per cent rise witnessed in the previous year. There was a notable rise in cement consumption and stocks to 5,196.7 thousand tonnes, a 21.8 per cent increase, driven by robust growth in construction activities. Imports of cement increased by 5.8 per cent from 34.4 thousand tonnes in 2013 to 36.4 thousand tonnes in 2014. Total exports of cement to Uganda and Tanzania reduced by 7.8 per cent to 547.7 thousand tonnes in the year under review. Exports of cement to destinations other than Uganda and Tanzania reduced from 233.9 thousand tonnes in 2013 to 175.2 thousand tonnes in 2014.

**Table 11.3: Cement Production and Utilization, 2010-2014**

YEAR	PRODUCTION	IMPORTS	CONSUMPTION AND STOCKS	'000 Tonnes EXPORTS TO	
				Uganda and Tanzania	All Other Countries
				2010.....	3,709.8
2011.....	4,478.4	53.0	3,823.0	583.1	125.3
2012.....	4,693.7	35.3	3,991.2	561.7	176.7
2013.....	5,059.1	34.4	4,266.5	594.0	233.9
2014*.....	5,882.5	36.4	5,196.7	547.7	175.2

\* Provisional

**Credit to Manufacturing Sector** 11.32. Financial institutions play a key role in promoting industrial growth through provision of loans and credit. Enterprises with adequate financial access have greater potential to grow through increase in productive capacities. Table 11.4 shows the number of manufacturing projects approved and loans advanced by selected industrial financial institutions and other commercial banks and their corresponding expenditure. Total value of projects approved rose to KSh 237.9 billion in 2014 from KSh 182.6 billion in 2013. The value of projects approved by the selected industrial financial institutions in 2014 was KSh 569.1 million which was almost half the value endorsed in 2013. This was attributed to reduction in the value of approved expenditures by the selected financial institutions with the exception of Kenya Industrial Estates (KIE). However, the total number of projects endorsed by the financial institutions increased from 268 in 2013 to 549 in 2014.

**Table 11.4: Manufacturing Projects Approved and Loans Advanced by Selected Industrial Financial Institutions and Other Commercial Banks, 2010 -2014**

INSTITUTION	Number of Projects					Approved expenditure(KSh Million)				
	2010	2011	2012	2013	2014*	2010	2011	2012	2013	2014*
Industrial Development Bank (IDB) Capital limited	3	2	3	5	3	175.0	112.6	95.5	339.1	74.2
Development Bank of Kenya (DBK) Kenya Industrial Estates Limited (KIE)	4	3	5	4	2	116.0	120.0	182.3	230.0	66.6
Industrial and Commercial Development Corporation (ICDC)	60	119	109	257	543	16.7	36.9	68.5	104.9	194.3
	0	0	2	2	1	0	0	126.0	431.6	234.0
<b>Sub - total</b>	<b>67</b>	<b>124</b>	<b>119</b>	<b>268</b>	<b>549</b>	<b>307.7</b>	<b>269.5</b>	<b>472.3</b>	<b>1,105.6</b>	<b>569.1</b>
All other commercial banks <sup>1</sup>	..	..	..	..	..	112,105.6	146,076.8	169,080.0	181,457.1	237,355.8
<b>TOTAL</b>	<b>67</b>	<b>124</b>	<b>119</b>	<b>268</b>	<b>549</b>	<b>112,413.3</b>	<b>146,346.3</b>	<b>169,552.3</b>	<b>182,562.6</b>	<b>237,924.9</b>

\* Provisional

<sup>1</sup> Source: Central Bank of Kenya, it excludes DBK.

11.33. Industrial Development Bank (IDB) Capital Limited endorsed three manufacturing projects worth KSh 74.2 million in 2014. This was a drop from five projects worth KSh 339.1 million approved in 2013 which was necessitated by reduction in lending resources. Among the projects approved in 2014, one was a start-up while the remaining were expansion activities.

11.34. Development Bank of Kenya (DBK) recorded a significant decrease in loan advancements in 2014 compared to 2013. The Bank approved two manufacturing projects worth KSh 66.6 million in 2014 down from four projects worth KSh 230.0 million in 2013. The main activities of these projects were on heavy engineering services, printing and packaging.

11.35. Industrial and Commercial Development Corporation (ICDC) approved one project for mango processing in 2014. The amount endorsed for the project was KSh 230.0 million which was slightly more than a half the value approved in 2013.

11.36. Kenya Industrial Estates (KIE) continued to play its role of promoting indigenous entrepreneurship by financing and developing small scale and micro enterprises. As shown in Table 11.5, KIE approved 543 projects mainly small and medium enterprises worth KSh 194.3 million in 2014 from KSh 104.9 million advanced in 2013. Manufacture of food products was the major beneficiary of the loans in 2014 receiving a third of the total disbursements to the sector.

**Table 11.5: Manufacturing Projects Approved and Loans Advanced by KIE, 2010-2014**

Descriptions	Number of Projects					Advanced Loans (KSh '000)				
	2010	2011	2012	2013	2014*	2010	2011	2012	2013	2014*
Manufacture of food products .....	31	43	48	83	193	8,530	12,888	30,330	36,545	64,855
Manufacture of beverages .....	0	0	0	3	3	0	0	0	1,747	6,791
Manufacture of animal feeds .....	0	0	0	0	2	0	0	0	0	1,500
Manufacture of food products nec .....	0	0	0	0	2	0	0	0	0	3,327
Manufacture of textiles .....	1	4	3	4	3	500	865	3,000	1,360	1,900
Manufacture of wearing apparel .....	14	31	24	46	139	3,640	8,840	7,922	18,319	29,891
Manufacture of leather and related products .....	0	0	0	2	1	0	0	0	550	840
Manufacture of wood and products of wood and cork except furniture .....	0	1	0	7	17	0	350	0	3,905	9,693
Manufacture of paper and paper products .....	0	0	0	0	1	0	0	0	0	10,000
Printing and reproduction of recorded media .....	5	9	2	13	20	2,000	2,830	450	6,400	10,700
Manufacture of chemicals and chemical products .....	0	2	0	0	0	0	1,500	0	0	0
Manufacture of other non-metallic mineral products .....	2	3	3	7	7	230	700	14,995	1,720	1,510
Manufacture of fabricated metal products except machinery and equipment .....	5	17	19	53	105	1,250	6,000	7,656	20,085	35,005
Manufacture of furniture .....	1	7	8	34	48	400	2,650	3,600	12,470	17,606
Other manufacturing nec .....	1	2	2	3	2	200	280	550	1,400	700
Repair and installation of machinery and equipment .....	0	0	0	2	0	0	0	0	350	0
<b>TOTAL</b> .....	<b>60</b>	<b>119</b>	<b>109</b>	<b>257</b>	<b>543</b>	<b>16,750</b>	<b>36,903</b>	<b>68,503</b>	<b>104,851</b>	<b>194,316</b>

Source: Kenya Industrial Estates

\* Provisional

11.37. Kenya Investment Authority (KenInvest) recorded a significant decrease in proposed investments in the manufacturing sector. The value of investments stood at KSh 7.4 billion in 2014 from KSh 42.1 billion in 2013. This was mainly as a result of a decline in the number of projects from 42 in 2013 to 19 in 2014. The projects concentrated more on manufacture of food products; fabricated metal products; chemical and chemical products; and pharmaceutical products. The local investment accounted for 67.4 per cent of the total investments in 2014.

### Export Processing Zones

11.38. Table 11.6 presents the performance of selected Export Processing Zone (EPZ) indicators. In 2014, the programme recorded improved performance in most of the indicators. These include exports, imports, employment, number of gazetted zones and expenditure on local goods and services. However, in 2014, the number of operating enterprises, domestic sales and cumulative investments reduced.

**Table 11.6: Selected Performance Indicators for EPZ, 2010-2014**

	Unit	2010	2011	2012	2013	2014*
Gazetted Zones .....	Number	42	44	47	50	52
Enterprises Operating .....	"	75	79	82	85	84
Employment - Locals .....	"	31,026	32,043	35,501	39,961	45,984
- Expatriates .....	"	476	421	428	472	517
<b>Total Workers</b> .....		<b>31,502</b>	<b>32,464</b>	<b>35,929</b>	<b>40,433</b>	<b>46,501</b>
Export Sales .....	KSh Million	28,998	39,067	39,963	44,427	53,165
Domestic Sales <sup>1</sup> .....	"	3,350	3,375	4,310	5,867	3,623
<b>Total Sales</b> .....		<b>32,348</b>	<b>42,442</b>	<b>44,273</b>	<b>50,294</b>	<b>56,788</b>
Imports .....	"	16,518	21,443	24,973	27,413	29,981
Local Purchases of Goods and Services .....	"	4,661	6,297	8,027	7,721	7,877
Investment (cumulative) .....	"	23,563	26,464	38,535	48,004	42,546

Source: Export Processing Zones Authority (EPZA)

\* Provisional

<sup>1</sup> Includes sales to duty free shops and agencies

11.39. Two new EPZ zones were gazetted in 2014 which, increased the total number to 52. Out of all the gazetted zones, two were public while 50 were owned and operated privately. In terms of locality, 23 zones were in Mombasa, nine in Nairobi, four in Kilifi, three in Athi River, two in Bomet; and one each in Voi, Kerio Valley, Thika, Isinya, Ruiru, Malindi, Eldoret, Muranga, Meru, Laikipia and Nandi.

11.40. The enterprises under the EPZ programme increased their total sales by 12.9 per cent to KSh 56,788 million in 2014 from KSh 50,294 million in 2013. Exports which form the bulk of sales increased by 19.7 per cent to KSh 53,165 million in 2014. Domestic sales decreased from KSh 5,867 million in 2013 to KSh 3,623 million in 2014. This was mainly attributed to expansion of export market occasioned by inclusion of other East Africa Community (EAC) Partner States. The imports of inputs, equipment and machinery by EPZ zones rose by 9.4 per cent to KSh 29,981 million in 2014. Local purchases increased marginally to KSh 7,877 million over the same period.

11.41. The cumulative capital investment in the form of equipment, machinery and other funds invested by the 84 operational enterprises decreased to KSh 42,546 million in 2014 from KSh 48,004 million in 2013. This was as a result of one major capital intensive firm that was degazetted.

11.42. A total of 46,501 workers were employed in EPZ in the period under review which was a 15.0 per cent increase from 2013. The garment/apparel enterprises accounted for 81.2 per cent of the total employment. Employment of locals in the EPZ expanded from 39,961 in 2013 to 45,984 in 2014.

**Impact of African Growth and Opportunity Act**

11.43. African Growth and Opportunity Act (AGOA) is a trade preference programme that provides duty-free treatment to United States of America (USA) imports of certain products, especially apparel, from eligible Sub-Saharan African (SSA) countries. Table 11.7 illustrates some selected performance indicators for the EPZ garment/apparel sub-sector under the AGOA initiative. There was a notable increase in the value of export of articles of apparel to USA by 24.2 per cent to KSh 30.1 billion in 2014. Despite the reduction in the number of enterprises from 22 to 21 in this sub-sector, employment of locals increased by 14.7 per cent to 37,758 persons over the year under review. In 2014, there was diversification of markets for apparels to European countries and Canada, albeit low export volumes.

**Table 11.7: Selected Performance Indicators for EPZ Garment / Apparel under AGOA, 2010-2014**

	2010	2011	2012	2013	2014*	% Growth
Number of Enterprises	16	18	22	22	21	-4.5
Employment	24,114	25,169	28,298	32,932	37,758	14.7
Capital Investment (KSh Million)	6,959	6,858	10,732	13,465	14,856	10.3
Exports (KSh Million)	16,190	20,948	22,308	24,246	30,119	24.2

Source: Export Processing Zones Authority

\*Provisional

11.44. Producer Price Indices (PPI) measures the gross changes in the trading price of products on the domestic and the non-domestic markets, at all stages of processing. The PPI measures inflation rates from the producers' side and is published on a quarterly basis through KNBS websites. The indices measure the average prices of a basket of representative goods sold by manufacturers and producers at basic prices.



**Producer Price Indices** 11.45. The overall inflation as measured by PPI increased by 3.03 per cent from 105.96 in 2013 to 109.17 in 2014, as shown in Table 11.7. The increase was mainly due to higher cost of raw materials and slight depreciation of the Kenya Shilling against major trading currencies. The main contributors of the increase were electricity, lubricating petroleum oils and manufacture of beverages. Electricity tariffs were adjusted upwards during the year under review thereby raising the commercial cost of the utility. The PPI of beverages increased as a result of a rise in prices of beer. However, manufacture of food products and manufacture of basic metals helped in easing inflation during the review period. The PPI of food products declined due to lower prices of sugar and tea in 2014 compared to 2013.

**Table 11.8: Producer Price Indices and Percentage Changes, 2011 to 2014**

Description	Weights	June 2011 = 100				% Change 2014 / 2013
		2011	2012	2013	2014	
Mining and Quarrying .....	1.60	102.98	107.63	111.40	123.09	10.49
Manufacture of food products .....	34.24	103.00	109.79	109.84	107.52	-2.11
Manufacture of beverages .....	6.54	104.18	107.41	111.16	124.25	11.78
Manufacture of tobacco products .....	1.38	105.72	114.98	117.31	117.96	0.55
Manufacture of textiles .....	2.29	101.35	106.43	108.19	109.96	1.64
Manufacture of wearing apparel .....	2.91	99.96	99.67	99.88	100.27	0.39
Manufacture of leather and related products .....	0.90	100.44	101.33	101.74	102.19	0.44
Manufacture of wood and of products of wood and cork except furniture .....	2.19	99.37	102.90	104.69	105.40	0.68
Manufacture of paper and paper products .....	3.15	103.74	104.70	102.27	106.15	3.79
Printing and reproduction of recorded media .....	5.66	100.00	100.00	102.33	104.66	2.28
Manufacture of lubricating petroleum oils .....	0.01	99.60	102.12	111.56	132.83	19.07
Manufacture of chemicals and chemical products .....	5.97	101.18	106.98	106.67	113.24	6.16
Manufacture of rubber and plastics products .....	5.47	102.60	103.81	105.07	107.66	2.47
Manufacture of other non-metallic mineral products .....	4.32	104.51	111.37	113.59	116.00	2.12
Manufacture of basic metals .....	6.51	102.49	102.01	98.69	97.11	-1.60
Manufacture of fabricated metal products except machinery and equipment .....	3.31	103.48	101.11	94.10	96.62	2.68
Manufacture of motor vehicles .....	1.20	102.60	107.80	112.62	117.28	4.14
Manufacture of Furniture .....	1.83	101.23	102.45	102.45	102.17	-0.27
Repair and installation of machinery and equipment .....	1.42	100.00	100.00	99.78	100.16	0.38
Electricity .....	8.63	100.19	97.69	98.34	118.41	20.41
Water .....	0.46	98.94	103.08	114.44	124.54	8.83
<b>Total</b>	<b>100.00</b>	<b>102.10</b>	<b>105.47</b>	<b>105.96</b>	<b>109.17</b>	<b>3.03</b>
<b>Overall percentage change</b>		<b>2.10</b>	<b>3.30</b>	<b>0.50</b>	<b>3.03</b>	

## Chapter 12

### Building and Construction

**Overview** Infrastructure development in building and construction remains a priority area for both the national and county governments. During the 2014/15 financial year, the government commenced construction of phase 1, and feasibility studies and preliminary design for phase 2 of the Standard Gauge Railway (SGR) at a cost of KSh 143.8 billion. In addition, the works to replace line 5 of the Mombasa-Nairobi pipeline with a new one measuring 20 inches in diameter began during the year under review. Construction of Terminal 1A at the Jomo Kenyatta International Airport (JKIA) was also completed and opened for use, during the period under review. In 2014, the construction industry registered an accelerated growth of 13.1 per cent compared to a revised growth of 5.8 per cent in 2013.

12.2. Total expenditure for the State Department of Infrastructure is expected to rise substantially by 37.6 per cent to KSh 120.5 billion in 2014/15. Similarly, total development expenditure on roads for the financial year 2014/15 is also expected to rise from KSh 64.4 billion in 2013/14 to KSh 94.7 billion. Funds disbursed by the Kenya Roads Board (KRB) for road repair and maintenance activities are expected to increase by 11.2 per cent to KSh 25.8 billion in 2014/15. This is partly attributed to increased investment in existing road networks.

12.3. In 2014, the National Housing Corporation (NHC) completed 243 residential units in Nairobi at a cost of KSh 502.1 million. Actual government expenditure on housing increased from KSh 3.5 billion in 2012/13 to KSh 6.1 billion in 2013/14. The value of reported private building works completed in the Nairobi City County (NCC) increased from KSh 52.3 billion in 2013 to KSh 59.1 billion in 2014. Cement consumption increased by 21.8 per cent, in tandem with the growth in the building and construction sector.

**Key Economic Indicators** 12.4. Selected key economic indicators in the building and construction sector for the period 2010 to 2014 are shown in Table 12.1. The index of reported private building works completed in major towns rose from 321.3 in 2013 to 341.4 in 2014. However, the index of reported public building works completed in major towns declined from 103.7 in 2013 to 61.4 in 2014, possibly as a result of a reduction in the number of completed housing units. Cement consumption increased by 21.8 per cent in 2014 compared to a 6.9 per cent increase in 2013, to 5,197 thousand tonnes. This is attributed to an increase in construction works. Wage employment in the sector grew by 10.7 per cent from 129.7 thousand persons in 2013 to 143.6 thousand persons in 2014. Employment in the private sector grew by 12.3 per cent from 111.6 thousand persons in 2013 to 125.3 thousand persons in 2014, while employment in the public sector rose by 1.1 per cent to 18.3 thousand persons in 2014. Loans and advances from commercial banks to the building and construction sector grew by 13.6 per cent from KSh 70.8 billion in 2013 to KSh 80.4 billion in 2014, mainly due to increased financing of real estate development.

**Table 12.1 Selected Key Economic Indicators in Building and Construction, 2010 – 2014**

Indicator/Year	1982=100				
	2010	2011	2012	2013	2014*
Index of reported private building work completed in major towns <sup>+</sup> ...	168.8	252.3	300.6	321.3	341.4
Index of reported public building work completed in major towns ...	31.7	48.2	86.9	103.7	61.4
Index of government expenditure on roads ...	265.4	397.0	447.3	310.3	386.0
Index of Employment ...	165.7	175.7	193.0	214.9	237.9
Cement consumption ('000 tonnes) ...	3,104.8	3,870.9	3,991.2	4,266.5	5,196.7
Private Employment ('000 persons) ...	81.4	88.8	98.7	111.6	125.3
Public Employment ('000 persons) ...	18.7	17.3	17.4	18.1	18.3
Loans and Advances from Commercial Banks to the sector (KSh Mn)	32,637.0	50,805.0	69,183.0	70,770.0	80,406.0

\* Provisional.

<sup>+</sup>The figures for 2010-2012 have been revised

Note: The Index of roads, reported private and public building works completed has been deflated using construction input price indices

## Construction Price Indices

12.5. Table 12.2 shows the annual percentage changes in construction input price indices for the period 2012 to 2014. Overall, total cost index increased by 10.4 per cent in 2014 compared to an increase of 7.2 per cent in 2013. This was mainly driven by the accelerated growth in the overall cost index of materials from 5.7 per cent in 2013 to 11.9 per cent in 2014. Material inputs that recorded increases in prices included timber, hydrated lime, explosives, hard-core filling, aggregates and structural steel. The rate of change of the total cost index of residential buildings and other construction rose by 11.2 per cent and 10.5 per cent, respectively, in 2014.

**Table 12.2: Annual Average Percentage Changes in Construction Input Price Indices, 2012 – 2014**

	Materials			Labour			Total		
	2012	2013	2014*	2012	2013	2014*	2012	2013	2014*
Residential Buildings	3.9	6.8	12.4	7.9	9.9	7.9	4.9	7.3	11.2
Non-Residential Buildings	4.5	5.4	10.1	7.9	9.9	7.9	5.5	6.8	9.4
All Buildings	4.2	6.0	11.3	7.9	9.9	7.9	5.2	7.0	10.4
Other Construction <sup>1</sup>	4.6	4.9	13.2	7.9	9.9	7.9	6.2	7.4	10.5
<b>Overall Cost Index</b>	<b>3.2</b>	<b>5.7</b>	<b>11.9</b>	<b>7.9</b>	<b>9.9</b>	<b>7.9</b>	<b>5.6</b>	<b>7.2</b>	<b>10.4</b>

Source: Kenya National Bureau of Statistics and Ministry of Labour, Social Security and Services

\* Provisional.

<sup>1</sup>Refers mainly to road construction and includes bridges, dams

12.6. The average annual basic wages for unskilled, semi-skilled and skilled workers in the building and construction industry for the last five years is shown in Table 12.3. During the year under review, basic wage for the unskilled, semi-skilled and skilled workers increased by 7.5, 7.9 and 8.2 per cent, respectively.

**Table 12.3: Average Annual Basic Wages in the Building and Construction Industry, 2010 - 2014**

Year	KSh		
	Unskilled	Semi-Skilled	Skilled
2010	12,073	16,678	23,980
2011	13,354	18,365	26,338
2012	14,342	19,812	28,514
2013	15,811	21,778	31,263
2014	16,994	23,500	33,832

Source: Ministry of Labour, Social Security and Services

## Chapter 12: Building & Construction

12.7. Table 12.4 shows the value of building plans approved and new completed buildings in Nairobi City County for the period 2010 to 2014. The value of reported building plans approved went up from KSh 190.6 billion in 2013 to KSh 205.4 billion in 2014, representing an increase of 7.8 per cent. The value of reported new buildings completed in Nairobi increased by 13.0 per cent to stand at KSh 59.1 billion in 2014.

**Table 12.4: Value of Private Building Plans Approved and Building Works Completed<sup>1</sup> in Nairobi City County, 2010– 2014**

Year	KSh Million	
	Plans Approved	Building Works Completed
2010	96,100.0	34,707.5
2011	112,842.8	39,849.9
2012	135,128.2	43,574.2
2013	190,646.5	52,276.0
2014*	205,423.9	59,056.7

Source: Nairobi City County

\*Provisional

<sup>1</sup> Excluding extensions

12.8. The number of private buildings in NCC and public buildings across the country reported as completed is presented in Table 12.5. The private sector continued to play a key role in the provision of both residential and non-residential houses. The total number of private buildings reported as completed increased by 9.9 per cent from 6,323 in 2013 to 6,946 in 2014 with residential buildings accounting for 86.8 per cent of the completed private buildings. During the review period, NHC focussed on construction of residential buildings, completing 243 units in Nairobi.

**Table 12.5: Reported Number of Completed Private and Public Buildings, 2010 – 2014**

Year	Private Buildings (Nairobi City County)			Public Buildings (Nationwide)		
	Residential	Non-Residential	Total	Residential	Non-Residential	Total
2010	4,351	401	4,752	390	-	390
2011	4,512	505	5,017	587	-	587
2012	4,824	637	5,461	2,015	20	2,035
2013	5,447	876	6,323	376	-	376
2014*	6,026	920	6,946	243	-	243

Source: National Housing Corporation and State Department for Housing

\* Provisional

12.9. Table 12.6 shows the reported value of new private buildings in Nairobi City County and that of public buildings nationwide. The value of reported private buildings increased by 13.0 per cent from KSh 52.3 billion in 2013 to KSh 59.1 billion in 2014 on account of an increase in the value of residential buildings. The value of public buildings completed decreased by more than two thirds to KSh 502.1 million in 2014, partly on account of a reduction in the number of units completed.

**Table 12.6: Reported Value of New Private and Public Buildings, 2010 – 2014**

KSh Million

Year	Private Buildings (Nairobi City County)			Public (Nationwide)		
	Residential	Non-Residential	Total	Residential	Non-Residential	Total
2010	30,124.6	4,582.9	34,707.5	1,041.0	-	1,041.0
2011	34,046.5	5,803.4	39,849.9	2,614.2	-	2,614.2
2012	37,373.4	6,200.8	43,574.2	4,629.5	70.0	4,699.5
2013	45,236.4	7,039.6	52,276.0	1,725.4	-	1,725.4
2014*	50,689.2	8,367.5	59,056.7	502.1	-	502.1

Source: National Housing Corporation and State Department for Housing

\* Provisional

Note: Public Residential buildings are constructed by State Department for Housing and NHC

**Housing** 12.10. Table 12.7 presents approved and actual government expenditure on housing for the financial years 2010/11 to 2014/15. Actual expenditure on housing increased significantly from KSh 3.5 billion in 2012/13 to KSh 6.1 billion in 2013/14. Although the approved expenditure in 2013/14 was KSh 7.0 billion, the amount spent was KSh 6.1 billion representing 86.6 per cent utilization. However, approved expenditure on housing is expected to reduce to KSh 5.1 billion in 2014/15. In 2014, NHC completed 243 residential units in Nairobi City County at a cost of KSh 502.1 million. Further, the National Housing Corporation had budgeted KSh 200 million as building loans but managed to disburse only KSh 3.9 million due to many applicants failing to meet loan requirements.

**Table 12.7: Approved and Actual Government Expenditure on Housing, 2010/11 – 2014/15**

Year	Expenditure in KSh Million		Actual Expenditure as Percentage of Approved Expenditure
	Approved	Actual	
2010/11	2,840.9	2,829.5	99.6
2011/12	3,875.8	3,191.0	82.3
2012/13	5,208.2	3,452.9	66.3
2013/14*	7,032.0	6,088.6	86.6
2014/15**	5,096.2		

Source: State Department for Housing

\* Provisional

\*\*Estimates

12.11. The government has expanded investments in road infrastructure in order to accelerate economic development. Table 12.8 shows the total expenditure on roads for the period 2010/11 to 2014/15. Overall expenditure is expected to rise by 37.6 per cent to KSh 120.5 billion in 2014/15 compared to KSh 87.6 billion in the previous financial year. Total development expenditure on roads is expected to increase to KSh 94.7 billion in 2014/15. This is mainly attributed to increased investment in road networks across the country. Expenditure on maintenance and repair is expected to increase by 11.2 per cent from KSh 23.2 billion in 2013/14 to KSh 25.8 billion in 2014/15. There was increased activity in road construction at both national and county levels due to targeted expansion of the road network and improvement of existing roads. Trunk and primary roads accounted for almost half of the total expenditure with an allocation of KSh 59.4 billion in the 2014/15 budget.

**Table 12.8: Total Expenditure on Roads, 2010/11 - 2014/15**

	KSh Million				
	2010/11	2011/12	2012/13	2013/14*	2014/15**
<b>Development:</b>					
Trunk and primary Roads (A,B and C)	35,747.4	44,950.0	65,152.3	43,763.4	59,402.0
Secondary and Minor Roads (D and E)	8,636.3	14,032.3	14,215.6	16,784.0	22,504.4
Miscellaneous Roads (Including Urban)	4,253.7	14,761.6	5,125.8	3,853.0	12,772.3
<b>Sub-total</b>	<b>48,637.4</b>	<b>73,743.9</b>	<b>84,493.7</b>	<b>64,400.4</b>	<b>94,678.7</b>
<b>Recurrent:</b>					
Maintenance & Repair	12,550.5	17,786.3	24,370.5	23,228.9	25,792.2
<b>Total</b>	<b>61,187.9</b>	<b>91,530.2</b>	<b>108,864.2</b>	<b>87,629.3</b>	<b>120,470.9</b>

Source: State Department of Infrastructure

\*Provisional

\*\*Estimates

**Roads** 12.12. The government continued implementing the Roads 2000 programme. During the review period, the programme embarked on construction of a number of roads in seven counties as shown in Table 12.9. The Roads 2000 programme involves design and graveling of roads. As at December 2014, an estimated 83.8 kilometres had been completed out of the targeted 429.1 kilometres.

**Table 12.9: Status of Ongoing Work on Roads under R2000 Programme, December 2014**

County	Length to be covered (Km)	Length completed (Km)	Percentage Completion	Estimated Budget 2014/15 (KSh Million)
Kiambu	188.3	8.0	4.2	718.8
Murang'a	21.7	10.5	48.4	93.7
Kirinyaga	79.8	15.7	19.7	280.2
Nyeri	87.6	30.3	34.6	304.0
Laikipia	34.2	8.2	24.0	140.0
Maragua	9.0	5.7	63.3	149.9
Nyan darua	8.5	5.4	63.5	176.8
<b>Total... ..</b>	<b>429.1</b>	<b>83.8</b>	<b>19.5</b>	<b>1,863.4</b>

Source: Kenya Rural Roads Authority

12.13. Table 12.10 presents road network by type and classification as at 1<sup>st</sup> July 2010 and 1<sup>st</sup> July 2014. The total length of road under earth/gravel increased from 53.1 thousand kilometres in 2010 to 63.1 thousand kilometres in 2014 due to the adoption of the low volume sealed roads technology for road improvement and upgrading. During the period under review, there was an increase of road under bitumen from 10.9 thousand kilometres in 2010 to 13.0 thousand kilometres.

**Table 12.10: Kilometres of Road as at 1st July, 2010 and 1st July, 2014 by Type and Classification**

Type of Road	2010		2014*	
	Bitumen	Earth/Gravel	Bitumen	Earth/Gravel
Trunk and Primary Roads (A, B and C)	7.2	7.1	7.9	6.3
Secondary, Minor & Special Purpose <sup>1</sup> Roads (D, E and F)	1.9	35.6	3.0	46.0
Urban Roads in Cities and Municipalities	1.8	10.4	2.1	10.8
<b>Total</b>	<b>10.9</b>	<b>53.1</b>	<b>13.0</b>	<b>63.1</b>

Source: State Department of Infrastructure

\*Provisional

<sup>1</sup>Special purpose roads include Government access, settlement, rural access, sugar, tea and wheat roads

12.14. Major road works in progress in 2014/15 are presented in Table 12.11. It is expected

that a total of KSh 193.1 billion will be used on road works. Out of this amount, KSh 116.8 billion will be used for the construction of roads and KSh 73.8 billion will be used to rehabilitate 702.0 kilometres of roads. Bridge construction works are expected to cost KSh 2.0 billion, while KSh 0.5 billion is earmarked for the upgrading of 9.1 kilometres of roads.

**Table 12.11: Major Road Works Completed or in Progress, 2014-15**

<b>Roads construction</b>		
Ejinja – Bumala (C30)	37.0	1,735.8
Modika- Nuno Road (C81) and completion of outstanding works along the Garissa-Modika Road (A3).	12.0	1,090.2
Nairobi Southern Bypass	28.6	17,199.8
Merille River – Marsabit	120.6	13,718.7
Marsabit – Turbi	121.5	13,000.6
Turbi – Moyale	123.0	12,061.5
Mwate – Taveta Road (A23)	98.4	7,288.8
Loruk – Barpelo (B4)	62.0	6,040.9
Londiani- Fortenan-Muhoroni (C35)	67.0	4,890.4
Chiakariga – Meru (C92)	56.0	4,677.6
Kangema – Gacharage (C70)	35.0	4,112.2
Homa Bay-Mbita (C19)	42.0	3,388.3
Chebilat-Ikonge-Chabera (C22)	38.0	3,109.8
Rumuruti – Maralal Road (C77)	35.0	2,740.8
Kaloleni – Kilifi	35.0	2,299.8
Siaya - Ruambwa Road (C29)	26.0	1,908.5
OlJoroOrok - Dundori (C83)	35.0	1,908.5
KCC (Sotik)-Ndanai- Gorgor (C15)	28.7	1,733.9
Chepterit – Kimondi (Baraton) (C37)	13.0	1,335.7
Missing Link Roads and Non-Motorised Transport (NMT) Facilities in Nairobi	17.2	4,578.2
Interchange at City Cabanas	5.0	2,514.5
Kapsoya Roads In Eldoret Municipality	8.1	887.1
Nairobi Western Ring Roads	8.4	1,378.9
One Stop Border Post at Namanga Border Crossing		825.7
One Stop Border Post at Busia Border Crossing		555.7
One Stop Border Post at Malaba Border Crossing		532.9
One Stop Border Post at Taveta Border Crossing		492.4
One Stop Border Post at Lungalunga Border Crossing		469.5
One Stop Border Post at Isebania Border Crossing		395.4
<b>Sub-Total.....</b>		<b>116,871.9</b>
	<b>Length(Km)</b>	<b>Contract Amount (KSh Million)</b>
<b>Roads Upgrading</b>		
Kibokoni Road Within Malindi Municipality	2.8	111.1
Roads Within Lodwar Municipality to Bitumen Standards	3.2	168.9
Bitumen Standards Of Kinunga Kamuyu Road in Nyeri County	2.0	127.2
Machakos TTC-Roads to Bitumen Standards in Machakos County	1.1	93.1
<b>Sub-Total.....</b>	<b>9.1</b>	<b>500.4</b>

## Chapter 12: Building & Construction

**Table: 12.1 Contd.**

Activity	Length(Km)	Contract Amount (KSh Million)
<b>Roads rehabilitation</b>		
Kericho – Nyamasaria	76.0	8,069.5
Nyamasaria – Kisian (A1)	25.0	7,313.8
Mau Summit – Kericho	58.0	6,835.5
Webuye – Malaba (A104)	60.0	5,955.0
Nyamasaria- Kisumu Airport	24.0	5,788.2
Bachuma Gate – Maji ya Chumvi (A109)	53.4	4,986.2
Masara-Suna-Kehan cha (C13) and Reinstatement of Awendo-Mariwa Road (D202)	60.0	4,561.5
Kisumu - Kakamega	46.5	4,452.1
Timboroa – Eldoret (A104)	73.0	3,565.4
Webuye - Kitale	58.0	3,315.3
Kisumu Airport – Kisian (B1/C27)	7.5	2,660.9
Kakamega - Webuye	40.0	2,505.9
Voi – Mwatate Road (A23)	45.3	2,297.1
Eldoret – Webuye (A104)	60.0	5,388.9
First Avenue Eastleigh And General Waruinge Roads	3.5	2,523.5
Langata Road (KWS Gate To Bomas Section) in Nairobi County.	2.9	2,671.2
Upper Hill Roads, Phase 1	5.5	551.0
Access Road to Unsoa at Changamwe Industrial Area in Mombasa County	1.8	182.3
Nanyuki Road in Nairobi County	1.6	146.2
<b>Sub-Total</b> .....	<b>702.0</b>	<b>73,769.7</b>
	<b>Length(Km)</b>	<b>Contract Amount (KSh Million)</b>
<b>Bridges constructed</b>		
Malaba Bridge on Webuye - Malaba (A104) road		531.8
Thua Bridge on Chuluni - Mwitika (C96) road		424.6
Pedestrian footbridge on Mombasa road A104 at General Motors Junction		185.9
Pedestrian footbridge on Mombasa road A104 at Belle Vue		177.4
Rail Bridge and approaches at Makutano on the Mau Summit – Timboroa Road A104	1.5	582.8
Construction of footbridge at Pangani Girls in Nairobi		100.8
<b>Sub-Total</b> .....		<b>2,003.2</b>
<b>Total</b> .....		<b>193,145.2</b>

Source: State Department of Infrastructure



## CHAPTER 13

### Tourism

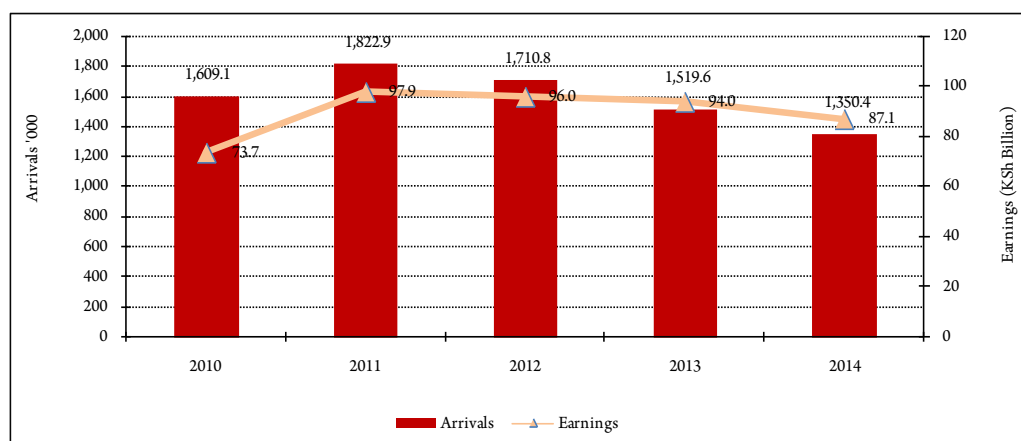
**Overview** Tourism sector continued to be an important source of foreign exchange earnings in 2014. During this period, the sector experienced decreased performance owing to a number of factors. These included insecurity mainly associated with terror attacks, adverse travel advisories and continued spread of Ebola in West African countries. As a consequence, the tourism earnings decreased by 7.3 per cent from KSh 94.0 billion in 2013 to KSh 87.1 billion in 2014. This was attributed to a decrease of 11.1 per cent in the number of international visitor arrivals over the same period mainly due to adverse negative travel advisories by key source markets.

13.2. The number of bed-nights occupied in hotels decreased by 4.8 per cent from 6,596.7 thousand in 2013 to 6,281.6 thousand in 2014 translating to the drop in average length of stay to 12.3 days from 13.2 days in 2013. The number of local conferences held increased by 8.0 per cent from 2,849 in 2013 to 3,077 in 2014. However, international conferences decreased by 19.4 per cent in 2014.

13.3. The number of visitors to national parks and game reserves declined from 2,337.7 thousand in 2013 to 2,164.6 thousand in 2014. Similarly, number of visitors to museums, snake parks and other historical sites went down by 10.4 per cent to stand at 690.9 thousand in 2014 compared to 770.8 thousand in 2013. These declines were mainly attributable to the decrease in the number of international visitor arrivals particularly through Moi and Jomo Kenyatta international airports.

**Arrivals and Departures** 13.4. Figure 13.1 presents the international visitor arrivals and tourism earnings from 2010 to 2014. Both visitor arrivals and tourism earnings have maintained a downward trend since 2012. This was associated with continued insecurity, Ebola outbreak in West African countries and travel advisories.

**Figure 13.1: International Visitor Arrivals and Tourism Earnings, 2010 – 2014**



13.5. Figures 13.2(a) and 13.2(b) present the monthly international visitor arrivals through Moi and Jomo Kenyatta international airports for 2013 and 2014. The number of tourists who arrived through Moi International Airport (MIA) in Mombasa went down significantly by 39.2 per cent from 194.2 thousand in 2013 to 118.0 thousand in 2014. A similar trend was reflected at Jomo Kenyatta International Airport (JKIA) in Nairobi whose arrivals contracted by 18.5 per cent from 912.9 thousand in 2013 to 743.6 thousand in 2014. The highest arrivals for MIA were registered during the first quarter of 2014 while at the JKIA the peak was

recorded during the third quarter of 2014. Generally, arrivals in the two major international airports were lower in 2014 compared to 2013.

Figure 13.2(a): Monthly Visitor Arrivals through MIA, 2013 -2014

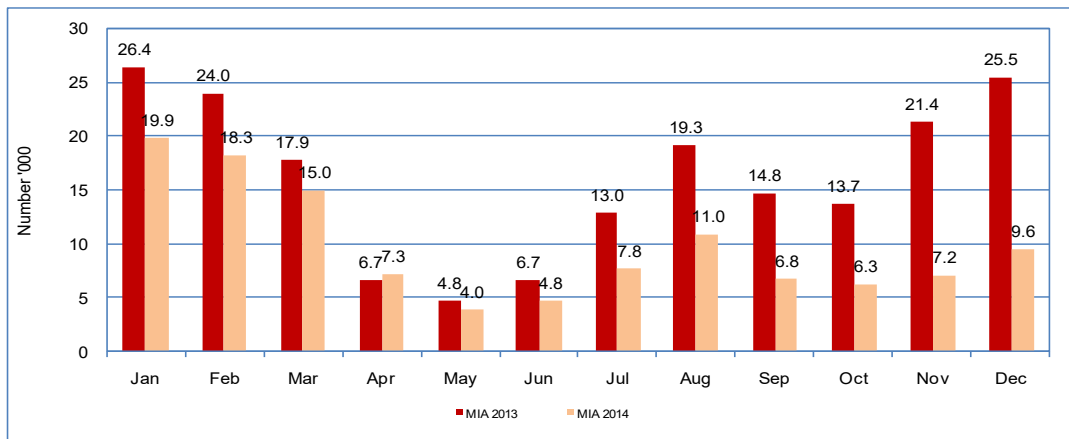
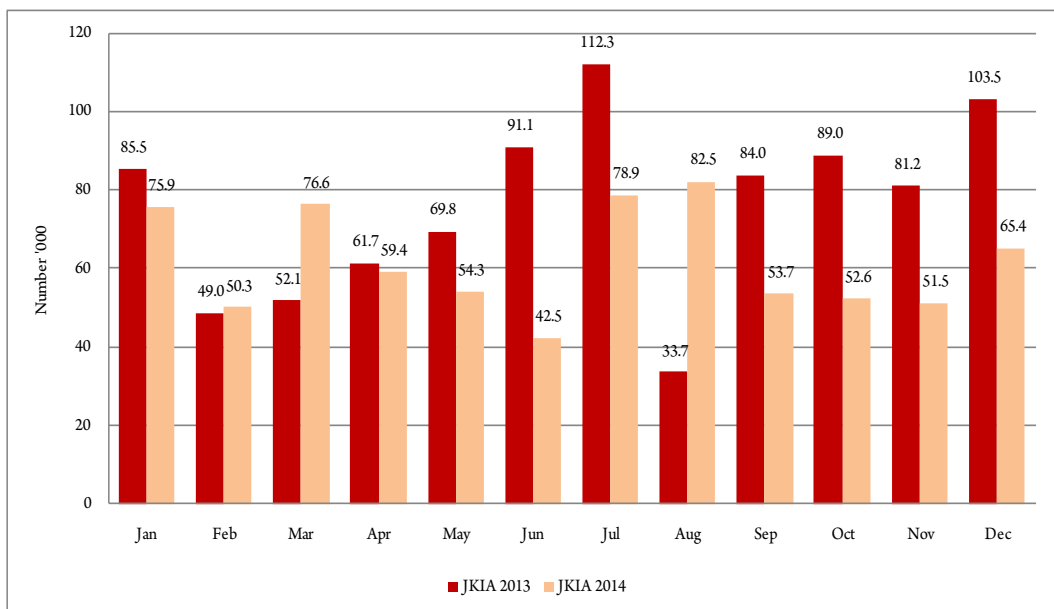
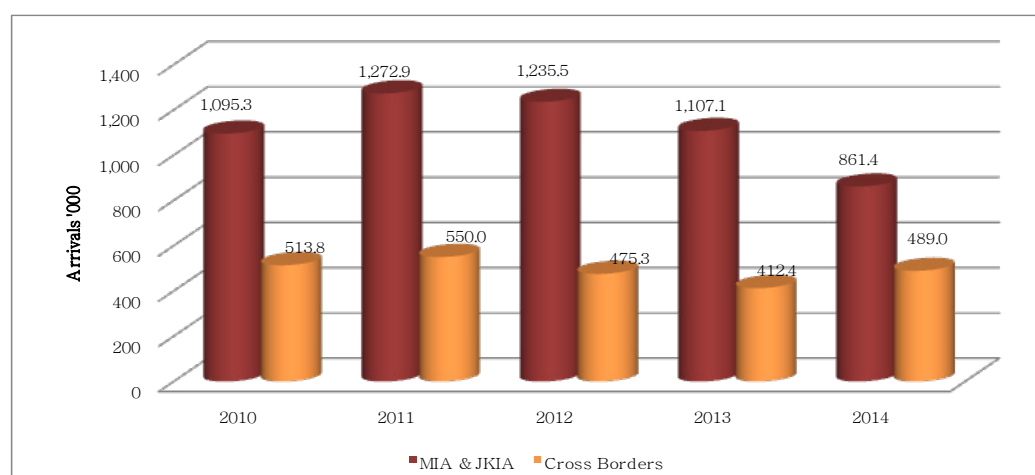


Figure 13.2(b): Monthly Visitor Arrivals through JKIA, 2013 -2014



13.6. The trends of international visitor arrivals from the two major international airports and cross borders from 2010 to 2014 are depicted in Figure 13.2(c). Over the last five years MIA and JKIA have continued to account for the largest share of arriving visitors.

Figure 13.2(c): Number of International Visitor Arrivals, 2010 -2014



13.7. Table 13.1 presents the number of international arrivals by purpose of visit on a quarterly basis from 2010 to 2014. The sector recorded a 7.2 per cent rise in visitor arrivals for the first quarter of 2014. Nevertheless, the sector recorded 11.5 and 32.0 per cent drop in visitor arrivals during the second and fourth quarters, respectively, over the same period. These mixed performances resulted in total international visitor arrivals contracting by 11.1 per cent from 1,519.6 thousand in 2013 to 1,350.4 thousand in 2014. Overall, all arrival categories of visitors decreased except the transit arrivals that went up by 3.6 per cent in 2014. The number of international visitor arrivals on holiday and business dropped by 11.5 and 12.3 per cent, respectively, in 2014. Similarly, the number of international visitor arrivals on “Other” purposes went down by 15.8 per cent over the same period.

Table 13.1: International Visitor Arrivals by Purpose of Visit, 2010-2014

		'000				
Quarter	Purpose	2010	2011	2012	2013	2014*
1 <sup>st</sup> Qtr.	Holiday .....	261.2	302.8	317.0	257.6	266.2
	Business .....	59.7	63.6	68.4	45.9	50.1
	Transit .....	34.2	22.2	21.4	22.5	28.5
	Other .....	33.5	38.5	35.4	30.5	37.1
	<b>TOTAL .....</b>	<b>388.6</b>	<b>427.1</b>	<b>442.2</b>	<b>356.4</b>	<b>382.0</b>
2 <sup>nd</sup> Qtr.	Holiday .....	228.7	235.5	240.1	222.0	207.0
	Business .....	48.6	56.0	58.8	47.3	38.5
	Transit .....	32.2	21.1	22.6	21.8	22.9
	Other .....	25.9	64.7	45.0	39.5	24.2
	<b>TOTAL .....</b>	<b>335.5</b>	<b>377.4</b>	<b>366.5</b>	<b>330.6</b>	<b>292.5</b>
3 <sup>rd</sup> Qtr.	Holiday .....	302.6	411.9	323.6	284.2	267.9
	Business .....	62.0	50.1	55.7	41.7	43.0
	Transit .....	40.0	15.3	27.0	20.8	22.2
	Other .....	49.8	50.1	52.8	35.5	36.7
	<b>TOTAL .....</b>	<b>454.4</b>	<b>527.4</b>	<b>459.1</b>	<b>382.2</b>	<b>369.8</b>
4 <sup>th</sup> Qtr.	Holiday .....	308.2	369.7	338.5	340.1	235.7
	Business .....	58.6	62.4	53.2	55.3	35.3
	Transit .....	33.2	14.2	20.9	21.1	15.5
	Other .....	30.7	44.6	30.6	34.0	19.5
	<b>TOTAL .....</b>	<b>430.7</b>	<b>491.0</b>	<b>443.1</b>	<b>450.4</b>	<b>306.1</b>
Annual	Holiday .....	1,100.7	1,319.9	1,219.1	1,103.8	976.9
	Business .....	228.9	232.1	236.1	190.2	166.9
	Transit .....	139.5	72.9	91.8	86.1	89.2
	Other .....	140.0	198.0	163.8	139.5	117.5
	<b>TOTAL .....</b>	<b>1,609.1</b>	<b>1,822.9</b>	<b>1,710.8</b>	<b>1,519.6</b>	<b>1,350.4</b>

\*Provisional

13.8. The number of departing visitors declined from 1,481.8 thousand in 2013 to 1,403.7 thousand in 2014 as shown in Table 13.2. The second quarter of 2014 registered 1.3 per cent growth in departures. However, the third quarter registered a 4.1 per cent drop in visitor departures in 2014. Similarly, the fourth quarter recorded a 13.4 per cent decline in tourist departures. Transit departures rose significantly by 31.1 per cent from 82.1 thousand in 2013 to 107.6 thousand in 2014. Departures on “Other” purposes increased by 14.5 per cent from 137.6 thousand in 2013 to 157.6 thousand in 2014. Business departures decreased from 202.3 thousand in 2013 to 193.0 thousand in 2014. Holiday departures went down for the third consecutive year by 10.8 per cent from 1,059.8 thousand in 2013 to 945.5 thousand in 2014.

**Table 13.2: International Visitor Departures by Purpose of Visit, 2010-2014**

		'000				
Quarter	Purpose	2010	2011	2012	2013	2014*
1 <sup>st</sup> Qtr.	Holiday ... ..	265.6	277.6	281.7	264.0	234.6
	Business ... ..	40.0	56.9	54.1	51.7	53.6
	Transit ... ..	25.5	20.4	25.2	21.4	33.7
	Other ... ..	42.3	36.6	29.2	33.8	40.1
	<b>TOTAL ... ..</b>	<b>373.3</b>	<b>391.5</b>	<b>390.1</b>	<b>370.9</b>	<b>362.0</b>
2 <sup>nd</sup> Qtr.	Holiday ... ..	220.2	204.9	216.0	206.8	205.6
	Business ... ..	45.3	52.4	53.7	57.1	45.6
	Transit ... ..	17.6	17.2	18.4	17.3	23.7
	Other ... ..	24.5	31.9	37.0	26.8	37.0
	<b>TOTAL ... ..</b>	<b>307.6</b>	<b>306.2</b>	<b>325.1</b>	<b>308.0</b>	<b>312.0</b>
3 <sup>rd</sup> Qtr.	Holiday ... ..	290.3	322.8	297.6	265.7	244.9
	Business ... ..	41.6	31.4	46.0	40.5	45.7
	Transit ... ..	34.6	12.0	23.0	20.2	24.4
	Other ... ..	45.9	47.1	49.9	44.4	40.4
	<b>TOTAL ... ..</b>	<b>412.5</b>	<b>413.3</b>	<b>416.4</b>	<b>370.7</b>	<b>355.4</b>
4 <sup>th</sup> Qtr.	Holiday ... ..	309.0	314.2	289.4	323.3	260.3
	Business ... ..	46.2	57.5	47.8	53.0	48.1
	Transit ... ..	24.5	12.1	18.4	23.2	25.7
	Other ... ..	29.2	33.4	28.5	32.6	40.1
	<b>TOTAL ... ..</b>	<b>408.9</b>	<b>417.3</b>	<b>384.1</b>	<b>432.1</b>	<b>374.3</b>
Annual	Holiday ... ..	1,085.1	1,119.5	1,084.6	1,059.8	945.5
	Business ... ..	173.1	198.3	201.5	202.3	193.0
	Transit ... ..	102.2	61.6	85.1	82.1	107.6
	Other ... ..	141.9	149.1	144.6	137.6	157.6
	<b>TOTAL ... ..</b>	<b>1,502.4</b>	<b>1,528.4</b>	<b>1,515.7</b>	<b>1,481.8</b>	<b>1,403.7</b>

\*Provisional

13.9. Table 13.3 presents the number of departing visitors by country of residence and purpose of visit excluding visitors whose purpose of visit was “Other” from 2010 to 2014. Europe continued to be the major destination, with a proportion of 45.1 per cent of all departing visitors. Germany and United Kingdom continued to be the major countries of destination jointly accounting for over a half of all the departures destined to Europe. Departures destined to France and Switzerland decreased by 42.7 and 64.9 per cent, respectively, in 2014. However, those departing to Scandinavian countries increased by 48.1 per cent from 46.6 thousand in 2013 to 69.0 thousand in 2014. Africa was the second largest destination with a share of 23.7 per cent of all departing visitors. Departing visitors whose destination is Other Africa went up by 54.2 per cent from 141.4 thousand in 2013 to 218.1 thousand in 2014. Similarly, departures to India more than doubled from 33.4 thousand in 2013 to 79.5 thousand in 2014. Overall, visitors departing declined by 7.3 per cent from 1,344.2 thousand in 2013 to 1,246.1 thousand in 2014.

Table 13.3: Departing Visitors by Country of Residence and Purpose of Visit<sup>1</sup>, 2012-2014

Country of Residence	Holiday				Business				Transit				Total		
	2012	2013	2014*		2012	2013	2014*		2012	2013	2014*		2012	2013	2014*
Germany .....	133.2	135.1	99.1		22.9	25.6	10.9		10.6	11.2	6.1		166.7	171.9	116.1
United Kingdom .....	198.0	196.2	128.6		34.2	31.3	26.3		9.6	10.2	14.6		241.7	237.7	169.5
Switzerland .....	37.1	34.9	10.7		3.8	2.5	2.2		3.0	2.9	1.2		43.8	40.2	14.1
Italy .....	87.3	90.6	56.1		25.7	22.4	11.4		6.4	5.3	6.4		119.3	118.3	73.9
France .....	39.7	36.5	20.8		10.5	8.9	4.2		2.7	2.4	2.4		52.9	47.8	27.4
Scandinavia .....	33.9	38.8	52.4		5.5	5.1	10.7		2.3	2.7	6.0		41.6	46.6	69.0
Other Europe .....	105.8	106.5	69.4		16.1	12.9	14.2		5.3	4.2	7.9		127.2	123.6	91.5
<b>TOTAL EUROPE .....</b>	<b>634.8</b>	<b>638.6</b>	<b>437.1</b>		<b>118.6</b>	<b>108.7</b>	<b>79.9</b>		<b>39.8</b>	<b>38.9</b>	<b>44.6</b>		<b>793.3</b>	<b>786.1</b>	<b>561.6</b>
USA .....	109.1	101.1	104.0		15.4	16.5	21.2		7.8	8.5	11.8		132.4	126.1	137.0
Canada .....	23.4	23.2	23.8		3.1	4.7	4.9		2.4	2.6	2.7		28.9	30.5	31.4
<b>TOTAL NORTH AMERICA .....</b>	<b>132.5</b>	<b>124.3</b>	<b>127.8</b>		<b>18.5</b>	<b>21.2</b>	<b>26.1</b>		<b>10.3</b>	<b>11.1</b>	<b>14.5</b>		<b>161.3</b>	<b>156.6</b>	<b>168.4</b>
Uganda .....	33.2	36.1	34.7		6.7	9.4	7.1		4.3	4.0	3.9		44.1	49.6	45.7
Tanzania .....	34.3	30.5	23.6		7.6	8.2	4.8		3.7	1.8	2.7		45.6	40.5	31.0
Other Africa .....	113.7	116.3	165.5		13.4	14.9	33.8		14.6	10.2	18.8		141.6	141.4	218.1
<b>TOTAL AFRICA .....</b>	<b>181.3</b>	<b>182.9</b>	<b>223.7</b>		<b>27.6</b>	<b>32.5</b>	<b>45.7</b>		<b>22.5</b>	<b>16.1</b>	<b>25.5</b>		<b>231.4</b>	<b>231.5</b>	<b>294.9</b>
India .....	29.8	20.9	60.3		8.4	8.7	12.3		3.0	3.8	6.9		41.2	33.4	79.5
Japan .....	13.7	11.8	9.8		7.6	8.8	2.0		1.1	1.9	1.1		22.4	22.4	12.9
Israel .....	7.5	7.1	3.1		4.8	5.5	0.6		0.7	1.3	0.4		13.0	13.8	4.1
Other Asia .....	48.2	45.6	53.5		10.0	8.5	20.2		2.4	2.6	11.3		60.5	56.8	85.0
<b>TOTAL ASIA .....</b>	<b>99.2</b>	<b>85.3</b>	<b>126.7</b>		<b>30.7</b>	<b>31.5</b>	<b>35.2</b>		<b>7.3</b>	<b>9.6</b>	<b>19.6</b>		<b>137.2</b>	<b>126.4</b>	<b>181.5</b>
Australia and New Zealand .....	18.0	12.8	21.7		4.0	5.2	4.4		1.6	2.4	2.5		23.5	20.5	28.6
All Other Countries .....	18.8	15.9	8.5		2.1	3.2	1.7		3.6	4.0	1.0		24.5	23.1	11.1
<b>TOTAL .....</b>	<b>1,084.6</b>	<b>1,059.8</b>	<b>945.5</b>		<b>201.5</b>	<b>202.3</b>	<b>193.0</b>		<b>85.1</b>	<b>82.1</b>	<b>107.6</b>		<b>1,371.2</b>	<b>1,344.2</b>	<b>1,246.1</b>

\* Provisional

<sup>1</sup>Excludes visitors whose purpose of visit is "Other"

13.10. Details of the number of visitor-days stayed by purpose of visit and average length of stay are shown in Table 13.4. The overall number of visitor-days stayed by all categories of departing visitors excluding “Other” visitor contracted by 9.4 per cent from 17,779.3 thousand in 2013 to 16,114.3 thousand in 2014. This was mainly on account of the decrease in visitor-days by holiday makers from 14,881.8 thousand in 2013 to 13,276.2 thousand in 2014. Departing visitors on transit stayed for 64.1 thousand more visitor-days in 2014 compared to 2013. However, the average length of stay reduced from 13.2 days in 2013 to 12.3 days in 2014.

**Table 13.4: Number of Visitor-Days Stayed<sup>1</sup> by Purpose of Visit, 2010-2014**

	'000				
Purpose	2010	2011	2012	2013	2014*
Holiday ... ..	15,237.4	15,719.8	15,229.7	14,881.8	13,276.2
Business ... ..	2,303.6	2,637.6	2,681.1	2,691.6	2,568.1
Transit ... ..	256.3	154.5	213.4	205.9	270.0
<b>TOTAL ... ..</b>	<b>17,797.3</b>	<b>18,511.9</b>	<b>18,124.2</b>	<b>17,779.3</b>	<b>16,114.3</b>
Average length of stay in days ... ..	13.1	13.4	13.2	13.2	12.3

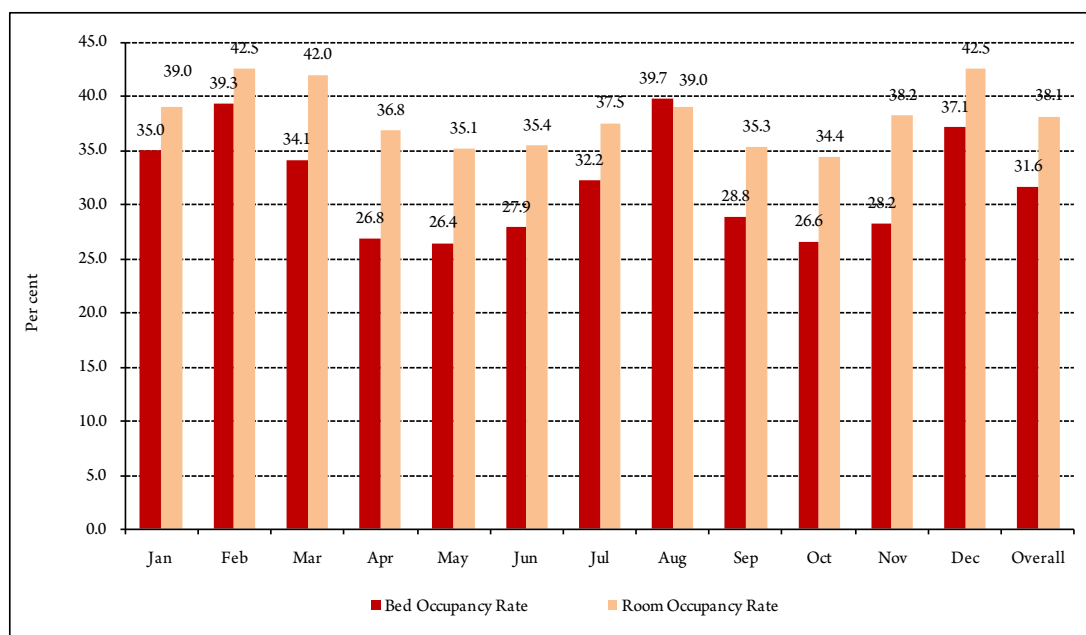
\* Provisional

<sup>1</sup> Excludes visitors whose purpose of visit is "Other"

**Hotel  
Occupancy  
by  
Country of  
Residence**

13.11. Trends in monthly bed and room occupancy rates are depicted in Figure 13.3. The overall rate of bed occupancy decreased from 36.1 per cent in 2013 to 31.6 per cent in 2014. Similarly, the mean occupancy rate for bed-rooms contracted from 41.9 per cent in 2013 to 38.1 per cent in 2014. This is consistent with the low visitor arrivals and reduced length of stay. Occupancy for both bed and room was nearly equal in August while there was a high spread during the months of April and November depicting a high level of bed underutilization.

**Figure 13.3: Monthly Bed and Room Occupancy Rates, 2014**



13.12. Table 13.5 presents hotel bed-nights occupancy by country of residence from 2010 to 2014. The number of hotel bed-nights available expanded by 8.7 per cent from 18,292.2 thousand in 2013 to 19,877.2 thousand in 2014. The number of hotel bed-nights occupied declined from 6,596.7 thousand in 2013 to 6,281.6 thousand in 2014, representing a 4.8 per cent decrease. The drop can partly be attributed to the continued contraction since 2011 of the

number of bed-nights occupied by clients from Europe that went down from 2,320.6 thousand in 2013 to 1,802.2 thousand in 2014, reflecting a 22.3 per cent decrease. There was a decline in bed occupancy by residents of Europe with the exception of Germany which registered a slight improvement. Africa continued to be the dominant market for Kenya's tourism since 2011 with its clientele increasing by 6.2 per cent from 3,199.0 thousand in 2013 to 3,397.2 thousand in 2014. This was mainly due to 9.2 per cent increase in bed-nights occupancy by Kenyan residents which accounted for 46.9 per cent of total bed-nights occupancy.

**Table 13.5: Hotel Bed - Nights Occupancy by Country of Residence, 2010-2014**

Country of Residence	2010	2011	2012	2013	2014*
Permanent Occupants <sup>1</sup> ... ..	52.9	58.5	46.3	57.6	98.7
Germany ... ..	563.2	677.0	748.9	751.1	751.7
Switzerland ... ..	83.1	95.8	98.2	96.9	82.1
United Kingdom ... ..	964.7	765.9	521.6	498.3	275.0
Italy ... ..	651.0	495.3	415.5	234.8	156.2
France ... ..	222.7	239.5	160.0	113.9	75.6
Scandinavia ... ..	84.1	113.2	154.5	143.5	120.0
Other Europe ... ..	364.6	484.0	448.5	482.2	341.5
<b>EUROPE</b> ... ..	<b>2,933.4</b>	<b>2,870.6</b>	<b>2,547.2</b>	<b>2,320.6</b>	<b>1,802.2</b>
Kenya Residents ... ..	2,348.9	2,603.4	2,787.7	2,699.1	2,948.7
Uganda ... ..	67.9	76.2	81.8	110.2	67.7
Tanzania ... ..	61.5	68.5	69.2	64.5	62.0
East and Central Africa ... ..	84.6	101.5	115.9	104.3	101.3
West Africa ... ..	55.1	63.1	55.9	63.3	68.0
North Africa ... ..	28.3	30.9	23.9	29.0	37.3
South Africa ... ..	88.1	88.4	88.2	91.1	75.2
Other Africa ... ..	66.2	50.8	40.7	37.5	37.0
<b>AFRICA</b> ... ..	<b>2,800.6</b>	<b>3,082.7</b>	<b>3,263.3</b>	<b>3,199.0</b>	<b>3,397.2</b>
U.S.A ... ..	254.2	283.8	291.5	294.6	293.9
Canada ... ..	59.8	64.7	55.9	61.8	59.9
Other America ... ..	33.1	38.4	40.1	36.8	35.2
<b>AMERICA</b> ... ..	<b>347.2</b>	<b>386.9</b>	<b>387.4</b>	<b>393.3</b>	<b>389.0</b>
Japan ... ..	40.8	43.0	41.9	48.1	38.9
India ... ..	91.1	110.1	110.3	101.1	110.3
Middle East ... ..	36.6	43.6	50.2	50.6	57.4
China ... ..	50.7	89.6	114.0	105.9	92.1
Other Asia ... ..	42.9	53.0	68.2	54.4	49.4
<b>ASIA</b> ... ..	<b>262.3</b>	<b>339.3</b>	<b>384.5</b>	<b>360.1</b>	<b>348.1</b>
Australia and New Zealand ... ..	60.2	63.0	56.9	62.3	58.4
All Other Countries ... ..	205.6	214.1	175.2	203.9	188.0
<b>TOTAL-OCCUPIED</b> ... ..	<b>6,662.3</b>	<b>7,015.2</b>	<b>6,860.8</b>	<b>6,596.7</b>	<b>6,281.6</b>
<b>TOTAL-AVAILABLE</b> ... ..	<b>17,161.8</b>	<b>17,419.6</b>	<b>18,849.6</b>	<b>18,292.2</b>	<b>19,877.2</b>
<b>Occupancy rate %</b> ... ..	<b>38.8</b>	<b>40.3</b>	<b>36.4</b>	<b>36.1</b>	<b>31.6</b>

\*Provisional

<sup>1</sup>Persons staying one month or more in one hotel, including some block bookings for air crew

13.13. Table 13.6 presents the details of hotel bed-nights occupied by zone from 2010 to 2014. Despite the decline in hotel bed-nights, the coastal zones continued to attract most tourists. The number of bed-nights occupied by tourists staying in hotel establishments located at the Kenyan coastal beach area dropped by 8.1 per cent from 2,750.3 thousand in 2013 to 2,527.7 thousand in 2014. This proportion of bed-nights represents slightly over 40 per cent of the total number of bed-nights for the whole country. Hotel establishments classified as Nairobi High Class also registered a drop from 1,175.3 thousand in 2013 to 1,119.1 thousand in 2014. However, increased performances in hotel bed-nights occupancy in 2014 were observed in Coastal Hinterland, Central, Maasailand and Nyanza Basin. These zones, despite offering unique attractions, also serve as alternatives to the coastal beaches which lost clients following adverse travel advisories.

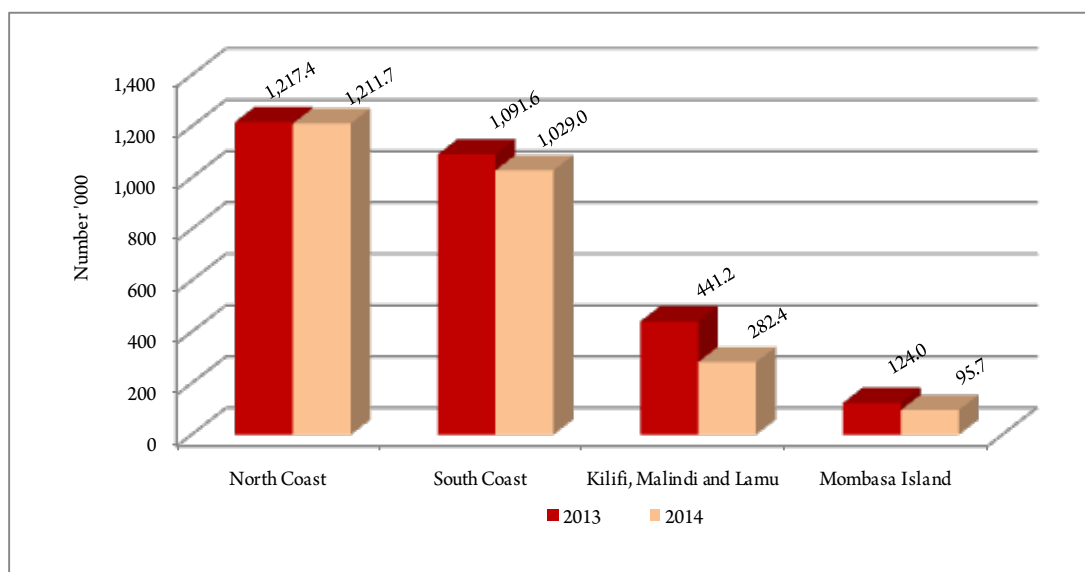
**Table 13.6: Hotel Bed-Nights by Zone, 2010-2014**

Zone	2010	2011	2012	2013	2014*
Coastal-Beach ... ..	3,243.0	3,144.6	3,132.6	2,750.3	2,527.7
Coastal-Other ... ..	151.1	283.8	260.0	124.0	95.9
Coastal Hinterland ... ..	119.6	82.3	88.7	125.5	133.2
Nairobi-High Class ... ..	1,123.6	1,155.7	1,145.0	1,175.3	1,119.1
Nairobi-Other ... ..	410.7	526.2	490.5	455.7	388.0
Central ... ..	463.5	683.3	526.0	622.2	686.3
Maasailand ... ..	472.6	418.6	443.7	473.0	479.5
Nyanza Basin ... ..	301.2	301.9	252.1	345.3	357.7
Western ... ..	364.1	374.9	464.3	454.1	433.3
Northern ... ..	12.9	43.9	57.8	71.2	60.9
<b>TOTAL-OCCUPIED ...</b>	<b>6,662.3</b>	<b>7,015.2</b>	<b>6,860.8</b>	<b>6,596.7</b>	<b>6,281.6</b>
<b>TOTAL-AVAILABLE ...</b>	<b>17,161.8</b>	<b>17,419.6</b>	<b>18,849.6</b>	<b>18,292.2</b>	<b>19,877.2</b>

\*Provisional

13.14. Figure 13.4 shows the bed-nights occupied at the coast by zone in 2013 and 2014. There was a general reduction in the bed-nights occupied at the North Coast, South Coast, Mombasa Island, and Kilifi, Malindi and Lamu over the period. This was as a result of negative travel advisories due to security concerns. The subsequent dusk to dawn curfew that was imposed in Lamu affected the tourism sector as it resulted to restricted movements and closure of some hotels.

**Figure 13.4: Bed-Nights Occupancy at the Coast, 2013 – 2014**



13.15. Table 13.7 presents details of the number of bed-nights occupied by area and country of residence. During the period under review, the share of hotel bed-nights occupied in lodges expanded from 8.3 per cent in 2013 to 8.6 per cent in 2014. However, the percentage share of bed-nights occupied in Nairobi declined marginally in 2014 with most residents of Kenya and United States of America preferring to stay in Nairobi hotels. The number of bed-nights occupied by Kenyans in the coastal region increased from 933.8 thousand in 2013 to 1,208.1 thousand in 2014. However, notable declines were observed in the same region for residents from Switzerland, United Kingdom, Italy and France.



Table 13.7: Hotel Bed-Nights Occupancy by Area and Country of Residence, 2013-2014

Country of Residence	'000									
	Nairobi		Coast		Lodges		Others		Total	
	2013	2014*	2013	2014*	2013	2014*	2013	2014*	2013	2014*
Permanent Occupants <sup>1</sup> .....	13.2	35.5	21.6	18.3	2.0	4.0	20.7	40.9	57.6	98.7
Germany .....	31.4	28.9	681.4	686.4	27.8	23.3	10.4	13.2	751.1	751.7
Switzerland .....	14.1	11.4	73.5	62.3	6.6	5.0	2.6	3.5	96.9	82.1
United Kingdom .....	92.8	83.6	332.1	137.9	44.8	29.9	28.5	23.6	498.3	275.0
Italy .....	13.5	12.5	208.4	131.4	9.5	7.7	3.4	4.6	234.8	156.2
France .....	27.8	23.6	63.1	30.2	16.3	12.1	6.7	9.8	113.9	75.6
Scandinavia .....	29.1	26.1	93.9	69.8	14.5	16.4	6.1	7.7	143.5	120.0
Other Europe .....	73.2	63.9	346.6	223.4	49.5	36.1	12.8	18.0	482.2	341.5
Kenya .....	472.9	444.4	933.8	1,208.1	117.9	171.0	1,174.4	1,125.2	2,699.1	2,948.7
Uganda .....	81.6	40.4	13.6	11.3	0.5	1.9	14.5	14.0	110.2	67.7
Tanzania .....	46.2	42.1	11.1	12.7	0.8	1.0	6.4	6.2	64.5	62.0
East & Central Africa .....	82.9	80.9	16.8	11.5	0.8	0.8	3.8	8.0	104.3	101.3
West Africa .....	54.1	49.3	5.7	6.0	0.9	1.1	2.6	11.6	63.3	68.0
North Africa .....	22.4	24.5	4.0	4.7	1.2	2.2	1.5	5.9	29.0	37.3
South Africa .....	60.2	57.5	23.9	9.9	3.7	3.3	3.3	4.5	91.1	75.2
Other Africa .....	23.2	21.2	10.8	10.2	1.5	1.6	2.0	4.0	37.5	37.0
USA .....	152.5	138.3	27.9	25.3	80.0	82.5	34.2	47.7	294.6	293.9
Canada .....	26.3	26.1	14.4	9.1	15.2	16.7	5.9	8.0	61.8	59.9
Other America .....	18.0	14.9	7.7	7.0	8.9	7.3	2.3	6.0	36.8	35.2
Japan .....	18.1	15.2	5.5	6.3	18.1	11.7	6.4	5.6	48.1	38.9
India .....	48.6	56.5	14.9	11.9	26.8	24.8	10.8	17.0	101.1	110.3
Middle East .....	31.5	34.1	9.9	11.5	5.5	6.3	3.6	5.5	50.6	57.4
China .....	32.2	30.0	8.7	10.0	48.7	31.7	16.4	20.4	105.9	92.1
Other Asia .....	25.4	26.9	8.9	6.3	11.4	9.2	8.6	7.0	54.4	49.4
Australia & New Zealand .....	29.0	22.3	10.7	8.4	17.3	18.6	5.4	9.1	62.3	58.4
All Other Countries .....	110.9	96.9	50.8	26.9	14.0	14.2	28.2	50.0	203.9	188.0
<b>TOTAL .....</b>	<b>1,631.0</b>	<b>1,507.1</b>	<b>2,999.8</b>	<b>2,756.8</b>	<b>544.3</b>	<b>540.4</b>	<b>1,421.7</b>	<b>1,477.2</b>	<b>6,596.7</b>	<b>6,281.6</b>
<b>PERCENTAGE SHARE .....</b>	<b>24.7</b>	<b>24.0</b>	<b>45.5</b>	<b>43.9</b>	<b>8.3</b>	<b>8.6</b>	<b>21.6</b>	<b>23.5</b>	<b>100.0</b>	<b>100.0</b>

\* Provisional

<sup>1</sup>Persons staying one month or more in one hotel, including some block bookings for air crew

13.16. Table 13.8 presents occupancy in game lodges for the last three years. The decrease in the number of visitors to national parks and game reserves that was observed in 2014 had a direct impact on the number of bed-nights occupied in hotel establishments located in these areas. The number of bed-nights occupied in game lodges dropped from 544.3 thousand in 2013 to 540.4 thousand in 2014. Over two thirds of the total bed-nights occupied were by foreign residents, though the number dropped by 13.8 per cent to 366.5 thousand in 2014. However, bed-nights occupied by East Africa residents increased by 45.9 per cent from 119.2 thousand in 2013 to 173.9 thousand in 2014. Full catering services were preferred to self-service by most visitors to these establishments.

Table 13.8: Game Lodges<sup>1</sup> Occupancy, 2012 – 2014

	'000								
	Bed-Nights Occupied								
	Foreign Residents			E.A. Residents			Total		
	2012	2013	2014*	2012	2013	2014*	2012	2013	2014*
Game Reserves .....	91.8	112.1	106.2	36.9	47.0	69.9	128.7	159.1	176.1
National Parks .....	313.1	313.0	260.3	59.6	72.2	104.0	372.7	385.2	364.3
<b>TOTAL .....</b>	<b>404.9</b>	<b>425.1</b>	<b>366.5</b>	<b>96.5</b>	<b>119.2</b>	<b>173.9</b>	<b>501.4</b>	<b>544.3</b>	<b>540.4</b>
Of which full Catering .....	355.7	372.8	311.5	81.0	98.2	132.6	436.7	471.0	444.1
Self Service .....	49.2	52.3	55.0	15.5	21.0	41.3	64.7	73.3	96.3

\*Provisional

<sup>1</sup>Lodges in National Parks and Game Reserves

## National Parks and Game Reserves

13.17. The trend in the number of visitors to national parks and game reserves from 2010 to 2014 is detailed in Table 13.9. The number of visitors to these attractions has been on a downward trend for the last five years. During the review period, the number of visitors

dropped by 7.4 per cent from 2,337.7 thousand in 2013 to 2,164.6 thousand in 2014. The drop in the number of visitors resulted from the continued decline in international visitor arrivals over the same period. Major declines were observed at Nairobi, Nairobi Mini Orphanage, Tsavo West, Lake Bogoria, Lake Nakuru and Amboseli national parks. However, Maasai Mara registered significant increase in the number of visitors from 103.8 thousand in 2013 to 166.0 thousand in 2014. This may be another alternative to the coastal beaches following adverse travel advisories.

**Table 13.9: Number of Visitors to National Parks and Game Reserves, 2010-2014**

Park/Reserve	2010	2011	2012	2013	2014*
Nairobi	120.8	135.1	151.1	154.7	131.8
Nairobi Safari Walk	201.1	176.3	147.2	136.0	133.0
Nairobi Mini Orphanage	490.2	403.0	474.6	407.4	361.3
Amboseli	209.0	176.2	141.4	141.2	117.1
Tsavo (West)	138.1	98.9	70.9	68.8	51.0
Tsavo (East)	264.2	268.0	176.7	153.2	103.2
Aberdare	42.8	45.8	44.3	50.1	43.8
Lake Nakuru	241.2	245.0	253.5	262.5	226.0
Maasai Mara	187.3	138.2	102.0	103.8	166.0
Haller's Park	120.4	149.8	125.5	121.5	116.2
Malindi Marine	46.9	49.5	40.8	41.9	28.9
Lake Bogoria	94.4	108.3	114.6	91.5	80.5
Meru	20.4	20.2	17.8	14.7	19.2
Shimba Hills	21.2	29.4	26.1	23.2	17.6
Mt. Kenya	29.2	33.3	27.5	24.6	20.2
Samburu	13.1	14.2	15.0	13.5	15.4
Kisite/Mpunguti	50.6	59.5	48.4	44.7	29.7
Mombasa Marine	37.9	38.3	34.6	36.8	27.4
Watamu Marine	25.4	37.3	36.3	35.1	31.3
Hell's Gate	121.8	133.1	95.4	89.0	114.1
Impala Sanctuary (Kisumu)	195.2	201.6	247.0	222.3	227.6
Mt. Longonot	39.1	43.2	44.1	43.6	50.7
Other <sup>1</sup>	54.8	60.1	57.5	57.5	52.6
<b>TOTAL</b>	<b>2,764.9</b>	<b>2,664.1</b>	<b>2,492.2</b>	<b>2,337.7</b>	<b>2,164.6</b>

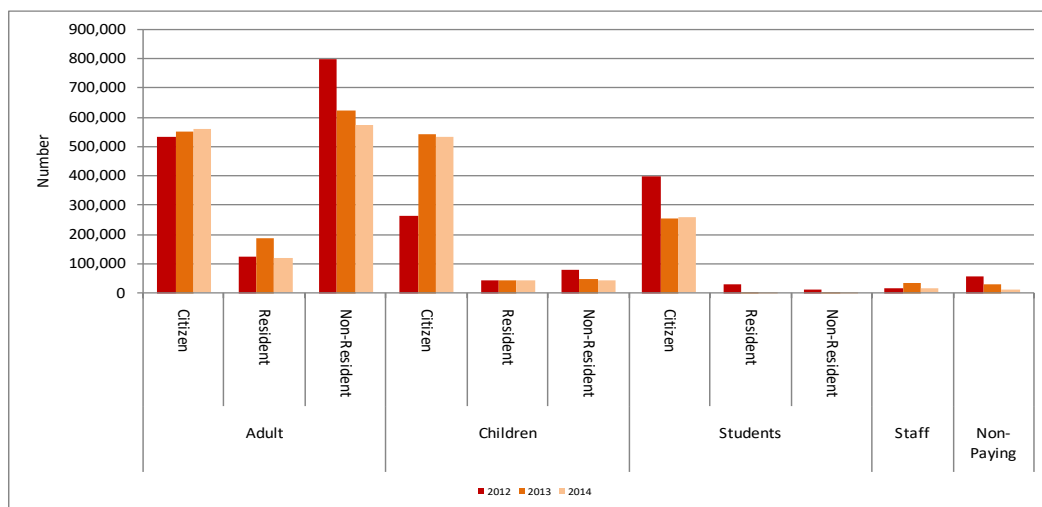
Source: Kenya Wildlife Services

\* Provisional

<sup>1</sup>Other 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.

13.18. Non-resident adults continue to constitute the largest percentage of visitors to the national parks and game reserves as presented in Figure 13.5. Adult citizens were the second largest category to these attractions. In the category of students, student citizens were the majority in 2012 compared to 2013 and 2014.

**Figure 13.5: Visitors to National Parks and Game Reserves, 2012-2014**



**Museums, Snake Parks and Historical Sites** 13.19. The Museums, Snake Parks and Historical Sites recorded depressed performance in the number of visitors in 2014 compared to 2013 as detailed in Table 13.10. The total number of visitors to these attractions dropped by 10.4 per cent from 770.8 thousand in 2013 to 690.9 thousand in 2014. The National Museum main gate and the Snake Park recorded decreased performance of 59.9 per cent to record 52.5 thousand visitors and 65.2 per cent to record 33.0 thousand visitors, respectively, in 2014. Visitors to Kisumu and Kitale Museums recorded increases of 45.1 and 19.3 per cent, respectively, in 2014 as a result of devolution that has led to increases. The number of visitors to Fort Jesus, Gede and Lamu in the Coast decreased in 2014. The months of August and October recorded the highest number of visitors as presented in Figure 13.6.

**Table 13.10: Number of Visitors to Museums, Snake Parks and Historical Sites, 2010-2014**

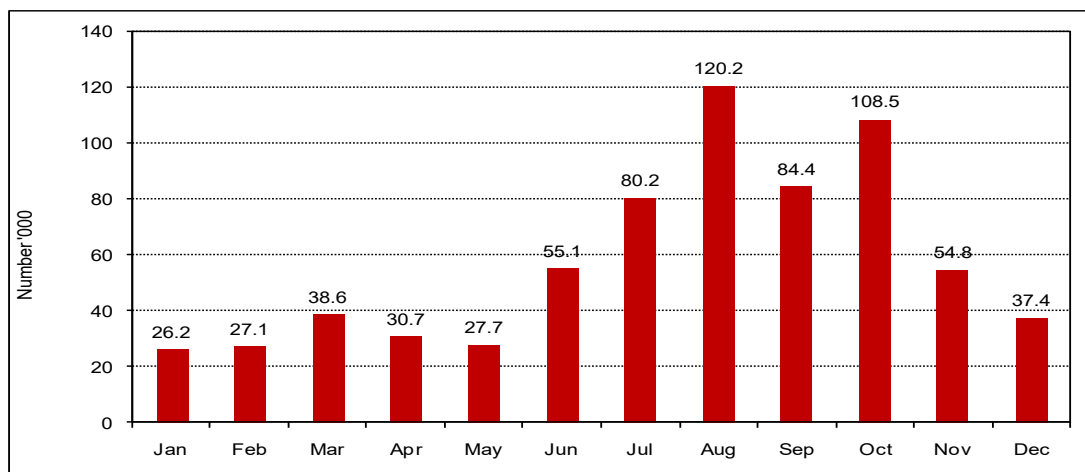
Name of Museum	'000				
	2010	2011	2012	2013	2014*
National Museum:(Main Gate) .....	284.4	170.6	184.7	130.9	52.5
National Museum:(Snake Park) .....	154.7	138.6	146.4	94.8	33.0
Fort Jesus .....	184.5	168.8	127.6	152.1	113.4
Kisumu Museum .....	104.1	110.9	144.9	151.2	219.4
Kitale Museum .....	32.0	38.7	41.8	54.3	64.8
Gede .....	47.6	54.0	43.1	54.6	47.5
Meru Museum .....	28.9	21.8	24.2	26.3	32.8
Lamu .....	4.5	4.9	2.6	2.8	1.7
Jumba la Mtwana .....	8.8	8.4	5.7	7.4	5.7
Ologessaile .....	..	4.6	..	..	2.7
Kariandusi .....	12.4	12.9	10.2	4.3	24.2
Hyrax Hill .....	2.1	11.2	8.9	5.9	11.6
Karen Blixen .....	46.7	54.5	54.9	44.7	45.2
Malindi Museum .....	21.4	30.2	17.9	26.1	21.0
Kilifi Mnarani .....	1.2	2.4	1.6	0.8	2.5
Kabarnet .....	1.2	1.7	1.3	1.6	1.7
Kapenguria .....	5.0	6.6	7.6	8.7	9.7
Pete Sites .....	0.1	0.0	0.0	0.0	0.0
Swahili House .....	0.6	0.6	0.3	0.3	0.3
Narok Museum .....	0.3	0.4	0.2	0.6	0.6
German Post .....	0.1	0.1	0.1	0.1	0.1
Takwa Ruins .....	1.4	1.3	0.7	0.6	0.6
Koobi Fora .....	0.1	0.1	..	0.0	..
Rabai .....	..	..	..	2.7	..
Thimlich Ohinga .....	..	..	..	0.1	..
<b>TOTAL .....</b>	<b>942.0</b>	<b>843.4</b>	<b>824.6</b>	<b>770.8</b>	<b>690.9</b>

Source: National Museums of Kenya

\* Provisional

.. not available

Figure 13.6: Monthly Number of Visitors to the Museums, Snake Parks and Historical Sites, 2014



**Conference Tourism** 13.20. There was increased activity in terms of local conferences compared to international conferences in 2014 as presented in Table 13.11. The number of local conferences and delegate days increased by 8.0 per cent to 3,077 and 4.6 per cent to 547,262, respectively, in 2014. However, international conferences and delegate days dropped by 19.4 and 27.1 per cent, respectively, over the same period. The average occupancy rate of conference facilities declined by 0.7 percentage points to 5.7 per cent in 2014.

Table 13.11: Indicators on Conference Tourism, 2012-2014

	2012		2013		2014*	
	Local	International	Local	International	Local	International
No.of conferences ... ..	3,338	328	2,849	299	3,077	241
No.of delegates ... ..	413,037	35,663	401,809	40,109	432,998	77,848
No.of delegate days ... ..	554,443	209,910	523,224	179,922	547,262	131,193
No.of delegate days available ... ..	5,652,611	5,652,611	5,498,958	5,498,958	5,925,801	5,925,801
Percentage Occupancy ... ..	9.8	3.7	9.5	3.3	9.2	2.2

\*Provisional

**Training** 13.21. The Kenya Utalii College (KUC) continues to offer training for the middle and high-level manpower for the country’s tourism industry. Total number of graduates declined from 3,001 in 2013 to 2,350 in 2014 in response to the decreased demand for refresher courses offered as shown in Table 13.12. However, the number of graduates in regular professional courses rose by 9.6 per cent in 2014 mainly as a result of increase in enrolments in food and beverage service basic course, food production and front office courses.

Table 13.12: Kenya Utalii College Graduates, 2010-2014

Year	Pioneer Course <sup>1</sup>	Number					Grand Total
		In-Service		Professional Courses			
		Refresher	MDP <sup>2</sup>	Regular Courses	Short Courses	Sub-Total	
2010	1,052	1,178	192	533	30	563	2,985
2011	561	1,494	264	613	30	643	2,962
2012	458	1,644	224	627	17	644	2,970
2013	..	1,450	252	541	758	1,299	3,001
2014*	..	936	237	593	584	1,177	2,350

Source: Kenya Utalii College

\* Provisional

.. not available

<sup>1</sup>Pioneer is a 3 month course

<sup>2</sup>MDP - Management Development Programmes

**Developments in the Tourism Sector** 13.22. In 2014, the Government came up with strategies aimed at promoting the tourism industry. This was in response to the declining trend in the performance of the tourism sector. Among the strategies taken to spur growth within the sector include allowing all corporate and business entities to pay vacation expenses for their staff who wishes to go for holidays in the country and deduct such expenditures from their institution taxes. Through this measure, Kenyans have a chance to go for holidays at the expense of their employers.

13.23. All air ticketing services supplied by travel agents were exempted from the VAT Act, 2013 to create employment and demand for air transport services. Similarly, all park fees that were at USD 90 per non-resident and KSh 1,200 per resident guest were reduced to USD 80 and KSh 1,000, respectively.

13.24. The Government revoked the National Treasury Circular restricting the public service from holding conferences and other meetings in private hotels. This was to ensure private sector tourism players equally enjoy the participation of the public sector.

13.25. Budgetary resources earmarked for foreign travel by the National Government were reallocated to domestic travel in the supplementary budget 2014/15. Similarly, the County Governments were urged to reallocate some foreign travel budgets to domestic travels in order to spur growth of domestic tourism and sustain employment.

13.26. The landing charges were reduced by 40 per cent in Moi International Airport and Malindi Airport. Subsequently, the Government allocated adequate resources to expand Malindi Airport to international standards to allow for larger commercial aircrafts to land.

13.27. To improve the sector liquidity and cash flow, the Government directed that all outstanding income tax related refunds owed to the tourism industry players be paid out by Kenya Revenue Authority promptly.

## Chapter 14

### Transport and Storage

**Overview** The transport sector is vital in facilitating economic growth and sustainable development. Towards this end, the government through the Ministry of Transport and Infrastructure intensified efforts aimed at improving transport infrastructure comprising; roads, railways, airports, pipelines and ports. The performance of transport sector continued to improve during the period under review, with the sector total output value expanding by 13.7 per cent. In 2014, three new locomotives were imported and rehabilitation of the existing fleet undertaken, resulting in increased freight tonnage. In addition, the Global Positioning System (GPS) software was installed allowing for online monitoring of train movement, to increase efficiency.

14.2. In the maritime sub-sector, the Port of Mombasa recorded an increase of 11.5 per cent of total cargo throughput to stand at 24,875 thousand tonnes in 2014. The container traffic registered a growth of 13.2 per cent from 894.0 thousand Twenty-foot Equivalent Units (TEUs) handled in 2013 to 1,012.0 thousand TEUs in 2014. Cargo traffic transported via rail increased by 24.3 per cent to 1,509.0 thousand tonnes over the review period. Total pipeline throughput of white petroleum products expanded by 7.7 per cent from 5.2 million cubic metres in 2013 to 5.6 million cubic metres in 2014.

14.3. Registration of new motor vehicles grew by 9.1 per cent to 102,606 units in 2014. However, newly registered motor cycles dropped from 125,058 units in 2013 to 111,124 units over the same period, reflecting a decline of 11.1 per cent. Road safety measures undertaken by the government are bearing fruits as reflected by the 8.6 per cent decline in the number of reported road traffic accidents from 6,205 in 2013 to 5,672 in 2014. Total commercial passengers handled at the airports rose from 8,231.6 thousand in 2013 to 8,882.0 thousand in 2014, representing a growth of 7.9 per cent. Similarly, cargo traffic handled at the airports posted a growth of 6.8 per cent to 279.4 thousand tonnes in 2014.

**Value of Output** 14.4. Table 14.1 shows output values for various transport and storage sub-sectors over the last five years. Total output value for transport and storage sector went up by 13.7 per cent from KSh 768.3 billion recorded in 2013 to KSh 873.3 billion in 2014. All the sub-sectors registered increases in output values during the review period. Road transport sub-sector recorded an increase of 15.2 per cent in the value of output from KSh 520.9 billion in 2013 to KSh 600.2 billion in 2014. Air transport and services incidental to transport grew by 3.6 and 27.0 per cent, respectively, in 2014.

Table 14.1: Transport and Storage - Value of Output, 2010 – 2014

	KSh Million				
	2010 <sup>+</sup>	2011 <sup>+</sup>	2012 <sup>+</sup>	2013	2014*
Road Transport.....	345,625	431,867	474,458	520,915	600,209
Railway Transport.....	4,605	5,247	5,731	4,849	5,357
Water Transport.....	20,754	23,392	26,294	28,650	31,438
Air Transport.....	88,988	103,993	114,596	131,456	136,181
Services Incidental to Transport.....	51,930	50,625	61,598	62,583	79,519
Pipeline Transport.....	13,906	15,474	17,938	19,862	20,622
<b>Total.....</b>	<b>525,808</b>	<b>630,598</b>	<b>700,615</b>	<b>768,315</b>	<b>873,326</b>

\* Provisional.

<sup>+</sup>Revised

**Road Transport** 14.5. Roads Maintenance Funds over the last five years are presented in Table 14.2. Total funds to be disbursed by the Kenya Roads Board (KRB) to the various road agencies for maintenance and rehabilitation of roads is expected to expand by 11.2 per cent from KSh 23.2 billion in 2013/14 to KSh 25.8 billion in 2014/15 financial year. This is mainly attributed to the fuel levy collection which is expected to increase from KSh 22.8 billion in 2013/14 to KSh 25.3 billion in 2014/15. Transit toll collection is also projected to raise to KSh 454 million in 2014/15 compared to KSh 407 million in 2013/14.

Table 14.2: Roads Maintenance Funds, 2010/11 - 2014/15

	KSh Million				
	2010/11	2011/12	2012/13	2013/14*	2014/15**
Fuel Levy .. . . . . .	23,086	23,757	23,978	22,822	25,338
Transit Toll .. . . . . .	304	343	392	407	454
<b>Total .. . . . . .</b>	<b>23,390</b>	<b>24,100</b>	<b>24,370</b>	<b>23,229</b>	<b>25,792</b>

Source: Kenya Roads Board

\* Provisional.

\*\* Estimates

14.6. Earnings from the road transport sub-sector are presented in Table 14.3. The sub-sector posted a growth of 15.2 per cent in total earnings from KSh 520.9 billion in 2013 to KSh 600.2 billion in 2014. Earnings made from passenger and freight traffic increased by 13.9 per cent and 16.7 per cent, respectively, during the year under review.

Table 14.3: Earnings from Road Traffic, 2010 – 2014

	KSh Million				
	2010 <sup>+</sup>	2011 <sup>+</sup>	2012 <sup>+</sup>	2013	2014*
Passenger Traffic .. . . . . .	188,961	231,497	254,149	274,863	313,031
Freight Traffic .. . . . . .	156,664	200,370	220,309	246,052	287,178
<b>Total Road Traffic Earnings.....</b>	<b>345,625</b>	<b>431,867</b>	<b>474,458</b>	<b>520,915</b>	<b>600,209</b>

\* Provisional.

<sup>+</sup> Revised

**New Registration of Motor Vehicles and Motor Cycles** 14.7. Table 14.4 and Figure 14.1 present the number of newly registered motor vehicles and motor cycles for the period 2010 to 2014. There was a 1.9 per cent decline in the number of units registered from 222,178 in 2013 to 218,057 in 2014. This was mainly attributed to a decline in the importation of motor and auto cycles.

14.8. **Motor vehicles:** Registration of motor vehicles has maintained an upward trend since 2011. The total number of newly registered motor vehicles in the country recorded a 9.1 per cent increase from 94,017 units in 2013 to 102,606 units in 2014. The number of registered motor vehicles increased except for saloon cars, mini buses/*matatus* and trailers which recorded declines during the review period. The number of newly registered saloon cars dropped from 16,343 units in 2013 to 15,902 in 2014. During the review period, the number of newly registered station wagons recorded a growth of 10.0 per cent to 53,542 units, accounting for more than half of the total motor vehicle registrations.

14.9. The number of panel vans and pick-ups registered increased by 28.0 per cent from 9,819 units in 2013 to 12,568 units in 2014. Likewise, the number of newly registered lorries and heavy trucks rose by 11.6 per cent from 9,570 units in 2013 to 10,681 units in 2014. The number of registered buses and coaches increased by 7.2 per cent from 2,062 units in 2013 to 2,210 units in 2014. However, the number of registered mini buses/*matatus* dropped by 9.4 per cent from 235 in 2013 to 213 during the review period.

14.10. **Motor cycles:** The number of newly registered motor and auto cycles decreased by 11.1 per cent from 125,058 units in 2013 to 111,124 units in 2014. The number of three wheelers, however increased during the review period, recording additional 1,224 units.

**Table 14.4: New Registration of Road Motor Vehicles and Motor cycles, 2010 – 2014**

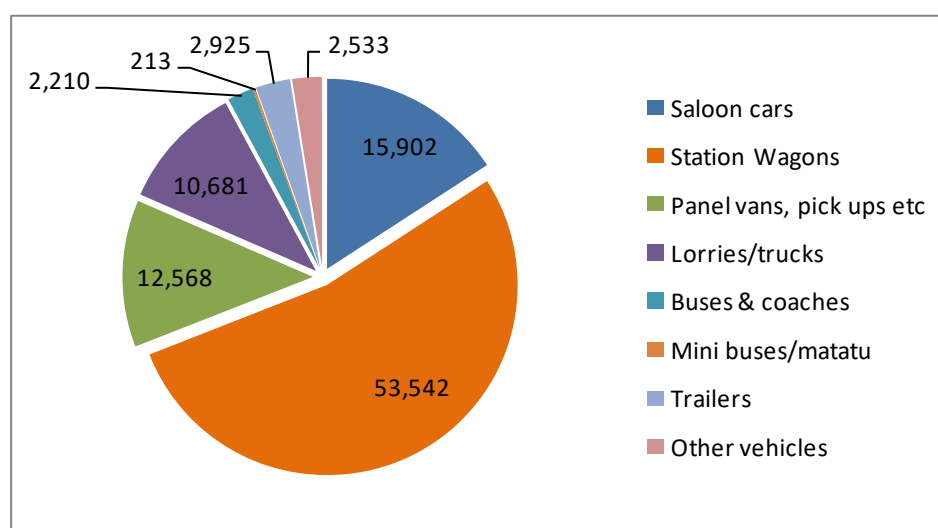
Type of Vehicle/Motor Cycle	Number				
	2010	2011	2012	2013	2014*
Saloon Cars .....	16,165	11,026	12,985	16,343	15,902
Station Wagons .....	37,553	31,199	39,862	48,662	53,542
Panel Vans, Pick-ups, etc.....	6,975	7,442	7,945	9,819	12,568
Lorries/Trucks .....	4,924	5,247	7,821	9,570	10,681
Buses and Coaches .....	1,264	1,662	1,638	2,062	2,210
Mini Buses/Matatu .....	3,600	451	78	235	213
Trailers.....	2,379	2,556	3,761	3,973	2,925
Wheeled Tractors .....	1,161	1,179	1,386	1,902	2,032
Other vehicles.....	3,648	2,724	1,753	1,451	2,533
<b>Total Motor Vehicles.....</b>	<b>77,669</b>	<b>63,486</b>	<b>77,229</b>	<b>94,017</b>	<b>102,606</b>
Motor and Auto Cycles .....	117,266	140,215	93,970	125,058	111,124
Three Wheelers .....	1521	2,140	1,845	3,103	4,327
<b>Total Motor Cycles.....</b>	<b>118,787</b>	<b>142,355</b>	<b>95,815</b>	<b>128,161</b>	<b>115,451</b>
<b>Total Units Registered .....</b>	<b>196,456</b>	<b>205,841</b>	<b>173,044</b>	<b>222,178</b>	<b>218,057</b>

Source: Kenya Revenue Authority/National Transport and Safety Authority

\* Provisional.



Figure 14.1: Registration of Selected New Motor Vehicle Units, 2014



**Road Licenses** 14.11. Table 14.5 shows the number of Public Service Vehicle (PSV) and driving licenses issued by the National Transport and Safety Authority (NTSA) over the last five years. The total number of PSV licenses issued increased significantly by 62.7 per cent to 27,153 in 2014 after registering a decline in 2013. The number of PSV licenses issued to *matatus* rose by 67.0 per cent from 9,545 in 2013 to 15,936 in 2014, while those issued to mini buses and tour vans almost doubled. The rise in PSV licenses issued by the NTSA could be partly attributed to improved compliance to traffic laws by passenger transport Savings and Credit Cooperative societies (SACCOs) or companies.

14.12. Total driving licenses issued declined for the third consecutive year to 115,966 in 2014, mainly on account of a reduction in original licenses issued. Duplicate and foreign driving licenses issued went up by 6.5 per cent and 2.5 per cent, respectively.

Table 14.5: Road Transport Licenses Issued, 2010 - 2014

	Number				
	2010	2011	2012	2013	2014*
<b>PSV Licenses</b>					
Matatus .....	16,199	15,198	15,394	9,545	15,936
Buses .....	6,676	5,692	4,169	3,792	5,155
Mini Buses <sup>1</sup> .....	5,965	2,790	2,489	3,350	6,062
<b>Total</b> .....	<b>28,840</b>	<b>23,680</b>	<b>22,052</b>	<b>16,687</b>	<b>27,153</b>
<b>Driving Licenses</b>					
Original .....	131,556	195,536	160,719	90,519	88,666
Duplicate .....	34,514	39,146	29,065	23,069	24,563
Foreign .....	2,121	3,239	2,768	2,671	2,737
<b>Total</b> .....	<b>168,191</b>	<b>237,921</b>	<b>192,552</b>	<b>116,259</b>	<b>115,966</b>

Source: Kenya Revenue Authority/National Transport and Safety Authority

\* Provisional

<sup>1</sup> Includes Tour Vans

## Chapter 14: Transport and Storage

**Road Traffic Accidents** 14.13. Table 14.6 presents reported road traffic accidents and persons killed or injured for the period 2010 to 2014. There was a drop of 8.6 per cent in the number of reported accidents from 6,205 in 2013 to 5,672 in 2014, mainly on account of the government's sustained enforcement of road safety measures. The number of persons killed dropped by 8.9 per cent from 3,191 in 2013 to 2,907 in 2014. Likewise, the number of persons with slight and serious injuries dropped by 18.4 and 17.9 per cent, respectively, in 2014.

**Table 14.6: Road Traffic Accidents, 2010 - 2014**

	Number				
	2010	2011	2012	2013	2014*
Total Number of Reported Traffic Accidents ... ..	9,771	8,193	6,917	6,205	5,672
Persons Killed or Injured:-	<b>22,121</b>	<b>19,093</b>	<b>15,612</b>	<b>14,324</b>	<b>12,018</b>
<i>of which:</i>					
Killed.....	3,055	3,302	3,141	3,191	2,907
Seriously Injured.....	9,327	8,647	7,434	6,299	5,140
Slightly Injured.....	9,739	7,144	5,037	4,834	3,971

Source: Kenya Police, Traffic Department

\* Provisional.

**Railway Transport** 14.14. Freight traffic of the railway transport sub-sector recorded improved performance, whereas passenger traffic dropped further during the year under review, as shown in Table 14.7. The improvement is mainly attributed to three new locomotive engines acquired coupled with rehabilitation of existing fleet. Total freight traffic via rail expanded by 24.3 per cent from 1,214 thousand tonnes in 2013 to 1,509 thousand tonnes in 2014. Earnings from cargo transport grew by 13.0 per cent from KSh 4.6 billion in 2013 to KSh 5.2 billion in 2014. Passenger traffic however, continued on the downward trend for the third consecutive year since 2012. Passenger journeys dropped by 5.0 per cent from 4.0 million in 2013 to 3.8 million in 2014. Similarly, revenue earned from passenger traffic stream dropped by 23.2 per cent from KSh 211 million to KSh 162 million over the same period. The drop in passenger journeys was partly attributed to suspension of passenger transport services along the Nairobi-Kisumu route.

**Table 14.7: Railway Traffic, 2010 – 2014**

	Unit	2010	2011	2012	2013	2014*
<b>Freight:</b>						
Tonnes ... ..	000	1,572	1,596	1,394	1,214	1,509
Tonne-km ... ..	Million	1,105	1,135	995	848	1,169
Revenue ... ..	KSh Million	4,353	4,983	5,525	4,638	5,195
Revenue per tonne-Km... ..	KSh	3.94	4.39	4.39	5.47	4.44
<b>Passenger:</b>						
Journeys ... ..	000	3,411	6,004	4,077	4,016	3,845
Passenger-Km ... ..	Million	270	283	221	183	176
Revenue ... ..	KSh Million	252	264	206	211	162
Revenue per passenger-Km... ..	KSh	0.93	0.93	0.93	1.15	0.92

Source: Kenya Railways Corporation/Rift Valley Railways

**Water Transport** 14.15. Total cargo throughput handled at the Port of Mombasa increased by 11.5 per cent from 22,307 thousand tonnes in 2013 to 24,875 thousand tonnes in 2014, as reflected in Table 14.8. There was a notable increase in container traffic handled by the Port of Mombasa in the year under review. The port registered a total of 1,012.0 thousand Twenty-foot Equivalent Units (TEUs) handled in 2014 compared to 894.0 thousand TEUs in 2013. This was an increase of 13.2 per cent in the review period compared to a drop of 1.0 per cent in the previous year. The rise in TEUs handled was partly attributed to improvement of Mombasa port facilities and implementation of the single window platform that facilitates online transactions for international trade, thereby maximizing port efficiency.

14.16. The number of vessels docking at the Port of Mombasa maintained an upward trend, increasing by 3.6 per cent from 1,768 in 2013 to 1,832 in the year under review. Total imports handled rose by 8.3 per cent to stand at 20.8 million tonnes in 2014. Bulk liquids handled posted a growth of 10.8 per cent to 7.2 million tonnes in 2014 compared to a decline of 1.9 per cent recorded in the previous year. Imports of dry general and dry bulk cargo handled increased by 654 and 318 thousand tonnes, respectively, in 2014. Total exports handled increased by 12.8 per cent in the review period compared to a drop of 2.0 per cent in 2013. The volume of dry bulk exports increased tremendously from 65 thousand tonnes recorded in 2013 to 422 thousand tonnes in 2014. This was mainly on account of exports of titanium estimated at 363.0 thousand tonnes. The volume of bulk liquids exports handled declined further to less than half the amount handled in 2013. The number of motor vehicles landed grew by 15.3 per cent from 136,915 units in 2013 to 157,856 units in the period under review. Total Transit cargo handled rose from 6.9 million tonnes in 2013 to 7.2 million tonnes in 2014, registering a 4.3 per cent increase.

**Table 14.8: Traffic handled at Mombasa Port, 2010 – 2014**

	Unit	2010	2011	2012	2013	2014*
Container Traffic .....	TEUs	695,600	770,804	903,463	894,000	1,012,002
Ships Docking .....	No.	1,579	1,684	1,763	1,768	1,832
<b>Imports</b>	000' DWT					
Dry General .....	"	5,987	6,524	7,256	7,700	8,354
Dry Bulk .....	"	3,871	3,807	4,811	4,913	5,231
Bulk Liquids .....	"	6,386	6,607	6,665	6,537	7,192
<b>Total Imports .....</b>	"	<b>16,244</b>	<b>16,938</b>	<b>18,732</b>	<b>19,150</b>	<b>20,777</b>
<i>Of which</i> Transit In .....	"	5,004	5,166	6,201	6,338	6,691
Motor Vehicles landed .....	No.	95,604	105,048	120,268	136,915	157,856
<b>Exports</b>	000' DWT					
Dry General .....	"	2,410	2,508	2,779	2,818	2,899
Dry Bulk .....	"	70	122	106	65	422
Bulk Liquids .....	"	95	158	160	100	45
<b>Total Exports .....</b>	"	<b>2,575</b>	<b>2,788</b>	<b>3,045</b>	<b>2,983</b>	<b>3,366</b>
<i>Of which</i> Transit Out .....	"	377	430	425	513	508
<b>Total Imports and Exports .....</b>	"	<b>18,819</b>	<b>19,726</b>	<b>21,777</b>	<b>22,133</b>	<b>24,143</b>
Trans shipment .....	"	158	227	143	174	732
<b>Grand Total .....</b>	"	<b>18,977</b>	<b>19,953</b>	<b>21,920</b>	<b>22,307</b>	<b>24,875</b>

Source: Kenya Ports Authority

\* Provisional.

DWT - Deadweight Tonnes

## Chapter 14: Transport and Storage

**Pipeline Transport** 14.17. Table 14.9 presents pipeline throughput of white petroleum products from 2010 to 2014. Total pipeline throughput continued on an upward trend. In 2014, throughput of white petroleum products expanded by 7.7 per cent from 5.2 million cubic metres in 2013 to 5.6 million cubic metres. Exports of petroleum products posted a slowed growth of 1.7 per cent in 2014 compared to a growth of 7.2 per cent recorded in 2013. Motor spirit (Premium) and jet fuel exports rose by 5.4 and 34.9 per cent, respectively, in 2014. Throughput of refined petroleum products for domestic consumption went up by 353.1 thousand tonnes in 2014, reflecting an increase of 11.0 per cent.

**Table 14.9: Pipeline Throughput of White Petroleum Products, 2010 – 2014**

	'000 Cubic Metres				
	2010	2011	2012	2013	2014*
<b>Exports</b>					
Motor Spirit (Premium) ... ..	387.4	429	626.3	688.6	726.0
Kerosene Illuminating Oil ... ..	99	84.7	89.3	86.1	75.8
Light Diesel Oil ... ..	505.8	516.8	899.4	979.1	916.1
Jet Fuel ... ..	161	142.3	206.4	198.3	267.6
<b>Sub-Total ... ..</b>	<b>1,153.2</b>	<b>1,172.8</b>	<b>1,821.4</b>	<b>1,952.1</b>	<b>1,985.5</b>
<b>Domestic Consumption<sup>1</sup></b>					
Motor Spirit (Premium) ... ..	689.9	782.6	785.9	897.5	1,028.8
Motor Spirit (Regular) ... ..	69.7	43.3	14.2	1.3	-
Kerosene Illuminating Oil ... ..	264.8	250.5	304.8	353.8	362.9
Light Diesel Oil ... ..	1,252.9	1,129.8	1,079.0	1,174.0	1,314.2
Jet Fuel ... ..	773.2	878.4	850.3	792.7	866.5
<b>Sub-Total ... ..</b>	<b>3,050.5</b>	<b>3,084.6</b>	<b>3,034.2</b>	<b>3,219.3</b>	<b>3,572.4</b>
<b>Grand Total ... ..</b>	<b>4,203.7</b>	<b>4,257.4</b>	<b>4,855.6</b>	<b>5,171.4</b>	<b>5,557.9</b>

Source: Kenya Pipeline Company

\* Provisional.

<sup>1</sup> Excludes fuels transported by Kenya Railways or consumed in the Coastal region

**Air Transport** 14.18. **Passenger traffic:** Table 14.10(a) shows commercial air traffic handled at the airports in the country. Total passenger traffic handled rose by 7.9 per cent from 8,231.6 thousand in 2013 to 8,882.0 thousand in 2014. Domestic and international passengers handled at the main airports increased by 20.5 per cent and 2.1 per cent, respectively, in 2014. Total domestic passengers recorded were 3.1 million in 2014 compared to 2.6 million in 2013. International passengers handled rose to 5.7 million during the period under review from 5.6 million handled the previous year. The number of passenger arrivals and departures were 4.4 million and 3.2 million, respectively, while those in transit stood at 1.3 million in 2014.

14.19. Total domestic and international passengers recorded at Jomo Kenyatta International Airport (JKIA) in the year under review were 6.4 million compared to 5.9 million passengers in the previous year, an increase of 6.9 per cent. Similarly, Moi International Airport (MIA) registered an increase of 6.8 per cent in total domestic and international passengers handled from 1.3 million in 2013 to 1.4 million in 2014, with domestic passengers accounting for more than half of the total passenger traffic. Total commercial passengers handled at other airports rose from 1.0 million in 2013 to 1.1 million in 2014, with domestic passenger traffic being predominant.

14.20. Total commercial passengers handled at the airports improved in 2014 compared to a drop of 4.1 per cent recorded in 2013. Some of the factors attributed to improved performance include, continued route expansion and increased flight frequencies, especially by the national carrier Kenya Airways and, expansion and upgrade of major facilities particularly at JKIA.

14.21. **Cargo and Mail Traffic:** Table 14.10(b) presents the commercial cargo and mail traffic by airport over the last five years. Total cargo traffic handled at the main airports improved during the review period, registering a growth of 6.8 per cent to stand at 279.4 thousand tonnes from 261.7 thousand tonnes in 2013. Total cargo handled at JKIA and MIA increased by 5.9 and 18.9 per cent, respectively, over the review period. Loaded cargo at JKIA rose by 7.5 per cent, while landed cargo dropped marginally in 2014. Landed and loaded cargo at MIA increased by 300.2 tonnes and 420.8 tonnes, respectively, in 2014. During the review period, cargo landed and loaded at other airports rose to 10,472.0 and 5,736.4 tonnes, respectively. There was a further decline in mail traffic handled at JKIA and MIA airport in 2014, due to advancement in Information Communication Technology.

## Chapter 14: Transport and Storage

**Table 14.10a: Commercial Passenger Traffic by Airport, 2010- 2014**

Year	Category	Sub-Category	'000 Number			Total Passenger Traffic	
			JKIA Nairobi	MIA Mombasa	Other Airports		
2010	Domestic	Arrivals	544.5	345.4	342.4	1,232.3	
		Departures	419.1	343.9	329.5	1,092.5	
		<b>Sub-Total</b>	<b>963.6</b>	<b>689.3</b>	<b>671.9</b>	<b>2,324.8</b>	
	International	Arrivals	2,243.5	233.0	11.6	2,488.1	
		Departures	1,177.5	240.8	13.4	1,431.7	
		In Transit	1,101.2	108.0	62.6	1,271.8	
		<b>Sub-Total</b>	<b>4,522.2</b>	<b>581.8</b>	<b>87.6</b>	<b>5,191.6</b>	
	<b>Total</b>		<b>5,485.8</b>	<b>1,271.1</b>	<b>759.5</b>	<b>7,516.4</b>	
	2011	Domestic	Arrivals	676.7	412.1	413.3	1,502.1
			Departures	518.9	412.8	398.9	1,330.6
<b>Sub-Total</b>			<b>1,195.6</b>	<b>824.9</b>	<b>812.2</b>	<b>2,832.7</b>	
International		Arrivals	2,492.4	254.3	13.7	2,760.4	
		Departures	1,357.2	268.9	23.1	1,649.2	
		In Transit	1,246.0	123.9	109.5	1,479.4	
		<b>Sub-Total</b>	<b>5,095.6</b>	<b>647.1</b>	<b>146.3</b>	<b>5,889.0</b>	
<b>Total</b>			<b>6,291.2</b>	<b>1,472.0</b>	<b>958.5</b>	<b>8,721.7</b>	
2012	Domestic	Arrivals	649.0	399.8	415.5	1,464.3	
		Departures	483.3	386.6	400.0	1,269.9	
		<b>Sub-Total</b>	<b>1,132.3</b>	<b>786.4</b>	<b>815.5</b>	<b>2,734.2</b>	
	International	Arrivals	2,480.2	205.6	12.8	2,698.6	
		Departures	1,432.9	241.0	19.7	1,693.6	
		In Transit	1,226.5	114.8	116.1	1,457.4	
		<b>Sub-Total</b>	<b>5,139.6</b>	<b>561.4</b>	<b>148.6</b>	<b>5,849.6</b>	
	<b>Total</b>		<b>6,271.9</b>	<b>1,347.8</b>	<b>964.1</b>	<b>8,583.8</b>	
2013	Domestic	Arrivals	602.4	370.5	443.6	1,416.5	
		Departures	408.3	361.5	418.1	1,187.9	
		<b>Sub-Total</b>	<b>1,010.7</b>	<b>732.0</b>	<b>861.7</b>	<b>2,604.4</b>	
	International	Arrivals	2,403.8	210.0	12.7	2,626.5	
		Departures	1,380.2	234.0	18.2	1,632.4	
		In Transit	1,152.2	103.2	112.9	1,368.3	
		<b>Sub-Total</b>	<b>4,936.2</b>	<b>547.2</b>	<b>143.8</b>	<b>5,627.2</b>	
	<b>Total</b>		<b>5,946.9</b>	<b>1,279.2</b>	<b>1,005.5</b>	<b>8,231.6</b>	
2014*	Domestic	Arrivals	761.3	438.5	495.1	1,694.9	
		Departures	550.9	420.1	472.2	1,443.2	
		<b>Sub-Total</b>	<b>1,312.2</b>	<b>858.6</b>	<b>967.3</b>	<b>3,138.1</b>	
	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	
		<b>Sub-Total</b>	<b>5,074.3</b>	<b>507.9</b>	<b>161.7</b>	<b>5,743.9</b>	
	<b>Total</b>		<b>6,386.5</b>	<b>1,366.5</b>	<b>1,129.0</b>	<b>8,882.0</b>	

Source: Kenya Airports Authority

\* Provisional

Table 14.10b: Commercial Cargo and Mail Traffic by Airport, 2010- 2014

Year	Category	Cargo Traffic (Tonnes)				Mail Traffic (Tonnes)		
		JKIA Nairobi	MIA Mombasa	Other Airports	Total Cargo	JKIA Nairobi	MIA Mombasa	Total Mail
2010	Landed	31,416.3	1,260.3	3,640.2	4,900.5	1,392.8	10.0	1,402.8
	Loaded	196,854.1	6,877.9	7,125.7	210,857.7	187.1	19.9	207.0
	<b>Total</b>	<b>228,270.4</b>	<b>8,138.2</b>	<b>10,765.9</b>	<b>247,174.5</b>	<b>1,579.9</b>	<b>29.9</b>	<b>1,609.8</b>
2011	Landed	5,983.6	1,866.0	6,164.3	67,867.9	1,663.0	15.9	1,678.9
	Loaded	226,630.0	6,066.4	3,565.3	236,261.7	160.0	18.1	178.1
	<b>Total</b>	<b>286,467.6</b>	<b>7,932.4</b>	<b>9,729.6</b>	<b>304,129.6</b>	<b>1,823.0</b>	<b>34.0</b>	<b>1,857.0</b>
2012	Landed	5,982.0	1,536.7	6,928.1	68,446.8	1,144.8	4.7	1,149.5
	Loaded	219,009.3	2,702.6	4,895.7	226,607.6	173.0	18.8	191.8
	<b>Total</b>	<b>278,991.3</b>	<b>4,239.3</b>	<b>11,823.8</b>	<b>295,054.4</b>	<b>1,317.8</b>	<b>23.5</b>	<b>1,341.3</b>
2013	Landed	52,350.8	1,533.5	8,482.4	62,366.7	506.3	6.6	512.9
	Loaded	191,966.9	2,290.3	5,091.6	199,348.8	236.6	15.5	252.1
	<b>Total</b>	<b>244,317.7</b>	<b>3,823.8</b>	<b>13,574.0</b>	<b>261,715.5</b>	<b>742.9</b>	<b>22.1</b>	<b>765.0</b>
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
	<b>Total</b>	<b>258,627.5</b>	<b>4,544.8</b>	<b>16,208.4</b>	<b>279,380.7</b>	<b>515.7</b>	<b>9.5</b>	<b>525.2</b>

Source: Kenya Airports Authority

\* Provisional

**Postal Services** 14.22. The performance of the postal service sub-sector is shown in Table 14.11. The number of private courier operator outlets almost tripled from 707 in 2013 to 2,048 in 2014. During the period under review, the number of licensed courier operators went up by 7.5 per cent from 214 in 2013 to 230. Total items handled by the Expedited Mail Service (EMS) expanded by 21.4 per cent to 1,801 thousand in 2014. Total registered and insured items posted in 2014 showed mixed performance. The domestic items posted declined further to 914 thousand, while international items showed a slight improvement from 81 thousand in 2013 to 87 thousand in 2014. Total unregistered correspondence and total parcels handled in 2014 rose by 1.5 and 33.3 per cent, respectively. Slightly over 1.3 million money orders were issued in 2014 compared to 586 thousand issued in 2013 mainly on account of a significant increase in *Postapay* from 73 thousand in 2013 to 839 thousand in the review period.

Table 14.11: Postal Services, 2010 - 2014

Item	Unit	2010	2011	2012	2013	2014*
Post Offices.. . . . .	No.	698	697	634	622	622
Private Courier Operator Outlets.. . . . .	No.	601	635	683	707	2,048
Licensed Courier Operators.. . . . .	No.	159	176	190	214	230
<b>Total Private Letter Boxes:</b>						
Installed.. . . . .	'000	415	428	432	432	432
Rented.. . . . .	'000	351	366	382	383	380
Private Bags Rented.. . . . .	No.	846	846	846	846	846
<b>Total EMS Items Handled:</b>						
Accepted.. . . . .	'000	772	776	821	772	933
Delivered.. . . . .	'000	752	905	798	711	868
<b>Total Registered and Insured Items Posted:....</b>						
Domestic... . . . .	'000	1,317	1,424	1,254	1,005	1,001
International... . . . .	'000	1,227	1,333	1,169	924	914
International... . . . .	'000	90	91	85	81	87
<b>Unregistered correspondence handled :... . . . .</b>						
Domestic... . . . .	Millions	115	96	75	68	69
Domestic... . . . .	Millions	108	88	68	63	64
International... . . . .	Millions	7	8	7	5	5
<b>Parcels handled : ... . . . .</b>						
Domestic - Posted.. . . . .	'000	52	52	51	36	48
International - Posted.. . . . .	'000	25	26	26	18	26
International - Posted.. . . . .	'000	27	26	25	18	22
<b>Money Orders Issued<sup>1</sup>... . . . .</b>						
Domestic (IFS)... . . . .	'000	625	385	346	586	1,339
Express... . . . .	'000	377	284	281	513	500
PostaPay... . . . .	'000	28	12	10	-	-
PostaPay... . . . .	'000	203	87	55	73	839
Inter-state (IFS)... . . . .	'000	17	2	0.2	0.2	0.2
<b>Postal Orders Issued:.... . . . .</b>						
	No.	40	3	5	0	0

Source: Postal Corporation of Kenya/Communication Authority of Kenya

\*Provisional

IFS - International Financial Services

**Storage**

**Container Freight Stations** 14.23. Container Freight Stations (CFS) render complementary port services in the cargo handling chain. At the Port of Mombasa, there are 12 CFS licensed by Kenya Revenue Authority (KRA) as customs bonded warehouses and treated as extension of the port. The CFS has a combined holding capacity of approximately 1.2 million TEUs. Their services include receipt and delivery of cargo. Container Freight Stations have facilitated decongestion of the port of Mombasa.

**Developments in the Transport and Storage sector** 14.24. Plans are underway to relocate the Kipevu Oil Terminal (KOT) facility. The current location of KOT falls between berth 19 and the forthcoming second container terminal which may compromise the safety of ships docking at berth 19. The re-location of the facility will offer several benefits, including safety in crude oil handling and improved berth operations in oil handling. Rift Valley Railways (RVR) is undertaking a number of initiatives aimed at improving rail transport operations. Ongoing initiatives to enhance efficiency include installation of Global Positioning System (GPS) software on trains which allows online monitoring of train movement, aimed at eliminating time wastage. Wagons overhaul and rehabilitation, culverts replacement, and track rehabilitation, are also being undertaken to further improve performance.



## Chapter 15

## Information and Communication Technology

**Overview** Information and communication technologies keep evolving leading to easier and more affordable ways of transferring information and conducting business. Over the last decade, the performance of the Information and Communication Technology (ICT) sector has been robust resulting in it being a major driver of economic growth. Kenya has managed to keep in tandem with the rapidly evolving technology and is a leading country in mobile money transfer system. The rapid expansion of the ICT sector continued in 2014 as reflected by improvement of key indicators. Internet usage has increased exponentially especially after the laying of the undersea fiber optic cables along the Kenyan Coast. This is in addition to formulation and implementation of supporting policies such as the National Optic Fiber Backbone Infrastructure (NOFBI). The Government is implementing the National Cybersecurity Strategy and National Surveillance, Communication and Controls System to enhance security.

15.2. In 2014, value of ICT output increased by 12.7 per cent to KSh 262.3 billion. During the same period, mobile telephone capacity increased by 18.2 per cent while mobile telephone subscriptions rose by 7.4 per cent to stand at 33.6 million. Mobile penetration rose from 74.9 per cent in 2013 to 78.3 per cent in 2014 while the internet subscriptions increased by 6.7 percentage points to 38.3 per cent in 2014. The number of both international and domestic messages sent via Short Message Service (SMS) increased by 38.5 per cent to KSh 27.5 billion in 2014. This increase was attributed to the increase in domestic SMS during the same period. The total amount of money transferred increased to KSh 2,372 billion from KSh 1,902 billion in the period under review. The total value of imported ICT equipment stood at KSh 41.7 billion in 2014 with that of telecommunication equipment's accounting for 56.7 per cent of these imports. The value of exports declined by 45.3 per cent to stand at KSh 1.3 billion in 2014.

**Value of Output** 15.3. Table 15.1 provide details on value of output, intermediate consumption and value added for the ICT sector at current prices for the last five years. The value of ICT output increased by 12.7 per cent to stand at KSh 262.3 million in 2014 compared to KSh 232.7 million in 2013. Intermediate consumption increased by 19.6 per cent while the value added decreased by 3.7 per cent in the year under review.

**Table 15.1: Communications Output, Intermediate Consumption and Value Added, 2010-2014**

Ksh Million			
Year	Value of Output <sup>1</sup>	Intermediate Consumption <sup>1</sup>	Value Added <sup>1</sup>
2010	169,267.8	100,883.7	68,384.1
2011	186,039.9	124,658.6	61,381.3
2012	203,692.9	135,255.4	68,437.5
2013	232,653.1	164,055.1	68,598.0
2014*	262,275.4	196,219.6	66,055.8

\* Provisional

<sup>1</sup>Figures revised following rebasing of National Accounts statistics in 2014

**Fixed Telephone and Mobile Services** 15.4. **Fixed Telephone:** The country’s fixed wireline capacity declined by 11.0 per cent to 363,000 in 2014 as presented in Table 15.2. Total Fixed telephone connections decreased by 12.6 per cent in 2014 mainly due to the decommissioning of a number of exchanges in the country.

15.5. **Mobile Network services:** The mobile telephone capacity, connections and mobile money transfer services continued to expand during the review period. Mobile telephone capacity grew by 18.2 per cent from 55 million in 2013 to 65 million in 2014. Mobile telephone connections rose by 7.4 per cent to reach 33.6 million in 2014 while the number of mobile money transfer agents increased by 30.1 per cent to 121,924 during the same period. In 2014, the total value of deposits for the mobile money through the agents grew by 22.8 per cent to KSh 1,269 billion from KSh 1,033 billion in 2013. Mobile money transfer service subscribers remained fairly constant at 26 million during the review period. The total value of transfers rose by 24.7 per cent from KSh 1,902 billion in 2013 to KSh 2,372 billion in 2014.

**Table 15.2: Fixed and Mobile network Services, 2010-2014**

<b>Fixed Telephony</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013<sup>+</sup></b>	<b>2014*</b>
Wireline Capacity ('000).....	422	401	380	408	363
<b>Total Connections ('000).....</b>	<b>461</b>	<b>380</b>	<b>263</b>	<b>206</b>	<b>180</b>
Wireline Connections .....	235	188	75	57	48
Wireless Connections <sup>1</sup> .....	226	192	188	149	132
<b>Mobile Telephony</b>					
Mobile Telephone Capacity ('000) <sup>2</sup> .....	46,629	47,677	49,977	55,077	65,077
Connections ('000).....	24,969	26,981	30,433	31,309	33,633
Mobile Money Transfer Agents .....	32,949	42,313	49,079	93,689	121,924
Mobile Money Transfer Service Subscribers ('000)...	10,615	17,396	19,319	26,016	26,023
Total Deposits through Agents in KSh Billion <sup>+</sup>	391	566	811	1,033	1,269
Total Transfers, in KSh Billion .....	732	1,169	1,544	1,902	2,372

Source: Communication Authority of Kenya

\* Provisional

<sup>+</sup> Revised

<sup>1</sup> Includes Local Loop Operators

**Voice call traffic** 15.6. **International Telephone Traffic:** International telephone traffic reduced by 16.0 per cent in 2014 to 1027.0 minutes as presented in Table 15.3. This was the second decline following the 14.4 per cent recorded in 2013. Outgoing and incoming mobile traffic declined by 15.9 per cent and 13.5 per cent, respectively. This reduction may be attributed to the high usage of social network sites and the instant messaging applications.

15.7. **Roaming Traffic:** Total roaming traffic declined by 3.4 per cent to 86.3 million minutes in 2014. This was mainly due to a drop in outbound roaming from 48.0 million minutes in 2013 to 38.3 million minutes in 2014. Inbound roaming increased by 16.2 per cent to 48.1 million minutes during the same period.

15.8. **Domestic Traffic:** The total domestic traffic increased by 2.3 per cent to 30.7 billion minutes in 2014 with mobile to mobile traffic accounting for 99.4 per cent of the total domestic traffic. Mobile to mobile traffic increased by 2.4 per cent in 2014 compared to 8.5 per cent in 2013. Fixed to mobile and mobile to fixed traffic increased by 15.1 per cent and

27.2 per cent in 2014, respectively. The total fixed to fixed traffic recorded the highest decline from 47.2 million minutes in 2013 to 23.6 million minutes in 2014. This was mainly attributed to the low demand for the service and a drop in the fixed telephone subscription.

**15.9. VoIP Traffic:** The volume of the international outgoing Voice over Internet Protocol (VoIP) traffic from fixed lines declined by 9.9 per cent to 7.3 million minutes in 2014 from 8.1 million minutes recorded in 2013. The decline may be attributed to the preference for instant messaging applications and the use of mobile telephones to make international calls.

**Table 15.3: Telephone call Traffic, 2010-2014**

	Minutes '000				
	2010	2011	2012	2013*	2014*
<b>International calls</b>					
<b>Total international outgoing telephone traffic</b> .....	<b>345,781</b>	<b>642,603</b>	<b>630,591</b>	<b>546,558</b>	<b>450,092</b>
International outgoing Mobile traffic.....	333,128	624,952	614,208	530,823	446,438
International outgoing Fixed line traffic.....	12,653	17,651	16,383	15,736	15,163
<b>Total international incoming telephone traffic</b> .....	<b>679,481</b>	<b>611,513</b>	<b>797,532</b>	<b>676,267</b>	<b>576,930</b>
International incoming Mobile traffic.....	634,699	589,318	781,010	664,035	574,413
International incoming Fixed line traffic.....	44,782	22,195	16,522	12,232	12,102
<b>Total international telephone traffic</b> .....	<b>1,025,262</b>	<b>1,254,116</b>	<b>1,428,123</b>	<b>1,222,825</b>	<b>1,027,022</b>
<b>Roaming</b>					
Roaming by home subscribers abroad (outbound roaming).....	91,420	129,510	36,992	48,011	38,251
Roaming by foreign subscribers abroad (inbound roaming).....	22,280	25,913	40,593	41,382	48,060
<b>Total Roaming</b> .....	<b>113,700</b>	<b>155,423</b>	<b>77,585</b>	<b>89,393</b>	<b>86,311</b>
<b>Domestic calls</b>					
<b>Total Fixed to Fixed telephone traffic (a+b)</b> .....	<b>91,005</b>	<b>101,516</b>	<b>23,843</b>	<b>47,241</b>	<b>23,605</b>
Fixed wireless to Fixed wireless traffic (a) .....	52,878	77,847	5,791	8,781	1,983
Fixed to Fixed telephone traffic (b).....	38,126	23,669	18,052	38,460	21,622
Fixed to Mobile telephone traffic.....	213,073	130,920	124,423	101,722	117,053
Mobile to Mobile telephone traffic.....	23,522,848	26,024,608	27,439,110	29,758,949	30,473,694
Mobile to Fixed telephone traffic.....	80,658	90,420	66,823	52,334	66,564
<b>Total Domestic traffic</b> .....	<b>23,907,583</b>	<b>26,347,464</b>	<b>27,654,199</b>	<b>29,960,246</b>	<b>30,680,916</b>
International Outgoing VoIP .....	7,376	18,171	9,886	8,101	7,335

Source: Communication Authority of Kenya

\*Provisional

`+Revised

**Message Services Traffic** 15.10. **Message Services Traffic:** The Multimedia Messaging Services (MMS) enables individuals to mainly send graphics, sound or video. The number of messages sent via MMS sent rose by 23.1 per cent to 12.0 million in 2014 as shown in Table 15.4. The total number of messages sent via short messaging services (SMS) increased by 38.5 per cent to 27.5 billion in 2014. Contributing to the increase was the domestic SMS which increased by 38.6 per cent in 2014. The international messages received via SMS have been increasing in the past four years and stood at 161, 763 thousand in 2014.

Table 15.4: Message Traffic 2010-2014

Messages	Number '000				
	2010	2011	2012	2013	2014*
Multimedia Messaging service (MMS).....	3,219	5,100	8,783	9,761	12,011
<b>Total SMS sent .....</b>	<b>2,881,659</b>	<b>3,596,875</b>	<b>6,788,315</b>	<b>19,837,856</b>	<b>27,467,933</b>
Domestic.....	2,860,021	3,583,092	6,761,927	19,788,436	27,420,801
International .....	21,638	13,783	26,388	49,420	47,132
International SMS received .....	..	48,535	68,812	100,670	161,763

Source: Communication Authority of Kenya

\* Provisional

.. Data Not available

**Internet Services** 15.11. **Internet:** During the year under review, the estimated internet users expanded by 23.0 per cent to stand at 26.2 million users as presented in Table 15.5. This was due to the reduction in data bundle prices and availability of affordable internet enabled telephones. The total wireless and fixed (wired) internet subscriptions also increased by 24.8 per cent and 20.5 per cent, respectively in 2014. Wireless internet subscriptions was dominated by terrestrial ratio mobile data while fixed internet subscriptions were mainly fixed fibre optic data. The number of licensed Internet Service Providers (ISP) increased to 185 in 2014 from 171 in 2013.

Table 15.5: Internet Providers, Users and Subscriptions, 2010 - 2014

	Number				
	2010	2011	2012	2013	2014*
Licensed Internet Services Providers (ISPs).....	57	90	165	171	185
Estimated internet users.....	4,772,446	11,334,694	13,541,868	21,273,738	26,163,560
<b>Total Wireless Internet Subscriptions.....</b>	<b>3,082,993</b>	<b>6,104,019</b>	<b>8,458,818</b>	<b>13,107,459</b>	<b>16,357,239</b>
Terrestrial mobile data.....	3,059,906	6,076,444	8,436,578	13,090,348	16,338,990
Terrestrial wireless data.....	22,134	26,615	21,709	16,429	17,537
Satellite data.....	953	960	531	682	712
<b>Total Fixed (Wired) Internet Subscriptions.....</b>	<b>13,959</b>	<b>48,961</b>	<b>48,351</b>	<b>79,509</b>	<b>95,780</b>
Fixed Digital Subscriber Line (DSL) data.....	9,631	11,422	10,098	12,014	14,512
Fixed Fibre Optic data.....	4,303	37,514	38,228	67,470	81,243
Fixed Cable Modem (Dial Up) data.....	25	25	25	25	25
<b>Total Fixed and Wireless Internet Subscriptions.....</b>	<b>3,096,952</b>	<b>6,152,980</b>	<b>8,507,169</b>	<b>13,186,968</b>	<b>16,453,019</b>

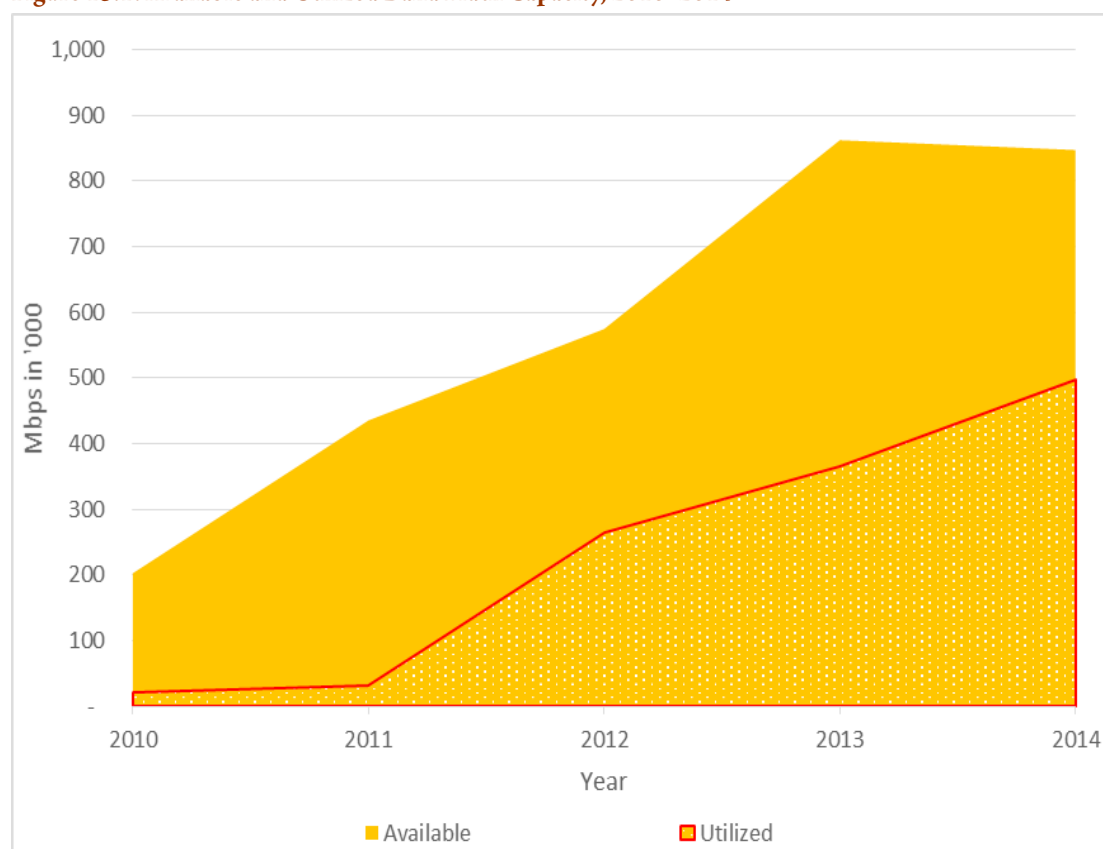
Source: Communication Authority of Kenya

\* Provisional

15.12. **Bandwidth Subscriptions:** The total bandwidth capacity declined by 1.8 per cent from 862,474 megabits per second in 2013 to 847,523 megabits per second in 2014 as shown in Table 15.6. The utilized bandwidth increased by 36.3 per cent to 498,121 megabits per second (Mbps) in 2014 as depicted in Figure 15.1. Only 58.8 per cent of the available bandwidth capacity was utilized in 2014.

**Broadband Services** 15.13. **Broadband services:** The total wireless broadband increased from 2.4 million to 4.2 million in 2014. This increase is mainly attributed to the growth in Global System for Mobile communication (GSM) which almost doubled to 3.4 million in 2014.

Figure 15.1: Available and Utilized Bandwidth Capacity, 2010- 2014

Table 15.6 Broadband Services <sup>+</sup>, 2010-2014

	2010	2011	2012	2013	2014*
<b>Capacity in Megabits Per Second (Mbps)</b>					
Total Undersea Bandwidth Capacity ... .. .	202,506	434,870	574,054	862,210	847,250
Satellite Bandwidth Capacity ... .. .	214	650	650	264	273
<b>1. Total available Bandwidth Capacity ... .. .</b>	<b>202,720</b>	<b>435,520</b>	<b>574,704</b>	<b>862,474</b>	<b>847,523</b>
<b>Utilized bandwidth in Mbps</b>					
International undersea bandwidth... .. .	20,000	32,152	264,426	365,330	498,015
International Satellite Bandwidth ... .. .	210	119	158	83	106
<b>2. Total utilized International Bandwidth... .. .</b>	<b>20,210</b>	<b>32,271</b>	<b>264,584</b>	<b>365,413</b>	<b>498,121</b>
<b>Broadband Subscriptions</b>					
Copper line (Dial-up, DSL and xDSL) ...	4,330	4,712	5,214	5,967	3,388
Fiber to the Home ... .. .	23	29,839	31,280	42,958	59,986
Fiber to the Office ... .. .	1,761	7,772	16,236	20,215	21,257
<b>3. Total Fixed (Wired)- Broadband ... .. .</b>	<b>6,114</b>	<b>42,323</b>	<b>52,730</b>	<b>69,140</b>	<b>84,631</b>
<b>4. Satellite broadband... .. .</b>	<b>682</b>	<b>649</b>	<b>476</b>	<b>474</b>	<b>495</b>
<b>5. Terrestrial fixed wireless broadband... .. .</b>	<b>11,772</b>	<b>11,059</b>	<b>10,941</b>	<b>15,367</b>	<b>16,687</b>
<b>6. Total Active mobile broadband (a+b+c)</b>	<b>154,786</b>	<b>204,868</b>	<b>1,838,844</b>	<b>2,395,836</b>	<b>4,141,498</b>
GSM mobile phones (a) ... .. .	..	..	817,815	1,755,116	3,417,949
GSM modems (b) ... .. .	82,697	110,540	948,847	586,484	657,902
CDMA 2000 phones (c) ... .. .	72,089	94,328	72,182	54,236	65,647
<b>7. Total wireless broadband (4+5+6)</b>	<b>167,240</b>	<b>216,576</b>	<b>1,850,261</b>	<b>2,411,677</b>	<b>4,158,680</b>
<b>8. Total fixed and wireless broadband (3+7)</b>	<b>173,354</b>	<b>258,899</b>	<b>1,902,991</b>	<b>2,480,817</b>	<b>4,243,311</b>

Source: Communication Authority of Kenya

\*Provisional

+ Revised

.. Data not available

**Tariffs** 15.14. **Fixed and mobile telephone charges:** In 2014 the telephone services installation and subscription fees remained unchanged at KSh 3,394 and KSh 580 per month, respectively as presented in Table 15.7. During the same period, the average price of fixed to fixed local call and that of a fixed to mobile local call remained constant at KSh 4.50 and KSh 9.00 per minute, respectively. Figure 15.2 shows the trend of the average price of a one minute local call for the fixed and mobile networks. The average price of mobile to mobile call decreased to KSh 3.11 in 2014 from KSh 3.86 in 2013 per minute while that of mobile to fixed local calls remained constant at KSh 3.25 in the period under review. The average price of SMS also decreased by KSh 0.50 to KSh 1.00. The lowest recharge card value in the market has remained at KSh 5.00 since 2010.

**Table 15.7: Fixed and Mobile Charges, 2010-2014**

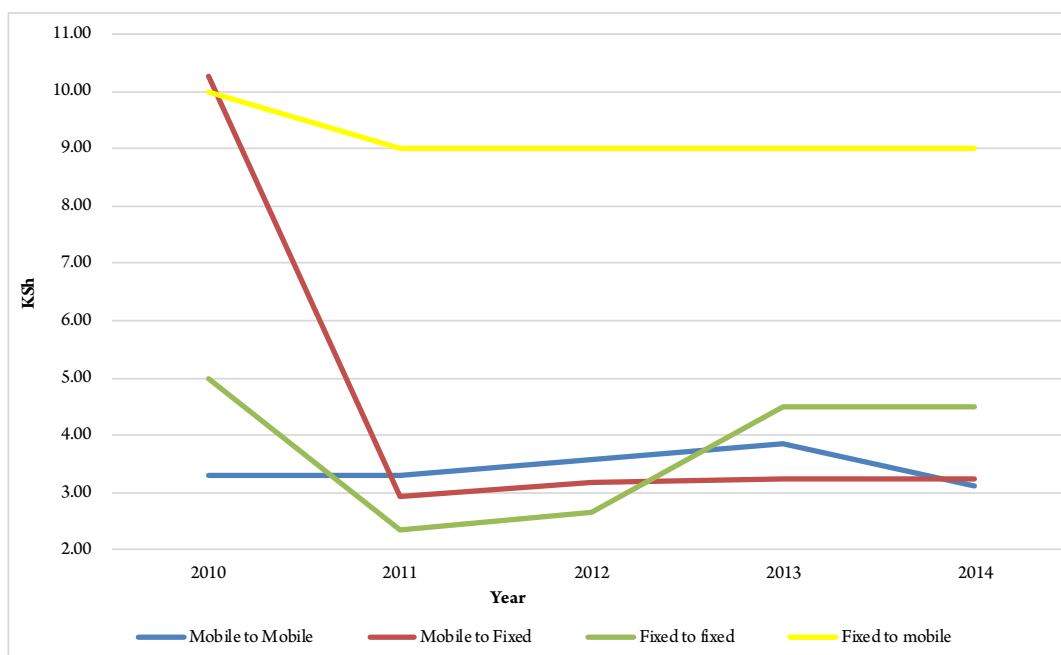
	KSh				
<b>Fixed Charges</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>
<b>Business and Residential Telephone Service</b>					
Installation fee .....	5,694.00	5,694.00	5,694.00	3,394.00	3,394.00
Monthly subscription .....	580.00	580.00	580.00	580.00	580.00
Average price of a one minute fixed to fixed local call .....	5.00	2.36	2.64	4.50	4.50
Average price of a one minute fixed to mobile local call .....	10.00	9.00	9.00	9.00	9.00
<b>Mobile Charges</b>					
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 .....	3.29	3.29	3.57	3.86	3.11
Average price of a one minute Mobile to Fixed local call .....	10.26	2.93	3.17	3.25	3.25
Average price of a message via SMS .....	1.50	1.50	1.50	1.50	1.00

Source: Communication Authority of Kenya

\* Provisional

Note: All averages are unweighted

**Figure 15.2: Average charges of a one minute local call, 2010- 2014**



**Domains** 15.15. Table 15.8 presents the number of registered Kenyan based domains for the period 2010 to 2014. The total number of domains grew by 26.0 per cent to 38,533 in 2014. The number of registrars increased to 210 while the average annual fee has been constant at KSh 2,300 for the last five years. The number of registrations under the sub domain for companies increased by 27.6 per cent to 35,274 in 2014. Registrations under the sub domain accounted for 91.5 per cent of total registration as of 2014.

**Table 15.8 Registered Domains, 2010-2014**

Subdomain	Users	Number				
		2010	2011	2012	2013	2014*
.ac.ke	Institutions of Higher Education .....	232	341	603	737	792
.co.ke	Companies .....	8,706	12,798	22,607	27,643	35,274
.go.ke	Government entities .....	107	157	278	339	314
.info.ke	Information e.g. blogs .....	32	46	84	98	105
.me.ke	Personal websites & email .....	127	187	331	413	650
.mobi.ke	Mobile content .....	12	17	31	37	48
.ne.ke	Network Devices .....	14	24	38	46	65
.or.ke	Non profit making organisations or NGO's .....	366	537	948	1,159	1,190
.sc.ke	Lower & middle institutions of learning .....	36	53	93	113	95
<b>TOTAL .....</b>		<b>9,632</b>	<b>14,160</b>	<b>25,013</b>	<b>30,585</b>	<b>38,533</b>
Number of registrars		102	120	150	180	210
Average annual fee to operate domain in KSh		2,300	2,300	2,300	2,300	2,300

Source: Kenya Network Information Centre

\* Provisional

**Media Frequencies and Mobile Transceivers** 15.16. **Media Frequencies:** The International Telecommunication Union (ITU) has recommended that countries in Europe, Russia, Africa, and Middle East region transit to the digital platform by 17<sup>th</sup> June 2015. The primary objective of digital migration is to clear frequency spectrum currently occupied by broadcasters to enable the provision of wireless mobile broadband services and other innovative spectrums. Information on media frequencies and mobile transceivers is presented in Table 15.9. The number of Frequency Modulation (FM) licenses increased to 575. Television frequencies increased to 339 in 2014 while the number of digital signal distributors in the country remained unchanged. The number of TV stations increased to 50 following the licensing of 36 digital broadcasting stations in 2014. Radio stations increased by 3.8 per cent to 135 stations in 2014.

15.17 **Mobile Transceivers:** In 2014, a new mobile technology, Long Term Evolution (LTE), also referred to as the fourth- generation (4G) was introduced. The technology offers increased spectrum that handles more users at higher data rates and, at reduced costs and lower latency. This has led to more responsive internet and multimedia applications. Under this technology, 253 mobile transceivers were introduced in 2014. The third generation (3G) and second-generation (2G) increased by 15.8 per cent and a 3.1 per cent respectively, in 2014. The 2G accounted for 84.7 per cent of the total mobile transceivers in 2014.

**Table 15.9: Media Frequencies and Mobile Transceivers, 2010-2014**

		Number				
		2010	2011	2012*	2013*	2014*
TV Frequencies		83	91	228	336	339
FM Frequencies		314	346	461	553	575
Digital signal distributor (Number)		1	1	2	2	2
Analogue TV Stations		14	14	14	14	14
Digital TV stations		0	0	0	0	36
<b>Total TV Stations</b>		<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>50</b>
Radio Stations in English and Kiswahili		66	72	74	80	85
Radio Stations in Vernacular Languages		41	44	50	50	50
<b>Total Radio Stations</b>		<b>107</b>	<b>116</b>	<b>124</b>	<b>130</b>	<b>135</b>
Mobile Transceivers by Technology	2G	53,111	65,809	71,884	80,894	83,434
	3G	3,568	5,039	11,053	12,775	14,791
	4G	0	0	0	0	253
<b>Total</b>		<b>56,679</b>	<b>70,848</b>	<b>82,937</b>	<b>93,669</b>	<b>98,478</b>

Source: Communication Authority of Kenya

\* Provisional

+ Revised

**Employment, Revenue and Investment in Telecommunication Operators**

15.18. **Employment:** Table 15.10 represents employment, investment and revenue for the telecommunication operators and Internet Service Providers (ISPs). In 2014 the employment levels for the telecommunication operators increased by 9.4 per cent to 6,201 while for ISPs increased by 11.9 per cent to 6,237.

15.19. **Investment and Revenue:** In the year under review, telecommunication operators invested KSh 32.5 billion recording a 6.9 per cent increase while revenue reached KSh 173.6 billion registering a 6.9 per cent increase. The revenue for the ISPs increased by 7.9 per cent to stand at KSh 15.7 billion down from KSh 14.6 billion in 2013. The investment in 2014 decreased by 8.4 per cent to stand at KSh 3.4 billion from KSh 3.7 billion recorded in 2013. The revenue and investments from ISPs may also include Application service providers (ASPs).

**Table 15.10: Employment, Revenues and Investment in Telecommunication Operator, 2010-2014**

		2010	2011	2012	2013	2014*
<b>Employment (Number)</b>	Telecommunication Operators	5,869	5,827	5,542	5,668	6,201
	Internet Service Provider (ISPs) <sup>2</sup>	7,010	7,482	7,154	7,076	6,237
<b>Annual Investment in KSh Billion<sup>1</sup></b>	Telecommunication Operators	27.1	34.6	33.8	30.4	32.5
	ISPs <sup>2</sup>	3.6	5.2	6.4	3.7	3.4
<b>Annual Revenue in KSh Billion<sup>1</sup></b>	Telecommunication Operators	20.6	22.5	134.1	152.5	173.6
	ISPs <sup>2</sup>	9.1	11.7	12.8	14.6	15.7

\* Provisional

<sup>1</sup> as at June

<sup>2</sup> May include Application Service Providers (ASP)



**Information Society** 15.20. **ICT penetration rate for Total Population:** This measures the ICT penetration for the country's total population. As indicated in Table 15.11, mobile penetration increased by 3.4 percentage points to 78.3 per cent in 2014. The fixed telephone penetration decreased from 0.7 per cent in 2013 to 0.5 per cent in 2014. The internet penetration stood at 38.3 per cent in 2014 with that of wireless internet at 38.1 per cent. Total broadband penetration increased to 9.9 per cent in 2014 from 5.9 per cent in 2013. The bits per second per capita increased by 32.6 per cent to 12,157.9 Bps in 2014. The mobile money penetration decreased by 1.7 percentage points to 60.6 per cent in 2014 from 62.3 per cent in 2014.

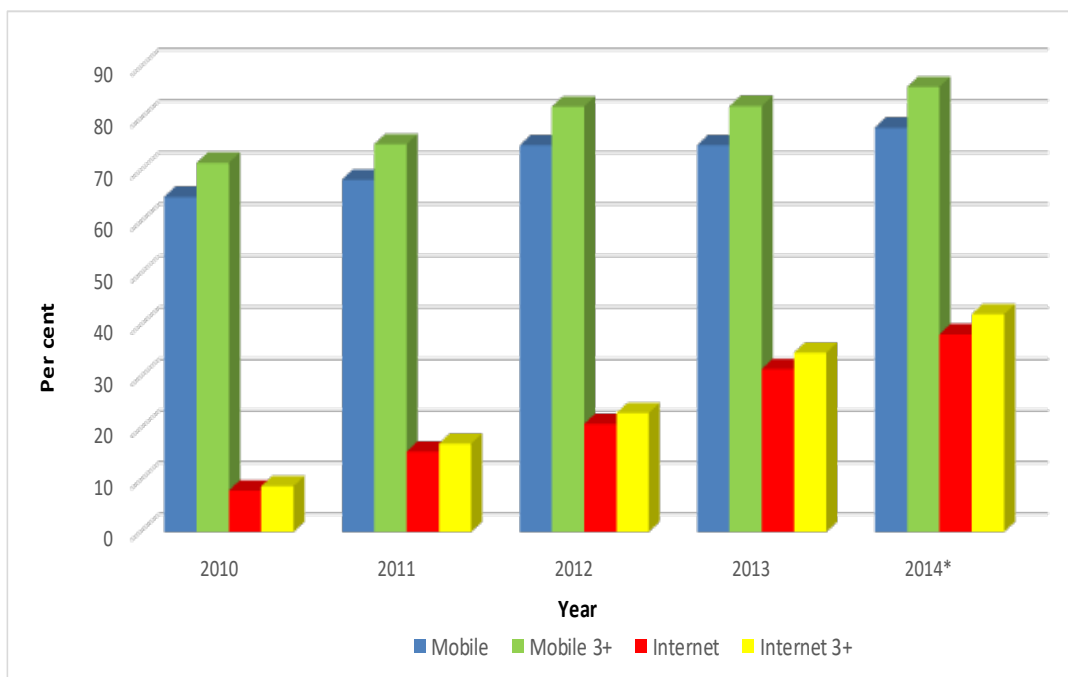
15.21. **ICT penetration rate for population aged 3 years and above:** This measures the ICT penetration for the population aged three years and above which is considered capable of using ICT equipment. As shown in Figure 15.2, the penetration rate is higher in the 3 years and above compared to the overall population. The mobile penetration stood at 86.2 per cent while internet penetration stood at 42.2 per cent in 2014. The Bps for those above 3 years increased to 13,386.5 Bps in 2014 from 10,095.9 Bps in 2013.

**Table 15.11: Key Indicators Measuring Information Society, 2010-2014**

Represents Total Population	2010	2011	2012	2013	2014*
Fixed telephone lines per 100 inhabitants .....	1.77	1.20	0.96	0.65	0.52
Mobile-cellular telephone subscriptions per 100 inhabitants .....	64.9	68.2	74.9	74.9	78.3
Wireless internet subscribers per 100 inhabitants .....	8.0	15.4	20.8	31.4	38.1
Internet subscribers per 100 inhabitants (Wireless and Fixed).....	8.0	15.6	20.9	31.6	38.3
Bits per second per capita (Bps/person) .....	550.8	855.7	6824.7	9,168.2	12,157.9
Broadband subscriptions per 100 inhabitants (wireless).....	0.4	0.5	4.6	5.8	9.7
Broadband subscriptions per 100 inhabitants (Fixed and Wired)....	0.5	0.7	4.7	5.9	9.9
Mobile money subscriptions per 100 inhabitants	27.6	44.0	47.5	62.3	60.6
Represents Population of 3 years and above					
Fixed telephone lines per 100 inhabitants .....	1.32	1.06	0.71	0.54	0.46
Mobile-cellular telephone subscriptions per 100 inhabitants .....	71.5	75.1	82.4	82.5	86.2
Wireless internet subscribers per 100 inhabitants .....	8.8	17.0	22.9	34.5	41.9
Internet subscribers per 100 inhabitants (Wireless and Fixed).....	8.9	17.1	23.0	34.7	42.2
Bits per second per capita (Bps/person) .....	606.5	942.2	7,513.5	10,095.9	13,386.5
Broadband subscriptions per 100 inhabitants (wireless).....	0.5	0.6	5.0	6.4	10.7
Broadband subscriptions per 100 inhabitants (Fixed and Wired)....	0.5	0.7	5.2	6.5	10.9

\*Provisional

Figure 15.3: Comparison of the mobile and internet penetration for overall and 3+ population



**Trade in ICT Equipment**

15.22. Trade in ICT equipment based on the Standard International Trade Classification (SITC) is presented in Table 15.12. The value of exports declined by 45.3 per cent to KSh 1.3 billion in 2014 compared to KSh 2.3 billion recorded in 2013. Exports of telecommunication equipment accounted for 42.0 per cent of the total value of ICT equipment exports in 2014. The value of ICT equipment imports decreased to KSh 41.7 billion in 2014 from 50.7 billion in 2013. Telecommunication equipment accounted for 56.7 per cent of the total ICT equipment imports, during the same period.

**Table 15.12: Trade in ICT Equipment, 2010-2014**

<b>Exports in KSh (000)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>
Office machines <sup>1</sup>	44,063	77,801	9,847	24,153	17,078
Automatic data processing machines, storage units etc	1,319,776	1,405,308	2,818,658	980,308	330,907
Part and accessories <sup>2</sup>	145,947	113,871	96,071	63,824	68,886
Monitors and projectors and reception apparatus for television <sup>3</sup>	72,389	104,613	118,361	72,368	294,886
Reception apparatus for radio broadcasting <sup>4</sup>	7,464	24,562	16,119	30,498	8,760
Recording equipments <sup>5</sup>	16,503	18,853	6,927	5,775	9,462
Telecommunications equipment <sup>6</sup>	620,830	555,664	1,016,744	1,122,606	528,176
<b>Total ICT Exports</b>	<b>2,226,971</b>	<b>2,300,673</b>	<b>4,082,726</b>	<b>2,299,531</b>	<b>1,258,154</b>
<b>Imports in KSh (000)</b>					
Office machines <sup>1</sup>	701,132	1,382,809	603,327	834,107	804,675
Automatic data processing machines, storage units etc	12,677,705	15,546,116	19,555,966	15,018,839	9,720,029
Part and accessories <sup>2</sup>	746,015	871,060	1,158,888	998,947	1,034,134
Monitors and projectors and reception apparatus for television <sup>3</sup>	2,901,532	3,227,603	3,923,062	8,621,611	5,991,481
Reception apparatus for radio broadcasting <sup>4</sup>	331,086	231,966	247,818	488,767	134,938
Recording equipments <sup>5</sup>	635,446	655,411	477,492	592,214	369,977
Telecommunications equipment <sup>6</sup>	29,894,146	21,280,922	24,582,437	24,159,717	23,622,185
<b>Total ICT Imports</b>	<b>47,887,062</b>	<b>43,195,888</b>	<b>50,548,990</b>	<b>50,714,202</b>	<b>41,677,419</b>

\*Provisional

<sup>1</sup>Electronic calculating machines, cash registers, accounting machines, postage-franking machines, ticket issuing machines, reproducing and<sup>2</sup>For office machines and data processing machines<sup>3</sup>Include Television sets, decoders etc<sup>4</sup>Whether or not combined with sound recording or reproducing apparatus or a clock<sup>5</sup>Sound recording, video recording or reproducing apparatus including or not including a video tuner<sup>6</sup>Such as computer, laptops, networking equipments etc plus their parts and accessories such as telephone sets, microphones, electric sound amplifier digital or video cameras recorders, radio or tv transmission apparatus etc

### Newspaper circulation and Online Newspaper readership

15.23. As presented in Table 15.13 the daily newspaper (hard) copies for English and Kiswahili versions declined by 2.0 per cent and 1.7 per cent, respectively in 2014. The decline in the circulation of hardcopies newspapers is attributed to increased access to online copies. The average online visitors per day were estimated to 1,025,043 readers in 2014, registering a 29.3 per cent increase compared to 793,046 visitors recorded in 2013. The increase in the number of online visitors per day may be attributed to the available newspaper applications that can be accessed not only through a computer, but also a tablet and internet enabled phones.

**Table 15.13: Local Daily/Weekly Newspapers in Circulation, 2010 - 2014**

<b>Newspapers</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>
'000 Copies					
<b>Daily Newspapers</b>					
English .....	105,300	108,000	110,592	104,057	102,000
Kiswahili .....	8,550	9,000	6,000	5,900	5,800
<b>Weekly Newspapers</b>					
English.....	21,200	27,000	29,019	16,794	15,900
Kiswahili .....	1,422	1,600	1,790	1,810	1,900
<b>Average online visitors per day</b>	<b>118,393</b>	<b>149,858</b>	<b>294,546</b>	<b>793,046</b>	<b>1,025,043</b>

\* Provisional

## Chapter 16

### Governance

**Overview** In 2014, the government continued to implement strategies geared towards achieving good governance, justice, security, law and order. These included the enactment of Security laws (Amendment) Act 2014, reforms in the judiciary and law enforcement agencies that involved vetting judicial and police officers to enhance integrity, and increased budgetary allocation to the justice sector and national security.

16.2. The number of crime cases reported to the Police declined by 3.4 per cent to 69,376 in 2014 and the number of offenders reported to the Police declined by 3.7 per cent to 78,877. The number of persons reported to have committed offences against morality and other offences reduced by 1.6 per cent while those reported to have committed offences related to dangerous drugs, criminal damage and economic crimes increased by 15.3 per cent. The number of cases handled by the Ethics and Anti-Corruption Commission (EACC) increased from 3,355 in 2012/13 to 4,006 in 2013/14. The number of corruption cases reported for investigation increased from 1,423 in 2012/13 to 1,950 in 2013/14.

16.3. The total number of cases filed in various courts increased from 323,414 in 2013 to 503,144 in 2014. The number of cases disposed off and those filed increased by 53.3 per cent and 55.6 per cent, respectively. This may partly be attributed to increased public confidence in the Judiciary and the on-going reforms.

16.4. The total population of inmates increased to 248,390 in 2014 from 227,918 in 2013. Convicted prisoners increased by 41.6 per cent in the year under review to 109,629 in 2014. The number of inmates below 18 years increased from 2,570 in 2013 to 3,455 in 2014. Inmates aged 26 years and above constituted about half of the total inmates population.

16.5. The number of police officers in service dropped by 7.5 per cent to 39,215 in 2014 from 42,145 in 2013. Similarly, the number of prison officers reduced marginally from 19,905 in 2013 to 19,587 in 2014 while that of probation officers reduced from 651 to 544 during the period. This may be attributed to natural attrition and delayed police recruitment.

16.6. In 2014, a total of 180,223 passports were issued compared to 148,940 issued in 2013. The number of new Identity Cards applications made increased by 8.5 per cent from 843,642 in 2013 to 915,101 in 2014.

**Public Safety, Law and Order** 16.7. The number of crime cases reported to the Police from 2010 to 2014 is presented in Table 16.1. The overall number of cases reported to the Police declined by 3.4 per cent from 71,832 in 2013 to 69,376 in 2014. Despite the decline, crimes related to dangerous drugs increased by 12.4 per cent from 4,316 in 2013 to 4,850 in 2014. Crimes related to vehicles and other thefts, theft by servant, robbery, stealing and break-ins recorded declines during the period.

**Table 16.1: Number of Crimes Reported to the Police, 2010 – 2014**

Crimes <sup>1</sup>	Number				
	2010	2011	2012	2013	2014*
Homicide .....	2,239	2,641	2,761	2,878	2,649
Offences against morality .....	4,817	4,703	4,806	4,779	5,184
Other offences against persons .....	20,012	20,144	20,698	19,344	19,911
Robbery .....	2,843	3,262	3,262	3,551	3,011
Break-ins .....	6,453	7,325	7,578	6,397	5,656
Theft of stock .....	2,244	2,269	2,377	1,965	1,848
Stealing .....	11,986	13,797	14,111	11,455	10,042
Theft by servant .....	2,591	2,889	2,984	2,702	2,279
Theft of vehicle and other related thefts .....	1,365	1,768	1,663	1,631	1,239
Dangerous drugs .....	5,081	4,649	4,181	4,316	4,850
Traffic offences .....	103	100	66	45	100
Criminal damage .....	3,327	3,345	3,769	3,603	3,709
Economic crimes .....	2,662	3,036	3,369	2,750	3,038
Corruption .....	62	52	49	57	138
Offences involving police officers .....	37	27	69	95	53
Offences involving tourists .....	1	0	0	14	21
Other penal code offences .....	4,956	5,726	6,109	6,250	5,648
<b>Total</b>	<b>70,779</b>	<b>75,733</b>	<b>77,852</b>	<b>71,832</b>	<b>69,376</b>

Source: Kenya Police Service

\* Provisional

<sup>1</sup> See description of crimes in Box 16.1

16.8. Table 16.2 shows the number of crimes reported to the police by Command Stations from 2010 to 2014. Nairobi City command station recorded a reduction of 24.6 per cent of crimes reported while the rest of the counties registered a decline of 0.5 per cent in the period under review.

**Table 16.2: Number of Crimes Reported to the Police by Command Stations, 2010-2014**

Command Stations	Number				
	2010	2011	2012	2013	2014*
Nairobi City .....	6,102	8,528	9,259	8,929	6,732
Other Counties .....	64,312	66,694	68,265	62,589	62,307
KAPU <sup>1</sup> .....	225	160	113	123	148
Railways .....	140	351	215	191	189
<b>Total</b>	<b>70,779</b>	<b>75,733</b>	<b>77,852</b>	<b>71,832</b>	<b>69,376</b>

Source: Kenya Police Service

\* Provisional

<sup>1</sup>KAPU- Kenya Airport Police Unit

## Chapter 16: Governance

16.9. Table 16.3 shows the number of firearms and ammunition recovered or surrendered during the period 2010 to 2014. Firearms recovered increased from 285 in 2013 to 391 in 2014. Rounds of ammunition recovered and surrendered increased by 22.8 per cent to 5,173 in the period under review. Quantity of dangerous drugs seized decreased drastically by 74.8 per cent from 17,122 Kg in 2013 to 4,313 Kg in 2014.

**Table 16.3: Firearms and Ammunition Recovered or Surrendered, and Dangerous Drugs Seized, 2010 – 2014**

Firearms/Ammunition/Drugs	Unit	2010	2011	2012	2013	2014*
<b>Firearms</b>						
Recovered						
Rifles ... ..	Number	162	164	122	169	210
Pistols ... ..	Number	80	102	97	77	142
Toy Pistols ... ..	Number	10	38	17	39	39
<b>Total</b>		<b>252</b>	<b>304</b>	<b>236</b>	<b>285</b>	<b>391</b>
Surrendered						
Rifles ... ..	Number	1,064	26	11	16	1
Toy Pistols ... ..	Number	-	38	-	-	-
<b>Total</b>		<b>1,064</b>	<b>64</b>	<b>11</b>	<b>16</b>	<b>1</b>
<b>Ammunition (Rounds)</b>						
Recovered ... ..	Number	38,127	16,288	12,768	3,712	5,166
Surrendered ... ..	Number	3,373	100	56	499	7
<b>Total</b>		<b>41,500</b>	<b>16,388</b>	<b>12,824</b>	<b>4,211</b>	<b>5,173</b>
<b>Dangerous Drugs seized</b>	Kilogramme	<b>14,764</b>	<b>25,943</b>	<b>4,735</b>	<b>17,122</b>	<b>4,313</b>

Source: Kenya Police Service

\* Provisional

16.10. Table 16.4 presents the number of persons reported to the police to have committed offences by sex from 2010 to 2014. During the period under review, offenders reported to the police declined by 3.7 per cent to 78,877. Male offenders accounted for 79.4 per cent of the cases reported to police. The number of female offenders increased by 27.6 per cent from 12,733 in 2013 to 16,248 in 2014.

**Table 16.4: Number of persons reported to the Police to have Committed Offences by Sex, 2010 - 2014**

Number					
Year	Sex	Other County Command Stations	KAPU	Railways	Total
2010	Male .....	50,792	137	201	51,130
	Female .....	16,205	18	9	16,232
	<b>Total .....</b>	<b>66,997</b>	<b>155</b>	<b>210</b>	<b>67,362</b>
2011	Male .....	73,189	759	267	74,215
	Female .....	7,741	60	36	7,837
	<b>Total .....</b>	<b>80,930</b>	<b>819</b>	<b>303</b>	<b>82,052</b>
2012	Male .....	68,918	138	279	69,335
	Female .....	14,496	20	2	14,518
	<b>Total .....</b>	<b>83,414</b>	<b>158</b>	<b>281</b>	<b>83,853</b>
2013	Male .....	68,779	167	221	69,167
	Female .....	12,715	14	4	12,733
	<b>Total .....</b>	<b>81,494</b>	<b>181</b>	<b>225</b>	<b>81,900</b>
2014*	Male .....	62,469	19	141	62,629
	Female .....	16,233	2	13	16,248
	<b>Total .....</b>	<b>78,702</b>	<b>21</b>	<b>154</b>	<b>78,877</b>

Source: Kenya Police Service

\*Provisional

**Note:** The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

16.11. Table 16.5 presents the number of persons reported to have committed offences against morality and other offences against persons by sex from 2010 to 2014. The total number of offenders decreased by 1.6 per cent from 28,989 in 2013 to 28,525 in 2014. The number of female offenders increased by 23.2 per cent to 6,397 in 2014 while the number of male offenders declined by 7.0 per cent to 22,128 in the same period. The number of persons reported to have committed rape reduced from 913 in 2013 to 855 in 2014 while defilement cases increased by 8.3 per cent from 3,596 in 2013 to 3,896 in 2014.

Table 16.5: Number of Persons Reported to have committed Offences against Morality and Other Offences against Persons by Sex, 2010-2014

Offence	2010						2011			2012			2013			2014*																													
	Male		Female		Total		Male		Female		Total		Male		Female		Total																												
<b>Against morality</b>																																													
Rape	561	138	699	2,202	606	2,808	326	37	363	88	4	92	17	32	49	101	11	112	71	33	104	6	3	9	3,372	864	4,236	131	4,902	5,033	357	4,643	5,000	746	4,645	5,391	544	4,826	5,370						
Defilement																																													
Incest																																													
Unnatural/sodomy																																													
Bestiality																																													
Indecent assault																																													
Abduction																																													
Bigamy																																													
<b>Sub-total</b>																																													
<b>Other offences against persons</b>																																													
Assault	8,710	3,074	11,784	5,014	2,107	7,121	1,000	325	1,325	14,724	5,506	20,230	18,096	6,370	24,466	8,710	3,074	11,784	5,014	2,107	7,121	1,000	325	1,325	14,724	5,506	20,230	18,096	6,370	24,466	8,710	3,074	11,784	5,014	2,107	7,121	1,000	325	1,325	14,724	5,506	20,230	18,096	6,370	24,466
Creating disturbance																																													
Affray (scuffle)																																													
<b>Sub-total</b>																																													
<b>Total</b>																																													

Source: Kenya Police Service

\*Provisional

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.



16.12. Table 16.6 shows the distribution of persons reported to have committed homicide by sex from 2010 to 2014. The number of persons reported to have committed homicide reduced by 20.9 per cent from 2,784 in 2013 to 2,203 in 2014. Persons who committed murder accounted for 67.5 per cent of the total persons reported to have committed homicide. In the period under review, there was decline in number of persons reported to have committed homicide offences with exception of those procuring abortion.

16.13. The number of persons reported to the Police to have committed robbery and theft by sex, is presented in Table 16.7. There was a decline of 20.4 per cent in reported cases of robbery and theft from 32,240 in 2013 to 25,656 in 2014. The number of males who committed offences related to robbery and theft declined by 24.9 per cent whereas that of females increased by 13.3 per cent. Reduction in the number of offenders was noted in all the categories.

**Table 16.6: Persons Reported to the Police to have Committed Homicide by Sex, 2010 - 2014**

Offence	2010			2011			2012			2013			2014*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Murder ... ..	819	184	1,003	1,460	133	1,593	1,711	297	2,008	1,507	214	1,721	1,248	240
Manslaughter ... ..	249	19	268	69	5	74	217	41	258	42	11	53	30	6	36
Infanticide ... ..	8	19	27	3	16	19	7	35	42	15	45	60	6	25	31
Procuring abortion ... ..	5	25	30	3	24	27	7	31	38	5	29	34	8	37	45
Concealing birth ... ..	14	1	15	6	69	75	13	85	98	7	88	95	23	53	76
Suicide ... ..	11	64	75	124	39	163	219	104	323	263	64	327	239	62	301
Causing death by dangerous driving ... ..	215	4	219	506	37	543	338	19	357	462	32	494	205	21	226
<b>Total</b>	<b>1,321</b>	<b>316</b>	<b>1,637</b>	<b>2,171</b>	<b>323</b>	<b>2,494</b>	<b>2,512</b>	<b>612</b>	<b>3,124</b>	<b>2,301</b>	<b>483</b>	<b>2,784</b>	<b>1,759</b>	<b>444</b>	<b>2,203</b>

Source: Kenya Police Service

\*Provisional

**Note:** The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

**Table 16.7: Persons Reported to the Police to have Committed Robbery and Theft by Sex, 2010-2014**

Offences	2010			2011			2012			2013			2014*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Robbery ... ..	2,396	902	3,298	3,358	171	3,529	4,044	265	4,311	4,025	307	4,332	2,983	379
Break-ins ... ..	4,533	1,437	5,970	7,747	344	8,091	7,252	526	7,778	7,134	405	7,539	6,176	587	6,763
Theft of stock ... ..	1,762	327	2,089	1,622	132	1,754	2,403	99	2,502	2,335	126	2,461	2,091	182	2,273
Stealing ... ..	8,254	2,374	10,628	13,024	1,268	14,292	11,332	2,238	13,570	10,550	1,719	12,269	7,404	2,145	9,549
Theft by servant ... ..	2,157	828	2,985	2,794	484	3,278	2,303	853	3,156	2,134	918	3,052	1,704	841	2,545
Vehicle & other thefts ...	1,184	394	1,578	1,590	61	1,651	1,975	62	2,037	2,294	293	2,587	1,029	135	1,164
<b>Total</b>	<b>20,286</b>	<b>6,262</b>	<b>26,548</b>	<b>30,135</b>	<b>2,460</b>	<b>32,595</b>	<b>29,309</b>	<b>4,043</b>	<b>33,354</b>	<b>28,472</b>	<b>3,768</b>	<b>32,240</b>	<b>21,387</b>	<b>4,269</b>	<b>25,656</b>

Source: Kenya Police Service

\*Provisional

**Note:** The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

16.14. The number of persons reported to have committed offences related to dangerous drugs, criminal damage, economic crimes, corruption and offences involving police officers is shown in Table 16.8. The total number of persons reported to have committed these offences increased by 15.3 per cent in 2014. The reported number of persons who committed offences related to corruption declined from 165 in 2013 to 104 in 2014. The number of persons who committed offences related to dangerous drugs, criminal damage, economic crimes increased by 17.3, 11.0 and 19.3 per cent, respectively. Number of reported offences involving police officers more than doubled from 62 to 146 during the period under review.

**Table 16.8: Persons Reported to have Committed Offences Related to Dangerous Drugs, Criminal Damage, Economic Crimes and Corruption by Sex, 2010 - 2014**

Offences	2010			2011			2012			2013			2014*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Dangerous Drugs .....	3,491	412	3,903	4,777	422	5,199	3,759	406	4,165	3,670	562	4,232	4,424	541	4,965
Criminal Damage .....	2,091	470	2,561	3,669	382	4,051	2,992	879	3,871	3,471	605	4,076	3,645	878	4,523
Economic crimes .....	3,384	1,062	4,446	2,775	432	3,207	3,252	641	3,893	2,081	556	2,637	2,233	913	3,146
Corruption .....	53	11	64	128	20	148	326	48	374	141	24	165	78	26	104
Offences involving Police officers ....	45	4	49	18	4	22	69	6	75	38	24	62	913	16	146
<b>Total</b>	<b>9,064</b>	<b>1,959</b>	<b>11,023</b>	<b>11,367</b>	<b>1,260</b>	<b>12,627</b>	<b>10,398</b>	<b>1,980</b>	<b>12,378</b>	<b>9,401</b>	<b>1,771</b>	<b>11,172</b>	<b>11,293</b>	<b>2,374</b>	<b>12,884</b>

Source: Kenya Police Service

\*Provisional

Note: The number of persons reported to have committed offences may differ with that of crimes reported to the Police (Table 16.1) because a person may commit more than one crime or a crime may be committed by more than one person.

## Ethics and Corruption

16.15. Table 16.9(a) shows the number of cases handled by the Ethics and Anti-Corruption Commission (EACC). The number of cases handled increased by 19.4 per cent from 3,355 in 2012/13 to 4,006 in 2013/14. The number of corruption cases reported for investigation increased by 37.0 per cent from 1,423 in 2012/13 to 1,950 in 2013/14. The EACC referred 681 cases to other investigative agencies in 2013/14 compared to 111 cases in the previous financial year and had 65 cases as pending for more information. The number of complaints advised on the right authority to report to, dropped by 3.2 per cent from 1,170 cases in 2012/13 to 1,132 in 2013/14. The number of cases forwarded to Office of the Director of Public Prosecution (ODPP) for action increased from 49 to 70.

**Table 16.9(a): Number of Cases Handled by EACC by, 2009/10 -2013/14**

Action taken	Number				
	2009/10	2010/11	2011/12	2012/13	2013/14*
Corruption cases for investigation .....	1,796	2,816	1,424	1,423	1,950
Criminal cases referred to other investigative agencies .....	196	314	82	111	681
Cases referred to public service organizations for administrative intervention .....	813	987	31	506	841
Pending more information .....	59	43	25	18	65
Complainants advised on the right authority to report .....	2025	2,050	1,050	1,170	1,132
Complainants advised to seek civil redress .....	950	869	301	0	0
No further action .....	179	247	65	127	178
<b>Total</b>	<b>6,018</b>	<b>7,326</b>	<b>2,978</b>	<b>3,355</b>	<b>4,006</b>
Cases forwarded to Attorney General (AG)/ODPP .....	104	136	70	49	70
Convictions obtained .....	34	25	8	1	3

Source: Ethics and Anti-Corruption Commission

\*Provisional

## Chapter 16: Governance

16.16. Table 16.9 (b) shows the number of cases forwarded to the Office of the Director of Public Prosecution (ODPP) by action taken from 2009/10 to 2013/14. The number of cases forwarded increased from 49 in 2012/13 to 70 in 2013/14.

**Table 16.9(b): Number of Cases Forward to the ODPP and Action Taken, 2010 -2014**

Action Taken	Number				
	2010	2011	2012	2013	2014*
Recommendation to prosecute accepted ... ..	52	102	38	26	43
Recommendation to prosecute not accepted ... ..	2	3	4	2	1
Recommendation for administrative or other action accepted ... ..	2	2	5	5	7
Recommendation for administrative or other action not accepted ... ..	1	0	0	2	2
Recommendation for closure accepted ... ..	2	16	15	13	14
Recommendation for closure not accepted ... ..	1	2	0	1	3
Files awaiting DPP's action ... ..	6	7	2	0	0
<b>Total</b>	<b>71</b>	<b>138</b>	<b>70</b>	<b>49</b>	<b>70</b>

Source: Ethics and Anti- Corruption Commission

\*Provisional

DPP stands for Director of Public Prosecution

16.17. Table 16.9 (c) shows the value of public assets traced, recovered and value of loss averted by EACC. In the period under review, assets valued at KSh 7.2 billion were traced. These included public land, government houses and cash. Proactive investigations were conducted and averted a loss estimated at KSh 5.6 billion in 2013/14. In the same period, public assets valued at KSh. 2.1 billion were repossessed.

**Table 16.9 (c): Public Assets Traced, Recovered and Value of Loss Averted by EACC.**

Financial year	KSh Million		
	Value of Public Assets traced	Value of Public Assets recovered	Loss Averted <sup>1</sup>
2009/10	2,336.5	1,780.0	14.7
2010/11	771.7	41.2	3,893.4
2011/12	126.5	526.6	1,208.2
2012/13	16,380.0	567.4	55,016.5
2013/14	7,214.0	2,068.3	5,600.0

Source: Ethics and Anti- Corruption Commission (EACC)

<sup>1</sup> Loss Averted refers to total value of public assets where an attempted illegal acquisition was detected and foiled through pre-emptive investigations

**Environmental Crimes** 16.18. Table 16.10 shows the trend in number of environmental crimes reported from 2010 to 2014. The number of environmental crimes reported increased from 66 in 2013 to 268 in 2014. This may be attributed to increased awareness by the public on their rights to a cleaner environment.

**Table 16.10: Environmental Crimes Reported, 2010 - 2014**

Offence	Number				
	2010	2011	2012	2013	2014*
Air pollution .....	41	41	20	13	72
Water pollution .....	10	13	6	34	79
Soil pollution .....	4	6	1	11	71
Illegal movement or dumping of waste .....	44	22	5	8	46
<b>Total</b>	<b>99</b>	<b>82</b>	<b>32</b>	<b>66</b>	<b>268</b>

Source: National Environment Management Authority (NEMA)

\* Provisional

**Public Prosecutions** 16.19. Table 16.11 shows the number of registered murder cases and convictions obtained by High Court Stations from 2010 to 2014. The number of murder cases declined by 28.3 per cent from 1,709 in 2013 to 1,226 in 2014. Similarly, the number of convictions obtained reduced from 264 in 2013 to 158 in 2014. Kerugoya registered the highest number of murder cases at 200 followed by Machakos at 149. Kerugoya had the highest number of murder convictions at 27 followed by Meru and Mombasa, each with 16 convictions.

**Table 16.11: Registered Murder cases and Convictions obtained by High Court Station, 2010 – 2014**

High Court Station	Number									
	2010		2011		2012		2013		2014*	
	R	C	R	C	R	C	R	C	R	C
Nairobi .....	108	38	99	9	109	5	188	18	95	15
Mombasa .....	37	4	33	0	74	0	95	0	43	16
Kisumu.....	52	6	75	8	121	0	131	5	5	4
Eldoret .....	80	26	88	16	149	9	150	41	21	4
Kitale.....	67	10	65	1	55	5	86	12	77	12
Kakamega.....	42	8	54	9	70	5	74	0	70	0
Bungoma.....	46	24	31	5	123	14	124	24	124	8
Meru.....	81	45	70	38	85	1	122	7	43	16
Machakos.....	90	9	77	6	41	4	67	79	149	6
Kericho.....	28	0	56	1	48	2	72	15	38	0
Nyeri.....	45	8	37	1	50	6	61	0	87	0
Kisii.....	123	10	122	10	212	4	212	15	30	5
Embu.....	41	9	25	2	33	0	61	4	26	12
Malindi.....	36	10	32	2	30	0	46	2	71	4
Nakuru.....	133	13	91	12	135	8	141	22	36	7
Busia .....	16	0	37	0	12	3	26	6	0	0
Garissa .....							29	6	29	12
Homa Bay.....							24	8	5	1
Murang'a <sup>1</sup> .....									77	9
Kerugoya <sup>1</sup> .....									200	27
Naivasha <sup>1</sup> .....									0	0
<b>Total</b>	<b>1,025</b>	<b>220</b>	<b>992</b>	<b>120</b>	<b>1,347</b>	<b>66</b>	<b>1,709</b>	<b>264</b>	<b>1,226</b>	<b>158</b>

Source: Office of the Director of Public Prosecutions

\* Provisional

R - Registered murder cases

C - Murder convictions obtained

<sup>1</sup> New High court stations

## Chapter 16: Governance

### Judiciary

16.20. In 2014 the judiciary continued to implement more reforms which included hiring of more judicial officers and other staff, and opening new courts with a view to reducing the backlog of cases and improving delivery of justice. The number of cases handled by various courts is presented in Table 16.12. The total number of cases filed, disposed and pending increased by 55.6, 53.3 and 30.3 per cent respectively, in 2014. Cases filed in the Magistrates Courts increased tremendously by 66.3 per cent from 277,666 in 2013 to 461,893 in 2014. The number of cases disposed off by the High Courts more than doubled from 18,718 in 2013 to 39,780 in 2014.

**Table 16.12: Cases Handled by Various Courts, 2010 – 2014**

Year	Status of Case						Number
		Magistrate's Courts	Kadhi's Court	High Courts	Court of Appeal	Supreme Court	Total
2010	Filed ... ..	371,697	2,432	20,428	..		394,557
	Pending ... ..	615,526	2,796	42,059	..		660,381
	Disposed off ... ..	488,653	1,786	85,267	..		575,706
2011	Filed ... ..	319,469	2,055	25,798	958		348,280
	Pending ... ..	596,283	3,265	50,462	5,714		655,724
	Disposed off ... ..	338,712	1,586	17,395	498		358,191
2012	Filed ... ..	315,206	2,421	27,614	1,126	17	346,384
	Pending ... ..	510,107	2,437	114,826	6,234	9	633,613
	Disposed off ... ..	313,457	3,123	21,290	606	8	338,484
2013	Filed ... ..	277,666	3,462	41,814	402	70	323,414
	Pending ... ..	304,080	2,222	160,058	4,209	20	470,589
	Disposed off ... ..	213,688	2,262	18,718	476	42	235,186
2014*	Filed ... ..	461,893	2,795	37,938	446	72	503,144
	Pending ... ..	447,748	2,814	158,216	4,287	39	613,104
	Disposed off ... ..	318,225	2,203	39,780	368	53	360,629

Source: Judiciary

\*Provisional

.. Data not available

Notes:

Filed cases refer to all cases brought before a court during the year

Pending cases refer to the cases which had not been determined as at 31<sup>st</sup> December

Disposed off cases refer to all cases that judgment was entered during the year

16.21. The number of magistrates, judges and practicing lawyers is presented in Table 16.13. The total number of Magistrates increased from 410 in 2013 to 493 in 2014 mainly due to hiring of more Resident Magistrates. The number of Judges increased from 119 to 133 in the same period. The number of practicing lawyers increased by 700 to 7,200 in 2014.

**Table 16.13: Number of Magistrates, Judges and Practising Lawyers, 2010 – 2014**

	Number				
	2010	2011	2012	2013	2014*
<b>Magistrates</b>					
Chief Magistrates .....	22	15	33	40	49
Senior Principal Magistrates .....	26	22	49	81	54
Principal Magistrates .....	69	69	81	99	85
Senior Resident Magistrates .....	93	89	78	72	104
Resident Magistrates .....	74	74	214	88	166
Chief Kadhi .....	..	..	..	1	1
Deputy Chief Kadhi .....	-	-	-	1	1
Principal Kadhi .....	-	-	-	2	2
Kadhi I .....	-	-	-	8	11
Kadhi II .....	-	-	-	18	20
District Magistrate II <sup>1</sup> .....	74	69	-	-	-
<b>Sub-total</b>	<b>358</b>	<b>338</b>	<b>455</b>	<b>410</b>	<b>493</b>
<b>Judges</b>					
Supreme Court Judges .....		7	6	7	7
Court of Appeal Judges .....	11	10	27	26	30
Puisne (High Court) Judges .....	45	70	80	86	96
<b>Sub-total</b>	<b>56</b>	<b>87</b>	<b>113</b>	<b>119</b>	<b>133</b>
<b>Total</b>	<b>414</b>	<b>425</b>	<b>568</b>	<b>529</b>	<b>626</b>
Number of Practising Lawyers	4,574	4,910	5,525	6,500	7,200

Source: Judiciary

\* Provisional

..Data not available

<sup>1</sup>The rank of District Magistrate (II) was phased out in 2012**Prisons**

16.22. Table 16.14 shows the trend in prison population by sentence duration and sex from 2010 to 2014. The total inmate population increased to 248,390 in 2014 from 227,918 in 2013. The convicted prisoners increased by 41.6 per cent in the year under review from 77,405 in 2013 to 109,629 in 2014. The population of remandees declined from 150,513 to 138,761 in 2014 and this was mainly occasioned by a decline in male remandees. During the review period, the number of convicted repeat offenders increased by 8.8 per cent from 22,910 in 2013 to 24,927 in 2014. The number of deaths occurring in prisons other than by executions declined from 632 in 2013 to 424 in 2014.

**Table 16.14: Prison Population by Sentence Duration and Sex, 2010 - 2014**

	2010		2011		2012		2013		2014*	
	M	F	M	F	M	F	M	F	M	F
Less than 1 Month .....	18,556	2,858	15,116	1,656	12,294	1,374	14,736	1,644	24,374	2,053
Sentenced to 1 Month -2yrs ....	53,367	7,069	48,169	5,584	34,604	3,853	43,686	5,721	53,313	7,819
Sentenced to 2 yrs or more <sup>1</sup> ...	3,766	280	2,820	256	500	511	7,563	421	17,420	417
Life imprisonment.....	1,729	38	1,981	42	1,994	44	2,111	45	2,190	47
Death sentence.....	205	15	673	19	714	27	778	31	818	34
Committed for debt .....	739	9	655	20	118	18	556	113	1036	108
<b>Total Convicted .....</b>	<b>78,362</b>	<b>10,269</b>	<b>69,414</b>	<b>7,577</b>	<b>50,224</b>	<b>5,827</b>	<b>69,430</b>	<b>7,975</b>	<b>99,151</b>	<b>10,478</b>
<b>Total Convicted Prisoners...</b>	<b>88,631</b>		<b>76,991</b>		<b>56,051</b>		<b>77,405</b>		<b>109,629</b>	
<b>Committed for safe custody (remand) by sex ..</b>	151,688	13,205	157,891	12,284	129,348	11,512	137,974	12,539	124,795	13,966
<b>Total Remand.....</b>	<b>164,893</b>		<b>170,175</b>		<b>140,860</b>		<b>150,513</b>		<b>138,761</b>	
<b>Total Prisons Population by sex.....</b>	<b>230,050</b>	<b>23,474</b>	<b>227,305</b>	<b>19,861</b>	<b>179,572</b>	<b>17,339</b>	<b>207,404</b>	<b>20,514</b>	<b>223,946</b>	<b>24,444</b>
<b>Total Prisons Population....</b>	<b>253,524</b>		<b>247,166</b>		<b>196,911</b>		<b>227,918</b>		<b>248,390</b>	
Number Previously convicted .	28,058	2,489	20,620	1,966	11,446	1,503	21,830	1,080	23,670	1,257
Deaths (Excluding Executions)	194	8	210	10	217	19	623	9	421	3
<b>Prison population per 100,000 of Kenyan population</b>	<b>658.9</b>		<b>625.0</b>		<b>480.2</b>		<b>556.4</b>		<b>687.0</b>	

Source: Kenya Prisons Service

\* Provisional

M = Male

F = Female

<sup>1</sup> Excludes prisoners on Life imprisonment and death sentence

16.23. Table 16.15 shows the Daily Average Population (DAP) of prisoners by sex from 2010 to 2014. The DAP of prisoners increased by 6.0 per cent to 55,270 in 2014. However, there was a marked variation in the growth of DAP of male and female inmates. The DAP of females increased by 37.2 per cent while that of males went up by 4.0 per cent during the period.

**Table 16.15: Daily Average Population of Prisoners by Sex, 2010-2014**

	Number				
	2010	2011	2012	2013	2014*
<b>Convicted Prisoners</b>					
Males .....	30,674	29,309	31,877	30,355.70	30,601
Females .....	1,320	1,130	2,165	1,575	2,085
<b>Sub-Total</b>	<b>31,994</b>	<b>30,439</b>	<b>34,042</b>	<b>31,931</b>	<b>32,686</b>
<b>Remanded Prisoners</b>					
Males .....	16,467	11,554	16,472	19,166	20,896
Females .....	1,087	1,048	1,497	1,175	1,688
<b>Sub-Total</b>	<b>17,554</b>	<b>12,602</b>	<b>17,969</b>	<b>20,340</b>	<b>22,584</b>
<b>Total</b>	<b>49,548</b>	<b>43,041</b>	<b>52,011</b>	<b>52,271</b>	<b>55,270</b>

Source: Kenya Prisons Service

\* Provisional

16.24. Table 16.16 presents the distribution of convicted prison population by age and sex. There was an increase of 41.6 per cent in the convicted prison population. The number of convicted children increased by 34.4 per cent from 2,570 in 2013 to 3,455 in 2014. Inmates aged 26 years and above constituted about half of the prison population.



Table 16.16: Convicted Prison Population by Age and Sex, 2010-2014

Year	Sex	Number							Total
		Under 16	16 -17	18-20	21-25	26-50	51+		
2010	Male .....	43	2,139	17,605	24,499	27,519	6,557	78,362	
	Female .....	17	413	1,784	3,526	3,901	628	10,269	
	<b>Total .....</b>	<b>60</b>	<b>2,552</b>	<b>19,389</b>	<b>28,025</b>	<b>31,420</b>	<b>7,185</b>	<b>88,631</b>	
2011	Male .....	160	2,551	13,739	21,923	26,509	4,532	69,414	
	Female .....	4	185	1,238	2,344	3,412	394	7,577	
	<b>Total .....</b>	<b>164</b>	<b>2,736</b>	<b>14,977</b>	<b>24,267</b>	<b>29,921</b>	<b>4,926</b>	<b>76,991</b>	
2012	Male .....	184	2,462	11,537	17,188	21,864	4,281	57,516	
	Female .....	1	120	878	2,010	2,849	317	6,175	
	<b>Total .....</b>	<b>185</b>	<b>2,582</b>	<b>12,415</b>	<b>19,198</b>	<b>24,713</b>	<b>4,598</b>	<b>63,691</b>	
2013	Male .....	233	2,265	13,926	20,415	27,838	4,753	69,430	
	Female .....	5	67	1,131	2,455	3,822	495	7,975	
	<b>Total .....</b>	<b>238</b>	<b>2,332</b>	<b>15,057</b>	<b>22,870</b>	<b>31,660</b>	<b>5,248</b>	<b>77,405</b>	
2014*	Male .....	139	3,198	18,002	29,662	40,439	7,711	99,151	
	Female .....	13	105	1,448	2,632	5,500	780	10,478	
	<b>Total .....</b>	<b>152</b>	<b>3,303</b>	<b>19,450</b>	<b>32,294</b>	<b>45,939</b>	<b>8,491</b>	<b>109,629</b>	

Source: Kenya Prisons Service

\* Provisional

16.25. Table 16.17 shows the number of convicted prisoners by sex and type of offences from 2010 to 2014. A total of 19,027 males were convicted and committed to prison for offences related to consumption or possession of liquor in 2014 compared to 12,408 in 2013. Similarly, a total of 6,553 females were committed to prison for similar offences in 2014 compared to 3,955 in the previous year. Liquor offences accounted for 62.5 per cent of all female convicts in prison during the year compared to 50.3 per cent the previous year. The number of males convicted for offences relating to order and administration of lawful authority increased from 8,934 in 2013 to 17,352 in 2014 while that of females increased from 350 in 2013 to 419 in 2014. A total of 4,658 males were imprisoned for offences related to registration of persons in 2014 compared to 2,222 in 2013.

Table 16.17: Convicted Prisoners by Sex and Type of Offence, 2010 -2014

Type of Offence <sup>1</sup>	Number									
	2010		2011		2012		2013		2014*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Order and administration of lawful authority .....	8,980	652	7,984	297	6,858	295	8,934	350	17,352	419
Injurious to public .....	3,026	216	2,670	167	2,484	163	2,971	177	4,575	190
Against person .....	4,977	555	4,085	561	3,586	348	4,877	474	7,654	501
Related to property .....	8,975	566	8,822	492	8,541	406	9,469	379	13,907	508
Attempts & conspiracies .....	3,354	229	3,134	107	1,209	86	1,567	63	3,759	107
Employment offences .....	2,138	1,142	2,840	919	2,215	813	2,884	620	4,421	324
Liquor offences .....	13,295	4,007	10,798	2,515	9,801	2,600	12,408	3,955	19,027	6,553
Drugs related .....	4,365	152	3,793	121	3,281	82	3,388	60	5,301	223
Various cases .....	29,252	2,750	25,288	2,398	19,356	1,740	20,710	1,756	18,497	1,443
Registration of persons .....	..	..	..	..	..	..	2,222	141	4,658	210
<b>Total by sex</b>	<b>78,362</b>	<b>10,269</b>	<b>69,414</b>	<b>7,577</b>	<b>57,331</b>	<b>6,533</b>	<b>69,430</b>	<b>7,975</b>	<b>99,151</b>	<b>10,478</b>
<b>Total convicted</b>	<b>88,631</b>		<b>76,991</b>		<b>63,864</b>		<b>77,405</b>		<b>109,629</b>	

Source: Kenya Prisons Service

\* Provisional

<sup>1</sup> As categorised in Appendix 16.2

.. Data not available

## Chapter 16: Governance

**Police, Prison and Probation Personnel** 16.26. Police, prison and probation officers are responsible for law enforcement, and rehabilitation of offenders. As shown in Table 16.18, the number of police officers in service dropped by 7.5 per cent to 39,215 in 2014. This was mainly due to natural attrition and the suspension of police recruitment during the year. Similarly, the number of prison officers went down from 19,905 in 2013 to 19,587 in 2014 and that of probation officers in service declined from 651 to 544 in the same period.

**Table 16.18: Number of Police, Prison and Probation Officers by Sex, 2010 - 2014**

Year	Type of Personnel	Police Officers	Prison Officers			Probation Officers
			Adult Prisons	Juvenile Prisons	Total	
2010	Male .....	36,792	16,803	222	17,025	390
	Female .....	3,916	3,008	34	3,042	234
	<b>Total .....</b>	<b>40,708</b>	<b>19,811</b>	<b>256</b>	<b>20,067</b>	<b>624</b>
2011	Male .....	35,964	16,601	243	16,844	493
	Female .....	3,755	2,913	51	2,964	370
	<b>Total .....</b>	<b>39,719</b>	<b>19,514</b>	<b>294</b>	<b>19,808</b>	<b>863</b>
2012	Male .....	37,868	16,688	235	16,923	349
	Female .....	4,718	3,163	54	3,217	275
	<b>Total .....</b>	<b>42,586</b>	<b>19,851</b>	<b>289</b>	<b>20,140</b>	<b>624</b>
2013	Male .....	37,293	16,488	227	16,715	365
	Female .....	4,852	3,139	51	3,190	286
	<b>Total .....</b>	<b>42,145</b>	<b>19,627</b>	<b>278</b>	<b>19,905</b>	<b>651</b>
2014*	Male .....	34,129	16,288	201	16,489	316
	Female .....	5,086	3,067	31	3,098	228
	<b>Total .....</b>	<b>39,215</b>	<b>19,355</b>	<b>232</b>	<b>19,587</b>	<b>544</b>

Source: Kenya Police, Prisons Service and Probation and Aftercare Department

\* Provisional

**Probation, Community Service and Aftercare** 16.27. The Government continued to implement strategies geared towards achieving decongestion of prisons. Among them are non custodial sentences such as probation, community service orders and aftercare service. Table 16.19 shows the number of offenders serving probation sentence, community service and aftercare by sex and type of offence from 2013 to 2014. Assault general stealing, other offences against persons and break-ins are the main crimes for which offenders are sentenced to probation and community service. The number of convicts placed on probation increased by 4.0 per cent from 11,437 in 2013 to 11,840 in 2014. In 2014, males accounted for 79.0 per cent of convicts on probation. Convicts serving community service orders declined marginally from 34,719 in 2013 to 34,031 in 2014.

Table 16.19: Number of Offenders Serving Probation Sentence, Community Service and Aftercare by Sex and Type of Offence, 2013 and 2014

Offence	Offenders Serving Probation Sentence			Offenders Serving Community Service			Offenders Serving Aftercare		
	2013		2014*	2013		2014*	2013		2014*
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Murder (including attempt) .....	29	0	29	23	9	32	1	0	1
Manslaughter .....	15	1	16	25	10	35	38	0	38
Rape (including attempt) .....	128	0	128	157	0	157	21	11	32
Assault .....	1,244	793	2,037	1,402	497	1,899	1,556	377	1,933
Other offences against persons .....	975	391	1,366	924	376	1,300	900	142	1,042
Robbery and Allied offences .....	243	34	277	186	12	198	8	0	8
Break-Ins .....	986	83	1,069	827	57	884	213	48	261
Theft of Stock .....	327	1	328	317	6	323	719	10	729
General stealing .....	2,010	386	2,396	1,530	316	1,846	2,343	591	2,934
Theft of M/Vehicle .....	17	0	17	15	4	19	66	12	78
Theft of M/Vehicles parts .....	40	1	41	11	1	12	30	0	30
Theft from M/Vehicles .....	35	0	35	13	7	20	250	0	250
Theft of bicycles .....	453	0	453	17	2	19	428	0	428
Theft by servant .....	200	139	339	286	113	399	865	319	1,184
Dangerous drugs .....	237	76	313	368	210	578	1,909	396	2,305
Handling stolen property .....	256	16	272	233	26	259	159	46	205
Corruption .....	5	1	6	4	5	9	51	0	51
Causing death by dangerous driving .....	12	0	12	23	11	34	89	14	103
Other offences against property .....	398	84	482	593	125	718	1,031	198	1,229
All other penal code offences .....	1,243	578	1,821	2,375	724	3,099	19,111	2,767	21,878
<b>TOTAL</b>	<b>8,853</b>	<b>2,584</b>	<b>11,437</b>	<b>9,329</b>	<b>2,511</b>	<b>11,840</b>	<b>29,788</b>	<b>4,931</b>	<b>34,719</b>
							<b>29,126</b>	<b>4,905</b>	<b>34,031</b>
							<b>959</b>	<b>18</b>	<b>977</b>
									<b>1,127</b>

Source: Probation and Aftercare Department

\* Provisional

## Chapter 16: Governance

**Immigration** 16.28. During the year under review, the government undertook measures to speed up passports and work permits issuance and ensure strict vetting of applications. Table 16.20 shows the number of passports issued, foreign nationals registered and work permits issued in the last five years. In 2014, a total of 180,223 passports were issued up from 148,940 issued in 2013. The number of work permits renewed increased by 13.0 per cent from 9,315 in 2013 to 10,532 in 2014.

**Table 16.20: Number of Passports Issued, Foreign Nationals Registered and Work Permits Issued, 2010 – 2014**

Category	Number				
	2010	2011	2012	2013	2014*
Passports issued... ..	167,528	168,324	171,169	148,940	180,223
Foreign Nationals Registered <sup>1</sup> ... ..	17,944	19,034	23,490	21,920	22,326
Work Permits Issued <sup>2</sup> ... ..	18,862	21,383	11,360	10,411	10,540
Work Permits Renewed ... ..	20,521	23,498	8,636	9,315	10,532

Source: Department of Immigration

\* Provisional

<sup>1</sup> Means the same as "Aliens registered" in previous reports

<sup>2</sup> Means the same as "Entry permits" in previous reports

**National Identity Cards** 16.29. Table 16.21 shows the number of new Identity Cards applications, processed and collected by county for the period 2011 to 2014. The number of new Identity Cards applications made increased by 8.5 per cent from 843,642 in 2013 to 915,101 in 2014. New applications processed in 2014 dropped to 740,078 from 956,230 in 2013. The number of applicants who collected their new cards decreased from 901,468 in 2013 to 711,587 in 2014. Applications processed as a percentage of new applications was lowest in West Pokot County at 55.0 per cent followed by Samburu and Kericho counties at 58.0 per cent and 62.0 per cent, respectively. In Mandera County, Identity Cards processed were more than three times the applications.

Table 16.21: New Identity Card Applications Made, Processed and Collected by County, 2011-2014

NO	COUNTY	NPR APPLICATIONS MADE				NPR IDs PROCESSED				NPR IDs COLLECTED			
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
1	MOMBASA	15,970	35,676	23,104	17,318	25,578	43,150	41,549	15,653	5,001	33,652	22,104	17,859
2	KWALE	15,010	28,117	22,444	17,169	2,026	10,949	3,137	15,802	6,681	24,137	24,921	15,969
3	KILIFI	24,555	47,748	38,326	36,227	13,616	21,933	26,574	29,382	7,983	51,970	40,609	29,183
4	TANA RIVER	4,303	13,403	11,450	4,803	7,254	9,659	9,572	4,471	889	10,648	5,987	5,152
5	LAMU	1,923	4,149	1,060	735	13,244	28,792	24,657	1,625	1,260	3,188	3,063	1,513
6	TAITA/TAVETA	8,867	13,306	8,263	7,245	6,813	14,941	10,219	7,323	5,228	13,238	9,667	6,063
7	GARISSA	3,868	14,364	5,154	6,879	7,436	20,988	4,088	4,476	3,872	9,223	4,966	2,832
8	WAJIR	2,304	24,471	6,591	4,225	15,003	19,835	5,147	3,454	4,343	12,956	7,961	1,748
9	MANDERA	4,826	16,924	8,845	675	10,975	13,780	5,935	2,147	7,110	22,741	5,832	1,778
10	MARSABIT	7,515	11,076	7,551	8,282	7,895	9,080	8,258	7,307	4,950	7,028	7,368	5,665
11	ISIOLO	2,915	7,802	3,926	2,071	2,560	4,095	3,501	1,620	1,360	4,158	3,042	1,687
12	MERU	27,229	75,751	43,069	30,646	22,807	23,538	43,118	27,523	14,286	48,956	34,093	24,221
13	THARAKA NITHI	6,191	17,758	7,115	7,457	8,548	14,551	9,702	7,451	3,060	15,062	7,672	6,438
14	EMBU	6,613	12,207	12,870	12,329	16,190	9,117	10,178	10,752	3,528	10,155	15,783	10,623
15	KITUI	18,327	54,381	30,138	29,626	27,113	42,163	32,307	24,728	8,617	48,867	34,959	26,227
16	MACHAKOS	21,561	46,585	32,532	29,781	33,944	39,344	31,998	23,555	16,986	42,379	32,689	24,875
17	MAKUENI	24,525	41,528	28,185	26,248	23,138	38,936	31,261	21,879	15,626	32,545	31,972	21,227
18	NYANDARUA	13,344	25,660	11,425	15,526	18,847	21,699	16,258	12,113	5,538	23,917	14,449	12,867
19	NYERI	15,880	26,923	12,614	16,950	23,673	26,981	20,730	13,660	10,516	22,237	16,648	15,137
20	KIRINYAGA	10,526	18,181	9,602	12,102	13,827	27,085	14,327	9,455	5,228	16,474	7,970	9,395
21	MURANGA	20,472	38,361	18,772	23,021	12,787	24,855	15,610	19,526	12,634	49,528	21,358	20,206
22	KIAMBU	31,287	50,919	29,055	36,921	45,207	45,747	35,979	30,150	17,745	50,481	31,551	30,676
23	TURKANA	11,374	27,862	10,397	14,162	13,975	26,178	15,262	11,546	4,157	20,047	11,534	6,118
24	WEST POKOT	7,915	21,170	11,895	12,363	15,639	25,470	18,051	6,762	3,468	11,725	13,898	5,698
25	SAMBURU	5,677	9,303	2,699	3,831	4,015	6,379	3,443	2,222	3,413	6,722	4,253	2,180
26	TRANS NZOIA	14,674	26,891	16,104	20,593	11,000	23,040	20,378	14,679	13,314	19,532	17,841	10,635
27	UASIN GISHU	13,947	23,872	17,194	20,456	6,126	14,165	15,558	14,512	7,443	21,285	14,813	15,979
28	ELGEYO/MARAKWET	9,364	16,611	7,985	9,511	7,868	17,583	8,048	7,409	5,536	15,978	9,461	8,148
29	NANDI	14,497	30,278	11,508	9,339	12,221	33,481	15,194	10,507	9,126	24,279	13,960	8,284
30	BARINGO	11,096	21,879	8,833	10,746	10,042	13,564	9,061	7,423	8,734	17,721	7,918	6,355
31	LAIKPIA	10,264	14,790	8,914	9,814	11,516	19,344	10,219	7,963	4,779	17,046	9,476	5,859
32	NAKURU	33,580	62,796	31,589	45,660	29,013	47,693	34,782	32,579	14,770	55,129	32,970	32,800
33	NAROK	16,904	27,638	12,664	15,549	20,276	33,061	22,101	12,517	7,180	27,130	17,831	8,529
34	KAJIADO	6,602	9,153	6,451	8,759	18,069	23,206	18,209	13,349	2,442	8,556	7,897	6,475
35	KERICHO	19,111	31,222	21,329	23,160	7,547	11,231	11,586	14,450	7,856	31,501	22,611	17,509
36	BOMET	11,841	22,335	11,029	13,896	13,635	19,276	16,113	12,823	5,685	18,135	11,598	9,620
37	KAKAMEGA	42,905	71,332	44,652	55,590	37,476	61,907	45,618	39,908	20,185	58,848	44,719	41,456
38	VIHIGA	15,979	23,543	13,653	18,932	27,778	38,969	45,584	12,291	8,111	24,197	12,782	12,972
39	BUNGOMA	29,169	56,972	40,551	43,971	15,176	23,830	23,145	39,086	15,113	35,038	34,669	26,511
40	BUSIA	17,511	28,289	18,511	21,667	18,165	20,774	15,256	21,098	7,654	26,305	20,052	15,381
41	SIAYA	29,299	57,343	20,591	25,457	32,485	54,925	34,866	19,430	11,184	45,643	24,558	19,003
42	KISUMU	28,222	58,143	26,429	27,123	24,524	34,340	25,644	21,711	13,097	44,566	29,627	20,500
43	HOMA BAY	18,412	49,217	15,360	23,987	13,452	28,057	20,814	18,321	7,545	45,945	22,688	17,299
44	MIGORI	21,369	47,903	23,001	23,594	21,119	32,902	30,507	18,047	9,537	39,341	24,241	14,003
45	KISII	24,739	66,234	22,298	31,799	19,252	19,801	20,887	22,662	11,516	58,270	31,316	21,890
46	NYAMIRA	17,840	29,554	13,951	20,617	12,776	18,792	15,758	14,347	7,708	26,303	15,238	14,780
47	NAIROBI CITY	49,982	87,310	51,950	56,275	53,185	80,782	54,028	48,370	35,232	116,378	58,840	70,248
	<b>TOTAL</b>	<b>772,295</b>	<b>1,548,942</b>	<b>843,642</b>	<b>915,101</b>	<b>816,822</b>	<b>1,241,980</b>	<b>956,230</b>	<b>740,078</b>	<b>409,237</b>	<b>1,371,172</b>	<b>901,468</b>	<b>711,587</b>

Source: National Registration Bureau

NPR means New Persons Registration

## Registration of Voters

16.30. Table 16.22 presents the number of registered voters by county and sex in the principal voters register as at end of 2014. The proportion of registered voters to the eligible population stood at 53.5 per cent with male voters recording a 55.6 per cent of eligible males and female voters recording 51.4 per cent of eligible women. Busia and Lamu counties have the highest proportion of registered eligible voters at 83.4 per cent and 69.2 per cent respectively. Turkana had the lowest proportion of eligible registered voters with 21.4 per cent followed by Mandera which had 30.0 per cent of the eligible voters registered.

Table 16.22: Number of Registered Voters by County and by Sex, 2014\*

Code	County	No. of Constituencies	Number of Registered Voters			Proportion of Eligible Voters Registered		
			Male	Female	Total	Male	Female	Total
1	Mombasa	6	236,275	172,472	408,747	57.0	45.6	51.6
2	Kwale	4	84,161	90,282	174,443	41.2	38.8	39.9
3	Kilifi	7	155,649	180,483	336,132	44.0	44.7	44.3
4	Tana River	3	37,723	41,731	79,454	51.1	52.9	52.0
5	Lamu	2	27,788	24,558	52,346	69.2	69.1	69.2
6	Taita Taveta	4	59,193	54,669	113,862	51.8	50.0	50.9
7	Garissa	6	59,613	55,589	115,202	43.7	42.1	42.9
8	Wajir	6	60,202	57,889	118,091	42.9	45.4	44.1
9	Mandera	6	60,647	60,121	120,768	28.8	31.4	30.0
10	Marsabit	4	51,130	53,485	104,615	53.7	63.3	58.2
11	Isiolo	2	26,348	28,114	54,462	55.7	63.8	59.6
12	Meru	9	252,091	235,174	487,265	55.5	50.4	52.9
13	Tharaka_Nithi	3	77,040	78,447	155,487	63.2	60.7	61.9
14	Embu	4	114,481	112,805	227,286	63.7	61.1	62.4
15	Kitui	8	146,249	178,424	324,673	51.5	53.0	52.3
16	Machakos	8	225,817	219,279	445,096	60.3	57.0	58.6
17	Makueni	6	144,673	153,548	298,221	52.8	51.9	52.3
18	Nyan darua	5	125,673	130,311	255,984	63.5	52.6	57.4
19	Nyeri	6	175,033	181,348	356,381	65.5	65.5	65.5
20	Kirinyaga	4	135,586	129,704	265,290	65.4	62.3	63.9
21	Murang'a	7	222,672	230,169	452,841	65.5	63.5	64.5
22	Kiambu	12	436,033	425,796	861,829	69.5	67.6	68.6
23	Turkana	6	53,635	79,250	132,885	16.6	26.6	21.4
24	West Pokot	4	58,038	62,948	120,986	36.6	37.5	37.1
25	Samburu	3	27,192	33,922	61,114	37.1	45.4	41.3
26	Trans Nzoia	5	128,447	116,193	244,640	45.3	40.0	42.7
27	Uasin Gishu	6	174,357	156,273	330,630	50.7	45.9	48.3
28	Elgeyo/Marakwet	4	67,653	66,915	134,568	52.6	50.6	51.6
29	Nandi	6	136,815	126,439	263,254	50.3	46.4	48.4
30	Baringo	6	85,156	88,497	173,653	45.4	46.2	45.8
31	Laikipia	3	88,406	85,499	173,905	59.9	56.1	57.9
32	Nakuru	11	360,532	334,786	695,318	59.5	55.1	57.3
33	Narok	6	134,333	128,405	262,738	48.1	45.8	47.0
34	Kajiado	5	161,878	142,468	304,346	62.2	54.4	58.3
35	Kericho	6	151,368	139,090	290,458	53.5	49.9	51.7
36	Bomet	5	127,553	124,805	252,358	50.9	47.9	49.3
37	Kakamega	12	280,135	287,325	567,460	56.5	52.4	54.3
38	Vihiga	5	92,643	110,179	202,822	56.0	56.3	56.2
39	Bungoma	9	210,119	200,343	410,462	43.5	38.8	41.1
40	Busia	7	121,268	130,037	251,305	87.1	80.2	83.4
41	Siaya	6	141,933	169,986	311,919	55.2	55.4	55.3
42	Kisumu	7	193,260	192,560	385,820	59.2	56.3	57.7
43	Homa Bay	8	149,794	176,032	325,826	52.4	53.9	53.2
44	Migori	8	136,072	147,790	283,862	50.3	49.3	49.8
45	Kisii	9	205,735	207,210	412,945	57.2	49.8	53.2
46	Nyamira	4	111,337	108,021	219,358	58.2	49.7	53.7
47	Nairobi City	17	990,092	738,709	1,728,801	70.7	51.6	61.0
	<b>Sub Total</b>	<b>290</b>	<b>7,301,828</b>	<b>7,048,080</b>	<b>14,349,908</b>	<b>55.6</b>	<b>51.4</b>	<b>53.5</b>
	Diaspora	1	1,871	766	2,637	..	..	..
	<b>Total</b>	<b>291</b>	<b>7,303,699</b>	<b>7,048,846</b>	<b>14,352,545</b>	<b>..</b>	<b>..</b>	<b>..</b>

Source: Independent Electoral and Boundaries Commission (IEBC)

\* Provisional

.. Data not available

**Refugees in Kenya** 16.31. Registration, protection and management of refugees is guided by the UN Convention relating to the Status of Refugees and the Refugees Act No.13 of 2006. The Kenya Government operates two refugee camps at Dadaab in Garissa County and Kakuma in Turkana County. Table 16.23 shows the number of refugees in the country by sex and age. Children constitute about 56.0 per cent of the total refugee population. In 2014, the refugee population declined marginally from 587,223 in 2013 to 585,363.

**Table 16.23: Number of Refugees by Sex and Age, 2010-2014**

Category	2010	2011	Number								
			2012			2013			2014*		
			Male	Female	Total	Male	Female	Total	Male	Female	Total
Children (under 18 yrs)	..	..	177,254	161,017	338,271	173,544	157,070	330,614	173,573	155,350	328,923
Adults (18 yrs & above)	..	..	128,004	141,838	269,842	151,227	135,382	286,609	123,991	132,449	256,440
<b>Total</b>	<b>430,871</b>	<b>601,761</b>	<b>305,258</b>	<b>302,855</b>	<b>608,113</b>	<b>324,771</b>	<b>292,452</b>	<b>587,223</b>	<b>297,564</b>	<b>287,799</b>	<b>585,363</b>

Source: Department of Refugees Affairs, Ministry of Interior and Coordination of National Government

\*Provisional

.. Data disaggregated by sex and age not available

## Chapter 16: Governance

**Box 16.1: 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) Unnatural 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	BREAK-INS	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

**Box 16.2: 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 Offences	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



## Chapter 17

### Input Output Tables and the Social Accounting Matrix

**Overview** Supply and Use Tables (SUT) for 2009 for Kenya were published in the Economic Survey 2014 report. The SUT provided a basis for development of the Input-Output Tables (IOT) and the Social Accounting Matrix (SAM). An IOT is a product-by-product or industry-by-industry matrix in which both supply and use information is rearranged into a single table. An IOT shows how dependent each economic activity is, on every economic activity. On the other hand, a SAM is a particular representation of the macro and meso economic accounts of a socio-economic system, which captures transactions and transfers between all economic agents in the system (Pyatt and Round, 1985; Reinert and Roland-Holst, 1997). As is the case with other economic accounting systems, SAM records transactions taking place during an accounting period which is usually one year.

17.2. The last comprehensive SUT, IOT and SAM for Kenya were constructed in 1976. Partial updates of the 1976 IOT have been conducted by some researchers. In the 1980s, the Long Range Planning Group did some extensive work on Computable General Equilibrium Model (CGE) using the SAM. The SAM was used in the development plan for Kenya in the 1970s. However, there has not been any new framework that has been fully developed since the 1976 one. This has resulted in lack of detailed input information that reflects the production and operating activities of the various establishments in the economy in the current national statistics system. Moreover, elaborate economic analysis has not been possible due to unavailability of frameworks for sectorised analysis such as input-output tables. The recommended international best practice is to develop an IOT at least in every five years.

17.3. In view of this, the KNBS developed the Supply and Use Tables, Input Output Table as well as the Social Accounting Matrix (SAM) during the revision and rebasing of the national accounts process that began in 2010. This chapter serves as the official release of the IOT and SAM for 2009. It is envisaged that the input-output tables and the SAM will be useful in the development of tools for further economic analysis.

**Background of Input Output Table** 17.4. Input-output analysis is mainly credited to Wassily Leontief who was the first to develop inter-industry relations in a matrix representation and used it to describe the US economy in the 1930s. Early works on interlinkages between the different sectors of an economy, which forms the economic theory on SUT and IOT, can be traced back to François Quesnay's research works in the 19th Century and later developed by Léon Walras. Leontief's model depicts inter-industry relationships within an economy, showing how output from one industry (sector) is used as an input to another industry.

**Activity and Product Classification for IOT and SAM** 17.5. Economic activity and product classifications are very important for IOT and SAM. International Standard Industrial Classification of All Economic Activities (ISIC) and Central Product Classification (CPC) are used for activity and product classifications, respectively. Classifications on Individual Consumption by Purpose (COICOP), the Classification of the Functions of the Government (COFOG) and the Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI) are also used by preparing correspondence tables into CPC in the supply and use system.

17.6. Concerning the level of products a principle decision has to be made whether to compile a square or a rectangular supply and use system. In a square system the number of products equals the number of industries. In a rectangular system the number of products can be higher than the number of industries, thus showing for each industry not only one primary products but also the secondary products.

### **Relationship between Supply and Use Tables and Input-Output Tables**

17.7. The Input Output Tables discussed in this chapter are part of an input-output framework that consists of three types of tables; the Supply tables; the Use tables and the Symmetric input-output tables. A Supply table shows the supply of goods and services by product and by type of supplier, distinguishing supply by domestic industries and imports from those of other countries. A Use table shows how the components of value added (compensation of employees, other net taxes on production, capital consumption, net operating surplus) are generated by industries in the domestic economy. The Supply and Use tables provide a detailed picture of the supply of goods and services by domestic production and imports and the use of goods and services for intermediate consumption and final use categories (consumption, gross capital formation and exports).

17.8. Supply and Use tables show where goods and services are produced and where they are used in intermediate consumption, final consumption, gross fixed capital formation and exports. The supply and use framework provides the most important macroeconomic aggregates such as Gross Domestic Product (GDP), value added, consumption, investment, imports and exports. The supply and use system is therefore an adequate accounting framework for compiling consistent and reliable national accounts data. Consequently, it is recommended that compilation of national accounts data - both in current prices as well as in constant prices - should be based on a supply and use framework.

17.9. Supply and Use tables are a powerful way of ensuring consistency between the various data sources available to the compilation of the national accounts. They also serve as a framework for economic statistics, for ensuring consistency of definitions and concepts used and as an accounting framework. However, for deeper and broader analytical purposes, the pair of Supply and Use tables is usually transformed into a single Input-Output table where row and column totals are equal. This transformation brings very considerable advantages for use in economic analysis. The Supply and Use tables form the basis for deriving symmetric input-output tables by applying certain assumptions to the relationship between outputs and inputs. Symmetric Input-Output tables cannot therefore be compiled without passing through the supply and use stage.

### **Outline of Symmetric Input-Output Tables**

17.10. The supply and use tables serve not only statistical but also analytical purposes, especially when they are transformed into symmetric input-output tables. The intermediate consumption table shows the use of goods and services for each industry which were necessary to produce primary and secondary outputs of an industry. For analytical purposes, assumptions about the relations between inputs and outputs are required irrespective of whether the products have been produced by the primary industry or by other industries as their secondary output.

17.11. An IOT uses either a product or an industry classification for both rows and columns unlike in a SUT where product by industry classification is used. Consequently, the format of input-output tables can either be industry by industry or product by product, hence they are symmetric (Symmetric IOT or SIOT). Input-output tables are required to describe production processes as homogeneously as possible i.e. where secondary production is considered as output of the appropriate industry. A product by product input-output table

shows how much of each product is being used as input for the production of another product. The industry by industry IOT shows how industries provide input to, and use output from, each other in the process of production. The tables also show how much of each product is consumed by different user categories (production, households, government, non-profit institutions serving households, investment and foreign trade).

**Figure 17.1: A Simplified Symmetric Input-Output Table (Product by Product)**

Products	Homogeneous units of production			Final uses			Total
	Agricultural products	Industrial products	Services	Final consumption	Gross Fixed Capital Formation	Exports	
Agricultural products Industrial products Services	<i>Intermediate consumption by product and by homogeneous units of production</i>			<i>Final uses by product and by category</i>			Total use by product
Value added	<i>Value added by component and by homogeneous units of production</i>						
Imports for similar products	<i>Total imports by product</i>						
Supply	Total supply by homogeneous units of production			Total final uses by category			

17.12. The two types of identities in the supply and use system are reduced to one type of identity in case of an input-output table. It is typical for symmetric input-output tables that for each product or industry input equals output and total supply equals total uses.

- Total supply by product= Total use by product
- Total input by product = Total output by product

17.13. A symmetric input-output table is a product by product or industry by industry matrix describing the domestic production processes and the transactions in products of the national economy in great detail. A symmetric input-output table rearranges both supply and use in a single table.

**Construction of a Symmetric Input-Output Tables** 17.14. The transformation of supply and use tables to symmetric input-output tables requires a set of supply and use tables at purchasers' prices and valuation matrices from which supply and use tables at basic prices can be compiled with separate results for domestic output and imports. The supply and use tables at basic prices constitute the database which is required for the transformation of supply and use tables into input-output tables.

17.15. Compiling input-output tables is an analytical step. In order to transform SUT into SIOT, certain mathematical assumptions and sometimes adjustments require to be applied to the SUT data. According to the Eurostat Manual of Supply and Use and Input-Output tables published by Eurostat in 2008, the transformation can be based on four different core assumptions. Two of the assumptions focus on the transformation of SUT into an industry-by-industry IOT, while the other two assumptions focus on transforming SUT into a product-by-product IOT. The four standard models (see Figure 2) that can be used for the transformation to product-by-product input-output tables or industry-by-industry input-output tables are;

- Product technology assumption (Model A); this model assumes that each product is produced in its own specific way, irrespective of the industry where it is produced.
- Industry technology assumption (Model B); this model assumes that each industry

has its own specific way of production, irrespective of its product mix.

- Fixed industry sales structure assumption (Model C); this model assumes that each industry has its own specific sales structure, irrespective of its product mix.
- Fixed product sales structure assumption (Model D); this model assumes that each product has its own specific sales structure, irrespective of the industry where it is produced.

17.16. There are two models which are based on technology assumptions which will generate product-by-product input-output tables for the transformation of supply and use tables to symmetric input-output tables. In this case the input-output tables comprise homogeneous products in the rows and homogeneous units of production in the columns. The other two basic models are based on assumptions of fixed sales structures and generate industry-by-industry input-output tables. It is also possible to use a combination of the two industry-based assumptions, or the two product based assumptions to better fit an economy's output or production structure.

**Product-by-product versus industry-by-industry tables** 17.17. Models A and B are used for the compilation of a product-by-product IOT. The transformation to an industry-by-industry IOT is primarily based on the output structure and models C and D. The models adopted for Kenya Input-Output Tables are models B and D.

17.18. The industry-by-industry IOT are regarded as symmetric IOT because of the matrix form used. The row and column totals of the corresponding industry or product (for product by product IOT) are equal. This implies that for each industry or product, input must equal output; hence total supply must be equal to total use. The total output in the Input-Output table will therefore equal those within the existing SUT. Thus, it is seen that the industry-by-industry table based on the fixed product sales structure (Model D) does not involve any technology assumptions (as do Models A and B), and does not require any additional assumptions or data sources to adjust for negatives (as do Models A and C).

17.19. The product-by-product IOT describes the relationship between products and homogeneous units of production. This describes, for each given product, what was required from other products to produce the given product without regard to the producing industry. This makes a product-by-product IOT ideal for analysis of production units, comparing cost structures, the employment effect, energy and environmental policy impact. An industry-by-industry IOT differs in that it describes the relationships between industries and which products are used in production for that industry. Industry by industry input-output tables are closer to statistical sources and actual market transactions. Product by product input-output tables are believed to be more homogeneous in terms of cost structures and production activities.

17.20. The result of these two different IOT implies that a product-by-product IOT is better suited for productivity analysis, or a sensitivity analysis of a new technology entering the production market. The industry-by-industry IOT is better suited for the analysis of the economic impacts related to industries, such as tax reforms or adjustments, and fiscal and monetary policy implications. The advantages of industry by industry IOT include; transparency, less complications in compilation as it involves a simple transformation of the SUT and less demands on data needs as they primarily use the information in the SUT.

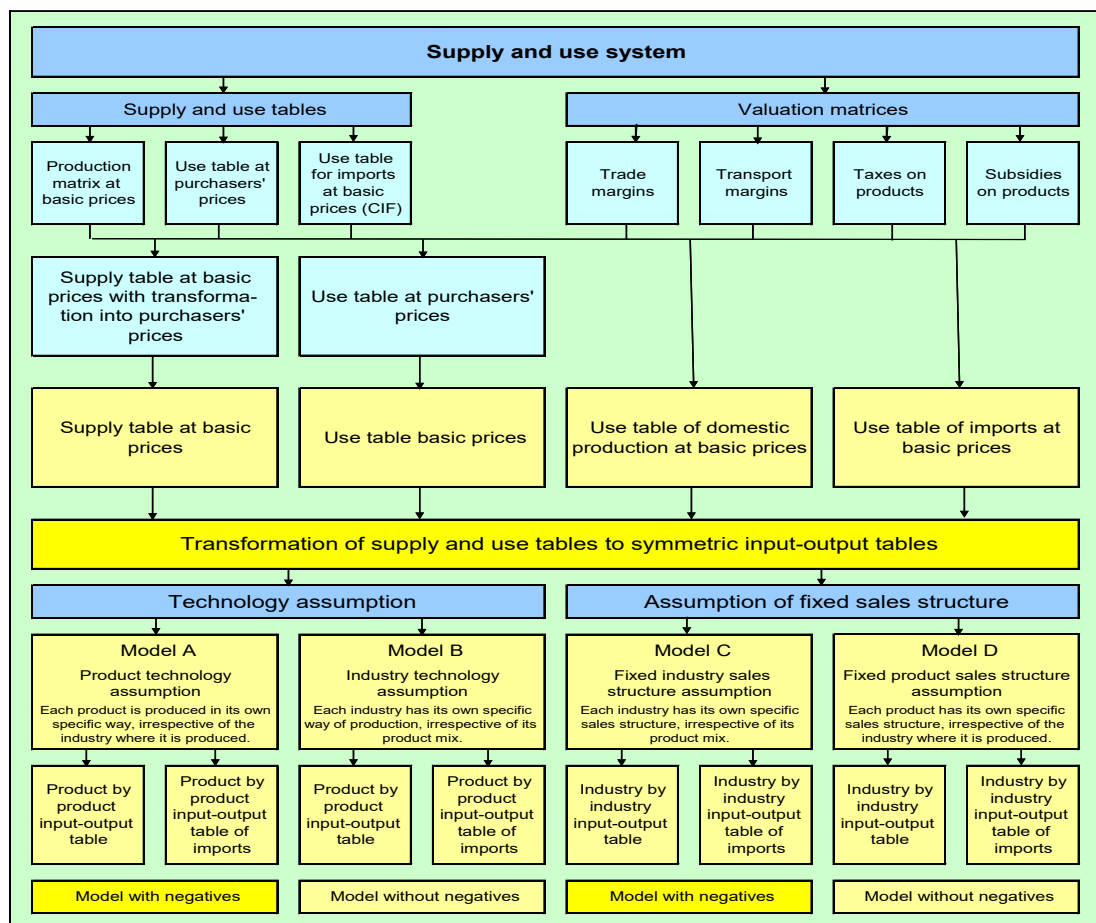
**Product-by-product (Model B)**

17.21. To calculate a product-by-product IOT using Model B, each industry's input structure must remain constant, irrespective of which products are being produced. If the product output mix changes with respect to an individual industry, the input structure will remain constant. This method assumes that the inputs used will not change. This model is suited for situations where a major amount of production within industries is produced using the same process, for example by-products.

**Industry-by-industry (Model D)**

17.22. To compile the industry-by-industry IOT transformation matrix using Model D, which is the fixed product sales structure assumption, the secondary products produced in industries must be regarded as having the same output structure as the homogeneous products being produced in the primary producing industry for those products.

**Figure 17.2: Transformation of Supply and Use Tables to Symmetric Input-Output**



## Chapter 17: Input Output Tables and the Social Accounting Matrix

17.23. Figure 3 demonstrates how to convert a SUT to an IOT in a simplified way for an economy with two industries i.e. agriculture and manufacturing. Use of agriculture products has been re-allocated using a fixed sales structure (Model D) and computed as follows;  $0+(20*60/220) = 5.5$ ,  $80+(20*30/220) = 82.7$  and  $50+(20*130/220) = 61.8$ .

**Figure 17.3: Conversion of SUT to Symmetric Input-Output Tables**

**Conversion of SUT to Symmetric Input-Output Tables**

	SUPPLY TABLE			USE TABLE			
	Agriculture	Manufacturing	Total	Agriculture	Manufacturing	Final demand	Total
Agricultural products	130	0	130	0	80	50	130
Manufacturing products	20	200	220	60	30	130	220
Manuf. Prod 1	20	60	80	30	30	20	80
Manuf. Prod 2		140	140	30	-	110	140
Wages and salaries				60	20		80
Operating surplus				30	70		100
Total	150	200		150	200		180

	SUPPLY TABLE			INDUSTRY BY INDUSTRY SIOT			
	Agriculture	Manufacturing	Total	Agriculture	Manufacturing	Final demand	Total
Agriculture	150	0	150	5.5	82.7	61.8	150
Manufacturing	0	200	200	54.5	27.3	118.2	200
Wages and salaries				60	20		80
Operating surplus				30	70		100
Total	150	200		150	200		180

**Analytical potential of an input-output matrix** 17.24. Symmetric Input Output Tables (SIOT) have algebraic properties that make them particularly suitable for use in economic analysis. The 2008 SNA notes that the algebraic properties of the SIOT enable estimation of the effects of changing relative prices, of labour and capital requirements against changing output levels. The IOT also enable the estimation of the consequences of changing patterns of demand.

17.25. Input-output data as an analytical tool are conveniently integrated into macroeconomic models in order to analyze the link between final demand and industrial output levels. Input-output analysis also serves a number of other analytical purposes such as impact analysis, productivity analysis, employment effects, energy analysis, environmental analysis, analysis of interdependence structures and analysis of price change.

**Kenya Input Output Tables** 17.26. The last comprehensive Supply and Use Tables (SUT), often called sources and use tables, and the Input-Output Table (IOT) in Kenya were constructed in 1976. Partial updates of the 1976 IOT have been conducted by some researchers but no new framework has been fully developed.

17.27. Two input-output tables have been compiled; product by product and industry by industry to widen the use of IOT for various analyses. The product-by-product IOT is based on technology assumptions and comprises of homogeneous products in the rows and homogeneous units of production in the columns. The industry-by-industry input-output tables are based on assumptions of fixed sales structures and with products provided by industries in the rows and industries in the columns.

17.28. Final uses have been split into final consumption, gross fixed capital formation, changes in inventories and exports. Final consumption has further been disaggregated into consumption by the relevant institutional sectors; households, Non Profit Institutions Serving Households (NPISH) and government. Components of gross value added have been split as; compensation of employees; other taxes on production; consumption of fixed capital; and net operating surplus.

17.29. An additional split of the symmetric IOT in two tables has been done: one for domestically produced products and the other for imported products. Total symmetric IOT assumes that imported products were produced by the same technology as the domestic ones. This assumption is highly unrealistic because production processes usually differ considerably in different countries. In addition, there may be many products that are not produced domestically and could introduce distortions in some analysis. In this case the total symmetric IOT may not be appropriate for some analytical purposes. Splitting the total SIOT into the two tables therefore presents the users with the options of using the more appropriate one depending on the objectives of their input-output analysis as shown in Tables 17.1 through to Table 17.6.

Table 17.1: Input-Output Table at Purchasers Prices (Product by Product), 2009, KSh Million

Row/ Col No.	Code	INPUT OF INDUSTRIES (ISIC REV4)										FINAL USES							Total use at purchasers' prices (Sum of Columns 10 and 18)	
		Agriculture, forestry and fishing	Industry (mining, manufac. and energy)	Construction	Trade and transport	Accommodatio n, info. and com.	Financial inter- and business activities	Public administration	Education and health	Other services	Total intermediate consumption (Sum of Columns 01-09)	Final consumption by households	Final consumption by non-profit organisations serving households (NPSH)	Final consumption expenditure by government	Final consumption expenditure ( Sum of Columns 11,12 and 13)	Gross Fixed Capital Formation	Changes in inventories	Exports		Final uses at purchasers' prices (Sum of Columns 15, 16 and 17)
01	A	51,421.05	218,352.09	131,465.74	183.51	6,877.47	268.93	651.00	2,316.12	52.55	465,132.38	-	19,475.23	514,607.61	9,571.86	1,151.70	74,949.69	589,680.86	879,804.36	
02	B,C,D,E	71,023.07	447,056.74	131,465.70	138,645.28	51,927.03	25,571.74	33,987.91	68,429.39	8,256.56	81,928.38	-	4,448.10	586,378.47	208,874.55	18,311.47	287,450.61	1,051,115.10	2,027,487.51	
03	F	485.11	1,048.39	15,301.40	8,821.46	3,011.92	10,978.14	4,740.06	2,187.27	623.54	1,665.76	-	28,810.02	34,757.78	233,668.10	-	-	284,443.88	311,341.17	
04	G,H	15,991.18	102,976.71	27,436.90	120,709.62	21,770.48	11,808.50	14,505.60	17,487.01	3,124.46	48,721.89	-	327.27	47,049.16	35,249.54	4,235.86	131,427.17	607,961.73	943,582.20	
05	I,J	4,175.67	11,095.39	3,315.49	39,086.77	33,468.80	18,102.26	15,980.04	16,946.31	2,326.86	134,457.31	-	705.93	135,163.25	-	-	19,055.41	154,218.66	298,669.26	
06	K,L,M,N	6,884.13	48,794.78	18,551.73	105,985.74	21,282.47	58,865.14	28,835.62	22,558.85	7,646.14	288,102.90	-	2,738.05	270,838.95	29,814.57	-	2,801.25	303,254.76	619,977.36	
07	O	163.23	848.24	254.20	4,173.20	602.10	1,192.38	3,051.98	811.99	128.05	1,1025.46	-	225,943.25	230,148.32	-	-	-	230,148.32	241,173.77	
08	P,Q	-	-	-	-	-	-	-	-	-	171,818.50	-	151,000.30	342,689.85	-	-	-	342,689.85	342,689.85	
09	R,S,T	138.44	548.59	143.24	2,764.34	2,604.31	2,222.24	1,907.07	2,222.24	304.91	39,305.93	-	2,016.60	51,800.43	-	-	81.35	51,971.78	65,965.09	
10	Total (Sum of Rows 1 to 9)	150,091.87	830,721.92	186,468.95	420,369.93	141,536.59	127,946.26	103,639.98	132,769.17	22,471.05	2,133,339.11	30,199.55	435,682.95	2,599,221.62	517,278.62	23,890.02	464,965.48	3,065,164.75	5,730,270.38	
11	Taxes less subsidies on products	5,404.45	25,363.19	7,001.17	43,194.15	5,397.64	2,298.80	1,572.15	3,780.86	719.01	94,681.42	0.18	10.31	185,349.23	14,885.20	0.20	-	210,234.63	304,896.05	
12	Total (Sum of Rows 10 and 11)	155,496.32	856,085.11	193,470.12	463,564.08	146,934.23	129,945.06	105,212.03	136,550.03	23,190.07	2,219,767.05	30,199.73	435,693.27	2,794,570.85	532,163.82	23,890.22	464,965.48	3,015,399.38	6,035,166.43	
13	C.i.f. f.o.b. adjustments on imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Direct purchases abroad by residents	93.18	680.18	0.36	3,217.42	2,017.34	2,868.80	2,951.40	2,031.67	442.62	8,799.55	-	-	8,799.55	-	-	-	8,799.55	22,602.52	
15	Direct purchases in domestic markets by	-	-	-	-	-	-	-	-	-	(108,706.17)	-	-	(108,706.17)	-	-	-	0.00	0.00	
16	Total intermediate consumption/final con	155,589.50	856,765.29	193,470.48	466,771.50	148,941.57	131,713.86	108,163.43	138,581.70	23,632.68	2,233,570.02	30,199.73	435,682.97	2,694,664.24	532,163.82	23,890.22	464,965.48	3,024,198.93	6,057,768.95	
17	Compensation of employees	68,649.62	106,688.52	42,392.49	152,750.92	58,331.61	113,399.23	99,128.43	221,627.01	31,688.23	884,655.96	-	-	-	-	-	-	-	-	
18	Other taxes on production	-	-	-	-	-	-	304.00	-	-	304.00	-	-	-	-	-	-	-	-	
19	Other subsidies on production	-	-	-	-	-	-	(13,851.00)	(800.00)	-	-	-	-	-	-	-	-	-	-	
20	Consumption of fixed capital	23,729.00	26,263.84	4,287.88	11,142.89	8,075.07	13,919.26	16,265.00	1,306.98	1,153.81	105,843.73	-	-	-	-	-	-	-	-	
21	Operating surplus, net	557,390.00	310,405.93	61,190.32	295,638.70	62,295.87	337,530.09	17,312.92	(4,995.04)	9,872.37	1,646,650.14	-	-	-	-	-	-	-	-	
22	Value added at basic prices (Sum of Row	649,777.62	443,358.28	107,670.68	459,532.40	128,701.55	464,548.57	133,010.35	204,087.96	41,914.41	2,632,802.83	-	-	-	-	-	-	-	-	
23	Output at basic prices (Sum of Rows 16	805,367.12	1,300,123.59	311,341.17	926,243.91	277,644.12	586,262.43	241,173.77	342,662.65	65,547.09	4,866,372.85	-	-	-	-	-	-	-	-	
24	Imports crf	74,437.30	727,363.57	-	17,388.28	21,025.46	23,714.93	-	-	18.00	863,897.55	-	-	-	-	-	-	-	-	
25	Total supply (Sum of Rows 23 and 24)	879,804.42	2,027,487.15	311,341.17	943,582.18	298,669.61	619,977.36	241,173.77	342,668.65	65,565.09	5,730,270.40	-	-	-	-	-	-	-	-	



Table 17.2: Input-output table for Domestic Products at basic prices (Product by Product), 2009, KSh Million

Code	PRODUCTS (CPC Rev.2)										INPUT OF INDUSTRIES (SIC REV.4)										FINAL USES							Total use at basic prices
	PRODUCTS (CPC Rev.2)										INPUT OF INDUSTRIES (SIC REV.4)										FINAL USES							
	A	B,C,D,E	F	G,H	I,J	K,L,M,N	O	P,Q	R,S,T	Other	Total intermediate consumption	Final consumption expenditure by households (NPSH)	Final consumption expenditure by government	Final consumption expenditure by non-profit organisations serving households (NPSH)	Gross Fixed Capital Formation	Changes in inventories	Exports	Final uses at basic prices										
A	47,941.05	171,967.47	0.17	151.01	6,612.03	249.58	6,111.11	2,234.62	43.69	229,810.73	471,105.29	19,475.23	490,580.52	9,571.86	1,151.70	74,252.25	575,556.34	805,367.07										
B,C,D,E	38,870.19	241,548.42	79,426.72	75,940.45	39,938.67	20,516.73	24,723.39	44,428.57	6,211.57	571,104.72	475,246.80	4,449.10	479,695.89	36,501.44	5,401.17	207,420.72	729,019.22	1,300,123.94										
F	485.11	1,048.39	15,301.40	8,821.46	3,011.92	10,876.14	4,740.06	2,187.27	623.54	47,197.28	1,665.76	28,810.02	30,475.78	233,668.10	-	-	264,143.88	311,341.17										
G,H	15,811.31	101,910.97	28,689.76	110,662.27	20,436.11	10,830.39	13,829.72	16,884.62	2,841.15	320,106.31	434,897.77	327.27	435,225.05	35,249.54	42,355.86	131,427.17	606,137.62	926,243.92										
I,J	3,532.30	10,014.31	3,023.24	37,081.33	23,373.60	16,284.04	14,689.03	15,600.10	2,150.22	125,758.17	132,275.69	554.50	132,830.19	-	-	19,055.41	151,885.61	277,643.77										
K,L,M,N	6,510.92	47,581.06	17,685.90	96,862.51	20,161.80	54,707.04	28,212.01	21,398.13	7,396.79	300,626.17	267,375.79	2,644.87	270,020.76	23,341.46	-	2,274.04	295,636.26	596,262.43										
O	16,323	848.24	254.29	4,732.20	602.10	1,192.38	3,051.88	611.99	128.05	11,025.46	4,205.07	225,943.25	230,148.32	-	-	-	342,689.65	342,689.65										
P,Q	138.44	549.59	143.24	2,764.34	2,604.31	2,959.16	1,907.07	2,222.24	304.91	13,593.31	39,287.93	10,378.90	51,872.43	-	-	81.35	51,953.78	65,547.09										
R,S,T	119,452.53	575,488.46	142,544.72	336,256.58	116,740.55	117,617.47	91,744.37	105,597.54	19,799.92	1,619,222.14	1,997,876.60	30,199.55	2,463,518.80	338,332.41	107,88.72	434,510.95	3,247,150.88	4,866,372.82										
Total	36,639.34	255,253.46	53,924.24	84,103.36	24,796.04	9,428.78	11,895.51	27,171.62	2,671.13	505,883.49	135,460.51	242.51	135,703.02	178,946.21	12,909.94	30,454.53	359,013.71	663,897.20										
Use of imported products, cif	5,404.45	25,363.19	7,001.17	43,134.15	5,387.64	2,298.80	1,572.15	3,780.86	719.01	94,661.42	195,339.74	0.18	195,349.23	14,885.20	-	-	210,234.43	304,885.65										
Taxes less subsidies on products	155,496.32	856,085.11	203,470.12	463,494.08	146,924.23	129,345.06	105,212.03	136,550.03	23,190.07	2,219,787.05	2,328,677.65	30,199.73	435,683.27	532,163.92	23,698.66	464,965.48	3,815,398.82	6,035,165.87										
C.I.f.to.b. adjustments on imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Direct purchases abroad by residents	931.8	680.18	0.36	3,217.42	2,017.34	2,368.80	2,951.40	2,031.67	442.62	13,802.97	8,795.55	-	8,795.55	-	-	8,795.55	22,602.52											
Direct purchases in domestic markets b	-	-	-	-	-	-	-	-	-	-	(108,706.17)	-	(108,706.17)	-	-	108,706.17	-											
Total intermediate consumption/final use	155,589.50	856,765.29	203,470.48	466,711.50	148,941.57	131,713.66	108,163.43	138,561.70	23,532.68	2,235,570.02	2,228,771.24	30,199.73	2,694,664.24	532,163.92	23,698.66	573,671.66	3,824,198.38	6,057,768.39										
Compensation of employees	67,091.23	108,771.54	42,382.49	156,791.80	65,347.11	116,188.64	114,324.26	198,667.29	31,656.80	901,431.17	-	-	-	-	-	-	-											
Other taxes on production	-	-	-	-	(1,058.62)	(891.41)	304.00	(12,400.97)	(800.00)	304.00	-	-	-	-	-	-	-											
Other subsidies on production	-	-	-	-	-	-	-	-	-	(14,651.00)	-	-	-	-	-	-	-											
Consumption of fixed capital	23,518.67	26,489.18	4,267.88	11,019.32	8,101.36	13,770.57	16,265.00	1,233.12	11,586.63	105,843.73	-	-	-	-	-	-	-											
Operating surplus, net	559,167.71	308,097.57	61,190.32	291,721.29	56,312.70	334,890.77	2,117.08	16,588.52	9,696.98	1,639,874.94	-	-	-	-	-	-	-											
Value added at basic prices	648,777.62	445,358.28	107,870.68	459,532.40	128,702.55	464,545.57	133,010.55	204,087.96	41,914.41	2,632,802.83	-	-	-	-	-	-	-											
Output at basic prices	805,367.12	1,300,123.58	311,341.17	926,243.91	277,644.12	596,262.43	241,173.77	342,669.65	65,547.09	4,866,372.85	-	-	-	-	-	-	-											

Table 17.3: Input-output table for imports at basic prices (Product by Product), 2009, KSh Million

No	Code	PRODUCTS (CPC Rev.2)	INPUT OF INDUSTRIES (SIC REV.4)										FINAL USES						Tot basi		
			A	B,C,D,E	F	G,H	I,J	K,L,M,N	O	P,Q	R,S,T	09	83	84	85	86	87	88		89	90
01	A	Agriculture, forestry and fishing	3,480.00	46,384.61	0.04	32.50	265.44	19.35	81.50	8.85	24,027.09	-	-	-	24,027.09	-	-	-	-	24,124.53	7
02	B,C,D,E	Industry (mining, manufac. and energy)	32,152.88	205,808.32	52,038.98	63,004.84	11,988.36	5,255.01	24,000.81	2,053.99	106,682.58	-	-	-	106,682.58	172,473.11	12,910.30	30,029.89	322,095.88	72	
03	F	Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
04	G,H	Trade and transport	179.87	1,065.74	737.14	10,047.35	1,334.37	678.11	612.40	183.31	1,824.11	-	-	-	1,824.11	-	-	-	1,824.11	1	
05	I,J	Accommodation, info. and com	643.37	1,081.08	292.26	1,985.44	10,087.21	1,818.22	1,318.21	175.64	2,181.62	-	-	-	2,333.05	-	-	-	2,333.05	2	
06	K,L,M,N	Financial inter. and business activities	183.21	1,213.72	855.83	9,035.24	1,120.67	1,658.10	1,158.72	249.34	727.11	-	-	-	818.19	6,473.10	-	327.20	7,618.50	2	
07	O	Public administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
08	P,Q	Education and health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
09	R,S,T	Other services	-	-	-	-	-	-	-	-	-	-	-	-	18.00	-	-	-	18.00	18.00	
10	Total		36,639.34	255,253.46	53,924.24	84,103.36	24,796.04	9,428.78	27,171.62	2,671.13	135,460.51	-	-	-	135,703.02	178,946.21	12,910.30	30,454.53	358,014.07	86	

Table 17.4: Input-output table at basic prices (industries by industries), 2009, KSh Million

Row/Col No.	INDUSTRIES (SIC Rev.4)													FINAL USES													Total use at basic prices (Sum of Columns 16 and 18)
	INDUSTRIES (SIC Rev.4)													INDUSTRIES (SIC Rev.4)													
	Agriculture, forestry and fishing	Industry (mining, manufac. and energy)			Construction	Trade and transport	Accommodation, intr. and com.	Financial inter. and business activities			Public administration	Education and health	Other services	Total intermediate consumption (Sum of Columns 01-09)	Final consumption expenditure by households (NPSH)	Final consumption expenditure by non-profit organisations serving households (NPISH)	Final consumption expenditure by government			Gross Fixed Capital Formation	Changes in inventories	Exports	Final use at basic prices (Sum of Columns 16 and 17)				
		01	B	C				D	E	02							03	04	05					06	07	08	
INDUSTRIES (SIC Rev.4)	01	B	C	D	E	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18					
01	51,947.73	218,543.89	0.20	168.88	8,350.21	75.39	623.50	3,292.05	52.37	283,071.99	510,925.01	-	-	19,475.23	530,400.24	9,571.86	1,151.70	76,977.31	618,101.10	901,173.09	-	-	-	-	-		
02	72,743.16	443,546.38	131,289.09	139,866.20	48,270.33	23,914.80	32,063.32	70,922.09	8,167.95	971,226.42	656,136.75	-	-	4,449.10	570,556.64	208,974.55	18,311.47	234,713.37	1,032,385.24	2,003,321.66	-	-	-	-	-		
03	510.13	996.29	15,301.40	8,897.33	2,928.44	10,888.02	4,688.07	2,303.78	6,148.4	47,197.28	1,665.76	-	-	28,810.02	30,475.78	233,688.10	-	-	284,143.88	311,341.17	-	-	-	-	-		
04	16,500.46	103,644.44	27,776.67	124,296.16	21,817.29	11,872.08	14,767.45	10,936.68	3,202.83	342,376.05	438,777.82	-	-	327.27	439,045.09	35,249.54	4,258.86	131,539.42	610,693.91	953,045.96	-	-	-	-	-		
05	4,081.90	11,645.36	3,289.39	37,153.89	32,451.33	16,930.55	14,902.61	16,710.21	21,493.03	139,297.08	129,069.53	-	-	705.93	129,745.46	-	-	18,913.94	148,659.40	287,356.48	-	-	-	-	-		
06	6,888.53	46,297.39	18,271.74	108,626.71	20,800.54	55,404.90	27,488.93	23,770.10	7,488.81	312,227.65	285,194.00	-	-	2,736.05	287,930.04	29,814.57	-	2,801.25	300,345.86	612,573.51	-	-	-	-	-		
07	449.69	758.00	232.36	3,678.55	513.28	1,069.89	2,780.66	580.54	111.69	10,074.67	3,842.44	-	-	206,458.87	210,301.31	-	-	-	210,301.31	220,375.98	-	-	-	-	-		
08	182.29	755.96	182.89	1,722.01	302.18	827.15	1,126.89	1,030.49	144.20	6,014.16	178,568.05	-	-	170,514.88	369,933.59	-	-	138.85	369,042.43	375,056.59	-	-	-	-	-		
09	136.91	538.90	143.22	2,987.20	2,994.48	214.27	1,755.99	2,209.12	288.25	13,010.33	38,249.77	-	-	10,378.90	2,215.60	-	-	81.35	51,915.61	64,325.95	-	-	-	-	-		
10	553,120.80	828,726.82	198,488.96	424,866.90	138,168.27	123,528.84	100,148.63	139,915.06	22,160.55	2,125,055.63	2,133,339.11	-	-	30,189.55	435,882.95	517,278.62	23,689.02	464,885.48	3,685,164.75	5,730,270.38	-	-	-	-	-		
11	5,534.84	25,199.23	7,001.17	43,302.66	5,966.19	2,163.41	1,430.03	4,029.90	707.20	94,861.42	195,338.74	-	-	10.31	195,349.23	14,885.20	-	-	210,234.43	304,885.85	-	-	-	-	-		
12	188,855.44	851,922.84	203,470.12	488,169.56	143,464.46	125,692.25	101,578.67	143,944.96	22,867.75	2,219,767.05	2,328,677.85	-	-	30,159.73	435,893.27	2,794,570.85	532,163.82	23,689.02	3,815,389.18	6,035,166.23	-	-	-	-	-		
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	94.48	667.16	0.36	3,264.43	1,976.11	2,345.84	2,940.30	2,066.44	438.85	13,802.97	8,799.55	-	-	-	8,799.55	-	-	-	8,799.55	22,602.52	-	-	-	-	-		
15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	58,749.93	852,590.00	203,470.48	471,433.99	145,440.57	128,039.09	104,527.97	148,011.39	23,306.60	2,233,570.02	2,228,771.24	-	-	30,189.73	435,893.27	2,684,664.24	532,163.82	23,689.02	3,824,198.73	6,057,788.75	-	-	-	-	-		
17	68,849.62	106,688.52	42,382.49	159,326.02	58,381.61	113,398.23	99,128.43	221,627.01	31,688.23	901,431.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	-	-	-	-	-	-	304.00	-	-	304.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	-	-	-	-	-	-	-	(13,851.00)	(800.00)	(14,651.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	23,729.00	26,263.84	4,287.88	11,442.89	8,075.07	13,612.26	16,265.00	1,306.86	1,153.81	105,843.73	105,843.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	575,044.97	291,785.62	61,180.32	293,286.07	55,263.76	333,801.01	150.59	19,793.30	9,559.31	1,639,974.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	667,423.59	424,737.98	107,870.68	463,954.99	121,670.44	460,819.49	115,948.01	228,976.30	41,601.35	2,652,802.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
23	826,173.52	1,277,327.98	311,341.17	935,988.97	297,111.01	588,658.58	220,375.98	374,887.69	64,907.95	4,866,572.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
24	74,999.62	728,483.32	-	17,656.97	20,845.82	23,714.93	-	188.90	18.00	863,897.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	901,173.14	2,003,821.30	311,341.17	953,045.94	297,956.83	612,573.51	220,375.98	375,056.59	64,925.95	5,730,270.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Table 17.5: Input-output table for Domestic Products at basic prices (Product by Product), 2009 KSh Million

Code	INPUT OF INDUSTRIES (SIC-REV.4)													FINAL USES										Total use at basic prices		
	INDUSTRIES (SIC-REV.4)													INDUSTRIES (SIC-REV.4)										Final uses at basic prices		Total use at basic prices
	A	B,C,D,E	F	GH	I,J	K,L,M,N	O	P,Q	R,S,T	Other services	Total intermediate consumption (Sum of 01,02,03,04,05,06,07,08 and 09)		Households	NPHS	Govcons	Final consumption expenditure (Sum of 11,12 and 13)	Gross Fixed Capital Formation	Changes in inventories	Exports	18	19					
01	48,486.89	171,921.72	0.17	153.77	8,078.10	63.64	594.28	3,207.77	43.54	22,271.88	448,574.93	-	19,475.23	506,050.16	9,571.86	1,151.70	76,879.87	583,653.59	826,173.47							
02	40,105.82	238,929.65	79,256.46	76,112.31	37,574.44	18,981.39	23,209.79	46,196.61	6,134.83	566,501.30	459,771.16	-	4,448.10	464,226.26	36,501.44	5,401.17	204,688.18	710,827.04	1,277,328.34							
03	510.13	986.29	15,301.40	8,967.33	2,928.44	10,888.02	4,686.07	2,303.78	614.84	47,197.28	1,665.76	-	283,010.02	30,475.78	233,668.10	-	-	284,143.88	311,341.17							
04	16,299.91	102,491.56	27,014.85	114,116.43	20,487.70	11,232.36	14,076.75	18,420.10	3,018.23	327,157.89	438,893.71	-	327.27	437,220.98	35,248.54	4,235.86	131,524.72	608,231.10	935,388.99							
05	3,428.51	10,588.51	2,998.11	35,181.29	22,407.40	15,168.03	13,670.38	15,360.81	1,981.29	120,784.31	128,857.91	-	554.50	127,412.41	23,341.46	-	18,913.94	146,326.35	267,110.66							
06	6,742.56	45,106.34	17,415.91	97,465.30	18,974.61	53,806.14	26,879.91	22,534.59	7,415.86	296,131.22	284,466.88	-	2,644.97	287,111.85	23,341.46	2,274.04	2,274.04	292,727.36	588,638.58							
07	148.69	758.00	232.36	3,876.55	513.28	1,049.89	2,780.66	501.54	111.69	10,074.67	3,942.44	-	206,488.87	210,301.31	-	-	138.05	369,042.43	220,375.98							
08	148.69	752.13	181.24	1,661.24	294.76	606.15	1,102.59	987.78	109.68	5,945.26	178,568.05	-	19,920.66	368,903.59	-	-	-	374,887.69	-							
09	138.91	538.90	143.22	2,687.20	2,504.48	2,746.27	1,755.99	2,201.12	288.25	13,010.33	30,231.77	-	10,378.90	2,056.60	-	-	81.35	51,697.61	64,907.95							
10	115,900.11	572,844.10	142,544.72	340,243.41	113,163.20	114,500.89	88,746.41	111,801.11	19,516.20	4,619,222.14	1,997,876.60	30,199.55	495,440.45	2,463,518.60	338,332.41	10,781.72	434,570.95	3,247,150.68	4,866,372.82							
11	37,160.69	254,642.52	53,924.24	84,623.49	24,405.07	8,968.95	11,402.22	28,113.95	2,842.35	505,883.49	105,468.51	-	242.51	135,703.02	173,946.21	12,908.94	30,464.53	388,013.71	863,897.20							
12	5,534.64	25,196.23	7,001.17	43,302.66	5,286.19	2,163.41	1,430.03	4,029.90	707.20	94,861.42	195,338.74	0.18	-	155,349.23	14,885.20	-	-	210,234.43	304,895.85							
13	138,655.44	851,922.84	203,470.12	488,168.56	143,464.46	125,692.25	101,576.67	143,944.96	22,867.75	2,219,767.05	2,228,677.85	30,199.73	435,693.27	2,794,570.85	532,163.92	23,698.66	464,965.48	3,315,398.82	6,035,165.87							
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
15	94.48	667.16	0.36	3,264.43	1,976.11	2,345.84	2,946.30	2,066.44	438.85	13,802.97	8,799.55	-	-	8,799.55	-	-	-	8,799.55	22,602.52							
16	-	-	-	-	-	-	-	-	-	-	(108,706.17)	-	-	(108,706.17)	-	-	108,706.17	0.00	0.00							
17	153,749.93	852,590.00	205,470.48	471,433.99	145,440.57	128,039.09	104,527.97	146,011.39	23,306.60	2,233,570.02	2,228,771.24	30,199.73	435,693.27	2,694,664.24	532,163.92	23,698.66	573,671.66	3,324,195.38	6,057,788.39							
18	68,648.62	106,888.52	42,392.49	159,526.02	58,331.61	113,398.23	99,128.43	221,627.01	31,888.23	901,431.17	-	-	-	-	-	-	-	-	-							
19	-	-	-	-	-	-	304.00	(13,851.00)	(800.00)	304.00	-	-	-	-	-	-	-	-	-							
20	23,728.00	26,263.84	4,287.88	11,422.89	8,075.07	13,619.26	16,265.00	1,306.98	1,153.81	105,843.73	-	-	-	-	-	-	-	-	-							
21	575,044.97	291,785.62	61,190.32	293,286.07	55,263.76	333,801.01	150.59	19,793.30	9,559.31	1,639,874.94	-	-	-	-	-	-	-	-	-							
22	667,423.59	424,737.98	107,670.88	463,954.99	121,670.44	460,819.49	115,846.01	228,876.30	41,801.35	2,632,802.83	-	-	-	-	-	-	-	-	-							
23	826,173.32	1,277,327.98	311,341.17	935,388.97	267,111.01	368,858.58	220,375.98	374,887.69	64,307.95	4,866,372.85	-	-	-	-	-	-	-	-	-							
24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							

Table 17.6: Input-output table for imports at basic prices (industries by industries), 2009, KSh Million

Code	INDUSTRIES (ISIC Rev.4)											INPUT OF INDUSTRIES (ISIC REV.4)											FINAL USES						Total use at basic prices
	INDUSTRIES (ISIC Rev.4)											INPUT OF INDUSTRIES (ISIC REV.4)											FINAL USES						
	Agriculture, forestry and fishing	Industry (mining and manufac. and energy)	Construction	Trade and transport	Accommodation, info. and com.	Financial inter. and business activities	Public administration	Education and health	Other services	Total intermediate consumption	Final consumption expenditure by households	Final consumption expenditure by non-profit	Final consumption expenditure by Govcons	Final consumption expenditure	Gross Fixed Capital Formation	Changes in inventories	Exports	Final uses at basic prices											
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18												
01	3,480.85	46,621.96	0.04	33.09	272.11	11.74	39.22	84.28	8.82	24,350.08	-	-	24,350.08	-	-	97.44	-												
A	32,657.34	204,616.93	52,012.62	63,253.90	11,696.09	4,933.21	8,826.74	24,725.47	2,032.82	106,359.59	-	-	106,359.59	172,473.11	12,910.30	30,015.20	24,447.52												
02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
B,C,D,E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
F	200.55	1,152.88	763.82	10,179.73	1,329.59	639.72	690.71	676.58	184.60	1,824.11	-	-	1,824.11	-	-	14.69	-												
G,H	653.39	1,055.85	290.28	1,954.60	10,043.93	1,764.52	1,232.24	1,349.40	168.54	2,181.62	-	151.43	2,333.05	-	-	-	1,838.81												
I,J	185.97	1,191.05	855.83	9,141.41	1,055.93	1,598.76	589.03	1,235.51	242.95	727.11	-	91.08	818.19	6,473.10	-	327.20	2,333.05												
K,L,M,N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
O	2.59	3.84	1.65	60.77	7.42	21.00	24.30	42.71	4.62	18.00	-	-	18.00	-	-	-	-												
P,Q	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
R,S,T	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
10	37,160.69	254,642.52	53,924.24	84,623.49	24,405.07	8,988.95	11,402.22	28,113.95	2,642.35	135,460.51	-	2,425.1	135,703.02	178,946.21	12,910.30	30,454.53	358,014.07	863,897.55											

**Social Accounting Matrix (SAM)** 17.30. The main features of a SAM are threefold. First, the accounts are represented as a square matrix; where the incomings and outgoings for each account are shown as a corresponding row and column of the matrix. The transactions are shown in the cells, so the matrix displays the interconnections between agents in an explicit way. Secondly, it is comprehensive, in the sense that it portrays all the economic activities of the system (consumption, production, accumulation and distribution), although not necessarily in equivalent detail. Thirdly, the SAM is flexible, in that, although it is usually set up in a standard, basic framework there is a large measure of flexibility both in the degree of disaggregation and in the emphasis placed on different parts of the economic system.

17.31. As an accounting framework, the SAM is not only square but also the corresponding row and column totals must be equal. Clearly, at one extreme, any set of macroeconomic aggregates can be set out in a matrix format. But this would not be a 'social' accounting matrix in the sense in which the term is usually used. An overriding feature of a SAM is that households and household groups are at the heart of the framework; only if there exists some detail on the distributional features of the household sector can the framework truly earn the label 'social' accounting matrix. Also, a SAM typically shows much more detail about the circular flow of income, including transactions between different institutions (including different household groups) and between production activities, and in particular recording the interactions between both these sets of agents via the factor and product markets.

**Analytical Purposes of a SAM** 17.32. Estimates provided by a social accounting matrix (SAM) can be useful - even essential - for calibrating a much broader class of models to do with monitoring poverty and income distribution. Three principal motivations underlie the development of SAMs. First, the construction of a SAM helps to bring together data from many disparate sources that help to describe the structural characteristics of an economy. A SAM can also be used to improve the range and quality of estimates, by highlighting data needs and identifying key gaps. Secondly, SAMs are a very good way of displaying information; the structural interdependence in an economy at both the macro and meso levels are shown in a SAM in a simplified manner. A SAM shows clearly the linkage between income distribution and economic structure and, of course, this is especially important in the context of this volume. Thirdly, they represent a useful analytical framework for modelling; that is, they provide a direct input into a range of models, including fixed-price multiplier models and are also an integral part of the benchmark data set required to calibrate computable general equilibrium (CGE) models (Pyatt, 1988).

17.33. In summary, a suitably-designed and disaggregated SAM shows a great deal about the structural features and interdependencies of an economy. It represents a snapshot of the transactions (flows) taking place in a given year. The SAM is a meso-level framework: it serves as a useful bridge between a macro framework and a more detailed description of markets and institutions. Of course the detail in the SAM might not be limited to the real economy, and there are some notable examples of SAMs and SAM-based models that incorporate the financial sectors and the flow of funds (see Sadoulet and de Janvry, 1995). The economic structure of the SAM may change as the economy changes and responds to shocks.

17.34. A more formal modelling approach should therefore include structural or behavioural specifications for the various groups of transactions. This is especially true for example if the structure changes as a result of changes in relative prices. However, often as a first-cut ex ante analysis, a SAM has frequently been used to examine the partial equilibrium consequences of

real shocks, using a multiplier model that treats the circular flow of income endogenously. The circular flow captures the generation of income by activities in producing commodities, the mapping of these income payments to factors of production of various kinds, the distribution of factor and non-factor income to households, and the subsequent spending of income by households on commodities. These patterns of payments are manifested in the structure of the SAM, and are modelled analogously to the input structure of activities in an input-output model based only on inter-industry transactions. However, it is important to stress that the results differ from input-output by virtue of the fact that input-output multipliers are augmented by additional multiplier effects induced by the circular flow of income between activities, factors and households. A main outcome of SAM-based multiplier analysis is to examine the effects of real shocks on the economy on the distribution of income across socio-economic groups of households. One other important feature of SAM-based multiplier analysis is that it lends itself easily to decomposition, thereby adding an extra degree of transparency in understanding the nature of linkage in an economy and the effects of exogenous shocks on distribution and poverty.

**Reading the SAM** 17.35 To read the condensed micro SAM in Table 17.1, the convention (row account, column account) for reading a SAM must be followed the convention, is always followed. Each cell entry in a SAM represents an expenditure from the column account and an income to the row account. A few illustrations are used to show the reading and simple analysis from the SAM. To illustrate with an example, the value of intermediate inputs (products row-wise) from the agricultural sector purchased by the agricultural and manufacturing sectors (activities in the column) are Kenya Shillings 52.0 billion, and 219.5 billion respectively. Similarly, intermediate inputs from the service sector are mainly used (purchased) in the services sector, that is KSh 692.8 billion.

Figure 17.4: Basic SAM Structure

	1. Activities	2. Products	3. Factor income	4. Households	5. Enterprises	6. Government	7. Capital accounts	8. Rest of World	9. TOTAL INCOMES
1. Activities		Production Supply by industries							Total domestic production
2. Products	Intermediate consumption by industries			Household consumption		Government consumption	Investment	Exports	Total use of products (Aggregate demand)
3. Factor income	Value added (factor payments)								Total factor income
4. Households			Compensation of employees	Inter-household transfers	Distributed income of corporations	Transfers to households		Remittances from Abroad	Household income
5. Enterprises			Net operating surplus			Transfers to enterprises		Enterprise transfers from Abroad	Enterprise income
6. Government		Taxes and subsidies on products		Taxes on household income	Current taxes on income, wealth			Other transfer from Abroad	Government revenue
7. Capital account	Consumption of fixed capital			Household saving	Enterprise saving	Government saving		Capital account BOP (capital transfers)	Total savings
8. Rest of World		Imports	Factor payments to Abroad	Remittances to Abroad	Transfers to Abroad	Government payments to ROW			Foreign exchange outflow
9. TOTAL EXPENDITURES	Total production cost (Gross value of production)	Total product supply (Aggregate supply)	Factor expenditure	Household expenditure	Enterprise expenditure	Government expenditure	Investment expenditure	Foreign exchange inflows	



Table 17.7: Condensed Micro SAM, 2009, KSh Million

	1. Activities			2. Products			3. Factor income		4. Households		5. Enterprises	6. Government	7. Capital accounts	8. Rest of the World	9. Total incomes
	Agriculture	Industry	Services	Agriculture	Industry	Services	Labour	Operating surplus	Urban household	Rural household					
1. Activities															
	Agriculture	52,006.95	219,539.02	10,428.02	20,806.40	-									826,173.52
	Industry	78,211.80	468,220.70	519,037.83	1,277,327.98	-									1,277,327.98
	Services	28,531.18	164,830.28	682,764.23	1,989.20	2,760,882.15									2,777,218.15
2. Products	Agriculture	43,278.27	50,031.04	242,959.55											
	Industry	12,513.94	39,016.72	215,372.92											
	Services	12,856.41	17,640.76	267,760.39											
3. Factor income	Operating surplus, net	575,044.97	291,765.62	775,044.35											336,269.87
	Urban household														266,903.57
	Rural household														298,257.56
4. Households															1,639,874.94
5. Enterprises															1,222,558.79
															1,183,704.80
6. Government															106,955.26
															1,727,642.47
7. Capital account															549,214.08
															37,492.52
8. Rest of the World															141,978.00
															571,924.82
9. Total expenditures															908,941.96
															1,701.87
															549,214.03
															571,924.84
															908,942.03
															19,643,781.56

Table 17.8: Macro SAM, 2009 KSh Million

MACRO SAM, 2009									
EXPENDITURES									
	1. Activities	2. Products	3. Factor income	4. Households	5. Enterprises	6. Government	7. Capital account	8. Rest of the World	9. TOTAL INCOMES
INCOMES	1. Activities	4,866,372.85	-	-	-	14,346.80	-	-	4,880,719.65
	2. Products	2,233,570.02	-	2,258,971.44	-	435,693.27	555,862.84	573,671.48	6,057,769.05
	3. Factor income	2,541,305.94	-	-	-	-	-	-	2,541,305.94
	4. Households	-	-	901,431.00	29,895.36	32,445.00	16,062.00	48,844.77	2,406,263.59
	5. Enterprises	-	-	1,620,687.21	-	-	-	106,955.26	1,727,642.47
	6. Government	-	304,895.85	-	115,844.70	90,981.01	-	37,492.52	549,214.08
	7. Capital account	105,843.73	-	-	-	259,076.00	65,027.10	141,978.00	571,924.82
	8. Rest of the World	-	886,500.27	19,187.73	1,552.09	1,701.87	-	-	908,941.96
	9. TOTAL EXPENDITURES	4,880,719.68	6,057,768.96	2,541,305.94	2,406,263.59	1,727,642.47	549,214.03	571,924.84	908,942.03

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## Chapter 18

## Delineation of Kenya's Public Sector

**Overview** The international financial crisis in recent years and the associated large fiscal deficits, and rising debt levels in many countries, emphasized the importance of reliable and timely statistics in the public sector. The financial crisis and the more recent euro debt crisis have shown the importance of internationally comparable data that allow early forecast of fiscal vulnerability and therefore provide an opportunity of taking timely corrective measures. Consequently, compilation of Government Finance Statistics (GFS) for these sectors has been adopted universally as the international best practice. The GFS analytic framework provides the standards for compiling and presenting fiscal statistics and strengthens the worldwide effort to improve public sector reporting and transparency. Therefore, the GFS is a basis for fiscal analysis and plays a vital role in development, monitoring of sound fiscal programs and evaluation of economic policies.

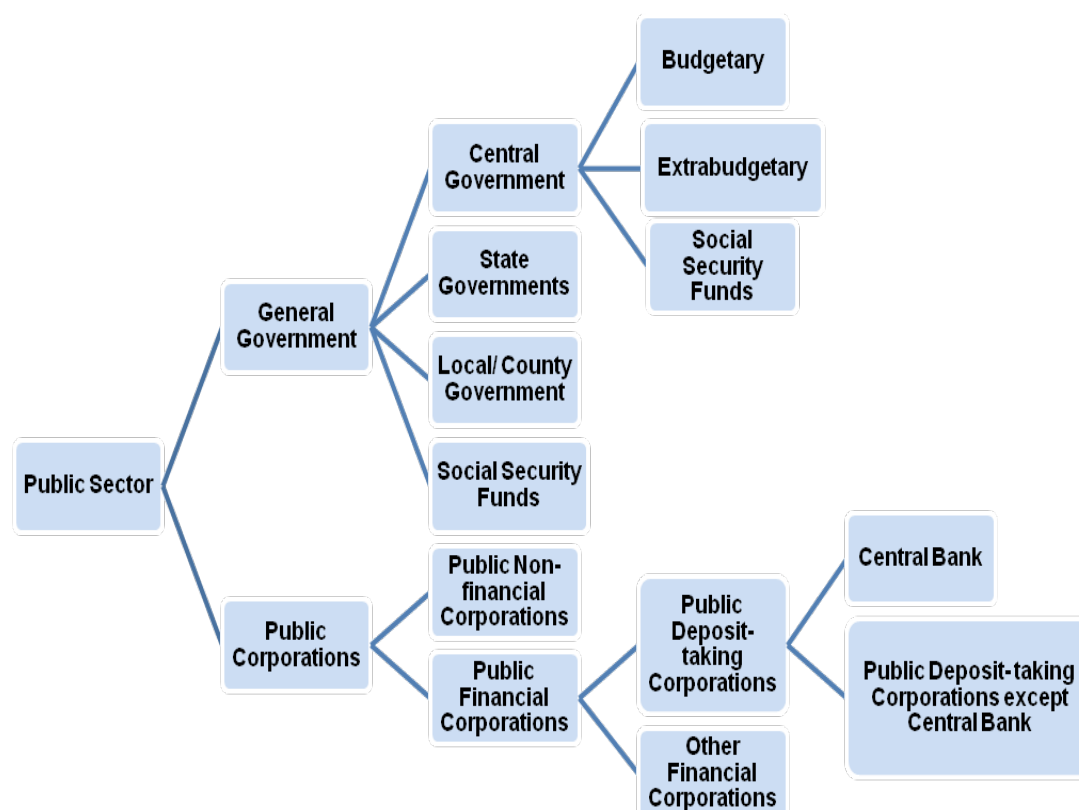
**Principles of Delineation and Key Concepts in Government Finance Statistics** 18.2. Figure 18.1 shows the various components of the public sector as prescribed by the GFS manual in 2014. The public sector consists of all resident institutional units controlled directly, or indirectly, by resident government units. This include all units of the General Government sector and resident public corporations. Delineation of the public sector is anchored on a number of key concepts such as:

- **Institutional Unit:** An economic entity that is capable in its own right of owning assets, incurring liabilities and engaging in economic activities, and in transactions with other entities.
- **Residency:** The economic territory with which the entity which has the strongest connection, that is, its center of predominant economic interest.
- **Economically Significant Prices:** These are prices that have significant effect on the amounts that producers are willing to supply and on the amounts the purchasers are willing to buy.
- **Market Producer:** An institutional unit that provides most of its output to others at prices that are economically significant.
- **Non-Market Producer:** An institutional unit that provides all or most of their output to others for free or at prices that are not economically significant.
- **Economic Territory:** The area under effective economic control of a single government.
- **General Government:** Consists of non-market resident institutional units that fulfill the functions of government as their primary activity and perform the principal economic functions of government.
- **Central Government:** Consists of the institutional unit(s) of the central government plus those non-market Non-Profit Institutions (NPIs) that are controlled by the Central Government. The political authority of the Central Government extends over the entire territory of the country.
- **Budgetary Central Government:** A single unit of the Central Government that encompasses the fundamental activities of the national executive, legislative and judiciary powers.
- **Extra Budgetary Units:** Non-market institutional entities with individual budgets

not fully covered by the Budgetary Central Government.

- **Local/County Government Units:** Institutional units whose fiscal, legislative and executive authority extends over the smallest geographical areas distinguished for administrative and political purposes.
- **State Governments:** State governments consist of institutional units exercising some of the functions of government at a level below that of central government and above that of the government institutional units existing at a local level.
- **Social Security Funds:** Government units that are devoted to the operation of one or more social security schemes.
- **Public Corporations:** Consist of all resident financial and non-financial corporations controlled by government units or by other public corporations and transact at economically significant prices.
- **Consolidation:** A method of presenting statistics for a set of units (or entities) as if they constituted a single unit. This involves eliminating all transactions and reciprocal stock positions among the government units being consolidated.

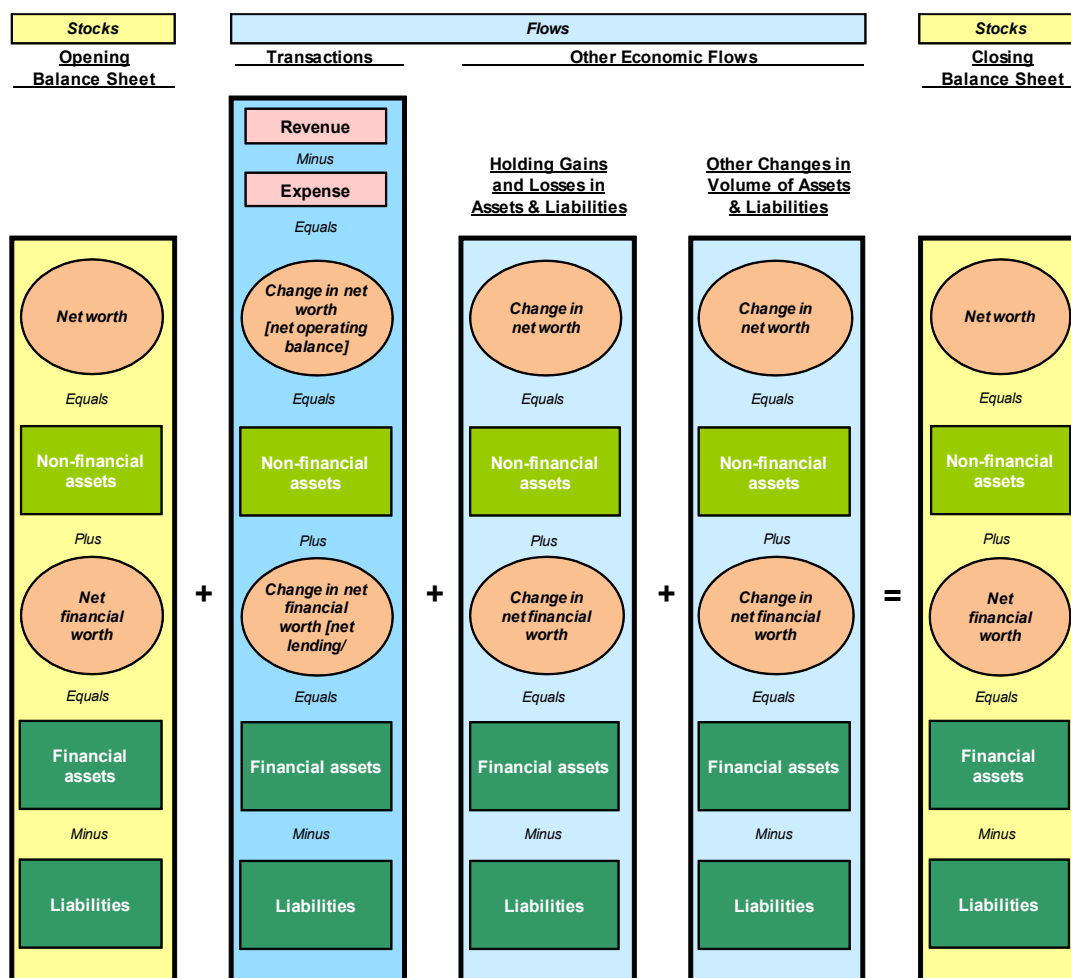
Figure 18.1: Public Sector and its Components



### Government Finance Statistics Analytic Framework

18.3. The GFS analytic framework is a set of four financial statements which include; the statement of operations, statement of other economic flows, the balance sheet, and the statement of sources and uses of cash. The first three statements show the changes in stock positions resulting from flows and the basis recording is principally accrual as illustrated in Figure 18.2. The statement of sources and uses of cash provide key information on liquidity and is not included in the GFS analytic framework since it is mainly based on cash transactions and the GFS Manual 2014 emphasizes on uses of accrual basis of recording.

Figure 18. 2: Government Finance Statistics Analytic Framework



18.4. Table 18.1 shows the statement of General Government operations for the financial year 2013/14. This statement presents details of transactions in revenue and expense as well as the net investment in non-financial assets, net acquisition of financial assets and the net incurrence of liabilities. Total revenue for the sector stood at KSh 1,228.3 billion, with the National Government accounting for 80.7 per cent of this revenue. Net lending/borrowing for the Central Government stood at KSh 560.4 billion while that of the General Government was KSh 648.0 billion. The larger share of the net borrowing was attributable to the National Government which accounted for almost half of the General Government. Compensation of employees for the General Government amounted to KSh 501.9 billion, of which KSh 338.1 billion was for compensation of National Government employees.

Table 18.1: Statement of General Government Operations, 2013/14\*

	Central Government				Total	County Governments	Consolidation	General Government
	National Government	Extra budgetary Units	Social security Funds	Consolidation				
<b>Revenue</b>	<b>991,871</b>	<b>293,029</b>	<b>41,328</b>	<b>(165,727)</b>	<b>1,160,501</b>	<b>277,847</b>	<b>(210,000)</b>	<b>1,228,347</b>
Tax revenue	945,245				945,245			945,245
Grants	10,877	165,727		(165,727)	10,877	210,000	(210,000)	10,877
sale of goods and services	13,400	50,037	18,761		82,198			82,198
Other revenue	22,348	77,265	22,567		122,180	67,847		190,027
<b>Expense</b>	<b>1,173,855</b>	<b>287,938</b>	<b>17,002</b>	<b>-</b>	<b>1,478,795</b>	<b>113,019</b>	<b>-</b>	<b>1,591,814</b>
Compensation of employees	338,087	92,568	6,993		437,648	64,262		501,910
Use of goods and services	131,929	127,993	9,356		269,278	35,354		304,632
Consumption of Fixed Capital/Depreciation		9,645	400		10,045			10,045
Interest	131,826	344	24		132,195	4,723		136,918
Grants and subsidies	538,044	5,123	-		543,168	6,708		549,876
Social benefits	29,221	5,902	216		35,339			35,339
Other expense	4,747	46,362	14		51,122	1,971		53,094
<b>Net Operating Balance</b>	<b>(181,984)</b>	<b>5,091</b>	<b>24,326</b>	<b>(165,727)</b>	<b>(318,294)</b>	<b>164,827</b>	<b>(210,000)</b>	<b>(363,467)</b>
Net Acquisition of Non-Financial Assets	135,009	107,413	(269)		242,153	42,424		284,576
<b>Net lending/Borrowing</b>	<b>(316,993)</b>	<b>(102,322)</b>	<b>24,596</b>	<b>(165,727)</b>	<b>(560,447)</b>	<b>122,404</b>	<b>(210,000)</b>	<b>(648,043)</b>
<b>Net Financial Worth</b>	<b>(316,032)</b>	<b>(19,623)</b>	<b>22,893</b>	<b>-</b>	<b>(312,762)</b>	<b>(6,177)</b>	<b>-</b>	<b>(318,939)</b>
<b>Transactions in Financial assets (net)</b>	<b>(21,189)</b>	<b>20,686</b>	<b>30,796</b>		<b>30,294</b>	<b>1,913</b>	<b>-</b>	<b>32,206</b>
Special Drawing Rights (SDRs) and monetary gold	(1,995)							
Currency and deposits	(28,385)	4,453	12,164		(11,769)			(11,769)
Accounts receivable		17,286	6,715		24,001			24,001
Debt securities		(213)	-		(213)			(213)
Loans			-		-			-
Equity and investment shares	7,196	(840)	5,246		11,603			11,603
Other Financial Assets			6,671		6,671	1,913		8,583
<b>Transactions in Liabilities (net)</b>	<b>294,843</b>	<b>40,309</b>	<b>7,903</b>		<b>343,055</b>	<b>8,090</b>	<b>-</b>	<b>351,145</b>
Currency and deposits	16,919				16,919			16,919
Accounts payable	30,155	20,028	7,903		58,086			58,086
Debt securities	201,727				201,727			201,727
Loans	46,042	7,192			53,234	4,379		57,613
Other Liabilities		13,089			13,089	3,711		16,800

Source: The National Treasury and Central Bank of Kenya

\*Provisional

18.5. Total revenue generated by public corporations in 2013/14 amounted to KSh 361.7 billion with non financial public corporations accounting for 86.5 per cent as shown in Table 18.2. The non-financial public corporations got most of the revenue from sale of goods and services, while financial got most the revenue from other sources such as bank charges, interest on loans etc. Total expense stood at KSh 265.1 billion in 2013/14, with expenditure on use of goods and services accounting for 67.4 per cent. Comparatively, non-financial corporations recorded a net borrowing of KSh 82.1 billion while financial corporations registered a net lending of KSh 33.7 billion. This resulted in a total net borrowing of all public corporations of KSh 48.4 billion.

Table 18.2: Statement of Public Corporations' Operations

	KSh Million		
	Public corporations		
	Non-Financial	Financial	Total
<b>Revenue</b>	<b>312,803</b>	<b>48,890</b>	<b>361,693</b>
Tax revenue			
Grants	3,150		3,150
Sale of goods and services	256,288	22,171	278,458
Other revenue	25,171	55,981	81,152
<b>Expense</b>	<b>248,630</b>	<b>16,426</b>	<b>265,056</b>
Compensation of employees	34,656	11,411	46,067
Use of goods and services	154,687	24,153	178,841
<b>Consumption of Fixed Capital/Depreciation</b>	<b>20,226</b>	<b>2,427</b>	<b>22,652</b>
Interest	9,946	3,365	13,311
Grants and subsidies	960	45	1,005
Social benefits	1,657	38	1,696
Other expense	50,967	2,168	53,135
<b>Net Operating Balance</b>	<b>64,173</b>	<b>32,464</b>	<b>96,637</b>
Net Acquisition of Non-financial Assets	149,827	2,452	152,279
<b>Net lending/Borrowing</b>	<b>(82,064)</b>	<b>33,705</b>	<b>(48,360)</b>
<b>Net financial worth</b>	<b>(65,342)</b>	<b>5,119</b>	<b>(60,224)</b>
<b>Transactions in Financial assets (net)</b>	<b>54,140</b>	<b>266,559</b>	<b>320,699</b>
Special Drawing Rights (SDRs) and monetary gold	-	-	-
Currency and deposits	40,337	241,007	281,344
Accounts receivable	15,256	30,591	45,848
Debt securities	(526)	(1,809)	(2,335)
Loans			-
Equity and investment shares	2,255	190	2,445
Other Financial Assets	(3,182)	(3,421)	(6,603)
<b>Transactions in Liabilities (net)</b>	<b>119,482</b>	<b>261,440</b>	<b>380,923</b>
Currency and deposits		17,384	17,384
Accounts payable	15,224	244,592	259,817
Debt securities			-
Loans	86,693	(671)	86,021
Other Liabilities	17,566	135	17,701

\*Provisional

**Government  
Finance  
Statistics  
Institutional  
Table**

18.6. The public sector has been delineated into the various sub-sectors based on the guidelines from the GFS Manual 2014. The process of delineation involved various stakeholders engaged in the production and use of GFS. These included the various departments in the National Treasury, Kenya National Bureau of Statistics (KNBS) and the Central Bank of Kenya (CBK). The International Monetary Fund (IMF) provided technical assistance to ensure that the process followed international best practices. Table 18.3 shows the delineation of the public sector into the various components, which are 48 Budgetary Central Government, 189 Extra Budgetary Units, two Social Security Funds, 47 County Governments, 115 Non-Financial Public Corporations and 13 Financial Corporations.



Table 18.3: Delineation of Kenya's Public Sector

Central Government		
	Extra Budgetary Units	National Government (Budgetary Central Gov't)
Agricultural Finance Corporation	Kenya Dairy Board	Auditor-General
Agriculture Fisheries and Food Authority	Kenya Education Management Institute	Commission for the Implementation of the Constitution
Anti-Counterfeit Agency	Kenya Electricity Transmission Company Ltd	Commission for University Education
Armed Forces Canteen Organization	Kenya Ferry Service	Commission on Revenue Allocation
Athi Water Services Board	Kenya Film Classification Board	Consolidated Fund
Bomas of Kenya	Kenya Film Commission	Director of Public Prosecutions
Brand Kenya Board	Kenya Forestry Research Institute	Equalization Fund
Bukura Agricultural College	Kenya Forests Services	Ethics and Anti-Corruption Commission
Centre of Mathematics, Science and Technology	Kenya Industrial Estate Limited	Independent Electoral & Boundaries Commission
Children Welfare Society of Kenya	Kenya Industrial Property Institute	Independent Policing Oversight Authority
Chuka University	Kenya Industrial Research and Development Institute	Judicial Service Commission
Coast Development Authority	Kenya Information and Communication Technology Board	Kenya National Human Rights and Equality Commission
Coast Water Services Board	Kenya Institute of Curriculum Development	Ministry of Agriculture, Livestock and Fisheries
Coffee Board of Kenya	Kenya Institute of Education	Ministry of Defense
Coffee Development Authority	Kenya Institute of Public Policy Research Analysis	Ministry of Devolution and Planning
Coffee Research Foundation	Kenya Institute of Special Education	Ministry of East African Affairs, Commerce and Tourism
Communication Authority of Kenya	Kenya Institute of Supplies Management	Ministry of Education, Science and Technology
Competition Authority of Kenya	Kenya Investment Authority	Ministry of Energy and Petroleum
Cooperative University College of Kenya	Kenya Law Reform Commission	Ministry of Environment, Water and Natural Resources
Cotton Development Authority	Kenya Marine and Fisheries Research Institute	Ministry of Foreign Affairs and International Trade
Council for legal Education/ Kenya School of Law	Kenya Maritime Authority	Ministry of Health
Dedan Kimathi University	Kenya Medical Laboratory Technicians and Technologists Board	Ministry of Industrialization and Enterprise Development
Egerton University	Kenya Medical Research Institute	Ministry of Information, Communications and Technology
Eldoret of University	Kenya Medical Supplies Agency	Ministry of Interior and Coordination of National Government
Embu University College	Kenya Medical Training College	Ministry of Labor, Social Security and Services
Energy Regulatory Commission	Kenya National Bureau of Statistics	Ministry of Land, Housing and Urban Development
Engineers Registration Board	Kenya National Examination Council	Ministry of Mining
Ewaso Ng'iro North Development Authority	Kenya National Highways Authority	Ministry of Sports, Culture and Arts
Ewaso Ng'iro South Development Authority	Kenya National Library Services	Ministry of Transport and Infrastructure
Export Processing Zones Authority	Kenya National Trading Corporation Ltd	National Communications Secretariat
Export Promotion Council	Kenya Nuclear Electricity Board	National Gender and Equality Commission
Financial Reporting Centre	Kenya Ordinance Factory Corporation	National intelligence Service
Garissa University College	Kenya Plant Health Inspectorate Services	National Land Commission
Higher Education Loans Board	Kenya Revenue Authority	National Police Service Commission
Horticultural Crops Development Authority	Kenya Roads Board	Office of Attorney General and Department of Justice
ICT Authority	Kenya Rural Roads Authority	Office of the Controller of Budget
Jomo Kenyatta University of Agriculture and Technology	Kenya School of Government	Office of the Director of Public Prosecution
Jaramogi Oginga Odinga University College	Kenya School of Law	Parliamentary Service Commission
Kabiang'a University College	Kenya Sugar Board	Political Parties Fund
Karatina University College	Kenya Sugar Development Fund	Public Service Commission
Kenya Accountants and Secretaries Examination Board	Kenya Sugar Research Foundation	Registrar of Political Parties
Kenya Accreditation Service	Kenya Tourist Board	Salaries & Remuneration Commission
Kenya Agricultural Research Institute	Kenya Trade Agency Network	State House
Kenya Animal Genetic Resource Centre	Kenya Tse Tse and Trypanosomiasis Council	Teachers Service Commission
Kenya Bureau of Standards	Kenya Universities and Colleges Central Placement Service	The Judiciary of Kenya
Kenya Civil Aviation Authority	Kenya Urban Roads Authority	The National Treasury
Kenya Coconut Development Authority	Kenya Utalii College	The Presidency
Kenya Copyright Board	Kenya Veterinary Board	Witness Protection Agency

## Chapter 18: Highlights of Foreign Investment Survey 2013

**Table 18.3: cont'd**

Central Government		
Extra Budgetary Units		Social Security Funds
Kenya Veterinary Vaccines Production Institute	National Irrigation Board	National Hospital Insurance Fund
Kenya Vision 2030 Delivery Secretariat	National Museums of Kenya	National Social Security Fund
Kenya Water Institute	National Quality Control Laboratory	
Kenya Water Towers Agency	National Transport and Safety Authority	
Kenya Wildlife Service	National Water Conservation & Pipeline Corporation	
Kenya Yearbook Editorial Board	NGO'S Coordination Board	
Kenyatta National Hospital	Northern Water Services Board	
Kenyatta University	Nursing Council of Kenya	
Kerio Valley Development Authority	Pest Control Product Board	
Kibabii University College	Pharmacy and Poisons Board	
Kirinyaga University College	Policy Holders Compensation Fund	
Kisii University	Prisons Farms Revolving Fund	
Konza Technopolis Authority	Prisons Industries Fund	
Laikipia University	Privatization Commission	
Lake Basin Development Authority	Public Procurement Oversight Authority	
Lake Victoria North Water Services Board	Pwani University	
LAPSSET Corridor Development Authority	Pyrethrum Board of Kenya	
Leather Development Council	Registration of Certified Public Secretary Board	
Maasai Mara University	Retirement Benefit Authority	
Machackos University College	Rift Valley Water Services Board	
Maseno University	Rongo University College	
Masinde Muliro University of Agriculture and Technology	Small and Micro Enterprises Authority	
Media Council of Kenya	South Eastern Kenya University	
Kenya Medical Practitioners and Dentists Board	Sports Kenya	
Meru University College of Science & Technology	Sports Stadia Management Board	
Moi Teaching Referral Hospital	State Corporation Appeal Tribunal	
Moi University	Taita Taveta University College	
Multi Media University College of Kenya	Tana and Athi Rivers Development Authority	
Murang'a University College	Tanathi Water Services Board	
National Aids Control Council	Tea Research Foundation of Kenya	
National Biosafety Authority	Technical University of Mombasa	
National Campaign Against Drug Abuse Authority	The Kenya Cultural Centre	
National Commission for Science, Technology and Innovation	The Technical University of Kenya	
National Construction Authority	Tourism Fund	
National Coordinating Agency for Population and Development	Unclaimed Financial Assets Authority	
National Council for Law Reporting	University of Eldoret	
National Council for Persons with Disability	University of Nairobi	
National Crime Research Centre	University of Nairobi Press	
National Development Fund for Persons with Disabilities	Uwezo Fund	
National Drought Management Authority	Water Resources Management Authority	
National Environment Management Authority	Water Services Regulatory Board	
National Environment Trust Fund	Water Services Trust Fund	
National Environmental Tribunal	Women Enterprise Fund	
National Industrial Training Authority	Youth Enterprise Development Fund	

Table 18.3: cont'd

County Governments	Public Corporations	
	Non-Financial	
Baringo County	Kenya Airports Authority	Nyahururu Water and Sanitation Company Ltd
Bomet County	Kenya Broadcasting Corporation	Nyandarua Water and Sanitation Company Ltd
Bungoma County	Kenya Electricity Generating Company	Nyeri Water and Sewerage Company
Busia County	Kenya Industrial Estates Limited	Nzoia Water and Sanitation Company Ltd
Elgeyo/Marakwet County	Kenya International Convention Centre	Ol-Kalou Water and Sanitation Company Ltd
Embu County	Kenya Literature Bureau	Olkejuado Water and Sewerage Company Limited
Garissa County	Kenya Meat Commission	Oloolaiser Water and Sewerage Company Ltd
Homa Bay County	Kenya National Shipping Line LTD	Othaya/Mukurweini Water Services Company
Isiolo County	Kenya National Trading Corporation	Ruiru Water and Sanitation Company
Kajiado County	Kenya Pipeline Company	Ruiru - Juja Water and Sewerage Company
Kakamega County	Kenya Ports Authority	Rukanga Water and Sanitation Company
Kericho County	Kenya Power and Lighting Company	Siaya Bondo Water and Sewerage Company
Kiambu County	Kenya Railways Corporation	Talilbei Water and Sewerage Company
Kilifi County	Kenya Safari Lodges & Hotel	Tavevo Water and Sewerage Company
Kirinyaga County	Kenya Seed Company	Tetu Aberdare Water and Sanitation Company
Kisii County	Kenya Tourist Development Corporation	Thika Water and Sewerage Company Ltd
Kisumu County	Kenya Wine Agencies Limited	Wote Water and Sewerage Company Ltd
Kitui County	Miwani Sugar Company (in receivership)	Yatta Water Service Company
Kwale County	Mt Elgon Lodge Hotel Ltd	Gatanga Water Company
Lamu County	Muhoroni Sugar Company (In Receivership)	Gatundu Water Company
Laikipia County	Mwea Rice Millers Ltd	Githunguri Water and Sanitation Company Ltd
Makueni County	National Cereals and Produce Board	Gusii Water and Sanitation Company
Machakos County	National Housing Corporation	Homabay Water and Sewerage Company
Mandera County	National Oil Corporation of Kenya	Imetha Water and Sanitation Company
Marsabit County	New KCC Limited	Isiolo Water and Sewerage Company Ltd
Meru County	Numerical Machining Complex	Iten Water and Sanitation Company Limited
Migori County	Nyayo Tea Zones Development Corporation	Kahuti Water and Sanitation Company Ltd
Mombasa County	Nzoia Sugar Company	Kakamega -Busia Water Supply Company
Murang'a County	Postal Corporation of Kenya	Kapenguria Water and Sanitation Company Limited
Nairobi City County	Rivatex E. A. Ltd	Kapsabet Nandi Water Services Company
Nakuru County	Rural Electrification Authority	Karimenu Water and Sanitation Company Ltd
Nandi County	School Equipment Production Unit	Karuri Water Company
Narok County	South Nyanza Sugar Company	Kathiani Water and Sanitation Company
Nyamira County	Sunset Hotel	Kericho Water and Sanitation Company Ltd
Nyandarua County	University of Nairobi Enterprises and Services Limited	Kiambere-Mwingi Water and Sanitation Company
Nyeri County	Western Kenya Millers Ltd	Kiambu Water and Sewerage Company Ltd
Samburu County	Yatta Vineyards Ltd	Kibwezi-Makin du Water and Sanitation Company Ltd
Siaya County	Amatsi Water Services Company Ltd	Kikuyu Water Company
Taita/Taveta County	Eldama Ravine Water and Sanitation Company	Kilifi-Mariakani Water and Sewerage Company
Tana River County	Eldoret Water and Sanitation Company Ltd	Kirinyaga Water and Sanitation Company Ltd
Tharaka-Nithi County	Embu Water and Sanitation Company Ltd	Kisumu Water and Sewerage Company
Trans Nzoia County	Garissa Water and Sewerage Company Ltd	Kitui Water and Sanitation Company
Turkana County	Gatamathi Water and Sanitation Company	Kwale Water and Sewerage Company
Uasin Gishu County	Naivasha Water Sewerage and Sanitation Company	Kyeni-NaroMoru Water and Sewerage Company
Vihiga County	Nakuru Rural Water and Sanitation Services Company	Lamu Water and Sewerage Company
Wajir County	Nakuru Water and Sanitation Services Company	Limuru Water and Sewerage Company
West Pokot County	Namanga Water Users Trust	Lodwar Water and Sanitation Company
	Nanyuki Water and Sewerage Company Ltd	Machakos Water and Sewerage Company Limited
	Narok Water and Sanitation Company	Malindi Water and Sewerage Company
	Ngagaka Water and Sanitation Company Ltd	Mandera Water and Sewerage Company Ltd
	Nithi Water and Sanitation Company	Maralal Water and Sewerage Company
	Nol-Turesh - Loitoktok Water and Sanitation Company	Mathira Water and Sanitation Company

**Table 18.3: cont'd**

<b>Public Corporations</b>	
<b>Non-financial cont'd</b>	<b>Financial</b>
Matungulu - Kangundo Water and Sewerage Company	Central Bank of Kenya
Mavoko Water and Sewerage Company Limited	Consolidated Bank of Kenya
Mbooni Water and Sanitation Company	Deposits Protection Authority
Meru Water and Sewerage Services	Development Bank of Kenya
Migori Kuria Transmara Water and Sewerage Company	IDB Capital Ltd
Mombasa Water Supply and Sanitation Services Company	Kenya National Assurance Company Ltd
Moyale Water & Sewerage Company Ltd	Kenya Post Office Savings Bank
Murang'a Water and Sanitation Company	Kenya Reinsurance Corporation
Mwala Water and Sanitation Company	Local Authorities Provident Fund
Nairobi City water and Sewerage Company	National Bank of Kenya
	Insurance regulatory Authority
	Capital Market Authorities
	Sacco Societies Regulatory Authority

## Chapter 19

### Key Highlights of 2014 Kenya Demographic and Health Survey

**Background** The Demographic and Health Survey (DHS) programme collects and disseminates nationally representative data on demographic and health indicators for purposes of monitoring programmes and policies, both at country and international levels. The 2014 Kenya Demographic and Health Survey (KDHS), collected information on household characteristics; education and employment; marriage and sexual activity; fertility levels and preferences; awareness and use of family planning methods; maternal and child health; nutritional status of young children; maternal and childhood mortality; ownership and use of mosquito nets; knowledge and behaviours regarding Human Immunodeficiency Virus (HIV) and Acquired Immuno-Deficiency Syndrome (AIDS) and other Sexually Transmitted Infections (STIs); domestic violence; female circumcision and fistula. The 2014 KDHS is the sixth survey to be conducted, following those carried out in 1989, 1993, 1998, 2003 and 2008-09; and is the first of its kind to provide such information at the county level.

19.2. The 2014 KDHS was a national sample survey that targeted 40,300 households designed to provide detailed information on demographic and health aspects at both national and county level. The sample was drawn from a total of 1,612 sampling points (clusters) of which 995 were in rural areas and 617 in urban areas. The survey used a two-stage sample design where the first stage involved selection of clusters from the National Sample Survey and Evaluation Programme (NASSEP) V, master sampling frame, while the second stage involved selecting 25 households in each cluster using systematic sampling method. The data collection was carried out from May to October 2014.

19.3. This chapter presents the key highlights of the survey findings and detailed information are published in the 2014 Kenya Demographic and Health Survey Key Indicators Report, available on the KNBS website. The under-five mortality rate is 52 deaths per every 1,000 live births, down from 74 deaths per 1000 live births in 2008-2009. In the past five years, more than three in five births (61 per cent) took place in healthcare facilities. Nationwide, 53 per cent of currently married women are using modern contraceptive method, up from 39 per cent in 2008-09. The average number of births for Kenyan women (Total Fertility Rate) has declined from 4.6 in 2008-09 to 3.9 in 2014. About 41 per cent of women have ever experienced physical or sexual violence in the 12 months before the survey.

**Fertility Levels and Trends** 19.4. Table 19.1 shows the fertility rates in 2014. The Total Fertility Rate (TFR) in 2014 was 3.9, implying that a Kenyan woman who is at the beginning of her childbearing years will give birth to about four children by the end of her reproductive period, if fertility levels remain constant at the level observed in the three-year period preceding the survey. TFR in rural areas was 4.5 compared with urban areas at 3.1 births per woman. The fertility rate by age is higher in rural areas across all age groups. The 20-24 age cohort had the largest absolute difference. The rate among rural women in this age cohort is 248 births per thousand women, compared with an urban rate of 164 births per thousand. Despite these differences, the rural-urban fertility differences are narrowing compared with previous surveys. The General Fertility Rates (GFR) expressed per 1,000 women of age 15-44 was 141 while Crude Birth Rate (CBR) expressed per 1,000 population was 30.5 in 2014.

**Table 19.1: Fertility Rates, 2014**

Age group	Residence		Total
	Urban	Rural	
15-19	81	106	96
20-24	164	248	206
25-29	149	214	183
30-34	119	170	148
35-39	73	116	100
40-44	23	45	38
45-49 <sup>1</sup>	6	10	9
TFR (15-49)	3.1	4.5	3.9
GFR(15-44)	118	158	141
CBR	31	30.3	30.5

Note:

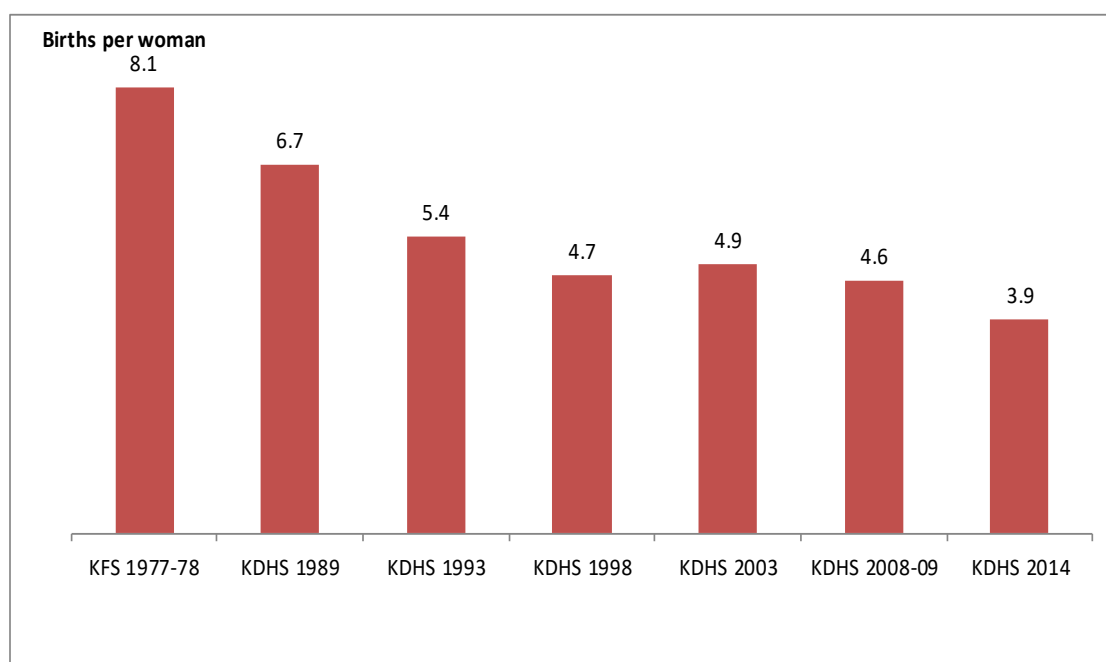
<sup>1</sup>Rates for age group 45-49 may be slightly biased due to truncation.

Age-specific fertility rates are per 1,000 women.

Rates are for the period 1-36 months prior to interview.

19.5. Figure 19.1 shows trends in total fertility rates since the mid-1970s. There has been overall decline from the 8.1 births per woman observed in Kenya Fertility Survey (KFS) in the mid-1970s to 3.9 births in 2014. The decline slowed down in the 1990’s, but the decrease in TFR from 4.6 in 2008-09 KDHS to the current 3.9, may indicate that Kenya’s fertility is returning to the decline observed from mid 70’s through the 1990’s.

**Figure 19.1: Trends in Total Fertility Rate<sup>1</sup> (Births per Woman), 1978-2014**



<sup>1</sup>The data from 2003 and later are nationally representative while data before 2003 excludes Turkana, Samburu, West Pokot, Marsabit, Wajir, Garissa and Mandera counties

**Fertility Differentials** 19.6. Table 19.2 shows fertility rates by county, 2014. Counties with the lowest TFR are Kirinyaga (2.3) followed by Nyeri, Kiambu, and Nairobi, each with a TFR of 2.7. Counties with the highest TFR are Wajir (7.8), West Pokot (7.2), Turkana (6.9) and Samburu (6.3).

**Table 19.2 Fertility Rates by County, 2014**

County	Total fertility rate	Percentage of women age 15-49 currently pregnant	Mean number of children ever born to women age 40-49
<b>Coast</b>	<b>4.3</b>	<b>6.6</b>	<b>5.5</b>
Mombasa	3.2	5.4	4.1
Kwale	4.7	7.5	5.8
Kilifi	5.1	7.1	6.4
Tana River	5.8	10.2	7.4
Lamu	4.3	5.6	5.0
Taita/Taveta	3.2	3.7	4.3
<b>North Eastern</b>	<b>6.4</b>	<b>12.0</b>	<b>7.1</b>
Garissa	6.1	11.7	6.8
Wajir	7.8	13.6	7.9
Mandera	5.2	10.6	6.4
<b>Eastern</b>	<b>3.4</b>	<b>4.6</b>	<b>4.7</b>
Marsabit	5.0	12.7	6.0
Isiolo	4.9	6.2	6.1
Meru	3.1	4.8	4.3
Tharaka-Nithi	3.4	4.4	4.3
Embu	3.1	4.5	4.1
Kitui	3.9	4.1	5.3
Machakos	3.4	3.9	4.3
Makueni	3.3	4.0	5.5
<b>Central</b>	<b>2.8</b>	<b>4.8</b>	<b>3.7</b>
Nyandarua	3.5	6.0	4.8
Nyeri	2.7	4.8	3.3
Kirinyaga	2.3	4.1	3.4
Murang'a	3.0	4.3	3.9
Kiambu	2.7	5.0	3.6
<b>Rift Valley</b>	<b>4.5</b>	<b>7.0</b>	<b>5.5</b>
Turkana	6.9	10.6	6.4
West Pokot	7.2	10.7	6.4
Samburu	6.3	11.6	6.5
Trans Nzoia	5.2	6.3	6.6
Uasin Gishu	3.6	8.4	5.3
Elgeyo/Marakwet	4.1	5.9	5.8
Nandi	4.0	4.8	6.1
Baringo	4.8	7.8	6.2
Laikipia	3.7	7.9	4.9
Nakuru	3.7	5.3	4.7
Narok	6.0	10.2	6.7
Kajiado	4.5	7.7	4.3
Kericho	4.0	5.7	5.0
Bomet	4.3	5.5	5.7
<b>Western</b>	<b>4.7</b>	<b>6.7</b>	<b>6.1</b>
Kakamega	4.4	7.3	5.4
Vihiga	4.5	6.2	5.3
Bungoma	5.0	6.2	6.9
Busia	4.7	6.8	6.5
<b>Nyanza</b>	<b>4.3</b>	<b>5.9</b>	<b>5.8</b>
Siaya	4.2	5.9	5.9
Kisumu	3.6	5.3	5.6
Homa Bay	5.2	6.4	6.2
Migori	5.3	9.0	7.0
Kisii	3.7	5.0	5.1
Nyamira	3.5	3.2	4.7
<b>Nairobi City</b>	<b>2.7</b>	<b>6.8</b>	<b>3.1</b>
<b>Kenya</b>	<b>3.9</b>	<b>6.3</b>	<b>5.0</b>

Note: Total fertility rates are for the period 1-36 months preceding the interview.

## Chapter 19: Key Highlights of 2014 Kenya Demographic and Health Survey

**Teenage Pregnancy and Motherhood** 19.7. The percentage of women of age 15-19 who have had a live birth or who are pregnant with their first child, and the percentage of women who have begun childbearing by selected background characteristics are given in Table 19.3. Fifteen per cent of women age 15-19 have already had a birth while 18 per cent have begun childbearing (had a live birth or are pregnant with their first child). The percentage of women who have begun childbearing increased with age, from about 3 per cent among women of age 15, to 40 per cent among women of age 19.

19.8. The rural-urban differences are small, indicating that early childbearing is nearly the same across place of residence. Prevalence of early childbearing is highest in Nyanza region followed by Rift Valley and Coast and it is lowest in Central region. Slightly more than 3 in 10 women age 15-19 with no education have begun child bearing compared with 12 per cent among those who have a secondary or higher level of education. Similarly, teenagers from poorer households begin childbearing (26 per cent) earlier than teenagers from wealthier households (10 per cent).

**Table 19.3: Teenage Pregnancy and Motherhood, 2014**

Background Characteristics	Percentage of women age 15-19 who:		Percentage who have begun childbearing
	Have had a live birth	Are pregnant with first child	
<b>Age</b>			
15	1.7	1.6	3.2
16	5.9	2.0	8.0
17	10.3	4.7	15.0
18	21.5	4.4	25.9
19	35.3	4.6	39.9
<b>Residence</b>			
Urban	14.0	3.3	17.3
Rural	15.0	3.5	18.5
<b>Region</b>			
Coast	16.6	4.3	20.8
North Eastern	8.7	3.5	12.2
Eastern	12.1	2.3	14.4
Central	7.7	2.7	10.4
Rift Valley	17.0	4.3	21.2
Western	14.1	2.7	16.8
Nyanza	19.2	3.0	22.2
Nairobi	13.1	4.3	17.4
<b>Education</b>			
No education	29.2	4.1	33.2
Primary incomplete	15.7	3.2	18.9
Primary complete	30.0	6.2	36.2
Secondary+	8.8	2.7	11.5
<b>Wealth quintile</b>			
Lowest	22.3	3.9	26.2
Second	14.5	3.9	18.4
Middle	15.8	3.4	19.1
Fourth	13.1	3.7	16.8
Highest	8.1	2.1	10.2
<b>Kenya</b>	<b>14.7</b>	<b>3.4</b>	<b>18.1</b>



### Infant and Child Mortality

19.9. Information on infant and child mortality is useful in identifying segments of the population that are at high risk in order to target programmes for improving child health and reducing child mortality. Childhood mortality rates are also basic indicators of a country's socio-economic development level and quality of life. Table 19.4 presents data on early childhood mortality rates from the 2014 KDHS. The level of under-five mortality was 52 deaths per 1,000 births during the five-year period before the survey, implying that at least one in every 19 children born in Kenya during this period died before reaching their fifth birthday. The infant mortality rate is 39 deaths per 1,000 live births.

**Table 19.4 Early Childhood Mortality Rates, 2014**

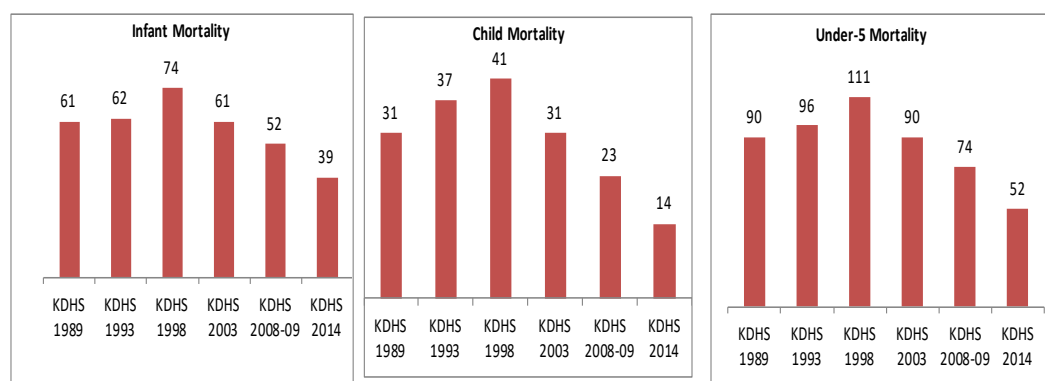
Years preceding the survey	Neonatal mortality (NN)	Post-neonatal mortality (PNN) <sup>1</sup>	Infant mortality ( <sub>1q0</sub> )	Child mortality ( <sub>4q1</sub> )	Under-five mortality ( <sub>5q0</sub> )
0 - 4	22	16	39	14	52
5 - 9	24	19	43	18	60
10 - 14	26	26	51	30	80

<sup>1</sup> Computed as the difference between the infant and neonatal mortality rates

19.10. The rates observed in 2014 KDHS show a decline in levels of childhood deaths compared with the previous surveys as shown in Figure 19.2. The trend implies that the increase in mortality seen in the surveys conducted in the 1990s is reversing. The improvement in child survival could be attributed to use of mosquito nets among children and improvements in maternal and child health care.

**Figure 19.2 Trends in Childhood Mortality<sup>1</sup>, 1989-2014**

Deaths per 1,000 live births



<sup>1</sup> Data from 2003 and later are nationally representative while data before 2008 excludes Turkana, Samburu, West Pokot, Marsabit, Wajir, Garissa and Mandera counties.

### Contraception

19.11. Level of current use of contraception is a widely employed and valuable measure of the success of family planning programmes. Contraceptive methods are grouped into two types namely, modern and traditional methods. Modern methods include; female and male sterilisation; Intra-Uterine Device (IUD); implants; injectables; pills; male and female condoms; and Lactational Amenorrhoea Method (LAM). Traditional methods include the rhythm method (periodic abstinence), withdrawal and other folk methods. Table 19.5 shows currently married women in Central region have the highest contraceptive prevalence rate (73 per cent) followed by Eastern region (70 per cent). Contraceptive use is lowest in the North Eastern region (3 per cent).

Table 19.5: Distribution of Currently Married Women Age 15-49, by Contraceptive Method Currently Used and County, 2014.

County	Any method	Any modern method	Modern method										Any traditional method	Traditional method			Not currently using	
			Female sterilization	Male sterilization	IUD	Implants	Injectables	Pill	Male condom	Female condom	LAM	Other		Rhythm	Withdrawal	Other		
<b>Coast</b>	<b>43.9</b>	<b>38.3</b>	<b>1.6</b>	<b>0.0</b>	<b>2.2</b>	<b>9.4</b>	<b>18.7</b>	<b>4.7</b>	<b>1.5</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.2</b>	<b>1.4</b>	<b>0.1</b>	<b>56.1</b>
Mombasa	55.0	43.6	0.2	0.0	3.2	12.6	17.7	6.5	2.9	0.0	0.4	0.0	0.0	0.0	9.0	2.4	0.0	45.0
Kwale	41.5	38.2	3.0	0.0	1.6	6.8	21.6	4.3	0.8	0.0	0.0	0.0	0.0	0.0	2.2	1.1	0.0	58.5
Kilifi	34.1	32.8	2.8	0.0	1.1	10.0	15.9	2.7	0.3	0.0	0.0	0.0	0.0	0.0	0.9	0.3	0.0	65.9
Tana River	28.7	20.5	0.2	0.0	0.4	2.7	13.1	1.1	3.0	0.0	0.0	0.0	0.0	0.0	3.9	4.3	0.0	71.3
Lamu	42.2	39.5	1.2	0.0	1.0	6.4	19.0	10.2	1.2	0.0	0.5	0.0	0.0	0.0	2.6	0.1	0.0	57.8
Taita/Taveta	68.0	61.3	0.4	0.0	6.9	8.6	34.1	10.0	1.5	0.0	0.0	0.0	0.0	0.0	5.4	0.5	0.7	32.0
<b>North Eastern</b>	<b>3.4</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>1.9</b>	<b>0.6</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>96.6</b>
Garissa	5.5	5.5	0.0	0.0	0.2	1.5	2.4	1.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	94.5
Wajir	2.3	2.3	0.0	0.0	0.0	0.2	1.6	0.2	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	97.7
Mandera	1.9	1.9	0.0	0.0	0.0	0.0	1.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.1
<b>Eastern</b>	<b>70.4</b>	<b>63.9</b>	<b>4.8</b>	<b>0.0</b>	<b>2.9</b>	<b>7.8</b>	<b>37.9</b>	<b>8.9</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.6</b>	<b>0.5</b>	<b>0.3</b>	<b>29.6</b>
Marsabit	11.7	10.9	0.4	0.0	0.3	2.7	6.3	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	88.3
Istiole	27.0	26.3	0.8	0.0	1.4	3.3	13.2	7.2	0.4	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.0	73.0
Meru	78.2	73.2	4.3	0.0	5.4	3.5	44.8	12.3	2.8	0.0	0.0	0.0	0.0	0.0	4.3	0.7	0.0	21.8
Tharaka-Nithi	74.0	67.2	1.8	0.0	7.2	5.5	44.1	7.0	1.3	0.2	0.0	0.0	0.0	0.0	4.3	0.6	1.9	26.0
Embu	70.6	67.2	3.8	0.0	4.6	11.0	31.2	15.2	1.5	0.0	0.0	0.0	0.0	0.0	3.2	0.2	0.0	29.4
Kitui	57.3	55.1	3.0	0.0	1.1	9.5	36.9	4.5	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.2	42.7
Machakos	75.9	67.5	5.5	0.0	0.5	10.4	41.6	9.1	0.5	0.0	0.0	0.0	0.0	0.0	7.5	0.5	0.3	24.1
Makueni	80.3	65.0	10.2	0.0	1.8	10.3	33.8	5.9	2.9	0.0	0.0	0.0	0.0	0.0	13.4	1.1	0.8	19.7
<b>Central</b>	<b>72.8</b>	<b>66.9</b>	<b>3.5</b>	<b>0.0</b>	<b>9.0</b>	<b>10.7</b>	<b>21.6</b>	<b>19.5</b>	<b>2.4</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.9</b>	<b>0.7</b>	<b>0.3</b>	<b>27.2</b>
Nyandarua	65.6	60.4	2.8	0.0	8.0	10.8	22.9	13.8	0.9	0.0	1.3	0.0	0.0	0.0	5.0	0.2	0.0	34.4
Nyeri	73.1	67.1	7.3	0.0	10.0	9.2	22.3	16.7	1.6	0.0	0.0	0.0	0.0	0.0	5.3	0.6	0.2	26.9
Kirinyaga	81.0	75.6	0.9	0.0	13.2	13.0	20.4	26.0	2.0	0.0	0.0	0.0	0.0	0.0	4.3	1.1	0.0	19.0
Murang'a	68.9	63.4	4.0	0.0	6.3	7.8	20.6	22.1	2.5	0.0	0.0	0.0	0.0	0.0	4.3	0.0	1.2	31.1
Kiambu	74.0	67.8	2.7	0.0	8.9	12.0	21.9	19.2	3.1	0.0	0.0	0.0	0.0	0.0	5.3	1.0	0.0	26.0

Table 19.5—Continued

County	Any method	Any modern method	Modern method										Any traditional method	Traditional method			Not currently using
			Female sterilization	Male sterilization	IUD	Implants	Injectables	Pill	Male condom	Female condom	LAM	Other		Rhythm	Withdrawal	Other	
<b>Rift Valley</b>	<b>52.8</b>	<b>46.8</b>	<b>2.2</b>	<b>0.0</b>	<b>2.9</b>	<b>7.2</b>	<b>26.8</b>	<b>5.5</b>	<b>1.9</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>6.0</b>	<b>4.7</b>	<b>1.0</b>	<b>0.3</b>	<b>47.2</b>
Turkana	10.4	10.1	0.0	0.0	0.5	3.0	5.7	0.5	0.4	0.0	0.0	0.0	0.3	0.3	0.0	0.0	89.6
West Pokot	14.2	13.3	0.4	0.0	0.2	3.1	9.0	0.7	0.0	0.0	0.0	0.0	0.9	0.2	0.0	0.7	85.8
Samburu	22.7	20.0	0.5	0.0	0.6	4.4	10.9	2.9	0.8	0.0	0.0	0.0	2.7	2.4	0.3	0.0	77.3
Trans Nzoia	63.9	56.4	4.0	0.0	0.7	4.6	38.7	4.9	3.2	0.1	0.2	0.0	7.5	5.9	1.1	0.4	36.1
Uasin Gishu	62.6	56.0	1.8	0.0	2.7	12.9	28.7	7.4	2.4	0.0	0.0	0.0	6.6	5.3	0.8	0.5	37.4
Elgeyo/Marakwet	55.2	43.6	1.1	0.0	1.3	8.7	28.5	1.6	2.1	0.3	0.0	0.0	11.6	10.6	1.0	0.0	44.8
Nandi	64.5	59.2	1.8	0.0	0.9	9.1	40.3	5.5	1.6	0.0	0.0	0.0	5.4	3.9	1.5	0.0	35.5
Baringo	41.4	33.1	0.7	0.0	3.2	5.5	16.2	4.6	2.3	0.0	0.6	0.0	8.3	6.5	1.4	0.4	58.6
Laikipia	59.1	51.3	5.0	0.0	5.1	4.5	20.8	12.5	3.1	0.0	0.0	0.4	7.8	6.6	0.6	0.7	40.9
Nakuru	56.8	53.5	1.4	0.2	6.7	7.6	25.4	10.4	1.4	0.0	0.4	0.0	3.2	2.6	0.4	0.2	43.2
Narok	47.8	38.1	1.9	0.0	1.1	3.8	25.3	3.7	2.2	0.0	0.0	0.1	9.7	6.9	2.4	0.4	52.2
Kajiado	54.5	45.2	1.5	0.0	5.9	8.9	20.0	6.5	2.2	0.0	0.2	0.0	9.3	6.7	2.1	0.6	45.5
Kericho	62.9	56.9	3.5	0.0	2.1	9.9	35.8	3.2	1.9	0.0	0.3	0.2	6.1	5.1	1.0	0.0	37.1
Bomet	54.8	50.4	4.9	0.0	1.7	7.5	33.9	0.4	2.0	0.0	0.0	0.0	4.4	3.5	0.6	0.4	45.2
<b>Western</b>	<b>58.6</b>	<b>56.9</b>	<b>5.9</b>	<b>0.0</b>	<b>1.3</b>	<b>15.2</b>	<b>27.5</b>	<b>4.6</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>1.1</b>	<b>0.3</b>	<b>0.3</b>	<b>41.4</b>
Kakamega	62.1	60.3	6.9	0.0	1.0	14.1	30.4	5.4	2.6	0.0	0.0	0.0	1.7	1.0	0.5	0.3	37.9
Vihiga	59.5	56.6	3.9	0.0	3.3	16.2	25.3	4.8	3.1	0.0	0.0	0.0	2.9	2.9	0.0	0.0	40.5
Bungoma	55.5	53.9	5.1	0.0	0.8	11.8	29.0	4.4	2.9	0.0	0.0	0.0	1.6	0.9	0.2	0.5	44.5
Busia	57.5	56.5	6.5	0.0	1.8	23.6	20.2	3.5	1.0	0.0	0.0	0.0	0.9	0.9	0.1	0.0	42.5
<b>Nyanza</b>	<b>56.4</b>	<b>53.9</b>	<b>3.6</b>	<b>0.0</b>	<b>2.0</b>	<b>12.4</b>	<b>29.3</b>	<b>3.4</b>	<b>2.9</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>2.5</b>	<b>2.0</b>	<b>0.3</b>	<b>0.2</b>	<b>43.6</b>
Siaya	55.0	51.0	3.2	0.0	1.8	15.3	19.3	5.8	5.7	0.0	0.0	0.0	4.0	3.3	0.7	0.0	45.0
Kisumu	62.4	59.3	5.2	0.0	1.5	21.1	24.3	3.7	3.5	0.0	0.0	0.0	3.1	3.1	0.0	0.0	37.6
Homa Bay	46.7	45.5	3.8	0.0	1.1	8.6	26.1	2.1	3.5	0.0	0.0	0.3	1.2	1.2	0.0	0.0	53.3
Migori	44.6	43.9	1.9	0.0	1.1	10.6	24.6	2.3	3.1	0.3	0.0	0.0	0.7	0.2	0.3	0.3	55.4
Kisii	66.1	62.8	3.2	0.0	3.5	9.2	41.8	4.0	0.8	0.0	0.3	0.0	3.4	2.2	0.7	0.4	33.9
Nyamira	67.9	64.2	4.2	0.0	3.9	8.2	42.6	3.5	1.2	0.0	0.3	0.3	3.7	3.0	0.3	0.3	32.1
<b>Nairobi</b>	<b>62.6</b>	<b>58.3</b>	<b>2.0</b>	<b>0.1</b>	<b>4.5</b>	<b>12.1</b>	<b>23.6</b>	<b>12.5</b>	<b>3.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.4</b>	<b>3.2</b>	<b>0.3</b>	<b>0.9</b>	<b>37.4</b>
<b>Kenya</b>	<b>58.0</b>	<b>53.2</b>	<b>3.2</b>	<b>0.0</b>	<b>3.4</b>	<b>9.9</b>	<b>26.4</b>	<b>8.0</b>	<b>2.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>4.8</b>	<b>3.8</b>	<b>0.7</b>	<b>0.3</b>	<b>42.0</b>

Note: If more than one method is used, only the most effective method is considered in this tabulation.

LAM = Lactational Amenorrhoea Method

**Maternal Health** 19.12. Proper care during pregnancy and delivery is important for the health of both the mother and the child. The World Health Organization (WHO) recommends at least four Antenatal Care (ANC) visits during a woman's pregnancy. Table 19.6 presents maternal care indicators at regional and county levels. In Mombasa, Embu, Machakos, and Nandi counties, ANC from a skilled provider is virtually universal (99 per cent). Six counties (Mandera, Wajir, Samburu, Marsabit, West Pokot, and Garissa) reported less than 90 per cent coverage of skilled ANC. The percentage of women attending four or more ANC visits ranges from a low of 18 per cent in West Pokot to a high of 73 per cent in Nairobi.

**Delivery Care** 19.13. The risk of complications, infections and/or death of the mother and the baby are reduced by proper medical attention and hygienic conditions during delivery. It is also during these ANC visits and skilled delivery that mothers are educated on the need to space births. Table 19.6 shows that 62 per cent of births in Kenya are delivered by a skilled provider compared to 44 per cent in 2008 - 09. A similar proportion of deliveries (61 per cent) take place in health facilities.

19.14. Skilled delivery attendance and delivery in a health facility varies considerably across the counties. All counties within the Central region achieved a level of at least 85 per cent on both of these indicators, while counties in the Nyanza region all achieved at least 53 per cent. In contrast, in six counties (Tana River, Wajir, Marsabit, Turkana, West Pokot, Samburu), less than one-third of live births in the past five years was attended by a skilled provider or were delivered in a health facility.

Table 19.6: Maternal Care Indicators by County, 2014

County	Women who had a live birth in the five years preceding the survey		Live births in the five years preceding the survey	
	Percentage with antenatal care from a skilled provider <sup>1</sup>	Percentage with 4+ ANC visits	Percentage delivered by a skilled provider <sup>1</sup>	Percentage delivered in a health facility
<b>Coast</b>	<b>97.5</b>	<b>62.3</b>	<b>58.2</b>	<b>57.7</b>
Mombasa	99.2	65.0	82.8	81.8
Kwale	95.7	60.3	50.1	49.0
Kilifi	98.2	64.6	52.3	52.6
Tana River	93.6	50.8	32.2	31.6
Lamu	95.7	62.2	47.3	43.9
Taita/Taveta	97.9	58.9	62.5	61.9
<b>North Eastern</b>	<b>66.5</b>	<b>36.8</b>	<b>32.4</b>	<b>29.2</b>
Garissa	87.3	47.7	39.8	36.7
Wajir	57.6	37.7	21.7	18.3
Mandera	50.5	20.2	38.7	36.0
<b>Eastern</b>	<b>97.2</b>	<b>56.3</b>	<b>63.3</b>	<b>62.7</b>
Marsabit	75.6	42.8	25.8	25.8
Isiolo	96.0	50.2	43.8	42.1
Meru	97.3	45.3	82.8	81.8
Tharaka-Nithi	98.3	56.1	76.6	77.7
Embu	99.2	56.2	81.5	81.5
Kitui	97.5	62.2	46.2	45.6
Machakos	98.8	60.8	63.4	62.9
Makueni	98.0	65.8	54.6	53.3
<b>Central</b>	<b>97.3</b>	<b>63.4</b>	<b>89.7</b>	<b>90.2</b>
Nyandarua	96.7	58.4	85.3	86.1
Nyeri	96.7	61.1	88.1	89.0
Kirinyaga	96.4	60.0	92.3	92.5
Murang'a	97.4	61.4	85.5	85.0
Kiambu	97.9	67.1	92.6	93.4
<b>Rift Valley</b>	<b>93.9</b>	<b>51.7</b>	<b>51.3</b>	<b>50.2</b>
Turkana	91.0	48.9	22.8	23.1
West Pokot	85.2	18.2	27.0	25.8
Samburu	73.8	51.9	29.0	24.5
Trans Nzoia	92.0	40.6	41.8	41.5
Uasin Gishu	96.1	63.0	59.0	57.4
Elgeyo/Marakwet	98.1	46.8	65.0	64.7
Nandi	98.5	56.8	46.8	46.5
Baringo	92.8	54.5	53.8	53.5
Laikipia	93.7	56.2	49.5	48.1
Nakuru	95.6	61.4	69.5	69.7
Narok	91.6	46.0	40.3	38.6
Kajiado	96.7	66.9	63.2	62.4
Kericho	97.1	53.7	64.4	62.2
Bomet	93.5	37.2	52.2	49.0
<b>Western</b>	<b>97.2</b>	<b>51.3</b>	<b>47.8</b>	<b>47.0</b>
Kakamega	96.4	45.0	48.6	47.0
Vihiga	97.1	61.3	50.3	50.2
Bungoma	97.6	50.0	41.4	40.8
Busia	97.6	59.9	58.5	58.4
<b>Nyanza</b>	<b>96.6</b>	<b>58.7</b>	<b>65.0</b>	<b>64.8</b>
Siaya	97.8	61.1	70.4	69.6
Kisumu	98.4	68.1	69.2	69.5
Homa Bay	93.5	61.4	60.4	61.9
Migori	96.4	56.4	53.4	53.3
Kisii	97.7	50.0	72.8	69.3
Nyamira	96.4	50.3	74.1	74.3
<b>Nairobi City</b>	<b>97.6</b>	<b>73.1</b>	<b>89.1</b>	<b>88.7</b>
<b>Kenya</b>	<b>95.5</b>	<b>57.6</b>	<b>61.8</b>	<b>61.2</b>

<sup>1</sup>Skilled provider includes doctor, nurse or midwife.

### Vaccination Coverage

**Child Health** 19.15. According to the WHO, a child is considered to have received all basic vaccinations if he or she has received: a BCG vaccination against tuberculosis; three doses of Diphtheria, Pertussis and Tetanus (DPT) vaccine to prevent diphtheria, pertussis and tetanus (or three doses of pentavalent, which includes DPT and vaccinations against both hepatitis B (Hep-B) and haemophilus influenza type B (Hib)); at least three doses of polio vaccine; and one dose of measles vaccine.

19.16. Table 19.7 presents coverage and extent of vaccination by county. Overall, 68 per cent of children age 12-23 months are fully vaccinated with BCG, measles, pentavalent, polio, and pneumococcal vaccines; 71 per cent have received all basic vaccinations, and 2 per cent of children have not received any vaccines. Regarding coverage for specific vaccines, 97 per cent of children have received the BCG vaccine, 98 per cent received the first pentavalent dose, 97 per cent received the first polio dose (polio 1), and 94 per cent received the first dose of pneumococcal vaccine. For series vaccinations, coverage declines with subsequent doses. Mandera, Migori, and Wajir counties, have low coverage of fully vaccinated children at 28, 38 and 38 per cent, respectively. Coverage levels are high in Nandi at 94 per cent, followed by Vihiga and Tharaka-Nithi counties each at 91 per cent.

Table 19.7: Vaccinations by Type and County, 2014<sup>1</sup>

County	BCG			Pentavalent <sup>1</sup>			Polio <sup>2</sup>			Measles	All basic vaccinations <sup>3</sup>	Pneumococcal			Fully vaccinated <sup>4</sup>	No vaccinations	Percent-age with a vaccination card
	1.0	2.0	3.0	1.0	2.0	3.0	1.0	2.0	3.0			1.0	2.0	3.0			
<b>Coast</b>	<b>97.1</b>	<b>97.2</b>	<b>91.9</b>	<b>84.4</b>	<b>97.5</b>	<b>85.3</b>	<b>86.6</b>	<b>74.7</b>	<b>95.7</b>	<b>93.9</b>	<b>89.8</b>	<b>72.7</b>	<b>1.3</b>	<b>78.6</b>			
Mombasa	100.0	100.0	95.6	95.7	98.3	80.0	89.1	72.3	96.7	93.7	92.3	67.7	0.0	66.4			
Kwale	98.6	96.7	95.1	78.1	97.8	91.6	90.7	82.9	96.1	96.1	93.6	82.0	0.0	92.3			
Kilifi	94.3	95.3	87.5	88.3	96.2	84.7	83.7	72.1	95.3	92.9	87.4	71.5	3.0	80.9			
Tana River	97.1	97.1	89.9	50.8	97.1	80.5	77.6	64.3	94.3	92.8	85.2	61.3	2.5	72.1			
Lamu	94.2	99.3	84.7	65.5	100.0	90.7	83.2	66.4	91.9	90.4	79.3	63.9	0.0	72.3			
Taita/Taweta	98.4	98.4	97.5	92.8	100.0	91.7	93.0	87.3	95.6	95.6	90.4	83.1	0.0	71.5			
<b>North Eastern</b>	<b>83.4</b>	<b>87.5</b>	<b>77.4</b>	<b>56.3</b>	<b>86.9</b>	<b>63.0</b>	<b>69.8</b>	<b>44.3</b>	<b>84.8</b>	<b>80.6</b>	<b>72.7</b>	<b>41.7</b>	<b>10.6</b>	<b>51.1</b>			
Garissa	80.3	94.4	91.6	63.8	91.4	75.9	81.2	54.4	94.4	91.3	84.7	54.4	5.6	61.2			
Wajir	91.0	90.8	79.1	53.3	90.2	64.8	64.5	43.7	83.8	82.4	74.1	37.9	6.6	58.6			
Mandera	71.8	68.3	48.8	49.5	71.8	36.2	61.7	27.7	70.3	57.9	48.7	27.7	28.2	16.5			
<b>Eastern</b>	<b>98.7</b>	<b>99.0</b>	<b>93.6</b>	<b>79.1</b>	<b>98.6</b>	<b>87.6</b>	<b>92.1</b>	<b>81.8</b>	<b>94.6</b>	<b>93.7</b>	<b>89.6</b>	<b>78.1</b>	<b>0.5</b>	<b>85.3</b>			
Marsabit	92.6	96.4	85.7	43.1	99.0	86.4	76.8	69.9	94.7	92.2	84.6	66.6	1.0	80.5			
Isiolo	96.4	98.6	94.4	77.4	98.6	88.3	86.5	80.0	94.9	93.8	92.0	79.0	1.4	89.0			
Meru	99.2	100.0	93.6	78.9	100.0	85.9	91.3	81.9	97.2	97.2	89.1	78.3	0.0	89.9			
Tharaka-Nithi	100.0	98.3	96.8	100.0	100.0	93.6	98.5	90.6	100.0	100.0	100.0	90.6	0.0	92.2			
Embu	100.0	100.0	99.2	97.9	100.0	89.9	92.8	82.7	100.0	100.0	99.2	82.7	0.0	83.4			
Kitui	96.1	96.1	81.5	52.8	97.7	76.4	84.9	65.2	81.0	78.1	69.2	52.7	2.3	85.3			
Machakos	100.0	100.0	97.8	91.5	98.4	91.5	97.2	88.7	98.0	97.2	95.9	86.7	0.0	72.7			
Makueni	100.0	100.0	99.1	80.8	96.2	93.8	96.8	90.6	96.2	95.3	95.3	89.7	0.0	93.1			
<b>Central</b>	<b>99.6</b>	<b>99.4</b>	<b>95.5</b>	<b>94.8</b>	<b>99.8</b>	<b>81.8</b>	<b>97.2</b>	<b>79.6</b>	<b>97.6</b>	<b>95.2</b>	<b>92.3</b>	<b>77.6</b>	<b>0.2</b>	<b>76.1</b>			
Nyandarua	100.0	100.0	90.8	88.5	100.0	91.0	95.1	82.6	98.0	89.7	84.9	77.8	0.0	81.3			
Nyeri	98.7	97.2	94.9	94.6	100.0	85.8	92.7	79.5	94.4	93.1	89.1	77.8	0.0	82.2			
Kirinyaga	-100.0	-100.0	-100.0	-97.6	-100.0	-62.7	-100.0	-62.7	-92.3	-92.3	-92.3	-54.9	0.0	-60.3			
Murang'a	99.0	99.0	89.9	91.9	99.0	77.9	97.3	77.9	97.3	92.0	89.9	76.1	1.0	74.3			
Kiambu	100.0	100.0	99.0	97.9	100.0	82.8	99.0	82.8	100.0	100.0	97.2	82.8	0.0	76.1			

Table 19.7 continued...

<b>Rift Valley</b>	<b>96.7</b>	<b>97.4</b>	<b>95.1</b>	<b>87.9</b>	<b>68.2</b>	<b>96.6</b>	<b>93.0</b>	<b>81.2</b>	<b>83.1</b>	<b>68.6</b>	<b>92.3</b>	<b>89.7</b>	<b>81.7</b>	<b>64.0</b>	<b>1.8</b>
Turkana	94.5	94.4	91.5	86.2	73.4	94.4	88.9	76.1	71.9	57.4	93.8	89.8	83.2	56.7	3.7
West Pokot	78.9	86.4	80.6	68.3	42.9	84.1	76.2	58.5	58.2	34.3	78.7	73.1	58.7	30.5	11.2
Samburu	96.8	93.2	89.7	86.9	54.2	96.1	91.1	84.0	71.7	63.3	94.5	89.6	84.8	62.8	1.4
Trans Nzoia	100.0	100.0	98.1	77.8	65.1	99.1	97.4	83.2	84.8	64.9	93.3	91.3	73.0	58.4	0.0
Uasin Gishu	95.9	97.3	95.9	91.5	70.7	95.9	93.7	74.6	91.3	70.0	83.4	82.3	75.8	57.5	2.7
Elgeyo/Marakwet	100.0	100.0	97.9	97.9	82.0	99.4	97.9	91.7	86.6	85.1	99.4	97.9	97.0	84.4	0.0
Nandi	99.4	100.0	100.0	99.4	71.6	100.0	100.0	96.9	97.5	93.9	99.4	99.4	99.4	93.9	0.0
Baringo	100.0	100.0	98.3	94.5	69.0	100.0	97.6	86.9	82.5	71.1	92.6	90.9	85.1	63.2	0.0
Laikipia	98.7	98.7	98.7	89.7	77.9	98.7	91.1	90.3	92.3	82.5	96.6	96.6	90.9	78.6	1.3
Nakuru	97.2	97.9	96.1	90.9	81.0	97.9	92.4	86.6	86.4	75.4	94.8	93.0	86.5	72.0	2.1
Narok	95.0	96.3	91.2	83.0	47.3	96.4	94.2	75.2	74.5	59.5	90.8	86.3	74.8	53.6	1.6
Kajiado	97.7	97.0	92.4	79.1	70.0	91.1	82.0	61.0	80.9	51.1	90.3	83.3	71.9	48.9	1.1
Kericho	100.0	100.0	100.0	95.7	87.9	100.0	98.7	87.4	82.9	70.8	94.2	92.9	88.3	66.3	0.0
Bomet	100.0	100.0	99.2	98.0	62.4	100.0	100.0	95.6	92.1	87.0	96.1	95.3	92.8	81.3	0.0
<b>Western</b>	<b>95.9</b>	<b>96.8</b>	<b>95.4</b>	<b>90.2</b>	<b>61.1</b>	<b>97.6</b>	<b>94.9</b>	<b>83.7</b>	<b>85.7</b>	<b>74.2</b>	<b>94.1</b>	<b>92.3</b>	<b>87.3</b>	<b>71.9</b>	<b>2.2</b>
Kakamega	94.9	98.9	94.9	89.5	57.2	98.9	94.9	75.7	80.1	63.5	97.6	94.6	86.2	62.2	1.1
Vihiga	98.3	98.3	98.3	97.0	80.7	98.3	96.1	90.9	98.3	90.9	98.3	98.3	97.0	90.9	1.7
Bungoma	95.3	95.0	95.0	88.9	57.2	95.7	94.8	86.0	84.3	76.3	89.1	88.2	83.7	72.5	3.8
Busia	98.0	96.9	95.3	90.4	65.3	100.0	94.1	87.2	92.2	76.3	98.9	95.5	92.7	75.0	0.0
<b>Nyanza</b>	<b>95.6</b>	<b>98.5</b>	<b>98.0</b>	<b>89.7</b>	<b>86.1</b>	<b>98.0</b>	<b>94.3</b>	<b>79.3</b>	<b>85.3</b>	<b>67.0</b>	<b>93.6</b>	<b>90.7</b>	<b>82.8</b>	<b>63.6</b>	<b>1.0</b>
Siaya	98.4	100.0	100.0	93.9	95.5	100.0	93.2	81.8	84.8	73.3	99.5	99.5	91.3	72.5	0.0
Kisumu	97.2	97.6	97.6	87.0	86.7	96.4	93.0	81.9	89.5	73.1	96.8	95.1	84.7	73.1	2.4
Homa Bay	94.5	97.9	97.2	82.3	83.0	96.0	90.8	72.9	80.3	57.2	90.9	84.6	74.7	53.7	2.1
Migori	87.6	99.6	97.7	89.9	69.0	98.3	94.7	66.2	82.0	46.9	87.4	82.1	71.2	36.9	0.4
Kisi	100.0	97.8	97.8	95.3	95.8	99.1	99.1	91.8	86.5	80.5	94.4	94.4	91.9	78.1	0.0
Nyamira	99.0	99.0	99.0	97.6	94.8	100.0	98.5	91.8	98.0	89.8	96.1	94.6	94.6	86.8	0.0
<b>Nairobi City</b>	<b>97.6</b>	<b>97.3</b>	<b>93.6</b>	<b>88.0</b>	<b>90.4</b>	<b>97.6</b>	<b>94.8</b>	<b>75.1</b>	<b>92.5</b>	<b>65.8</b>	<b>93.6</b>	<b>85.9</b>	<b>83.3</b>	<b>60.4</b>	<b>1.7</b>
<b>Kenya</b>	<b>96.7</b>	<b>97.5</b>	<b>95.8</b>	<b>89.9</b>	<b>77.6</b>	<b>97.3</b>	<b>94.2</b>	<b>81.2</b>	<b>87.1</b>	<b>71.1</b>	<b>93.7</b>	<b>90.8</b>	<b>85.1</b>	<b>67.5</b>	<b>1.6</b>

Note: Negative values are based on fewer than 25-49 unweighted cases.

<sup>1</sup> Pentavalent is DPT, Hep B, Hib.

<sup>2</sup> Polio 0 is the polio vaccination given at birth.

<sup>3</sup> BCG, measles and three doses each of pentavalent and polio vaccine excluding polio vaccine given at birth.

<sup>4</sup> BCG, measles, three doses each of pentavalent, polio vaccine excluding polio vaccine given at birth, and pneumococcal vaccine.



### Ownership and Use of Mosquito Nets

**Malaria** 19.17. One of the strongest weapons in the fight against malaria is the use of Insecticide-Treated Nets (ITNs) while sleeping. Table 19.8 show that 59 per cent of households own at least one ITN and 34 per cent own at least one ITN for every two persons who stayed in the household the night preceding the survey (considered universal coverage). The ownership of at least one ITN by households improved slightly by three percentage points from 56 per cent of households which indicated in 2008-09 KDHS as having at least one ITN.

19.18. As shown in Table 19.8, 61 per cent of rural households own an ITN compared with those in urban areas (56 per cent). This is a change in ITN ownership among rural households from the 2008-09 KDHS, which indicated that urban households were more likely to own an ITN (58 per cent) than rural households (55 per cent). As in the 2008-09 KDHS, the 2014 survey, shows that the ownership of at least one ITN is similar across the top four wealth quintiles (ranging from 56 per cent to 64 per cent). However, ownership of at least one ITN is lower among households in the lowest wealth quintile (51 per cent).

**Table 19.8: Household Possession of Insecticide-Treated Nets by Background Characteristics, 2014**

Background characteristics	Percentage of households with at least one insecticide-treated net (ITN) <sup>1</sup>	Average number of insecticide-treated nets (ITN) <sup>1</sup> per household	Percentage of households with at least one insecticide-treated net (ITN) <sup>1</sup> for every two persons who stayed in the household last night (universal coverage) <sup>2</sup>
<b>Residence</b>			
Urban	55.7	1	37.3
Rural	60.8	1.2	32.1
<b>Wealth quintile</b>			
Lowest	50.8	0.9	20.5
Second	61.1	1.1	28.5
Middle	63.6	1.3	36.2
Fourth	56.4	1.1	37.4
Highest	60.5	1.2	43.9
<b>Kenya</b>	<b>58.7</b>	<b>1.1</b>	<b>34.3</b>

<sup>1</sup>ITN is

(a) factory-treated net that does not require any further treatment, or

(b) net that has been soaked with insecticide within the past 6 months.

<sup>2</sup> De facto household members

19.19. Table 19.9 shows marked variation in the ownership of ITNs. It is worthwhile to note that at least 74 per cent of households in counties in malaria prone regions of Nyanza and Western have at least one ITN. Nyandarua county recorded the lowest number of households owning an ITN.

Table 19.9: Household in Possession of Insecticide-Treated Nets by County, 2014

County	Percentage of households with at least one insecticide-treated net (ITN) <sup>1</sup>	Average number of insecticide-treated nets (ITN) <sup>1</sup> per household	Percentage of households with at least one insecticide-treated net (ITN) <sup>1</sup> for every two persons who stayed in the household last night (universal coverage) <sup>2</sup>
<b>Coast</b>	<b>69.1</b>	<b>1.4</b>	<b>43.3</b>
Mombasa	56.9	0.9	38.9
Kwale	81.0	1.7	47.8
Kilifi	73.1	1.6	41.5
Tana River	65.3	1.3	33.0
Lamu	71.1	1.5	51.2
Taita/Taveta	80.4	1.6	60.6
<b>North Eastern</b>	<b>48.8</b>	<b>1.0</b>	<b>21.9</b>
Garissa	61.1	1.4	34.4
Wajir	53.6	1.1	18.1
Mandera	28.7	0.5	10.9
<b>Eastern</b>	<b>56.2</b>	<b>1.1</b>	<b>31.1</b>
Marsabit	24.7	0.3	7.0
Isiolo	62.7	1.1	31.5
Meru	53.5	1.0	30.6
Tharaka-Nithi	67.2	1.3	45.8
Embu	55.9	1.1	35.3
Kitui	61.1	1.1	29.3
Machakos	56.0	1.1	31.5
Makueni	55.3	1.1	27.7
<b>Central</b>	<b>37.7</b>	<b>0.7</b>	<b>25.0</b>
Nyandarua	12.5	0.2	7.1
Nyeri	19.7	0.3	11.9
Kirinyaga	68.5	1.4	54.3
Murang'a	43.7	0.8	27.1
Kiambu	39.9	0.7	25.2
<b>Rift Valley</b>	<b>55.6</b>	<b>1.1</b>	<b>31.6</b>
Turkana	46.2	0.7	16.3
West Pokot	60.2	1.1	21.2
Samburu	18.8	0.3	8.7
Trans Nzoia	70.6	1.5	38.4
Uasin Gishu	72.0	1.5	49.7
Elgeyo/Marakwet	21.9	0.3	10.1
Nandi	78.8	1.6	41.9
Baringo	59.8	1.1	32.8
Laikipia	17.5	0.3	10.6
Nakuru	37.7	0.6	22.7
Narok	52.2	1.0	25.4
Kajiado	49.8	0.9	33.3
Kericho	79.5	1.6	45.4
Bomet	77.6	1.8	46.8
<b>Western</b>	<b>81.5</b>	<b>1.8</b>	<b>45.3</b>
Kakamega	78.8	1.7	47.0
Vihiga	82.9	1.7	44.9
Bungoma	82.9	1.8	41.7
Busia	83.9	1.9	48.8

Table 19.9- Continued

County	Percentage of households with at least one insecticide-treated net (ITN) <sup>1</sup>	Average number of insecticide-treated nets (ITN) <sup>1</sup> per household	Percentage of households with at least one insecticide-treated net (ITN) <sup>1</sup> for every two persons who stayed in the household last night (universal coverage) <sup>2</sup>
<b>Nyanza</b>	<b>81.1</b>	<b>1.6</b>	<b>45.3</b>
Siaya	78.8	1.5	41.6
Kisumu	87.6	1.7	52.6
Homa Bay	74.3	1.5	37.5
Migori	74.6	1.4	30.3
Kisii	86.1	1.9	54.4
Nyamira	84.5	1.7	57.1
<b>Nairobi</b>	<b>43.3</b>	<b>0.7</b>	<b>28.5</b>
<b>Kenya</b>	<b>58.7</b>	<b>1.1</b>	<b>34.3</b>

<sup>1</sup>ITN is

- (a) factory-treated net that does not require any further treatment, or
- (b) net that has been soaked with insecticide within the past 6 months.

<sup>2</sup> De facto household members

19.20. Table 19.10 shows the use of nets by children and pregnant women by county. The results show that 59 per cent of children under five slept under any mosquito net the night before the survey while 54 per cent slept under an ITN. In addition, households with at least one ITN, 77 per cent of children under age five slept under an ITN the night before the survey. Fifty-six per cent of pregnant women age 15-49 in all households slept under any mosquito net while 51 per cent slept under an ITN the night before the survey. Children and pregnant women in the malaria-prone regions of Western, Nyanza, and Coast were more likely to have slept under an ITN the night before the survey compared with those in other regions.

Table 19.10: Use of Insecticide-Treated Nets by Children and Pregnant Women By county, 2014

County	children under age 5 in all households			children under age 5 in households with at least one ITN	pregnant women of age 15-49 in all households			pregnant women of age 15-49 in households with at least one ITN
	Percent-age who sleep under any net last night	Percent-age who slept under an ITN <sup>1</sup> last night	Percent-age who slept under an ITN1 last night or in a dwelling sprayed with IRS2 in the past 12		Percent-age who sleep under any net last night	Percent-age who slept under an ITN1 last night	Percent-age who slept under an ITN1 last night or in a dwelling sprayed with IRS2 in the past 12 mon	
<b>Coast</b>	<b>70.5</b>	<b>65.4</b>	<b>65.4</b>	<b>82.2</b>	<b>71.3</b>	<b>63.1</b>	<b>63.1</b>	<b>86.9</b>
Mombasa	67.2	61.5	61.5	85.9	-66.7	-55.0	-55.0	*
Kwale	74.6	72.4	72.4	83.4	-86.6	-84.7	-84.7	-96.3
Kilifi	70.9	63.6	63.6	79.1	68.7	58.0	58.0	-87.1
Tana River	60.1	57.4	57.6	78.3	53.6	47.6	47.6	-63.6
Lamu	68.8	57.7	57.7	81.0	-73.6	-64.0	-64.0	*
Taita/Taveta	83.2	82.0	82.0	88.8	*	*	*	*
<b>North Eastern</b>	<b>43.8</b>	<b>40.2</b>	<b>40.3</b>	<b>77.7</b>	<b>43.4</b>	<b>43.1</b>	<b>43.4</b>	<b>82.4</b>
Garissa	52.5	47.6	47.9	77.2	51.7	51.7	52.6	-79.7
Wajir	46.1	42.8	42.8	76.1	49.8	49.4	49.4	-88.1
Mandera	27.5	25.5	25.5	84.1	20.6	19.9	19.9	*
<b>Eastern</b>	<b>55.7</b>	<b>53.1</b>	<b>53.2</b>	<b>73.5</b>	<b>52.3</b>	<b>49.8</b>	<b>49.8</b>	<b>72.3</b>
Marsabit	15.0	12.1	12.1	43.7	7.9	7.9	7.9	*
Isiolo	60.6	57.7	57.7	80.9	-62.9	-56.4	-56.4	-83.9
Meru	64.3	59.3	60.0	81.8	-54.4	-49.0	-49.0	*
Tharaka-Nithi	65.4	61.9	61.9	77.8	*	*	*	*
Embu	63.0	58.5	58.5	72.3	*	*	*	*
Kitui	39.8	39.6	39.6	54.2	-47.0	-47.0	-47.0	*
Machakos	65.0	62.9	62.9	85.0	*	*	*	*
Makueni	52.5	50.8	50.8	70.9	-49.7	-48.0	-48.0	*
<b>Central</b>	<b>47.4</b>	<b>43.0</b>	<b>43.0</b>	<b>80.8</b>	<b>38.7</b>	<b>34.7</b>	<b>34.7</b>	<b>73.0</b>
Nyandarua	14.8	12.3	12.3	69.7	-9.7	-6.7	-6.7	*
Nyeri	24.1	17.4	17.4	62.6	-23.0	-14.3	-14.3	*
Kirinyaga	81.1	78.9	78.9	89.6	-63.4	-63.4	-63.4	*
Murang'a	58.0	57.0	57.0	81.3	-49.9	-45.2	-45.2	*
Kiambu	53.6	47.5	47.5	81.3	-44.5	-41.2	-41.2	*

Table 19.10: Continued

County	Children under age 5 in all households			Children under age 5 in households with at least one ITN		Pregnant women of age 15-49 in all households				Pregnant women of age 15-49 in households with at least one ITN	
	Percent-age who sleep under any net last night	Percent-age who slept under an ITN <sup>1</sup> last night	Percent-age who slept under an ITN <sup>1</sup> last night or in a dwelling sprayed with IRS <sup>2</sup> in the past 12 months	Percent-age who slept under an ITN <sup>1</sup> last night	Percent-age who slept under an ITN <sup>1</sup> last night	Percent-age who sleep under any net last night	Percent-age who slept under an ITN <sup>1</sup> last night	Percent-age who slept under an ITN <sup>1</sup> last night or in a dwelling sprayed with IRS <sup>2</sup> in the past 12 months	Number of pregnant women	Percent-age who slept under an ITN <sup>1</sup> last night	
<b>Rift Valley</b>	<b>45.7</b>	<b>43.0</b>	<b>43.6</b>	<b>68.9</b>	<b>40.4</b>	<b>42.1</b>	<b>40.4</b>	<b>41.0</b>	<b>562.0</b>	<b>67.6</b>	
Turkana	21.0	21.0	21.0	40.8	20.3	20.3	20.3	20.3	34.0	*	
West Pokot	43.4	42.9	43.7	61.4	31.5	31.5	31.5	33.0	28.0	-56.9	
Samburu	18.2	16.6	16.9	86.1	6.7	8.9	6.7	6.7	14.0	*	
Trans Nzoia	60.2	59.2	61.3	74.8	-55.7	-55.7	-55.7	-55.7	48.0	-67.8	
Uasin Gishu	69.8	69.3	69.5	84.1	51.5	51.5	51.5	51.5	67.0	-63.1	
Elgeyo/Marakwet	39.1	16.9	16.9	56.5	-25.5	-48.0	-25.5	-25.5	15.0	*	
Nandi	55.2	55.0	55.5	67.1	-61.9	-61.9	-61.9	-66.1	31.0	-67.6	
Baringo	52.5	49.1	49.9	69.2	44.1	45.3	44.1	45.9	26.0	-58.7	
Lakipia	22.2	13.6	13.6	78.7	-11.4	-11.4	-6.5	-6.5	27.0	*	
Nakuru	34.1	30.7	31.1	74.6	-35.0	-37.1	-35.0	-35.0	86.0	*	
Narok	31.5	31.1	32.0	56.1	32.1	32.1	32.1	34.2	67.0	-63.0	
Kajiado	47.7	42.8	43.0	81.4	45.1	47.4	45.1	45.1	51.0	-72.5	
Kericho	55.7	53.1	54.3	61.4	-68.0	-70.2	-68.0	-68.0	30.0	-74.9	
Bomet	63.0	60.0	60.8	69.7	-47.7	-49.0	-47.7	-47.7	38.0	-60.1	
<b>Western</b>	<b>71.8</b>	<b>68.8</b>	<b>69.0</b>	<b>78.9</b>	<b>66.7</b>	<b>70.5</b>	<b>66.7</b>	<b>66.7</b>	<b>220.0</b>	<b>75.7</b>	
Kakamega	66.0	62.6	62.9	73.1	65.7	71.1	65.7	65.7	83.0	-74.6	
Vihiga	72.5	70.9	71.3	78.3	-73.0	-73.0	-73.0	-73.0	23.0	-77.1	
Bungoma	73.7	71.5	71.5	82.0	62.4	66.0	62.4	62.4	76.0	73.6	
Busia	78.4	73.9	73.9	83.5	-73.5	-76.9	-73.5	-73.5	38.0	-81.2	
<b>Nyanza</b>	<b>71.6</b>	<b>68.9</b>	<b>69.6</b>	<b>80.7</b>	<b>70.9</b>	<b>76.0</b>	<b>70.9</b>	<b>70.9</b>	<b>242.0</b>	<b>86.4</b>	
Siaya	71.3	67.8	68.1	77.1	-66.3	-70.1	-66.3	-66.3	34.0	-85.3	
Kisumu	82.2	81.7	82.2	88.4	-89.3	-89.3	-89.3	-89.3	44.0	-94.9	
Homa Bay	63.9	56.4	58.4	74.8	-66.1	-77.1	-66.1	-66.1	51.0	-87.6	
Migori	63.0	62.2	62.6	74.4	56.0	60.3	56.0	56.0	59.0	68.6	
Kisii	80.4	79.5	79.5	88.5	-76.8	-82.1	-76.8	-76.8	43.0	-97.6	
Nyamira	70.5	69.6	69.9	79.8	*	*	*	*	11.0	*	
<b>Nairobi</b>	<b>70.7</b>	<b>49.5</b>	<b>49.5</b>	<b>85.8</b>	<b>43.3</b>	<b>61.0</b>	<b>43.3</b>	<b>43.7</b>	<b>241.0</b>	<b>-78.8</b>	
<b>Kenya</b>	<b>58.9</b>	<b>54.1</b>	<b>54.4</b>	<b>76.9</b>	<b>50.5</b>	<b>55.8</b>	<b>50.5</b>	<b>51.0</b>	<b>1937.0</b>	<b>76.5</b>	

Note: Table is based on children who stayed in the household the night before the interview. Negative values are based on fewer than 25-49 unweighted cases;

\* (asterisk) a figure based on fewer than 25 unweighted cases that has been suppressed.

<sup>1</sup> An insecticide-treated net (ITN) is (1) a factory-treated net that does not require any further treatment, or (2) a net that has been soaked with insecticide within the past 6 months.

<sup>2</sup> Indoor residual spraying (IRS) is limited to spraying conducted by a government, private, or non-governmental

**Intermittent Preventive Treatment of Pregnant Women** 19.21. The Government’s policy advocates for pregnant women in malaria endemic areas to receive two doses of Intermittent Preventive Treatment (IPT) in the second and third trimesters in order to reduce the risk of malaria infection. Tables 19.11 and 19.12 present the proportion of women age 15-49 with a live birth in the two years preceding the survey who received SP/Fansidar during their pregnancy, at least one dose of which was received during an ANC visit, by background characteristics.

**Table 19.11: Use of Intermittent Preventive Treatment by Women during Pregnancy by Background Characteristics**

Background characteristic	Percentage who received 1 or more doses of SP/Fansidar <sup>1</sup>	Percentage who received 2 or more doses of SP/Fansidar <sup>1</sup>	Percentage who received 3 or more doses of SP/Fansidar <sup>1</sup>
<b>Residence</b>			
Urban	26.8	14.1	7.8
Rural	31.1	18.4	11.4
<b>Wealth quintile</b>			
Lowest	33.3	19.7	11.5
Second	29.4	16.5	10.1
Middle	32.5	20.5	13.5
Fourth	27.2	13.9	8.0
Highest	24.6	13.0	7.1
<b>Kenya</b>	<b>29.6</b>	<b>16.9</b>	<b>10.1</b>

<sup>1</sup> Received the specified number of doses of SP/Fansidar, at least one of which was received during an ANC visit

19.22. Nationally, 30 per cent of women reported receiving one or more doses of SP/Fansidar, at least one of which was administered during an ANC visit. However, 17 per cent reported receiving two or more doses of SP/Fansidar. Ten per cent of women reported receiving three or more doses of SP/Fansidar, at least one of which was received during an ANC visit. Regionally, the highest percentages of women receiving one or more doses of SP/Fansidar were concentrated at the Coast (74 per cent), Western (53 per cent), and Nyanza (44 per cent), which are malaria endemic zones. In other regions, less than one-quarter of women received one or more doses.

Table 19.12: Use of Intermittent Preventive Treatment by Women during Pregnancy by County, 2014

County	Percentage who received 1 or more doses of SP/Fansidar <sup>1</sup>	Percentage who received 2 or more doses of SP/Fansidar <sup>1</sup>	Percentage who received 3 or more doses of SP/Fansidar <sup>1</sup>
<b>Coast</b>	<b>73.7</b>	<b>52.5</b>	<b>32.7</b>
Mombasa	67.3	46.4	24.9
Kwale <sup>†</sup>	91.8	79.1	51.9
Kilifi <sup>†</sup>	65.2	41.8	28.5
Tana River <sup>†</sup>	77.0	41.6	21.4
Lamu <sup>†</sup>	81.0	60.0	35.7
Taita/Taveta <sup>†</sup>	75.0	55.1	31.9
<b>North Eastern</b>	<b>5.2</b>	<b>2.1</b>	<b>1.1</b>
Garissa	2.7	1.0	0.8
Wajir	4.4	2.0	0.5
Mandera	11.3	4.3	3.0
<b>Eastern</b>	<b>24.3</b>	<b>9.8</b>	<b>5.0</b>
Marsabit	1.5	1.2	0.6
Isiolo	48.2	3.3	1.3
Meru	19.1	3.8	0.0
Tharaka-Nithi	25.9	10.3	7.1
Embu	15.0	1.1	0.0
Kitui	42.2	25.8	16.0
Machakos	16.5	8.3	2.5
Makueni	26.5	10.1	7.4
<b>Central</b>	<b>16.4</b>	<b>4.5</b>	<b>2.4</b>
Nyandarua	7.3	3.0	2.2
Nyeri	5.2	3.2	1.9
Kirinyaga	10.2	8.4	3.7
Murang'a	14.4	4.8	1.9
Kiambu	24.5	4.4	2.6
<b>Rift Valley</b>	<b>14.6</b>	<b>6.9</b>	<b>4.5</b>
Turkana	52.4	22.7	13.0
West Pokot	3.1	3.0	2.9
Samburu	6.3	2.9	2.8
Trans Nzoia	11.0	3.7	3.2
Uasin Gishu	7.8	7.0	6.4
Elgeyo/Marakwet	15.2	4.3	1.8
Nandi	11.3	3.4	1.9
Baringo	21.2	9.9	6.7
Laikipia	19.4	7.0	1.6
Nakuru	19.2	9.3	4.2
Narok	6.6	1.4	0.6
Kajiado	20.6	12.3	8.5
Kericho	7.5	4.4	3.4
Bomet	7.5	5.2	4.8

Table 19.12: Continued

County	Percentage who received 1 or more doses of SP/Fansidar <sup>1</sup>	Percentage who received 2 or more doses of SP/Fansidar <sup>1</sup>	Percentage who received 3 or more doses of SP/Fansidar <sup>1</sup>
<b>Western</b>	<b>53.4</b>	<b>38.4</b>	<b>26.2</b>
Kakamega <sup>†</sup>	36.2	28.1	20.1
Vihiga <sup>†</sup>	72.9	47.1	20.5
Bungoma <sup>†</sup>	57.5	39.6	27.7
Busia <sup>†</sup>	60.9	47.9	36.1
<b>Nyanza</b>	<b>43.5</b>	<b>21.8</b>	<b>9.7</b>
Siaya <sup>†</sup>	58.1	23.4	15.0
Kisumu <sup>†</sup>	58.2	26.9	5.9
Homa Bay <sup>†</sup>	38.4	22.8	12.3
Migori <sup>†</sup>	51.0	26.1	12.9
Kisii	25.5	11.3	3.7
Nyamira	21.9	18.1	7.0
<b>Nairobi City</b>	<b>6.3</b>	<b>1.3</b>	<b>0.8</b>
<b>Kenya</b>	<b>29.6</b>	<b>16.9</b>	<b>10.1</b>

<sup>1</sup> Received the specified number of doses of SP/Fansidar, at least one of which was received during an ANC visit

<sup>†</sup> Counties in which IPTp is recommended in some or all sub-counties

**Domestic Violence**

19.23. Data on the experience of domestic violence are presented in Table 19.13 and Table 19.14, for women and men, respectively. The results show that 38 per cent of ever-married women age 15-49 have ever experienced physical violence committed by their husband/partner, while 23 per cent experienced violence in the 12 months prior to the survey. Nine per cent of ever-married men age 15-49 have ever experienced physical violence committed by their wife/partner, while five per cent experienced violence in the 12 months prior to the survey. About 14 per cent of women and four per cent of men have ever experienced sexual violence committed by a spouse/partner, while 10 per cent of women and three per cent of men experienced sexual violence by a spouse/partner in the past 12 months.

19.24. Higher proportion of divorced, separated and widowed women and men, reported to have experienced physical or sexual violence, ever and in the past 12 months, than currently married counterparts. Among those who are currently married, however, more women and men who have married more than once reported having experienced physical or sexual violence, than those who have married only once, ever and in the past 12 months.



**Table 19.13: Experience of Domestic Violence by Ever Married Women, 2014**

Background Characteristics	Percentage who have experienced physical violence		Percentage who have experienced sexual violence		Percentage who have experienced physical or sexual violence	
	Ever <sup>1</sup>	Past 12 months	Ever <sup>1</sup>	Past 12 months	Ever <sup>1</sup>	Past 12 months
<b>Age</b>						
15-19	23.8	20.9	7.6	4.2	27.8	23.0
20-24	33.5	24.0	12.4	10.5	37.0	28.0
25-29	38.4	24.9	14.9	11.8	41.1	28.1
30-39	39.4	22.7	14.7	9.4	41.4	25.3
40-49	42.6	19.3	13.9	8.6	43.7	21.3
<b>Marital status</b>						
Married or living together	35.3	22.5	12.3	9.6	37.6	25.6
Married once	32.9	21.6	10.9	9.2	35.3	24.7
Married more than once	67.1	34.5	29.8	14.9	67.9	37.0
Divorced/separated/widowed	54.1	23.3	22.6	11.1	56.4	25.0
<b>Residence</b>						
Urban	35.1	21.7	14.7	11.0	37.7	25.1
Rural	40.6	23.3	13.5	9.1	42.7	25.8
<b>Region</b>						
Coast	27.4	16.9	9.1	6.2	30.2	19.2
North Eastern	12.1	5.8	0.4	0.4	12.1	5.8
Eastern	40.6	22.6	12.9	9.1	42.3	25.1
Central	32.8	18.5	8.7	5.9	35.5	20.5
Rift Valley	32.4	18.6	9.7	6.3	33.8	20.1
Western	51.6	29.1	25.3	19.3	55.6	36.6
Nyanza	49.5	31.0	19.4	13.0	51.9	33.5
Nairobi	46.1	29.9	21.8	16.1	49.0	34.5
<b>Education</b>						
No education	34.6	21.6	9.5	7.1	35.7	22.5
Primary incomplete	48.9	28.2	16.9	12.2	50.6	30.9
Primary complete	39.2	23.0	16.7	11.7	41.9	26.3
Secondary+	30.1	18.2	10.6	7.1	32.9	21.2
<b>Wealth quintile</b>						
Lowest	39.7	24.7	14.4	9.8	42.4	27.2
Second	46.2	27.2	15.0	10.4	48.3	29.5
Middle	42.6	25.6	16.3	11.9	44.4	28.3
Fourth	36.7	19.3	13.3	8.2	38.7	22.3
Highest	28.8	18.0	11.5	9.2	31.6	21.5
<b>Kenya</b>	<b>38.4</b>	<b>22.7</b>	<b>14.0</b>	<b>9.8</b>	<b>40.7</b>	<b>25.5</b>

<sup>1</sup> Includes violence in the past 12 months

19.25. More women and men with incomplete primary level of education reported having experienced physical violence. The data shows that 49 per cent of women have experienced physical violence with almost one in three (28 per cent) experiencing such violence in the last twelve months before the survey. Women in the highest wealth quintile reported the lowest cases of violence against them by their spouses /partners.

19.26. Women in Western, Nyanza, and Nairobi regions reported highest levels of having ever experienced physical or sexual violence committed against them by a spouse/partner at 56 per cent, 52 per cent and 49 per cent, respectively. North Eastern region had the lowest proportion (12 per cent) of women reporting to have ever experienced physical or sexual violence. Similar trends are also observed for men in same regions. Overall, both physical and sexual violence for women (Ever) has not changed significantly since 2008/09. However experience of physical and sexual violence by women in the last 12 months declined from the 2008 – 09 levels.

**Table 19.14: Experience of Domestic Violence: Ever-Married Men, 2014**

Background Characteristics	Percentage who have experienced physical violence		Percentage who have experienced sexual violence		Percentage who have experienced physical or sexual violence	
	Ever <sup>1</sup>	Past 12 months	Ever <sup>1</sup>	Past 12 months	Ever <sup>1</sup>	Past 12 months
<b>Age</b>						
15-19						
20-24	11.7	8.8	5.5	4.0	15.0	12.3
25-29	8.7	6.0	6.5	5.5	12.4	9.5
30-39	7.1	3.8	4.3	3.1	9.4	5.8
40-49	9.8	5.0	3.0	2.0	11.7	6.3
<b>Marital status</b>						
living together	7.1	4.4	3.9	3.0	9.4	6.4
Married once	5.2	4.0	3.4	2.8	7.3	5.9
than once	19.9	7.0	7.1	4.7	23.7	10.2
ated/widowed	25.4	12.4	11.1	6.2	30.6	15.9
<b>Residence</b>						
Urban	8.6	5.3	4.9	3.8	11.2	7.7
Rural	8.6	4.8	4.1	2.9	11.1	6.8
<b>Region</b>						
Coast	5.5	2.7	3.6	1.7	7.2	3.5
North Eastern	3.2	3.2	0.0	0.0	3.2	3.2
Eastern	7.5	4.7	3.4	3.2	9.8	7.0
Central	6.8	3.0	3.3	2.1	9.1	4.2
Rift Valley	7.1	4.6	3.7	2.6	9.5	6.5
Western	12.8	6.0	5.0	3.9	15.5	8.6
Nyanza	10.3	5.5	7.4	5.7	13.9	9.2
Nairobi	12.2	8.5	5.6	4.6	15.0	11.3
<b>Education</b>						
No education	3.3	1.8	0.8	0.2	4.2	2.0
incomplete	9.3	5.2	4.9	3.8	12.9	8.1
complete	8.6	4.3	5.2	3.2	11.7	6.9
Secondary+	8.7	5.7	4.0	3.4	10.4	7.4
<b>Wealth quintile</b>						
Lowest	9.5	5.7	5.3	3.1	12.7	8.0
Second	8.5	5.3	5.0	4.3	11.8	8.2
Middle	11.6	6.5	4.4	3.2	13.4	8.4
Fourth	7.0	4.0	3.6	2.6	9.3	5.8
Highest	7.6	4.4	4.4	3.4	9.7	6.5
Total 15-49	8.6	5.0	4.4	3.3	11.1	7.2
Men 50-54	8.2	3.2	2.7	2.1	8.8	4.1
Kenya (15-54)	8.6	4.9	4.3	3.2	10.9	6.9

<sup>1</sup>Includes violence in the past 12 months

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