

Trade and Competitiveness Monitoring Note

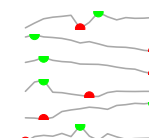


Kenya

| GDP (US\$ billions) (2016) | Population (millions) (2016) | Income per capita (current US\$) (2016) | Poverty rate (2005) | Unemployment rate (2014) |
|----------------------------|------------------------------|---|---------------------|--------------------------|
| 69.5 | 47.3 | 1,470.8 | 33.6 | 9.2 |

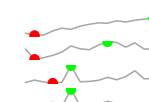
Macro Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|-------|-------|-------|-------|-------|
| GDP growth (annual %) | 4.6 | 4.6 | 5.7 | 5.3 | 5.4 | 5.7 |
| Current account balance | -2.9 | -8.4 | -8.7 | -9.5 | -11.0 | -11.6 |
| Fiscal balance (% of GDP) | -2.2 | -5.0 | -5.7 | -6.1 | -7.5 | -8.5 |
| Remittances, received (% of GDP) [1] | 2.4 | 2.4 | 2.4 | 2.4 | — | — |
| Real Effective Exchange Rate (2010=100) | 85.9 | 106.2 | 108.2 | 111.6 | 110.4 | 112.8 |
| Consumer Price Index, annual percent change | 10.8 | 9.4 | 5.7 | 6.9 | 7.2 | 7.5 |



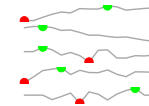
Investment indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|-------|-------|-------|-------|-------|
| Gross domestic investment (% GDP) | 15.38 | 20.68 | 19.92 | 21.02 | 21.62 | 22.33 |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 19.06 | 21.51 | 20.11 | 21.37 | — | — |
| Inward FDI (% of GDP) [2] | 0.53 | 0.52 | 0.93 | 1.65 | — | — |
| Inward FDI, % of private investment [2] | 3.32 | 3.12 | NA | — | — | — |



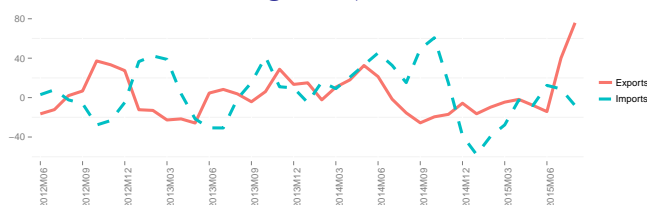
Trade Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|--------|--------|--------|--------|--------|
| Total Trade in Goods and Services (% of GDP, real terms) | 46.31 | 52.73 | 49.88 | 50.67 | 51.35 | 51.85 |
| Trade balance (% GDP, real terms) | -5.50 | -13.30 | -12.78 | -14.63 | -16.48 | -17.88 |
| Exports, Goods and Services, annual percent change (real terms) | 5.85 | -0.39 | -0.55 | 2.31 | 2.00 | 3.00 |
| Imports, Goods and Services, annual percent change (real terms) | 9.11 | 5.07 | 0.29 | 9.75 | 9.50 | 8.70 |
| Total reserves in months of imports [1] | 3.43 | 3.75 | 4.18 | 4.43 | — | — |



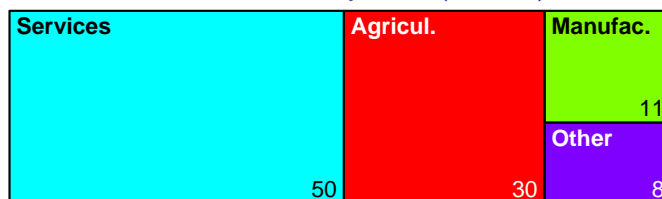
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015



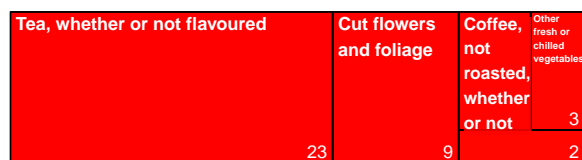
Source: Development Prospects Group (DECPG)

Gross Value Added by Economic Activity 2013 (% GDP)

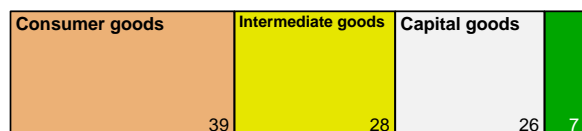


Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2013



Imports Categories by % of Total Value, 2013



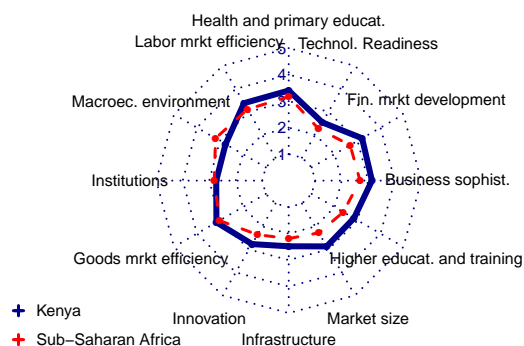
Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

| | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 152 | 149 | 3 |
| Ease of Doing Business Rank | 129 | 108 | 21 |
| Enforcing Contracts | 102 | 102 | 0 |
| Getting Credit | 118 | 28 | 90 |
| Getting Electricity | 141 | 127 | 14 |
| Paying Taxes | 99 | 101 | -2 |
| Protecting Minority Investors | 114 | 115 | -1 |
| Registering Property | 121 | 115 | 6 |
| Resolving Insolvency | 145 | 144 | 1 |
| Starting a Business | 148 | 151 | -3 |
| Trading Across Borders | 131 | 131 | 0 |

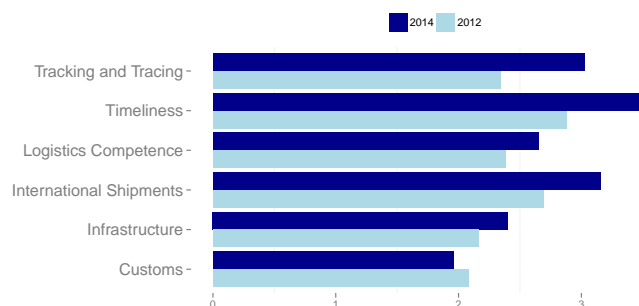
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



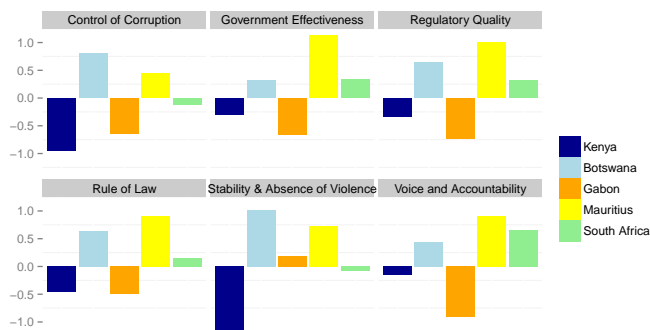
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

| | 2010 | 2014 |
|--|------|------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 12.6 | 11.8 |
| Binding (%) | 14.8 | 13.8 |
| Dispersion (Standard Deviation) | 12 | 11.9 |
| Import duties collected (%; 2011-2013) [1] | — | 3.4 |
| MFN Tariff (Agriculture) | 19.9 | 20.0 |
| MFN Tariff (Non-Agriculture) | 11.1 | 11.0 |
| MFN Tariff (Simple Average) | 12.6 | 12.3 |
| Services sectors with GATS commitments [1] | — | 40.0 |

Sources: WITS, [1] WTO Trade Profiles

Private Sector's Views

Enterprise Survey 2013

| | Sub-Saharan Africa | Kenya | All Countries |
|---|--------------------|-------|---------------|
| Number of electrical outages in a typical month | 8.30 | 6.30 | 6.30 |
| Percent of firms with a bank loan/line of credit | 23.10 | 35.60 | 34.30 |
| Proportion of investment financed by banks (%) | 9.90 | 23.90 | 14.30 |
| Proportion of investment financed internally (%) | 76.70 | 61.40 | 71.80 |
| Senior management time spent dealing with the requirements of government regulation (%) | 8.20 | 7.20 | 9.90 |

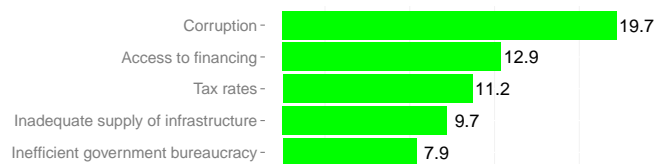
Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015