


CAPITAL CITY: NAIROBI



CFC COUNTRY FACTSHEET:

Kenya

Prior to the COVID-19 pandemic, Kenya was one of the fastest growing economies in Africa, with an annual average growth of 5.9% between 2010 and 2018. With a GDP of \$113 billion, Kenya recently reached lower-middle income status, and has successfully established a diverse and dynamic economy. It also serves as the point of entry to the larger East African market.

However, Kenya continues to face significant challenges to sustainable and inclusive economic growth, which have been worsened by the pandemic's economic disruptions, alongside long-running challenges including corruption and economic inequality.

Over the past few years, the Government of Kenya has initiated a broad range of pro-business reforms, including regulations on starting businesses, obtaining access to electricity, registering property, protecting minority investors, and streamlining the business insolvency process.

Key Facts



POPULATION

56 million (2024)



CURRENT GDP

US\$ 113 billion (2022)



LEADER

William Ruto



PRIMARY EXPORT

Tea US\$ 1.4 billion (2022)



INTERESTS & CURRENCY

Monetary policy
 Rate : 13%

Currency
 Kenyan shilling (KSh/KES)

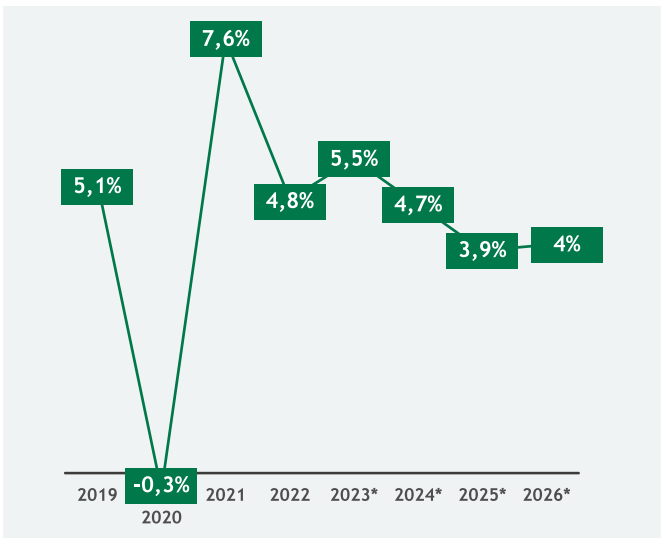
EXCHANGE RATES

USD 1 = KES 133.34 EUR 1 = KES 166.74

Source : Central Bank of Kenya, April 2024



GDP GROWTH



7.7% Inflation (2023)

5.6% Unemployment rate (2023)

2% Demographic growth (2023)

-5.25% Current account (2022)

US\$ 394 million FDI (Net Inflows) (2022)

61 years Life expectancy (2021)





US\$ 2100 GDP per capita (2022)

83% Literacy Rate (2022)

Source : World Bank Data, IMF, Reuters

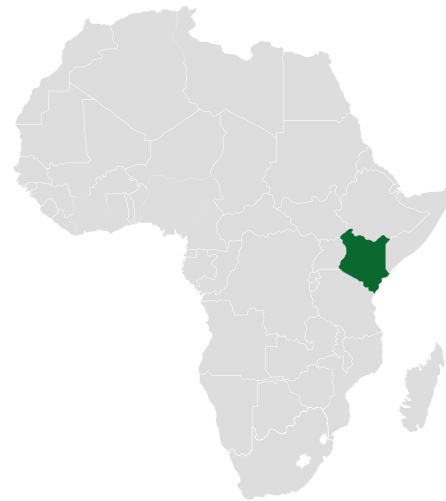
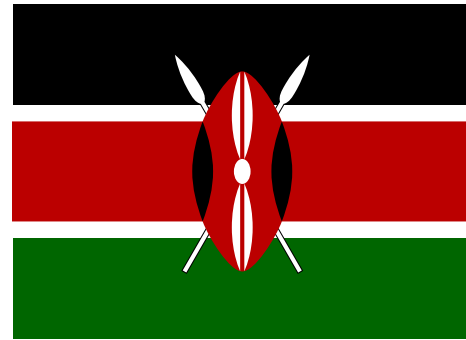
What are the most attractive industries ?

Here are some of the attractive industries in Kenya:

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Agriculture: Kenya has a thriving agricultural sector with opportunities in crop farming, livestock farming, and agribusiness.
- 
Tourism: Kenya's rich biodiversity, including national parks, game reserves, and stunning coastline, makes it a popular tourist destination.
- 
Technology: Kenya has emerged as a tech hub in Africa, with Nairobi being dubbed the "Silicon Savannah."
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Financial services: Kenya's financial services sector is dynamic, with opportunities in banking, insurance, microfinance, fintech and mobile banking services like M-Pesa.

Kenya's International Membership

- East African Community **(EAC)**
- Common Market for Eastern and Southern Africa **(COMESA)**
- African, Caribbean and Pacific **(ACP)**
- African Growth and Opportunity Act **(AGOA)**
- African Continental Free Trade Area **(AfCFTA)**
- World Trade Organization **(WTO)**
- Economic Partnership Agreements **(EPAs)**



Leading Companies in Kenya

1. Safaricom (Telecom)
2. Equity Bank Kenya (Banking)
3. Absa Bank Kenya (Banking)
4. ARM Cement Plc (Industrials)
5. BAT Kenya (Consumer Goods)

What is the tax regime in Kenya?

Corporate income tax rate:

- The standard corporate tax rate is **30%**.
- The tax rate for local assemblers of motor vehicles and a company operating a plastics recycling plant for the first five years of operation is **15%**.
- The rate for branches of foreign companies is **37.5%**.

Withholding tax (WHT):

Payments	Rate for Resident	Rate for Non Resident
Dividends	5%	15%
Interest	10%/15%/25%	15%/20%/25%
Royalties	5%	20%

Personal income tax rate:

- Individual income tax is levied at progressive rates up to **30%** and applies to both residents and nonresidents.

Value Added Tax:

- The standard rate is **16%**.
- Zero taxed supplies include the export of goods and taxable services, and the supply or import of specified goods.
- Exempt supplies include financial services provided by banks and most agricultural produce in their processed or preserved state
- Petroleum products are subject to VAT at a rate of **8%**.

Tax treaties

Kenya has concluded tax treaties with the following jurisdictions and organizations

COUNTRY	DIVIDENDS	INTEREST	ROYALTIES
Canada	15%/25%	15%	15%
Denmark	15%/20%/25%	20%	20%
France	10%	12%	10%
Germany	15%	15%	15%
India	10%	10%	10%
Iran	5%	10%	10%
Norway	15%/25%	20%	20%
Qatar	5%/10%	10%	10%
South Africa	10%	10%	10%
South Korea	8%/10%	12%	10%
Sweden	15%/25%	15%	20%
United Arab Emirates	5%	10%	10%
United Kingdom	0%/15%	0%/15%	15%
Zambia	D	D	D

Investment incentives offered in Kenya

Tax Incentives

Export Processing Zones (EPZs)

The following benefits apply for the **first 10 years** from the date of commencement of business by an EPZ :

- Payments by residents to the EPZ are subject to WHT at non-resident rates .
- Payments by the EPZ to non-resident people are exempt from tax.
- The EPZ is exempt from corporation tax provided it does not carry out any commercial activities.

A corporate tax rate of **25%** will apply for **10 years** after the initial 10-year exemption period.

Special Economic Zone (SEZ)

SEZ enterprises are subject to corporate tax at a reduced rate of **10%** for the **first 10 years** and **15%** for the **next 10 years**. The reduced tax rates apply regardless of whether the SEZ enterprise sells its products to markets within Kenya or internationally.

As a foreigner, do I need a work permit ?

Every non-citizen must have a work permit from the Kenyan Immigration Department before they are allowed to work in Kenya. For employees, work permit applications are made by the employer.



Useful Links / Sources



1. [Central Bank of Kenya](#)
2. [World Bank](#)
3. [World Investment report](#)
4. [African Markets](#)
5. [Invest in Kenya](#)